



INVESTOR PRESENTATION

MARCH 2012

South Indian Bank... At A Glance

83 Years

• Number of years in banking business

700

• Number of branches

663

• Number of ATM's

₹64136 Cr

• Business as on March 2012

27%

• Business Growth (Y – to – Y)

25%

• Last 5 years business CAGR

₹401 Cr

• Net Profit for the FY ended March 2012

3.10 %

• Net Interest Margin (March 12)

14.00%

• Capital Adequacy Ratio (Basel II –March 12)

0.28%

• Net Non-Performing Assets (March 12)

History &
Background

Overview

Key Strength

Business
Performance

PERFORMANCE
BUSINESS

Future Strategy



History & Background



History & Pioneering Initiatives

One of the oldest Banks in South India.

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

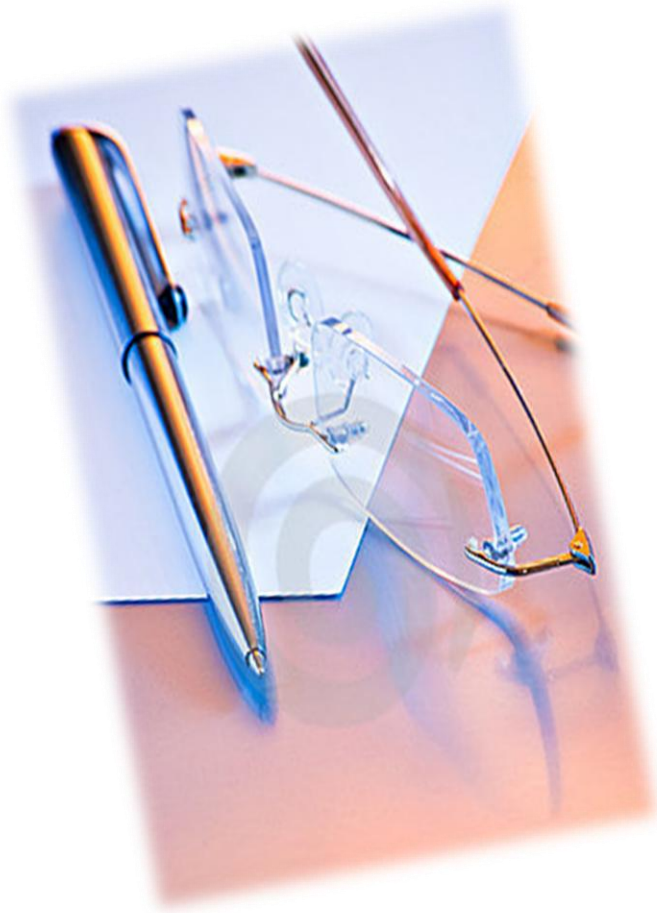
First among private sector Banks in Kerala to become a SCB in 1946.

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

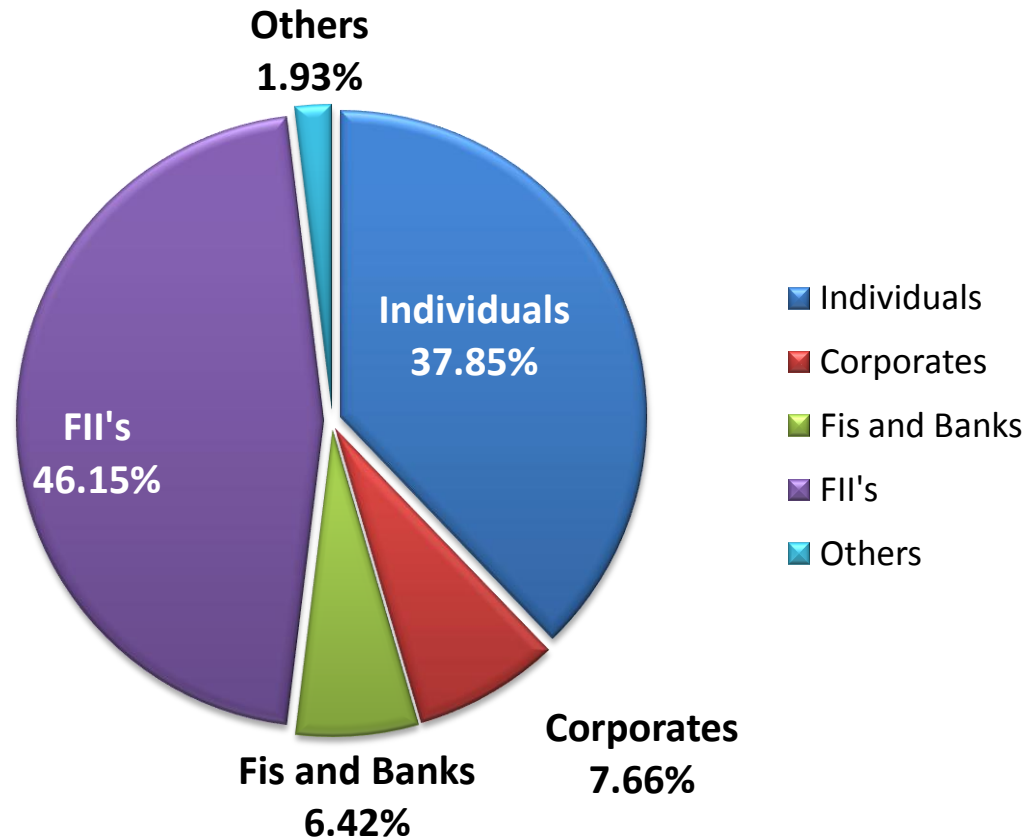
Dr. N J Kurian

Sri Mohan E Alapatt

Sri K. Thomas Jacob

Sri H. Suresh Prabhu

Shareholding Pattern – as on 31.03.2012



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.



Key Strength

Healthy Fundamentals

- Adequately Capitalised;
- 14.00% CRAR & 11.54% Tier 1 ratio
- Asset Quality;
- 0.97% GNPA's & 0.28% NNPA's
- 71.36% NPA Coverage ratio
- 18.53% ROE, 1.12% 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.

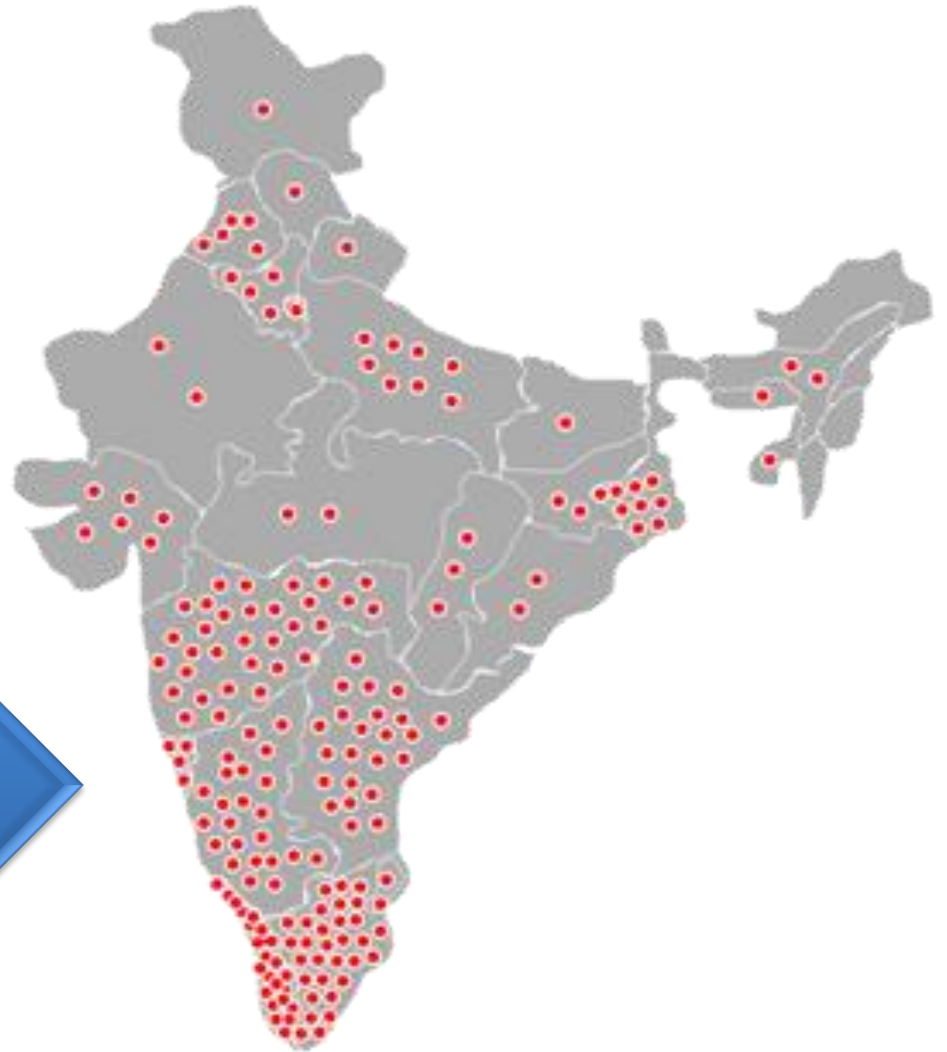
Key Competitive Advantage

- 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 24% of the loan book.

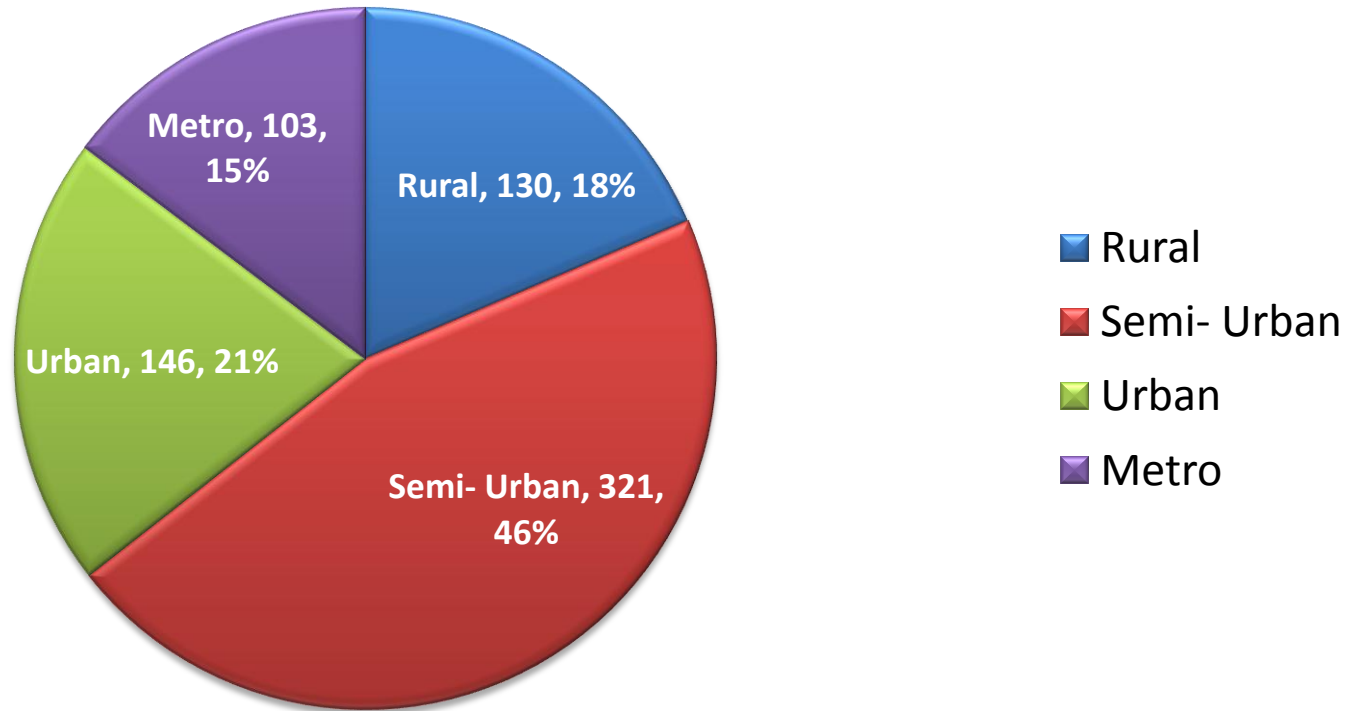
Vast and Rapidly Growing Branch Network

Spread of
Branches

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



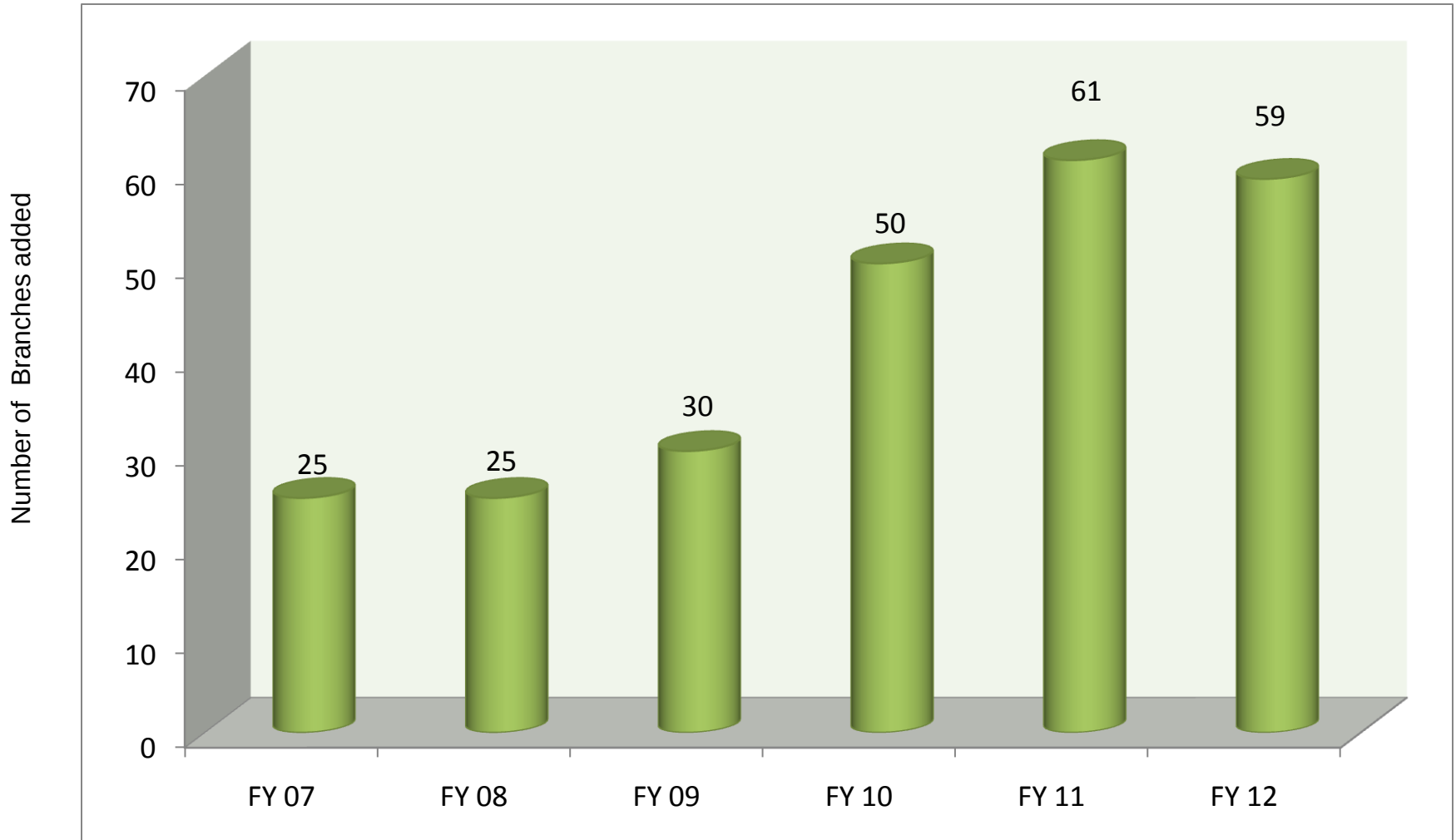
Branch Network Category wise as in March 2012



