



# **BANK'S PERFORMANCE**

**Q3 of 2008-09**

# WORKING RESULTS

# OPERATING PROFIT

Q 3

9 months

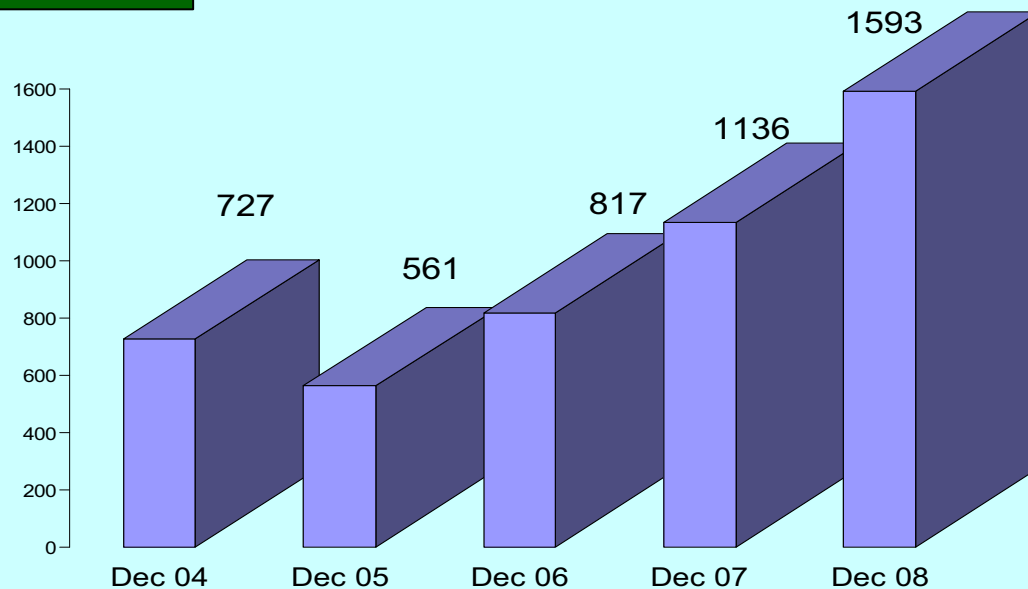
Rs.623.68  
Cr.

Up by  
34.64%

Rs.  
1593.11Cr.

Up by  
40.19 %

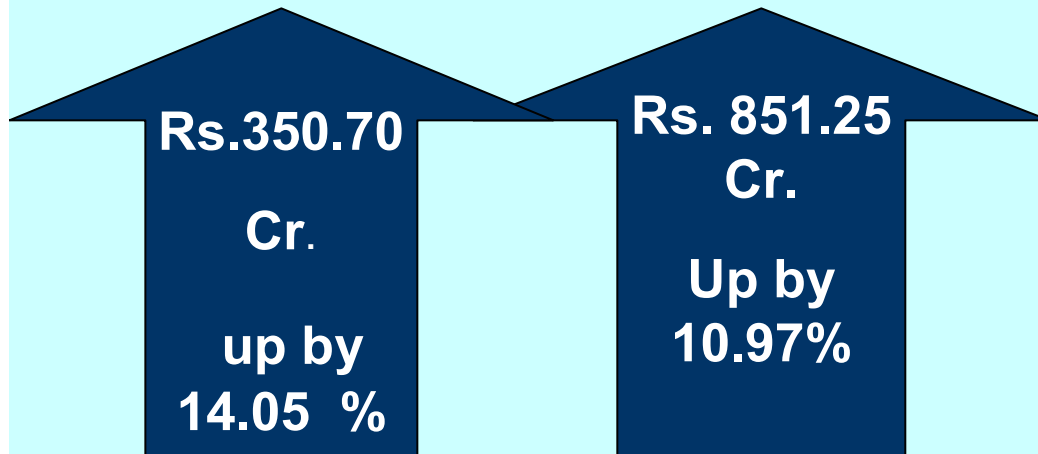
- Q3 2008-09: Up by Rs.160.46 Crore (34.64%) to Rs. 623.68 Crore from Rs.463.22 Crore
- NME DEC 08: Up by Rs.456.72 Crore (40.19%) to Rs.1593.11 Crore from Rs. 1136.39 Crore



