

Investor Presentation

Q3 FY2013

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Snapshot

Track record

83 year old franchise; Leading position in Kerala; Expanding fast outside

Growth and Profitability

Last 5 year CAGR: 25% business; PAT of 25%; RoAA up from 0.5% to 1.1%
Improving asset yield as bank builds fee income streams in addition to interest income

Quality

Steadily improving asset quality; GNPA at 1.6%, NNPA 0.7%

Board and Management

Mr. Amitabha Guha , Non Exec, Chairman (ex-Joint MD of SBI, ex MD -SBT, SBH)
Proactive management led by Dr. V. A. Joseph, well supported by 2 Executive Directors and 7 GMs – 6 GMs life time bankers at the bank

Building for future

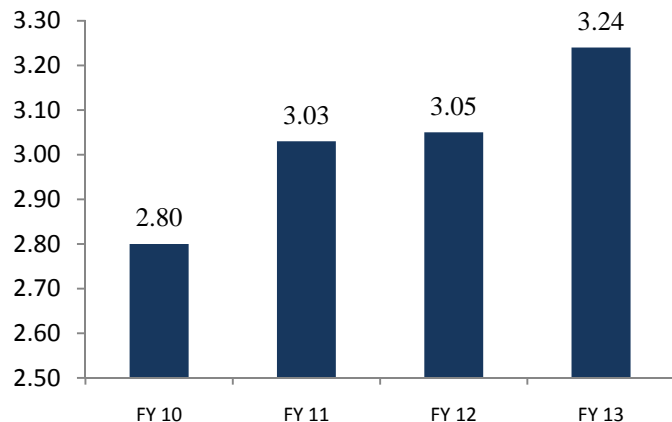
Young workforce (avg. age of 37 years) with continuity of management
2 CEOs in the last decade

Stakeholder value

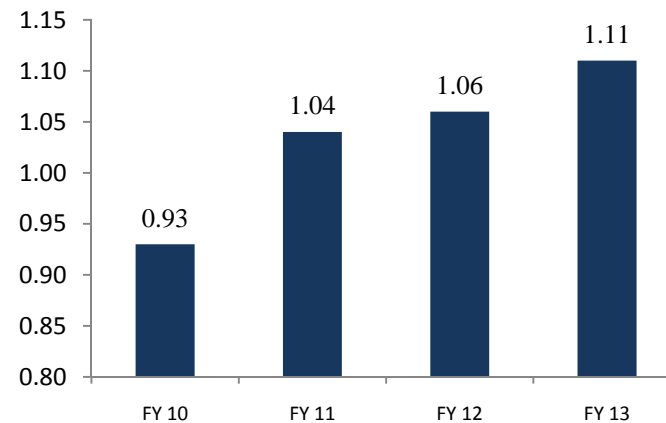
Strong protection of stakeholder interest
Stock return of 775% since IPO, and 72% since maiden QIP in 2007

