

PRESS RELEASE**FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS PERIOD ENDED
DECEMBER 2017**

The Board of Directors of Indian Bank approved the Balance Sheet and Profit & Loss for the Third quarter of 2017-18 (Q3 FY 17-18) and for the Nine months period ended December 31, 2017 (April - December FY 17-18), at their meeting held on Monday, February 12, 2018 in Chennai.

Profitability:

- **Operating profit** registered a robust growth of **18.42%**, touching **₹1209.22 crore** for the quarter ended December 31, 2017 as against ₹1021.16 crore for the corresponding period of the previous Year. For the nine months period ended December 31, 2017, **Operating profit** grew by **30.94%** and was **₹3837.23 crore** as against **₹2930.56 crore** (Nine months period ended December 31, 2016).
- **Net profit** stood at ₹303.06 crore for the quarter ended December 31, 2017 as against ₹373.47 crore for the quarter ended December 31, 2016. Reduction in profit by ₹70.41 crore (18.85%) was mainly on account of Mark to Market depreciation on Investments due to rise in bond yields and other provisions. However, for the nine months period ended December 31, 2017, **Net profit** grew by **3.78%** and was **₹1127.01 crore** as against ₹1085.98 crore for the corresponding period ended December 31, 2016.
- **Total income** of the Bank for the quarter ended December 31, 2017 was **₹4903.08 crore**, up by **7.59%** over ₹4557.26 crore for the quarter ended December 31, 2016. For the nine months period ended December 31, 2017, the same was **₹14565.29 crore** as against ₹13649.24 crore for the nine months period ended December 31, 2016.
- **Net interest income** (interest income less interest expenditure) surged by **30.17%** for the quarter ended December 31, 2017 and touched **₹1622.70 crore**, from ₹1246.57 crore for the quarter ended December 31, 2016. For the nine months period ended December 31, 2017, Net interest income increased by **23%** and was **₹4625.86 crore** as against ₹3761.15 crore for the corresponding period ended December 31, 2016.
- **Net revenues** (Net interest income plus other income) boosted by a YoY growth of **17.62%**, reached **₹2171.55 crore** for the quarter ended December 31, 2017 as against ₹1846.27 crore for the corresponding quarter of the previous year. Net revenues for the nine months period ended December 31, 2017 was **₹6541.37 crore** as against ₹5387.14 crore for the corresponding period ended December 31, 2016.

- **Net interest margin (NIM) (Domestic)** grew by **34 basis points** and touched **2.91%** for the quarter ended December 31, 2017 as against 2.57% for the quarter ended December 31, 2016. **NIM (Domestic)** for the nine months period ended December 31, 2017 improved by **27 bps** and was **2.87%** as against 2.60% for the year ago period.
- **Other income** (non-interest revenue) declined by **8.48%** for the quarter ended December 2017 over the corresponding quarter of the previous year mainly on account of reduction in profit on sale on investments to the tune of **₹213.91 crore** and stood at **₹548.85 crore**.
- Excluding profit on sale of Investment, **Other income** grew by **52.57%** for the quarter ended December 2017 over the quarter ended December 2016. For the nine months period ended December 31, 2017, the same was **₹1915.51 crore** and recorded a YoY growth of **17.81%**.
- **Operating expenses** for the quarter ended December 31, 2017 was **₹962.33 crore** as against ₹825.10 crore during the corresponding quarter of the previous year. Operating expenses for the nine months period ended December 31, 2017 was **₹2704.14 crore**.
- **Cost-to-income ratio** was at **44.32%** for the quarter ended December 31, 2017 as against 44.69% for the corresponding quarter ended December 31, 2016. Sequential increase of 523 bps from 39.09% for the quarter ended September 30, 2017 was on account of provision for Wage arrears to the tune of ₹26 crores, Depreciation of ₹59.23 crores on the revalued portion of fixed asset transferred from the Revaluation Reserve to Revenue Reserve instead of crediting to the statement of Profit and Loss, pursuant to the revised '**Accounting Standard-10**', applicable from 1st April, 2017. Cost-to-income ratio for the nine months period ended December 31, 2017 was **41.34%** as against 45.60% for the nine months period ended December 31, 2016.
- **Provisions and contingencies** for the quarter ended December 31, 2017 was **₹906.16 crore** mainly triggered by higher depreciation on investments as against ₹647.69 crore for the corresponding quarter ended December 31, 2016. For the nine months period ended December 31, 2017, the same was **₹2710.20 crore** as against ₹1844.58 crore for the previous nine month period ended December 31, 2016.
- **Return on Average Assets (RoA)** at **0.50%** for the quarter ended December 31, 2017, recorded a decline of **21 basis points** (Q3 2016-17: 0.71%) due to the impact of reduction in Treasury income and depreciation on investments. RoA for the nine months period ended December 31, 2017 was **0.65%** as against 0.70% for the nine months period ended December 31, 2016.
- **Return on Equity (RoE)** for the quarter ended December 31, 2017 was **7.83%** as against 10.40% for the quarter ended December 31, 2016. For the nine months period ended December 31, 2017, RoE was **9.97%**.

