



Corporate Office: Bengaluru
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PRESS RELEASE

Syndicate Bank Announces Reviewed Financial Results for the Quarter ended 30th June, 2016

Highlights

- Global Business stood at ₹4,68,764 Crore as at 30.06.16
- Net Profit stood at ₹79 crore as at 30.06.16
- Retail Credit 16% (YoY) Growth
- Agriculture Credit 16% (YoY) Growth
- MSME Credit 14% (YoY) Growth
- Priority Sector Credit 12% (YoY) Growth
- Savings Deposit 10% (YoY) Growth
- Non Interest Income 10.78% (YoY) Growth
- Net Interest Income 5% (YoY) Growth
- Interest Income increased from ₹5682 crore as at Q4 FY 2015-16 to ₹5864 crore as at Q1 FY 2016-17
- NIM improved from 2.14% as at Q4 FY 2015-16 to 2.22% as at Q1 FY 2016-17
- Cost of Deposits reduced to 6.07% as at June 16 from 6.66% as at June 15
- CRAR (Basel III) increased to 11% as at June 16 from 10.17% as at June 15
- Gross NPA Ratio stood at 7.53% as on 30.06.2016
- Net NPA Ratio stood at 5.04% as on 30.06.2016
- Provision Coverage Ratio stood at 52.67% as on 30.06.2016

Performance Highlights for the First Quarter of Financial Year 2016-17

- Annualised Earnings per Share (EPS) stood at ₹3.96 in Q1, FY 2016-17 as against ₹18.24 in Q1, FY 2015-16.
- Capital Adequacy Ratio (Basel III) stood at 11.00% as at 30.06.2016 as against 10.17% as at 30.06.2015.

Snap Shot of Performance

(₹ in crore)

Parameter	Q1 2016-17 Vs Q1 2015-16					
	Global			Domestic		
	June 16	June 15	Growth (%)	June 16	June 15	Growth (%)
Deposits	2,63,915	2,69,495	-2.07	2,39,340	2,39,640	-0.13
Advances	2,04,849	2,02,927	0.95	1,67,759	1,62,437	3.28
Business	4,68,764	4,72,422	-0.77	4,07,099	4,02,077	1.25
Interest Income	5,864	5,823	0.70	5,621	5,630	-0.16
Other Income	555	501	10.78	546	487	12.11%
Net Interest Income	1,479	1,412	4.74	1,457	1387	5.05
Gross NPA	15,434	7,546	105.43	13,475	6,678	101.78
Net NPA	10,051	4,721	112.90	8,891	4,178	112.81

Quarterly Comparison

Parameter	June 16	June 15
Cost to income Ratio (%)	61.46	45.66
Earnings per Share (₹) annualised	3.96	18.24
Book Value per Share (₹)	164.49	202.30
Gross NPA Ratio (%)	7.53	3.72
Net NPA Ratio (%)	5.04	2.36
Return on Assets	0.10	0.42
Cost of Deposits	6.07	6.66
Yield on Advances	8.52	8.95
Net Interest Margin (NIM)	2.22	2.21
Provision Coverage Ratio (%)	52.67	63.24
Capital Adequacy Ratio (Basel II) (%)	11.48	10.51
Capital Adequacy Ratio (Basel III) (%)	11.00	10.17

DOMESTIC BUSINESS: (Y-o-Y)

- ☛ Domestic Business increased from ₹4,02,077 crore as at 30th June, 2015 to ₹4,07,099 crore as at 30th June, 2016 registering a y-o-y growth of 1.25%.
- ☛ Domestic Deposits decreased from ₹2,39,640 crore as at 30th June, 2015 to ₹2,39,340 crore as at 30th June, 2016 registering a decline (y-o-y) of 0.13%.
- ☛ Domestic CASA deposits decreased from ₹65,379 crore as at Q1, FY 2015-16 to ₹62,889 crore as at Q1, FY 2016-17 (-3.81% y-o-y). Domestic CASA deposits stood at 26.28% of total domestic deposits as at 30.06.2016.
- ☛ Savings Bank deposits increased from ₹47,394 crore as at Q1, FY 2015-16 to ₹52,262 crore as at Q1, FY 2016-17 (10.27% y-o-y).
- ☛ Domestic Advances increased from ₹1,62,437 crore as at 30th June, 2015 to ₹1,67,759 crore as at 30th June, 2016 registering a y-o-y growth of 3.28%.

