

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ 42 /2015-16

January 21, 2016

BSE Ltd.
First Floor, New Trading Wing,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001.

Dear Sirs,

Sub: Presentation to Investors and Analysts

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Investor Presentation to Investors and Analysts in respect of financial results of The South Indian Bank Limited for the quarter ended 31st December, 2015.

The aforesaid information is also being hosted on the website of the Bank www.southindianbank.com.

Kindly take the same in your records.

Yours faithfully,

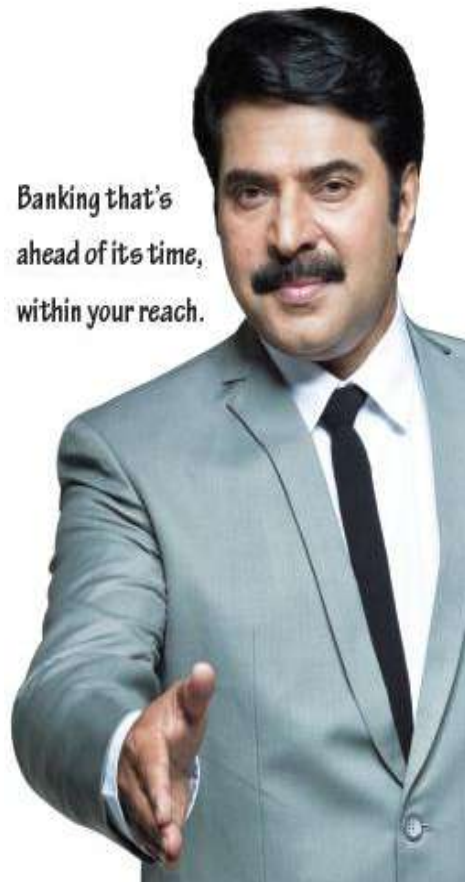


(JIMMY MATHEW)
COMPANY SECRETARY

Encl: a.a.



Experience Next Generation Banking



Banking that's
ahead of its time,
within your reach.



**Investor Presentation
January - 2016**

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An Introduction



Business Strategy



Performance Matrix



Next Generation Bank



An Inflection Point



Awards & Recognitions



An Introduction



FIRST among the private sector banks in Kerala to become a scheduled bank in 1946 under the RBI Act

FIRST private sector bank to open a NRI branch in November 1992

FIRST among the private sector banks in Kerala to open an "Overseas Branch" to cater exclusively to the export and import business in June 1993



FIRST bank in the private sector in India to open a Currency Chest on behalf of the RBI in April 1992

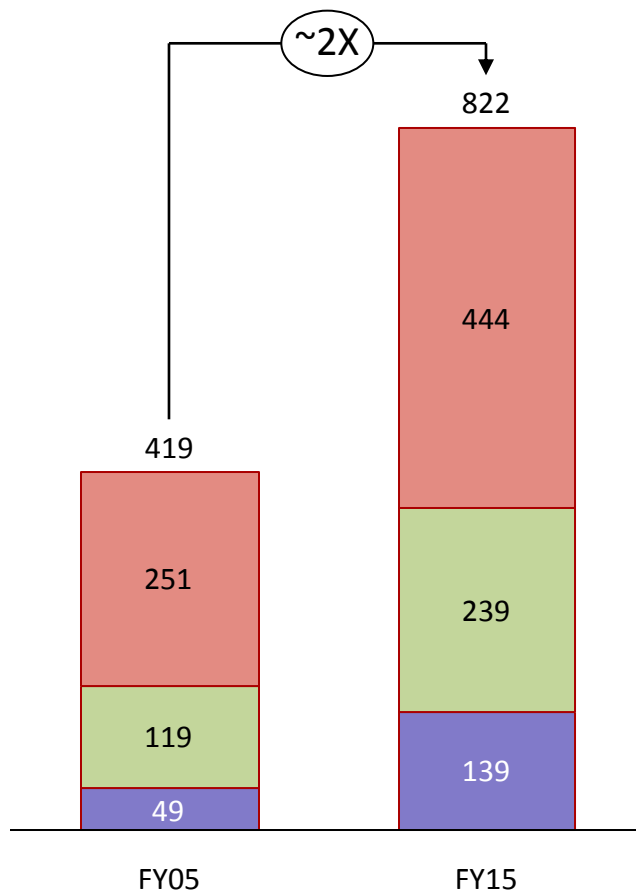
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

FIRST bank in Kerala to develop an in-house, a fully integrated branch automation software in addition to the in-house partial automation solution operational since 1992

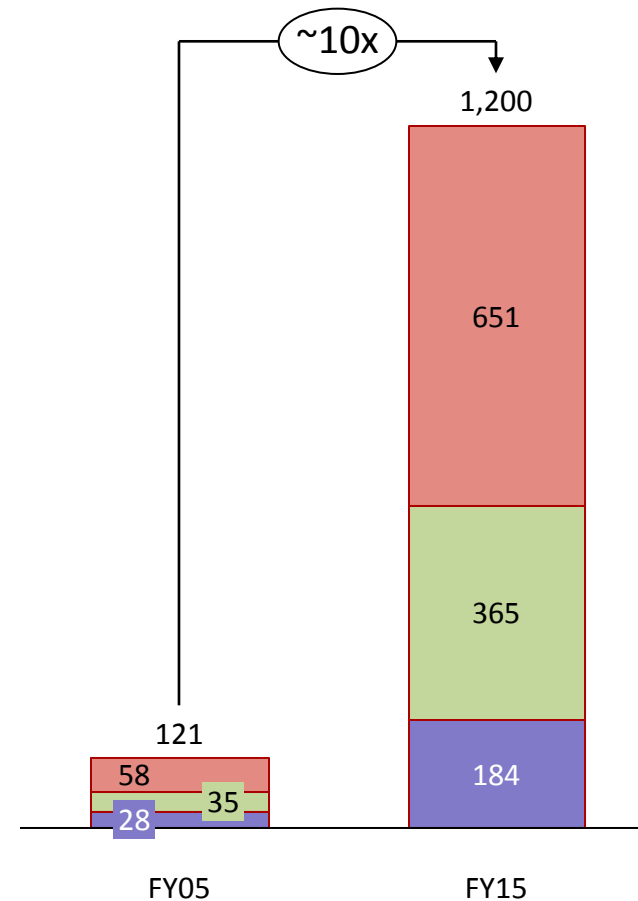
**The FIRST Kerala based bank to implement
Core Banking System**

Expansion over a Decade

Branch Network



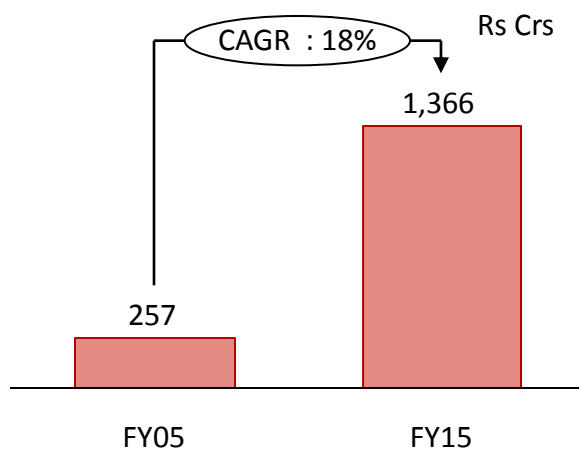
ATM Network



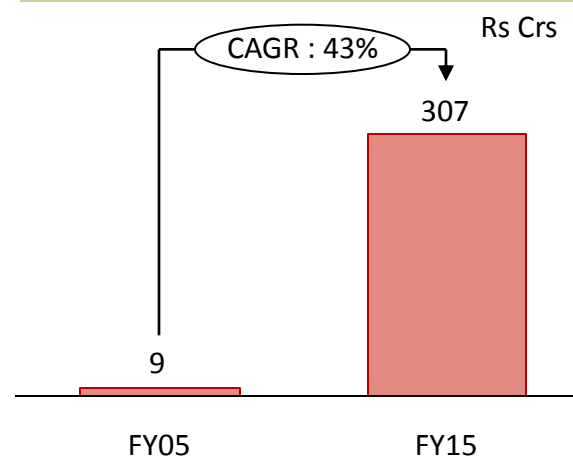
■ Kerala ■ South Ex-Kerala ■ Others (Rest of India)

Performance over a Decade

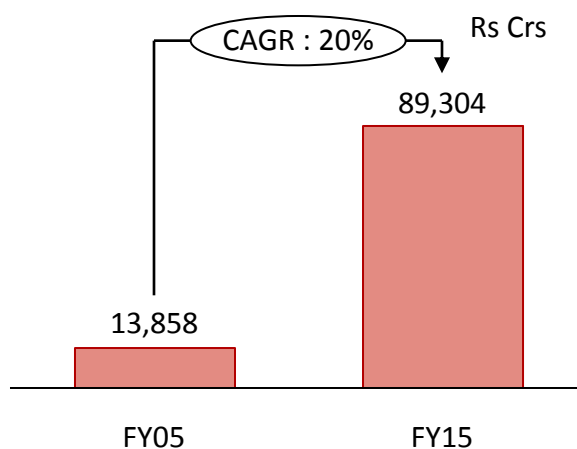
Net Interest Income



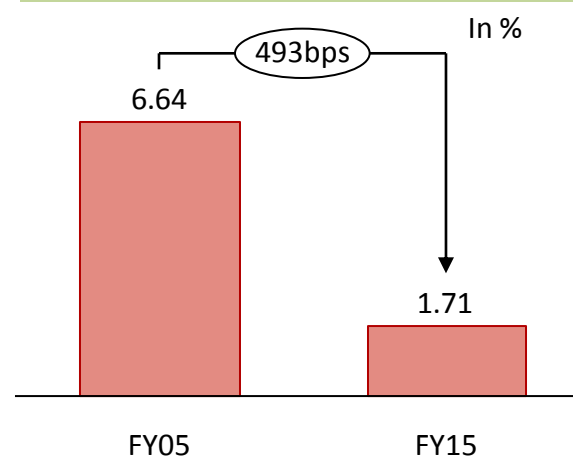
Profit After Tax



Business (Advances + Deposits)



Gross NPA



Leadership Team

Mr. V. G Mathew , MD & CEO

- Post Graduate in Physics and CAIIB with over 37 years of experience
- Joined SIB in January, 2014 as Executive Vice President and **appointed as MD & CEO in October, 2014**
- Significant experience in Retail & Corporate Credit, Technology and Risk Management
- Joined SBI as a probationary officer in the Ahmadabad Circle in 1978 and was Chief General Manager before joining SIB
- The major assignments handled by Mr. Mathew in SBI are
 - Dy. General Manager (IT Networking Project)
 - Dy. General Manager and Branch Head, (Overseas Branch, Bangalore)
 - General Manager, (Corporate Accounts Group-Mumbai Branch)
 - Chief General Manager (Risk Management)
 - Chief General Manager (Corporate Accounts Group)
- He has served on various committees at Corporate Center of SBI such as Wholesale Banking Credit Committee, Investment Committee, Corporate Centre Credit Committee and was a Director on the Board of SBI Macquarie Infrastructure Trustee (P) Limited

Leadership Team

Mr. Thomas Joseph K, EVP (Administration)

- Bachelors Degree in Engineering and Diploma in Management & CAIIB
- He is associated with SIB since 1984 and heads Departments such as Risk Management, Technology, Marketing, Corporate Financial Management, Human Resource and Inspection & Vigilance
- He was Head of Credit handling a portfolio of Rs.40,000 crores and was instrumental in the execution of the Retail Strategy of the Bank which saw significant growth in the MSME & Agriculture Sectors

Mr. G Sivakumar, EVP (Credit)

- Postgraduate in Chemistry and holds Masters Degree in Business Administration & CAIIB
- He heads Credit and Legal Departments
- He has over 35 Years of Experience in Domestic and International Banking in India and Abroad
- Before joining SIB, he was the General Manager and Head of Private Equity Vertical in State Bank of India where he was responsible for Private Equity and Venture Capital Investments made by the Bank
- He was also a nominee director on the Board of Directors of four companies and Investment Committee of more than ten Alternative Investment Funds

Mr. K N Reghunathan, EVP (Treasury)

- Commerce Graduate & CAIIB
- He is responsible for Treasury Operations of the Bank along with International Banking Division
- Before joining SIB, he was associated with Union Bank of India and was General Manager of Treasury and International Banking Division.
- He was the Bank's nominee on the Board of FIMMDA and SBI Global Factors and Member of the Advisory Committee of Metropolitan Stock Exchange of India, IDFC Investment Fund, TATA Growth Fund, TATA Innovative Fund, India Advantage Fund I & II

Management Team

Mr. John Thomas, General Manager
(Business Development Department)

- Bachelors Degree in Science, MBA and CAIIB

Mr. Benoy Varghese, General Manager
(Credit Department)

- Bachelors Degree in Arts & Masters Degree in Business Administration and CAIIB

Mr. Raphael T.J., General Manager
(Marketing & Information Technology)

- Bachelors Degree in Commerce, Masters in EXIM, Diploma in Financial Management and CAIIB

Mr. Murali N A., General Manager
(Mumbai Regional Office)

- Masters Degree in Commerce and JAIIB

Mr. Paul V.L., General Manager
(Personnel & Planning & Development Department)

- Masters Degree in Arts and Post Graduate Diploma in Personnel Management & JAIIB

Mr. Anto George T., General Manager
(Delhi Regional Office)

- Bachelors Degree in Arts & Post Graduate Diploma in Computer Application, Certification in RDBMS & Oracle 8i and JAIIB

Mr. Bobby James , General Manager
(Inspection & Vigilance)

- Bachelors Degree in Commerce, C.A. (Inter) and JAIIB

Management Team

Mr. C.P. Gireesh, Chief Financial Officer

- Bachelors Degree in Mathematics
- Fellow member of the Institute of Chartered Accountants of India and Certified Associate of the Indian Institute of Banking & Finance

Ms. Chitra H, Chief Compliance Officer

- Bachelors Degree in Commerce, Associate Member of Institute of Chartered Accountants of India and Certified Associate of Indian Institute of Banking & Finance.

Mr. Jimmy Mathew, Company Secretary

- Bachelors Degree in Commerce, Associate Member of Institute of Company Secretary of India and Institute of Cost & Management Accountants of India. Also a Certified Associate of the Indian Institute of Banking & Finance



Business Strategy



Focus is back on Core Strengths...



