



INVESTOR PRESENTATION

DEC 2011



South Indian Bank... At A Glance

83 Years	• Number of years in banking business
674	• Number of branches
614	• Number of ATM's
₹58884 Cr	• Business as on Dec 2011-2012
27%	• Business Growth (Y – to – Y)
25%	• Last 5 years business CAGR
₹280 Cr	• Net Profit for the period ended Dec 2011-2012
₹102 Cr	• Net Profit for the Q3 (2011-2012)
3.05 %	• Net Interest Margin (Dec 11)
12.03%	• Capital Adequacy Ratio (Basel II –Dec 11)
0.24%	• Net Non-Performing Assets (Dec 11)

History &
Background

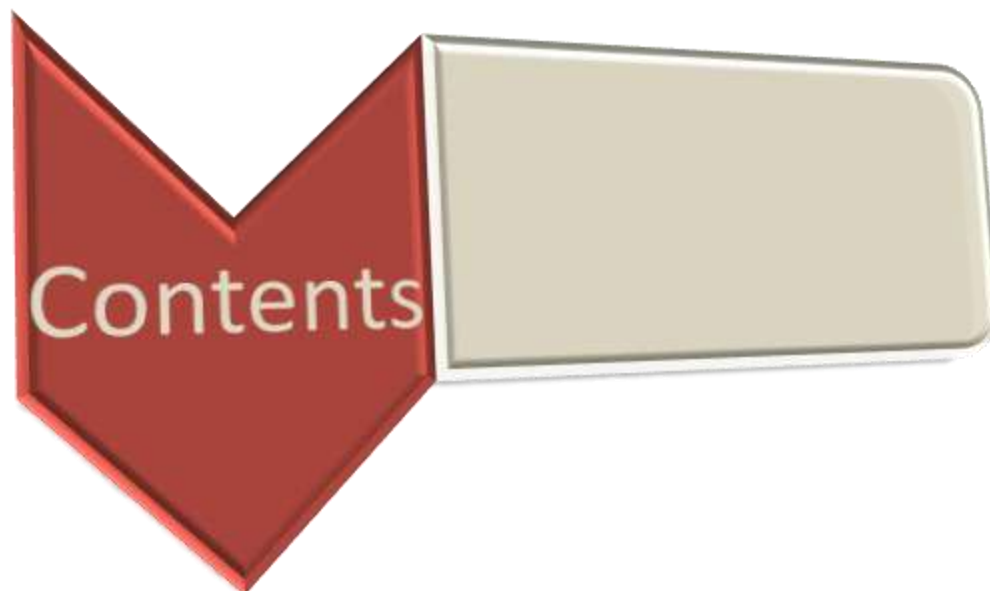
Overview

Q&A

Key Strength

Business
Performance

Future Strategy





History & Pioneering Initiatives



One of the oldest Banks in South India.



**Incorporated on January 25, 1929.
Head Office: Thrissur, Kerala**



First among private sector Banks in Kerala to become a SCB in 1946.



First private sector bank to open a NRI branch in Nov,1992 & an IFB branch in March 1993



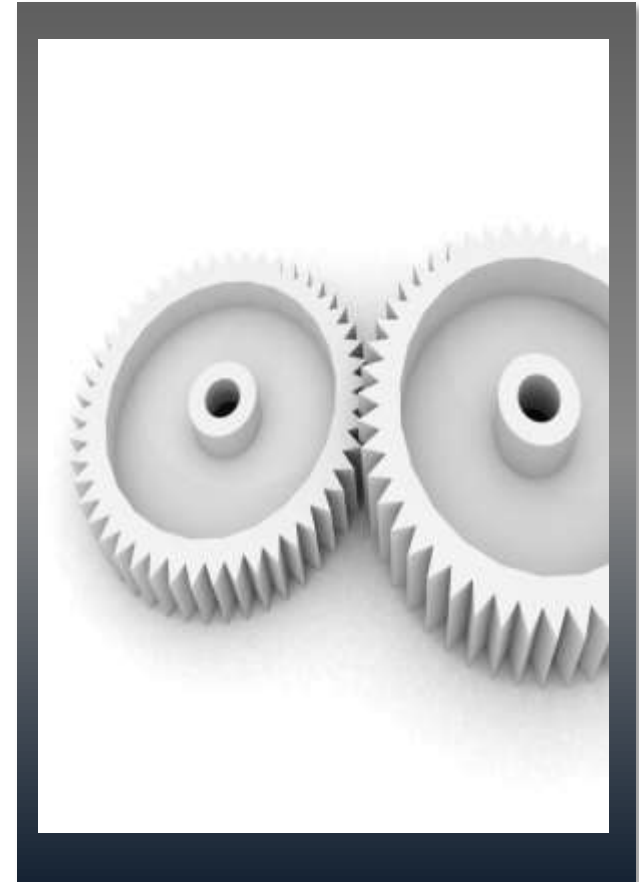
First bank among the Pvt sector banks in Kerala to open an "Overseas Branch", june,93.



**Listed in NSE, BSE & CSE- IPO in 1998.
FPO In 2006**



Successful QIP in Sept 2007



Management

Eminent personalities With rich and varied experience, guide the Bank in its progress & achievements in all Spheres

Shri. Amitabha Guha (Chairman)

Dr. V.A. Joseph (MD & C.E.O)

Sri Jose Alapatt

Sri Paul Chalissery

Sri Mathew L Chakola

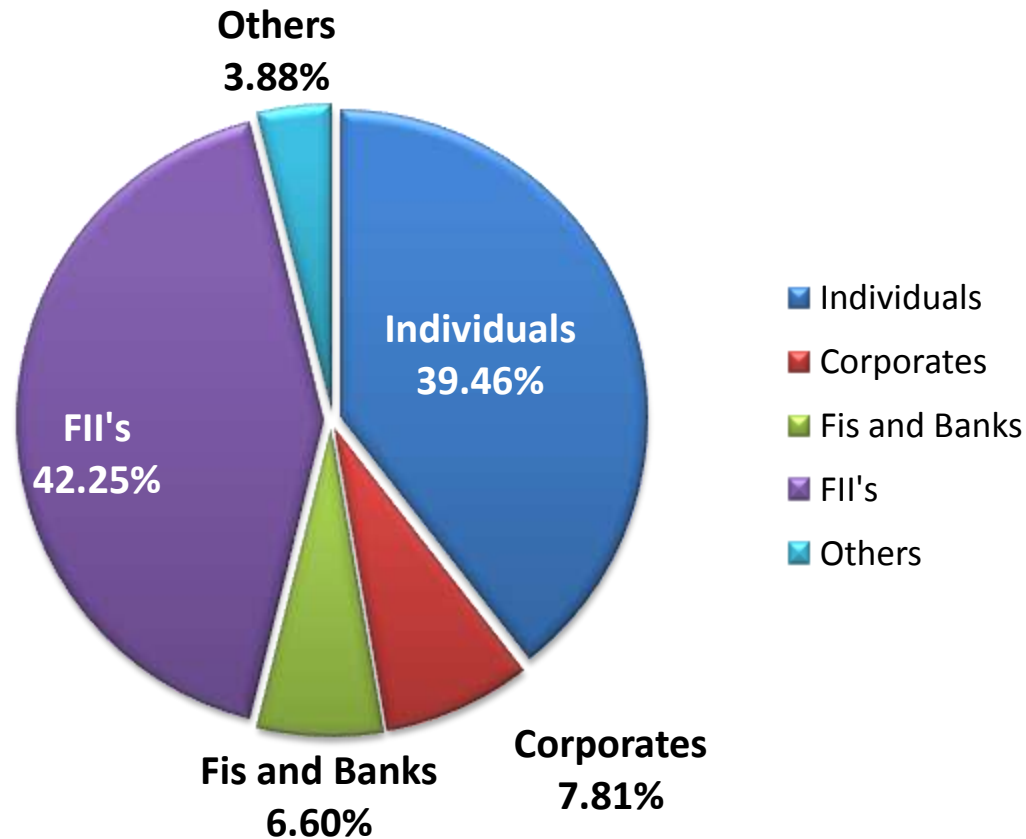
Dr. N J Kurian

Sri Mohan E Alapatt

Sri K. Thomas Jacob

Sri H. Suresh Prabhu

Shareholding Pattern – as on 31.12.2011



Diversified shareholding & tradition of good corporate governance practices

Vision & Mission

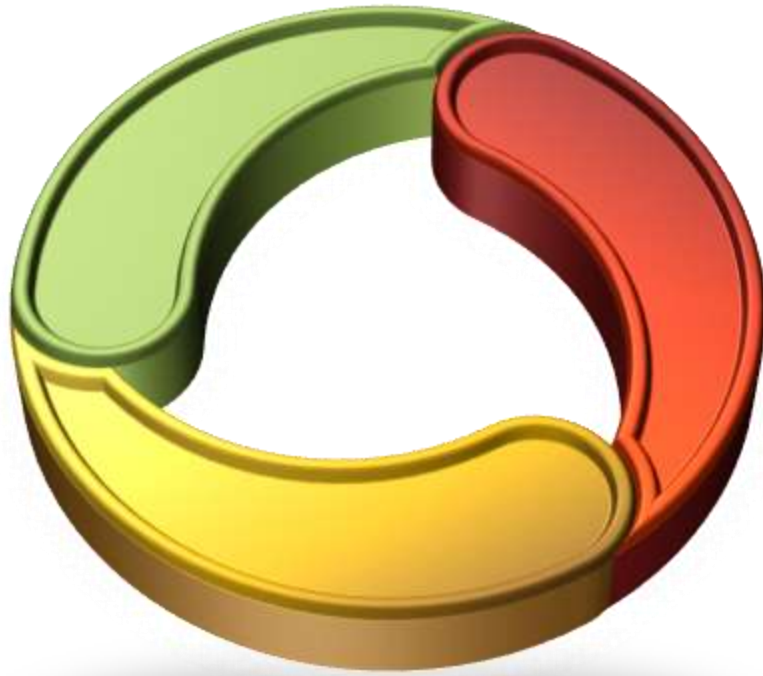


CORPORATE VISION

To emerge as the most preferred bank in the country in terms of brand, values, principles with core competence in fostering customer aspirations, to build high quality assets leveraging on the strong and vibrant technology platform in pursuit of excellence and customer delight and to become a major contributor to the stable economic growth of the nation.

MISSION

To provide a secure, agile, dynamic and conducive banking environment to customers with commitment to values and unshaken confidence, deploying the best technology, standards, processes and procedures where customer convenience is of significant importance and to increase the stakeholders' value.



Overview

Key Strength

Healthy Fundamentals

- Adequately Capitalised;
- 12.03% CRAR & 9.61% Tier 1 ratio
- Asset Quality;
- 0.94% GNPA's & 0.24% NNPA's
- 75.18% NPA Coverage ratio
- 17.51% ROE, 1.06% ROAA
- Over 85% secured loan book

Significant Turnaround

- Benchmarked HR Practices & Introduced Performance Linked Incentive schemes, ESOP, Annual Performance contest-Awards.
- Forward looking Human Capital Management Strategy
- Highly skilled human capital- 46% of human capital under age 30 with professional qualification

Strong Growth

- One of the fastest growing banks in India.
- 25% CAGR in business in last 5 years
- Constant growth in Business & Profitability
- Most advanced technology in all spheres of banking operations & delivery channels.

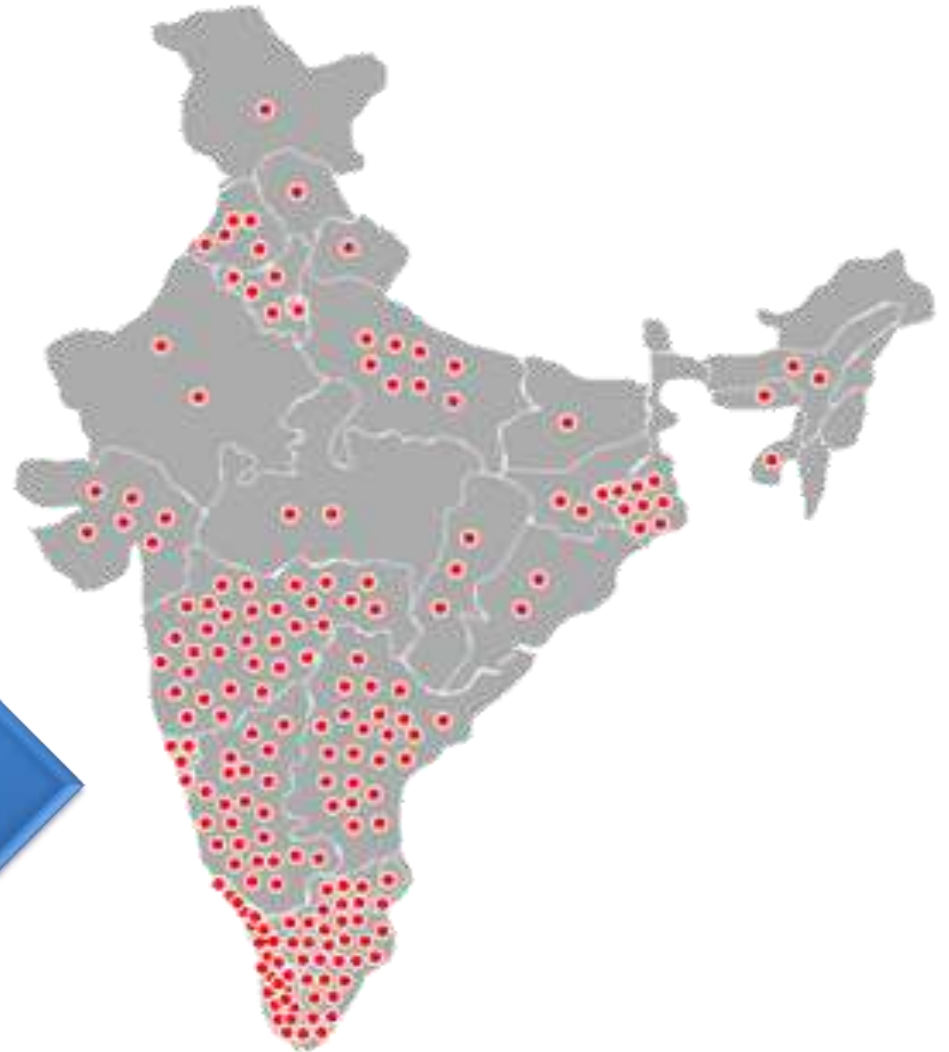
Key Competitive Advantage

- Fast expanding branch network
- High Asset Quality with well diversified Loan portfolio
- 9% market share in Kerala's NRI deposit base.
- Strong boost to Income from high yielding gold loans forming 26% of the loan book.

