

PRESS RELEASE

**Total Business at ₹7.96 lakh crore
Net Profit for Q1 at ₹479 crore**

Major Highlights - Q1FY16

- Total Business at ₹7.96 lakh crore, up by 8.74% y.o.y.
- Total Deposits at ₹4.72 lakh crore, up by 10% y.o.y.
- CASA grew by 11.53% y.o.y to ₹109684 crore and CASA ratio (domestic) improved to 24.62% y.o.y from 24.15% last year.
- Advances (net) at ₹3.24 lakh crore, up by 6.96% y.o.y.
- Sustained good growth in retail business (y.o.y)- MSME (25.32%), MSE (27.48%), Retail Lending (15.97%), Housing (direct) (27.47%), Vehicle (14.12%), Education (15.54%) and Other Personal loans (40.88%).
- Operating Expenses reduced by 2.12% y.o.y. Interest expenses, including interest paid on deposits contained around March 2015 quarter level.
- Non-Interest Income at ₹1113 crore, up by 8.38% y.o.y.
- Net Interest Margin (NIM) (Domestic) at 2.35% and NIM (Global) at 2.21%.
- Cost-income ratio down to 44.80% from 48.06% last year.
- Stabilized Gross NPA at ₹13081 crore over March 2015 level of ₹13040 crore.
- Gross NPA Ratio stood at 3.98% from 3.89% at March 2015 and 2.67% as at June 2014.
- Net NPA ratio at 2.74% from 2.03% as at June 2014.
- Cash Recovery at ₹1056 crore.
- Provision Coverage ratio at 59.02%.
- Gross profit at ₹2004 crore, up by 11.62% y.o.y
- With increase in provision, net profit for Q1FY16 stood at ₹479 crore.
- 26 branches and 506 ATMs added during the Q1FY16, taking the global tally of branches to 5708 and ATMs to 9039.
- Enhanced E-transactions to 51.10% from 44.34% last year.

Income and Expenses- Q1 FY16

- Total income increased to ₹12253 crore compared to ₹11728 crore last year.
- Income from loans/advances increased to ₹8101 crore from ₹7905 crore last year.
- Non-interest income increased by 8.38% y.o.y to ₹1113 crore.
- Total interest expenses increased moderately by 4.25% y.o.y to ₹8623 crore. Interest expenses, including interest paid on deposits, contained around March 2015 quarter level.

- Operating expenses declined by 2.12% y.o.y to ₹1626 crore.
- Net interest income for the quarter increased to ₹2516 crore from ₹2429 crore last year.
- Net Interest Margin (NIM) (Domestic) stood at 2.35% and NIM (Global) was at 2.21%.
- Cost-income ratio came down by 326 basis points to 44.80% from 48.06% last year.

Profits and Profitability - Q1 FY16

- Total provision for the quarter was at ₹1525 crore compared to ₹988 crore for Q1FY15. The provision for NPAs during the quarter was ₹1143 crore compared to ₹1125 crore for Q1FY15.
- Gross profit at ₹2004 crore increased by 11.62% y.o.y and Net profit for Q1FY16 stood at ₹479 crore, on account of higher provisioning.
- While Earnings per Share (EPS) for the quarter was at ₹9.63, Book Value increased to ₹548.45 compared to ₹521.68 as at June 2014.

Business Performance

- Global Business increased to ₹795940 crore, with a y.o.y growth of 8.74%.
- Global Deposits reached ₹471877 crore, with a y.o.y growth of 10%.
- Advances (Net) rose to ₹324063 crore, with a y.o.y growth of 6.96%.
- The Bank's overseas business constituted 6.44% of the total business. Total business of the foreign branches increased to ₹51245 crore from ₹41194 crore a year ago.
- CASA deposits increased by 11.53% y.o.y to ₹109684 crore and CASA share (domestic) improved to 24.62% y.o.y from 24.15% last year.
- The Bank's clientele accounts increased to 6.75 crore, comprising 6 crore under deposit accounts and 75 lakh under borrowal accounts. Over 1.1 crore clientele accounts added y.o.y
- While Business per Employee increased to ₹14.43 crore, Business per Branch stood at ₹139.44 crore.

Capital Adequacy under New Basel III norms

- Capital Adequacy Ratio as per Basel III norms stood at 10.75% (as against mandatory requirement of 9%). CET ratio at 7.65% (against mandatory requirement of 5.5%) and Tier I ratio of 8.28% (as against mandatory requirement of 7%). The Bank in April 2015 raised ₹1520 crore equity capital.
- Adequate headroom available to raise capital to support business growth momentum. Government shareholding is at 64.48%.

Asset Quality

- Stabilized Gross NPA level at ₹13081 crore over March 2015 level of ₹13040 crore.
- Gross NPA ratio stood at 3.98% compared to 3.89% at March 2015 and 2.67% as at June 2014. Net NPA ratio stood at 2.74% compared to 2.03% last year. Provision coverage ratio stood at 59.02%. Cash Recovery during Q1FY16 aggregated to ₹1056 crore.
- The Bank's outstanding restructured portfolio at ₹28704 crore, constituting 8.73% of the gross advances.

