



## Indian Bank Net Profit up 34 per cent Posts robust recoveries in NPA

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*Indian Bank posted a net profit of ₹ 462 crore in Q1 of FY13 as compared to ₹345 crore and ₹ 407 crore in Q4 and Q1 of FY 2012 respectively. Cash recoveries of ₹152 crore and up gradation of NPA accounts of ₹ 256 crore resulted in Gross NPA% going down to 1.66 per cent from 2.03 per cent as at end March 2012. Similarly, the Net NPAs% have also declined to 1.04 per cent from 1.33 per cent as of March 2012.*

*Given below are the salient highlights of the performance for quarter ended June 2012.*

### Performance Highlights for Quarter ended June 2012

#### Business

- ✎ **Total Business** of the Bank rose to ₹ 220,888 crore as compared to ₹ 192,934 crore in June 2011, registering a y-o-y growth of 14.5%.
- ✎ **Deposits** as at the end of June 2012 amounted to ₹ 127,012 crore as compared to ₹ 110,425 crore in June 2011, recording a growth of 15.0% on y-o-y basis.
- ✎ **CASA Deposits (Domestic)** improved to ₹ 36,871 crore in June 2012 from ₹ 33,441 crore in June 2011, recording a growth of 10.3%.
- ✎ **Advances** at ₹ 93,876 crore as on 30.06.2012 grew by 13.8% (y-o-y) as against ₹82,510 crore as on 30.06.2011.
- ✎ **Credit Deposit Ratio** was at 73.9% as against 74.7% in June 2011.
- ✎ **Net Profit** for Q1 FY13 amounted to ₹ 462 crore as compared to ₹ 345 crore in Q4 FY 2012, registering a growth of 33.7% sequentially. In Q1 FY12, Net Profit was at ₹ 407 crore.
- ✎ **Operating profit** increased to ₹ 840 crore in Q1 FY13 as compared to ₹ 781 crore in Q1 FY12, registering 7.6% growth.

#### Income and Expenses

- ✎ **Total Income** increased by ₹ 566 crore to ₹ 3,597 crore, led by y-o-y growth of 21.3% in Interest Income.

- ✘ **Net Interest Income** rose by 12.0% on y-o-y basis to reach ₹ 1,153 crore in Q1 FY13.
- ✘ **Total Expenses** increased by ₹ 507 crore to ₹ 2,756 crore as at the end of June 2012.

### Key Ratios

- ✘ **Cost to Income Ratio** was steady at 38.9%.
- ✘ **Net Interest Margin (NIM)** was at 3.3% as at Q1 FY 13 from 3.16% and 3.43% in Q4 and Q1 of FY 2012 respectively.
- ✘ **Return on Average Assets** stood at 1.27% as compared to 0.99% and 1.31% in Q4 and Q1 of FY 2012 respectively.
- ✘ **Net worth** improved to ₹ 10,099 crore from ₹ 9,637 crore and ₹ 8,733 crore in Q4 and Q1 of FY 2012 respectively.
- ✘ **Earnings per Share** increased to ₹41.88 (annualised) as compared to ₹ 31.07 and ₹36.80 (annualised) for the quarters ended March 2012 and June 2011 respectively.
- ✘ **Book Value per Share** was higher at ₹ 225.68 as at end-June 2012 from ₹ 214.94 as on end-March 2012 and ₹ 193.91 in end-June 2011.
- ✘ **Capital Adequacy Ratio (Basel II)** was at 12.98% (Tier-I Capital: 10.72%; Tier-II Capital: 2.26%) for end-June 2012 as compared to 13.47% and 13.03% for the quarters ended March 2012 and June 2011 respectively.

### Branch Network

- ✘ As on June 30, 2012, the Bank's distribution network increased by 7 branches to 1953 branches comprising 521 Rural, 553 Semi Urban, 499 Urban and 380 Metropolitan branches, besides 33 Extension Counters, 23 Satellite Offices and 61 Rural Banking Service Centres. These are complemented by 1287 ATMs, which include 359 offsite ATMs and 86 Biometric ATMs for extending 24x7 services to Self Help Groups.
- ✘ Bank has also opened 1418 Ultra Small Branches (USBs) in villages with population above 2000 covered through BC model under Financial Inclusion.
- ✘ Bank has 3 foreign branches at Singapore and Colombo & Jaffna in Sri Lanka.

