

Operator

Ladies and gentlemen, good day, and welcome to the South Indian Bank Q1 and FY '14 earnings conference call hosted by Anand Rathi Shares and Stock Brokers. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded. I now hand the conference over to Mr. Clyton Fernandes from Anand Rathi Shares and Stock Brokers. Thank you, and over to you, sir.

Clyton Fernandes, Investor Relations

Thank you, Shyama [ph]. Good morning, everyone, and a warm welcome to all of you on behalf of Anand Rathi Share and Stock Brokers. We are hosting South Indian Bank's first quarter FY '14 conference call to discuss their results. We have with us very distinguished members of the management team today, Dr. V. A. Joseph who is MD and CEO of South Indian Bank; Mr. Abraham Thariyan, Executive Director; Mr. Cheryan Varkey, Executive Director; and Mr. C. P. Gireesh, the CFO; and last but not the least, Mr. Murali who is General Manager, Treasury. Initially, Dr. Joseph will make a brief presentation on the bank's results, after which he would take questions from participants. I now hand over the call to Dr. Joseph. Over to you, sir.

V. A. Joseph, Managing Director and Chief Executive Officer

Net profit of 114.84 crores for the first quarter of the financial year '13, '14 after charging of the entire provision amounting to 60 crores in one NPA account during the current quarter itself instead of permissible phasing over the current fiscal. The incremental provision has been done by the bank as a strategy to improve the provision coverage ratio in the coming quarters.

In light of consistently maintaining the growth along with a high asset quality during the past, certain asset quality slippages were experienced by the bank during the last couple of quarters due to stress on the macroeconomic situations. However, we continued to hold the gross NPA and net NPA almost at 50% of the industry level figures. For the coming quarters, we will be concentrating more on up gradation and recovery of the slipped accounts and also concentrating our lending in the retail portfolio.

Total business of the bank has increased by 10,621 crores from 64,502 crores to 75,123 crores, registering a growth of 16.47%. While the deposits have gone up by 6,431 crores from 37,153 crores to 43,584 crores, registering a growth of 17.31%, the advances increased by 4,190 crores from 27,349 to 31,539 crores, registering a growth of 15.32%. The bank also increased by 1,133 crores from 7,835 crores to 8,968 crores, which constitute 21% -- 21.09% of the total deposit.

Bank had at the end a total income of 1,342.88 crores during the quarter as against 1,144.41 crores for the corresponding period of the previous year, registering a growth of 17.34%.

During this year, we're taking our total number of ATMs to 1,000 and total number of branches to 800.

Now, we -- I also have with me Mr. Abraham Thariyan, Executive Director, who is there to answer your questions on deposit side, NRI business and general administration. Cheryan Varkey will be answering your questions on Credit; and Mr. Gireesh will be there to answer your questions on accounts; and also Mr. Murali who is heading the Treasury as far as the treasury matters are concerned, I welcome all of you once again to this conference.

Questions And Answers**Operator**

Thank you very much, sir. (Operator Instructions) We have the first question from the line of Jignesh Shial from IDBI Capital. Please go ahead.

Jignesh Shial, Analyst

Yeah. Hi. Good morning, sir.

V. A. Joseph, Managing Director and Chief Executive Officer

Good morning.

Jignesh Shial, Analyst

Just couple of questions, more particular towards your advancing side -- on your lending side. One thing, firstly your other advances actually increased 27% quarter-over-quarter. Can you please get me the breakup of this other advances? Other advance by which you mean...?

Jignesh Shial, Analyst

Your advance breakup shows other advances, others -- sectors and others in the slide 15 which comprises 2,293 crores.

Cheryan Varkey, Credit

When we give that sector-wise bifurcation --

Jignesh Shial, Analyst

Yes.

Cheryan Varkey, Credit

-- you can see the others mean (inaudible) and not specifically classified to any of these industrial sectors and things like that. It is one part of it.

Jignesh Shial, Analyst

Okay, so -- I mean will it be more of a corporate or it will be retail? I mean if that can be bifurcated that way or not possible?

Cheryan Varkey, Credit

It is personal loan against deposit or a one-time check discounting and things like that.

Jignesh Shial, Analyst

Okay. And secondly, same way your housing loan portfolio has also increased 22% QoQ. Can you give some light to what kind of exact portfolio is this building up? And how does it -- I mean how much of it is related to your -- the new norms of the priority sector lending?

