



PRESS RELEASE

**Indian Bank announces results for Q2 FY2020, Total income up by 18%,
Net profit increased by 139% to Rs.359 crore on the back of robust growth of
72% in Other income**

The Board of Directors of Indian Bank approved the Balance Sheet and Profit & Loss for the Second Quarter of 2019-20 (Q2 FY2020) and for the Six months period ended September 30, 2019 (April - September FY2020), at their meeting held on 23rd, October 2019 in Chennai.

Profitability

- The Bank's **Operating profit** has registered a robust growth of **26%**, touching **Rs.1502 crore** for the Q2 FY2020 as against **Rs.1191 crore** for the corresponding period of the previous year. For the six months period ended September 30, 2019 (H1 FY2020), **Operating profit** grew by **16%** and was **Rs.2876 crore** as against **Rs.2489 crore** for the six months period ended September 30, 2018 (H1 FY2019).
- **The Net profit** at **Rs.359 crore** for Q2 FY2020 as against **Rs.150 crore** for Q2 FY2019 was up by **139%** mainly on account of robust growth of **72%** in other income. For the six months period ended September 30, 2019, **Net profit** grew by **101%** and was **Rs.724 crore** as against **Rs.359 crore** for the corresponding period ended September 30, 2018.
- **Total income** of the Bank for the quarter ended September 30, 2019 was **Rs.6045 crore**, up 18% over **Rs.5129 crore** for the quarter ended September 30, 2018. For the six months period ended September 30, 2019, the same was **Rs.11877 crore** as against **Rs.10261 crore** for the six months period ended September 30, 2018.
- **Net interest income** (interest income less interest expenditure) rose by **8%** for Q2 FY2020 to **Rs.1863 crore**, from **Rs.1731 crore** for Q2 FY2019. For H1 FY2020, Net interest income increased by **3%** and was **Rs.3649 crore** as against **Rs.3538 crore** for the corresponding period ended September 30, 2018.
- **Net revenues** (Net interest income plus other income) for Q2 FY2020 grew by **20%** and was at **Rs.2601 crore** as against **Rs.2159 crore** for the corresponding quarter of the previous year. For H1 FY2020, Net revenues was **Rs.5081 crore** as against **Rs.4406 crore** for the corresponding period H1 FY2019.

- **Net interest margin (NIM) (Domestic)** declined by **9** basis points (bps) and touched **2.92%** for the quarter ended September 30, 2019 as against **3.01%** for the quarter ended September 30, 2018. On a sequential basis it improved by **7 bps** from **2.85%** to **2.92%**
- **NIM (Domestic)** for the six months period ended September 30, 2019 declined by **21 bps** and was **2.89%** as against **3.10%** for the year ago period.
- **Other income** (non-interest revenue) for the quarter ended September 2019 was **Rs.738 crore** and increased by 72% over the corresponding quarter of the previous year mainly on account of profit on sale of investments to the tune of **Rs.249.21 Cr** as against **Rs.4.97 Cr** for the Year ago period.
- **Operating expenses** for the quarter ended September 30, 2019 was **Rs.1099 crore** as against **Rs. 968 crore** during the corresponding quarter of the previous year. Operating expenses for the six months period ended September 30, 2019 was **Rs.2205 crore** compared to **Rs.1917 crore** in H1 FY2019.
- **Cost-to-income ratio** was at **42.26%** for the quarter ended September 30, 2019 as against **44.84%** for quarter ended September 30, 2018. The decrease was on account of growth of 20% in operating revenues. Cost-to-income ratio for the six months period ended September 30, 2019 was **43.39%** as against **43.52%** for the six months period ended September 30, 2018.
- **Provisions and contingencies** for the Q2 FY2020 was **Rs. 1143 crore** mainly due to higher provision towards Income Tax as against **Rs.1041 crore** for the corresponding quarter ended September 30, 2018. For the six months period ended September 30, 2019, the same was **Rs.2152 crore** as against **Rs.2129 crore** for the previous six month period ended September 30, 2018.
- **Return on Average Assets (RoA)** at **0.50%** for the quarter ended September 30, 2019, recorded an increase of **27 bps** (Q2 2018-19: 0.23%) due to increased Net Profits. RoA for the six months period ended September 30, 2019 was **0.51%** as against **0.28%** for the six months period ended September 30, 2018.
- **Return on Equity (RoE)** for Q2 FY2020 was **8.00%** as against **3.71%** for Q2 FY2019. For the six months period ended September 30, 2019, RoE was **8.41%**.

