



***Performance of the Bank
For the Quarter Ended
September 2010***



Performance Highlights

TOWARDS PAN INDIA PRESENCE

- **Global Branch Network crossed the 1800 mark and has reached 1803 (1758 as on March 31, 2010).**
 - **1064 ATMs spread across the Country (1005 as on March 31, 2010).**
 - **52 Outlets opened on a single day on 29.09.2010.**
 - **3 New branches opened under Financial Inclusion Plan (Kurubarapalli, Microsate Usilampatti & Microsate Kaveripatnam)**
 - **First Mobile Banking Unit of the Bank was opened by Hon'ble Finance Minister at Jangipur, West Bengal with mobile ATM and coin vending machine catering to 6 unbanked villages (Nista, Sujanpur, Diar Ramnagar, Giria Kismat, Giria and Bahura).**



Performance Highlights

Towards Higher Topline & Bottomline

Topline

- **Total Business:** ₹ 1,67,980 crore – up by 25.37% YoY.
- **Total Deposits:** ₹ 98,007 crore – up by 22.40% YoY.
- Growth in CASA deposits 27.49% ; CASA share to Total Deposits higher at 32.25% from 30.96%.
- **Total Credit:** ₹ 69,973 crore– up by 29.77% YoY.
- CD Ratio at 71.40% as against 67.34 % for September 2009.
- Agriculture Credit crossed ₹ 10,000 crore mark and reached ₹ 10,259 crore (24.85% YoY growth).
- MSME up from ₹ 7130 crore to ₹ 9524 crore- a growth of 33.58% (YoY).

Bottomline

- **Q2 Operating Profit up by 33.42% ie. ₹ 739 crore from ₹ 554 crore (Q2 :2009-10).**
 - Net Profit improved by 11.77% to ₹ 416 crore from ₹ 372 crore.
 - Net interest income up by 37.74 % for Q2.



Performance Highlights

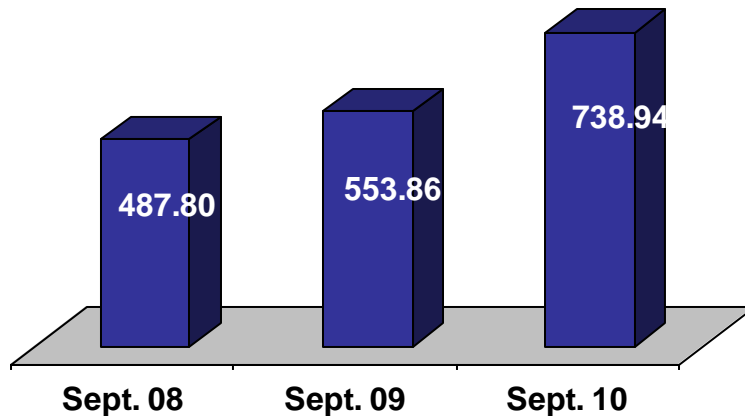
Maximising Stakeholders' Value

- Net Interest Margin improved to 3.76 % (Q2) from 3.71 % (Q1)
- Healthy Capital Adequacy at 12.96 % (Q2) from 12.50 % (Q1)
- EPS higher at ₹ 37.60 (Q2) from ₹ 33.16 (Q1)
- Book value higher at ₹ 172.91 (Q2) from ₹ 163.23 (Q1) per share
- Net worth up by 18.94 %(YoY) ie. from ₹ 6584 Crore as on 30.09.09 to ₹ 7831 Crore.
- RoA up at 1.51% (Q2) from 1.42% (Q1)
- RoE up at 21.82% (Q2) from 20.36% (Q1)
- Business Per Employee improved to ₹ 860.68 lakh (Q2) from ₹ 808.72 lakh (Q1)



Operating Profit

Operating Profit (₹ in crore)

