



Indian Bank Q3 Net Profit at ₹ 331 crore

Indian Bank has declared a Net profit of ₹ 331 crore in Q3 of 2012. The Bank has provided ₹ 40 crore towards pension corpus for 2nd time option given to VRS optees and has made an adhoc provision of ₹15 crore (for November & December 2012) towards expected wage revision of employees and officers. It is noteworthy that IBA has initiated discussions with Employees unions and Officers associations, since previous Bipartite term has expired on 31.10.2012. Additionally, extra provision of ₹96 crores was made towards restructured assets.

The CMD of Indian Bank shared with the press that in Q3 of last year there were two exceptional income items comprising of reversal of provision amounting to ₹52 crore towards Deferred Tax liability and a one time ₹51 crore income from forex portfolio.

Other Performance Highlights for Q3-2012 are as under:

Business

- ✎ **Total Business** of the Bank rose to ₹ 2,35,060 crore as compared to ₹ 2,07,014 crore in December 2011, registering a growth of 13.55%(y-o-y).
- ✎ **Total Deposits** as at the end of December 2012 amounted to ₹ 1,35,077 crore as compared to ₹ 1,18,970 crore in December 2011, recording a growth of 13.54% (y-o-y).
- ✎ **CASA Deposits improved** to ₹ 38,268 crore in December 2012 from ₹35,919 crore in December 2011 with a share of 30 per cent.
- ✎ **Gross Advances** at ₹99,983 crore registered a growth of 13.56% (y-o-y) as against ₹ 88,044 crore as on December 2011.
- ✎ **Credit Deposit Ratio** was at 74.02%.

Income and Expenses for nine-month period ended December 2012

- ✎ **Net Profit** stood at ₹ 1,289 crore for the nine-month period ended December 2012. Excluding the additional provisions of ₹ 151 crore made in the current quarter, the net profit would be ₹ 1,435 crore
- ✎ In the nine-month period ended December 2012, **Total Income** increased by ₹1,193 crore to ₹ 11,158 crore, with a y-o-y growth of 11.97%.
- ✎ **Net Interest Income** rose by ₹82 crore (2.44%) to reach ₹ 3417 crore.
- ✎ **Cost to Income Ratio** for December 2012 was at 41.17%.

- ✎ **Net Interest Margin (NIM)** was maintained at above 3.00% level at 3.16% for the nine-month period.
- ✎ **Return on Average Assets** stood at 1.14%.
- ✎ **Earnings per Share (annualized)** was at ₹ 38.91 for the nine-month period ended December 2012.
- ✎ **Book Value per Share** was higher at ₹ 245 as on 3^{1st} December 2012 .

Income and Expenses for quarter ended December 2012

- ✎ **Net Profit** stood at ₹ 331 crore.
- ✎ **Total Income** increased by ₹ 229 crore to ₹ 3,787 crore, with a y-o-y growth of 6.44%.
- ✎ **Net Interest Income** stood at ₹ 1143 crore.
- ✎ **Cost to Income Ratio** for December 2012 was at 45.93%.
- ✎ **Net Interest Margin (NIM)** was 3.07% for the quarter ended December 2012
- ✎ **Return on Average Assets** stood at 0.85%.
- ✎ **Net worth** improved to ₹10,936 crore from ₹ 9,728 crore in December 2011.
- ✎ **Capital Adequacy Ratio (Basel II)** was at 13.07% (Tier-I Capital: 10.75%; Tier-II Capital: 2.32%) for end-December 2012. If current year profit upto December 2012 is also considered, CRAR improves to 14.52% (**Tier-I Capital:12.20%; Tier-II Capital:2.32%**). **The Bank also has headroom available ₹7520 crore**

Branch Network

- ✎ As on December 2012, the Bank's distribution network increased by 81 domestic branches to 2027 branches comprising 542 Rural, 572 Semi Urban, 521 Urban and 392 Metropolitan branches; besides 31 Extension Counters, 23 Satellite Offices and 56 Rural Banking Service Centres. These are supplemented by 1295 ATMs, which include 361 offsite ATMs.
- ✎ The Bank has 3 foreign branches at Singapore, Colombo & Jaffna in Sri Lanka taking the total branch network to 2030.
- ✎ Bank has also opened 1425 Ultra Small Branches (USBs) in villages with population above 2000 covered through BC model under Financial Inclusion.

Asset Quality

- ✎ Gross NPA to Gross Advances ratio and Net NPA to Net Advances ratio stood at 3.18% and 2.17% respectively.
- ✎ During the nine-month period ended December 2012, Bank made NPA recovery of ₹ 442 crore in addition to upgradation of NPAs to Standard Accounts to the tune of ₹ 360 crore.

