

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 41 /2015-16

20th January 2016

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 2015

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 Un-Audited Financial Results of the Bank, for the quarter ended 31st December 2015, which was approved by the Board at its meeting held today the 20th day of January 2016.

We also enclose a copy of the “Limited Review Report” submitted by M/s. Deloitte Haskins & Sells, our Statutory Auditors, for the quarter ended 31st December 2015.

Yours faithfully,



(JIMMY MATHEW)
COMPANY SECRETARY

Encl: a.a.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2015

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	140,766	140,498	130,679	418,932	396,379	528,622
(a) Interest/discount on advances/bills	111,447	110,835	103,271	330,551	310,992	415,297
(b) Income on investments	25,030	24,935	23,075	74,387	71,023	94,585
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	312	621	1,502	2,308	6,842	7,952
(d) Others	3,977	4,107	2,831	11,686	7,522	10,788
2. Other income	15,332	12,121	16,034	37,836	37,513	49,707
3. Total income (1+2)	156,098	152,619	146,713	456,768	433,892	578,329
4. Interest expended	100,094	101,663	98,688	305,391	294,465	391,999
5. Operating expenses (i) + (ii)	29,697	29,653	26,083	85,678	74,299	104,704
(i) Employees cost	18,457	17,871	15,504	52,069	43,584	63,370
(ii) Other operating expenses	11,240	11,782	10,579	33,609	30,715	41,334
6. Total expenditure (4) + (5) excluding provisions and contingencies	129,791	131,316	124,771	391,069	368,764	496,703
7. Operating profit before provisions and contingencies (3) - (6)	26,307	21,303	21,942	65,699	65,128	81,626
8. Provisions (other than tax) and Contingencies	10,639	6,747	8,597	25,337	27,631	41,405
9. Exceptional items (Refer Note 4)	-	-	-	-	(4,339)	(4,339)
10. Profit from ordinary activities before tax (7)-(8)-(9)	15,668	14,556	13,345	40,362	41,836	44,560
11. Tax expense	5,505	5,218	4,552	14,332	12,748	13,840
12. Net profit from ordinary activities after tax (10)-(11)	10,163	9,338	8,793	26,030	29,088	30,720
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	10,163	9,338	8,793	26,030	29,088	30,720
15. Paid-up equity share capital (Face Value ₹ 1)	13,502	13,502	13,501	13,502	13,501	13,502
16. Reserves excluding revaluation reserves						331,581
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	11.70	11.86	11.38	11.70	11.38	12.01
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.75	0.69	0.65	1.93	2.16	2.28
(b) Diluted EPS - before and after extraordinary items (₹) *	0.75	0.69	0.65	1.93	2.15	2.27
iv) NPA Ratios (a) Gross NPA	110,801	89,225	66,127	110,801	66,127	64,345
Net NPA	71,598	54,956	37,956	71,598	37,956	35,705
(b) % of Gross NPA	2.75	2.24	1.80	2.75	1.80	1.71
% of Net NPA	1.80	1.39	1.04	1.80	1.04	0.96
v) Return on Assets (Annualised)	0.66	0.62	0.63	0.58	0.71	0.56

* Quarterly/Nine months numbers are not annualised



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

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Web: www.southindianbank.com

Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	36,509	34,327	35,442	102,529	100,594	132,047
b) Corporate/ Wholesale Banking	70,133	70,095	61,913	207,710	181,356	245,164
c) Retail Banking	46,399	45,305	46,349	137,771	143,209	189,462
d) Other Banking Operations	3,057	2,892	3,009	8,758	8,733	11,656
Total	156,098	152,619	146,713	456,768	433,892	578,329
Less : Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	156,098	152,619	146,713	456,768	433,892	578,329
2. Segment Results						
Segment Results (Net of Provisions)						
a) Treasury	(295)	(1,368)	(498)	(8,200)	(3,209)	(14,148)
b) Corporate/ Wholesale Banking	6,967	6,066	1,301	18,448	4,884	6,298
c) Retail Banking	6,521	7,527	10,069	22,999	28,586	38,525
d) Other Banking Operations	2,475	2,331	2,473	7,115	7,236	9,546
Total	15,668	14,556	13,345	40,362	37,497	40,221
Less: unallocated expenditure (exceptional item)	-	-	-	-	(4,339)	(4,339)
Profit Before Tax and exceptional item	15,668	14,556	13,345	40,362	41,836	44,560
3.Capital Employed						
a) Treasury	99,933	99,363	104,276	99,933	104,276	109,954
b) Corporate/ Wholesale Banking	117,139	123,506	122,194	117,139	122,194	121,627
c) Retail Banking	69,309	71,145	75,711	69,309	75,711	72,943
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	98,601	80,800	63,724	98,601	63,724	54,417
Total	384,982	374,814	365,905	384,982	365,905	358,941

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 mainly operates in India.