Cheryan Varkey, Credit

Okay, I will come to that.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

Yeah. So -- but then this year, consciously we thought we will focus more on the retail and the personal loan segment of vehicles and housing loan for the -- as a growth driver than corporate, because corporate much things are not happening, though advances are granted and then arrangement is on the -- very slow.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

With that in view, we reduce the rate of interest on both vehicle loan and housing loan, more reliant to the market, those were base rates.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

Just given a real impetus to the housing loan growth. Starting from January onwards you will be -- we have started focusing on it and it has started yielding results. So the growth in housing in personal like vehicle loan and all has started growing. So the growth that you're witnessing and the improved numbers that you are seeing in the housing loan is attributable to this conscious effort.

Jignesh Shial, Analyst

Okay. So on this housing, can you quantify how much would be classified -- or to be classified as a priority sector?

Cheryan Varkey, Credit

I can say roughly almost 80% will be priority sector. It will be in the 20, 25 lakhs segment.

Jignesh Shial, Analyst

Okay. But you've not reduced any base rate right now, right; I mean recently no cut in the base rates or something like that? Continuously we are 10.5%.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

Then we're giving at base rate if certain conditions are getting complied with.

Jignesh Shial, Analyst

Okay. And thirdly, with the -- I mean last financed bill, I mean there was an interest subvention allowed to private sector banks as well. So can you throw some light, how -- is it benefitting you right now? Is it -- anything clarified or something like that?

Cheryan Varkey, Credit

The operative orders are yet to come. Once it comes, it can have a beneficial impact on our pushing the agri loan, but then the operation guidelines are yet to come.

Jignesh Shial, Analyst

So right now -- no interest subvention loans are there in your portfolio as of now?

Cheryan Varkey, Credit

Let me put it the other way around, say, we have got loans eligible to be classified for availment of interest subvention.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

But then private sector bank being eligible for that as an operational guideline has not come.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

As on date, we are not able to convince -- I mean convey the idea to the borrower that, yeah, you are also eligible for subvention because we don't know.

Jignesh Shial, Analyst

Okay. And on this housing loan again, (Technical Difficulty) --

Cheryan Varkey, Credit

-- (Technical Difficulty) indication, yeah.

Jignesh Shial, Analyst

Okay. And same the case of SME/MSME, can you just throw some light what kind of portfolio or which sectors you're exposed to in (Technical Difficulty) --

Cheryan Varkey, Credit

-- (Technical Difficulty) we have been telling for the last two quarters that we will not be too much concentrating on infra; road and power, that's the main infra that we have.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

So in fact we have started applying brake from last September onwards.

Jignesh Shial, Analyst

Okay.

Cheryan Varkey, Credit

We have not sanctioned any -- actually any fresh advance in the infra for the last six months or eight months.
Okay.

Cheryan Varkey, Credit

That which was sanctioned and partial dispersion might have happened, but then repayment also has started coming in.

Jignesh Shial, Analyst

Okay. The other is I just wanted to check on the NPA provisioning I think of about 110 crores that we have in this quarter, there'll be 60 crores of profit. What else is there? Any large account there?

Cheryan Varkey, Credit

As I told earlier, (inaudible) for the current quarter is around 119 [ph] to 220 crores.

Jignesh Shial, Analyst

Right.

Cheryan Varkey, Credit

On that we necessarily have to provide around 15%, if not a small account where a 100% provision might also have happened.

Jignesh Shial, Analyst

Sir, but any large specific account that you would like to highlight there?

Cheryan Varkey, Credit

Of this 219, our corporate accounts add up to around 175 sort of.

Jignesh Shial, Analyst

Okay. Sir, can you just give us the breakup of CASA between current and savings?

Cheryan Varkey, Credit

One second.

Mr. Gireesh, Accounts Jignesh Shial, Analyst

Okay.

Mr. Gireesh, Accounts

And current account is -- current deposit is 1,654, total is 8,944 crores by June.

Jignesh Shial, Analyst

Okay. Sir, lastly just -- yeah, lastly just wanted to check on the fraud that had happened in quarter two last year. What is the current status? I mean, how much of that is currently still in the NPA? How much have we recovered? I think there were some insurance amount that was due. So, how -- if you could just run us through what is the status?

