

M/s CNK & Associates LLP
Chartered Accountants
5th Floor, Narain Chambers,
Vile Parle - East
Mumbai – 400 057

M/s K Venkatachalam Aiyer & Co.
Chartered Accountants
41/3647 B, 1st Floor, Blue Bird Towers,
Providence Road,
Kochi – 682 018

Independent Auditors' Review Report on unaudited standalone financial results of The South Indian Bank Limited for the quarter and half year ended September 30, 2023, pursuant to the requirements of Regulation 33 and 52 read with 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended)

To
The Board of Directors,
The South Indian Bank Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of The South Indian Bank Limited ('the Bank') for the quarter and half year ended September 30, 2023 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and 52 read with 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations") except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations as at September 30, 2023, including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us.
2. The statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard -25 'Interim Financial Reporting' (AS-25), prescribed under section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion and issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India (ICAI). 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 the Bank's personnel and analytical and other review 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.
4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.



5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards, accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 read with 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) 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 (RBI) in respect of income recognition, asset classification, provisioning and other related matters.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Hiren Shah

Partner

Membership No. 100052

UDIN: 2310052BQVUD81879

Place: Thiruvananthapuram

Date: October 19, 2023



For K Venkatachalam Aiyer & Co.

Chartered Accountants

Firm Registration No. 004610S



Sreevats Gopalakrishnan

Partner

Membership No. 227654

UDIN: 23227654BQXTYD7463

Place: Thiruvananthapuram

Date: October 19, 2023



STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2023

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended 31.03.2023
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1. Interest earned (a) + (b) + (c) + (d)	2,12,900	2,02,504	1,74,014	4,15,404	3,36,195	7,23,318
(a) Interest/discount on advances/bills	1,69,891	1,62,429	1,36,461	3,32,320	2,62,174	5,71,215
(b) Income on investments	38,518	36,063	31,429	74,581	60,871	1,28,573
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	2,649	2,093	3,177	4,742	7,227	13,210
(d) Others	1,842	1,919	2,947	3,761	5,923	10,320
2. Other income	35,577	36,131	25,510	71,708	50,144	81,263
3. Total income (1+2)	2,48,477	2,38,635	1,99,524	4,87,112	3,86,339	8,04,581
4. Interest expended	1,29,842	1,21,727	1,01,377	2,51,569	2,03,220	4,22,110
5. Operating expenses (i) + (ii)	72,591	67,884	55,575	1,40,475	1,08,865	2,31,738
(i) Employees cost	41,763	40,297	32,821	82,060	63,547	1,30,036
(ii) Other operating expenses	30,828	27,587	22,754	58,415	45,318	1,01,702
6. Total expenditure (4) + (5)	2,02,433	1,89,611	1,56,952	3,92,044	3,12,085	6,53,848
(excluding provisions and contingencies)						
7. Operating Profit (3) - (6)	46,044	49,024	42,572	95,068	74,254	1,50,733
(Profit before Provisions and Contingencies)						
8. Provisions (other than tax) and Contingencies	5,125	19,850	17,929	24,975	31,870	39,912
9. Exceptional items	-	-	-	-	-	-
10. Profit/(Loss) from ordinary activities before tax	40,919	29,174	24,643	70,093	42,384	1,10,821
11. Tax expense	13,438	8,939	2,333	22,377	8,539	33,312
12. Net profit/(Loss) from ordinary activities after tax	27,481	20,235	22,310	47,716	33,845	77,509
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit/(Loss) for the period (12-13)	27,481	20,235	22,310	47,716	33,845	77,509
15. Paid-up equity share capital (Face Value ₹ 1/- each)	20,927	20,927	20,927	20,927	20,927	20,927
16. Reserves excluding revaluation reserves						6,11,300
17. Analytical ratios & other disclosures						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	16.69	16.49	16.04	16.69	16.04	17.25
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items	1.31	0.97	1.07	2.28	1.62	3.70
(b) Diluted EPS - before and after extraordinary	1.31	0.97	1.07	2.28	1.62	3.70
iv) NPA Ratios						
(a) Gross NPA	3,71,387	3,80,387	3,85,613	3,71,387	3,85,613	3,70,826
(b) Net NPA	1,23,400	1,32,574	1,64,713	1,23,400	1,64,713	1,29,361
(c) % of Gross NPA to Gross Advances	4.96	5.13	5.67	4.96	5.67	5.14
(d) % of Net NPA to Net	1.70	1.85	2.51	1.70	2.51	1.86
v) Return on assets (Annualised) %	0.97	0.73	0.85	0.85	0.65	0.73
vi) Net worth	6,53,246	6,32,282	5,56,209	6,53,246	5,56,209	6,09,800
vii) Outstanding Redeemable Preference Shares	Nil	Nil	Nil	Nil	Nil	Nil
viii) Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
ix) Debenture Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
x) Debt Equity Ratio ¹	0.36	0.43	0.55	0.36	0.55	0.47
xi) Total debts to total assets ²	5.23%	5.11%	8.07%	5.23%	8.07%	6.49%
xii) Operating Margin	18.53%	20.54%	21.34%	19.52%	19.22%	18.73%
xiii) Net Profit Margin	11.06%	8.48%	11.18%	9.80%	8.76%	9.63%

