



*PRESENTATION
ON
THE PERFORMANCE OF THE BANK
DURING FIRST QUARTER OF 2009-10*



The Bank has been ranked as the BEST NATIONALISED BANK - NUMBER 1 in the country for 2007-08 by the “Earnst & Young” in association with Financial Express.

Bank’s Chairman & Managing Director will be receiving the award in Mumbai on July 25, 2009 in the presence of the Hon’ble Finance Minister.

SYNOPSIS OF PERFORMANCE

- ✓ Sustained growth in Revenues, operating Profit, Net Profit, operational efficiency and business despite challenging economic and market scenario.
- ✓ Healthy capital adequacy
- ✓ Contained fresh NPAs

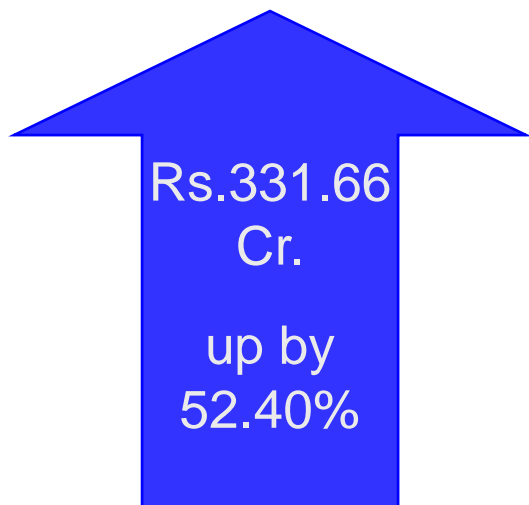
PERFORMANCE HIGHLIGHTS

| | Q1 2008-09 | Q1 2009-10 |
|---------------------|---------------|--------------|
| Net Profit | ↑ 2.64% YOY | ↑ 52.40% YoY |
| Net Interest Income | ↑ 11.75% YOY | ↑ 36.73% YoY |
| Fee Income | ↑ 33.97 % YOY | ↑ 43.97% YoY |
| Operating Revenue | ↑ 17.82 % YOY | ↑ 38.98% YoY |
| Operating Profit | ↑ 32.42% YOY | ↑ 44.40% YoY |
| Net Interest Margin | 3.17% | 3.56% |
| Cost of Funds | 5.42% | 5.30% |

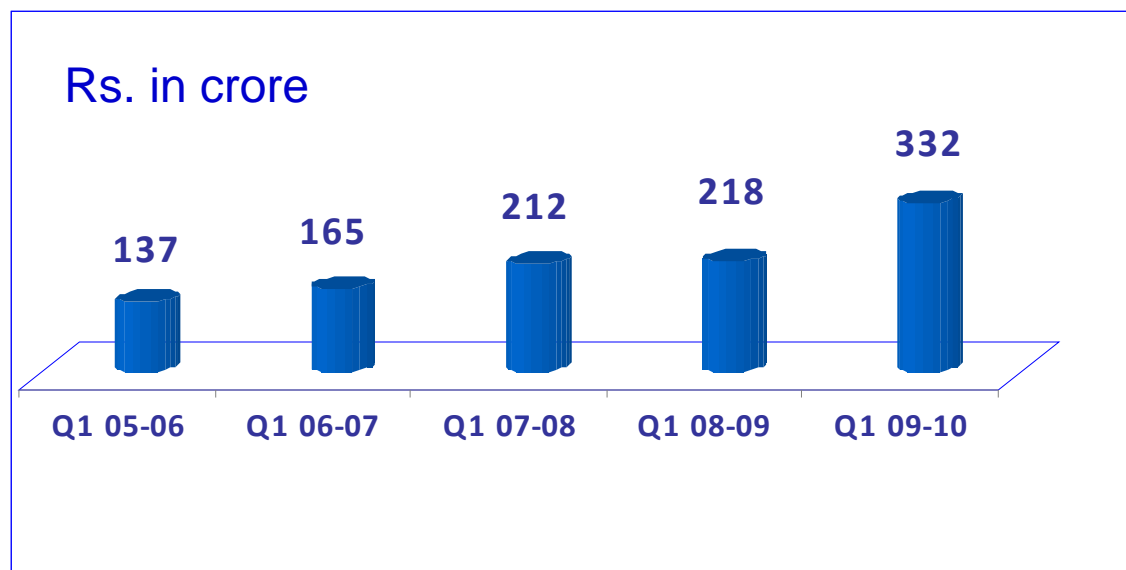
BUSINES PERFORMANCE – Q1 2009-10

- Total Business grew by 20.63% to Rs.1,28,700 Crore from Rs.1,06,691 crore as on 30.06.2008.
- Total Deposits grew by 23.31% to Rs.76,716 Crore from Rs.62,215 crore as on 30.06.2008.
- Gross Advances grew by 16.88% to Rs.51,984 Crore from Rs.44,476 crore.
- Retail Advances grew by 21.14% to Rs.10,004 Crore from Rs.8,258 crore and constituted 19.24% of total advances.
- Book Value per share was Rs.135.23, compared to Rs.105.49 as on 30.06.2008.
- Capital Adequacy at 13.68% with Tier I capital at 11.56%.
- NIM improved to 3.56% from 3.17% for quarter ended June 08.
- RoA improved to 1.54% from 1.23% for quarter ended June 08