...Increase Retail & SME Business

01

Centralize
Marketing &
Processing
Centre (Kochi)



Loan Processing

- Enhanced risk management
- KYC compliance and fraud prevention tools

02

Retail Hub

- Home Loan
- Auto Loan
- MSME Loan
- LAP



Retail Business

- Penetrate further in the existing set of Customers
- Faster Sanctions

03

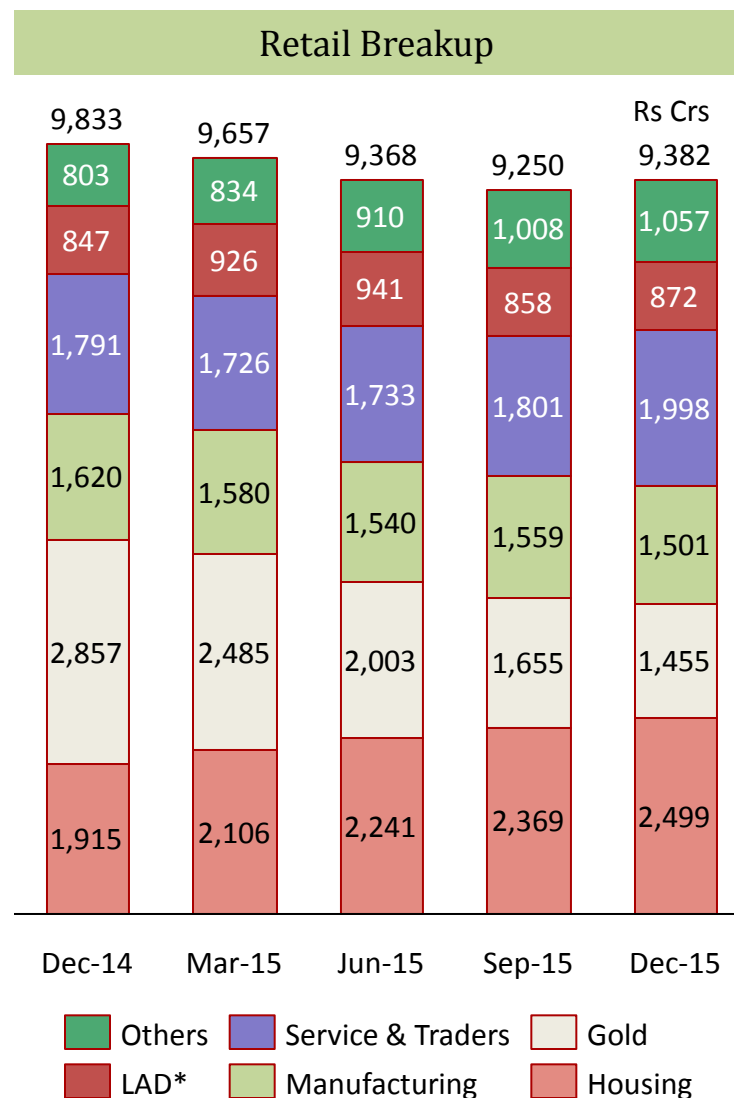
Cluster
Branches



Branch Profitability

- Focus on a Geography and open additional branches
- Improve Branch Profitability

...by focus on Housing Loans in Retail



Housing: Key Initiatives

- Retail hub in Cochin to increase focus on housing finance
- Two more hubs to be set up – one in South India and one in North India
- Branch staff being given specific training to market mortgage loans
- Marketing initiative through TVCs
- Tailor made products for different segments

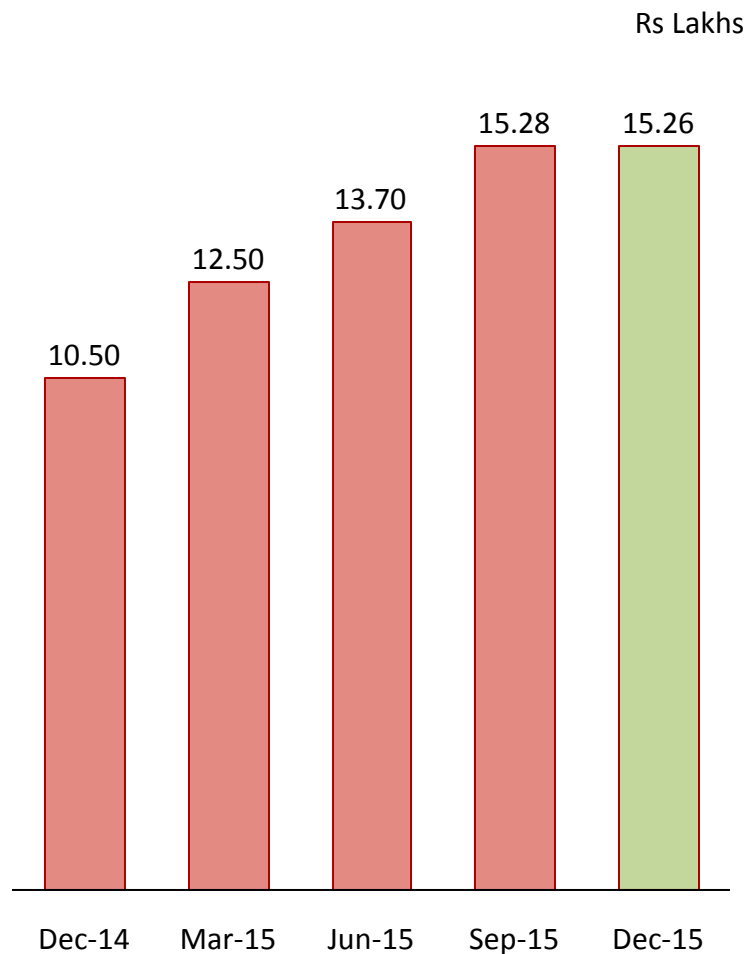
Oct to Dec 2015

- Housing Loans Sanctioned : 1,068 Nos.
- Amount of Housing Loans Sanctioned – Rs. 199 cr

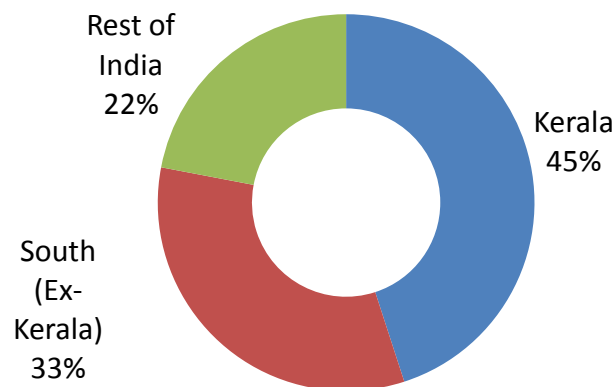
*LAD = Loan against deposits

...becoming a Banker of Choice to SMEs

Average SME Loan / Account



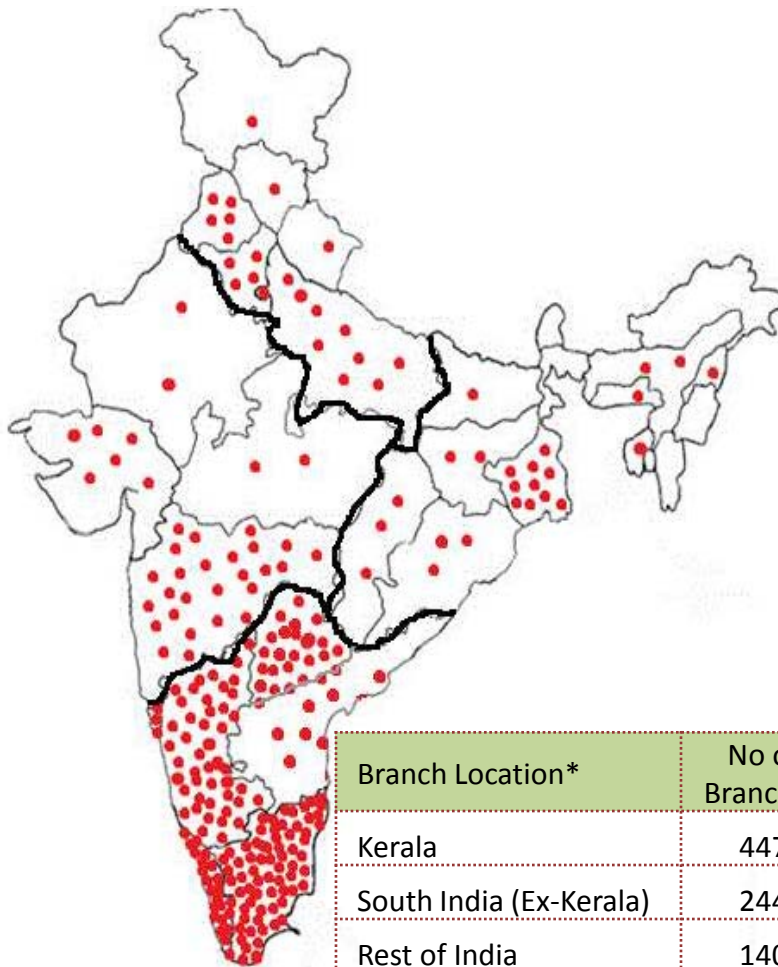
Loan Book by Geography – Q3-FY16



SME Highlights

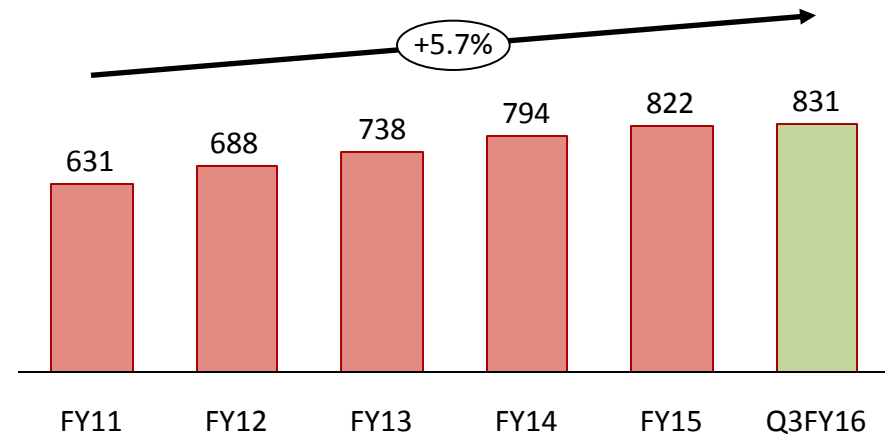
- Dedicated DGM appointed to ensure focus and better coordination with regions
- Focused 'Green Channel' branches to drive faster loan growth to SMEs
- Target to become banker of choice to SMEs thereby getting other business as well – liabilities, vehicle finance, etc.
- Ongoing training (in-house as well as external)

...with the help of our Branch Network

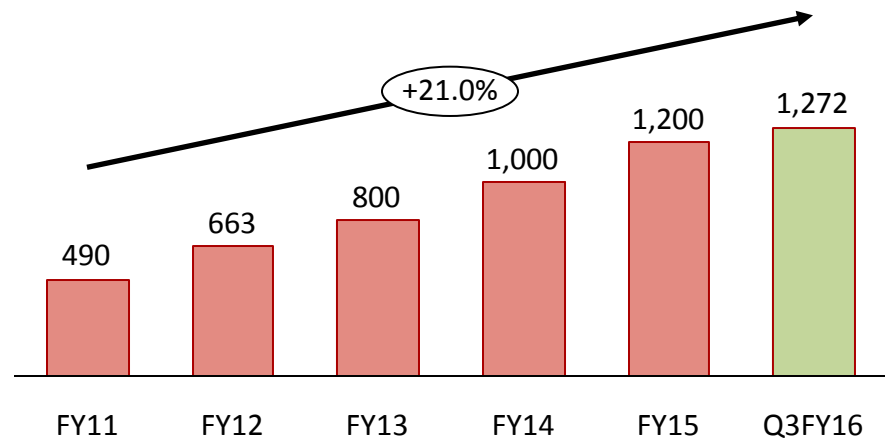


Branch Location*	No of Branches
Kerala	447
South India (Ex-Kerala)	244
Rest of India	140
Total	831

Total Branch Network



Total ATM Network

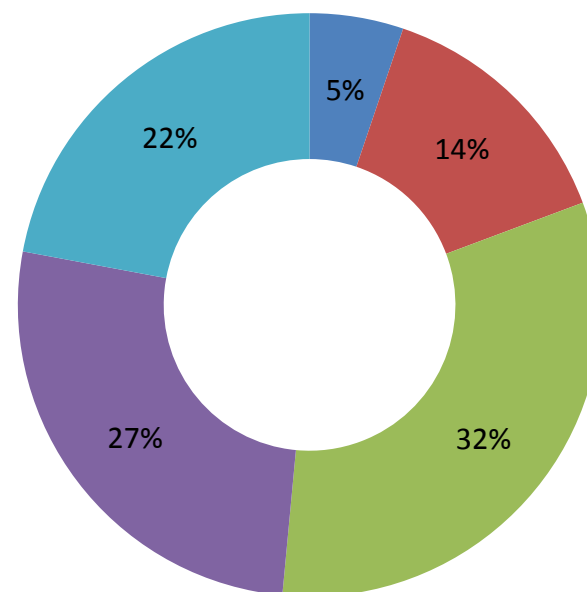
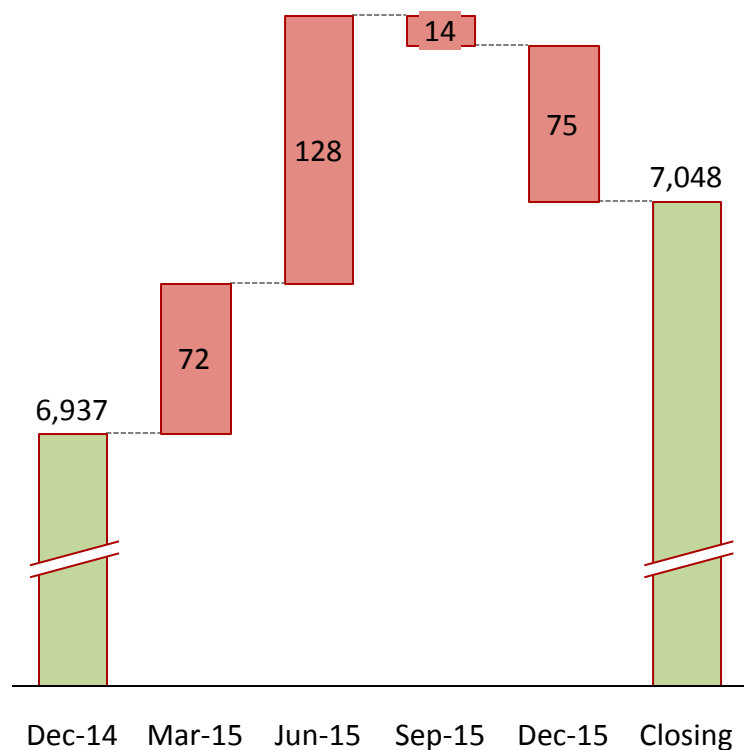


*Map for illustration purpose only

... and our Experienced Employees

Employee Addition

Total Employees: 7,048*



■ < 1 Year ■ 1-2 Years ■ 2-5 Years
■ 5-10 Years ■ > 10 Years

*Employees include full-time officers and clerks.

