SOUTH INDIAN Bank

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 20 /2019-20

May 9, 2019

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

Dear Sirs,

**Sub: Submission of Audited Financial Results for the quarter/year ended 31st March, 2019**

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 Audited Financial Results of the Bank for the quarter/year ended 31st March, 2019, which was approved and taken on record by the Board at its meeting held today, the 9th day of May, 2019.

Further, Pursuant to Regulation 30(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, you are hereby informed that the Board of Directors of the Bank has recommended a dividend of Re.0.25 per equity shares of face value of Re.1/- each (Previous year : Re.0.40 per equity share) for the financial year ended 31st March, 2019, subject to the approval of the shareholders of the Bank and regulators if any.

The dividend, if approved by the shareholder at the ensuing Annual General Meeting (AGM), will be paid within 30 days from the date of AGM.

Yours faithfully,

(JIMMY MATHEW)
COMPANY SECRETARY

Encl: as above

SOUTH INDIAN Bank

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 21 /2019-20

May 9, 2019

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

Dear Sirs,

**Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm and declare that the statutory auditors of the Bank, M/s. S R Batliboi & Co. LLP, Chartered Accountants, have submitted their unqualified report on the Audited Financial Results of the Bank for the financial year ended March 31, 2019 as approved at the Board Meeting held today i.e. May 9,2019.

We request you to kindly take this in your record.

Yours faithfully,

(JIMMY MATHEW)
COMPANY SECRETARY

SOUTH INDIAN Bank

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

[₹ in Lakhs]

| Particulars | Quarter ended | | | Year Ended | |
|---|---|---|---|---|---|
| | 31.03.2019 | 31.12.2018 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| | Audited # | Unaudited | Audited # | Audited | Audited |
| 1. Interest earned (a) + (b) + (c) + (d) | 1,79,094 | 1,73,516 | 1,58,898 | 6,87,652 | 6,19,281 |
| (a) Interest/discount on advances/bills | 1,41,281 | 1,36,533 | 1,22,453 | 5,39,644 | 4,76,918 |
| (b) Income on investments | 32,811 | 31,850 | 32,188 | 1,28,614 | 1,26,950 |
| (c) Interest on balances with Reserve Bank of India and other inter-bank funds | 1,109 | 1,161 | 479 | 3,552 | 1,907 |
| (d) Others | 3,893 | 3,972 | 3,778 | 15,842 | 13,506 |
| 2. Other Income | 23,565 | 18,677 | 17,867 | 72,621 | 83,725 |
| 3. Total income (1+2) | 2,02,659 | 1,92,193 | 1,76,765 | 7,60,273 | 7,03,006 |
| 4. Interest expended | 1,29,158 | 1,21,554 | 1,09,678 | 4,85,682 | 4,22,729 |
| 5. Operating Expenses (i) + (ii) | 40,746 | 37,438 | 35,999 | 1,50,693 | 1,32,198 |
| (i) Employees cost | 21,191 | 20,220 | 19,331 | 82,143 | 71,322 |
| (ii) Other operating expenses | 19,555 | 17,218 | 16,668 | 68,550 | 60,876 |
| 6. Total expenditure (4)+(5) excluding provisions and contingencies | 1,69,904 | 1,58,992 | 1,45,677 | 6,36,375 | 5,54,927 |
| 7. Operating Profit before provisions and contingencies (3) - (6) | 32,755 | 33,201 | 31,088 | 1,23,898 | 1,48,079 |
| 8. Provisions (other than tax) and contingencies | 21,915 | 20,312 | 14,863 | 85,848 | 98,090 |
| 9. Exceptional Items | - | - | - | - | - |
| 10. Profit from Ordinary activities before tax (7)-(8)-(9) | 10,840 | 12,889 | 16,225 | 38,050 | 49,989 |
| 11.Tax expense | 3,789 | 4,504 | 4,815 | 13,297 | 16,500 |
| 12.Net Profit from Ordinary activities after tax (10)-(11) | 7,051 | 8,385 | 11,410 | 24,753 | 33,489 |
| 13. Extra ordinary items (Net of Tax Expense) | - | - | - | - | - |
| 14. Net Profit for the period (12+13) | 7,051 | 8,385 | 11,410 | 24,753 | 33,489 |
| 15. Paid up Equity Share Capital (Face Value ₹ 1) | 18,097 | 18,097 | 18,088 | 18,097 | 18,088 |
| 16. Reserves excluding revaluation reserves | | | | 4,91,577 | 4,82,002 |
| 17. Analytical Ratios | | | | | |
| i) Percentage of shares held by Government of India | Nil | Nil | Nil | Nil | Nil |
| ii) Capital Adequacy Ratio (%) - BASEL III | 12.61 | 11.81 | 12.70 | 12.61 | 12.70 |
| iii) Earnings Per Share (EPS) | | | | | |
| (a) Basic EPS - before and after Extraordinary items (₹) | 0.39 * | 0.46 * | 0.63 * | 1.37 | 1.86 |
| (b) Diluted EPS - before and after Extraordinary items (₹) | 0.39 * | 0.46 * | 0.63 * | 1.37 | 1.85 |
| iv) NPA Ratios (a) Gross NPA | 3,13,167 | 2,93,000 | 1,98,030 | 3,13,167 | 1,98,030 |
| Net NPA | 2,16,362 | 2,09,967 | 1,41,580 | 2,16,362 | 1,41,580 |
| (b) % of Gross NPA | 4.92 | 4.88 | 3.59 | 4.92 | 3.59 |
| % of Net NPA | 3.45 | 3.54 | 2.60 | 3.45 | 2.60 |
| v) Return on Assets (Annualised) | 0.31 | 0.39 | 0.56 | 0.29 | 0.43 |

