SOUTH INDIAN Bank

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2017

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	1,57,696	1,53,620	1,47,896	4,60,383	4,37,637	5,84,708
(a) Interest/discount on advances/bills	1,22,726	1,18,295	1,12,849	3,54,465	3,35,159	4,44,742
(b) Income on investments	31,108	31,686	30,905	94,762	89,955	1,23,348
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	392	435	585	1,428	1,457	2,404
(d) Others	3,470	3,204	3,557	9,728	11,066	14,214
2. Other income	15,881	28,047	25,851	65,858	57,785	71,556
3. Total income (1+2)	1,73,577	1,81,667	1,73,747	5,26,241	4,95,422	6,56,264
4. Interest expended	1,06,757	1,03,298	1,06,144	3,13,051	3,14,004	4,17,165
5. Operating expenses (i) + (ii)	33,805	32,342	29,906	96,199	88,039	1,17,640
(i) Employees cost	18,489	16,805	17,516	51,991	51,032	67,652
(ii) Other operating expenses	15,316	15,537	12,390	44,208	37,007	49,988
6. Total expenditure (4) + (5) excluding provisions and contingencies	1,40,562	1,35,640	1,36,050	4,09,250	4,02,043	5,34,805
7. Operating profit before provisions and contingencies (3) - (6)	33,015	46,027	37,697	1,16,991	93,379	1,21,459
8. Provisions (other than tax) and Contingencies	15,428	45,368	20,663	83,227	44,907	61,437
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	17,587	659	17,034	33,764	48,472	60,022
11. Tax expense	6,087	227	5,896	11,685	16,776	20,772
12. Net profit from ordinary activities after tax (10)-(11)	11,500	432	11,138	22,079	31,696	39,250
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	11,500	432	11,138	22,079	31,696	39,250
15. Paid-up equity share capital (Face Value ₹ 1)	18,058	18,044	13,517	18,058	13,517	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	12.51	11.74	11.05	12.51	11.05	12.37
iii) Earning per share (EPS) (Refer Note 4)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.64	0.02	0.74	1.22	2.12	2.61
(b) Diluted EPS - before and after extraordinary items (₹) *	0.64	0.02	0.73	1.22	2.11	2.61
iv) NPA Ratios (a) Gross NPA	1,77,459	1,76,632	1,78,698	1,77,459	1,78,698	1,14,901
Net NPA	1,21,083	1,25,584	1,11,566	1,21,083	1,11,566	67,456
(b) % of Gross NPA	3.40	3.57	3.98	3.40	3.98	2.45
% of Net NPA	2.35	2.57	2.52	2.35	2.52	1.45
v) Return on Assets (Annualised)	0.58	0.02	0.63	0.39	0.63	0.57