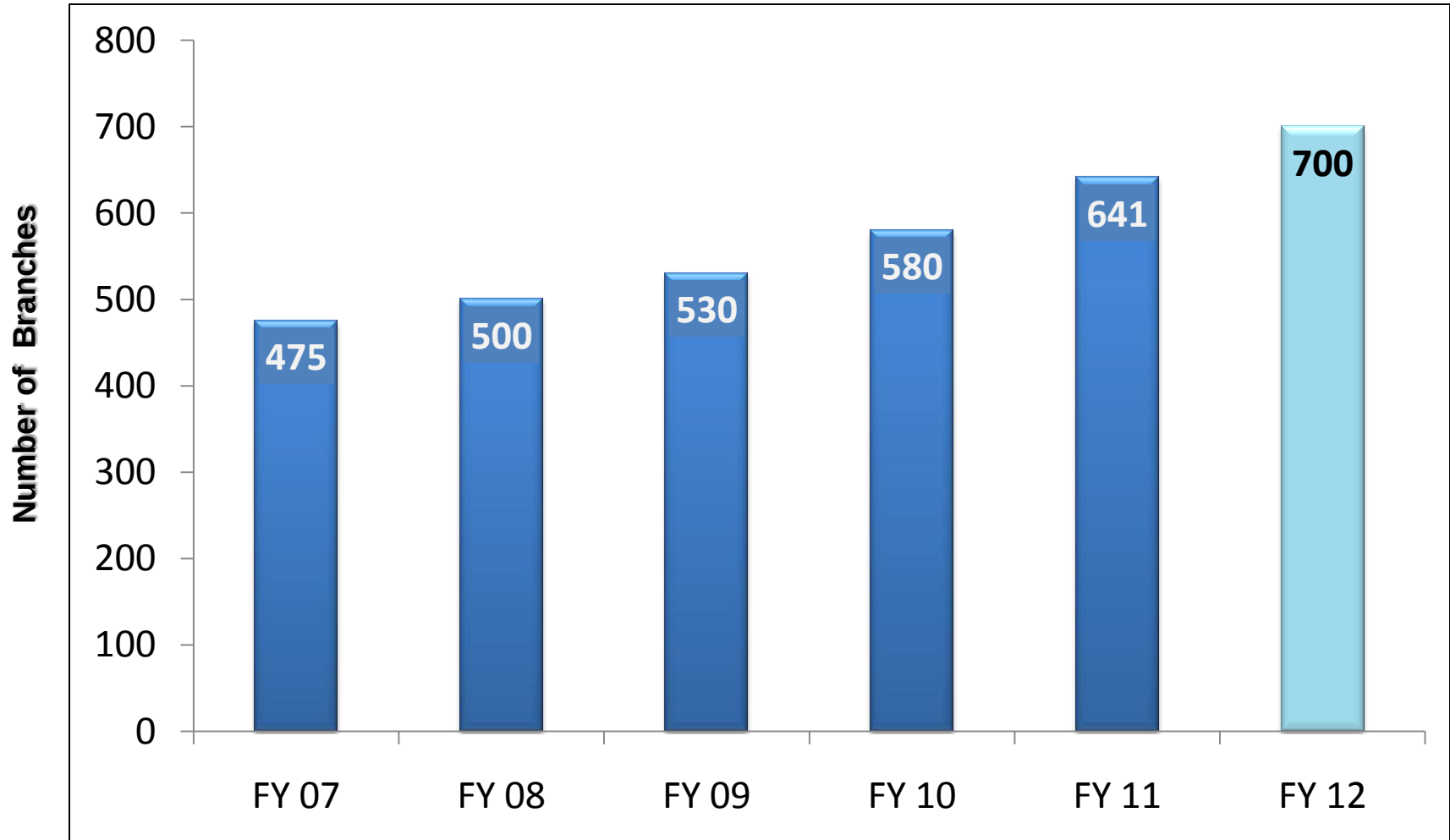
State wise distribution of Branches Category wise as in March 2012

STATES	No: of Branches	STATES	No: of Branches
KERALA	385	MADHYA PRADESH	2
TAMIL NADU	122	ORISSA	2
ANDHRA PRADESH	46	PONDICHERY	2
KARNATAKA	40	RAJASTHAN	2
MAHARASHTRA	25	ASSAM	2
DELHI	21	BIHAR	1
WEST BENGAL	10	CHANDIGARH	1
UTTAR PRADESH	9	JAMMU & KASHMIR	1
GUJARAT	6	UTTARANCHAL	1
GOA	5	TRIPURA	1
HARYANA	4	HIMACHAL PRADESH	1
PUNJAB	4	MEGHALAYA	1
CHATTISGARH	3	NAGALAND	1
JHARKHAND	2	<u>TOTAL</u>	<u>700</u>

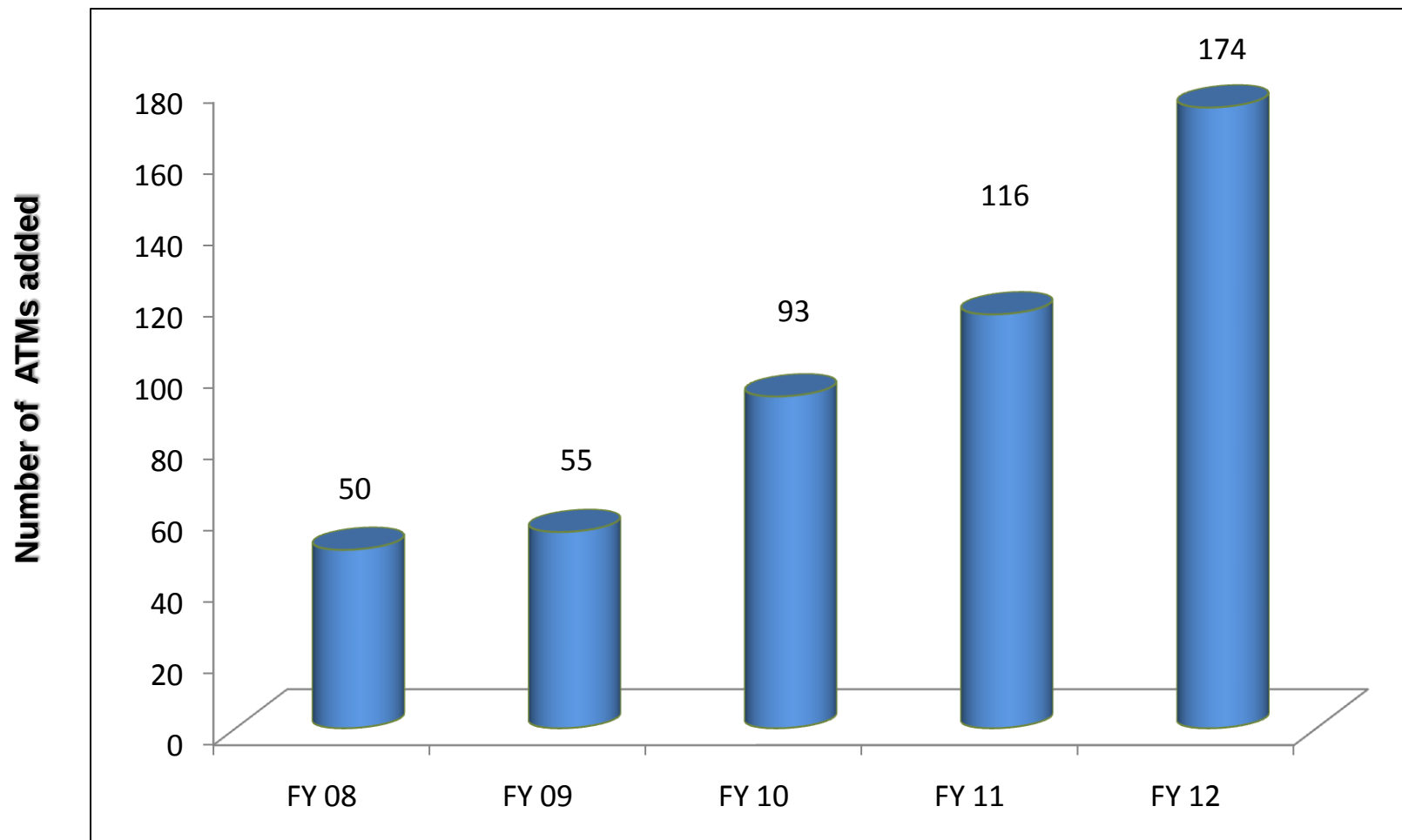
Network Expansion (Number of branches added)



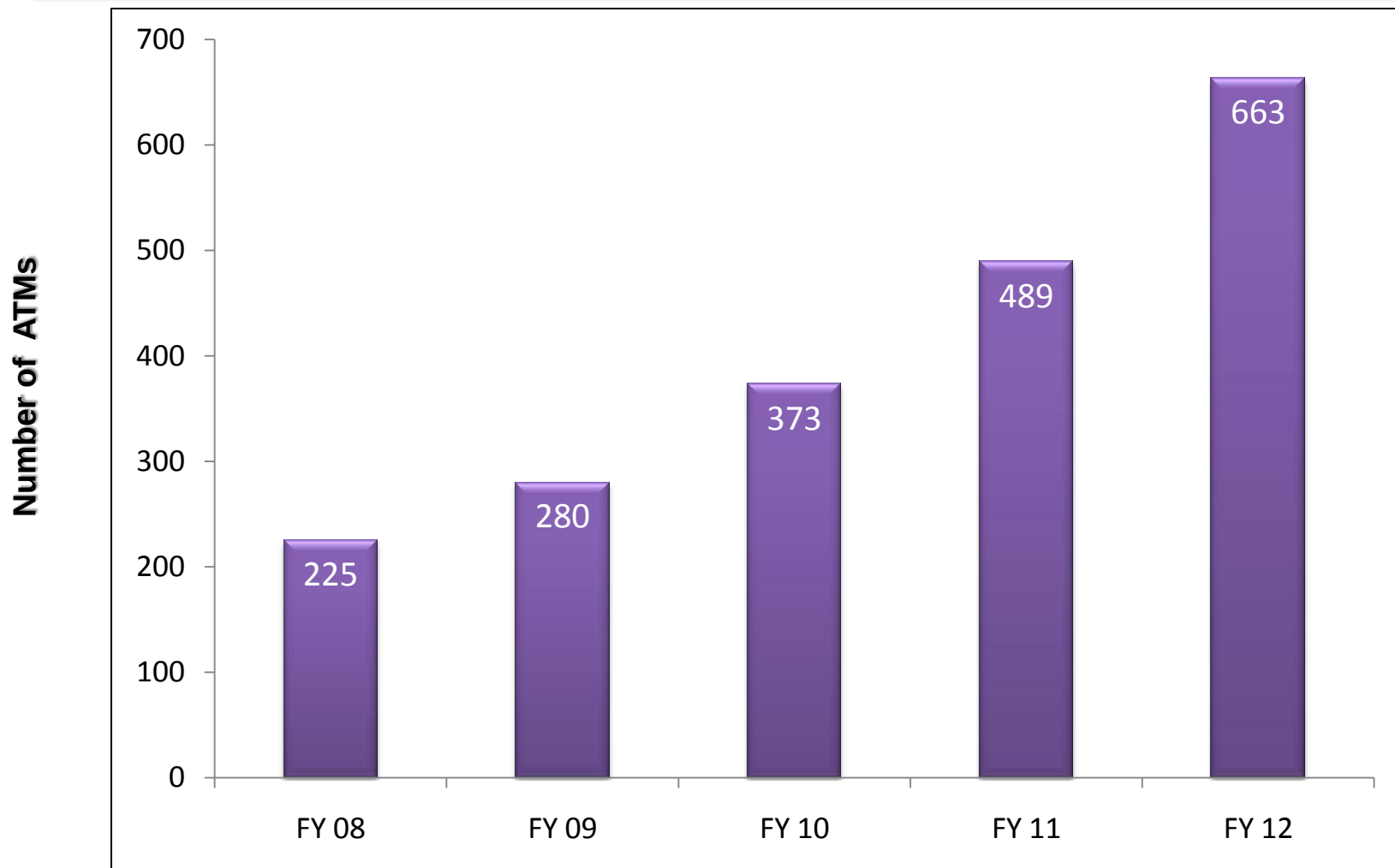
Branch Network



Network Expansion (Number of ATMs added)



ATM Network



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 & 663 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	▪ Retail Business Loans ▪ Housing Loans/ Mortgages ▪ Auto Loans ▪ Personal Loans ▪ Education Loans ▪ Employee Group Loans ▪ SME 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 • Letters of Credit • Banks Guarantees • Bill Finance	• Wholesale Deposits	

FINANCIAL INCLUSION

Particulars	March 10	March 11	March 12
Number of Business Correspondents (BCs) appointed	0	7	40
Number of villages with population above 2000 provided with banking facility (Rural branches & BCs)	107	117	169
Number of 'No-frills' accounts (including Students A/c)	6.83 Lakh	10.26 Lakh	11.99 Lakh
No-frills accounts - amount	64.06 crore	102.72 crore	130.47 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 implemented 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

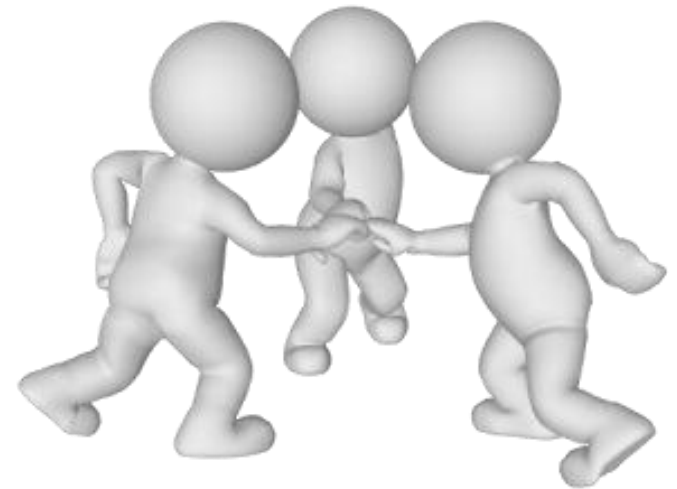
Sri Lanka's Hatton National Bank (HNB)

- 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.

