

DEPT : SECRETARIAL  
REF No. SEC/ST EX.STT/ 12 /2016-17

May 17, 2016

BSE Ltd.  
First Floor, New Trading Wing,  
Rotunda Building, P J Towers,  
Dalal Street, Fort,  
**Mumbai – 400 001.**

Dear Sirs,

**Sub: Presentation to Investors and Analysts**

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Investor Presentation to Investors and Analysts in respect of financial results of The South Indian Bank Limited for the quarter ended 31<sup>st</sup> March, 2016.

The aforesaid information is also being hosted on the website of the Bank  
[www.southindianbank.com](http://www.southindianbank.com).

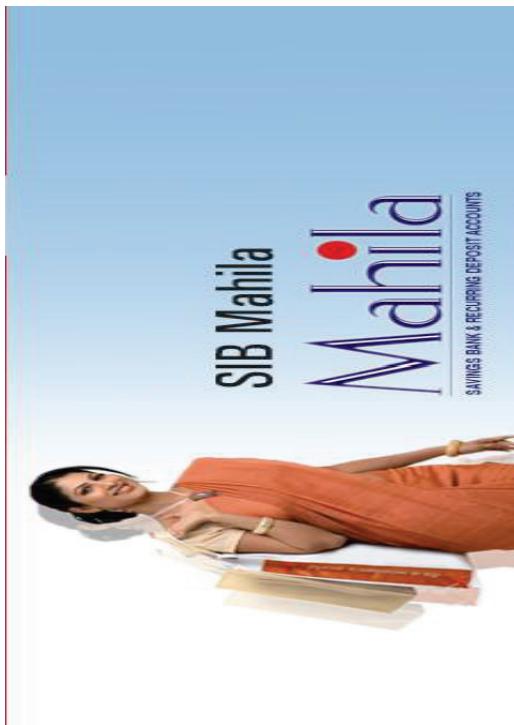
Kindly take the same in your records.

Yours faithfully,



(JIMMY MATHEW)  
COMPANY SECRETARY

Encl: a.a.



Investor Presentation  
May - 2016

# Safe Harbor



No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements”, including those relating to the Company’s general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions in India. This communication is for general information purpose only, without regard to specific objectives, financial situations and needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any shares in the Company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation can not be copied and/or disseminated in any manner.

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Performance in FY 16



An Introduction



Business Strategy



Performance Matrix



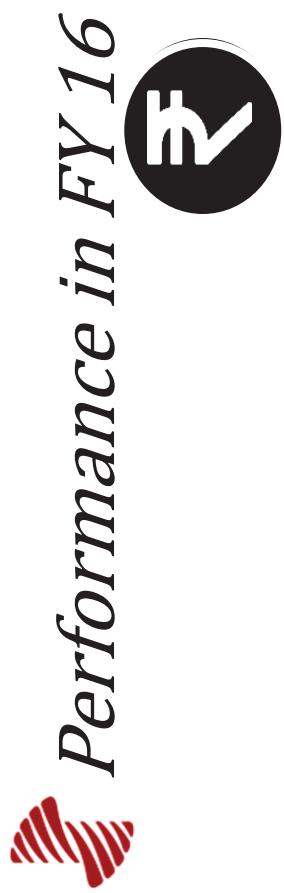
Next Generation Bank



An Inflection Point

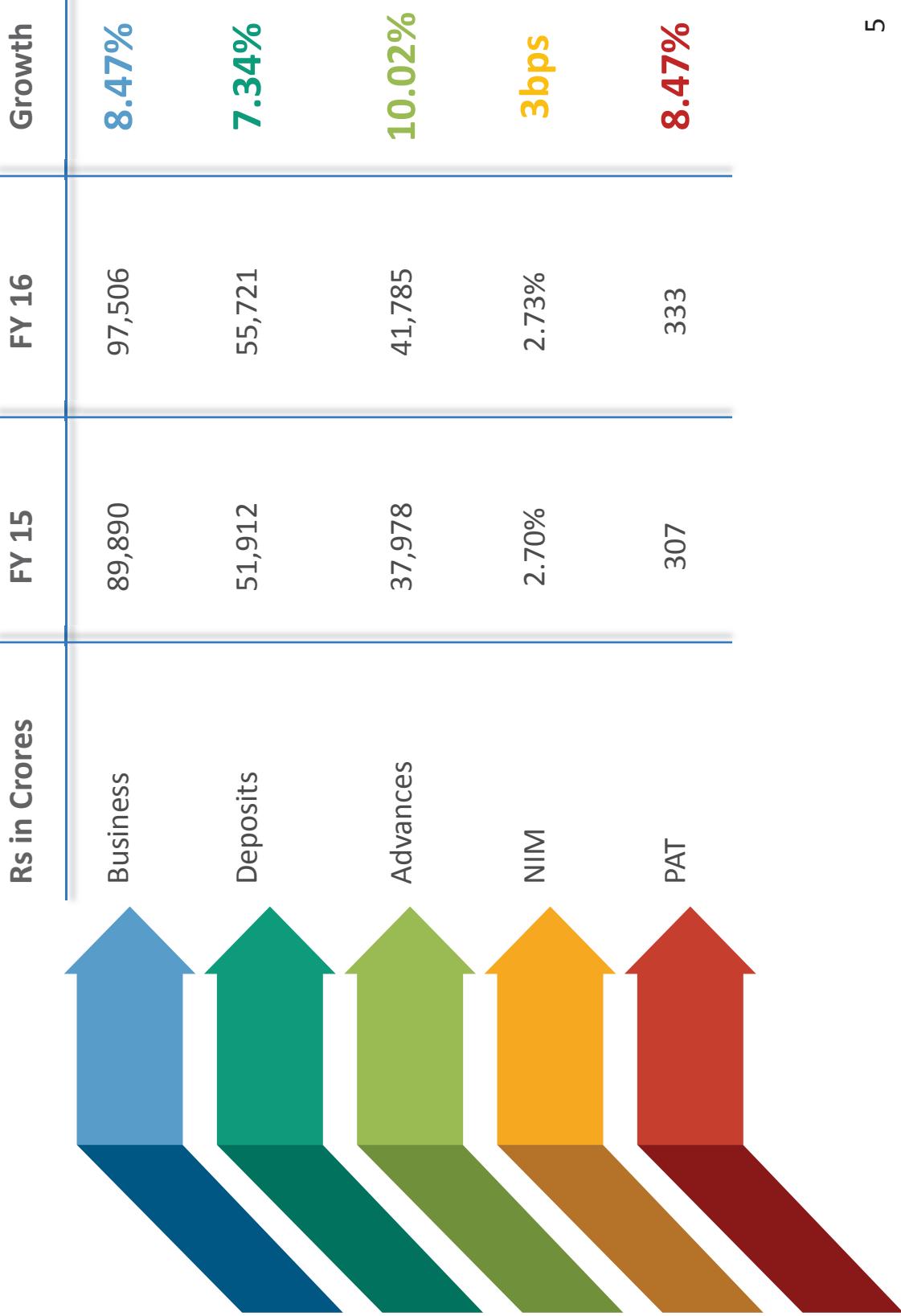


Awards & Recognitions



*Performance in FY16*

## Performance in FY 16

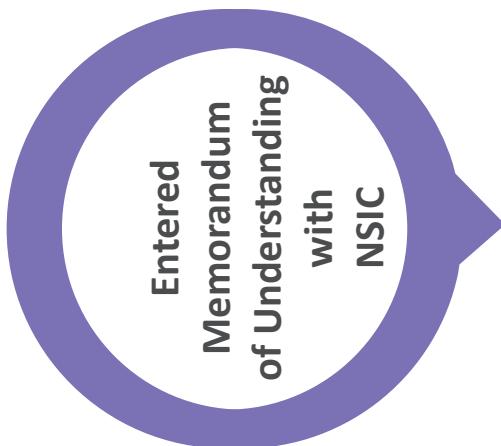


## Moving Towards Vision 2020...



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**

## Recent Awards



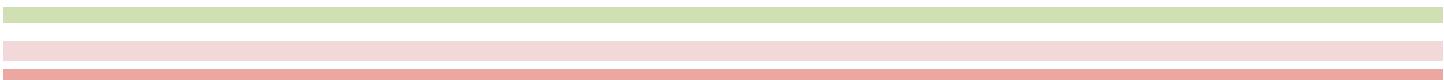
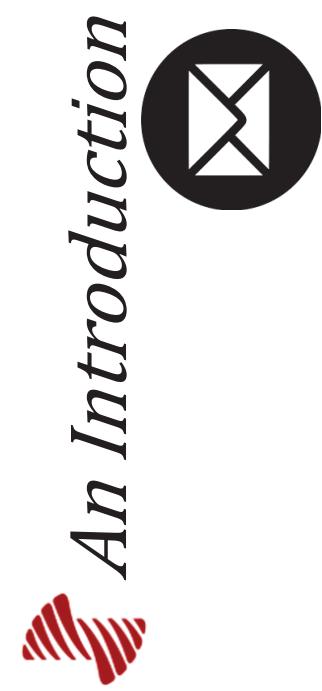
SIB wins 'Social Banking Excellence Award instituted by ASSOCHAM'



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

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

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

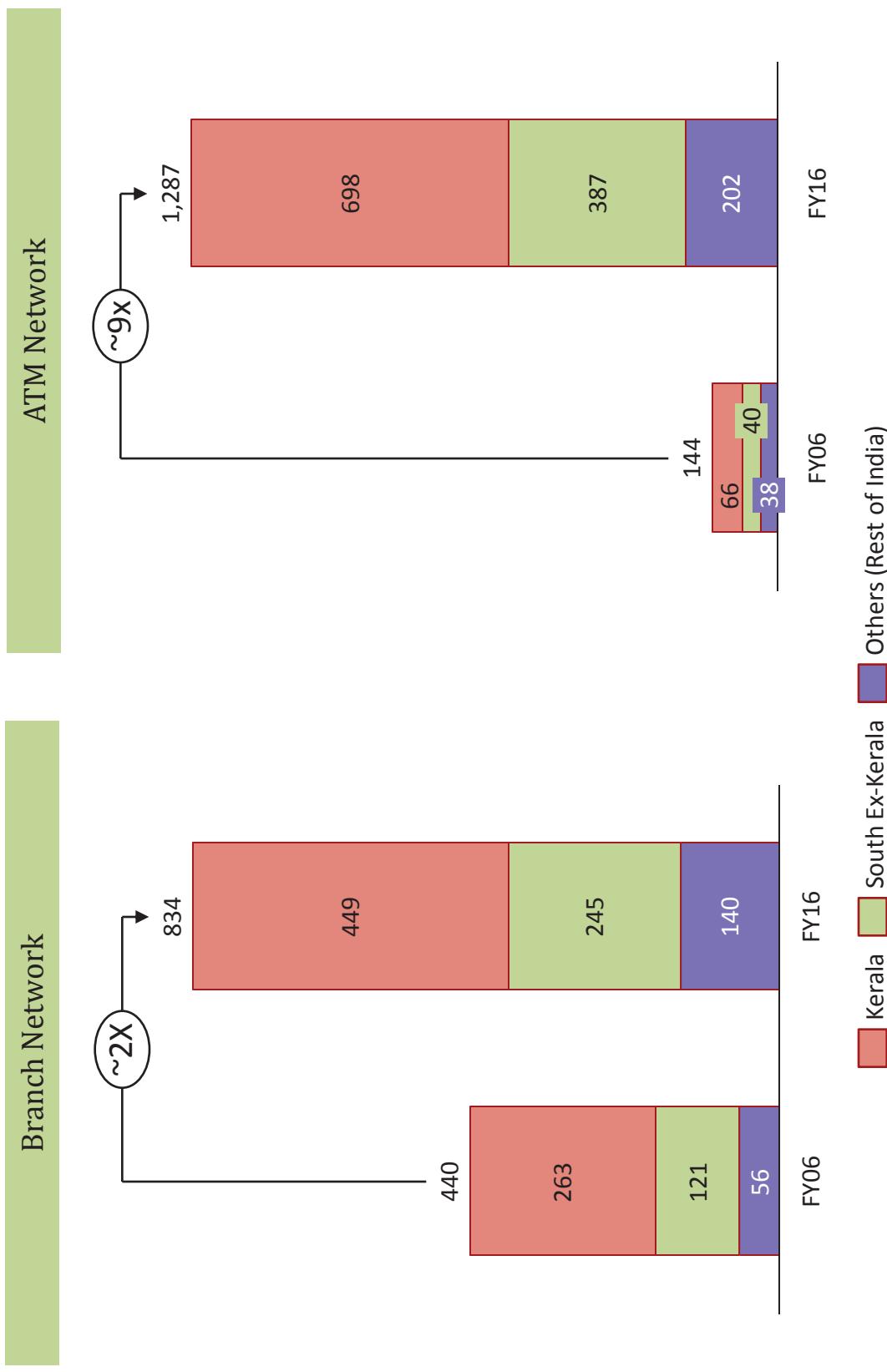
FIRST bank in the private sector to start Industrial Finance Branch in March 1993

