

**Investor Presentation
October - 2015**

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 An Introduction

 Business Strategy

 Performance Matrix

 Next Generation Bank

 An Inflection Point

 Awards & Recognitions



An Introduction



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

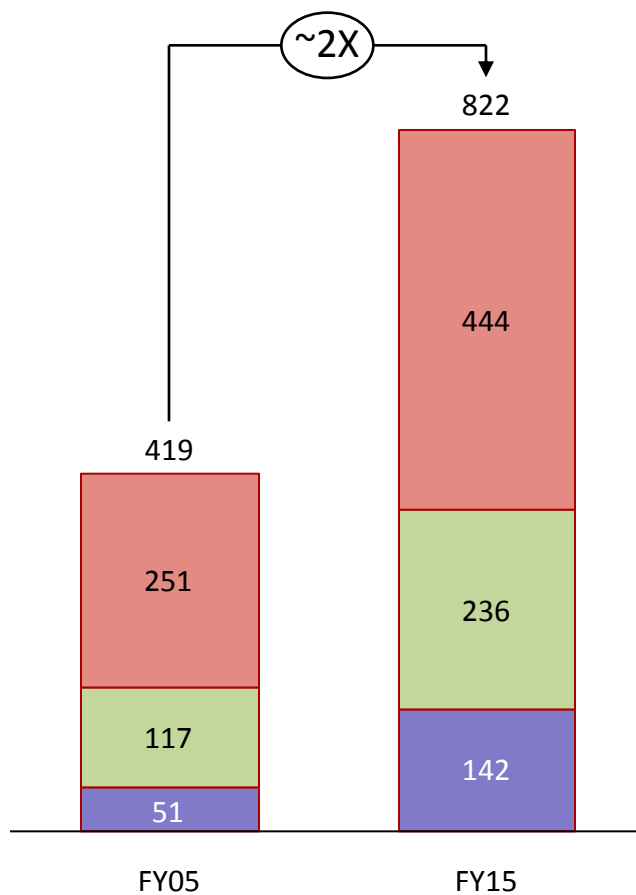
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

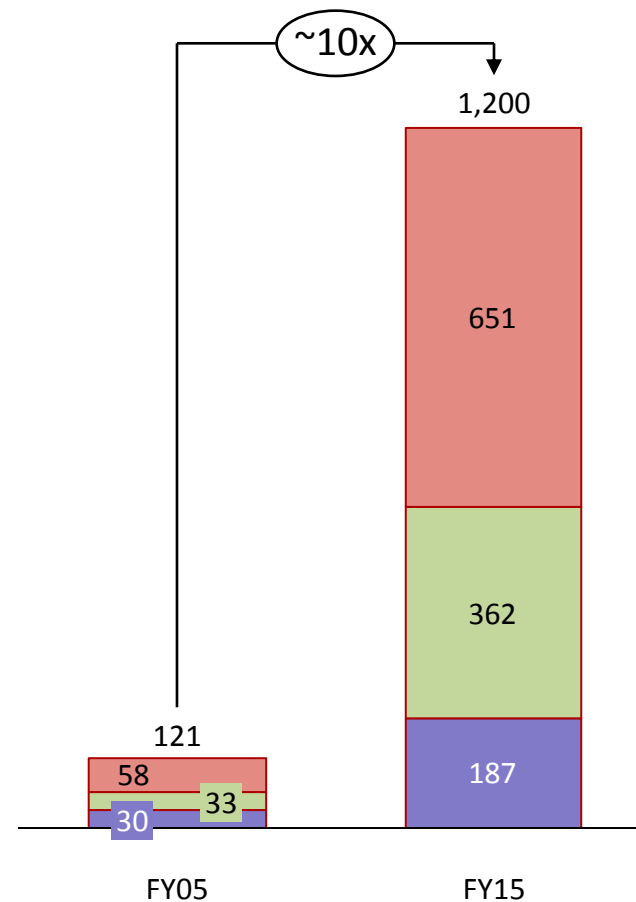
**The FIRST Kerala based bank to implement
Core Banking System**

Expansion over a Decade

Branch Network



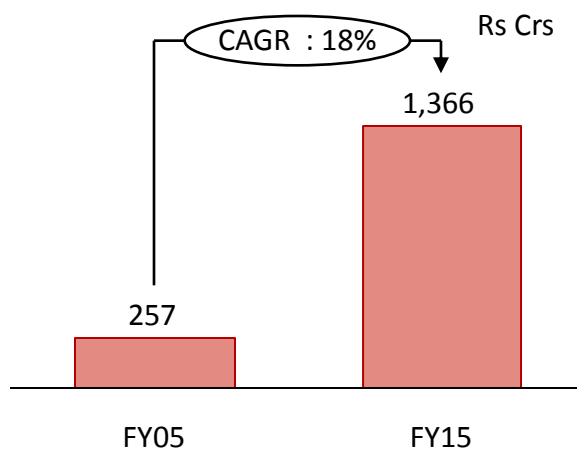
ATM Network



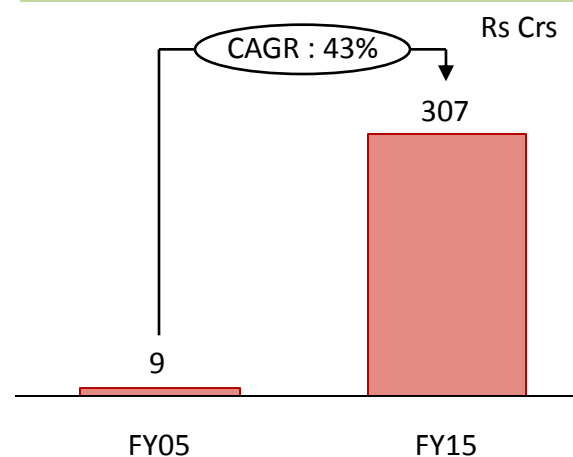
■ Kerala ■ South Ex-Kerala ■ Others (Rest of India)

Performance over a Decade

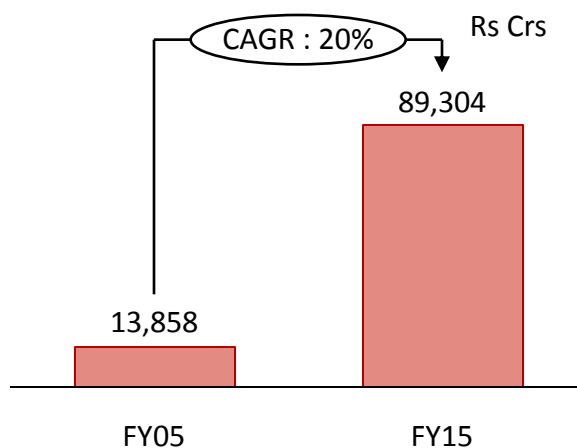
Net Interest Income



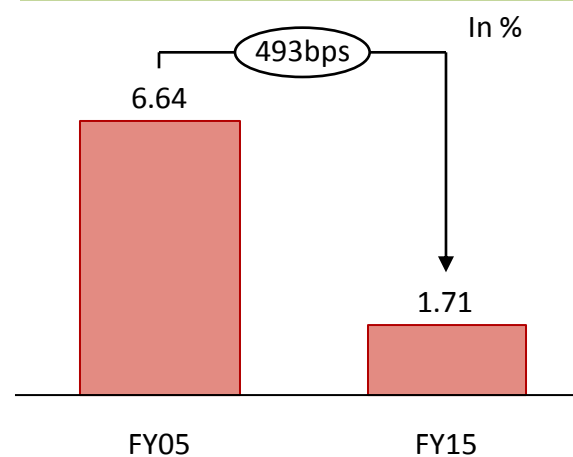
Profit After Tax



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
- He has served on various committees at Corporate Center of SBI such as Wholesale Banking Credit Committee, Investment Committee, and Corporate Centre Credit Committee and was a director on the board of SBI Macquarie Infrastructure Trustee (P) Ltd.

Mr. Joseph George Kavalam, SVP (Administration)

- Bachelors Degree in Science with over 38 years of experience
- He is associated with SIB since 1976 and heads Departments such as Personnel, Inspection & Vigilance, Securities, Marketing, Corporate Financial Management and Secretarial
- Experienced banker with high capabilities relating to HR, Forex & Administration

Mr. A.G. Varughese, SVP (Operations)

- Bachelors Degree in Science & General Law, Masters in Business Administrations and CAIIB with over 38 years of experience
- He is associated with SIB since 1976 and heads Departments such as Treasury Operations, International Banking Division, Information Communication & Technology, Premises & Maintenance, Planning & Development, Integrated Risk Management & Compliance

Management Team

Mr. Thomas Joseph K., Chief General Manager

- Bachelors Degree in Engineering and Diploma in Management & CAIIB
- He is heading Credit & Legal Departments

Mr. John Thomas, General Manager (Credit Department – Retail Credit)

- Bachelors Degree in Science, MBA and CAIIB

Mr. Benoy Varghese, General Manager (Corporate 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 Treasury Department)

- Masters Degree in Commerce and JAIIB

Mr. Paul V.L., General Manager (Personnel & Planning & Development Department)

- 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

Ms. Chitra H, Chief Compliance Officer

- Bachelors Degree in Commerce, Associate Member of Institute of Chartered Accountants of India and Certified Associate of Indian Institute of Banking & Finance.

Mr. Jimmy Mathew, Company Secretary

- Associate Member of Institute of Company Secretaries of Indian and Institute of Cost & Management Accountants of India. Also a Certified Associate of the Indian Institute of Banking & Finance



Business Strategy



Focus is back on 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

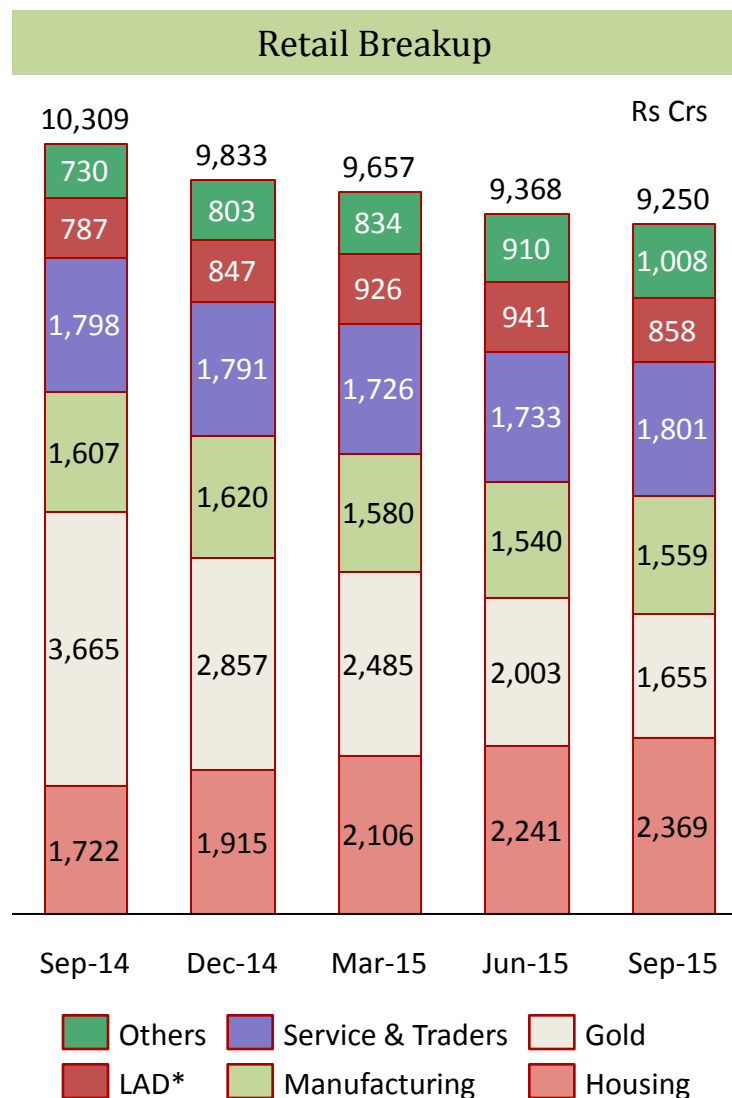
Cluster
Branches



Branch Profitability

- Focus on a Geography and open additional branches
- Improve Branch Profitability

...by focus on Housing Loans in Retail



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

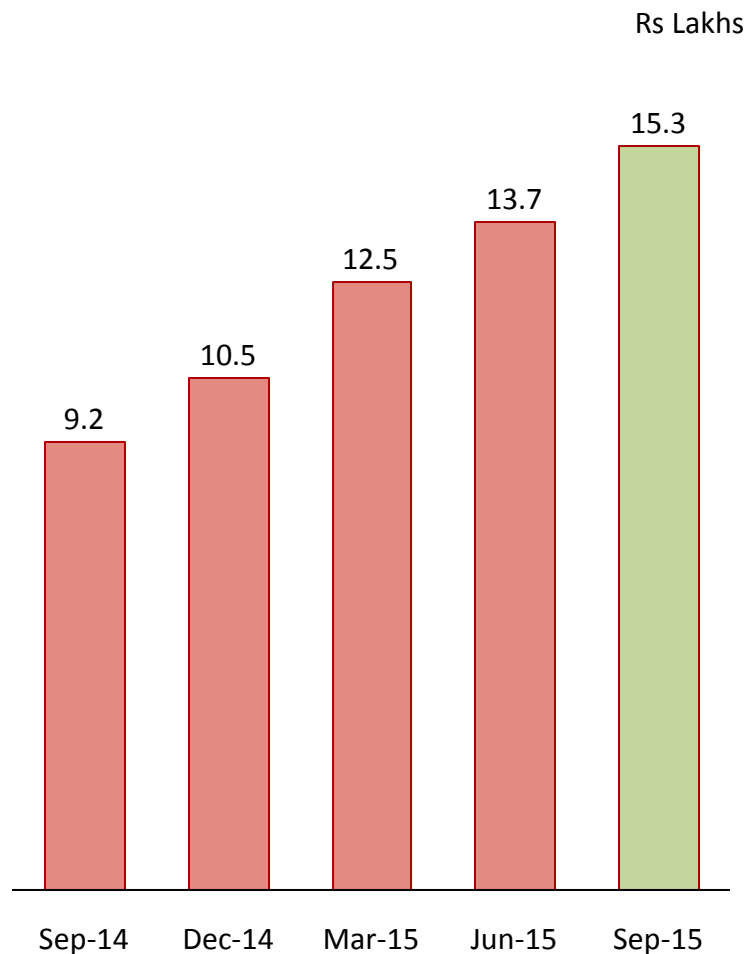
July -1 to Sept - 30

- Housing Loans Sanctioned : 1,419 Nos.
- Amount of Housing Loans Sanctioned – Rs. 275.28cr

