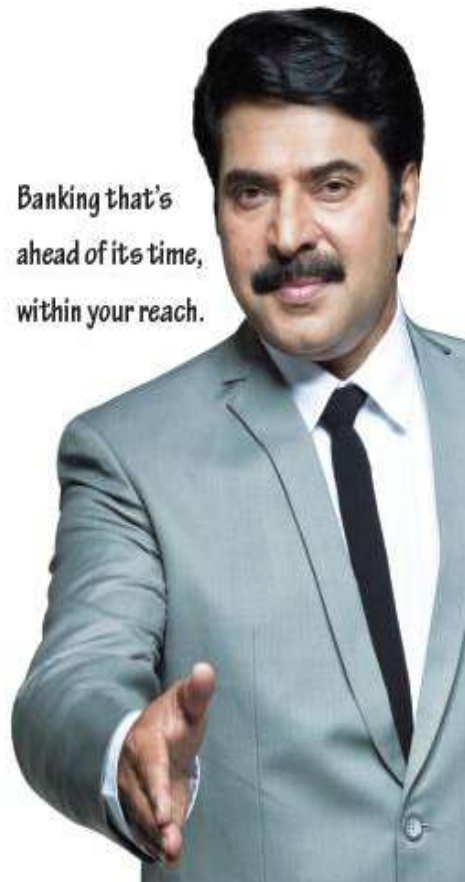




Experience Next Generation Banking



Banking that's
ahead of its time,
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**Investor Presentation
July - 2016**

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Business Strategy



Performance Matrix



Next Generation Bank



An Inflection Point



About Us



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 bench strength
- Expand PoS & ATM Network

...Our Performance is in Line with our Strategy

Expand Retail Business
(Ex cl. Gold)

Rs. 24,609 Crs

(**INCREASE**
20% YoY)

Strengthen SME Base

Rs. 9,830 Crs

(**INCREASE**
20% YoY)

Improve CASA

23.24%

(**INCREASE**
96 bps YoY)

Enhance Asset Quality
(Restructured Book)

Rs. 1,387 Crs

(**DECREASE**
36% YoY)

Improve share of other
Income

Rs. 173 Crs

(**INCREASE**
67% YoY)

We will continue to focus on our Core Strengths



...Increase Retail & SME Business

01

Centralize
Marketing &
Processing
Centre (Kochi)



Loan Processing

- Enhanced risk management
- KYC compliance and fraud prevention tools

02

Retail Hub

- Home Loan
- Auto Loan
- MSME Loan
- LAP



Retail Business

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

03

Cluster
Branches

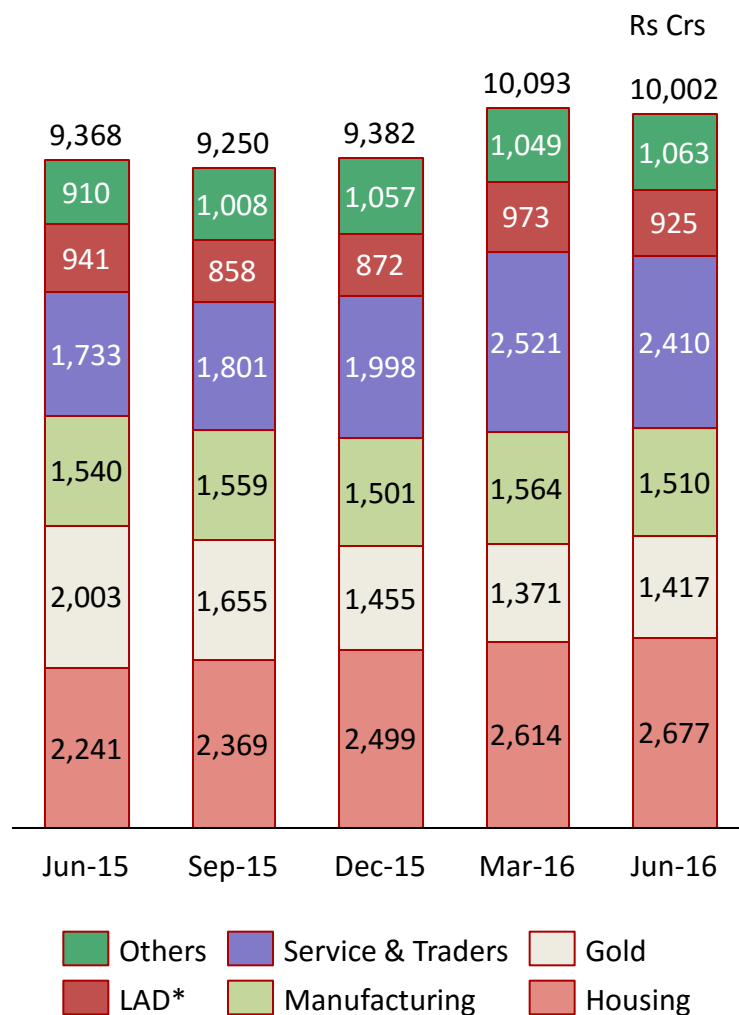


Branch Profitability

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

...by focus on Housing Loans in Retail

Retail Breakup



Housing: Key Initiatives

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

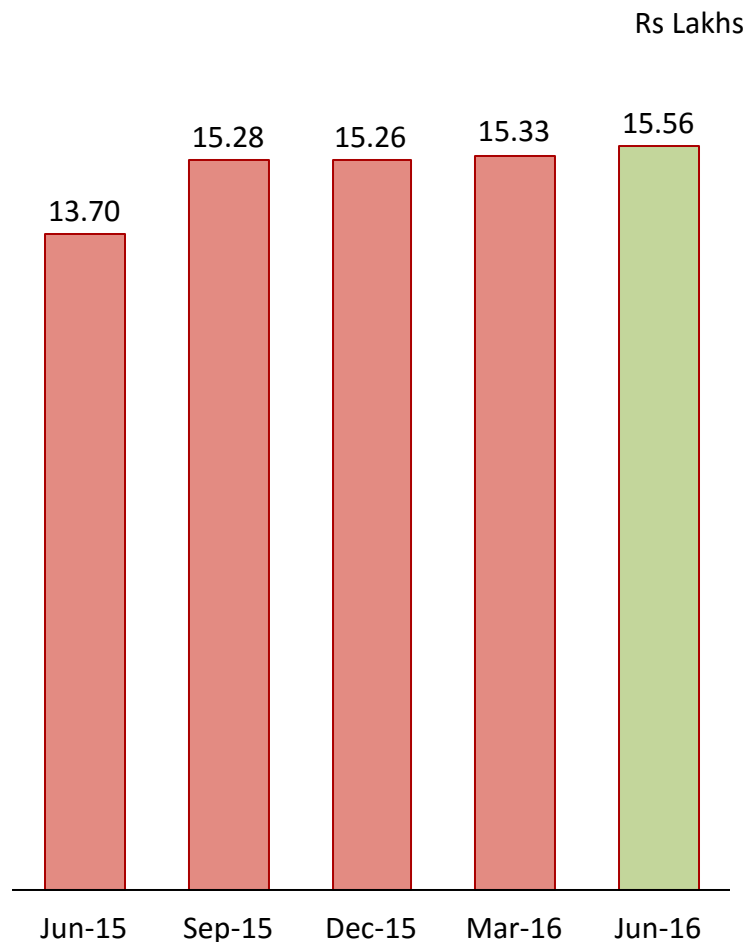
April to June 2016

- Housing Loans Sanctioned : 826 Nos.
- Amount of Housing Loans Sanctioned – Rs. 165 cr

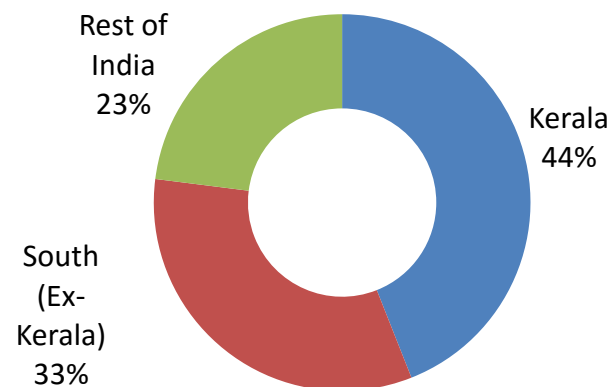
*LAD = Loan against deposits

...becoming a Banker of Choice to SMEs

Average SME Loan / Account



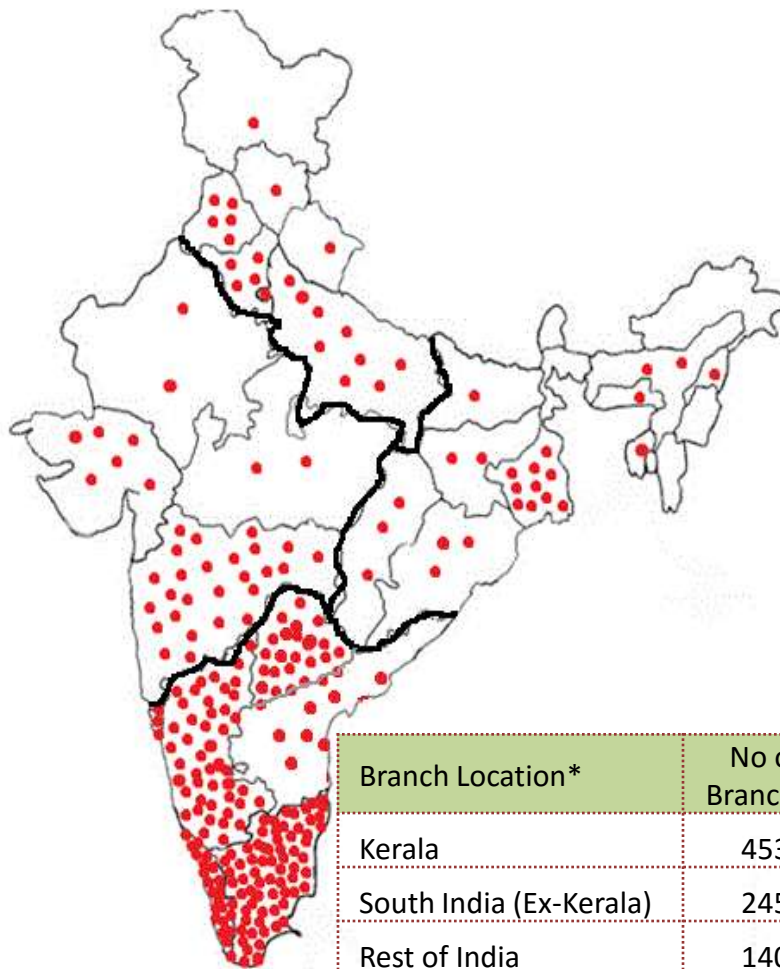
Loan Book by Geography – Q1 FY17



SME Highlights

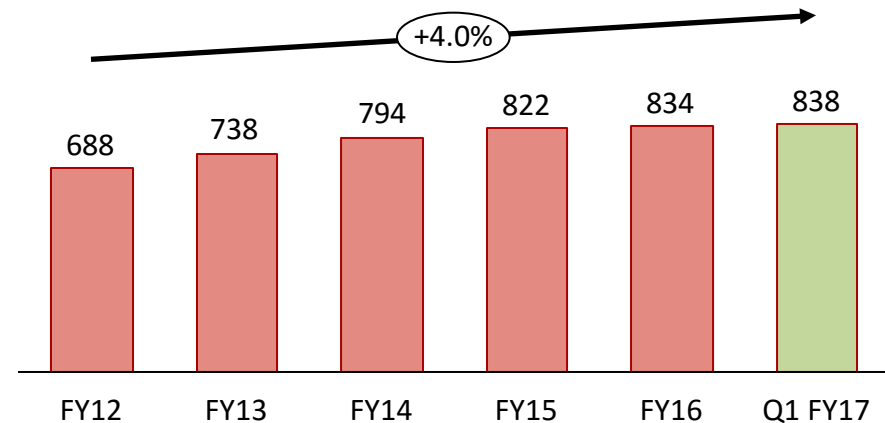
- Dedicated DGM appointed to ensure focus and better coordination with regions
- Focused 'Green Channel' branches to drive faster loan growth to SMEs
- Target to become banker of choice to SMEs thereby getting other business as well – liabilities, vehicle finance, etc.
- Ongoing training (in-house as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

