



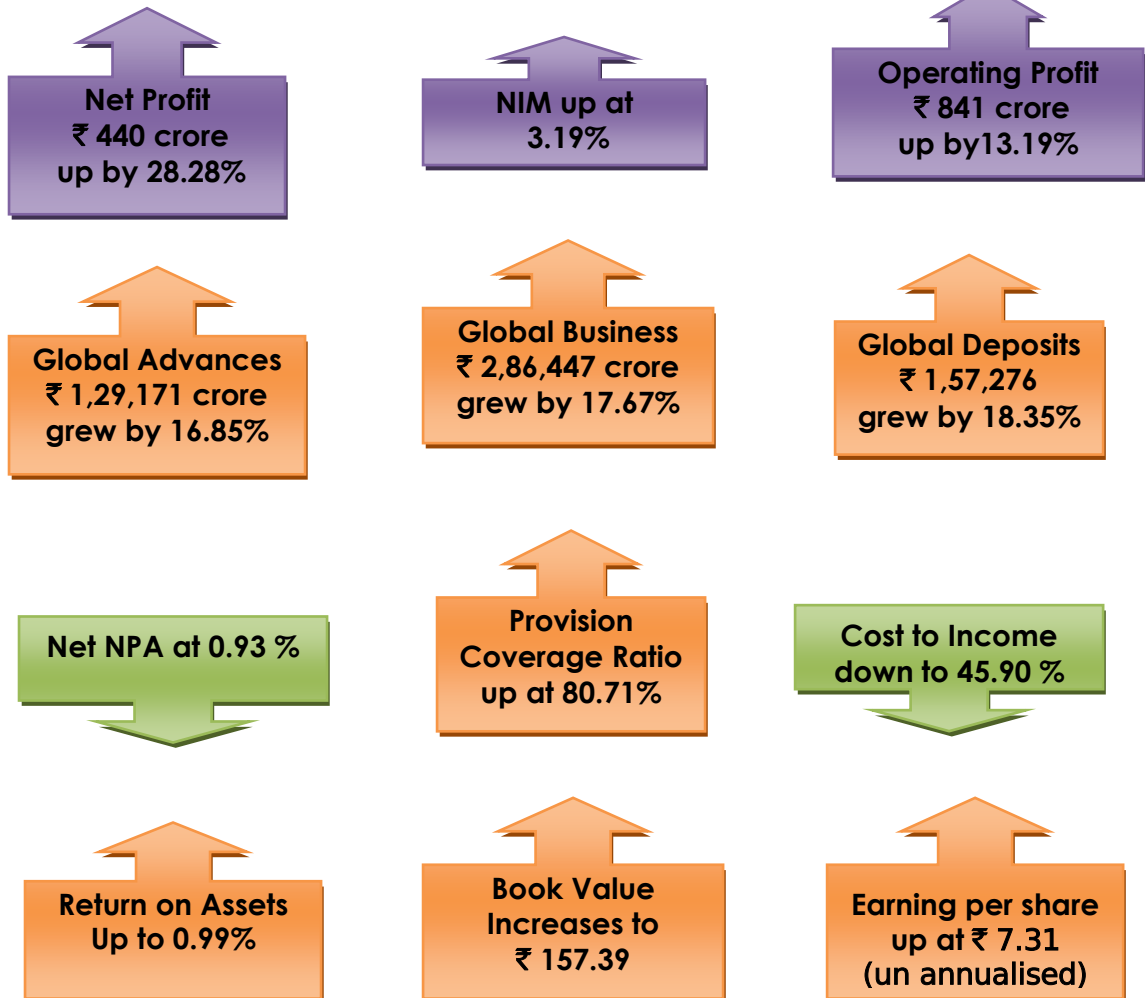
CORPORATE OFFICE: GANDHINAGAR BANGALORE

PRESS RELEASE

30.07.2012

SyndicateBank Announces its Financial Results for the quarter ended 30th June 2012

Performance driven Progress (Q 1 of 2012 vis a vis Q 1 of 2011)



Over 30 million customers • 2707 Branches (Excluding 56 Ultra Small Branches)
in 32 States & 2 Union Territories & 1 Overseas Branch.

