



INDIAN BANK Q1 OPERATING PROFIT UP BY 33%

The Board of Directors of Indian Bank have approved the Q1 results in a meeting held on 24.7.2010.

Briefing the Print & Electronic Media, Mr T M Bhasin, CMD, Indian Bank informed the following highlights of Indian Bank's performance for the first quarter of 2010-11

NET INTEREST INCOME SURGES BY 26%

NET INTEREST MARGIN IMPROVES TO 3.71%

NET PROFIT IMPROVES TO ₹ 368 CRORE

BUSINESS TOUCHES ₹ 1,59,027 CRORE

TOTAL ASSETS AT ₹ 1,04,818 CRORE

	Amount	(y-o-y growth)
Operating Profit	₹ 838 crore	(33%)
Net Profit	₹ 368 crore	(11%)
Business	₹ 1,59,027 crore	(24%)
Deposits	₹ 91,000 crore	(19%)
Advances	₹ 68,027 crore	(31%)
CASA	₹ 29,750 crore	(30%)

Customer Base More than 21 million

- CASA Deposits as percentage to the Total Deposits of the Bank increases to 33.34%
- **Agriculture Advances crossed the ₹ 10,000 crore mark.**
- Net Interest Income grew by 25.62%, while NIM improved to 3.71%
- Capital Adequacy Ratio (Basel II) is comfortable at 12.50%
- Earnings per Share increased to ₹ 33.16 (annualised)

Highlights of the performance for the quarter ended June 2010

Profit

- **Operating Profit** for the first quarter of current financial year (Q1 FY11) stood at ₹ 837.82 crore as against ₹ 630.49 crore in Q1 FY10, recording a y-o-y growth of 32.9%.
 - Core operating profit excluding trading profit rose by 48% to ₹ 781 crore in Q 1 FY 11 from ₹ 527 crore in Q1 FY 10.

- **Net Profit** of the Bank for the Q1 FY11 amounted to ₹ 368.15 crore as compared to ₹ 331.66 crore in the corresponding quarter of previous year, registering a y-o-y growth of 11%.

Business

- **Total Business** of the Bank rose to ₹ 1,59,027 crore as compared to ₹ 1,28,700 crore in June 2009, showing a y-o-y **growth of 24%**.
- **Deposits** of the Bank at the end of June 2010 amounted to ₹ 91,000 crore as compared to ₹ 76716 crore in June 2009, exhibiting a growth of **18.6%** on y-o-y basis.
- **CASA** improved to **₹ 29,750 crore** in June 2010 from **₹ 22,957 crore** in June 2009 recording a growth of **30%**.
- **CASA share** improved to **33.34%** in Q1 of FY 2010-11 from 30.39% a year ago.
- **Advances** of the Bank at ₹ 68,027 crore as on 30.06.2010 grew by **30.9%** (y-o-y) as against ₹ 51,984 crore as on 30.06.2009.
- **Credit Deposit Ratio** improved to **74.8%** as at June 2010 from 67.8% in June 2009.

Income and Expenses

- **Total Income** increased by **11.1%** to **₹ 2477.25 crore**, led by y-o-y growth of **12.9%** in interest Income.
- **Net Interest Income** rose by **25.6%** on y-o-y basis to reach **₹ 926.65 crore** in Q1 FY11.
- **Core Non Interest Income** witnessed a y-o-y growth of 54.4% to touch ₹ 257.79 crore.
- **Total expenses** were at ₹ 1639.43 crore at the end of June 2010.

Important Ratios

- **Gross NPA to Gross Advances ratio** stood at 1.45% as at June 2010.
- **Net NPA to Net Advances ratio** stood at **0.76%**.
- **Provision Coverage Ratio** is at 83.06 % compared to RBI's stipulation of 70%.
- **Net Interest Margin (NIM)** has improved to **3.71%** for the quarter ended June 2010 from 3.56% in corresponding quarter of last year.
- **Low increase** in interest & operating expenses and a **satisfactory** interest income growth led to **substantial reduction** in **Cost to Income Ratio to 34.65%** for the quarter ended June 2010 as against 42.04 last year.
- **Earnings per Share** rose to **₹ 33.16** (annualized) for the quarter ended 30.06.2010 as against **₹ 29.76** last year.
- **Book Value per Share** was higher at **₹ 163.23** as at June 2010 from ₹ 135.23 as on June 2009.
- **As per Basel II the CRAR is 12.50% as at end of June'10** (Tier-I Capital: 10.32%; Tier-II Capital: 2.18%).

