

# Investor Presentation

## June-2014



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## Snapshot

### Track record

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

### Growth and Profitability

Last 5 year CAGR: 22% business; PAT CAGR of 21%; Improving asset yield as bank builds fee income streams in addition to interest income

### Quality

Higher asset quality; GNPA at 1.50%, NNPA 0.91%

### 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, 1 Executive Director, 2CGMs and 9 GMs – 8 GMs life time bankers at the bank

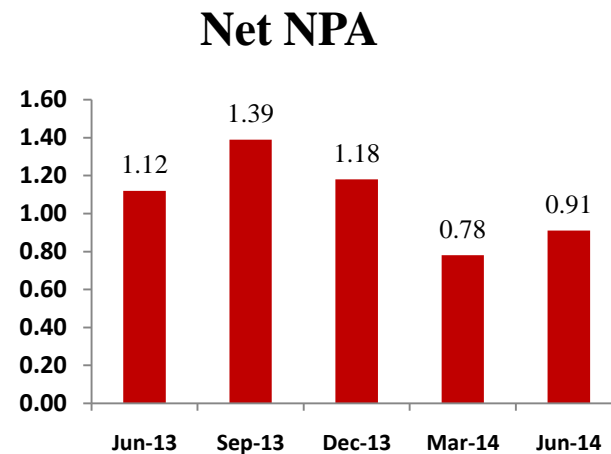
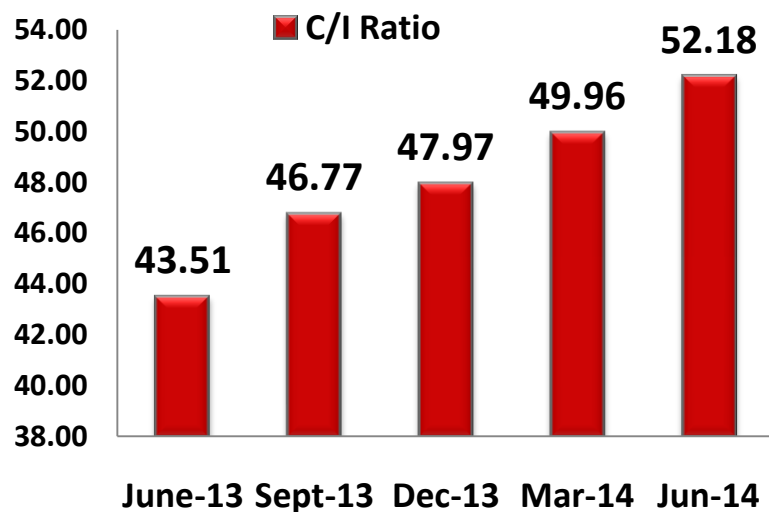
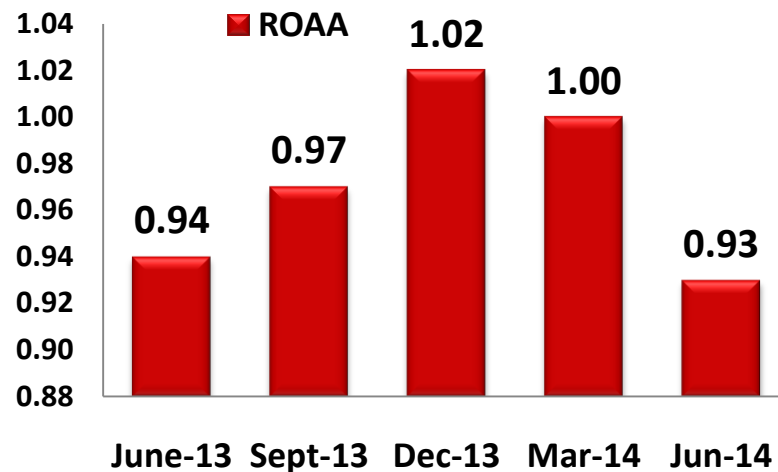
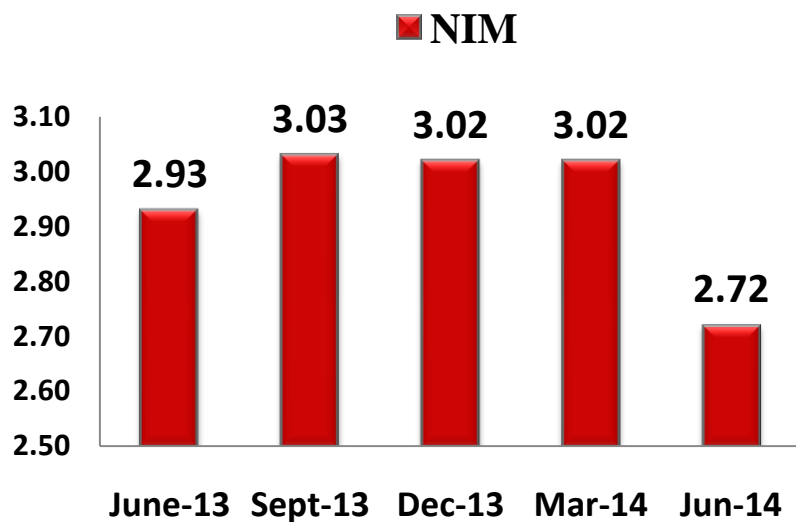
### Building for future

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 June 2013



## 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 offices, 250 ATM additions this year  
Pan India presence in 27 states and 2 union territories.  
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 June 2014

