

Indian Bank Q2 net up 13pc to ₹1,225 cr as provisions for bad loans fall

NEW DELHI, NOV 3

INDIAN Bank on Thursday reported 13 per cent rise in net profit at Rs 1,225 crore for September quarter 2022-23 as provisions for bad loans fell.

The bank had posted a net profit of Rs 1,089 crore for the year-ago period.

Total income in the quarter increased to Rs 12,538 crore from Rs 11,440.42 crore in the same period a year ago, Indian Bank said in a regulatory filing.

Net interest income during the quarter was higher 15 per cent at Rs 4,684 crore. Fee income grew 18 per cent to Rs 723 crore.

Asset quality of the bank improved as gross non-performing assets (NPAs) fell to 7.30 per cent of gross advances (equivalent to Rs 31,959 crore) as of September 30, 2022 from 9.56 per cent (Rs 36,886 crore) by the end of same period a year ago.

Similarly, net NPAs or bad



loans came down to 1.50 per cent (Rs 6,174 crore) from 3.26 per cent (Rs 11,749 crore).

However, total provisions for bad loans and contingencies were kept higher at Rs 2,404 crore for the quarter, up 10 per cent from Rs 2,187 crore in the year-ago period.

Also, the bank's recovery from bad debts fell 39 per cent from a year ago to Rs 478 crore in September 2022 quarter.

The lender had fresh slippages to the tune of Rs 2,379 crore during Q2FY23, down from Rs 3,952 crore in the year- ago period.

Among other key ratios, the cost of income ratio improved to 44.27 per cent from 45.85 per cent and yield on advances moved up to 7.48 per cent from 6.98 per cent.

However, cost of deposits was higher at 4.02 per cent against 3.86 per cent and cost of funds were up at 4.05 per cent versus 3.89 per cent. - PTI