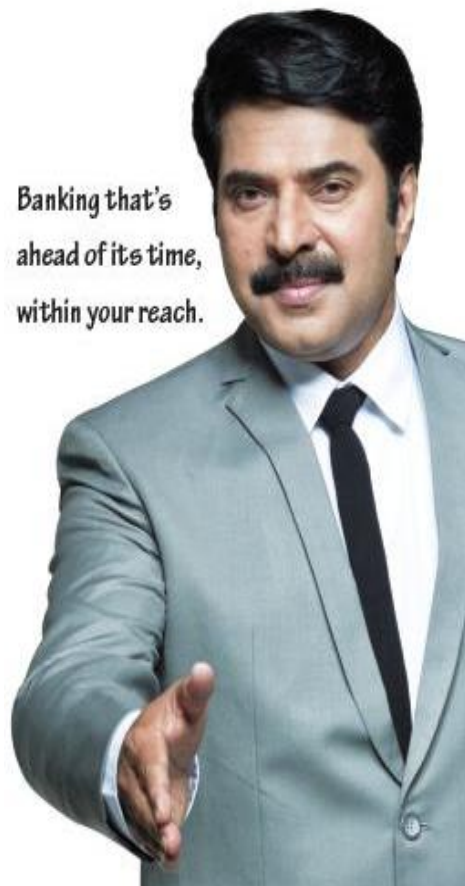




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Banking that's
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Investor Presentation January - 2017

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Q3 FY17 Highlights



Business Strategy



Performance Matrix



Next Generation Bank



An Inflection Point



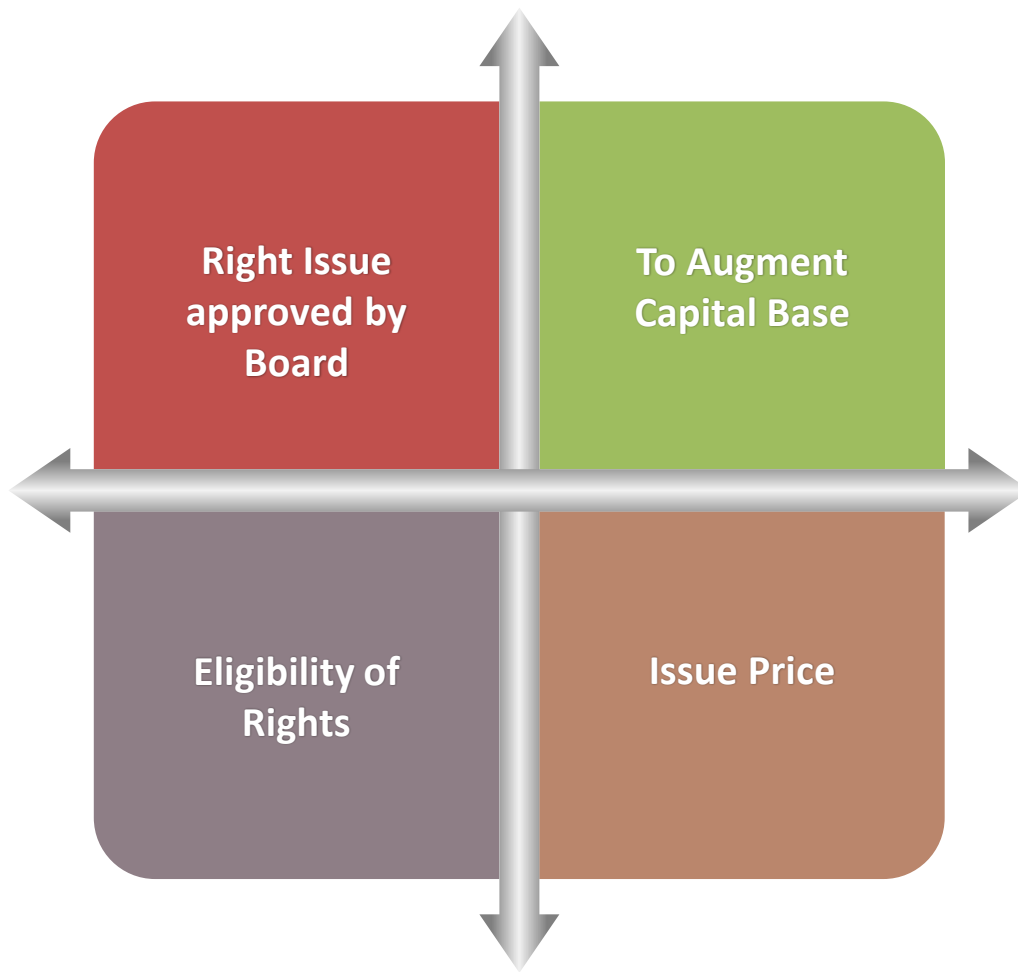
About Us



Q3 FY17 Highlights



Growth Capital in place



Rights Issue Approved

Board of Directors at their meeting on December 21, 2016 have approved issue of shares to the existing shareholders of the Bank on Rights basis

To Augment Capital Base

Purpose of Rights issue is to augment the capital base to support business expansion and meet Bank's future capital requirements

Issue Ratio

Rights issue to be in the ratio of 1:3 i.e one Equity shares for every three Equity shares held on the record date to be fixed later

Issue Price

The Rights Issue to be made at a price of Rs. 14/- per equity share including premium of Rs. 13/- per Equity share subject to necessary approvals

Key Performance Highlights- Q3 FY17

	Rs in Crores	Q3 FY17	Q3 FY16	Growth
	PPOP	377	263	43.3%
	Deposits	63,595	53,441	19.0%
	Advances	45,234	40,601	11.4%
	CASA	16,486	12,307	34.0%
	PAT	111.4	101.6	9.6%

UPI Integration – Ahead of the Curve



SIB M-Pay is one of the first Mobile Banking Applications to be powered with UPI Service

Recent Awards

South Indian Bank receives the FIEO Export Excellence Award 2014-15 in the Best Financial Institution Category (Southern Region) from Smt. Nirmala Sitharaman, Hon'ble Minister of State (Independent Charge) for Commerce & Industry, Govt of India





Business Strategy



Our Strategy...



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 branch strength
- Expand PoS & ATM Network

...Performance in Line with Strategy

Expand Retail, SME &
Agriculture Business

Rs. 25,962 Crs

(**INCREASE**
15% YoY)

Strengthen SME Base

Rs. 10,590 Crs

(**INCREASE**
17% YoY)

Improve CASA

Rs. 16,486 Crs

(**INCREASE**
34% YoY)

Enhance Asset Quality
(Restructured Book)

Rs. 1,295 Crs

(**DECREASE**
42% YoY)

Improve share of other
Income

Rs. 259 Crs

(**INCREASE**
69% YoY)

Shall continue to focus on Core Strengths



...Increase Retail & SME Business

01

Centralized
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

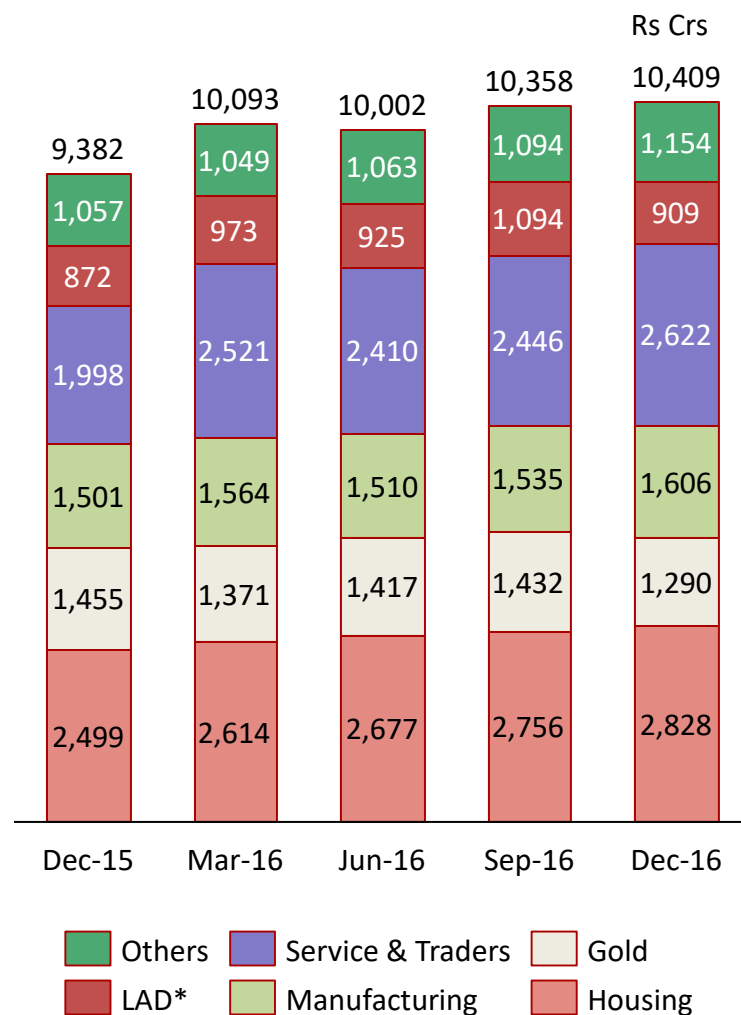


Branch Profitability

- Focus on particular geographies and open additional branches
- Improve Branch Profitability

...by focus on Housing Loans in Retail

Retail Breakup



Housing: Key Initiatives

- Retail hub in Kochi 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

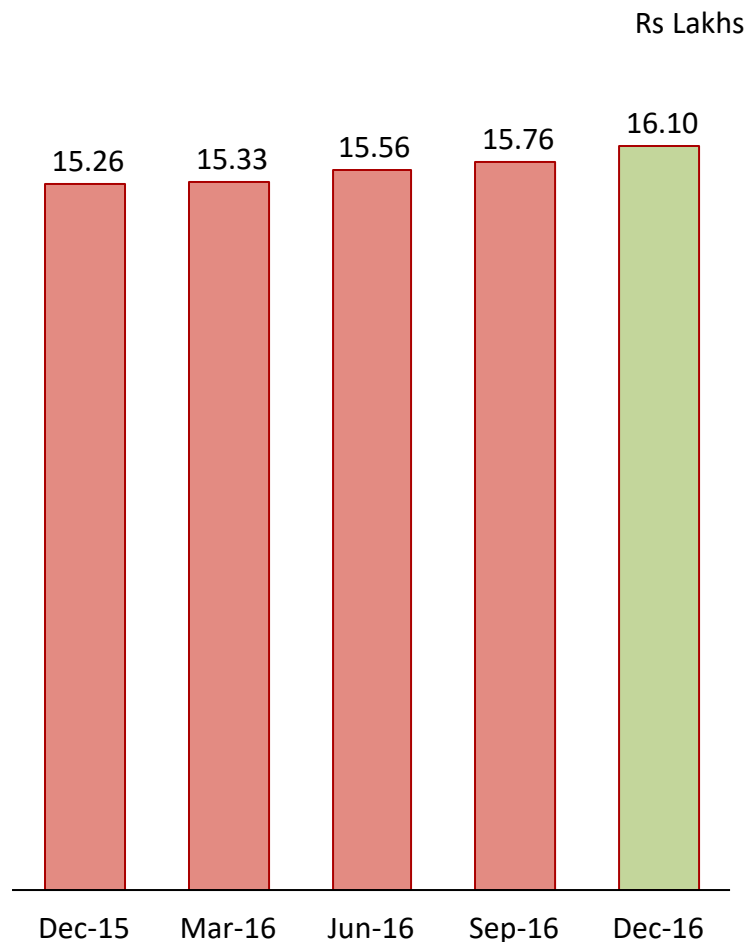
Oct to Dec 2016

- Housing Loans Sanctioned : 807 Nos.
- Amount of Housing Loans Sanctioned – 182 Crs