## Balance Sheet Overview

*Rs. In Crore*

	Q1 FY 15	Q1 FY 14	Y-o-Y (%)	Q4 FY 14	Q-o-Q (%)
<b>Capital &amp; Liabilities</b>					
Capital	134.61	134.03	0.43%	134.39	0.16%
Reserves & Surplus	3348.91	2985.41	12.18%	3233.65	3.56%
Deposits	46489.23	43583.76	6.67%	47491.09	-2.11%
Borrowings	2641.20	1871.02	41.16%	2730.78	-3.28%
Other Liabs. & Provisions	1263.00	1023.22	23.43%	1396.05	-9.53%
<b>Total</b>	<b>53876.95</b>	<b>49597.44</b>	<b>8.63%</b>	<b>54985.96</b>	<b>-2.02%</b>
<b>Assets</b>					
Cash & Balances with RBI	2260.44	2203.69	2.58%	2200.81	2.71%
Balances with Banks	1708.66	2393.89	-28.62%	1017.12	67.99%
Investments	14360.68	12722.91	12.87%	14351.78	0.06%
Advances	34255.42	31202.79	9.78%	36229.85	-5.45%
Fixed Assets	465.50	397.89	16.99%	412.20	12.93%
Other Assets	826.25	676.27	22.18%	774.20	6.72%
<b>Total</b>	<b>53876.95</b>	<b>49597.44</b>	<b>8.63%</b>	<b>54985.96</b>	<b>-2.02%</b>
Business (Advances+Deposit)	80744.65	74786.55	7.97%	83720.95	-3.56%



## Result Review

### Profit and Loss Account (Quarter Alone)

*Rs. In Crore*

	Q1 FY15	Q1 FY14	Y-o-Y (%)	Q4 FY14	Q-o-Q (%)
Net Interest Income	340.88	327.57	4%	364.68	-7%
Other Income	121.16	117.74	3%	96.58	25%
Total Income	462.04	445.31	4%	461.26	0.16%
Operating Expenses	241.10	193.75	24%	256.34	-6%
Operating Profit	220.94	251.56	-12%	204.92	8%
Provisions & Contingencies	94.63	105.35	-10%	28.28	235%
Profit before Tax	169.7	146.21	16%	176.64	-4%
Provision for Tax	43.05	31.37	37%	52.04	-17%
<b>Profit after Tax</b>	<b>126.65</b>	<b>114.84</b>	<b>10%</b>	<b>124.60</b>	<b>2%</b>

## Other Performance Highlights

Performance Highlights	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
CRAR Basel II (%)	13.66%	13.16%	12.35%	12.53%	<b>12.32%</b>
RoAA (Annualised)	0.94%	0.97%	1.02%	1.00%	<b>0.93%</b>
NIM (%)	2.93%	3.03%	3.02%	3.02%	<b>2.72%</b>
Gross NPA (%)	1.57%	1.92%	1.66%	1.19%	<b>1.50%</b>
Net NPA (%)	1.12%	1.39%	1.18%	0.78%	<b>0.91%</b>
Provision Coverage	57.95%	53.55%	55.73%	62.71%	<b>62.50%</b>
CASA %	20.58%	21.30%	21.20%	20.70%	<b>22.07%</b>

# Core Deposit & CASA

Jun-14

35,970

21.05%

29,714

Jun-13

Core Deposit

Jun-14

10,261

14.42%

8,968

Jun-13

CASA

Jun-14 (Rs. in Crore)

