

PRESS RELEASE

**Total Business at ₹8.08 lakh crore
Net Profit for Q2 at ₹529 crore**

Major Highlights - Q2FY16

- Net profit for Q2FY16 at Rs.529 crore, up by 10.44% sequentially.
- Gross profit for Q2FY16 at Rs.1944 crore, up by 19.54% y.o.y
- Total provision for Q2FY16 was at Rs.1415 crore compared to Rs.999 crore last year.
- Total Business at Rs.8.08 lakh crore, up by 4.69% y.o.y.
- Total Deposits at Rs.4.85 lakh crore, up by 5.21% y.o.y.
- CASA deposits grew by 11.51% y.o.y to Rs.1.16 lakh crore and CASA ratio (domestic) improved to 25.49% y.o.y from 23.71% last year.
- Advances (net) at Rs.3.23 lakh crore, up by 3.93% y.o.y.
- Sustained good growth in retail business (y.o.y)- Total Priority (27.84%), Agriculture (15.76%), MSME (17.70%), MSE (19.78%), Retail Lending (14.32%), Housing (direct) (27.83%), Vehicle (11.78%), Education (19.25%) and Other Personal loans (10.22%).
- Total Expenditure increase was contained at 2.37% y.o.y. Interest expenses increase, including interest paid on deposits, moderated to 1.12% y.o.y.
- Non-Interest Income at Rs.1210 crore, up by 18.55% y.o.y.
- Net Interest Margin (NIM) (Domestic) improved to 2.38% against 2.36% last year and NIM (Global) maintained at 2.24% against same level last year.
- Return on Assets (RoA) increased to 0.39% from 0.36% as at June 2015 and 0.51% as at September 2014.
- Return on Equity (RoE) improved to 7.14% from 7.01% as at June 2015 and 11.78% as at September 2014.
- Cost-income ratio down to 47.27% from 50.03% last year.
- Gross NPA at Rs.14021crore vis-à-vis Rs.13081 crore at June 2015.
- Gross NPA Ratio stood at 4.27% compared to 3.98% at June 2015 and 2.92% last year.
- Net NPA ratio stood at 2.90% from 2.74% at June 2015 and 2.31% last year.
- Cash Recovery at Rs.2266 crore.
- Provision Coverage ratio improved to 59.81%.
- 5734 branches and 9132 ATMs as at September 2015.
- Enhanced E-transactions to 53.73% from 44.99% last year.

Income and Expenses- Q2 FY16

- Total income for Q2FY16 increased to ₹12478 crore, with a y-o-y growth of 4.72%.
- Income from loans/advances increased to ₹8126 crore.
- Non-interest income for the quarter increased by 18.55% to ₹1210 crore.
- Total Expenditure increase was contained at 2.37% y.o.y. Interest expenses increase, including interest paid on deposits, moderated to 1.12% y.o.y.
- Net interest income for the quarter increased by 11.78% to ₹2647 crore.

Profits and Profitability - Q2 FY16

- Operating Profit for the quarter was at ₹1944 crore, up by 19.54% y-o-y.
- Total provision for the quarter was at ₹1415 crore compared to ₹999 crore for Q2FY15. The provision for NPAs during the quarter was ₹979 crore.
- Net profit for Q2FY16 stood at ₹529 crore compared to ₹479 crore as at Q1FY16 and ₹627 crore last year.
- NIM (Domestic) improved to 2.38% from 2.36% last year and NIM (Global) maintained at 2.24% same level as last year.
- Cost-income ratio declined to 47.27% from 50.03% last year.
- Return on Assets (RoA) increased to 0.39% from 0.36% as at June 2015 and 0.51% as at September 2014.
- Return on Equity (RoE) improved to 7.14% from 7.01% as at June 2015 and 11.78% as at September 2014.
- Book Value rose to ₹547.56 compared to ₹538.01 as at September 2014.

