

PRESS RELEASE- FINANCIAL RESULTS JUNE 2016
HEAD OFFICE, BENGALURU
25th JULY, 2016

Major Highlights

- Net profit for Q1FY17 stood at ₹229 crore, sequentially up from a net loss of ₹3905 crore in March 2016 quarter.
- Gross profit stood at ₹1819 crore, sequentially up from ₹1647 crore in March 2016 quarter.
- Total expenditure declined by 2.75% y.o.y.
- Interest expenses, including interest paid on deposits reduced by 8.45%.
- Cost of deposits came down to 6.45% from 7.12% last year.
- CASA Deposits at ₹1.28 lakh crore, up by 16.95% y.o.y.
- CASA share (domestic) improved to 29.27% from 24.62% last year.
- Non-Interest Income grew by 42.38% to ₹1585 crore.
- Share of non-interest income in total income improved to 13.45%, up from 9.08% a year ago.
- Net Interest Margin (NIM) (Domestic) at 2.29% and NIM (Global) at 2.15%.
- Capital adequacy ratio improved to 12.11%, up from 10.75% a year ago.
- Global Business reached ₹7.86 lakh crore comprising global Deposits of ₹4.65 lakh crore and net advances of ₹3.21 lakh crore.
- Gross NPA Ratio marginally up at 9.71% from 9.40% in March 2016.
- Net NPA ratio at 6.69% from 6.42% in March 2016.
- Cash Recovery during the quarter at ₹918 crore.
- Provision Coverage ratio at 50.82%, up from 50.11% in March 2016.
- Sustained growth in retail assets (y.o.y)- Agriculture (14%), MSME (8.53%), Retail Lending (33.77%), Direct Housing (22.79%), Vehicle (16.47%), Education (18.61%) and Other Personal loans (13.56%).
- Total number of branches at 5855 and Number of ATMs at 9657.
- 39.36 lakhs Mobile Banking and 25.01 lakhs Net Banking users.
- Enhanced E-transactions ratio at 56.40%, up from 51.10% last year.

Income, Expenditure & Profit- Q1 FY17

- Total income stood at ₹11786 crore.
- Non-interest income increased to ₹1585 crore, with robust growth of 42.38% y.o.y.
- Total expenditure declined by 2.75% to ₹9967 crore.
- Operating expenses of the Bank stood at ₹2073 crore.
- Gross profit stood at ₹1819 crore.
- Total provision made in Q1FY17 at ₹1590 crore compared to ₹1525 crore in Q1FY16. The provision for NPAs at ₹1731 crore against ₹1314 crore in Q1FY16.

Business Performance

- Global Business reached ₹786597 crore.
- Global Deposits reached ₹465314 crore.
- Global Advances (Net) stood at ₹321283 crore.
- Overseas business constituted 6.20% of the total business. Total business of 8 overseas branches stood at ₹48753 crore.
- Clientele base increased to 7.36 crore accounts from 6.75 crore last year.

Deposit Portfolio- Thrust on CASA & Retail Deposits

- CASA deposits increased to ₹128270 crore, with a y.o.y growth of 16.95%.
- CASA share (domestic) improved to 29.27% from 24.62% a year ago.
- Retail term deposits increased to ₹180462 crore with a y.o.y growth of 17.7%.
- Share of retail term deposits in term deposits increased to 60.7% compared to 48.4% last year.
- Bulk Term Deposits reduced to ₹116913 crore from ₹162245 crore last year.

Credit Portfolio- Thrust on Retail Assets

- Retail Assets (Agriculture, MSMEs, Housing & Other Retail Schemes) constitutes 60% of the bank's credit portfolio increased from 50.82% a year ago.
- Advances to Priority Sector increased to ₹147681 crore, with 21.07% y.o.y growth.
- Advances to Agriculture grew by 13.94% y.o.y to ₹69419 crore.
- Credit to Micro, Small and Medium Enterprises (MSMEs) recorded a y.o.y growth of 8.53% to ₹67074 crore.
- Credit to M&SE segments reached ₹50997 crore, with a growth of 7.58% y-o-y. The number of Micro Enterprises Accounts recorded a growth of 22.02%.
- 28 lakh women beneficiaries assisted to the tune of ₹42871 crore, constituting 14.24% of ANBC.
- Advances to Weaker Sections reached ₹44379 crore, with a y-o-y growth of 9.03%.
- Lending to Specified Minority Communities reached ₹26465 crore, with a y-o-y growth of 12.45%.
- Achieved the mandated targets in respect of Total Priority (49.03% against 40% ANBC norm), Agriculture (23.05% against 18% ANBC norm), credit to specified minority communities (17.93% against 15% norm) and weaker sections (14.74% against 10% ANBC norm). Number of Micro Enterprises accounts (22.02% growth against 10% norm) & Credit to women beneficiaries (14.24% against 5% norm).
- Retail Lending Portfolio increased to ₹56155 crore, with a y-o-y growth of 33.77%.
- Housing Loan (Direct) Portfolio increased to ₹21195 crore, with a y-o-y growth of 22.79%.
- Vehicle loans and other personal loans recorded good growth of 16.47% (₹4433 crore) and 13.56% (₹11949 crore) respectively.
- Education Loan Portfolio increased to ₹6915 crore, with a y.o.y growth of 18.61%, covering 2.90 lakh students.