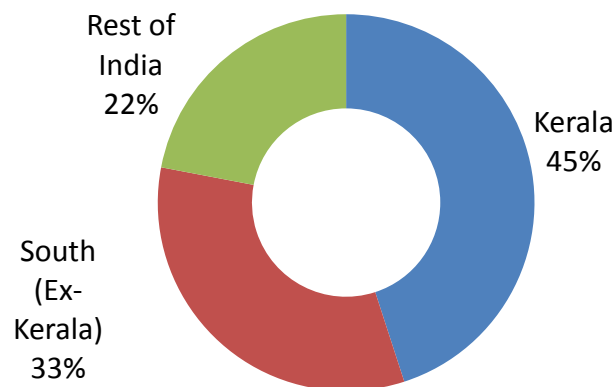
*LAD = Loan against deposits

...becoming a Banker of Choice to SMEs

Average SME Loan / Account



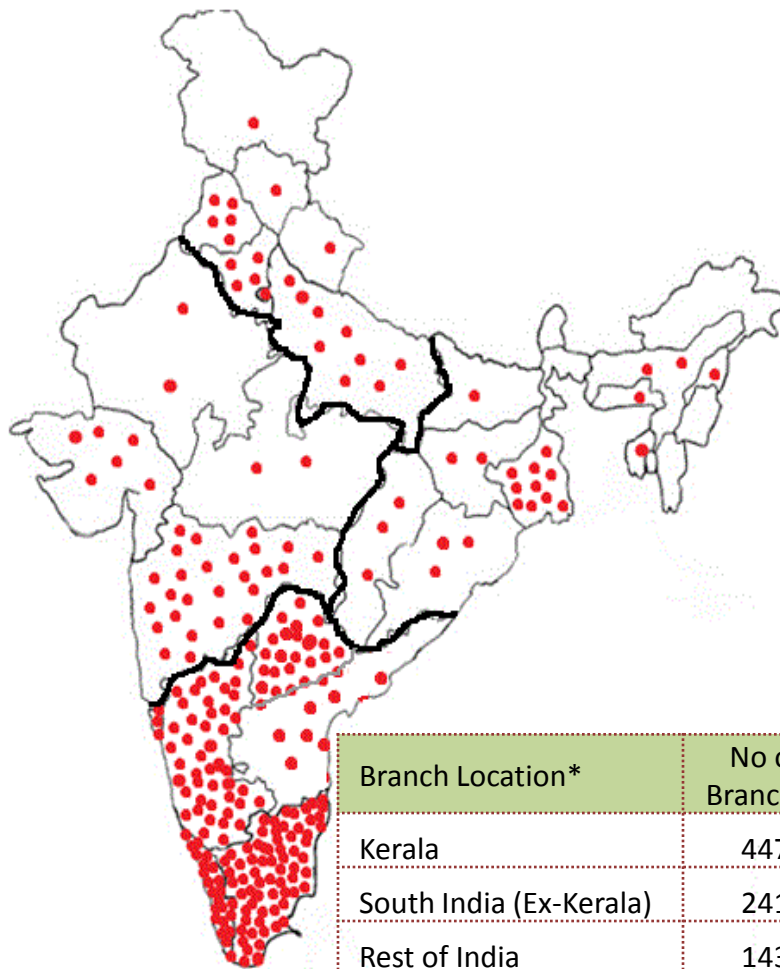
Loan Book by Geography – Q2-FY16



SME Highlights

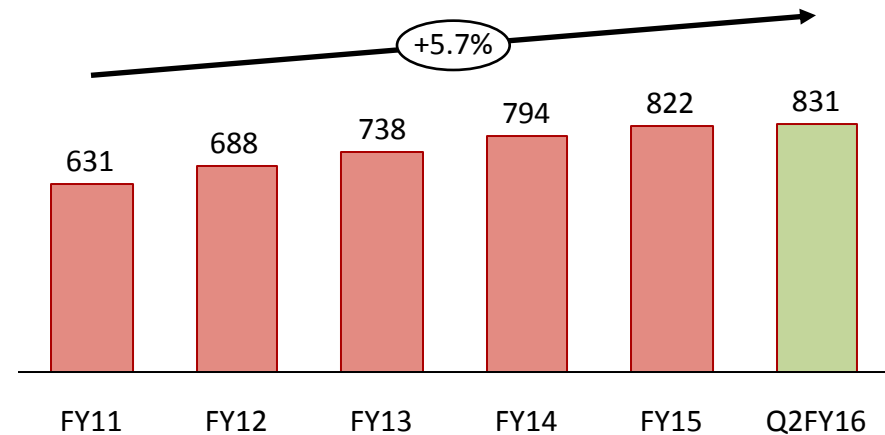
- Dedicated GM appointed to ensure focus and better coordination with regions
- Focused 'Green Channel' branches to drive faster loan growth to SMEs
- Target to become banker of choice to SMEs thereby getting other business as well – liabilities, vehicle finance, etc.
- Ongoing training (in-house as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

...with the help of our Branch Network

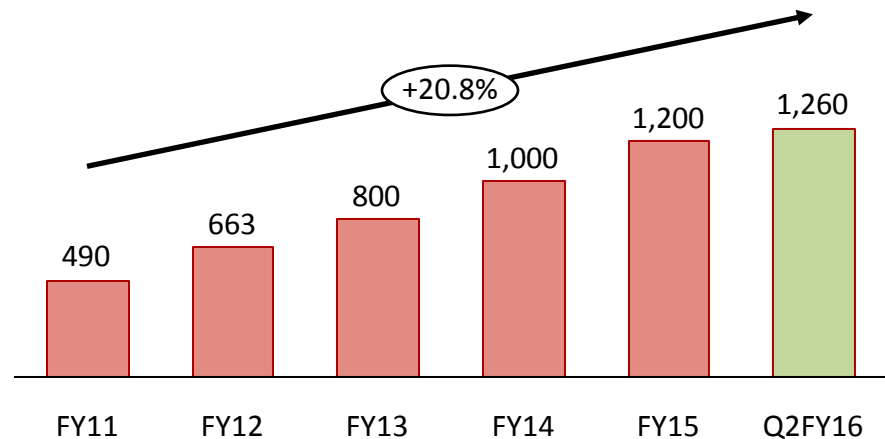


Branch Location*	No of Branches
Kerala	447
South India (Ex-Kerala)	241
Rest of India	143
Total	831

Total Branch Network



Total ATM Network

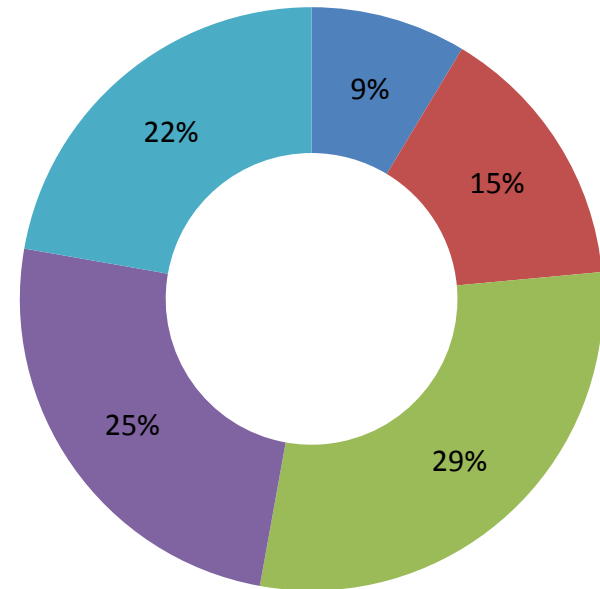
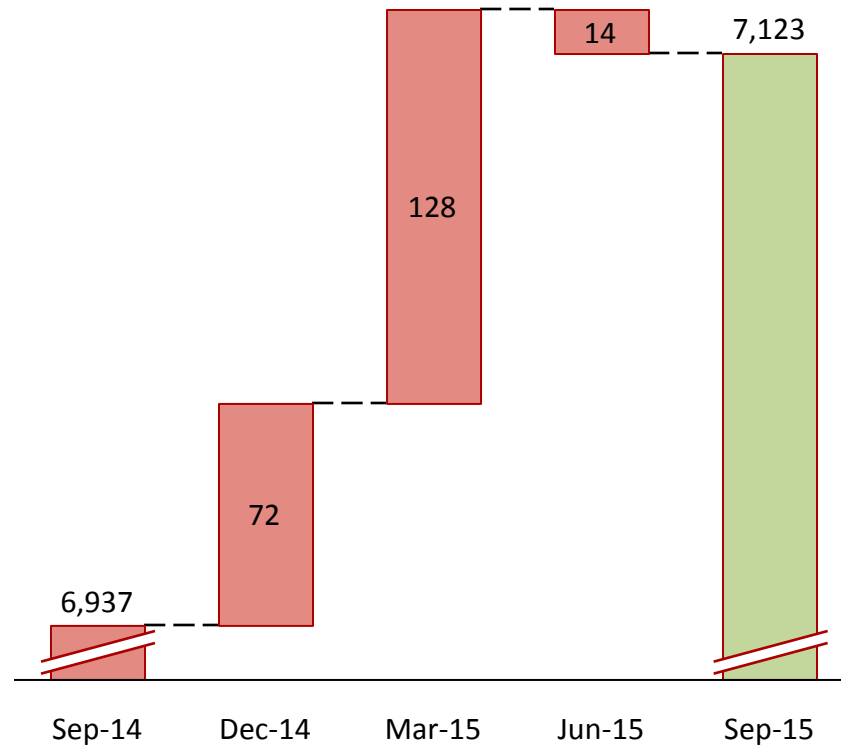


*Map for illustration purpose only

... and our Experienced Employees


Employee Addition

Total Employees: 7,123*




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

*Employees include full-time officers and clerks.

