



Corporate Office: Bangalore

May 7, 2014

**PRESS RELEASE**

**SyndicateBank announces Financial Results for the  
Quarter ended 31<sup>st</sup> March, 2014**

**Performance Highlights for the Fourth Quarter of  
Financial Year 2013-14**

- ☞ Operating Profit stood at ₹ 998 crore in Q4, FY 2013-14 as against ₹ 901 crore in Q4, FY 2012-13 (up by 11% y-o-y). However, Net profit stood at ₹ 409 crore in Q4, FY 2013-14 as against ₹ 592 crore in Q4, FY 2012-13 (down by 31% y-o-y). The main reason for decline is non availability of MAT credit of Rs.114 crore accounted in the Q4 quarter of last year and increase in NPA provisions.
- ☞ Global business increased from ₹ 334779 crore as at Q4, FY 2012-13 to ₹ 388584 crore as at Q4, FY 2013-14 (up 16 % y-o-y). However, domestic Business increased from ₹ 291337 crore as at Q4, FY 2012-13 to ₹ 330701 crore as at Q4, FY 2013-14 (up 14 % y-o-y)
- ☞ Global Deposits increased from ₹ 185356 crore as at Q4, FY 2012-13 to ₹ 212343 crore as at Q4, FY 2013-14 (up 15% y-o-y). However Domestic Deposits increased from ₹ 167055 crore as at Q4, FY 2012-13 to ₹ 186966 crore as at Q4, FY 2013-14 (up 12% y-o-y).
- ☞ Global Advances increased from ₹ 149423 crore as at Q4, FY 2012-13 to ₹ 176241 crore as at Q4, FY 2013-14 (up 18% y-o-y). However Domestic Advances increased from ₹ 124282 crore as at Q4, FY 2012-13 to ₹ 143735 crore as at Q4, FY 2013-14 (up 16% y-o-y)
- ☞ Domestic CASA deposits increased from ₹ 51926 crore as at Q4, FY 2012-13 to ₹ 55911 crore as at Q4, FY 2013-14 (up 7.67% y-o-y). Domestic CASA deposits stood at 29.90 % of total domestic deposits as at 31.03.2014. Bank has taken various steps, campaigns to increase CASA performance.
- ☞ Savings Bank deposits has gone up by 11% from Rs.38,017 crore as on 31-03-2013 to Rs.42,030 crore as on 31-03-2014.

- ☞ Gross NPA ratio stood at 2.62% in Q4, FY 2013-14 as against 1.99% in Q4, FY 2012-13. Despite the stress in the economy and more NPAs in the industry, our bank is able to maintain the Gross NPA level below 3%. However, compared to preceding quarter, it has come down from 2.80% and this is one of the lowest.
- ☞ Net NPA ratio stood at 1.56% in Q4, FY 2013-14 as against 0.76% in Q4, FY 2012-13. However, compared to preceding quarter, it has come down from 1.66% and this is one of the lowest.
- ☞ Provision Coverage Ratio stood at 70.02% in Q4, FY 2013-14 as against 83.41% in Q4, FY 2012-13. However, this is one of the best in the industry.
- ☞ Cost to income ratio declined to 47.34% in Q4, FY 2013-14 as against 48.32% in Q4, FY 2012-13 and gone up from 47.96% in FY 2012-13 to 48.10% in FY 2013-14. Increase in Cost to Income ratio is due to increase on overhead on account of increase in number of branches.
- ☞ Book value per share increased from ₹ 175.12 in Q4, FY 2012-13 to ₹ 189.63 in Q4, FY 2013-14.
- ☞ Global Net Interest margin (NIM) at 2.79 % in Q4, FY 2013-14 as against 2.97% in Q4, FY 2012-13 on account of the stress in the economy and more NPAs in the industry as well as in our Bank. However, Domestic NIM is at 3.23% in Q4, FY 2013-14 as against 3.41% in Q4, FY 2012-13.
- ☞ The yield on advances has come down from 10.04% in Q4 of 2012-13 to 9.65% in Q4 of 2013-14 due to high slippages of NPAs during the year.
- ☞ Non-interest Income increased from ₹ 399 crore in Q4, FY 2012-13 to ₹ 462 crore in Q4, FY 2013-14 (up 16 %y-o-y).
- ☞ Return on Average Assets (RoA) annualised stood at 0.70% in Q4, FY 2013-14 as against 1.19% in Q4, FY 2012-13. This is again due to non availability of MAT credit during this year as available in the last year. But next year Bank is hopeful to increase the ROA to 0.90%.
- ☞ Earnings per Share (EPS) stood at ₹ 26.32 in Q4, FY 2013-14 as against ₹ 39.36 in Q4, FY 2012-13.
- ☞ Board has recommended a Final Dividend of 30% apart from Interim Dividend of 25% paid in January 2014, taking the total dividend to 55%.
- ☞ Capital Adequacy Ratio (Basel II) stood at 12.01 % and Capital Adequacy (Basel III) stood at 11.41% as at 31.03.2014.