PROFITABILITY RATIOS: (Y-o-Y)

- ☛ Net profit stood at ₹79 crore in Q1 FY 2016-17 as against ₹302 crore in Q1 FY 2015-16 (-73.84% y-o-y).
- ☛ Operating profit stood at ₹784 crore at Q1 FY 2016-17 as against ₹1,040 crore in Q1 FY 2015-16 (-24.58 %y-o-y).
- ☛ The yield on advances stood at 8.52% in Q1 FY 2016-17 as against 8.95% in Q1FY 2015-16.
- ☛ Cost of deposit stood at 6.07% in Q1 FY2016-17 as against 6.66% in Q1 FY 2015-16.
- ☛ Global Net Interest Margin (NIM) stood at 2.22% in Q1 FY 2016-17 as against 2.21% in Q1 FY 2015-16.

VALUE TO INVESTORS: (Y-o-Y)

- ☛ Annualised Earnings per Share (EPS) stood at ₹3.96 at Q1 FY 2016-17 as against ₹18.24 in Q1 FY 2015-16.
- ☛ Book Value per Share stood at ₹164.49 in Q1 FY 2016-17 as against ₹202.30 in Q1 FY 2015-16.
- ☛ Return on Average Assets (RoA) stood at 0.10% in Q1 FY 2016-17 as against 0.42% in Q1 FY 2015-16.
- ☛ Return of Equity (ROE) stood at 2.88% in Q1 FY 2016-17 as compared to 9.85% in Q1 FY 2015-16.

NON PERFORMING ASSETS: (Y-o-Y)

- ☛ Gross NPA Ratio stood at 7.53% Q1 FY 2016-17 as against 3.72% in Q1 FY 2015-16.
- ☛ Net NPA Ratio stood at 5.04% in Q1 FY 2016-17 as against 2.36% in Q1 FY 2015-16.
- ☛ Provision Coverage Ratio stood at 52.67% in Q1 FY 2016-17 as against 63.24% in Q1 FY 2015-16.
- ☛ During the quarter, upgradation of NPAs for ₹220.42 crore and recoveries of ₹444.70 crore have been made. Out of the total cash recovery, the cash recovery in domestic NPAs amounted to ₹444.70 crores which includes cash recovery in prudentially written off accounts amounting to ₹82.35 crores.
- ☛ To accelerate recovery performance under NPA, during the current financial year 1 Bruhat Synd Adalat was conducted. Bank has mobilized 16648 proposals involving one time settlement amount of ₹84.69 crore.

RETAIL CREDIT

Retail credit products of our Bank are designed to meet the credit requirements of various categories of borrowers. To achieve qualitative growth under Retail branded products, the Bank has adopted a sharp and focused lending approach coupled with marketing initiatives.

- ☛ Retail credit increased from ₹23218.38 crore as at Q1, FY 2015-16 to ₹26965.34 crore as at Q1, FY 2016-17, registering a y-o-y growth of 16.14%.

During the first quarter of Financial year 2016-17, 5479 Housing loans are mobilized amounting to ₹789.47crores, 3659 Car loans are mobilized amounting to ₹215.19 crores and 2111 Education loans were sanctioned amounting ₹110.30 crores.

