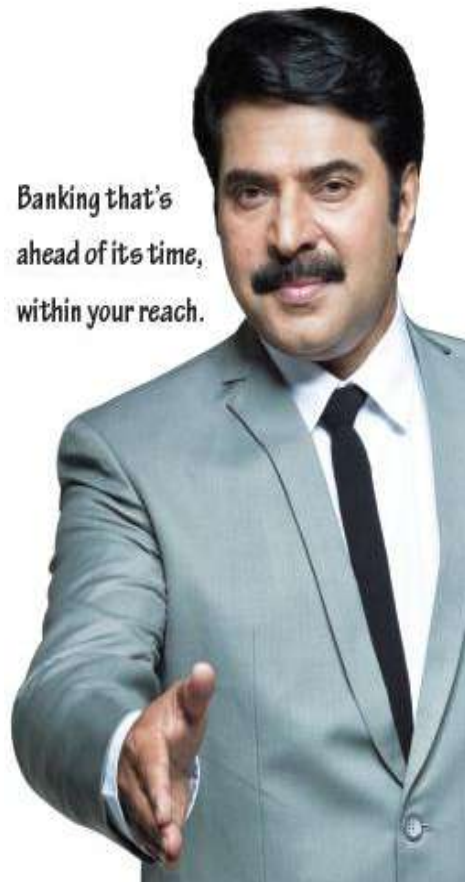




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ahead of its time,  
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**Investor Presentation  
January - 2016**

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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

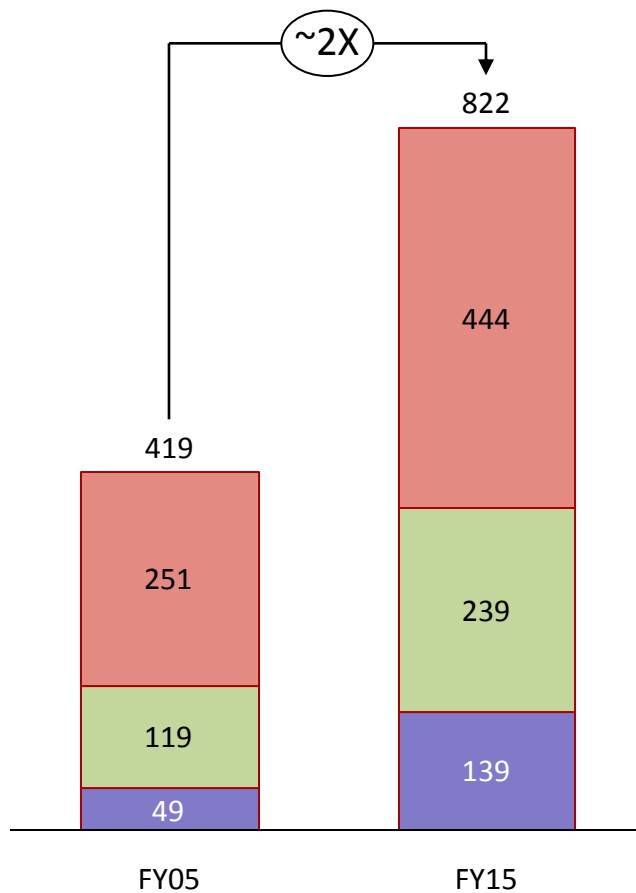
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

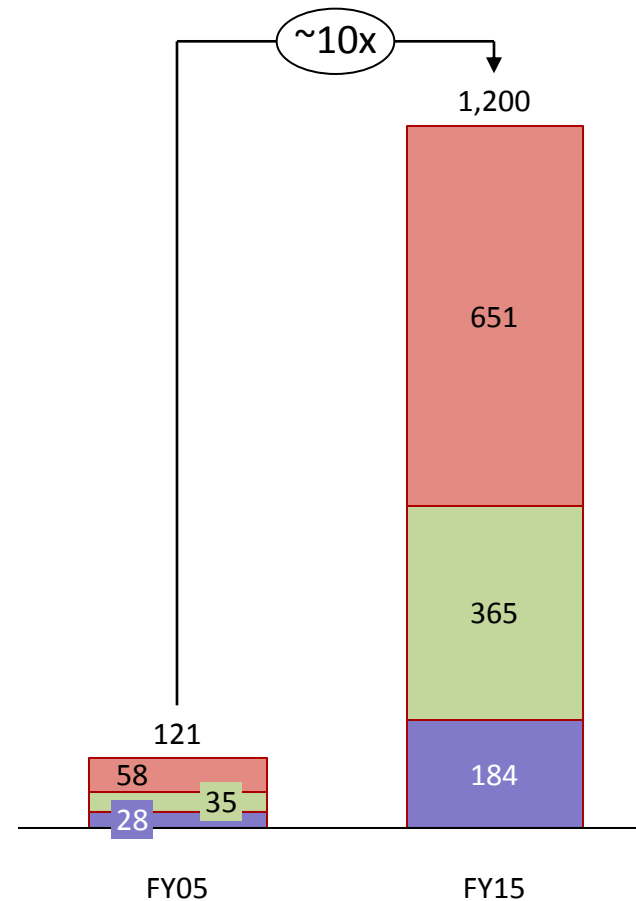
**The FIRST Kerala based bank to implement  
Core Banking System**

# Expansion over a Decade

Branch Network



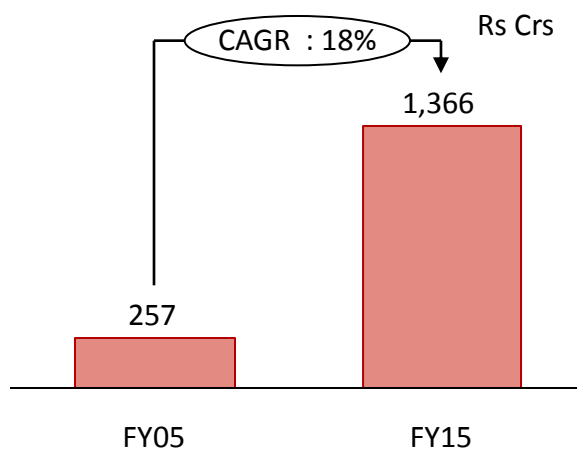
ATM Network



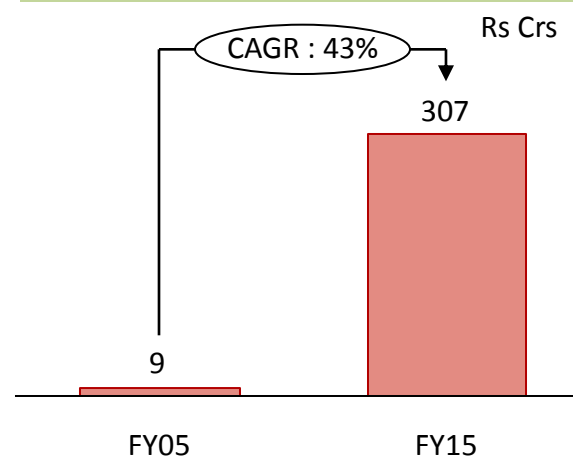
■ Kerala ■ South Ex-Kerala ■ Others (Rest of India)

# Performance over a Decade

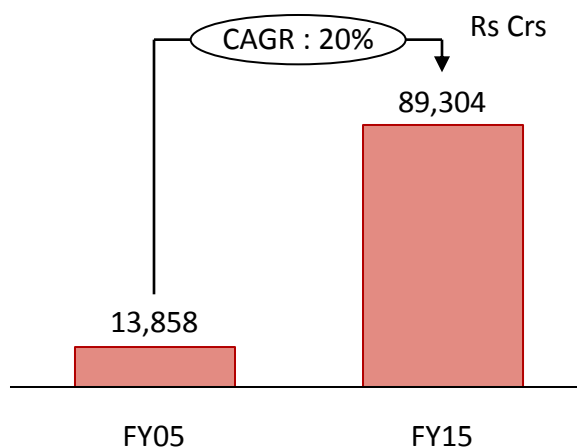
## Net Interest Income



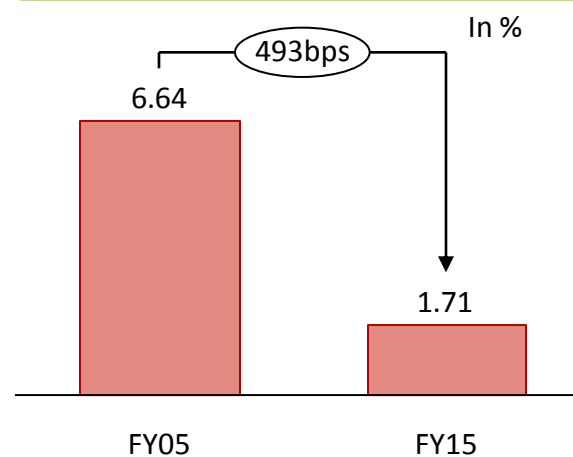
## Profit After Tax



## 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
- 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  
(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

- 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



# 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

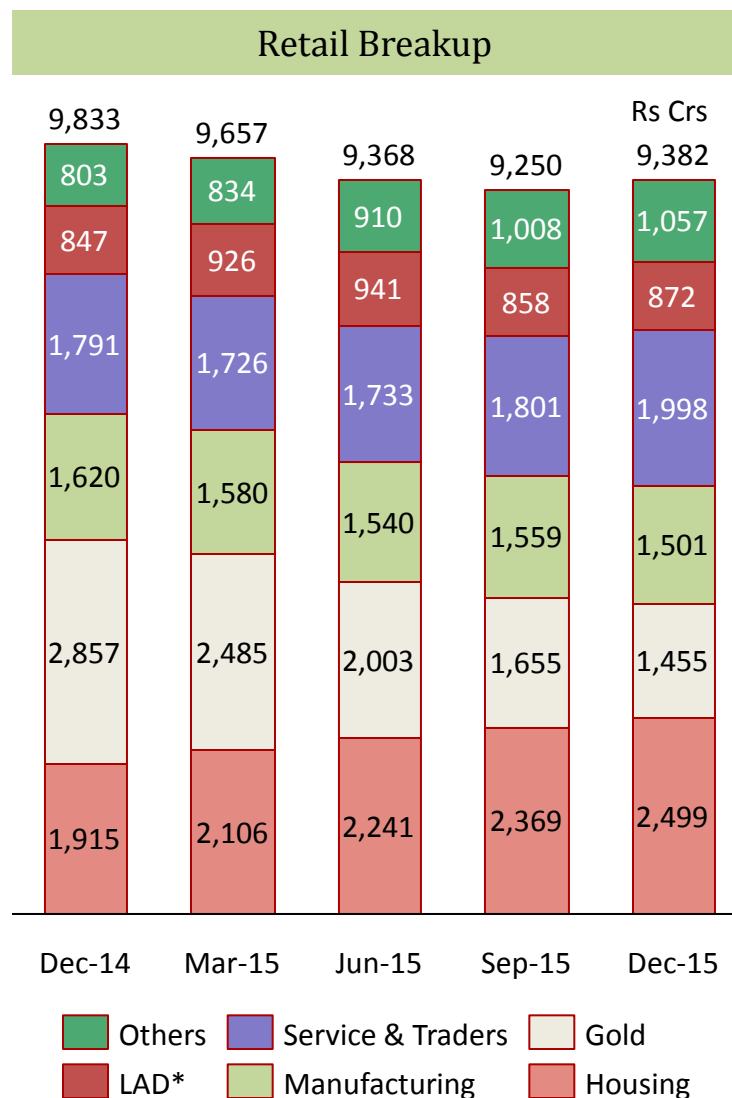
Cluster  
Branches



## 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

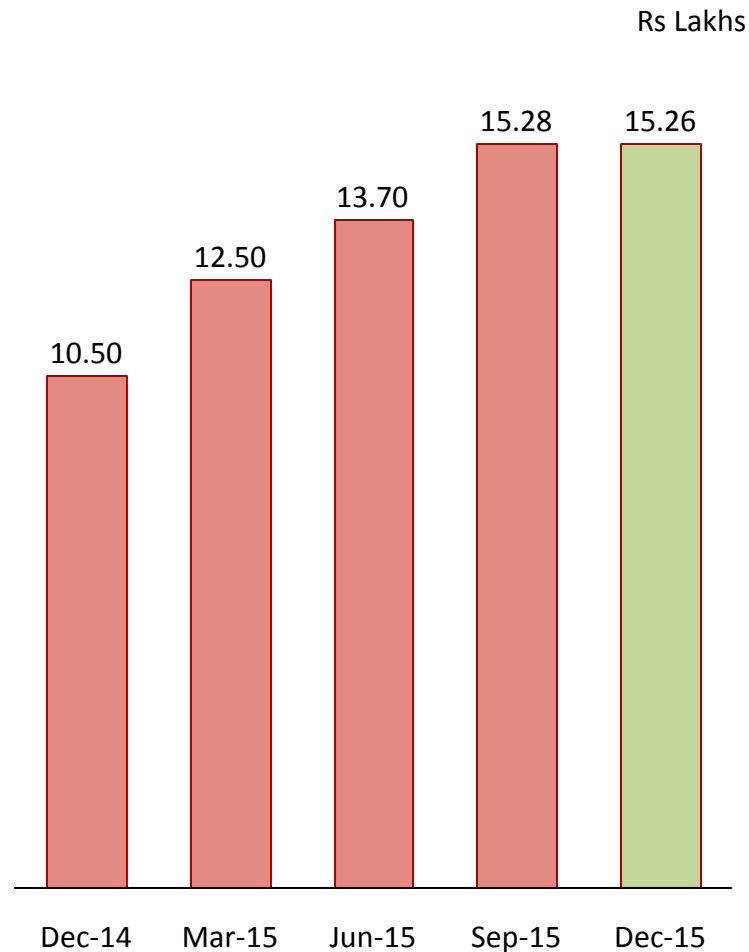
## Oct to Dec 2015

- Housing Loans Sanctioned : 1,068 Nos.
- Amount of Housing Loans Sanctioned – Rs. 199 cr

