



CORPORATE OFFICE: GANDHINAGAR BANGALORE

## PRESS RELEASE

22.10.2012

**SyndicateBank Announces its Financial Results for the half  
year ended  
30<sup>th</sup> September 2012**

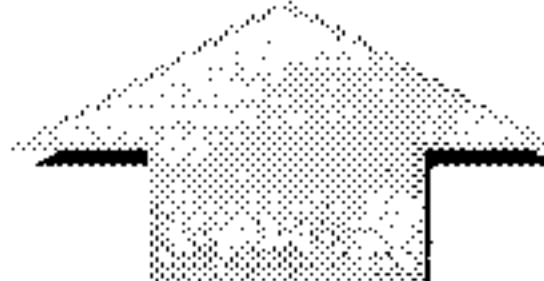
### *Performance driven Progress*

#### ***HIGHLIGHTS OF GROWTH:***


- ❖ ***Bank's Net Profit substantially increased due to***
  - ✓ ***Sizeable reduction in high cost deposits/CDs***
  - ✓ ***Improving Yield on Credit by focusing on Retail Credit / MSME and MID-Corporate Finance and better credit monitoring.***
  
- ❖ ***Bank's Net NPAs to Net Advances are below 1% at 0.92% with quite high level of 'NPA Provision Coverage Ratio' at 82.26% thereby protecting asset quality.***


Over 30 million customers • 2738 Branches (Excluding 480 Ultra Small Branches)  
in 32 States, 4 Union Territories and one at London.

