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INDIAN BANK'S GOOD PERFORMANCE

Net profit up by 40.58% to Rs.703.65 crores

Indian Bank has achieved a record growth in its overall performance for the Half Year ended 30th September 2009. Announcing the performance of the Bank to the press here, after adoption of the Half Yearly results by the Board of Directors today, Shri M S Sundara Rajan, Chairman & Managing Director, said that the Bank has posted a growth of 28.12% in operating profit and 40.58% in net profit during the half year ended 30.09.2009.

- *Net interest income increased by 22.55 % and non interest income by 28.81 %*
- *Total business grew by Rs.21281 crore (18.88 %) to Rs. 133987 crore.*

The Bank recorded a Net Profit of Rs.703.65 crore for the half year ended September 2009 as compared to the Net Profit of Rs.500.55 crore for the corresponding period, last year, registering a growth of 40.58 %. The Operating profit increased by Rs.259.92 crore, representing a growth of 28.12% to Rs.1184.35 crore as compared to Rs 924.43 crore (30.09.2008). The Net Interest Income improved by 22.55% to Rs.1496.80 crore as against Rs 1221.36 crore for the corresponding period last year. Interest income grew by 19.67 % (Rs.627.48 crore) to Rs.3817.41 crore. Other income grew by 28.81% (Rs.131.37crore) to Rs.587.36 crore. Total Income improved by 20.81 % (Rs.758.85 crore) to Rs.4404.77crore from Rs.3645.92 crore.

The Overall Business of the Bank grew by 18.88 % (Rs 21281 crore) to Rs.133987 crore as on 30.09.2009 up from Rs.112706 crore, as on 30.09.2008. Total Deposits rose by 23.92 % (Rs. 15454 crore) to Rs.80068 crore from Rs.64614 crore. Gross Advances increased by

12.12 % (Rs.5827 crore) to Rs.53919 crore from Rs.48092 crore. Business per Employee improved to Rs.6.81crore from Rs.5.5 crore.

Return on Average Assets improved to 1.58 % from 1.38 % for the corresponding period last year.

Gross NPA declined to 0.89% (Rs.479.99crore) as on 30.09.2009 from 0.98 % as on 30.09.2008. As on 30.09.2009 the Bank's Net NPA percentage remains at 0.18%. During the first half year, total NPA recovery was at Rs.343.02 crore.

Profit

(Rs. in crore)

	Half Year ended		
	Sept 08	Sept 09	Growth %
Net Interest Income	1221.36	1496.80	22.55
Total Income	3645.97	4404.77	20.81
Operating Profit	924.43	1184.35	28.12
Net Profit	500.55	703.65	40.58

Business

(Rs. in crore)

As at	30.09.08	30.09.09	Growth volume	Growth %
Deposits	64614	80068	15454	23.92
Advances	48092	53919	5827	12.12
Total Business	112706	133987	21281	18.88

- CRAR (as per Basel II) improved to 13.86 % as against 11.27 % as on 30.09.2008.
- CRAR (as per Basel I) improved to 13.20 % as against 11.70 % as on 30.09.2008.
- EPS improved to Rs.31.66 as against Rs.22.34 for September 08.

Total Priority Sector Advances of the Bank grew by 13.23 % during the half year, with an outstanding of Rs.19550 crore. Agriculture Advances grew by 14.73 % to Rs 8217 crore.

Credit Assistance to Priority Sector and Agriculture constituted 40.05% and 16.83 % of the Adjusted Net Bank Credit (31.03.09) respectively.

During the Half Year ended 30 September 2009, the Bank disbursed a sum of Rs.2888 crore as agricultural loans (Rs.2687 crore in HY 08).

Financial Inclusion: The Bank has been successfully implementing the Financial Inclusion project in various places across the country covering 4637 villages. 21.08 lakh no frills SB accounts were opened. Overdraft and GCC facilities to the tune of Rs.11.53 crore were disbursed to 52550 individuals.

Smart Card Project in Andhra Pradesh was launched on 19/09/2009.

Micro Finance: The Bank has made a significant contribution in the field of Micro Finance and Self Help Group (SHG). Crossing the Rs.1500 crore mark, the Bank's SHG portfolio stood at Rs.1595 crore as on 30.09.09. The Bank disbursed Rs.630 crore as credit assistance to 39668 SHGs during the first half of the current fiscal as against Rs.473 crore provided during corresponding period last year covering 36859 SHGs.

