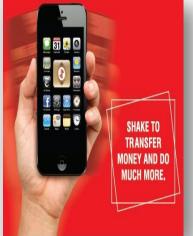


Experience Next Generation Banking





Investor Presentation May - 2016

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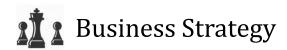
### **Contents**

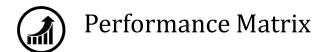




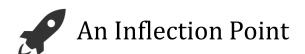
Performance in FY 16



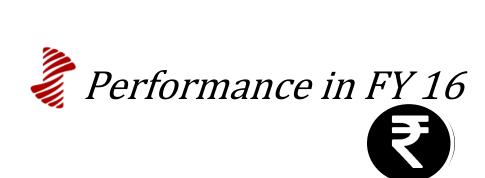




Next Generation Bank







## Performance in FY 16



Rs in Crores	FY 15	FY 16	Growth
Business	89,890	97,506	8.47%
Deposits	51,912	55,721	7.34%
Advances	37,978	41,785	10.02%
NIM	2.70%	2.73%	3bps
PAT	307	333	8.47%
			_

## Moving Towards Vision 2020...



Appointed
International
Finance
Corporation

• Facilitates los

Opened
Centralized
Marketing &
Processing
Centre

 Provides advisory support to bank on the medium and long term strategy for significant growth in retail, agriculture and SME sectors  Facilitates loans to MSE and promotes the MSME credit portfolio of the Bank

**Entered** 

Memorandum

of Understanding

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

### ....to become Retail Banking Power House

### Recent Awards



### SIB wins 'Social Banking Excellence Award instituted by ASSOCHAM"



# SIB wins prize in IDRBT Banking Application Contest



#### SIB wins Master Card Innovation Award





### Milestones



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

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

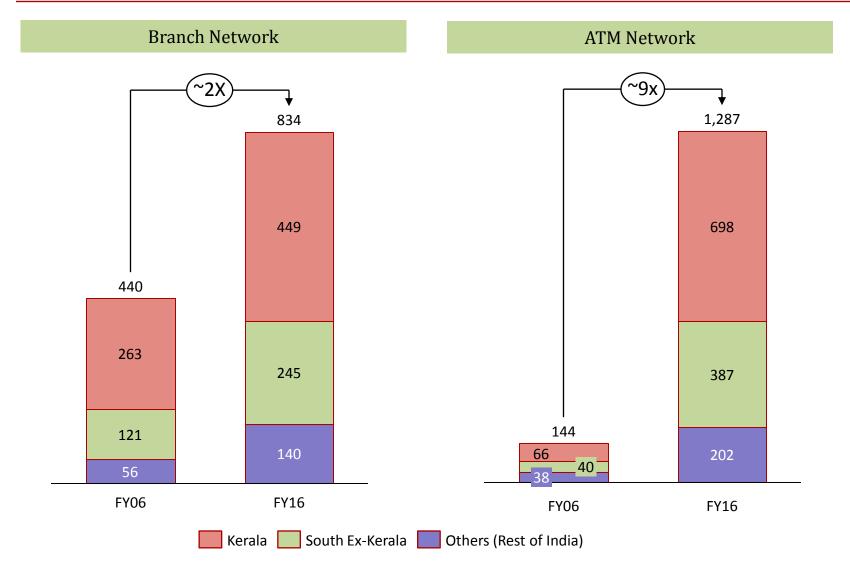
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

