



2007-08

A YEAR OF RECORD PERFORMANCE



HEAD OFFICE :: CHENNAI
APRIL 23, 2008

A YEAR OF RECORD PERFORMANCE

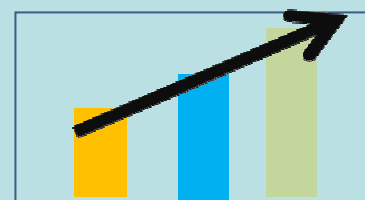
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NET PROFIT CROSSES Rs. 1000 Cr. MARK - UP BY 32.77% TO Rs. 1008.74 Cr.

2

OPERATING PROFIT- UP BY 22.13% TO Rs. 1659.30 Cr.



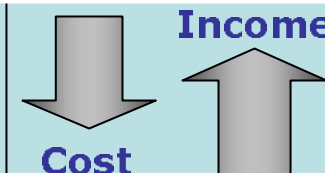
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NET INTEREST INCOME UP BY Rs. 209.51 Cr - 11.76% TO Rs. 1991.70 Cr - NIM STOOD AT 3.34%

4

COST INCOME RATIO DOWN AND STOOD AT 45.77% AS AGAINST 47.85% FOR 2006-07



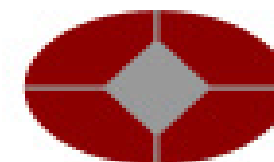
5



BOOK VALUE PER SHARE UP BY 33.60 % AND STOOD AT Rs. 100.13.

6

BANK HAS BECOME BASEL II COMPLIANT. BANK'S CRAR STOOD AT 12.86%.



A YEAR OF RECORD PERFORMANCE

7



BUSINESS CROSSES RS.1 LAKH CRORE MARK - GROWTH IN DEPOSITS 29.63%. GROWTH IN CREDIT 36.36%

8

COVERAGE OF 100% OF BRANCHES UNDER CORE BANKING SOLUTIONS



9



OPENING OF 100 BRANCHES IN A YEAR - HIGHEST NUMBER OF BRANCHES OPENED EVER

10

OPENING OF BANKING SERVICE CENTRES - FIRST BANK TO DO IN THE COUNTRY.



11



EDUCATIONAL LOAN TO STUDENTS CROSSES 1 LAKH. "WEB BASED ON-LINE SYSTEM" LAUNCHED.

12

THE BANK CONTINUES TO TAKE SEVERAL INITIATIVES UNDER CORPORATE SOCIAL RESPONSIBILITY



A YEAR OF RECORD PERFORMANCE

13



MARKET CAPITALISATION IMPROVED SIGNIFICANTLY

14

FIRST TO OPEN EXCLUSIVE MICROSATE BRANCH TO CATER TO SHGs - 11 MORE BRANCHES OPENED



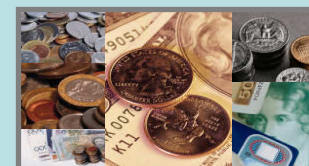
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FIRST BANK TO IMPLEMENT 100% BILINGUALISATION OF CBS IN THE COUNTRY

16

INTEGRATED TREASURY BRANCH PUT IN PLACE



17



OVER 150 ATMs OPENED IN THE YEAR - THE BANK HAS NOW 600 ATMs

18

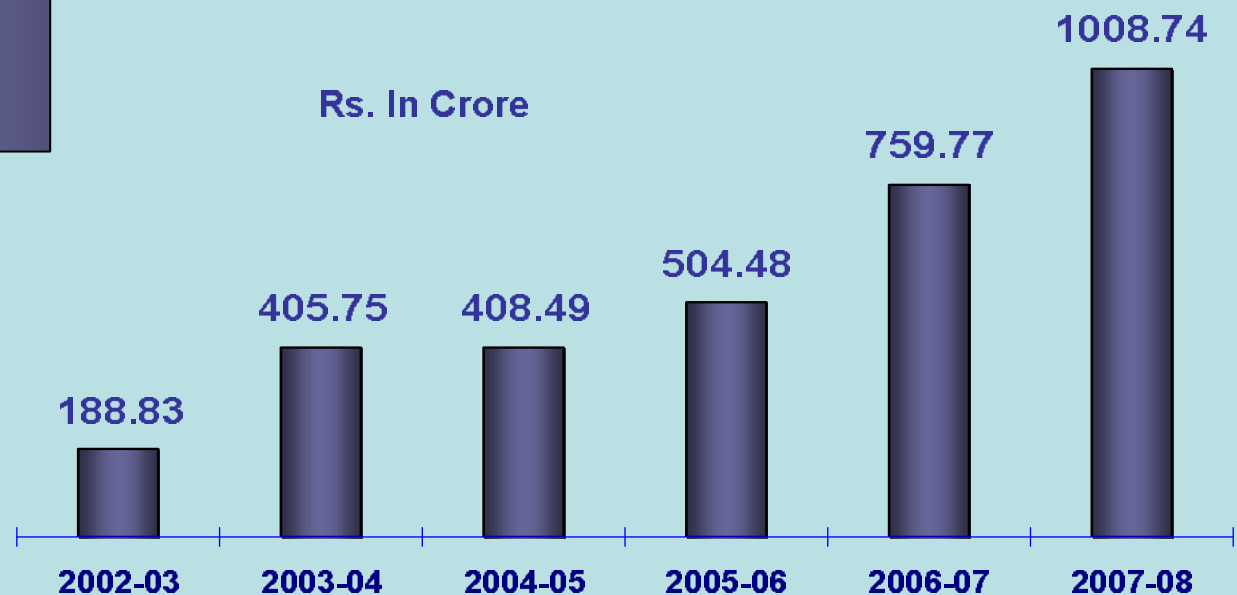
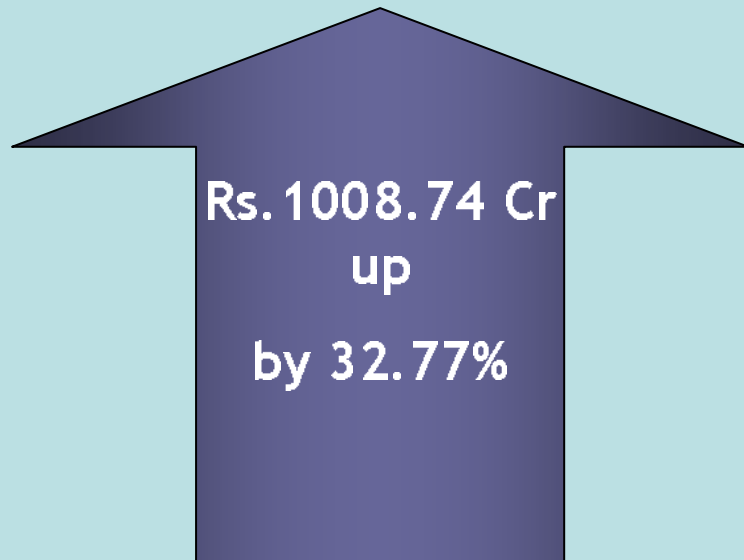
E-TICKET - BOOKING OF RAILWAY TICKETS THROUGH BANK'S ATMs INTRODUCED