Significant Transformation Since 2009

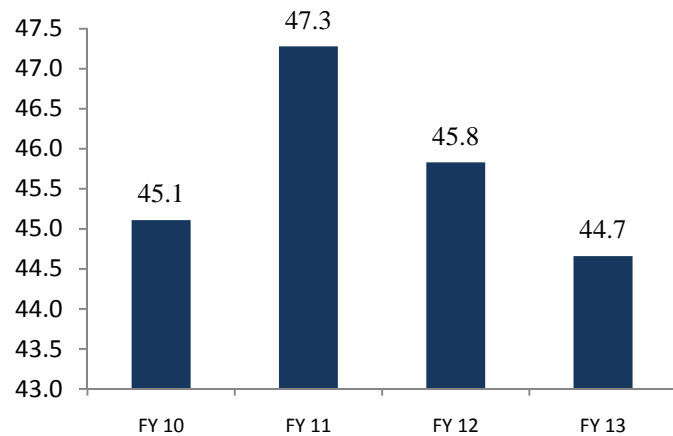
NIM



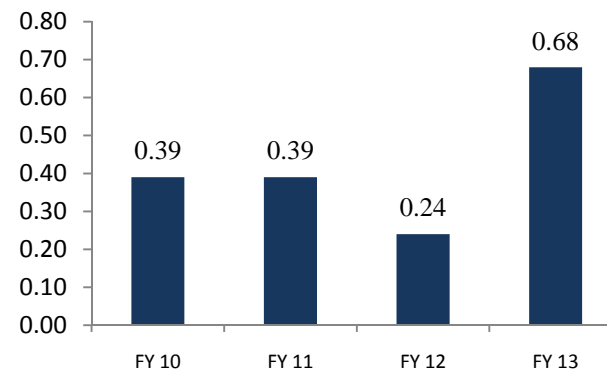
RoA



Cost to Income



Net NPA



Strategy

Growth with quality

30% from wholesale banking ; 30% from SME and 40% from retail by FY15
Credit growth rate of 25% till FY15; NIM to be maintained in 3% range
Fee income to be 10%
NNPA to be under 0.50%

Strong distribution network

50 addition to branches, 100 ATM additions per year
Proportion of branches outside Kerala : 1:1
Second largest player in Kerala among private banks

Low cost liabilities and Cost/Income

Priority banking in 80 centres; NRE banking to attract deposits
CASA ratio to increase 1% per annum
Cost/Income to decline 1% per annum

Business Performance

Financial Highlights – As on Dec 2012

Balance Sheet Overview

Rs. In Crore

	Q3FY13	Q3FY12	Y-o-Y (%)	Q2FY13	Q-o-Q (%)
Capital & Liabilities					
Capital	136	116	17%	137	0%
Reserves & Surplus	2,824	2,007	41%	2,696	5%
Deposits	38,940	33,834	15%	38,490	1%
Borrowings	971	491	98%	738	32%
Other Liabs. & Provisions	1,008	1,007	0%	974	3%
Total	43,879	37,455	17%	43,035	2%
Assets					
Cash & Balances with RBI	1,845	1,994	-7%	2,346	-21%
Balances with Banks	1,516	814	86%	1,304	16%
Investments	10,510	8,971	17%	10,285	2%
Advances	29,039	24,710	18%	28,156	3%
Fixed Assets	387	363	7%	381	1%
Other Assets	582	603	-3%	563	3%
Total	43,879	37,455	17%	43,035	2%
Business (Advances+Deposit)	67,979	58,544	16%	66,646	2%

Result Review

Profit and Loss Account (Cumulative)

Rs. In Crore

	Q3FY13	Q3FY12	Y-o-Y (%)	Q2FY13	Q-o-Q (%)
Net Interest Income	947	737	28%	595	59%
Other Income	214	165	30%	148	45%
Total Income	1,161	902	29%	743	56%
Operating Expenses	519	413	26%	335	55%
Operating Profit	642	489	32%	408	57%
Provisions & Contingencies	127	67	90%	81	57%
Profit before Tax	515	422	22%	327	58%
Provision for Tax	167	142	18%	106	58%
Profit after Tax	348	280	24%	221	58%

Other Performance Highlights

Performance Highlights	Dec-11	June-12	Sep-12	Dec-12
CRAR Basel 2 (%)	12.0%	13.2%	14.4%	13.8%
RoAA (Annualised)	1.1%	1.2%	1.1%	1.1%
NIM (%)	3.0%	3.2%	3.1%	3.2%
Gross NPA (%)	0.9%	1.1%	1.7%	1.6%
Net NPA (%)	0.2%	0.4%	0.9%	0.7%
Provision Coverage	75.2%	67.7%	51.2%	58.6%
CASA %	21.5%	21.1%	20.0%	20.4%