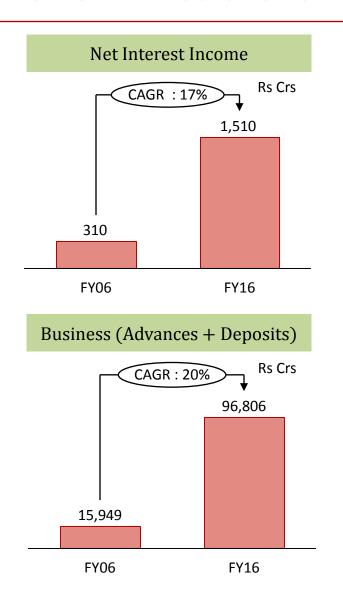
# Expansion over a Decade

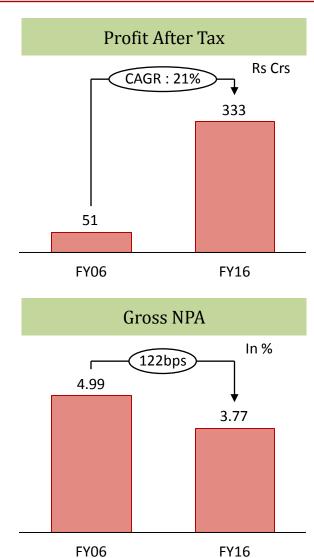




### Performance over a Decade







### 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

#### Mr. Jacob EA, Chief Compliance Officer

· Bachelors Degree in Science & CAIIB - I

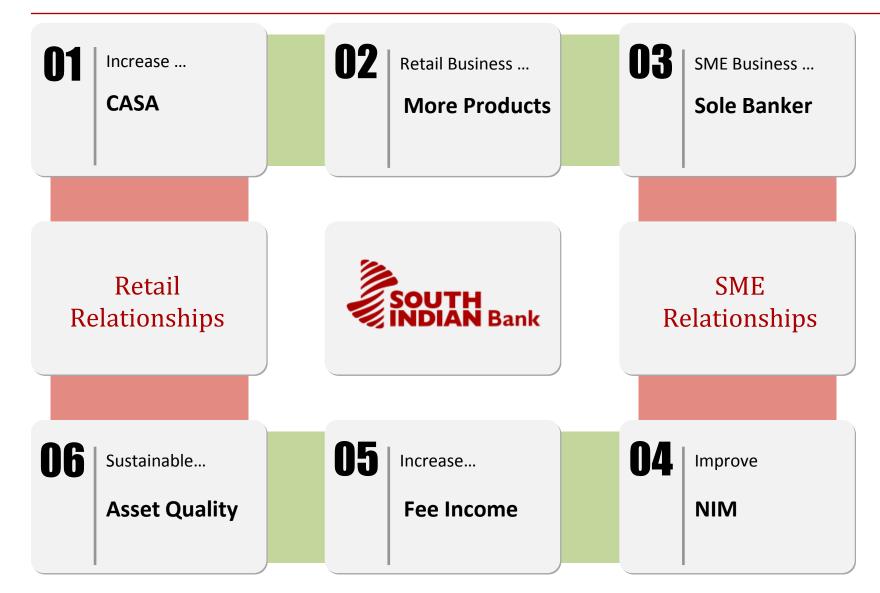
### Mr. Jimmy Mathew, Company Secretary

 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





# 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

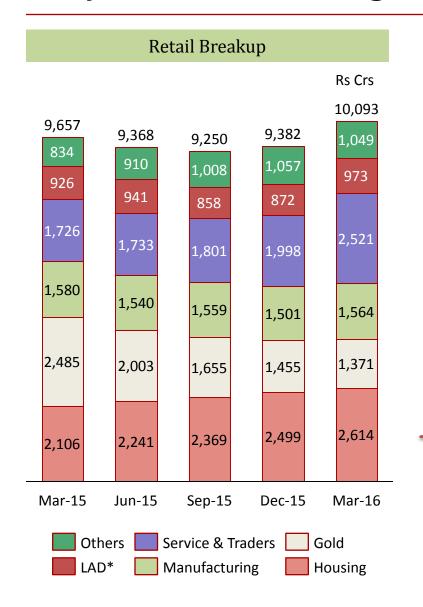
Cluster Branches



#### **Branch Profitability**

- Focus on particular geographies 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

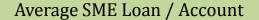
#### Jan to Mar 2016

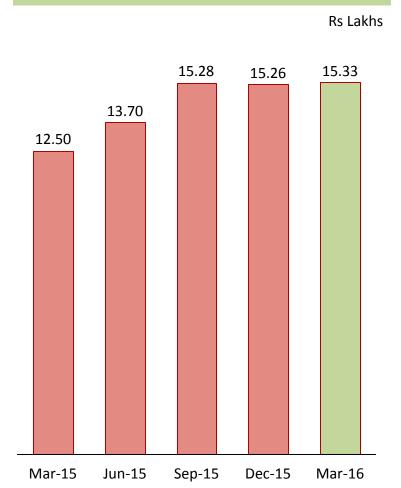
- Housing Loans Sanctioned: 1,157 Nos.
- Amount of Housing Loans Sanctioned Rs. 233 cr

\*LAD = Loan against deposits 19

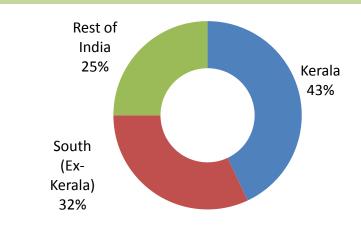
# ...becoming a Banker of Choice to SMEs







### Loan Book by Geography - FY16

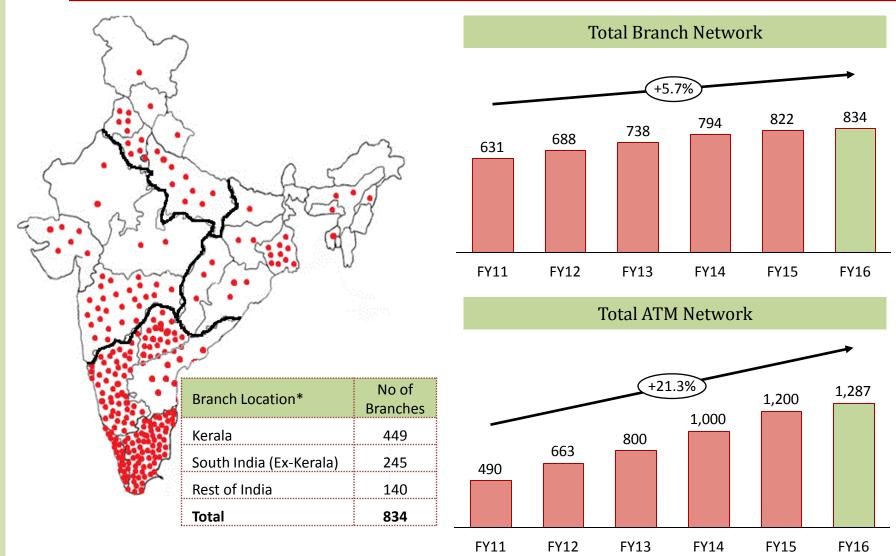


### **SME** Highlights

- 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)

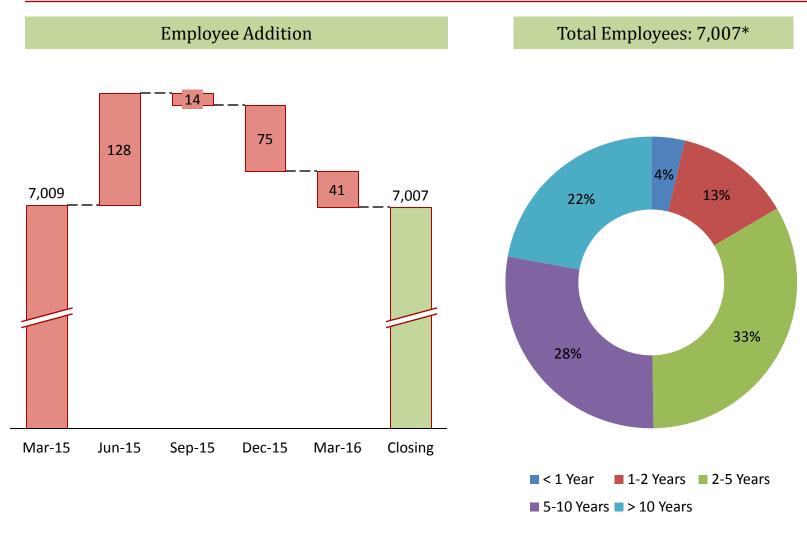
# ...with the help of our Branch Network





