

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 30 /2015 -16

October 17, 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 2nd quarter ended 30th September 2015

Pursuant to Clause 41 of the Listing Agreement, we submit herewith the Un-Audited Financial Results of the Bank, for the 2nd quarter ended 30th September 2015, which was approved by the Board at its meeting held today the 17th day of October 2015.

We also enclose a copy of the “Limited Review Report” submitted by M/s Deloitte Haskins & Sells, our Statutory Auditors, for the quarter ended 30th September 2015.

Yours faithfully,



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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2015

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	1,40,498	1,37,668	1,31,232	2,78,166	2,65,700	5,28,622
(a) Interest/discount on advances/bills	1,10,835	1,08,269	1,03,187	2,19,104	2,07,721	4,15,297
(b) Income on investments	24,935	24,422	23,837	49,357	47,947	94,585
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	621	1,375	1,897	1,996	5,340	7,952
(d) Others	4,107	3,602	2,311	7,709	4,692	10,788
2. Other income	12,121	10,383	9,363	22,504	21,479	49,707
3. Total income (1+2)	1,52,619	1,48,051	1,40,595	3,00,670	2,87,179	5,78,329
4. Interest expended	1,01,663	1,03,634	95,397	2,05,297	1,95,777	3,91,999
5. Operating expenses (i) + (ii)	29,653	26,328	24,106	55,981	48,216	1,04,704
(i) Employees cost	17,871	15,741	13,492	33,612	28,080	63,370
(ii) Other operating expenses	11,782	10,587	10,614	22,369	20,136	41,334
6. Total expenditure (4) + (5) excluding provisions and contingencies	1,31,316	1,29,962	1,19,503	2,61,278	2,43,993	4,96,703
7. Operating profit before provisions and contingencies (3) - (6)	21,303	18,089	21,092	39,392	43,186	81,626
8. Provisions (other than tax) and Contingencies	6,747	7,951	9,571	14,698	19,034	41,405
9. Exceptional items (Refer Note 5)	-	-	-	-	(4,339)	(4,339)
10. Profit from ordinary activities before tax (7)-(8)-(9)	14,556	10,138	11,521	24,694	28,491	44,560
11. Tax expense	5,218	3,609	3,891	8,827	8,196	13,840
12. Net profit from ordinary activities after tax (10)-(11)	9,338	6,529	7,630	15,867	20,295	30,720
13. Extra ordinary items (Net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12+13)	9,338	6,529	7,630	15,867	20,295	30,720
15. Paid-up equity share capital (Face Value ₹ 1)	13,502	13,502	13,479	13,502	13,479	13,502
16. Reserves excluding revaluation reserves	-	-	-	-	-	3,31,581
17. Analytical ratios						
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii) Capital adequacy ratio (%) - BASEL III	11.86	11.46	12.13	11.86	12.13	12.01
iii) Earning per share (EPS)						
(a) Basic EPS - before and after extraordinary items (₹) *	0.69	0.48	0.57	1.17	1.51	2.28
(b) Diluted EPS - before and after extraordinary items (₹) *	0.69	0.48	0.56	1.17	1.49	2.27
iv) NPA Ratios (a) Gross NPA	89,225	71,383	55,317	89,225	55,317	64,345
Net NPA	54,956	46,398	31,842	54,956	31,842	35,705
(b) % of Gross NPA	2.24	1.85	1.55	2.24	1.55	1.71
% of Net NPA	1.39	1.21	0.90	1.39	0.90	0.96
v) Return on assets (Annualised)	0.62	0.45	0.56	0.53	0.75	0.56
18. Public Shareholding						
- No. of Shares (in Lakhs)	13,502	13,502	13,479	13,502	13,479	13,502
- 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 Department,

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Segmentwise Results

(₹ in Lakhs)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Treasury	34,327	31,693	29,935	66,020	65,152	1,32,047
b) Corporate/ Wholesale Banking	70,095	67,482	60,533	1,37,577	1,19,443	2,45,164
c) Retail Banking	45,305	46,067	46,759	91,372	96,860	1,89,462
d) Other Banking Operations	2,892	2,809	3,368	5,701	5,724	11,656
Total	1,52,619	1,48,051	1,40,595	3,00,670	2,87,179	5,78,329
Less: Inter segment Revenue	-	-	-	-	-	-
Net Income from Operations	1,52,619	1,48,051	1,40,595	3,00,670	2,87,179	5,78,329
2. Segment Results						
Profit(-)/Loss (-) before tax and after interest from each segment						
a) Treasury	(1,368)	(6,537)	(1,513)	(7,905)	(2,711)	(14,148)
b) Corporate/ Wholesale Banking	6,066	5,415	2,032	11,481	3,583	6,298
c) Retail Banking	7,527	8,951	8,208	16,478	18,517	38,525
d) Other Banking Operations	2,331	2,309	2,794	4,640	4,763	9,546
Total	14,556	10,138	11,521	24,694	24,152	40,221
Less: unallocated expenditure (exceptional item)	-	-	-	-	(4,339)	(4,339)
Profit Before Tax and exceptional item	14,556	10,138	11,521	24,694	28,491	44,560
3. Capital Employed						
a) Treasury	99,363	1,03,063	94,289	99,363	94,289	1,09,954
b) Corporate/ Wholesale Banking	1,23,506	1,18,245	1,18,834	1,23,506	1,18,834	1,21,627
c) Retail Banking	71,145	68,311	77,003	71,145	77,003	72,943
d) Other Banking Operations	-	-	-	-	-	-
e) Un allocated	80,800	75,856	66,607	80,800	66,607	54,417
Total	3,74,814	3,65,475	3,56,733	3,74,814	3,56,733	3,58,941

