



## Indian Bank Net Profit up by 9.5% in H1 Posts operating profit of ₹1749 crore and robust NPA recovery of ₹307 crore

### Performance Highlights for the half year ended Sept. 2012

#### Business

- ✘ **Total Business** of the Bank rose to ₹ 2,27,116 crore as compared to ₹ 21,19,88 crore in March 2012, registering a growth of 14.27% (annualized).
- ✘ **Total Deposits** as at the end of Sept. 2012 amounted to ₹ 1,31,180 crore as compared to ₹ 1,20,804 crore in March 2012, recording a growth of 17.18% (annualized).
- ✘ **CASA Deposits improved** to ₹ 37,994 crore in Sept 2012 from ₹ 36,866 crore in March 2012.
- ✘ **Gross Advances** at ₹ 95,936 crore registered a growth of 10.42% (annualized) as against ₹ 91,184 crore as on March 2012.
- ✘ **Credit Deposit Ratio** was at 73.13%.
- ✘ **Net Profit** stood at ₹ 958 crore for the half year ended Sept 2012 as compared to ₹ 876 crore in Sept' 2011, registering a growth of 9.46%.
- ✘ In Q2 FY13 Net Profit were at ₹ 496 crore as compared to ₹ 462 crore in Q1 FY13 recording growth of 6.50%.
- ✘ **Operating profit** increased to ₹ 1,749 crore in H1 FY13 as compared to ₹ 1,702 crore in H1 FY12, registering a growth of 2.74%.
- ✘ In Q2 FY13 operating profit was at ₹ 908 crore as against ₹ 840 crore in Q1 FY 13 recording growth of 8.09%

#### Income and Expenses

- ✘ In the half year ended Sept'12, **Total Income** increased by ₹ 964 crore to ₹ 7371 crore, led by y-o-y growth of 15.04 % in Interest Income.
- ✘ **Net Interest Income** rose by ₹ 108 crore (4.99%) to reach ₹ 2,273 crore. The Q2 FY13 it was at ₹ 1,120 crore.
- ✘ **Total Expenses** increased by ₹ 917 crore to ₹ 5,623 crore as at the end of Sept. 2012.

## Key Ratios

- ✎ **Cost to Income Ratio** for the half year ended Sept'12 was at 38.87. Q2FY13 was at 38.82%.
- ✎ **Net Interest Margin (NIM)** was at 3.21% as at H1 FY 13 and 3.12 in Q2 FY13 as against 3.30 in Q1FY13.
- ✎ **Return on Average Assets** stood at 1.30% as compared to 1.31% in March 2012. Q2 FY13 stood at 1.33% as compared to 1.27% in the previous quarter.
- ✎ **Net worth** improved to ₹ 10606 crore from ₹ 9637 crore in March 2012 and Q1FY13 was at ₹ 10099 crore.
- ✎ **Earnings per Share (annualized)** was at ₹ 43.52 as compared to ₹41.88 as at June 2012 and ₹ 39.57 as at end March 2012 .
- ✎ **Book Value per Share** was higher at ₹237.47 as at end-Sept. 2012 from ₹225.68 as at June 2012 and ₹214.94 as on end-March 2012.
- ✎ **Capital Adequacy Ratio (Basel II)** was at 12.96% (Tier-I Capital: 10.71%; Tier-II Capital: 2.25%) for end-Sep 2012. If current half year profit is considered, CRAR improves to 14.03%.

## Branch Network

- ✎ As on Sept 30, 2012, the Bank's distribution network increased by 53 branches to 1999 branches comprising 534 Rural, 566 Semi Urban, 510 Urban and 389 Metropolitan branches, besides 32 Extension Counters, 23 Satellite Offices and 56 Rural Banking Service Centres. These are complemented by 1295 ATMs, which include 362 offsite ATMs and 87 Biometric ATMs for extending 24x7 services to Self Help Groups.
- ✎ Bank has also opened 1425 Ultra Small Branches (USBs) in villages with population above 2000 covered through BC model under Financial Inclusion.
- ✎ Bank has 3 foreign branches at Singapore, Colombo & Jaffna in Sri Lanka.

## Asset Quality

- ✎ **Bank recorded a recovery of ₹ 307 crore in H1 FY13.**
- ✎ **Gross NPA to Gross Advances ratio** was at 2.06% from 2.03% as at end-March 2012.
- ✎ **Net NPA to Net Advances ratio** was at the same level as of March 2012 at 1.33%.
- ✎ **Provision Coverage Ratio** was at 70.97 % as against RBI's stipulation of 70%.