# ... and our Experienced Employees



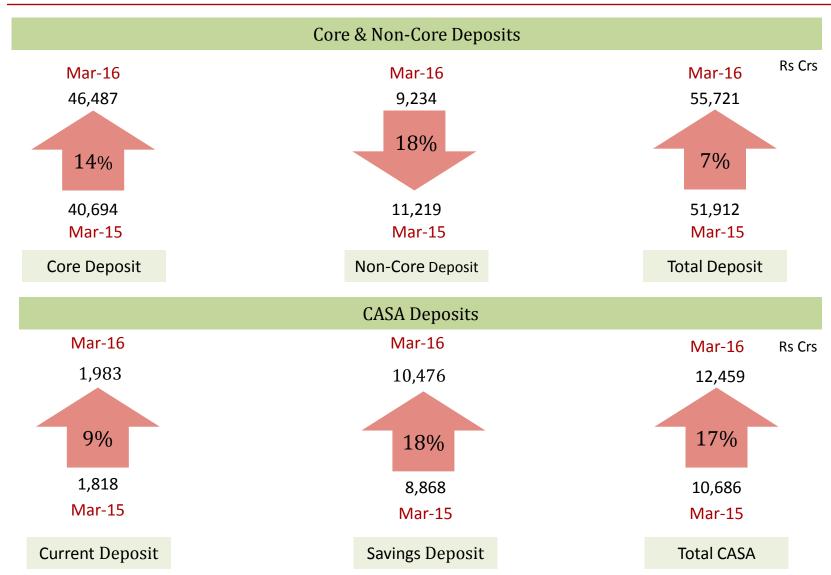


<sup>\*</sup>Employees include full-time officers and clerks.



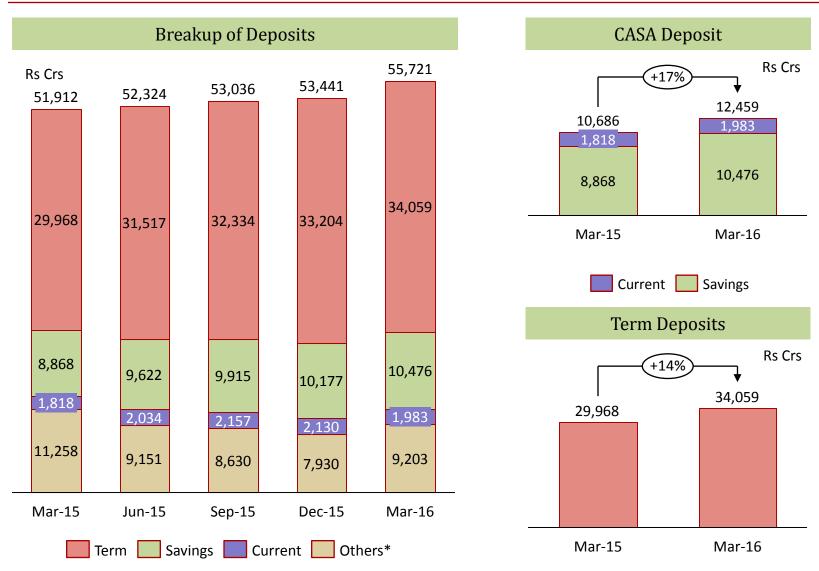
# Strong Deposit Franchise





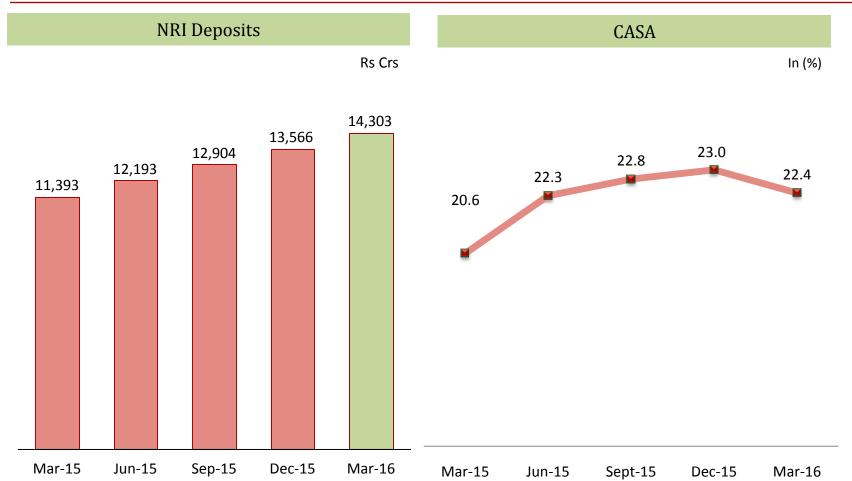
## Core Deposits Growing...