Mr. Gireesh, Accounts

The full amount has been provided for --

Jignesh Shial, Analyst

Right.

Mr. Gireesh, Accounts

And a partial amount has been received from the insurance to the extent of roughly 5 crores.

Jignesh Shial, Analyst

Right

Mr. Gireesh, Accounts

And -- well, the case is in the court and the latest development is last week there was a hearing in the high court at Nainital where the high court has asked the fraudulent -- the people who were involved in the fraud to give the full list of their assets within two weeks, that is tomorrow that hearing is to take place with the statement of all their assets. They are people having -- with means and they have been running business in Dehradun, and this data will give us lot of further progress in the matter.

Jignesh Shial, Analyst

Sir, the collateral that we had of about 10 crores is in our possession, right?
Yeah, that's around 5 crores, that is in our possession.

Jignesh Shial, Analyst

Okay.

Mr. Gireesh, Accounts

That is in our possession. In addition to that, for the additional amount whatever that we have to recover from them, they've asked to give a statement of all their properties available with them to the court of -- to the High Court.

Jignesh Shial, Analyst

Okay. Sir, lastly, if you could just give us the gold loan book right now?

Cheryan Varkey, Credit

Around 7,000 plus.

Jignesh Shial, Analyst

Okay. Sir, how much of this would have like a bullet payment schedule where the payment has to be made at the end of the loan?

Cheryan Varkey, Credit

I mean majority of them are like that.

Jignesh Shial, Analyst

Okay, perfect. Thanks and all the best.

Operator

Thank you. We have the next question from the line of Prakhar Agarwal from Edelweiss Securities. Please go ahead.

Prakhar Agarwal, Analyst

Hello, yes. This is Nilesh here. Good morning. Sir, I just wanted to get your outlook on margins going forward, and specifically on cost of deposits, where do you see them settling down?

Cheryan Varkey, Credit

Sir, but just on -- sorry, on this --

Cheryan Varkey, Credit

Because we expect the cost of deposit to incrementally inch down, which have a positive push on the net interest margin.

Prakhar Agarwal, Analyst

Sir, this interest income reversal, this is largely on the slippages of about 200 and -- yeah. Sir, but the point is last quarter also we saw something similar of about 150-odd crores of slippages. So, this is more of a recurring item which is there. Just on specifically outside of this, what is the lending yields -- the outlook on the lending yields going forward, sir?

Cheryan Varkey, Credit

On lending yields, obviously can be under pressure. The only point we are trying to say is we are on an all-out effort to recover or create the account (inaudible). For example, two of them -- two of the slippages for the current quarter we expect to be recovered or regularized during the quarter certainly.

Prakhar Agarwal, Analyst

Okay. And sir, thoughts of provisioning coverage going forward. We've always had a very high provisioning coverage. But even if you include the write-off that we've taken it's still about 58%. So where you expect this to kind of settle going forward, sir?

Cheryan Varkey, Credit

We are trying to see how best we can improve it. Maybe by the year-end we would like to take it above 60, as close to 70 as possible.

Prakhar Agarwal, Analyst

Okay. Including the technical write-offs, right?

Cheryan Varkey, Credit

Yeah.

Okay. And sir, if you can just provide some split of the NRE deposits into the terms --

V. A. Joseph, Managing Director and Chief Executive Officer

In fact NRE deposits, there had been good growth this quarter. Our total NRE deposit is 7,128 crores and there had been a almost 10% growth during the last quarter.

Prakhar Agarwal, Analyst

Okay.

V. A. Joseph, Managing Director and Chief Executive Officer

-- 600 increase is there during the last quarter.

Prakhar Agarwal, Analyst

Sir, but in terms of split between savings and term deposits and the --

V. A. Joseph, Managing Director and Chief Executive Officer

Actually, savings bank gives the percentage is going up, actually -- out of which the NRE SB has grown by 23% during this quarter.

Prakhar Agarwal, Analyst

So, where does it stands, sir, today?

V. A. Joseph, Managing Director and Chief Executive Officer

Beg your pardon?

Prakhar Agarwal, Analyst

What is the quantum, sir, today; outstanding number?

V. A. Joseph, Managing Director and Chief Executive Officer

Quantum is 1,765 as on June 30th.

Prakhar Agarwal, Analyst

1765?

V. A. Joseph, Managing Director and Chief Executive Officer

On NRE savings bank.

