

South Indian Bank announces Q2 FY 23 net profit at Rs. 223.10 Crore

South Indian Bank had declared second quarterly results with a net profit of Rs. 223.10 Crore against a loss of Rs. 187.06 Crore during the corresponding period of the previous year. Bank had recorded the highest ever Profit before tax of Rs. 246.43 Crore in a quarter and also recorded highest ever quarterly net interest income of Rs. 726.37 Crore. This performance backed with a NIM of 3.21% had enabled the improvement in ROE by 1707 bps and ROA has shown a substantial growth from -0.36% to 0.64% Y-o-Y basis.

Highlights of Q2 Results

- Deposits
 - CASA grew by 14.10% on a Y-o-Y basis with growth in SA by 14.00% and CD by 14.65% respectively.
 - Retail Deposits up by 5.71% Y-o-Y
 - NRI Deposits up by 2.52% Y-o-Y
- Advances
 - Gross advances up by 16.56% Y-o-Y
 - Corporate Segment up by 42.07% Y-o-Y.
 - Share of A and above rated accounts in large corporate segments improved from 75% to 93% on Y-o-Y basis
 - Auto Loans up by 31.07% Y-o-Y
 - Personal Loan book grew by 187.21% Y-o-Y
 - Gold Loan portfolio up by 36.34 % Y-o-Y
 - Bank had issued 1,40,000+ credit cards with outstanding book of Rs. 472 Crore

Key Ratios & other parameters:

- Return on Equity improved by 1707 bps from -6.26% to 10.81% Y-o-Y basis.
- Return on Assets increased by 100 bps from -0.36% to 0.64% Y-o-Y basis.
- NIM improved from 2.49% to 3.21% on Y-o-Y basis.

- Net interest income grown by 37.79% on Y-o-Y basis.
- Non-interest income recorded 62.31% growth on Y-o-Y basis to reach Rs. 255.10 cr.
- Capital Adequacy Ratio stands at 16.04%.
- Provision Coverage Ratio had picked up to 72.79% from 65.02% recording 777 bps on Y-o-Y basis.
- CASA ratio showed an improvement of 370 bps from 30.8% to 34.5% on Y-o-Y basis.
- GNPA came down by 98 bps from 6.65% to 5.67% on Y-o-Y basis.
- NNPA dropped by 134 bps from 3.85% to 2.51% on Y-o-Y basis.
- Focus on quality asset book enabled the provisions to come down from Rs. 419.59 Crore to Rs. 179.29 Crore on Y-o-Y basis.

Yearly – Y-o-Y growth
Rs. in Crore

| | Quarter Ended | Quarter Ended | Growth | % |
|----------------------|---------------|---------------|--------|---------|
| | 30.09.22 | 30.09.21 | | |
| Gross Advance | 67,963 | 58,309 | 9,653 | 16.56% |
| Retail Deposits | 87,111 | 82,402 | 4,709 | 5.71% |
| NRI Deposit | 27,500 | 26,823 | 677 | 2.52% |
| Current Deposits | 5,010 | 4,370 | 640 | 14.65% |
| Savings Deposits | 25,538 | 22,403 | 3,135 | 14.00% |
| CASA | 30,548 | 26,773 | 3,776 | 14.10% |
| CASA % | 34.53 | 30.83 | 3.70 | 12.00% |
| Gross NPA % | 5.67 | 6.65 | -0.98 | -14.74% |
| Net NPA % | 2.51 | 3.85 | -1.34 | -34.81% |
| Net Interest Income | 726 | 527 | 199 | 37.79% |
| Other income | 255 | 157 | 98 | 62.31% |
| Provisions excl. tax | 179.29 | 419.59 | -240 | -57.27% |
| Profit before tax | 246.43 | -249.95 | 496 | - |
| Net Profit after tax | 223.10 | -187.06 | 410 | - |

Mr. Murali Ramakrishnan, MD & CEO of the Bank, while announcing the results, stated that the strategy of realigning the Business by the Bank had contributed to the above improved performance. During the period, Bank could register growth in the desired segments of Liabilities like CASA & Retail Deposits and focus on building quality asset portfolio across all verticals like Corporate, SME, Auto Loan, Credit Card, Personal Loan, Gold Loan etc.

Mr. Murali Ramakrishnan, also added that during the second quarter of FY23, the Bank registered the highest ever quarterly net interest income of Rs. 726.37 Crore and profit before tax of Rs. 246.43 Crore followed by a net profit of Rs. 223.10 Crore, due to overall improvement in various parameters like CASA, Net Interest Income, reduced provisions (excl. tax) etc. He also stated that, in line with the strategic intend of the bank viz, “Profitability through quality credit growth”, the Bank could churn around 50% of its advances portfolio since October 2020 amounting to Rs. 33,768 Crore with a NIM of 3.60% and GNPA of only 0.03%. This coupled with a robust recovery / collection mechanism, had helped the Bank to reduce the fresh slippages by 34.09% on Y-o-Y basis from Rs. 531.31 Crore to Rs. 350.17 Crore.

Further, Bank was able to beef up the CRAR to a level of 16.04% from 15.74% on Y-o-Y basis.

During the quarter, the rating outlook of the Bank had revised by CARE and India rating from “Negative” to “Stable”.

Mr. Murali added that, the Bank believes that its strong and diversified franchise with large distribution network and technology prowess provides the ability to leverage opportunities for profitable growth in the coming quarters, with the headwinds in the economy tapering.

###

About South Indian Bank

South Indian Bank is a leading Kerala-based Private sector bank with a nationwide presence. The bank’s shares are listed on The Stock Exchange Mumbai (BSE) and The National Stock Exchange of India Ltd., Mumbai (NSE). South Indian Bank has 926 branches, 1155 ATMs and 120 CDMs/CRMs across India and a representative office in Dubai, UAE. South Indian Bank is a pioneer in technology-based banking, offering an array of digital products and services. It has one of the youngest workforces in the banking sector in the country. The Bank’s Vision 2024 focuses on the 6 Cs -- Capital, CASA, Cost-to-income, Competency Building, Customer Focus, and Compliance.

For more information, please log on to www.southindianbank.com

For more details, please contact:

Azmat Habibulla
Chief Marketing Officer
Marketing Department
Phone: 98201 84780