SOUTH INDIAN Bank

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 37 /2014 -15

January 20, 2015

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sirs,

Sub: Submission of Un-Audited Financial Results and "Limited Review Report" for the 3rd quarter ended 31st December 2014

Pursuant to Clause 41 of the Listing Agreement, we submit herewith the Un-Audited Financial Results of the Bank, for the 3rd quarter ended 31st December 2014, which was approved by the Board at its meeting held today the 20th day of January 2015.

We also enclose a copy of the "Limited Review Report" submitted by M/s.S.R.Batliboi & Associates LLP, our Statutory Auditors, for the quarter ended 31st December 2014.

Yours faithfully,

(JIMMY MATHEW)
COMPANY SECRETARY
Encl: a.a.

SOUTH INDIAN Bank

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER 2014

(₹ in Lakhs)

Particulars	3 months ended			9 months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	1,30,679	1,31,232	1,25,012	3,96,379	3,71,247	5,01,507
(a) Interest/discount on advances/bills	1,03,271	1,03,187	98,267	3,10,992	2,91,779	3,94,974
(b) Income on investments	25,906	26,148	24,683	78,545	70,285	95,448
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	1,502	1,897	2,062	6,842	9,183	11,085
(d) Others	-	-	-	-	-	-
2. Other income	16,034	9,363	8,462	37,513	27,188	36,846
3. Total income (1+2)	1,46,713	1,40,595	1,33,474	4,33,892	3,98,435	5,38,353
4. Interest expended	98,688	95,397	89,966	2,94,465	2,67,837	3,61,629
5. Operating expenses (i) + (ii)	26,083	24,106	21,920	74,299	62,655	88,289
(i) Employees cost	15,504	13,492	12,738	43,584	36,788	52,896
(ii) Other operating expenses	10,579	10,614	9,182	30,715	25,867	35,393
6. Total expenditure (4) + (5) excluding provisions and contingencies	1,24,771	1,19,503	1,11,886	3,68,764	3,30,492	4,49,918
7. Operating profit before provisions and contingencies (3) - (6)	21,942	21,092	21,588	65,128	67,943	88,435
8. Provisions (other than tax) and Contingencies	8,597	9,571	202	27,631	12,713	15,541
9. Exceptional items	-	-	-	(4,339)	-	-
10. Profit from ordinary activities before tax (7)-(8)-(9)	13,345	11,521	21,386	41,836	55,230	72,894
11. Tax expense	4,552	3,891	7,255	12,748	16,940	22,144
12. Net profit from ordinary activities after tax (10)-(11)	8,793	7,630	14,131	29,088	38,290	50,750
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	8,793	7,630	14,131	29,088	38,290	50,750
15. Paid-up equity share capital (Face Value ₹ 1)	13,501	13,479	13,422	13,501	13,422	13,439
16. Reserves excluding revaluation reserves						3,10,200
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL II	11.57	12.35	12.35	11.57	12.35	12.53
- BASEL III	11.38	12.13	12.20	11.38	12.20	12.42
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.65	0.57	1.05	2.16	2.86	3.78
(b) Diluted EPS - before and after extraordinary items (₹) *	0.65	0.56	1.01	2.15	2.81	3.77
iv) NPA Ratios (a) Gross NPA	66,127	55,317	55,463	66,127	55,463	43,262
Net NPA	37,956	31,842	39,193	37,956	39,193	28,167
(b) % of Gross NPA	1.80	1.55	1.66	1.80	1.66	1.19
% of Net NPA	1.04	0.90	1.18	1.04	1.18	0.78
v) Return on assets (Annualised)	0.63	0.56	1.12	0.71	1.02	1.00
18. Public Shareholding						
- No.of Shares (in Lakhs)	13,501	13,479	13,422	13,501	13,422	13,439
- 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

** Quarterly/half-yearly numbers are not annualised*

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

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

SOUTH INDIAN Bank

Segmentwise Results

(₹ in Lakhs)