...with the help of our Branch Network

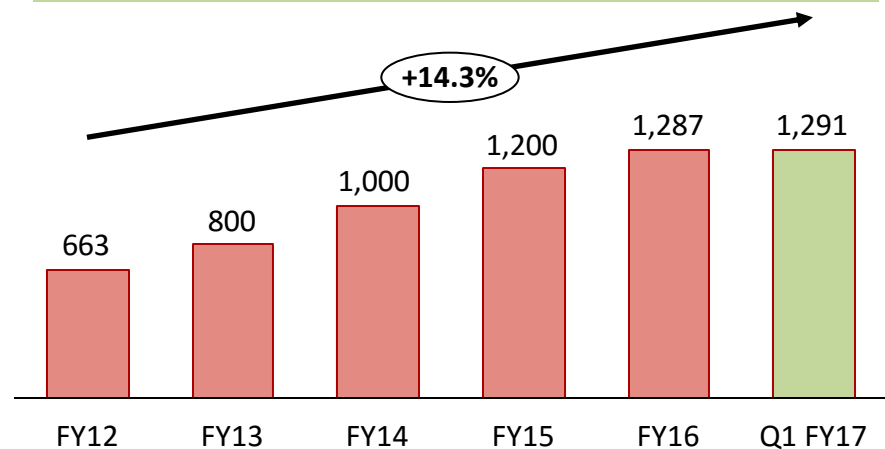


Branch Location*	No of Branches
Kerala	453
South India (Ex-Kerala)	245
Rest of India	140
Total	838

Total Branch Network



Total ATM Network

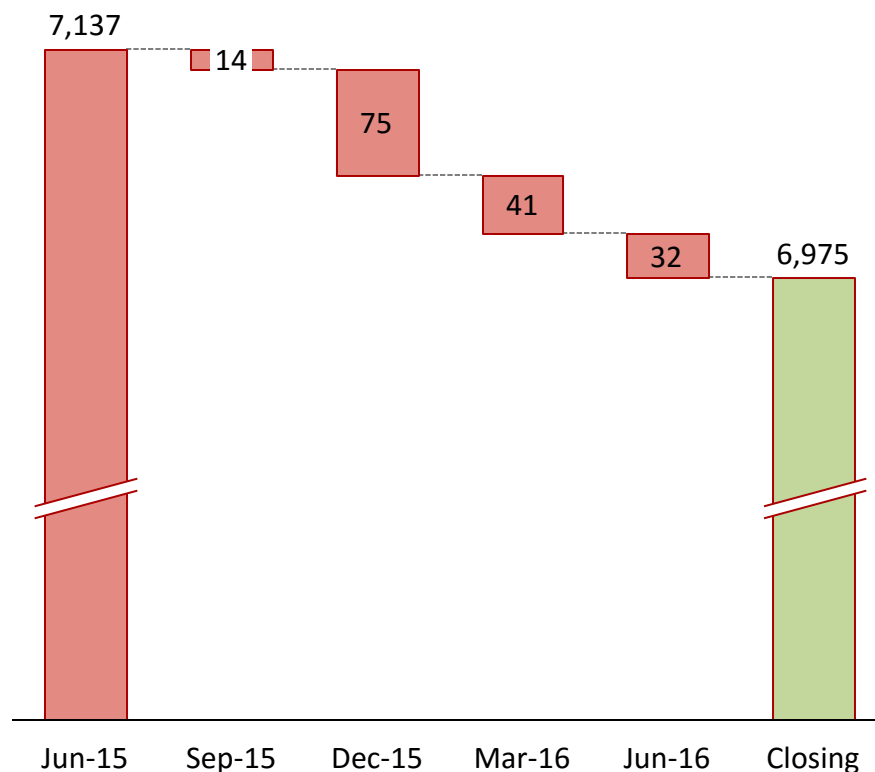
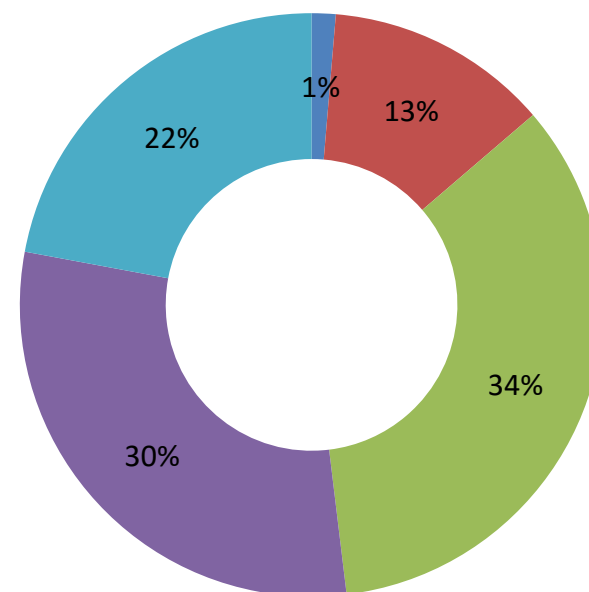


*Map for illustration purpose only

... and our Experienced Employees

Employee Addition

Total Employees: 6,975*



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

*Employees include full-time officers and clerks.

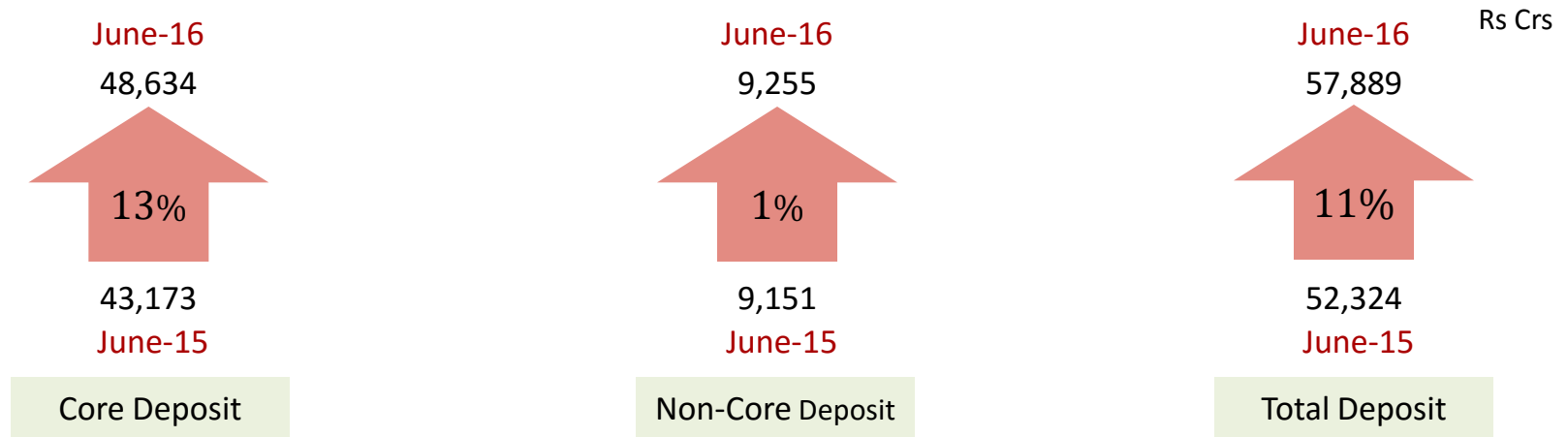


Performance Matrix

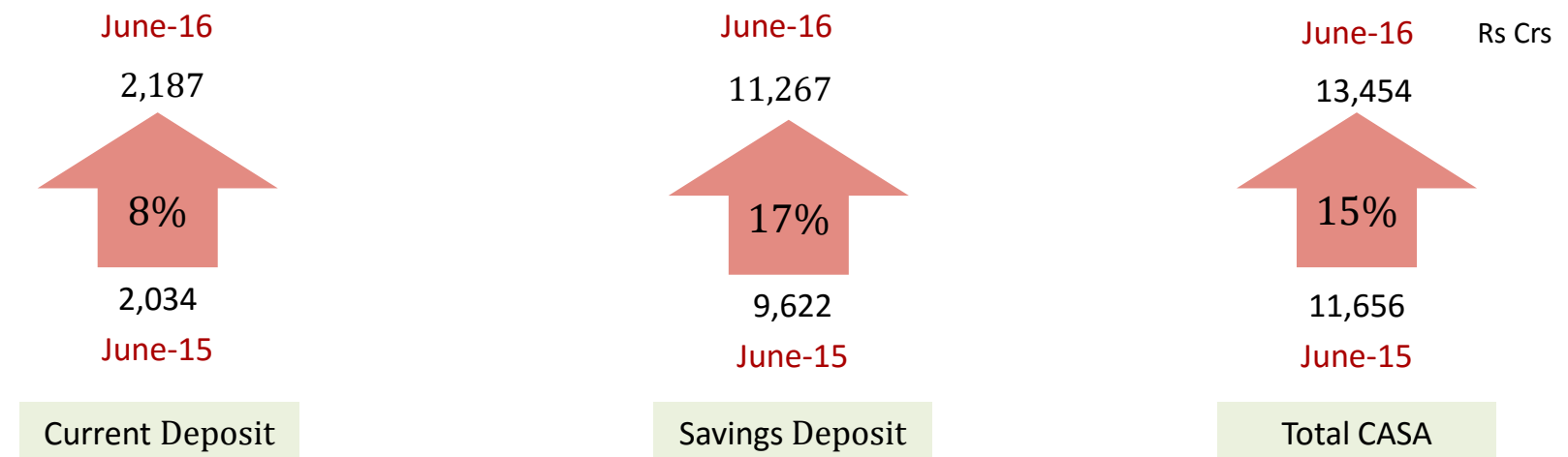


Strong Deposit Franchise

Core & Non-Core Deposits

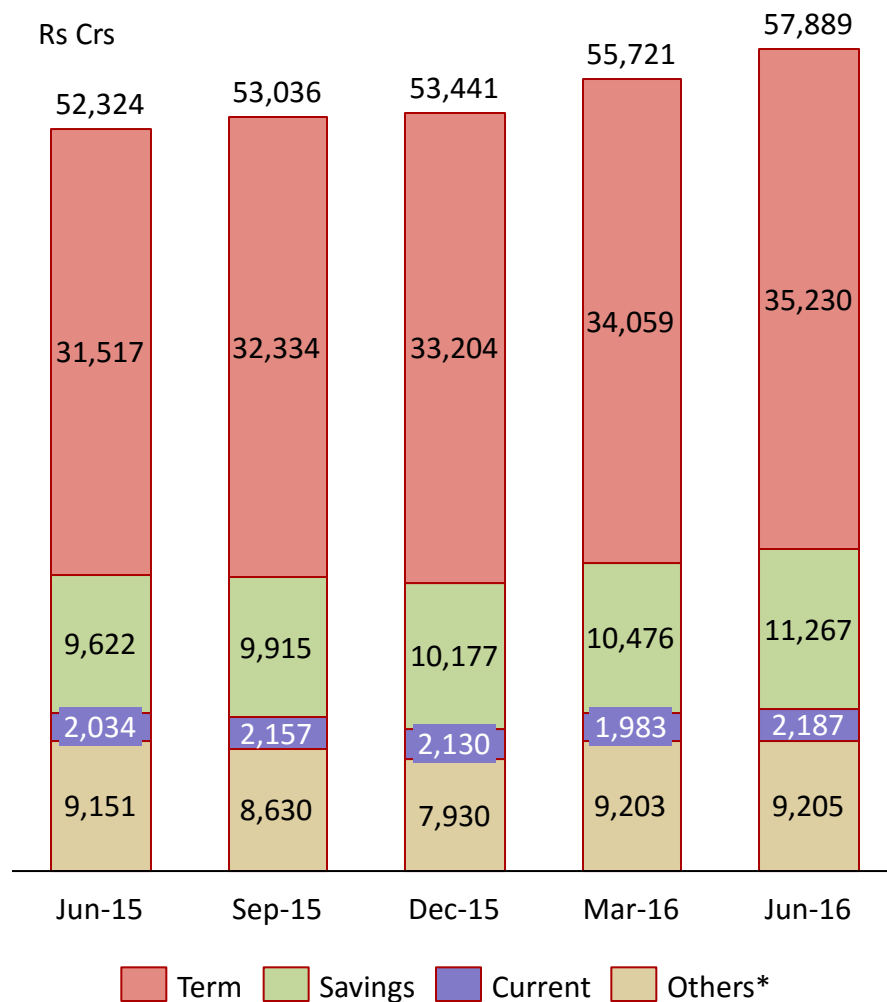


CASA Deposits

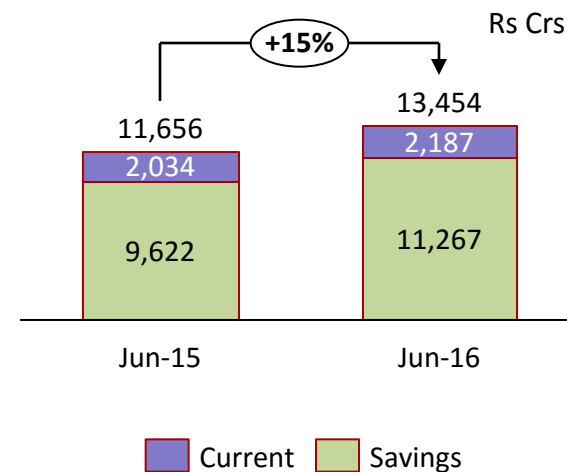


Core Deposits Growing...