# NET PROFIT

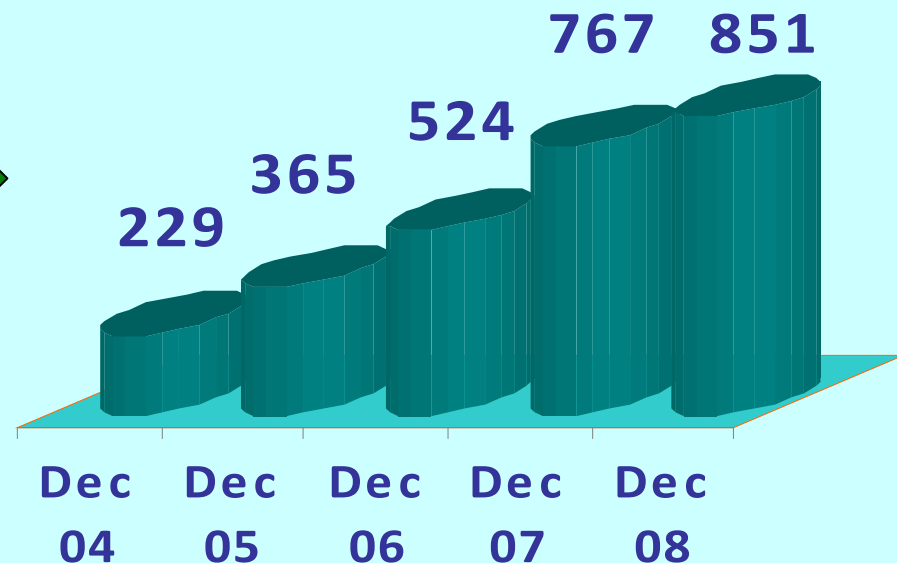
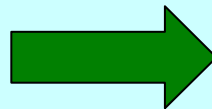
Q 3

9 months



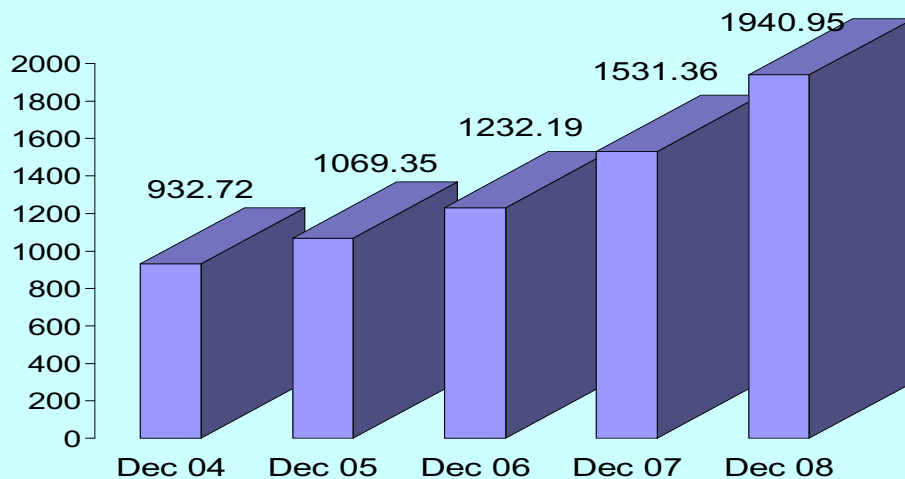
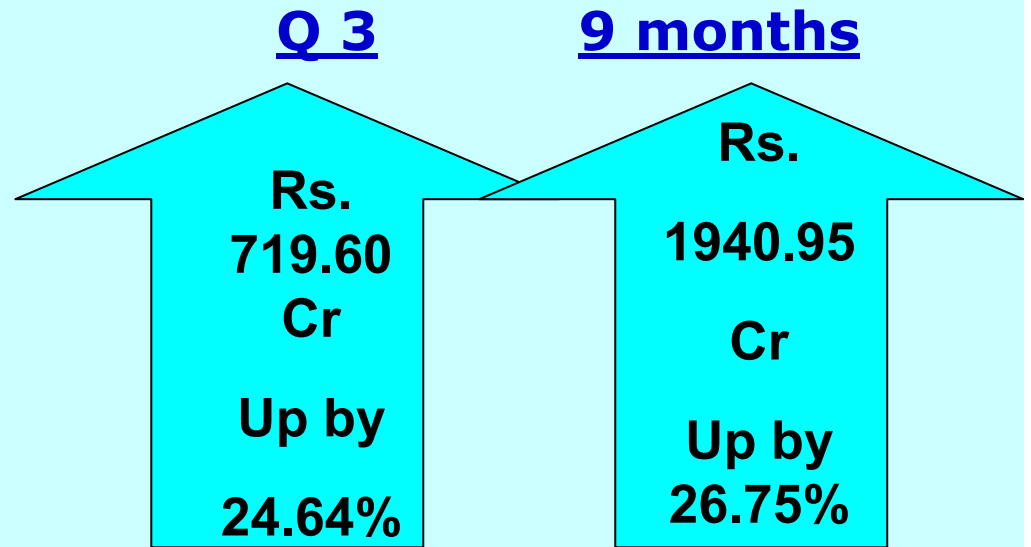
- Q3 2008-09: Up by Rs.43.20 Crore (14.05 %) to Rs.350.70 Crore from Rs.307.50 Crore
- NME DEC 08: Up by Rs. 84.13 Crore (10.97%) to Rs.851.25 Crore from Rs.767.12 Crore

GROWING CONSISTENTLY



# GROWING NET INTEREST INCOME

- Q3 2008-09: Up by Rs.142.24 Crore (24.64%) to Rs.719.60 Crore from Rs.577.36 Crore
- NME DEC 08: Up by Rs.409.59 Crore (26.75%) to Rs.1940.95 Crore from Rs.1531.36 Crore