Snap Shot of Performance

	y-o-y (₹ in crore)		
	June 12	June 11	Growth (%)
Net Profit	440	343	28.28
Operating Profit	841	743	13.19
Interest Income	4,242	3399	24.80
Other Income	236	291	-18.90
Net Interest Income	1,319	1110	18.83

	y - o - y (as %)	
	June 12	June 11
Net Interest Margin	3.19	3.16
Yield on Advances	10.73	10.19
Cost to Deposits	7.08	6.36
Gross NPA	2.38	2.39
Net NPA	0.93	0.93
Provision Coverage Ratio	80.71	78.43
Cost to Income Ratio	45.90	47.03

DOMESTIC BUSINESS: (Y-o-Y)

- Domestic Business has gone up from ₹ 2,24,041 crore to ₹ 2,57,715 crore registering a growth of 15.03%.
- Domestic Deposits have grown up from ₹ 1,25,277 crore to ₹ 1,45,283 crore registering a growth of 15.97%.
- Domestic Advances have gone up from ₹ 98,764 crore to ₹ 1,12,432 crore registering a growth of 13.84%.
- Savings Deposits has increased by 8.80% to ₹ 34275 crores
- Domestic CASA deposits increased by ₹ 2929 crore forming 30.44% of total domestic deposits.

OVERSEAS BUSINESS: (Y-o-Y)

- London branch business has grown by 48.14% from ₹ 19,395 crore to ₹ 28,732 crore.
- Advances at London branch increased to ₹ 16739 crore against ₹ 11783 crore registering a growth of 42.06%.
- Deposits at London Branch increased to ₹ 11,993 crore from ₹ 7612 crore registering a growth of 57.55%.

GLOBAL BUSINESS: (Y-o-Y)

- Global Business improved from ₹ 2,43,436 crore to ₹ 2,86,447 crore showing a growth rate of 17.67%.
- Global Deposits have grown up from ₹ 1,32,889 crore to ₹ 1,57,276 crore registering a growth of 18.35%.
- Global Advances have gone up from ₹ 1,10,547 crore to ₹ 1,29,171 crore registering a growth of 16.85%.
- Global Credit Deposit Ratio stands at 82.13% .

PROFITABILITY RATIOS (Y-o-Y):

- Net Profit increased from ₹ 343 crore to ₹ 440 crore registering a growth of 28.28 %.
- Operating Profit increased by ₹ 98 crore from ₹ 743 crore to ₹ 841 crore registering a growth of 13.19 %.
- Net Interest Income increased by ₹ 209 crore from ₹ 1,110 crore to ₹ 1319 crore registering a growth of 18.83%.
- Yield on Advances has gone up from 10.19% to 10.73%.

EFFICIENCY RATIOS:

- Capital Adequacy Ratio stood at 11.72% well above the bench mark of 9%.
- Net Interest Margin (NIM) stood at 3.19% compared to 3.16% as at 30.06.2011.
- Return on Assets (ROA) increased to 0.99% as on 30th June 2012 from 0.90% as on 30th June 2011.
- Cost to Income Ratio reduced from 47.03% as on 30th June 2011 to 45.90% as on 30th June 2012.

VALUE TO INVESTORS:

- Earnings per Share (EPS) un annualized improved from ₹ 5.98 to ₹ 7.31 per share.
- Book Value per Share increased from ₹ 128.92 to ₹ 157.39
- Return on Equity (ROE) increased and stood at 21.33%.

RECOVERY:

- Gross NPA stands at ₹ 3,077 crore at 2.38% as on 30.06.2012
- Net NPA ratio remained at 0.93% as on 30.6.2012.
- Provision Coverage Ratio improved to 80.71% as on 30.06.2012 as against 78.43% as on 30.06.2011

PRIORITY SECTOR CREDIT ACHIEVEMENTS:

- Priority Sector Credit grew by 12.54% to ₹ 42,336 crore from 37,619 crore as at 30.06.2011.
- Share of Priority Sector Credit to Adjusted Net Bank Credit (ANBC) stands at 40.45% against mandatory level of 40%.
- Total Agriculture Credit grew by 13.37% to ₹ 17,766 crore from ₹ 15671 crore as at 30.06.2011 forming 16.97% of ANBC.
- Credit to Direct Agriculture grew by 19% to ₹ 13,865 crore from ₹ 11651 crore as at 30.06.2011.
- Credit to Micro and Small Enterprises (MSE) grew by 13.87% to ₹ 13843 crore from ₹ 12157 crore as at 30th June 2011
- Credit to Weaker Section stood at ₹ 11,272 cores forming 10.77% (mandatory 10%) of ANBC.
- Credit to Women Beneficiaries stood at ₹ 7,567 crore forming 7.23% of ANBC (mandatory 5.00%).
- Credit to Minority Community stood at ₹ 6,862 crore forming 16.21% (mandatory 15%) of Priority Sector Credit.

