

BANK'S PERFORMANCE

Q3

2009-10

HIGHLIGHTS (Dec 2009-10)(9 Months)

- **Growth of 34.51 %(yoy) in Net Profit – to Rs.1145.03 crore from Rs. 851.25 crore**
- **Growth of 24.74 %(yoy) in Operating Profit – to Rs. 1875.02 crore from Rs.1503.11 crore**
- **Growth of 17.42 %(yoy) in total income – to Rs.6713.05 crore from Rs.5717.29 crore**
- **RoA improved to 1.68 % from 1.53 %**
- **NIM maintained at 3.6 %.**
- **Net Interest Income improved by 22.09 %**
- **Cost income ratio fell to 42.32 % from 44.00 % (excluding salary arrears provision the ration fell to 39.49% from 40.65%)**
- **EPS (annualized) improved to Rs.34.43 from Rs.25.46**
- **Book value of shares increased to Rs.154.16 from Rs.125.57**
- **Gross NPA fell to 0.89 % from 0.92 %**
- **Net NPA declined from 0.18% as on 31.03.09 to 0.16 % as on 31.12.09. It was 0.16% as on 31.12.08.**

HIGHLIGHTS (Q3 2009-10)

- Growth of 25.86 %(yoy) in Net Profit - to Rs. 441.38 crore from Rs.350.70 crore
- Growth of 19.35 % (yoy) in Operating Profit - to Rs.690.67 crore from Rs.578.68 crore
- Growth of 11.44 %(yoy) in total income - to Rs.2308.29 crore from Rs. 2071.37 crore
- RoA improved to 1.86 % from 1.83 %
- NIM was at 3.82 % compared to 3.91%.
- Net Interest Income improved to Rs.872.97 cr by 21.31%
- Cost income ratio improved to 40.79 % from 42.53 %
- EPS (annualized) improved to Rs.39.99 from Rs.31.69

OPERATING PROFIT

Q 3

9 months

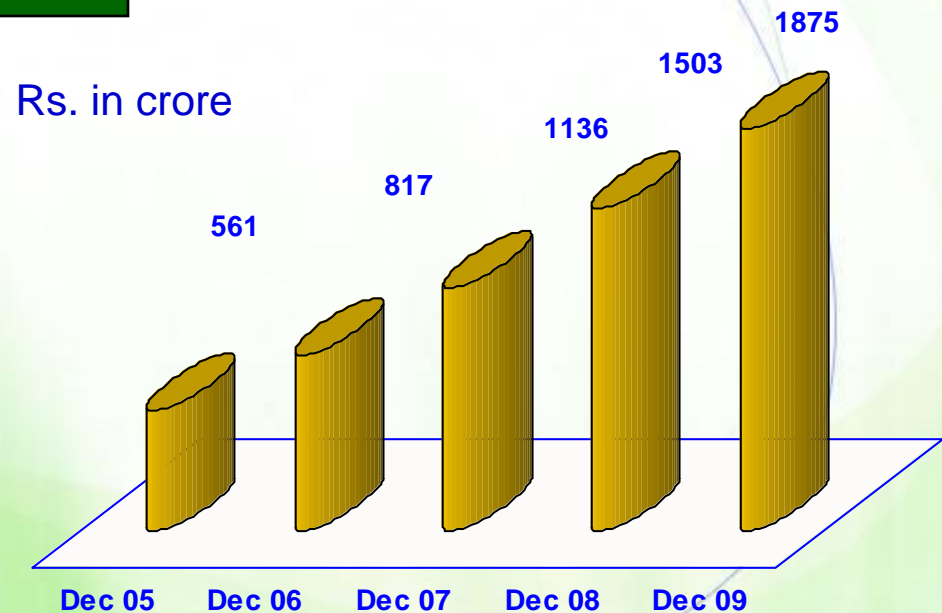
Rs. 691 Cr.

Up by
19.35 %

Rs. 1875 Cr.

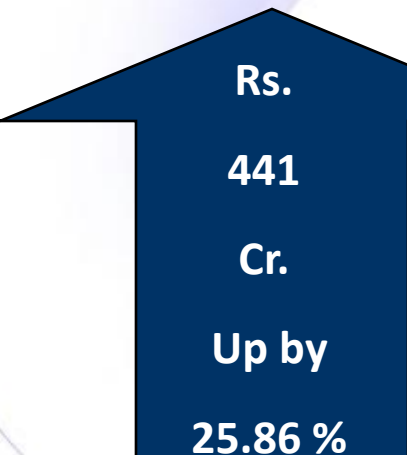
Up by
24.74 %

- Q3 2009-10: Up by Rs.111.99 Crore (19.35%) to Rs.690.67 Crore from Rs. 578.68 Crore
- NME DEC 09: Up by Rs.371.91 Crore (24.74%) to Rs.1875.02 Crore from Rs.1503.11 Crore

