



*Investor Presentation*  
*SEPTEMBER 2012*

# South Indian Bank... At A Glance

83 Years

• Number of years in banking business

730

• Number of branches

743

• Number of ATM's

₹ 67110Cr

• Business as on Sept 2012

19%

• Business Growth (Y – to – Y)

26%

• Last 5 years business CAGR

₹ 220.18Cr

• Net Profit for the Half Year ending Sept 2012

3.09 %

• Net Interest Margin (Sept 12)

14.43%

• Capital Adequacy Ratio (Basel II –Sept 12)

0.86%

• Net Non-Performing Assets (Sept 12)

History &  
Background

Overview

Key Strength

Business  
Performance

Future Strategy

**CONTENTS**

# 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 Private 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 & 2012**

**The THIRD largest branch network among Private Sector  
banks, in India, with all its branches under Core banking  
System.**





## 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

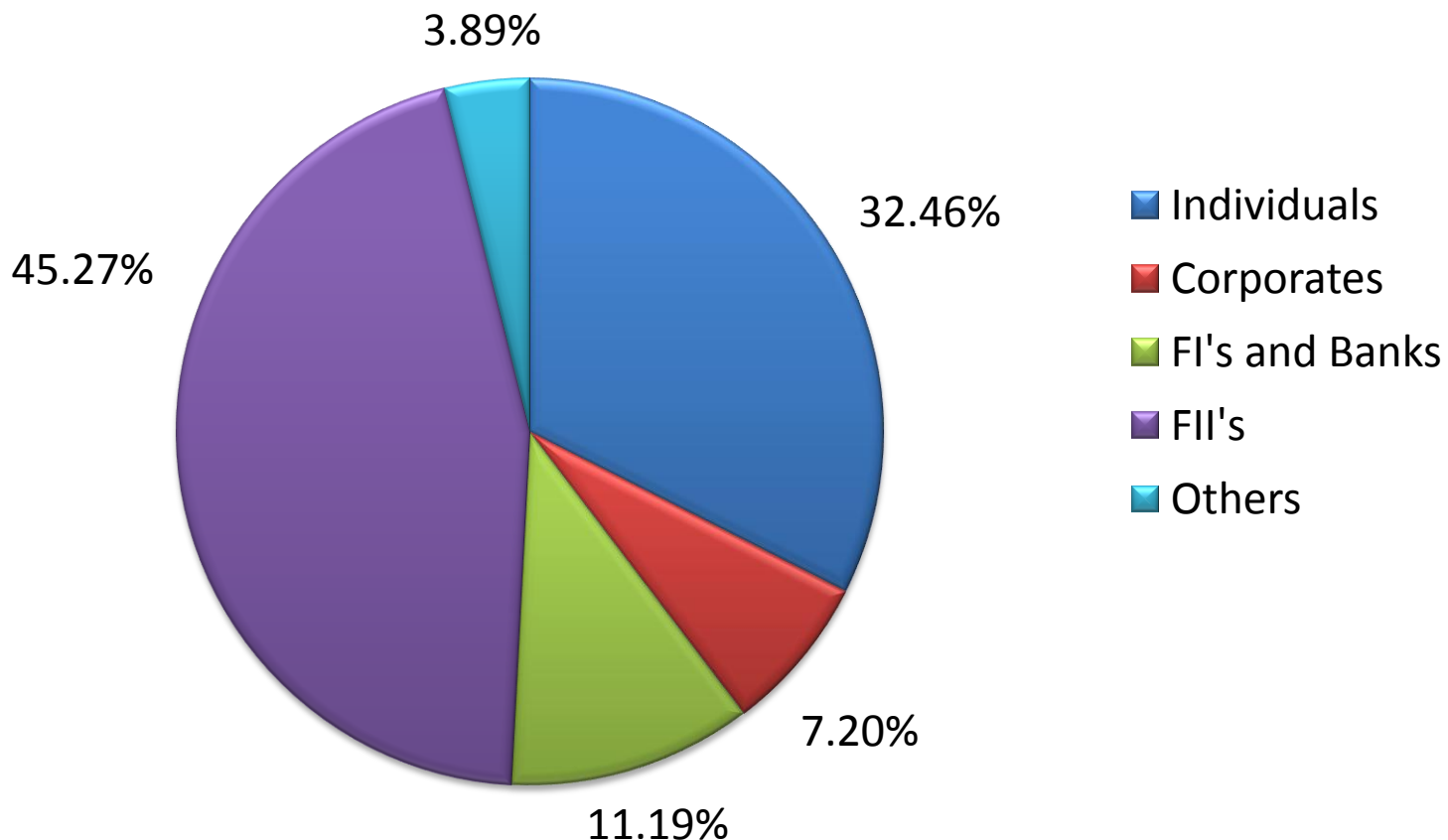
Sri Mohan E Alapatt

Sri K. Thomas Jacob

Sri H. Suresh Prabhu

Dr. John Joseph

# Shareholding Pattern – as on Sept-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.



# OVERVIEW



# Key Strength

## SIB

### Healthy Fundamentals

- Adequately Capitalised;
- 14.43% CRAR & 12.32% Tier 1 ratio
- Asset Quality;
- 1.74% GNPA's & 0.86% NNPA's
- 51.21% NPA Coverage ratio
- 15.52% ROE, 1.06% ROAA

## SIB

### Significant Turnaround

- Benchmarked HR Practices & Introduced Performance Linked Incentive schemes, ESOS, Annual Performance contest- Awards.
- Forward looking Human Capital Management Strategy
- Highly skilled human capital- 50% of human capital under age 30 with professional qualification

## SIB

### Strong Growth

- One of the fastest growing banks in India.
- 26% CAGR in business in last 5 years
- Constant growth in Business & Profitability
- Most advanced technology in all spheres of banking operations & delivery channels.

## SIB

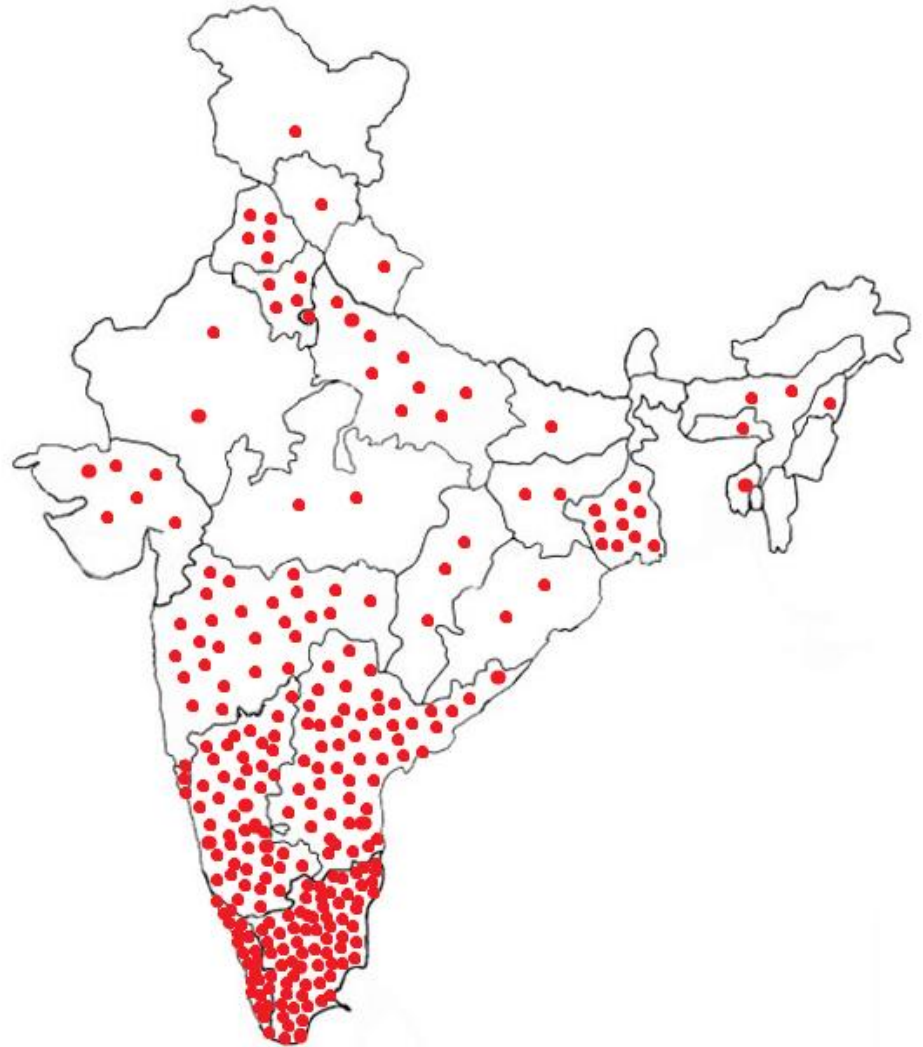
### Key Competitive Advantage

- Fast expanding branch network
- High Asset Quality with well diversified Loan portfolio
- 8.87 % market share in Kerala's NRI deposit base.
- Strong boost to Income from high yielding gold loans forming 22.11% of the loan book.

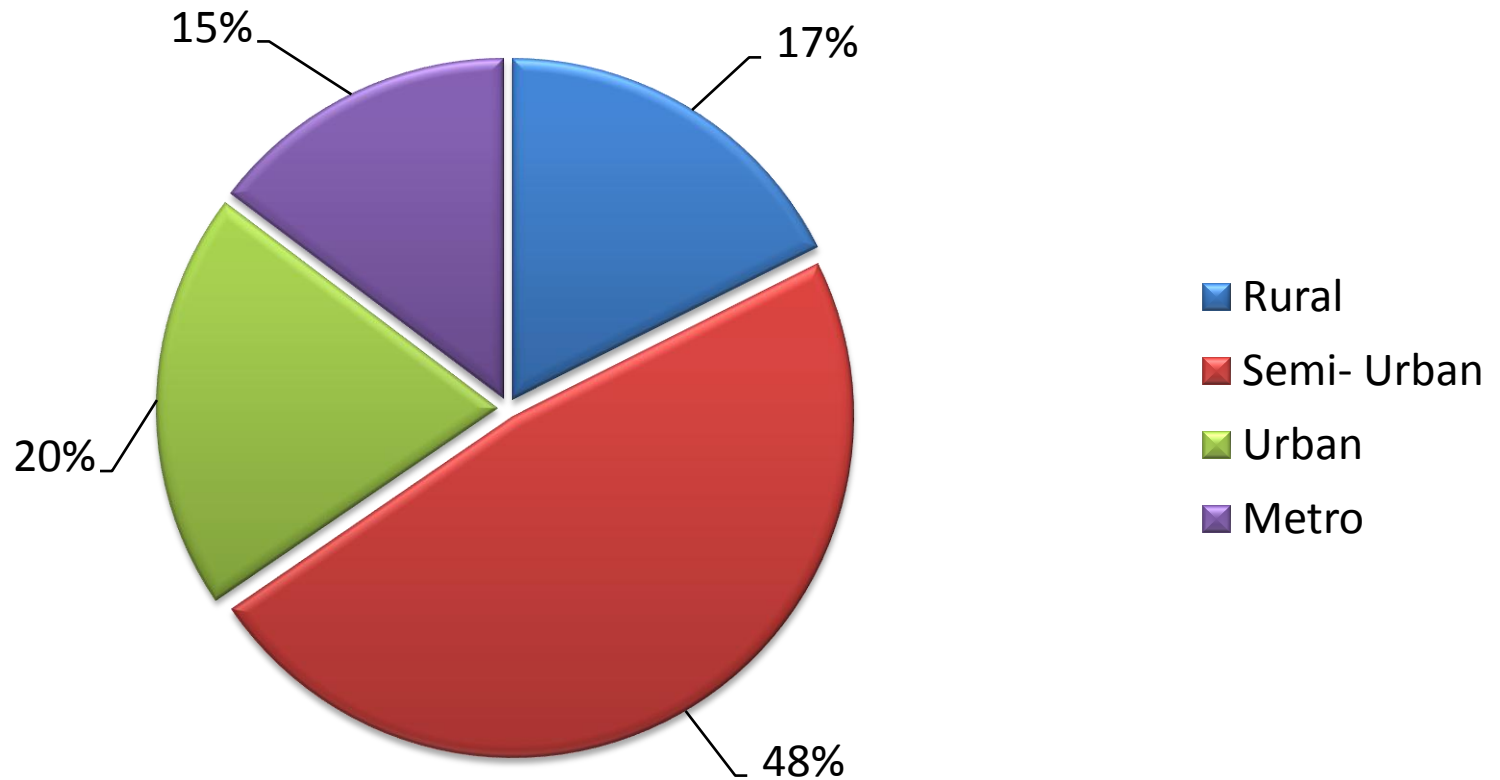
# Vast and Rapidly Growing Branch Network

Spread of  
Branches

Average Branch &  
ATM network  
growth @ 20% (for  
last & current FY)