FINANCIAL INCLUSION AND SLBC:

- Syndicate Bank is the Convener of State Level Bankers' Committee in Karnataka and Union Territory of Lakshadweep.
- 1553 villages with over 2000 population allotted to Bank under FI have been provided with Banking outlets by opening 334(250 brick and mortar branches and 84 satellite offices) branches and engaging 1219 BCs by 31.03.2012 itself.
- The Bank has also covered 176 villages with less than 2000 population, under Financial Inclusion.

- The Bank has opened 46.23 lakhs number of No frill accounts (Cumulative) as at 30.06.2012.
- The Bank has extended 7.21 lakh Kisan Credit Cards amounting to ₹ 4672 crore as at 30.6.2012.
- The Bank has extended 40219 General purpose Credit Cards amounting to ₹ 62 crore.
- Micro Insurance policies issued up to 30.06.2012 is 14000.
- 25 Financial Literacy and Credit counseling centers have been opened so far in Lead districts of Bank and 21 Financial Inclusion resource centers have been opened

MICRO & SMALL ENTERPRISES CREDIT:

- Advances to Micro and Small Enterprises constitute 91.20% of the total advances to the MSME Sector.
- The rate of interest on all existing Micro and Small Enterprises has been reduced w.e.f. 01-04-2012.
- Collateral Free Loans were granted to 2,120 Micro and Small Enterprises amounting to ₹ 115.10 crore during the quarter.

RETAIL BANKING CREDIT:

- The retail advances portfolio constituted 22.09% of the total gross advances of the Bank.
- The housing loan portfolio with the brand name SyndNivas stood at ₹ 8,492 crore as on 30.06.2012.
- The Gold Loan business of the Bank has touched ₹ 4066 crores including Kisan Swarna as on 30. 06.2012.
- SyndVidya; the Education Loan portfolio touched ₹ 2,312 crore as on 30.06.2012.

MEWAT(Haryana) – Role Model for Financial Inclusion implemented by the Bank

Mewat District in Haryana State, populated predominantly by Minority Community has been financially included with special focus. Our Bank has been allotted 12 villages under Financial Inclusion and has opened 4 Brick & Mortar Branches and 8 Ultra Small Branches where Business Correspondents are available for transaction daily. Officers from base branches are visiting USBs on fixed days in a week alongwith Lap Top to extend the Banking Services. Interoperability of transaction between the BCAs of different Banks has been initiated and Proof of Concept has been already tested. All the eligible and willing farmers have been issued KCC and for non-farmer rural households, General Credit cards have been issued. The Concept of Anchor NGO to facilitate formation of SHGs and credit linkage has been implemented and more than 100 fresh SHGs have been formed under this Anchor NGO concept in Mewat District. Mobile Publicity Van is visiting FI Villages to create financial awareness by organizing Puppet Shows and Magic Shows. In Mewat District, the Bank has issued Debit Cards as well as Smart Cards to enable people in the District to operate through ATMs, Micro-ATMs (HMM) and POS. In order to inculcate Card culture for transaction, Bank has provided EDC POS machines to 2 Merchant Establishments. 60 Farmers Clubs have been formed in Mewat District by the Bank alongwith Gurgaon Gramin Bank, an RRB sponsored by Syndicate Bank. Mewat district has been made a Role Model Financial Inclusion District with 4353 SHGs of which 4253 are credit linked. The Ministry of Finance, Government of India has appreciated the steps taken by the Bank in the Financial Inclusion Process in Mewat District.

OTHER IMPORTANT ACTIVITIES :

The Bank facilitated formation of Self Help Groups (SHGs) and balance outstanding under the scheme as at June 2012 amounted to ₹ 1195 crore covering more than 1 lakh SHGs.

The Bank is having Lead Bank responsibilities in 27 Lead Districts including Union Territory of Lakshadweep Islands.

