



REVIEWED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30TH SEPTEMBER, 2015

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2015 (Reviewed)	30.06.2015 (Reviewed)	30.09.2014 (Reviewed)	30.09.2015 (Reviewed)	30.09.2014 (Reviewed)	31.03.2015 (Audited)
1	Interest earned [(a)+(b)+(c)+(d)]	300898	309065	308390	609981	610765	1227353
	(a) Interest/Discount on advances/bills	222811	227258	217911	449869	427608	860872
	(b) Income on investments	71517	75372	79438	145889	155242	315583
	(c) Interest on balances with Reserve Bank of India and other inter bank funds	1	9	102	10	150	308
	(d) Others	6767	6428	10939	13183	27767	50590
2	Other Income	19393	19240	15985	39233	33605	87898
3	TOTAL INCOME (1+2)	320289	328805	325376	649194	644370	1316249
4	Interest Expended	231641	242842	250520	474483	499347	998125
5	Operating Expenses (e) + (f)	48747	46788	44245	95535	85408	191221
	(e) Employee costs	30360	28520	26038	57180	50457	116555
	(f) Other operating expenses	18387	19268	18207	38355	34951	74666
6	TOTAL EXPENDITURE (4+5) (Excluding provisions and contingencies)	280388	289630	294765	570018	584755	1189346
7	OPERATING PROFIT (3-6)	39901	39215	30610	79176	59615	126903
	(Profit before provisions and contingencies)						
8	Provisions (other than tax) and Contingencies	27347	14838	15172	41985	24524	85913
9	Exceptional Items	0	0	0	0	0	0
10	Profit/(Loss) from Ordinary Activities before tax (7-8-9)	12554	24637	15438	37191	35091	39990
11	Tax Expenses	1025	10378	1053	11403	4570	(3951)
12	Net Profit/(Loss) from Ordinary Activities after tax (10-11)	11529	14289	14375	25788	30521	43941
13	Extraordinary Items (Net of Tax Expenses)	0	0	0	0	0	0
14	Net Profit/(Loss) for the period (12-13)	11529	14289	14375	25788	30521	43941
15	Paid up equity share capital (Face value of each share-Rs. 10/-)	85912	85912	85912	85912	85912	85912
16	Reserves excluding Reserves (As per Balance Sheet of previous accounting year)	506412	506412	477081	506412	477081	506412
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	74.06	74.06	74.06	74.06	74.06	74.06
	(ii) Capital Adequacy Ratio (%)						
	(a) Basel II	11.07	11.35	10.52	11.07	10.52	11.70
	(b) Basel II	10.83	11.12	10.21	10.83	10.21	11.43
	(iii) Earnings per share (EPS) (Not annualized) (In Rs)						
	(a) Basic and Diluted EPS before Extraordinary Items (Net of Tax Expenses) for the period, for the year to date and for the previous year	1.34	1.68	1.67	3.00	3.55	5.11
	(b) Basic and Diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year	1.34	1.68	1.67	3.00	3.55	5.11
	(iv) NPA Ratios						
	a) Amount of Gross Non Performing Assets	345990	287071	223928	345990	223928	244321
	b) Amount of Net Non Performing Assets	244188	205703	148195	244188	148195	165981
	c) Percentage of Gross Non Performing Assets	3.95	3.39	2.85	3.98	2.85	2.78
	d) Percentage of Net Non Performing Assets	2.84	2.45	1.89	2.84	1.88	1.92
	(v) Return on Assets (Annualized) (%)	0.34	0.41	0.43	0.39	0.46	0.33
18	Public share holding						
	- Number of shares	222872258	222872258	222872258	222872258	222872258	222872258
	- Percentage of share holding	25.94	25.94	25.94	25.94	25.94	25.94
19	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of shares (as a percentage of total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	Percentage of shares (as a percentage of total share capital)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	Number of Shares	636247049	636247049	636247049	636247049	636247049	636247049
	Percentage of shares (as a percentage of total shareholding of promoter and promoter group)	100	100	100	100	100	100
	Percentage of shares (as a percentage of total share capital)	74.06	74.06	74.06	74.06	74.06	74.06

