

Investor Presentation January - 2019

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Q3 FY19 Highlights



Business Strategy



Performance Matrix



Next Generation Bank



About Us



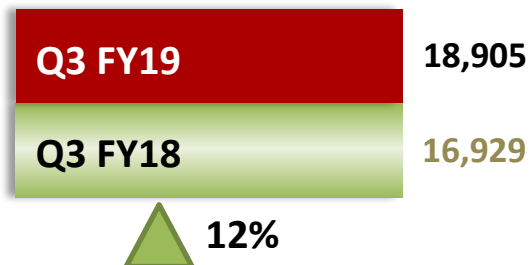
Q3 FY19 Highlights



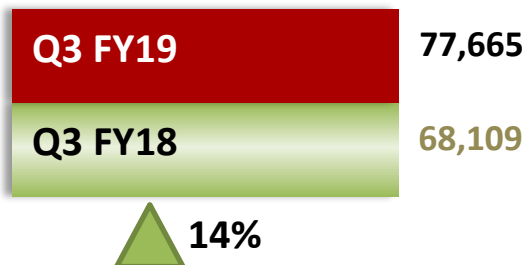
Key Quarterly Highlights- Q3 FY19

Rs Crs

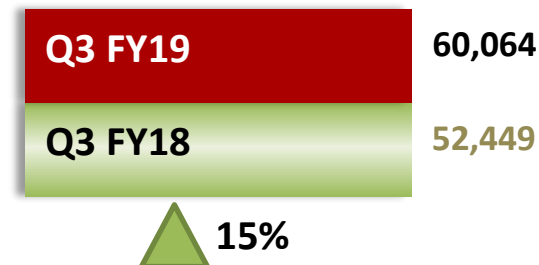
CASA



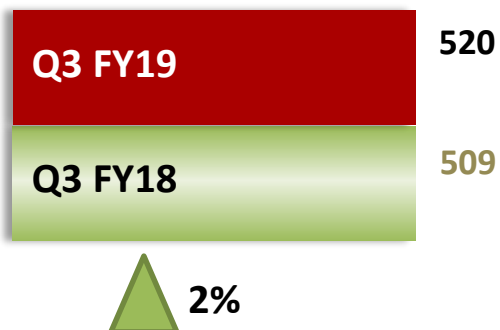
Deposits



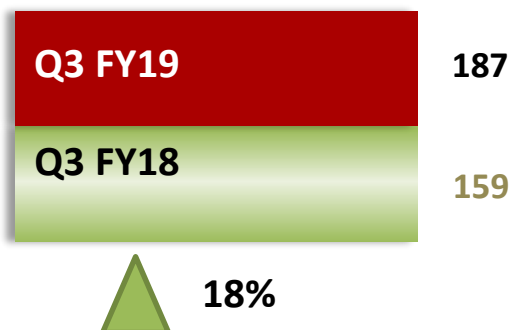
Advances



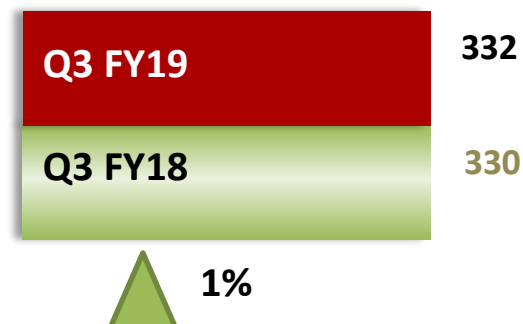
Net Interest Income



Other Income



PPOP





Business Strategy



Our Strategy...



- New Retail Banking Department Focus on retail loan & liability/investment products
- Efficient branches & processing centers for faster processing of loans
- Outbound Sales team
- Continuous training of work force
- Advanced technology for ease of customers
- Invest in Brand Building

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

- Strategy & Road map in place to increase CASA funds
- Alternate channels for mobilising CASA
- Centralized processes allowing branches to focus on garnering low cost funds
- Continuous improvement/review of products

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

- Focus on increasing banking services for SME, Retail, NRI
- Enhance treasury capabilities & increase branch strength
- Expand POS/ATM Network and all digital channels
- Leveraging technology to introduce modern & new-age banking products
- Focus on 3rd Party/Investment products to generate more other income

...Performance in Line with Strategy

Strengthen Retail base

Rs. 16,857 Crs

**INCREASE
29.4% YoY**

Expand Agriculture &
SME Base

Rs. 22,095 Crs

**INCREASE
6.1% YoY**

Improve CASA

Rs. 18,905 Crs

**INCREASE
11.7% YoY**

Shall continue to focus on Core Strengths



01

Increase ...
CASA

02

Retail Business ...
More Products

03

SME Business ...
Sole Banker

**Retail
Relationships**



**SME
Relationships**

06

Sustainable...
Asset Quality

05

Increase...
Fee Income

04

Improve
NIM

...Increase Retail & SME Business

01

Centralized
Marketing &
Processing
Centre (Kochi)



Loan Processing

- Entire Loan underwriting centralised
- 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

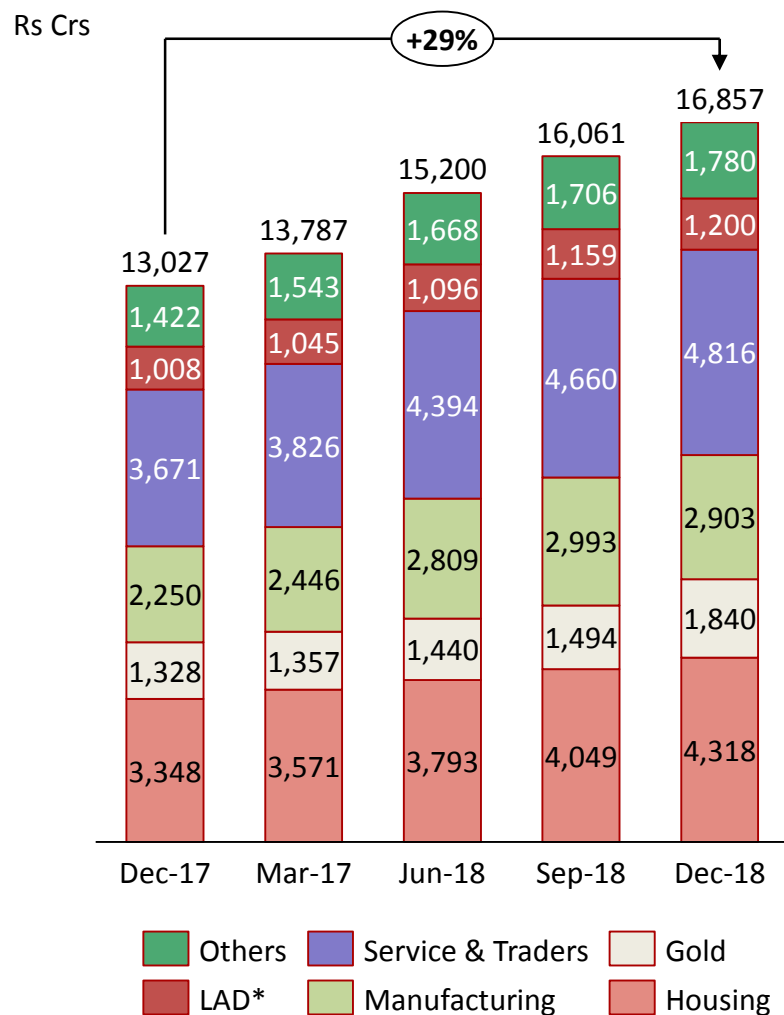


Branch Profitability

- 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
- Dedicated Officers for marketing Retail Loans
- Marketing initiative through TVCs
- Tailor made products for different segments

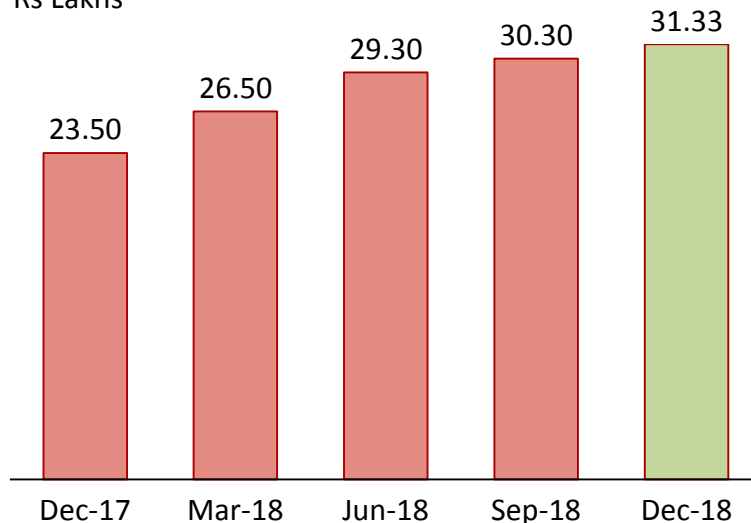
October to December 2018

- Mortgage Loans Sanctioned : 2,872 Nos.
- Amount of Mortgage Loans Sanctioned: Rs. 984 Crs

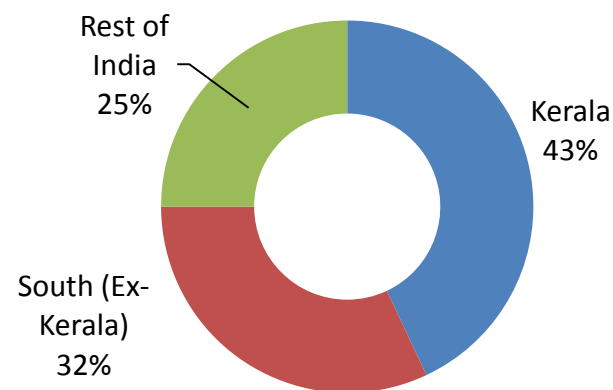
...becoming a Banker of Choice to SMEs

Average SME Loan / Account

Rs Lakhs



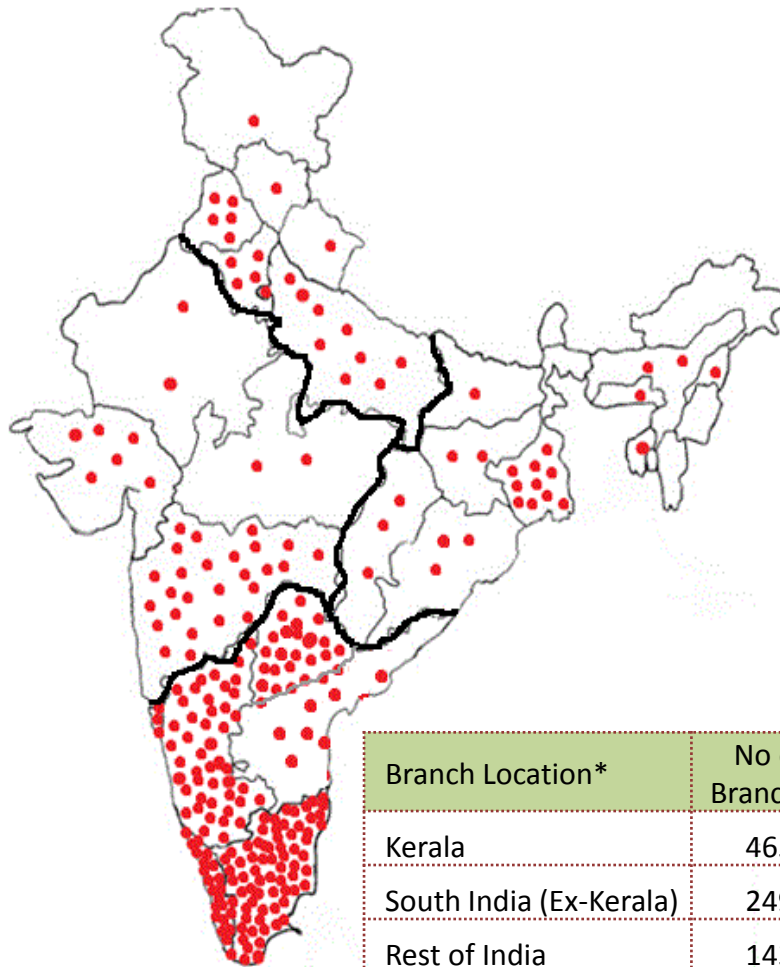
SME Loan Book by Geography – Q3 FY19



SME Highlights

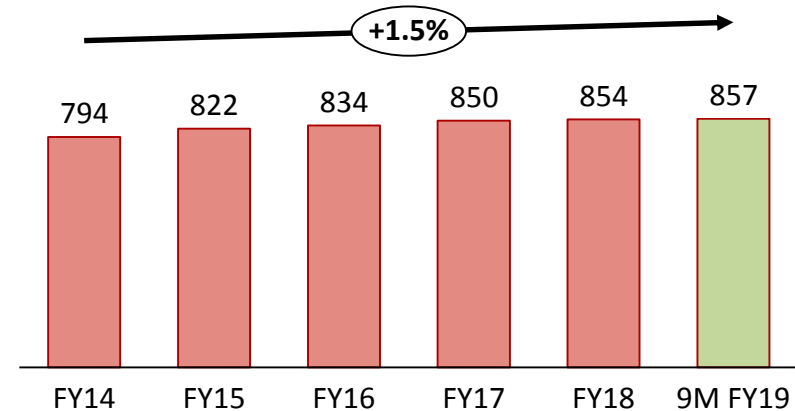
- Dedicated JGM appointed to ensure focus and better coordination with regions
- Focused 'Green Channel' branches to drive faster loan growth to SMEs
- Target to become banker of choice to SMEs thereby getting other business as well – liabilities, vehicle finance
- Ongoing training (in-house as well as external)
- Entire SME loan processing centralized at Kochi at two centers- Special focus on applications up to Rs. 2.00 Cr and standardized, uniform risk based approach on Rs. 2.00 Cr to Rs. 25.00 Cr SME Segment.
- Underwriting of SME loans through customized software called SME LOS (SME Loan Origination System) to ensure speedy, paperless processing with capabilities to integrate with external sources like Finacle, CIBIL, Rating Agencies etc for seamless flow of data.
- Regional Offices freed from processing of loan applications so as to focus on new customer acquisition and marketing

