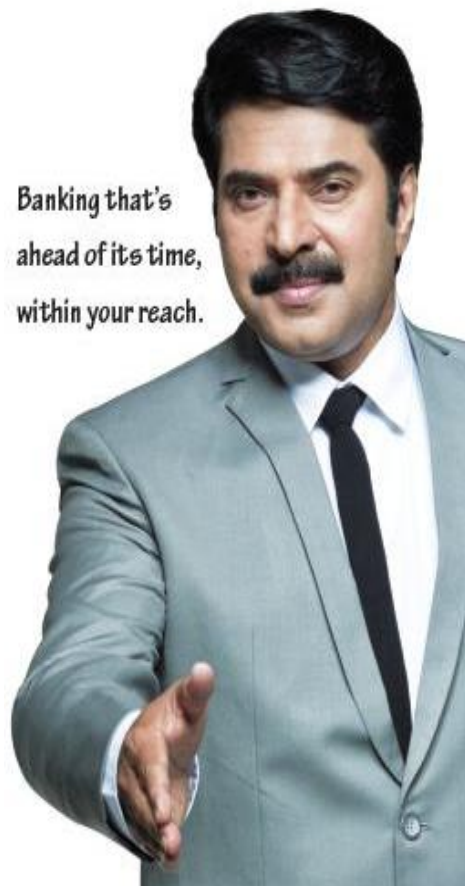




Experience Next Generation Banking

**Investor Presentation
October - 2016**



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Q2 FY17 Highlights



Business Strategy



Performance Matrix



Next Generation Bank



An Inflection Point



About Us



Q2 FY17 Highlights



South Indian Bank Achieves New Milestone One Lakh Crore Business

A man with a beard and a backpack stands on a mountain peak with his arms outstretched, symbolizing achievement. The background shows a vast mountain range under a blue sky with wispy clouds.

www.southindianbank.com
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CONQUERING YET ANOTHER PEAK.

SOUTH INDIAN BANK'S TOTAL BUSINESS CROSSES

₹1,00,000,00,00,000

(ONE LAKH CRORE)

*The credit goes to you, our valued customers.
Thank you for your continued support.*

The logo of South Indian Bank, featuring a stylized red and white circular emblem to the left of the text "SOUTH INDIAN Bank" in red and black.



Single Application for accessing
different bank accounts

Use of Virtual ID is more secure as no
credential sharing required

No risk of storing customer's virtual address
like in Cards

Secured with two Factor
Authentication

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

Recent Awards

South Indian Bank wins IDRBT Best Bank Award for Electronic Payment



Key Performance Highlights- Q2 FY17

	Rs in Crores	Q2 FY17	Q2 FY16	Growth
	Net Total Income	591.1	509.0	16.1%
	Deposits	60,192	53,036	13.5%
	Advances	43,548	39,556	10.1%
	CASA	13,698	12,072	13.5%
	PAT	110.5	93.0	18.8%



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 Business
(Excl. Gold)

Rs. 25,797 Crs

(**INCREASE**
19% YoY)

Strengthen SME Base

Rs. 10,430 Crs

(**INCREASE**
19% YoY)

Improve CASA

Rs. 13,698 Crs

(**INCREASE**
13% YoY)

Enhance Asset Quality
(Restructured Book)

Rs. 1,293 Crs

(**DECREASE**
44% YoY)

Improve share of other
Income

Rs. 146 Crs

(**INCREASE**
21% 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

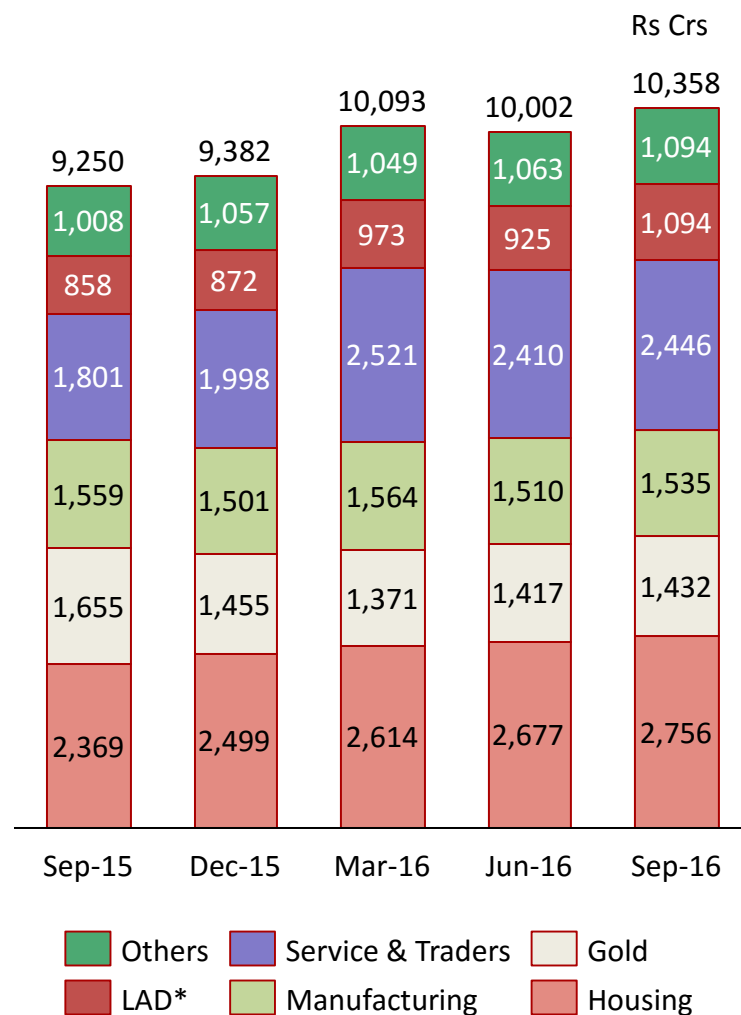


Branch Profitability

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

...by focus on Housing Loans in Retail

Retail Breakup



Housing: Key Initiatives

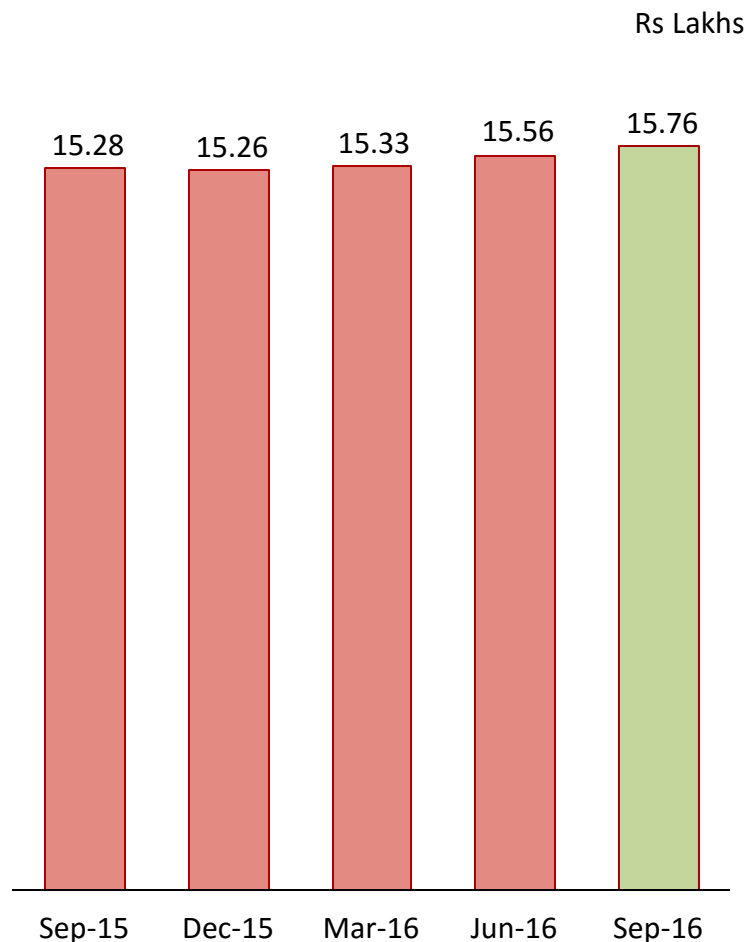
- Retail hub in Kochi to increase focus on housing finance
- Two more hubs to be set up – one in South India and one in North India
- Branch staff being given specific training to market mortgage loans
- Marketing initiative through TVCs
- Tailor made products for different segments

July to Sept 2016

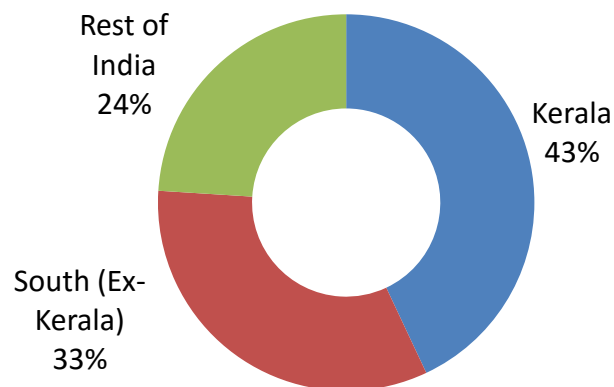
- Housing Loans Sanctioned : 857 Nos.
- Amount of Housing Loans Sanctioned – 199 Crs

...becoming a Banker of Choice to SMEs

Average SME Loan / Account



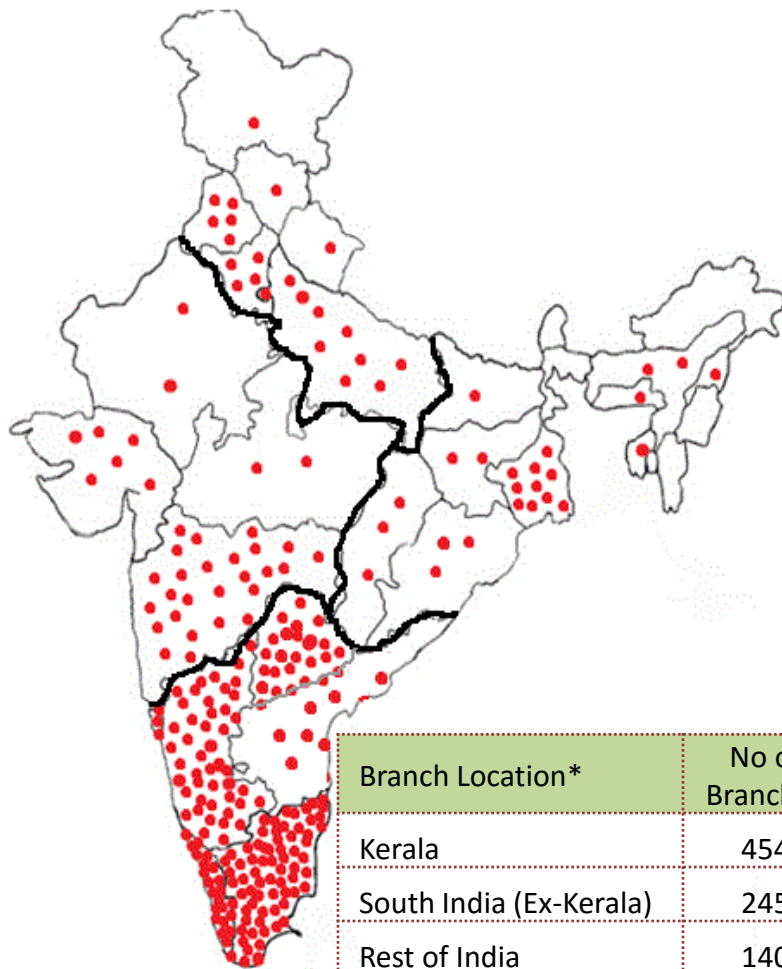
Loan Book by Geography – Q2 FY17



SME Highlights

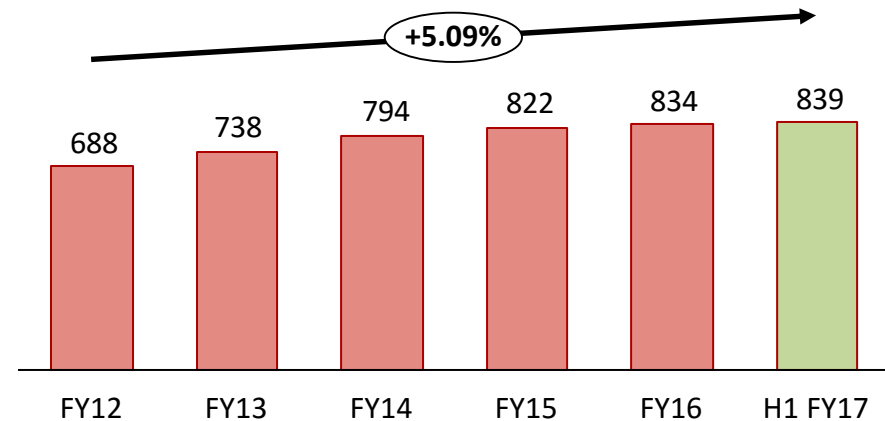
- Dedicated DGM appointed to ensure focus and better coordination with regions
- Focused 'Green Channel' branches to drive faster loan growth to SMEs
- Target to become banker of choice to SMEs thereby getting other business as well – liabilities, vehicle finance, etc.
- Ongoing training (in-house as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

