

Press Release- Financial Results- December 2017 (Q3 FY18)

24th January 2018

Major Highlights Q3 FY18

- ✓ Gross profit improved 42.90% y.o.y to ₹ 2831 crore from ₹ 1981 crore in Q3 FY17.
- ✓ Net profit stood at ₹ 126 crore compared to ₹ 322 crore a year ago.
- ✓ Net Interest Income surged 52.4% y.o.y to ₹ 3679 crore, up from ₹ 2414 crore in Q3 FY17.
- ✓ Net revenues (Net. Int. Income + Non. Int. Income increased) by 24.7% y.o.y to ₹ 5245 crore.
- ✓ Non-Interest Income stood at ₹ 1566 crore.
 - Non. Int. Income excluding trading profit increased by 11% y.o.y, aided by enhanced recovery in written off assets (134% increase y.o.y).
- ✓ Global Business rose to ₹ 8.77 lakh crore, up by 4.16% y.o.y.
 - Aided by a healthy Net Advances growth of 12.5% to ₹ 3.73 lakh crore.
 - Global deposits stood at ₹ 5.04 lakh crore
- ✓ Strong growth in assets (y.o.y) -especially in risk-weight light assets
 - ✓ Agriculture (14.80%), MSME (15.65%), Retail lending (32.87%), Direct Housing (22.29%), Vehicle (33.21%), Education (11.85%) and Other Personal loans (43.46%).
- ✓ CASA Deposits up by 2.53% y.o.y to ₹ 1.58 lakh cr inspite of the base effect due to demonetization.
 - Domestic CASA share improved to 33.83% from 32.12% a year ago.
- ✓ Cost of deposits came down by a healthy 72 bps to 5.59% from 6.31% last year.
- ✓ Net Interest Margin (NIM) improved to 2.64% (Domestic) and 2.39% (Global).
- ✓ Cost to Income ratio came down to 47.36% from 51.25%.
- ✓ Gross NPA Ratio at 10.38% down sequentially from 10.51% as at Sept 2017
- ✓ Net NPA at 6.78% down sequentially from 7.02% as at Sept 2017.
- ✓ Cash Recovery aggregated to ₹ 1527 cr during the quarter.
- ✓ Provision Coverage ratio improved to 55.81%, up from 52.52% last year.
- ✓ Capital adequacy ratio improved to 12.49%, up from 12.28% a year ago.
- ✓ Branch network stood at 6179 and number of ATMs at 9743.
- ✓ E- transactions ratio rose sharply to 76.22%, from 42.0% a year ago
 - ✓ 76.38 lakh Mobile Banking and 43.7 lakh Net Banking users.
- ✓ ROA (annualized) at 0.15% and ROE (annualized) at 3.14%.
- ✓ Total expenditure declined by 5.83% y-o-y, aided by 9.89% decline in interest 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 strategy, of chasing higher yielding and risk weight-light assets for qualitative business growth by deploying the surplus liquidity, generated by divesting our excess treasury assets, has paid off through healthy improvement in our core net interest income. Our net interest income growth of 52.4% and 11.29% growth in non-interest income-excluding trading profits- have significantly shielded us from the unexpected quarter-end surge in bond yields and resultant mark-to-market provisions. Further, the qualitative growth in assets has improved our CD ratio to a healthy 74.05%. The Bank's strenuous efforts for recovery have resulted in improved recovery under stressed assets especially written off assets thereby improving our non-interest income (ex-treasury). Consequently, our net NPA ratio has improved to 6.78% which we expect to decline further to less than 5.5% by the year-end. Our determined efforts for activation of bank branches and alternate digital channels to generate CASA deposits through better customer value creation have resulted in improvement in CASA ratio to 33.8% overcoming the demonetization-related base effect. Our Bank is now in its path to generate higher stakeholder value through significant improvement in the profitability."
