

PRESS RELEASE**FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED SEPTEMBER 2017**

The **Board of Directors of Indian Bank** approved the Bank's audited results for the **Period ended September 30, 2017** at their meeting held in Chennai on **Monday, November 06, 2017**.

Profitability:

- **Operating profit** registered a robust growth of **36.71%**, touching **₹1375.61 crore** for the quarter ended September 30, 2017 as against ₹1006.21 crore for the corresponding period of the previous Year. The Operating profit for the half year ended September 30, 2017 was ₹2628.00 crore as against ₹1909.39 crore for the previous half year ended September 30, 2016.
- **Net profit** at **₹451.54 crore** for the quarter ended September 30, 2017 recorded a healthy YoY growth of **11.45%** as against ₹405.15 crore for the quarter ended September 30, 2016. For the half year ended September 30, 2017, the Net profit was ₹823.95 crore as against ₹712.50 crore for the previous half year ended September 30, 2016.
- **Total income** of the Bank for the quarter ended September 30, 2017 was **₹4874.17 crore**, up by **6.45%** over ₹4579.02 crore for the quarter ended September 30, 2016. For the half year ended September 30, 2017, the same was ₹9662.21 crore as against ₹9091.98 crore for the previous half year ended September 30, 2016.
- **Net interest income** (interest income less interest expenditure) surged by **20.76%** for the quarter ended September 30, 2017 and touched **₹1543.67 crore** from ₹1278.26 crore for the quarter ended September 30, 2016. For the half year ended September 30, 2017 the same was ₹3003.15 crore as against ₹2514.58 crore for the previous half year ended September 30, 2016.
- **Net revenues** (Net interest income plus other income) boosted by a YoY growth of **21.22%**, reached **₹2258.26 crore** for the quarter ended September 30, 2017 as against ₹1862.88 crore for the corresponding quarter of the previous year. Net revenues for the half year ended September 30, 2017 was ₹4369.81 crore as against ₹3540.87 crore for the previous half year ended September 30, 2016.

- **Net interest margin (NIM) (Domestic)** grew by **22 basis points** and touched **2.92%** for the quarter ended September 30, 2017 as against 2.70% for the quarter ended September 30, 2016. **NIM (Domestic)** for the half year ended September 30, 2017 was 2.85%.
- **Other income** (non-interest revenue) grew aggressively by **22.23%** over the corresponding quarter ended September 30, 2016 and at **₹714.59 crore** for the quarter ended September 30, 2017, it was **31.64%** of the net revenues. For the half year ended September 30, 2017, the same was ₹1366.66 crore.
- **Operating expenses** for the quarter ended September 30, 2017 was **₹882.65 crore**, as against ₹856.67 crore during the corresponding quarter of the previous year. Operating expenses for the half year ended September 30, 2017 was ₹1741.81 crore.
- **Cost-to-income ratio** was well contained at **39.09%** for the quarter ended September 30, 2017 as against 45.99% for the corresponding quarter ended September 30, 2016. Cost-to-income ratio for the half year ended September 30, 2017 was 39.86% as against 46.08% for the half year ended September 30, 2016
- **Provisions and contingencies** for the quarter ended September 30, 2017 was **₹924.06 crore** mainly triggered by cases referred to NCLT as against ₹601.06 crore for the corresponding quarter ended September 30, 2016. For the half year ended September 30, 2017, the same was ₹1804.05 crore as against ₹1196.89 crore for the previous half year ended September 30, 2016.
- **Return on Average Assets (RoA)** at **0.79%** for the quarter ended September 30, 2017 recorded a sequential growth of **13 basis points** (Q1 17-18 : 0.66%) and was maintained at the same level as for the corresponding period last year. RoA for the half year ended September 30, 2017 was 0.73% as against 0.69% for the previous half year ended September 30, 2016.
- **Return on Equity (RoE)** improved by **38 basis points** to **11.98%** for the quarter ended September 30, 2017 as against 11.60% for the quarter ended September 30, 2016. For the half year ended September 30, 2017, RoE was 11.08%.

Assets & Liabilities:

- **Total balance sheet size** as of September 30, 2017 was **₹2,29,958 crore** as against ₹2,05,522 crore as of September 30, 2016 thereby showing a YoY growth of **11.89%**
- **Total deposits** as of September 30, 2017 were **₹1,98,669 crore**, recording an increase of **11.51%** over September 30, 2016.

