

June, 2018

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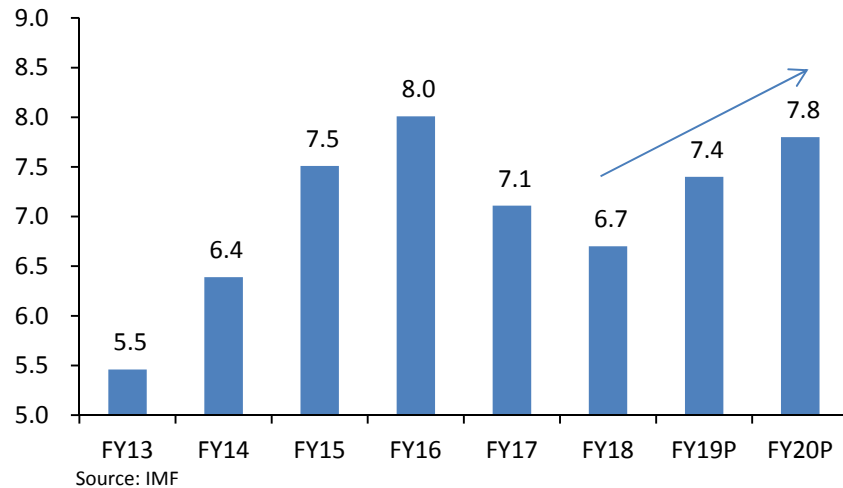
# Contents



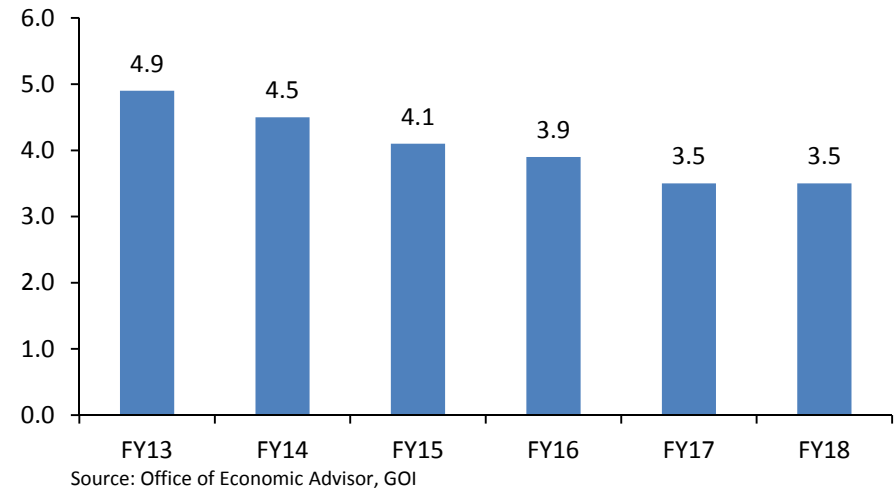
Reviving - Indian Economy and Banking Sector
Indian Bank – Key Highlights
Strong Capital and Dividend Track Record
Improving Credit growth and NIM trajectory
Healthy Asset Quality
Healthy EPS and Return Ratios
Summary Financials

# Indian Economy growing

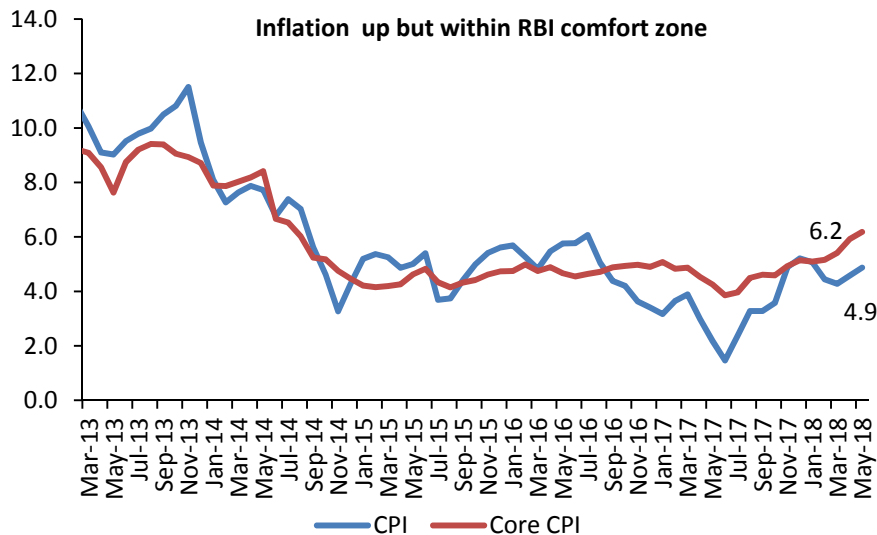
Real GDP Growth (%) to grow driven by structural reforms



Fiscal Deficit (% of GDP) under check



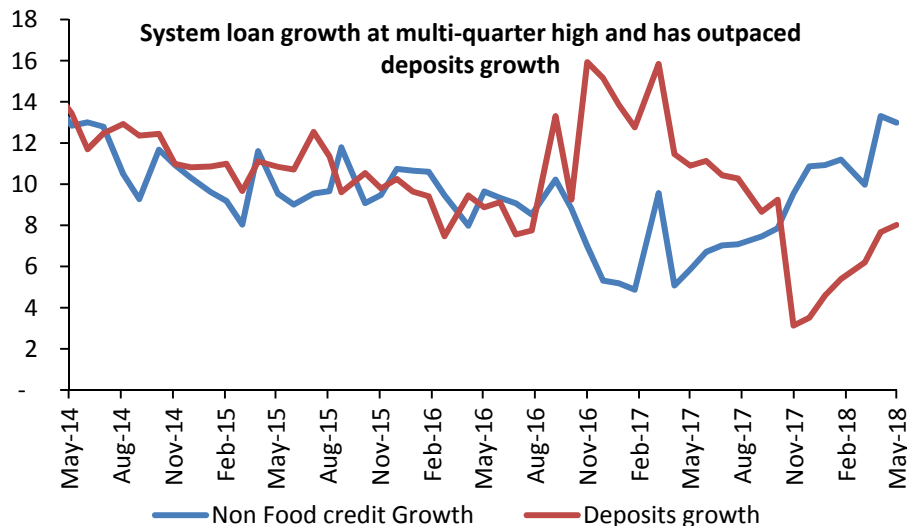
Inflation up but within RBI comfort zone



