

PRESS RELEASE
FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2016

KEY PERFORMANCE HIGHLIGHTS	
Parameter	QE Dec 2016
RoA	0.71%
RoE	10.40%
CRAR	13.89%
Net Interest Margin	2.52%
	Y-o-Y growth
Net interest income	12.22%
Non interest income	36.60%
Operating Profit	34.27%
Net Profit growth	782.93%
CASA growth	33.24%

The Board of Directors of Indian Bank at its meeting held at Chennai today, approved the reviewed financial results of the Bank for the Quarter ended December 31, 2016.

Shri. Mahesh Kumar Jain, Managing Director & CEO informed the highlights of the Bank's performance:

Profitability:

- **Net Interest Income (NII)** was at **₹1246.58 crore** for the QE December 31, 2016 recording a growth of **12.22%** over QE December 31, 2015 (**₹1110.80 crore**). For the nine months period ended (NME) December 31, 2016, NII grew by **₹449.62 crore (13.58%)**.
- **Operating Profit** was at **₹1021.17 crore** for the QE December 31, 2016 recording a growth of **34.27%** over QE December 31, 2015 (**₹760.53 crore**). For the nine months period ended (NME) December 31, 2016, growth in operating profit was **₹725.90 crore (32.93%)**.
- **Net Profit** was at **₹373.48 crore** for the QE December 31, 2016 recording a growth of **782.93%** over QE December 31, 2015 (**₹42.30 crore**). Growth in Net profit for the nine months period ended (NME) December 31, 2016 was **₹459.11 crore (73.24%)**.
- **Net interest margin (NIM)** touched **2.52%** for the QE December 31, 2016 as against **2.31%** for the QE December 31, 2015.
- **Other income** of the Bank touched **₹599.70 crore** for the QE December 31, 2016 registering a growth of **36.60%** over QE December 31, 2015 (**₹439.01 crore**). Growth in other income for the nine month period ended December 31, 2016 was **₹373.94 crore (29.87%)**.
- **Return on Average Assets (RoA)** improved to **0.71%** for the QE December 31, 2016 as against **0.08%** for the QE December 31, 2015.

- **Return on Equity (RoE)** improved to **10.40%** for the QE December 31, 2016 as against **1.28%** for the QE December 31, 2015.
- Bank's Book Value per Share stood at **₹302.59** as on December 31, 2016, as compared to **₹274.51** as on December 31, 2015.
- Cost income ratio reduced to **44.69%** for the QE December 31, 2016 from **50.93%** for the QE December 31, 2015.

Asset Quality:

- **Gross NPAs to Gross Advances** ratio stood at **7.69%** as on December 31, 2016 as against **7.28%** as on September 30, 2016.
- **Net NPAs to Net Advances** ratio stood at **4.76%** as on December 31, 2016 as against **4.62%** as on September 30, 2016.
- **Provision Coverage Ratio** stood at **56.46%** as on December 31, 2016 as against **55.11%** as on September 30, 2016.

Capital:

- **Capital Adequacy Ratio (CRAR)** as per Basel III at **13.89%** as on December 31, 2016, of which, Tier I capital stood at **12.24%** and CET 1 at **11.84%**.
- Bank's **Networth** increased to **₹14533.18 crore** as on December 31, 2016 from **₹14,184.36 crore** as on September 30, 2016.

Business:

- CASA deposits (Domestic) grew by **₹17306 crore (33.47%)** to **₹69003 crore** as on December 31, 2016 from **₹51,698 crore** as on December 31, 2015 and the share of CASA deposits (Domestic) reached a level of **38.71%** as on December 31, 2016 from **30.71%** as on December 31, 2015.
- Share of Retail deposits (Domestic) in the Term Deposits portfolio increased from **74.85%** as on March 31, 2016 to **82.69%** as on December 31, 2016 on the back of reducing dependency on bulk deposits from **25.15%** as on March 31, 2016 to **17.31%** as on December 31, 2016.
- In the Advances front, the share of Retail advances (Domestic) improved from **49.52%** as on March 31, 2016 to **52.12%** as on December 31, 2016.

