

# **Investor Presentation**

## **December-2013**

# 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.

# Table of Contents

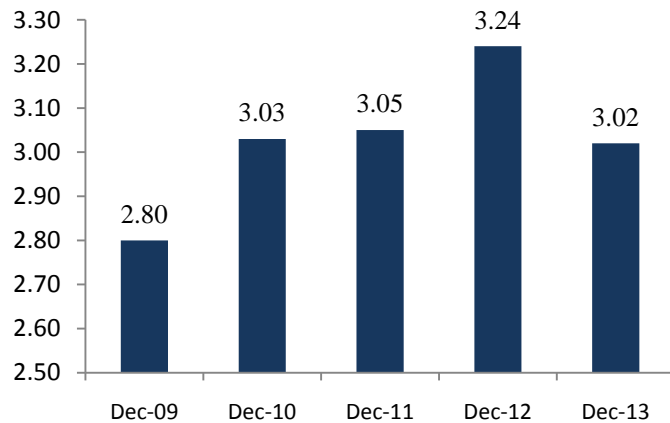
- **Overview**
  - Snapshot
  - Transformation
  - Strategy
- **Business Performance**
  - Financial Highlights
  - Results
- **Network**
- **Shareholders**
- **Accolades**

# Snapshot

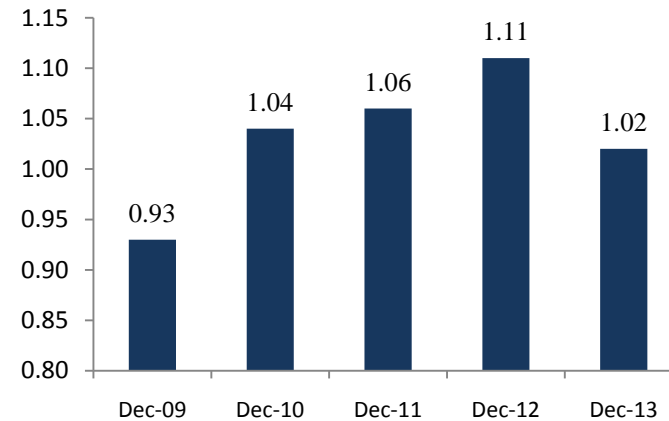
Track record	84 year old franchise; Leading position in Kerala; Expanding fast outside
Growth and Profitability	Last 5 year CAGR: 17.15% business; PAT CAGR of 20.94%; Improving asset yield as bank builds fee income streams in addition to interest income
Quality	Higher asset quality; GNPA at 1.66%, NNPA 1.18%
Board and Management	Mr. Amitabha Guha , Non Exec, Chairman (ex-Dy MD of SBI, ex MD -SBT, SBH) Proactive management led by Dr. V. A. Joseph, well supported by 1 Executive vice president, 2 Executive Directors, 2CGMs and 6 GMs – 5 GMs life time bankers at the bank
Building for future	Young workforce (avg. age of 34 years) with continuity of management 2 CEOs in the last decade
Stakeholder value	Strong protection of stakeholder interest Stock return of 534% since IPO

# Significant Transformation Since 2009

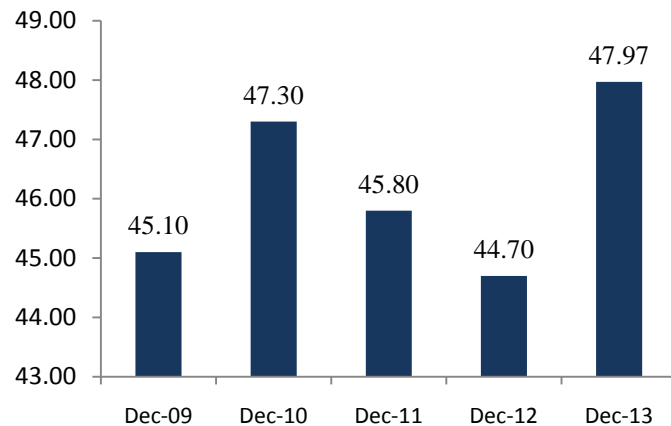
## NIM



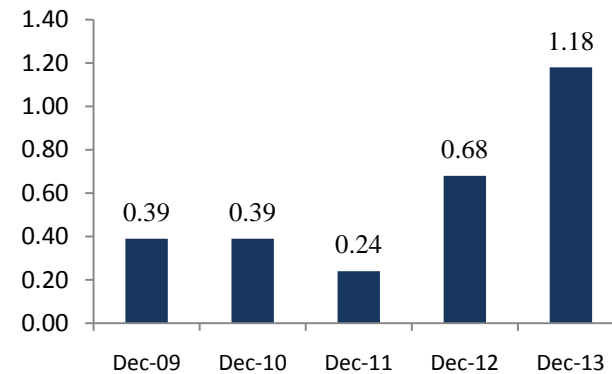
## RoAA



## 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 increased by 10%  
NNPA to be under 1.0%

## Strong distribution network

50 addition to branches, 200 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 centers; 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 2013

