

OVER



**YEARS OF
TOTAL BANKING**

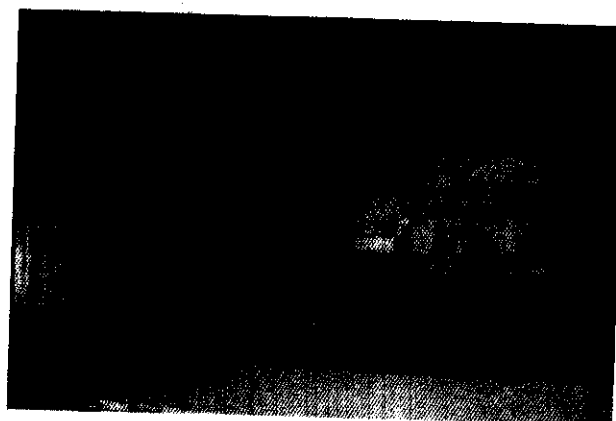


72nd ANNUAL REPORT 1999-2000





Inauguration of the Senior Citizens' counter at Thrissur in the presence of the District Collector



Chairman addressing the Shareholders at the 71st Annual General Meeting.



Chairman inaugurating the Extended Business Hours at the Thrissur Main Branch.

BOARD OF DIRECTORS



Mr. A. Sethumadhavan
(Chairman)



Mr. P.M. Manuel



Mr. Tony John Alapatt



Mr. Jose Pottokaran



Mr. Tommy P. Chakola



Dr. C. Mathew John



Mr. Paul Chalissery



Mr. Babu Alapatt



Mr. R. Viswanathan



Mr. Mohan Alapatt

GENERAL MANAGERS



Mr. Joseph J. Vithayathil

Mr. M. Valsan

DEPUTY GENERAL MANAGERS



Mr. K.S.S. Rau

Mr. V.P. Joseph

Mr. A.F. George

Mr. Cheryan Varkey

Mr. Alex Mathew

ASST. GENERAL MANAGERS

Mr. Thomas Valappila
Mr. T. Dinakaran
Mr. R. Ayyaswamy
Mr. T. D. Devassia
Mr. N. V. Ignatius
Mr. A. G. Varughese

Mr. T. M. Sunny
Mr. K. S. George
Mr. P. J. Johny
Mr. Anto C. Kalliath
Mr. George Davis Thottan
Mr. K. S. Krishnan

Mr. Joy John Vaidya
Mr. V. Ananthanarayanan
Mr. Varghese John
Mr. P. J. Jacob
Mr. V. J. Thomas
Mr. Joseph George Kavalam

SECRETARY

Mr. A.S. Narayanan

AUDITORS

M/s. Fraser & Ross,
Chartered Accountants,
Door No. 39/690,
Carrier Station Road, Kochi-682 016.

SHARE TRANSFER AGENTS

M/s. Tata Consultancy Services
21, Industrial Estate,
Opp. Sivananda Steel, Ambattur,
Chennai-600 058

DIRECTORS' REPORT

Your Directors have great pleasure in presenting to you the 72nd Annual Report together with audited Balance Sheet as at 31st March 2000 and the Profit and Loss A/c for the financial year ended on that date and the Auditors' Report thereon.

ECONOMIC AND BANKING ENVIRONMENT

The year 1999-2000 had been an year of many challenges — Kargil war, devastating Orissa Super Cyclone, soaring world oil prices, weak monsoons and continued recession in the world economy. In spite of these adverse conditions, the GDP growth in 1999-2000 is estimated to be around 5.9% as against 6.8% in the previous year, owing to increased growth in agriculture and allied activities and substantial acceleration in the growth of industrial output, particularly the manufacturing output. The annual rate of inflation as measured by the Wholesale Price Index was significantly lower than in the preceding year at 3.74% on a point to point basis and 2.97% on an average basis. The current account deficit is expected to be around 1% of the GDP in 1999-2000.

The growth rate of Broad Money (M3) during 1999-2000 was 13.6% (Provisional) as against 19.2% in 1998-99. The Central Government's fiscal deficit was 5.6% of GDP as against the budgeted figure of 4%. Despite the various uncertainties and usual market fluctuations, share prices, especially information technology stocks, maintained a clear uptrend during the year under review.

The aggregate deposits of the scheduled commercial banks increased by 13.5% as against 19.3% in the previous year. A substantial percentage of the increase in deposits was on account of the increase in time deposits.