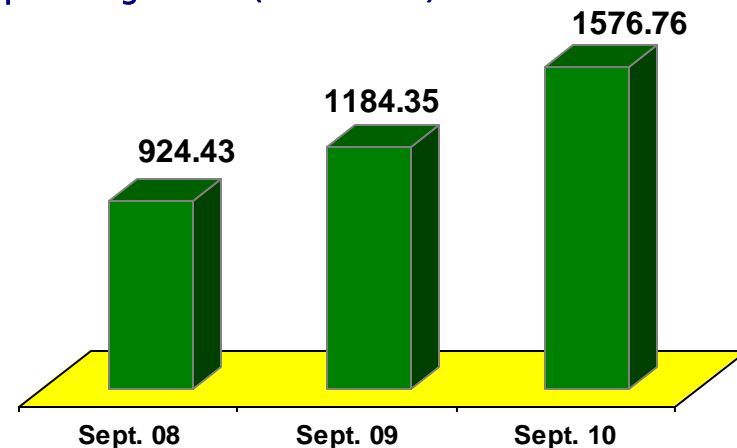


**UP BY
33.4%**

**UP BY
33.1%**

H1

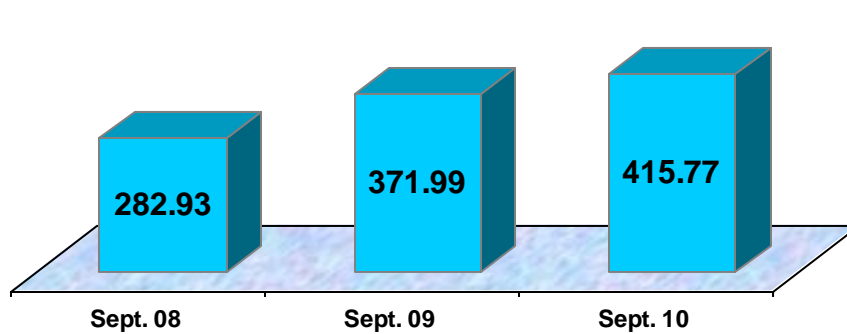
Operating Profit (₹ in Crore)





Net Profit

Net Profit (₹ in Crore)



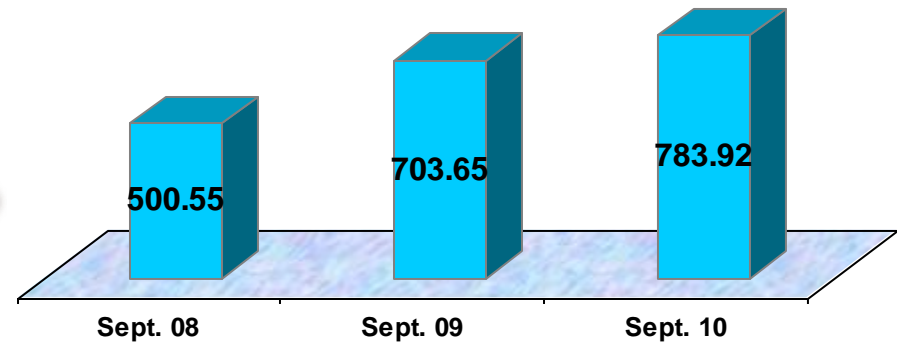
Q2

UP BY
11.7%

Net Profit (₹ in Crore)

UP BY
11.4%

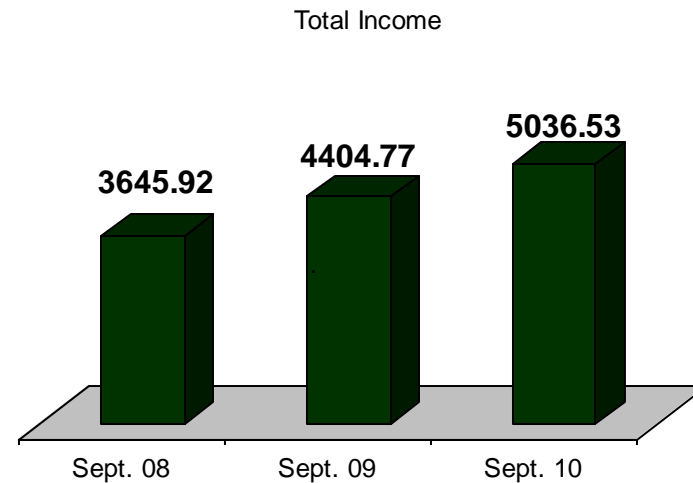
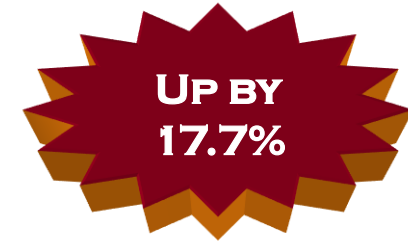
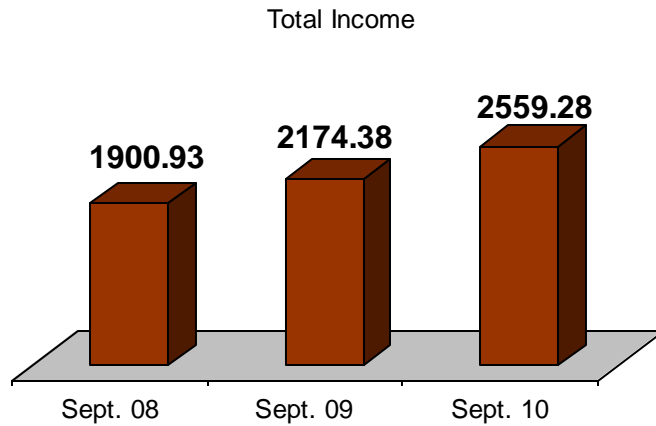
H1