PERFORMANCE HIGHLIGHTS - 2007-08

Net Profit crosses
Rs. 1000 crore mark -

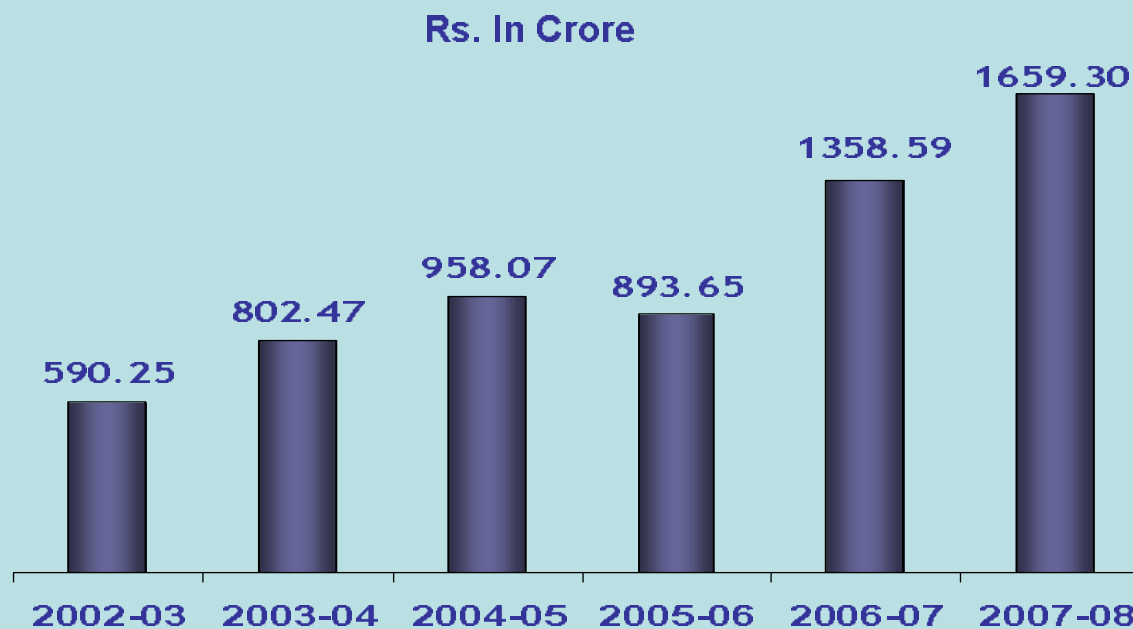
Up by 32.77% to Rs. 1008.74
Crore from Rs. 759.77 crore



PERFORMANCE HIGHLIGHTS - 2007-08

Operating Profit up by 22.13%
to Rs.1659.30 crore from
Rs.1358.59 crore

Rs. 1659.30 Cr
up
by 22.13%



CONSISTENT PERFORMANCE

Rs. In Crore

Income/Exp. Heads	FY07	FY08	YoY Growth %	Q407	Q408	YoY Growth %
1. Interest Income	4194.80	5150.77	22.79	1196.63	1359.99	13.65
of which:						
a) MoI	142.88	175.54	22.86	79.80	22.40	-71.93
b) Other Interest Income	4051.92	4975.23	22.79	1116.83	1337.59	19.77
2. Interest Expenses	2412.61	3159.07	30.94	646.60	846.78	30.96
3. Net Interest Income	1782.19	1991.70	11.76	550.03	513.21	-6.69
4. Non Interest Income	823.06	1067.89	29.75	366.96	312.86	-14.74
of which:						
a) Recovery of bad debts	377.45	312.92	-17.10	209.06	97.46	-53.38
b) Other non interest Income	445.61	754.97	69.42	157.90	215.40	36.42
5. Total Income	5017.86	6218.66	23.93	1563.59	1672.85	6.99
6 a) Non interest income as % to Total Income	16.40	17.17	xx	23.47	18.70	xx
6 b) Other Non Int.Income (excl. Recovery of Bad debts) as % to Total Income	8.88	12.14		10.10	12.88	

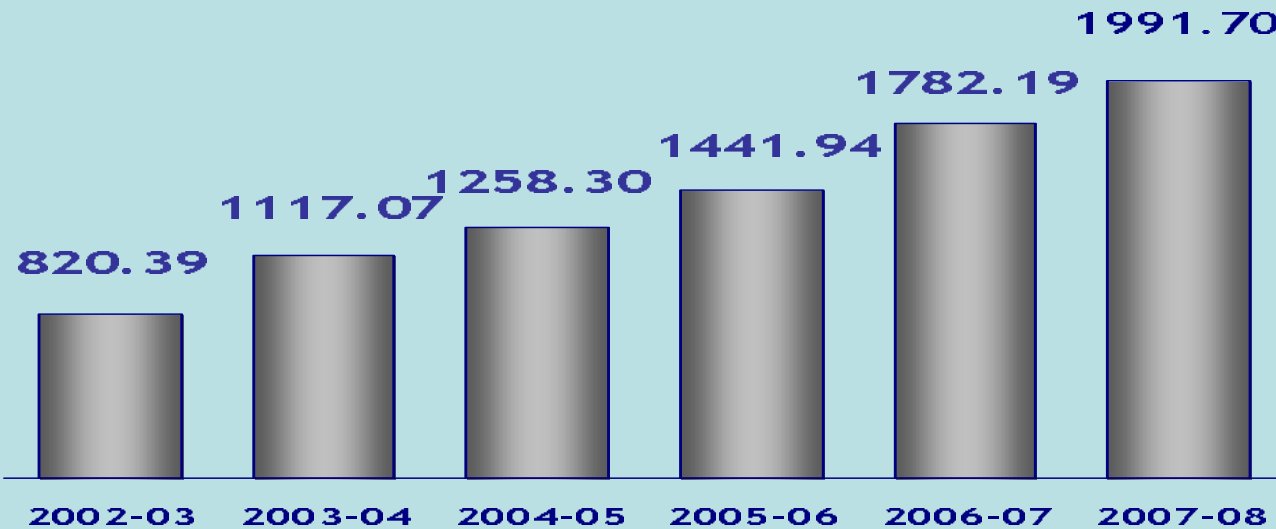
CONSISTENT PERFORMANCE - Contd.

