

PRESS RELEASE
PERFORMANCE HIGHLIGHTS FOR THE QUARTER ENDED JUNE 08

Chennai: Indian Bank registered a record performance in business during the quarter ended June 2008. The Bank recorded a growth of 32.42% in operating profit. Highlighting the performance of the Bank to the press here today, Shri M S Sundara Rajan, Chairman & Managing Director said that the Bank has excelled in all sectors - in the total business, net worth, operating profit, net profit, EPS and other key ratios.

Performance highlights for the quarter ended June 2008

(Rs. in crore)

	Quarter ended		
	June 07	June 08	Growth %
Interest Income	1195.20	1501.78	25.65
Net Interest Income	482.84	539.53	11.74
Total Income	1376.74	1744.99	26.75
Operating Profit	329.73	436.63	32.42
Net Profit	212.03	217.62	2.64

The Bank recorded a Operating Profit of Rs.436.63 crore for the quarter ended June 2008 as compared to Rs.329.73 crore for the corresponding period, last year, thus registering a growth of 32.42%.

The Bank recorded a Net Profit of Rs.217.62 crore for the quarter ended June 2008 as compared to Rs.212.03 crore for the corresponding period, last year, thus registering a growth of 2.64%.

Interest Income improved by 25.65% (Rs. 306.58 crore) to Rs.1501.78 crore from Rs. 1195.20 crore.

Total Income improved by 26.75% (Rs. 368.25 crore) to Rs. 1744.99 crore from Rs. 1376.74 crore.

Key Financial ratios

- Return on Average Assets was 1.23% as compared to 1.47%.
- NIM stood at 3.20%.

PRESS RELEASE
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- Cost income ratio was lower at 44.22% as against 50.37% for Q1 07-08.
- The Capital Adequacy Ratio as per Basel II norms stood at 11.91% (including Tier I Capital Adequacy of 10.61%) as on 30.06.2008 against 14.47% as on 30.06.2007.
- EPS (annualized) improved to Rs.19.30 from Rs.18.88.
- Book value of equity improved to Rs.105.49 (Rs.79.89 for June 07)

Business

(Rs. in crore)

As at	30.06.2007	30.06.2008	Growth volume	Growth %
Deposits	49812	62215	12403	24.90
Gross Advances	30529	44476	13947	45.68
Total Business	80341	106691	26350	32.80

The Overall Business of the Bank increased to Rs.1,06,691 crore up from Rs. 80,341 crore recording a growth of Rs.26,350 crore (32.80%). Total Deposits rose by 24.90% (Rs.12403 crore) to Rs.62215 crore from Rs.49,812 crore. Gross Advances increased by 45.68% (Rs.13947 crore) to Rs.44,476 crore from Rs.30,529 crore.

NPA Management

Gross NPA declined to 0.95% (Rs.420.61 crore) as on 30.06.2008, from 1.79% (Rs.546.70 crore) as on 30.06.2007. As on 30.06.2008, the Bank's Net NPA declined to Rs.75.71 crore and constituted 0.17% of net advances as against 0.28% as on 30.06.2007. During the Quarter, total NPA recovery was at Rs.113.88 crore.

Priority Sector lending

Priority Sector advances of the Bank increased by Rs.785 crore to reach Rs.15,914 crore as at 30th June 08 and recorded a y-o-y growth rate of 27.24%. It constituted 41.66% of Adjusted Net Bank Credit as against the norm of 40%.

PRESS RELEASE
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Agriculture credit

During the first quarter disbursed a sum of Rs.1301 crore as Agriculture advances benefiting 2.61 lakh farmers and the outstanding stood at Rs.6308 crore registering y-o-y growth of 30%

The Bank has provided debt waiver amounting to Rs.457 crore benefiting 2.37 lakh small and marginal farmers under 'Agricultural debt waiver and debt relief scheme 2008'. Besides 0.43 lakh other farmers are provided relief of Rs.87.33 crore under the scheme. Fresh loans are issued to the beneficiaries of the scheme from 01.07.2008 and so far Rs.11.74 crore has been provided to 4452 farmers.

Financial Inclusion:

❖ Covering 4637 villages, the Bank under the Financial Inclusion Project, opened 9,01,127 No Frills SB accounts and provided Overdraft and GCC facilities to 52,396 individuals with a total sum of Rs.10.84 crore.

❖ **Microfinance:** The pioneering role in the realm of micro finance and Self Help Group (SHG) movement is continued by the Bank throughout the country. The Bank disbursed Rs.165.26 crore as credit assistance to 13,656 SHGs during the quarter ended June 2008.

❖ **Educational Loans:** Unstinted support to the students is continued and the exposure of the Bank to educational loan portfolio stood at Rs.1312.89 crore as on 30th June 2008. During the quarter ended June 2008, the Bank disbursed a sum of Rs.139.14 crore as educational loans to 13,194 students.

During the Quarter, advances to SME sector grew by Rs. 524.41 crore to Rs. 4879.52 crore.

The Bank's exposure under **Personal Segment Advances** and Home Loan as on 30.06.08 amounted to Rs.8258.36 crore and Rs.4346.93 crore respectively.

PRESS RELEASE
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Technology initiatives

ATMs: The Bank's ATMs increased to 615 as on 30.06.2008 in 223 cities/towns (including 165 offsite ATMs). The Bank's customers can access 30,000 ATMs across the country.

Corporate Social Responsibility: The Bank organized blood donation camps during the Quarter and sponsored 140 blood donors. Uniforms, Note Books, Stationary items, etc. were donated to 2 needy organisations.

Sports:

- In Carrom tournament the Bank's staff represented the country in the Indo-Sri Lanka Carrom Test held at Colombo.
- The Bank's staff represented The Indian Chess Team in the 36th World Open Chess Tournament.
- The Bank's Foot ball team is the only team from Tamilnadu to part in the 2nd Division National Football League at Kolapur.

Awards & Accolades

- The Bank has been rated as the No.1 South Based Service Brand in the Brand Equity's Most Trusted Brands 2008 survey (conducted by the Economic Times Intelligence Group and AC Nielsen ORG-MARG). The Bank retains the No.1 spot among the South Based Service Brands for the 5th year in succession.
- The Bank was adjudged the Second Best Bank among the Public Sector Banks by a study conducted by Financial Express along with Ernst & Young based on a set of Business, Profitability criteria for the year 2007.
