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 Bank') or ('the Company') for the quarter ended December 31, 2013 (the "Statement"), except for the following which 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 6 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 / committee of 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 153 branches. 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 4 of the Statement, which describes deferment of pension and gratuity liability relating to existing employees of the Bank to the extent of Rs. 156.53 crore and the unamortized liability of Rs. 29.17 crore as at December 31, 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.1589/21.04.018/2010-11 dated April 8, 2011 from the application of the provision of Accounting Standard (AS) 15, Employee Benefits.



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 recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", notified under the provisions of the Companies Act, 1956 and other recognised 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: Trivandrum
Date: January 16, 2014



SOUTH INDIAN Bank

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER 2013

(₹ in Lakhs)

Particulars	3 months ended			9 months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	125012	123721	112775	371247	326888	443429
(a) Interest/discount on advances/bills	98267	96889	92388	291779	263280	357594
(b) Income on investments	24683	23660	18331	70285	54930	74639
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	2062	3172	2056	9183	8678	11196
(d) Others	-	-	-	-	-	-
2. Other Income	8462	6952	6616	27188	21397	33493
3. Total income (1+2)	133474	130673	119391	398435	348285	476922
4. Interest Expended	89966	88114	77513	267837	232175	315346
5. Operating Expenses (i) + (ii)	21920	21360	18342	62655	51861	76717
(i) Employees cost	12738	12334	10820	36788	30982	47251
(ii) Other operating expenses	9182	9026	7522	25867	20879	29466
6. Total expenditure (4) + (5) excluding provisions and contingencies	111886	109474	95855	330492	284036	392063
7. Operating Profit before Provisions and Contingencies (3) - (6)	21588	21199	23536	67943	64249	84859
8. Provisions (other than tax) and Contingencies	202	1976	4599	12713	9512	16101
9. Exceptional Items	-	-	(50)	-	3172	3172
10. Profit from Ordinary Activities before tax (7)-(8)-(9)	21386	19223	18987	55230	51565	65586
11. Tax expense - Current Tax	7255	6548	6162	16940	16721	15359
12. Net Profit from Ordinary Activities after tax (10)-(11)	14131	12675	12825	38290	34844	50227
13. Extra ordinary items (Net of Tax Expense)	-	-	-	-	-	-
14. Net Profit for the period (12+13)	14131	12675	12825	38290	34844	50227
15. Paid-up Equity Share Capital (Face Value ₹ 1)	13422	13409	13362	13422	13362	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	12.35	13.16	13.85	12.35	13.85	13.91
BASEL III	12.20	12.97	NA	12.20	NA	NA
iii) Earning Per Share (EPS)						
(a) Basic EPS - before and after Extraordinary items (₹)	1.05 *	0.94 *	0.96 *	2.86 *	2.86 *	4.03
(b) Diluted EPS - before and after Extraordinary items (₹)	1.01 *	0.94 *	0.95 *	2.81 *	2.84 *	3.99
iv) NPA Ratios (a) Gross NPA	55463	61433	47453	55463	47453	43387
Net NPA	39193	43985	19662	39193	19662	24953
(b) % of Gross NPA	1.66	1.92	1.62	1.66	1.62	1.36
% of Net NPA	1.18	1.39	0.68	1.18	0.68	0.78
v) Return on Assets (Annualised)	1.12	1.01	1.19	1.02	1.11	1.17
18. Public Shareholding						
- No.of Shares (in Lakhs)	13422	13409	13362	13422	13362	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*

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

FOR IDENTIFICATION PURPOSES ONLY

SOUTH INDIAN Bank

Segmentwise Results

(₹ in Lakhs)

Particulars	3 months ended			9 months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	28273	28167	22175	88645	70046	93901
b) Corporate/ Wholesale Banking	57482	54301	49112	164457	137617	188799
c) Retail Banking	45537	46483	46565	139888	135127	185256
d) Other Banking Operations	2182	1722	1539	5445	5495	8966
Total	133474	130673	119391	398435	348285	476922
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	133474	130673	119391	398435	348285	476922
2. Segment Results						
Profit(+)/Loss (-) before tax and after interest from each segment						
a) Treasury	(5)	(3163)	(1715)	(229)	(2234)	(9854)
b) Corporate/ Wholesale Banking	6962	8303	6545	17422	12744	15639
c) Retail Banking	12599	12643	12864	33448	36351	52277
d) Other Banking Operations	1830	1440	1293	4589	4704	7524
Total	21386	19223	18987	55230	51565	65586
Less: unallocated expenditure	-	-	-	-	-	-
Profit Before Tax	21386	19223	18987	55230	51565	65586
3.Capital Employed						
a) Treasury	94388	88687	79713	94388	79713	88351
b) Corporate/ Wholesale Banking	113862	101943	102258	113862	102258	109896
c) Retail Banking	79347	75105	77056	79347	77056	79410
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	49677	58814	36724	49677	36724	22704
Total	337274	324549	295751	337274	295751	300361

Notes:

1 The above financial results for the period ended December 31, 2013 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on January 16, 2014 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 RBI norms, Taxes and other necessary provisions.

3 During the quarter ended December 31, 2013, the Bank allotted 12,23,652 shares, pursuant to the exercise of stock option by certain employees.

4 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, 2013 are after considering a provision of ₹ 7.18 Crores being the proportionate charge for the quarter towards the deferred pension and gratuity costs and the balance unamortized deferred expenditure is ₹ 29.17 Crores.

5 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 ₹ 21.10 Crore on AFS / HFT category securities as at December 31, 2013, bank has recognised a net depreciation of ₹ 15.83 Crore for the nine months ended December 31, 2013. Had the Bank elected not to apply the circular, the net profit after tax for the quarter would have been higher by ₹ 10.76 Crore and for the nine months period ended December 31, 2013 would have been lower by ₹ 31.76 Crore.

6 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 Pillar 3 disclosures under BASEL III guidelines with effect from the quarter ended 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=730

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:

No. of complaints pending resolution at the beginning of the quarter 0; recevied during the quarter 73; resolved during the quarter 73; closing position 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)

Thiruvananthapuram
16th January 2014

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

FOR IDENTIFICATION PURPOSES ONLY S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS CHENNAI