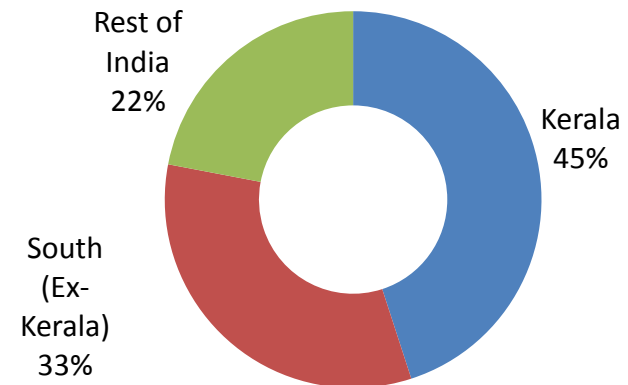
\*LAD = Loan against deposits

# ...becoming a Banker of Choice to SMEs

## Average SME Loan / Account



## Loan Book by Geography – Q3-FY16

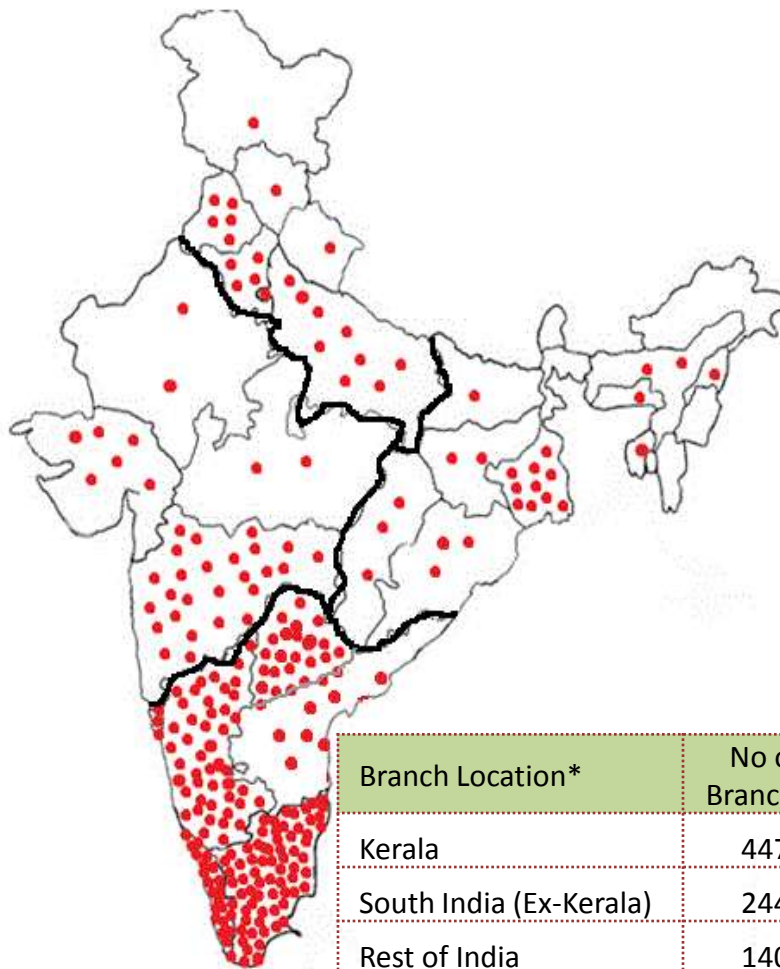


## SME Highlights

- 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)

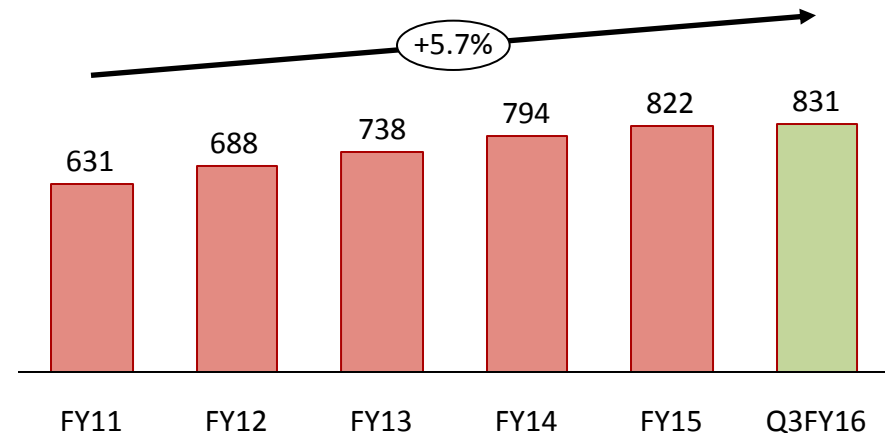


# ...with the help of our Branch Network

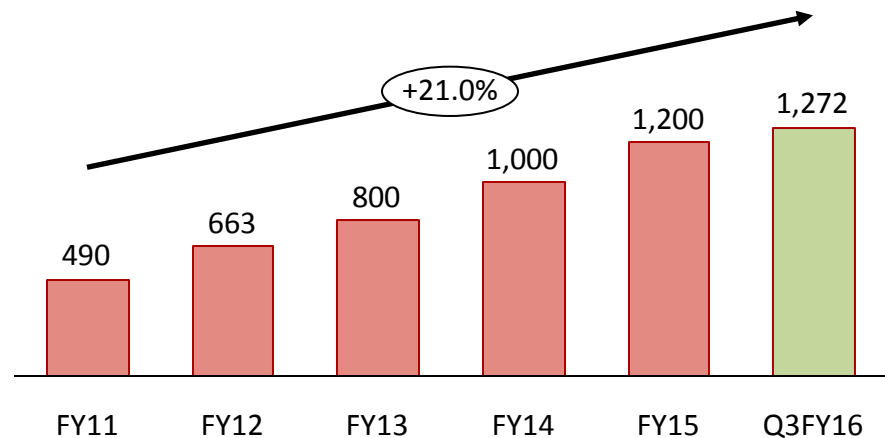


Branch Location*	No of Branches
Kerala	447
South India (Ex-Kerala)	244
Rest of India	140
<b>Total</b>	<b>831</b>

## Total Branch Network



## Total ATM Network

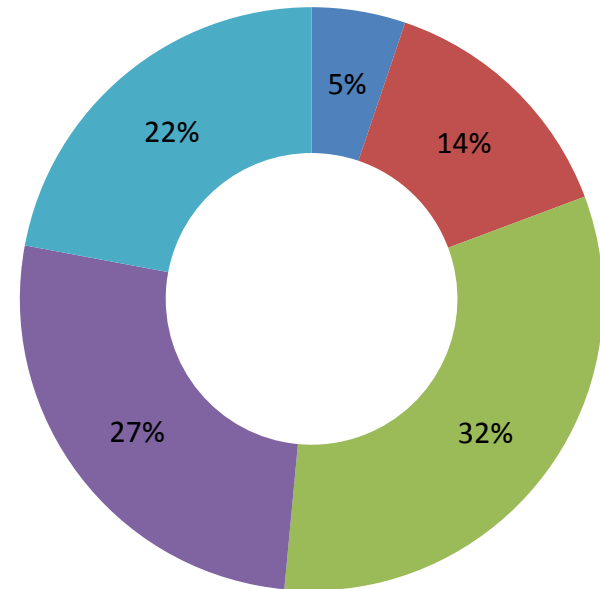
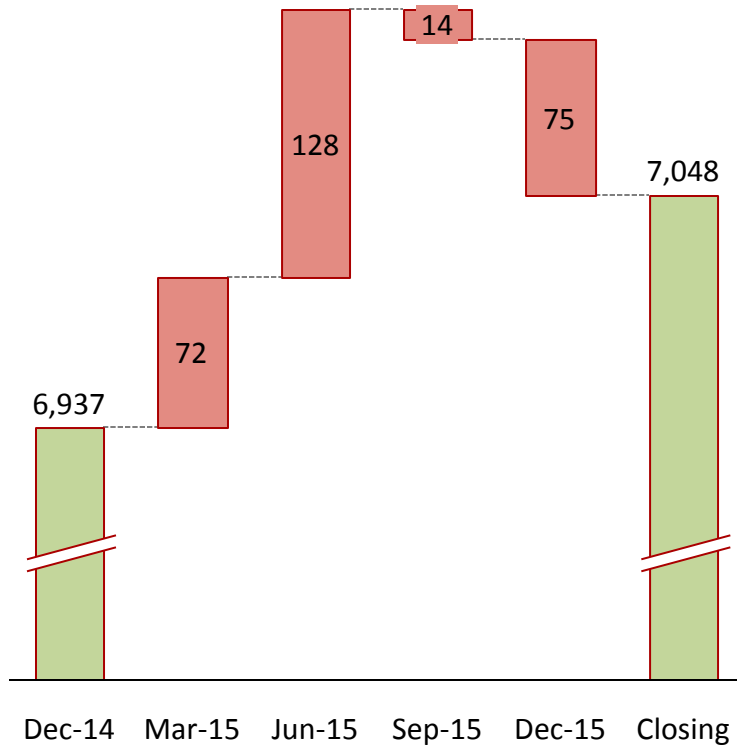


\*Map for illustration purpose only

# ... and our Experienced Employees

## Employee Addition

Total Employees: 7,048\*



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

\*Employees include full-time officers and clerks.