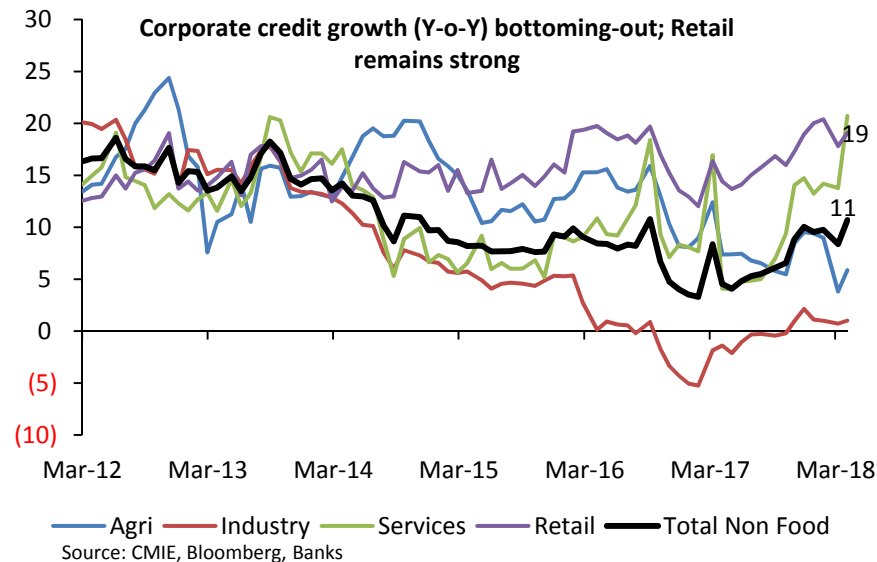
Y-o-Y Growth	Quarter ended						Month Ended				
	Dec 16	Mar 17	June 17	Sep 17	Dec 17	Mar 18	Jan 18	Feb 18	Mar 18	Apr 18	May 18
Auto volumes - Passenger Cars (domestic)	-2.3	8.0	3.8	8.9	-0.5	0.9	-1.3	3.7	0.4	4.9	19.6
Auto volumes - Goods (domestic)	-1.1	5.7	-9.0	21.0	33.7	30.9	39.7	31.1	24.6	76.0	43.1
Steel production	12.9	10.3	6.2	4.9	7.5	3.8	1.7	5.0	4.7	3.5	NA
Power generation	6.2	4.2	5.3	6.1	3.8	6.1	7.7	4.6	6.0	2.2	NA
Rail Cargo volume	0.8	3.8	3.7	6.3	4.2	4.8	6.4	4.1	3.9	8.3	6.2
Airline passengers	19.4	15.9	15.6	13.5	16.5	20.2	16.3	20.4	24.1	21.8	NA
Non-Oil, Non Gems & Jewelry exports	5.0	18.0	10.0	17.0	13.5	6.5	10.3	3.6	5.7	10.9	NA
IIP (Quarterly average)	3.8	3.0	1.9	3.0	5.9	6.3					

Source: RBI, CMIE, Bloomberg

# Indian Banking sector set to revive



Source: CMIE, Bloomberg, Banks

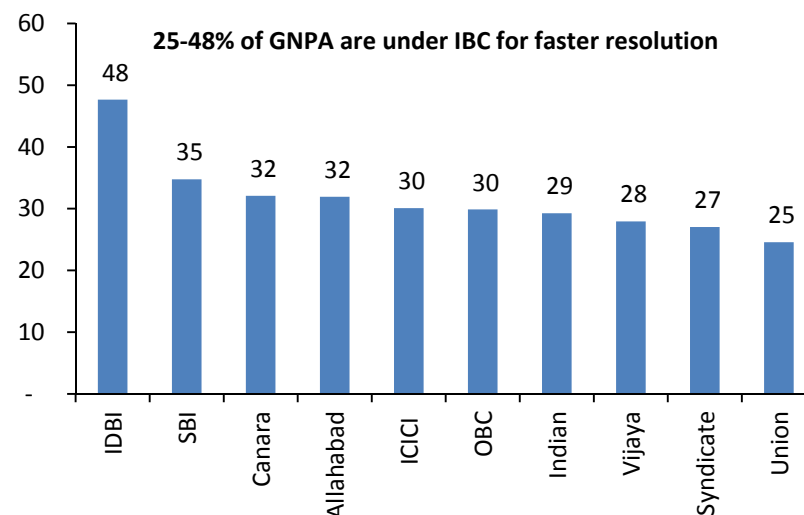


Source: CMIE, Bloomberg, Banks

## IBC Data

Quarter	Case Admitted	Closure by			No of Corp undergoing resolution at the end of the quarter
		Appeal / Review	Approval of Resolution Plan	Liquidation	
Jan-Mar, 2017	37	1	-	-	36
Apr-Jun, 2017	128	8	-	-	156
July Sept, 2017	228	13	2	8	361
Oct-Dec, 2017	141	33	8	24	437
Jan-Mar, 2018	167	12	12	55	525
<b>Total</b>	<b>701</b>	<b>67</b>	<b>22</b>	<b>87</b>	<b>525</b>

Source: RBI, IBBI, NCLT, Banks



Source: RBI, IBBI, NCLT, Banks

# Indian Bank – Key Highlights

Pan India presence with 2820 domestic branches, 46 mn+ customers and strong 36.95% Global CASA – FY18

A wide variety of Digital products; achieving Government targets for Digital transactions

Strong capital position (CAR – 12.55% incl. Tier/CET 1 at 11.33%/11.00%)

Loan book of Rs 1627 bn; Strong growth (23.14% YoY in FY18) with focus on RAM segment

Improving margin trajectory - NIMs @ 2.90% in FY18, up from 2.59% in FY17

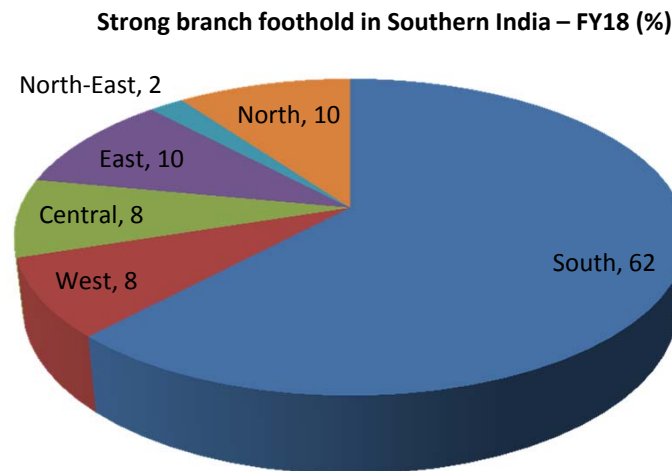
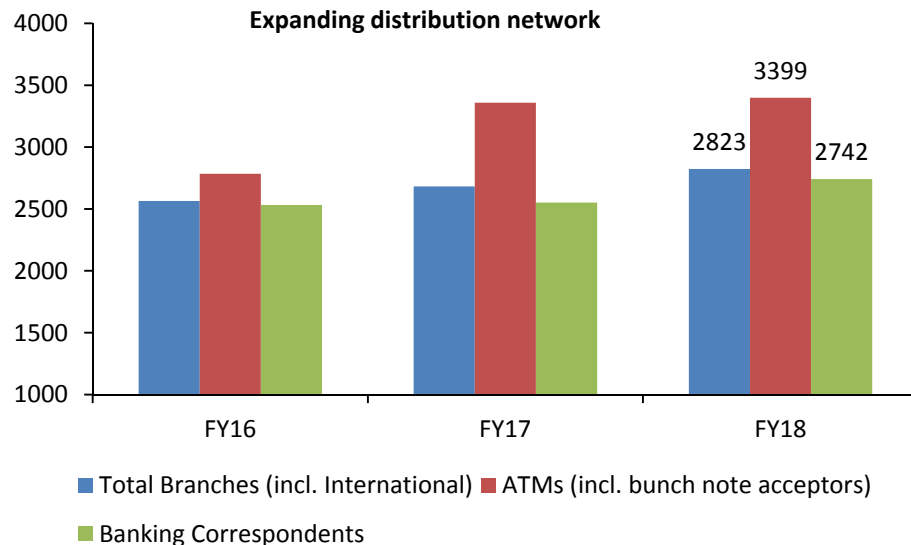
Lower Net NPA amongst PSBs (FY18 – 3.81%); and PCR at 64.27% in FY 18