** Not annualised*

*# Refer Note 3*

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

FOR IDENTIFICATION PURPOSES ONLY S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

**Segmentwise Results**

[₹ in Lakhs]

| | Quarter ended | | | Year Ended | |
|---|---|---|---|---|---|
| | 31.03.2019 | 31.12.2018 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| | Audited # | Unaudited | Audited # | Audited | Audited |
| **1. Segment Revenue** | | | | | |
| a) Treasury | 41,928 | 36,436 | 33,178 | 1,48,482 | 1,48,389 |
| b) Corporate/ Wholesale Banking | 82,582 | 84,923 | 85,481 | 3,30,228 | 3,01,842 |
| c) Retail Banking | 71,330 | 64,600 | 51,126 | 2,56,470 | 2,28,881 |
| d) Other Banking Operations | 6,819 | 6,234 | 6,980 | 25,093 | 23,894 |
| Total | 2,02,659 | 1,92,193 | 1,76,765 | 7,60,273 | 7,03,006 |
| Less : Inter – segment Revenue | - | - | - | - | - |
| Net Income from Operations | 2,02,659 | 1,92,193 | 1,76,765 | 7,60,273 | 7,03,006 |
| **2. Segment Results (net of provisions)** | | | | | |
| a) Treasury | 2,037 | 3,114 | 4,763 | (4,197) | (11,771) |
| b) Corporate/ Wholesale Banking | (3,916) | (6,193) | (3,981) | (12,664) | (4,083) |
| c) Retail Banking | 7,271 | 10,948 | 9,859 | 34,792 | 46,357 |
| d) Other Banking Operations | 5,448 | 5,020 | 5,584 | 20,119 | 19,486 |
| **Total** | 10,840 | 12,889 | 16,225 | 38,050 | 49,989 |
| Less: unallocated expenditure | - | - | - | - | - |
| **Profit Before Tax** | 10,840 | 12,889 | 16,225 | 38,050 | 49,989 |
| **3. Segment Assets** | | | | | |
| a) Treasury | 20,16,258 | 19,57,772 | 19,38,043 | 20,16,258 | 19,38,043 |
| b) Corporate/ Wholesale Banking | 40,32,712 | 38,57,392 | 36,24,695 | 40,32,712 | 36,24,695 |
| c) Retail Banking | 29,44,695 | 27,61,802 | 24,78,248 | 29,44,695 | 24,78,248 |
| d) Other Banking Operations | 1,396 | 1,199 | 1,314 | 1,396 | 1,314 |
| e) Un allocated | 2,32,861 | 2,46,694 | 2,26,287 | 2,32,861 | 2,26,287 |
| **Total** | 92,27,922 | 88,24,859 | 82,68,587 | 92,27,922 | 82,68,587 |
| **4. Segment Liabilities** | | | | | |
| a) Treasury | 19,12,833 | 18,56,959 | 18,33,515 | 19,12,833 | 18,33,515 |
| b) Corporate/ Wholesale Banking | 38,57,688 | 36,88,473 | 34,53,080 | 38,57,688 | 34,53,080 |
| c) Retail Banking | 28,16,893 | 26,40,860 | 23,60,913 | 28,16,893 | 23,60,913 |
| d) Other Banking Operations | - | - | - | - | - |
| e) Un allocated | 1,06,975 | 1,05,199 | 96,957 | 1,06,975 | 96,957 |
| **Total** | 86,94,389 | 82,91,491 | 77,44,465 | 86,94,389 | 77,44,465 |
| **5. Capital Employed (Segment Assets-Segment Liabilities)** | | | | | |
| a) Treasury | 1,03,425 | 1,00,813 | 1,04,528 | 1,03,425 | 1,04,528 |
| b) Corporate/ Wholesale Banking | 1,75,024 | 1,68,919 | 1,71,615 | 1,75,024 | 1,71,615 |
| c) Retail Banking | 1,27,802 | 1,20,942 | 1,17,335 | 1,27,802 | 1,17,335 |
| d) Other Banking Operations | 1,396 | 1,199 | 1,314 | 1,396 | 1,314 |
| e) Unallocated | 1,25,886 | 1,41,495 | 1,29,330 | 1,25,886 | 1,29,330 |
| **Total** | 5,33,533 | 5,33,368 | 5,24,122 | 5,33,533 | 5,24,122 |