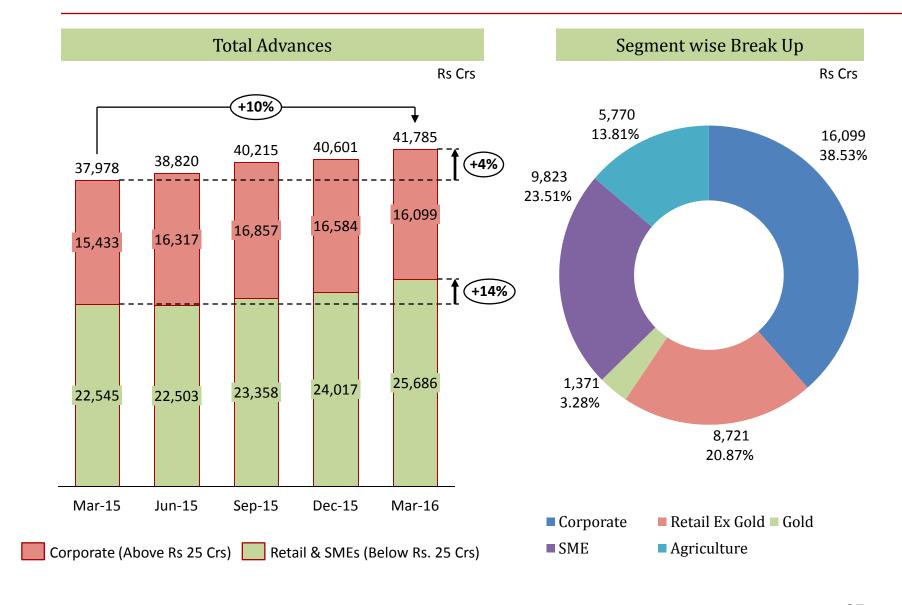


# NRI Deposits Growing...



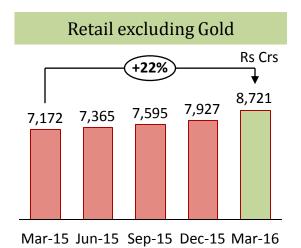


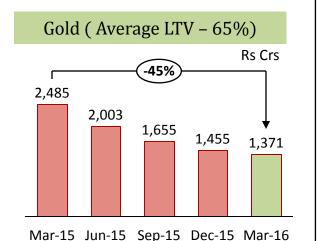
# Composition of Loan Book



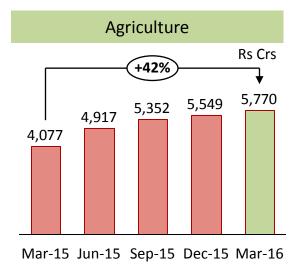
# Key Focus: Retail, SME & Agriculture

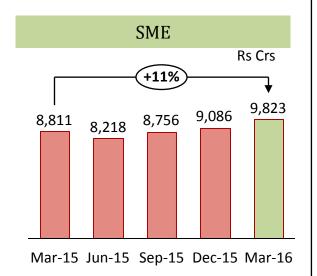






Retail Loans (Excl. Gold), Agriculture & SME has grown by 21%

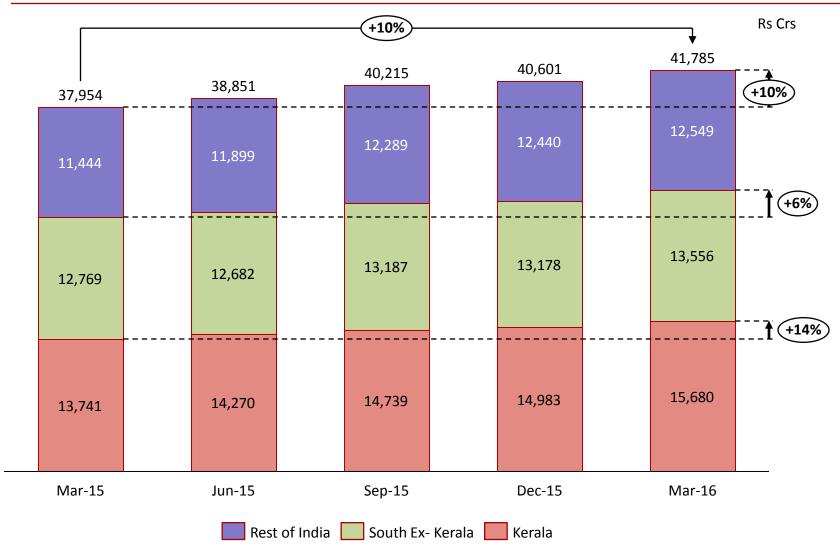




~15% of the
Agriculture & SME
Loans are backed by
Additional Security
by way of GOLD