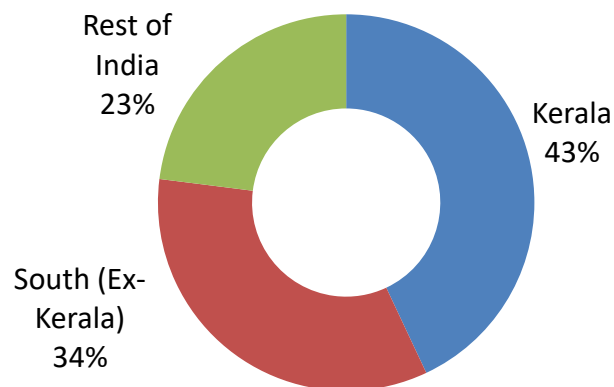
*LAD = Loan against deposits

...becoming a Banker of Choice to SMEs

Average SME Loan / Account



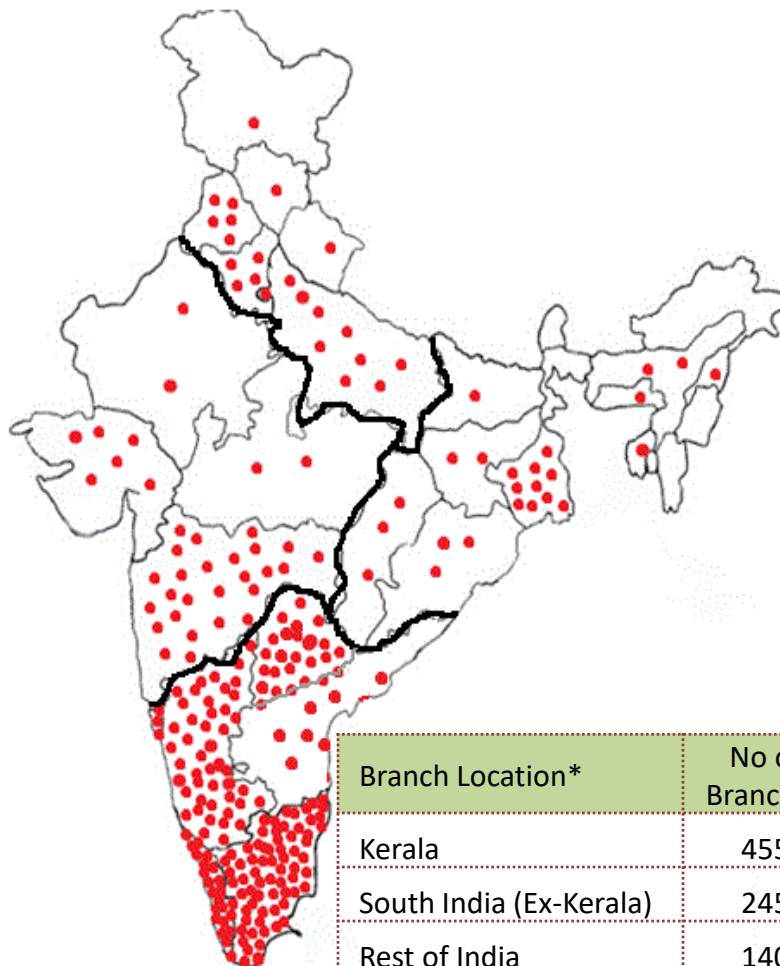
Loan Book by Geography – Q3 FY17



SME Highlights

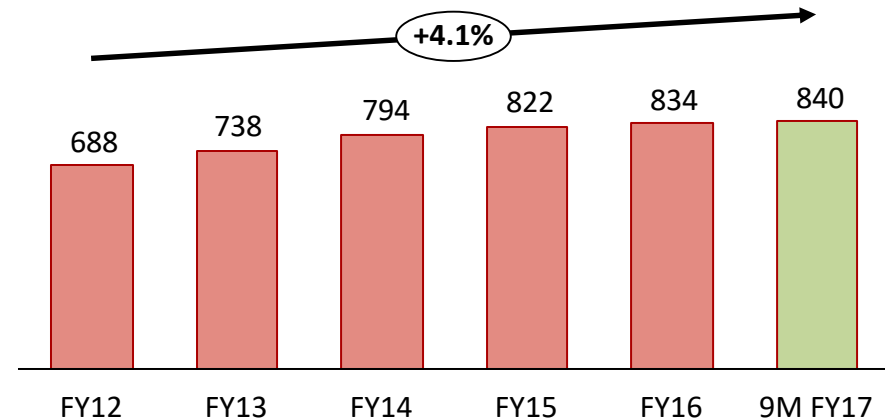
- Dedicated DGM appointed to ensure focus and better coordination with regions
- Focused 'Green Channel' branches to drive faster loan growth to SMEs
- Target to become banker of choice to SMEs thereby getting other business as well – liabilities, vehicle finance, etc.
- Ongoing training (in-house as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

...with the help of our Branch Network

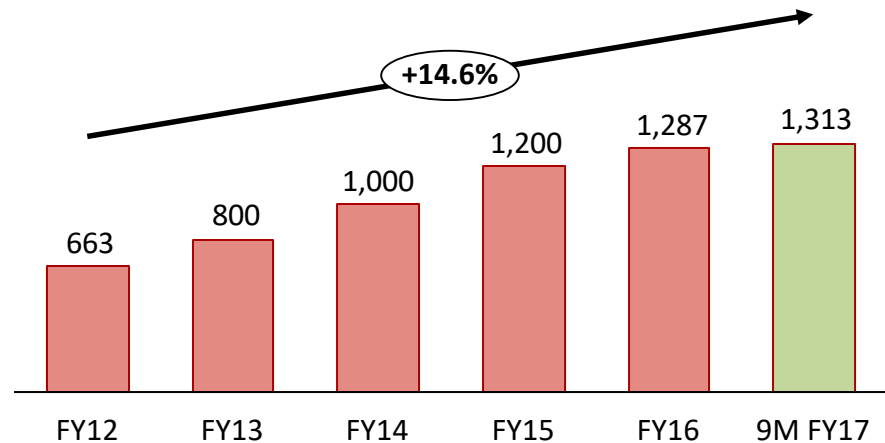


Branch Location*	No of Branches
Kerala	455
South India (Ex-Kerala)	245
Rest of India	140
Total	840

Total Branch Network



Total ATM Network

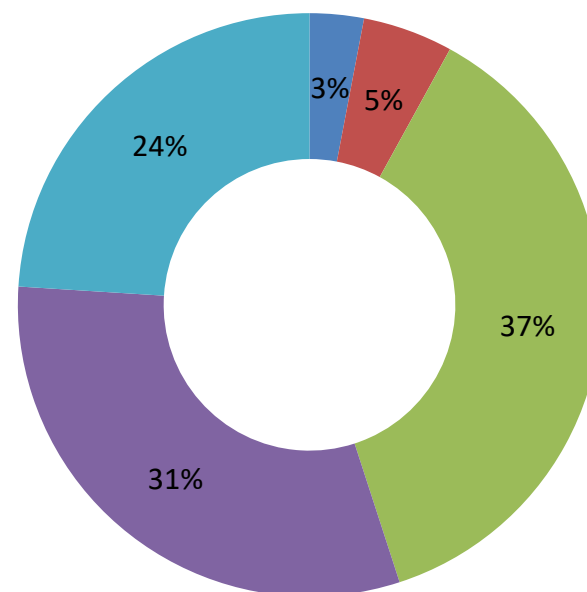
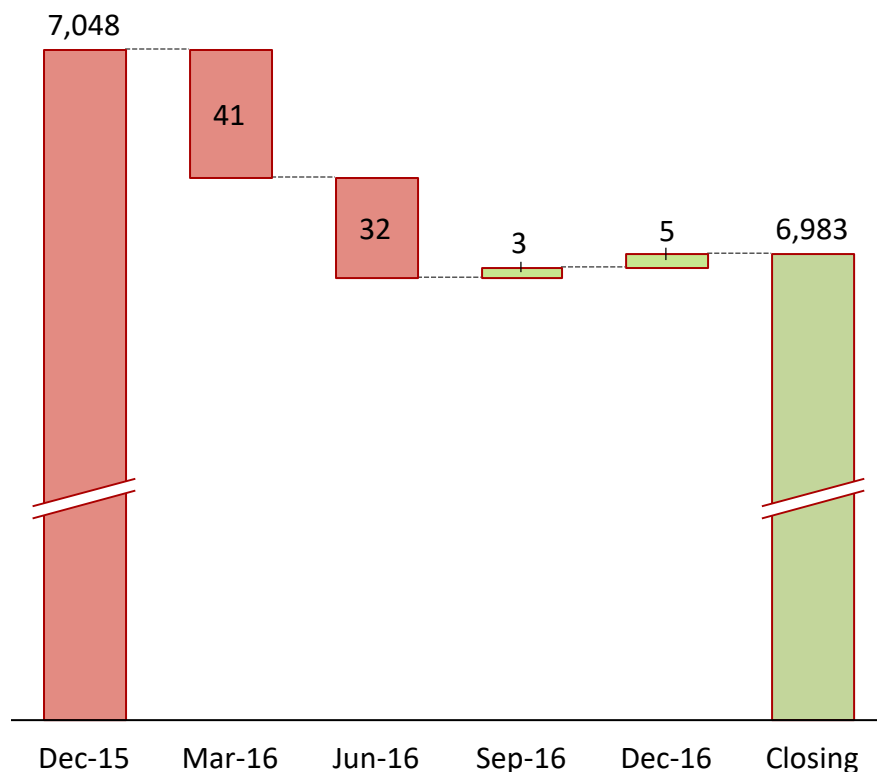


*Map for illustration purpose only

... and our Experienced Employees

Employee Addition

Total Employees: 6,983*



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

*Employees include full-time officers and clerks.