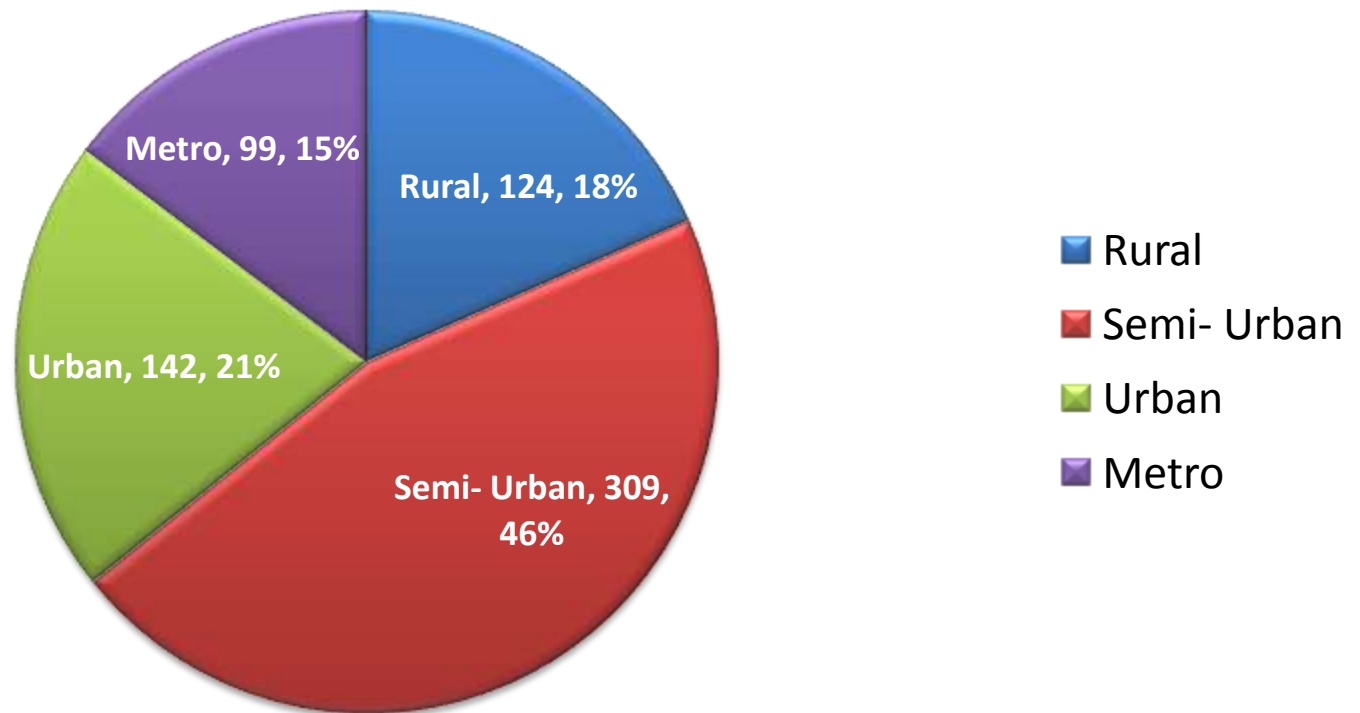
Vast and Rapidly Growing Branch Network

Spread of
Branches

Average Branch &
ATM network
growth @ 10% (for
last & current FY)



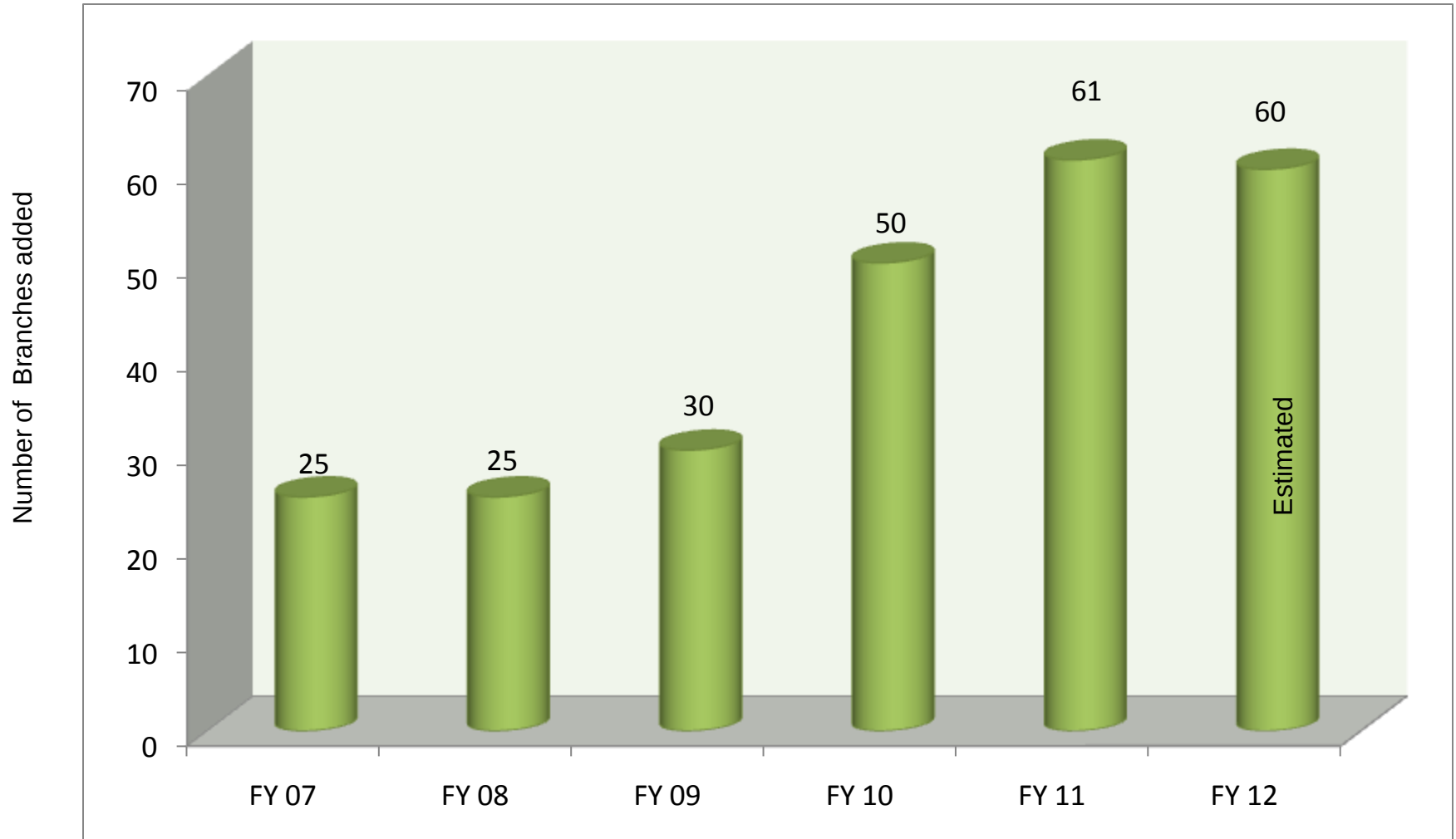
Branch Network – Category wise as in Dec 11



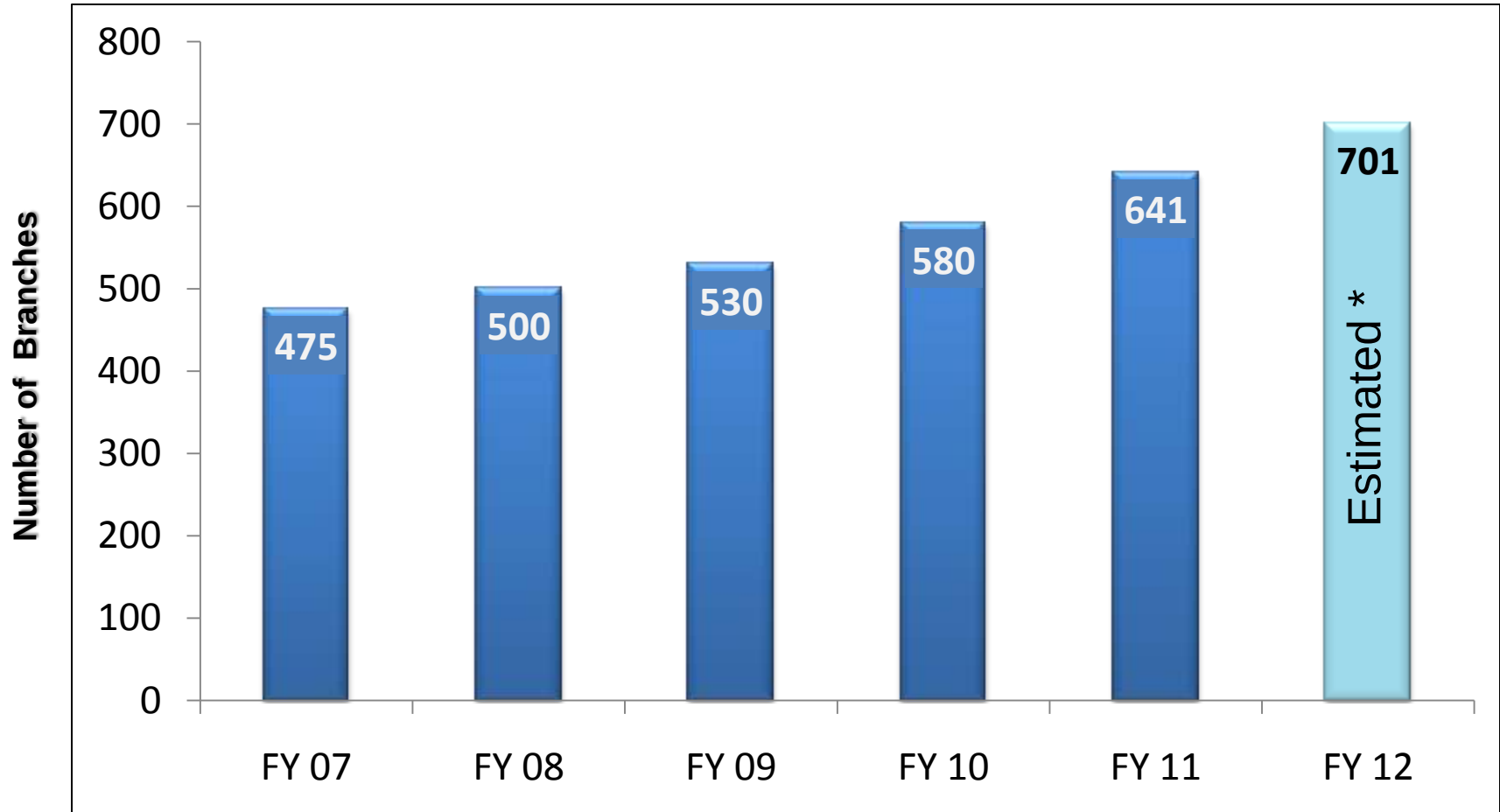
State wise distribution of Branches – Category wise as in Dec 11

STATES	No: of Branches	STATES	No: of Branches
KERALA	373	JHARKHAND	2
TAMIL NADU	117	MADHYA PRADESH	2
ANDHRA PRADESH	44	ORISSA	2
KARNATAKA	38	PONDICHERRY	2
MAHARASHTRA	24	RAJASTHAN	2
DELHI	21	ASSAM	2
WEST BENGAL	9	BIHAR	1
UTTAR PRADESH	8	CHANDIGARH	1
GUJARAT	6	JAMMU & KASHMIR	1
HARYANA	4	UTTARANCHAL	1
PUNJAB	4	TRIPURA	1
GOA	4	HIMACHAL PRADESH	1
CHATTISGARH	3	MEGHALAYA	1

Network Expansion (Number of branches added)

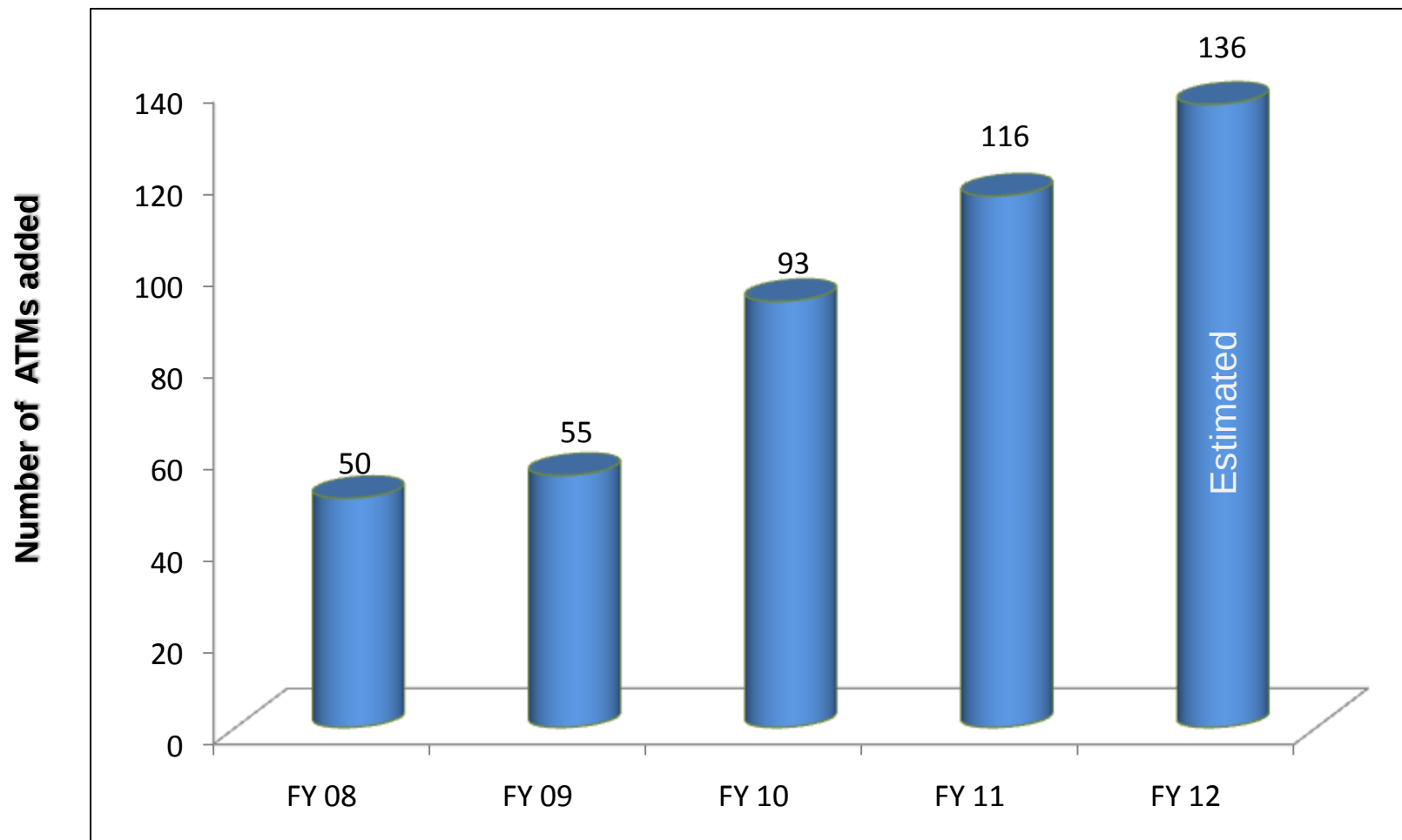


Branch Network

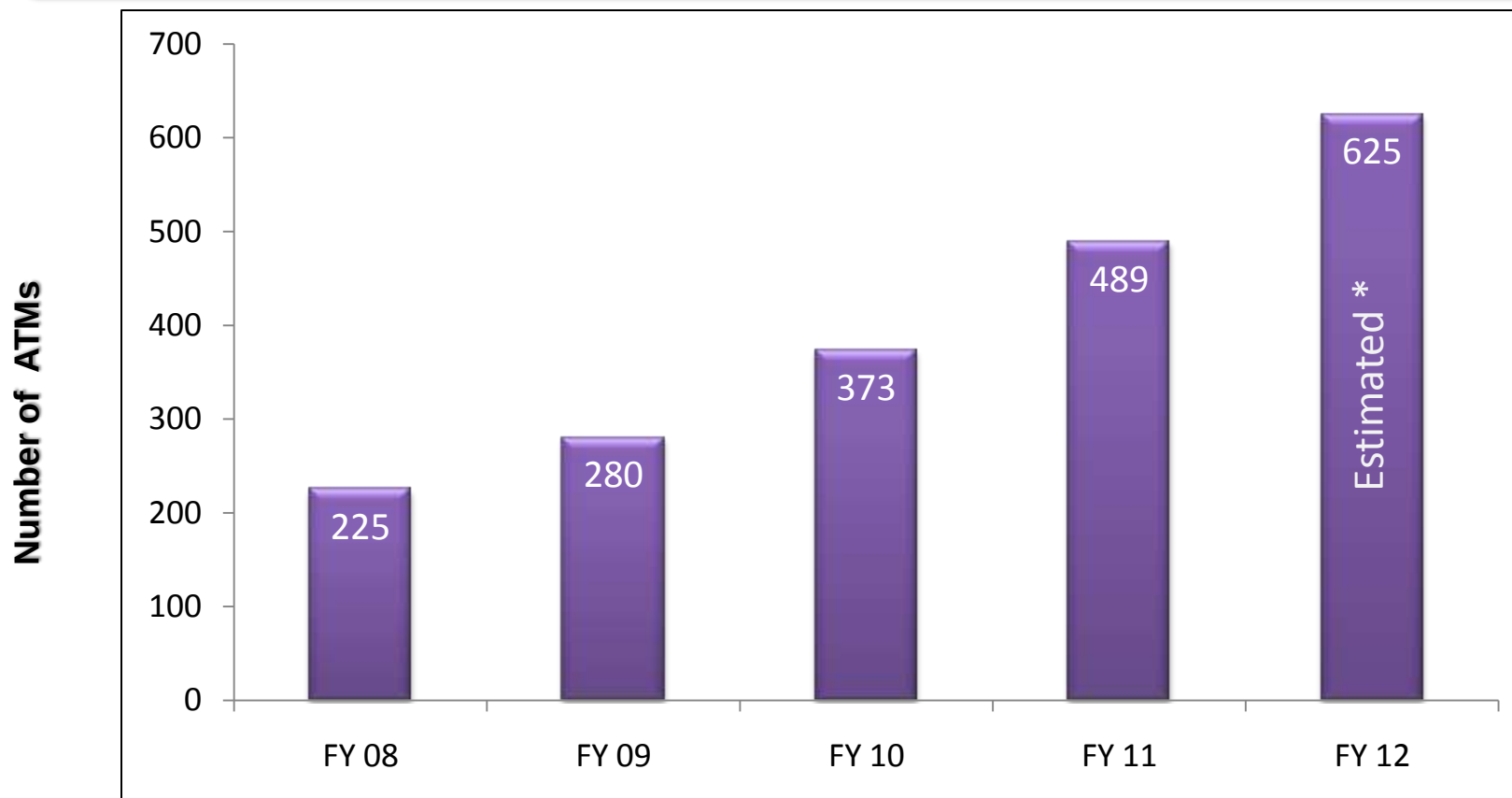


* No: of branches as on 31.12.2011 – 674

Network Expansion (Number of ATMs added)



ATM Network



* No: of ATM's as on 31.12.2011 – 614

EFFICIENT SERVICE LEVERAGING ON TECHNOLOGY

Project SIBERTECH- 100% Core Banking Solution (CBS) using FINACLE from Infosys.