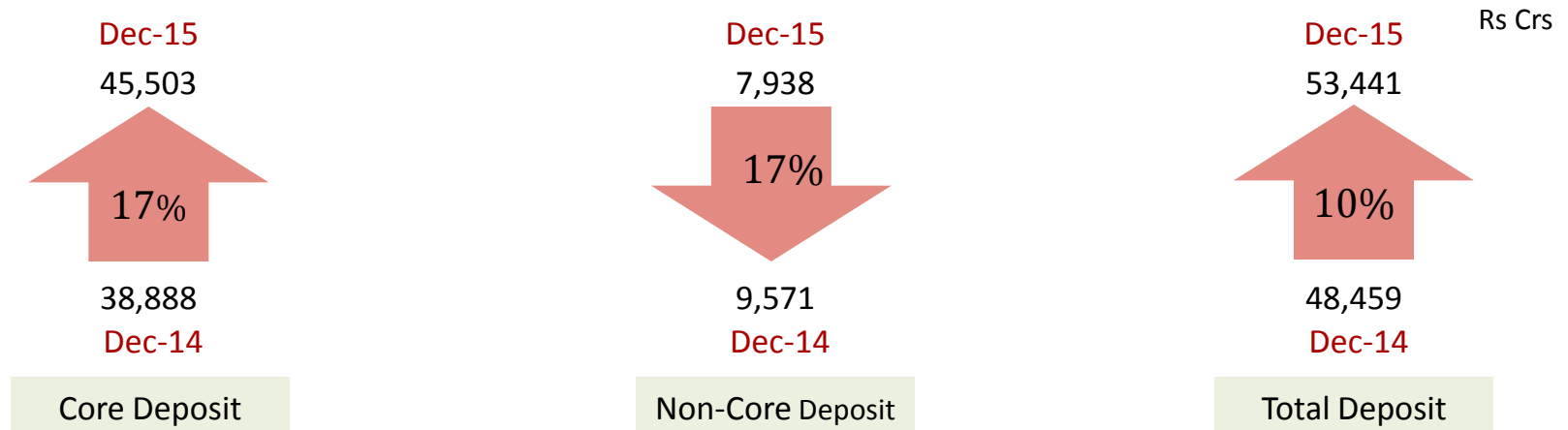


# Performance Matrix

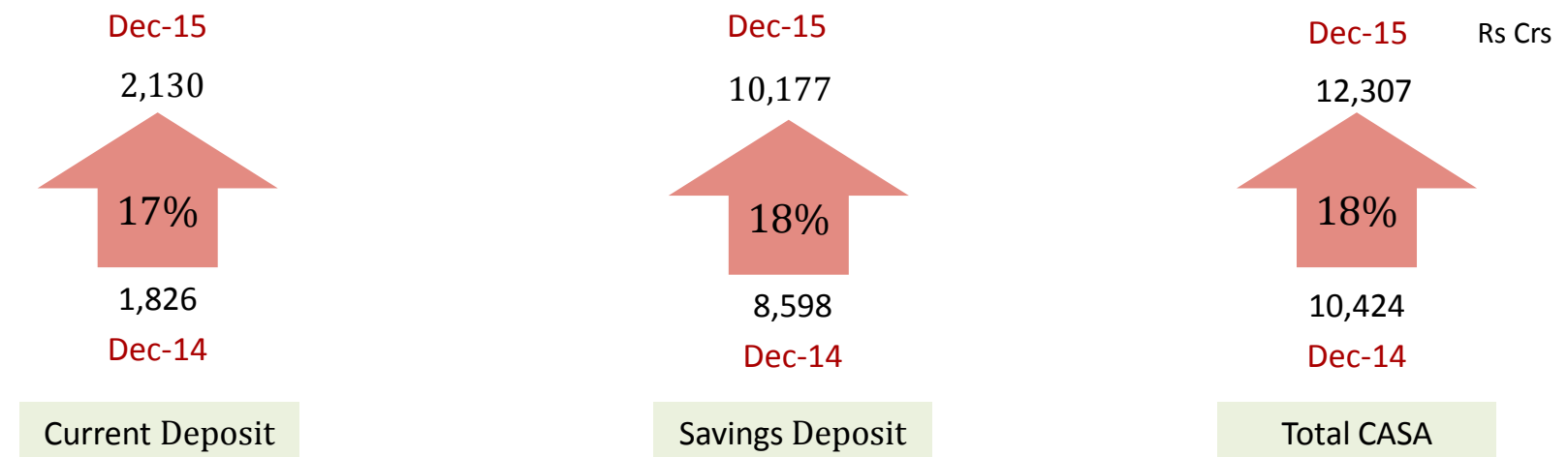


# Strong Deposit Franchise

## Core & Non-Core Deposits

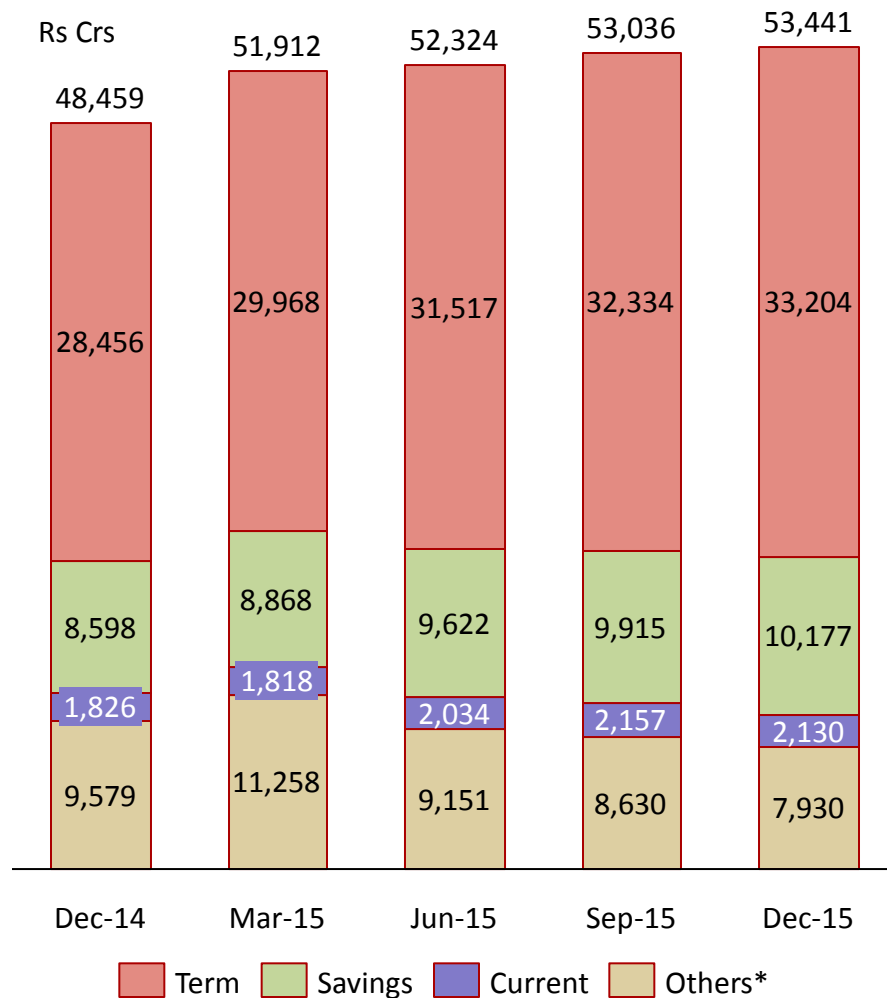


## CASA Deposits

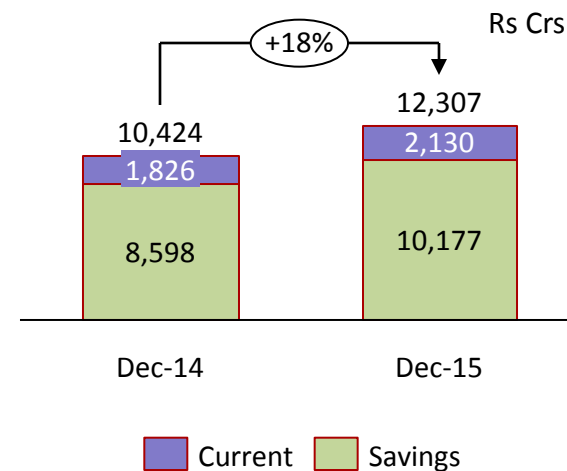


# Core Deposits Growing...

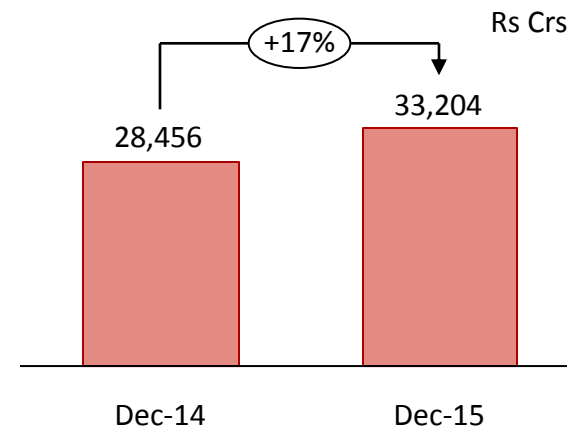
## Breakup of Deposits



## CASA Deposit



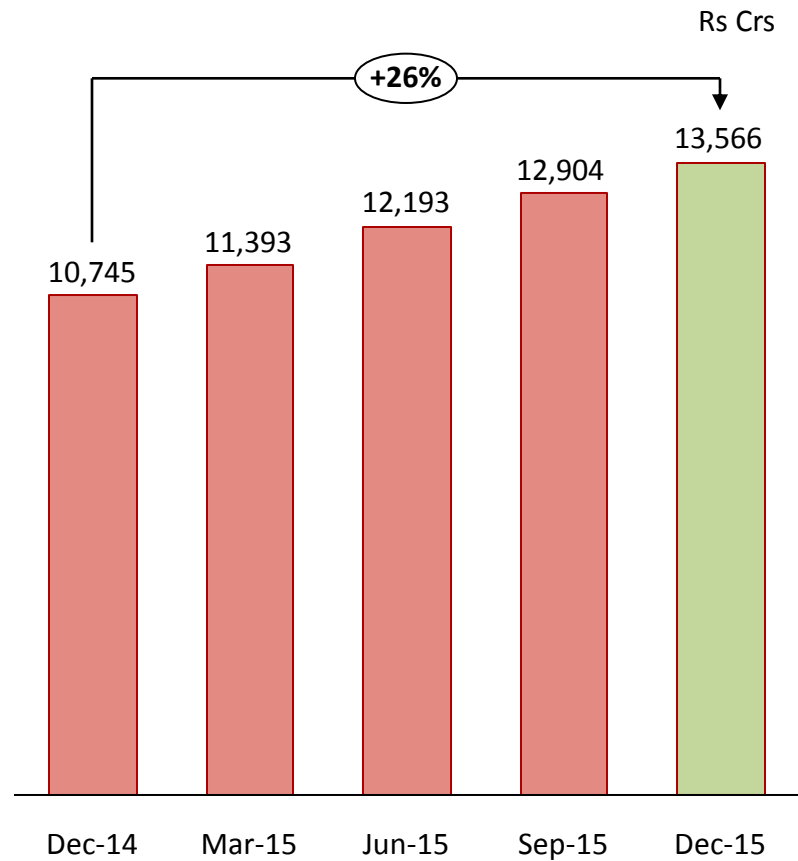
## Term Deposits



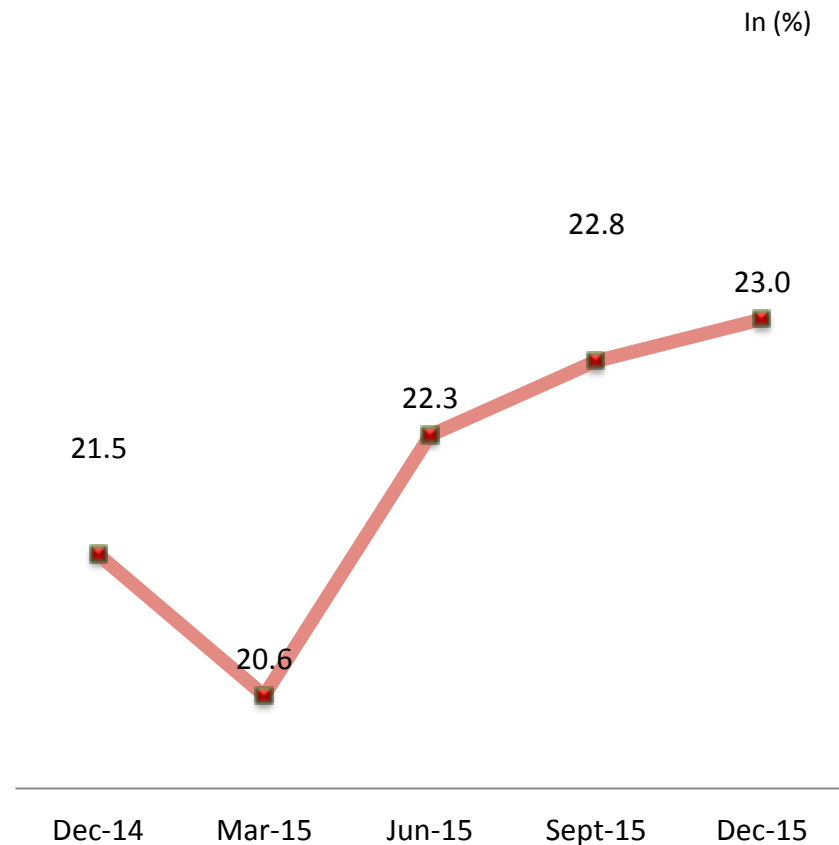
\*Others includes: Bulk, Certificates of Deposits

# NRI Deposits Growing...

## NRI Deposits



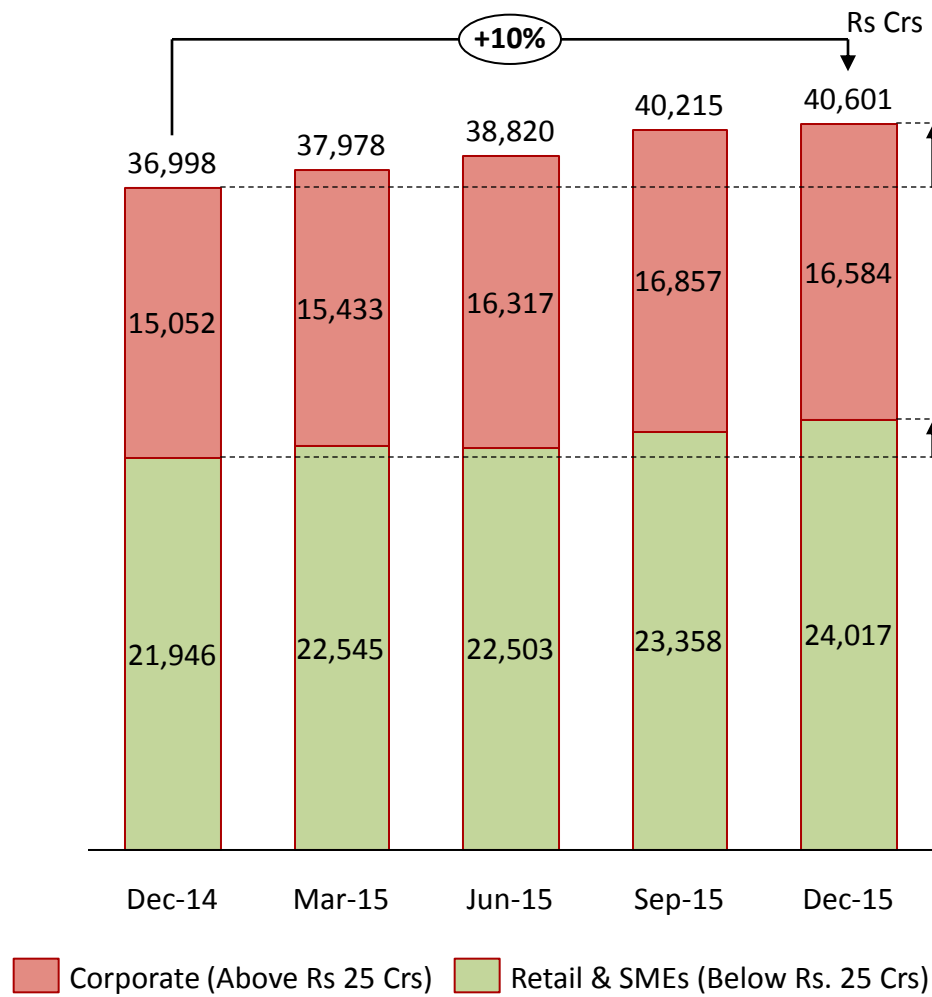
## CASA



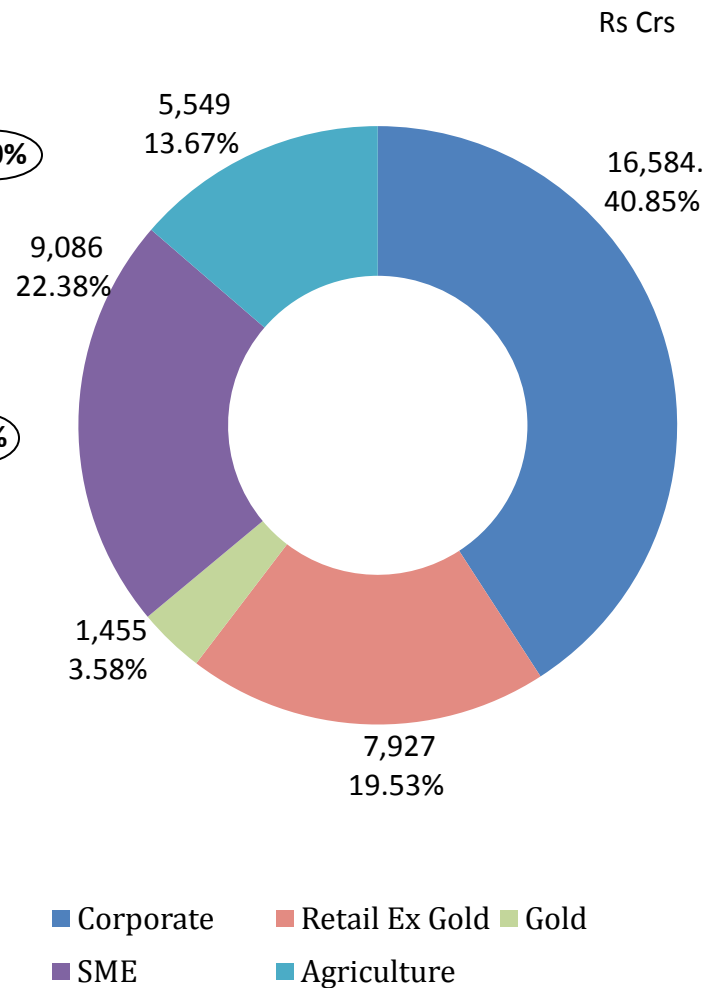
**As on March 2015 : 71% of Liabilities will be re-priced within 1 year**

