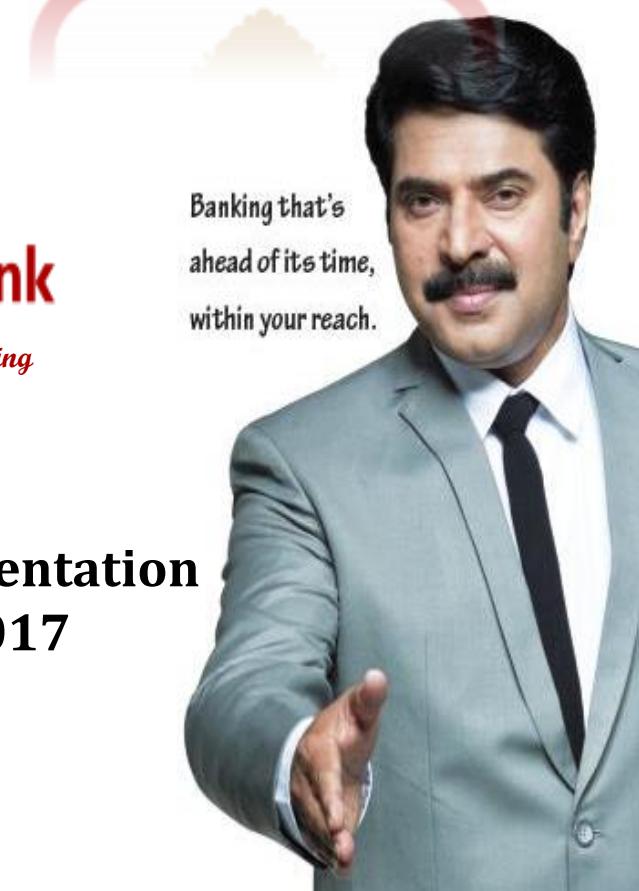




Experience Next Generation Banking



Investor Presentation July - 2017



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Contents



Q1 FY18 Highlights



Business Strategy



Performance Matrix



Next Generation Bank



An Inflection Point



About Us



Q1 FY18 Highlights



Key Performance Highlights- Q1 FY18

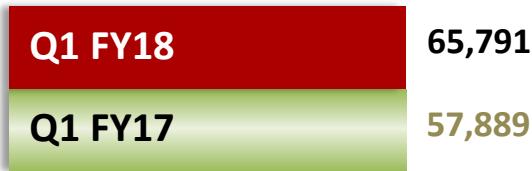


CASA



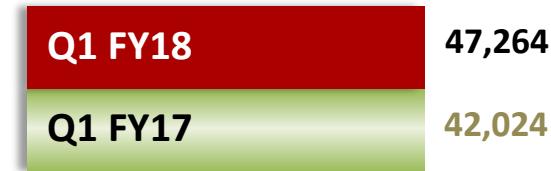
▲ 23%

Deposits



▲ 14%

Advances



▲ 12%

Net Interest Income



▲ 23%

Other Income



▲ 26%

PPOP



▲ 46%

PAT



▲ 7%

We have 'ZERO' accounts in our Watchlist of Large Corporate Book

Recent Updates



- South Indian Bank has tied up with PFG Forex for remittance facility for the benefit of Indian expatriates from Australia
- Under this arrangement, NRIs can enjoy cost-effective and fast remittance services using SIB's Express facility
- NRIs can visit the PFG Forex outlets across Australia for remittances to India



- South Indian Bank has tied up with Kotak Life and SBI Life for Life Insurance and Max Bupa for Health Insurance distribution
- The strong growth witnessed by these insurance majors will help in boosting fee income for SIB
- SIB will leverage on the strong risk management expertise of these insurance majors to bolster the product offering to its customer base



Our Strategy...



Expand Retail Business

- Focus on retail loan products
- Efficient branches for faster processing of loans
- 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
- 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
- Enhance treasury capabilities & increase branch strength
- Expand PoS & ATM Network
- Leveraging technology to introduce modern & new-age banking products

...Performance in Line with Strategy

Expand Retail, SME & Agriculture Business

Rs. 28,367 Crs

**INCREASE
15% YoY**

Strengthen SME Base

Rs. 10,851 Crs

**INCREASE
10% YoY**

Improve CASA

Rs. 16,586 Crs

**INCREASE
23% YoY**

Enhance Asset Quality
(Restructured Book)

Rs. 501 Crs

**DECREASE
64% YoY**

Improve share of other Income

Rs. 219 Crs

**INCREASE
26% 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

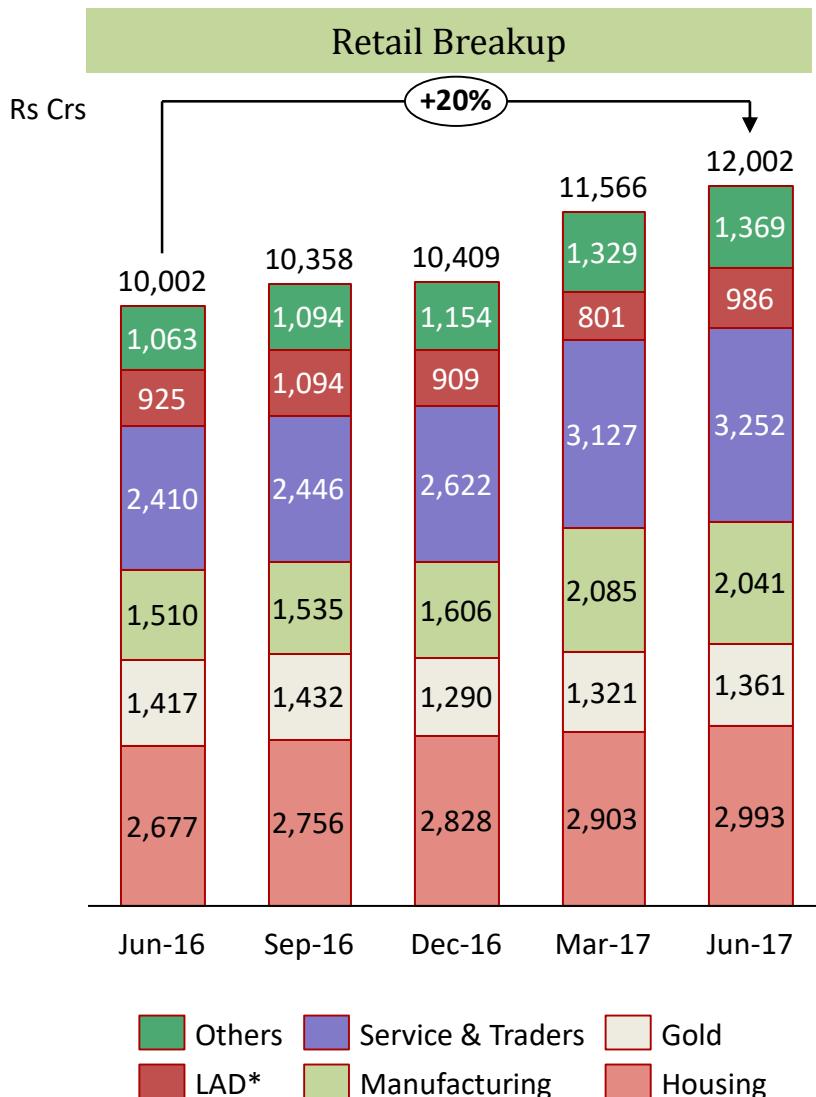
Cluster
Branches



Branch Profitability

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

...by focus on Housing Loans in Retail



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

Apr to Jun 2017

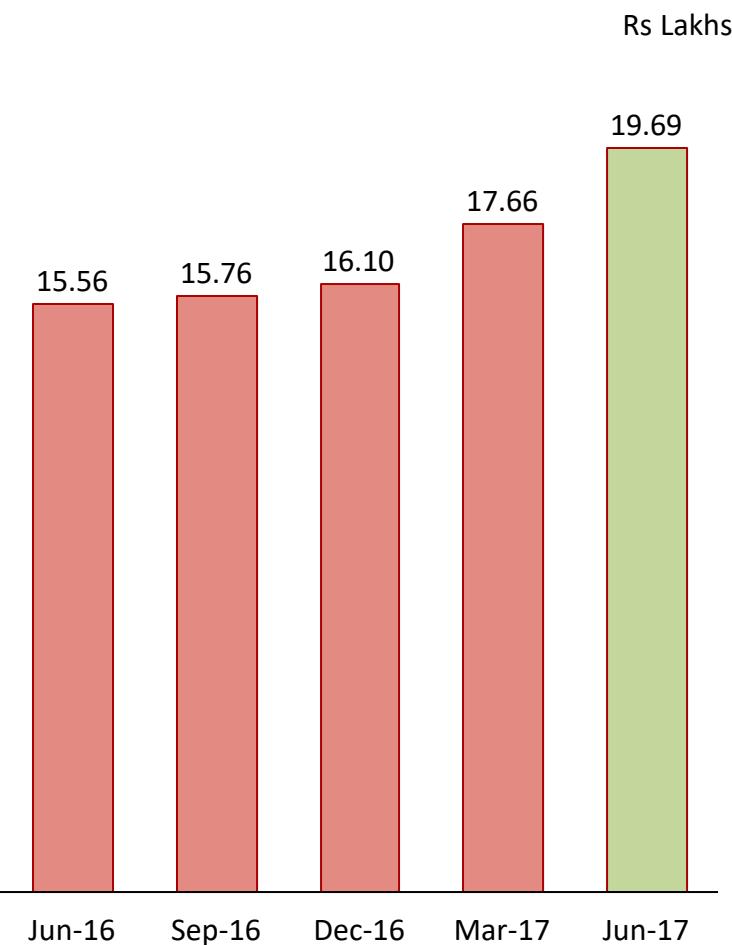
- Mortgage Loans Sanctioned : 1,155 Nos.
- Amount of Mortgage Loans Sanctioned – 316 Crs

*LAD = Loan against deposits

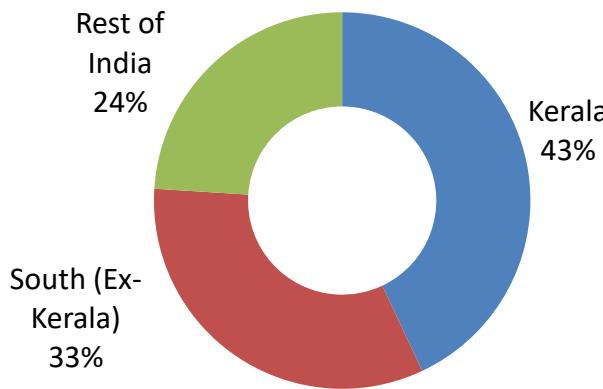
...becoming a Banker of Choice to SMEs



Average SME Loan / Account



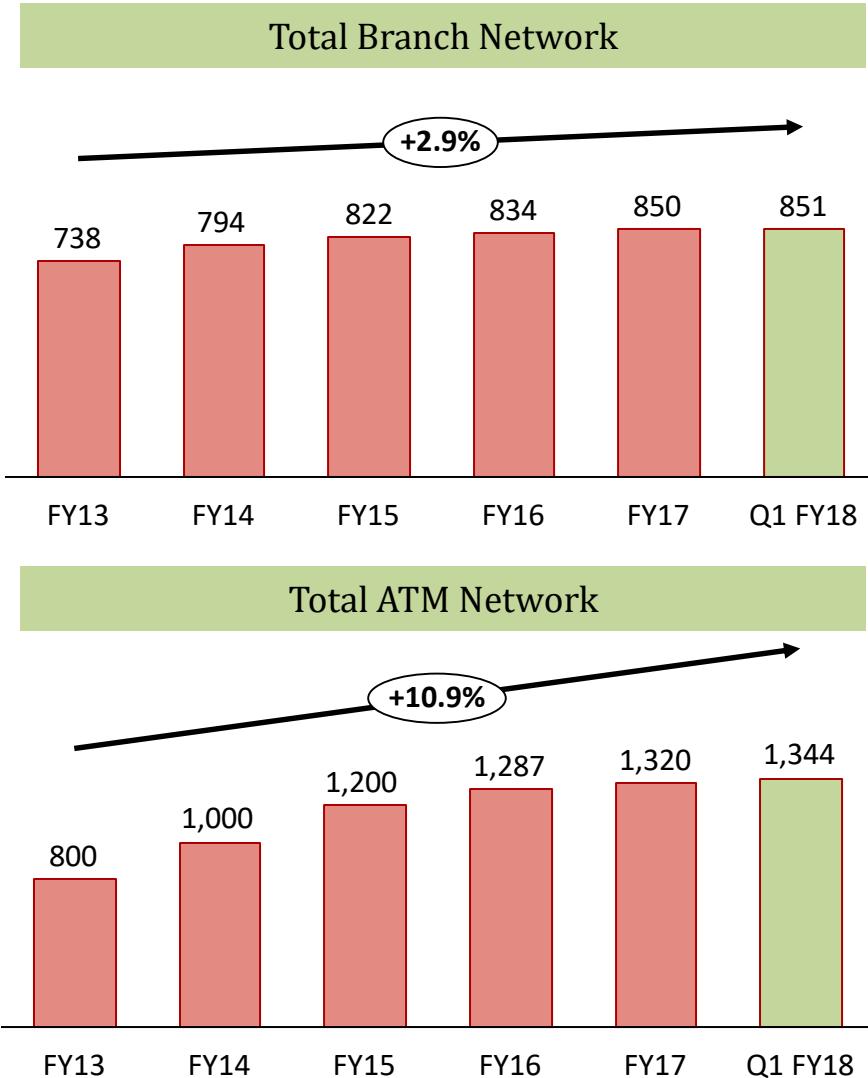
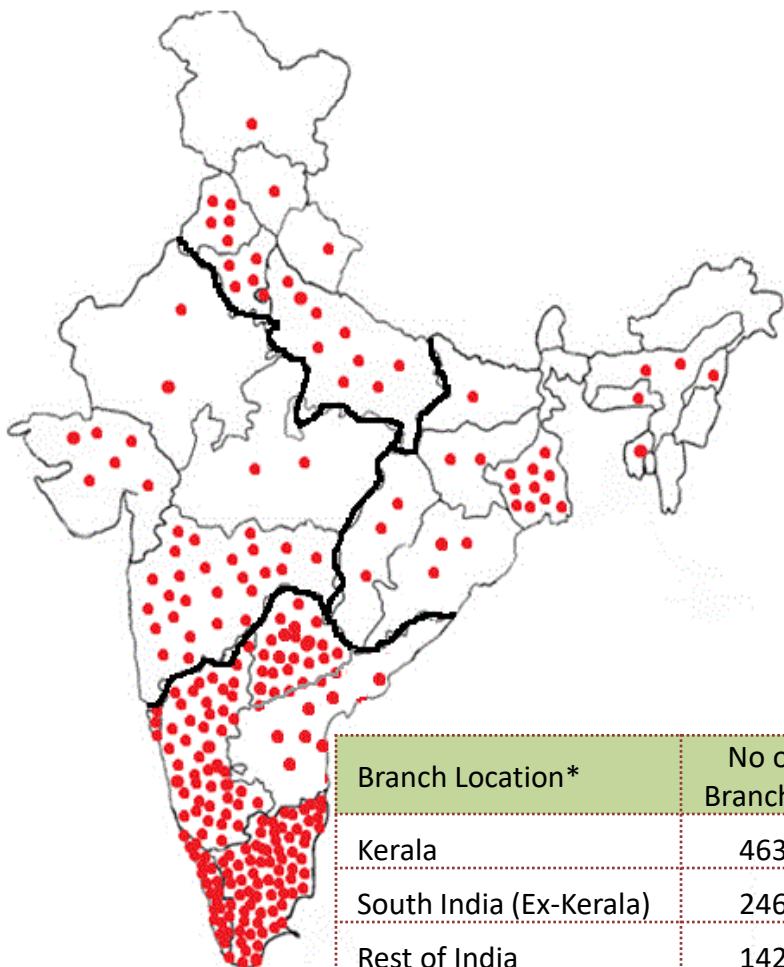
SME Loan Book by Geography – Q1 FY18



