



# Investor Presentation

Q2-FY2022

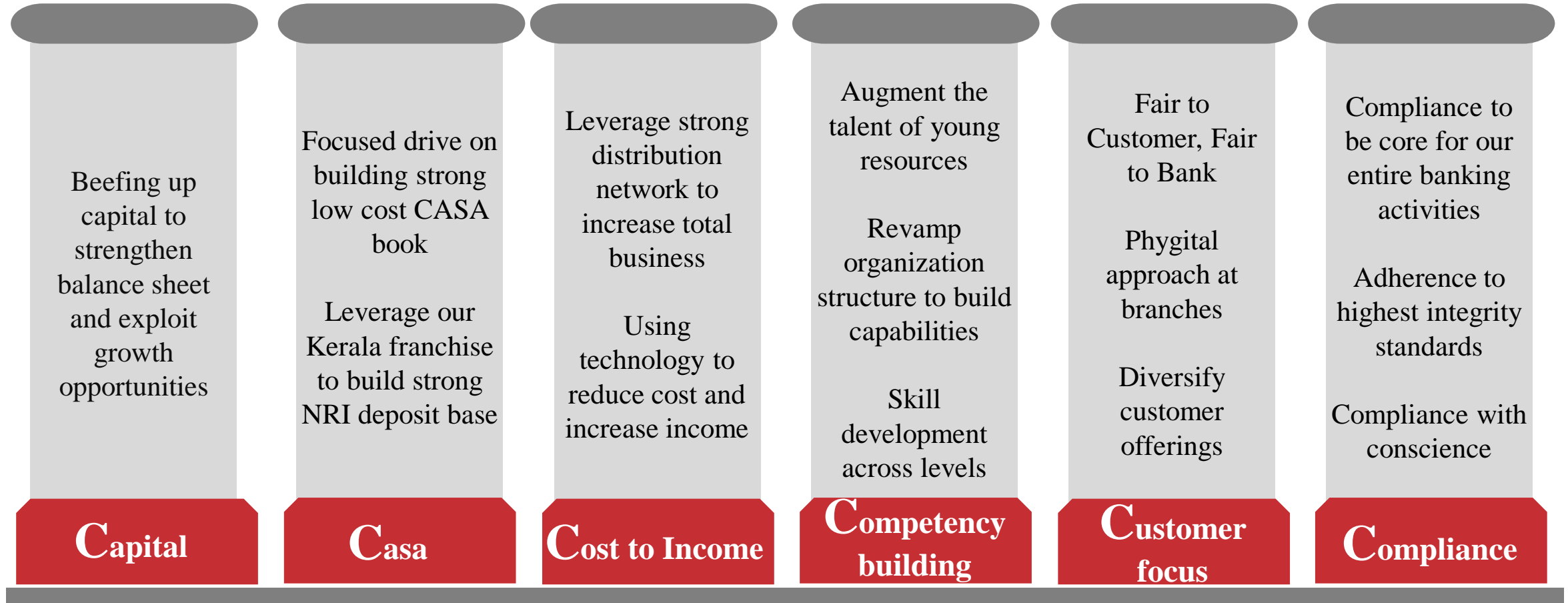


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## PROFITABILITY through QUALITY CREDIT GROWTH



## Strides in digital banking- 08

- More than 92% of transactions are done digitally
- Mobile transaction volume increased by 118% YoY to 46 million transactions
- Consistently ranked in top 10 banks as per MeitY
- Opened first fully digital branch in Bangalore

## Recovery- 07

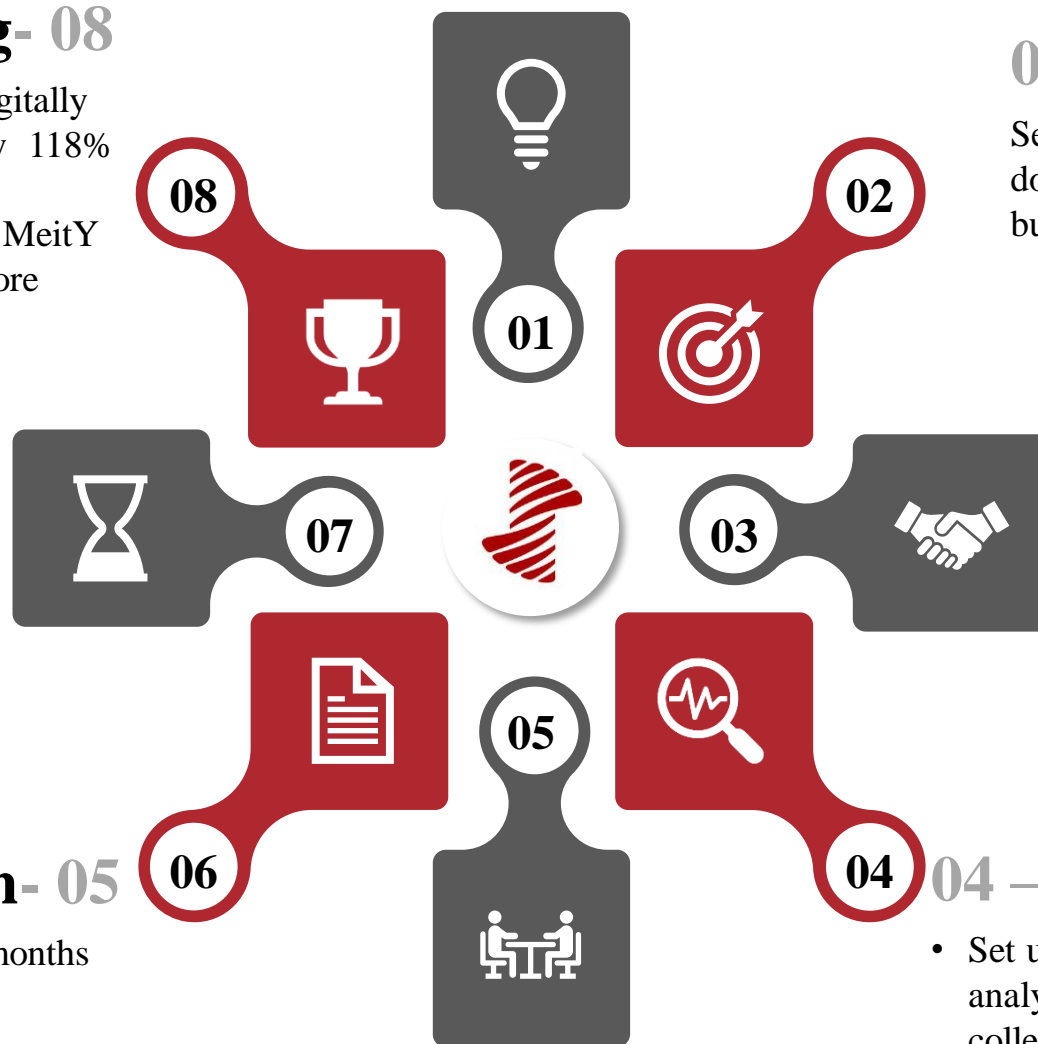
Decentralised collection structure with dedicated regional collection managers at each region

## CMOG- 06

Set up Credit Middle Office Group to take care of pre and post disbursement compliance & tracking Early Warning Signals

## Employee strength- 05

- 1,447 employees recruited in last 6 months
- Learning management system
- Senior employees training
- Performance oriented appraisal
- Revamped ESOP scheme



## 01 – Asset structure

Set up vertical asset structures with domain experts to bring focus on business generation

## 02 - Branch structure

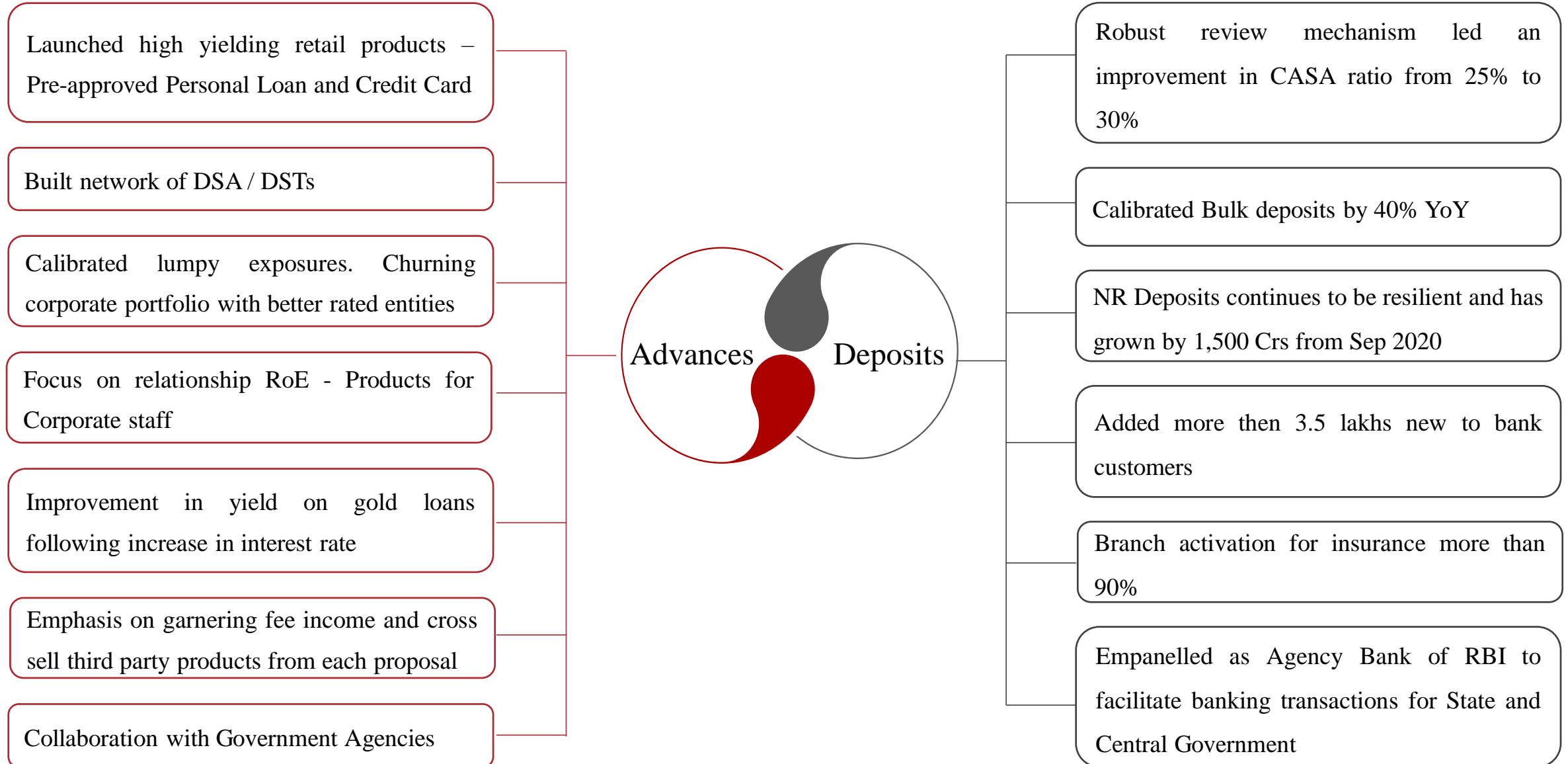
Revamped branch structure; bringing efficiency among branches