The interest rates remained low throughout the year. In line with the overall scenario of a declining interest rate regime the RBI announced a number of measures to enhance the liquidity and reduce the cost of funds to banks. The Bank rate was cut from 8% to 7% w.e.f. 1st April, 2000 and the Cash Reserve Ratio was also reduced in two stages from 9% to 8%. The reduction in rate of interest on Savings Bank Deposit was to the extent of 0.5%.

Banks have now been allowed to enter the insurance business, subject to certain norms prescribed by Reserve Bank of India.

With a view to providing further flexibility to banks and enabling them to choose an optimum strategy of holding reserves depending upon their intra-period cash flows, it has also been decided to reduce the requirement of the minimum of 85% of the CRR balances to be maintained to 65% with effect from the fortnight beginning May 6, 2000.

FINANCIAL PERFORMANCE

The statement of accounts shows a gross profit of Rs. 83.40 crores before depreciation, taxes and provisions and a net profit of Rs. 25.89 crores as per details infra:-

	(Rs.in crores)
Profit before depreciation, taxes and provisions	83.40
Less: Depreciation	3.13
	80.27
Less: Provision for NPAs	25.41
Provision for income tax/wealth tax	19.69
Provision for interest tax	4.68
Provision for standard assets	4.60

Provision for depreciation in the value of Investments:	0.29
Less: Transfer from Investment Fluctuation Reserve:	0.29

	54.38
Net Profit	25.89
Brought forward from last year	0.34
Total	26.23

APPROPRIATIONS

(Rs. in crores)

Transfer to Statutory Reserve	6.48
Transfer to Capital Reserve	0.01
Transfer to General Reserve	7.00
Proposed dividend (including tax)	7.89
Balance carried forward to Balance Sheet	4.85
Total	26.23

DIVIDEND

The Directors recommend a dividend of 20% p.a. on the bank's shares as against 10% p.a. paid in 1998-99.

DEPOSITS

The total deposits of the Bank recorded a growth of 24.43% during the year reaching a level of Rs.3885.36 crores as on 31-03-2000 as against Rs.3122.56 crores as on 31-03-1999. The Break-up of deposits as on 31-03-2000 is as under:-

	Amount (Rs.in crores)	% to total deposits
1) Current Deposits	238.08	6.13
2) Savings Deposits	612.81	15.77
3) Term Deposits	3034.47	78.10
Total	3885.36	100.00
Out of the above, NRI deposits	1356.11	34.90

The bank is making all out efforts to increase the share of current and savings bank accounts in order to reduce the overall cost of deposits.

ADVANCES

The total advances of the Bank stood at Rs. 2021.08 crores as on 31-03-2000 as against Rs.1664.66 crores as on 31-03-1999, thereby achieving a growth of 21.41%. Priority Sector advances constituted 55.23% of the net bank credit as against the mandated level of 40%. The share of various segments of priority sector is as follows:

	(Rs. in crores)
Agriculture & allied activities	85.35
S.S.I	298.70
Other areas in the Priority Sector	262.17
Total	646.22



**The
South
Indian
Bank Ltd**

DIRECTORS' REPORT

Advances to exports standing at Rs. 190.49 crores constituted 9.42% of net credit as against 12% stipulated by the Reserve Bank of India.

During the year the Bank tried to diversify its advances portfolio by stepping up its retail lendings to trade and such other sectors.

QUALITY OF LOAN ASSETS

Recovery of Non Performing Assets continued to be a thrust area for the Bank during 1999-2000. The Recovery Department has been placed under the direct control of a Dy. General Manager and effective steps have been taken for strengthening the credit monitoring system and streamlining the recovery procedures. As such the percentage of Net NPAs of the Bank to net credit could be brought down to 8.67% as on 31-03-2000 as against 11.06% as on 31-03-1999 despite the industrial recession and general slow down in economy.

INVESTMENTS

The total investments of the Bank increased by Rs.549.12 crores and reached Rs.1748.83 crores as on 31-03-2000 from Rs.1199.71 crores as on 31-03-1999. The income on investments increased from Rs.148.23 crores on 31-03-1999 to Rs.187.66 crores as on 31-03-2000, with an average yield of 12.18%, as against 12.58% last year. The Treasury Operations recorded an impressive profit of Rs.33.33 crores as on 31-3-2000 as against Rs.2.80 crores recorded during the previous year. Hence the total income from the Treasury Operations amounted to 40.66% of the Bank's total income. Whereas the Bank was required to mark to market 75% of its investments in government and other approved securities as on 31-03-2000, as a measure of prudent accounting policy, the Bank has kept 91.16% of its investments in current category at market related prices.