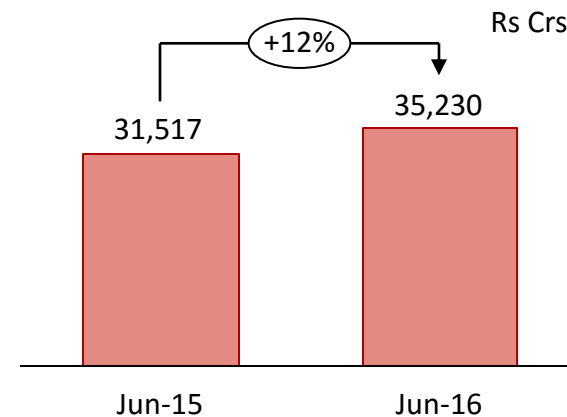
Breakup of Deposits



CASA Deposit



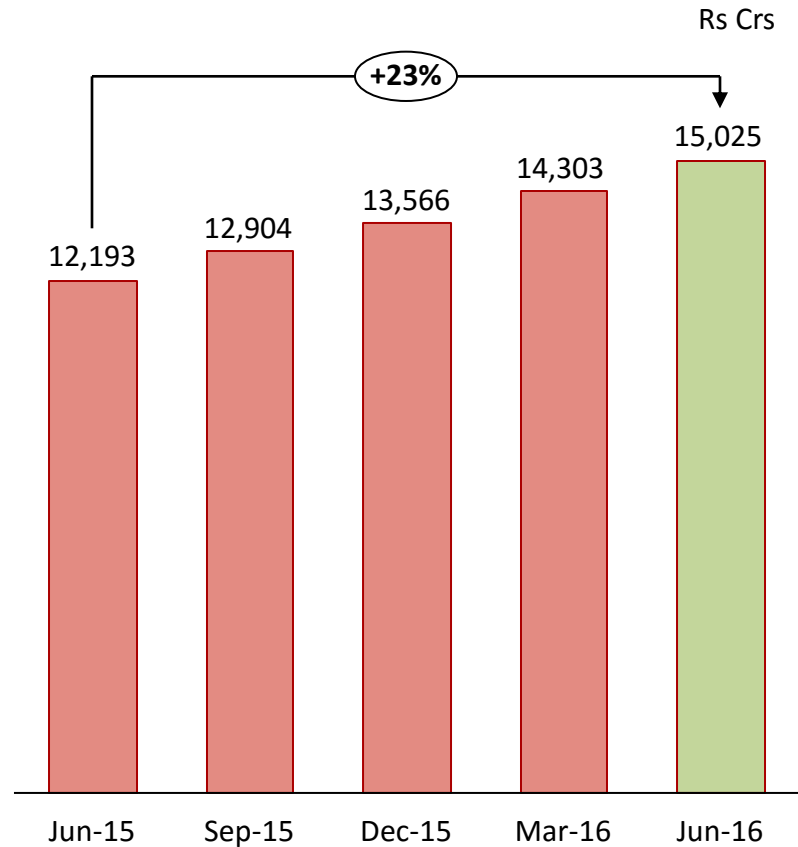
Term Deposits



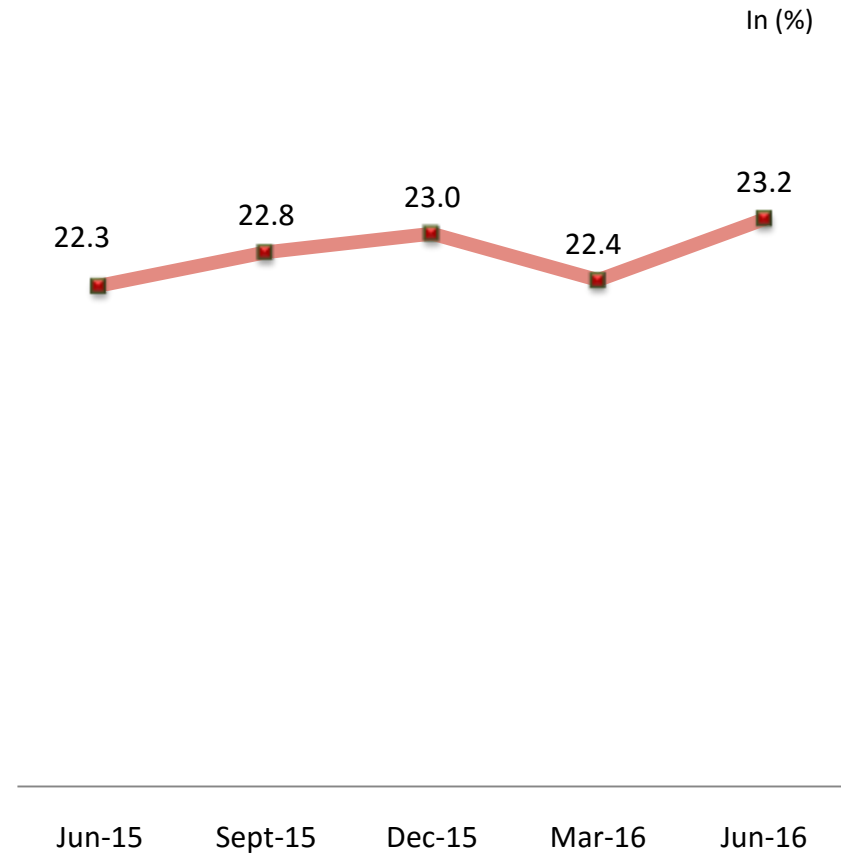
*Others includes: Bulk, Certificates of Deposits

NRI Deposits Growing...

NRI Deposits

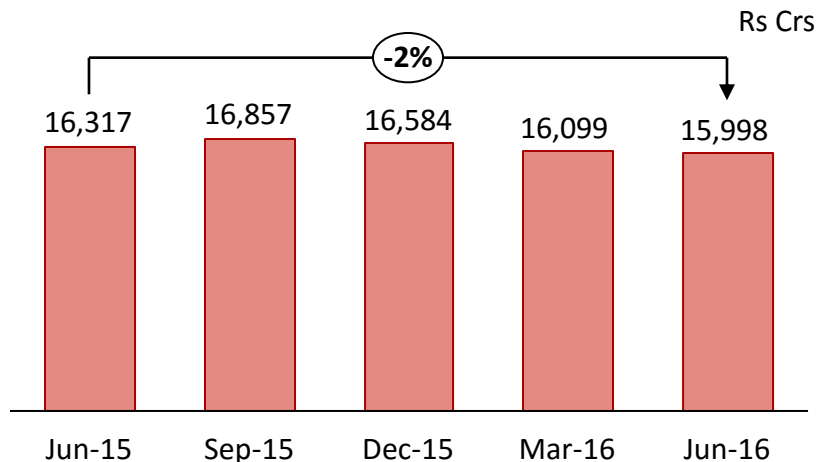


CASA

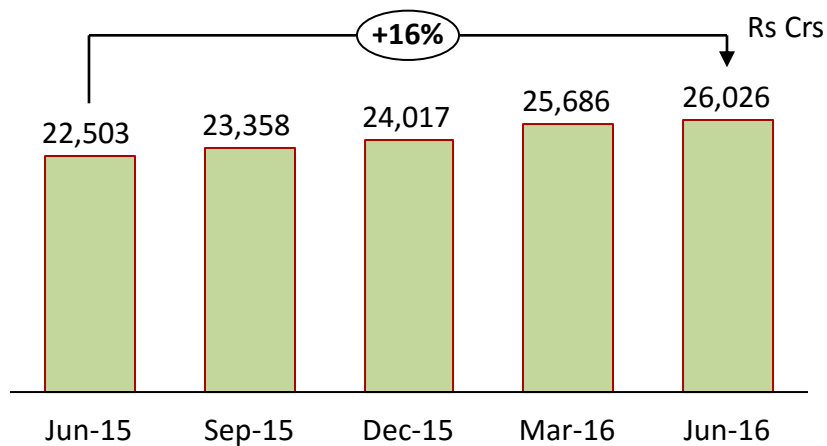


Composition of Loan Book

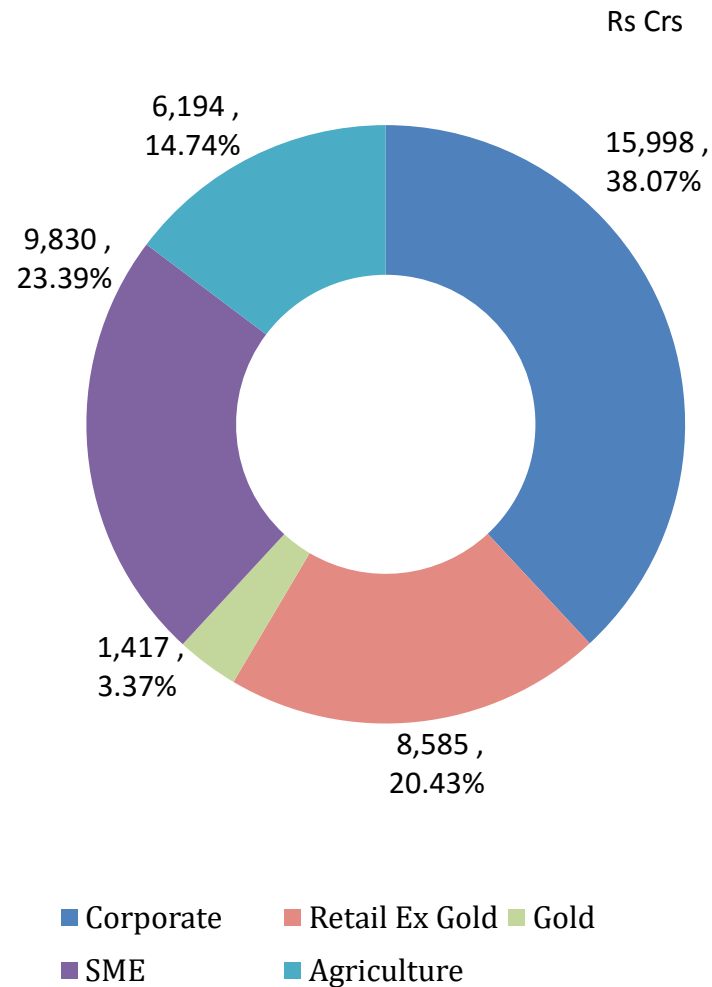
Corporate Advances (Above Rs 25 Crs)



Retail Advances



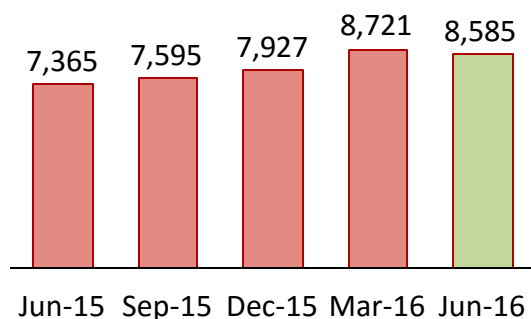
Segment wise Break Up



Key Focus : Retail, SME & Agriculture

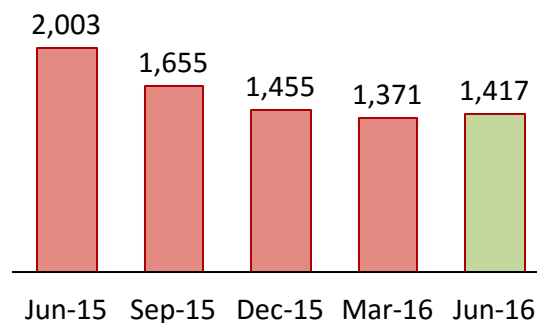
Retail excluding Gold

Rs Crs



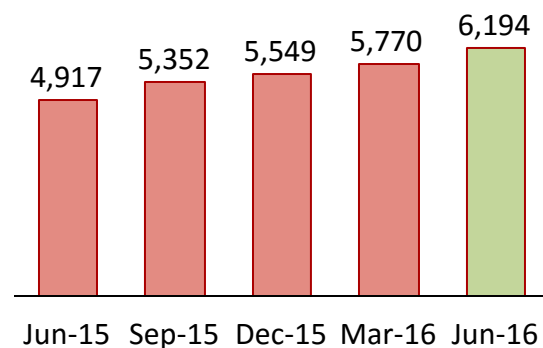
Gold (Average LTV – 65%)

