

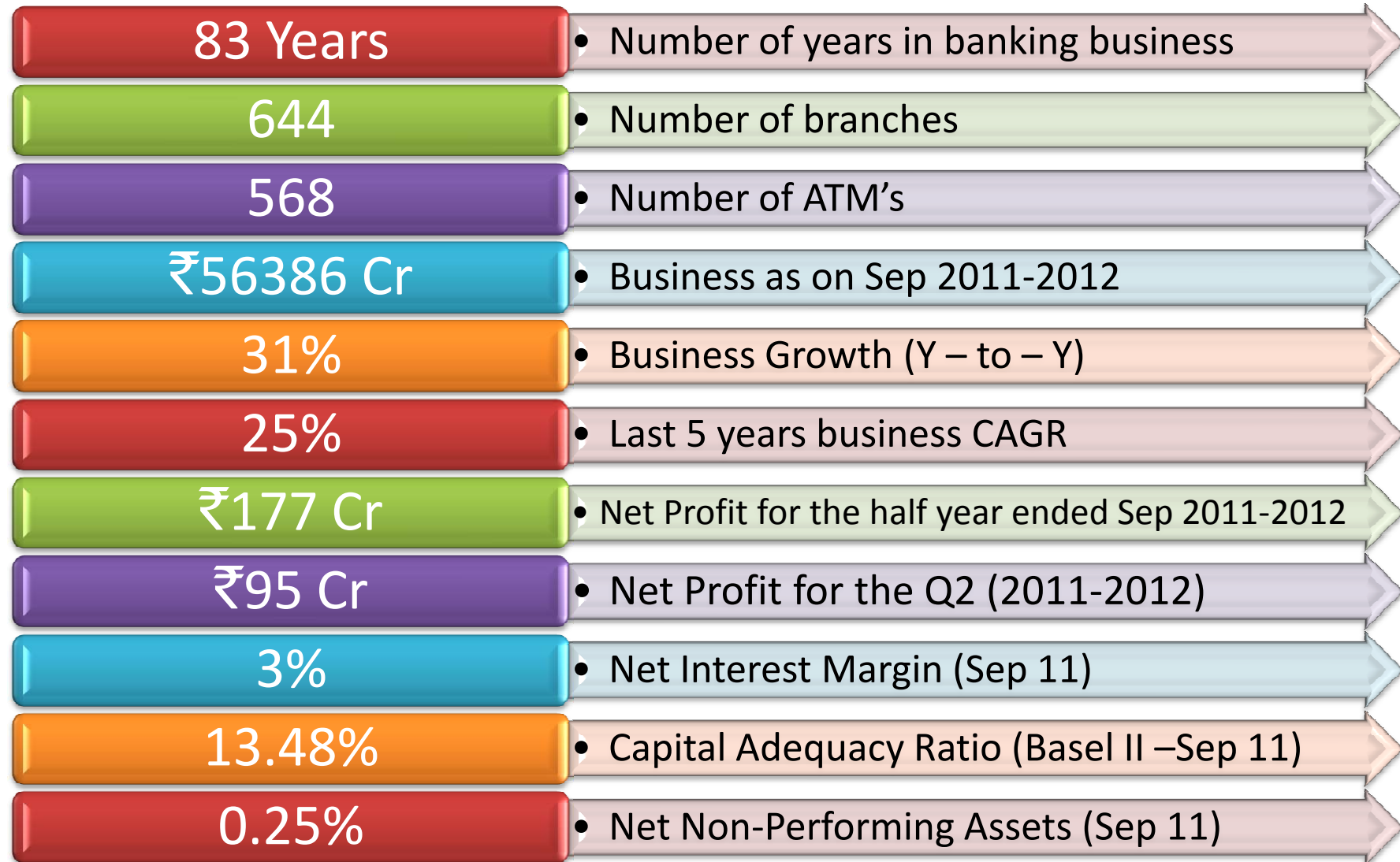


INVESTOR PRESENTATION

SEP 2011



South Indian Bank... At A Glance



History &
Background

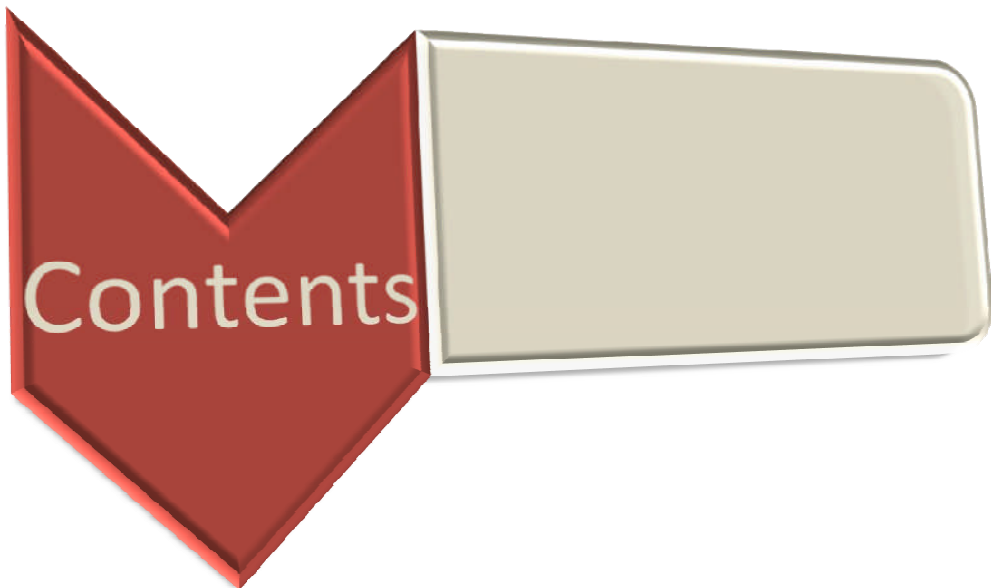
Overview

Q&A/IGM

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

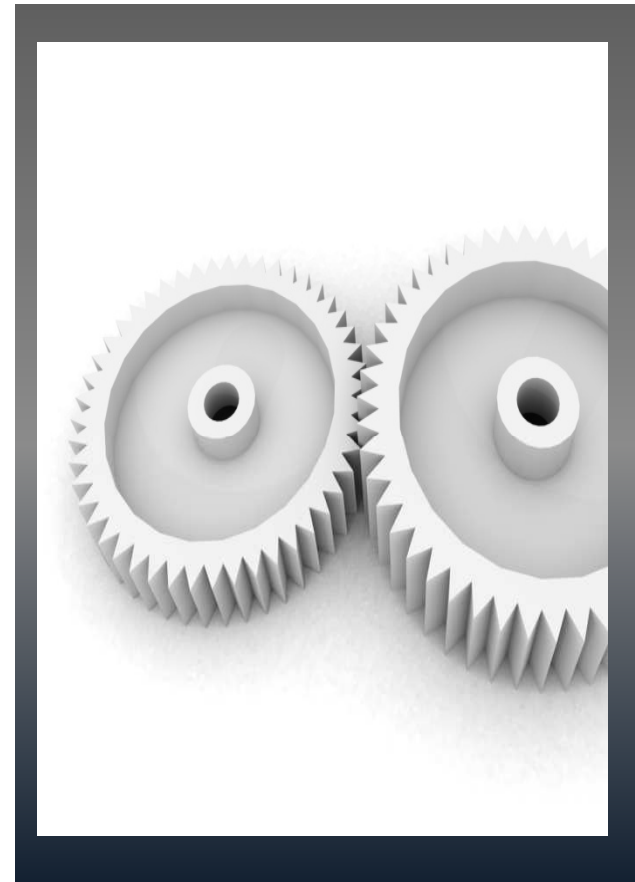
First among private sector Banks in Kerala to become a SCB in 1946.

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. successful 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 Chalisery

Sri Mathew L Chakola

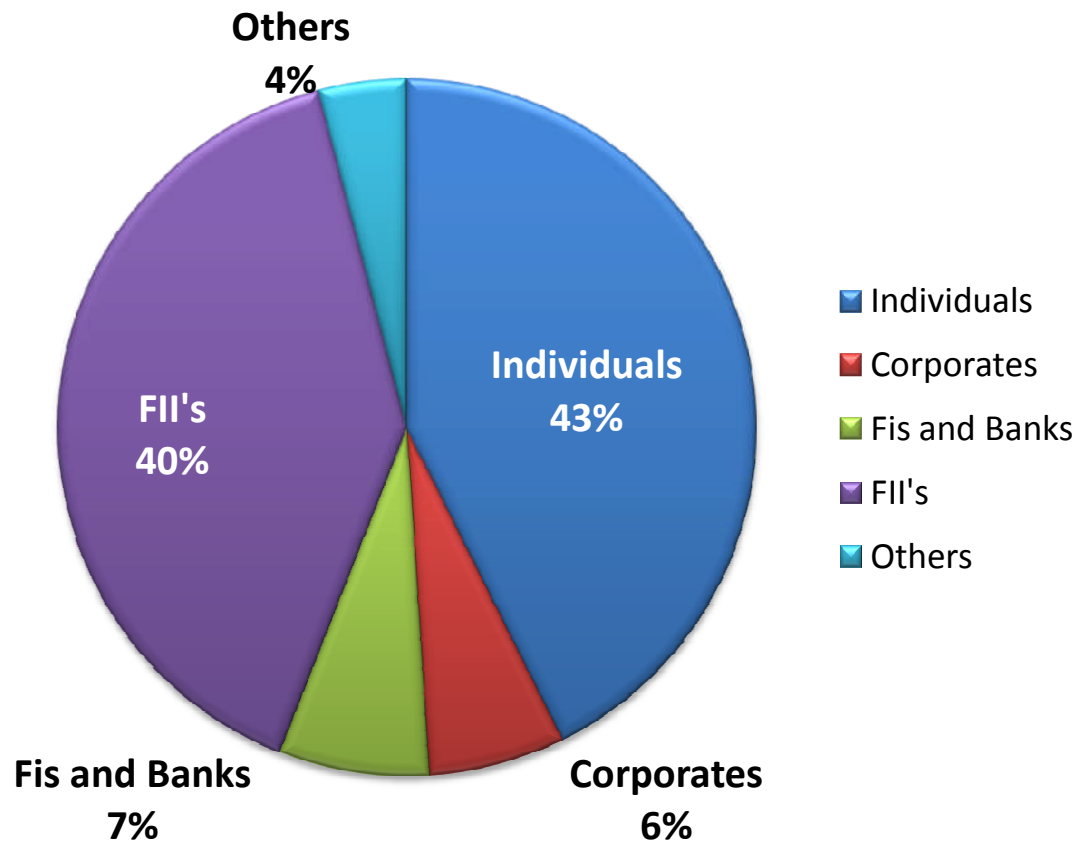
Dr. N J Kurian

Sri Mohan E Alapatt

Sri K. Thomas Jacob

Sri H. Suresh Prabhu

Shareholding Pattern – as on 30.09.2011



Diversified shareholding & tradition of good corporate governance practices

Vision & Mission

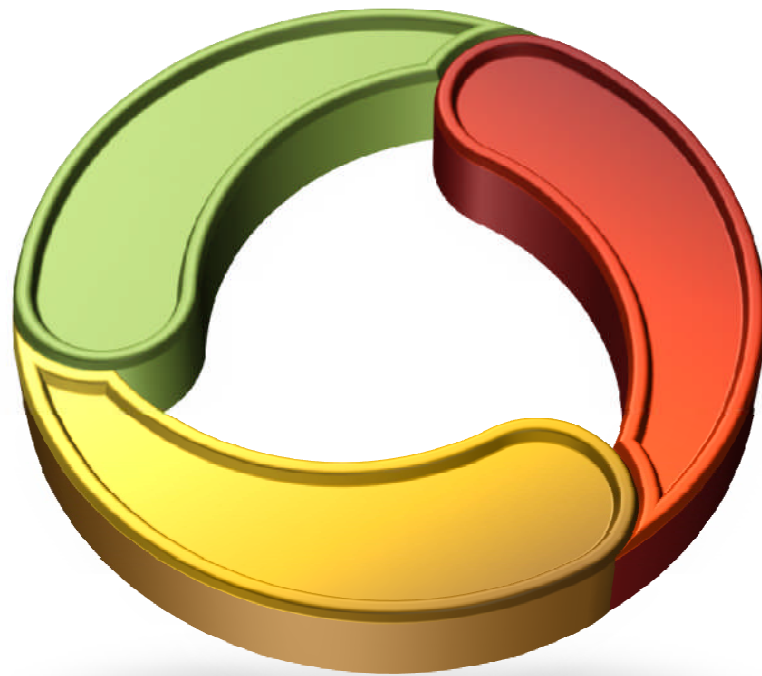


CORPORATE VISION

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

SIB

Healthy Fundamentals

- Adequately Capitalised;
- 13.48% CRAR & 10.80% Tier 1 ratio
- Asset Quality;
- 0.99% GNPA's & 0.25% NNPA's
- 74.70% NPA Coverage ratio
- 17.53% ROE, 1.05% ROAA
- Over 85% secured loan book

SIB

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

SIB

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.

SIB

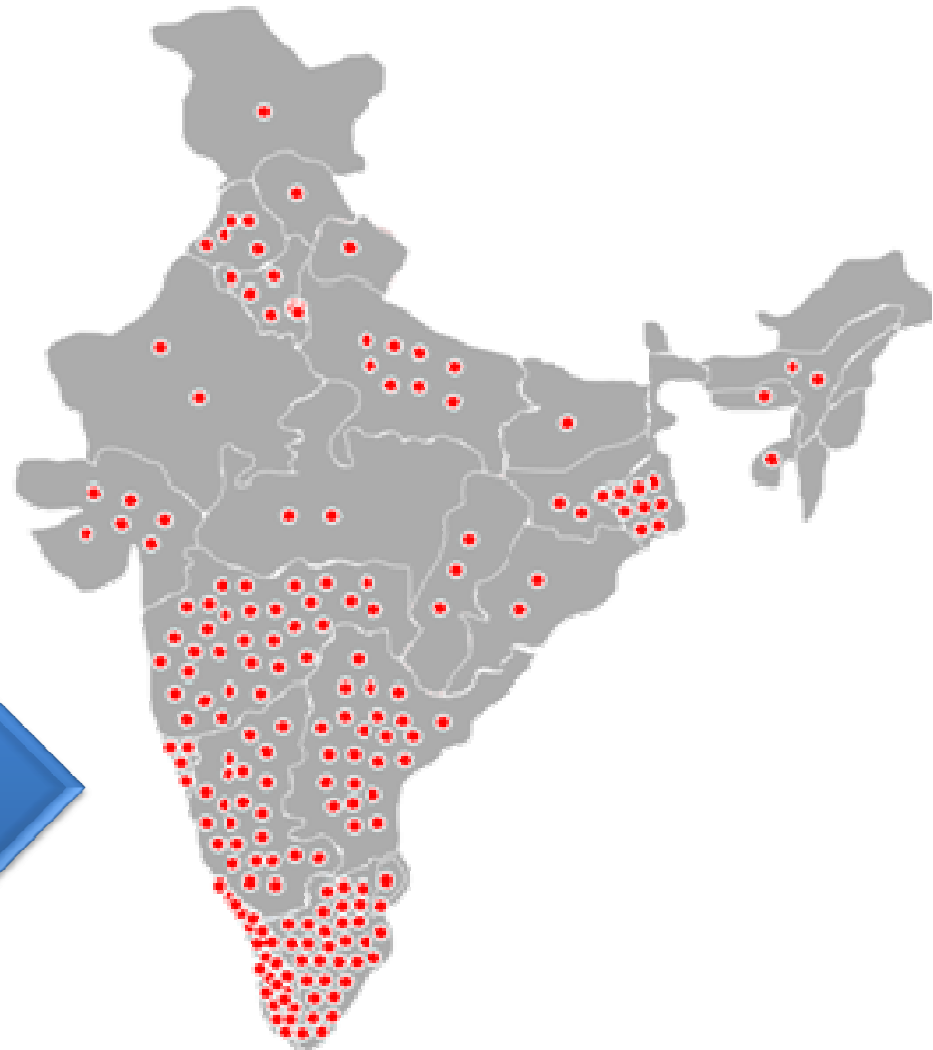
Key Competitive Advantage

- 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 20% of the loan book.