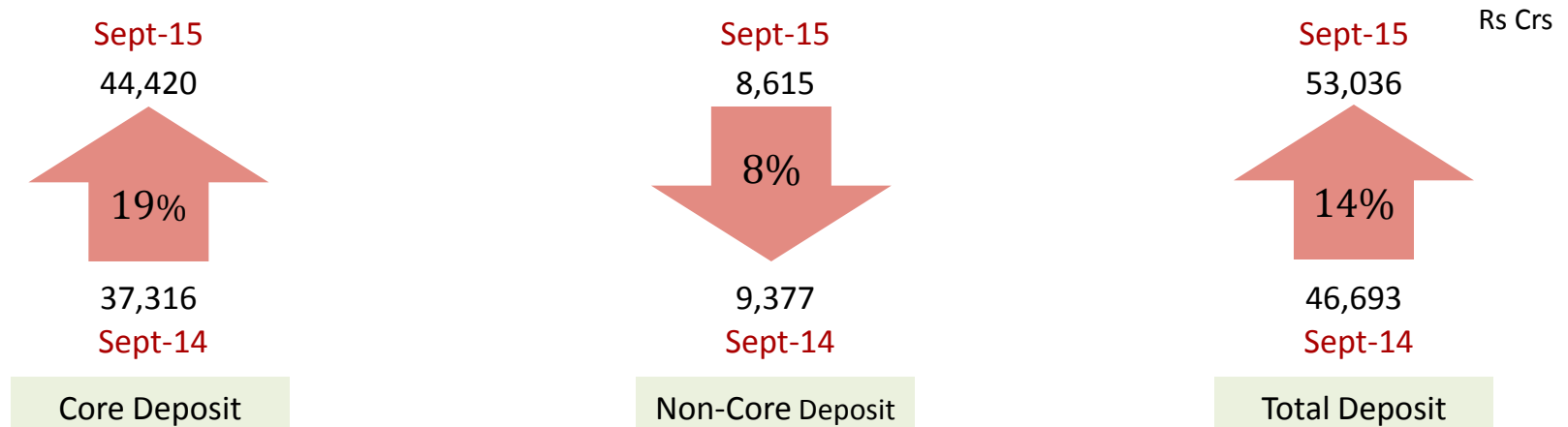


Performance Matrix

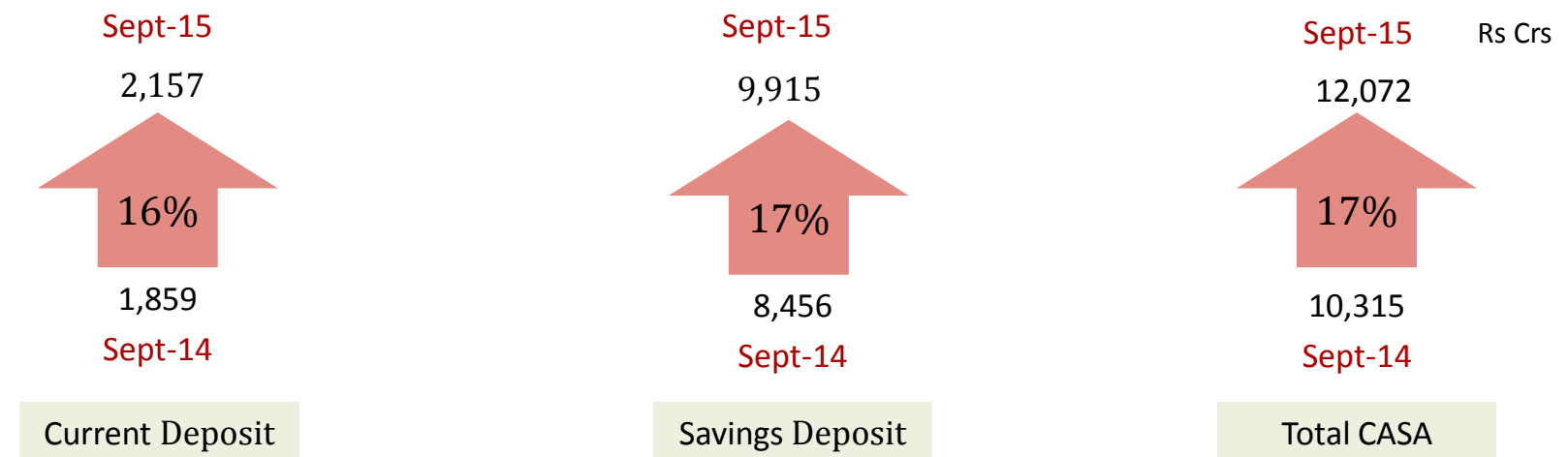


Strong Deposit Franchise

Core & Non-Core Deposits

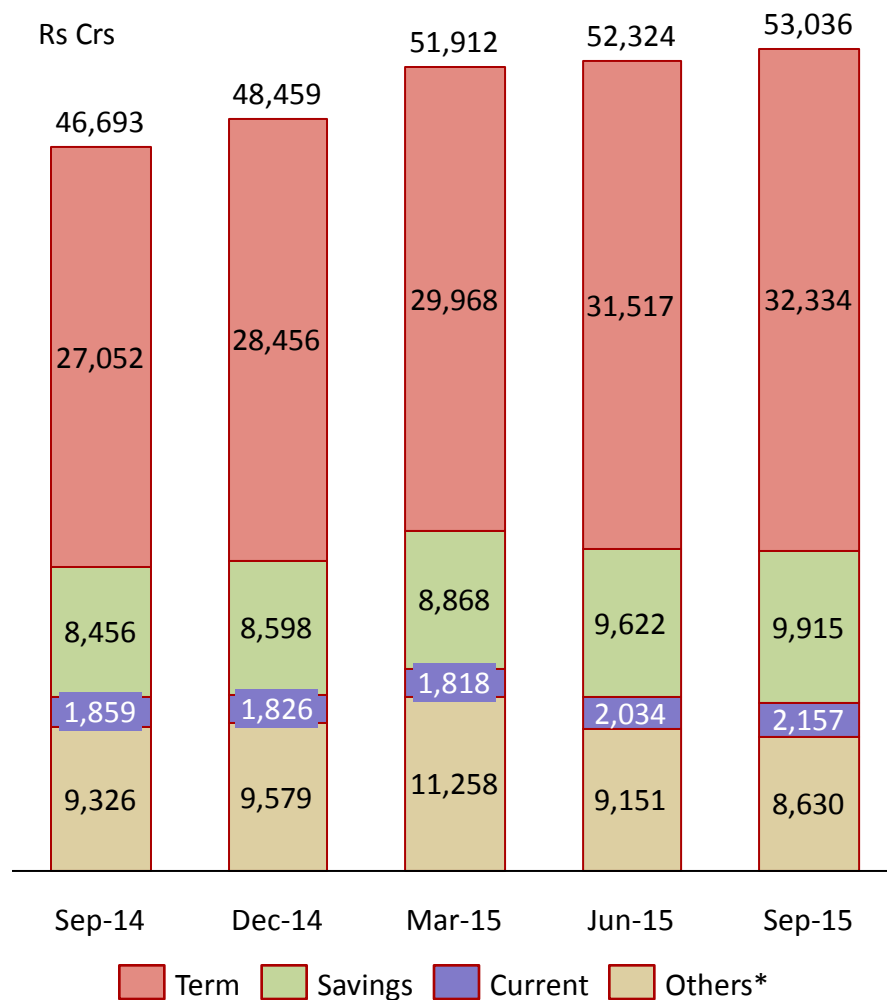


CASA Deposits

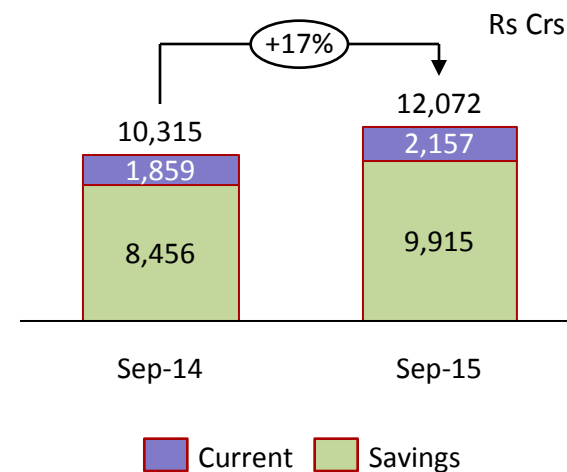


Core Deposits Growing...

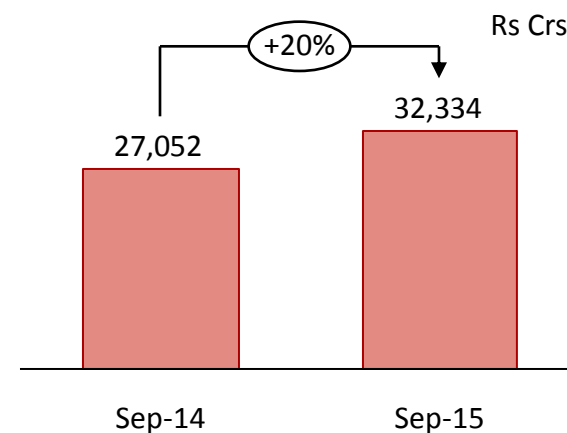
Breakup of Deposits



CASA Deposit



Term Deposits

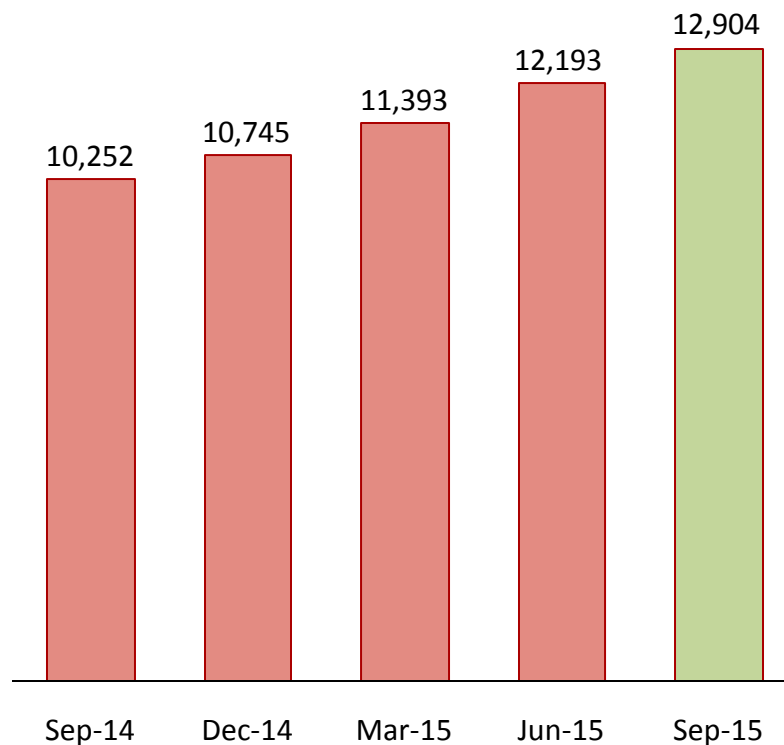


*Others includes: Bulk, Certificates of Deposits

NRI Deposits Growing...

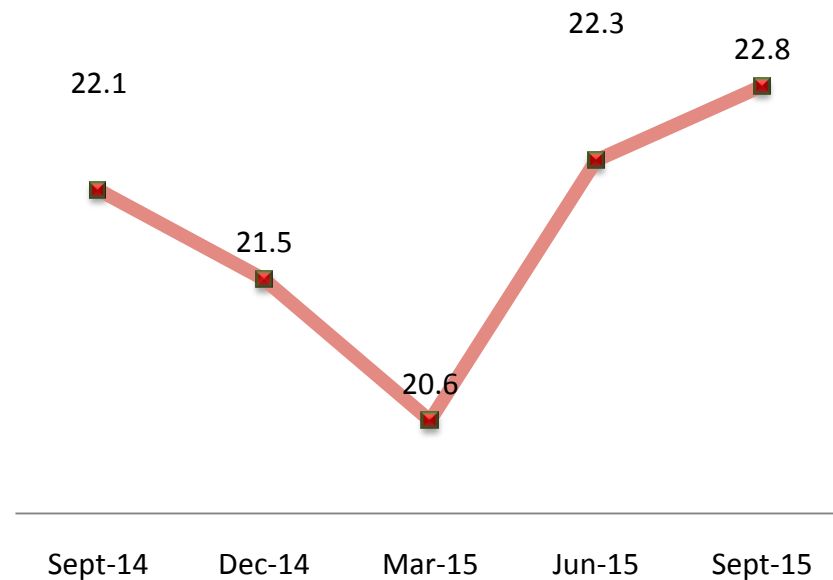
NRI Deposits

Rs Crs



CASA

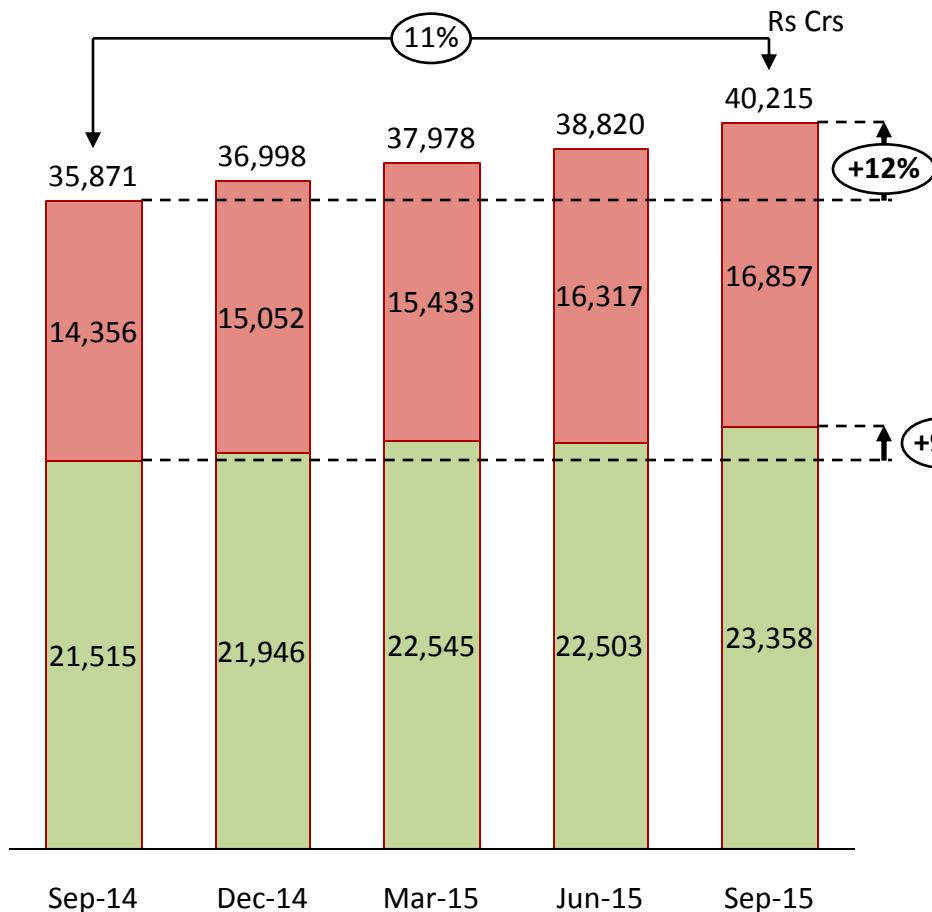
In (%)



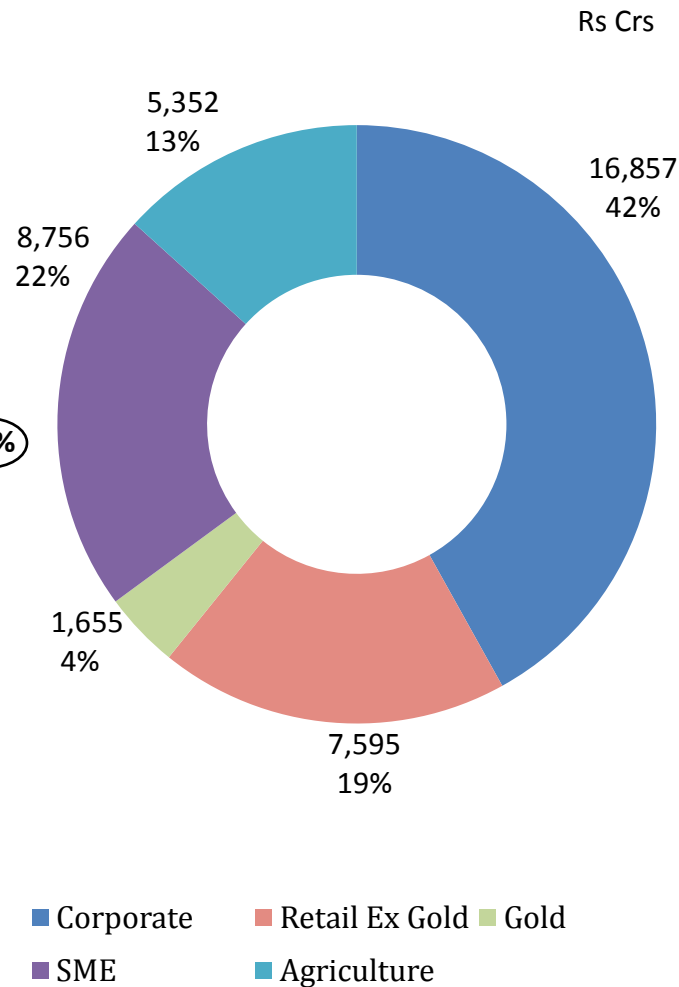
As on March 2015 : 71% of Liabilities will be re-priced within 1 year