...with the help of our Branch Network

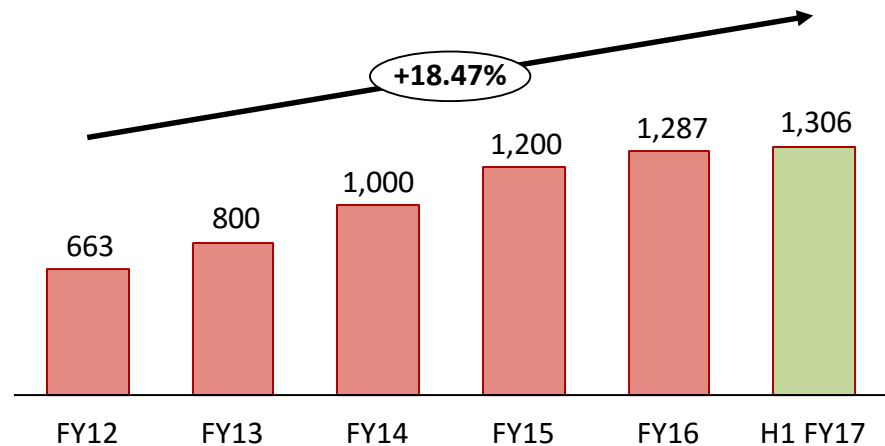


Branch Location*	No of Branches
Kerala	454
South India (Ex-Kerala)	245
Rest of India	140
Total	839

Total Branch Network



Total ATM Network

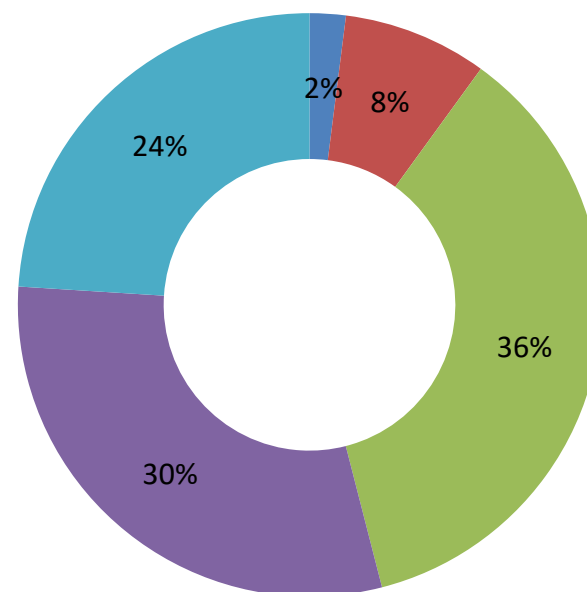
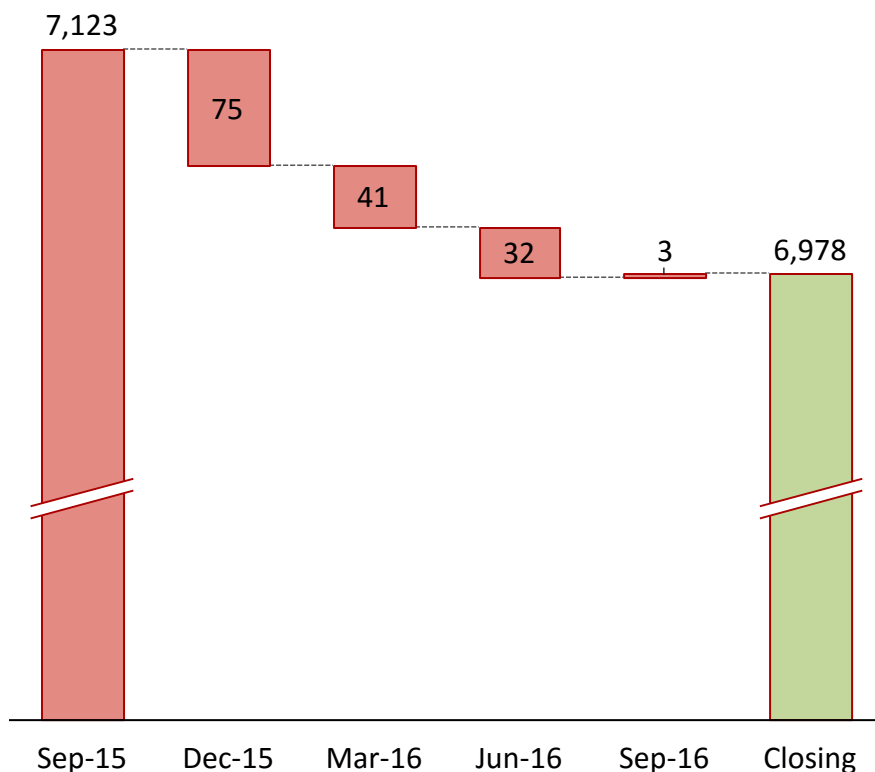


*Map for illustration purpose only

... and our Experienced Employees

Employee Addition

Total Employees: 6,978*



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

*Employees include full-time officers and clerks.

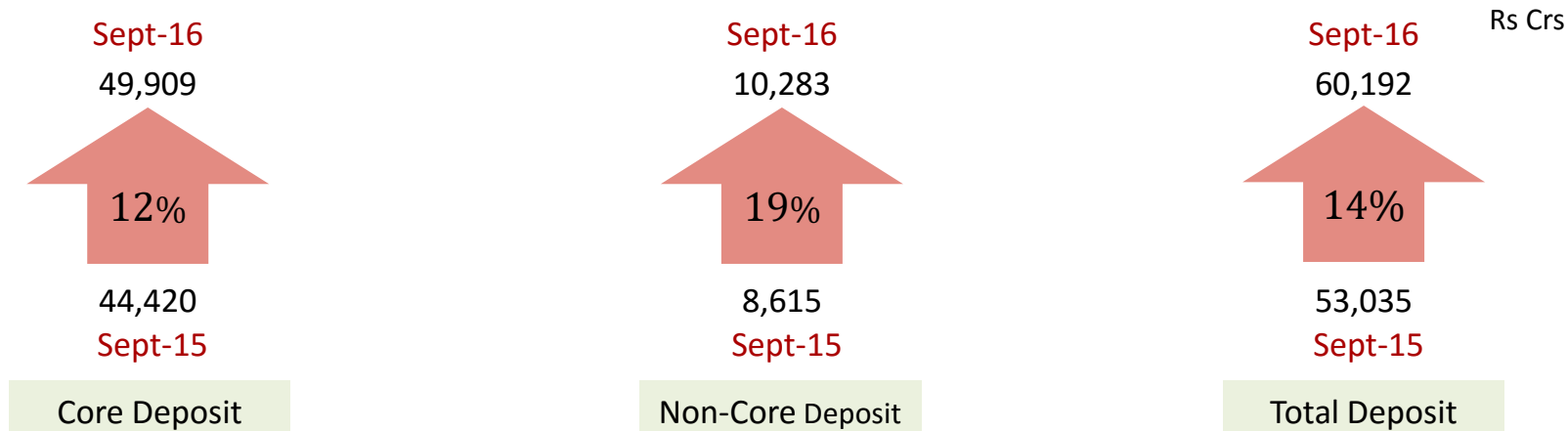


Performance Matrix

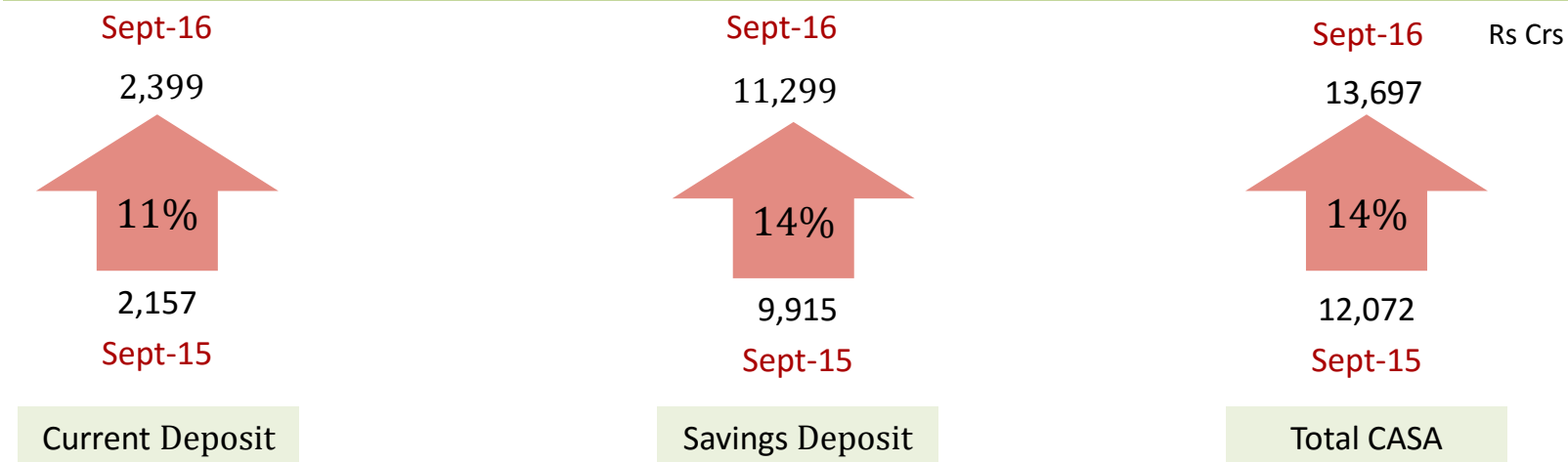


Strong Deposit Franchise

Core & Non-Core Deposits

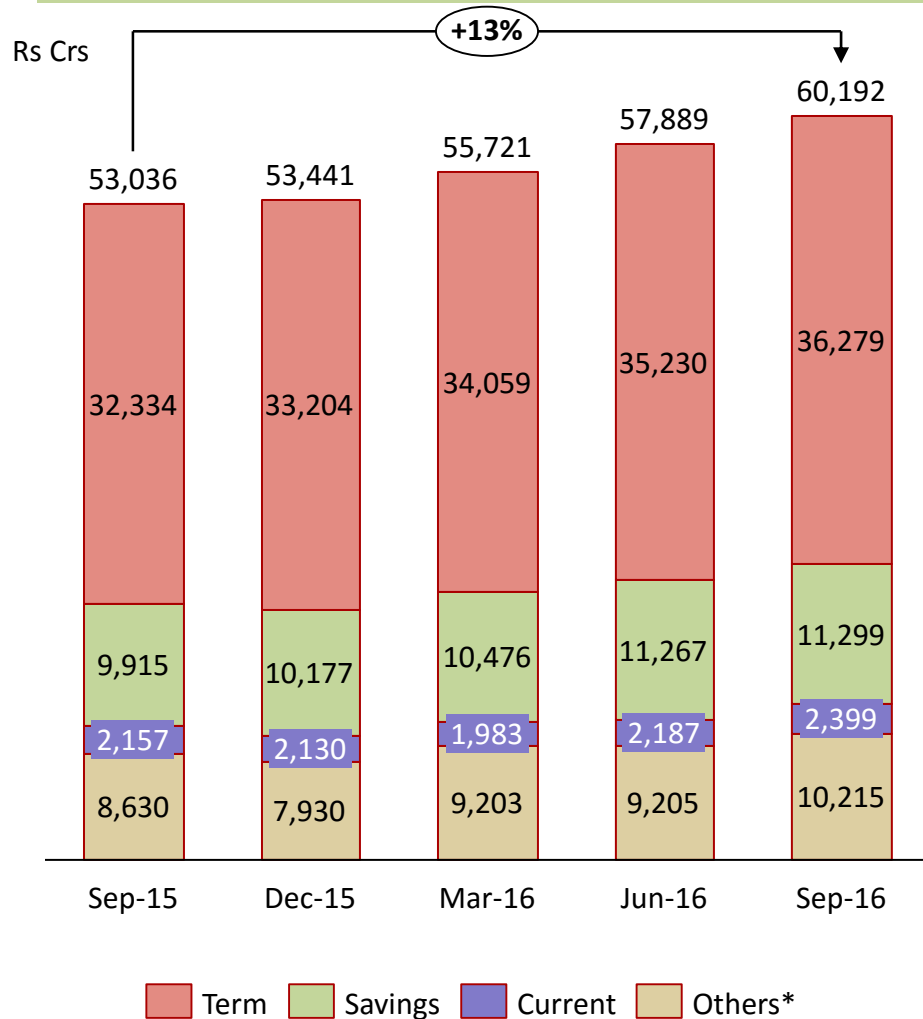


CASA Deposits

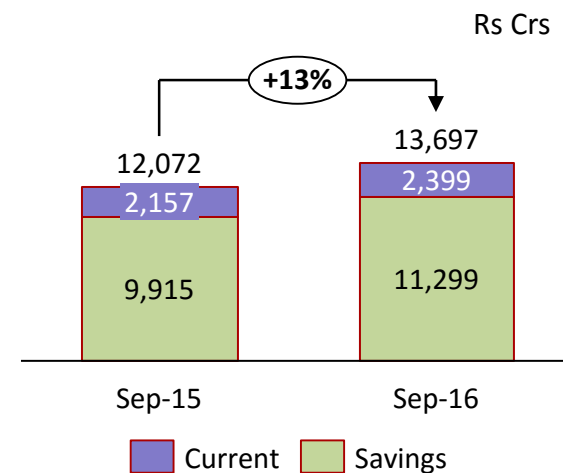


Core Deposits Growing...

