



**Corporate Office: Bengaluru
5th August 2017**

PRESS RELEASE

**Syndicate Bank Announces
Reviewed Financial Results for the Quarter ended
30th June, 2017**

Operating profit increased by 26% and net loss is due to increase in provisioning by 79% on y-o-y basis.

HIGHLIGHTS

- Net Interest Income 8 % (y-o-y) Growth
- Non Interest Income 24 % (y-o-y) Growth.
- Operating Profit at Rs.980 crore in Q1 FY 2017-18 increased by 26% (y-o-y).
- NIM (Domestic) improved from 2.51% in Q1 FY 2016-17 to 2.85% in Q1 FY 2017-18.
- CASA share to total domestic deposits at 30.13% as at June 30, 2017 as against 26.28% as at June 30, 2016.
- Savings Deposit 20 % (y-o-y) Growth.
- CRAR (Basel III) increased to 12.30% as at June 30, 2017 from 11.00% as at June 30, 2016.
- Gross NPA Ratio stood at 9.96% as on 30.06.2017.
- Net NPA Ratio stood at 6.27% as on 30.06.2017.
- Provision Coverage Ratio stood at 54.80% as at 30.06.2017.

Performance Highlights for the First Quarter of Financial Year 2017-18

Net Profit:

The Bank has recorded net loss of Rs.263 crore for the quarter ended 30th June 2017 as against a net profit of Rs.79 crore as on 30th June 2016. The net loss is due to increase in provisioning by 79% on year on year basis.

Operating Profit:

The operating profit for the quarter ended 30th June 2017 increased by 26% to Rs.980 crore as against Rs.774 crore during quarter ended 30th June 2016.

Net Interest Income (NII):

The Net Interest Income for the quarter ended 30th June 2017 increased by 8% to Rs.1601 crore from Rs.1,479 crore in quarter ended 30th June 2016.

Other Income:

The other income increased by 24% percent to Rs.687 crore for the quarter ended 30th June 2017 from Rs.555 crore during quarter ended last year.

Operating expenses:

The operating expenses for the quarter ended 30th June 2017 increased to Rs.1308 crore from Rs.1259 crore for the quarter ended 30th June 2016.

Provisions & Contingencies:

The overall provisions for the quarter ended 30th June 2017 increased by 79 percent to Rs.1,243 crore from Rs.696 crore during quarter ended 30th June 2016, mainly due to increase in fresh slippages to NPA.

Other Financial Ratio:

Quarterly Comparison- Global

Parameter	June 2016	June 2017
Cost to income Ratio (%)	61.90	57.16
Cost of Deposits (%)	6.07	5.28
Cost of Funds (%)	5.68	5.04
Yield on Advances (%)	8.52	7.55
Yield on Funds (%)	7.60	7.12
Net Interest Margin (NIM) (Ann) (%)	2.22	2.46

Business Parameters:

Business:

The Bank's total Business increased to Rs.4,75,313 crore as on 30th June 2017 as against Rs.4,68,764 crore during corresponding period of last year. The Domestic Business was at Rs.4,05,939 crore as on 30th June 2017 as compared to Rs.4,07,099 crore during the corresponding period of last year.

Deposits:

The Bank's total deposits increased to Rs.2,72,578 crore as on 30th June 2017 from Rs.2,63,915 crore as on 30th June 2016.

Advances:

The total advances of the Bank stood at Rs.2,02,735 crore as on 30th June 2017 as against Rs.2,04,849 crore as on 30th June 2016.

Sectoral Advances :

Parameter	Outstanding			(Rs. in Crore)
	30.06.2016	30.06.2017	% Growth (Y-o-Y)	% of ANBC
Priority Sector	65,724	67,421	2.58	40
Agriculture	29,712	31,464	5.90	18
MSE	24,422	24,500	0.32	
MSME	27,389	26,611	-2.84	
Retail	26,965	27,999	3.83	

Investments:

Investment Portfolio was Rs.67,165 crore as on 30th June 2017 as against Rs.70,145 crore as on 30th June 2016.

Other Performance Indicators:

Capital Adequacy Ratio (CRAR):

The CRAR (Basel III) improved by 1.3% to 12.30% as on 30th June 2017 from 11.00% as on 30th June 2016.

NPA Management:

The Gross NPA stood at Rs.20,184 crore as at 30th June 2017 as compared to Rs.17,609 crore as on 31st March 2017 and in percentage terms, the Gross NPA ratio was 9.96 % as at 30.06.2017 as against 8.50% as on 31.03.2017.

The Net NPA was at Rs.12,188 crore as on 30.06.2017 as against Rs.10,411 crore as on 31.03.2017 and in percentage terms, Net NPA ratio was 6.27% as on 30.06.2017 as against 5.21% as on 31.03.2017.

The provision coverage ratio was at 54.80% as at 30th June 2017.

During the Quarter, NPAs of Rs.202.24 crore was upgraded and cash recoveries of Rs. 595.08 crore have been made. The cash recovery includes recovery in prudentially written off accounts amounting to Rs.85.82 crore.

Net worth:

The networth of the Bank was at Rs.11,856 crore as on 30th June 2017 in comparison to Rs 11,488 crore as on 30th June 2016.

Capital Planning:

- ❖ Rs.500 crore of Basel III Compliant Tier-II Bonds were raised on 03.05.2017 to strengthen the capital position of the bank.
- ❖ In July 2017, the Bank raised AT-I bonds of Rs.450 crore.
- ❖ Bank is evaluating various options to strengthen the capital position through Equity and Basel III compliant Bonds.

New Initiatives for Digital Banking during the quarter as on 30.06.2017

- ❖ As part of providing enhanced customer service, Bank has implemented “Green PIN Project” which offers Syndicate Bank customers can generate new / reset existing ATM Debit Card PIN, through ATM any time.

- ❖ Bank has launched “UPI application for the iOS Platform of Mobile Phones”. Customers can use Synd UPI on iPhones and can send and collect money. Synd UPI is already available for android platform of Mobile Phones.
- ❖ Bank has implemented dual fingerprint based authentication for SHG transactions for allowing self help group customers to withdraw or deposit through Micro ATM / BC Channel of our Bank.
- ❖ Bank has launched Bilingual in Internet Banking. Customer can choose the language either English or Hindi at the time of login in the login page of Internet Banking and based on the language selection, all the menus of Internet Banking will pop up in the respective selected language.

Recognition & Awards/Accolades during First quarter of FY 2017-18

The details of various awards and accolades received by the Bank during first quarter of FY 2017-18 are mentioned below.

- ❖ **Skoch Financial Inclusion Award-2017** for various IT initiatives viz, Privilege Identity Management, Aadhaar ePDS, Aadhaar Pay, eKYC Online Account Opening, Save the Farmer Campaign and Card Limit Management.
- ❖ Bank has received third prize for the overall performance under **SHG-Bank Linkage and JLG-Bank Linkage programme** for FY 2016-17 among commercial Banks operating in Karnataka from NABARD.
- ❖ Bank has received **Award of Excellence** from Ministry of Rural Development, Government of India, on 07.06.2017 for FY 2014-15 and 2015-16, in recognition of exemplary leadership given to SyndRSETIs sponsored by the Bank.

Going Forward:

The Bank’s focus areas for FY 2017-18 are:

- ❖ NPA management
- ❖ CASA augmentation
- ❖ Realigning Advances portfolio towards RAM (Retail, Agriculture and MSME)
- ❖ Reduction in cost

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