SEGMENT-WISE REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER / HALF YEAR ENDED 30.09.2015 (Rs in Lakhs)							
Sl. No.	Particulars	Quarter Ended 30.09.2015 (Reviewed)	Quarter Ended 30.06.2015 (Reviewed)	Quarter Ended 30.09.2014 (Reviewed)	Half Year Ended 30.09.2015 (Reviewed)	Half Year Ended 30.09.2014 (Reviewed)	Year Ended 31.03.2015 (Audited)
a)	Segment Revenue #						
	i) Treasury Operations	73972	88063	92856	152035	189378	396045
	ii) Whole Sale Banking	137184	151674	141022	288858	283367	573316
	iii) Retail Banking	85430	75783	76959	161213	144504	267920
	iv) Other Banking Operations	23703	13385	14598	37088	27121	67964
	Total	320289	328905	325376	649194	644370	1315249
b)	Segment Result						
	i) Treasury Operations	(3429)	2392	11437	(1037)	2768	10249
	ii) Whole Sale Banking	12744	18226	(14858)	26970	(26883)	(85995)
	iii) Retail Banking	12571	11045	23295	23616	38491	67357
	iv) Other Banking Operations	19581	11147	12303	30728	22785	47576
	Total	41467	40810	32089	82277	62224	131357
c)	Unallocated Expenses	1568	1535	1479	3101	2506	5454
d)	Operating Profit	39901	39275	30610	79176	59615	126903
e)	Provisions & Contingencies	27347	14838	15172	41985	24524	85913
f)	Total Profit/(Loss) before tax	12554	24637	15438	37191	35091	39990
g)	Tax Expenses	1025	10378	1053	11403	4570	(3951)
h)	Extraordinary Profit	0	0	0	0	0	0
i)	Net Profit	11529	14289	14375	25788	30521	43941
j)	Capital Employed						
	i) Treasury Operations	93133	104599	89773	93133	86773	127355
	ii) Whole Sale Banking	156882	160261	176980	156882	176980	158140
	iii) Retail Banking	105719	86645	99004	105719	99004	79472
	iv) Other Banking Operations	46532	27761	26672	46532	26872	31739
	v) Unallocated	238938	230552	229061	238938	226061	231735
	Total	841204	629498	618690	641204	618690	626471

The Bank operates only in domestic segment

SUMMARISED BALANCE SHEET (Rs in Lakhs)		
CAPITAL AND LIABILITIES	As at 30.09.2015	As at 31.03.2014
Capital	85912	85912
Reserves and surplus	552293	632778
Deposits	12328620	12319922
Borrowings	530394	266653
Other Liabilities and Provisions	242857	234980
Total	13743076	13440255
ASSETS		
Cash and Balances with Reserve Bank of India	647683	638490
Balances with Banks and Money at Call and Short Notice	172536	59107
Investments	4017602	4890327
Advances	8569928	7757598
Fixed Assets	69852	63021
Other Assets	356695	343712
Total	13743076	13440255