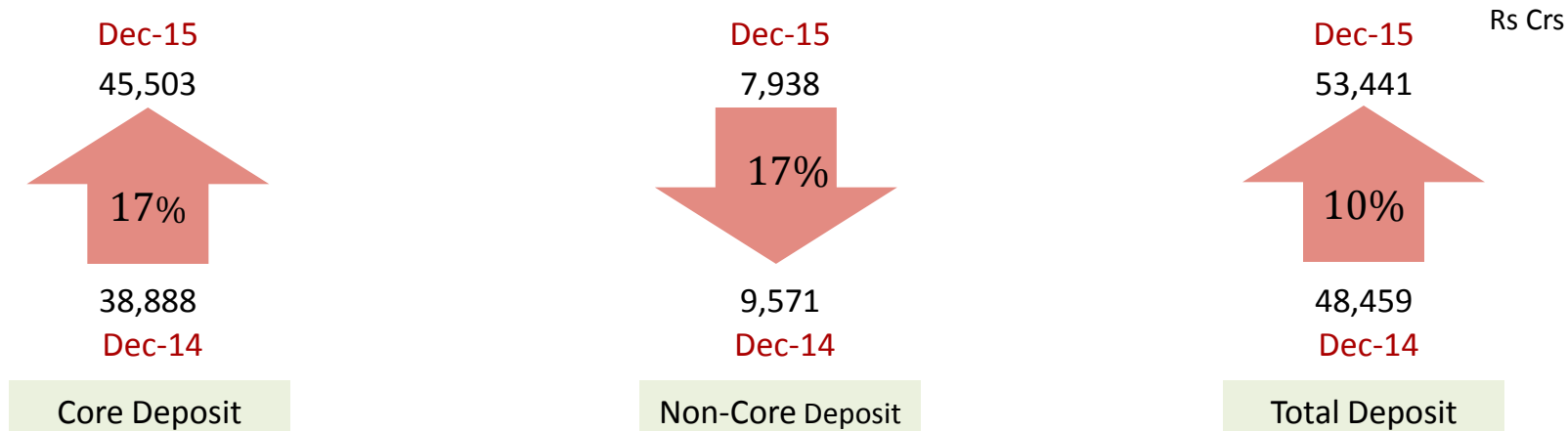


Performance Matrix

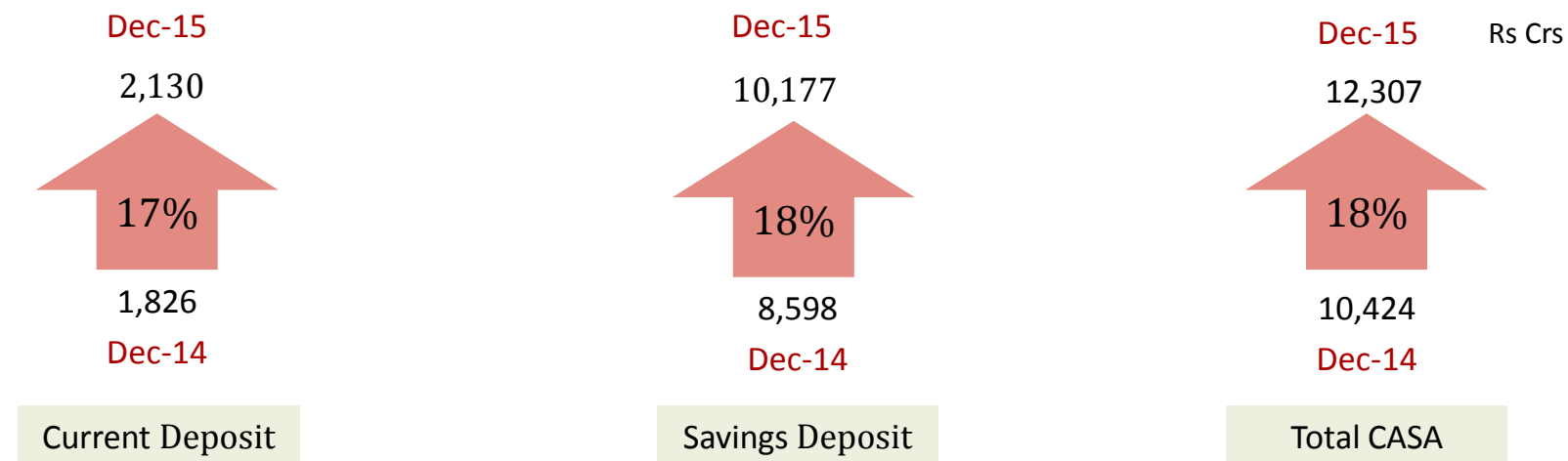


Strong Deposit Franchise

Core & Non-Core Deposits

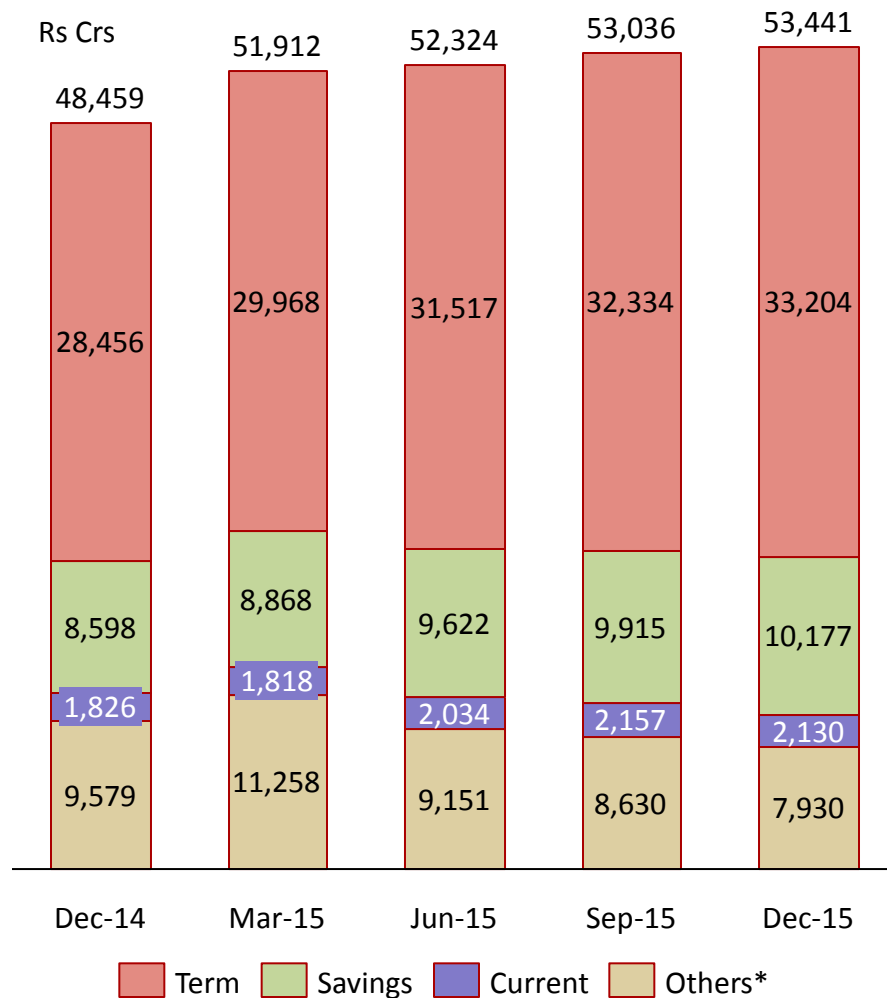


CASA Deposits

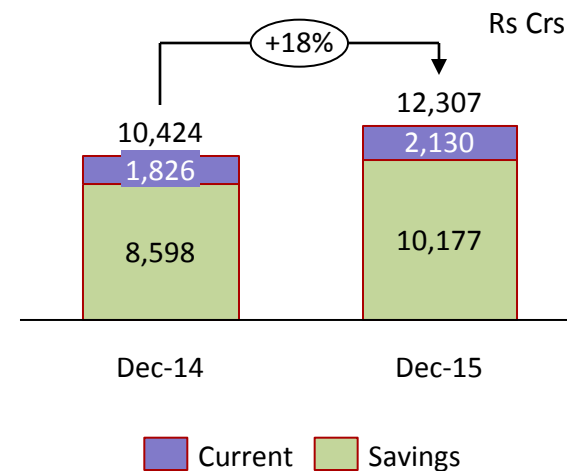


Core Deposits Growing...

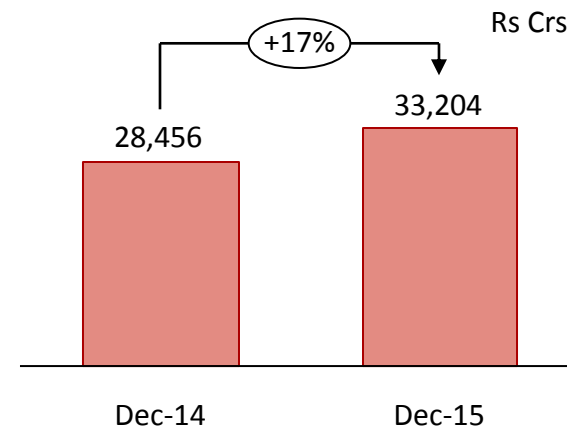
Breakup of Deposits



CASA Deposit



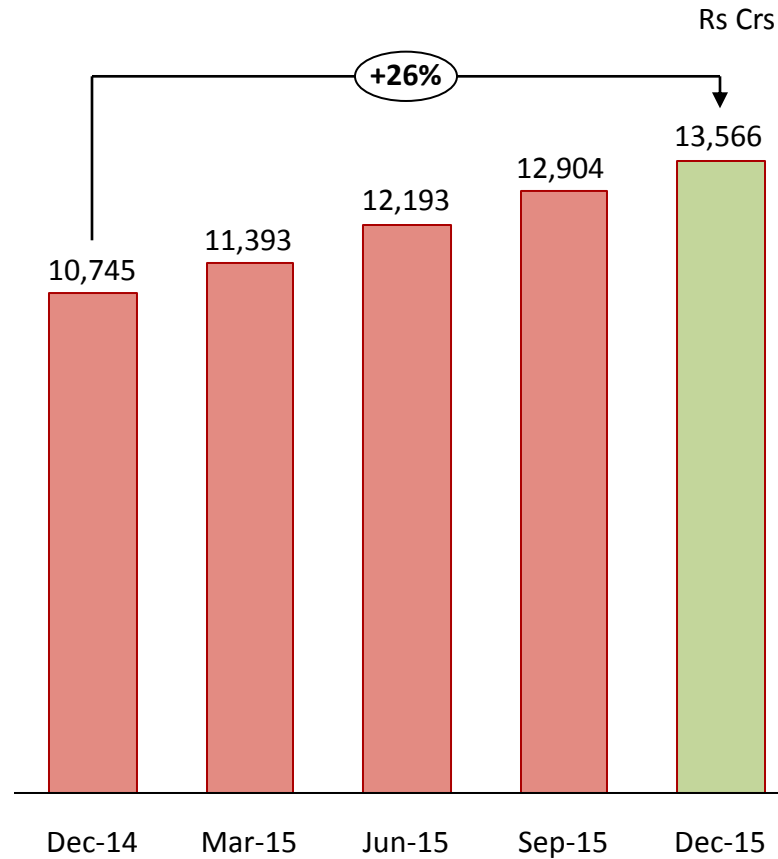
Term Deposits



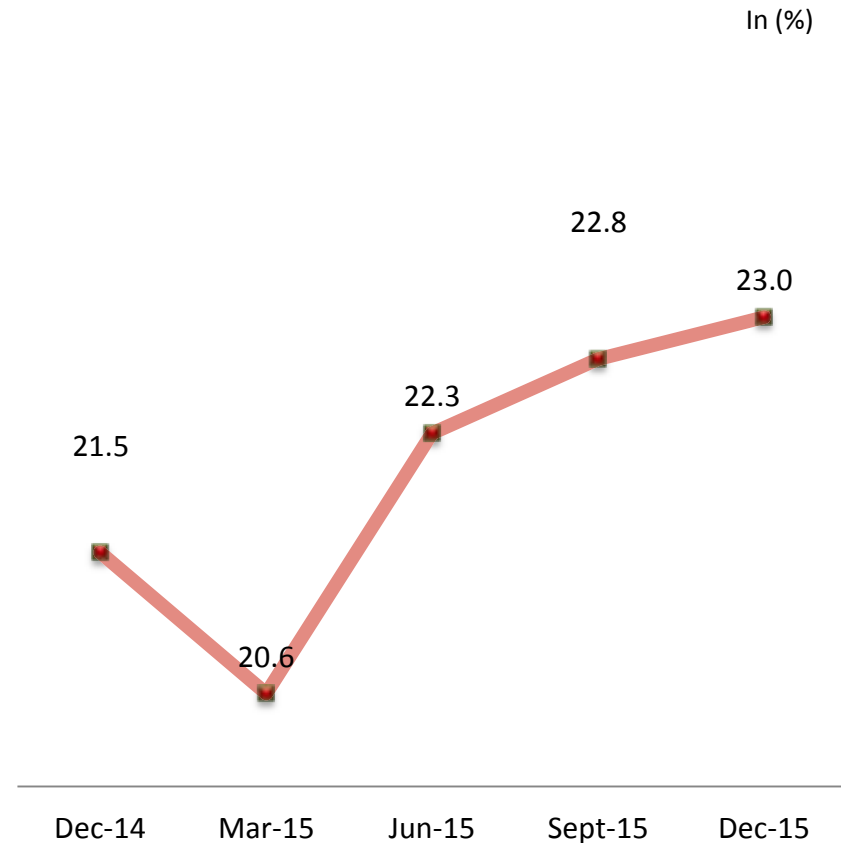
*Others includes: Bulk, Certificates of Deposits

NRI Deposits Growing...