* Quarterly/half-yearly numbers are not annualised

¹ Debt represents borrowings with residual maturity of more than one year.

² Total debts represents total borrowings of the Bank.


SEGMENT WISE RESULTS

Particulars	Quarter ended			Half Year ended		(₹ in Lakhs)
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31.03.2023
1. Segment Revenue						
a) Treasury	44,750	46,400	37,107	91,150	71,183	1,08,800
b) Corporate/ Wholesale Banking	69,765	67,392	54,552	1,37,157	1,02,732	2,32,302
c) Retail Banking	1,24,372	1,14,819	96,222	2,39,191	1,91,342	4,20,446
(i) Digital Banking	19,035	11,182		30,217		
(ii) Other Retail Banking	1,05,337	1,03,637		2,08,974		
d) Other Banking Operations	9,590	10,024	11,643	19,614	21,082	43,033
Total	2,48,477	2,38,635	1,99,524	4,87,112	3,86,339	8,04,581
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	2,48,477	2,38,635	1,99,524	4,87,112	3,86,339	8,04,581
2. Segment Results (net of provisions)						
a) Treasury	(1,306)	1,699	4,833	393	4,558	(15,842)
b) Corporate/ Wholesale Banking	2,306	875	(7,165)	3,181	(15,265)	(10,170)
c) Retail Banking	33,132	19,423	18,578	52,555	37,919	1,06,162
(i) Digital Banking	6,497	(505)		5,992		
(ii) Other Retail Banking	26,635	19,928		46,563		
d) Other Banking Operations	6,787	7,177	8,397	13,964	15,172	30,671
Total	40,919	29,174	24,643	70,093	42,384	1,10,821
Less: unallocated expenditure	-	-	-	-	-	-
Profit/(Loss) Before Tax	40,919	29,174	24,643	70,093	42,384	1,10,821
3. Segment Assets						
a) Treasury	28,02,241	27,71,198	27,37,679	28,02,241	27,37,679	26,43,899
b) Corporate/ Wholesale Banking	39,96,585	39,67,784	34,95,306	39,96,585	34,95,306	37,97,384
c) Retail Banking	41,11,406	39,62,633	40,39,163	41,11,406	40,39,163	39,75,034
(i) Digital Banking	3,30,505	2,76,478		3,30,505		2,41,185
(ii) Other Retail Banking	37,80,901	36,86,155		37,80,901		37,33,849
d) Other Banking Operations	2,723	2,898	2,043	2,723	2,043	2,591
e) Un allocated	3,61,365	3,49,544	3,01,954	3,61,365	3,01,954	3,50,910
Total	1,12,74,320	1,10,54,057	1,05,76,145	1,12,74,320	1,05,76,145	1,07,69,818
4. Segment Liabilities						
a) Treasury	26,45,081	26,17,701	25,85,610	26,45,081	25,85,610	25,03,841
b) Corporate/ Wholesale Banking	38,10,468	37,88,205	33,40,800	38,10,468	33,40,800	36,32,954
c) Retail Banking	39,19,942	37,83,288	38,60,616	39,19,942	38,60,616	38,02,911
(i) Digital Banking	3,15,114	2,63,965		3,15,114		2,30,741
(ii) Other Retail Banking	36,04,828	35,19,323		36,04,828		35,72,170
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,89,934	1,77,170	1,64,575	1,89,934	1,64,575	1,62,654
Total	1,05,65,425	1,03,66,364	99,51,601	1,05,65,425	99,51,601	1,01,02,360
5. Capital Employed (Segment Assets-Segment Liabilities)						
a) Treasury	1,57,160	1,53,497	1,52,069	1,57,160	1,52,069	1,40,058
b) Corporate/ Wholesale Banking	1,86,117	1,79,579	1,54,506	1,86,117	1,54,506	1,64,430
c) Retail Banking	1,91,464	1,79,345	1,78,547	1,91,464	1,78,547	1,72,123
(i) Digital Banking	15,391	12,513		15,391		10,444
(ii) Other Retail Banking	1,76,073	1,66,832		1,76,073		1,61,679
d) Other Banking Operations	2,723	2,898	2,043	2,723	2,043	2,591
e) Un allocated	1,71,431	1,72,374	1,37,379	1,71,431	1,37,379	1,88,256
Total	7,08,895	6,87,693	6,24,544	7,08,895	6,24,544	6,67,458