## Balance Sheet Overview

*Rs. In Crore*

	Q3 FY 14	Q3 FY 13	Y-o-Y (%)	Q2 FY 14	Q-o-Q (%)
<b>Capital &amp; Liabilities</b>					
Capital	134.22	133.62	0.45	134.09	0.10
Reserves & Surplus	3,238.53	2,823.89	14.68	3,111.40	4.09
Deposits	44,645.16	38,939.56	14.65	43,478.32	2.68
Borrowings	1,917.25	971.14	97.42	2,422.21	-20.85
Other Liabs. & Provisions	1,082.11	1,011.19	7.01	896.13	20.75
<b>Total</b>	<b>51,017.27</b>	<b>43,879.40</b>	<b>16.27</b>	<b>50,042.15</b>	<b>1.95</b>
<b>Assets</b>					
Cash & Balances with RBI	2090.15	1,844.98	13.29	2,118.58	-1.34
Balances with Banks	1014.29	1,516.03	-33.10	1,767.94	-42.63
Investments	13423.10	10,509.92	27.72	13,278.42	1.09
Advances	33321.84	29,039.41	14.75	31,742.57	4.98
Fixed Assets	405.25	386.52	4.85	398.46	1.70
Other Assets	762.63	582.54	30.91	736.19	3.59
<b>Total</b>	<b>51017.27</b>	<b>43,879.40</b>	<b>16.27</b>	<b>50,042.15</b>	<b>1.95</b>
Business (Advances+Deposit)	77967.00	67,978.96	14.69	75,220.90	3.65



# Result Review

## Profit and Loss Account (For the Quarter)

*Rs. In Crore*

	Q3FY14	Q3FY13	Y-o-Y (%)	Q2FY14	Q-o-Q (%)
Net Interest Income	350.47	352.62	-0.61	356.07	-1.57
Other Income	84.62	66.16	27.90	69.52	21.72
Total Income	435.09	418.78	3.89	425.59	2.23
Operating Expenses	219.20	183.42	19.51	213.60	2.62
Operating Profit	215.89	235.36	-8.27	211.99	1.84
Provisions & Contingencies	74.58	45.49	63.95	19.76	277.43
Profit before Tax	213.86	189.87	12.63	192.23	11.25
Provision for Tax	72.55	61.62	17.74	65.48	10.80
<b>Profit after Tax</b>	<b>141.31</b>	<b>128.25</b>	<b>10.18</b>	<b>126.75</b>	<b>11.49</b>

# Other Performance Highlights

<b>Performance Highlights</b>	<b>Dec-12</b>	<b>Mar-13</b>	<b>Jun-13</b>	<b>Sep-13</b>	<b>Dec-13</b>
CRAR Basel 2 (%)	13.8%	13.9%	13.7%	13.2%	12.4%
RoAA (Annualised)	1.1%	1.2%	0.9%	1.0%	1.0%
NIM (%)	3.2%	3.2%	2.9%	3.1%	3.0%
Gross NPA (%)	1.6%	1.3%	1.6%	1.9%	1.7%
Net NPA (%)	0.7%	0.8%	1.1%	1.4%	1.2%
Provision Coverage	58.6%	53.2%	57.9%	53.5%	55.8%
CASA %	20.4%	18.6%	20.6%	21.3%	21.2%