MSME CREDIT

- ☛ Total MSE (Micro and Small Enterprises) credit was increased by ₹2,869 crore from ₹21,553 crore as on June 2015 to ₹24,422 crore as on June 2016, recording a growth of 13.31% y-o-y basis.
- ☛ Total MSME credit was increased by ₹3,316 crore from ₹24,073 crore as on June 2015 to ₹27,389 crore as on June 2016 registering a growth of 13.77% y-o-y.
- ☛ The advance to Micro and Small Enterprises constitute 89.16% of the total advances under MSME sector, while advances to Medium Enterprises constitute 10.84% under MSME during the Q1 FY 2016-17.

- Under MUDRA scheme, Bank has sanctioned 34,358 loans amounting ₹636.70 crores as on 30.06.2016 and issued 2882 Mudra cards during current financial year.
- Stand up India Scheme which is launched by Govt. of India on 05.04.2016 is implemented by Bank. As on 30.06.2016, Bank has sanctioned 270 loans amounting to ₹78.91 crores.

PRIORITY SECTOR CREDIT

- Priority Sector Credit increased by 12.47% from ₹58436.58 crore as at 30.06.2015 to ₹65724.74 crore as at 30.06.2016 which stands at 43.36% ANBC against the required level of 40%.
- Total Agricultural Credit increased by 15.55% from ₹25713.31 crore as at 30.06.2015 to ₹29712.18 crore as at 30.06.2016, forming 19.60% of ANBC.
- Credit to Micro and Small Enterprises (MSE) increased by 12.19% from ₹21439.13 crore as at 30.06.2015 to ₹24051.57 crore as at 30.06.2016.
- Credit to Weaker Section increased from ₹17148.72 crore as at 30.06.2015 to ₹18272.24 crore as at 30.06.2016, forming 12.06% of ANBC (Mandatory level of 10%).
- Credit to Minority Community increased from ₹9332.96 crore as at 30.06.2015 to ₹10321.22 crore as at 30.06.2016, forming 15.70% of Priority Sector Credit against the mandatory level of 15%.
- To assist the farmers in taking up timely agricultural operations and increase crop production, credit assistance of ₹8588.90 crore has been extended by issuing 7.65 lakhs Syndicate Kisan Credit Cards as on 30.06.2016.
- For Rural Households, 40651 General Purpose Credit Cards (GCCs) have been issued amounting to ₹66.67 crore.

BRANCH EXPANSION

Bank has opened 26 branches during Q1, FY 2016-17 taking total number of branches to 3792 as at 30.06.2016 (including a branch in London) comprising of 1242 Rural, 1033 Semi Urban, 827 Urban and 689 Metro branches. Bank has presence in all the States and Union Territories except Dadar & Nagar Haveli (UT) of the country.

HUMAN RESOURCES

- ☛ Bank has recruited 575 Specialist Officers, 1973 Probationary Officers and 2105 Probationary Clerk during the quarter and is planning to recruit more staff in general as well as specialists to meet business needs.
- ☛ Bank has trained 2942 employees during the quarter comprising of 1511 officers and 1431 workmen. In addition to above, 56 officers were trained in the External Institutions and 4 Executives were trained abroad.

FINANCIAL INCLUSION

- ☛ Bank has covered all the allotted 3229 SSAs covering 6950 villages and deployed 2615 Bank Mitras across the country to provide banking services to the villagers.
- ☛ Bank has opened 1.50 lakh Basic Savings Bank Deposit Accounts (BSBDA) during Q1 FY 2016-17. The balance outstanding overall in 112.79 lakh BSBD accounts is ₹4219.15 crore as on 30.06.2016.
- ☛ To promote financial literacy in the villages, 4086 financial literacy programmes were organized during Q1, FY 2016-17, in which 1,42,420 persons were benefitted.

PMJDY

- ☛ Bank has opened 40.47 lakh accounts under PMJDY having a balance of ₹842.44 crore as at 30.06.2016.
- ☛ 36.64 lakh RuPay Cards have been issued under PMJDY as at 30.06.2016.