Prakhar Agarwal, Analyst

SB, okay.

V. A. Joseph, Managing Director and Chief Executive Officer

And NRO savings bank is another 260 crores. So it roughly comes to 2,000 crores.

Prakhar Agarwal, Analyst

Right. And sir, on the NRE term deposit side?

V. A. Joseph, Managing Director and Chief Executive Officer

NRE term deposits is basically I should say -- then there is an FCNR deposit of around 500 crores; the remaining is NRE term deposits.

Prakhar Agarwal, Analyst

Okay. Fine, sir. Thank you very much, sir.

Operator

Thank you. We have the next question from the line of Jaymin Trivedi from ICICI Direct. Please go ahead.

Jaymin Trivedi, Analyst

Hello, sir. I wanted the outlook on the credit growth. I mean in the presentation it has been giving 25% growth target whereas now it is 15, 16, whereas if we are focusing more on the retail credit which are mainly low ticket. So what is the guidance in FY '14 and going ahead?

Mr. Gireesh, Accounts

See, when we started the year we hoped that economy will be slightly up and projected for 25% plus growth. And still we feel, if economy can revive, at least the second half year (inaudible) target. At any rate, minimum 20% growth appears to be within our reach.

Jaymin Trivedi, Analyst

About 20%.

If everything is gloomy and (inaudible) during the current year.

Jaymin Trivedi, Analyst

Okay. And sir, was there any fresh restructuring in this quarter?

Mr. Gireesh, Accounts

Done.

Jaymin Trivedi, Analyst

Okay. And sir, what is the outlook on the gold loan portfolio, like is it getting into the riskier category wherein we may see some of the slippages in the forthcoming quarters?

Mr. Gireesh, Accounts

In the gold loan portfolio, we are on a dynamically -- re-fixing the rate per gram based on the market value, keeping in the old value of around 70, 71%.

Jaymin Trivedi, Analyst

Okay.

Mr. Gireesh, Accounts

So, we don't see any great reason why we should be reducing it. We will be allowing it to grow as per the demand, maybe around 25% growth can happen in that also.

Jaymin Trivedi, Analyst

Around 25%, okay. From -- but from existing portfolio are we seeing any slippages, like you are asking for margins that have maintained that LTV ratio? Hello?

Mr. Gireesh, Accounts

LTV margin build-up is by and large on track.

Jaymin Trivedi, Analyst

Okay. And sir --

Mr. Gireesh, Accounts Jaymin Trivedi, Analyst

Okay. And what is the current outstanding LTV?

Mr. Gireesh, Accounts

See, we are giving loan-to-value at the initial stages, as I told you, around 70, 71%, right, giving around 1,700 rupees per gram.

Jaymin Trivedi, Analyst

And now it -- that portfolio would be approximately?

Mr. Gireesh, Accounts

For the portfolio as a whole, including the interest accrued, having an LTV of around -- I mean outstanding value of around, say, 80 to 85%.

Jaymin Trivedi, Analyst

80 to 85%, okay. And sir, for the stress slippages that have been -- from which sector they has been, about 219 crores?

Mr. Gireesh, Accounts

I think as a sector itself it is spread over, maybe --

Jaymin Trivedi, Analyst

Okay.

Mr. Gireesh, Accounts

There -- steel is there one price there, then it's spread over.

Jaymin Trivedi, Analyst

Okay. Thank you.

Operator

Thank you. We have the next question from the line of Jignesh Chheda [ph] from Equirus Securities. Please go ahead.
Hello.

V. A. Joseph, Managing Director and Chief Executive Officer

Yes, yeah.

Unidentified Participant

Yeah. I wanted to know that the exposure on large corporate it has been declined, sorry if it has been answered earlier. So for -- the reason for that and the impact on current account because of that?

Cheryan Varkey, Credit

Large corporate we have been telling that we'll be focusing more on the retail part for the current year which we started from January onwards obviously because the pickup in the advance in the corporate sector by and large is flat. So going forward, retail segment will be growing and corporate segment may not be growing at the same pace, so that the proportion will (Technical Difficulty).

Unidentified Participant

Yeah, sir. And if you see exposure on retail sectors compared to last June last quarter, also it has been declining. Last year it was 34%, now it is 21% --

Cheryan Varkey, Credit

Last quarter?