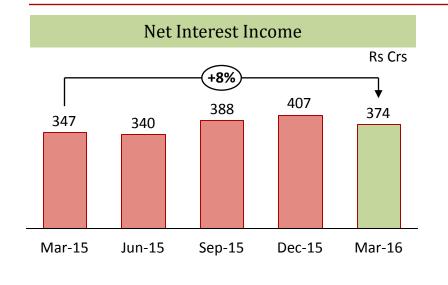
# Advances growing across Regions

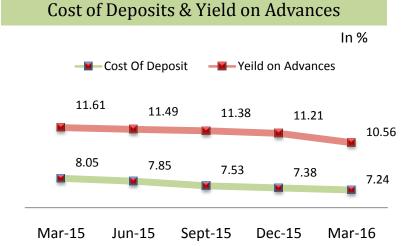




### Net Interest Income - Quarter

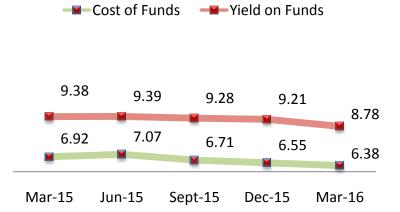






Cost of Funds & Yield on Funds



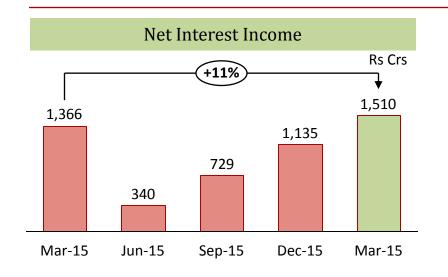


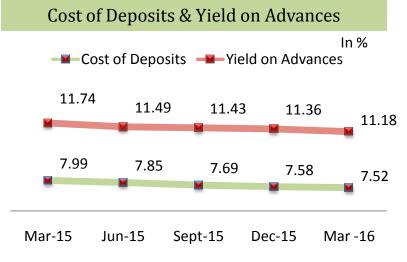
In %

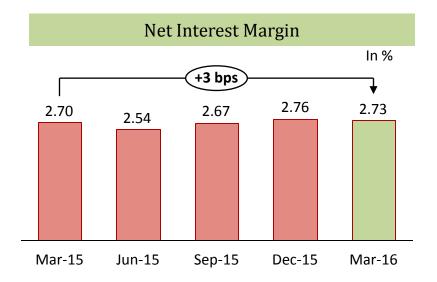
<sup>\* 13</sup> bps adverse impact on interest reversal

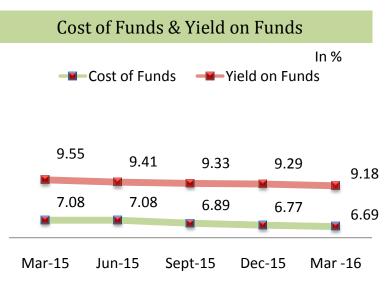
### Net Interest Income - Cumulative





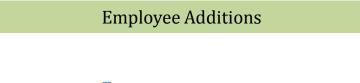




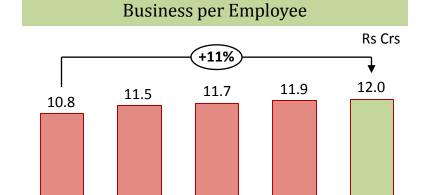


# **Operating Efficiency**









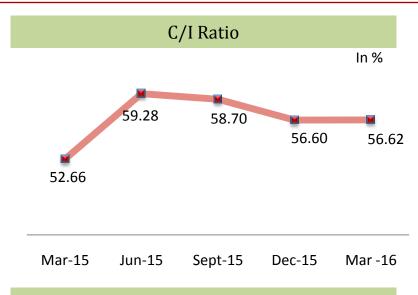
Sep-15

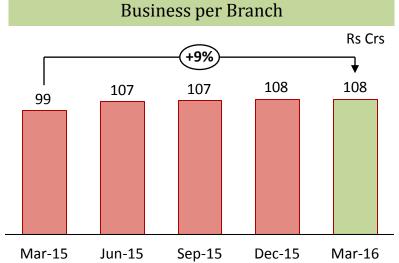
Dec-15

Mar-16

Mar-15

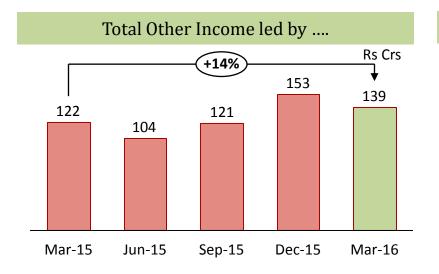
Jun-15

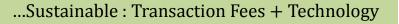


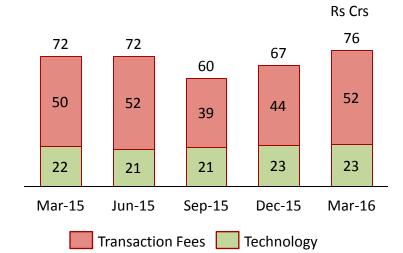


### Sustainable Other Income

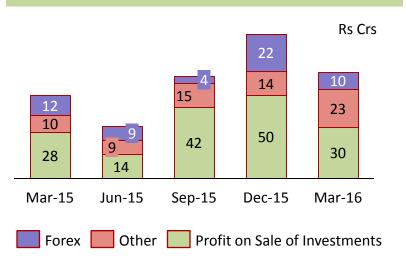








### Profit on Sale of Investments, Forex & Others



#### Investment Book as on Dec-15

Details	Rs. Crs	M Duration
HTM	12,036	5.31
AFS	2,676	4.37
HFT	106	6.69
Total	14,818	5.46

