SOUTH INDIAN Bank

DEPT : SECRETARIAL
REF No. SEC/ST EX.STT/ /71 /2019-20

January 16, 2020

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

Dear Sirs,

Sub: Presentation to Investors and Analysts

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Investor Presentation to Investors and Analysts in respect of financial results of The South Indian Bank Limited for the quarter ended 31st December, 2019.

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

Kindly take the same in your records.

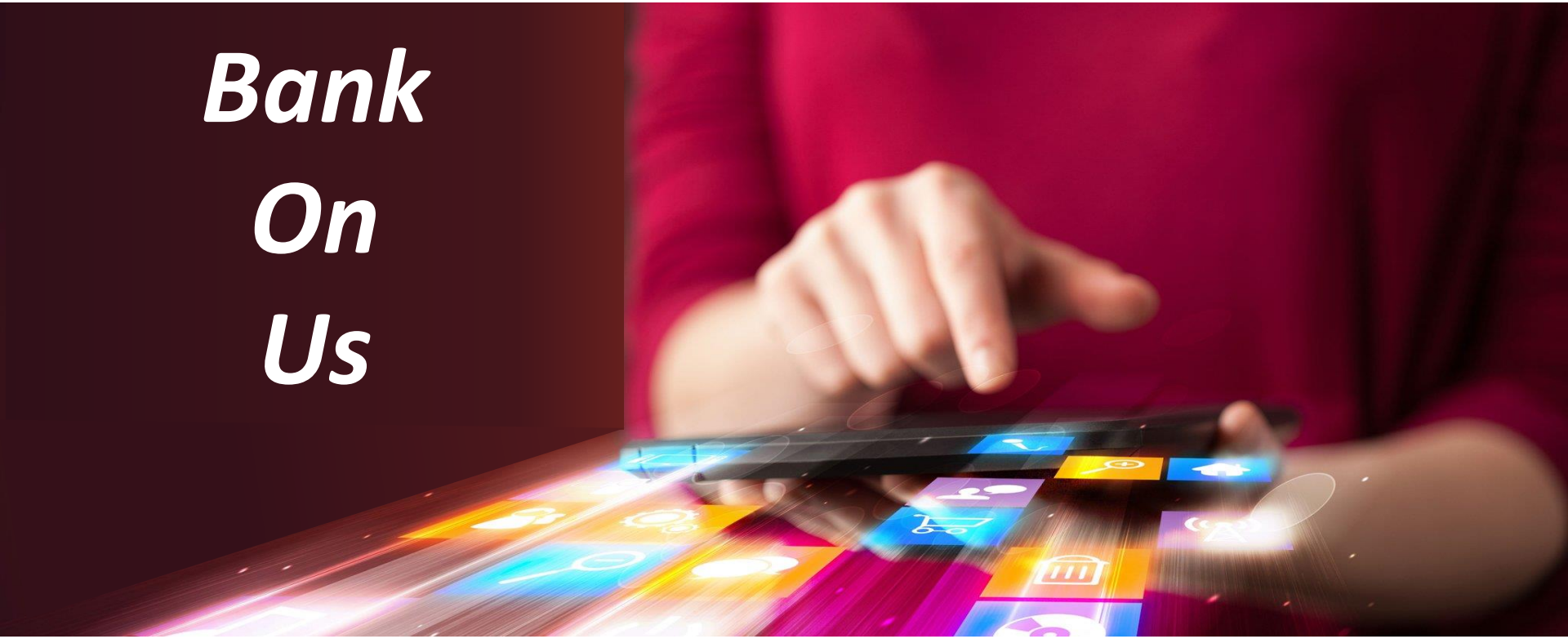
Yours faithfully,

(JIMMY MATHEW)
COMPANY SECRETARY

Encl: a.a.

SOUTH INDIAN Bank

Experience Next Generation Banking



Investor Presentation - Q3 FY20

Contents

Q3 FY20 Highlights

Business Strategy

Performance Matrix

Next Generation Bank

About Us

Q3 FY20 Highlights

Key Quarterly Highlights - Q3 FY20

Rs. Cr.

CASA

Dec 2019	21,422
Dec 2018	18,905

13%

Deposits*

Dec 2019	80,451
Dec 2018	72,509

11%

Advances

Dec 2019	65,334
Dec 2018	60,064

9%

Net Interest Income

Q3 FY20	602
Q3 FY19	520

16%

Other Income

Q3 FY20	220
Q3 FY19	187

18%

PPOP

Q3 FY20	383
Q3 FY19	332

15%

*Deposits (excluding Certificate of Deposits)

Business Strategy

Our Strategy…

Expand Retail Business

- Retail Banking Department to 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

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
- Alternate channels for mobilising CASA
- Centralized processes allowing branches to focus on garnering low cost funds
- Continuous improvement/review of products

Enhance Asset Quality

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

Improve share of other Income

- 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. 19,834 Cr

INCREASE 18% YoY

Expand Agriculture & MSME base

Rs. 25,787 Cr

INCREASE 17% YoY

Improve CASA

Rs. 21,422 Cr

INCREASE 13% YoY

Shall continue to focus on Core Strengths

01 Increase …
CASA

02 Retail Business …
More Products

03 SME Business …
Sole Banker

Retail Relationships

SOUTH INDIAN Bank

MSME Relationships

06 Sustainable…
Asset Quality

05 Increase…
Fee Income

04 Improve
NIM

...Increase Retail & MSME 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

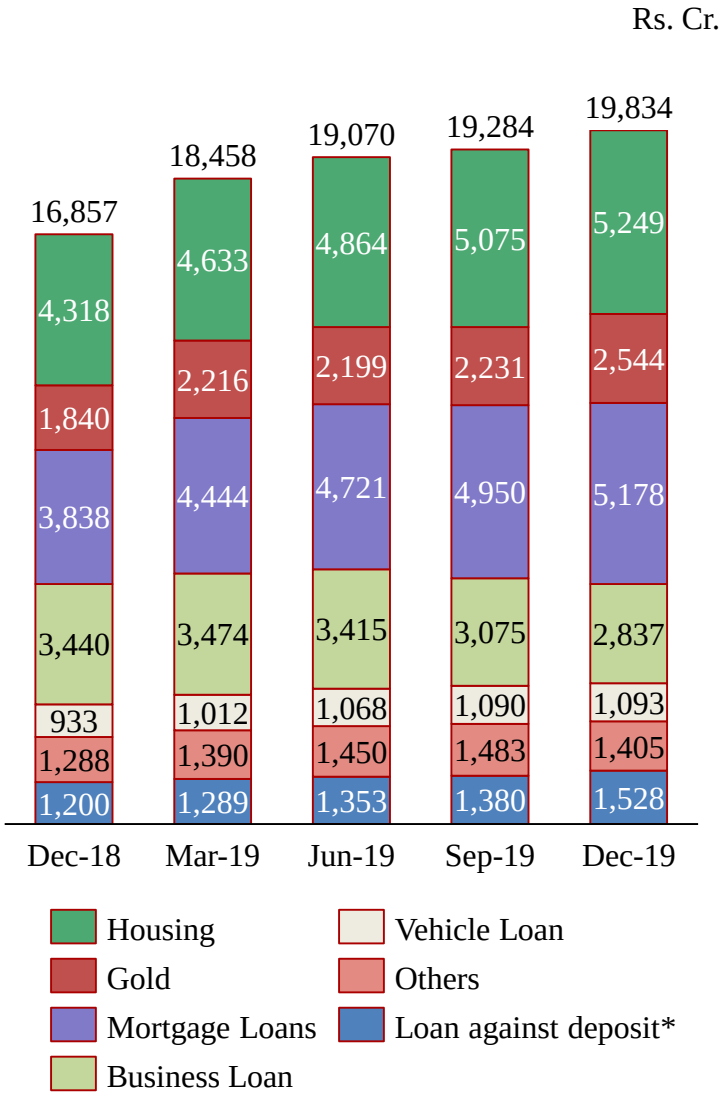
- 17 Clusters
- Specific Cluster for Forex

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

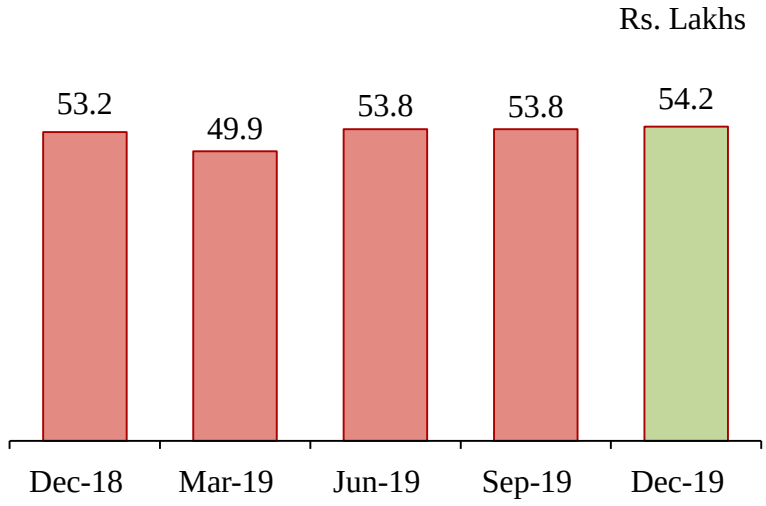
October to December 2020

- Mortgage Loans Sanctioned: 2,542 Nos.
- Amount of Mortgage Loans Sanctioned: Rs. 810 Cr