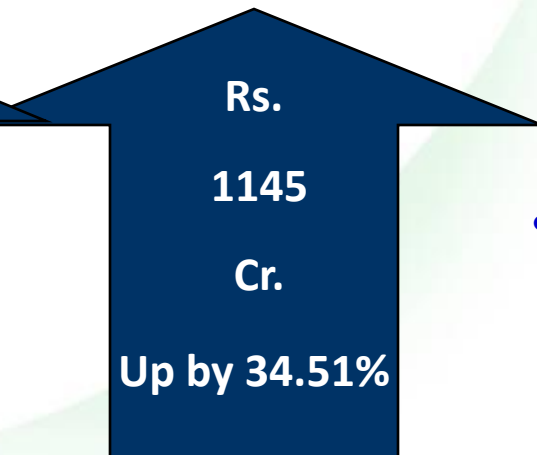


NET PROFIT

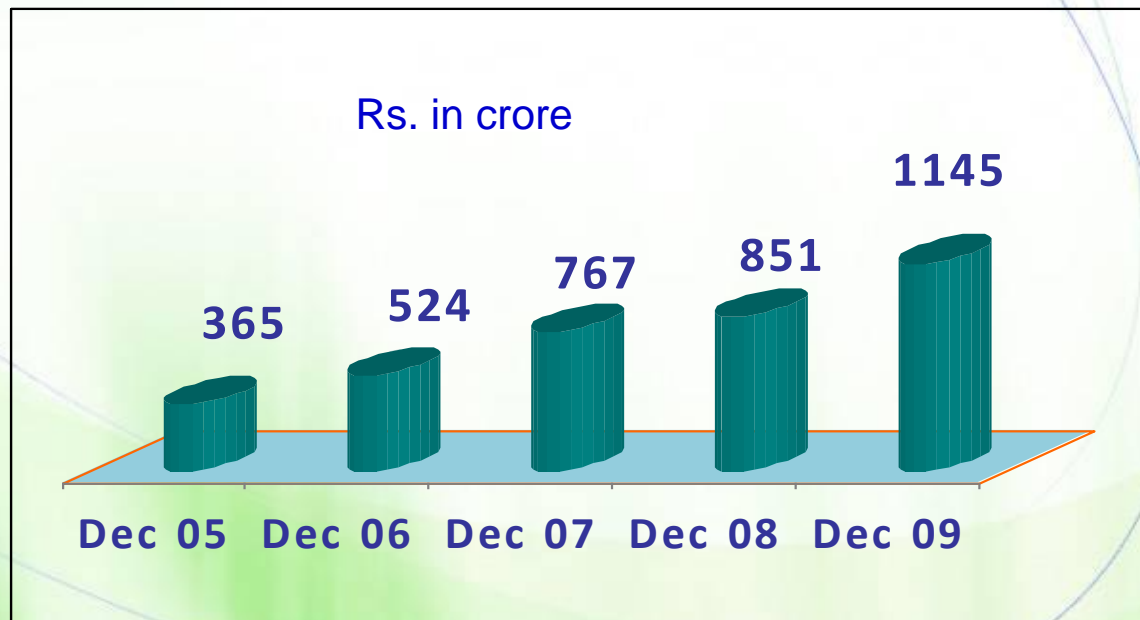
Q 3



9 months



- Q3 2009-10: Up by Rs.90.68 Crore(25.86%) to Rs. 441.38Crore from Rs.350.70 Crore
- NME DEC 09: Up by Rs.293.78 Crore(34.51%) to Rs.1145.03 Crore from Rs. 851.25 Crore



NET INTEREST INCOME

- Q3 2009-10: Up by Rs.153.37 Crore (21.31 %) to Rs. 872.97 Crore from Rs.719.60 Crore
- NME DEC 09: Up by Rs.428.82 Crore (22.09%) to Rs.2369.77 Crore from Rs.1940.95 Crore

Q 3

9 months

Rs.

873 Cr

Up by

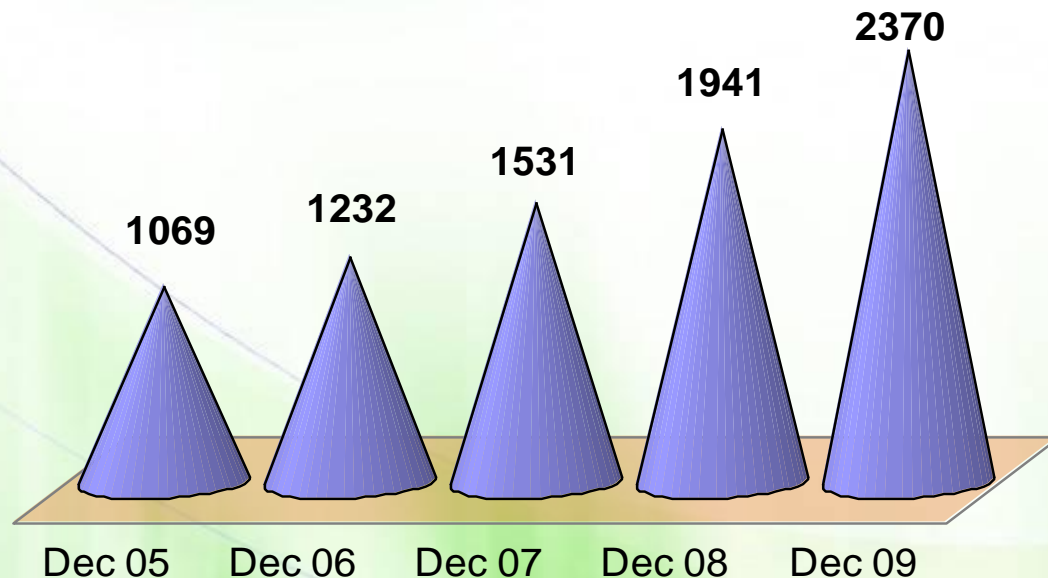
21.31 %

Rs.

2370 Cr

Up by

22.09 %



PROFIT STATEMENT

(Rs. In crore)

	NME Dec 08	NME Dec 09	Growth %	Q3 2008-09	Q3 2009-10	Q3-o-Q3 Growth %
Interest income	4973.96	5832.19	17.25	1784.03	2014.79	12.93
of which: Mol	88.32	149.43	69.19	18.43	51.73	180.68
Non interest income	743.33	880.86	18.50	287.34	293.50	2.14
of which:						
Recovery of bad debts	137.39	151.21	10.06	30.22	42.31	40.01
Profit on sale of investment	136.94	210.17	53.48	109.53	77.27	-29.45
other non interest income	469.00	519.48	10.76	147.59	173.92	17.84
Total Income	5717.29	6713.05	17.42	2071.37	2308.29	11.44
Non interest income as % to total income	13.00	13.12	xx	13.87	12.72	xx
Other Non interest income as % to total income	8.20	7.74	xx	7.13	7.53	xx
Interest Expenditure	3033.01	3462.42	14.16	1064.43	1141.82	7.27
Salary expenditure	863.94	997.37	15.44	323.66	340.79	5.29
Other operating expenditure	317.23	378.24	19.23	104.60	135.01	29.07
Total operating expenditure	1181.17	1375.61	16.46	428.26	475.80	11.10
Total Expenditure	4214.18	4838.03	14.80	1492.69	1617.62	8.37
Operating profit	1503.11	1875.02	24.74	578.68	690.67	19.35
Net Profit	851.25	1145.03	34.51	350.70	441.38	25.86
Net Interest Income	1940.95	2369.77	22.09	719.60	872.97	21.31