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

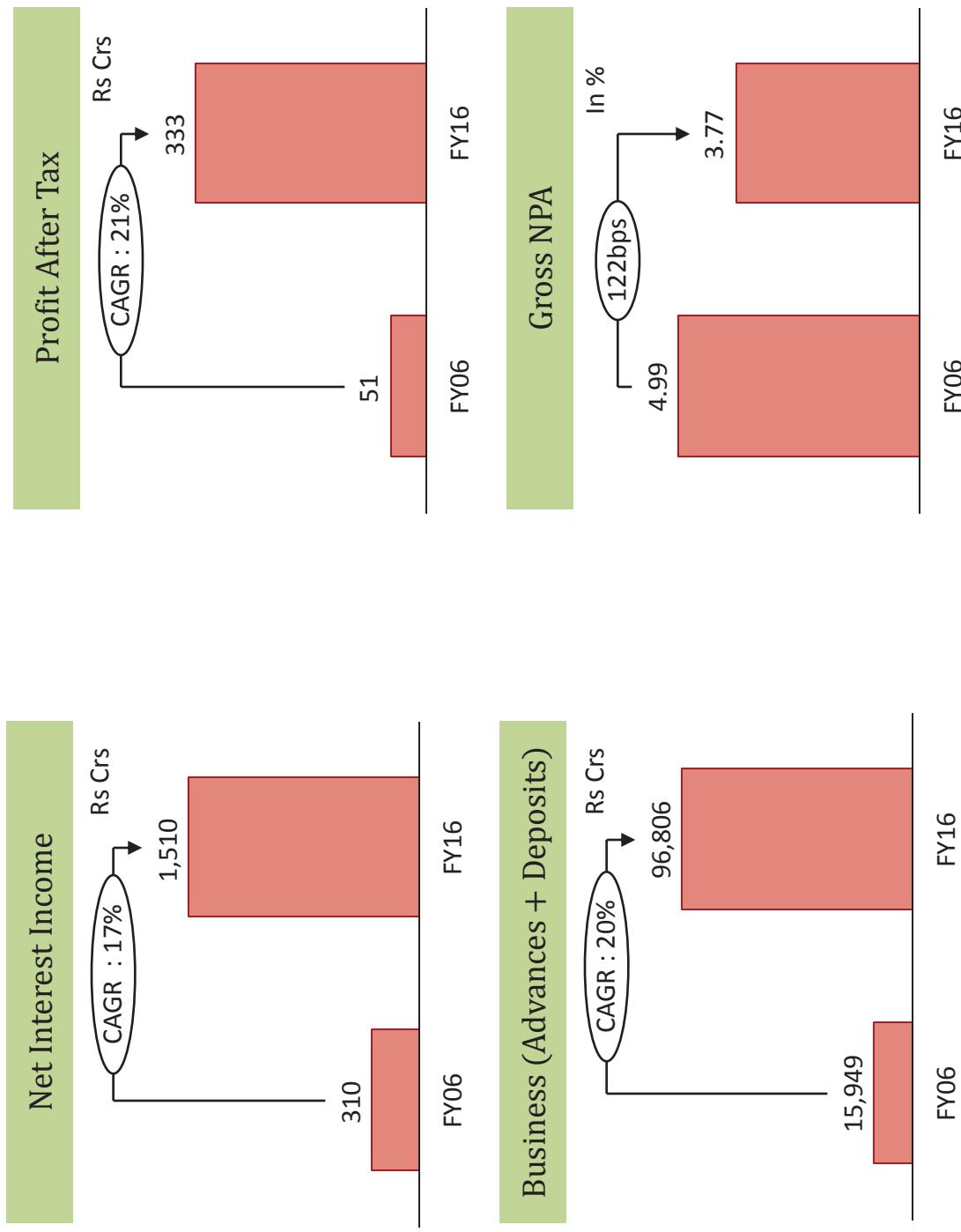
FIRST bank in Kerala to develop an in-house, a fully integrated branch automation software in addition to the in-house partial automation solution operational since 1992

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

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

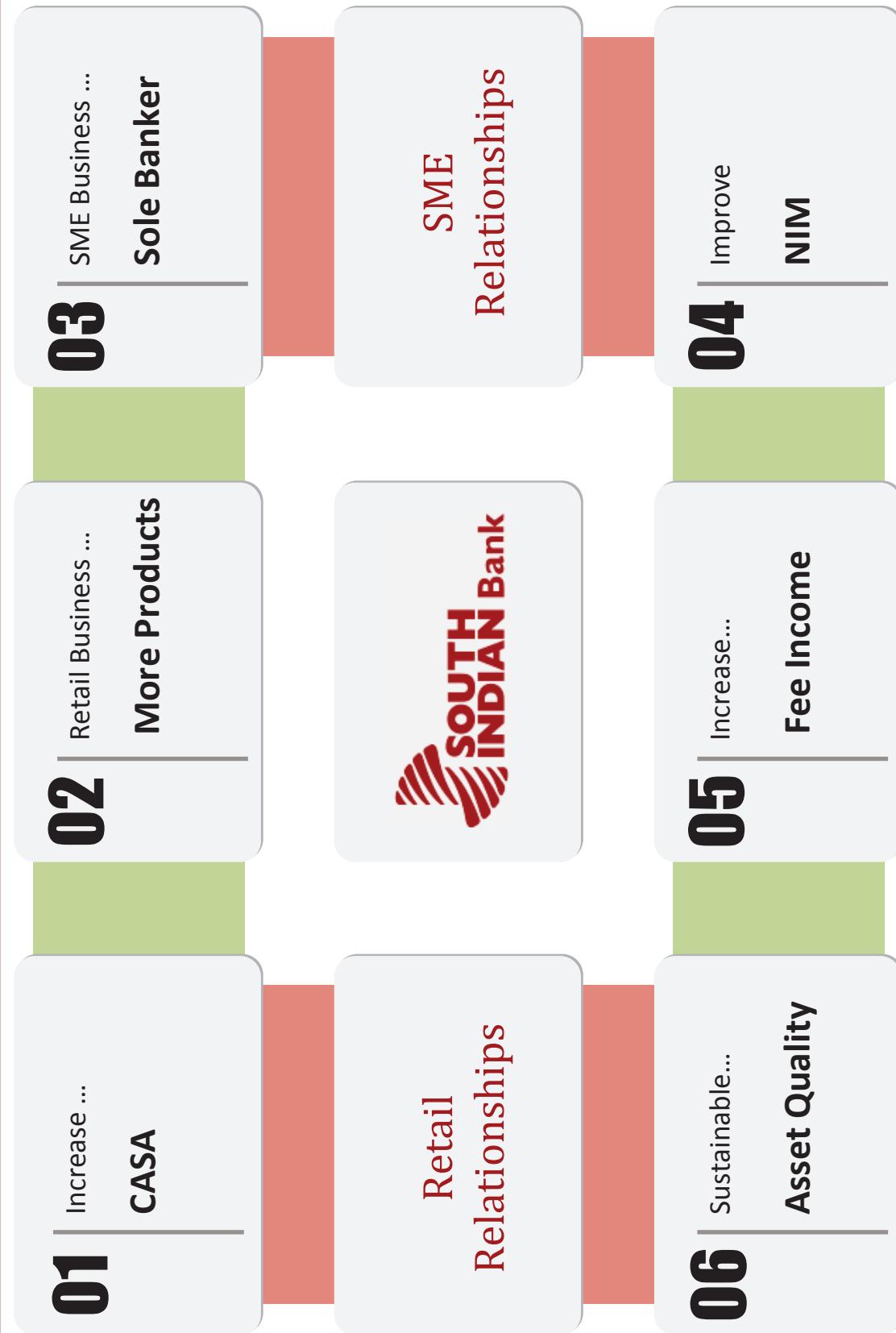
- Bachelors Degree in Science & CAIIB - I

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

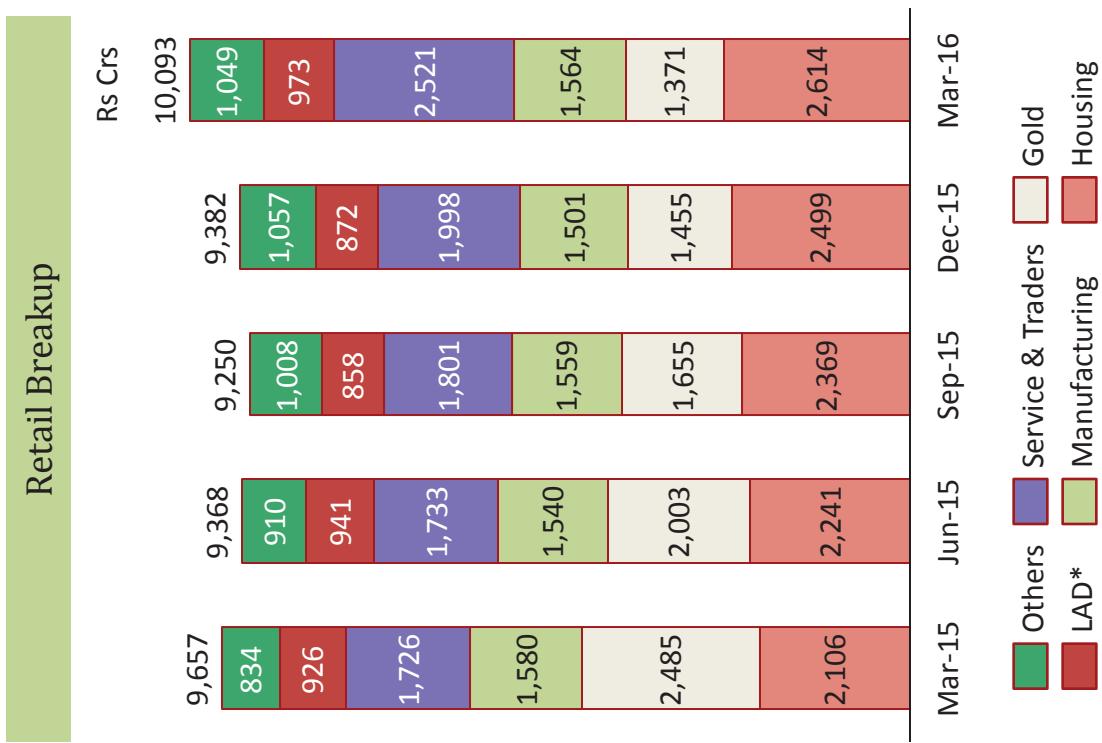
Cluster  
Branches



## Branch Profitability

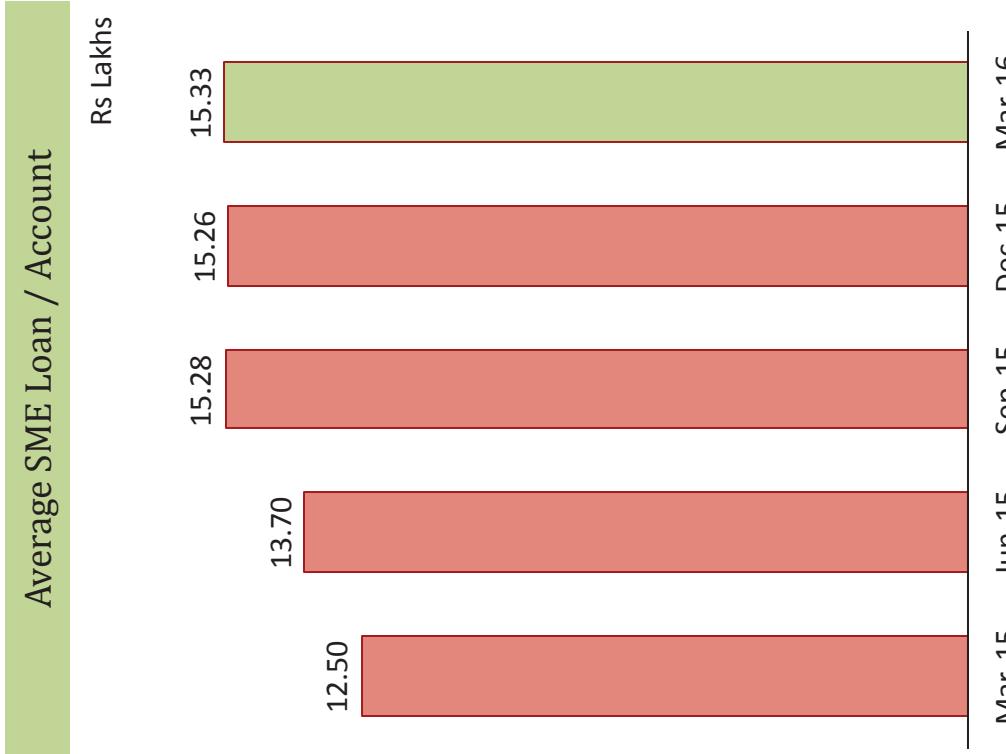
- Focus on particular geographies and open additional branches
- Improve Branch Profitability