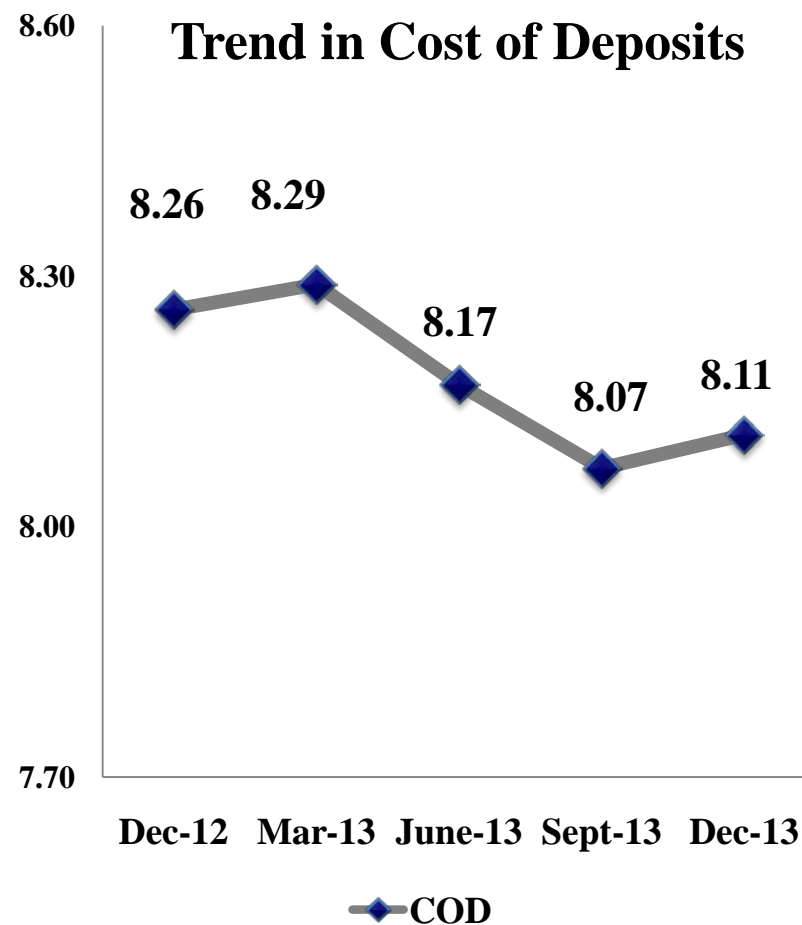
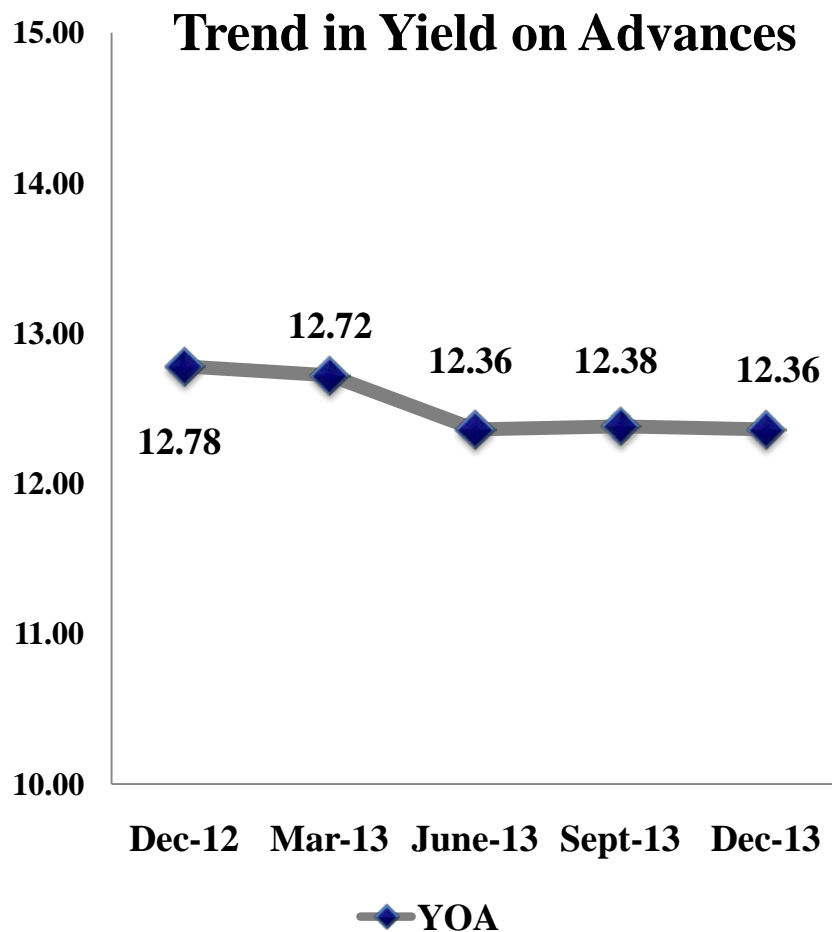
# Composition of Other Income