...with the help of our Branch Network

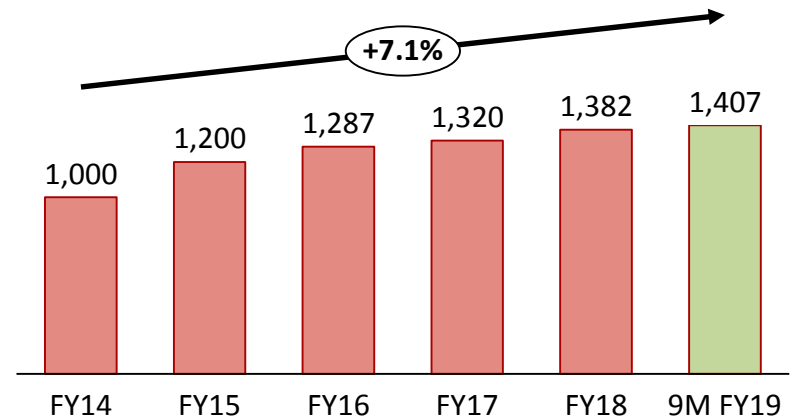


Branch Location*	No of Branches
Kerala	465
South India (Ex-Kerala)	249
Rest of India	143
Total	857

Total Branch Network



Total ATM Network

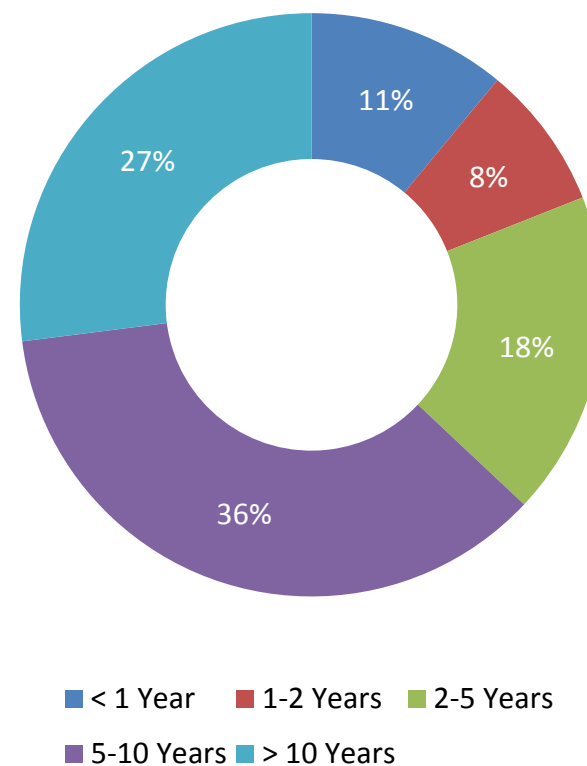
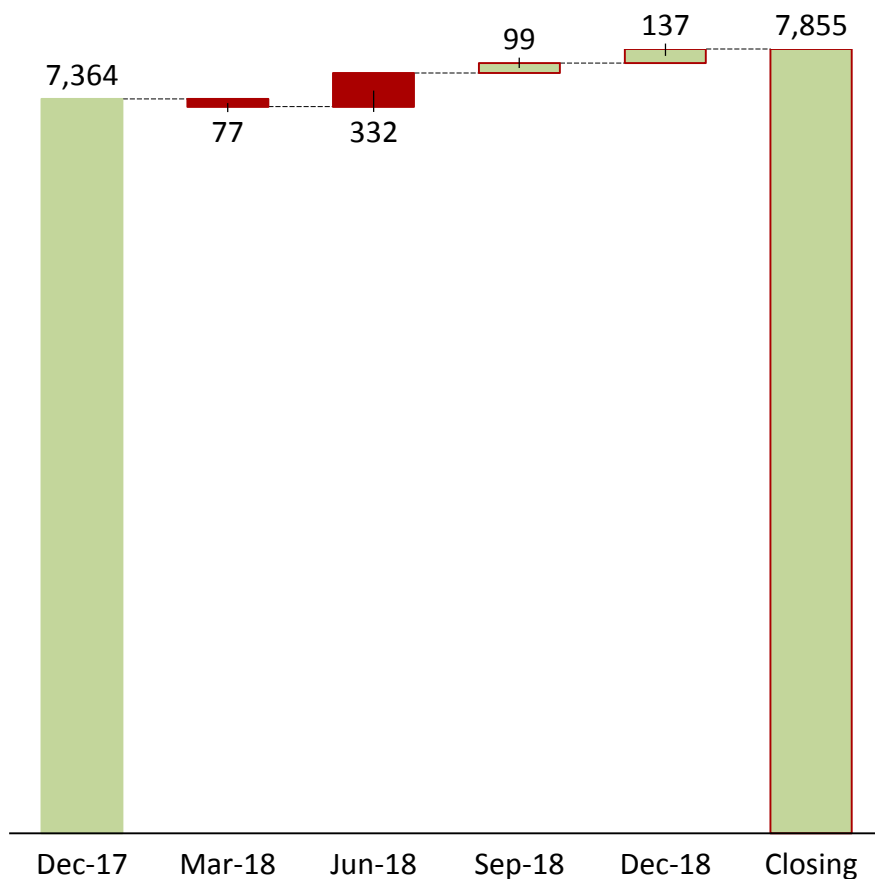


*Map for illustration purpose only

... and our Experienced Employees

Employee Addition

Total Employees: 7,855*



*Full-time officers and clerks.

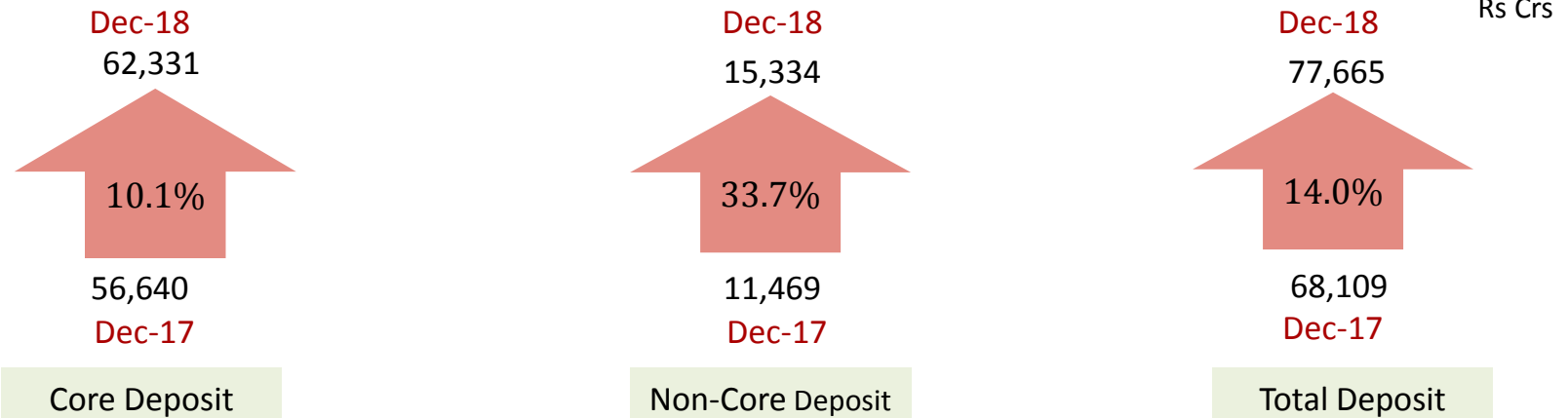


Performance Matrix

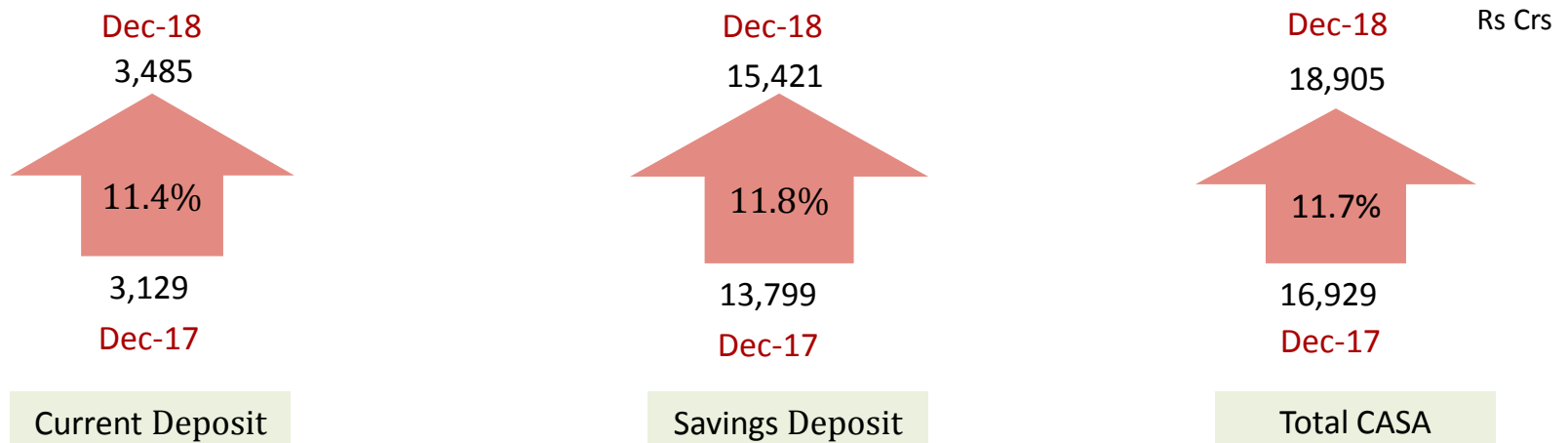


Strong Deposit Franchise

Core & Non-Core Deposits

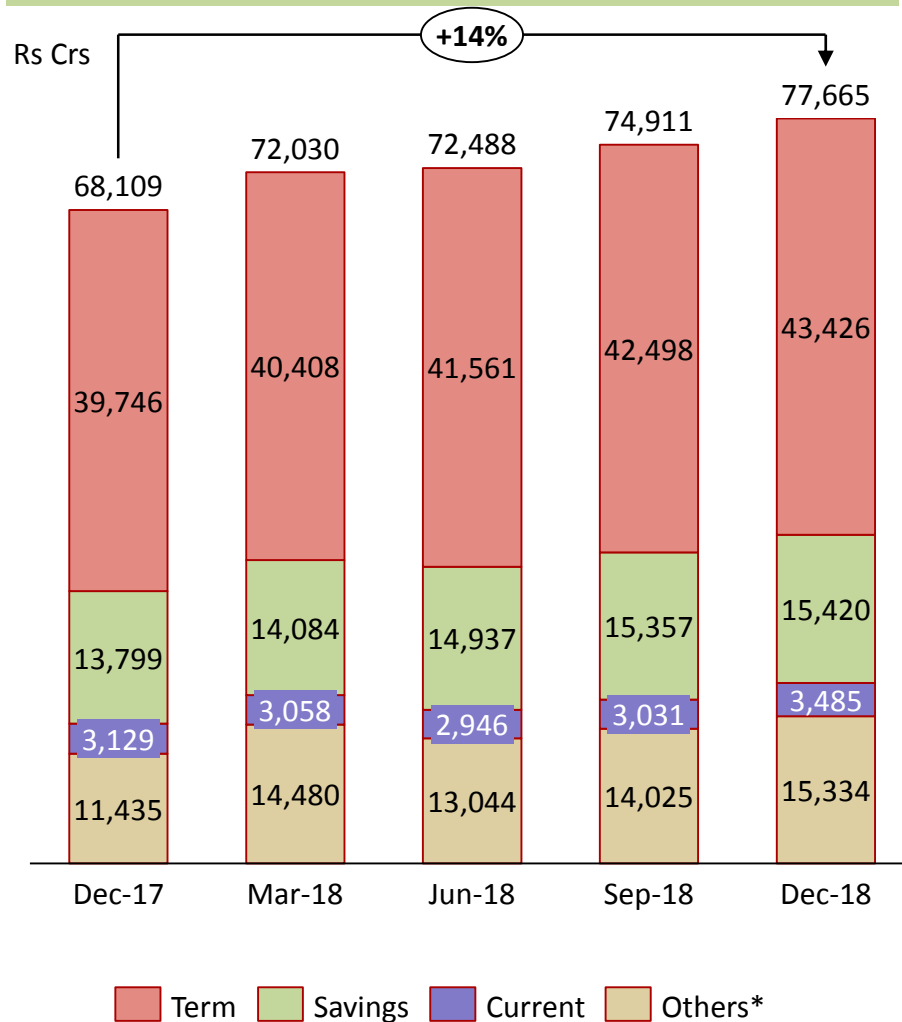


CASA Deposits

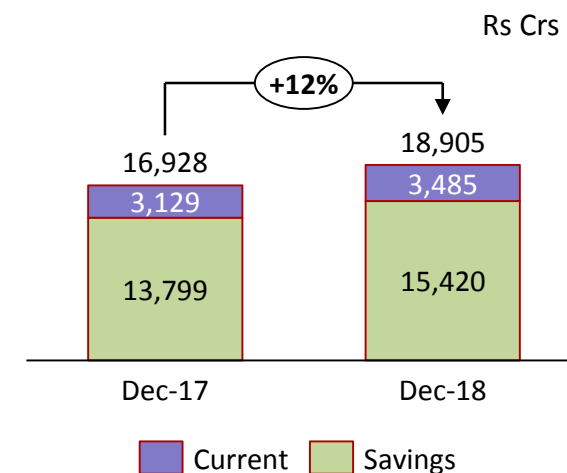


Core Deposits Growing...