For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking (including Digital Banking) and Other Banking Operations in Compliance with the revised RBI Guidelines. The Bank operates in India.

RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment since March 2023 is shown above. Previous period figures have been regrouped and reclassified, wherever necessary, to make them comparable with current period figures.



Notes:

1. Statement of Assets and Liabilities is given below:

(₹ in Lakhs)

	As at		
	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	20,927	20,927	20,927
Employees' Stock Options Outstanding	88	131	11
Reserves and Surplus	6,87,968	6,03,617	6,46,531
Deposits	97,08,525	88,47,741	91,65,135
Borrowings	5,89,818	8,53,824	6,99,385
Other Liabilities and Provisions	2,66,994	2,49,905	2,37,829
Total	1,12,74,320	1,05,76,145	1,07,69,818
ASSETS			
Cash and Balances with Reserve Bank of India	5,29,198	5,71,094	4,63,922
Balances with Banks and money at call & short notice	2,85,571	2,82,967	2,44,127
Investments	25,92,972	25,10,059	24,64,180
Advances	72,58,760	65,81,004	69,80,444
Fixed Assets	88,623	87,735	87,792
Other Assets	5,19,196	5,43,286	5,29,353
Total	1,12,74,320	1,05,76,145	1,07,69,818

2. Cash Flow Statement

(₹ in Lakhs)

	Half year ended		Year ended
	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Audited
Cash flow from operating activities			
Profit before tax as per Profit and Loss Account	70,093	42,384	1,10,821
Adjustments for:			
Depreciation	4,376	4,297	8,748
Amortisation of Premium on HTM Investments	14,794	15,984	31,241
Provision for Depreciation / Non Performing Investments	115	(3,768)	29,698
General Provisions against Standard Assets	(1,812)	(2,297)	(5,861)
Provision/write off for Non Performing Assets	31,718	42,070	62,307
Other Provisions	(4,815)	(420)	(2,781)
Employee Stock Options expense	77	3	11
Interest on Subordinated bonds	8,795	8,795	17,543
(Profit)/Loss on sale of land, buildings and other assets	(6)	1	12
Operating profit before working capital changes	1,23,335	1,07,049	2,51,739
Changes in working capital:			
Increase / (Decrease) in Deposits	5,43,390	(66,470)	2,50,925
Increase / (Decrease) in Other Liabilities	30,345	71,402	70,280
(Increase) / Decrease in Investments (excluding Held To Maturity Investments)	1,643	(4,19,976)	(3,52,907)
(Increase) / Decrease in Advances	(3,10,033)	(6,23,735)	(10,43,408)
(Increase) / Decrease in Other Assets	6,917	1,03,625	1,19,153
Cash flow from operating activities before taxes	2,72,262	(9,35,154)	(9,55,957)
Direct Taxes paid	(19,133)	4,504	(21,864)
Net cash flow from/(used in) operating activities	3,76,464	(8,23,601)	(7,26,082)
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress	(5,304)	(5,562)	(11,270)
Sale of Fixed/Non Banking Assets	537	92	376
(Increase)/Decrease in Held To Maturity Investments	(1,45,343)	42,202	(27,711)
Net cash flow from/(used in) investing activities	(1,50,110)	36,732	(38,605)
Cash flow from financing activities:			
Dividend paid including Corporate Dividend Tax	(6,278)	-	-
Net proceeds/(repayments) in borrowings	(1,09,567)	5,24,375	3,69,936
Interest on Subordinated bonds	(3,789)	(3,788)	(17,543)
Net cash flow from/(used in) financing activities	(1,19,634)	5,20,587	3,52,393
Net increase/(decrease) in cash and cash equivalents	1,06,720	(2,66,282)	(4,12,294)
Cash and cash equivalents as at beginning of the year	7,08,049	11,20,343	11,20,343
(Refer note below)			
Cash and cash equivalents as at the end of the year	8,14,769	8,54,061	7,08,049
(Refer note below)			

Note: Cash and cash equivalents comprise of cash on hand (including foreign currency notes), Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.



