

**Indian Bank announces results for Q3 FY21, Operating Profit up by 10% YoY,  
Net profit at Rs.514 Cr**

The Board of Directors of Indian Bank approved the Balance Sheet and Profit & Loss for the Q3 FY21, at their meeting held on 22, January 2021 at Chennai.

**Highlights**

- *Net Interest Income rose by 31 % YOY, Domestic NIM improved by 42 bps*
- *Non-Interest income declined by 17% YOY.*
- *Total Deposits grew by 8 % YOY, Loan Book grew by 7 % YOY*
- *CASA Ratio at 41 %, 86 bps increase YoY*
- *RAM constitutes 56 % of Total Advances.*
- *PCR improved to 86.51 % in Q3FY21*
- *Cost to Income Ratio at 45.73%, up by 244 bps.*

**Note:** Amalgamation of Allahabad Bank into Indian Bank came into effect on April 1, 2020. Accordingly, the combined financials as on 31<sup>st</sup> December 2019 and 31<sup>st</sup> March 2020 have been arrived at by aggregation of audited numbers of the two banks.

**Profitability: Q3FY21 (31<sup>st</sup> Dec 2020)**

**Operating Profit and Net Profit**

- The Bank's **Operating Profit** has registered a growth of 10 %, **Rs. 3099 crore** for Q3 FY21 as against **Rs. 2816 crore** for Q3FY20. On a QoQ sequential basis it increased by **3 %**.
- **The Net Profit** is at **Rs. 514 Crore** for Q3FY21 as against Net Loss of **Rs. 1739 crore** for Q3FY20. On a QoQ sequential basis it increased by **25%**.

**Net Interest Income and Net Interest Margin**

- **Net Interest Income** rose by **31 %** for Q3FY21 to **Rs. 4313 crore** from **Rs.3293 crore** for Q3FY20. On a QoQ sequential basis it increased by **4 %**.

- **Net Interest Margin (NIM) (Domestic)** increased by **42** basis points (bps) and is at **3.13 %** for Q3FY21 as against **2.71 %** for Q3FY20.
- **Net Revenues** (Net interest income plus other income) for Q3FY21 grew by **15 %** at **Rs.5710 crore** as against **Rs.4966 crore** for Q3FY20.

#### Non-Interest Income

Non-Interest Income for Q3FY21 was at Rs.1397 Crore as against Rs.**1673** Crore for Q3FY20, on account of lower profit on sale of investment and slowdown in recovery in bad debts. For the nine months' period, there is a 7% increase in YoY.

#### Provisions and contingencies

- **Provisions & Contingencies** for Q3FY21 were at **Rs.2585 crore** as against **Rs.4555 crore** for the corresponding quarter of previous year. Specific loan loss provisions for Q3FY21 were **Rs.738 crore**, compared to **Rs.4705 crore** in Q3FY20.
- **Operating Expenses rose by 21%** to **Rs.2611** crore in Q3FY 21 as against Rs. **2150** crore during Q3FY20 due to provision of Rs.110 Cr towards wage revision, Rs.200 Cr gratuity, pension and leave.
- **Cost-to-Income Ratio** improved to **45.73 %** for Q3FY21 from **47.97%** for Q2FY21. The decrease was on account of reduction in staff expenses by 10%.
- **Return on Average Assets (RoA)** at **0.35%** for Q3FY21 against 0.28 % in Q2FY21.
- **Return on Equity (RoE)** for Q3FY21 was **7.13 %** against **6.88 %** in Q2FY21.

#### Assets and Liabilities

- **Balance sheet size** grew by **11 % (Y-o-Y)** and was **Rs. 608390 Crore** as of Q3FY21 as against **Rs. 549816 crore** as of Q3FY20. On a sequential basis it increased by **4 %**.
- **Total Business** recorded a Y-o-Y growth of **8 %** reaching the level of **Rs. 910894 Crore in** Q3FY21 as against Rs. 843813 crore in Q3FY20. On a sequential basis it increased by **5 %**.
- **Total Deposits** grew by **8% YoY** at **Rs. 521248 Crore** in Q3FY21 as compared to Rs. 481277 crore in the previous year. On a sequential basis it increased by **4 %**.
- **CASA deposits** recorded a Y-o-Y growth of **11 %** and share of CASA was 41% of total deposits as on Q3FY21 as against **40%** a year ago. Growth in CASA was primarily driven by a Y-o-Y increase of **23 %** in Current account deposits and **9 %** in Savings account deposits.

