

30th January, 2013

Performance Highlights for the Quarter / Nine Months ended 31st December 2012

Shri Ashwani Kumar, Chairman and Managing Director, Dena Bank, announced the performance of the Bank after the adoption of the financial results for the quarter /Nine Months ended 31st December 2012 by the Board of Directors.

Business Growth

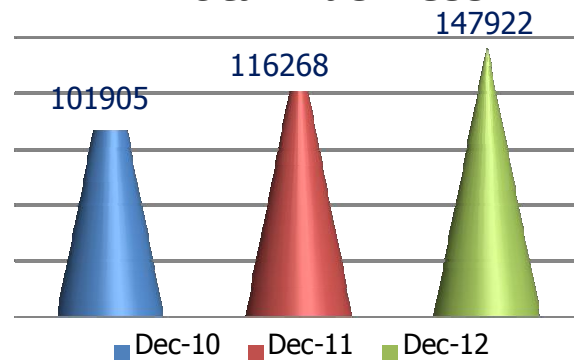
1. Aggregate Business:

Total Business of the Bank as on 31.12.12 stood at ₹ 1,47,922 cr as compared to ₹ 1,16,268 cr as at 31.12.2011.

The total business increased by ₹ 31,654 cr with a growth rate of 27.23% on y-o-y basis.

Business per employee has gone up from ₹ 11.73 cr as at 31.12.2011 to ₹ 13.21cr as at 31.12.2012 Business per Branch has improved from ₹ 96.09 cr as at 31.12.2011 to ₹ 110.47 cr as at 31.12.2012.

Total Business



2. Deposits:

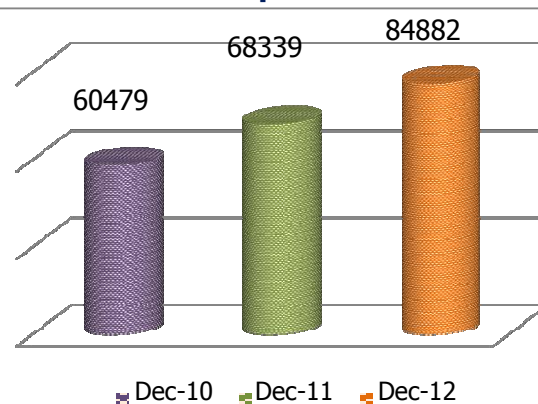
Deposits of the Bank increased to ₹ 84,881.87 cr as at 31.12.12 from ₹ 68,339.25 cr as on 31.12.2011 recording a growth of 24.21% on y-o-y basis.

3. Advances:

The y-o-y growth in Advances was 31.53% from ₹ 47928.38 cr as on December 11 to ₹ 63,040.55 cr as at 31.12.2012.

The Credit Deposit ratio stood at 74.27%.

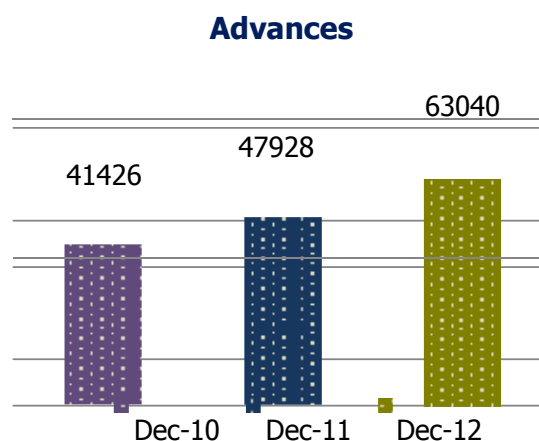
Deposits



a. Agricultural advances of the Bank was at ₹ 6,589.34 cr as at 31.12.2012 as compared to ₹ 4,199.38 cr as at 31.12.2011 showing y-o-y growth of 56.91%.

b. MSME advances of the Bank stood at ₹ 9,481.30 cr as at 31.12.2012 as against ₹ 7,367.80 cr as at December 2011, showing y-o-y growth of 28.69%.

c. Retail advances increased to ₹ 7,666.02 cr as at 31.12.2012 as against ₹ 6,614.34 cr as at 31.12.2011 showing y-o-y growth of 15.90%