Assets & Liabilities:

- **Total Balance sheet size** grew by **14% (Y-o-Y)** and was **Rs.297662 crore** as of September 30, 2019 as against **Rs.261642 crore** as of September 30, 2018.
- **Global Business** at **Rs.447420 crore** as of September 30, 2019, recorded a Y-o-Y growth of **14%** over September 30, 2018.
- **Total deposits** at **Rs.253172 crore** as of H1 FY2020, grew by **15%** over H1 FY2019.
- **Domestic CASA deposits** recorded a Y-o-Y growth of **10%** and share of CASA was **34.66%** of total domestic deposits as on September 30, 2019 as against **36.13%** as on September 30, 2018 which was mainly on account of Term deposits outgrowing CASA. Growth in CASA was primarily driven by a Y-o-Y increase of **7.54%** in Current account deposits which reached **Rs.13244 crore** and supplemented by a Y-o-Y growth of **11%** in Savings account deposits to reach **Rs.71864 crore**.
- **Advances** at **Rs.194248 crore** as of September 30, 2019 grew by **13%** over September 30, 2018 (**Rs.172322 crore**) driven primarily by growth in **Retail (17%)** [Of which **Housing loan – 32%** and **Vehicle loan – 12%**], **Agriculture (16%)**, **MSME (20%)** and supplemented by **Corporate Loans (6%)** and **Overseas advances (17%)**.
- **Priority Sector portfolio** increased from **Rs.64520 crore** as of September 30, 2018 to **Rs.73217 crore** as of September 30, 2019. Priority sector advances as a percentage of ANBC stood at **47%** as against the regulatory requirement of **40%** as on September 30, 2019.
- **Advances to Weaker section** increased from **Rs.16033 crore** as on September 30, 2018 to **Rs.18537 crore** as on September 30, 2019, constituting **12%** of ANBC and as against regulatory requirement of **10%**.

Capital Adequacy:

- The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was healthy at **12.96%** as at September 30, 2019 (**12.73%** as at September 30, 2018) as against regulatory requirement of **10.875%**. Taking into consideration, capital infusion of **Rs.2534 crore** received from Government of India, CAR stood increased to **14.52%**
- Tier-I CAR was at **12.69%** as on September 30, 2019 compared to **11.53%** as at September 30, 2018. Risk-weighted Assets were at **Rs.162717 crore** (**Rs 150679 crore** as at September 30, 2018).

Asset Quality:

- **Gross non-performing assets** were at **7.20%** of Gross advances as on September 30, 2019 and increased by **4 bps** from **7.16%** as on September 30, 2018.
- **Net non-performing assets** came down from **4.23 %** as on September 30, 2018 to **3.54%** of Net advances as on September 30, 2019 with a reduction of **69 bps**.
- **Stressed Advances** as a percentage of Gross advances increased to **8.53%** as on September 30, 2019 from **8.02%** as on September 30, 2018.
- **Recovery from Bad debts** improved by **31%** during Q2 FY2020 over Q2 FY2019 and by **32%** for the six months period ended September 30, 2019 over September 30, 2018.

Recognitions:

- **‘Best Bank 2017-18’** under Nationalised Bank category - **Financial Express**
- **Voted as a ‘Trusted Bank’** in the Nationalised Banks Category April 2019 - **Readers Digest**
- Winner of **‘Digi Dhan Digital Payment Award 2018-19’** from Ministry of Electronics & Information Technology (MeitY) for achieving Digital Transactions Target (**160.82%**) under > Rs.10 Cr to Rs.50 Cr category for the year 2018-19.
- **First** among PSBs for Excellence in performance under **“SHG Bank Linkage Programme”** in Tamil Nadu for FY 2018-19 – **NABARD**
- **“Swatchatha Pakhwada 2019”** – **First position** for outstanding contribution to cleanliness drive.



MD & CEO's Quote:

Commenting on the results, Ms. Padmaja Chunduru MD & CEO, Indian Bank said, "Our robust performance is attributed to focus on business growth and earnings, strict adherence to prudent lending norms coupled with our financial strength, including sustained efforts to keep NPAs under control. The recent amalgamation of Allahabad Bank with Indian Bank will give further momentum to our global vision and we hope the total business to propel faster. Given the efficiency of our operations, the merged entity will boost robust growth and emerge amongst the leading banks in the banking industry."

Chennai, October 23rd, 2019