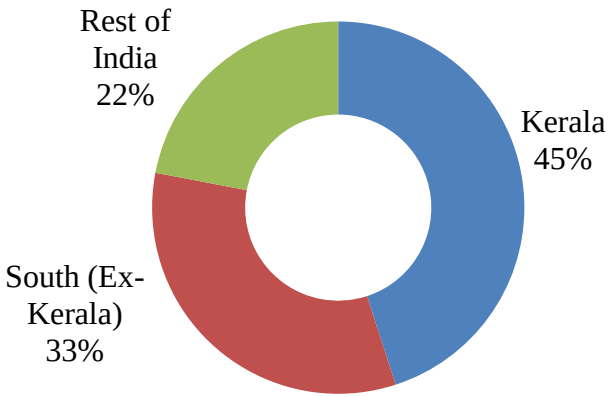
*LAD = Loan against deposits

…becoming a Banker of Choice to SMEs

Average MSME Loan / Account



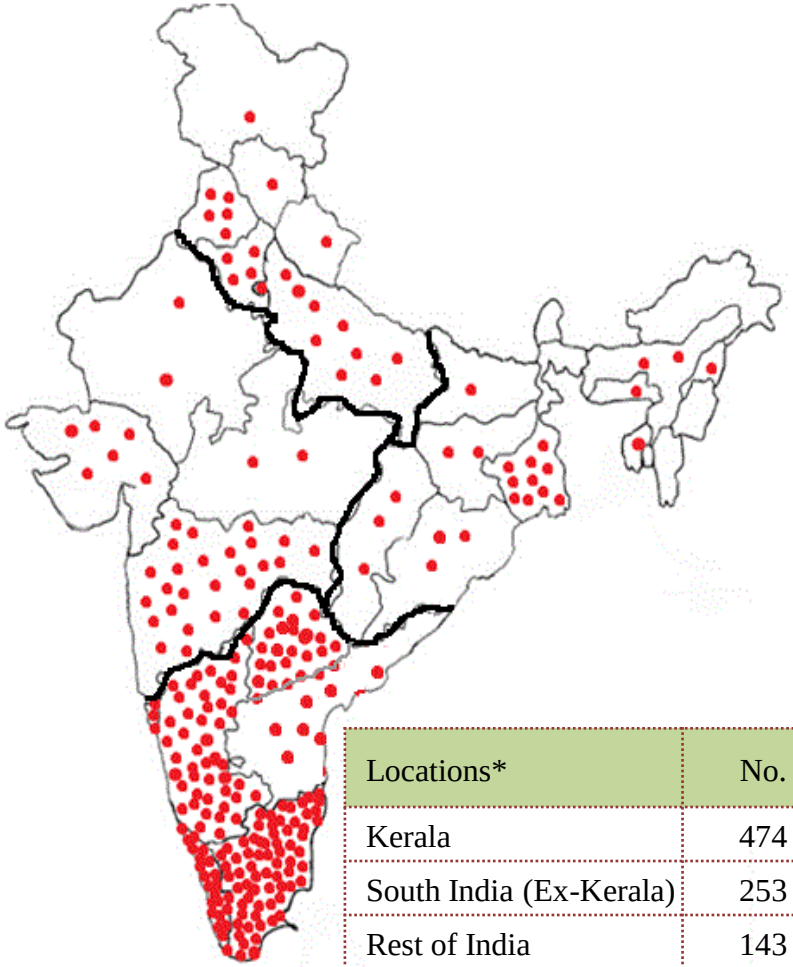
MSME Loan Book by Geography



SME Highlights

- Dedicated executive 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 MSME 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
- Underwriting of loans through customized software called LOS (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

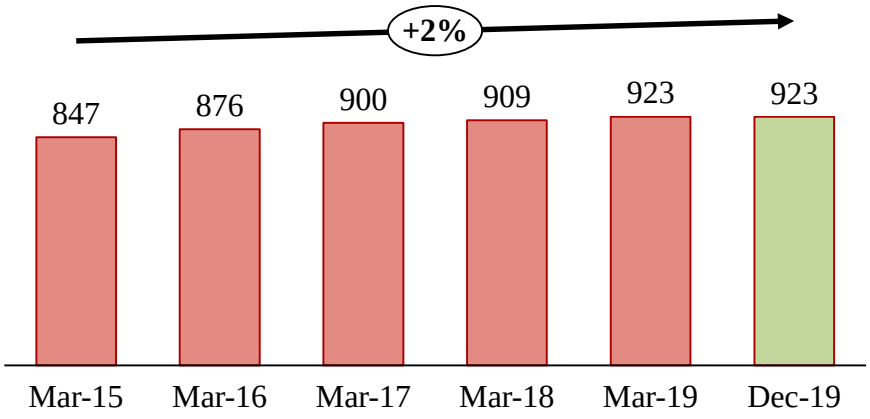
…with the help of our Wide Network



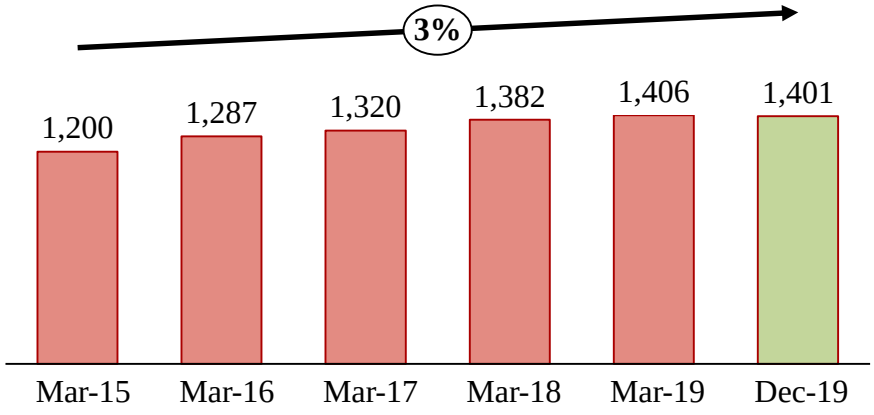
Locations*	No.
Kerala	474
South India (Ex-Kerala)	253
Rest of India	143
Total Branches	**870**
Extension Counters	53
Total Customer Touch Points	923

*Map for illustration purpose only

Wide Network

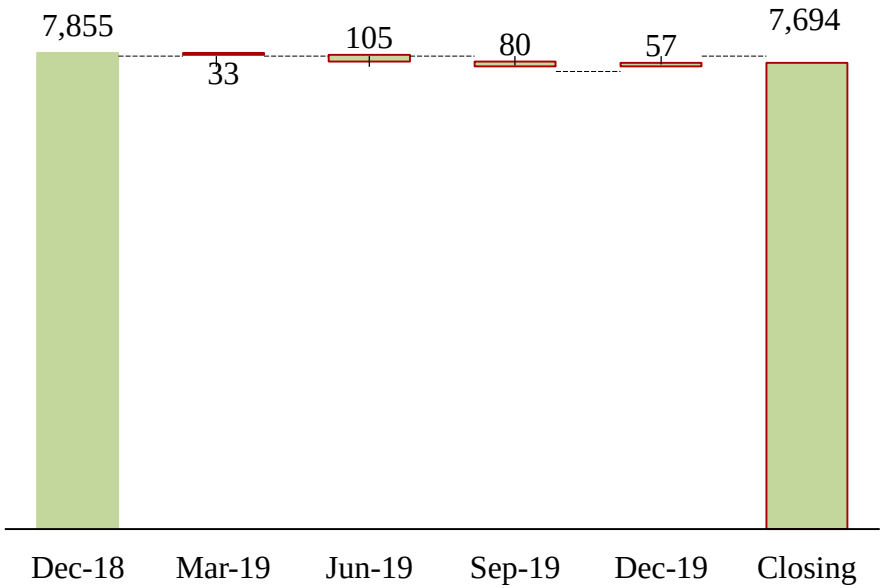


Total ATM Network

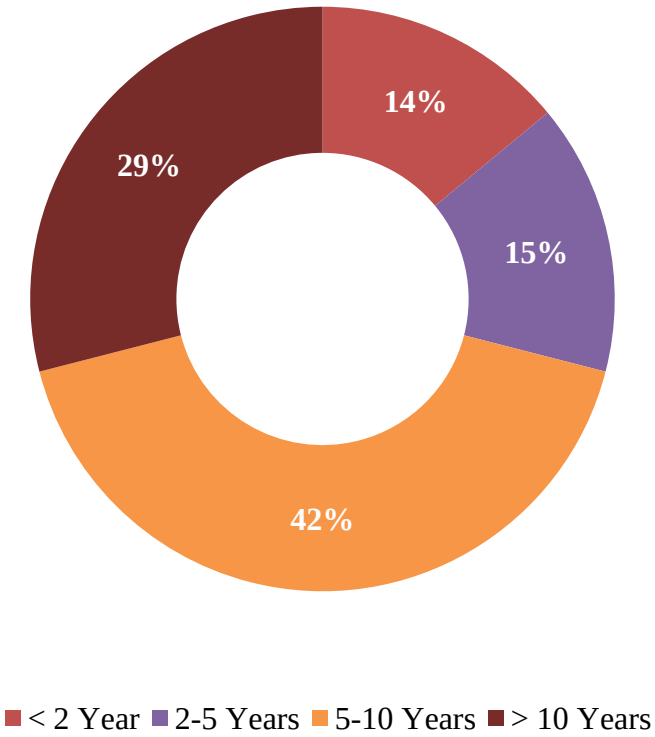


… and our Experienced Employees

Employee Addition



Total Employees: 7,694*



*Full-time officers and clerks

Performance Matrix

Strong Deposit Franchise

Deposits (excl. CDs)

Rs. Cr.

Retail Deposit	Bulk Deposit	Total Deposits
Dec 2019	**Dec 2019**	**Dec 2019**
70.703	9,748	80,451
13%	-3%	11%
62,508	10,001	72,509
Dec 2018	**Dec 2018**	**Dec 2018**

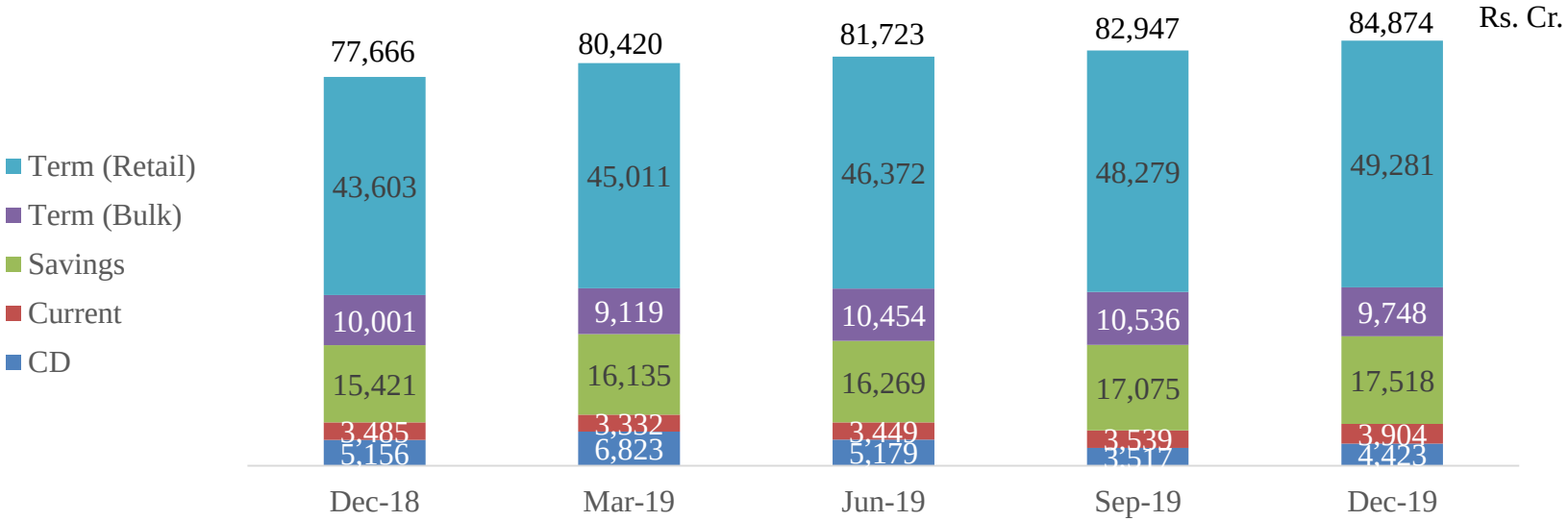
CASA Deposits

Rs. Cr.

