

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2015

(₹ in Lakhs)

| Particulars | Quarter ended | | | Nine Months ended | | Year ended |
|--|---------------|------------|------------|-------------------|------------|------------|
| | 31.12.2015 | 30.09.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 | 31.03.2015 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Interest earned (a) + (b) + (c) + (d) | 140,766 | 140,498 | 130,679 | 418,932 | 396,379 | 528,622 |
| (a) Interest/discount on advances/bills | 111,447 | 110,835 | 103,271 | 330,551 | 310,992 | 415,297 |
| (b) Income on investments | 25,030 | 24,935 | 23,075 | 74,387 | 71,023 | 94,585 |
| (c) Interest on balances with Reserve Bank of India and other inter-bank funds | 312 | 621 | 1,502 | 2,308 | 6,842 | 7,952 |
| (d) Others | 3,977 | 4,107 | 2,831 | 11,686 | 7,522 | 10,788 |
| 2. Other income | 15,332 | 12,121 | 16,034 | 37,836 | 37,513 | 49,707 |
| 3. Total income (1+2) | 156,098 | 152,619 | 146,713 | 456,768 | 433,892 | 578,329 |
| 4. Interest expended | 100,094 | 101,663 | 98,688 | 305,391 | 294,465 | 391,999 |
| 5. Operating expenses (i) + (ii) | 29,697 | 29,653 | 26,083 | 85,678 | 74,299 | 104,704 |
| (i) Employees cost | 18,457 | 17,871 | 15,504 | 52,069 | 43,584 | 63,370 |
| (ii) Other operating expenses | 11,240 | 11,782 | 10,579 | 33,609 | 30,715 | 41,334 |
| 6. Total expenditure (4) + (5) excluding provisions and contingencies | 129,791 | 131,316 | 124,771 | 391,069 | 368,764 | 496,703 |
| 7. Operating profit before provisions and contingencies (3) - (6) | 26,307 | 21,303 | 21,942 | 65,699 | 65,128 | 81,626 |
| 8. Provisions (other than tax) and Contingencies | 10,639 | 6,747 | 8,597 | 25,337 | 27,631 | 41,405 |
| 9. Exceptional items (Refer Note 4) | - | - | - | - | (4,339) | (4,339) |
| 10. Profit from ordinary activities before tax (7)-(8)-(9) | 15,668 | 14,556 | 13,345 | 40,362 | 41,836 | 44,560 |
| 11. Tax expense | 5,505 | 5,218 | 4,552 | 14,332 | 12,748 | 13,840 |
| 12. Net profit from ordinary activities after tax (10)-(11) | 10,163 | 9,338 | 8,793 | 26,030 | 29,088 | 30,720 |
| 13. Extra ordinary items (Net of tax expense) | - | - | - | - | - | - |
| 14. Net profit for the period (12+13) | 10,163 | 9,338 | 8,793 | 26,030 | 29,088 | 30,720 |
| 15. Paid-up equity share capital (Face Value ₹ 1) | 13,502 | 13,502 | 13,501 | 13,502 | 13,501 | 13,502 |
| 16. Reserves excluding revaluation reserves | | | | | | 331,581 |
| 17. Analytical ratios | | | | | | |
| i) Percentage of shares held by Government of India | Nil | Nil | Nil | Nil | Nil | Nil |
| ii) Capital adequacy ratio (%) - BASEL III | 11.70 | 11.86 | 11.38 | 11.70 | 11.38 | 12.01 |
| iii) Earning per share (EPS) | | | | | | |
| (a) Basic EPS - before and after extraordinary items (₹) * | 0.75 | 0.69 | 0.65 | 1.93 | 2.16 | 2.28 |
| (b) Diluted EPS - before and after extraordinary items (₹) * | 0.75 | 0.69 | 0.65 | 1.93 | 2.15 | 2.27 |
| iv) NPA Ratios (a) Gross NPA | 110,801 | 89,225 | 66,127 | 110,801 | 66,127 | 64,345 |
| Net NPA | 71,598 | 54,956 | 37,956 | 71,598 | 37,956 | 35,705 |
| (b) % of Gross NPA | 2.75 | 2.24 | 1.80 | 2.75 | 1.80 | 1.71 |
| % of Net NPA | 1.80 | 1.39 | 1.04 | 1.80 | 1.04 | 0.96 |
| v) Return on Assets (Annualised) | 0.66 | 0.62 | 0.63 | 0.58 | 0.71 | 0.56 |