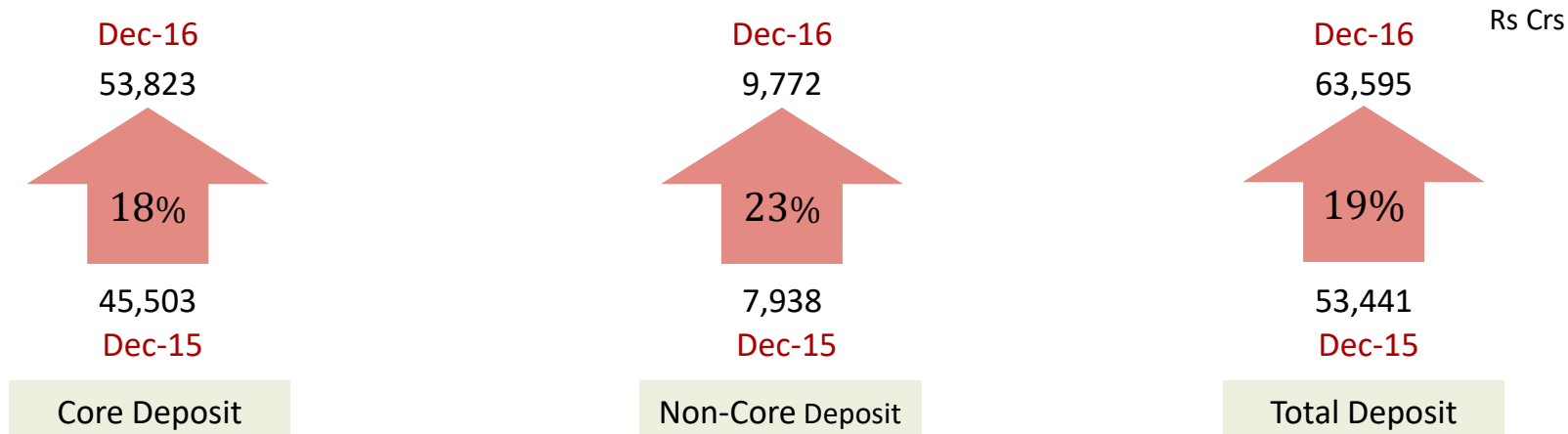


Performance Matrix

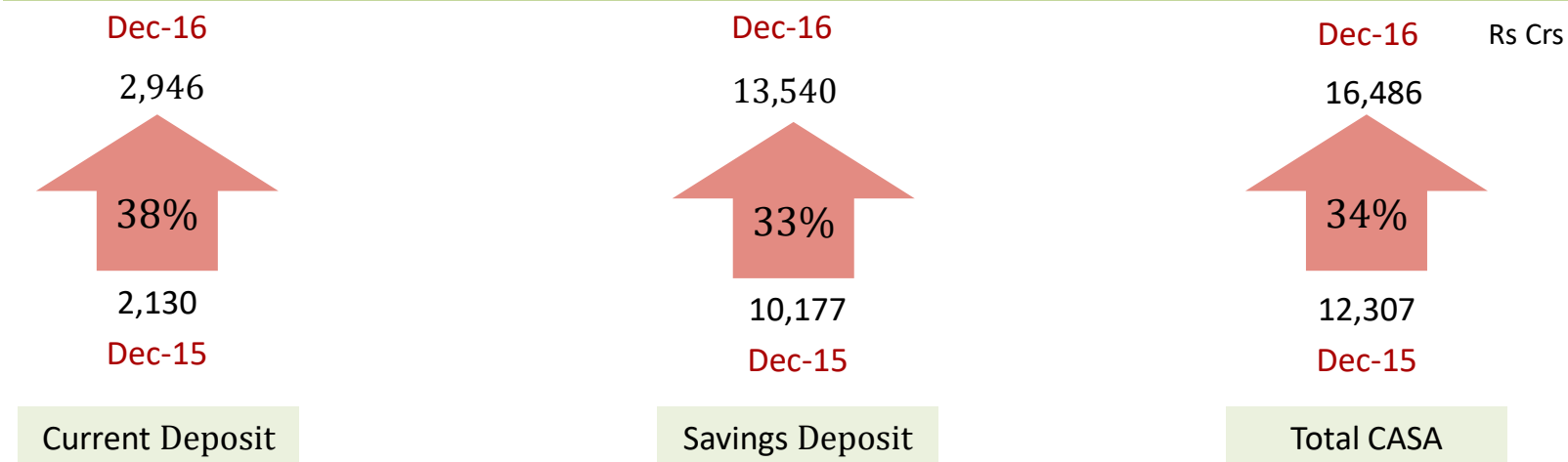


Strong Deposit Franchise

Core & Non-Core Deposits



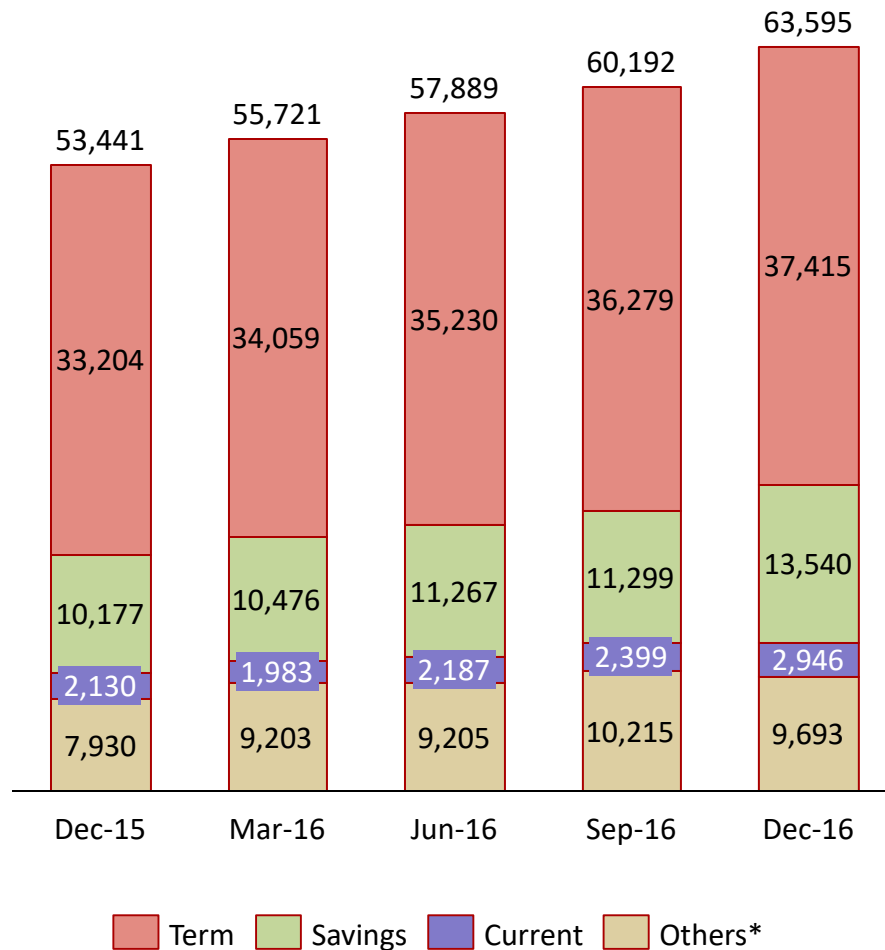
CASA Deposits



Core Deposits Growing...

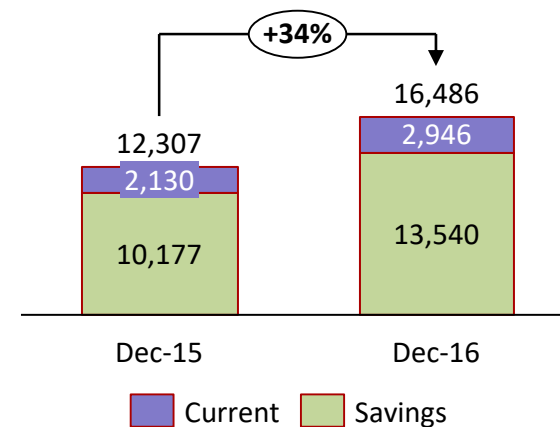
Breakup of Deposits

Rs Crs



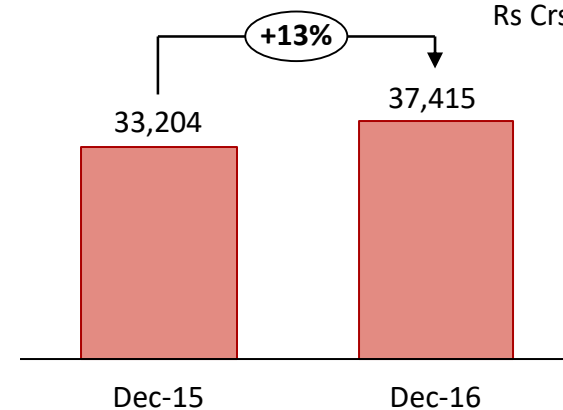
CASA Deposit

Rs Crs



Term Deposits

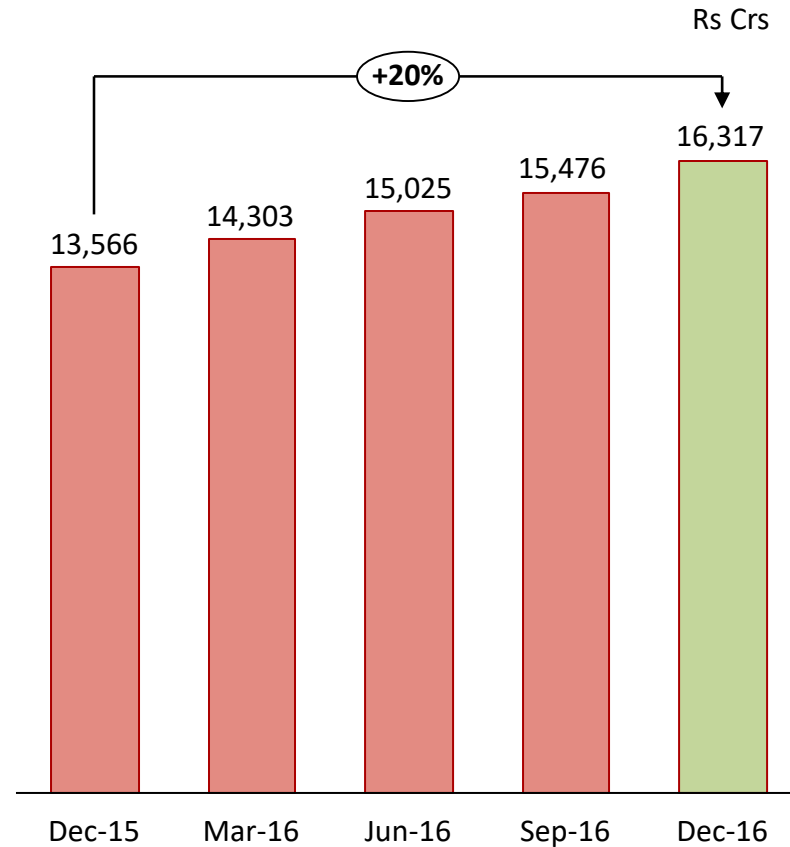
Rs Crs



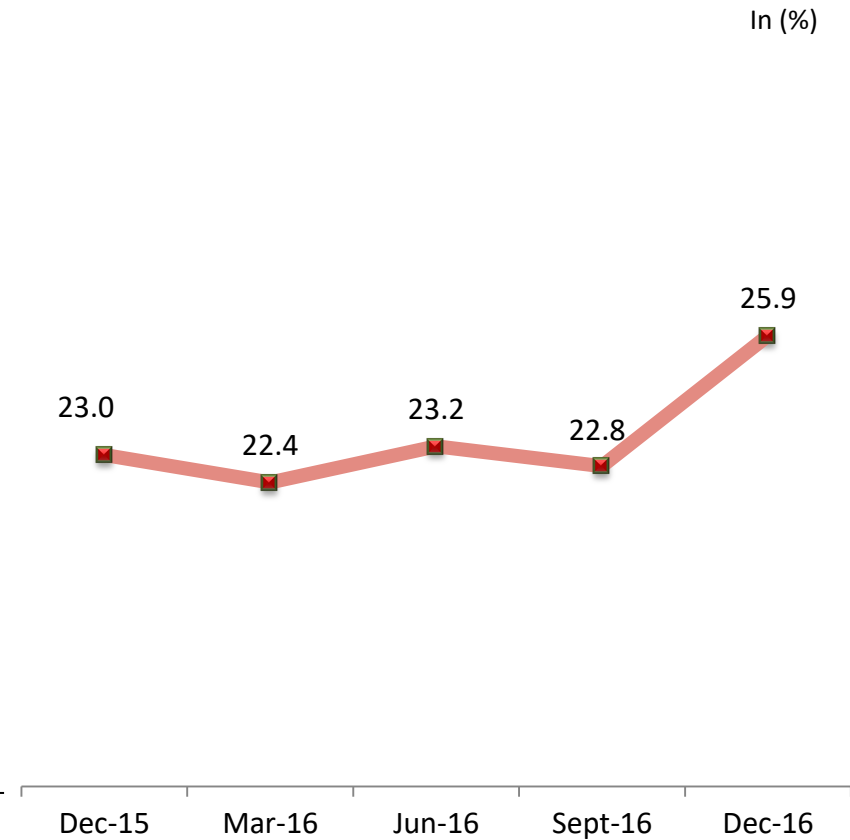
*Others includes: Bulk, Certificates of Deposits

NRI Deposits Growing...

NRI Deposits



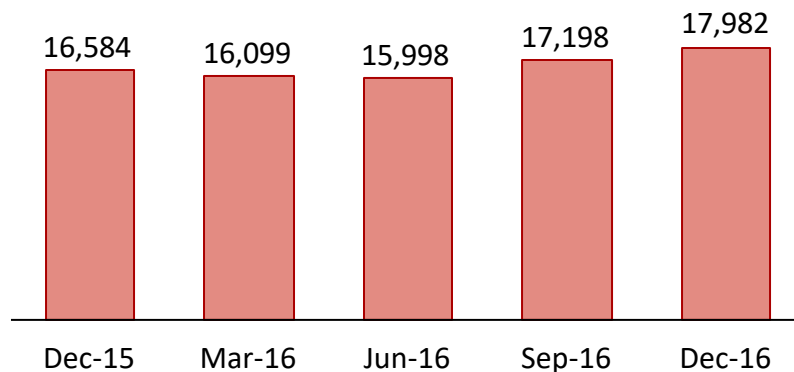
CASA



Composition of Loan Book

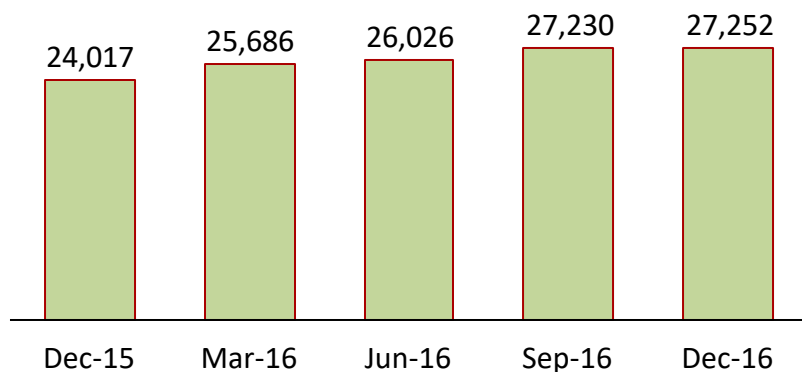
Corporate Advances (Above Rs 25 Crs)

Rs Crs



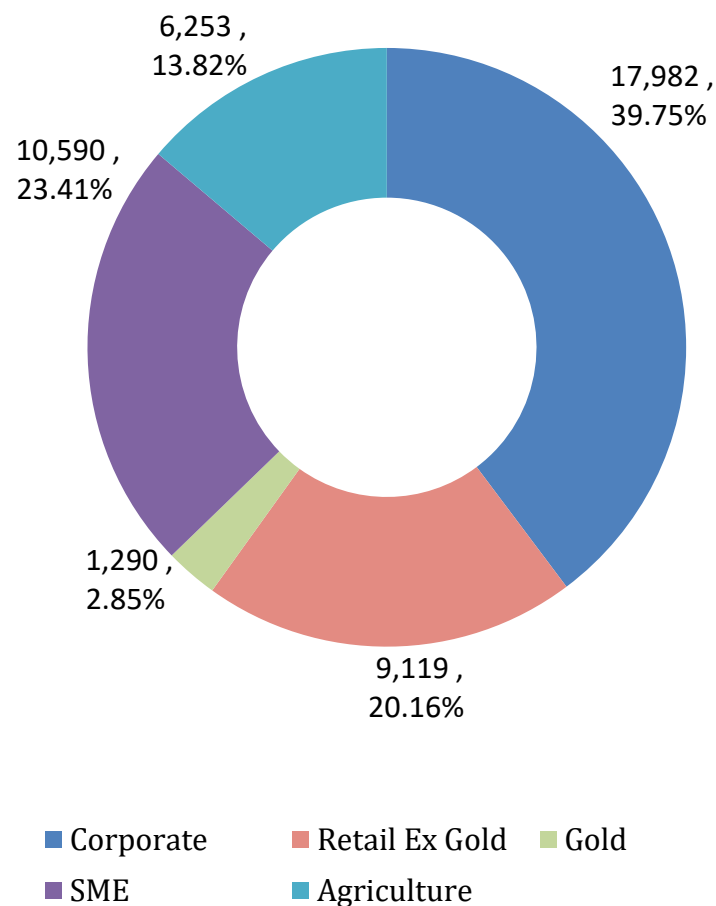
Retail Advances

Rs Crs



Segment wise Break Up

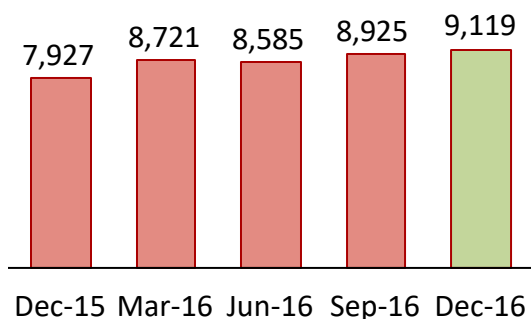
Rs Crs



Key Focus : Retail, SME & Agriculture

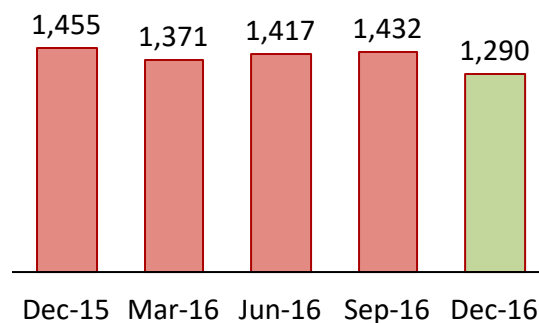
Retail excluding Gold

Rs Crs



Gold (Average LTV – 65%)

