

**Indian Bank announces results for Q2FY22 and H1FY22  
Quarterly Operating Profit up by 11% YoY, Net Profit at ₹1089 Cr**

The Board of Directors of Indian Bank approved the Balance Sheet and Profit & Loss for Q2FY22 and H1FY22 at their meeting held on 28 October 2021 at Chennai

**Highlights-Q2FY22**

- *Operating profit up by 11% at ₹3276 Cr*
- *Net Profit up by 164% YoY at ₹1089 Cr*
- *Deposit increased by 10% YoY*
- *CASA grew by 8%, CA YoY growth 14%, SB YoY growth 8%. CASA ratio maintained at 41%*
- *Advances increased by 5% YoY*
- *Retail, Agri, MSME advances grew by 14%, 16% and 8 % respectively. RAM sector grew by 13%. RAM contribution to domestic advances is 60%.*
- *GNPA decreased by 13 bps on QoQ basis, NNPA reduced by 21 bps to 3.26 % from 3.47 % QoQ.*
- *Capital Adequacy Ratio at 15.88%. CET improved by 11 bps from 11.57% to 11.68% QoQ. Tier I improved by 12bps from 12.22% to 12.34% QoQ*

**Profitability: Q2 FY22**

**Operating Profit and Net Profit**

- The Bank's **Operating Profit** has registered a growth of **11% YoY** to **₹3276 Cr** for Q2FY22 as against **₹2942 Cr** for Q2FY21.
- The Bank's **Net Profit** for the quarter grew by **164% YoY** to **₹1089 Cr** from **₹412 Cr** in Q2FY21.

- For the Half year ended September 21 Operating Profit at ₹6691 Cr grew by 17 % and Net Profit at ₹2271 crore recorded a growth of 191%.

#### **Net Interest Income and Net Interest Margin**

- The Bank's **Net Interest Income** (NII) declined by **1%** YoY to ₹4084 Cr in Q2FY22 from ₹4144 Cr in Q2FY21. On QoQ sequential basis it grew by **2%**.
- **Net Interest Margin (NIM) (Domestic)** improved by **4** basis points (bps) on QoQ sequential basis. It stood at **2.89%** for Q2FY22 as against **3.06%** for Q2FY21.
- **Net Revenues** (Net interest income plus other income) for Q2FY22 grew by **6%** to ₹6050 Cr from ₹5702 Cr for Q2FY21. It was ₹5815 Cr in previous quarter.

#### **Non-Interest Income**

- **Non- Interest Income** for Q2FY22 up by **26%** YoY and **8%** QoQ. It stood at ₹1966 Cr as against ₹1558 Cr in Q2FY21 on account of increase in recovery of bad debts (450%) and Forex income (42%).

#### **Ratios**

- **Return on Equity (RoE)** for Q2FY22 was **13.31%** as against **5.88%** as on Q2FY21.
- **Return on Average Assets (RoA)** was at **0.69%** for Q2FY22 as against **0.28%** in Q2FY21. There is an improvement of **41** basis points from the corresponding quarter of the previous financial year.
- **Cost-to-Income Ratio** stood at **45.85%** in Q2FY22 as against **48.41%** in Q2FY21 and **41.26%** in Q1FY22. Due to higher contribution for employees, the ratio increased on QoQ basis.

#### **Provisions and contingencies**

- **Provisions & Contingencies** for Q2FY22 were at ₹2187 Cr as against ₹2530 Cr for the corresponding quarter of previous year and ₹2234 Cr in Q1FY22.

#### **Operating Expenses**

- **Operating Expenses** increased by **1%** to ₹2774 Cr in Q2FY22 as against ₹2760 Cr in the corresponding quarter of FY21.
- In Operating expenses there was growth of **1%** YoY sequentially due to provisioning on account of pension.

#### **Assets and Liabilities**

- **Advances** grew by **5%** to ₹385730 Cr in Q2FY22 from ₹365896 Cr a year ago, primarily driven by growth in RAM sector (**13%**) of which growth in Retail, Agriculture and MSME was **14%, 16%** and **8%** respectively.
- **The Bank has focused on capital light growth in credit.**