### Snap Shot of Performance

	FY 2013-14 Vs FY 2012-13					
	Global			Domestic		
	Mar 14	Mar 13	Growth (%)	Mar 14	Mar 13	Growth (%)
Deposits (Rs.Crore)	212343	185356	15	186966	167055	12
Advances (Rs.Crore)	176241	149423	18	143735	124282	16
Business (Rs.Crore)	388584	334779	16	330701	291337	14
Net Profit (Rs.Crore)	1711	2004	(15)	1688	1919	(12)
Operating Profits (Rs. Crore)	3563	3449	3	3460	3342	4
Interest Income (Rs crore)	18620	17120	9	17907	16563	8
Other Income (Rs. Crore)	1325	1174	13	1290	1104	17
Net Interest Income (Rs crore)	5540	5454	2	5441	5386	1
Gross NPA (Rs crore)	4611	2978	55	4264	2816	51

	FY 2013-14 Vs FY 2012-13	
	Mar 14	Mar 13
Cost to income Ratio%	48.10	47.96
Earnings per Share (Rs.)	28.21	33.30
Book Value per Share (Rs.)	189.63	175.12
Gross NPA Ratio (%)	2.62	1.99
Net NPA Ratio (%)	1.56	0.76
Provision Coverage Ratio (%)	70.02	83.41
Capital Adequacy Ratio (Basel II) (%)	12.01	12.59
Capital Adequacy Ratio (Basel III) (%)	11.41	NA

#### Quarterly Comparison

	Q4 of FY 2012-13 Vs Q4 of FY 2013-14	
	Mar 14	Mar 13
Cost to income Ratio (%)	47.34	48.32
Earnings per Share (Rs.)	26.32	39.36
Book Value per Share (Rs.)	189.63	175.12
Gross NPA Ratio (%)	2.62	1.99
Net NPA Ratio (%)	1.56	0.76
Provision Coverage Ratio (%)	70.02	83.41
Capital Adequacy Ratio (Basel II) (%)	12.01	12.59
Capital Adequacy Ratio (Basel III) (%)	11.41	NA

## **DOMESTIC BUSINESS: (Y-o-Y)**

- ☞ Domestic Business grew from ₹ 291337 crore as at 31<sup>st</sup> Mar., 2013 to ₹ 330701 crore as at 31<sup>st</sup> Mar., 2014 registering a y-o-y growth of 14%.
- ☞ Domestic Deposits grew from ₹ 167055 crore as at 31<sup>st</sup> Mar., 2013 to ₹ 186966 crore as at 31<sup>st</sup> Mar., 2014 registering a y-o-y growth of 12%.
- ☞ Domestic advances grew from ₹ 124282 crore as at 31<sup>th</sup> Mar., 2013 to ₹ 143735 crore as at 31<sup>st</sup> Mar., 2014 registering a y-o-y growth of 16%. Growth in MSME credit was 21 % and MSE credit was 24 % vehicle loan 23%.
- ☞ Savings deposits grew from ₹ 38017 crore as at 31<sup>st</sup> Mar., 2013 to ₹ 42029 crore as at 31<sup>st</sup> Mar., 2014 registering a y-o-y growth of 11%.
- ☞ Domestic CASA deposits grew from ₹ 51926 crore as at 31<sup>st</sup> Mar., 2013 to ₹ 55911 crore as at 31<sup>st</sup> Mar., 2014 registering a y-o-y growth of 7.67%. Domestic CASA deposits stood at 29.90% of total domestic deposits as at 31.03.2014.

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

- ☞ London branch business increased by 33% from ₹ 43442 crore as at 31<sup>st</sup> Mar., 2013 to ₹ 57884 crore as at 31<sup>st</sup> Mar., 2014.
- ☞ Advances at London branch increased by 29% from ₹ 25140 crore as at 31<sup>st</sup> Mar., 2013 to ₹ 32506 crore as at 31<sup>st</sup> Mar., 2014.
- ☞ Deposits at London branch increased by 39% from ₹ 18301 crore as at 31<sup>st</sup> Mar., 2013 to ₹ 25378 crore as at 31<sup>st</sup> Mar., 2014.

