

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016
₹ in Lakhs

Particulars	Quarter ended			Year ended
	30.06.2016 Unaudited	31.03.2016 Audited #	30.06.2015 Unaudited	31.03.2016 Audited
1. Interest earned (a) + (b) + (c) + (d)	144,723	136,788	137,668	555,720
(a) Interest/discount on advances/bills	110,917	105,808	108,269	436,359
(b) Income on investments	29,432	26,391	24,422	100,778
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	541	569	1,375	2,877
(d) Others	3,833	4,020	3,602	15,706
2. Other Income	17,344	13,906	10,383	51,742
3. Total income (1+2)	162,067	150,694	148,051	607,462
4. Interest Expended	107,360	99,359	103,634	404,750
5. Operating Expenses (i) + (ii)	28,759	29,106	26,328	114,784
(i) Employees cost	16,760	17,156	15,741	69,225
(ii) Other operating expenses	11,999	11,950	10,587	45,559
6. Total expenditure (4) + (5) excluding provisions and contingencies	136,119	128,465	129,962	519,534
7. Operating Profit before Provisions and Contingencies (3) - (6)	25,948	22,229	18,089	87,928
8. Provisions (other than tax) and Contingencies	11,411	11,625	7,951	36,962
9. Exceptional Items	-	-	-	-
10. Profit from Ordinary Activities before tax (7)-(8)-(9)	14,537	10,604	10,138	50,966
11. Tax expense	5,031	3,307	3,609	17,639
12. Net Profit from Ordinary Activities after tax (10)-(11)	9,506	7,297	6,529	33,327
13. Extra ordinary items (Net of Tax Expense)	-	-	-	-
14. Net Profit for the period (12+13)	9,506	7,297	6,529	33,327
15. Paid-up Equity Share Capital (Face Value ₹ 1)	13,503	13,503	13,502	13,503
16. Reserves excluding Revaluation Reserves				357,328
17. Analytical Ratios				
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - BASEL III	11.68	11.82	11.46	11.82
iii) Earning Per Share (EPS)				
(a) Basic EPS - before and after Extraordinary items (₹)*	0.70	0.54	0.48	2.47
(b) Diluted EPS - before and after Extraordinary items (₹)*	0.70	0.54	0.48	2.47
iv) NPA Ratios				
(a) Gross NPA	165,160	156,236	71,383	156,236
(b) Net NPA	119,183	118,526	46,398	118,526
(c) % of Gross NPA	3.96	3.77	1.85	3.77
(d) % of Net NPA	2.89	2.89	1.21	2.89
(e) Return on Assets (Annualised)	0.57	0.47	0.45	0.55

* Quarterly numbers are not annualised

Refer Note No. 10

Segmentwise Results

₹ in Lakhs

Particulars	Quarter ended			Year ended
	30.06.2016 Unaudited	31.03.2016 Audited #	30.06.2015 Unaudited	31.03.2016 Audited
1. Segment Revenue				
a) Treasury	37,962	29,764	28,091	120,586
b) Corporate/ Wholesale Banking	68,654	68,546	69,764	283,612
c) Retail Banking	51,486	47,113	47,386	189,235
d) Other Banking Operations	3,965	5,271	2,810	14,029
Total	162,067	150,694	148,051	607,462
Less : Inter segment Revenue	-	-	-	-
Net Income from Operations	162,067	150,694	148,051	607,462
2. Segment Results (net of provisions)				
a) Treasury	3,542	(5,324)	(4,323)	(7,728)
b) Corporate/ Wholesale Banking	(2,533)	5	4,170	11,431
c) Retail Banking	10,267	11,660	7,981	35,885
d) Other Banking Operations	3,261	4,263	2,310	11,378
Total	14,537	10,604	10,138	50,966
Less: unallocated expenditure	-	-	-	-
Profit Before Tax and exceptional item	14,537	10,604	10,138	50,966
3.Capital Employed				
a) Treasury	90,725	88,230	85,608	88,230
b) Corporate/ Wholesale Banking	130,471	139,075	129,308	139,075
c) Retail Banking	79,686	81,443	74,702	81,443
d) Other Banking Operations	-	-	-	-
e) Unallocated	104,194	75,445	75,856	75,445
Total	405,076	384,193	365,474	384,193

Refer Note No. 10

For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in Compliance with the revised RBI Guidelines. The Bank operates in India.