Composition of Loan Book

Total Advances



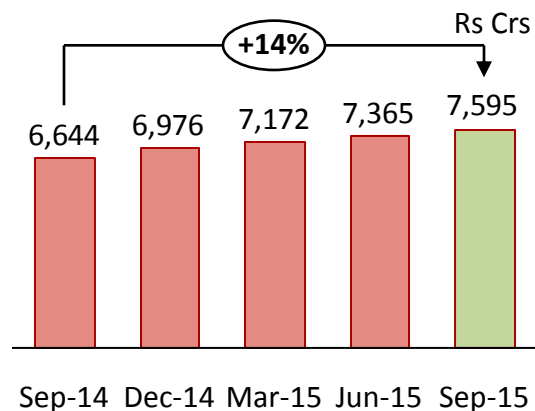
Segment wise Break Up



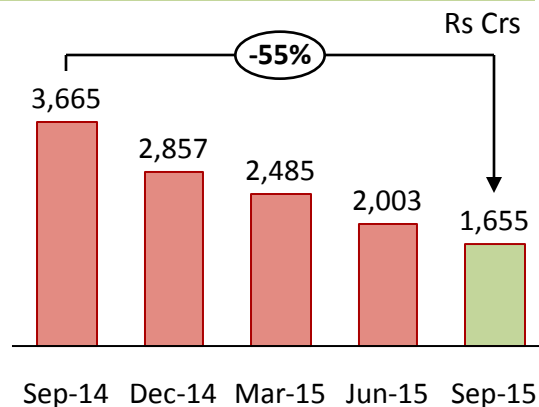
Corporate (Above Rs 25 Crs) Retail & SMEs (Below Rs. 25 Crs)

Key Focus : Retail, SME & Agriculture

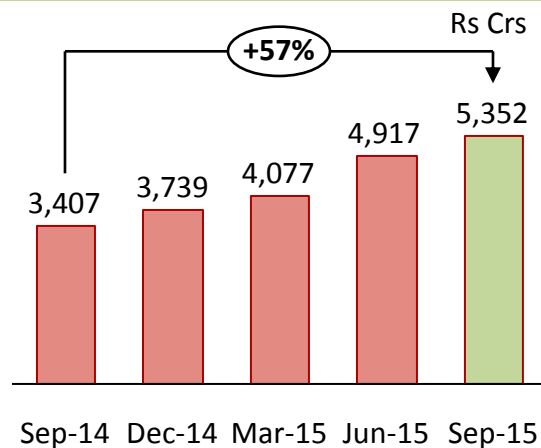
Retail excluding Gold



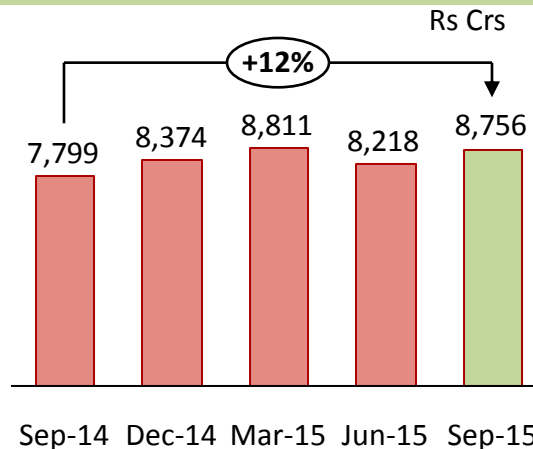
Gold (Average LTV – 65%)



Agriculture



SME

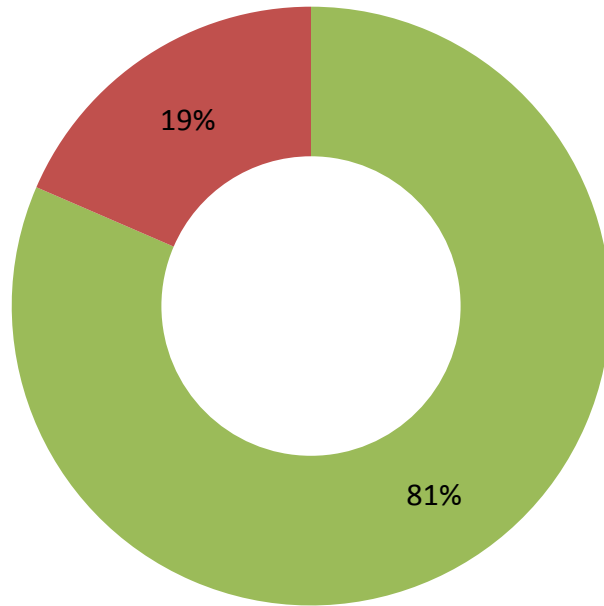


Retail Loans (Excl. Gold), Agriculture & SME has grown by 22%

~17% of the Agriculture & SME Loans are backed by Additional Security by way of GOLD

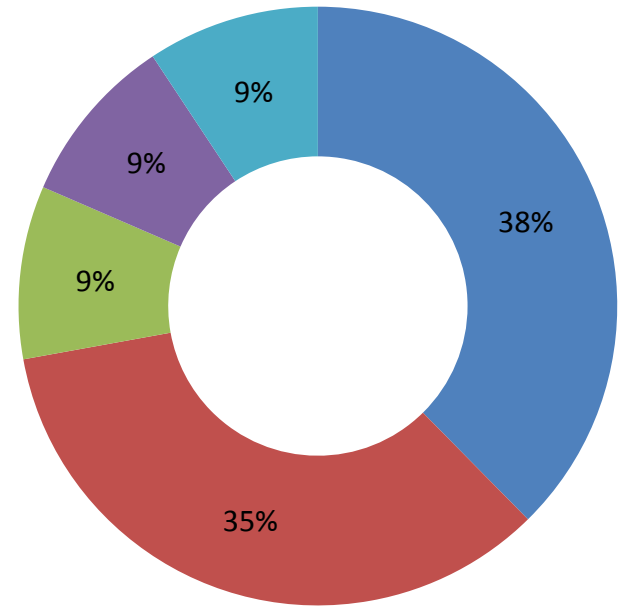
81% of Lending to Investment Grade

Rating wise distribution of Standard Advances



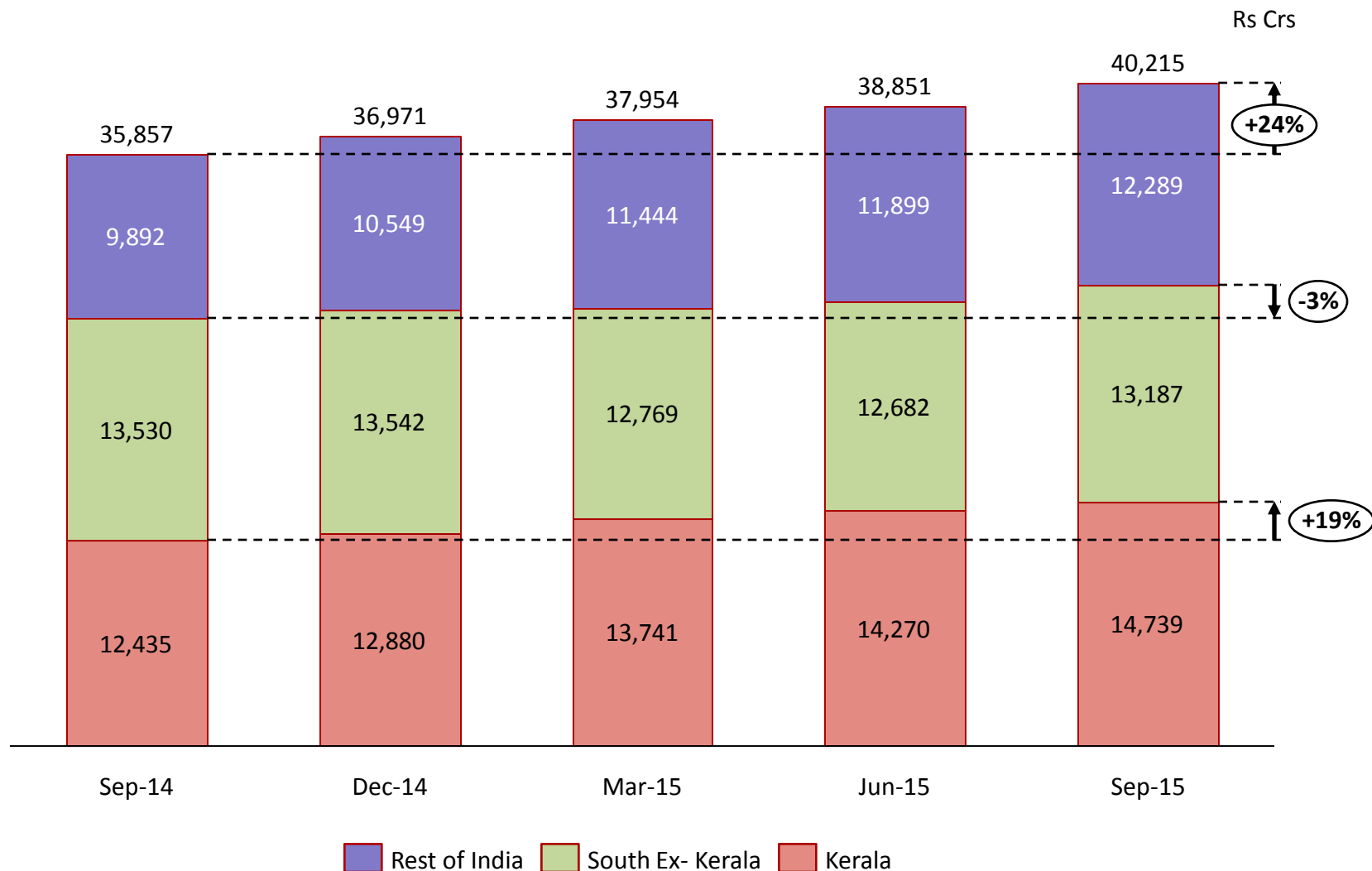
■ Investment Grade ■ High Yield

Investment Grade – Rating wise Break Up



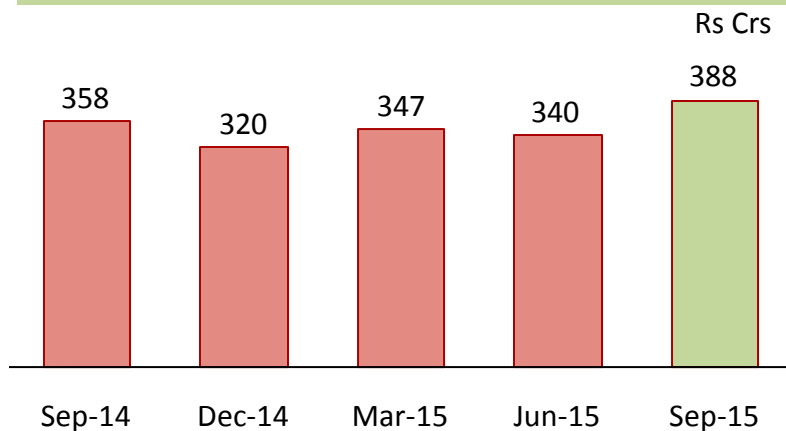
■ SIB-AAA/AA ■ SIB-A ■ SIB-BBB
■ SIBB<BBB ■ Unrated