Rs. In Crore

Income/Exp. Heads	FY07	FY08	YoY Growth %	Q407	Q408	YoY Growth %
6. Operating Expenses	1246.66	1400.29	12.32	375.41	303.10	-19.26
Operating Exp. as % to Total Income	24.84	22.52	XX	24.01	18.12	XX
7. Operating Profit	1358.59	1659.30	22.13	541.59	522.97	-3.44
8. Net Profit	759.77	1008.74	32.77	235.30	241.67	2.71
A. Total Income	5017.86	6218.66	23.93	1563.59	1672.79	6.98
B. Total Expenditure	3659.27	4559.36	24.60	1022.00	1149.88	12.51

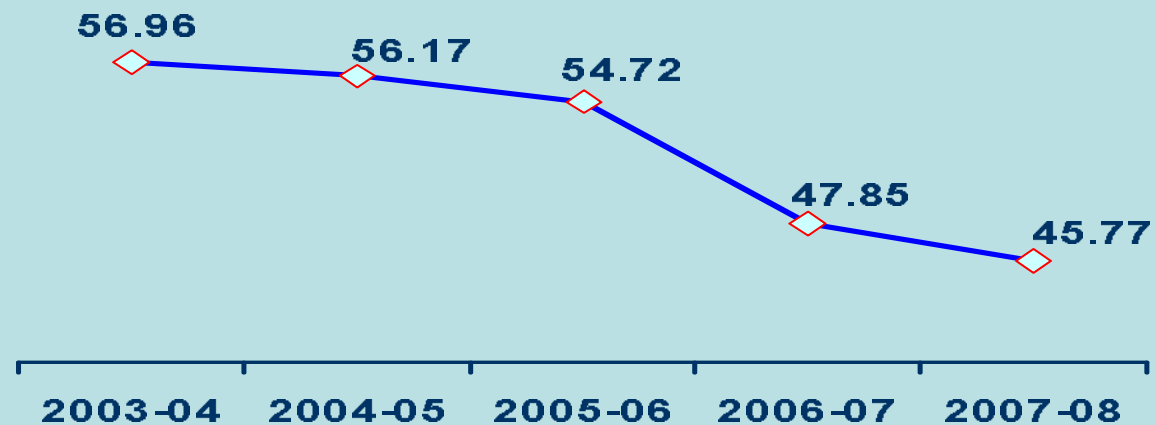
GROWING NET INTEREST INCOME/ FALLING COST INCOME RATIO

Rs. In Crore



Net interest
income
CAGR – 19.41%

Cost
Income Ratio



BREAK-UP OF OTHER INCOME

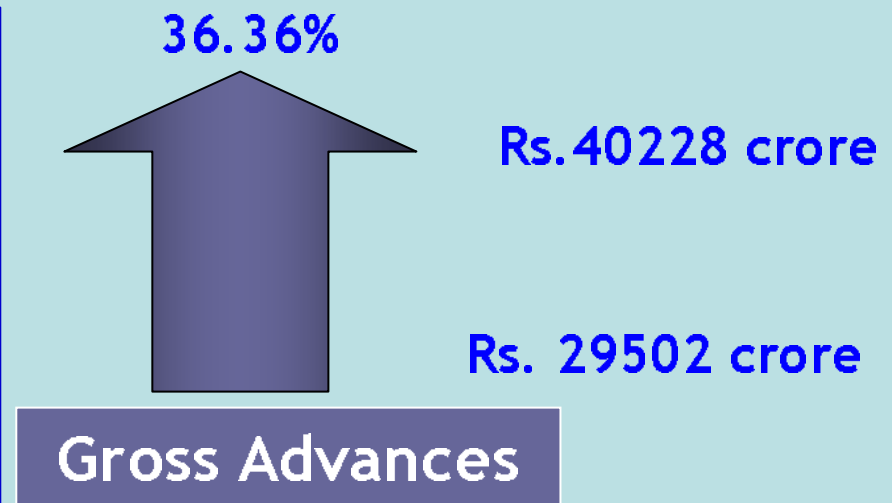
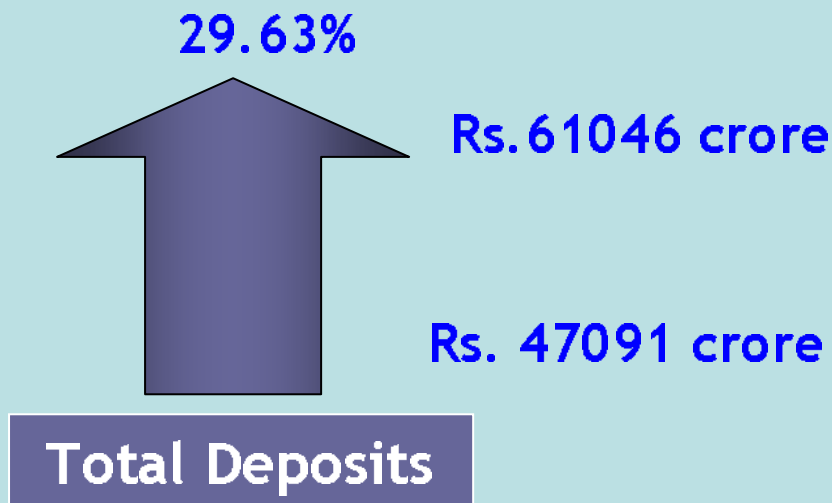
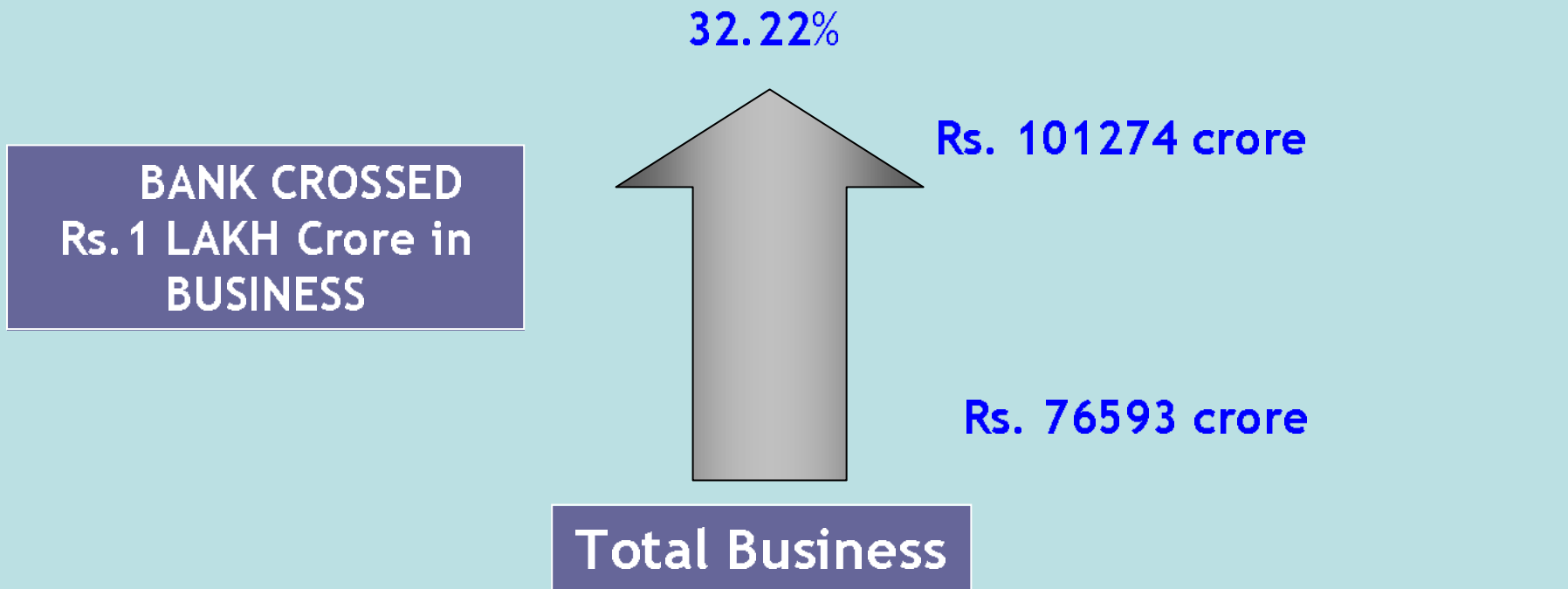
Rs. In Crore