Highlights of Quarter [Q3] ended 31.12.2012

- 1. Net Profit:** The Net profit of the Bank for the Quarter [Q3] ended 31st December 2012 increased to ₹ 206.44 cr as against ₹ 186.68 cr for Q3 of previous fiscal recording an increase of ₹ 19.76 cr [10.58%]
- 2. Operating Profit:**
The operating profit of the Bank for the Quarter [Q3] ended 31st December 2012 was at ₹ 443.08 cr as against ₹ 393.17 cr for Q3 of previous fiscal recording an increase of ₹ 49.91 cr [12.69%]
- 3. Income:** The total income for the Quarter [Q3] ended December 2012 grew by 32.20% and reached ₹ 2,408.42 cr as against ₹ 1,810.21 cr for Q3 of FY 2012. The Interest income also grew by 35.06% over Q3 of FY 2012 to reach ₹ 2,263.96 cr as at 31.12.2012.
- 4. Non Interest Income** from areas like Commission, Exchange, Brokerage, etc., is at ₹ 144.46 cr as at 31.12.2012 showing an increase of 7.83% on y-o-y basis.
- 5. Net Interest Income (NII)** for the Quarter [Q3] ended December 2012 was at ₹ 614.90 cr as against ₹ 541.20 cr for Q3 of FY 2012 and recorded a growth rate of 13.62%.
- 6. Return on Assets [ROA]** was at 0.87%, and **Return on Equity [ROE]** was at 18.29% for the Quarter [Q3] ended December 2012. (annualized).
- 7. Cost to Income Ratio** was at 41.65% for the Quarter [Q3] ended December 2012.
- 8.** During the quarter, the Bank opened **14 Branches** across the country.

Highlights of Nine Months ended 31.12.2012

- 1. Net Profit:** The Net profit of the Bank for the Nine Months ended 31st December 2012 increased to ₹ 684.72 cr as against ₹ 548.35 cr for nine months of previous financial year recording an increase of ₹ 136.37 cr (24.87%).
- 2. Operating Profit:** The operating profit of the Bank for the Nine Months ended 31st December 2012 was at ₹ 1,338.11 cr as against ₹ 1,052.91 cr for nine months of previous fiscal recording an increase of ₹ 285.20 cr (27.09%).
- 3.** During nine months of current financial year, the **Total income** stood at ₹ 7,015.11 cr in comparison with ₹ 5,209.94 cr for Nine Months ended 31.12.2011 showing an increase of ₹ 1,805.17 cr [34.65%].
- 4.** On comparison with nine months of FY 2011-12, the **Interest income** increased by ₹ 1,756.87 cr from ₹ 4,838.25 cr to reach ₹ 6,595.12 cr [36.31%] for the nine months ended 31.12.2012.
- 5. Non-interest income** was at ₹ 419.99 cr as at 31.12.2012 as compared to ₹ 371.69 cr during nine months of previous financial year showing an increase of 12.99% .
- 6.** The **Net interest Income [NII]** for nine months ended 31.12.2012 was at ₹ 1,821.13 crs compared to ₹ 1,502.64 cr during the nine months of previous financial year recording a growth of 21.20%.
- 7. Return on Assets [ROA]** was at 0.99%, and **Return on Equity [ROE]** was at 19.70% for the Nine Months ended December 2012. (Annualized).
- 8. Cost to Income Ratio** was at 40.29% for the Nine Months ended December 2012.
- 9. Earnings per share** increased to ₹ 19.56 as at 31.12.2012 as against ₹ 16.45 as at 30.12.2011. (annualized).
- 10. Book Value per Share** rose to ₹ 141.66 as at 31.12.2012 when compared to ₹ 123.72 as at 31.12.2011.
- 11. Net Interest Margin:** The Interest Spread to average interest bearing assets for Nine Months ended 31.12.2012 was at 2.92%. (Annualized)
- 12.** The **Net Profit per employee** was at ₹ 8.15 lakhs and the **Net Profit per Branch** was at ₹ 68.18 lakhs as at 31.12.2012. (annualized).

Asset Quality & Recovery

- 1. NPA:** Gross NPA stood at 2.09% and Net NPA stood at 1.31% at the end of Nine Months of FY 2012-13. In absolute terms the Gross NPAs stood at ₹ 1,317.32 cr and Net NPA stood at ₹ 816.93 cr.
- 2. Cash Recovery:** The Bank effected cash recovery and upgradation of NPAs of ₹ 243.15 cr, during the Nine Months ended 31.12.2012 compared to ₹ 324.07 cr in the nine months of previous financial year.
- 3. Provision Coverage:** The NPA provision coverage ratio stood at 70.57% with reference to NPA as at 31.12.2012.