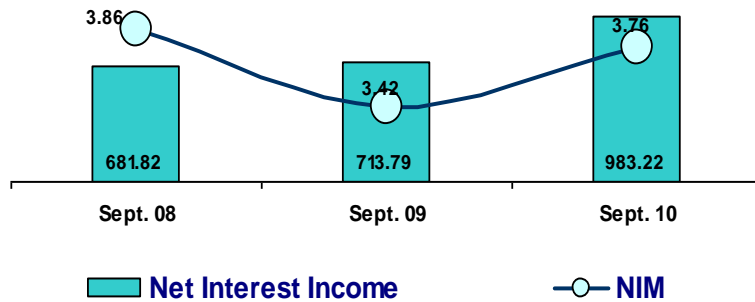
Total Income

₹ in Crore



Net Interest Income

Net Interest Income (₹ in Crore) & NIM %



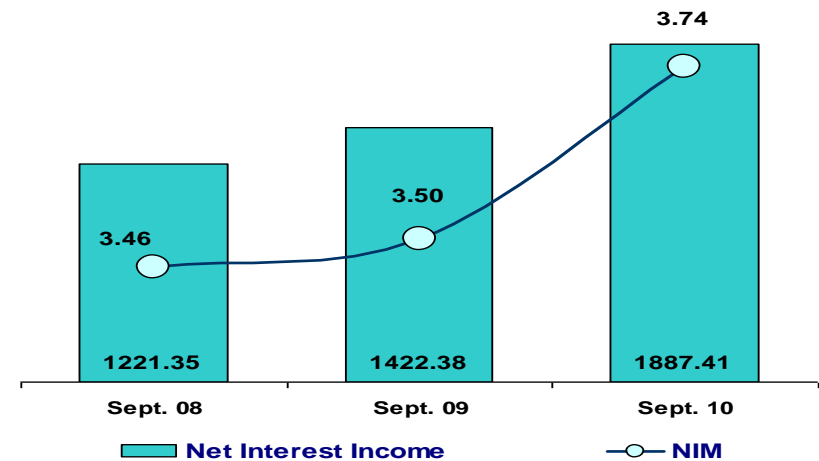
Q2

UP BY
37.74%

UP BY
32.69
%

H1

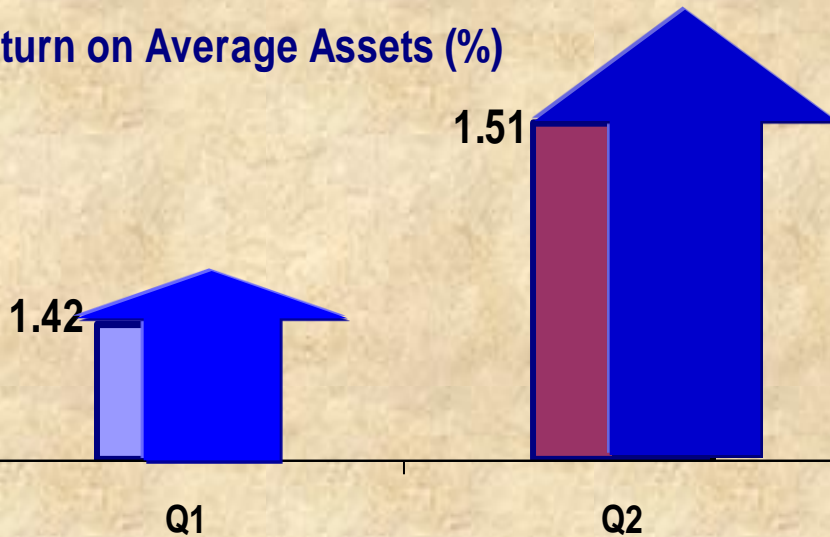
Net Interest Income (₹ in Crore) & NIM %





Return on Assets & Equity

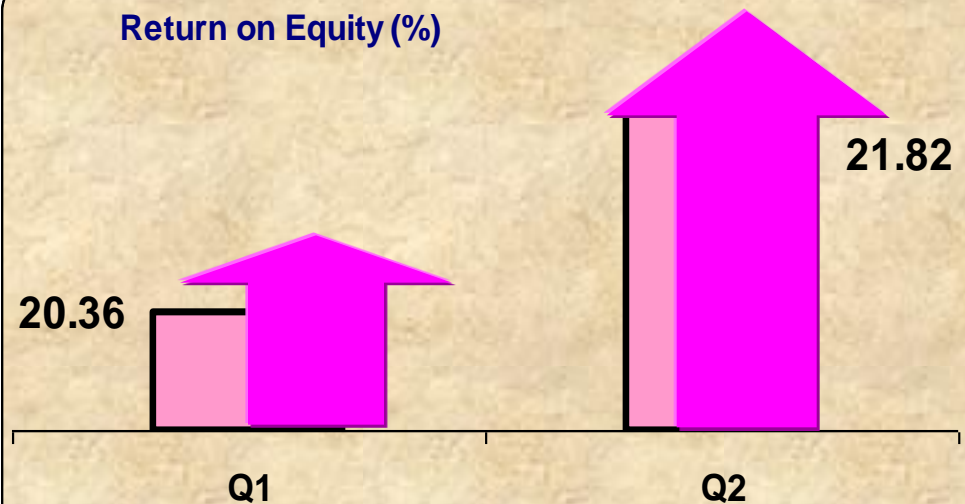
Return on Average Assets (%)