	FY 06	FY 07	FY 08	Growth %	Q407	Q408	Growth %
1. Commission, Exchange & Brokerage	118.02	148.19	179.30	20.99	40.35	47.32	17.27
2. Profit on sale of Investments	75.92	49.31	241.21	389.22	5.50	50.96	826.55
3. Profit on Exchange Transactions	68.06	75.77	99.97	31.94	30.20	18.62	-38.34
4. Dividend Received	2.15	3.26	4.67	43.34	1.58	0.38	-75.95
5. Recovery of bad debts	181.47	377.45	312.92	-17.10	209.06	97.46	-53.38
6. Interest on IT refund	0.00	30.23	34.63	14.56	0.00	26.68	
7. Misc. income	85.86	138.86	195.19	40.57	80.27	71.44	-11.00
Total	531.47	823.06	1067.89	29.75	366.96	312.86	-14.74

KEY FINANCIAL RATIOS

Ratios (%)	FY 04	FY 05	FY 06	FY 07	FY 08
1. Return on Average Assets	1.21	1.08	1.16	1.46	1.64
2. Return on Average Networth	39.46	18.86	23.52	27.70	24.45
3. Earning per Share (Rs.)	13.71	9.27	14.24	20.46	22.52
4. Book Value per Share (Rs.)	31.59	41.87	54.32	74.95	100.13
5. Capital Adequacy	12.82	14.14	13.19	14.14	12.86
Tier I	7.66	7.60	10.29	12.28	11.41
Tier II	5.16	6.54	2.90	1.86	1.45
6. Net Interest Margin (NII/Avg int earning assets)	3.65	3.49	3.46	3.57	3.34
7. Cost income Ratio	56.96	56.17	54.72	47.85	45.77
8. Gross NPA (%)	7.98	3.96	2.91	1.85	1.21
9. Net NPA (%)	2.71	1.35	0.79	0.35	0.24