NRI Deposits



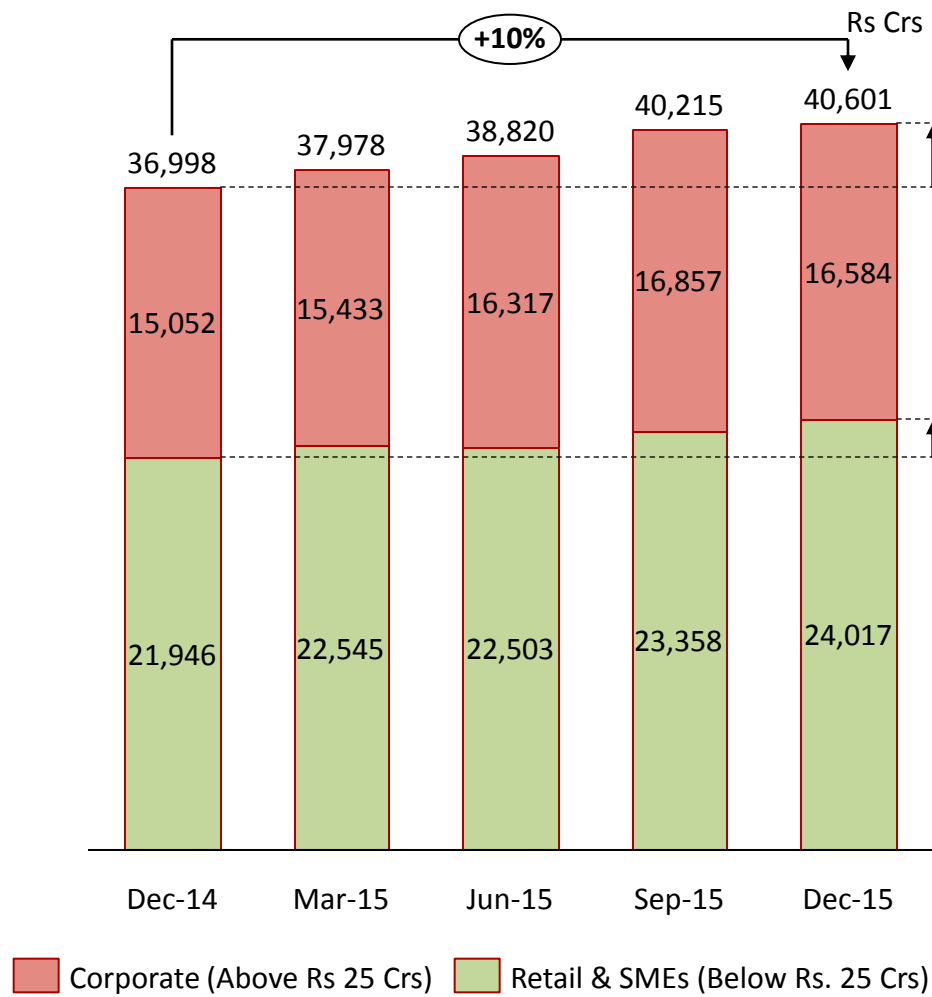
CASA



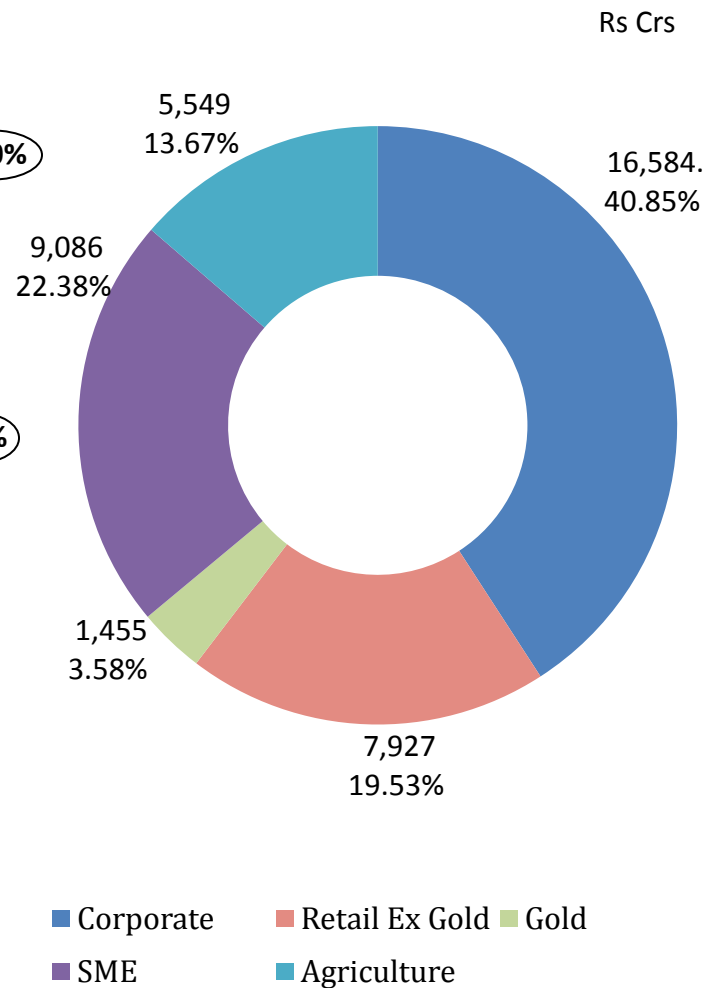
As on March 2015 : 71% of Liabilities will be re-priced within 1 year

Composition of Loan Book

Total Advances

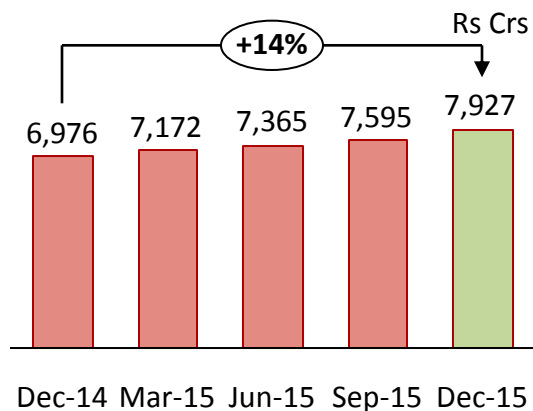


Segment wise Break Up

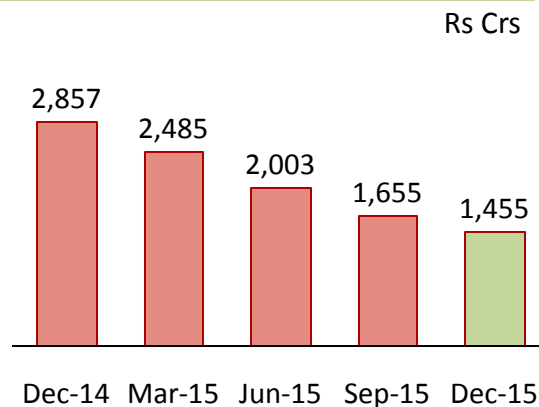


Key Focus : Retail, SME & Agriculture

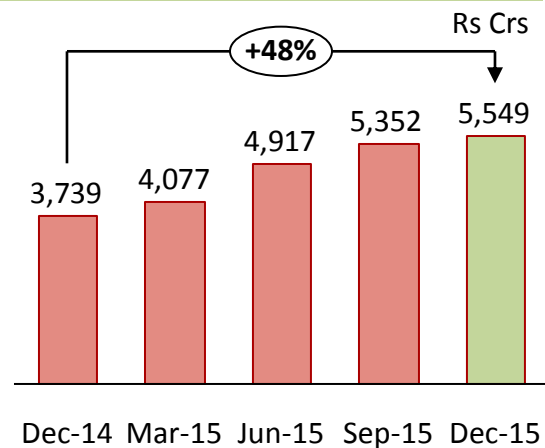
Retail excluding Gold



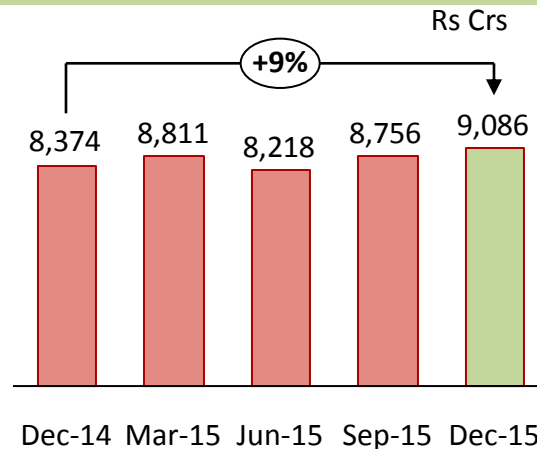
Gold (Average LTV – 65%)



Agriculture



SME

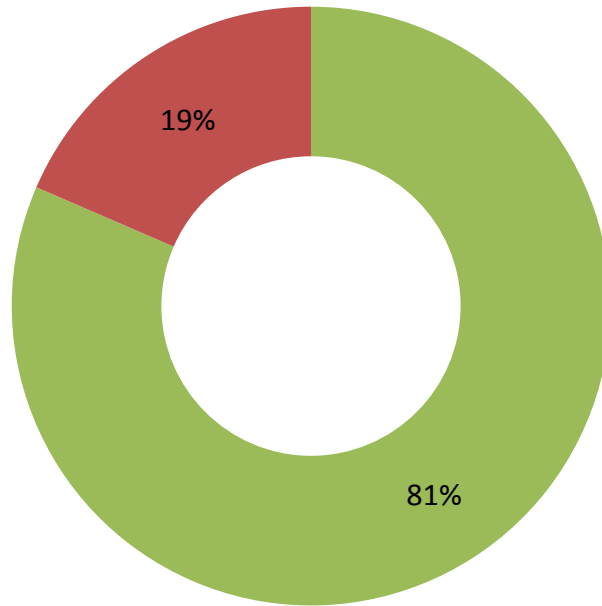


Retail Loans (Excl. Gold), Agriculture & SME has grown by 18%

~15% of the Agriculture & SME Loans are backed by Additional Security by way of GOLD

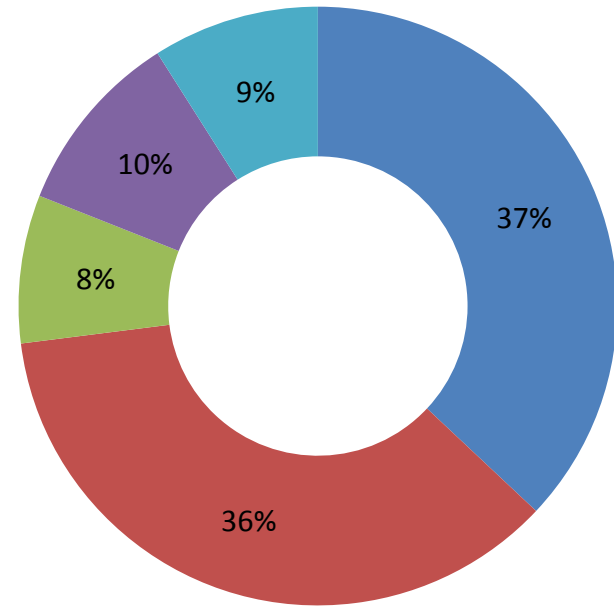
81% of Lending to Investment Grade

Rating wise distribution of Standard Advances



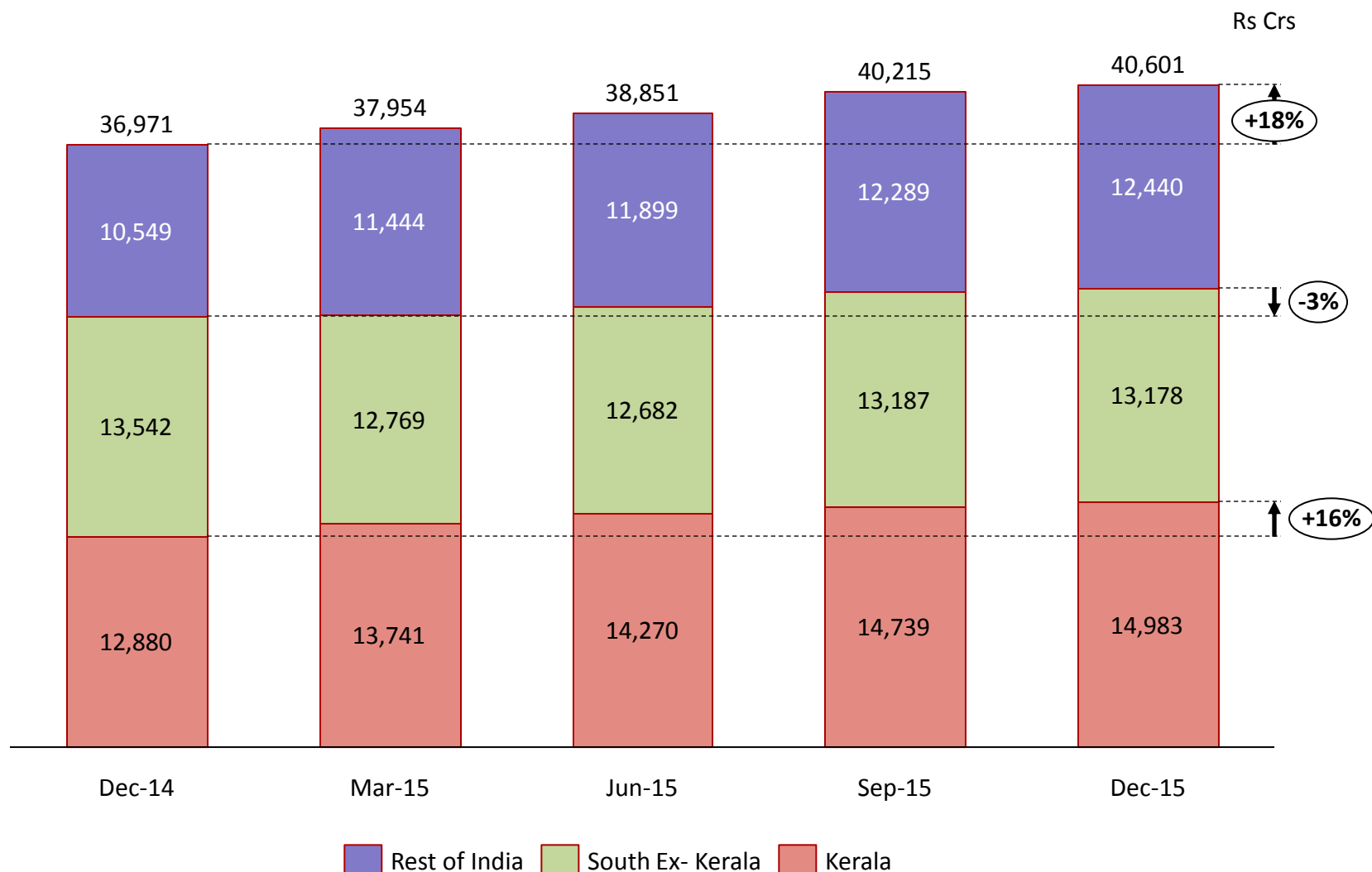
■ Investment Grade ■ High Yield

Investment Grade – Rating wise Break Up



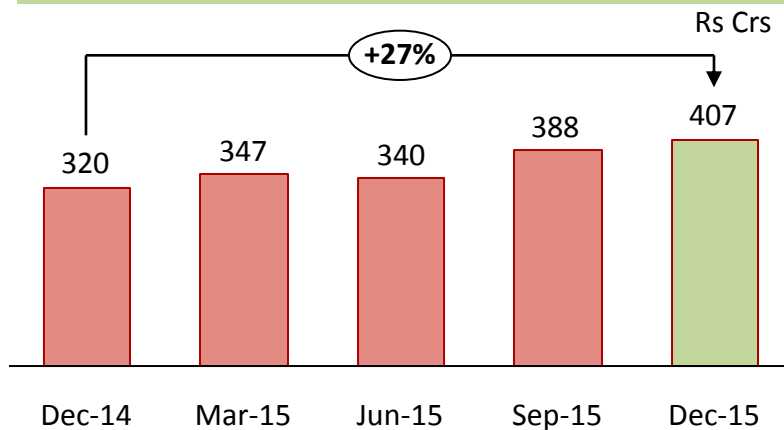
■ SIB-AAA/AA ■ SIB-A ■ SIB-BBB
■ SIBB<BBB ■ Unrated