# PROFIT & LOSS STATEMENT

Rs. In Crore

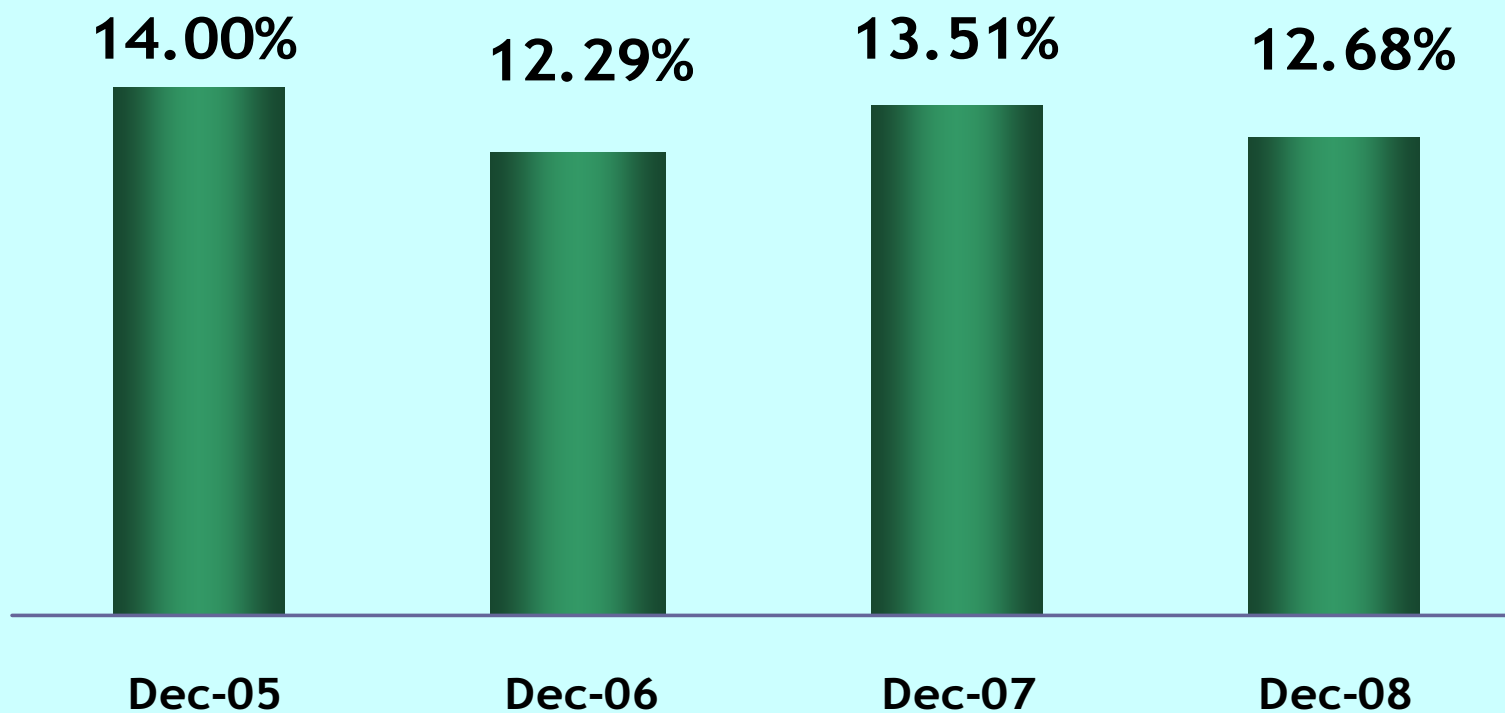
	NME Dec 07	NME Dec 08	Growth %	Q3 2008	Q3 2009	Q3-o-Q3 Growth %
<b>Interest income</b>	<b>3843.66</b>	<b>4973.96</b>	<b>29.41</b>	<b>1391.08</b>	<b>1784.03</b>	<b>28.25</b>
of which: MoI	153.14	88.32	-42.33	106.26	18.43	-82.66
<b>Non interest income</b>	<b>702.21</b>	<b>743.33</b>	<b>5.86</b>	<b>284.92</b>	<b>287.34</b>	<b>0.85</b>
of which:						
Recovery of bad debts	215.46	137.39	-36.23	121.51	30.22	-75.13
Profit on sale of investment	137.42	136.94	-0.35	60.09	109.53	82.28
other non interest income	349.33	469.00	34.26	103.32	147.59	42.85
<b>Total Income</b>	<b>4545.87</b>	<b>5717.29</b>	<b>25.77</b>	<b>1676.00</b>	<b>2071.37</b>	<b>23.59</b>
<b>Interest Expenditure</b>	<b>2312.30</b>	<b>3033.01</b>	<b>31.17</b>	<b>813.72</b>	<b>1064.43</b>	<b>30.81</b>
<b>Operating expenditure</b>	<b>1097.18</b>	<b>1091.17</b>	<b>-0.55</b>	<b>399.06</b>	<b>383.26</b>	<b>-3.96</b>
<b>Total Expenditure</b>	<b>3409.48</b>	<b>4124.18</b>	<b>20.96</b>	<b>1212.78</b>	<b>1447.69</b>	<b>19.37</b>
<b>Operating profit</b>	<b>1136.39</b>	<b>1593.11</b>	<b>40.19</b>	<b>463.22</b>	<b>623.68</b>	<b>34.64</b>
<b>Net Profit</b>	<b>767.12</b>	<b>851.25</b>	<b>10.97</b>	<b>307.50</b>	<b>350.70</b>	<b>14.05</b>
<b>Net Interest Income</b>	<b>1531.36</b>	<b>1940.95</b>	<b>26.75</b>	<b>577.36</b>	<b>719.60</b>	<b>24.64</b>