SHARE CAPITAL

There was no issue of share capital during the year. With some more of the call money arrears being collected the paid up capital has gone up from Rs.35.48 crores to Rs.35.53 crores as on 31-3-2000.

CAPITAL ADEQUACY

Bank's capital adequacy ratio as on 31-03-2000 stood at 10.41% as against 10.4% as at 31-03-1999 and this is well above the bench mark of 9% prescribed by Reserve Bank of India.

In order to maintain the capital adequacy ratio at a level above the bench mark of 9% of the Risk Weighted Assets as on 31-3-2000, the Bank allotted in February 2000, 2060 subordinated unsecured debt instruments of Rs.1 lakh each maturing at the expiry of 65 months and carrying a fixed rate of interest at 13% payable annually. The amount of Rs.20,60,00,000/- collected against the Bonds will form part of the Tier II Capital of the Bank.

BRANCH NETWORK

The Bank opened 2 new branches during the year. Six Extension Counters were upgraded into full fledged branches. With these additions, the total number of branches has risen to 369. 2 Extension Counters were opened during the year to take the total number of Extension Counters to 49. The Bank holds licence to open four more branches.

INNOVATIVE PRODUCTS

During the year 10 DD Shoppes were opened in various important centres in Kerala as well as in Tamil Nadu. The facility of extended working hours

has been introduced in eleven more branches. Seven day Banking has been introduced in our Mumbai Bandra Branch. For effective and better supervision of our branches in Kottayam and Pathanamthitta districts, a new Regional Office is proposed to be opened at Kottayam shortly.

PERSONNEL

As on 31-03-2000 the bank had 3742 personnel on its rolls as against 3785 as on 31-03-1999. Cadre-wise break up is as infra:-

Officers	1140
Clerks	1871
Subordinate Staff	731
Total	3742

This apart, the bank had 314 part-time employees in subordinate cadre on its rolls.

Industrial relations remained cordial throughout the year.

TRAINING

During 1999-2000, our Staff Training College, Thrissur conducted 34 training programmes covering 363 officers, 240 clerks and 101 sub-staff. The programmes covered were mainly on working capital management, NPA management, profitability, corporate advances with special emphasis on documentation and customer orientation and satisfaction. In addition 93 officers were deputed for external training at BTC Mumbai, NIBM Pune, SIBSTC Bangalore, NIBSTC New Delhi, NABARD Mangalore, FEDAI and other workshops. The training imparted to staff members gave special emphasis on management development, foreign exchange, creativity, marketing and service delivery and so on. Wherever necessary the assistance of outside consultants in particular fields has been taken for imparting training to our staff members.

The college brings out on a regular basis a popular publication "Enrich Yourself" with a view to circulating useful information on Banking, Marketing and Service delivery and HRD, for the benefit of a large number of SIBians every month.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

All attempts are being made to reduce energy consumption to the maximum extent possible.

The Company, being a banking company and an authorised dealer of Foreign Exchange, has been taking all possible steps to augment export credit.

SOCIAL CONCERNS

THE SIB STUDENTS' ECONOMIC FORUM

The Bank published discussion papers on important themes like EXIM Bank, ECGC, Internet and E-Commerce, taking the total number to date to 100. Copies of the papers are avidly read by academicians and professionals, in addition to the target group.

ESSAY COMPETITION FOR SCHOOL AND COLLEGE STUDENTS

As many as 878 students from schools, 408 students from colleges and 555 NRI students participated in the essay writing contest on "MY VISION OF INDIA IN THE NEW MILLENNIUM". The essay contest has now become an event keenly awaited by students.

DIRECTORS' REPORT

DIRECTORS

Mr. Tony John Alapatt, Mr. Paul Chalissery and Mr. R. Viswanathan who retired at the 71st Annual General Meeting were re-elected as Directors of the Bank.

In accordance with the provisions of Section 256 of the Companies Act, 1956, Mr. Jose Pottokaran, Mr. Thommy P. Chakola and Dr. C. Mathew John retire by rotation at the 72nd Annual General Meeting but are eligible for re-appointment.

The information about the Directors who seek re-appointment at the ensuing Annual General Meeting is given below:-

Mr. Jose Pottokaran is a practising Chartered Accountant and is a partner in M/s. Abraham & Jose, Chartered Accountants, Thrissur. He is aged 55 years. He was co-opted as a Director on 05-07-1994 and was elected by the General Body on 02-10-1994.