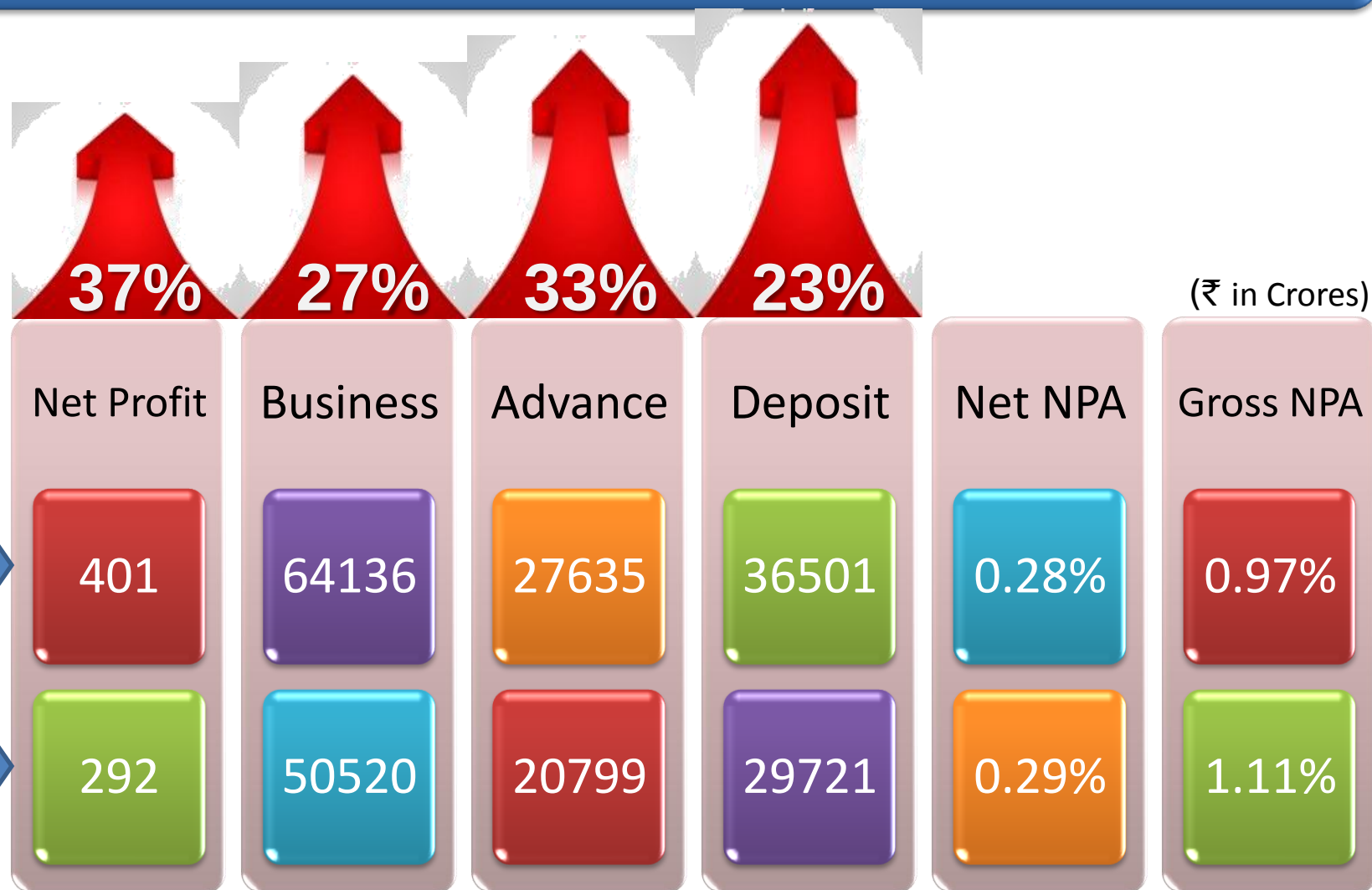
Best Pvt Sector bank in the Service quality segment Outlook Money - CFore Survey.