# Branch Network Category wise as on Sept 2012

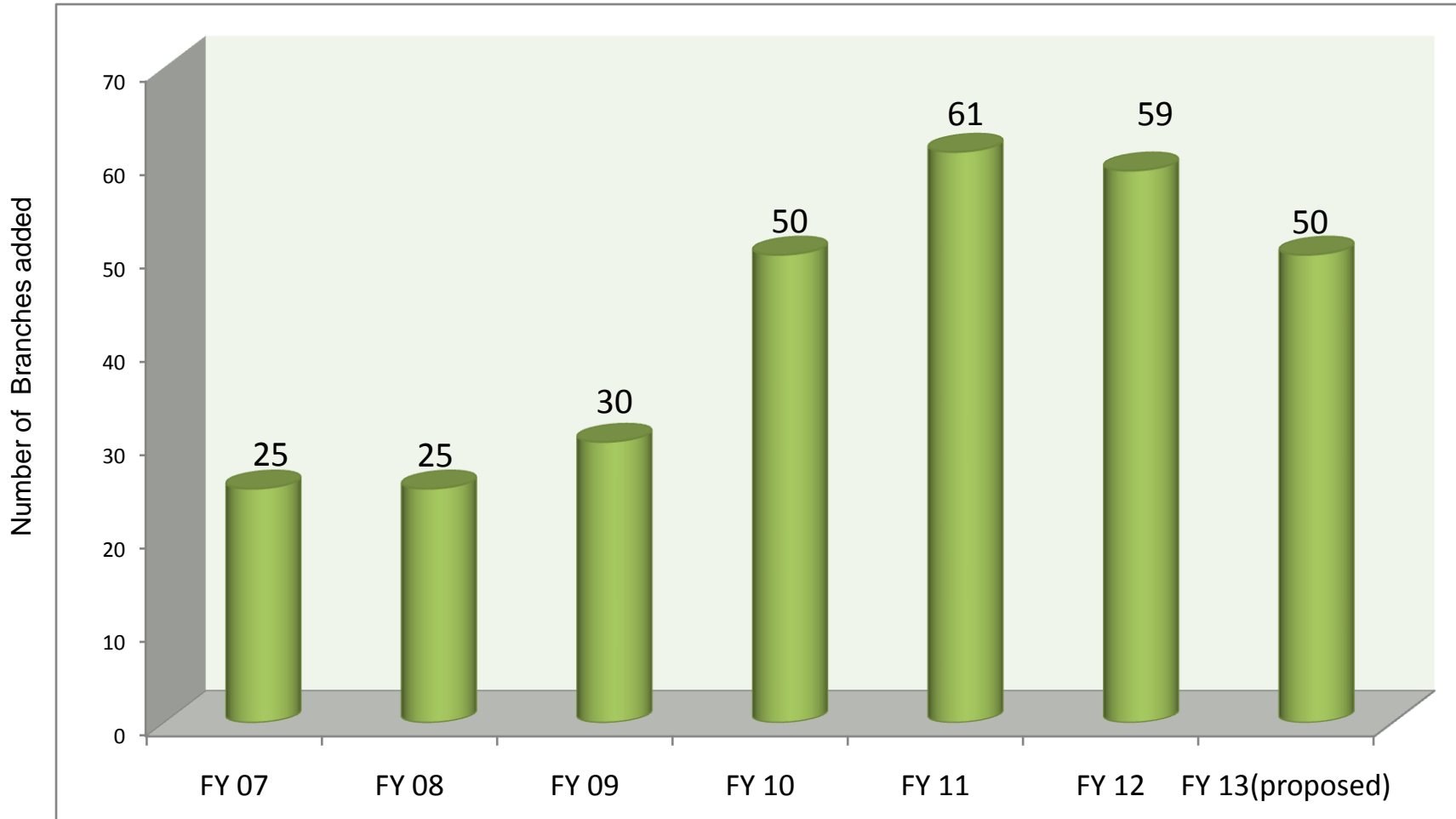




## State wise distribution of Branches Category wise as on Sept 2012

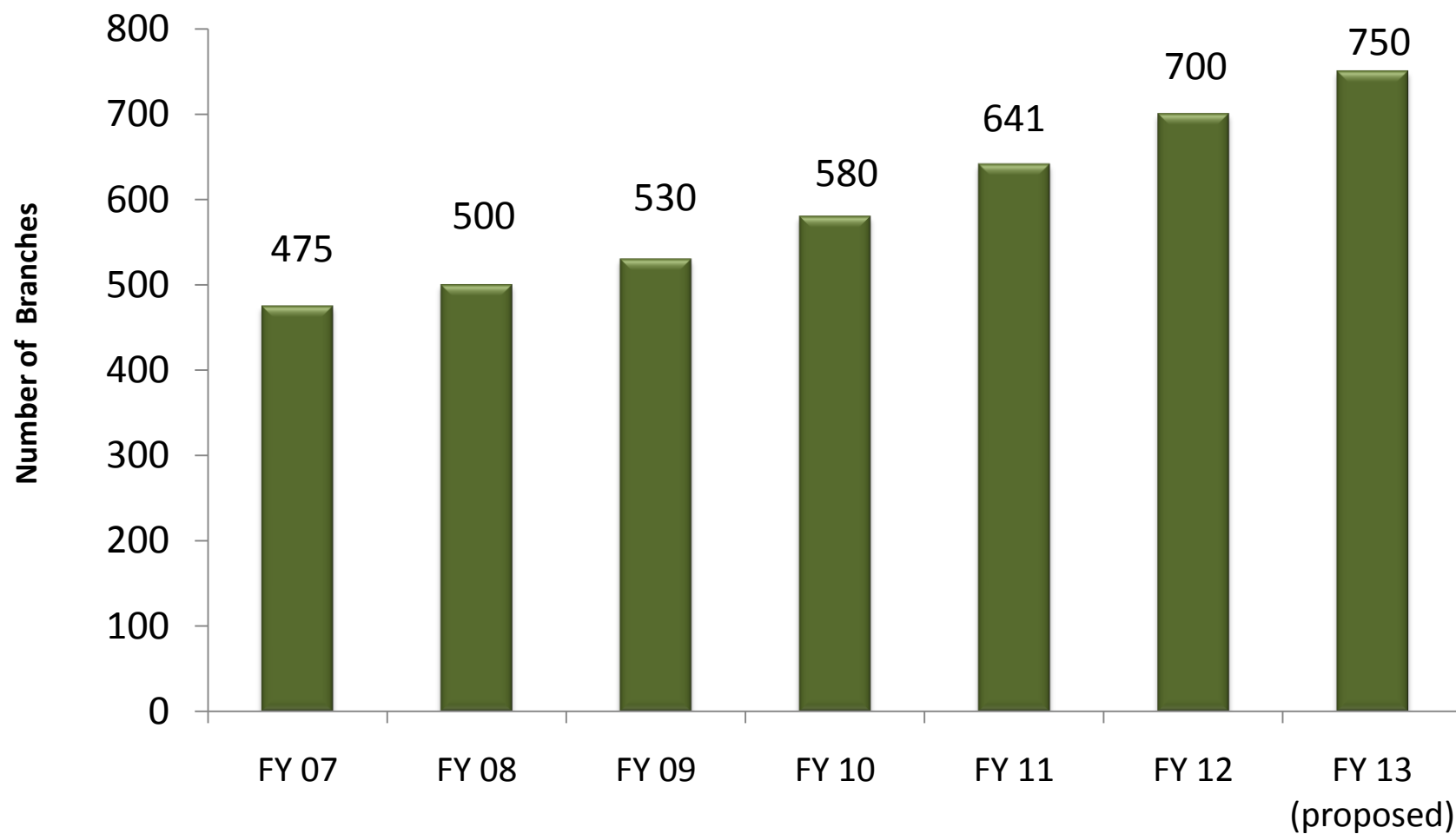
STATES	No: of Branches	STATES	No: of Branches	STATES	No: of Branches
Kerala	401	Chhattisgarh	3	Himachal Pradesh	1
Tamil Nadu	130	Orissa	2	Meghalaya	1
Karnataka	40	Madhya Pradesh	2	Nagaland	1
Andhra Pradesh	46	Rajasthan	2		
Maharashtra	25	Pondicherry	2		
Delhi	24	Assam	2		
West Bengal	10	Jharkhand	2		
Uttar Pradesh	9	Bihar	1		
Gujarat	9	Uttaranchal	1		
Punjab	4	Chandigarh	1		
Haryana	4	Jammu & Kashmir	1		
Goa	5	Tripura	1	<b>Total</b>	<b>730</b>

# Network Expansion (Number of branches added)

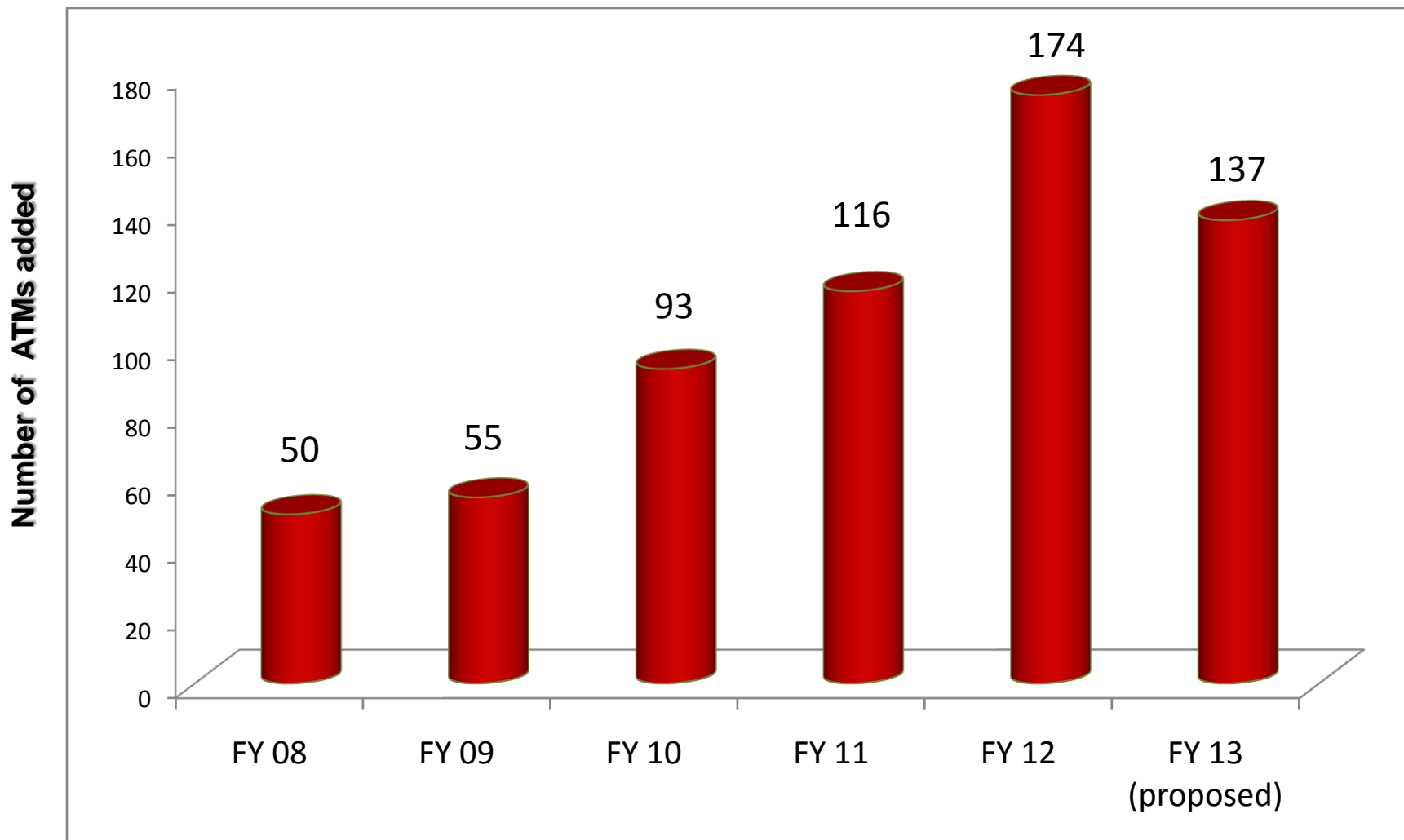




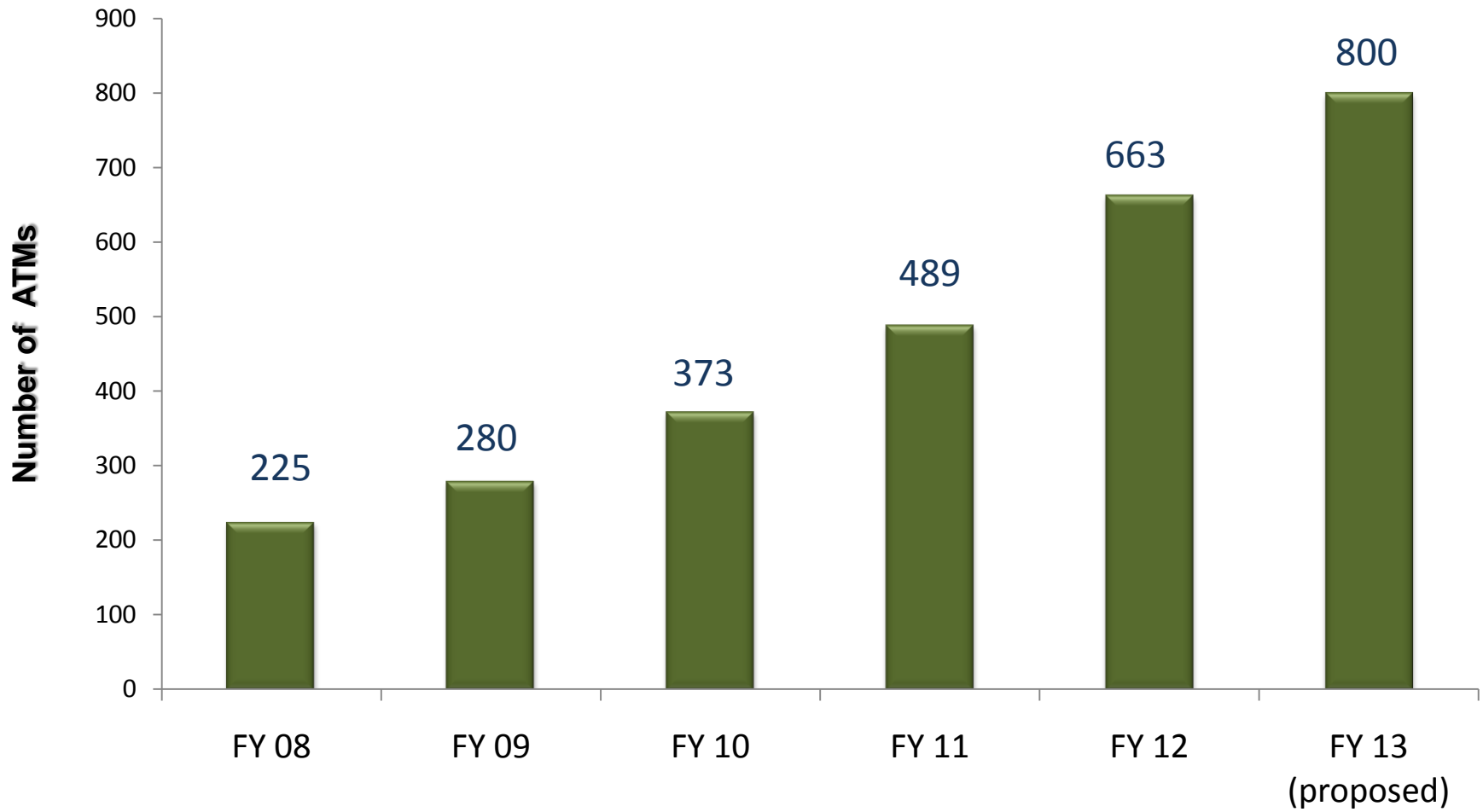
# Branch Network



# 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 & 743 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
 <b>Retail Banking</b>	<ul style="list-style-type: none"> <li>▪Retail Business Loans</li> <li>▪Housing Loans/ Mortgages</li> <li>▪Auto Loans</li> <li>▪Personal Loans</li> <li>▪Education Loans</li> <li>▪Employee Group Loans</li> <li>▪SME Loans</li> </ul>	<ul style="list-style-type: none"> <li>•Savings Bank Accounts</li> <li>•Current Accounts</li> <li>•Fixed/ Recurring Deposits</li> </ul>	<ul style="list-style-type: none"> <li>• Depository Account</li> <li>• Mutual Funds sales</li> <li>• Life Insurance sales</li> <li>• General Insurance sales</li> <li>• Group Insurance sales</li> <li>• E-payment</li> <li>• Cash Management Services</li> <li>• Online Foreign Inward Remittance</li> <li>• m-Commerce</li> <li>• New Pension Scheme</li> <li>• Gold Coins/ingots</li> </ul>
	Commercial Banking		
 <b>Wholesale Banking</b>	<ul style="list-style-type: none"> <li>•Working Capital Loans</li> <li>•Term Loans</li> <li>•Letters of Credit</li> <li>•Banks Guarantees</li> <li>• Bill Finance</li> </ul>	<ul style="list-style-type: none"> <li>•Wholesale Deposits</li> </ul>	

# FINANCIAL INCLUSION

Particulars	March 11	March 12	June 12	Sept 12
Number of Business Correspondents (BCs) appointed	7	40	40	45
Number of villages with population above 2000 provided with banking facility (Rural branches & BCs)	117	169	170	175
Number of 'No-frills' accounts (including Students A/c)	10.26 Lakh	11.99 Lakh	12.38 Lakh	15.83 Lakh
No-frills accounts - amount	102.72 crore	130.47 crore	135.55 crore	141.62 crore

## Way Forward

We have been empanelled by UIDAI for opening 'No-Frills account' based on AADHAAR enrollment in 26 districts & 42 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

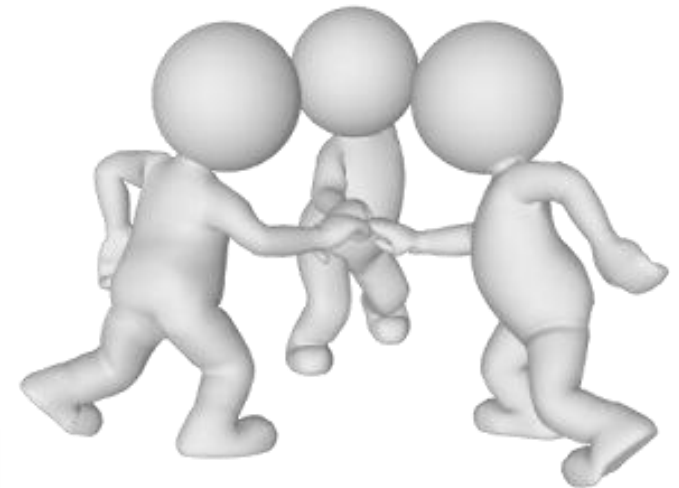
Sri Lanka's Hatton National Bank (HNB)

- 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



Technology Excellence Award 2011-12 from IDRBT

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.