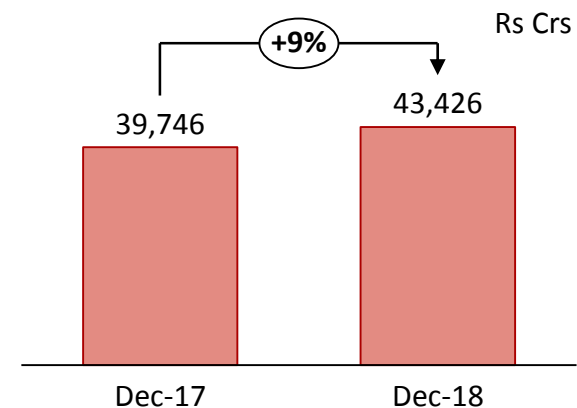
Breakup of Deposits



CASA Deposit



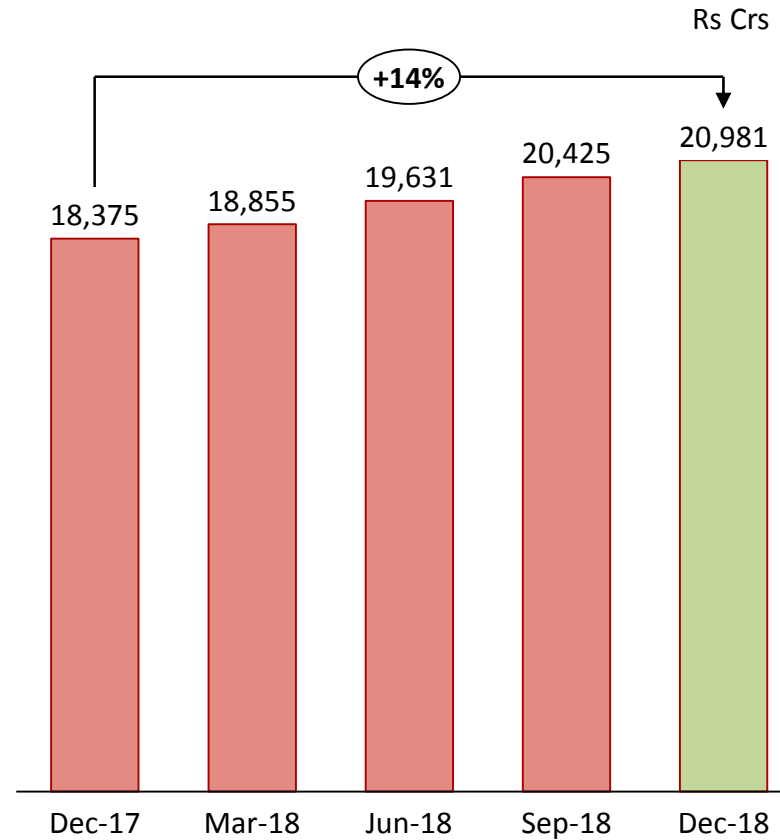
Term Deposits



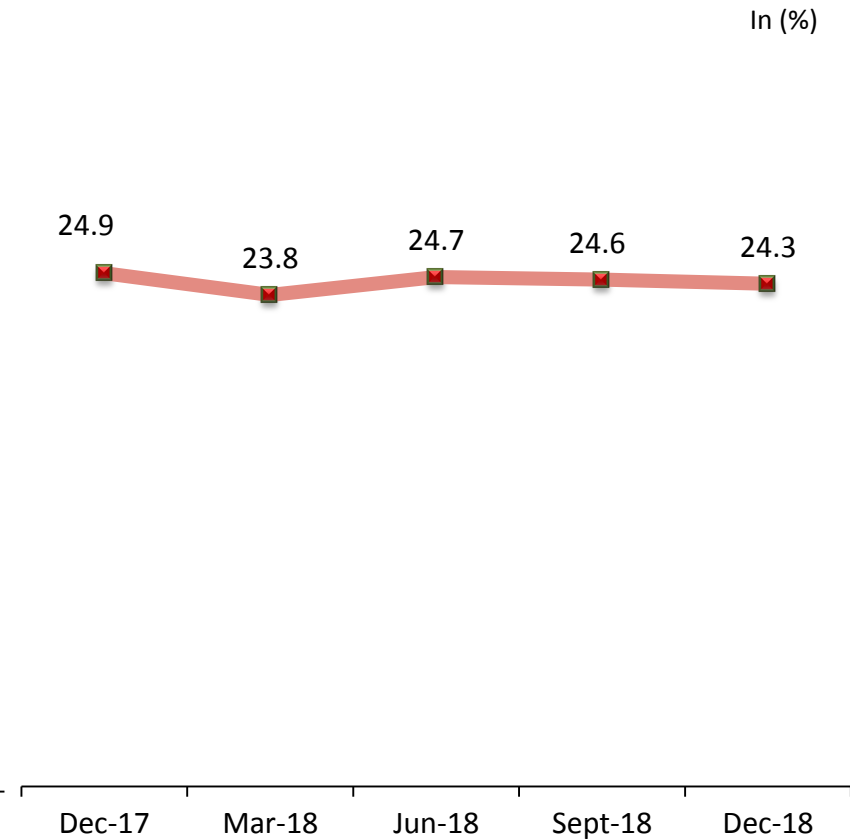
*Others includes: Bulk, Certificates of Deposits

NRI Deposits Growing...

NRI Deposits



CASA

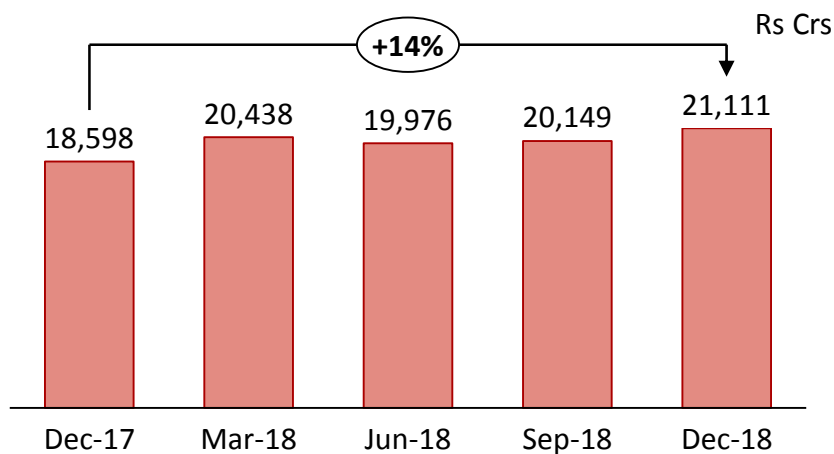


Break Up of Non Resident Deposits

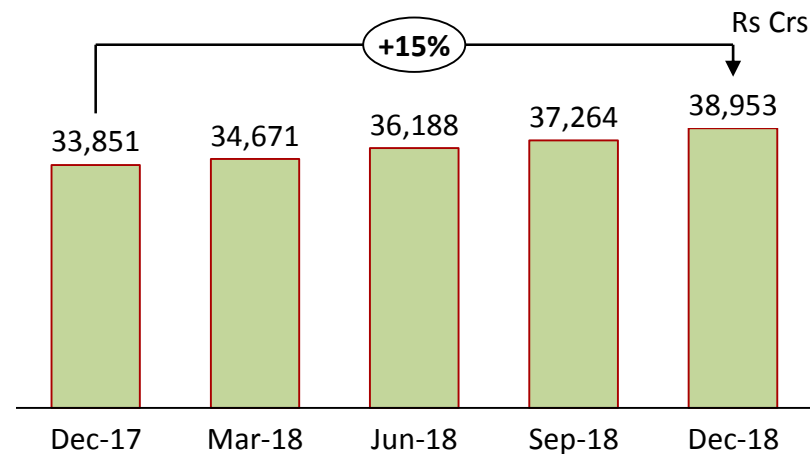
Deposit Type (Rs Crs)	Q3-FY 18	Q4-FY 18	Q1-FY 19	Q2-FY 19	Q3-FY 19
NRE SB	3,212	3,335	3,628	3,741	3,768
NRO SB	603	618	623	657	712
FCNR (B), RFC & Others	1,598	1,634	1,638	1,652	1,697
Low Cost NRI Deposit (Sub Total)	5,413	5,587	5,889	6,050	6,177
NRE Term Deposit	12,427	12,704	13,180	13,789	14,199
NRO Term Deposit	535	564	562	586	605
Total NRI Deposit	18,375	18,855	19,631	20,425	20,981

Composition of Loan Book

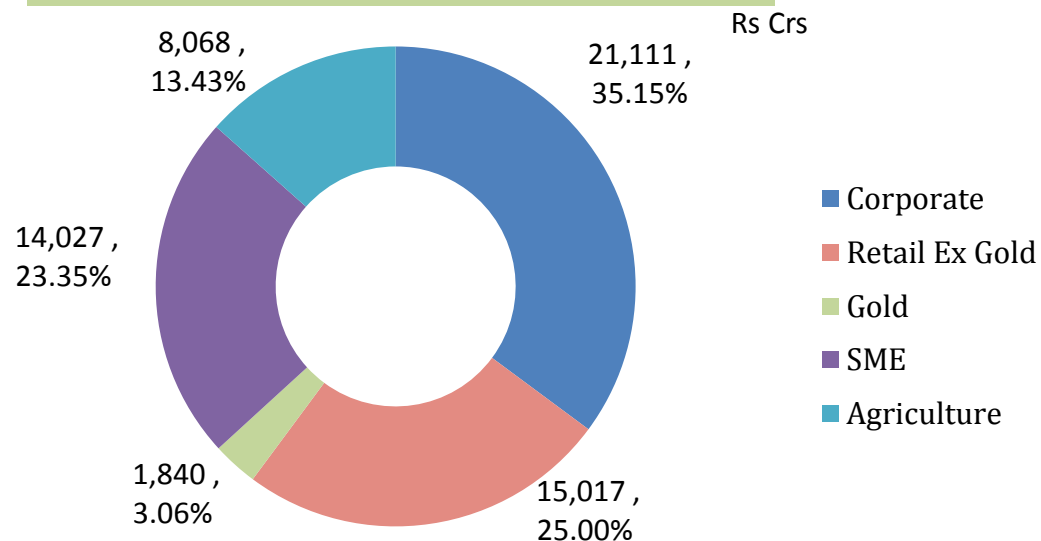
Corporate Advances (Above Rs 25 Crs)



Retail Advances



Segment wise Break Up of Total Loan Book



Composition of Loan Book

Break up of Loan book

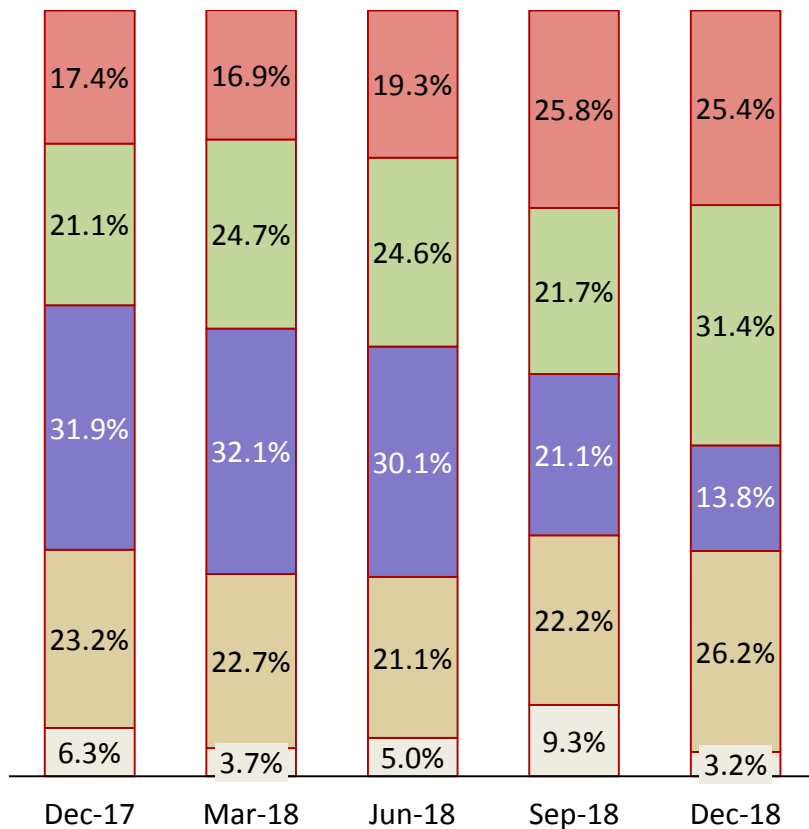
Advances (Rs. Crs)	Dec-17		Mar-18		Jun-18		Sept-18		Dec-18	
	No. of A/C's	Rs. (in Crs)	No. of A/C's	Rs. (in Crs)	No. of A/C's	Rs. (in Crs)	No. of A/C's	Rs. (in Crs)	No. of A/C's	Rs. (in Crs)
Less than 5 Crs	7,11,884	20,515	7,15,160	21,816	7,15,520	22,529	7,17,750	23,331	723,279	25,576
5 - 25 Crs	3,763	9,332	3,753	10,147	3,798	10,564	3,898	10,892	4,071	11,321
25 – 100 Crs	890	10,003	1,038	10,539	987	10,455	982	10,449	992	10,790
More than 100 Crs	386	12,599	387	12,607	381	12,616	389	12,741	381	12,377
Total Advances	7,16,883	52,449	7,20,338	55,109	7,20,686	56,164	7,23,019	57,413	728,723	60,064

Composition of Corporate Loan Book

96.8% of our Large Corporate Standard Advances above Rs. 100 Crs are under Investment Grade