Centralized Data Centre with most advanced technological platform in a new state of the art “Green” complied building at Kochi, Kerala.

Emphasis on IT security & Risk Management - Disaster-recovery site at Bangalore for CBS & Regular IS Audits.

Member of INFINET & 568 On-line ATMs through NFS tie-up with other banks

A host of hi-tech products- International debit & credit cards, high speed & secure Internet & Mobile Banking for retail & corporate clients.

Online Value added services - Stock trading, ticket booking, mobile recharges, shopping, Utility payments, offerings.

SIB FINS Card -A smartcard based FI initiative in association with M/s Coromandel InfoTech India Ltd., Chennai, as the technology service provider.

Successfully implemented RTGS & NEFT in all branches.

Successfully launched Smart card at Christ University, Bangalore which works as Access card, Identity card, ATM card and card for payment of fees in Christ College for around 10000 students.

Best-in-class IT products & solutions in all banking operations like Treasury, Risk Management, AML, Credit Processing, HR, Audit & KYC.

RANGE OF PRODUCTS

	Loan Products	Deposit products	Other Products
 Retail Banking	▪ Gold Loans ▪ Retail Business Loans ▪ Housing Loans/ Mortgages ▪ Auto Loans ▪ Personal Loans ▪ Education Loans ▪ Employee Group Loans	• Savings Bank Accounts • Current Accounts • Fixed/ Recurring Deposits	• Depository Account • Mutual Funds sales • Life Insurance sales • General Insurance sales • Group Insurance sales • E-payment • Cash Management Services • Online Foreign Inward Remittance • m-Commerce • New Pension System • Gold Coins/ingots
	Commercial Banking		
 Wholesale Banking	• Working Capital Loans • Term Loans • Wholesale Deposits • Letters of Credit • Banks Guarantees • Bill Finance		

FINANCIAL INCLUSION

Particulars	March 10	March 11	Dec 11
Number of Business Correspondents (BCs) appointed	0	7	29
Number of villages with population above 2000 provided with banking facility (Rural branches & BCs)	107	117	154
Number of rural households covered	2.46 Lakh	2.47 Lakh	3.58 Lakh
Number of 'No-frills' accounts (including Students A/c)	6.83 Lakh	10.26 Lakh	11.75 Lakh
No-frills accounts - amount	64.06 crore	102.72 crore	119.93 crore

Way Forward

We have been empanelled by UIDAI for opening 'No-Frills account' based on AADHAAR enrollment in 26 districts & 39 villages already allotted for Financial Inclusion.

We have implemented the Smart Card model for FI as per the open standards and as recommended by IBA /IDRBT Technical Committee. Also planning for implementing the Smart Card model for Urban FI.

Strategic Tie Ups

Life Insurance with LIC

General Insurance with Bajaj Allianz

Mutual funds –All the leading AMCs in India

Sri Lanka's Hatton National Bank (HNB)

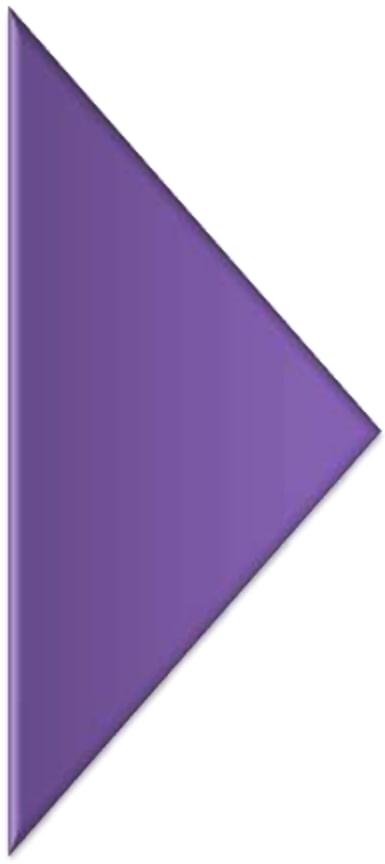
- Improve the remittance flow to India and Sri Lanka

More than 30 exchange houses & banks in middle east

- Facilitating fast remittances for more than 2lakh NRI customers, mostly from Gulf countries

Providing managerial support to overseas exchange house - HADI exchange house

RECOGNITIONS



Best Bank in Asset Quality (Pvt Sect or Bank) Award - Dun & Bradstreet 2011

Best Bank in Priority Sector Lending (Pvt Sect or Bank) Award - Dun & Bradstreet 2011

Technology Excellence Award in 2010 from IRDBT

India's Best Bank 2010 Award – “Business world – Price Water House Coopers Best Banks Survey 2010”

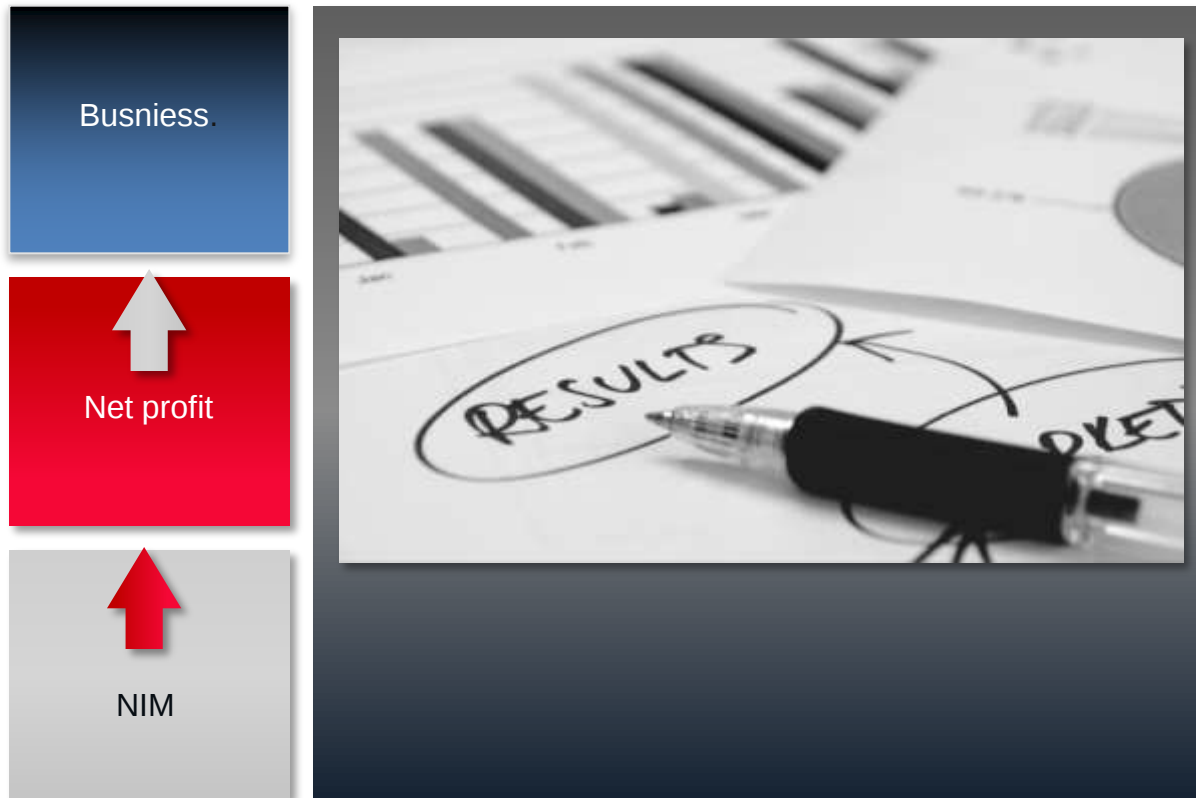
Best Asian Banking Website - Asian Banking & Finance Magazine, Singapore.

Best Old Pvt Sector Bank - Financial Express India's Best Banks 2008-2009.

Best Pvt Sector bank in the Service quality segment Outlook Money - CFore Survey.

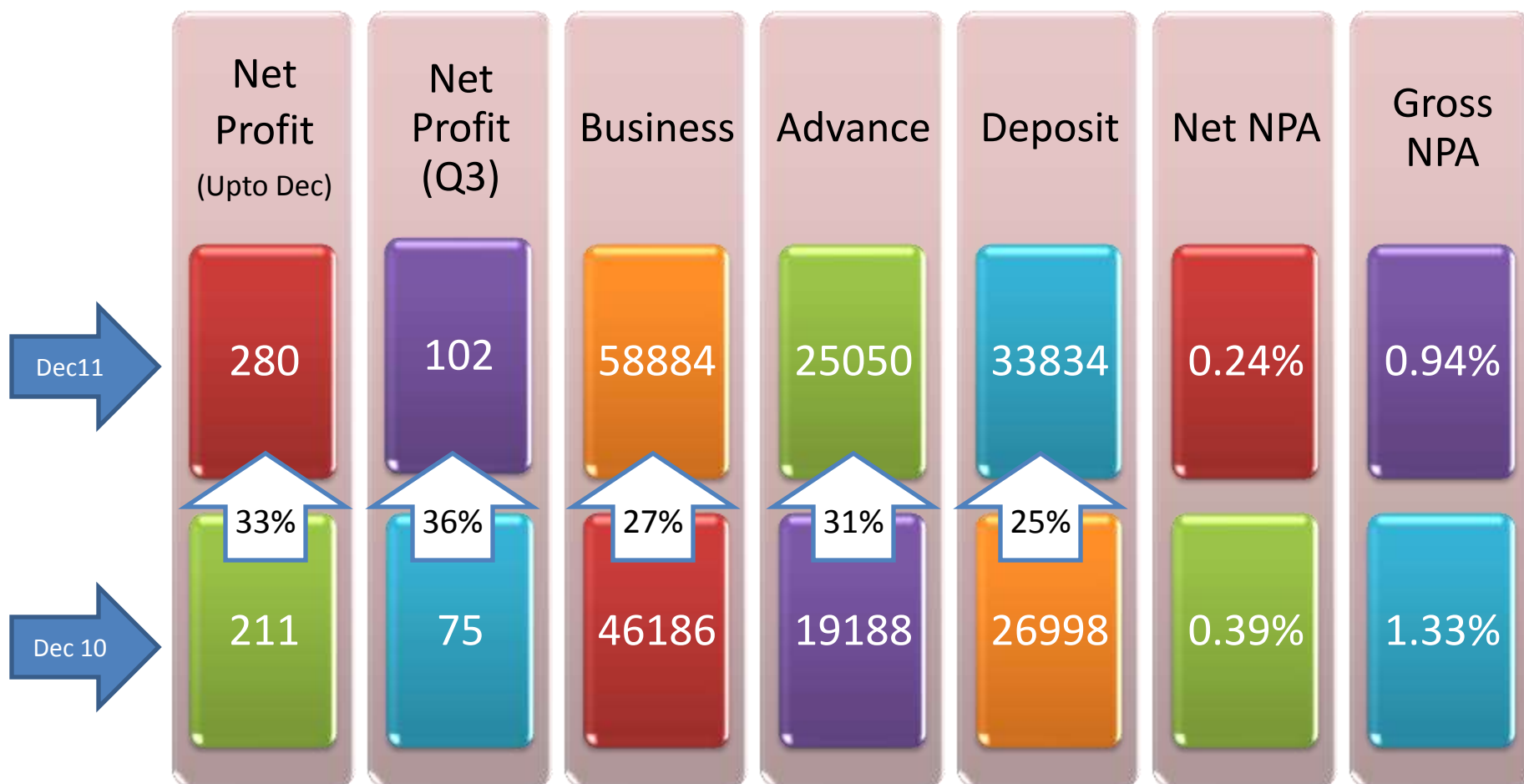
Best Website Award from Kerala Management Association

Business Performance

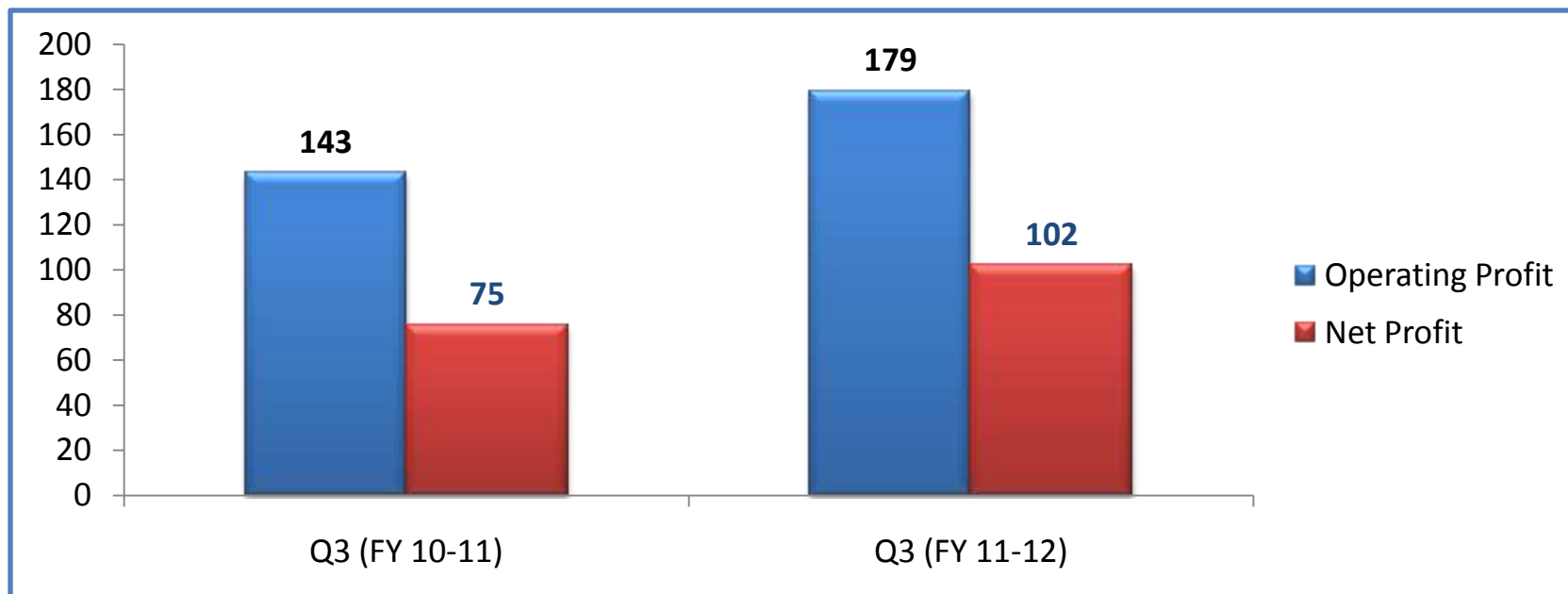


Financial Highlights – FY12 (Q3)

(₹ in Crores)



Profitability– FY12 (Q3)



Year to Year Growth (Q3)

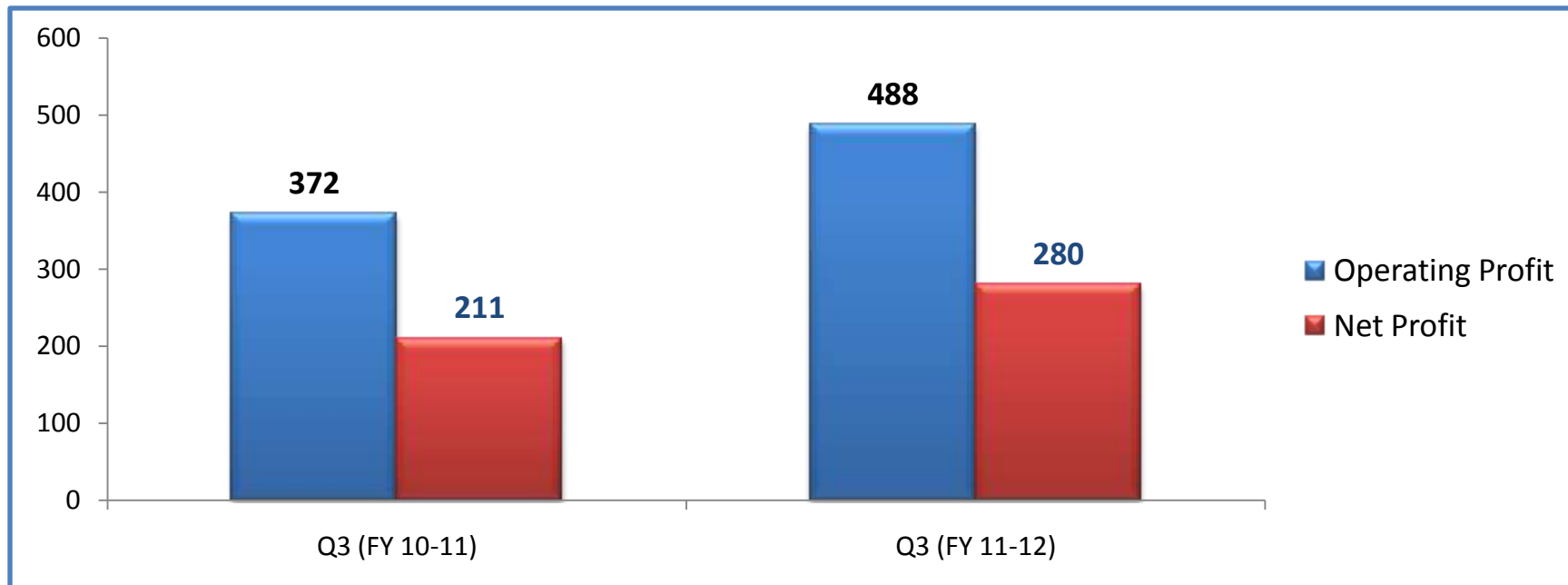
Operating Profit

↑ 25%

Net Profit

↑ 36%

Profitability– FY12 (Period upto Dec)