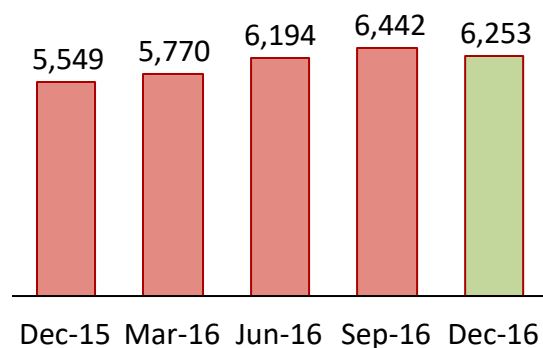
Rs Crs



Retail Loans (Excl. Gold), Agriculture & SME has grown by 15%

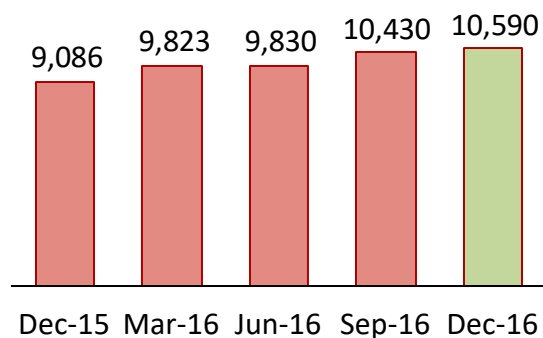
Agriculture

Rs Crs



SME

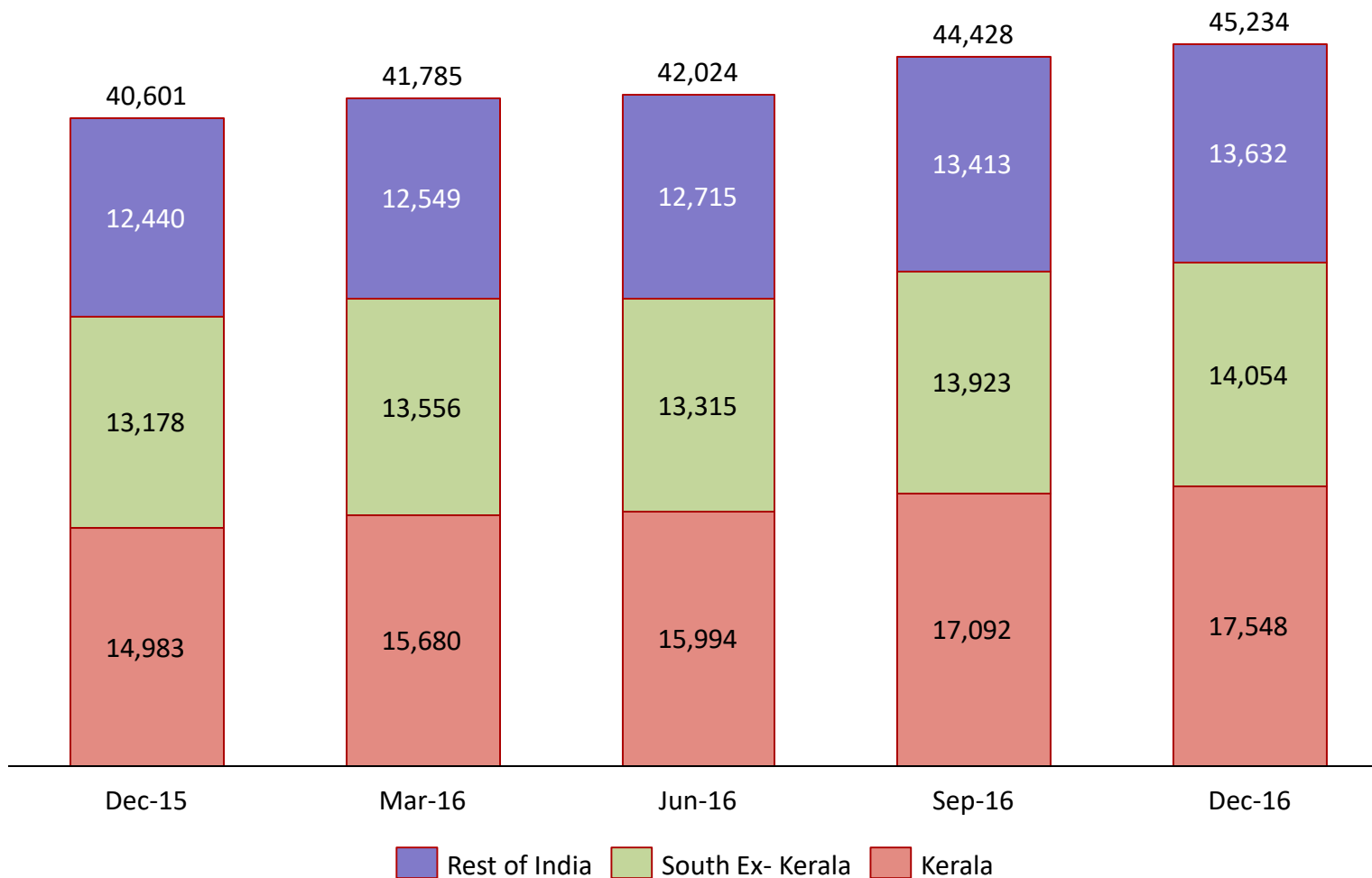
Rs Crs



~16% of the Agriculture & SME Loans are backed by Additional Security by way of GOLD