## 03 – Sourcing channels

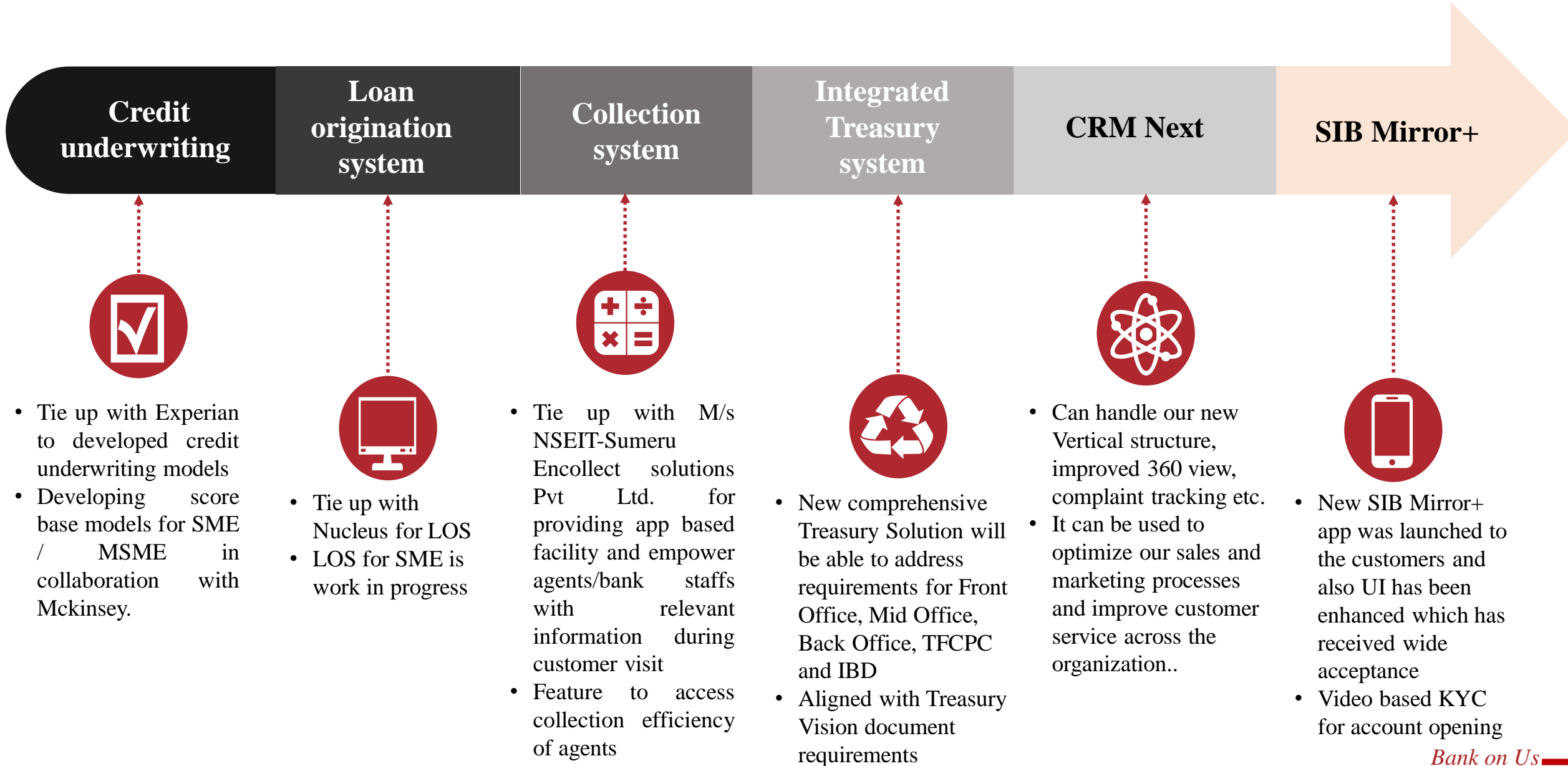
- Collaboration with Fintech
- DSA / DSTs
- Co-origination partnerships
- CRM Next for tracking leads

## 04 – Data Science

- Set up Data Science team with domain expert to do analytics in the area of assets, liability and collection.
- A comprehensive framework to monitor the quality of the asset portfolio has been made operational



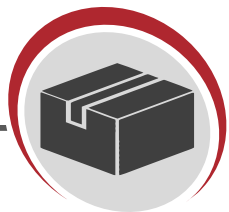
# Strengthening digital capabilities





# Key highlights for Q2-2022

- ✓ Provision coverage ratio improved by 491 bps QoQ to reach 65.0%
- ✓ GNPA ratio improved by 137 bps to 6.65% and Net NPA ratio improved by 120 bps to 3.85%
- ✓ CASA ratio continue to increase and stands at 30.8% compared to 27.8% same period last year
- ✓ NRI deposits has grown consistently through pandemic to reach Rs. 26,823 crores
  - Remittance business grew by 29% YoY
- ✓ More than 92% of banking transactions are done digitally
- ✓ Mobile banking transactions volume increased by 118% YoY to 46 million transactions
- ✓ Churn large corporates portfolio (Rs. 100 crore & above) with better rated corporates. 75% of portfolio is A & above rated
- ✓ Gold loan continue to grow consistently and rose 11% YoY to Rs. 9,470 crores
- ✓ Launched pre-approved personal loan and achieved monthly disbursement target of Rs. 100 Cr in the month of Sep 2021
- ✓ Disbursed Rs. 300+ crores to Business segment in August and September 2021 respectively
- ✓ Launched co-branded fully digital One Card credit card
- ✓ Core fee income grew by 27% YoY to Rs. 117 crores
- ✓ Strong traction in third party distribution income with an increment of 43% YoY
- ✓ Capital adequacy position continued to be robust with CRAR of 15.74%



## Deposits

Q2 FY22: Rs.86,840Cr  
+ 5%  
Q2 FY21: Rs.82,621Cr



## Retail Deposits

Q2 FY22: Rs. 82,402.Cr  
+ 10%  
Q2 FY21: Rs.74,976 Cr



## CASA

Q2 FY22: Rs.26,773 Cr  
+17%  
Q2 FY21: Rs.22,978 Cr



## Advances

Q2 FY22: Rs.58,309 Cr  
-11%  
Q2 FY21: Rs.65,349 Cr



## NII

Q2 FY22: Rs.527 Cr  
- 20%  
Q2 FY21: Rs.663 Cr



## Operating Profit

Q2 FY22: Rs.112 Cr  
- 71%  
Q2 FY21: Rs.391 Cr



## Provisions

Q2 FY22: Rs.299 Cr  
- 8%  
Q2 FY21: Rs.326 Cr



## PCR

Q2 FY22: 65.02%  
+ 491 bps  
Q1 FY22: 60.11%



# Profit & Loss Overview (Standalone)

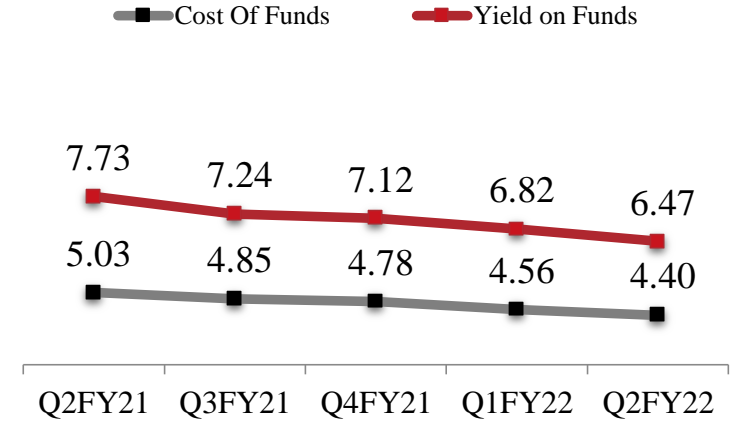
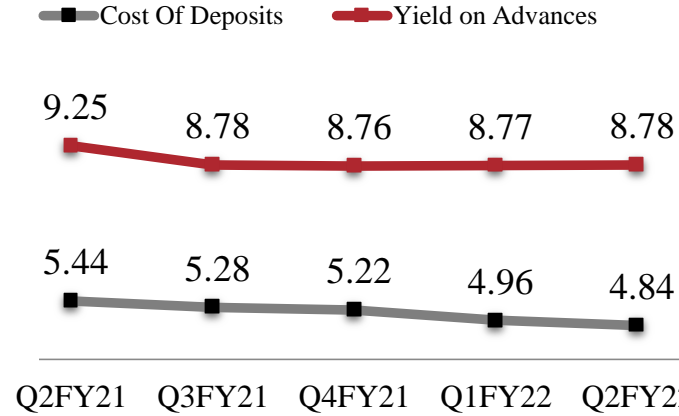
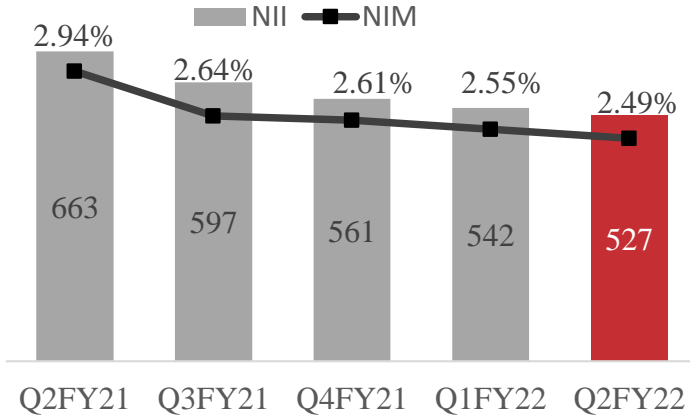
Rs. in Crore	Q2-FY22	Q2-FY21	Y-o-Y (%)	Q1-FY22	Q-o-Q (%)
Net Interest Income	527	663	(21%)	542	(3%)
Non Interest Income	99	217	(54%)	448	(78%)
- Core Fee Income	117	92	27%	91	29%
- Treasury & Forex <sup>1</sup>	(115)	33	-	249	-
- Other	98	92	7%	108	(9%)
<b>Total Income</b>	<b>627</b>	<b>880</b>	<b>(-29%)</b>	<b>990</b>	<b>(37%)</b>
Operating Expenses	515	489	5%	483	7%
<b>Operating Profit</b>	<b>112</b>	<b>391</b>	<b>(71%)</b>	<b>507</b>	<b>(78%)</b>
Provisions & Contingencies	362	303	19%	493	(27%)
<b>Profit Before Tax</b>	<b>(250 )</b>	<b>88</b>	<b>-</b>	<b>14</b>	<b>-</b>
Provision for Tax	(63)	22	-	4	-
<b>Profit After Tax</b>	<b>(187)</b>	<b>65</b>	<b>-</b>	<b>10</b>	<b>-</b>

1. Includes depreciation on Investments

# Net Interest Income

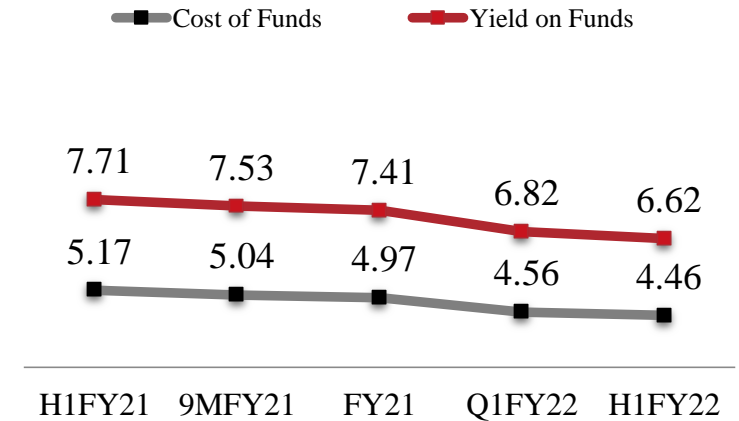
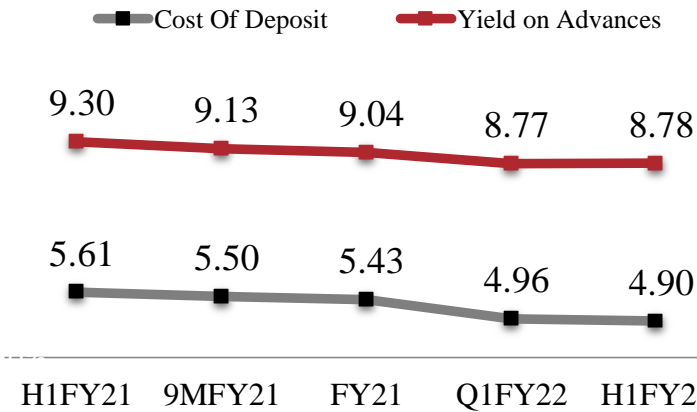
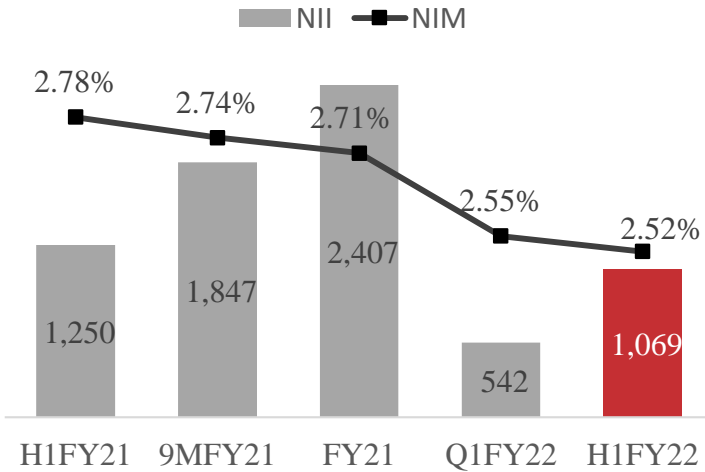
## Quarterly