Year to Year Growth (Period upto Dec)

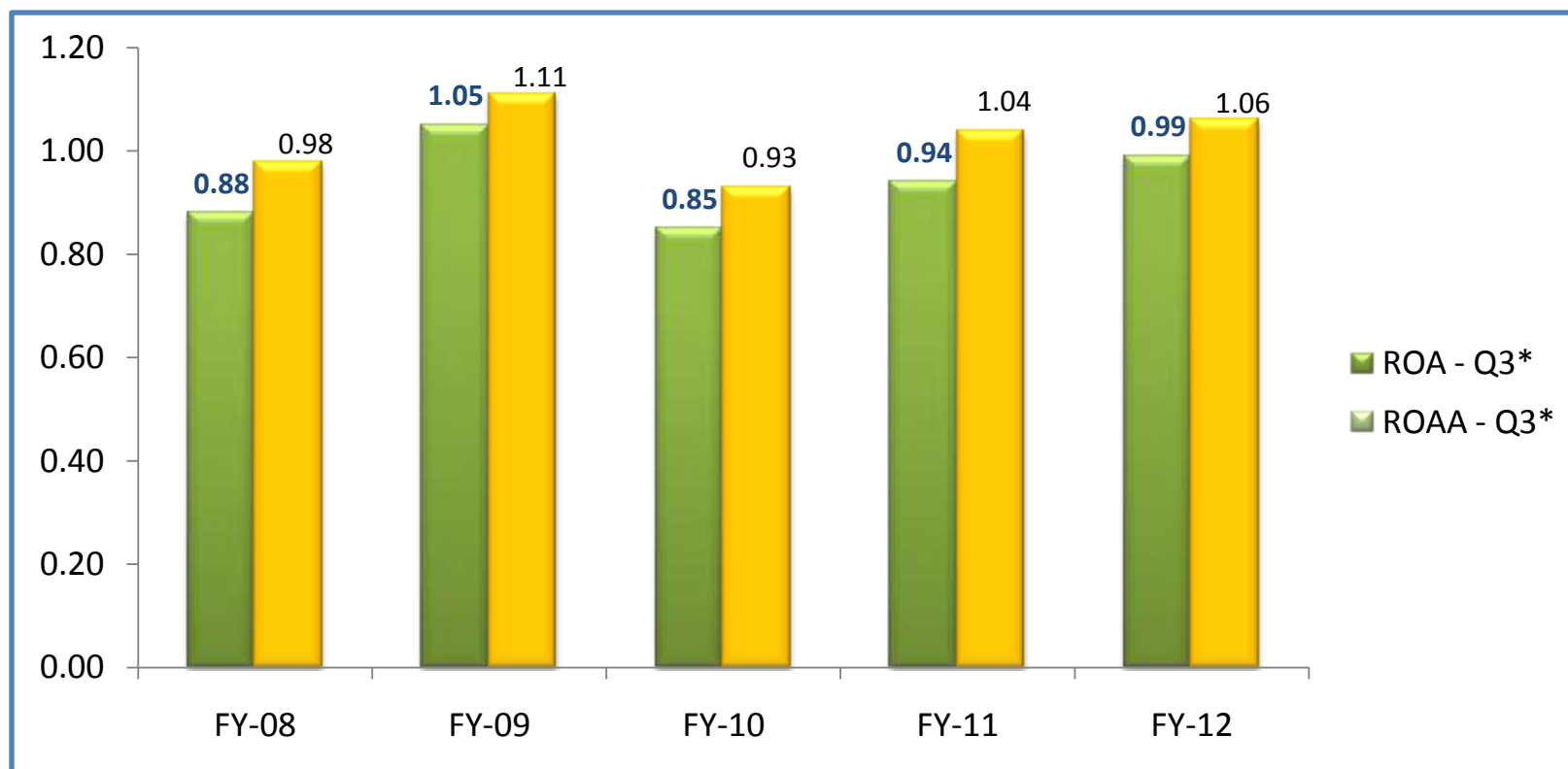
Operating Profit

↑ 31%

Net Profit

↑ 33%

Improved Quality of Earnings



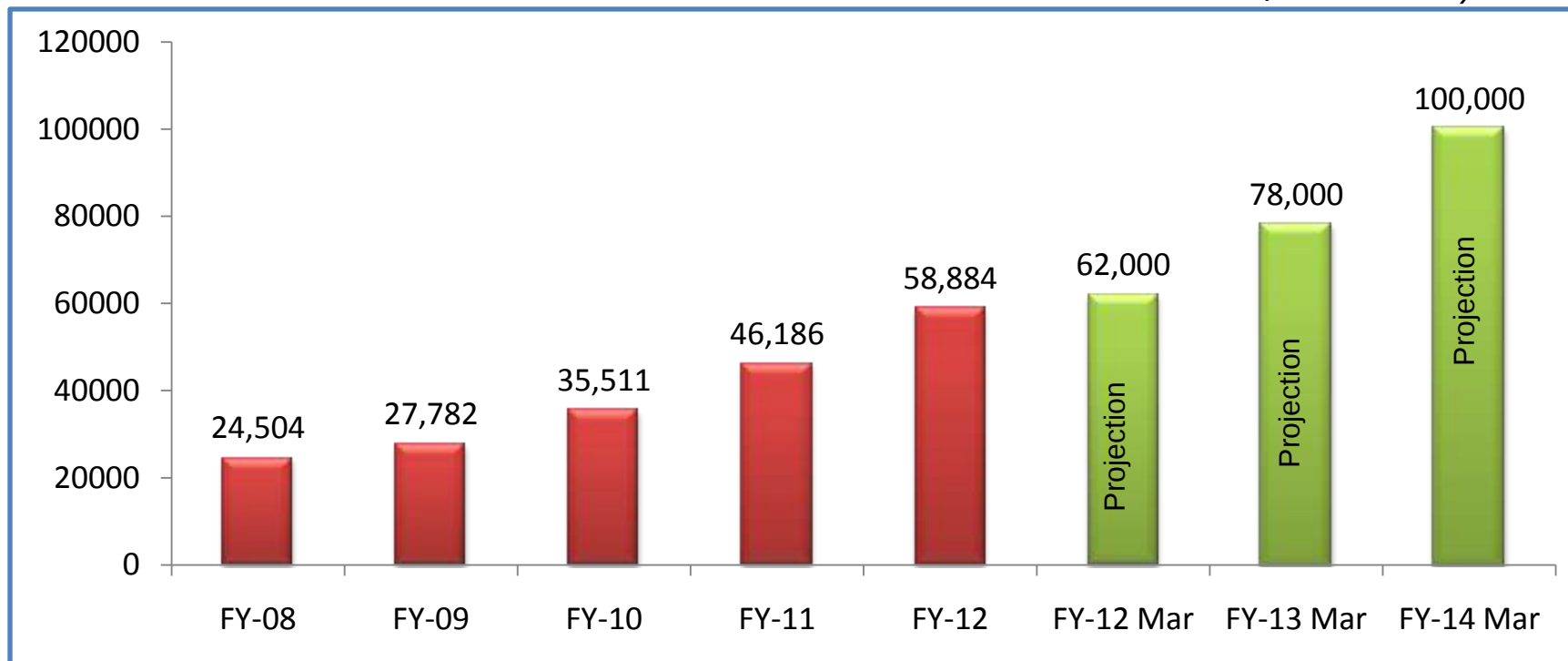
**Annualized*

RoA coming mainly from Core Income

Business Trend for the period upto Dec

Total Business and Growth

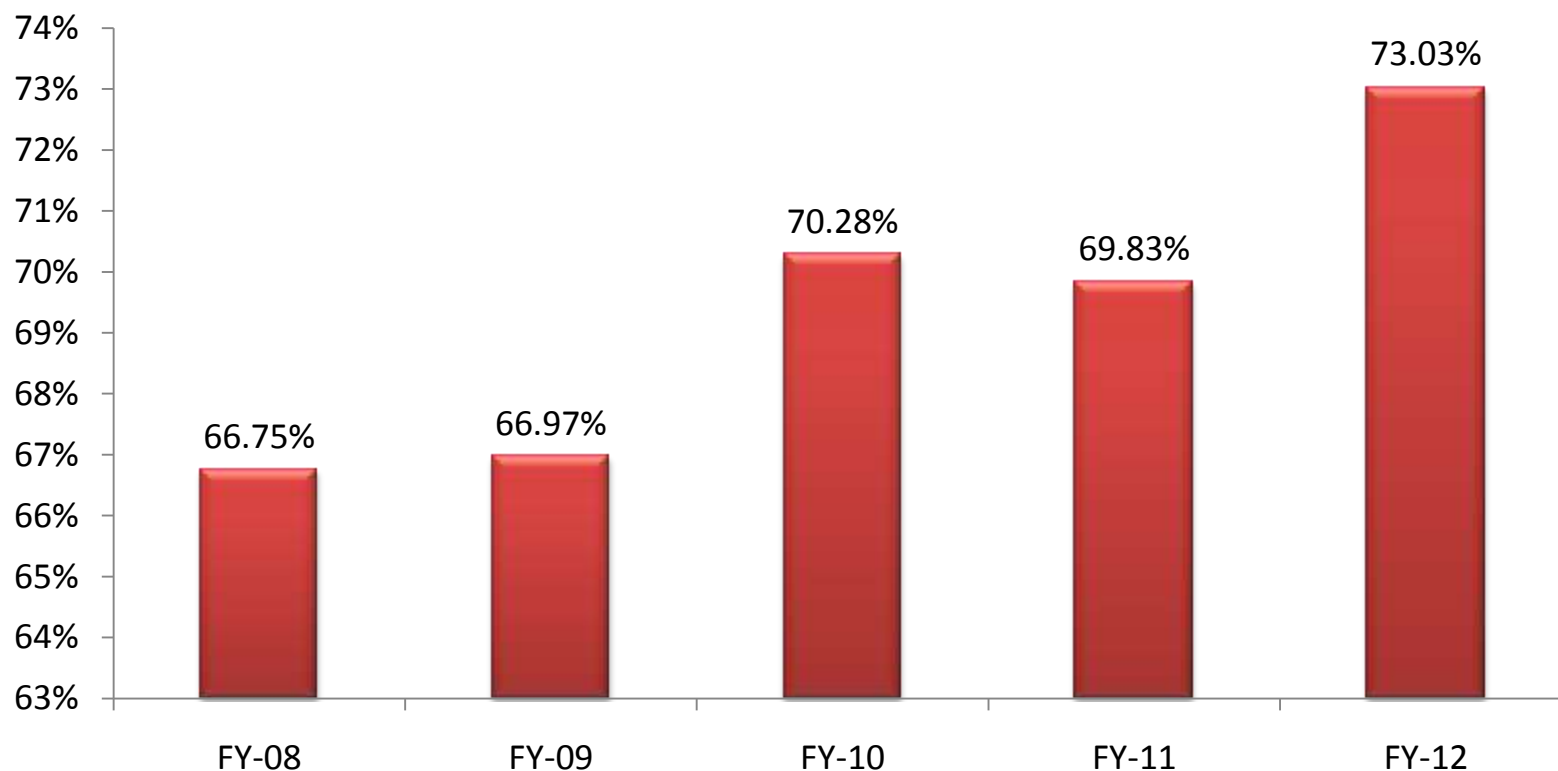
(₹ in Crores)



Business grew over 2.4 times at CAGR of 25% in 5 years

Business Trend for the period upto Dec

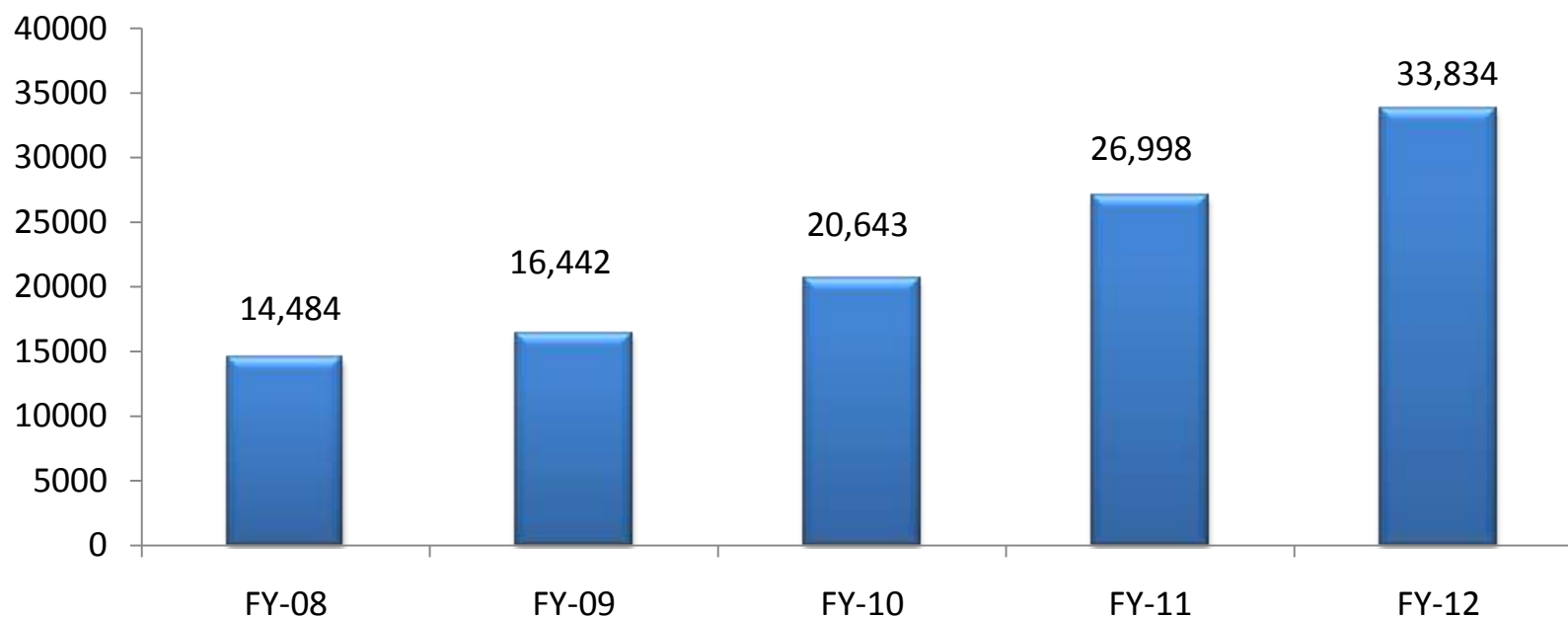
Credit Deposit Ratio



Deposits for the period upto Dec

Growth in Deposits

(₹ in Crores)

