

ANDHRA BANK

PERFORMANCE HIGHLIGHTS FOR DECEMBER 2010

	<u>Q3 FY11</u>	<u>9M FY11</u>
Net Profit	↑ 20.36%	↑ 18.36%
Operating Profit	↑ 30.08%	↑ 32.66%
Net Interest Income	↑ 44.08%	↑ 53.28%
Total Business		↑ 25.26%

Performance Highlights for the Q3 FY'11 and 9M FY'11 ended December 2010

Profit

- **Net Profit** of the Bank for Q3 for FY '11 improved to Rs. 331Crore as against Rs. 275 crore for FY '10, an increase of 20.36%.
- **Net Profit** for nine months ended Dec'10 (9M FY'11) improved to Rs.954 crore as compared to Rs. 806 crore last year, registering a y-o-y growth of 18.36%.
- **Operating Profit** for Q3 FY'11 stood at Rs. 627 crore as against Rs.482 crore in Q3 FY'10, registering a Y-o-Y growth of 30.08%.
- **Operating profit** grew by 32.66% to reach Rs.1702 crore in 9M FY'11 as compared to Rs. 1283 crore for 9M FY'10.

TOTAL BUSINESS

- **Total Business** of the Bank stood at Rs.1,47,682 crore, recording a Y-o-Y growth of 25.26% over Rs.1,17,899 crore in Dec'09.
- **Deposits** at the end of Dec'10 amounted to Rs.82,095 crore as compared to Rs.66,547 crore in Dec'09, exhibiting a growth of 23.36% on Y-o-Y basis.
- **Advances** recorded a robust growth of 27.72% (y-o-y) reaching the level of Rs. 65,587 crore as at Dec'10 from Rs. 51,352 crore as at Dec'09.

- **CASA deposits** increased to Rs. 23,428 crore in Dec'10 from Rs. 20,030 crore in Dec'09, recording a growth of 16.96%.
 - **CASA share** in total deposits is 28.54% at Dec'10 end.
 - **Saving deposits** increased by 22.55% to Rs.18,212 crore

INCOME

- **Total income** during Q3 FY'11 rose by 26.98% to Rs. 2320 crore.
- **Total income** during 9M FY'11 increased to Rs.6,526 crore, recording a growth of 21.75% .
- **Non-Interest Income** in Q3 FY'11 amounted to Rs 198 crore and Rs. 598 crore for 9M FY'11 as compared to Rs. 224 crore in Q3 of FY'10 and Rs. 696 crore for 9 months FY'10. Excluding Treasury Income, Core Non-Interest Income for Q3 stood at Rs. 188 crore as compared to Rs. 176 crore for Q3 '09.
- **Net interest income** during Q3 FY 11 improved to Rs.840 crore recording a growth of 44.08% over Q3 FY 10.
- During 9M FY'11 **NII** improved by 53.28% to Rs. 2359 crore.

IMPORTANT RATIOS

- **Gross NPA** ratio stood at 1.33% as at Dec'10 while Net NPA ratio is 0.47%.
- **Provision Coverage Ratio** is at 80.42% as against minimum stipulated 70%.
- **Net Interest Margin (NIM)** improved to 3.91% for the quarter ended Dec'10 and 3.85% for nine months ended Dec'10, as against 3.35% and 3.12% during previous year.
- **Return on Assets** stood at 1.41% in the Q3 FY'11. (Nine Months ended Dec'10: 1.42%).
- **Cost of Deposit** stood at 5.84% for Q3 FY'11 and 5.66% for 9M FY'11.
- **Cost to Income ratio** stood at 39.77% in Q3 FY'11 and 42.51% in 9M FY'11.
- **Earnings Per Share** was Rs. 19.68 for the period ended Dec 10 against Rs.16.61 last year.
- **Book Value per Share** improved to Rs. 110.60 in Dec '10 as against Rs. 91.80 in Dec'09.

- **CRAR** of the bank is 12.00 % under BASEL-II (Tier-I Capital: 7.06%; Tier-II Capital: 4.94%), without taking into account accrued profits for the three quarters in FY '10-'11.

DELIVERY CHANNELS

- PAN India presence with 2615 delivery channels consisting of **1587** branches, 36 Extension Counters, 38 satellite offices and **954** ATMs.

PRIORITY SECTOR

- **Priority Sector Advances** improved to Rs.21585 crore as on 31.12.2010 from Rs.17548 crore as on 31.12.2009, reflecting a growth of 23.01%.
- Priority Sector as % of Adjusted Net Bank Credit (ANBC) is 38.20%

AGRICULTURE

- **Advances to Agriculture** have gone up to Rs.10057 crore as on 31.12.2010, from Rs.8252 crore as on 31.12.2009, recording a growth of 21.87%.
- Agricultural Lending as % of ANBC is 17.80%, as against a minimum of 18% to be reached by 31.03.2011.

MSME

- **MSME Advances** registered a growth of 29.25% and stood at Rs.9832 crore as at the end of December 2010 against Rs.7607 crore in Dec'09.

RETAIL CREDIT

- **Retail Credit** increased to Rs.10,019 crore from Rs.7,902 crore, with a growth of 26.79%.