Capital Adequacy

- Capital Adequacy Ratio as per Basel III norms improved to 12.11%, up from 10.75% a year ago.
- CET 1 ratio at 8.21% & Tier I ratio at 8.83%.
- The Bank raised ₹3000 crore Basel III compliant Tier II capital in April 2016. Govt of India has intimated to infuse ₹997 crore equity capital during the year.
- Government shareholding is at 66.30%.
- Comfortable capital position for further asset growth.

Asset Quality

- Gross NPA ratio increased to 9.71% from 9.40% as at March 2016 and 3.98% as at June 2015.
- Net NPA ratio increased to 6.69% from 6.42% as at March 2016 and 2.74% as at June 2015.
- Cash Recovery aggregated to ₹918 crore.
- The Bank's outstanding restructured portfolio at ₹23407 crore, constituted 7.03% of gross advances.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

- 76.10 lakhs accounts opened under PMJDY, securing CASA deposits of ₹1348 crore.
- 2.70 lakh PMJDY account holders have been provided with overdraft facility, amounting to ₹52 crore.
- 71 Financial Literacy Centres (FLCs) opened at District/Block levels, educating 2.37 lakh persons.
- 166.51 lakh residents have been enrolled under Aadhaar, with 42.97 lakh accounts mapped with Aadhaar numbers to NPCI mapper.
- As a part of grievances redressal mechanism for customers, the Bank established Toll free number 1800 425 11222.

Social Security Schemes

- 57.05 lakhs enrolments have been done under both Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY- 20.02 lakhs) & Pradhan Mantri Suraksha Bima Yojana (PMSBY- 37.03 lakhs) during the year.
- Under Atal Pension Yojana (APY) the Bank has cumulatively mobilized 73118 accounts.
- Under Sukanya Samridhi Yojana, 13248 accounts have been mobilized.

Pradhan Mantri Mudra Yojana (PMMY)

- Under Mudra Yojana, the Bank disbursed ₹888 crore, covering 78016 accounts in the first quarter.

A Holistic Approach to Financial Inclusion (FI)

- The Bank has provided banking facilities in all the allotted 10049 villages.
- Covered all 3962 allotted SSAs by opening of 849 Brick & Mortar branches and engaging 2459 Business Correspondent agents.
- Besides FI branches, the Bank has opened 477 Ultra Small Branches.
- Financial Inclusion branches have garnered business of ₹12942 crore (deposits ₹5748 crore and advances of ₹7194 crore).
- 18 Micro Finance branches have garnered a total business of ₹475 crore.
- 1.57 crore BSBD accounts opened with outstanding CASA deposits of ₹3365 crore.
- The Bank has formed 110 farmers' clubs.
- 6089 Self Help Groups (SHGs) have been formed and 7174 SHGs have been credit linked to the extent of ₹221 crore. Exposure under SHGs increased to ₹2383 crore under 1.21 lakh SHGs.
- Business Correspondent Agents have done 19 lakh transactions, amounting to ₹355 crore.

Enhanced Delivery Channels, Digital Footprints & Organizational Restructuring

- The total branch network of the Bank increased to 5855, including 8 overseas branches (London, Leicester, Johannesburg, New York, Hong Kong, Manama, Shanghai and Dubai).
- Total number of ATMs further expanded to 9657. 172 e-lounges were functional across major cities.
- Debit card base rose to 3.29 crore.
- 39.36 lakhs Mobile Banking and 25.01 lakhs Net Banking users.
- Ratio of e-transactions increased to 56.40% against 51.10% a year ago.
- Embarked on a major organizational restructuring- 4 Tier structure for retail banking comprising Head Office, 21 Circle Offices, 118 Regional Offices and 5835 branches. The 2 Tier structure for wholesale banking comprising Head Office and 12 Prime Corporate Branches for faster delivery and sanctions.
- Major branch transformation with 801 Shikhar Branches for better customer service to drive business.

New Products & Important Customer-friendly Technology Initiatives

- Aadhaar seeding through BC Terminal
- Renewal of Subscription for Social Security Schemes (PMJJBY/PMSBY)
- Mobile Banking Registration through ATMs
- Missed Call / SMS Based ePass Sheet generation
- SMS/Email Alerts to customers intimating to submit RC Copy/Insurance for the vehicle loans and tax paid receipt/certificate for the mortgaged property.
- SMS/Email Alerts to NPA Borrowers intimating to regularize overdues in accounts.

Awards & Accolades

The Bank was conferred with the following Major Awards in Q1FY17:

- 'Best Strategy in HR' & 'Training Excellence' - Gold Awards, in 6th Annual Greentech HR Award 2016.
- 'SKOCH Order of Merit' Award for initiatives under Financial Inclusion.
- 'Special Award for the Best Financial Institution-Gold' for 7th year in succession by Federation of Karnataka Chamber of Commerce & Industry (FKCCI).
- 'MasterCard Innovation Award' 2015 for International Travel Prepaid Card.
- 'VISA' Award for achieving key monthly spends milestone on VISA Debit Cards.

Goals: March 2017

- Thrust on Retail Business & Asset Quality- CASA & retail deposits, retail credit, fee income, containing NPA, recovery & upgradation and improving operational financial ratios, such as, NIM, RoA, RoE and Cost-to-Income.