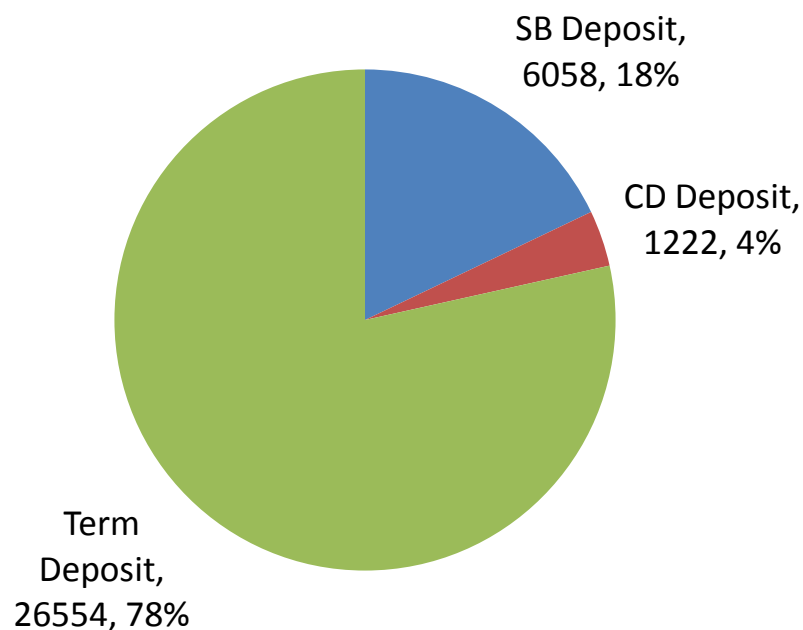


Deposits increased @ 24% CAGR

Deposits – Composition and Trend

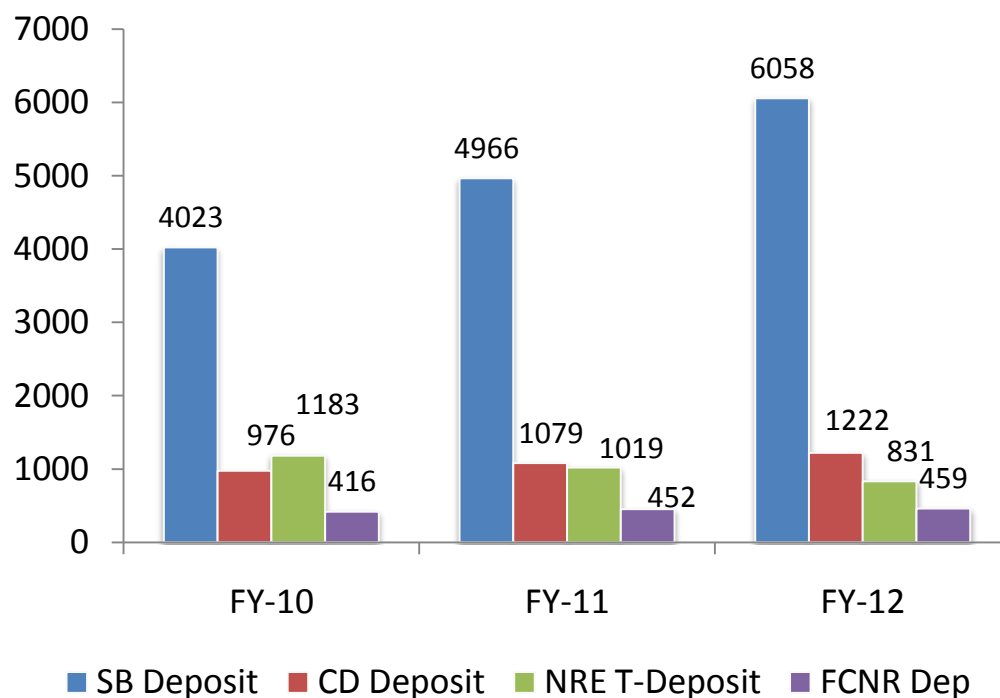
Composition of Deposits

(₹ in Crores)



Annual Trend in Low cost deposits

(₹ in Crores)

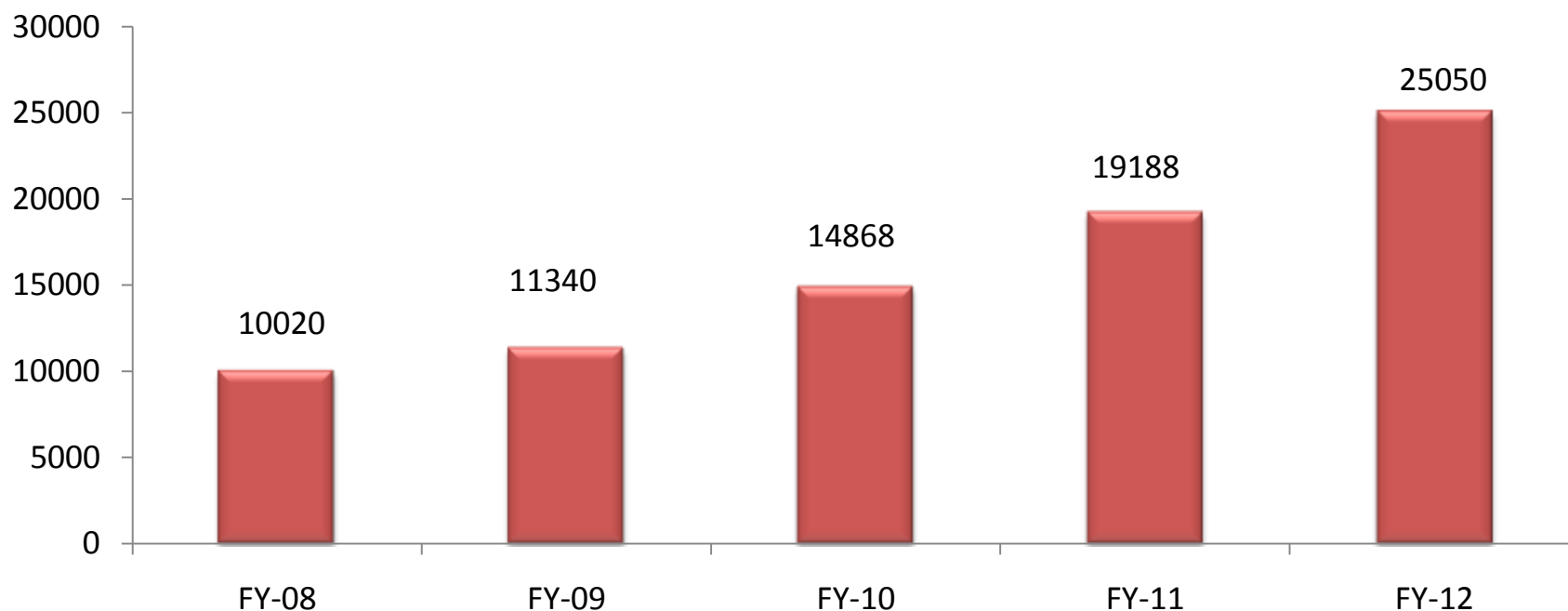


Low Cost deposits form 25% of total deposits.

Advances for the period upto Dec

Growth in Advances

(₹ in Crores)



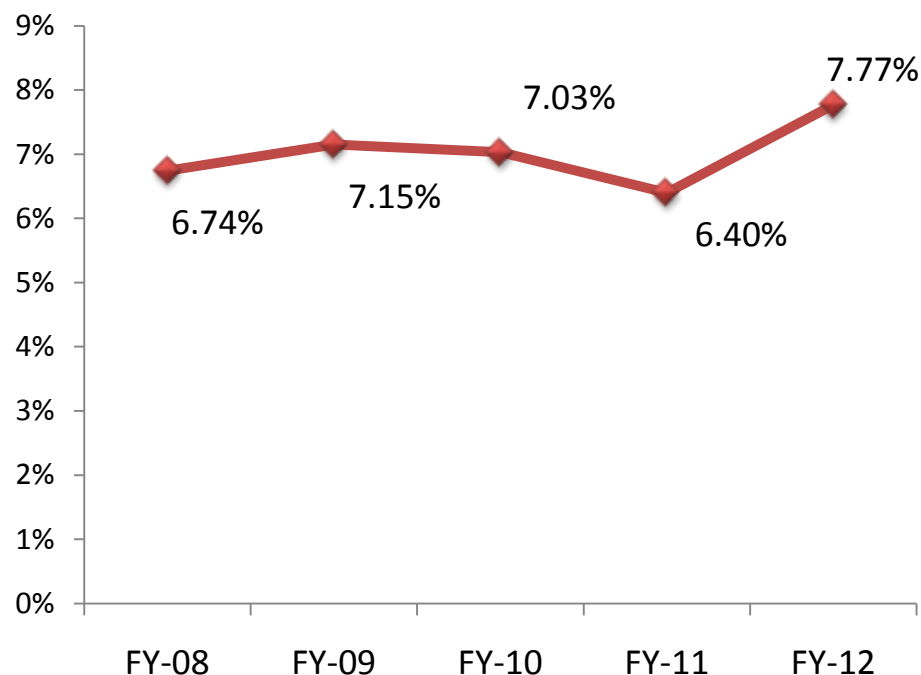
Advances increased by 31% (Y-to- Y)

Advances – Composition (Dec 2011)

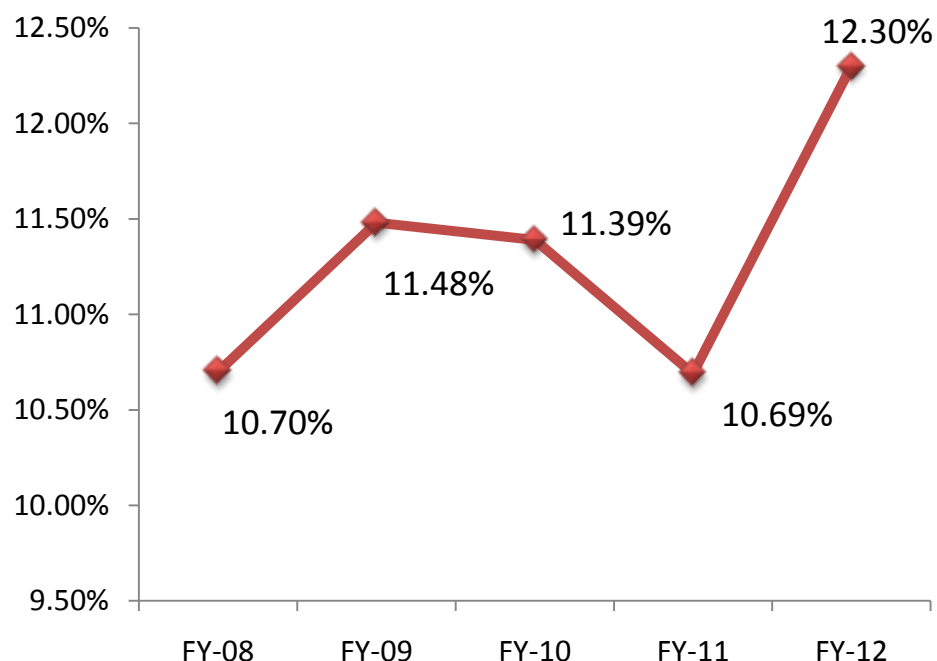
Sector	Upto 5 Crores	Above 5 Crores	Total	% to total
Agriculture	2226.74	326.78	2553.52	10.19%
MSME	1525.76	625.63	2151.39	8.59%
Large Scale Industries	517.72	3833.92	4351.64	17.37%
Housing	1160.65	402.49	1563.14	6.24%
Commercial Real Estate	63.28	0.00	63.28	0.25%
NBFC	56.32	1111.01	1167.33	4.66%
Food Credit	0.00	431.08	431.08	1.72%
LC Bills	0.00	2965.71	2965.71	11.84%
Other	7098.09	2704.82	9802.91	39.13%
Total	12648.56	12401.44	25050.00	100.00%

Trend in Cost & Yield (For the period upto Dec)

Trend in Cost of Deposits

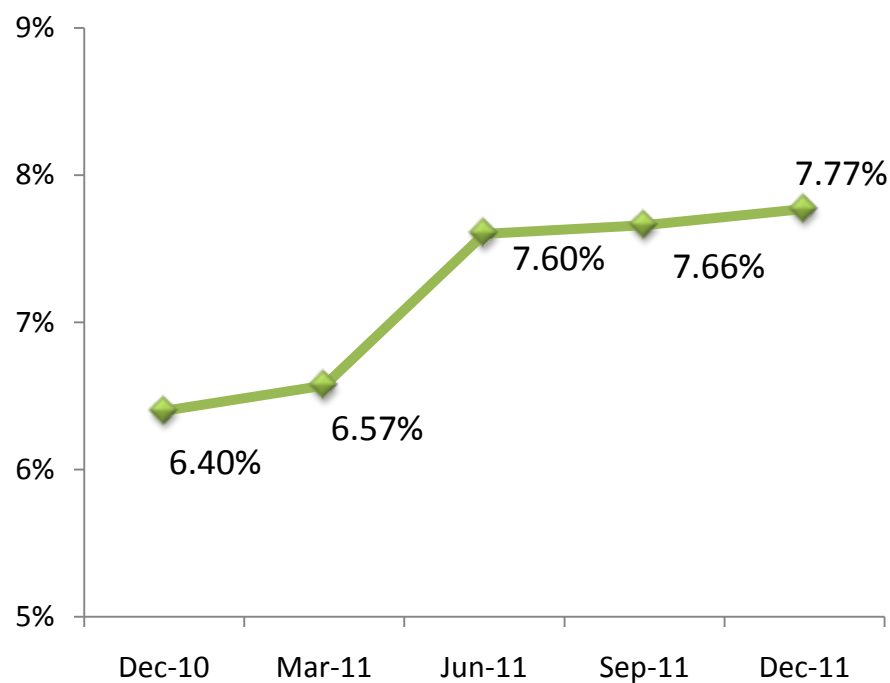


Trend in Yield on Advances

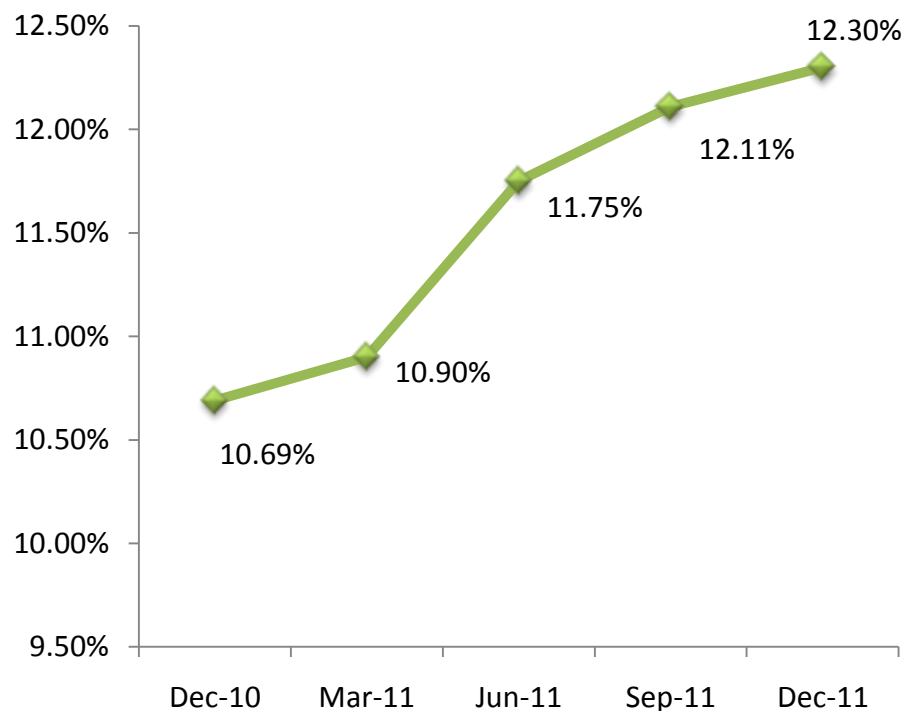


Trend in Cost & Yield (Quarterly)

Trend in Cost of Deposits



Trend in Yield on Advances

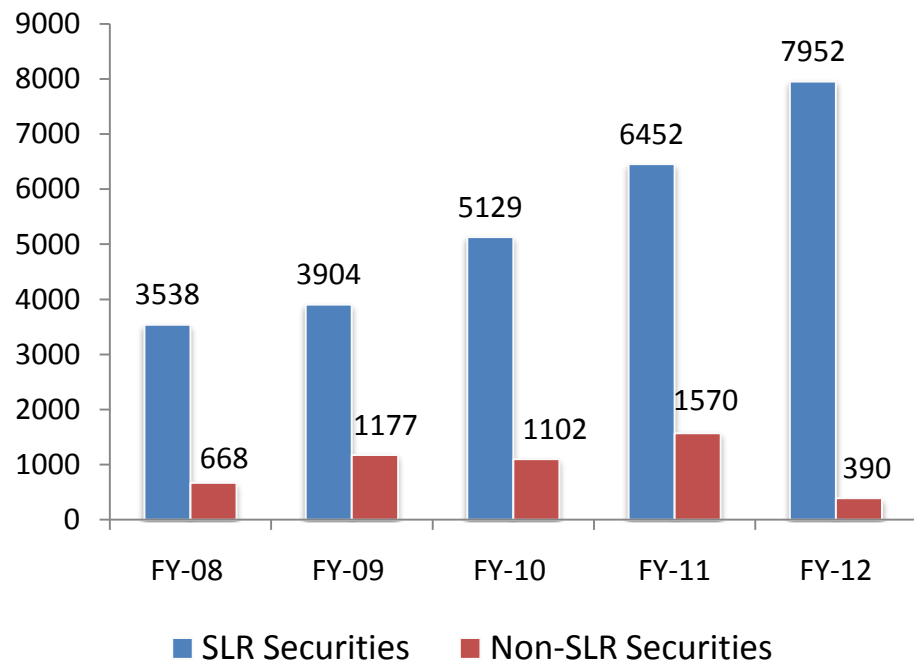


Investment Portfolio (Dec 2011)