DIRECT BENEFIT TRANSFER

- ☛ 292.66 lakh Beneficiary accounts were opened with benefit amounting to ₹613.79 crore have been credited to beneficiaries' accounts during Q1 FY 2016-17.
- ☛ Bank has established 1031 ATMs in 27 DBT District to facilitate DBT beneficiary to withdraw benefits credited to their accounts without any hassles. 1032 Business Correspondents Outlets have also been established in DBT districts.

GOVT SPONSORED SCHEMES

- ☛ Bank has enrolled 14,777 beneficiaries under APY during Q1 2016-17.
- ☛ Bank has enrolled 12008 beneficiaries under PMSBY during Q1 2016-17, amounting to ₹1.44 lakhs as at 30.06.2016.

- ☛ Bank has enrolled 6499 beneficiaries under PMJJBY during Q1 2016-17, amounting to ₹21.44 lakhs as at 30.06.2016

REGIONAL RURAL BANKS

- ☛ Presently, we have 3 RRBs- Andhra Pragathi Grameena Bank, Karnataka Vikas Grameena Bank and Prathama Bank, under our sponsorships, all are profit making having total business of ₹49,494.32 crore and 1515 branches as at 30.06.2016.

SYND SAMGRA GRAM VIKAS YOJANA

- ☛ Our bank has adopted 26 villages in our Lead Districts across the country for all round development.

SLBC CONVENER

- ☛ Our Bank is convener of SLBC in Karnataka State and Union Territory of Lakshadweep and is taking all proactive steps for implementation of Government directions. Bank has assigned Lead Bank Responsibility in 27 districts.

INFORMATION TECHNOLOGY

- ☛ Total number of ATMs of the Bank stood at 3753 as on 30.06.2016.
- ☛ Bank has issued 4.48 lakh new VISA/Maestro/Rupay/Rupay Kisan, RuPay Platinum, Mudra, AEPS, RuPay EMV Debit cards and 1300 Credit cards during Q1 FY 2016-17, leading to a total number of Debit cards issued to 121.44 lakh active cards (167.15 lakh total cards issued) and Credit card base to 39101 active cards (88617 total cards issued) as on 30.06.2016.
- ☛ Bank has installed 2240 POS Terminals as on 30.06.2016.

ACCOLADES & AWARDS

Our Bank has conferred many awards during the first quarter of current Financial Year 2016-17.

- ☛ Bank has been awarded **Certificate of Commendation** from Ministry of New and Renewable Energy Government of India for **Collateral Free Farmers Friendly Initiatives** for financing of Renewable Energy projects (during Feb 2015 to Mar 2016).
- ☛ Bank has received "Skoch Order-of-Merit" award for facilitating On-line Collection of Light dues from vessel/cargo consignments by Directorate General of Light Houses & Light Ships, Ministry of Shipping, Govt. of India.
- ☛ Our Bank is conferred "Sterling Trailblazers" award for Economic Empowerment of Rural Young Men & Women from Rotary Club, Bengaluru.

CORPORATE SOCIAL RESPONSIBILITY

Bank recognizes its role towards society and undertook various CSR activities during the quarter Q1 FY 2016-17. Some of which are outlined below:

- ❖ Donated for installing ramps and toilets at polling stations during Assembly Election at Ernakulam.
- ❖ Donated School Bags and Note Books to Samruddi Charitable Trust, Hubballi
- ❖ Financial assistance to Cauvery Kanya Gurukulam Mandya - expenses of new admission girls.
- ❖ Donated computers, printers & scanners to Shree Renuka Yallamma Devasthanam, Belagavi
- ❖ Donated an ambulance to Nehru College of Educational & Charitable Trust, Coimbatore.
- ❖ Donated towards financial assistance to M/s. Smile Foundation, Bangalore for sponsoring study expenses of 100 children.
- ❖ Donated towards financial assistance to Blind Organisation of India, Mumbai for purchase of plastic sheets for the huts of blind living in slums.
- ❖ Donated towards contribution to National Sports Development Fund (NSDF).
- ❖ Donated towards financial assistance to Yakshagana Karanga Udupi for promoting art and culture and for betterment of the society in general.