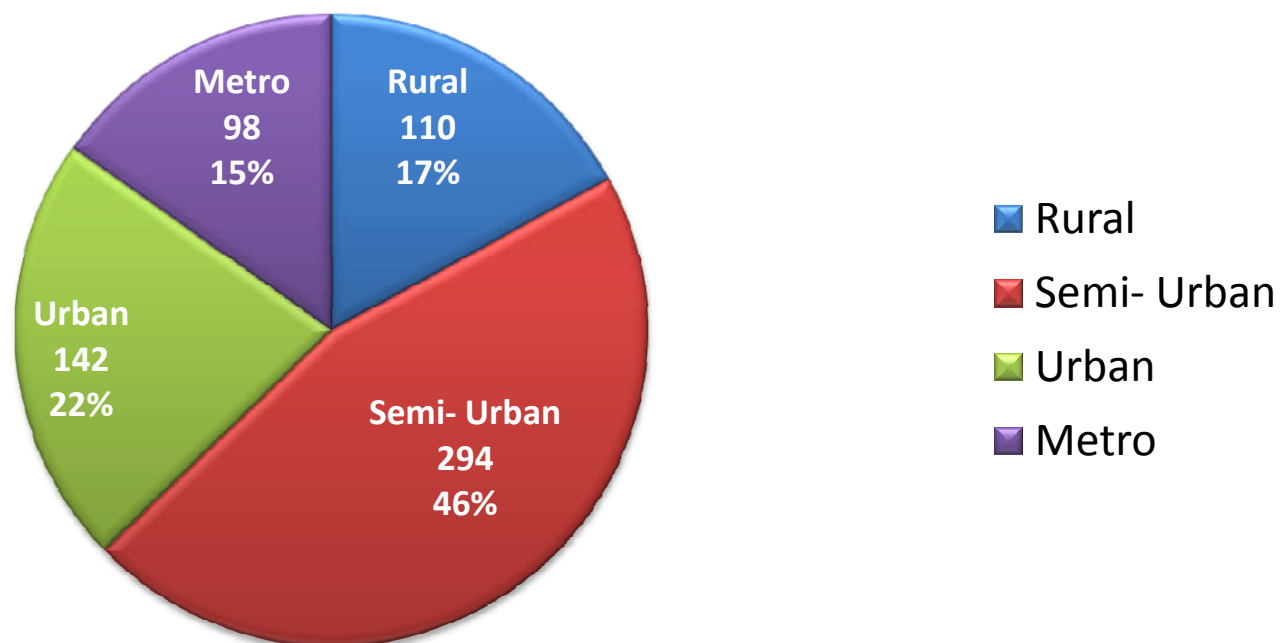
Vast and Rapidly Growing Branch Network

Spread of
Branches

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



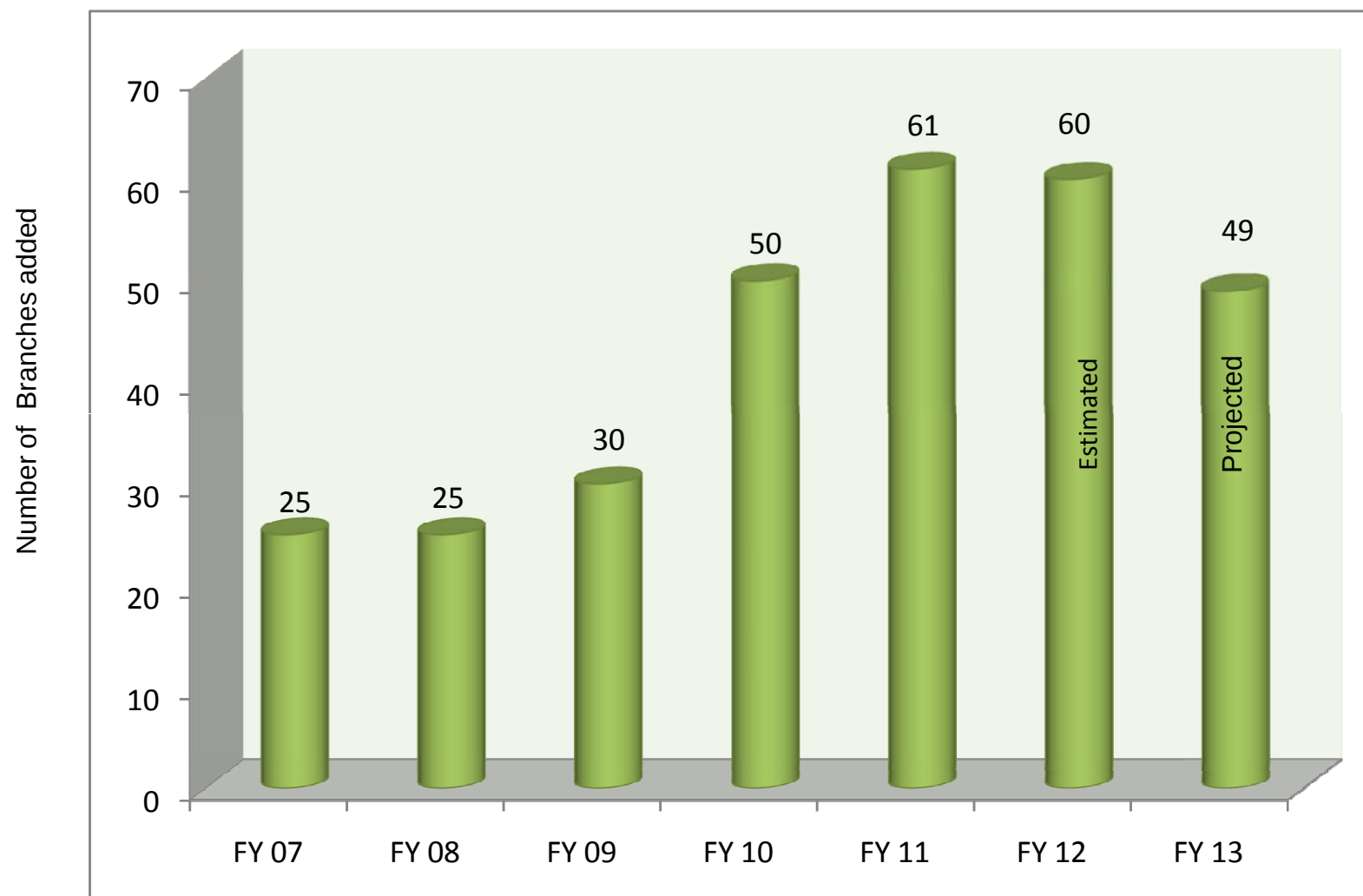
Branch Network – Category wise as on Sep 11



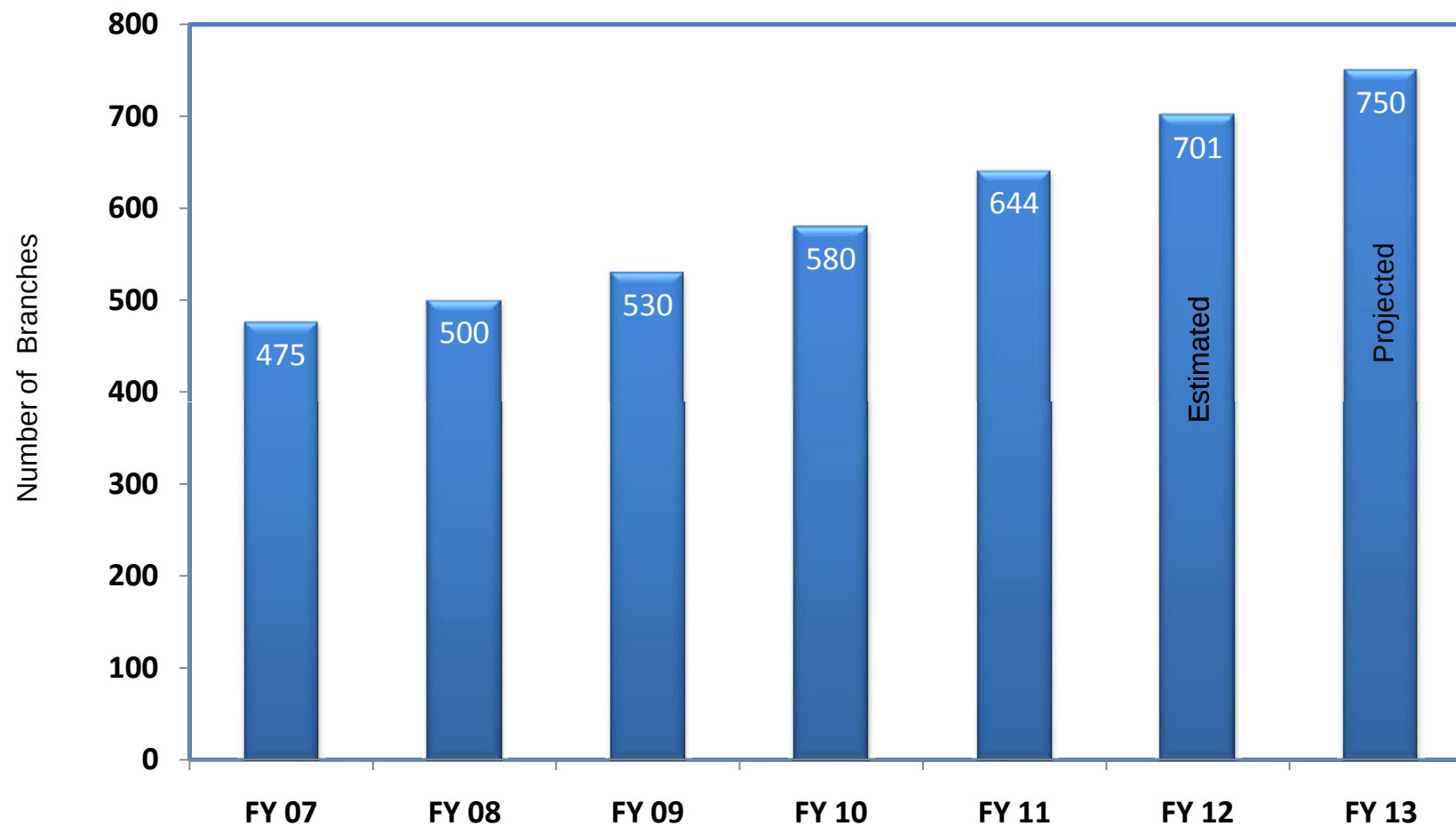
State wise distribution of Branches – Category wise as on Sep 11

STATES	No: of Branches	STATES	No: of Branches
KERALA	361	JHARKHAND	2
TAMIL NADU	115	MADHYA PRADESH	2
KARNATAKA	37	ORISSA	2
ANDHRA PRADESH	29	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

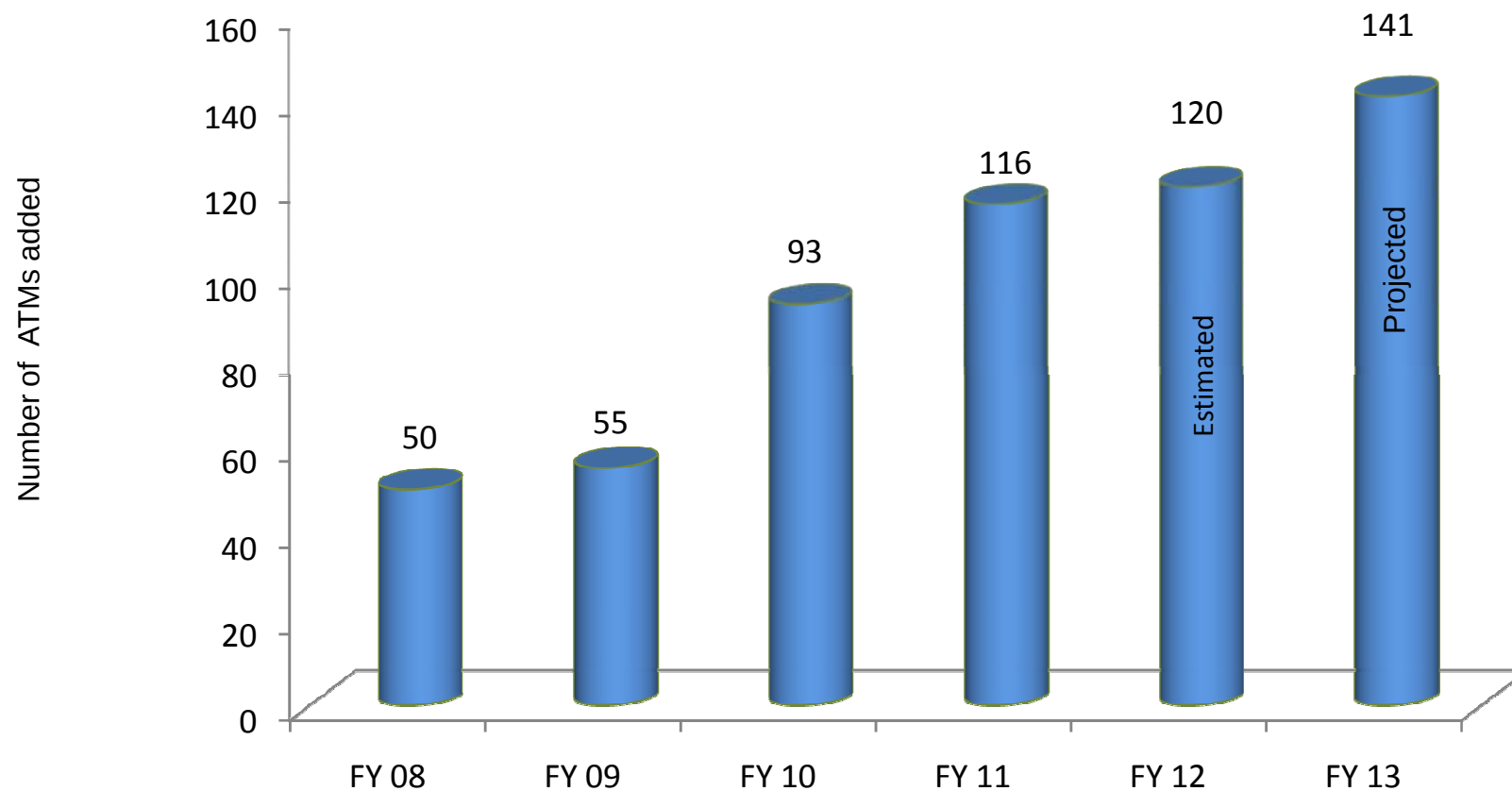
Network Expansion(Number of branches added)