Advances growing across Regions

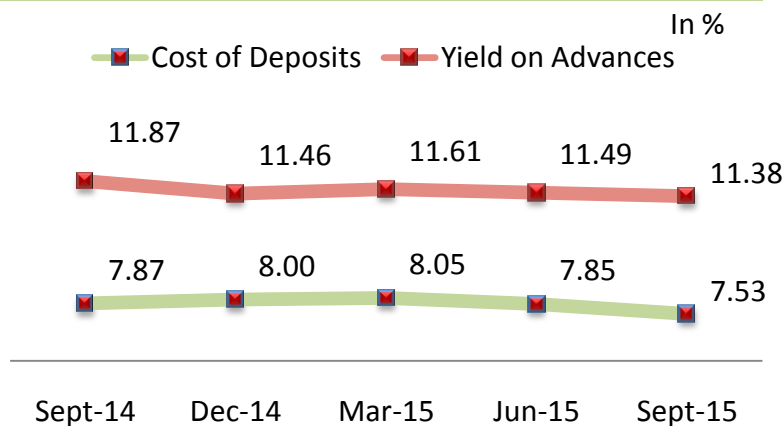


Net Interest Income - Quarter

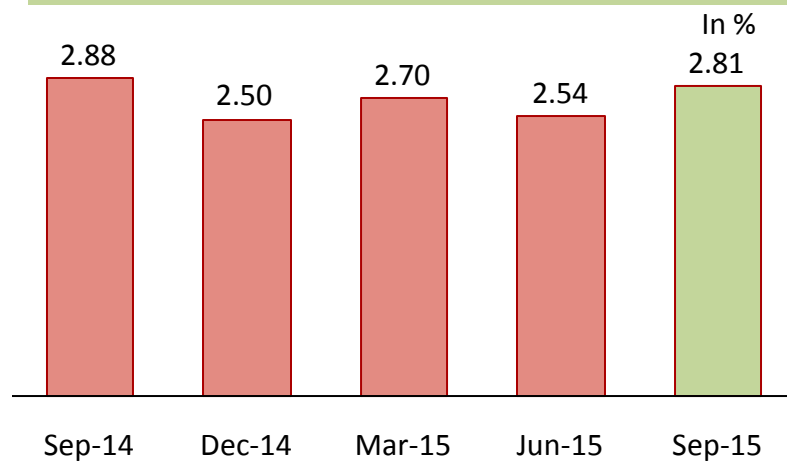
Net Interest Income



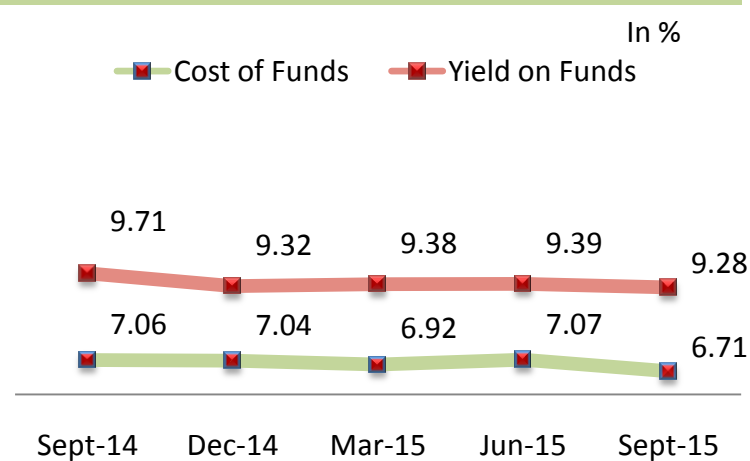
Cost of Deposits & Yield on Advances



Net Interest Margin



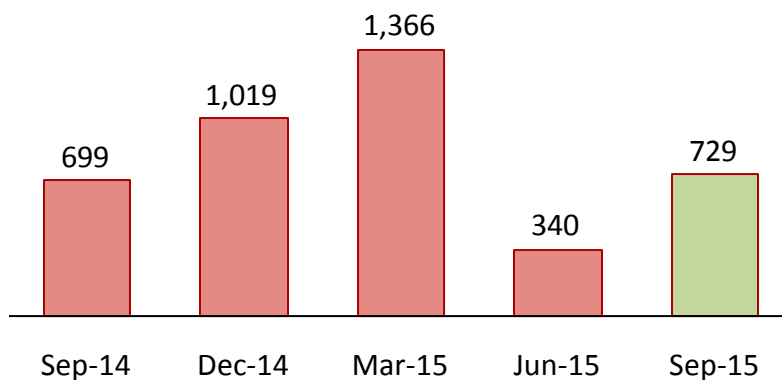
Cost of Funds & Yield on Funds



Net Interest Income - Cumulative

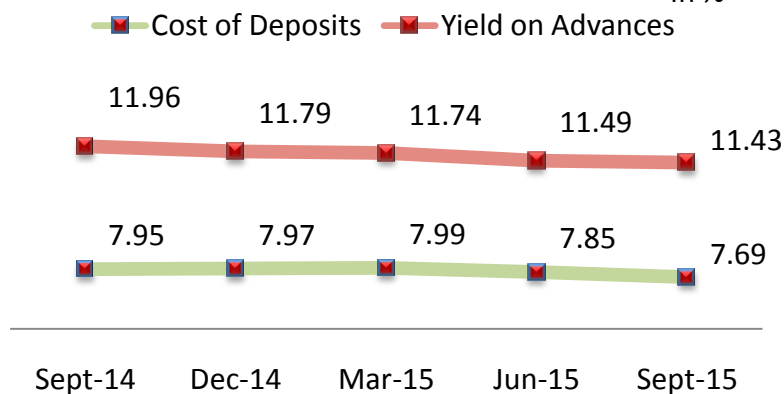
Net Interest Income

Rs Crs



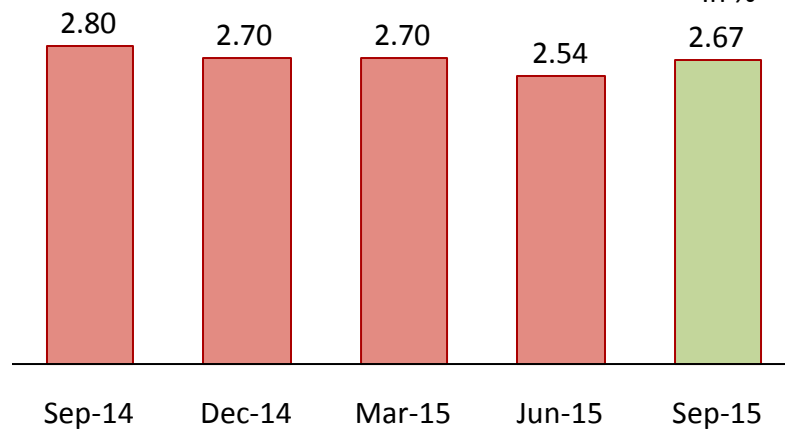
Cost of Deposits & Yield on Advances

In %



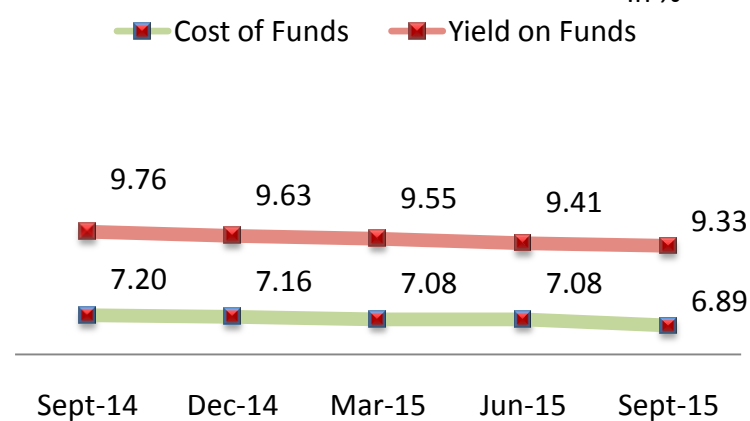
Net Interest Margin

In %



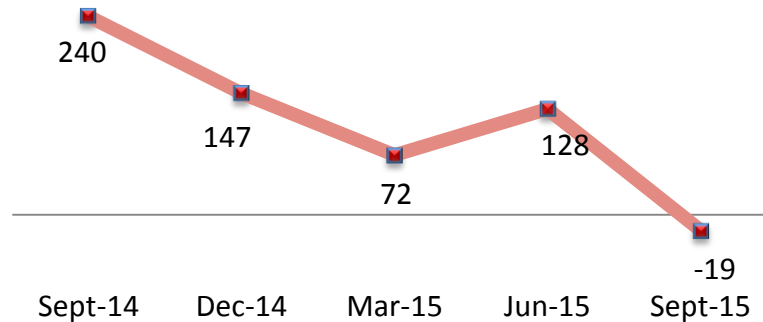
Cost of Funds & Yield on Funds

In %

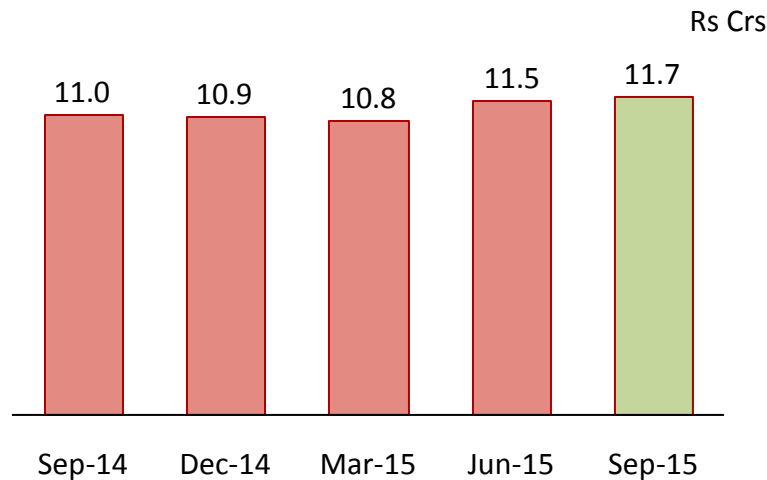


Operating Efficiency

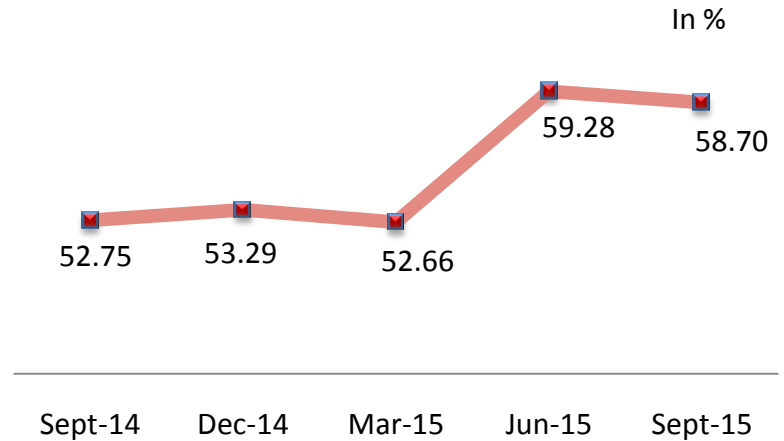
Employee Additions



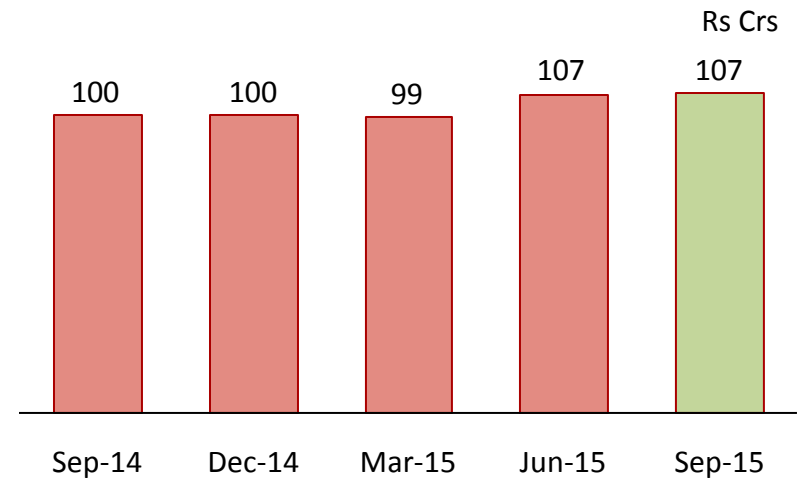
Business per Employee



C/I Ratio

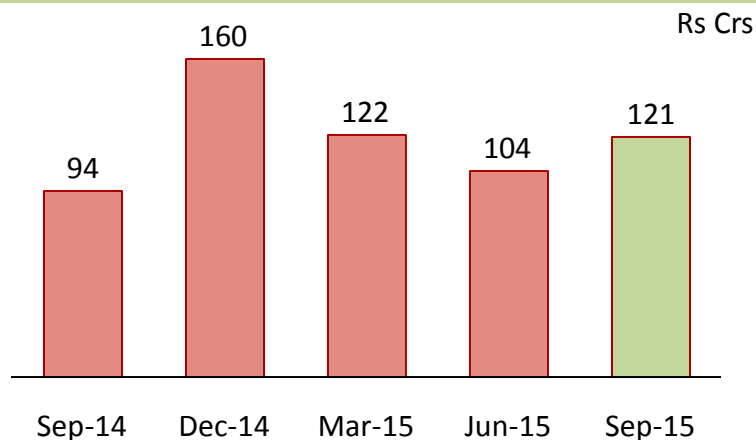


Business per Branch

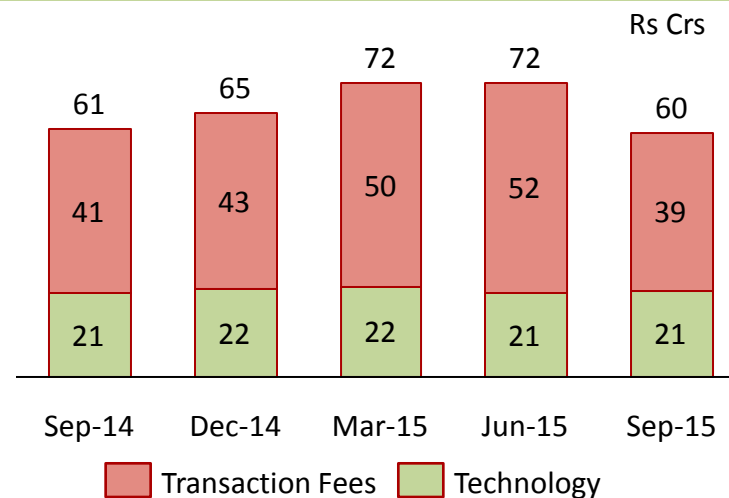


Sustainable Other Income

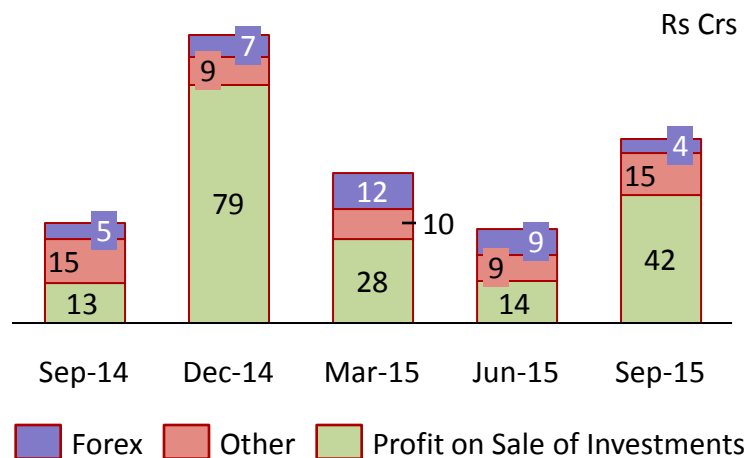
Total Other Income led by ...