Particulars	3 months ended			9 months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	35,442	29,935	28,273	1,00,594	88,645	1,16,345
b) Corporate/ Wholesale Banking	61,913	60,533	57,482	1,81,356	1,64,457	2,25,208
c) Retail Banking	46,349	46,759	45,537	1,43,209	1,39,888	1,88,215
d) Other Banking Operations	3,009	3,368	2,182	8,733	5,445	8,585
Total	1,46,713	1,40,595	1,33,474	4,33,892	3,98,435	5,38,353
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	1,46,713	1,40,595	1,33,474	4,33,892	3,98,435	5,38,353
2. Segment Results						
Profit(+)/Loss (-) before tax and after interest from each segment						
a) Treasury	(498)	(1,513)	(5)	(3,209)	(229)	(3,277)
b) Corporate/ Wholesale Banking	1,301	2,032	6,962	4,884	17,422	18,898
c) Retail Banking	10,069	8,208	12,599	28,586	33,448	50,095
d) Other Banking Operations	2,473	2,794	1,830	7,236	4,589	7,178
Total	13,345	11,521	21,386	37,497	55,230	72,894
Profit Before Tax and exceptional item	13,345	11,521	21,386	37,497	55,230	72,894
3.Capital Employed						
a) Treasury	1,04,276	94,289	94,388	1,04,276	94,388	1,01,512
b) Corporate/ Wholesale Banking	1,22,194	1,18,834	1,13,862	1,22,194	1,13,862	1,33,700
c) Retail Banking	75,711	77,003	79,347	75,711	79,347	84,661
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	63,724	66,607	49,677	63,724	49,677	16,931
Total	3,65,905	3,56,733	3,37,274	3,65,905	3,37,274	3,36,804

Notes:

1 The above financial results for the quarter ended December 31, 2014 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on January 20, 2015 and subjected to limited review by the Statutory Central Auditor.

2a Effective April 1,2014, the Bank has changed its accounting policy for charging depreciation from Written Down Value ("WDV") method to Straight Line Method ("SLM") in respect of all fixed assets other than computers which were already being depreciated under SLM. The management believes that such change better reflects the actual use of assets acquired. On account of this change in accounting policy, the Bank had in the first quarter, reversed an amount of ₹6,574 lakhs representing the excess depreciation charge for the period upto March 31, 2014 and disclosed the same net of related tax effect of ₹ 2,235 lakhs as an exceptional item.

2b In accordance with the requirements of Schedule II to the Companies Act, 2013, the Bank has also re-assessed the useful lives of the fixed assets and :
i) recognised an additional depreciation charge of ₹ 733 lakhs and ₹ 2,358 lakhs for the three month and nine month periods ended December 31, 2014 respectively being the depreciation on the carrying value of assets as at April 1, 2014 on the remaining useful lives, and;
ii) an amount of ₹ 938 lakhs (net of tax) has been charged to the opening balance of the retained earnings in respect of assets whose useful remaining life is nil as at April 1, 2014.

3 Pursuant to the clarification issued by Reserve Bank of India ('RBI') vide para 14.2.5 of Master Circular dated July 1, 2014 in relation to "Prudential norms for conversion of unpaid interest into Funded Interest Term loan, Debt or Equity instruments, the Bank has accrued a provision of Rs. 2,809 lakhs based on special dispensation issued by RBI vide their letter no.DBOD.No.BP.5886/21.04.132/2014-15 dated October 20, 2014. The balance provision necessary as of December 31, 2014 of Rs. 2,809 lakhs shall be recognised during the remaining period of the current financial year as permitted by RBI.

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

5 During the quarter ended December 31, 2014, the Bank allotted 22,13,200 shares, pursuant to the exercise of stock option by certain employees.

6 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 ₹ 15,653 lakhs 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, 2014 are after considering a provision of ₹ 562 lakhs being the proportionate charge for the quarter towards the deferred pension and gratuity costs and the balance unamortized deferred expenditure is ₹ 562 lakhs.

7 In accordance with the RBI Circular DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 1, 2014, Banks are required to make half yearly Pillar 3 disclosures under BASEL III capital requirements. The Bank has made these disclosures which are available on its website at the following link.
http://www.southindianbank.com/content/viewContentLvl1.aspx?linkIdLvl2=5&LinkIdLvl3=532&linkId=532
These disclosures have not been subjected to a limited review by the auditors.

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: nil ; recevied during the quarter 164; resolved during the quarter 164; closing position: nil

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

Date: January 20, 2015
Place: Thrissur

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

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

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

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 December 31, 2014 (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 195 branches. These review reports of the concurrent auditors' are estimated to cover 78 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 3 to the Statement, which describes deferment of provision to the extent of Rs. 28.09 crores as at December 31, 2014 pursuant to a special dispensation granted by Reserve Bank of India vide letter No.DBOD.No.BP.5886/21.04.132/2014-15 dated October 20, 2014 from the application of the "Prudential norms for Conversion of unpaid interest into Funded Interest Term loan, Debt or Equity Instruments".

5. Without qualifying our conclusion, we draw attention to note 6 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. 5.62 crores as at December 31, 2014 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.



6. 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, specified under the Companies Act 1956 (which are deemed to be applicable as per section 133 of the Companies Act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) 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: January 20, 2015

S.R. Batliboi & Associates LLP
Chennai
Chartered Accountants