- Advances at Rs.**389646** Crore as of Q3FY21 grew by 7% over Q3FY20 (Rs.362536 crore) driven primarily by growth in RAM sector (12%), Retail (13%), Agriculture (11%), MSME (11%). Corporate (including overseas) grew by 3%.
- **Priority Sector portfolio** increased to **Rs. 134015 Crore** as of Q3FY21 from **Rs. 130545 crore** as of Q3FY20. Priority sector advances as a percentage of ANBC stood at **42.35 %** as against the regulatory requirement of **40%**.

#### Capital Adequacy

- The Bank's total Capital Adequacy Ratio (CRAR) improved by 42 bps to **14.06 %** as at Q3FY21 **in comparison to 13.64 %** as of Q2FY21 as against regulatory requirement of **10.875 %**.
- Tier-I CRAR was at **11.18 %** as on Q3FY21 Vs **10.74 %** as on Q2FY21 on sequential basis.

#### Asset Quality

- **GNPA** were at **9.04 %** of Gross advances as on Q3FY21 brought down by **365 bps** from **12.69%** as on Q3FY20. On a sequential basis it decreased by **85 bps**.
- **NNPA** came down to **2.35 %** as on Q3FY21 from **4.22%** as on Q3FY20 with a reduction of **187 bps**. On a sequential basis it decreased by **61 bps**.

#### **MD and CEO's quote**

The Bank has continued its steady growth in both business and profit combined with good control over asset quality. Following the amalgamation of Allahabad Bank wef 01.04.20, Indian Bank has moved quickly on consolidating the merger. 166 branches, 25 ZOs, 9 Currency Chests, 3 Service Branches and 5 STCs have all been rationalised so far. The gains in terms of CASA, larger geographic footprint, ability to take higher exposures, economies of scale are all tangible now. Our relentless focus on credit monitoring has yielded results in restricting slippages. Even taking into account unflagged NPAs the position is very much in control. Process changes that the Bank has implemented in first two quarters, centralizing the processing on both liability and asset side are now yielding results.

The Bank is investing heavily in IT and digital Infra and security controls to ensure a seamless, pleasant banking experience to our customers.

### Key Summary of Q3FY21 results

In Rs Cr	Q3FY20	Q2FY21	Q3FY21	YoY%	QoQ%
<b>Earnings &amp; Profit</b>					
Interest Income	9693	10057	10025	3	0
Interest Expenses	6400	5913	5711	-11	-3
Net Interest Income	3293	4144	4313	31	4
NIM % Domestic	2.71	3.06	3.13	42 bps	7 bps
Non-Interest Income	1673	1612	1397	-17	-13
Operating Profit	2816	2995	3099	10	3
Loan loss provisions	4705	1880	738	-84	-61
Profit after Tax	-1739	412	514	NA	25

In Rs Cr	Q3FY20	Q4FY20	Q2FY21	Q3FY21	YoY%	QoQ%
<b>Balance Sheet</b>						
Gross Advances (Global)	362536	368664	365896	389646	7	6
Domestic Corporate	165650	168899	160336	168550	2	5
Domestic RAM	188592	191356	196290	210524	12	7
Deposits( Global)	481277	488835	501956	521248	8	4
Domestic CASA	191978	198914	207048	212297	11	3
Domestic Term Deposits	282040	282487	286855	300398	7	5
CASA ratio % (Global)	40	41	41	41	1	-
Gross NPA	46012	41998	36198	35237	-23	-3
Net NPA	13937	14273	10053	8537	-39	-15
Slippages during the quarter	5497	3841	249	88	-98	-65

Ratios %	Q3FY20	Q2FY21	Q3FY21	YoY bps	QoQ bps
<b>Asset Quality</b>					
GNPA	12.69	9.89	9.04	-365	-85
NNPA	4.22	2.96	2.35	-187	-61
PCR (with AUC)	78.43	84.39	86.51	808	212
PCR (without AUC)	69.71	72.23	75.77	606	354

	Q2FY21	Q3FY21	QoQ bps
<b>Capital Ratios</b>			
CET -I	10.57	10.35	-22
Tier -1	10.74	11.18	44
CAR	13.64	14.06	42