## KEY FINANCIAL RATIOS

	Parameter	NME Dec 07	NME Dec 08	Q3- 2008	Q3- 2009
1	NIM	3.52	3.63	3.83	3.91
2	Yield on advances	10.63	11.11	11.25	11.33
3	Cost of deposits	5.85	6.18	5.95	6.32
4	Cost income ratio	49.12	40.65	46.28	38.06
5	Return on Average Assets	1.71	1.53	1.99	1.83
6	Return on average net worth	25.69	21.85	29.05	25.06
7	Weighted average EPS (Rs.) (annualised)	22.93	25.46	27.75	31.69
8	Book value (Rs.)	92.80	125.57	92.80	125.57

# CAPITAL ADEQUACY

(Rs. in crore)

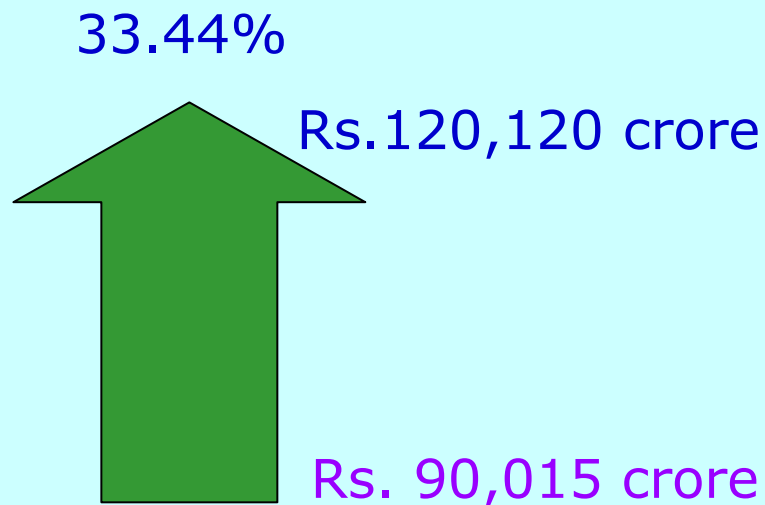


	Dec-07	Mar-08	Dec-08
<b>1. Capital Adequacy</b>	<b>13.51</b>	<b>12.74</b>	<b>12.68</b>
<b>Tier I</b>	<b>11.98</b>	<b>11.29</b>	<b>10.63</b>
<b>Tier II</b>	<b>1.53</b>	<b>1.45</b>	<b>2.05</b>