Mr. Jose Pottokaran holds Directorship in the following Companies:-

- 1) Don Bosco Kuries P. Ltd.
- 2) Darco Cannings Ltd.
- 3) Indo-German Carbons Ltd.

Mr. Jose Pottokaran is a member of the following Committees of the Board of the Bank:-

- 1) Audit Committee of Board
- 2) Management Committee of Board for Asset Liability Management
- 3) Shareholders/Investors Grievance Committee
- 4) Committee to review Irregular Advances

Of the above Committees, he is the Chairman of the Audit Committee of Board as also the Management Committee of Board.

Mr. Thommy P. Chakola is an Engineer by profession. He is 48 years old. He was co-opted to the Board on 05-07-1994 and got elected by the General Body on 02-10-1994.

He has rich experience in Textile Industry and is also actively involved in the area of Information Technology. He holds Directorship in the following Companies:-

- 1) Chakolas Spinning & Weaving Mills Ltd.
- 2) Peacock Software Private Ltd.
- 3) Infoworld Solutions Private Ltd.

He is presently the Managing Director of Peacock Software Private Ltd.

He is a member of the following Committees of the Board of the Bank:-

- 1) Committee on I.T. Policy
- 2) Management Committee of Board for Asset Liability Management

Dr. C. Mathew John is a Doctor by profession. He is aged 49 years. He was co-opted to the Board on 25-07-1996 and was elected by the General Body on 29-09-1997.

He is fully engaged in looking after the family holdings of land consisting mainly of Rubber Estates. He has acquired sufficient knowledge and practical experience in the area of Rural Economy also in addition to Agriculture.

He is not a Director in any other Company. He is a member of following Committees of the Board of the Bank.

- 1) Audit Committee of Board
- 2) Shareholders/Investors Grievance Committee
- 3) Management Committee of Board for Asset Liability Management
- 4) Committee to Review Irregular Advances.

AUDITORS

The Statutory Central Auditors M/s Fraser & Ross, Chartered Accountants, Ernakulam vacate office at the end of the Annual General Meeting but are eligible for re-appointment subject to approval by Reserve Bank of India.

Explanation for Auditors' comments in their report:

1. *Non-compliance with Accounting Standards (AS 11) in respect of assets and liabilities in foreign currencies including foreign exchange contracts and nostro accounts:*

It is obligatory on the part of the bank to follow the guidelines issued by FEDAI on conversion of foreign currency assets and liabilities, forward exchange contracts, etc, as banks have been advised by Reserve Bank of India to follow such guidelines.

2. *Non-compliance with Accounting Standards (AS 15) in respect of leave encashment benefits to employees:*

The liability if any that may arise at the time of retirement of employees towards leave encashment salary cannot be reasonably ascertained. Hence the same has been accounted on 'pay as you go' basis.

3. *Elimination of pending items in inter branch reconciliation including extension counters, inter bank clearing accounts, adjustment of items in sundries accounts and balancing of books in certain branches:*

This is being attended to and considerable progress is being made besides complying with the instructions issued by Reserve Bank of India in the matter.

4. *Non-provision of liabilities towards contribution to pension fund:*

Para 6(a) of schedule 17 in this regard is self-explanatory.

5. *Non-provision of liabilities towards income tax:*

As legally advised and as supported by judicial pronouncements in the matter, no provision is considered necessary for the disputed income tax liabilities.

INFORMATION TECHNOLOGY

The Bank is in the process of evolving a comprehensive I.T. Policy with the main objective of computerising all branches within a period of 4 years. It has also been planned, among other things, to inter-connect the major 65 City Branches/R.O.s/H.O. and establish a centralised data collection centre at Head Office within 5 years.

REPORT ON CORPORATE GOVERNANCE

The Company is fully committed to protect the interest of its deposit holders, customers and shareholders and in its efforts to maintain transparency at all levels, furnish hereunder all material facts concerning the composition of the Board of Directors of the Company and other Committees of the Board and related information:-



DIRECTORS' REPORT

1. BOARD OF DIRECTORS

a) Composition of Board

There are 10 Directors on the Board of the Company including the Chairman and Chief Executive Officer. As required under Section 10A (2) of the Banking Regulation Act, 1949, 51% of the total number of Members of the Board of Directors, i.e. six Directors, in our case, represent Majority Sector as stipulated in the relevant Section. The composition of the Board and the Sector each director represents are given below:-

