PRESS RELEASE

Financials for Q4 and FY 20 (Key Highlights)

- **Total Income** for Q4 FY 20 was **Rs.6334 crore**, up **14%** over Q4 FY 19. For FY 20, the same was **Rs.24717 crore** with Y-o-Y growth of **17%** over FY 19.
- **Net Interest Income** for Q4 FY 20 at **Rs.2003 crore** rose by **14%** over Q4 FY 19. For the full year FY 20 , it was **Rs.7606 crore** with growth of **8%** over FY 19.
- **Other Income** for Q4 FY 20 was **Rs.842 crore** with an Y-o-Y increase of **48%** over Q4 FY 19. For FY 20, it grew by **76%** to touch **Rs.3312 crore**.
- **Operating Profit** registered a robust growth of **37%** over Q4 FY 19, touching **Rs.1703 crore** for Q4 FY20. For FY 20, it was **Rs.6498 crore** with Y-o-Y growth of **33%**
- **Net Profit** for FY 20 was at **Rs.753 crore** with a Y-o-Y growth of **134%** over FY 19.
- **Net Interest Margin (NIM) (Domestic)** was at **2.96%** for Q4 FY 20 and for FY 20, it was **2.92%**
- **Cost-to-Income ratio** declined to **40.12%** for Q4 FY 20 from **46.62%** in Q4 FY 19. For FY 20, it was **40.49%** compared to **45.17%** for FY 19.
- **Provisions and Contingencies** for Q4 FY20 was **Rs. 1921 crore** (Rs. 1435 crore in Q4 FY 19). For FY 20, the same was **Rs.5745 crore** as against Rs.4559 crore in FY 19.
- **Return on Average Assets (RoA)** for FY 20 was **0.26%** and **Return on Equity (RoE)** was **4.19%**

As on March 31, 2020

Assets & Liabilities

- **Business** at **Rs.466116 crore** recorded a Y-o-Y growth of **8%**.
- **Total deposits** at **Rs.260226 crore** grew by **7%**. **Domestic CASA deposits** recorded a Y-o-Y growth of **7%** and share of CASA was **35.44%** of Total Domestic Deposits.
- Growth in **Domestic CASA** was primarily driven by a Y-o-Y growth of **8%** in Savings account deposits to reach **Rs.76525 crore.**
- **Advances** at **Rs.205890 crore** grew by **10%**, driven primarily by growth in **Retail (16%). Housing loans** grew by **24%** and **Mortgage loans** by **17%**. **Agriculture (14%), MSME (13%) and Overseas advances (11%)** supplemented the credit growth. Corporate loans growth was muted **(3% YoY).**
- **Priority Sector portfolio** increased to **Rs.72248 crore** and as a percentage of ANBC stood at **43%,** as against the regulatory requirement of **40%.**

Capital Adequacy

- **Capital Adequacy Ratio** as per Basel III guidelines was at **14.12%** (FY 19: 13.21%) as against regulatory requirement of **10.875%.**
- **Tier-I CAR** was at **12.08%** (FY 19: 11.29%).
- Risk weighted Assets were at **Rs.166684 crore.** Credit risk density was maintained at **68%.**

Asset Quality

- **GNPA** was **6.87%** declining Y-o-Y by **24 bps** (**7.11%**) and sequentially by **33 bps** (**7.20%**).
- **NNPA** was **3.13%** with a reduction of **62 bps** Y-o-Y (**3.75%**) . Sequentially it came down by **37 bps** (**3.50%**).
- **Provision Coverage Ratio** improved YoY by **733 bps** to **73.05%** from **65.72%.** Excluding technical write off, it improved by **717 bps** to **56.30% (49.13%)**
- **Recovery from Bad debts** improved by **65%** for the year ended March 31, 2020.
- **Credit cost** for FY 20 was **2.29%.** FY 19, it was **2.18%.**
- Under RBI's regulatory package, Moratorium was granted to eligible borrowers in respect of EMIs and recovery of interest was deferred. However full provisions at 15% were made for exposure to such borrowers as against the required provision i.e. at the rate of 5% in terms of RBI's guidelines.

Amalgamation of Allahabad Bank into Indian Bank

- **Amalgamation of Allahadbad Bank into Indian Bank was effective from April 1, 2020.** Post amalgamation, the merged entity enjoys the benefits of larger balance sheet size, optimized capital utilization and wider geographic reach leading to deeper penetration. The Bank has access to larger talent pool, better products and opportunities to cross sell/upsell. It would also leverage upon the increased operational & process efficiencies.
- Organizational restructuring as follows has been carried out for increasing the efficiency and better management of the verticals and manpower:
  - Risk and control functions strengthened with addition of new departments.
  - 14 Field General Managers and 78 Zones to drive the business of branches having pan India presence.
  - Large Corporate Branches (LCBs) and Mid Corporate Branches (MCBs) to cater to the needs of the Corporate and Mid Corporate borrowers.
  - Existing processing centers viz., Customer Acquisition Processing Centres (CAPC), Document electronic verification and archival systems post sanction (DEVA) and Kisan Pragati Kendras (KPKs) have been streamlined.

- Retail and MSME processing centres, pan india to bring down the TAT with better compliance to the guidelines. Loan Originating System (LOS) being introduced to bring about improvement in productivity.
- Compliance culture improved with minimum manual intervention to reduce operational, business and credit risks.

Chennai, June 23rd , 2020