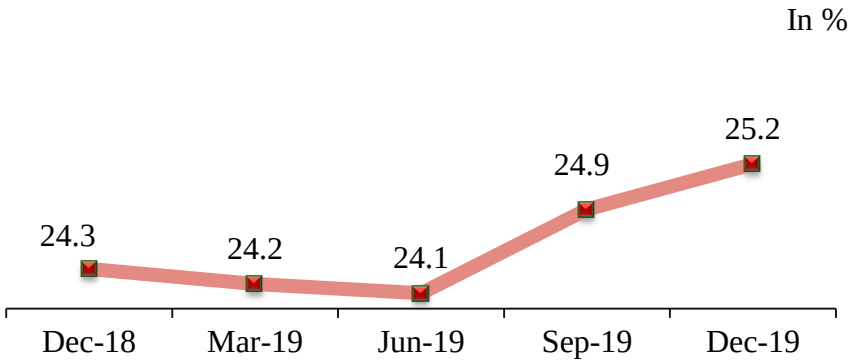
Current Deposit	Savings Deposit	Total CASA
Dec 2019	**Dec 2019**	**Dec 2019**
3,904	17,518	21,422
12%	14%	13%
3,485	15,421	18,905
Dec 2018	**Dec 2018**	**Dec 2018**

Retail Deposits Growing...

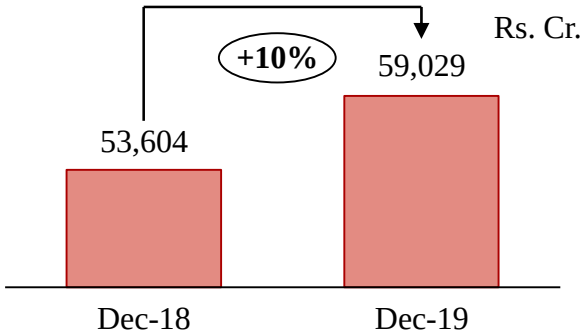
Breakup of Deposits



CASA



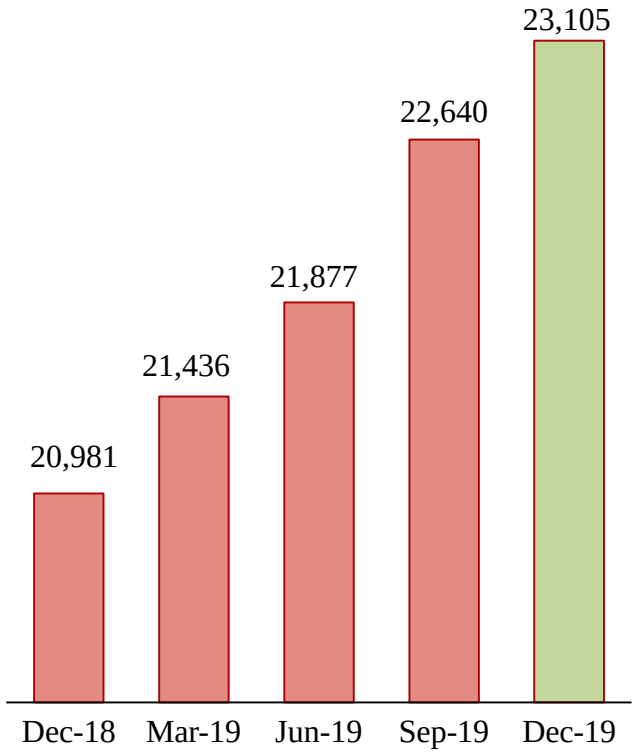
Term Deposits



Break Up of Non-Resident Deposits

NRI Deposits

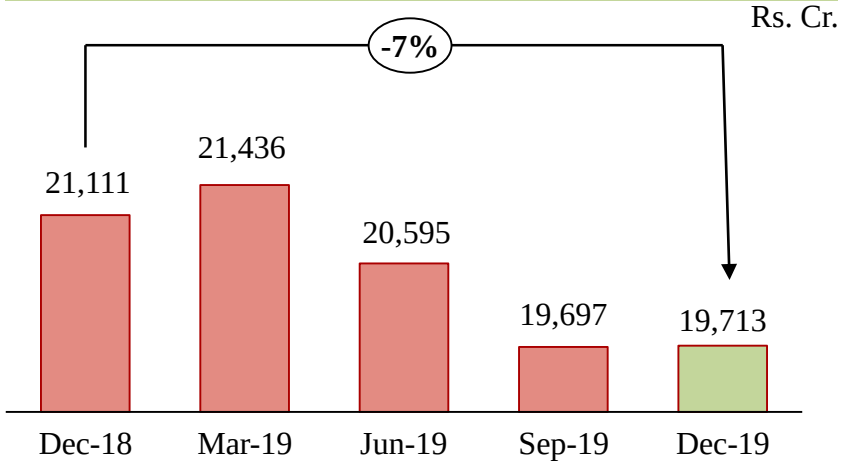
Rs. Cr.



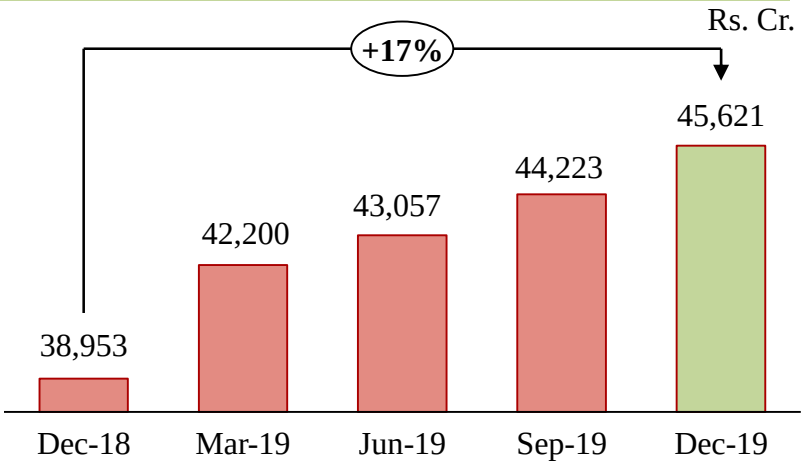
Deposit Type	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Dec 2019
NRE SB	3,768	3,660	3,729	3,826	3,958
NRO SB	712	737	720	750	796
FCNR (B), RFC & Others	1,697	1,859	1,909	1,950	1,969
Low-Cost NRI Deposit (Sub Total)	**6,177**	**6,257**	**6,358**	**6,526**	**6,723**
NRE Term Deposit	14,199	14,533	14,854	15,440	15,687
NRO Term Deposit	605	647	665	674	695
Total NRI Deposit	**20,981**	**21,436**	**21,877**	**22,640**	**23,105**

Composition of Loan Book

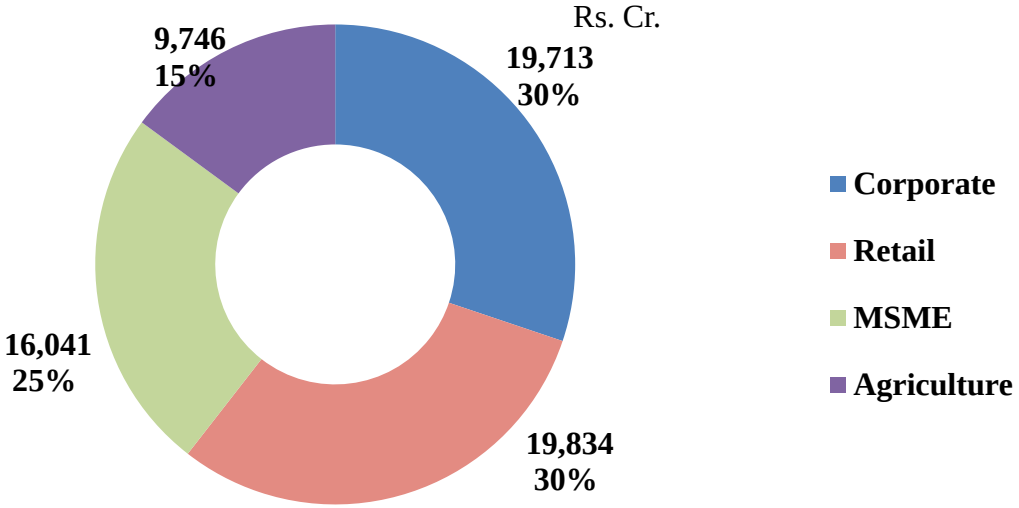
Corporate Advances (Above Rs. 25 Cr)



Advances (Excl. Corporates) (Below Rs. 25 Cr)