(Rs. in Crore)



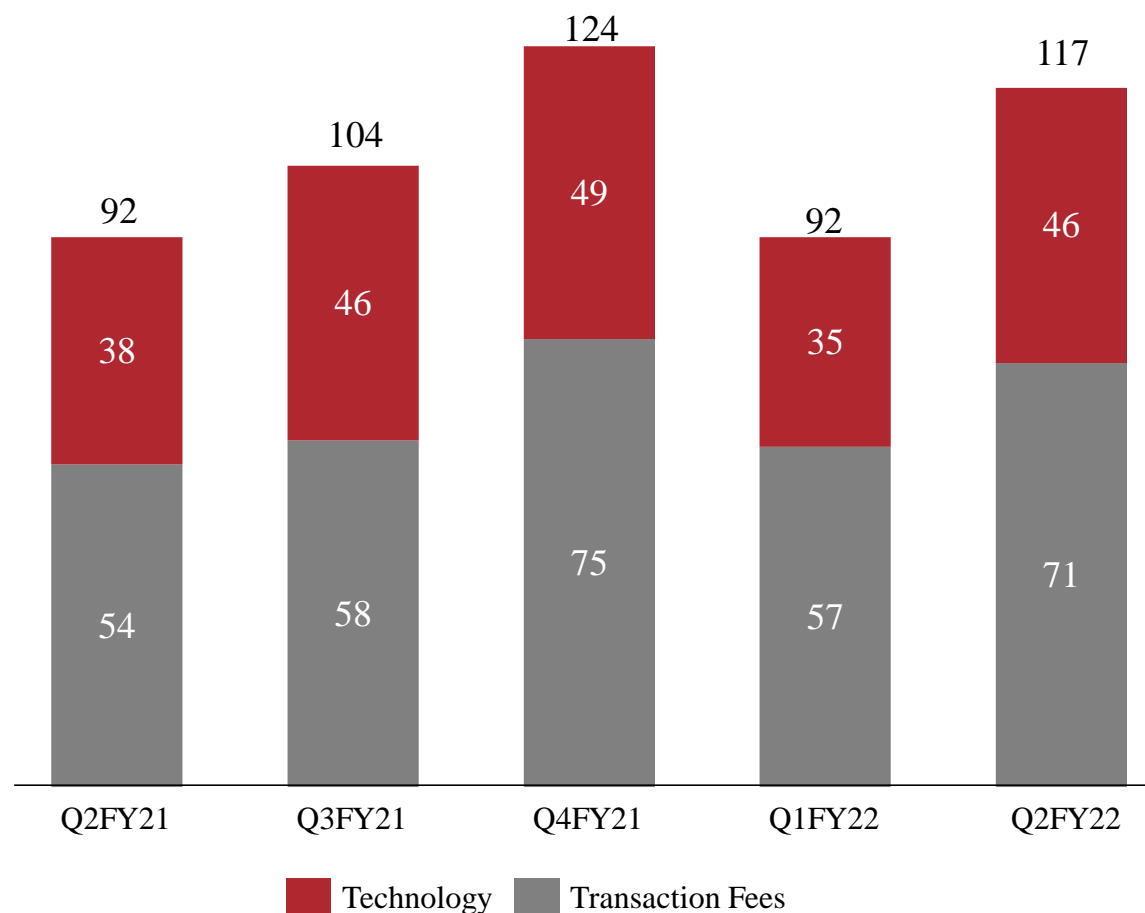
## Cumulative

(Rs. in Crore)



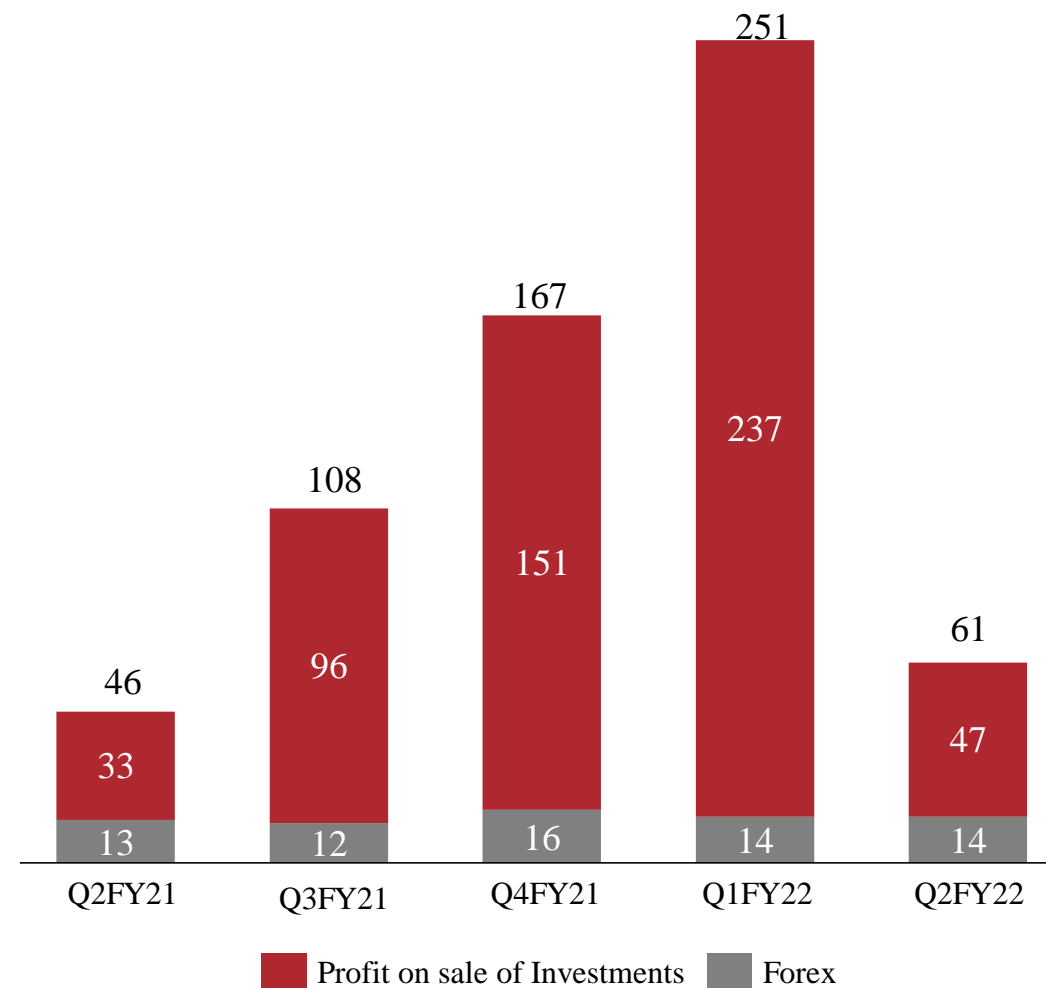
## Core Fee Income

(Rs. in Crore)



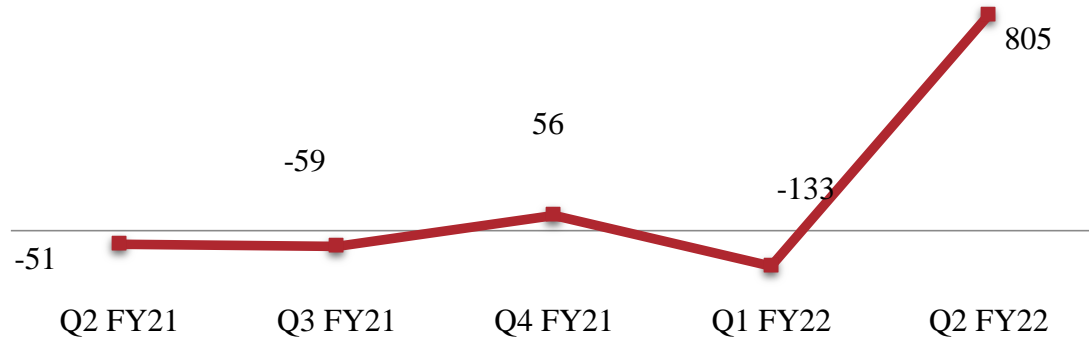
## Treasury & Forex Income<sup>1</sup>

(Rs. in Crore)

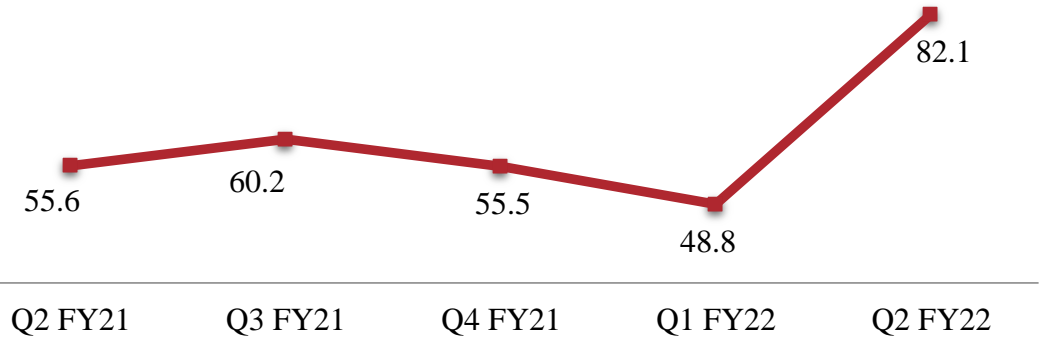


1. Excludes depreciation on Investments

## Employee Additions

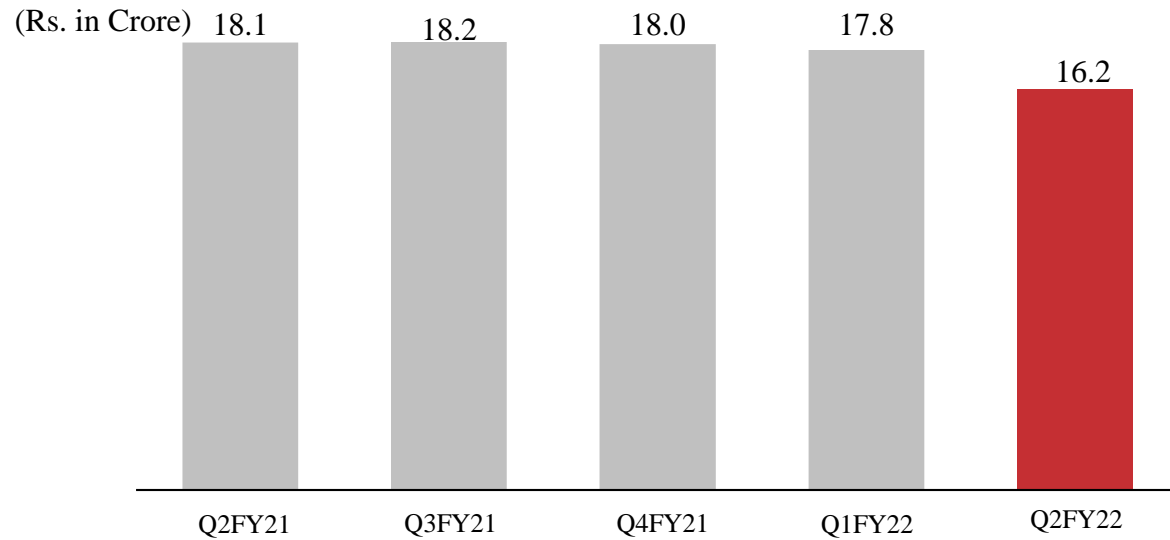


## Cost-to-Income Ratio<sup>1</sup>

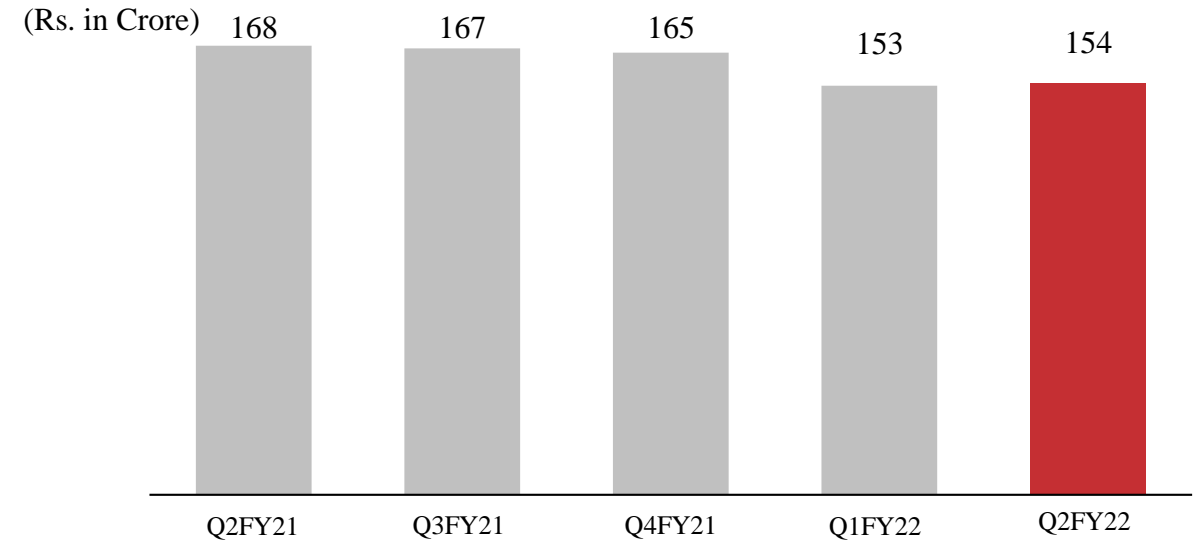


1. Ratio restated to give effect to new RBI directions on treatment of Depreciation on Investments and recoveries

## Business per Employee



## Business per Branch



(Rs. in Crore)