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

- ☞ Net profit stood at ₹ 1711 crore in FY 2013-14 as against ₹ 2004 crore in FY 2012-13 (down by 15% y-o-y). The MAT credit accounted in the last year was Rs.574 crore. Leaving this MAT credit, there is a growth in the Net profit by 20%
- ☞ Operating profit stood at ₹ 3563 crore in FY 2013-14 as against ₹ 3450 crore in FY 2012-13 (3 %y-o-y).
- ☞ The yield on advances has come down from 10.51% in 2012-13 to 9.59% in 2013-14 due to high slippages of NPAs during the year.
- ☞ Cost of deposit has come down from 6.83% in 2012-13 to 6.56% in FY 2013-14.

- ☛ Global Net Interest margin (NIM) stood at 2.79% in 2013-14 as against 3.19% in 2012-13. This is on account of the stress in the economy and more NPAs in the industry as well as in our Bank. Domestic NIM stood at 3.21% in 2013-14 as compared to 3.52% in 2012-13.
- ☛ Interest Income of the bank has gone up by 9% from Rs.17,121 crore in FY 2012-13 to Rs.18,620 crore in FY 2013-14.
- ☛ Interest Expenses has gone up by 12% from Rs.11,667 crore in FY 2012-13 to Rs.13,080 crore in FY 2013-14.
- ☛ Operating Expenses has gone up by 4% from Rs.3,179 crore in FY 2012-13 to Rs.3,302 crore in FY 2013-14.

#### **VALUE TO INVESTORS: (Y-O-Y)**

- ☛ Earnings per Share (EPS) stood at ₹ 28.21% in FY 2013-14 as against ₹ 33.30% in FY 2012-13.
- ☛ Book Value per Share increased from ₹ 175.12 in FY 2012-13 to ₹ 189.63 in FY 2013-14.
- ☛ Return on Equity (ROE) stood at 16.81% in FY 2013-14 as against 22.78 % in FY 2012-13.
- ☛ Return on Average Assets (RoA) for 2013-14 stood at 0.78% as against 1.07% in FY 2012-13.
- ☛ Bank has proposed final dividend of 30% apart from 25% Interim Dividend paid in January 2014. For the whole year, the Total Dividend is 55%.
- ☛ Govt of India has infused capital of Rs.200 crores during the last quarter of 2013-14.

#### **NON PERFORMING ASSETS: (Y-O-Y)**

- ☛ Gross NPA Ratio stood at 2.62% in FY 2013-14 as against 1.99% in FY 2012-13. Despite the stress in the economy and more NPAs in the industry, our bank is able to maintain the Gross NPA level below 3%.
- ☛ Net NPA Ratio stood at 1.56 %in FY 2013-14 as against 0.76 % in FY 2012-13. Ours is the one of the lowest in the industry under Net NPA percentage.
- ☛ Provision Coverage Ratio stood at 70.02 % in FY 2013-14 as against 83.41% in FY 2012-13 which is one of the highest in the industry.
- ☛ Cash recovery in NPAs (Domestic) towards principal was ₹ 805 crore in FY 2013-2014 as against ₹ 730.44 crore in FY 2012-13. Cash recovery in Prudentially Written Off Accounts were ₹ 213 crore in FY 2013-2014 as against ₹ 150 crore in FY 2012-13.

## BRANCH EXPANSION

- ☞ Bank has opened 317 branches during the year and reached a mile stone of 3251 branches as at 31.03.2014 (including a branch in London). Bank has presence in all the States and Union Territories of the country.
- ☞ Bank has also opened an all women's branch in **Makupura, Ajmer** during the quarter, leading to total number of all women branches to 4 as at 31.03.2014.