NET PROFIT

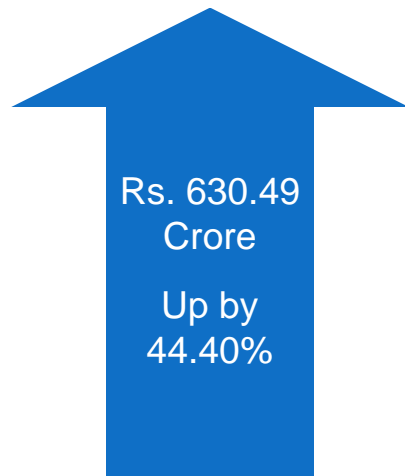


Up by Rs.114.04 Crore (52.40%) to Rs.331.66 Crore from Rs.217.62 Crore for the quarter ended June 08.

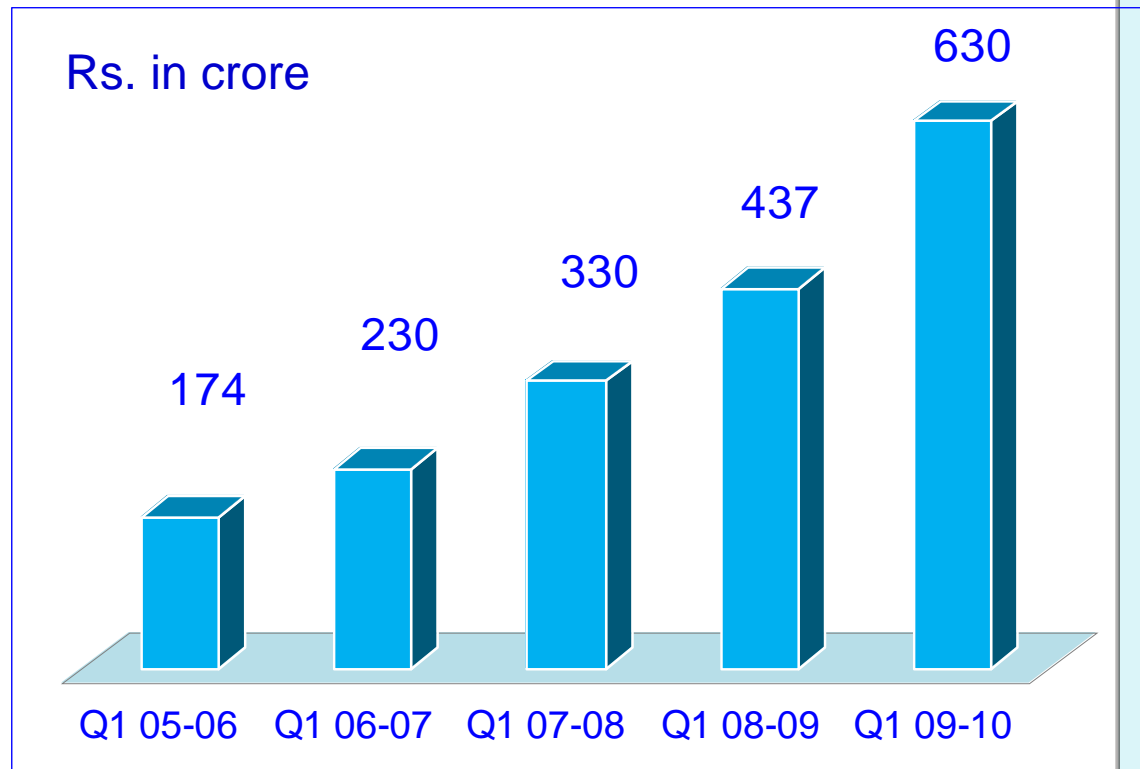


OPERATING PROFIT

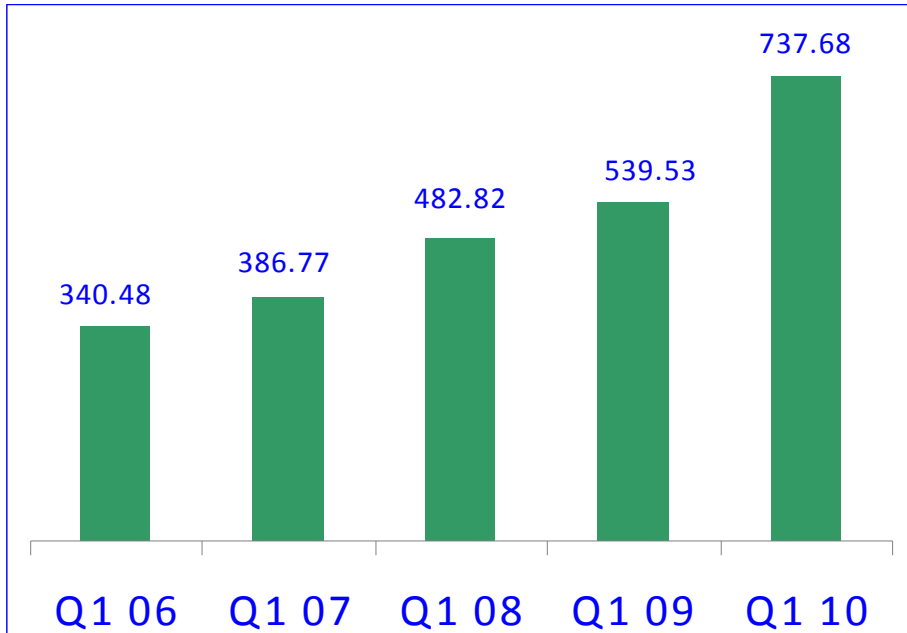
Q1 2009-10



Up by Rs.193.86 Crore (44.40%) to Rs.630.49 Crore from Rs.436.63 Crore for the quarter ended June 08.



GROWING NET INTEREST INCOME



Growth

(%) **13.60** **24.83** **11.75** **36.72**

Net Interest Income in the last 5 years

(Rs.in crores)

| | |
|-------|--------|
| Q1 06 | 340.48 |
| Q1 07 | 386.77 |
| Q1 08 | 482.82 |
| Q1 09 | 539.53 |
| Q1 10 | 737.68 |
| CAGR | 21.32% |

PROFIT & LOSS STATEMENT

(Rs. in Crore)

| | Q1 2008-09 | Q1 2009-10 | Y-o-Y Growth % |
|--|----------------|----------------|----------------------|
| Interest income | 1501.78 | 1880.24 | 25.20 |
| of which: MoI | 20.97 | 56.83 | 171.01 |
| Non interest income | 243.21 | 350.15 | 43.97 |
| of which: | | | |
| a. Recovery of bad debts | 53.50 | 80.22 | 49.94 |
| b. Profit on sale of investment | 24.38 | 102.93 | 322.19 |
| c. other non int.income | 165.33 | 167.00 | 1.01 |
