

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 170/2019-20

January 16, 2020

BSE Ltd.
First Floor, New Trading Wing,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai - 400 001.
SCRIP CODE: 532218

Dear Sirs,

Sub: Submission of unaudited Financial Results for the quarter ended 31st December 2019

As required under the Listing Agreement entered into by us with your Stock Exchange and as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we submit herewith the unaudited Financial Results of the Bank for the quarter ended 31st December 2019 which was approved and taken on record by the Board at its meeting held today, the 16th day of January, 2020.

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 ended 31st December ,2019.

The meeting concluded at : 17:35

Yours faithfully,


(JIMMY MATHIEW)
COMPANY SECRETARY

Encl: a/a

Varma & Varma

Chartered Accountants

Limited Review Report on unaudited financial results of The South Indian Bank Limited for quarter and nine months ended 31st December 2019, 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 ended 31st December, 2019 and for the period from April 1, 2019 to December 31, 2019 ('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, except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations as at 31st December 2019, 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. This statement is the responsibility of the Bank's Management and has been approved by the 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 (RBI) from time to time, SEBI circular CIR/CFD/FAC/62/2016 dated 5th July, 2016 and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review 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 company 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.



Varma & Varma

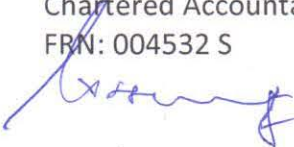
Chartered Accountants

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 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.
6. We draw attention to Note no. 3 to the financial results regarding deferment of additional provision requirement on account of Debt Asset Swap transactions ("DAS") entered into by the Bank in earlier years as permitted by the Reserve Bank of India's letter DBS (T) No/424/02.02.006/2018-19 dated May 2, 2019 to the bank prescribing asset classification and provisioning norms for DAS transactions. Our conclusion is not modified in respect of this matter.
7. The review of unaudited quarterly/nine months financial results for the quarter/nine months ended 31st December 2018 and audit of financial results for the year ended 31st March 2019 included in the Statement was carried out and reported by predecessor auditor who has expressed unmodified conclusion/opinion vide their reports for the said periods, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

Kochi-19
16.01.2020



For Varma & Varma
Chartered Accountants
FRN: 004532 S


V. Sathyanarayanan
Partner
M. No. 021941

UDIN: 20021941AAAAAA7328

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2019

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	1,96,731	1,95,397	1,73,516	5,81,613	5,08,558	6,87,652
(a) Interest/discount on advances/bills	1,55,682	1,55,031	1,36,533	4,61,410	3,98,363	5,39,644
(b) Income on investments	35,033	35,306	31,850	1,04,339	95,803	1,28,614
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,511	918	1,161	3,295	2,443	3,552
(d) Others	4,505	4,142	3,972	12,569	11,949	15,842
2. Other income	22,042	24,921	18,677	65,154	49,056	72,621
3. Total income (1+2)	2,18,773	2,20,318	1,92,193	6,46,767	5,57,614	7,60,273
4. Interest expended	1,36,553	1,36,967	1,21,554	4,09,439	3,56,524	4,85,682
5. Operating expenses (i) + (ii)	43,906	42,206	37,438	1,26,106	1,09,947	1,50,693
(i) Employees cost	23,956	23,316	20,220	69,634	60,952	82,143
(ii) Other operating expenses	19,950	18,890	17,218	56,472	48,995	68,550
6. Total expenditure (4) + (5) excluding provisions and contingencies	1,80,459	1,79,173	1,58,992	5,35,545	4,66,471	6,36,375
7. Operating profit before provisions and contingencies (3) - (6)	38,314	41,145	33,201	1,11,222	91,143	1,23,898
8. Provisions (other than tax) and Contingencies	26,094	30,634	20,312	77,229	63,933	85,848
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	12,220	10,511	12,889	33,993	27,210	38,050
11. Tax expense	3,166	2,063	4,504	9,165	9,508	13,297
12. Net profit from ordinary activities after tax (10)-(11)	9,054	8,448	8,385	24,828	17,702	24,753
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12-13)	9,054	8,448	8,385	24,828	17,702	24,753
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	-	-	-	-	-	4,91,577
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	12.02	12.08	11.81	12.02	11.81	12.61
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.50	0.47	0.46	1.37	0.98	1.37
(b) Diluted EPS - before and after extraordinary items (₹) *	0.50	0.47	0.46	1.37	0.98	1.37
iv) NPA Ratios (a) Gross NPA	3,24,369	3,14,520	2,93,000	3,24,369	2,93,000	3,13,167
Net NPA	2,21,188	2,19,315	2,09,967	2,21,188	2,09,967	2,16,362
(b) % of Gross NPA	4.96	4.92	4.88	4.96	4.88	4.92
% of Net NPA	3.44	3.48	3.54	3.44	3.54	3.45
v) Return on Assets (Annualised)	0.37	0.35	0.39	0.35	0.28	0.29

