

# **Investor Presentation**

## **March-2014**

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# Snapshot

## Track record

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

## Growth and Profitability

Last 5 year CAGR: 17% business; PAT CAGR of 17%; Improving asset yield as bank builds fee income streams in addition to interest income

## Quality

Higher asset quality; GNPA at 1.19%, NNPA 0.78%

## 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 9 GMs – 8 GMs life time bankers at the bank

## Building for future

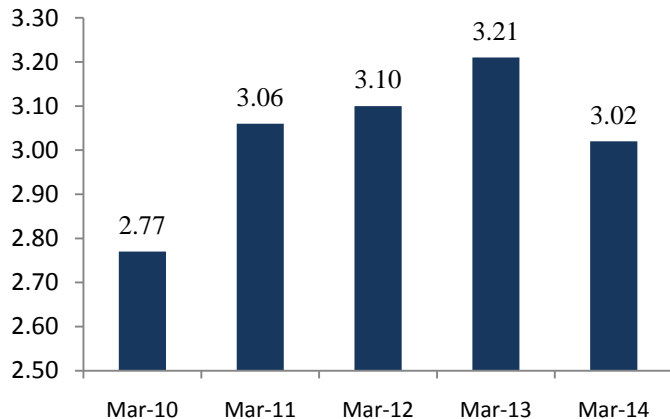
Young workforce (avg. age of 34 years) with continuity of management  
2 CEOs in the last decade

## Stakeholder value

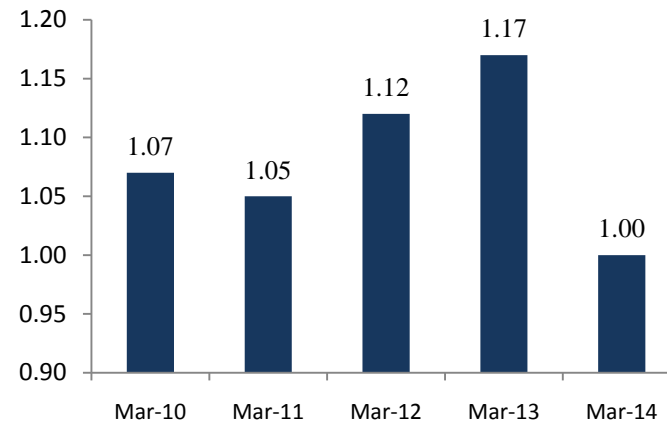
Strong protection of stakeholder interest  
Stock return of 595% since IPO

# Significant Transformation Since 2010

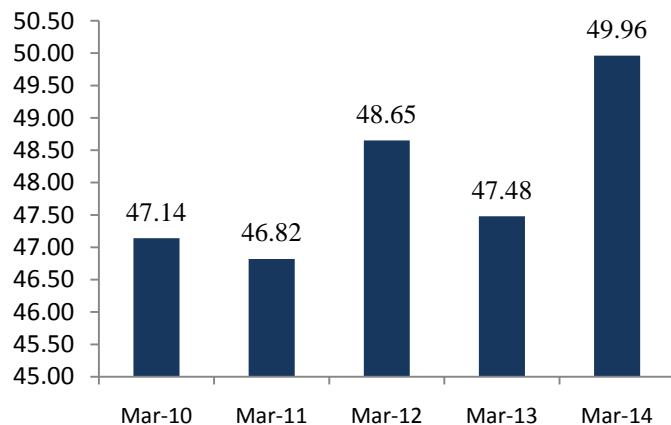
## NIM



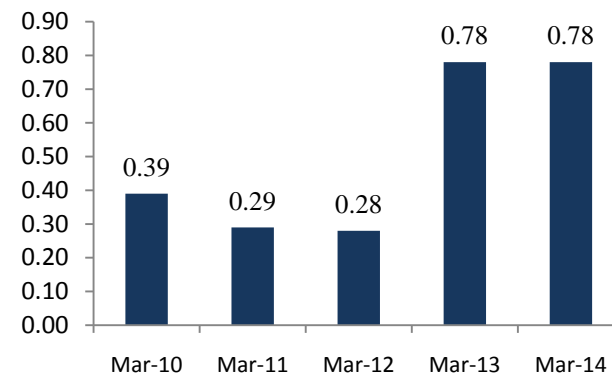
## RoAA



## Cost to Income



## Net NPA



# Strategy

## Growth with quality

35% from wholesale banking ; 30% from SME and 35% from retail by FY17  
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, 250 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 March 2014

