



SyndicateBank

PRESS RELEASE

Q3 FY 19/ Nine Months Ended FY 19 RESULTS

Highlights

- ❖ The bank has reversed the loss making trend from the past 4 Quarters to net profit of Rs. 108 crore during the December 2018 Quarter.
- ❖ CASA % to Domestic Deposits have improved from 33.49% as on 30.09.2018 to 34.96% as on 31.12.2018.
- ❖ Global business of the bank stood at Rs.4, 67,911 Crores as on 31.12.2018.
- ❖ The share of Retail Term Deposits as a percentage to Total Term Deposits has also improved from 56.41% as on Sept 18 to 60.58 % as on Dec 18.
- ❖ The Bank's credit portfolio continue to be diversified with share of Retail, Agriculture, MSME (RAM) at 55% of the domestic advances.
- ❖ The Net Interest Income (NII) has improved by 3%, from Rs.1,572 Crore in Sept 2018 quarter to Rs.1,619 Crores in Dec 2018 quarter.
- ❖ Gross NPA Ratio stood at 12.54 % as on 31.12.2018 improved from 12.98%as on 30.09.2018.
- ❖ Net NPA Ratio stood at 6.75% as on 31.12.2018 improved from 6.83% as on 30.09.2018.
- ❖ Provision Coverage Ratio has improved from 64.02% as on Sept 18 to 64.81% as on Dec 2018.
- ❖ The Operating Profit for Dec 2018 quarter stood at Rs.634 crore as against Rs.570 crore reported in Sept 2018 quarter showing an increase of 11% Q-o-Q.
- ❖ Upgradation & Recovery increased to Rs. 3716 Crore in the Q3 FY 2019 as against Rs.2,408 crore in Q2 FY 2019.
- ❖ The Bank continue to target Capital Lite Assets and the share of A and above rated advances improved from 65% as on 30.09.2018 to 69% as on 31.12.2018.
- ❖ The ratio of Risk Weighted Assets (RWA) to Gross Advances has come down from 85.15%as on 31.12.2017 to 80.40% as on 31.12.2018
- ❖ The CRAR Ratio as on Dec 2018 stood at 12.46% improved from 10.95% as on Sept 18
- ❖ Domestic NIM has increased by 12 bps from 2.68% in September 18 Quarter to 2.80% in December 18 Quarter.
- ❖ Overall Cost to income ratio has improved from 72.35% as on Quarter ended Sept 18 to 71.51% as on Quarter ended Dec 18.

Performance Highlights for the Third Quarter and Nine Months Ended of FY 2018-19

Interest Income:

The interest income for the Nine Months ended Dec 2018 stood at Rs.16,115 crore against Rs.16,418 crore posted in its corresponding period of previous year.

The interest income for quarter ended Dec 2018 increased to Rs.5,459 crore from Rs.5,376 crore in its corresponding period of previous year due to the increase in the interest income of corporate advances on account of realisation of unbooked interest made through Recoveries in the Quarter. The Up-stick will continue in the coming quarters owing to recoveries in NPA and expected resolutions in NCLT referred accounts.

Other Income:

The other income declined by 30% to Rs.1,489 crore for the Nine Months ended Dec 2018 from Rs.2,117 crore as against corresponding period of previous year. The decline is mainly due to fall in treasury income on account of decrease in profit on sale of investments as the yield on G Sec bonds has hardened in the nine months ended 31.12.2018 as compared to its corresponding period of previous year.

The other income for quarter ended Dec 2018 quarter increased by 9% to Rs.619 crore from Rs.569 crore in its corresponding period of previous year.

Interest Expenses:

The interest expenses for the Nine Months ended Dec 2018 stood at Rs.11,419 crore against Rs.11,545 crore in its corresponding period of previous year.

The Interest expenses for the Dec 2018 quarter remains flat at Rs. 3,840 crore against Rs.3,827 crore as compared to preceding Quarter Sept 2018.

Net Interest Income (NII):

The Net Interest Income for the Nine Months ended Dec 2018 declined to Rs.4,697 crore from Rs.4,873 crore in its corresponding period of previous year.

The NII for Dec 2018 quarter marginally declined to Rs.1,618 Crores against Rs.1,623 Crores in its corresponding period of previous year.

Operating expenses:

The operating expenses for the Nine Months ended Dec 2018 increased to Rs.4,423 crore from Rs.4,061 crore in its corresponding period of previous year.

The operating expenses for Dec 2018 quarter was Rs.1,604 crore against Rs.1,417 crore in its corresponding period of previous year. The increase in operating

expenses is on account of additional provision of Rs. 75.00 crore to built up pension fund and increase of more than Rs. 100 crore due to increase in pension contribution on account of change in discount rate. As such employee expenditure remains flat. Further the bank has incurred additional Rs. 9.32 crore in the Quarter on technological upgradation on magnetic stripe cards to EMV Chips cards.

Operating Profit:

The operating Profit for the Nine Months ended Dec 2018 stood at Rs.1,762 crore as against Rs.2,929 crore reported in corresponding period of previous year.