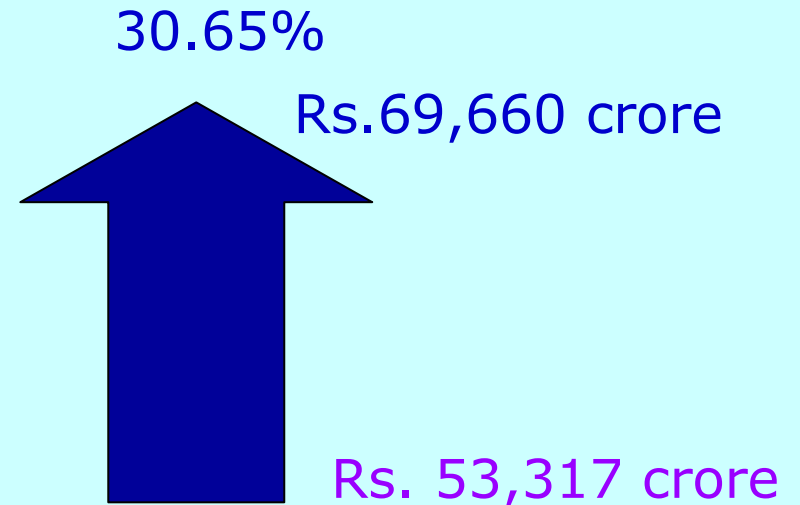


# BUSINESS PERFORMANCE

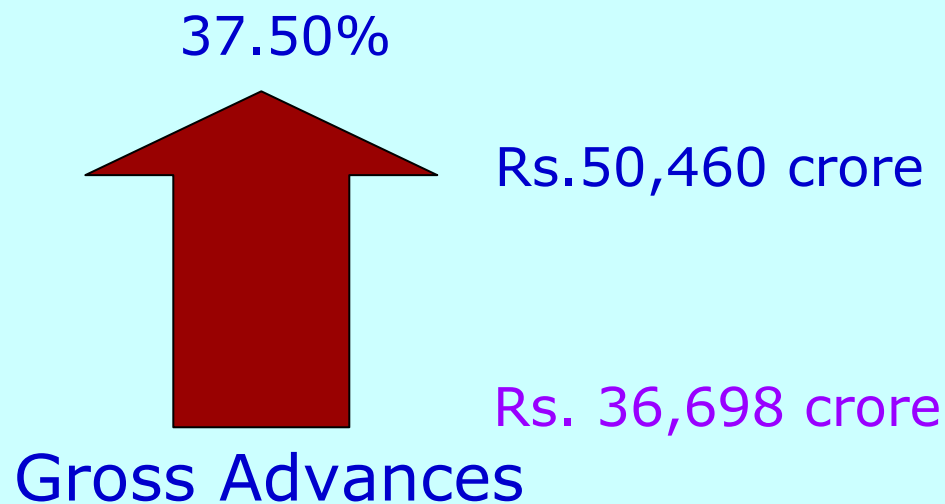
# BUSINESS HIGHLIGHTS (Y-o-Y)



Total Business



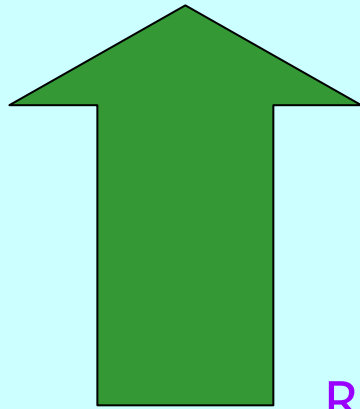
Deposits



Gross Advances

# BUSINESS HIGHLIGHTS - Y-o-Y

24.88%

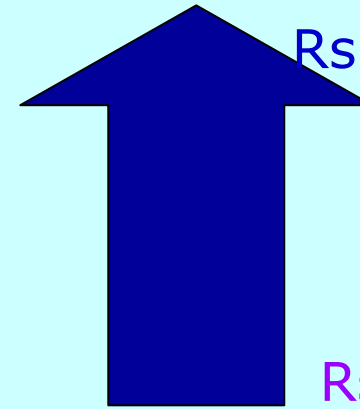


Rs.17,698 crore

Rs. 14,172 crore

Priority Sector advances

28.62%

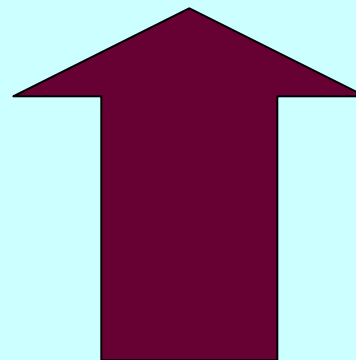


Rs.7,326 crore

Rs.5,696 crore

Agriculture advances

32.87%



Rs.5,291 crore

Rs.3,982 crore

SME Advances

# DEPOSITS GROWTH



Category of Deposits (Global Position)	Dec 06	Dec 07	Mar-08	Sep 08	Dec 08
Current	3453	4428	4735	4995	4873
Savings	12678	14378	15011	16389	16799
Term	29026	34511	41300	43230	47988
<b>Total Deposits</b>	<b>45157</b>	<b>53317</b>	<b>61046</b>	<b>64614</b>	<b>69660</b>

- Improved by Rs.16343 Crore or 30.65% (YoY) to Rs.69660 Crore (as against the growth of 18.07% in the same period last year)
- Launched 'Movement BANYAN VRIKSH' for mobilisation of Current and Savings Bank accounts Bank opened one million accounts during the period.
- Bulk Deposits declined to 9.51% of Total Deposits as against 14.34% as on 31.03.2008 and 10.34% as on 30.09.2008.

# COMPOSITION OF ADVANCES

(Rs. in crore)

Credit to	Dec 07	Mar 08	Dec 08	Y-o-Y Growth (%)
Agriculture	5696	6294	7326	28.62
Retail	7104	7860	9201	29.51
SME	3982	4355	5291	32.87
Corporate & Commercial	17921	19695	25803	43.98
Overseas Credit	1995	2024	2839	42.31
Total	36698	40228	50460	37.50
Of which: Priority Sector	14172	15129	17698	24.88

- CD Ratio (gross) improved to 72.44% from 68.83% as on 31.12.2007 and 65.90% as on 31.03.2008
- Incremental CD Ratio during the year was 118.78%.

## PRIORITY SECTOR LENDING

- Priority Sector advances increased by Rs.2569.11 crore (16.98%) during the nine months ended December 08 to reach Rs.17698 crore as on 31.12.2008.
- Priority sector credit as percentage to Adjusted Net Bank Credit (ANBC) was 46.33% as against the prescribed norm of 40% to be achieved by March 09.
- Agricultural credit as percentage to Adjusted Net Bank Credit (ANBC) was 19.18% as against the prescribed norm of 18% to be achieved by March 09.
- In terms of announcement made by the Government of India in the Union Budget 2008-09, the Bank has provided debt waiver amounting to Rs.457.40 crore benefiting 2.36 lakh Small and Marginal Farmers. Besides 0.43 lakh other Farmers were provided relief of Rs.84.57 crore as at the close of the scheme.
- Fresh loans are being issued to the beneficiaries of the Debt Waiver scheme from 01.07.08 and so far Rs.198.81 crore has been provided to 67,947 Farmers.