3. The above standalone financial results for the quarter and half year ended September 30, 2023 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 19, 2023. These results have been subjected to limited review by the Joint Statutory Central Auditors M/s. CNK & Associates LLP, Chartered Accountants and M/s. K Venkatachalam Aiyer & Co, Chartered Accountants of the Bank. The report thereon is unmodified.
4. The Bank has consistently applied its significant accounting policies in the preparation of its quarterly and half yearly financial results during the quarter and half year ended September 30, 2023 as compared to those followed for the year ended March 31, 2023.
5. The financial results have been arrived at after considering provision for standard assets (including requirements for exposures to entities with unhedged foreign currency exposures), provision for non-performing assets (NPAs), provision for non-performing investments, provision for income-tax (net adjusted for earlier years) and other usual and necessary provisions.
6. Other Income includes Profit on sale of investments (net), provision for depreciation on investments, earnings from foreign exchange and derivative transactions, commission from non – fund based banking activities, income from sale of PSL Certificates, income from card business, recoveries from advances technically written off etc.
7. Other expense includes Insurance, Rent, Repair, Depreciation, Communication expenses, Outsourced manpower charges, premium paid on PSLC purchase, CSR, ATM outsourcing, Card expenses etc.
8. The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
9. 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 and RBI Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018 - 'Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines', 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.
<https://www.southindianbank.com/content/disclosure-under-basel-2-basel-3-guidelines/880>
 These disclosures have not been subjected to audit/review by the Joint Statutory Central Auditors.
10. Details of Resolution Plan implemented under Resolution Framework for COVID 19 related stress as per RBI circular dated August 06, 2020 (DOR.No.BP.BC/3/21.04.048/2020-21 – Resolution Framework 1.0) and May 05, 2021 (DOR.STR.REC.11/21.04.048/2021-22 - Resolution Framework 2.0) are given below.

(₹ in lakhs except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year ¹	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year ²
Personal Loans	27,850	5,652	-	3672	18,526
Corporate persons*	19,188	-	-	292	18,897
Of which, MSMEs	-	-	-	-	-
Others	9,050	4,188	-	191	4,670
Total	56,088	9,840	-	4,155	42,093

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

¹Amount paid by the borrower during the half year is net of additions in the borrower account including additions due to interest capitalisation and accounts upgraded from NPA to Standard restructured category.

²Includes other facilities to the borrowers which have not been restructured.

11. Disclosures as per Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions 2021 dated September 24, 2021 for the loans transferred/acquired during the quarter ended September 30, 2023 are given below;

- (i) The Bank has not transferred any Special Mention Account (SMA) and loan not in default
 (ii) Details of loans not in default acquired through assignment are given below

Aggregate amount of loans acquired (₹ in Lakhs)	19,752.59
Weighted average residual maturity (in months)	94.61
Weighted average holding period by originator (in months)	8.74
Retention of beneficial economic interest by the originator	10.00%
Tangible security coverage	210.76%

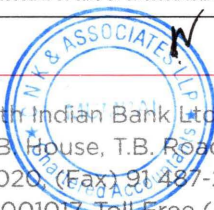
The loans acquired are not rated as these are to non-corporate borrowers

- (iii) The Bank has not acquired any stressed loans

- (iv) Details of Non Performing Assets transferred are given below;

(₹ in lakhs except number of accounts)

	To ARCs	To permitted transferees	To other Transferees
Number of accounts	1	-	-
Aggregate principal outstanding of loans transferred	1,956	-	-
Weighted average residual tenor of the loans transferred (in Months)	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	1,000	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-
Net reversal to the profit and loss account on account of sale of stressed loans	150	-	-



Note : The account that was sold had already been technically written off and fully provisioned at the time of the sale. This sale was structured as a 15:85 (Cash: Security Receipt) arrangement, with the bank investing ₹850 Lakhs in security receipts issued by the ARC, in exchange for a sale consideration of ₹1000 Lakhs. The security receipt (SR) has been fully provisioned, leading to a net reversal to profit and loss account of ₹150 Lakhs, equivalent to the initial cash consideration.