Assets & Liabilities:

- **Total balance sheet size** grew by **15.66% (YoY)** and was **₹244105 crore** as of December 31, 2017 as against ₹211057 crore as of December 31, 2016.
- **Global Business** at **₹359653 crore** as of December 31, 2017, recorded a YoY growth of **16.20%** over December 31, 2016.
- **Total deposits** at **₹206533 crore** as of December 31, 2017, recorded a YoY growth of **12.46%** over December 31, 2016.
- **Domestic CASA deposits** recorded a Y-o-Y growth of **6.09%** and share of CASA was **36.49%** of total domestic deposits as on December 31, 2017 as against 38.71% as on December 31, 2016 which was mainly on account of inflow of funds during Demonetization period. Growth in CASA was primarily driven by a YoY increase of **28.11%** in **Current account deposits** which reached **₹12402 crore** and supplemented by a YoY growth of **2.49%** in **Savings account deposits** to reach **₹60802 crore**.
- **Advances** at **₹1,53,120 crore** as of December 31, 2017 grew by **21.66%** over December 31, 2016 (₹125858 crore) driven primarily by growth in **RAM Sector - Retail (26.97%)** [Of which **Housing loan – 23.12%** and **Vehicle loan – 28.96%**], **Agriculture (21.48%)**, **MSME (38.35%)** and supplemented by **Corporate/Other Loans (13.97%)** and **Overseas advances (26.37%)**.
- **Priority Sector portfolio** increased from ₹50025 crore as of December 31, 2016 to **₹58756 crore** as of December 31, 2017. Priority sector advances as a percentage of ANBC stood at **48.13%** as against the regulatory requirement of 40% as on December 31, 2017.
- **Advances to Weaker section** increased from ₹14759 crore as on December 31, 2016 to **₹15835 crore** as on December 31, 2017, constituting 12.97% of ANBC and as against regulatory requirement of 10%.

Capital Adequacy:

- The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at **12.44%** as at December 31, 2017 (13.89% as at December 31, 2016) as against a regulatory requirement of 10.25% including Capital Conservation Buffer of 1.25%. Tier-I CAR was at **10.99%** as on December 31, 2017 compared to 12.24% as at December 31, 2016. Risk-weighted Assets were at **₹145912.38 crore** (₹122760.89 crore as at December 31, 2016).

Asset Quality:

- **Gross non-performing assets** was contained at **6.27%** of Gross advances as on December 31, 2017, trimmed by **142 bps** from 7.69% as on December 31, 2016. Gross non-performing assets as on September 30, 2017 was 6.67%.
- **Net non-performing assets** came down from 4.76 % as on December 31, 2016 to **3.30%** of net advances as on December 31, 2017 with a sharp reduction of **146 bps**. Net non-performing assets as on September 30, 2017 was 3.41%.
- **Stressed Advances** as a percentage of Gross advances reduced to single digit i.e. **8.88%** as on December 31, 2017 from 12.41% as on December 31, 2016.
- **Recovery from Bad debts** improved by **179.92%** during Q3 2017-18 over Q3 2016-17 and by **89.08%** for the nine months period ended December 31, 2017 over December 31, 2016.

Network:

- Bank's Customer touch points as of December 31, 2017 was **8650** which included **2736** Domestic branches, **3** Overseas branches, **3218** ATM/BNAs and **2693** active Business Correspondents. 1468 (54%) of Bank's domestic branches are in Semi-urban and Rural areas.
- Number of employees of the Bank were **20,088** as of December 31, 2017.

Financial Inclusion - Social Securities & Performance under Government schemes

- **32.96 lakh accounts** opened under **PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)** with balance of **₹460.93 crores** as on 31st December, 2017.
- **20.19 lakh customers** under **Pradhan Mantri Suraksha Bima Yojana (PMSBY)** and **8.82 lakh customers** under **Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY)** were covered.
- **PRADHAN MANTRI MUDRA YOJANA (PMMY):** Disbursements during the current Financial Year were to the tune of **₹1361.65 crore** under various schemes viz., Shishu, Kishore and Tarun.
- Sanctioned an amount of **₹372.34 crores** to **1789 borrowers** under **Stand up India Scheme**.
- Bank is the **only Public Sector Bank to have achieved the Atal Pension Yojana (APY) annual target** since launch of the scheme during 2015-16 and stood **First** among all banks in canvassing policies under APY.

Digital Initiatives:

- **Ranked first** among Nationalised Banks in achievement of target for Digital Transactions upto December 2017 as per the data provided by Ministry of Electronics and IT (MEITY), Government of India.
- **Digital Banking Promotion:** 1618 '**Digital Carnivals**' conducted during November and December 2017 to promote Digital payments among citizens and to spread awareness on safeguarding their Digital transactions.

Awards and Accolades – FY 2017-18:

- Named the '**Best Brand**' by '**The Economic Times Best BFSI Brands 2018**'.
- ASSOCHAM Social Banking Excellence Awards 2017 – **Winner – Best Social Bank category** and **Runner up – Priority sector lending**
- **CVC Awards:** Recipient of two '**Vigilance Excellence Awards**' from Central Vigilance Commission (CVC) for '**IT initiative for Transparency in the organization**' and '**Vigilance Awareness Initiative**'.
- ASSOCHAM Services Excellence Award in Banking Services.
- '**SHG award**' for contribution to SHG movement, being one among the two PSBs which has credit linked the largest number of SHGs.

Chennai

February 12, 2018