*Rs. In Crore*

**Profit and Loss Account  
(For the Quarter)**

	<b>Q3FY14</b>	<b>Q3FY13</b>	<b>Y-o-Y (%)</b>	<b>Q2FY14</b>	<b>Q-o-Q (%)</b>
Transaction related	42.8	25.7	66.54	33.6	27.38
Profit on sale of investment	4.3	13.2	-67.42	2.6	65.38
Technology related	18.7	14.5	28.97	16.4	14.02
FOREX	10.2	3.9	161.54	10.5	-2.86
IT refund	0.0	0.0	0.0	0.0	0.0
Amt w/o since recd	3.3	0.1	3200.00	2.6	26.92
Others	3.6	7.4	-51.35	3.6	0.00
Bullion	1.7	1.4	21.43	0.2	750.00
<b>Total</b>	<b>84.6</b>	<b>66.2</b>	<b>27.79</b>	<b>69.5</b>	<b>21.73</b>

# Trend in Cost & Yield (Annualized)



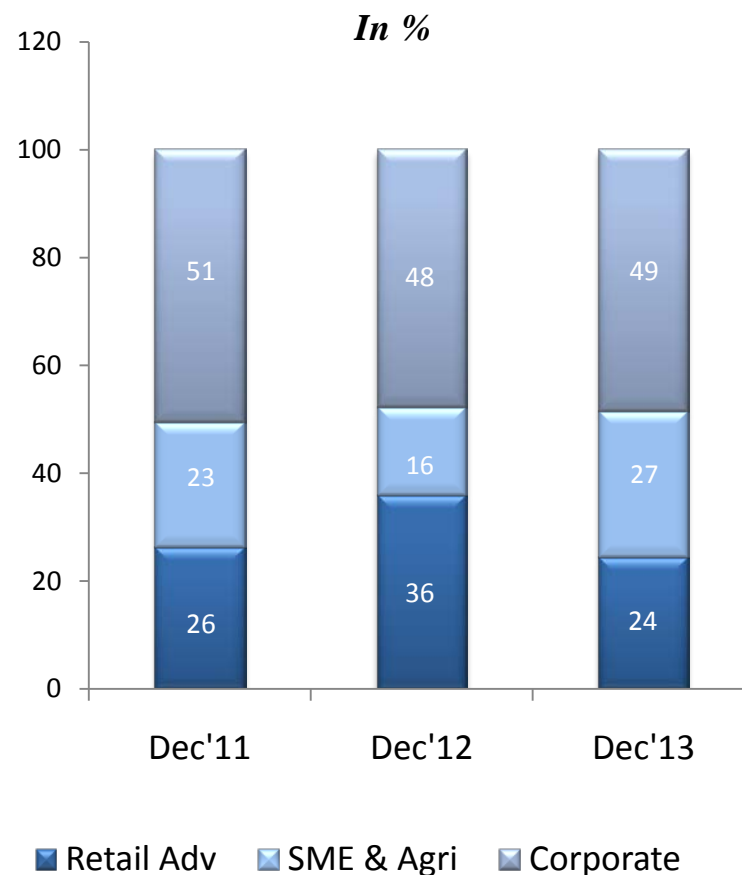
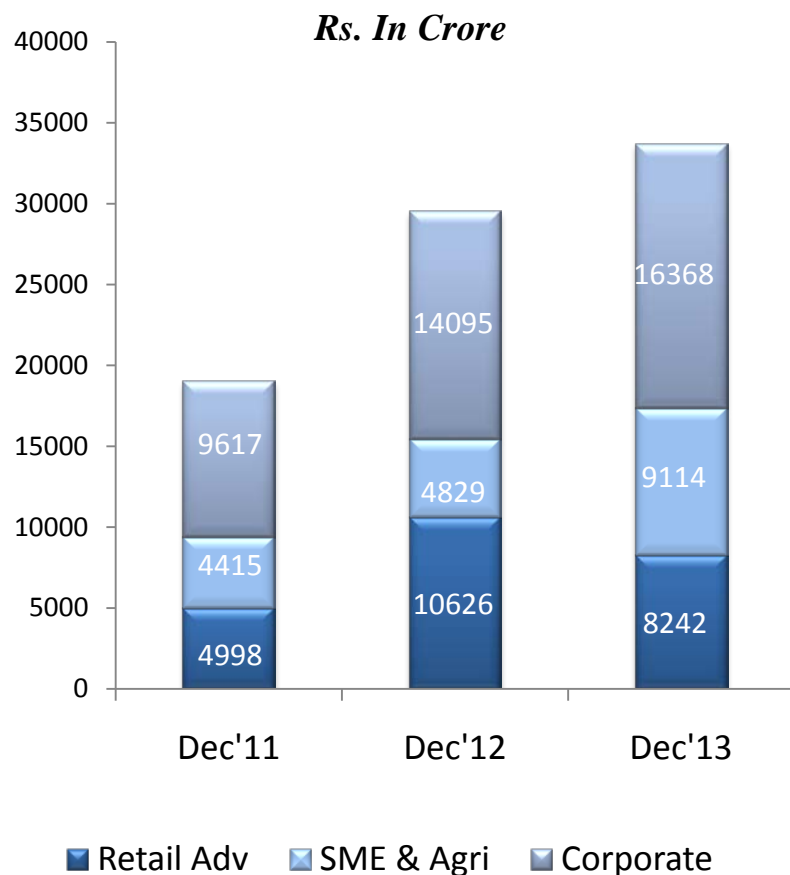
# Break-up of Provision