**HIGHER
AT
1.51%**

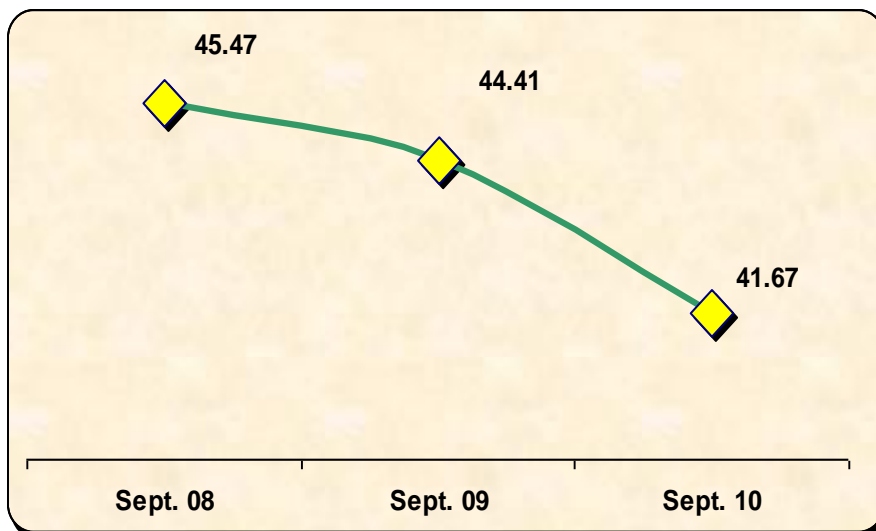
**HIGHER
AT
21.82%**

Return on Equity (%)





Cost Income Ratio

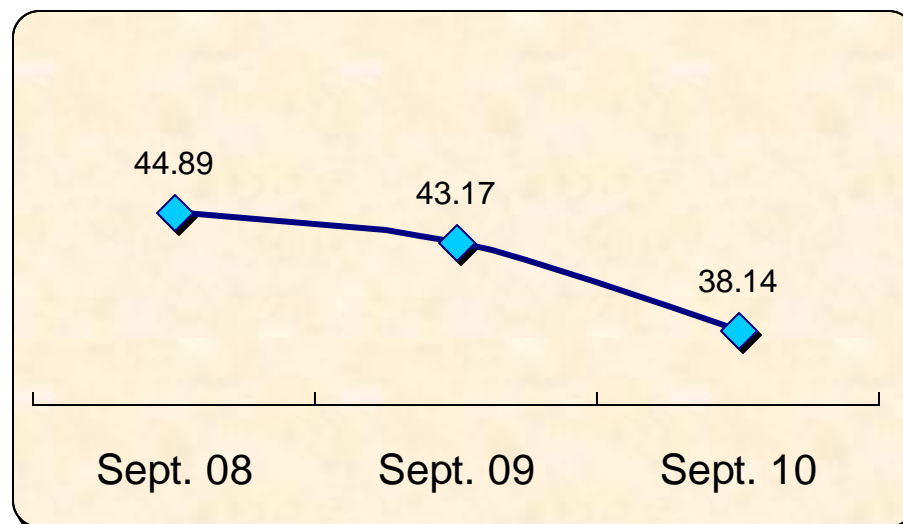


Q2

**LOWER
AT
41.67%**

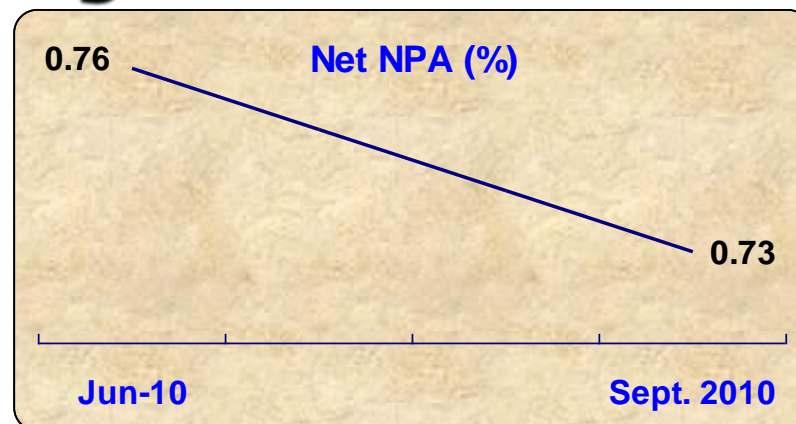
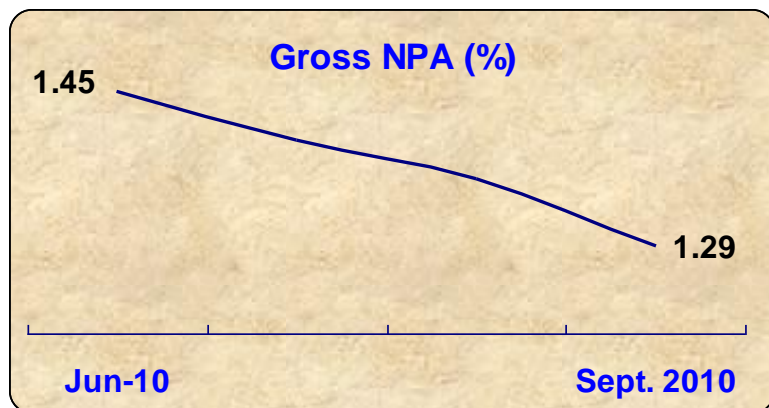
**LOWER
AT
38.14%**