# Composition of Loan Book

Total Advances

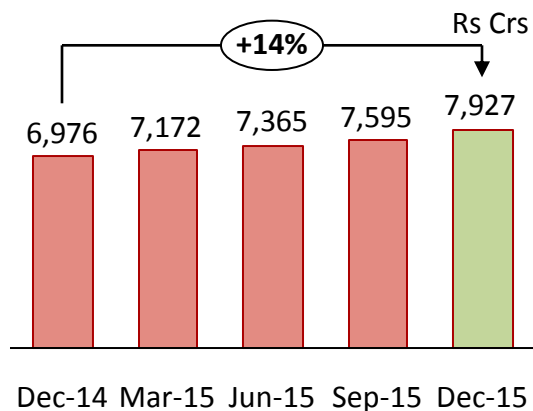


Segment wise Break Up

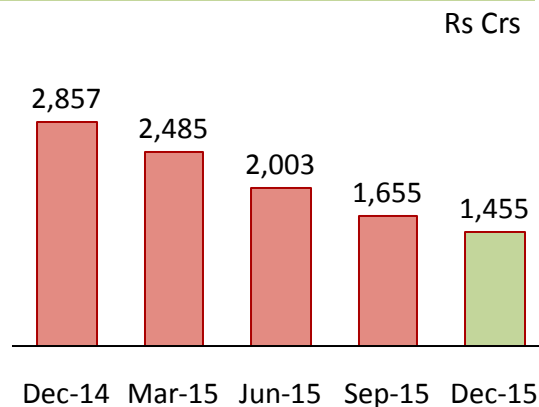


# Key Focus : Retail, SME & Agriculture

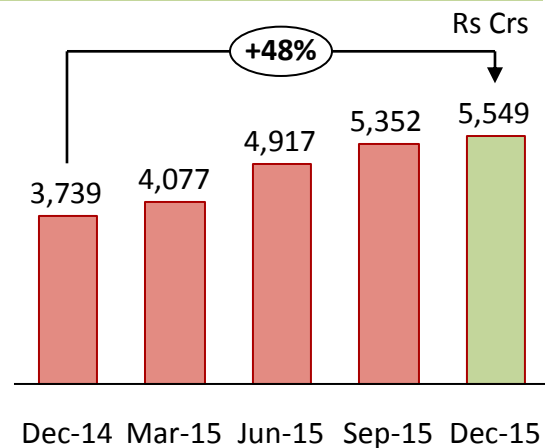
## Retail excluding Gold



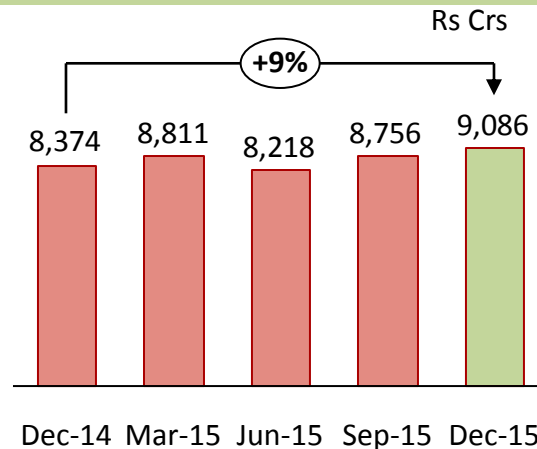
## Gold ( Average LTV – 65%)



## Agriculture



## SME



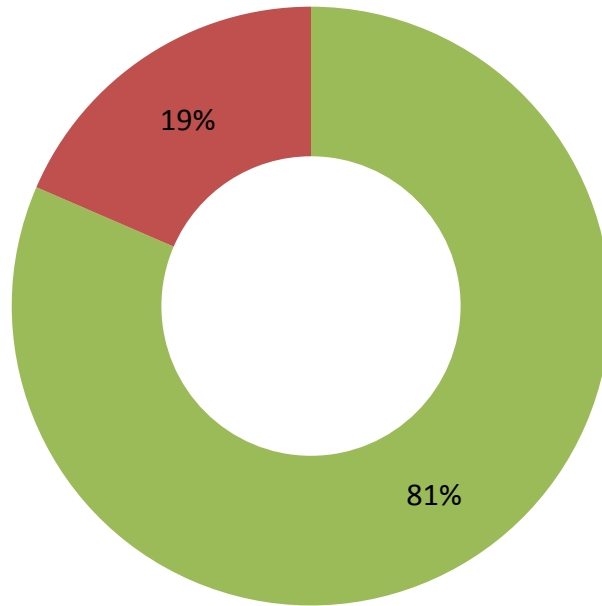
Retail Loans (Excl. Gold), Agriculture & SME has grown by 18%

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



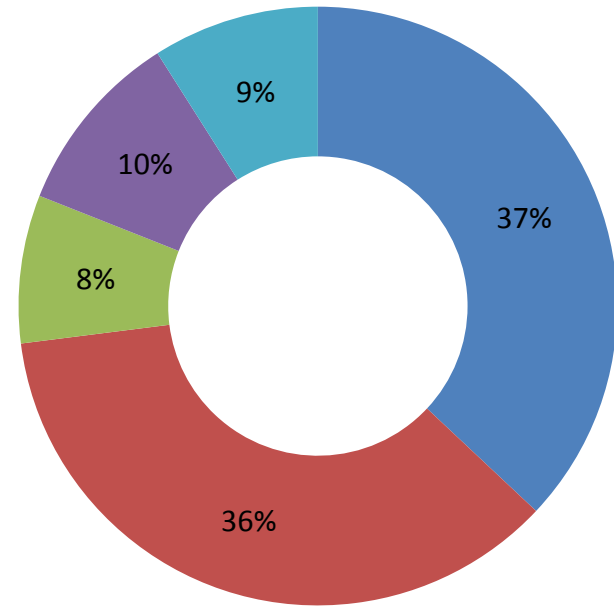
# 81% of Lending to Investment Grade

Rating wise distribution of Standard Advances



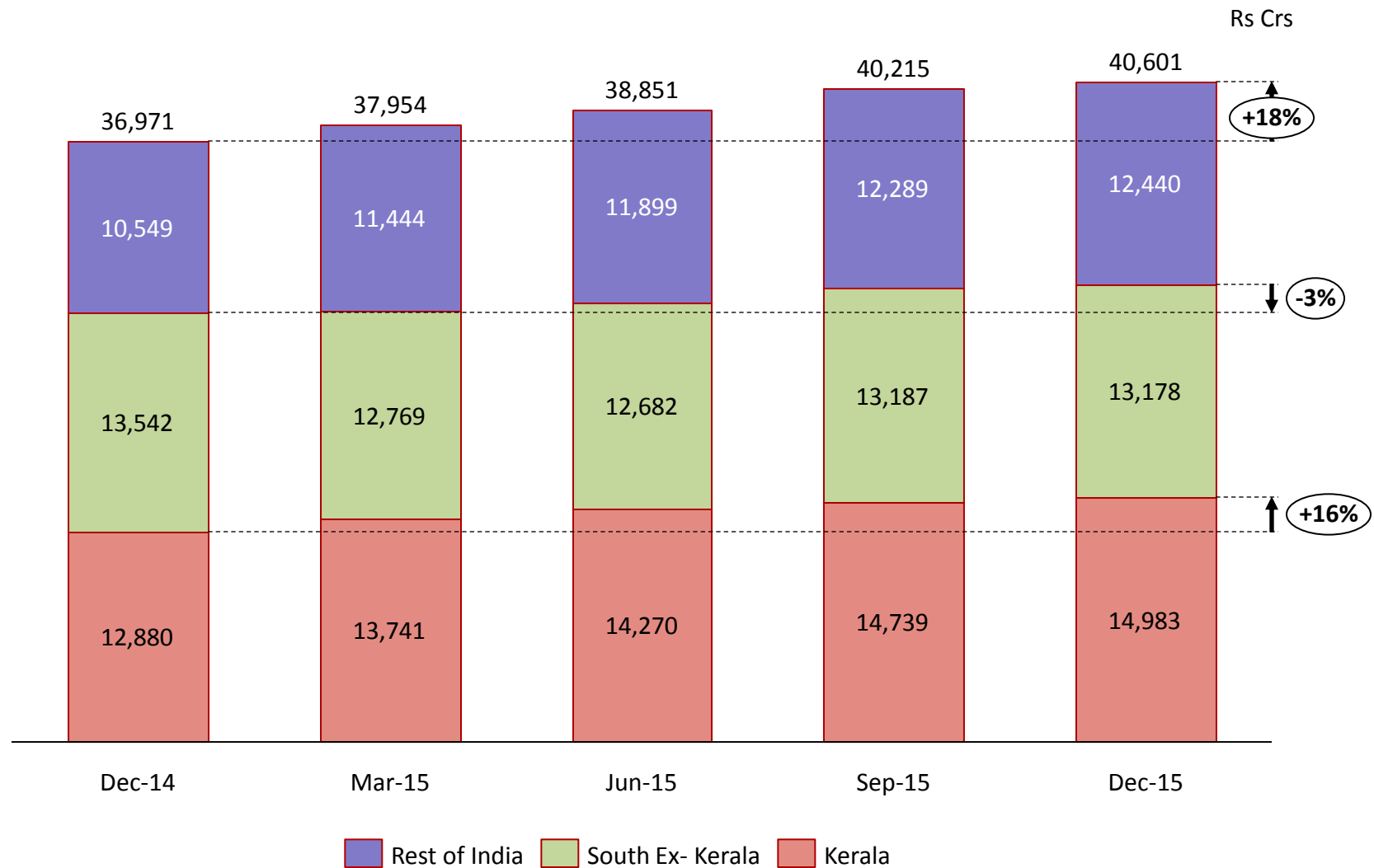
■ Investment Grade ■ High Yield

Investment Grade – Rating wise Break Up



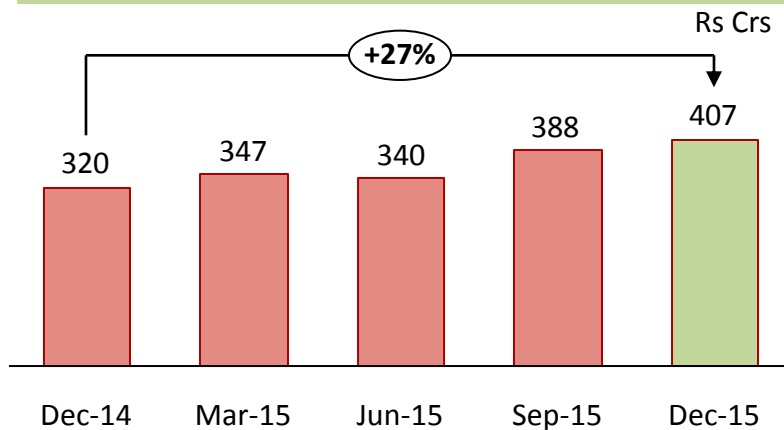
■ SIB-AAA/AA ■ SIB-A ■ SIB-BBB  
■ SIBB<BBB ■ Unrated