Best Website Award from Kerala Management Association

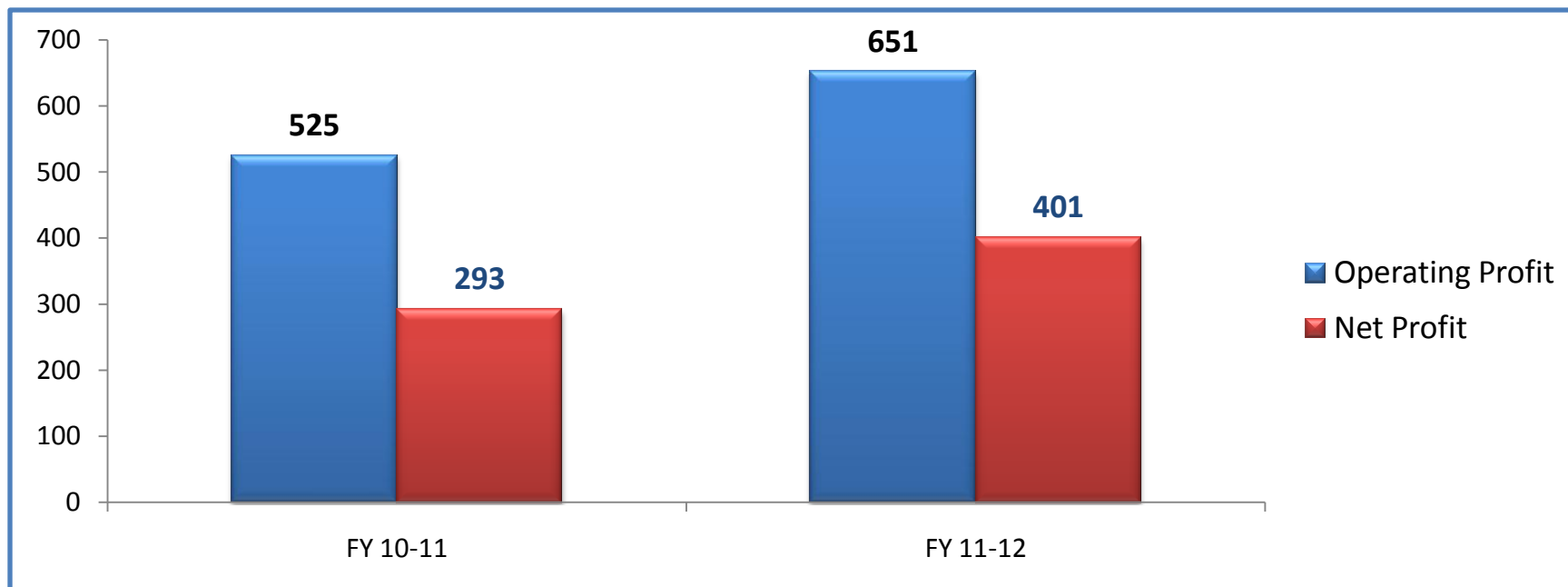
Business Performance



Financial Highlights – FY12



Profitability– FY12



Year to Year Growth

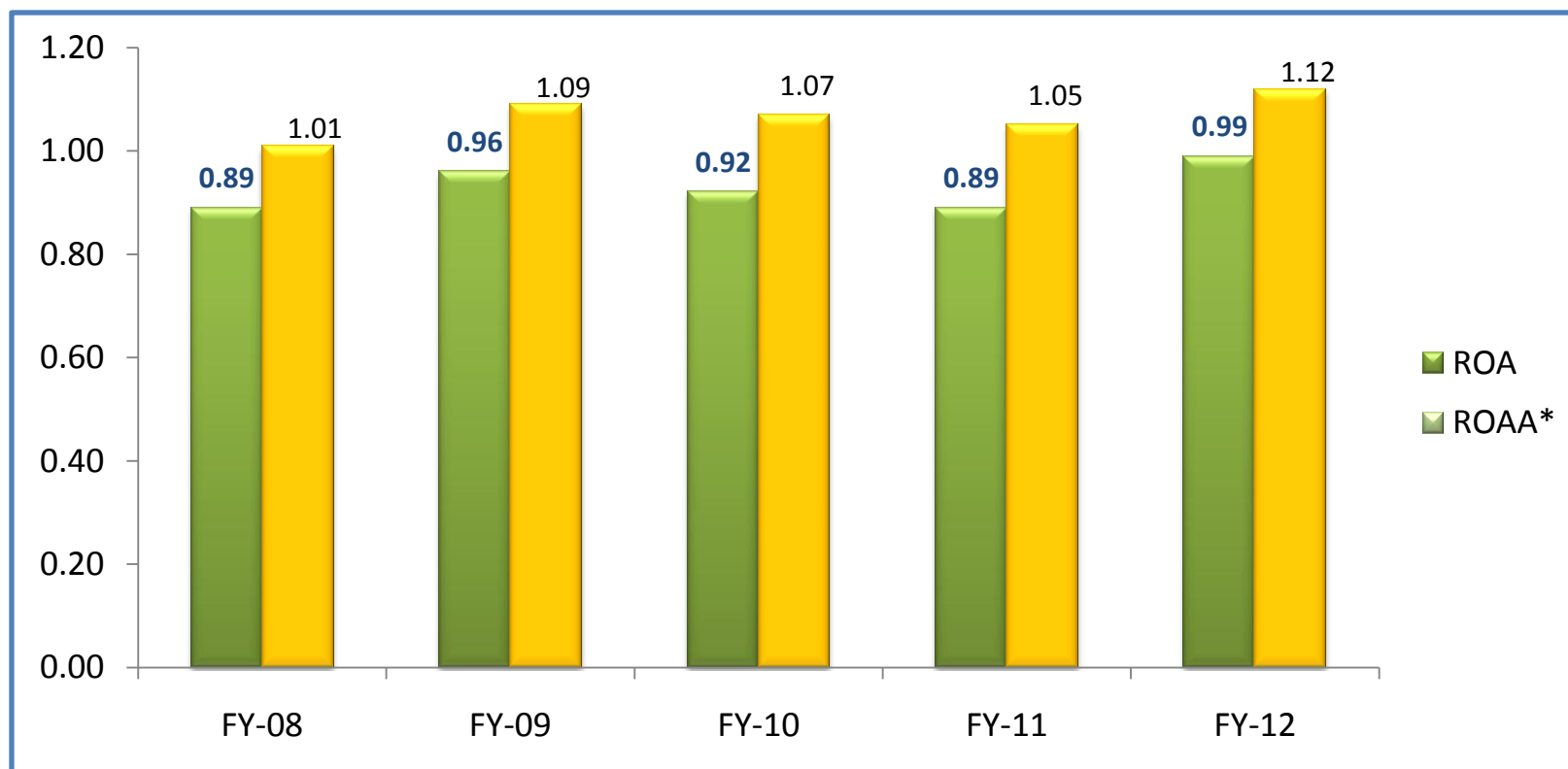
Operating Profit

↑ 24%

Net Profit

↑ 37%

Improved Quality of Earnings



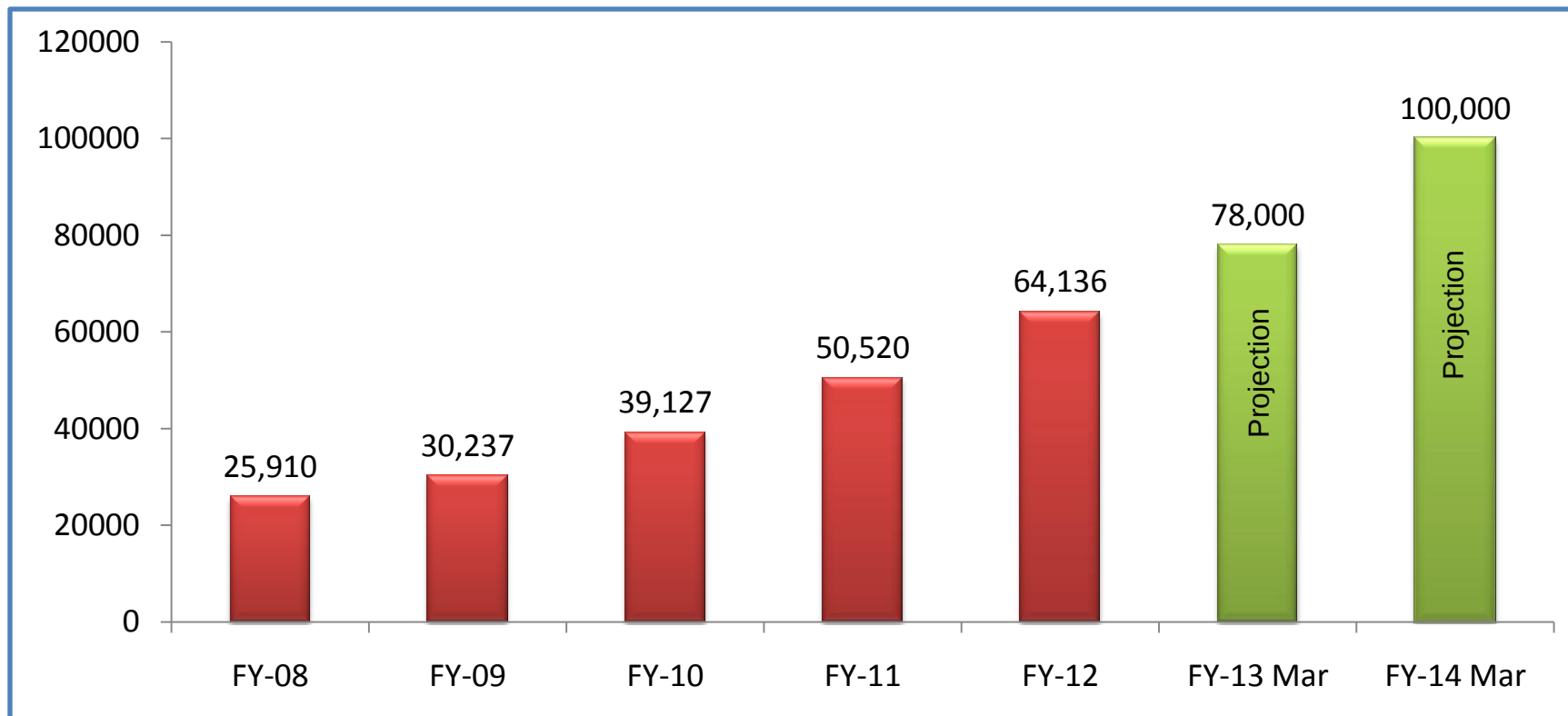
**Annualized*

RoA coming mainly from Core Income

Business Trend

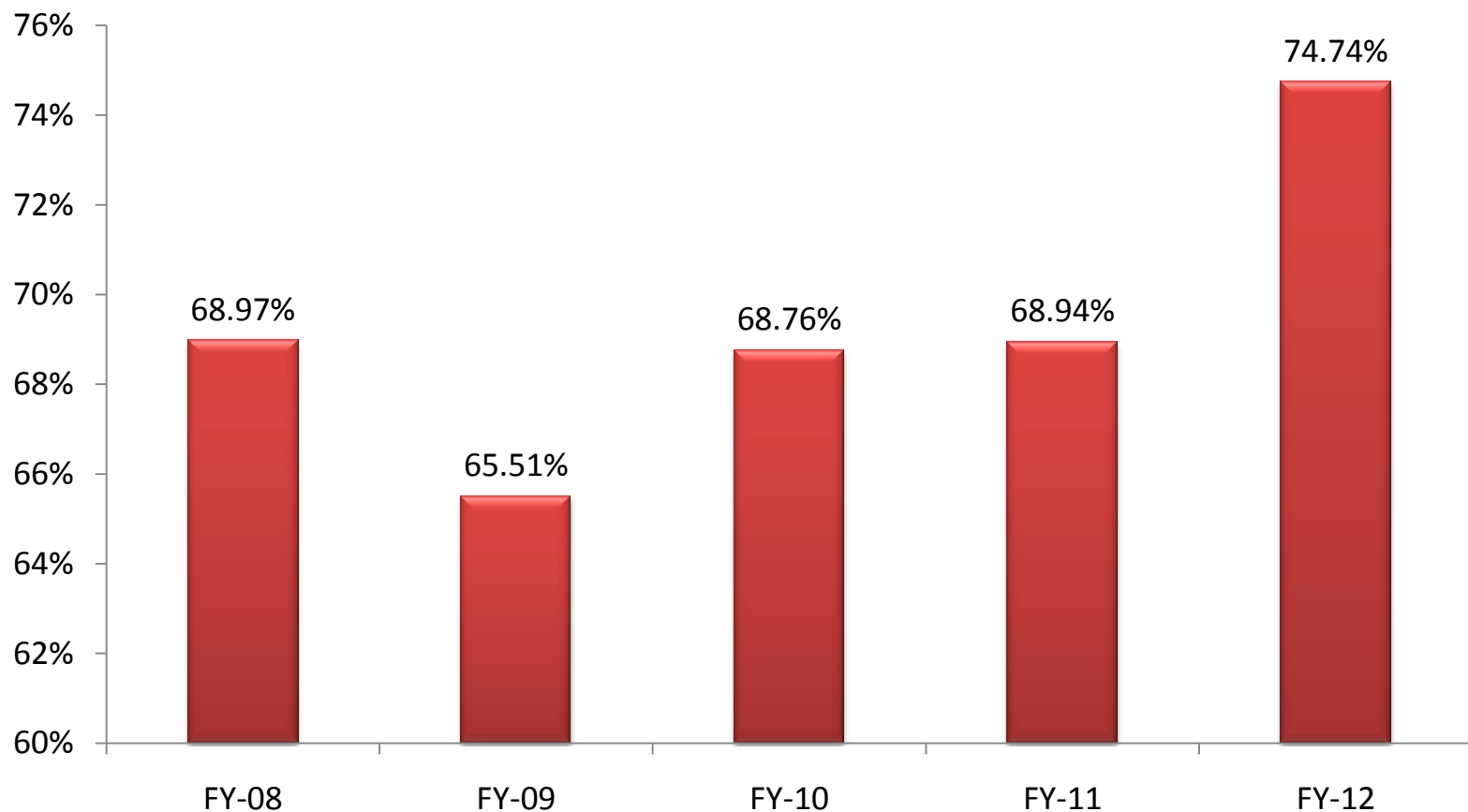
Total Business and Growth

(₹ in Crores)

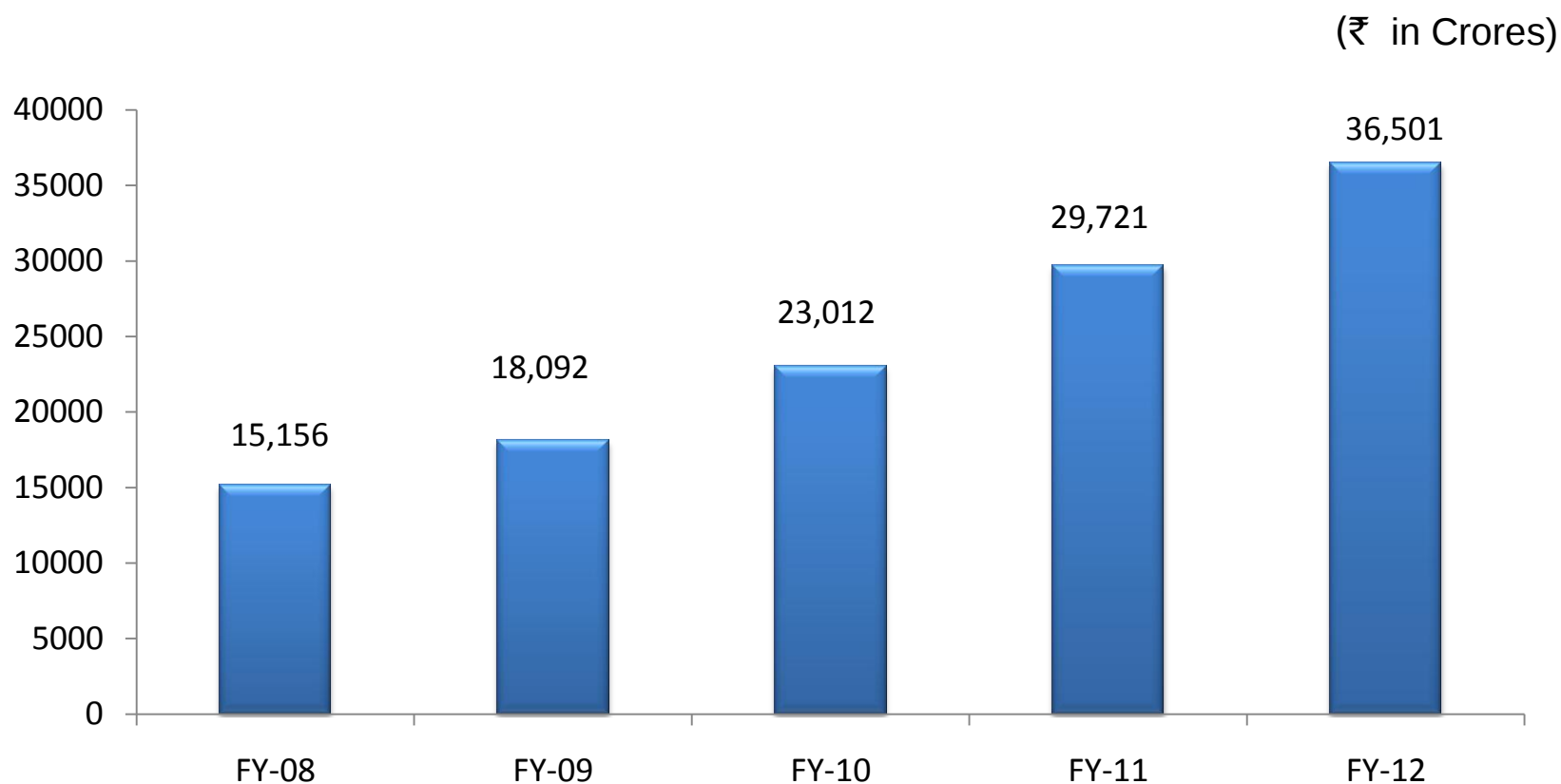


Business grew over 2.4 times at CAGR of 25% in 5 years

Credit Deposit Ratio



Deposits Growth

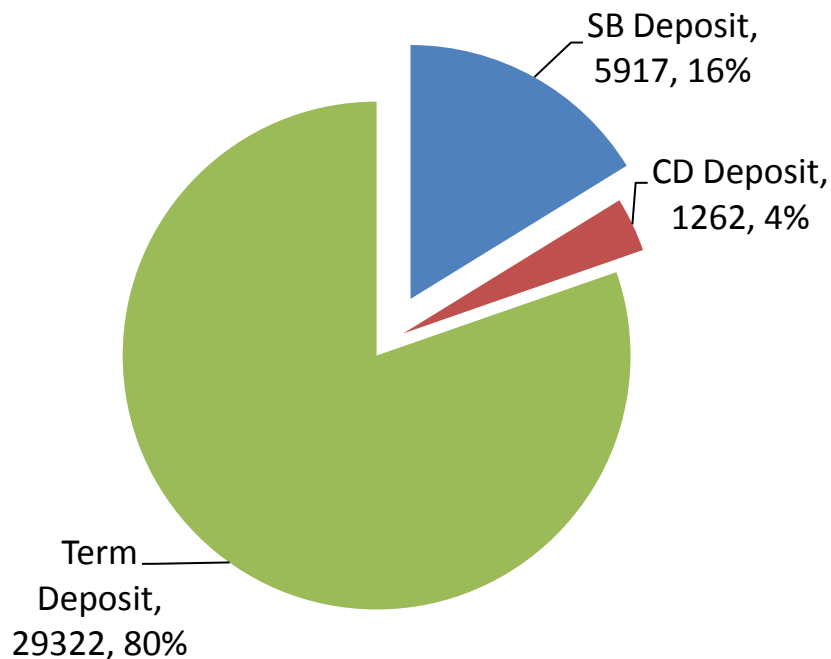


Deposits increased @ 25% CAGR

Deposits – Composition and Trend

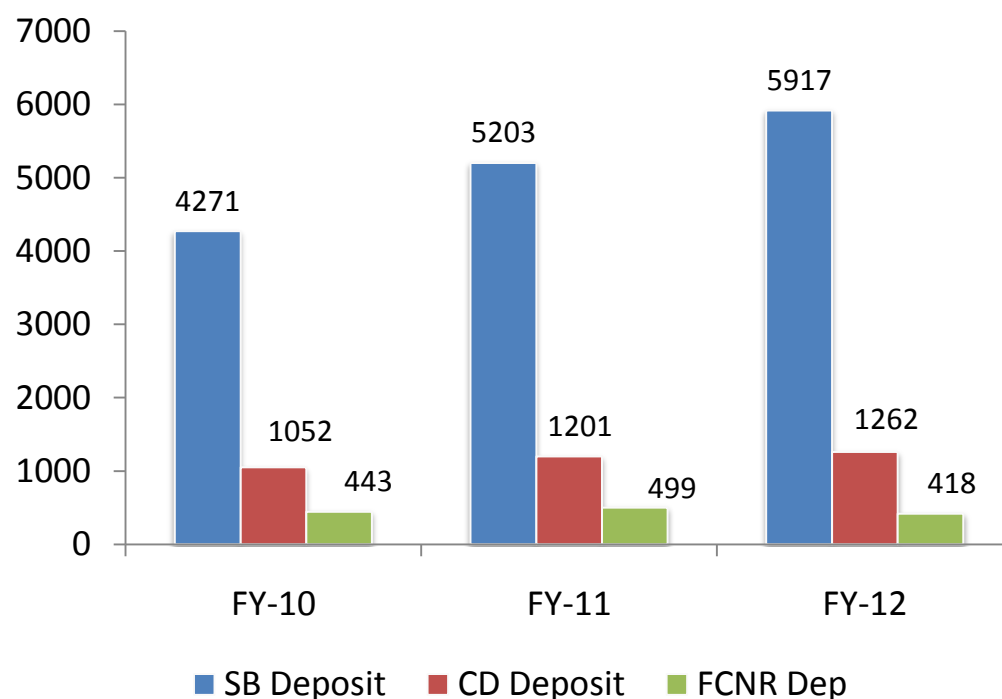
Composition of Deposits

(₹ in Crores)



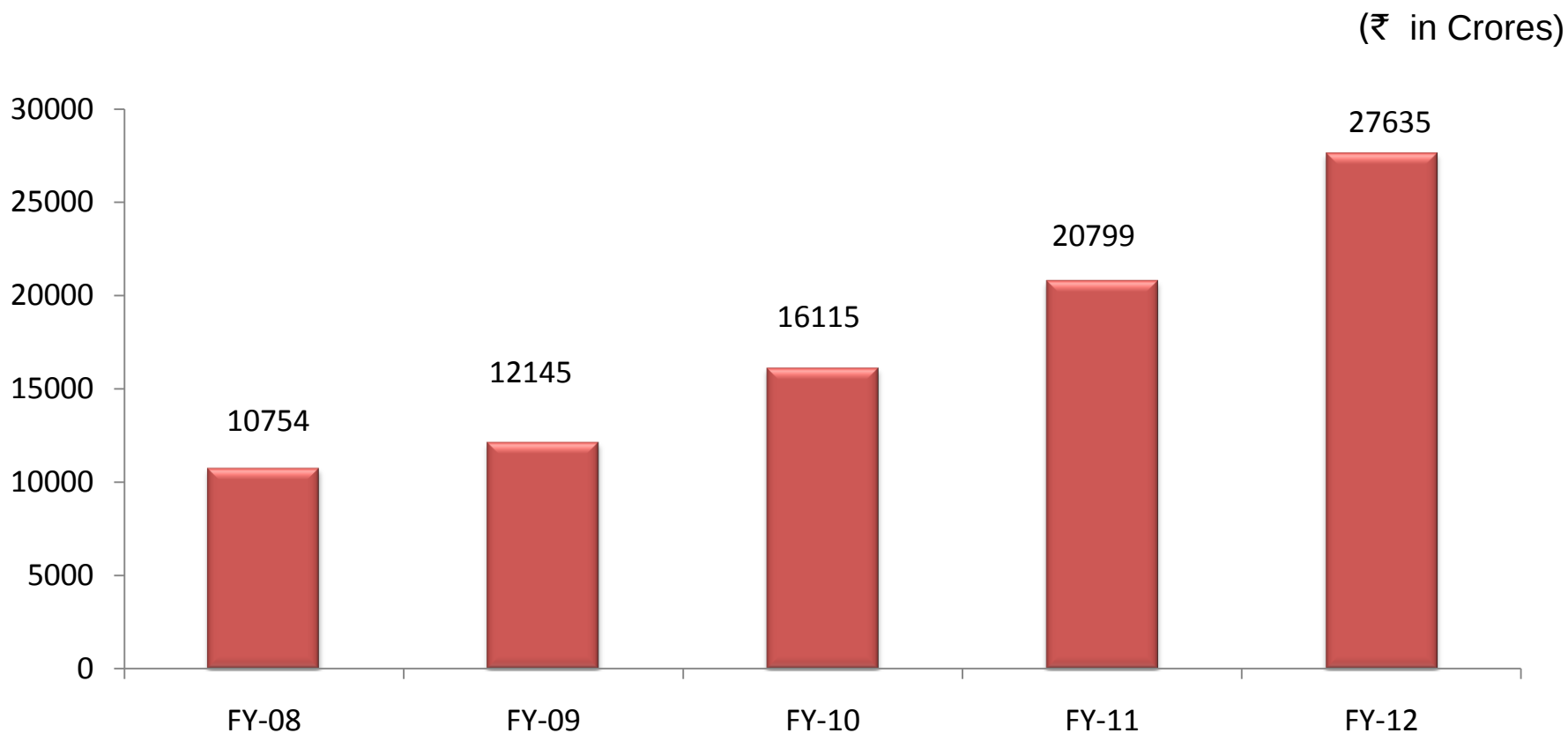
Annual Trend in Low cost deposits

(₹ in Crores)



Low Cost deposits form 20% of total deposits.