Notes:

- The above Unaudited Financial Results for the quarter ended June 30, 2016 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on July 08, 2016. These Results have been subjected to "Limited Review" by the Statutory Central Auditor of the Bank and an unmodified review report has been issued.
- The working results for the quarter ended June 30, 2016 have been arrived at after considering the provision for standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non performing assets (NPAs), depreciation on investments, income tax and other usual and necessary provisions.
- The Bank has followed the same significant accounting policies in the preparation of the interim financial statements as those followed in the annual financial statements for the year ended March 31, 2016 except the following:
With effect from 01.04.2016, in respect of accounting of swap cost pertaining to FCNR Deposits/ Overseas Borrowings, Bank has adopted amortisation method over the period of swap tenure, as against the mark-to-market method. This change in policy does not have any financial impact over the full period of the swap.
The impact of the change in the policy as described above is reduction in profit after tax by ₹ 461 Lakhs for the Quarter ended 30th June, 2016. Had this policy been adopted in the previous year, the reported after tax profit numbers for the Quarter ended 31st March, 2016, Quarter ended 30th June, 2015 and the Year ended 31st March, 2016, would have reduced by ₹1025 Lakhs, ₹ 155 Lakhs and ₹ 164 Lakhs respectively.
- Pursuant to RBI Circular DBR.BP.BC.No.31/21.04.018/2015-16 dated July 16, 2015, the Bank has, effective from September 30, 2015 included its deposits placed with NABARD, SIDBI, and NHB on account of shortfall in lending to priority sector under 'Other Assets'. Hitherto these were included under 'Investments' and Interest income thereon was included under 'Interest Earned - Income on Investments'. Arising out of regrouping in line with the above mentioned RBI guidelines, interest income on deposit placed with NABARD, SIDBI and NHB is included under "Interest Earned - Others". Figures for the previous periods have been regrouped/reclassified to conform to current periods classification. The above change in classification has no impact on the profit of the Bank for the quarter ended June 30, 2016.

- 5 The Bank had assigned certain non-performing financial assets having a net book value of ₹ 196,18 Lakhs during an earlier year to Asset Reconstruction Companies. The Bank has, in terms of RBI Circular DBOD.No.BP.BC.9/21.04.048/2014-15 on "Prudential norms on income recognition, asset classification and provisioning pertaining to advances" dated July 1, 2014 , as amended, spread the net shortfall in recovery of net book value of ₹ 3319 Lakhs over a period of two years.
In respect of such assignments, an amount of ₹ 592 Lakhs has been charged to the profit and loss account during the quarter ended June 30, 2016 and the unamortised balance carried forward as at June 30, 2016 is ₹ 1782 Lakhs.
- 6 During the quarter ended June 30, 2016, the Bank allotted 8105 shares, pursuant to the exercise of stock option by certain eligible employees.
- 7 In accordance with the RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III capital regulation dated July 1, 2015 and RBI circular DBR.NO.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on prudential guidelines on Capital Adequacy and Liquidity Standards amendments, Banks are required to make Pillar III disclosures including leverage ratio and liquidity coverage ratio under Basel III framework. The Bank has made these disclosures which are available on its website at the following link.
<http://www.southindianbank.com/content/viewContentLv11.aspx?linkIdLv12=854&LinkIdLv13=880&linkId=880>
These disclosures have not been subjected to a limited review by the Statutory Central Auditor.
- 8 In accordance with the RBI Circular DBR.No.BP.BC.83/21.06.201/2015-16 on Basel III capital regulation dated March 1, 2016, the Bank has revalued its premises during the Quarter ended 30th June, 2016 and has recognised an amount of ₹ 11374 Lakhs as Revaluation Reserve, and included ₹ 5118 Lakhs under Tier I Capital at a discount of 55% thereon.
- 9 Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange transactions, selling of Third party products, profits/loss on sale of investments (net), recoveries from accounts written off.
- 10 The figures of the Quarter ended March 31, 2016 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2016 and the unaudited published year to date figures upto the December 31, 2015 being the date of the end of the third quarter of the financial year which were subject to Limited Review.
- 11 The above financial results for the quarter ended June 30, 2016 and year ended March 31, 2016 are reviewed/audited by the statutory auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants. The financial results for the quarter ended June 30, 2015 were subjected to review by another firm of chartered accountants.
- 12 Previous period's/year's figures have been regrouped, wherever necessary to conform to the current period's classification.

Thrissur
July 08, 2016

V.G MATHEW
(Managing Director & C E O)
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