Particulars	Q2 FY22	Q1 FY22	Q2 FY21
For NPA & NPI	269	427	275
For Standard Assets	55	56	21
For Restructured Advances/Sacrifices & FITL	52	9	7
For Unhedged Forex Exposure	(1)	1	1
Others	(13)	-	(1)
Taxes	(63)	4	23
<b>Total Provisions</b>	<b>299</b>	<b>497</b>	<b>326</b>

# Balance Sheet Overview (standalone)

(Rs. in Crore)

Particulars	Sep 2021	Sep 2020	Y-o-Y (%)	Jun 2021	Q-o-Q (%)
<b>Capital &amp; Liabilities</b>	<b>98,624</b>	<b>96,646</b>	<b>2%</b>	<b>94,397</b>	<b>4%</b>
Capital	209	181	16%	209	0%
Reserves and Surplus	5,421	5,471	-1%	5,608	-3%
Deposits	86,840	82,621	5%	84,611	3%
Borrowings	4,381	6,463	-32%	2,500	75%
Other Liabilities & Provisions	1,773	1,911	-7%	1,468	21%
<b>Assets</b>	<b>98,624</b>	<b>96,646</b>	<b>2%</b>	<b>94,397</b>	<b>4%</b>
Cash & Balances with RBI	4,155	2,968	40%	3,885	7%
Balances with Banks	8,875	1,114	697%	6,598	35%
Investments	22,077	21,301	4%	20,474	8%
Advances	56,655	63,869	-11%	56,542	0%
Fixed Assets	792	790	0%	786	1%
Other Assets	6,070	6,605	-8%	6,112	-1%
<b>Business (Advances + deposits)</b>	<b>1,43,495</b>	<b>1,46,489</b>	<b>-2%</b>	<b>1,41,153</b>	<b>2%</b>
Current Accounts	4,370	3,965	10%	4,174	5%
Savings Accounts	22,403	19,013	18%	21,551	4%
CASA Ratio	30.8%	27.8%	-	30.4%	-

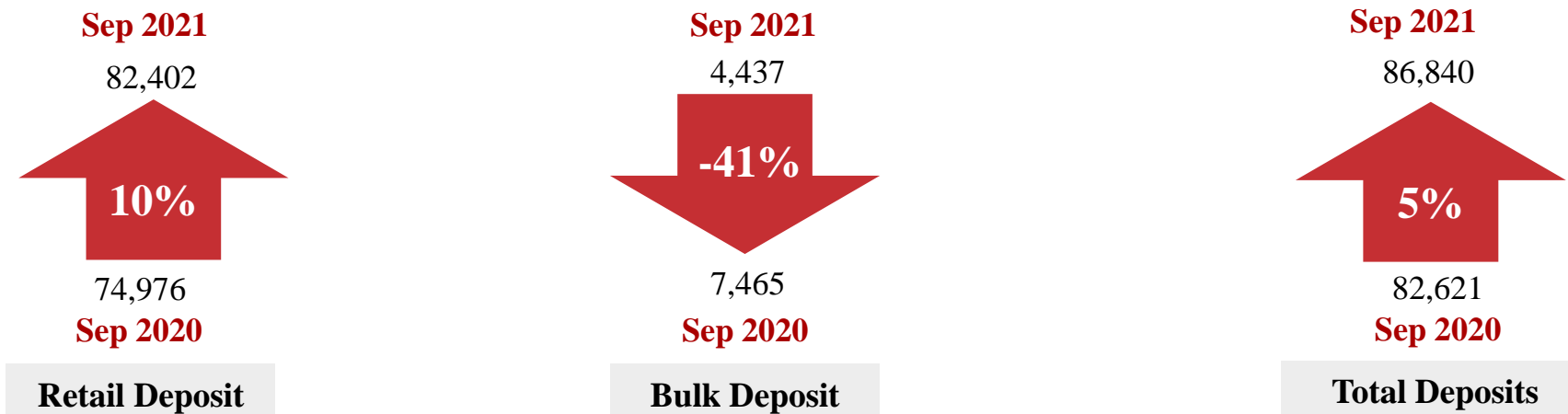


# Key Metrics – Quarterly

Particulars	FY21				FY22	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Interest Margin (NIM)	2.62%	2.94%	2.64%	2.61%	2.55%	2.49%
CRAR Basel III	13.49%	13.94%	14.47%	15.42%	15.47%	15.74%
RoAA (Annualized)	0.33%	0.27%	-	0.03%	0.04%	-
Provision Coverage	58.76%	65.21%	72.03%	58.73%	60.11%	65.02%
CASA	26.89%	27.81%	27.93%	29.70%	30.40%	30.82%
Gross NPA	4.93%	4.87%	4.90%	6.97%	8.02%	6.65%
Net NPA	3.09%	2.59%	2.12%	4.71%	5.05%	3.85%
Book Value per Share (Rs.)	30.79	31.23	30.73	27.7	27.8	26.9
Earnings per Share (Rs.) (Annualized)	1.80	1.60	-	0.20	0.20	-
Customer Touch Points						
Kerala	508	505	506	502	500	500
South Ex Kerala	272	272	273	276	273	273
Rest of India	149	149	149	151	151	151
<b>Total</b>	<b>929</b>	<b>926</b>	<b>928</b>	<b>929</b>	<b>924</b>	<b>924</b>

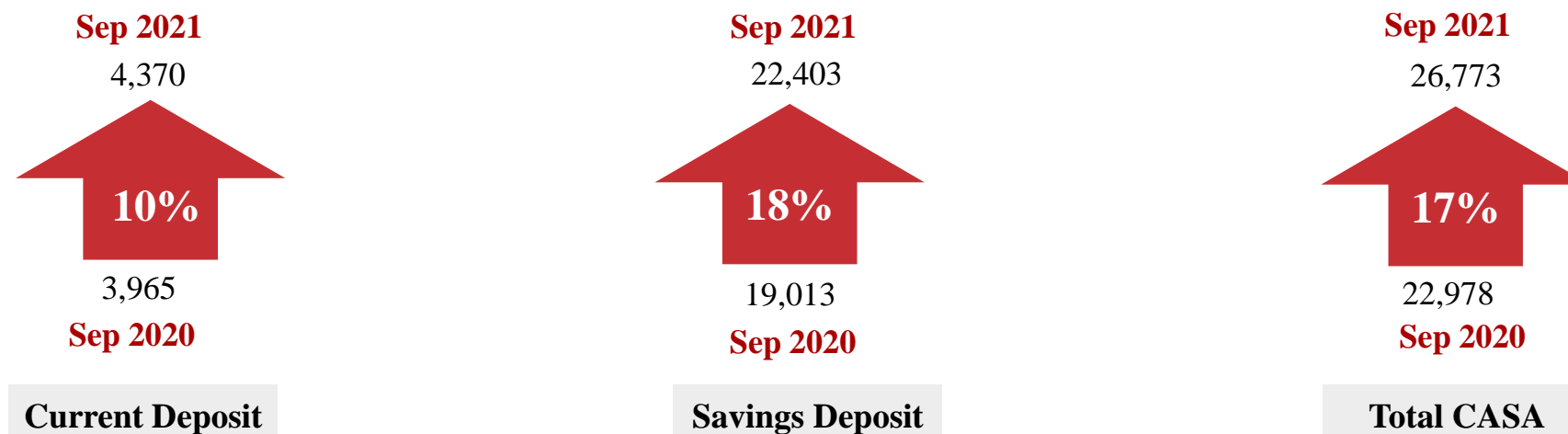
## Deposits (excl. CDs)

Rs. in Crore



## CASA Deposits

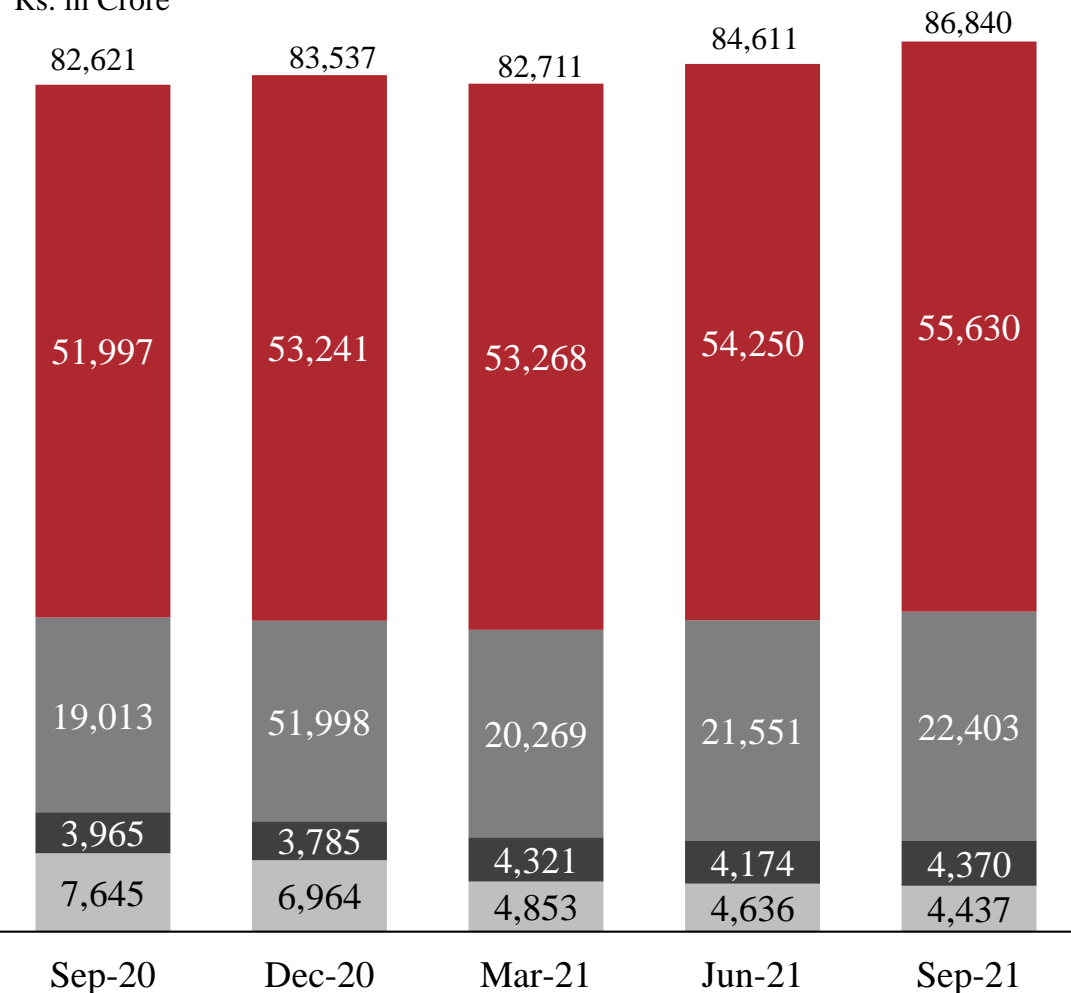
Rs. in Crore



# Well Distributed Deposit Base

## Breakup of Deposits

Rs. in Crore



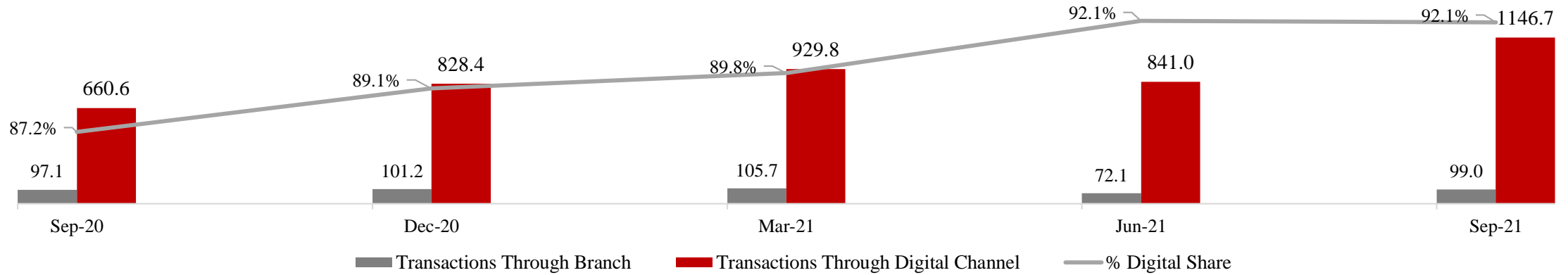
■ Bulk ■ Current ■ Savings ■ Retail Term