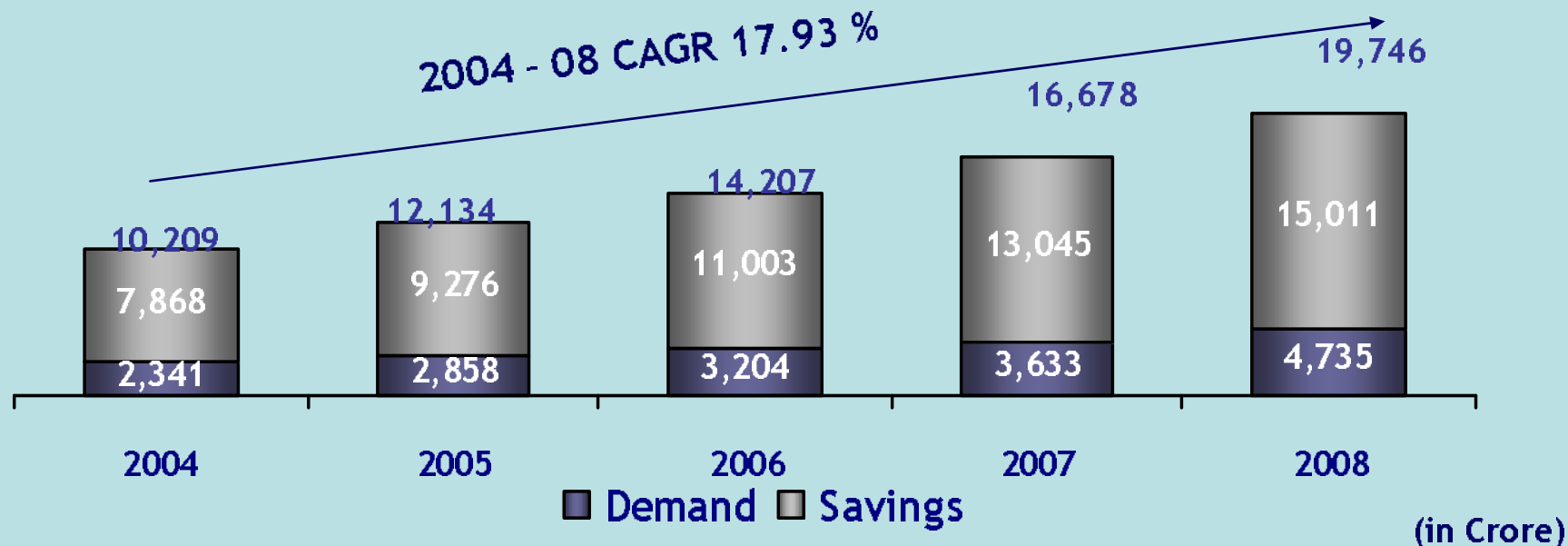
BUSINESS HIGHLIGHTS



LOW COST DEPOSITS

Focus on low cost Savings and Demand Deposits

(in Crore)

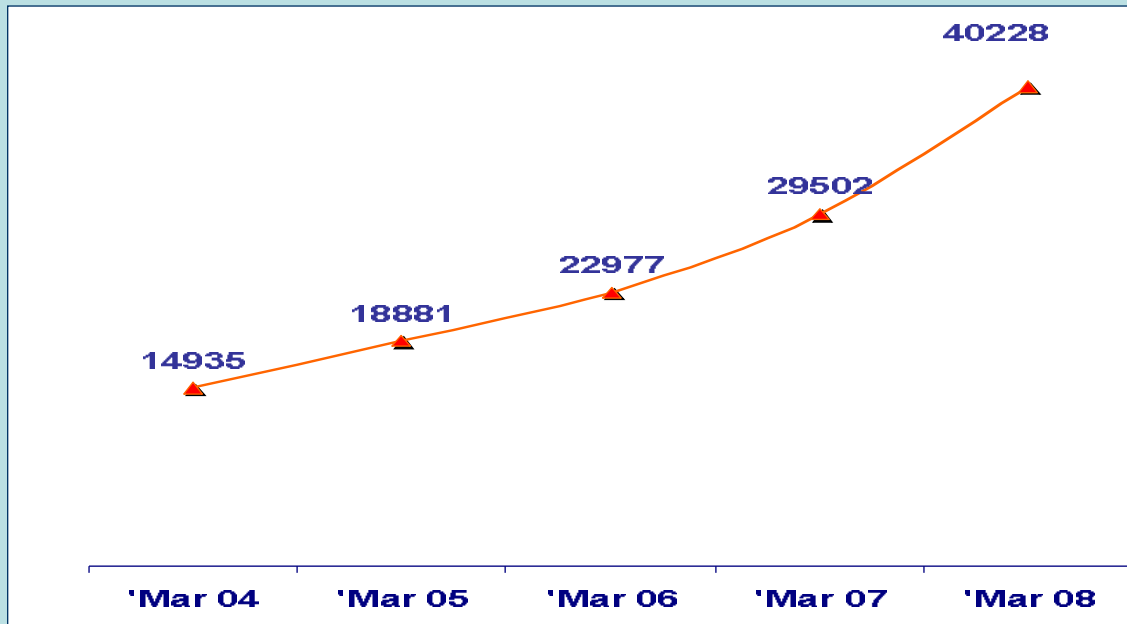


	Mar 07	Mar 08	Growth %
Current	3633	4735	30.35
Savings	13045	15011	15.08
Total Low Cost Dep.	16678	19746	18.40
Term	30413	41300	35.80
Total Deposits	47091	61046	29.63
High Cost Deposits	6428	8752	
% of High Cost Deposits	13.65	14.34	

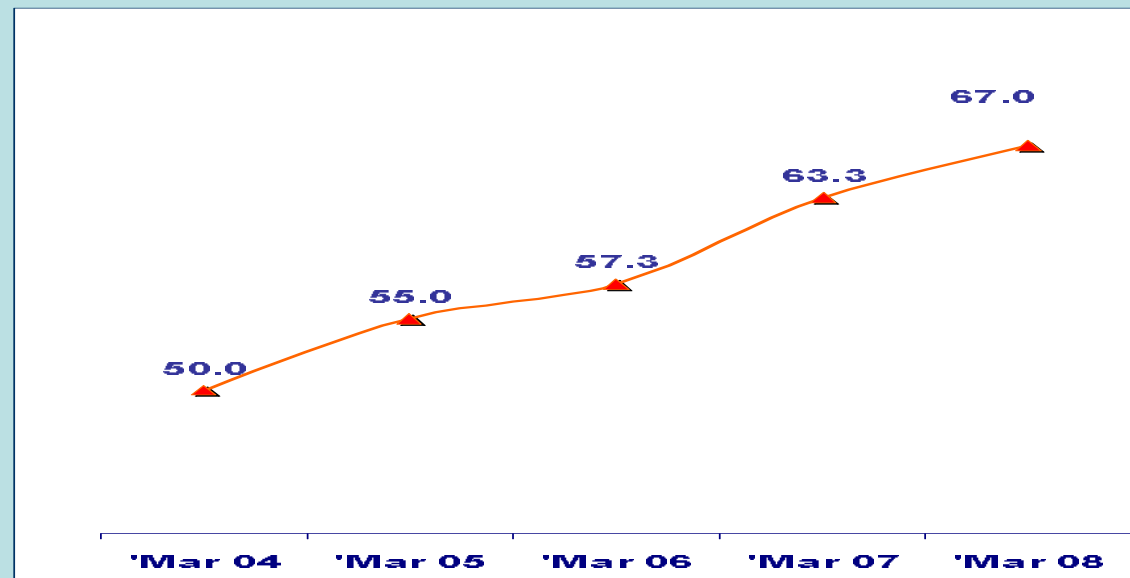
GROWTH IN CREDIT

(Rs in crore)

Gross advances
(Global)



Gross CD Ratio
(Global)



