

Proceedings of Institutional Investors Conference

The Bank participated in B&K Securities Trinity Investors Conference organized by B & K Securities India Pvt. Ltd. at Trident BKC, Mumbai on 4th June 2015

A Presentation on Bank's Financial Results for FY 2014-15 (also available on Bank's website) was made to the Investors present.

In response to the queries raised, the information provided / discussions held have been summarised as under:

1. The Bank's capital adequacy as per Basel III norms was discussed and it was informed that CRAR stood at 11.41% as on 31.03.2015 with Tier I CRAR at 8.73% and Tier II CRAR at 2.68%
2. The institutional investors were apprised that Bank has obtained approval from Govt. of India for raising equity capital of Rs.1000 crore through QIP route and for raising Tier I capital of Rs.500 crore by issuing Additional Tier I Basel III Compliant Perpetual Bonds
3. As regards slippages, it was informed that the total slippages increased to Rs.4514 crore (FY 2014-15) from Rs.4027 crore (FY 2013-14). The cash recovery reduced to Rs.1578 crore (FY 2014-15) from Rs.1652 crore (FY 2013-14) while total upgradation increased to Rs.531 crore (FY 2014-15) from Rs.427 crore (FY 2013-14)
4. Bank's Gross NPA, Net NPA and PCR stood at 5.18%, 3.34% and 60.59% respectively for Q4 2014-15.
5. Thereafter, the Bank's financial performance was deliberated upon. It was apprised that Operating Profit of the Bank reduced to Rs.1216 crore for Q4 FY 2014-15 from Rs.1384 crore for Q4 FY 2013-14 and increased to Rs.4227 crore (FY 2014-15) from Rs.4155 crore (FY 2013-14). Bank posted loss of Rs.178 crore for Q4 FY 2014-15 in comparison to Net Profit of Rs.310 crore in Q4 FY 2013-14. Net Profit reduced to Rs.497 crore (FY 2014-15) from Rs.1139 crore (FY 2013-14). The Net Interest Income (NII) reduced to Rs.1298 crore for Q4 FY 2014-15 from Rs.1309 crore for Q4 FY 2013-14 and reduced to Rs.5084 crore (FY 2014-15) from Rs.5127 crore (FY 2014-15).
6. The Investors were apprised that the Retail Credit Portfolio recorded a Y-o-Y growth of 12.37 % (as a percentage of Total Advances).
7. The investors were also informed that the NIM, Cost of Deposits, Yield on advances stood at 2.61%, 7.69% and 11.73% for FY 2014-15 and 2.58%, 7.67% and 11.57% for Q4 FY 2014-15 respectively.

8. As regards the Bank's Restructured Accounts which slipped to NPA during FY 2014-15, the figure aggregated to Rs.1967 crore.
9. It was further informed that the Total Outstanding Standard Restructured Accounts as on 31.03.2015 stood at Rs.20086 crore

The Sector wise break-up of Restructured Accounts was explained as under:

(Rs. in crore)

Particulars	Total O/s Restructured A/cs
State Discoms *	5495
Aviation (Air India)	1148
Under CDR	6031
Under MSME	678
Others	6734
Total	20086

10. The Activity wise break up of Restructured Advances was provided as under:

(Rs. in crore)

Activity	Total O/s	Percentage
Infrastructure (*)	8684	43.23%
Aviation	1148	5.72%
Iron & Steel	3728	18.57%
Textiles	984	4.90%
Sugar	531	2.64%
Agriculture	469	2.33%
Paper	78	0.39%
Others	4464	22.22%
Total	20086	100.00%

(Rs. in crore)

*Break up of Infrastructure	Total O/s Restructured A/cs
State Discoms	5495
Telecom	644
Power Generation	1434
Roads, Highways & Ports	897
Others	214
Total	8684

11. The various Provisions made during the Financial Year 2014-15 were discussed as under:

PROVISIONS (MAJOR PROVISIONS)

(Amt Rs. in Crore)

Provisions for	Q4 March 2014	Q4 March 2015	FY March 2014	FY March 2015
NPAs	728	565	1686	1991
Standard Restructured Adv	49	148	134	311
Sacrifice Intt.	17	-2	208	178
FITL	74	120	248	327
Wage Revision	-6	202	104	310
Pension	58	28	281	237
2nd Pension Option (Amortization) Deferred	42.73	42.73	170.90	170.90

12. A Sale amounting to Rs.18 crore (1 Account) was made to Asset Reconstruction Companies (ARCs) during Q4 March 2014-15 while the outstanding balance of Security Receipts stood at 143.96 crore as on 31.03.2015.

Vision for FY 2015-16:

13. The growth in Deposits, Advances and Total Business for FY 2015-16 is projected at 12%. It was informed that the Net Profit is expected to increase to double its level from FY 2014-15 depending upon economic conditions. As regards expansion plans, the Bank intends to open 100 branches during FY 2015-16. Return on Assets (ROA) and Net Interest Margin (NIM) are expected at 0.45% and 2.65% respectively. The Bank's proposed restructuring for Q1 FY2015-16 is around Rs.1400 crore. The Bank expects its Gross NPA and Net NPA to be below 5% and 3% respectively by March, 2016.