Priority Sector

- ✎ **Priority Sector advances** grew by ₹ 4524 crore to reach ₹34551 crore as on 31.12.2012. The share of Priority Sector advances to the Adjusted NBC is at 39.94%.
- ✎ **Agriculture advances** registered a growth of ₹ 2537 crore (a growth of 19.00%) over March 2012 at ₹15891 crore.
- ✎ Under Special Agricultural Credit Plan- (SACP), up to December 2012, the Bank disbursed farm loans to the tune of ₹ 10750 crore against annual target of ₹ 10250 crore.
- ✎ Out of the above, ₹ 2257 crore were disbursed to 438189 new farmers.
- ✎ ₹4936 crore has been disbursed to 796117 small / marginal farmers which works out to 47% 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.

Microfinance

- ✎ Upto December 2012, the Bank has disbursed ₹ 1264 crore to 46464 SHGs. Outstanding under Micro Finance (SHGs) stood at ₹2338.38 crore as of December 2012. Total SHGs linked so far is 6,45,174.

Microsate Branches:

- ✎ As of December 2012, there are 45 Microsate branches (specialized branches for lending to SHGs).
- ✎ A total of ₹ 370.85 crore covering 20642 SHGs have been disbursed by the Microsate branches during the year upto the month ended December 2012. Total outstanding advances of these Branches as at the month ended December 2012, is ₹786.62 crore covering 57221 SHGs.

Education Loan

- ✓ Up to the month ended December 2012 exposure to educational loan portfolio increased by ₹ 367 crore from December 2011 to reach ₹ 3648.17 crore.
- ✓ During the quarter ended December 2012, the Bank disbursed a sum of ₹ 403.52 crore as educational loans to 66196 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

December 2012, 184 students were given in-principle sanction amounting to ₹520.19 lakhs

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 31st December 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 584 villages with population 1600-2000 allotted, 395 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 11.30 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 3683 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 , 11.31 lakh households are covered.
- ✓ Under the Pilot project for Direct Benefit Transfer for transfer of benefits into the Bank account of the beneficiaries in 51 districts with effect from 01st January 2013, our Bank has 238 branches in 39 districts spread over in 17 zones. Bank has taken steps to credit the benefits to the bank account of the beneficiaries using Aadhaar number, through Aadhaar Payment Bridge of NPCI. Delivery channels like BCs, ATMs, Bio metric ATMs, etc., have been established in the villages to facilitate withdrawing of the money by the beneficiaries. Awareness campaigns are conducted in the villages for opening bank accounts and for seeding Aadhaar number to the beneficiaries' bank account.

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 23260 individuals were provided financial counseling so far.

Small & Medium Enterprises

- ✎ **MSME portfolio** of the Bank grew by 23.34 per cent year on year to ₹ 12410.27 crore as at end-December 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.
- ✎ Our Bank has formulated various cluster schemes across the Country to take care of specific requirements of clusters concerned. Some such schemes are:Leather Cluster in Pimplas Village, Bhiwandi, Textile Cluster in Bhilwara Region, Ceramic Cluster at Morvi, Rice Mill units at Nellore, Rig cluster unit at Tiruchengode, Salem Zone, Cluster of Traders for purchase of shops in an upcoming Complex at Guntur, IB Truck Finance for Namakkal District, Salem Zone & Textile Cluster for Ichalkaranji.
- ✎ MoU arrangement with BAJAJ & TVS for financing their 3 wheelers to augment Micro Enterprises credit.
- ✎ Our Bank has opened Cell for Innovation and Start up finance for MSMEs at T.Nagar, Chennai, to take care of innovative / start-up projects.

I.T. & Other Initiatives

- ✎ Number of ATMs has increased to 1295 as on 31.12.2012 (including 361 offsite ATMs).
- ✎ Bank's customers can access more than 100500 ATMs across the country under the sharing arrangement.
- ✎ ATM card base has increased to 84.88 lakh from 73.98 lakh as on 31.03.2012.

Other Initiatives

- ✎ Presently, our Bank has been collecting VAT/CST payment for the Government of Maharashtra through our Net Banking. We have now enabled our customers to make online payment of Maharashtra Government RTO fees, court fees, Inspector General of Registration(IGR) charges etc. for Government of Maharashtra through our internet Banking channel hosted by Maharashtra State Government Virtual Treasury.
- ✎ Facility provided to make the contribution to the Prime Minister's National Relief Fund through net banking.

Awards in the recent past ...

- ✎ Adjudged Fifth among the Public Sector Banks as the Best Service Brand by Economic Times Brand Equity.
- ✎ Outlook Money Awards 2012 for best bank.
- ✎ NFS ATM Operational Excellence Award - 2012 (Runner-up) Declared as Runner-up in the NFS ATM Operational Excellence Award 2012 under Public Sector Bank category
- ✎ 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
