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INDIAN BANK Q2 OPERATING PROFIT UP BY 33%

NET INTEREST INCOME SURGES BY 38 %
NET INTEREST MARGIN IMPROVES TO 3.76%
NET PROFIT IMPROVES TO ₹ 416 CRORE
BUSINESS TOUCHES ₹ 1,67,980 CRORE
TOTAL ASSETS AT ₹ 1,12,219 CRORE
AGRICULTURE ADVANCES CROSSED ₹ 10,000 CRORE MARK

	Amount	(y-o-y growth)
Operating Profit	₹ 739 crore	(33.42 %)
Net Profit	₹ 416 crore	(11.77 %)
Business	₹ 1,67,980 crore	(25.37 %)
Deposits	₹ 98,007 crore	(22.40 %)
Advances	₹ 69,973 crore	(29.77 %)
CASA	₹ 31,604 crore	(27.49 %)

Global Branch Network crossed 1800 mark and reached 1803 branches.

Customer Base More than 21 million

- CASA Deposits as percentage to the Total Deposits of the Bank increases to 32.25%
- Net Interest Income grew by 38%, while NIM improved to 3.76%
- Capital Adequacy Ratio (Basel II) is comfortable at 12.96%
- Earnings per Share increased to ₹ 37.60 (annualised)

Highlights of the performance for the quarter ended September 2010

Profit

- Operating Profit for the second quarter of current financial year (Q2 FY11) stood at ₹738.94 crore as against ₹553.86 crore in Q2 FY10, recording a y-o-y growth of 33.42%.
 - Core operating profit excluding trading profit rose by 51.22 % to ₹ 680.32 crore in Q2 FY 11 from ₹ 449.88 crore in Q2 FY 10.
- Net Profit** of the Bank for the Q2 FY11 amounted to ₹ **415.77** crore as compared to ₹371.99 crore in the corresponding quarter, registering a y-o-y growth of 11.77%

Business

- Total Business** of the Bank rose to ₹1,67,980 crore as compared to ₹ 1,33,987 crore in September 2009, showing a y-o-y **growth of 25.37%**.
- Deposits** of the Bank at the end of September 2010 amounted to ₹ **98,007** crore as compared to ₹ 80,068 crore in September 2009, exhibiting a growth of **22.40%** on y-o-y basis.
- CASA** improved to ₹ **31,604 crore** in September 2010 from ₹ **24,790 crore** in September 2009 recording a growth of **27.49%**.
- CASA share** improved to **32.25%** in Q2 of FY 2010-11 from 30.96% a year ago.
- Advances** of the Bank at ₹ **69,973** crore as on 30.09.2010 grew by **29.77%** (y-o-y) as against ₹ **53,919** crore as on 30.09.2009.
- Credit Deposit Ratio** improved to **71.40%** as at September 2010 from 67.34 % in September 2009.

Income and Expenses

- Total Income** increased by **17.70%** to ₹ **2559 crore**, led by y-o-y growth of **20.29%** in interest Income.
- Net Interest Income** rose by **37.75%** on y-o-y basis to reach ₹**983 crore** in Q2 FY11 from ₹ **714 crore**.
- Core Non Interest Income excluding trading profit** witnessed a y-o-y growth of **26.0%** to touch ₹ **225** crore.
- Total expenses** were at ₹1820 crore at the end of September 2010, as against ₹1621 crore in September 2009.

Important Ratios

- Gross NPA to Gross Advances ratio** stood at **1.29%** as at September 2010 as compared to 1.45 % in Q1 FY 11
- Net NPA to Net Advances ratio** stood at **0.73%** as against of 0.76% in Q1 FY 11
- Provision Coverage Ratio** is at **83.27 %** compared to RBI's stipulation of 70%.
- Net Interest Margin (NIM)** has improved to **3.76%** for the quarter ended September 2010 from 3.71% in Q1 FY 11.
- Cost to Income Ratio** at **41.67%** for the quarter ended September 2010 as against 44.41% last year.

- **Earnings per Share** rose to ₹37.60 (annualized) for the quarter ended 30.09.2010 as against ₹33.52 in corresponding period last year.
- **Book Value per Share** was higher at ₹172.91 as at September 2010 from ₹143.89 as on September 2009.
- **As per Basel II the CRAR is 12.96% as at end of September'10** compared to 12.56 % in Q2 FY 10.

Priority Sector :

- Priority Sector advances grew by **23.79 %** Y-o-Y to reach ₹24200.86 crore as on 30.09.2010 constituting 40.69 % of Adjusted Net Bank Credit (ANBC).
- Agriculture advances grew by **24.85 %** Y-o-Y to reach ₹10259.12 crore as at 30.09.2010.
- Under Special Agricultural Credit Plan- SACP, the Bank disbursed farm loans to the tune of ₹3621.33 crore, against annual target of ₹6510 crores, recording 55.63% achievement.
- During H1 FY 11, 206076 new farmers were financed amounting to ₹ 864.84 crore.
- Finance to small / marginal farmers were provided to 332585 farmers amounting to ₹1683.70 crore which works out to 50.13 % of Direct Agricultural disbursements.