SME Highlights

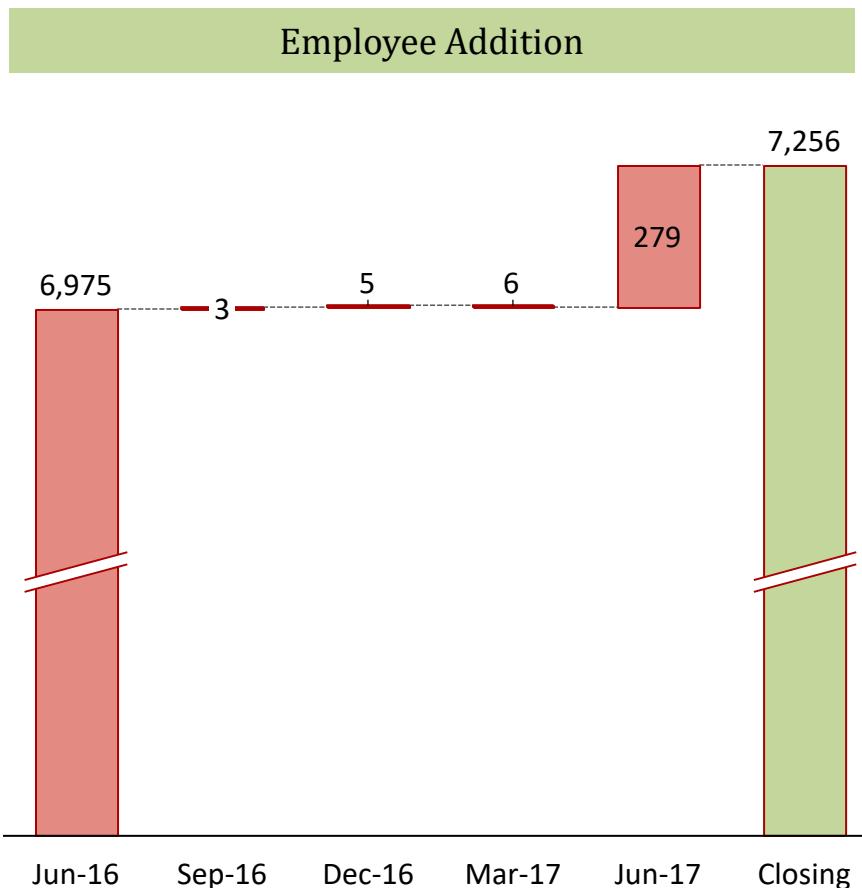
- Dedicated JGM appointed to ensure focus and better coordination with regions
- Focused 'Green Channel' branches to drive faster loan growth to SMEs
- Target to become banker of choice to SMEs thereby getting other business as well – liabilities, vehicle finance, etc.
- Ongoing training (in-house as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

...with the help of our Branch Network

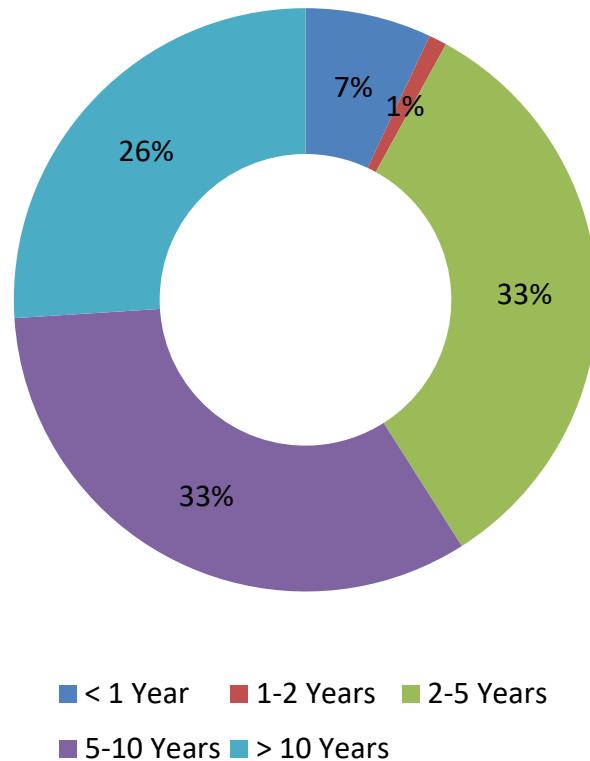


*Map for illustration purpose only

... and our Experienced Employees



Total Employees: 7,256*



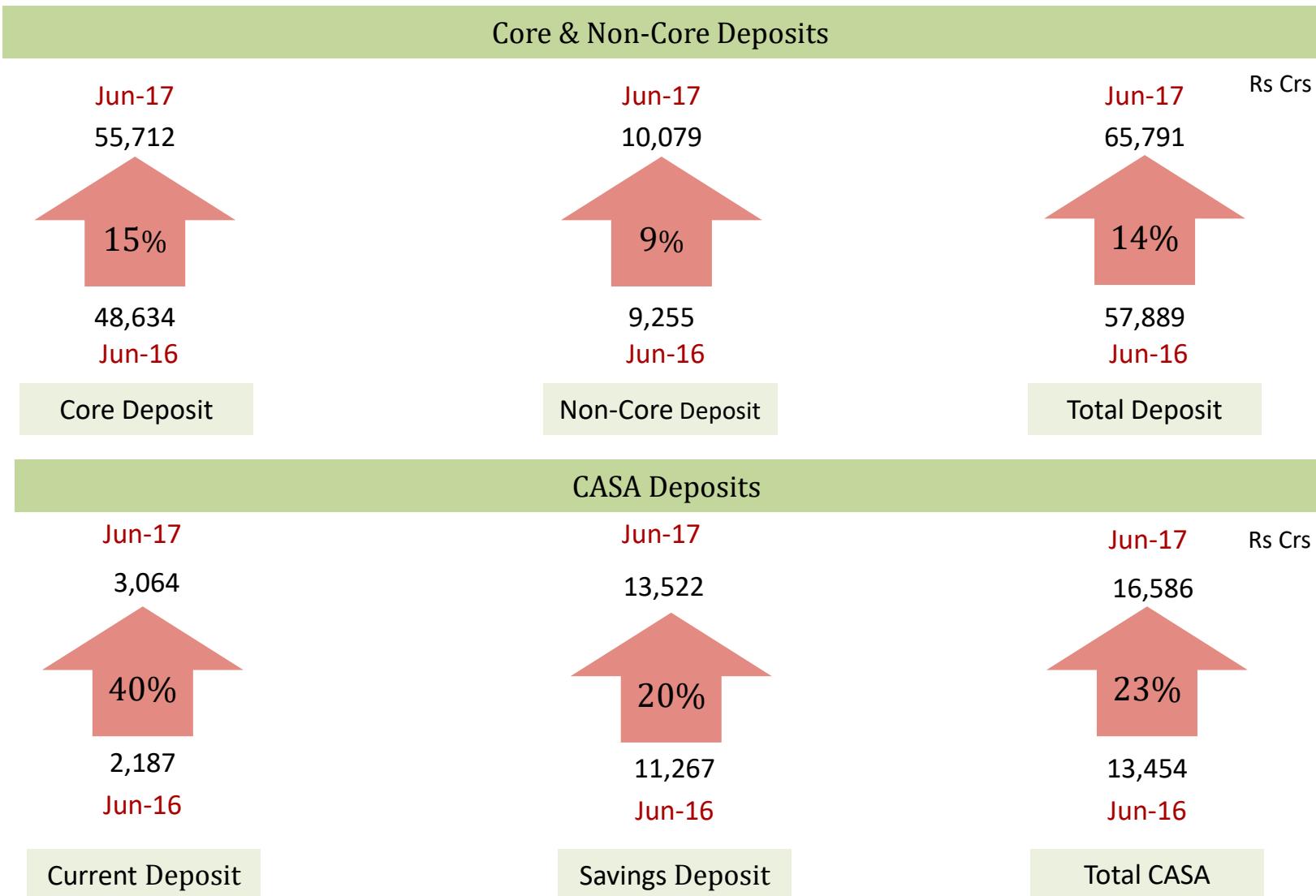
*Employees include full-time officers and clerks.



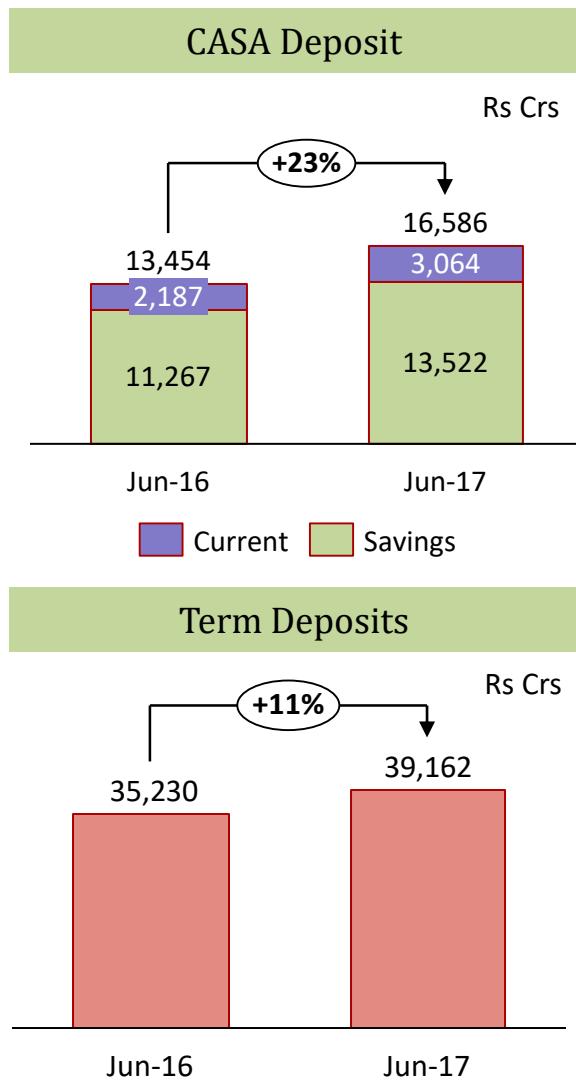
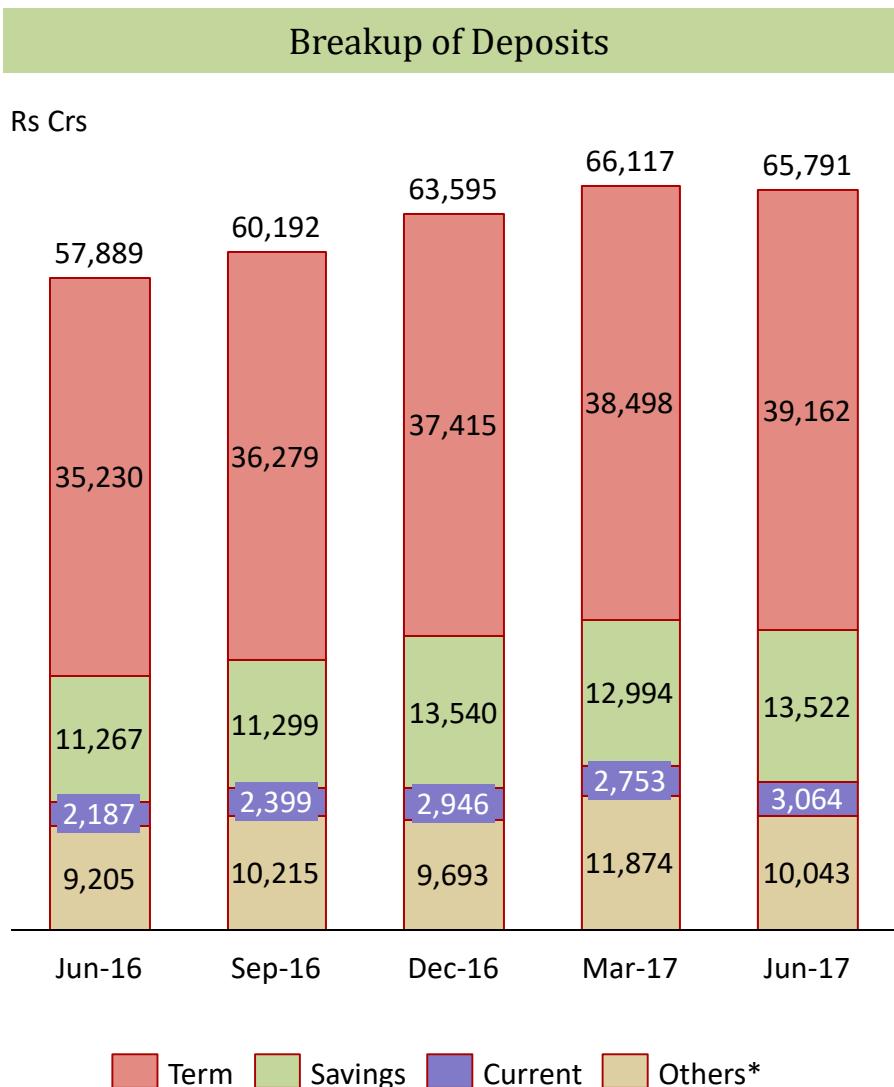
Performance Matrix