SLR & Non SLR Securities

Composition of Investment Book

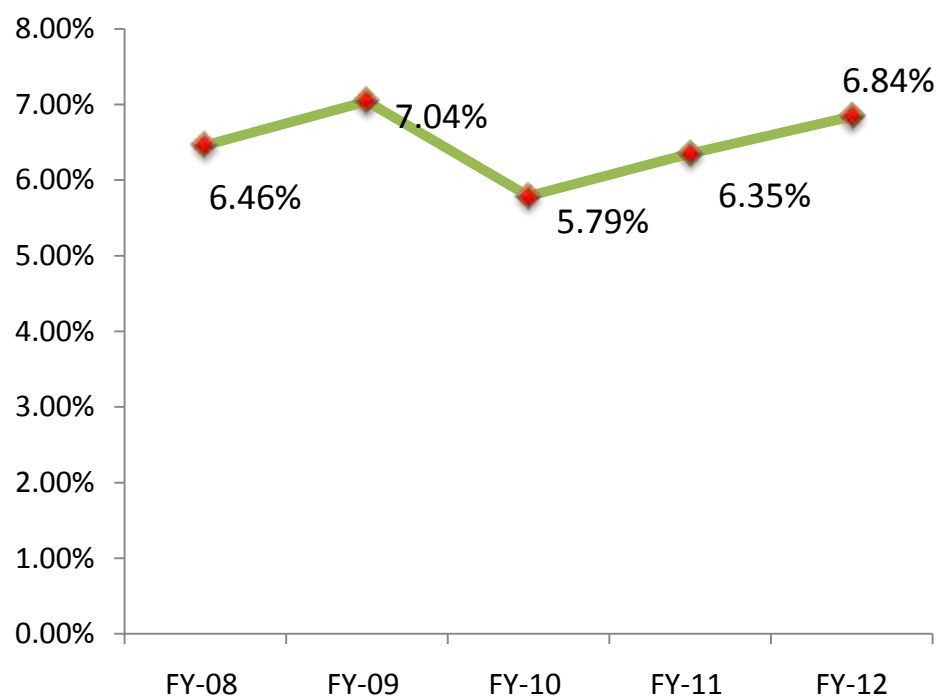
₹ in Crores



Category	Amount	Percentage
Held to Maturity	7229.90	86.67%
Held for Trading	98.33	1.18%
Available for Sale	1014.10	12.16%
Total	8342.34	100.00%

Investment Portfolio (Dec -2011)

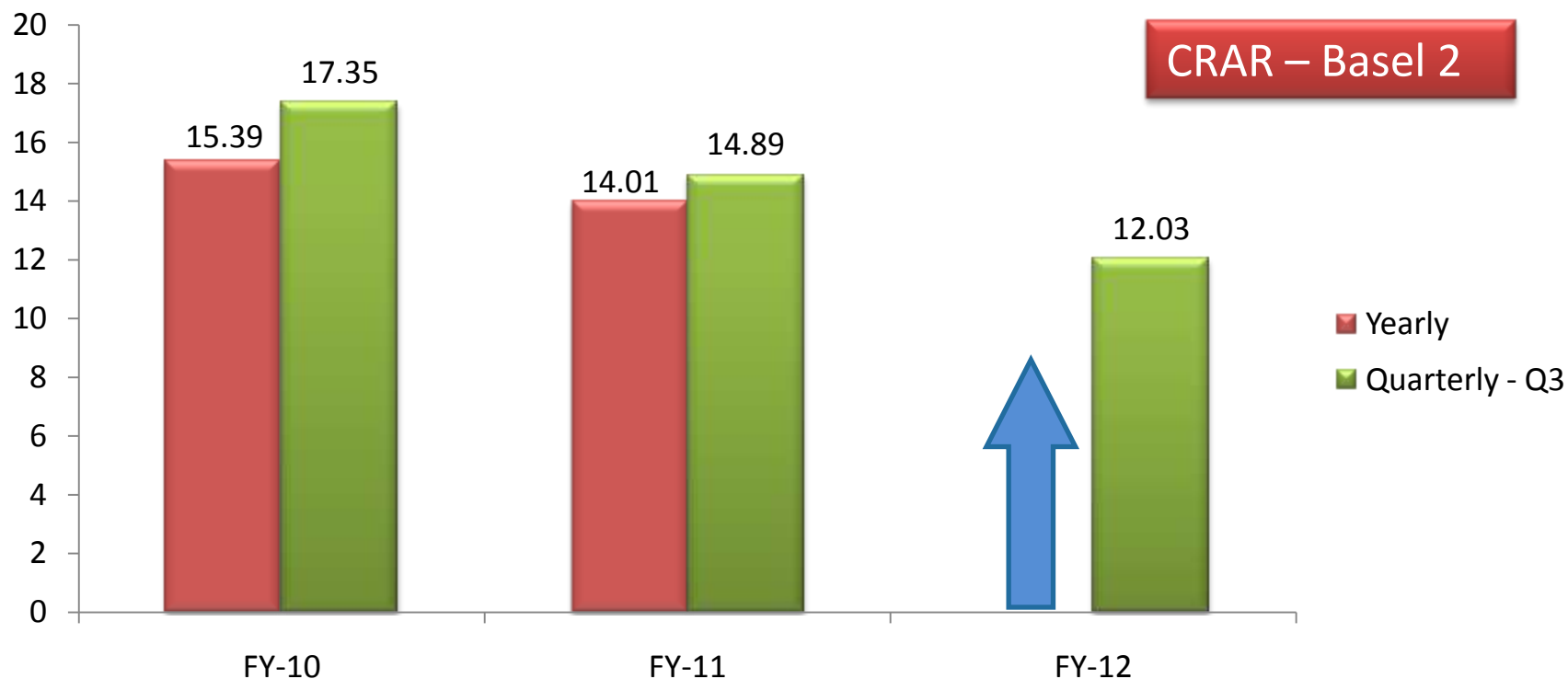
Yield on Investments



Duration of Investments

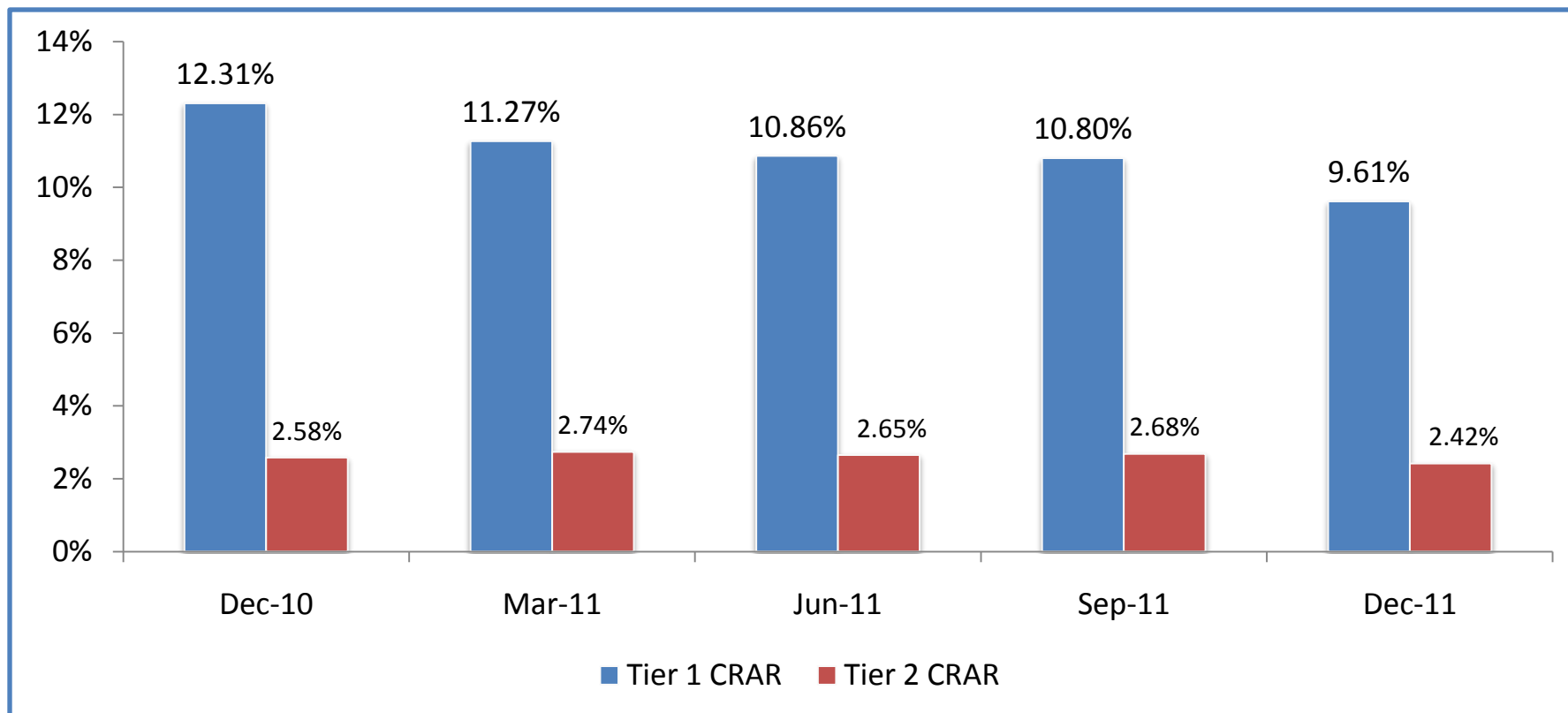
	Mar-11	Jun-11	Sep-11	Dec-11
Total Investment Portfolio	3.67	3.61	3.69	4.07
Total HM Investment Portfolio	4.81	4.68	4.61	4.55
Total HFT and AFS together Investment Portfolio	0.42	0.39	0.39	0.64

Adequately Capitalized



The bank has CRAR in excess of the required minimum of 9% stipulated by RBI.

Strong Core Capital (Tier 1 & Tier 2 CRAR)



Strong Core Capital. Dependence on Capital Instruments low.

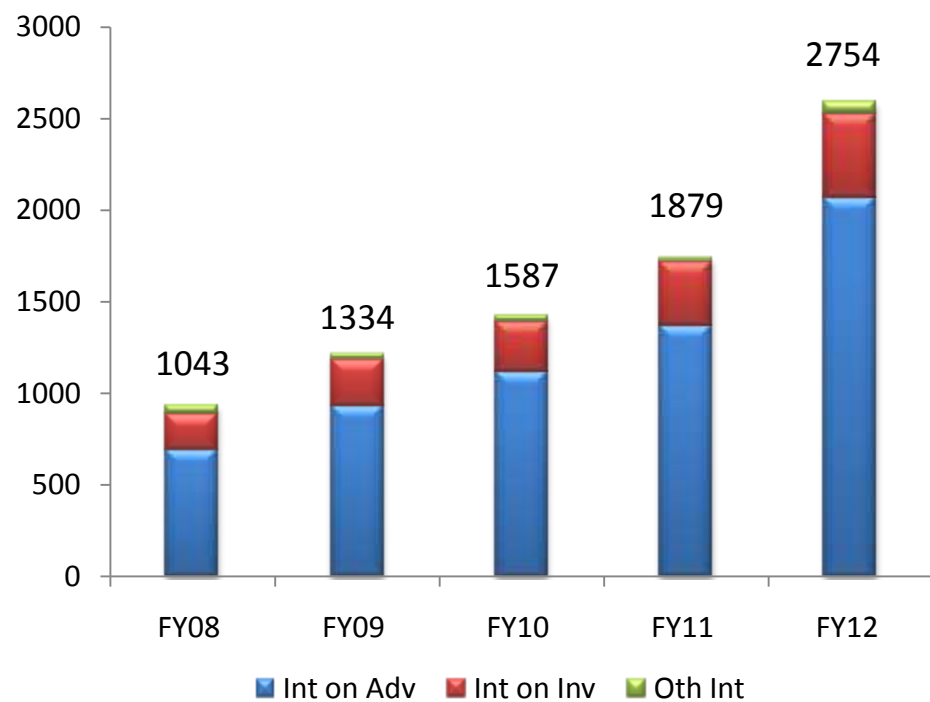
Strong Core Capital (Trend)

(₹ in crores)

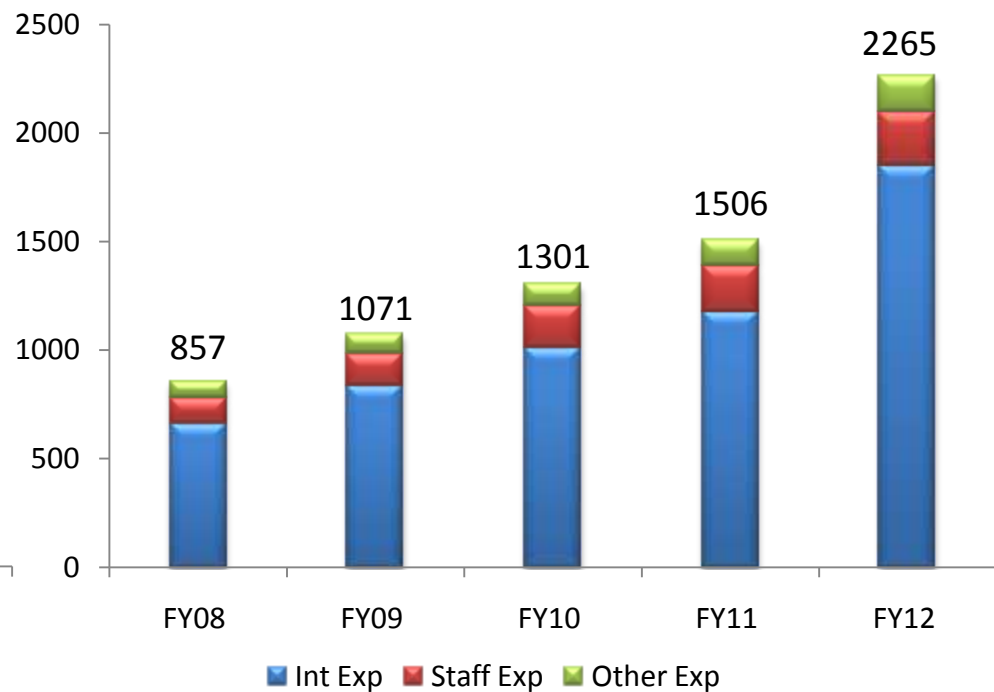
	RWA	Tier 1 Capital	Tier 2 Capital	Total Capital
Mar 10	11377	1412	337	1749
Jun 10	11270	1476	326	1802
Sep 10	11861	1551	330	1881
Dec 10	13174	1622	340	1962
Mar 11	14647	1650	401	2051
Jun 11	15152	1645	401	2046
Sep 11	15173	1643	408	2051
Dec 11	17069	1640	414	2054

Trend in Income & Expenses (For the period ended Dec)

Total Income



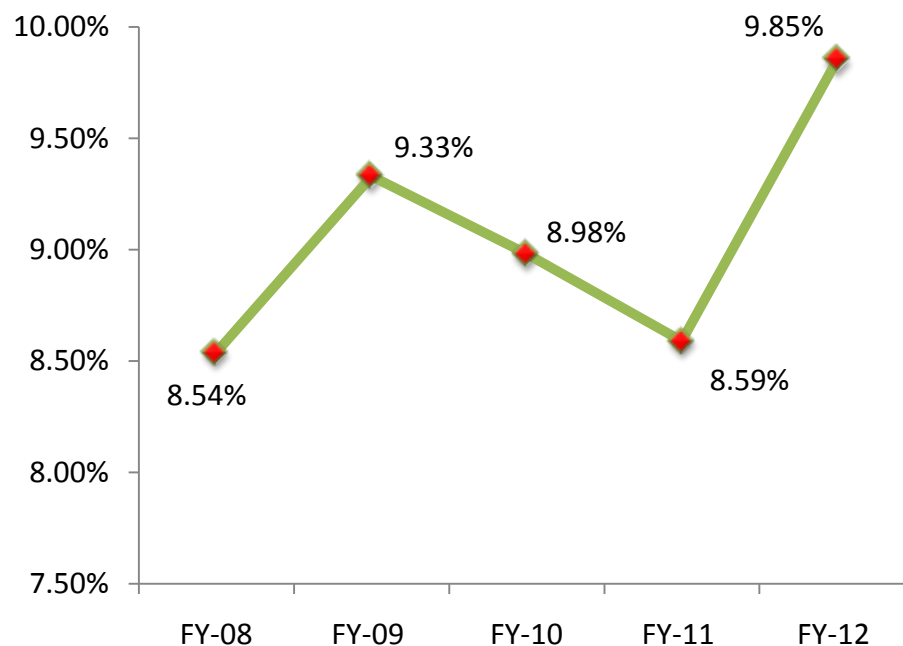
Trend in Expenses



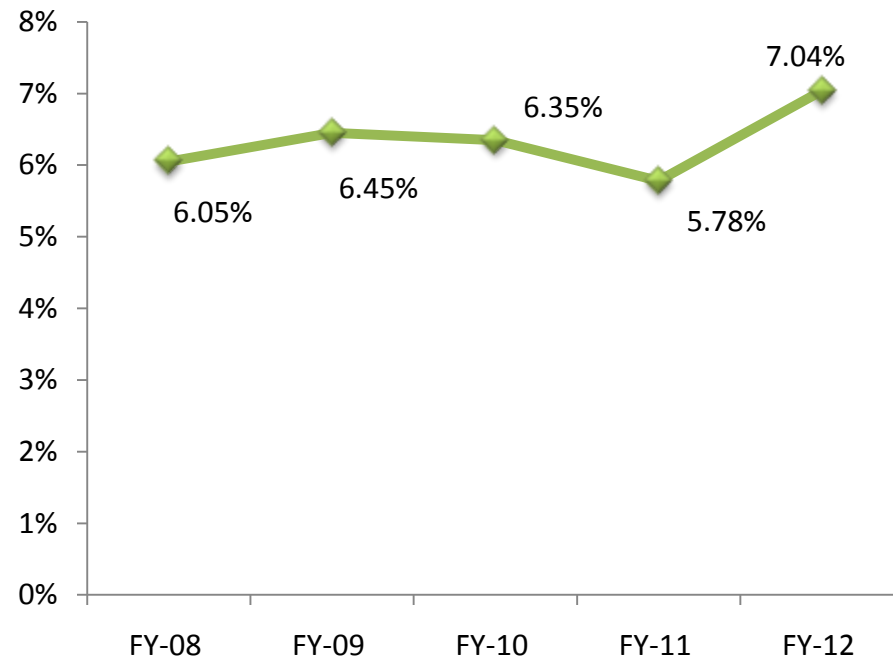
Gross Annual income grew over 2.6 times in 5 years at CAGR 27%

