SOUTH INDIAN Bank

DEPT: SECRETARIAL
REF No. SEC/ST EX.STT/123/2020-21

21-01-2021

National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. SCRIP CODE: SOUTHBANK	BSE Ltd. Department of Corporate Services (Listing), First Floor, New Trading Wing, Rotunda Building, P J Towers, Dalal Street, Fort,Mumbai – 400 001. SCRIP CODE: 532218

Dear Sir,

Sub: Submission of unaudited Financial Results for the quarter/nine months ended 31st December 2020.

Pursuant to Regulation 33 and other applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we submit herewith the unaudited Financial Results of the Bank for the quarter/ nine months ended 31st December 2020 which were reviewed and recommended by the Audit Committee of Board and duly approved and taken on record by the Board at their respective meetings held today, the 21st January 2021.

We also enclose a copy of the "Limited Review Report" submitted by M/s.Varma and Varma, Chartered Accountants, our Statutory Auditors, for the quarter/ nine months ended 31st December 2020.

The Board Meeting commenced at 10.00 am and concluded at 4:45 pm

Kindly take the same on record.

Yours faithfully,

(JIMMY MATHEW)
COMPANY SECRETARY

Encl: as above

Varma & Varma
Chartered Accountants

Limited Review Report on unaudited financial results of The South Indian Bank Limited for the quarter and nine months ended 31st December 2020, pursuant to the requirements of 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 nine months ended 31st December, 2020 ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations as at 31st December 2020, including Leverage Ratio and Liquidity Coverage 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 is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors. The Statement 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, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time (the 'RBI Guidelines'), SEBI circular CIR/CFD/FAC/62/2016 dated 5th July, 2016 (hereinafter referred to as the 'SEBI Circular') and other accounting principles generally accepted in India. Our responsibility is to issue a report on the-Statement based on our review.

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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. 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.

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 Financial Results prepared in accordance with applicable accounting standards, the RBI Guidelines, the SEBI Circular 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 (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 in respect of income recognition, asset classification, provisioning and other related matters.

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6. We draw attention to Note No. 3 of the accompanying Statement of Unaudited Financial Results, regarding the impact of COVID-19 pandemic and the adjustments made in the accounts for the quarter and nine months ended 31st December, 2020 on account of the same. As stated therein, in view of continuing uncertainties, the extent of impact of the pandemic on the Bank's operations and financial position would depend on several factors including the steps taken by the Governments, Reserve Bank of India (RBI) and the Bank to mitigate the same. Our conclusion on the Statement is not modified in respect of this matter