* Quarterly/Nine months numbers are not annualised



Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	40,761	45,534	36,436	1,27,352	1,06,554	1,48,482
b) Corporate/ Wholesale Banking	85,050	82,309	84,923	2,51,027	2,47,646	3,30,228
c) Retail Banking	83,671	85,794	64,600	2,46,507	1,85,140	2,56,470
d) Other Banking Operations	9,291	6,681	6,234	21,881	18,274	25,093
Total	2,18,773	2,20,318	1,92,193	6,46,767	5,57,614	7,60,273
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	2,18,773	2,20,318	1,92,193	6,46,767	5,57,614	7,60,273
2. Segment Results (net of provisions)						
a) Treasury	(1,300)	4,608	3,114	4,656	(6,234)	(4,197)
b) Corporate/ Wholesale Banking	(4,876)	(17,315)	(6,193)	(29,187)	(8,748)	(12,664)
c) Retail Banking	10,953	17,817	10,948	40,909	27,521	34,792
d) Other Banking Operations	7,443	5,401	5,020	17,615	14,671	20,119
Total	12,220	10,511	12,889	33,993	27,210	38,050
Less: unallocated expenditure (exceptional item)	-	-	-	-	-	-
Profit Before Tax	12,220	10,511	12,889	33,993	27,210	38,050
3. Segment Assets						
a) Treasury	21,59,744	21,70,072	19,57,772	21,59,744	19,57,772	20,16,258
b) Corporate/ Wholesale Banking	38,90,465	38,72,325	38,57,392	38,90,465	38,57,392	40,32,712
c) Retail Banking	33,16,278	31,86,691	27,61,802	33,16,278	27,61,802	29,44,695
d) Other Banking Operations	1,324	1,330	1,199	1,324	1,199	1,396
e) Un allocated	2,85,204	2,65,117	2,46,694	2,85,204	2,46,694	2,32,861
Total	96,53,015	94,95,535	88,24,859	96,53,015	88,24,859	92,27,922
4. Segment Liabilities						
a) Treasury	20,56,447	20,62,588	18,56,959	20,56,447	18,56,959	19,12,833
b) Corporate/ Wholesale Banking	37,33,790	37,08,505	36,88,473	37,33,790	36,88,473	38,57,688
c) Retail Banking	31,82,727	30,51,876	26,40,860	31,82,727	26,40,860	28,16,893
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	1,15,174	1,17,844	1,05,199	1,15,174	1,05,199	1,06,975
Total	90,88,138	89,40,813	82,91,491	90,88,138	82,91,491	86,94,389
5. Capital Employed (Segment Assets-Segment Liabilities)						
a) Treasury	1,03,297	1,07,484	1,00,813	1,03,297	1,00,813	1,03,425
b) Corporate/ Wholesale Banking	1,56,675	1,63,820	1,68,919	1,56,675	1,68,919	1,75,024
c) Retail Banking	1,33,551	1,34,815	1,20,942	1,33,551	1,20,942	1,27,802
d) Other Banking Operations	1,324	1,330	1,199	1,324	1,199	1,396
e) Un allocated	1,70,030	1,47,273	1,41,495	1,70,030	1,41,495	1,25,886
Total	5,64,877	5,54,722	5,33,368	5,64,877	5,33,368	5,33,533

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:

- The above financial results were reviewed by the Audit Committee and approved by Board of Directors at their meeting held on January 16, 2020. The results for the quarter and nine months ended December 31, 2019 are subjected to limited review by the Statutory Central Auditor of the Bank.
- During the nine months ended December 31, 2019 stock options aggregating 40,000 were exercised by eligible employees and 32,97,820 stock options were outstanding as at December 31, 2019.



The South Indian Bank Ltd., Regd. Office: Thrissur, Kerala

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www.southindianbank.com

- 3 The Bank had acquired certain land parcels under a partial Debt Asset Swap transactions (“DAS”) in earlier years aggregating ₹ 11,000 Lakhs and classified them as “Non-Banking Assets acquired in satisfaction of claims” in the Balance Sheet up to March 31, 2018. The Reserve Bank of India vide their letter dated May 2, 2019 ref DBS (T) No/424/02.02.006/2018-19 to the bank prescribed provisioning requirement for DAS transactions in respect of assets acquired under DAS from a particular borrower pursuant to which the Bank has provided an amount of ₹ 1,100 Lakhs each for the quarter ended December 31, 2019, September 30, 2019, June 30, 2019 and March 31, 2019 and the unamortised balance carried forward as at December 31, 2019 is NIL. In accordance with the aforesaid RBI letter, ₹ 3,300 Lakhs being the amount drawn down from Revenue and other reserves during the year ended March 31, 2019 has been credited back to the said reserve.
- 4 The bank has exercised the option to make provision in respect of three Non – Performing Advances identified as fraud during the quarter, over a period of four quarters as permitted by the RBI in circular DBR No. BP. BC.92/21.04.048/2015-6 dated April 18, 2016. Accordingly, the Bank has debited ₹1.523 lakhs to Profit and Loss Account, being 25% of the outstanding net book value of the said advances and the remaining unprovided amount of ₹ 4,567 lakhs will be debited to Profit and Loss Account in the next three quarters in equal instalments.
- 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 In accordance with the Taxation Laws (Amendment) Ordinance 2019 promulgated on September 20, 2019, the bank has opted to pay tax at the lower rate prescribed therein with effect from the current financial year. Consequently, tax expenses for the quarter / nine months ended December 31, 2019 comprising current and deferred tax as per Accounting Standard-22 (Accounting for Taxes on income) has been recognised using the reduced tax rates applicable.
- 7 Previous period's / year's figures have been regrouped, wherever necessary to conform to the current period's classification. The figures for the quarter/nine months ended December 31, 2018 and year ended March 31, 2019 were reviewed/audited by a firm of Chartered Accountants other than M/s. Varma & Varma.

Date: January 16, 2020
Place: Kochi



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



The South Indian Bank Ltd., Regd. Office: Thrissur, Kerala

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