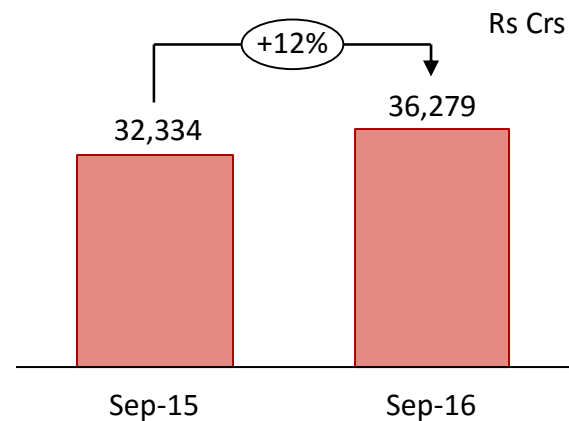
Breakup of Deposits



CASA Deposit



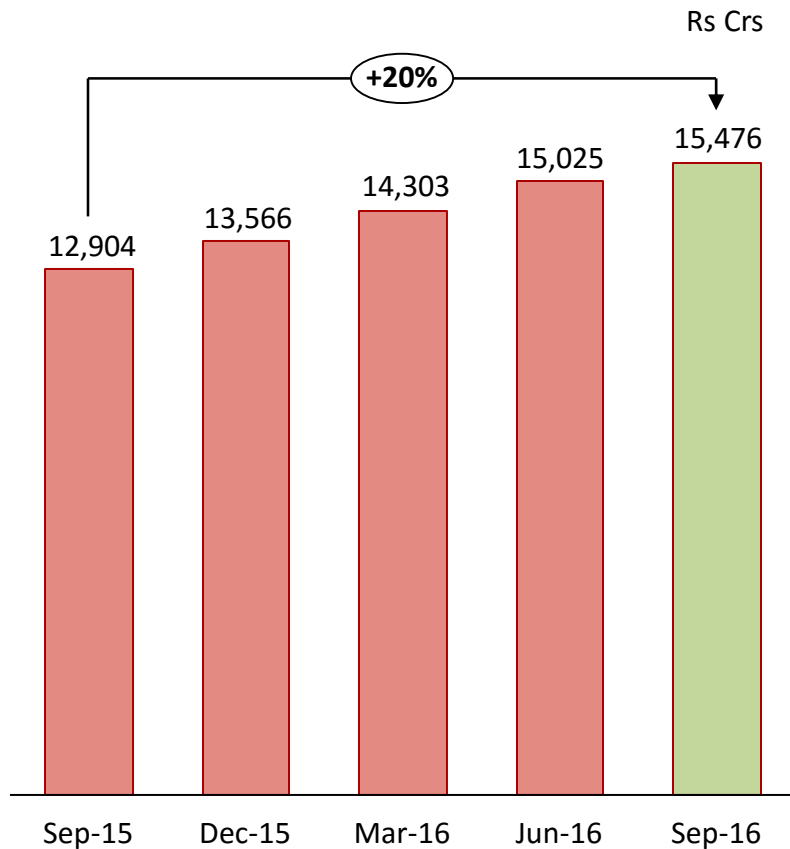
Term Deposits



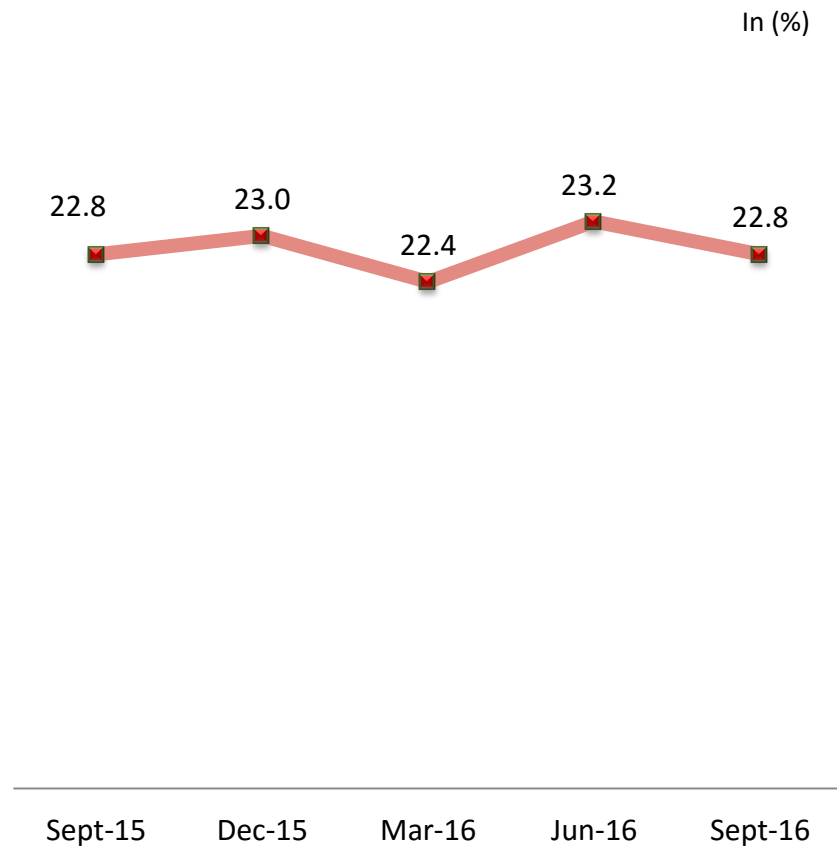
*Others includes: Bulk, Certificates of Deposits

NRI Deposits Growing...

NRI Deposits

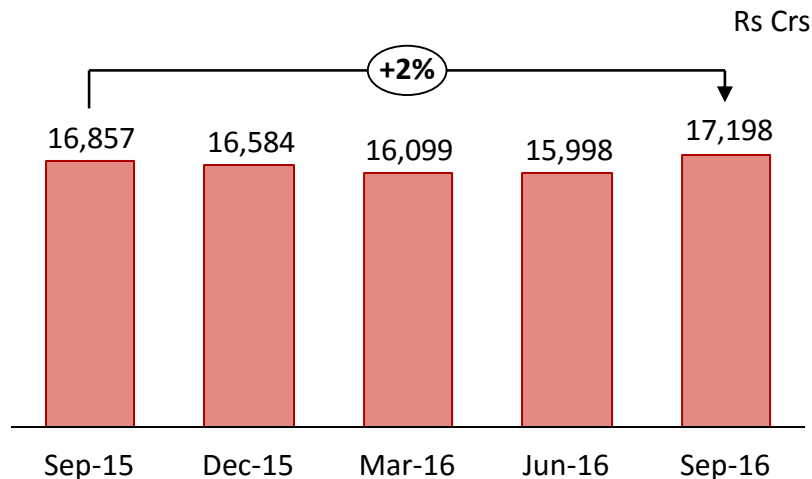


CASA

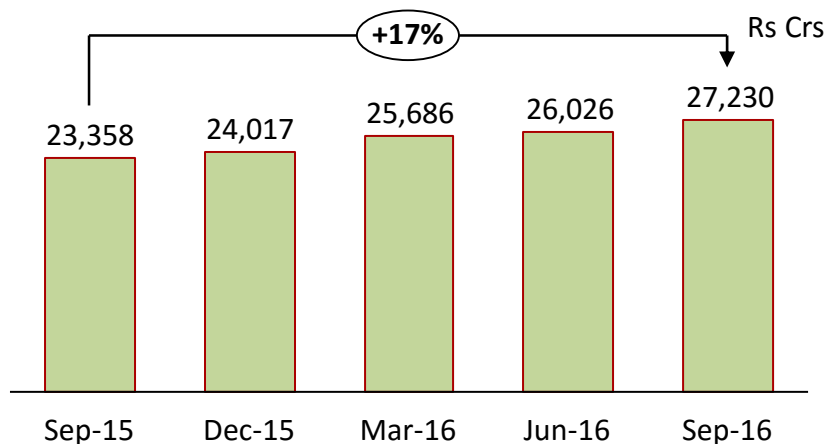


Composition of Loan Book

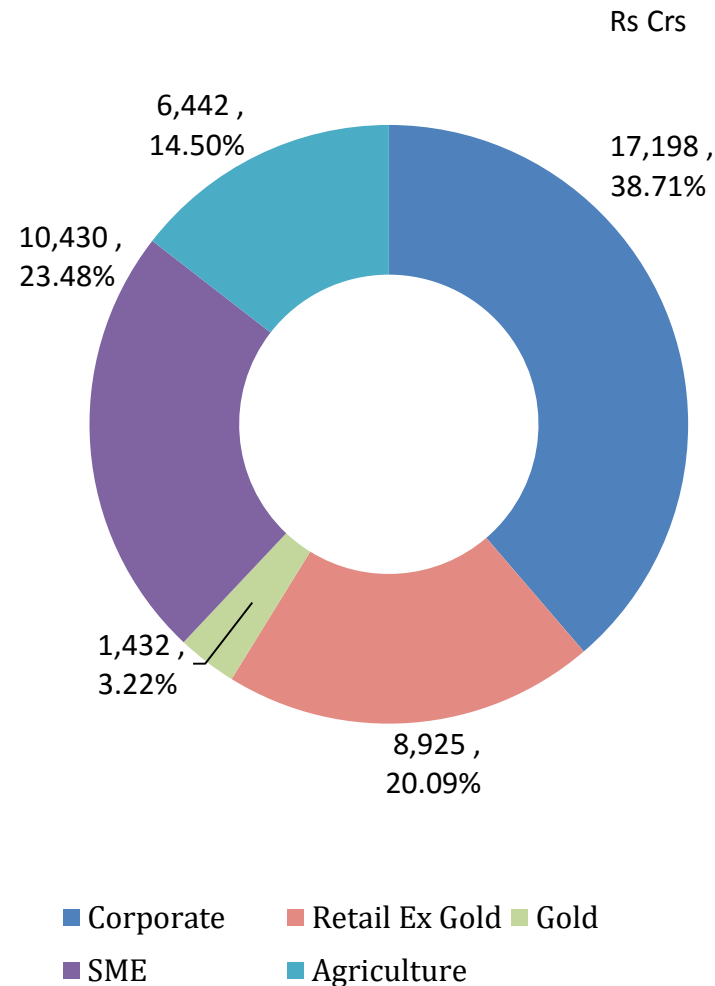
Corporate Advances (Above Rs 25 Crs)



Retail Advances

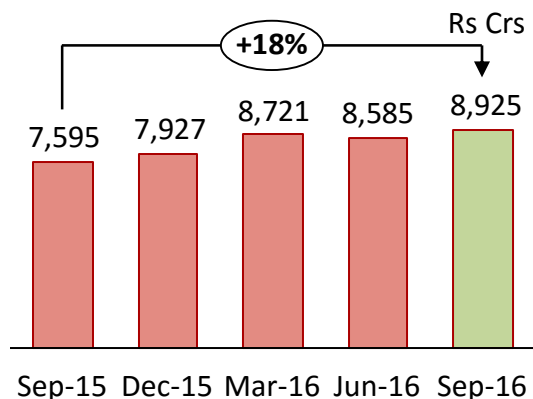


Segment wise Break Up

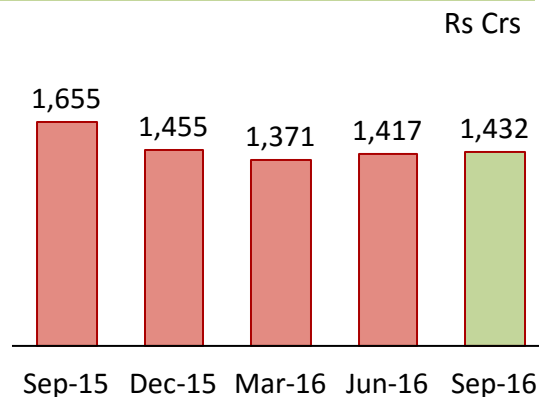


Key Focus : Retail, SME & Agriculture

Retail excluding Gold

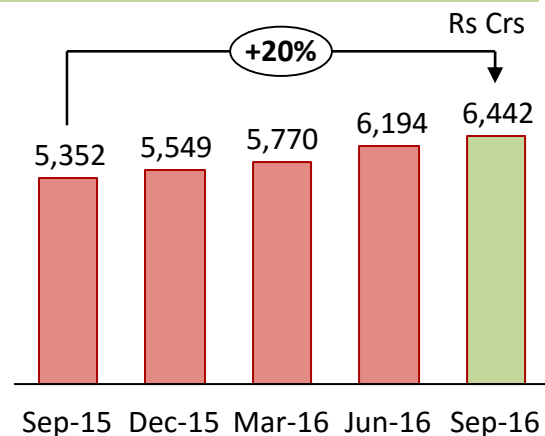


Gold (Average LTV – 65%)