Unidentified Participant

Yeah, on quarter-over-quarter basis?

Cheryan Varkey, Credit

Fine, see, that's what I already told. Last year we had a reasonable growth in the corporate sector.

Unidentified Participant

Okay.

Cheryan Varkey, Credit

We've been marginally -- I mean pushing on the retail sector for the current year for the reasons that I told you earlier. So this will be going back over the year.

Okay. Okay, sir. That will do. Thanks.

Operator

Thank you. We have the next question from the line of Saikiran Pulavarthi from Espirito Santo. Please go ahead.

Saikiran Pulavarthi, Analyst

Hi. Just quickly that tax rate have been little volatile in the last couple of quarters.

Cheryan Varkey, Credit

Could you be louder, please?

Saikiran Pulavarthi, Analyst

Hello, am I audible now sir?

Cheryan Varkey, Credit

Fine now, go ahead.

Saikiran Pulavarthi, Analyst

Yeah, sir, the tax rate has been little volatile in the last couple of quarters; this quarter is also at 21% versus historically it used to be between 30 to 35%. Can you let us know what could be the tax rate going forward which we should look at?

Mr. Gireesh, Accounts

Tax rate will be around 30 to 33% going forward. The current quarter, we have reassessed our tax position based on the various judgments which we were receiving during the last couple of quarters and we have reassessed our provision which we held in our books and we have rationalized the same.

Saikiran Pulavarthi, Analyst

Okay. So essentially, on a full-year basis you still think that the tax rate should be somewhere between 30 to 35%?

Mr. Gireesh, Accounts

Not 35, 30 to 33%.

Saikiran Pulavarthi, Analyst Cheryan Varkey, Credit

Yeah. As I told you earlier, we never had any restructuring for the current quarter. On the electricity distribution company, I mean that's it, no further restructuring is going to happen.

Saikiran Pulavarthi, Analyst

Okay. But do we have any exposure at this point of time, sir, on any of the state electricity boards?

Cheryan Varkey, Credit

Other than that which is restructured, we have a small exposure to Kerala State Electricity Board.

Saikiran Pulavarthi, Analyst

Nothing to Rajasthan or UP or Haryana, which is expected --

Cheryan Varkey, Credit

Rajasthan, UP have all been -- have gone for the replacement.

Saikiran Pulavarthi, Analyst

But sir, there is one more, what I can say, discussion saying that as per the financial restructuring plan this might go to again -- based on the finance min.'s fees -- new scheme, these might go for again restructuring, is it something which will -- could impact you or you don't think so?

Cheryan Varkey, Credit

See, I will answer it in two directions. One, even if it is restructured -- after all it is a restructured account, so my overall restructured accounts can't go up.

Saikiran Pulavarthi, Analyst

Right.

Cheryan Varkey, Credit

Second part is impact part of it, but then the details are not available to see whether there can be a net present value impact going to happen on that. I mean we are awaiting.

Fair enough. If you can just let us know what is the exposure -- the total SEB exposure from the breakup, if any, possible sir?

Cheryan Varkey, Credit

Restructured accounts, it should be around -- between Rajasthan and UP is around 750 crores roughly, will give you the exact number later, yeah. And then we have around 80 crores in Tamil Nadu, that's it.

Saikiran Pulavarthi, Analyst

And the total rate, sir?

Cheryan Varkey, Credit

The data point you can collect it later.

Saikiran Pulavarthi, Analyst

Sir. And the total restructured, sir, what is the number?

Cheryan Varkey, Credit

Total restructured is 1540, yeah.

Saikiran Pulavarthi, Analyst

1540. Thank you all. That's it from me.

Operator

Thank you. We have the next question from the line of Adarsh from Prabhudas Lilladher. Please go ahead.

Adarsh Parasrampur, Analyst

Yeah, my questions are answered. Thanks.

Operator

Thank you. We will take the next question from the line of Ravikant Bhat from SBICAP Securities. Please go ahead.

Ravikant Bhat, Analyst

Sir, just wanted to know what would have been the RIDF in FY '13 and how would it compare with FY '12?

One second, one second. Around 1040 crores -- 1040 crores.

Ravikant Bhat, Analyst

This was in '13 right?

Cheryan Varkey, Credit

Yeah, the status quo continues.

Ravikant Bhat, Analyst

Okay, and sir, what could I have been the figure in '12?