Segment wise Break Up of Total Loan Book



Composition of Loan Book

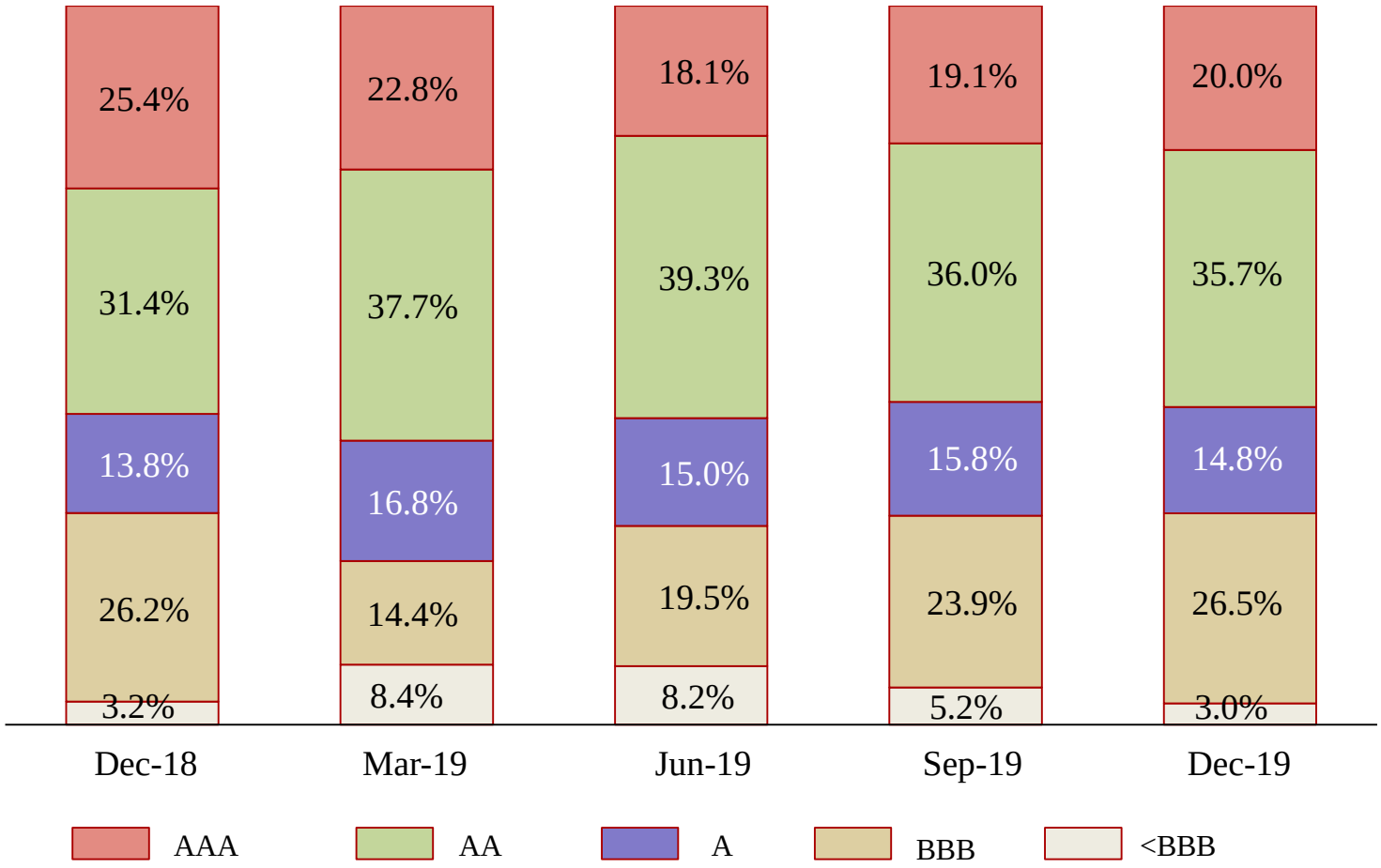
Break up of Loan book

Advances (Rs. Cr)	Dec-18		Mar-19		Jun-19		Sep-19		Dec-19	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
Less than 5 Cr	352,613	27,477	358,679	30,480	364,352	30,967	370,095	31,725	3,69,517	32,822
5 - 25 Cr	1,092	9,853	1,155	10,431	1,166	10,789	1,183	11,246	1,369	11,310
25 - 100 Cr	215	9,612	233	10,156	236	9,961	227	9,840	327	10,662
More than 100 Cr	52	10,192	51	9,437	49	8,781	45	7,964	38	7,297
Total	**3,53,972**	**57,134**	**3,60,118**	**60,504**	**3,65,803**	**60,498**	**3,71,550**	**60,775**	**3,71,251**	**62,090**
Gross NPA	7,757	2,930	7,606	3,132	8,258	3,154	8,281	3,145	8,276	3,244
Total Advances	**361,729**	**60,064**	**367,724**	**63,636**	**374,061**	**63,652**	**379,831**	**63,920**	**379,527**	**65,334**

Rating Profile of Corporate Loan Book

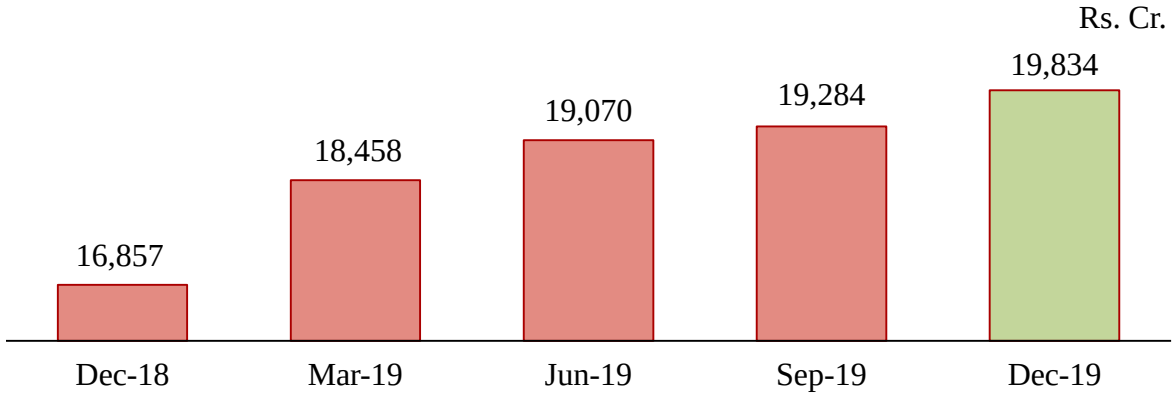
Standard Advances above Rs. 100 Cr.

External Rating

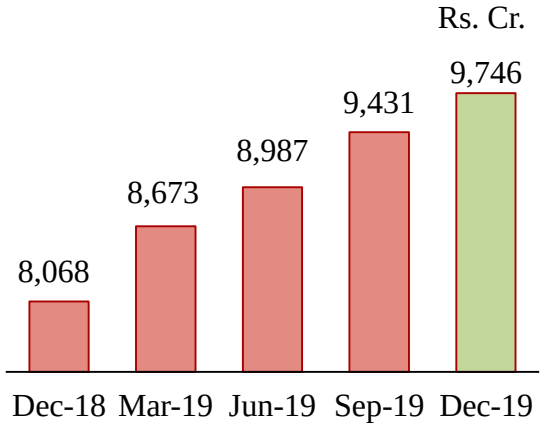


Key Focus: Retail, MSME & Agriculture

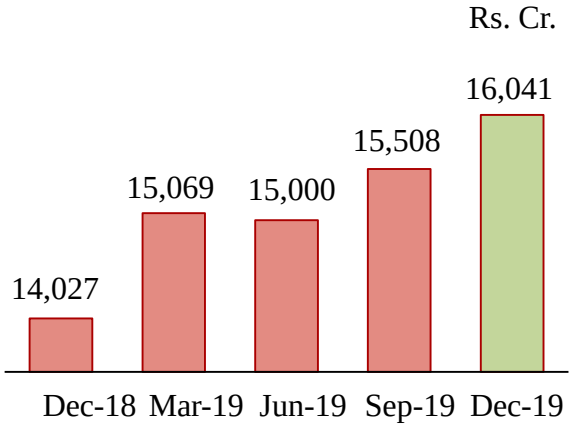
Retail (Incl. Gold)



Agriculture (Incl. Agri Gold)



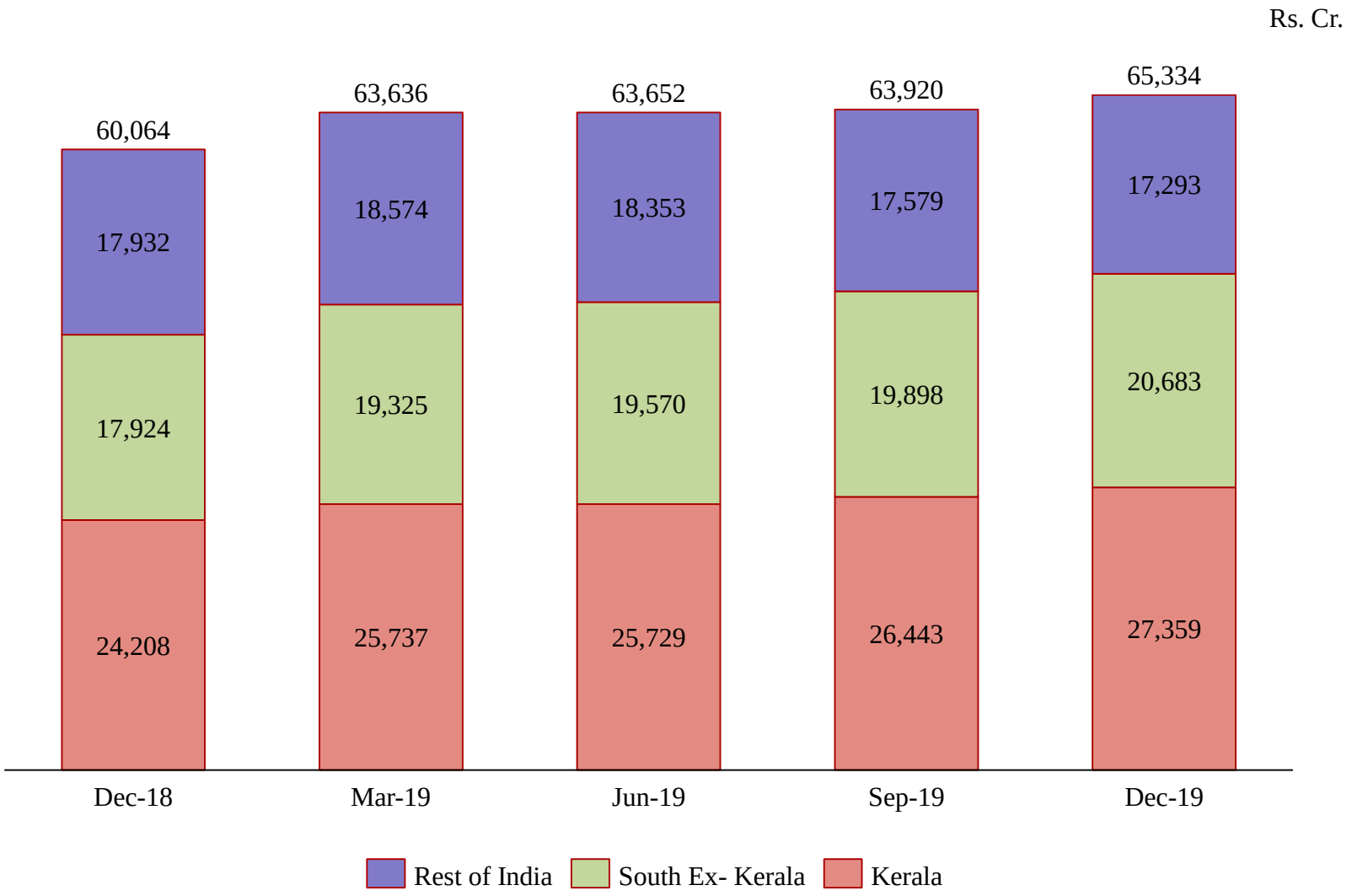
MSME (Incl. MSME Gold)



Retail Loans and Agriculture rose by 19% and 21% resp., while MSME grew by 14%

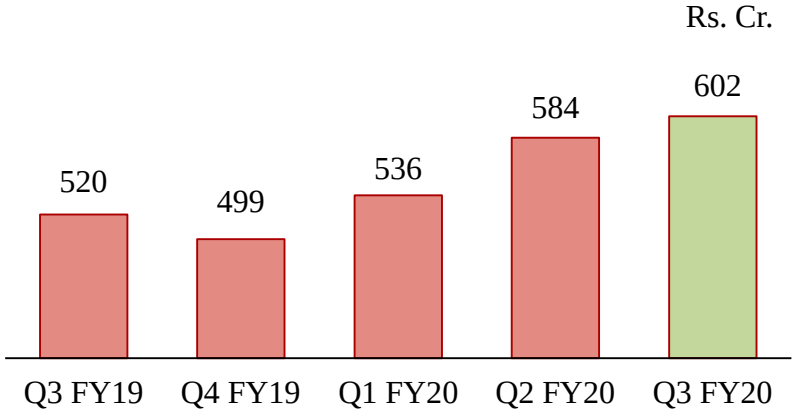
Over 18% of the Agriculture & MSME Loans are backed by Additional Security by way of GOLD