46,489

6.67%

43,584

Jun-13

Total Deposit

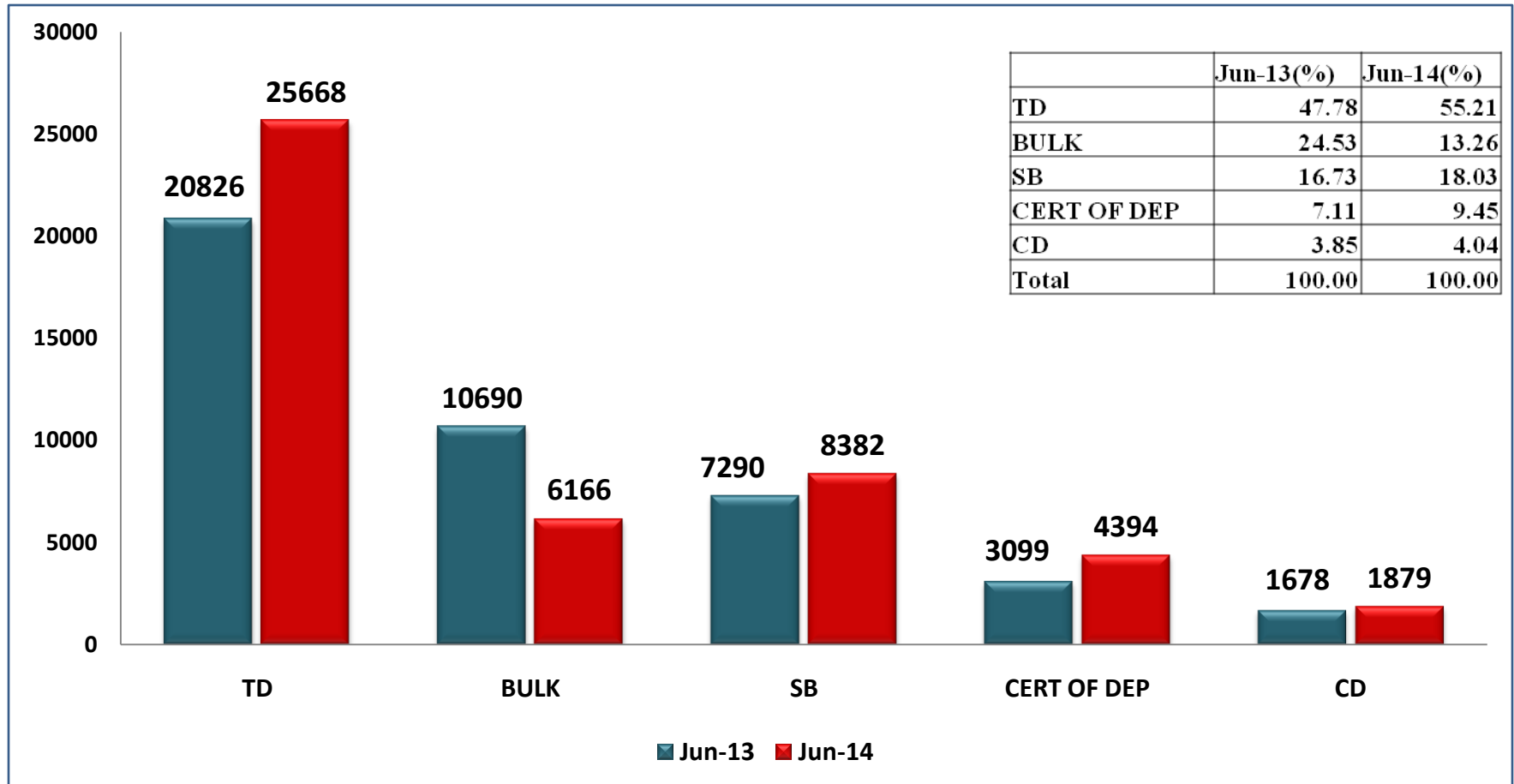
## INVESTMENT SUMMARY

(Rs. in Crore)

<b>Investments Break Up</b>	<b>June'14</b>	<b>June'13</b>
<b>(i) Government Securities</b>	<b>11729.98</b>	<b>10845.83</b>
<b>(ii) Other Approved Securities</b>	<b>0.00</b>	<b>0.00</b>
<b>(iii) Shares</b>	<b>132.47</b>	<b>193.37</b>
<b>(iv) Debentures and Bonds</b>	<b>558.74</b>	<b>135.01</b>
<b>(v) Subsidiaries and/or Joint Venures</b>	<b>0.00</b>	<b>0.00</b>
<b>(v) Others (Certificate of deposits, RIDF etc.)</b>	<b>1942.18</b>	<b>1549.37</b>
<b>Yield on Investments</b>	<b>7.26</b>	<b>7.16</b>

# DEPOSITS BREAK UP (YoY)

(Rs. in Crore)



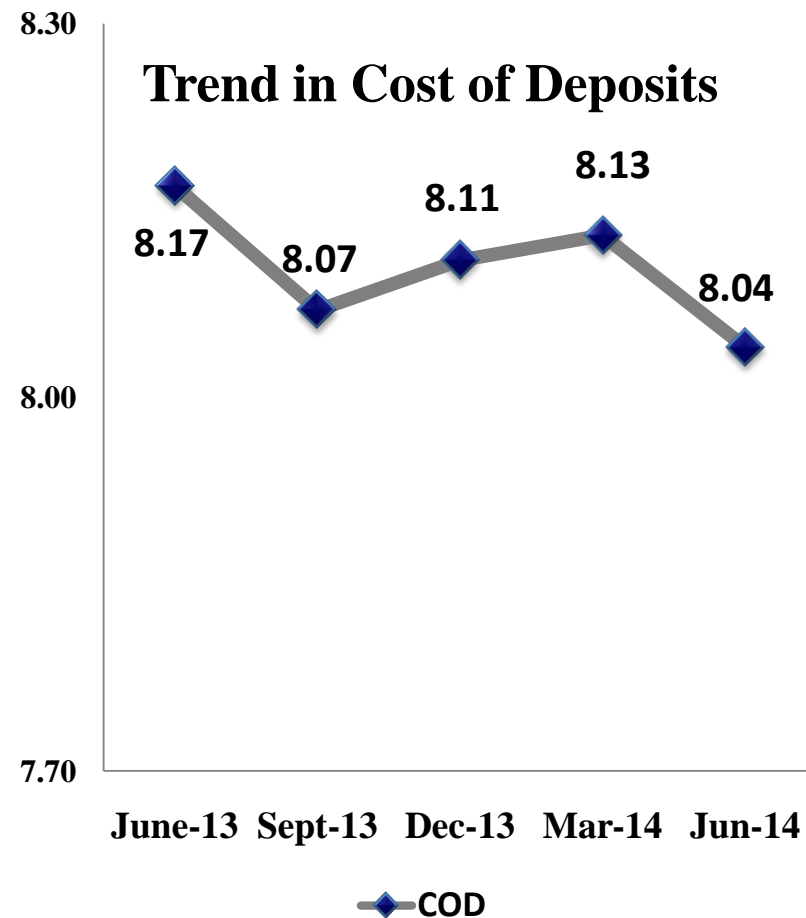
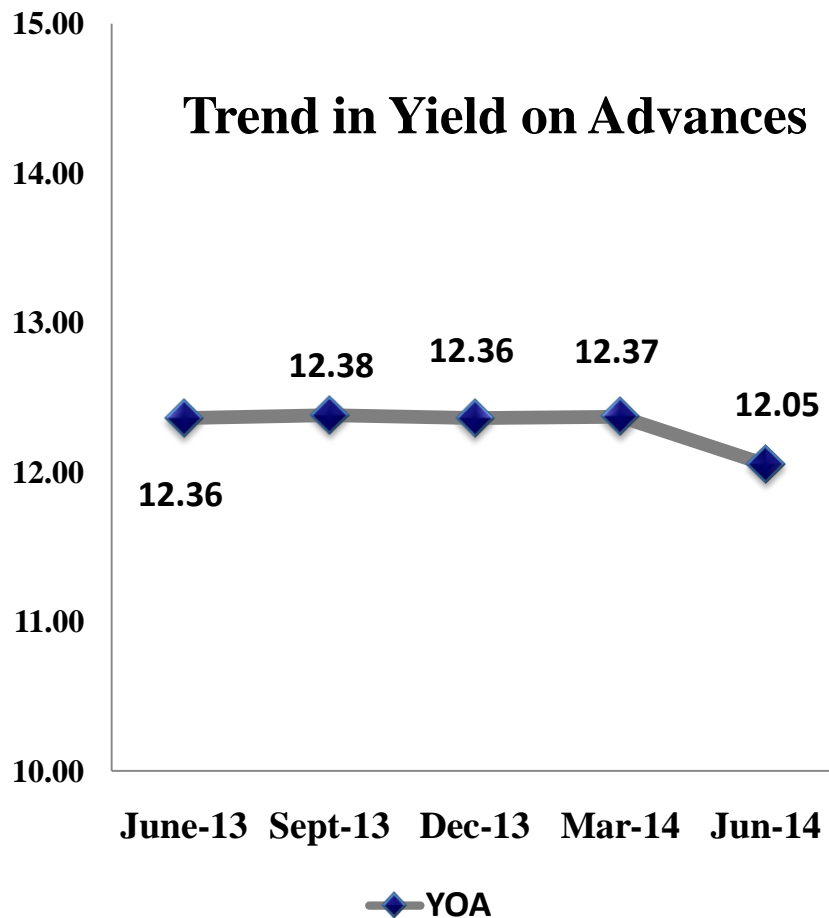
## Composition of Other Income