Strong Deposit Franchise

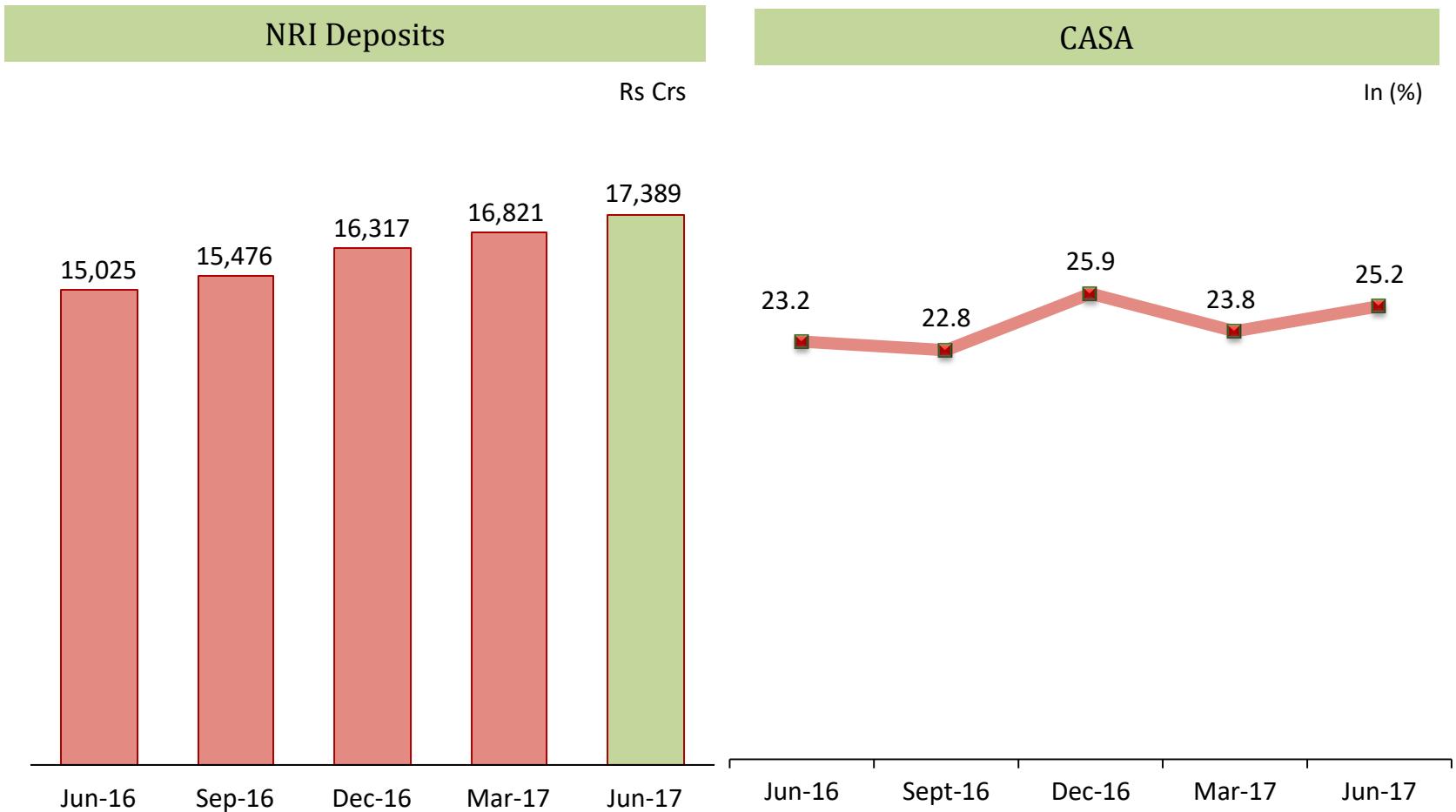


Core Deposits Growing...

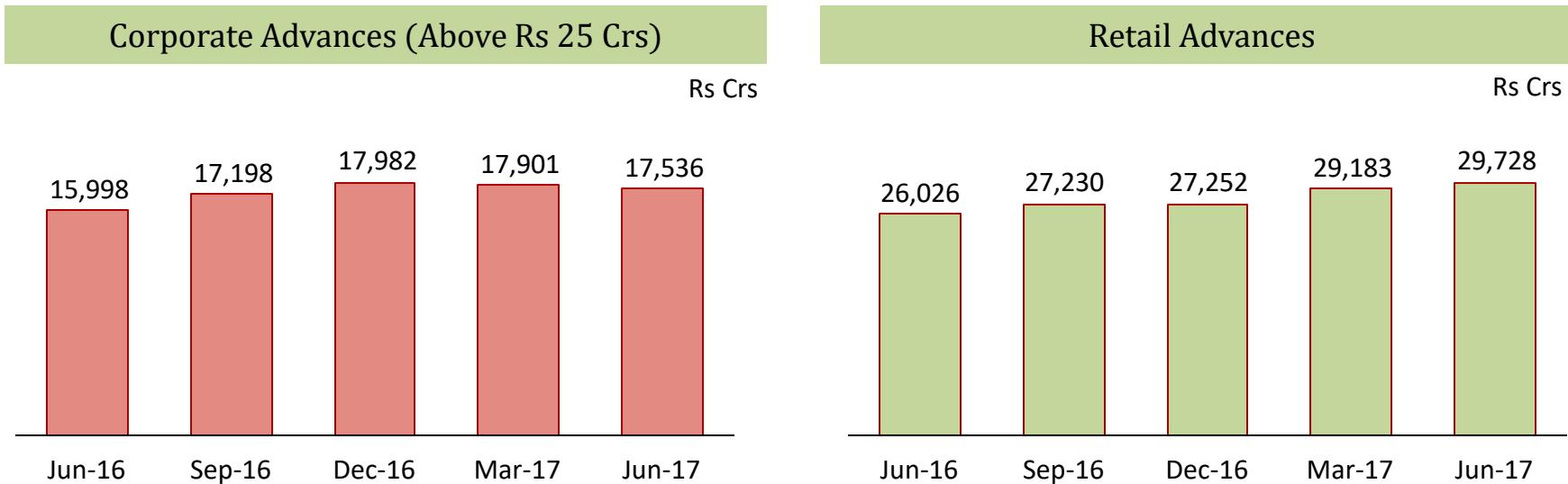


*Others includes: Bulk, Certificates of Deposits

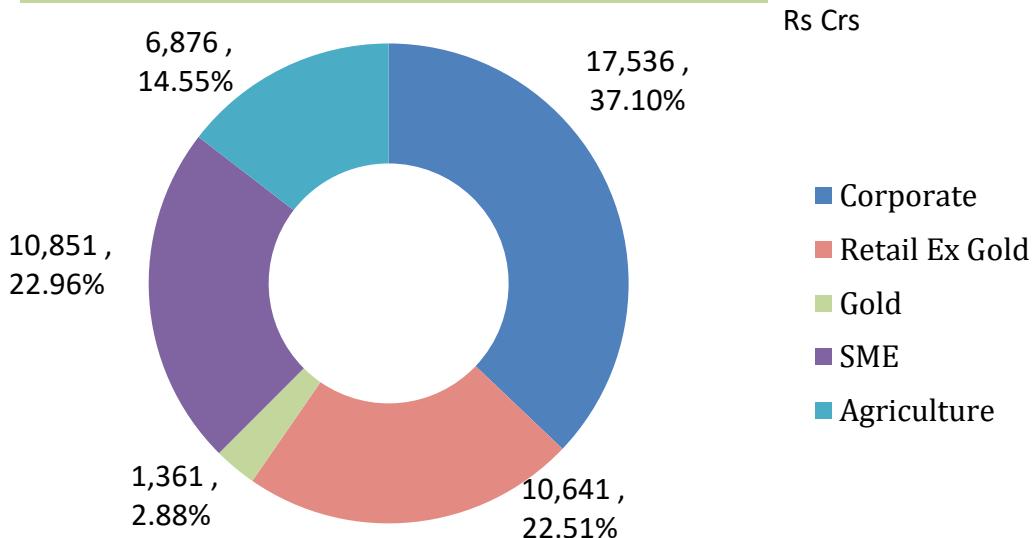
NRI Deposits Growing...



Composition of Loan Book



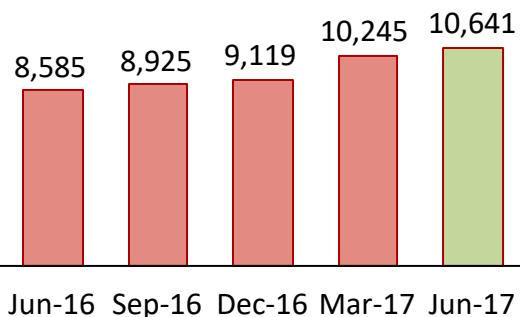
Segment wise Break Up of Total Loan Book



Key Focus : Retail, SME & Agriculture

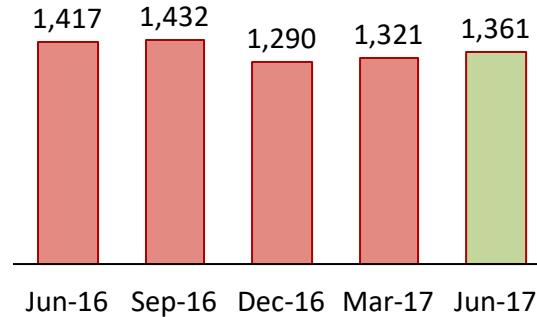
Retail excluding Gold

Rs Crs



Gold (Average LTV – 65%)