## PRIORITY SECTOR CREDIT ACHIEVEMENTS:

- ☞ Priority Sector Credit increased by 12.01% from ₹ 46437 crore as at 31.03.2013 to ₹ 52016 crore as at 31.03.2014 which stands at 43.19% of ANBC against the required level of 40%.
- ☞ Total Agricultural Credit increased from ₹ 20156 crore as at 31.03.2013 to ₹ 22071 crore as at 31.03.2014, forming 18.33% of ANBC.
- ☞ Credit to Micro and Small Enterprises (MSE) increased by 24% from ₹ 17174 crore as at 31.03.2013 to ₹ 18697 crore as at 31.03.2014.
- ☞ Credit to Weaker Section increased from ₹ 11918 crore as at 31.03.2013 to ₹ 12758 crore as at 31.03.2014, forming 10.60% of ANBC (mandatory 10%).
- ☞ Credit to Minority Community increased from ₹ 7601 crore as at 31.03.2013 to ₹ 8308 crore as at 31.03.2014, forming 15.97% (mandatory level of 15%) of Priority Sector Credit.

## FINANCIAL INCLUSION

- ☞ Bank has provided new banking outlets in 2248 villages having population of less than 2000, thereby achieving over 106.49% of the yearend target under Financial Inclusion Plan.
- ☞ Bank has 949 Ultra Small Branches as at 31.03.2013 and has engaged 1948 BCs so far to assist the branches in implementation of FI and DBT programmes.
- ☞ Bank has opened 69.74 lakh Basic Savings Bank Deposit Accounts (BSBDA). Of which 13.56 lakh accounts were opened during FY 2013-14.
- ☞ To promote financial literacy in the villages, 9901 financial literacy programmes were organized during the year, in which 3.84 lakh persons were benefitted.

- ☞ To assist the farmers in taking up timely agricultural operations and increase crop production, credit assistance of Rs.6536.07 crore has been extended by issuing 8.10 lakhs Syndicate Kisan Credit Cards.
- ☞ For the rural households, 49167 General Purpose Credit Cards (GCCs) have been issued amounting to Rs.75.87crore.

### **DIRECT BENEFIT TRANSFER**

- ☞ Under DBT, 130155 beneficiaries' accounts have been opened with our Bank and benefits amounting to Rs. 2554.04 lakhs have been credited to beneficiaries' accounts.
- ☞ Bank has established 681 ATMs in DBT Districts to facilitate DBT beneficiaries to withdraw benefits credited to their accounts without any hassles 442 Business Correspondent Outlets have also been established in DBT Districts.

### **REGIONAL RURAL BANKS**

- ☞ Presently, we have 3 RRBs- Prathama Bank, Karnataka Vikas Grameena Bank and Andhra Pragathi Grameena Bank under our sponsorships, all are profit making having total business of ₹ 36891crore and 1278 branches.

### **SLBC CONVENER**

- ☞ Our Bank is convener of SLBC in Karnataka State and Union Territory of Lakshadweep and taking all proactive steps for implementation of Government directions. Bank has got 27 lead districts.

### **INFORMATION TECHNOLOGY**

- ☞ Bank has added 640 new ATMs during Q4, FY 2013-14, taking total number of ATMs to 1946 as at 31.03.2014.
- ☞ Bank has issued 14.10 lakh new VISA/Maestro Debit cards and 2012 credit cards till Q4 FY 2013-14, leading to a total number of debit card issued to 49.96 lakh active cards (59.11 lakh total cards issued) and credit card base to over 26155 active cards (Total Cards: 77592) as at 31.03.2014.
- ☞ As on 31.03.2014, Bank had installed 1,772 POS Terminals, out of which 1,054 terminals were installed during the year.

## ACCOLADES & AWARDS

- ☞ Our Bank has been adjudged as **“SECOND BEST BANK”** under PSB category by financial express India's best banks survey 2012-13.
- ☞ Bank has been awarded **“Banking Excellence Award 2013 for the second best public Bank in overall performance”** by State forum of Bankers Club Kerala.
- ☞ Bank has been conferred **“Best Bank Award”** amongst all the Banks in the RSETI movement by Sri Jairam Ramesh, Hon'ble Minister for Rural Development, Government of India.