Notes:

- The above Unaudited Financial Results for the quarter and nine months ended December 31, 2015 were reviewed by the Audit Committee and recommended for approval to and approved by the Board of Directors at its meeting held on January 20, 2016. These Results have been subjected to "Limited Review" by the Statutory Central Auditor of the Bank and an unqualified review report has been issued.
- The Bank has followed the same significant accounting policies in the preparation of the interim financial statements as those followed in the annual financial statements for the year ended March 31, 2015.
- The working results for the quarter and nine months ended December 31, 2015 have been arrived at after considering the provision for standard assets including requirements for exposures to entities with Unhedged Foreign Currency Exposures, non performing assets (NPAs), depreciation on investments, income tax and other usual and necessary provisions.
- In the previous year, effective April 1, 2014, the Bank had changed its accounting policy for charging depreciation from Written Down Value ("WDV") method to Straight Line Method ("SLM"), impact of the same is disclosed as an exceptional item.
- Pursuant to RBI Circular DBR.BP.BC.No.31/21.04.018/2015-16 dated July 16, 2015, the Bank has, effective from September 30, 2015 included its deposits placed with NABARD, SIDBI, and NHB on account of shortfall in lending to priority sector under 'Other Assets'. Hitherto these were included under 'Investments' and Interest income thereon was included under 'Interest Earned - Income on Investments'. Arising out of regrouping in line with the above mentioned RBI guidelines, interest income on deposit placed with NABARD, SIDBI and NHB is included under "Interest Earned - Others". Figures for the previous periods have been regrouped/reclassified to conform to current periods classification. The above change in classification has no impact on the profit of the Bank for the quarter and nine months ended December 31, 2015.



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- 6 The Bank had assigned certain non-performing financial assets having a net book value of ₹ 14,416 Lakhs (₹6,209 Lakhs during quarter/nine months ended December 31, 2015) to an Asset Reconstruction Company. The Bank has, in terms of RBI Circular DBOD.No.BP.BC.9/21.04.048/2014-15 on "Prudential norms on income recognition, asset classification and provisioning pertaining to advances" dated July 1, 2014 , as amended, spread the net shortfall in recovery of net book value of ₹ 2941 Lakhs over a period of two years. Consequently an amount of ₹ 519 Lakhs / ₹ 853 Lakhs has been charged to the profit and loss account during the quarter/ nine months ended December 31, 2015 and the unamortised balance as at December 31, 2015 amounts to ₹ 1922 Lakhs to be amortised over the remaining five quarters.
- 7 During the quarter/ nine months ended December 31, 2015, the Bank allotted 600/22,100 shares respectively, pursuant to the exercise of stock option by certain eligible employees.
- 8 In accordance with the RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, Banks are required to make quarterly Pillar 3 disclosures, 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/viewContentLv11.aspx?linkIdLv12=854&LinkIdLv13=880&linkId=880>
These disclosures have not been subjected to a limited review by the Statutory Central Auditor.
- 9 Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange transactions, selling of Third party products, profits/loss on sale of investments (net), recoveries from accounts written off.
- 10 The above financial results for the quarter/nine months ended 31st December, 2015 are reviewed by the statutory auditors, M/s. Deloitte Haskins & Sells Chartered Accountants. The financial results for the quarter/nine months ended 31st December, 2014 and the year ended 31st March, 2015 were subjected to limited review or audit by another firm of chartered accountants.
- 11 Previous period's/year's figures have been regrouped/restated, wherever necessary to conform to the current period's classification.

Date: January 20, 2016
Place: Kochi




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

**INDEPENDENT AUDITORS' REVIEW REPORT ON
REVIEW OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
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 and Nine Months ended 31st December, 2015 ("the Statement"), excluding the Pillar 3 disclosures, leverage ratio and liquidity coverage ratio under Basel III Framework disclosed on the Bank's website and in respect of which a link has been provided in the Statement, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, guidelines issued by the Reserve Bank of India and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement 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 Bank 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, we have relied on the review reports in respect of non-performing assets received from concurrent auditors of 211 branches, specifically appointed for this purpose. These review reports cover 77 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. The Unaudited Financial Results of the Bank for the Quarter / Nine months ended December 31, 2014 were reviewed by another firm of Chartered Accountants who vide their report dated January 20, 2015 issued unmodified review report on those financial information. The financial statements of the Bank as at March 31, 2015 and for the year then ended were also audited by another firm of Chartered Accountants who, vide their report dated May 5, 2015 expressed an unmodified opinion on those financial statements.



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5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, 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 relevant prudential norms prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
6. Attention is drawn to Note No.6 of the Statement regarding deferment of shortfall of Rs.2,941 Lakhs arising from the sale of certain non-performing assets in terms of RBI Master Circular DBOD.No.BP.BC.9/21.04.048/2014-15 on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances, dated July 1, 2014, as amended and the unamortised balance as at 31st December, 2015 of Rs.1,922 Lakhs.

Our conclusion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



S. Sundaresan
Partner
(Membership No. 25776)

BENGALURU, 20 January, 2016.