**(Q2 of 2012-13 vis-à-vis Q2 of 2011-12)**

  
**Net Profit**  
**₹ 463 Crore**  
**Up by 43.34%**

  
**Return on Asset**  
**increased to**  
**1.03%**

  
**Net Interest Income**  
**₹ 1391 Crore**  
**Up by 5.94%**

  
**Book value per**  
**share increased**  
**to ₹ 164.95**

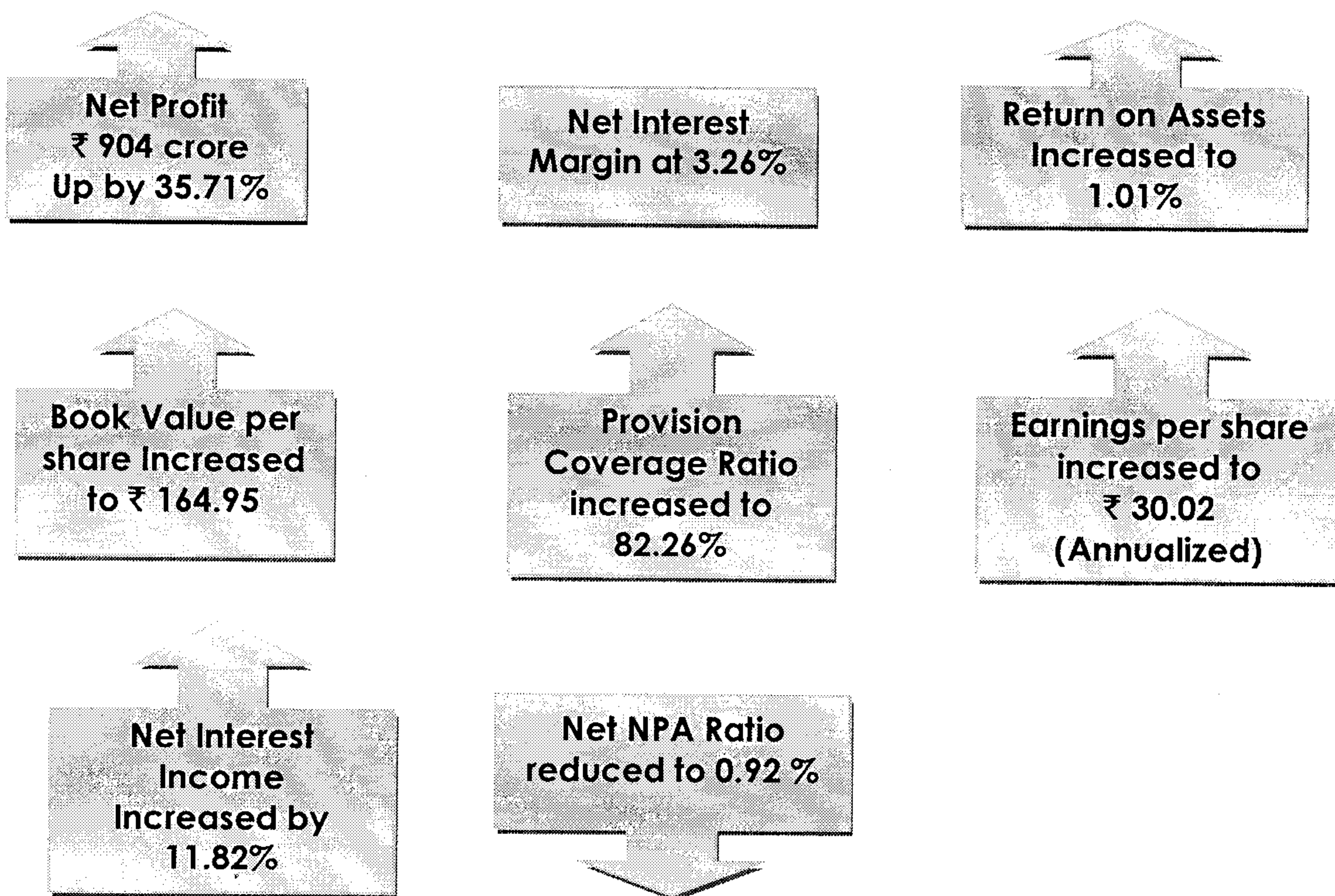
  
**Earnings Per**  
**share increased**  
**to**  
**₹ 30.02**

	Q2 FY 2012-13 Vs Q2 FY 2011-12		
	Sept 12	Sept 11	Growth (%)
<b>Net Profit (₹ crore)</b>	463	323	43.34
<b>Operating Profit(₹ crore)</b>	843	891	-5.38
<b>Interest Income(₹ crore)</b>	4276	3771	13.39
<b>Other Income(₹ crore)</b>	270	244	10.65
<b>Net Interest Income(₹ crore)</b>	1391	1313	5.94

	Q2 FY 2012-13 Vs Q2 FY 2011-12	
	Sept 12	Sept 11
<b>Net Interest Margin (%)</b>	3.33	3.44
<b>Yield on Advances (%)</b>	10.83	10.90
<b>Cost of Deposits (%)</b>	7.00	6.69

	Sept 12	Sept 11
<b>Gross NPA</b>	2.47	2.38
<b>Net NPA</b>	0.92	0.93
<b>Provision Coverage Ratio</b>	82.26	78.50

**(H1 of 2012-13 vis-à-vis H1 of 2011-12)**



	H1 FY 2012-13 Vs H1 FY 2011-12		
	Sept 12	Sept 11	Growth (%)
<b>Net Profit</b> (₹ crore)	904	666	35.71
<b>Operating Profit</b> (₹ crore)	1684	1634	3.10
<b>Interest Income</b> (₹ crore)	8519	7170	18.81
<b>Other Income</b> (₹ crore)	506	536	-5.61
<b>Net Interest Income</b> (₹ crore)	2710	2424	11.82

	H1 FY 2012-13 Vs H1 FY 2011-12	
	Sept 12	Sept 11
<b>Net Interest Margin</b> (%)	3.26	3.26
<b>Yield on Advances</b> (%)	10.78	10.56
<b>Cost of Deposits</b> (%)	7.04	6.53

	Sept 12	Sept 11
<b>Gross NPA</b>	2.47	2.38
<b>Net NPA</b>	0.92	0.93
<b>Provision Coverage Ratio</b>	82.26	78.50



## **GLOBAL BUSINESS: (Y-o-Y)**

- Global Business improved to ₹ 2,84,649 crore from ₹ 2,55,286 crore showing a growth rate of 11.50%.
- Global Deposits have grown up to ₹ 1,55,854 crore from ₹ 1,41,083 crore registering a growth of 10.47%.
- Global Advances have gone up to ₹ 1,28,795 crore from ₹ 1,14,203 crore registering a growth of 12.78%.
- Global Credit Deposit Ratio stands at 82.64%.

## **DOMESTIC BUSINESS: (Y-o-Y)**

- Savings Deposits has increased by 10.89% to ₹ 36125 crores
- Domestic CASA deposits increased by ₹ 3478 crore forming 32.39% of total domestic deposits.
- Domestic Business has gone up to ₹ 2,55,400 crore from ₹ 2,35,927 crore.
- Domestic Deposits have grown up to ₹ 1,43,603 crore from ₹ 1,33,569 crore.
- Domestic Advances have gone up to ₹ 1,11,797 crore from ₹ 1,02,358 crore.