COMPOSITION OF ADVANCES

Rs. In Crore

Credit to	Mar 07	Mar 08	Growth %
Agriculture	4814	6294	30.73
% Share to Total	16.32	15.65	
Retail	6251	7860	25.74
% Share to Total	21.19	19.54	
SME	3115	4355	39.81
% Share to Total	10.56	10.83	
Corporate & Commercial	13983	19695	40.85
% Share to Total	47.40	48.96	
Overseas Credit	1339	2024	51.16
Total	29502	40228	36.36
Of which: Priority Sector	11998	15129	26.09

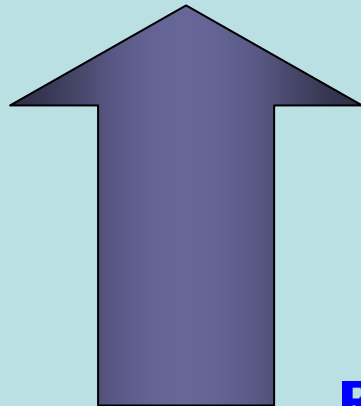
Disbursements under various Structured Products, during 2007-08, was Rs.3574 Crore.

Outstandings under various Structured Products (Rs. In Cr.)

Home Loans	4188
Education Loans	1147
Others	2525

GROWTH IN ADVANCES-HIGHLIGHTS

26.09%

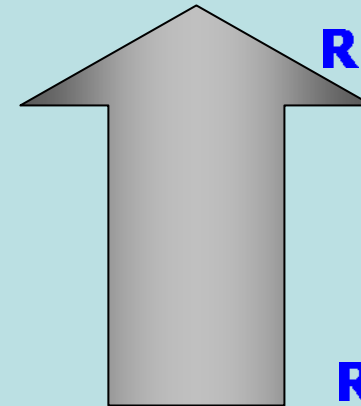


Rs.15129 crore

Rs.11998 crore

Priority Sectors

30.73%

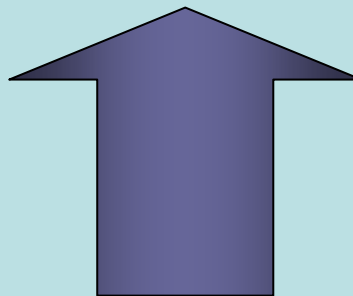


Rs.6294 crore

Rs.4814 crore

Agriculture

39.81%



Rs. 4355 crore

Rs.3115 crore

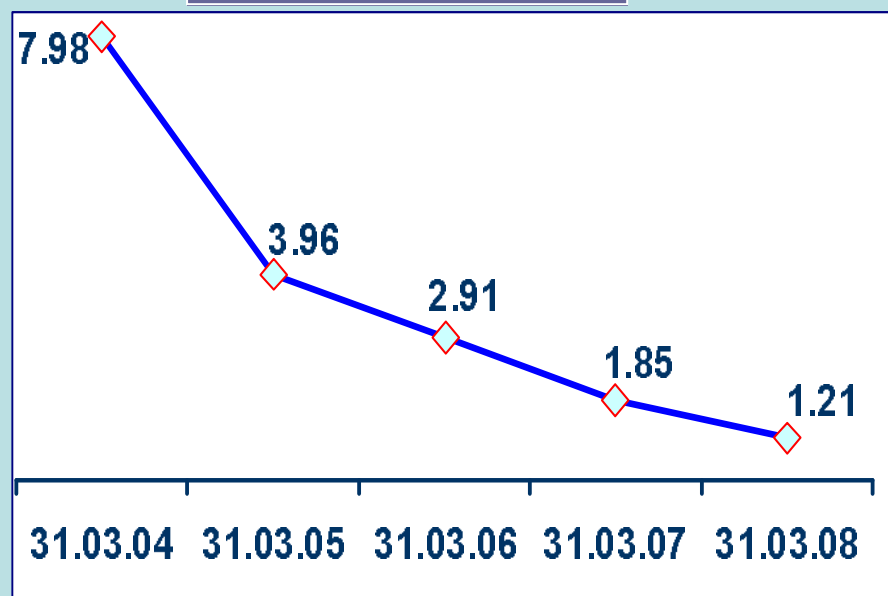
SME

NPA MANAGEMENT

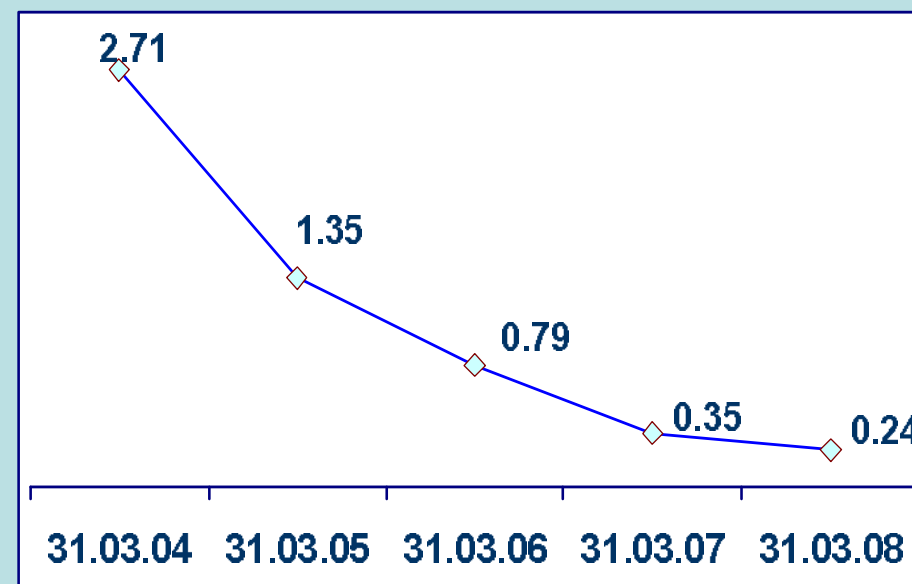
Rs. In Crore

	Mar-06	Mar-07	Mar-08
NPA Recovery	418	654	575
Gross NPA	669	546	487
Net NPA	177	102	98
Gross NPA (%)	2.91	1.85	1.21
Net NPA (%)	0.79	0.35	0.24

GROSS NPA (%)



NET NPA (%)



PRIORITY SECTOR LENDING

- Priority sector credit as percentage to Adjusted Net Bank Credit (ANBC) was 53.72% as on 31.03.2008 as against the norm of 40% and March 07 level of 49.37% of Net Bank Credit as per earlier PS norms.
- Agriculture credit as % to Adjusted Net Bank Credit (ANBC) was 22.35% as on 31.03.2008 as against the prescribed norm of 18% and March 07 level of 21.11% of Net Bank Credit as per earlier PS norms.

