

PERFORMANCE OF THE BANK - MARCH 2012

GLOBAL BUSINESS GREW BY 16.8 PER CENT

GLOBAL DEPOSITS GREW BY 14.2 PER CENT

GLOBAL ADVANCES GROWTH AT 20.4 PER CENT

NET INTEREST MARGIN AT 3.43 PER CENT

CORE OPERATING PROFIT UP BY 6.9 PER CENT (Y-O-Y)

RANKED FIRST IN STRENGTH AND SOUNDNESS, SECOND IN PROFITABILITY AND EFFICIENCY FOR FY 2010-11 BY *FINANCIAL EXPRESS* AND *ERNST & YOUNG SURVEY*, OVERALL BANK WAS RANKED THIRD BEST AMONG PSBs

GOLDEN PEACOCK INNOVATIVE PRODUCT/SERVICE AWARD IN RECOGNITION OF CONTRIBUTION TO PROMOTION OF SHGs

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

OUTLOOK MONEY AWARDS 2011 FOR BEST EDUCATION LOAN PROVIDER

CNBC – TV 18 AWARD FOR THE BEST PUBLIC SECTOR BANK IN MID SIZE CATEGORY FOR SUPERIOR QUALITY OF ASSETS, PROFITABILITY, EFFICIENCY & PRODUCTIVITY

ADJUDGED THIRD AMONG THE PUBLIC SECTOR BANKS AS THE BEST SERVICE BRAND BY *ECONOMIC TIMES* BRAND EQUITY

LISTED AMONG TOP 150 BANKS FOR BEST RoA BY *BANKER* MAGAZINE.

Board of Directors has proposed a dividend of 75 per cent.

Performance Highlights for the year ended March 2012

- ☆ The Bank recorded an Operating Profit of ₹ 3,463 crore for the year ended March 2012 as compared to ₹ 3,292 crore in the previous year, registering a growth of 5.2 per cent.
- ☆ Net Profit was at ₹1,747 crore for the year ended March 2012 as compared to ₹ 1,714 crore in the previous year.
- ☆ Interest Income improved by 30.6 per cent or ₹ 2,870 crore to ₹ 12,231 crore from ₹ 9,361 crore.
- ☆ Total Income improved by 27.7 per cent or ₹ 2,920 crore to ₹ 13,463 crore from ₹ 10,543 crore.
- ☆ Core non-interest income improved by 9.5 per cent to ₹ 992 crore.

Key Financial ratios

- ☆ NIM was at 3.43 per cent.
- ☆ Cost income ratio was at 38.7 per cent.
- ☆ Return on Average Assets stood at 1.31 per cent.
- ☆ Net worth improved to ₹ 9,637.41 crore from ₹ 8,326.55 crore.
- ☆ Book value improved to ₹ 214.94 (₹ 184.44 for March 2011).
- ☆ EPS improved to ₹ 39.57 from ₹ 38.79.
- ☆ Provision Coverage ratio was at 70.13 per cent, as against RBI's stipulation of 70 per cent.

Capital Adequacy

- ☆ **As per Basel II**, the Capital to Risk weighted Assets Ratio (CRAR) was at 13.47 per cent (including Tier I Capital Adequacy of 11.13 per cent) as against 13.56 per cent as on 31st March 2011.

Business

- ☆ Overall Business of the Bank improved to ₹ 2,11,988 crore, up from ₹ 1,81,530 crore recording a growth of ₹ 30,458 crore (16.8 per cent).
- ☆ Total Deposits rose by 14.2 per cent to ₹ 1,20,804 crore from ₹ 1,05,804 crore.
- ☆ Gross Advances increased by 20.4 per cent to ₹ 91,184 crore from ₹ 75,726 crore.
- ☆ Credit Deposit ratio improved to 75.5 per cent.

Asset Quality/ NPA Management

- ☆ Gross NPAs to gross advances was at 2.03 per cent.
- ☆ Net NPAs to net advances was at 1.33 per cent.

Priority Sector Credit

- ☆ Priority Sector advances at ₹ 30,027 crore as at March 31, 2012 grew by 15.6 per cent and constituted 41.5 per cent of Adjusted Net Bank Credit (ANBC) as on March 2011.
- ☆ Agriculture advances at ₹ 13,354 crore as on March 31, 2012 grew by 20.9 per cent and constituted 18.5 per cent of ANBC as on March 2011.

Financial Inclusion (FI)

- ☆ With a vision to provide banking services to the unbanked villages, the Bank has drawn up the Financial Inclusion Plan (FIP), under which the Bank has been allotted 1522 villages with population above 2000.
- ☆ All the 1522 villages allotted to the Bank covering 20 States across the country, have been provided with banking services through various delivery models as below:
 - 1425 villages through Smart card based Business Correspondent (BC) Model
 - 52 villages through Brick and mortar branches (7)/Banking Service Centres (45) and
 - 45 villages through Mobile Branch/Van
- ☆ Further, Bank has been allotted 2003 villages with more than 1000 population under FIP. Banking services have been provided to 100 villages in Tamil Nadu and UT of Puducherry.
- ☆ Bank has opened 50 Ultra Small Branches (USBs) in the villages with population above 2000 covered through BC model under Financial Inclusion.
- ☆ As on 31.03.2012, 5,97,802 'No Frill' accounts have been opened in the FIP implementing villages with population above 2000. Of these, 5,25,881 accounts were opened under Information Communication and Technology (ICT) based Business Correspondent (BC) model. Smart cards have been issued to the account holders.

