S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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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 Company') for the quarter ended September 30, 2013 (the "Statement"), except for the following which we have not reviewed: (a) disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and (b) information contained in, and referred to by, Note 7 of the Statement regarding disclosures in relating to 'Pillar 3 under Basel III Capital Regulations'. This Statement is the responsibility of the Company'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 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.

3. In the conduct of our review as stated above, we have relied on the review reports in respect of non-performing assets received from concurrent auditors of 153branches. These review reports of the concurrent auditors' are estimated to cover 72 % 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. Without qualifying our conclusion, we draw attention to note 5to the statement, which describes deferment of pension and gratuity liability relating to existing employees of the Bank to the extent of Rs. 156.53 Crores and the unamortized liability of Rs36.35crores as at September30, 2013 pursuant to the exemption granted by the Reserve Bank of India and made applicable to the Bank vide letter No. DBOD No. BP.BC.15896/21.04.018/2010-11 dated April 8, 2011 from the application of the provisions of Accounting Standard (AS) 15, Employee Benefits.

5. Based on our review conducted as above,nothing has come to our attentionthat causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting,notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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 & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W

Per Subramanian Suresh
Partner
Membership No.:083673

Place: Chennai
Date: October 17, 2013

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

SOUTH INDIAN Bank

UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 30th SEPTEMBER 2013

(₹ in Lakhs)

Particulars	3 months ended			6 months ended		Year ended
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	123721	122514	107170	246235	214113	443429
(a) Interest/discount on advances/bills	96889	96623	85094	193512	170892	357594
(b) Income on investments	23660	21942	18459	45602	36599	74639
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	3172	3949	3617	7121	6622	11196
(d) Others	-	-	-	-	-	-
2. Other Income	6151	11774	7283	17925	14781	33493
3. Total income (1+2)	129872	134288	114453	264160	228894	476922
4. Interest Expended	87313	89757	77397	177070	154662	315346
5. Operating Expenses (i) + (ii)	21360	19375	17092	40735	33519	76717
(i) Employees cost	12334	11716	10145	24050	20162	47251
(ii) Other operating expenses	9026	7659	6947	16685	13357	29466
6. Total expenditure (4) + (5) excluding provisions and contingencies	108673	109132	94489	217805	188181	392063
7. Operating Profit before Provisions and Contingencies (3) - (6)	21199	25156	19964	46355	40713	84859
8. Provisions (other than tax) and Contingencies	1976	10535	2374	12511	4913	16101
9. Exceptional Items	-	-	3222	-	3222	3172
10. Profit from Ordinary Activities before tax (7)-(8)-(9)	19223	14621	14368	33844	32578	65586
11. Tax expense - Current Tax	6548	3137	4653	9685	10559	15359
12. Net Profit from Ordinary Activities after tax (10)-(11)	12675	11484	9715	24159	22019	50227
13. Extra ordinary items (Net of Tax Expense)	-	-	-	-	-	-
14. Net Profit for the period (12+13)	12675	11484	9715	24159	22019	50227
15. Paid-up Equity Share Capital (Face Value ₹ 1)	13409	13403	13355	13409	13355	13385
16. Reserves excluding Revaluation Reserves						273178
17. Analytical Ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - BASEL II	13.16	13.66	14.43	13.16	14.43	13.91
- BASEL III	12.97	NA	NA	12.97	NA	NA
iii) Earning Per Share (EPS)						
(a) Basic EPS - before and after Extraordinary items (₹)	0.94 *	0.86 *	0.82 *	1.80 *	1.90 *	4.03
(b) Diluted EPS - before and after Extraordinary items (₹)	0.94 *	0.85 *	0.81 *	1.79 *	1.88 *	3.99
iv) NPA Ratios (a) Gross NPA	61433	49260	49579	61433	49579	43387
Net NPA	43985	34840	24188	43985	24188	24953
(b) % of Gross NPA	1.92	1.57	1.74	1.92	1.74	1.36
% of Net NPA	1.39	1.12	0.86	1.39	0.86	0.78
v) Return on Assets (Annualised)	1.01	0.94	0.92	0.97	1.06	1.17
18. Public Shareholding						
- No.of Shares (in Lakhs)	13409	13403	13355	13409	13355	13385
- Percentage of Shareholding	100%	100%	100%	100%	100%	100%
19. Promoters and promoter group Shareholding						
(a) Pledged/ Encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares[as a % of the total shareholding of the promoter and promoter group]	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the Company]	NIL	NIL	NIL	NIL	NIL	NIL
(b) Non Encumbered						
- Number of shares	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares[as a % of the total shareholding of the promoter and promoter group]	NIL	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the Company]	NIL	NIL	NIL	NIL	NIL	NIL

** Not annualised*

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CHENNAI
CHARTERED ACCOUNTANTS

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

SOUTH INDIAN Bank

Segmentwise Results

(₹ in Lakhs)