## **OVERSEAS BUSINESS: (Y-o-Y)**

- London branch business has grown by 51.08% to ₹ 29,249 crore from ₹ 19,359 crore.
- Advances at London branch increased to ₹ 16997 crore from ₹ 11845 crore registering a growth of 43.50%.
- Deposits at London Branch increased to ₹ 12,252 crore from ₹ 7515 crore registering a growth of 63.04%.

## **PROFITABILITY RATIOS (Half-yearly):**

- Net Profit increased to ₹ 904 crore from ₹ 666 crore registering a growth of 35.71%.
- Net Interest Income increased by ₹ 287 crore to ₹ 2710 crore from ₹ 2,424 crore registering a growth of 11.82%.
- Yield on Advances has gone up from 10.56% to 10.78%.

## **EFFICIENCY RATIOS(Half-yearly):**

- Capital Adequacy Ratio has marginally come down to 11.33% from 11.80%. However, it is maintained well above the benchmark of 9%.
- Net Interest Margin (NIM) maintained at the same level of 3.26% both at September 11 and September 12.
- Return on Assets (annualized) increased to 1.01% from 0.86%.

## **VALUE TO INVESTORS(Half-yearly):**

- Earnings per Share (annualized) improved to ₹ 30.02 from ₹ 23.23 per share.
- Book Value per Share increased to ₹ 164.95 from ₹ 134.55
- Return on Equity (annualised) increased to 21.30% from 18.04%.

## **ASSET QUALITY (Half-yearly):**

- The Net NPA ratio declined to 0.92% from 0.93%.
- Gross NPA ratio stood at 2.47%.
- Provision Coverage Ratio improved to 82.26% as against 78.50%.

## **PRIORITY SECTOR CREDIT ACHIEVEMENTS (Y-o-Y):**

- Bank has surpassed all the mandatory targets under Priority Sector credit for September 2012.
- Priority Sector Credit grew by 14.13% to ₹ 43,578 crore from ₹ 38,182 crore. Share of Priority Sector Credit to Adjusted Net Bank Credit (ANBC) stands at 41.85% against mandatory level of 40%.
- Total Agriculture Credit grew by 18.37% to ₹ 18,777 crore from ₹ 15864 crore forming 18.03% of ANBC against mandatory level of 18%.
- Credit to Direct Agriculture grew by 18.38% to ₹ 14,624 crore from ₹ 12354 crore and constituted 14.04% against the mandatory level of 13.50%.
- Credit to Micro and Small Enterprises (MSE) grew by 12.93% to ₹ 14158 crore from ₹ 12537 crore.
- Credit to Weaker Section stood at ₹ 11,529 cores forming 11.07% of ANBC against the mandatory level of 10%.
- Credit to Women Beneficiaries stood at ₹ 7,571 crore forming 7.27% of ANBC against the mandatory level of 5.00%.
- Credit to Minority Community stood at ₹ 7,007 crore forming 16.07% of Priority Sector Credit against the mandatory level of 15%.

## **REGIONAL RURAL BANKS:**

There are 5 Regional Rural Banks sponsored by SyndicateBank. All our 5 RRBs are constantly making profit. 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.

## **BHOOMI PROJECT**

- Govt. of Karnataka computerized the land records by developing an integrated “Bhoomi-Bank” software which allows the bank branches to electronically send the request through scanned documents for creation of charge of agricultural lands in the State, from September 2011.
- Four Districts viz., Kolar, Tumkur, Mandya and Mysore were selected on a pilot basis for implementation of the Project mandatorily w.e.f. 1.4.2012. So far, 4129 transactions have been registered under this project by our Bank branches in Karnataka including 166 transactions in Pilot districts.

