



Press Release

15-10-2020

SIB announces Q2 FY 21 net profit at Rs. 65.09 Crore

South Indian Bank has announced the Q2 results with a net profit of Rs. 65.09 Crore as against Rs. 84.48 Crore during the corresponding period of the previous year. Operating profit for the second quarter has grown from Rs. 411.45 Crore to Rs. 413.97 Crore (0.61%) Y-o-Y.

Highlights

- Core Deposits up by 9% Y-o-Y
 - Current Deposits up by 12% Y-o-Y
 - Savings Deposits up by 11% Y-o-Y
 - CASA up by 11% Y-o-Y
 - NRI Deposits up by 12% Y-o-Y
- Advances up by 2% Y-o-Y
 - Business Segment Loans up by 12% Y-o-Y
 - Personal Segment Loans up by 4% Y-o-Y
- Gross NPA reduced to 4.87% as on 30.09.2020 from 4.92% as on 30.09.2019 and Net NPA to 2.59% as on 30.09.2020 from 3.48% as on 30.09.2019
- Provision Coverage Ratio improved markedly from 48.07% to 65.21% on Y-o-Y basis

Q2 – Y-o-Y growth

Rs. in Crore

| | Quarter ended | Quarter ended | Growth | % |
|-------------------------------------|---------------|---------------|--------|------|
| | 30.09.2020 | 30.09.2019 | | |
| Core Deposits | 74,976 | 68,894 | 6,082 | 9 |
| Advance | 65,349 | 63,920 | 1,429 | 2 |
| NRI Deposit | 25,287 | 22,640 | 2,647 | 12 |
| CASA | 22,978 | 20,614 | 2,364 | 11 |
| Net Interest Income | 663 | 584 | 79 | 13 |
| Treasury & Forex income | 46 | 93 | (47) | (50) |
| Other Core Fee Income | 193 | 156 | 37 | 24 |
| Operating Profit | 414 | 411 | 3 | 1 |
| Provisions excluding tax provisions | 326 | 306 | 20 | 6.55 |
| Net Profit | 65 | 84 | (19) | (23) |
| Gross NPA % | 4.87 | 4.92 | (5) | BPS |
| Net NPA % | 2.59 | 3.48 | (89) | BPS |

The net interest income improved from Rs. 584.30 Crore to Rs. 663.11 Crore during the quarter registering a growth of 13% Y-o-Y. Net Interest Margin improved from 2.61% to 2.78% Y-o-Y.

The Gross NPA of the Bank stood well contained at 4.87% (vis-a-vis 4.92% last year) and Net NPA improved to 2.59% as against 3.48% a year ago.

Murali Ramakrishnan, who has recently taken charge as MD & CEO of the Bank, while announcing the results mentioned that despite the COVID Pandemic scenario in the country, Bank could register a reasonable growth in the Business and Personal Segment Loans during the period. As part of the business strategy to reduce the exposure in the Corporate Advances, Bank has brought down the share of corporate advances from 30.83% as on September 30, 2019 to 25.10% as on September 30, 2020. He added that the growth in the desired portfolios and the reduction in the Corporate exposure has further strengthened Bank's Balance sheet. Business Segment Loans has grown at 12% Y-o-Y. Personal Segment Loans grew by 4% Y-o-Y.

Bank has also been able to meet the targeted levels of recovery/ upgrades which has helped in containing the GNPA level. The Provision coverage ratio of the Bank has improved markedly to 65.21% from 48.07% Y-o-Y.

The Capital Adequacy Ratio of the Bank stands comfortable at 13.94% as on September 30, 2020. Bank has taken approval from the Shareholders for raising the equity capital during the Financial Year for an amount not exceeding Rs. 750 Crore.

MD & CEO also added that despite reduction in the profit from Treasury segment, Bank could register a Net Profit of Rs. 65.09 Crore for the quarter mainly on account of the higher Net Interest Income due to reduction in the Cost of Deposits and improved recoveries and upgrades. He further added that Bank's focus will continue in the areas of MSME and Retail loans with improved underwriting efficiency. The Technology initiatives of the Bank will be leveraged to improve the CASA and the technology income in the coming quarters. Thrust will be given on competency building of the work force through Career Development programmes, Leadership and Skill Development training etc.

As on date SIB has 875 Branches, 51 Extension Counters and 1438 ATMs/ CRMs.

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