## CORPORATE STRATEGIES

- ☞ Credit Monitoring is stepped up and overdues are monitored on daily basis by the separate vertical created. Bigger accounts showing overdues are triggered for immediate follow up. All the branches have been sensitized on the latest guidelines issued by RBI on revitalization of Stressed accounts monitoring. Workshops have been held for all controlling offices and all branch heads and dealing staff will be trained immediately on these guidelines.
- ☞ Bank continues to focus on SMEs, small scale industries and mid Corporates and identified around 30 centres for setting up specialized Mid Corporate Branches. Bank is also in the process of setting up SME processing centres in various clusters.
- ☞ The Bank has restructured the marketing set-up with effect from 01.04.2014 for utilizing all the CRMs & Marketing Officers exclusively for tapping Government Business, accelerating retail business growth, augmenting fee based income and promoting alternate delivery channels.
- ☞ Bank is geared to generate all the MIS from the system only enabling the front line staff to concentrate on customer service and marketing.
- ☞ Bank has clocked the highest number of Health Insurance Policies in a day: 10000 Health Policies with a premium of Rs.2.00 crore, creating a record in the history of Bancassurance in India.
- ☞ Bank continues to contribute to CSR activities- sponsoring chairs in educational institutions, donating ambulance for medical services, vans for carrying food to school children, donation to orphanage, destitute Home and society for physically challenged, pond cleaning in FI villages . Bank also arranged blood donation camps by staff and customers at all controlling offices of the bank commemorating foundation day of the bank. Bank also sponsored a social and cultural event, Nasik festival which brought lot of visibility to the bank and publicity to our Bank products.



## GOING FORWARD

- ☞ Bank is planning to recruit around 5000 new staff comprising 2700 officers and 2300 clerical in 2014-15. Of this, around 750 will be specialised officers.
- ☞ Bank is planning to open more number of bigger training centres at Delhi and Mumbai immediately and at different parts of the country. As a stop gap training at external institutes is also on.
- ☞ Under HR there is a plan to identify 100 executives as “Future Leaders” and train them vigorously for the next 1 year so that they are groomed to take future assignments and higher responsibilities with confidence.
- ☞ Bank has taken steps for new initiatives- “Business Process Reengineering” and “Human Resource Management System” which will increase operational efficiency of the Bank, and enabling the Bank to put more staff on marketing front.
- ☞ Bank proposes to open about 400 branches Pan India which include specialized branches like Mid Corporate, MSME branches, to give focused attention to target group borrowers.
- ☞ Bank is also taking steps to open branches in South Africa, Dubai Financial Centre, Hong Kong, Thailand and China.
- ☞ Bank is opening 5 more new Regions namely Ludhiana, Salem, Shimoga, Varanasi and Visakhapatnam shortly and going forward, contemplating to open Second Region in Gujarat, One more region in Telangana, Second Region in Rayalaseema (Andhra Pradesh). One more region in Tamil Nadu.
- ☞ **New Products:** Bank has introduced a new deposit product christened as “SyndDisha”-II for a special 444 days tenure with an interest rate of 9.00% pa. for a limited period upto 31.05.2014. Senior citizens will get an additional interest of 0.50% pa. This product is applicable for deposits of less than Rs 10 crore only.  
  
Introduced SyndMarble, Doctor, Textile, Cashew and Transport to meet the specific credit needs of the target groups and same will be popularized during the current year.
- ☞ **Alternate Delivery Channels:** Bank is giving lot of importance to these and proposes to install 4200 ATMs and popularise internet and mobile banking for customers. E-Lounges (24X7) self serviced kiosk will be opened in 20 important locations and Back Office for Centralised Account Opening shall be opened in 2 locations.
- ☞ **Capital Planning:** Based on projected internal accruals, at present Bank is comfortable in complying with CRAR as per Basel III guidelines.

However, in order to maintain CRAR of 12% the Bank proposes to raise Equity Capital by way of Rights Issue/QIP (Domestic/Foreign)/ Follow on public issue based on market conditions and approach the market for Basel III compliant Additional Tier 1 Bonds and Tier 2 Bonds in the future.

- ☛ **MTN Issue:** Board has approved the Bank to raise the funds through Medium Term Notes (MTN) in overseas market for funds requirements of London branch upto USD 2 billion as and when the interest rates are favorable and based on the Loan book building of London branch.
- ☛ Bank has procured Govt. Business Module (GBM) covering PPF, Senior Citizen Savings Schemes (SCSS), RBI Relief Bonds, OLTAS, EASIEST, Collection of State Tax for various States etc. It is expected to be implemented shortly.
- ☛ Bank is in the process of upgrading to a new higher version of Internet Banking Solution. The new version will be compatible in all Browsers (like Chrome, Firefox, opera, Safari) apart from Internet Explorer.
- ☛ **SyndNayiDisha:** Bank has drawn its long term plan "Vision 2020" for reaching business level of Rs.10 lakh crore. Bank has revisited its Vision and Mission Statements along with lot of initiatives are being taken to reach vision 2020 goals. Bank has brought all these initiatives under SyndNayiDisha as given below.



=====