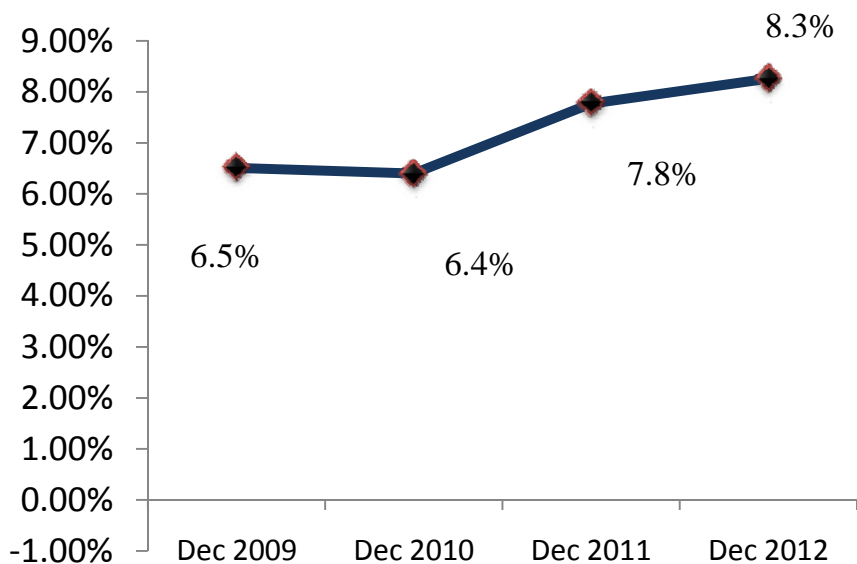
Composition of Other Income

Rs. In Crore

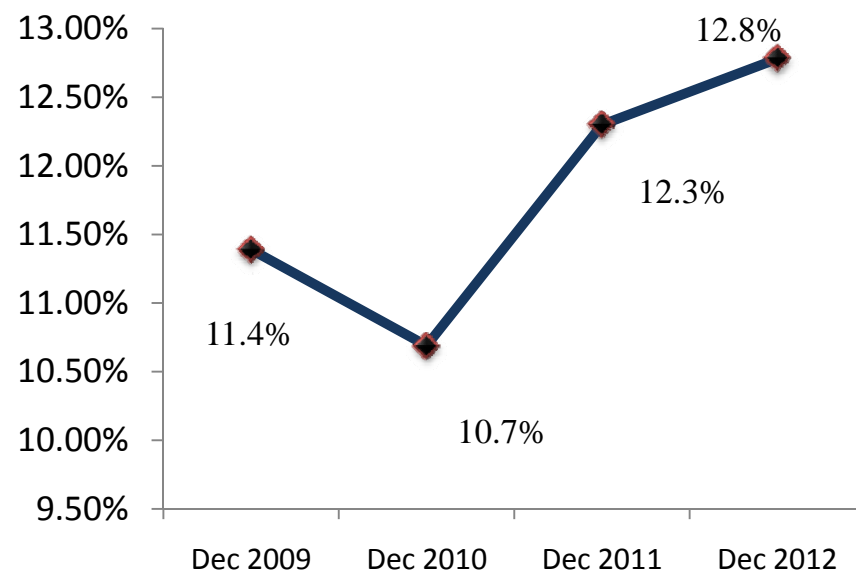
	Q3FY13	Q3FY12	Y-o-Y (%)	Q2FY13	Q-o-Q (%)
Commission & Exchange	31	25	24%	21	48%
Processing Fees	13	12	8%	8	62%
Profit on Sale of Investments	44	32	38%	31	42%
Foreign Exchange Profit	16	19	-16%	12	33%
Others	110	77	43%	76	45%
Total	214	165	30%	148	45%

Trend in Cost & Yield (Annualized)

