



INDIAN BANK Q1 NET PROFIT UP BY 10.5%

The Board of Directors of Indian Bank have approved the Accounts for the quarter ended June 30, 2011 at its meeting held in Chennai on July 29, 2011. The accounts have been subjected to limited review by the Bank's Statutory Auditors.

Briefing the Print and Electronic Media, Shri T M Bhasin, Chairman and Managing Director, Indian Bank highlighted Indian Bank's performance for the first quarter of 2011-12.

NET INTEREST INCOME SURGES BY 13.9%

NET PROFIT IMPROVES TO ₹ 407 CRORE

BUSINESS TOUCHES ₹ 192,934 CRORE

TOTAL ASSETS IMPROVED TO ₹ 126,436 CRORE

	Amount (₹ crore)	(y-o-y growth %)
Net Profit	406.9	10.5
Business	192,934.4	21.3
Deposits	110,424.8	21.4
Advances	82,509.6	21.3
CASA (Domestic)	33,440.8	13.6

- CASA Deposits (Domestic) as percentage to the Total Deposits was at 31.3%
- Agriculture Advances crossed the ₹11,600 crore mark to ₹11,638 crore
- Net Interest Income grew by 13.9%, while NIM was at 3.4%
- Capital Adequacy Ratio (Basel II) improved to 13.03% as compared to 12.50% for June 2010.
- Earnings per Share increased by 11% to ₹36.80 (annualised) as compared to ₹33.16 (annualised) for the quarter ended June 2010.

Highlights of Performance for the quarter ended June 2011

Profit

- **Net Profit** for Q1 FY12 amounted to ₹ 406.9 crore as compared to ₹ 368.2 crore in the corresponding quarter of previous year, registering a y-o-y growth of 10.5%.
- **Core operating profit** (excluding trading profit) remained steady at ₹ 718 crore in Q1 FY12.

Business

- **Total Business** of the Bank rose to ₹ 192,934 crore as compared to ₹159,027 crore in June 2010, registering a y-o-y growth of 21.3%.
- **Deposits** of the Bank at the end of June 2011 amounted to ₹ 110,425 crore as compared to ₹ 91,000 crore in June 2010, recording a growth of 21.4% on y-o-y basis.
- **CASA Deposits (Domestic)** improved to ₹ 33,441 crore in June 2011 from ₹ 29,442 crore in June 2010 recording a growth of 13.6%.
- **CASA share (Domestic)** to total deposits was at 31.3% in Q1 FY 12.
- **Advances** of the Bank at ₹ 82,510 crore as on 30.06.2011 grew by 21.3% (y-o-y) as against ₹ 68,027 crore as on 30.06.2010.
- **Credit Deposit Ratio** was at 74.7% as against 74.8% in June 2010.

Income and Expenses

- **Total Income** increased by 22.3% to ₹ 3030.7 crore, led by y-o-y growth of 32.5% in Interest Income.
- **Net Interest Income** rose by 13.9% on y-o-y basis to reach ₹.1030 crore in Q1 FY12.
- **Total Expenses** were at ₹ 2249.6 crore at the end of June 2011.

Key Ratios

- **Cost to Income Ratio** was at 38.94% for the quarter ended June 2011.
- **Net Interest Margin (NIM)** was at 3.43% for the quarter ended June 2011.
- **Earnings per Share** was at ₹36.80 (annualized) for Q1FY12 as against ₹33.16 (annualized) in the same period the previous year.
- **Book Value per Share** was higher at ₹193.91 as at June 2011 from ₹163.23 as on June 2010.
- **As per Basel II, the CRAR** was at 13.03% as at end of June 2011 (Tier-I Capital: 10.53%; Tier-II Capital: 2.50%).

Asset Quality

- Bank continued to maintain the good record of recovery and achieved ₹.100 crore.
- Asset quality remains healthy. Gross NPA to Gross Advances ratio declined to 0.98% from 1.45% as at June 2010.
- Net NPA to Net Advances ratio decreased to 0.51% from 0.76%.
- The Bank's policy for specific loan loss provisions remained higher than the minimum regulatory requirements. **Provision Coverage Ratio** was at 84.14% as against to RBI's stipulation of 70%.
- Fresh One Time Settlement (OTS) policy for farm mechanisation/Tractor loans introduced.