# ...by focus on Housing Loans in Retail

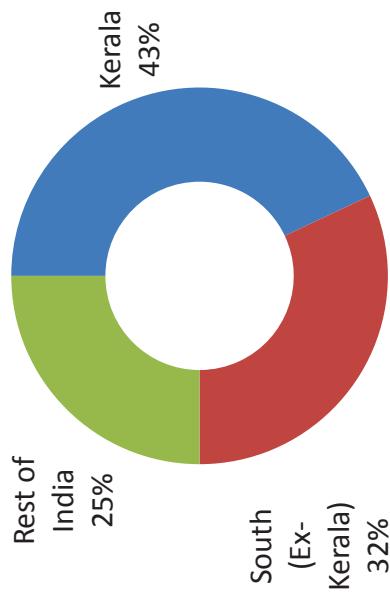


\*LAD = Loan against deposits

## ...becoming a Banker of Choice to SMEs



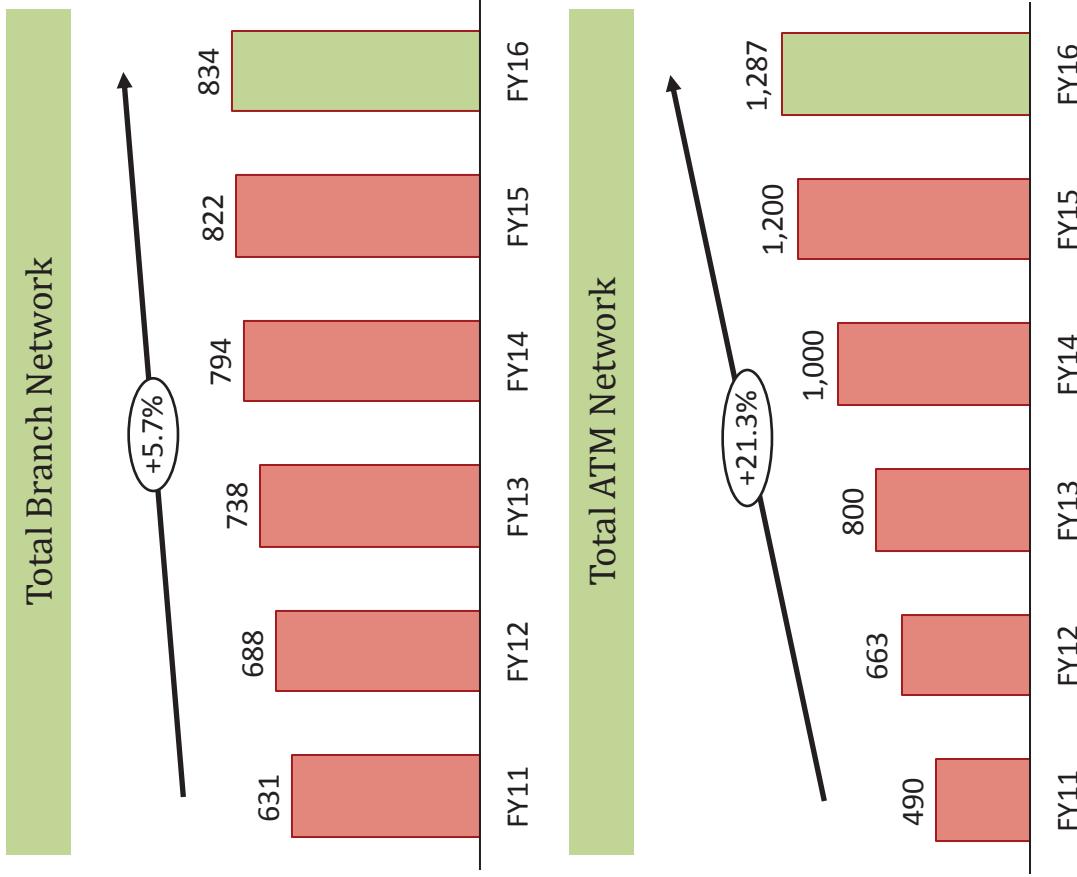
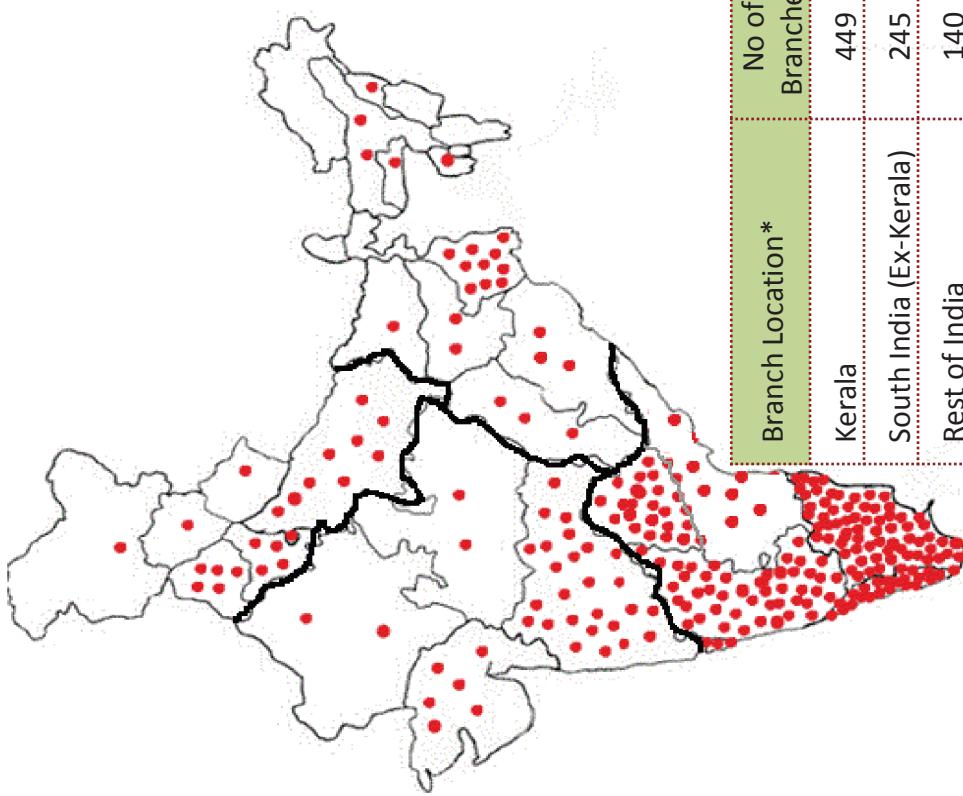
Loan Book by Geography – FY16



### 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)

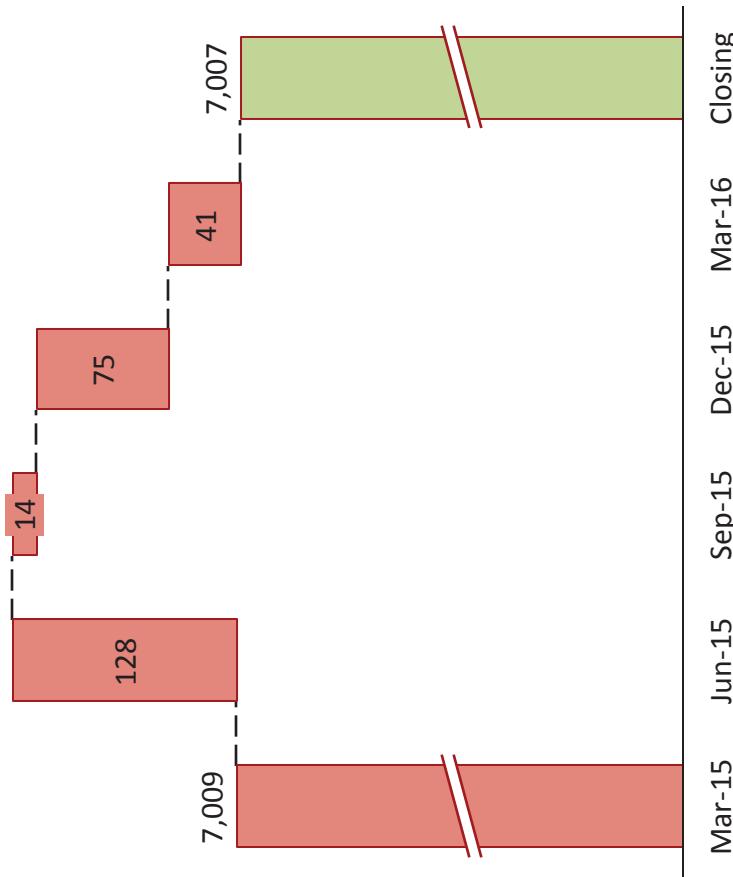
## ...With the help of our Branch Network



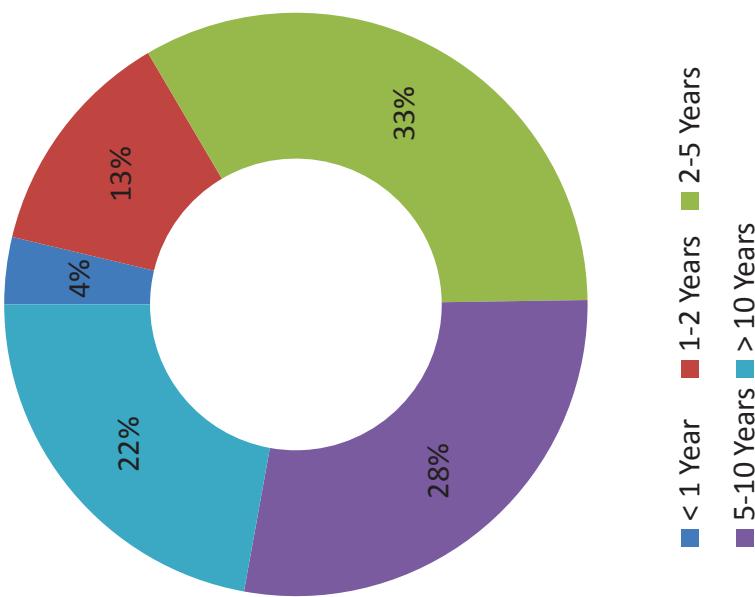
\*Map for illustration purpose only

## ... and our Experienced Employees

**Employee Addition**



**Total Employees: 7,007\***

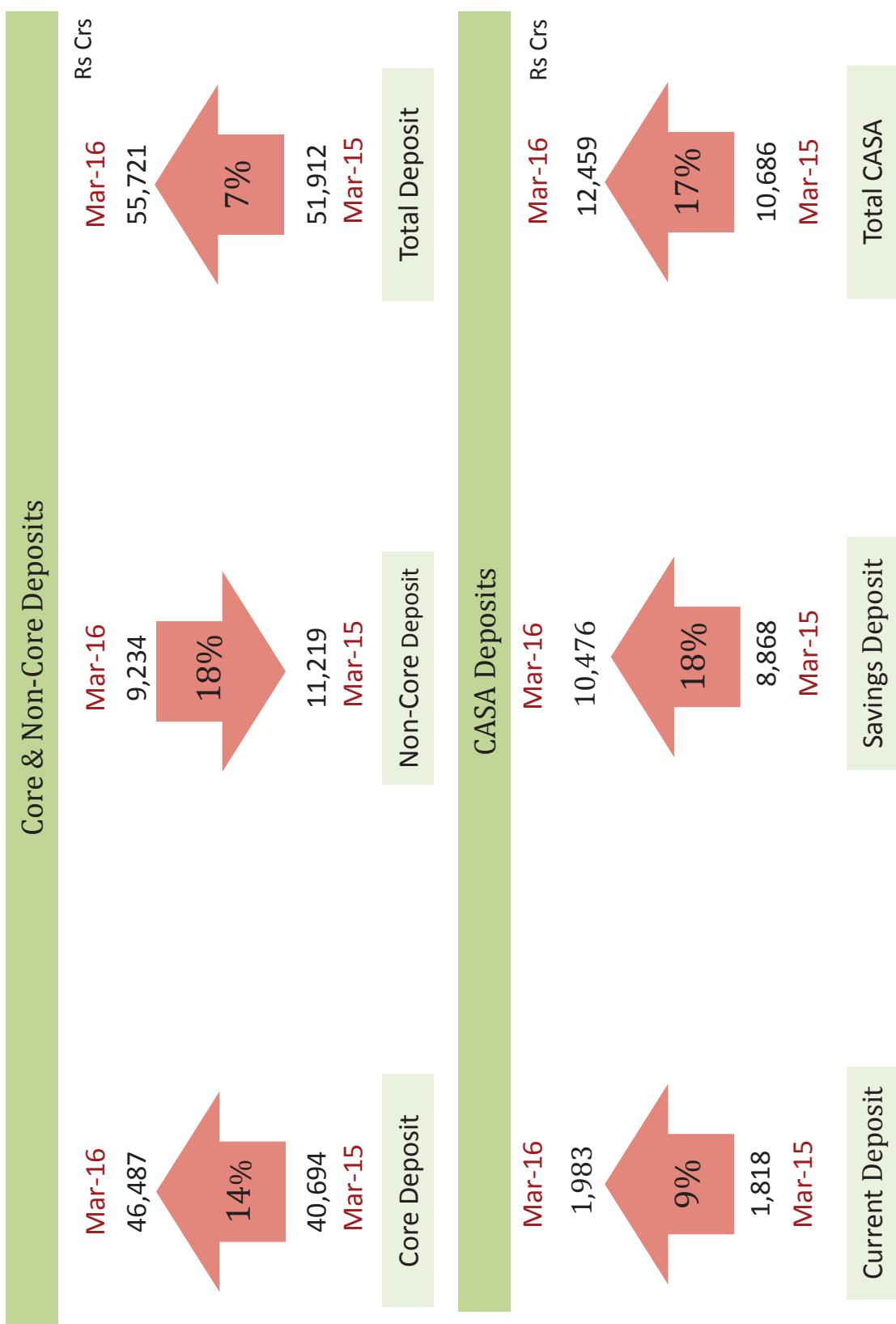


\*Employees include full-time officers and clerks.

