

## **SyndicateBank announces Financial Results for the Quarter ended June 30, 2013**

At the outset I welcome all friends from press and electronic media and my colleagues from Bank.

As you are all aware that this is my first interaction with press and media after assuming charge in the Bank as Chairman & Managing Director, I am greatly honoured and pleased to welcome all of you here, today, to this press conference of the Bank, organised to declare reviewed financial result for the quarter ended 30.06.2013.

Before I proceed to give the brief of Our Bank's financial results, let me share some of the developments on current macro-economic & financial situation which had a strong bearing on Bank's performance.

### **ECONOMIC SCENARIO**

#### **As we all know:**

- The overall environment continued to throw challenges to the economic growth. The European crisis continued in a subdued form and impacted the world economy. Government of India has brought out various policy changes to boost the economic activity. The GDP for 2012-13 is estimated at 5.0 per cent as compared to the growth of 6.2 per cent during 2011-12. Considering the overall scenario the Indian Economic performance is better than many developed countries. Wholesale price index inflation fell to 43 months low of 4.70% in May 2013. Going forward the food inflation is a challenge. Due to the steps taken by the Government the inflation moderated but continues to be a source of concern.
- To control the Current Account Deficit measures like restriction on import of gold and modifications to ECB guidelines and FDI guidelines have been announced. Going forward all these steps are expected to improve the economic scenario and provide impetus for growth. Fed Reserve Chairman's announcement about possible withdrawal quantitative easing has caused severe volatility in USD / Re exchange rates. Exchange rate volatility is a cause of concern

and RBI has taken quick action to bring stability. The liquidity tightening is expected as a short term measure.

- Index of Industrial Production (IIP) has also dropped to an 11-month low of 1.6% in May'13.

Though the environment is challenging, our Bank has declared good results as can be seen in the press release circulated to you.

Now I proceed to deliberate on the bank's performance in the First quarter of  
Financial Year 2013-14

Corporate Office: Bangalore  
29 July 2013

PRESS RELEASE

**SyndicateBank announces Financial Results for the  
Quarter ended June 30, 2013**

*(Q1 of 2013-14 vis-à-Vis Q1 of 2012-13)*

**Highlights of Performance:**

- In spite of the challenging environment bank could post a decent Operating Profit increase from ₹ 841 crore to ₹ 949 crore (up 13% yoy)
- Similarly Net Profit also increased from ₹ 440 crore to ₹ 452 crore. (up 2.37 yoy)
- Global deposits increased from ₹ 1,57,276 crore to ₹ 1,82,513 crore (up 16% yoy)
- Similarly Global advances also increased from ₹ 1,29,171 crore to ₹ 1,49,383 crore (up 16% yoy)
- Global business increased from ₹ 2,86,447 crore to ₹ 3,31,896 crore (up 16% yoy)
- CASA deposits (domestic) increased from ₹ 44,228 crore to ₹ 51,114 crore (up 16% yoy), contributing to savings in interest cost.
- Gross NPA Ratio stood at 2.38% in Q1 FY'14, remained same as at 2.38% in Q1 FY'13 due to vigorous recovery measures adopted by the Bank.
- Cost to income ratio decreased to 41.87% from 45.90% as at 30.06.2012 due to cost saving measures adopted by the bank, like reduction in high cost deposits.
- Book value per share increased to ₹183.46 from ₹ 157.39 (Q1 13 to Q1 14) due to improved profits.
- Earnings per share increased to ₹30.05 from ₹ 29.25 (annualized)
- Capital Adequacy Ratio (Basel II) at 11.93% improved from 11.72% in Q1 FY'13 as against the minimum requirement of 9%.
- Other Income has improved from Rs.236 Crore to Rs.294 Crore because of Higher Treasury Profits year on year.
- Net Interest Margin is at 2.83% and Return on Assets is at 0.89%

## SNAP SHOT OF PERFORMANCE

**(Q1 of 2013-14 vis-à-Vis Q1 of 2012-13)**

**Net Profit ₹ 452**  
up by 2.73 %

**Other income ₹**  
294 up by 24.58 %

**Operating profit ₹**  
949 up by 12.84 %

**Book Value**  
Increases to  
₹183.46

**Cost to Income**  
down 41.87 %

**Earning per share**  
up to ₹ 30.05  
(annualized)

**Global Advances**  
₹ 149383 Crore  
grew by 16 %

**Gross NPA ratio**  
stood at 2.38 %

**Global Deposit ₹**  
182513 crore  
grew by 16 %

**Global Business**  
₹ 331896 crore  
grew by 16 %

(₹ Crore)

