

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2018**

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	169,651	165,391	153,620	335,042	302,687	619,281
(a) Interest/discount on advances/bills	133,176	128,654	118,295	261,830	231,739	476,918
(b) Income on investments	31,935	32,018	31,686	63,953	63,654	126,950
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	642	640	435	1,282	1,036	1,907
(d) Others	3,898	4,079	3,204	7,977	6,258	13,506
2. Other income	15,789	14,590	28,047	30,379	49,977	83,725
3. Total income (1+2)	185,440	179,981	181,667	365,421	352,664	703,006
4. Interest expended	119,004	115,966	103,298	234,970	206,294	422,729
5. Operating expenses (i) + (ii)	35,458	37,051	32,342	72,509	62,394	132,198
(i) Employees cost	19,625	21,107	16,805	40,732	33,502	71,322
(ii) Other operating expenses	15,833	15,944	15,537	31,777	28,892	60,876
6. Total expenditure (4) + (5) excluding provisions and contingencies	154,462	153,017	135,640	307,479	268,688	554,927
7. Operating profit before provisions and contingencies (3) - (6)	30,978	26,964	46,027	57,942	83,976	148,079
8. Provisions (other than tax) and Contingencies	20,468	23,153	45,368	43,621	67,799	98,090
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	10,510	3,811	659	14,321	16,177	49,989
11. Tax expense	3,497	1,507	227	5,004	5,598	16,500
12. Net profit from ordinary activities after tax (10)-(11)	7,013	2,304	432	9,317	10,579	33,489
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	7,013	2,304	432	9,317	10,579	33,489
15. Paid-up equity share capital (Face Value ₹ 1)	18,097	18,095	18,044	18,097	18,044	18,088
16. Reserves excluding revaluation reserves						482,002
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	12.11	12.23	11.74	12.11	11.74	12.70
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.39	0.13	0.02	0.51	0.59	1.86
(b) Diluted EPS - before and after extraordinary items (₹) *	0.39	0.13	0.02	0.51	0.59	1.85
iv) NPA Ratios (a) Gross NPA	264,615	255,218	176,632	264,615	176,632	198,030
Net NPA	178,472	181,388	125,584	178,472	125,584	141,580
(b) % of Gross NPA	4.61	4.54	3.57	4.61	3.57	3.59
% of Net NPA	3.16	3.27	2.57	3.16	2.57	2.60
v) Return on assets (Annualised)	0.33	0.11	0.02	0.22	0.28	0.43

\* Quarterly/half-yearly numbers are not annualised



**Segmentwise Results**

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
a) Treasury	35,042	35,076	39,689	70,118	81,809	148,389
b) Corporate/ Wholesale Banking	82,838	79,885	71,414	162,723	141,353	301,842
c) Retail Banking	61,701	58,839	62,411	120,540	116,997	228,881
d) Other Banking Operations	5,859	6,181	8,153	12,040	12,505	23,894
<b>Total</b>	<b>185,440</b>	<b>179,981</b>	<b>181,667</b>	<b>365,421</b>	<b>352,664</b>	<b>703,006</b>
Less: Inter segment Revenue	-	-	-	-	-	-
<b>Net Income from Operations</b>	<b>185,440</b>	<b>179,981</b>	<b>181,667</b>	<b>365,421</b>	<b>352,664</b>	<b>703,006</b>
<b>2. Segment Results (net of provisions)</b>						
a) Treasury	(2,722)	(6,626)	(21,298)	(9,348)	(17,180)	(11,771)
b) Corporate/ Wholesale Banking	(533)	(2,022)	(1,289)	(2,555)	(4,378)	(4,083)
c) Retail Banking	9,022	7,551	16,468	16,573	27,354	46,357
d) Other Banking Operations	4,743	4,908	6,778	9,651	10,381	19,486
<b>Total</b>	<b>10,510</b>	<b>3,811</b>	<b>659</b>	<b>14,321</b>	<b>16,177</b>	<b>49,989</b>
Less: unallocated expenditure	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>10,510</b>	<b>3,811</b>	<b>659</b>	<b>14,321</b>	<b>16,177</b>	<b>49,989</b>
<b>3. Segment Assets</b>						
a) Treasury	1,923,728	1,935,329	1,914,443	1,923,728	1,914,443	1,938,043
b) Corporate/ Wholesale Banking	3,684,770	3,618,844	3,230,408	3,684,770	3,230,408	3,624,695
c) Retail Banking	2,650,008	2,540,283	2,189,540	2,650,008	2,189,540	2,478,248
d) Other Banking Operations	1,089	1,192	1,489	1,089	1,489	1,314
e) Un allocated	238,507	237,116	246,159	238,507	246,159	226,287
<b>Total</b>	<b>8,498,102</b>	<b>8,332,764</b>	<b>7,582,039</b>	<b>8,498,102</b>	<b>7,582,039</b>	<b>8,268,587</b>
<b>4. Segment Liabilities</b>						
a) Treasury	1,825,014	1,835,393	1,807,788	1,825,014	1,807,788	1,833,515
b) Corporate/ Wholesale Banking	3,519,644	3,455,828	3,076,350	3,519,644	3,076,350	3,453,080
c) Retail Banking	2,531,253	2,425,852	2,085,121	2,531,253	2,085,121	2,360,913
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	97,297	89,123	115,025	97,297	115,025	96,957
<b>Total</b>	<b>7,973,208</b>	<b>7,806,196</b>	<b>7,084,284</b>	<b>7,973,208</b>	<b>7,084,284</b>	<b>7,744,465</b>
<b>5. Capital Employed</b>						
[Segment Assets - Segment Liabilities]						
a) Treasury	98,714	99,936	106,655	98,714	106,655	104,528
b) Corporate/ Wholesale Banking	165,126	163,016	154,058	165,126	154,058	171,615
c) Retail Banking	118,755	114,431	104,419	118,755	104,419	117,335
d) Other Banking Operations	1,089	1,192	1,489	1,089	1,489	1,314
e) Un allocated	141,210	147,993	131,134	141,210	131,134	129,330
<b>Total</b>	<b>524,894</b>	<b>526,568</b>	<b>497,755</b>	<b>524,894</b>	<b>497,755</b>	<b>524,122</b>

