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# SBM Q3 net plunges 72% on higher provisions

Public sector lender State Bank of Mysore (SBM) on Wednesday reported a 72% decline in its net profit at R27 crore for the third quarter ended December 2015. Its net profit in the year-ago period stood at R96 crore.

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Public sector lender State Bank of Mysore (SBM) on Wednesday reported a 72% decline in its net profit at Rs 27 crore for the third quarter ended December 2015. Its net profit in the year-ago period stood at Rs 96 crore.

The total income for the quarter grew 2.7% to Rs 1,940 crore, against Rs 1,888 crore in the same quarter last year.

The decline in profit was due to higher provisions, which went up 87% to Rs 254 crore, compared with Rs 136 crore in third quarter last year. The growth in net interest income was also muted at Rs 507 crore, a rise of 2.7% year-on-year.

The operating profit for the quarter under review declined 3.6% to R268 crore, compared with Rs 278 crore a year ago.

SBM's return on assets declined to 0.13% from 0.51% in Q3 last year. The capital adequacy ratio under Basel-III improved to 12.36% from 11.65% a year ago. The net non-