Advances growing across Regions

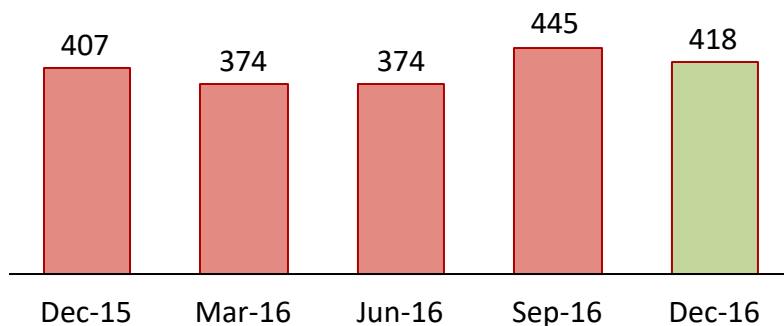
Rs Crs



Net Interest Income - Quarter

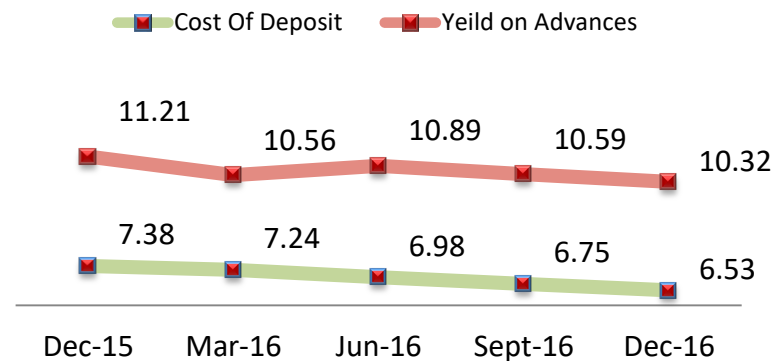
Net Interest Income

Rs Crs



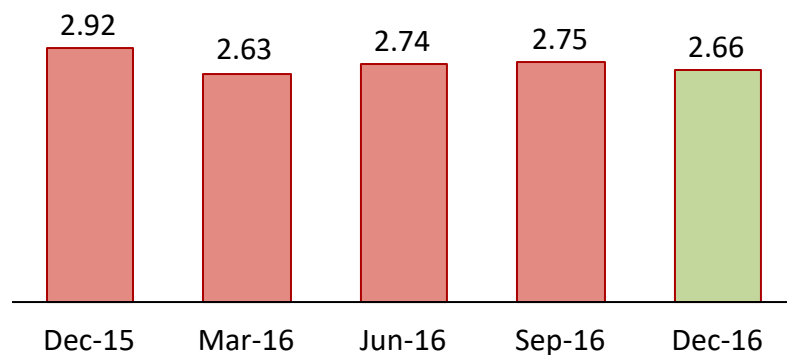
Cost of Deposits & Yield on Advances

In %



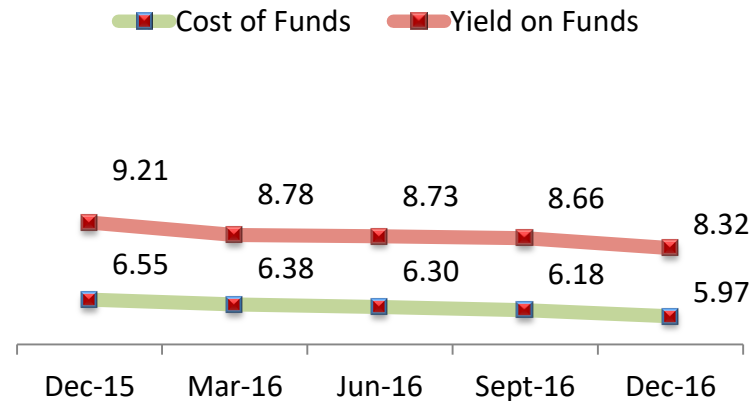
Net Interest Margin

In %



Cost of Funds & Yield on Funds

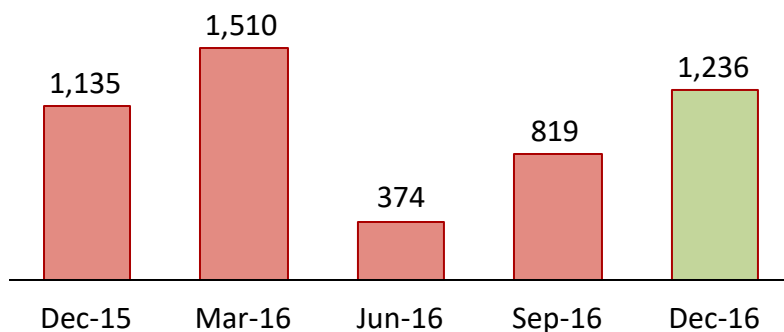
In %



Net Interest Income - Cumulative

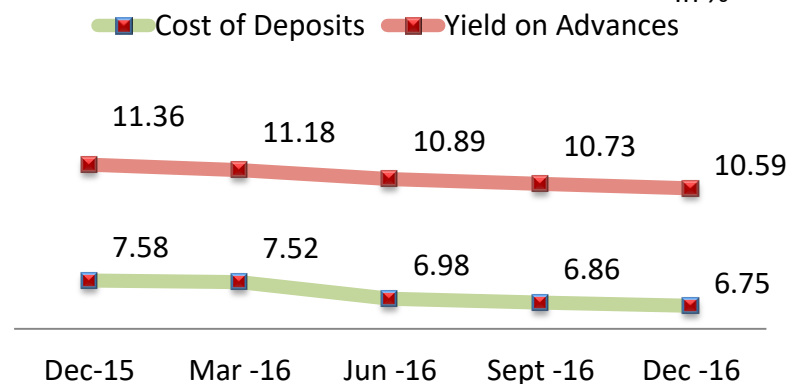
Net Interest Income

Rs Crs



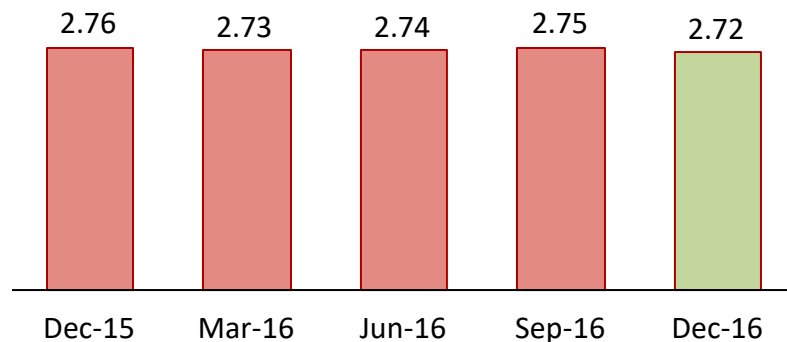
Cost of Deposits & Yield on Advances

In %



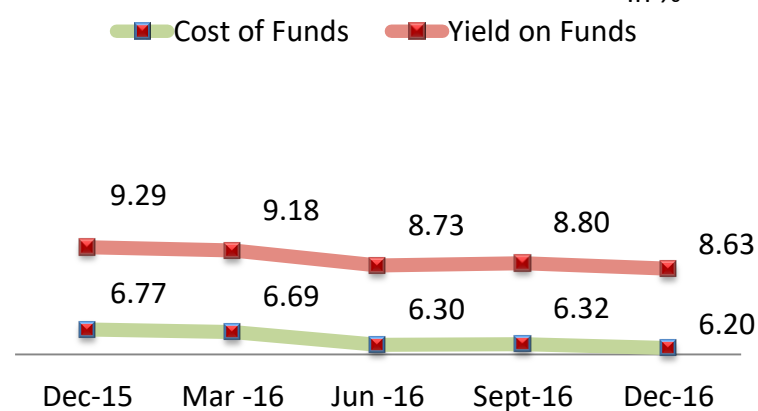
Net Interest Margin

In %



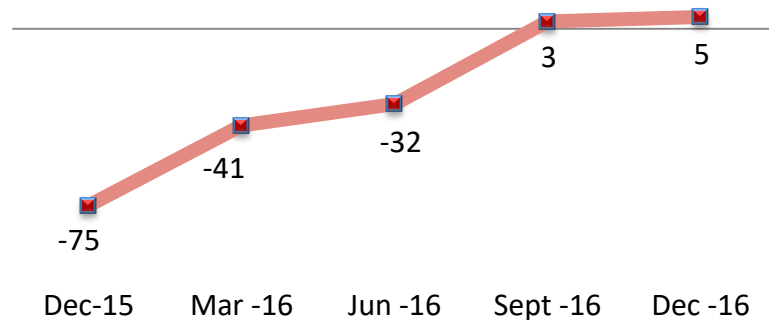
Cost of Funds & Yield on Funds

In %



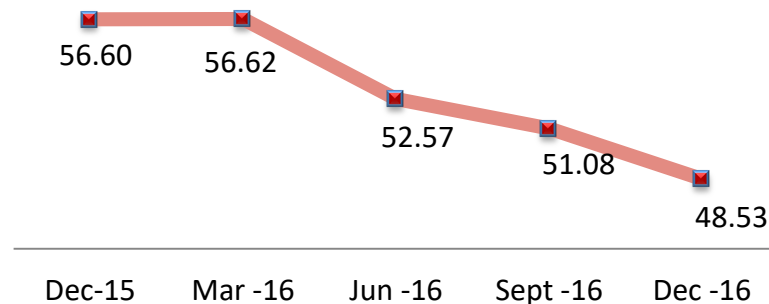
Improving Operating Efficiency

Employee Additions



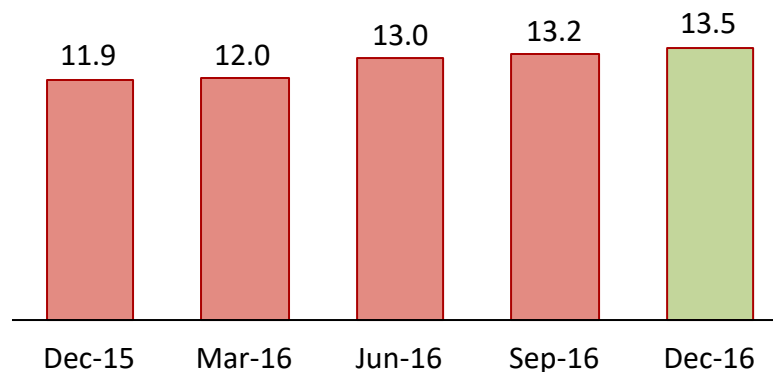
C/I Ratio

In %



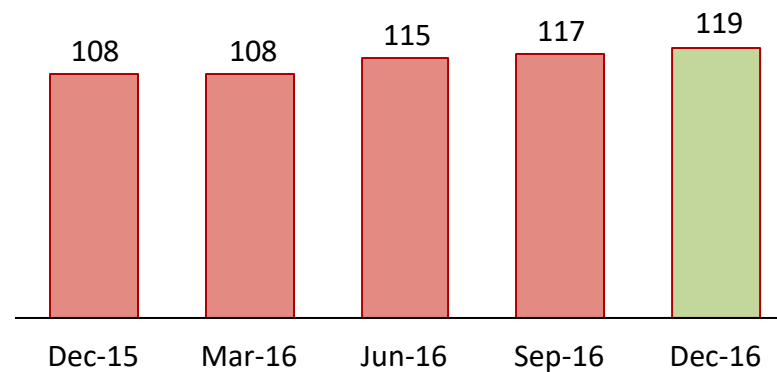
Business per Employee

Rs Crs



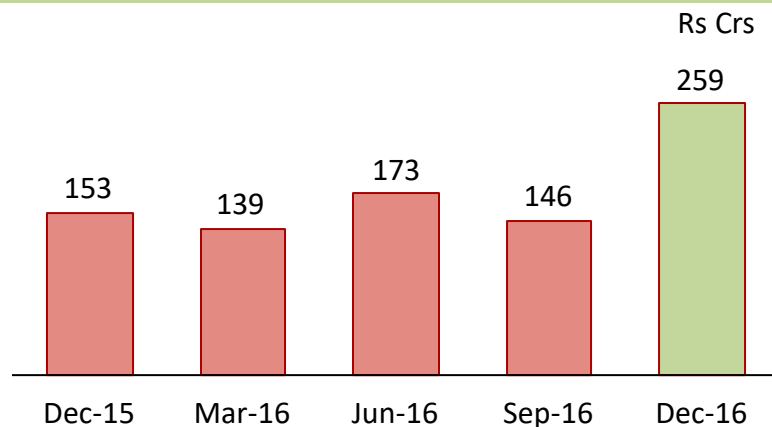
Business per Branch

Rs Crs

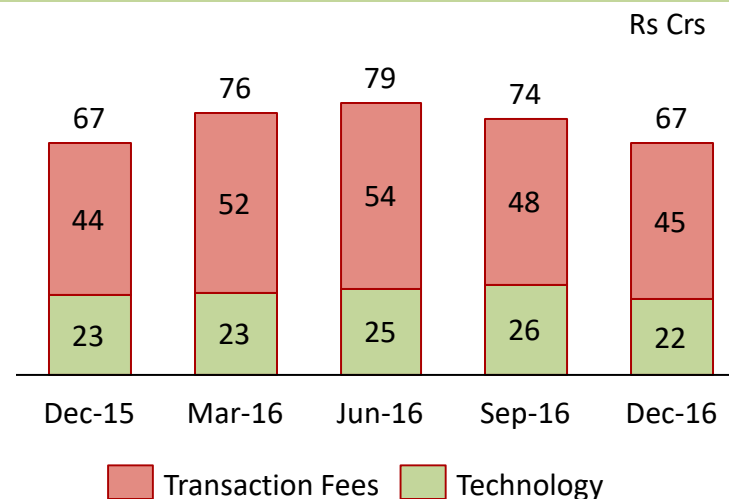


Sustainable Other Income

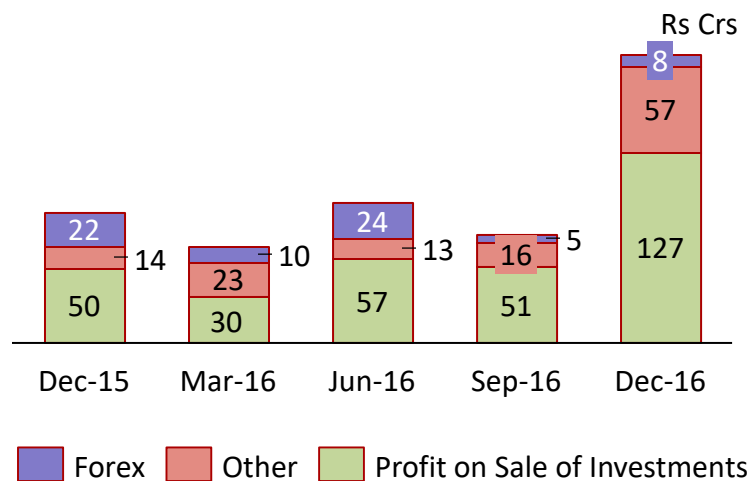
Total Other Income led by ...



...Sustainable : Transaction Fees + Technology



Profit on Sale of Investments, Forex & Others



Investment Book as on Dec-16

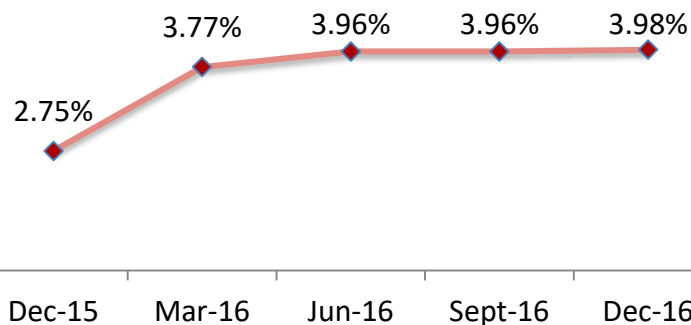
Details	Rs. Crs	M Duration
HTM	13,492	5.61
AFS	4,161	4.38
HFT	1	-
Total	17,654	5.36

Break Up of Provisions

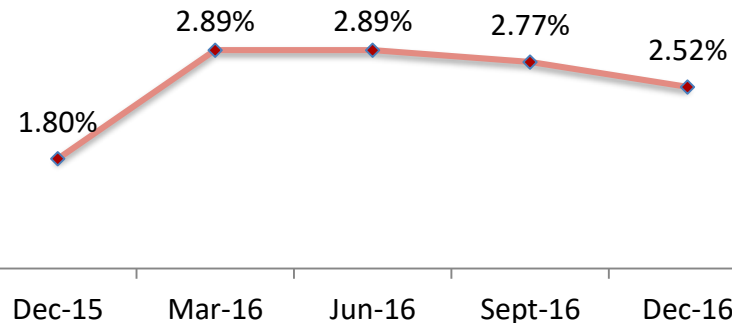
Rs Crs	Q3-FY 17	Q3-FY 16	Q2-FY 17
For NPA & NPI	167.0	83.9	166.4
For Depreciation on Investments	12.8	12.2	-24.8
For Standard Assets	1.9	10.9	-4.8
For Restructured Advances/Sacrifices & FITL	-16.9	-1.7	-12.1
For Unhedged Forex Exposure	-0.9	-1.2	3.8
Others	42.7	2.4	-0.1
Taxes	59.0	55.0	58.5
Total Provisions	265.6	161.4	186.8

Non Performing Assets

Gross NPA



Net NPA



Gross NPA Movement

Rs Crs	Dec-15	Mar-16	Jun-16	Sept-16	Dec-16
Opening	892	1,108	1,562	1,651	1,745
Additions	367	845	125	226	197
Deductions	151	391	36	132	155
Closing	1,108	1,562	1,651	1,745	1,787

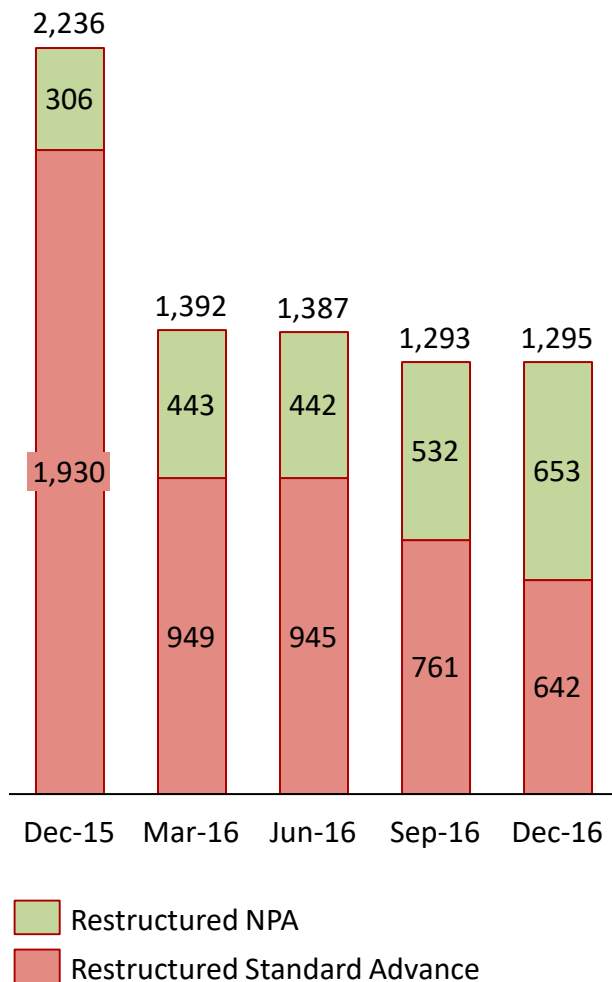
Net NPA Movement

Rs Crs	Dec-15	Mar-16	Jun-16	Sept -16	Dec -16
Opening	550	716	1,185	1,192	1,206
Additions	311	664	105	135	125
Deductions	145	195	98	121	216
Closing	716	1,185	1,192	1,206	1,116