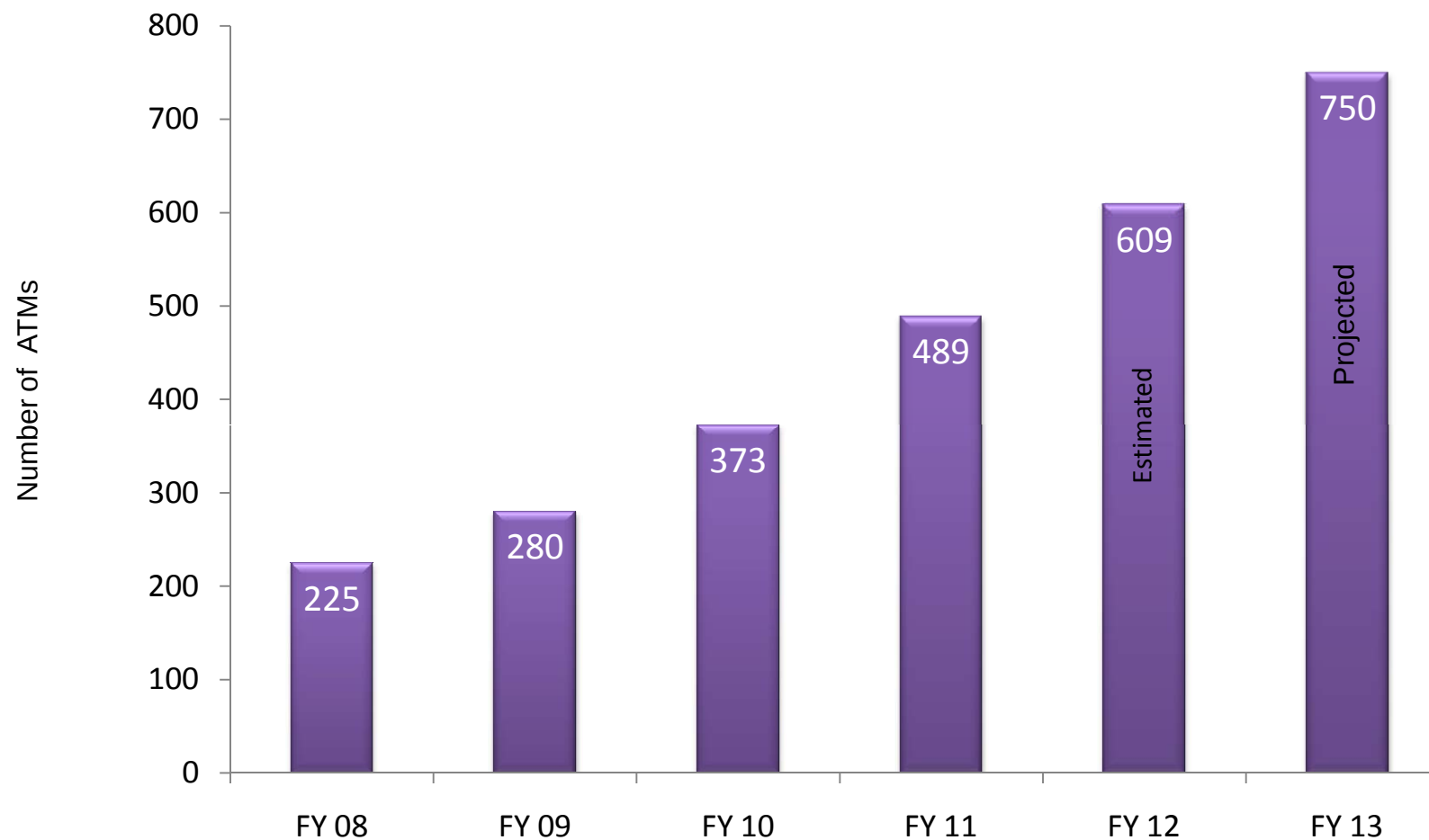
Branch Network – as on Sep 11



Network Expansion(Number of ATMs added)



ATM Network – as on Sep 11



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	Sep 11
Number of Business Correspondents (BCs) appointed	0	7	25
Number of villages with population above 2000 provided with banking facility (Rural branches & BCs)	107	117	135
Number of rural households covered	2.46 Lakh	2.47 Lakh	2.65 Lakh
Number of 'No-frills' accounts (including Students A/c)	6.83 Lakh	10.26 Lakh	11.39 Lakh
No-frills accounts - amount	64.06 crore	102.72 crore	134.44 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)

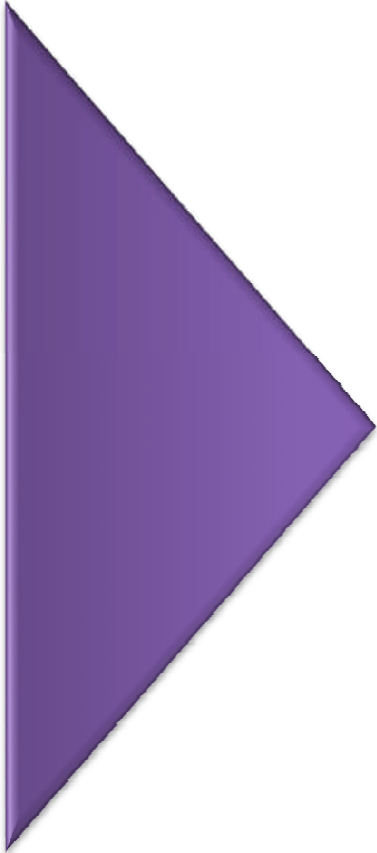
- Improve the remittance flow to India and Sri Lanka

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”

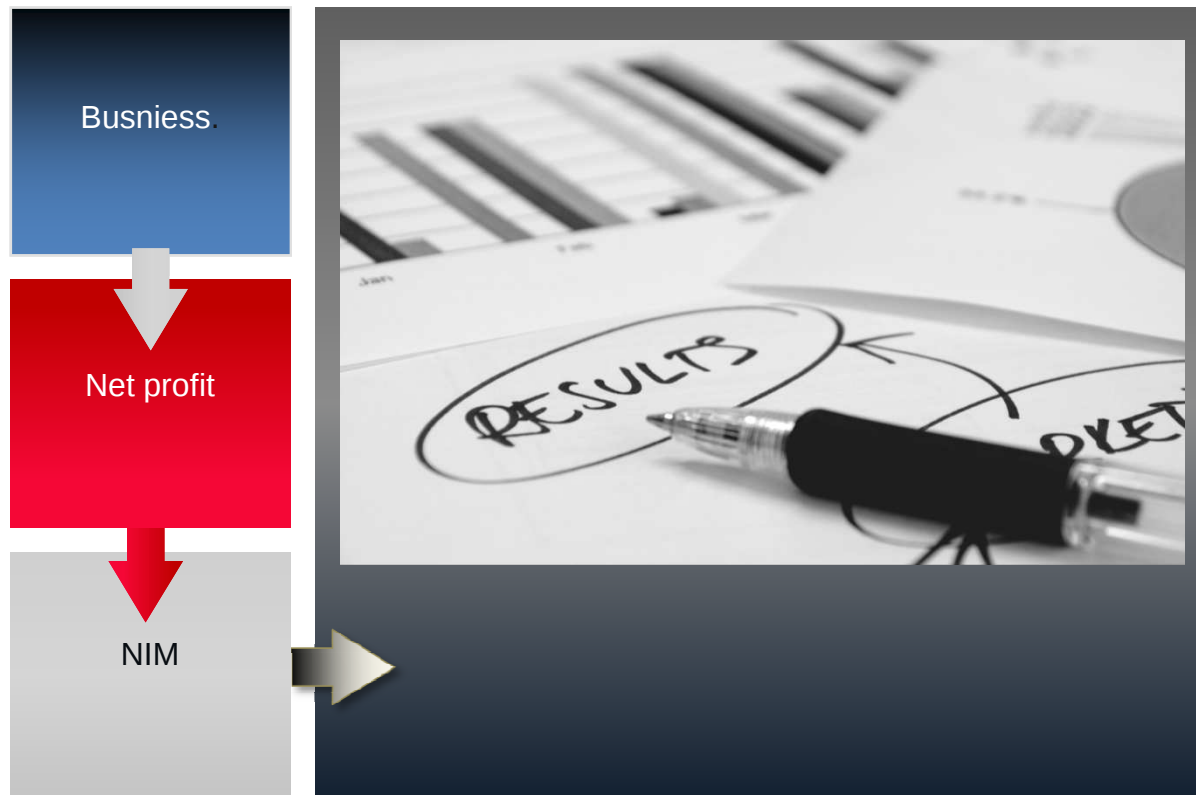
Best Asian Banking Website - Asian Banking & Finance Magazine, Singapore.

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.

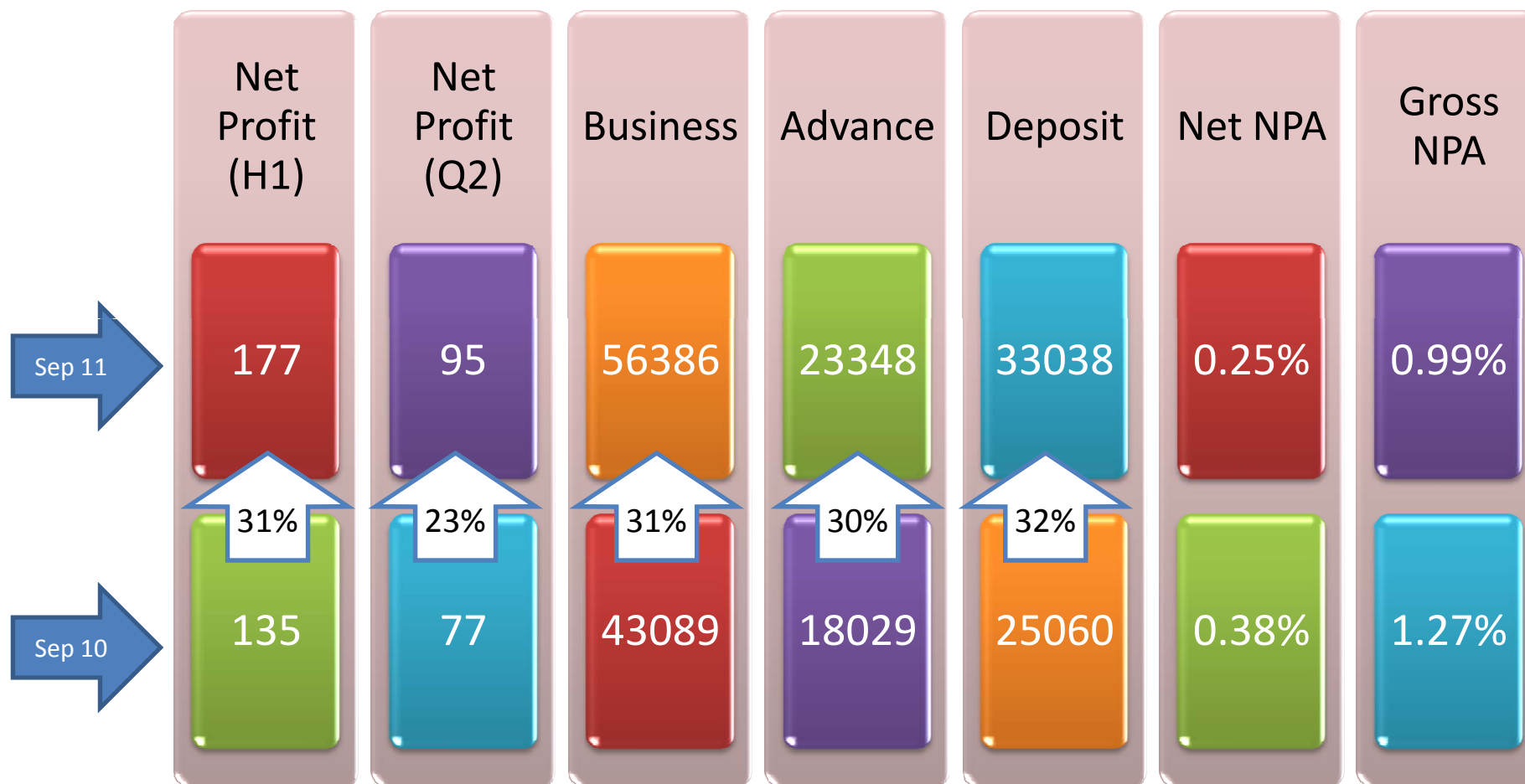
Best Website Award from Kerala Management Association

Business Performance

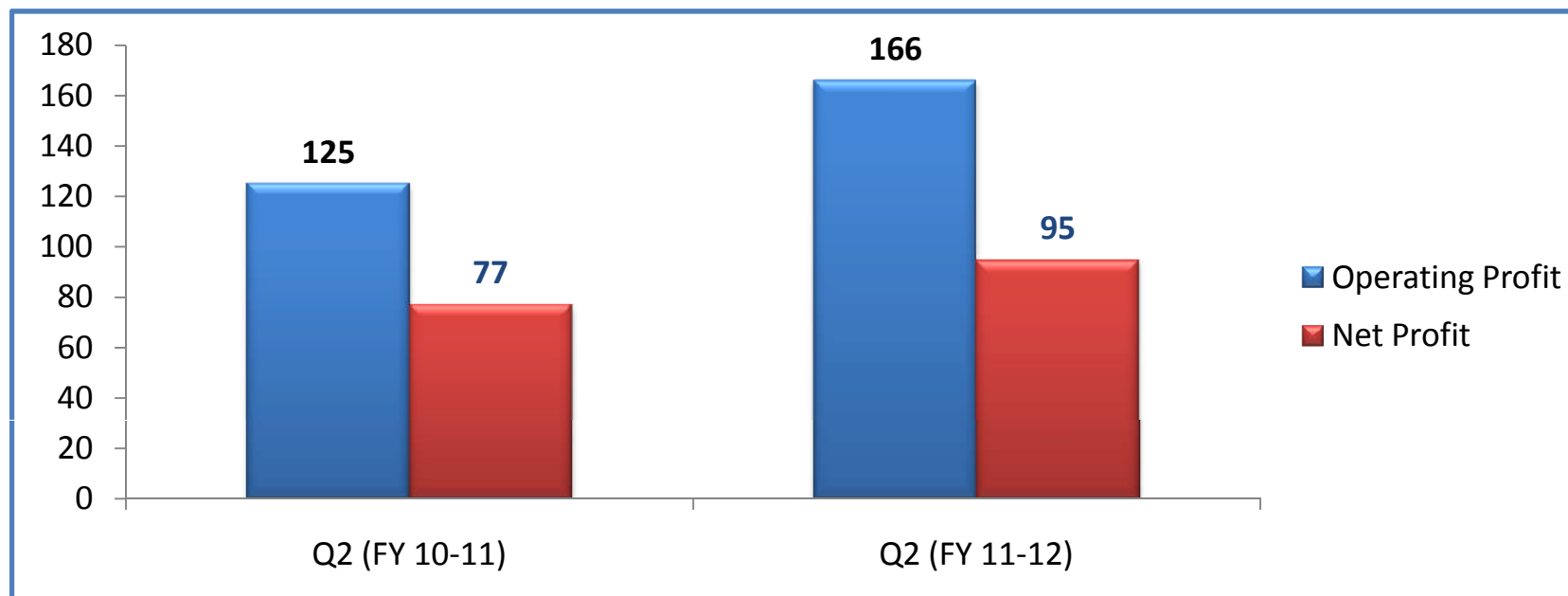


Financial Highlights – FY12 (1st Half)

(₹ in Crores)



Profitability– FY12 (Q2)



Year to Year Growth (Q2)

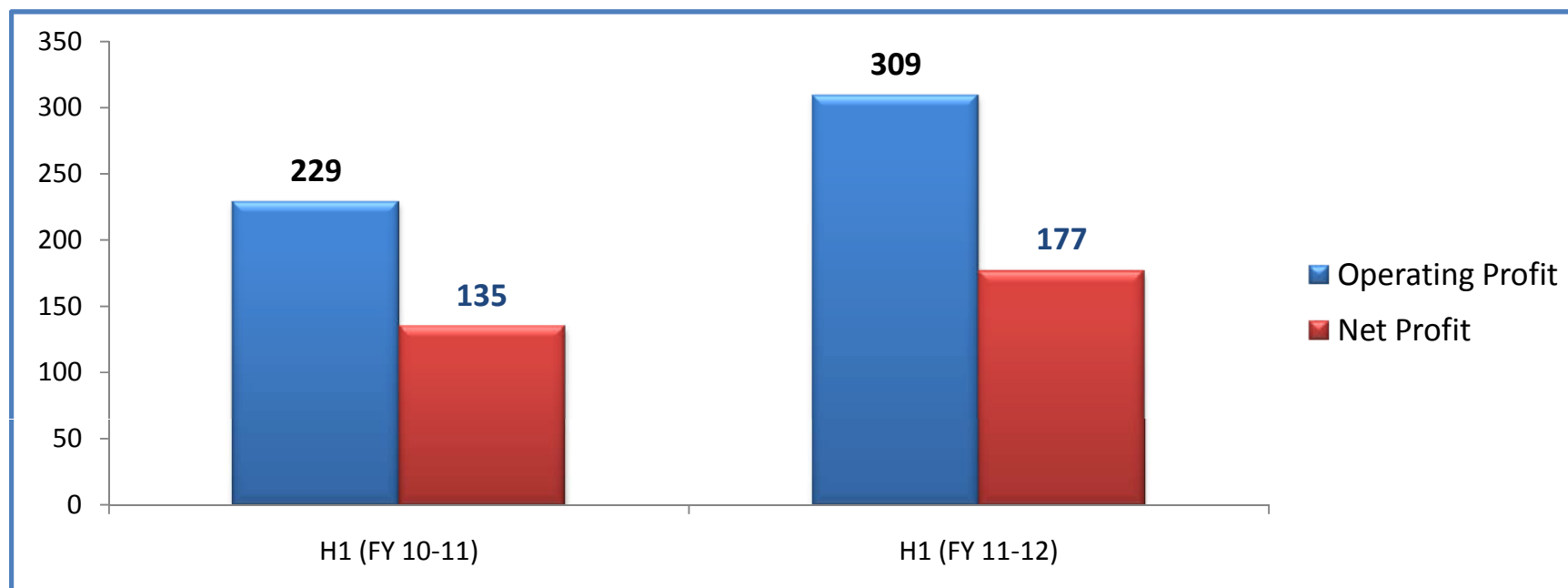
Operating Profit

↑ 33%

Net Profit

↑ 23%

Profitability– FY12(1st Half)



