

# **Investor Presentation**

## **June-2013**

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# Table of Contents

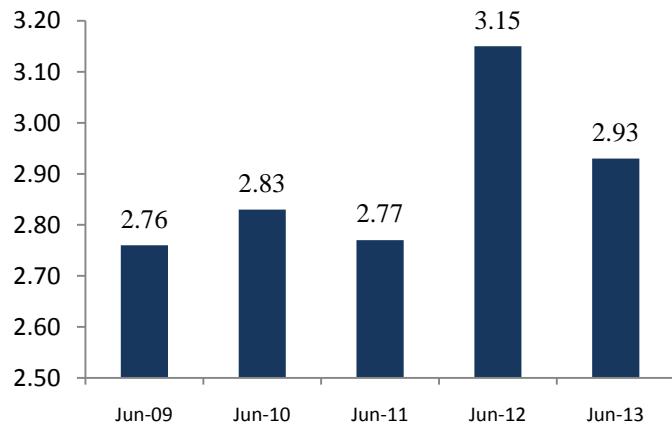
- **Overview**
  - Snapshot
  - Transformation
  - Strategy
- **Business Performance**
  - Financial Highlights
  - Results
- **Network**
- **Shareholders**
- **Accolades**

# Snapshot

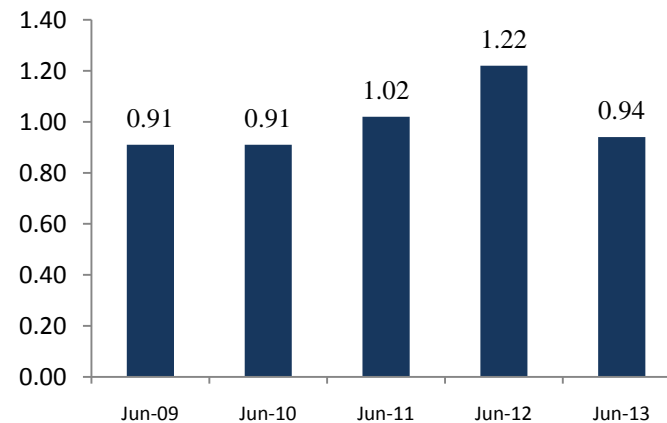
Track record	84 year old franchise; Leading position in Kerala; Expanding fast outside
Growth and Profitability	Last 5 year CAGR: 24.45% business; PAT CAGR of 26.45%; Improving asset yield as bank builds fee income streams in addition to interest income
Quality	Higher asset quality; GNPA at 1.57%, NNPA 1.12%
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 2 Executive Directors, 2CGMs and 6 GMs – 5 GMs life time bankers at the bank
Building for future	Young workforce (avg. age of 35 years) with continuity of management 2 CEOs in the last decade
Stakeholder value	Strong protection of stakeholder interest Stock return of 616% since IPO

