

PRESS RELEASE

Global Business at `5.15 lakh crore

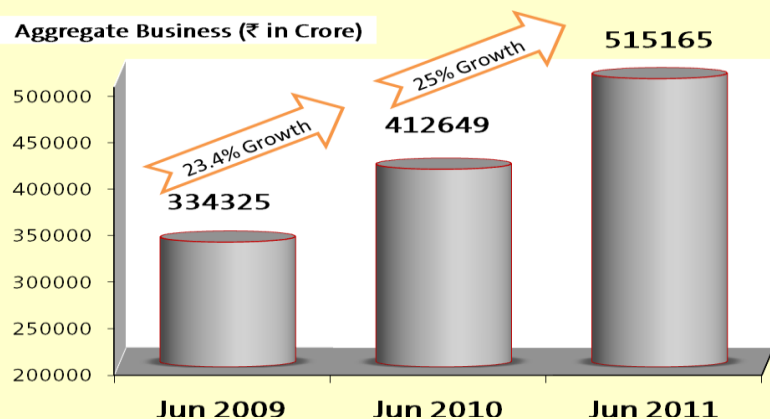
Net Profit for Q1 at `726 crore

Major Highlights –Q1FY12

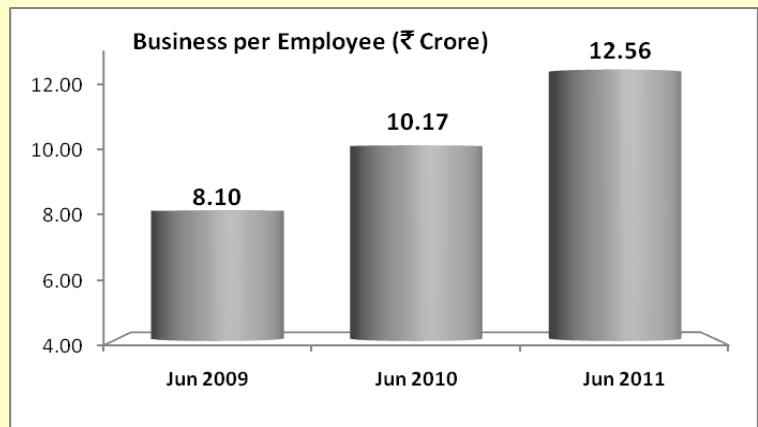
- Sustained Performance..Steady Growth
- Total business touched `515165 Crore, up by 25%
- Deposits reached `300150 Crore, up 25.7%
- Domestic deposits grew by 25% compared to SCBs' growth at 17.7%.
- Advances (net) reached `215015 crore, up by 23.7%
- Domestic advances grew at a higher rate by 27.6% compared to SCBs' growth at 19.6%
- Return on Assets at 0.88%
- Capital Adequacy Ratio at 13.37%
- Tier I Capital Ratio at 9.59%
- Record Cash Recovery of `750 crore
- Introduced Mobile Banking on 6th June 2011
- 20 New Branches and 293 ATMs added during Q1
- System Driven NPA above `2 lakh implemented

Sustained Performance and Steady Growth

- **Total business** of the Bank rose to a level of `515165 crore as at June 2011, recording a y-o-y growth of 25%.
- **Total deposits** grew by 25.7% to reach `300150 crore. Bank's domestic deposits grew higher at 25% compared to SCBs' growth at 17.7%.



- **Advances (net)** recorded an equally good growth of 23.7% to reach **₹215015 crore**. **Credit to deposit ratio** stood at 71.6%. Bank's domestic advances grew at a higher rate at 27.6% compared to SCBs' growth at 19.6%.
- The Bank's **overseas business** constituted 4.41% of the total business, with ₹10855 crore under deposits and ₹11849 crore under advances.
- General uptrend in interest rate scenario has impacted the growth in **CASA deposits**. CASA deposits reached a level of **₹76105 crore** as at June 2011. CASA deposits to domestic deposits constituted 26.31%.
- Savings deposits rose by 14% y.o.y to **₹60912 crore**.
- The Bank added over 4.4 lakhs SB clientele during Q1FY12.
- Robust growth in business has improved the **Business per Employee** to **₹12.56 crore** and **Business per Branch** increased to **₹157.21 crore** as at June 2011.



- **Net Profit** for Q1 FY12 stood at **₹726 crore**. Lower net profit for the Quarter is on account of
 - **Increase in provision on NPA to the extent of ₹285 crore as per RBI guidelines issued during May 2011**
 - **Reversal of interest to the tune of ₹210 crore due to slippages under system driven NPA.**
 - **Decline in Trading Profit (₹300 crore) due to rising G-Sec Yield**
- Without additional provisions on NPA, reversal of interest on account of system driven NPA and trading profit, **comparable net profit** works to ₹1521 crore, with a y.o.y growth of 50.2%
- **Operating Profit** stood at **₹1270 crore**.
- **Return on Average Assets (RoAA)** for Q1FY12 stood at **0.88%**.
- While **Earnings Per Share (EPS)** for the quarter was at **₹16.38**, **Book Value** rose to **₹420.97** compared to ₹288.65 as at June 2010.