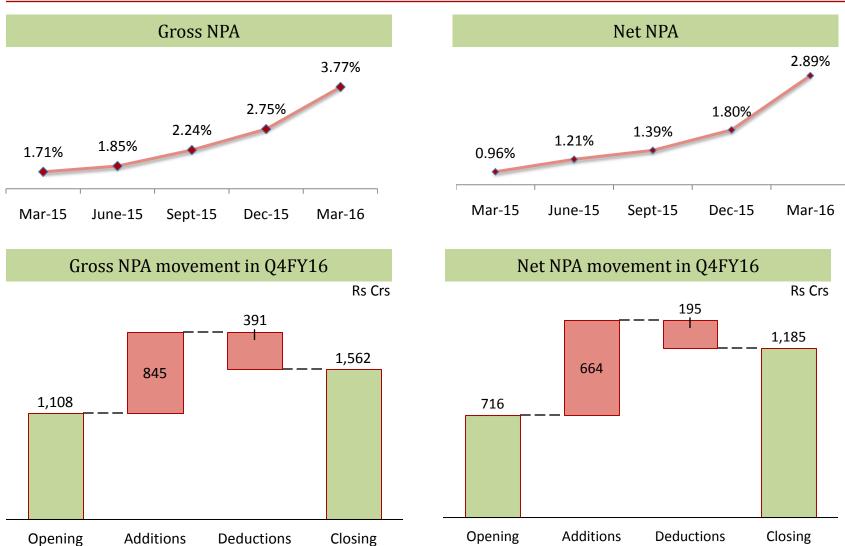
# Break Up of Provisions



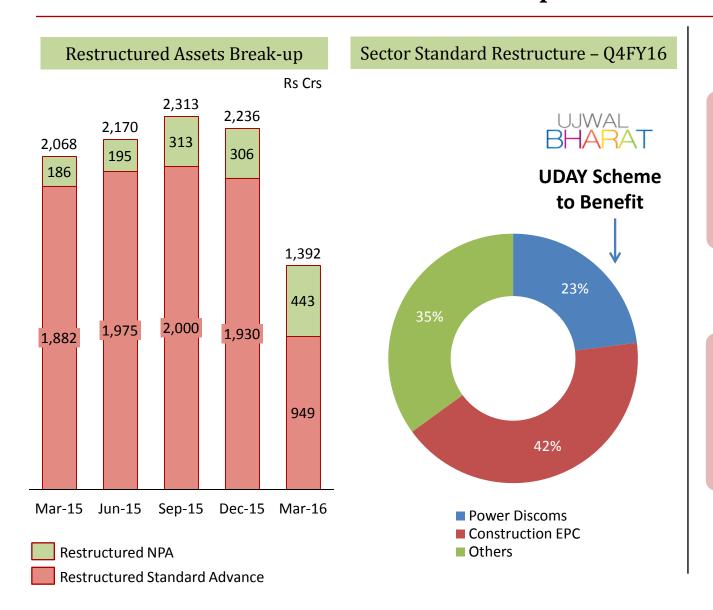
Rs Crs	Q4-FY 16	Q4-FY 15	Q3-FY16
For NPA & NPI	191.10	59.65	83.85
For Depreciation on Investments	0.50	6.88	12.21
For Standard Assets	-37.37	10.64	10.85
For Restructured Advances/Sacrifices & FITL	-29.45	46.67	-1.69
For Unhedged Forex Exposure	-0.69	3.11	-1.23
Others	-7.84	10.79	2.39
Taxes	33.08	10.91	55.04
Total Provisions	149.33	148.65	161.43

## Non Performing Assets





### Restructured Advances Breakup



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

Benefits of Uday getting reflected in Restructured Book

<sup>\*</sup>Other includes IT, Bullion, etc.

# Restructured Standard Asset Book



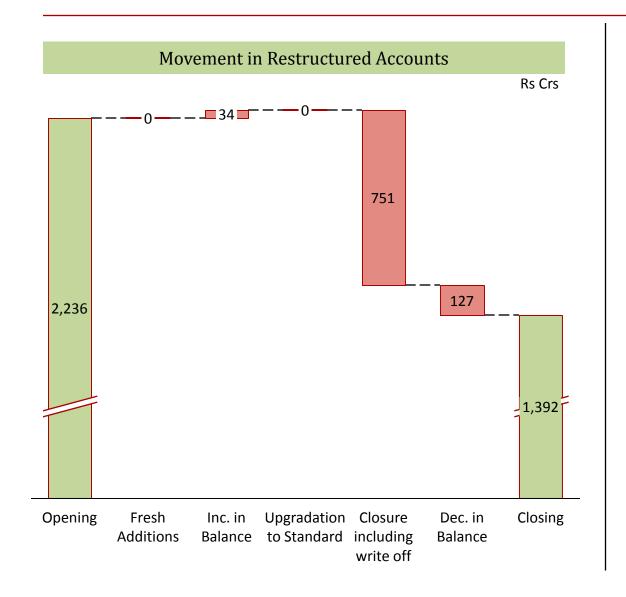
Rs Crs

#### **Restructured Standard Advance**

	Opening	Increase in Existing Balance	Uday – SDL Investments	Slippages to NPA	Closing Balance	
DISCOMS	+884	0	-670	0	+214	
Construction EPC	+644	+6	-	-249	+401	
Others	+402	+16	-	-84	+334	
Total	+1,930	+22	-670	-333	+949	