CORPORATE STRATEGIES

1. In order to encourage various e-Banking facilities, Bank will be running campaigns to popularise and increase the penetration of Mobile Banking, Internet Banking, e-Passbook and other ADC products in 2nd Quarter of FY 2016-17.
2. **Social Security Schemes**
 - I. Atal Pension Yojana: Thrusting upon improving the total enrollments in the scheme by ensuring 100% Branch participation.
 - II. Pradhan Mantri Jeevan Jyoti Bima Yojana & Pradhan Mantri Suraksha Bima Yojana: Special enrollment campaign is being planned in the month of August 2016 to propagate and increase the total subscribers.
3. **Fee Income**
 - I. Insurance: A theme "One Policy per Branch per Week" has been rolled out for consistent insurance business.
 - II. Licensing of Specified Persons (SP): to comply with newly introduced (IRDAI) regulations, Bank has initiated the process to have sufficient number of SPs across the country.
 - III. Mutual Funds: For perennial fee income, bank is focused on canvassing Systematic Investment Plans (SIPs).

NEW INITIATIVES

- ☛ Bank has taken initiative with M/s. SELCO Foundation, Bengaluru for implementing 500 Household Solar Lighting to the Tribal Community of Kalahandi district of Odisha state & other livelihood development initiatives in the region.
- ☛ Bank has introduced a module in GBM to accept requests for **Kisan Vikas Patra** on 01.06.2016 in 70 designated branches.

CAPTIAL PLANNING

- ☛ In order to meet the regulatory CRAR requirement under Basel/RBI Guidelines and also to support the growth in the loan book, our Bank raised ₹930 crore through issue of additional Tier I bonds at 11.25% during July 2016.
- ☛ Further, Govt. of India has announced infusion of ₹1034 crore to our Bank during FY 2016-17 of which ₹776 crore is to be infused immediately. The remaining ₹258 crore will be infused by Govt. of India based on meeting the performance benchmarks prescribed to be met as on 31.12.2016.

PRODUCT INNOVATION & BPR

Our Bank has launched a large scale transformation program, "*Project Ananya*" in our constant endeavor to improve customer service, operational efficiency and sustainable growth. The project is already under implementation in seven pilot Regions. Highlights of the projects are as below:

Branch Transformation

Branch transformation in pilot branches underway to improve and standardize branch layout, increase service consistency, higher sales focus and higher e-transactions. This will improve branch navigability, standardization of look, enhanced customer experience, new roles to support technology, sales and marketing at branches.

Instant Account Opening process

Instant account opening process for Savings Bank product introduced to ensure single customer visit and activation of account and alternate channels within 24 hours followed by SMS to customer. The process is launched in 10 branches and instant kit with debit card & pin, internet banking pin, cheque book are now being provided to customers when they apply for a new savings bank account.

Retail Asset Hubs

Bank is in process of Introducing Retail Asset Hubs to eliminate inconsistencies and ensure standardization by centralization of home loan process. These hubs will act as both sales and service centers.

Contact Centre

Bank is working on launching a Contact Centre to provide a wide array of services and will provide an omni-channel experience to the customers. It will help in resolving customer queries related to bank products & services.

GOING FORWARD

- ☛ Bank is planning to open 240 new branches during FY 2016-17. Efforts are being made to identify emerging growth centers for business growth.
- ☛ Bank will continue to focus on Mid Corporate, Retail, MSME and Agriculture segment to boost its credit growth.
- ☛ Containing NPAs & arresting slippages
- ☛ CASA Growth
- ☛ Retail Deposit Growth
- ☛ Improving operational ratios

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