Trend in Income (For the period ended Dec)

Yield on Funds



Cost of Funds



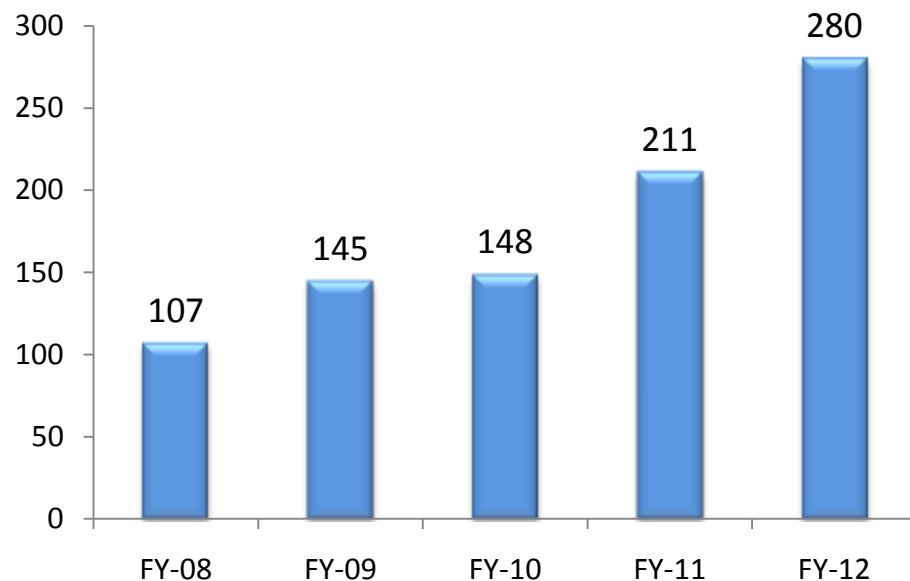
Composition of Non-Interest Income

(₹ in crores)

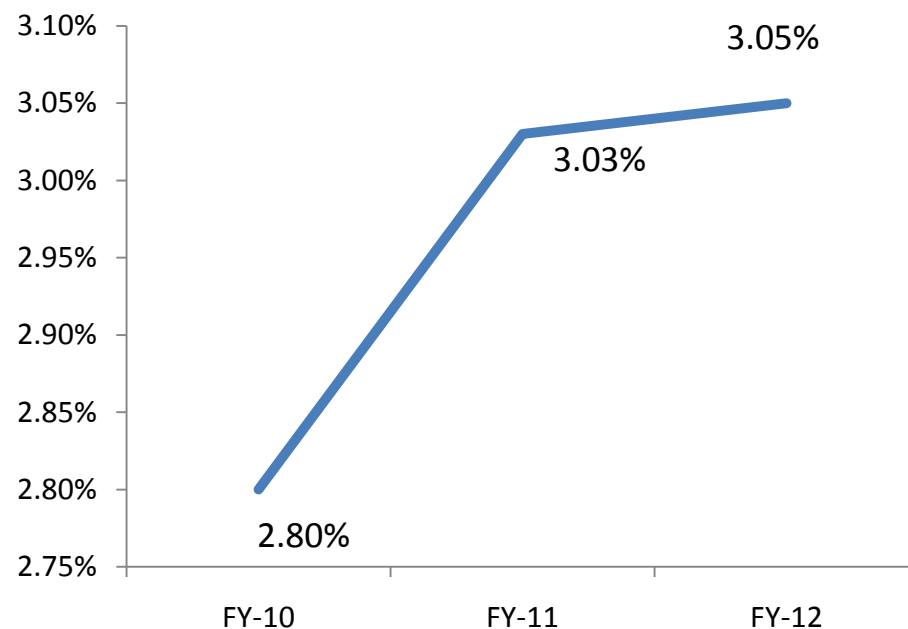
Particulars	Period ended 31/12/2010	Period ended 31/12/2011
Commission, Exchange & Brokerage	25.39	24.89
Profit on sale of investment (Net)	25.12	31.83
Profit on sale of Land, Building & Other assets (Net)	-0.01	0.06
Profit on Exchange Transactions (Net)	13.59	19.46
Miscellaneous Income		
1. Processing Fees	9.94	11.68
2. Rent Received	-	-
3. Others (Folio charges, Locker Rent)	62.18	76.65
Total	136.21	164.57

Profitability for the period ended Dec

Growth in Net Profit



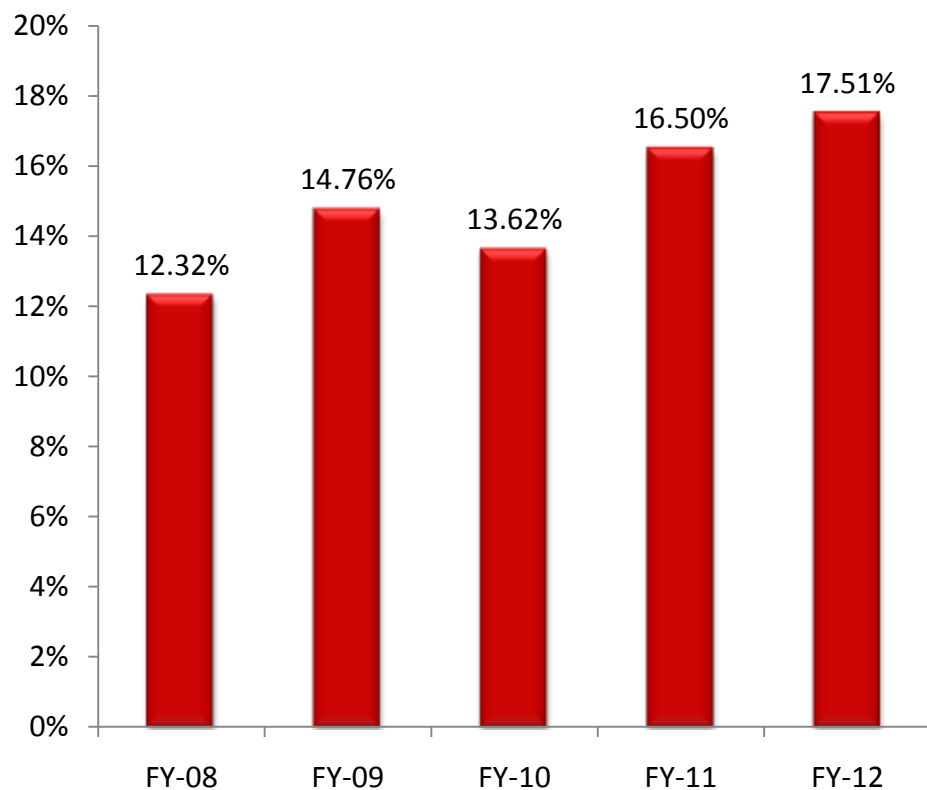
Net Interest Margin



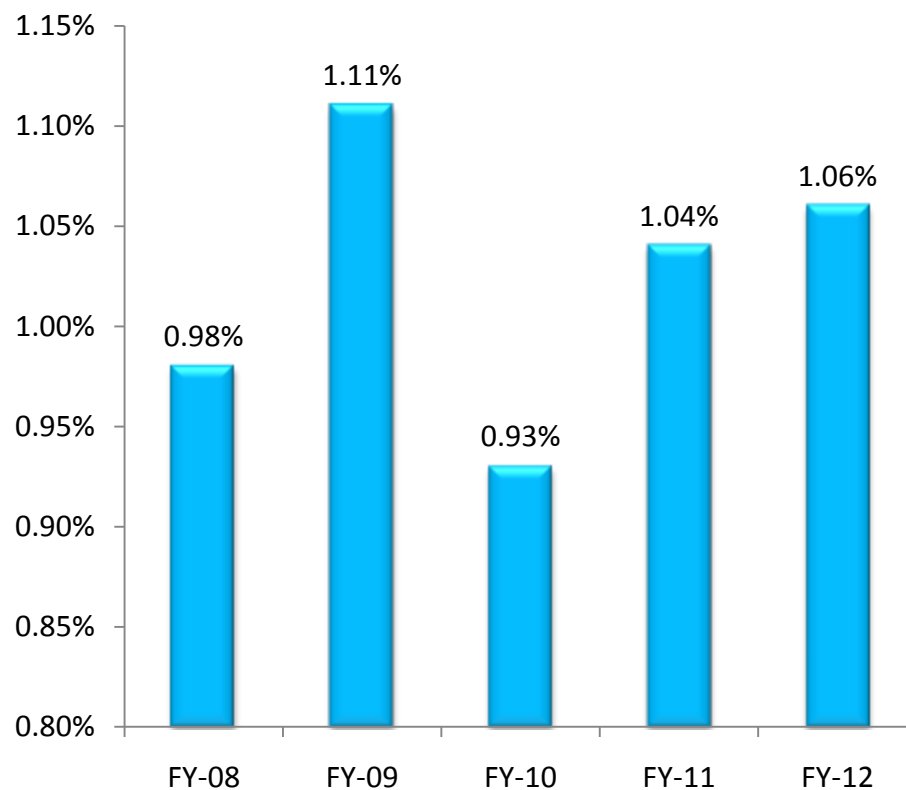
**Net profit grew at CAGR of 27% (Y-Y) in last 5 years.
Net Interest margin (NIM) remains at satisfactory range.**

Efficiency for the period ended Dec

Return on Equity

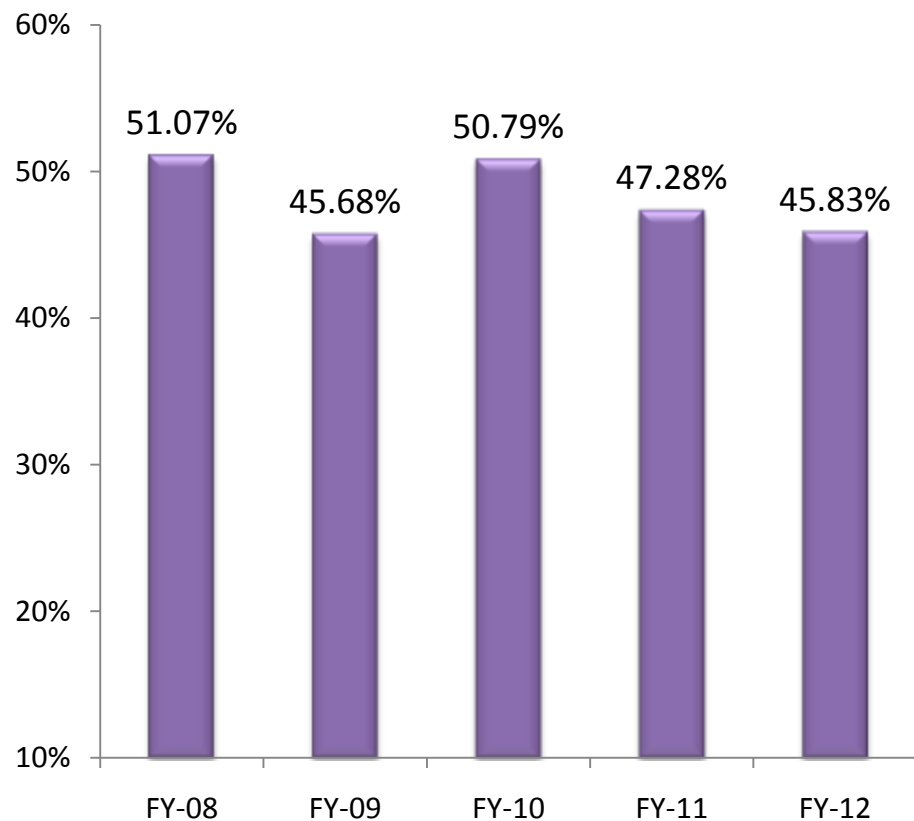


Return on Average Asset

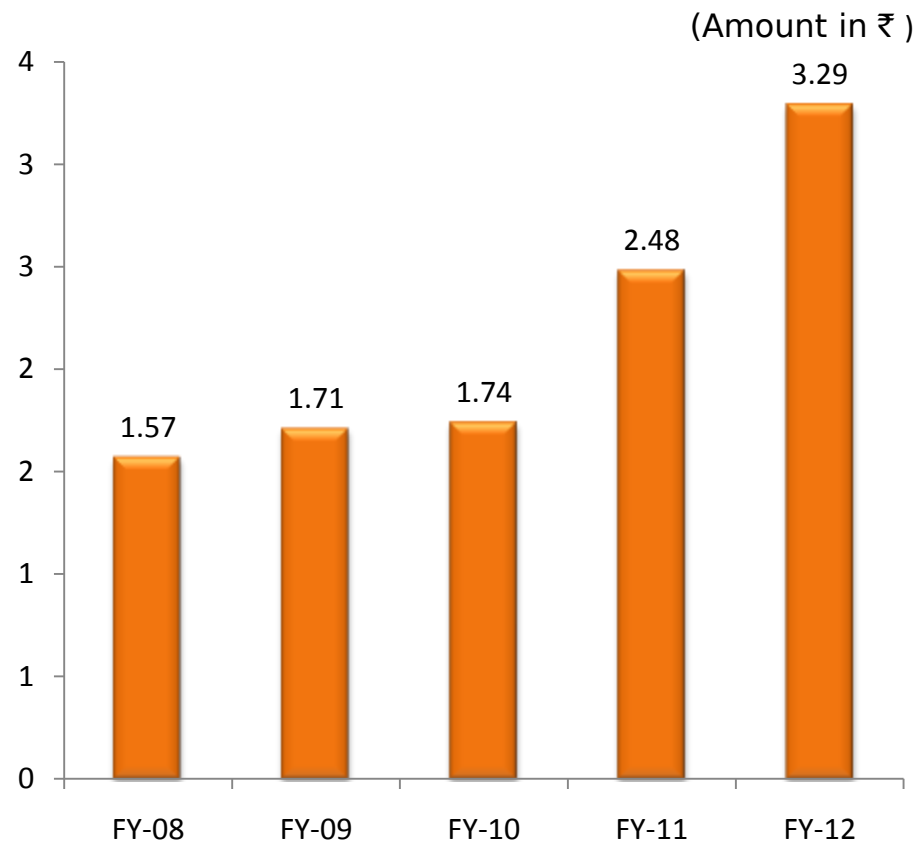


Efficiency for the period ended Dec

Cost / Income Ratio

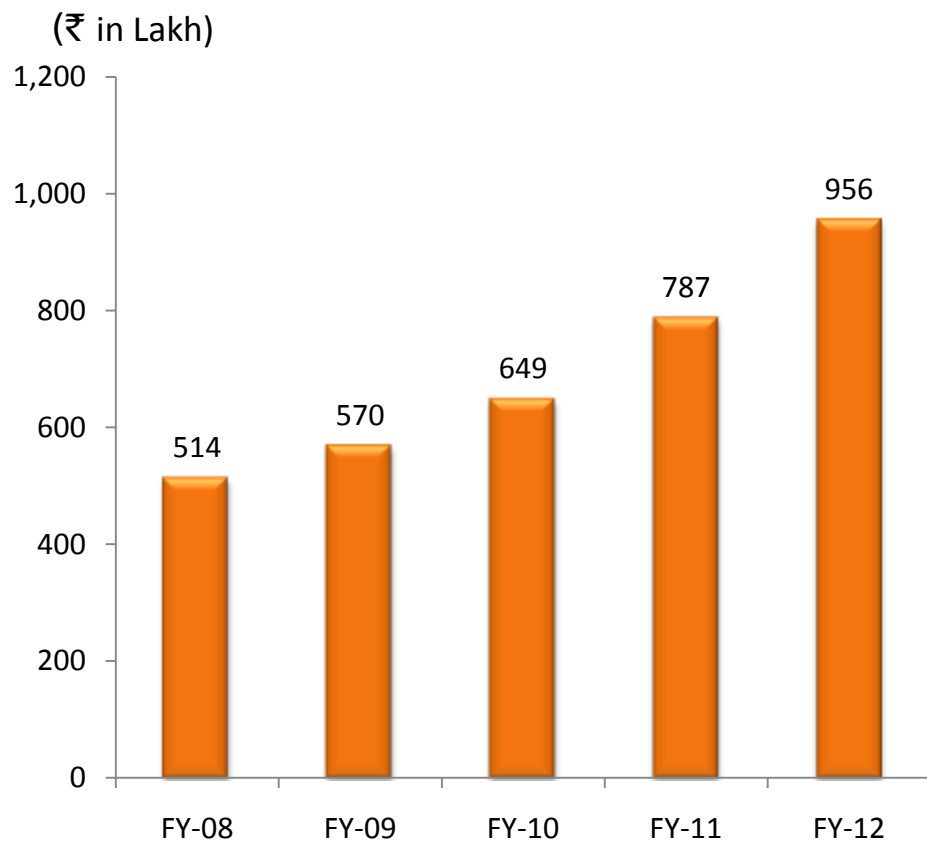


Earning Per Share (Annualized)