Healthy Ratios – RoA – 0.67% in FY17 and 0.53% in FY18; RoE – 9.97 in FY 17 and 8.27% FY18

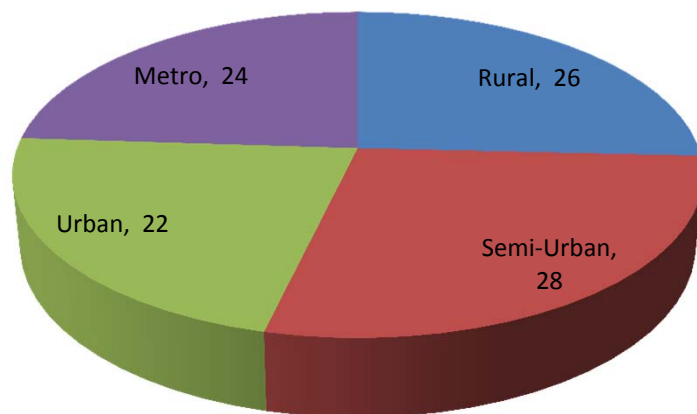
Healthy rating profile: S&P Global – BBB-/Stable/A-3; CRISIL/Care – AT I AA+/Stable

Experienced Board and Professional Management

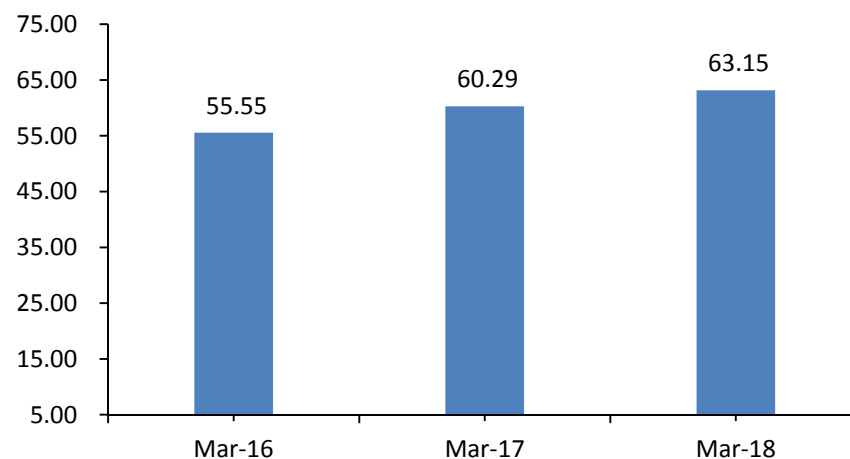
# Strong franchise and digital footprint



**Domestic Branches (2,820) Mix: Rural + Semi-Urban at ~54% - FY18**

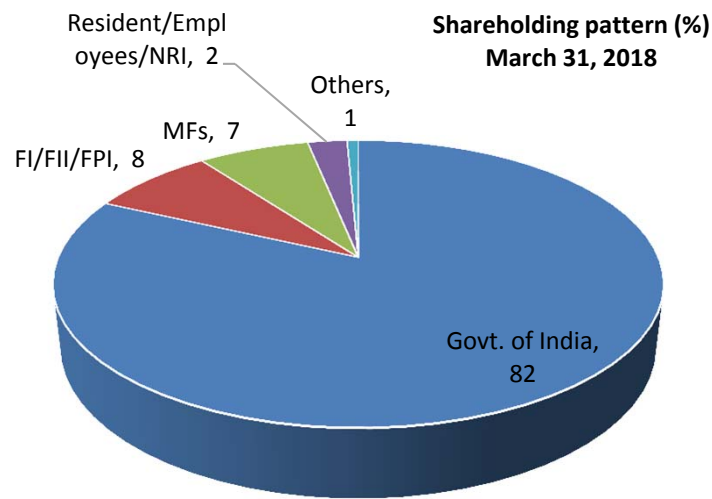


**Rising technology adoption - % of transactions on digital channels**

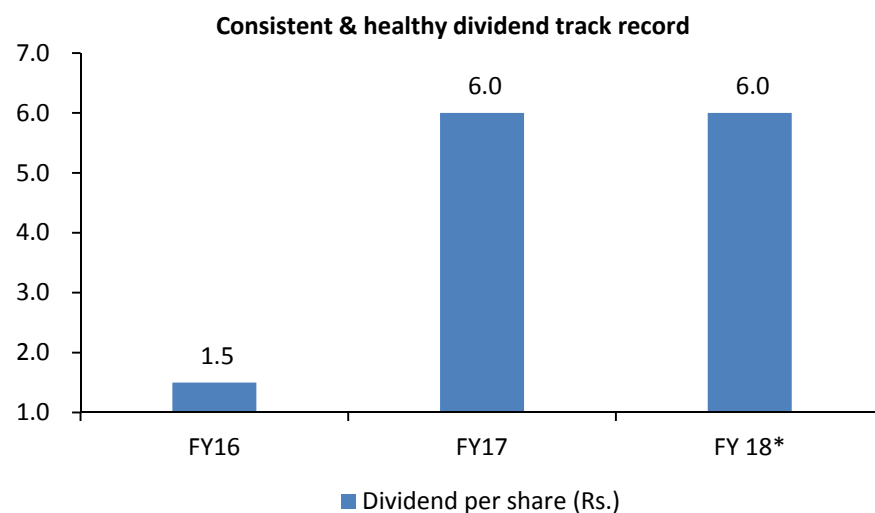
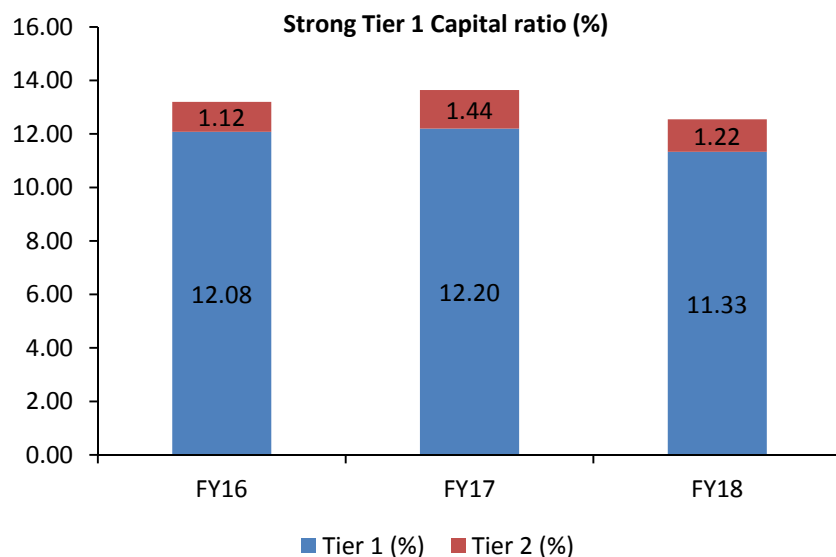