First Half Year (H1FY16) Performance

- Operating profit increased to ₹3948 crore compared to ₹3421 crore last year, with a y.o.y growth of 15.40%. Net Profit for H1FY16 aggregated to ₹1008 crore compared to ₹1434 crore last year.
- Net Interest Income increased to ₹5163 crore, with a y-o-y growth of 7.63%.
- Total income rose by 4.60% to ₹24731 crore, including ₹16227 crore income from loans/advances. Total Expenses increase was contained at 2.77% to ₹20783 crore.
- Non-interest income for the half year increased by 13.45% to ₹2323 crore.

Business Performance

- Global Business of the Bank rose to ₹808283 crore compared to ₹772053 crore as at September 2014, with a y-o-y growth of 4.69%.
- Global Deposits of the Bank increased to ₹485206 crore compared to ₹461193 crore as at September 2014, with a growth of 5.21%.
- Global Advances (Net) reached a level of ₹323077 crore compared to ₹310860 crore as at September 2014, with a growth of 3.93%.
- Overseas business constituted 6.73% of the total business. Total business of the 7 foreign branches increased to ₹54384 crore from ₹46310 crore last year.

- **CASA deposits** to domestic deposits increased to 25.49% compared to 23.71% last year. The Bank's CASA deposits increased to ₹116002 crore as at September 2015 compared to ₹104030 crore as at September 2014, with a growth 11.51%.
- **Clientele base** increased to 6.96 crore, comprising 6.19 crore under deposit and 77.10 lakh under borrowal accounts. About 94 lakh clientele added during the year.
- **Business per Employee** was at ₹14.25 crore and **Business per Branch** was at ₹140.96 crore.

Capital Adequacy under New Basel III norms

- **Capital Adequacy Ratio** as per Basel III norms stood at 11.04% (as against mandatory requirement of 9%). CET ratio was at 7.98% (against mandatory requirement of 5.5%) and Tier I ratio stood at 8.63% (as against mandatory requirement of 7%).
- Adequate headroom available to raise capital to support business growth momentum. Government shareholding is at 66.30%.

Asset Quality

- **Gross NPA** stood at ₹14021 crore, with a gross NPA ratio of 4.27% compared to 3.98% as at June 2015 and 2.92% last year.
- **Net NPA** stood at ₹9383 crore, with a net NPA ratio of 2.90% compared to 2.74% as at June 2015 and 2.31% last year.
- **Cash Recovery** during Q2FY16 amounted to ₹1210 crore and Cash Recovery during the half year aggregated to ₹2266 crore.
- The Bank's **outstanding restructured portfolio** at ₹29026 crore constituted 8.83% of the gross advances.

Diversified Credit Portfolio

- Outstanding advances to various **Priority Segments** rose to ₹139021 crore compared to ₹108747 crore as at September 2014, with y.o.y growth of 27.84%, accounting for 48.45% to ANBC against 40% norm.
- Advances under **Agriculture** portfolio increased by 15.76% y.o.y to reach ₹63541 crore, achieving 22.15% to ANBC as against 18% norm.
- Credit to **Micro, Small and Medium Enterprises (MSMEs)** reached ₹64749 crore, with a y-o-y growth of 17.70%.
- Credit to **M&SE** reached ₹49383 crore, with a y-o-y growth of 19.78% (against mandated norm of 20%). The **number of micro enterprises accounts** recorded a growth of 24.37% against 10% norm.
- Under **MUDRA YOJANA**, the Bank has disbursed ₹4350 crore covering 3.35 lakh accounts.
- Credit to **women beneficiaries** increased to ₹40581 crore (14.14% against 5% norm).
- **Retail lending portfolio** increased to ₹44451 crore, with a y-o-y growth of 14.32%. The share of retail credit in domestic advances increased to 14.83% compared to 13.43% last year.
- Outstanding **housing loan (direct)** increased to ₹18396 crore, with a y.o.y growth of 27.83%.

- **Education loan portfolio** rose to ₹6363 crore, with a y-o-y growth of 19.25%, covering over 2.8 lakh students.
- **Vehicle loans** (₹3901 crore) and other personal loans (₹10785crore) recorded a growth of 11.78% and 10.22% y.o.y respectively.