Cheryan Varkey, Credit

Well --

Ravikant Bhat, Analyst

Yeah, if you have it.

Cheryan Varkey, Credit

We will get back that number, yeah.

Ravikant Bhat, Analyst

No issues, sir. The second question is on the priority sector I believe what would still the gap be, is it somewhere around 10% still?

Cheryan Varkey, Credit

Yeah, it is as of now around 10%, but then we are hopeful that we'll be bridging it -- I mean we may be ending up around 36% at the end of the year.

Ravikant Bhat, Analyst

Okay. And sir, any demands you are expecting from RIDF this year then on account of shortfall?

Cheryan Varkey, Credit Ravikant Bhat, Analyst

Right. Sir, what was the incremental last year for RIDF, because the gap was higher last year which you were able to bridge to an extent, but if there -- was there any demand last year?

Cheryan Varkey, Credit

I mean demand is yet to come.

Ravikant Bhat, Analyst

Okay. Thanks. Thanks, sir.

Operator

Thank you. (Operator Instructions). We have the next question from the line of Shreya Kapadia from Atchcon Global Services [ph]. Please go ahead.

Unidentified Participant

Hello, sir. Good morning. Hello?

Cheryan Varkey, Credit

Good morning.

Unidentified Participant

Yeah, good morning sir. Sir, what is your plan about the CASA ratio from your two-year basis, like it's 18% right now? So what is your plan to improve that? Hello?

Cheryan Varkey, Credit

We are planning around 3% every year, that is what we plan. And this year also actually the -- from the March figures, actually it has improved by 2%.

Unidentified Participant

Okay. And you can give me a breakup of your term deposits and bulk deposits?

Cheryan Varkey, Credit Unidentified Participant

Okay.

Cheryan Varkey, Credit

But now we have redefined it, with that it comes to around 10,000 crores.

Unidentified Participant

Okay. Yeah. And my second question is with regard to your advances like 22% just comprising of gold loan. So what is your strategy with regard to your falling gold prices?

Mr. Gireesh, Accounts

As I was trying to explain earlier, loan-to-value in our system is highly dynamic. Depending on the movement of the gold price, we refit it and then take care of that part of it. So there is no reason, whether -- I mean as to being selective or restrictive or anything. We'll allow it to grow as per the demand.

Unidentified Participant

As per the demand, okay. And you have made any provisions for the same or --

Mr. Gireesh, Accounts

There is not a question of provisioning. As on date -- for the portfolio as a whole, outstanding versus gold value is around 82, 83%.

Unidentified Participant

Okay. Okay, fine. Thank you, sir. Thank you very much.

Operator

Thank you. We have the next question from the line of Rishendra Goswami from Locus Investments. Please go ahead.

Rishendra Goswami, Analyst

Hi. I just wanted a little more color on the gold loan book. Could you by any --

Cheryan Varkey, Credit Rishendra Goswami, Analyst

Yeah, is it better now?

Cheryan Varkey, Credit

Yeah.

Rishendra Goswami, Analyst

Yeah. I just wanted a little more information on the gold loan business. Would you have the total tonnage outstanding on the gold loan book?

Cheryan Varkey, Credit

Total?

Rishendra Goswami, Analyst

Total tons of gold outstanding, I mean in case you track that?

Cheryan Varkey, Credit

Honestly, we don't have it as on date. But then you can roughly take it, my portfolio is around 7000, if you give a -(inaudible) of around 75 rupees you can work it reverse then --

Mr. Gireesh, Accounts

And it would be more also from (inaudible) the value will be more.

Cheryan Varkey, Credit

Yeah. 8500 -- I mean, they say 8700 crores value of gold is with us.

Rishendra Goswami, Analyst

8500 crore?

Cheryan Varkey, Credit

Value of gold maybe with that sort of -8500 crores.

Cheryan Varkey, Credit

I mean, you can do that working yourself. Another point that you have to keep in mind is that this is spread over theoretically all our branches, but actually it's around, say, 4, 500 branches; 3, 4500 branches; 3, 4 -- I mean around 4, 500 branches are very active. So when you talk about 'n' number of tonnages --

Rishendra Goswami, Analyst

Right. And this value -- the 500 crores of value would be assuming what gold prices?

