

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

[₹ in Lakhs]

Particulars	Quarter ended			Year Ended	
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
	Audited #	Unaudited	Audited #	Audited	Audited
1. Interest earned (a) + (b) + (c) + (d)	147,071	147,896	136,788	584,708	555,720
(a) Interest/discount on advances/bills	109,583	112,849	105,808	444,742	436,359
(b) Income on investments	33,393	30,905	26,391	123,348	100,778
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	947	585	569	2,404	2,877
(d) Others	3,148	3,557	4,020	14,214	15,706
2. Other Income	13,771	25,851	13,906	71,556	51,742
3. Total income (1+2)	160,842	173,747	150,694	656,264	607,462
4. Interest expended	103,161	106,144	99,359	417,165	404,750
5. Operating Expenses (i) + (ii)	29,601	29,906	29,106	117,640	114,784
(i) Employees cost	16,620	17,516	17,156	67,652	69,225
(ii) Other operating expenses	12,981	12,390	11,950	49,988	45,559
6. Total expenditure (4)+(5) excluding provisions and contingencies	132,762	136,050	128,465	534,805	519,534
7. Operating Profit before provisions and contingencies (3) - (6)	28,080	37,697	22,229	121,459	87,928
8. Provisions (other than tax) and contingencies	16,530	20,663	11,625	61,437	36,962
9. Exceptional Items	-	-	-	-	-
10. Profit from Ordinary activities before tax (7)-(8)-(9)	11,550	17,034	10,604	60,022	50,966
11. Tax expense	3,996	5,896	3,307	20,772	17,639
12. Net Profit from Ordinary activities after tax (10)-(11)	7,554	11,138	7,297	39,250	33,327
13. Extra ordinary items (Net of Tax Expense)	-	-	-	-	-
14. Net Profit for the period (12+13)	7,554	11,138	7,297	39,250	33,327
15. Paid up Equity Share Capital (Face Value ₹ 1)	18,028	13,517	13,503	18,028	13,503
16. Reserves excluding revaluation reserves				442,134	357,328
17. Analytical Ratios					
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - BASEL III	12.37	11.05	11.82	12.37	11.82
iii) Earnings Per Share (EPS) (Refer Note 4)					
(a) Basic EPS - before and after Extraordinary items (₹)	0.50 *	0.74 *	0.49 *	2.61	2.23
(b) Diluted EPS - before and after Extraordinary items (₹)	0.50 *	0.73 *	0.49 *	2.61	2.23
iv) NPA Ratios					
(a) Gross NPA	114,901	178,698	156,236	114,901	156,236
Net NPA	67,456	111,566	118,526	67,456	118,526
(b) % of Gross NPA	2.45	3.98	3.77	2.45	3.77
% of Net NPA	1.45	2.52	2.89	1.45	2.89
v) Return on Assets (Annualised)	0.42	0.63	0.47	0.57	0.55

* Not annualised

Refer Note 3




Segmentwise Results

[₹ in Lakhs]