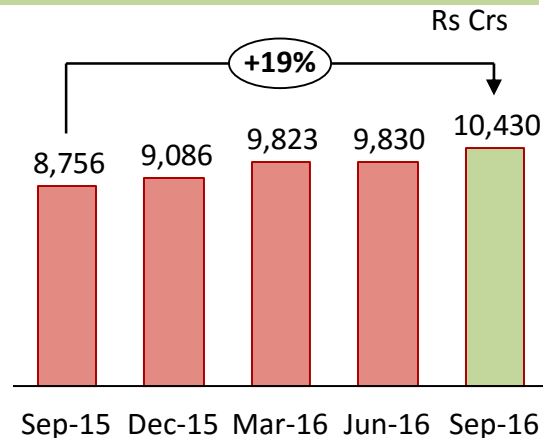


Retail Loans (Excl. Gold), Agriculture & SME has grown by 19%

Agriculture

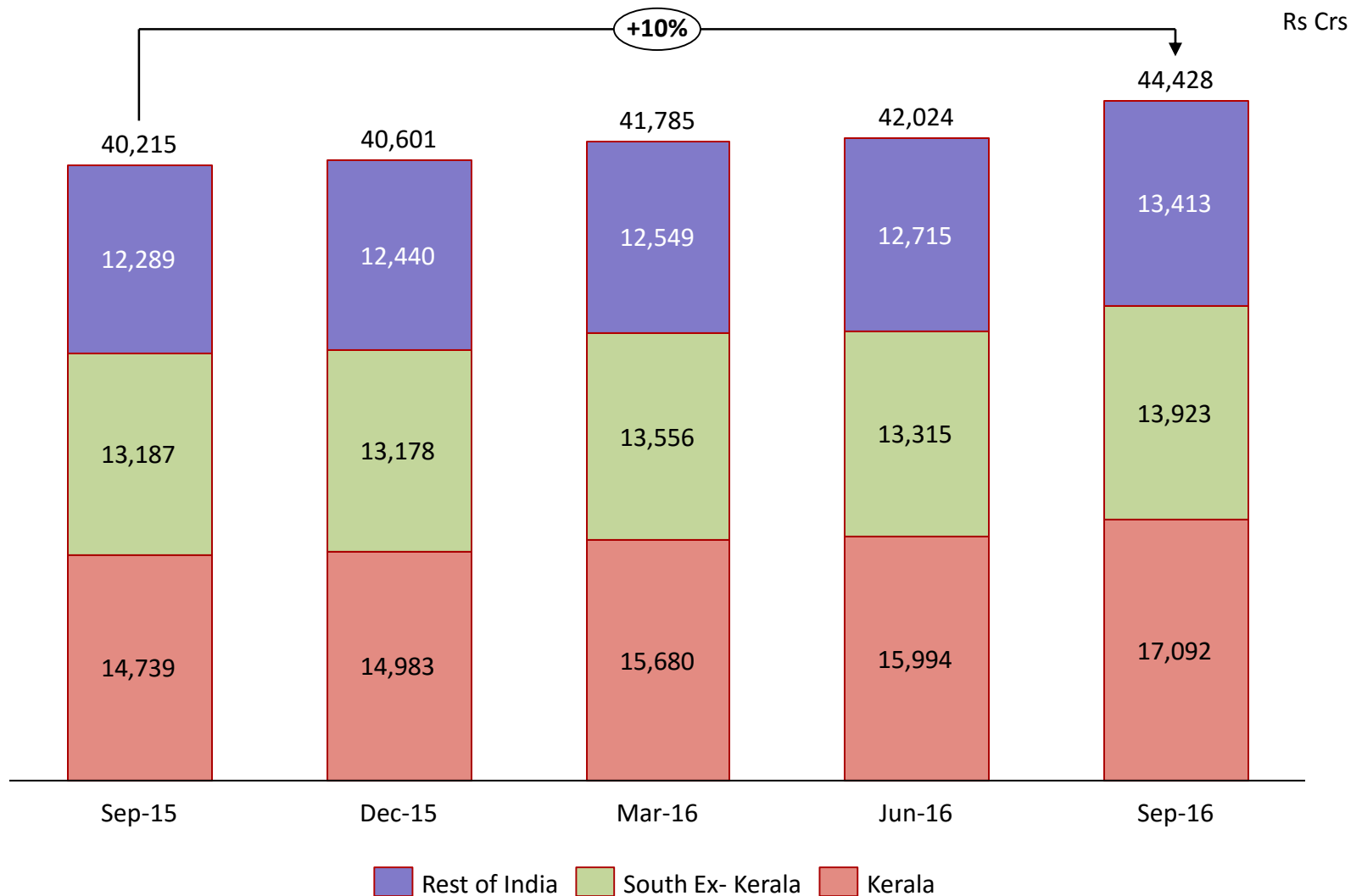


SME



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

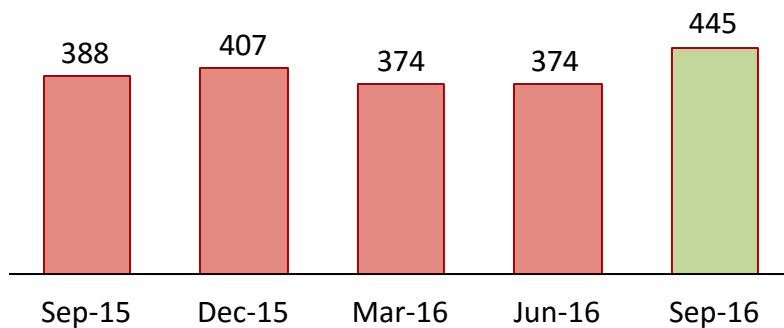
Advances growing across Regions



Net Interest Income - Quarter

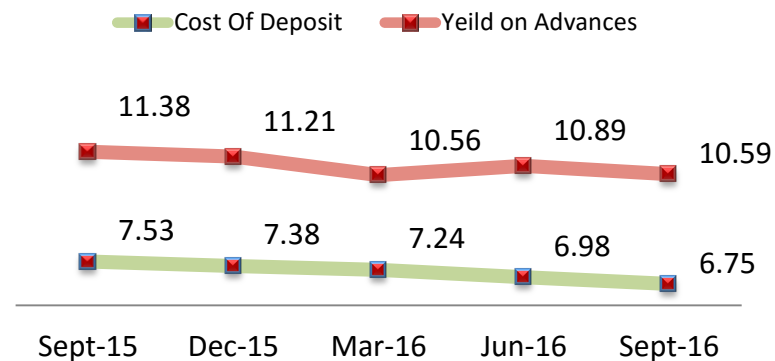
Net Interest Income

Rs Crs



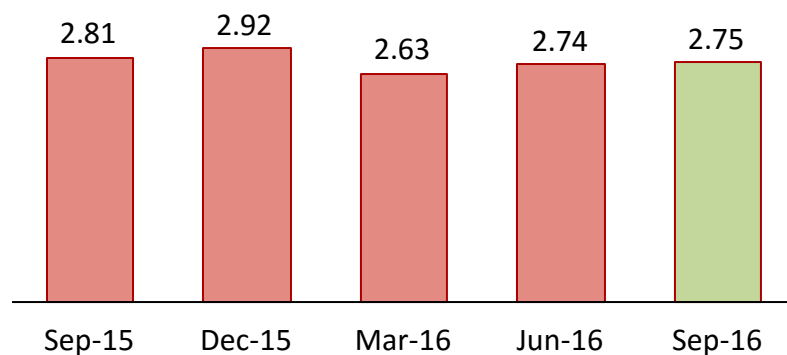
Cost of Deposits & Yield on Advances

In %



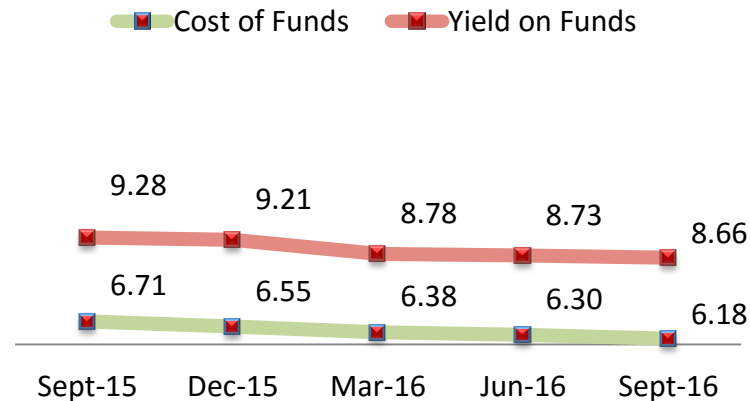
Net Interest Margin

In %



Cost of Funds & Yield on Funds

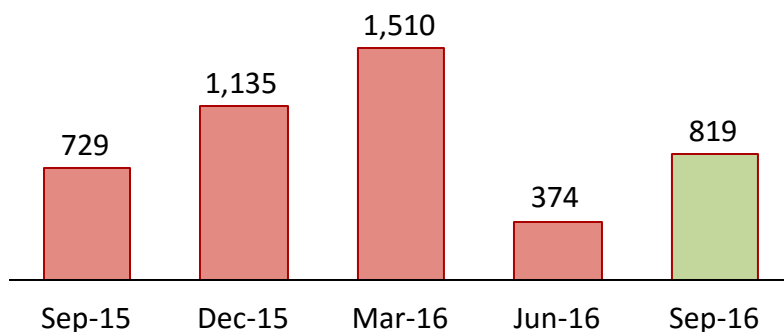
In %



Net Interest Income - Cumulative

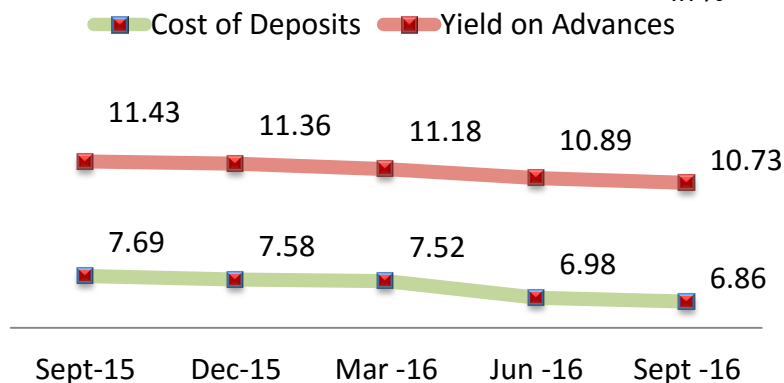
Net Interest Income

Rs Crs



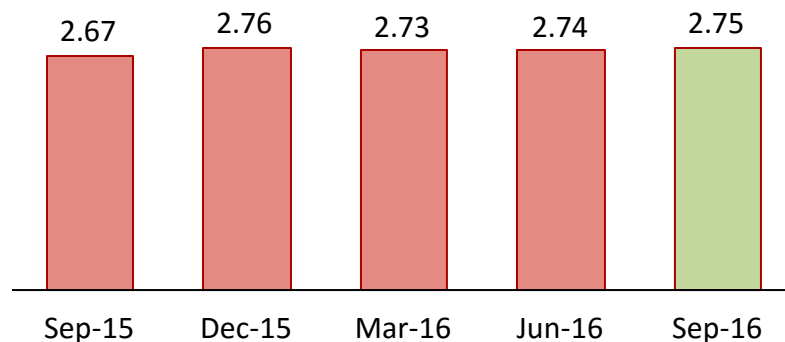
Cost of Deposits & Yield on Advances

In %



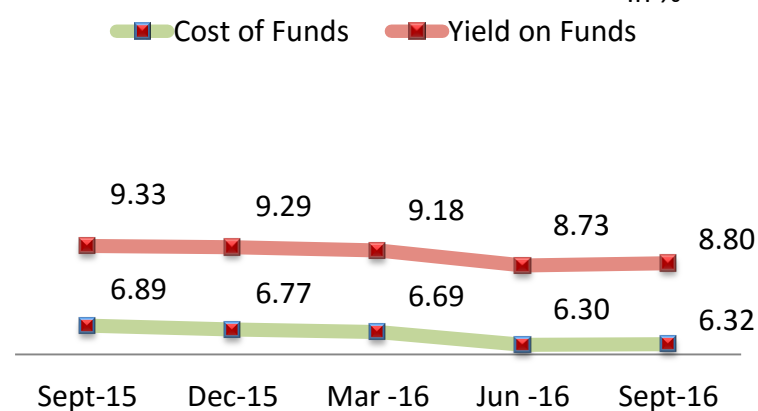
Net Interest Margin

In %



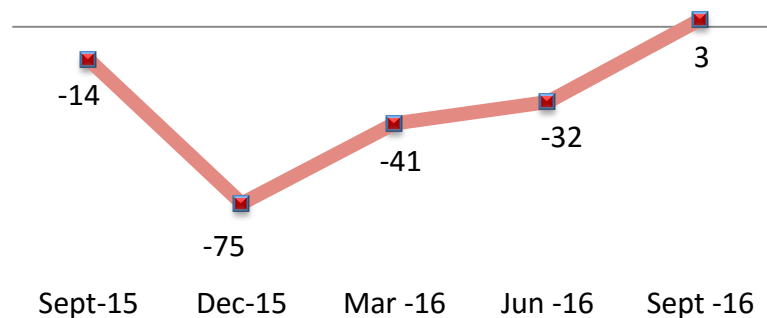
Cost of Funds & Yield on Funds

In %



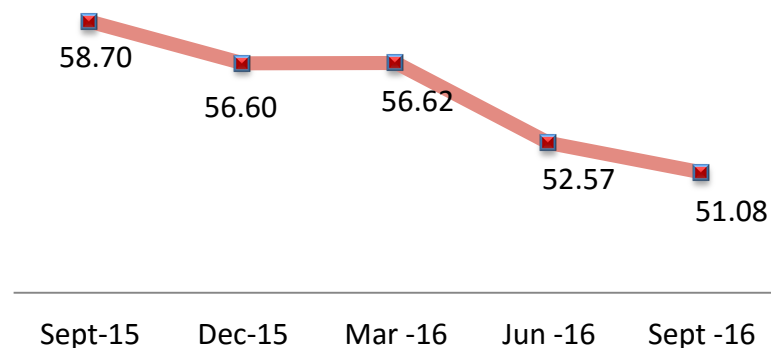
Improving Operating Efficiency

Employee Additions



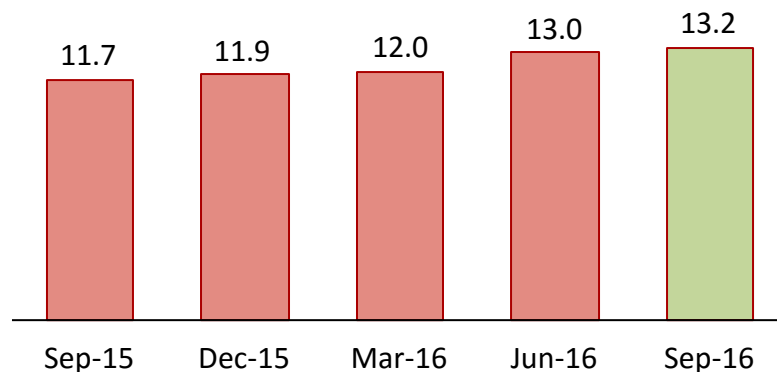
C/I Ratio

In %



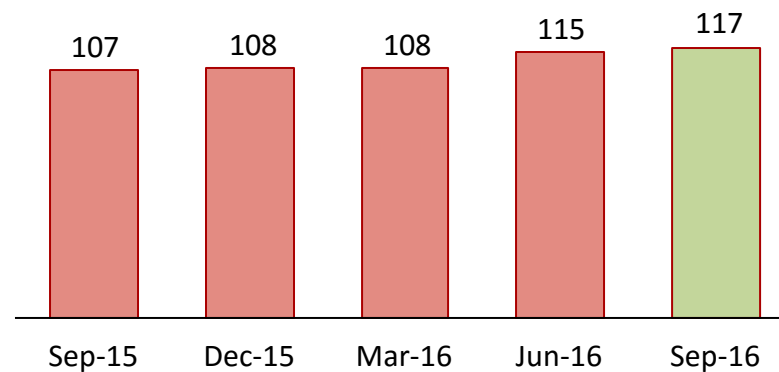
Business per Employee

Rs Crs



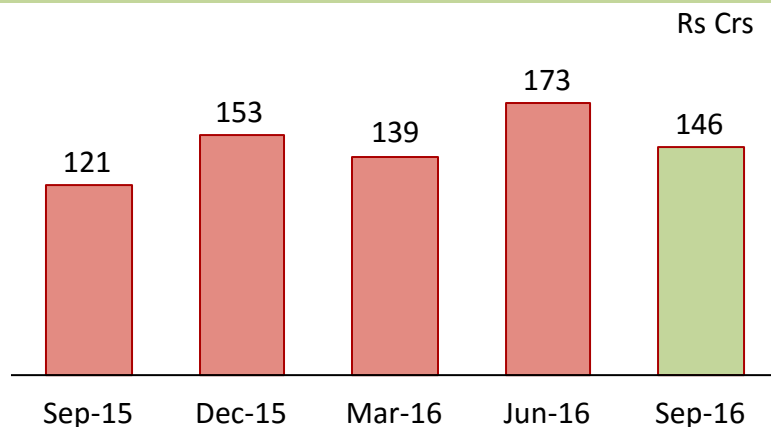
Business per Branch

