

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER 2014

(₹ in Lakhs)

Particulars	3 months ended			6 months ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	131,232	134,468	123,721	265,700	246,235	501,507
(a) Interest/discount on advances/bills	103,187	104,534	96,889	207,721	193,512	394,974
(b) Income on investments	26,148	26,491	23,660	52,639	45,602	95,448
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,897	3,443	3,172	5,340	7,121	11,085
(d) Others	-	-	-	-	-	-
2. Other income	9,363	12,116	6,952	21,479	18,726	36,846
3. Total income (1+2)	140,595	146,584	130,673	287,179	264,961	538,353
4. Interest expended	95,397	100,380	88,114	195,777	177,871	361,629
5. Operating expenses (i) + (ii)	24,106	24,110	21,360	48,216	40,735	88,289
(i) Employees cost	13,492	14,588	12,334	28,080	24,050	52,896
(ii) Other operating expenses	10,614	9,522	9,026	20,136	16,685	35,393
6. Total expenditure (4) + (5) excluding provisions and contingencies	119,503	124,490	109,474	243,993	218,606	449,918
7. Operating profit before provisions and contingencies (3) - (6)	21,092	22,094	21,199	43,186	46,355	88,435
8. Provisions (other than tax) and Contingencies	9,571	9,463	1,976	19,034	12,511	15,541
9. Exceptional items	-	(4,339)	-	(4,339)	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	11,521	16,970	19,223	28,491	33,844	72,894
11. Tax expense	3,891	4,305	6,548	8,196	9,685	22,144
12. Net profit from ordinary activities after tax (10)-(11)	7,630	12,665	12,675	20,295	24,159	50,750
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	7,630	12,665	12,675	20,295	24,159	50,750
15. Paid-up equity share capital (Face Value □ 1)	13,479	13,461	13,409	13,479	13,409	13,439
16. Reserves excluding revaluation reserves						310,200
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL II	12.35	12.32	13.16	12.35	13.16	12.53
- BASEL III	12.13	12.19	12.97	12.13	12.97	12.42
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (□) *	0.57	0.94	0.94	1.51	1.80	3.78
(b) Diluted EPS - before and after extraordinary items (□) *	0.56	0.93	0.94	1.49	1.79	3.77
iv) NPA Ratios (a) Gross NPA	55,317	51,730	61,433	55,317	61,433	43,262
Net NPA	31,842	31,054	43,985	31,842	43,985	28,167
(b) % of Gross NPA	1.55	1.50	1.92	1.55	1.92	1.19
% of Net NPA	0.90	0.91	1.39	0.90	1.39	0.78
v) Return on assets (Annualised)	0.56	0.93	1.01	0.75	0.97	1.00
18. Public Shareholding						
- No. of Shares (in Lakhs)	13,479	13,461	13,409	13,479	13,409	13,439
- Percentage of shareholding	100%	100%	100%	100%	100%	100%
19. Promoters and promoter group shareholding						
(a) Pledged/ Encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total shareholding of the promoter and promoter group]	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the Company]	NIL	NIL	NIL	NIL	NIL	NIL
(b) Non encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total shareholding of the promoter and promoter group]	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the Company]	NIL	NIL	NIL	NIL	NIL	NIL

* Quarterly/half-yearly numbers are not annualised

Segmentwise Results

(₹ in Lakhs)

Particulars	3 months ended			6 months ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	29,935	35,217	28,167	65,152	60,372	116,345
b) Corporate/ Wholesale Banking	60,533	58,910	54,301	119,443	106,975	225,208
c) Retail Banking	46,759	50,101	46,483	96,860	94,351	188,215
d) Other Banking Operations	3,368	2,356	1,722	5,724	3,263	8,585
Total	140,595	146,584	130,673	287,179	264,961	538,353
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	140,595	146,584	130,673	287,179	264,961	538,353
2. Segment Results						
Profit(+)/Loss (-) before tax and after interest from each segment						
a) Treasury	(1,513)	(1,198)	(3,163)	(2,711)	(224)	(3,277)
b) Corporate/ Wholesale Banking	2,032	1,551	8,303	3,583	10,460	18,898
c) Retail Banking	8,208	10,309	12,643	18,517	20,849	50,095
d) Other Banking Operations	2,794	1,969	1,440	4,763	2,759	7,178
Total	11,521	12,631	19,223	24,152	33,844	72,894
Profit Before Tax and exceptional item	11,521	12,631	19,223	24,152	33,844	72,894
3. Capital Employed						
a) Treasury	94,289	102,050	88,687	94,289	88,687	101,512
b) Corporate/ Wholesale Banking	118,834	117,681	101,943	118,834	101,943	133,700
c) Retail Banking	77,003	77,892	75,105	77,003	75,105	84,661
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	66,607	50,729	58,814	66,607	58,814	16,931
Total	356,733	348,352	324,549	356,733	324,549	336,804