H1





NPA Management



The Banks' provision Coverage Ratio at 83.27%(the prescribed norm of 70%)

- 1. The Bank has migrated to identifying NPA through online CBS system, which has enabled the Bank to track each Non Performing and Special Mention Account on day to day basis, helping the bank to take immediate steps to recover the overdues.**
- 2. The Bank has a prudent provisioning policy to provide more than RBI prescription**

Asset classification	Bank's policy	RBI prescription
Substandard	20%	10% for secured & 20% for Unsecured
D1	100%	20% for secured
D2	100%	30% for secured
D3 & Loss	100%	100%



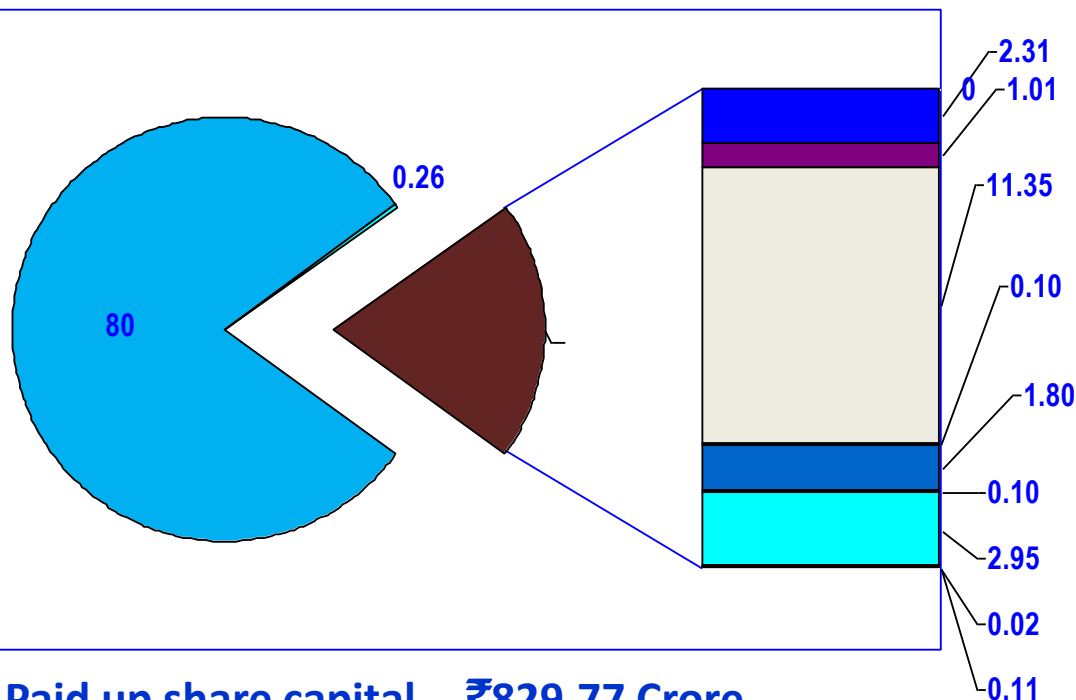
Capital Adequacy Ratio

(Amount in Crore of ₹)

Capital Adequacy Ratio	Mar-10	June -10	Sept.-10
Tier I Capital	7003	6988	6988
Tier II Capital	991	1477	1915
Total Capital	7994	8465	8903
Tier I (%)	11.13	10.32	10.18
Tier II (%)	1.58	2.18	2.78
CRAR as per Basel II	12.71	12.50	12.96

- Bank is adequately capitalised to take care of future growth.
- Headroom available in Tier II is ₹ 5074 Crore.
- The Current Half year Profit is not taken for computation of CRAR under RBI norms. If this is taken into account the Tier I Capital would have been ₹ 7772 Crore and the Headroom ₹5858 Crore and CRAR 14.10%(Tier I: 11.32%).
- Networth improved to ₹ 7831 crore from ₹ 7047 crore as on 31.03.2010 and ₹.6584 crore as on 30.09.2009.