Year to Year Growth (1st half)

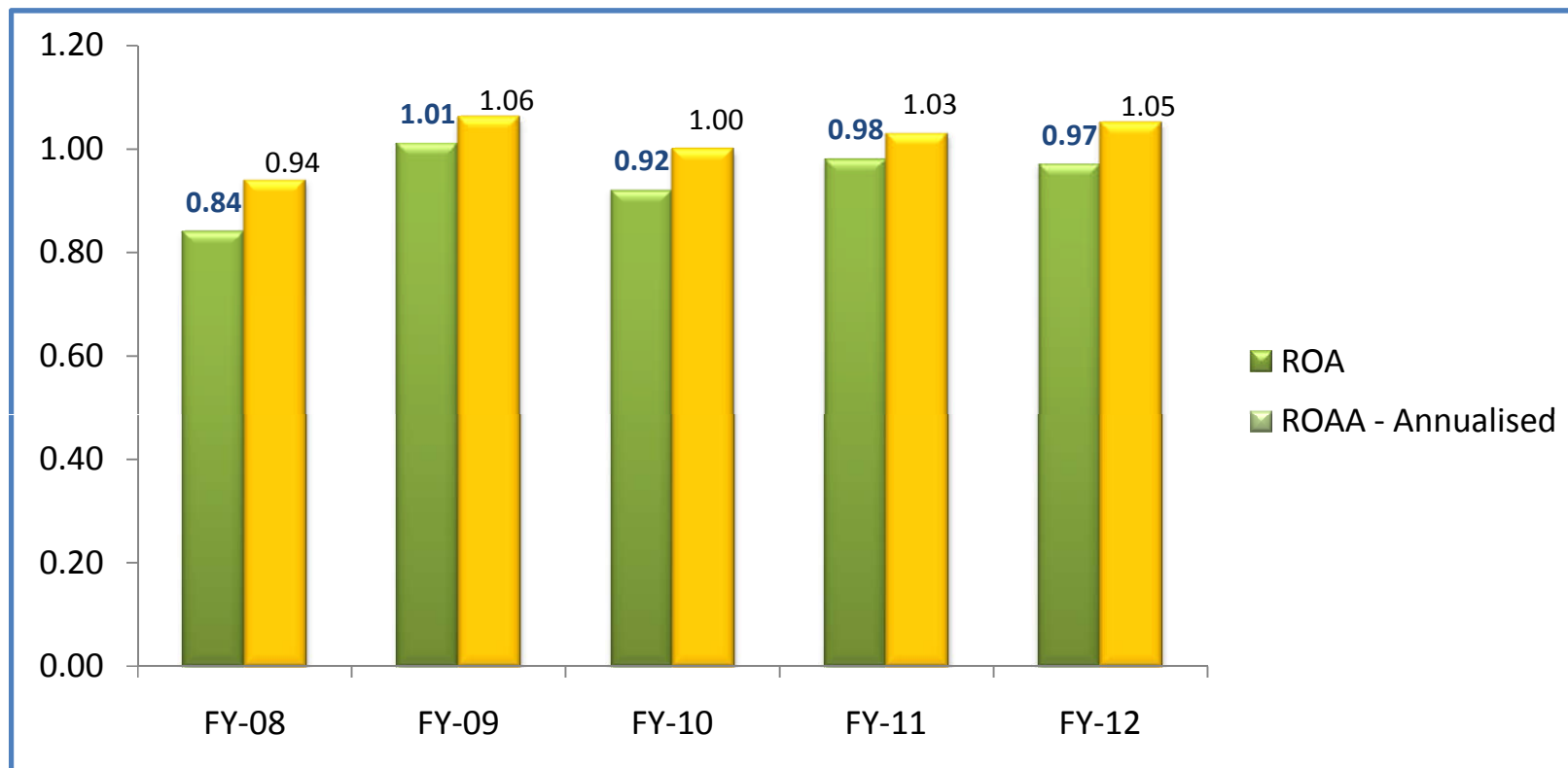
Operating Profit

↑ 35%

Net Profit

↑ 31%

Improved Quality of Earnings

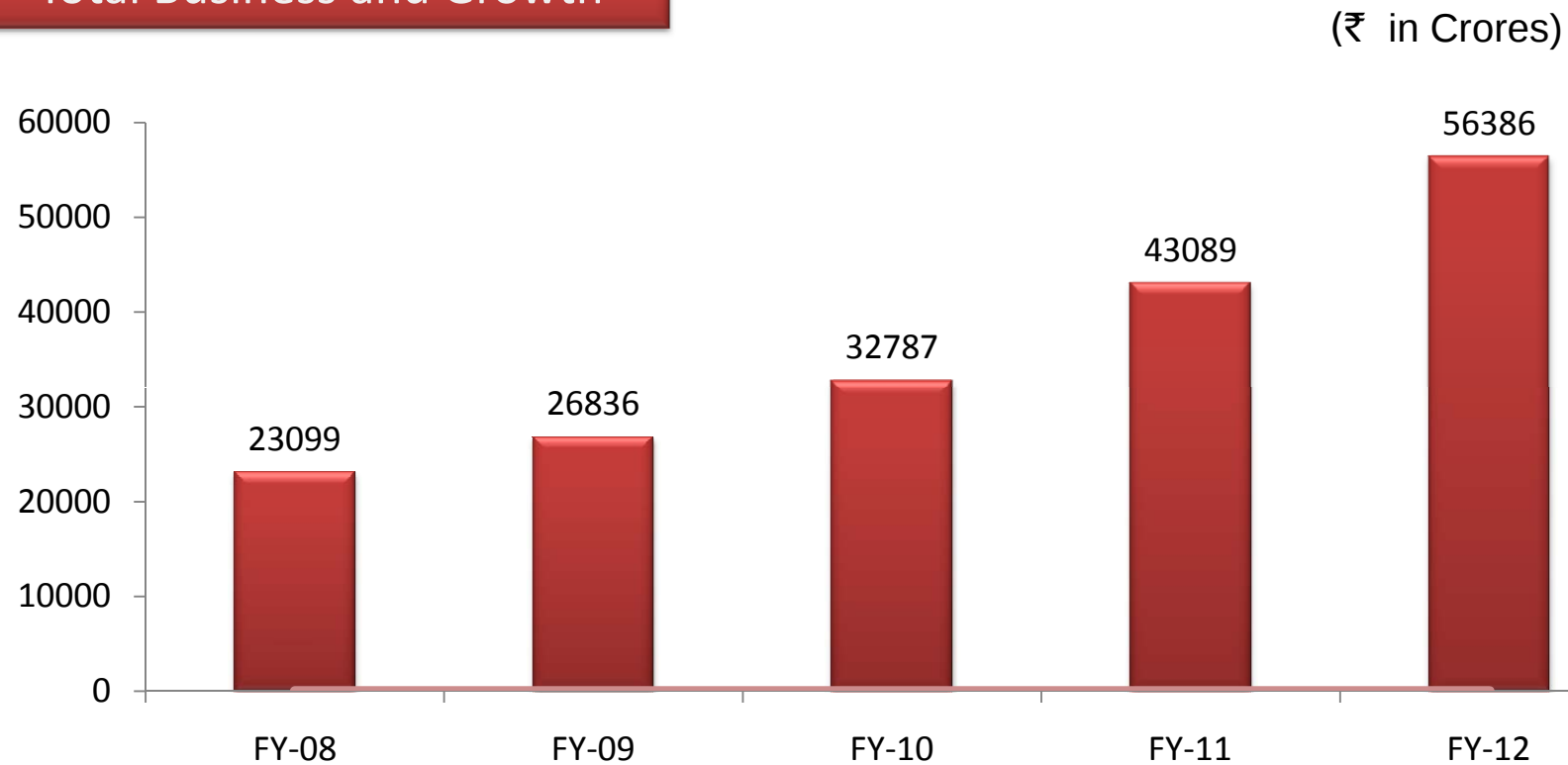


*ROA is annualised for the period

RoA coming mainly from Core Income

Business Trend as at 30th Sep

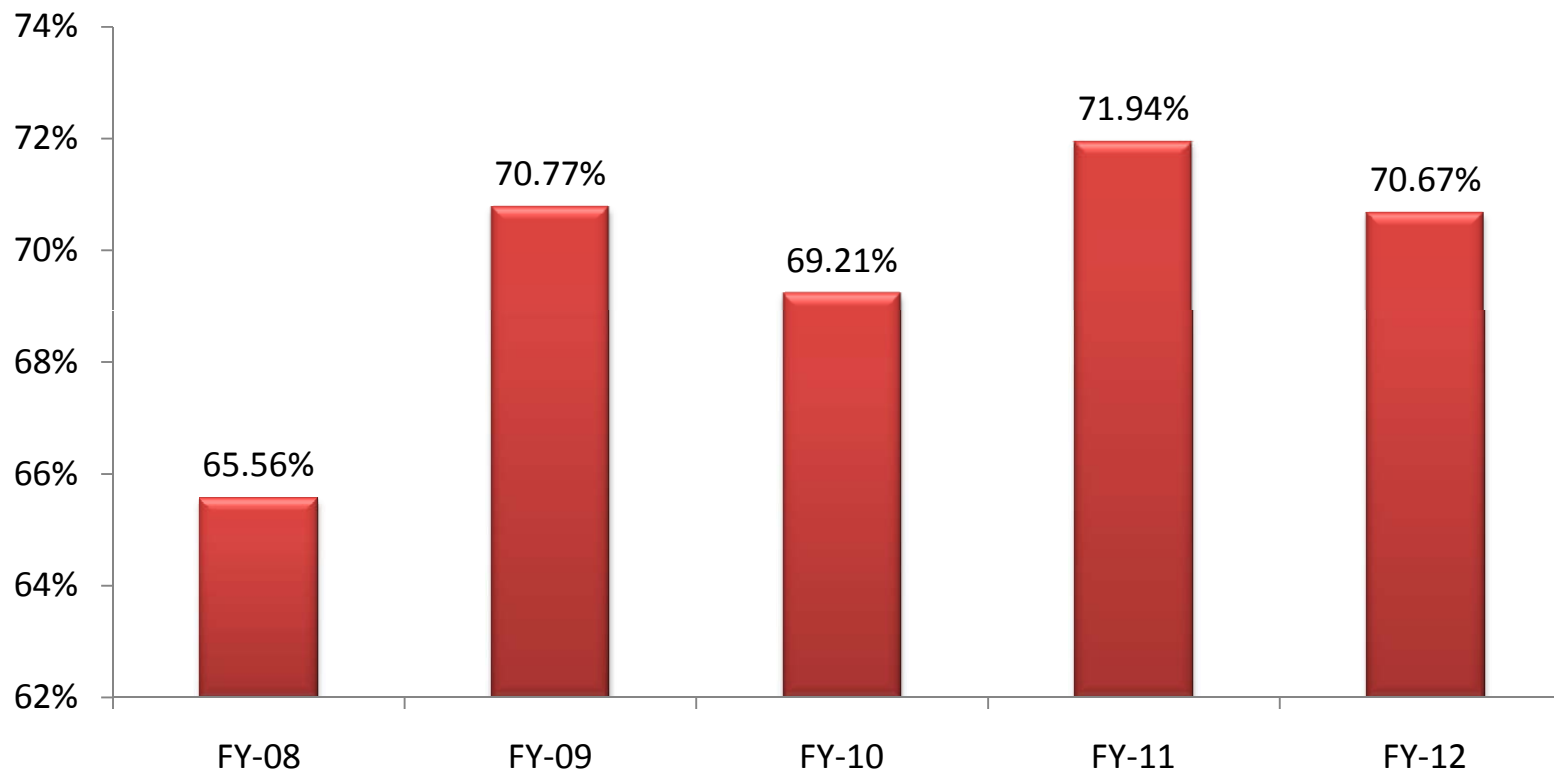
Total Business and Growth



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

Business Trend as at 30th Sep

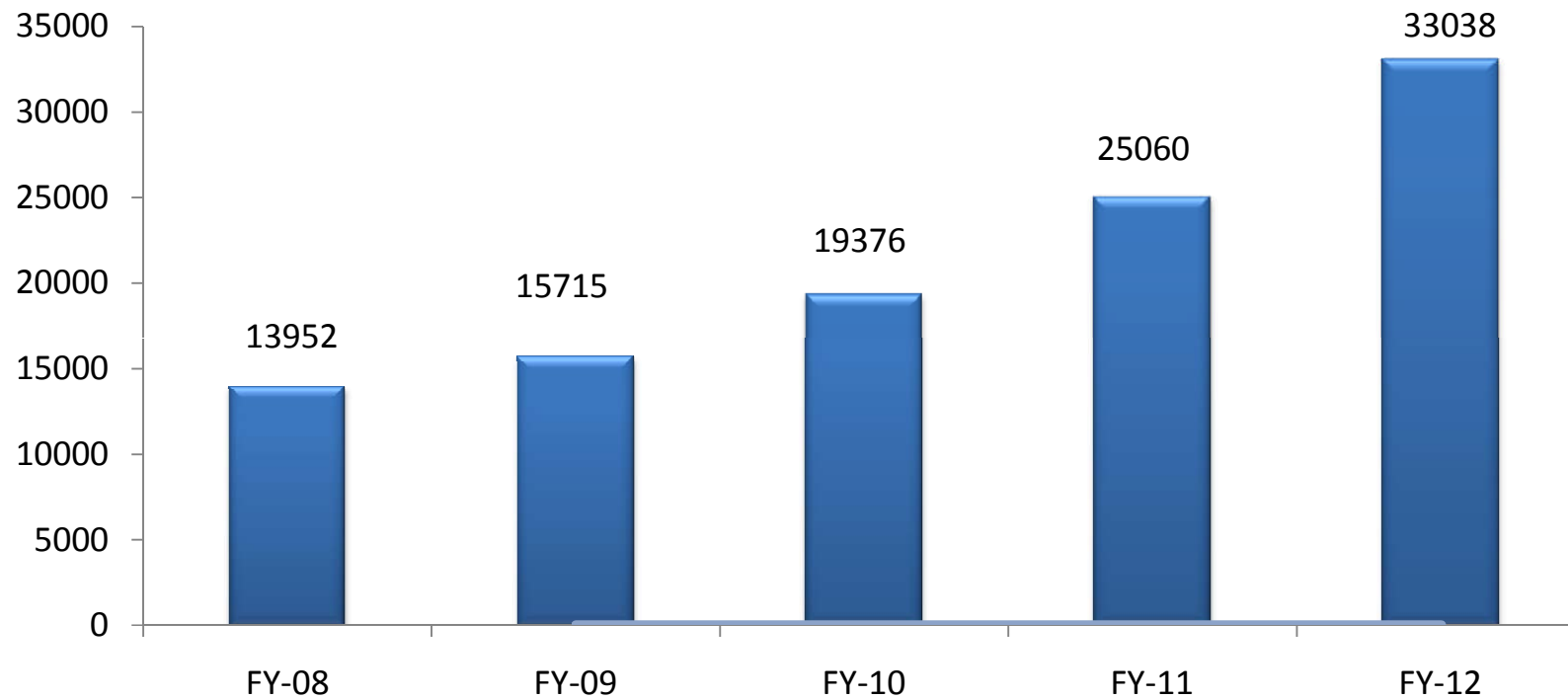
Gross Credit Deposit Ratio



Deposits as at 30th Sep

Growth in Deposits

(₹ in Crores)

