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PRESS RELEASE

HIGHLIGHTS

Bank of India announced its performance result for Q4 of 2009-10 and for the full year 2009-10 following the approval by its Board of Directors on May 7, 2010.

BOI's Accent on customer acquisition – Considerable headway made.

Core Banking operations – Sound and robust

Milestones achieved

- The Bank crossed milestone of Rs.4,00,000 Cr. of Business Mix.
- CASA Deposits grew by Rs.13,206 Cr. (a growth rate of 27%) touching a level of Rs.61,843 Cr.; improved from 30.70% to 31.75%.
- As many as 31.5 lakh S/B accounts and 1.17 lakh current accounts opened during the year. Customer base improves by over 10%.
- Domestic network touched 3207 branches and 820 ATMs. 186 branches and 320 ATMs were inaugurated during the year.
- 28 specialised Mid Corporate Banking Branches were opened.
- Syndication desk reactivated and projects involving outlay of close to Rs. 10,000 Cr. processed.
- To aid credit delivery, online **Credit Application Processing System (CAPS)** introduced.
- Bank achieved 100% CBS status.

- 1000 branches of the Bank were refurbished with the Bank's standard design.
- MTN programme of US\$ 500 million concluded at a fine rate amidst immense investor enthusiasm.
- Global Remittance Centre for facilitating NRE remittances from across the world was opened in Mumbai.
- To facilitate control and monitoring **Computer Aided Audit Tool (CAAT)** launched.
- Manpower planning put on fast track and as many as 2650 employees promoted and 27200 staff members trained. Plans for recruitment of over 4500 staff finalized.

Results at a Glance

Q4 : FY2010

Net profit declined by 47% to Rs. 428 Crore compared to Rs.810 Crore in Q4 2008-09 mainly on account of higher provisions. On sequential basis, net profit recorded growth of 5% over Quarter ended December,09.

Operating Profit decreased from Rs. 1408 Crore to Rs. 1275 Crore. .

NIM improved from Rs. 1433 Cr for Q4 FY2009 to Rs. 1,552 Cr.

Cost of Deposits brought down sharply from 6.07% in Q4 2009 to 4.79% in Q4 2010.

FY 2010

Total Business went up by 20%, from Rs. 334440 crore to Rs. 401078 crore. Deposits increased by 21% to Rs.229762 crore and advances increased by 18% to Rs.171317 Crore.

Operating Profit for the year 2009-10 amounted to Rs. 4705 crore as against Rs. 5457 crore during 2008-09. The decline in operating profit by 15.7% was due to drop in yield on advances, cost of liquidity, non booking of interest income on slippages and slower growth in non-interest income due to subdued Treasury income.

Net Profit stood at Rs.1741 crore for the year 2009-10 as against Rs. 3007 crore for the year 2008-09 mainly due to higher provisions specially for NPAs.

Net Worth of the Bank increased to Rs. 12456 crore from Rs.11144 crore in March, 2009.

The CRAR under Basel II stood at 12.94 % as on March 31 ,2010 against 13.01% as on March 31 2009.

Return on Assets stood at 0.70 % and Return on Equity at 14.76 %.

Cost to Income Ratio has risen to 43.81% from 36.18%.

PERFORMANCE HIGHLIGHTS

Business Growth

Global deposits recorded a growth of 21% to reach 229762 crore and Global advances, with a growth rate of 18% reached Rs.171317 crore.

Domestic Deposits went up from Rs. 159487 crore to Rs.196585 crore. CASA deposits registered a growth by 27.15%, which improved from 48637 crore in March,09 to 61843 crore in March,2010.

Domestic Advances increased by 17.70% from Rs. 115354 crore to Rs.135194 crore. Priority Sector advances constituted 46.38% of Adjusted Net Bank Credit. Advance to MSME increased by 16.22 % to Rs. 29567 crore.

Business per employee has risen from Rs.8.33 crore in March, 2009 to Rs.10.11 crore in March,2010. Similarly, Business per Branch improved from Rs.109.72 crore to Rs. 123.94 crore during the same period.

The Bank's Clientele base has increased from 32.17 million as on March 31, 2009 to 35.65 million as on March 31, 2010. Total customer acquisition during FY 2010 has been 3.48 million, thus indicating growth over 10 percent.

Income & Expenses

Total income of the Bank for the entire year 2009-10 grew by 5.7 % to reach Rs.20494 crore. The Interest income increased from Rs.16347 Crore to Rs.17878 Crore recording a growth by 9.50%. Non-interest income declined from Rs.3052 Crore to Rs. 2617 Crore on the back of subdued treasury income.

Total expenses recorded an increase of Rs 574 crore i.e. 18.50%,

Net Interest Income went up by Rs. 257 crore, showing a 4.70% rise. The comparatively lower income growth was because of slow advances off-take

during the year and high cost of deposits during the initial part of the year as well as higher NPA during the year.

Net Interest Margin for the year stood at 2.51% as against 2.97% for FY2009.

Cost to Income Ratio improved to 43.81 % from 45.33% in December,2009.

Profitability

Operating Profit for Q4 FY2010 stood at Rs 1275 crore as against Rs. 1130 crore for Q3 FY2010 and on sequential basis, profit in quarter ended March was higher than that during the quarter ended December,09 by 5.50 %.