PATTERN OF EQUITY SHAREHOLDING (%) AS ON 30.09.2010



- Paid up share capital - ₹829.77 Crore
- Of which : Perpetual Non Cumulative Preference Share Capital of Government of India - ₹.400 Crore

SHARE PRICE
₹301.20

•(BSE 21.10.10)

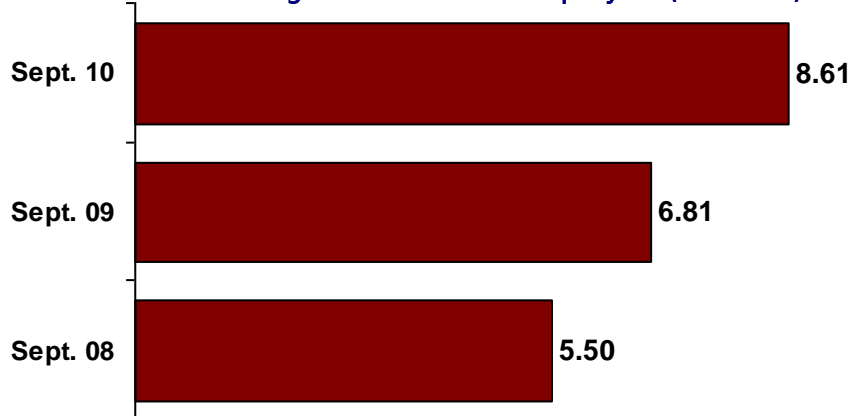
MARKET CAP
₹12,945 CR



Productivity

Increasing Business & Net Profit per Employee

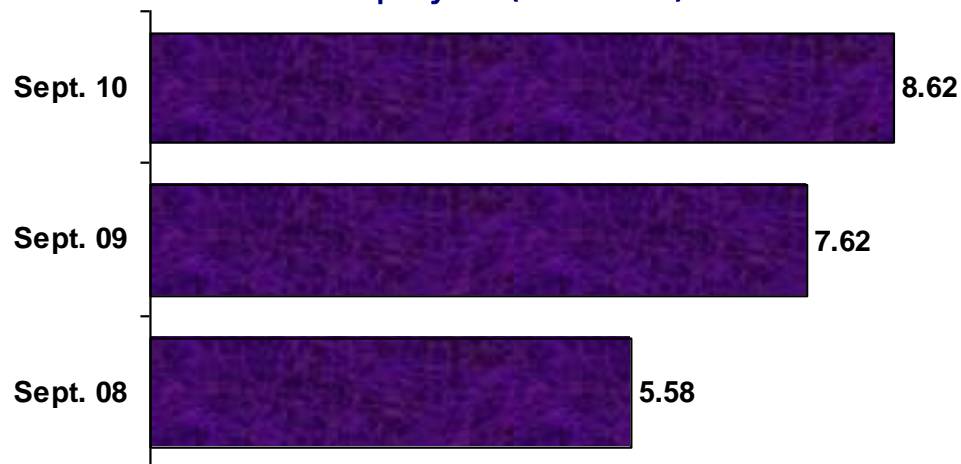
Increasing Business Per Employee (₹ crore)



**UP BY
26.4%**

**UP BY
13.1%**

Net Profit Per Employee (₹ in lakh)

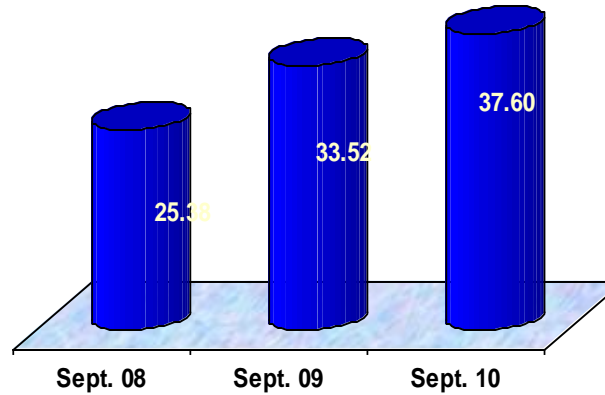




Valuation Matrix

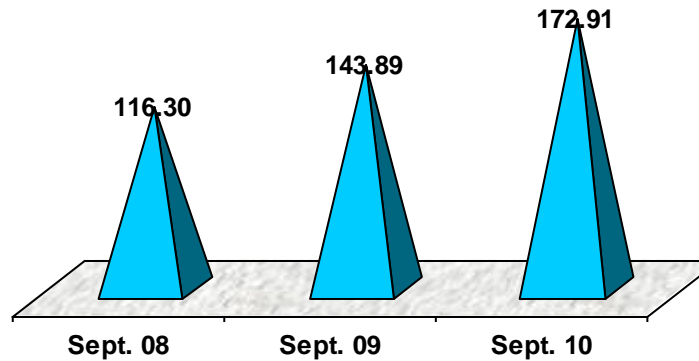
Q2

Earnings per share (Annualised ₹)



UP BY
12.2%

Bookvalue per share (₹)