Income and Expenses

- The Bank's **total income** for Q1FY12 increase by a healthy 30.8% to reach `7708 crore, including `5483 crore income from **loans/advances**.
- **Non-interest income** of the Bank stood at `527 crore.
- Increase in **operating expenses** contained at 7.3%.
- With a **Net interest income** of `1793 crore, **Net Interest Margin** (NIM) for Q1FY12 was 2.42% as at June 2011.

Capital Adequacy

- **Capital Adequacy Ratio** at 13.37% compared to 12.44% as at June 2010. Tier I capital ratio rose to 9.59% as against 8.10% as at June 2010.
- 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** increased to **1.67% (`3606 crore)** compared to the gross NPA ratio of 1.46% (**`2549 crore**) as at June 2010.
- The increase in NPAs was due to migration to system based NPA recognition of above `2 lakh.
- **Net NPA ratio** stood at **1.34% (`2871 crore)** as at June 2011.
- **Cash recovery** during the first quarter of FY12 aggregated to **`750 crore**, higher than `401 crore in the same period a year ago.
- The Bank has **restructured 2562 accounts worth `419.5 crore** during Q1 FY12.

Diversified Credit Portfolio

- The Bank's credit growth at 24% during the period was higher than the industry's growth and was broadbased across major segments, such as, **Retail, Priority, MSMEs, industrial and infrastructure**.
- The Bank's **retail lending portfolio** recorded a 30.7% growth to reach `24042 crore.
- Outstanding **housing loan** portfolio grew by 50.9% to `15241 crore, constituting 63.4% of the total retail lending portfolio.
- The Bank's credit to **Micro, Small and Medium Enterprises** (MSME) recorded a y.o.y growth of 17.1% to reach `37000 crore compared to a level of ` 31598 crore as at June 2010.
- Outstanding **advances to the priority segments** grew by 23.2% to reach `70973 crore.

- **Credit to agriculture** touched `30463 crore, signifying over 31.5% growth.
- Agriculture portfolio covers **31.36 lakh** farmers.
- Continuing its lead among nationalized banks, the Bank's **education loan portfolio** rose by 21% to `3590 crore, with a coverage of 1.93 lakh students.

Financial Inclusion

- Continuing with its commitment to higher coverage under financial inclusion, the Bank has so far mobilized **28.93 lakhs** no-frill accounts since inception.
- During the quarter, the Bank has opened 12 rural branches to implement financial inclusion plan. 100 rural branches are planned for opening during the year.
- 19 **Micro-Finance Branches** have been opened to help urban poor. To spread financial literacy, 10 Financial Literacy and Credit Counselling Centres (FLCCs) are functioning in 4 States- Karnataka, Kerala, Tamil Nadu and Bihar.
- The Bank formed 3.51 lakhs **Self Help Groups** as at June 2011, with credit linking of 3.27 lakhs SHGs. The total outstanding under SHG finance amounted to ` 1060 crore.
- Extending credit under financial inclusion, the Bank has issued 3.24 lakh General Credit Cards, with a credit disbursement of `514 crore.

Enhanced Delivery Channels

During the first quarter, the Bank added 20 domestic branches, to take the total number branches to **3277 branches**, including 4 overseas branches one each at London, Leicester, Hong Kong and Shanghai. With addition of 293 ATMs during the quarter, number of ATMs further increased to **2509** as at June 2011. Debit Card base rose to 61.33 lakhs as at June 2011.

Expanded Basket of New Tech Products

The Bank added another important tech-product **CanMobile**, for the convenience of the customers to do banking transactions through their mobile handsets. Mobile Banking product was inaugurated by **Smt. Shyamala Gopinath**, then Deputy Governor of RBI, on 6th June 2011 at Bangalore.

Goals for FY12

- **Aiming at a Total Business Growth of over 20% y.o.y by March 2012.**
- **Over 250 new branches to be opened during FY12**
 - **Out of which 100 rural branches will be opened to implement Financial Inclusion Plan.**
- **Significantly increase ATM strength.**
- **Steps for commencing Data Warehousing initiated.**

- Thrust on growing Retail Business- Retail Deposits and Retail Advances.
- Plans to open Branches at *Manama, Bahrain, QFC-Qatar, South Africa, Germany, the USA, Brazil, Tanzania* and Representative Office in Tokyo, Japan.

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