# Strong Capital and Dividend track record

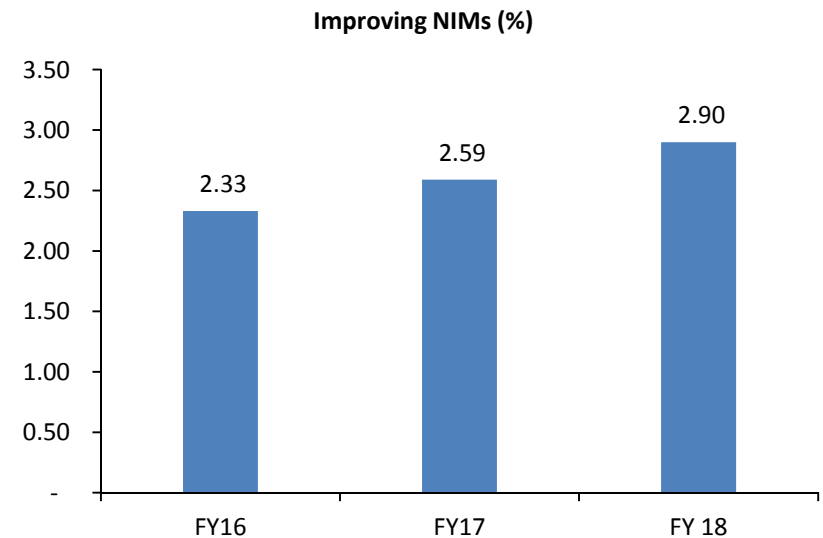
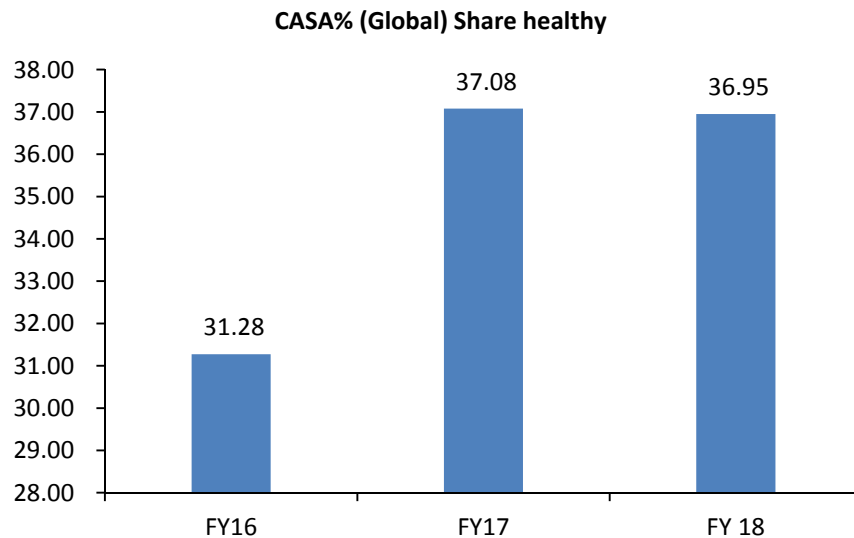
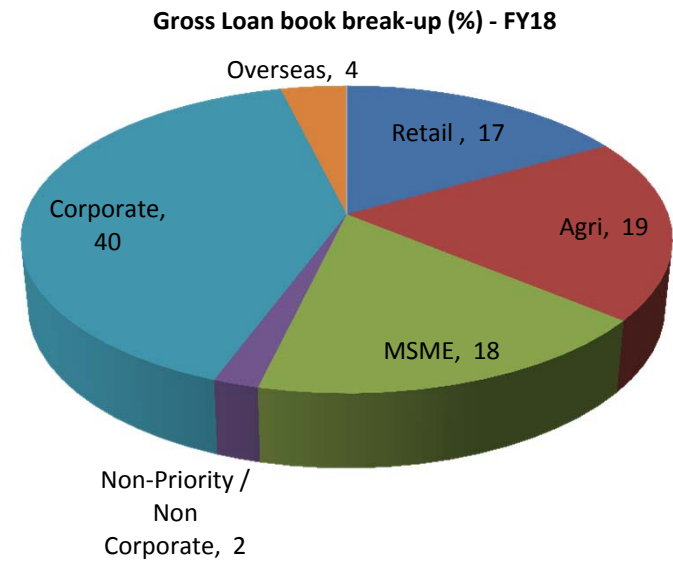
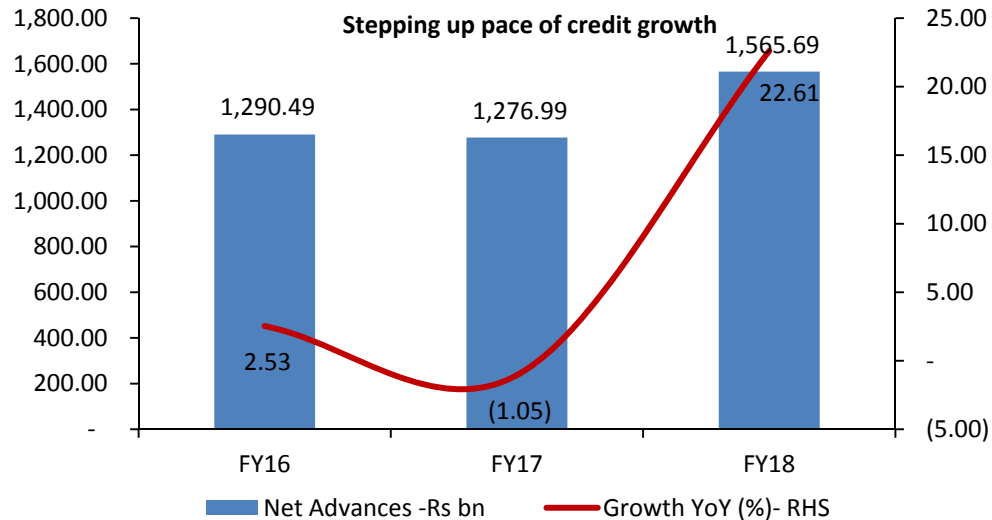