Advances growing across Regions

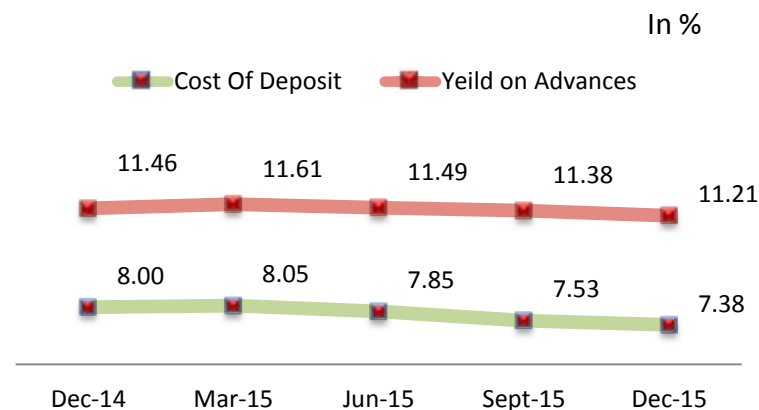


Net Interest Income - Quarter

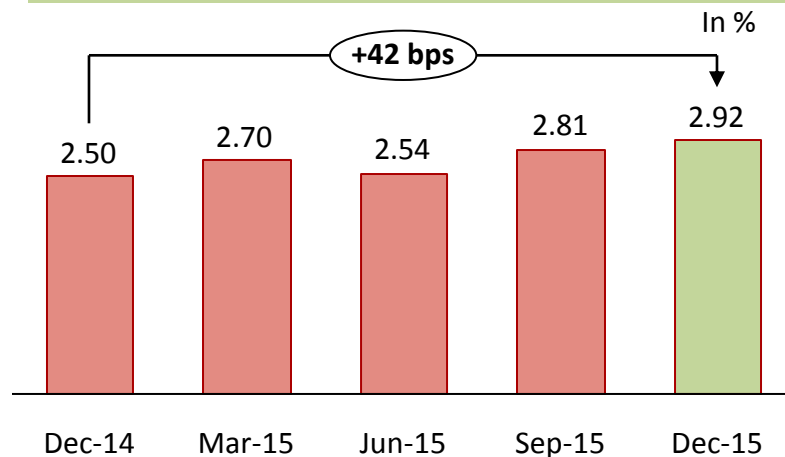
Net Interest Income



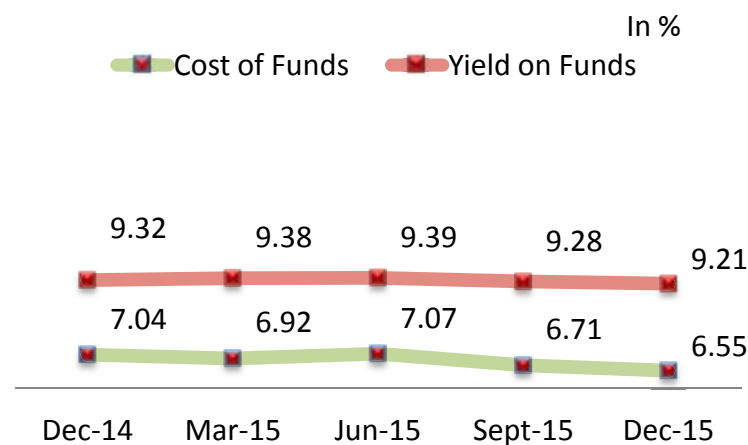
Cost of Deposits & Yield on Advances



Net Interest Margin

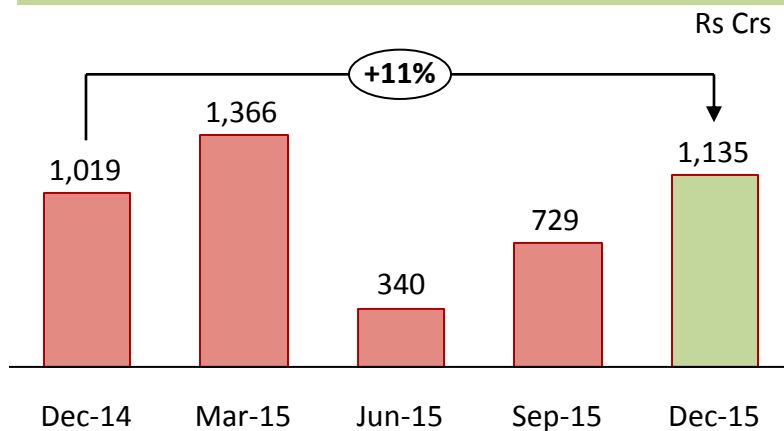


Cost of Funds & Yield on Funds

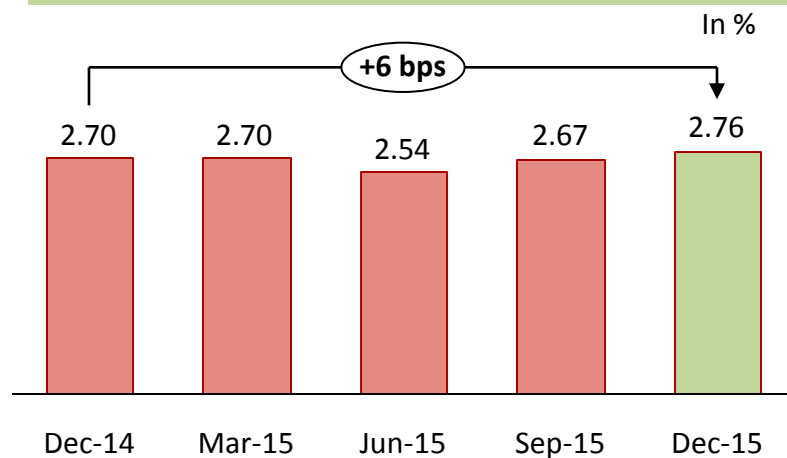


Net Interest Income - Cumulative

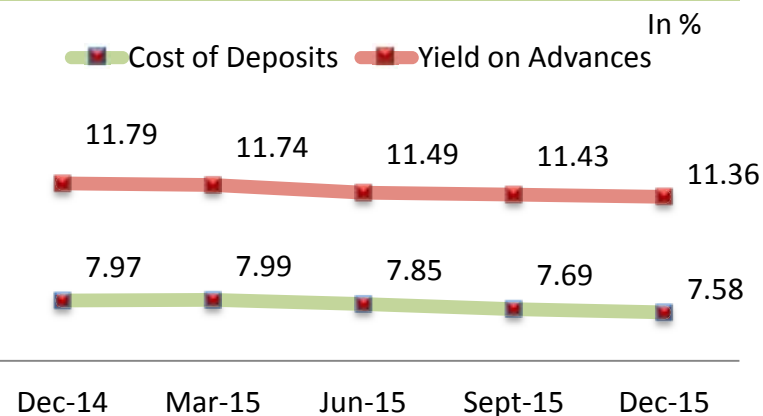
Net Interest Income



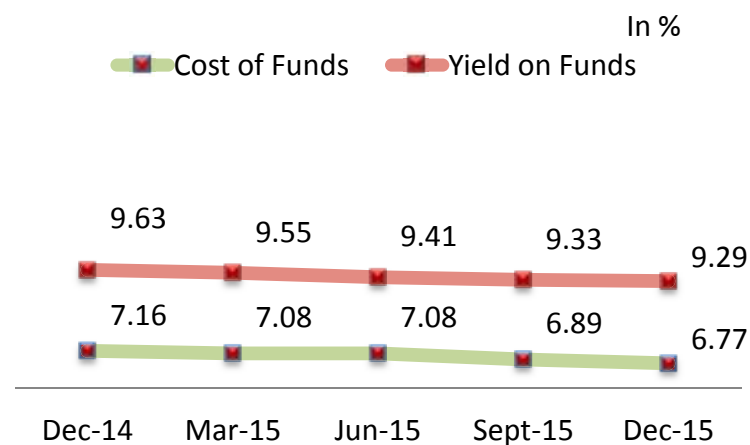
Net Interest Margin



Cost of Deposits & Yield on Advances

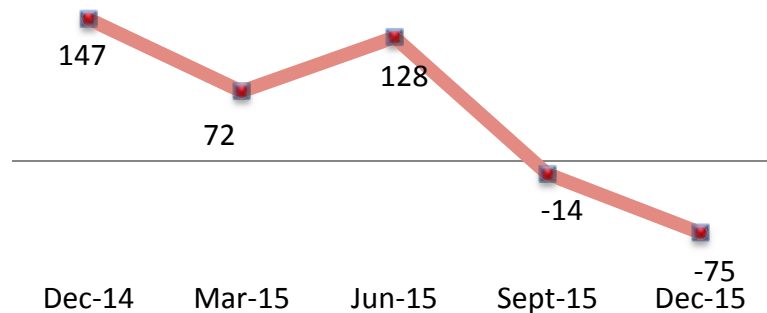


Cost of Funds & Yield on Funds

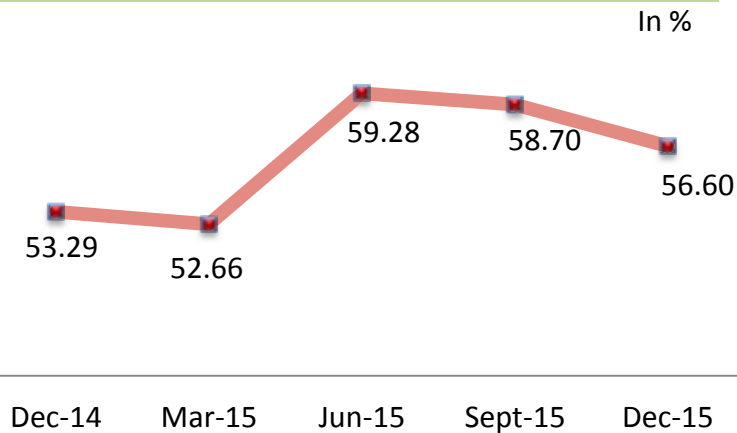


Operating Efficiency

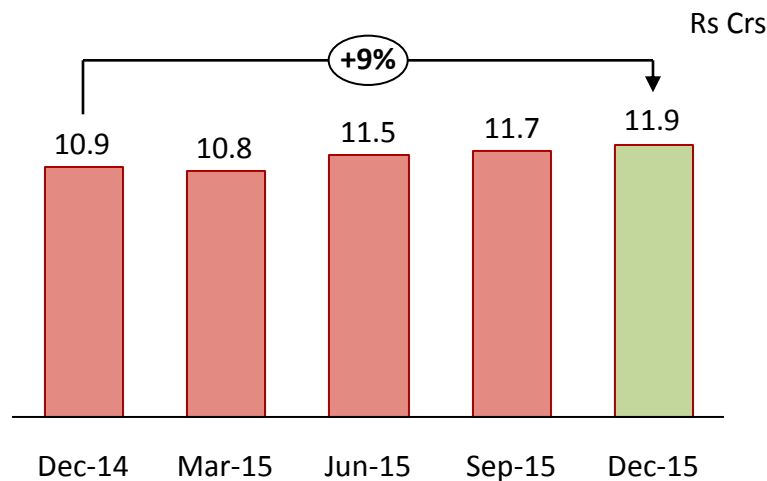
Employee Additions



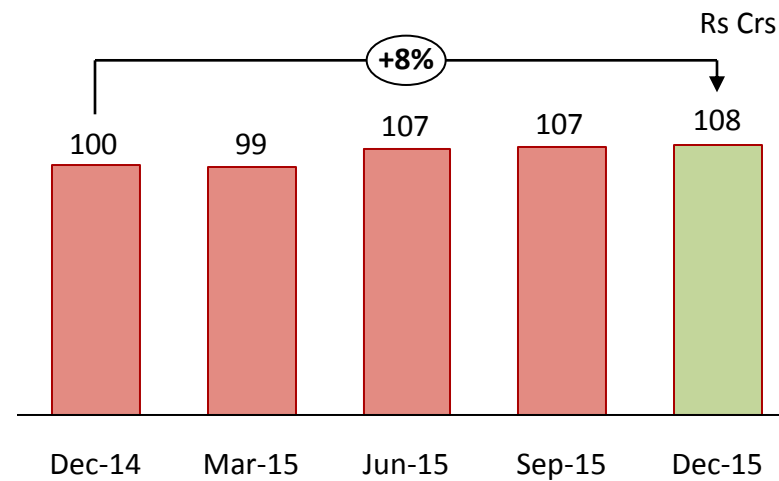
C/I Ratio



Business per Employee

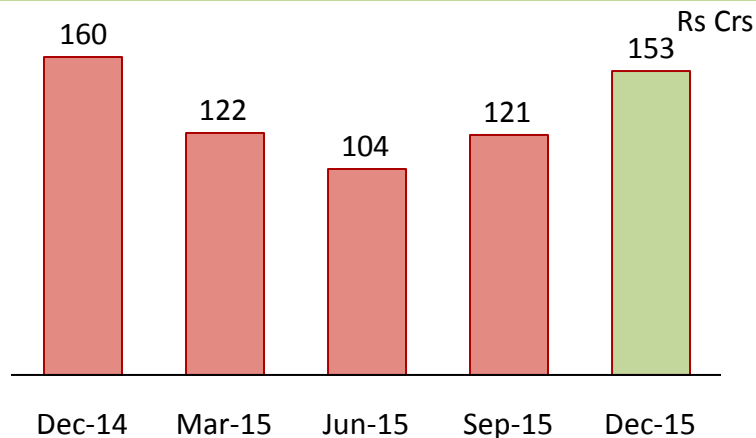


Business per Branch

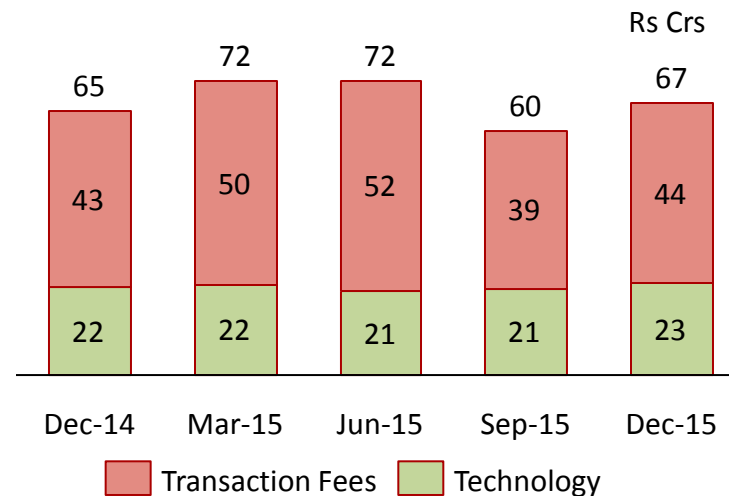


Sustainable Other Income

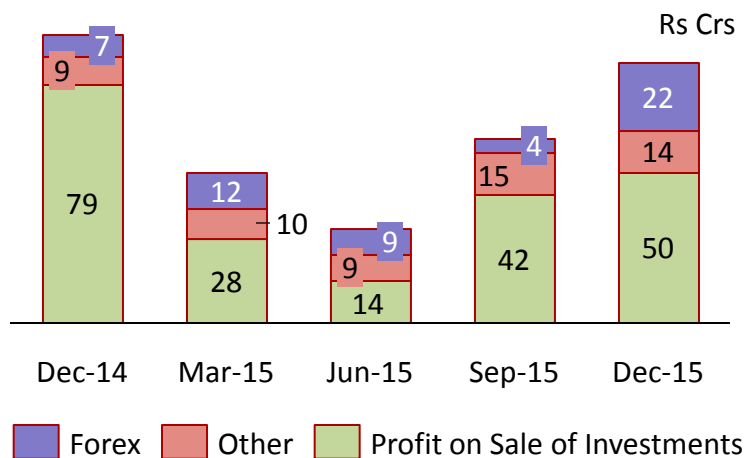
Total Other Income led by ...



...Sustainable : Transaction Fees + Technology



Profit on Sale of Investments, Forex & Others