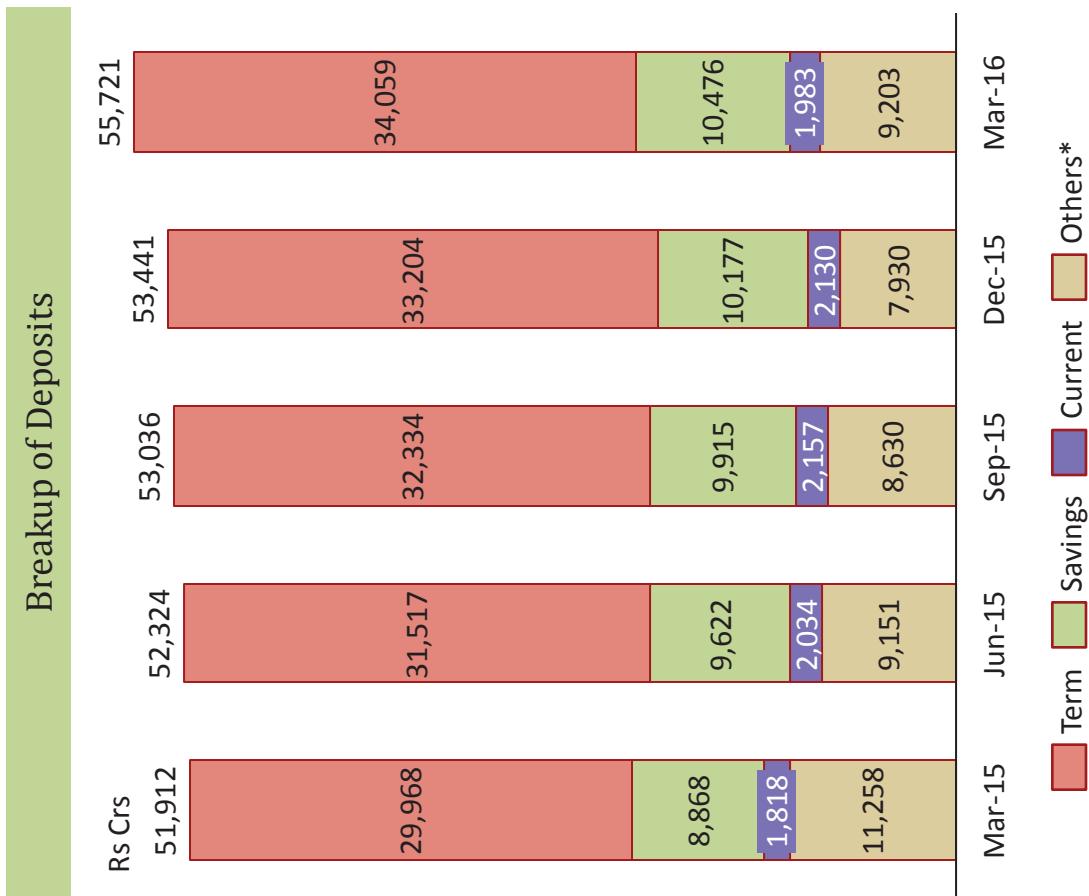




## Strong Deposit Franchise

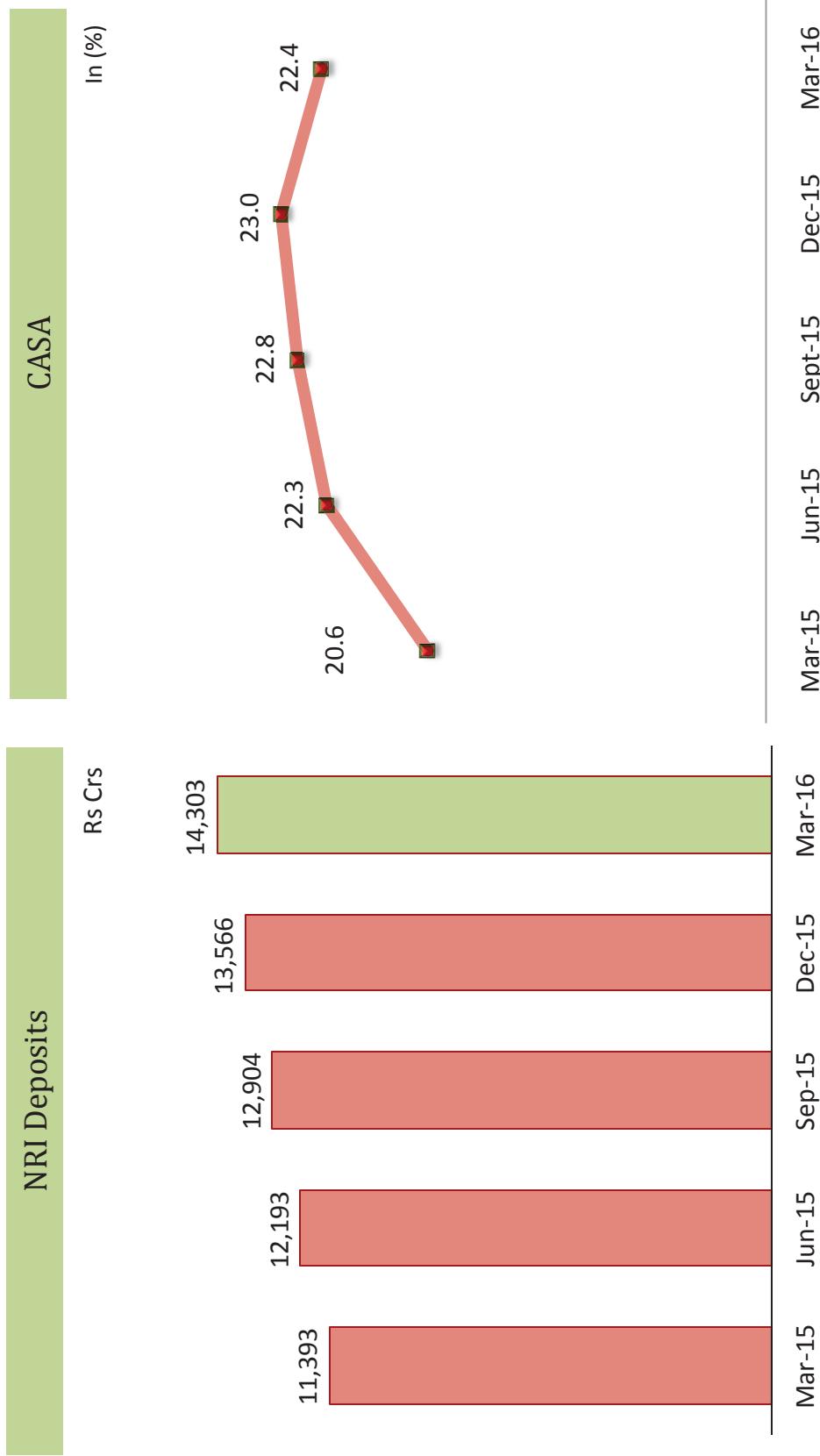


# Core Deposits Growing...

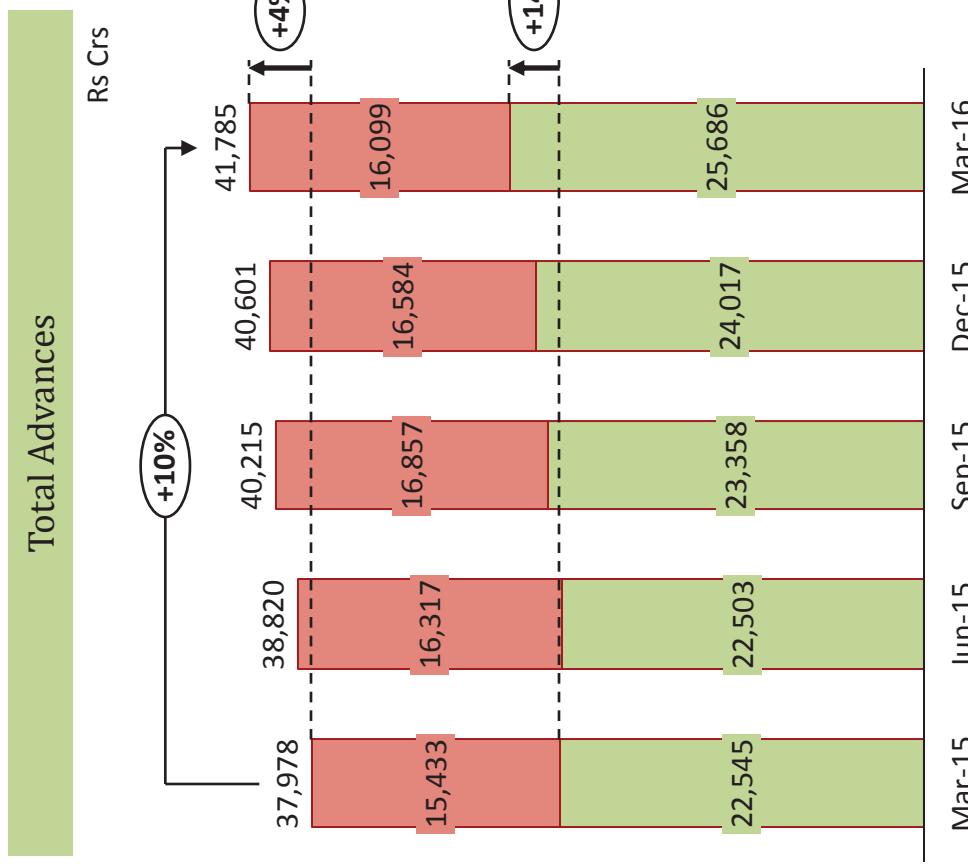


\*Others includes: Bulk, Certificates of Deposits

## NRI Deposits Growing...



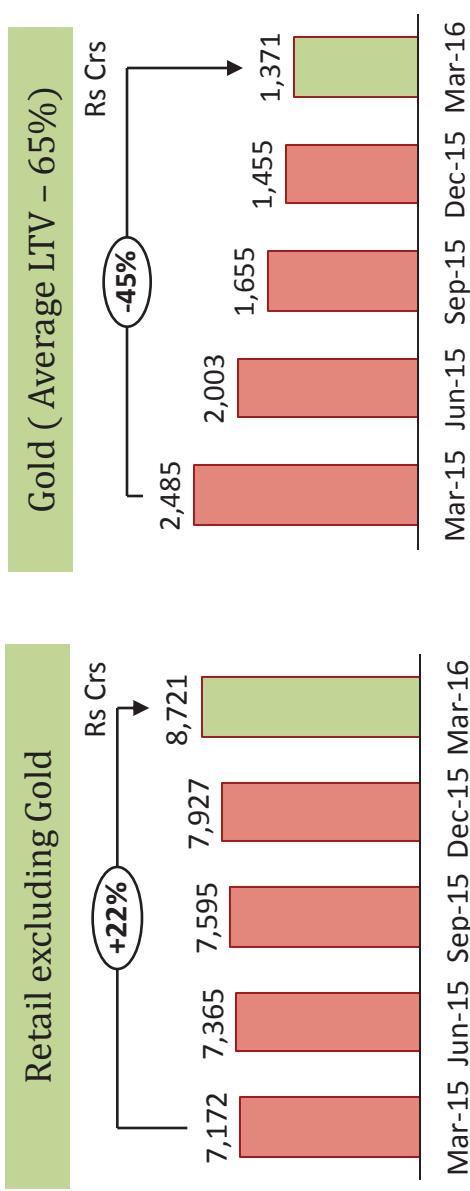
# Composition of Loan Book



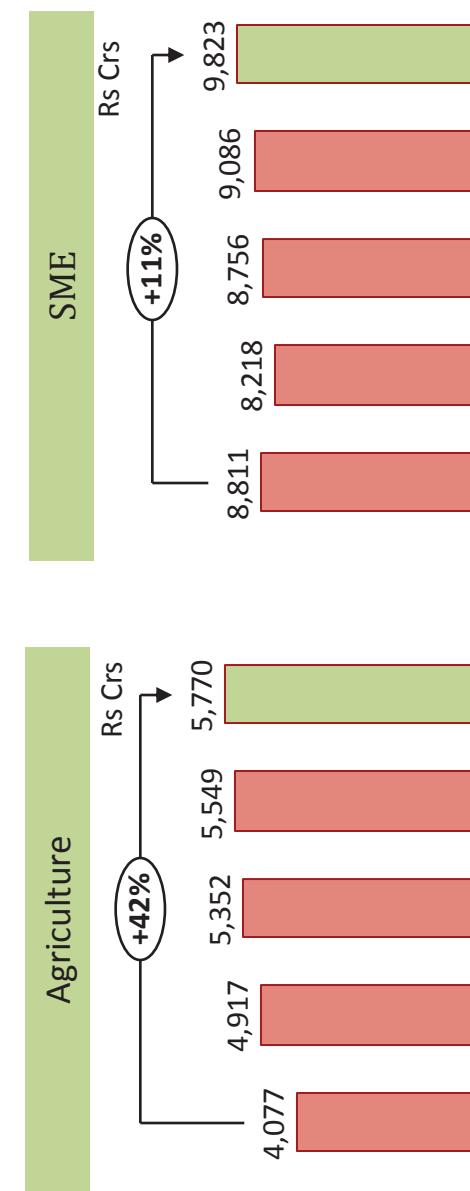
Corporate (Above Rs 25 Crs)      Retail & SMEs (Below Rs. 25 Crs)

Corporate  
Retail Ex Gold  
Agriculture  
SME  
Gold

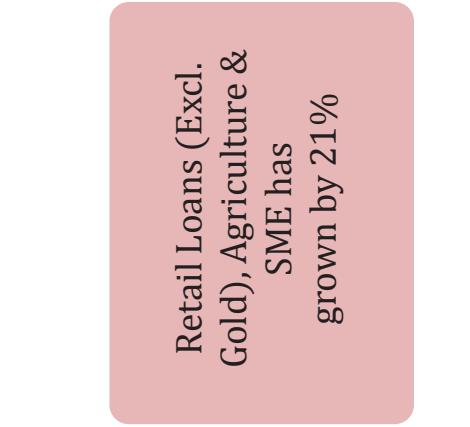
## Key Focus : Retail, SME & Agriculture