Shareholders as on 31 <sup>st</sup> March 2018	Holding (%)
Govt. of India (Promoter)	81.87
FI/FII/FPI	7.89
Mutual Fund	7.04
Resident/Employees/NRI	2.49
Others	0.71



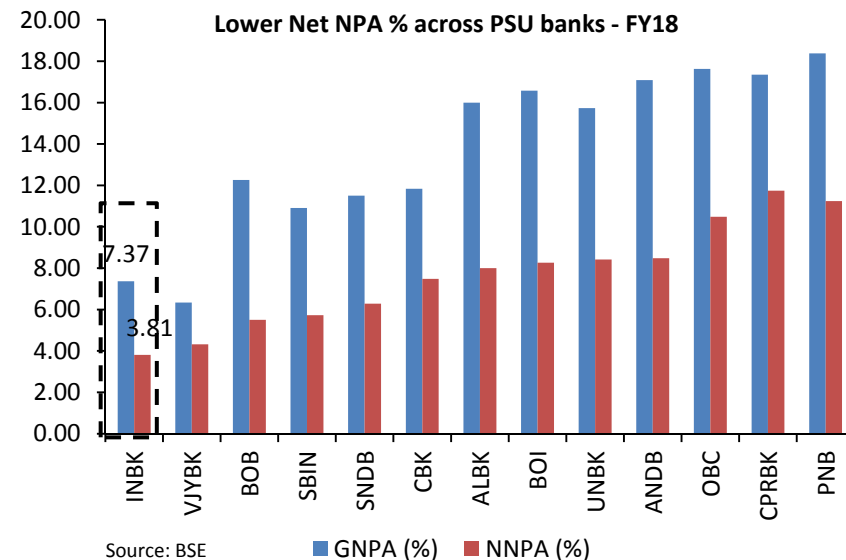
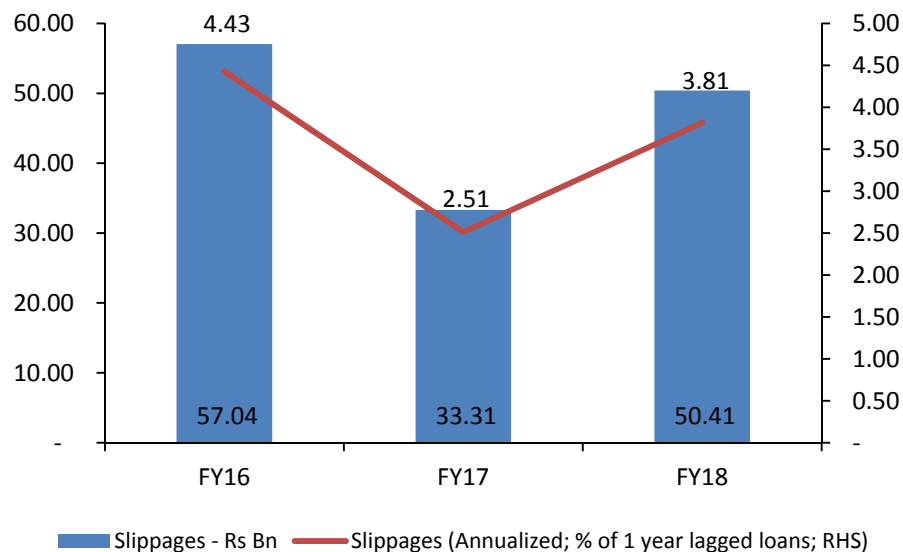
\* Note released on BSE – Ref: ISC/98/2018-19 – Proposed Dividend subject to Shareholders approval

# Improving Credit growth and NIM trajectory...



# Healthy Asset Quality...

Movement of NPAs - Rs Mn	FY16	FY17	FY18
Gross NPA - opening	56,704.40	88,270.43	98,651.39
<b>Additions</b>	<b>57,038.20</b>	<b>33,306.62</b>	<b>50,412.31</b>
Reductions of which	25,472.17	22,925.66	29,162.34
Recovery + Upgrades	6,165.50	8,512.15	7,930.25
Write-off	9,264.19	12,525.40	16,416.21
Transfer to ARCs	10,042.48	1,888.11	4,815.88
<b>Gross NPA Closing</b>	<b>88,270.43</b>	<b>98,651.39</b>	<b>119,901.36</b>
Provisions, ECGC Claim settled, etc.	34,076.43	42,585.72	60,305.68
<b>Net NPA</b>	<b>54,194.00</b>	<b>56,065.57</b>	<b>59,595.68</b>
<b>Provision cover - Specific (%) (NPA Accounts only)</b>	<b>38.60</b>	<b>43.17</b>	<b>50.30</b>
<b>Provision cover – (Incl. Technically Written Off) (%)</b>	<b>53.37</b>	<b>58.14</b>	<b>64.27</b>
<b>GNPA %</b>	<b>6.66</b>	<b>7.47</b>	<b>7.37</b>
<b>Net NPA %</b>	<b>4.20</b>	<b>4.39</b>	<b>3.81</b>