Realizing the need for encouraging Self Employment Ventures, the Bank had taken measures for Rural Entrepreneurial Training way back in 1982 along with Canara Bank and Sri Dharmasthala Manjunatheshwara Educational Trust by establishing Rural Development and Self Employment Training Institutes (RUDSETIs). There are 26 RUDSETIs functioning successfully as on 30.06.2012 with a settlement rate of 71%. Further as an extension of the concept of Rural Development Training Institutes and in tune with the Government of India guidelines, 16 Rural Self Employment Training Institutes (SyndRSETIs) are functioning in different states as on 30.06.2012. These institutes help in imparting need based training to the rural youth and equip them with knowledge and skills to take up self-employment ventures. The settlement rate under SyndRSETIs is about 68%.

As a part of promoting Financial Literacy, the Bank has promoted Jnana Jyothi Financial Credit Counseling Trust along with Vijaya Bank and Karnataka Bank Ltd., for imparting financial education and creating awareness among the villagers. The Trust is taking active steps in conducting Financial Literacy and Capacity Building Programmes. The Trust has opened 25 Financial Literacy and Credit Counseling Centres in our Lead Districts as on 30.06.2012. Further, the Bank has also opened 21 Financial Inclusion Resource Centres as on 30.06.2012 which serves as permanent store houses of exhibition of banking information.

Regional Rural Banks – There are 5 Regional Rural Banks sponsored by Syndicate Bank as on 30.06.2012. All our 5 RRBs are constantly making profit and have got a total business of ₹ 38,550 crore with deposits of ₹ 20,490 crore and advances of ₹ 18,060 crore. The RRBs are working under 100% CBS and are actively taking part in the Financial Inclusion Process by opening No Frill Accounts, extending credit through SHGs, issuing KCCs, GCCs and other micro credit. They are also actively supporting SHGs and JLGs by extending need based credit.

BRANCH EXPANSION:

The Bank has 2707 branches (excluding 56 Ultra Small Branches) spread throughout the country. As at quarter ended June 12, 11 brick and mortar branches have been added besides 42 ultra small branches opened in the States of Haryana, Andhra Pradesh and Karnataka.

The Bank has envisaged an ambitious plan of expanding the branch network to cross the 3000 landmark in number of branches by the end of financial year 2012-2013. This includes next generation branches with technology driven banking services for the younger generation, specialized branches for senior citizens and branches to address credit requirements of mid-corporate segment.

The Bank has 1240 ATMs (both on-site and off-site) and has plans to expand the ATM network by adding another 500 across the country during the current financial year to cater to the growing instant cash requirements thus aiming for substantial increase in transactions through alternate channel through aggressive marketing of ATM-cum-debit card product and increasing its issue. For the current quarter out of the 500 ATMs the Bank intends to install 75 to 100 ATMs both on-site and off-site.

CUSTOMER SERVICE INITIATIVES:

All the branches of the Bank have conducted Uniform Customers Meet on 23.05.2012 and the salient features and benefits of the various products and services of the Bank have been explained to the customers in the meet. These meets at some Branches have also been attended by the Officials / Executives of Regional Offices, Head Office & Corporate Office of the Bank to assess the feedback of the customers.

INFORMATION TECHNOLOGY INITIATIVES:

Bank has been popularizing internet banking and mobile banking products to ensure efficient service to customers.

All the customers are requested to register their mobile numbers for getting SMS alerts on their transactions.

Bank has started Business Process Management Centre to function as a back office for customer accounts opening, enabling branches to focus more on business.

GREEN INITIATIVES:

Bank has taken a Green Initiative by allowing paperless compliances by companies through electronic mode. Bank has sent soft copies of Annual Report 2011-12 to those members / investors who have registered their email IDs. Bank is popularizing electronic modes of remittance like NEFT/RTGS for customer remittance. Remittance up to ₹ 1 lakh through NEFT are allowed free of cost.

NEW INITIATIVES : WAY AHEAD

➤ **Distribution of Mutual Fund**

The Bank in order to provide a comprehensive investment option to all its Customers and to augment fee-based income has entered into Mutual Fund Distribution Business.

➤ **Gold Coins Sale**

The Bank will be resuming Gold Coins sales to cater to customers' thrift and gift needs. It will be made available in assorted size of 2 gms, 4 gms, 8 gms, 10 gms etc.

➤ **E-lounge**

The Bank will be opening E-lounge with technology driven specialized service center.

➤ **Gift-Cards**

The Bank will be shortly introducing Gift-cards in suitable denominations.

➤ **Gold Loan Shoppe**

60 Gold loan Shoppes have been set up in various places to provide quick gold loans. Planning to add 40 more such shoppes to make it 100. Overdraft facility against gold will also be available.