Rs Crs

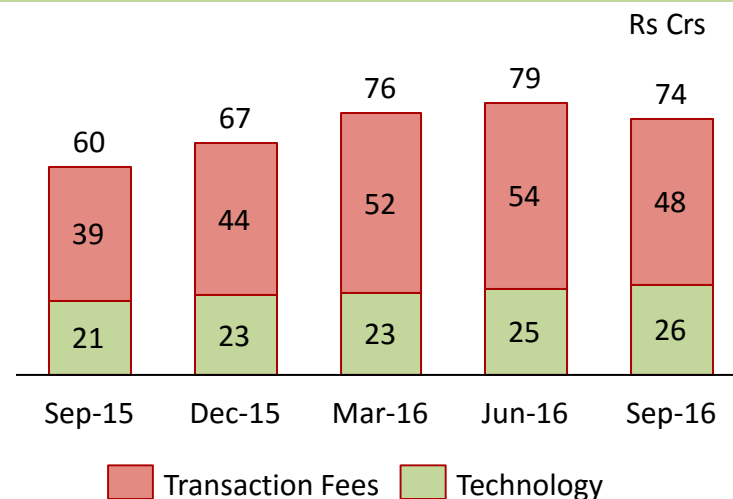


Sustainable Other Income

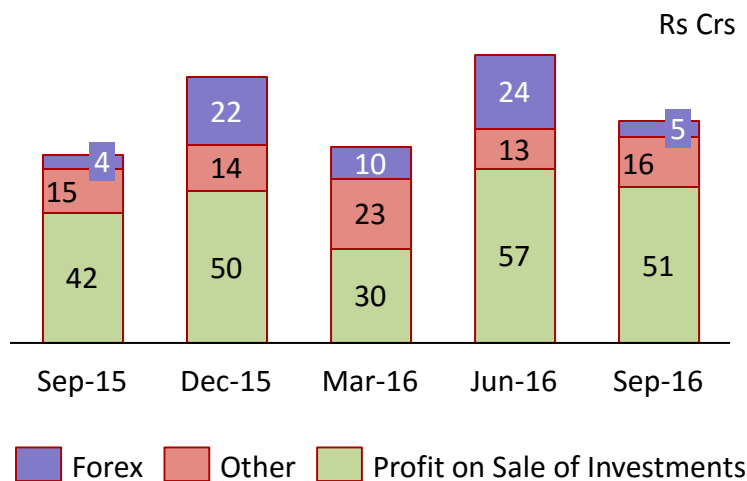
Total Other Income led by ...



...Sustainable : Transaction Fees + Technology



Profit on Sale of Investments, Forex & Others



Investment Book as on Sept-16

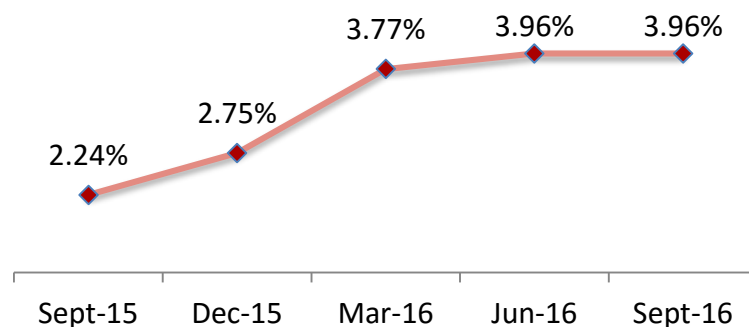
Details	Rs. Crs	M Duration
HTM	12,710	5.46
AFS	3,229	4.36
HFT	9	-
Total	15,948	5.27

Break Up of Provisions

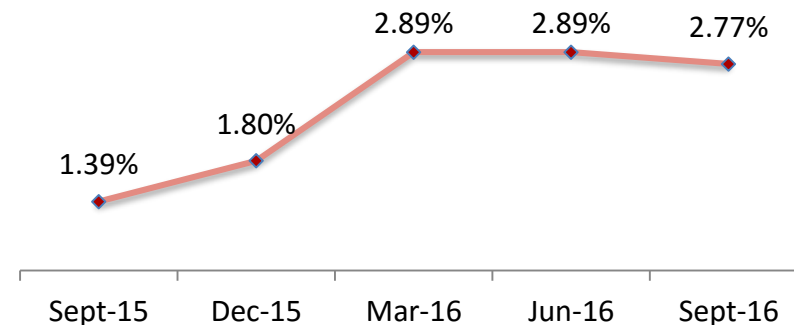
Rs Crs	Q2-FY 17	Q2-FY 16	Q1-FY17
For NPA & NPI	166.4	89.13	93.09
For Depreciation on Investments	-24.8	-3.23	-5.36
For Standard Assets	-4.8	16.3	22.18
For Restructured Advances/Sacrifices & FITL	-12.1	-37.89	4.05
For Unhedged Forex Exposure	3.8	-2.05	0.31
Others	-0.1	5.21	-0.16
Taxes	58.5	52.18	50.31
Total Provisions	186.82	119.65	164.42

Non Performing Assets

Gross NPA



Net NPA



Gross NPA Movement

Rs Crs	Sep-15	Dec-15	Mar-16	Jun-16	Sept-16
Opening	714	892	1,108	1,562	1,651
Additions	222	367	845	125	226
Deductions	44	151	391	36	132
Closing	892	1,108	1,562	1,651	1,745

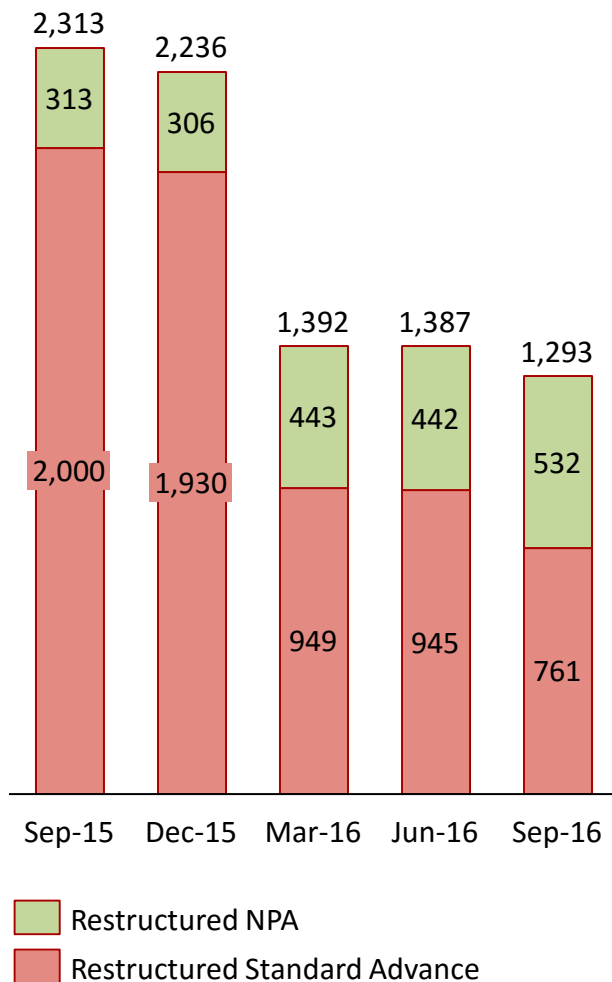
Net NPA Movement

Rs Crs	Sep-15	Dec-15	Mar-16	Jun-16	Sept -16
Opening	464	550	716	1,185	1,192
Additions	89	311	664	105	135
Deductions	4	145	195	98	121
Closing	550	716	1,185	1,192	1,206