(Quarter alone)

*Rs. In Crore*

Particulars	Q3 FY 14	Q3 FY13	Q2 FY 14
For NPA advance	-10.7	26.0	30.3
For Depreciation on Investments	-3.6	1.5	-14.2
For standard assets & others	7.7	9.8	3.3
For Restructured advances	8.6	8.2	0.3
Taxes	72.6	61.6	65.5
<b>Total Provisions and Contingencies</b>	<b>74.6</b>	<b>107.1</b>	<b>85.2</b>

# Composition of Loan Book



***Retail Advance - exposure less than Rs. 5 Crore***

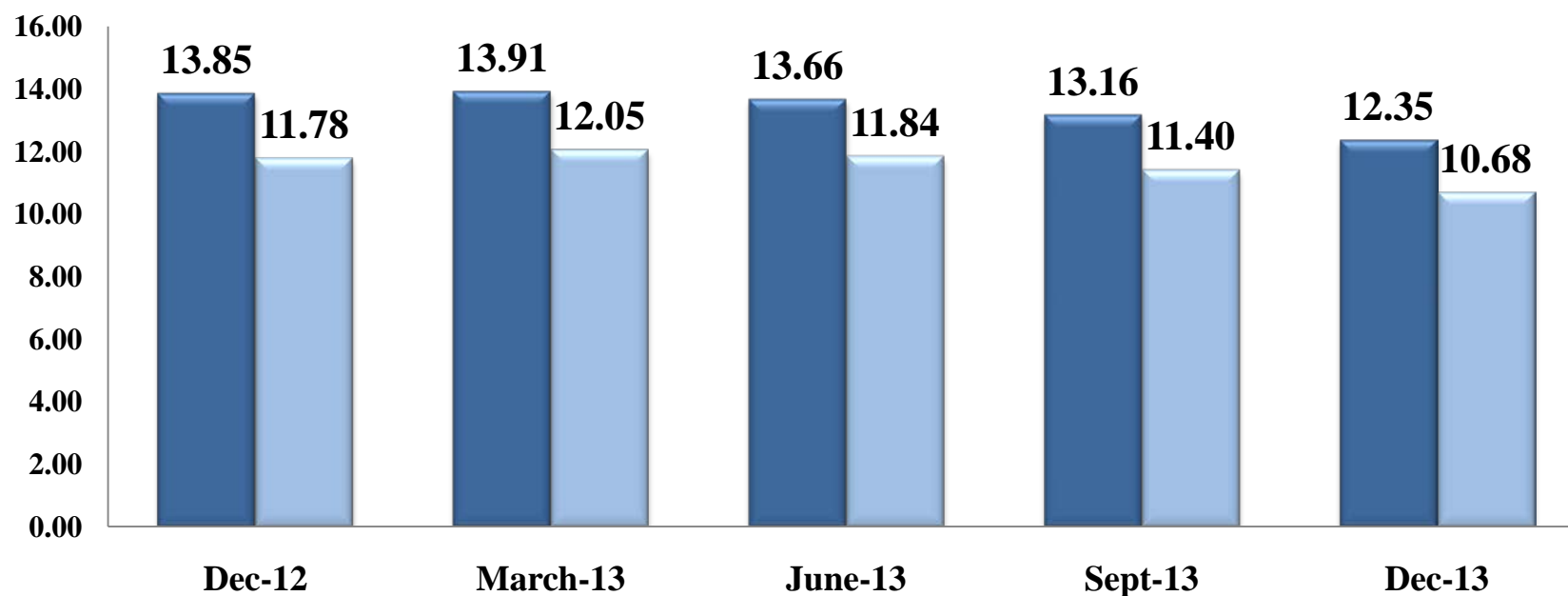
# Advances – Composition (Dec 2013)

