SOUTH INDIAN Bank

UNAUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31st DECEMBER 2012

(₹ in Lakhs)

Particulars	3 months ended			9 months ended		Year ended
	31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	31.03.2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	112775	107170	94361	326888	258957	358343
(a) Interest/discount on advances/bills	92388	85094	75296	263280	206481	286808
(b) Income on investments	18331	18459	16115	54930	45672	62111
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	2056	3617	2950	8678	6804	9424
(d) Others	-	-	-	-	-	-
2. Other Income	6616	7283	5986	21397	16457	24707
3. Total income (1+2)	119391	114453	100347	348285	275414	383050
4. Interest Expended	77513	77397	67017	232175	185239	256169
5. Operating Expenses (i) + (ii)	18342	17092	15430	51861	41326	61729
(i) Employees cost	10820	10145	8931	30982	24605	37411
(ii) Other operating expenses	7522	6947	6499	20879	16721	24318
6. Total expenditure (4) + (5) excluding provisions and contingencies	95855	94489	82447	284036	226565	317898
7. Operating Profit before Provisions and Contingencies (3) - (6)	23536	19964	17900	64249	48849	65152
8. Provisions (other than tax) and Contingencies#	4599	2374	2219	9512	6685	7918
9. Exceptional Items#	(50)	3222	-	3172	-	-
10. Profit from Ordinary Activities before tax (7)-(8)-(9)	18987	14368	15681	51565	42164	57234
11. Tax expense - Current Tax	6724	4861	5423	17962	14907	19728
- In repect of prior years	-	-	346	-	346	-
- Deferred Tax	(562)	(208)	(312)	(1,241)	(1059)	(2659)
12. Net Profit from Ordinary Activities after tax (10)-(11)	12825	9715	10224	34844	27970	40165
13. Extra ordinary items (Net of Tax Expense)	-	-	-	-	-	-
14. Net Profit for the period (12+13)	12825	9715	10224	34844	27970	40165
15. Paid-up Equity Share Capital (Face Value ₹ 1)	13362	13355	11301	13362	11301	11337
16. Reserves excluding Revaluation Reserves						190949
17. Analytical Ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) - BASEL II	13.85	14.43	12.03	13.85	12.03	14.00
iii) Earning Per Share (EPS)						
(a) Basic EPS - before and after Extraordinary items (₹)	0.96 *	0.82 *	0.90 *	2.86 *	2.48 *	3.55
(b) Diluted EPS - before and after Extraordinary items (₹)	0.95 *	0.81 *	0.90 *	2.84 *	2.45 *	3.50
iv) NPA Ratios (a) Gross NPA	47453	49579	23422	47453	23422	26716
Net NPA	19662	24188	5813	19662	5813	7651
(b) % of Gross NPA	1.62	1.74	0.94	1.62	0.94	0.97
% of Net NPA	0.68	0.86	0.24	0.68	0.24	0.28
v) Return on Assets (Annualised)	1.19	0.92	1.11	1.11	1.06	1.12
18. Public Shareholding						
- No.of Shares (in Lakhs)	13362	13355	11301	13362	11301	11337
- 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

 # Refer Note 6

** Not annualised*

FOR IDENTIFICATION PURPOSES ONLY
BATLIBOI & ASSOCIATES
MUMBAI

The South In... CFM...

SOUTH INDIAN Bank

Segmentwise Results

(₹ in Lakhs)

Particulars	3 months ended			9 months ended		Year ended
	31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	31.03.2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	22175	23686	20522	70046	57874	78458
b) Corporate/ Wholesale Banking	49112	45840	34477	137617	94616	133803
c) Retail Banking	46565	42340	43581	138127	119389	166022
d) Other Banking Operations	1539	2587	1767	5495	3535	4787
Total	119391	114453	100347	348285	275414	383050
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	119391	114453	100347	348285	275414	383050
2. Segment Results						
Profit(+)/Loss (-) before tax and after interest from each segment						
a) Treasury	(1715)	75	605	(2234)	(2599)	(1187)
b) Corporate/ Wholesale Banking	6545	1727	1383	12744	11215	7725
c) Retail Banking	12864	10361	12428	36351	30892	46781
d) Other Banking Operations	1293	2205	1265	4704	2656	3915
Total	18987	14368	15681	51565	42164	57234
Less: unallocated expenditure	-	-	-	-	-	-
Profit Before Tax	18987	14368	15681	51565	42164	57234
3.Capital Employed						
a) Treasury	79713	76594	57657	79713	57657	57209
b) Corporate/ Wholesale Banking	102258	98814	64408	102258	64408	78537
c) Retail Banking	77056	74249	65692	77056	65692	63303
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	36724	33291	24211	36724	24211	24701
Total	295751	282948	211968	295751	211968	216750