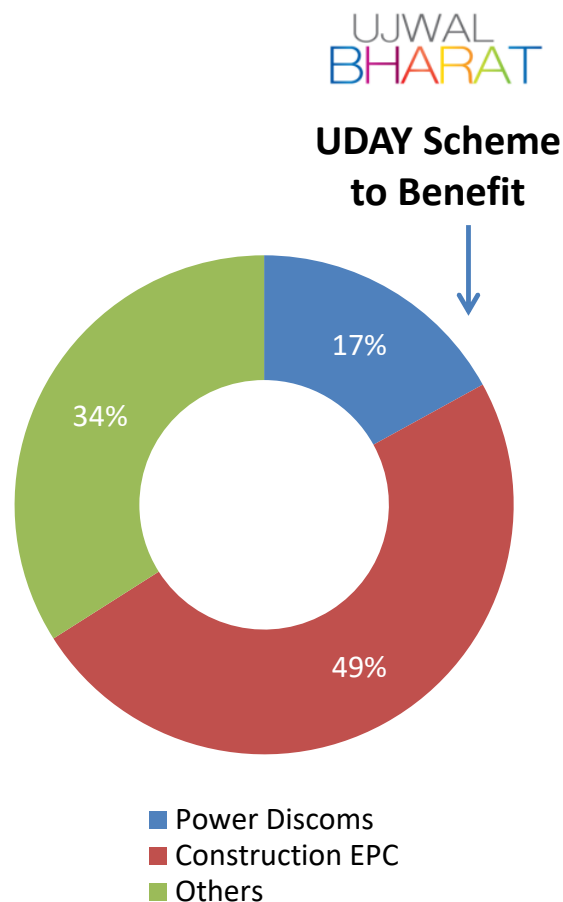
Restructured Advances Breakup

Restructured Assets Break-up

Rs Crs



Sector Standard Restructure – Q3FY17



Government's Uday Scheme targeted towards power Discoms benefiting SIB

Benefits of Uday getting reflected in Restructured Book

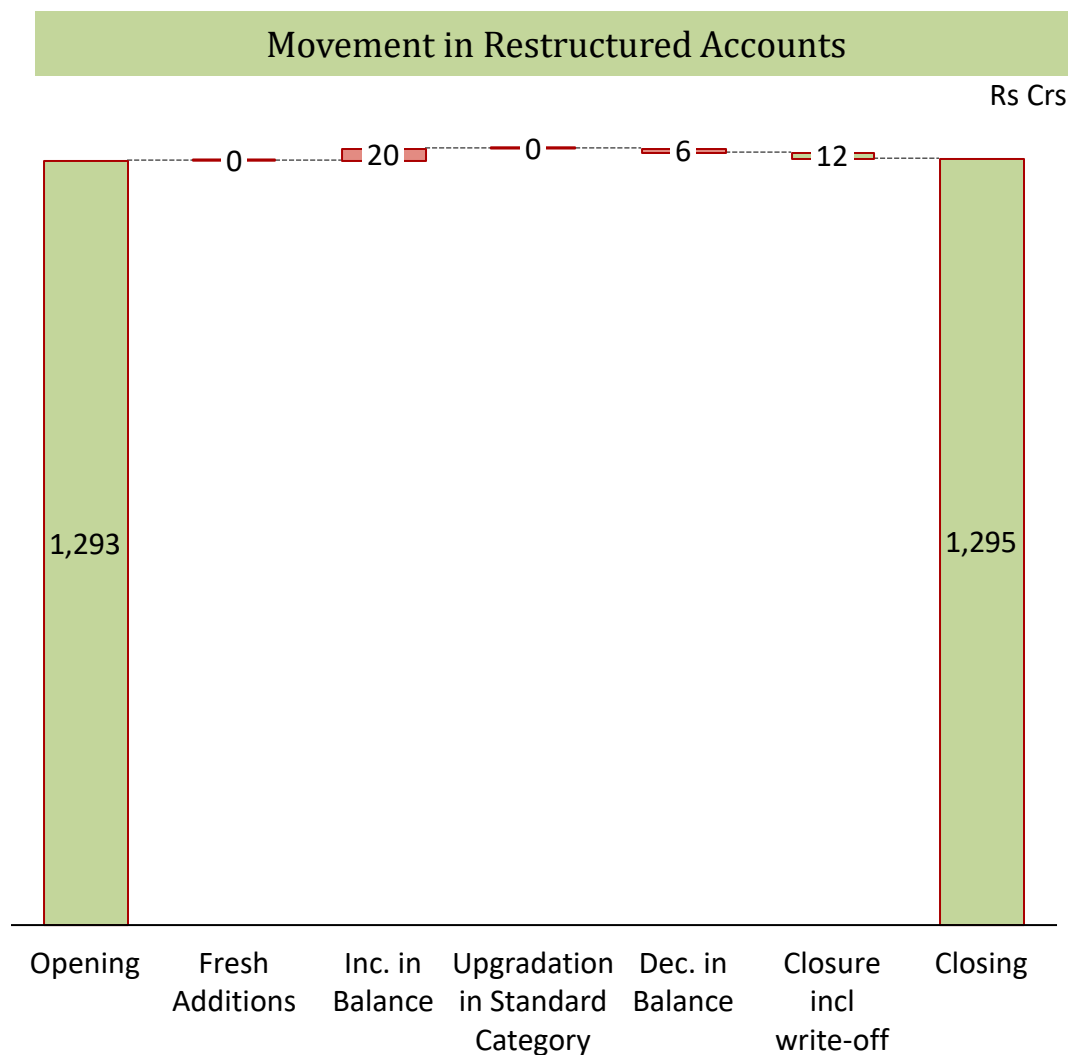
*Other includes IT, Bullion, etc.

Restructured Standard Asset Book

Rs Crs

	Restructured Standard Advance						
	Opening	Fresh Addition	Increase in Existing Balance	Uday – SDL Investments	Decrease in Balance	Slippages to NPA	Closing Balance
DISCOMS	113	0	0	0	-2	0	111
Construction EPC	411	0	0	0	0	-98	313
Others	237	0	1	0	-4	-16	218
Total	761	0	1	0	-6	-114	642

Movement in Restructured Accounts

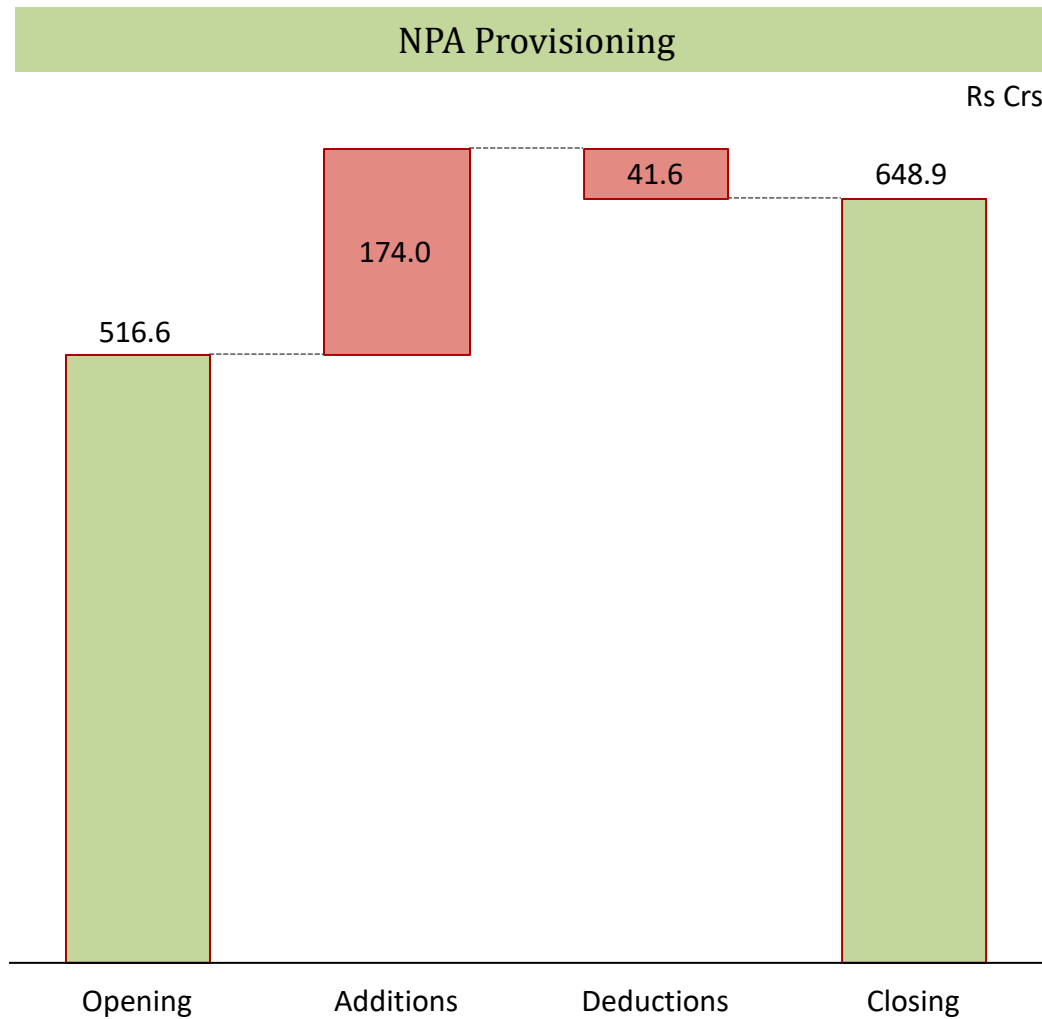


Shift of focus from
Large Corporate
to
SMEs

Defocusing from
Power & Infra Sectors

Special Recovery Cell
&
Asset Monitoring Cell

Adequate Provisioning

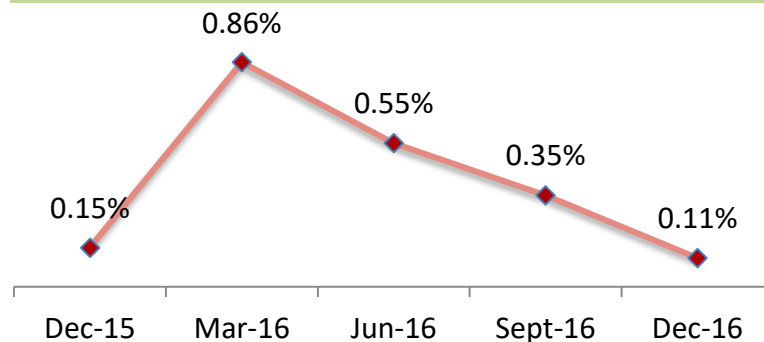


Provisioning
Coverage Ratio 50.2%

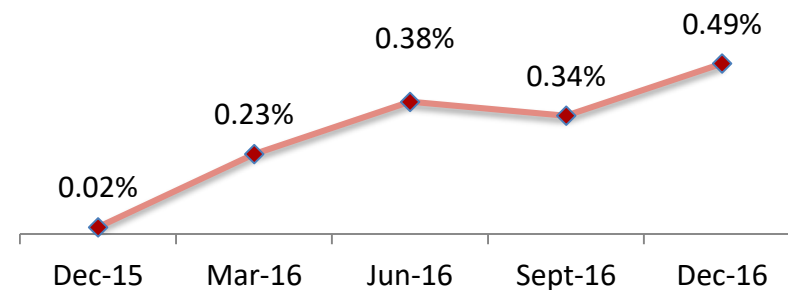
Advances in the Initial
quarters as NPAs :
Requiring
Less Provisioning