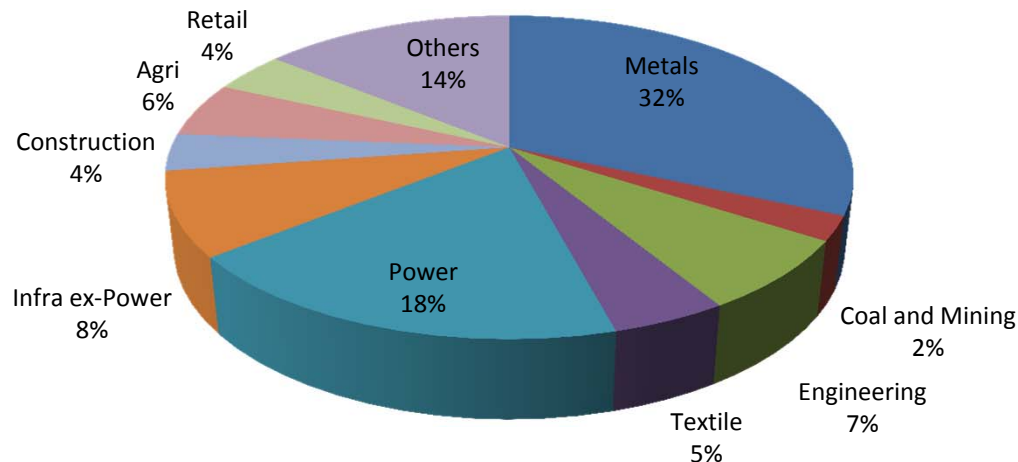


Source: BSE

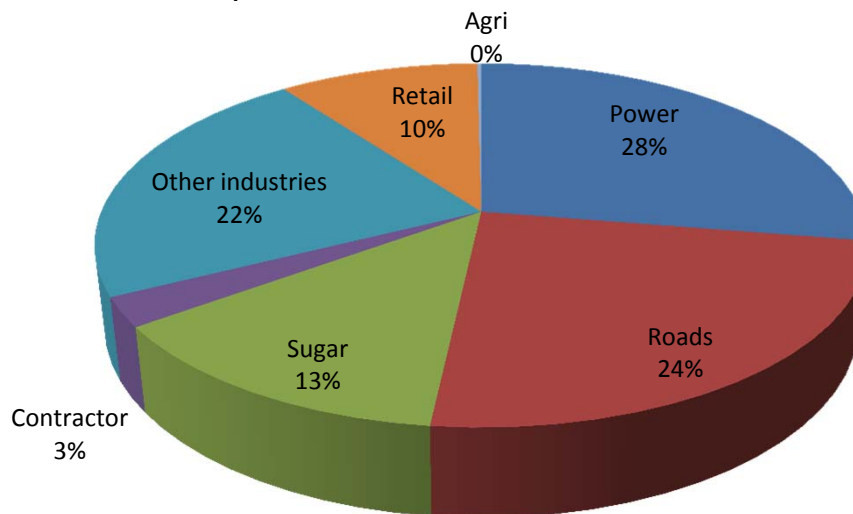
■ GNPA (%) ■ NNPA (%)

# Healthy Asset Quality... (Continued)

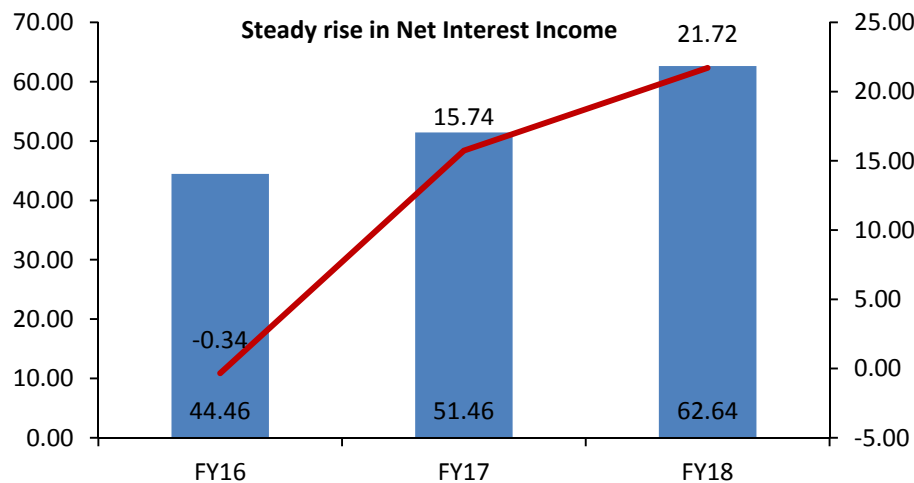
Break-up (%) of Gross NPA - Rs 119.90 bn - FY18



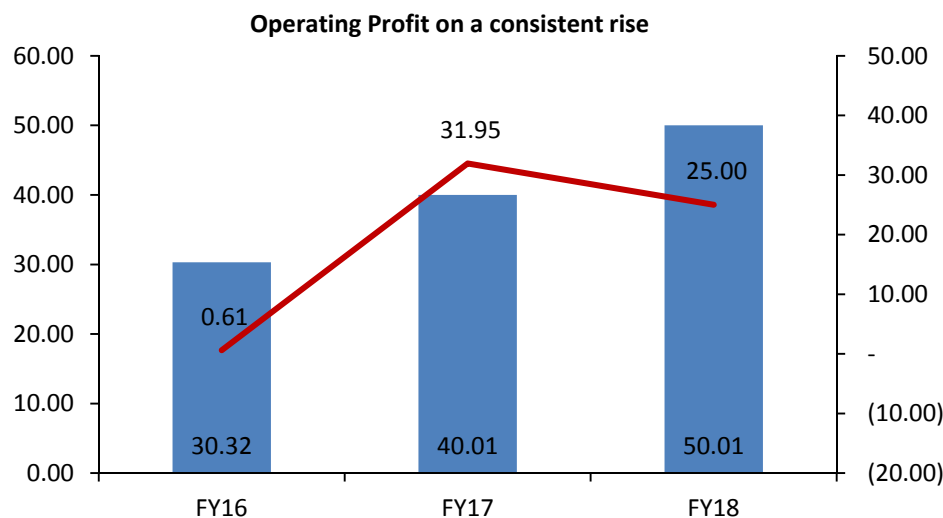
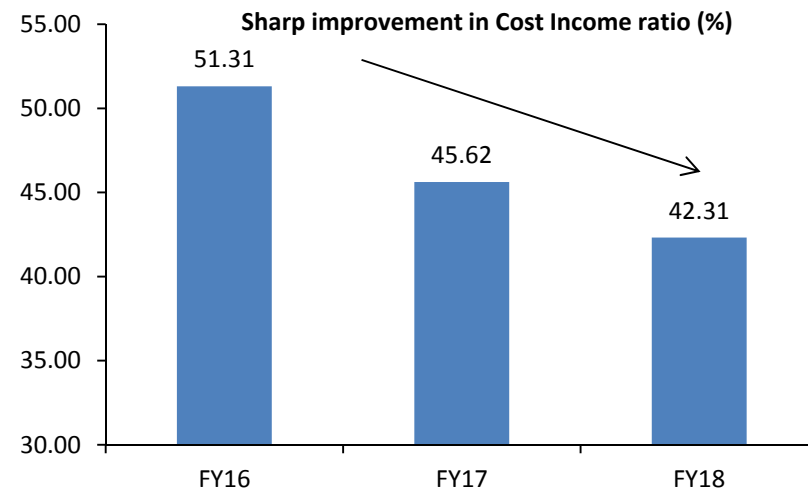
Break-up of Restructured standard assets - Rs 20.79 bn - FY18