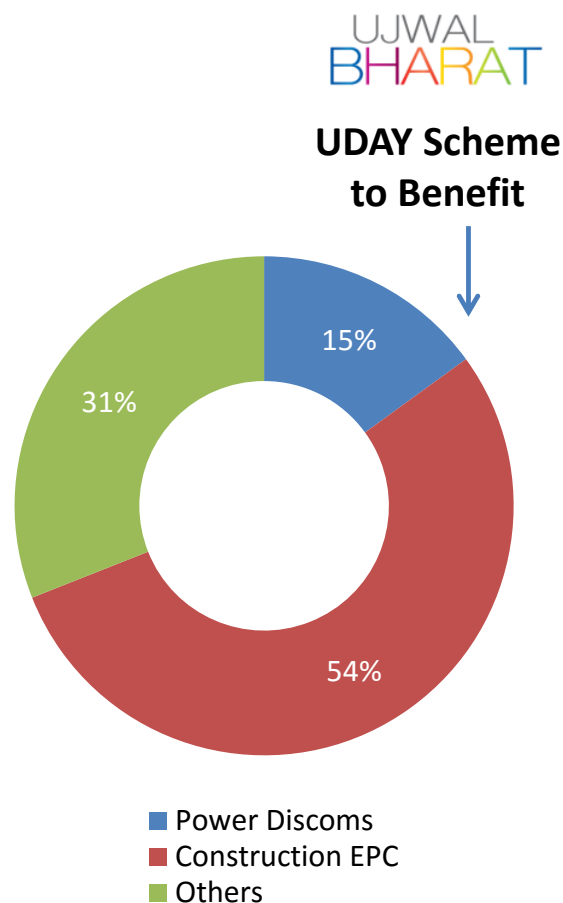
Restructured Advances Breakup

Restructured Assets Break-up

Rs Crs



Sector Standard Restructure - Q2FY17



Government's Uday Scheme targeted towards power Discoms benefiting SIB

Benefits of Uday getting reflected in Restructured Book

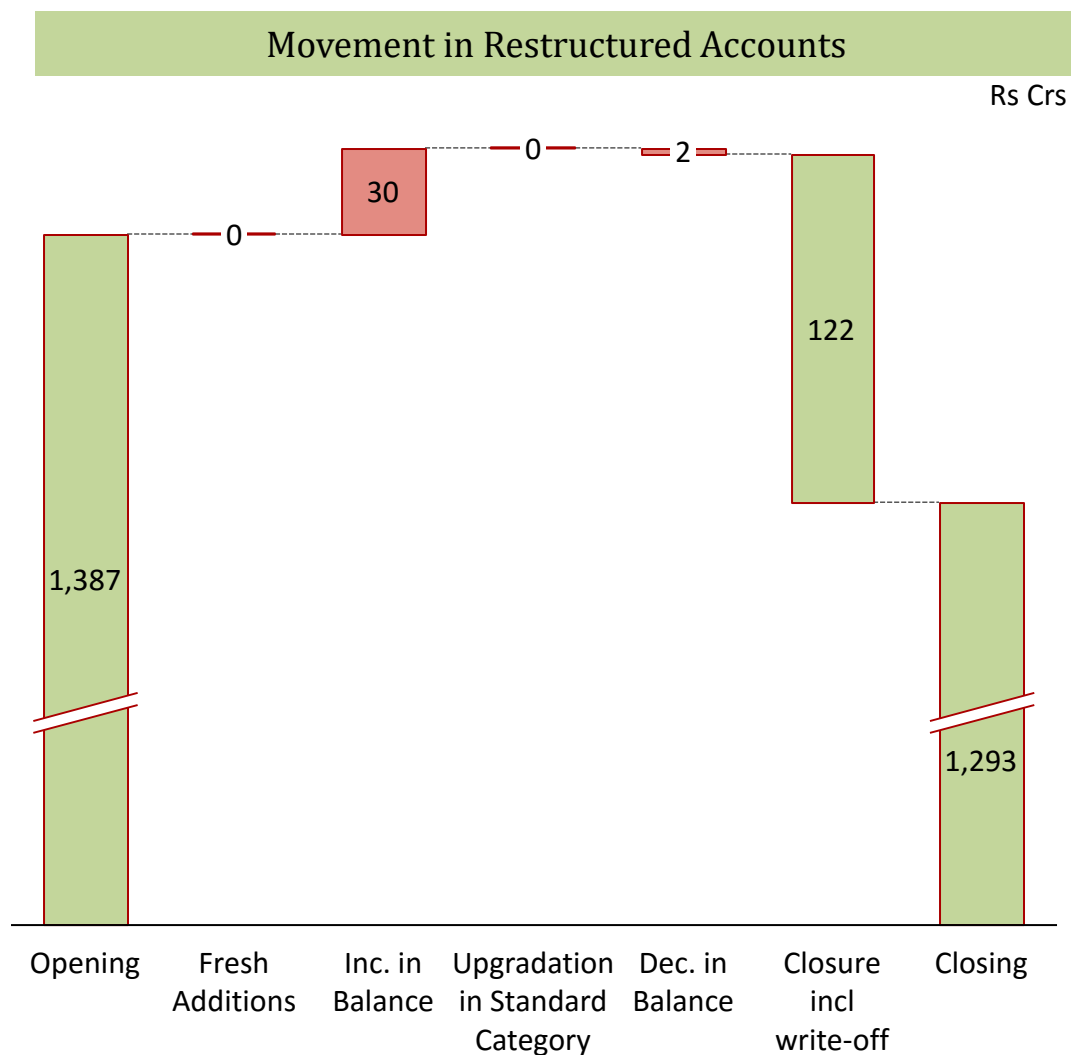
*Other includes IT, Bullion, etc.

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	169	0	0	-51	-5	0	113
Construction EPC	402	0	9	-	0	0	411
Others	373	0	17	-	0	-153	273
Total	944	0	26	-51	-5	-153	761

Movement in Restructured Accounts

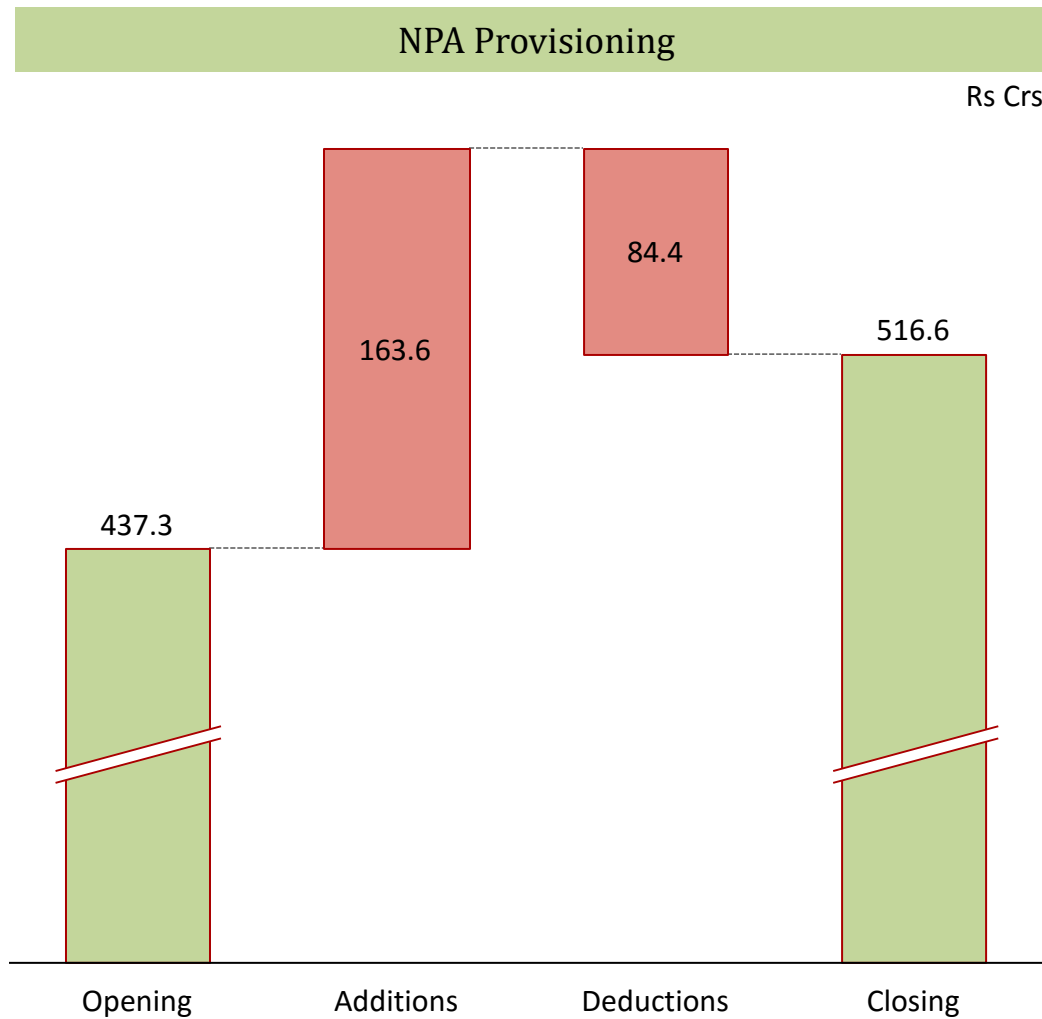


Shift of focus from
Large Corporate
to
SMEs

Defocusing from
Power & Infra Sectors

Special Recovery Cell
&
Asset Monitoring Cell

Adequate Provisioning

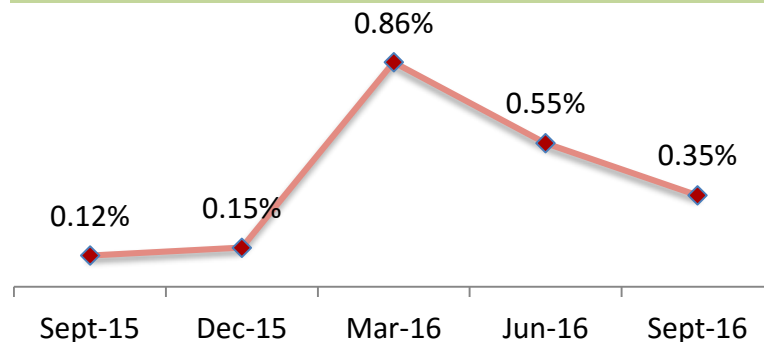


Provisioning
Coverage Ratio
46.12%

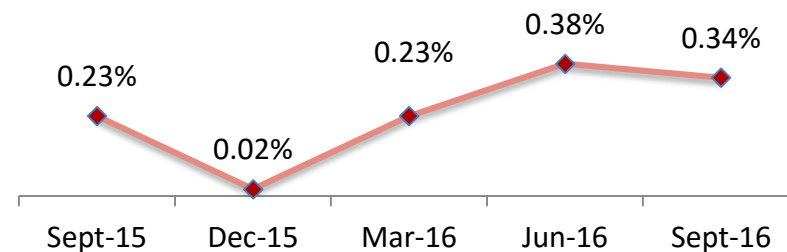
Advances in the Initial
quarters as NPAs :
Requiring
Less Provisioning