...Sustainable : Transaction Fees + Technology



Profit on Sale of Investments, Forex & Others



Investment Book as on Sep-15

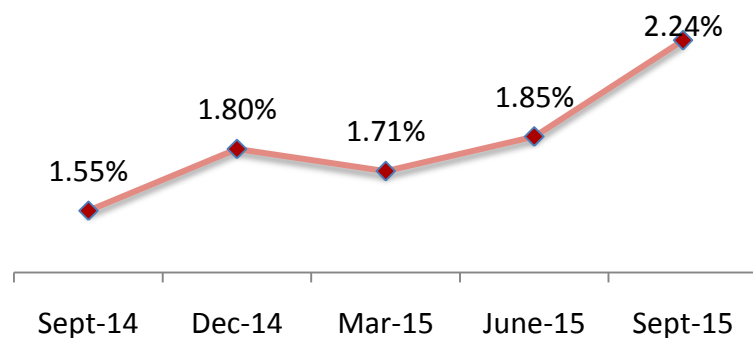
Details	Rs. Crs	M Duration
HTM	11,049	5.14
AFS	1,838	4.51
HFT	414	8.58
Total	13,301	5.08

Break Up of Provisions

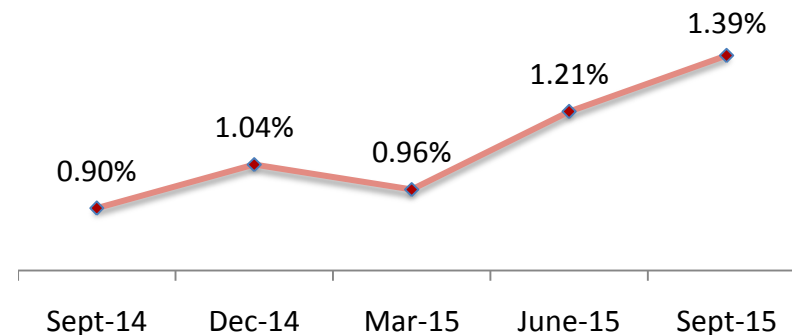
Rs Crs	Q2-FY16	Q2-FY15	Q1-FY16
For NPA & NPI	89.13	25.46	41.22
For Depreciation on Investments	(3.23)	5.28	20.33
For Standard Assets	16.3	22.69	9.43
For Restructured Advances/Sacrifices & FITL	(37.89)	39.67	6.71
For Unhedged Forex Exposure	(2.05)	2.91	(1.08)
Others	5.21	(0.31)	2.89
Taxes	52.18	38.91	36.08
Total Provisions	119.65	134.61	115.58

Non Performing Assets

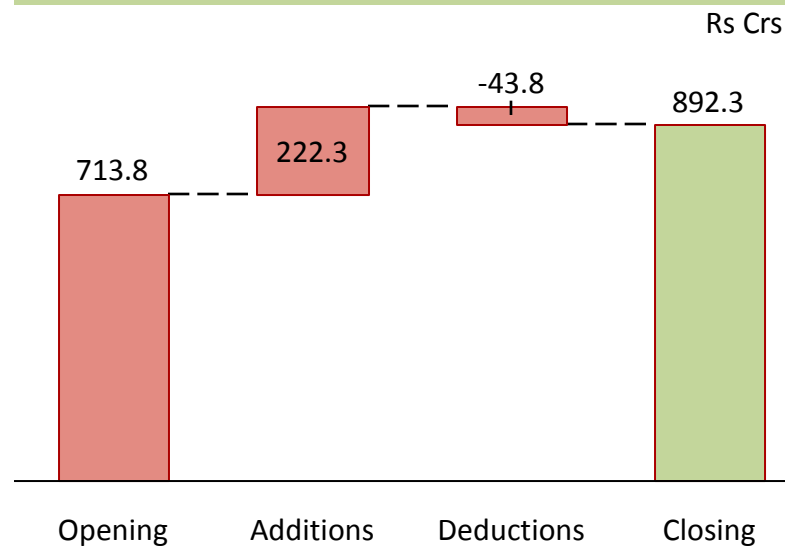
Gross NPA



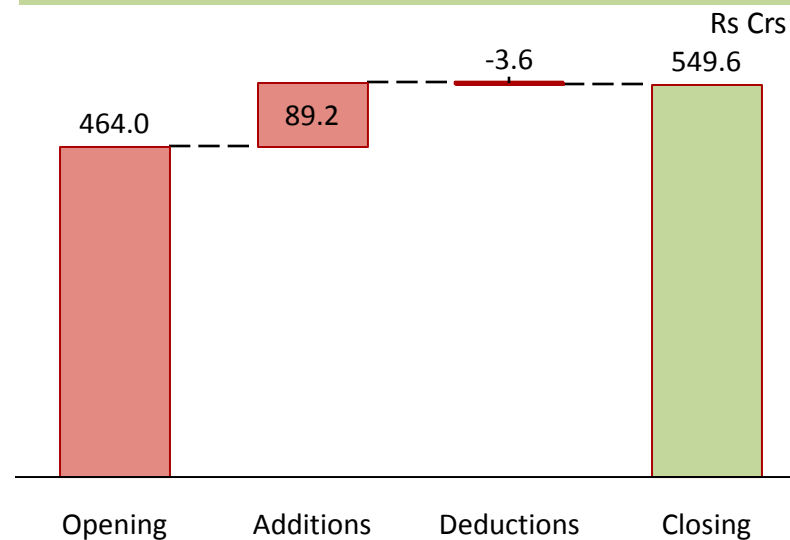
Net NPA



Gross NPA movement in Q2FY16

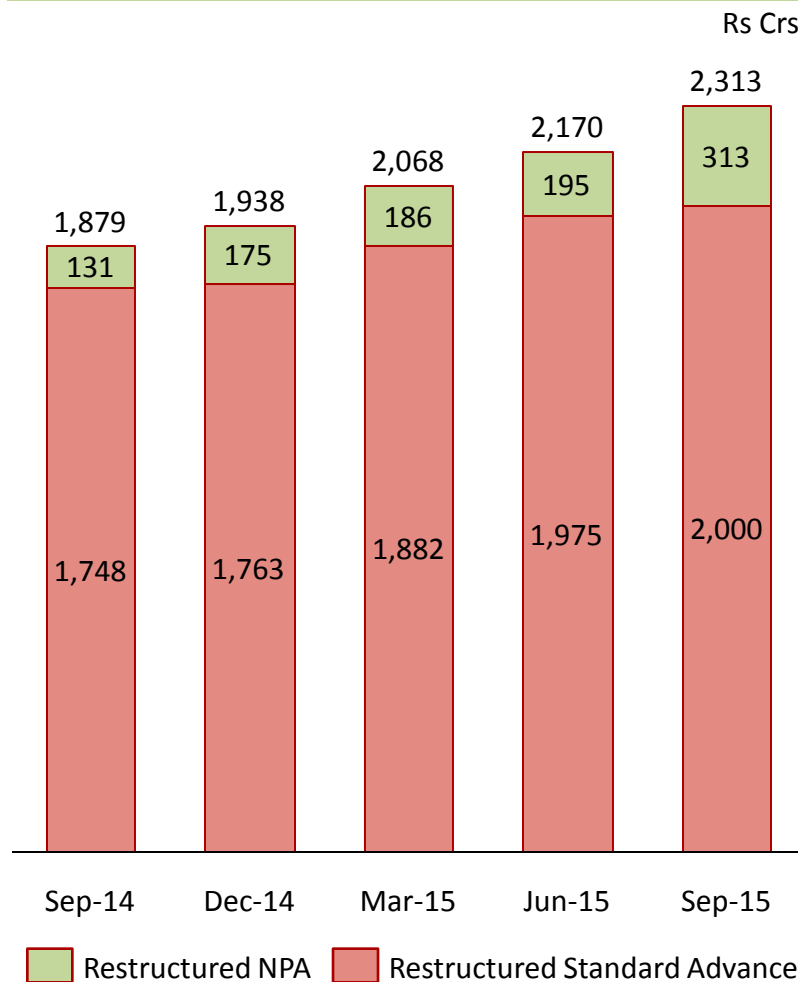


Net NPA movement in Q2FY16

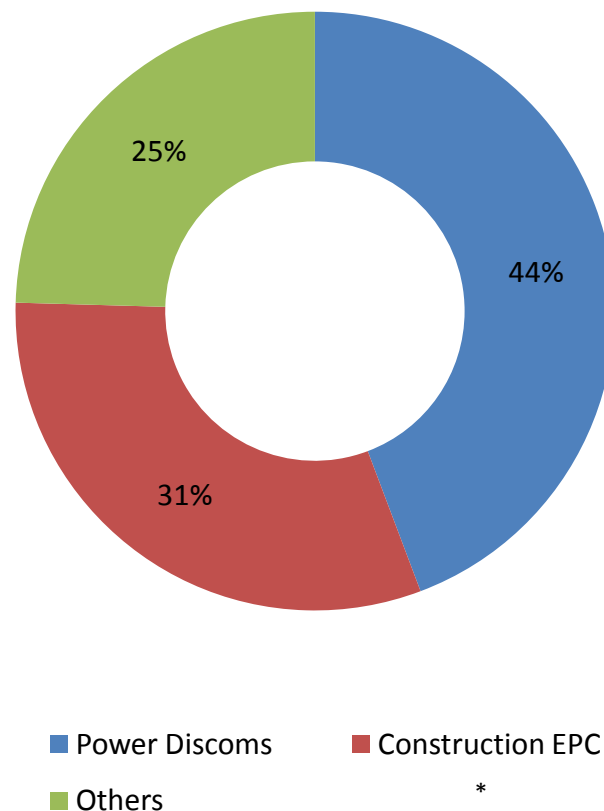


Restructured Advances Breakup

Restructured Assets Break-up

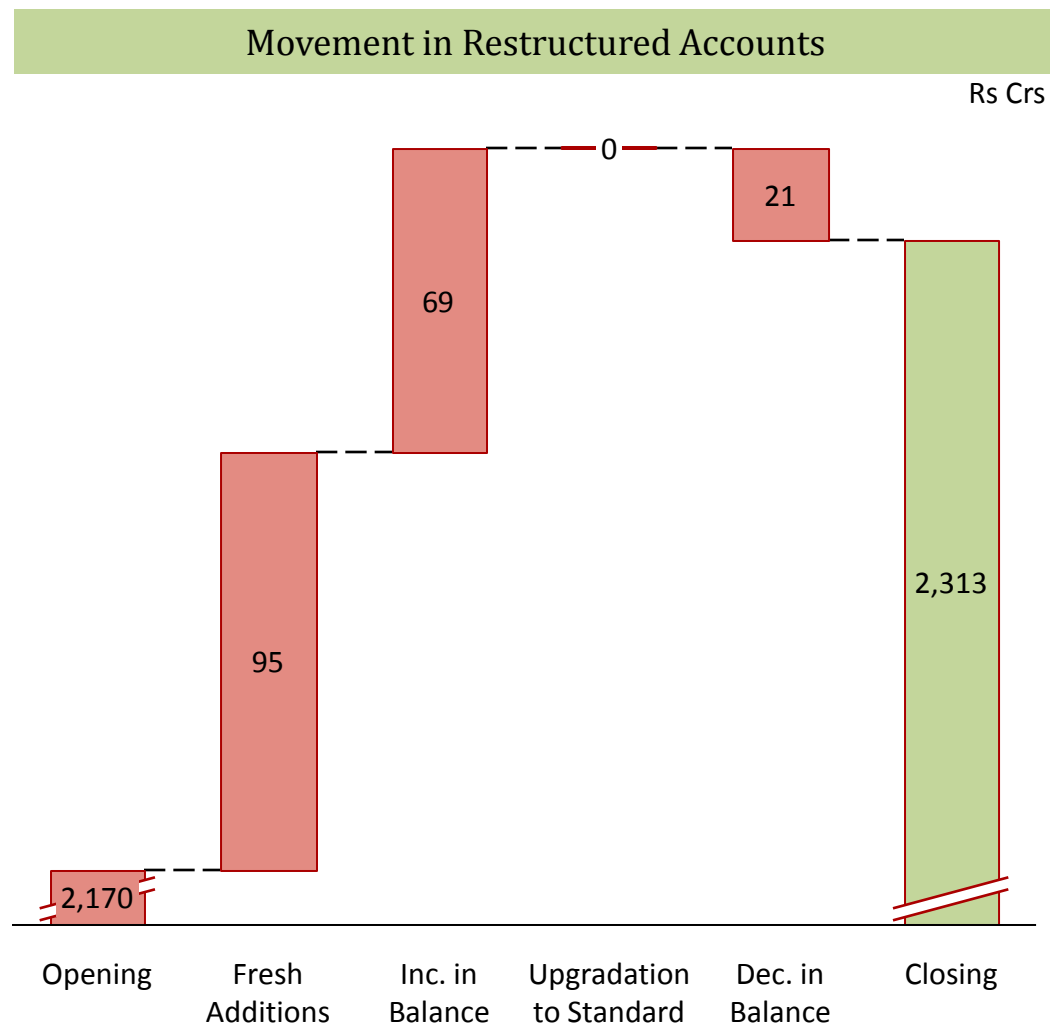


Sector Standard Restructure – Q2FY16



*Other includes IT, Bullion, etc.

