

SBM reports Rs. 471-cr loss in first quarter

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Bengaluru, July 26:

Additional provisioning of Rs. 579.77 crore towards specific standard assets to align with the State Bank group affected State Bank of Mysore's bottom-line in the first quarter of this fiscal.

In Q1 FY17, the bank posted a loss of Rs. 471.88 crore, against a profit of Rs. 94.07 crore in the same period last year.

The bank's revenue rose marginally, by 1.84 per cent, to 1,987.63 crore (Rs. 1,951.65 crore in the same period last year).

EPS (basic) stood at negative Rs. 98.28 (last year Rs. 19.59).

Operating profit (before provisions and contingencies) rose 19.92 per cent to Rs. 323.78 crore (Rs. 269.98 crore).

Prudent steps

Commenting on the bank's performance, N Krishnamachari, Managing Director, SBM, said: "The bank has, as a prudent measure, made additional provisions in respect of certain borrowal accounts based on the inherent weaknesses seen in these accounts.

"The additional accelerated provisions of Rs. 580 crore have also impacted the profits during the quarter. With the bottoming out of provisions, it is expected that the position may reverse in the remaining quarters."

During the quarter, the bank's gross non-performing assets (NPAs) as a percentage of total advances rose to 7.83 per cent (4.21 per cent) and net NPA, to 4.65 per cent (2.10 per cent).

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