



**Corporate Office: Bengaluru**  
**26<sup>th</sup> October, 2016**

## **PRESS RELEASE**

### **Syndicate Bank Announces Reviewed Financial Results for the Quarter ended 30<sup>th</sup> September, 2016**

#### **Highlights**

- Operating Profit at ₹1017 crore in Q2 FY 2016-17 increased by 31% (Q-o-Q)
- Retail Credit 12% (YoY) Growth
- Agriculture Credit 13% (YoY) Growth
- Savings Deposit 7% (YoY) Growth
- Non Interest Income 29% (YoY) Growth
- Interest Expenses reduced to ₹4239 crore as at Q2 FY 2016-17 from ₹4460 crore as at Q2 FY 2015-16
- NIM improved from 2.22% as at Q1 FY 2016-17 to 2.33% as at Q2 FY 2016-17
- Cost of Deposits reduced to 6.06% as at Q2 FY 2016-17 from 6.45% as at Q2 FY 2015-16
- CRAR (Basel III) increased to 11.35% as at Sept 16 from 10.46% as at Sept 15
- Gross NPA Ratio stood at 7.72% as on 30.09.2016
- Net NPA Ratio stood at 5.03% as on 30.09.2016
- Provision Coverage Ratio stood at 53.69% as on 30.09.2016
- Upgradation/Recovery of NPA ₹1187 crore in Q2 FY 2016-17 increased by 130% (Q-o-Q), 43% (Y-o-Y)

## **Performance Highlights for the Second Quarter of Financial Year 2016-17**

### **Net Profit:**

The Bank has recorded net profit of Rs.162 crore for the **Half Year** ended 30<sup>th</sup> September 2016 compared to Rs.634 crore reported in its corresponding **Half Year** ended 30<sup>th</sup> September 2015.

The net profit for the Q2 (July to Sept 2016) of the current fiscal is at Rs.83 crore as against Rs.332 crore reported during its corresponding period of last year.

### **Operating Profit:**

The operating Profit for the **Half Year** ended 30<sup>th</sup> September 2016 stood at Rs.1,791 crore as against Rs.2,234 crore reported during Half Year ended 30<sup>th</sup> September 2015.

The operating Profit for Q2 of 2016-17 stood at Rs.1,017 crore as against Rs.1,209 crore reported in Q2 of 2015-16.

### **Net Interest Income (NII):**

The Net Interest Income for the **Half Year** ended 30<sup>th</sup> September 2016 increased to Rs.3,024 crore from Rs.3,007 crore in its corresponding period of previous year.

The NII for Q2 of 2016-17 marginally declined to Rs.1,545 crore for the Q2 of 2016-17 as against Rs.1,595 crore in Q2 of 2015-16.

### **Interest Income:**

The interest income for the **Half Year** ended 30<sup>th</sup> September 2016 stood at Rs.11648 crore as against Rs.11,878 crore posted in its corresponding period of previous year.

The interest income for the Q2 of 2016-17 marginally decreased to Rs.5,784 crore from Rs.6,055 crore in its corresponding period of Q2 of 2015-16.

### **Other Income:**

The other income increased by 20.61 percent to Rs.1,346 crore for the **Half Year** ended 2016-17 from Rs.1,116 crore during the corresponding Half year.

The other income for Q2 of 2016-17 increased by 28.78 percent to Rs.792 crore from Rs.615 crore during the corresponding period of Q2 of 2015-16.

### **Interest Expenses:**

The interest expenses for the **Half Year** ended 30<sup>th</sup> September 2016 at Rs.8,624 crore declined by 2.78 percent from Rs. 8,871 crore during the Half Year ended 30<sup>th</sup> September 2015.

The Interest expenses for Q2 of 2016-17 declined by 4.96 per cent to Rs. 4,239 crore as against Rs. 4,460 crore for Q2 of previous year.

### **Operating expenses:**

The operating expenses for the **Half Year** ended 30.09.2016 increased to Rs.2,579 crore from Rs.1,889 crore for the corresponding period of 2015.

The operating expenses for Q2 of 2016-17 was Rs.1,320 crore as against Rs.1,000 crore for Q2 of 2015-16.

### **Provisions & Contingencies:**

The overall provisions for the **Half Year** ended 30<sup>th</sup> September 2016 stood at Rs.1,629 crore and increased by 1.81 percent from Rs.1,600 crore during 30.09.2015.

The Bank has made provision and contingencies of Rs. 934 crore during Q2 of 2016-17 as against Rs.877 crore in its previous period (2015-16).

### **Other Financial Ratio:**

#### **Half Year Ended Comparison**

<b>Parameter</b>	<b>H1 of FY 2015-16</b>	<b>H1 of FY 2016-17</b>
Cost to income Ratio (%)	48.45	59.05
Earnings Per Share (Ann.) Rs.	19.16	4.04
Book Value Per Share Rs.	207.18	154.48
Return of Assets (Ann.) (%)	0.43	0.11
Cost of Deposits (%)	6.55	6.06
Cost of Funds (%)	6.07	5.67
Yield on Advances (%)	8.98	8.41
Yield on Funds (%)	8.13	7.66
Net Interest Margin (NIM) (Ann) (%)	2.31	2.26
Return on Equity (Ann) (%)	10.22	5.42

### **Business Parameters:**

#### **Business:**

The Bank's total Business increased to Rs.4,73,307 crore as on 30<sup>th</sup> September of 2016 as against Rs.4,71,900 crore recorded in 30<sup>th</sup> September of 2015. The Domestic Business grew by 4.27% and was at Rs. 4,07,427 crore as on 30.09.2016 as compared to Rs.3,90,746 crore reported in its earlier corresponding period i.e. 30.09.2015.