Movement in Restructured Accounts

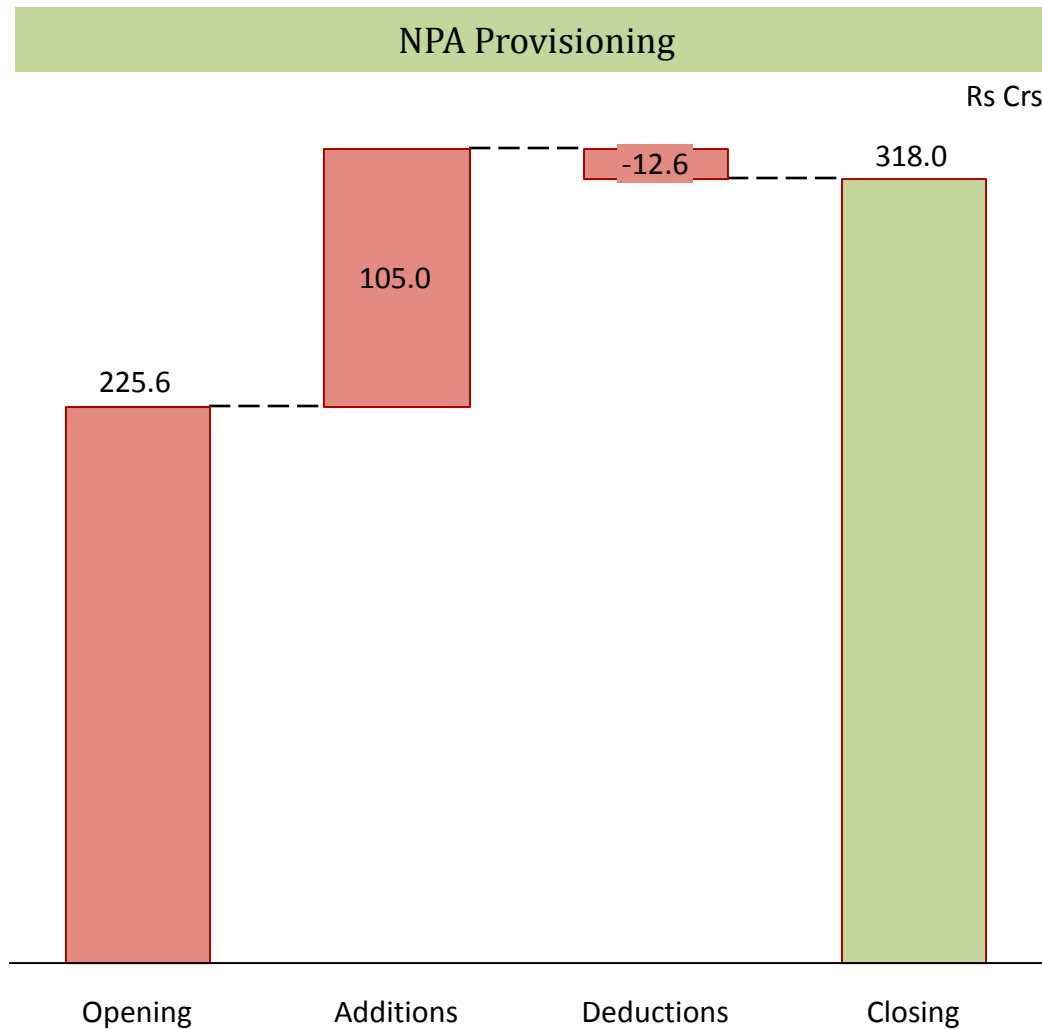


Shift of focus from
Large Corporate
to
SMEs

Defocusing from
Power & Infra Sectors

Special Recovery Cell
&
Asset Monitoring Cell

Adequate Provisioning

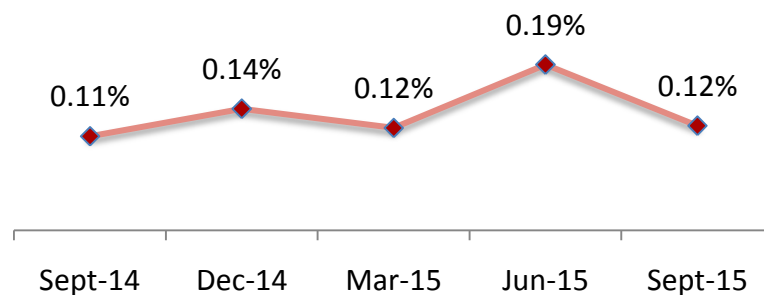


Provisioning
Coverage Ratio
55.30%

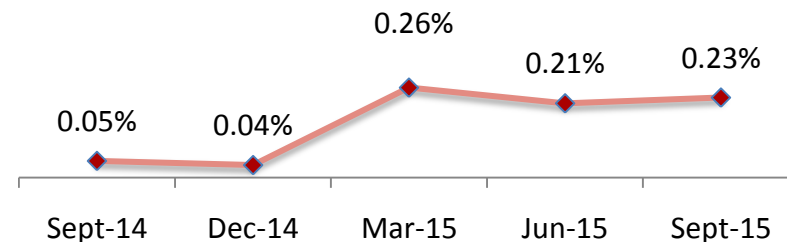
Advances in the Initial
quarters as NPAs :
Requiring
Less Provisioning

Fresh Slippages/Advance Ratios

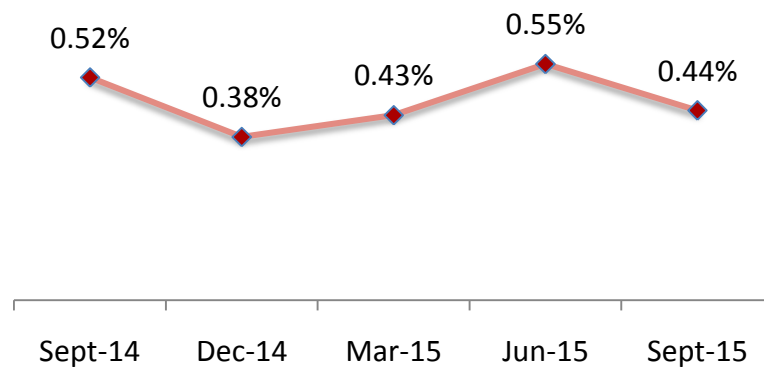
Retail Slippage



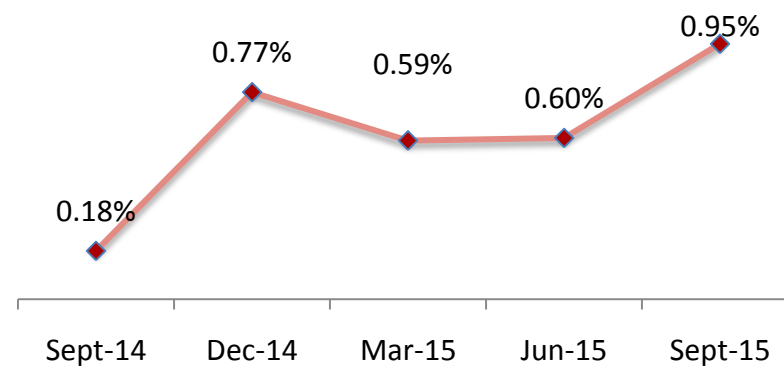
Agriculture Slippage



SME Slippage

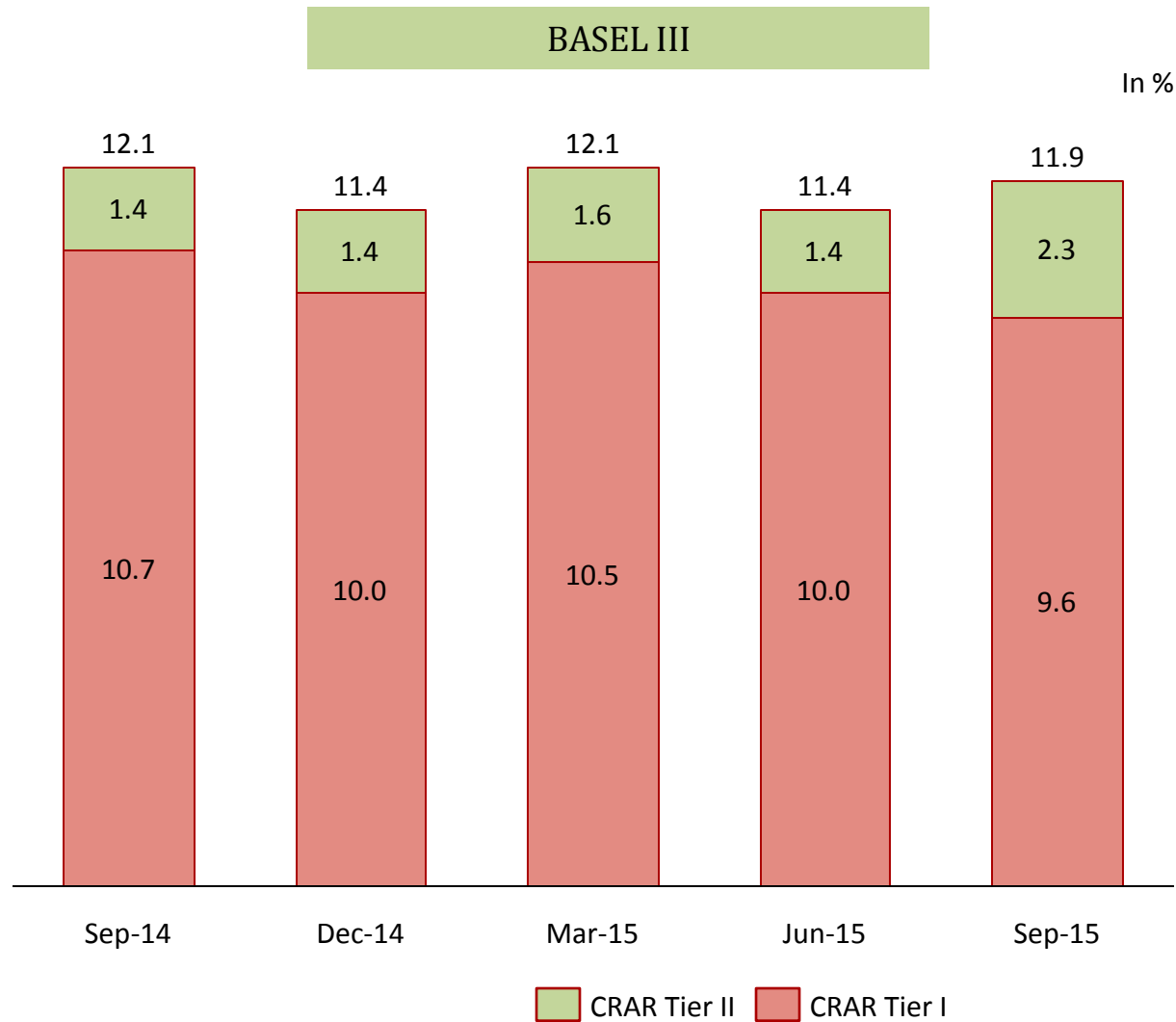


Corporate Slippage



Fresh Slippage / Advances ratio is extremely low across Retail, SME & Agriculture

Well Capitalized to support Growth



Raised Rs. 300 Crores
Tier II Bonds to
strengthen Capital Base

Key Performance Highlights- Q2 FY16

Rs Crs	Q2 - FY16	Q2- FY15	Y-o-Y
Net Interest Income	388.35	358.35	8.37%
Other Income	121.21	93.63	29.46%
Profit After Tax	93.38	76.30	22.38%
Advances	40,215	35,871	12.11%
Deposits	53,036	46,693	13.58%
GNPA	892.25	553.18	61.30%
NNPA	549.56	318.43	72.58%
NIM	2.81%	2.88%	-7bps
CASA	22.76%	22.09%	67bps

Balance Sheet Overview- Q2 FY16

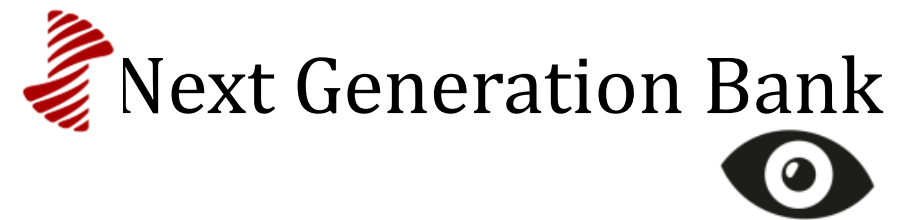
Rs Crs	Q2-FY16	Q2-FY15	Y-o-Y (%)	Q1-FY16	Q-o-Q (%)
Capital & Liabilities	60,127	53,418	13%	58,940	2%
Capital	135	135	0%	135	0%
Reserves and Surplus	3,613	3,433	5%	3,520	3%
Deposits	53,036	46,693	14%	52,324	1%
Borrowings	2,171	2,151	1%	1,660	31%
Other Liabilities & Provisions	1,172	1,006	17%	1,301	-10%
Assets	60,127	53,418	13%	58,940	2%
Cash & Balances with RBI	2,365	2,066	14%	2,417	-2%
Balances with Banks	667	769	-13%	825	-19%
Investments	13,174	12,018	10%	13,285	-0.8%
Advances	39,556	35,371	12%	38,243	3%
Fixed Assets	481	465	3%	478	1%
Other Assets	3,884	2,729	42%	3,692	5%
Business (Advances + Deposits)	92,592	82,064	13%	90,567	2%
Current Accounts	2,157	1,859	16%	2,034	6%
Savings Accounts	9,915	8,456	17%	9,622	3%
CASA Ratio	22.76%	22.09%	67bps	22.30%	46bps

Profit & Loss Overview- Q2 FY16

Rs Crs	Q2-FY16	Q2-FY15	Y-o-Y (%)	Q1-FY16	Q-o-Q (%)
Net Interest Income	388	358	8.28%	340	13.78%
Other Income	121	94	29.23%	104	16.35%
Total Income	509	452	12.62%	444	14.38%
Operating Expenses	297	241	23.21%	263	12.93%
Operating Profit	213	211	1.00%	181	17.70%
Provisions (Ex-Tax) & Contingencies	67	96	(29.51%)	80	(15.66%)
Profit Before Tax	145	115	26.35%	101	44.12%
Provision for Tax	52	39	34.10%	36	44.94%
Exceptional Items	-	-	-	-	-
Profit After Tax	93	76	22.38%	65	43.66%