## Balance Sheet Overview

*Rs. In Crore*

	Q4 FY 14	Q4 FY 13	Y-o-Y (%)	Q3 FY 14	Q-o-Q (%)
<b>Capital &amp; Liabilities</b>					
Capital	134.39	133.85	0.40	134.22	0.13
Reserves & Surplus	3,233.65	2,869.76	12.68	3,238.53	-0.15
Deposits	47,491.09	44,262.30	7.29	44,645.16	6.37
Borrowings	2,730.78	1,284.56	112.58	1,917.25	42.43
Other Liabs. & Provisions	1,396.05	1,244.56	12.17	1,082.11	29.01
<b>Total</b>	<b>54,985.96</b>	<b>49,795.03</b>	<b>10.42</b>	<b>51,017.27</b>	<b>7.78</b>
<b>Assets</b>					
Cash & Balances with RBI	2,200.81	1,696.70	29.71	2090.15	5.29
Balances with Banks	1,017.12	2,639.20	-61.46	1014.29	0.28
Investments	14,351.78	12,523.47	14.60	13423.10	6.92
Advances	36,229.85	31,815.53	13.87	33321.84	8.73
Fixed Assets	412.20	396.12	4.06	405.25	1.71
Other Assets	774.20	724.01	6.93	762.63	1.52
<b>Total</b>	<b>54,985.96</b>	<b>49,795.03</b>	<b>10.42</b>	<b>51017.27</b>	<b>7.78</b>
Business (Advances+Deposit)	83,720.95	76,077.83	10.05	77967.00	7.38



# Result Review

## Profit and Loss Account (Quarter Alone)

*Rs. In Crore*

	Q4FY14	Q4FY13	Y-o-Y (%)	Q3FY14	Q-o-Q (%)
Net Interest Income	364.68	333.70	9.28	350.47	4.05
Other Income	96.58	120.96	-20.16	84.62	14.13
Total Income	461.26	454.66	1.45	435.09	6.01
Operating Expenses	256.34	248.56	3.13	219.20	16.94
Operating Profit	204.92	206.10	-0.57	215.89	-5.08
Provisions & Contingencies	28.28	65.89	-57.08	74.58	-62.08
Profit before Tax	176.64	140.21	25.98	213.86	-17.40
Provision for Tax	52.04	-13.62	-482.09	72.55	-28.27
<b>Profit after Tax</b>	<b>124.60</b>	<b>153.83</b>	<b>-19.00</b>	<b>141.31</b>	<b>-11.83</b>

# Other Performance Highlights

<b>Performance Highlights</b>	<b>Mar-13</b>	<b>Jun-13</b>	<b>Sep-13</b>	<b>Dec-13</b>	<b>Mar-14</b>
CRAR Basel 2 (%)	13.9%	13.7%	13.2%	12.4%	12.5%
RoAA (Annualised)	1.2%	0.9%	1.0%	1.0%	1.0%
NIM (%)	3.2%	2.9%	3.1%	3.0%	3.0%
Gross NPA (%)	1.3%	1.6%	1.9%	1.7%	1.2%
Net NPA (%)	0.8%	1.1%	1.4%	1.2%	0.8%
Provision Coverage	53.2%	57.9%	53.5%	55.8%	62.7%
CASA %	18.6%	20.6%	21.3%	21.2%	20.7%