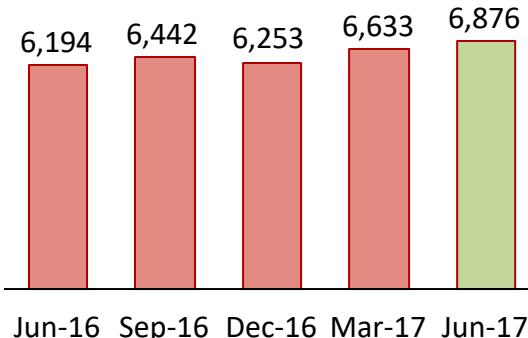
Rs Crs



Retail Loans (Excl. Gold), Agriculture & SME has grown by 15%

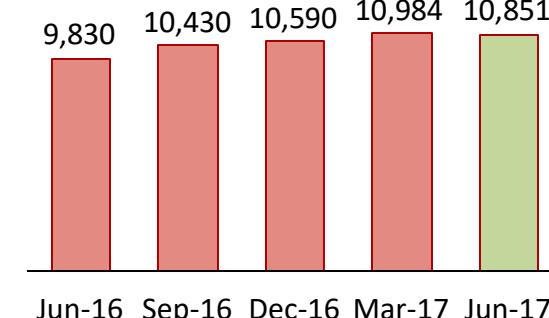
Agriculture

Rs Crs



SME

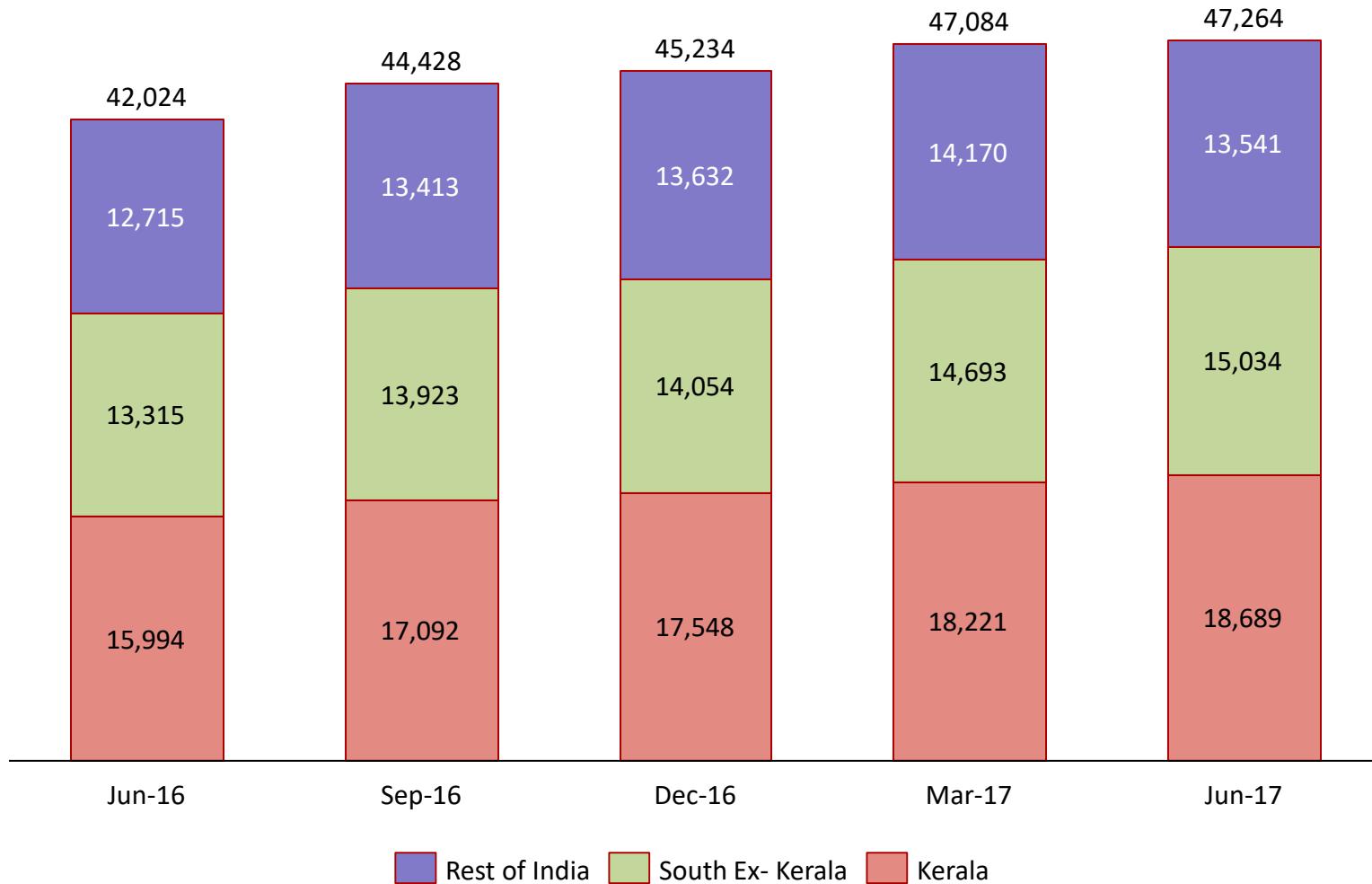
Rs Crs



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

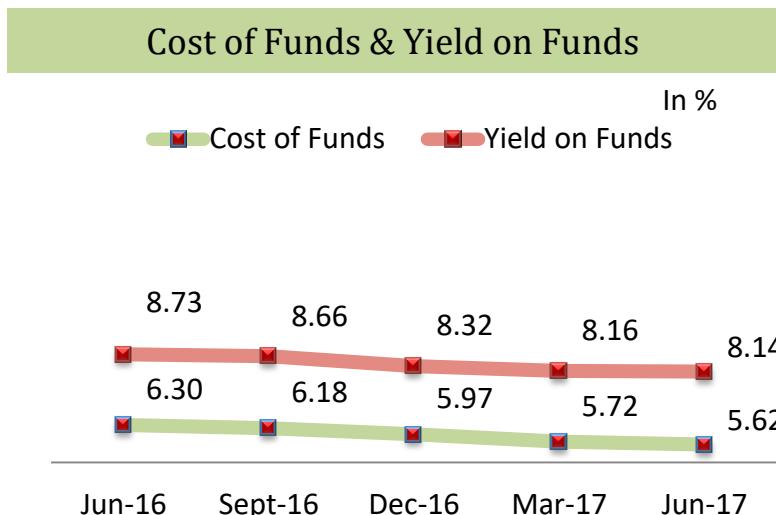
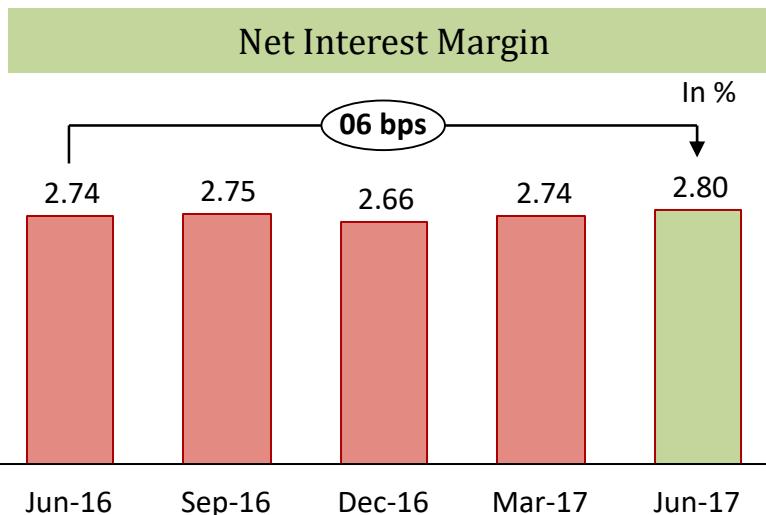
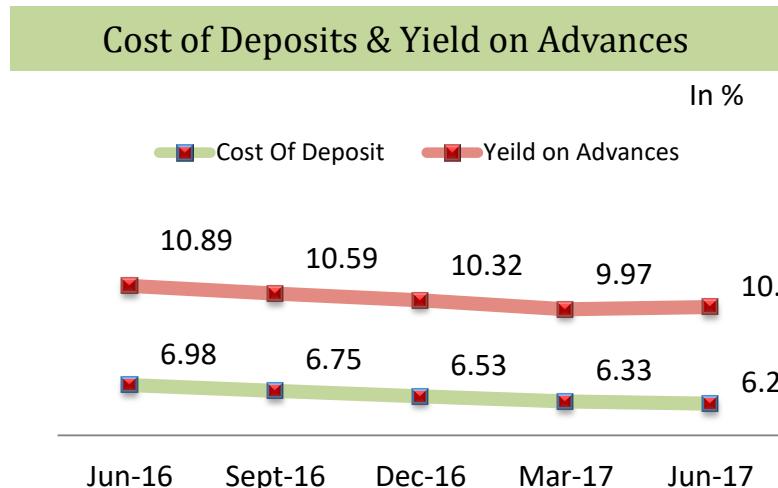
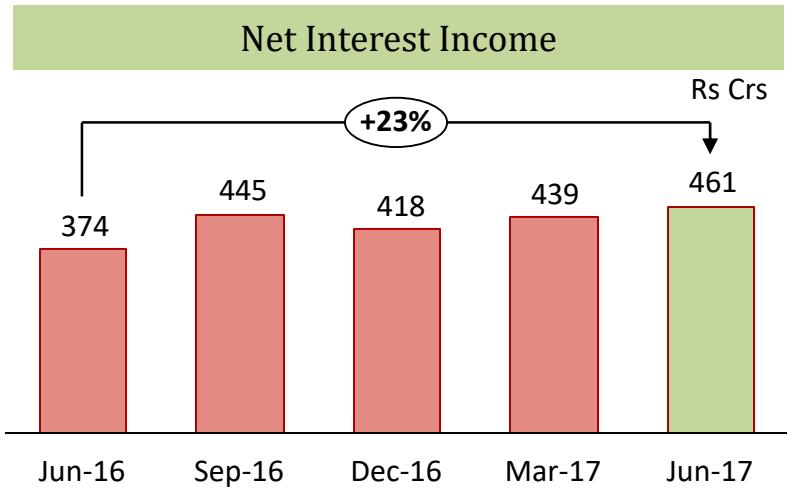
Advances growing Across Regions

Rs Crs

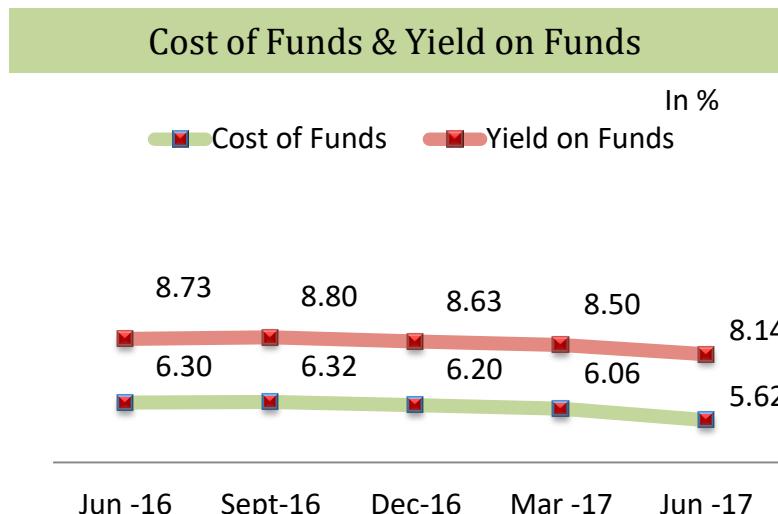
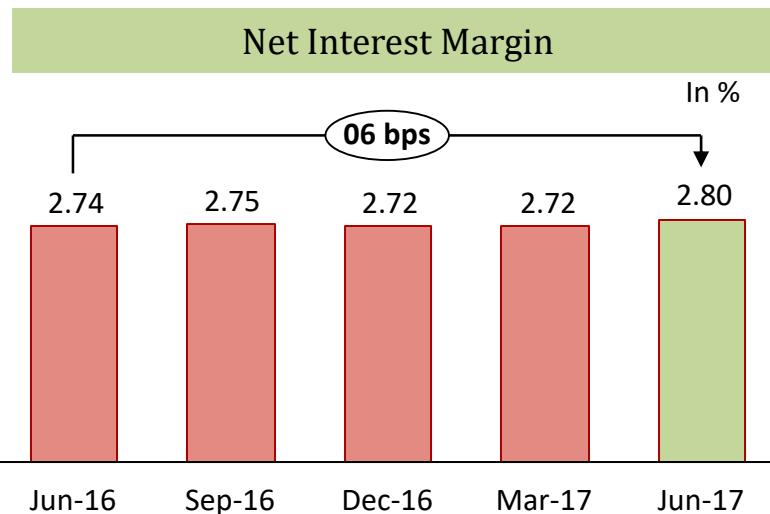
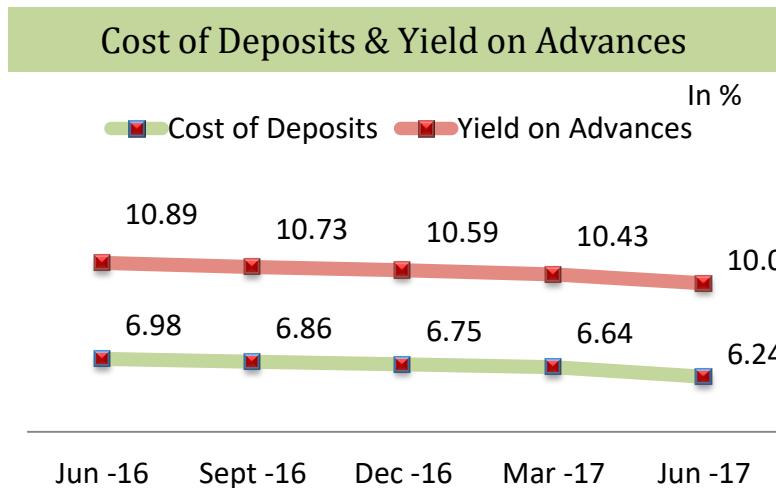
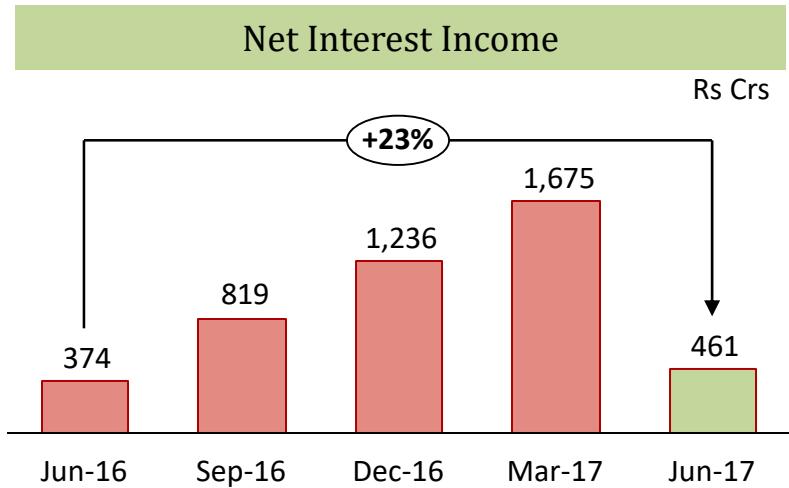


 Rest of India  South Ex- Kerala  Kerala

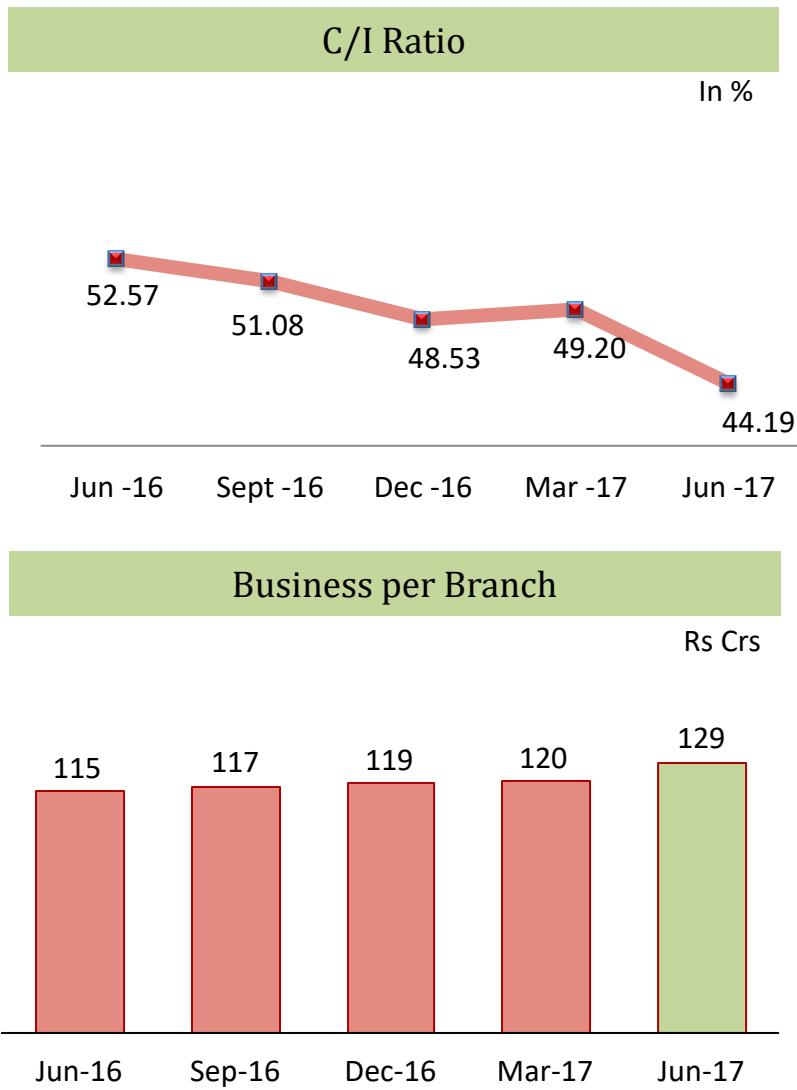
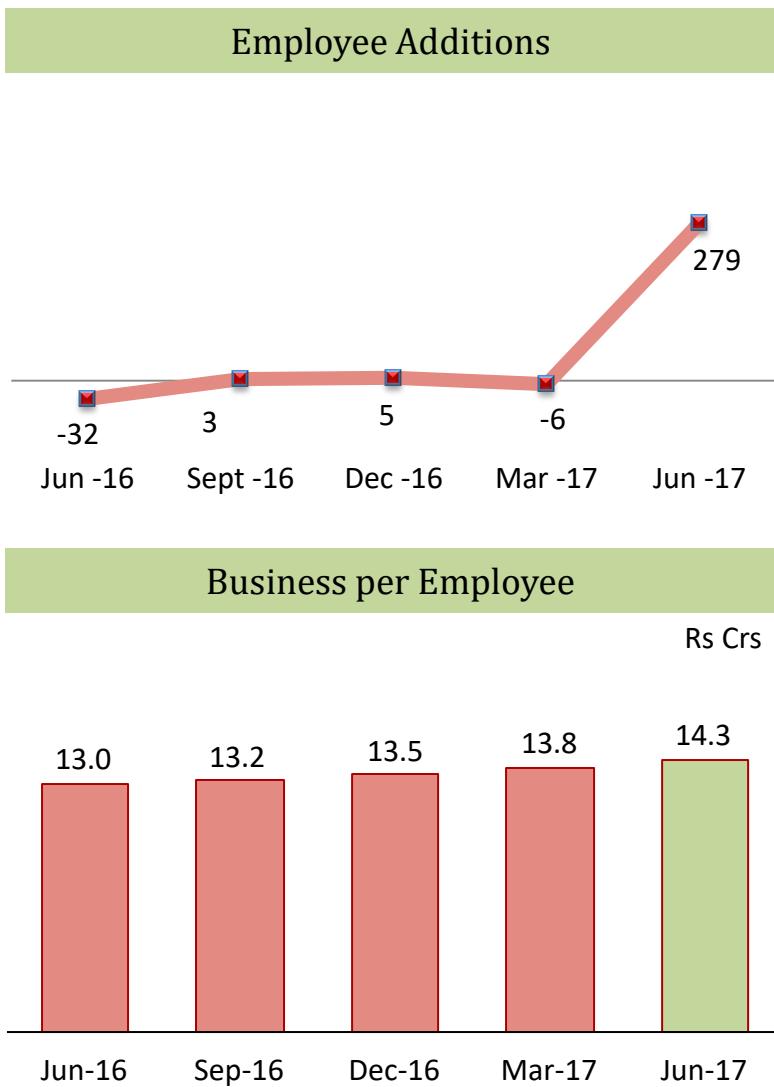
Net Interest Income - Quarter