Trend in Cost of Deposits



Trend in Yield on Advances



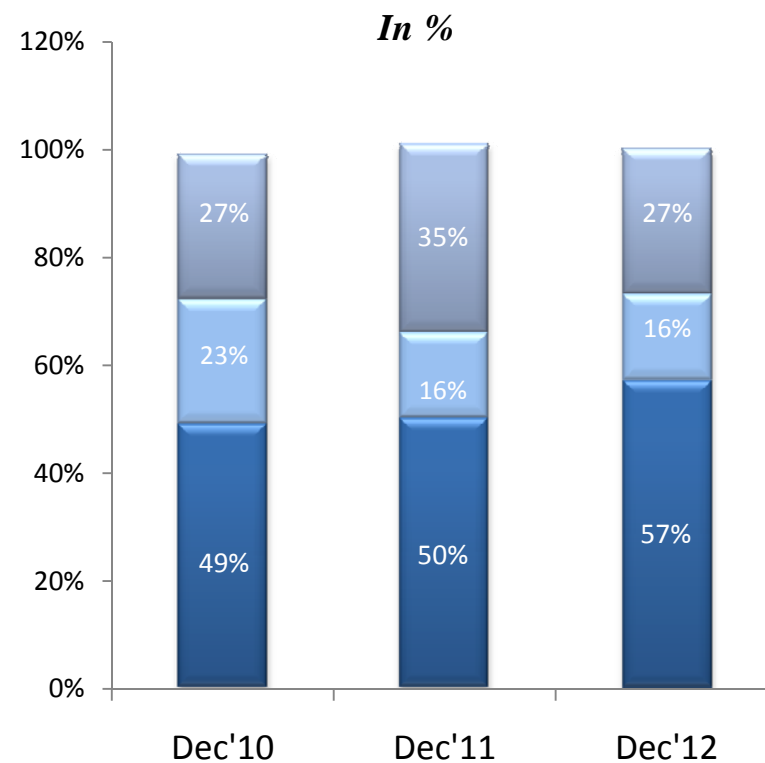
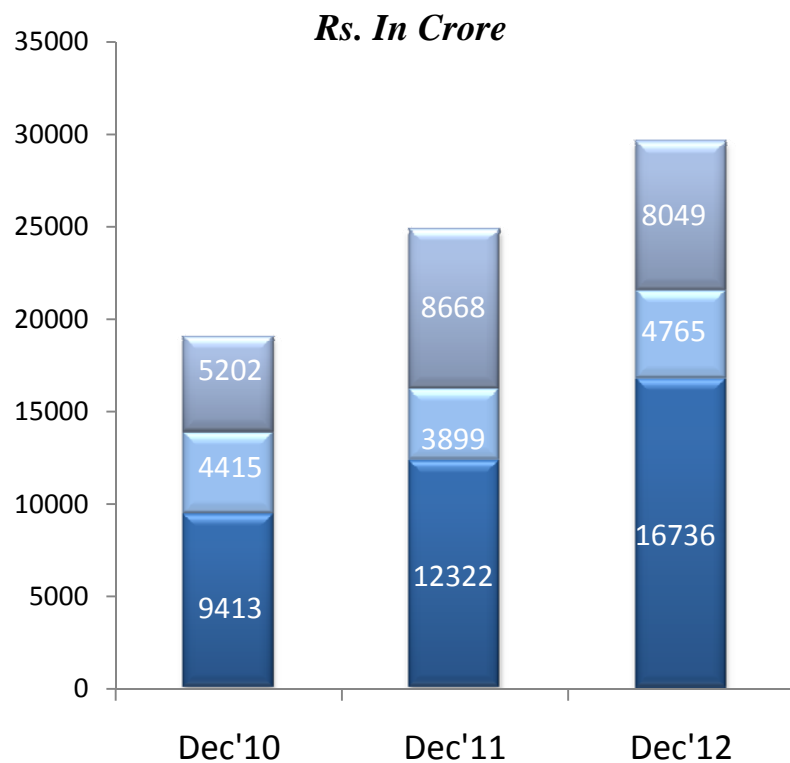
Break-up of Provision (*other than tax*)