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

*Rs. In Crore*

	Q1 FY15	Q1 FY14	Y-o-Y (%)	Q4 FY14	Q-o-Q (%)
Transaction related	38.5	29.6	30.10%	48.8	-21.09%
Profit on sale of investment	45.8	51.8	-11.66%	11.1	312.25%
Technology related	20.8	14.7	41.50%	18.1	14.92%
FOREX	7.1	9.8	-27.45%	4.4	61.59%
IT refund	0	0.9	-100.00%	0	0.00%
Amt w/o since recd	3.5	4.8	-27.29%	7	-50.14%
Others	4.9	4.6	7.83%	7	-29.14%
Bullion	0.5	1.6	-66.88%	0.2	165.00%
<b>Total</b>	<b>121.1</b>	<b>117.8</b>	<b>2.85%</b>	<b>96.6</b>	<b>25.42%</b>

## Trend in Cost & Yield (Annualized)



## Break-up of Provision

(Quarter alone)

*Rs. In Crore*

Particulars	Q1 FY 15	Q1 FY 14	Q4 FY 14
For NPA advance	82.43	110.06	-0.31
For Depreciation on Investments	5.02	-1.96	-8.7
Unhedged Forex Exposure	5.55	0	0
For standard assets & others	-1.02	-2.77	36.49
For Restructured Sacrifice	2.65	0	0.8
Taxes	43.05	31.37	52.02
<b>Total Provisions and Contingencies</b>	<b>137.68</b>	<b>136.70</b>	<b>80.30</b>



## Rating-wise split up of Standard Advances (YoY)

*Rs. In Crore*

RATING	AS ON DATE	
	6/30/2013	6/30/2014
AAA / AA	53.01%	48.43%
A	26.27%	26.92%
BBB	6.87%	9.39%
< BBB	4.37%	6.18%
Unrated	9.48%	9.08%
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>