External Rating

Rs Crs

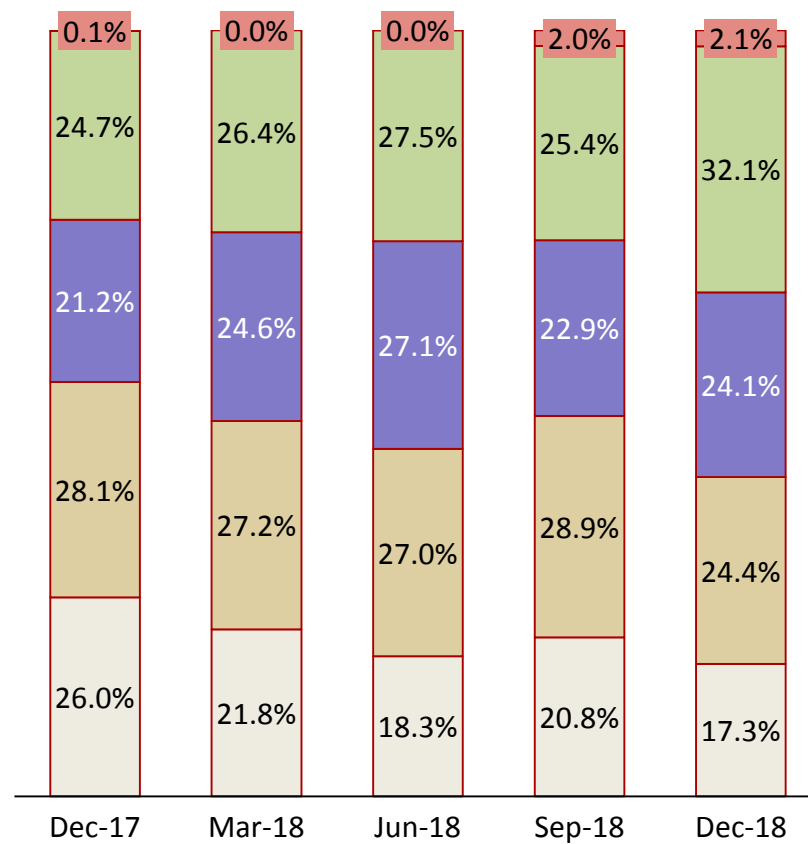


AAA AA A BBB <BBB

82.7% of Total Corporate Loan Book is Investment Grade (Rs. 25 Crs and above)

SIB Internal Rating

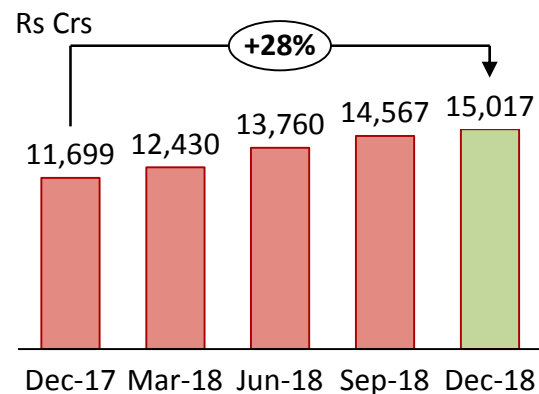
Rs Crs



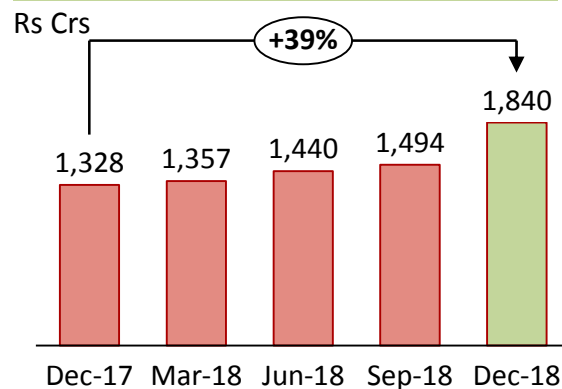
SIB AAA SIB AA SIB A SIB BBB SIB <BBB

Key Focus : Retail, SME & Agriculture

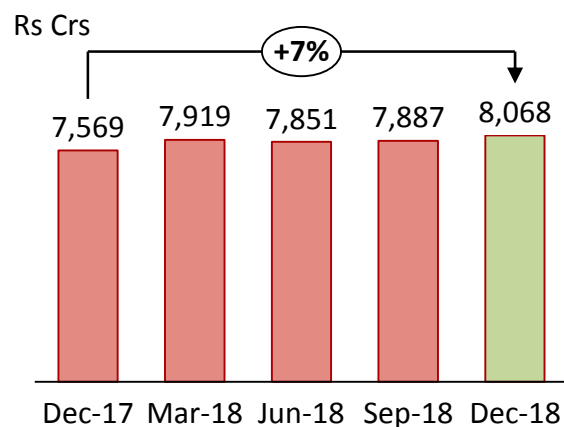
Retail excluding Gold



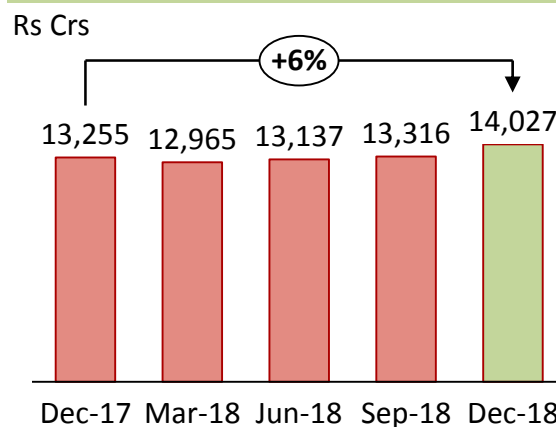
Gold (Average LTV – 65%)



Agriculture



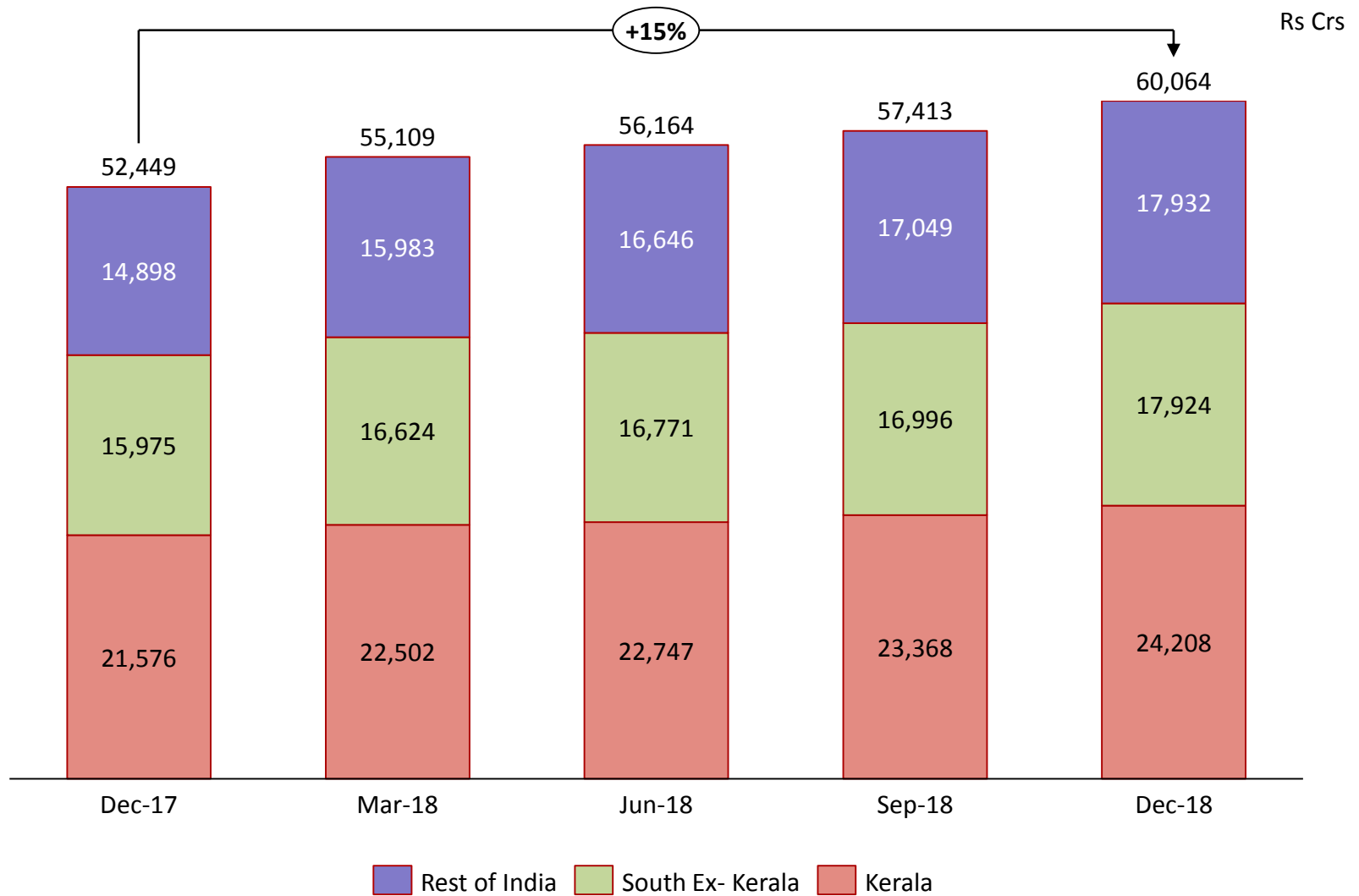
SME



Retail Loans (Excl. Gold), Agriculture & SME has grown by 14.1% (Y-o-Y)