*Rs. In Crore*

Sector	Dec-13	Dec-12
Gold Loan (Including Agri)	6,418	6,518
Infrastructure	5,943	5,025
Micro & Small Enterprise (Other than gold)	4,730	2,674
Large Industry(Ex. Infra)	4,382	4,322
Agriculture (Other than gold)	1,408	857
NBFC	2,010	2,048
Housing	1,542	1,184
Fully Secured Loan against Deposit	320	408
Medium Industries	789	681
Food Credit	703	613
Other Retail	2,149	3,133
Housing Finance Company	469	417
Other Corporate (Mainly include large scale Traders)	2,861	1,670
<b>Total</b>	<b>33,724</b>	<b>29,550</b>

# Strong Core Capital (Tier 1 & Tier 2 CRAR)

BASEL III (Dec-13)	CRAR	CORE CRAR
	12.20	10.54



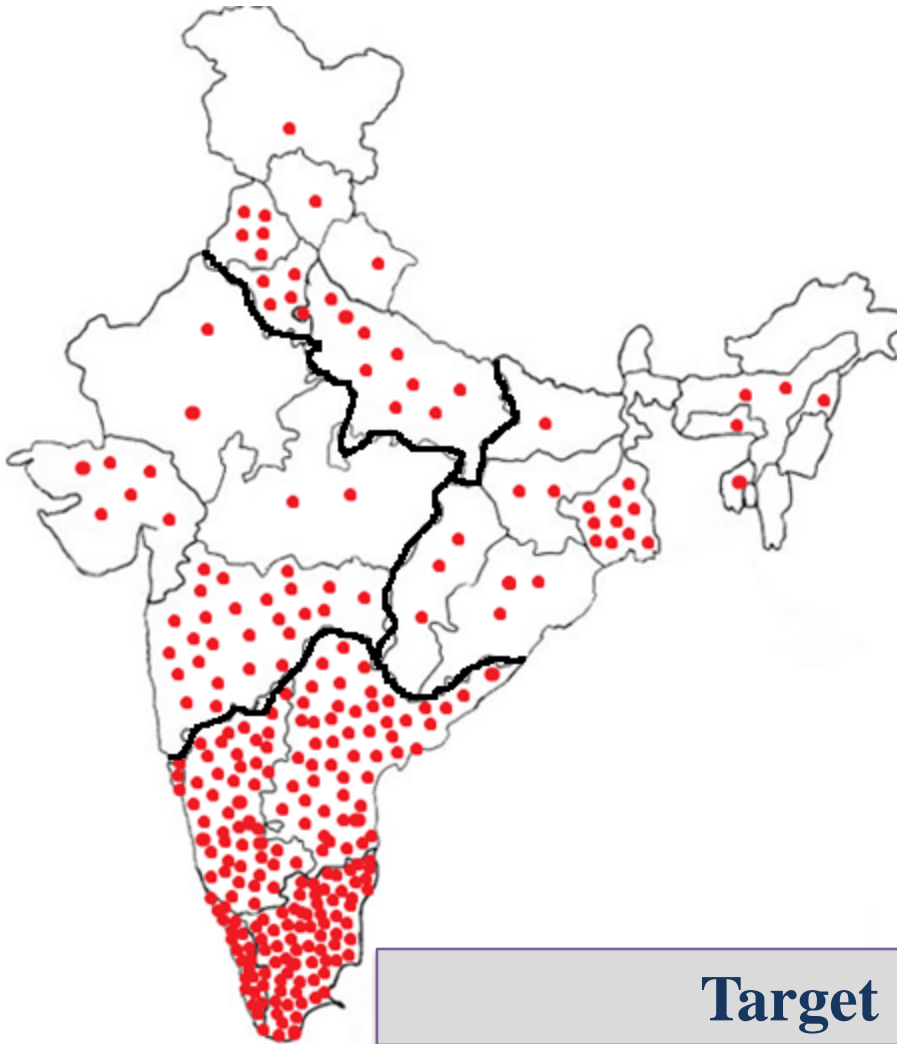
BASEL II Figures

■ CRAR    ■ CORE-CRAR