Advances Growth



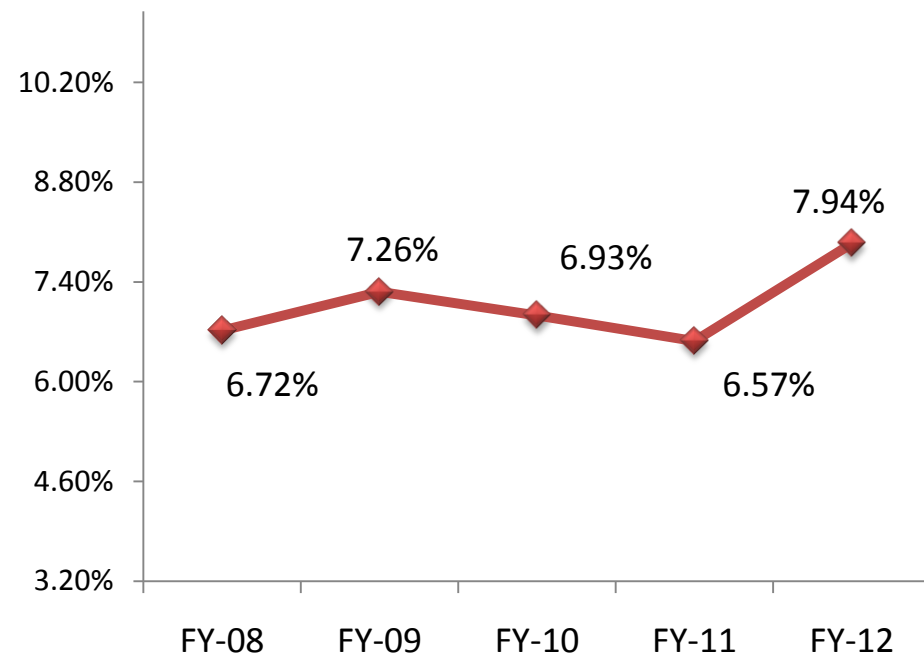
Advances increased by 33% (Y-to- Y)

Advances – Composition (March 2012)

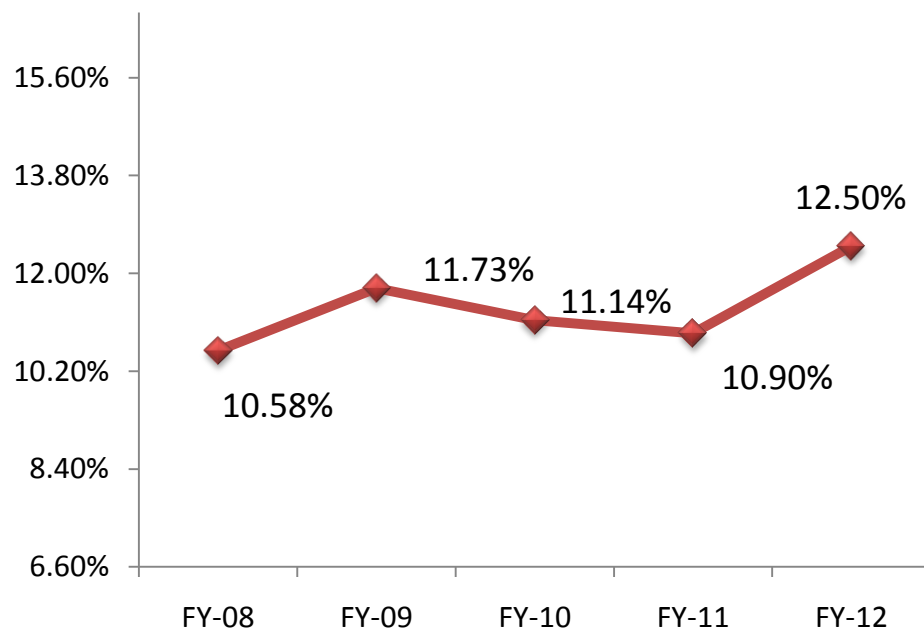
Sector	Upto 5 Crores	Above 5 Crores	Total	% to total
Agriculture	1668.64	339.88	2008.52	7.27%
MSME	1448.79	316.74	1765.53	6.39%
Large Scale Industries	458.01	4125.45	4583.46	16.59%
Housing	1093.75	35.98	1129.73	4.09%
Commercial Real Estate	61.43	29.38	90.81	0.33%
NBFC	53.40	1517.12	1570.52	5.68%
Food Credit	0.00	407.38	407.38	1.47%
LC Bills	0.00	2848.91	2848.91	10.31%
Other	8162.69	5067.60	13230.29	47.87%
Total	12946.71	14688.44	27635.15	100.00%

Trend in Cost & Yield (Annual)

Trend in Cost of Deposits

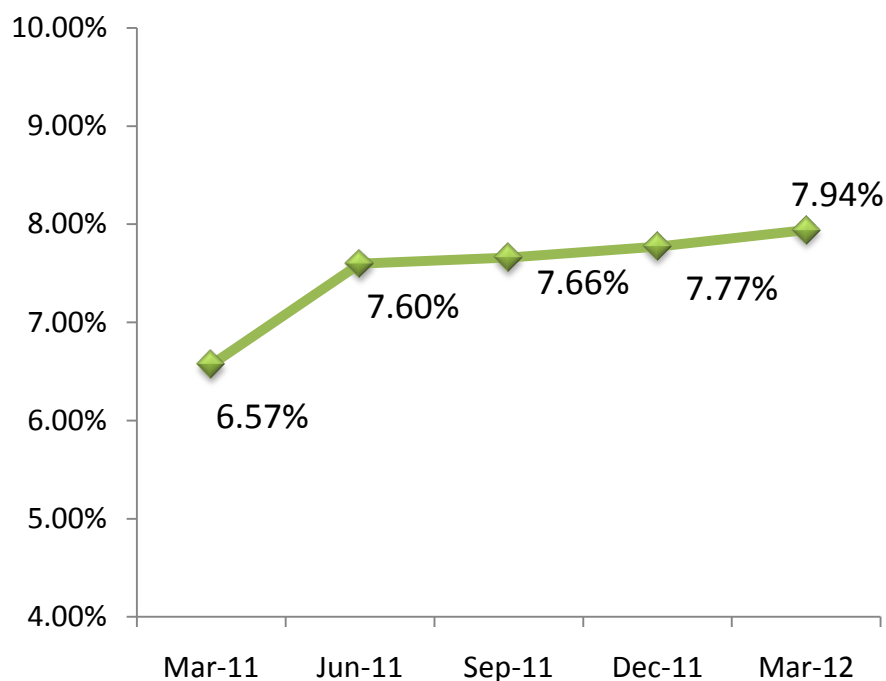


Trend in Yield on Advances

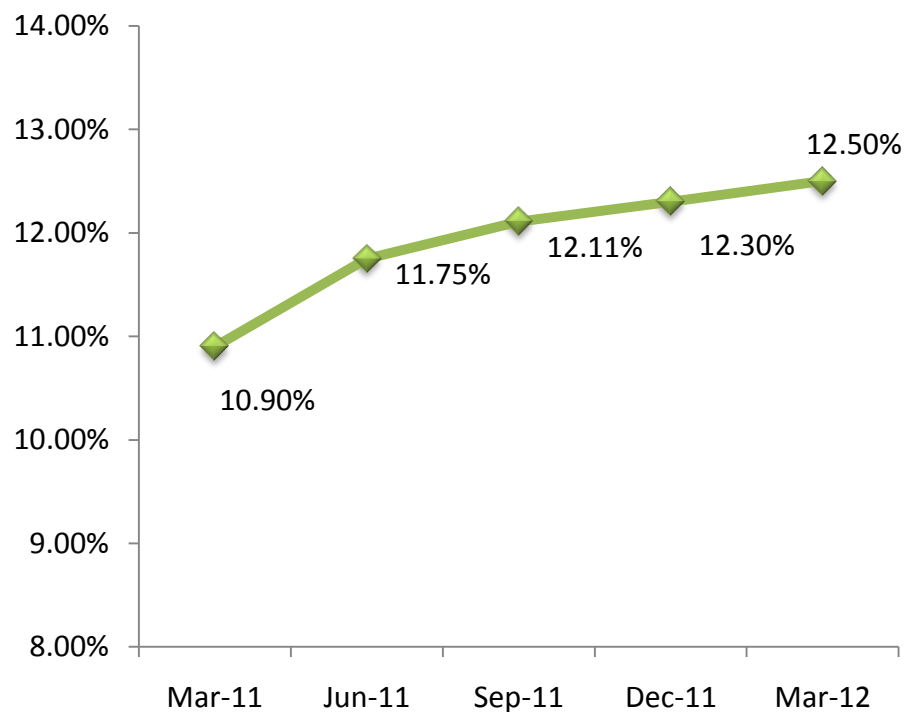


Trend in Cost & Yield (Quarterly)

Trend in Cost of Deposits



Trend in Yield on Advances

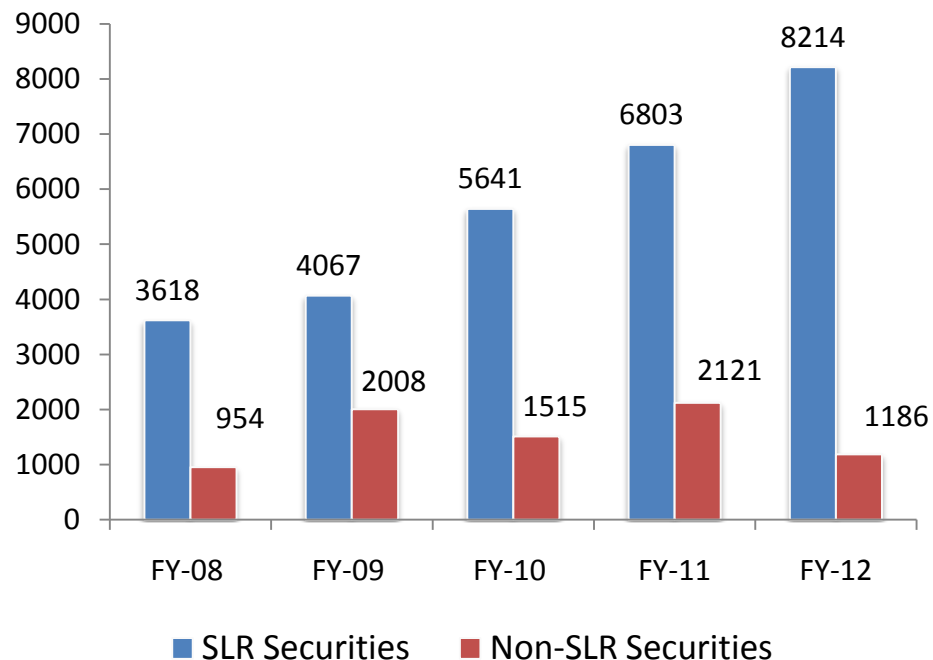


Investment Portfolio

SLR & Non SLR Securities

Composition of Investment Book

₹ in Crores

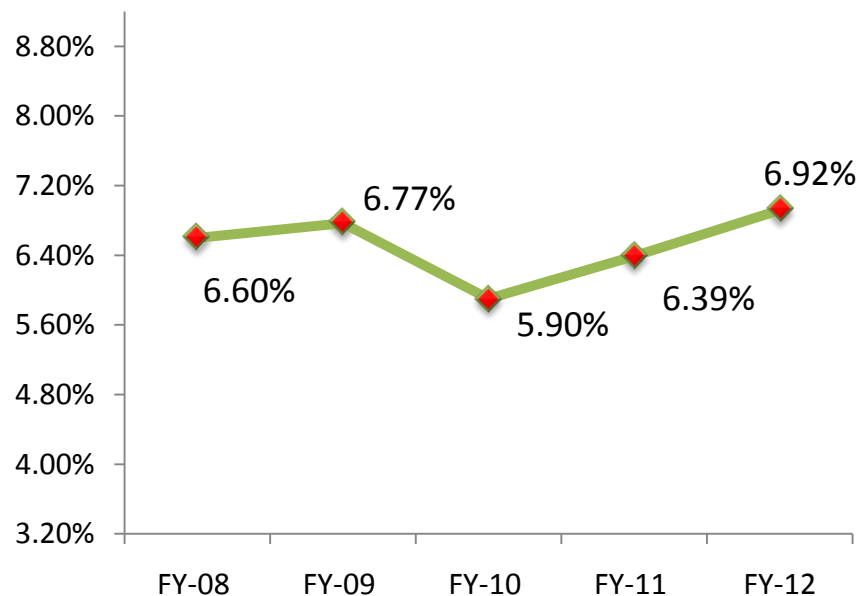


Category	Amount	Percentage
Held to Maturity	8229.00	87.54%
Held for Trading	263.00	2.80%
Available for Sale	908.00	9.66%
Total	9400.00	100.00%