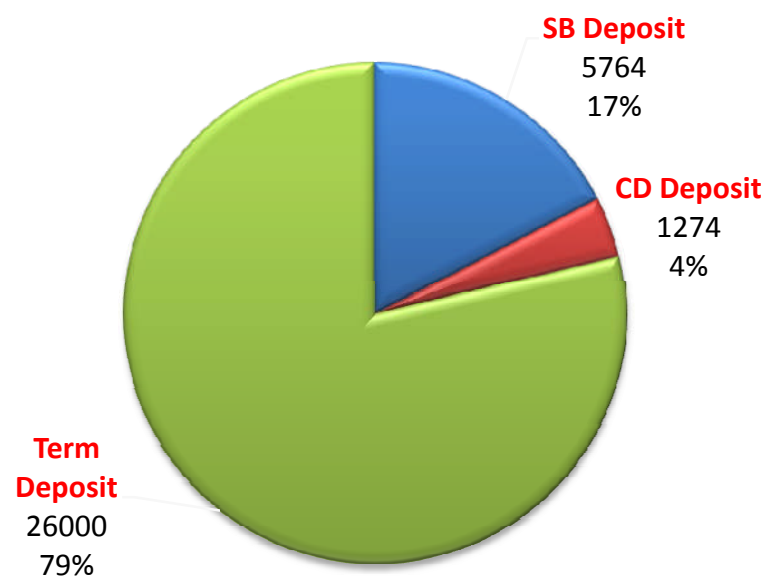


Deposits increased @ 32% growth rate

Deposits – Composition and Trend

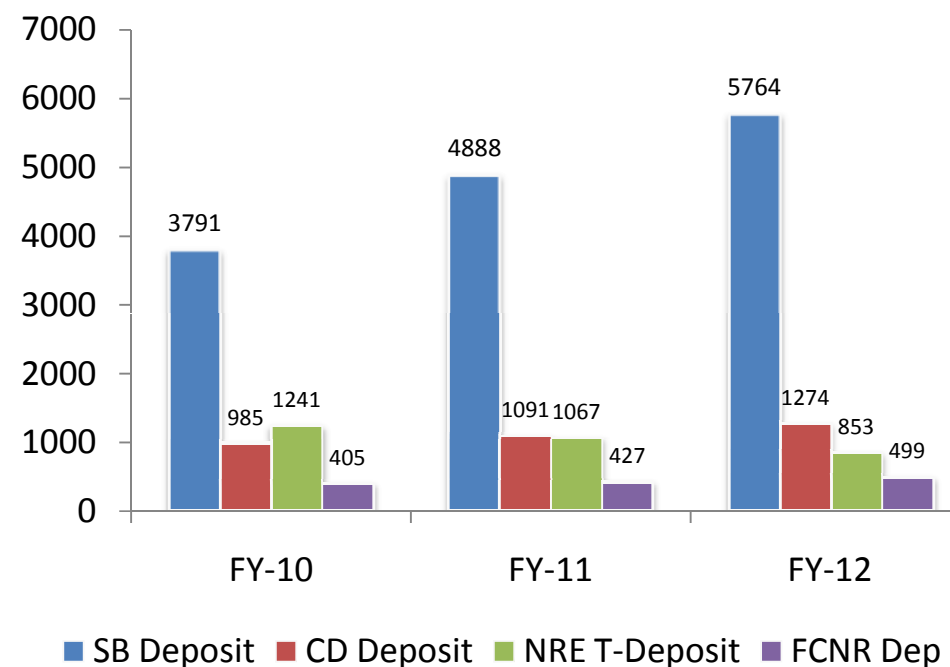
Composition of Deposits

(₹ in Crores)



Annual Trend in Low cost deposits

(₹ in Crores)

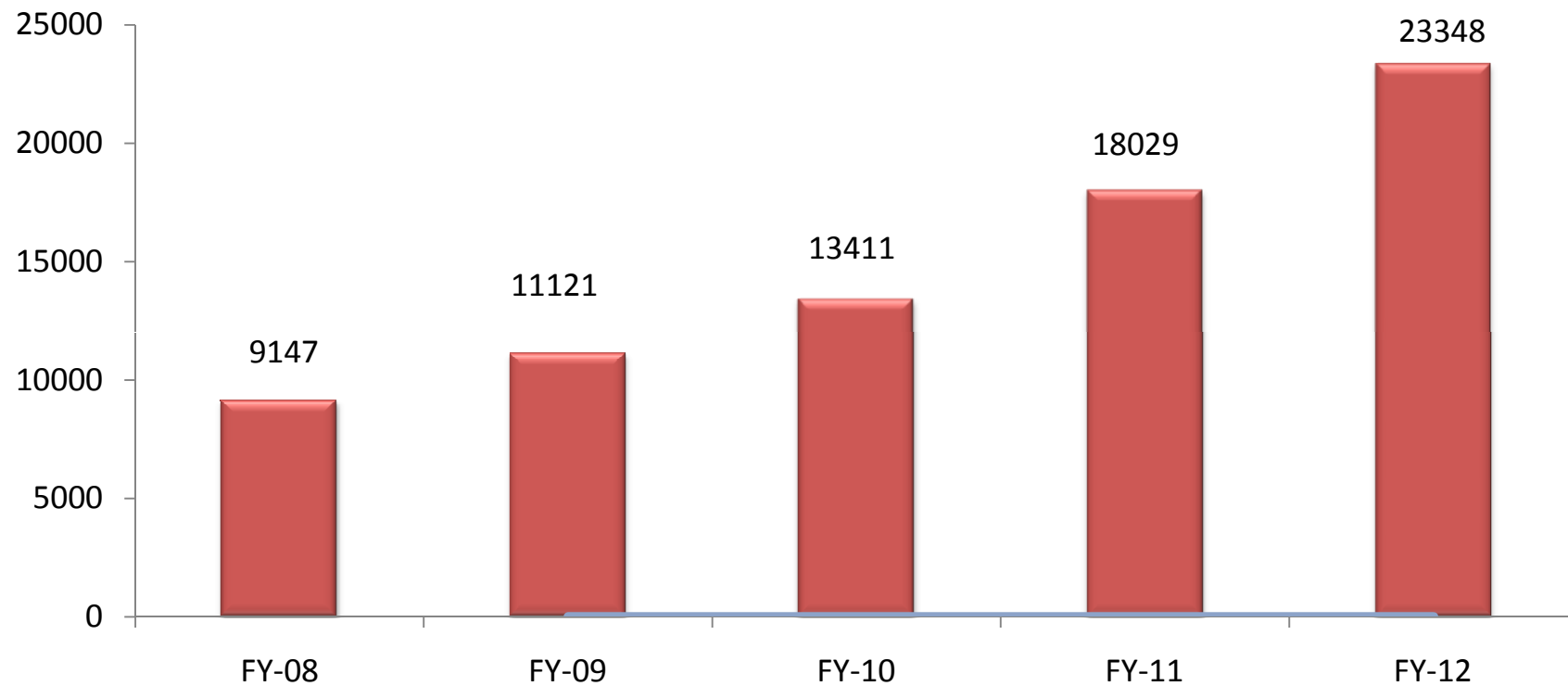


Low Cost deposits form 26% of total deposits.

Advances as at 30th Sep

Growth in Advances

(₹ in Crores)



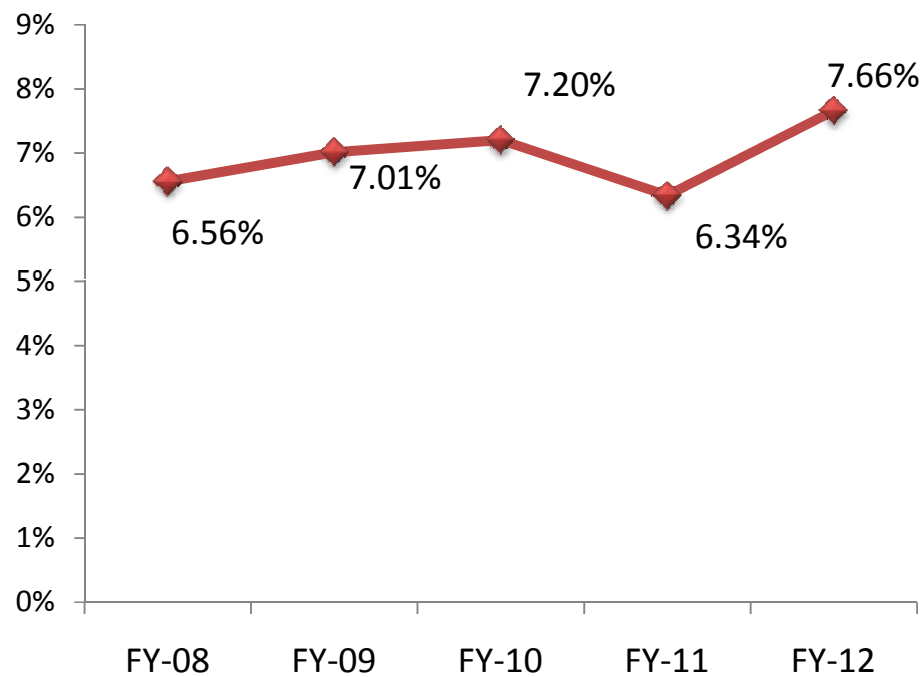
Advances increased by 30% (Y-to- Y)

Advances – Composition (Sep 2011)

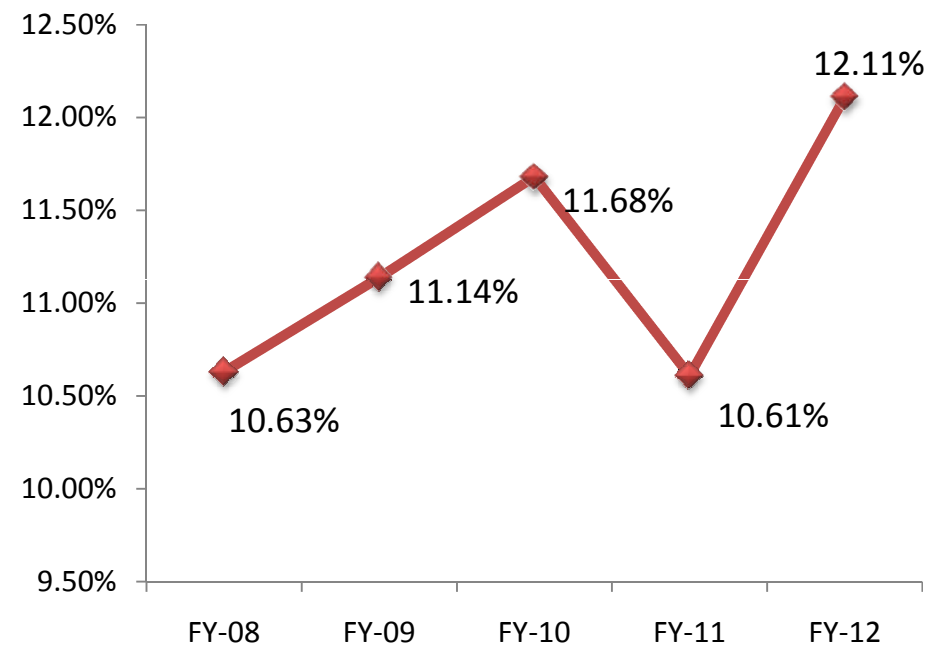
Sector	Upto 5 Crores	Above 5 Crores	Total	% to total
Agriculture	2931.13	302.74	3233.87	13.85%
MSME	1570.26	737.74	2308.00	9.89%
Large Scale Industries	503.36	2951.94	3455.30	14.80%
Housing	1159.22	416.04	1575.26	6.75%
Commercial Real Estate	72.99	35.27	108.26	0.46%
NBFC	62.05	1032.31	1094.36	4.69%
Food Credit	0.00	362.60	362.60	1.55%
LC Bills	0.00	2815.63	2815.63	12.06%
Other	7535.09	859.40	8394.49	35.95%
Total	13834.10	9513.67	23347.77	100.00%

Trend in Cost & Yield

Trend in Cost of Deposits – Half Yearly

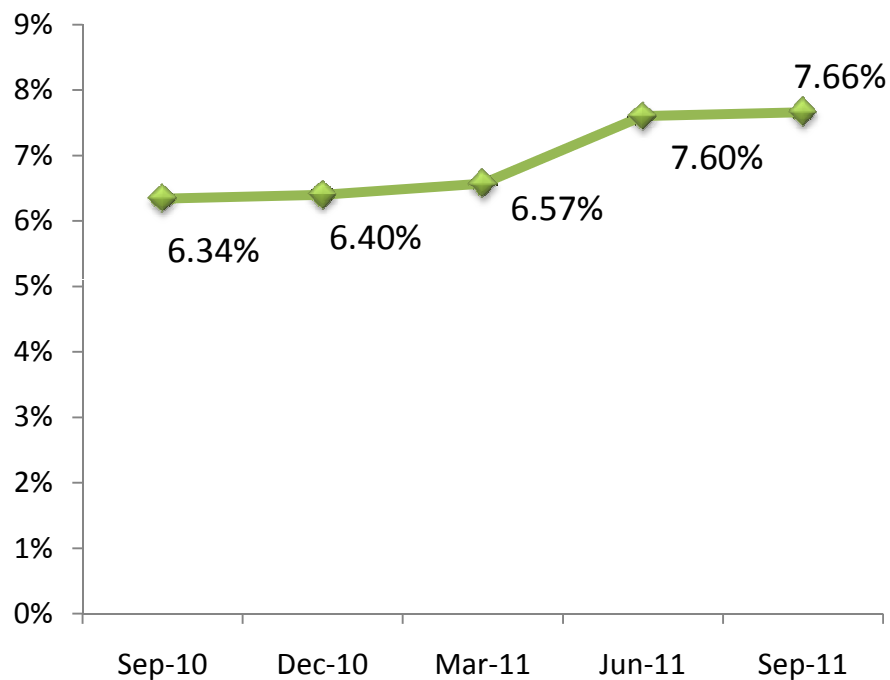


Trend in Yield on Advances- Half Yearly

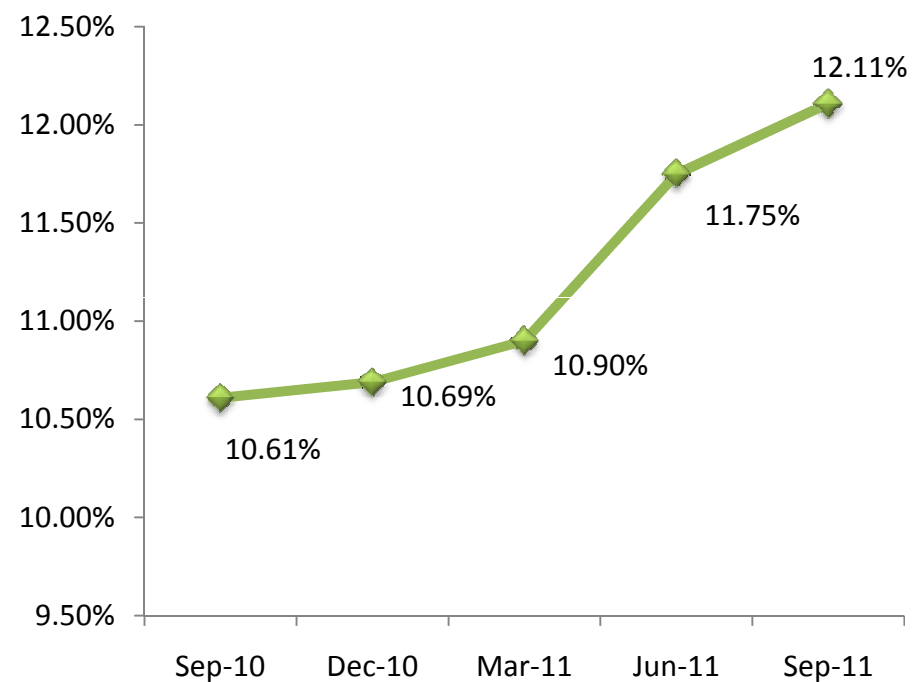


Trend in Cost & Yield

Trend in Cost of Deposits - Qtrly



Trend in Yield on Advances - Qtrly

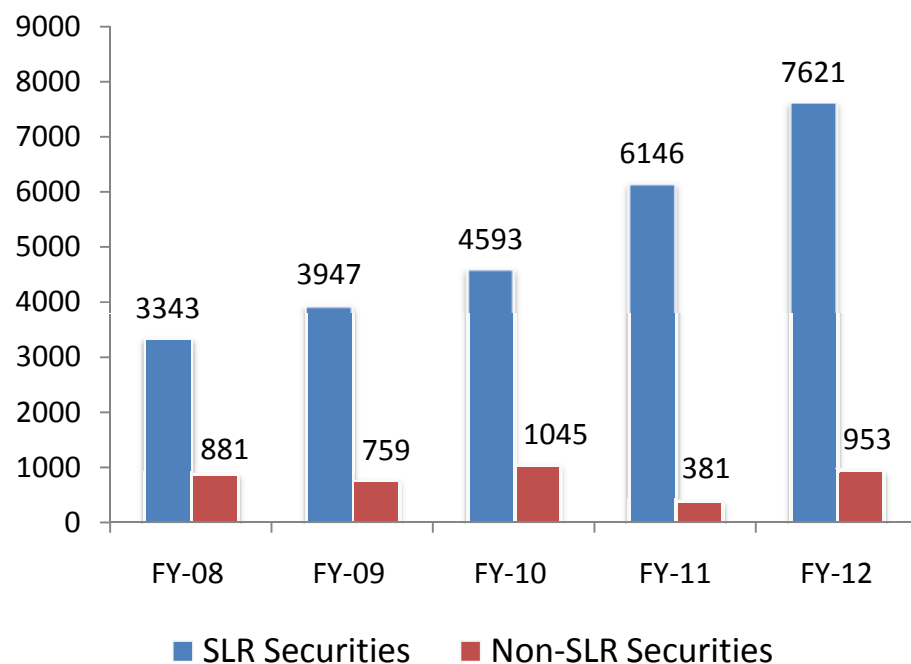


Investment Portfolio (Sep 2011)