- **Total Deposits** grew by **10%** YoY and **2%** QoQ and stood at **₹551472 Cr** in Sep'21 as against **₹501956 Cr** in Sep'20.
- **CASA Deposits** grew by **8%** YoY and by **2%** QoQ and touched **₹225309 Cr** in Q2FY22. Share of CASA to Total Deposits stood at **41%** in Q2FY22. Current account deposits grew by **14%** and Savings account deposits by **8%** YoY in Q2FY22.
- **Total Business** recorded YoY growth of **8%** reaching the level of **₹937202 Cr** in Sep'21 as against **₹867852 Cr** in Sep'20. On a sequential QoQ basis it increased by **1%**.
- **Priority Sector portfolio** increased to **₹141906 Cr** in Sep'21 from **₹138244 Cr** in same quarter of the previous year. Priority sector advances as a percentage of ANBC stood at **44%** as against the regulatory requirement of **40%**.
- **RAM constitutes 60% of the total advances.**

### Capital Adequacy

- For Q2FY22, Bank's total Capital Adequacy Ratio (CRAR) was at **15.88%**, increased by **224 bps** YoY. On a sequential quarter basis, it decreased by **4 bps** from **15.92%** in Q1FY22 due to call up option exercised by Bank for Tier II Bond.
- Tier-I CRAR was at **12.34%** in Q2FY22 against **10.74%** in Q2FY21, up by **160 bps** YoY. On a sequential quarter basis, it increased by **12 bps** from **12.22%** in Q1FY22.

### Asset Quality

- **GNPA** was at **9.56%** of Gross Advances as on Sep'21 brought down by **33 bps** YoY and **13 bps** QoQ.
- The **Net NPA** ratio stood at **3.26%** at 30<sup>th</sup> Sep'21 as against **2.96%** in Sep'20. It was at **3.47%** on 30<sup>th</sup> Jun'21.
- Fresh slippages were lesser at **₹3952 Cr** compared to **₹4204 Cr** in Q1.
- Cash recovery was higher at **₹831 Cr** during Q2 and AUC recovery was higher at **₹775 Cr** compared to Q1. Fresh slippage was high due to Corporate loans and crop loans.

### **Focus areas**

Banks mantra is **"Customer Centric Digitisation and Increased Earnings"**. **Focus areas continue to be improving CASA, Quality advances, increase in Fee based income, improving collection efficiency, Recovery of NPAs and digitization.**

Collective conviction, zeal and enthusiasm of team Indian Bank will ensure the 'Quality Growth' and 'Enhanced Profitability'.

### Key Summary of Q2FY22 results

	Q2FY21	Q1FY22	Q2FY22	QoQ%	YoY%	H1FY21	H1FY22	YoY%
<b>Earnings &amp; Profit</b>								
Interest Income	10057	9623	9476	-2	-6	20177	19098	-5
Interest Expenses	5913	5629	5391	-4	-9	12159	11020	-9
Net Interest Income	4144	3994	4084	2	-1	8018	8078	1
NIM % Domestic	3.06	2.85	2.89	4 bps	-17 bps	2.97	2.87	-10 bps
Non-Interest Income	1558	1821	1966	8	26	2925	3787	29
Operating Profit	2942	3416	3276	-4	11	5735	6691	17
Loan loss provisions	1880	1747	2216	27	18	3710	3962	7
Net Profit	412	1182	1089	-8	164	782	2271	191

In Rs Cr	Q2FY21	Q1FY22	Q2FY22	QoQ%	YoY%
<b>Balance Sheet</b>					
Gross Advances (Global)	365896	389626	385730	-1	5
Domestic Corporate	155926	159011	148007	-7	-5
Domestic RAM	200701	218730	226501	4	13
Of which: Home Loans	39548	40995	43138	5	9
Deposits( Global)	501956	540082	551472	2	10
Domestic CASA	207048	220109	224544	2	8
Domestic Term Deposits	286855	311267	318011	2	11
CASA ratio % (Global)	41	41	41		
Gross NPA	36198	37759	36886	-2	2
Net NPA	10053	12653	11749	-7	17
Slippages during the quarter	249	4204	3952	-6	1487

Ratios %	Q2FY21	Q1FY22	Q2FY22	QoQ bps	YoY bps
<b>Asset Quality</b>					
GNPA	9.89	9.69	9.56	-13	-33
NNPA	2.96	3.47	3.26	-21	30
PCR (with AUC)	84.39	82.00	83.32	132	-107
PCR (without AUC)	72.23	66.49	68.15	166	-408

Ratio %	Q2FY21	Q1FY22	Q2FY22	QoQ bps	YoY bps
<b>Capital Ratios</b>					
CET -I	10.57	11.57	11.68	11	111
Tier -1	10.74	12.22	12.34	12	160
CAR	13.64	15.92	15.88	-4	224