| Total Income | 1744.99 | 2230.39 | 27.82 |
| Interest Expenditure | 962.25 | 1142.56 | 18.74 |
| Operating expenditure | 346.11 | 457.34 | 32.14 |
| Total Expenditure | 1308.36 | 1599.90 | 22.28 |
| Operating profit | 436.63 | 630.49 | 44.40 |
| Net Profit | 217.62 | 331.66 | 52.40 |
| Net Interest Income | 539.53 | 737.68 | 36.73 |

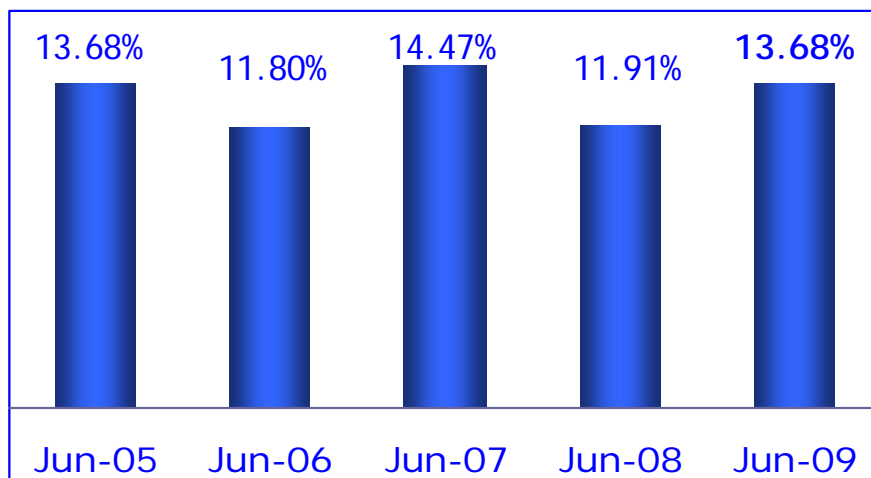
KEY FINANCIAL RATIOS

| Parameter | | Q1 2007-08 | Q1 2008-09 | Q1 2009-10 |
|-----------|--|---------------|---------------|---------------|
| 1 | NIM | 3.49 | 3.17 | 3.56 |
| 2 | Yield on advances | 10.21 | 10.55 | 10.96 |
| 3 | Cost of deposits | 5.64 | 6.26 | 6.13 |
| 4 | Cost income ratio | 50.37 | 44.22 | 42.04 |
| 5 | Return on Average Assets | 1.47 | 1.23 | 1.54 |
| 6 | Return on average net worth | 22.75 | 18.16 | 21.94 |
| 7 | Weighted average EPS (Rs.) (annualised) | 18.86 | 19.30 | 29.76 |
| 8 | Book value (Rs.) | 79.89 | 105.49 | 135.23 |

Note: Cost income ratio without including the provision for wage revision is 37.90% for the quarter ended June 09

CAPITAL ADEQUACY

(Rs. in crore)