Digital banking initiatives:

- **112 ATMs/BNAs** – Bunch Note Acceptors were installed during the quarter, taking the total number of ATMs/BNAs to **3319** including **729 offsite ATMs**. Passbook kiosks have been installed at **256 locations** and **50.08%** branch transaction were migrated. **518 BNAs** have been installed and **45.88%** of branch transactions were migrated during the quarter ended 31/12/2016.
- **Transactions on Alternate channels** (ATM/BNA, Mobile banking and Net banking) reached **59.85%** reducing footfall in branches.

Digital push - Post Demonetisation:

- Request for new Debit Cards increased from a monthly average of **2.5 lakh** to **13.30 lakh** in less than two months.
- PoS/e-com transactions increased from around **70000** to **2.5 lakhs** transactions per day.
- Net Banking registration increased by **6.4%** and Mobile Banking registration increased by **19.2%**.
- Mobile Banking transactions increased by **82.1%** and IMPS transaction by **95%** per day.
- During this period NEFT transactions increased by **55.2%**

Branch Network:

- During the quarter ended December 31, 2016, **20** new branches have been opened at various centres pan India, taking the total domestic distribution network of the Bank to **2614** branches besides overseas presence in Singapore, Colombo and Jaffna.

Performance under National Goals:

- **Priority Sector** portfolio increased from **₹46172 crore** as of December 31, 2015 to **₹50025 crore** as of December 31, 2016. Priority sector advances as a percentage of ANBC as of December 31, 2016 stood at **42.43%**.
- **Advances to Weaker Section** increased from **₹13746.67 crore** as on December 31, 2015 to **₹14758.74 crore** as on December 31, 2016.

Other highlights:

- **PRADHAN MANTRI JAN DHAN YOJANA (PMJDY):** 100% of Point of Sales (POS) devices of the Bank enabled for carrying out RuPay Card transactions as against the industry average.
- **PRADHAN MANTRI MUDRA YOJANA (PMMY):** Disbursements to the tune of **₹888.65 crore** under various schemes viz., Shishu, Kishore and Tarun.

Demonetisation of high denomination Bank notes – Supporting a National cause:

- 148.16 lakh deposit transactions and 372.96 lakh withdrawal transactions were carried out involving an amount of ₹35041.81 crore and ₹19741.78 crore respectively. 13.08 lakh customers exchanged currency notes to the tune of ₹456.39 crore.
- Benefits/concessions extended viz., Withdrawal any number of times through ATMs of any Bank, free of cost, Waiver of rent on PoS machines till 31.03.2017/Merchant discount rate (MDR) on all Debit/Credit cards till 31.12.2016, Capping MDR on Debit cards at 0.25/0.50% based on transaction value from the existing 0.75% and Waiving charges on Prepaid Payment Instrument (PPI) for transactions up to ₹1000 settled on the Immediate Payment Service (IMPS), USSD based *99# and Unified Payment Interface (UPI) systems were some of the measures extended by the Bank.
- Effective popularization of digital channels resulted in increase in registration for alternate channels by **33%** and transactions by about **80%**.

Awards and Accolades:

- **Awarded six Skoch Technology Innovation Awards for Techno products viz.,**
 - 'Scan and Pay'
 - 'Geo-tagging' geographical co-ordinates of property.
 - 'Digital challan'
 - 'Green Pin' for Credit/Debit cards and Net/mobile banking customers.
 - 'Online credit card transaction view'
 - 'Online branch/ATM room cleanliness feedback'
- **ACI International award for Innovation in Retail Category using Base24 ATM switch**

New tech products launched for customer convenience:

- Card to card fund transfer.
- Digi sign – Digital signature authentication for Corporate Net banking customers.
- Digi voucher – Digital challan for cash deposits at branches.
- On-line APY enrolment through Net banking.
- Jeevan Pramaan – Digital Life Certificates for Pensioners.
- View of Credit Card Statement through App.
- Platinum Credit Card and IB Prepaid Card.
- IB Jewel Loan – Application for scheduling appointment for jewel loan.
- Geo Tagging of NPA Borrowers.
- USSD Banking & Indian Bank UPI (Unified Payment Interface) App.
- Home Loan Application status tracking.

“Special PoS Campaign” with Zero rent and reduced Merchant Discount Rate (MDR) for IB PoS machines launched till March 31, 2017.

Chennai
January 25, 2017