For the Full year 2009-10, the Bank posted operating profit of Rs. 4705 crore compared to Rs.5457 crore during 2008-09. Decline in operating profit was due to pressure on margin on account of high cost of deposits for the initial period and slow growth in other income.

Return on Assets stood at 0.70% and Return on Equity stood at 14.50% for the 12 months ended March,2010. Earning Per Share and Book Value per Share worked out to Rs.33.10 and Rs.236.84 respectively.

Asset Quality

The Bank's Gross NPA Ratio stood at 2.85% and Net NPA ratio at 1.31%. The Provision Coverage ratio is at 65.51%. Amount wise, Gross NPA stood at Rs. 4882 crore and Net NPA at 2207 crore. The Bank effected Cash Recovery and Upgradation to the tune of Rs.825 crore.

Capital

The Bank is well capitalised with Capital to Risk Weighted Ratio under Basel II of 12.94% against 13.01% in March,2009. Tier I capital constituted 8.58%.

The Bank's Net Worth increased to Rs.12,456 crore as against Rs.11,144 crore as on March 31,2009.

Social Objectives and Financial Inclusion

Advances to the Priority Sector touched Rs.52,125 crore, constituting 46.38% of the Adjusted Net Bank Credit. Credit to Agriculture Segment went up by 10.75 % to Rs.18035 crore and advances to Micro, Small and Medium (MSME) went up by 16.21% to Rs.29567 Cr.

146 villages have been made as money lender free villages under Debt Swap Scheme.

Under Financial Inclusion Initiative, the Bank has so far opened 32.63 lakh No Frill accounts with outstanding amount of Rs. 116.44 Cr. 12000 GCCs have been issued. Bank has so far enrolled 412000 accounts for issuance of smart cards and issued 291000 cards to the customers upto March 2010.

Bank is also using IT enabled solution on end-to-end basis using handheld device terminals and biometric smart cards by adopting Business Correspondent/ Business Facilitator model as prescribed by RBI.

Technology Initiative

All the branches of the Bank are under CBS and are RTGS enabled. ATM network has been expanded to 820 as against 500 in March,09. Mobile Banking Services has been extended to all retail internet banking customers. To make internet banking safe and secure, the Bank implemented 2 Factor Authentication (2FA) – Star Token for both Retail and Corporate internet banking customers as an additional security measure. In recognition of various technology initiatives taken, your Bank has been conferred Winner award in the Best Business Enablement Initiative Category by IBA.

Bank has launched the web-site in Marathi and is planning to roll out in other regional languages also. In order to make credit processing activity faster and more objective, Credit Application Processing Systems (CAPS) was introduced which covers all major credit segments – Retail, Corporate, MSME and Agriculture.

Awards & Accolades

- The second Most Trusted Brands” (MTB), 2009 under PSU category 2009
- NDTV Profit Business Leadership Awards 2009 for Best PSU Bank
- Outlook money NDTV Profit Awards 2009 –Best Education Loan Provider Runner up
- Best Bank under Banking Category by Dun & Bradstreet – Rolta Corporate Awards 2009
- FE-EY Most Efficient Public Sector Bank Awards 2010 by Dalal Street

- Second best performance award in lending to Micro & Small Enterprises sector by the Government of India.

Way Forward

- ❖ Customer Acquisition on a wider scale and Inclusive Banking.
- ❖ Higher profitability and accent on asset quality
- ❖ Leverage technology to a large extent.
- ❖ Focus on Mid Corporate segment for higher returns.
- ❖ To have a branch network of over 3500 branches and 1500 ATMs by Mar 2011 and enlarge our presence abroad.

Performance Indicators

Particulars	FY2009 (Full year)	FY2010 (Full year)	Growth Amount	Growth Rate(%)
Global Deposits	189708	229762	40054	21
Global Advances	144732	171317	26385	19
Domestic Deposits (Gross)	159487	196585	37098	23
Domestic Advances (Gross)	115354	135194	19840	18
CASA	48637	61843	13206	27
CASA %age	30.76	31.98		
Credit Deposits Ratio	76.29	74.77		

Financial indicators

Particulars (Global)	Q4 FY2009	Q4 FY2010	Growth Rate (y-o-y)	FY2009 (Full year)	FY2010 (Full year)	Growth Rate (y-o-y)
Operating	1408	1275	-9	5456	4705	-14

Profit						
Provisions	597	848	42	2449	2963	21
Net Profit	810	428	-47	3007	1741	-42
Total Income	5278	5248	0.6	19399	20494	6
Total Expenses	3870	3973	3	13942	15789	14
Net Interest Income	1433	1552	8	5498	5756	5
Cost to Income Ratio	36.54	43.96		36.18	43.80	
NIM	2.98	2.57		2.97	2.51	
ROA	1.50	0.65		1.49	0.70	
Capital Adequacy Ratio (Basel-II)	13.01	12.94		13.01	12.94	

Sequential Q-o-Q Trend

Particulars	Q4 FY2009	Q1 FY2010	Q2 FY2010	Q3 FY 2010	Q4 FY2010
Operating Profit	1408.	1093	1205	1129	1275
Net Profit	810	584	323	406	428
NIM	2.98	2.42	2.57	2.60	2.57
Cost of Deposits	6.07	5.81	5.59	5.26	4.79
Yield on Advances	9.68	9.27	8.97	8.41	8.12