## Break Up of Non-Resident Deposits

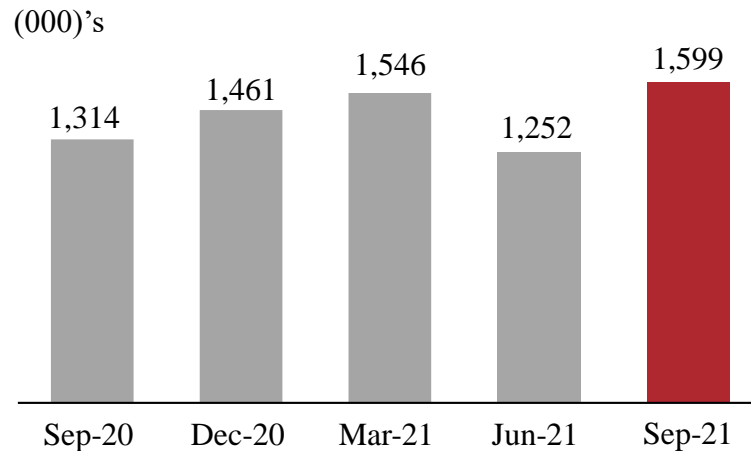
Rs. in Crore

Deposit Type	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021
NR SB	5,873	6,048	6,065	6,566	6,535
NR CD	33	36	38	41	45
FCNR (B), RFC & Others	1,847	1,819	1,694	1,668	1,607
<b>Low-Cost NRI Deposit</b>	<b>7,753</b>	<b>7,903</b>	<b>7,797</b>	<b>8,275</b>	<b>8,187</b>
NRE Term Deposit	16,808	17,220	17,317	17,644	17,873
NRO Term Deposit	726	736	741	744	763
<b>Total NRI Deposit</b>	<b>25,287</b>	<b>25,859</b>	<b>25,855</b>	<b>26,663</b>	<b>26,823</b>

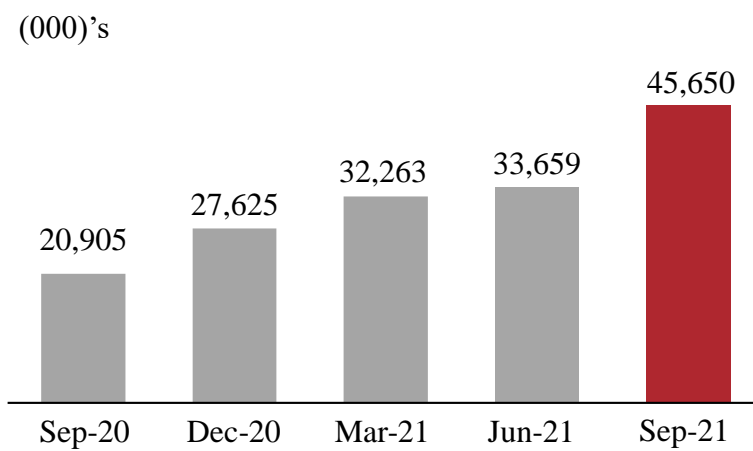
## Digital vs Branch Transactions (no of transactions in Lakhs)



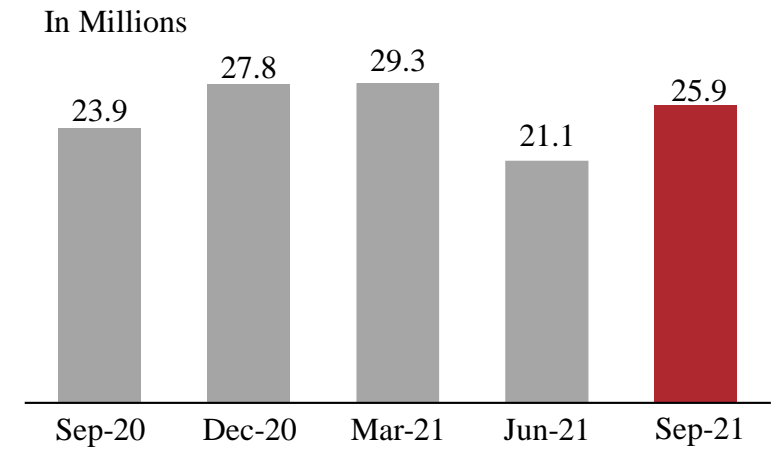
### Internet Transaction Volume



### Mobile Transaction Volume



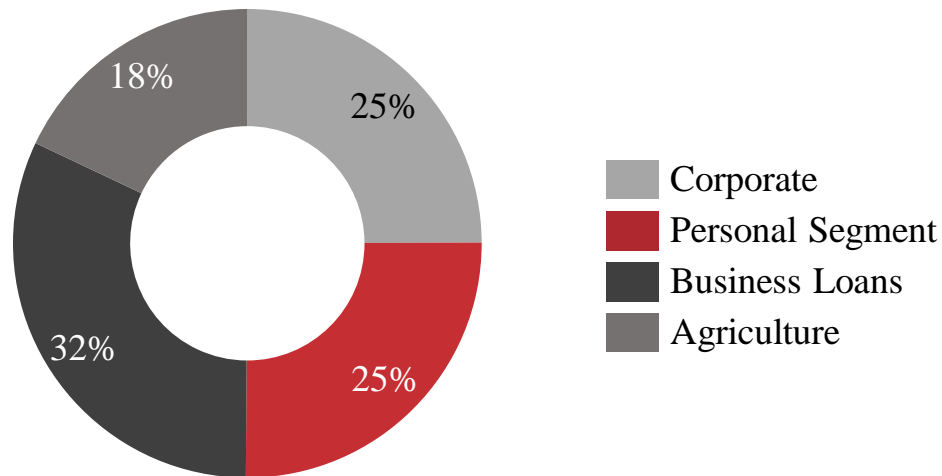
### Debit Card Transaction Volumes



**Significant strides in digital banking backed by robust technology infrastructure and innovation**

# Composition of Loan Book

## Segment wise Break Up of Total Loan Book

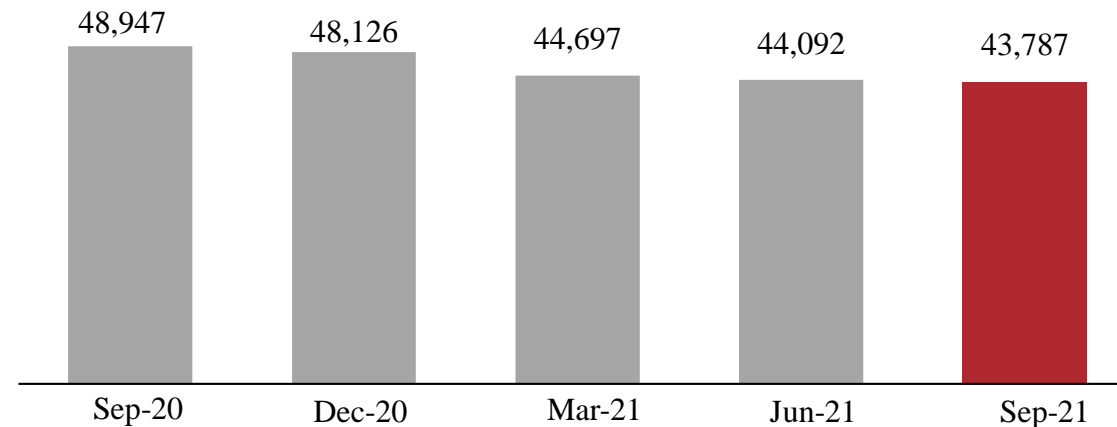


## Break up of Loan book

Rs. in Crore	Sep-20		Jun-21		Sep-21	
	Number	Value	Number	Value	Number	Value
Less than 5 Cr	3,72,510	32,993	3,80,383	31,643	3,82,544	31,775
5 - 25 Cr	1,388	14,537	1,454	12,227	1,382	11,503
25 - 100 Cr	239	9,846	180	6,750	183	6,811
More than 100 Cr	24	4,791	21	3,022	22	4,340
<b>Total</b>	<b>3,74,161</b>	<b>62,167</b>	<b>3,82,038</b>	<b>53,642</b>	<b>3,84,131</b>	<b>54,429</b>
Gross NPA	7,456	3,182	10,921	4,677	9,269	3,880
<b>Gross Advances</b>	<b>3,81,617</b>	<b>65,349</b>	<b>3,92,959</b>	<b>58,319</b>	<b>3,93,400</b>	<b>58,309</b>

## Loan Book (Excluding Corporate)

Rs. in Crore

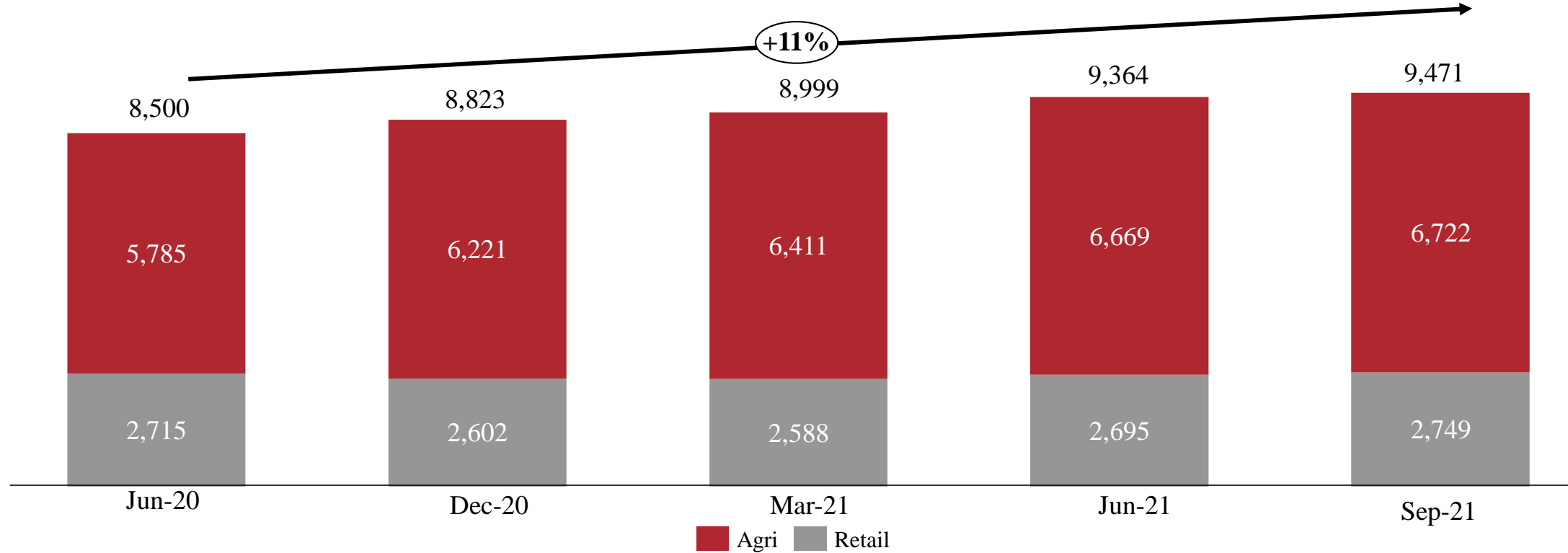


## Loan Book Across Regions

	Sep-20	Jun-21	Sep-21
Kerala	28,232	26,144	25,663
South Ex-Kerala	20,962	20,297	20,763
Rest of India	16,155	11,878	11,884
<b>Total</b>	<b>65,349</b>	<b>58,319</b>	<b>58,309</b>