** Quarterly/Nine months numbers are not annualised*

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

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SOUTH INDIAN Bank

Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	33,402	39,689	44,704	1,15,211	1,18,216	1,53,922
b) Corporate/ Wholesale Banking	75,008	71,414	72,198	2,16,361	2,10,543	2,84,972
c) Retail Banking	60,758	62,411	52,001	1,77,755	1,54,320	1,99,036
d) Other Banking Operations	4,409	8,153	4,844	16,914	12,343	18,334
Total	1,73,577	1,81,667	1,73,747	5,26,241	4,95,422	6,56,264
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	1,73,577	1,81,667	1,73,747	5,26,241	4,95,422	6,56,264
2. Segment Results (net of provisions)						
a) Treasury	646	(21,298)	3,160	(16,534)	10,866	3,223
b) Corporate/ Wholesale Banking	4,276	(1,289)	(8,842)	(102)	(11,042)	(7,209)
c) Retail Banking	9,144	16,468	18,709	36,498	38,497	48,960
d) Other Banking Operations	3,521	6,778	4,007	13,902	10,151	15,048
Total	17,587	659	17,034	33,764	48,472	60,022
Less: unallocated expenditure (exceptional item)	-	-	-	-	-	-
Profit Before Tax	17,587	659	17,034	33,764	48,472	60,022
3. Segment Assets						
a) Treasury	19,51,282	19,14,443	18,93,901	19,51,282	18,93,901	20,53,767
b) Corporate/ Wholesale Banking	33,96,750	32,30,408	31,59,309	33,96,750	31,59,309	31,80,104
c) Retail Banking	23,29,770	21,89,540	18,87,410	23,29,770	18,87,410	19,72,338
d) Other Banking Operations	-	-	-		-	-
e) Un allocated	2,53,642	2,49,310	2,03,973	2,53,642	2,03,973	2,25,006
Total	79,31,444	75,83,701	71,44,593	79,31,444	71,44,593	74,31,215
4. Segment Liabilities						
a) Treasury	18,49,865	18,07,788	17,95,499	18,49,865	17,95,499	19,40,142
b) Corporate/ Wholesale Banking	32,47,214	30,76,350	30,29,324	32,47,214	30,29,324	30,28,289
c) Retail Banking	22,27,206	20,85,121	18,07,228	22,27,206	18,07,228	18,78,181
d) Other Banking Operations	-	-	-		-	-
e) Un allocated	95,097	1,16,687	84,884	95,097	84,884	1,00,056
Total	74,19,382	70,85,946	67,16,935	74,19,382	67,16,935	69,46,668
5. Capital Employed (Segment Assets-Segment Liabilities)						
a) Treasury	1,01,417	1,06,655	98,402	1,01,417	98,402	1,13,625
b) Corporate/ Wholesale Banking	1,49,536	1,54,058	1,29,985	1,49,536	1,29,985	1,51,815
c) Retail Banking	1,02,564	1,04,419	80,182	1,02,564	80,182	94,157
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,58,545	1,32,623	1,19,089	1,58,545	1,19,089	1,24,950
Total	5,12,062	4,97,755	4,27,658	5,12,062	4,27,658	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's operations are confined within one geography (India).

Notes:

1 The above financial results were reviewed by the Audit Committee and approved by Board of Directors at their meeting held on January 09, 2018. The results for the quarter and nine months ended December 31, 2017 are subjected to limited review by the Statutory Central Auditor of the Bank.

2 During the quarter and nine months ended December 31, 2017 stock options aggregating 14,14,746 and 29,56,090 respectively were exercised by eligible employees and 145,410,94 stock options were outstanding as at December 31, 2017.

3 During the quarter ended December 31, 2017, the Bank has raised ₹ 490,00 lakhs Tier II Capital by way of issuance of Basel III compliant Tier II Bonds.

4 Pursuant to the Rights Issue of Equity Shares during FY 2016-17, Earnings Per Share (EPS) in respect of previous period ended December 31, 2016 has been restated in accordance with Accounting Standard-20 (AS-20)- "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

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SOUTH INDIAN Bank

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 ₹2,449 lakhs and ₹7,605 lakhs has been expensed to profit and loss account in full during the quarter and nine months ended December 31, 2017 respectively, by credit to other reserves, in accordance with the aforesaid RBI circular.

6 In the previous quarter, bank had identified certain irregularities in the nature of fraud at one of the branches and the loss is determined at ₹ 2,869 lakhs (earlier ₹ 2,850 lakhs) (net of recoveries). In accordance with RBI Guideline DBR. No.BP.BC.92/21.04.048/2015-16 dated April 18, 2016, the loss is amortised over a period of four quarters commencing from the quarter ended September 30, 2017. Accordingly, the Bank has charged ₹ 787 Lakhs ₹ 1,499 lakhs for the quarter and period ended December 31, 2017. The un-amortised amount as at December 31, 2017 amounts to ₹ 1,370 lakhs which will be provided in next two quarters.

7 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.

8 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.

9 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.

Date: January 09, 2018
Place: Kochi

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

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

FOR IDENTIFICATION PURPOSES ONLY S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

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 year to date ended December 31, 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 69.15 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

per Shrawan Jalan
Partner
Membership No.: 102102

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

Place: Kochi
Date: January 9, 2018