



**PRESS RELEASE**  
**PERFORMANCE OF THE BANK**  
**MARCH 2011**



**NET INTEREST MARGIN IMPROVES TO 3.75%**  
**CORE OPERATING PROFIT UP BY 40.5% (YOY)**  
**ADVANCES GROWTH 20.9%**  
**CREDIT-DEPOSIT RATIO IMPROVES TO 71.6%**  
**GROSS NPAs DOWN AT 0.98%**  
**NET NPAs DOWN AT 0.53%**

**RANKED FIRST IN PROFITABILITY FOR FY 2009-10 BY THE FINANCIAL EXPRESS AND ERNST & YOUNG SURVEY, OVERALL THE BANK WAS RANKED SECOND BEST AMONG PUBLIC SECTOR BANKS.**

**AWARDED WITH THE PRESTIGIOUS "SKOCH" FINANCIAL AWARD FOR "SHG INITIATIVES - URBAN FINANCIAL INCLUSION".**

**RECEIVED OUTLOOK MONEY AWARDS 2010 FOR BEST BANK UNDER EDUCATION LOAN CATEGORY.**

**RECEIVED THE BEST BANK AWARD FROM THE GOVERNMENT OF TAMIL NADU FOR LENDING TO SHGS FOR FY 2009-10.**

**RECEIVED THE AMITY CORPORATE EXCELLENCE AWARD FOR BEST CUSTOMER SERVICE.**

**ADJUDGED NO. 1 BANK BY CELENT ON BENCHMARKING OF BANKS IN INDIA.**

**RECEIVED THE TAMIL NADU STATE AWARD FOR MERITORIOUS SERVICE IN SME SECTOR.**

INDIAN BANK

	Amount (₹ Crore)	y-o-y growth (%)
<b>Core Operating Profit</b>	<b>3015.45</b>	<b>40.5</b>
<b>Operating Profit</b>	<b>3291.68</b>	<b>19.8</b>
<b>Net Profit</b>	<b>1714.07</b>	<b>10.2</b>
<b>Business</b>	<b>181530</b>	<b>20.3</b>
<b>Deposits</b>	<b>105804</b>	<b>19.9</b>
<b>Advances</b>	<b>75726</b>	<b>20.9</b>

Indian Bank continued its creditable performance during the year ended March 31, 2011 in all the key parameters.

***Board of Directors have proposed a final dividend of 75 per cent.***

#### **Performance Highlights for the year ended March 2011**

- ☆ The Bank recorded an Operating Profit of ₹ 3292 crore for the year ended March 2011 as compared to ₹ 2747 crore for last year, registering a growth of 19.8 per cent on a healthy growth in Net Interest Income.
- ☆ Net Profit improved by 10.2 per cent (₹ 159 crore) to ₹ 1714 crore for the year ended March 2011 as compared to ₹ 1555 crore for the last year.
- ☆ Interest Income improved by 21.4 per cent (₹ 1647 crore) to ₹ 9361 crore from ₹ 7714 crore.
- ☆ Total Income improved by 16.76 per cent (₹ 1512 crore) to ₹ 10543 crore from ₹ 9031 crore.
- ☆ Core non-interest income improved by 26.7 per cent (₹ 191 crore) to ₹ 906 crore.

### Key Financial ratios

- ☆ NIM improved to 3.75 per cent as compared to 3.55 per cent.
- ☆ Cost income ratio was lower at 36.92 per cent as against 38.64 per cent.
- ☆ Return on Average Assets at 1.53 per cent.
- ☆ Net Worth improved to ₹ 8326.55 crore from ₹ 7047.02 crore.
- ☆ Book value improved to ₹ 184.44 (₹ 154.66 for March 2010).
- ☆ EPS improved to ₹ 38.79 from ₹ 35.09.
- ☆ Provision Coverage ratio was at 84.30 per cent compared to RBI's stipulation of 70 per cent.

### Capital Adequacy

- ☆ **As per Basel II**, the Capital to Risk weighted Asset Ratio (CRAR) was at 13.56 per cent (including Tier I Capital Adequacy of 11.02 per cent) as against 12.71 per cent as of 31 March 2010.

### Business

- ☆ The Overall Business of the Bank improved to ₹ 181,530 crore, up from ₹150,886 crore, recording a growth of ₹ 30,644 crore (20.3 per cent).
- ☆ Total Deposits rose by 19.9 per cent (₹ 17,576 crore) to ₹ 105,804 crore from ₹88,228 crore.
- ☆ Gross Advances increased by 20.9 per cent (₹ 13,068 crore) to ₹ 75,726 crore from ₹ 62,658 crore.
- ☆ Credit Deposit ratio improved to 71.6 per cent.

### **Asset Quality/ NPA Management**

- ☆ Gross NPAs down from ₹ 988 crore in Q1 to ₹ 740 .31 crore in March 2011.
- ☆ Gross NPAs to gross advances was at 0.98 per cent.
- ☆ Net NPAs down from ₹ 511.40 crore in Q1 to ₹ 397.04 crore in March 2011.
- ☆ Net NPAs to net advances was at 0.53 per cent.
- ☆ During the year, total NPA recovery was at ₹ 756.58 crore.

### **Priority Sector Credit**

- ☆ Priority Sector advances at ₹ 25,969 crore as at March 31, 2011 grew by 19.9 per cent and constituted 43.7 per cent of Adjusted Net Bank Credit (ANBC) as of March 2010.
- ☆ Agriculture advances at ₹ 11048 crore as at March 31, 2011 grew by 20.8 per cent and constituted 18.6 per cent of ANBC as of March 2010.