Notes:

1 The above financial results for the period ended December 31, 2012 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on January 15, 2013 and subjected to limited review by the Statutory Central Auditor.

2 The financial results have been arrived at after providing for standard/non performing assets as per prudential norms on income recognition, asset classification and provisioning pertaining to advances and a special dispensation issued by Reserve Bank of India (RBI) vide their letter No.DBS (T) No.674/02.05.06/2012-13 dated December 31, 2012, for an advance of ₹150.00 crores, taxes and other necessary provisions.
Accordingly, the bank has recognised a provision of ₹56.25 crore up to December 31, 2012 in respect of the above advance and the remaining provision is proposed to be made as permitted by RBI taking in to account the outcome of ongoing negotiations for settlement with the borrower.

3 The Auditors have modified their Limited Review report by stating that they are unable to comment on recoverability in respect of the advance referred to in 2 above.
Management response to the above :- In this regard, the Bank has followed the special dispensation of RBI as referred to above.

4 During the quarter ended December 31, 2012, the Bank allotted 7,03,527 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 December 31, 2012 are after considering a provision of ₹ 8.90 Crores being the proportionate charge for the quarter towards the deferred pension and gratuity costs and the balance unamortized deferred expenditure is ₹ 56.56 Crores.

6 During the quarter ended September 30, 2012, the Bank has identified certain acts of fraud committed by its employees at one of the Branches amounting to ₹ 34.15 Crores. Based on the Reserve Bank of India guidelines, the Bank has provided ₹ 32.22 Crores (net of recoveries), and disclosed as an exceptional item. During the current quarter the bank has made recoveries of ₹0.50 Crores.

7 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.

8 Details of Investor complaints received and disposed off:

Complaints at the beginning of the quarter	Received during the quarter	Redressed during the quarter	Unresolved at the end of the quarter
0	71	71	0

9 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)

Kochi
15th January 2013

FOR IDENTIFICATION PURPOSES ONLY
S.B. BATLIBOI & ASSOCIATES
CHENNAI

The South Indian Bank
CFM DEPT.
H.O.

S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

6th & 7th Floor, "A" Block
Tidel Park, (Module 601, 701 & 702)
No. 4, Rajiv Gandhi Salai, Taramani
Chennai-600 113, India
Tel: +91 44 6654 8100
Fax: +91 44 2254 0120

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 December 31, 2012 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. 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 114 branches. These review reports of the concurrent auditors' are estimated to cover 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. Without qualifying our conclusion, we draw attention to note 5 to 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 Rs 56.56 crores as at December 31, 2012 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. *Attention is invited to note 2 to the statement regarding a non performing advance of Rs 150 crores and a provision of Rs. 56.25 crores in respect of such advance based on special dispensation obtained from the Reserve Bank of India (RBI) vide RBI letter dated DBS (T) No.674/02.05.06/2012-13 dated December 31, 2012 from complying with the "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" issued by the RBI. As the ultimate recoverability of the net carrying amount is uncertain, pending final determination thereof we are unable to comment on the recoverability of the carrying amount and consequential effects of these matters on the financial results.*



6. Based on our review conducted as above, *subject to paragraph 5 above*, nothing has come to our attention that 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.

S R Batliboi & Associates

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants
Firm registration number: 101049W

Suresh

per Subramanian Suresh
Partner
Membership No.:083673

S.R. BATLIBOI & ASSOCIATES CHENNAI CHARTERED ACCOUNTANTS

Place: Chennai
Date: January 15, 2013