**Strong Core Capital. Low Dependence on Capital Instruments**



# Branch Network



	No. of Branches
North	46
South	678
East	27
West	48
<b>Total</b>	<b>799</b>

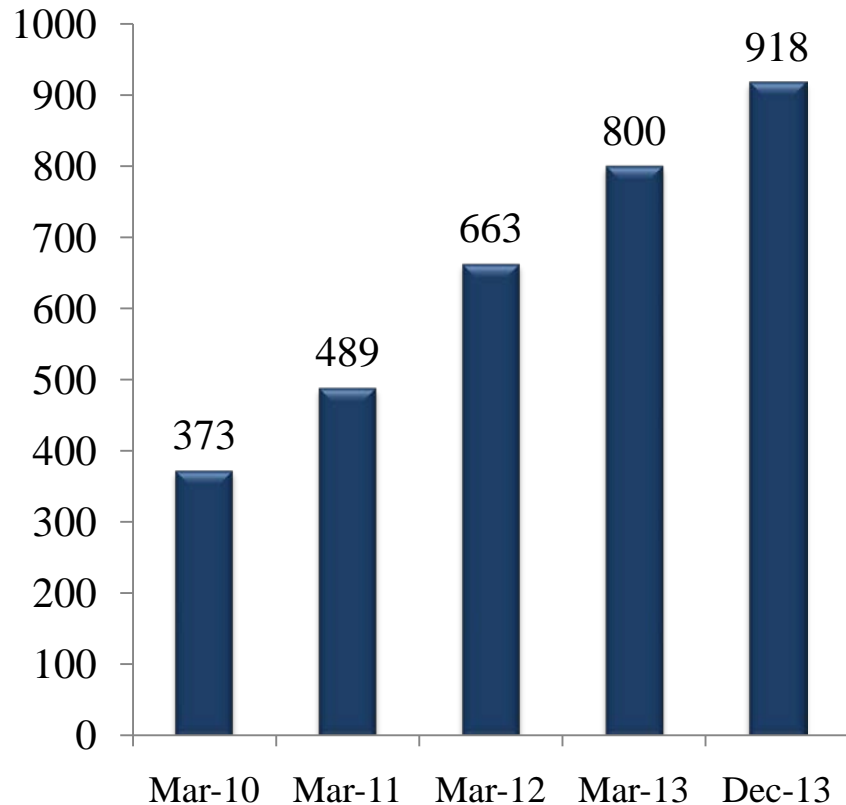
**Target 1:1 Outside Kerala**

# Branch Network Distribution

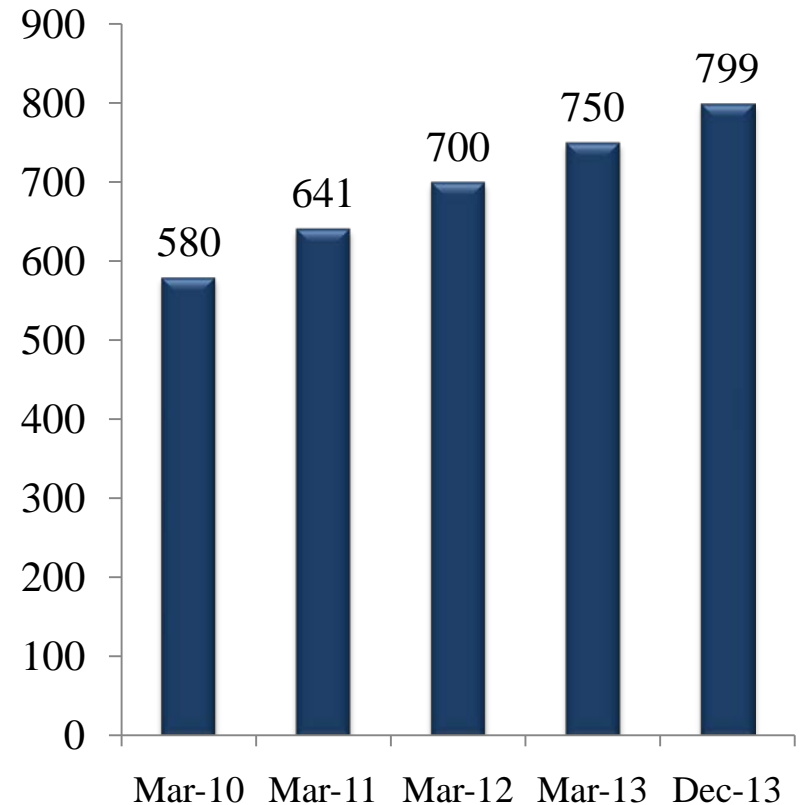
STATE	BRANCHES	STATE	BRANCHES
KERALA	436	JHARKHAND	2
TAMIL NADU	140	MADHYA PRADESH	2
ANDHRA PRADESH	49	ORISSA	2
KARNATAKA	44	PONDICHERRY	2
MAHARASHTRA	26	RAJASTHAN	2
DELHI	25	BIHAR	1
GUJARAT	17	CHANDIGARH	1
WEST BENGAL	16	HIMACHAL PRADESH	1
UTTAR PRADESH	9	JAMMU - KASHMIR	1
GOA	5	MEGHALAYA	1
HARYANA	4	MIZORAM	1
PUNJAB	4	NAGALAND	1
CHHATTISGARH	3	TRIPURA	1
ASSAM	2	UTTARANCHAL	1
		<b>TOTAL</b>	<b>799</b>