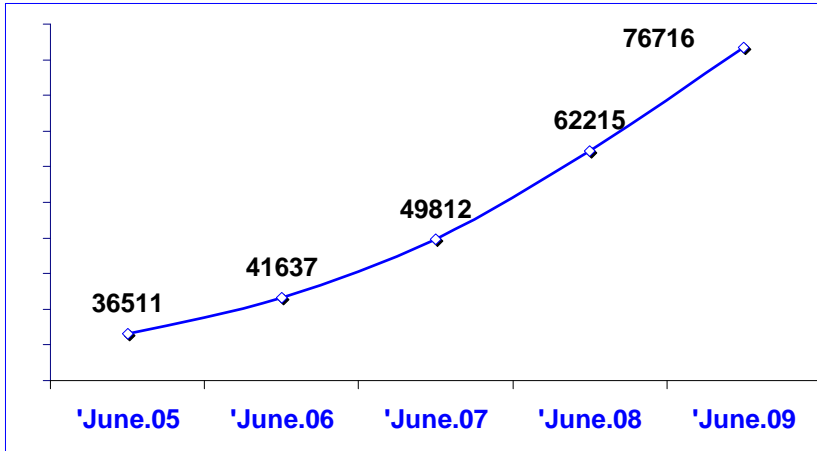
| | Jun-08 | Mar-09 | Jun-09 |
|---------|---------|---------|---------|
| Tier I | 4929.43 | 5864.95 | 6196.61 |
| Tier II | 603.79 | 1034.14 | 1135.24 |

| | Jun-08 | Mar-09 | Jun-09 |
|----------------------|--------|--------|--------|
| Basel I | | | |
| Tier I (%) | 10.74 | 11.28 | 11.56 |
| Tier II (%) | 1.32 | 1.99 | 2.12 |
| CRAR as per Basel I | 12.06 | 13.27 | 13.68 |
| Basel II | | | |
| Tier I (%) | 10.61 | 11.88 | 12.03 |
| Tier II (%) | 1.30 | 2.10 | 2.20 |
| CRAR as per Basel II | 11.91 | 13.98 | 14.23 |

DEPOSITS

(Rs. in crore)

(Rs. in crore)



| CASA (DOMESTIC POSITION) | June.08 | June.09 | Growth (%) |
|--------------------------------|---------|---------|---------------|
| Total CASA | 20810 | 22700 | 9.08 |
| % of CASA | 34.74 | 30.62 | |

- Global Deposits Improved by Rs.14,501 Crore or 23.31% (YoY) to Rs.76,716 Crore
- Wholesale Deposits (Deposits of over Rs.5 Crore) was at 13.37% of Total Deposits as against 13.15% as on 31.03.2009.

ADVANCES - COMPOSITION

- Global Gross credit grew by Rs.7508 Crore or 16.88% to Rs.51,984 Crore as on 30.06.2009
- CD Ratio (gross) was at 67.76% as on 30.06.2009 as against 71.49% as on 30.06.2008
- Incremental CD Ratio YoY was 51.78%.

(Rs. in crore)

| Credit to | June 08 | June 09 | Y-o-Y Growth (%) |
|------------------------|--------------|--------------|------------------|
| Agriculture | 6308 | 7994 | 26.73 |
| Retail | 8258 | 10004 | 21.14 |
| MSME | 4880 | 5625 | 15.27 |
| Corporate & Commercial | 22808 | 26040 | 14.17 |
| Overseas Credit | 2222 | 2321 | 4.46 |
| Total | 44476 | 51984 | 16.88 |

PRIORITY SECTOR LENDING - COMPOSITION

- Priority sector credit increased by Rs.469.52 crore during first quarter to Rs.18,895.22 crore as on 30.06.2009 and constituted 38.94% of ANBC (as of March 2009) as against the prescribed norm of 40% to be achieved by March 2010.
- Agricultural credit increased by Rs.156.20 crore to Rs.7993.72 as on 30.06.2009 and constituted 16.48% of ANBC (as of March 2009) against the stipulated level of 18% to be achieved by March 2010.

(Rs. in crore)

| Segment | June 08 | June 09 | Growth % |
|--------------------------------|--------------|--------------|--------------|
| Agriculture | 6308 | 7994 | 26.73 |
| Small Enterprises | 3709 | 4126 | 11.24 |
| Micro credit | 245 | 325 | 32.65 |
| Retail Trade | 923 | 942 | 2.06 |
| Education Loan | 1258 | 1725 | 37.12 |
| Home Loan | 3469 | 3781 | 8.99 |
| State sponsored org. for SC/ST | 2 | 2 | 0.00 |
| Total Priority Sectors | 15914 | 18895 | 18.73 |

PRIORITY SECTOR LENDING - INITIATIVES

- During the first quarter of the current year, farm loans of Rs.1,113.50 crore have been disbursed.
- Out of the above, Rs.273.97 crore disbursed to 83,966 new farmers working out to 94 new farmers per rural/semi urban branch.
- In order to provide timely credit coinciding with monsoon, intensive farm credit campaign is being observed by our Branches from 15th June 2009 up to 15th August 2009.
- In terms of the announcement made by Government of India in the Union Budget 2008, 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 are eligible for relief of Rs.84.57 crore as at the close of the scheme.
- Fresh loans are being issued to the beneficiaries of debt waiver scheme from 01.07.08. Rs.353.31 crore has been provided covering 1,16,410 accounts at the end of June 09.

