

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2016

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended 31.03.2016
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1. Interest earned (a) + (b) + (c) + (d)	1,45,018	1,44,723	1,40,498	2,89,741	2,78,166	5,55,720
(a) Interest/discount on advances/bills	1,11,393	1,10,917	1,10,835	2,22,310	2,19,104	4,36,359
(b) Income on investments	29,618	29,432	24,935	59,050	49,357	1,00,778
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	331	541	621	872	1,996	2,877
(d) Others	3,676	3,833	4,107	7,509	7,709	15,706
2. Other income	14,590	17,344	12,121	31,934	22,504	51,742
3. Total income (1+2)	1,59,608	1,62,067	1,52,619	3,21,675	3,00,670	6,07,462
4. Interest expended	1,00,500	1,07,360	1,01,663	2,07,860	2,05,297	4,04,750
5. Operating expenses (i) + (ii)	29,374	28,759	29,653	58,133	55,981	1,14,784
(i) Employees cost	16,756	16,760	17,871	33,516	33,612	69,225
(ii) Other operating expenses	12,618	11,999	11,782	24,617	22,369	45,559
6. Total expenditure (4) + (5) excluding provisions and contingencies	1,29,874	1,36,119	1,31,316	2,65,993	2,61,278	5,19,534
7. Operating profit before provisions and contingencies (3) - (6)	29,734	25,948	21,303	55,682	39,392	87,928
8. Provisions (other than tax) and Contingencies	12,833	11,411	6,747	24,244	14,698	36,962
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	16,901	14,537	14,556	31,438	24,694	50,966
11. Tax expense	5,849	5,031	5,218	10,880	8,827	17,639
12. Net profit from ordinary activities after tax (10)-(11)	11,052	9,506	9,338	20,558	15,867	33,327
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	11,052	9,506	9,338	20,558	15,867	33,327
15. Paid-up equity share capital (Face Value ₹ 1)	13,506	13,503	13,502	13,506	13,502	13,503
16. Reserves excluding revaluation reserves	-	-	-	-	-	3,57,328
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	11.13	11.68	11.86	11.13	11.86	11.82
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.82	0.70	0.69	1.52	1.17	2.47
(b) Diluted EPS - before and after extraordinary items (₹) *	0.82	0.70	0.69	1.52	1.17	2.47
iv) NPA Ratios (a) Gross NPA	1,74,528	1,65,160	89,225	1,74,528	89,225	1,56,236
Net NPA	1,20,635	1,19,183	54,956	1,20,635	54,956	1,18,526
(b) % of Gross NPA	3.96	3.96	2.24	3.96	2.24	3.77
% of Net NPA	2.77	2.89	1.39	2.77	1.39	2.89
v) Return on assets (Annualised)	0.66	0.57	0.62	0.62	0.53	0.55

* Quarterly/half-yearly numbers are not annualised



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Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	35,550	37,962	30,220	73,512	58,311	1,20,586
b) Corporate/ Wholesale Banking	69,691	68,654	72,703	1,38,345	1,42,468	2,83,612
c) Retail Banking	50,833	51,486	46,804	1,02,319	94,190	1,89,235
d) Other Banking Operations	3,534	3,965	2,892	7,499	5,701	14,029
Total	1,59,608	1,62,067	1,52,619	3,21,675	3,00,670	6,07,462
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	1,59,608	1,62,067	1,52,619	3,21,675	3,00,670	6,07,462
2. Segment Results (net of provisions)						
a) Treasury	4,426	3,542	544	7,968	(3,779)	(7,728)
b) Corporate/ Wholesale Banking	170	(2,533)	4,692	(2,363)	8,863	11,431
c) Retail Banking	9,422	10,267	6,989	19,689	14,970	35,885
d) Other Banking Operations	2,883	3,261	2,331	6,144	4,640	11,378
Total	16,901	14,537	14,556	31,438	24,694	50,966
Less: unallocated expenditure	-	-	-	-	-	-
Profit Before Tax	16,901	14,537	14,556	31,438	24,694	50,966
3. Segment Assets						
a) Treasury	16,60,150	16,27,454	13,91,261	16,60,150	13,91,261	15,39,394
b) Corporate/ Wholesale Banking	30,20,764	28,87,442	28,39,146	30,20,764	28,39,146	29,11,846
c) Retail Banking	18,37,953	17,63,517	16,35,483	18,37,953	16,35,483	17,05,183
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,86,513	1,71,984	1,55,113	1,86,513	1,55,113	1,61,065
Total	67,05,380	64,50,397	60,21,003	67,05,380	60,21,003	63,17,488
4. Segment Liabilities						
a) Treasury	15,71,069	15,36,729	13,09,385	15,71,069	13,09,385	14,51,164
b) Corporate/ Wholesale Banking	28,87,600	27,56,971	27,04,545	28,87,600	27,04,545	27,72,771
c) Retail Banking	17,56,932	16,83,831	15,57,946	17,56,932	15,57,946	16,23,740
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	73,589	67,790	74,313	73,589	74,313	85,620
Total	62,89,190	60,45,321	56,46,189	62,89,190	56,46,189	59,33,295
5. Capital Employed						
[Segment Assets - Segment Liabilities]						
a) Treasury	89,081	90,725	81,876	89,081	81,876	88,230
b) Corporate/ Wholesale Banking	1,33,164	1,30,471	1,34,601	1,33,164	1,34,601	1,39,075
c) Retail Banking	81,021	79,686	77,537	81,021	77,537	81,443
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,12,924	1,04,194	80,800	1,12,924	80,800	75,445
Total	4,16,190	4,05,076	3,74,814	4,16,190	3,74,814	3,84,193