- The financial results for the quarter and period ended 30th September 2015 have been prepared following the same accounting policies and practices as those followed in the same period for the corresponding quarter ended 30th March 2015.
- The above financial results have been reviewed by the Audit Committee of the Board in the meeting held on 06th November 2015 and approved by the Board of Directors in the meeting held on 06th November 2015. The same have been subjected to a limited review by the Statutory Central Auditors of the bank, in line with the guidelines issued by the Reserve Bank of India as per the requirement of listing agreement with Stock exchanges.
- Financial results for the quarter and period ended 30th September 2015 have been arrived at after making necessary provisions for Income Tax, Provision for Depreciation, Provision for Employee Benefits and Provision for NPAs, Standard Assets, Restructured Accounts and Depreciation on Investment on the basis of Prudential Norms issued by the Reserve Bank of India. Provision for employee benefits and taxation are made on estimated basis.
- As per practice, Bank identifies NPAs based on record of recovery for the overdue position as at the end of the calendar month instead of day to day basis for overdues beyond 60 days. The accounts having overdues beyond 90 days as on Balance Sheet date are upgraded so long as the arrears are brought down.
- Bank has not provided for Deferred Tax Liability (DTL) of Rs. 230 crores (as on 31st March 2015) on account of timing differences arising out of Investments in HTM Category Instruments. This is not in accordance with EAC opinion of ICAI. Bank is of the opinion that its stand is supported by the clarification received from IBA. Hence no provision has been made by the Bank for DTL. Change in Deferred Tax Liability estimate for the period April 2015 to September 2015 has not been ascertained.
- In terms of RBI Circular no. DBOD.BP.BC.2/21.04.018/2015-14 dated 1st July 2015, banks are required to make Pfrar 3 disclosures under BASEL III capital regulations. Accordingly, Pfrar 3 disclosures under BASEL III Capital regulations are being made available on Bank's website [www.vijayabank.com/Regulatory Disclosures](http://www.vijayabank.com/Regulatory%20Disclosures). These disclosures have not been subjected to audit.
- The provisioning coverage ratio as at 30th September 2015 works out to 58.28%.
- Based on available data, financial statements and the declaration from the borrowers wherever received, the Bank has estimated the liability of Rs. 18.73 crore as on 30th September 2015 towards Unhedged Foreign Currency Exposure in constituents in terms of RBI DBOD Circulars dated 15th January 2014 and 3rd June 2014. The amount is fully provided.
- The bank had earlier valued the investments in SRs on sale of NPAs to ARCs at the value at which they were purchased and consequently, excess provision, carried by the bank in the financials was reversed in the period of investment and any excess asset value over the gross asset value was credited to the Profit & Loss Account during the year ended 31-Mar-14 and 31-Mar-15. RBI has advised the bank vide its letter dated 4th November 2015, to restore the total provision amounting to Rs 104 crores (which requires disclosure as prior period expenditure) and to do the requisite adjustments in staggered manner by debiting the profit and loss account over the remaining quarters in current financial year (2015-16). The bank has made a provision of Rs 45 crores upto 30th September 2015 (25 crores upto June 2015).
- In accordance with the RBI circular DRB.BP.BC.No.31/21.04.018/2015-16 dated 16.07.2015, the bank has classified deposits placed with NABARD/SIDBI/SHB for meeting shortfall in priority sector lending under "Other Assets" which were hitherto included under "Investments". Similarly, interest income from such deposits has been classified under the head "Interest Income-Others", which was hitherto included under "Interest Income-Investments". Figures for the previous period have also been regrouped to conform to current period classification.
- In terms of RBI Circular No. BP.BC.2/21.04.018/2015-16 dt 2nd July 2015, the method of calculating discount rate for computing Net Present Value of Future Cash Flows for determining erosion in fair value of advances on restructuring, was changed with effect from the quarter ended 30th June 2015. Accordingly, there is a reduction in provisioning for diminution in fair value by Rs.120.85 crores for the quarter ended 30th June 2015 and Rs.129.24 crores for the half year ended 30th September 2015.
- During the quarter ended 30th September 2015, in respect of 11 restructured accounts, due to initial incorrect sub category classification in terms of clause 17.2.4 of master circular on prudential norms on Income Recognition, Asset classification and provisioning pertaining to advances, Rs. 47.32 Crores has been additionally provided, which relates to prior periods.
- Position of complaints from investors as on 30th September 2015 - Begniving -0 Received - 765, Disposed off -765, Pending -0.
- Figures of the previous period have been regrouped/rearranged/re-classified wherever necessary to conform to current period's classification.


A S RAJEEV
General Manager


B S RAMA RAO
Executive Director


KISHORE SANSHI
Managing Director & CEO

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED HERETO

For M/s N C MITTAL & CO
Chartered Accountants
Registration No: 000237H



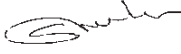

N.C. MITTAL
Partner
Membership No: 014213
Place : Bangalore
Date : 06 th November, 2015

For M/s KARRA & CO
Chartered Accountants
Registration No: 001749S



R. SIVAKUMAR
Partner
Membership No: 011834
Chennai

K P M C & ASSOCIATES
Chartered Accountants
Registration No: 005359C



SANJAY MEHRA
Partner
Membership No: 076466
FR No.
005359C
Chartered Accountants

For M/s PKF SRIDHAR & SAJITHANAM LLP
Chartered Accountants
Registration No: 003990S/S200018