Cheryan Varkey, Credit

That's what we are trying to tell on two -- on the current price. On two score we explained it. When we lend it, we keep a loan-to-value of around 71% and portfolio, when you -- when we checked for June we found outstanding versus the value of gold loan to be around 80 to 83%. And gold price of late maybe for the last two, three days are improving also.

Rishendra Goswami, Analyst

Sure, got it. And any default that you have seen here or any auction pipeline that you might have for the gold loan?

Cheryan Varkey, Credit

Auction is an ongoing process. It has nothing to do with the current slippage or -- I mean gold loan -- I mean gold price going down. Option has more to do with party's failure to come forward and take it out, in which case we auction and then we re-raise our amount.

Rishendra Goswami, Analyst

Sure. And have you seen that behavior change over last one quarter due to fall in gold prices?

Cheryan Varkey, Credit

No, see, that pattern continues to be there -- is an ongoing process, that will continue to be there.

Rishendra Goswami, Analyst

Right. And typically -- how much did you have to auction in Q1?

Cheryan Varkey, Credit

Hardly around, say, 8 or 10 crores out of 10,000 crores.
8 to 10 crores?

Cheryan Varkey, Credit

I mean roughly.

Rishendra Goswami, Analyst

Okay. So, it's a very small amount. Okay, great.

Cheryan Varkey, Credit

Spread over again maybe around 70, 80 branches.

Rishendra Goswami, Analyst

I see, not an issues. And just one more question on -- Q1 was very good for treasury in terms of trading gains. Would you expect any more trading gains going forward for the year?

Cheryan Varkey, Credit

Murali?

Mr. Murali, Treasury

Hello? This quarter it was very good because 10-year yield was 8% as of April 1st. It has come down to 7.61 as on June 30. But now as you know, market is very volatile. If yields fall, definitely we may put trading -- but not to this level anyway because you look at the March profit, it is around 14 crores, March 2013. June -- corresponding quarter last year was 20 crores. So if yields fall, I think we'll have reasonably good profit but 52 crores may not be there, but somewhere reasonable profit which I cannot give a fair guidance because of the very highly volatile nature of the market now.

Rishendra Goswami, Analyst

I understand. Thanks. That's all from my side. Thank you.

Mr. Murali, Treasury

Yeah, sure.

Operator

Thank you. We have the next question from the line of Nisarg Vakharia from Lucky Investments. Please go ahead.

Thank you for taking my question, sir. I'm sorry if I'm repeating the question or if you have clarified the data before, but what percentage of your deposits would be NRI deposits, sir?

Mr. Gireesh, Accounts

Roughly 20%.

Nisarg Vakharia, Analyst

20%?

Mr. Gireesh, Accounts

Yeah.

Nisarg Vakharia, Analyst

And out of those NRI deposits, what chunk would be those NRE RA deposits, the rupee account?

Mr. Gireesh, Accounts

Yeah, actually except for the FCNR to the extent of around 400 to 500 crores, all remaining has rupee accounts.

Nisarg Vakharia, Analyst

Sir, so in the -- now given that these rupee account had seen a big spurt over the last one and a half, two years ever since RBI kind of liberated the rate regime out there, the currency -- if I understand it right, the currency risk was essentially taken by the depositor?

Mr. Gireesh, Accounts

Actually.

Nisarg Vakharia, Analyst

So now that the currency would have eaten away almost -- practically all that they made in the last one and a half years

Mr. Gireesh, Accounts

No, first of all I should make a small correction; as far as our NRI pattern of portfolio is concerned, almost 80% of the amount comes from the Middle East, from the Gulf Region. And the Gulf Region, the money which comes in, there is -- there has not been

even 0.01% repatriation.

No, sir, the repatriation -- sir, but the point is --

Mr. Gireesh, Accounts

What I'm trying to say is this is regular money and regularly being invested, more flows have come in. That is how it is. This is not -- that's why the savings bank is also very -- considerably good percentage of the NRI money is in savings bank and it continues to grow. And the biggest advantage people are taking is on the currency rate movement, that is what they are -- prompting them to send more money here. And they put there in rupees and they go on investing in fixed deposit a part of it, something in real estate, so many things it is happening.

Nisarg Vakharia, Analyst

No, sir. What I am trying to understand is out of your -- when you said 20% of your deposits, where you meaning overall deposits or where you saying 20% of your fixed deposits or term deposits?