Net Interest Income - Cumulative

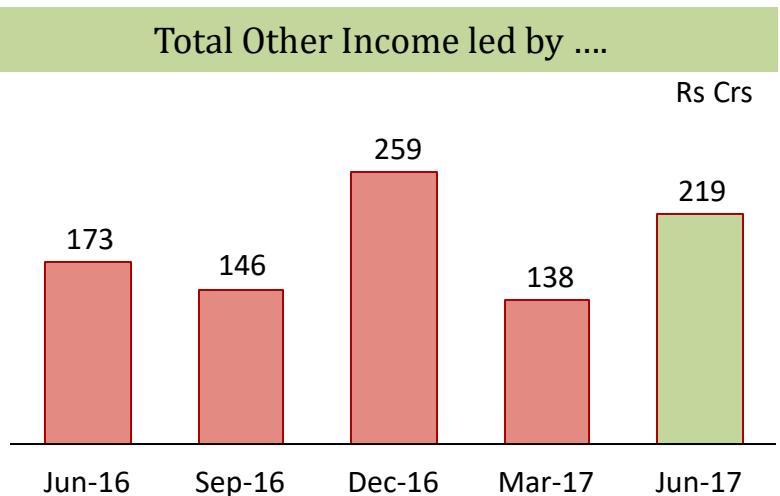


Improving Operating Efficiency

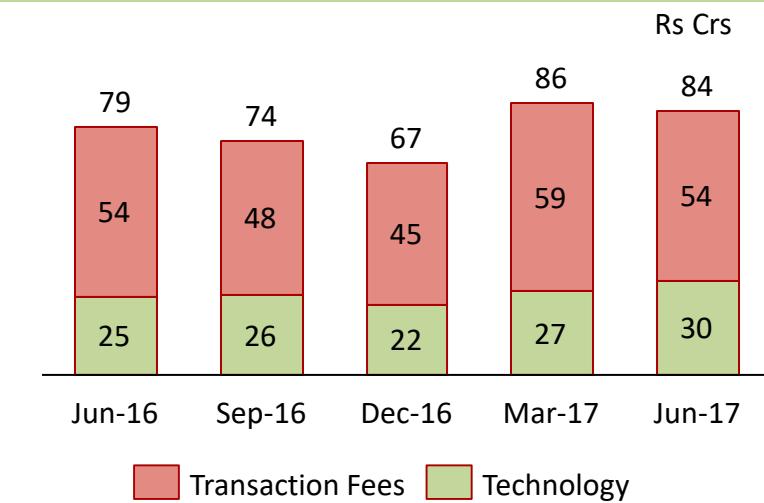


Sustainable Other Income

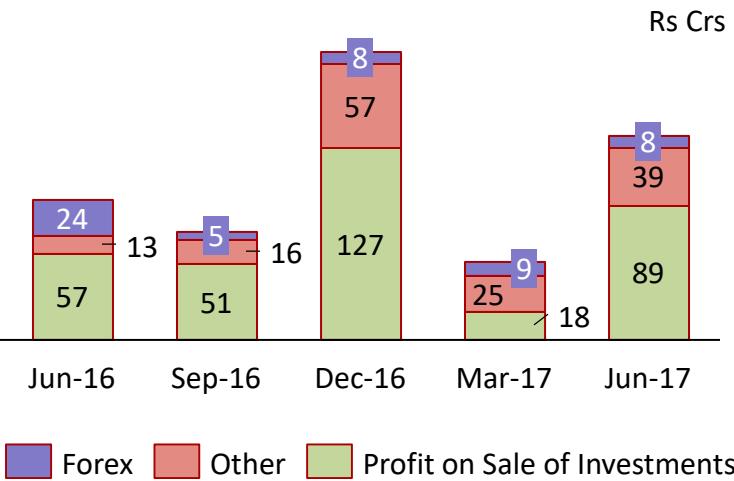
Total Other Income led by



...Sustainable : Transaction Fees + Technology



Profit on Sale of Investments, Forex & Others



Investment Book as on Jun-17

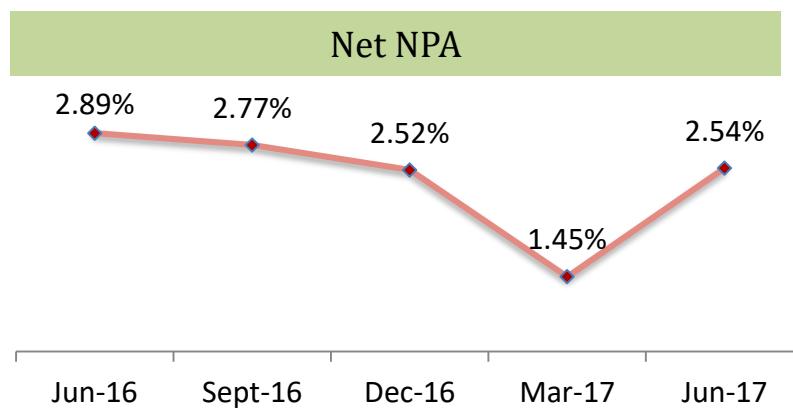
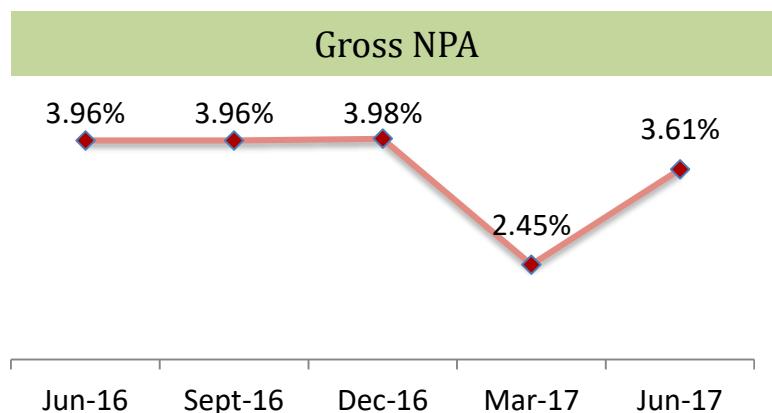
Details	Rs. Crs	M Duration
HTM	13,873	5.66
AFS	4,645	3.69
HFT	49.47	6.93
Total	18,568	5.32

Break Up of Provisions



Rs Crs	Q1-FY 18	Q1-FY 17	Q4-FY 17
For NPA & NPI	184.4	93.1	231.6
For Depreciation on Investments	26.1	-5.4	23.3
For Standard Assets	-6.9	22.2	-21.1
For Restructured Advances/Sacrifices & FITL	-0.2	4.1	-34.0
For Unhedged Forex Exposure	-0.7	0.3	-2.4
Others	21.7	-0.2	-32.2
Taxes	53.7	50.3	40.0
Total Provisions	278.0	164.4	205.3

Non Performing Assets



Gross NPA Movement

Rs Crs	Jun-16	Sept-16	Dec-16	Mar-17	Jun-17
Opening	1,562	1,651	1,745	1,787	1,149
Additions	125	226	197	1,150	686
Deductions	36	132	155	1,788	140
Closing	1,651	1,745	1,787	1,149	1,696

Net NPA Movement

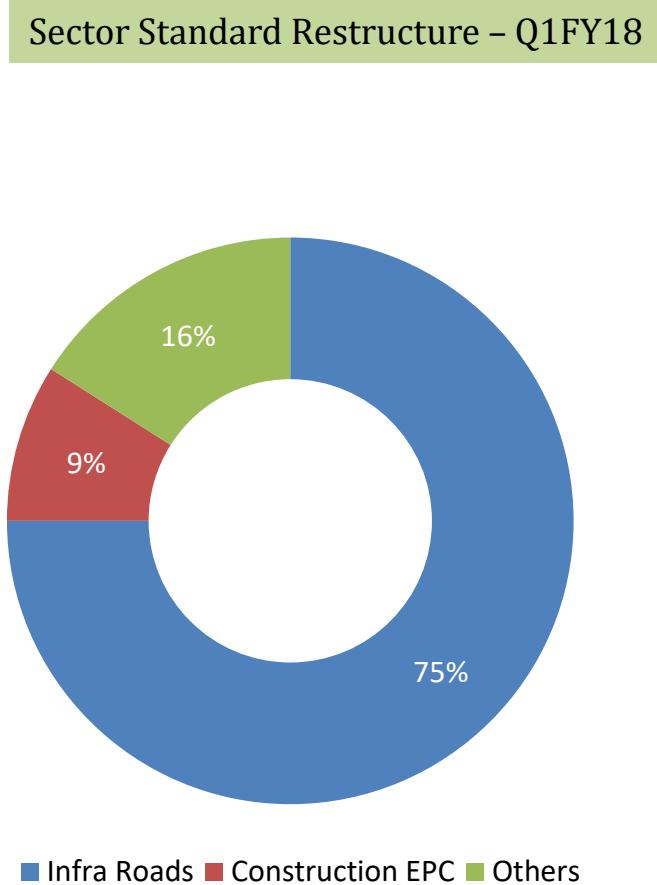
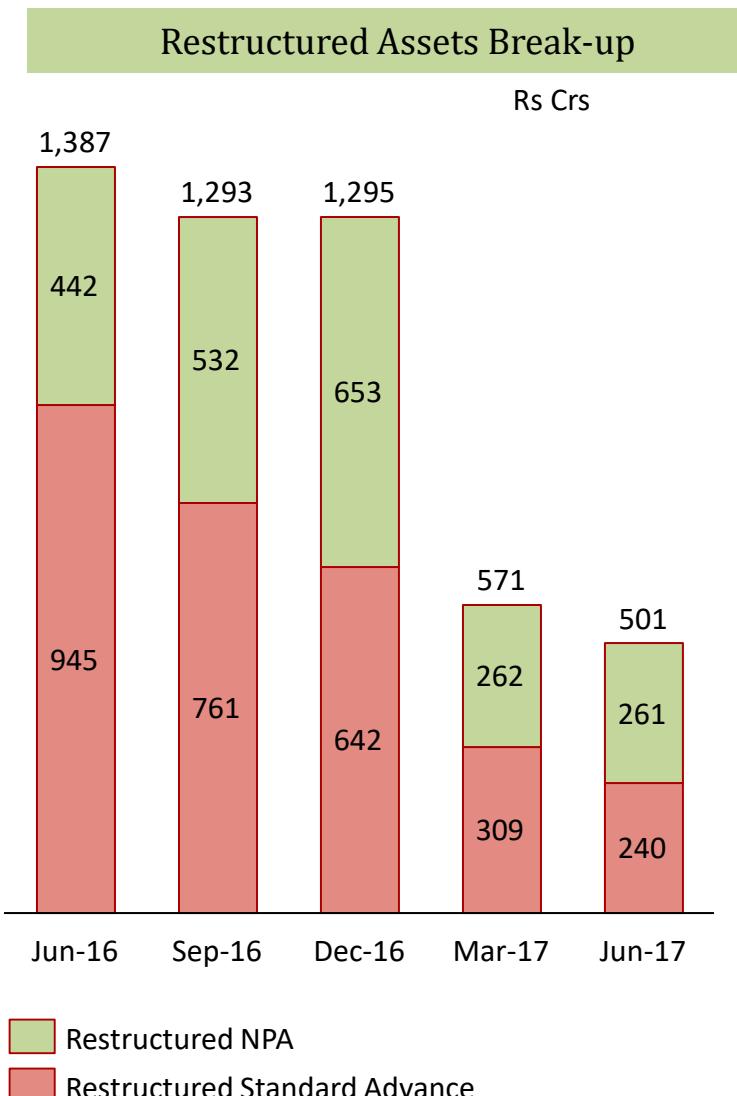
Rs Crs	Jun-16	Sept-16	Dec-16	Mar-17	Jun-17
Opening	1,185	1,192	1,206	1,116	675
Additions	105	135	125	991	580
Deductions	98	121	216	1,432	72
Closing	1,192	1,206	1,116	675	1,183

Stressed Assets - QoQ

Rs Crs	Gross Basis		Net Basis	
	Q4-FY 17	Q1-FY 18	Q4-FY 17	Q1-FY 18
NPA	1,149	1,696	675	1,183
Restructured Standard Advance	309	240	309	240
Other Stressed Advances	606	0	606	0
Total Stressed Assets	2,064	1,936	1,590	1,423
Advances	46,846	46,992	46,366	46,474
Stressed Assets as % of Advances	4.41%	4.12%	3.43%	3.06%

We have 'ZERO' accounts in our Watchlist of Large Corporate Book

Restructured Advances Breakup



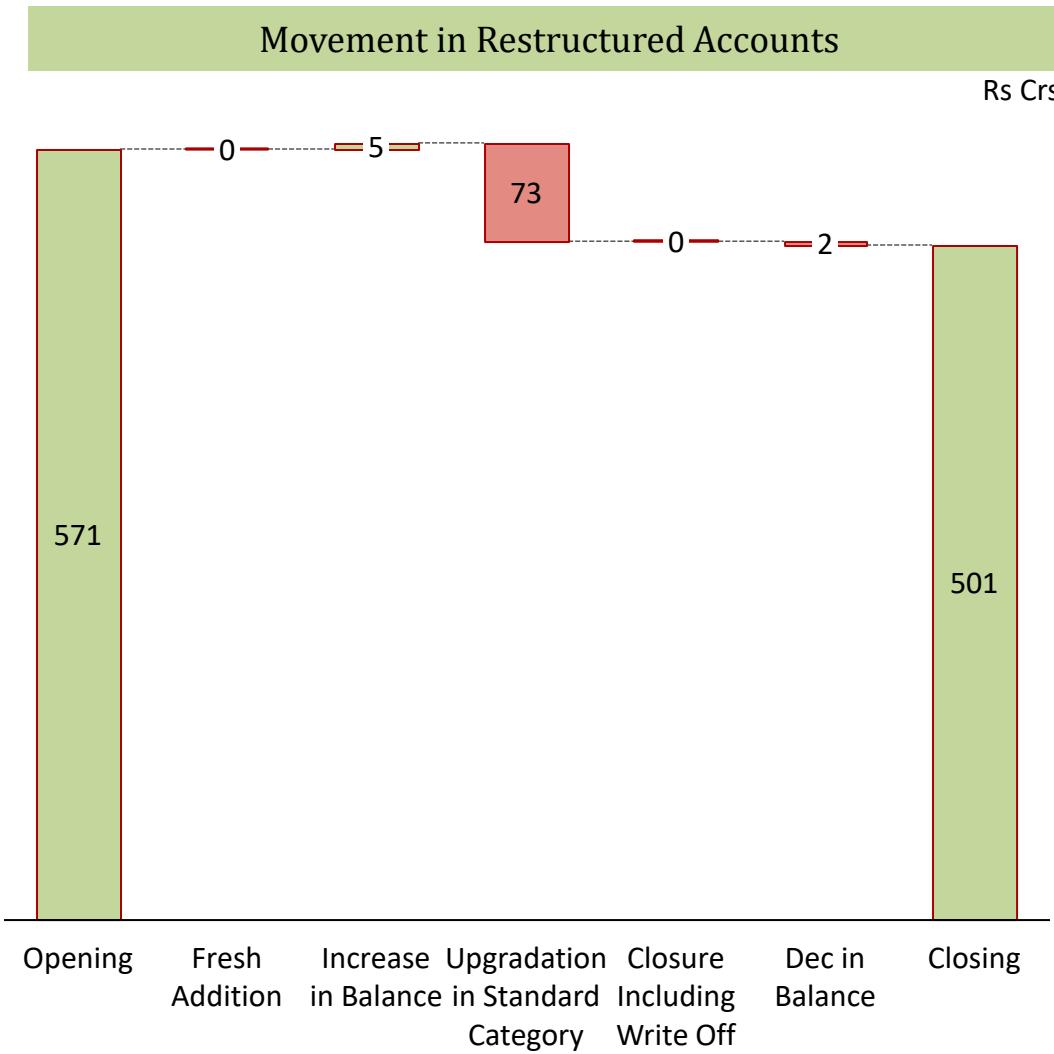
Restructured Standard Asset Book



Rs Crs

	Restructured Standard Advance						
	Opening	Fresh Addition	Increase in Existing Balance	Uday – SDL Investments	Decrease in Balance	Slippages to NPA	Closing Balance
Infra Roads	176	-	3	-	-	-	179
Construction EPC	22	-	-	-	-	-	22
Others	110	-	2	73	-	-	39
Total	309	-	5	73	-	-	240