Rs Crs



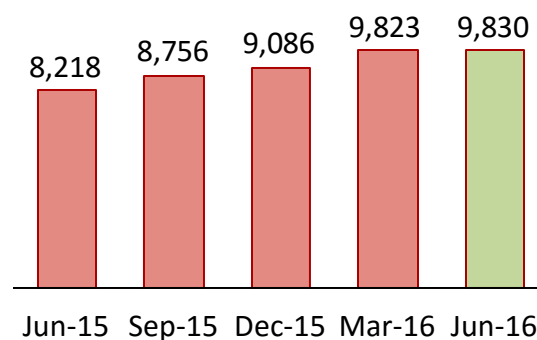
Agriculture

Rs Crs



SME

Rs Crs

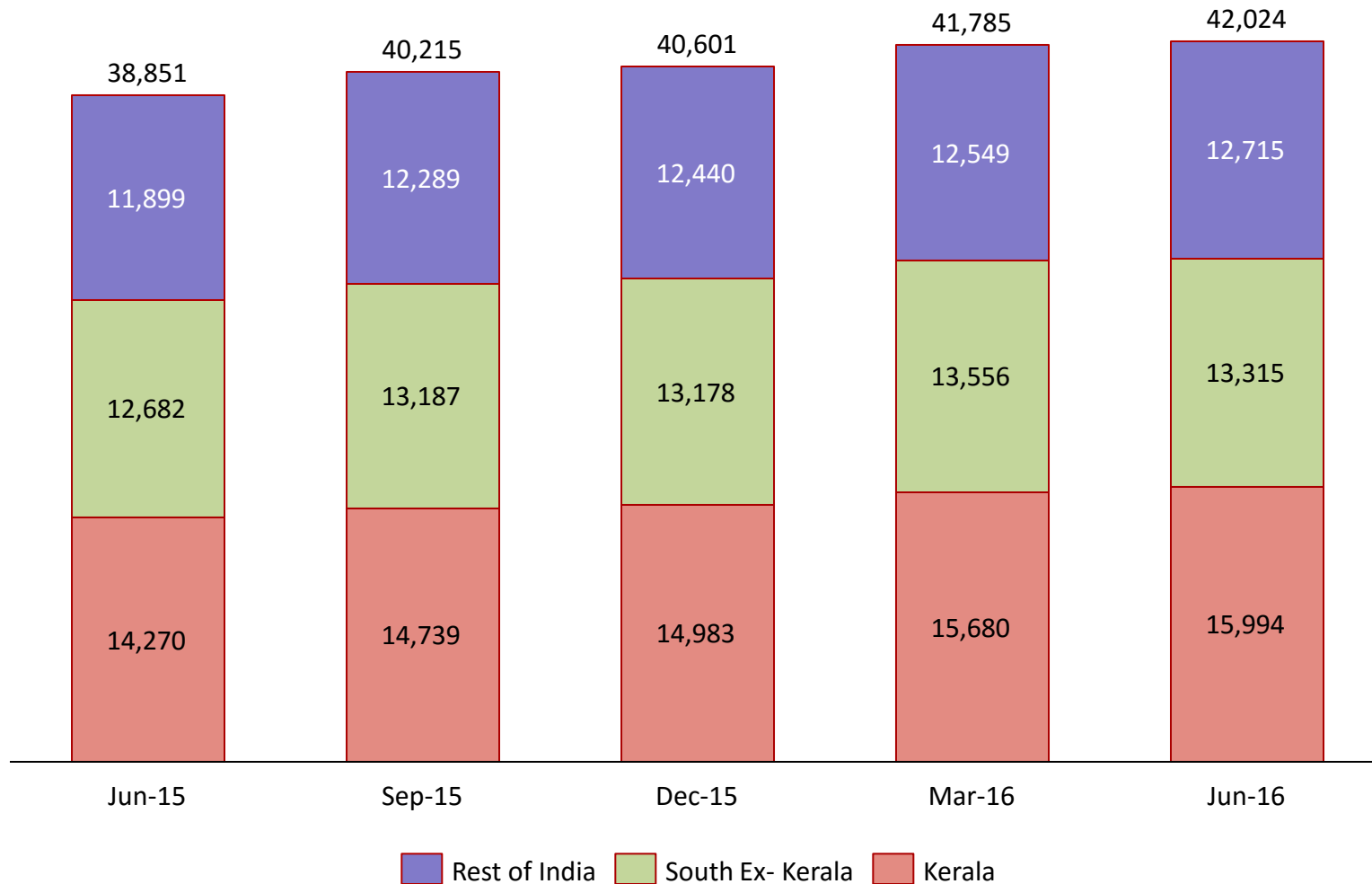


Retail Loans (Excl. Gold), Agriculture & SME has grown by 20%

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

Advances growing across Regions

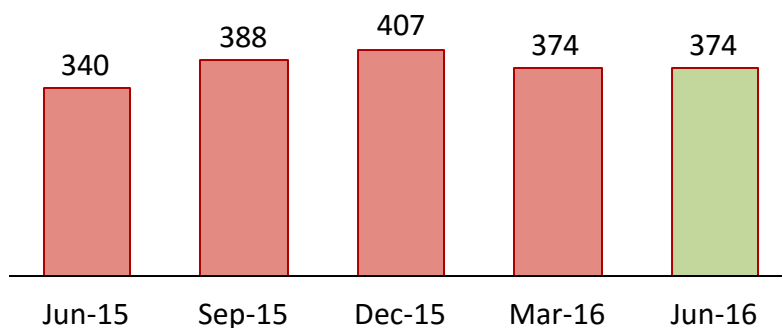
Rs Crs



Net Interest Income - Quarter

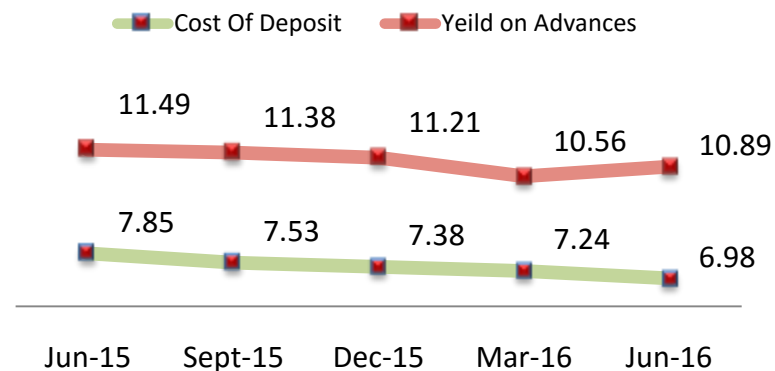
Net Interest Income

Rs Crs



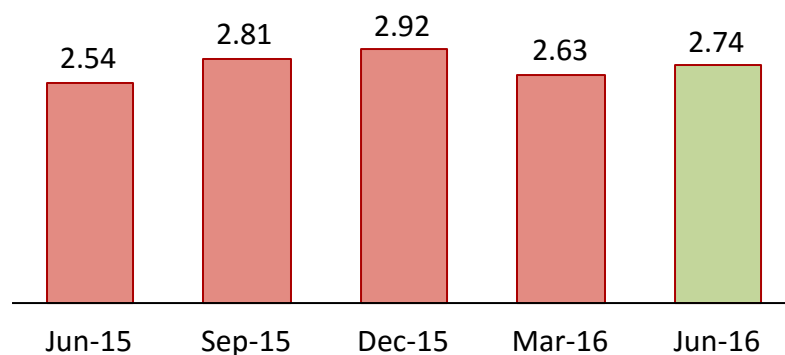
Cost of Deposits & Yield on Advances

In %



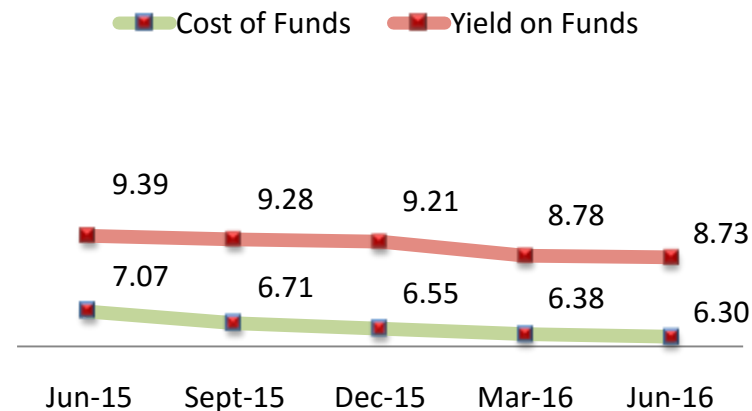
Net Interest Margin

In %



Cost of Funds & Yield on Funds

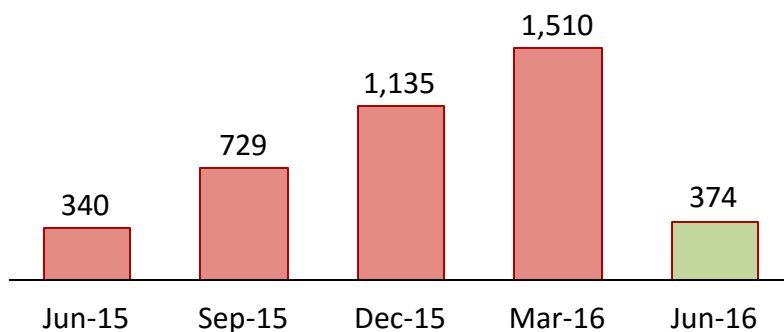
In %



Net Interest Income - Cumulative

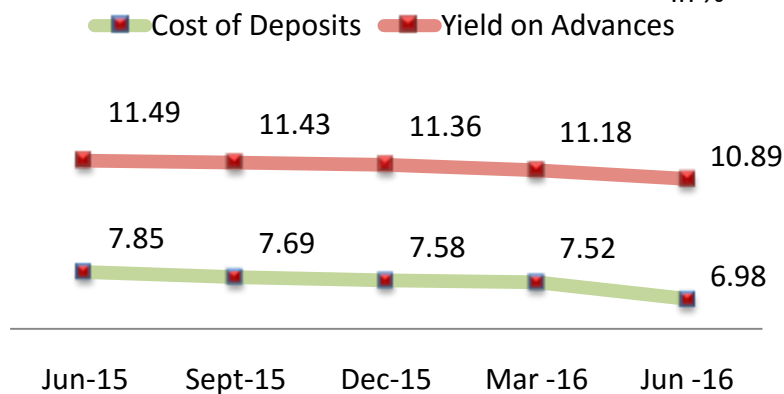
Net Interest Income

Rs Crs



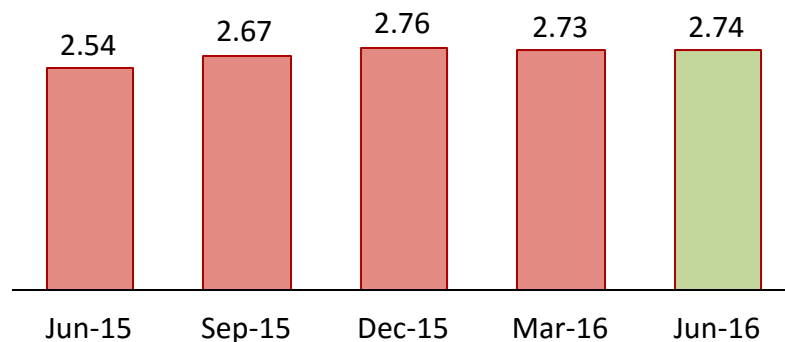
Cost of Deposits & Yield on Advances

In %



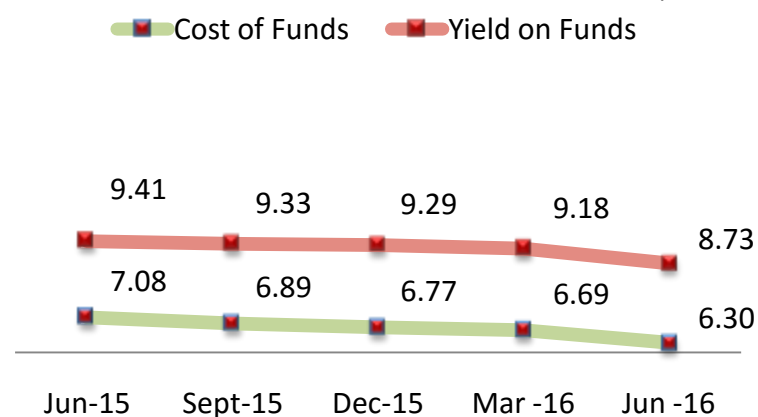
Net Interest Margin

In %



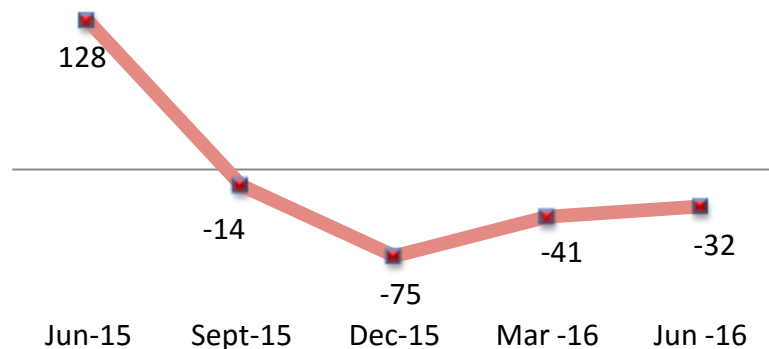
Cost of Funds & Yield on Funds

In %



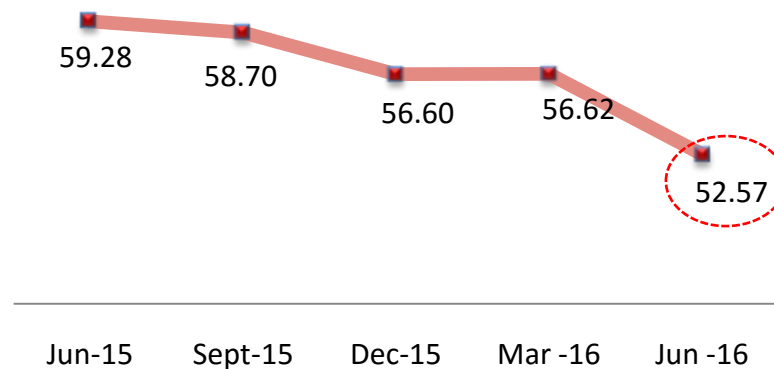