EDUCATIONAL LOAN (PRIORITY & NON PRIORITY)

Rs in Crore

Period	No. of students financed during the year	Amount of credit disbursed	% Growth	Amount Outstanding
March'03	2307	33.35	50.70	60.41
March'04	2881	38.72	16.10	83.39
March'05	9552	119.25	207.98	161.66
March'06	24809	260.14	118.15	375.86
March'07	31141	352.25	35.41	692.36
March'08	44710	435.49	23.63	1149.33

The Bank crossed Rs.1000 crore mark under Educational loans and more than a lakh of students added to the customer strength

PIONEER IN SHG MOVEMENT

Rs in Crore

Period	No. of SHGs financed during the year	Amount of credit disbursed	Outstanding	% growth	Number of new SHGs linked
March'03	14750	71	75	86.29	9654
March'04	18203	103	137	83.51	14320
March'05	35355	201	199	45.22	18616
March'06	53285	393	350	75.96	35168
March'07	61469	503	575	64.38	36163
March'08	75381	815	987	71.69	39879

SHG INITIATIVES

- The Bank's yet another bold and path breaking initiative in the field of microfinance is the setting up of 11 additional Specialised Microfinance Branches called MICROSATE Branch across the country, all in a year, taking the total to 12.
- 25382 SHGs have been credit linked with Rs.135 crore by these 12 MICROSATE branches.
- With a view to providing the much needed connectivity between the producers and consumers, the Bank has jointly organized six SHG-Products Expo at Kumbakonam, Madurai, Salem, Vijayawada, Chittoor, New Delhi involving 11 Circles of the Bank. Sales of SHG products to the tune of Rs. 12.68 lakhs were made during the exhibitions.

COMMON MAN'S BANK - FINANCIAL INCLUSION INITIATIVES BY THE BANK

- First bank to implement the Financial Inclusion (FI) project.
- Following the completion of the project in the Union Territory of Puducherry, the same has been successfully completed in our lead districts of Kollam and Cuddalore achieving 100% coverage, involving other banks also.
- 100% Financial Inclusion achieved in Nilgiris, ST dominated district, first to complete in the District.
- 7,33,108 persons brought into Banking fold under FI across the country upto March 2008.
- 51,980 beneficiaries provided with OD/General Credit Card facility for Rs. 10.36 Crore for consumption needs/taking up income generation activities.
- 1,80,935 SHG women and No Frills account holders - issued Janashree Bima Yojana policies and Universal Health care (Mediclaim for BPL) upto March 2008.

COMMON MAN'S BANK - FINANCIAL INCLUSION INITIATIVES

Banking Service Centres (Kiosk Banking)

- With a view to accelerating the pace of financial inclusion, the bank has embarked on a unique outreach model by setting up Banking Service Centres.
- This new business delivery model will render financial and non - financial services to the rural masses leveraging technology and help increasing the outreach under Financial Inclusion.
- 20 such centres have been opened in various parts of the country.

Award for Financial Inclusion Initiatives

SKOCH CHALLENGER AWARD 2008



- The Bank conferred with Skoch Challenger Award - 2008 for its path breaking Financial Inclusion initiatives in Puducherry and Dharavi.
- Dr. C. Rangarajan, Hon'ble Chairman, Economic Advisory Council to the Prime Minister presented the award on March 19, 2008 at New Delhi. Shri. M S Sundara Rajan, Chairman and Managing Director, Indian Bank received the award.

