

ASSOCHAM

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Banking Sector Performance in Second Quarter

Banks record high growth in second quarter, AFP shows

Most of the Scheduled Commercial Banks (SCBs) have substantially increased their net profits with average rise of 30 per cent on the back of strong growth in deposits and fee based income in the second quarter of the financial year 2007-08, revealed an Assocham Financial Pulse (AFP) Study.

The AFP Study based on the quarterly results declared by the 17 major scheduled commercial banks has revealed that banks continued to maintain a strong momentum in both earnings growth as well as growth across all its core businesses, such as treasury income, fee based income and interest income.

The major SCBs saw a rise of about 23.82 per cent in its treasury income in Q2 of the financial year 2007-08. Fee based income of the banks registered a robust growth of 40.80 per cent in while the interest income posted a growth of 35.48 per cent in the quarter ending September 2007.

Yes Bank with the low profit base of Rs. 21.5 crore last year, incurred maximum rise of 110 per cent among all the banks. UTI Bank now known as Axis Bank registered a huge growth of 60.46 per cent in Q2, 2007-08. Its net profit went up to Rs. 227.82 crore in Q2 of the current fiscal as compared to Rs. 141.98 crore in the corresponding period last year.

Other banks, which saw significant profits, are Indian Bank (46.34 per cent), followed by Union Bank (42.04 per cent), HDFC Bank (40.14 per cent), State Bank of India (36.04 per cent), Centurion Bank of Punjab (33.76 per cent), ICICI Bank (32.79 per cent), Vijaya Bank (23.80 per cent), Allahabad Bank (14.17 per cent), IDBI Bank (12.23 per cent), ING Vysya Bank (11.09 per cent), Canara Bank (11 per cent), Syndicate Bank (10.98 per cent), Punjab National Bank (6.63 per cent) and Andhra Bank (3.26 per cent).

The private sector banks continue to have higher pace of growth in their bottom lines with average 40 per cent growth as compared to 24 per cent growth recorded by public sector banks.

PRIVATE SECTOR BANKS

PARAMETERS	NPAT		
	Q2 FY07-08	Q2 FY06-07	% INCREASE
Yes Bank	45.28	21.49	110.70
HDFC Bank	368.48	262.94	40.14
Centurion Bank of Punjab	41.60	31.10	33.76
ICICI Bank	1002.60	755.01	32.79
IDBI Bank	156.00	139.00	12.23
ING Vysya Bank	45.98	41.39	11.09
Average			40.12

Source: Financial Statements of the Banks

While Yes bank, HDFC Bank, Centurion Bank of Punjab were the best performers in the private sector, Axis bank, Indian Bank ,Union Bank and State Bank of India remained at top among the PSBs.

PUBLIC SECTOR BANKS

BANKS	NPAT		
	Q2 FY07-08	Q2 FY06-07	% INCREASE
UTI (AXIS) Bank	227.82	141.98	60.46
Indian Bank	247.6	169.19	46.34
Union Bank	275.78	194.16	42.04
State Bank of India	1611.42	1184.49	36.04
Vijaya Bank	216.60	174.96	23.80
Allahabad bank	239.79	210.03	14.17
Bank of Baroda	327.20	288.40	13.45
Canara Bank	401.57	361.77	11.00
Syndicate Bank	227.58	205.07	10.98
Punjab National Bank	538.48	504.99	6.63
Andra bank	151.21	146.44	3.26
Average			24.38

The AFP study has also revealed that the bank deposits have grown by 26 per cent during the second quarter. Yes Bank (129 per cent), Centurion Bank of Punjab (69 per cent), IDBI Bank (61 per cent) and HDFC Bank (43 per cent) have registered maximum growth in their deposits.

PARAMETERS	DEPOSITS		
	Q2 FY07-08	Q2 FY06-07	% INCREASE
Yes Bank	9930.2	4329.85	129.34
Centurion Bank of Punjab	19291.2	11383.6	69.46
IDBI Bank	50002	30953	61.54
HDFC Bank	91069	63446.81	43.54
ING Vysya Bank	17025	12880	32.18
Vijaya Bank	42169	31952	31.98
UTI (AXIS) Bank	64112	48986	30.88
State Bank of India	484114	392615	23.31
Allahabad bank	65896	54006	22.02
Indian Bank	53747	44124	21.81
ICICI Bank	228306.6	189499.4	20.48
Punjab National Bank	149980	128415	16.79