

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 12 /2017-18

May 15, 2017

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sirs,

Sub: Submission of Audited Financial Results for the quarter/year ended 31st March, 2017

As required under the Listing Agreement entered into by us with your Stock Exchange and as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we submit herewith the Audited Financial Results of the Bank for the quarter/year ended 31st March, 2017, which was approved and taken on record by the Board at its meeting held today, the 15th day of May, 2017.

Further, Pursuant to Regulation 30(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, you are hereby informed that the Board of Directors of the Bank has recommended a dividend of Re.0.40 per equity shares of face value of Re.1/- each (Previous Year Re.0.50 per equity share) for the financial year ended 31st March, 2017, subject to the approval of the shareholders of the Bank.

The dividend, if approved by the shareholder at the ensuing Annual General Meeting (AGM), will be paid within 30 days from the date of AGM.

Yours faithfully,



(JIMMY MATHEW)
COMPANY SECRETARY

Encl: a/a

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National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sirs,

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that the Auditors' Report on Audited Financial Results (Standalone and Consolidated) for the year ended March 31, 2017 approved at the Board Meeting held today i.e. May 15, 2017 is with unmodified opinion.

We request you to kindly take this in your record.

Yours faithfully,



(JIMMY MATHEW)
COMPANY SECRETARY

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

Particulars	[₹ 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. Interest earned (a) + (b) + (c) + (d)	1,47,071	1,47,896	1,36,788	5,84,708	5,55,720
(a) Interest/discount on advances/bills	1,09,583	1,12,849	1,05,808	4,44,742	4,36,359
(b) Income on investments	33,393	30,905	26,391	1,23,348	1,00,778
(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)	1,60,842	1,73,747	1,50,694	6,56,264	6,07,462
4. Interest expended	1,03,161	1,06,144	99,359	4,17,165	4,04,750
5. Operating Expenses (i) + (ii)	29,601	29,906	29,106	1,17,640	1,14,784
(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	1,32,762	1,36,050	1,28,465	5,34,805	5,19,534
7. Operating Profit before provisions and contingencies (3) - (6)	28,080	37,697	22,229	1,21,459	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	-	-	-	4,49,739	3,57,328
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	1,14,901	1,78,698	1,56,236	1,14,901	1,56,236
Net NPA	67,456	1,11,566	1,18,526	67,456	1,18,526
(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	1,53,922	1,20,586
b) Corporate/ Wholesale Banking	74,429	72,198	68,547	2,84,972	2,83,612
c) Retail Banking	44,716	52,001	47,112	1,99,036	1,89,235
d) Other Banking Operations	5,991	4,844	5,271	18,334	14,029
Total	1,60,842	1,73,747	1,50,694	6,56,264	6,07,462
Less: Inter-segment Revenue	-	-	-	-	-
Net Income from Operations	1,60,842	1,73,747	1,50,694	6,56,264	6,07,462
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	20,53,767	18,93,901	15,56,794	20,53,767	15,56,794
b) Corporate/ Wholesale Banking	31,80,104	31,59,309	29,19,793	31,80,104	29,19,793
c) Retail Banking	19,72,338	18,87,410	17,09,836	19,72,338	17,09,836
d) Other Banking Operations	-	-	-	-	-
e) Un allocated	2,25,006	2,03,973	1,61,065	2,25,006	1,61,065
Total	74,31,215	71,44,593	63,47,488	74,31,215	63,47,488
4. Segment Liabilities					
a) Treasury	19,40,142	17,95,499	14,67,999	19,40,142	14,67,999
b) Corporate/ Wholesale Banking	30,28,289	30,29,324	27,81,073	30,28,289	27,81,073
c) Retail Banking	18,78,181	18,07,228	16,28,602	18,78,181	16,28,602
d) Other Banking Operations	-	-	-	-	-
e) Un allocated	92,452	84,884	85,621	92,452	85,621
Total	69,39,064	67,16,935	59,63,295	69,39,064	59,63,295
5. Capital Employed (Segment Assets-Segment Liabilities)					
a) Treasury	1,13,625	98,402	88,795	1,13,625	88,795
b) Corporate/ Wholesale Banking	1,51,815	1,29,985	1,38,720	1,51,815	1,38,720
c) Retail Banking	94,157	80,182	81,234	94,157	81,234
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	1,32,554	1,19,089	75,444	1,32,554	75,444
Total	4,92,151	4,27,658	3,84,193	4,92,151	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

* Refer Note 3



The South Indian Bank Ltd., Regd. Office: Thrissur, Kerala

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e-mail: sibcorporate@sib.co.in, CIN: L65191KL1929PLC001017, Toll free (India) 1800-843-1800, 1800-425-1809 (BSNL)

Web: www.southindianbank.com

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	4,74,123	3,70,690
Deposits	66,11,749	55,72,073
Borrowings	1,95,776	2,61,496
Other Liabilities and Provisions	1,31,237	1,29,361
Total	74,31,215	63,47,488
ASSETS		
Cash and Balances with Reserve Bank of India	3,07,798	2,47,613
Balances with Banks and money at call & short notice	80,974	79,834
Investments	19,42,967	14,74,393
Advances	46,38,947	41,08,575
Fixed Assets	65,610	48,699
Other Assets	3,94,919	3,88,374
Total	74,31,215	63,47,488

- 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.



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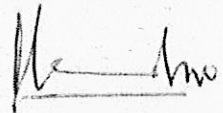
The South Indian Bank Ltd., Regd. Office: Thrissur, Kerala

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- 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)



**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
THE SOUTH INDIAN BANK LIMITED**

1. We have audited the accompanying Statement of Financial Results of **THE SOUTH INDIAN BANK LIMITED** ("the Bank"), for the year ended 31st March, 2017 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the matters in Note No.14 of the Statement.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been compiled from the related financial statements for the year ended 31st March, 2017, which are prepared in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder as applicable to banks, other accounting principles generally accepted in India and the Guidelines issued by the Reserve Bank of India. Our responsibility is to express an opinion on the Statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in the paragraph 6 below, is sufficient and appropriate to provide a basis for our audit opinion.

These financial results incorporate the relevant returns of 27 branches/offices audited by us and 848 branches / offices audited by the branch auditors specifically appointed for this purpose.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports received from the Branch Auditors referred to in paragraph 6 below, the Statement:



- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Bank for the year ended 31st March, 2017.

5. Attention is drawn to:

- i) Note No.10 of the Statement regarding deferment of shortfall arising from the sale of certain non-performing assets in terms of RBI Master 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 and the unamortised balance as at 31st March, 2017 of Rs.7605 Lakhs.
- ii) Note No.11 of the Statement regarding deferment of provisioning pertaining to a fraud account identified during the quarter ended 31st December, 2016, in terms of RBI Circular DBR.No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016 and the unamortised balance as at 31st March, 2017 of Rs.5782 Lakhs.

Our opinion is not modified in respect of these matters.

6. We did not audit the financial statements / financial information of 848 branches / offices included in the financial statements of the Bank whose financial statements / financial information reflect total advances of Rs. 29,73,147.48 Lakhs as at 31st March, 2017 and total interest income of Rs.329630.36 Lakhs for the year ended on that date, as considered in the financial statements. The financial statements / financial information of these branches / offices have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches / offices, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

7. The Statement includes the financial results for the quarter ended 31st March, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures for the three quarters ended 31st December, 2016 of the current financial year which were subjected to limited review by us.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.0080725)

S. Sundaresan

S Sundaresan
Partner
(Membership No.25776)



KOCHI, 15th May, 2017