For Varma & Varma
Chartered Accountants
FRN: 004532S

Kochi-19
21st January 2021

V. Sathyanarayanan
Partner
M. No. 021941
UDIN: 21021941AAAAAW3570

SOUTH INDIAN Bank

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2020

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	181,196	189,884	196,731	559,768	581,613	776,380
(a) Interest/discount on advances/bills	141,697	151,447	155,682	443,082	461,410	615,917
(b) Income on investments	33,536	32,418	35,033	99,302	104,339	139,106
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,529	373	1,511	3,241	3,295	3,997
(d) Others	4,434	5,646	4,505	14,143	12,569	17,360
2. Other income	27,012	23,990	22,042	79,500	65,154	104,575
3. Total income (1+2)	208,208	213,874	218,773	639,268	646,767	880,955
4. Interest expended	121,557	123,573	136,553	375,129	409,439	544,630
5. Operating expenses (i) + (ii)	48,905	48,904	43,906	144,628	126,106	171,761
(i) Employees cost	32,818	30,598	23,956	91,446	69,634	94,135
(ii) Other operating expenses	16,087	18,306	19,950	53,182	56,472	77,626
6. Total expenditure (4) + (5) excluding provisions and contingencies	170,462	172,477	180,459	519,757	535,545	716,391
7. Operating profit before provisions and contingencies (3) - (6)	37,746	41,397	38,314	119,511	111,222	164,564
8. Provisions (other than tax) and Contingencies	49,948	32,640	26,094	111,896	77,229	149,609
9. Exceptional items	-	-	-	-	-	-
10. Profit/(Loss) from ordinary activities before tax (7)-(8)-(9)	(12,202)	8,757	12,220	7,615	33,993	14,955
11. Tax expense	(3,040)	2,248	3,166	2,103	9,165	4,496
12. Net profit/(Loss) from ordinary activities after tax (10)-(11)	(9,162)	6,509	9,054	5,512	24,828	10,459
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit/(Loss) for the period (12-13)	(9,162)	6,509	9,054	5,512	24,828	10,459
15. Paid-up equity share capital (Face Value ₹ 1)	18,097	18,097	18,097	18,097	18,097	18,097
16. Reserves excluding revaluation reserves						497,273
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	14.47	13.94	12.02	14.47	12.02	13.41
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	(0.51)	0.36	0.50	0.30	1.37	0.58
(b) Diluted EPS - before and after extraordinary items (₹) *	(0.51)	0.36	0.50	0.30	1.37	0.58
iv) NPA Ratios (a) Gross NPA	310,345	318,216	324,369	310,345	324,369	326,177
Net NPA	130,503	165,539	221,188	130,503	221,188	215,078
(b) % of Gross NPA	4.90	4.87	4.96	4.90	4.96	4.98
% of Net NPA	2.12	2.59	3.44	2.12	3.44	3.34
v) Return on Assets % (Annualised)	(0.37)	0.27	0.37	0.07	0.35	0.11

** Quarterly/Nine months numbers are not annualised*

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SOUTH INDIAN Bank

Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	45,867	37,387	40,761	132,595	127,352	184,600
b) Corporate/ Wholesale Banking	63,361	81,680	85,050	221,982	251,027	338,069
c) Retail Banking	91,392	87,632	83,671	263,627	246,507	327,314
d) Other Banking Operations	7,588	7,175	9,291	21,064	21,881	30,972
Total	208,208	213,874	218,773	639,268	646,767	880,955
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	208,208	213,874	218,773	639,268	646,767	880,955
2. Segment Results (net of provisions)						
a) Treasury	(4,934)	(4,863)	(1,300)	4,467	4,656	(8,166)
b) Corporate/ Wholesale Banking	(22,425)	(12,764)	(4,876)	(56,762)	(29,187)	(42,751)
c) Retail Banking	9,341	20,844	10,953	43,611	40,909	40,939
d) Other Banking Operations	5,816	5,540	7,443	16,299	17,615	24,933
Total	(12,202)	8,757	12,220	7,615	33,993	14,955
Less: unallocated expenditure (exceptional item)	-	-	-	-	-	-
Profit/(Loss) Before Tax	(12,202)	8,757	12,220	7,615	33,993	14,955
3. Segment Assets						
a) Treasury	2,337,668	2,226,842	2,159,744	2,337,668	2,159,744	2,158,660
b) Corporate/ Wholesale Banking	3,410,945	3,659,081	3,890,465	3,410,945	3,890,465	3,826,223
c) Retail Banking	3,537,988	3,504,606	3,316,278	3,537,988	3,316,278	3,423,268
d) Other Banking Operations	1,332	1,333	1,324	1,332	1,324	1,086
e) Un allocated	267,515	272,701	285,204	267,515	285,204	294,053
Total	9,555,448	9,664,563	9,653,015	9,555,448	9,653,015	9,703,290
4. Segment Liabilities						
a) Treasury	2,214,551	2,112,487	2,056,447	2,214,551	2,056,447	2,063,339
b) Corporate/ Wholesale Banking	3,277,732	3,510,109	3,733,790	3,277,732	3,733,790	3,689,877
c) Retail Banking	3,399,812	3,361,923	3,182,727	3,399,812	3,182,727	3,301,282
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	107,316	114,845	115,174	107,316	115,174	101,312
Total	8,999,411	9,099,364	9,088,138	8,999,411	9,088,138	9,155,810
5. Capital Employed (Segment Assets-Segment Liabilities)						
a) Treasury	123,117	114,355	103,297	123,117	103,297	95,321
b) Corporate/ Wholesale Banking	133,213	148,972	156,675	133,213	156,675	136,346
c) Retail Banking	138,176	142,683	133,551	138,176	133,551	121,986
d) Other Banking Operations	1,332	1,333	1,324	1,332	1,324	1,086
e) Un allocated	160,199	157,856	170,030	160,199	170,030	192,741
Total	556,037	565,199	564,877	556,037	564,877	547,480

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.