KEY FINANCIAL RATIOS

	Parameter	NME Dec 08	NME Dec 09	Q3- 2009	Q3- 2010
1	NIM	3.63	3.62	3.91	3.82
2	Yield on advances	11.11	10.94	11.33	10.91
3	Cost of deposits	6.18	5.85	6.32	5.56
4	Cost income ratio	44.00	42.32	42.53	40.79
5	Return on Average Assets	1.53	1.68	1.83	1.86
6	Return on average net worth	21.85	23.76	25.06	25.95
7	Weighted average EPS (Rs.) (annualised)	25.46	34.43	31.69	39.99
8	Book value (Rs.)	125.57	154.16	125.57	154.16

NET WORTH



Year	Net Worth
2005-06	2268
2006-07	3621
2007-08	4653
2008-09	5880
Dec-09	7025

Net worth improved by 21.20% to Rs.7025.32 crore from Rs.5796.52 crore as on 31.12.2008

	31.12.08	31.03.09	31.12.09
Basel I			
Tier I (%)	10.63	11.28	11.56
Tier II (%)	2.05	1.99	1.59
CRAR as per Basel I (%)	12.68	13.27	13.15
Basel II			
Tier I (%)	10.98	11.88	12.09
Tier II (%)	2.11	2.10	1.66
CRAR as per Basel II (%)	13.09	13.98	13.75

The CRAR of 13.15% as per Basel I and 13.75% as per Basel II are above the norm of 9%.

INDIAN BANK vis-à-vis SCHEDULED COMMERCIAL BANKS

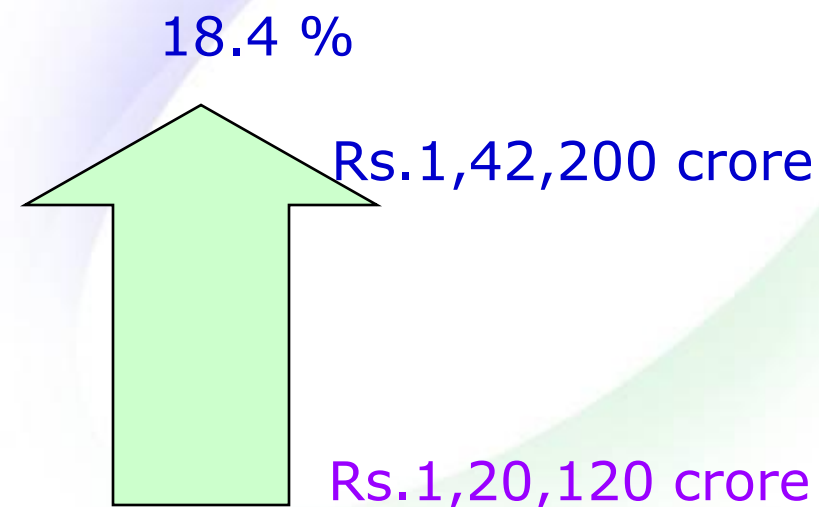
(Rs. in crore)

	02.01.09	27.03.09	01.01.10	Growth %	
				Y-o-Y	During the year
DEPOSITS IN INDIA					
Indian Bank	65,844	70,444	81,225	23.36	15.30
ASCBs	3,626,736	3,834,109	4,264,540	17.59	11.23

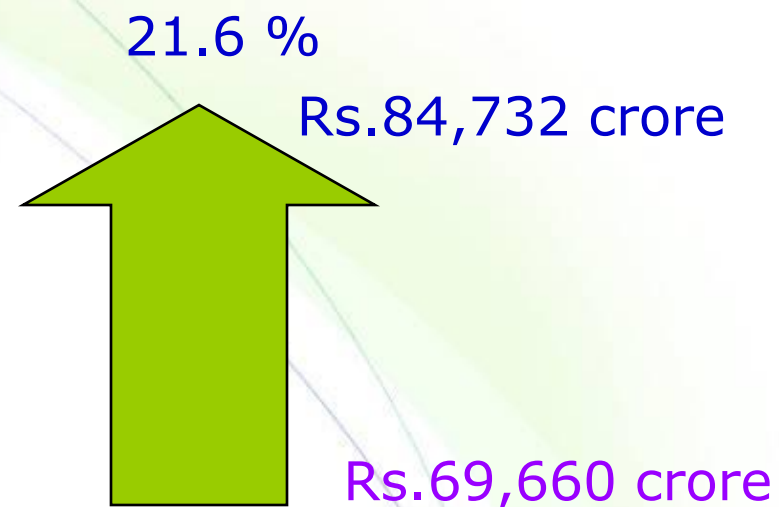
ADVANCES IN INDIA					
Indian Bank	47,266	47,948	54,680	15.69	14.04
ASCBs	2,657,658	2,775,549	3,020,808	13.66	8.84

Indian Bank grew far higher than the Scheduled Commercial Banks (SCBs) in terms of deposits and advances.