Improving Operating Efficiency

Employee Additions



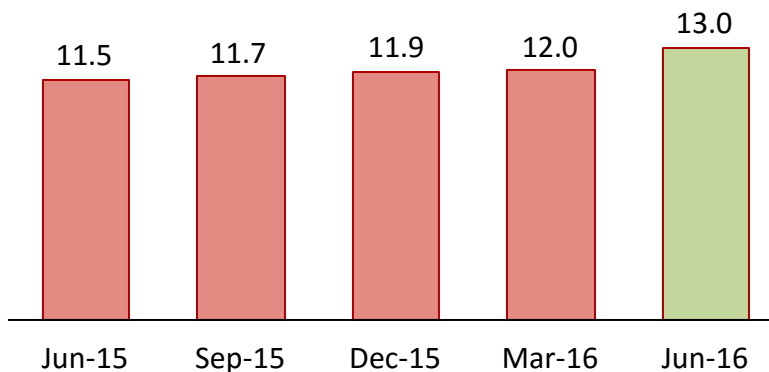
C/I Ratio

In %



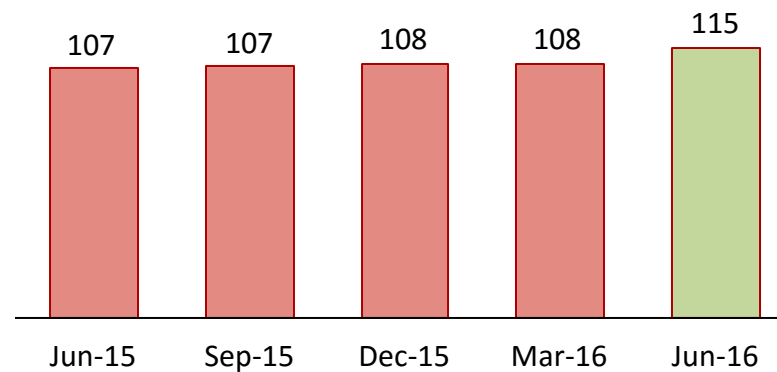
Business per Employee

Rs Crs



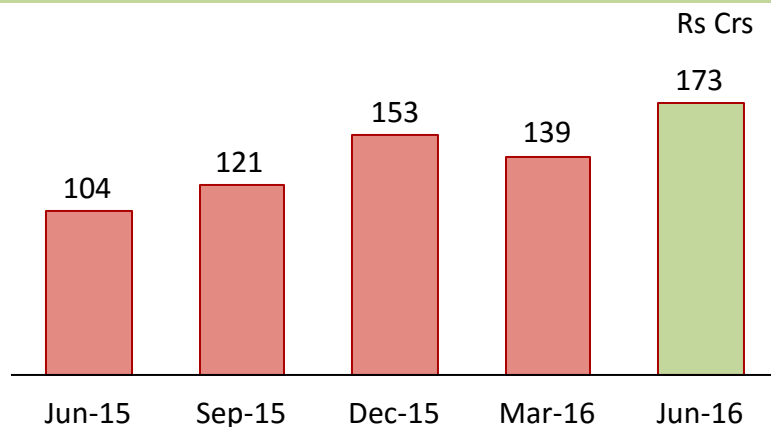
Business per Branch

Rs Crs

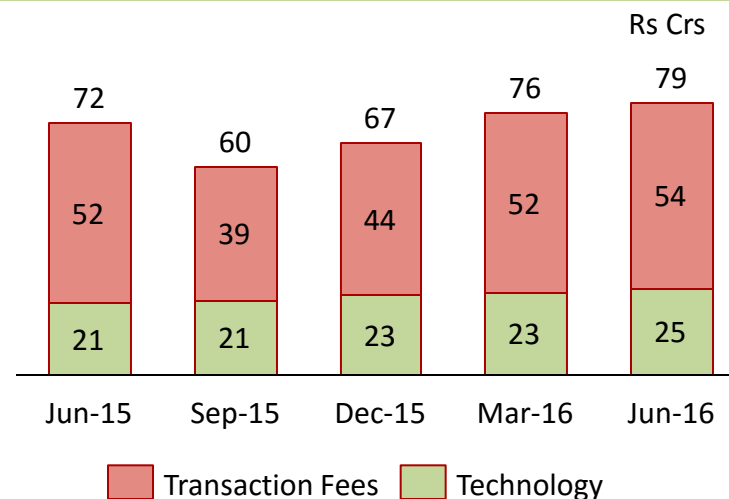


Sustainable Other Income

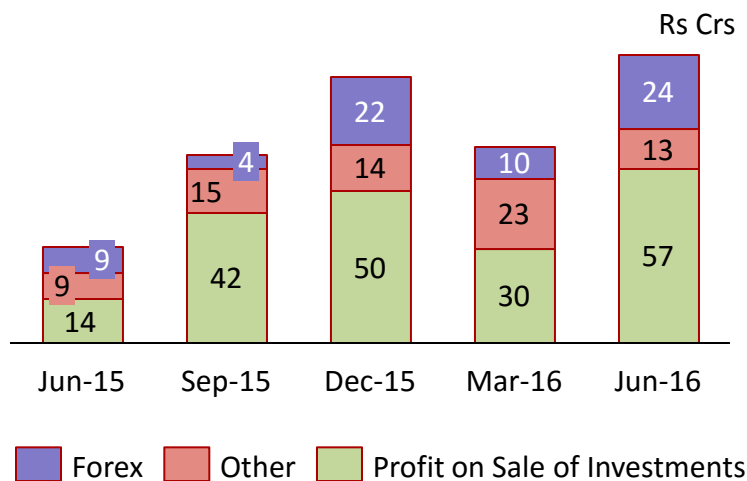
Total Other Income led by ...



...Sustainable : Transaction Fees + Technology



Profit on Sale of Investments, Forex & Others



Investment Book as on Jun-16

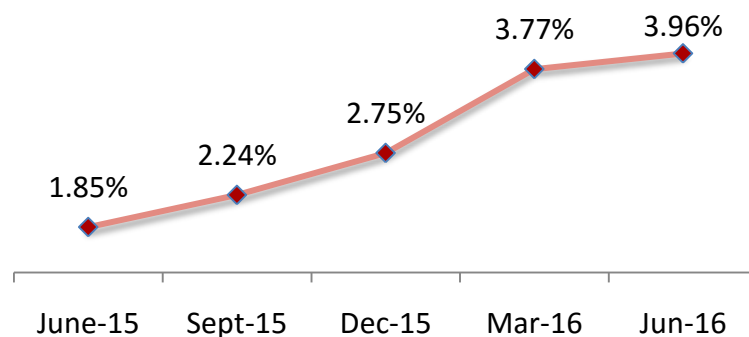
Details	Rs. Crs	M Duration
HTM	12,562	5.44
AFS	2,572	3.76
HFT	2.34	-
Total	15,137	5.20

Break Up of Provisions

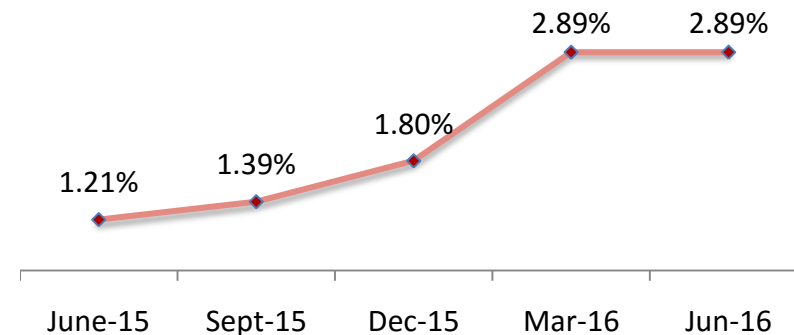
Rs Crs	Q1-FY 17	Q1-FY 16	Q4-FY16
For NPA & NPI	93.09	41.22	191.10
For Depreciation on Investments	-5.36	20.33	0.50
For Standard Assets	22.18	9.43	-37.37
For Restructured Advances/Sacrifices & FITL	4.05	6.71	-29.45
For Unhedged Forex Exposure	0.31	-1.08	-0.69
Others	-0.16	2.89	-7.84
Taxes	50.31	36.08	33.08
Total Provisions	164.42	115.58	149.33