Investment Book as on Dec-15

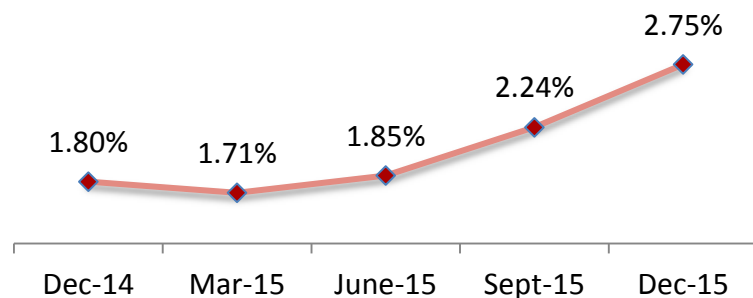
Details	Rs. Crs	M Duration
HTM	11,367	5.28
AFS	1,859	4.10
HFT	173	6.07
Total	13,399	5.15

Break Up of Provisions

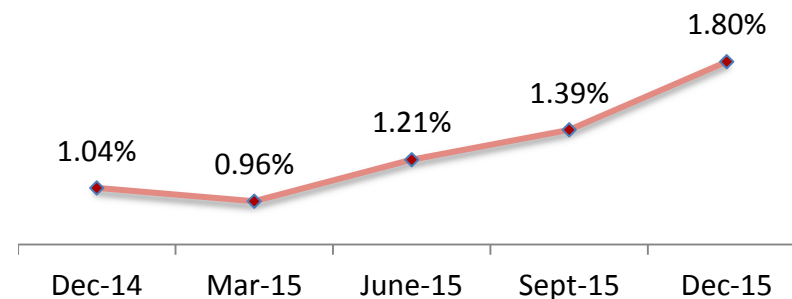
Rs Crs	Q3- FY 16	Q3- FY 15	Q2-FY16
For NPA & NPI	83.85	51.35	89.13
For Depreciation on Investments	12.21	(3.46)	(3.23)
For Standard Assets	10.85	3.69	16.3
For Restructured Advances/Sacrifices & FITL	(1.69)	30.39	(37.89)
For Unhedged Forex Exposure	(1.23)	3.54	(2.05)
Others	2.39	0.45	5.21
Taxes	55.05	45.53	52.18
Total Provisions	161.43	131.49	119.65

Non Performing Assets

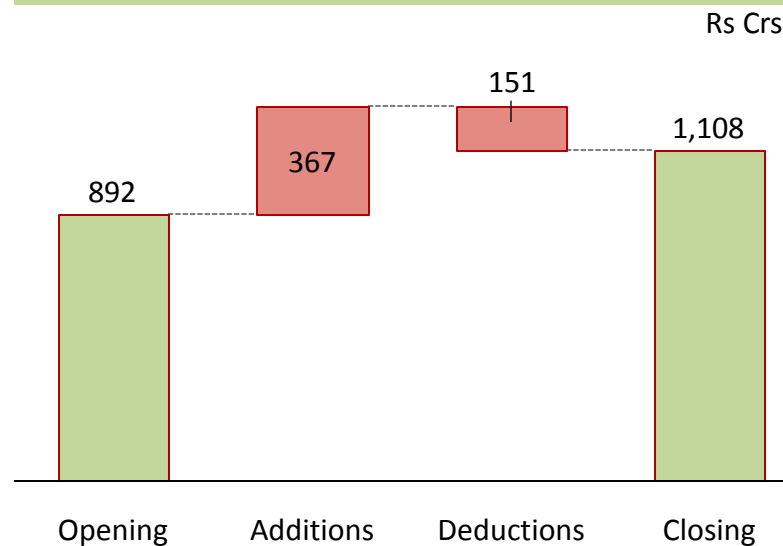
Gross NPA



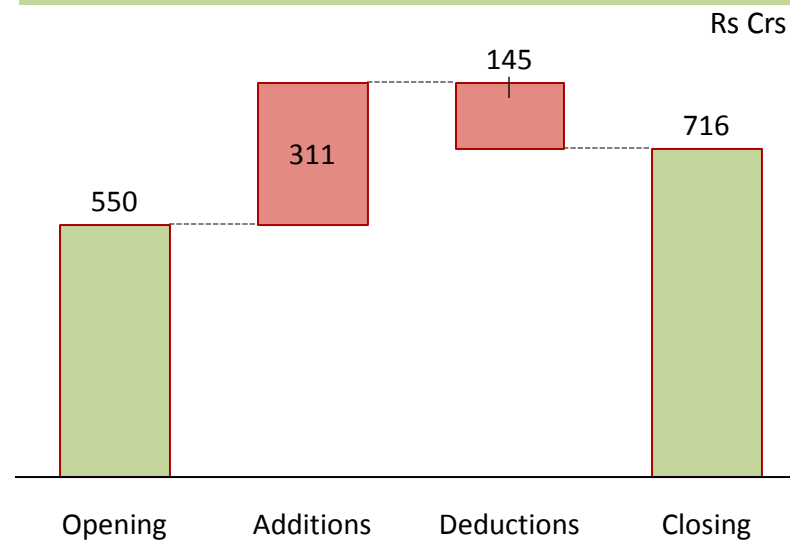
Net NPA



Gross NPA movement in Q3FY16

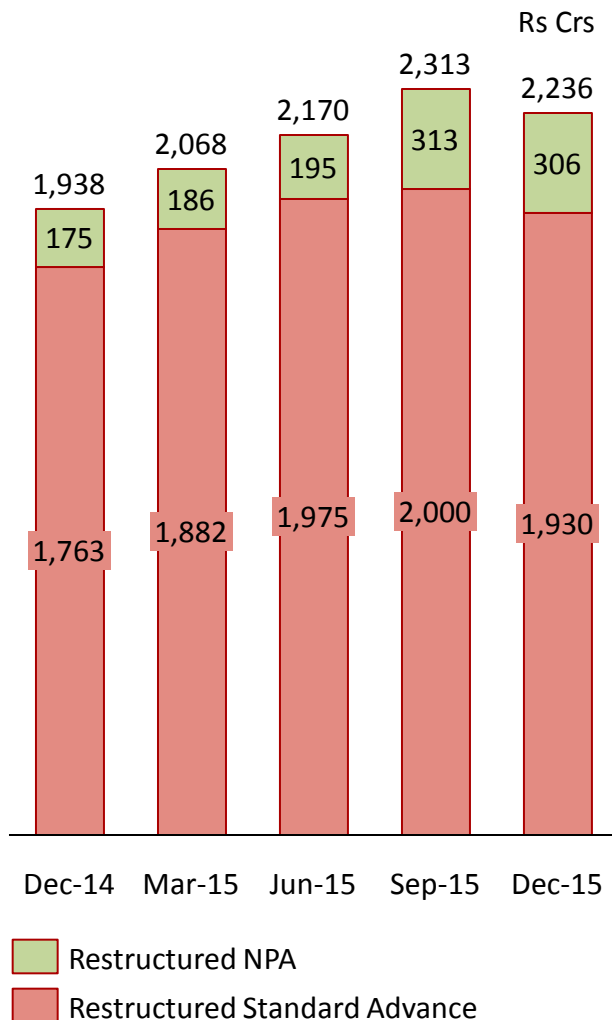


Net NPA movement in Q3FY16

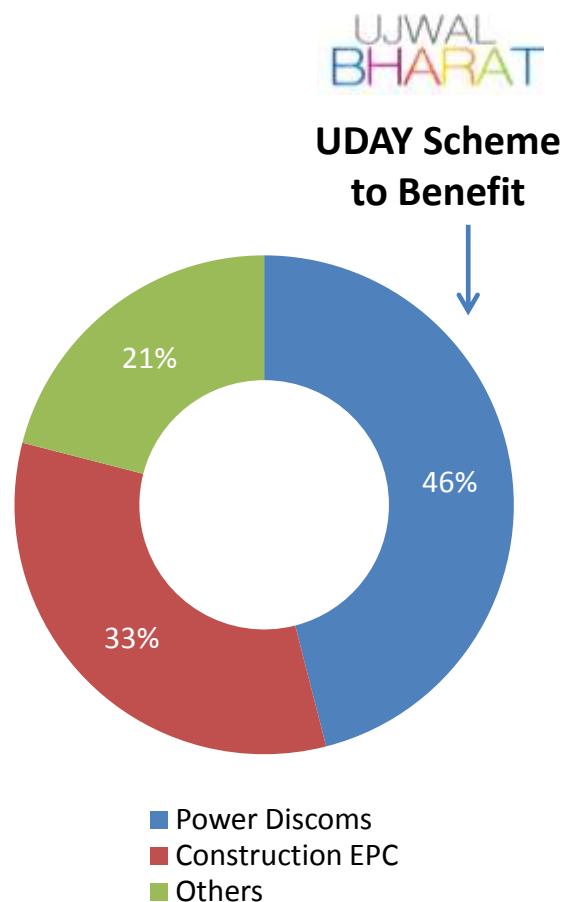


Restructured Advances Breakup

Restructured Assets Break-up



Sector Standard Restructure – Q3FY16

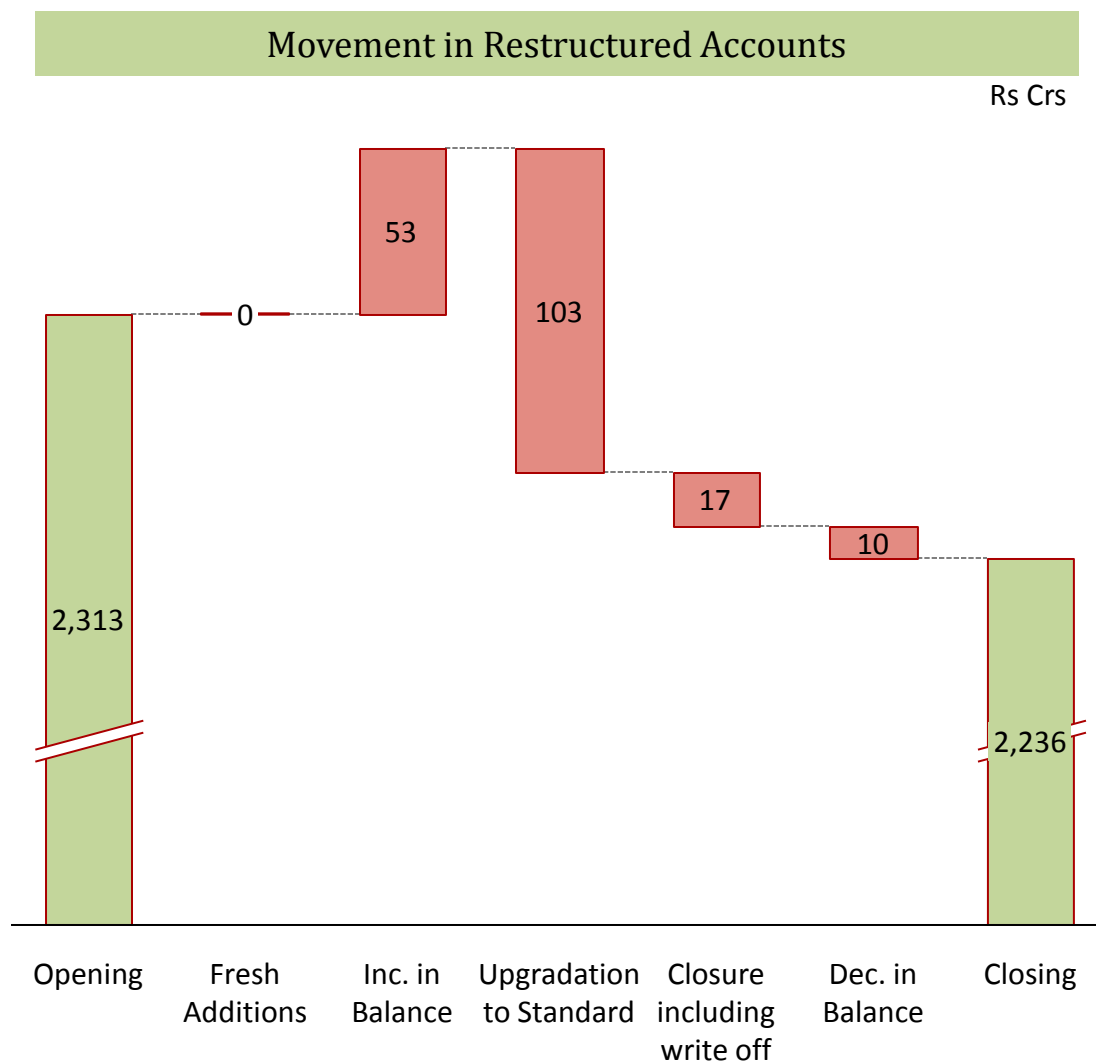


Government's Uday Scheme targeted towards power Discoms will immensely benefit SIB

Scheme aims to provide a permanent resolution to Discom issues

*Other includes IT, Bullion, etc.