### Asset Quality

- ✘ Bank recorded a robust recovery of ₹152 crore. **Gross NPA to Gross Advances ratio** declined to 1.66% from 2.03% as at end-March 2012.
- ✘ **Net NPA to Net Advances ratio** decreased to 1.04% from 1.33% in March 2012.
- ✘ **Provision Coverage Ratio** was at 75.08% as against RBI's stipulation of 70%.

### Priority Sector

- ✘ **Priority Sector advances** grew by ₹ 4,054 crore or 15.0% y-o-y to reach ₹ 31,152 crore.

- ✘ **Agriculture advances** registered 22.0% y-o-y growth at ₹ 14,197 crore.
- ✘ **Special Agricultural Credit Plan:** Against the annual target of ₹ 10,250 crore for the year 2012-13, disbursements were made amounting to ₹ 3,124 crore, recording 30.5% achievement during the quarter ended June 2012.
- ✘ During the quarter, 1.33 lakh new farmers were financed to the tune of ₹ 656 crore.
- ✘ **Finance to Small and Marginal Farmers:** During the quarter, 2.45 lakh farmers have been financed to the tune of ₹ 1,312 crore, which works out to 43% of direct agricultural disbursements as against RBI's directive of 40%.

### **Financial Inclusion (FI)**

- ✘ All the 1523 villages allotted to the Bank under the Financial Inclusion Plan (FIP) have been provided with banking services through various delivery models like Smart card based Business Correspondent (BC) Model, Brick and mortar branches, Banking Service Centres and Mobile Branch/Van.
- ✘ Besides, the Bank has proposed to cover all the villages with population 1600 – 2000 through ICT based smart card enabled BC Model and 42 villages have been provided with banking services through BC Model so far.
- ✘ As on 30.06.2012, 8.37 lakh 'No Frill' accounts have been opened in the FIP implementing villages with population above 2000.
- ✘ Even before implementation of FIP, the Bank had started opening 'No frill' accounts way back from 2005. As on 30.06.2012, Bank has opened 34.07 lakh 'No frill' accounts through various branches across the country including accounts opened under FIP. OD and GCC facilities have been sanctioned to 56,429 beneficiaries to the tune of ₹ 1306 lakh.

### **Implementation of Social Security Scheme for payment of pension**

- ✘ The Bank is implementing the Pilot project for disbursement of Pension under Social Security Scheme (SSS) in two Taluks, namely Kattumannarkoil (Cuddalore District) and Manapparai (Trichy District) in Tamil Nadu through ICT based smart card enabled Business Correspondent Model.

### **One Bank account per family**

- ✘ Bank has organised campaigns in the villages with population above 2000 covered under Financial Inclusion for ensuring that atleast one Bank account is provided to every household in the village. Of the 12.58 lakh households in 1523 villages covered under FIP, accounts have been opened to 10.47 lakh households.
- ✘ Besides, Kharif season campaigns were also organized for extending Kisan Credit Card facilities to farmers and Overdraft/General Credit Card facilities to the non-farming households in the villages covered under Financial Inclusion Plan

### **Opening of accounts to Migrant labourers and street vendors/Hawkers**

- ✘ The Bank has initiated a special drive in urban and metro areas for opening accounts of migrant labour and street vendors/hawkers who are working within 500 meters of the branches in Urban and Metro areas. As on 30.06.2012, accounts

have been opened for 5378 migrant labourers and street vendors by the urban and metro branches.

### **Microfinance**

- ✘ During the quarter, loans amounting to ₹ 415 crore were disbursed to 16,565 SHGs. Outstanding under Micro finance (SHGs) has increased by ₹ 61 crore to ₹2,404 crore.
- ✘ The Bank has 45 Microsate branches (specialised branches for lending to SHGs) as of June 2012. These branches have disbursed ₹ 179 crore covering 7,968 SHGs during the quarter. Exposure of these branches amounted to ₹ 829 crore covering 59,356 SHGs as at end-June 2012.
- ✘ Cumulative number of SHGs linked upto June 2012 is 5.02 lakh groups.