Movement in Restructured Accounts

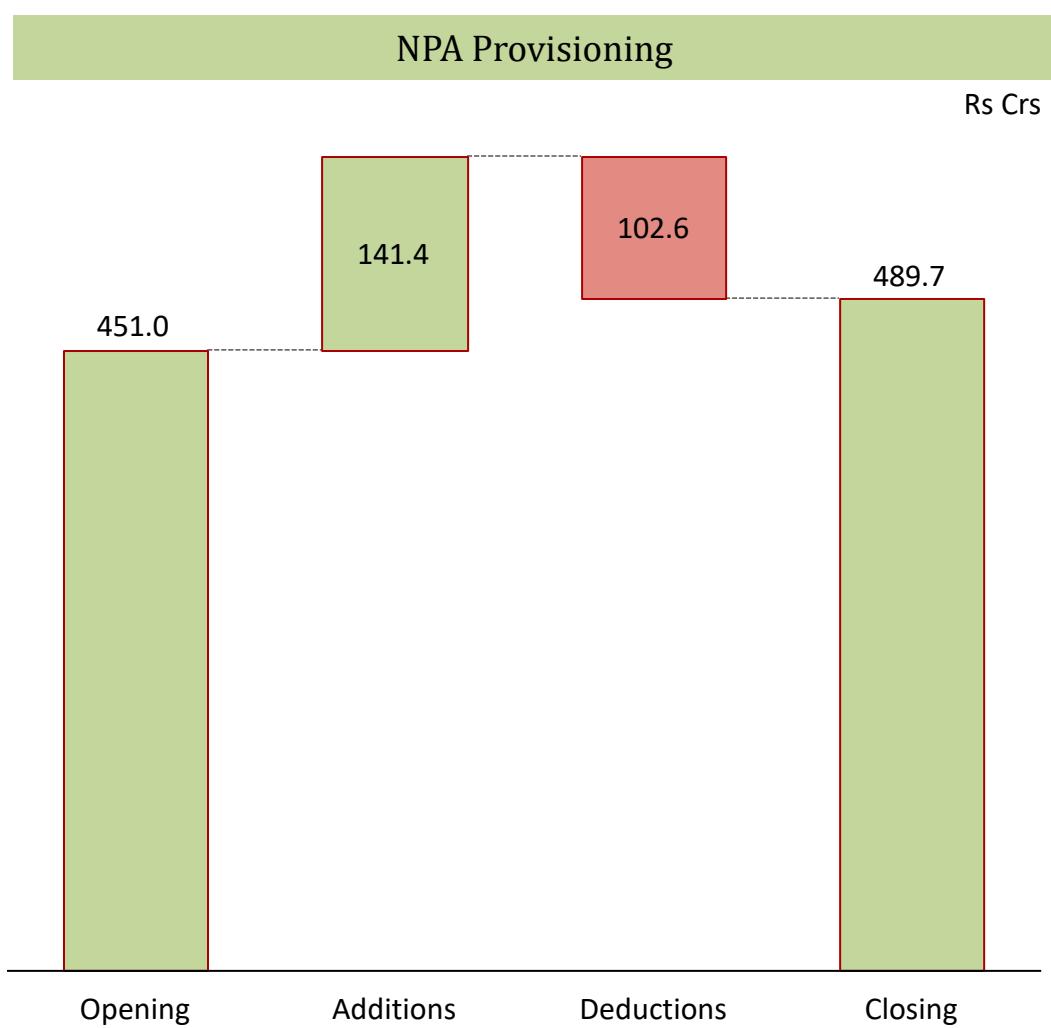


Shift of focus from Large Corporate to SMEs

Defocusing from Power & Infra Sectors

Special Recovery Cell & Asset Monitoring Cell

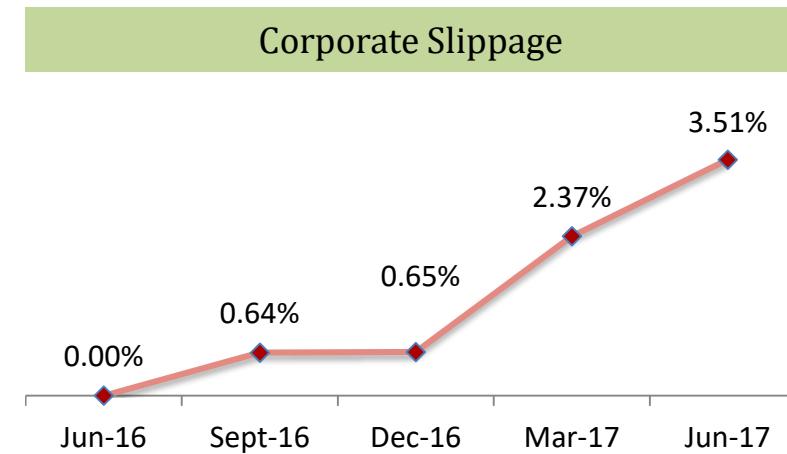
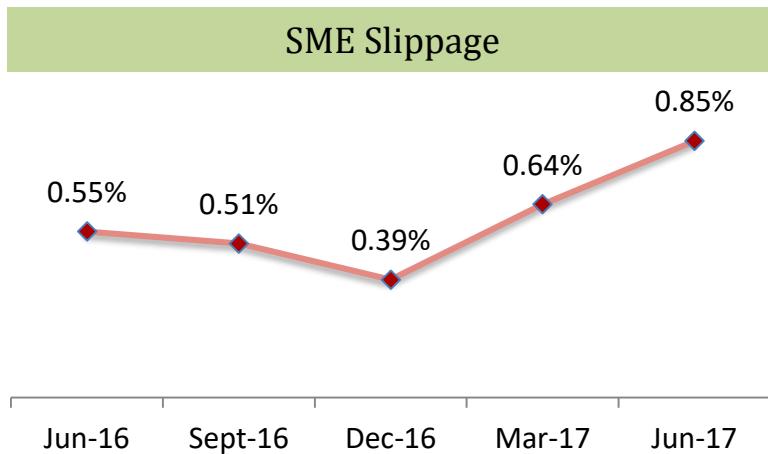
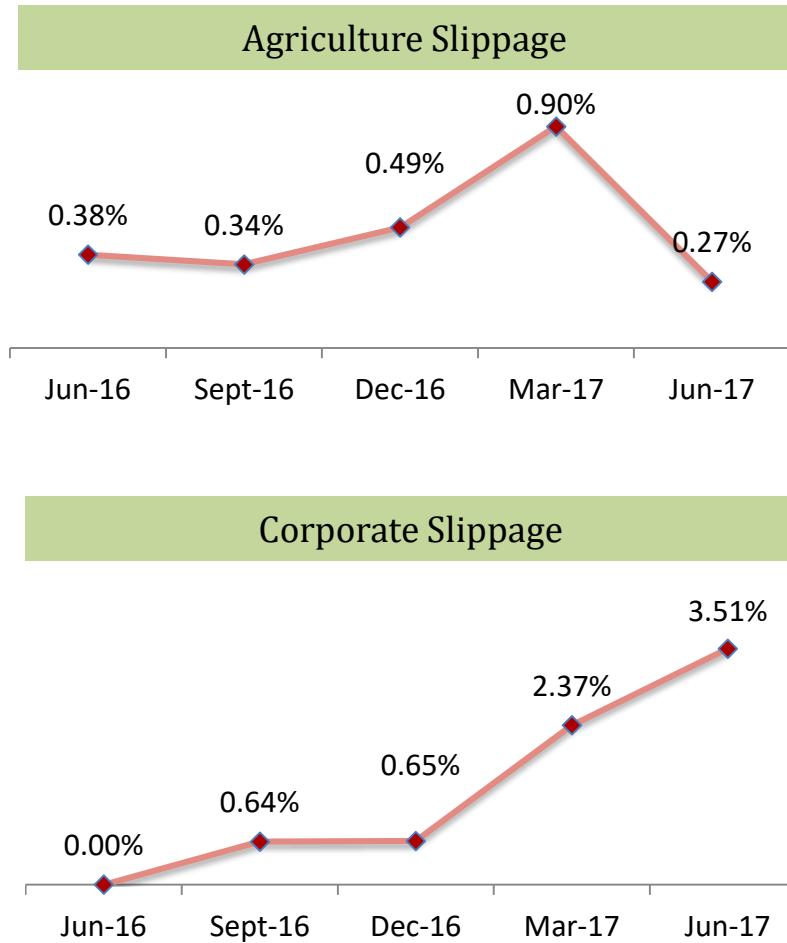
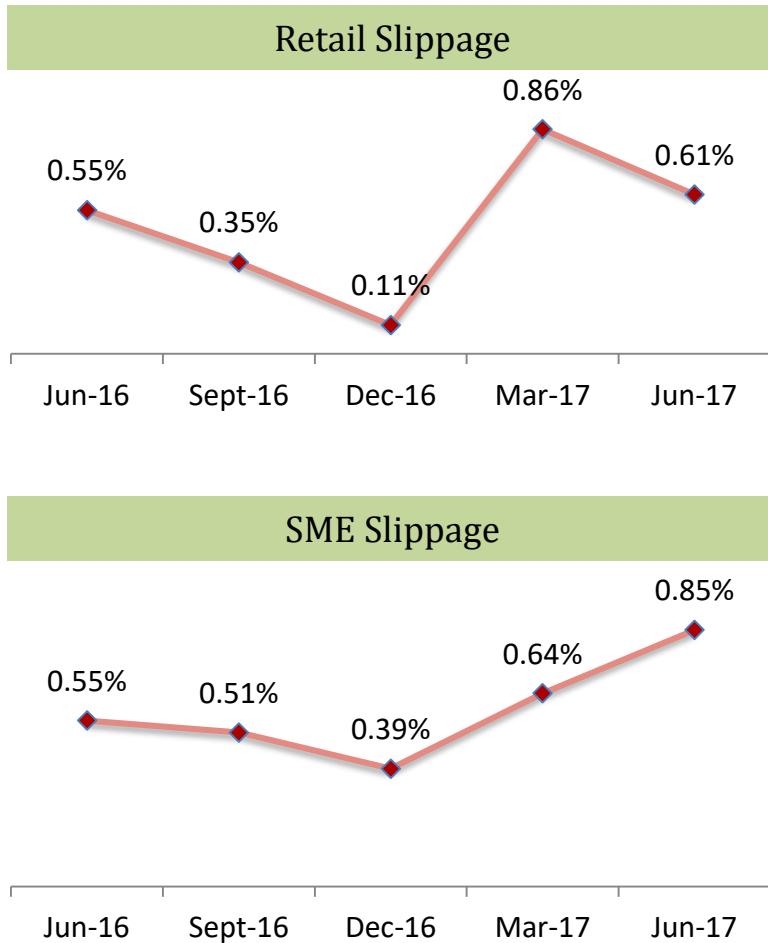
Adequate Provisioning



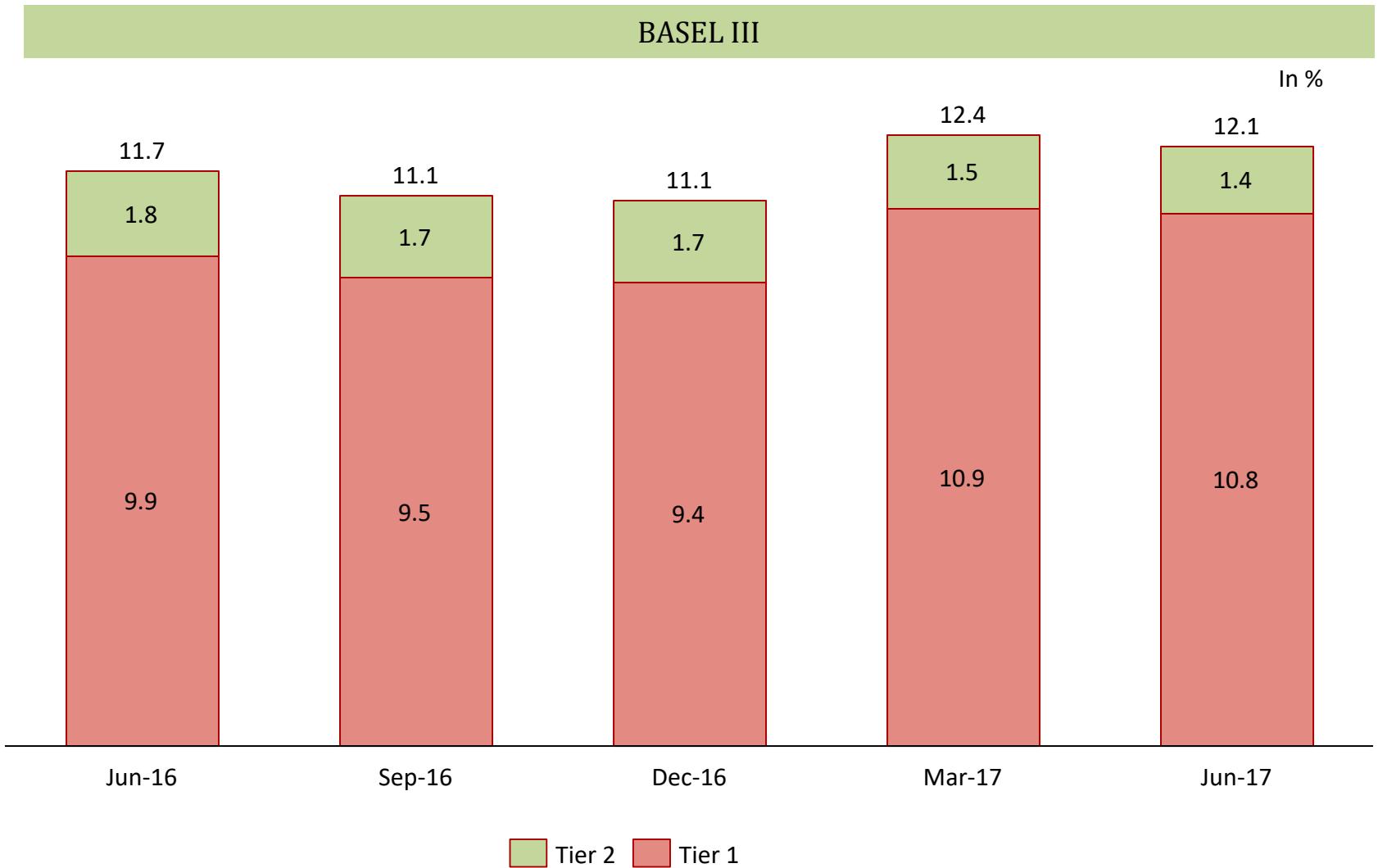
Provision Coverage
Ratio - 44.64%

NPAs in the initial period
of recognition require
lower provisioning

Fresh Slippages/Advance Ratios



Well Capitalized to support Growth



Balance Sheet Overview- Q1 FY18



Rs Crs	Q1-FY 18	Q1-FY 17	Y-o-Y (%)	Q4-FY 17	Q-o-Q (%)
Capital & Liabilities	73,195	64,504	13.47%	74,312	-1.50%
Capital	180	135	33.56%	180	0.03%
Reserves and Surplus	4,822	3,916	23.15%	4,665	3.36%
Deposits	65,791	57,889	13.65%	66,117	-0.49%
Borrowings	1,147	1,395	-17.77%	1,958	-41.41%
Other Liabilities & Provisions	1,255	1,169	7.33%	1,391	-9.82%
Assets	73,195	64,504	13.47%	74,312	-1.50%
Cash & Balances with RBI	3,206	2,602	23.23%	3,078	4.15%
Balances with Banks	321	827	-61.16%	810	-60.33%
Investments	18,499	15,386	20.24%	19,430	-4.79%
Advances	46,498	41,237	12.76%	46,389	0.23%
Fixed Assets	653	594	9.94%	656	-0.44%
Other Assets	4,018	3,858	4.15%	3,949	1.75%
Business (Advances + Deposits)	1,12,289	99,126	13.28%	1,12,507	-0.19%
Current Accounts	3,064	2,187	40.12%	2,753	11.32%
Savings Accounts	13,522	11,267	20.02%	12,994	4.07%
CASA Ratio	25.21%	23.24%	197bps	23.82%	139bps