# PRIORITY SECTOR LENDING

(Rs in crore)

Segment	Dec 07	Dec 08	Growth %
Agriculture	5696	7326	28.62
Small Enterprises	2960	3919	32.40
Micro credit	179	312	74.30
Retail Trade	912	949	4.06
Education Loan	1008	1514	50.20
Home Loan	3415	3675	7.61
State sponsored org. for SC/ST	3	3	0.00
<b>Total Priority Sectors</b>	<b>14172</b>	<b>17698</b>	<b>24.88</b>

# LENDING TO SHGs

## CONTINUED THRUST ON SHG MOVEMENT

Rs in crore

Period	No. of SHGs financed during the year	Amount of Credit disbursed	Outstanding	YoY growth (%)	Number of new SHGs linked
Dec'03	14287	69.69	101.26	43.92	7241
Dec'04	22698	136.62	161.48	59.47	10740
Dec'05	37262	279.06	323.07	100.07	13962
Dec'06	41947	338.05	482.15	49.24	21372
Dec'07	46877	500.00	806.29	67.22	21902
YE Mar'08	75381	815.00	987.16	71.69	39879
Dec'08	62457	816.02	1230.02	52.55	27689



## FOCUS ON STUDENTS - EDUCATION LOAN

Rs. in crore

Period	No. of students financed during the year	Amount of Credit disbursed	Outstanding	YoY growth (%)
Dec'03	2333	30.00	81.22	48.45
Dec'04	7608	93.51	143.31	76.45
Dec'05	20616	210.09	338.64	136.30
Dec'06	25137	288.51	634.04	87.23
Dec'07	30747	328.95	1049.41	65.51
YE Mar'08	44710	435.49	1149.33	66.00
Dec'08	49399	426.68	1592.01	51.71

## LENDING TO SME

- During the nine months ended December 2008, lending to SME sector grew by 32.87% (Rs.936 crore) to Rs. 5291 Crore
- During the period 4512 new SME accounts have been extended credit by the Bank.
- For quick and quality appraisal of SME proposals, Central Processing Units have been set up in 9 Centres. More such Centres will be established in phased manner.
- Micro Enterprises being a thrust area, the Bank has put in place MoU / tie up with organisations like MSMEDI, BYST, MICO BOSCH to increase credit flow to this sector.
- The Bank has adopted Code of Bank's commitment to Micro and Small Enterprises (SME code)
- A common application form has been designed for SME customers based on the recommendations of the working group constituted by IBA.

# ASSET QUALITY

# NPA MANAGEMENT

(Rs. In Crore)

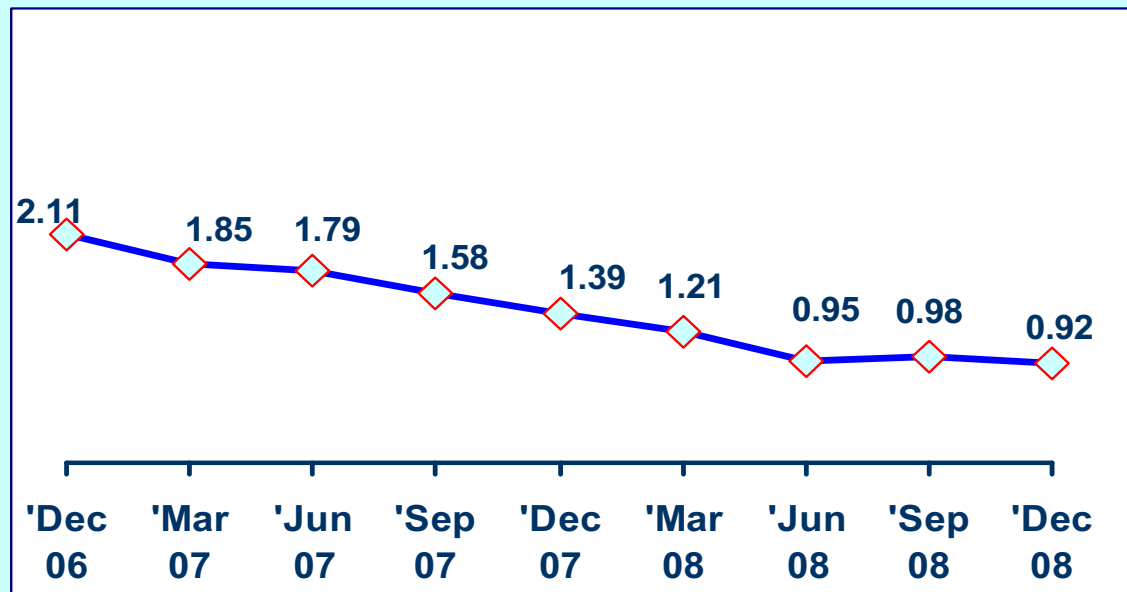
	Dec-07	Mar-08	Dec-08
Gross NPA	510.47	486.87	462.46
Net NPA	77.79	97.59	80.29
NPA Recovery	451.57	571.76	326.09
Fresh Slippage	291.70	443.70	191.58
Gross NPA (%)	1.39	1.21	0.92
Net NPA (%)	0.21	0.24	0.16