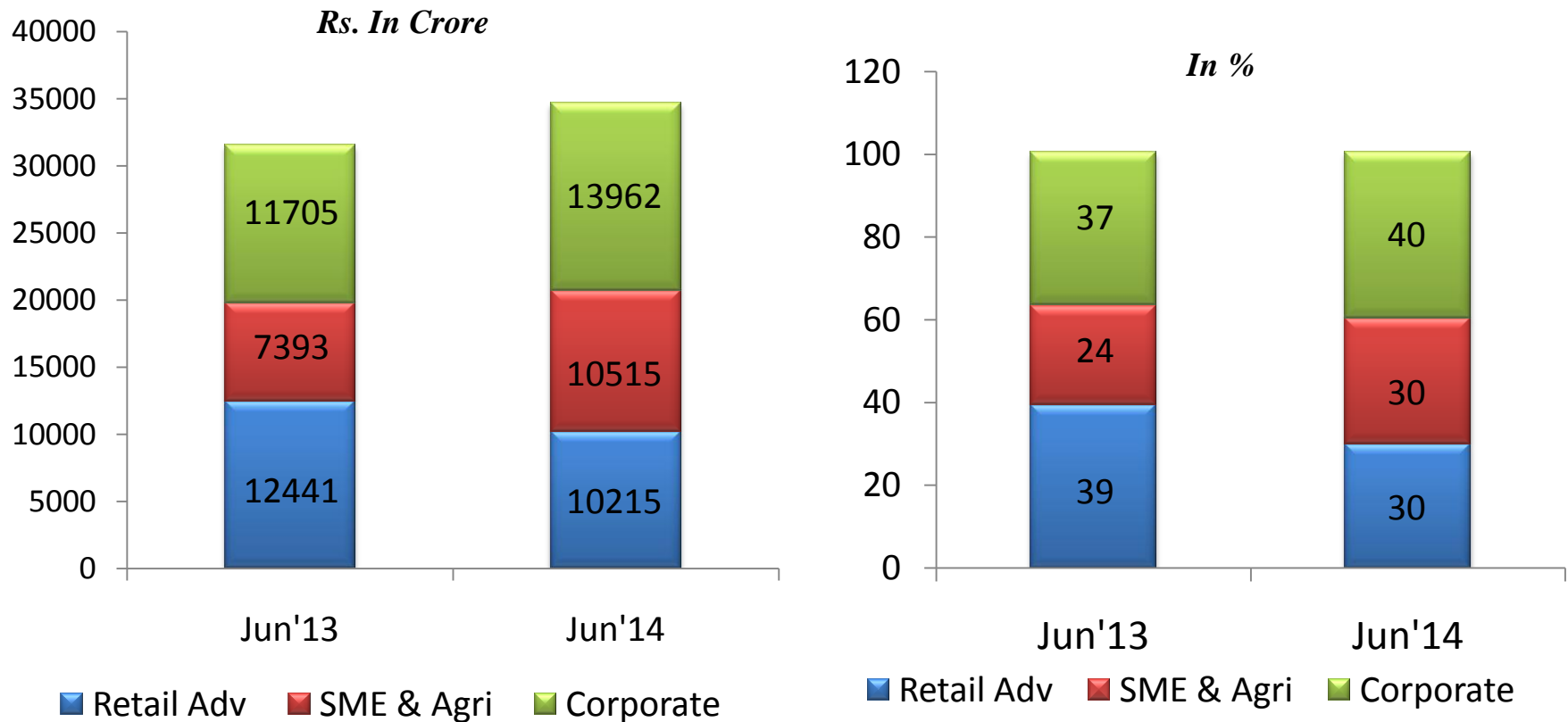
*Notes:*

(1) AAA/AA rated accounts include Gold Loans, Loans on deposits, NSC, KVP, etc., Food Credit and UBD.

(2) NPA and Suitfiled accounts have not been included.

(3) Staff accounts have been included in 'Unrated'.

## Composition of Loan Book



Note	Total Advance is split up to 03 Categories
i	Agriculture & MSME - where Bank is giving Special Thrust
ii	Retail - Excluding Agri and MSME those customers with Exposure up to Rs. 25 Crs
iii	Corporate - Excluding Agri & MSME those customers with exposure above Rs.25 Crs

## Advances – Composition (Jun 2014)

*Rs. In Crore*

SL NO	ADVANCE TOTAL	Jun'13	Jun'14
I	AGRICULTURE AND MSME	7393	10515
II	RETAIL	12441	10215
III	CORPORATE	11705	13962
IV	TOTAL ADVANCE (I+II+III)	31539	34692

Note	Total Advance is split up to 03 Categories
i	Agriculture & MSME - where Bank is giving Special Thrust
ii	Retail - Excluding Agri and MSME those customers with Exposure up to Rs. 25 Crs
iii	Corporate - Excluding Agri & MSME those customers with exposure above Rs.25 Crs

SL NO	AGRICULTURE AND MSME - BREAK UP	30.06.13	30.06.14
I	AGRICULTURE GENERAL LOANS	1084	1790
II	AGRICULTURE GOLD LOANS	906	1337
III	MSE GENERAL LOANS	3891	5345
IV	MSE GOLD LOANS	882	1127
V	MEDIUM ENTERPRISES GENERAL LOANS	630	916
VI	MEDIUM ENTERPRISES GOLD LOANS	0	0
	<b>TOTAL</b>	<b>7393</b>	<b>10515</b>

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

*Rs. In Crore*

SL NO	RETAIL - BREAK UP	30.06.13	30.06.14
I	GOLD LOAN	5528	3441
II	FSL -DEP/LIC/KVP	684	761
III	HOUSING LOAN	1299	1608
IV	VEHICLE LOANS	185	250
V	EDUCATION LOANS	220	242
VI	PERSONAL LOANS AND CONSUMER CREDIT	142	197
VII	OTHERS REGULATORY RETAIL LOANS	4383	3716
	<b>TOTAL</b>	<b>12441</b>	<b>10215</b>

SL NO	CORPORATE -BREAK UP	30.06.13	30.06.14
I	FOOD CREDIT	641	720
II	INFRASTRUCTURE	4191	4229
III	TEXTILE MANUFACTURING	239	321
IV	BASIC METAL & METAL PRODUCTS MANU.	996	1106
V	OTHER MANUFACTURING (UNDER REGULATORY CORPORATE)	2158	2717
VI	NBFC/SFC/MFI/HFI/OTHER ON LENDING INSTITUTIONS....	2268	3072
VII	TRADERS (RETAIL & WHOLE SALE) UNDER CORPORATES	229	324
VIII	OTHER SERVICE SECTOR (UNDER CORPORATE)	983	1473
	<b>TOTAL</b>	<b>11705</b>	<b>13962</b>

## Restructured Data

*Rs. In Crore*

NO	Book Balance	31.03.13	30.06.13	31.03.14	30.06.14
1	Restructured Standard Advance	1446.22	1384.14	1633.10	1661.65
2	Restructured NPA	198.50	200.93	92.00	123.11
3	Total Restructured Advance ( 1 + 2)	1644.72	1585.07	1725.10	1784.76

### Movement under Restructured Assets - Quarter to Quarter

I	Outstanding as on 31.03.14	1725.10
II	Fresh Additions	96.42
III	Net Increase in Balance under existing Restructured loans (after netting of the Recoveries)	21.31
IV	Closure including Write Off	58.07
V	Outstanding as on 30.06.14 (I + II + III - IV)	1784.76

## Sector Wise Details of Standard Restructured Advances As on 30.06.14

Rs. In Crs.

