

Press Release

Jan 24, 2023

## South Indian Bank Q3 FY 23 net profit at Rs. 102.75 Crore

South Indian Bank had declared third quarterly results with a **net profit of Rs. 102.75 Crore** against a **loss of Rs. 50.31 Crore** during the corresponding period of the previous year.

Mr. Murali Ramakrishnan, MD & CEO of the Bank, while announcing the results, informed that during the quarter ended December 31, 2022, Bank had provided an additional provision for depreciation on Security Receipts (SR) related to SRs acquired prior to March 31, 2017 amounting to Rs. 311.74 Crore pursuant to clarification on Master Direction of Transfer of Loan Exposure 2021 published by RBI on December 05, 2022.

If this extraordinary provision related to **SRs acquired prior to March 31, 2017** is not netted off, the Bank would have registered a **PBT of Rs. 474 Crore and PAT of Rs. 306 Crore**, recording the **highest ever quarterly profit declared by the Bank**.

### Key Highlights for the Quarter

- ✓ Highest ever Nil of Rs. 825 crore for the Q3 FY 2023 compared to Rs. 573 crore on Y-o-Y basis
- ✓ Net Interest Margin improved by 88 bps Y-o-Y to 3.52% in Q3 FY 2023 compared to 2.64% in Q3 FY 2022
- ✓ Significant improvement in ROA at 0.56% as against -0.31% and ROE at 9.22% against -5.40% on Y-o-Y basis. Excluding the above SR provision, ROA is at 0.82% and ROE is at 13.05%
- ✓ GNPA came down by 108 bps from 6.56% to 5.48% on Y-o-Y basis
- ✓ NNPA dropped by 126 bps from 3.52% to 2.26% on Y-o-Y basis
- ✓ Core fee income grew by 10% Y-o-Y to Rs. 140 crore compared to Rs. 127 crore in Q3 FY 2022
- ✓ CASA amount increased by 9% Y-o-Y to Rs. 30,660 crore compared to Rs. 28,229 crore in Q3 FY 2022
- ✓ CASA ratio improved by 186 bps Y-o-Y to 33.81% from 31.95%
- ✓ Provision Coverage Ratio including write off is at 74.51% as against 68.08% recording 643 bps increase on Y-o-Y basis
- ✓ Provision Coverage Ratio excluding write off stands at 60.20%, improved from 48.01% recording 1219 bps increase on Y-o-Y basis
- ✓ Capital adequacy position continued to be robust with CRAR of 16.25% and Tier I ratio of 13.71%

- ✓ Focus on quality asset book enabled the provisions to come down by 88% from Rs. 346.37 Crore to Rs. 41.42 Crore on Y-o-Y basis
- ✓ NPA recoveries and upgrades for the nine months in FY 2023 amounts to Rs. 1089 Crore compared to Rs. 927 Crore on Y-o-Y basis

### Highlights of Q3 results

- **Advances**
  - Gross advances up by 18.39% Y-o-Y
  - Corporate Segment up by 47.02% Y-o-Y
  - Share of A and above Corporates improved from 76% to 95% on Y-o-Y basis
  - Personal Loan book grew by 155.98% Y-o-Y
  - Gold Loan portfolio up by 32.36 % Y-o-Y
  - Bank had issued 1,80,000+ credit cards with outstanding book of Rs. 670 Crore

### **Yearly – Y-o-Y growth**

*Rs. in Crore*

	Quarter Ended	Quarter Ended	Growth	%
	31-12-2022	31-12-2021		
Gross Advance	70,117	59,226	10,891	18.39%
Retail Deposits	88,660	84,151	4,509	5.36%
NRI Deposit	27,964	27,144	820	3.02%
Current Deposits	5,344	4,660	684	14.68%
Savings Deposits	25,316	23,569	1,747	7.41%
CASA	30,660	28,229	2,431	8.61%
CASA %	33.81%	31.95%	1.86%	5.83%
Gross NPA %	5.48%	6.56%	-1.08%	-16.44%
Net NPA %	2.26%	3.52%	-1.26%	-35.90%
Net Interest Income	825	573	252	44.04%
Other income	-34	222	-256	-115.40%
Provisions excl. tax	41	346	-305	-88.04%
Profit before tax	162	-66	228	343.62%
Net Profit after tax	103	-50	153	304.23%

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 also added that during the third quarter of FY23, the Bank registered the highest ever quarterly net interest income of Rs. 825.15 Crore and profit before tax of Rs. 161.81 Crore followed by a net profit of Rs. 102.75 Crore, due to overall improvement in various parameters like CASA, Net Interest Income, reduced provisions (excl. tax) etc. He stated that, in line with the strategic intend of the bank viz, “Profitability through quality credit growth”, the Bank could churn around 54% of its advances portfolio since October 2020 amounting to Rs. 37,748 Crore with a GNPA of only 0.06%. This coupled with a robust recovery / collection mechanism, had helped the Bank to reduce the fresh slippages by 17.63% on Y-o-Y basis from Rs. 387 Crore to Rs. 320 Crore.

### **Major Achievements and Recognitions**

The Bank has won several prestigious awards/accreditations during the recent past such as: -

- Second Year in a row, 6 out of 7 Technological awards in the annual IBA Banking Technology Awards 2022
- Most preferred work place in the BFSI sector 2022-2023 by Marksmen Daily
- ET Edge Best Brands in the Best Brand 2022 Conclave 5<sup>th</sup> edition organized by The Economic Times

For more details, please contact: -

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### **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 928 branches, 1156 ATMs and 121 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](http://www.southindianbank.com)

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