FINANCIAL INCLUSION

- ❖ In order to strengthen Financial Inclusion, the Bank has opened 8.60 lakhs 'No Frill Accounts' under Branch Banking

❖ FINANCIAL INCLUSION PLAN

- A road map has been submitted to Reserve Bank of India to provide banking service outlets in villages with population above 2000 by March 2012. The outlets will function through Business correspondents (BCs) mode by leveraging technology. Bank planned to implement the plan in 1144 villages by March 2012 and cover 500 villages as an interim target by March 2011. So far Bank has already covered 195 villages under FIP.

❖ SELF HELP GROUPS (SHGs)

- Bank has lent Rs.2297.30 crore to Self Help Groups by the end of Dec'10.
- Bank has commenced serving the SHG members through Smart cards at their doorsteps through Business Correspondents. The pilot project is rolled out in four branches i.e., Rayavaram, Kadium, Anaparthi & Bibinagar covering about 2400 SHGs through branchless banking mode. Plans are afoot to implement in more number of branches.

❖ A B R D T

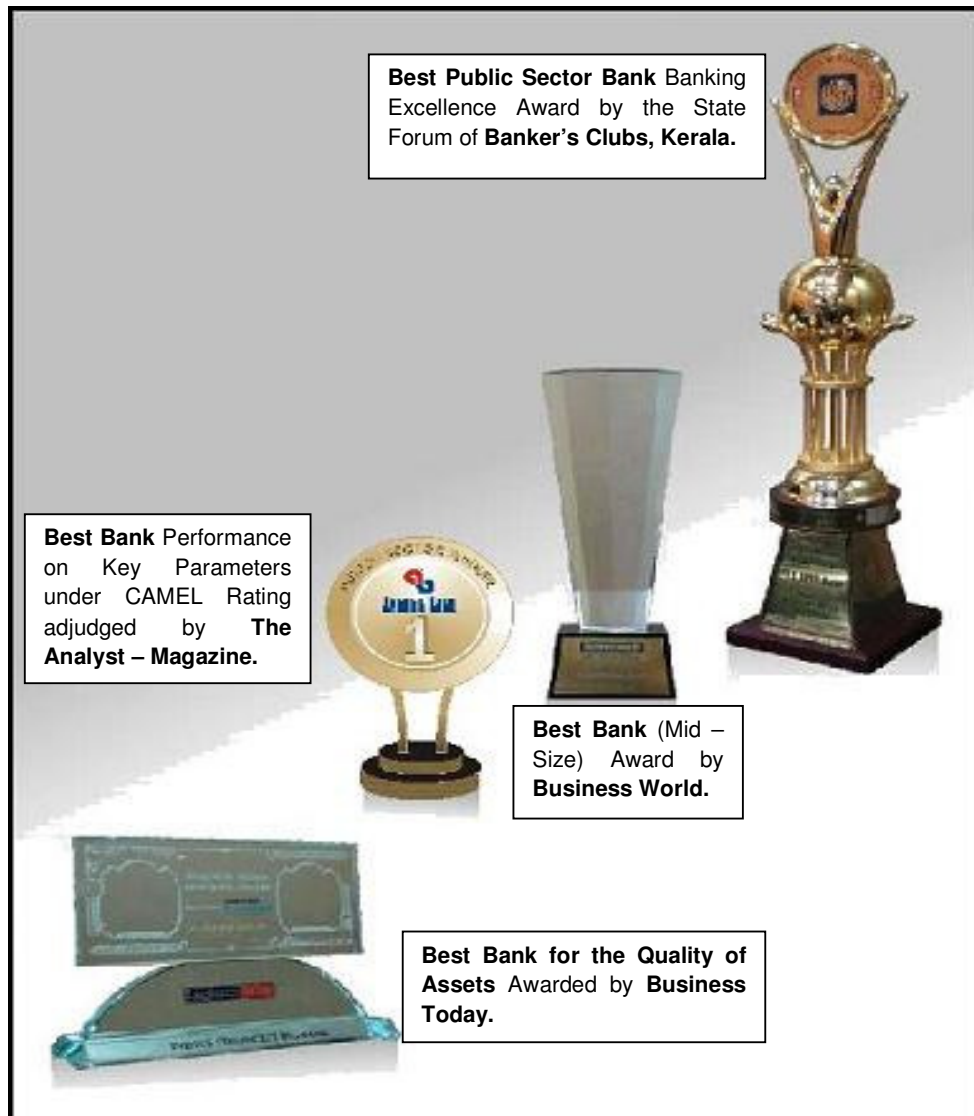
- Bank has established 10 Rural Self Employment Training Institutes, which are imparting need based training to farmers, SHG women, Rural Unemployed youth, and Artisans. The institutes have trained over 96864 people till 31.12.2010.
- Bank has established 4 Financial Literacy and credit Counseling centres in all Lead Districts of A.P. State. The centers are functioning with the aim of educating the rural people on banking services and financial education.

TECHNOLOGY BASED INITIATIVES FOR CUSTOMER GRIEVANCE REDRESSAL

- ❖ Bank has launched a customer friendly initiative involving complaint redressal mechanism through Mobile SMS called **"UPSET"**
- ❖ Any customer having any type of inconvenience with the Bank's service can give an **SMS to 96666 06060** by typing the word **"UPSET"**.
- ❖ Immediately the Bank will call the customer back to elicit the details of the grievance/complaint and take steps to redress the same.

This is a fast method of Customer Dissatisfaction Resolution

AWARDS AND ACCOLADES



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