Advances growing Across Regions

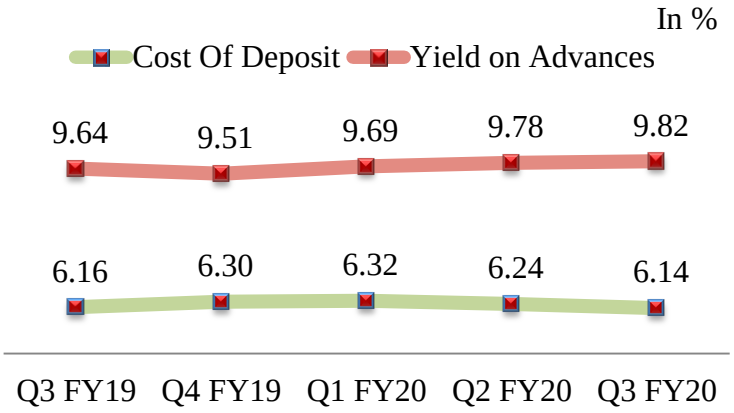


Net Interest Income - Quarter

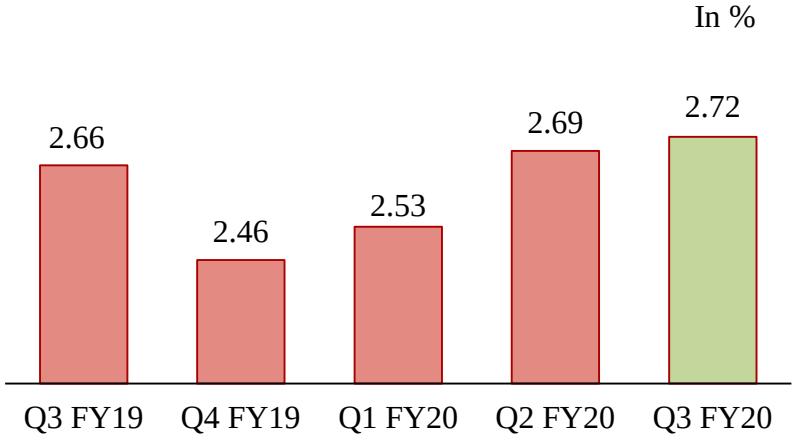
Net Interest Income



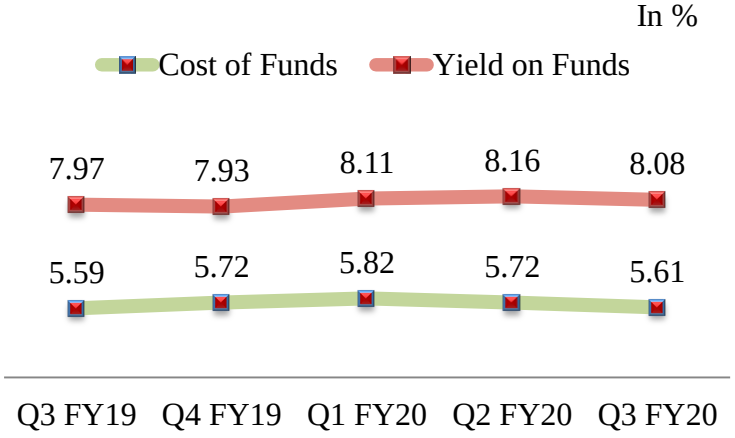
Cost of Deposits & Yield on Advances



Net Interest Margin

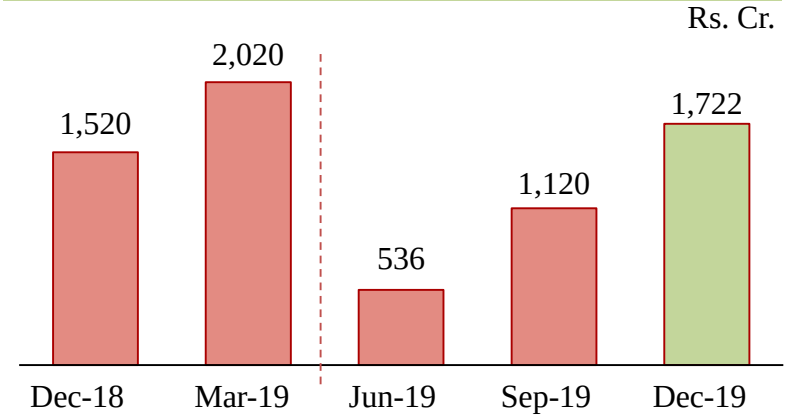


Cost of Funds & Yield on Funds

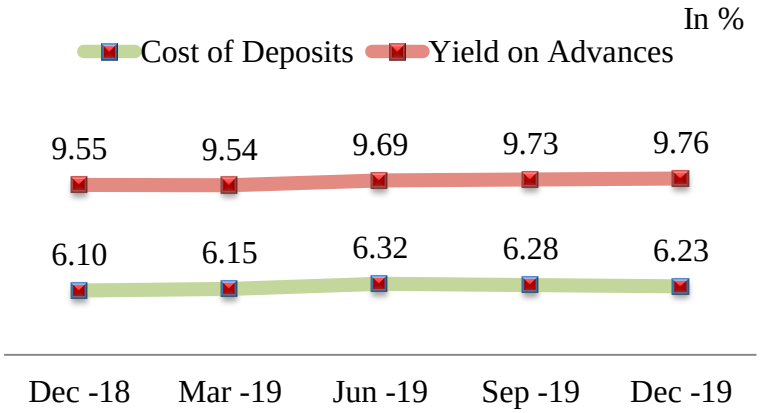


Net Interest Income - Cumulative

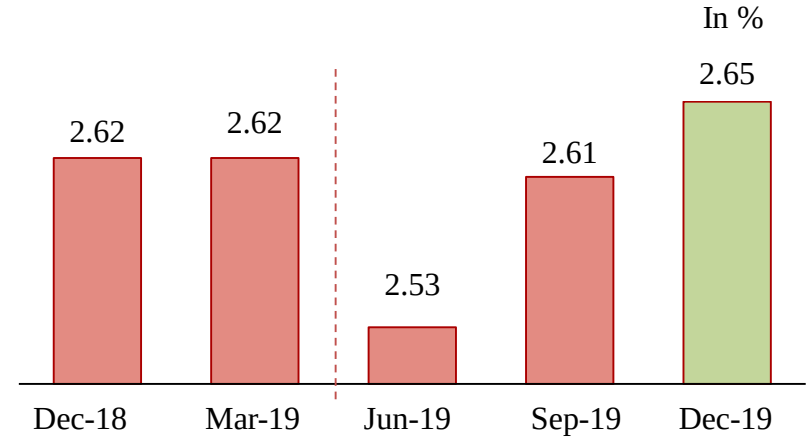
Net Interest Income



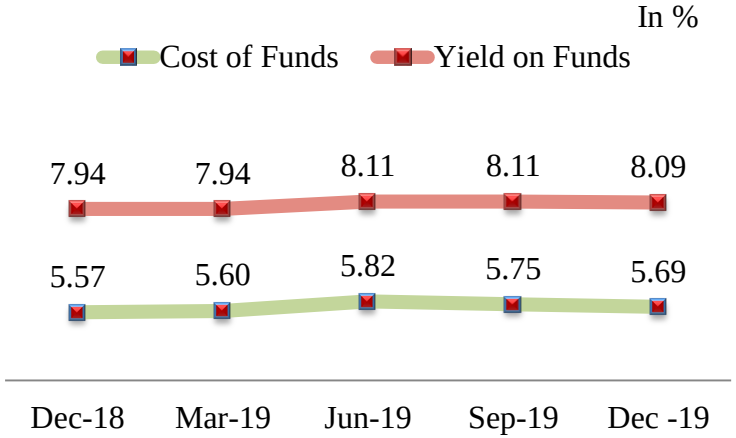
Cost of Deposits & Yield on Advances



Net Interest Margin

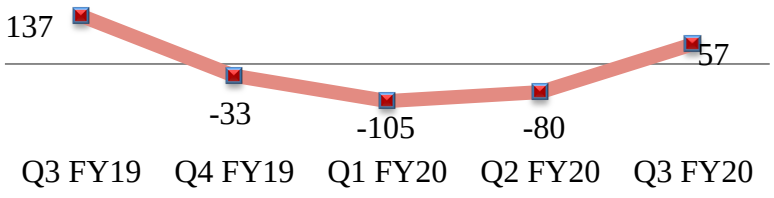


Cost of Funds & Yield on Funds



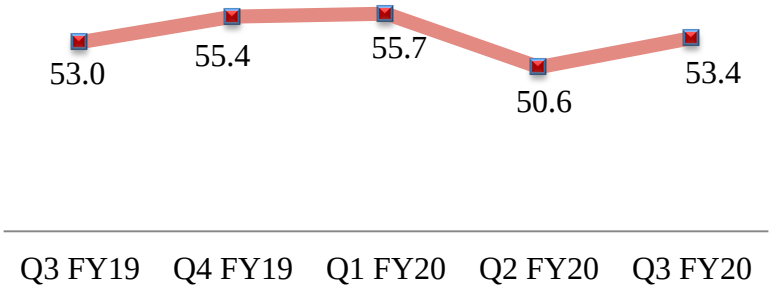
Improving Operating Efficiency

Employee Additions



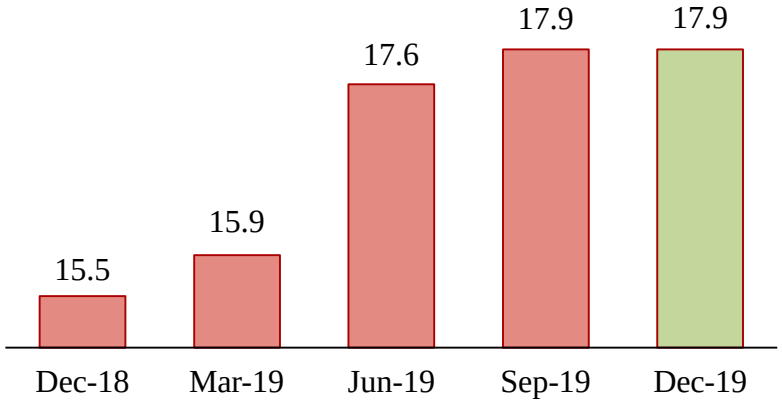
Cost-to-Income Ratio

In %



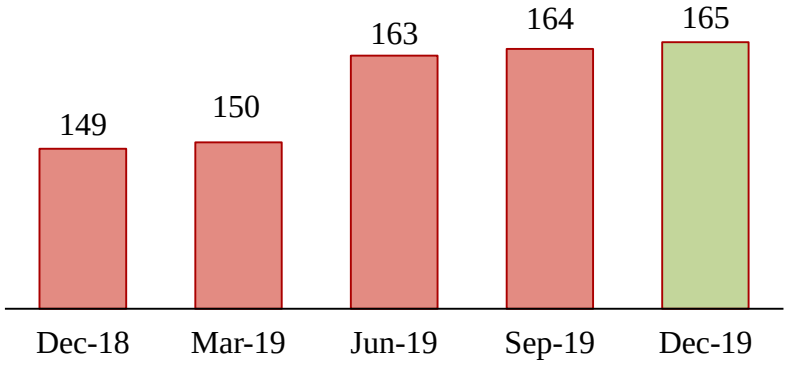
Business per Employee

Rs. Cr.