Capital & Net worth

- 1. Capital Adequacy Ratio:** The Capital Adequacy Ratio under Basel II as on 31.12.2012 was at a level of 11.47%. The Capital Adequacy Ratio under Basel I norms was at 9.86% as on 31.12.2012.
- 2. Net worth:** The Net worth of the Bank stood at ₹ 4,781.35 cr as at 31.12.2012 as compared to ₹ 3,936.93 cr as at 31.12.2011.

Going Forward

- Bank is targeting credit growth of 18%, and deposit growth of 20%.
- Bank expects to maintain NIM around 3% for whole of the FY 2012-13.
- Bank has already opened 89 branches during the current year up to Dec 2012 and plans to open total 100 branches during the FY 2012-13. Bank also plans to open 150-200 Branches every year.
- Bank has recruited 2274 fresh employees [693 officers, 1090 clerks and 491 sub-staff] during FY 2012-13, out of which 1413 [356 Officers, 621 clerks and 436 Sub-staff] have already joined.
- As a part of Platinum Jubilee celebrations, Bank will undertake various CSR activities upto 26th May 2013.
- Bank will start monitoring of borrowal accounts Online to prevent slippage. At present, Bank is monitoring all accounts above Rs 10 cr on daily basis.
- Bank is in the process of launching various new IT Products viz. Issue of Gift & Travel Cards, Utility Bill Payment through ATM and Mobile Banking, Income Tax

payments through ATM, Card less remittance through ATM & IMPS through USSD / using Bank IFSC etc.

FINANCIAL INCLUSION PLAN

- The Bank has successfully implemented Financial Inclusion Plan for providing banking services in 730 villages, with population above 2000 allocated to it. Apart from this, 617 villages, with population below 2000 out of the allotted target of 1347 villages have also been covered.
- Bank has set up Ultra Small Branches in 968 villages, which are serviced through Business Correspondent Model, besides regular visit by Bank's officials.
- Bank has opened 15.56 Lac Basic Savings Accounts till 31st December 2012 against target of 12 lacs for FY 2012-13. Out of this, in-built Over Draft Facility has been extended in 8.56 Lac accounts.
- Similarly Bank has embarked upon urban financial inclusion plan for providing banking services to urban poor, slum dwellers and other inhabitants including migrant workers & Street Vendors /hawkers in select urban areas in the state of Gujarat. Up to 31st December 2012, Bank has set up 147 Kiosks against target of setting up 100 Kiosks in urban areas during FY 2012-13.
- Bank has launched Direct Cash Transfer Scheme as per Govt. of India guidelines through Aadhaar Payment Bridge System (APBS) and Aadhaar Enabled Payment System (AEPS).

□

Financial Indicators

[₹ in Cr]

	Dec 11 [Q3]	Dec 12 [Q3]	Growth Q3/Q3		31.12.11 [9M]	31.12.12 [9M]	Growth 9M/9M	
			Abs.	%			Abs.	%
Net Profit	186.68	206.44	19.76	10.58%	548.35	684.72	136.37	24.87%
Operating Profit	393.17	443.08	49.91	12.69%	1,052.91	1,338.11	285.20	27.09%
Total Income	1810.21	2408.42	598.21	33.05%	5209.94	7015.11	1805.17	34.65%
Interest Income	1676.24	2263.96	587.72	35.06%	4838.25	6595.12	1756.87	36.31%
Net Interest Income	541.20	614.90	73.70	13.62%	1502.64	1821.13	318.49	21.20%
Non Interest Income from Core Areas	133.97	144.46	10.49	7.83%	371.69	419.99	48.30	12.99%

[₹ in Cr]

As at :	31.12.2011	31.12.2012	Growth Amt Dec 12/Dec 11	Growth % Dec 12/Dec 11
Total Business	1,16,268	1,47,922	31,654	27.23%
Deposits	68,339	84,882	16,543	24.21%
Average Deposits	62,031	79,270	17,239	27.79%
Net Advances	47,531	62,421	14,890	31.33%
Average Advances	41,690	56,898	15,208	36.48%
Investments	20,407	26,750	6,343	31.08%
Average Investments	20,295	25,729	5,434	26.78%
CRAR- Under Basel I	10.12%	9.86%		
Tier I	7.47%	6.54%		
Tier II	2.65%	3.32%		
CRAR - Under Basel II	11.58%	11.47%		
Tier I	8.54%	7.61%		
Tier II	3.26%	3.86%		
Net Worth	3,937	4,781		
Gross NPAs (as % to gross advances)	1.85%	2.09%		
Absolute	885.32	1,317.32		
Net NPAs (as % to gross advances)	1.10%	1.31%		
Absolute	523.97	816.93		