Priority Sector

- PS advances grew by more than **25%** to reach **₹ 23,662 crore**.

- Outstanding Agricultural advances grew by around **31%** to cross **₹ 10,000 crore**.
- Special Agricultural Credit Plan: Against the annual target of ₹ 6510 crore for the year 2010-11, disbursements were ₹ 1666.96 crore, recording 26% achievement.
- During the quarter, 72,003 new farmers have been financed, working out to 76 farmers per Rural / Semi Urban Branch against the norm of 250 in a year
- Finance to Small and Marginal Farmers: During the quarter, 1.48 lakh farmers have been financed to the tune of ₹ 646.87 crore, which works out to 42% of direct agricultural disbursements against the norm of 40%

Financial Inclusion (FI)

- With a view to provide banking services to all the unbanked masses throughout the country and as advised by the Government and Reserve Bank of India, the Bank launched the Financial Inclusion Plan 2010-13 being rolled out over a period of three years.
- It is planned to provide door step banking services for 1549 villages with population above 2000 and 4014 villages with population of 2000 and below across the country covering 19 States. A total of 12.16 lakh households are proposed to be covered under the three year plan by opening 17.64 lakh no-frill accounts.
- Financial Inclusion Plan includes opening of 53 new Brick and Mortar Branches, 171 Banking Service Centres (BSCs) and 73 Microsatellite Branches. Further, Biometric ATMs and Low cost Rural ATMs will also be opened in the select centres.
- Smart Card based technology solutions for extending door step banking services to the rural populace by engaging Business Correspondents has been launched on a pilot basis in 4 villages at UT of Puducherry and two districts of Tamilnadu viz., Dharmapuri and Thiruvannamalai. It is proposed to extend the Business Correspondent module to 5319 villages under the Financial Inclusion Plan 2010-13.
- So far 22.74 lakh no-frill accounts have been opened.
- 60 Business Facilitators and 6 Business Correspondents are engaged to ensure deepening of Financial Inclusion initiatives.

Microfinance

- ₹ 326.54 crore disbursed to 16,766 SHGs and the outstanding increased by ₹ 21.65 crore during the quarter to ₹1938.77 crore.

Education loan

- Total Education Loan portfolio stood at ₹ 2463 crore as on 30th June 2010, recording a y-o-y growth of ₹ 613 crore (33.14%). During the quarter, ₹184.01 crore disbursed to 32,725 students.

Small & Medium Enterprise

- Credit to MSME sector reached **₹ 8,666 crore** including retail trade advances at the end of June 2010.
- For quick and quality appraisal of SME proposals, the Bank has SME Central Processing Units at 9 key centres besides **62** MSME specialized/focus branches have been operationalised to provide single window services to SME borrowers.

- Memorandum of Understanding (MoU) has been signed with Ashok Leyland Ltd for financing their vehicle.

Retail Credit

- The Bank's exposure under Personal Segment Advances as on 30.06.2010 amounted to ₹.11,006 Cr registering a growth of 10.02%.
- Memorandum of Understanding (MoU) has been signed with Toyota Kirloskar for financing their vehicles.

I.T. Initiatives

- Number of ATMs increased to 1010 as on 30.06.2010 (including 289 offsite ATMs) from 1005 as on 31.03.2010 and 767 as on 30.06.2009 The Bank's customers can access more than 60,500 ATMs across the country.
- ATM card base increased to 45.99 lakh form 34.39 lakh as on 30.06.2009 and 43.51 lakh as on 31.03.2010.
- Public Provident Fund accounts have been brought under Core Banking Solution (CBS).
- Web based software has been developed for collecting the counseling fees for Guru Gobind Singh Indraprastha University, New Delhi.
- Core Banking Software has been enhanced to cater to Multi Utility Payment system. This facility has been enabled for Madras University Distance Education fee collection account

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.

Human Resources

- Process for recruiting 266 Specialist officers and 118 Probationary officers have been completed. Process of recruitment of 685 clerks have been initiated.

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),
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 has been introduced.
7. A CD giving the details of the Bank's IT products and services has been released.

Chennai

Date: 24.07.2010