Particulars	3 months ended			6 months ended		Year ended
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	27366	32205	23686	59571	47871	93901
b) Corporate/ Wholesale Banking	54301	52674	45840	106975	88505	188799
c) Retail Banking	46483	47868	42340	94351	88562	185256
d) Other Banking Operations	1722	1541	2587	3263	3956	8966
Total	129872	134288	114453	264160	228894	476922
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	129872	134288	114453	264160	228894	476922
2. Segment Results						
Profit(+)/Loss (-) before tax and after interest from each segment						
a) Treasury	(3163)	2939	75	(224)	(519)	(9854)
b) Corporate/ Wholesale Banking	8303	2157	1727	10460	6199	15639
c) Retail Banking	12643	8206	10361	20849	23487	52277
d) Other Banking Operations	1440	1319	2205	2759	3411	7524
Total	19223	14621	14368	33844	32578	65586
Less: unallocated expenditure	-	-	-	-	-	-
Profit Before Tax	19223	14621	14368	33844	32578	65586
3.Capital Employed						
a) Treasury	88687	88878	76594	88687	76594	88351
b) Corporate/ Wholesale Banking	101943	99947	98814	101943	98814	109896
c) Retail Banking	75105	76282	74249	75105	74249	79410
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	58814	46838	33291	58814	33291	22704
Total	324549	311945	282948	324549	282948	300361

Notes:

1. Statement of Assets and Liabilities as on 30th September 2013 is given below:

(₹ in Lakhs)

	As at		
	30.09.2013	30.09.2012	31.03.2013
	Reviewed	Reviewed	Audited
CAPITAL AND LIABILITIES			
Capital	13409	13355	13385
Employees Stock Option Outstanding	256	313	261
Reserves and Surplus	311140	269593	286976
Deposits	4347832	3848973	4426230
Borrowings	242221	73777	128455
Other Liabilities and Provisions	89357	97478	124196
Total	5004215	4303489	4979503
ASSETS			
Cash and Balances with Reserve Bank of India	211858	234633	169670
Balances with Banks and money at call & short notice	176794	130385	263920
Investments	1327842	1028462	1252347
Advances	3174257	2815551	3181553
Fixed Assets	39846	38127	39612
Other Assets	73618	56331	72401
Total	5004215	4303489	4979503

2 The above financial results for the period ended September 30, 2013 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on October 17, 2013 and subjected to limited review by the Statutory Central Auditor.

3 The financial results have been arrived at after providing for Standard/Non performing assets as per RBI norms, Taxes and other necessary provisions.

4 During the quarter ended September 30, 2013, the Bank allotted 6,03,614 shares, pursuant to the exercise of stock option by certain employees.

5 The Reserve Bank of India vide its letter dated April 8, 2011 has permitted the bank to amortize over a period of five years, beginning with the financial year ended March 31, 2011, the additional liability of ₹ 156.53 Crores on account of reopening of pension option and enhancement in gratuity limit to its existing employees. Accordingly, the results for the quarter ended September 30, 2013 are after considering a provision of ₹ 5.50 Crores being the proportionate charge for the quarter towards the deferred pension and gratuity costs and the balance unamortized deferred expenditure is ₹ 36.35 Crores.

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

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6 The Reserve Bank of India vide its circular No. DBOD.BP.BC.No 41/ 21.04.141/ 2013-14 dated August 23, 2013 has as a one-time measure allowed banks to transfer Statutory Liquidity Ratio ("SLR") securities from Available for Sale ("AFS")/ Held for Trading ("HFT") categories to the Held to Maturity ("HTM") category upto a limit of 24.50 percentage of Net Demand and Time Liabilities ("NDTL"). Further, vide the same circular banks are allowed to distribute the net depreciation on the entire AFS and HFT portfolio as measured on the valuation date over the current financial year ie. 2013-14 in equal installments. Consequently, the Bank has transferred SLR securities with a book value of ₹ 535.70 Crore from AFS/ HFT to the HTM category at the lower of book value or market value as of July 15, 2013 and recognised a loss of ₹ 0.40 Crore. Further, out of the net depreciation of ₹ 38.90 Crore as at September 30, 2013, bank has recognised a net depreciation of ₹ 19.45 Crore for the six months ended September 30, 2013. Had the Bank elected not to apply the circular, the net profit after tax for the quarter and half year ended September 30, 2013 would have been lower by ₹ 42.52 Crore.

7 In accordance with the RBI Circular DBOD.No.BP.BC.2/ 21.06.201/ 2013-14 dated July 1, 2013, Banks are required to make half yearly Pillar 3 disclosures under BASEL III capital requirements with effect from September 30, 2013. The Bank has made these disclosures available on its website at the following link. These disclosures have not been subjected to a limited review by the auditors.

http://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=5&LinkIdLvl3=532&linkId=717

8 In computing the segment information certain estimates and assumptions have been made by our management which have been relied upon by the Statutory Central Auditor of the Bank.

9 Details of Investor complaints received and disposed off:

No. of complaints pending resolution at the beginning of the quarter 0; recevied during the quarter 71; resolved during the quarter 71; closing position 0

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

DR. V. A. JOSEPH
(Managing Director & C E O)

Coimbatore
17th October 2013

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