

**PRESS RELEASE**

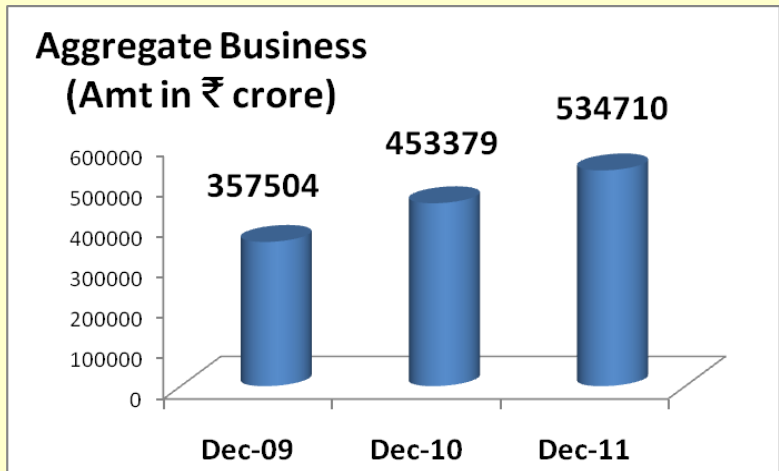
**Global Business Crosses ₹5.34 lakh crore  
Net Profit for Q3 at ₹876 crore**

**Major Highlights – Q3FY12**

- ⇒ Global business moved to ₹534710 crore, an increase of 18% y.o.y.
- ⇒ Global Deposits reached ₹315456 crore, up by 19.7%.
- ⇒ Global Advances (net) reached ₹219253 crore, up by 15.5%.
- ⇒ Sequential Quarter on Quarter increase in Net Profit during FY12
- ⇒ Return on Assets for the quarter stood at 1.02%, showing a consistent improvement from 0.88% at June 2011 and 0.94% for September 2011.
- ⇒ Strong Capital Adequacy Ratio at 13.22%. Tier I Capital Ratio at 9.48%.
- ⇒ Record Cash Recovery at ₹2346 crore for 9 months, compared to entire FY11 Cash Recovery of ₹2032 crore.
- ⇒ 395 branches and 519 ATMs opened during the last one year, including 312 branches opened during 9 months period.

**Business Performance**

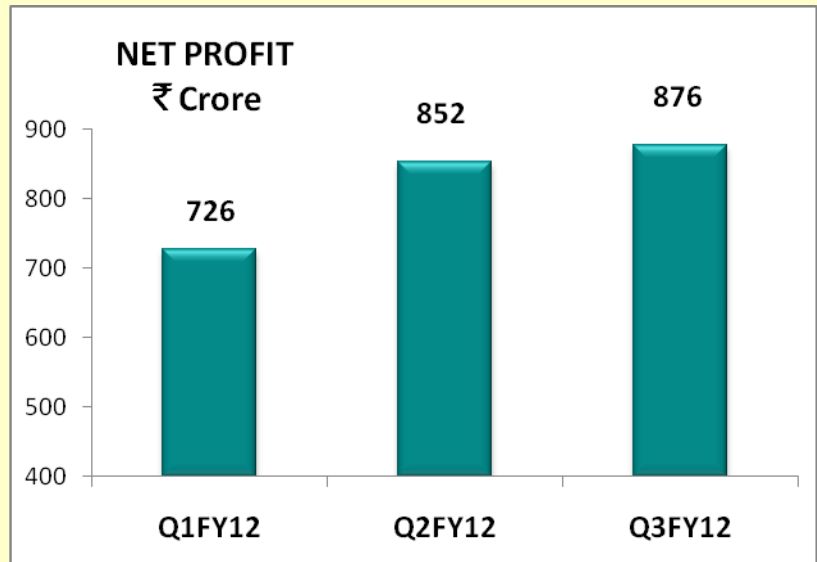
- **Global business** of the Bank rose to a level of ₹534710 crore as at December 2011, recording a y-o-y growth of 18%.
- **Total deposits** increased to ₹315456 crore, with a growth of 19.7%.
- **Advances (net)** grew by 15.5% to reach ₹219253 crore, up from ₹189882 crore as at December 2010. **Credit to deposit ratio** stood at 69.5%.
- The Bank's **domestic business** constituted about 96% of the total business.
- The Bank's **CASA deposits** to domestic deposits stood at 25%. **Savings deposits** grew to ₹63361 crore as at December 2011.
- While **Business per Employee** increased to ₹12.93 crore, **Business per Branch** improved to ₹149.82 crore as at December 2011.