Non Performing Assets

Gross NPA



Net NPA



Gross NPA Movement

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

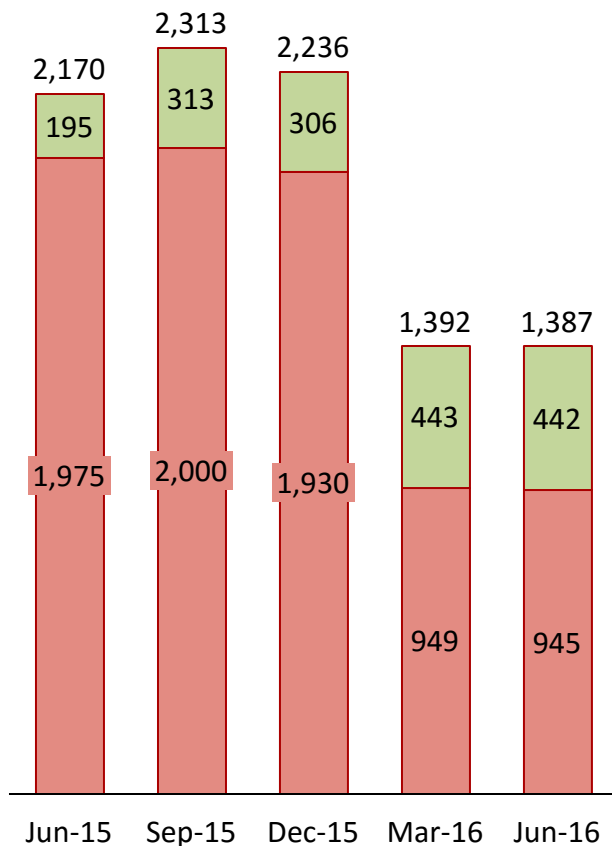
Net NPA Movement

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

Restructured Advances Breakup

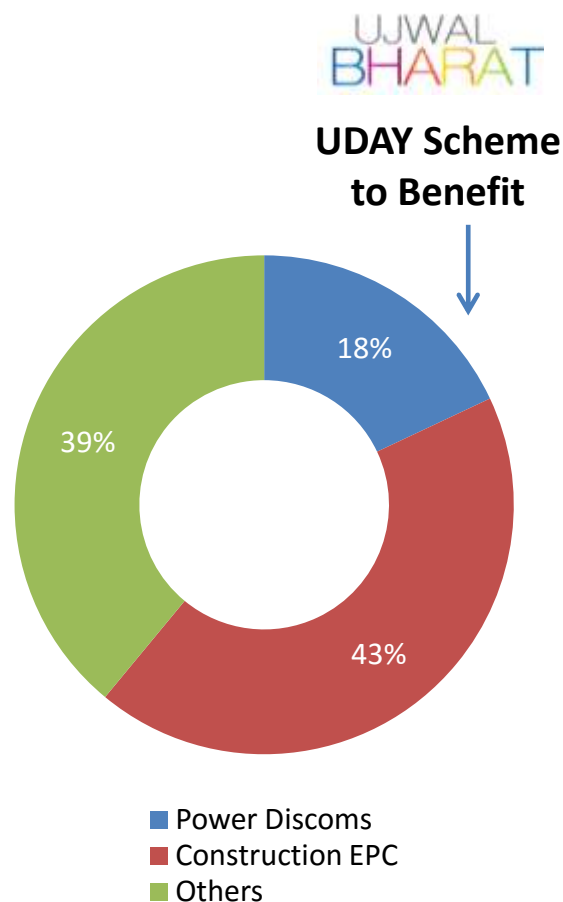
Restructured Assets Break-up

Rs Crs



■ Restructured NPA
■ Restructured Standard Advance

Sector Standard Restructure - Q1FY17



Government's Uday Scheme targeted towards power Discoms benefiting SIB

Benefits of Uday getting reflected in Restructured Book

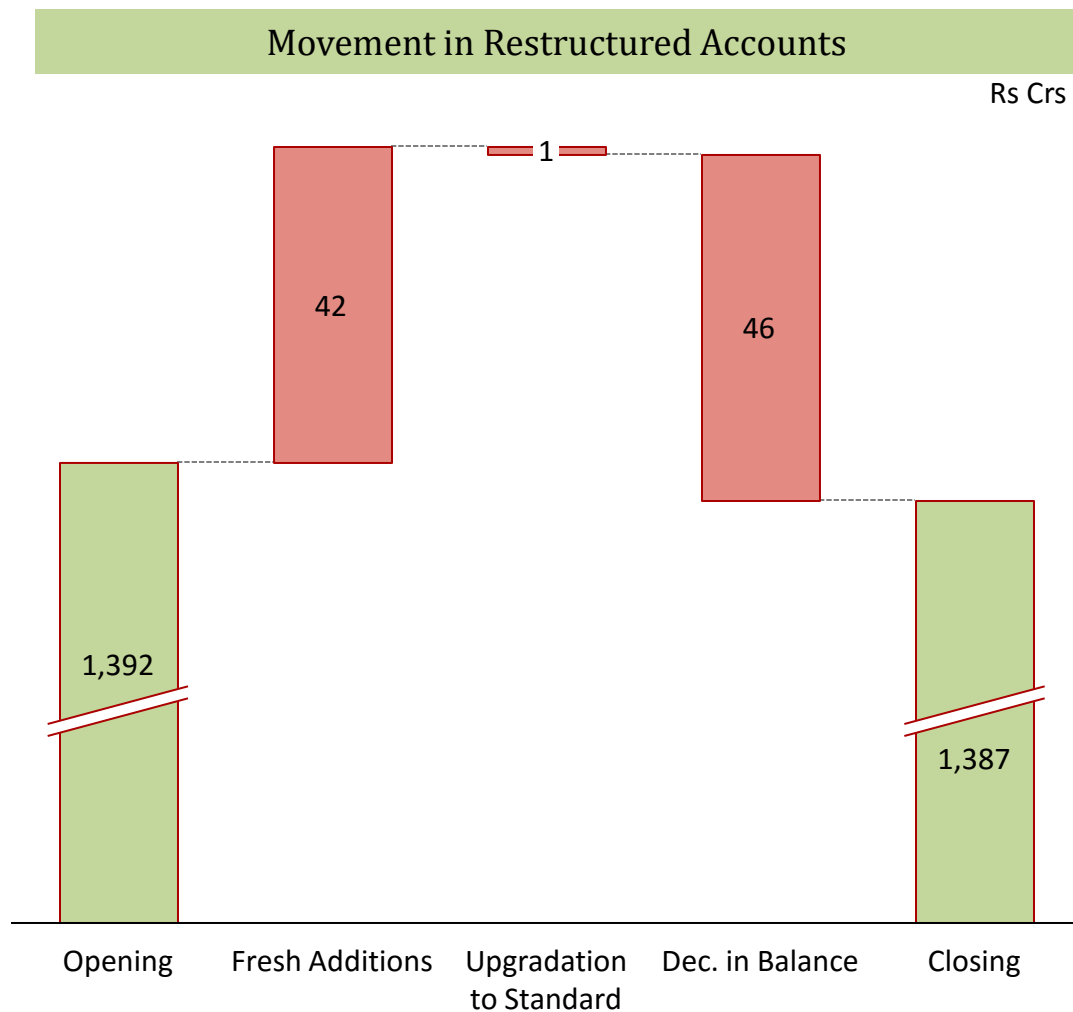
*Other includes IT, Bullion, etc.

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	+214	0	0	-43	-2	0	+169
Construction EPC	+402	0	0	-	0	0	+402
Others	+333	+42	0	-	-1	0	+374
Total	+949	+42	0	-43	-3	0	+945

Movement in Restructured Accounts

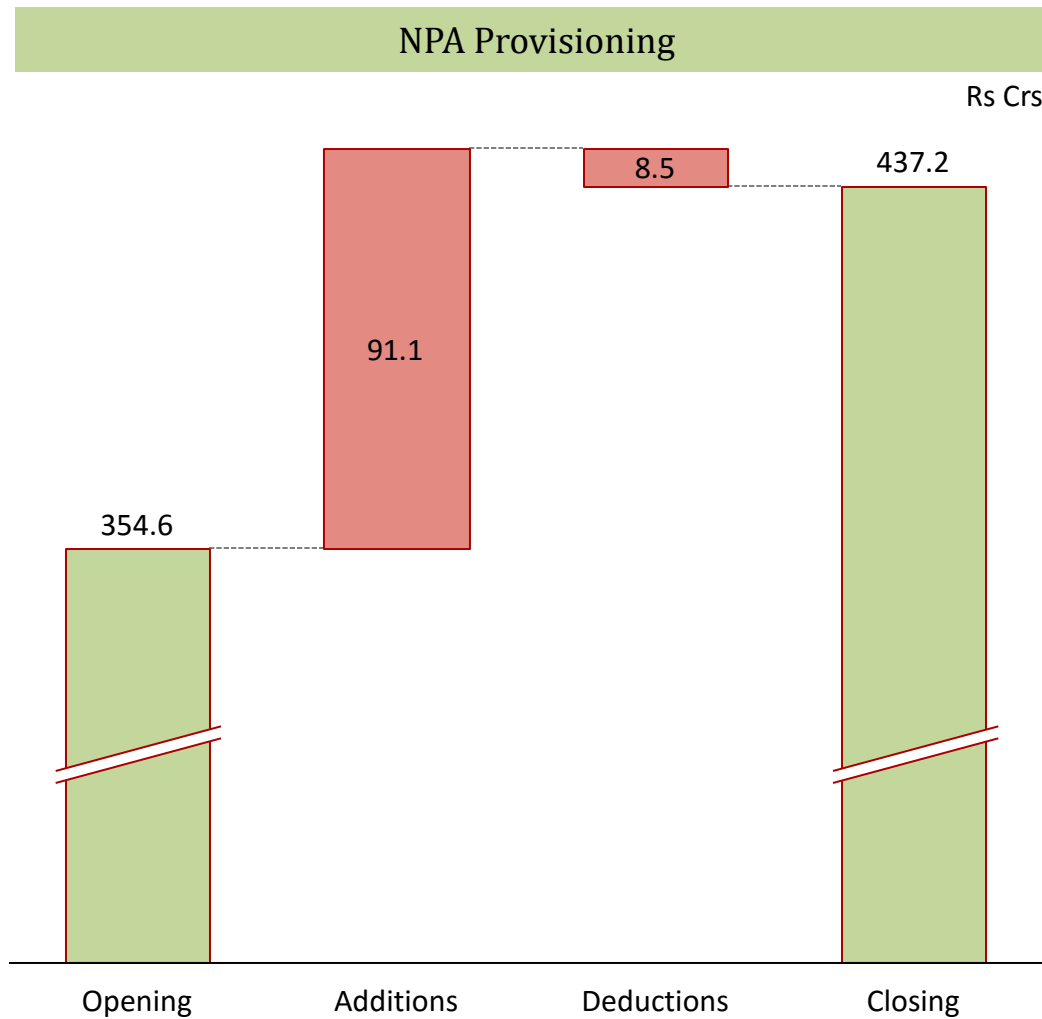


Shift of focus from
Large Corporate
to
SMEs

Defocusing from
Power & Infra Sectors

Special Recovery Cell
&
Asset Monitoring Cell

Adequate Provisioning

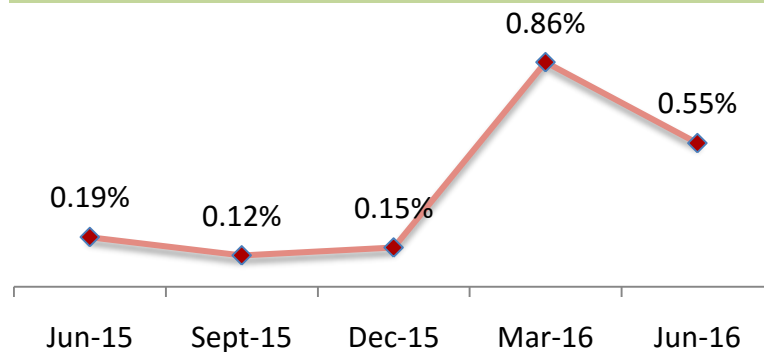


Provisioning
Coverage Ratio
42.55%

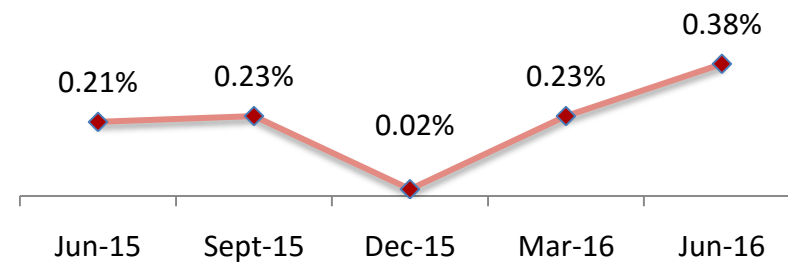
Advances in the Initial
quarters as NPAs :
Requiring
Less Provisioning