Investment Portfolio

Yield on Investments

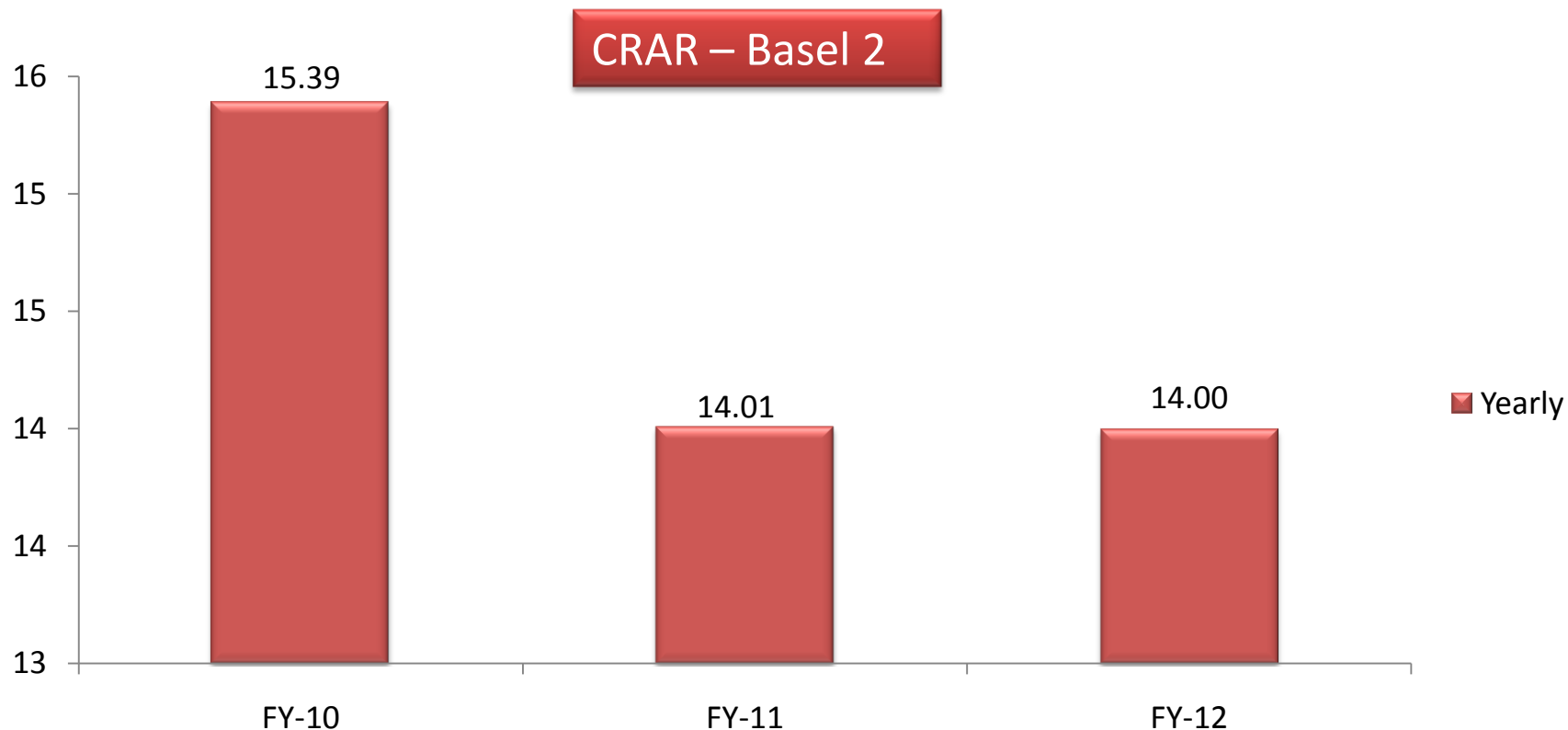
Yield on Investment - Quarterly



Duration of Investments

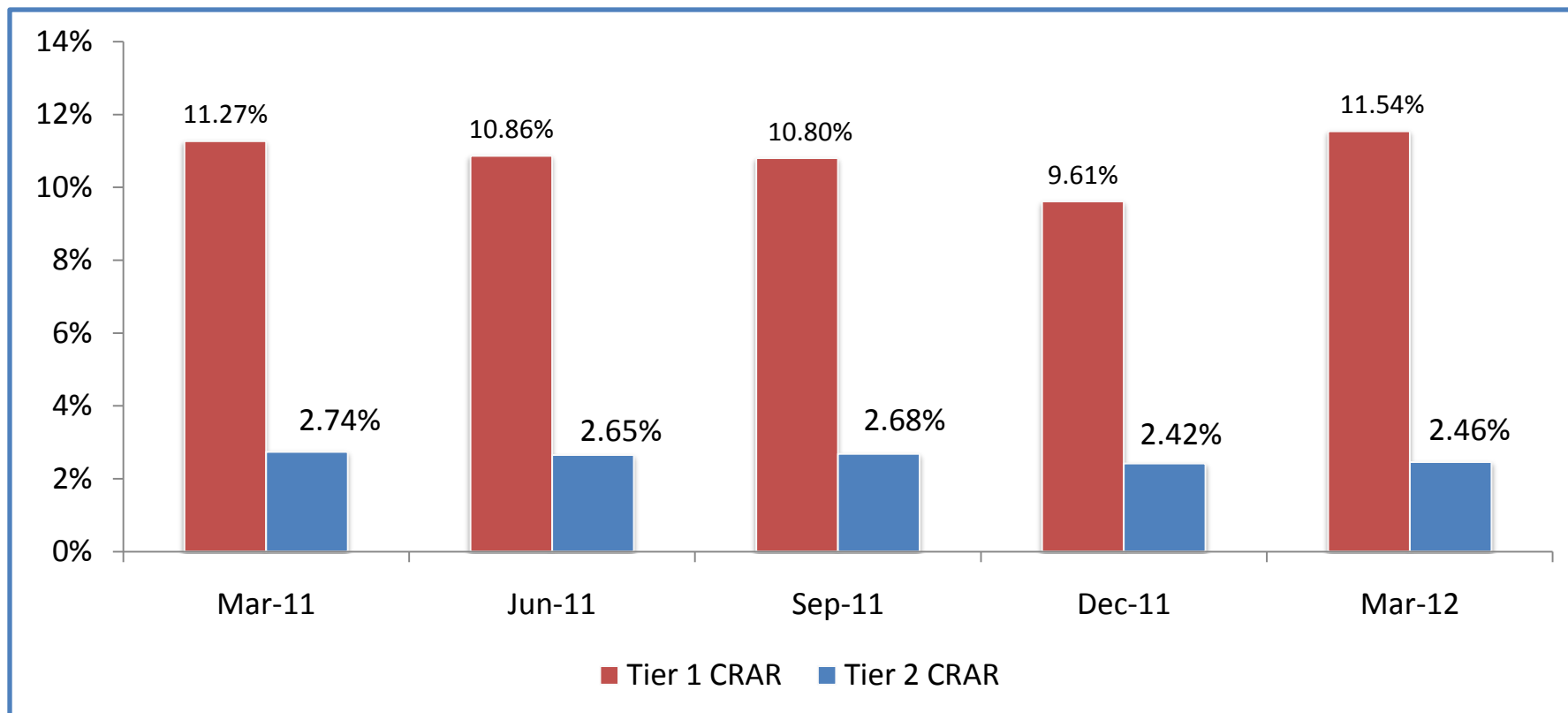
	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
Total Investment Portfolio	3.67	3.61	3.69	4.07	4.08
Total HM Investment Portfolio	4.81	4.68	4.61	4.55	4.51
Total HFT and AFS together Investment Portfolio	0.42	0.39	0.39	0.64	0.90

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)

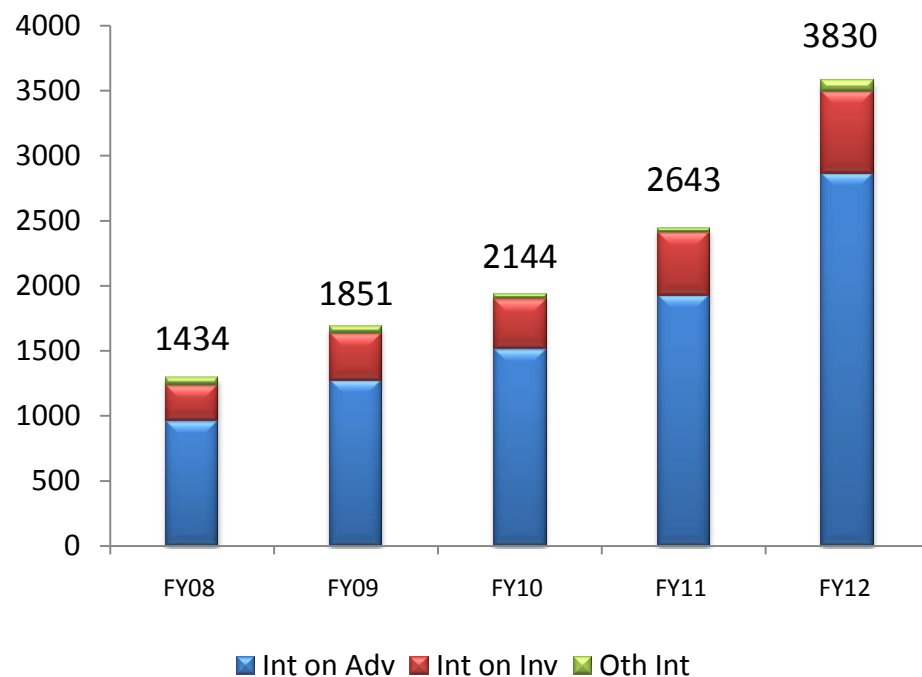
(₹ in crores)

	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
Mar 12	16987	1960	417	2377

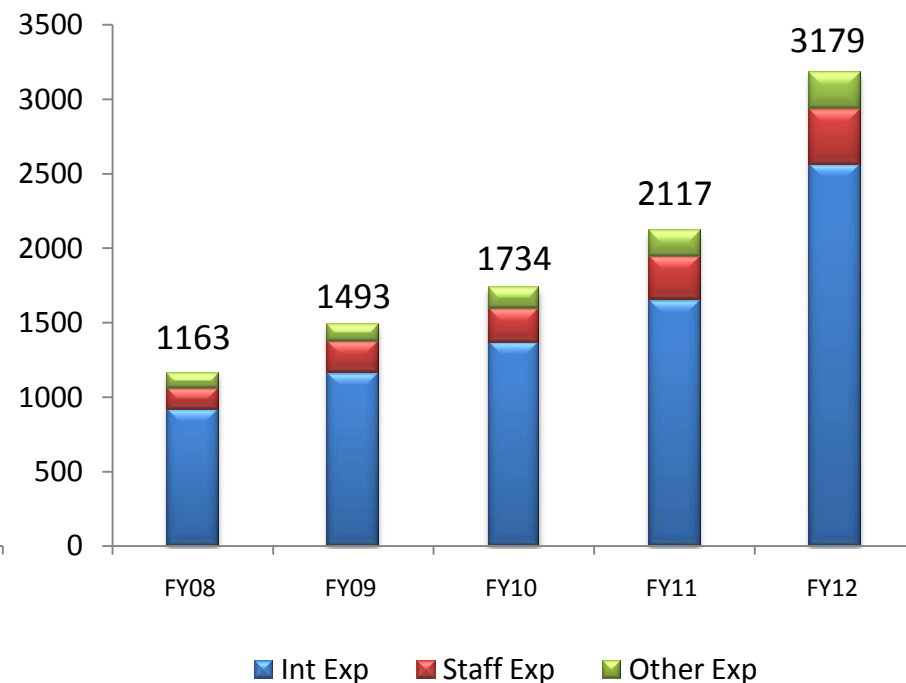
Trend in Income & Expenses

(₹ in crores)

Total Income



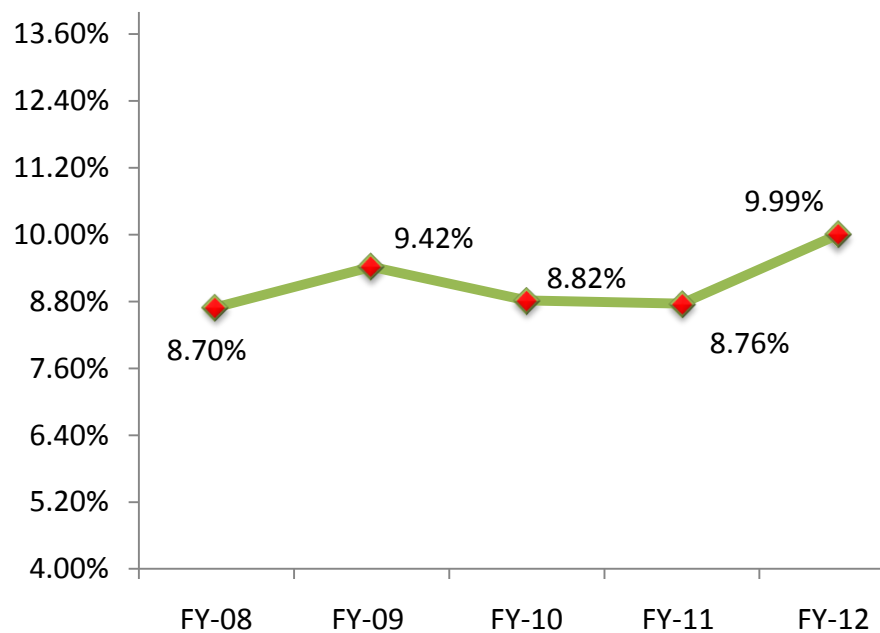
Trend in Expenses



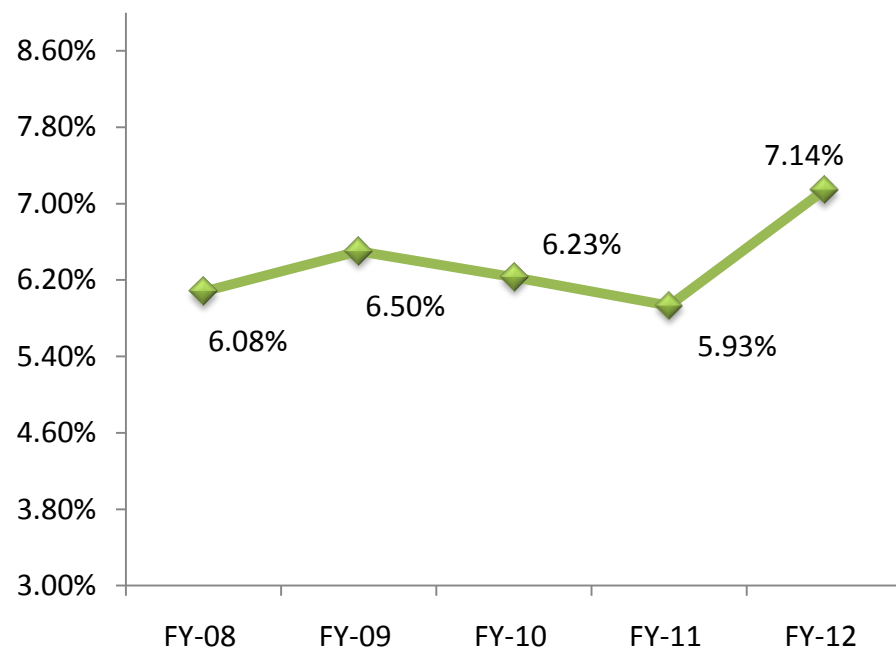
Gross Annual income grew over 2.6 times in 5 years at CAGR 27%

Trend in Income

Yield on Funds



Cost of Funds



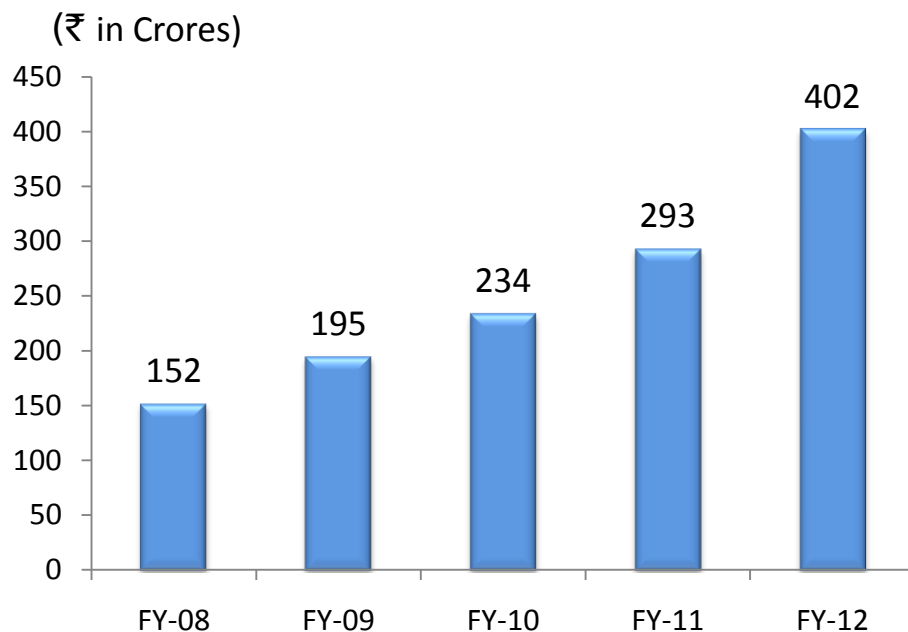
Composition of Non-Interest Income

(₹ in crores)