# Advances growing across Regions

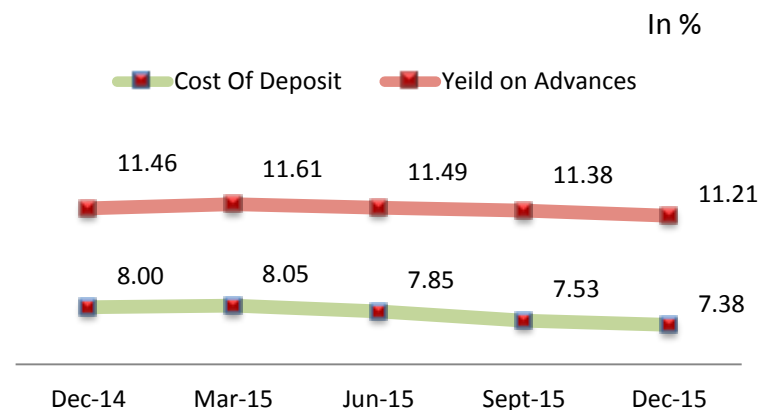


# Net Interest Income - Quarter

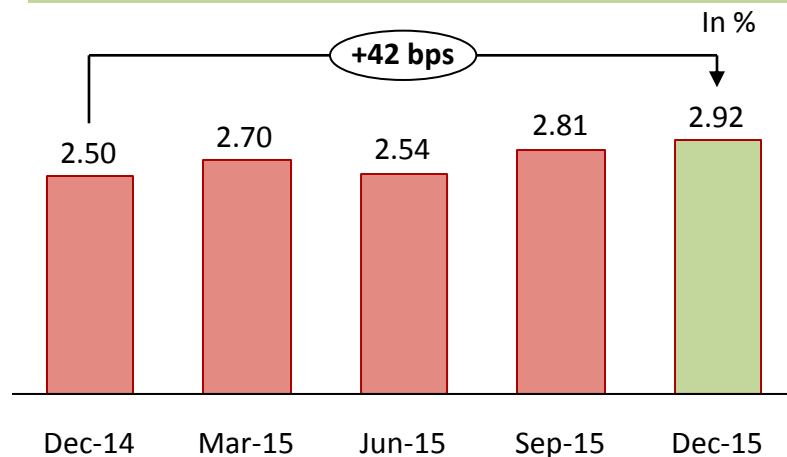
## Net Interest Income



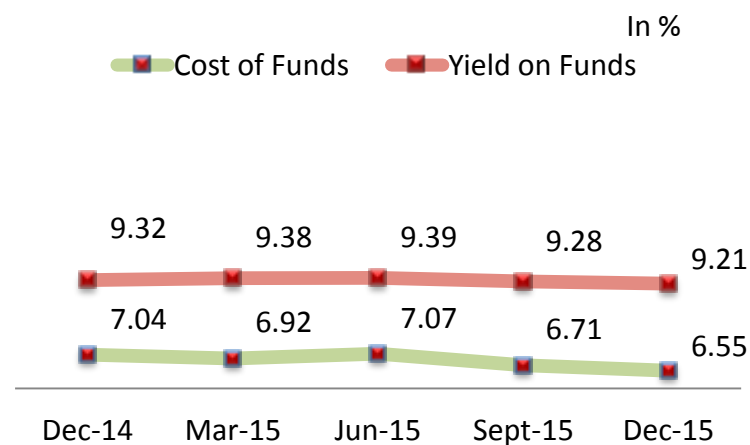
## Cost of Deposits & Yield on Advances



## Net Interest Margin

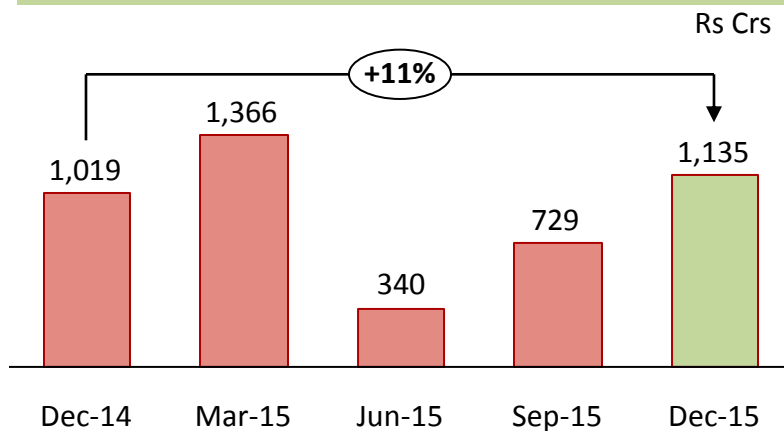


## Cost of Funds & Yield on Funds

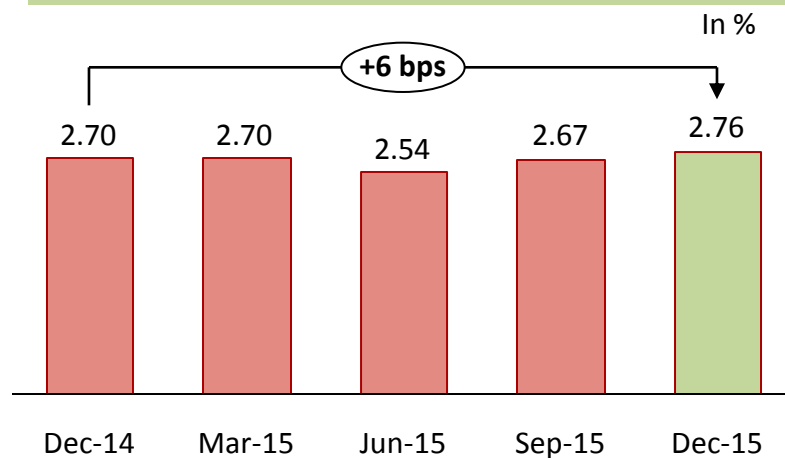


# Net Interest Income - Cumulative

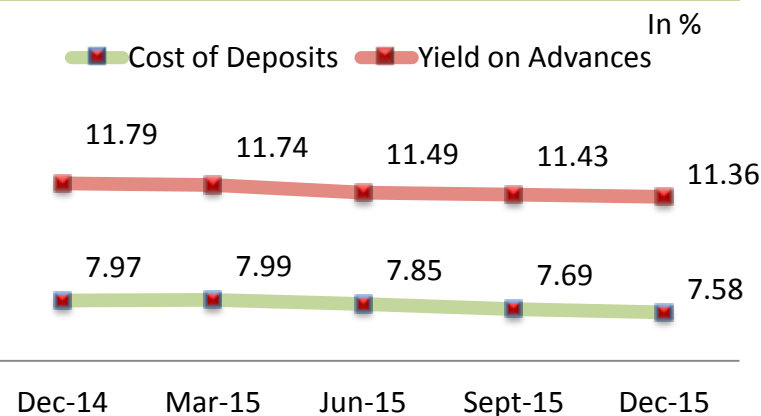
## Net Interest Income



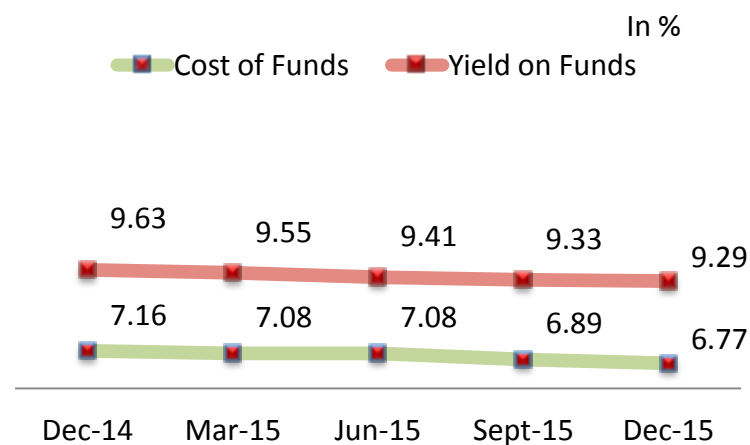
## Net Interest Margin



## Cost of Deposits & Yield on Advances

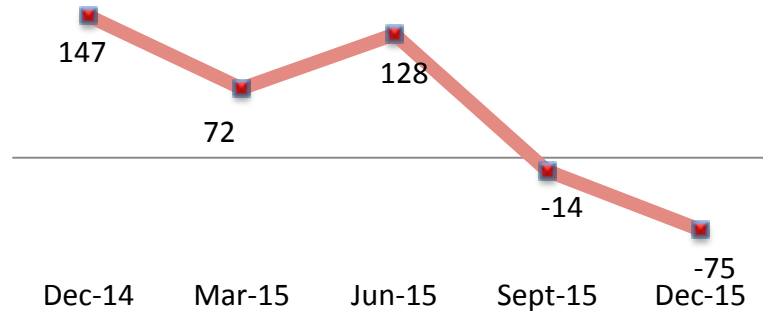


## Cost of Funds & Yield on Funds

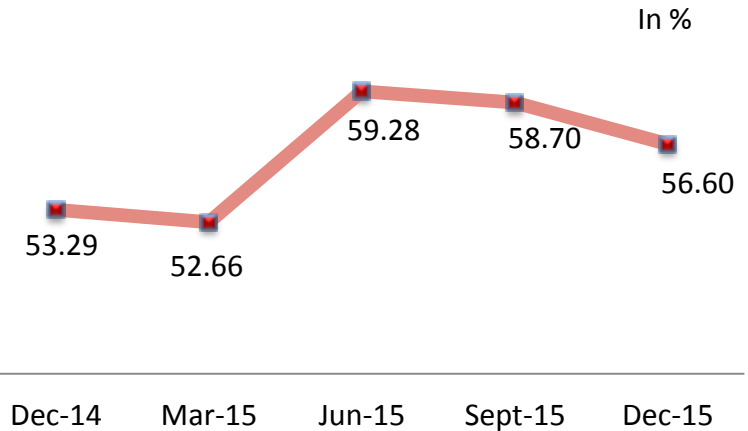


# Operating Efficiency

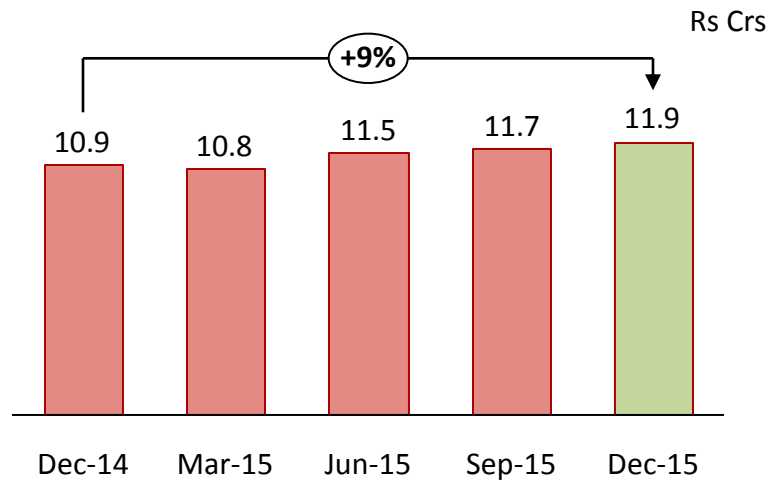
## Employee Additions



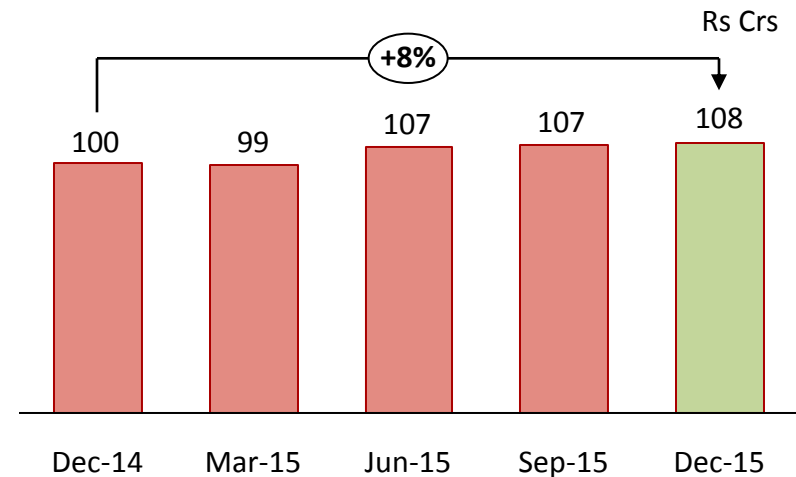
## C/I Ratio



## Business per Employee

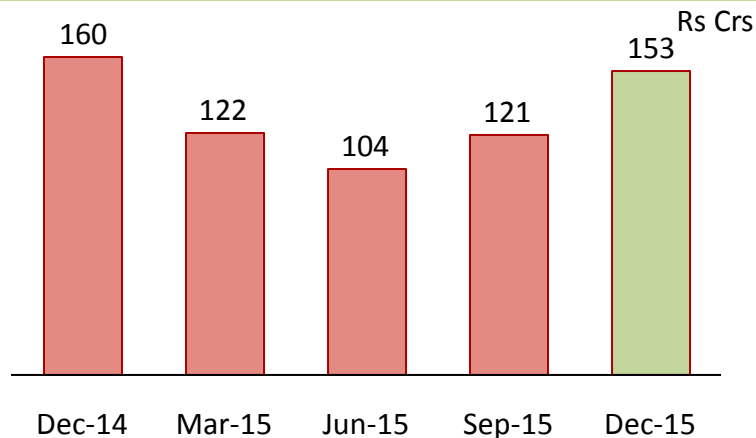


## Business per Branch

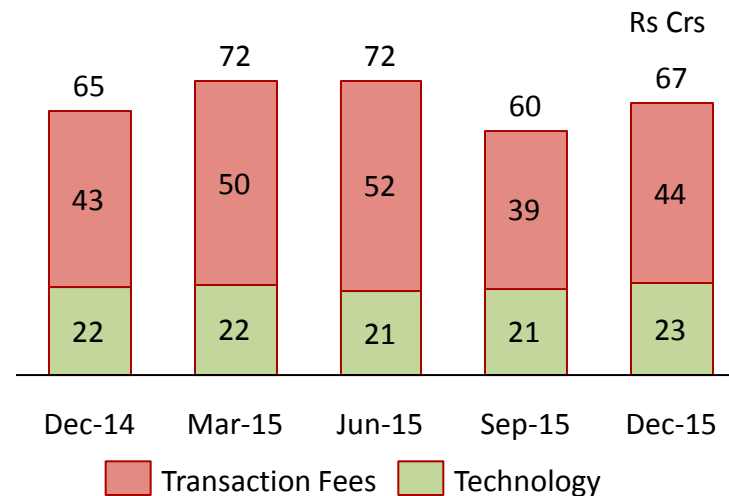


# Sustainable Other Income

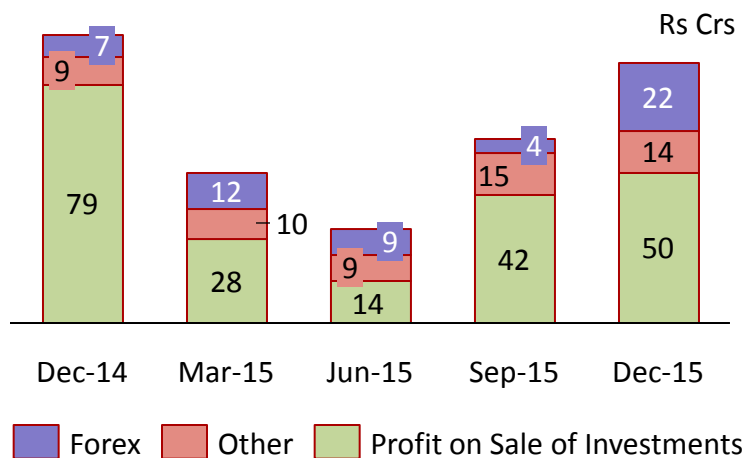
## Total Other Income led by ...