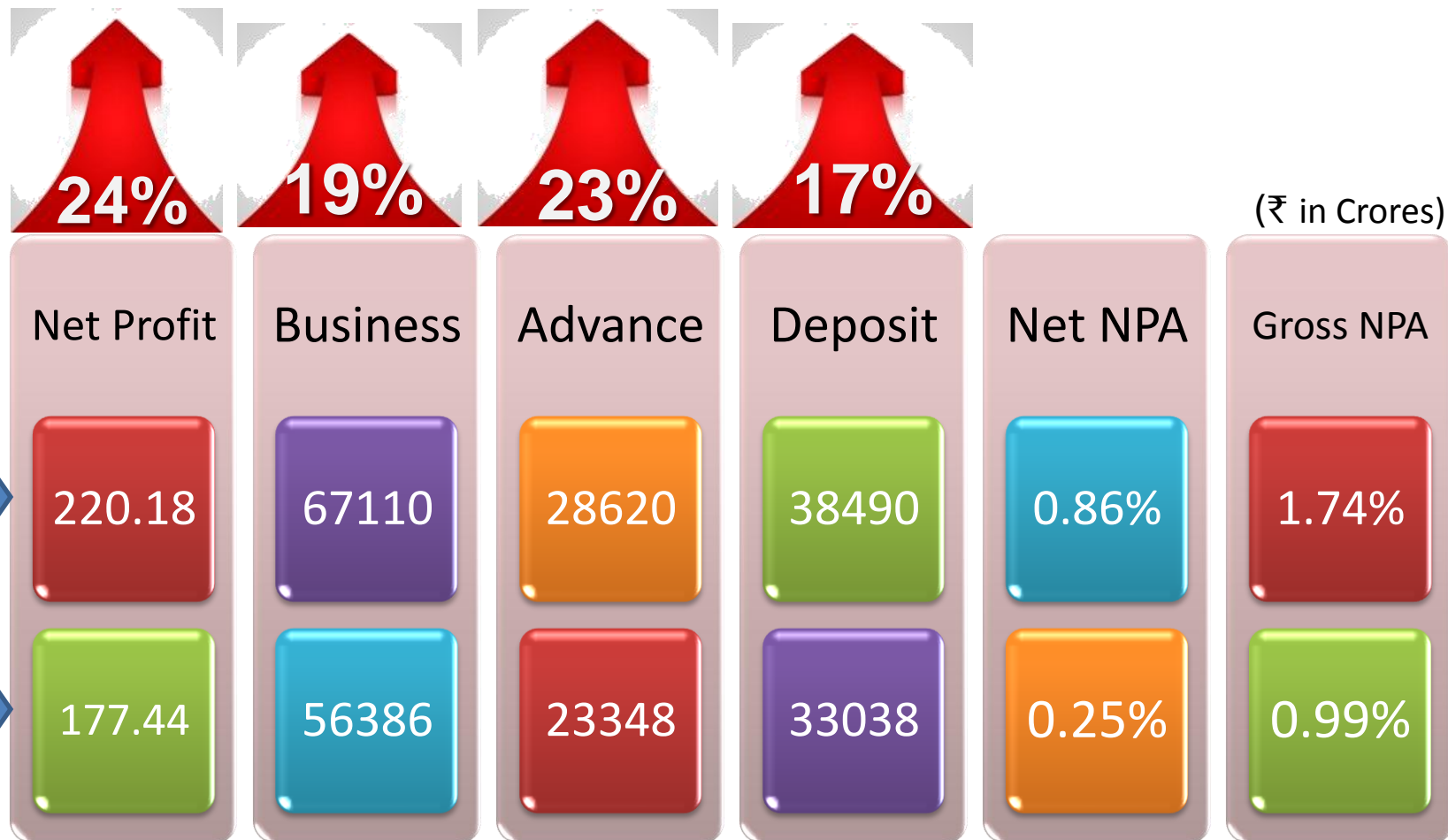
Best Pvt Sector bank in the Service quality segment Outlook Money - CFore Survey.