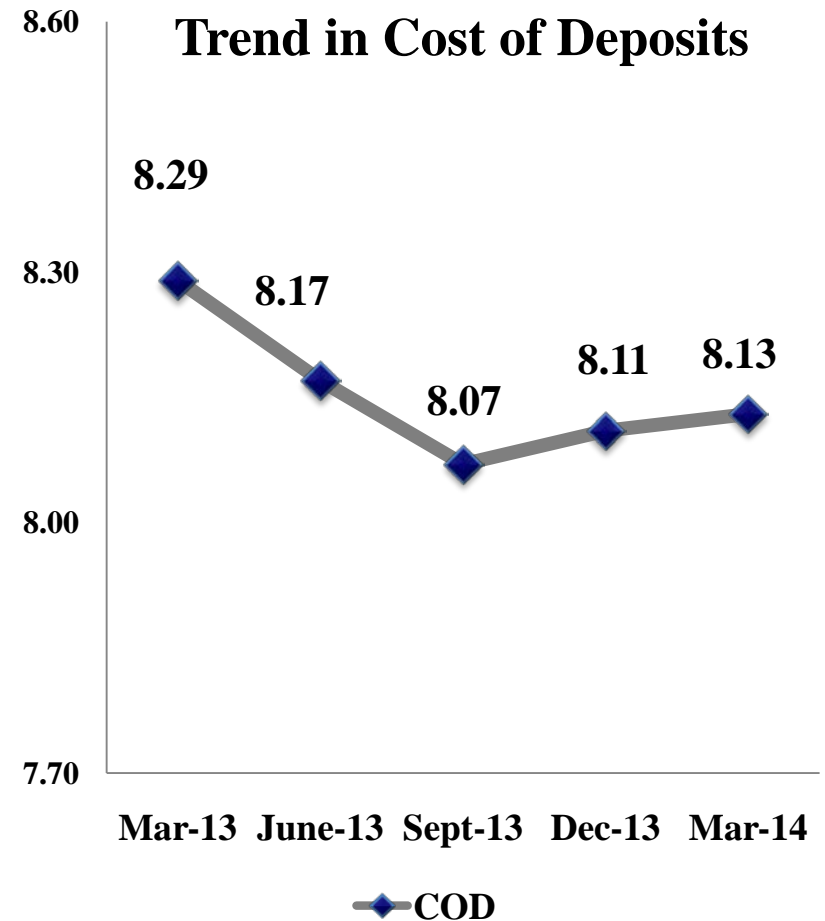
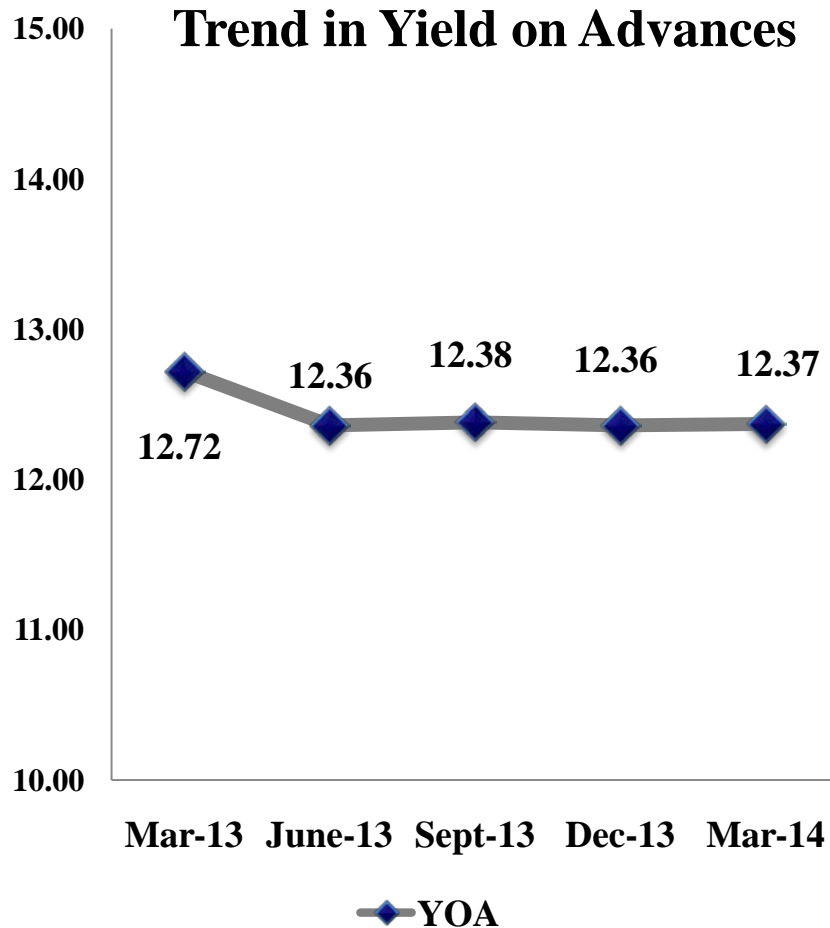
# Composition of Other Income

*Rs. In Crore*

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

	<b>Q4FY14</b>	<b>Q4FY13</b>	<b>Y-o-Y (%)</b>	<b>Q3FY14</b>	<b>Q-o-Q (%)</b>
Transaction related	48.8	39.7	22.9	42.8	14.0
Profit on sale of investment	11.1	13.7	-19.0	4.3	158.1
Technology related	18.1	13.7	32.1	18.7	-3.2
FOREX	4.4	11.9	-63.0	10.2	-56.9
IT refund	0.0	9.8	-100.0	0.0	0
Amt w/o since recd	7.0	21.2	-67.0	3.3	112.1
Others	7.0	7.9	-11.4	3.6	94.4
Bullion	0.2	3.0	-93.3	1.7	-88.2
<b>Total</b>	<b>96.6</b>	<b>120.9</b>	<b>-20.1</b>	<b>84.6</b>	<b>14.2</b>