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 operates in India.

*# Refer Note 3*

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S.R.BATLIBOI & CO. LLP
CHARTERED ACCOUNTANTS
MUMBAI

The South Indian Bank Ltd.
CFM DEPT.

Notes:

1. Statement of Assets and Liabilities as at March 31, 2019 is given below:

[₹ in Lakhs]

| | As at | |
|---|---|---|
| | 31.03.2019 | 31.03.2018 |
| | Audited | Audited |
| **CAPITAL AND LIABILITIES** | | |
| Capital | 18,097 | 18,088 |
| Employees Stock Option Outstanding | 175 | 195 |
| Reserves and Surplus | 5,15,436 | 5,06,034 |
| Deposits | 80,42,012 | 72,02,959 |
| Borrowings | 4,90,320 | 4,04,338 |
| Other Liabilities and Provisions | 1,61,882 | 1,36,973 |
| **Total** | 92,27,922 | 82,68,587 |
| **ASSETS** | | |
| Cash and Balances with Reserve Bank of India | 3,66,182 | 3,25,824 |
| Balances with Banks and money at call & short notice | 1,16,094 | 96,281 |
| Investments | 19,08,138 | 18,36,308 |
| Advances | 62,69,374 | 54,56,289 |
| Fixed Assets | 70,866 | 68,078 |
| Other Assets | 4,97,268 | 4,85,807 |
| **Total** | 92,27,922 | 82,68,587 |

2 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 09, 2019. The results for the quarter and year ended March 31, 2019 are subjected to audit by the Statutory Central Auditor of the Bank.

3 The figures for the Quarters ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures upto the end of the third quarter of the respective financial years, which was subject to limited review.

4 During the year ended March 31, 2019 stock options aggregating 8,51,071 were exercised by eligible employees. No options were exercised during the quarter ended March 31, 2019. As at March 31, 2019, 33,95,836 stock options were outstanding.

5 RBI circular DBR.No.BP.BC.108/21.04.048/2017-18 dated June 6, 2018 permitted banks to continue the exposures to MSME borrowers to be classified as standard assets where the dues between September 1, 2017 and December 31, 2018 are paid not later than 180 days from their respective original due dates. Accordingly, the bank has retained advance of ₹ 13,010 Lakhs as standard as at March 31, 2019. In accordance with the provisions of the circular, the bank had not recognised interest income of ₹ 494 Lakhs and created a standard asset provision of ₹ 651 Lakhs in respect of such accounts.

6 The mark to market depreciation on AFS/HFT investment category was ₹ 6,104 Lakhs for the quarter ended June 30, 2018. RBI circular DBR.No.BP.BC.113/ 21.04.048/ 2017-18 dated June 15, 2018, permitted banks an option to spread provisioning for mark to market losses on investments held in AFS and HFT for the quarter ended June 30, 2018 equally over up to four quarters, commencing with the quarter in which the loss was incurred. The bank had availed the option to spread the mark to market loss on investments for the quarter ended June 30, 2018 over four quarters. Accordingly the Bank has charged the proportionate mark to market loss of ₹1,526 Lakhs during the quarter ended March 31, 2019 and ₹6,104 Lakhs during the year ended March 31, 2019 to the profit and loss account. There are no unamortised mark to market loss as at March 31, 2019.

7 In terms of RBI circular no. DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019 banks are required to disclose the divergence in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statement if such divergence exceed the threshold prescribed by the RBI. The divergences identified by RBI for the Financial Year ended March 31, 2018 are less than the prescribed thresholds for the year ended March 31, 2018.