Best Website Award from Kerala Management Association

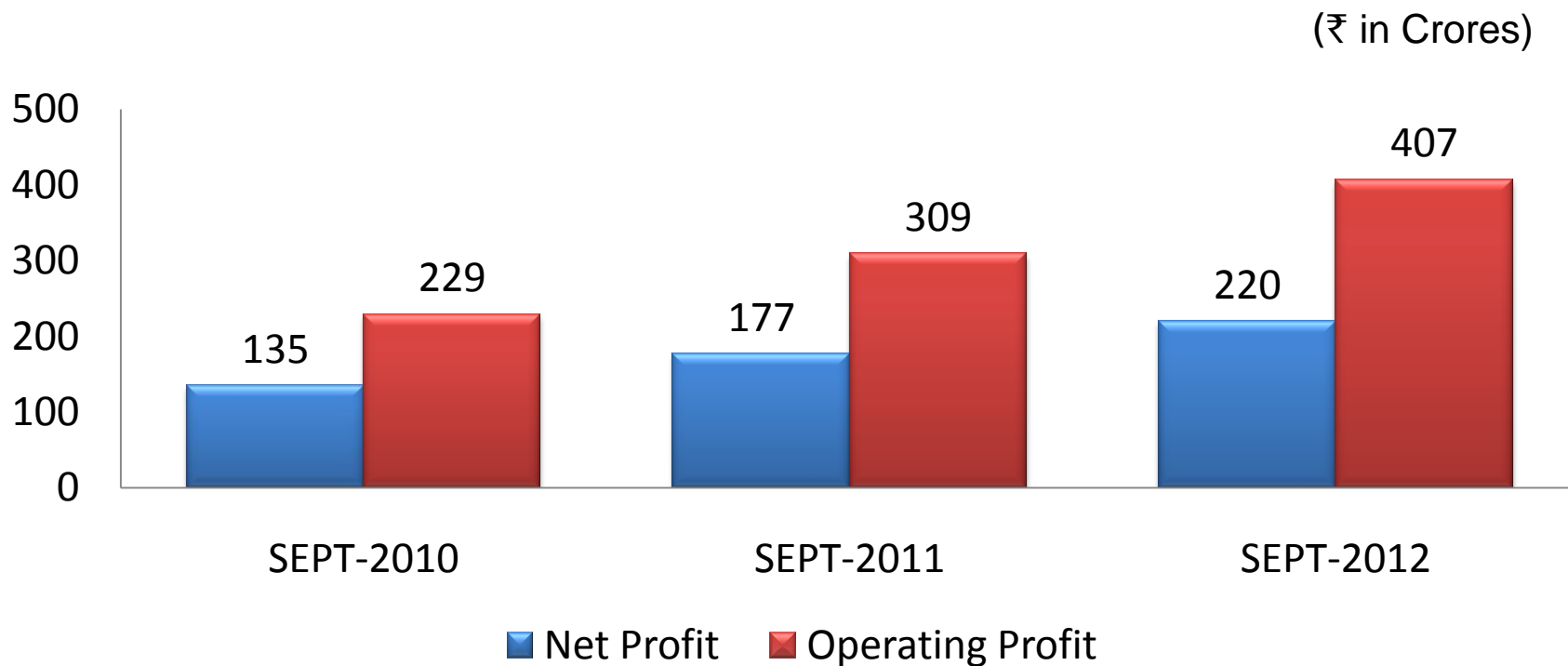
# Business Performance



# Financial Highlights – As on Sept 2012

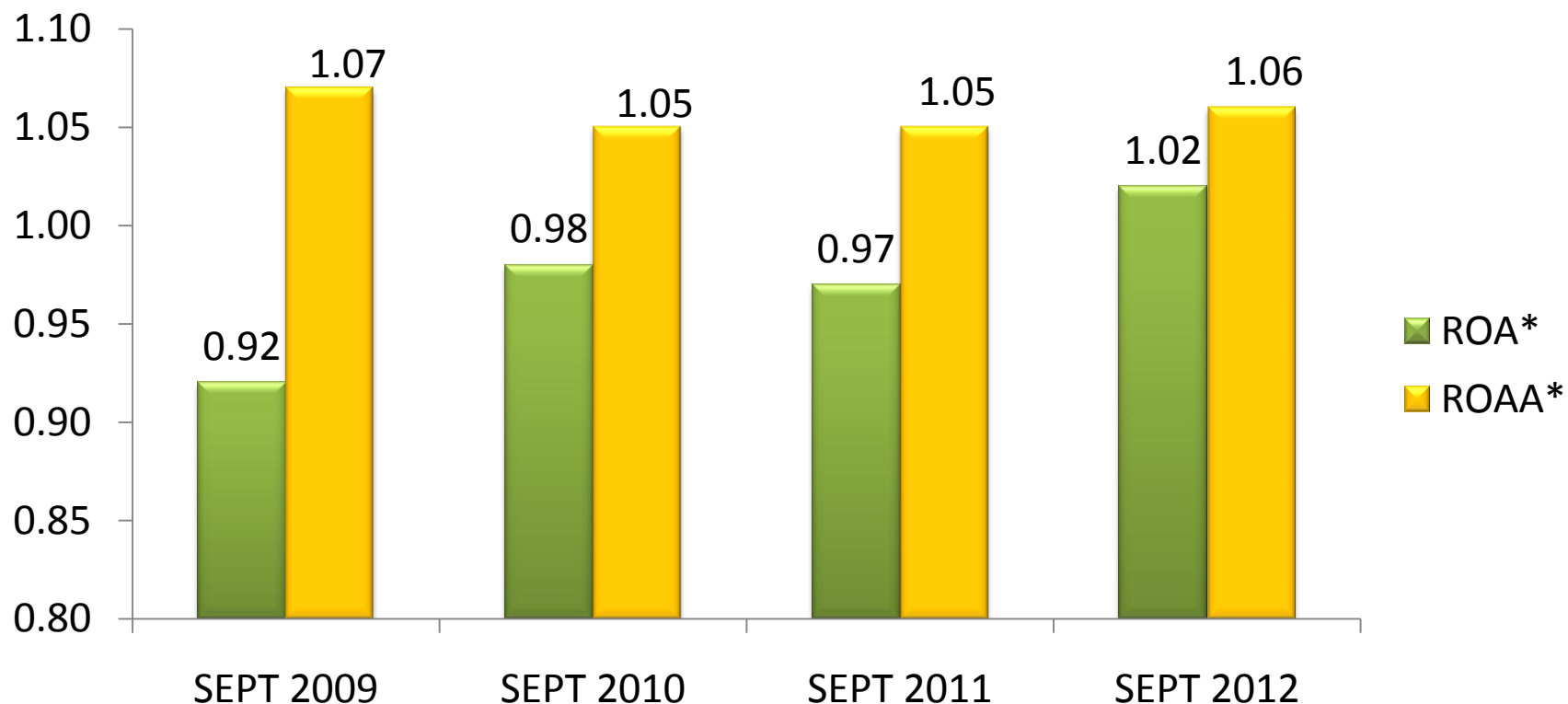


# Profitability (Half Year)



Net Profit 24% ↑

# Improved Quality of Earnings



*\*Annualized*

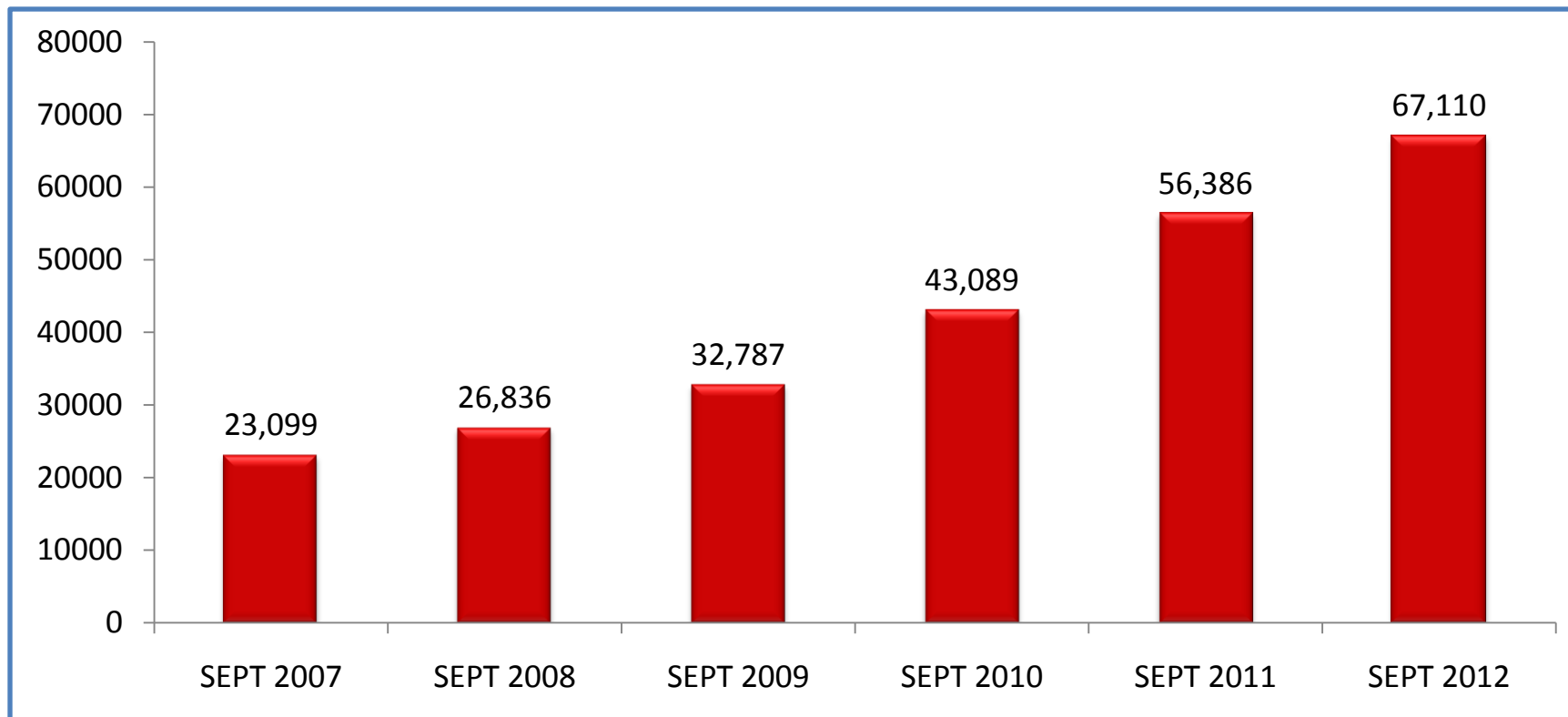
**ROA coming mainly from Core Income**



# Business Trend

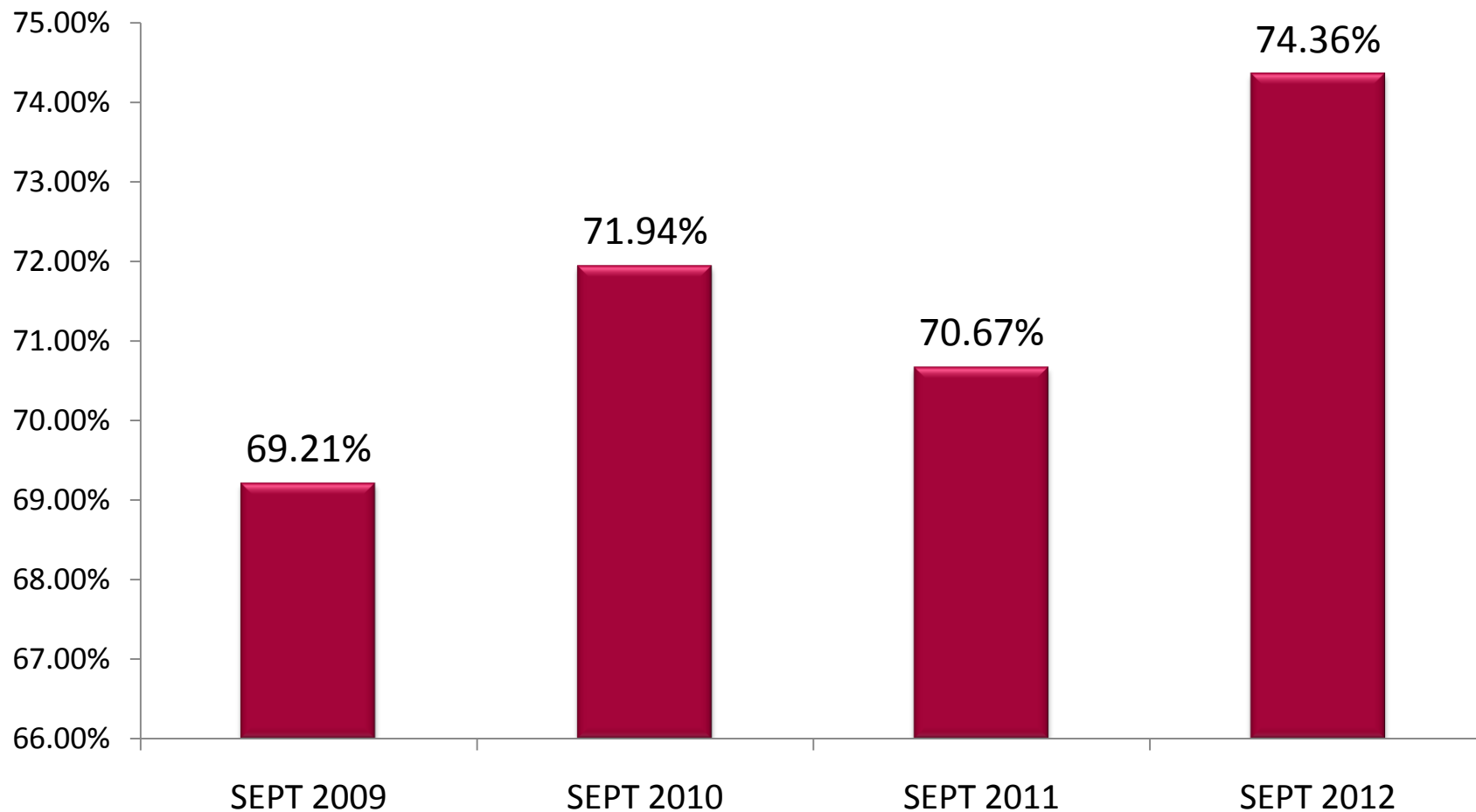
## Total Business and Growth

(₹ in Crores)



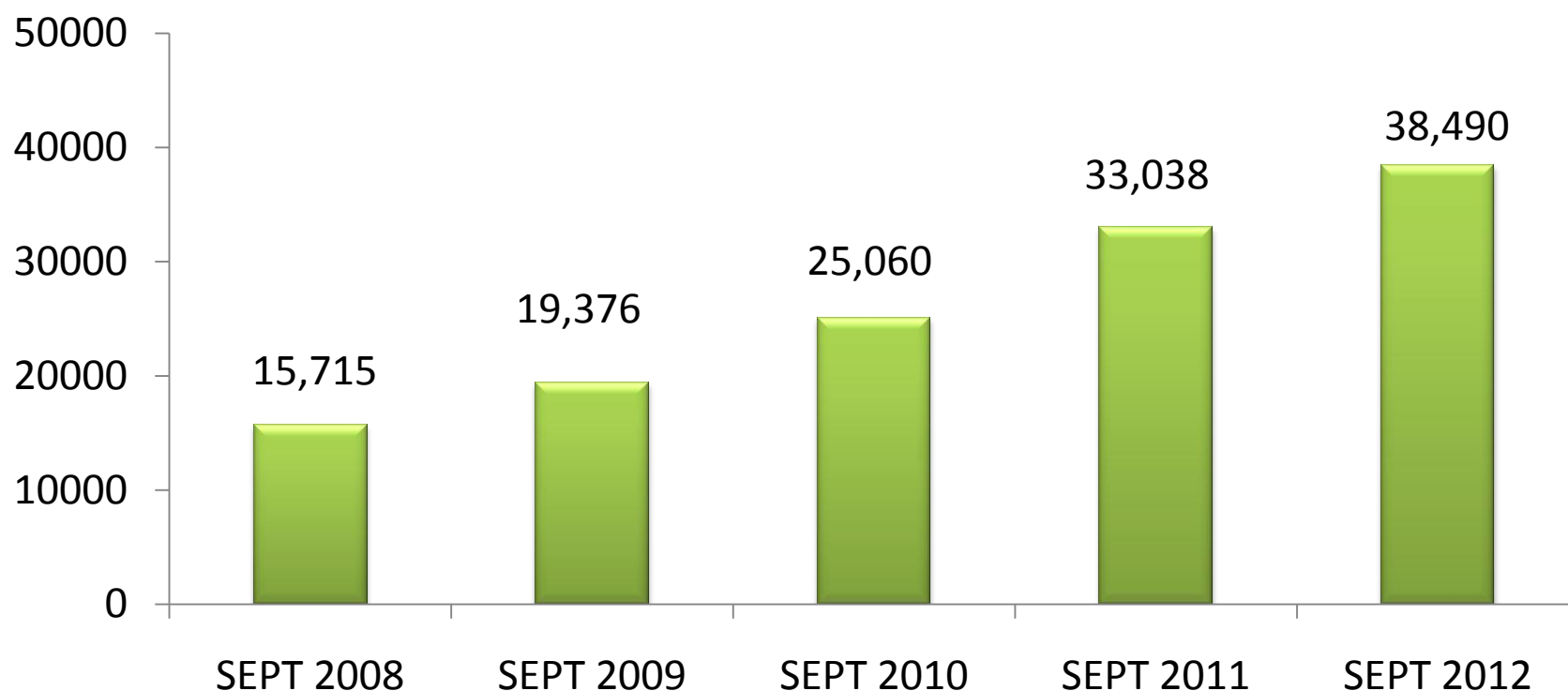
Business grew at CAGR of 26% in 5 years

# Credit Deposit Ratio



# Deposits Growth

(₹ in Crores)

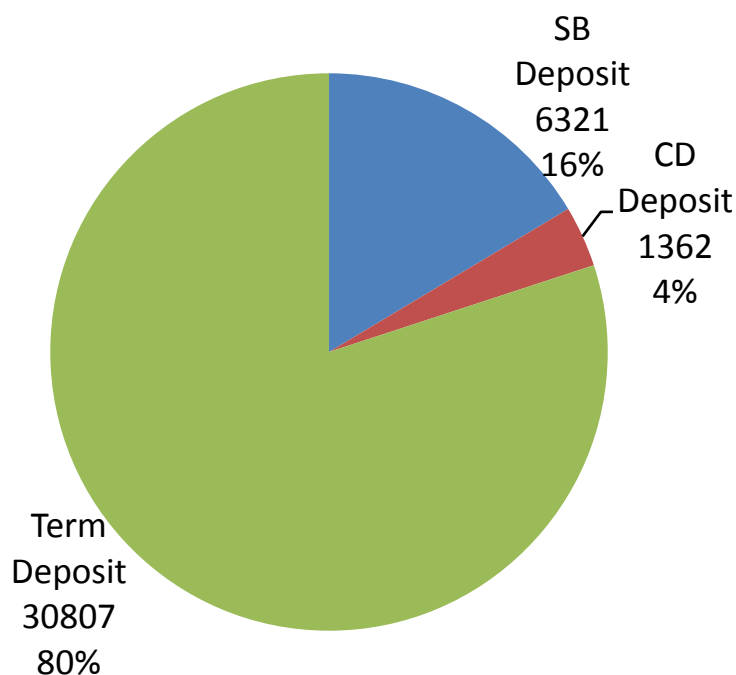


**Deposits increased @ 25% CAGR**

# Deposits – Composition and Trend

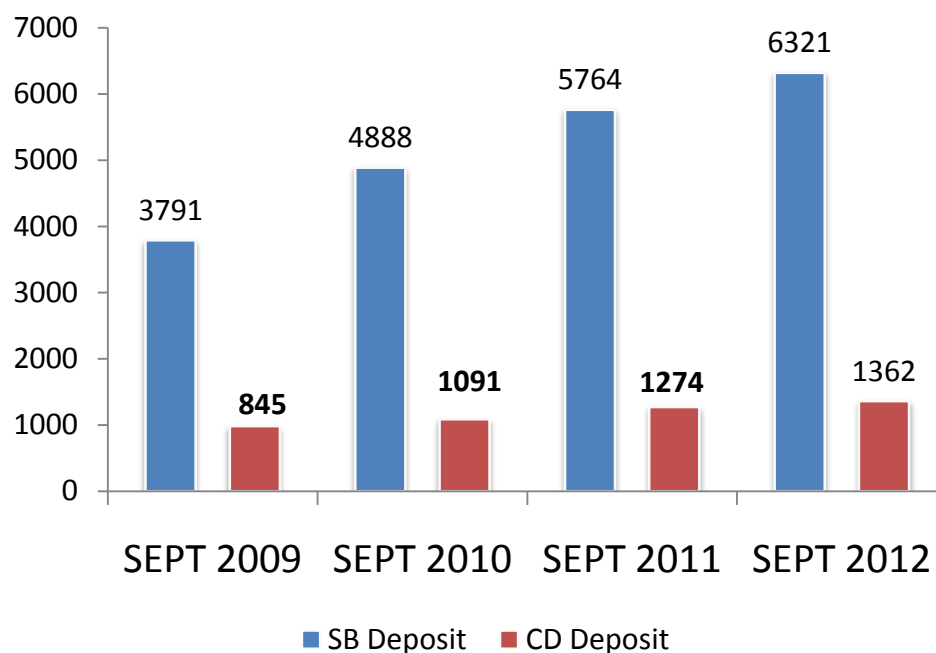
## Composition of Deposits

(₹ in Crores)



## Annual Trend in Low cost deposits

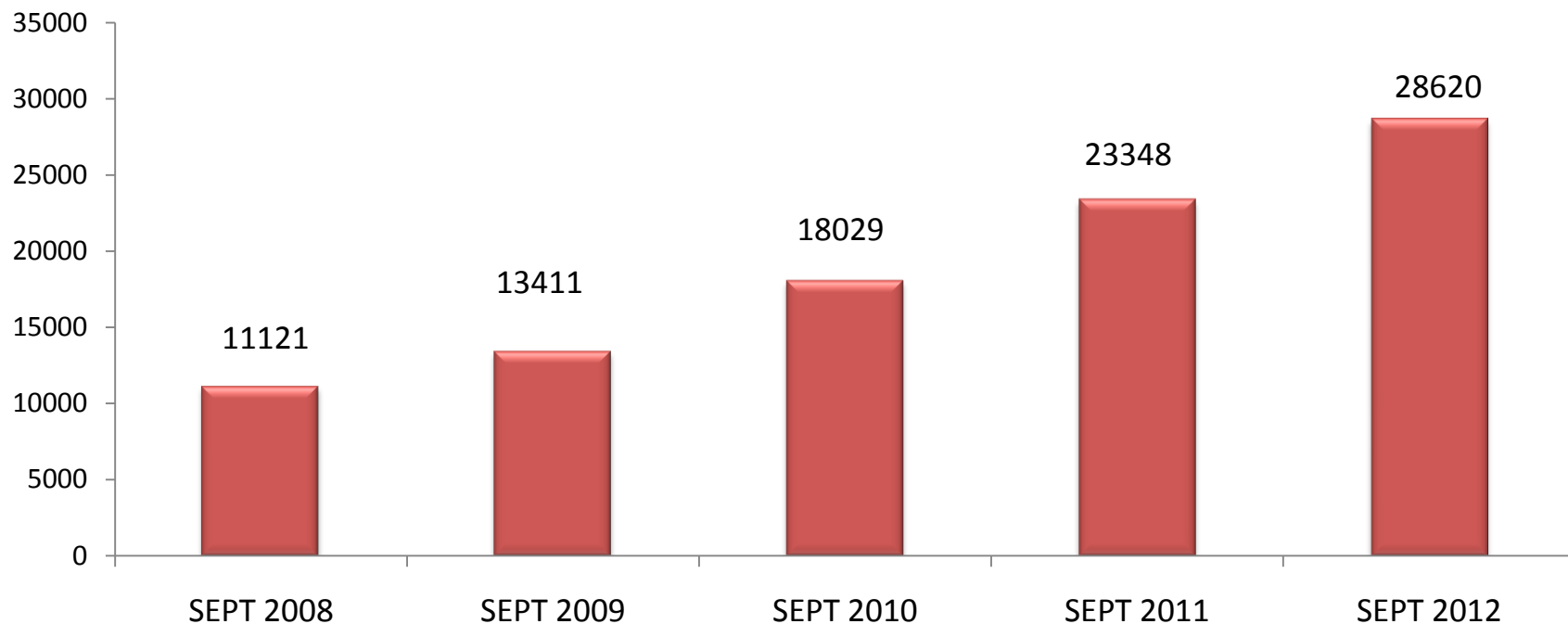
(₹ in Crores)