Notes:

1. Statement of Assets and Liabilities as on 30th September 2014 is given below:

(₹ in Lakhs)

	As at	
	30.09.2014	31.03.2014
	Unaudited	Audited
CAPITAL AND LIABILITIES		
Capital	13,479	13,439
Employees Stock Option Outstanding	255	230
Reserves and Surplus	343,254	323,365
Deposits	4,669,345	4,749,109
Borrowings	215,083	273,078
Other Liabilities and Provisions	100,417	139,375
Total	5,341,833	5,498,596
ASSETS		
Cash and Balances with Reserve Bank of India	206,640	220,081
Balances with Banks and money at call & short notice	76,903	101,712
Investments	1,396,810	1,435,178
Advances	3,537,132	3,622,985
Fixed Assets	46,502	41,220
Other Assets	77,846	77,420
Total	5,341,833	5,498,596

2 The above financial results for the quarter ended September 30, 2014 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on October 21, 2014 and subjected to limited review by the Statutory Central Auditor.

3a Effective April 1, 2014, the Bank has changed its accounting policy for charging depreciation from Written Down Value ("WDV") method to Straight Line Method ("SLM") in respect of all fixed assets other than computers which were already being depreciated under SLM. The management believes that such change better reflects the actual use of assets acquired. On account of this change in accounting policy, the Bank had in the previous quarter, reversed an amount of ₹6,574 lakhs representing the excess depreciation charge for the period upto March 31, 2014 and disclosed the same net of related tax effect of ₹ 2,235 lakhs as an exceptional item.

3b In accordance with the requirements of Schedule II to the Companies Act, 2013, the Bank has also re-assessed the useful lives of the fixed assets and :

- i) recognised an additional depreciation charge of ₹ 606 lakhs and ₹ 1,625 lakhs for the three month and six month periods ended September 30, 2014 respectively being the depreciation on the carrying value of assets as at April 1, 2014 on the remaining useful lives, and;
- ii) an amount of ₹ 938 lakhs (net of tax) has been charged to the opening balance of the retained earnings in respect of assets whose useful remaining life is nil as at April 1, 2014.

- 4 Pursuant to the clarification issued by Reserve Bank of India (RBI) vide para 14.2.5 of Master Circular dated July 1, 2014 in relation to "Prudential norms for conversion of unpaid interest into Funded Interest Term loan, Debt or Equity instruments, the Bank has made additional provision of Rs. 2,505 lakhs based on special dispensation issued by RBI vide their letter no.DBOD.No.BP.5886/21.04.132/2014-15 dated October 20, 2014. The balance provision necessary as of September 30, 2014 of Rs. 5,010 lakhs shall be recognised during the remaining period of the current financial year as permitted by RBI.
- 5 The financial results have been arrived at after providing for Standard/Non performing assets as per RBI norms, Taxes and other necessary provisions.
- 6 During the quarter ended September 30, 2014, the Bank allotted 18,77,290 shares, pursuant to the exercise of stock option by certain employees.
- 7 The Reserve Bank of India vide its letter dated April 8, 2011 has permitted the bank to amortize over a period of five years, beginning with the financial year ended March 31, 2011, the additional liability of ₹ 15,653 lakhs on account of reopening of pension option and enhancement in gratuity limit to its existing employees. Accordingly, the results for the quarter ended September 30, 2014 are after considering a provision of ₹ 562 lakhs being the proportionate charge for the quarter towards the deferred pension and gratuity costs and the balance unamortized deferred expenditure is ₹ 1,125 lakhs.
- 8 In accordance with the RBI Circular DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 1, 2014, Banks are required to make half yearly Pillar 3 disclosures under BASEL III capital requirements. The Bank has made these disclosures which are available on its website at the following link.
<http://www.southindianbank.com/content/viewContentLv11.aspx?linkIdLv12=5&LinkIdLv13=532&linkId=532>
These disclosures have not been subjected to a limited review by the auditors.
- 9 In computing the segment information certain estimates and assumptions have been made by our management which have been relied upon by the Statutory Central Auditor of the Bank.
- 10 Details of Investor complaints received and disposed off:
No. of complaints pending resolution at the beginning of the quarter: nil ; received during the quarter 104; resolved during the quarter 104; closing position: nil
- 11 Previous period's/year's figures have been regrouped/restated, wherever necessary to conform to the current period's classification.

Date: October 21, 2014
Place: Thrissur

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