(Quarter alone)

Rs. In Crore

Particulars	3Q FY 13	3Q FY12	2Q FY13
For NPA advance	26.0	4.8	54.8
For Depreciation on Investments	1.5	9.6	-3.8
For standard assets	9.8	7.0	4.9
For Restructured advances	8.2	-1.6	0.0
Others	0.1	2.3	0.0
Total Provisions and Contingencies	45.6	22.1	55.9

Composition of Loan Book



■ Retail Adv ■ SME & Agri ■ Corporate

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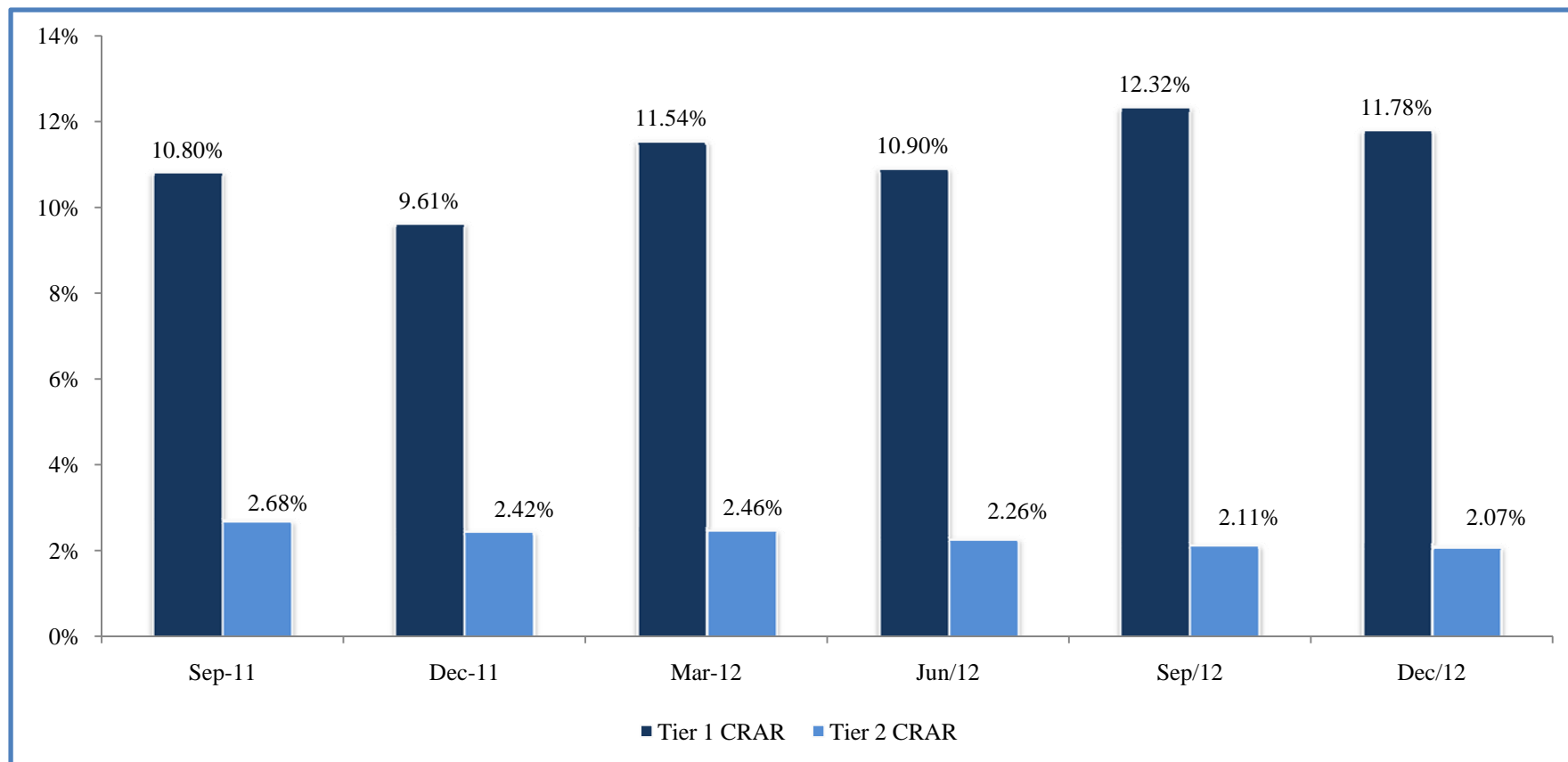
Retail Advance - exposure less than Rs. 5 Crore