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

- ☆ Under Financial Inclusion Plan 2010-12, as on March 31, 2011, 1010 villages with population above 2000 have been covered through various delivery models as below:
  - 978 villages through Smart card based Business Correspondent (BC) Model
  - 21 villages through Banking Service Centres (20)/branch (1)
  - 11 villages through Mobile Branch/Van

*The details of the villages provided with banking services along with name of the Field BCs are available in the Bank's website.*

- ☆ As on 31.03.2011, 152,767 'No Frill' accounts have been opened in the FI implementing villages with population above 2000 and 97150 smart cards have been issued to the account holders.
- ☆ Overdraft in SB No frill accounts and GCC facilities have also been provided to 1500 beneficiaries in these villages under Financial Inclusion Plan 2010-12.

- ☆ Mobile branch (Van) with ATM facility and coin vending machine was launched at Jangipur, West Bengal by Hon'ble Union Finance Minister on 26.09.2010 and at Vellore, Tamilnadu on 25.03.2011.
- ☆ 100% coverage of households under Financial Inclusion through issue of smart cards was made in Mangalam village in Union Territory of Puducherry. Dr.Subir Gokarn, Deputy Governor, RBI participated at a function organized in the village on August 5, 2010.
- ☆ Under RBI outreach programme, Banking services were provided in Venthoni village of Paramakudi branch (Madurai Zone) through ICT based Smart Card enabled Business Correspondents Model. Dr.K.C.Chakrabarty, Deputy Governor, RBI launched the programme on December 20, 2010 and released the Financial Inclusion Plan 2010-12 for Venthoni village.

#### **Education loan scheme**

- ☆ Education loan portfolio increased by ₹ 502 crore to reach ₹ 2811 crore as at end-March 2011.
- ☆ Bank disbursed a sum of ₹ 621 crore to 96,953 students.
- ☆ The Bank has implemented "Web based on-line education loan application system" to facilitate early disposal of applications. During the period ended March, 2011, 1105 students were given in-principle sanction amounting to ₹ 30.52 crore.
- ☆ Interest Concession to Girl students of @ 0.50% on the applicable card rate on Fresh Education Loans sanctioned is allowed with effect from 01.07.2009.

#### **Personal Banking**

- ☆ "Home Loan Combo", was introduced as an incentive for prompt home loan borrowers to avail other select personal segment loan products at a concessional interest rate and processing charge.
- ☆ The Bank has entered into a tie-up arrangement with Toyota-Kirloskar Motors, Bangalore for financing of their cars.

### **Lending to MSME**

- ☆ Credit to MSME sector was at ₹ 9681 crore, registering a growth of 15.8 per cent.
- ☆ The Bank has entered into a MoU arrangement with BAJAJ & TVS for financing their 3 wheelers to augment the Micro Enterprises credit.
- ☆ Towards development of region specific new SLPs for MSME sector, the Bank had formulated a scheme for financing of Textile Cluster in Bhilwara Region with relaxed margin, rate of interest etc. and commenced for implementation from the 3<sup>rd</sup> quarter of the 2010-11.

### **Branch Network**

- ☆ As on March 31, 2011, the Bank had 1860 Branches in India comprising of 508 Rural, 503 Semi Urban, 477 Urban and 372 Metropolitan branches. There were 37 Extension Counters, 23 Satellite Offices, 1 Collection Counter, 39 Rural Banking Service Centres and 1 Forex Bureau.
- ☆ During the year, the Bank opened 104 Branches in India. Besides, the Bank opened a new branch at Jaffna, Sri Lanka on January 21, 2011 and now has 3 foreign branches including one each at Colombo and Singapore.

### **Technology initiatives**

- ☆ Interbank Mobile Payment Service (IMPS) was introduced on February 22, 2011.
- ☆ E-stamping project was launched on February 28, 2011.
- ☆ Unique Identification Authority of India (UIDAI) enrolment has commenced on March 02, 2011.

### **Customer Service**

- ☆ Online customer complaint redressal facility provided.
- ☆ [Customerfirst.cmd@indian-bank.com](mailto:Customerfirst.cmd@indian-bank.com) wherein the customers can send emails with suggestions/ complaints directly to CMD.

- ☆ Pension Adalats was conducted on 05.09.2010 in 10 Zones to redress the grievances of pensioners.
- ☆ Multi utility product was introduced to facilitate payment of different types of fee to institutions, particularly education institutions.

### **New schemes launched in 2010-11**

1. Jewel loan for senior citizens
2. Combo loan of housing, vehicle and retail
3. Online customer grievance redressal system
4. Applications Supported by Blocked Amount (ASBA)
5. Customer First website to interact with Chairman and Managing Director directly
6. A unique current account product '**SUPREME CURRENT ACCOUNT**' offering concession in service charges and health and wealth insurance cover
7. CD giving details of the Bank's IT products and services released
8. NRE Current Account launched with features of Domestic Current account and restrictions as applicable to NRE deposit accounts
9. IB Contractor, a special MSME product
10. Tie up with M/s.TCS for Financial Inclusion Project
11. Tie-up with M/s. Bajaj Auto Ltd. for finance of three-wheelers
12. Loan syndication desk set up
13. E-banking lounge at Alwarpet, Chennai
14. Two new-tech products – Maestro enabled Debit card for Senior Citizens and Inter Bank Mobile Payment Services (IMPS) launched.

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**Chennai**

**Date: April 23, 2011**