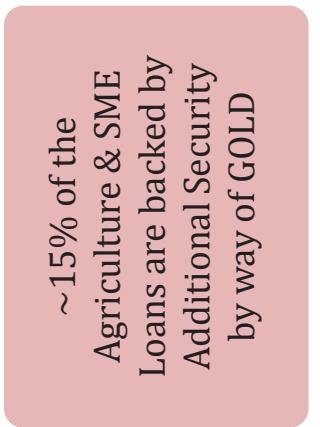
Mar-15 Jun-15 Sep-15 Dec-15 Mar-16



Mar-15 Jun-15 Sep-15 Dec-15 Mar-16



Mar-15 Jun-15 Sep-15 Dec-15 Mar-16

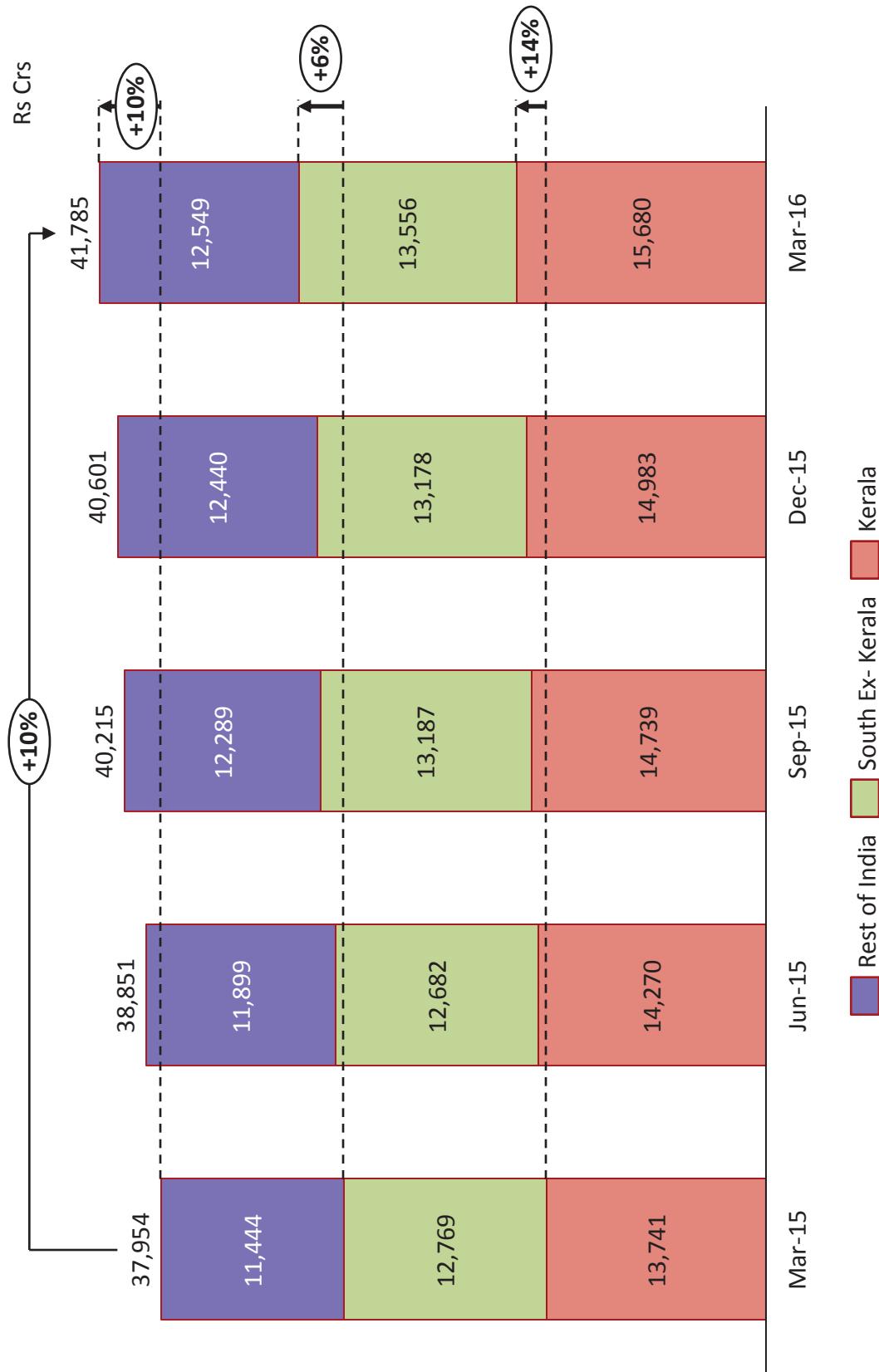


Mar-15 Jun-15 Sep-15 Dec-15 Mar-16

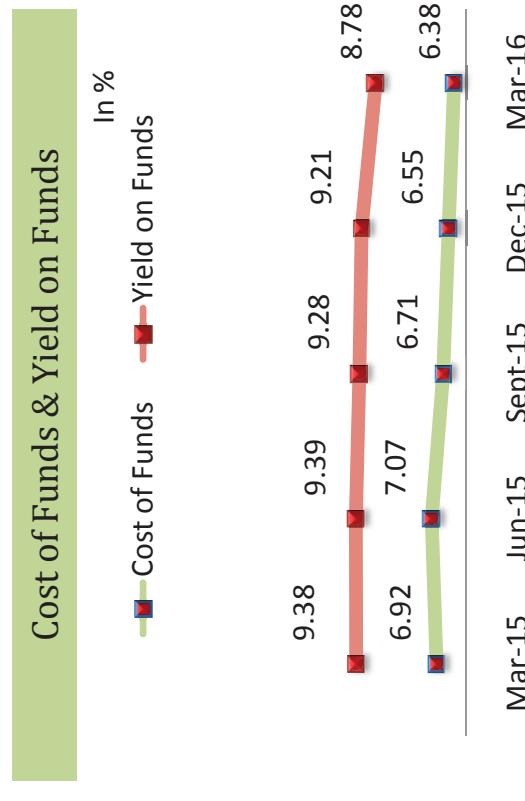
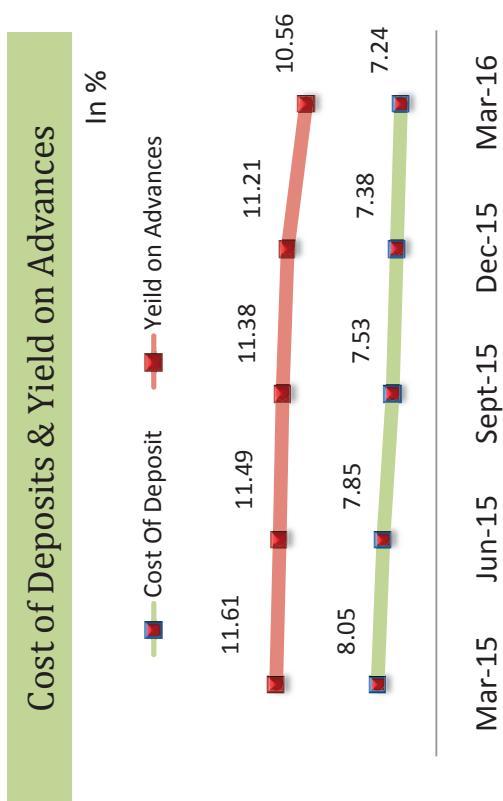
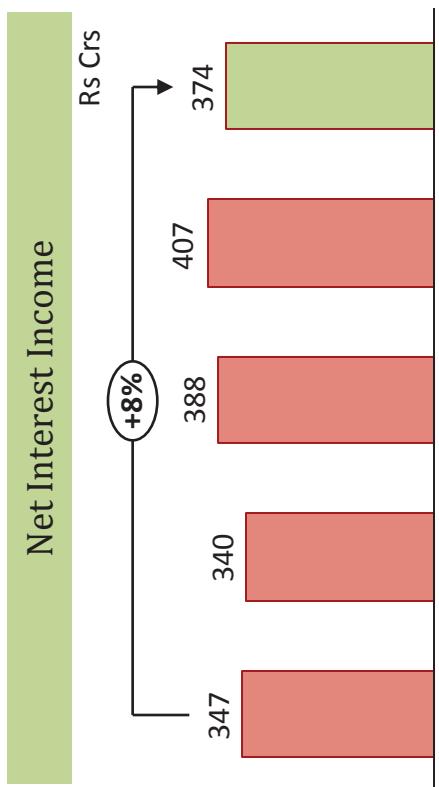
Retail Loans (Excl. Gold), Agriculture & SME has grown by 21%

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

## Advances growing across Regions

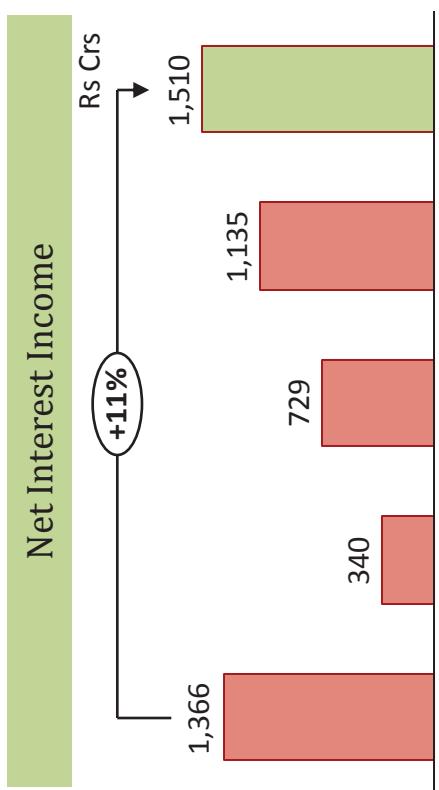


## Net Interest Income - Quarter



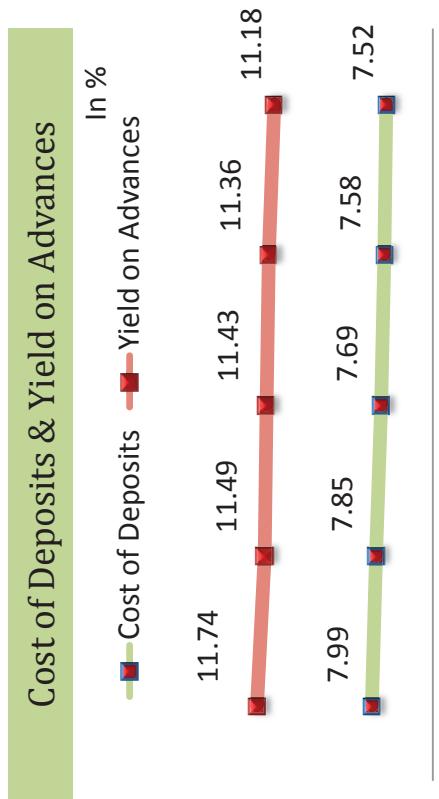
\* 13 bps adverse impact on interest reversal