Fresh Slippages/Advance Ratios

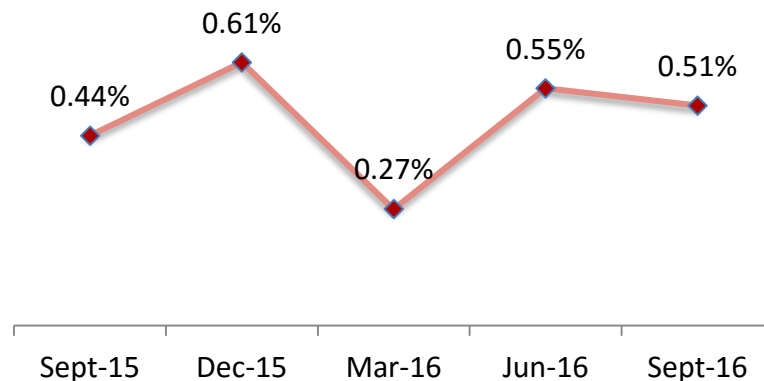
Retail Slippage



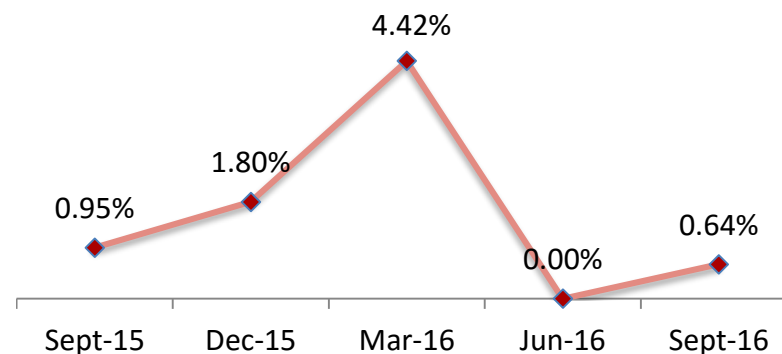
Agriculture Slippage



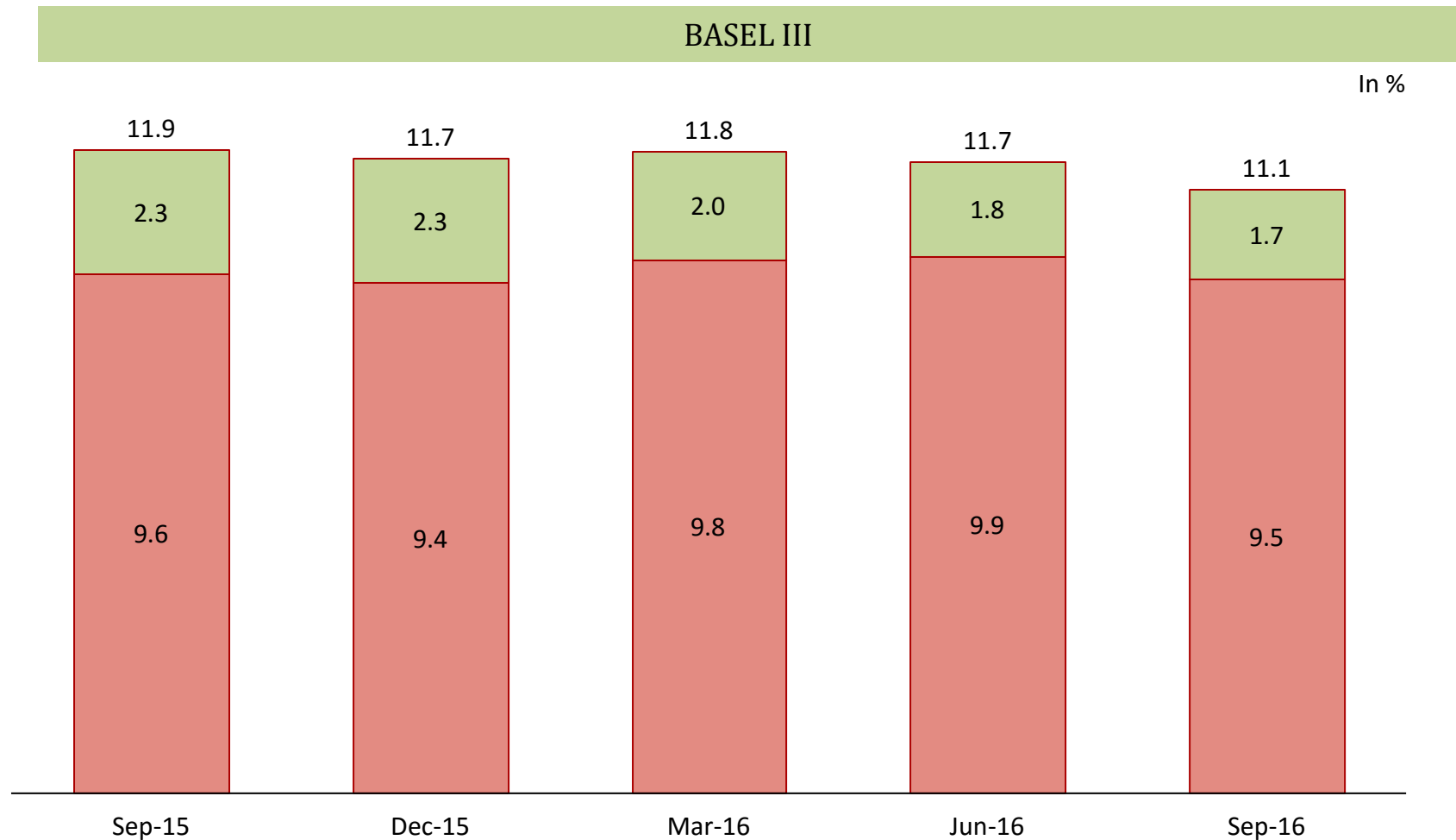
SME Slippage



Corporate Slippage



Well Capitalized to support Growth



Balance Sheet Overview- Q2 FY17

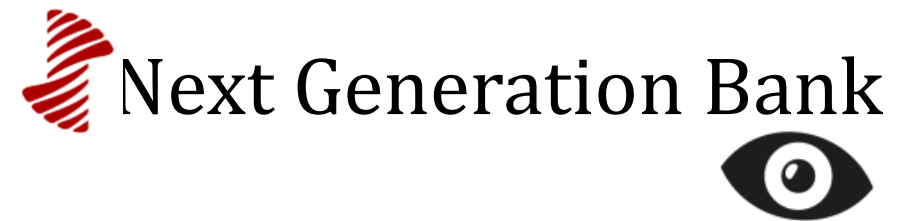
Rs Crs	Q2-FY 17	Q2-FY 16	Y-o-Y (%)	Q1-FY 17	Q-o-Q (%)
Capital & Liabilities	67,054	60,127	11.52%	64,504	3.95%
Capital	135	135	0.05%	135	0.02%
Reserves and Surplus	4,027	3,613	11.45%	3,916	2.84%
Deposits	60,192	53,036	13.49%	57,889	3.98%
Borrowings	1,499	2,171	-30.95%	1,395	7.46%
Other Liabilities & Provisions	1,201	1,172	2.48%	1,169	2.74%
Assets	67,054	60,127	11.52%	64,504	3.95%
Cash & Balances with RBI	2,832	2,365	19.75%	2,602	8.87%
Balances with Banks	404	667	-39.36%	827	-51.09%
Investments	15,777	13,174	19.76%	15,386	2.54%
Advances	43,548	39,556	10.09%	41,237	5.60%
Fixed Assets	598	481	24.34%	594	0.66%
Other Assets	3,894	3,884	0.26%	3,858	0.93%
Business (Advances + Deposits)	103,740	92,592	12.04%	99,127	4.65%
Current Accounts	2,399	2,157	11.20%	2,187	9.68%
Savings Accounts	11,299	9,915	13.96%	11,267	0.29%
CASA Ratio	22.76%	22.76%	0bps	23.24%	88 bps

Profit & Loss Overview- Q2 FY17

Rs Crs	Q2-FY17	Q2-FY16	Y-o-Y (%)	Q1-FY17	Q-o-Q (%)
Net Interest Income	445	388	14.74%	374	19.15%
Other Income	146	121	20.58%	173	-15.88%
Total Income	591	509	16.13%	547	8.05%
Operating Expenses	294	297	-1.10%	288	2.14%
Operating Profit	297	213	39.60%	259	14.59%
Provisions (Ex-Tax) & Contingencies	128	67	91.54%	114	12.46%
Profit Before Tax	169	145	16.56%	145	16.26%
Provision for Tax	58	52	12.48%	50	16.26%
Profit After Tax	111	93	18.84%	95	16.26%

Key Metrics- Quarterly

Particulars	FY15				FY16				FY17	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net Interest Margin (NIM)	2.7%	2.9%	2.5%	2.7%	2.5%	2.8%	2.9%	2.6%	2.74%	2.75%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%	11.7%	11.8%	11.68%	11.13%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%	0.7%	0.5%	0.6%	0.7%
Provision Coverage	62.5%	62.9%	60.4%	61.0%	56.1%	55.3%	50.3%	40.3%	42.55%	46.12%
CASA	22.1%	22.1%	21.5%	20.6%	22.3%	22.8%	23.0%	22.4%	23.24%	22.76%
Gross NPA	1.5%	1.6%	1.8%	1.7%	1.9%	2.2%	2.8%	3.8%	3.96%	3.96%
Net NPA	0.9%	0.9%	1.0%	1.0%	1.2%	1.4%	1.8%	2.9%	2.89%	2.77%
Book Value per Share (Rs.)	25.88	26.47	27.10	26.59	27.07	27.76	28.51	28.45	30.00	30.81
Earnings per Share (Rs.) (Annualized)	3.78	3.01	2.87	2.28	1.93	2.34	2.56	2.47	2.82	3.04
Branches										
- Kerala	439	440	441	444	447	447	447	449	453	454
- South India (Ex-Kerala)	230	232	233	239	242	244	244	245	245	245
- Rest of India	132	133	136	139	139	140	140	140	140	140
Total Branches	801	805	810	822	828	831	831	834	838	839
ATMs										
- Kerala	565	587	607	651	670	682	688	698	701	713
- South India (Ex-Kerala)	297	313	325	365	378	380	384	387	388	391
- Rest of India	156	163	176	184	196	198	200	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



Present across Customer Touch Points

Traditional & Alternate Channels

Mobile Banking



Mobile Banking



ATMs

1,306 ATMs across India



Branches

839 Branches & 45 Extension Counters

SIBerNeT

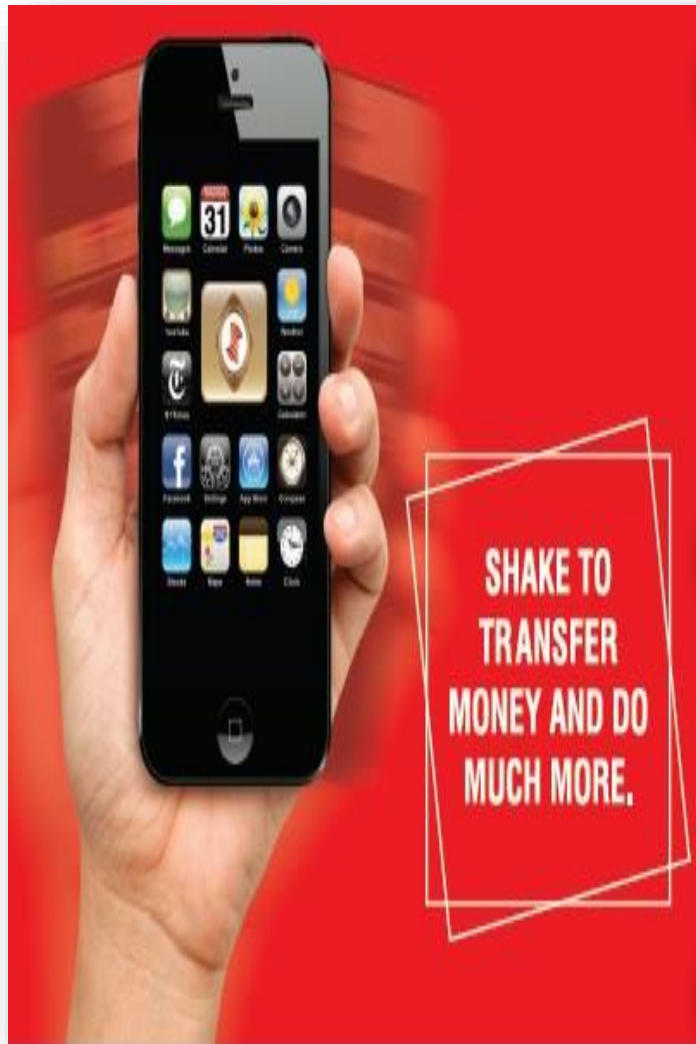
Internet Banking

SIB PoS



Point of Sale

Technology Initiatives



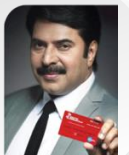
SIB Mirror is a mobile-led platform with instant account access, balance retrieval, immediate fund transfers, all account intimations, and much more