PRIORITY SECTOR LENDING - INITIATIVES

- During the quarter ended June 2009, the Bank established RUDSETI model training institute named as “Indian Bank Self Employment Training Institute” (IND SETI) at Vellore. So far 3 INDSETIs have been established at Salem, Puducherry and Vellore.
- The Bank has established a Financial Literacy and Credit Counselling (FLCC) centre at Dharmapuri and at Puducherry.

COMMON MAN BANK – FINANCIAL INCLUSION INITIATIVES

- The Bank is pioneer in introducing Financial Inclusion project in Pucudherry.
- 100% Financial Inclusion (involving all banks) achieved in Union Territory of Puducherry, Cuddalore (Tamil Nadu) and Kollam (Kerala) where the Bank has Lead Bank responsibility.
- Besides, our Bank has implemented 100% Financial Inclusion in 9 other Lead Districts.
- 100% Financial Inclusion completed in Nilgiris (Scheduled Tribe concentrated), Tiruvarur (Scheduled Caste concentrated) and Kanyakumari (minorities concentrated) districts as directed by RBI.
- 19.52 lakh no-frill SB accounts opened in 4637 villages.
- Overdraft/General Credit Card provided to 52,545 individuals to the tune of Rs.10.91 crore.
- Janashree Bima Yojana (JBJ), launched in association with LIC of India Ltd. intended for providing life cover to SHG members is being popularised. The Bank has provided insurance cover to 92,051 members of 8,579 SHGs.
- Universal Health Care Policy (UHCP), launched in association with United India Insurance intended for providing health cover to BPL families. The Bank has so far provided insurance cover to 16,220 BPL families.

LENDING TO SHGs - CONTINUED THRUST

Rs. in crore

| Period | No. of SHGs financed during the year | Amount of Credit disbursed | Outstanding | YoY growth (%) | Number of new SHGs linked |
|-------------|--------------------------------------|----------------------------|-------------|----------------|---------------------------|
| June 05 | 9521 | 63.28 | 226 | 86.78 | 3937 |
| June 06 | 10720 | 76.54 | 402 | 77.88 | 4258 |
| June 07 | 12396 | 121.28 | 601 | 49.5 | 5938 |
| June 08 | 13656 | 165.26 | 1001 | 66.56 | 6556 |
| YE March 09 | 90421 | 1054 | 1351 | 36.88 | 42626 |
| June 09 | 14069 | 225.81 | 1373 | 37.16 | 4356 |

- The Bank has established 26 MICROSATE branches (specialized branches for Micro finance).
- For Self Help Groups, an exclusive software application has been developed for enabling dual biometric authentication of SHG members (with finger print).

FOCUS ON STUDENTS - EDUCATION LOAN

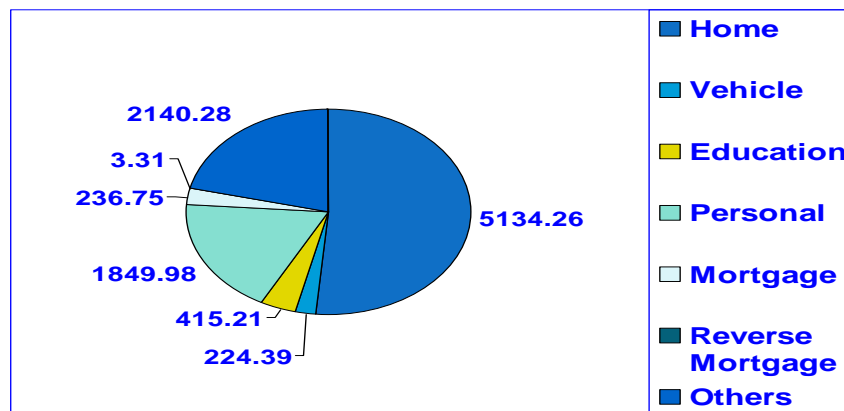
Rs. in crore

| Period | No. of students financed during the year | Amount of Credit disbursed | Outstanding | YoY growth (%) (Balance Outstanding) |
|---------|--|----------------------------|-------------|---|
| June 05 | 2272 | 26.12 | 183.82 | 94.29 |
| June 06 | 3606 | 42.43 | 414.13 | 125.29 |
| June 07 | 5079 | 68.18 | 783.29 | 89.14 |
| June 08 | 13194 | 139.14 | 1312.89 | 67.61 |
| 2008-09 | 66280 | 540.17 | 1695.90 | 29.17 |
| June 09 | 26501 | 143.76 | 1852.02 | 41.06 |

- Conscious of the need to promote technical and higher education to promising youths in the country the Bank has focused on educational loans which grew by 41.06% (YoY).
- “Web-based on-line education loan application system” has been implemented to facilitate transparency and monitoring of applications.