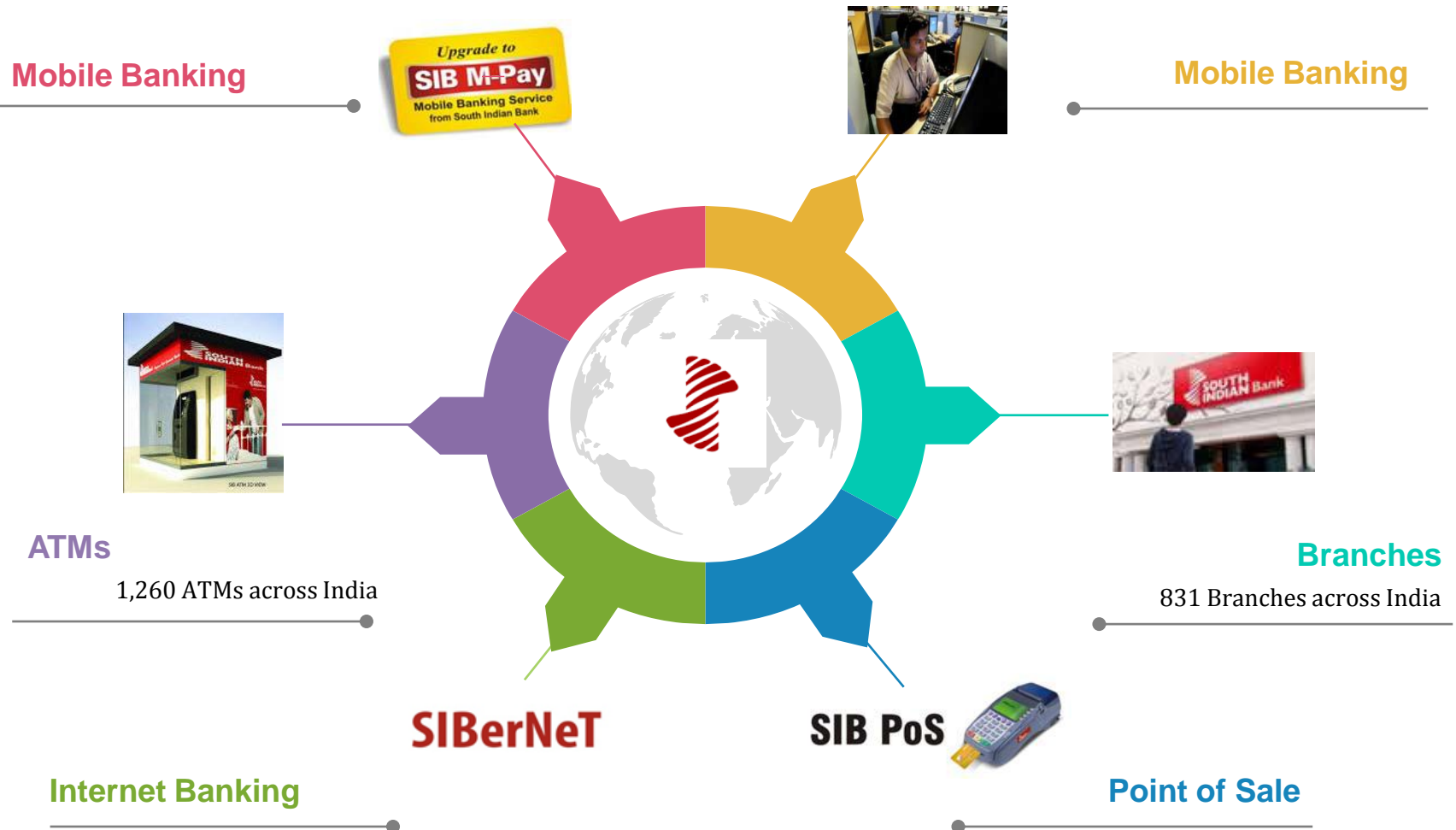
Key Metrics- Quarterly

Particulars	FY15				FY16	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Interest Margin (NIM)	2.7%	2.9%	2.5%	2.7%	2.5%	2.8%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%
Provision Coverage	62.5%	62.9%	60.4%	60.6%	56.1%	55.3%
CASA	22.1%	22.1%	21.5%	20.6%	22.3%	22.8%
Gross NPA	1.5%	1.6%	1.8%	1.7%	1.9%	2.2%
Net NPA	0.9%	0.9%	1.0%	1.0%	1.2%	1.4%
Book Value per Share (Rs.)	25.88	26.47	27.10	26.59	27.07	27.76
Earnings per Share (Rs.) (Annualized)	3.78	3.01	2.87	2.28	1.93	2.34
Branches						
- Kerala	439	440	441	444	447	447
- South India (Ex-Kerala)	228	230	231	236	239	241
- Rest of India	134	135	138	142	142	143
Total Branches	801	805	810	822	828	831
ATMs						
- Kerala	565	587	607	651	670	682
- South India (Ex-Kerala)	295	311	323	362	374	376
- Rest of India	158	165	178	187	200	202
Total ATMs	1,018	1,063	1,108	1,200	1,244	1,260

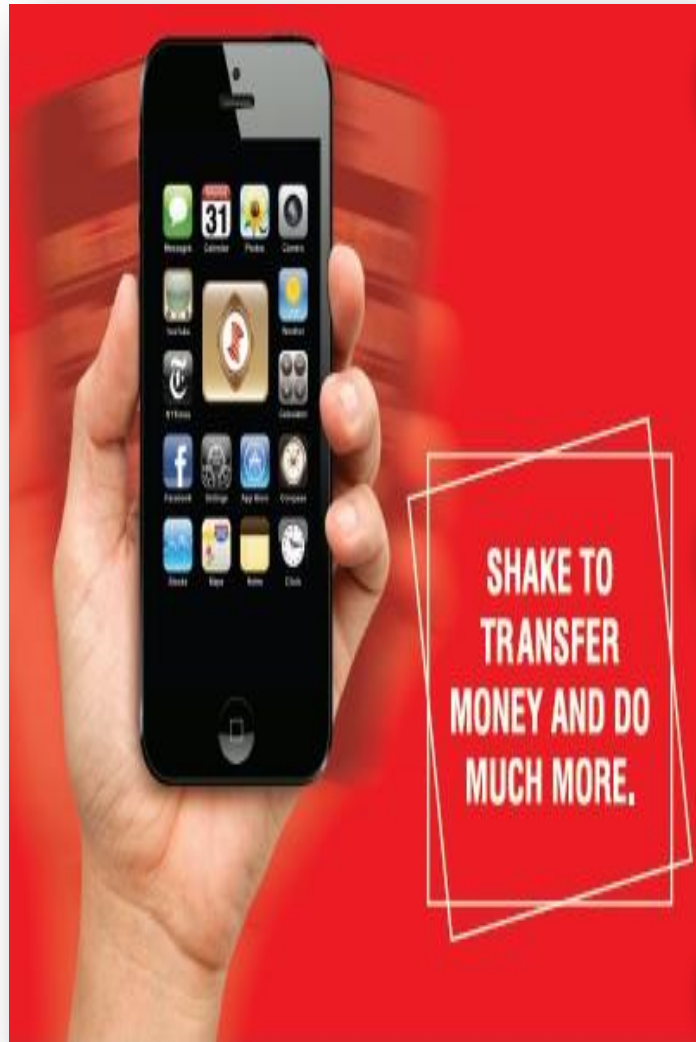


Present across Customer Touch Points

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



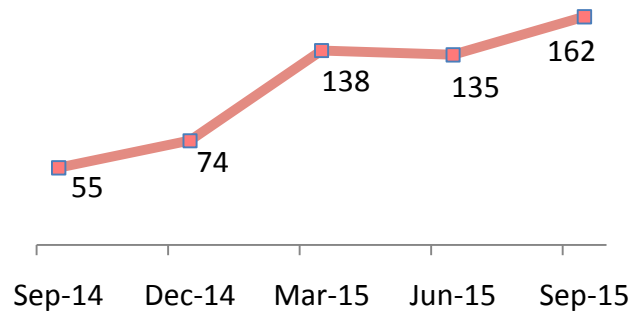
Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

Personal Banking: Technology Banking



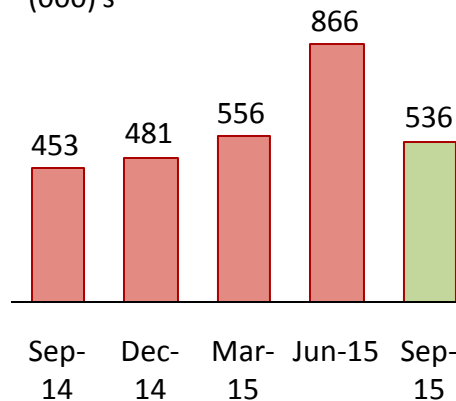
Active Internet Users

(000)'s



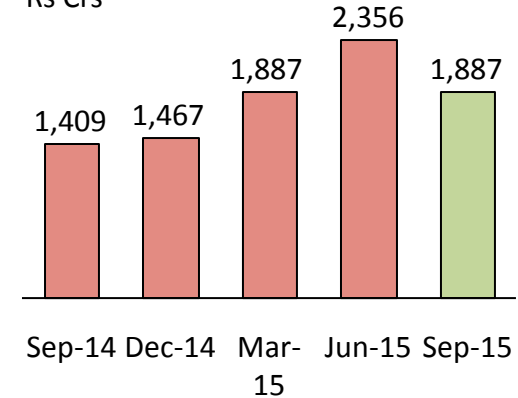
Internet Transaction Volume

(000)'s



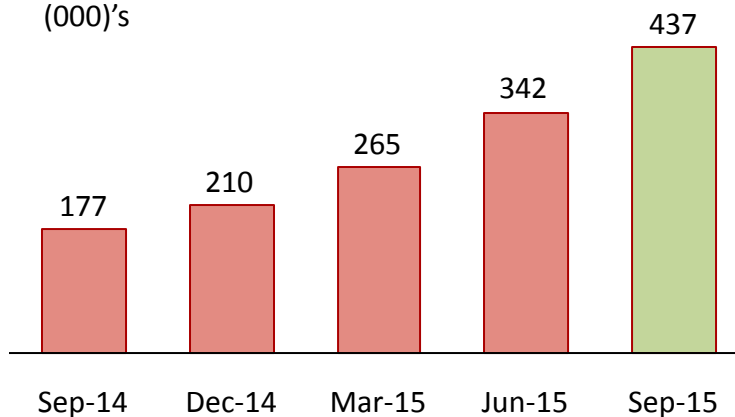
Internet Transaction Value

Rs Crs



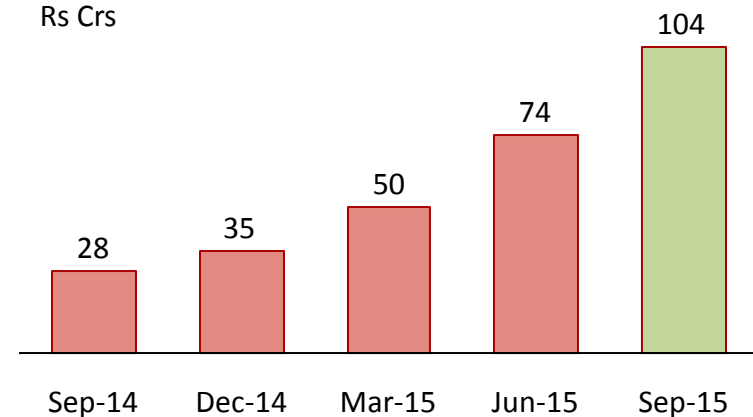
Mobile Transaction Volume

(000)'s



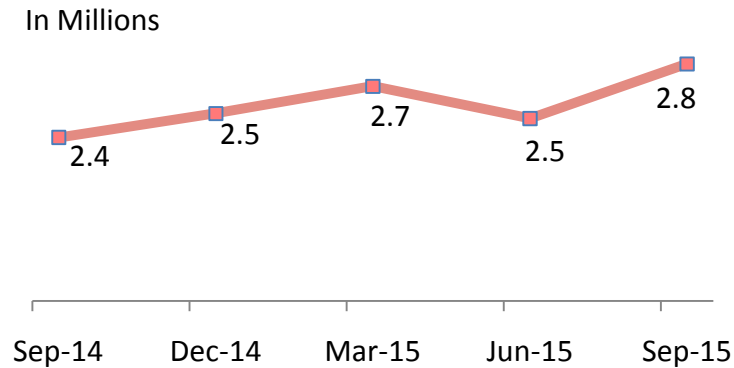
Mobile Transaction Value

Rs Crs

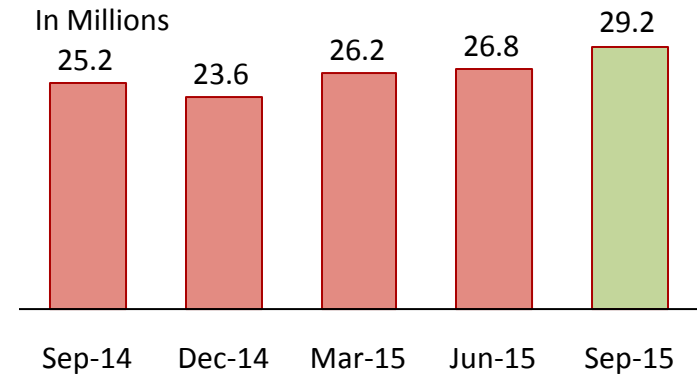


Personal Banking: Debit Cards

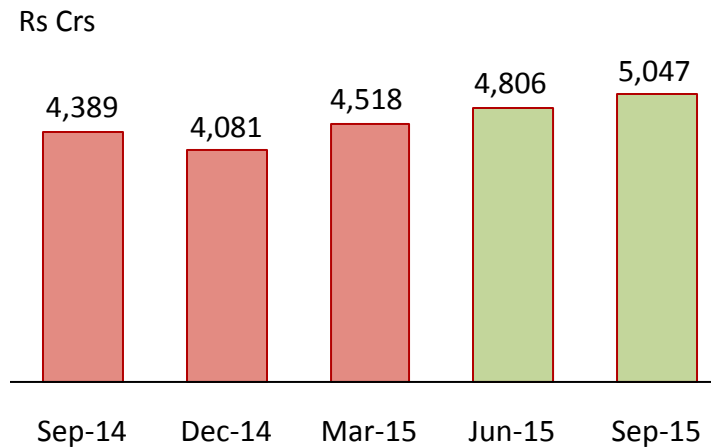
of Active Debit Cards



Debit Card Transaction Volumes



Debit Card Transaction Value





An Inflection Point



Way Forward



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 GM 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



Awards & Recognitions



Awards & Recognition

SIB wins 'Best Private Sector Bank' in the ABP News BFSI Awards 2015



SIB wins 'Best IT Team Award'
Banking Technology Excellence Award



SIB wins Banking Frontiers Inspiring Work
Places Award



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