## Gaining traction in Gold loans...

(Rs. in Crore)

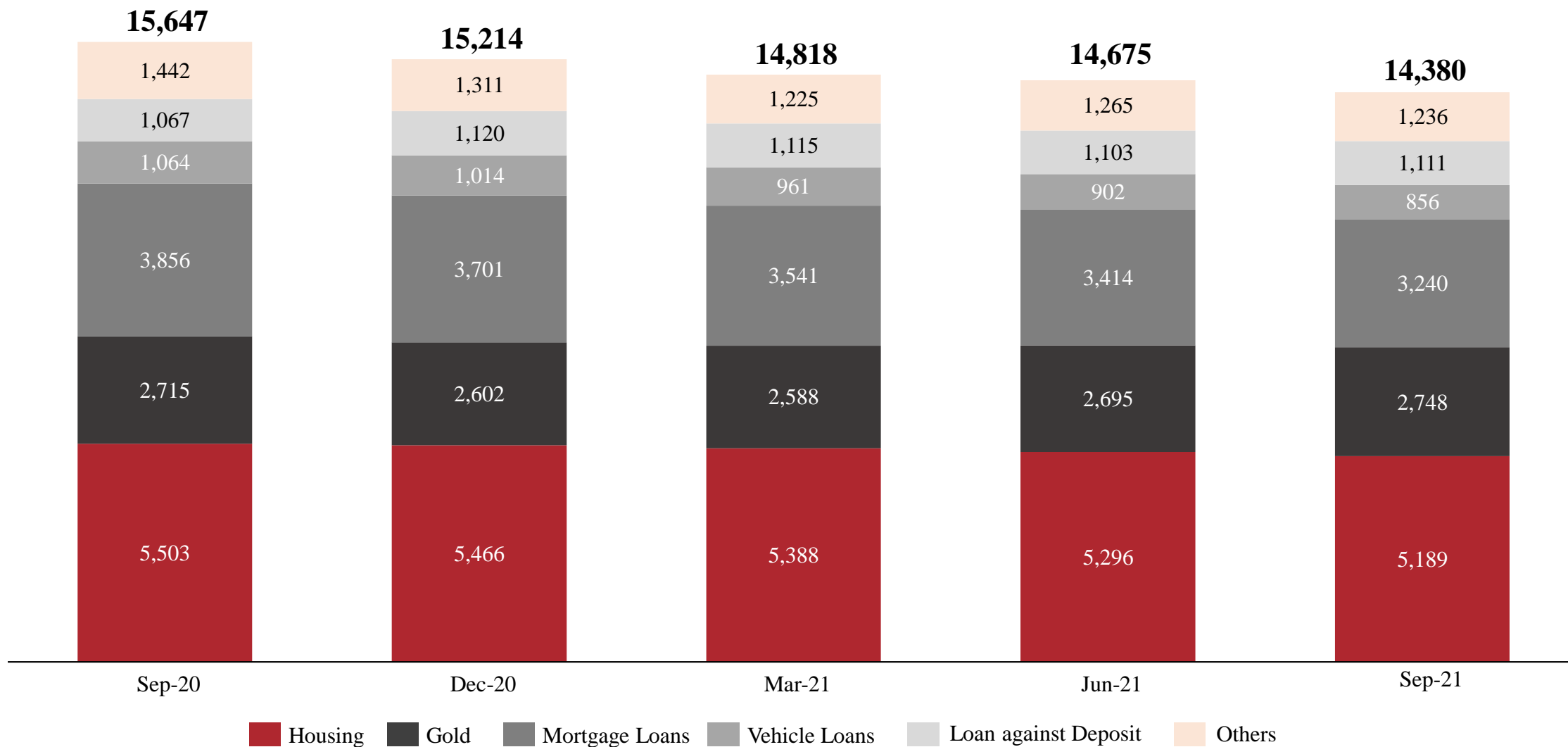


- ✓ LTV of 76%
- ✓ Launched new product, loan against Sovereign Gold Bond given strong demand among retail investors



## Personal Segment Loans

Rs. in Crore

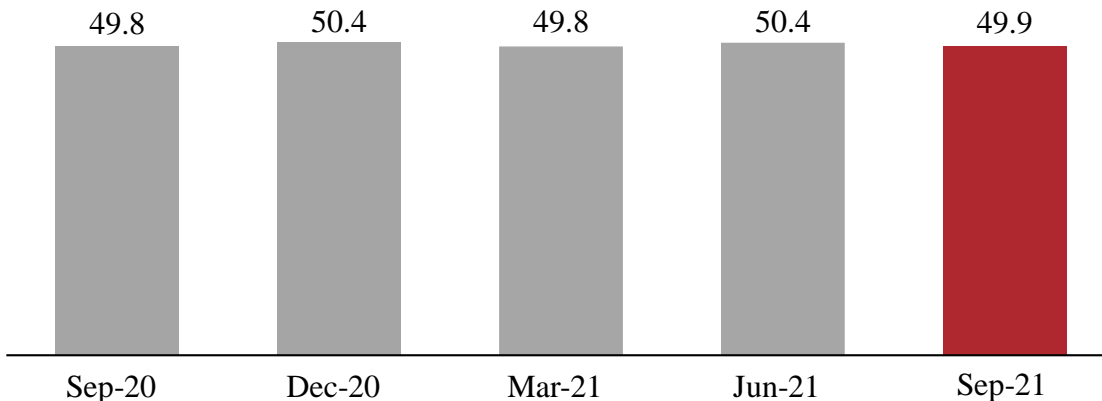


## Business Loans (Less than Rs. 25 Crore exposure)

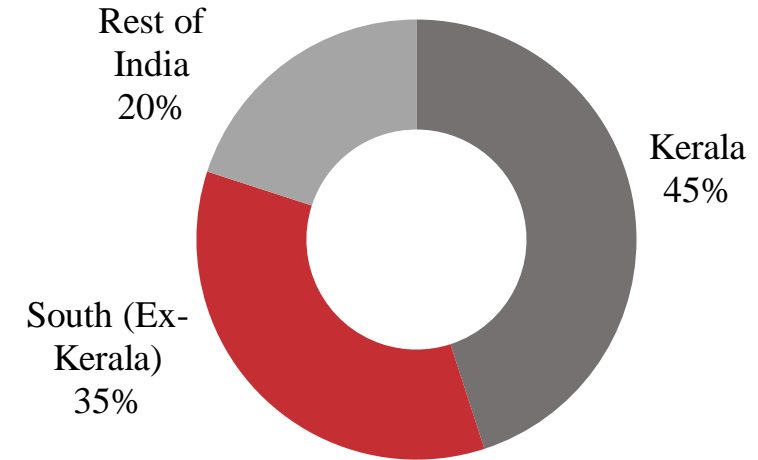
Rs. in Crore	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
MSME/SME	15,840	15,812	15,084	14,509	14,008
Others	4,929	4,809	4,372	4,401	4,746
<b>Total</b>	<b>20,769</b>	<b>20,621</b>	<b>19,456</b>	<b>18,910</b>	<b>18,754</b>

## Average MSME Loan / Account

(Rs. in Lakhs)



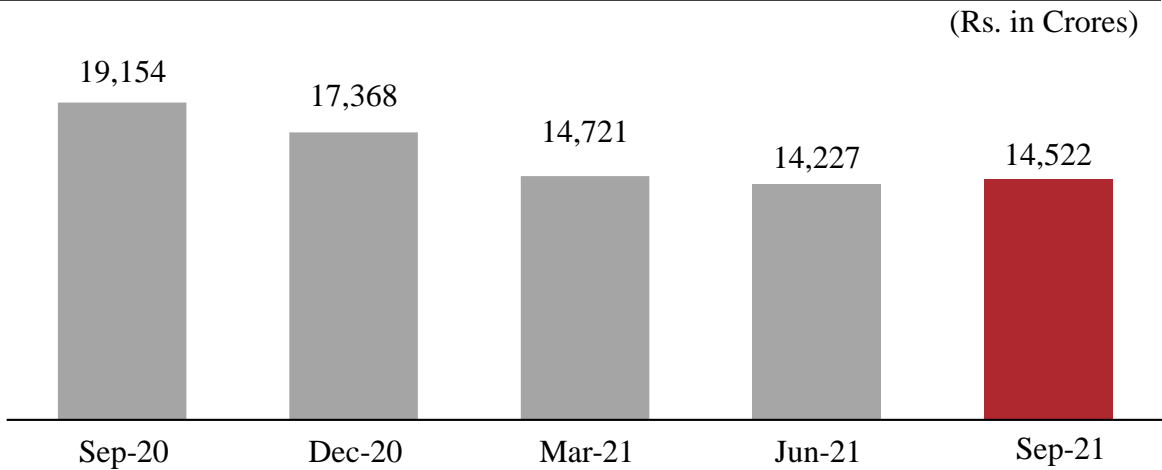
## MSME Loan Book by Geography



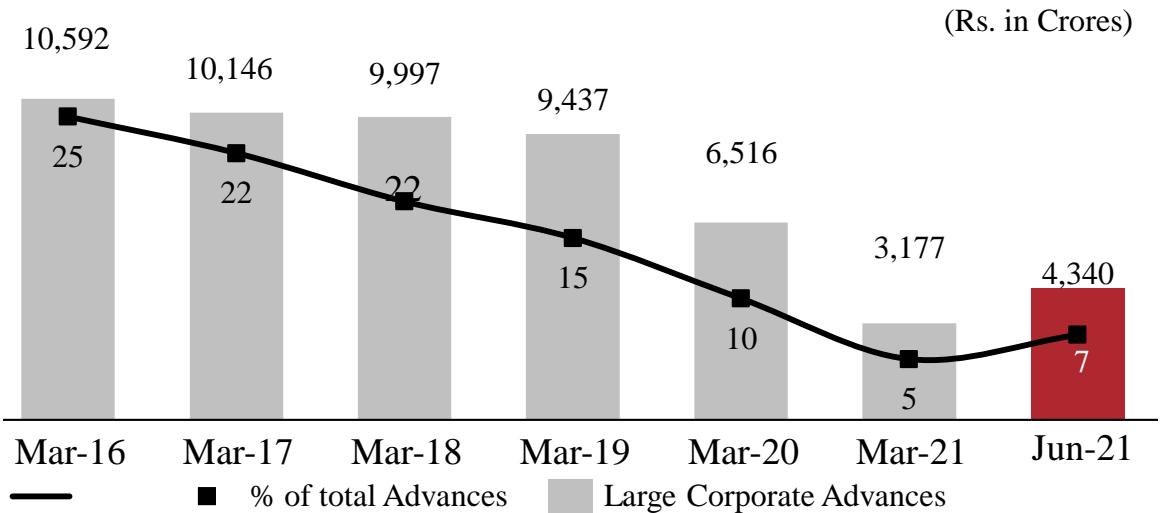
## MSME strategic initiatives

- Launched supply chain financing product
- Co-lending arrangement with NBFCs
- Build network of DSA / DSTs
- Score card based lending model to supplement the existing credit underwriting process