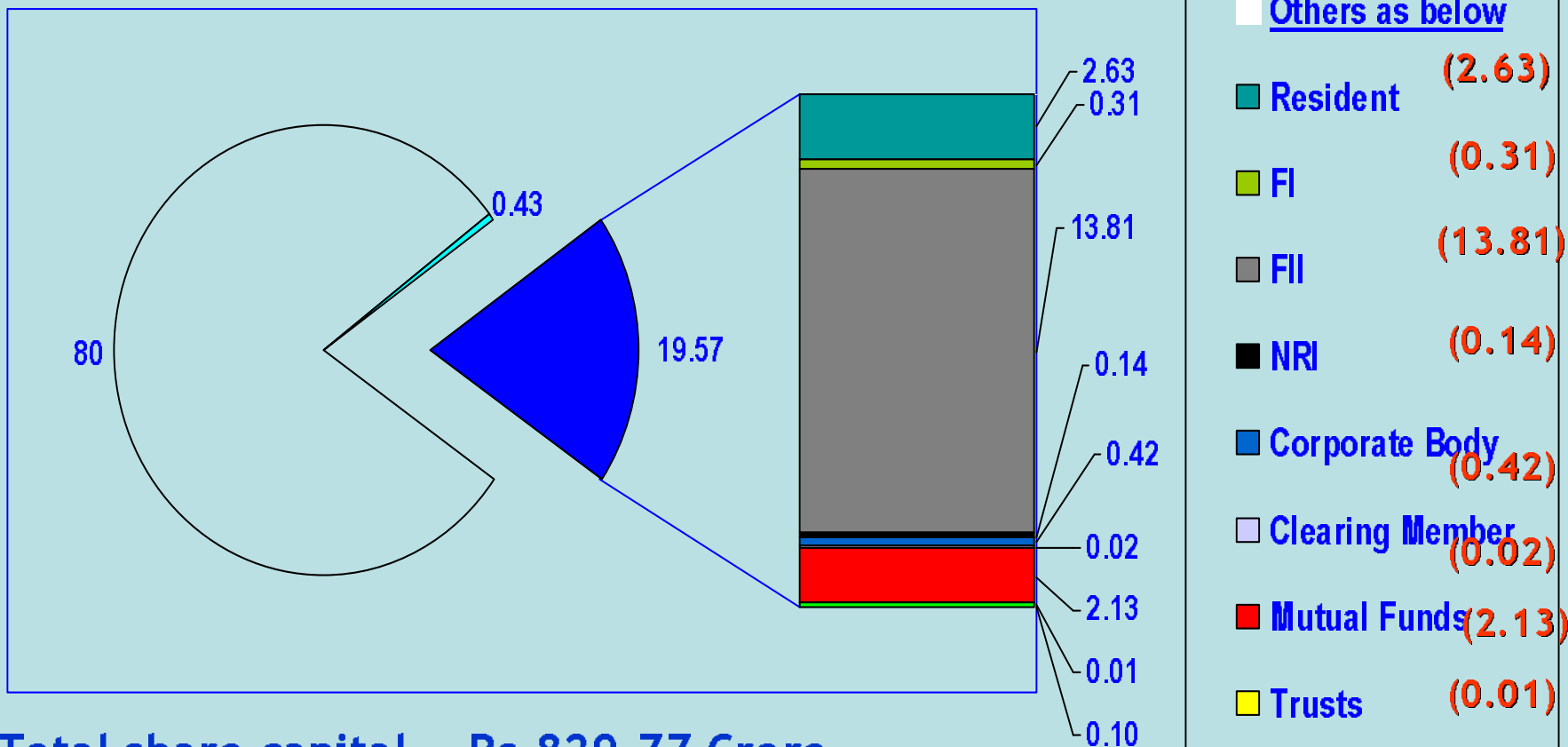
AWARDS & ACCOLODES

- The Bank was awarded First Prize for Excellent Performance under SHG-Bank Linkage Programme by NABARD during 2006-07 in Tamil Nadu.
- The first three prizes for the best performing commercial bank branches under SHG - Bank linkage programme in Tamil Nadu were awarded to Usilampatti branch (Madurai Circle), Tirupathur branch (Vellore Circle) and Nehru Nagar branch (Madurai Circle) respectively.
- NABARD's award for best performing Farmers' Club for 2006-07 was given to two clubs - one in Tamil Nadu (Vasinagar Farmers' Club) and another from Andhra Pradesh (Abhudaya Karshak Parishad Farmers' Club) sponsored by the Bank.
- Mylapore Academy, Chennai awarded the Bank for its Century of Service with Trust.
- The Town Official Language Implementation Committee, Tiruchirapalli awarded first place to the Bank for best implementation of official language.

FOCUS ON SME SECTOR

- **Lending under SME improved by 39.81% during the year to Rs.4355 Crore.**
- In order to enhance credit to Micro Enterprises, our Bank has entered into tie-up with organisations engaged in skill training, encouraging artisans and engineering colleges (MSMEDI, BYST, MICO BOSCH)
- **A separate department at Head Office has been formed for exclusively catering to the needs of SME sector.**
- The Bank has established SME Central Processing Unit at Chennai to exclusively process all the SME proposals through centralised system to ensure quick, timely and adequate credit assistance to these units.

PATTERN OF SHAREHOLDING (%) AS ON 31.03.2008



- Total share capital - Rs.829.77 Crore
- Of which : Perpetual Non Cumulative Preference share Capital of Government of India - Rs.400 Crore
- Networth of the Bank as on 31.03.08 - Rs.4703.35 Cr.

DELIVERY CHANNELS, MANPOWER & CUSTOMERS

More than 2200
delivery points

A RECORD No. OF

- 100 BRANCHES
- 174 ATMs
- 20 BSCs
- 11 Microstate branches

OPENED DURING
THE YEAR

	31.03.06	31.03.07	31.03.08
1. Total Domestic Brs.	1400	1441	1541
Rural	467	469	461
S.Urban	356	364	379
Urban	335	351	383
Metro	242	257	318
2. Foreign Branches (Singapore & Colombo)	2	2	2
3. Extension Counters	108	94	72
4. Satellite Offices	37	37	32
5. Banking service centres	0	0	20
6. ATMs (Domestic)	303	426	600
Manpower	21394	20892	20548

CUSTOMER ACCOUNTS

(In Mn.)

	Mar.07	Mar.08
No. of Deposit A/cs	16.13	17.26
No. of Borrowal A/cs	2.75	2.79
Total No. of Customer A/cs	18.88	20.05

TECHNOLOGY INITIATIVES

CORE BANKING SOLUTION

- One of the few Public Sector Banks in the country to bring all branches under the CBS network.

NETWORKING OF BRANCHES & ATMS

- All 1541 branches are connected through Leased Line. All Circle Offices, other administrative offices, Staff Training Centres have been networked. Head Office, Circle Offices, Data Centre and Secondary Data Centre (DR Site) are connected through MPLS (Multi Protocol Label Switching) and the Bank is the first Public Sector Bank to use the MPLS technology.
- 600 ATMs in 217 cities/towns (including 151 offsite ATMs). First Bio-metric ATM installed at Kalayarkoil.

TECHNOLOGY INITIATIVES - Contd.

- **Booking railway e-ticket through our ATM introduced at Egmore, Chennai for the first time in the country**
- **Booking Railway ticket through IRCTC using debit card/ATM card, credit card**
- **Internet banking, Tele banking, mobile banking**
- **Mobile Top-up facility, Booking of Kingfisher air ticket, Collection of College Fees through ATMs**
- **Online share trading in partnership with Indbank Merchant Banking Services Ltd., a subsidiary of the Bank**

PRODUCT INITIATIVES

- Launched a special Savings product 'IB SMART KID' for Children below 18 years to bring the younger generation into our fold for a long standing relationship. It aims to create general awareness and to prepare them to handle their personal finances under the guidance of their parents/guardians.
- Reverse Mortgage Loan scheme has been introduced for the benefit of Senior Citizens.
- Ind online Doorstep Banking i.e., Internet Kiosk Online Banking has been launched at our Ariyur branch in Puducherry Circle.

CORPORATE SOCIAL RESPONSIBILITY

- The Bank sponsored 7270 blood donors during the year.
- The Bank was awarded 3 rolling shields by Madras Voluntary Blood Bank for its highest performance among all institutions for the 20th consecutive year in the State of Tamil Nadu for (a) mobilising maximum number of blood donors (b) conducting maximum camps and mobilising large number of donors in camps c)introducing maximum number of new camps.
- Free eye screening camps were organized by Venkatapuram and Ambattur branches during December 2007 and at Tiruvanmiyur branch specially for the pensioners of the branches and senior citizens of that area.
- The Bank donated an ambulance to Madras ENT Research Foundation during the Centenary Celebrations.

Thank You