PERSONAL BANKING PRODUCT WISE

| Product (Rs. In Crore) | June 07 | | June 08 | | June 09 | |
|---------------------------|-----------------|-------------|-----------------|-------------|-----------------|--------------|
| | No. of A/cs | Amount | No. of A/cs | Amount | No. of A/cs | Amount |
| Home Loan | 95,575 | 3526 | 1,02,123 | 4347 | 1,21,741 | 5134 |
| Vehicle Loan | 29,949 | 156 | 26,141 | 203 | 23,090 | 224 |
| Educational Loan | 71,055 | 783 | 1,08,017 | 1290 | 1,34,723 | 1850 |
| Personal Loan | 2,27,143 | 649 | 1,70,484 | 522 | 1,35,040 | 415 |
| Mortgage Loan | 1,459 | 193 | 1,414 | 484 | 1,213 | 428 |
| Reverse Mortgage | | | 31 | 1 | 82 | 3 |
| Others | 2,97,171 | 1025 | 3,14,092 | 1411 | 3,70,164 | 1950 |
| Total | 7,22,352 | 6332 | 7,22,302 | 8258 | 7,86,053 | 10004 |



PERSONAL BANKING - INITIATIVES

- A sum of Rs.1013 crore has been disbursed under Personal segment
- Home loan fairs are being conducted at different centres
- National Housing Bank (NHB) has recently launched a Counselling Centre for Reverse Mortgage loan scheme in Chennai. NHB has tied up with Helpage India in New Delhi, Hormony Foundation in Mumbai and Nightingale Association in Bangalore for creating similar counselling centres in the Cities. Our Bank is coordinating with the Counselling Centre for popularising the scheme among Senior Citizens.
- To enhance the portfolio under Automobile Finance, the Bank has entered into MoU with Tata Motors to finance their passenger cars. Separate Schemes for Nano Booking amount loan and Nano car loan were launched. Under Booking amount loan, 666 beneficiaries were financed to the tune of Rs.8.66 crore.
- Steps have been taken to have MoU with Hyundai Motors also, which is in the advanced stage.

LENDING TO SME

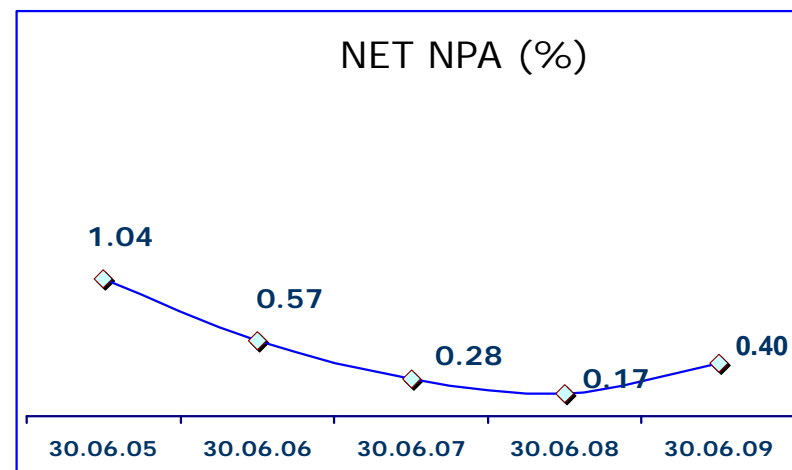
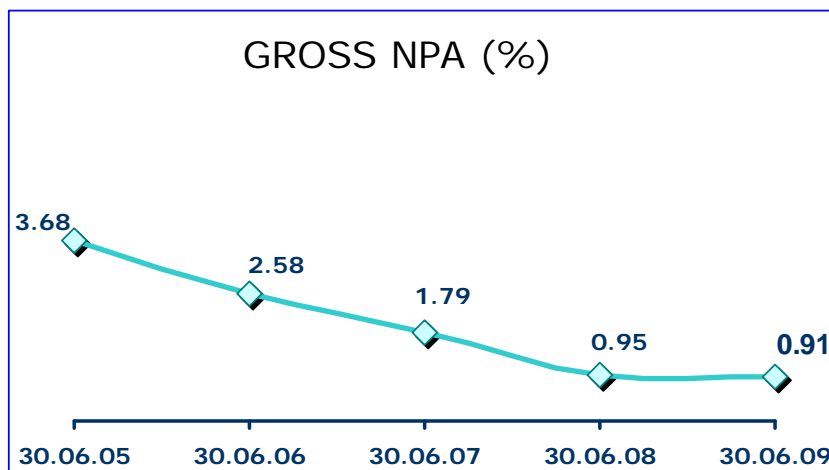
- During the first quarter, lending to MSME sector grew by 2.72% (Rs.174 crore) to Rs.6567.45 Crore.
- Credit facilities up to Rs. 5 lakh sanctioned to all eligible Micro and Small Enterprises (both manufacturing and Service) units is being covered under CGTMSE as no collateral security to be obtained for advances to these units. On a case to case basis, even loans up to Rs.100 lakh are being considered without collateral and with coverage under CGTMSE
- For quick and quality appraisal of SME proposals, Central Processing Units have been set up in 9 Centres.
- 59 branches have been identified for conversion into Specialised SME branches for the focused attention and growth of SME portfolio. Two such branches are already functioning one in Bangalore and another in Coimbatore.
- MoU has been entered into with Mahindra & Mahindra and Tata Motors for financing commercial vehicles.
- The Bank is conducting special SLBC meeting every month in Puducherry where we are vested with SLBC responsibility to monitor stimulus package announced by the Government for MSME, Auto and Housing sector.