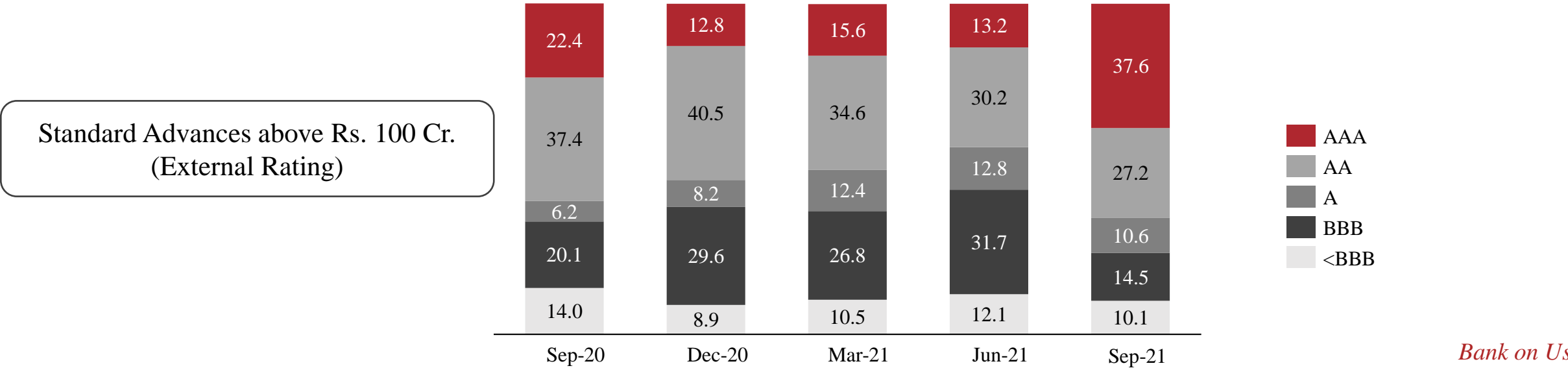
## Corporate Loan Book



## Standard Large Corporate Advances (Rs.100 Cr and above )



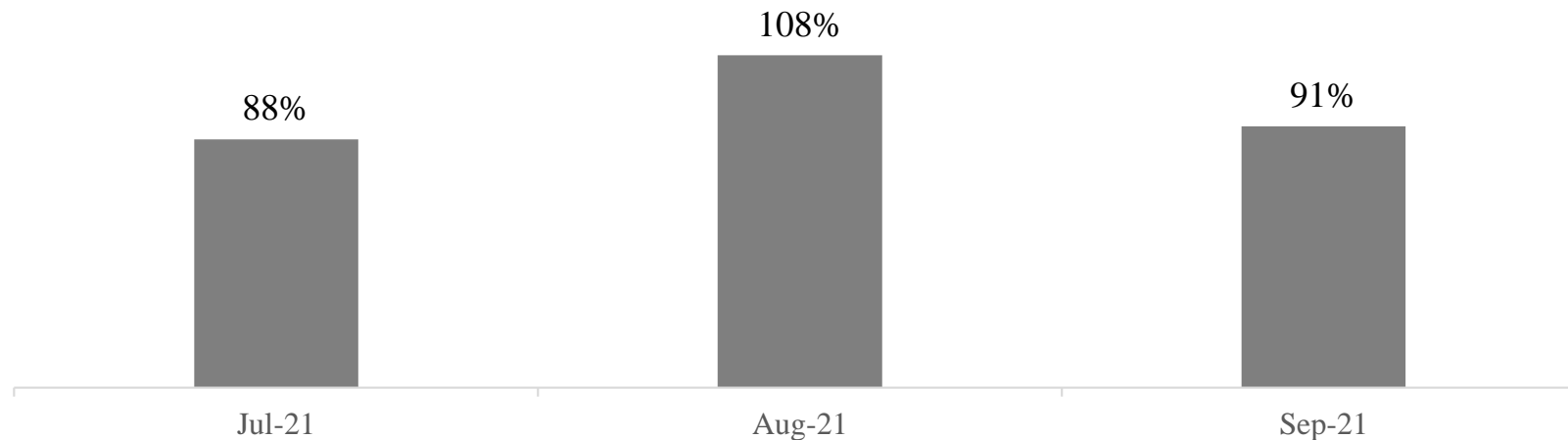
## Rating Profile of Large Corporate Loan Book (in %)



## Segment wise NPA slippages

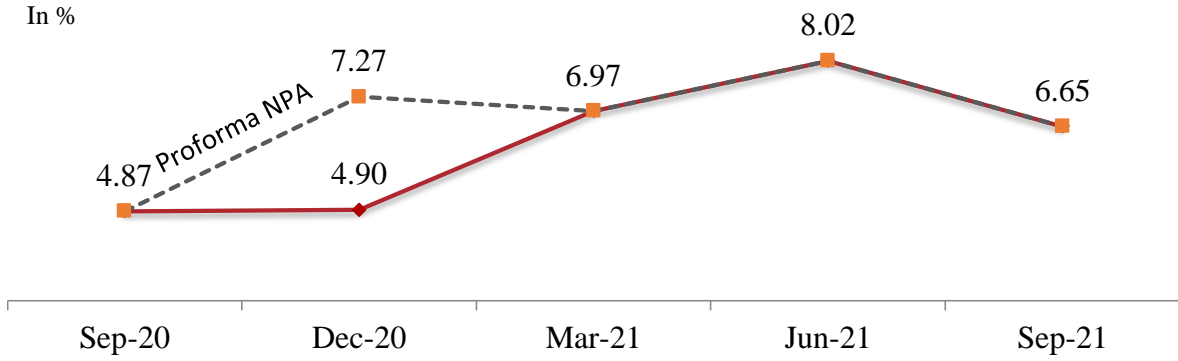
Rs. in Crore	Q2-2022
Agriculture	132
Business Loans	196
Personal Segment	104
Corporate	99
<b>Total</b>	<b>531</b>

## Collection efficiency

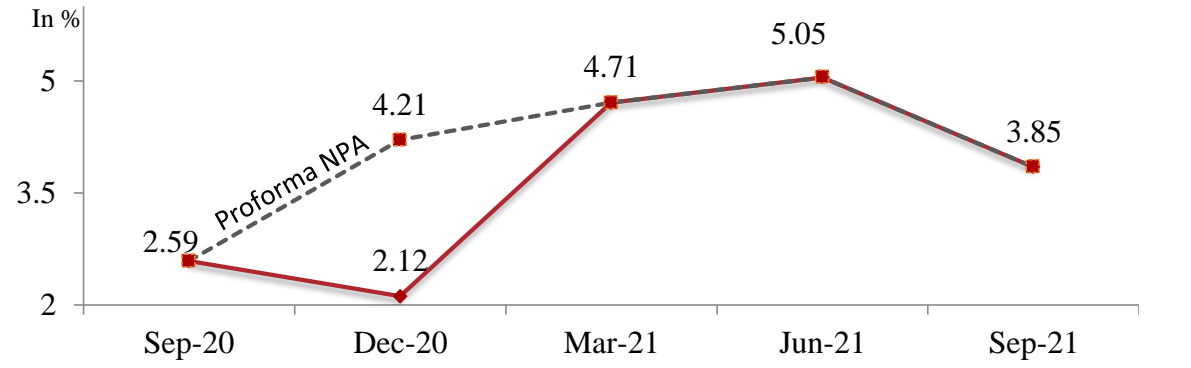


# Non-Performing Assets

Gross NPA



Net NPA



Gross NPA Movement

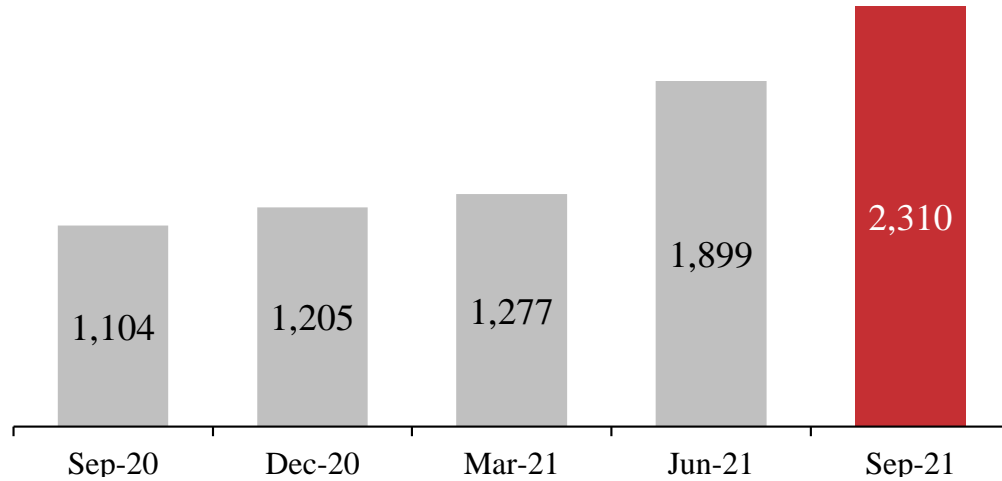
Rs. Cr.	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Opening	3,245	3,182	3,103	4,143	4,677
Additions	52	5	2,123	883	535
Deductions	115	83	1,083	350	1,332
Closing	3,182	3,103	4,143	4,677	3,880

Net NPA Movement

Rs. Cr.	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Opening	1,993	1,655	1,305	2,735	2,855
Additions	43	3	1,721	732	371
Deductions	380	354	292	612	1,047
Closing	1,655	1,305	2,735	2,855	2,179

## Restructured Standard Advance

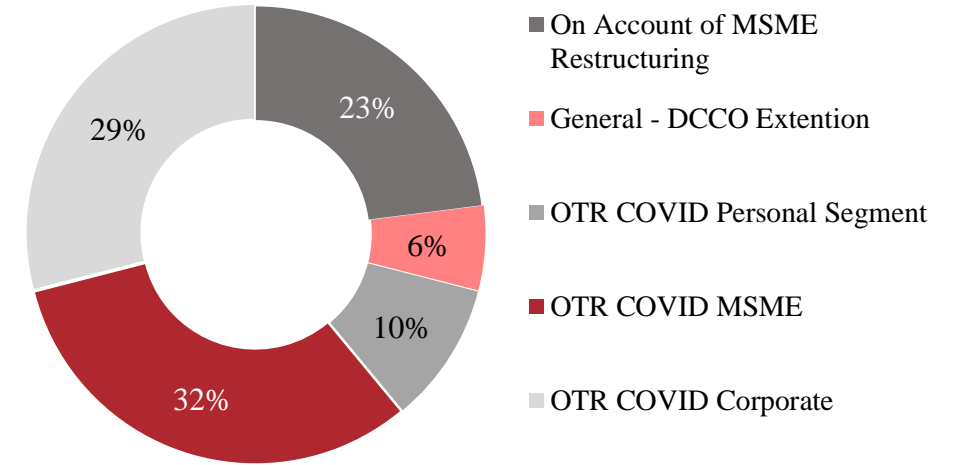
(Rs. in Crores)



## Covid One Time Restructuring (OTR)

- OTR 2 of Rs. 648 Crore as at Sep 2021;
  - Business Loans Rs. 369 Cr
  - Corporate Rs. 55 Cr.
  - Personal Segment Rs. 224 Cr.

## Sector Break up



## Security Receipts

(Rs. in Crores)

### Sale of loans to ARCs during Q2-FY22

Gross Value	Provision	Sale consideration
1,049.2	561.0	578.4

### Security Receipts Outstanding as on Sep 30, 2021

Book Value	Provision	NAV
1,597.7*	800.2	797.5

\*of which Rs.845 Crore pertains to a single pool and this pool now holds a provision coverage of 69.3%