## Personal Banking Product wise

(Rs. In Crore)

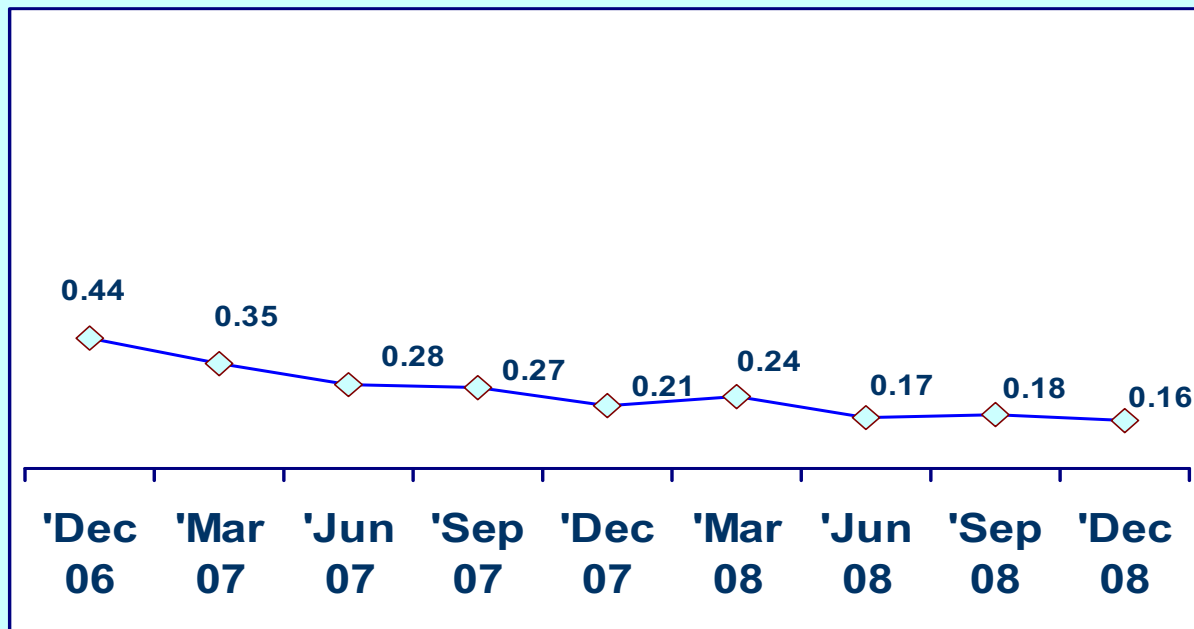
Product	Balance Outstanding as on		
	30.06.08	30.09.08	31.12.08
Home Loan	4346.93	4565.76	4707.04
Vehicle Loan	202.67	211.63	211.63
Educational Loan	1290.44	1487.44	1592.01
Personal Loan	522.36	535.78	521.48
Mortgage Loan	484.03	506.37	500.91
Reverse Mortgage	1.12	1.88	2.43
Others	1410.81	1592.36	1665.18
<b>Total</b>	<b>8258.36</b>	<b>8901.22</b>	<b>9200.68</b>

# GROSS AND NET NPAs



← GROSS NPA (%)