## Net Interest Income - Cumulative



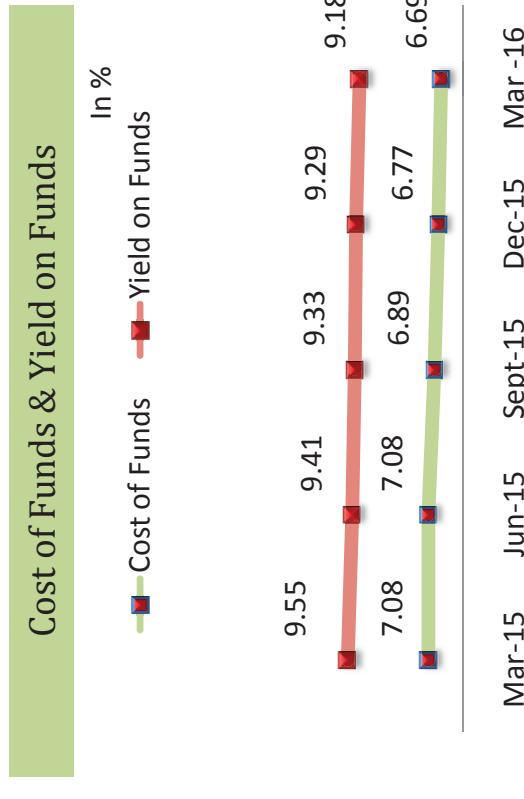
Mar-15 Jun-15 Sep-15 Dec-15 Mar-16

Mar-15 Jun-15 Sep-15 Dec-15 Mar-16



Mar-15 Jun-15 Sep-15 Dec-15 Mar-16

Mar-15 Jun-15 Sep-15 Dec-15 Mar-16



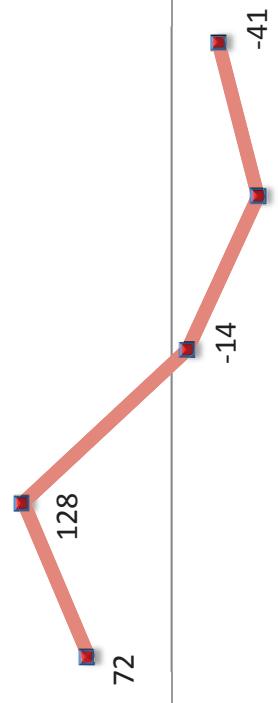
Mar-15 Jun-15 Sep-15 Dec-15 Mar-16

Mar-15 Jun-15 Sep-15 Dec-15 Mar-16

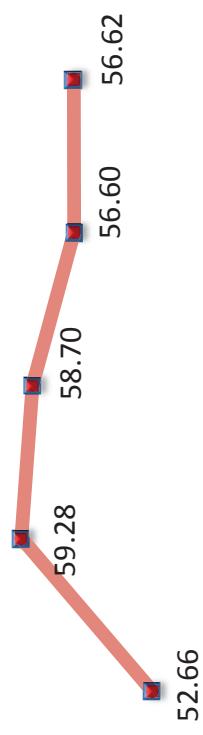
# Operating Efficiency



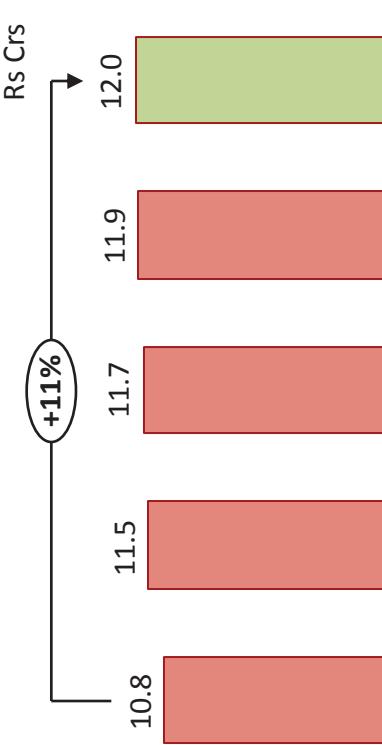
## Employee Additions



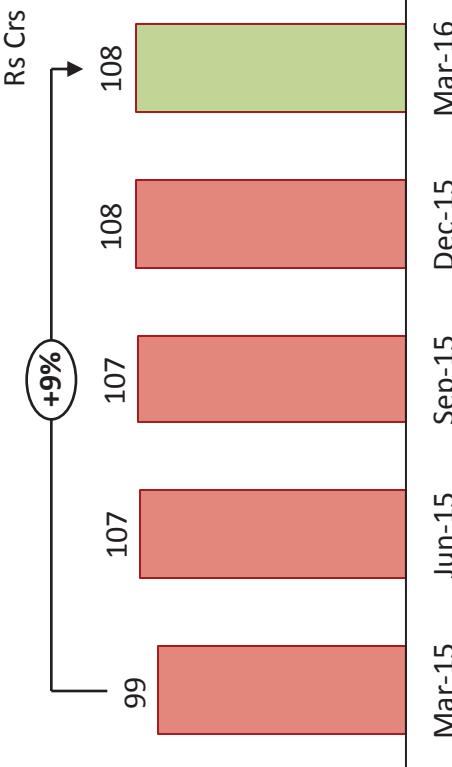
## C/I Ratio



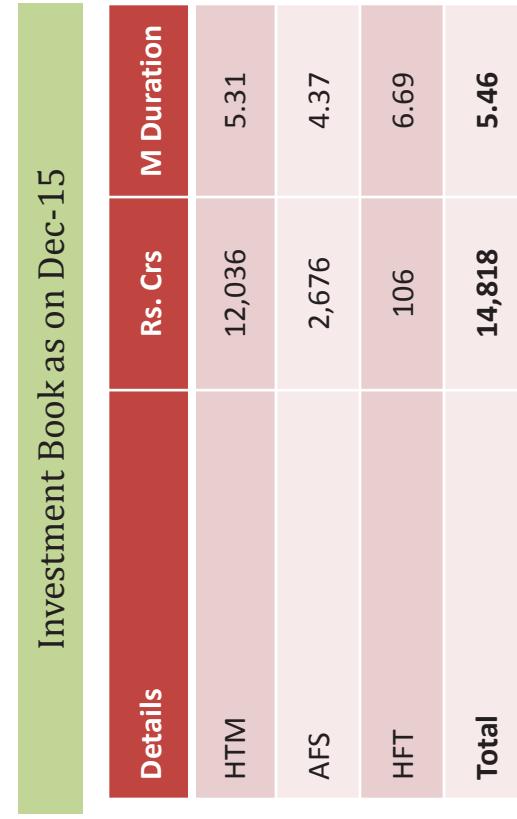
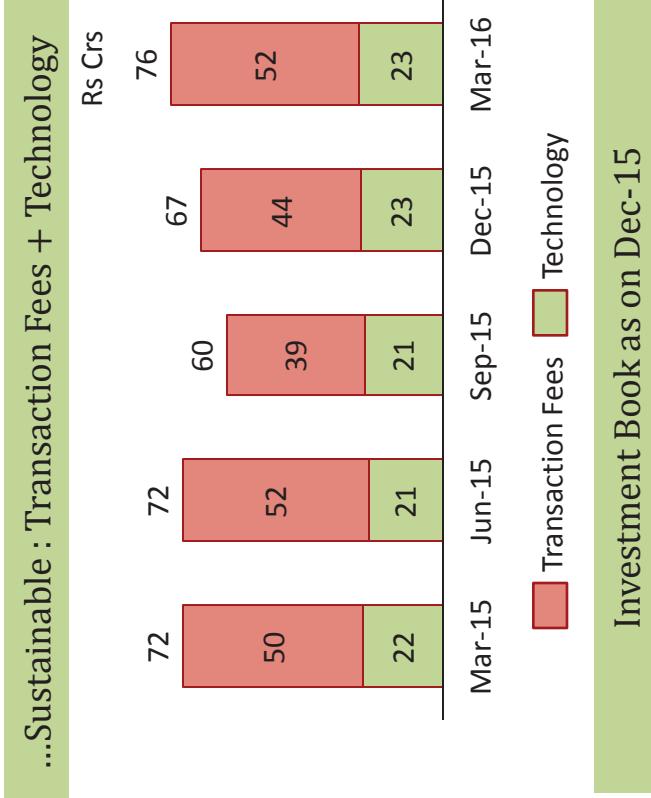
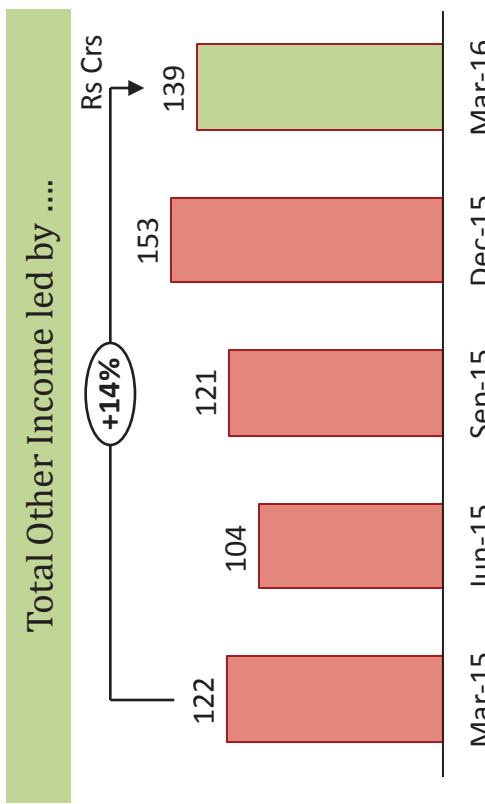
## Business per Employee



## Business per Branch



## Sustainable Other Income



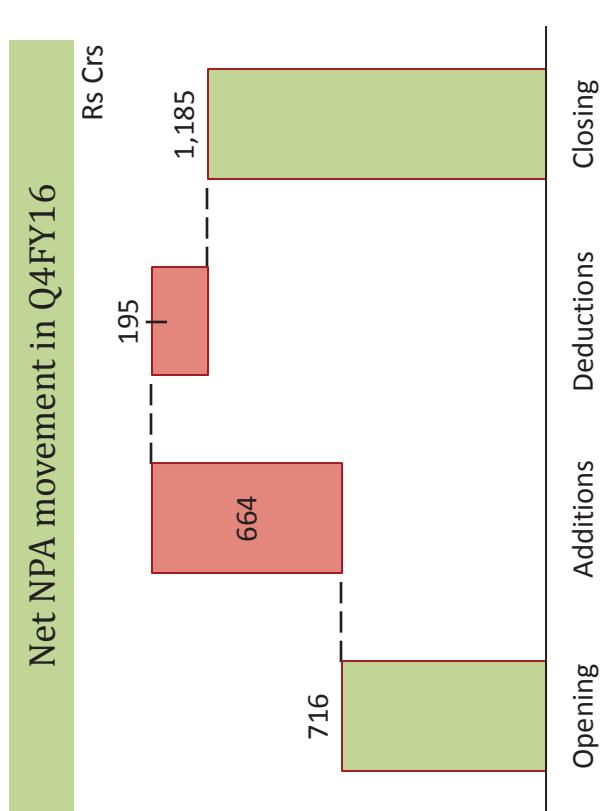
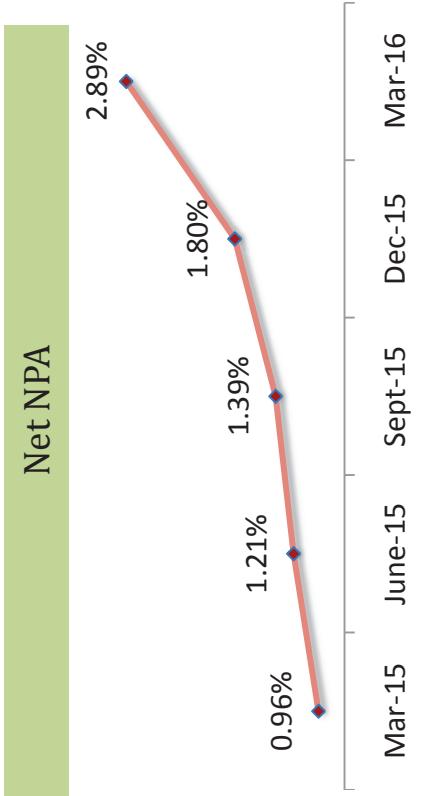
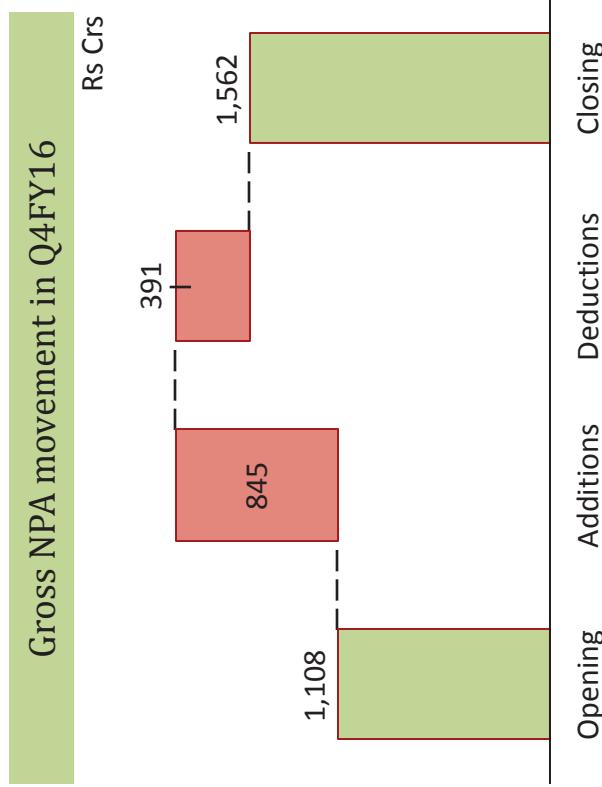
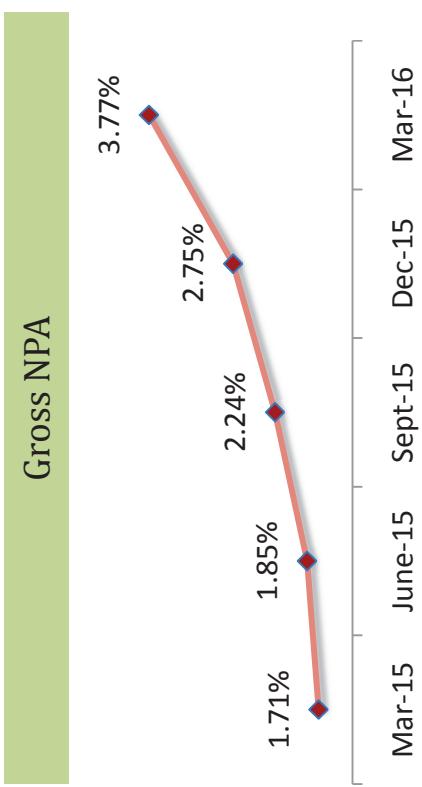
Forex      Other      Profit on Sale of Investments

## Break Up of Provisions

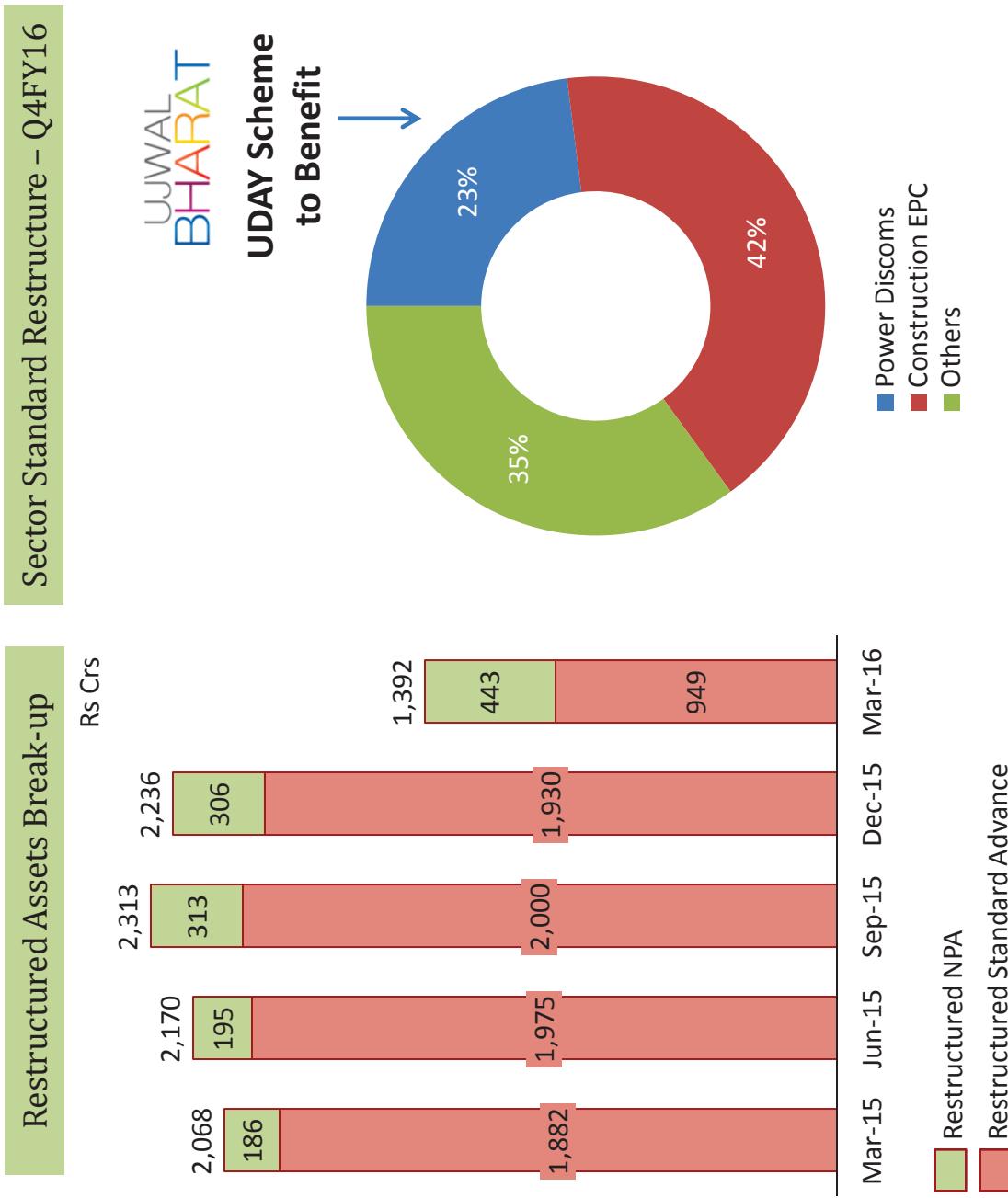


Rs Crs	Q4-FY 16	Q4-FY 15	Q3-FY16
For NPA & NPI	191.10	59.65	83.85
For Depreciation on Investments	0.50	6.88	12.21
For Standard Assets	-37.37	10.64	10.85
For Restructured Advances/Sacrifices & FITL	-29.45	46.67	-1.69
For Unhedged Forex Exposure	-0.69	3.11	-1.23
Others	-7.84	10.79	2.39
Taxes	33.08	10.91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

## Non Performing Assets



# Restructured Advances Breakup



\*Other includes IT, Bullion, etc.