UP BY
20.2%



Income & Expenditure

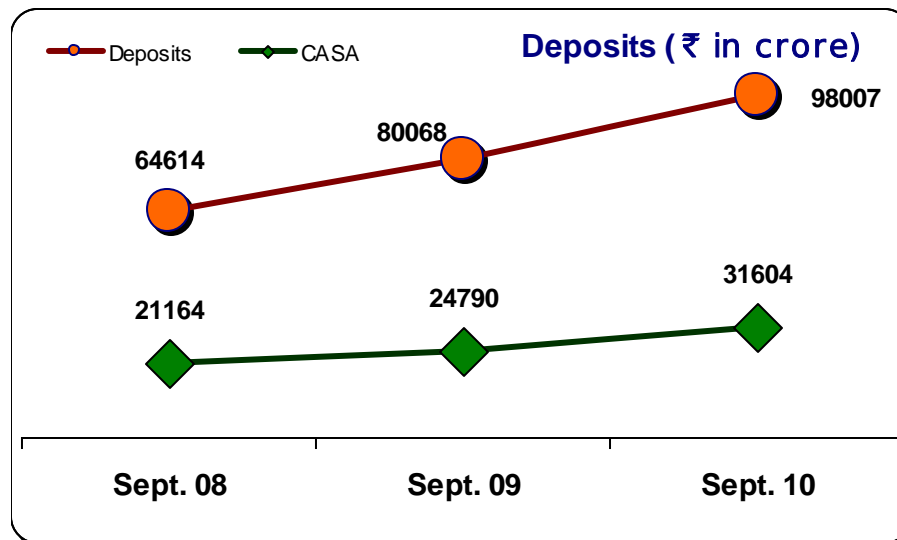
₹ in Crore

Particulars	Q2 2009-10	Q2 2010-11	Y-o-Y Growth %
Interest income	1892	2276	20.3
Non-interest income	283	284	0.4
Total Income	2174	2559	17.7
Interest Expenditure	1178	1292	9.7
Operating expenditure	442	528	19.3
Total Expenditure	1621	1820	12.3
Operating profit	554	739	33.4
Net Profit	372	416	11.8



Deposits

Up by
₹ 17939 Crore
or 22.40 %
(YoY) to
₹ 98007 Crore



(₹ in crore)

CASA	Sept.09	Sept.10	Growth(%)
Current deposits	5098	6807	33.53
Savings deposits	19692	24797	25.92
Total CASA	24790	31604	27.49
% of CASA	30.96	32.25	



Advances

Growth in Advances

- Global Gross credit grew by ₹ 16,054 Crore or 29.77 % to ₹ 69,973 Crore as on 30.09.2010 from ₹ 53919 Crore as on 30.09.2009.
- CD Ratio (gross) was at 71.40 % as on 30.09.2010 as against 67.34% as on 30.09.2009

Composition of Advances

₹ in Crore

Credit to	Sept. 2009	Sept. 2010	Y-o-Y Growth (%)
Agriculture	8217	10259	24.85
Retail	10320	11294	9.44
MSME	7130	9524	33.58
Corporate & Commercial	25875	35775	38.26
Overseas Credit	2377	3121	31.30
Total	53919	69973	29.77

Up by
₹ 16054
Crore or
29.77%

- Priority sector credit increased by ₹ 2536 crore during first half year to ₹ 24201 crore as on 30.09.2010. Agricultural credit increased by ₹ 1115 crore to ₹ 10259 crore as on 30.09.2010.



Lending to SHG... Continued Thrust ...

₹ in Crore			
Period	No. of SHGs financed during the year	Amount of Credit disbursed	Outstanding
Sep-07	24406	265	697
Sep-08	36859	473	1105
Sep-09	39668	630	1595
Sep 10	* 39523	774	2047

***15809 new SHGs credit linked.**

- The Bank has got 29 MICROSATE branches (specialized branches for Micro finance)- of which, two were opened during Q2.

**UP BY
28.3%**



Focus on Education Loan...

₹ in Crore

Period	No. of students financed during the year	Amount of Credit disbursed	Outstanding
Sept.2007	16466	230.11	928.28
Sept. 2008	39277	312.36	1468.96
Sept.2009	58721	355.62	2060.62
Sept.2010	66491	405.39	2624.91

- Web Based Online Education Loan Application System put in place.
- Interest Concession of 0.50% on the applicable card rate on Fresh Education Loans sanctioned to Girl Students.
- Central Scheme to provide interest subsidy for the moratorium period of education loan availed by students from economically weaker section is being implemented.

**UP BY
27.4%**

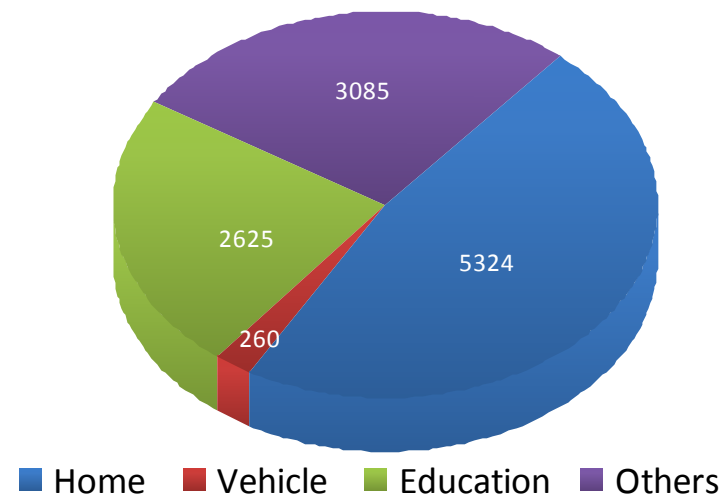


Personal Banking...