No	Sector	Amount	% to Total Restructured
<b>I</b>	<b>Agriculture</b>	<b>64.90</b>	<b>3.91</b>
<b>II</b>	<b>Industry &amp; Infrastructure</b>	<b>1467.49</b>	<b>88.32</b>
	Of which		
IIa	Infra Power	815.97	49.11
IIb	Construction EPC	171.37	5.80
IIc	Textiles	158.68	2.38
IId	Iron & Steel & Basic Metals	119.23	9.55
IIe	Drugs & Pharma	101.48	10.31
IIf	Ship Building Industry (Manuf.)	96.42	7.18
IIg	Infra Roads & Transport	39.52	6.11
<b>III</b>	<b>Service</b>	<b>125.76</b>	<b>7.57</b>
	of Which		
IIIa	Social & Commercial structures (Hotel, Hospital, Educational Institutions)	107.83	6.49
<b>IV</b>	<b>Retail</b>	<b>3.50</b>	<b>0.21</b>
	of Which		
IVa	Housing	3.11	0.19
IVb	Education	0.39	0.02
<b>I + II + III + IV</b>	<b>Total Standard Restructured Advances</b>	<b>1661.65</b>	<b>100.00</b>
	% of Standard Restructured Advances to Total Advance		<b>4.79%</b>

## MOVEMENT OF NPA

Rs. In Crores

### GNPA Movement

Particulars	Amount
Opening Balance 30.Mar.14	432.62
Additions during the quarter	97.54
Deductions	12.87
<b>Closing Balance30.Jun.14</b>	<b>517.30</b>

### NNPA Movement

Particulars	Amount
Opening Balance 30.Mar.14	281.68
Additions during the quarter	79.27
Deductions	50.41
<b>Closing Balance30.Jun.14</b>	<b>310.54</b>

## MOVEMENT OF NPA PROVISION

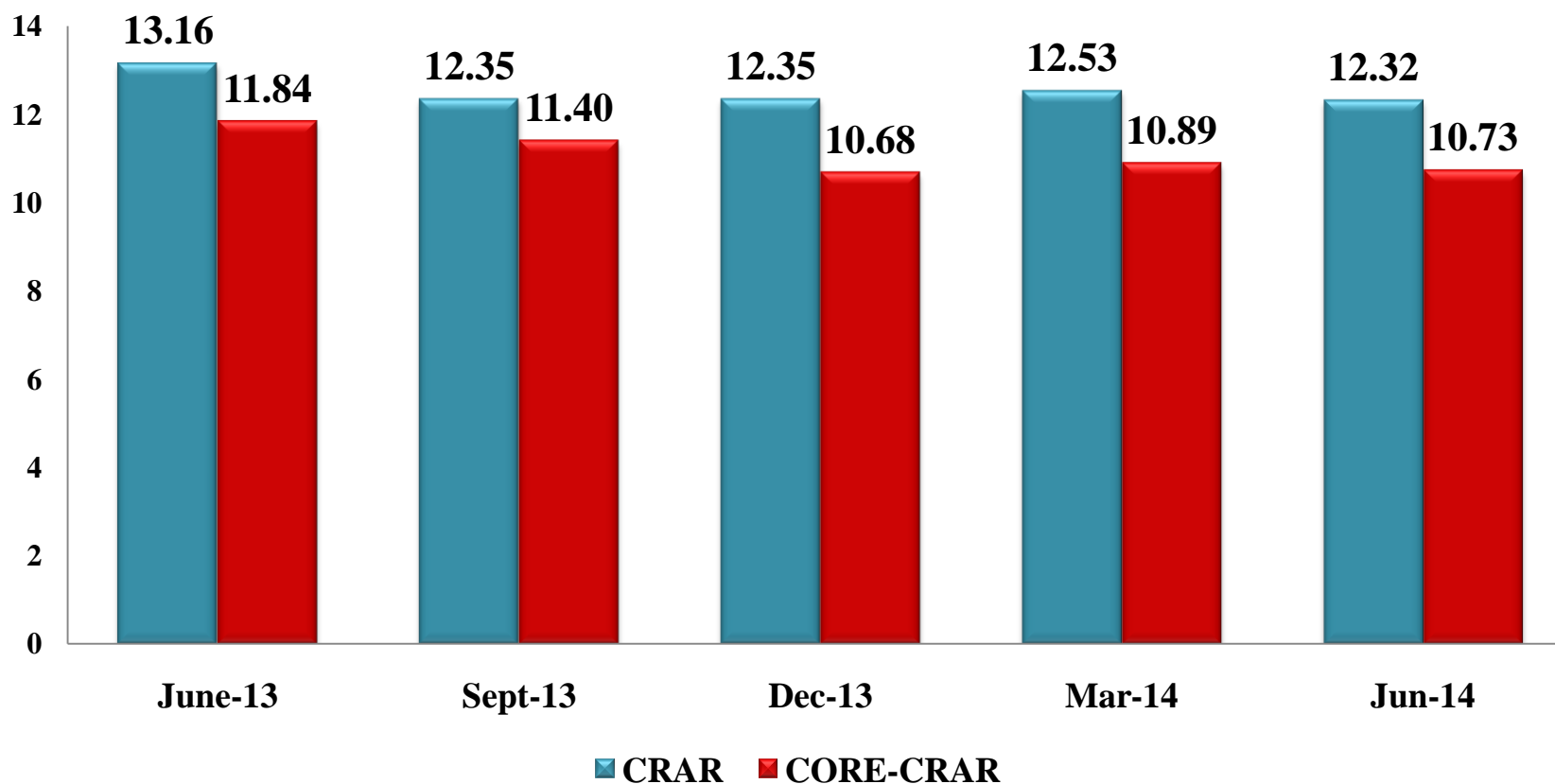
(Rs. in Crore)