Profit & Loss Overview- Q1 FY18



Rs Crs	Q1-FY18	Q1-FY 17	Y-o-Y (%)	Q4-FY17	Q-o-Q (%)
Net Interest Income	461	374	23.30%	439.10	4.92%
Other Income	219	173	26.45%	137.71	59.25%
Total Income	680	547	24.30%	576.81	17.89%
Operating Expenses	301	288	4.49%	296.01	1.52%
Operating Profit	379	259	46.25%	280.80	35.15%
Provisions (Ex-Tax) & Contingencies	224	114	96.58%	165.30	35.70%
Profit Before Tax	155	145	6.75%	115.50	34.36%
Provision for Tax	54	50	6.76%	39.96	34.41%
Profit After Tax	101	95	6.75%	75.54	34.34%

Key Metrics- Quarterly

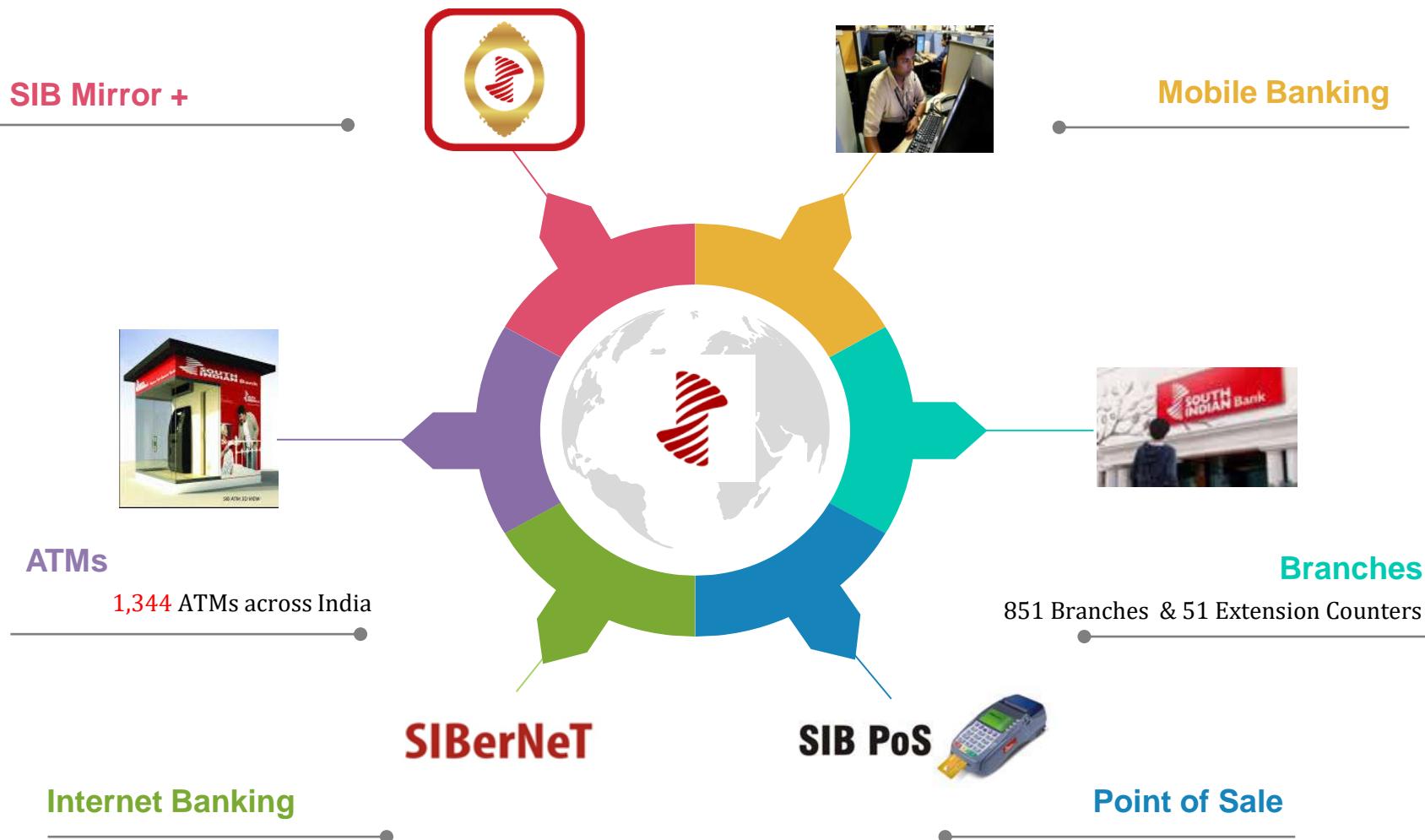
Particulars	FY15				FY16				FY17				FY18
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net Interest Margin (NIM)	2.7%	2.9%	2.5%	2.7%	2.5%	2.8%	2.9%	2.6%	2.7%	2.8%	2.7%	2.7%	2.8%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%	11.7%	11.8%	11.7%	11.1%	11.1%	12.4%	12.1%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%	0.7%	0.5%	0.6%	0.7%	0.6%	0.4%	0.6%
Provision Coverage	62.5%	62.9%	60.4%	61.0%	56.1%	55.3%	50.3%	40.3%	42.6%	46.1%	50.2%	55.1%	44.6%
CASA	22.1%	22.1%	21.5%	20.6%	22.3%	22.8%	23.0%	22.4%	23.2%	22.8%	25.9%	23.8%	25.2%
Gross NPA	1.5%	1.6%	1.8%	1.7%	1.9%	2.2%	2.8%	3.8%	4.0%	4.0%	4.0%	2.5%	3.6%
Net NPA	0.9%	0.9%	1.0%	1.0%	1.2%	1.4%	1.8%	2.9%	2.9%	2.8%	2.5%	1.5%	2.5%
Book Value per Share (Rs.)	25.9	26.5	27.1	26.6	27.1	27.8	28.5	28.5	30.0	30.8	31.6	26.9	27.7
EPS (Rs.) (Annualized)	3.8	3.0	2.9	2.3	1.9	2.3	2.6	2.5	2.8	3.0	3.1	2.6	2.3
Branches													
- Kerala	439	440	441	444	447	447	447	449	453	454	455	463	463
- South India (Ex-Kerala)	230	232	233	239	242	244	244	245	245	245	245	246	246
- Rest of India	132	133	136	139	139	140	140	140	140	140	140	141	142
Total Branches	801	805	810	822	828	831	831	834	838	839	840	850	851
ATMs													
- Kerala	565	587	607	651	670	682	688	698	701	713	718	724	745
- South India (Ex-Kerala)	297	313	325	365	378	380	384	387	388	391	393	394	396
- Rest of India	156	163	176	184	196	198	200	202	202	202	202	202	203
Total ATMs	1,018	1,063	1,108	1,200	1,244	1,260	1,272	1,287	1,291	1,306	1,313	1,320	1,344



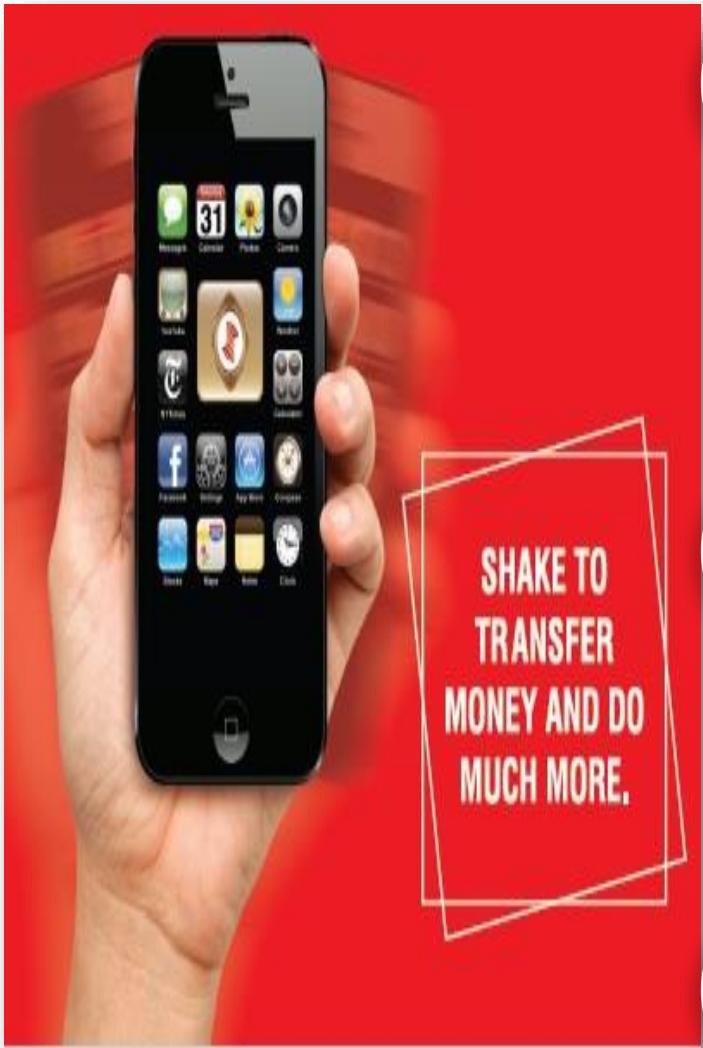
Present across Customer Touch Points



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

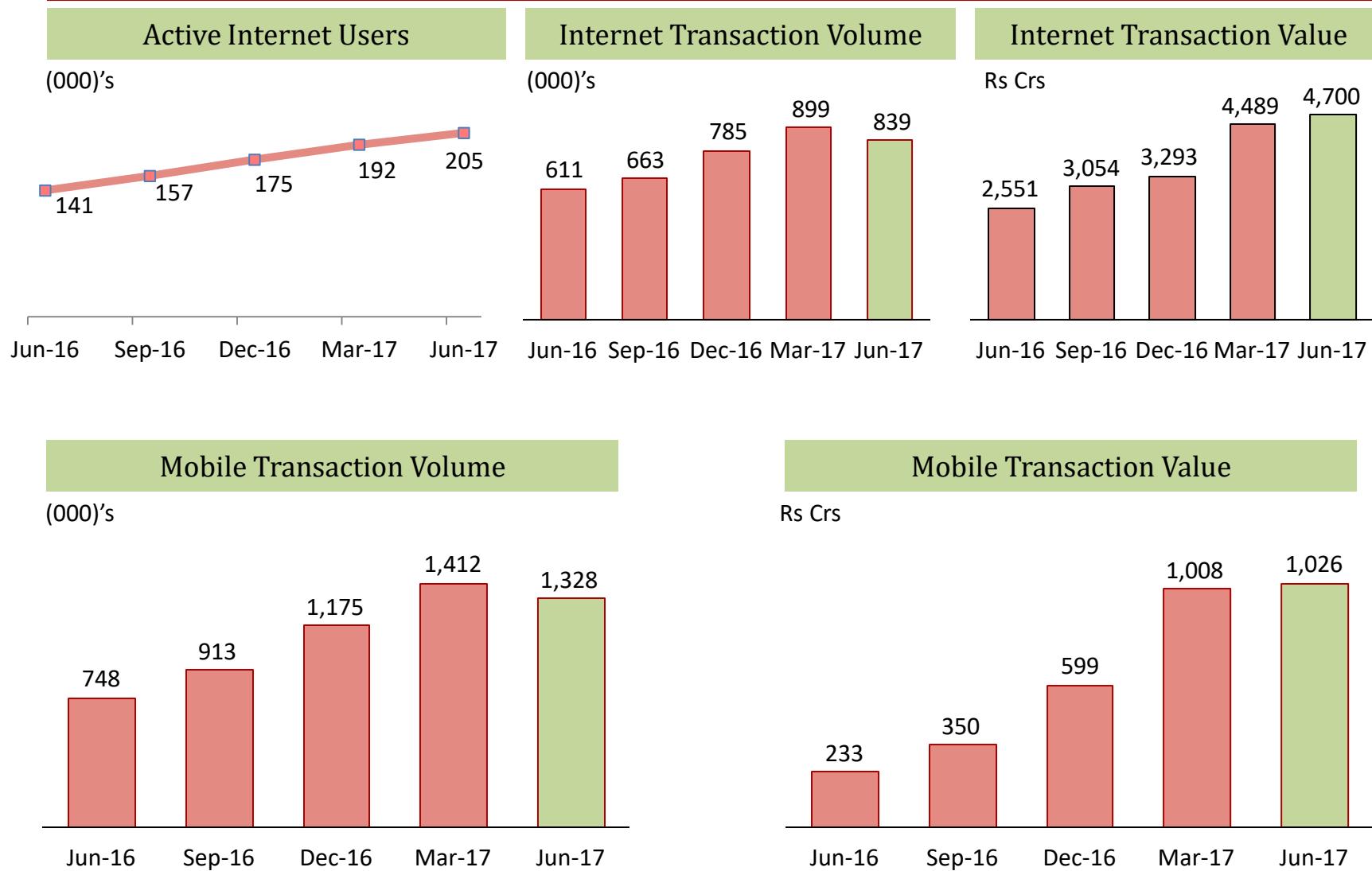


SIB offers Visa, MasterCard, and RuPay debit cards with online access to users for secure domestic and international transactions