₹ in Crore

Product	Amount outstanding	
	Sept. 09	Sept.2010
Home Loan	5173	5324
Vehicle Loan	222	260
Educational Loan	2058	2625
Others	2867	3085
Total	10320	11294

- Avail Home Loan @8.5% - Festival Offer on...
- Jewel Loan for Senior Citizens introduced
- Combo Personal Loans





Financial Inclusion

- With a vision to provide banking services to all the unbanked masses throughout the country and as advised by GOI and Reserve Bank of India, our Bank launched the Financial Inclusion Plan 2010-12 for covering villages with population 2000 and above.
- It is planned to provide door step banking services for 1538 villages with population above 2000 by 2012 and 4040 villages with population 2000 and below by 2013 across the country covering 19 States.
- 20 villages out of the allotted villages with population above 2000 have been provided with banking services under FI plan 2010-12 by opening brick and mortar branch (1 village), through Business correspondent (BC) (13 villages) and through Mobile Branch (6 villages)



Financial Inclusion

- In Chittoor district of Andhra Pradesh, Indian Bank is implementing BC Model with Smart card Technology, by engaging M/s. Integra Microsystems (P) Ltd., for payment of NREGA wages and Social Security Pension on behalf of Govt. of AP. The Bank has opened 43,441 SB No frill accounts for NREGS and 23,649 SB No frill accounts for Social Security Pension and payments made through Smart cards. As on 30.09.2010, smart cards have been issued to 48445 beneficiaries.
- 23.93 lakh “nofrills” accounts are opened in various parts of the country including villages allocated under FI plan.
- Overdraft /GCC provided to 52678 individuals to the tune of ₹ 11.60 crore.
- Under Janashree Bima Yojana (JBY), launched in association with LIC of India Ltd, (providing life cover to SHG members), the Bank has provided insurance cover to 70240 members.
- Two Microsate branches (specialized microfinance branch) opened during the current year at Usilampatti (Madurai Circle) and Kaveripatinam (Dharmapuri Circle) to promote urban financial Inclusion.

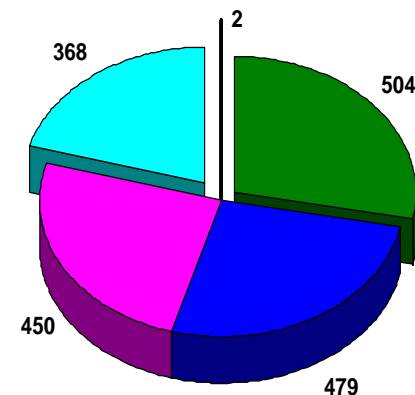


Distribution channel

	30.09.2009	31.03.2010	Latest
1.Total Domestic Branches	1670	1756	1801
2.Overseas Branches (Singapore & Colombo)	2	2	2
Total Branches	1672	1758	1803
3. Extension Counters	62	41	39
4. Satellite Offices	29	26	25
5. ATMs	800	1005	1064
6. Banking Service Centre	20	20	20
7. Manpower	19519	19641	19299



- 45 Branches opened during the year.
- Proposed to open 130 more Branches before March 2011.



■ Rural
■ Metro.
■ Semi Urban
■ Overseas
■ Urban



IT initiatives

- 59 new ATMs opened during the year taking the total to 1,064.
- ATM card base increased to 49.23 lakh from 37.30 lakh as on 30.09.2009.
- 74 biometric ATMs are in operation enabling joint operations by SHG members
- Our customers can access more than 63,000 ATMs across the country through our sharing arrangements with other Banks.



Initiatives

New schemes launched in the current financial year:

- A unique current account product 'SUPREME CURRENT ACCOUNT' offering health and wealth insurance cover has been introduced
- Jewel loan for senior citizens
- Combo loan of housing, vehicle and retail
- Applications Supported by Blocked Amount (ASBA) has been implemented for all categories of investors including Qualified Institutional Buyers for applying to Public Issues and Rights Issues
- Loan syndication desk set up



Initiatives...

- Customer First website to interact with Chairman and Managing Director directly through E-mail-customerfirst.cmd@indianbank.com
- Focused attention is given for marketing of Mutual fund schemes, Life Insurance, Non-life insurance and health insurance policies
- Public Provident Fund (PPF) accounts brought under CBS
- Facility of Online Customer Complaint Redressal launched wherein customers can log on to www.indianbank.com for this facility.
- CD on the Bank's IT products and services



Thank
You
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