# Significant Transformation Since 2009

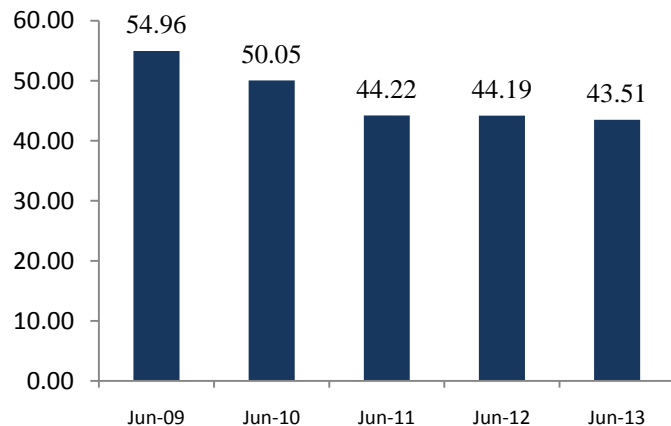
## NIM



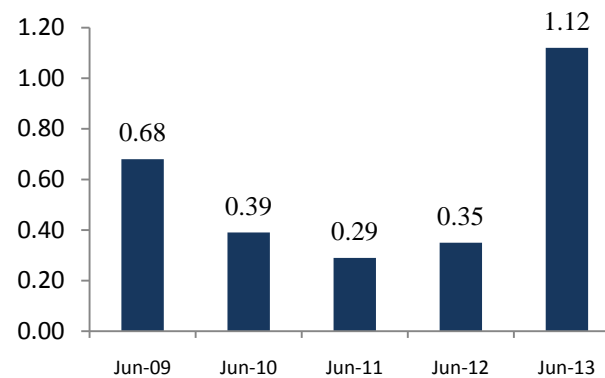
## RoAA



## 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 10%  
NNPA to be under 1.0%

## 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 June 2013

## Balance Sheet Overview

*Rs. In Crore*

	Q1 FY 14	Q1 FY 13	Y-o-Y (%)	Q4 FY 13	Q-o-Q (%)
<b>Capital &amp; Liabilities</b>					
Capital	134.03	113.50	18.09	133.85	0.13
Reserves & Surplus	2,985.41	2,177.10	37.12	2,869.76	4.03
Deposits	43,583.76	37,153.32	17.30	44,262.30	-1.53
Borrowings	1,871.02	976.25	91.65	1,284.56	45.65
Other Liabs. & Provisions	1,023.22	1,316.09	-22.25	1,244.56	-17.78
<b>Total</b>	<b>49,597.44</b>	<b>41,736.25</b>	<b>18.83</b>	<b>49,795.03</b>	<b>-0.39</b>
<b>Assets</b>					
Cash & Balances with RBI	2,203.69	2,118.50	4.02	1,696.70	29.88
Balances with Banks	2,393.89	1,642.07	45.78	2,639.20	-9.29
Investments	12,722.91	10,018.50	26.99	12,523.47	1.59
Advances	31,202.79	26,967.48	15.70	31,815.53	-1.92
Fixed Assets	397.89	377.49	5.40	396.12	0.44
Other Assets	676.27	612.21	10.46	724.01	-6.59
<b>Total</b>	<b>49,597.44</b>	<b>41,736.25</b>	<b>18.83</b>	<b>49,795.03</b>	<b>-0.39</b>
Business (Advances+Deposit)	74,786.55	64,120.80	16.63	76,077.83	-1.69



# Result Review

## Profit and Loss Account (For the Quarter)

*Rs. In Crore*

	Q1FY14	Q1FY13	Y-o-Y (%)	Q4FY13	Q-o-Q (%)
Net Interest Income	327.57	296.78	10.37	333.70	-1.83
Other Income	117.74	74.98	57.02	120.96	-2.66
Total Income	1,342.88	1,144.41	17.34	454.66	195.35
Operating Expenses	193.75	164.27	17.94	248.56	-22.05
Operating Profit	251.56	207.49	21.23	206.10	22.06
Provisions & Contingencies	105.35	25.39	314.92	65.89	59.89
Profit before Tax	146.21	182.10	-19.70	140.21	4.28
Provision for Tax	31.37	59.06	-46.88	-13.62	-330.32
<b>Profit after Tax</b>	<b>114.84</b>	<b>123.04</b>	<b>-6.50</b>	<b>153.83</b>	<b>-25.24</b>

# Other Performance Highlights

<b>Performance Highlights</b>	<b>Mar-12</b>	<b>June-12</b>	<b>Sep-12</b>	<b>Dec-12</b>	<b>Mar-13</b>	<b>Jun-13</b>
CRAR Basel 2 (%)	14.0%	13.2%	14.4%	13.8%	13.9%	13.7%
RoAA (Annualised)	1.1%	1.2%	1.1%	1.1%	1.2%	0.9%
NIM (%)	3.1%	3.2%	3.1%	3.2%	3.2%	2.9%
Gross NPA (%)	1.0%	1.1%	1.7%	1.6%	1.3%	1.6%
Net NPA (%)	0.3%	0.4%	0.9%	0.7%	0.8%	1.1%
Provision Coverage	71.4%	67.7%	51.2%	58.6%	53.2%	57.9%
CASA %	19.7%	21.1%	20.0%	20.4%	18.6%	20.6%