Movement in Restructured Accounts

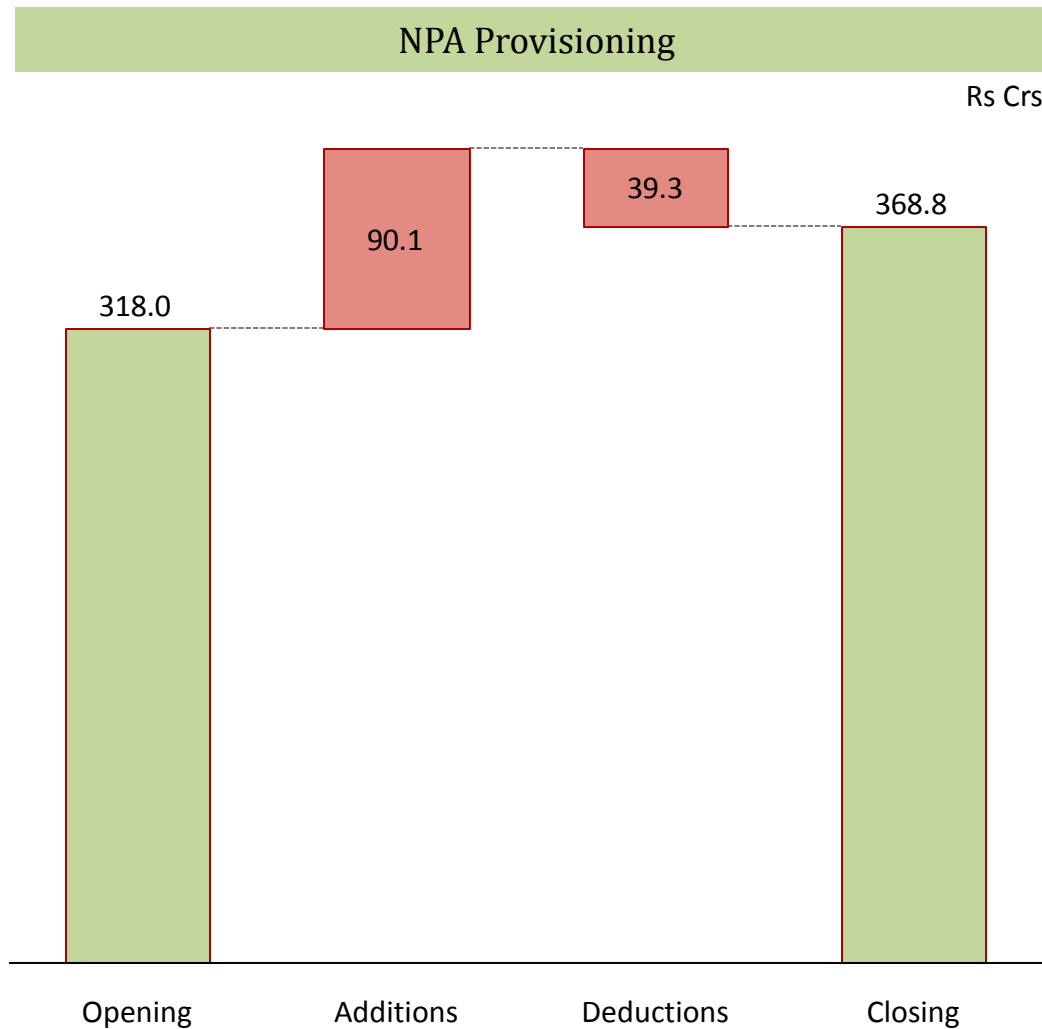


Shift of focus from
Large Corporate
to
SMEs

Defocusing from
Power & Infra Sectors

Special Recovery Cell
&
Asset Monitoring Cell

Adequate Provisioning

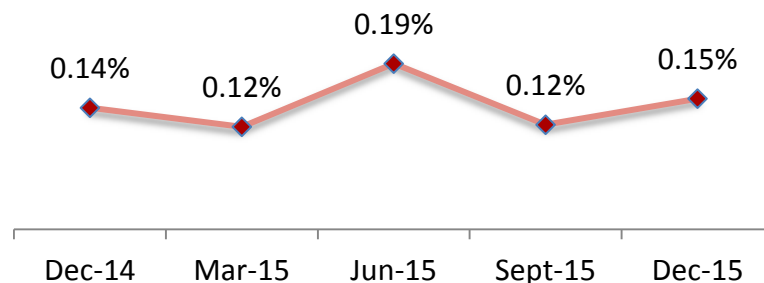


Provisioning
Coverage Ratio
50.29%

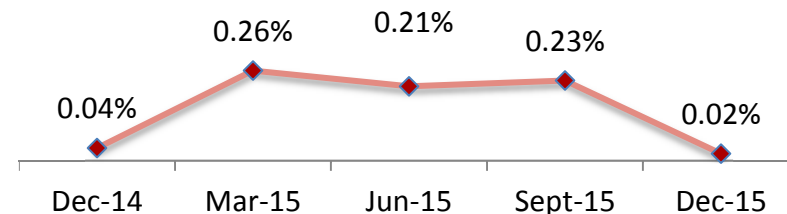
Advances in the Initial
quarters as NPAs :
Requiring
Less Provisioning

Fresh Slippages/Advance Ratios

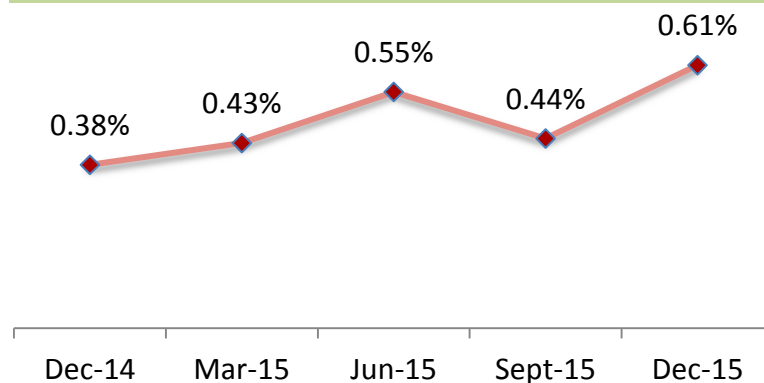
Retail Slippage



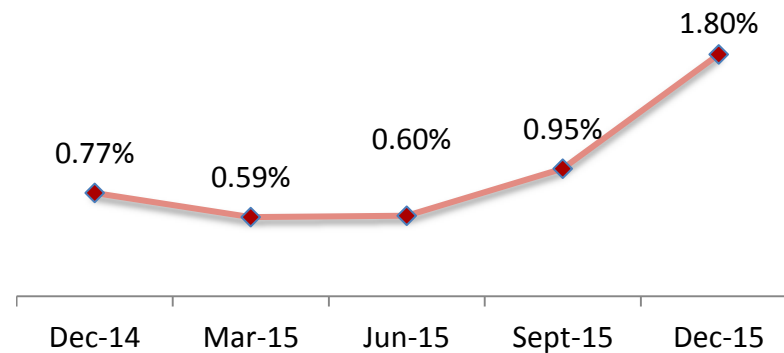
Agriculture Slippage



SME Slippage

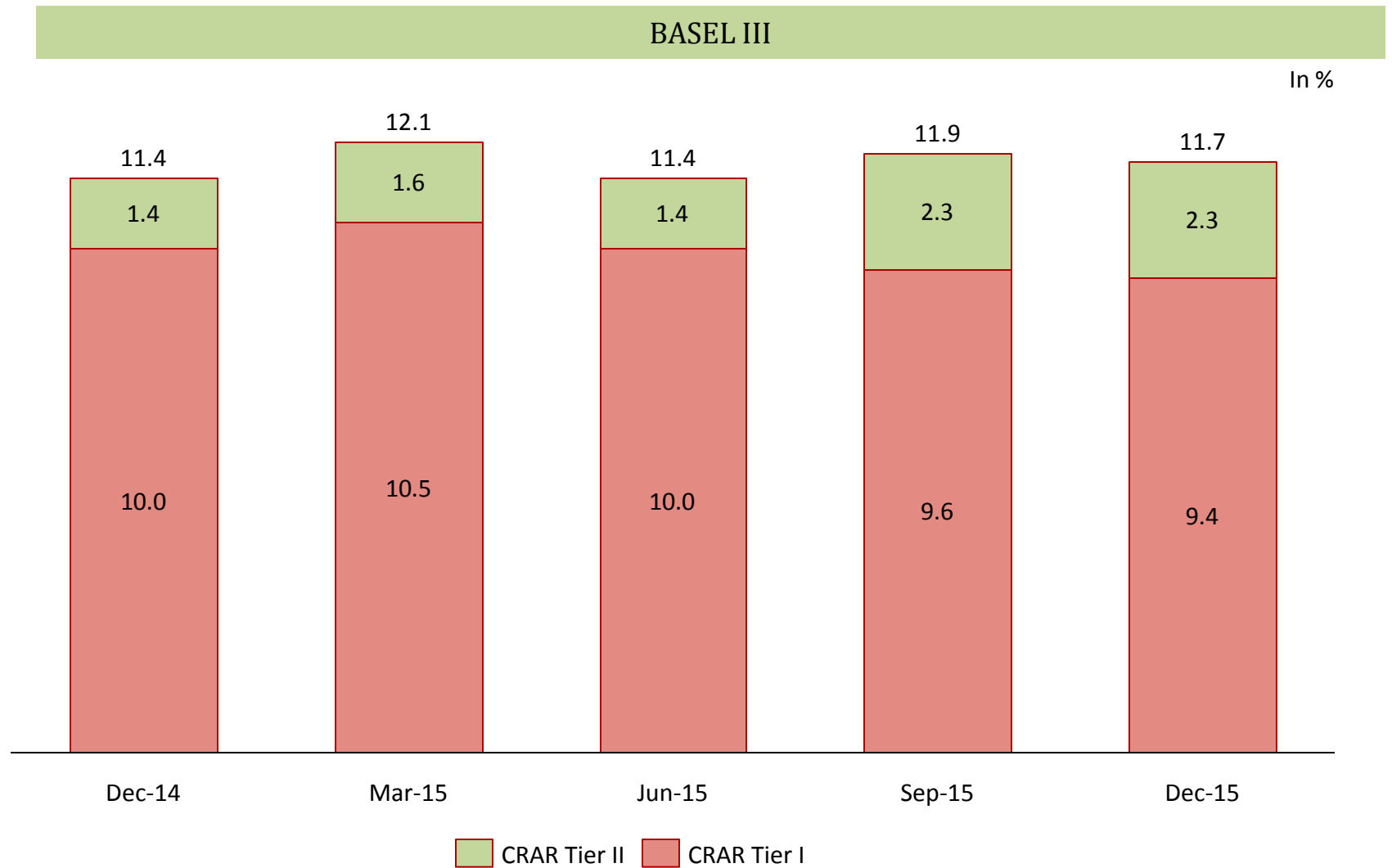


Corporate Slippage



Fresh Slippage / Advances ratio is extremely low across Retail, SME & Agriculture

Well Capitalized to support Growth



Key Performance Highlights- Q3 FY16

Rs Crs	Q3 - FY 16	Q3 - FY 15	YOY
Net Interest Income	406.72	319.91	27.14%
Other Income	153.32	160.34	-4.38%
Profit After Tax	101.63	87.93	15.58%
Advances	40,601	3,6998	9.74%
Deposits	53,441	4,8459	10.28%
GNPA	1,108.01	661.27	67.56%
NNPA	715.98	379.56	88.63%
NIM	2.92%	2.50%	42bps
CASA	23.03%	21.51%	152bps

Balance Sheet Overview- Q3 FY16

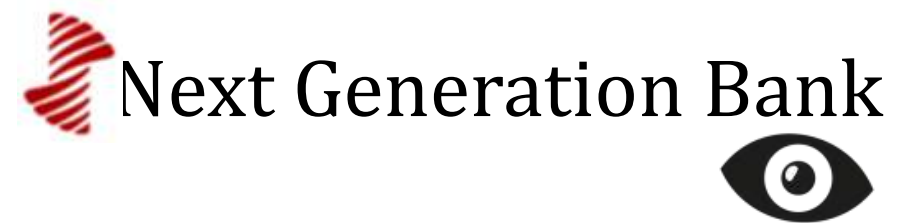
Rs Crs	Q3-FY 16	Q3-FY 15	Y-o-Y (%)	Q2-FY16	Q-o-Q (%)
Capital & Liabilities	60,269	55,577	8.44%	60,127	0.24%
Capital	135	135	0.00%	135	0.01%
Reserves and Surplus	3,715	3,524	5.41%	3,613	2.82%
Deposits	53,441	48,459	10.28%	53,036	0.76%
Borrowings	1,665	2,209	-24.61%	2,171	-23.30%
Other Liabilities & Provisions	1,312	1,251	4.93%	1,172	11.98%
Assets	60,269	55,577	8.44%	60,127	0.24%
Cash & Balances with RBI	2,367	2,102	12.60%	2,365	0.08%
Balances with Banks	249	1037	-76.03%	667	-62.72%
Investments	13,259	12,337	7.47%	13,174	0.65%
Advances	39,909	36,394	9.66%	39,556	0.89%
Fixed Assets	485	465	4.42%	481	0.92%
Other Assets	4,000	3,242	23.36%	3,884	2.98%
Business (Advances + Deposits)	93,350	84,853	10.01%	92,592	0.82%
Current Accounts	2,130	1,826	16.65%	2,157	-1.25%
Savings Accounts	10,177	8,598	18.36%	9,915	2.64%
CASA Ratio	23.03%	21.51%	152bps	22.76%	(27bps)