**Low Cost deposits form 19.96% of total deposits.**

# Advances Growth

(₹ in Crores)



**Advances increased by 27% (CAGR)**

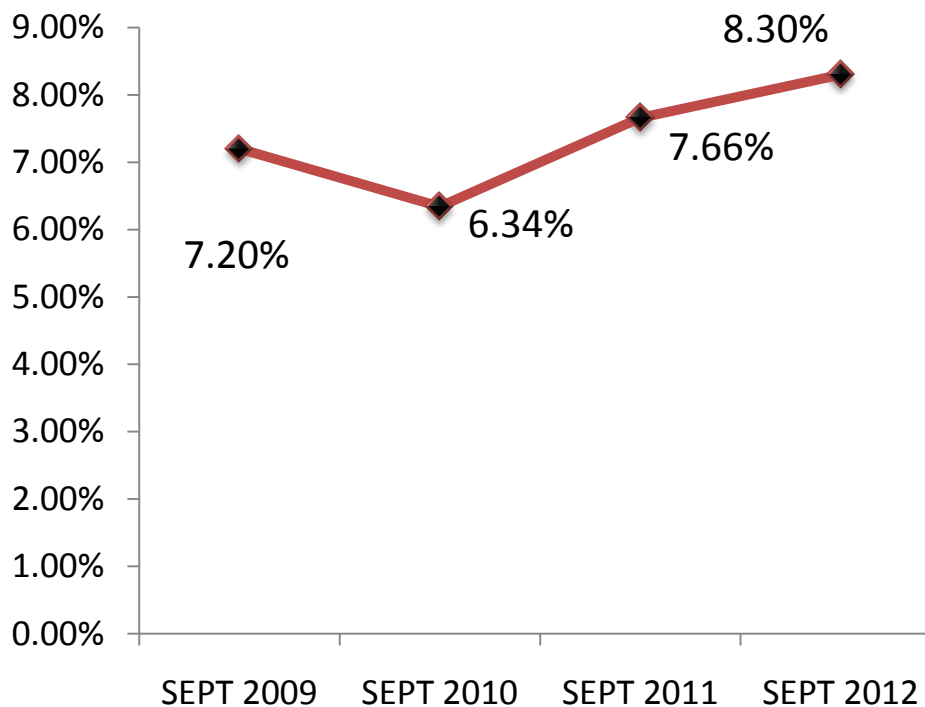
# Advances – Composition (Sept 2012)

Sector	Upto 5 Crores	Above 5 Crores	Total	% to total
Agriculture	1165.48	415.98	1581.46	5.54%
MSME	2032.56	353.39	2385.94	8.34%
Large Scale Industries	407.66	4978.13	5385.79	18.82%
Housing	1137.83	429.25	1567.08	5.48%
Commercial Real Estate	40.40	72.55	112.95	0.39%
NBFC	60.87	1986.75	2047.62	7.15%
Food Credit	0.00	524.49	524.49	1.83%
Infrastructure	0.00	4808.18	4808.18	16.80%
Gold Loan (Non Priority)	5354.44	0.00	5354.44	18.71%
FSLD	832.75	0.00	832.75	2.91%
LC Bills	0.00	2650.07	2650.07	9.26%
Miscellaneous	1246.24	123.17	1369.42	4.78%
<b>Total</b>	<b>12278.23</b>	<b>16341.96</b>	<b>28620.19</b>	<b>100%</b>

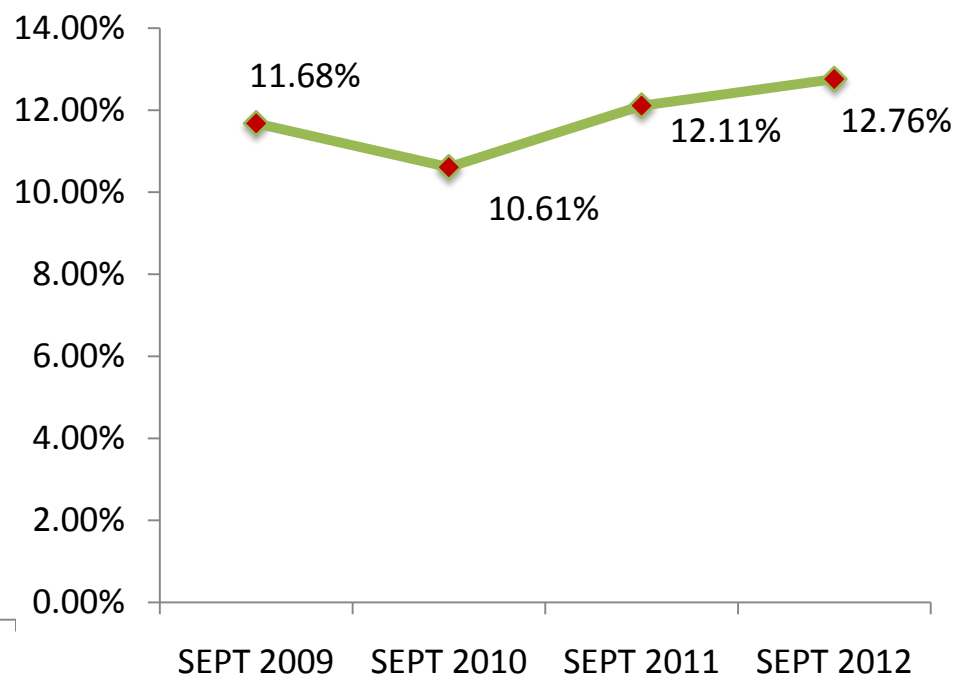


# Trend in Cost & Yield (Annualized)

## Trend in Cost of Deposits

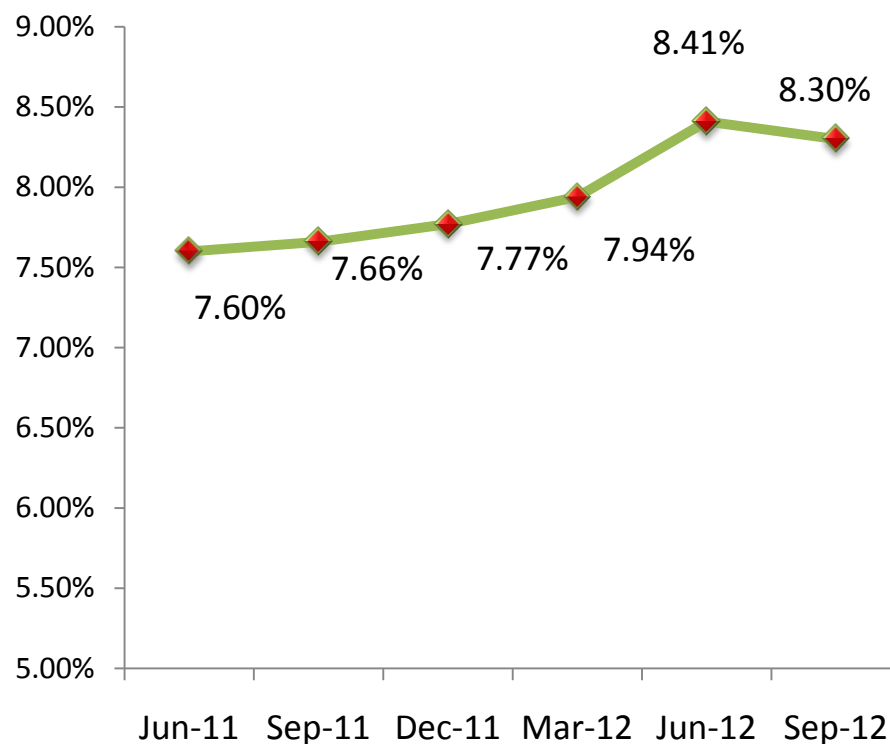


## Trend in Yield on Advances

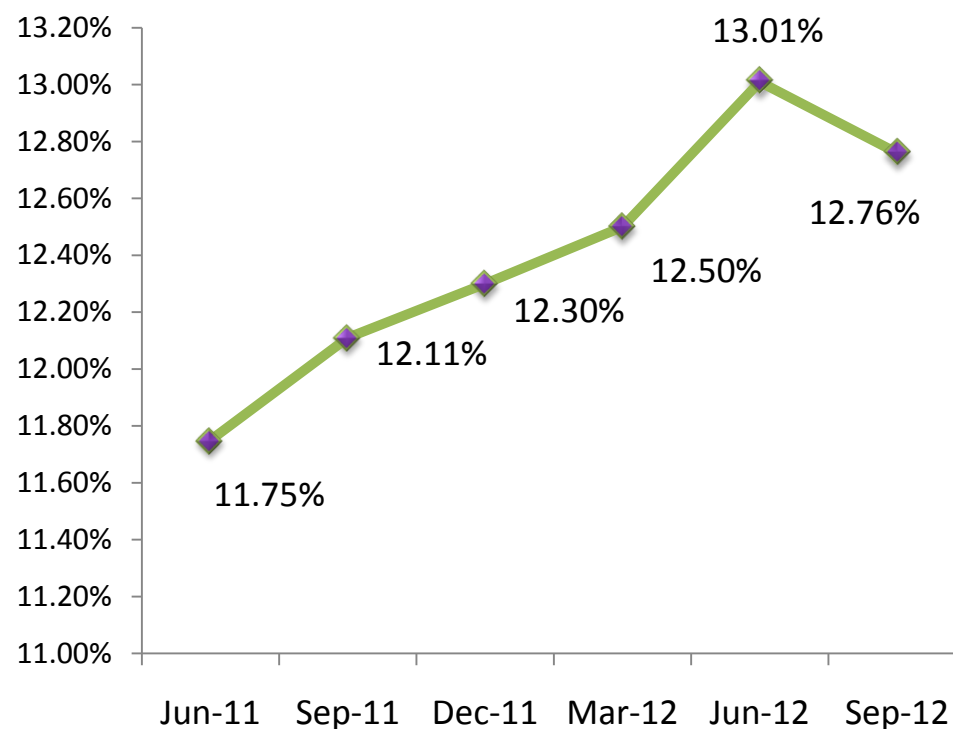


# Trend in Cost & Yield (Quarterly)

## Trend in Cost of Deposits(cumulative)



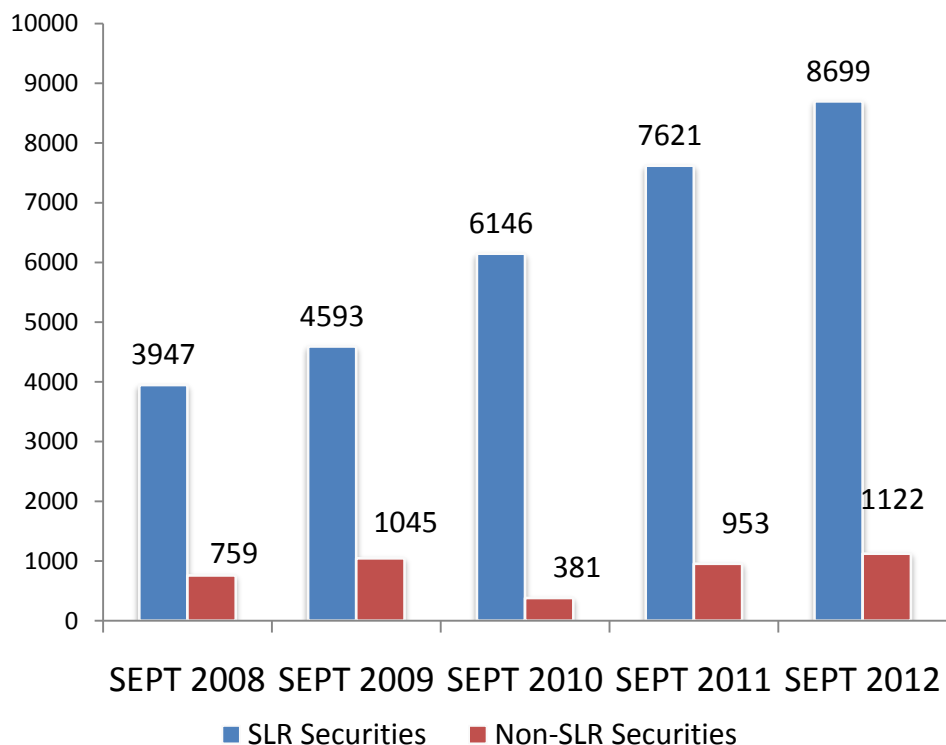
## Trend in Yield on Advances(cumulative)



# Investment Portfolio

## SLR & Non SLR Securities

₹ in Crores



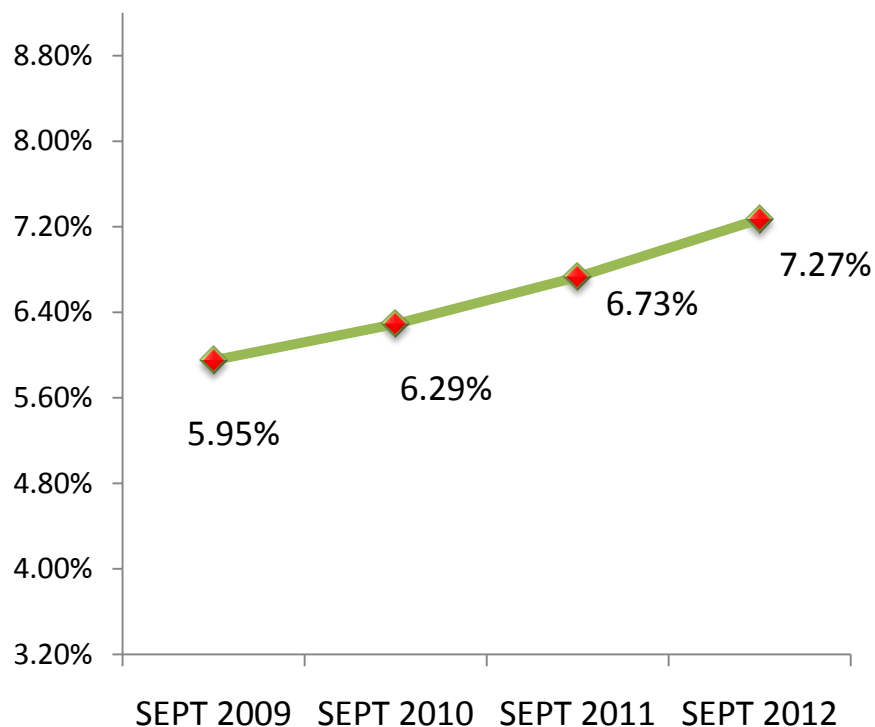
## Composition of Investment Book as on 30- Sept 2012