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.



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Notes:

1. Statement of Assets and Liabilities as on 30th September 2016 is given below:

(₹ in Lakhs)

	As at		
	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	13,506	13,502	13,503
Employees' Stock Options (Grants) Outstanding	408	323	365
Reserves and Surplus	4,02,684	3,61,312	3,70,690
Deposits	60,19,175	53,03,633	55,72,073
Borrowings	1,49,902	2,17,049	2,31,496
Other Liabilities and Provisions	1,19,705	1,16,883	1,29,361
Total	67,05,380	60,12,702	63,17,488
ASSETS			
Cash and Balances with Reserve Bank of India	2,83,217	2,36,565	2,47,613
Balances with Banks and money at call & short notice	40,446	66,693	62,334
Investments	15,77,723	13,17,366	14,61,893
Advances	43,54,779	39,55,595	41,08,575
Fixed Assets	59,809	48,103	48,699
Other Assets	3,89,406	3,88,380	3,88,374
Total	67,05,380	60,12,702	63,17,488

2. The above Unaudited Financial Results for the quarter and half year ended September 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 October 07, 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.
3. The working results for the quarter and half year ended September 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.
4. 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 ₹ 367 Lakhs for the Half Year ended 30th September, 2016 (Increase in Profit by ₹94 Lakhs for the Quarter ended 30th September, 2016). Had this policy been adopted in the previous year, the reported after tax profit numbers for the Quarter ended 30th September, 2015, Half Year ended 30th September, 2015 and the Year ended 31st March, 2016, would have reduced by ₹72 Lakhs, ₹ 228 Lakhs and ₹ 164 Lakhs respectively.
5. The Bank had assigned certain non-performing financial assets having a net book value of ₹ 19618 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 ₹ 598 Lakhs / ₹ 1190 Lakhs has been charged to the profit and loss account during the quarter / half year ended September 30, 2016 and the unamortised balance carried forward as at September 30, 2016 is ₹ 1184 Lakhs.
6. During the quarter / half year ended September 30, 2016, the Bank allotted 300114 / 308219 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/viewContentLv1.aspx?linkIdLv12=854&LinkIdLv13=880&linkId=880>
These disclosures have not been subjected to a limited review by the Statutory Central Auditor.



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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, during the quarter ended June 30, 2016 the Bank has revalued its premises 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, profit / loss on sale of investments (net), recoveries from accounts written off.
10. Previous period's / year's figures have been regrouped, wherever necessary to conform to the current period's classification.

Place: Kolkata

Date: October 07, 2016



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



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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF THE SOUTH INDIAN BANK LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **THE SOUTH INDIAN BANK LIMITED** ("the Bank") for the Quarter and Half Year ended 30th September, 2016 ("the Statement"), excluding the Pillar 3 disclosures, leverage ratio and liquidity coverage ratio under Basel III Framework disclosed on the Bank's website and in respect of which a link has been provided in the Statement, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, guidelines issued by the Reserve Bank of India and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. In the conduct of our review, we have relied on the reports in respect of non-performing assets received from concurrent auditors of 165 branches, specifically appointed for this purpose. These reports cover 72 percent of the advances portfolio of the Bank. Apart from these reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank.



4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with relevant prudential norms prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
5. Attention is drawn to Note No.5 of the Statement regarding deferment of shortfall arising from the sale of certain non-performing assets during an earlier year in terms of RBI Master Circular DBGD.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 and the unamortised balance as at 30th September, 2016 of Rs.1184 Lakhs.

Our conclusion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



S. Sundaresan

S. Sundaresan
Partner
(Membership No. 25776)

KOLKATA, 7th October, 2016.