## ...Sustainable : Transaction Fees + Technology



## Profit on Sale of Investments, Forex & Others



## Investment Book as on Dec-15

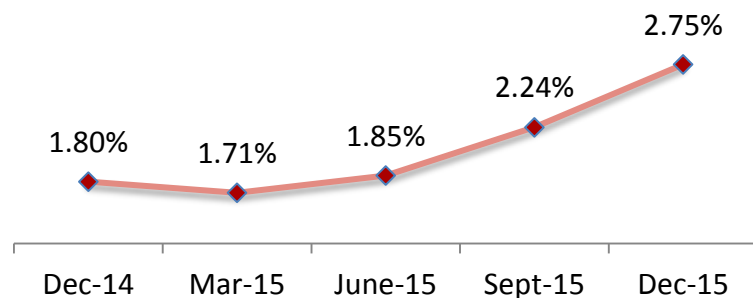
Details	Rs. Crs	M Duration
HTM	11,367	5.28
AFS	1,859	4.10
HFT	173	6.07
<b>Total</b>	<b>13,399</b>	<b>5.15</b>

# Break Up of Provisions

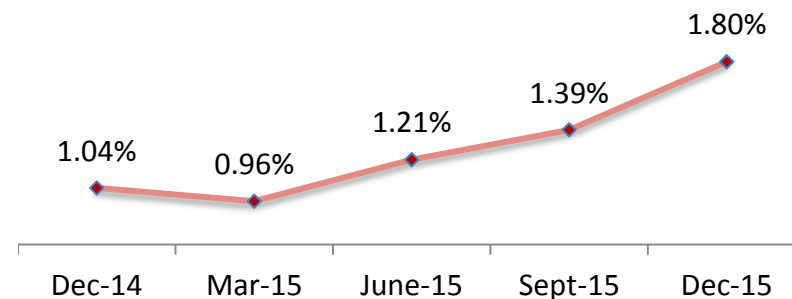
Rs Crs	Q3- FY 16	Q3- FY 15	Q2-FY16
For NPA & NPI	83.85	51.35	89.13
For Depreciation on Investments	12.21	(3.46)	(3.23)
For Standard Assets	10.85	3.69	16.3
For Restructured Advances/Sacrifices & FITL	(1.69)	30.39	(37.89)
For Unhedged Forex Exposure	(1.23)	3.54	(2.05)
Others	2.39	0.45	5.21
Taxes	55.05	45.53	52.18
<b>Total Provisions</b>	<b>161.43</b>	<b>131.49</b>	<b>119.65</b>

# Non Performing Assets

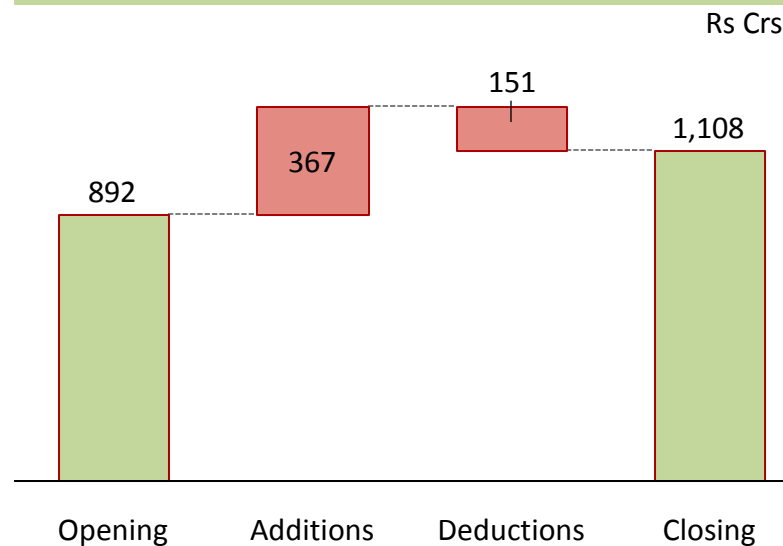
Gross NPA



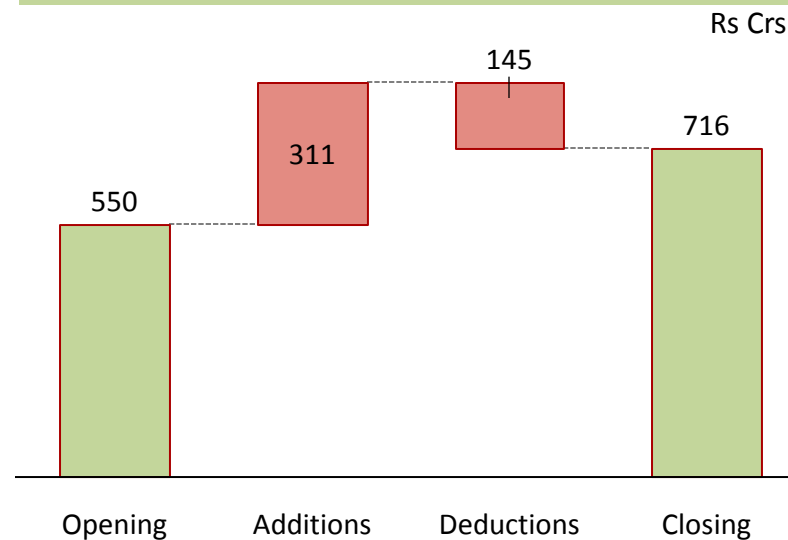
Net NPA



Gross NPA movement in Q3FY16



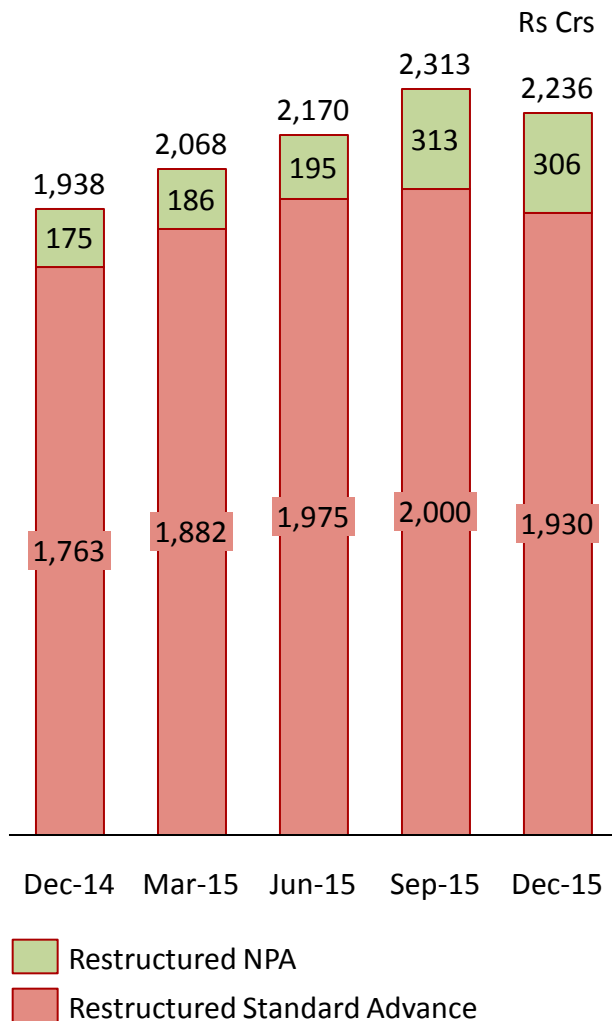
Net NPA movement in Q3FY16



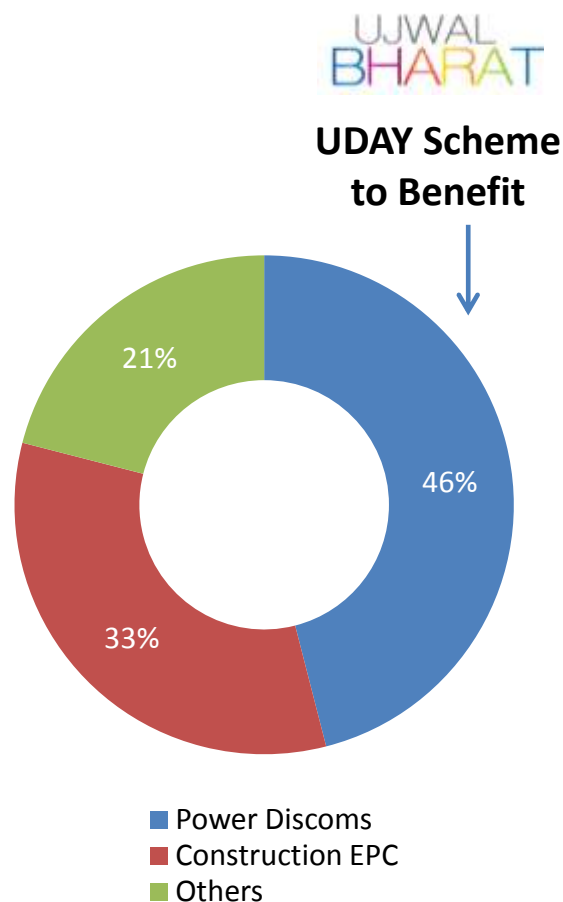


# Restructured Advances Breakup

Restructured Assets Break-up



Sector Standard Restructure – Q3FY16

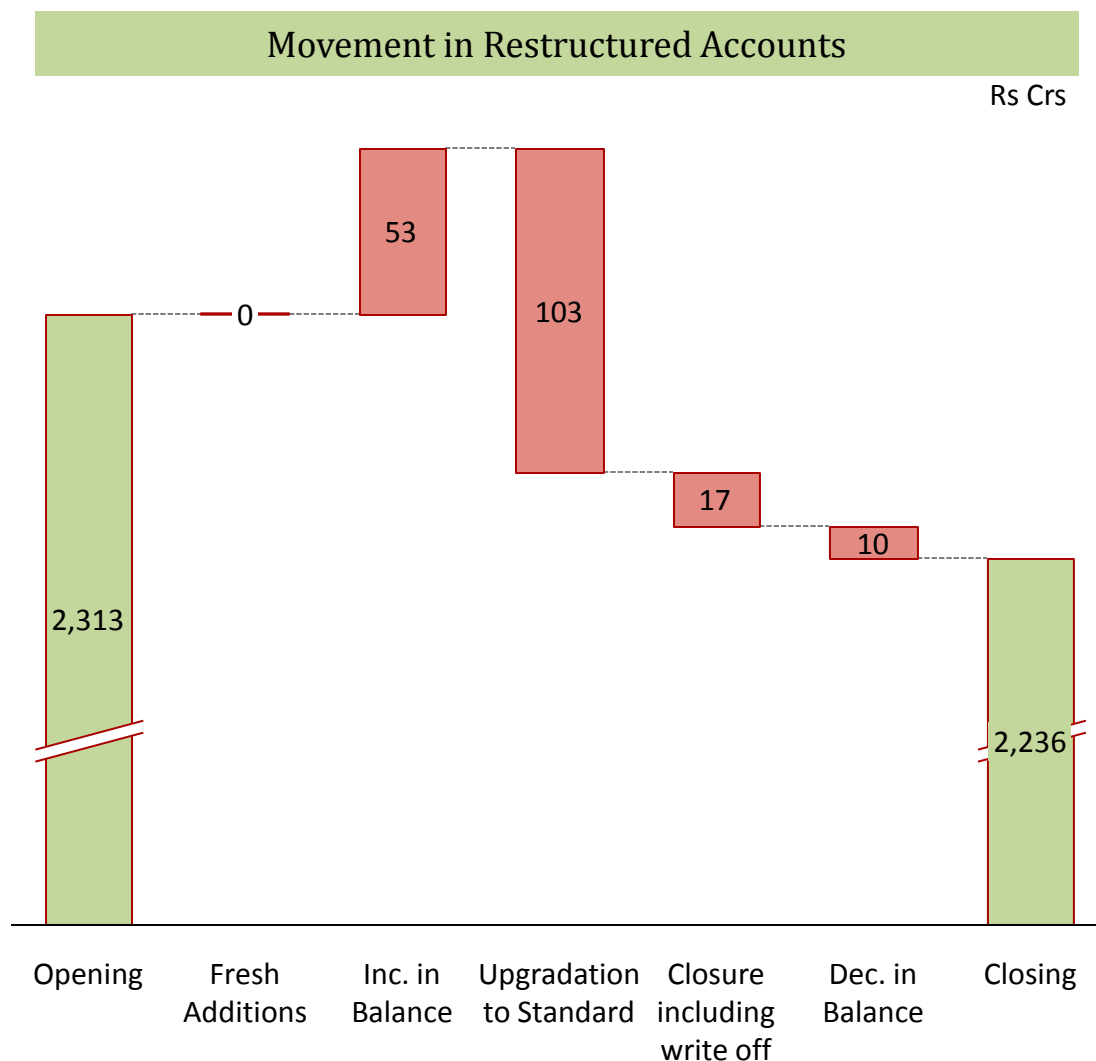


Government's Uday Scheme targeted towards power Discoms will immensely benefit SIB

Scheme aims to provide a permanent resolution to Discom issues

\*Other includes IT, Bullion, etc.

