

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2020**

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	189,884	188,688	195,397	378,572	384,882	776,380
(a) Interest/discount on advances/bills	151,447	149,938	155,031	301,385	305,728	615,917
(b) Income on investments	32,418	33,348	35,306	65,766	69,306	139,106
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	373	1,339	918	1,712	1,784	3,997
(d) Others	5,646	4,063	4,142	9,709	8,064	17,360
2. Other income	23,990	28,498	24,921	52,488	43,112	104,575
3. Total income (1+2)	213,874	217,186	220,318	431,060	427,994	880,955
4. Interest expended	123,573	129,999	136,967	253,572	272,886	544,630
5. Operating expenses (i) + (ii)	48,904	46,819	42,206	95,723	82,200	171,761
(i) Employees cost	30,598	28,030	23,316	58,628	45,678	94,135
(ii) Other operating expenses	18,306	18,789	18,890	37,095	36,522	77,626
6. Total expenditure (4) + (5) excluding provisions and contingencies	172,477	176,818	179,173	349,295	355,086	716,391
7. Operating profit before provisions and contingencies (3) - (6)	41,397	40,368	41,145	81,765	72,908	164,564
8. Provisions (other than tax) and Contingencies	32,640	29,308	30,634	61,948	51,135	149,609
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	8,757	11,060	10,511	19,817	21,773	14,955
11. Tax expense	2,248	2,895	2,063	5,143	5,999	4,496
12. Net profit from ordinary activities after tax (10)-(11)	6,509	8,165	8,448	14,674	15,774	10,459
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12-13)	6,509	8,165	8,448	14,674	15,774	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	13.94	13.49	12.08	13.94	12.08	13.41
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.36	0.45	0.47	0.81	0.87	0.58
(b) Diluted EPS - before and after extraordinary items (₹) *	0.36	0.45	0.47	0.81	0.87	0.58
iv) NPA Ratios (a) Gross NPA	318,216	324,544	314,520	318,216	314,520	326,177
Net NPA	165,539	199,286	219,315	165,539	219,315	215,078
(b) % of Gross NPA	4.87	4.93	4.92	4.87	4.92	4.98
% of Net NPA	2.59	3.09	3.48	2.59	3.48	3.34
v) Return on assets (Annualised)	0.27	0.33	0.35	0.30	0.33	0.11

\* Quarterly/half-yearly numbers are not annualised



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Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
a) Treasury	37,387	49,341	45,534	86,728	86,591	184,600
b) Corporate/ Wholesale Banking	81,680	76,941	82,309	158,621	165,977	338,069
c) Retail Banking	87,632	84,603	85,794	172,235	162,836	327,314
d) Other Banking Operations	7,175	6,301	6,681	13,476	12,590	30,972
Total	213,874	217,186	220,318	431,060	427,994	880,955
Less: Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	213,874	217,186	220,318	431,060	427,994	880,955
<b>2. Segment Results (net of provisions)</b>						
a) Treasury	(4,863)	14,264	4,608	9,401	5,956	(8,166)
b) Corporate/ Wholesale Banking	(12,764)	(21,573)	(17,315)	(34,337)	(24,311)	(42,751)
c) Retail Banking	20,844	13,426	17,817	34,270	29,956	40,939
d) Other Banking Operations	5,540	4,943	5,401	10,483	10,172	24,933
Total	8,757	11,060	10,511	19,817	21,773	14,955
Less: unallocated expenditure	-	-	-	-	-	-
Profit Before Tax	8,757	11,060	10,511	19,817	21,773	14,955
<b>3. Segment Assets</b>						
a) Treasury	2,226,842	2,077,790	2,170,072	2,226,842	2,170,072	2,158,660
b) Corporate/ Wholesale Banking	3,659,081	3,842,462	3,872,325	3,659,081	3,872,325	3,826,223
c) Retail Banking	3,504,606	3,410,648	3,186,691	3,504,606	3,186,691	3,423,268
d) Other Banking Operations	1,333	1,432	1,330	1,333	1,330	1,086
e) Un allocated	272,701	299,879	265,117	272,701	265,117	294,053
Total	9,664,563	9,632,211	9,495,535	9,664,563	9,495,535	9,703,290
<b>4. Segment Liabilities</b>						
a) Treasury	2,112,487	1,975,542	2,062,588	2,112,487	2,062,588	2,063,339
b) Corporate/ Wholesale Banking	3,510,109	3,687,936	3,708,505	3,510,109	3,708,505	3,689,877
c) Retail Banking	3,361,923	3,273,487	3,051,876	3,361,923	3,051,876	3,301,282
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	114,845	138,078	117,844	114,845	117,844	101,312
Total	9,099,364	9,075,043	8,940,813	9,099,364	8,940,813	9,155,810
<b>5. Capital Employed</b>						
[Segment Assets - Segment Liabilities]						
a) Treasury	114,355	102,248	107,484	114,355	107,484	95,321
b) Corporate/ Wholesale Banking	148,972	154,526	163,820	148,972	163,820	136,346
c) Retail Banking	142,683	137,161	134,815	142,683	134,815	121,986
d) Other Banking Operations	1,333	1,432	1,330	1,333	1,330	1,086
e) Un allocated	157,856	161,801	147,273	157,856	147,273	192,741
Total	565,199	557,168	554,722	565,199	554,722	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.