# Composition of Other Income

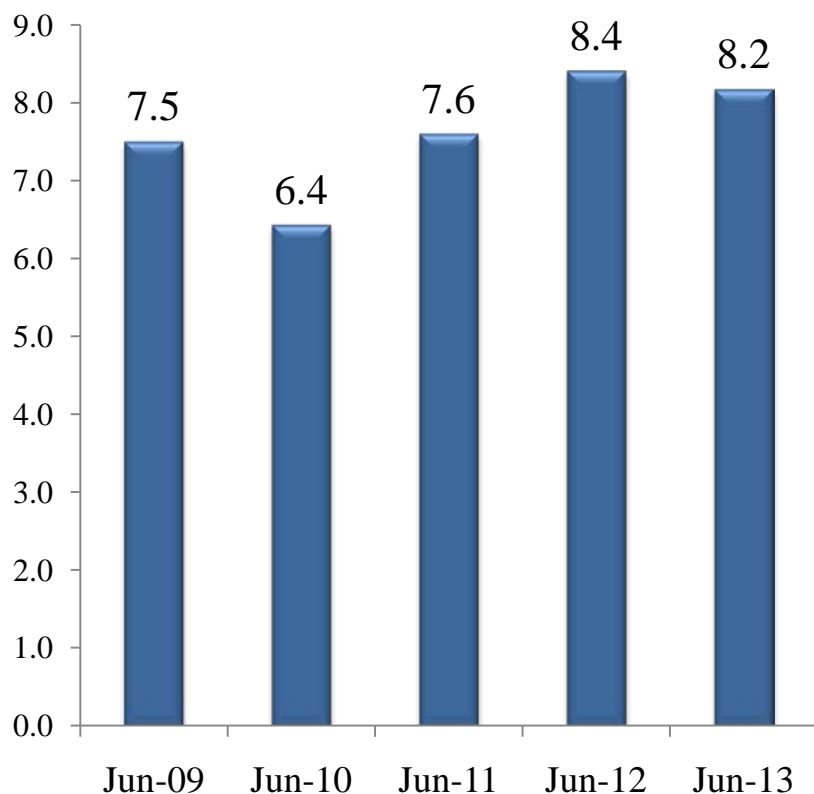
*Rs. In Crore*

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

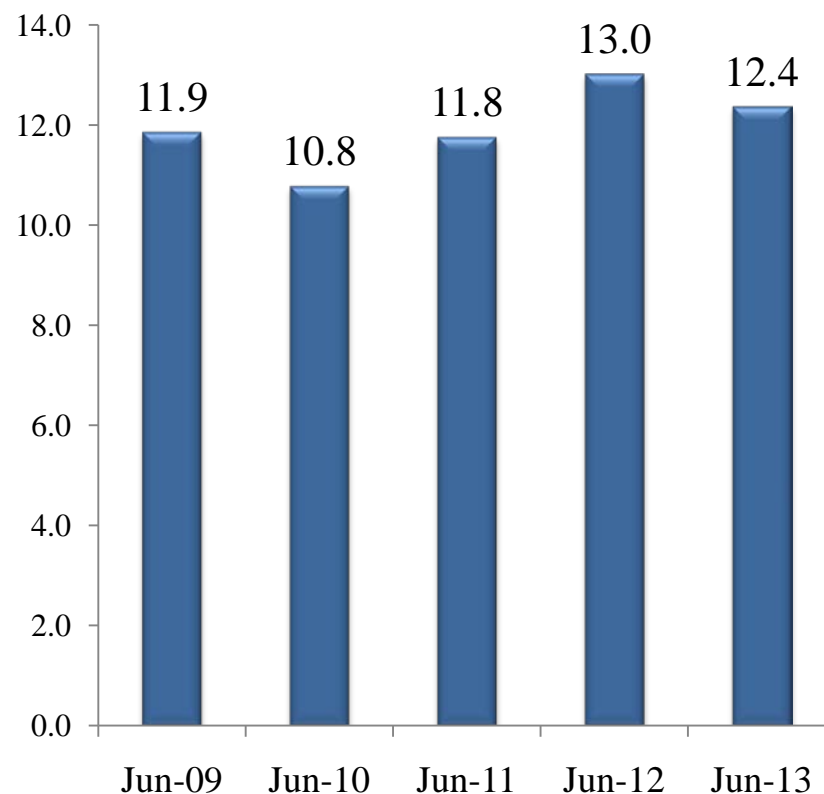
	Q1FY14	Q1FY13	Y-o-Y (%)	Q4FY13	Q-o-Q (%)
Transaction related	29.6	26.9	10.0	39.7	-25.4
Profit on sale of invst	51.8	20.2	156.4	13.7	278.1
Technology related	14.7	12.9	13.9	13.7	7.3
FOREX	9.8	9.0	8.8	11.9	-17.6
IT refund	0.9	0.1	800.0	9.8	-90.8
Amt w/o since recd	4.8	1.3	269.2	21.2	-77.3
Others	4.6	3.8	21.0	7.9	-41.8
Bullion	1.6	0.7	128.5	3.0	-46.7
<b>Total</b>	<b>117.8</b>	<b>74.9</b>	<b>57.3</b>	<b>120.9</b>	<b>-2.6</b>