NPA MANAGEMENT

(Rs. In Crore)

| | June 07 | June 08 | June 09 |
|----------------|---------|---------|---------|
| Gross NPA | 547 | 421 | 474 |
| Net NPA | 85 | 76 | 206 |
| NPA Recovery | 97 | 114 | 218 |
| Fresh Slippage | 219 | 53 | 49 |
| Gross NPA (%) | 1.79 | 0.95 | 0.91 |
| Net NPA (%) | 0.28 | 0.17 | 0.40 |

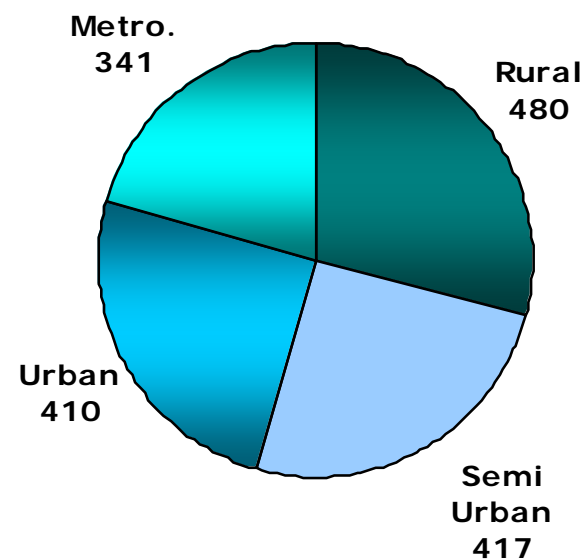
Floating provision has been excluded from provisions for arriving at Net NPA as per RBI guidelines. If the same is included Net NPA % will be 0.19%.



DISTRIBUTION CHANNELS

6 Branches were opened during the quarter

| | 30.06.2008 | 31.3.2009 | 30.06.2009 |
|--|-------------|-------------|-------------|
| 1.Total Domestic Brs. | 1553 | 1642 | 1648 |
| Of which: Microstat Brs. | - | 25 | 26 |
| 2.Overseas Branches (Singapore & Colombo) | 2 | 2 | 2 |
| Total Branches | 1555 | 1644 | 1650 |
| 3. Extension Counters | 71 | 63 | 63 |
| 4. Satellite Offices | 32 | 29 | 29 |
| 5. ATMs | 615 | 755 | 767 |
| 6. Banking Service Centre | 20 | 20 | 20 |
| 7. Manpower | 20430 | 19993 | 19718 |



ADOPTION OF TECHNOLOGY FOR BETTER CUSTOMER SERVICE

- **Indbillpay** facility for Utility Bill payments through Internet introduced.
- **IndRemit** facility to facilitate NRI remittance from US in our website.
- **IndJetRemit** facility has been introduced for transfer of funds from our Bank to other Banks through RTGS.
- **Speed Remit** faster Rupee Remittance from Singapore to any other branch.
- **E-TDS** facility has been provided to all the branches for filing IT return
- **Telebanking, Mobile Banking and Internet banking** enabled in all CBS branches.
- **Downloadable Application forms** are kept in our website to enable the customers to fill and forward to the branch of their choice.
- Select branches in **Trichy and Coimbatore** undertake collection of taxes payable to Corporation of that city through web-based application.
- Agriculture Commodity price tickers are provided at Anakapalli and Guntur branches on pilot basis.
- VISA branded global/silver/gold **credit card** and Bharat card - the credit card scheme for low-income people introduced and enabled through all our ATMs.