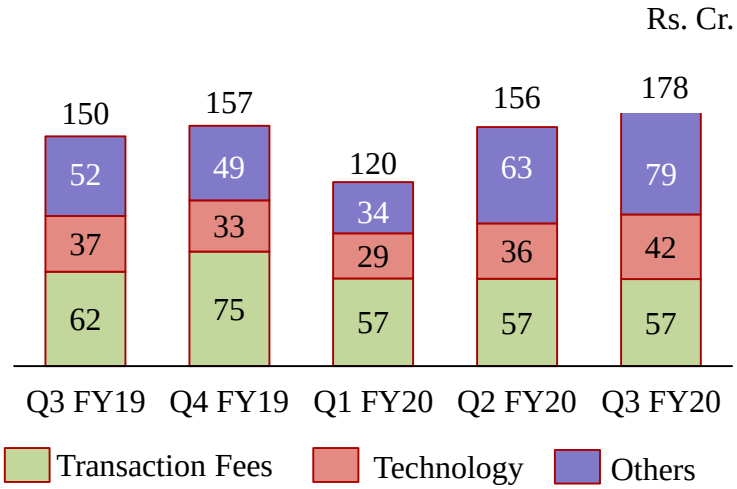
Business per Branch

Rs. Cr.

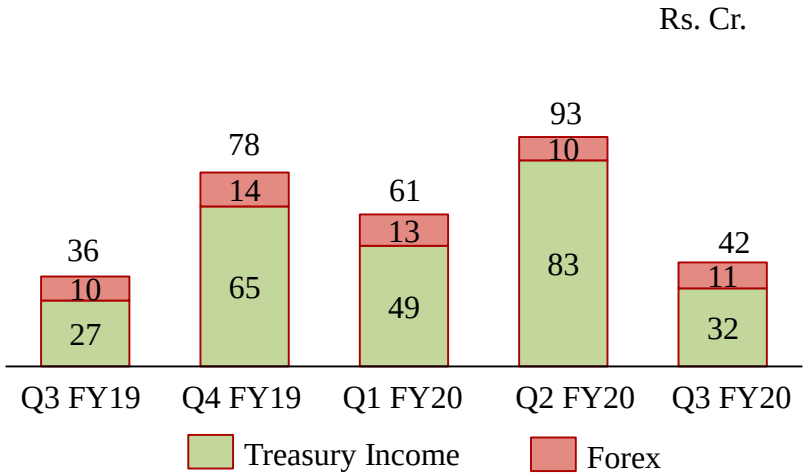


Strong Other Income

Core Fee Income



Treasury & Forex Income



Investment Book as on Dec-19

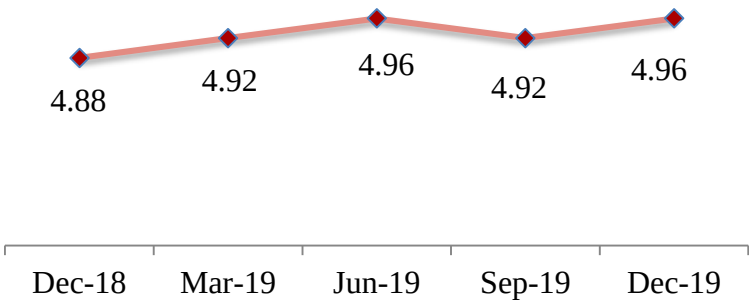
Details	Rs. Cr.	Modified Duration
HTM	16,684	5.78
AFS	4,340	3.75
HFT	-	-
Total	21,024	5.50

Break Up of Provisions

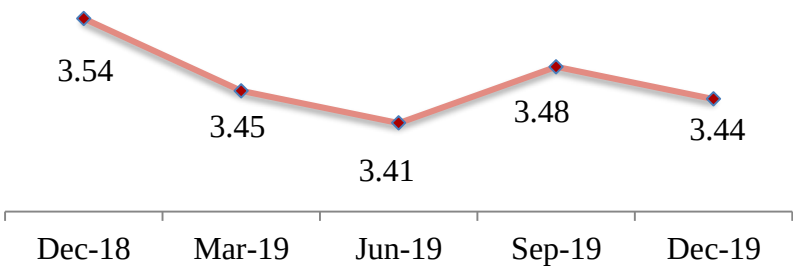
Particulars (Rs. Cr.)	Q3 FY19	Q2 FY20	Q3 FY20
For NPA & NPI	189	285	203
For Depreciation on Investments	-7	-1	23
For Standard Assets	10	3	16
For Restructured Advances/Sacrifices & FITL	-	9	8
For Unhedged Forex Exposure	-	-	-
Others	11	11	12
Taxes	45	21	32
Total Provisions	**248**	**327**	**293**

Non-Performing Assets

Gross NPA



Net NPA



Gross NPA Movement

Rs. Cr.	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
Opening	2,646	2,930	3,132	3,154	3,145
Additions	659	368	241	435	361
Deductions	375	166	219	444	263
Closing	**2,930**	**3,132**	**3,154**	**3,145**	**3,244**

Net NPA Movement

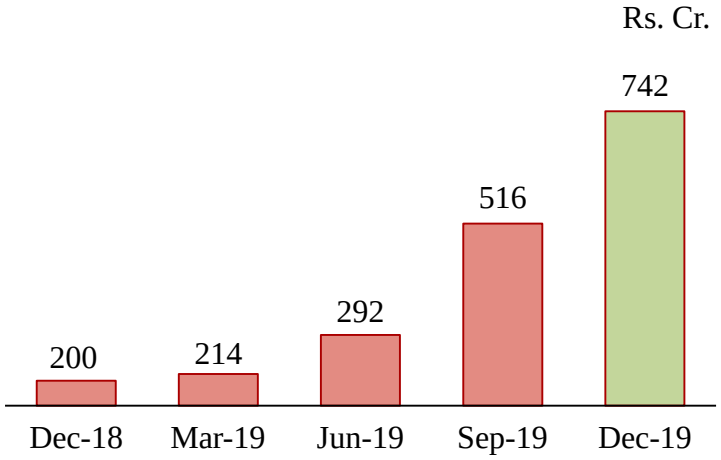
Rs. Cr.	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
Opening	1,785	2,100	2,164	2,135	2,193
Additions	555	305	195	352	301
Deductions	240	241	224	294	282
Closing	**2,100**	**2,164**	**2,135**	**2,193**	**2,212**

Stressed Assets - QoQ

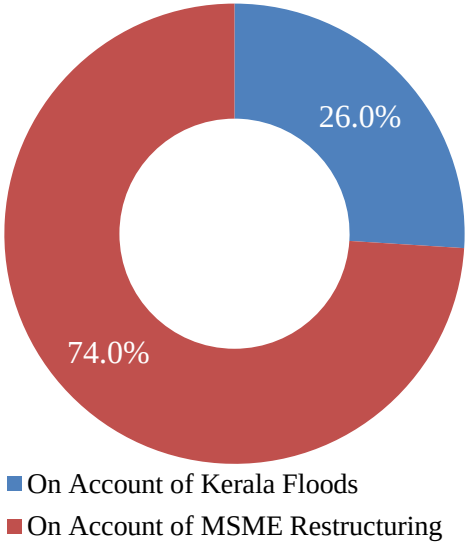
Rs. Cr.`	Gross Basis		Net Basis	
	Q2 FY20	Q3 FY20	Q2 FY20	Q3 FY20
NPA	3,145	3,244	2,193	2,212
Restructured Standard Advance	516	742	489	703
Other Stressed Advances	-	-	-	-
Total Stressed Assets	3,661	3,986	2,682	2,915
Advances	63,920	65,335	62,993	64,329
Stressed Assets (as % of Advances)	**5.7%**	**6.1%**	**4.3%**	**4.5%**

Restructured Advances Breakup

Restructured Standard Advance



Sector Breakup



Rs. Cr.

Security Receipts Outstanding as on Dec 31, 2019		
Book Value	Provision	NAV
1,324	287	1,037

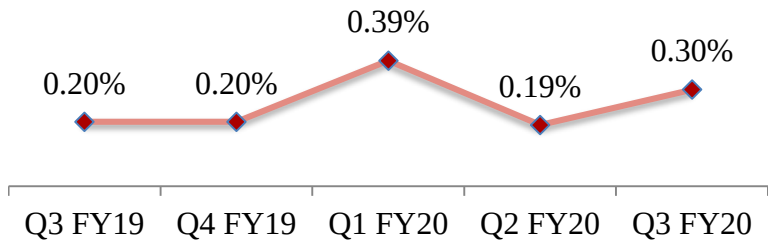
Restructured Standard Asset Book

Rs. Cr.

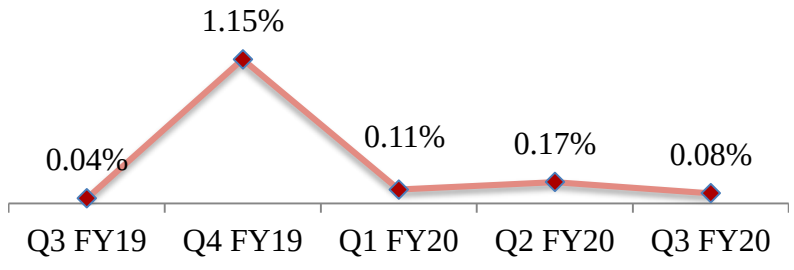
	Restructured Standard Advances					
	Opening	**Fresh Addition**	**Inc/(Dec) in Existing Balance**	**Upgradation from NPA to Std.**	**Slippages to NPA**	**Closing Balance**
Infra Roads	-	-	-	-	-	-
Construction EPC	-	-	-	-	-	-
Under MSME Restructuring	351	195	6	-	-	**552**
Under Kerala Floods	165	34	(6)	-	3	**190**
Total	**516**	**229**	-	-	**3**	**742**