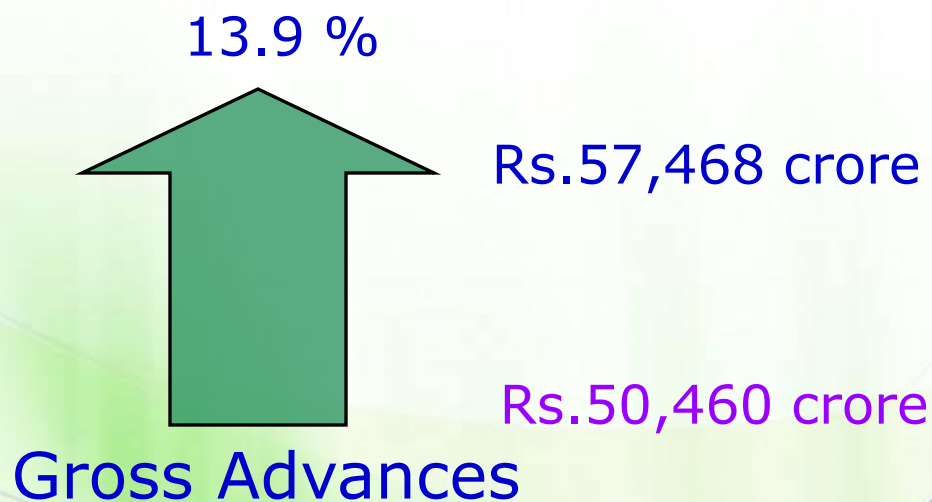
BUSINESS HIGHLIGHTS (Y-o-Y)