Notes:

1 The above financial results were reviewed by the Audit Committee and approved by Board of Directors at their meeting held on January 21, 2021. The results for the quarter and nine months ended December 31, 2020 are subjected to limited review by the Statutory Central Auditor of the Bank.

2 As permitted by Reserve Bank of India (RBI) vide circular DBR No. BP. BC.92/21.04.048/2015-16 dated April 18, 2016, the bank has exercised the option to make provisions towards Non-Performing Advances identified as fraud accounts during quarter ended June 30, 2020 over a period of four quarters. Accordingly, the Bank has debited a sum of ₹11,634 Lakhs to the Profit and Loss Account for the quarter ended December 31, 2020 being 25% of the provision required towards accounts identified as fraud. Remaining unprovided amount of ₹11,634 Lakhs will be debited to the Profit and Loss account in the ensuing quarter.

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3 In view of continuing uncertainties prevailing in the global and Indian economy consequent to Covid-19 pandemic, the extent of impact on the Bank's operations and financial position remain highly uncertain and would depend on several factors including the steps taken by the Governments, RBI and the bank to mitigate the same.

(i) In accordance with the Covid-19 Regulatory Package announced by RBI vide Notifications dated March 27, 2020, April 17, 2020 and May 23, 2020, the bank has offered an optional moratorium on repayments falling due between March 1, 2020 and August 31, 2020 in respect of accounts classified as standard on February 29, 2020. As permitted by the RBI guidelines, the bank has considered these concessions for the purpose of asset classification, provisioning and income recognition.

(ii) As per RBI guidelines, in respect of accounts in default but treated as standard as on February 29, 2020 where the asset classification benefit is extended, bank is required to make general provision of not less than 10% of the total outstanding of such accounts. Accordingly, the Bank has provided an amount of ₹7,137Lakhs towards the same in prior quarters. Further, as a matter of prudence, the Bank has also made an additional provision (over and above the 10% mandated by RBI as above). The aggregate provision held by the bank to meet any future impact on account of the above matters as on December 31, 2020 amounts to ₹27,574 Lakhs (₹12,527 Lakhs as at September 30, 2020).

(iii) The Honourable Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & Anr vide its interim order dated September 03, 2020 has directed Banks that the accounts which were not declared NPA till August 31, 2020 shall not be declared NPA till further orders, pending disposal of the case by the Supreme Court. Pursuant to the order, the Bank has not classified any borrower account which has not been declared as NPA as at August 31, 2020 as per the RBI Prudential norms on Income Recognition, Asset classification, provisioning and other related matters, as Non-Performing Asset (NPA) after August 31, 2020. The Bank holds sufficient provisions in respect of these advances as stated above and as a prudent measure, the Bank has not recognized the unrealized interest on these accounts as income.

4 Pursuant to the Joint note dated November 11, 2020 entered into between Indian Bank's Association and Workmen Unions and Officer's Association, the Bank has assessed the impact of wage revision and has created an additional provision of ₹6,103 Lakhs during the current quarter (₹4,241 Lakhs during the quarter ended September 30, 2020), relating to bipartite settlement.

5 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.
https://www.southindianbank.com/content/disclosure-under-basel-2-basel-3-guidelines/880
These disclosures have not been subjected to a limited review by the Statutory Central Auditor.

6 Other Income includes Profit on sale of investments (net), earnings from foreign exchange and derivative transactions, commission from non – fund based banking activities, income from sale of PSL Certificates, recoveries from advances written off, interest on Income Tax refund received etc.

7 Previous period's / year's figures have been regrouped, wherever necessary to conform to the current period's classification.

R Murali

Date: January 21, 2021
Place: Thrissur

Murali Ramakrishnan
(Managing Director & CEO)
(DIN : 01028298)

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