# Strong Retail Franchise

**Total ATM Network**

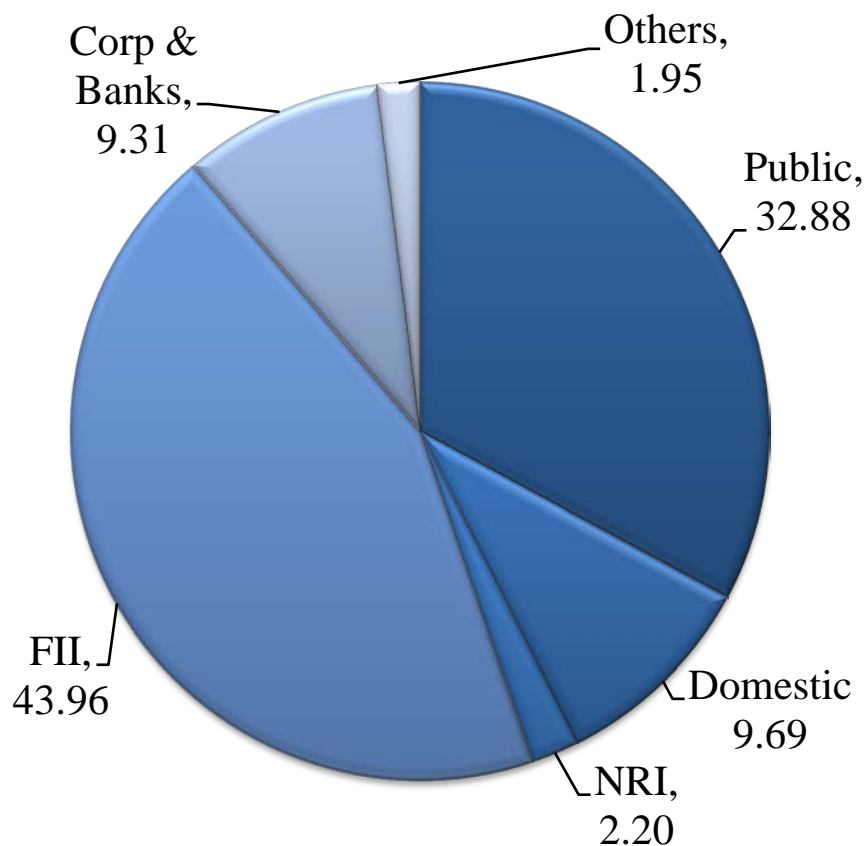


**Total Branch Network**



**ATM : Branch ratio above 1.0x**

# Ownership Profile



## Major Institutional Shareholders (%)

1	INDIA CAPITAL FUND LIMITED	5.69
2	IFCI LTD	4.97
3	FIRST CARLYLE VENTURES MAURITIUS	4.96
4	LIFE INSURANCE CORPORATION OF INDIA	4.45
5	GKFF VENTURES	4.23
6	IIFL INC A/C MULTIPLES PRIVATE EQUITY FII I	4.04
7	CX SECURITIES LIMITED	3.34
8	JM FINANCIAL TRUSTEE COMPANY PVT LTD - JM FINANCIAL INDIA FUND III	3.32
9	DEUTSCHE SECURITIES MAURITIUS LIMITED	2.65
10	INDIA CAPITAL OPPORTUNITIES 1 LIMITED	2.31

**Strong Institutional Ownership**

# Recognitions



SOUTH INDIAN BANK, WINS 4 COVETED NATIONAL AWARDS IN MID-SIZED BANK CATEGORY-

1. BEST BANKER AWARD,
2. BEST PRIVATE SECTOR BANKER AWARD,
3. BEST BANKER- ALL ROUND EXPANSION AWARD AND
4. BEST BANKER - EFFICIENCY AND PROFITABILITY AWARD, IN THE SUNDAY STANDARD BEST BANKERS - 2013 AWARDS INSTITUTED BY THE NEW INDIAN EXPRESS GROUP.

“BUSINESS TODAY” HAS ADJUDGED MANAGING DIRECTOR & CEO, DR.V.A.JOSEPH AS ONE AMONG INDIA’S TOP 100 CEOS

TECHNOLOGY EXCELLENCE AWARD 2011-12 FROM IDRBT



SOUTH INDIAN BANK BAGS FIRST MASTERCARD INNOVATION AWARD FOR ACTIVATION AND USAGE PROGRAM