SEETHA LAKSHMI
Partner
Membership No: 003990S/S200018
CHENNAI

REVIEW REPORT

To

The Board of Directors

Vijaya Bank

1. Introduction:

- 1.1. We have reviewed the accompanying statement of unaudited financial results of VIJAYA BANK for the Quarter and Half year ended 30th September, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. Scope of Review:

- 2.1. We conducted our review in accordance with the Standards on Review Engagements 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 financial statements are free of material misstatements.
- 2.2. A review of Financial Results consists principally of applying analytical procedures to financial data and making enquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an audit opinion.
- 2.3. The financial results incorporate the relevant returns of 23 branches reviewed by us, and un-reviewed returns in respect of 1732 branches. In the conduct of our review, we have taken note of the review reports in respect of non-performing assets submitted by the concurrent auditors of 437 branches to the bank management, inspection teams of the bank of NIL branches and other firms of auditors of NIL branches specifically appointed for this purpose. These review reports cover 84.66 per cent (of which 55.47 per cent has been covered by us) of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.

3. Conclusion:


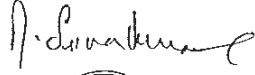

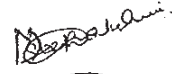


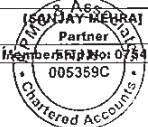

- 3.1. Based on our review conducted as above, read with notes, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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 the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



4. Emphasis of Matter

Without qualifying our conclusion, we draw attention to the following notes to results:

- 4.1. In respect of 11 restructured NPA accounts due to initial incorrect sub-category classification in terms of Clause 17.2.4 of Master circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, during the quarter, Rs. 47.32 Crores has been additionally provided which relates to prior periods. (Note no 12).
- 4.2. Pending actuarial valuation, Bank has made provision for Employee benefits on an estimated basis which will be corrected after the valuation is obtained. (Note no 3).
- 4.3. Provision has not been made for Rs. 230 crores as of 31st March 2015 on account of Deferred Tax Liability (DTL) arising out of timing differences in HTM category investments, relating to the prior period. The DTL has not been ascertained for the period 1st April 2015 to 30th September 2015 and hence, we are unable to comment on the incremental provision. (Note no 5).
- 4.4. The guidelines on Sale of financial assets to Securitization Company/ Reconstruction Company provide that the sale shall be accounted at the lower of net book value and redemption value of security receipt (SR) / pass through certificate (PTC) and excess provision in respect of NPAs sold can be reversed when the cash is received by way of initial consideration and/ or redemption of SRs/ PTC. The Bank had, in the past, reversed the provisions and not accounted the sale as per the guidelines. The bank had made an adhoc provision of Rs. 25 crores towards the same in the quarter ended 30th June 2015. RBI has instructed vide letter dated 31st August 2015 that the adjustment of provisions held against non-performing asset sold to Asset Reconstruction Company to profit and loss account is not in compliance with the extant norms and vide its letter dated 4th November 2015 instructed to restore the total provision amounting to Rs. 104 Crore and to do requisite adjustments in staggered manner by debiting Profit and loss account over the remaining quarters in the current financial year (2015-16) and accordingly the Bank has made a provision to the tune of Rs. 45 crores till 30th September 2015 (including Rs. 20 crores accounted for the quarter ended 30th September 2015) and has deferred Rs. 59 crores, to be debited to Profit and Loss Account over the next two quarters. Accounting standard 1 and others issued by the ICAI, require that the entire amount be charged off in the profit and loss account as prior period expenditure. Had the accounting standards been followed, Rs. 59 crores would have been charged to the Profit and Loss account additionally in the quarter and the entire amount of Rs. 104 crores would have been disclosed as prior period expenditure in the results of the quarter/ period. (Note No. 9)

For M/s H C MITTAL & CO	For M/s KARRA & CO	For M/s K P M C & ASSOCIATES	For M/s PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants Registration No: 000237N	Chartered Accountants Registration No: 001749S	Chartered Accountants Registration No: 005359C	Chartered Accountants Registration No: 003990S/S200018
			
			

Place : Bangalore
Date : 6th November 2015