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

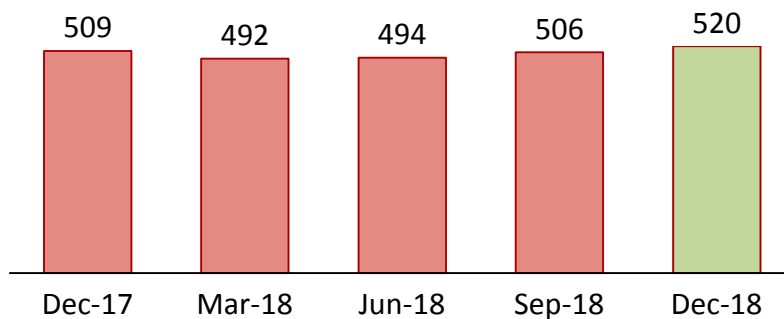
Advances growing Across Regions



Net Interest Income - Quarter

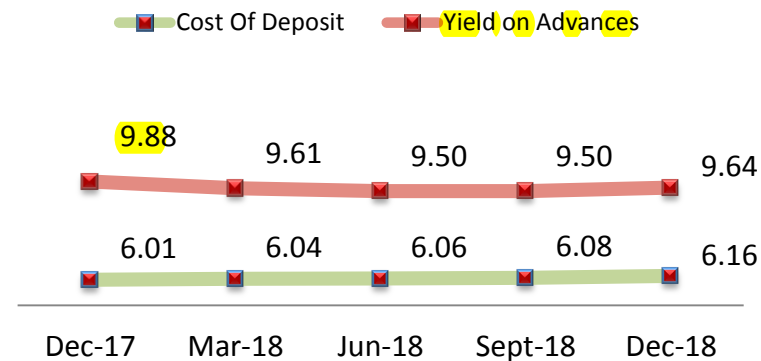
Net Interest Income

Rs Crs



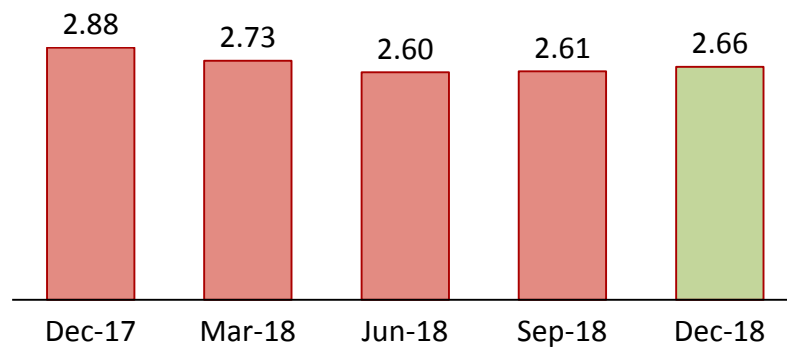
Cost of Deposits & Yield on Advances

In %



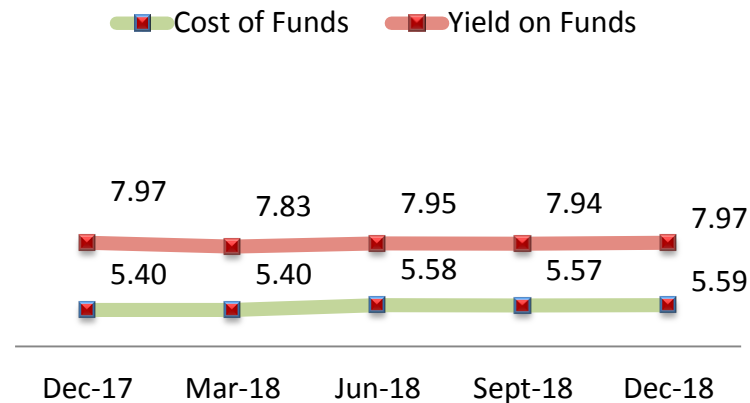
Net Interest Margin

In %



Cost of Funds & Yield on Funds

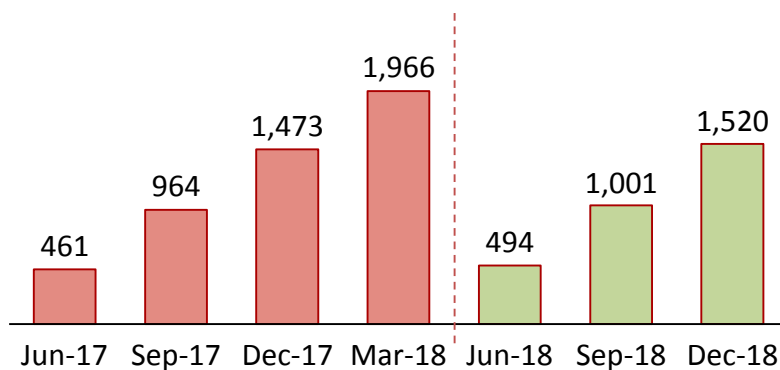
In %



Net Interest Income - Cumulative

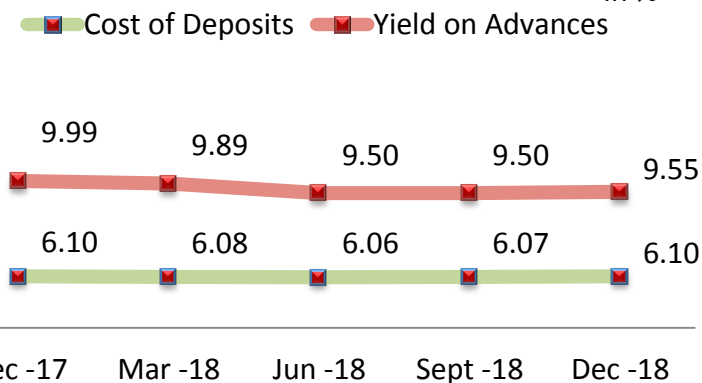
Net Interest Income

Rs Crs



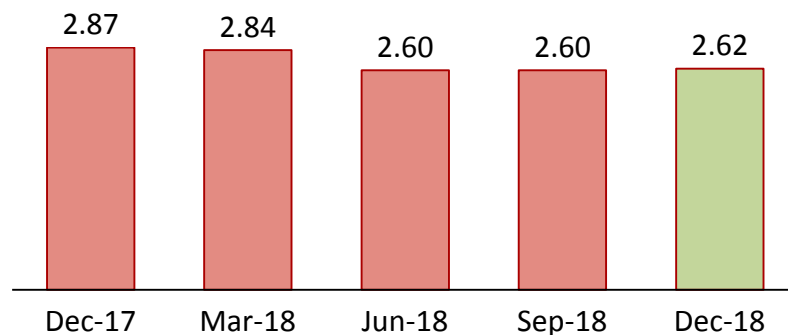
Cost of Deposits & Yield on Advances

In %



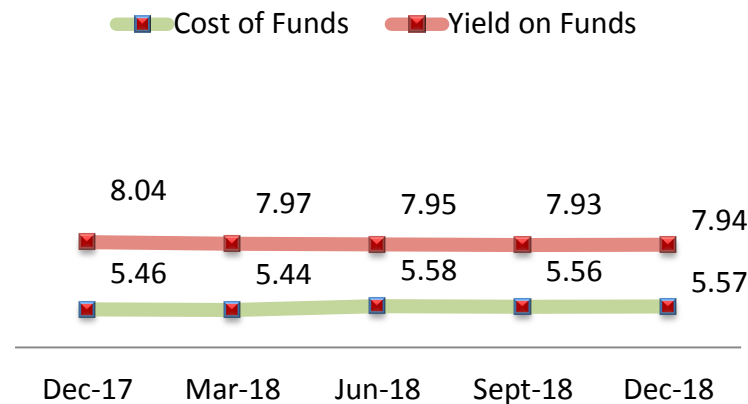
Net Interest Margin

In %



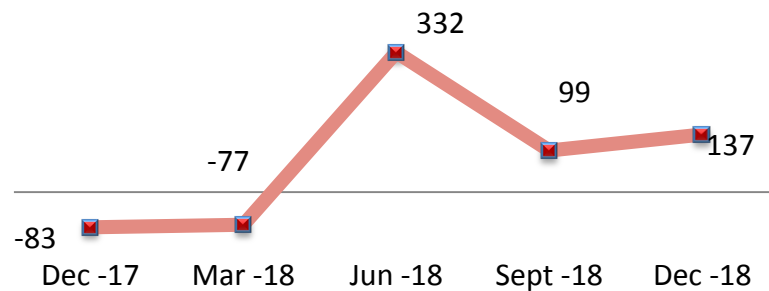
Cost of Funds & Yield on Funds

In %

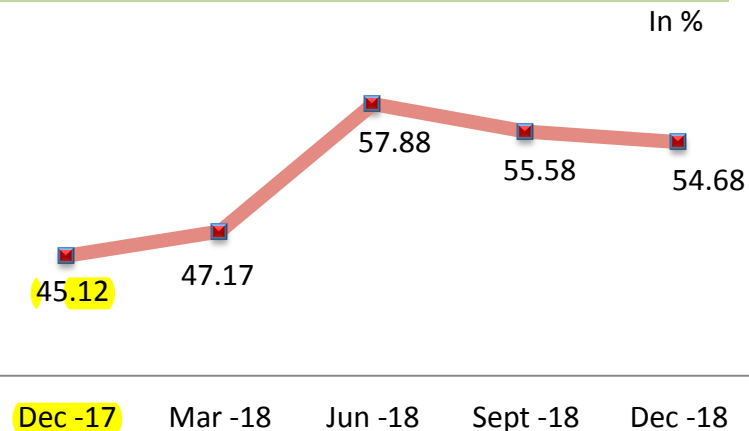


Improving Operating Efficiency

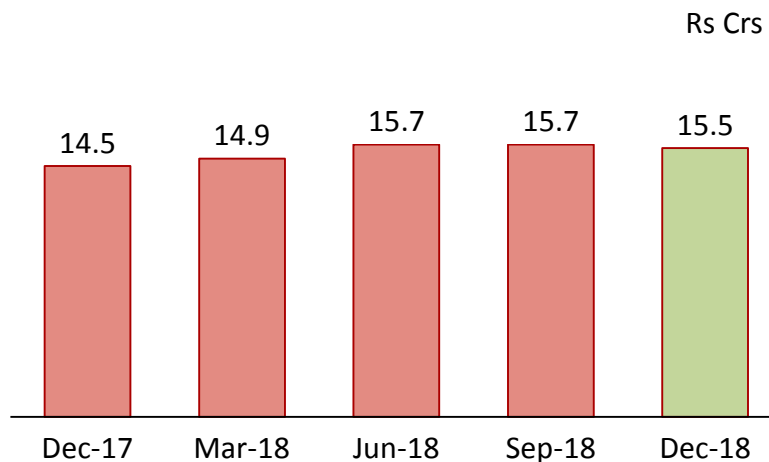
Employee Additions



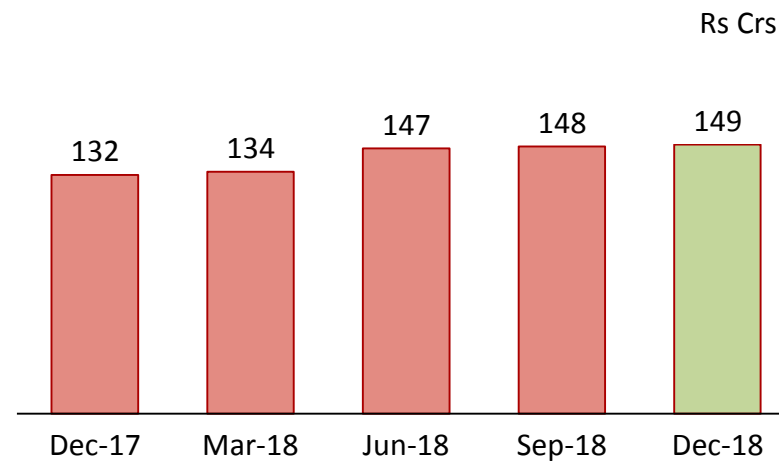
C/I Ratio



Business per Employee

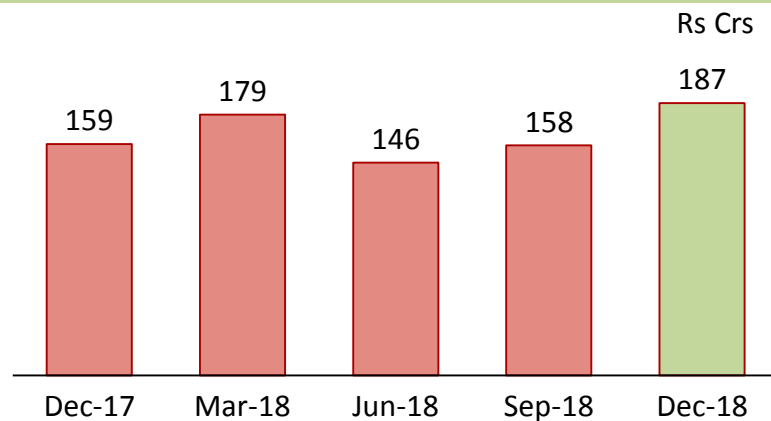


Business per Branch

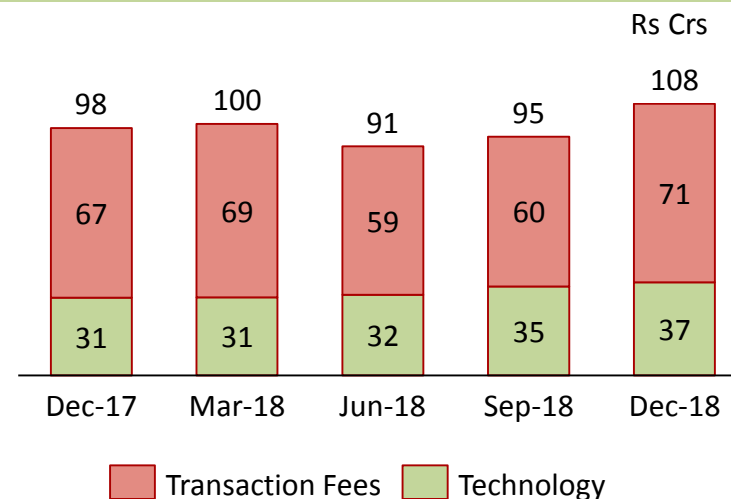


Sustainable Other Income

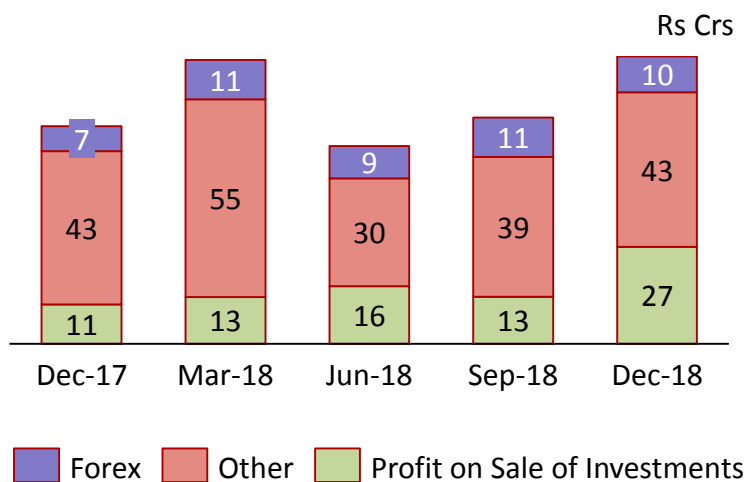
Total Other Income led by ...



...Sustainable : Transaction Fees + Technology



Profit on Sale of Investments, Forex & Others



Investment Book as on Dec-18

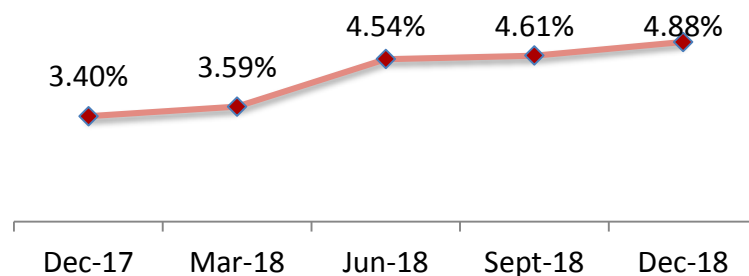
Details	Rs. Crs	M Duration
HTM	14,936	5.38
AFS	3,988	2.38
HFT	1	-
Total	18,926	4.97

Break Up of Provisions

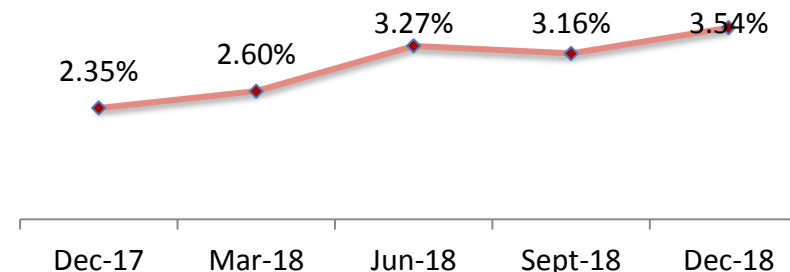
Rs Crs	Q3-FY 19	Q3-FY 18	Q2-FY 19
For NPA & NPI	189.4	229.78	133.2
For Depreciation on Investments	-7.3	4.51	40.5
For Standard Assets	10.1	6.54	6.4
For Restructured Advances/Sacrifices & FITL	0.0	-0.30	-1.0
For Unhedged Forex Exposure	-0.1	0.49	0.2
Others	11.1	-86.74	25.5
Taxes	45.0	60.87	35.0
Total Provisions	248.1	215.2	239.7

Non Performing Assets

Gross NPA



Net NPA



Gross NPA Movement

Rs Crs	Dec-17	Mar-18	Jun-18	Sept-18	Dec-18
Opening	1,766	1,775	1,980	2,552	2,646
Additions	258	614	609	213	659*
Deductions	249	408	37	119	375
Closing	1,775	1,980	2,552	2,646	2,930