Fresh Slippages/Advance Ratios

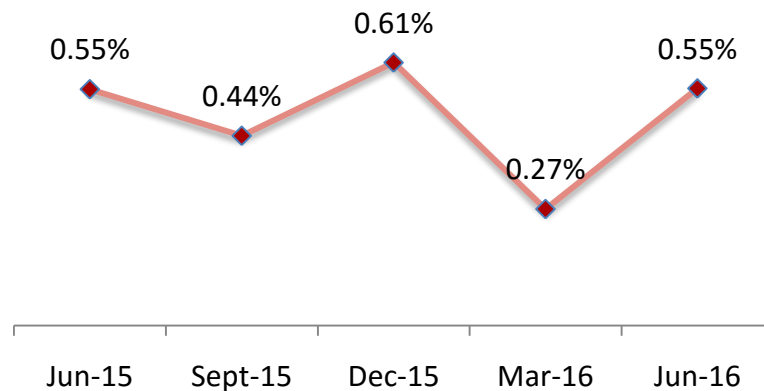
Retail Slippage



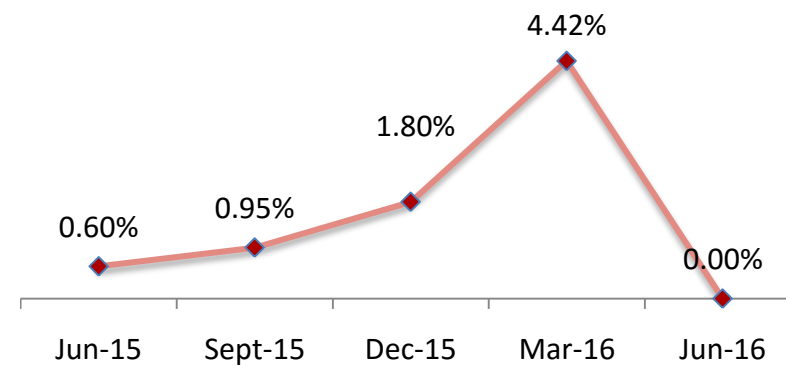
Agriculture Slippage



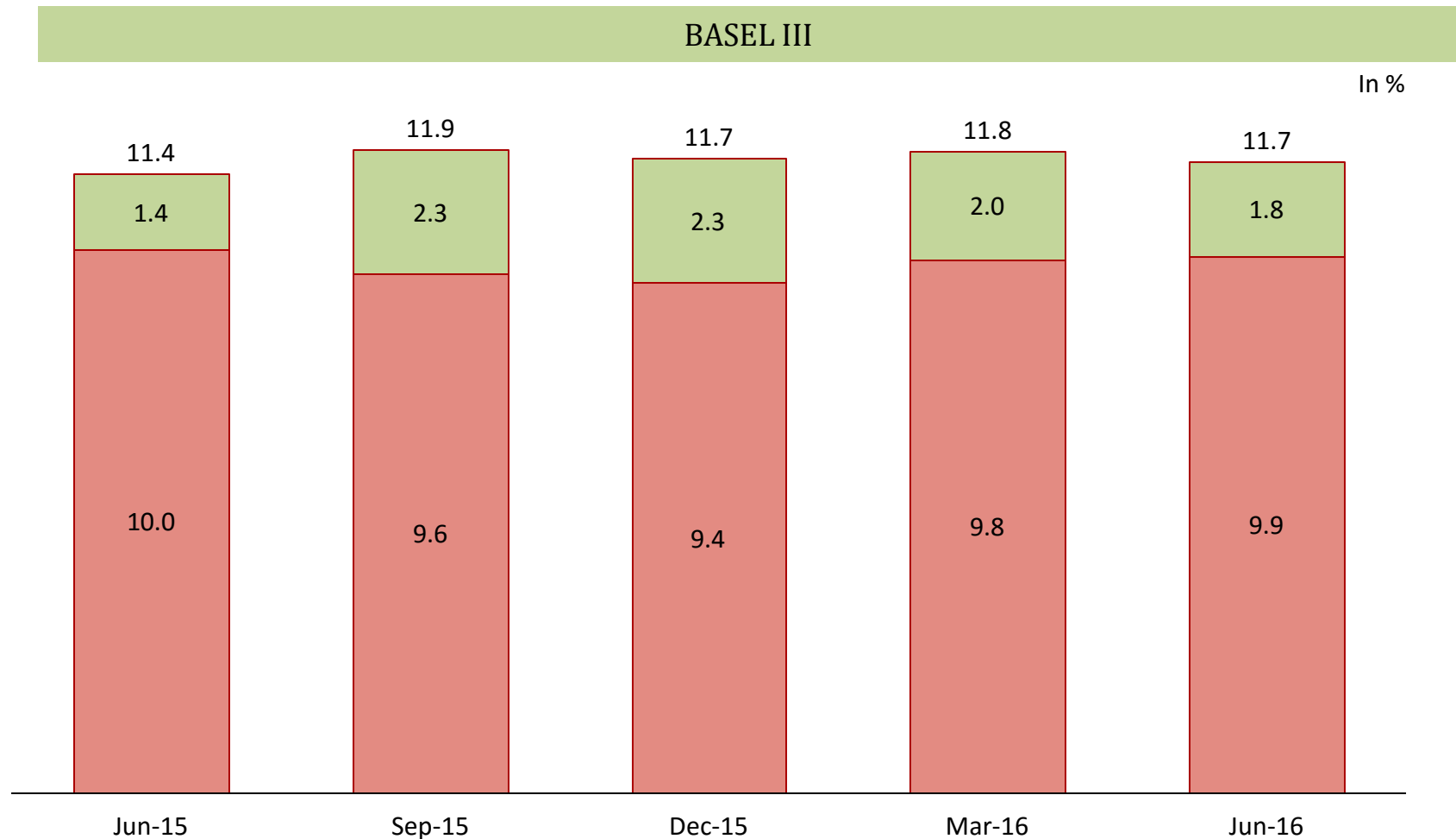
SME Slippage



Corporate Slippage



Well Capitalized to support Growth



Key Performance Highlights- Q1 FY17

	Rs in Crores	Q1 FY17	Q1 FY16	Growth
	Net Total Income	547	444	23.17%
	Deposits	57,889	52,324	10.64%
	Advances	42,024	38,820	8.25%
	CASA	23.24%	22.28%	96 bps
	PAT	95	65	45.60%

Balance Sheet Overview- Q1 FY17

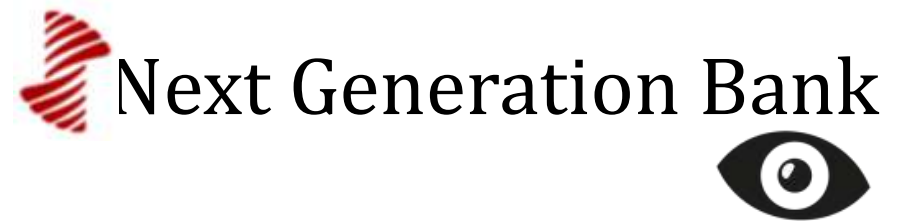
Rs Crs	Q1-FY 17	Q1-FY 16	Y-o-Y (%)	Q4-FY 16	Q-o-Q (%)
Capital & Liabilities	64,504	58,940	9.44%	63,175	2.10%
Capital	135	135	0.02%	135	0.00%
Reserves and Surplus	3,916	3,520	11.24%	3,707	5.63%
Deposits	57,889	52,324	10.64%	55,721	3.89%
Borrowings	1,395	1,660	-15.97%	2,315	-39.74%
Other Liabilities & Provisions	1,169	1,301	-10.14%	1,297	-9.88%
Assets	64,504	58,940	9.44%	63,175	2.10%
Cash & Balances with RBI	2,602	2,417	7.63%	2,476	5.06%
Balances with Banks	827	825	0.25%	623	32.68%
Investments	15,386	13,285	15.81%	14,619	5.25%
Advances	41,237	38,243	7.83%	41,086	0.37%
Fixed Assets	594	478	24.31%	487	22.01%
Other Assets	3,858	3,692	4.50%	3,884	-0.66%
Business (Advances + Deposits)	99,126	90,567	9.45%	96,806	2.40%
Current Accounts	2,187	2,034	7.51%	1,983	10.28%
Savings Accounts	11,267	9,622	17.09%	10,476	7.55%
CASA Ratio	23.24%	22.28%	96 bps	22.36%	88 bps

Profit & Loss Overview- Q1 FY17

Rs Crs	Q1-FY 17	Q1-FY 16	Y-o-Y (%)	Q4-FY16	Q-o-Q (%)
Net Interest Income	374	340	9.78%	374	-0.18%
Other Income	173	104	67.04%	139	24.72%
Total Income	547	444	23.17%	513	6.57%
Operating Expenses	288	263	9.23%	291	-1.19%
Operating Profit	259	181	43.45%	222	16.73%
Provisions (Ex-Tax) & Contingencies	114	80	44.61%	116	-1.84%
Profit Before Tax	145	101	43.39%	106	37.09%
Provision for Tax	50	36	39.40%	33	52.13%
Exceptional Items	-	-	-	-	-
Profit After Tax	95	65	45.60%	73	30.27%

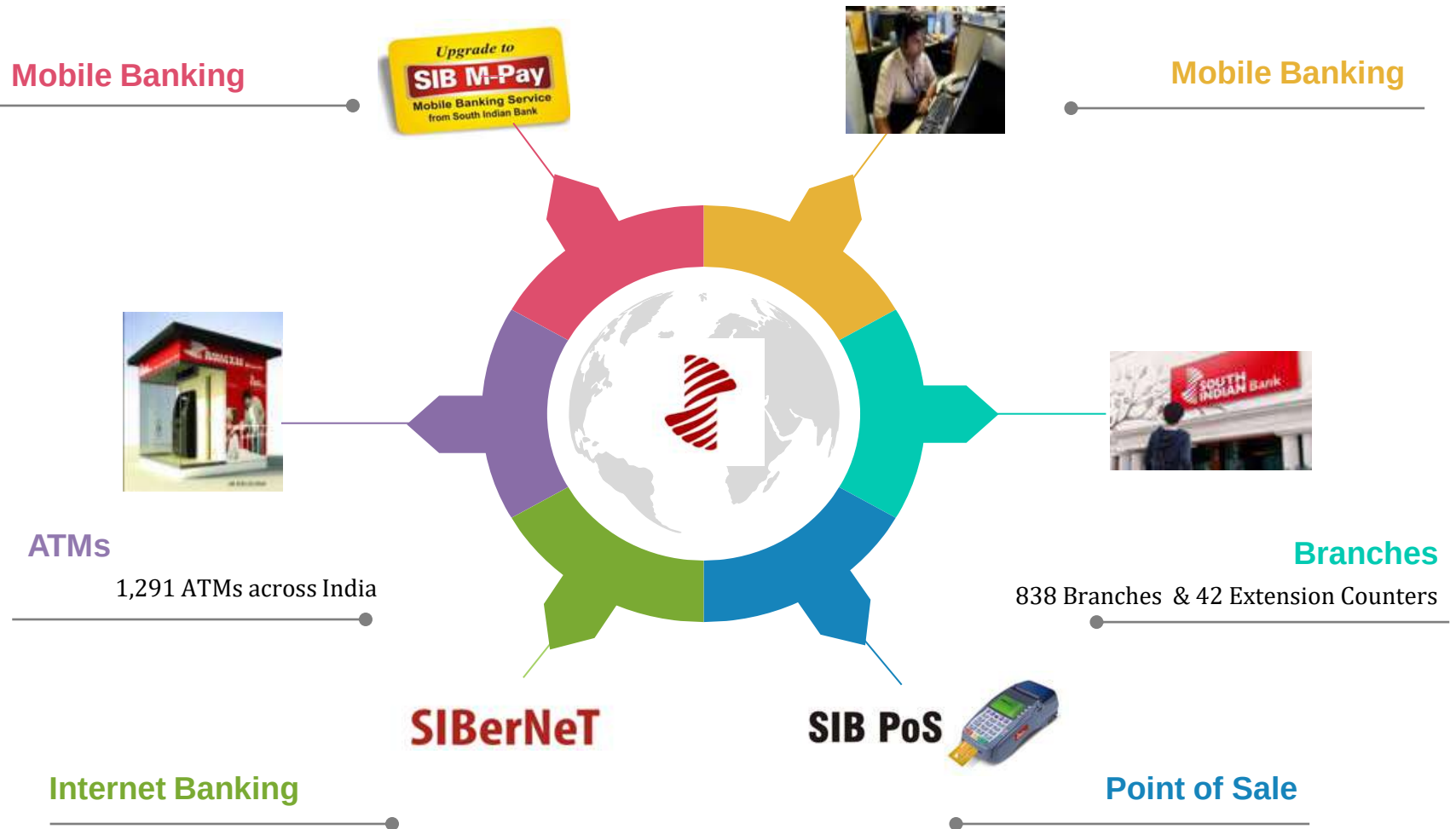
Key Metrics- Quarterly

Particulars	FY15				FY16				FY17
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net Interest Margin (NIM)	2.7%	2.9%	2.5%	2.7%	2.5%	2.8%	2.9%	2.6%	2.74%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%	11.7%	11.8%	11.68%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%	0.7%	0.5%	0.57%
Provision Coverage	62.5%	62.9%	60.4%	61.0%	56.1%	55.3%	50.3%	40.3%	42.55%
CASA	22.1%	22.1%	21.5%	20.6%	22.3%	22.8%	23.0%	22.4%	23.24%
Gross NPA	1.5%	1.6%	1.8%	1.7%	1.9%	2.2%	2.8%	3.8%	3.96%
Net NPA	0.9%	0.9%	1.0%	1.0%	1.2%	1.4%	1.8%	2.9%	2.89%
Book Value per Share (Rs.)	25.88	26.47	27.10	26.59	27.07	27.76	28.51	28.45	30.00
Earnings per Share (Rs.) (Annualized)	3.78	3.01	2.87	2.28	1.93	2.34	2.56	2.47	2.82
Branches									
- Kerala	439	440	441	444	447	447	447	449	453
- South India (Ex-Kerala)	230	232	233	239	242	244	244	245	245
- Rest of India	132	133	136	139	139	140	140	140	140
Total Branches	801	805	810	822	828	831	831	834	838
ATMs									
- Kerala	565	587	607	651	670	682	688	698	701
- South India (Ex-Kerala)	297	313	325	365	378	380	384	387	388
- Rest of India	156	163	176	184	196	198	200	202	202
Total ATMs	1,018	1,063	1,108	1,200	1,244	1,260	1,272	1,287	1,291



Present across Customer Touch Points

Traditional & Alternate Channels



Technology Initiatives



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

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



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

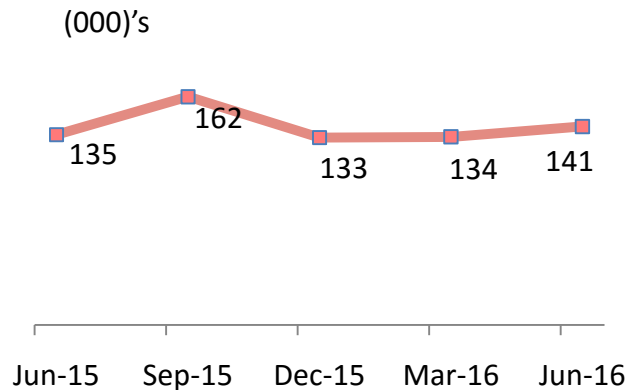
SIB offers Visa, MasterCard, and RuPay debit cards with online access to users for secure domestic and international transactions



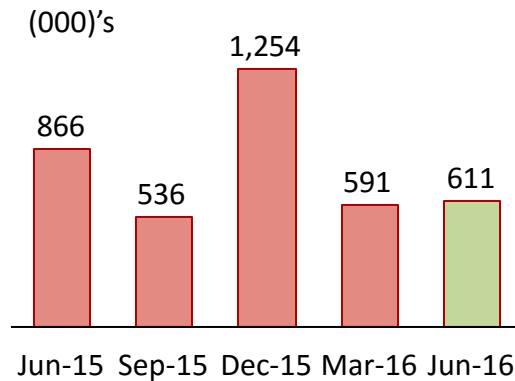
Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