Bank on Us

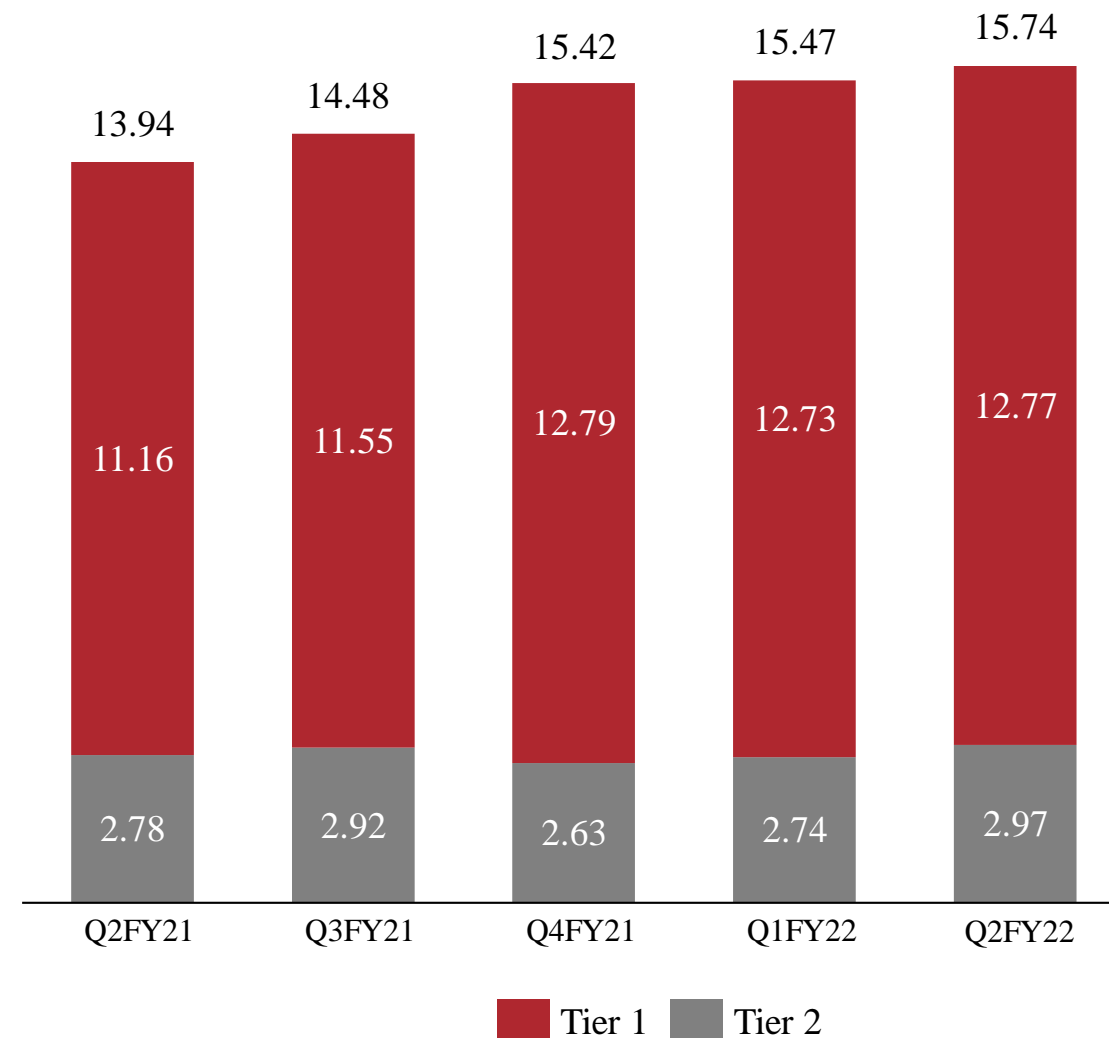


## Risk Weighted Assets

Rs. in Crore	Sep 30, 2021		Jun 30, 2021	
Total Capital	7,214.2	15.74%	7,335.7	15.47%
- Tier I	5,853.4	12.77%	6,035.1	12.73%
- Of which CET1	5,353.4	11.69%	5,535.1	11.68%
- Tier II	1,360.8	2.97%	1,300.5	2.74%
<b>Risk Weighted Assets</b>	<b>45,846.6</b>		<b>47,394.9</b>	

Capital adequacy ratios well above the minimum regulatory requirement of CET1 ratio of 7.38%, Tier I ratio of 8.88% and total capital adequacy ratio of 10.88%

## BASEL III



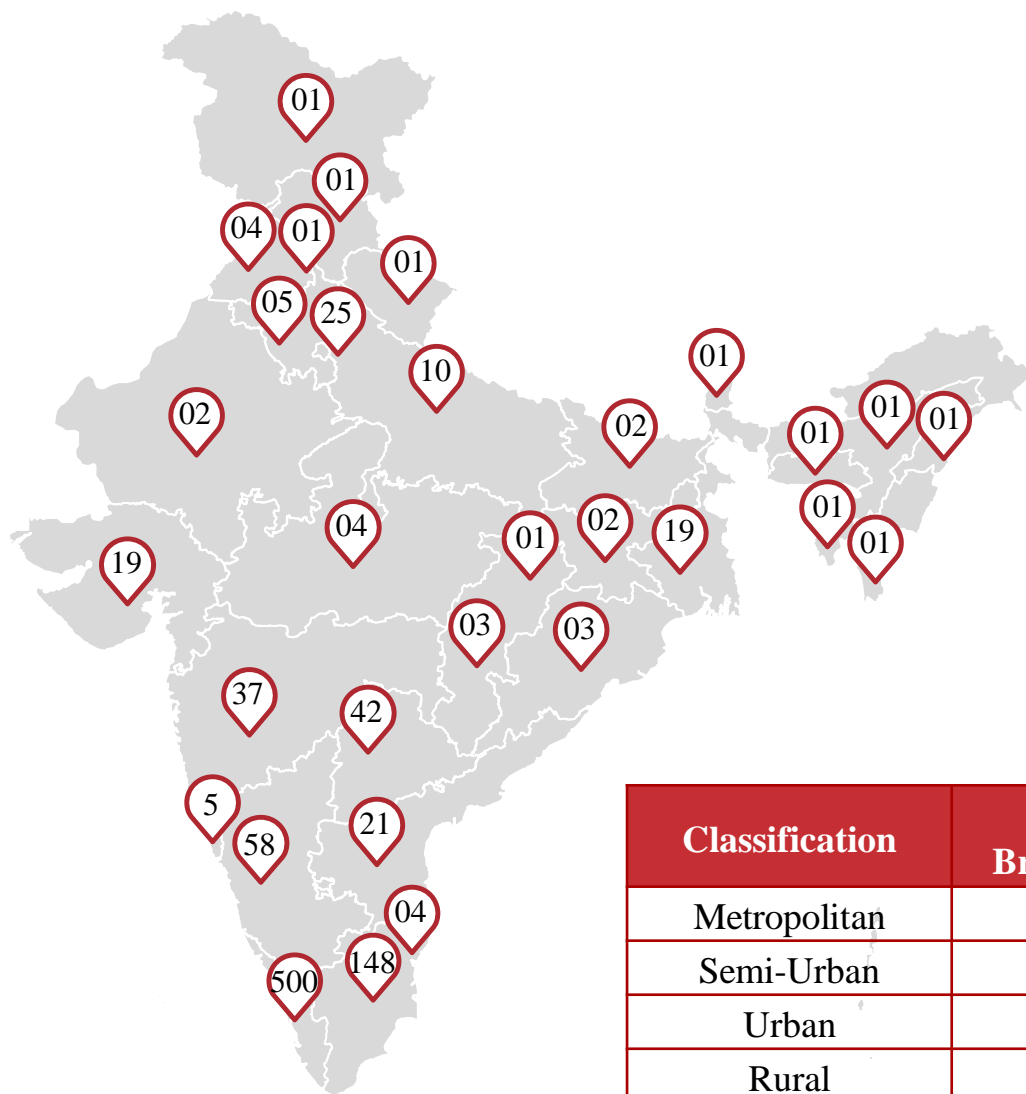
## Investment Book as on Sep-21

Details	Rs. in Crore	Modified Duration
HTM	17,302	3.55
AFS	5,681	0.41
HFT	74	2.00
<b>Total</b>	<b>23,056</b>	<b>2.98</b>

## SLR & NON-SLR

Rs. in Crore	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
SLR	19,828	20,821	18,951	18,944	20,567
NON-SLR	2,187	2,146	2,230	2,388	2,489
<b>Total</b>	<b>22,015</b>	<b>22,967</b>	<b>21,180</b>	<b>21,333</b>	<b>23,056</b>

# Wide network and young work force



Classification	No of Branches <sup>1</sup>
Metropolitan	191
Semi-Urban	460
Urban	171
Rural	104
<b>Total</b>	<b>926</b>

1. Includes extension counters converted as Administratively Independent Outlets w.e.f 01.04.2021 & excludes 3 USBs & 3 Satellite branches operated by Business Correspondent.

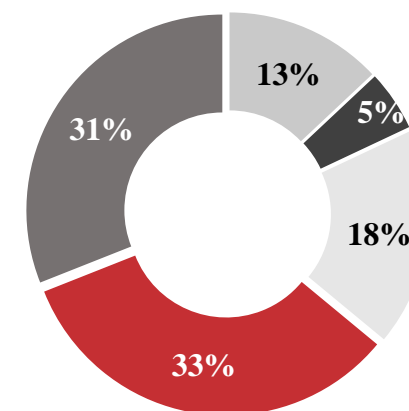


## Total Employees

Q2 FY22: 8,487

Q1 FY22: 7,682

## Experienced Work Force



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

## Legacy Customer Base of 67 lakhs



### Branches<sup>1</sup>

Q2 FY22: 926

Q1 FY22: 926

### ATM

Q2 FY22: 1,294

Q1 FY22: 1,291

# Strong Management Team (1/2)



## Mr. Murali Ramakrishnan, MD & CEO

- Post Graduate Diploma in Finance and Marketing from IIM Bangalore; More than 32 years of experience in Retail & MSME Credit, Risk Management Policy and Business Intelligence Unit.
- Previously, Head SME, Head Credit & Risk and Regional Head International Banking Group of ICICI Bank.

## Mr. Thomas Joseph K, EVP and Group Business Head

- Bachelors Degree in Engineering and Diploma in Management & CAIIB. Associated with SIB for 37 years.
- Managed various portfolio including Credit, Risk Management, Technology, Marketing, Corporate Financial Management, Regional Head, and Human Resource.

## Mr. Anto George T, Head HR & Admin

- MBA in Human Resource management, Associated with SIB for more than 25 years.
- Managed Internal Audit & Vigilance, Fraud Management, Regional Head and Retail Banking.

## Mr. Reddy N J, Head Recovery

- Masters Degree in Commerce & LLB. Associated with SIB for 36 years.
- Rich experience in the field of litigation and recoveries of stressed exposures.

## Mr. Sanchay Kumar Sinha, Country Head - Retail Liability

- More than 20 years of extensive experience in retail distribution and institutional sales in industries like financial services, logistics and office automation.
- Associated with HDFC Bank for 12 years; managed profiles like national sales head- liability acquisition, branch sales, credit card sales and product management of HNW customers.

## Mr. Sony A, Head Technology & Digital Banking

- Certified Information Systems Auditor from ISACA, USA and MBA. Over 25 years of experience in banking technology. Instrumental in setting up key systems like Business Process Management tools, CRM systems, Treasury & Risk Management. Leads the payment channels such as UPI, IMPS, Bharat QR, Bhim Aadhaar etc in the Bank.

## Ms. Minu Moonjely, GM Credit

- Associated with SIB for more than 25 years.
- Vast experience across business functions like Credit underwriting, Branch Banking, Corporate Finance & Forex. Headed largest MSME region of the Bank

## Ms. Biji S S, Head Corporate Business

- MBA in Human Resource Management. Associated with SIB for more than 25 years.
- Managed relationship with mid and large corporate clients in various regions of the Bank and vast experience in Branch banking. Successfully lead the largest region of the Bank..

# Strong Management Team (2/2)



## Mr. Nandakumar G, Head SME Business

- Associated with SIB for more than 25 years.
- Vast experience across business functions like Branch/RO management, Retail Banking including Bancassurance and Marketing. Headed three large metro regions of the Bank.

## Ms. Chithra H, Chief Financial Officer

- Fellow member of the Institute of Chartered Accountants of India & Certified Associate of the Indian Institute of Banking & Finance.
- Associated with SIB for over 25 years. Rich experience in the field of Finance, Compliance, Treasury Back office, Branch operations and Regional Head.

## Mr. Thallam Sreekumar, Head Unsecured Products

- More than 25 years of experience spanning across various asset and liability business lines.
- Associated with ICICI Bank for more than 16 years and was Zonal Head of ICICI Bank for South India Region.

## Mr. Leelanand Kodoganti, Head Treasury

- Over 30 years of rich experience with consistent achievement in directing diverse areas of Treasury Management, Forex Derivatives and Risk Management responsibilities.
- Associated with multiple corporates including ICICI Bank, Global Trust Bank, SBM Bank Mauritius and Andhra Bank.

## Mr. L Harikumar, Head Branch Banking

- More than 16 years of experience in the field of Branch Banking, Wealth Management and Retail Banking strategy.
- Previously associated with Axis Bank as Business & Operation Head of Chennai Circle comprising of 135 Branches.

## Mr. Abey Abraham, Head Housing Loan Business Group

- Chartered Accountant with business management and associated with ICICI Bank for 17 years.
- Managed profiles like National Head – Key account management, South Head – Housing loans & Mortgages with creation of distribution and channel networks.

## Mr. Senthil Kumar, Head Recovery & Collections

- Management graduate with 27 years of experience in banking and finance
- 21 years of experience with ICICI Bank across Sales, Credit, Product, Recovery and Collection functions

For further information, please contact:

The South Indian Bank Ltd.

CIN - L65191KL1929PLC001017

Ms. Chithra H, CFO

[chithra@sib.co.in](mailto:chithra@sib.co.in)

Mr. Vinod Francis, Joint General Manager

[vinodfrancis@sib.co.in](mailto:vinodfrancis@sib.co.in)

Mr. Chetan Parmar, Head IR

[chetanparmar@sib.co.in](mailto:chetanparmar@sib.co.in)

[www.southindianbank.com](http://www.southindianbank.com)



**THANK YOU**