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:

1. Statement of Assets and Liabilities as on 30th September 2015 is given below:

(₹ in Lakhs)

	As at		
	30.09.2015	30.09.2014	31.03.2015
	Unaudited	Unaudited	Audited
CAPITAL AND LIABILITIES			
Capital	13,502	13,479	13,502
Employees Stock Option Outstanding	323	255	238
Reserves and Surplus	3,61,312	3,43,254	3,45,439
Deposits	53,03,633	46,69,345	51,91,249
Borrowings	2,17,049	2,15,083	2,23,247
Other Liabilities and Provisions	1,16,883	1,00,417	1,37,957
Total	60,12,702	53,41,833	59,11,632
ASSETS			
Cash and Balances with Reserve Bank of India	2,36,565	2,06,640	2,44,158
Balances with Banks and money at call & short notice	66,693	76,903	1,15,350
Investments	13,17,366	12,01,750	14,08,614
Advances	39,55,595	35,37,132	37,39,164
Fixed Assets	48,103	46,502	47,905
Other Assets	3,88,380	2,72,906	3,56,441
Total	60,12,702	53,41,833	59,11,632

- The above financial results for the quarter and half year ended September 30, 2015 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on October 17, 2015 and subjected to limited review by the Statutory Central Auditor.
- 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 half year ended September 30, 2015 have been arrived at after considering the provision for standard assets including requirements for exposures to entities with Unheadged 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.



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6. 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 half ended September 30, 2015.
7. During the quarter ended March 31 2015, the Bank had assigned certain non-performing financial assets having a net book value of ₹ 8,207 lakhs to an Asset Reconstruction company. The Bank has, in terms of RBI Circular DBOD BP BC.No.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 ₹ 832 lakhs over a period of two years. Consequently an amount of ₹ 334 lakhs has been charged to the profit and loss account during the half year ended September 30, 2015 (₹ 167 Lakhs during quarter ended September 30, 2015) and the unamortised balance as at September 30, 2015 amounts to ₹ 331 lakhs to be amortised over the next two quarters.
8. During the quarter/ half year ended September 30, 2015, the Bank allotted 6025/21,500 shares respectively, pursuant to the exercise of stock option by certain eligible employees.
9. 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 <http://www.southindianbank.com/content/viewContentLv11.aspx?linkIdLv12=5&LinkIdLv13=532&linkId=532>. These disclosures have not been subjected to a limited review by the Statutory Central Auditor.
10. During the quarter ended September 30, 2015, the Bank has raised ₹ 30,000 lakhs of Basel III compliant Tier II Capital.
11. Other income relates to income from non-fund based banking activities including commission, fees, earnings from foreign exchange and derivative transactions, profit and loss (including revaluation) from investments and recoveries from accounts written off.
12. Details of Investor complaints received and disposed off:

Complaints at the beginning of the quarter	Received during the	Redressed during the	Complaints at the close of the
0	55	55	0

13. The figures of previous year/periods were audited/reviewed by a firm of Chartered Accountants other than Deloitte Haskins & Sells.
14. Previous period's/year's figures have been regrouped/restated, wherever necessary to conform to the current period's classification.

Date: October 17, 2015
Place: Kochi


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


INDEPENDENT AUDITORS' REVIEW REPORT**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 Half year ended 30th September, 2015 ("the Statement"), being submitted by the Bank pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in paragraph 6 below. This Statement is the responsibility of the Bank'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 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 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. 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 applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, 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 prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
5. Attention is drawn to Note No.7 of the Statement regarding deferment of shortfall arising from the sale of certain non-performing assets during the year 2014-15 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 and the unamortised balance as at 30th September, 2015 is Rs.331 Lakhs.

Our conclusion is not modified in respect of this matter.



6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding, and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in the Statement, from the details furnished by the Registrars. 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 have not been subjected to our review.
7. The Unaudited Financial Results for the Quarter and Half Year ended September 30, 2014 and Quarter ended June 30, 2015 were reviewed by another firm of Chartered Accountants who vide their reports dated October 21, 2014 and July 15, 2015 respectively issued unmodified review reports 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.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 008072S)



S. Sundaresan

Partner

(Membership No. 25776)

BENGALURU, 17 October, 2015.