	Q1 FY 2013-14 Vs Q1 FY 2012-13		
	Jun 13	Jun 12	Growth (%)
Net Profit (₹ crore)	452	440	2.73
Operating Profit (₹ crore)	949	841	12.84
Interest Income (₹ crore)	4432	4242	4.48
Other Income (₹ crore)	294	236	24.58
Net Interest Income (₹ crore)	1319	1338	1.44

	Q1 FY 2013-14 Vs Q1 FY 2012-13	
	Jun 13	Jun 12
Capital Adequacy ratio (Basel II)	11.93	11.72
Gross NPA Ratio	2.38	2.38
Cost to Income Ratio	41.87	45.90
Earning per share (Rs)	30.05	29.25
Book Value per share (Rs)	183.46	157.39



### **DOMESTIC BUSINESS (Y –O- Y):**

- Domestic business has gone up from ₹ 2, 57,715 crore to ₹ 2, 84,649 crore registering a growth of 10.45%.
- Domestic Deposits have gone up from ₹ 1, 45 283 crore to ₹ 1, 62,510 crore registering a growth of 11.86%.
- Domestic Advances have gone up from ₹ 1, 12,432 crore to ₹ 1, 22,139 crore registering a growth of 8.63%.
- Savings Deposits has increased by 9% to ₹ 37,369 crore.
- Domestic CASA Deposits increased by ₹ 6,886 crore forming 31.45% of total Domestic Deposits.

### **OVERSEAS BUSINESS (Y- O- Y):**

- London branch business has grown by 64% from ₹ 28,732 crore to ₹ 47,247 crore.
- Advances at London branch increased to ₹ 27,244 crore against ₹ 16,739 crore registering a growth of 63%.
- Deposits at London branch increased to ₹ 20,003 crore from ₹ 11,993 crore registering a growth of 67%.

### **PROFITABILITY RATIOS (Y-O-Y):**

- Net Profit increased from ₹ 440 Crore to ₹ 452 Crore.
- Operating Profit increased by ₹ 108 Crore from ₹ 841 crore to ₹ 949 crore registering a growth of 13%.

### **VALUE TO INVESTORS:**

- Earnings per share (EPS) annualized improved from ₹ 29.25 to ₹ 30.05.
- Book value share increased from ₹ 157.39 to ₹ 183.46.
- Cost of deposits decreased from 7.08% to 6.59%.

## **REDUCTION IN HIGH COST BULK DEPOSITS (Y-O-Y):**

Bank pursued the strategy of reducing its dependency on high cost bulk deposits and has shed ₹ 6,627 crore (20.53%) brought down the level to ₹ 25,650 crore. Bulk Deposit is 14.05 % of Domestic deposit.

## **RECOVERY:**

- Gross NPA ratio is maintained at 2.38%, inspite of adverse economic scenario.
- In order to maximise cash recovery of NPAs and upgrading the existing NPAs, Bank has operationalised a focused recovery team called “Stressed Tiny Assets Recovery Team” (START), resulting in recovery in NPAs (Domestic) amounted to ₹ 233.30 crore which includes ₹ 149.60 crore recovery towards principal, ₹ 83.42 crore towards uncharged interest and ₹ 0.28 crore towards written off accounts.
- Our Executive Directors and other top Executives at Corporate Office address the Regional Heads through Video Conference regarding NPAs and SMAs of Rs.1.00 Crore and above.

## **Branch Expansion:-**

Bank has opened 70 Branches during Q1 FY'14 and reached a mile stone of 3004 branches and proposes to reach 3200 branches before 31.03.2014. Bank has at present 1341 ATMs and will be adding another 1300 ATMs in new sites.

## **PRIORITY SECTOR ADVANCES:**

- Priority Sector Credit grew by 11.13% to ₹ 47046.40 crore from ₹ 42336.14 crore as at 30.06.2012.
- Total Agriculture Credit grew by 14.33% from ₹ 17765.79 crore as at 30.06.2012 to ₹ 20312.17 crore as at 30.06.2013, forming 16.87% of ANBC.
- Credit to Micro and Small Enterprises (MSE) grew by 12.86% from ₹ 13843.48 crore as at 30.06.2012 to ₹ 15623.80 crore as at 30.06.2013.
- Credit to Weaker Section stood at ₹ 12107.72 crore as at 30.06.2013 forming 10.05% of ANBC (mandatory 10.00%).
- Credit to Minority Community grew by 12.95% from ₹ 6862.15 crore as at 30.06.2012 to ₹ 7750.89 crore as at 30.06.2013, forming 16.87% (mandatory level of 15 %) of Priority Sector Credit.