## **FINANCIAL INCLUSION AND SLBC:**

- SyndicateBank is the Convener of State Level Bankers’ Committee in Karnataka and Union Territory of Lakshadweep.
- Bank has already covered all the 1553 villages of population of above 2000 allotted to it. During the current year, Bank has so far covered 179 villages in the population group of 1600-2000.
- Bank has opened 3.01 lakh of No Frill accounts during the year against the target of 3.00 lakh for 2012-13.
- Bank has 80 villages with population of over 5000 in under banked districts. These villages are covered by opening 20 Brick and Mortar Branches, 16 Satellite Offices and 44 Ultra Small Branches, ahead of the target date of 30.09.2012.
- Bank has formed a Trust titled ‘Jnana Jyothi Financial Literacy & Credit Counseling Trust’ for promoting Financial Literacy by establishing Financial Literacy & Credit Counseling Centers (FLCCs).
- The Trust has so far opened 25 FLCCs in Lead Districts of Bank and 21 Financial Inclusion Resource Centres (FIRC)s. Bank organised 3061 Financial Literacy campaigns and benefited 1,90,914 farmers, SHGs and Students. Debt counseling undertaken for 1025 beneficiaries.

## **BRANCH NETWORK EXPANSION 2012-13**

Bank has ambitious plans to expand the branch network so as to cross the milestone of 3000 branches by 31.3.2013. During the current fiscal, Bank has already opened 42 branches to reach a branch network to 2737 plus 1 overseas branch at London. On the foundation day of the Bank i.e. 20.10.2012, seven branches have been opened.

To cater to the banking requirements of High Net worth individuals, Bank will be shortly opening HNI branches in 11 metros/cities.

To provide self banking services, especially for the tech savvy customers and the younger generation, Bank has initiated steps to open e-lounge facility branded as *Synd-Yuva*.

Bank has 1241 ATMs and 500 new ATMs will be opened during the year. Bank, in all, has about 4000 banking outlets (Including Branches and ATMs).



## **CAPITAL RAISING:**

- Bank has approached the Govt of India for increasing paid up equity share capital and is expecting it by December 2012.
- Bank has plans to raise lower Tier II bonds for ₹ 1000 crore during the quarter ending December 2012.
- Bank is comfortable with its CRAR for increasing its business

## **RESOURCES RAISED ABROAD - MTN:**

- Bank has recently raised MTN of US\$500 Mio for its London Branch business at most competitive low cost.

## **MICRO & SMALL ENTERPRISES CREDIT:**

- Bank has designated totally 57 Branches as specialised MSME Branches to provide the focused thrust for growth of MSMEs, of which, 9 new Branches are designated during the year.
- Bank has entered tie-up arrangement with manufacturers for financing commercial vehicles with M/s Tata Motors, M/s TVS Motors, M/s Bajaj Auto, M/s Force Motors, M/s Maruthi, Hyundai and Piaggio.
- The outstanding credit to Micro Enterprises out of MSE reached 65.50% as on September 2012 against mandatory requirement of 60% to be achieved by March 2013.

## **RETAIL BANKING CREDIT:**

Bank has been aggressive on retail lending.

Gold Loan Portfolio grew at 30.26% over 31.03.12. Gold Loans are available at all branches; For ensuring focused growth, 100 Gold Loan shoppe are opened within the branches.

Quantum of finance per gram is increased to ₹ 2100 per gram and the Interest charged is the lowest.

### **Festival offers:**

Cheapest interest on gold loans, housing loans and vehicle loans.

Waiver of processing and documentation charges.

Credit Cards without admission fee for housing loan and Vehicle loan customers.

## AWARDS AND RECOGNITION:

- **SyndRSETIs:** The bank has sponsored the opening of 16 SyndRSETIs in 6 states to impart training and encourage the youth to take up Self Employment ventures in order to mitigate the problem of unemployment / under employment of educated youth in the rural / semi-urban areas in the country. Our Manipal and Kumta RSETIs have been adjudged as the Country's best and Second Best RSETIs as on 31.03.2012. Shri Jairam Ramesh, Minister for Rural Development, Govt of India has presented the awards to the aforesaid best adjudged institutes at the first national meet of RSETI stake holders held at Vigyan Bhavan, New Delhi on 28.07.2012, in the presence of our CMD and other dignitaries.
- **Self Help Groups:** During the year 2011-12, Bank was adjudged 'Best Performer' among commercial banks operating in Karnataka by NABARD for its performance under the category of 'Highest Average Loan Size' in relation to the SHG-Bank linkage programme.
- **Financial Inclusion:** Based on a survey commissioned by 'Business Standard' on the contribution of large public sector Banks towards Financial Inclusion, the Bank along with SBI has been awarded the Best Bank award for its contribution towards Financial Inclusion.
- **SKOCH Foundation's Digital Inclusion Awards 2012:** Gold award has been conferred to SyndicateBank at SKOCH Foundation's Digital Inclusion Awards 2012, for BCP and IT DR Project, the highest Independent honour in India, at a colourful function on 18/09/2012 at New Delhi

A Certificate of Merit was also awarded to SyndicateBank for BCP & IT DR Project for being rated amongst the TOP 100 ICT projects in India during 2012.