* Quarterly/Nine months numbers are not annualised

Segmentwise Results

(₹ in Lakhs)

| Particulars | Quarter ended | | | Nine Months ended | | Year ended |
|--|---------------|------------|------------|-------------------|------------|------------|
| | 31.12.2015 | 30.09.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 | 31.03.2015 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1. Segment Revenue | | | | | | |
| a) Treasury | 36,509 | 34,327 | 35,442 | 102,529 | 100,594 | 132,047 |
| b) Corporate/ Wholesale Banking | 70,133 | 70,095 | 61,913 | 207,710 | 181,356 | 245,164 |
| c) Retail Banking | 46,399 | 45,305 | 46,349 | 137,771 | 143,209 | 189,462 |
| d) Other Banking Operations | 3,057 | 2,892 | 3,009 | 8,758 | 8,733 | 11,656 |
| Total | 156,098 | 152,619 | 146,713 | 456,768 | 433,892 | 578,329 |
| Less : Inter segment Revenue | - | - | - | - | - | - |
| Net Income from Operations | 156,098 | 152,619 | 146,713 | 456,768 | 433,892 | 578,329 |
| 2. Segment Results | | | | | | |
| Segment Results (Net of Provisions) | | | | | | |
| a) Treasury | (295) | (1,368) | (498) | (8,200) | (3,209) | (14,148) |
| b) Corporate/ Wholesale Banking | 6,967 | 6,066 | 1,301 | 18,448 | 4,884 | 6,298 |
| c) Retail Banking | 6,521 | 7,527 | 10,069 | 22,999 | 28,586 | 38,525 |
| d) Other Banking Operations | 2,475 | 2,331 | 2,473 | 7,115 | 7,236 | 9,546 |
| Total | 15,668 | 14,556 | 13,345 | 40,362 | 37,497 | 40,221 |
| Less: unallocated expenditure (exceptional item) | - | - | - | - | (4,339) | (4,339) |
| Profit Before Tax and exceptional item | 15,668 | 14,556 | 13,345 | 40,362 | 41,836 | 44,560 |
| 3. Capital Employed | | | | | | |
| a) Treasury | 99,933 | 99,363 | 104,276 | 99,933 | 104,276 | 109,954 |
| b) Corporate/ Wholesale Banking | 117,139 | 123,506 | 122,194 | 117,139 | 122,194 | 121,627 |
| c) Retail Banking | 69,309 | 71,145 | 75,711 | 69,309 | 75,711 | 72,943 |
| d) Other Banking Operations | - | - | - | - | - | - |
| e) Un allocated | 98,601 | 80,800 | 63,724 | 98,601 | 63,724 | 54,417 |
| Total | 384,982 | 374,814 | 365,905 | 384,982 | 365,905 | 358,941 |

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 mainly operates in India.

Notes:

- 1 The above Unaudited Financial Results for the quarter and nine months ended December 31, 2015 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on January 20, 2016. These Results have been subjected to "Limited Review" by the Statutory Central Auditor of the Bank and an unqualified review report has been issued.
- 2 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, 2015.
- 3 The working results for the quarter and nine months ended December 31, 2015 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.
- 4 In the previous year, effective April 1, 2014, the Bank had changed it's accounting policy for charging depreciation from Written Down Value ("WDV") method to Straight Line Method ("SLM"), impact of the same is disclosed as an exceptional item.
- 5 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 and nine months ended December 31, 2015.

- 6 The Bank had assigned certain non-performing financial assets having a net book value of ₹ 14,416 Lakhs (₹6,209 Lakhs during quarter/nine months ended December 31, 2015) to an Asset Reconstruction Company. 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 ₹ 2941 Lakhs over a period of two years. Consequently an amount of ₹ 519 Lakhs / ₹ 853 Lakhs has been charged to the profit and loss account during the quarter/ nine months ended December 31, 2015 and the unamortised balance as at December 31, 2015 amounts to ₹ 1922 Lakhs to be amortised over the remaining five quarters.
- 7 During the quarter/ nine months ended December 31, 2015, the Bank allotted 600/22,100 shares respectively, pursuant to the exercise of stock option by certain eligible employees.
- 8 In accordance with the RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, Banks are required to make quarterly Pillar 3 disclosures, 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.
<https://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.
- 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 above financial results for the quarter/nine months ended 31st December, 2015 are reviewed by the statutory auditors, M/s. Deloitte Haskins & Sells Chartered Accountants. The financial results for the quarter/nine months ended 31st December, 2014 and the year ended 31st March, 2015 were subjected to limited review or audit by another firm of chartered accountants.
- 11 Previous period's/year's figures have been regrouped/restated, wherever necessary to conform to the current period's classification.

Date: January 20, 2016
Place: Kochi

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