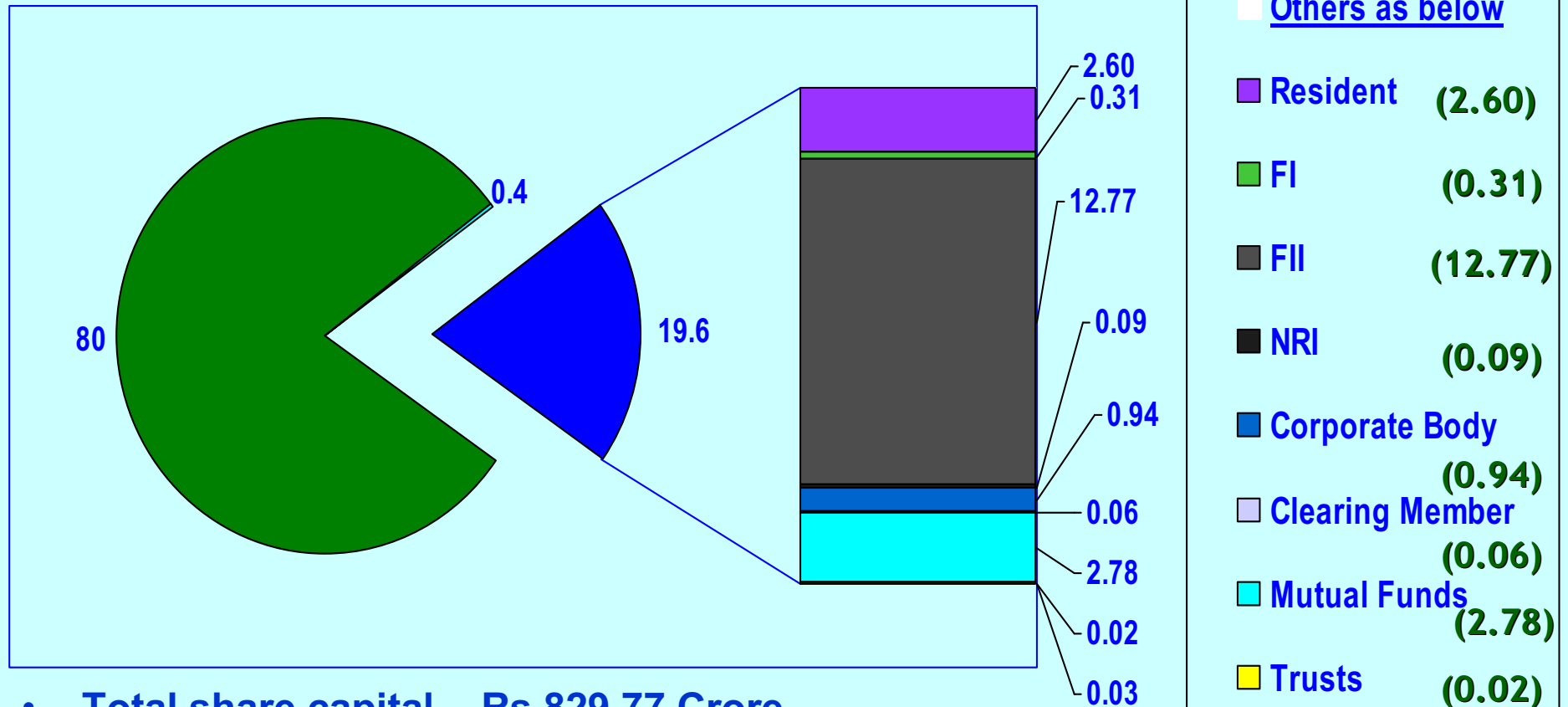
NET NPA (%) →





# HOLDING PATTERN

# PATTERN OF SHAREHOLDING (%) AS ON 31.12.2008



- 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 31.12.08 – Rs.5796.52 Cr.

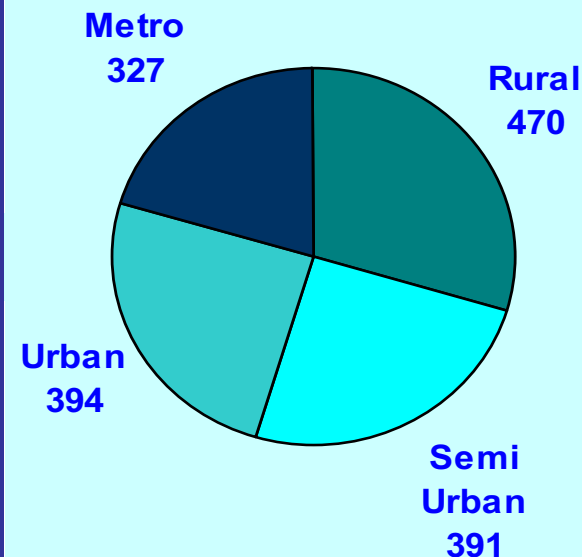


# DISTRIBUTION CHANNELS

# DISTRIBUTION CHANNELS

The Bank opened 41 New branches during the nine months

	31.12.07	31.03.08	31.12.08
1.Total Domestic Brs.	1500	1541	1582
2.Overseas Branches (Singapore & Colombo)	2	2	2
<b>Total Branches</b>	<b>1502</b>	<b>1543</b>	<b>1584</b>
3. Extension Counters	83	72	67
4. Satellite Offices	37	32	30
5. ATMs	516	600	651
6. Banking Service Centre		20	20



## CUSTOMER ACCOUNTS

(in lakh)

	Dec 07	Dec 08
Deposits	170.53	183.92
Advances	29.85	26.34
<b>Total</b>	<b>200.38</b>	<b>210.26</b>

## INTERNATIONAL RATING OF THE BANK

- Standard & Poor, the International Rating Agency has assigned BBB- Long Term and A-3 Short Term counter party rating to the Bank. The rating assigned to the Bank is the same as sovereign rating. This is the reflection of the performance of the Bank in the areas of Capital Adequacy, Asset Quality and Risk Management.
- “Indian Bank’s capital position is sound. The bank’s profitability, primarily driven by an above-average net interest income margin, is relatively better than its peers. Recovery of bad debt contributes a significant portion (10%) of net revenue. This contribution should decline, however, as the operating environment turns less favorable. For the past four years, Indian Bank’s return on average assets has improved steadily to 1.65% for fiscal year ended March 31, 2008. We believe that the volatility and slowdown in the economy will negatively affect the bank’s profitability by raising credit cost and reducing market sensitive income. Nevertheless, we expect the bank’s profitability to remain higher than the industry average” the agency added. The agency further stated that Indian Bank is well positioned to absorb the increase in NPAs due to its prudent reserving.



Thank you