Fresh Slippages / Advance Ratios

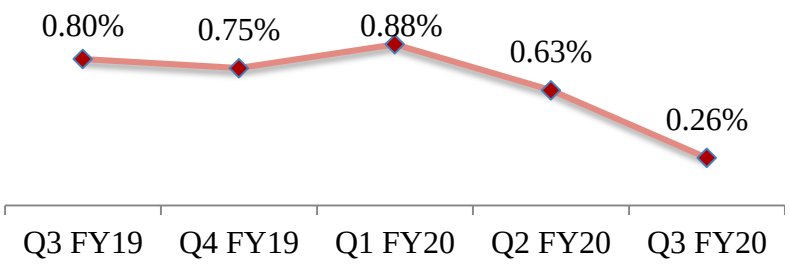
Retail Slippage



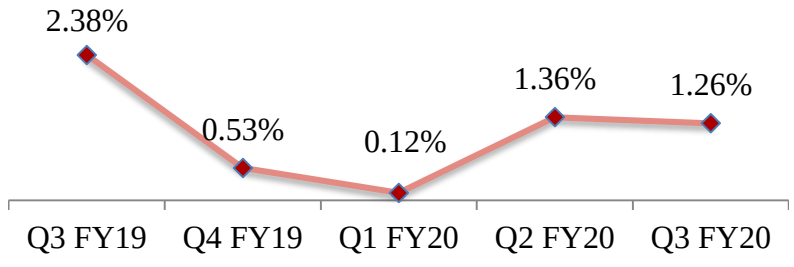
Agriculture Slippage



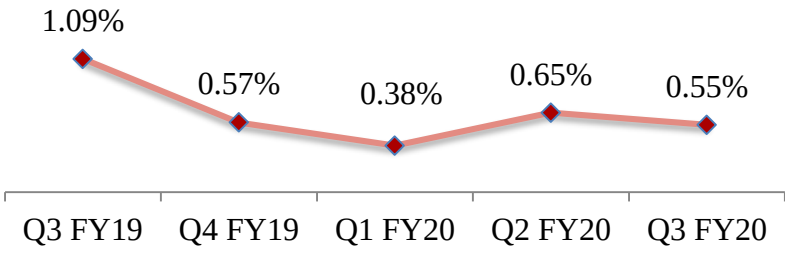
MSME Slippage



Corporate Slippage



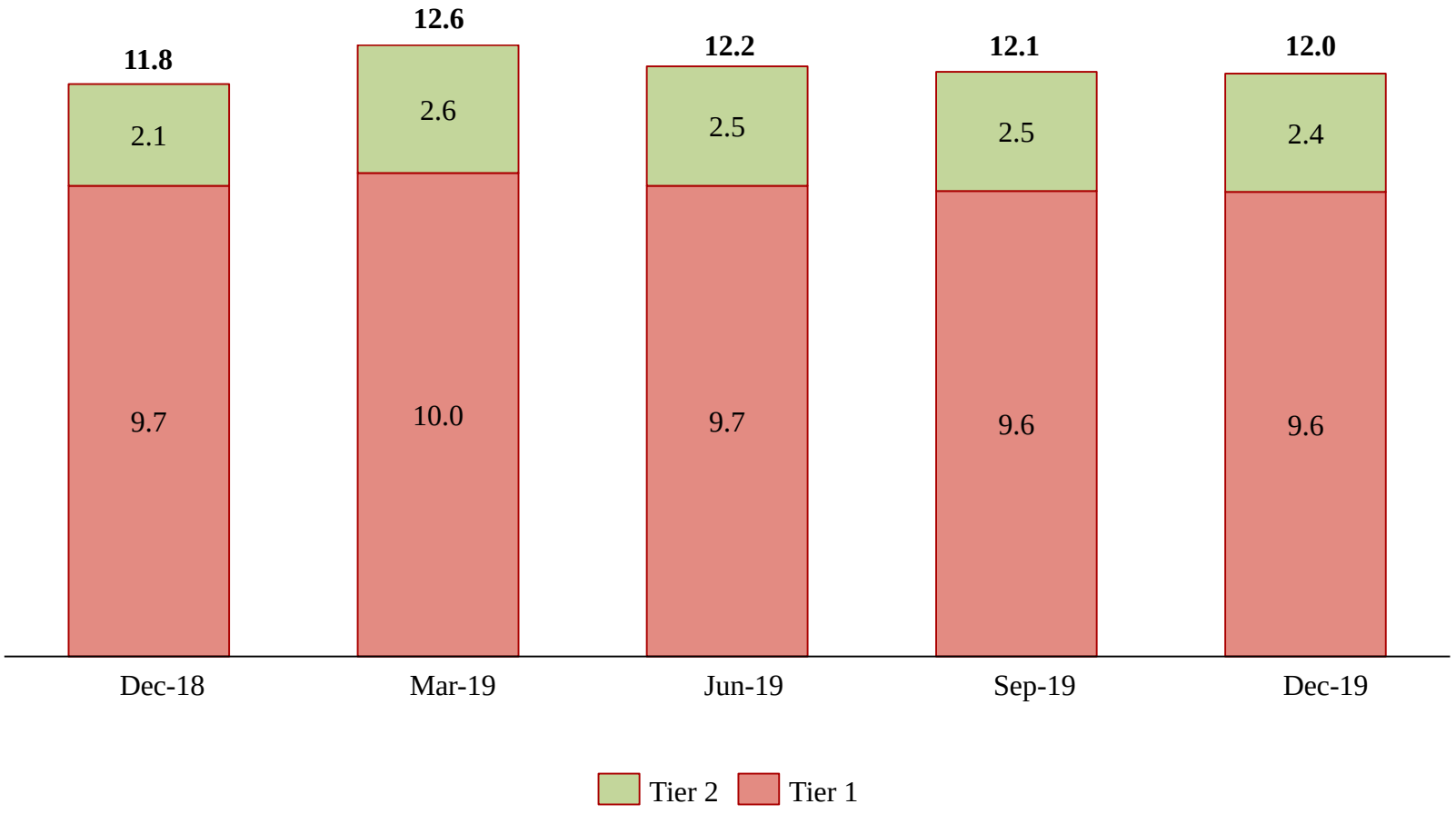
Overall Slippage



Capital Composition

BASEL III

In %



Profit & Loss Overview

Rs. Cr.	Q3 FY20	Q3 FY19	Y-o-Y (%)	Q2 FY20	Q-o-Q (%)
Net Interest Income	**602**	**520**	**16%**	**584**	**3%**
Other Income	**220**	**187**	**18%**	**249**	**-12%**
- Core Fee Income	*178*	*150*	*19%*	*156*	*14%*
- Treasury & Forex	*42*	*36*	*16%*	*93*	*-55%*
Total Income	**822**	**706**	**16%**	**833**	**-1%**
Operating Expenses	439	374	17%	422	4%
Operating Profit	**383**	**332**	**15%**	**411**	**-7%**
Provisions & Contingencies	261	203	28%	306	-15%
Profit Before Tax	**122**	**129**	**-5%**	**105**	**16%**
Provision for Tax	32	45	-30%	21	53%
Profit After Tax	**91**	**84**	8%	**84**	**7%**

Balance Sheet Overview

Rs. Cr.	Dec 2019	Dec 2018	Y-o-Y (%)	Sep 2019	Q-o-Q (%)
Capital & Liabilities	**96,530**	**88,249**	**9%**	**94,955**	**2%**
Capital	181	181	0.0%	181	0%
Reserves and Surplus	5,468	5,153	6%	5,366	2%
Deposits	84,874	77,665	9%	82,947	2%
Borrowings	4,311	3,688	17%	4,773	-10%
Other Liabilities & Provisions	1,696	1,562	9%	1,688	0%
Assets	**96,530**	**88,249**	**9%**	**94,955**	**2%**
Cash & Balances with RBI	3,679	3,526	4%	4,076	-10%
Balances with Banks	881	1,166	-24%	902	-2%
Investments	20,546	18,507	11%	20,530	0%
Advances	64,329	59,256	9%	62,993	2%
Fixed Assets	794	693	15%	792	0%
Other Assets	6,301	5,101	24%	5,661	11%
Business (Advances + Deposits)	**149,203**	**137,729**	**9%**	**1,45,940**	
Current Accounts	3,904	3,485	12%	3,539	10%
Savings Accounts	17,518	15,421	14%	17,075	3%
CASA Ratio	25.2%	24.3%	-	24.9%	-

Key Metrics - Quarterly

Particulars	FY18				FY19				FY20		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net Interest Margin (NIM)	2.80%	2.95%	2.88%	2.73%	2.60%	2.61%	2.66%	2.46%	2.53%	2.69%	2.72%
CRAR Basel III	12.1%	11.7%	12.5%	12.7%	12.2%	12.1%	11.8%	12.6%	12.2%	12.1%	12.0%
RoAA (Annualized)	0.6%	0.02%	0.6%	0.6%	0.1%	0.3%	0.4%	0.3%	0.3%	0.4%	0.4%
Provision Coverage	44.6%	44.1%	49.4%	41.2%	39.1%	41.9%	41.2%	42.5%	45.1%	48.1%	50.4%
CASA	25.2%	24.6%	24.9%	23.8%	24.7%	24.5%	24.3%	24.2%	24.1%	24.9%	25.2%
Gross NPA	3.61%	3.57%	3.40%	3.59%	4.54%	4.61%	4.88%	4.92%	4.96%	4.92%	4.96%
Net NPA	2.54%	2.57%	2.35%	2.60%	3.27%	3.16%	3.54%	3.45%	3.41%	3.48%	3.44%
Book Value per Share (Rs.)	27.7	27.6	28.4	29.0	29.1	29.0	29.5	29.5	30.4	30.7	31.2
EPS (Rs.) (Annualized)	2.3	0.1	2.5	2.6	0.5	1.5	1.8	1.6	1.6	1.9	2.0
Customer Touch Points											
- Kerala	493	494	494	496	496	496	494	503	503	503	503
- South India (Ex-Kerala)	259	260	261	264	266	266	266	270	270	270	271
- Rest of India	149	149	149	149	149	150	150	150	150	149	149
Total	**901**	**903**	**904**	**909**	**911**	**912**	**910**	**923**	**923**	**922**	**923**

Next Generation Bank

Present across Customer Touch Points

Traditional & Alternate Channels

SIB Mirror +

Mobile Banking

ATMs

~1,400 ATMs across India

Branches

870 Branches & 53 Extension Counters

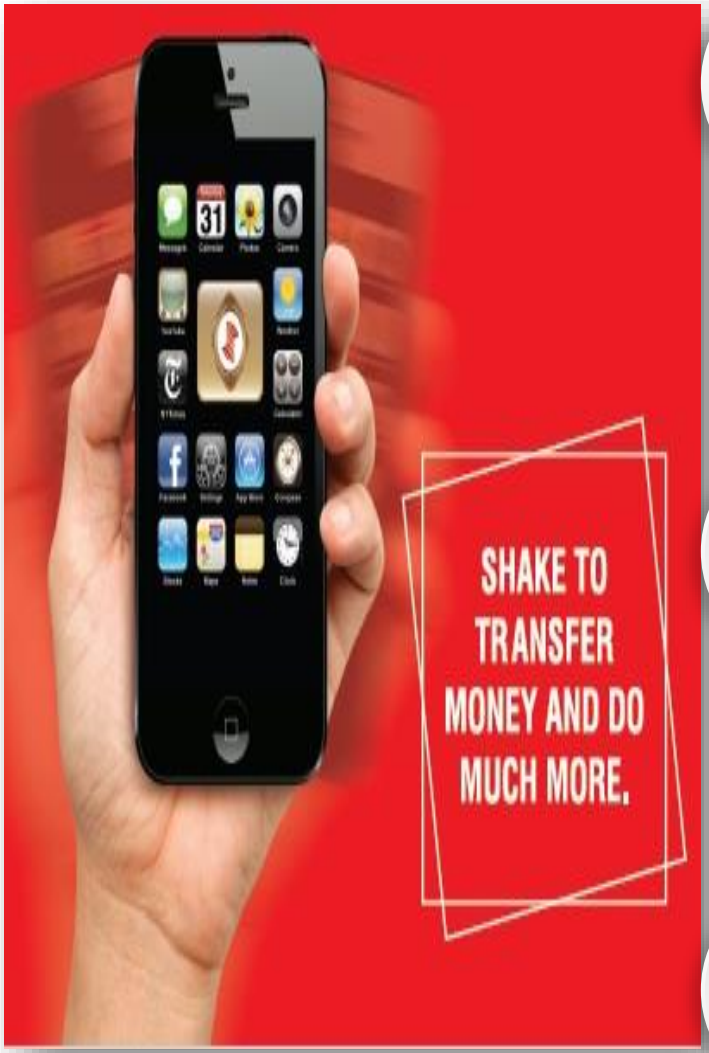
SIBerNeT

SIB PoS

Internet Banking

Point of Sale

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.