# Trend in Cost & Yield (Annualized)



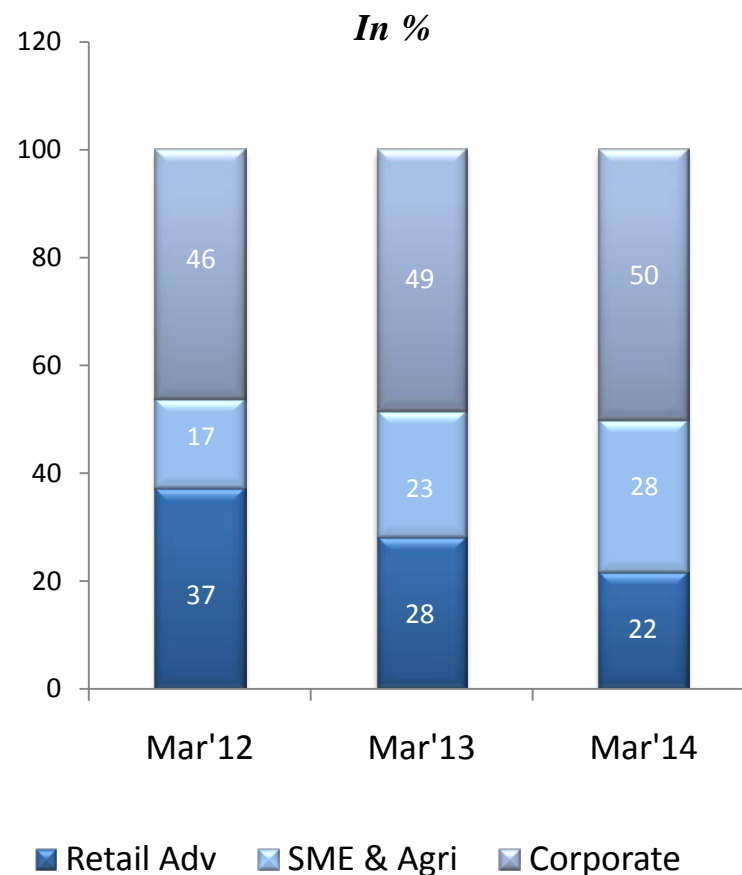
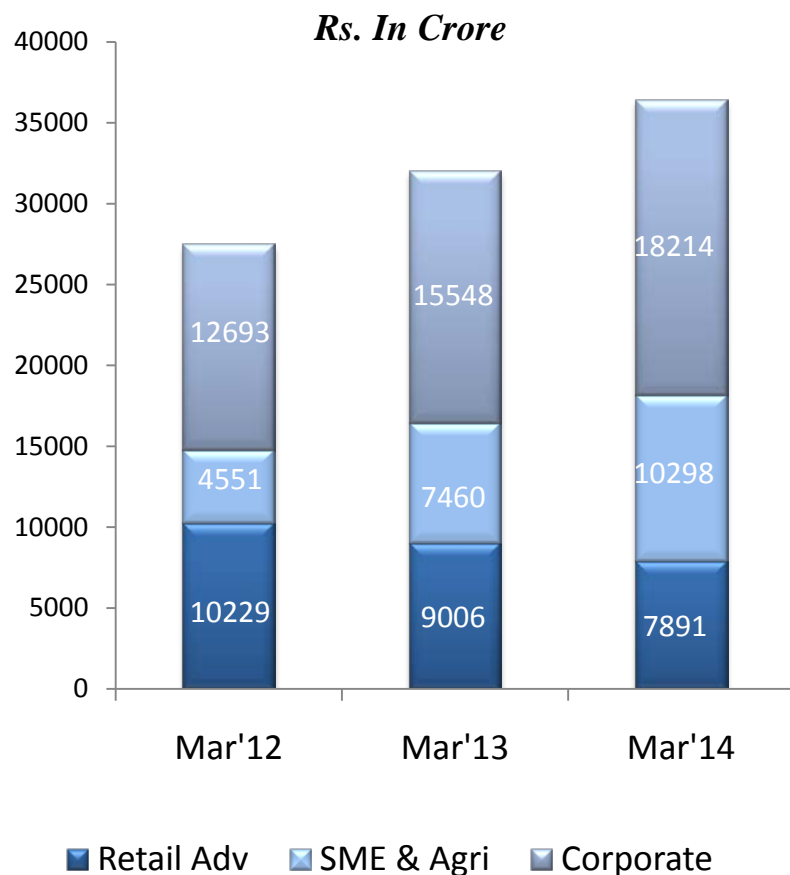
# Break-up of Provision