## IT INITIATIVES:

The Bank has taken several initiatives to improve IT infrastructure and facilitating the operational units to render better customer service. Some of the recent Initiatives are,

- **Upgradation of Data Centre (DC) & Disaster Recovery Site (DRS)** by visualization of servers with the latest technology to ensure 100% redundancy in network, security devices, servers, etc.
- **Launch of new products and services** like Self Service Kiosks, Mobile Banking, e-TDS, online Tax Payments of various States like Karnataka, Maharashtra, Delhi, etc; online contribution to Prime Minister Relief Fund, ASBA, 3-in-1 account (for online trading), International Gold Debit Card, Rupay Kisan Card, etc.
- **Cheque Truncation System** introduced at new centres like Chennai, Bangalore, Hyderabad, Coimbatore, Ernakulam, apart from NCR, Delhi.



- **To improve customer service**, technology driven tools provided to branches through Enterprise Data Warehousing & Business Intelligence Project.
- **Back Office** started in Bangalore as a part of Business Reengineering Process, for centralized account opening, cheque-book issuance, debit card issuance, internet banking password issuance, etc.
- **Two Factor Authentication**, through Soft Tokens and Hard Tokens, being launched for providing additional security to customers for internet banking transactions.

## **OTHER INITIATIVES:**

### **RTGS/NEFT REMITTANCE CHARGES:**

Bank has waived the charges for all remittances up to ₹ 1 lakh to encourage electronic transactions.

### **MUTUAL FUND DISTRIBUTION:**

Bank has signed MOU with Nine Leading AMC's for distribution of Mutual Fund products. The tie-up with these Asset Management Companies would provide customers a wider range of investment options, other than the regular banking products. This would enable the SyndicateBank branches to operate as a financial super market.

### **SyndicateBank RuPay KISAN CARD:**

SyndicateBank in association with National Payment Corporation of India (NPCI) is issuing **SyndicateBank RuPay Kisan Card** to farmers who have availed Kisan credit card facility from the bank. The Card is enabled for ATM Cash withdrawal. The RuPay Kisan card shall give further thrust to the Financial Inclusion initiatives of the Bank by offering low cost payment system.

### **VISA GOLD DEBIT CARD:**

Bank has launched **SyndicateBank VISA International Gold Debit Card**. These cards are personalized bearing the name of the cardholder and Photo of the customer. The GOLD Card provides customers with higher daily transactions limits with a daily limit for Cash withdrawal of ₹ 25,000/- and ₹ 50,000/- limit for use at Merchant Establishments and Online Shopping.

### **SYNDNAVARATNA SAVINGS ACCOUNT:**

A unique Savings bank account specially designed for the salaried class employed with MNCs/Blue chip companies/reputed private organizations/Government and semi-government undertakings has been launched by the Bank offering nine facilities viz., Zero Balance facility, Instant Global Debit Card, Add-on debit card to joint account holder, SMS banking facility, Funds transfer facility through RTGS/NEFT up to ₹ 1.00 lakh, Internet and mobile Banking facility, Demand draft and pay orders issued without charges (6 instances), payable AT PAR cheque facility and, Temporary overdraft facility.

**GREEN INITIATIVES:**

Bank is making all its payments to vendors through online credit of accounts only. Bank is encouraging its customers to make use of the online remittance facilities like NEFT/RTGS, online payments, usage of Debit and Credit cards, ATM transactions in order to reduce paper based transactions.

**BLOOD DONATION CAMPS:**

Blood donation camps were organized on the Foundation day of the Bank i.e. on 20.10.2012 at Bangalore and all the 38 regional headquarters on the occasion of Foundation day of the Bank. Nearly 5000 people have donated blood on this day.

**PRIME MINISTER'S NATIONAL RELIEF FUND:**

On the occasion of its Foundation day, Bank has launched an online facility for remittances of donations by the customers towards the Prime Minister's National Relief Fund.