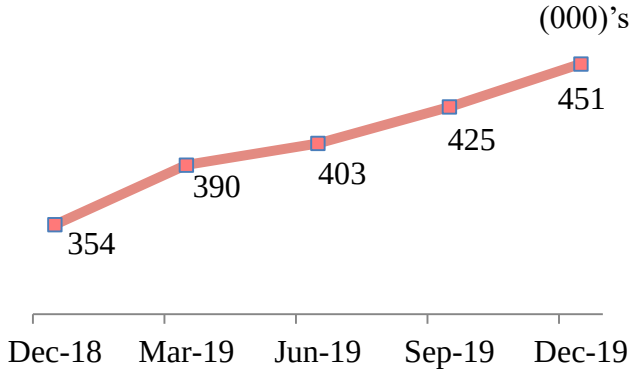
Retail branches now interconnected with single-window service and providing real-time online, real-time transactions to customers.
Instant account opening facility through Quick Account Opening, TAB Account Opening supported by e-KYC.

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

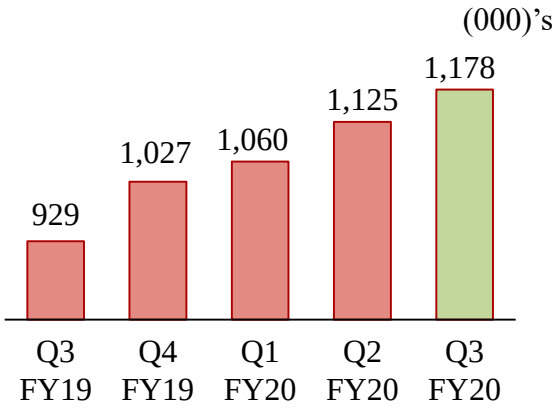
Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

Personal Banking: Technology Banking

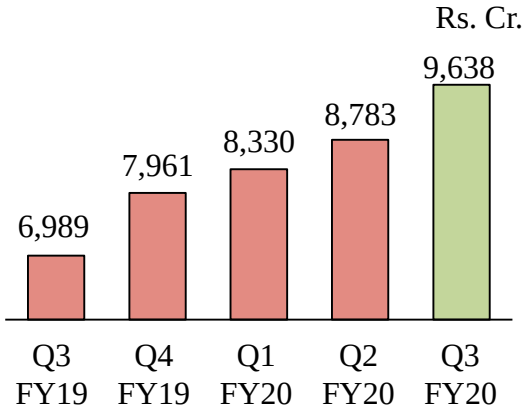
Active Internet Users



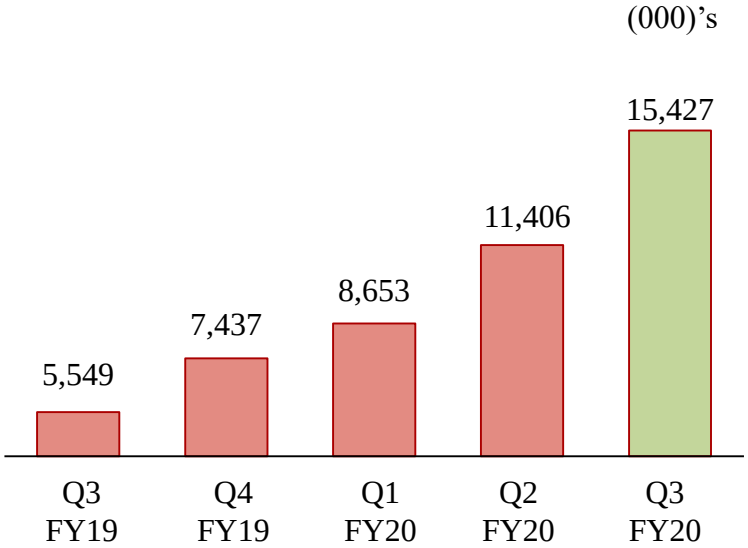
Internet Transaction Volume



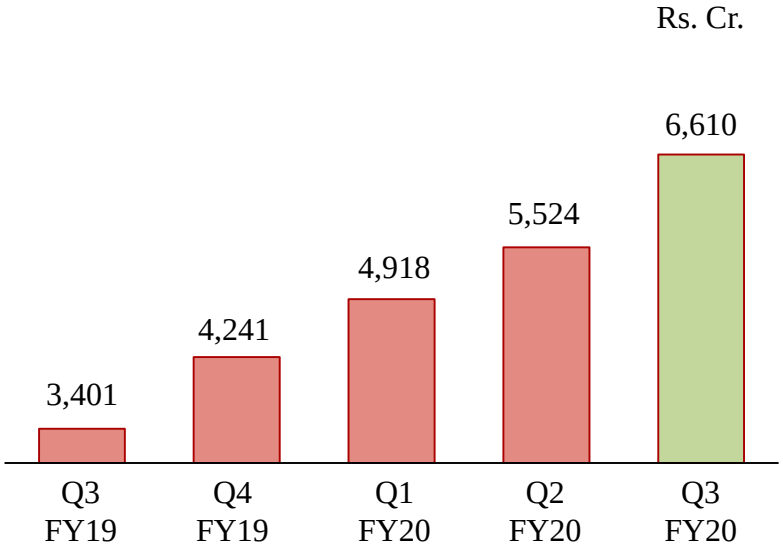
Internet Transaction Value



Mobile Transaction Volume

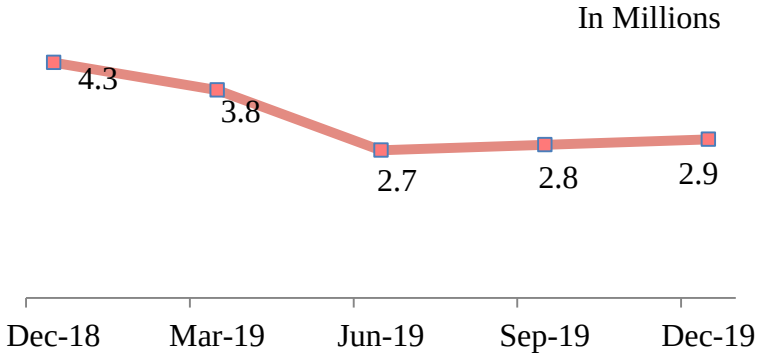


Mobile Transaction Value

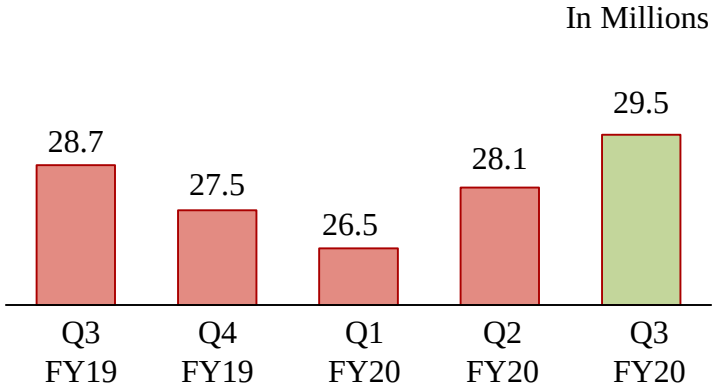


Personal Banking: Debit Cards

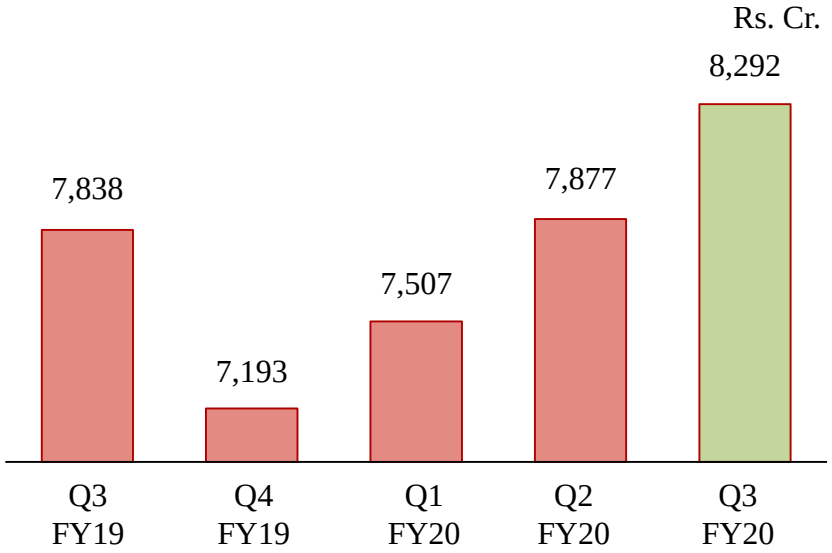
No. of Active Debit Cards



Debit Card Transaction Volumes



Debit Card Transaction Value



About Us

Leadership Team

Mr. V. G. Mathew, MD & CEO

- Post Graduate in Physics and CAIIB with over 40 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. Raphael T.J., Chief General Manager (Chief Information Officer)

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

Mr. John Thomas (Country Head - Business Development)

- Bachelors Degree in Science, MBA and CAIIB

Mr. Shelly Joseph, General Manager

- Masters Degree in Commerce & CAIIB

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

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

Mr. Chandrasekhar Mukherjee, Chief People Officer

- Bachelors Degree in Commerce
- Post Graduation Diploma in Personnel Management & Industrial Relation

Management Team

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. Reddy N J, General Manager

- Masters Degree in Commerce & LLB

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. Sibi P M, Chief Compliance Officer

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

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

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