Name of Director/Designation	Name of the Sector which the Director represents
1. Mr.A.Sethumadhavan, Chairman & Chief Executive Officer	Majority - Banking
2. Mr. P.M. Manuel, Director	Majority - SSI
3. Mr. Tony John Alapatt, Director	Majority - SSI
4. Mr.Thommy P. Chakola, Director	Minority
5. Mr. Jose Pottokaran, Director	Majority - Accountancy
6. Dr. C. Mathew John, Director	Majority - Agriculture & Rural Economy
7. Mr. Paul Chaliserry, Director	Minority
8. Mr. Babu Alapatt, Director	Minority
9. Mr. R. Viswanathan, Director	Majority - Banking
10. Mr. Mohan Alapatt, Director	Minority

All Directors excepting the Chairman are Non-Executive Directors. Mr. R. Viswanathan, Director is a Nominee of The ICICI Ltd., Mumbai.

b) Attendance of each Director at the BOD meetings and at the last AGM

	BOARD
1. Mr. A Sethumadhavan	15 Meetings
2. Mr. P.M. Manuel	17 Meetings
3. Mr. Tony John Alapatt	19 Meetings
4. Mr. Thommy P. Chakola	14 Meetings
5. Mr. Jose Pottokaran	13 Meetings
6. Dr. C. Mathew John	18 Meetings
7. Mr. Paul Chaliserry	19 Meetings
8. Mr. Babu Alapatt	14 Meetings
9. Mr. R. Viswanathan	18 Meetings
10. Mr. Mohan Alapatt	11 Meetings

Mr. A. Sethumadhavan, chairman, assumed charge only on 9th June, 1999. Mr. Mohan Alapatt, Director was co-opted to the Board only on 30th April, 1999.

All the Directors were present at the last Annual General Meeting (71st) held on 15th September, 1999.

c) No. of Board Meetings held and dates on which held.

19 Board Meetings were held during the year. The dates of the Board Meetings are given below:-

08-04-1999,	30-04-1999,	17-05-1999,	04-06-1999,
16-06-1999,	25-06-1999,	16-07-1999,	28-07-1999,
19-08-1999,	15-09-1999,	22-10-1999,	12-11-1999,
08-12-1999,	15-12-1999,	07-01-2000,	27-01-2000,
10-02-2000,	26-02-2000	& 24-03-2000.	

d) Remuneration of Directors

No remuneration is paid to Non-executive Directors other than the Sitting Fees for attending each meeting plus actual travelling & out-of-pocket expenses.

The remuneration paid to the Chairman & Chief Executive Officer is given below:-

Salary : Consolidated payment of Rs.50,000/- p.m.
Annual increment @ Rs.5,000/-. Increment in Scale shall automatically fall due on annual basis and shall be granted on the first day of the month in which it falls due.

Other Terms and Conditions : As approved by Reserve Bank of India.

2. AUDIT COMMITTEE OF BOARD

a) Brief description of terms of reference

- 1) To provide direction and oversee the operation of total audit function in the Bank.
- 2) To review the Inspection Reports of specialized and extra large branches and all branches with unsatisfactory ratings.
- 3) To follow up on -
 - a. Statutory/External Audit of the Bank and Inspections of Reserve Bank of India.
 - b. Inter-branch Adjustment Account
 - c. Unreconciled long outstanding entries in Inter-Bank Accounts and NOSTRO Accounts.
 - d. Arrears in balancing of books at various branches.
 - e. Frauds
 - f. All other major areas of House-keeping.

b) Composition, name of members and Chairperson

There are 5 members on the Audit Committee of Board.

The names of the members are given below:-

1. Mr. Jose Pottokaran
2. Dr. C. Mathew John
3. Mr. Paul Chaliserry
4. Mr. Babu Alapatt
5. Mr. R. Viswanathan

Mr. Jose Pottokaran is the Chairman of the Committee.

Meetings and attendance during the year

There were 6 meetings during the year. The dates are 25-06-1999, 16-07-1999, 22-10-1999, 08-12-1999, 27-01-2000 and 24-03-2000.

Mr. Jose Pottokaran, Mr. Paul Chaliserry and Mr. R. Viswanathan attended all the six meetings. Dr. C. Mathew John attended five meetings while Mr. Babu Alapatt attended four meetings.

3. SHAREHOLDERS COMMITTEE

Mr. P.M.Manuel is the Chairman of the Committee.

Mr. A.S. Narayanan, Company Secretary is designated as Compliance Officer.

