

## Syndicate Bank Q2 profit up 5%; net NPA rises

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Arun Shrivastava (left), MD and CEO, Syndicate Bank, and RS Pandey, Executive Director, at a press conference in Bengaluru GR SOMASHEKAR

*Pressure on profitability will continue, says MD*

Bengaluru, October 28:

Syndicate Bank reported a 5.3 per cent growth in profit for the September quarter on higher interest income and lower provisioning.

The Manipal-headquartered public sector bank clocked a net profit of ₹332.37 crore for the quarter ending September 2015 as against ₹315.60 crore in the corresponding quarter last year.

Net interest income, the difference between the interest earned and expended, grew 12 per cent for the quarter at ₹1,594.75 crore against ₹1,422.48 crore in the corresponding period last year. Operating profit for the quarter was up 28 per cent at ₹1,225.30 crore (₹953.87 crore).

Gross non-performing assets rose to ₹7,734 crore (₹6,048.98 crore). Net NPAs were up at ₹4,854.50 crore (₹3,825.32 crore). Syndicate Bank's provision coverage ratio stood at 63.37 per cent.

For bad loans and contingencies, the bank made a provision of ₹440.29 crore, down from ₹537.79 crore in the year-ago period. Fresh slippages during the quarter stood at ₹1,362 crore, said Arun Shrivastava, MD and CEO, Syndicate Bank.

Shrivastava said the high level of NPAs was hurting public sector banks by preventing increase in the loan book leading to adverse impact on profitability. As the gains from the treasury side are not sufficient to compensate weak credit growth and interest income, "we assume that pressure on profitability will continue in the subsequent one or two quarters also," he added.

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