# Restructured Standard Asset Book



Restructured Standard Advance				Rs Crs
Opening	Increase in Existing Balance	Uday – SDL Investments	Slippages to NPA	Closing Balance
<b>DISCOMS</b>	+884	0	-670	+214
<b>Construction EPC</b>	+644	+6	-	+401
<b>Others</b>	+402	+16	-	+334
<b>Total</b>	+1,930	+22	-670	+949

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

# Movement in Restructured Accounts

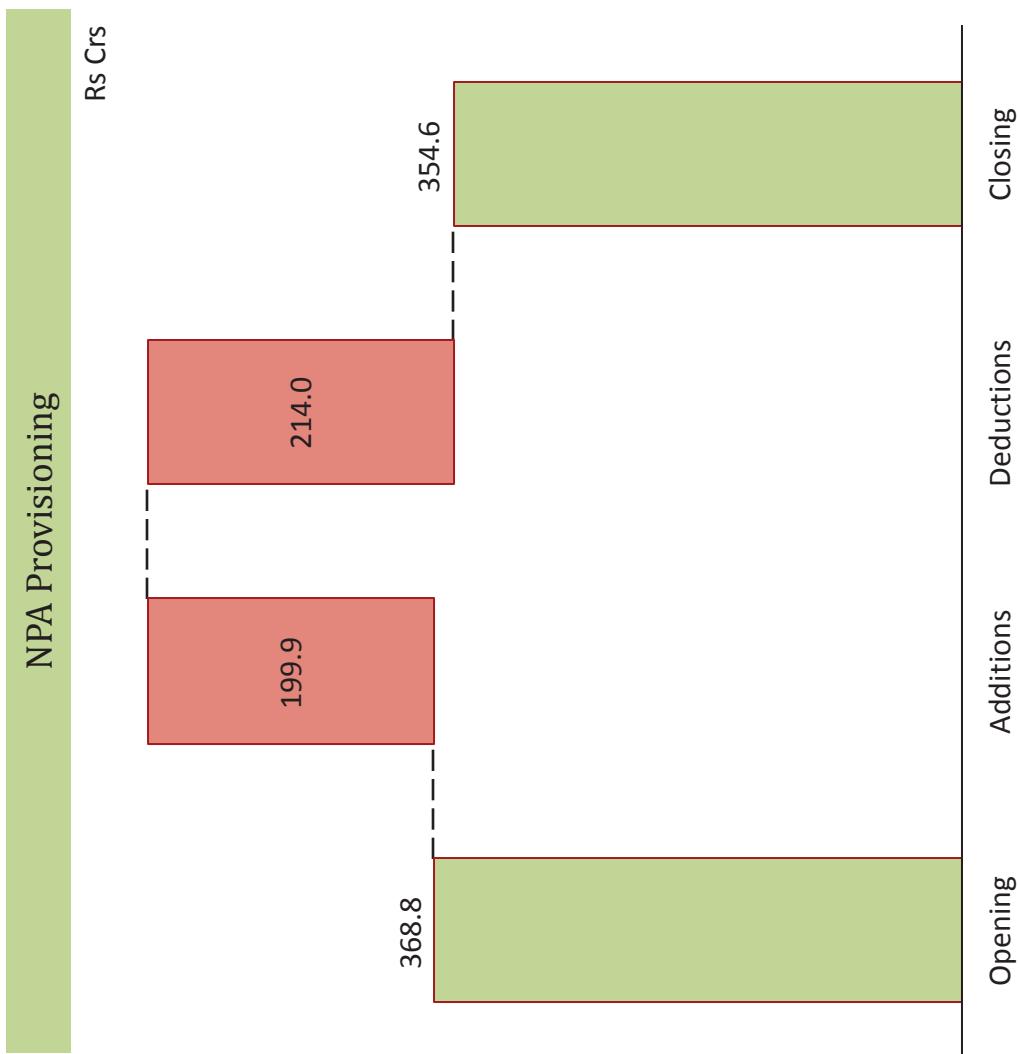
Movement in Restructured Accounts						
	Rs Crs					
Opening	0					
Fresh Additions	34					
Inc. in Balance	751					
Upgradation to Standard	127					
Closure including write off						
Dec. in Balance	1,392					
Closing						

Shift of focus from  
Large Corporate  
to  
SMEs

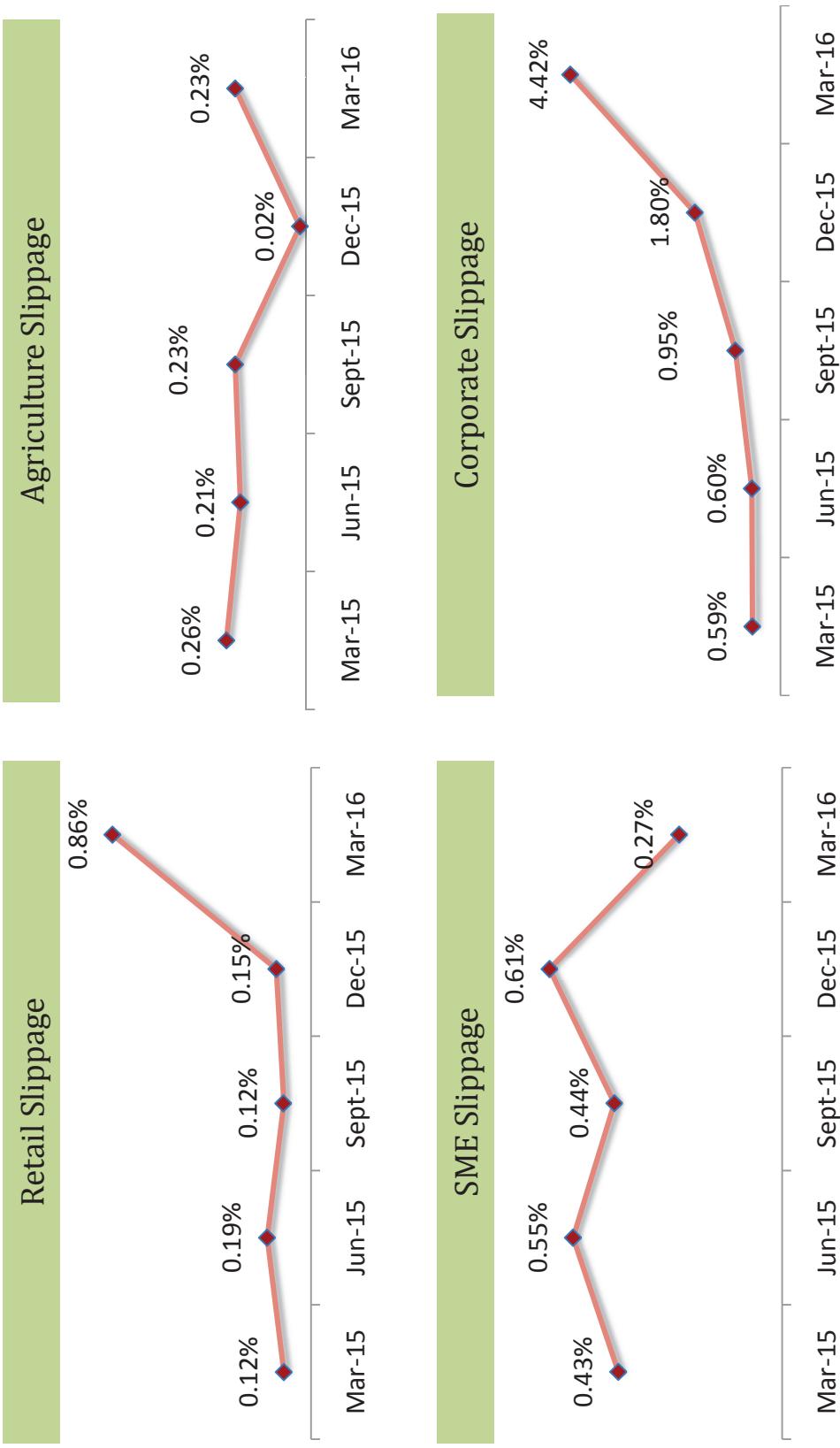
Defocusing from  
Power & Infra Sectors

Special Recovery Cell  
&  
Asset Monitoring Cell

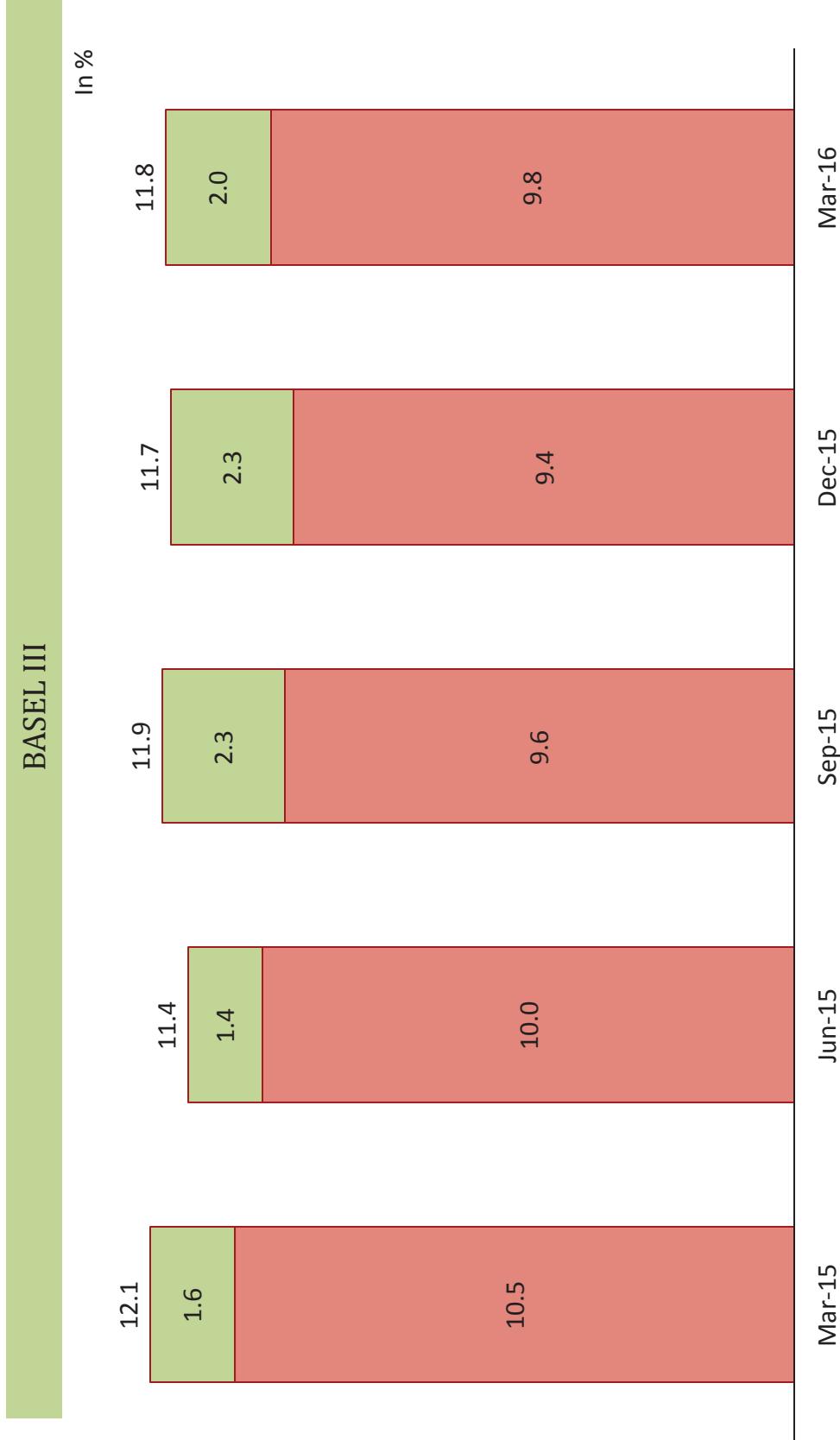
# Adequate Provisioning



## 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 (%)
<b>Capital &amp; Liabilities</b>		<b>63,175</b>	<b>59,116</b>	<b>6.95%</b>	<b>60,269</b>	<b>4.91%</b>
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%	53,441	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%	
<b>Assets</b>	<b>63,175</b>	<b>59,116</b>	<b>6.95%</b>	<b>60,269</b>	<b>4.91%</b>	
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%	
<b>Business (Advances + Deposits)</b>	<b>96,806</b>	<b>89,304</b>	<b>8.40%</b>	<b>93,350</b>	<b>3.70%</b>	
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-FY16	Q4-FY15	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