Fresh Slippages/Advance Ratios

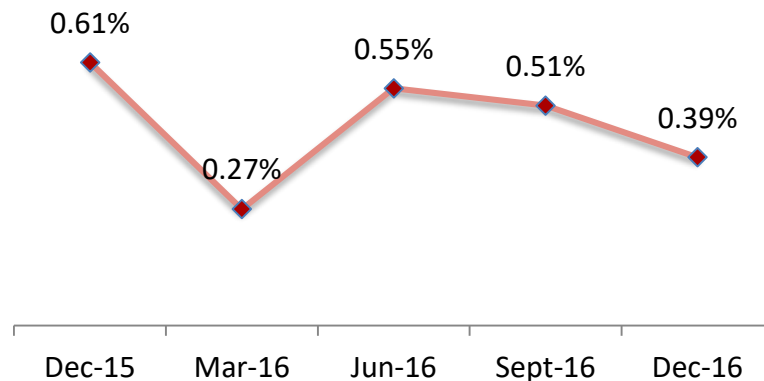
Retail Slippage



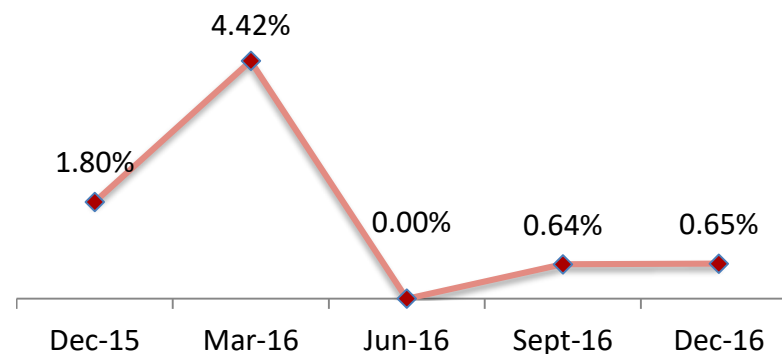
Agriculture Slippage



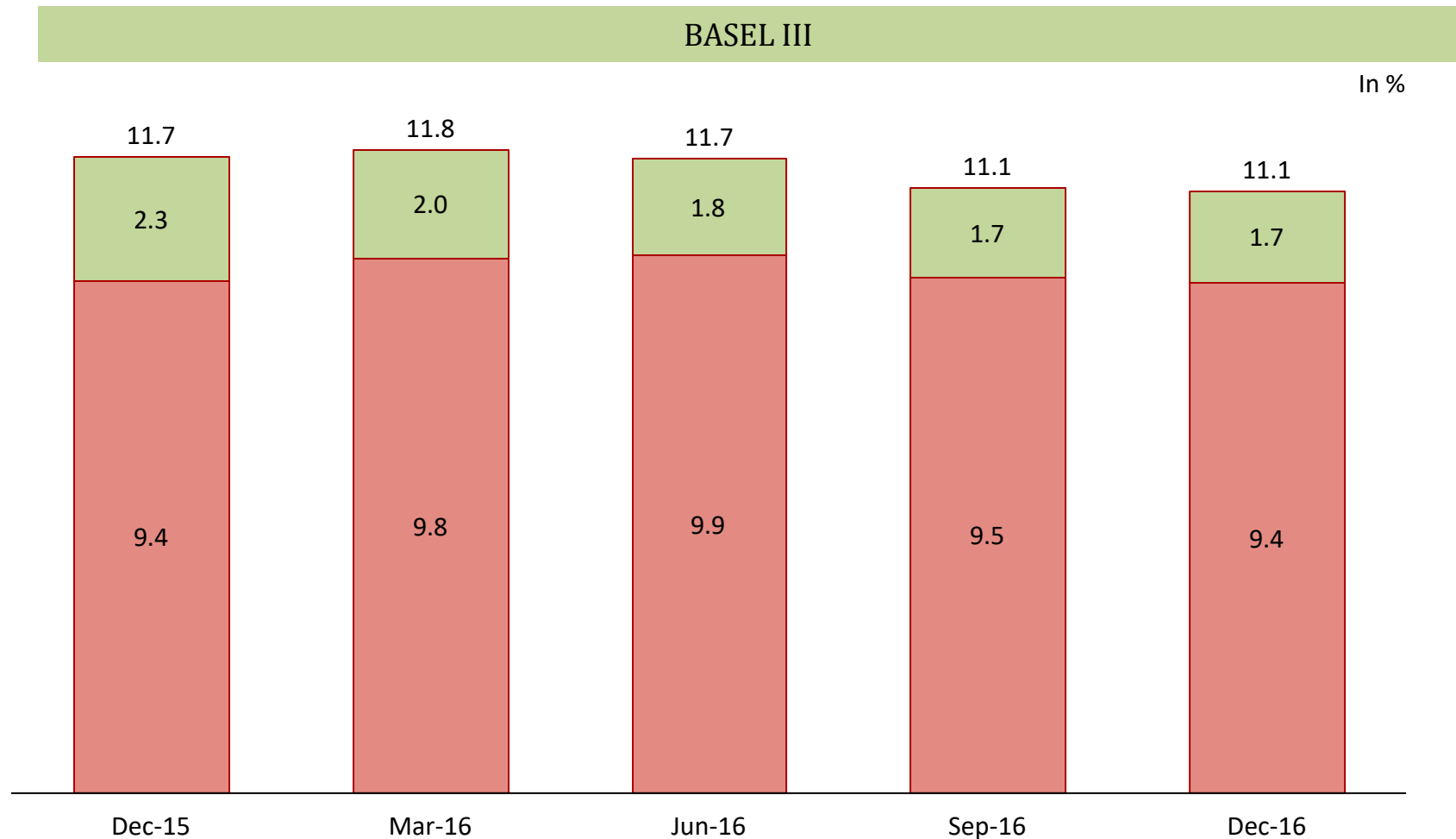
SME Slippage



Corporate Slippage



Well Capitalized to support Growth



Balance Sheet Overview- Q3 FY17

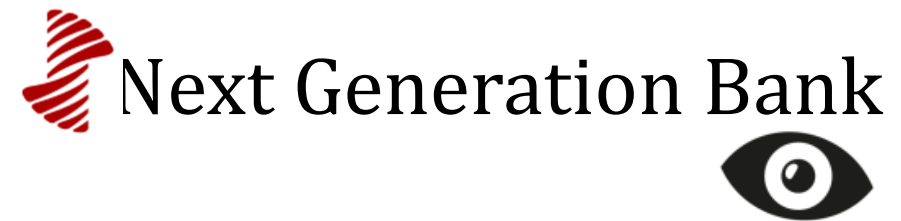
Rs Crs	Q3-FY 17	Q3-FY 16	Y-o-Y (%)	Q2-FY 17	Q-o-Q (%)
Capital & Liabilities	71,446	60,269	18.55%	67,054	6.55%
Capital	135	135	0.12%	135	0.08%
Reserves and Surplus	4,141	3,715	11.48%	4,027	2.85%
Deposits	63,595	53,441	19.00%	60,192	5.65%
Borrowings	2,205	1,665	32.45%	1,499	47.13%
Other Liabilities & Provisions	1,369	1,312	4.34%	1,201	14.00%
Assets	71,446	60,269	18.55%	67,054	6.55%
Cash & Balances with RBI	3,576	2,367	51.10%	2,832	26.28%
Balances with Banks	1,420	249	471.30%	404	251.18%
Investments	17,576	13,259	32.56%	15,777	11.40%
Advances	44,256	39,909	10.89%	43,548	1.63%
Fixed Assets	595	485	22.51%	598	-0.57%
Other Assets	4,023	4,000	0.59%	3,894	3.32%
Business (Advances + Deposits)	107,850	93,350	15.53%	103,740	3.96%
Current Accounts	2,946	2,130	38.32%	2,399	22.83%
Savings Accounts	13,540	10,177	33.04%	11,299	19.83%
CASA Ratio	25.92%	23.03%	289 bps	22.76%	317 bps

Profit & Loss Overview- Q3 FY17

Rs Crs	Q3-FY17	Q3-FY 16	Y-o-Y (%)	Q2-FY17	Q-o-Q (%)
Net Interest Income	417.52	406.72	2.66%	445.18	-6.21%
Other Income	258.51	153.32	68.61%	145.90	77.18%
Total Income	676.03	560.04	20.71%	591.08	14.37%
Operating Expenses	299.06	296.97	0.70%	293.74	1.81%
Operating Profit	376.97	263.07	43.30%	297.34	26.78%
Provisions (Ex-Tax) & Contingencies	206.63	106.39	94.22%	128.33	61.01%
Profit Before Tax	170.34	156.68	8.72%	169.01	0.79%
Provision for Tax	58.96	55.05	7.10%	58.49	0.80%
Profit After Tax	111.38	101.63	9.59%	110.52	0.78%

Key Metrics- Quarterly

Particulars	FY15				FY16				FY17		
	Q1	Q2	Q3	Q4	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%	2.6%	2.7%	2.8%	2.7%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%	11.7%	11.8%	11.7%	11.1%	11.1%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%	0.7%	0.5%	0.6%	0.7%	0.6%
Provision Coverage	62.5%	62.9%	60.4%	61.0%	56.1%	55.3%	50.3%	40.3%	42.6%	46.1%	50.2%
CASA	22.1%	22.1%	21.5%	20.6%	22.3%	22.8%	23.0%	22.4%	23.2%	22.8%	25.9%
Gross NPA	1.5%	1.6%	1.8%	1.7%	1.9%	2.2%	2.8%	3.8%	4.0%	4.0%	4.0%
Net NPA	0.9%	0.9%	1.0%	1.0%	1.2%	1.4%	1.8%	2.9%	2.9%	2.8%	2.5%
Book Value per Share (Rs.)	25.9	26.5	27.1	26.6	27.1	27.8	28.5	28.4	30.0	30.8	31.6
Earnings per Share (Rs.) (Annualized)	3.8	3.0	2.9	2.3	1.9	2.3	2.6	2.5	2.8	3.0	3.1
Branches											
- Kerala	439	440	441	444	447	447	447	449	453	454	455
- South India (Ex-Kerala)	230	232	233	239	242	244	244	245	245	245	245
- Rest of India	132	133	136	139	139	140	140	140	140	140	140
Total Branches	801	805	810	822	828	831	831	834	838	839	840
ATMs											
- Kerala	565	587	607	651	670	682	688	698	701	713	718
- South India (Ex-Kerala)	297	313	325	365	378	380	384	387	388	391	393
- Rest of India	156	163	176	184	196	198	200	202	202	202	202
Total ATMs	1,018	1,063	1,108	1,200	1,244	1,260	1,272	1,287	1,291	1,306	1,313



Present across Customer Touch Points

Traditional & Alternate Channels

Mobile Banking



Mobile Banking



ATMs

1,313 ATMs across India



Branches

840 Branches & 45 Extension Counters

SIBerNeT

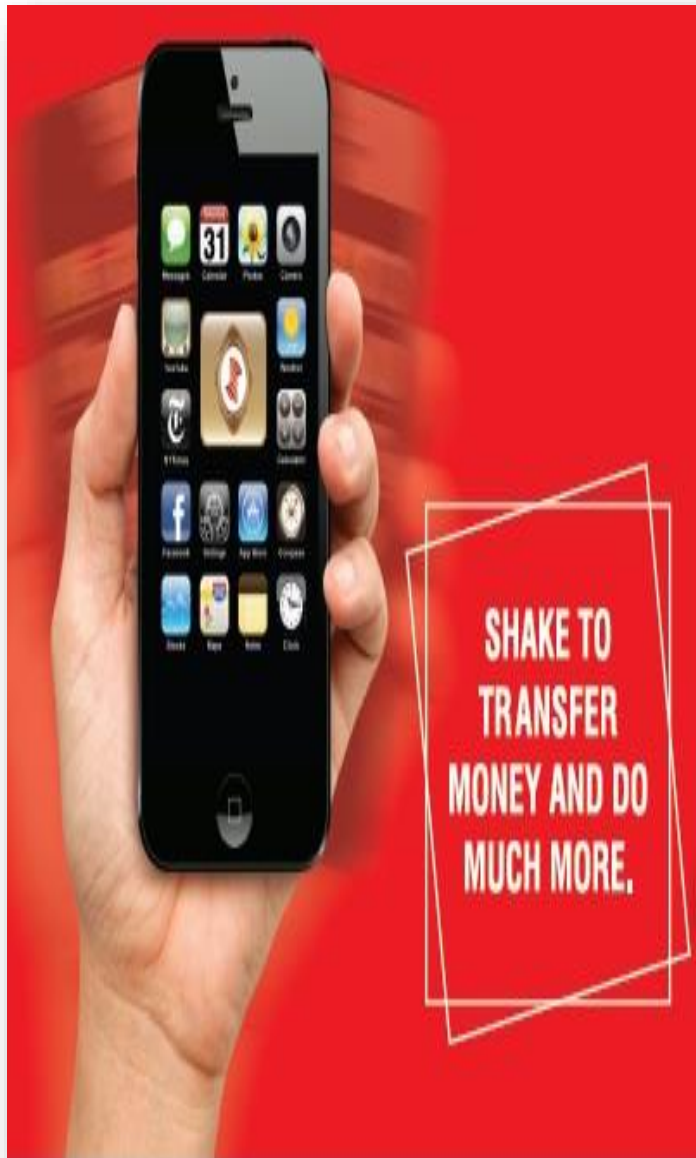
Internet Banking

SIB PoS



Point of Sale

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

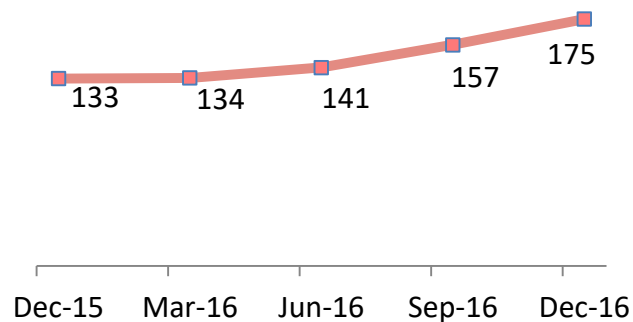
SIB has offered new initiatives such as Co-branded Credit Cards with SBI and is amongst the 1st to introduce M-Pay a mobile banking application powered with UPI Service