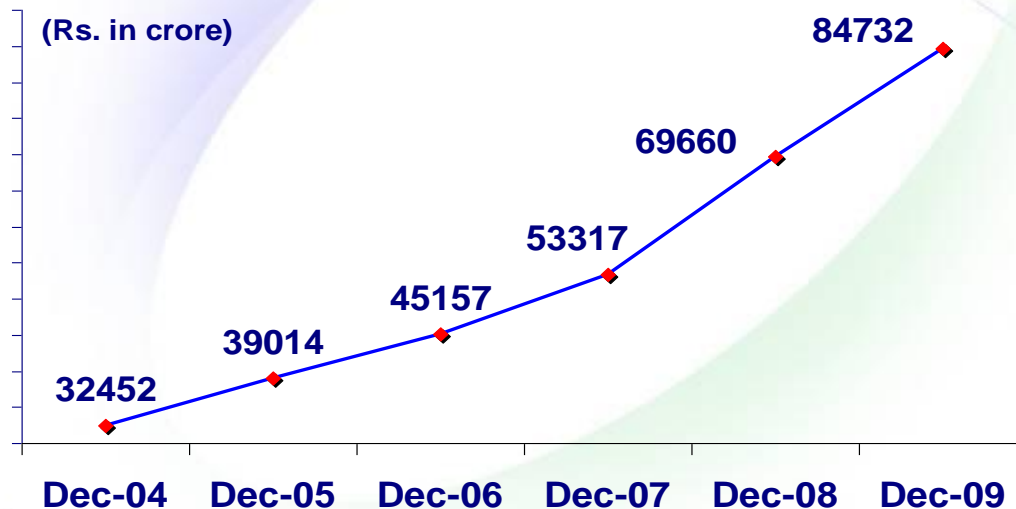
Total Business



Deposits



Gross Advances

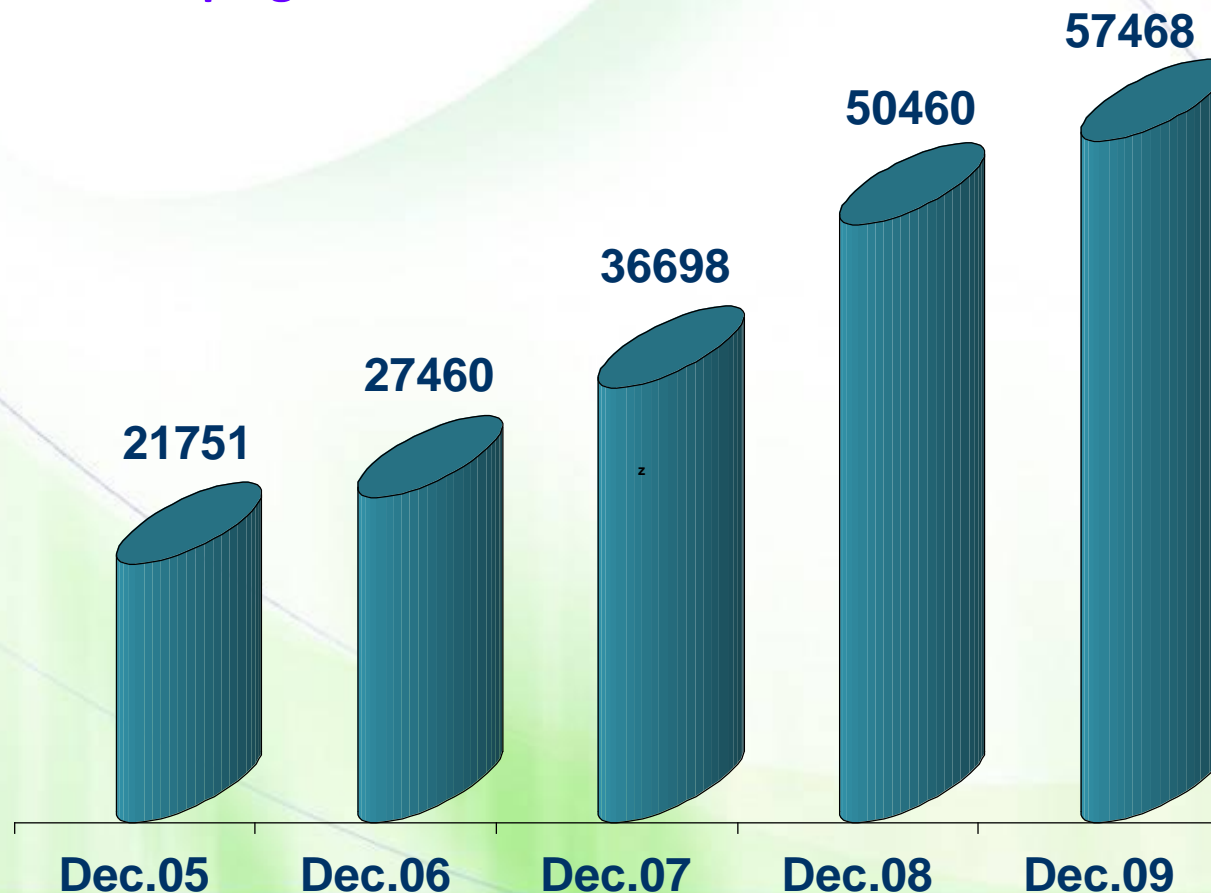


- Deposits grew by Rs. 15,072 Crore or 21.6% (YoY) to Rs.84,732 Crore.
- Launched Movement 'BANYAN VRIKSH - VISION 2010' for mobilisation of Current and Savings Bank accounts during the period from 20.10.09 to 31.3.2010. So far 3.90 lakh accounts have been mobilised.
- CASA share in aggregate deposit improved to 31.55% from 31.37 at the end of previous quarter.
- PD & CD component declined to 7.23 % of Total Deposits (as against 9.52% as on 31.12.2008)

Category of Deposits (Global Position)	Dec 07	Mar-08	Dec 08	Mar 09	Dec 09
Current	4428	4735	4873	5293	5686
Savings	14378	15011	16799	17667	20704
Term	34511	41300	47988	49622	58342
Total Deposits	53317	61046	69660	72582	84732

CREDIT GROWTH

- Credit grew by Rs.7,008 Crore or 13.9% (YoY) to Rs.57,468 Crore
- 59 branches of the Bank dedicated as Specialised SME branches by our CMD on a single day (09.10.09)
- Special campaign for Trade Finance launched since December 01,2009



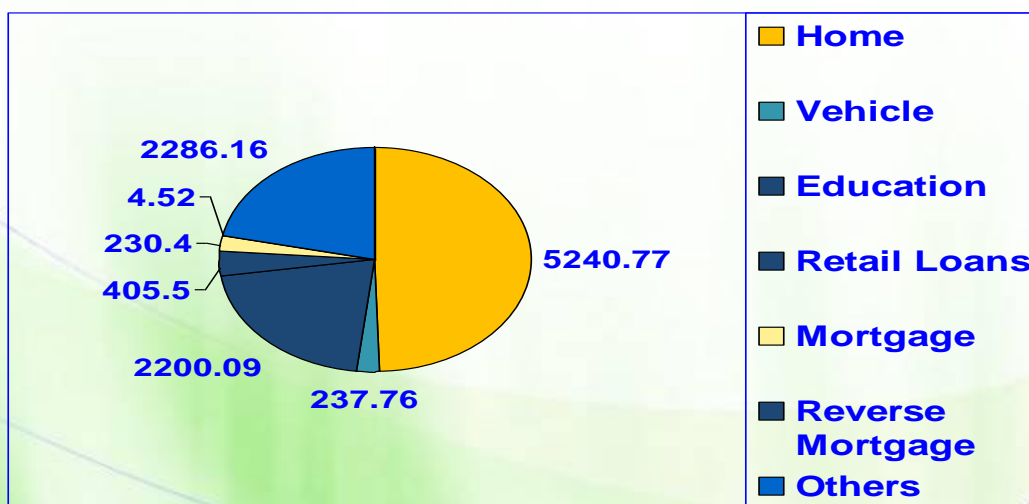
COMPOSITION OF ADVANCES

(Rs. in crore)

Credit to	Dec 08	Dec 09	Y-o-Y Growth
Agriculture	7326	8817	20.35
Retail Banking	9201	10605	15.26
SME	5291	7699	45.51
Corporate & Commercial	25803	27972	8.41
Others	2839	2375	-16.34
Total	50460	57468	13.89

PERSONAL BANKING PRODUCT WISE

Product (Rs. In Crore)	Dec -08	Mar-09	Dec -09
	Amount		
Home Loan	4706	5097	5241
Vehicle Loan	213	220	238
Educational Loan	1592	1696	2202
Retail loans	520	454	406
Mortgage Loan	259	244	230
Reverse Mortgage	2	3	5
Others	1908	1950	2284



PRIORITY SECTOR LENDING

- Priority Sector advances increased by Rs.2597.69 crore (14.09%) during the nine months ended December 09 to reach Rs.21023.39 crore as on 31.12.2009.
- Priority sector credit as percentage to Adjusted Net Bank Credit (ANBC) was 43.07% as against the prescribed norm of 40% to be achieved by March 2010.
- Agricultural credit as percentage to Adjusted Net Bank Credit (ANBC) was 18.06% as against the prescribed norm of 18% to be achieved by March 2010.
- As directed by the Govt. of India, the Bank provided debt waiver amounting to Rs.459.01 crore benefiting 2.36 lakh Small and Marginal Farmers. Besides 25861 other Farmers were provided relief to the tune of Rs.57.69 crore as at the close of the scheme.
- Fresh loans issued to the beneficiaries of the Debt Waiver scheme from 01.07.08 and so far Rs.585.03 crore has been provided to 1,78,015 Farmers.

PRIORITY SECTOR LENDING

- Micro finance is focused area for the Bank. The Bank's SHG Portfolio stood at 1743.34 crore covering 180804 SHGs.
- During the Nine month period, the Bank disbursed Rs.1024.16 crore as credit assistance to 63072 SHGs.
- Besides achieving total financial inclusion (involving all Banks) in UT of Puducherry, Cuddalore (TN) & Kollam (Kerala), our Bank branches have implemented 100% Financial Inclusion in 11 other lead districts. 100% FI has also been completed by our Bank in Nilgiris (STdominated), Tiruvarur (SC dominated) and Kanniyakumari (minorities dominated) districts of Tamil Nadu as per RBI directions.
- Under Financial Inclusion project, a total of 21.76 lakh No-Frills accounts have been opened in 4637 villages. Cumulatively, Overdraft / General Credit Card facility has been allowed in 52670 accounts to the tune of Rs.11.59 crore.
- Under Janashree Bima Yojana (JBY), the micro insurance scheme launched intended for providing life cover to SHG members, the Bank has provided insurance cover to 28790 members (3598 groups) during the nine months ended December 2009 .