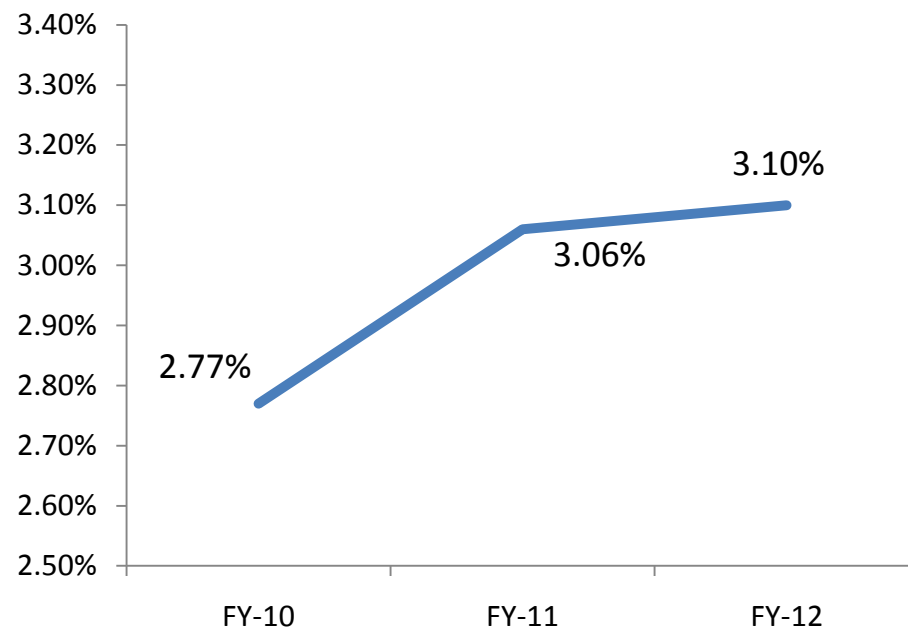
Particulars	Period ended 31/03/2012	Period ended 31/03/2011
Commission, Exchange & Brokerage	38.42	35.41
Profit on sale of investment (Net)	40.78	39.37
Profit on sale of Land, Building & Other assets (Net)	0.82	-0.96
Profit on Exchange Transactions (Net)	25.61	19.07
Miscellaneous Income		
1. Processing Fees	17.75	15.36
2. Rent Received	0.01	0.01
3. Others (Folio charges, Locker Rent)	123.68	88.43
Total	247.07	196.69

Profitability

Growth in Net Profit



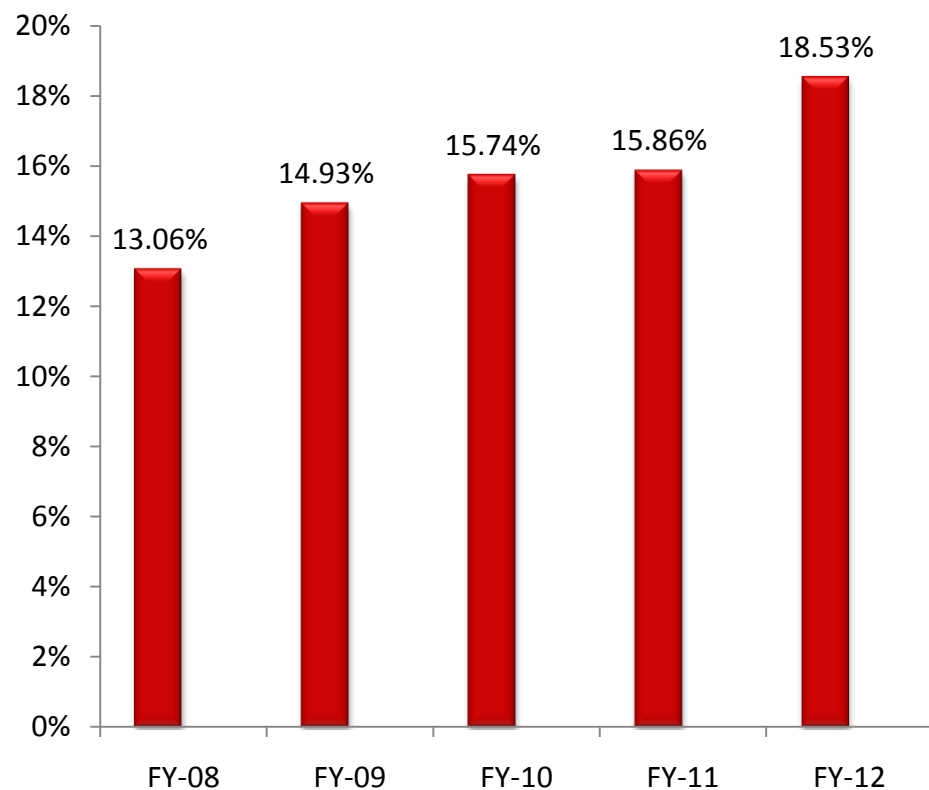
Net Interest Margin



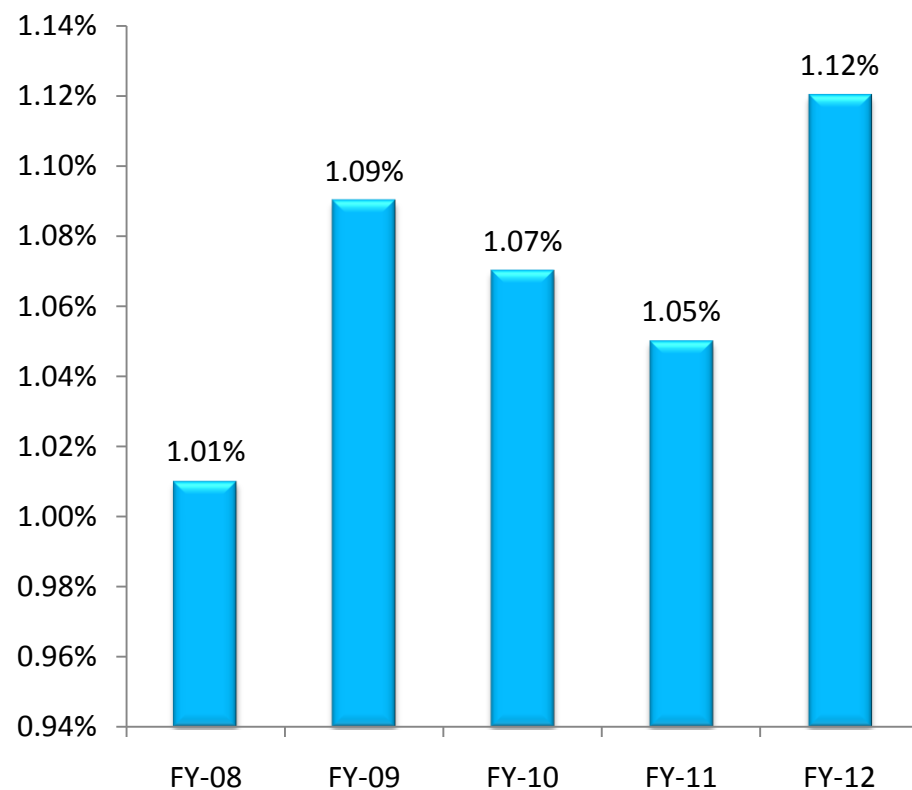
**Net profit grew at CAGR of 27% (Y-Y) in last 5 years.
Net Interest margin (NIM) remains at satisfactory range.**

Efficiency

Return on Equity

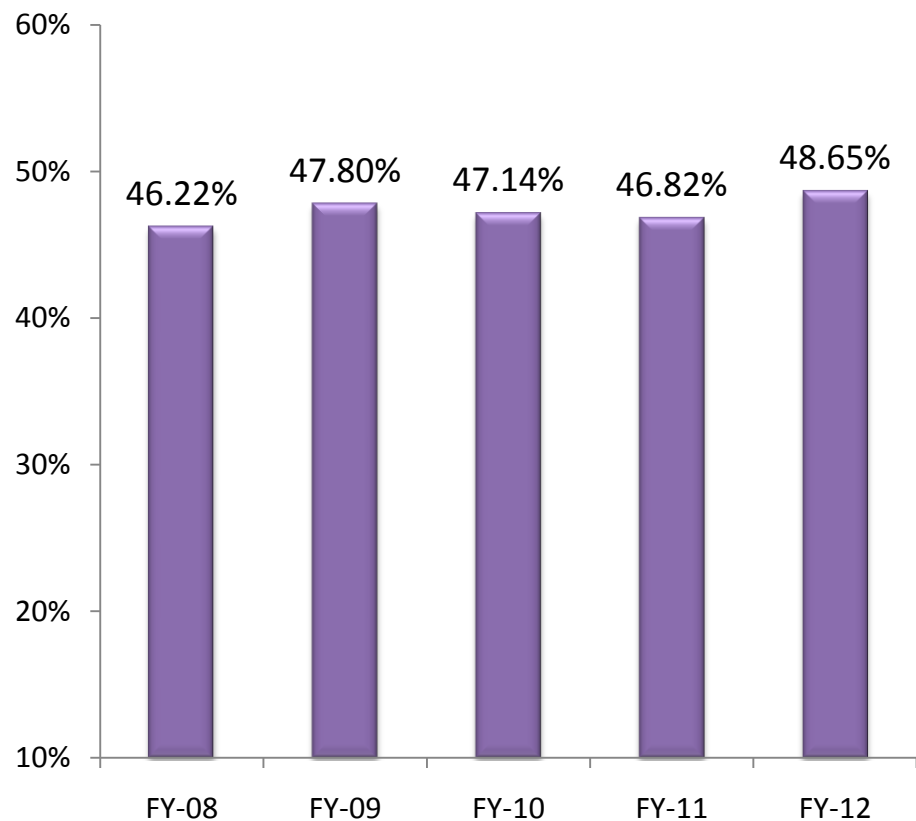


Return on Average Asset

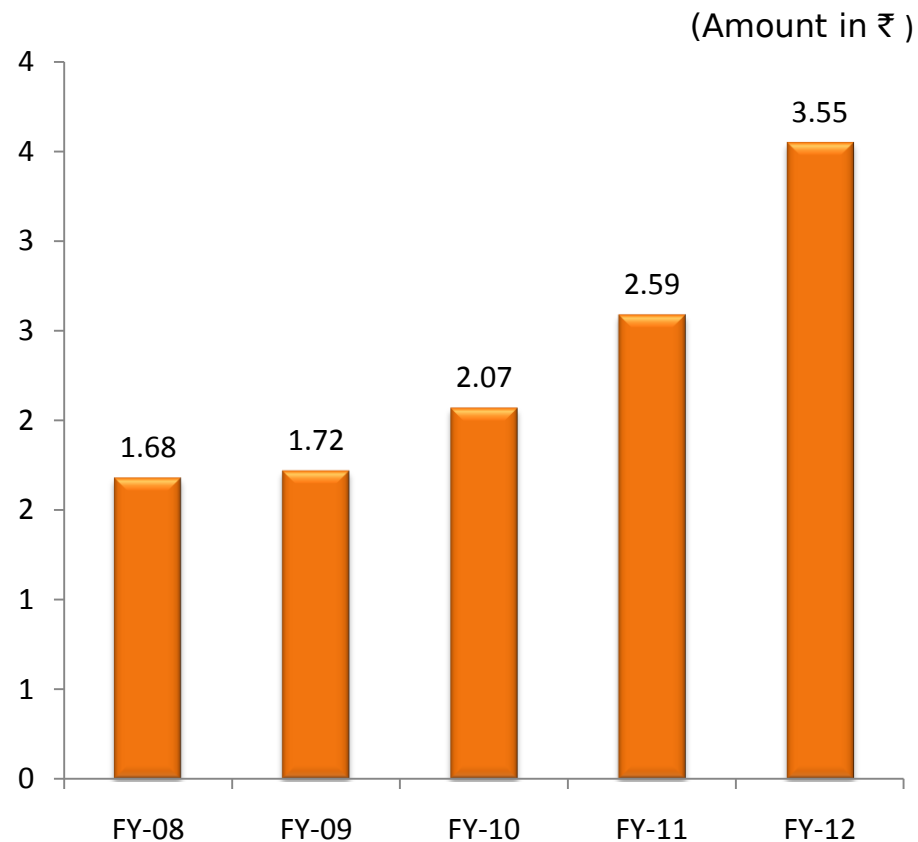


Efficiency

Cost / Income Ratio

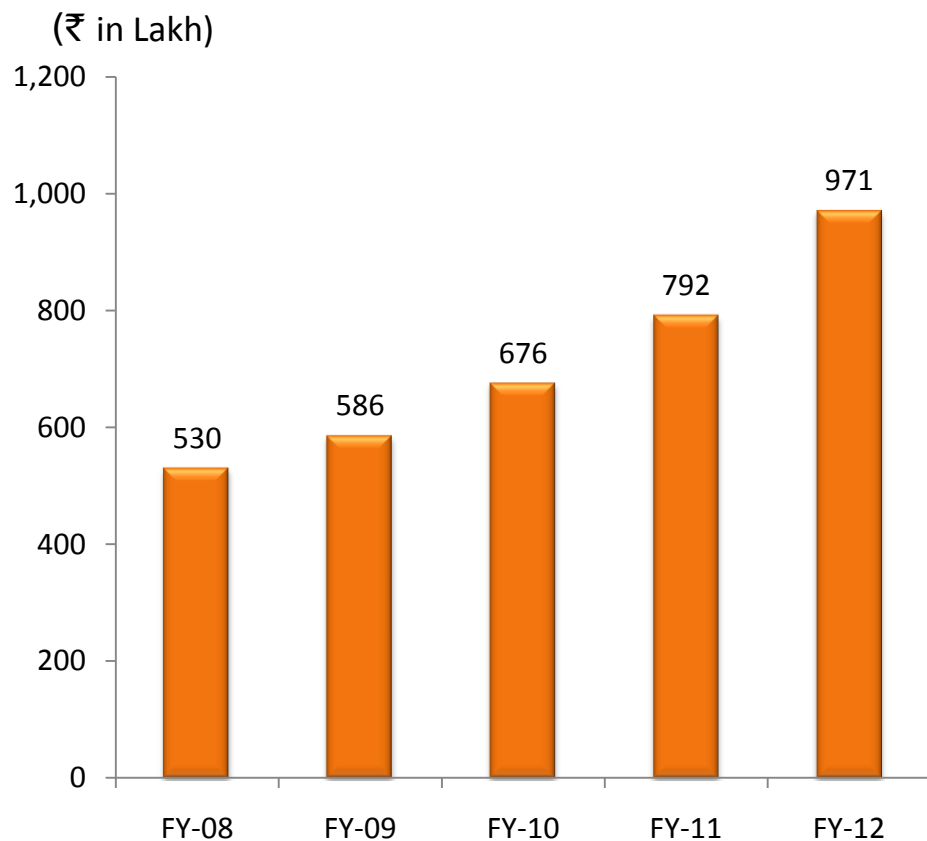


Earning Per Share (Annualized)