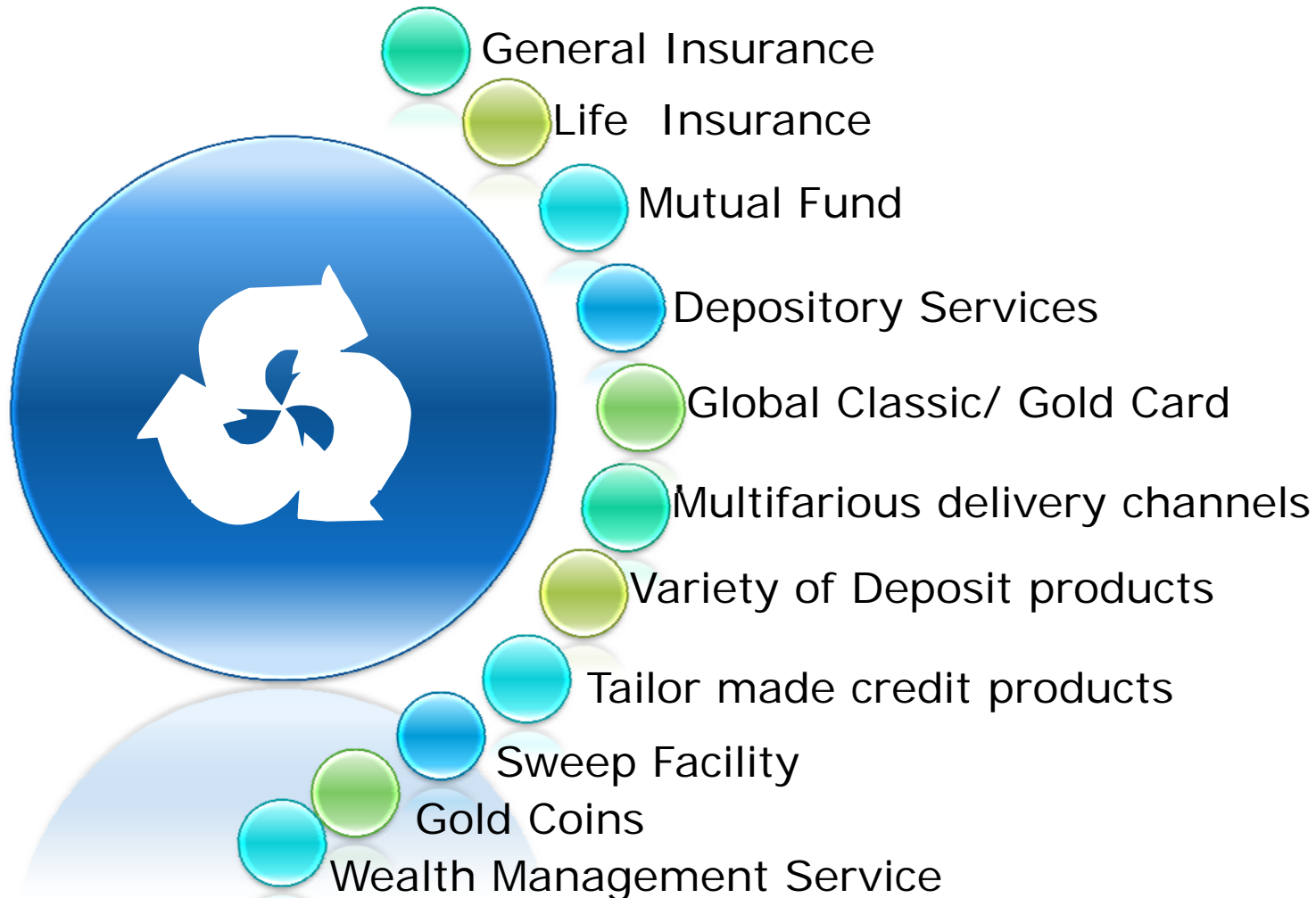
ADOPTION OF TECHNOLOGY FOR BETTER CUSTOMER SERVICE

- Financial Inclusion in CBS branches facilitated through SB Vikas Katha – No frills account
- Using Offline Transaction Mode to provide Banking Services in unconnected rural areas in Puducherry Circle.
- **IND CORP NET BANKING** (Corporate Internet Banking) implemented.
- Unembossed (signature based) Mastercard Debit card launched.
- Mobile Top up facility; Collection of fees for Vellore Institute of Technology (VIT), Ramakrishna College, Coimbatore and GRD Matriculation School, Coimbatore and booking of air tickets for Kingfisher Airlines are enabled through ATM.
- Booking railway tickets through IRCTC enabled using our bank's ATM Card / Debit Card.
- Booking Railway Tickets through Kiosk attached to ATM is enabled at 29 Railway Stations.
- Payment of Electricity Charges (TNEB Bills) through internet is enabled for consumers in Chennai.

CUSTOMER SERVICE

- The Bank continue to adopt positive attitude in redressing grievances.
- Complaints are being attended to within 48 hours.
- Separate line to Senior Citizens is available in all the counters with the counter staff attending to customers alternatively from both the lines for a hassle free service
- Facilities available to old/sick/incapacitated/visually impaired persons to enable our front office staff to be more sensitive to the needs of the Senior Citizen and challenged customer for portraying human touch at all times.
- Banking Codes have been implemented
- To be transparent in our services to our customers, copies of Codes are made available.

SERVICE UNDER ONE ROOF – BANK'S MISSION FULFILLED



AWARDS & ACCOLADES

- Bank has been ranked by "The Financial Express" as the **BEST NATIONALISED BANK - NUMBER 1** in the country for 2007-08.
- Celent, a research & advisory firm, a member of Oliver Wyman Group, USA, recently selected Indian Bank as the 'model bank' for innovative and extensive use of Core Banking Software (CBS).
- Bank is one among the 19 Indian Banks/financial institutions which are in the top 500 Global Financial Brands 2009 on a study by Banker magazine.
- Bank is in the list of Forbes 2000 – 2009 (1659th position)
- The Bank has been awarded 1st prize by NABARD for excellence in Performance under SHG Bank linkage for 2007-08.

Thank You