Advances – Composition (Dec 2012)

Rs. In Crore

Sector	Total	% to total
Agriculture	1,550.4	5.2
MSME	3,278.5	11.1
Large Scale Industries	5,699.3	19.3
Housing	1,538.6	5.2
Commercial Real Estate	150.9	0.5
Food Credit	613.1	2.1
Infrastructure	5,025.2	17.0
Gold Loan	6,538.2	22.1
FSLD	796.0	2.7
UBP/LC Bills	2,435.1	8.2
Miscellaneous	1,924.7	6.6
Total	29,550	100

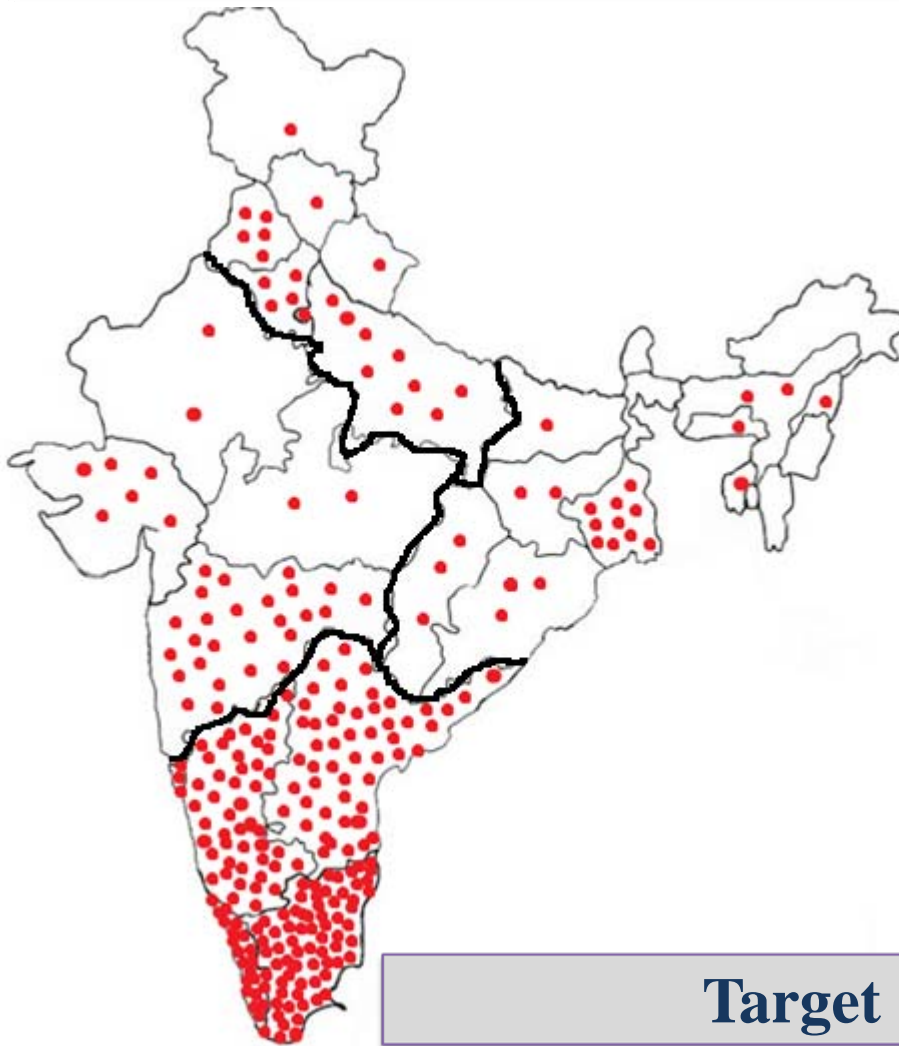
Strong Core Capital (Tier 1 & Tier 2 CRAR)