(₹ in Crores)

Category	Amount	Percentage
Held to Maturity	8913.83	90.76%
Held for Trading	9.61	0.10%
Available for Sale	897.45	9.14%
<b>Total</b>	<b>9820.89</b>	<b>100%</b>

# Investment Portfolio

## Yield on Investments



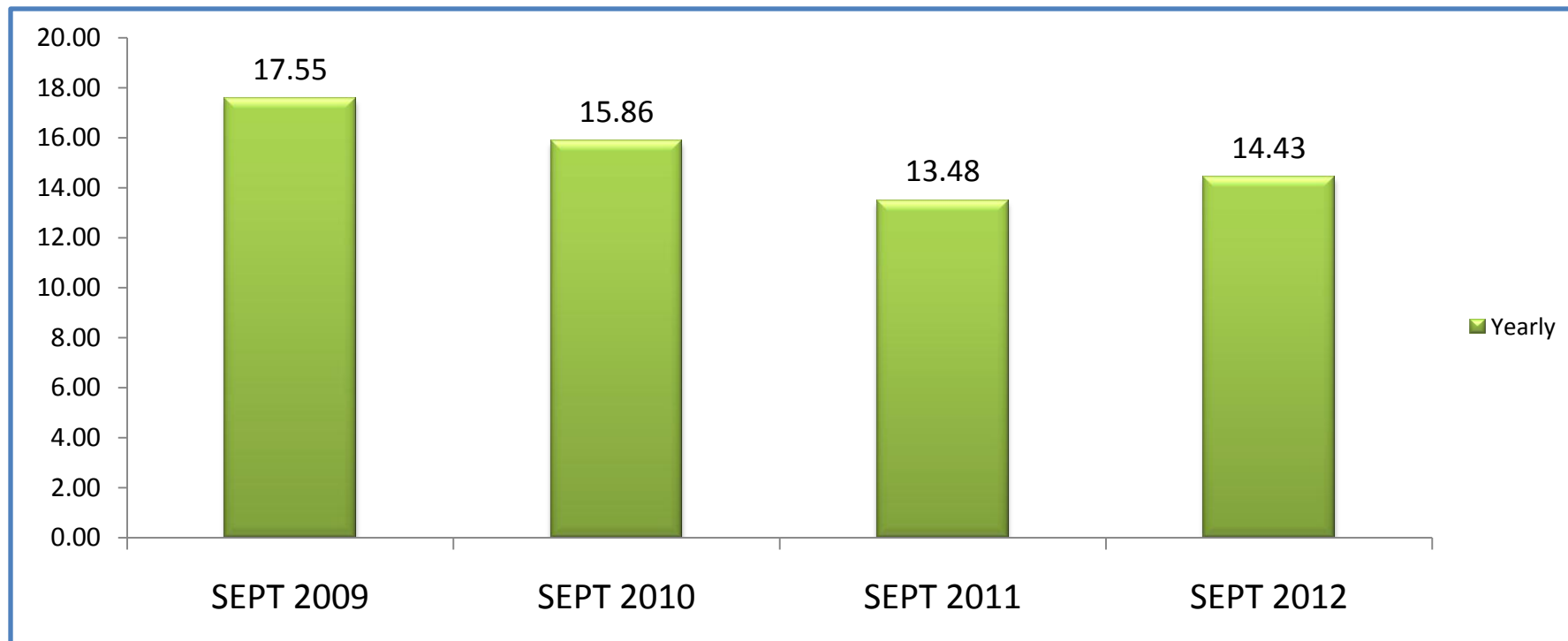
## Duration of Investments

	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
Total Investment Portfolio	3.69	4.07	4.08	4.08	4.43
Total HM Investment Portfolio	4.61	4.55	4.51	4.57	4.68
Total HFT and AFS together Investment Portfolio	0.39	0.64	0.90	1.39	1.67

(In Years)

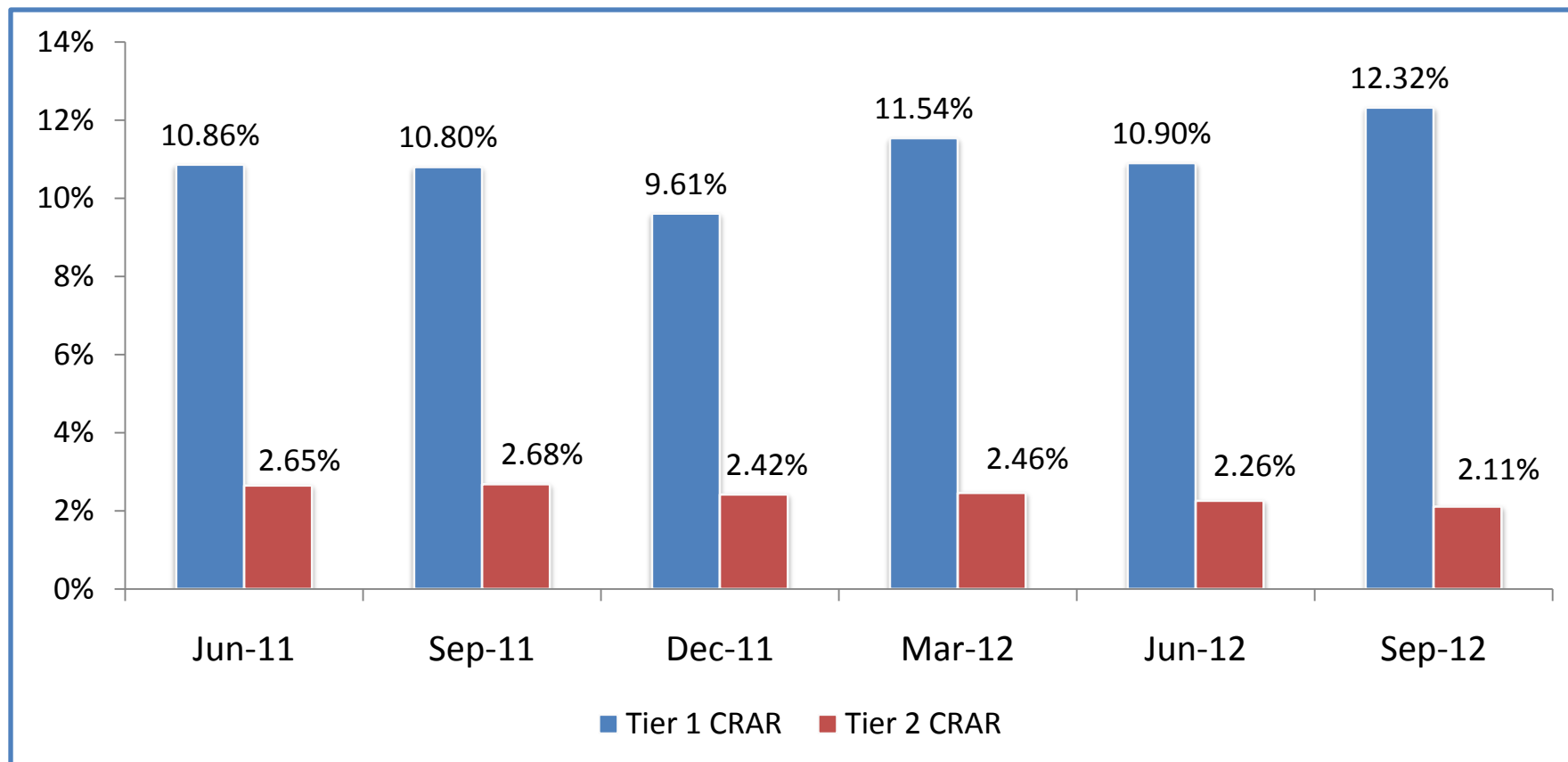
# Adequately Capitalized

CRAR – Basel 2



**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)

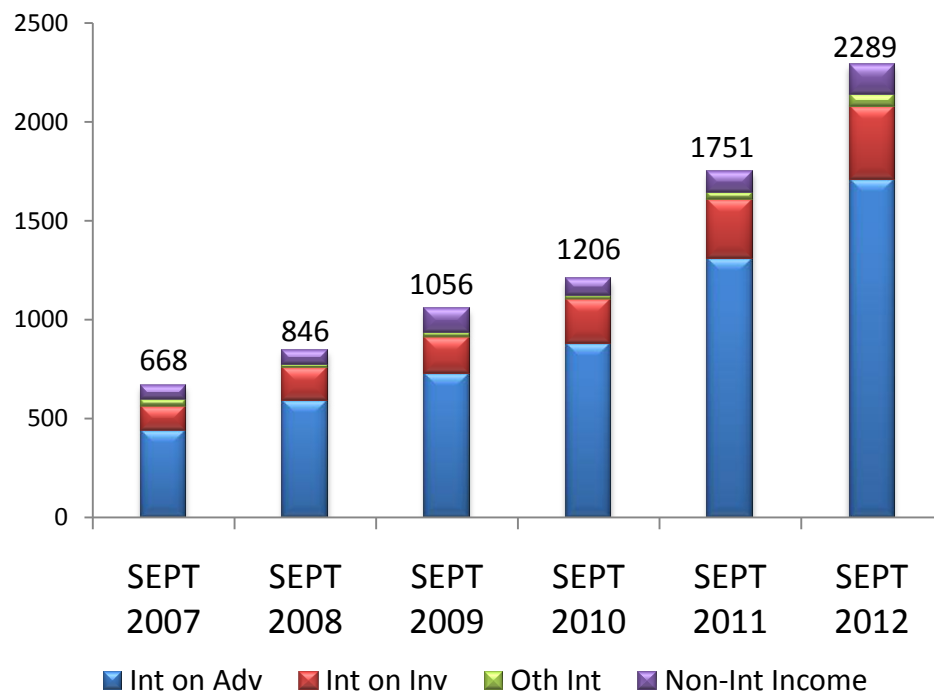
(₹ in crores)

	<b>RWA</b>	<b>Tier 1 Capital</b>	<b>Tier 2 Capital</b>	<b>Total Capital</b>
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
June 12	17955	1957	406	2363
Sep 12	19423	2393	410	2803

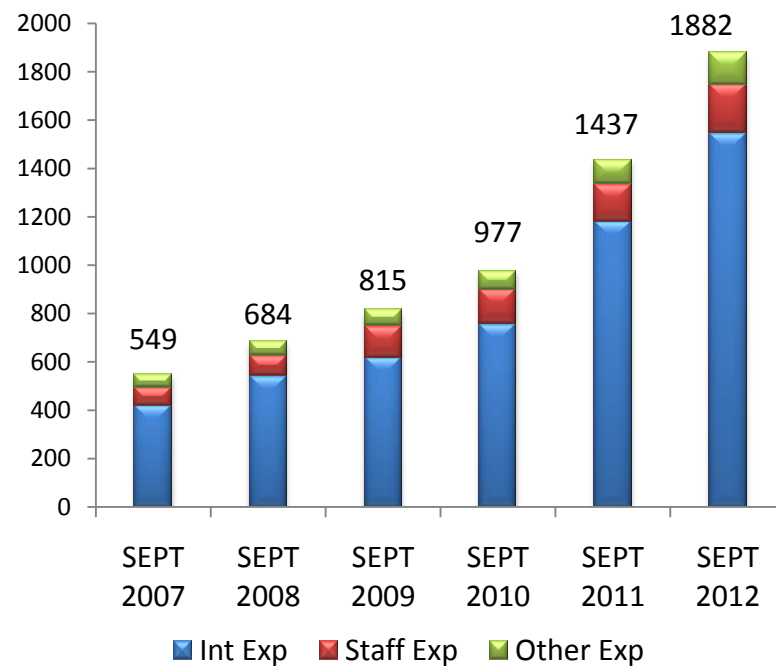
# Trend in Income & Expenses

(₹ in crores)