- The Bank's **clientele base** reached 4.14 crore, comprising 3.67 crore under deposit accounts and 47 lakh under borrowal accounts. 27 lakhs clientele added during 9 months.

## Profits and Profitability –Q3 FY12

- There is a sequential increase in net profit from ₹726 crore for Q1FY12 to ₹852 crore for Q2FY12 and to ₹876 crore for Q3 FY12, despite tough environment.
- Total provision made for the quarter was at ₹701 crore, including ₹142crore provision made for NPAs, ₹185crore on depreciation on investments and ₹157crore for restructured assets.
- **Operating Profit** stood at ₹1577 crore.
- **Return on Assets** for the quarter stood at 1.02%, showing a consistent improvement from 0.88% at June 2011 and 0.94% for September 2011
- While **Earnings Per Share (EPS)** for the quarter was at ₹19.8, **Book Value** rose to ₹423 compared to ₹381 as at December 2010.



## Income and Expenses for the Q3 FY12

- The Bank's **total income** for Q3FY12 increased by 33.3% to reach ₹8591 crore, driven by a 37.4% growth in income from loans/advances to ₹5946 crore.
- **Non-interest income** of the Bank rose by 37.6% to ₹779 crore compared to ₹566 crore in the same quarter a year ago.
- **Total expenditure** increased by 42.2% mainly due to uptrend in interest expenses.
- **Net interest income** for the quarter was ₹1919 crore and **Net Interest Margin (NIM)** was at 2.52%. **Domestic NIM** was higher at 2.64%.

## 9 Months Performance

- While **Net Profit** for the nine months was at ₹2454 crore, **Operating Profit** was at ₹4452 crore.
- **Total income** for the nine months rose by 34.3% to ₹24741 crore and income from loans/advances increased by 41% to ₹17254 crore.
- The Bank's **non-interest income** upto December 2011 grew by 15.7% to ₹2158 crore.
- **Total expenses** increased by 44.9% to ₹20289 crore.
- **Net Interest Income** was at ₹5649 crore.

## Capital Adequacy

- The Bank continues to maintain a healthy **Capital Adequacy Ratio**. As at December 2011, the Bank's CRAR was at 13.22%, with a Tier I ratio at 9.48%.
- The Bank has adequate headroom available under both Tier-I and Tier-II options to raise capital to support business growth momentum.

## Asset Quality

- The Bank's **gross NPA ratio** was **1.81% (₹3999 crore)** compared to the gross NPA ratio of 1.73% (₹3793 crore) as at September 2011.
- **Net NPA ratio** stood at **1.49% (₹3266 crore)** as at December 2011 compared to Net NPA ratio at 1.43% (₹3117 crore) as at September 2011.
- **Cash recovery** during the nine months of FY12 aggregated to a record **₹2346 crore**, compared to entire FY11 Cash Recovery of ₹2032 crore. Cash Recovery for the Q3 FY12 was at ₹788 crore.