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. Statement of Assets and Liabilities as on 30<sup>th</sup> September 2018 is given below:

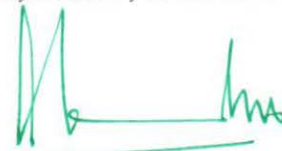
(₹ in Lakhs)

	As at		
	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	18,097	18,044	18,088
Employees' Stock Options (Grants) Outstanding	267	292	195
Reserves and Surplus	5,06,797	4,79,711	5,06,034
Deposits	74,91,124	67,14,210	72,02,959
Borrowings	3,43,605	2,11,577	4,04,338
Other Liabilities and Provisions	1,38,212	1,58,205	1,36,973
<b>Total</b>	<b>84,98,102</b>	<b>75,82,039</b>	<b>82,68,587</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	3,26,551	3,05,637	3,25,824
Balances with Banks and money at call & short notice	1,32,143	53,198	96,281
Investments	18,16,880	18,20,779	18,36,308
Advances	56,57,247	48,95,426	54,56,289
Fixed Assets	68,652	65,122	68,078
Other Assets	4,96,629	4,41,877	4,85,807
<b>Total</b>	<b>84,98,102</b>	<b>75,82,039</b>	<b>82,68,587</b>

- The above financial results were reviewed by the Audit Committee and approved by Board of Directors at their meeting held on October 15, 2018. The results for the quarter and half year ended September 30, 2018 are subjected to limited review by the Statutory Central Auditor of the Bank.
- During the quarter and half year ended September 30, 2018 stock options aggregating 1,82,966 and 8,51,071 respectively were exercised by eligible employees and 97,12,729 stock options were outstanding as at September 30, 2018.
- The mark to market depreciation on AFS/HFT investment category was ₹ 6,104 Lakhs for the quarter ended June 30, 2018. RBI circular DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018, permitted banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT for the quarter ended June 30, 2018 equally over up to four quarters, commencing with the quarter in which the loss was incurred. The bank had availed the option to spread the mark to market loss on investments for the quarter ended June 30, 2018 over four quarters. Accordingly the Bank has charged the proportionate MTM loss of ₹ 1,526/3,052 Lakhs during the quarter/half year ended September 30, 2018 to the profit and loss account. The unamortised MTM loss as at September 30, 2018 is ₹ 3,052 Lakhs.
- RBI circular DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 permitted banks to continue the exposures to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates. Accordingly, the bank has retained advance of ₹12,708 Lakhs as standard as at September 30, 2018. In accordance with the provisions of the circular, the bank had not recognised interest income of ₹ 542 Lakhs and created a standard asset provision of ₹ 635 Lakhs in respect of such accounts.
- 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.
- In accordance with the disclosure requirements of Schedule IV, of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015, there was a material event with respect to a borrower group from the infrastructure sector, to whom bank has exposure as on September 30, 2018. These accounts have been classified as Standard assets in accordance with the RBI Master Circular - Prudential norms on Income Recognition, Asset Classification and provisioning pertaining to Advances (the "Master Circular"). Certain governance and management changes have taken place in the Group and measures to turn it around through a Resolution Plan are underway. However, in the interim, as a prudential measure the Bank has made a provision of ₹ 2000 Lakhs towards exposure to the borrower group.
- 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.
- Previous period's / year's figures have been regrouped, wherever necessary to conform to the current period's classification.

Place: Kochi

Date: October 15, 2018

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

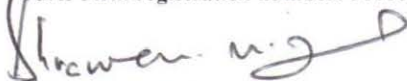
**Limited Review Report****Review Report to  
The Board of Directors  
The South Indian Bank Limited**

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, 2018 (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 175 branches. These review reports cover 68.66 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.
5. We draw attention to note no 4 regarding exercise of the option by the Bank, as permitted by the Reserve Bank of India vide notification number DBR.No.BP.BC.113/21.04.048/2017-18 dated June 15, 2018, for spreading the mark to market (MTM) losses over four quarters resulting into carrying forward of un-amortized MTM losses of Rs 3,052 lakhs as at September 30, 2018 for amortization in remaining quarters. Our conclusion is not modified in respect of this matter.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

CAI Firm registration number: 301003E/E300005

per Shrawan Jalan  
Partner

Membership No.: 102102

Place: Kochi

Date: October 15, 2018