(Quarter alone)

*Rs. In Crore*

Particulars	Q4 FY 14	Q4 FY13	Q3 FY 14
For NPA advance	-0.3	42.1	-10.7
For Depreciation on Investments	-8.7	9.7	-3.6
For standard assets & others	36.49	14.2	7.7
For Restructured advances	0.8	-0.1	8.6
Taxes	52.01	-13.63	72.6
<b>Total Provisions and Contingencies</b>	<b>80.3</b>	<b>52.3</b>	<b>74.6</b>

# Composition of Loan Book



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

# Advances – Composition (Mar 2014)

*Rs. In Crore*

Sl.no	Advance Total	31.03.2013	31.03.2014
1	Agri & MSME	7,460	10,298
2	Retail	9,006	7,891
3	Corporate	15,548	18,214
	<b>Gross Advance</b>	<b>32,014</b>	<b>36,403</b>

Sl.no	Agri & MSME Break up	31.03.2013	31.03.2014
1	Agri General	1,368	1,732
2	Agri Gold	892	1,262
3	MSE General	4,103	5,436
4	MSE Gold	448	1,073
5	Medium Enterprise General	649	795
	<b>Total</b>	<b>7,460</b>	<b>10,298</b>

# Advances – Composition (Mar 2014).....(contd)

*Rs. In Crore*

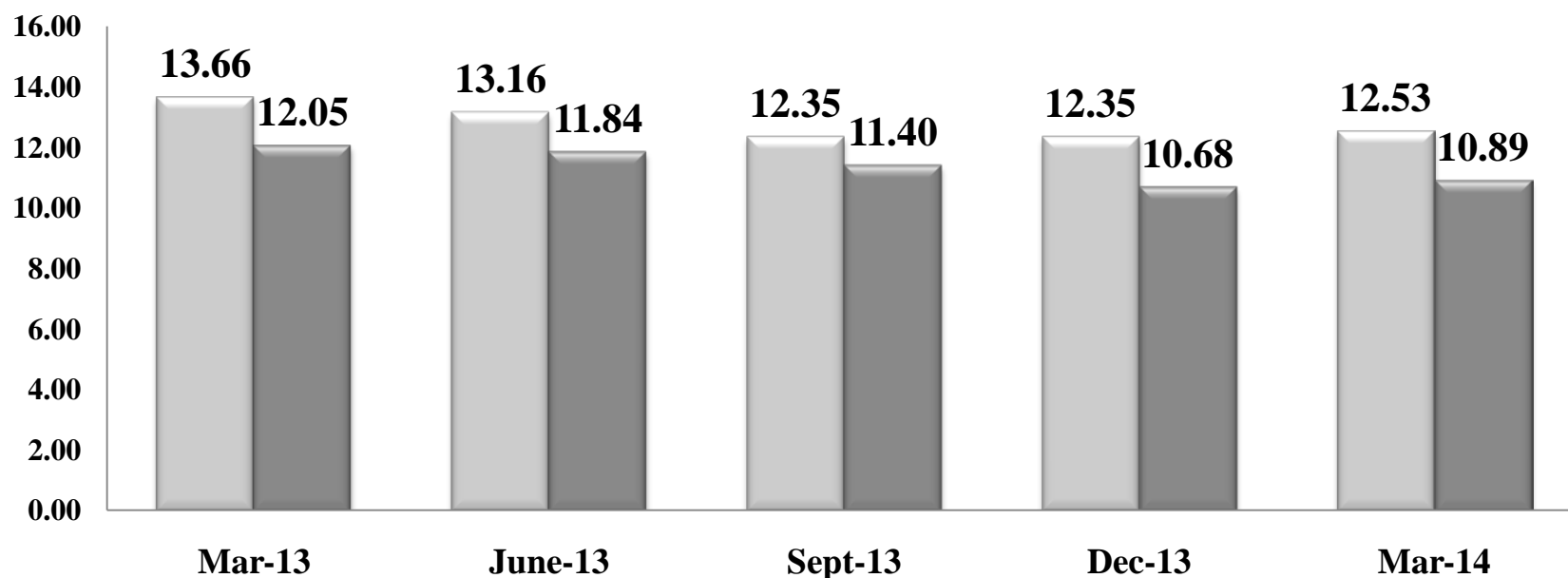
Sl.no	Retail Advances-Break up	31.03.2013	31.03.2014
1	Gold	5,583	3,940
2	Fully Secured loan against deposit	624	678
3	Housing	1,232	1,531
4	Vehicle	148	143
5	Education	117	143
6	Personal & Consumer Credit	111	154
7	Other Retail	1,191	1,301
	<b>Total</b>	<b>9,006</b>	<b>7,891</b>