Quarterly data for Tier I excludes profit for the period

Strong Core Capital. Low Dependence on Capital Instruments

Branch Network

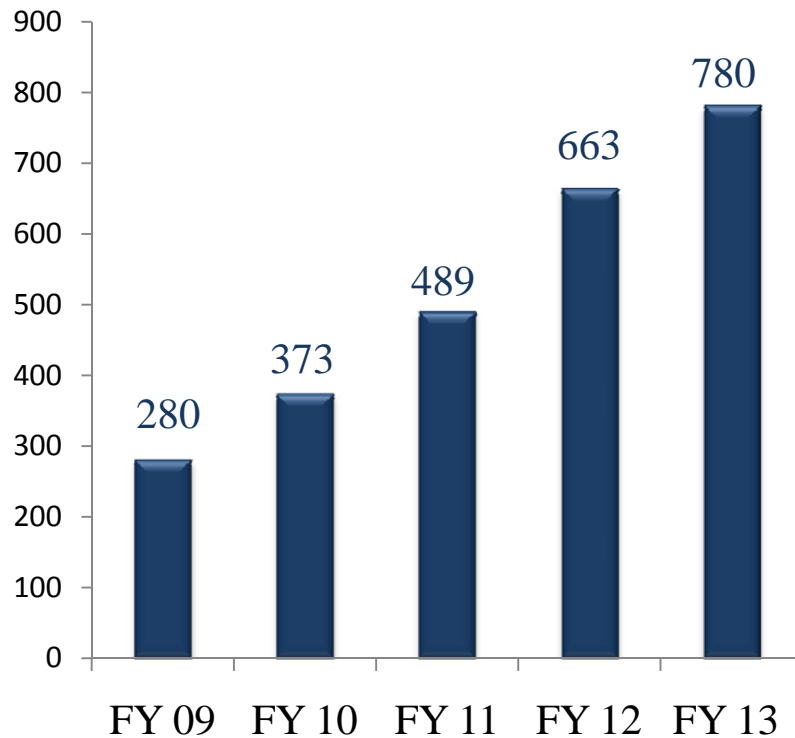


	No. of Branches
North	46
South	628
East	23
West	44
Total	741

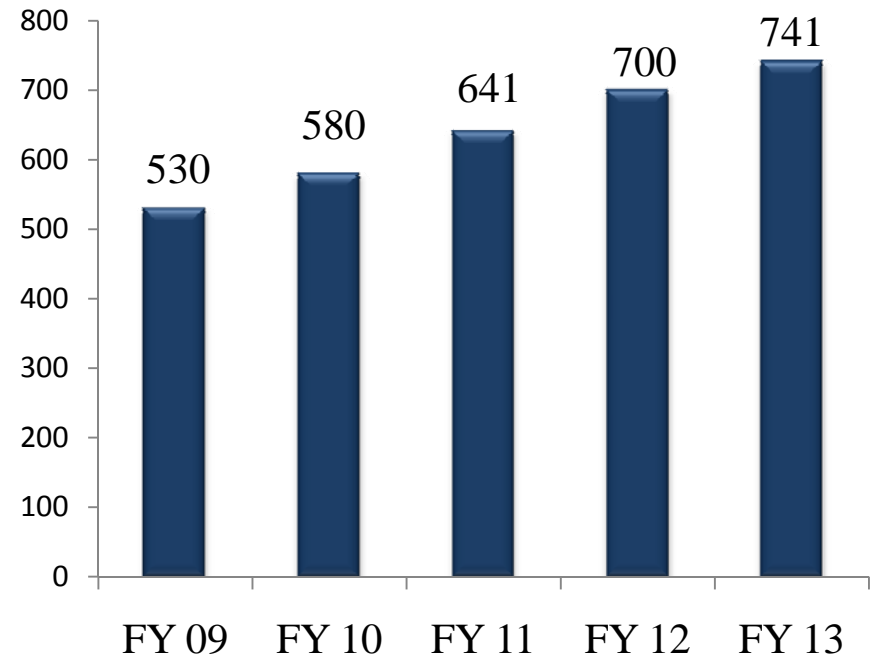
Target 1:1 Outside Kerala

Strong Retail Franchise

Total ATM Network



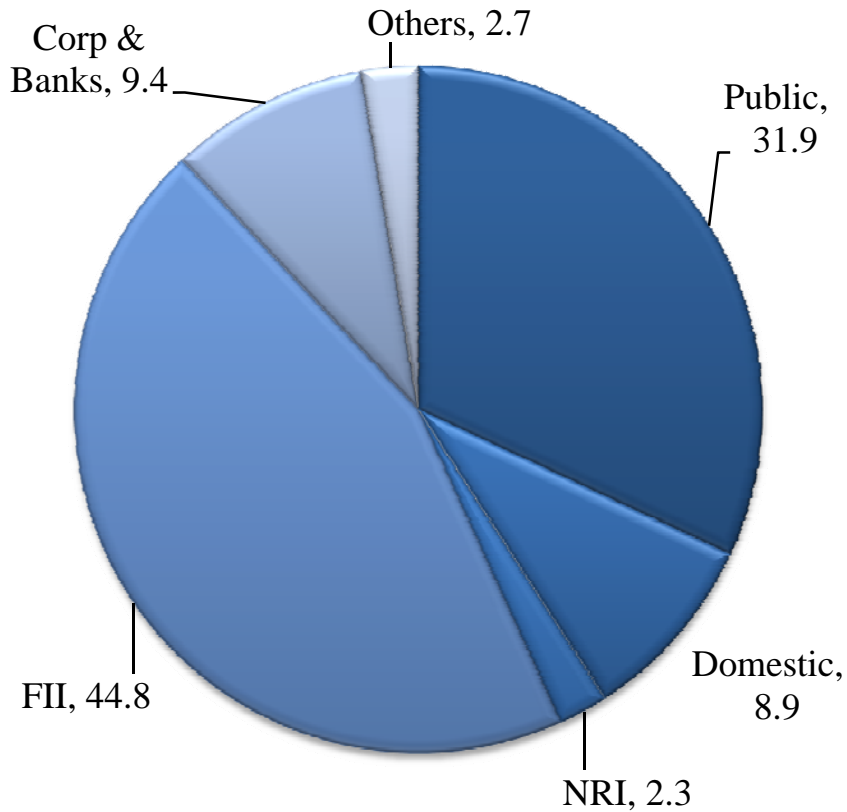
Total Branch Network



FY 13 denotes position as on 31st December 2012 (Q3FY13)

ATM : Branch ratio above 1.0x

Marquee Investor List



Major Institutional Shareholders

Shareholders	%
India Capital Fund Limited	6.2
IFCI Ltd	5.0
First Carlyle Ventures	5.0
Argonaut Ventures	4.2
Acacia partners	4.2
Multiples Private Equity	4.1
Life Insurance Corporation Of India	3.7

Strong Institutional Ownership

Recognitions



BUSINESSWORLD INDIA'S BEST BANK 2010 AWARD to SOUTH INDIAN BANK



TECHNOLOGY EXCELLENCE AWARD 2011-12 FROM IDRBT



SOUTH INDIAN BANK BAGS TWO PRESTIGIOUS D&B BANK AWARDS