## Total Income



## Trend in Expenses

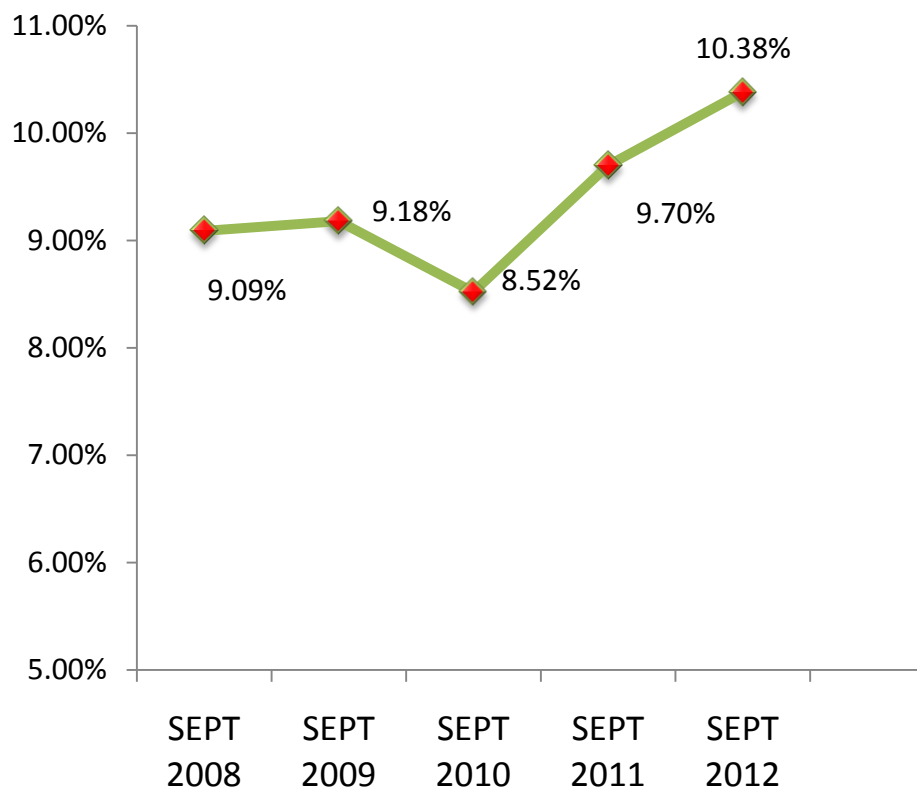


**Gross Annual income grew in 5 years at CAGR 28.25%**

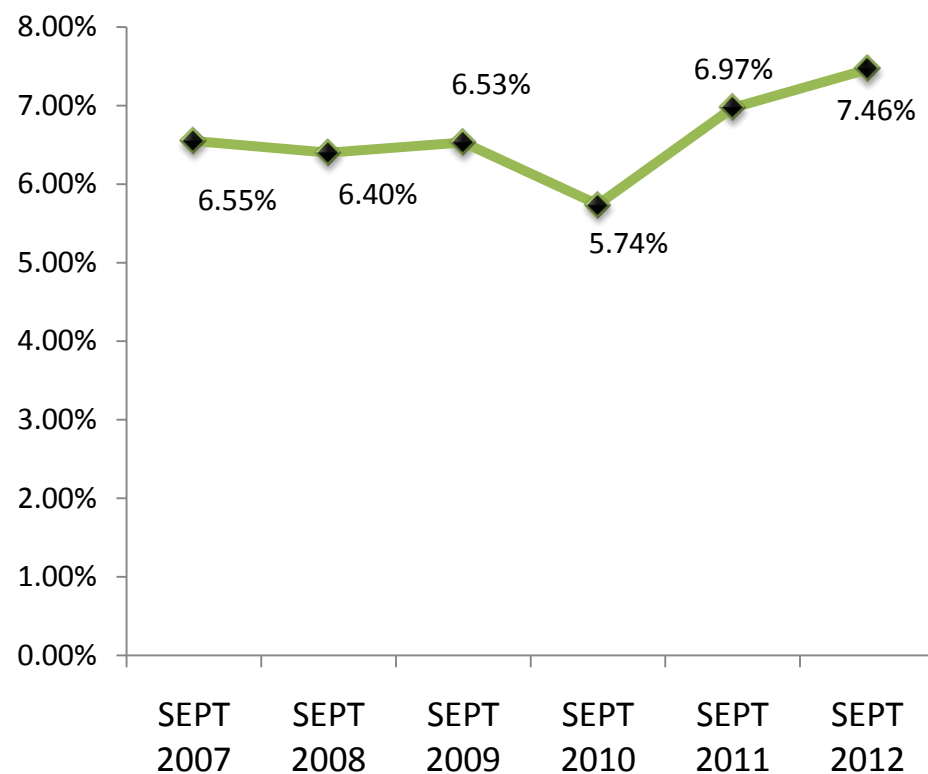


# Trend in Income

## Yield on Funds



## Cost of Funds



# Composition of Other Income

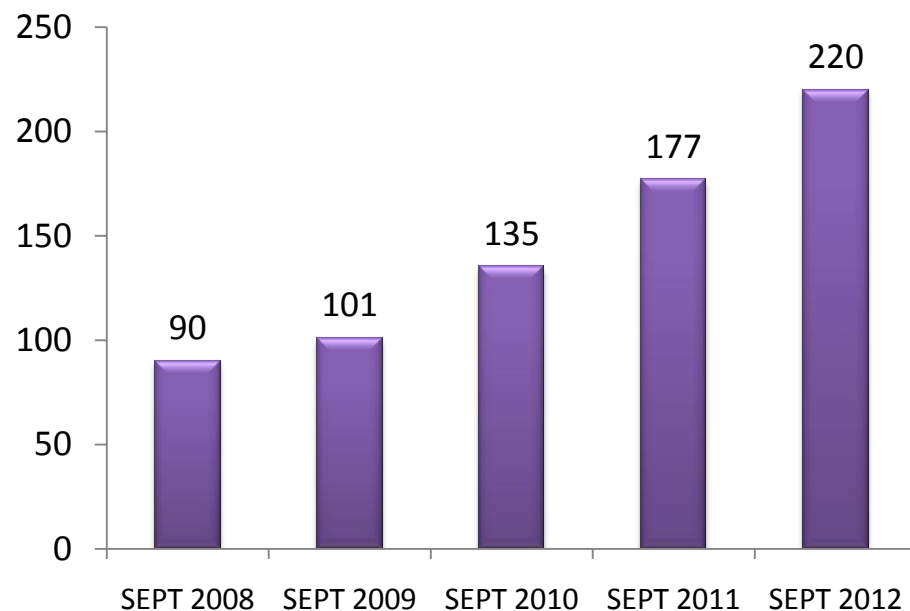
(₹ in crores)

Particulars	Half year ended Sept 2011	Half year ended Sept 2012
Commission, Exchange & Brokerage	15.94	21.11
Profit on sale of investment (Net)	26.24	30.80
Profit on sale of Land, Building & Other assets (Net)	0.02	-0.06
Profit on Exchange Transactions (Net)	11.72	11.62
Miscellaneous Income		
1. Processing Fees	6.84	8.25
2. Technology Related	17.96	23.79
3. Bullion	0.58	2.27
4. Transaction Related	23.14	33.32
5. Interest on IT refund	-	15.14
6. Others	2.26	1.57
<b>Total</b>	<b>104.70</b>	<b>147.81</b>

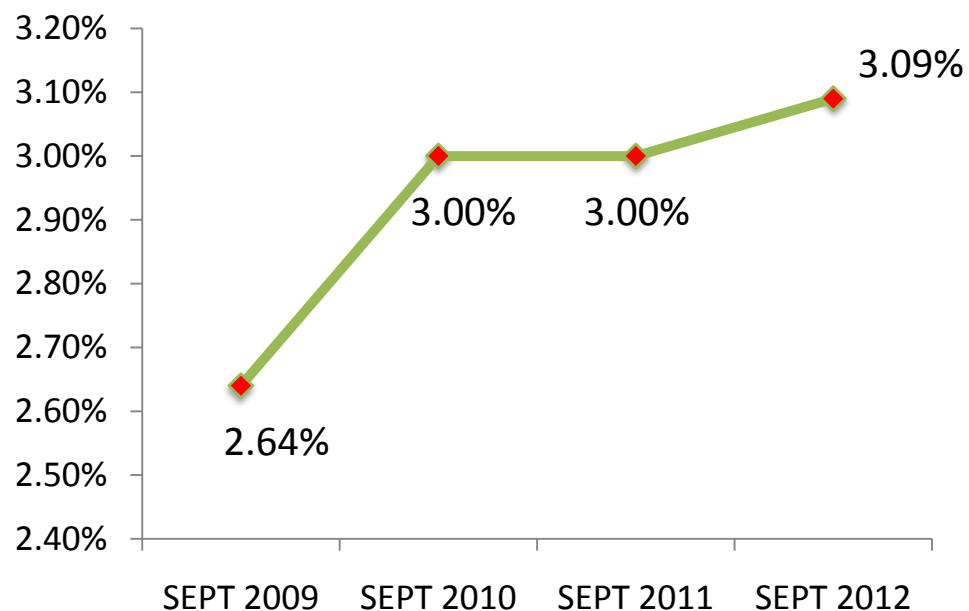
# Profitability

## Growth in Net Profit

(₹ in Crores)



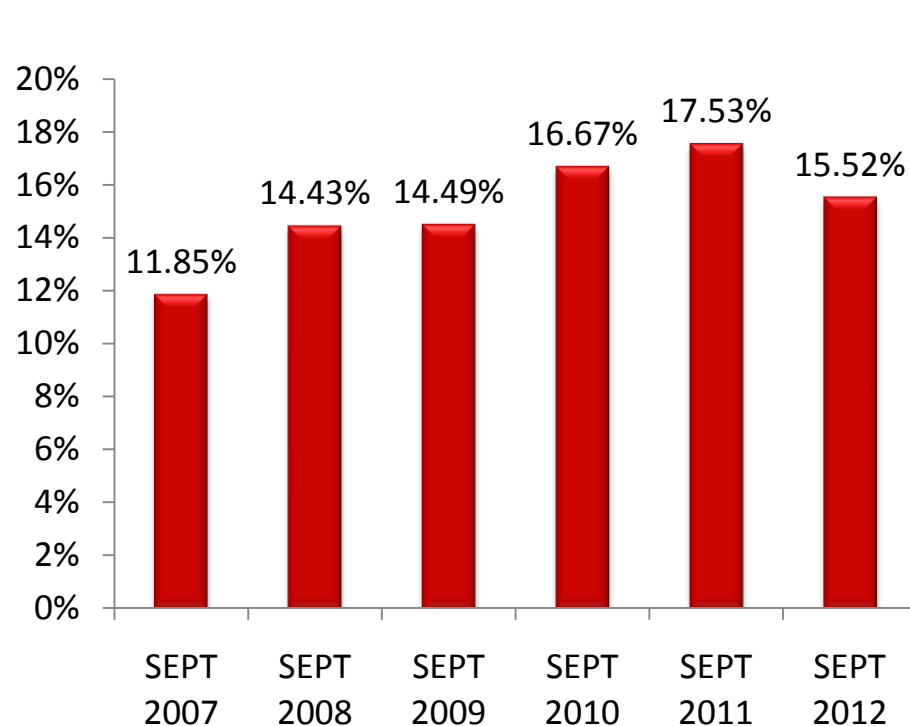
## Net Interest Margin



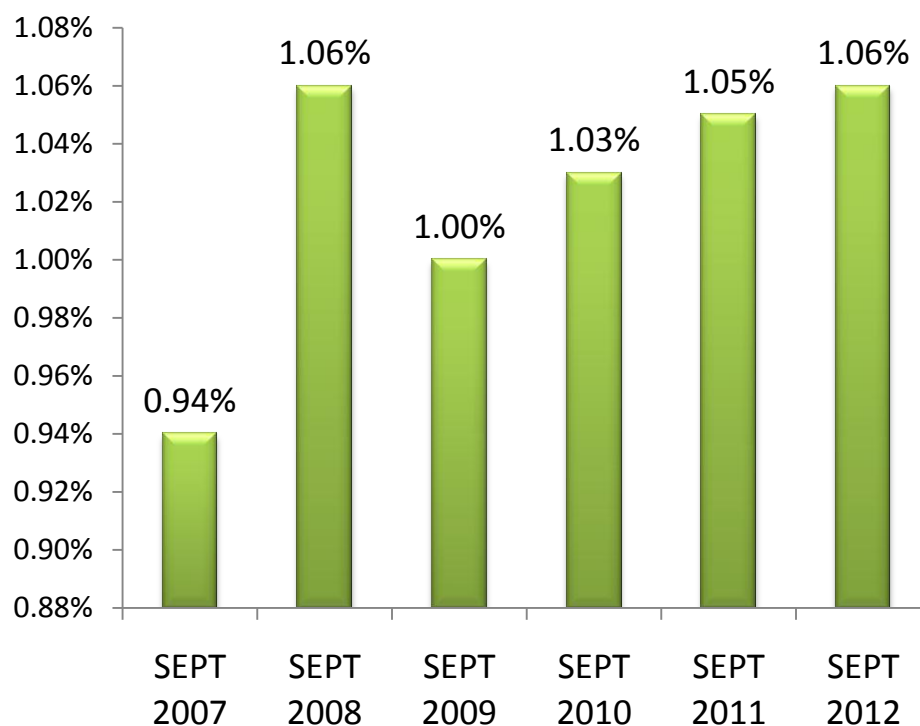
**Net profit grew at CAGR of 25% (Y-Y) in last 5 years.  
Net Interest margin (NIM) remains at moderate range.**

# Efficiency

## Return on Equity

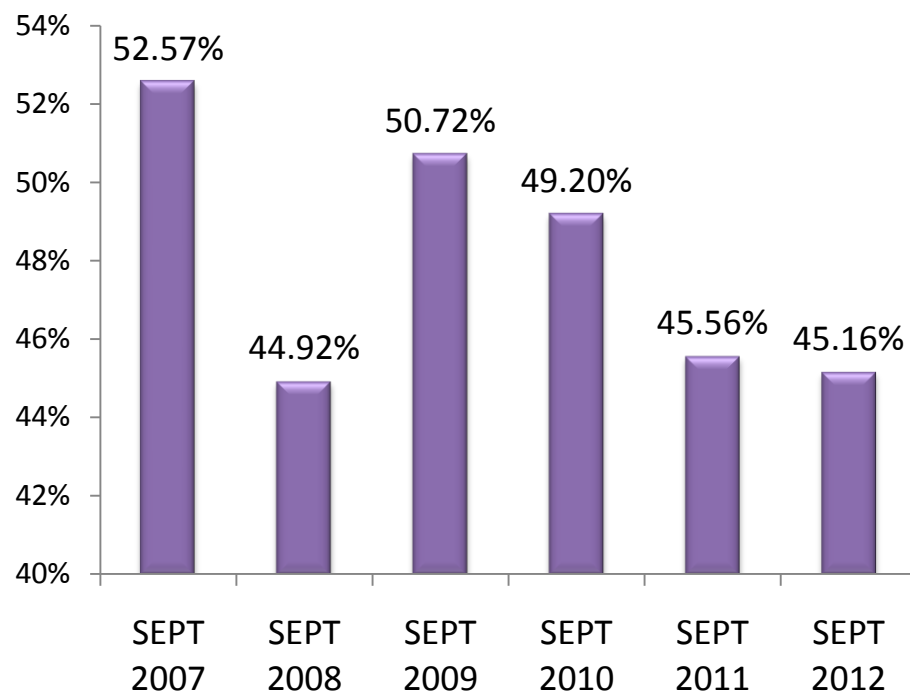


## Return on Asset

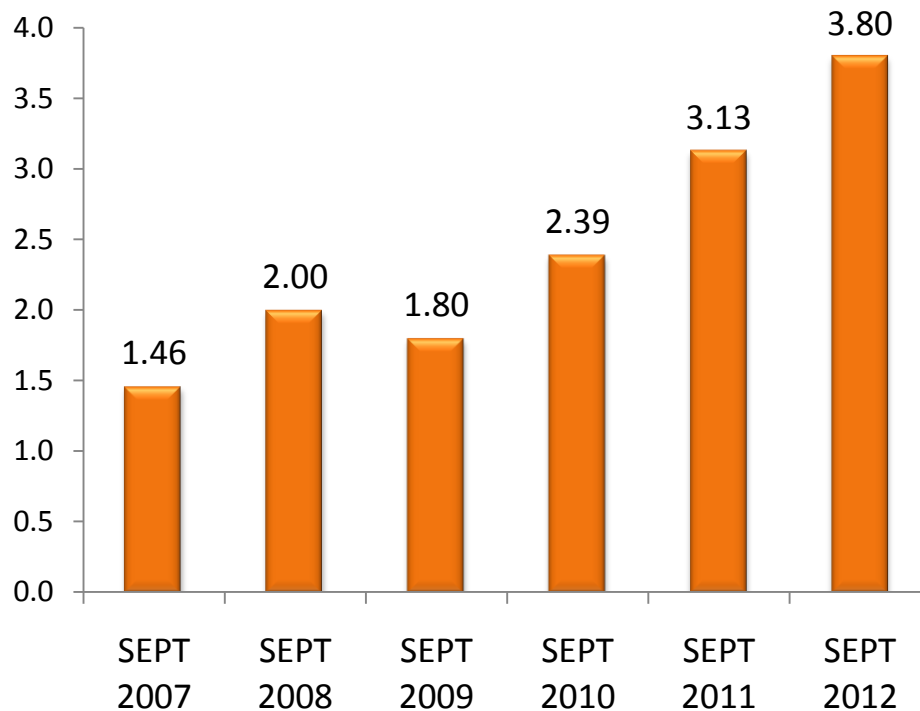


# Efficiency

## Cost / Income Ratio



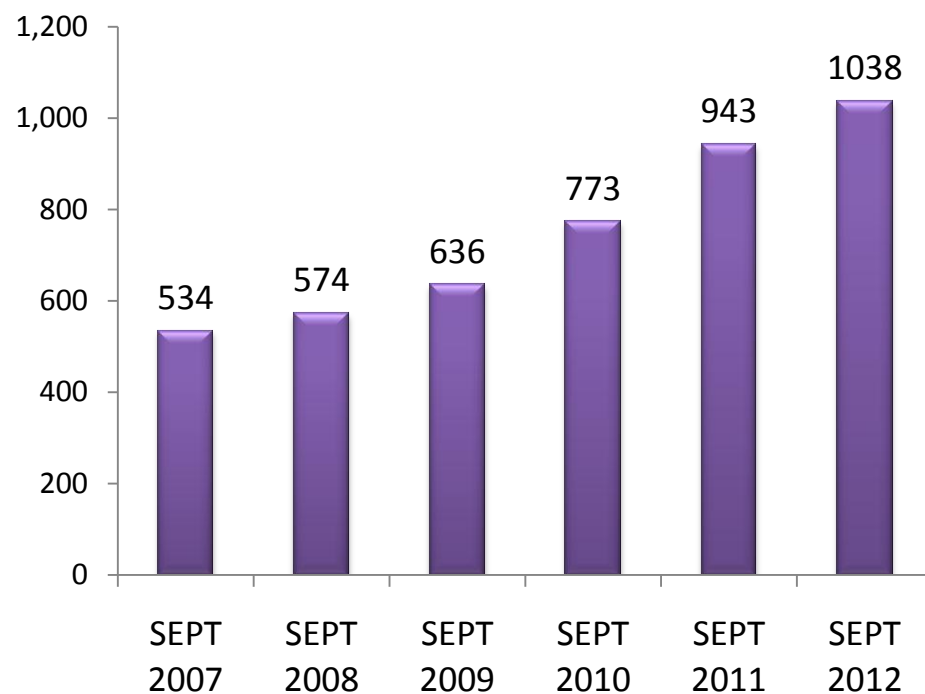
## Earning Per Share (Annualized)