Profit & Loss Overview- Q3 FY16

Rs Crs	Q3-FY 16	Q3-FY 15	Y-o-Y (%)	Q2-FY16	Q-o-Q (%)
Net Interest Income	406.72	319.92	27.13%	388	4.82%
Other Income	153.32	160.34	-4.38%	121	26.71%
Total Income	560.04	480.26	16.61%	509	10.03%
Operating Expenses	296.97	260.84	13.85%	297	-0.01%
Operating Profit	263.07	219.42	19.89%	213	23.51%
Provisions (Ex-Tax) & Contingencies	106.39	85.97	23.75%	67	58.79%
Profit Before Tax	156.68	133.45	17.41%	145	8.06%
Provision for Tax	55.05	45.52	20.94%	52	5.87%
Exceptional Items	-	-	-	-	-
Profit After Tax	101.63	87.93	15.58%	93	9.28%

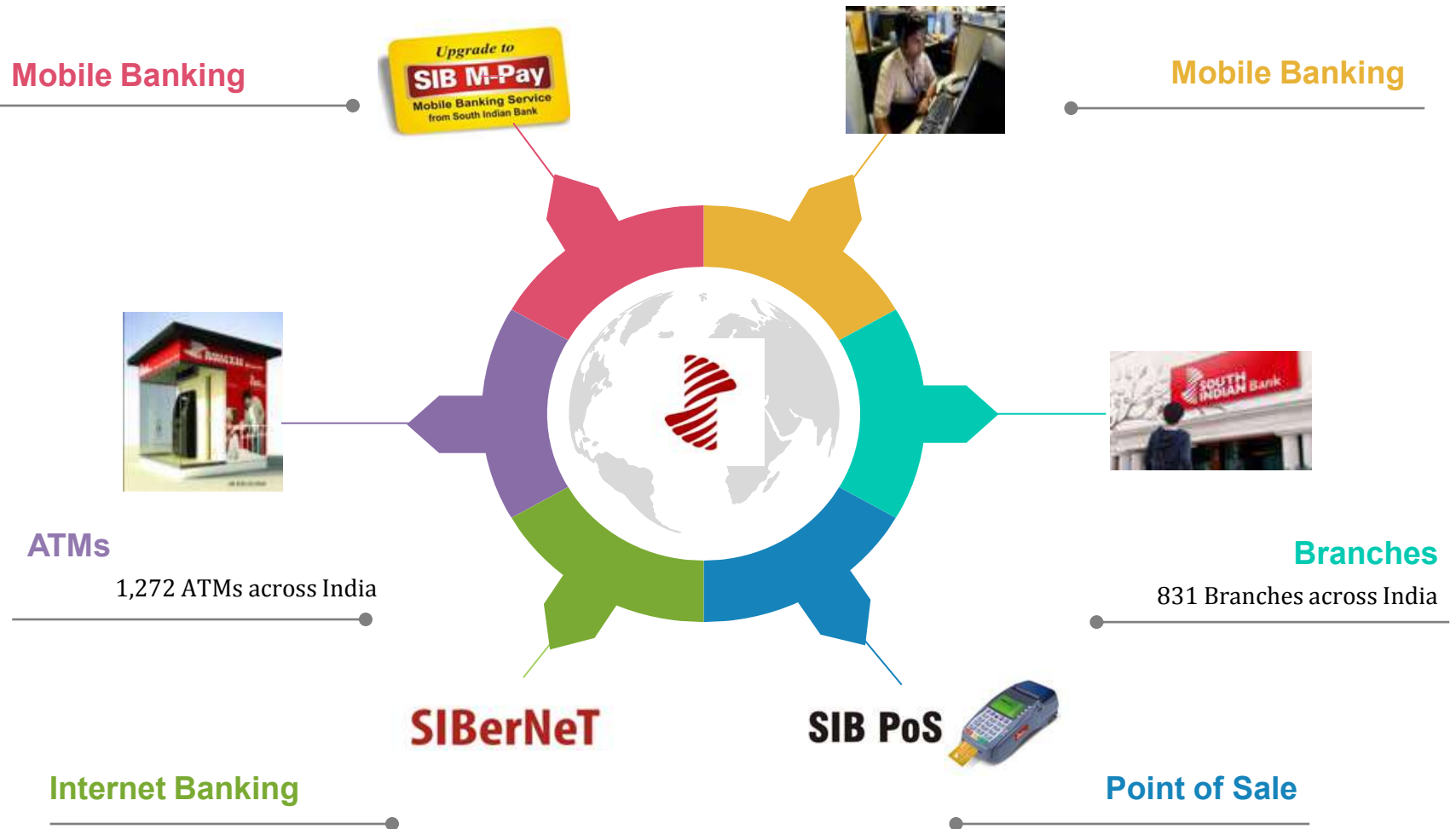
Key Metrics- Quarterly

Particulars	FY15				FY16		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Interest Margin (NIM)	2.7%	2.9%	2.5%	2.7%	2.5%	2.8%	2.9%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%	11.7%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%	0.7%
Provision Coverage	62.5%	62.9%	60.4%	61.0%	56.1%	55.3%	50.3%
CASA	22.1%	22.1%	21.5%	20.6%	22.3%	22.8%	23.0%
Gross NPA	1.5%	1.6%	1.8%	1.7%	1.9%	2.2%	2.8%
Net NPA	0.9%	0.9%	1.0%	1.0%	1.2%	1.4%	1.8%
Book Value per Share (Rs.)	25.88	26.47	27.10	26.59	27.07	27.76	28.51
Earnings per Share (Rs.) (Annualized)	3.78	3.01	2.87	2.28	1.93	2.34	2.56
Branches							
- Kerala	439	440	441	444	447	447	447
- South India (Ex-Kerala)	230	232	233	239	242	244	244
- Rest of India	132	133	136	139	139	140	140
Total Branches	801	805	810	822	828	831	831
ATMs							
- Kerala	565	587	607	651	670	682	688
- South India (Ex-Kerala)	297	313	325	365	378	380	384
- Rest of India	156	163	176	184	196	198	200
Total ATMs	1,018	1,063	1,108	1,200	1,244	1,260	1,272



Present across Customer Touch Points

Traditional & Alternate Channels



Technology Initiatives



SIB Mirror is a mobile-led platform with instant account access, balance retrieval, immediate fund transfers, all account intimations, and much more

SIB-er Net is a suite of comprehensive internet banking services positioning SIB as a technology-driven bank offering superior services to retail customers



Retail branches now interconnected with single-window service and providing real-time online, real-time transactions to customers

SIB offers Visa, MasterCard, and RuPay debit cards with online access to users for secure domestic and international transactions

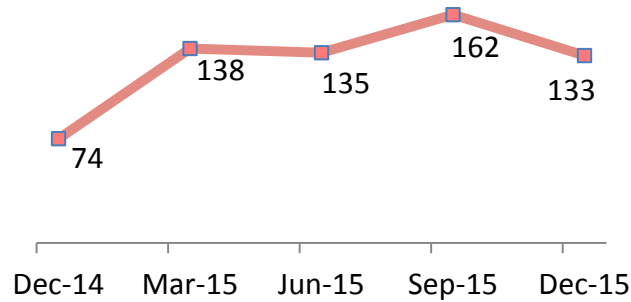


Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

Personal Banking: Technology Banking

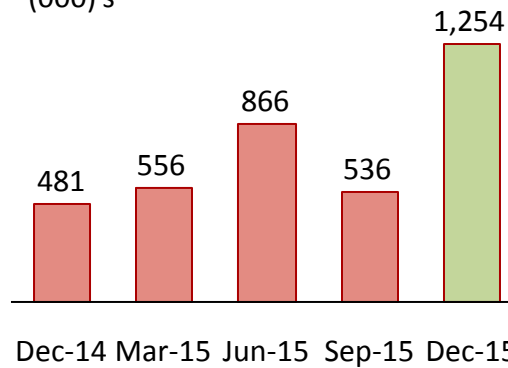
Active Internet Users

(000)'s



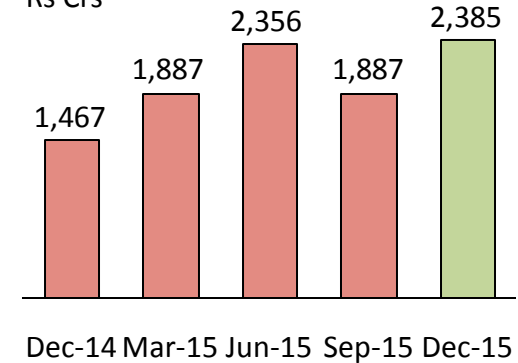
Internet Transaction Volume

(000)'s



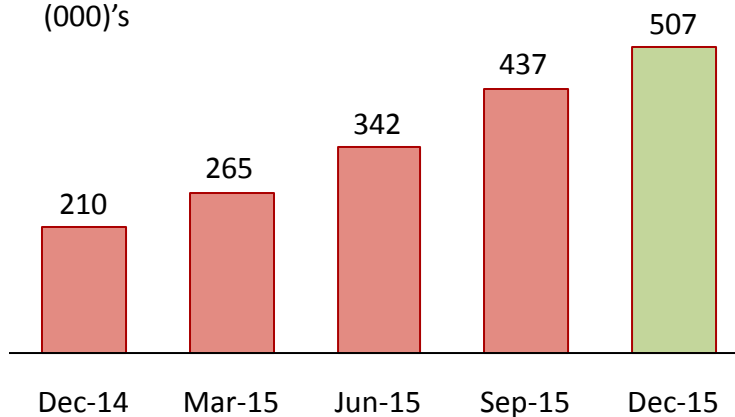
Internet Transaction Value

Rs Crs



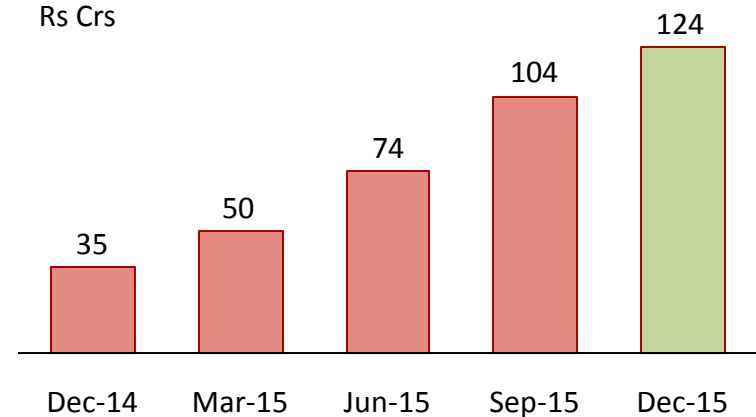
Mobile Transaction Volume

(000)'s



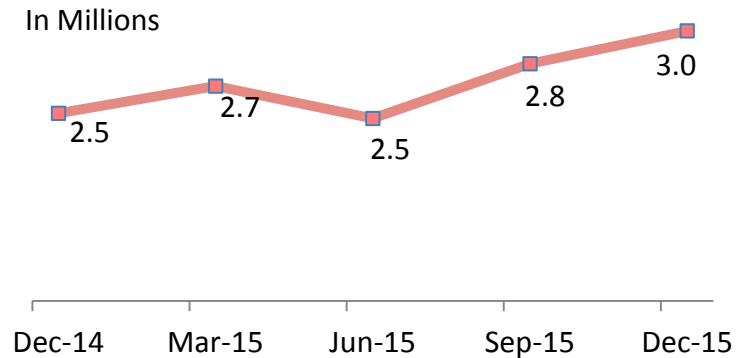
Mobile Transaction Value

Rs Crs

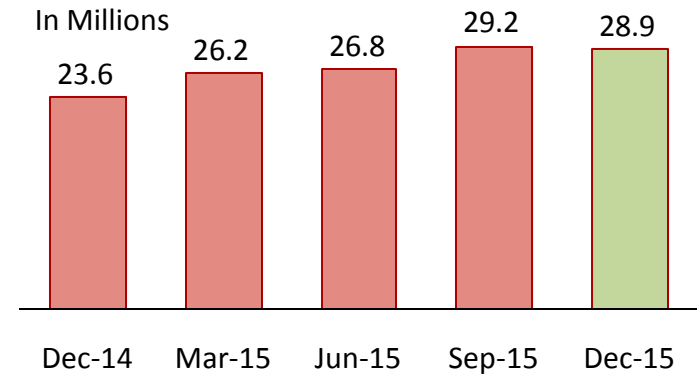


Personal Banking: Debit Cards

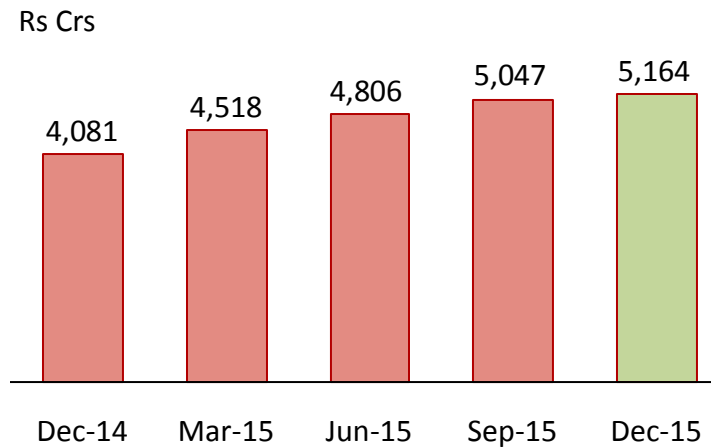
of Active Debit Cards



Debit Card Transaction Volumes



Debit Card Transaction Value





An Inflection Point



Way Forward



Expand Retail Business

- Focus on retail loan products
- Efficient branches for faster processing of loans
- Continuous training of work force
- Invest in Brand Building

Strengthen SME Base

- Cluster based approach in industry hubs
- Sole Banker to SMEs for all banking needs
- Dedicated vertical to penetrate SME banking

Improve CASA

- Strategy & Road map in place to increase CASA funds
- Centralized processes allowing branches to focus on garnering low cost funds

Enhance Asset Quality

- Granulize loan portfolio to spread out risk
- Cautious approach on large corporate lending
- Special recovery cell for monitoring non performing and restructured assets

Improve share of other Income

- Focus on increasing banking services for SME, Retail & NRI clients
- Enhance treasury capabilities & increase bench strength
- Expand PoS & ATM Network



Awards & Recognitions



Awards & Recognition

SIB wins 'Best Private Sector Bank' in the ABP News BFSI Awards 2015



SIB wins 'Best IT Team Award'
Banking Technology Excellence Award



SIB wins Banking Frontiers Inspiring Work
Places Award



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