Personal Banking: Technology Banking

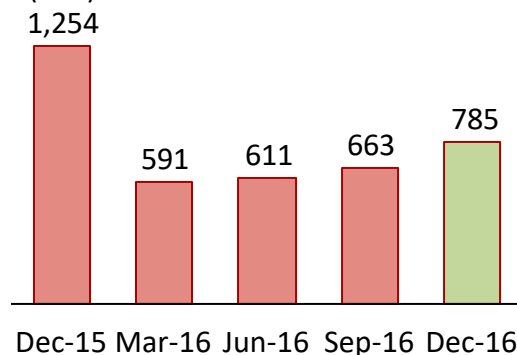
Active Internet Users

(000)'s



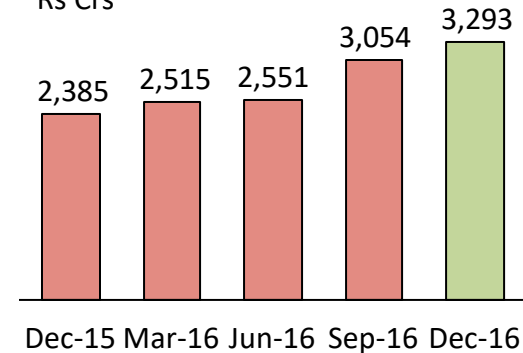
Internet Transaction Volume

(000)'s



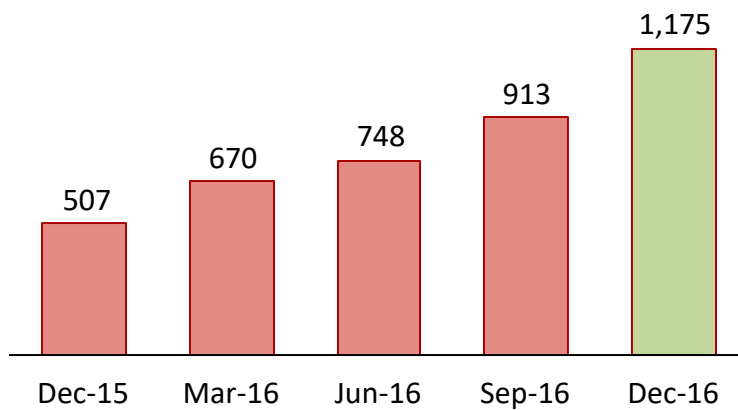
Internet Transaction Value

Rs Crs



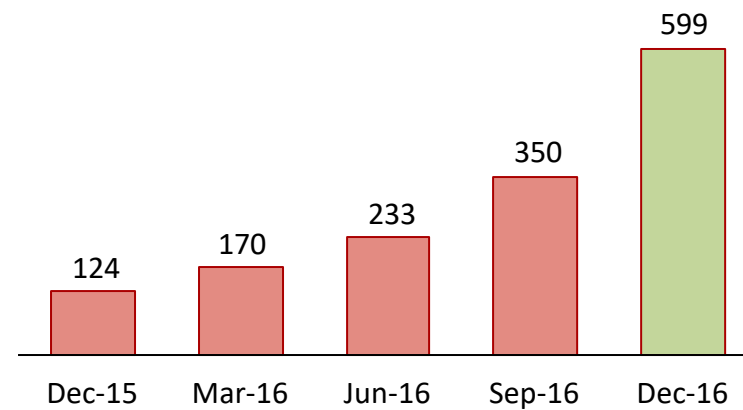
Mobile Transaction Volume

(000)'s



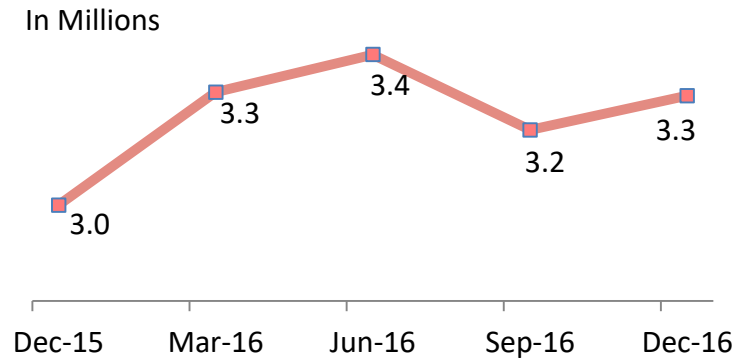
Mobile Transaction Value

Rs Crs

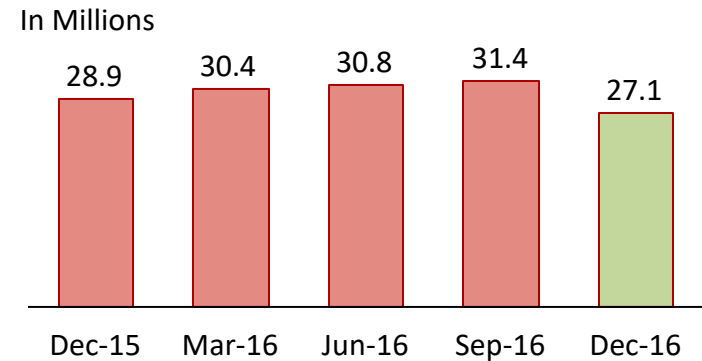


Personal Banking: Debit Cards

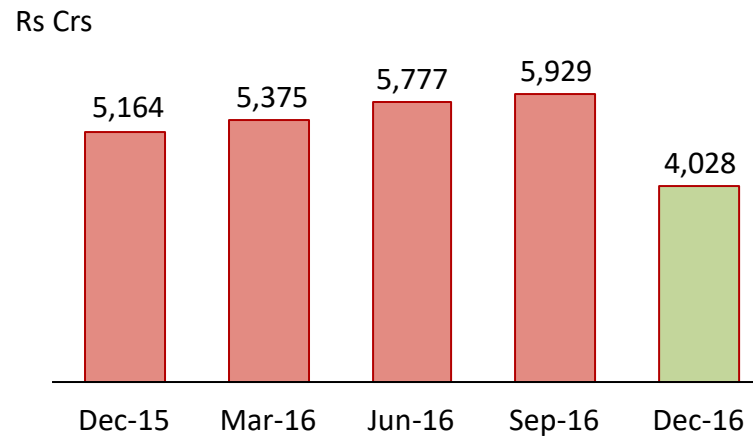
No of Active Debit Cards



Debit Card Transaction Volumes



Debit Card Transaction Value





An Inflection Point



Moving Towards Vision 2020...

A green circular icon with a white center, containing the text "Appointed International Finance Corporation".

Appointed International Finance Corporation

- Provides advisory support to bank on the medium and long term strategy for significant growth in retail, agriculture and SME sectors

A purple circular icon with a white center, containing the text "Entered Memorandum of Understanding with NSIC".

Entered Memorandum of Understanding with NSIC

- Facilitates loans to MSE and promotes the MSME credit portfolio of the Bank

A red circular icon with a white center, containing the text "Opened Centralized Marketing & Processing Centre".

Opened Centralized Marketing & Processing Centre

- Houses the Bank's Marketing Dept, Retail Loan Hub and Transaction Banking Dept

....to become Retail Banking Power House



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

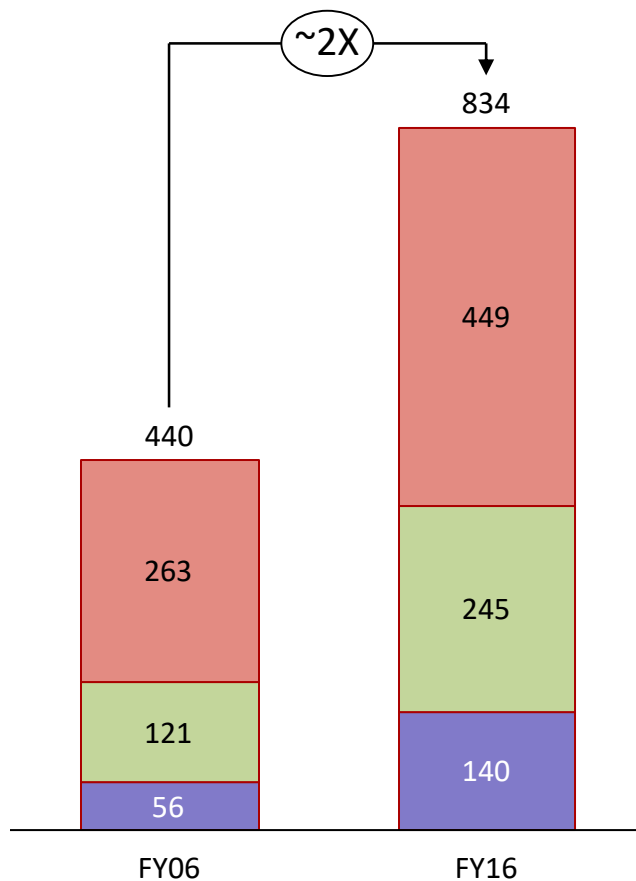
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

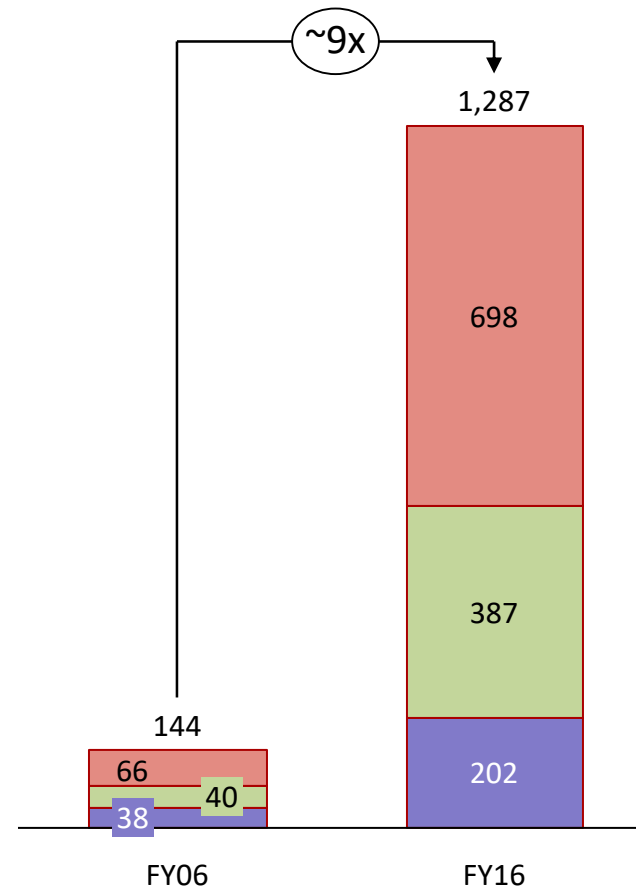
**The FIRST Kerala based bank to implement
Core Banking System**

Expansion over a Decade

Branch Network



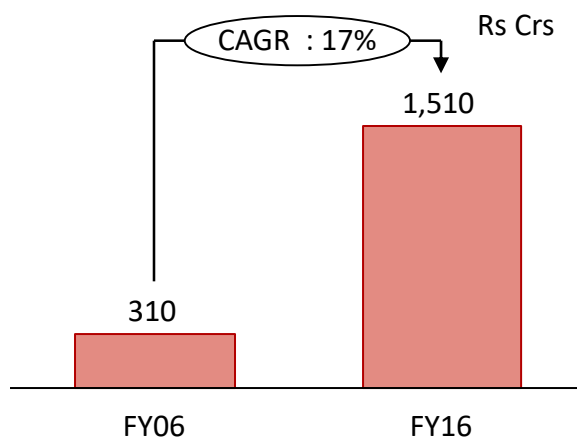
ATM Network



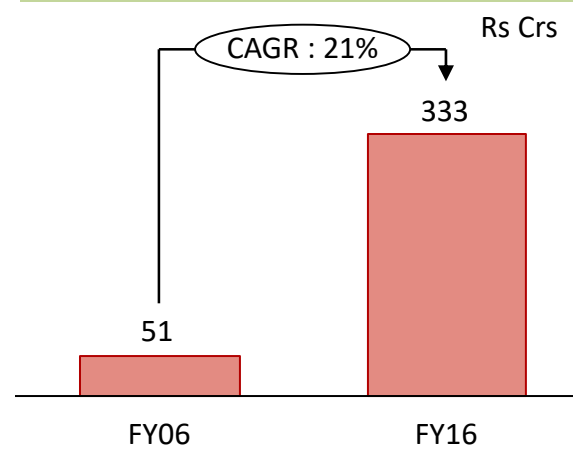
■ Kerala ■ South Ex-Kerala ■ Others (Rest of India)

Performance over a Decade

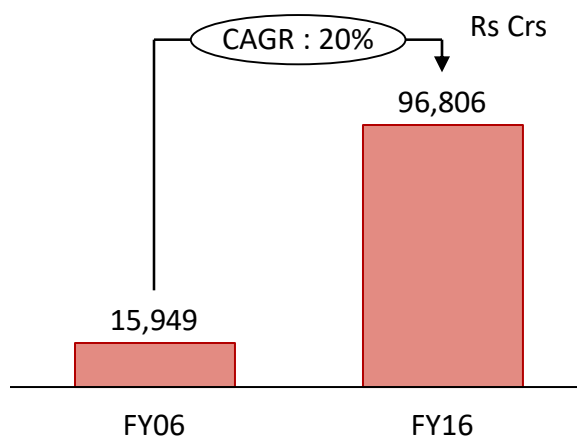
Net Interest Income



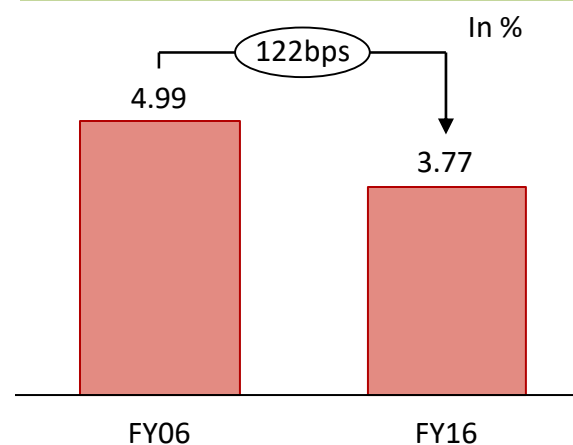
Profit After Tax



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, Senior General Manager
(Business Development Department)

- Bachelors Degree in Science, MBA and CAIIB

Mr. Benoy Varghese, Senior General Manager
(Credit Department)

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

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

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

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

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

Mr. Paul V.L., General Manager
(Administration)

- 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

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

Mr. Jacob EA, Chief Compliance Officer

- Bachelors Degree in Science & CAIIB - I

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

Awards & Recognition

SIB wins 'Social Banking Excellence Award instituted by ASSOCHAM'



SIB wins prize in IDRBT Banking Application Contest



SIB wins Master Card Innovation Award



For further information, please contact:

Company:

The South Indian Bank Ltd.

CIN – L65191KL1929PLC001017

Mr. C. P. Gireesh, CFO

cpgireesh@sib.co.in

www.southindianbank.com

Investor Relations Advisors:

Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

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