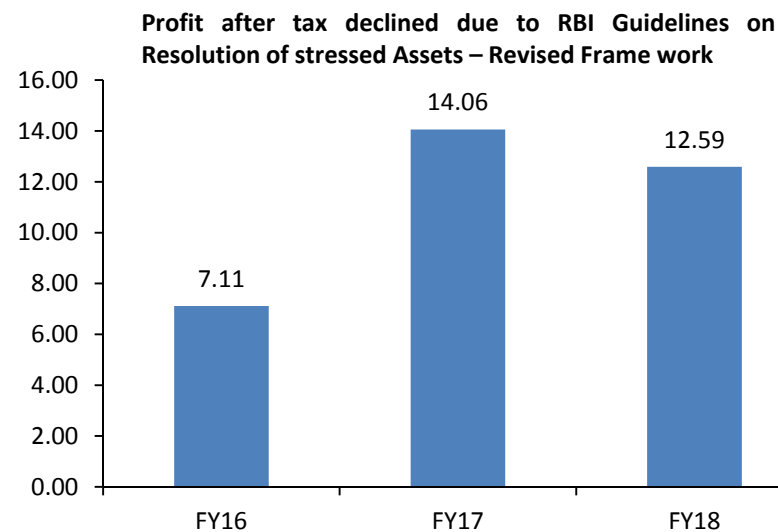
# Improving Cost efficiency and Profitability



Net Interest Income - Rs Bn      Growth YoY (%) ; RHS

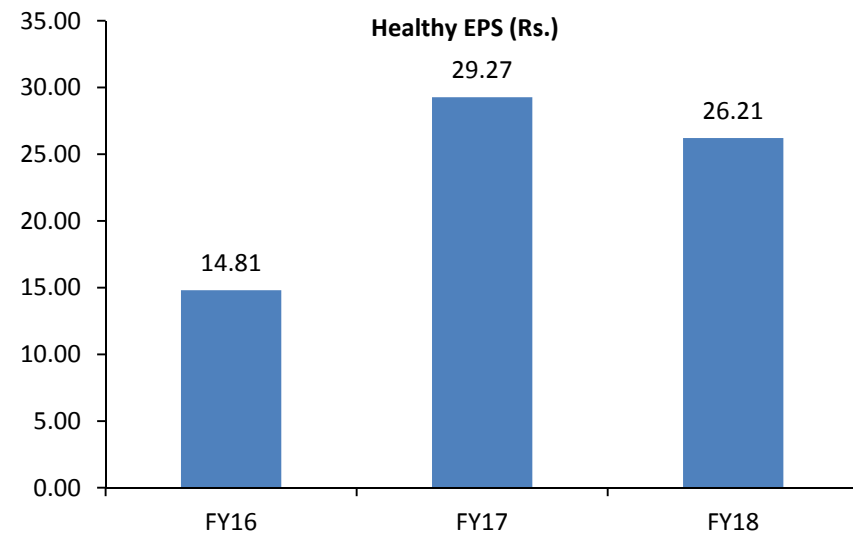
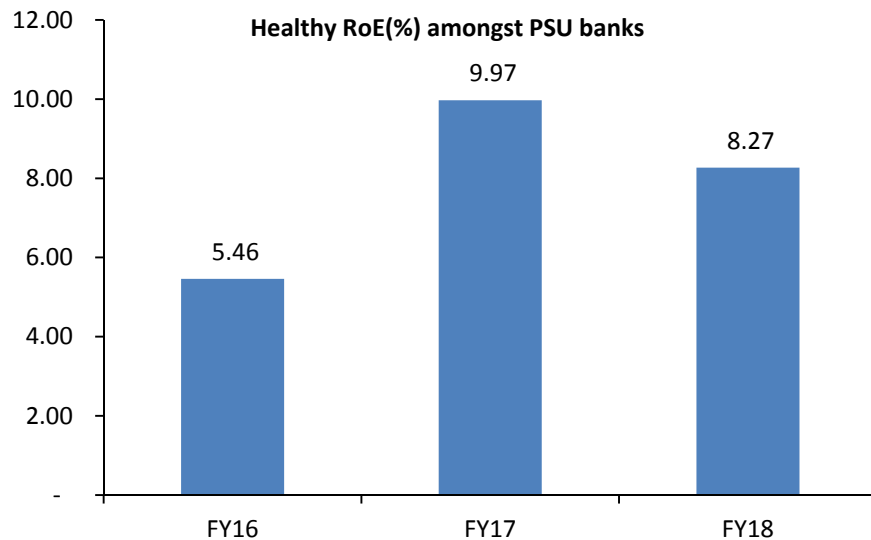
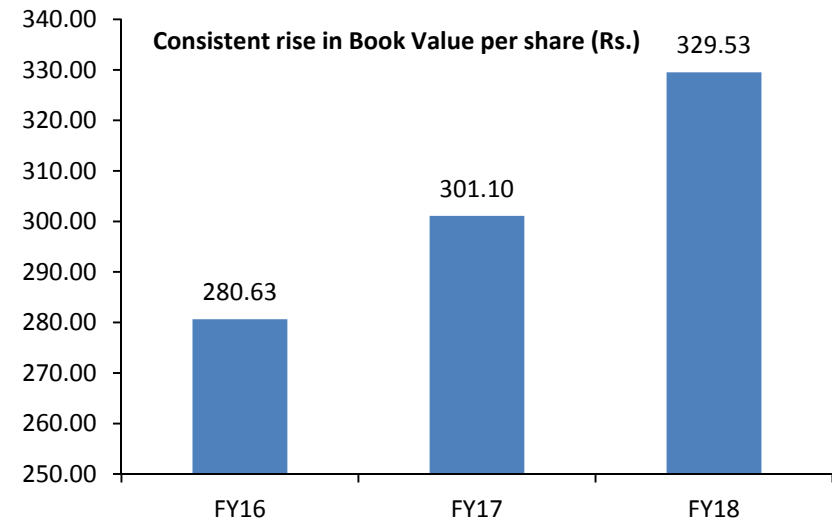
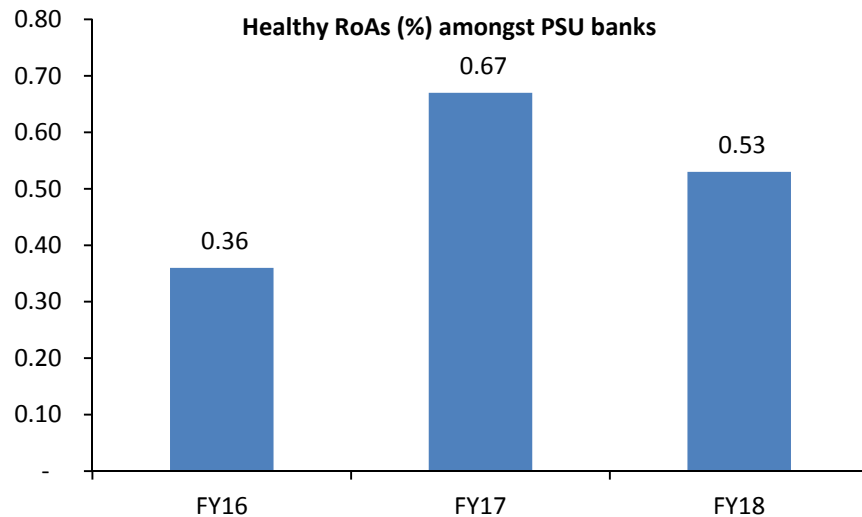