Personal Banking: Technology Banking

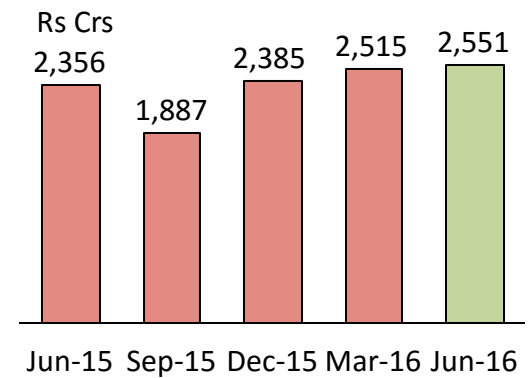
Active Internet Users



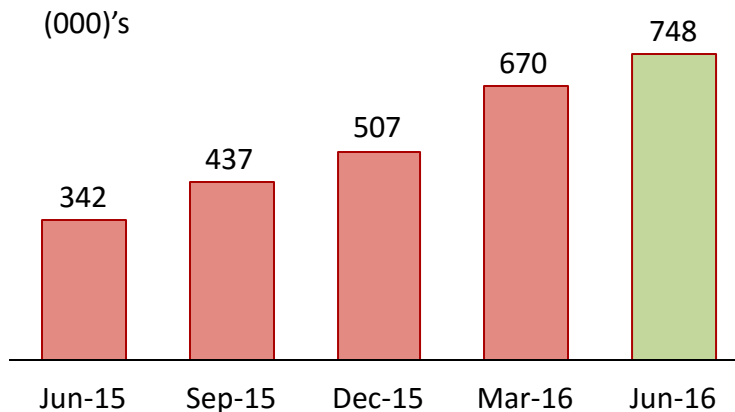
Internet Transaction Volume



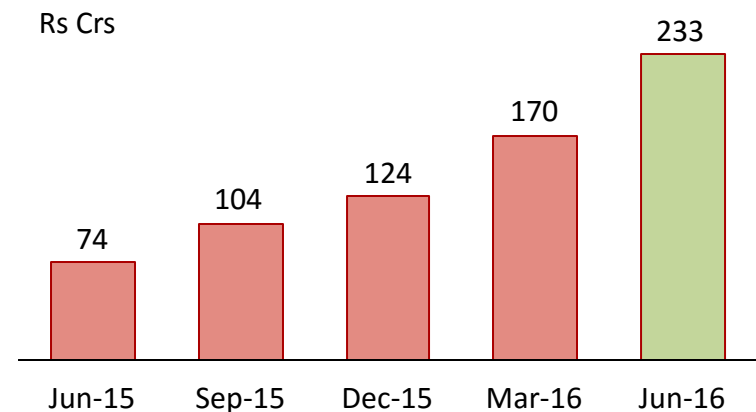
Internet Transaction Value



Mobile Transaction Volume

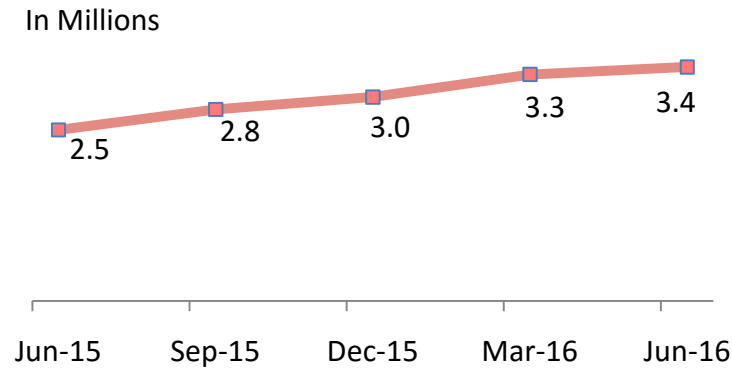


Mobile Transaction Value

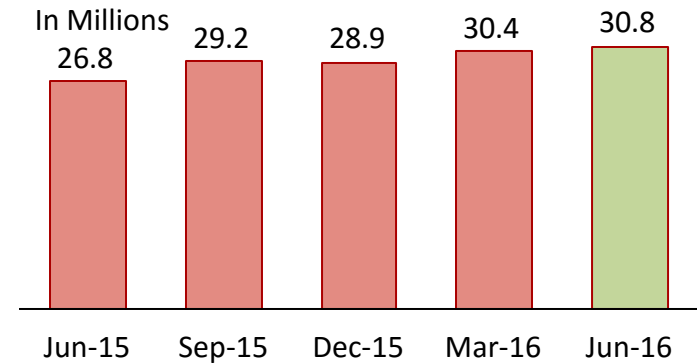


Personal Banking: Debit Cards

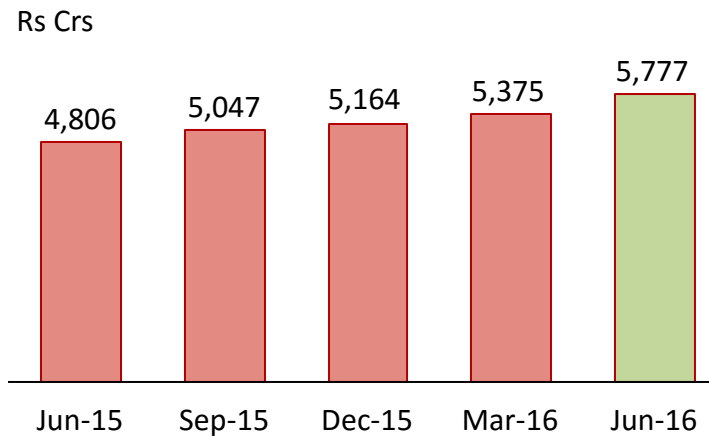
No of Active Debit Cards



Debit Card Transaction Volumes



Debit Card Transaction Value





An Inflection Point



Moving Towards Vision 2020...



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
- 



Entered Memorandum of Understanding with NSIC

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



Opened Centralized Marketing & Processing Centre

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

....to become Retail Banking Power House



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

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

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



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

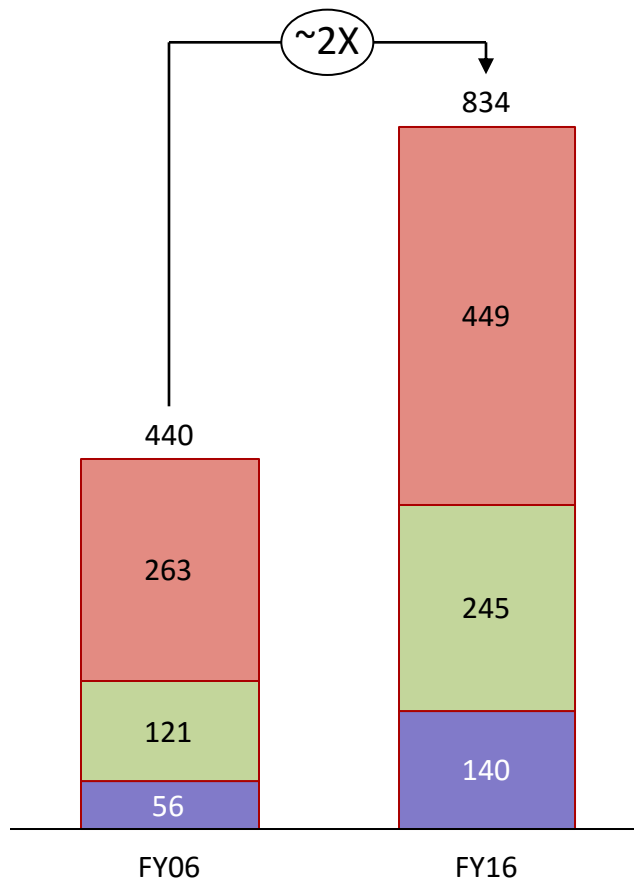
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

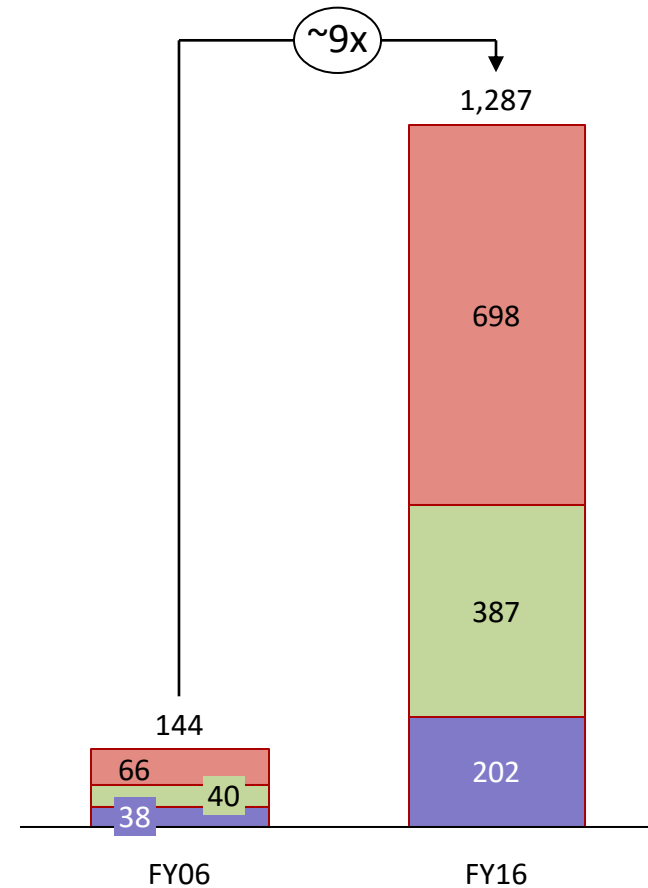
**The FIRST Kerala based bank to implement
Core Banking System**

Expansion over a Decade

Branch Network



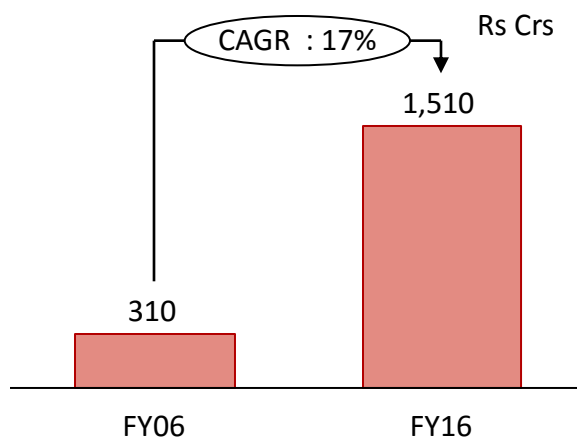
ATM Network



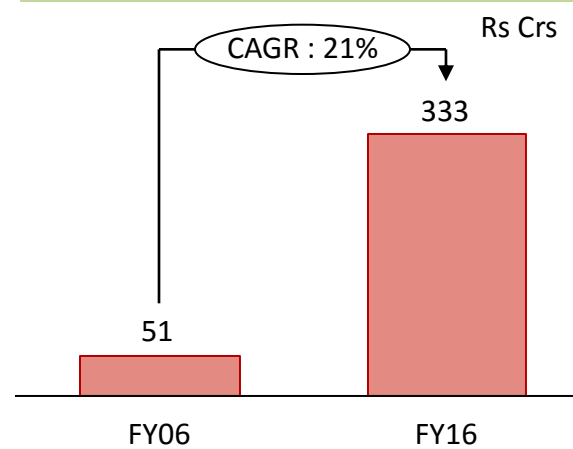
■ Kerala ■ South Ex-Kerala ■ Others (Rest of India)

Performance over a Decade

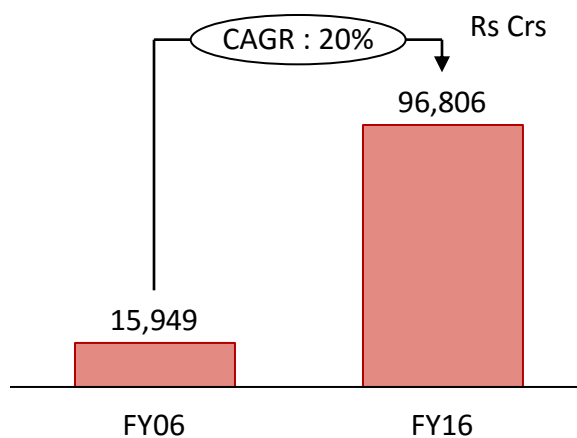
Net Interest Income



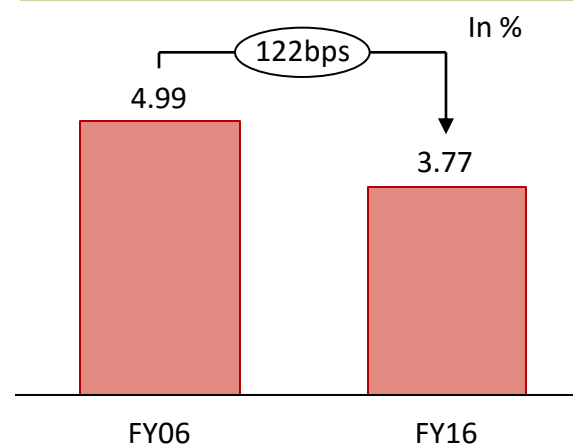
Profit After Tax



Business (Advances + Deposits)



Gross NPA



Leadership Team

Mr. V. G Mathew , MD & CEO

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

Leadership Team

Mr. Thomas Joseph K, EVP (Administration)

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

Mr. G Sivakumar, EVP (Credit)

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

Mr. K N Reghunathan, EVP (Treasury)

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

Management Team

Mr. John Thomas, 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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