

Press Release- Financial Results- September 2017

27th October, 2017

Major Highlights Q2 FY18

- ✓ Gross profit up by 15.84% y.o.y, increased to ₹2480 crore from ₹2141 crore.
- ✓ Net profit up at ₹260 crore sequentially from ₹252 crore as at June 2017. However y.o.y, it declined by 27.06% due to higher provisions.
- ✓ Net Interest Income at ₹2783 crore, up by 13.96%.
- ✓ Non-Interest Income grew by 8.67% to ₹1936 crore.
- ✓ Share of non-interest income in total income improved to 16.14%.
- ✓ Global Business reached ₹8.55 lakh crore, up by 5.33% y.o.y.
 - ✓ Global deposits stood at ₹4.96 lakh crore, up by 2.50% and
 - ✓ Net Advances at ₹3.58 lakh crore, up by a healthy 9.51%.
- ✓ Sustained growth in retail assets (Y.o.Y)
 - ✓ Agriculture (8.36%), MSME (10.53%), Retail Lending (21.69%), Direct Housing (18.81%), Vehicle (26.29%), Education (12.47%) and Other Personal loans (28.86%).
- ✓ CASA Deposits up by 17.72% y.o.y, increased to ₹1.55 lakh crore.
- ✓ Domestic CASA share improved to 33.83% from 29.11% last year.
- ✓ Cost of deposits came down by a healthy 68 bps to 5.70% from 6.38% last year.
- ✓ Net Interest Margin (NIM) (Domestic) stood at 2.60% and NIM (Global) at 2.34%.
- ✓ Cost to Income ratio came down to 48.10% from 50.70%.
- ✓ Gross NPA Ratio at 10.51% down sequentially from 10.56% as at June 2017
- ✓ Net NPA decreased to 7.02% from 7.09% as at June 2017.
- ✓ NPA Cash Recovery aggregated to ₹1347 crore during the quarter.
- ✓ Provision Coverage ratio improved to 54.75%, up from 51.75% last year.
- ✓ Capital adequacy ratio improved to 12.45%, up from 12.19% a year ago.
- ✓ Branch network has crossed the 6000 milestone to reach 6119 and number of ATMs at 10339.
- ✓ E- transactions ratio improved to 73.40%, from 59.30% a year ago.
 - ✓ 65.69 lakhs Mobile Banking and 37.37 lakhs Net Banking users.
- ✓ ROA at 0.18% and ROE at 3.75%.
- ✓ Total expenditure declined by 5.29% y-o-y, aided by 8.64% decline in interest expenses and 0.46% decline in other operating expenses.

Goals: March 2018

Continued thrust on Retail Business & Asset Quality- CASA & retail deposits, retail credit, fee income, containing NPA, Resolution of large NPA accounts, recovery & upgradation and improving operational financial ratios, such as, NIM, RoA, RoE and Cost-to-Income.

Speaking on the occasion, Shri. Rakesh Sharma, MD & CEO, commented, "Our efforts for reinvigorating quantitative and qualitative growth in the bank are reflected in the second quarter results. The healthy 15.84% y-o-y growth in gross profits is the outcome of a series of multifaceted approaches that aimed at reducing cost of deposits (declined by 68 bps), improvement in C-D ratio to 72.16% vis-à-vis 67.54% a year ago, 8.67% growth in non-interest income and a robust net interest income growth of 13.96%. The retail focus in business growth is evident in the improved CASA ratio and 21.69% y-o-y growth under retail segments of advances. In spite of the headwinds in NPA resolution, we could keep the slippages under control and resultantly, the NPA ratios have showed some improvement. Our acute focus on NPA management would continue unabated and we expect the net NPA level to decline to below 6% level by the year-end. The provision coverage ratio has, in line with the above focus, improved to 54.75% from 51.75% last year. Though our Capital adequacy has improved to a comfortable level of 12.45%, our bank is expected to be a significant beneficiary of the proposed Bank recapitalization programme of the Government. This will further boost the growth momentum of the bank. This coupled with the corrective steps initiated would lead to further significant improvement in the profitability of the Bank."