(v) Details of recovery ratings assigned to Security Receipts as at September 30, 2023

Recovery Ratings *	Anticipated Recovery as per Recovery Rating	Book value
NR1 / R1 +/RR1 +	> 150%	8.25
NR2/ R1 /RR1	100% - 150%	-
NR3/ R2 / RR2	75% - 100%	44,813.41
R3/ NR4 / RR3	50% - 75%	7,742.54
NR5 / RR4 / R4	25% - 50%	77,166.89
NR6 / RR5 / R5	0% - 25%	-
Yet to be rated *	-	850
Unrated	-	6,953.98
Total		1,37,535.07

* Recovery Rating is as assigned by various external rating agencies

* Recent purchases whose statutory period not yet elapsed.

- 12 Disclosure related to clause 28 of RBI circular dated May 05, 2021 where the number of borrower accounts where modifications were sanctioned and implemented in terms of Clause 22 of the aforesaid circular

Type of Borrower	No of Accounts	Aggregate exposure to such borrower (₹ in lakhs)
Personal Loans	6	270.89
Corporate Persons	-	-
Of which MSMEs	-	-
Others	-	-
Total	6	270.89

There were 6 borrowers having an aggregate exposure of ₹270.89 Lakhs to the Bank, where Resolution Plan has been implemented under RBI's Resolution Framework 1.0 dated August 06, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 05, 2021. Accounts where modification has been done subsequently closed/upgraded to standard category not included here.

- 13 Previous period's figures have been regrouped / reclassified, wherever necessary to conform to current period's classification and also the amounts / ratios for the previous period / year have been regrouped / reclassified pursuant to the requirement of Master Direction on Financial Statements - Presentation and Disclosure issued by Reserve Bank of India dated August 30, 2021, as amended and wherever considered necessary.

Place: Thiruvananthapuram
Date: October 19, 2023


P R Seshadri
(Managing Director & CEO)
(DIN : 07820690)



M/s CNK & Associates LLP
Chartered Accountants
5th Floor, Narain Chambers,
Vile Parle - East
Mumbai – 400 057

M/s K Venkatachalam Aiyer & Co.
Chartered Accountants,
41/3647 B, 1st Floor, Blue Bird Towers,
Providence Road,
Kochi – 682 018

Independent Auditors' Review Report on unaudited consolidated financial results of The South Indian Bank Limited for the quarter and half year ended September 30, 2023, pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended)


To
The Board of Directors,
The South Indian Bank Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of The South Indian Bank Limited ('the Bank') for the quarter and half year ended September 30, 2023 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Regulations"), except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations as at September 30, 2023, including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us.
2. The statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard-25 'Interim Financial Reporting' (AS-25), prescribed under section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time and other accounting principles generally accepted in India. Our responsibility is to express a conclusion and issue a report on the Statement based on our review.
3. We conducted our review of Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India (ICAI). 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 the Bank's personnel and analytical and other review 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. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, 2015, as amended, to the extent applicable.




4. Our review primarily is conducted on the basis of review of the books of account and records of the Bank. We have also relied on the information and explanations furnished to us by the Bank and the returns as considered necessary by us for the review.
5. The Statement includes the results of the following Subsidiary
SIB Operations and Services Limited
6. Based on our review conducted as above and based on the consideration of the limited review report of the subsidiary by other auditor, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards, accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulations including the manner in which it is to be disclosed, except for the disclosures as stated in Note No 9 to the Statement relating to Pillar 3 disclosure under Basel III Capital Regulations as at September 30, 2023, including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which have not been reviewed by us or that it contains any material misstatement.
7. The statement of unaudited consolidated financial results includes the interim financial statements/ financial information/ financial results of the subsidiary whose unaudited financial results reflect total assets of Rs. 199.63 Lakhs as at September 30, 2023 and total revenues of Rs. 357.79 Lakhs and Rs. 685.53 Lakhs and total net profit after tax of Rs. 9.38 Lakhs and Rs. 32.13 Lakhs respectively for the quarter and half year ended September 30, 2023, and net cash flows of Rs. (111.32) Lakhs for the half year ended September 30, 2023 as considered in the consolidated unaudited financial results. The interim financial statements/financial information/ financial results have been reviewed by other auditor, whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report and the procedures performed by us as stated in Paragraphs 3 and 4 above.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036


Hiren Shah
Partner
Membership No. 100052
UDIN: 2310052BGVUDR2338
Place: Thiruvananthapuram
Date: October 19, 2023



For K Venkatachalam Aiyer & Co.
Chartered Accountants
Firm Registration No. 004610S