Net NPA Movement

Rs Crs	Dec-17	Mar-18	Jun-18	Sept-18	Dec-18
Opening	1,256	1,211	1,416	1,814	1,785
Additions	89	510	505	165	555
Deductions	134	305	107	194	240
Closing	1,211	1,416	1,814	1,785	2,100

*Break up of Rs. 659 Crs as below:

- Corporate Slippage - Rs. 503 Crs
- MSME Slippage - Rs. 119 Crs
- Retail Slippage - Rs. 34 Crs
- Agri Slippage - Rs. 3 Crs

Corporate slippages of Rs. 503 Crs consist of

- Rs. 400 Crs – 1 Large Infrastructure Conglomerate
- Rs. 103 Crs – 1 EPC Contractor

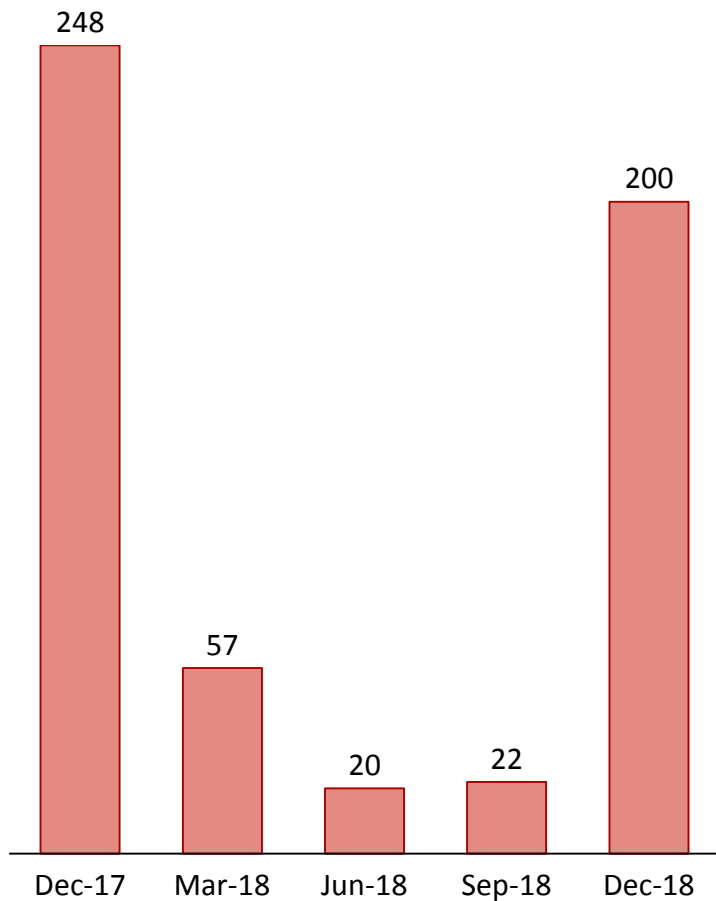
Stressed Assets - QoQ

	Gross Basis		Net Basis	
Rs Crs	Q2-FY 19	Q3-FY 19	Q2-FY 19	Q3-FY 19
NPA	2,646	2,930	1,785	2,100
Restructured Standard Advance	22	200	22	200
Other Stressed Advances	104	0	94	0
Total Stressed Assets	2,772	3,130	1,901	2,300
Advances	57,413	60,064	56,572	59,256
Stressed Assets as % of Advances	4.83%	5.21%	3.36%	3.88%

Restructured Advances Breakup

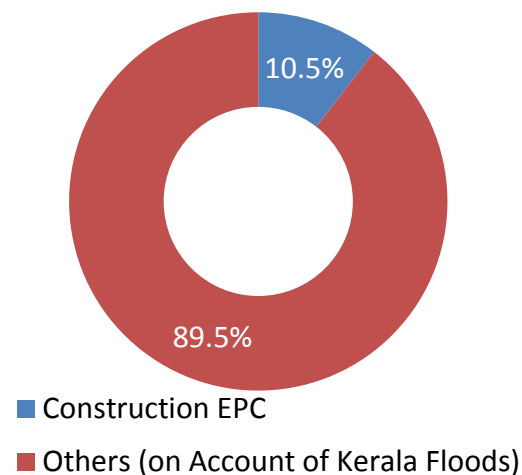
Restructured Assets Break-up

Rs Crs



■ Restructured Standard Advance

Sector Standard Restructure – Q3FY19



Rs Crs

Security Receipts Outstanding as on 31.12.2018

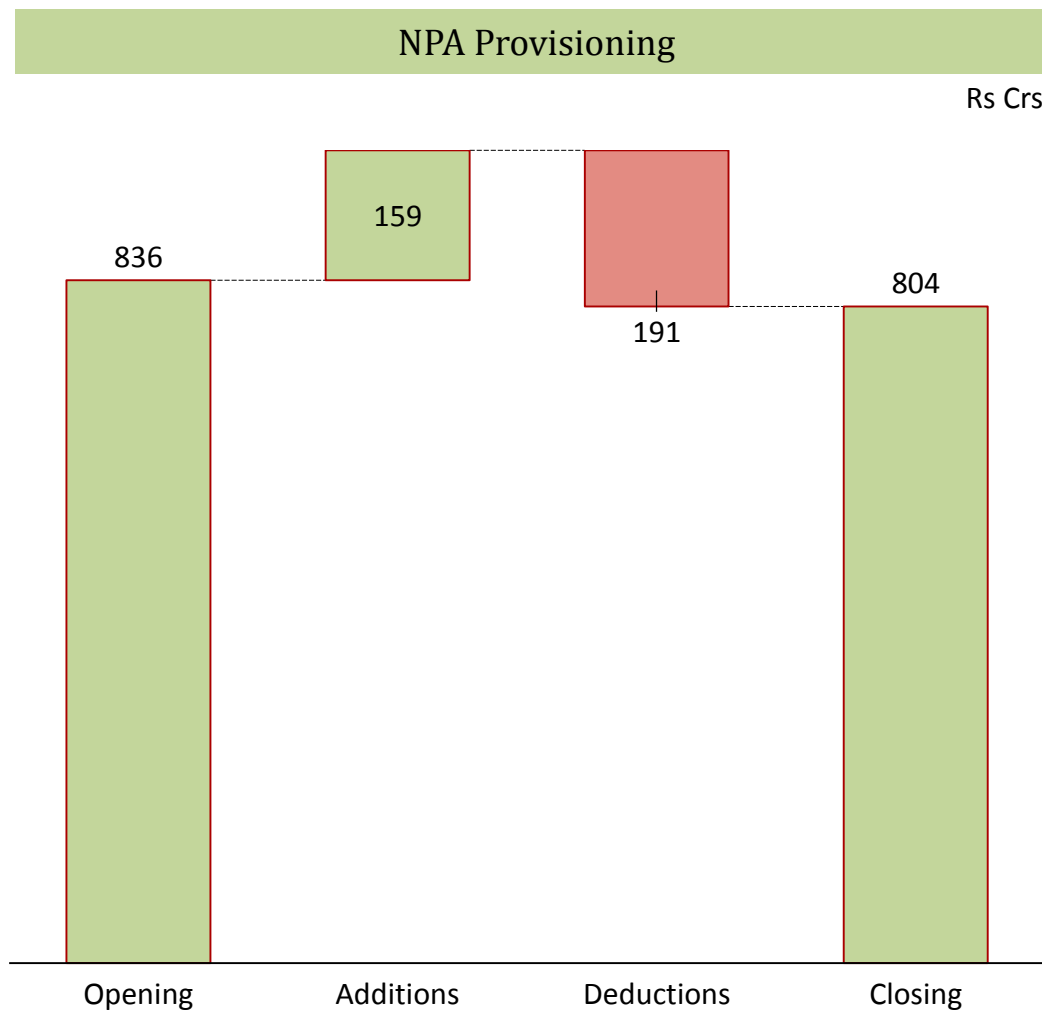
Book Value	Provision	NAV
1,286	267	1,019

Restructured Standard Asset Book

Rs Crs

	Restructured Standard Advance						
	Opening	Fresh Addition	Upgradation from NPA to Std. Rest.	Uday – SDL Investments	Decrease in Balance	Slippages to NPA	Closing Balance
Infra Roads	-	-	-	-	-	-	-
Construction EPC	22	-	-	-	1	-	21
Others	-	179	-	-	-	-	179
Total	22	179	-	-	1	-	200