# Productivity

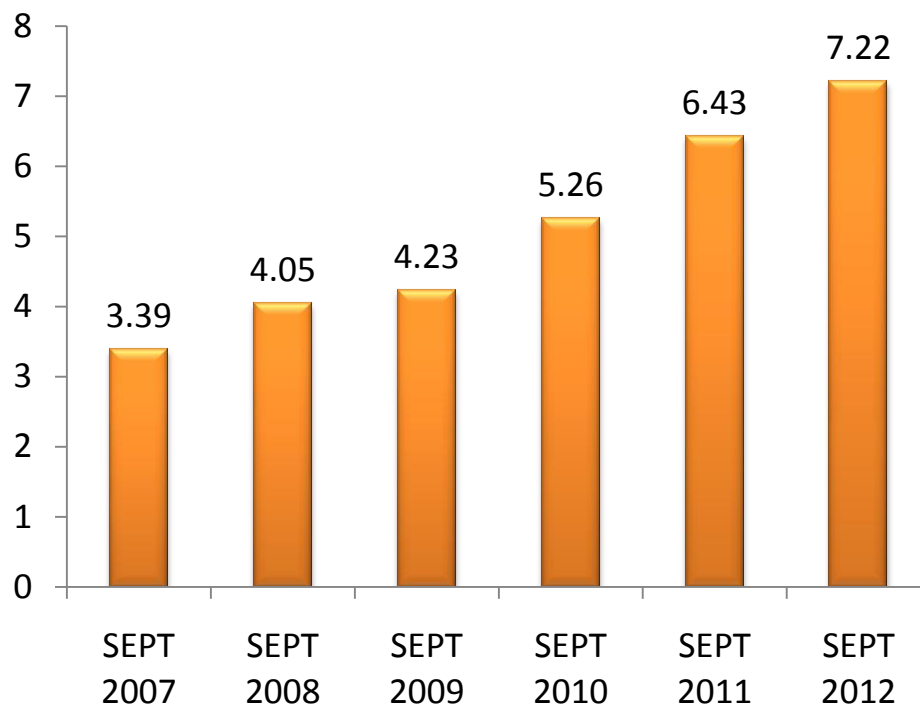
## Average Business Per Employee

(₹ in Lakh)



## Profit Per Employee

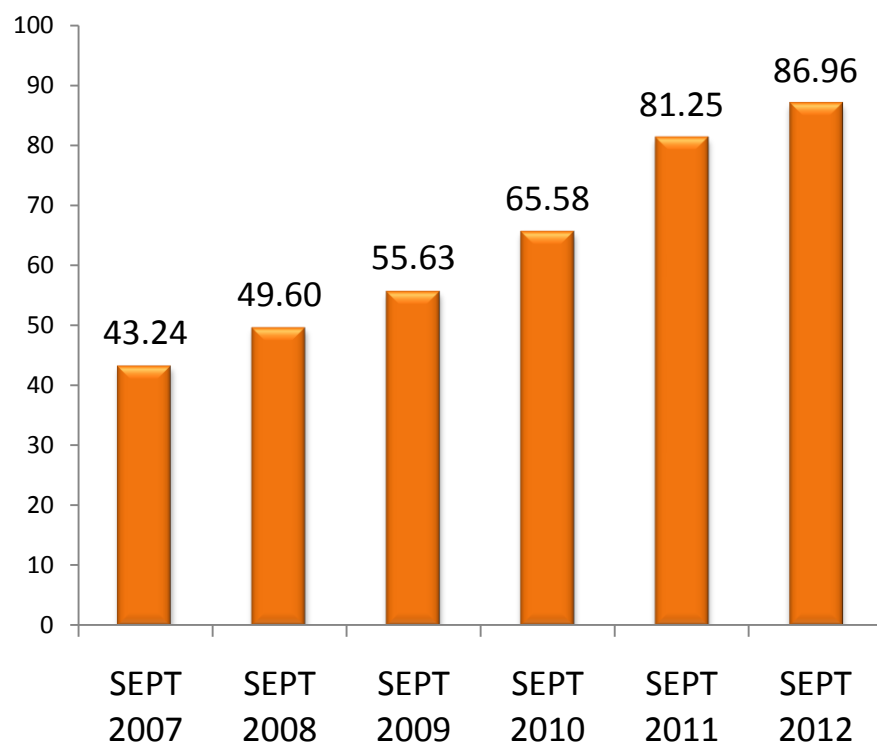
(₹ in Lakh)



# Productivity

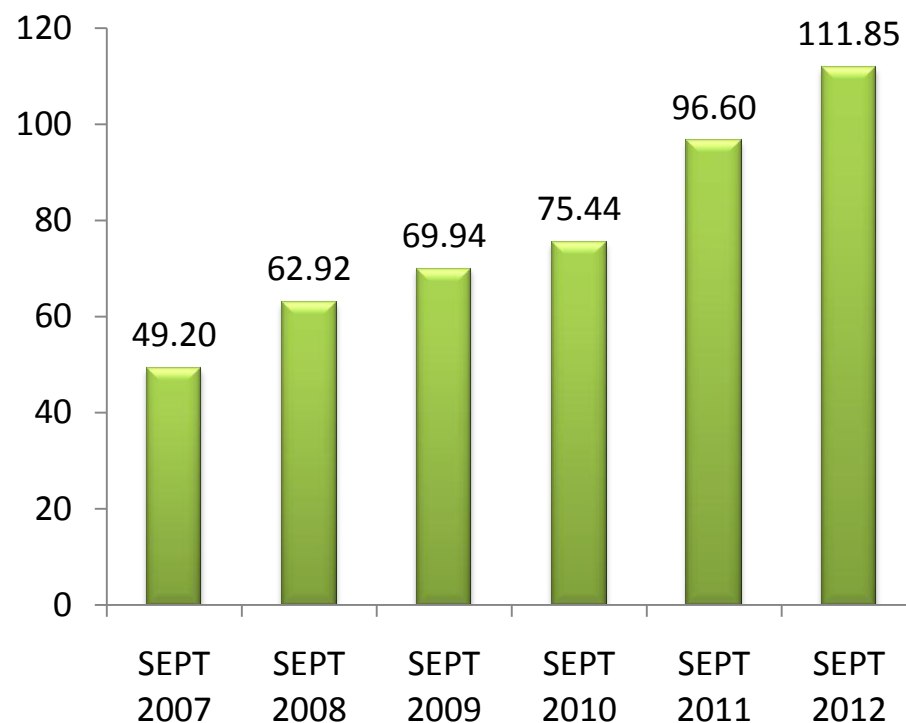
## Average Business Per Branch

(₹ in crore)



## Operating Profit Per Branch

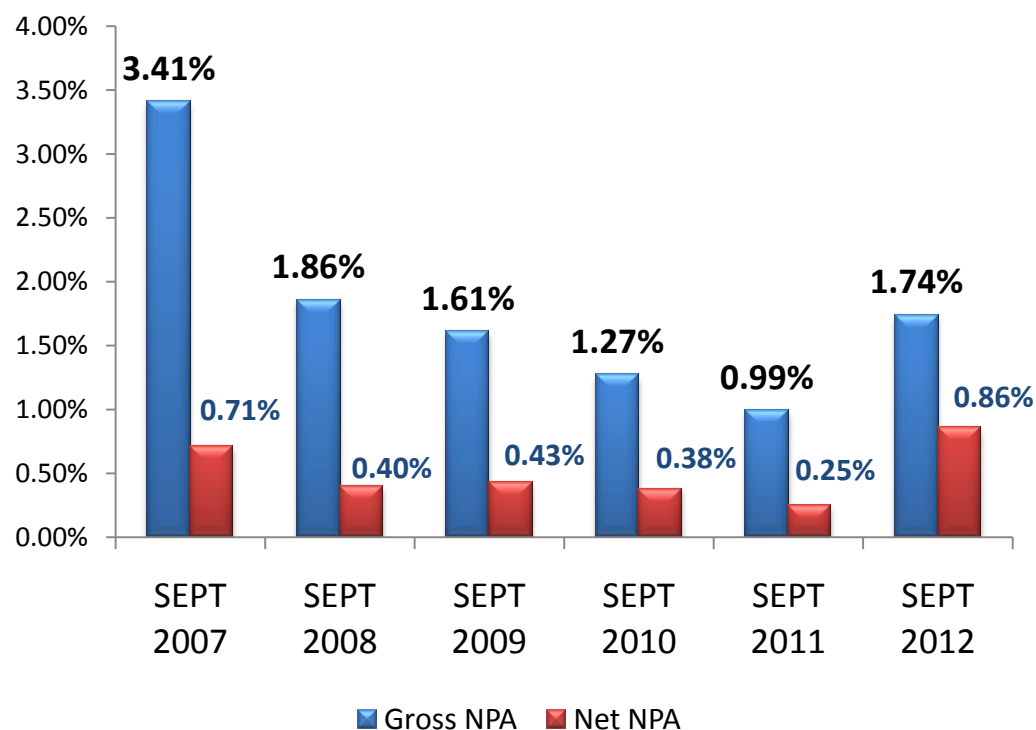
(₹ in Lakh)



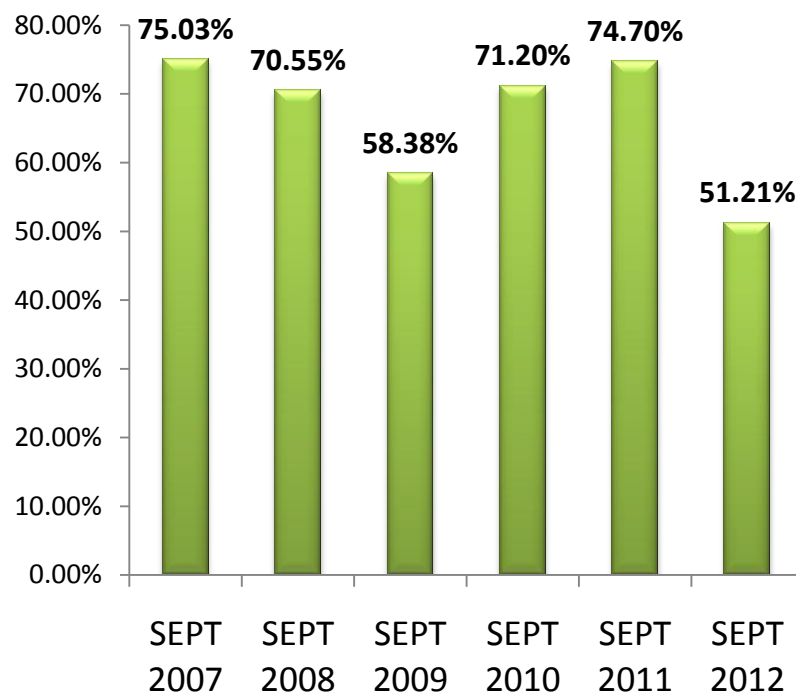


# Asset Quality as on September 2012

## Gross NPA & Net NPA(%)



## Provision Coverage



# Break-up of Provision

(₹ in Crore)

Particulars	Year ended 31/03/2011	Year ended 31/03/2012	Half Year ended 30/09/2011	Half Year ended 30/09/2012
For NPA advance	27.74	21.04	2.54	63.86
For Depreciation on Investments	9.37	14.07	14.86	0
For NPA investment	0.26	-0.69	0	0
For standard assets	21.60	39.75	21.17	7.28
For income tax	152.94	170.69	87.37	105.41
For Restructured advances	-0.05	4.01	4.94	10.54
General Provision	20	0	0	0
Other impaired assets	0.84	2.79	1.16	-0.33
Others (ADWDRS)	0	-1.80	0	0
<b>Total Provisions and Contingencies</b>	<b>232.70</b>	<b>249.86</b>	<b>132.04</b>	<b>186.76</b>

# Performance Highlights

(₹ in Crore)

Performance Highlights	Jun-11	Sep-11	Dec-11	Year ended Mar-12	June-12	Sep-12
<b>CRAR Basel 2 (%)</b>	13.51%	13.48%	12.03%	14.00%	13.16%	14.43%
<b>Return on Average Assets (Annualised)</b>	1.02%	1.05%	1.06%	1.12%	1.22%	1.06%
<b>NIM (%)</b>	2.80%	3.00%	3.05%	3.10%	3.15%	3.09%
<b>Gross NPA's</b>	236	230	234	267	295	496
<b>Net NPA</b>	63	58	58	76	95	242
<b>Gross NPA (%)</b>	1.07%	0.99%	0.94%	0.97%	1.08%	1.74%
<b>Net NPA (%)</b>	0.29%	0.25%	0.24%	0.28%	0.35%	0.86%
<b>Provision Coverage</b>	73.15%	74.70%	75.18%	71.36%	67.71%	51.21%
<b>CASA</b>	6790	7038	7280	7179	7835	7684
<b>CASA %</b>	21.47%	21.30%	21.51%	19.67%	21.09%	19.96%
<b>Deposits</b>	31622	33038	33834	36501	37153	38490
<b>Advances</b>	22151	23348	25050	27635	27349	28620
<b>Yield on advances</b>	11.75%	12.11%	12.30%	12.50%	13.01%	12.76%

# FUTURE STRATEGY



# 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





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A white rectangular card is placed diagonally on a background of numerous pink rose petals. The petals are vibrant pink with some yellow at the base, creating a soft, romantic texture. The card is clean and minimalist, with the words 'Thank you' written in a black, elegant cursive script.

*Thank you*