There are 57 complaints from shareholders on non-receipt of Dividend Warrant, non-receipt of Share Certificates sent for transfer, etc.

All the complaints are being attended to. They will be redressed to the satisfaction of shareholders.

There are around 350 share transfers pending for approval as on date.

4. GENERAL BODY MEETINGS

The 69th Annual General Meeting of the Shareholders of the Bank was held on 29th September, 1997 at 10.30 A.M. at the Regional Theatre, Chembukkavu, Thrissur.

The 70th Annual General Meeting was held on 17th August, 1998 at 10.30 A.M. at the Regional Theatre, Chembukkavu, Thrissur.

The 71st Annual General Meeting was held on 15th September, 1999 at 10.30 A.M. at the Regional Theatre, Chembukkavu, Thrissur.

5. DISCLOSURES

There are no material transactions between the company and the promoters or directors or management of the company.

There are no cases where the company has not complied with any of the directives issued by the Stock Exchange or by the SEBI. No penalties or strictures have been imposed on the company by the Regulatory Authorities.

6. MEANS OF COMMUNICATION

Unaudited quarterly financial results are normally published in "DEEPIKA", a local Malayalam Newspaper and in "BUSINESS LINE" a National Newspaper. The company has a Website with its address as <http://www.southindianbank.com>

7. GENERAL SHAREHOLDER INFORMATION

The 72nd Annual General Meeting will be held on Tuesday, the 30th of May 2000 at the Casino Cultural Auditorium Ltd. T.B. Road, Thrissur-21.

The financial calendar is from April to March.

The Share Transfer Books of the Company will be closed from 16th May to 30th May 2000 (both days inclusive). Dividend if declared will be distributed to shareholders immediately after the General Body.

The shares of the Company have been listed on the Cochin Stock Exchange Ltd., The Stock Exchange Mumbai and The National Stock Exchange of India Ltd., Mumbai. The Listing Fees payable to the Stock Exchanges every year have been remitted on time.

Stock Code: The Stock Code No. as allotted by the Stock Exchange Mumbai is 32218.

Market Price data: High/low during each month at the National Stock Exchange of India Ltd. (NSE) in the financial year under review:

Month	High	Low
April 1999	17.50	15.00
May 1999	19.50	15.85
June 1999	18.10	15.50
July 1999	22.90	16.00
August 1999	19.75	15.85

September 1999	18.25	14.85
October 1999	17.90	14.25
November 1999	15.40	13.55
December 1999	21.85	14.35
January 2000	20.00	15.00
February 2000	29.30	16.00
March 2000	21.35	14.40

Address of our Registrar & Share Transfer Agents:

M/s. Tata Consultancy Services - Unit: SIB,
21, Industrial Estate, Opp: Sivananda Steels,
Ambattur, CHENNAI-600 058.

Phone : 6256437/6256438/6256439 Fax: 6255199(044)

Distribution of shareholding:

Category	No. of Shareholders	Number of Shares
Upto 500 shares	84,049	1,22,67,235
501 - 1000 shares	4,908	37,66,805
1001 - 2000 shares	2,039	28,34,630
2001 - 3000 shares	545	13,88,380
3001 - 4000 shares	171	6,04,520
4001 - 5000 shares	88	4,22,260
5001 - 10000 shares	319	21,61,070
10001 and above shares	196	1,23,55,560
	92,315	3,58,00,460

The Company's shares have not been dematerialised so far. The Company's address for correspondence is given below:

The South Indian Bank Ltd.,
'SIB House', Secretarial Department,
Mission Quarters, P.B.No. 28,
THRISSUR-680 001, KERALA.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Developments:

The Company is registered as a Banking Company and has been classified as a scheduled bank by the Reserve Bank of India.

The Banking Industry in India consists of nationalised banks, scheduled commercial banks, banks in the co-operative sector, regional rural banks and branches of foreign banks. There has been a revolution in the banking sector in terms of growth, size, number of branches, number of personnel, sophistication, technology upgradation and so on. Innovative products have been developed by banks and with the extensive use of computers in the banking sector, customers and clients of the bank have been immensely benefitted.

Since liberalisation of economy new banks have sprung up in the private sector and these banks use the latest technology in banking.

Competition amongst the banks has become the order of the day and a stage has reached where only the most efficient banks will survive in future.

b) Opportunities and Threats:

With the passage of the Insurance Regulatory and Development Authority Act by Parliament, Banks are in a position to enter the insurance business subject to certain norms as prescribed by Reserve Bank of India.