- The Bank's co-sponsored Rural Training Centre at Karaikudi, Tamil Nadu has conducted 158 training programmes so far benefiting 4101 persons.
- The Bank has also co-sponsored Andhra Pradesh Bankers' Institute of Rural & Entrepreneurship Development -APBIRED, Hyderabad (jointly with Government of Andhra Pradesh, NABARD and four other Banks). The institute offer skill oriented training programmes with focus on rural population. So far, 63 training programmes have been conducted by the Institute, benefiting 1654 persons.
- The Trust, "Indian Bank Trust for Rural Development" (IBTRD) was established on 05.12.2008 with the objective of undertaking various developmental activities in rural areas. Under this trust, the Bank has established a Financial Literacy and Credit Counseling (FLCC) centre at Dharmapuri and Puducherry. 1087 beneficiaries have been given credit counseling during nine months ended December 2009.

- The Bank through IBTRD has also established “Indian Bank Self Employment Training Institutes (IND SETI) at Salem, Puducherry, Vellore, Chittoor and Tiruvallur where our Bank holds Lead Bank responsibility. A total of 64 programmes have been organized by these Institutes during the half year, benefiting 1744 members.
- To enable door step banking, the Bank has introduced Banking Service Centers (BSC). These centres extend financial and non-financial services in the field of Agriculture, Education, Health etc. with the help of Internet facility twenty Banking Service Centres have so far been opened by the Bank in rural areas across the country on pilot basis

PRIORITY SECTOR LENDING

(Rs in crore)

Segment	Dec 08	Dec 09	Growth %
Agriculture	7326	8817	20.35
Small Enterprises (including Retail Trade)	4868	5841	19.99
Micro credit	312	491	57.37
Education Loan	1514	2062	36.20
Home Loan	3675	3810	3.67
OTHERS	3	2	-33.33
Total Priority Sectors	17698	21023	18.79

LENDING TO SHGs & EDUCATION LOAN

Rs in crore

SHG →

Period	No. of SHGs financed during the year	Amount of Credit disbursed	Outstanding	YoY growth (%)	Number of new SHGs linked
Dec 08	62457	816	1230	52.55	27689
YE Mar 09	90421	1054	1351	36.88	42626
Dec 09	63072	1024	1743	41.71	39256

EDUCATION LOAN

Period	No. of students financed during the year	Amount of credit disbursed	Amount Outstanding	YoY Growth (%)
Dec 08	49399	426.68	1592.01	51.71
YE March 09	66280	540.17	1695.90	47.56
Dec 09	78412	495.04	2202.09	38.32

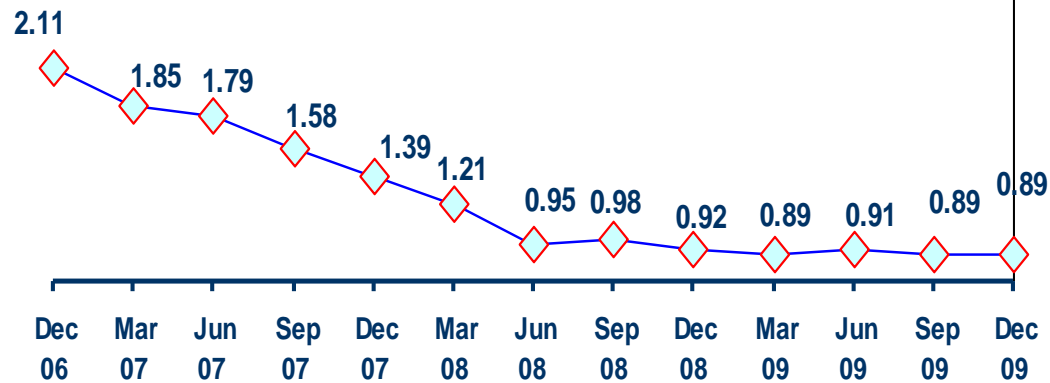
- During the Nine months period ended December 2009, SME advances have grown by Rs. 2228 crore (40.72%) from Rs. 5471 crore (31.3.2009) to Rs.7699 crore (31.12.2009) - YoY growth of 45.51%
- During the period, 686 accounts were covered under CGTMSE scheme amounting to Rs.35.10 crore.
- Proposals for entering into MoU for sale of commercial vehicles of Mahindra and Mahindra, Tata Motors and Ashok Leyland Ltd have been approved.

- Credit facilities upto Rs.5 lakh sanctioned without any collaterals to all eligible Micro and Small Enterprises units and such accounts are covered under CGTMSE,
- Continuous efforts by way of tie up with MSME DI, BYST, MICO BOSCH after careful analysis of individual cases so as to reach the Micro Enterprises target (60% of SE)
- For quick and quality appraisal of SME proposals, Central Processing Units set up 9 key centres at Ahmedabad, Bangalore, Chennai, Coimbatore, Kancheepuram, Kolkata, Mumbai, New Delhi and Pune.
- 62 Specialised SME Branches are functioning for the focused attention and growth of SME portfolio.
- To augment SME exposure, development studies as well as cluster approach are being utilised.
- Indirect finance to SMEs by financing Industrial Parks and other Infrastructural set-up linked to SME clusters.