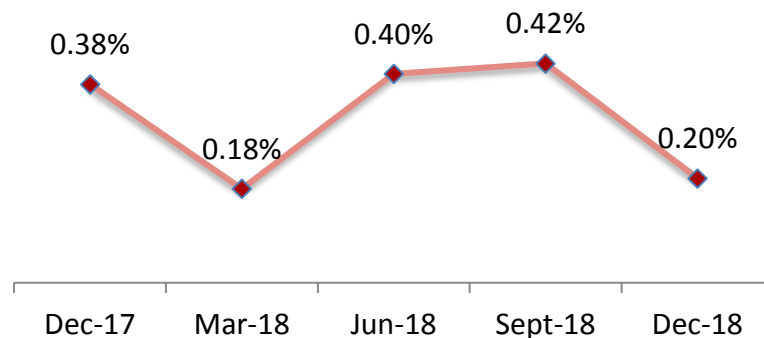
Credit Provisioning



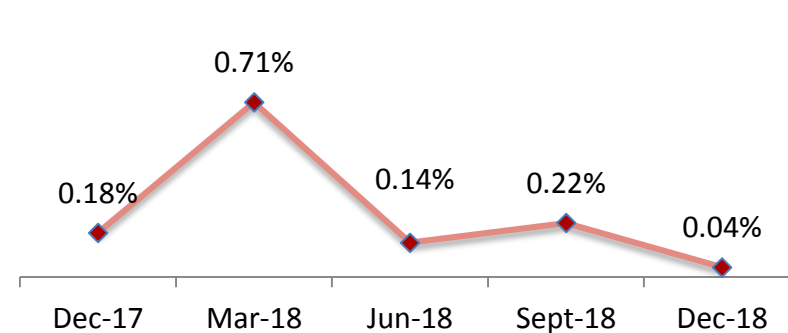
Provision Coverage
Ratio : 41.17%

Fresh Slippages/Advance Ratios

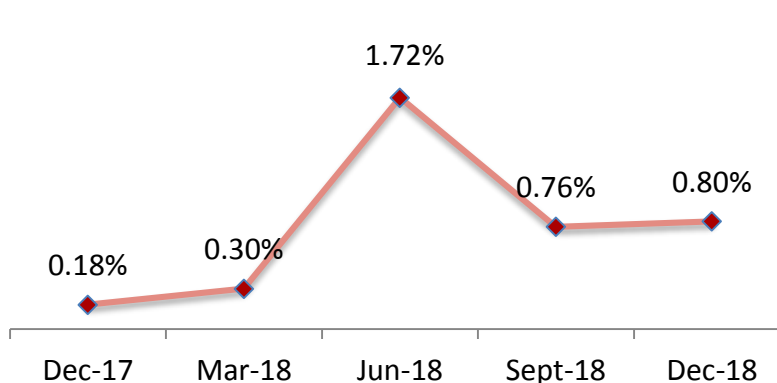
Retail Slippage



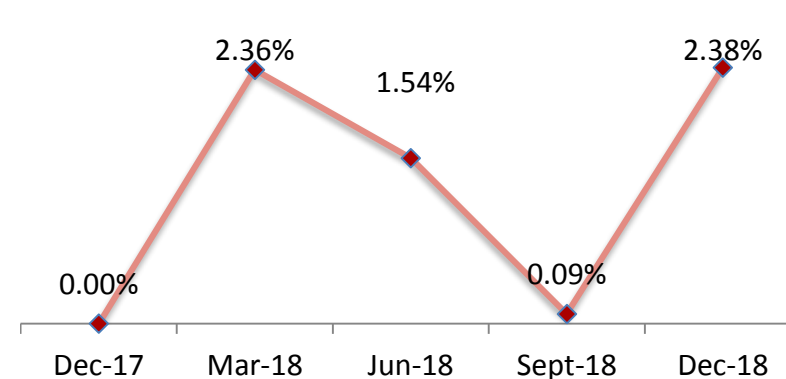
Agriculture Slippage



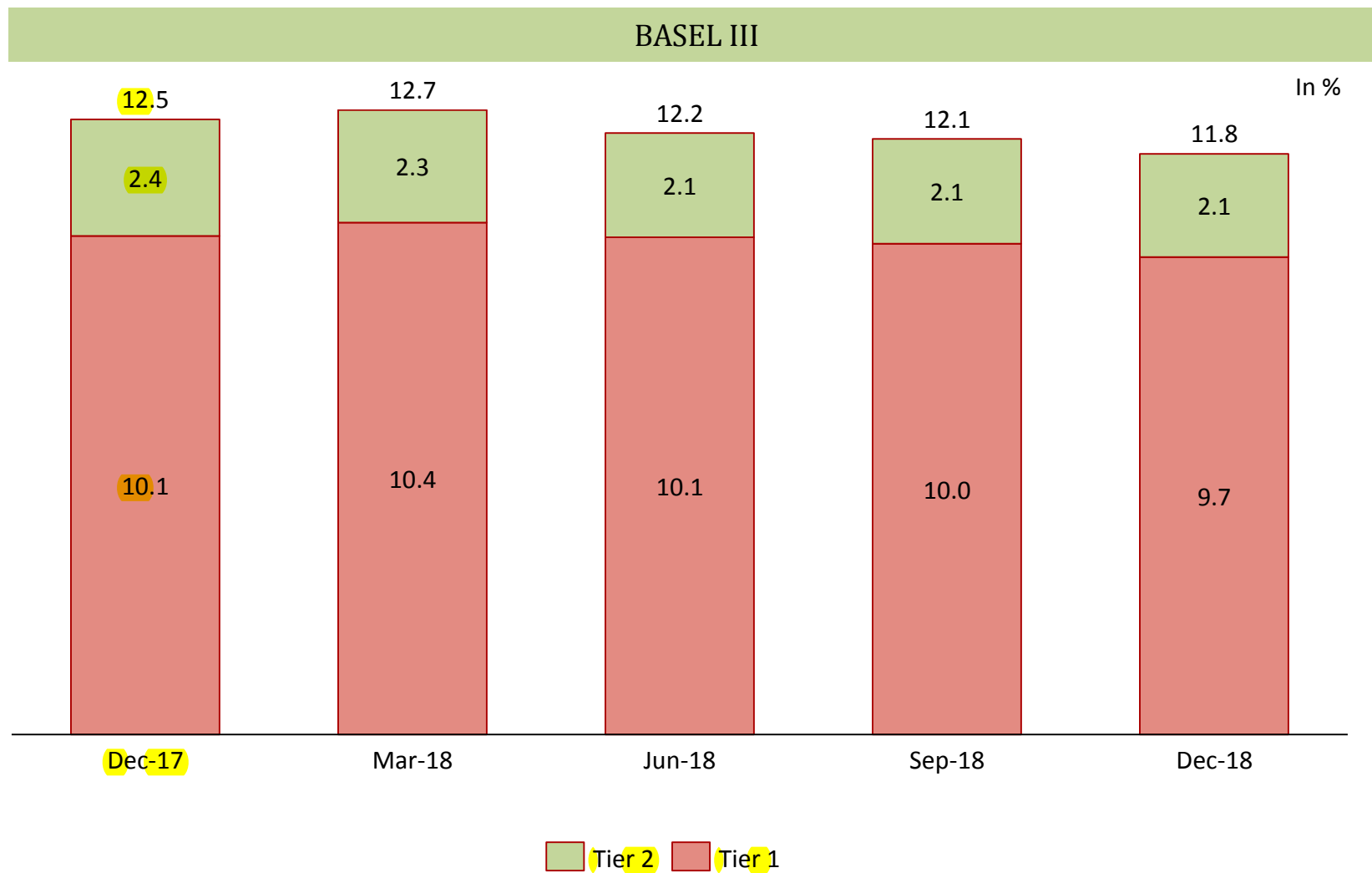
SME Slippage



Corporate Slippage

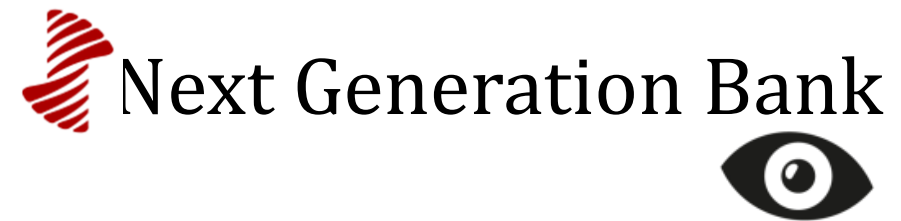


Capital Composition



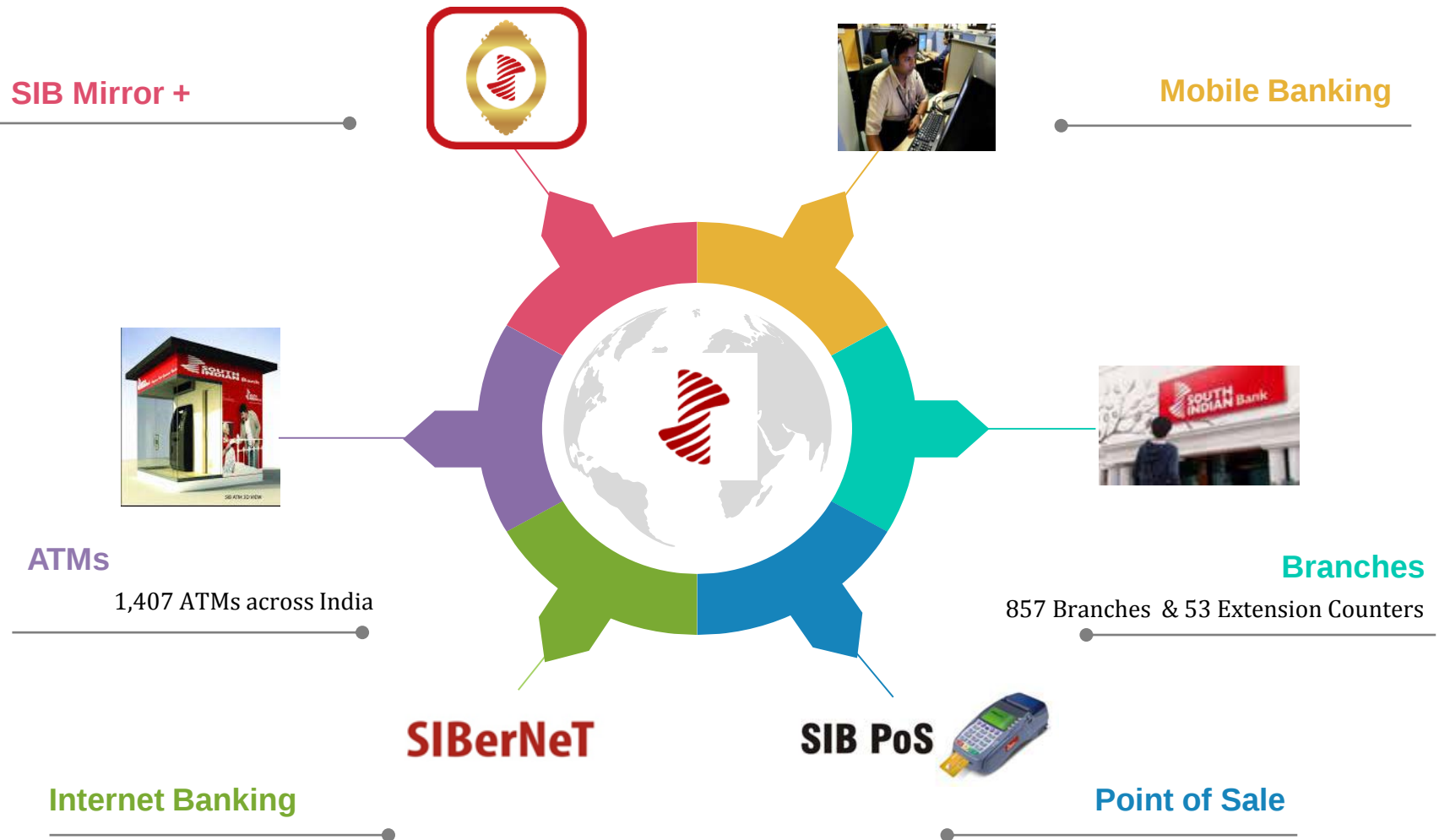
Profit & Loss Overview- Q3 FY19

Rs Crs	Q3-FY19	Q3-FY 18	Y-o-Y (%)	Q2-FY 19	Q-o-Q (%)
Net Interest Income	520	509	2.0%	506	2.6%
Other Income	187	159	17.6%	158	18.3%
Total Income	706	668	5.7%	664	6.3%
Operating Expenses	374	338	10.7%	355	5.6%
Operating Profit	332	330	0.6%	310	7.2%
Provisions (Ex-Tax) & Contingencies	203	154	31.7%	205	-0.8%
Reported Profit Before Tax	129	176	-26.7%	105	22.6%
Provision for Tax	45	61	-26.0%	35	28.8%
Profit After Tax	84	115	-27.1%	70	19.6%

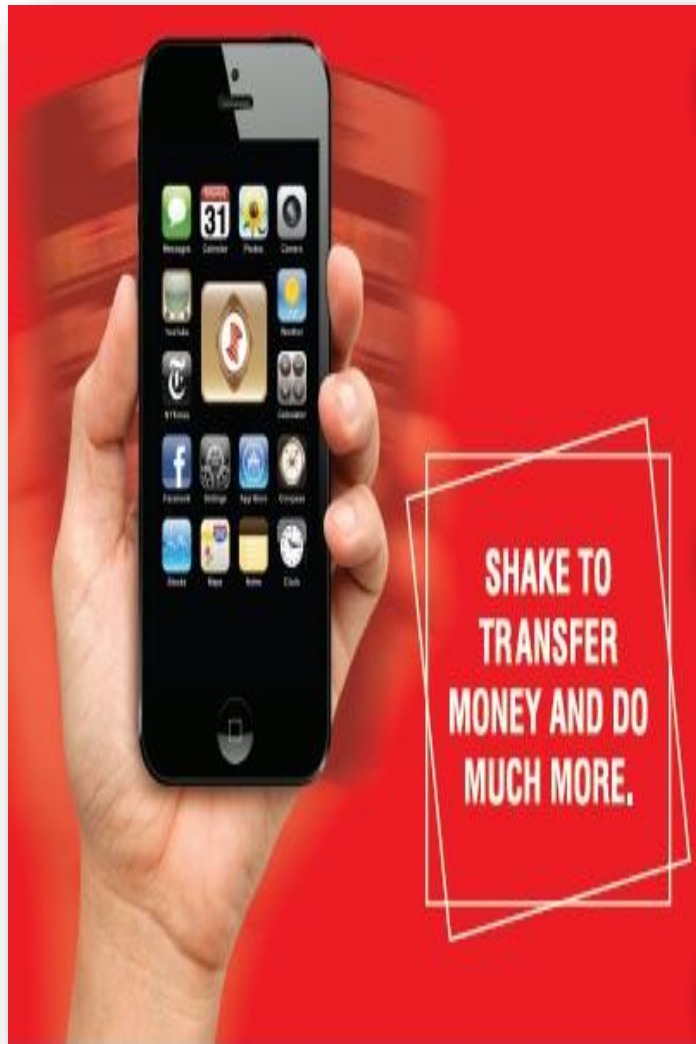


Present across Customer Touch Points

Traditional & Alternate Channels



Technology Initiatives



Mirror + is an all in one stop for your mobile banking needs, with additional features as IMPS (24/7) fund transfer, NEFT fund transfers, and full access to account information, and much more

SIBerNet is a suite of comprehensive internet banking services positioning SIB as a technology-driven bank offering superior services to retail customers with added security like OTP, FRM Solution.



Retail branches now interconnected with single-window service and providing real-time online, real-time transactions to customers. Instant account opening facility through Quick Account Opening, TAB Account Opening supported by e-KYC.

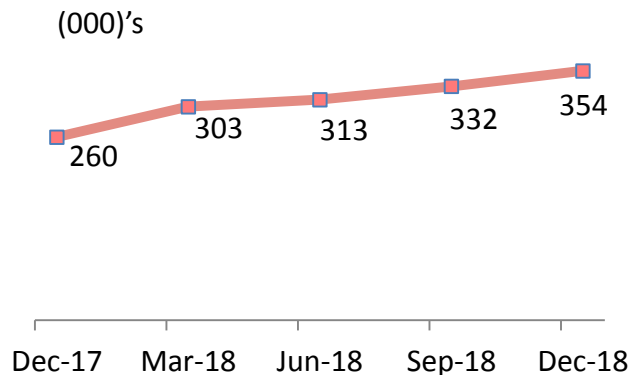
SIB offers Visa, MasterCard, and RuPay debit cards with online access to users for secure domestic and international transactions



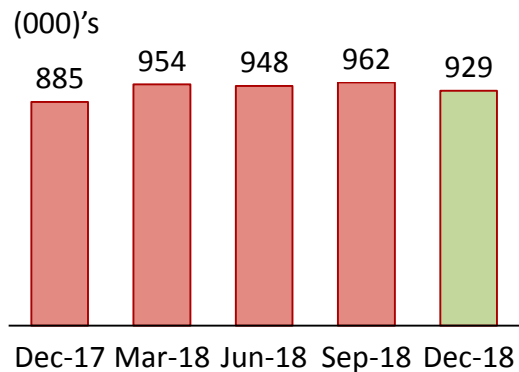
Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