Rs. 214 Crs of DISCOM Exposure may be restructured under Uday Scheme

### Movement in Restructured Accounts

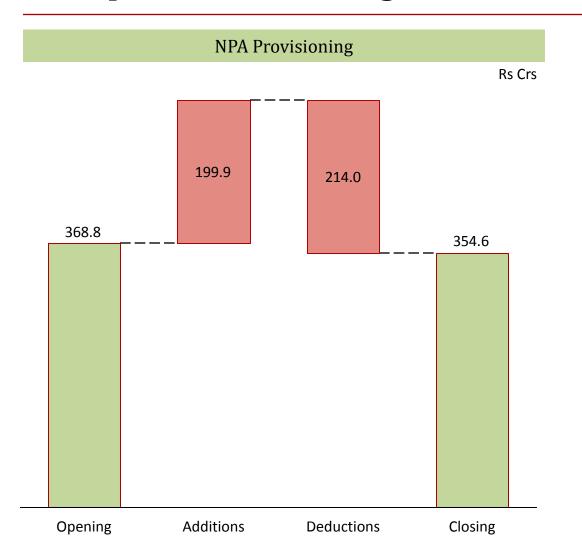


Shift of focus from Large Corporate to SMEs

Defocusing from Power & Infra Sectors

Special Recovery Cell &
Asset Monitoring Cell

# Adequate Provisioning



Provisioning

Coverage Ratio

40.34%

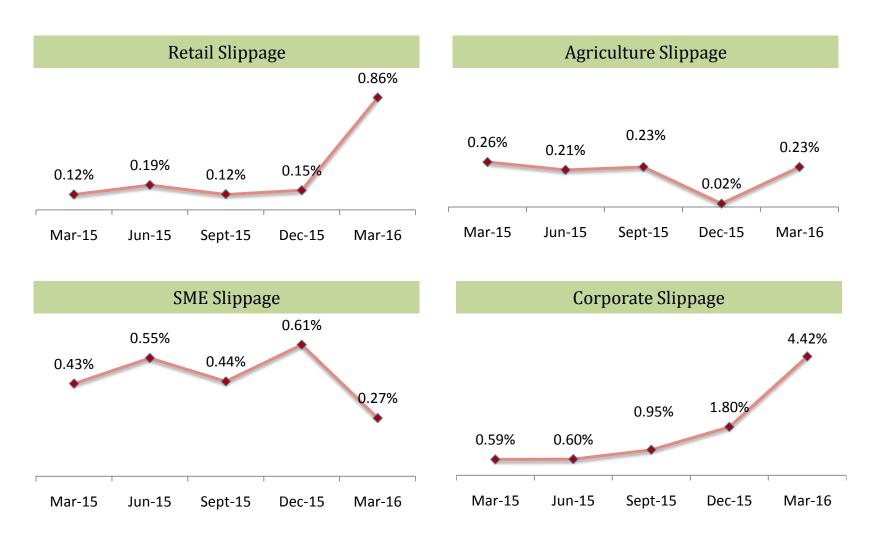
Advances in the Initial quarters as NPAs :

Requiring

Less Provisioning

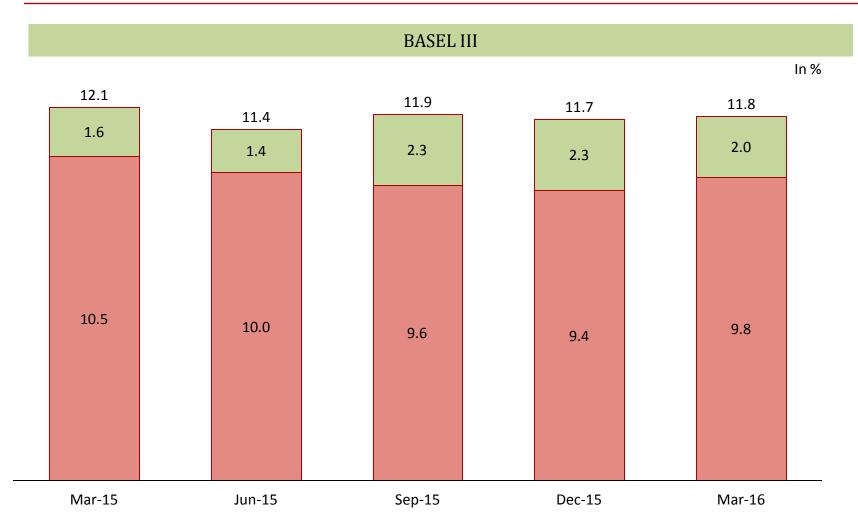
## Fresh Slippages/Advance Ratios





# Well Capitalized to support Growth





# Key Performance Highlights- Q4 FY16



Rs Crs	Q4 - FY 16	Q4 - FY 15	YOY	
Net Interest Income	374.29	347.09	7.84%	
Other Income	139.06	121.94	14.04%	
Profit After Tax	72.97	16.32	347.12%	
Advances	41,785	37,978	10.02%	
Deposits	55,721	51,912	7.34%	
GNPA	3.77	1.71	120.31%	
NNPA	2.89	0.96	200.67%	
NIM	2.73	2.70	3bps	
CASA	22.36%	20.59%	177bps	

# Balance Sheet Overview- Q4 FY16



Rs Crs	Q4-FY 16	Q4-FY 15	Y-o-Y (%)	Q3-FY 16	Q-o-Q (%)	
Capital & Liabilities	63,175	59,116	6.95%	60,269	4.91%	
Capital	135	135	0.01%	135	0.01%	
Reserves and Surplus	3,707	3,454	7.30% 3,715		-0.22%	
Deposits	55,721	51,912	7.34%		4.27%	
Borrowings	2,315	2,232	5.99%	1,665	42.10%	
Other Liabilities & Provisions	1,297	1,382	-6.10%	1,312	-1.12%	
Assets	63,175	59,116	6.95%	60,269	4.91%	
Cash & Balances with RBI	2,476	2,442	1.42%	2,367	4.61%	
Balances with Banks	623	1,154	-41.53%	249	171.29%	
Investments	14,619	14,086	3.78%	13,259	10.26%	
Advances	41,086	37,392	9.88%	39,909	2.95%	
Fixed Assets	487	479	1.66%	485	0.32%	
Other Assets	3,884	3,564	8.96%	4,000	-2.90%	
Business (Advances + Deposits)	96,806	89,304	8.40%	93,350	3.70%	
Current Accounts	1,983	1,818	9.09%	2,130	-6.90%	
Savings Accounts	10,476	8,868	18.12%	10,177	2.94%	
CASA Ratio	22.36%	20.59%	177 bps	23.03%	(67 bps)	

# Profit & Loss Overview- Q4 FY16



Rs Crs	Q4-FY 16	Q4-FY 15	Y-o-Y (%)	Q3-FY16	Q-o-Q (%)
Net Interest Income	374.29	347.09	7.84%	406.72	-7.97%
Other Income	139.06	121.94	14.04%	153.32	-9.30%
Total Income	513.35	469.03	9.45%	560.04	-8.34%
Operating Expenses	291.05	304.05	-4.27%	296.97	-1.99%
Operating Profit	222.30	164.98	34.74%	263.07	-15.50%
Provisions (Ex-Tax) & Contingencies	116.25	137.74	-15.60%	106.39	9.27%
Profit Before Tax	106.05	27.24	289.35%	156.68	-32.32%
Provision for Tax	33.08	10.91	203.21%	55.05	-39.91%
Exceptional Items	-	-	-	-	-
Profit After Tax	72.97	16.33	346.92%	101.63	-28.21%