(Rs. In Crore)

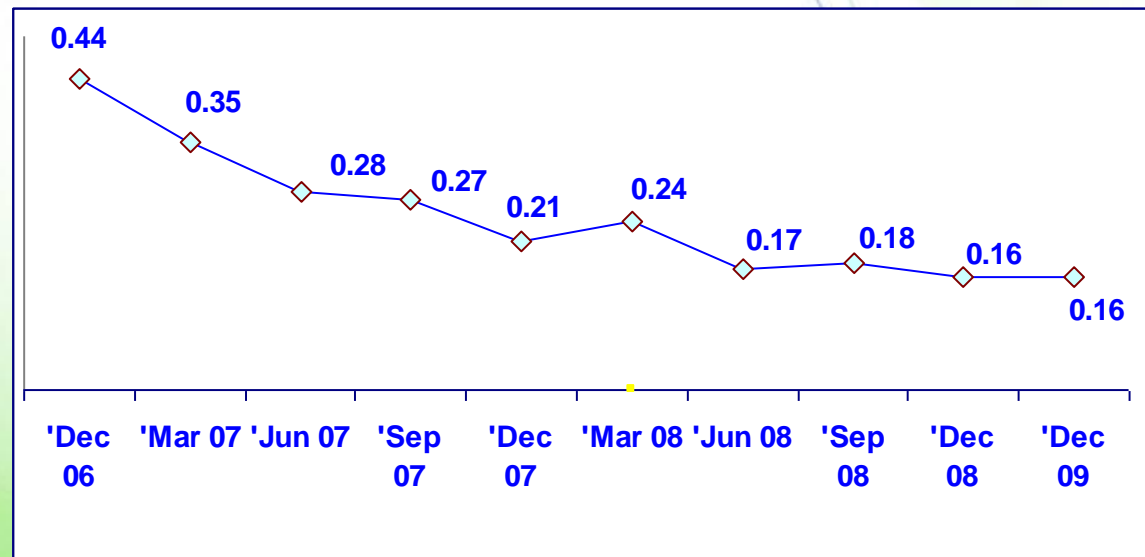
	Dec-07	Mar-08	Dec-08	Mar-09	Dec 09
Gross NPA	510.47	486.87	462.46	459.18	514.27
Net NPA	77.79	97.59	80.29	93.81	89.73
NPA Recovery	451.57	571.76	326.09	457.10	471.07
Gross NPA (%)	1.39	1.21	0.92	0.89	0.89
Net NPA (%)	0.21	0.24	0.16	0.18	0.16
Provision coverage (%)	84.76	79.96	82.64	79.57	95.46

GROSS AND NET NPAs



← GROSS NPA (%)

NET NPA (%) →

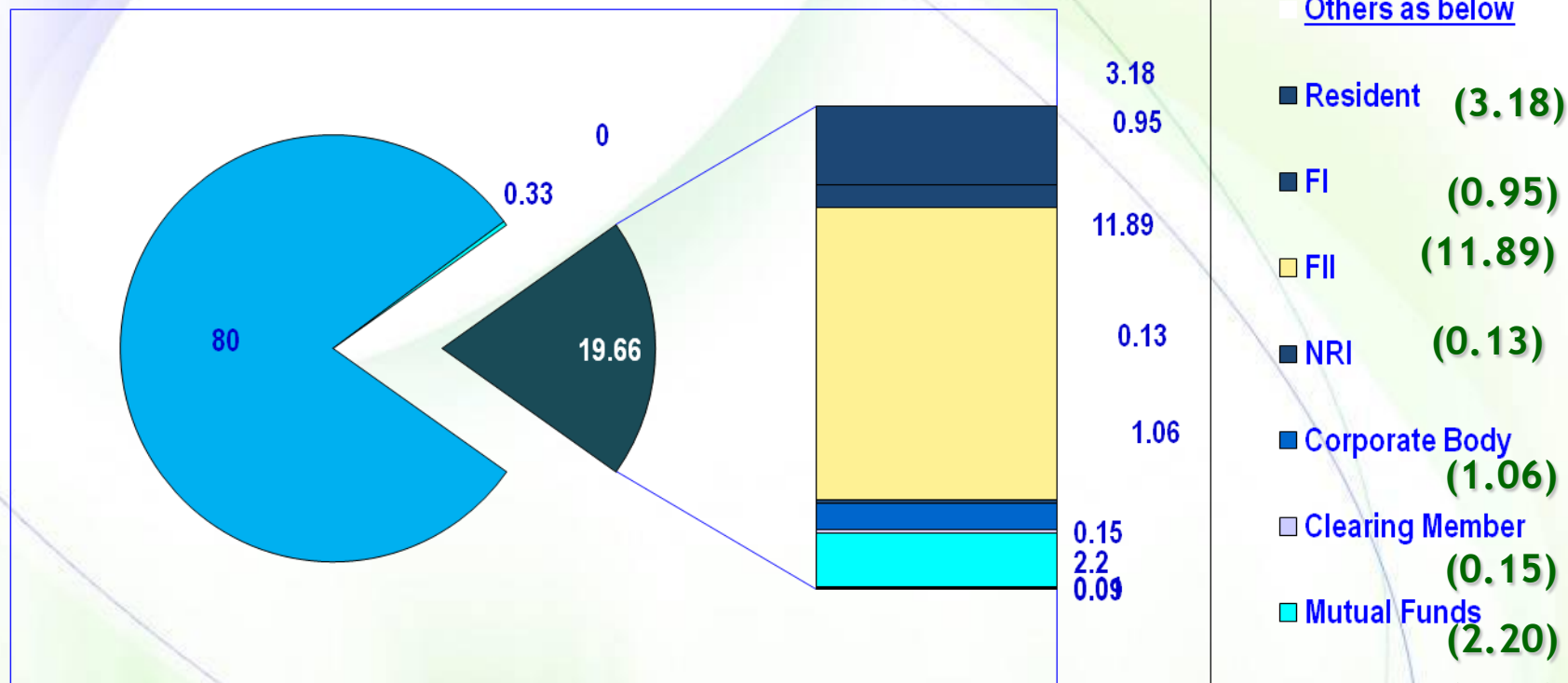


INVESTMENT PORTFOLIO

(Amount in crore of Rs.)