Performance under Pradhan Mantri Jan Dhan Yojana (PMJDY)

- Bank has opened **70.59 lakh PMJDY accounts** till September 2015 and mobilized CASA deposits of ₹1101 crore. Rupay Debit cards have been issued to all the accounts.
- **Aadhaar seeding in PMJDY accounts** has been completed in 36.25 lakh accounts(51.36%)
- **Zero balance accounts** have been brought down to 19.84 lakhs (27.88%). Govt of India has appreciated the efforts of the Bank and the success story has been posted in the PMJDY website of Govt. of India.
- **Over Draft facility** has been sanctioned in 94267 PMJDY accounts with total disbursements of ₹17.11 crore.
- **Rupay Card** operations have been enabled at all the **Bank Mitra locations**.

Social Security Schemes

- 51.86 lakhs enrolments have been done so far under both Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY-18.89 lakhs) & Pradhan Mantri Suraksha Bima Yojana (PMSBY - 43.98 lakhs). Under Atal Pension Yojana (APY) the Bank has mobilized 67590 applications.

A Holistic Approach to Financial Inclusion (FI)

- Bank has provided banking facilities in all the allotted 10049 villages.
- Covered all 3962 allotted Sub Service Areas (SSAs) by opening of 808 Brick & Mortar branches and engaging 2459 BC agents.
- Besides FI branches, the bank has opened 479 Ultra Small Branches.
- Financial Inclusion branches have mobilized a business of ₹10444 crore (deposits ₹4748 crore and advances ₹5696 crore).
- 18 Micro Finance branches mobilized a total business of ₹476 crore.
- The number of BSBD accounts increased to 1.50 crore, with outstanding CASA deposit of ₹2726 crore.
- Bank has formed 370 farmers club during the current FY.
- Exposure under Self-Help Groups(SHG) increased to ₹2555 crores to 119319 SHGs.
- Business Correspondent agents have done about 20 lakh transactions amounting to ₹350 crore during the current FY.
- The Bank has adopted 1757 schools all over the country under School Champ Programme, imparting financial education to the students.

Customer Friendly New Products/ InfoTech Initiatives

- Enquiry portal for Social Security Schemes released.
- Subscription for Social Security Scheme- 'Surakshabandhan' enabled.

- Jeevan Praman (digital life certificate for pensioners) functionality has been implemented, making it easy for pensioners.
- Enabled Proactive Risk Manager Tools for ATMs/POS transactions.
- Auto SMS/E-mail facility enabled for the customers who opened the accounts on daily basis, informing how to enroll for Net Banking.
- ACSIS (Dr. Ambedkar Central Scheme of Interest Subsidy for Education Loan for studies Abroad) Portal released in live environment.

Enhanced Delivery Channels

- As at September 2015, the number of branches increased to 5734, including 7 foreign branches. Number of ATMs increased to 9132. Besides, the Bank has 147 e-lounges.
- The Bank's debit card base rose to 2.88 crore and e-transactions increased to 53.73% from 44.99% last year.

Awards and Accolades

In recognition of the varied initiatives, the Bank was conferred with the following awards received during second quarter of FY16.

- **Global Visa Service Quality Performance Award, 2014**, for consistent and superior operating performance.
- **Dun & Bradstreet Banking Awards 2015** for Best Bank under Priority Sector Lending and Best Retail Growth performer amongst the PSBs.
- **National Awards for Excellence in CSR & Sustainability, 2015**, constituted by World CSR Congress under Best Overall Excellence in CSR category.
- **Best Bank Award for implementation of RSETIs for the year 2013-14** by the Ministry of Rural Development, Govt. of India on 'RSETI Diwas'.
- **Best Banker Award instituted by Elets Technomedia** under "Financial Inclusion" for special focus on Micro Finance & Financial Literacy.
- **Pandit Madan Mohan Malaviya Gold Award** for the project Canara Sahara, a CSR activity in education and rehabilitation of physically challenged.
- **2nd Prize in Region 'C' under Rajbhasha Kirti Pursakar, 2014-15.**
- **Awarded 36th rank in Brandz India's 50 Most Valuable Indian Brands 2015** compiled by the research agency Millward Brown and commissioned by WPP Plc, a worldwide communications service group.

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.**