Pre-Provisioning Profit - Rs Bn      Growth YoY (%) ; RHS



Profit after tax - Rs Bn

# Healthy EPS and Return ratios



# Board of Directors



**Shri. T C Venkat Subramanian**

Part-Time Non-Official Director & Non-Executive Chairman appointed by the Government of India



**Shri. A S Rajeev**

Executive Director



**Shri. Amit Agrawal**

Government nominee appointed by the Government of India



**Shri. JK Dash**

RBI nominee Director



**Shri. Vijay Kumar Goel**

Chartered Accountant Director appointed by the Government of India



**Mr. Salil Kumar Jha**

Part-Time Non- Official Director



**Shri. Kishor Kharat**

Managing Director and CEO



**Shri. M K Bhattacharya**

Executive Director



**Shri. Padmanaban Vittal Dass**

Part-Time Non-Official Director appointed by the Government of India



**Shri. Vinod Kumar Nagar**

Shareholder nominee Director



**Dr. Bharath Krishna Sankar**

Shareholder nominee Director

# Summary Financials - Profit and Loss Statement

Rs mn	FY16	FY17	FY18	YoY (%)
Interest Earned	162,437.84	160,397.46	171,136.47	6.69
Interest Expended	117,976.04	108,936.91	108,500.93	(0.40)
<b>Net Interest Income</b>	<b>44,461.80</b>	<b>51,460.55</b>	<b>62,635.54</b>	<b>21.71</b>
Other Income	17,814.16	22,113.72	24,058.37	8.79
Total Income	180,252.00	182,511.17	195,194.84	6.95
<b>Total Net Income</b>	<b>62,275.96</b>	<b>73,574.27</b>	<b>86,693.91</b>	<b>17.83</b>
Staff Expenses	20,063.96	19,914.87	21,002.54	5.46
Other operating expenses	11,891.08	13,652.33	15,681.47	14.86
<b>Operating Profit</b>	<b>30,320.92</b>	<b>40,007.07</b>	<b>50,009.90</b>	<b>25.00</b>
Provision & Contingencies	20,767.87	22,424.71	39,245.68	75.01
Provision for tax	2,439.22	3,525.59	(1,825.71)	(151.78)
<b>Reported Profit</b>	<b>7,113.83</b>	<b>14,056.77</b>	<b>12,589.93</b>	<b>(10.44)</b>

The above financial numbers are on a Standalone basis



# Summary Financials - Balance Sheet

Rs mn	FY16	FY17	FY18	YoY (%)
<b>Liabilities</b>				
Capital	4,802.92	4,802.92	4,802.92	-
Reserves & Surplus	157,794.85	166,817.18	179,681.27	7.71
Deposits	1,782,858.43	1,825,092.82	2,082,942.22	14.13
Borrowings	35,093.16	126,368.89	197,601.71	56.37
Other Liabilities & Provisions	56,554.46	59,249.66	62,130.11	4.86
<b>Total</b>	<b>2,037,103.82</b>	<b>2,182,331.47</b>	<b>2,527,158.23</b>	<b>15.80</b>
<b>Assets</b>				
Cash & Balance with RBI	91,744.51	55,887.00	105,016.00	87.90
Bal. with banks & money at call	28,248.39	44,530.19	24,261.88	(45.52)
Investments	530,893.14	675,517.89	713,977.67	5.69
Advances	1,290,490.77	1,276,992.82	1,565,689.28	22.61
Fixed Assets	35,110.72	34,426.04	34,183.46	(0.70)
Other Assets	60,616.29	94,977.53	84,029.94	(11.53)
<b>Total</b>	<b>2,037,103.82</b>	<b>2,182,331.47</b>	<b>2,527,158.23</b>	<b>15.80</b>

The above financial numbers are on a Standalone basis

# Key Financial Ratios

Key Ratios	FY16	FY17	FY18
Cost of Deposits (%)	6.76	6.03	5.30
Yield on Advances (%)	9.63	9.17	8.50
<b>Net Interest Margins (NIMs) (%)</b>	<b>2.33</b>	<b>2.59</b>	<b>2.90</b>
Net Advances growth (%)	2.53	(1.05)	22.61
Deposits growth (%)	5.35	2.37	14.13
<b>CASA growth (%)</b>	<b>14.51</b>	<b>21.38</b>	<b>13.72</b>
<b>CASA Global (%)</b>	<b>31.28</b>	<b>37.08</b>	<b>36.95</b>
Loan Deposits ratio (%)	72.38	69.97	75.17
Cost income ratio (%)	51.31	45.62	42.31
Net Interest Income growth (%)	(0.34)	15.74	21.72
Operating profit growth (%)	0.61	31.95	25.00
Net Profit growth (%)	(29.23)	97.60	(10.44)
<b>Return on Assets (%)</b>	<b>0.36</b>	<b>0.67</b>	<b>0.53</b>
<b>Return on Equity (%)</b>	<b>5.46</b>	<b>9.97</b>	<b>8.27</b>
<b>Gross NPA (%)</b>	<b>6.66</b>	<b>7.47</b>	<b>7.37</b>
<b>Net NPA (%)</b>	<b>4.20</b>	<b>4.39</b>	<b>3.81</b>
Provision coverage ratio (%)	53.37	58.14	64.27
Tier 1 (%)	12.08	12.20	11.33
Capital Adequacy Ratio (%)	13.20	13.64	12.55
EPS Annualized (Rs)	14.81	29.27	26.21
Book Value per share (Rs)	280.63	301.10	329.53

The above financial ratios are on a Standalone basis

# Key Financial Ratios (Last 5 Quarters)

Particulars	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18
Business per Employee (Rs. in crs)	14.88	15.13	16.72	17.77	18.56
NIM (%)	2.70	2.73	2.85	2.85	2.84
Cost-Income Ratio (%)	45.69	40.69	39.09	44.32	45.31
Gross NPA (%)	7.47	7.21	6.67	6.27	7.37
Net NPA (%)	4.39	4.05	3.41	3.30	3.81
PCR (%)	58.14	61.65	65.40	64.73	64.27
Cost of Deposit (%)	5.71	5.51	5.34	5.25	5.14
Yield on advances	8.90	8.69	8.60	8.55	8.15

The above financial ratios are on a Standalone basis

# Share Price Movement (Last 3 years)



# Glossary

<b>GNPA</b>	Gross Non-Performing Assets
<b>NNPA</b>	Net Non-Performing Assets
<b>IBC</b>	Insolvency Bankruptcy Code
<b>NCLT</b>	National Company Law Tribunal
<b>PSB</b>	Public Sector Banks
<b>CASA</b>	Current Account and Savings Account
<b>RAM</b>	Retail, Agriculture & MSME segment
<b>RoE</b>	Return on Equity
<b>RoA</b>	Return on Asset
<b>NIM</b>	Net Interest Margins
<b>PCR</b>	Provisioning Coverage Ratio
<b>GDP</b>	Gross Domestic Product

# THANK YOU

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