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Notes:  
1. Statement of Assets and Liabilities as on 30<sup>th</sup> September 2020 is given below: (₹ in Lakhs)

	As at		
	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	18,097	18,097	18,097
Employees' Stock Options (Grants) Outstanding	286	231	255
Reserves and Surplus	547,102	536,625	529,383
Deposits	8,262,050	8,294,701	8,303,389
Borrowings	646,250	477,270	689,323
Other Liabilities and Provisions	190,778	168,611	162,843
<b>Total</b>	<b>9,664,563</b>	<b>9,495,535</b>	<b>9,703,290</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	296,787	407,648	280,598
Balances with Banks and money at call & short notice	111,366	90,239	138,378
Investments	2,130,054	2,053,002	2,062,528
Advances	6,386,858	6,299,336	6,443,947
Fixed Assets	78,984	79,199	80,004
Other Assets	660,514	566,111	697,835
<b>Total</b>	<b>9,664,563</b>	<b>9,495,535</b>	<b>9,703,290</b>

2. Summarised Cash Flow Statement (₹ in Lakhs)

	30.09.2020	30.09.2019	31.03.2020
	Unaudited	Unaudited	Audited
i. Cash flows from operating activities	80,330	157,770	65,599
ii. Cash flows from/(used in) investing activities	(67,083)	(128,866)	(157,749)
iii. Cash flows from/(used in) financing activities	(24,070)	(13,293)	28,850
iv. Net increase / (decrease) in cash and cash equivalents (i+ii+iii)	(10,823)	15,611	(63,300)
v. Cash and cash equivalents as at beginning of the period/year	418,976	482,276	482,276
vi. Cash and cash equivalents as at the end of the period/year	408,153	497,887	418,976

3. The above financial results were reviewed by the Audit Committee and approved by Board of Directors at their meeting held on October 15, 2020. The results for the quarter and half year ended September 30, 2020 are subjected to limited review by the Statutory Central Auditor of the Bank.
4. As permitted by Reserve Bank of India (RBI) vide circular DBR No. BP. BC.97.21.04.048/2015-16 dated April 18, 2016, the bank has exercised the option to make provisions towards Non-Performing Advances identified as fraud accounts over a period of four quarters. Accordingly, the Bank has debited a sum of ₹13,156 Lakhs to the Profit and Loss Account for the quarter ended September 30, 2020 being 25% of the provision required towards accounts identified as fraud. Remaining unprovided amount of ₹23,268 Lakhs will be debited to the Profit and Loss account of the ensuing two quarters equally. Proportionate reversal of provision created by debit to 'Other Reserves' towards amounts un-provided as at March 31, 2020 as required by RBI has been done completely.
5. 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 had provided ₹ 2,075 Lakhs during the quarter ended March 31, 2020 and ₹ 5,062 Lakhs during quarter ended June 30, 2020. Further, as a matter of prudence, the Bank also provided an additional provision during the above quarters (over and above the 10% mandated by RBI as above) aggregating to ₹ 2,908 Lakhs. The aggregate provision held for COVID-19 of ₹ 10,045 Lakhs has been maintained as on September 30, 2020 to meet any future impact of the pandemic.
- (iii) The Honourable Supreme Court in its interim order dated September 3, 2020 in the Public Interest Litigation case of Gajendra Sharma vs Union Bank of India & Anr has directed Banks that the accounts which were not classified as NPA till August 31, 2020 shall not be so classified till further orders of Supreme Court. Pursuant to the order, the Bank has not classified any borrowal account which has not been classified as NPA as at August 31, 2020 as per RBI Prudential Norms on Income Recognition, Asset Classification, Provisioning and other related matters, as NPA after August 31, 2020. However, during the quarter as a matter of prudence, an additional provision of ₹2,482 Lakhs has been created under Provision for Standard Assets.
- (iv) In the absence of any direction from Reserve Bank of India or any other authority no adjustment has been made in the accounts in respect of the case now pending before the Hon'ble SC regarding interest on interest on certain categories of loans during moratorium period, now recognized as income as per income recognition norms of RBI.



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6. Disclosures with relation of COVID19 Regulatory Package - Asset Classification and Provisioning

Respective amounts in each categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of circular number RBI/ 2019-20/ 220 DOR.No.BP.BC.63/ 21.04.048/ 2019-20 dated April 17, 2020 is as below;

	₹ in Lakhs
1. Respective amounts in SMA / overdue categories, where the moratorium / deferment was extended in terms of RBI circular (as of March 1, 2020)	282,176
2. Respective amount where asset classification benefits is extended (as of June 30, 2020) *	71,372
3. Provisions made during the Q4 FY 2020 and Q1 FY 2021 (Mandatory 10% provision) †	7,137
4. Provisions adjusted during the respective accounting periods against slippages and the residual provisions	-

\* ₹54,498 Lakhs as on September 30, 2020.

† Bank holds additional provision of ₹2,908 Lakhs over and above the mandatory provision

7. Pursuant to the Memorandum of Understanding dated July 22, 2020 entered into between Indian Bank's Association and Workmen Unions and Officer's Association, the Bank has assessed the impact of proposed wage revision and has created an additional provision of ₹2,900 Lakhs during the current quarter (over and above ₹447 Lakhs created for each month starting from November 2017), pending finalization of bipartite settlement.
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.  
<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.
9. 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.
10. The Indian Parliament has approved the Code on Social Security, 2020 which impact the contributions by the company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. In view of this, impact if any, of the change will be assessed and accounted in period of notification of the relevant provisions
11. Previous period's / year's figures have been regrouped, wherever necessary to conform to the current period's classification.

Place: Kochi  
Date: October 15, 2020

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