- Robust growth of 23.97% in **Domestic CASA deposits** thereby increased its share to **37.15%** of total domestic deposits as on September 30, 2017 from 33.56% as on September 30, 2016. Growth in CASA was primarily driven by an increase of **43.51%** in **Current account deposits** over the previous year to reach **₹12,029 crore** and supplemented by a growth of **20.66%** over the previous year in **Savings account deposits** to reach **₹59,687 crore**.
- **Advances** at **₹1,44,206 crore** as of September 30, 2017 grew by **14.21%** over September 30, 2016 (₹1,26,266 crore) contributed by growth in all the sectors viz., Retail (21.06%) [Of which Housing loan – 19.69%, Mortgage loan – 60.37% and Vehicle loan – 26.55%], Agriculture (12.64%), MSME (28.91%), Corporate/Other Loans (7.83%) and Overseas advances (10.74%).

Capital Adequacy:

- The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at **13.16%** as at September 30, 2017 (14.34% as at September 30, 2016) as against a regulatory requirement of 10.25% including Capital Conservation Buffer of 1.25%. Tier-I CAR was at **11.66%** as on September 30, 2017 compared to 12.66% as at September 30, 2016. Risk-weighted Assets were at **₹1,37,511.05 crore** (₹1,18,937.32 crore as at September 30, 2016).

Asset Quality:

- **Gross non-performing assets** was contained at **6.67%** of Gross advances as on September 30, 2017, trimmed by **61 bps** from 7.28% as on September 30, 2016. Gross non-performing assets as on June 30, 2017 was 7.21%
- In turn, **Net non-performing assets** came down from 4.62% as on September 30, 2016 to **3.41%** of net advances as on September 30, 2017 with a sharp reduction of **121 bps**. Net non-performing assets as on June 30, 2017 was 4.05%
- **Stressed Advances** as a percentage of Gross advances reduced to single digit i.e. **9.69%** as on September 30, 2017 from 12.35% as on September 30, 2016
- **Recovery from Bad debts** improved by **62.08%** for the Half Year ended September 30, 2017 over September 30, 2016.

Network:

- Bank's Customer touch points as of September 30, 2017 was **8593** which included **2695** Domestic branches, **3** Overseas branches, **3202** ATM/BNAs and **2693** active Business Correspondents. 1442 Domestic branches (54%) are in semi-urban and rural areas.
- Number of employees of the Bank were **20,328** as of September 30, 2017.

National Goals:

- Priority Sector portfolio increased from ₹50,903 crore as of September 30, 2016 to **₹57,891 crore** as of September 30, 2017. Priority sector advances as a percentage of ANBC stood at 46.55% as against regulatory requirement of 40% as on September 30, 2017.
- Advances to Weaker Section increased from ₹14,972 crore as on September 30, 2016 to **₹15,949 crore** as on September 30, 2017, which forms 12.83% of ANBC (Regulatory requirement 10%)
- **PRADHAN MANTRI MUDRA YOJANA (PMMY):** Disbursements during the current Financial Year were to the tune of **₹910.09 crore** under various schemes viz., Shishu, Kishore and Tarun.
- Enrolled **78737 APY customers** during the Current Financial Year, averaging **31 per branch** as against the target of 30 per branch - **Stood Third among all the Banks.**
- Categorized under "**APY – Crowning the Challengers Campaign**" **Gold Category** by Pension Fund Regulatory and Development Authority (PFRDA)

New Technology Initiatives:

- **Digital Transactions:** Ranked first among Public Sector Banks in achievement of target for Digital Transactions given by Government of India upto August 2017 (As per the Data provided by Ministry of Electronics and IT (MEITY))

- **Bharat Bill Payment System:** Launched Bharat Bill Payment System (BBPS) through Internet Banking mode, an integrated payment bill payment system in India offering interoperable and accessible bill payment service to customers through a network of agents, enabling multiple payment modes and providing instant confirmation of Payment.
- **NTRP and EPFO Payment Handling:** One among the very few public sector Banks empanelled by Non Tax Revenue Portal (NTRP) and Employees Provident Fund Organisations (EPFO) for handling their online collections.

Awards and Accolades – Half Year September 2017:

- Awards for 'IT initiative for Transparency in the organization' and 'Vigilance Awareness Initiative'.
- **First Prize** among Public Sector Commercial Banks for Excellence in performance under Self Help Groups (SHG) Bank Linkage Programme in Tamil Nadu during the year 2016-17.
- **Assocham Services Excellence Award** in Banking Services.
- “**First Rank – National Award for Excellence in lending to Micro Enterprises during 2015-16**”.
- ‘**SHG award**’ for contribution to SHG movement, being one among the two PSBs which has credit linked the largest number of SHGs.

Chennai

November 06, 2017