Indian Bank Trust for Rural Development: Rural Development has been the niche area of the Bank. As yet another step towards getting closer to rural people, the Bank has set up a Trust "Indian Bank Trust for Rural Development" (IBTRD) for undertaking various developmental activities. Under the umbrella of this Trust, the Bank has established Training institutes named "Indian Bank Self Employment Training Institute (INDSETI) at 4 centres including one in Andhara Pradesh, two in Tamilnadu and one in Puducherry for providing training to rural youth. The Bank has also opened Financial Literacy and Credit Counselling (FLCC) centres at Puducherry and Dharmapuri to provide free financial literacy/education and credit counselling to borrowers of all banks.

Educational Loans: The Bank has always extended a helping hand to every meritorious yet needy student to pursue their higher education. The Bank has provided a sum of Rs.356 crore credit assistance during the half year, benefiting 58721 students.

During the half year ended September 2009 the **SME sector** registered a growth of 11.56%.(annualized growth of 23%). The Bank has entered into tie up with organisations engaged in skill training, encouraging artisans and engineering colleges. For quick and quality appraisal of SME proposals, the Bank has set up central processing units in 9 key centres.

The Bank has come out with a revised policy for the one time ISO incentive to MSME customers. The Bank has redesignated 59 General Banking Branches across the country as Specialised SME Branches. Two specialized SME branches are already functioning at Peenya Industrial Estate, Bangalore and Coimbatore. One more special SME branch was opened at Thuvakudi in Tiruchi on 09.10.09.

As per MoU with Mahindra & Mahindra for financing Commercial Vehicles of Mahindra Make a new product Viz IB-M&M-AUOTSTAR has been introduced.

An MoU with TATA Motors Ltd for financing Commercial Vehicles of TATA Make has been signed and a new product Viz. IB-TATA-CV-STAR has been launched.

The MoU arrangement with reputed external rating agencies viz ICRA & CRISIL for rating of our SME customers has been renewed.

Bank's exposure under **Personal Segment Advances** and Home Loan as on 30.09.09 amounted to Rs.10320 crore and Rs.5174 crore respectively. The Bank has also come out with a festival offer on Home loans and Car loans.

The Bank has entered into a tie up arrangement with Tata Motors for sale of their passenger cars including Nano. An MoU with Hyundai Motors is to be signed shortly.

New branches: The Bank opened 28 branches during the half year ended 30.09.09.

CBS: The Bank has won the Celent Award for successful implementation and innovative and extensive use of CBS. Having achieved 100% CBS status, the Bank is also implementing CBS in Pallavan Grama Bank, Pudhuvai Bharathiar Grama Bank and Saptagiri Grameena Bank.

The number of ATMs of the Bank increased to 800 as on date. The Bank has installed ATMs at 51 Railway stations of which 29 are ATMs with kiosk.

The result of successful candidates for written test for recruitment of 700 clerks was released on 03.10.2009 and the interviews will begin shortly.

Payment of TNEB Bills at Chennai can be made through internet.

Online payment can be made for Guruvayur Temple and Sripuram Golden Temple.

Corporate Social Responsibility: Indian Bank received the Best Donor Organisation awarded by the Tamilnadu State AIDS Control Society. The Bank regularly conducts blood donation camps, health camps, eye screening camps and cardiac screening camps. The Bank distributed bed sheets and pillows to spastic children.

Sports: As a strong supporter of nation's sports activities, the Bank has recruited sportsmen under the Special Scheme for sports quota. During the Half Year ended September 2009, the Bank's sports teams have won many titles in various tournaments in various fields such as football, basket ball, hockey, table tennis, cricket, carrom, chess and volleyball.

The Bank has won the Golden Peacock National Training Award for the year 2009. The award was received by our CMD on 9th October 2009 at the 10th International Conference of Corporate Governance held at London.

Our Chairman has been listed 45 in the list of 100 most powerful CEOs.

The Bank received the FE India's Best Bank Award from Hon'ble Union Finance Minister, Shri.Pranab Mukherjee on 25.07.09.

The Bank received State Award for Meritorious service in SME sector from Hon'ble Deputy Chief Minister of Tamilnadu Shri.M.K.Stalin.

For favour of kind publication please

GENERAL MANAGER