The operating Profit for Dec 2018 quarter stood at Rs.634 crore as against Rs.570 crore reported in Sept 2018.

Provisions & Contingencies:

The overall provisions for the Nine Months ended Dec 2018 stood at Rs.4,478 crore as against Rs.3,957 crore in its corresponding period of previous year.

The Bank has made provision and contingencies of Rs.526 crore during Dec 2018 quarter against Rs.2114 crore during Sept 18 quarter showing a decline of 75%.

This is due to aggressive provisioning made in the earlier periods , control over fresh slippages and reversal of MTM Provisions due to fall in G SEC rate in the December 18 Quarter.

Net Profit/Loss:

The Bank incurred net loss of Rs.2,716 crore for the Nine Months ended Dec 2018 compared to Net Profit/Net loss of Rs.1,028 crore reported in its corresponding Nine Months ended Dec 2017, due to higher provisioning towards NPA and MTM losses.

The Bank made a net profit of Rs.108 crores for the Quarter ended Dec 2018 against a net loss of Rs.870 crores during Dec 2017 quarter due to lower provisioning towards NPA due to control over fresh slippage and reversal of MTM losses softening of yield.

Other Financial Ratio:

Quarter Ended Comparison

Parameter	Quarter Ended Dec FY 2017-18	Quarter Ended Dec FY 2018-19
Cost to income Ratio (%)	64.62	71.68
Earnings Per Share (Ann.) Rs.	-ve	2.99
Return of Assets (Ann.) (%)	-ve	0.15
Cost of Deposits (%)	5.01	5.27
Cost of Funds (%)	4.88	5.16
Yield on Advances (%)	7.49	7.67
Yield on Funds (%)	6.99	7.34
Net Interest Margin (NIM) (Ann) (%)	2.36	2.48
Return on Equity (Ann) (%)	-ve	4.13

Business Parameters:

Business:

The Bank's Total Business declined to Rs.4,67,911 crore as on Dec of 2018 as against Rs.4,91,161 crore recorded in Dec 2017. The Domestic Business declined to Rs.4,04,304 crores as on Dec 2018 as compared to Rs.4,13,162 crore reported in its earlier corresponding period i.e. Dec 2017.

However there is an increase in branch business of 5.30% and 6.72% of semi urban and rural branches respectively as on Dec 31 2018 against the corresponding period of previous year.

Deposits:

The Bank's Total deposits stood at Rs.2,59,064 crore as on Dec 2018 as against Rs. 2,71,712 crore in its corresponding period of a year ago.

Advance:

The total Advance as on Dec 2018 stood at Rs.2,08,847 crore declined from Rs.2,19,449 crore in its corresponding period of a year ago. Though retail advances has shown marginal growth, Corporate and MSME advances have come down due to resolutions in the NCLT accounts and prudential write off made in the Books. Also bank is focussing on the capital lite assets and the same has improved from 65% as on 30.09.2018 to 69% as on 31.12.2018.

Priority Sector Advance:

(Rs. in Crore)

Sectoral Advance	31.12.2017	31.12.2018	% of ANBC
Priority Sector	73,189	70,954	40.25
Agriculture	34,782	32,955	18.69
Other Priority Sector	38,407	37,999	21.55

Investments:

Investment Portfolio stood at Rs.81,462 crore as on Dec 2018 against Rs.80,126 crore during corresponding period of previous year i.e. Dec 2017.

Other Performance Indicators:

Capital Adequacy Ratio (CAR):

The CAR (Basel III) stood at 12.46% as on Dec 2018 as against 11.88 % in its corresponding period of previous year. The Tier 1 capital has improved from 9.06% as on Dec 2017 to 9.68% as on Dec 2018.

Net Interest Margin (NIM)

Domestic NIM improved by 12 bps from 2.68% in Sep 2018 quarter to 2.80% in Dec 2018 quarter. Global NIM improved by 10 bps from 2.38% in Sept 2018 quarter to 2.48% in Dec 2018 quarter.

NPA Management:

The Gross NPA declined to Rs.26,185 crore as at Dec 2018 from Rs.27,131 crore during Sept 2018 and in percentage terms, the Gross NPA ratio is 12.54% as at Dec 2018 against 12.98% in Sept 2018. It was at Rs. 21,103 crore and 9.62% as at Dec 2017.

The Net NPA declined to Rs.13,211 crore as at Dec 2018 from Rs.13,321 crore during Sept 2018 and in percentage terms, the Net NPA ratio is 6.75% as at Dec 2018 against 6.83% in Sept 2018. It was at Rs.11,410 crore and 5.44% as at Dec 2017.

Period	Gross NPA	Net NPA	(In %)
			PCR
December-17	9.62	5.44	59.93
September-18	12.98	6.83	64.02
December-18	12.54	6.75	64.81

Networth:

The Net worth of the Bank stood at Rs.10,844 crore as on Dec 2018 in comparison to Rs.8,317 crore as on Sept 2018.4