## **FINANCIAL INCLUSION:**

- Bank has covered 1574 villages with less than 2000 population, under Financial Inclusion as at 30.06.2013.
- Bank has opened 24 Ultra Small Branches during Q1 FY'14, taking the total number of USBs opened to 960 as on 30.06.2013 and engaged 1733 BCAs to assist the branches in implementing FI and DBT programmes.
- Bank has opened 58.16 lakhs Basic Savings Bank Deposit Accounts as at 30.06.2013. Of which over 1 lakh accounts were opened during Q1 FY'14.
- Bank has 7.45 lakh Kisan Credit Cards (KCCs) amounting to Rs.5588.11 crore as at 30.6.2013.
- 41800 General purpose Credit Cards (GCCs) were issued as on 30.06.2013, amounting to Rs. 68.25 crore.
- To extend risk cover to FI customers, 11957 Micro Insurance policies were issued up to 30.06.2013.
- **Direct Benefit Transfer:** Bank opened 75664 beneficiaries' accounts under DBT and benefits amounting to Rs.259.63 lakh were credited to beneficiary's accounts as at 30.06.2013.
- 367 ATMs were installed in DBT Districts as on 30.6.2013 to facilitate DBT beneficiaries to withdraw the benefits credited to their accounts and to do hassle-free transactions.

## **INFORMATION TECHNOLOGY:**

- Bank has added 35 new ATMs during Q1 FY'14, taking total number of ATMs operationalised to 1341 as at 30.06.2013.
- Bank has issued 296959 new VISA/Maestro Debit cards and 390 Credit cards during Q1 FY'14, leading total number of card base to 7767305 as at 30.06.2013.
- 803 number of POS terminals have been installed at 756 merchant locations as at 30.06.2013.
- Bank has 731559 internet banking 709641 SMS banking and 13059 mobile banking customers as at 30.06.2013.



## STRATEGIES / INITIATIVES UNDERTAKEN FOR FUTURE BUSINESS GROWTH

- Bank is in the process of establishing 'Business Process Management Centre'-a back office function at Bangalore for local Branches.
- Bank has entered into tie-up with 9 Asset Management Companies at select branches for distribution of Mutual Fund products.
- Bank has also entered into tie-up with Life Insurance Corporation of India Ltd. (LIC) for distribution of life insurance Products.
- Bank has entered into strategic tie-up with M/s PIAGGIO Vehicles Pvt Ltd and M/s Maruti Suzuki India Ltd. to increase its vehicle loan portfolio, besides renewing MOUs signed with various other reputed Commercial Vehicle Manufacturers viz. Tata Motors, TVS Motors, Bajaj Auto Ltd and Force Motors for financing commercial vehicles under Micro and Small Enterprises.
- Bank has formed a new vertical 'Mid Corporate Credit', especially, to meet the aspiration of credit demand from growing mid-Corporates.
- Bank has created a separate Marketing vertical at Corporate Office and Regional Offices to accelerate marketing efforts to augment fee based income.
- Bank has started providing E-Lounge, Self Service Banking facilities at HSR Layout Bangalore initially and will be extended to other major centres shortly.
- To fulfill the aspiration of HNIs and to serve them better, HNI Lounges are operationalised at important centres like Delhi, Kolkata, Bangalore and Mumbai.

## ACHIEVEMENTS

- Our Bank has been acknowledged as "**BANK OF THE YEAR**" for its splendid performance by magazine 'Investment Advice' in its June 2013 issue.
- Bank has opened 3000th branch in Bangalore and 3001st branch in Imphal, Manipur, leading to PAN India presence of our branch network across the country.
- Farmers clubs promoted by Gurgaon Gramin Banks, our sponsored RRB were honoured by Hon'ble Chief Minister of Haryana by presenting a shield for its excellent performance.
- Our Bank has been presented with an award as '**Best Performing Bank in Implementation of SHG linkages programme**' in the state of Andhra Pradesh by Hon'ble Chief Minister of Andhra Pradesh, Shri N Kiran Kumar Reddy.