Sl.no	Corporate Advances-Break up	31.03.2013	31.03.2014
1	Food Credit	555	614
2	Infrastructure	4,805	5,208
3	Textile Manufacturing	481	530
4	Metal and Metal Manufacturing	1,250	1,465
5	Other Manufacturing	2,981	3,393
6	NBFC/SFC/MFI/HFI	2,720	3,461
7	Traders	976	1,189
8	Other Corporate	1,780	2,353
	<b>Total</b>	<b>15,548</b>	<b>18,214</b>



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

BASEL III	CRAR	CORE CRAR
	12.42	10.79

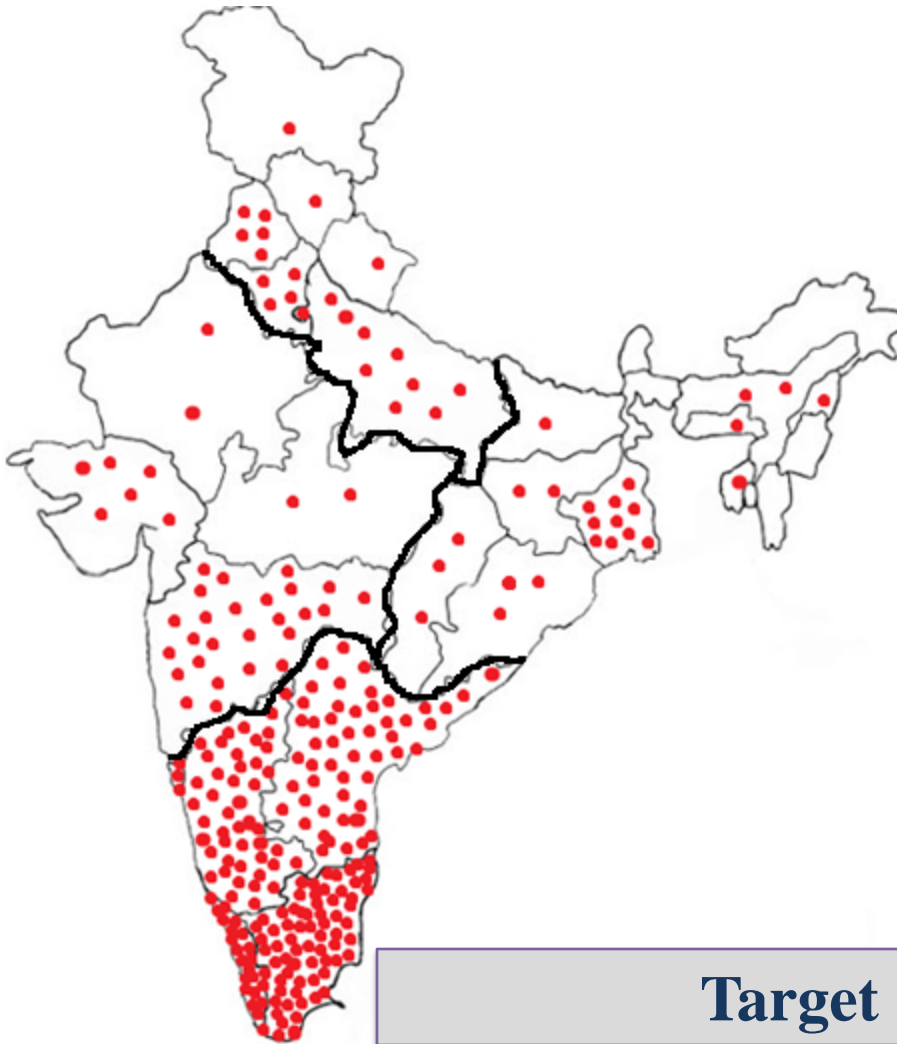


BASEL II Figures

■ CRAR ■ CORE-CRAR

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

# Branch Network



	No. of Branches