## Priority Sector

- ✎ **Priority Sector advances** grew by ₹ 3181 crore to reach ₹33208 crore as on 30.09.2012.
- ✎ **Agriculture advances** registered a growth of 12.77% over March 2012 at ₹15060 crore.
- ✎ Under Special Agricultural Credit Plan- (SACP), upto September 2012, the Bank disbursed farm loans to the tune of ₹6754 crore against annual target of ₹10250 crore.
- ✎ Out of the above, ₹1418 crore were disbursed to 280531 new farmers.
- ✎ ₹3019.61 crore has been disbursed to 514298 small / marginal farmers which works out to 46.21 % of Direct Agricultural disbursements against RBI directive of minimum 40%.
- ✎ With the dual objective of enhancing credit flow to agriculture and strengthening our relationship with the farmers, our rural and semi urban branches are observing credit campaign both in Kharif and Rabi season. This year also we observed "INTENSIVE FARM CREDIT CAMPAIGN" from 18.06.2012 to 17.08.2012(extended up to 15.09.2012) coinciding with Kharif season.
- ✎ During the campaign period, our branches have disbursed Agriculture credit to the tune of ₹ 3648.11 crore benefitting 456,461 farmers.

## Financial Inclusion (FI)

Under Financial Inclusion Plan, Indian Bank has been allotted with 1523 villages with population above 2000 for provision of banking services

- ✓ All the 1523 villages have been provided with banking services as on 30<sup>th</sup> September 2012 as below:
  - ✓ 1425 villages through Smart card based Business Correspondent (BC) Model
  - ✓ 53 villages through Brick and mortar branches /Banking Service Centres (BSCs)
  - ✓ 45 villages through Mobile Branch/Van
- ✓ Of the 587 villages with population 1600-2000 allotted, 52 villages have been provided banking services through ICT based smart card enabled BC Model.
- ✓ Bank has established 1425 Ultra Small Branches (USB) in the villages with population above 2000 covered through BC Model under Financial Inclusion
- ✓ Bank has opened 9.85 lacs Basic Savings Bank Accounts in the FI implementing villages and issued smart cards to the account holders.
- ✓ Overdraft in SB NO frill accounts and General Credit Card (GCC) facilities also been provided to 3629 beneficiaries in the villages.
- ✓ In Union Territory of Puducherry, where the Bank is the SLBC Convenor, under Financial Inclusion Plan a total of 42 villages with population above 2000 and 25 villages with population 2000 and below have been provided with banking services. Thus, UT of Puducherry is the first State in the Country to have provided banking services to all the villages including villages with population below 2000.

- ✓ In the state of Tamil Nadu, Bank has been disbursing pension under Social Security Schemes (SSS) through Field Business Correspondents. Pension payment is made to 1.51 lakh beneficiaries in all the 986 villages with population above 2000 allotted to our Bank in the State.
- ✓ Opening of one account per family: Out of 12.58 lakh household to be covered in 1523 villages with population above 2000 , 10.92 lakh households are covered.
- ✓ Campaigns are being organised for providing one account per family in all the service area villages

## Microfinance

- ✎ Upto September 2012, the Bank has disbursed ₹ 916.90 crore to 33991 SHGs. Outstanding under Micro Finance (SHGs) increased by ₹ 55 crore to reach ₹2397.12 crore as of September 2012 registering a growth of 2.33%.

### Microsate Branches:

- ✎ As of September 2012, there are 45 Microsate branches (specialized branches for lending to SHGs).
- ✎ A total of ₹ 316.98 crore covering 15661 SHGs have been disbursed by the Microsate branches during the year upto the month ended September 2012. Total outstanding advances of these Branches as at the month ended September 2012, is ₹835.75 crore covering 59600 SHGs.

## Education Loan

- ✓ Up to the month ended September 2012 exposure to educational loan portfolio increased by ₹ 235 crore from September 2011 to reach ₹ 3411.26 crore.
- ✓ During the quarter ended September 2012, the Bank disbursed a sum of ₹ 337.36 crore as educational loans to 58351 students.
- ✓ The Bank is also implementing "Web based on-line education loan application system" to facilitate early disposal of applications. Up to the month ended September 2012, 117 students were given in-principle sanction amounting to ₹369.37 lakhs
- ✎ To support the National initiatives for skill development, our Banks' Board has accorded approval for implementation of **IBA Model Loan Scheme For Vocational Education and Training** and a detailed all Branch Circular has been issued on 30.06.2012. In order to let the students to avail maximum benefits for the revised scheme, an Educational & Vocational courses loan campaign was launched from 01.07.2012 to 31.07.2012.

### **Capacity Building Initiatives:**

- ✘ As a step towards getting closer to the rural people, the bank has set up a Trust by name "Indian Bank Trust for Rural Development" (IBTRD) for undertaking various developmental activities. Under the trust, the Bank has established Financial Literacy and Credit Counseling (FLCC) centers at Chittoor and Macilipatnam (Andhra Pradesh) Cuddalore, Dharmapuri, Kancheepuram, Krishnagiri, Namakkal, Salem, Thiruvannamalai, Thiruvallur, Villupuram and Vellore (Tamilandu), Kollam in Kerala and Puducherry. A total of 13622 individuals were provided financial counseling so far.