Sreevats Gopalakrishnan
Partner
Membership No. 227654
UDIN: 23227654BGXTYE5744
Place: Thiruvananthapuram
Date: October 19, 2023



CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2023

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended 31.03.2023
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1. Interest earned (a) + (b) + (c) + (d)	2,12,900	2,02,504	1,74,014	4,15,404	3,36,195	7,23,318
(a) Interest/discount on advances/bills	1,69,891	1,62,429	1,36,461	3,32,320	2,62,174	5,71,215
(b) Income on investments	38,518	36,063	31,429	74,581	60,871	1,28,573
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	2,649	2,093	3,177	4,742	7,227	13,210
(d) Others	1,842	1,919	2,947	3,761	5,923	10,320
2. Other income	35,548	36,102	25,498	71,650	50,124	81,137
3. Total income (1+2)	2,48,448	2,38,606	1,99,512	4,87,054	3,86,319	8,04,455
4. Interest expended	1,29,842	1,21,727	1,01,377	2,51,569	2,03,220	4,22,110
5. Operating expenses (i) + (ii)	72,549	67,825	55,533	1,40,374	1,08,802	2,31,583
(i) Employees cost	42,074	40,563	32,994	82,637	63,810	1,30,803
(ii) Other operating expenses	30,475	27,262	22,539	57,737	44,992	1,00,780
6. Total expenditure (4) + (5) (excluding provisions and contingencies)	2,02,391	1,89,552	1,56,910	3,91,943	3,12,022	6,53,693
7. Operating Profit (3) - (6) (Profit before Provisions and Contingencies)	46,057	49,054	42,602	95,111	74,297	1,50,762
8. Provisions (other than tax) and Contingencies	5,126	19,850	17,930	24,976	31,871	39,912
9. Exceptional items	-	-	-	-	-	-
10. Profit/(Loss) from ordinary activities before tax (7)-(8)-(9)	40,931	29,204	24,672	70,135	42,426	1,10,850
11. Tax expense	13,442	8,946	2,344	22,388	8,550	33,319
12. Net profit/(Loss) from ordinary activities after tax (10)-(11)	27,489	20,258	22,328	47,747	33,876	77,531
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit/(Loss) for the period (12-13)	27,489	20,258	22,328	47,747	33,876	77,531
15. Paid-up equity share capital (Face Value ₹ 1)	20,927	20,927	20,927	20,927	20,927	20,927
16. Reserves excluding revaluation reserves	-	-	-	-	-	6,11,305
17. Analytical ratios & other disclosures						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	1.31	0.97	1.07	2.28	1.62	3.70
(b) Diluted EPS - before and after extraordinary items (₹) *	1.31	0.97	1.07	2.28	1.62	3.70