SLR & Non SLR Securities

Composition of Investment Book

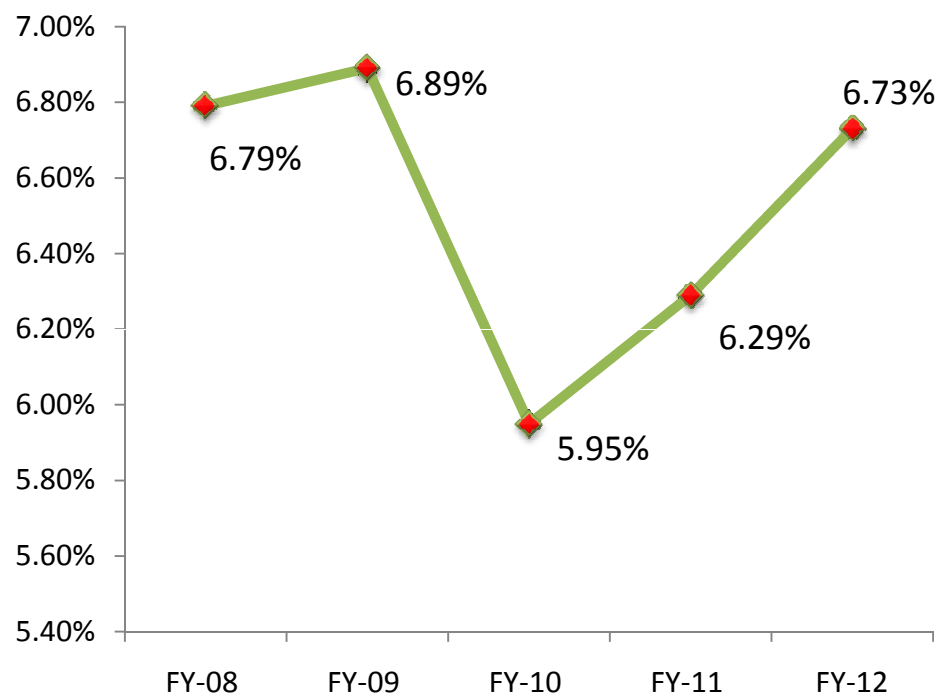
₹ in Crores



Category	Amount	Percentage
Held to Maturity	6668.14	77.77%
Held for Trading	314.73	3.67%
Available for Sale	1591.11	18.56%
Total	8573.98	100.00%

Investment Portfolio (Sep -2011)

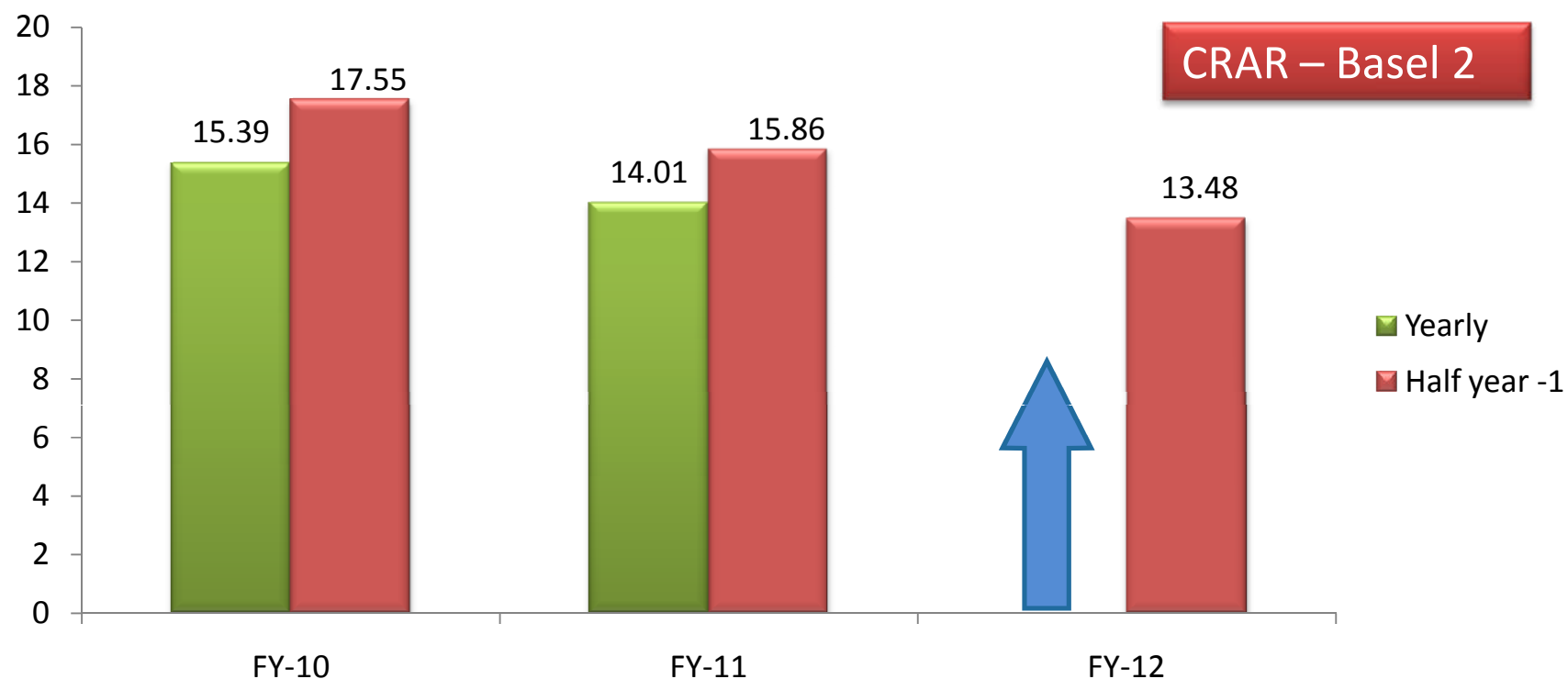
Yield on Investments



Duration of Investments

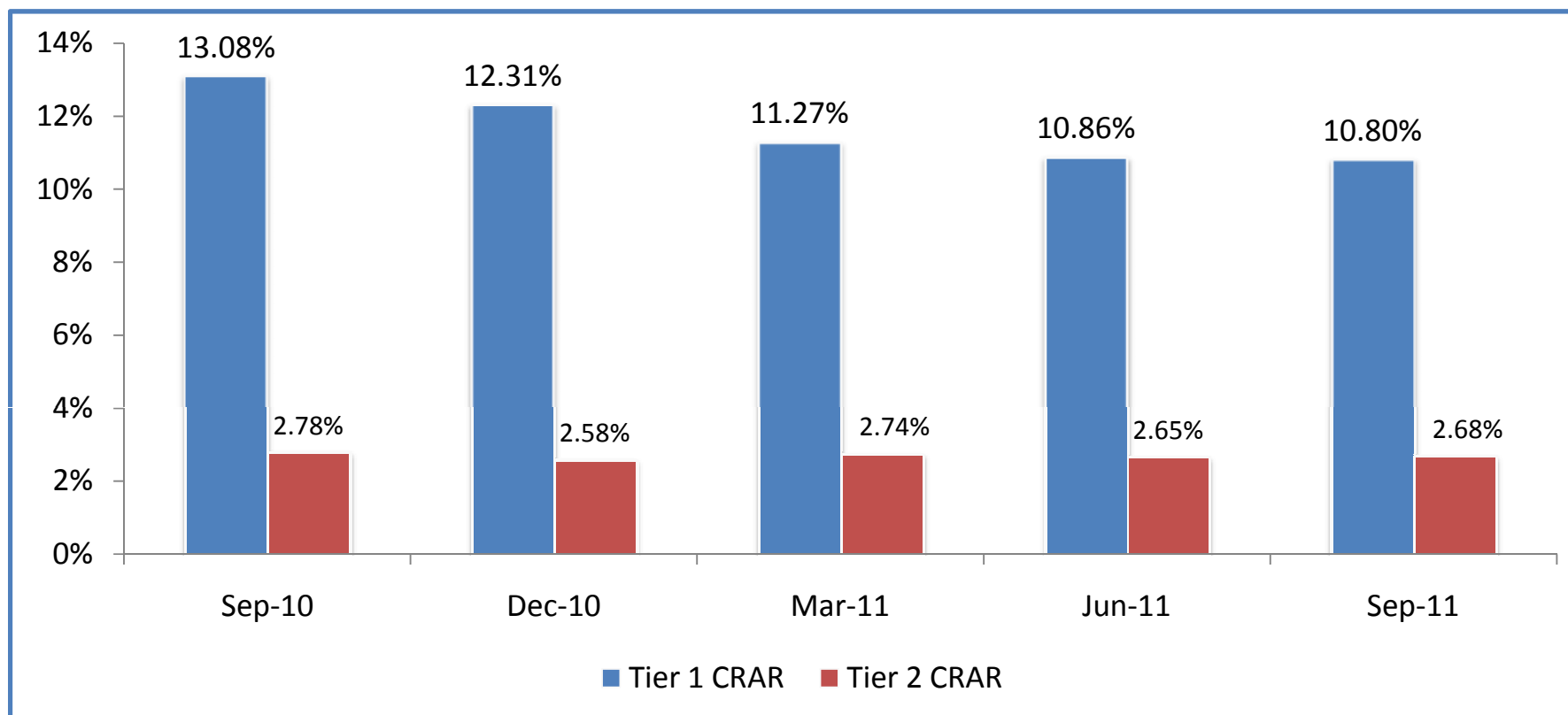
	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11
Total Investment Portfolio	4.34	4.45	4.03	3.67	3.61	3.69
Total HM Investment Portfolio	5.18	5.03	4.96	4.81	4.68	4.61
Total HFT and AFS together Investment Portfolio	0.74	1.12	0.44	0.42	0.39	0.39

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.

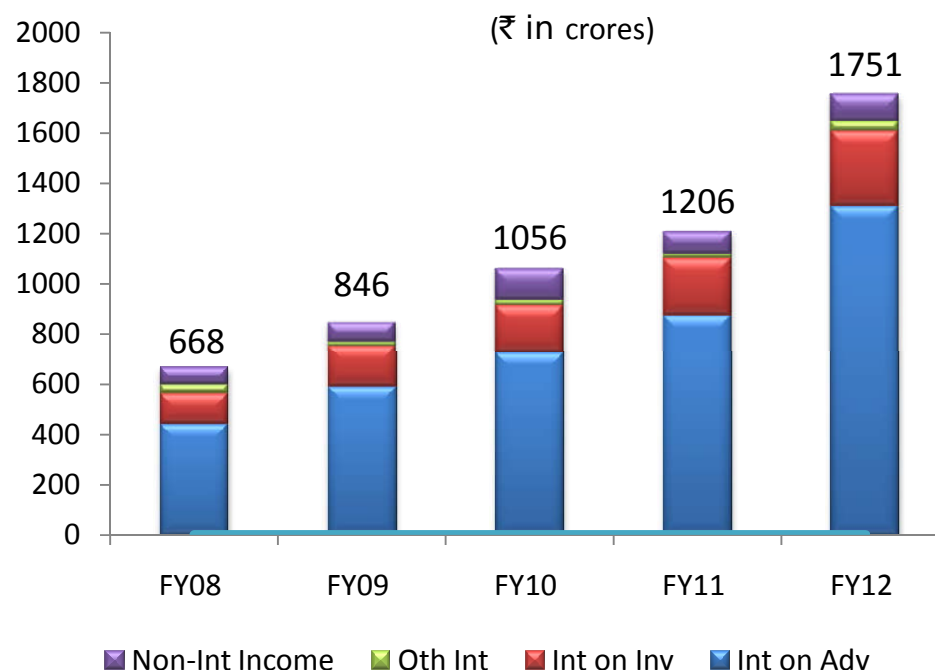
Strong Core Capital (Trend)

(₹ in crores)

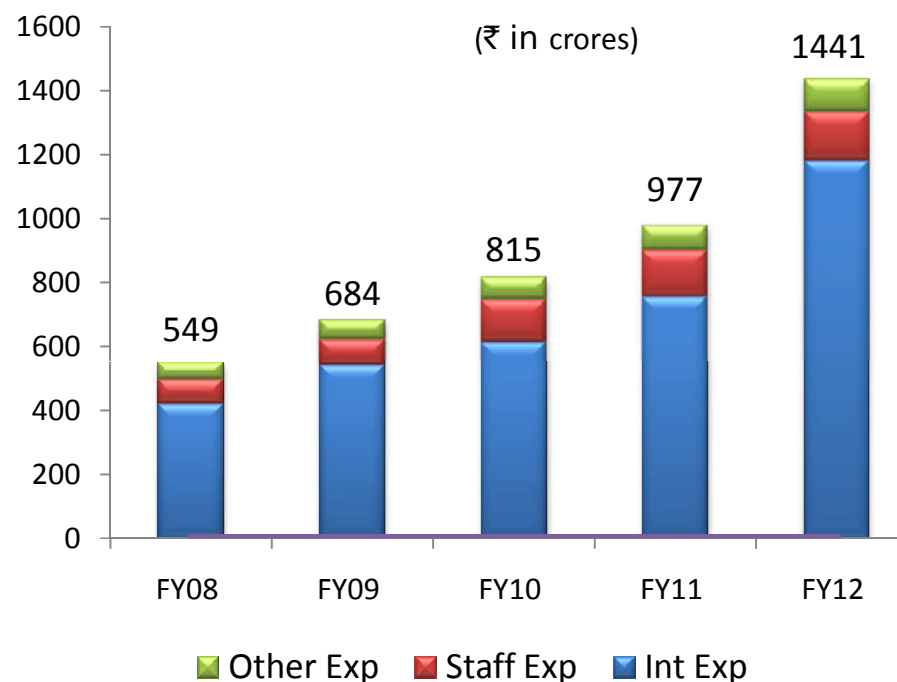
	RWA	Tier 1 Capital	Tier 2 Capital	Total Capital
Mar 10	11377	1412	337	1749
Jun 10	11270	1476	326	1802
Sep 10	11861	1551	330	1881
Dec 10	13174	1622	340	1962
Mar 11	14647	1650	401	2051
Jun 11	15152	1645	401	2046
Sep 11	15173	1643	408	2051

Trend in Income & Expenses (HY-1)