Financial Inclusion (FI):

- 20 villages out of the allotted villages with population above 2000 have been provided with banking services under FI plan 2010-12 by opening brick and mortar branch (1village), through Business correspondent (13 villages) and through mobile branch (6 villages)
- In Chittoor district of Andhra Pradesh, Indian Bank is implementing BC Model with Smart card Technology for payment of NREGA wages and Social Security Pension on behalf of Govt. of AP. The Bank has opened 43,441 SB No frill accounts for NREGS and 23,649 SB No frill accounts for Social Security Pension and payments made through Smart cards.
- 23.93 lakh “Nofrills” accounts are opened in various parts of the country including villages allocated under FI plan.
- 61 **Business Facilitators** have been engaged by the Bank to ensure deepening of our Bank's Financial Inclusion Initiatives.
- To enable door step banking in rural areas, 20 Banking Service Centers have so far been opened by the Bank in rural areas.
- Two **Microsate branches** (specialized microfinance branch) opened during the current year at Usilampatti (Madurai Circle) and Kaveripatinam (Dharmapuri Circle) to promote urban financial Inclusion.

Micro finance:

- During half year ended September 2010, the Bank has disbursed ₹ 773.55 crore to 39523 SHGs. Outstanding under Micro Finance (SHGs) increased by ₹129.87 crores to reach ₹2046.99 crores.

Education loan scheme:

- Total educational loan portfolio stood at ₹2625 crore as of September, 2010.
- Under “Web based on-line education loan application system” 917 students were given in-principle sanction amounting to ₹26.01 crore.
- “Central Scheme to provide Interest Subsidy (CSIS)” for the moratorium period of educational loans availed by students from Economically Weaker Section (with an annual gross parental/family income upper limit of ₹4.50 lakhs per year) under IBA educational loan scheme, to pursue Technical/ Professional courses in India is being implemented by the bank

Small & Medium Enterprises:

- Credit to MSME sector reached ₹ 9524 crore including Retail Trade at the end of September 2010, registering a growth of 33.58 %.

Retail Credit

- The Bank’s exposure under Personal Segment Advances as on 30.09.2010 amounted to ₹11,294 Crore registering a growth of 9.44%.

IT Initiatives

- 21 new branches and 31 ATMs (ie. 52 Banking outlets) spread across the country was inaugurated simultaneously through online on 29.09.2010.
- First Mobile Branch of the Bank was inaugurated by Hon’ble Union Finance Minister at Jangipur, Murshidabad District, West Bengal, with an ATM and Coin Vending Machine.
- Number of ATMs increased to 1064 as on date from 1005 as on 31.03.2010. The Bank’s customers can access more than 63,000 ATMs across the country through our sharing arrangements with other banks.
- ATM card base increased to 49.23 lakh from 45.99 lakh as on 30.06.2010 and 43.51 lakh as on 31.03.2010.
- 74 Biometric ATMs are in operation enabling joint operations by SHG members.
- Free SMS mobile alerts are sent for all transactions above ₹5000 for ATM cardholders.
- Multi Utility Payment Product was introduced to facilitate payment of different types of fee to institutions, particularly educational institutions.

Customer Service

- Online customer complaint redressal facility provided.
- customerfirst.cmd@indian-bank.com – wherein the customers can send emails with suggestions/complaints directly to the Chairman and Managing Director.

New Schemes launched

New schemes launched in the current financial year:

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 II)
5. A unique current account product '**SUPREME CURRENT ACCOUNT**' offering concession in service charges and health and wealth insurance cover.

Corporate Social Responsibility: The Bank regularly conducts blood donation camps, health camps, eye screening camps and cardiac screening camps. The Bank distributed bed sheets, pillows and provisions to three old age homes in Chennai. 123 old PCs have been donated to educational/charitable institutions.

Pension Adalats are conducted in all the Circles to redress the grievances of pensioners.

Sports: During the Half Year ended September 2010, the Bank's sports teams have won many titles in various tournaments in various fields such as football, basket ball, hockey, table tennis, cricket, carrom, chess and volleyball. **Ms G Revathy won the Gold medal in World Championship in Carrom (doubles) held in USA. Shri S Sathya won the Bronze Medal in 4 x 100m relay in the Commonwealth Games held in New Delhi. Shri D Sounder won the Bronze medal in the Asian Junior Volleyball Championship held at Bangkok, Thailand and has qualified for the Junior World Championship.**