North	49
South	667
East	27
West	57
<b>Total</b>	<b>800</b>

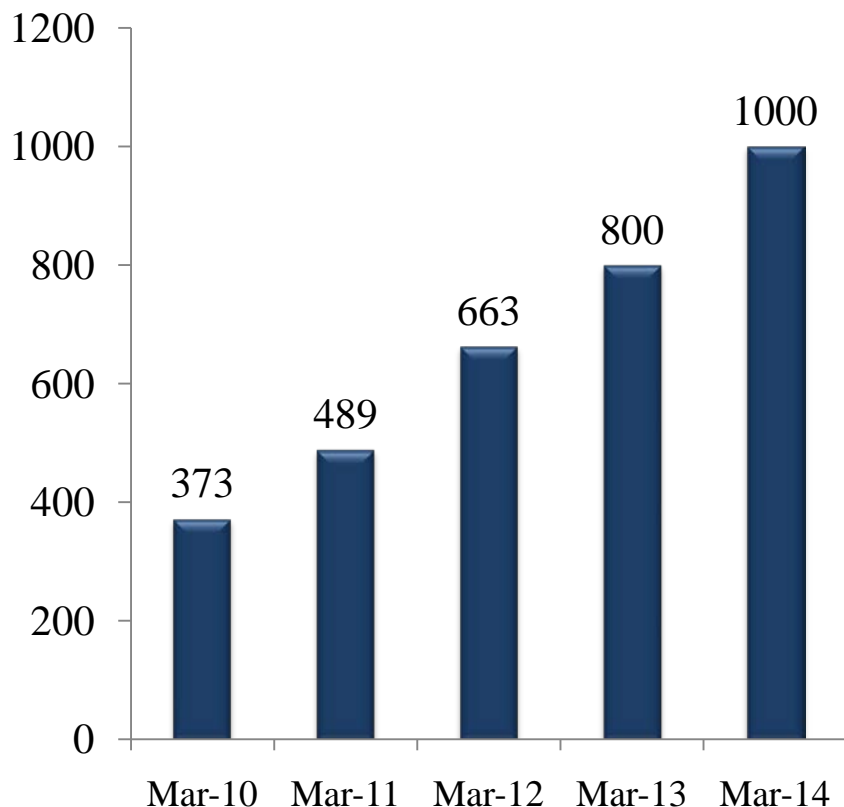
**Target 1:1 Outside Kerala**

# Branch Network Distribution

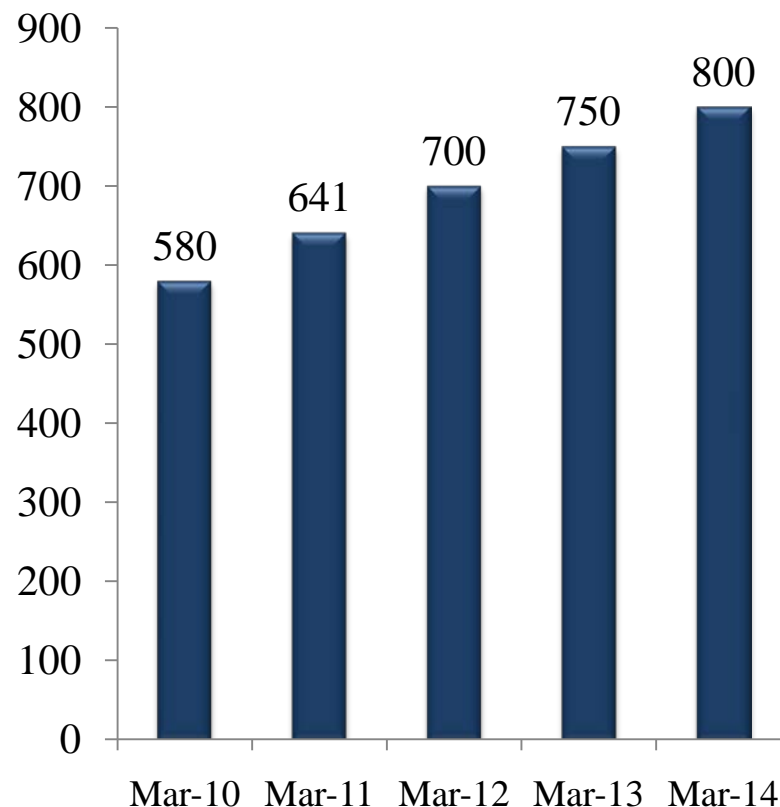
STATE	No. of Branches	STATE/UT	No. of Branches
Kerala	437	Jharkhand	2
Tamil Nadu	138	Madhya Pradesh	2
Andhra Pradesh	49	Orissa	2
Karnataka	43	Pondicherry	2
Maharashtra	28	Rajasthan	2
Delhi	25	Bihar	1
Gujarat	18	Chandigarh	1
West Bengal	16	Himachal Pradesh	1
Uttar Pradesh	9	Jammu & Kashmir	1
Goa	5	Meghalaya	1
Haryana	4	Mizoram	1
Punjab	4	Nagaland	1
Chattisgarh	3	Tripura	1
Assam	2	Uttaranchal	1