Total Income



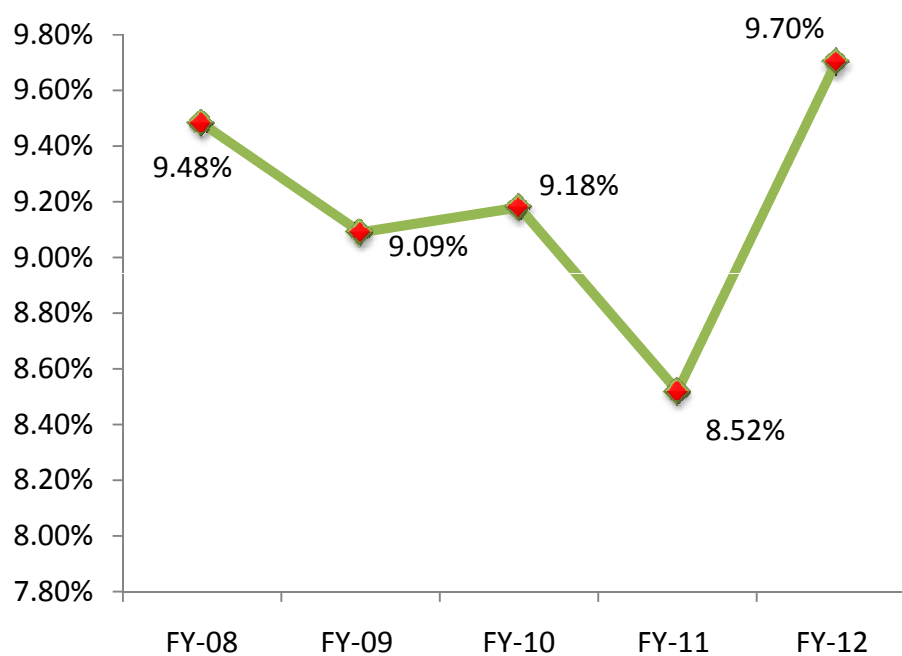
Trend in Expenses



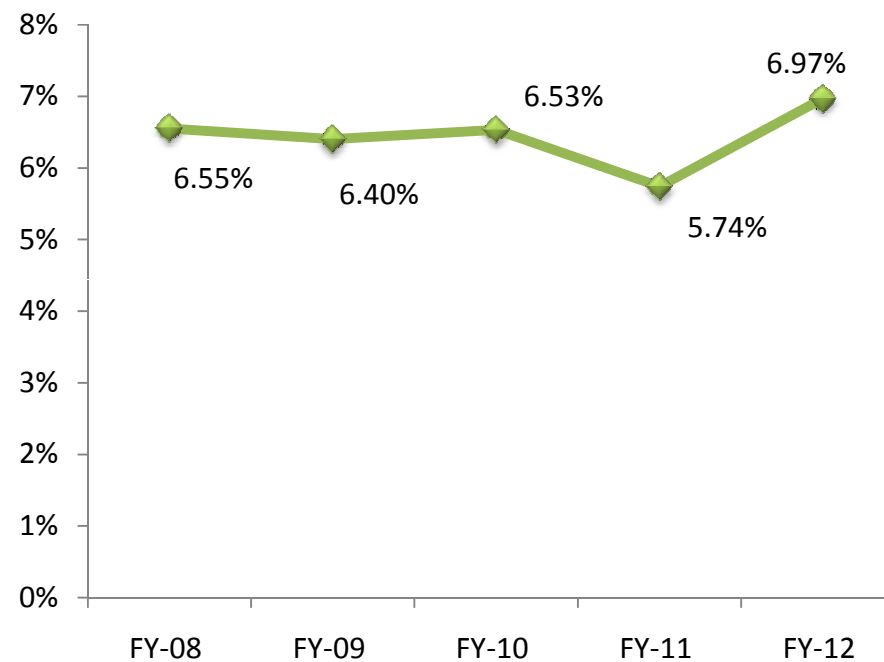
Gross Annual income grew over 2.6 times in 5 years at CAGR 27%

Trend in Income (HY-1)

Yield on Funds



Cost of Funds



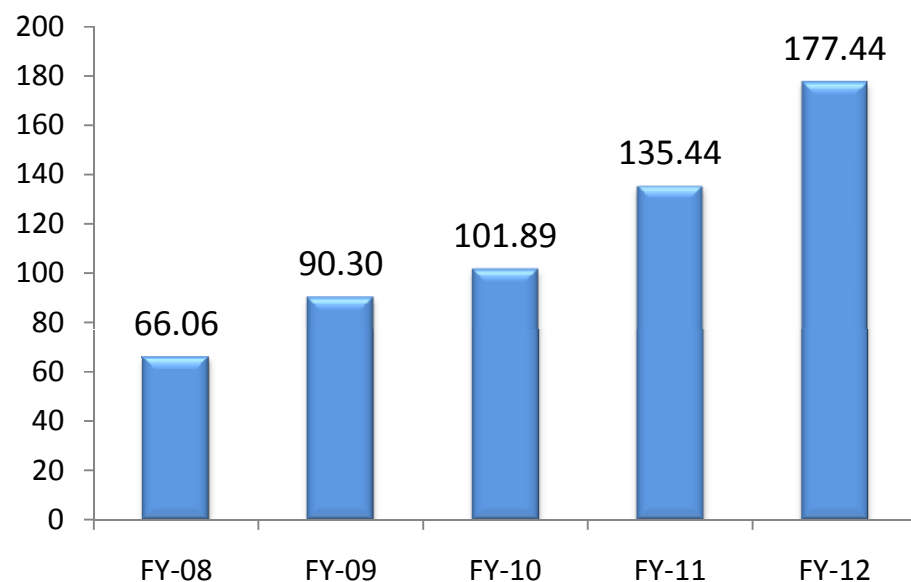
Composition of Non-Interest Income

(₹ in crores)

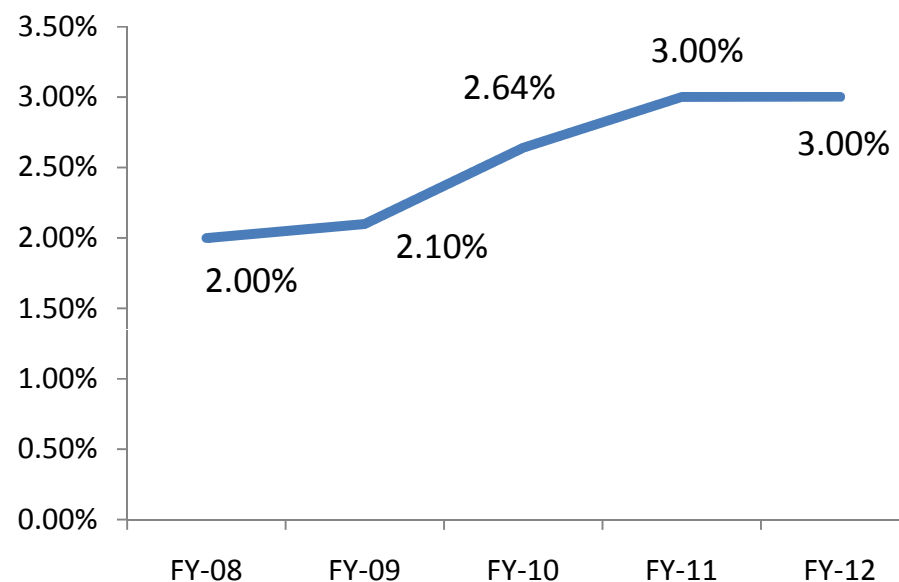
Particulars	Half Year ended 30/09/2010	Half Year ended 30/09/2011	Quarter ended 30/09/2010	Quarter ended 30/09/2011
Commission, Exchange & Brokerage	16.66	15.94	8.53	6.55
Profit on sale of investment (NET)	15.43	26.24	6.22	11.32
Profit on sale of Land, Building & Other assets (net)	0.00	0.02	-0.01	-0.02
Profit on Exchange Transactions (Net)	8.81	11.72	4.67	6.78
Miscellaneous Income				
1. Processing Fees	0.00	0.00	0.00	0.00
2. Rent Received	-	-	-	-
3. Others (Folio charges, Locker Rent)	45.61	50.78	25.44	28.44
Total	86.51	104.70	44.85	53.07

Profitability (HY-1)

Growth in Net Profit



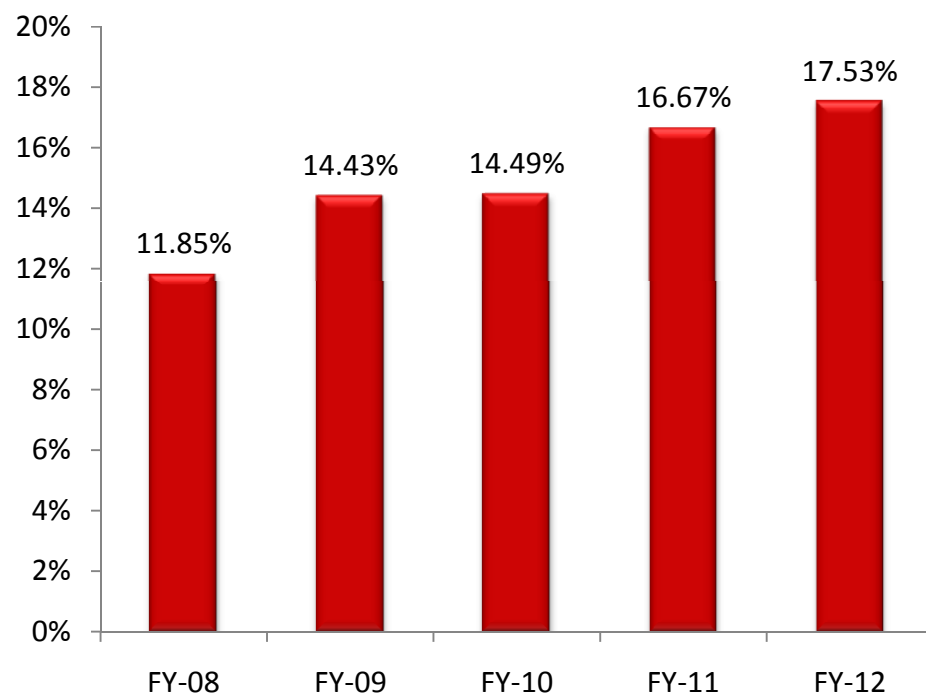
Net Interest Margin



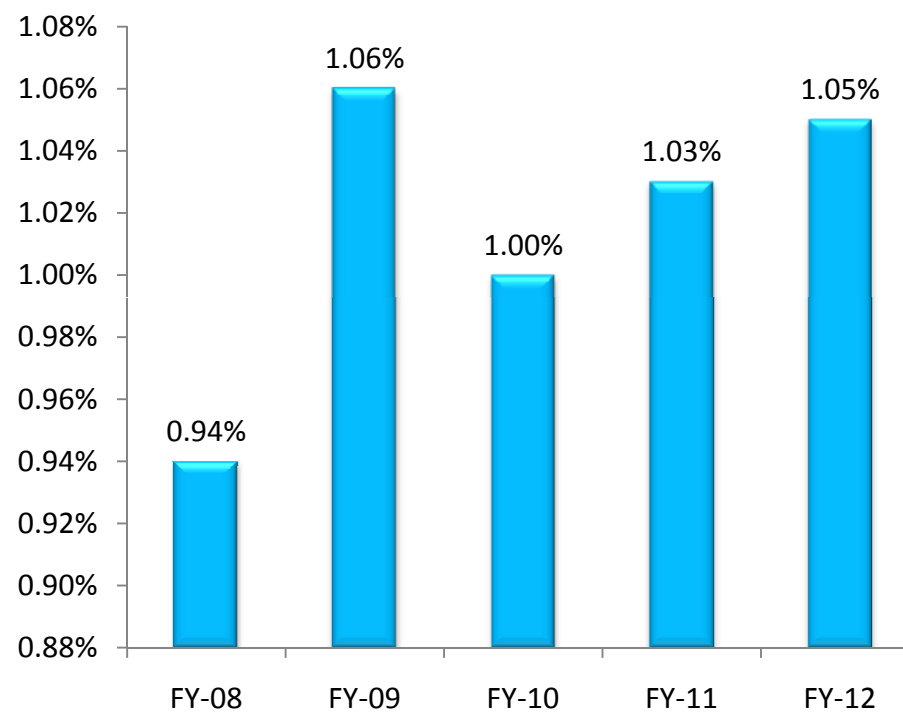
**Net profit grew over 5.5 times in 6 years at CAGR 29%.
Net Interest margin (NIM) remains at satisfactory range.**

Efficiency as at 30th Sep

Return on Equity

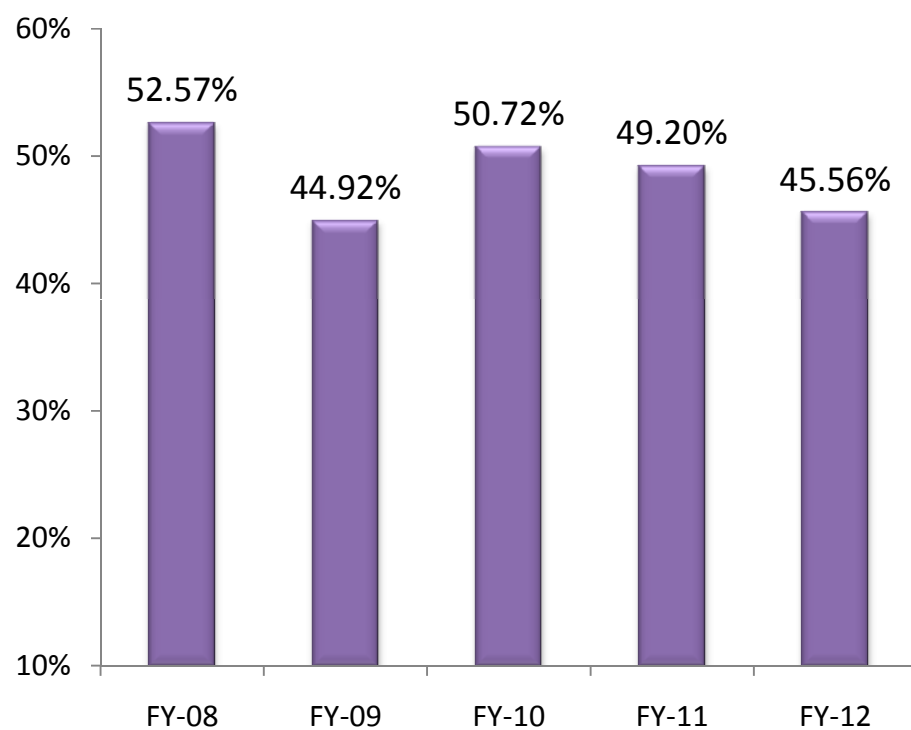


Return on Average Asset



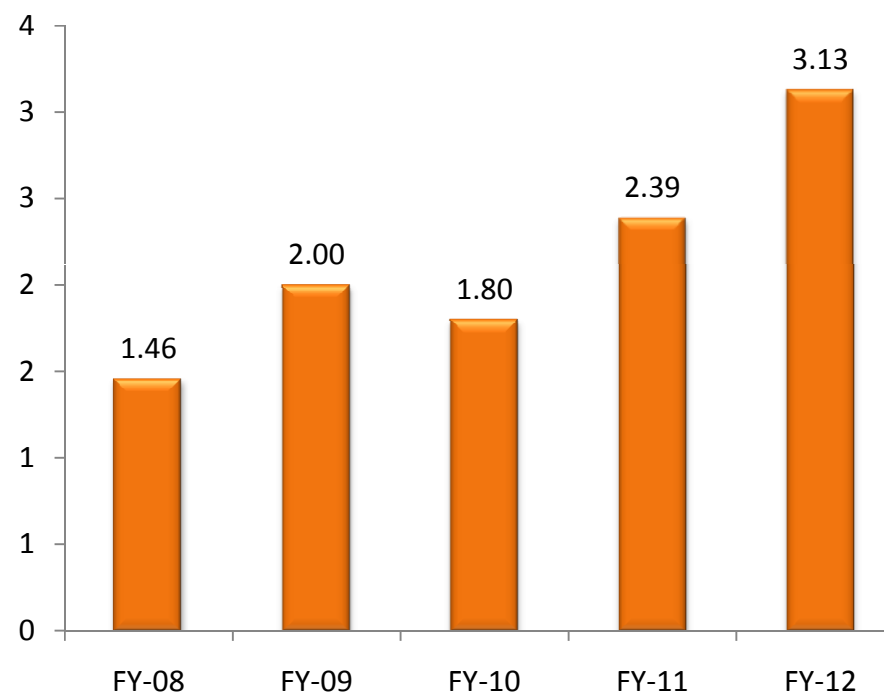
Efficiency (HY1)

