SOUTH INDIAN Bank

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2017

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	1,53,620	1,49,067	1,45,018	3,02,687	2,89,741	5,84,708
(a) Interest/discount on advances/bills	1,18,295	1,13,444	1,11,393	2,31,739	2,22,310	4,44,742
(b) Income on investments	31,686	31,968	29,618	63,654	59,050	1,23,348
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	435	601	331	1,036	872	2,404
(d) Others	3,204	3,054	3,676	6,258	7,509	14,214
2. Other income	28,047	21,930	14,590	49,977	31,934	71,556
3. Total income (1+2)	1,81,667	1,70,997	1,59,608	3,52,664	3,21,675	6,56,264
4. Interest expended	1,03,298	1,02,996	1,00,500	2,06,294	2,07,860	4,17,165
5. Operating expenses (i) + (ii)	32,342	30,052	29,374	62,394	58,133	1,17,640
(i) Employees cost	16,805	16,697	16,756	33,502	33,516	67,652
(ii) Other operating expenses	15,537	13,355	12,618	28,892	24,617	49,988
6. Total expenditure (4) + (5) excluding provisions and contingencies	1,35,640	1,33,048	1,29,874	2,68,688	2,65,993	5,34,805
7. Operating profit before provisions and contingencies (3) - (6)	46,027	37,949	29,734	83,976	55,682	1,21,459
8. Provisions (other than tax) and Contingencies	45,368	22,431	12,833	67,799	24,244	61,437
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	659	15,518	16,901	16,177	31,438	60,022
11. Tax expense	227	5,371	5,849	5,598	10,880	20,772
12. Net profit from ordinary activities after tax (10)-(11)	432	10,147	11,052	10,579	20,558	39,250
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	432	10,147	11,052	10,579	20,558	39,250
15. Paid-up equity share capital (Face Value ₹ 1)	18,044	18,034	13,506	18,044	13,506	18,028
16. Reserves excluding revaluation reserves						4,42,134
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	11.74	12.13	11.13	11.74	11.13	12.37
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.02	0.56	0.74	0.59	1.37	2.61
(b) Diluted EPS - before and after extraordinary items (₹) *	0.02	0.56	0.74	0.59	1.37	2.61
iv) NPA Ratios (a) Gross NPA	1,76,632	1,69,571	1,74,528	1,76,632	1,74,528	1,14,901
Net NPA	1,25,584	1,18,251	1,20,635	1,25,584	1,20,635	67,456
(b) % of Gross NPA	3.57	3.61	3.96	3.57	3.96	2.45
% of Net NPA	2.57	2.54	2.77	2.57	2.77	1.45
v) Return on assets (Annualised)	0.02	0.55	0.66	0.28	0.62	0.57

** Quarterly/half-yearly numbers are not annualised*

 # Refer Note No. 4

The South Indian Bank Ltd. CFM DEPT. H.O. Thrissur

For Identification Purpose Only.

Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	39,689	42,120	35,550	81,809	73,512	1,53,922
b) Corporate/ Wholesale Banking	71,414	69,939	69,691	1,41,353	1,38,345	2,84,972
c) Retail Banking	62,411	54,586	50,833	1,16,997	1,02,319	1,99,036
d) Other Banking Operations	8,153	4,352	3,534	12,505	7,499	18,334
Total	1,81,667	1,70,997	1,59,608	3,52,664	3,21,675	6,56,264
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	1,81,667	1,70,997	1,59,608	3,52,664	3,21,675	6,56,264
2. Segment Results (net of provisions)						
a) Treasury	(21,298)	4,118	4,164	(17,180)	7,706	3,223
b) Corporate/ Wholesale Banking	(1,289)	(3,089)	334	(4,378)	(2,200)	(7,209)
c) Retail Banking	16,468	10,886	9,521	27,354	19,788	48,960
d) Other Banking Operations	6,778	3,603	2,882	10,381	6,144	15,048
Total	659	15,518	16,901	16,177	31,438	60,022
Less: unallocated expenditure	-	-	-	-	-	-
Profit Before Tax	659	15,518	16,901	16,177	31,438	60,022
3. Segment Assets						
a) Treasury	19,14,443	19,46,732	16,71,697	19,14,443	16,71,697	20,53,767
b) Corporate/ Wholesale Banking	32,30,408	30,94,690	30,21,667	32,30,408	30,21,667	31,80,104
c) Retail Banking	21,89,540	20,50,779	18,38,502	21,89,540	18,38,502	19,72,338
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	2,49,310	2,27,336	1,86,514	2,49,310	1,86,514	2,25,006
Total	75,83,701	73,19,537	67,18,380	75,83,701	67,18,380	74,31,215
4. Segment Liabilities						
a) Treasury	18,07,788	18,37,378	15,82,176	18,07,788	15,82,176	19,40,142
b) Corporate/ Wholesale Banking	30,76,350	29,44,765	28,88,777	30,76,350	28,88,777	30,28,289
c) Retail Banking	20,85,121	19,51,427	17,57,648	20,85,121	17,57,648	18,78,181
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,16,687	85,720	73,589	1,16,687	73,589	1,00,056
Total	70,85,946	68,19,290	63,02,190	70,85,946	63,02,190	69,46,668
5. Capital Employed						
[Segment Assets - Segment Liabilities]						
a) Treasury	1,06,655	1,09,354	89,521	1,06,655	89,521	1,13,625
b) Corporate/ Wholesale Banking	1,54,058	1,49,925	1,32,890	1,54,058	1,32,890	1,51,815
c) Retail Banking	1,04,419	99,352	80,854	1,04,419	80,854	94,157
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,32,623	1,41,616	1,12,925	1,32,623	1,12,925	1,24,950
Total	4,97,755	5,00,247	4,16,190	4,97,755	4,16,190	4,84,547

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.