* Quarterly/half-yearly numbers are not annualised



SEGMENT WISE RESULTS

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	44,750	46,400	37,107	91,150	71,183	1,08,800
b) Corporate/ Wholesale Banking	69,765	67,392	54,552	1,37,157	1,02,732	2,32,302
c) Retail Banking	1,24,372	1,14,819	96,222	2,39,191	1,91,342	4,20,446
(i) Digital Banking	19,035	11,182		30,217		
(ii) Other Retail Banking	1,05,337	1,03,637		2,08,974		
d) Other Banking Operations	9,561	9,995	11,631	19,556	21,062	42,907
Total	2,48,448	2,38,606	1,99,512	4,87,054	3,86,319	8,04,455
Less : Inter segment Revenue						-
Net Income from Operations	2,48,448	2,38,606	1,99,512	4,87,054	3,86,319	8,04,455
2. Segment Results (net of provisions)						
a) Treasury	(1,306)	1,699	4,833	393	4,558	(15,842)
b) Corporate/ Wholesale Banking	2,306	875	(7,165)	3,181	(15,265)	(10,170)
c) Retail Banking	33,132	19,423	18,578	52,555	37,919	1,06,162
(i) Digital Banking	6,497	(505)		5,992		
(ii) Other Retail Banking	26,635	19,928		46,563		
d) Other Banking Operations	6,787	7,177	8,397	13,964	15,172	30,671
Total	40,919	29,174	24,643	70,093	42,384	1,10,821
Less: unallocated expenditure	(12)	(30)	(29)	(42)	(42)	(29)
Profit/(Loss) Before Tax	40,931	29,204	24,672	70,135	42,426	1,10,850
3. Segment Assets						
a) Treasury	28,02,191	27,71,148	27,37,629	28,02,191	27,37,629	26,43,849
b) Corporate/ Wholesale Banking	39,96,585	39,67,784	34,95,306	39,96,585	34,95,306	37,97,384
c) Retail Banking	41,11,406	39,62,634	40,39,163	41,11,406	40,39,163	39,75,034
(i) Digital Banking	3,30,505	2,76,478		3,30,505		2,41,185
(ii) Other Retail Banking	37,80,901	36,86,156		37,80,901		37,33,849
d) Other Banking Operations	2,723	2,898	2,043	2,723	2,043	2,591
e) Un allocated	3,61,355	3,49,490	3,01,951	3,61,355	3,01,951	3,50,858
Total	1,12,74,260	1,10,53,954	1,05,76,092	1,12,74,260	1,05,76,092	1,07,69,716
4. Segment Liabilities						
a) Treasury	26,45,081	26,17,701	25,85,610	26,45,081	25,85,610	25,03,841
b) Corporate/ Wholesale Banking	38,10,468	37,88,206	33,40,800	38,10,468	33,40,800	36,32,954
c) Retail Banking	39,19,925	37,83,149	38,60,549	39,19,925	38,60,549	38,02,783
(i) Digital Banking	3,15,114	2,63,965		3,15,114		2,30,741
(ii) Other Retail Banking	36,04,811	35,19,184		36,04,811		35,72,042
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,89,854	1,77,178	1,64,575	1,89,854	1,64,575	1,62,676
Total	1,05,65,328	1,03,66,234	99,51,534	1,05,65,328	99,51,534	1,01,02,254
5. Capital Employed						
[Segment Assets - Segment Liabilities]						
a) Treasury	1,57,110	1,53,447	1,52,019	1,57,110	1,52,019	1,40,008
b) Corporate/ Wholesale Banking	1,86,117	1,79,578	1,54,506	1,86,117	1,54,506	1,64,430
c) Retail Banking	1,91,481	1,79,485	1,78,614	1,91,481	1,78,614	1,72,251
(i) Digital Banking	15,391	12,513		15,391		10,440
(ii) Other Retail Banking	1,76,090	1,66,972		1,76,090		1,61,811
d) Other Banking Operations	2,723	2,898	2,043	2,723	2,043	2,591
e) Un allocated	1,71,501	1,72,312	1,37,376	1,71,501	1,37,376	1,88,182
Total	7,08,932	6,87,720	6,24,558	7,08,932	6,24,558	6,67,462

For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking (including Digital Banking) and Other Banking Operations in Compliance with the revised RBI Guidelines. The Bank operates in India.

RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to sub-divide 'Retail banking' into (a) Digital Banking (as defined in RBI Circular on Establishment of Digital Banking Units dated April 07, 2022) and (b) Other Retail Banking segment. Accordingly, the segmental results for retail banking segment since March 2023 is shown above. Previous period figures have been regrouped and reclassified, wherever necessary, to make them comparable with current period figures.



Notes:

1. Statement of Assets and Liabilities is given below:

	As at		
	30.09.2023	30.09.2022	31.03.2023
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	20,927	20,927	20,927
Employees' Stock Options Outstanding	88	131	11
Reserves and Surplus	6,88,005	6,03,631	6,46,535
Deposits	97,08,508	88,47,674	91,65,007
Borrowings	5,89,819	8,53,824	6,99,385
Other Liabilities and Provisions	2,66,913	2,49,905	2,37,851
Total	1,12,74,260	1,05,76,092	1,07,69,716
ASSETS			
Cash and Balances with Reserve Bank of India	5,29,198	5,71,094	4,63,922
Balances with Banks and money at call & short notice	2,85,571	2,82,967	2,44,127
Investments	25,92,922	25,10,009	24,64,130
Advances	72,58,760	65,81,004	69,80,444
Fixed Assets	88,624	87,737	87,793
Other Assets	5,19,185	5,43,281	5,29,300
Total	1,12,74,260	1,05,76,092	1,07,69,716