8 In accordance with the RBI Circular DBR.No.BP.BC.1/21.06.201/2015-16 on Basel III capital regulations dated July 1, 2015, as amended and RBI circular DBR.NO.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on prudential guidelines on Capital Adequacy and Liquidity Standards amendments, Banks are required to make Pillar III disclosures including 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/disclosure-under-basel-2-basel-3-guidelines/880
These disclosures have not been subjected to audit/review by the Statutory Central Auditor.

9 The Bank had acquired certain land parcels under a partial Debt Asset Swap transactions ("DAS") in earlier years aggregating ₹ 11,000 Lakhs and classified them as "Non-Banking Assets acquired in satisfaction of claims" in the Balance Sheet up to March 31, 2018. The Reserve Bank of India vide their letter dated May 2, 2019 ref DBS (T) No/424/02.02.006/2018-19 to the bank prescribed provisioning requirement for DAS transactions in respect of assets acquired under DAS from a particular borrower pursuant to which the Bank has provided an amount of ₹ 1,100 Lakhs for the quarter and year ended March 31, 2019 and the balance of ₹ 3,300 Lakhs provided in the previous quarter in the profit and loss account has now been debited against other reserves and will be debited in the profit and loss account by proportionately reversing the debit to other reserves over the three subsequent quarters.

FOR IDENTIFICATION PURPOSES ONLY
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CHARTERED ACCOUNTANTS
MUMBAI

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

10 The Board of Directors, in their meeting held on May 09, 2019 have proposed dividend of ₹ 0.25 per equity share (25%) for the year ended March 31, 2019 (Previous year ₹ 0.40 per share (40%)) amounting to ₹ 5454.17 Lakhs (Previous year ₹ 8725.79 Lakhs), inclusive of dividend distribution tax. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated March 30, 2016, proposed dividend including dividend distribution tax is not recognised as a liability as on March 31, 2019.

11 In computing the Segment information certain estimates and assumptions have been made by the Management, which have been relied upon by the Statutory Central Auditor.

12 During the quarter and year ended March 31, 2019, the Bank has raised ₹ 250,00 Lakhs Tier II Capital by way of issuance of Basel III compliant Tier II Bonds.

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

Kochi
May 9, 2019

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

FOR IDENTIFICATION PURPOSES ONLY S.R.BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

The South Indian Bank Ltd. CFM DEPT. Thrissur

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

**Auditor's Report on Quarterly Financial Results and Year to Date Results of The South Indian Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To**
**The Board of Directors of**
**The South Indian Bank Limited**

1. We have audited the financial results of The South Indian Bank Limited (the "Bank") for the quarter and year ended March 31, 2019 included in the 'Statement of Audited Financial Results for the quarter and year ended March 31, 2019' ('the Statement') attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link have been provided in aforesaid financial results have not been audited or reviewed by us. The Statement includes the results of the quarter ended March 31, 2019, being the derived balancing figure between the audited figures in respect of the full financial year ended March 31, 2019 and the published year to date figures upto the nine month ended December 31, 2018, of the current financial year which were subject to limited review.

2. This Statement, which is the responsibility of the Bank's management and has been approved by the Board of Directors and has been prepared on the basis of financial results for the nine-month period ended December 31, 2018, the audited financial statements for year ended March 31, 2019, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 29 of the Banking Regulation Act, 1949, circulars, guidelines and directions issued by Reserve Bank of India from time to time.

3. Our responsibility is to express an opinion on the Statement based on our review of the standalone financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under the Section 133 of the Companies Act 2013 read with relevant rules issued thereunder, read with section 29 of the Banking Regulation Act, 1949, circulars, guidelines and directions issued by Reserve Bank of India from time to time and other accounting principles generally accepted in India; in so far as they apply to the Bank and guidelines issued by the Reserve Bank of India; our audit of the annual financial statements as at and for the year ended March 31, 2019; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those standards requires that we plan and perform the audit to obtain reasonable assurance as to whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

ii. gives a true and fair view of the net profit and other financial information of the Bank for the quarter and year ended March 31, 2019.

6. We draw attention to Note 9 to the financial results regarding deferment of additional provision requirement on account of Debt Asset Swap transactions ("DAS") entered into by the Bank in earlier years pursuant to the Reserve Bank of India's letter dated May 2, 2019 ref DBS (T) No/424/02.02.006/2018-19 to the bank prescribing asset classification and provisioning norms for DAS transactions and the unamortized balance of Rs 3,300 Lakhs as at March 31, 2019. Our opinion is not qualified in respect of this matter.

7. Further read with Paragraph 1, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For S.R. BATLIBOI & CO. LLP**
Chartered Accountants
**ICAI Firm registration number: 301003E/E300005**

**per Shrawan Jalan**
Partner
Membership No.: 102102

Place: Mumbai
Date: May 09, 2019