- ☆ New products for the convenience and benefit of the customers in the Financial Inclusion villages have been introduced which include Recurring Deposits and Variable Recurring Deposits.
- ☆ In UT of Puducherry, where the Bank is the SLBC Convenor, banking services have been extended to all the villages with population above 2000 as also villages with population 2000 and below by the member banks through various delivery channels.
- ☆ UT of Puducherry has become the first state in the country to provide banking services to all the villages including villages with population below 2000 under FI. Hon'ble Union Minister for Finance, Shri. Pranab Mukherjee has announced the achievement of 100 per cent Financial Inclusion in all the villages with population above 2000 as also below 2000 in UT of Puducherry.
- ☆ In Tamil Nadu, the Bank is implementing a pilot project for disbursement of Pension under Social Security Scheme (SSS) in two taluks – Kattumannarkoil (Cuddalore District) and Manapparai (Trichy District). It is proposed to disburse pension to beneficiaries in all the villages with population above 2000 in the State of Tamil Nadu from 30th June, 2012.

Education Loan scheme

- ☆ Exposure to education loan portfolio increased by ₹ 415 crore to ₹ 3,222 crore as on 31st March 2012. During the current year, the Bank disbursed a sum of ₹ 594 crore as education loan to 93,215 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.
- ☆ To help students pursuing courses under Management quota and three year diploma courses, Education Loan - Non IBA Scheme has been introduced.

Lending to MSME

- ☆ Credit to MSME sector was at ₹ 10,161 crore, registering a growth of 5.02 per cent.
- ☆ Bank has established MSME CPUs at 9 key centers at Chennai, Mumbai, Kolkata, New Delhi, Ahmedabad, Bangalore, Pune, Coimbatore and Kanchipuram.
- ☆ For focused attention and growth of MSME portfolio, the Bank has operationalised 72 Special SME Branches across various Zones.

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

Branch Network

- ☆ As on March 31, 2012, the Bank had 1955 branches in India comprising of 520 Rural, 549 Semi Urban, 500 Urban and 386 Metropolitan branches. There were 34 Extension Counters, 23 Satellite Offices, 1 Collection Counter, 66 Rural Banking Service Centres and 1 Forex Bureau.
- ☆ During the year, the Bank opened 95 branches in India. Besides, the Bank has 3 foreign branches at Singapore and Colombo & Jaffna in Sri Lanka.

Customer Service

- ☆ During the financial year 2011-12, Bank has reviewed the policies on Bank Deposits, General Management of Branches, Customer Grievance Redressal, Collection of Cheques and Instruments, Compensation and Collection of dues & Repossession.
- ☆ During the year, Bank has introduced one more avenue to the customers to lodge their grievances / complaints and get their queries clarified through SMS. The customer has to type complaints and send SMS to 56677. Officials from Corporate Office: Customer Service Department will get in touch with the customer to resolve their grievances and queries. Complaints not resolved immediately would be registered as regular complaints for resolving.
- ☆ Customers can contact the Chairman and Managing Director in connection with their grievances through the following e-mail IDs - customerfirst.cmd@indianbank.co.in & customerfirst.cmd@indian-bank.com

I.T. & Other Initiatives

- ☆ 24 hours e-banking lounge at Alwarpet, Chennai.
- ☆ Senior citizen debit card embossed with photo and details like date of birth, blood group launched.
- ☆ Inter-bank mobile payment service launched.
- ☆ Vulnerability assessment of Net Banking site has been completed by CERT-In (Indian Computer Emergency Response Team) and no significant vulnerability found.
- ☆ Tie up with SBI Mutual Fund to sell their Mutual Fund Products
- ☆ Platinum Debit Master Card launched - customers can enjoy a rewarding shopping experience with quick and secure access to their funds to pay for products and services.

- ☆ e-treasury inaugurated for Integrated Treasury operations combining the Domestic and Forex trading on a common software package
- ☆ Tamilnadu Arasu Cable TV Corporation – Advance Deposit collection portal made live through Bank's website.
- ☆ WAP enabled Mobile Banking facility
- ☆ 24 hour e-banking Lounge offering 24 x 7 x 365 banking services with Internet Banking, Touch Screen Banking for all account related transactions at Corporate Office.
- ☆ Audio Visual Webpage
- ☆ Online Loan Application System for Education Loan and Home Loan schemes.
- ☆ Cheque Truncation Project: Implementation of CTS in Chennai clearing zone – all branches covered by Service branch, Chennai brought under CTS – first among PSBs in Chennai.
- ☆ Introduction of Demand Drafts payable at par at any branch of the Bank – from January 2012 – first among PSBs in Chennai.

Chennai

May 11, 2012

INDIAN BANK FY 2011-12