Cost / Income Ratio



Earning Per Share (EPS- Annualised)

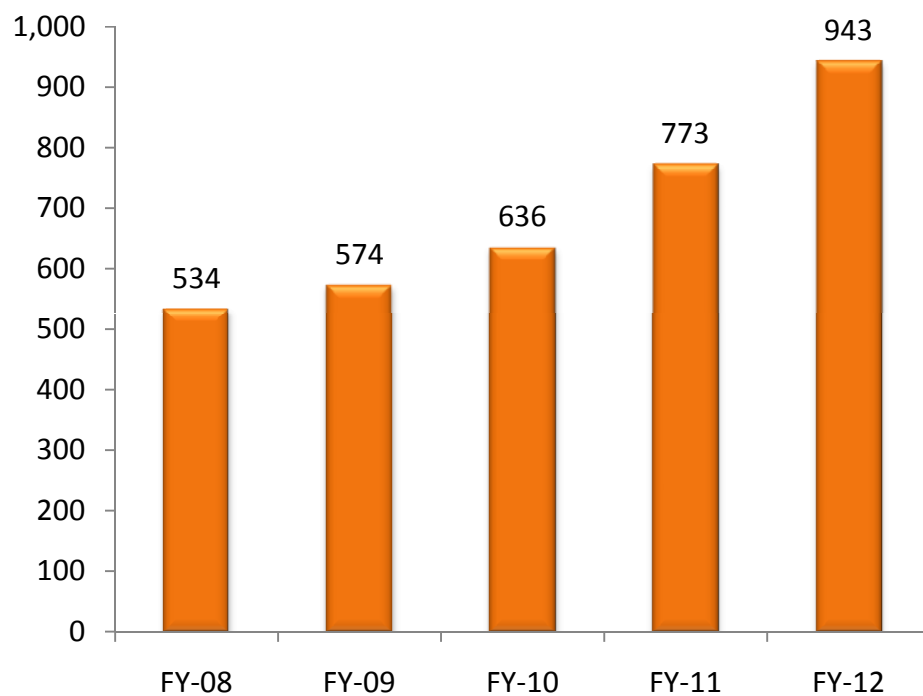
(amount in ₹)



Productivity (HY1)

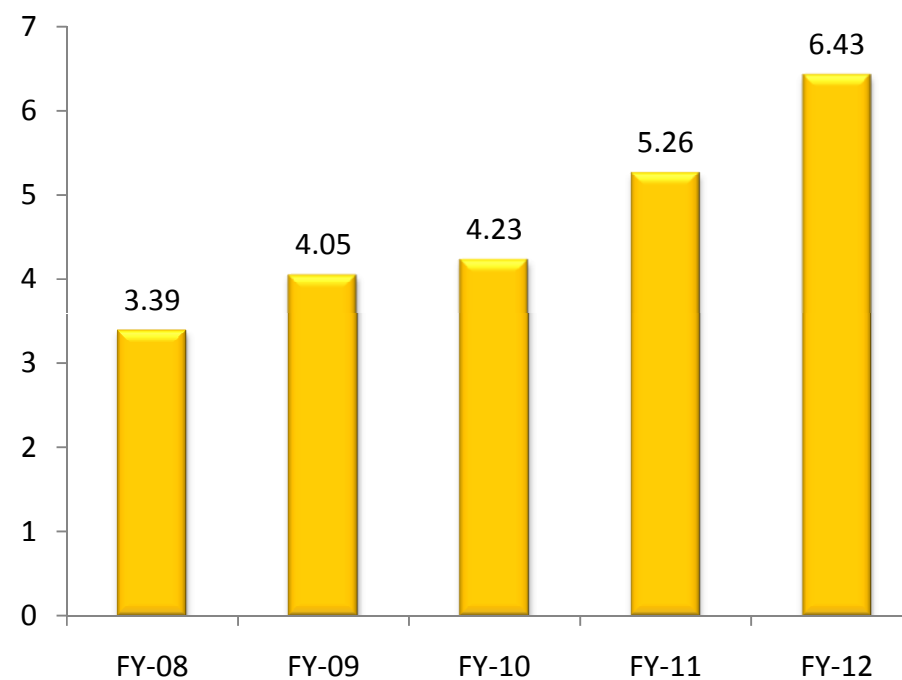
Average Business Per Employee

(₹ in Lakh)



Profit Per Employee

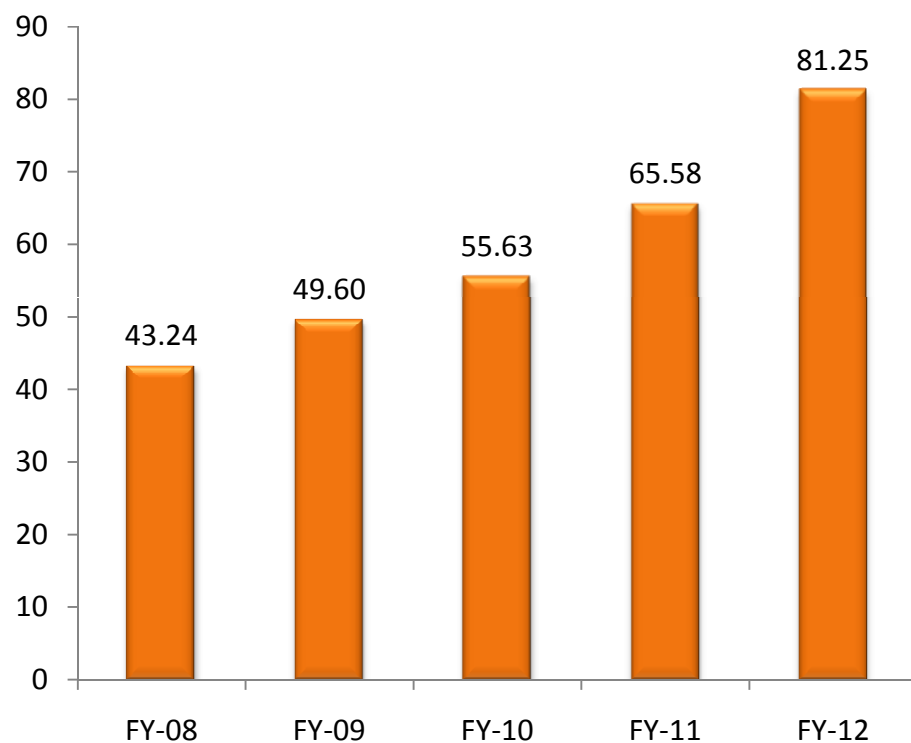
(₹ in Lakh)



Productivity (HY-1)

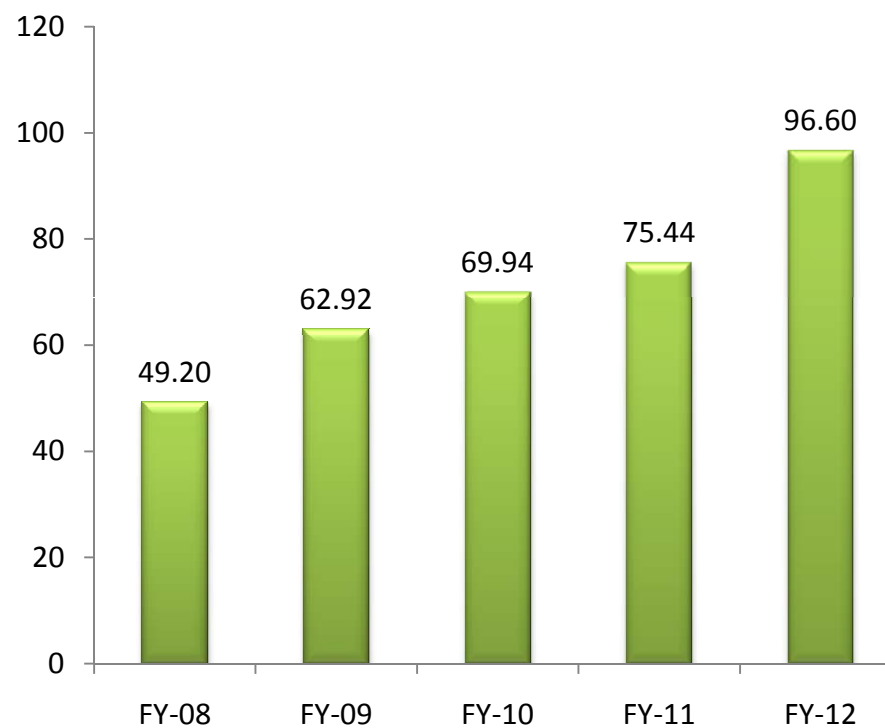
Business Per Branch

(₹ in Crores)



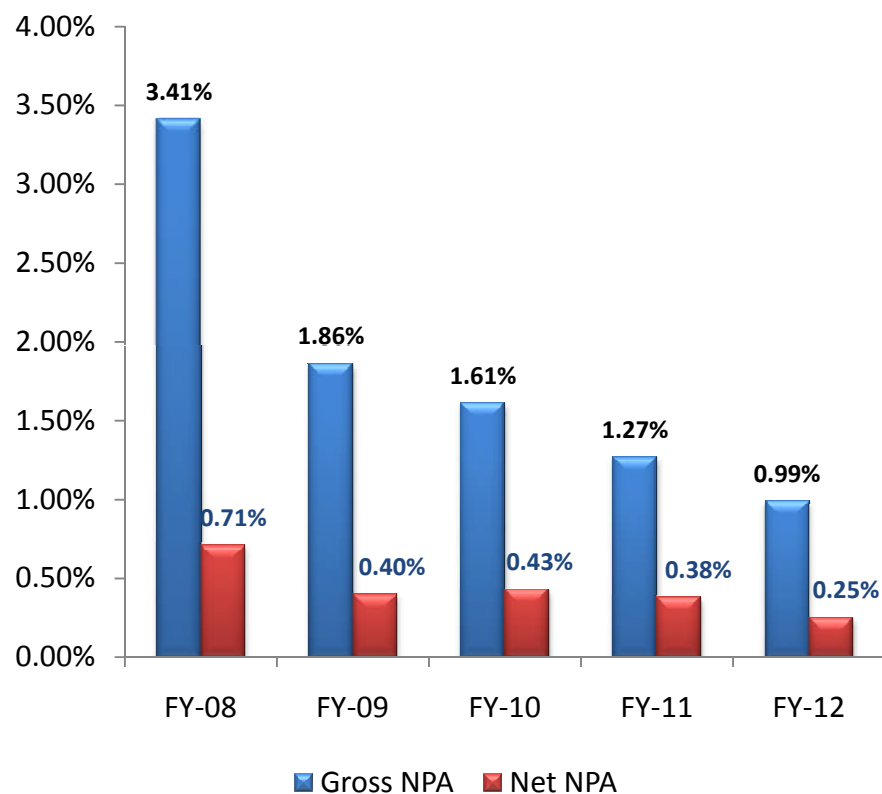
Operating Profit Branch

(₹ in Lakh)

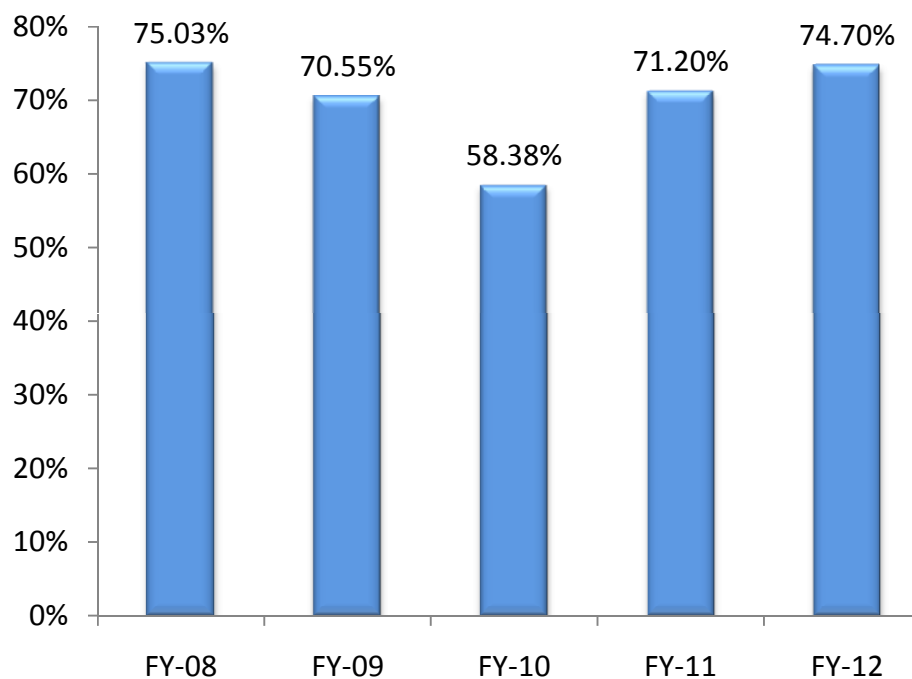


Asset Quality as at 30th Sep

Gross NPA & Net NPA (%)



Provision Coverage



Asset Quality

Change in Gross NPA & Net NPA	Year ended 31/03/2010	H1 ended 30/09/2010	Year ended 31/03/2011	H1 ended 30/09/2011
Gross NPA	211	228	230	230
Gross NPA (%)	1.32%	1.27%	1.11%	0.99%
Net NPA	62	67	60	58
Net NPA (%)	0.39%	0.38%	0.29%	0.25%

**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	Qtr ended 30/09/2010	Qtr ended 30/09/2011
For NPA advance	34.98	27.74	1.48	-0.23
For Depreciation on Investments	-40.94	9.37	-2.99	10.88
For NPA investment	2.14	0.26	0.00	0.00
For standard assets	6.43	21.60	3.59	7.39
For income tax	133.55	152.94	40.99	47.56
For Restructured advances	7.58	-0.05	-0.07	4.98
General Provision	33	20	5	0
Other impaired assets	0.07	0.84	-0.20	0.82
Total Provisions and Contingencies	176.81	232.7	47.80	71.40

Performance Highlights

(₹ in Crore)

Performance Highlights	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Year ended Mar-11	Jun-11	Sep-11
CRAR Basel 2 (%)	15.08%	17.86%	17.35%	15.40%	15.99%	15.86%	14.89%	14.01%	13.51%	13.48%
Return on Assets (Annualised)	1.23%	1.30%	1.23%	1.07%	0.91%	1.03%	1.04%	1.05%	1.02%	1.05%
NIM (%)	3.30%	3.00%	3.30%	2.80%	2.80%	3.00%	3.00%	3.10%	2.80%	3.00%
Gross NPA's	231	213	214	211	223	228	254	230	236	230
Net NPA	83	56	57	61	65	67	74	60	63	58
Gross NPA (%)	1.85%	1.61%	1.46%	1.32%	1.33%	1.27%	1.33%	1.11%	1.07%	0.99%
Net NPA (%)	0.68%	0.43%	0.39%	0.39%	0.39%	0.38%	0.39%	0.29%	0.29%	0.25%
Provision Coverage	63.20%	73.30%	73.30%	70.50%	70.70%	70.10%	70.70%	73.64%	73.15%	74.70%
CASA	4551	4784	4999	5323	5852	5979	6045	6404	6790	7038
CASA	24.40%	24.30%	24.20%	23.10%	25.10%	23.90%	22.40%	21.55%	21.47%	21.30%
Deposits	18650	19688	20643	23012	23331	25060	26998	29721	31622	33038
Advances	12320	13059	14868	16115	16728	18029	19188	20799	22151	23348
Yield on advances	11.85%	11.68%	11.39%	11.14%	10.77%	10.61%	10.69%	10.90%	11.75%	12.11%

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

4

Focus on increasing
share of low cost
NRI deposit base

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.

To support business growth plan for the next 3 years, the bank has decided to raise Rs 1,000 crore capital through QIP.

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 increasing share of low cost NRI deposit base

Focus on improving share of gold loans

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