### **Education Loan**

- ✘ Exposure under education loans increased by ₹ 146 crore to reach ₹ 3,427 crore as on June 30<sup>th</sup> 2012. During the quarter, ₹ 161 crore was disbursed to 28,793 students.
- ✘ Bank has implemented "Web based on-line education loan application system" to facilitate early disposal of applications.
- ✘ Interest concession @ 0.5% on the applicable card rate on fresh education loans sanctioned to girl students is being allowed with effect from 01.07.2009.
- ✘ "Central Scheme to provide Interest Subsidy (CSIS)" during the moratorium period of education loans availed by students from economically weaker sections (with an annual gross parental/family income not exceeding ₹ 4.50 lakh per year) under IBA education loan scheme to pursue Technical/Professional courses in India is being implemented by the Bank.
- ✘ In order to help students pursuing courses under Management quota and three-year diploma courses, the Bank has introduced an Education loan – Non IBA Scheme.

### **Small & Medium Enterprises**

- ✘ **MSME portfolio** of the Bank grew by 11.8 per cent to ₹ 10,776 crore as at end-June 2012.
- ✘ For focused attention of MSME portfolio, 73 SME specialized branches have been operationalised to provide single window services to MSME borrowers across the country.
- ✘ Bank has also established MSME CPUs at 9 key centers at Chennai, Mumbai, Kolkata, New Delhi, Ahmedabad, Bangalore, Pune, Coimbatore and Kancheepuram.
- ✘ Bank has approved cluster specific schemes for Textile Cluster in Bhilwara Region, Ceramic Cluster in Morvi Region, Leather Cluster in Bhiwandi Region and Fastener Cluster in Chandigarh Region, Rig cluster in Tiruchengode Region and Rice Mill cluster in Nellore Region.

- ✘ MoU arrangement with BAJAJ & TVS for financing their 3 wheelers to augment Micro Enterprises credit.

### **I.T. & Other Initiatives**

- ✘ Number of ATMs has increased to 1287 as on 30.06.2012 (including 359 offsite ATMs and 86 Biometric ATMs for extending 24x7 services to Self Help Groups (SHGs).
- ✘ Bank's customers can access more than 99,000 ATMs across the country under the sharing arrangement.
- ✘ ATM card base has increased to 76.79 lakh from 60.96 lakh as on 30.06.2011.
- ✘ Cash-in ATM opened at e-banking lounge at Alwarpet branch.
- ✘ Electronic Term Deposit Account (e-tda) opening through net banking - customers having net banking facility can open term deposit accounts (FD/STD/RIP/RD/VRD) electronically by instant debit to the accounts through net banking. An electronic receipt/acknowledgement is provided giving the details of the deposit opened to the customer.
- ✘ Merchant Payment Integration through e-billing solution (EBS) - Integrated with E-Billing Solutions Pvt. Ltd. for online merchant transactions / utility payments through net banking facility covering 2775 billers / merchants.
- ✘ Collection of Andhra Pradesh State VAT/CST, Professional Taxes (PT) for Government of Maharashtra, Centralised Orissa VAT/CST payment, TN Regional Transport Department-Payment through e-payment module launched.
- ✘ Bank is in the process of launching e-LC (Letter of Credit) shortly.

### **Awards in the recent past ...**

- ✘ SKOCH Challenger Award 2012 - Banking for outstanding contribution in providing banking services to the unreached villages through various Financial Inclusion initiatives.
- ✘ SKOCH Financial Inclusion Award-2012 for completion of 100% Financial Inclusion in UT of Puducherry.
- ✘ Dun & Bradstreet Banking Award 2011 for Best Asset Quality.
- ✘ "Best Risk Master Award" for Public Sector Bank Category from FIBAC at the FICCI- IBA conference.
- ✘ Listed among Top 150 Banks for Best RoA as per Banker Magazine.
- ✘ Adjudged Third among the Public Sector Banks as the Best Service Brand by Economic Times Brand Equity.
- ✘ CNBC - TV 18 Award for the Best Public Sector Bank in mid size category for superior quality of assets, profitability, efficiency & productivity.
- ✘ Outlook Money Awards 2011 for best Education Loan provider.

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