

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Dated: 02/11/2013

Dear Comrades,

CELEBRATE THE FIRST STEP ON THE PATH OF SPLENDOUR **Q2 RESULTS PROVE YOUR METTLE-ASTONISHES PEERS**

It was the morning of 30th October, 2013, when results of our Bank for the quarter ended 30th September, 2013 were being adopted in a meeting of Board of Directors. While attending the same as your representative, I was feeling elated and was full of gratitude towards you all. There were all out appreciations from each one of the Directors for the wonderful performance by team Bank of India under the able directions of our Chairperson, who always leads from the front. The results showed all round progress in each and every parameter as is evident by the following figures:

- ✓ **Global Business reached `769,105Crore (YoY Growth 29.68%)**
- ✓ **Global Deposits ` 432,282 Crore (YoY Growth 29.93%)**
- ✓ **Global Advances at ` 336,823 Crore (YoY Growth 29.36%)**
- ✓ **CASA Deposit at ` 95,828Crore (YoY Growth 13.85%)**
- ✓ **Domestic CD Ratio improves from 68.94 % in Sep,2012 to 72.26 % in Sep,2013.**
- ✓ **Operating Profit (Q2) increased from ` 1854 Crore in Sep-12 to ` 2103 Crore in Sep-13**
(YoY growth 13.43%)
- ✓ **Net Profit increased from ` 302 Crore in Sep-12 to Rs. 622 Crore in Sep-13 (YoY growth 105.96%)**
- ✓ **Gross NPA Ratio improves from 3.04 % in June,2013 to 2.93% in Sep,2013.**
- ✓ **Net NPA ratio improves from 2.10 % in June,2013 to 1.85% in Sep,2013.**
- ✓ **Provision Coverage Ratio improves from 60.96% in Sep-2012 to 63.29% in Sep-13**
- ✓ **Net Interest Income (Q2) increased from ` 2196 Crore in Sep-12 to ` 2527Crore in Sep-13**
(YoY Growth 15.07 %)
- ✓ **Non Interest Income increased from ` 894 Crore in Sep-12 to ` 1100 Crore in Sep-13**
(YoY Growth 23.04 %)
- ✓ **Cost to income Ratio stood at 41.69%**
- ✓ **No. of Branches increased from 4292 March-13 to 4479 in Sep-13**
- ✓ **No. of ATMs increased from 2133 March-13 to 2905 in Sep-13**

The results made the moods jubilant and worth celebrating, up keeping the festive season. All stakeholders are happy. Stock of our Bank turned buoyant. We have bridged the gap with our near competitor in an urge for becoming No. 1 among Nationalised Banks. Our peers must be surprised and will certainly pull the socks up. Thus, we should not let complacency slow our steps ! Rather, we need to maintain a faster pace to fulfill our cherished desire to regain our No. 1 position. The goal is not very difficult. We will have to list hurdles which we noticed and decide multipronged corrective course. In view of this ultimate objective we wish to share with you our following observations, concerns and suggestions which were shared by us in Business Review Meeting with the Top Management of the Bank last month.

Our efforts in increasing the **TOP LINE BUSINESS** have contributed to the progress with achievement of budgets for Global Advances and Deposits even though the performance has not been well spread and is contributed by a few zones and segments only. The main concern has been the weak bottom line of the bank as compared to peers.

Though Credit Budget seems to have been achieved, reliance on large credit and achieving major proportion of budget at the end of the quarter are causes of concern. As large credits are priced lower in order to be competitive, bunching of sanctions and disbursements at the end of the quarter results in ballooning of business figures and due to a higher denominator of Advances, performance /ratios like ROA/NIM become adverse, apart from provisioning for standard assets. We will have to think with a sense of profitability in building the business of the branch/ zone/ NBG.

Yet another and most pressing concern is the rise in **SLIPPAGES** which has increased our **NPAs** by over Rs.1000 crore every quarter. Avoiding slippages should be the prime concern and recoveries should be consistent and regular by staying focused through a permanent collection mechanism/ recovery team structure. The slipped accounts should have a recovery/ upgradation plan which needs to be constantly followed up while option to sell NPAs to ARCs should be kept open.

While analyzing the areas of concern under various profitability parameters, what comes to the fore is the slow or no growth in **CASA**, which has grown just by Rs.2500 crore since March'13 and are woefully short of the current year budgets. Strategy for increasing CASA through various measures like canvassing for Government deposits, Institutional deposits, new customer acquisition and gaining of Diamond customers is not showing much progress. An incentive scheme for employees for mobilizing CASA has been introduced recently which should be fully utilized to enthuse and energize the field level staff.

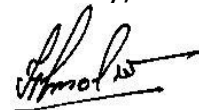
Thus, focus on **CASA**, consistent **Credit growth** with a sense of profitability, while keeping **NPAs** under check will lead us to greater heights. We are confident that our targeted collective efforts will bring the desired results and we shall regain the position which we temporarily lost somewhere down the line. The peak is beckoning us. Let us contribute little more to enjoy the proud top position in the Banking Industry.

TOGETHER, WE HAVE DONE IT....

TOGETHER, WE CAN ACHIEVE IT

With warm greetings,

Yours Sincerely,



(HARVINDER SINGH)

GENERAL SECRETARY