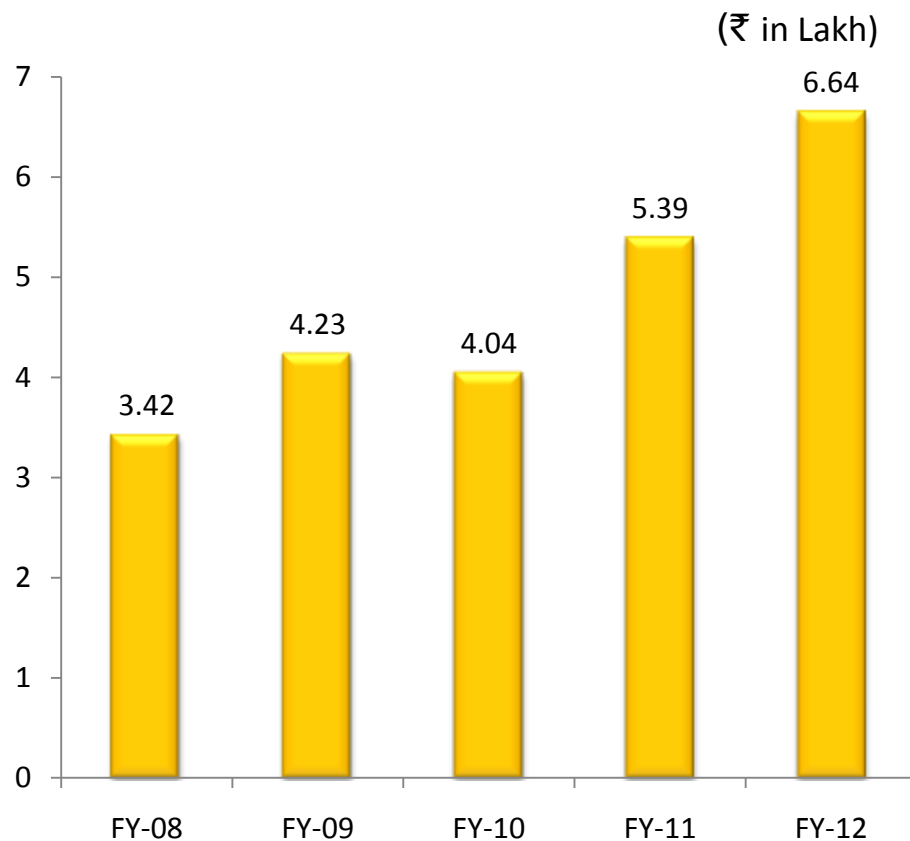


Productivity (for the period ended Dec)

Average Business Per Employee



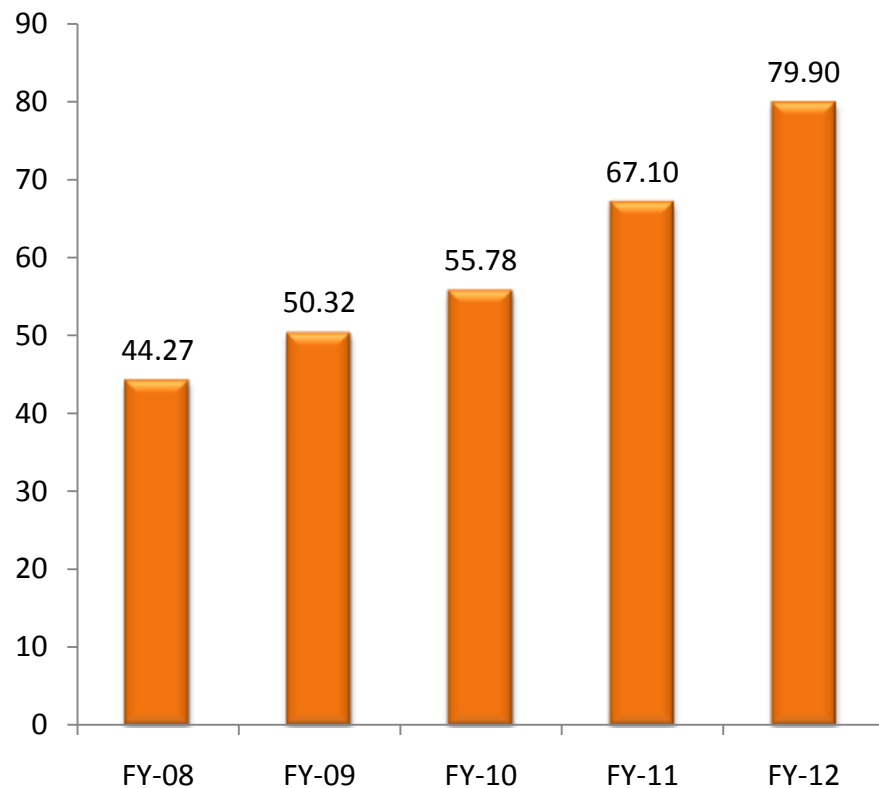
Profit Per Employee



Productivity (for the period ended Dec)

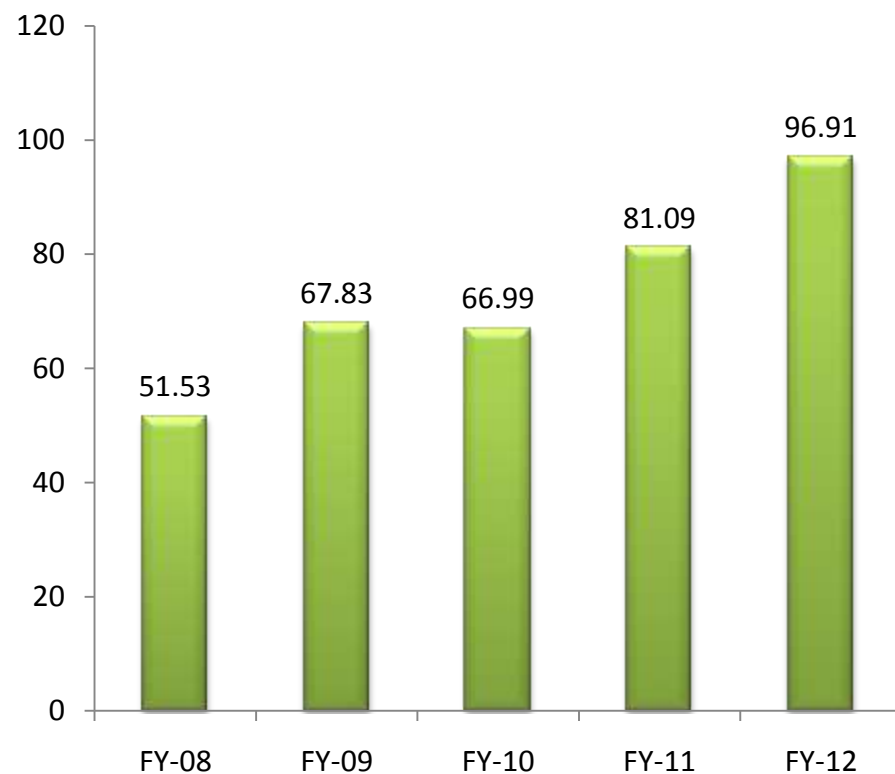
Average Business Per Branch

(₹ in Crores)



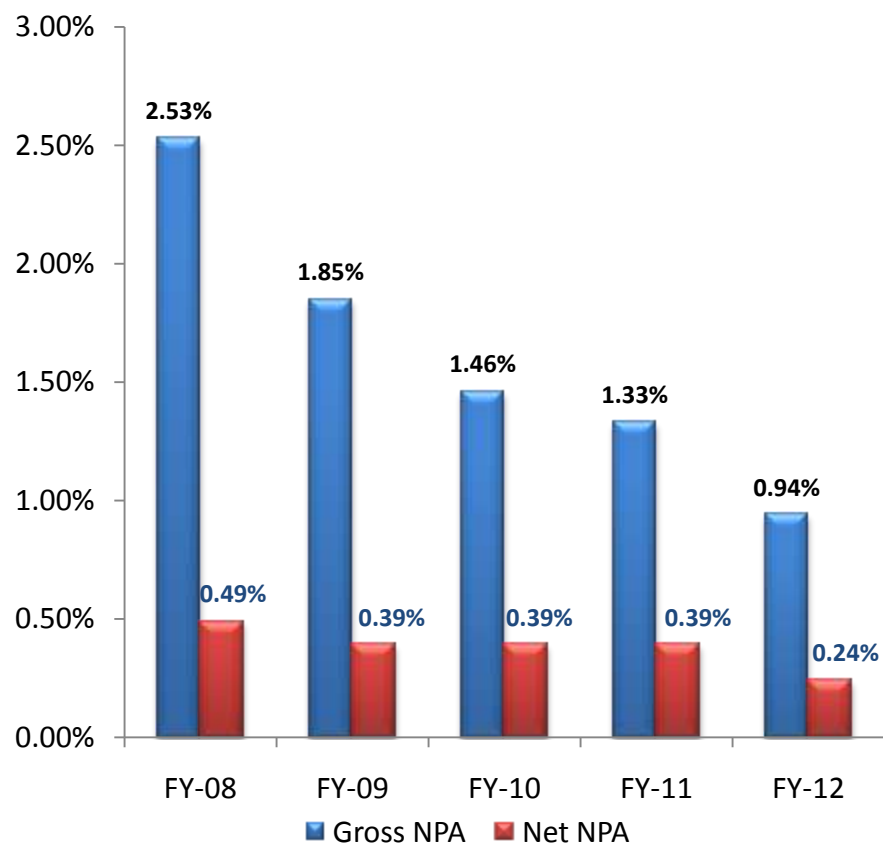
Operating Profit Per Branch

(₹ in Lakh)

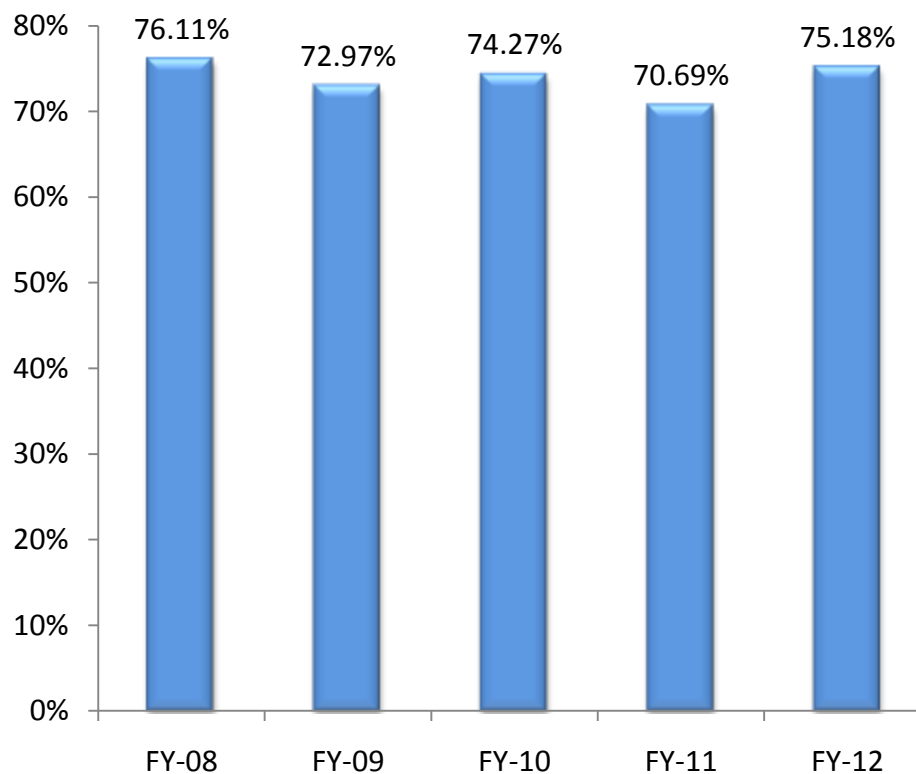


Asset Quality for the period ended Dec

Gross NPA & Net NPA(%)



Provision Coverage



Asset Quality

(Amount in ₹ crore)

Change in Gross NPA & Net NPA	Year ended 31/03/2010	Period ended 31/12/2010	Year ended 31/03/2011	Period ended 31/12/2011
Gross NPA	211	253	230	234
Gross NPA (%)	1.32%	1.33%	1.11%	0.94%
Net NPA	62	74	60	58
Net NPA (%)	0.39%	0.39%	0.29%	0.24%

**Asset Quality maintained at high level.
Provision coverage comfortable**

Break-up of Provision

(₹ in Crore)

Particulars	Year ended 31/03/2010	Year ended 31/03/2011	Period ended 31/12/2010	Period ended 31/12/2011
For NPA advance	34.98	27.74	31.75	7.34
For Depreciation on Investments	-40.94	9.37	0.38	24.48
For NPA investment	2.14	0.26	0.26	0.00
For standard assets	6.43	21.60	15.65	28.20
For income tax	133.55	152.94	107.92	141.94
For Restructured advances	7.58	-0.05	-0.04	3.34
General Provision	33	20	5	0
Other impaired assets	0.07	0.84	0.34	3.49
Total Provisions and Contingencies	176.81	232.7	161.26	208.79

Performance Highlights

(₹ in Crore)

Performance Highlights	Mar-10	Jun-10	Sep-10	Dec-10	Year ended Mar-11	Jun-11	Sep-11	Dec-11
CRAR Basel 2 (%)	15.40%	15.99%	15.86%	14.89%	14.01%	13.51%	13.48%	12.03%
Return on Assets (Annualised)	1.07%	0.91%	1.03%	1.04%	1.05%	1.02%	1.05%	1.06%
NIM (%)	2.80%	2.80%	3.00%	3.00%	3.10%	2.80%	3.00%	3.05%
Gross NPA's	211	223	228	254	230	236	230	234
Net NPA	61	65	67	74	60	63	58	58
Gross NPA (%)	1.32%	1.33%	1.27%	1.33%	1.11%	1.07%	0.99%	0.94%
Net NPA (%)	0.39%	0.39%	0.38%	0.39%	0.29%	0.29%	0.25%	0.24%
Provision Coverage	70.50%	70.70%	70.10%	70.70%	73.64%	73.15%	74.70%	75.18%
CASA	5323	5852	5979	6045	6404	6790	7038	7280
CASA %	23.10%	25.10%	23.90%	22.40%	21.55%	21.47%	21.30%	21.51%
Deposits	23012	23331	25060	26998	29721	31622	33038	33834
Advances	16115	16728	18029	19188	20799	22151	23348	25050
Yield on advances	11.14%	10.77%	10.61%	10.69%	10.90%	11.75%	12.11%	12.30%

FUTURE STRATEGY



Way Forward

1

Enhancing income
from distribution of
third party
products

2

Ramping up low
cost as well as
retail liabilities
franchise

3

Enhancing
productivity per
branch/per
employee

Key Focus

Aims to open 60 branches & 120 ATMs this fiscal to boost network & take branch tally to 701 by March 2012.

Aims to increase total business mix to Rs 1.25 lakh crore by March 2015.

Enhancing income from distribution of third party products

Ramping up low cost as well as retail liabilities.

Enhancing productivity per branch/per employee

Focus on improving share of gold loans

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