2. Cash Flow Statement

	Half year ended		
	30.09.2023	30.09.2022	Year ended
	Unaudited	Unaudited	Audited
Cash flow from operating activities			
Consolidated Profit before tax as per Profit and Loss Account	70,135	42,426	1,10,850
Adjustments for:			
Depreciation	4,377	4,297	8,749
Amortisation of Premium on HTM Investments	14,794	15,985	31,241
Provision for Depreciation / Non Performing Investments	115	(3,768)	29,698
General Provisions against Standard Assets	(1,812)	(2,297)	(5,861)
Provision/write off for Non Performing Assets	31,718	42,070	62,307
Other Provisions	(4,815)	(420)	(2,781)
Employee Stock Options expense	77	3	11
Interest on Subordinated bonds	8,795	8,795	17,543
(Profit)/Loss on sale of land, buildings and other assets	(6)	1	12
Operating profit before working capital changes	1,23,378	1,07,092	2,51,769
Changes in working capital:			
Increase / (Decrease) in Deposits	5,43,501	(66,500)	2,50,833
Increase / (Decrease) in Other liabilities	30,232	71,397	70,216
(Increase) / Decrease in Investments (excluding Held To Maturity Investments)	1,643	(4,19,976)	(3,52,907)
(Increase) / Decrease in Advances	(3,10,033)	(6,23,735)	(10,43,408)
(Increase) / Decrease in Other Assets	6,876	1,03,623	1,19,308
Cash flow from operating activities before taxes	2,72,219	(9,35,191)	(9,55,958)
Direct Taxes paid	3,95,597	(8,28,099)	(7,04,189)
Net cash flow from/(used in) operating activities	3,76,464	(8,23,601)	(7,26,082)
Cash flow from investing activities:			
Purchase of Fixed Assets/Capital Work-in-Progress	(5,304)	(5,562)	(11,270)
Sale of Fixed/Non Banking Assets	537	92	376
(Increase)/Decrease in Held To Maturity Investments	(1,45,343)	42,202	(27,711)
Net cash flow from/(used in) investing activities	(1,50,110)	36,732	(38,605)
Cash flow from financing activities:			
Dividend paid including Corporate Dividend Tax	(6,278)	-	-
Net proceeds/(repayments) in borrowings	(1,09,567)	5,24,375	3,69,936
Interest on Subordinated bonds	(3,789)	(3,788)	(17,543)
Net cash flow from/(used in) financing activities	(1,19,634)	5,20,587	3,52,393
Net increase/(decrease) in cash and cash equivalents	1,06,720	(2,66,282)	(4,12,294)
Cash and cash equivalents as at beginning of the year	7,08,049	11,20,343	11,20,343
(Refer note below)			
Cash and cash equivalents as at the end of the year	8,14,769	8,54,061	7,08,049
(Refer note below)			

Note: Cash and cash equivalents comprise of cash on hand (including foreign currency notes), Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.

3. The above consolidated financial results for the quarter and half year ended September 30, 2023 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 19, 2023. These results have been subjected to limited review by the Joint Statutory Central Auditors M/s. CNK & Associates LLP, Chartered Accountants and M/s. K Venkatachalam Aiyer & Co, Chartered Accountants of the Bank. The report thereon is unmodified.
4. The Consolidated Financial Results comprise the financial results of The South Indian Bank Ltd and its subsidiary SIB Operations and Services Ltd.
5. Group has consistently applied its significant accounting policies in the preparation of its quarterly and half yearly financial results during the quarter and half year ended September 30, 2023 as compared to those followed for the year ended March 31, 2023.
6. The financial results have been arrived at after considering provision for standard assets (including requirements for exposures to entities with unhedged foreign currency exposures), provision for non-performing assets (NPAs), provision for non-performing investments, provision for income-tax (net adjusted for earlier years) and other usual and necessary provisions.
7. Other Income includes Profit on sale of investments (net), provision for depreciation on investments, earnings from foreign exchange and derivative transactions, commission from non – fund based banking activities, income from sale of PSL Certificates, income from card business, recoveries from advances technically written off etc.
8. Other expense includes Insurance, Rent, Repair, Depreciation, Communication expenses, Outsourced manpower charges, premium paid on PSLC purchase, CSR, ATM outsourcing, Card expenses etc.
9. 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 and RBI Circular DBR.BP.BC.No.106/21.04.098/2017-18 dated May 17, 2018 - 'Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Final Guidelines', 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.
<https://www.southindianbank.com/content/disclosure-under-basel-2-basel-3-guidelines/880>
These disclosures have not been subjected to audit/review by the Joint Statutory Central Auditors.
10. Previous period's figures have been regrouped / reclassified, wherever necessary to conform to current period's classification and also the amounts / ratios for the previous period / year have been regrouped / reclassified pursuant to the requirement of Master Direction on Financial Statements - Presentation and Disclosure issued by Reserve Bank of India dated August 30, 2021, as amended and wherever considered necessary.

Place: Thiruvananthapuram
Date: October 19, 2023



P R Seshadri
(Managing Director & CEO)
(DIN : 07820690)