#### **Deposits:**

The Bank's Total deposits reached a level of Rs.2,65,342 crore as on 30<sup>th</sup> September 2016 from Rs. 2,63,722 crore in its previous period of a year ago.

#### **Advance:**

The total Advance as on 30<sup>th</sup> September 2016 stood at Rs. 2,07,965 crore declined marginally from Rs. 2,08,178 crore in its previous period of a year ago.

### **Priority Sector Advance :**

<b>Sectoral Advance</b>	<b>Outstanding</b>			(Rs. in Crore)
	<b>30.09.2015</b>	<b>30.09.2016</b>	<b>% Growth (Y-o-Y)</b>	<b>% of ANBC</b>
Priority Sector	58,979.78	63,838.02	8.24	41.24
Agriculture	24,919.94	28,185.13	13.10	18.21
MSME	25,658.00	27512.00	7.22	
Retail	24,360.18	27,221.49	11.74	

### **Investments:**

Investment Portfolio stood at Rs.68,068 crore as on 30<sup>th</sup> September 2016 against Rs.67,280 crore during corresponding period of previous year i.e. 30.09.2015.

### **Other Performance Indicators:**

#### **Capital Adequacy Ratio (CAR):**

The CAR (Basel III) improved by 89 basis points to 11.35% as on 30<sup>th</sup> September 2016 from 10.46% in its corresponding period of previous year.

#### **NPA Management:**

The Gross NPA increased to Rs.16,057 crore as at 30<sup>th</sup> September 2016 from Rs. 7,734 crore during 30<sup>th</sup> September 2015 and in percentage terms, the Gross NPA ratio was 7.72% as at 30.09.2016 as against 3.72% recorded in 30.09.2015.

The Net NPA was at Rs.10,163 crore as on 30.09.2016 as against Rs.4855 crore reported in 30.09.2015 and in percentage terms, Net NPA ratio was 5.03% as on 30.09.2016 as against 2.37% recorded in 30.09.2015.

The provision coverage ratio stood at 53.69% as at 30<sup>th</sup> September 2016.

During the half year, NPAs for ₹756.86 crore was upgraded and cash recoveries of ₹1181.46 crore have been made. The cash recovery includes recovery in Prudentially written Off Accounts amounting to ₹201.39 crore.

#### **Networth:**

The networth of the Bank stood at Rs.12,347 crore as on 30<sup>th</sup> September 2016 in comparison to Rs.12,730 crore as of its previous year period.

#### **Capital Planning:**

- ❖ Rs.1000 crore of Basel III Compliant Additional Tier I Bonds were raised on 24.10.2016 to further strengthen the capital position of the bank and support the growth in the loan book.
- ❖ Shares amounting to Rs. 776 crore were allotted to the GOI on 30.09.2016 as part of first tranche of the Announced capital infusion of Rs.1034 crore.
- ❖ Rs.930 crore of Basel III Compliant Additional Tier I Bonds were raised on 15.07.2016.
- ❖ Bank is evaluating various options to further strengthen the capital position through Equity and Basel III Compliant Tier II Bonds.

### **Branch Network:**

The Bank has a well-knit network of total delivery Channels as on 30.09.2016 stood at 7607 (3821 Branches and 3786 ATMS)

### **New Initiatives:**

- ❖ Our Bank has provided an application in Mobile Banking; the first Bank to provide facility for USSD based IMPS using Aadhaar Number.
- ❖ First Public Sector Bank to implement CPPS (Centralized Positive Payment System) for CTS, by sharing CPPS data with NPCI.
- ❖ Tamilnadu VAT payment is made available through our website.
- ❖ To maximize customer delight, options such as MPIN reset, hot listing/blocking debit card are added in internet banking and online generation of MPIN, change of MPIN through NUUP Platform, quick recharge of mobile number, integration of E-Passbook & Synd guide are added in Mobile banking.

### **CSR Activities:**

Bank recognizes its role towards society and undertook various CSR activities during quarter Q2 of FY 2016-17. Some of which are outlined below.

- ❖ Donated to development of Tiruvarur, Nagarcoil, Pattukottai Municipality of Tamilnadu.
- ❖ Financial assistance to Karnataka Residential Educational Institutions Society (KREIS) Bengaluru for installing water purifiers at schools.
- ❖ Financial assistance to Rotary Club of Pune University for Swachh Bharat Abhiyan through Magic Pits Project in Pune Dist. Maharashtra.
- ❖ Financial Assistance to Bharathiya Vikas Trust, Shivalli, Udupi for organizing entrepreneurship training programmes in tailoring to rural women.
- ❖ Donation towards part cost of construction of new building for Ananda Marga children homes Bengaluru.
- ❖ Donation of Dialysis Machine to Shri Sai Baba Sansthan, Shirdi Sai Baba Hospital.
- ❖ Financial Assitance to Srijan Educational and Cultural Development Trust, Durgapur towards implementing Swachha Vidylaya Project in Schools.
- ❖ Financial Assistance to Consortium for Community (CFC) Bengaluru for supporting education of poor children.

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