The South Indian Bank Ltd. CFM DEPT. H.O.Thrissur

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S. R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

SOUTH INDIAN Bank

Notes:

1. Statement of Assets and Liabilities as on 30th September 2017 is given below:

(₹ in Lakhs)

	As at		
	30.09.2017	30.09.2016	31.03.2017
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	18,044	13,506	18,028
Employees' Stock Options (Grants) Outstanding	292	408	302
Reserves and Surplus	4,79,711	4,02,684	4,66,519
Deposits	67,14,210	60,19,175	66,11,749
Borrowings	2,11,577	1,62,902	1,95,776
Other Liabilities and Provisions	1,59,867	1,19,705	1,38,841
Total	75,83,701	67,18,380	74,31,215
ASSETS			
Cash and Balances with Reserve Bank of India	3,05,637	2,83,217	3,07,798
Balances with Banks and money at call & short notice	53,198	42,946	80,974
Investments	18,20,779	15,88,223	19,42,967
Advances	48,95,426	43,54,779	46,38,947
Fixed Assets	65,122	59,809	65,610
Other Assets	4,43,539	3,89,406	3,94,919
Total	75,83,701	67,18,380	74,31,215

2. The above financial results were reviewed by the Audit Committee and approved by Board of Directors at their meeting held on October 10, 2017. The results for the quarter and half year ended September 30, 2017 are subjected to limited review by the Statutory Central Auditor of the Bank.

3. During the quarter and half year ended September 30, 2017 stock options aggregating 958,528 and 1,541,344 respectively were exercised by eligible employees and 145,085,79 stock options were outstanding as at September 30, 2017.

4. Pursuant to the Rights Issue of Equity Shares during FY 2016-17, Earnings Per Share (EPS) in respect of previous period ended September 30, 2016 has been restated in accordance with Accounting Standard-20 (AS-20)- "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

5. During the financial year 2016-2017, the Bank has sold certain non-performing financial assets having a net book value of ₹ 134,681 lakhs to an Asset Reconstruction Company. The Bank has, in terms of RBI Circular DBR.No.BP.BC.102/21.04.048/2015-16 on "Prudential norms on income recognition, asset classification and provisioning pertaining to advances-Spread Over of Shortfall on Sale of NPAs to SCs/RCs" dated June 13, 2016 amortised the shortfall in recovery of net book value of ₹10,311 lakhs over a period of four quarters. Consequently, an amount of ₹2,578 lakhs and ₹5,156 lakhs has been expensed to profit and loss account during the quarter and half year ended September 30, 2017 respectively, by credit to other reserves, in accordance with the aforesaid RBI circular. The un-provided amount as at September 30, 2017 amounts to ₹2,449 lakhs will be provided by December 31, 2017.

6. Provisions (other than tax) and Contingencies' include depreciation of ₹ 25,239 lakhs on accont of dimunition in net asset value (NAV) of investments in Security Receipts on the basis of NAV declared by Asset Reconstruction Company as at September 30, 2017.

7. During the quarter ended September 30, 2017, bank has identified certain irregularities in the nature of fraud at one of the branches involving an estimated amount of ₹ 2850 lakhs (net of recoveries). Based on preliminary investigation, the Bank has filed an FIR and has initiated suitable recovery / other legal proceedings. The loss will be accounted in accordance with RBI Guideline DBR. No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016 over a period of four quarters commencing from the quarter ended September 30, 2017.

8. 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/viewContentLvl1.aspx?linkIdLvl2=854&LinkIdLvl3=880&linkId=880
These disclosures have not been subjected to a limited review by the Statutory Central Auditor.

9. In computing the Segment information certain estimates and assumptions have been made by the management which have been relied upon by the Statutory Central Auditor.

10. Previous period's / year's figures have been regrouped, wherever necessary to conform to the current period's classification. The figures of previous year/periods were audited/reviewed by a firm of Chartered Accountants other than S.R Batliboi & Co. LLP.

Place: Kochi
Date: October 10, 2017

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

The South Indian Bank Ltd. CFM DEPT. H.O. Thrissur

For Identification Purpose Only.

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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Independent Auditor's Report On Financial Results of The South Indian Bank Limited, pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
The Board of Directors
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 September 30, 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 . The disclosure relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio", and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link have been provided in aforesaid Statement have not been reviewed 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 the Statement based on our review.

2. We conducted our review 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 review reports in respect of non-performing assets received from concurrent auditors of 159 branches. These review reports cover 69.8 percent 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.

4. Based on our review conducted as above, 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 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 the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

Shrawan

per Shrawan Jalan
Partner
Membership No.: 102102

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Kochi
Date: October 10, 2017
NB