# **Key Metrics- Quarterly**

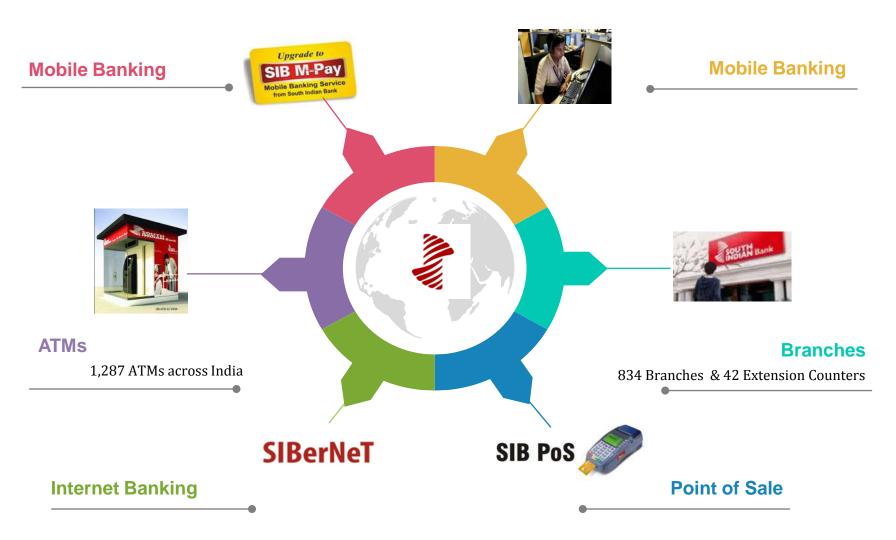


D-wil	FY15				FY16			
Particulars	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Interest Margin (NIM)	2.7%	2.9%	2.5%	2.7%	2.5%	2.8%	2.9%	2.6%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%	11.7%	11.8%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%	0.7%	0.5%
Provision Coverage	62.5%	62.9%	60.4%	61.0%	56.1%	55.3%	50.3%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



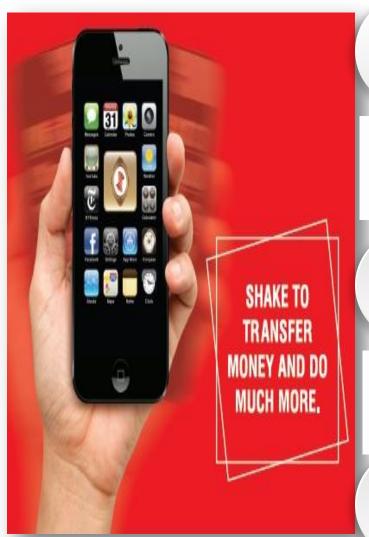
### **Present across Customer Touch Points**

### **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

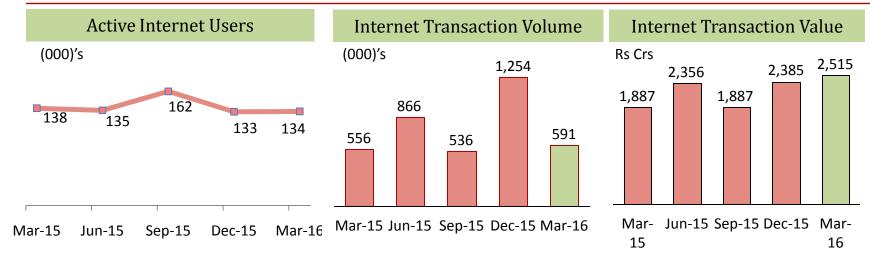


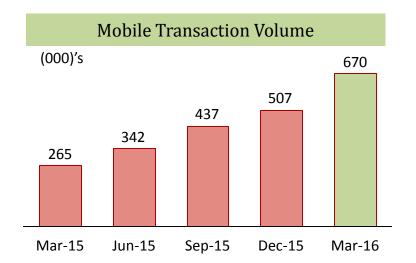


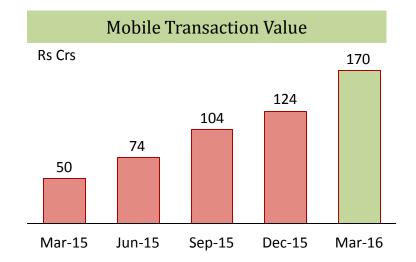
Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools

# Personal Banking: Technology Banking



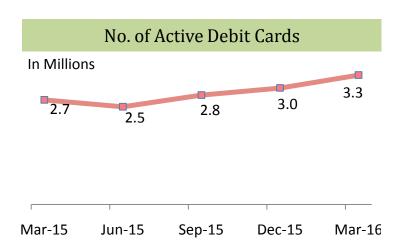


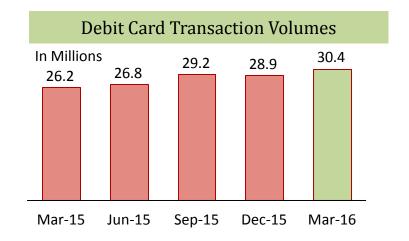


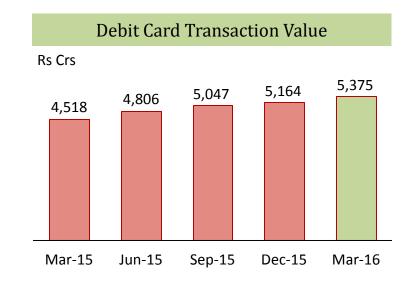


## Personal Banking: Debit Cards













### 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 & 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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