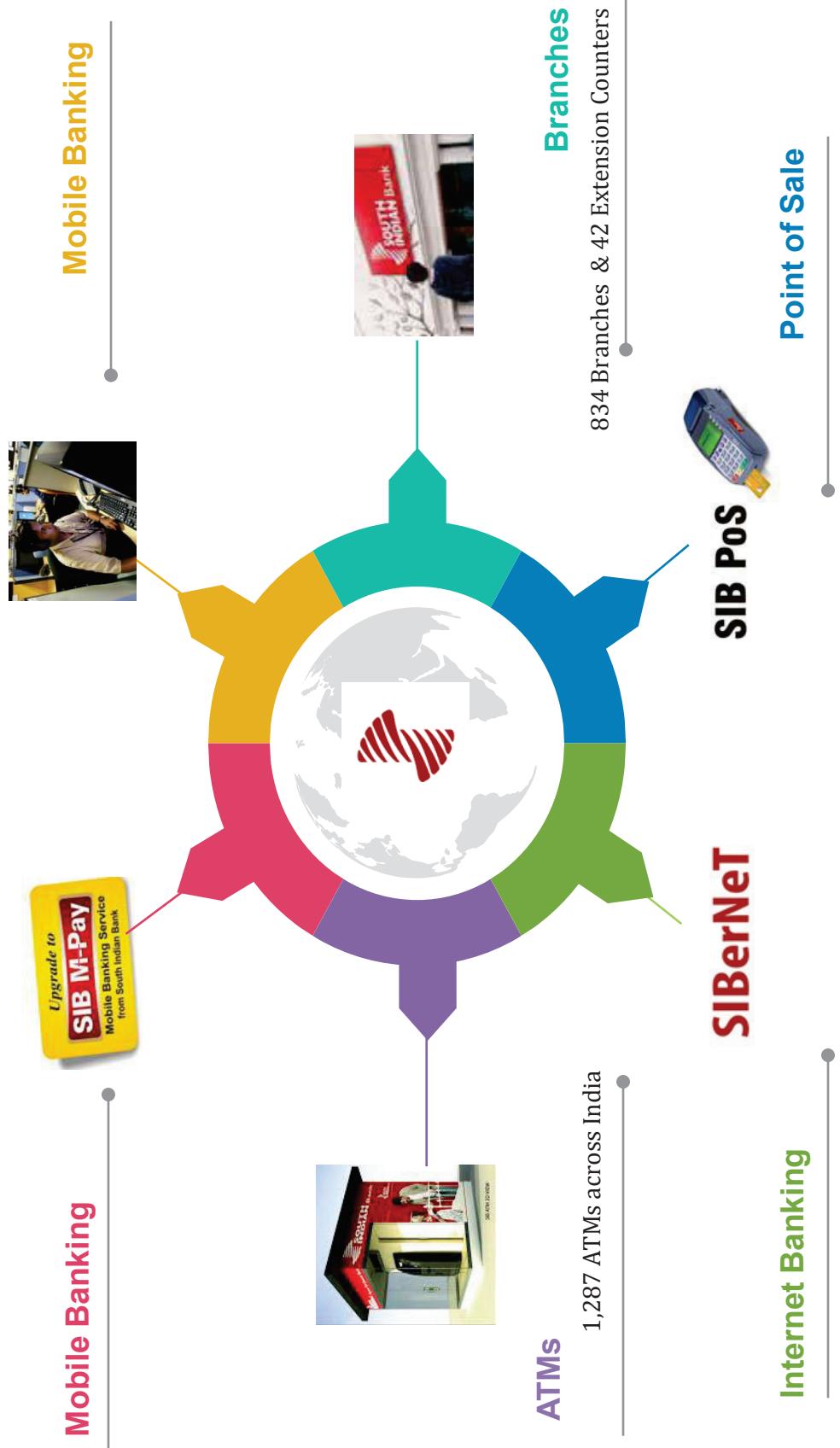


Particulars	FY15				FY16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Interest Margin (NIM)	2.7%	2.9%	2.5%	2.7%	2.5%	2.5%	2.8%	2.9%
CRAR Basel III	12.2%	12.1%	11.4%	12.1%	11.4%	11.9%	11.7%	11.8%
RoAA (Annualized)	0.5%	0.6%	0.6%	0.1%	0.5%	0.6%	0.7%	0.5%
Provision Coverage	62.5%	62.9%	60.4%	61.0%	56.1%	55.3%	50.3%	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
<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>	<b>834</b>
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
<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>	<b>1,287</b>



# 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



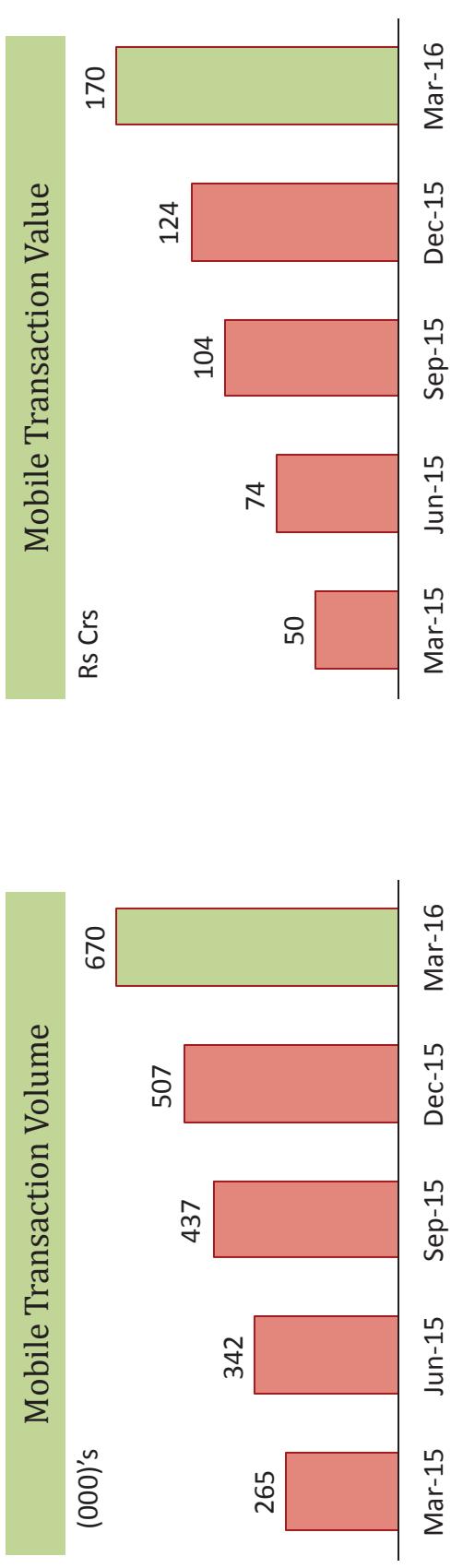
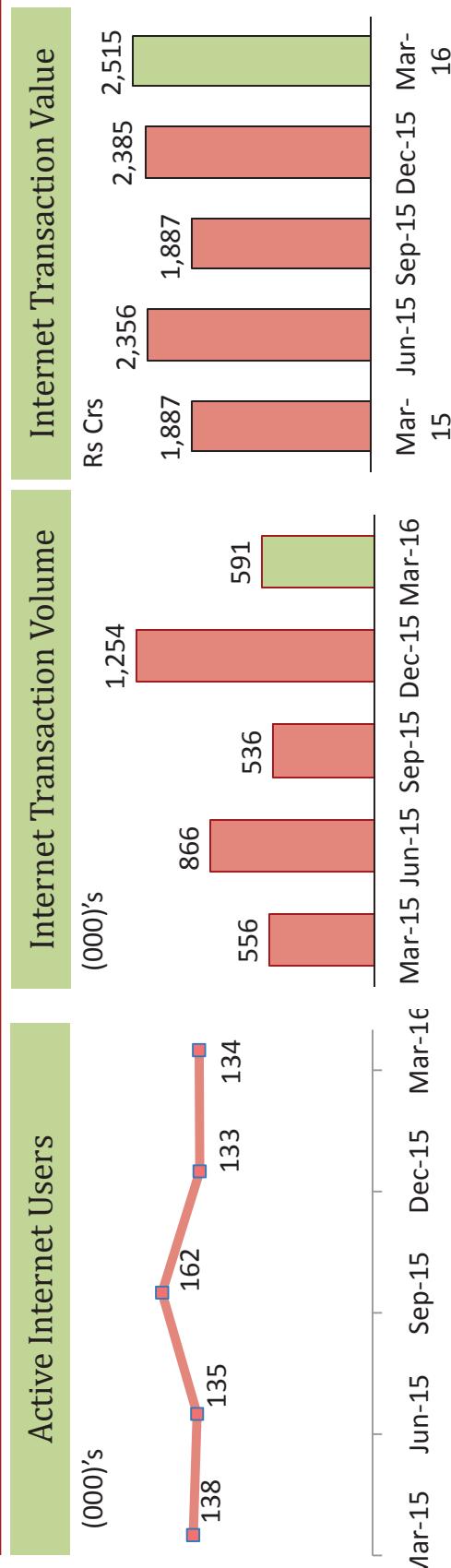
SIB offers Visa, MasterCard, and RuPay debit cards with online access to users for secure domestic and international transactions



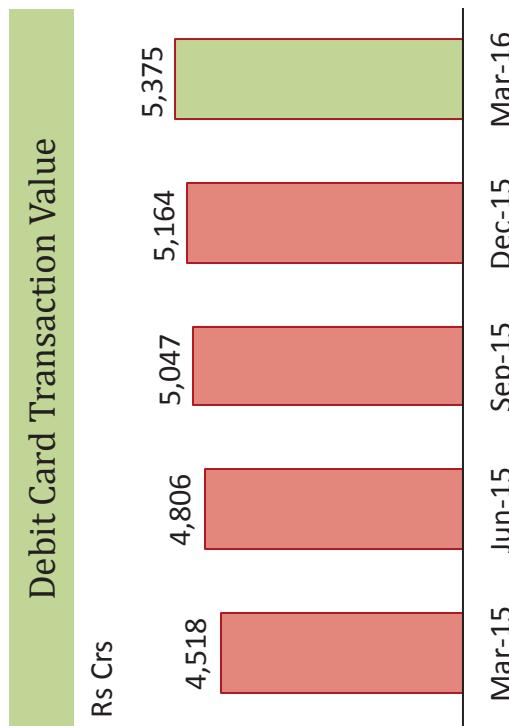
Centralized Processing Center allows enhanced risk management and customer creation with complete KYC compliance and fraud prevention tools



## Personal Banking: Technology Banking



## Personal Banking: Debit Cards

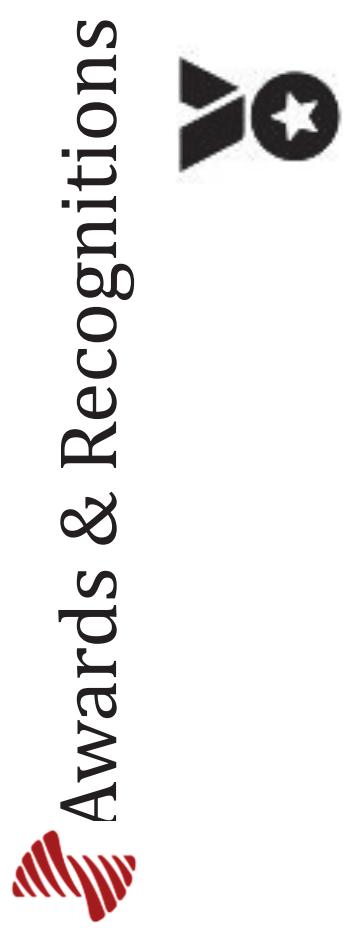




# Way Forward



<b>Expand Retail Business</b>	<ul style="list-style-type: none"><li>• Focus on retail loan products</li><li>• Efficient branches for faster processing of loans</li><li>• Continuous training of work force</li><li>• Invest in Brand Building</li></ul>
<b>Strengthen SME Base</b>	<ul style="list-style-type: none"><li>• Cluster based approach in industry hubs</li><li>• Sole Banker to SMEs for all banking needs</li><li>• Dedicated vertical to penetrate SME banking</li></ul>
<b>Improve CASA</b>	<ul style="list-style-type: none"><li>• Strategy &amp; Road map in place to increase CASA funds</li><li>• Centralized processes allowing branches to focus on garnering low cost funds</li></ul>
<b>Enhance Asset Quality</b>	<ul style="list-style-type: none"><li>• Granulize loan portfolio to spread out risk</li><li>• Cautious approach on large corporate lending</li><li>• Special recovery cell for monitoring non performing and restructured assets</li></ul>
<b>Improve share of other Income</b>	<ul style="list-style-type: none"><li>• Focus on increasing banking services for SME, Retail &amp; NRI clients</li><li>• Enhance treasury capabilities &amp; increase bench strength</li><li>• Expand POS &amp; ATM Network</li></ul>



# Awards & Recognition



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



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

SIB wins Banking Frontiers Inspiring Work  
Places Award





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