# Movement in Restructured Accounts

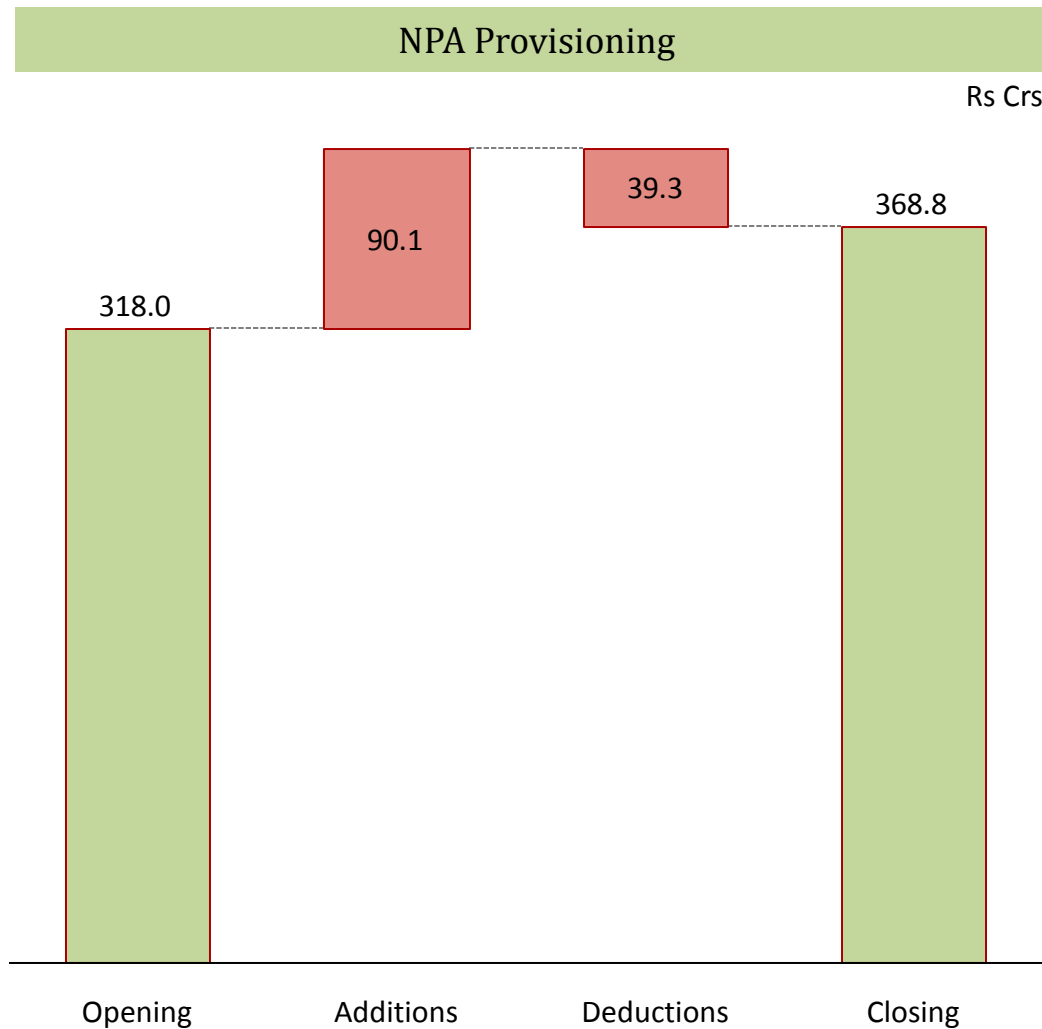


Shift of focus from  
Large Corporate  
to  
SMEs

Defocusing from  
Power & Infra Sectors

Special Recovery Cell  
&  
Asset Monitoring Cell

# Adequate Provisioning

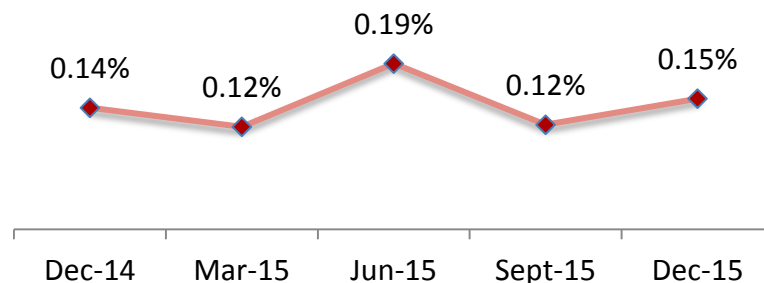


Provisioning  
Coverage Ratio  
50.29%

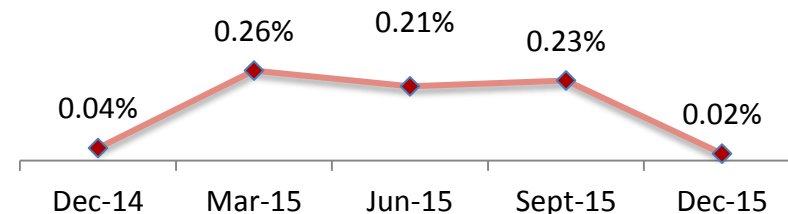
Advances in the Initial  
quarters as NPAs :  
Requiring  
Less Provisioning

# Fresh Slippages/Advance Ratios

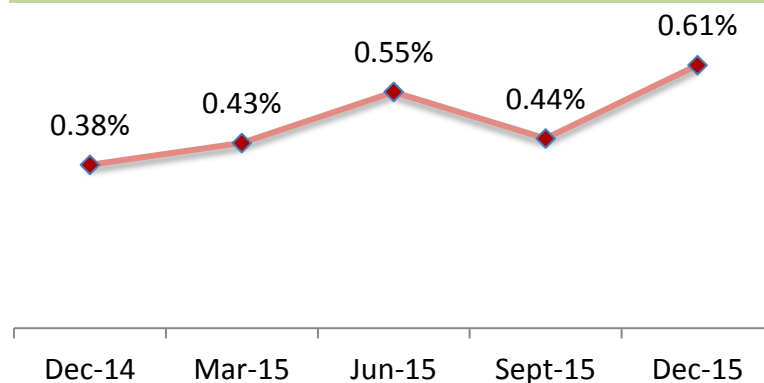
## Retail Slippage



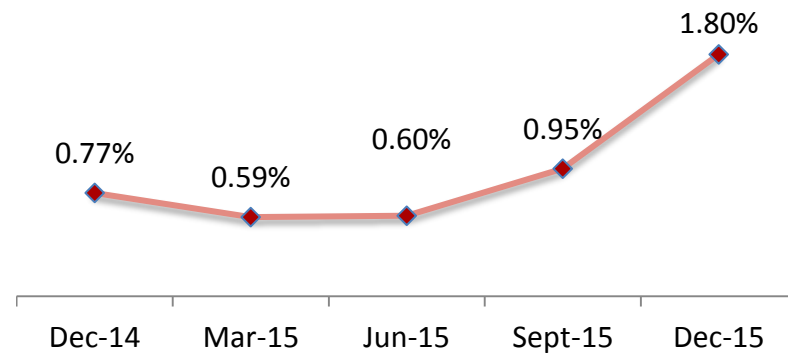
## Agriculture Slippage



## SME Slippage

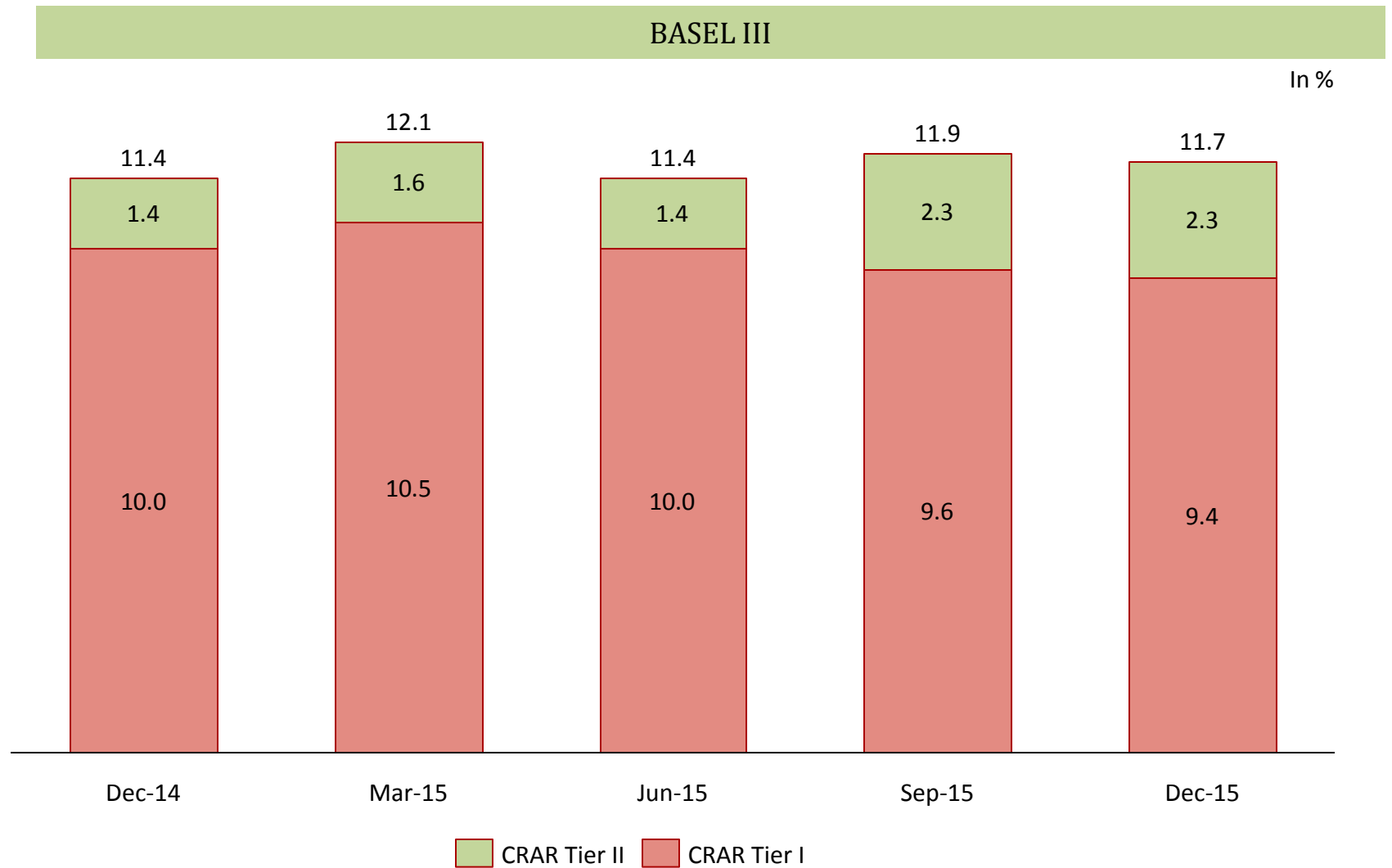


## Corporate Slippage



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

# Well Capitalized to support Growth



# Key Performance Highlights- Q3 FY16

Rs Crs	Q3 - FY 16	Q3 - FY 15	YOY
Net Interest Income	406.72	319.91	27.14%
Other Income	153.32	160.34	-4.38%
Profit After Tax	101.63	87.93	15.58%
Advances	40,601	3,6998	9.74%
Deposits	53,441	4,8459	10.28%
GNPA	1,108.01	661.27	67.56%
NNPA	715.98	379.56	88.63%
NIM	2.92%	2.50%	42bps
CASA	23.03%	21.51%	152bps

# Balance Sheet Overview- Q3 FY16

Rs Crs	Q3-FY 16	Q3-FY 15	Y-o-Y (%)	Q2-FY16	Q-o-Q (%)
<b>Capital &amp; Liabilities</b>	<b>60,269</b>	<b>55,577</b>	<b>8.44%</b>	<b>60,127</b>	<b>0.24%</b>
Capital	135	135	0.00%	135	0.01%
Reserves and Surplus	3,715	3,524	5.41%	3,613	2.82%
Deposits	53,441	48,459	10.28%	53,036	0.76%
Borrowings	1,665	2,209	-24.61%	2,171	-23.30%
Other Liabilities & Provisions	1,312	1,251	4.93%	1,172	11.98%
<b>Assets</b>	<b>60,269</b>	<b>55,577</b>	<b>8.44%</b>	<b>60,127</b>	<b>0.24%</b>
Cash & Balances with RBI	2,367	2,102	12.60%	2,365	0.08%
Balances with Banks	249	1037	-76.03%	667	-62.72%
Investments	13,259	12,337	7.47%	13,174	0.65%
Advances	39,909	36,394	9.66%	39,556	0.89%
Fixed Assets	485	465	4.42%	481	0.92%
Other Assets	4,000	3,242	23.36%	3,884	2.98%
<b>Business (Advances + Deposits)</b>	<b>93,350</b>	<b>84,853</b>	<b>10.01%</b>	<b>92,592</b>	<b>0.82%</b>
Current Accounts	2,130	1,826	16.65%	2,157	-1.25%
Savings Accounts	10,177	8,598	18.36%	9,915	2.64%
CASA Ratio	23.03%	21.51%	152bps	22.76%	(27bps)

# Profit & Loss Overview- Q3 FY16

Rs Crs	Q3-FY 16	Q3-FY 15	Y-o-Y (%)	Q2-FY16	Q-o-Q (%)
Net Interest Income	406.72	319.92	27.13%	388	4.82%
Other Income	153.32	160.34	-4.38%	121	26.71%
Total Income	560.04	480.26	16.61%	509	10.03%
Operating Expenses	296.97	260.84	13.85%	297	-0.01%
Operating Profit	263.07	219.42	19.89%	213	23.51%
Provisions (Ex-Tax) & Contingencies	106.39	85.97	23.75%	67	58.79%
Profit Before Tax	156.68	133.45	17.41%	145	8.06%
Provision for Tax	55.05	45.52	20.94%	52	5.87%
Exceptional Items	-	-	-	-	-
Profit After Tax	101.63	87.93	15.58%	93	9.28%