# Strong Retail Franchise

### Total ATM Network

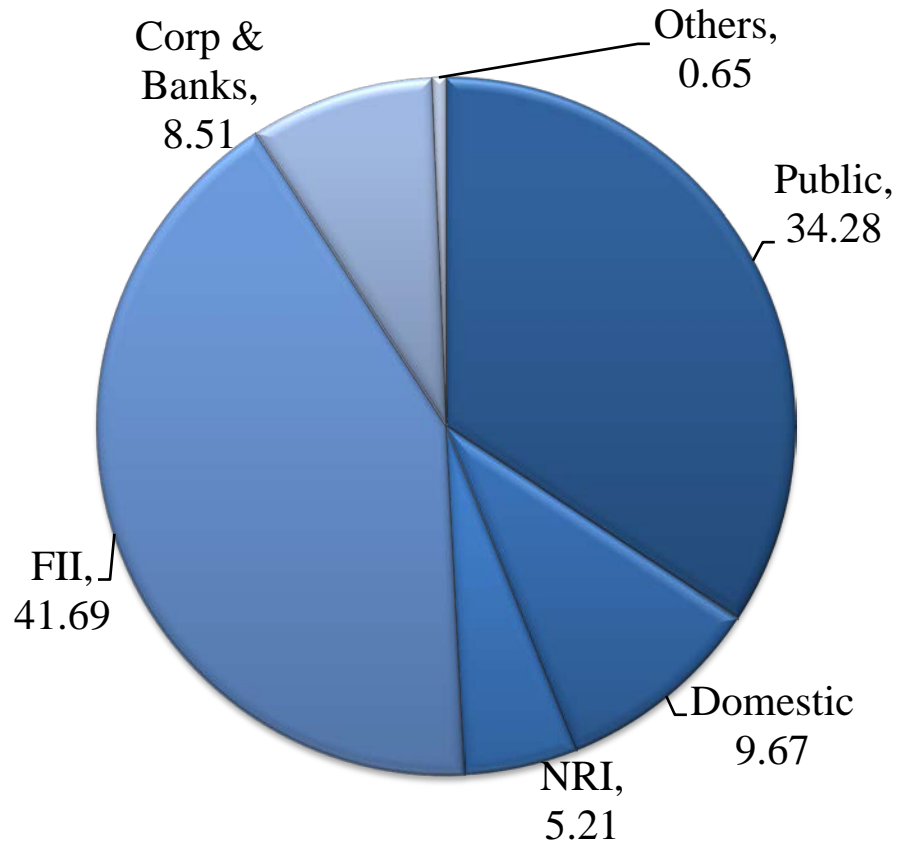


### Total Branch Network



**ATM : Branch ratio above 1.0x**

# Ownership Profile



## Major Institutional Shareholders (%)

1	IFCI LTD	4.96
2	FIRST CARLYLE VENTURES MAURITIUS	4.95
3	INDIA CAPITAL FUND LIMITED	4.65
4	LIFE INSURANCE CORPORATION OF INDIA	4.45
5	GKFF VENTURES	4.22
6	MULTIPLES PRIVATE EQUITY FII I	4.03
7	CX SECURITIES LIMITED	3.34
8	JM FINANCIAL TRUSTEE COMPANY PVT LTD - JM FINANCIAL INDIA FUND III	3.31
9	YUSUFFALI MUSALIAM VEETIL ABDUL KADER .	2.98
10	DEUTSCHE SECURITIES MAURITIUS LIMITED	2.65

**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

