



Press Release

22nd July 2021

South Indian Bank Announces Q1 Results

South Indian Bank has announced the Q1 results with increase in operating profit with a Y-o-Y growth of 26.86%. The operating profit for the quarter was Rs. 512.12 Crore as against Rs. 403.68 Crore during the corresponding period of the previous year and reported Net profit of Rs. 10.31 Crore during the quarter ended June 30, 2021 as against the net profit of Rs.81.65 Crore during the corresponding period of previous year Q1 FY21 due to higher credit cost.

Highlights

- Customer Retail Deposits up by 10% Y-o-Y
 - Savings Deposits up by 18% Y-o-Y
 - CASA up by 16% Y-o-Y
 - NRI Deposits up by 8% Y-o-Y
- Advances
 - Agriculture Loans up by 7% Y-o-Y
 - Gold Loan portfolio up by 15% Y-o-Y
 - Reduced Corporate advance portfolio by 22% Y-o-Y
- Other Income up by 59% Y-o-Y
- Operating profit up by 27% Y-o-Y
- Provision Coverage Ratio improved from 58.76% to 60.11% on Y-o-Y basis
- Capital Adequacy Ratio improved from 13.49% to 15.47% on Y-o-Y basis

Q1 – Y-o-Y growth

Rs. in Crore

	Quarter ended	Quarter ended	Growth	%
	30.06.21	30.06.20		
Customer Retail Deposits	79,975	72,891	7,085	10
Advance	58,319	65,819	-7,500	-11
NRI Deposit	26,664	24,661	2,003	8
CASA	25,725	22,179	3,547	16
Savings Bank Deposits	21,551	18,331	3,221	18
Current Deposits	4,174	3,848	326	8
Other Income	453	285	168	59
Operating Profit	512	404	108	27
Provisions Excluding Tax	498	293	205	41
Net Profit	10	82	(72)	(88)
Gross NPA %	8.02	4.93	309	BPS
Net NPA %	5.05	3.09	196	BPS

Mr. Murali Ramakrishnan, MD & CEO of the Bank while announcing the results stated that the prevailing Covid Pandemic scenario in the country, impacted the growth in the Business and Personal loan segment. While Bank could register substantial growth in the desired segments like Gold Loan portfolio during the period, strategy to reduce lumpy advances continued and share of Corporate Advances stands at 24% of total advances as on June 30, 2021.

In view of the ongoing Covid pandemic scenario, affecting various sectors, slippages during the quarter was on higher side by which the Gross NPA % and Net NPA % stood at 8.02 and 5.05 respectively as on 30.06.2021. Meanwhile, during this quarter Bank could improve the Provision Coverage Ratio to 60.11% as on 30.06.2021 as against 58.73% as on 31.03.2021.

The Capital Adequacy Ratio of the Bank stands comfortable at 15.47% as on June 30, 2021. Bank plans to raise additional capital during FY 21-22 to further strengthen the capital base.

Mr. Murali added that Bank has strengthened the review and monitoring system of the advance portfolio to improve the credit quality and there by bringing drastic reduction in the slippages and improve upgrades/ recovery. Bank has come up with a 3-year Medium Term Strategy (Vision 2024) where in Bank's focus will continue in the areas of MSME and Retail Loans with improved underwriting standards. The Technology initiatives of the Bank will be leveraged to further 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 per the Strategy, Bank's Return on Assets and NIM will be crossing 1% and 3.5% respectively by the financial year 2024.

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