



INDIAN BANK'S NET PROFIT UP BY 12.7% in Q2

The Board of Directors of Indian Bank have approved the Accounts for the half year ended September 30, 2011 at its meeting held in Chennai on October 31, 2011. The accounts have been subjected to limited review by the Bank's Statutory Auditors.

Briefing the Print and Electronic Media, Shri T M Bhasin, Chairman and Managing Director, Indian Bank highlighted the Bank's performance for the Second Quarter of FY 2011-12.

NET INTEREST INCOME SURGES BY 15.5 %

NET PROFIT IMPROVES TO ₹ 469 CRORE

BUSINESS CROSSES ₹ 2 LAKH CRORE TO ₹ 202,590 CRORE

Highlights of Performance for the Quarter ended September 2011

Profit

- **Net Profit** amounted to ₹ 469 crore as compared to ₹ 416 crore in the corresponding period of previous year, registering a y-o-y growth of 12.7%.
- **Core operating profit** (excluding trading profit) increased to ₹ 861 crore from ₹680 crore in Q2 FY11, recording a growth of 27%.

Business

- **Total Business** of the Bank rose to ₹ 2,02,590 crore as compared to ₹1,67,980 crore in September 2010, registering a y-o-y growth of 20.6%.
- **Deposits** amounted to ₹ 1,16,218 crore as compared to ₹ 98,007 crore in September 2010, recording a growth of 18.6 % on y-o-y basis.
- **CASA Deposits (Domestic)** improved to ₹ 34,227 crore in September 2011 from ₹ 31,240 crore in September 2010 recording a growth of 9.6%.
- **Advances** at ₹ 86,372 crore grew by 23.4% (y-o-y) as against ₹ 69,973 crore as on 30.09.2010.
- **Credit Deposit Ratio** was at 74.3% as against 71.4% in September 2010.

Income and Expenses

- **Total Income** increased by 32% to ₹ 3,377 crore in Q2 FY12, led by y-o-y growth of 33.4 % in Interest Income.
- **Net Interest Income** rose by 15.5% on y-o-y basis to reach ₹ 1135.4 crore.

- **Total Expenses** were at ₹ 2,456 crore in Q2 FY12.

Key Ratios

- **Cost to Income Ratio** improved to 37.7% for the quarter ended September 2011 from 41.7%.
- **Net Interest Margin (NIM)** at 3.76%.
- **Earnings per Share** was at ₹ 42.54 (annualised) for Q2 FY12 as against ₹37.61 (annualised) in the same period of the previous year.
- **Book Value per Share** was higher at ₹ 204.81 as at September 2011 from ₹ 172.91 as on September 2010.
- **As per Basel II, the CRAR** was at 12.23% as at end of September 2011 (Tier-I Capital: 9.89%; Tier-II Capital: 2.34%).

Asset Quality

- The Bank continued to maintain its good record of recovery at ₹ 245.4 crore.
- Asset quality remains healthy. **Gross NPA to Gross Advances** ratio declined to 1.21% from 1.29% as at September 2010.
- **Net NPA to Net Advances** ratio decreased to 0.69% from 0.73%.
- **Provision Coverage Ratio** was at 79.4% as against to RBI's stipulation of 70%.

Priority Sector

- **Priority Sector advances** grew by ₹ 4,706 crore (19.45%) to reach ₹ 28,907 crore.
- Outstandings in Agriculture advances grew by 24.2% to ₹ 12,741 crore.
- Special Agricultural Credit Plan: Against the annual target of ₹ 8,300 crore for the year 2011-12, disbursements were ₹ 6,371.6 crore, recording 76.8 % achievement.

Financial Inclusion (FI)

- As on 30th September, 2011, the Bank has provided banking services to all the allotted 1511 villages with population above 2000, through various delivery models as below:
 - ✓ 1413 villages through Smart card based Business Correspondent (BC) Model
 - ✓ 47 villages through Banking Service Centres (BSCs)
 - ✓ 6 villages through Brick and Mortar branch
 - ✓ 45 villages through Mobile Branch/Van
- In Union Territory of Puducherry, the Bank as the SLBC Convenor along with various banks has provided banking services to all the 42 villages under Financial Inclusion Plan, making **UT of Puducherry the first in the Country to provide banking services to all the villages with population more than 2000.**

Microfinance

- During the half year, loans amounting to ₹ 965 crore have been disbursed to 40,055 SHGs, the outstanding increased by ₹ 254 crore to ₹ 2,379 crore.
- Bank opened 5 more MICROSATE branches at Virudhachalam, Dindigul, Tirunelveli, Villupuram and Pollachi taking the total to 43 branches for specialised lending to SHGs.

Education Loan

- Education Loans was at ₹ 3,176 crore increasing by ₹ 551 crore as on 30th September 2011. During the half year, ₹ 418 crore was disbursed to 70,436 students.

Small & Medium Enterprises

- 62 MSME specialized/focus branches have been operationalised to provide single window services to MSME borrowers.
- Total outstandings under Micro and Small enterprises portfolio increased to ₹8,257 crore from ₹7,204 crore, registering a growth of 14.6%.

Retail Credit

- Bank's exposure under Personal Segment Advances amounted to ₹ 12,238 crore, registering a growth of 8.4%.

I.T. & Other Initiatives

- **Platinum Debit Master Card** launched - customers can now enjoy a rewarding shopping experience with quick and secure access to their funds to pay for products and services.
- 32 branches and 30 new ATMs were opened during the quarter taking the total to 1927 branches, (including 3 foreign branches at Singapore, Colombo and Jaffna) and 1209 ATMs.
- 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.

Awards and Accolades

- **Best Risk Master Award** under Public Sector Bank Category from FIBAC in the FICCI – IBA Conference on 25th August 2011
- Dun & Bradstreet Banking Award 2011 for **Best Asset Quality** at Mumbai on 30th August 2011
- **Best Bank Award** among the Public Sector Banks (II Rank) by the Financial Express for 2010-11 on 17th September 2011
- CNBC – TV 18 Award on 12th September 2011 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** as per Banker Magazine.