## Diversified Credit Portfolio

- The Bank's credit growth during the period was in line with the industry's growth and was broad based across major segments, such as, **Retail, Priority, MSMEs, industrial and infrastructure**.
- The Bank's **retail lending portfolio** reached ₹24950 crore.
- Outstanding **housing loan** portfolio improved to ₹15802 crore, constituting over 63% of the total retail lending portfolio.
- The Bank's credit to **Micro, Small and Medium Enterprises (MSME)** recorded a y-o-y growth of 10.4% to reach ₹39017 crore compared to a level of ₹35348 crore as at December 2010.
- Outstanding **advances to the priority segments** grew by 10.4% to reach ₹72753 crore.
- **Credit to agriculture** touched ₹31179 crore, signifying over 15.2% growth.
- Agriculture portfolio covers over **33.5 lakhs** borrowers.
- The Bank's **education loan portfolio** rose by 13.9% to ₹3898 crore, with a coverage of over **2.06 lakhs students**.

## Progress under Financial Inclusion

- To provide a holistic approach to financial inclusion, the Bank has opened 150 **rural/semi-urban branches** in 15 States so far to implement financial inclusion programme. These 150 branches have so far opened 3.55 lakhs accounts, with a business of ₹214 crore.
- The Bank has so far mobilized **41.9 lakh no-frill accounts** since inception. Out of this, 14.09 lakh no-frill accounts were opened during the nine months of the current financial. The total deposits mobilized under no-frill accounts reached ₹720 crore as at December 2011.

- The Bank has credit linked **5.47 lakh no-frill account holders** under various credit products to the extent of ₹1590 crore.
- A total of **3.71 lakhs Self Help Groups** has been formed as at December 2011, with credit linking of 3.46 lakh SHGs since inception. The total outstanding under SHG finance amounted to ₹1170 crore.
- Extending credit under financial inclusion, the Bank issued **3.88 lakhs General Credit Cards**, with a total exposure of ₹446 crore. Further, the Bank has issued **2.14 lakh Smart Cards**.
- **Aadhaar enrolment** is done in the States of Delhi, Karnataka, Uttar Pradesh, Andhra Pradesh, Bihar, Kerala and Rajasthan. So far, **1.61 lakhs enrolments** have been completed.
- **Electronic Benefit Transfer (EBT)** for disbursement of government benefits under NREGP and social security pension has been taken up in 3 districts of Karnataka for payment through Smart Cards.
- The Bank has also participated in implementation of **EBT** for payment of social security pension in Thoivalai taluk of Kanyakumari district and Madukkarai taluk of Coimbatore district in Tamil Nadu and for NREGA payment in Nadauta village in Agra district in Uttar Pradesh.
- **19 Micro-Finance Branches** have been functioning to help urban poor. To spread financial literacy, 26 Financial Literacy and Credit Counselling Centres (FLCCs) are functioning to provide awareness on banking services to rural people covering all the 26 Lead Districts of the Bank.

## Enhanced Delivery Channels

During the last one year, the Bank has opened **395 branches and 519 ATMs**. During 9 months of FY12 alone, the Bank opened 312 branches, including 268 branches in rural and semi-urban locations. This includes dedication of 106 branches on November 19, 2011 in commemoration of the Bank's Founder's Day and its 106<sup>th</sup> year of service to the nation. The grand function was graced by Hon'ble Union Finance Minister, Shri Pranab Mukherjee. As at December 2011, the Bank had 3569 branches including 5 overseas branches one each at London, Leicester, Hong Kong, Shanghai and Manama. The Bank has also a Representative Office at Sharjah, UAE. With addition of 449 ATMs during the first nine months, number of ATMs increased to 2665 as at December 2011. Debit Card base rose to 69.21 lakh as at December 2011.

## Awards/Accolades

In recognition of the varied initiatives, the Bank was conferred with the following awards –

- **National Award - 2011** for excellence in the field of Khadi and Village Industries – Best Bank, South Zone for PMEGP.
- **Corporate Social Responsibility Award** for the year 2010-11 conferred by Institute of Public Enterprises and Subir Raha Centre for Corporate Governance, Hyderabad.
- The prestigious '**SKOCH Award**' for outstanding progress under financial inclusion.

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