Diversified Credit Portfolio

- Outstanding advances to various Priority Segments rose to ₹121978 crore compared to ₹103694 crore as at June 2014, with a growth of 17.63% y-o-y.

- Advances under **Agriculture** portfolio increased by 12.91% to ₹60924 crore, achieving 19.26% to ANBC as against the mandated target of 18%.
- Credit to **Micro, Small and Medium Enterprises (MSMEs)** increased to ₹61804 crore, with a y-o-y growth of 25.32%.
- Credit to **M&SE** reached ₹47403 crore, with a y-o-y growth of 27.48% (against mandated norm of 20%). The **number of micro enterprises accounts** recorded a growth of 29.50% against mandated norm of 10%.
- Credit to **women beneficiaries** increased to ₹39818 crore, accounting for 13.77% to ANBC against 5% norm.
- **Retail lending portfolio** increased to ₹41976 crore, with a y-o-y growth of 15.97%. The share of retail credit in domestic credit increased to 13.91% compared to 12.72% last year.
- **Outstanding housing (direct)** grew by 27.47% y.o.y to ₹17261 crore. Total housing constitutes 52% of the total retail lending portfolio.
- **Other Personal Loans** grew by 40.88% to ₹10522 crore and **Vehicle loans** registered a growth of 14.12% to ₹3806 crore.
- **Education loan portfolio** rose to ₹5830 crore, with a y-o-y growth of 15.54%, covering 2.75 lakh students.

A Holistic Approach to Financial Inclusion (FI)

Pradhan Mantri Jan Dhan Yojana (PMJDY)

- Opened 68.26 lakh accounts under PMJDY, with a CASA deposits balance of ₹993 crore.
- Issued 68.26 lakh Rupay Debit Cards, out of which linked 54.25 lakh personalized Rupay Debit Cards to PMJDY accounts.
- Covered all allotted SSAs/Wards by opening of 807 brick & mortar branches and engaging 2459 BC agents.
- The Bank has enrolled 1.41 crore residents under Aadhaar and 96.73 lakh accounts seeded with Aadhaar number.

Social Security Schemes

- 51.86 lakhs enrolments have been done so far under both Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY-15.75 lakhs) & Pradhan Mantri Suraksha Bima Yojana (PMSBY - 36.11 lakhs). Under Atal Pension Yojana (APY) the Bank has mobilized over 56,000 applications so far.

Financial Inclusion

- Banking facilities provided in all allotted 10049 villages.
- Total Financial Inclusion branches increased to 807 and 2459 BC agents engaged for financial inclusion activities. 479 Ultra Small Branches (USBs) are also functioning to provide banking facilities.
- All financial Inclusion branches have mobilized a business of ₹9347 crore, comprising total deposits of ₹4221 crore (₹2157 crore CASA deposits) and advances of ₹5126 crore.
- 19 Micro Finance branches have mobilized a total business of ₹436 crore.
- 1.43 crore Basic Savings Bank Deposit (BSBD) accounts have a CASA balance of ₹2482 crore.
- The Bank has formed 119 farmers club during the current FY.

- 7440 Self Help Groups (SHGs) were formed and 7335 SHGs credit linked to the extent of ₹147 crore. Exposure under SHGs increased to ₹2488 crore under 116057 SHGs.
- Business Correspondent agents have done 9.55 lakh transactions amounting to ₹162 crore during the current FY.
- 65 Financial Literacy Centres (FLCs) opened at District/ Block levels. 2.53 lakh persons have been educated and 20195 persons have been counseled upto June 2015 this year.

Enhanced Delivery Channels

- As at June 2015, the Bank had 5708 branches, including 7 overseas branches.
- The Bank added 506 ATMs during the quarter, taking the total number of ATMs to 9039 as at June 2015. The Bank's debit card base rose to 2.71 crore. As at June 2015, the Bank had 147 hi-tech e-lounges in major centres for customers to do banking transactions themselves. The ratio of e-transactions increased to 51.10% compared to 44.34% last year.

Customer Friendly New Products/ InfoTech Initiatives

- Web Package for Social Security Schemes of Government of India released.
- Facilities to accept subscription of Social Security Schemes of Govt. of India through ATM, SMS and Internet Banking.
- Facility for sending CASA/Term Deposit balance certificate through e-mail for customers.
- Facility for sending SMS to customers for maintaining minimum balance in the account.
- Tool for Proactive Risk Management enabled for ATMs.

Awards and Accolades

In recognition of the varied initiatives, the Bank was conferred with the following awards during the quarter.

- **Golden Peacock Business Excellence Award (GPBEA)**, 2015, by the Institute of Directors, New Delhi.
- **Special Award for the Best Financial Institution - Gold**, 2015, by the Federation of Karnataka Chamber of Commerce & Industry (FKCCI), Bengaluru.
- **Order of Merit for SME Enablement** during 2014-15 by SKOCH Group.
- **Reserve Bank Rajbhasha Shield** for effective implementation of Official Language in Region 'C' for the year 2013-14.

Goals for FY16

- Thrust on **Retail Business & Asset Quality** - CASA, Retail Deposits, Retail Credit, Fee Income and NPA Management and improving operational ratios, such as, **NIM, RoA, RoE and Cost-to-Income**.