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

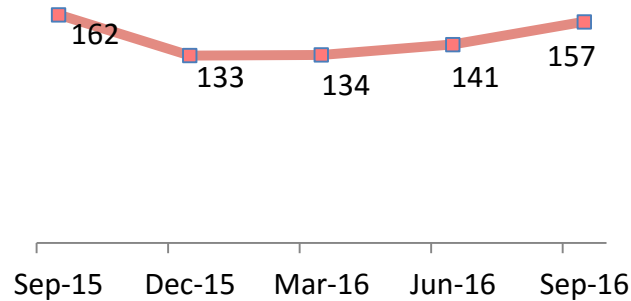


Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

Personal Banking: Technology Banking

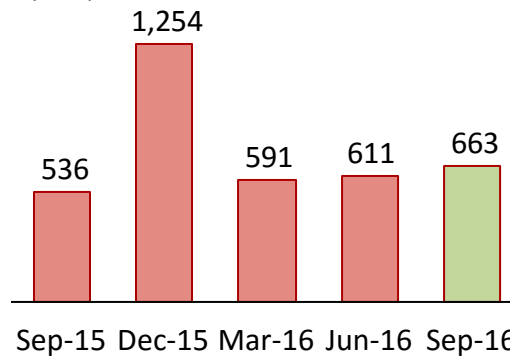
Active Internet Users

(000)'s



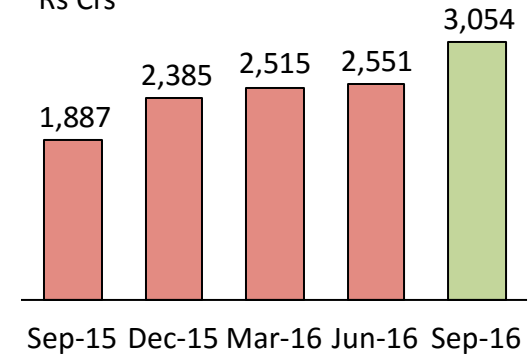
Internet Transaction Volume

(000)'s



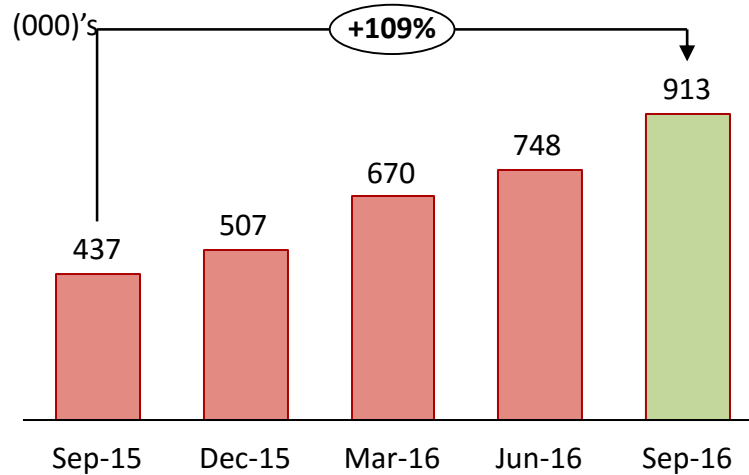
Internet Transaction Value

Rs Crs



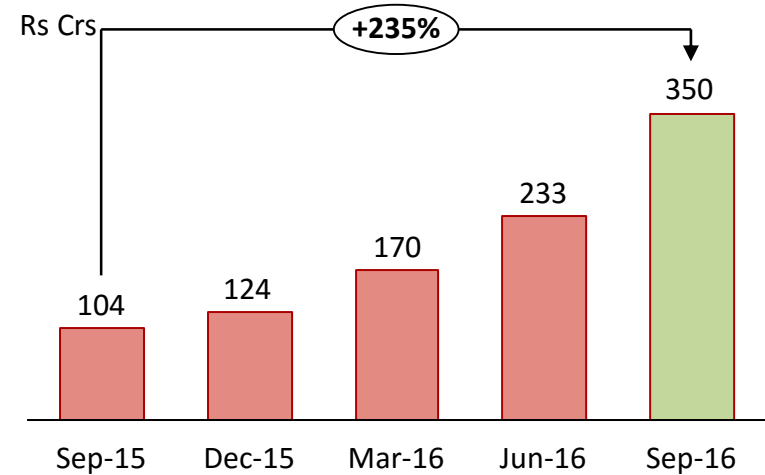
Mobile Transaction Volume

(000)'s



Mobile Transaction Value

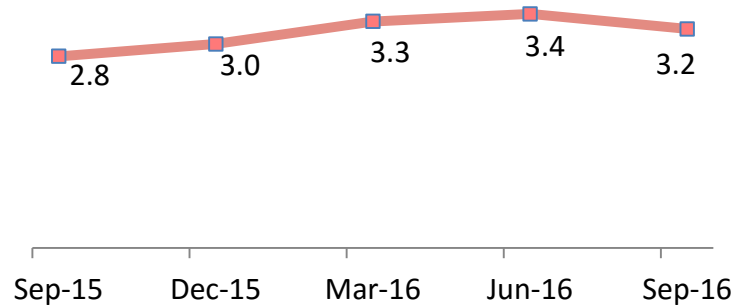
Rs Crs



Personal Banking: Debit Cards

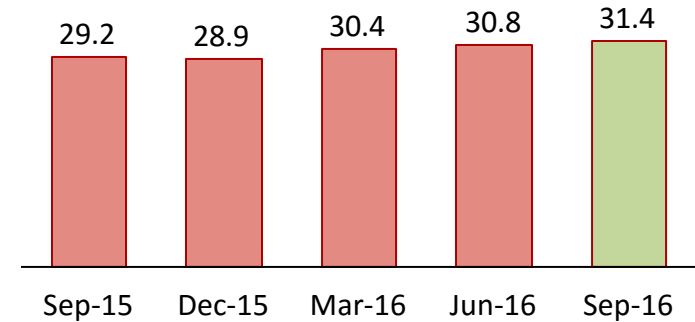
No of Active Debit Cards

In Millions

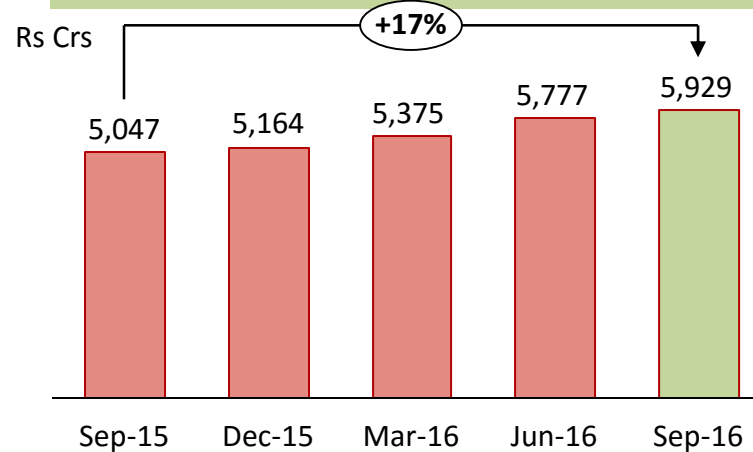


Debit Card Transaction Volumes

In Millions



Debit Card Transaction Value





An Inflection Point



Moving Towards Vision 2020...

A large green circle 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 solid green horizontal bar.

A large purple circle 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 solid purple horizontal bar.

A large red circle 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
- 
- A solid red horizontal bar.

....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

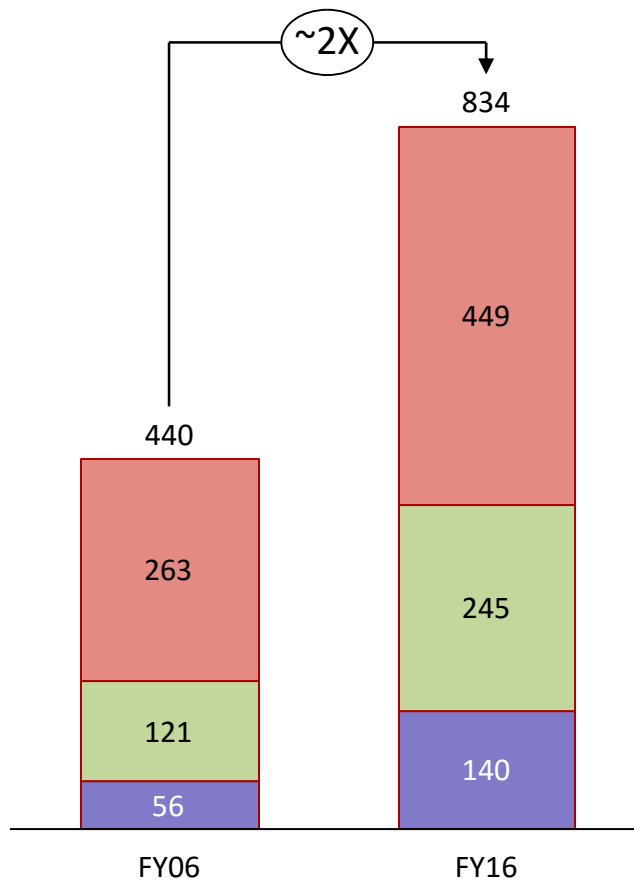
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

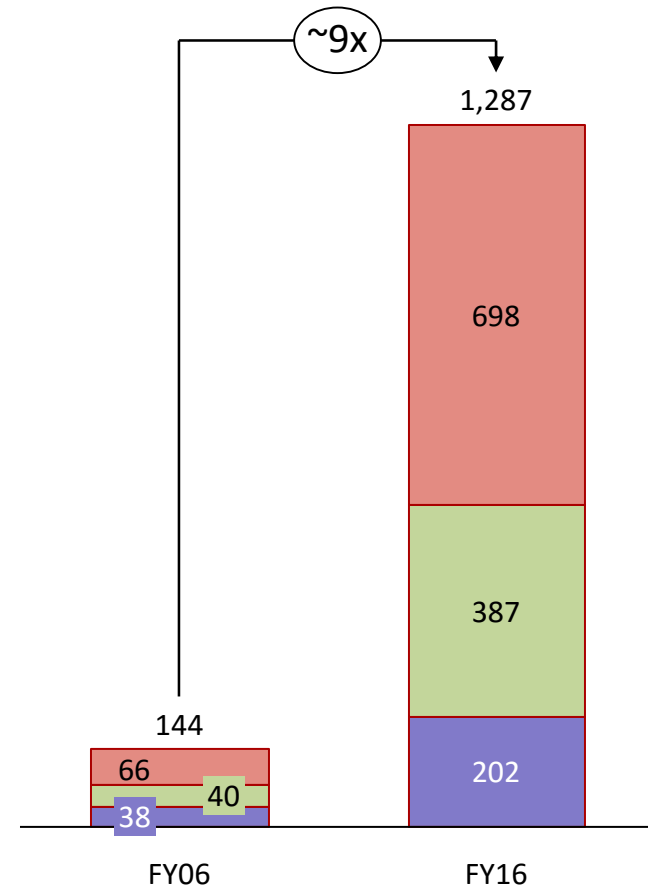
**The FIRST Kerala based bank to implement
Core Banking System**

Expansion over a Decade

Branch Network



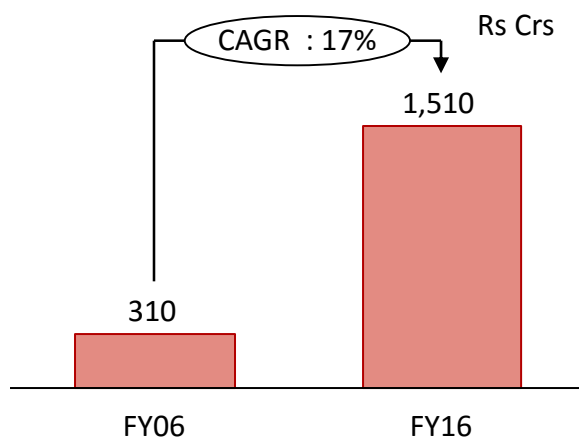
ATM Network



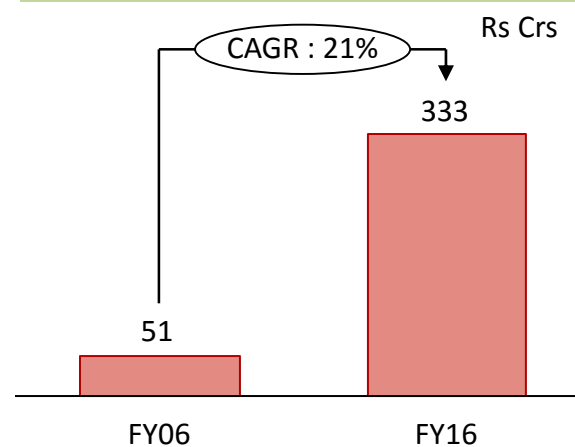
■ Kerala ■ South Ex-Kerala ■ Others (Rest of India)

Performance over a Decade

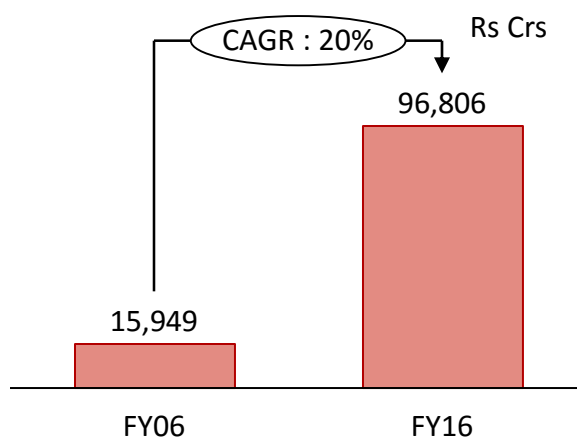
Net Interest Income



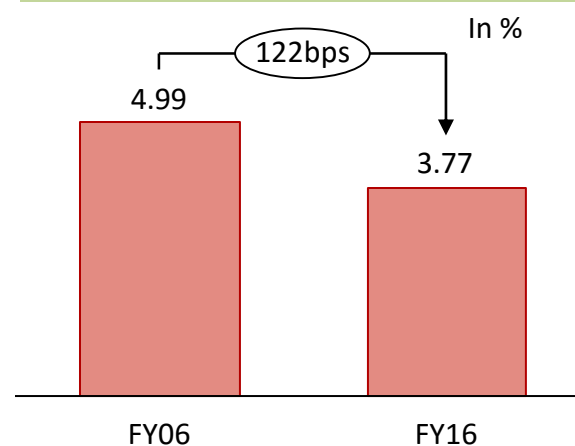
Profit After Tax



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, 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
(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

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

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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