Personal Banking: Technology Banking

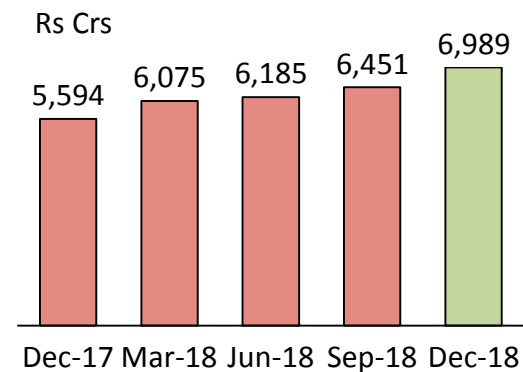
Active Internet Users



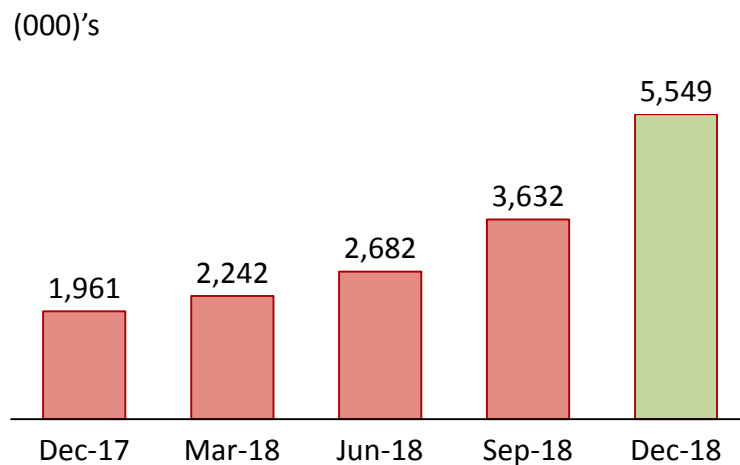
Internet Transaction Volume



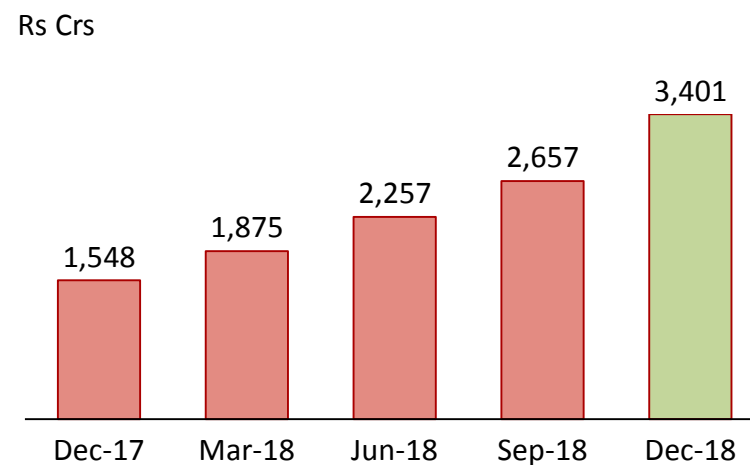
Internet Transaction Value



Mobile Transaction Volume



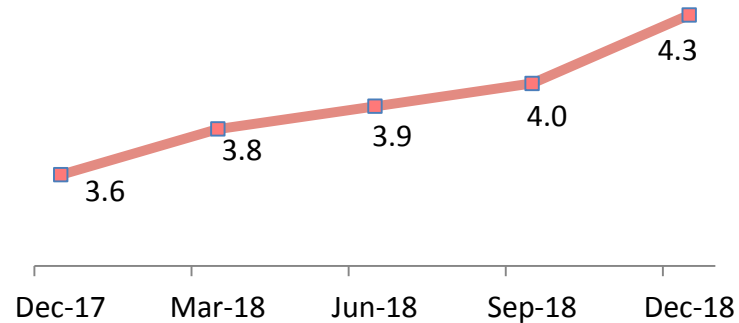
Mobile Transaction Value



Personal Banking: Debit Cards

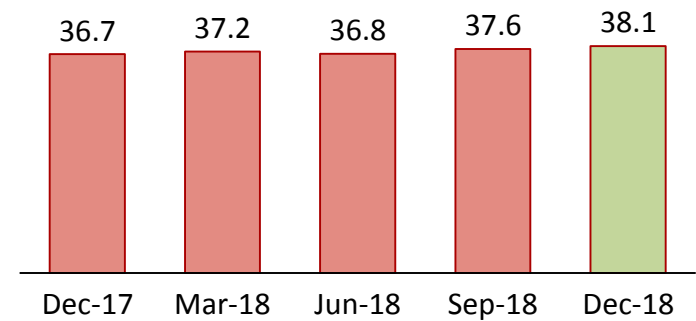
No of Active Debit Cards

In Millions



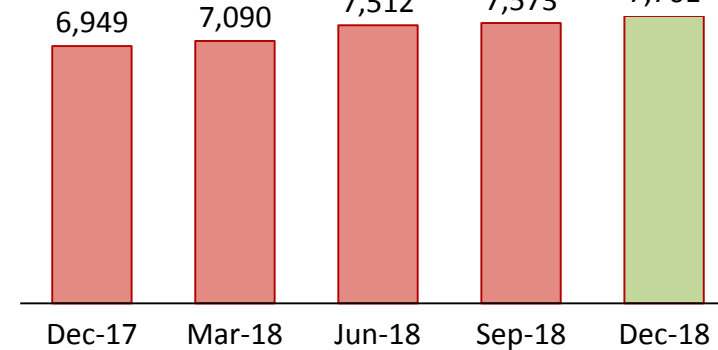
Debit Card Transaction Volumes

In Millions



Debit Card Transaction Value

Rs Crs





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

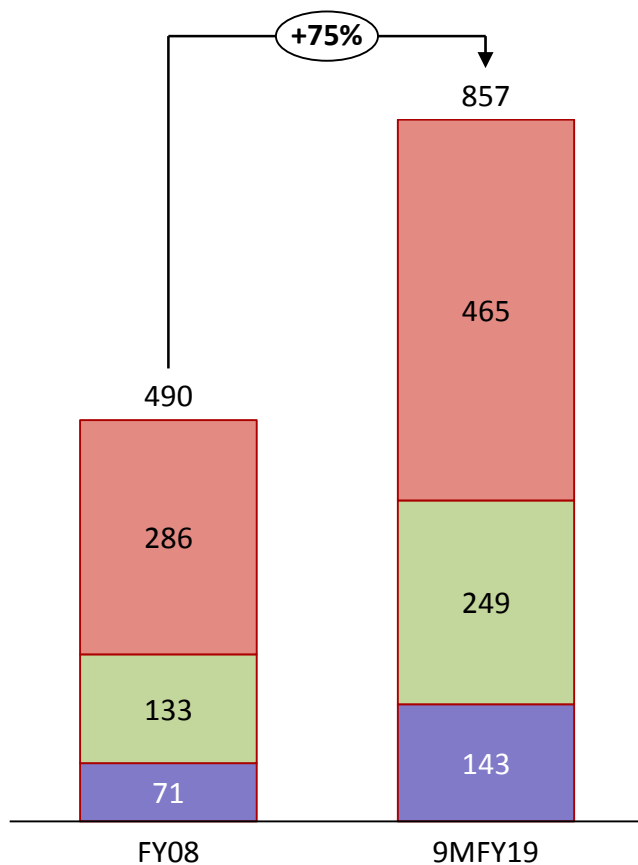
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

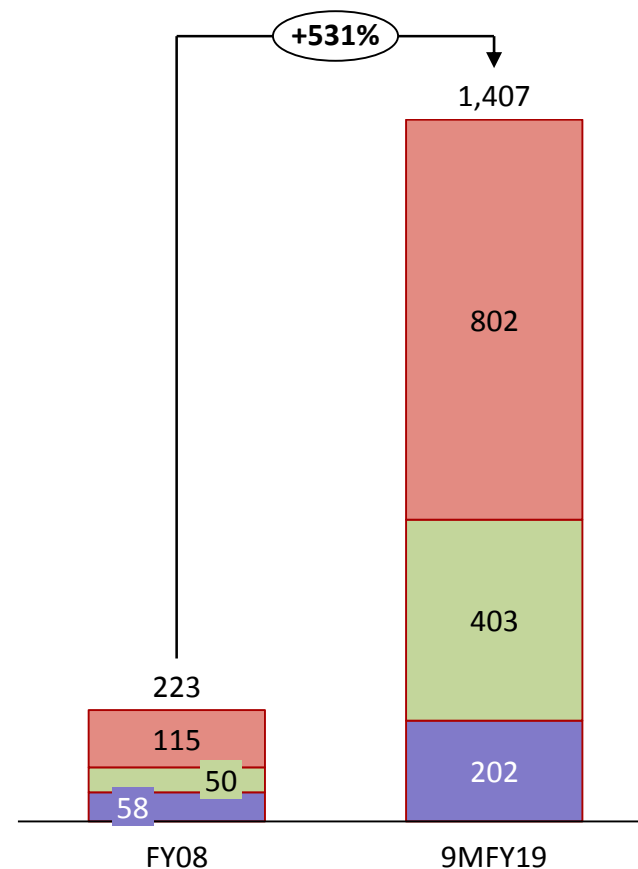
**The FIRST Kerala based bank to implement
Core Banking System**

Expansion since FY08

Branch Network



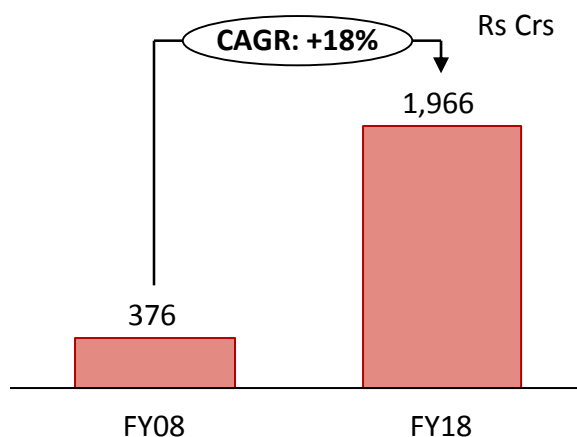
ATM Network



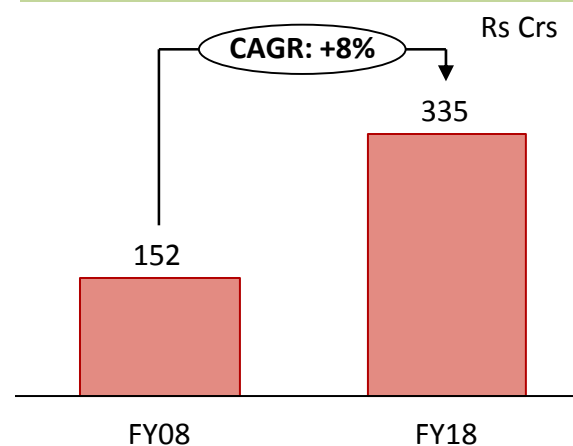
■ Kerala ■ South Ex-Kerala ■ Others (Rest of India)

Performance since FY08

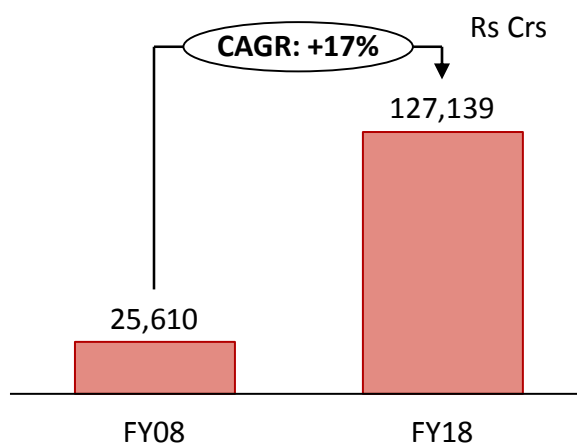
Net Interest Income



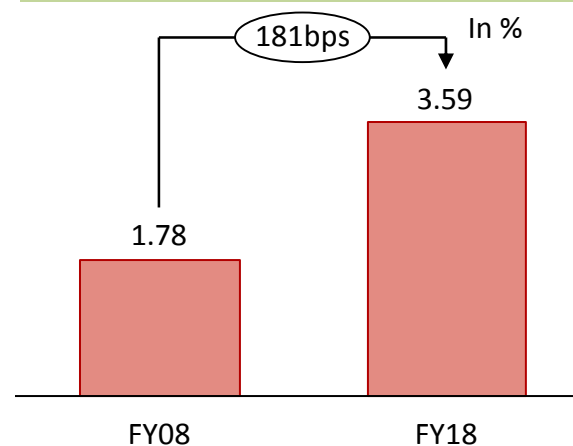
Profit After Tax



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 (Operations)

- 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. Benoy Varghese
(Country Head – Wholesale Banking)

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

Mr. Sanchay Kumar Sinha
(Country Head – Retail Banking)

- Bachelor's degree in Arts, Post Graduate Certificate in Business Management (XLRI)

Mr. John Thomas
(Country Head – Business Development)

- Bachelors Degree in Science, MBA and CAIIB

Mr. Raphael T.J., Senior General Manager
(Chief Information Officer)

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

Mr. Anto George T, General Manager
(Head of Inspection & Vigilance Department and Chief of Internal Vigilance)

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

Mr. Shelly Joseph, General Manager

- Masters Degree in Commerce & CAIIB

Management Team

Mr. Reddy N J, General Manager

- Masters Degree in Commerce & LLB

Mr. Sibi P M, Chief Compliance Officer

- Bachelor of Technology
- Certified Associate of Indian Institute of Banking & Finance
- FRM and GARP

Mrs. Chithra H, Chief Financial Officer

- Bachelors Degree in Commerce
- Associate member of the Institute of Chartered Accountants of India
- Certified Associate of the 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

Award Wins during FY19

Best MSME Bank-Runner Up

South Indian Bank has received the award for Best MSME Bank-Runner Up, instituted by Chamber of Indian Micro, Small & Medium Enterprises.



Photo Caption- Mr. John Thomas, Country Head (Business Development) received the award on behalf of South Indian Bank from Shri. Giriraj Singh, Minister of State in charge, Micro, Small & Medium Enterprises in presence of Mr. Mukesh Mohan Gupta, President, Chamber of Indian Micro Small & Medium Enterprises (CIMSME) and Mr. Satheesh Kumar K S (JGM & Regional Head, Delhi), South Indian Bank.

Award Wins during FY19

CSR Award for Banks & NBFCs

South Indian Bank has received the CSR Award for Banks & NBFCs under Education Sector instituted by Kerala Management Association (KMA). South Indian Bank has won the CSR Award for the contribution to higher education sector through "**SIB SCHOLAR**", Bank's own scholarship scheme for academically brilliant but financially challenged students for pursuing higher education.



Photo Caption- Shri. Raphael T.J (Senior General Manager & CIO) received the award on behalf of South Indian Bank from Shri. Kochouseph Chittilappilly (Chairman & CEO, V-Guard Industries Ltd.) in the presence of Dr. George Sreeba (Executive Director, K. Chittilappilly Foundation), Mr. Jose Dominic (MD & CEO, CGH Earth Group), Mr. V. George Antony (Non Executive Vice Chairman, UAE Exchange & Financial Services Ltd.) and Mr. Vivek Krishna Govind (President, KMA & Senior Partner, Varma & Varma Chartered Accountants).

For further information, please contact:

Company

The South Indian Bank Ltd.

CIN – L65191KL1929PLC001017

Ms. Chithra H, CFO

Mr. Vijith S, Dy. General Manager

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vijiths@sib.co.in

www.southindianbank.com

Investor Relations Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

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