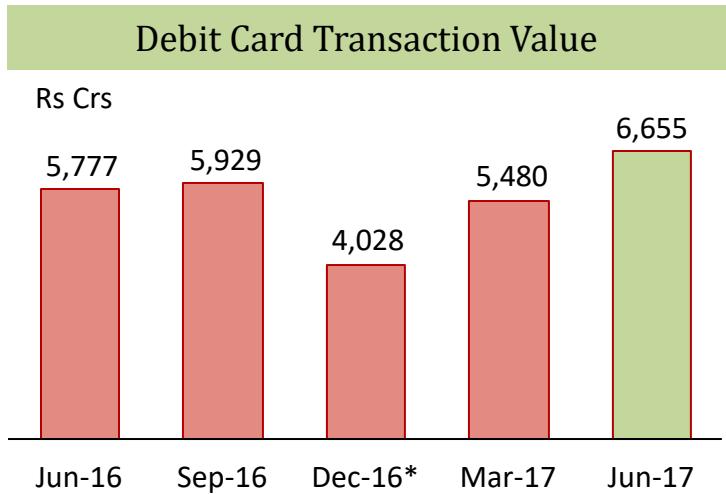
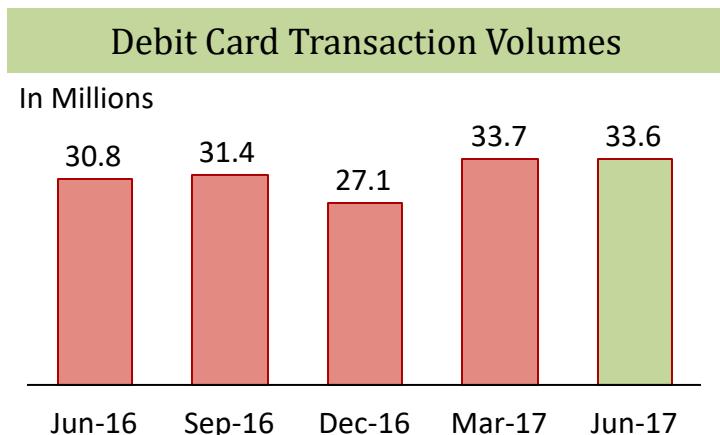
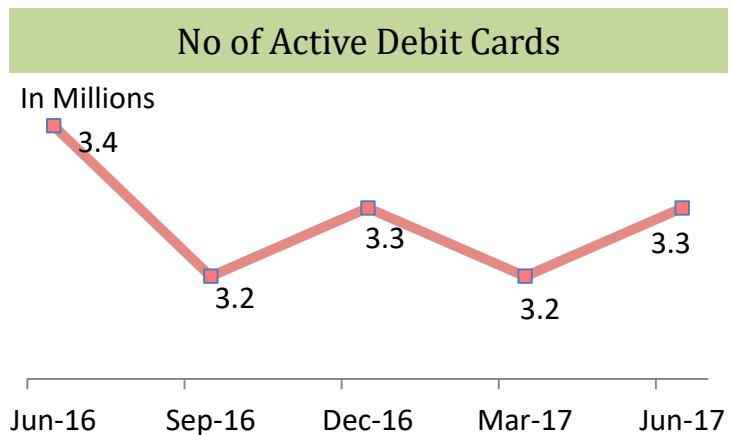


Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

Personal Banking: Technology Banking



Personal Banking: Debit Cards



***Transaction volumes and value dropped in December 2016 quarter owing to large number of ATM's being non-operational and volume restriction due to demonetisation**



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

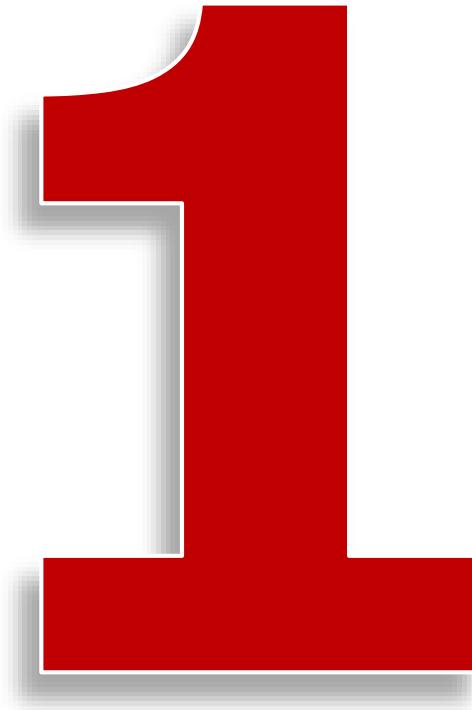


Milestones

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

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

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



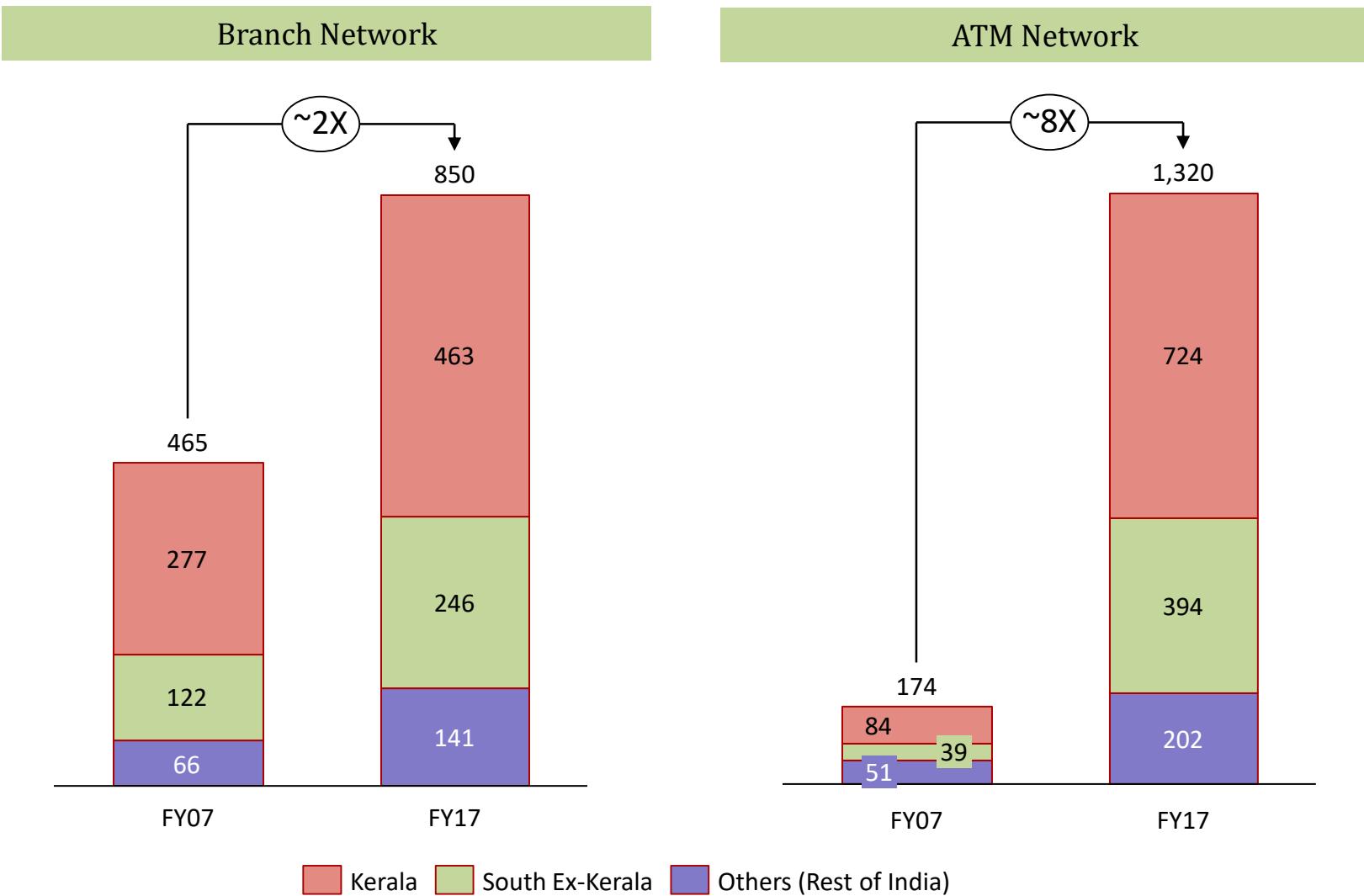
FIRST bank in the private sector in India to open a Currency Chest on behalf of the RBI in April 1992

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

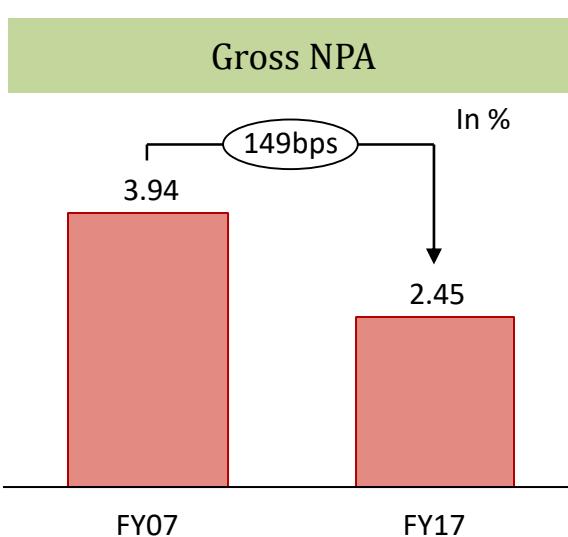
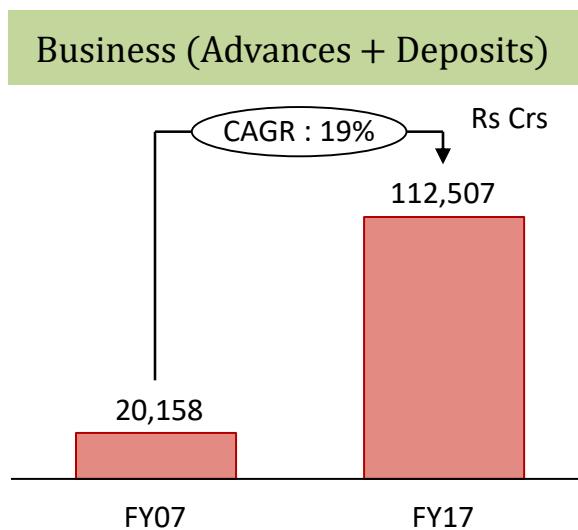
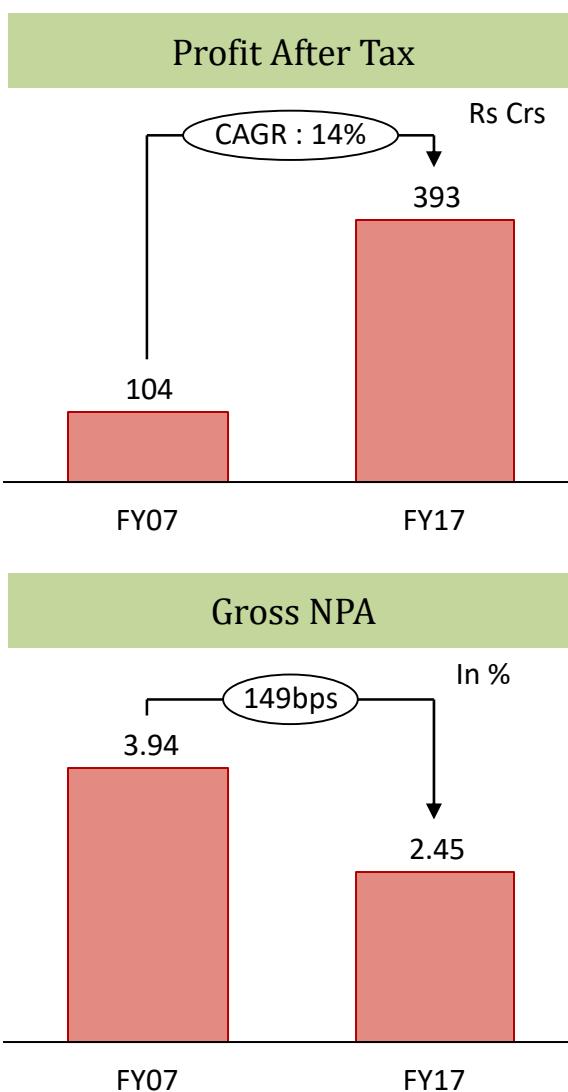
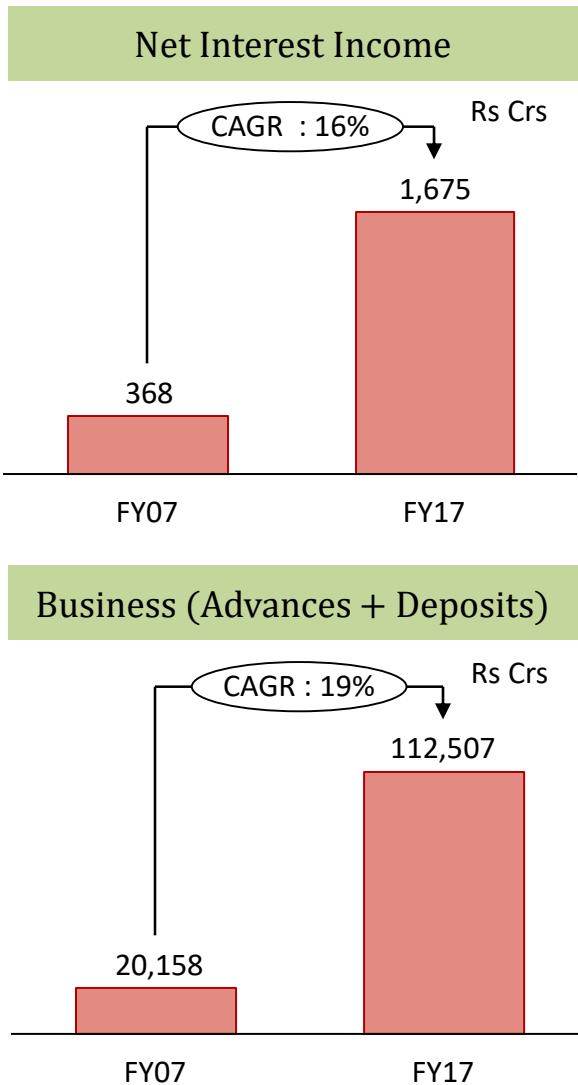
FIRST bank in Kerala to develop an in-house, a fully integrated branch automation software in addition to the in-house partial automation solution operational since 1992

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

Expansion since FY07



Performance since FY07



Leadership Team

Mr. V. G Mathew , MD & CEO

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

Leadership Team

Mr. Thomas Joseph K, EVP (Operations)

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

Mr. G Sivakumar, EVP (Credit)

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

Mr. K N Reghunathan, EVP (Treasury)

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

Management Team

Mr. John Thomas, Senior General Manager
(Business Development Department)

- Bachelors Degree in Science, MBA and CAIIB

Mr. Benoy Varghese, Senior General Manager
(Credit Department)

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

Mr. Raphael T.J., Senior General Manager
(Marketing & Information Technology)

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

Mr. Anto George T, General Manager
(Retail Banking Division)

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

Mr. Paul V.L., General Manager
(Administration)

- Masters Degree in Arts and Post Graduate Diploma in Personnel Management & 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

Awarded with ISO 27001:2013 Certification

The certification process involved an extensive audit, conducted by British Standards Institution against the criteria set out by the ISO 27001:2013 standards on various domains of IT functions



Awards & Recognition

Won “IBA Banking Technology Awards”



Won National Payments Excellence Awards -
2016

Won Finnoviti Award - 2017



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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