

**Indian Bank announces results for Q4 FY21 and FY21.
Yearly Operating Profit up by 19% YoY, record Net Profit of Rs. 3005 crore**

The Board of Directors of Indian Bank approved the Balance Sheet and Profit & Loss for the Q4 FY21 and FY21, at their meeting held on 28th May 2021 at Chennai.

Highlights – FY21

- *NIM at 2.85%, rose by 12 bps YoY*
- *Net Interest Income rose by 20% YOY*
- *Cost of Fund at 4.43%, 76 bps reduction YoY*
- *CASA Ratio at 42%, 150 bps increase YoY, CA YoY growth 32%, SB YoY growth 12%*
- *Cost to Income Ratio at 47.59%, improved by 149 bps YoY*
- *Slippage ratio at 2.80%, improved by 320 bps YoY*
- *Capital Adequacy Ratio at 15.71%, improved by 244 bps YoY*

Note: Amalgamation of Allahabad Bank into Indian Bank came into effect on April 1, 2020. Accordingly, the combined financials as on 31st March 2020 were arrived at by aggregation of audited numbers of the two banks.

Profitability: Q4 & FY21

Operating Profit and Net Profit

- The Bank's **Operating Profit** has registered a growth of **6%**, **Rs. 2548 crore** for Q4FY21 as against **Rs. 2401 crore** for Q4FY20. On a QoQ sequential basis it decreased by **18%**. For FY21 it grew by **19%** to **Rs. 11396 crore**.
- **Net Profit** is at **Rs. 1709 crore** for Q4FY21 as against Net Loss of **Rs. 1641 crore** for Q4FY20. On a QoQ sequential basis it increased by **232%**. For FY21 Net Profit is at **Rs. 3005 crore** as against loss of **Rs. 4643 crore** for FY20.

Net Interest Income and Net Interest Margin

- **Net Interest Income** rose by **1%** in Q4FY21 to **Rs. 3334 crore** from **Rs. 3310 crore** in Q4FY20. On a QoQ sequential basis it decreased by **23%**. For FY21 it increased by **20% YoY** to **Rs. 15666 crore**.

- **Net Interest Margin (NIM) (Domestic)** decreased by 33 basis points (bps) and is at **2.34%** for Q4FY21 as against **2.67%** for Q4FY20. For FY21 it increased by 12 bps YoY and is at **2.85%**.
- **Net Revenues** (Net interest income plus other income) for Q4FY21 grew by **1%** at **Rs. 5078 crore** as against **Rs. 5038 crore** for Q4FY20. For FY21 it grew by **16% YoY** to **Rs. 21745 crore**.

Non-Interest Income

Non-Interest Income for Q4FY21 was at **Rs. 1744 crore** as against **Rs. 1728 crore** in Q4FY20, on account of higher profit on sale of investment, Forex income and PSLC commission. For the full year, it is at **Rs. 6079 crore** with **5%** YoY increase.

Provisions and contingencies

- **Provisions & Contingencies** for Q4FY21 were at **Rs. 839 crore** as against **Rs. 4042 crore** for the corresponding quarter of previous year. For FY21 **Provisions & Contingencies** decreased by **41% YoY** to **Rs. 8391 crore**.
- **Operating Expenses** decreased by **4%** to **Rs. 2530 crore** in Q4FY 21 as against **Rs. 2637 crore** in the corresponding quarter of FY20. For FY21 it increased by **12% YoY** to **Rs. 10349 crore**.
- **Cost-to-Income Ratio** improved to **49.82%** for Q4FY21 from **52.33%** in Q4FY20. For FY21 it improved by **149 bps** to **47.59%** from **49.08%** in FY20.
- **Return on Average Assets (RoA)** is at **1.09%** for Q4FY21 against **0.35%** in the previous quarter. For FY21 it stands at **0.50%** as against **-0.86%** in the previous financial year, an improvement of **136 bps** YoY.
- **Return on Equity (RoE)** for Q4FY21 was **23.14%** against **7.13%** on sequential quarter basis. For FY21, the same is at **10.63%**.

Assets and Liabilities

- **CASA deposits** recorded a Y-o-Y growth of **14%** and share of CASA to total deposits was **42%** in Mar'21 as against **41%** a year ago. Growth in CASA was primarily driven by a Y-o-Y increase of **32%** in Current account deposits and **12%** in Savings account deposits.
- **Advances** grew by **6%** to **Rs. 390317 crore** in Mar'21 over **Rs. 368664 crore** a year ago, driven primarily by growth in RAM sector (12%), Retail (6%), Agriculture (14%) and MSME (15%).

- **Balance sheet size** grew by **10% (Y-o-Y)** and was **Rs. 626005 Crore** as on 31st Mar'21 as against **Rs. 568054 crore** as on 31st Mar'20. On a sequential quarter basis it increased by **3%**.
- **Total Business** recorded a Y-o-Y growth of **8%** reaching the level of **Rs. 928388 crore** in Mar'21 as against **Rs. 857499 crore** in Mar'20. On a sequential quarter basis it increased by **2%**.