Particulars	Amount
Opening Balance 30.Mar.14	129.27
Additions during the quarter	59.72
Deductions	6.90
<b>Closing Balance 30.Jun.14</b>	<b>182.08</b>



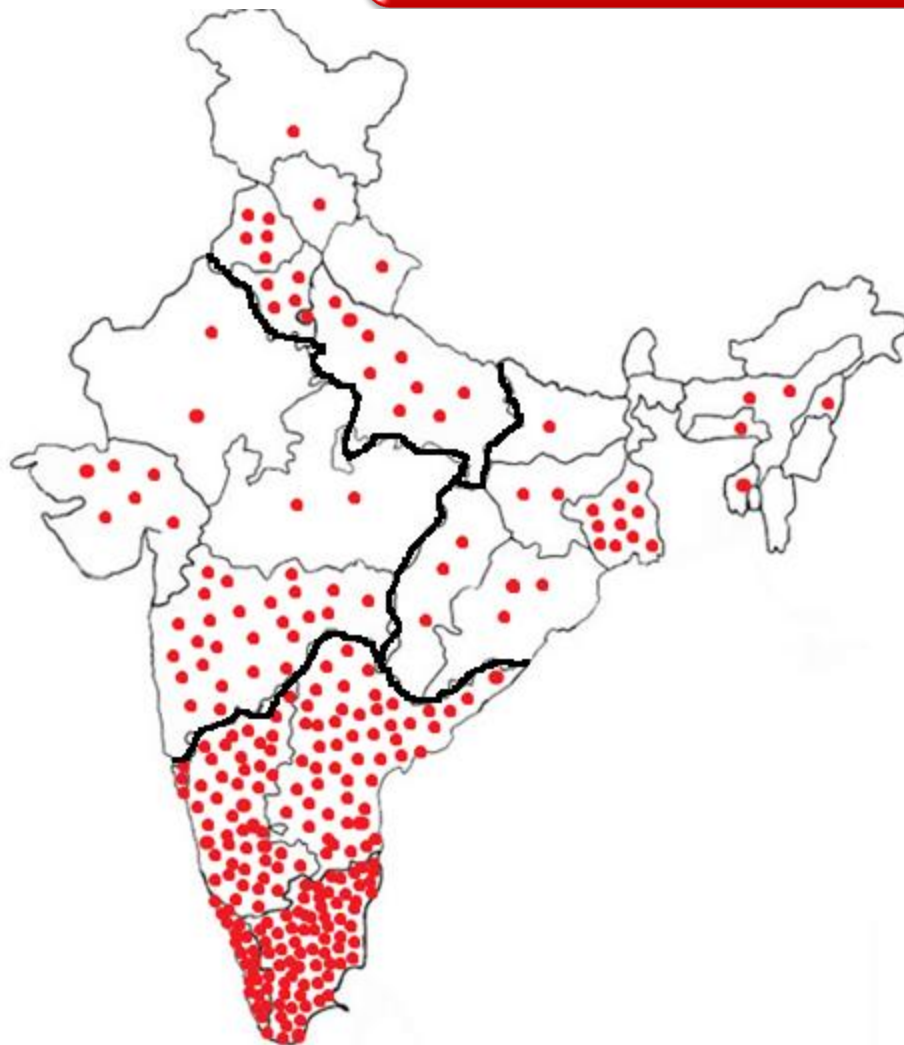
# Strong Core Capital

BASEL III	CRAR	CORE CRAR
	12.19	10.62



**CRAR (BASEL II)**

## Branch Network

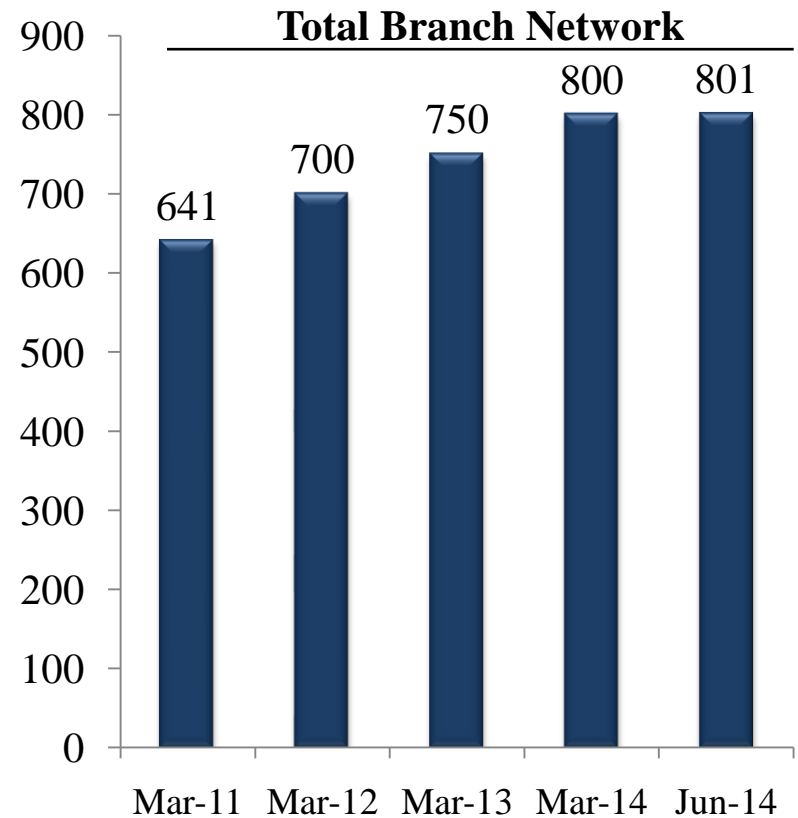
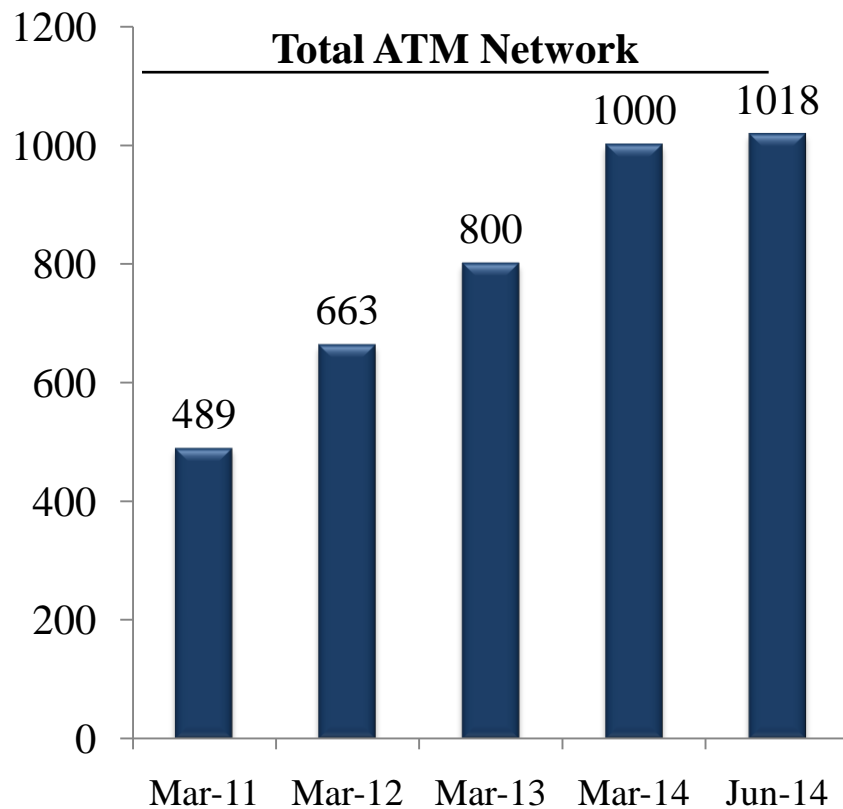


	No. of Branches
North	49
South	668
East	27
West	57
<b>Total</b>	<b>801</b>

## Branch Network Distribution

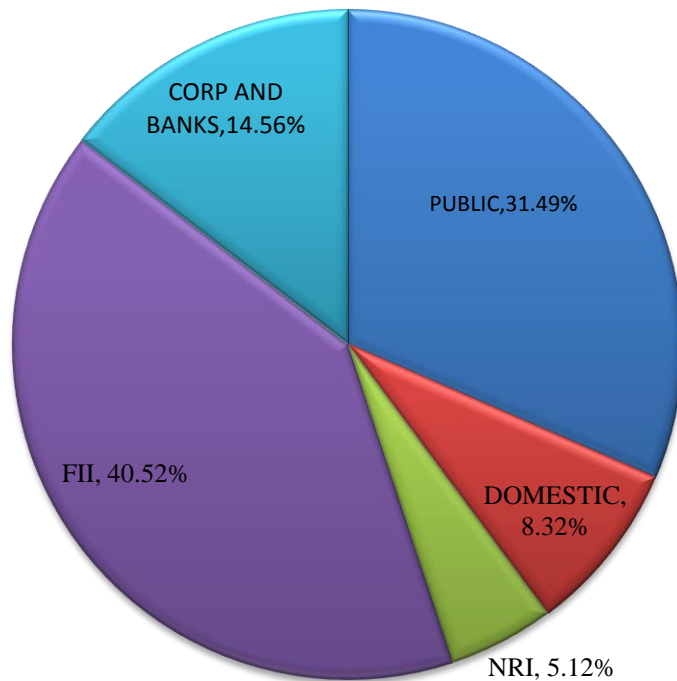
State	No. of Branches	State	No. of Branches
Andhra Pradesh	48	Maharashtra	30
Assam	2	Meghalaya	1
Bihar	1	Mizoram	1
Chandigarh	1	Nagaland	1
Chattisgarh	3	Orissa	2
Delhi	24	Pondicherry	2
Goa	5	Punjab	4
Gujarat	18	Rajasthan	2
Haryana	4	Tamil Nadu	137
Himachal Pradesh	1	Tripura	1
Jammu & Kashmir	1	Uttar Pradesh	9
Jharkhand	2	Uttaranchal	1
Karnataka	43	West Bengal	16
Kerala	439		
Madhya Pradesh	2		

## Strong Retail Franchise



**ATM : Branch ratio above 1.0x**

## Ownership Profile



### Major Institutional Shareholders (%)

SL	NAME OF THE SHAREHOLDER/ BO	%
		%
1	FIRST CARLYLE VENTURES MAURITIUS	4.94
2	INDIA CAPITAL FUND LIMITED	4.65
3	LIFE INSURANCE CORPORATION OF INDIA	4.44
4	MULTIPLES PRIVATE EQUITY FII I	4.03
5	GKFF VENTURES	3.85
6	IFCI LTD	3.59
7	CX SECURITIES LIMITED	3.33
8	JM FINANCIAL TRUSTEE COMPANY PVT LTD - JM FINANCIAL INDIA FUND III	3.31
9	DEUTSCHE SECURITIES MAURITIUS LIMITED	2.62
10	IVA INTERNATIONAL FUND	2.21

**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