Priority Sector

- Priority Sector advances grew by ₹ 3,436 crore (14.5%) to reach ₹ 27,098 crore.
- Outstanding Agriculture advances grew by 11.6 % to ₹ 11,638 crore.
- Special Agricultural Credit Plan: Against the annual target of ₹ 8,300 crore for the year 2011-12, disbursements were ₹ 3,153 crore, recording 38% achievement.
- During the quarter, 1.12 lakh new farmers have been financed, working out to 109 farmers per Rural / Semi Urban Branch, against the norm of 250 in a year.
- Finance to Small and Marginal Farmers: During the quarter, 2.19 lakh farmers have been financed to the tune of ₹ 1,054 crore, which works out to 45.2% of direct agricultural disbursements against the norm of 40%.

Financial Inclusion (FI)

As on 30th June, 2011, Bank has provided banking services to all the allotted 1,511 villages with population above 2000, through various delivery models as below:

- 1413 villages through Smart card based Business Correspondent (BC) Model
- 53 villages through Banking Service Centres (BSCs)/branches
- 45 villages through Mobile Branch/Van

It is planned to cover all the 4040 villages with population 2000 and below through Information and Communication Technology (ICT) based BC Model .

As on 30.06.2011, 264,896 No-Frill accounts have been opened in the FI implementing villages with 2000 and above population. Under ICT based Smart card enabled BC Model, 232,679 No-frill accounts have been opened and 190,054 Smart cards have been issued to the beneficiaries.

Besides, the Bank has opened 27.39 lakh 'No-frill' accounts through various branches across the country. OD and GCC have been sanctioned to 55,858 accounts amounting to ₹1,248.34 lakh.

In Union Territory of Puducherry, where the Bank is the SLBC Convenor, under Financial Inclusion Plan a total of 43 villages with population above 2000 have been identified and allotted to various Banks for providing banking services and all these 43 villages have been provided with banking services. Thus UT of Puducherry is the first in the Country to have provided banking services to all the villages with population more than 2000.

With regard to population of 2000 and below, 25 villages have been identified and allotted to member banks for providing banking services and out of these. 2 villages have been provided with banking services. The remaining 23 villages will be covered before March 2012 by all the member banks.

Microfinance

- During the quarter, loans amounting to ₹ 414.8 crore disbursed to 17,422 SHGs and thus the outstanding increased by ₹121.3 crore to ₹ 2,245.8 crore covering around 28 lakh members of 1,83,689 SHGs.

Education Loan

- Education Loans touched ₹ 3,000 crore mark benefiting 1,89,596 students as on 30th June 2011, recording a y-o-y growth of ₹ 537 crore (21.80%). During the quarter, ₹ 210.5 crore was disbursed to 38,103 students.

Small & Medium Enterprises

- For focussed attention of MSME portfolio, 62 MSME specialized/focus branches have been operationalised to provide single window services to MSME borrowers.
- The Bank has entered into Memorandum of Understanding with BAJAJ Auto Limited and TVS Motors Ltd for financing their 3 wheelers, which will further augment credit to the Micro Enterprises.

Retail Credit

- The Bank's exposure under Personal Segment Advances as on 30.06.2011 amounted to ₹12,099 crore registering a growth of 9.7%.

I.T. & Other Initiatives

- Number of ATMs increased to 1179 as on 30.06.2011 (including 338 offsite ATMs) from 1128 as on 31.03.2011 and 1010 as on 30.06.2010. The Bank's customers can access more than 77,000 ATMs across the country under the sharing arrangement.

- ATM card base increased to 60.96 lakh from 45.99 lakh as on 30.06.2010 and 57.12 lakh as on 31.03.2011.
- 24 hours e-banking lounge opened at Alwarpet, Chennai. E-banking lounge houses a cash-in ATM to deposit cash for on-line spot credit, cash dispensing ATM, an electronic cheque drop box, self service kiosks and internet banking terminal. With this, the customers of the Bank will have 24x365 availability of cash deposit, cash withdrawal, cheque deposit with acknowledgement, internet banking, touch screen banking for all account related transactions.
- Senior Citizen debit card embossed with photo and with details like date of birth, blood group launched.
- Inter-bank mobile payment service launched.
- Vulnerability assessment of our Net Banking site has been completed by CERT-In (Indian Computer Emergency Response Team) and no significant vulnerability has been found.
- Tie up with SBI Mutual Fund to sell their Mutual Fund Products.