Total Deposits grew by **10% YoY** to **Rs. 538071 Crore** in Mar'21 as compared to **Rs. 488835 crore** in the previous year. On a sequential quarter basis it increased by **3%**.

- **Priority Sector portfolio** increased to **Rs. 130274 crore** in Mar'21 from **Rs. 127542 crore** in the previous year. Priority sector advances as a percentage of ANBC stood at **42.08%** as against the regulatory requirement of **40%**.

Capital Adequacy

- For FY21, Bank's total Capital Adequacy Ratio (CRAR) was at **15.71%** with **244 bps YoY** increase. On a sequential quarter basis, it increased by **165 bps** from **14.06%** in Q3FY21.
- Tier-I CRAR was at **11.94%** in Mar'21 against **10.40%**, up by **154 bps YoY**. On a sequential quarter basis, it increased by **76 bps** from **11.18%** in Q3FY21.

Asset Quality

- **GNPA** was at **9.85%** of Gross advances as on Mar'21 brought down by **154 bps YoY** from **11.39%** as on Mar'20.
- **NNPA** came down to **3.37%** in Mar'21 from **4.19%** as on Mar'20 with a reduction of **82 bps YoY**.

Key Summary of Q4FY21 results

In Rs Cr	Q3FY21	Q4FY21	FY20	FY21	QoQ%	YoY%
Earnings & Profit						
Interest Income	10024	8904	38330	39106	-11	2
Interest Expenses	5711	5570	25273	23440	-2	-7
Net Interest Income	4313	3334	13057	15666	-23	20
NIM % Domestic	3.13	2.34	2.73	2.85	-79 bps	12 bps
Non-Interest Income	1397	1744	5769	6079	25	5
Operating Profit	3099	2548	9587	11396	-18	19
Loan loss provisions	738	2870	11804	7318	289	-38
Net Profit	514	1709	-4643	3005	232	NA

In Rs Cr	Q4FY20	Q3FY21	Q4FY21	QoQ%	YoY%
Balance Sheet					
Gross Advances (Global)	368664	389646	390317	0.2	6
Domestic Corporate	164488	168549	160595	-5	-2
Domestic RAM	195767	210524	218942	4	12
Of which: Home Loans	39584	40425	41834	3	6
Deposits(Global)	488835	521248	538071	3	10
Domestic CASA	198914	212297	227027	7	14
Domestic Term Deposits	282487	300398	302238	1	7
CASA ratio % (Global)	41	41	42	142 bps	150 bps
Gross NPA	41998	35237	38455	9	-8
Net NPA	14273	8537	12271	44	-14
Slippages during the quarter	3841	88	8292	9323	116

Ratios %	Q4FY20	Q3FY21	Q4FY21	QoQ bps	YoY bps
Asset Quality					
GNPA	11.39	9.04	9.85	81	-154
NNPA	4.19	2.35	3.37	102	-82
PCR (with AUC)	78.17	86.51	82.12	-439	395
PCR (without AUC)	66.02	75.77	68.09	-768	207
Credit Cost	2.32	0.78	2.99	221	67

	Q3FY21	Q4FY21	QoQ bps
Capital Ratios			
CET -I	10.35	11.27	92
Tier -1	11.18	11.94	76
CAR	14.06	15.71	165

MD and CEO's quote:

During FY 21, Indian Bank has continued its steady growth in both business and earnings despite the pandemic situation. Bank has registered 19% YoY growth in Operating Profit with Net Profit at Rs.3005 Crore. The Capital Adequacy Ratio is at 15.71% giving good strength to the Balance Sheet. All this has been possible due to the unstinted commitment from all our employees and support from all stakeholders.

FY 21 has been a special year wherein the Bank has successfully completed the amalgamation with Allahabad Bank including CBS integration of both the Banks, with seamless continuity in customer operations.

Bank as on date has rationalized 217 branches, 25 Zonal Offices, 12 Currency Chests, 3 Large Corporate Branches, 4 FGMOs, 5 Service Branches, 6 Staff Training Centers, and 6 Stressed Asset Management branches.

The investments made by the Bank in IT, Digital Infra and Security Controls during the year are paying dividends. We now have implemented strong data analytics models to boost digital business.

Going forward, the emphasis would be on Transformation in Digital, Operations and HR front. 24 High level initiatives have been identified in the Strategy Meet of the Bank which are being taken forward by an exclusive Transformation Management team.

This year our focus will be on leveraging the larger Balance sheet size, higher CRAR, wider geographical presence, larger talent pool and enhanced technology.

It gives me great pleasure to announce that our Board of Directors have recommended dividend of 20% for the FY 2020-21.