Mr. Gireesh, Accounts

No, I should say that the total overall deposit.

Nisarg Vakharia, Analyst

Overall deposit. So now the question is if -- see, as you said, sir, these basically come in from the Middle East and all, so on the overall basis the remittances from abroad haven't come down for India overall. Now, these remittances could have come easily and sat in FDs where you were in any case offering 8 or 9% to Indians. So why do you think the NRIs came in and then put in money in these deposits at 9% and that too happened only in the last one and a half years; a big spurt happen when RBI liberated the regime basically?

Mr. Gireesh, Accounts

Yeah, that is true, but for the last two years the growth has been more because of the -- two factors one is the interest rate -- rate of exchange benefit what they are getting, and some of it because (Technical Difficulty) fixed deposit where the interest rates have been much higher than what it was before.

Nisarg Vakharia, Analyst

Yeah, so the question then is that of course these deposits came in because they wanted to probably -- or they had the intension of also taking some advantage of the currency movement in the sense that they either expected it to be stable or probably appreciate 2, 4 percentage points, so that over and above the interest rates they also made some currency gains. But people who would have invested about 1.5 years back, all of the interest that they would have earned on the bank account is now completely taken away by the currency.

So unless you are suggesting that all this deposit is basically -- was always headed to India and this was never from arbitrage money or never from money where the NRI was basically taking advantage of interest rates, is there a case to say that some of this money might flow back and -- that is one. Second is if we see the overall NRI -- flows into NRIs as the RBI discloses it, last two months there has been a serious slow-down in fact May there has been a small draw-down of NRI deposits as RBI discloses it and that is why the question.

Mr. Gireesh, Accounts

First of all, two questions, first of all it has been steadily growing up during the last one quarter. We have registered a growth of in NRI SB 23% and our total NRI deposits it is roughly 10% on a quarter -- for a quarter basis, 10%. So, that growth has been very good, one.

Second is basically there has not been -- even historically there has not been from Kerala where from the most of the -chunk of the NRI deposit is there, there has not been any repatriation at all, any repatriation I should say, because recently also we collected the data, there has absolutely been no repatriation from here mostly because the money is not coming for arbitrage operations. It's

coming here for a long-term investment or a long-term deposit.

And the local side of term deposit, there is nothing left with us today; it's all gone by last March itself.

Nisarg Vakharia, Analyst

Thank you for answering the question. The question was only because the RBI data was suggesting some serious slowdown in the NRI deposits and that is why the question.

Mr. Gireesh, Accounts

I know, the Reserve Bank data, we -- they wanted some data a few days back, we gave that data. It was very, very comforting as far as our bank is concerned.

Nisarg Vakharia, Analyst

Sure, sir. Thank you. Thank you so much.

Operator

Thank you. We have the next follow-up question from the line of Jignesh Shial from IDBI capital. Please go ahead.

Jignesh Shial, Analyst

Yeah, hi sir. Just wanted to check, can you give some sense on your CD ratio, your Credit Deposit ratio, I mean how much you're planning (Technical Difficulty).

Mr. Gireesh, Accounts

(Technical Difficulty)

Jignesh Shial, Analyst

Okay, 75 right? Okay, fine. Fine, sir. Thanks a lot.

Operator Saikiran Pulavarthi, Analyst

Thanks. Could we get the risk weighted assets as of first quarter?

Mr. Gireesh, Accounts

Yeah. One second. 20407. Hello?

Saikiran Pulavarthi, Analyst

Yes, sir. 2?

Mr. Gireesh, Accounts

23407.

Saikiran Pulavarthi, Analyst

That is all, sir. Thank you.

Operator

Thank you. Participants, that was the last question. I would now like to hand the floor back to Mr. Clyton Fernandes for closing comments. Over to you, sir.

Clyton Fernandes, Investor Relations

Thanks, Shyama [ph]. Thank you, everybody, for attending the conference call today. I would also like to particularly thank Dr. Joseph and his entire management team for being so patient with us as always and answering all our queries. Thank you very much, sir, and we would like to wish you all the best for your future results.

V. A. Joseph, Managing Director and Chief Executive Officer

Thank you very much. Thank you.

Operator

Thank you. Ladies and gentlemen, on behalf of Anand Rathi Share and Stock Brokers, that concludes this conference call. Thank you for joining us. You may now disconnect your lines. Thank you.