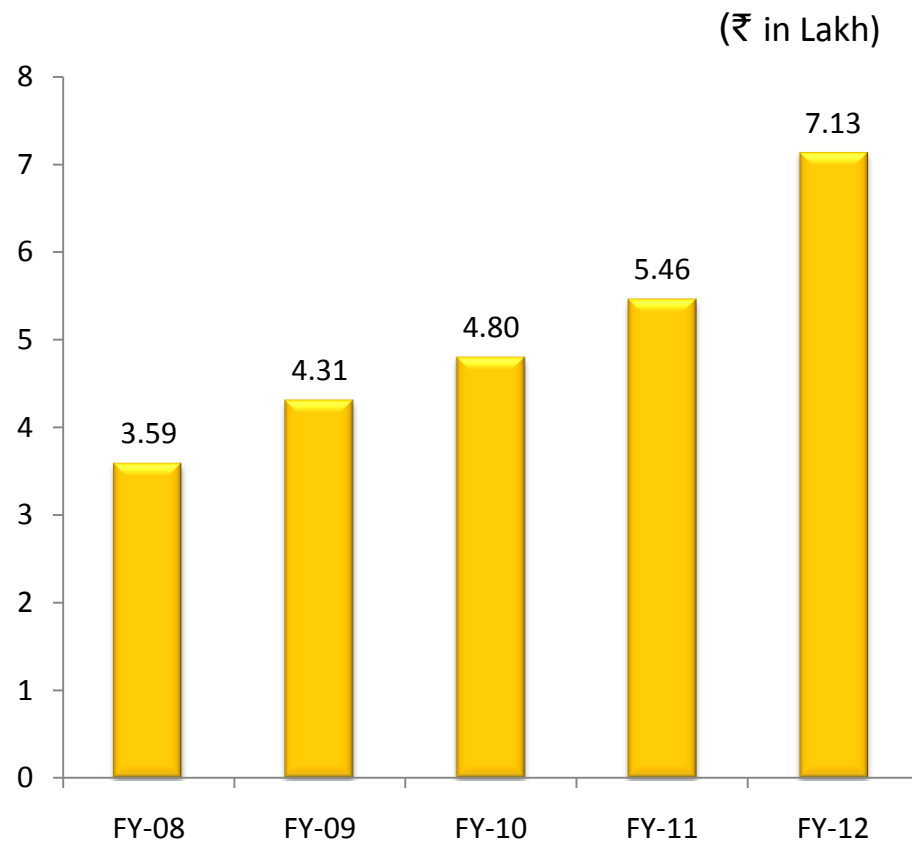


Productivity

Average Business Per Employee



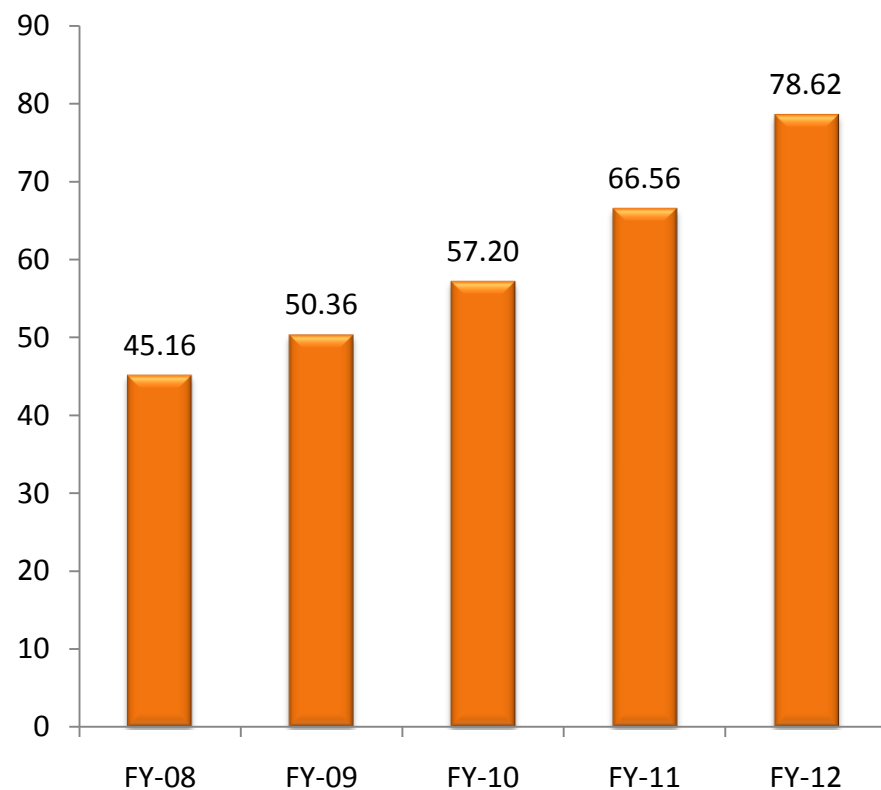
Profit Per Employee



Productivity

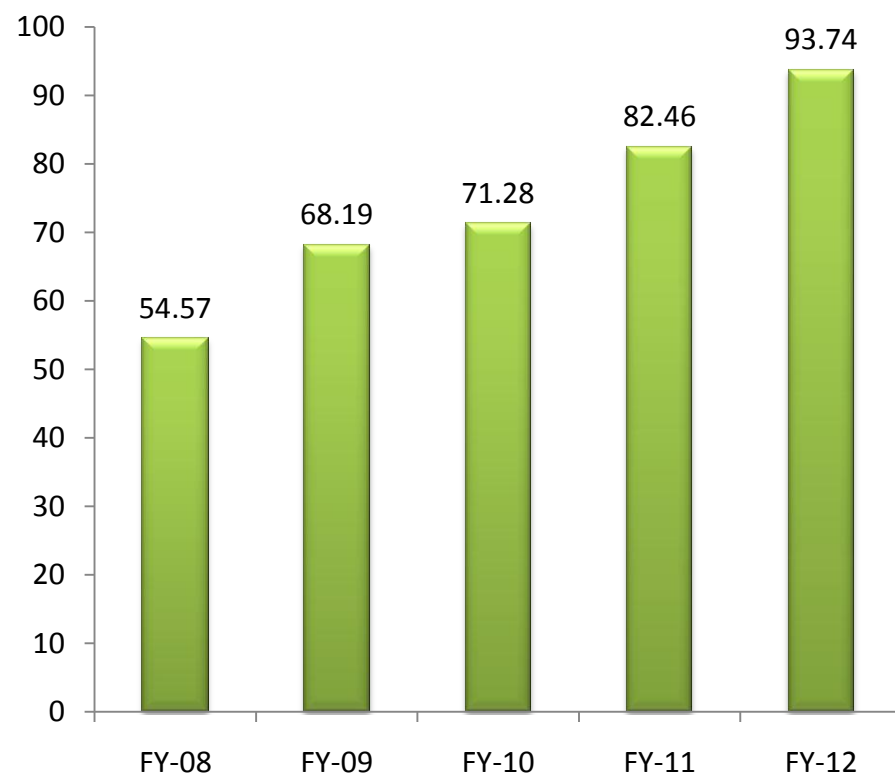
Average Business Per Branch

(₹ in Crores)



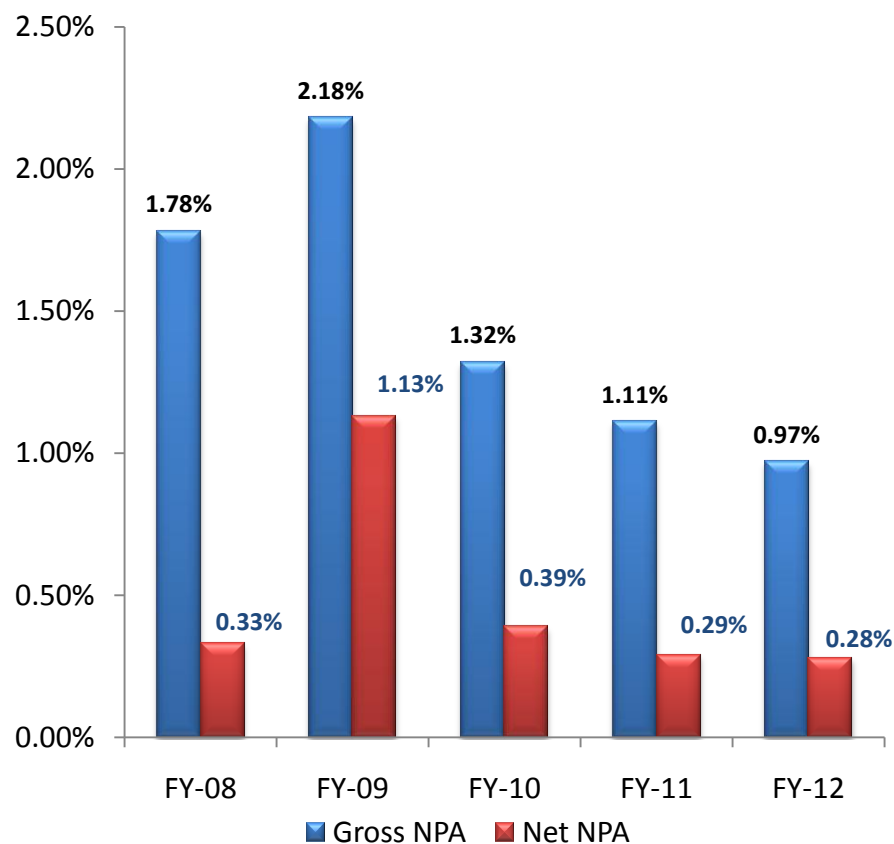
Operating Profit Per Branch

(₹ in Lakh)

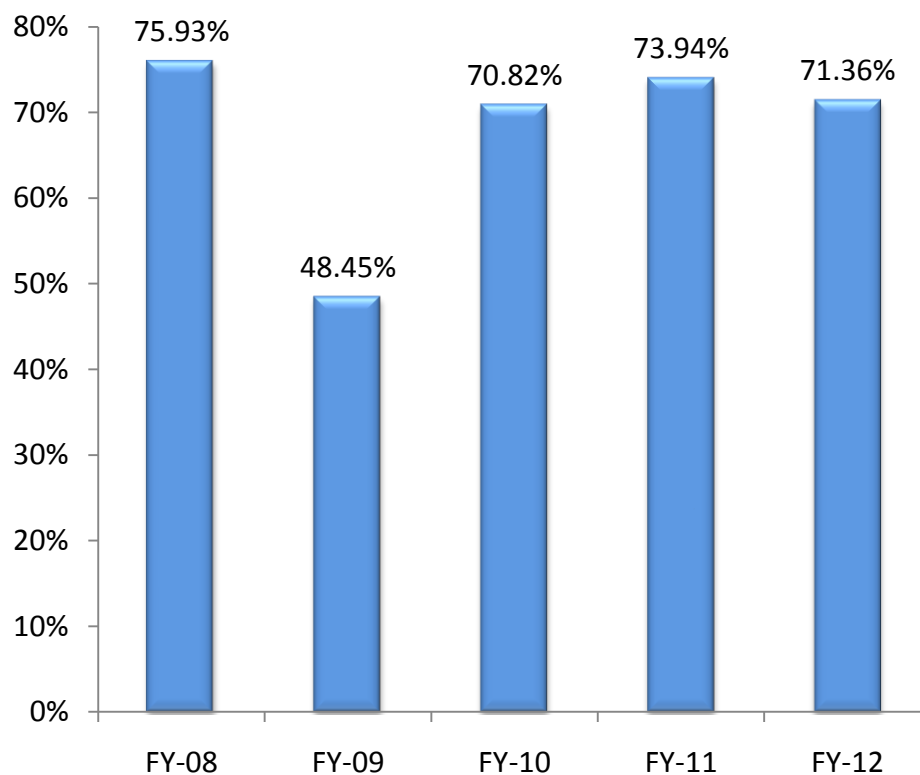


Asset Quality for the year ended March

Gross NPA & Net NPA(%)



Provision Coverage



Asset Quality

(Amount in ₹ crore)

Change in Gross NPA & Net NPA	Year ended 31/03/2012	Year ended 31/03/2011
Gross NPA	267	230
Gross NPA (%)	0.97%	1.11%
Net NPA	76	61
Net NPA (%)	0.28%	0.29%
Provision Coverage Ratio (%)	71.36%	73.94%

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

Break-up of Provision

(₹ in Crore)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
For NPA advance	21.04	27.74
For Depreciation on Investments	14.07	9.37
For NPA investment	-0.69	0.26
For standard assets	39.75	21.60
For income tax	170.69	152.94
For Restructured advances	4.01	-0.05
General Provision	0	20
Other impaired assets	2.79	0.84
Other (ADWDRS)	-1.80	0
Total Provisions and Contingencies	249.86	232.70

Performance Highlights

(₹ in Crore)

Performance Highlights	Year ended Mar-11	Jun-11	Sep-11	Dec-11	Year ended Mar-12
CRAR Basel 2 (%)	14.01%	13.51%	13.48%	12.03%	14.00%
Return on Assets (Annualised)	1.05%	1.02%	1.05%	1.06%	1.12%
NIM (%)	3.10%	2.80%	3.00%	3.05%	3.10%
Gross NPA's	230	236	230	234	267
Net NPA	60	63	58	58	76
Gross NPA (%)	1.11%	1.07%	0.99%	0.94%	0.97%
Net NPA (%)	0.29%	0.29%	0.25%	0.24%	0.28%
Provision Coverage	73.64%	73.15%	74.70%	75.18%	71.36%
CASA	6404	6790	7038	7280	7179
CASA %	21.55%	21.47%	21.30%	21.51%	19.67%
Deposits	29721	31622	33038	33834	36501
Advances	20799	22151	23348	25050	27635
Yield on advances	10.90%	11.75%	12.11%	12.30%	12.50%

FUTURE STRATEGY



Way Forward

1

Enhancing income
from Technology
products, Treasury,
Forex and gold
coins

2

Ramping up low
cost as well as
retail liabilities
franchise

3

Enhancing
productivity per
branch/per
employee

Key Focus

Aims to increase total business mix to ₹ 1.25 lakh Crore by March 2015.

Enhancing income from Technology products, Treasury, Forex and gold coins

Ramping up low cost as well as retail liabilities.

Enhancing productivity per branch/per employee



IMPORTANT NOTICE

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 Important Notice 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.



THANK YOU