### **Small & Medium Enterprises**

- ✘ **MSME portfolio** of the Bank grew by 16.69 per cent to ₹ 11853.15 crore as at end-Sept 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 1295 as on 30.09.2012 (including 362 offsite ATMs and 87 Biometric ATMs for extending 24x7 services to Self Help Groups (SHGs).
- ✘ Bank's customers can access more than 100500 ATMs across the country under the sharing arrangement.
- ✘ ATM card base has increased to 80.60 lakh from 73.98 lakh as on 31.03.2012.
- ✘ 1 Cash-in ATM is available at the e-Banking Lounge at Alwarpet. The second cash-in ATM is at Mohali Branch.

### **Other Initiatives**

- ✘ Indian Bank Prepaid Gift Card has been launched on 26.09.2012 - "A Gift in Style" can be used for shopping and Online Purchases.
- ✘ Indian Bank Prepaid International Travel Card has been launched on 26.09.2012 - "Travel with delight."

- ✘ Merchant Payment Integration through E-Billing Solution(EBS) launched -Integrated with E-Billing Solutions Pvt. Ltd. for Online Merchant Transactions / Utility Payments through Net Banking facility covering 2775 billers / merchants.
- ✘ Electronic Term Deposit Account (e-TDA) Opening through Net Banking launched on 12.04.2012-Our 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 and an electronic receipt/ acknowledgement is provided to the customer providing the Deposit Account number opened.
  - Collection of Fees for Tamilnadu Public Service Commission for Grade IV is facilitated using Multiutility Module from 28.04.2012 to 30.05.2012.
  - The following Projects have been launched with regard to e-banking:
    - a) Collection of Andhra Pradesh State VAT/CST through e-Payment module is made operational.
    - b) Collection of Professional Taxes (PT) for Government of Maharashtra through e-Payment module.
    - c) e-Payment of TN Regional Transport Department-Payment module is made operational.
    - d) e-Payment of Centralised Orissa VAT/CST.
    - e) Interbank Mobile Payment Services(IMPS) via J2ME Mobile Banking facility
    - f) TamilNadu Electricity Bill(TNEB) payments through SMS Mode
- ✘ Ten cheque deposit machines have been provided on trial basis to Chennai north and south Zones. (five each).
- ✘ RuPay Card agreement signed with NPCI and Card issuance started.
- ✘ Launching of online fee payment facility for the students of University of Madras
- ✘ MoU Entered with National Small Industries Corporation (NSIC) to focus on MSME Segment

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

- ✘ SKOCH Digital Inclusion Award 2012 for exemplary use of technology in Financial Inclusion - received from Shri. Nandan Nilekani, Chairman, Unique Identification Authority of India on 18th September 2012
- ✘ IBA – Banking Technology Awards 2011 for best use of technology in Training and eLearning (2nd Runner up) – received from Shri N R Narayana Murthy Chairman, Emeritus Infosys Limited on 27th August 2012.
- ✘ The Sunday Standard FINWIZ Award 2012 by New Indian Express for QUICKEST TURNAROUND – received from Shri Anand Sharma, Hon'ble Union Minister for Commerce and Industries on 20th August 2012
- ✘ SKOCH Challenger Award 2012 - Banking for outstanding contribution in providing banking services to the unreached villages through various Financial Inclusion initiatives – received from Shri Montek Singh Ahluwalia, Hon'ble Deputy Chariman, Planning Commission in the presense of Dr. C Rangarajan, Hon'ble Chairman, Economic Advisory Council to the Prime Minister on 27th March 2012.
- ✘ SKOCH Financial Inclusion Award-2012 for completion of 100% Financial Inclusion in UT of Puducherry – received from Dr. C Rangarajan, Hon'ble Chairman, Economic Advisory Council to the Prime Minister on 05th January 2012.

- ✎ Outlook Money Awards 2011 for best Education Loan provider – received from Shri Montek Singh Ahluwalia, Hon'ble Deputy Chariman, Planning Commission on 20th December 2011.
- ✎ Financial Express – Ernst & Young “Best Public Sector Bank Award 2010-11 (Runners up) – received from Shri Pranab Mukherjee, then Hon'ble Union Finance Minister on 17th September 2011
- ✎ CNBC - TV 18 Award for the Best Public Sector Bank in mid size category for superior quality of assets, profitability, efficiency & productivity – received from Shri Veerappa Moily, Hon'ble Union Minister for Corporate Affairs on 12th September 2011
- ✎ Dun & Bradstreet Banking Award 2011 for Best Asset Quality received from Shri S S Tarapore, Former Deputy Governor, RBI on 30th August 2011
- ✎ "Best Risk Master Award" under Public Sector Bank Category - received from Shri Prithviraj Chavan, Hon'ble Chief Minister of Maharashtra, in FICCI- IBA Conference FIBAC 2011 on 25th August 2011

**Accolades in the recent past ...**

- ✎ 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.
- ✎ ISO 9001:2008 Certification for our Corporate Office Building - 1st Corporate Office building of PSBs in India to get the ISO Certification.

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