	Quarter ended			Year Ended	
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
	Audited #	Unaudited	Audited #	Audited	Audited
1. Segment Revenue					
a) Treasury	35,706	44,704	29,764	153,922	120,586
b) Corporate/ Wholesale Banking	74,429	72,198	68,547	284,972	283,612
c) Retail Banking	44,716	52,001	47,112	199,036	189,235
d) Other Banking Operations	5,991	4,844	5,271	18,334	14,029
Total	160,842	173,747	150,694	656,264	607,462
Less: Inter – segment Revenue	-	-	-	-	-
Net Income from Operations	160,842	173,747	150,694	656,264	607,462
2. Segment Results (net of provisions)					
a) Treasury	(7,643)	3,160	(5,972)	3,223	(8,376)
b) Corporate/ Wholesale Banking	3,833	(8,842)	3,436	(7,209)	11,839
c) Retail Banking	10,463	18,709	8,877	48,960	36,125
d) Other Banking Operations	4,897	4,007	4,263	15,048	11,378
Total	11,550	17,034	10,604	60,022	50,966
Less: unallocated expenditure	-	-	-	-	-
Profit Before Tax	11,550	17,034	10,604	60,022	50,966
3. Segment Assets					
a) Treasury	2,053,767	1,893,901	1,556,794	2,053,767	1,556,794
b) Corporate/ Wholesale Banking	3,180,104	3,159,309	2,919,793	3,180,104	2,919,793
c) Retail Banking	1,972,338	1,887,410	1,709,836	1,972,338	1,709,836
d) Other Banking Operations	-	-	-	-	-
e) Un allocated	225,006	203,973	161,065	225,006	161,065
Total	7,431,215	7,144,593	6,347,488	7,431,215	6,347,488
4. Segment Liabilities					
a) Treasury	1,940,142	1,795,499	1,467,999	1,940,142	1,467,999
b) Corporate/ Wholesale Banking	3,028,289	3,029,324	2,781,073	3,028,289	2,781,073
c) Retail Banking	1,878,181	1,807,228	1,628,602	1,878,181	1,628,602
d) Other Banking Operations	-	-	-	-	-
e) Un allocated	100,056	84,884	85,621	100,056	85,621
Total	6,946,668	6,716,935	5,963,295	6,946,668	5,963,295
5. Capital Employed (Segment Assets-Segment Liabilities)					
a) Treasury	113,625	98,402	88,795	113,625	88,795
b) Corporate/ Wholesale Banking	151,815	129,985	138,720	151,815	138,720
c) Retail Banking	94,157	80,182	81,234	94,157	81,234
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	124,950	119,089	75,444	124,950	75,444
Total	484,547	427,658	384,193	484,547	384,193

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.

Refer Note 3



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Notes:

1. Statement of Assets and Liabilities as at March 31, 2017 is given below:

	[₹ in Lakhs]	
	As at	
	31.03.2017	31.03.2016
	Audited	Audited
CAPITAL AND LIABILITIES		
Capital	18,028	13,503
Employees Stock Option Outstanding	302	365
Reserves and Surplus	466,519	370,690
Deposits	6,611,749	5,572,073
Borrowings	195,776	261,496
Other Liabilities and Provisions	138,841	129,361
Total	7,431,215	6,347,488
ASSETS		
Cash and Balances with Reserve Bank of India	307,798	247,613
Balances with Banks and money at call & short notice	80,974	79,834
Investments	1,942,967	1,474,393
Advances	4,638,947	4,108,575
Fixed Assets	65,610	48,699
Other Assets	394,919	388,374
Total	7,431,215	6,347,488

- 2 The above results were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on May 15, 2017. There are no qualifications in the auditor's report for the year ended March 31, 2017. The information presented above is extracted from the audited financial statements as stated.
- 3 The figures of the Quarters ended 31st March, 2017 and 31st March, 2016 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto the end of the third quarter of the respective financial years.
- 4 The Bank, vide its Letter of Offer dated February 20, 2017 offered upto 45,07,09,302 Equity Shares of Face Value of ₹ 1/- each at a price of ₹ 14/- per Equity Share (including Share Premium of ₹13/- per Equity Share) for an amount aggregating to ₹ 63099 Lakhs to the existing Equity Shareholders of the Company on rights basis in the ratio of One Equity Share for every Three Equity Shares held by the Equity Shareholders on the record date i.e. February 17, 2017. The Company has allotted 45,07,08,052 Equity Shares on 27th March, 2017, the remaining 1250 Equity Shares being kept in abeyance. Pursuant to the rights issue, earnings per share (EPS) in respect of previous year/ periods has been restated as per Accounting Standard-20 (AS-20)- "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.
- 5 During the quarter / year ended March 31, 2017, the Bank allotted 389657 / 1818866 shares, pursuant to the exercise of stock option by certain eligible employees.
- 6 The Board of Directors, in their meeting held on May 15, 2017 have proposed dividend of ₹ 0.40 per equity share (40%) for the year ended March 31, 2017 (Previous year ₹ 0.50 per share (50%)) amounting to ₹ 8682.21 Lakhs (Previous year ₹ 8126.05 Lakhs), inclusive of dividend distribution tax. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend including dividend distribution tax is not recognised as a liability as on March 31, 2017. Accordingly, the balance of Reserves and Surplus is higher by ₹ 8682.21 Lakhs and the balance of Other Liabilities is lower by an equivalent amount as on March 31, 2017. Capital adequacy ratio after considering the impact of proposed dividend in capital funds is 12.16% as at March 31, 2017.
- 7 The Bank has followed the same significant accounting policies in the preparation of the annual 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 ₹ 798 Lakhs for the Year ended 31st March, 2017 (Reduction in Profit after tax by ₹ 144 Lakhs for the Quarter ended 31st March, 2017). Had this policy been adopted in the previous year, the reported after tax profit numbers for the Quarter ended 31st March, 2016, Quarter ended 31st December, 2016 and the Year ended 31st March, 2016, would have reduced by ₹ 155 Lakhs, ₹ 286 Lakhs and ₹ 164 Lakhs respectively.
- 8 The working results for the quarter and year ended March 31, 2017 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.