Category	31.12.2008			31.03.2009			31.12.2009		
	Book value	Duration	Modified duration	Book value	Duration	Modified duration	Book value	Duration	Modified duration
Held to maturity (HTM)	13480.5	6.82	6.62	15043.84	6.46	6.22	16869.81	6.80	6.54
Available for sale (AFS)	7999.13	2.35	2.25	7202.02	3.72	3.55	11690.65	3.16	3.03
Held for trading (HFT)	34.57	11.36	11.40	0.00	0.00	0.00	4.28	0.00	0.00
AFS & HFT	8033.70	2.40	2.30	7202.02	3.72	3.55	11694.93	3.16	3.03
Total	21514.2	5.24	5.07	22245.86	5.61	5.40	28564.74	5.34	5.13

PATTERN OF SHAREHOLDING (%) AS ON 31.12.2009



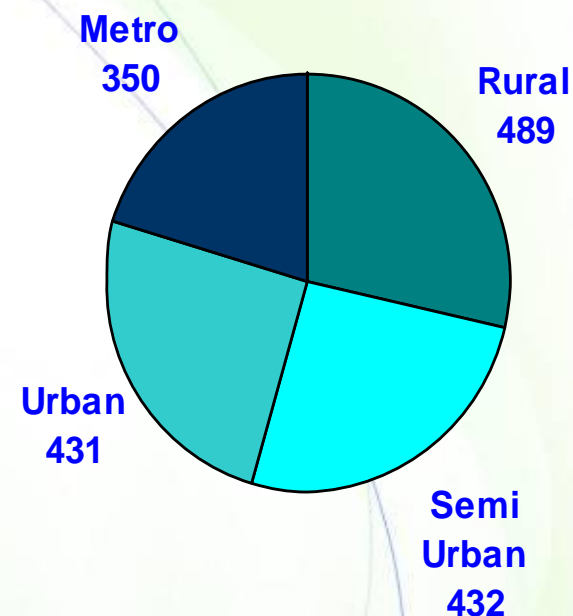
- Total share capital - Rs.829.77 Crore
- Of which : Perpetual Non Cumulative Preference Share Capital of Government of India - Rs.400 Crore
- Net worth of the Bank as on 31.12.09 – Rs. 7025.32Cr.

■ Gol	(80.00)
■ Others as below	
■ Resident	(3.18)
■ FI	(0.95)
■ FII	(11.89)
■ NRI	(0.13)
■ Corporate Body	(1.06)
■ Clearing Member	(0.15)
■ Mutual Funds	(2.20)
■ Trusts	(0.01)
■ Banks	(0.09)
■ Employees	(0.34)

DISTRIBUTION CHANNELS

The Bank opened 60 New branches during the nine months

	31.12.08	31.03.09	31.12.09
1.Total Domestic Branches	1582	1642	1702
2.Overseas Branches (Singapore & Colombo)	2	2	2
Total Branches	1584	1644	1704
3. Extension Counters	67	63	59
4. Satellite Offices	30	29	29
5. ATMs	651	755	855
6. Banking Service Centre	20	20	20



- Financial Inclusion Project implemented in Andhra Pradesh using contactless smart cards to make payment of wages under National Rural Employment Guarantee Act and Social Security Pension in select districts of AP - through an end to end service provider.
- Utility bills payment enabled for net banking customers by tie up with service provided M/S Bill Desk covering 130 billers in segments like insurance, electricity, mobile/telephone bills, taxes, DTH, education fees, credit card, travel, charity, online shopping etc.
- Pensioners enabled to view their pension details through the internet banking site w.e.f 27.11.2009.

- Pension slips are made available for all pensioners
- 100% CBS implemented in 2 Regional Rural Banks viz. Pallavan Grama Bank and Pudukkottai Bharathiar Grama Bank. Implemented CBS in 28 out of 127 Branches of Saptagiri Grama Bank.
- Anti-phishing measures initiated for internet banking.
- Uses digital certification from VERISIGN and 256 bit encryption facility to ensure security of online transactions and confidentiality of the data of internet banking customers.

- Initiated the process of recruiting staff at different cadres as a part of succession planning and aiming at the future growth and expansion.
- Bank is imparting internal training to officers and staff on continuous basis at regular intervals, updating their skill & knowledge.
- An automated software on “e-learning” enabling the staff members to manage their entire training from off-the-shelf library on various topics hosted for the staff to gain expertise/knowledge in all areas of banking

- **Trilingual formula** by displaying boards in English, Hindi and regional language concerned as per RBI directives implemented at the branches.
- To redress complaints/grievances of pensioners, Pension Grievance Desk functioned at Head Office from 01.10.2009 to 31.10.2009.
- To get feedback from our customers, Monthly Joint Customer Service Committee meetings conducted in all Branches.
- BCSBI: Revised Banking Codes and Standards Board of India (BCSBI) code ported in our website www.indianbank.in. It is proposed to make available copies of the code in various languages.
- Redressal of first resort complaints forwarded by Banking Ombudsman Offices is done in the shortest time but in any case within 30 days. Necessary acknowledgement or letter of satisfaction obtained from the complainant regarding the redressal of complaint/grievance.

- Indian Bank stands **No.1 organisation** in the state of Tamil Nadu and receiving awards continuously for the last **23 years** in the Blood Donation movement. Sponsored 3292 blood donors during nine months period ending December 2009, taking the total of such donors from the Bank to over 62500 so far.
- Free eye screening camp organised for Senior Citizens at Kalyanapuram area through Venkatapuram, Washermanpet and Purasawalkam Branches - 900 people were screened and 65 Senior Citizens treated for Cataract.
- Free Special cardiac screening camp organised at our Nandanam Branch benefiting 340 persons
- Free dental screening camp was organised at our L B Road Branch wherein 250 customers and SHG members of Microsate Branch benefited.

Thank
You