# Key Metrics- Quarterly

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



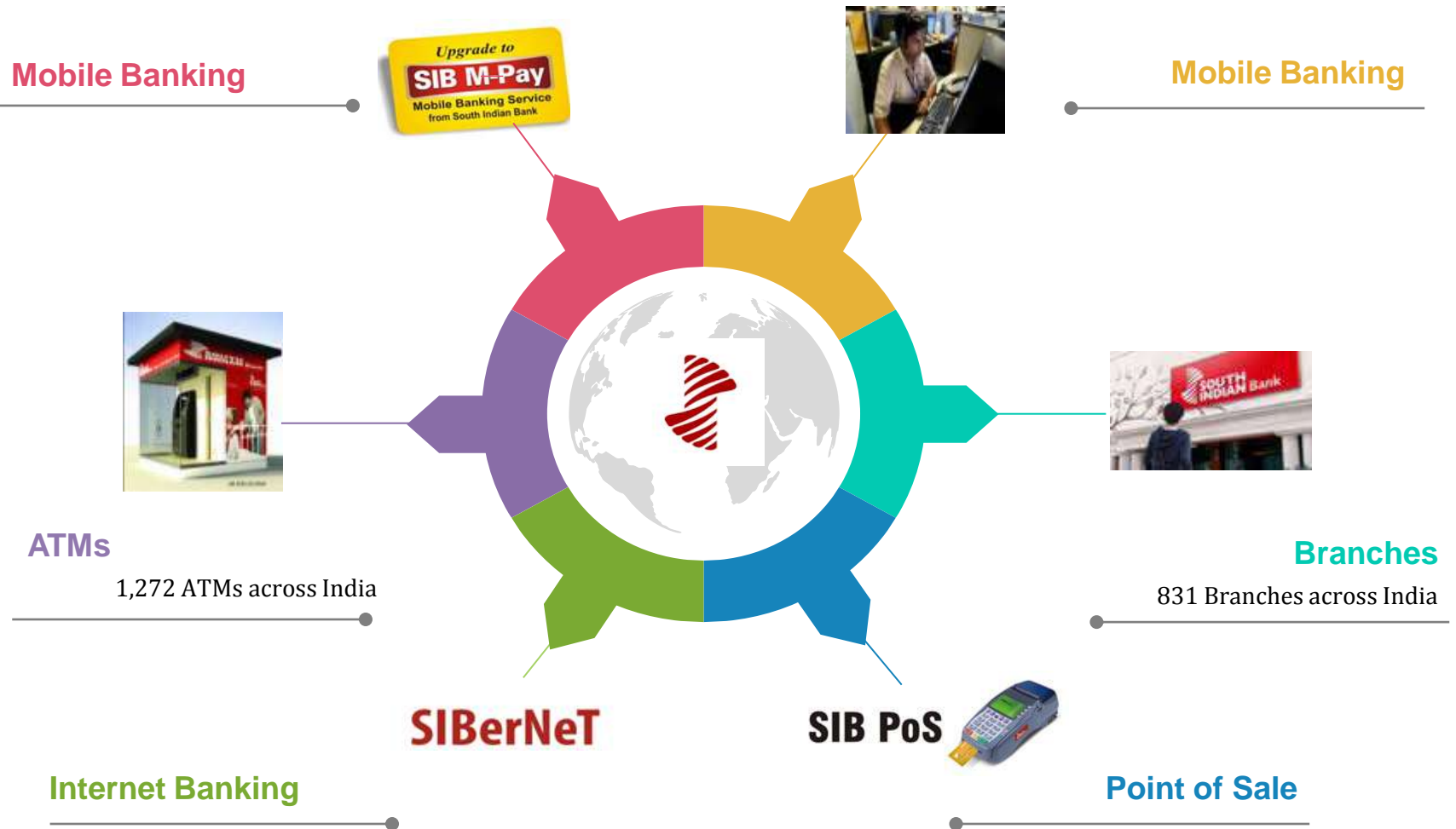
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Next Generation Bank

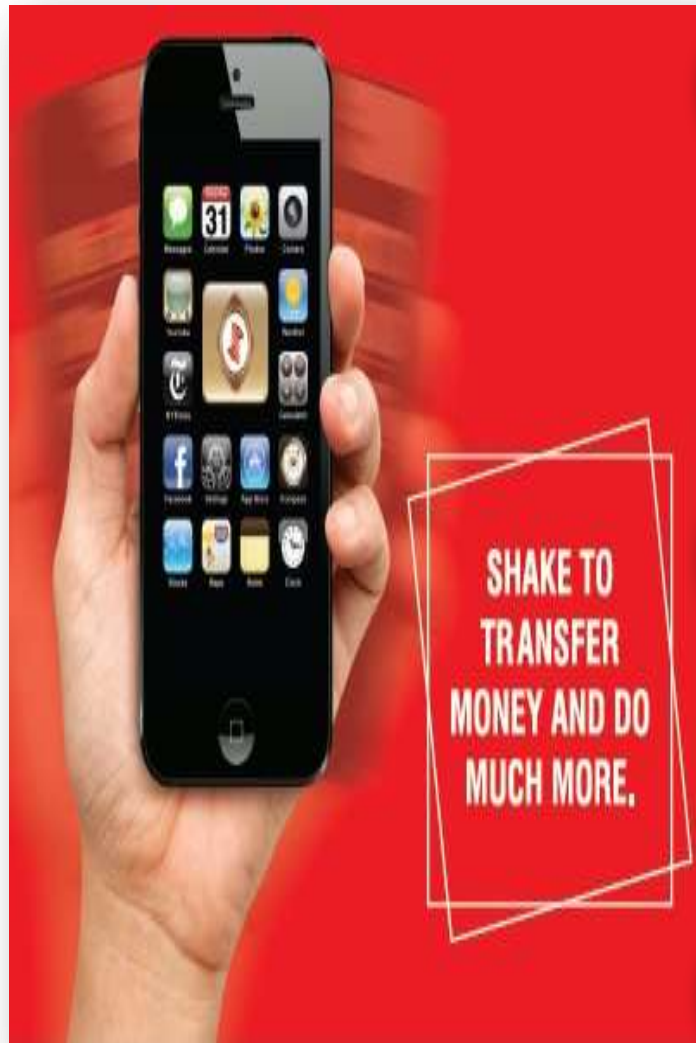


# Present across Customer Touch Points

## 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

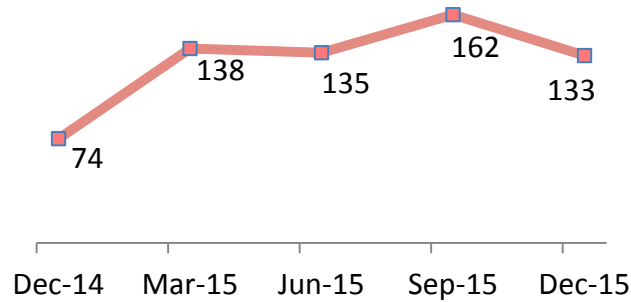


Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

# Personal Banking: Technology Banking

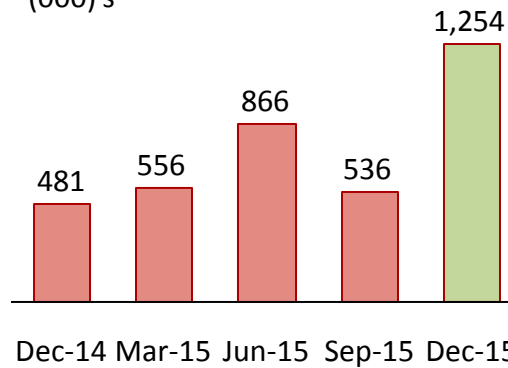
## Active Internet Users

(000)'s



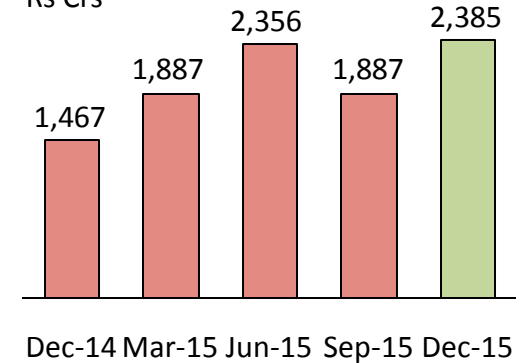
## Internet Transaction Volume

(000)'s



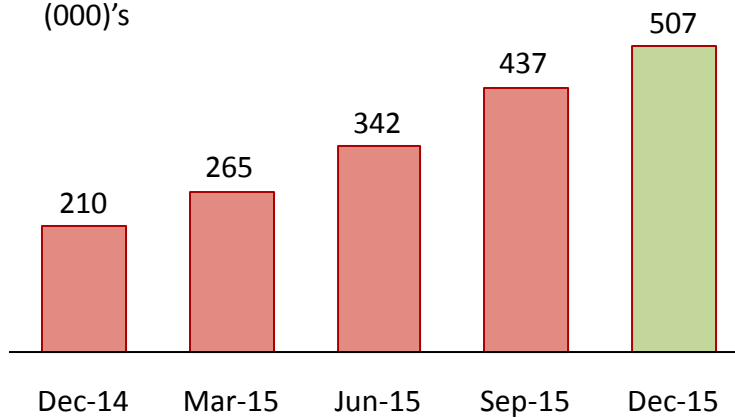
## Internet Transaction Value

Rs Crs



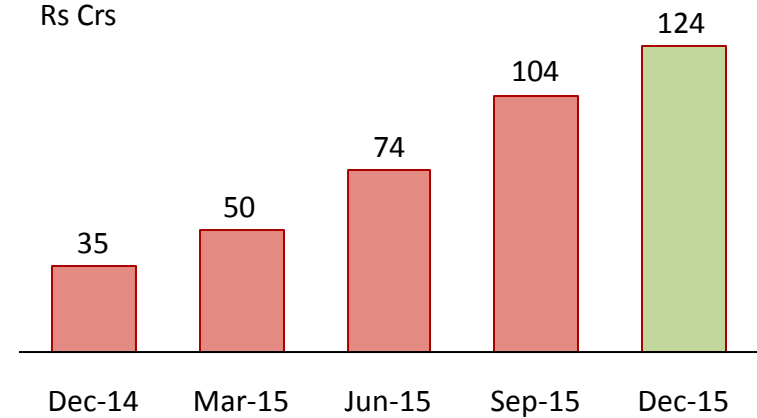
## Mobile Transaction Volume

(000)'s



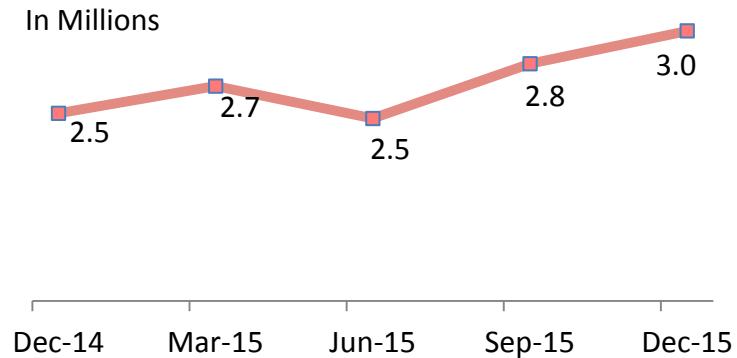
## Mobile Transaction Value

Rs Crs

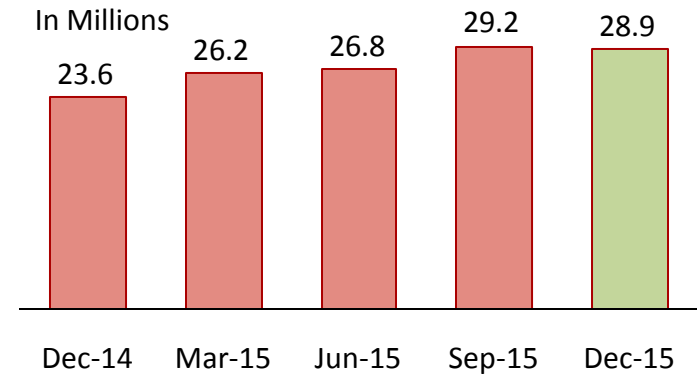


# Personal Banking: Debit Cards

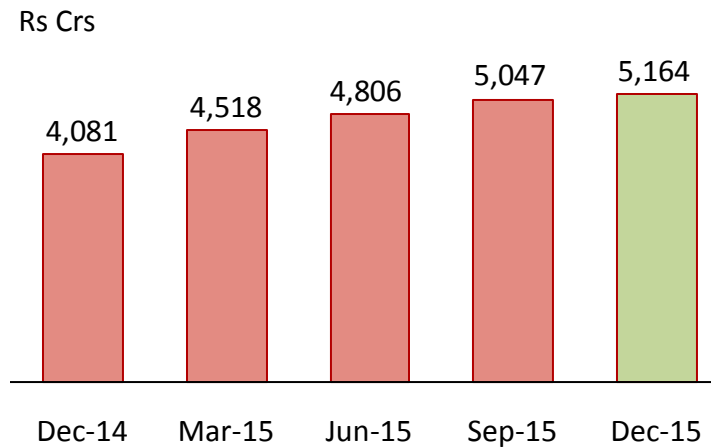
## # of Active Debit Cards



## 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 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





# 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



**For further information, please contact:**

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**Strategic Growth Advisors Pvt. Ltd.**

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