South Indian Bank Ltd., Regd. Office: Thrissur, Kerala
Head Office: S.I.B. House, T.B. Road, PB No. 28, Thrissur - 680 001, Kerala. (Tel) 0487-2420 020, (Fax) 91 487-244 2021.
e-mail: sibcorporate@sib.co.in, CIN: L65191KL1929PLC001017, Toll free (India) 1800-843-1800, 1800-425-1809 (BSNL)

Web: www.southindianbank.com

- 9 Pursuant to RBI Circular FMRD.DIRD.10/14.03.002/2015-16 dated May 19, 2016, as amended, the Bank has with effect from November 26, 2016 considered its repo/reverse repo transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) of RBI as Borrowings/Lendings, as the case may be. Hitherto, the repo/ reverse repo transactions were included under Investments. Figures for the previous periods have been regrouped/reclassified to conform to current period's classification. The above regrouping/ reclassification has no impact on the profit of the Bank for the year ended 31st March, 2017 or the previous periods/year.
- 10 The Bank has assigned certain NPAs to ARCs and spread the shortfall in Net Book Value (NBV) over a period as per the 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.
In respect of such assignments, an amount of ₹ 3163 Lakhs and ₹ 5081 Lakhs has been charged to the profit and loss account during the quarter and year ended March 31, 2017, ₹ 727 Lakhs for the quarter ended December 31, 2016, ₹ 760 Lakhs and ₹ 1610 Lakhs during the quarter and year ended March 31, 2016 respectively and the unamortised balance carried forward as at March 31, 2017 is ₹ 7605 Lakhs (as at March 31, 2016 ₹ 2374 Lakhs).
- 11 During the Year ended 31st March, 2017, bank identified a Non Performing Advance as a fraud case. The net book value amounting to ₹ 11564.21 Lakhs has been decided to be amortised over a period of four quarters beginning December 31, 2016. Accordingly, the Bank has charged ₹ 5782 Lakhs during the year ended 31st March, 2017 and unamortised amount of ₹ 5782 Lakhs has been drawn from Revenue and other reserves and will be charged to profit and loss account during the next two quarters in equal installments as permitted by the RBI in accordance with DBR. No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016.
- 12 Pursuant to RBI Circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 on Disclosure in the "Notes to Accounts" to the Financial Statements - Divergence in the asset classification and provisioning, the bank has incorporated the disclosures prescribed in the aforesaid circular in the notes to the audited financial statements for the year ended 31st March, 2017 and duly complied with by considering their impact in the financial statements.
- 13 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.
- 14 In accordance with the RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III capital regulations dated July 1, 2015, as amended 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 audit/review by the Statutory Central Auditor.
- 15 Previous period's/year's figures have been regrouped, wherever necessary to conform to the current period's classification.

Kochi
May 15, 2017



V.G Mathew
(Managing Director & C E O)
(DIN : 05332797)