# Trend in Cost & Yield (Annualized)

## Trend in Cost of Deposits



## Trend in Yield on Advances



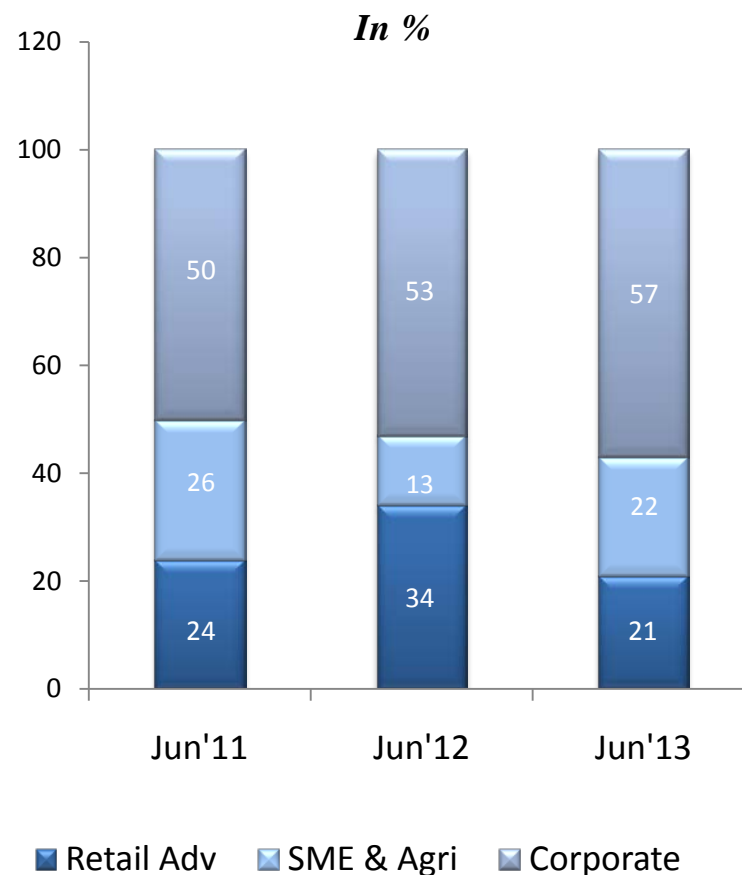
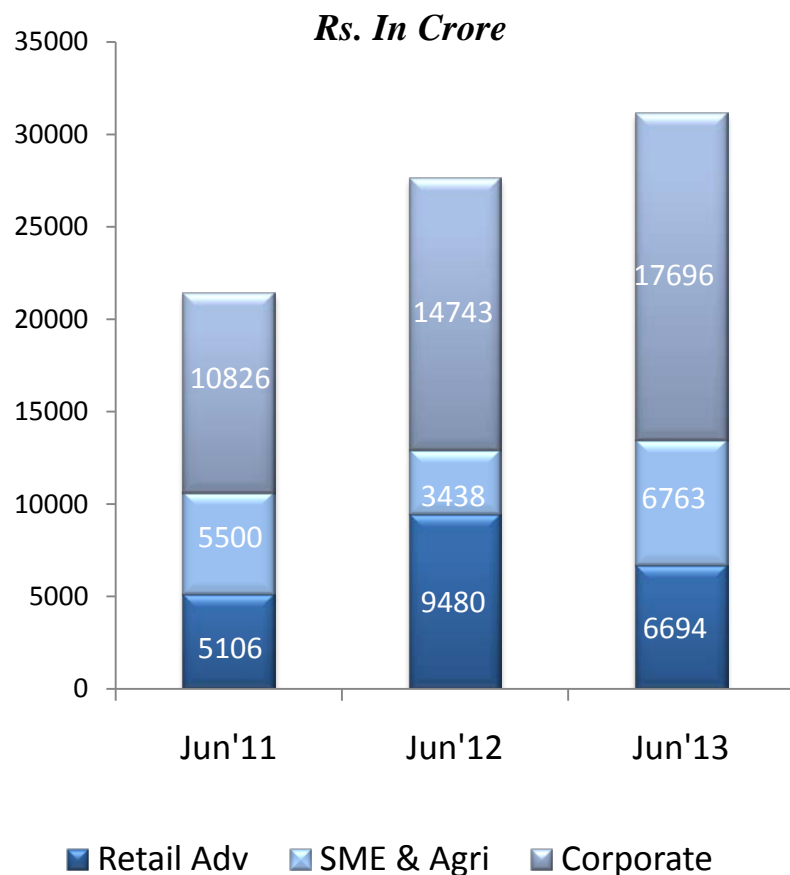
# Break-up of Provision (*other than tax*)

(Quarter alone)

*Rs. In Crore*

Particulars	Q1 FY 14	Q1 FY13	Q 4FY 13
For NPA advance	110.1	9.1	42.1
For Depreciation on Investments	-2.0	3.8	9.7
For standard assets & others	-2.8	2.0	15.5
For Restructured advances	0.0	10.5	-0.1
Taxes	31.4	59.1	-14.9
<b>Total Provisions and Contingencies</b>	<b>136.7</b>	<b>84.5</b>	<b>52.3</b>

# Composition of Loan Book



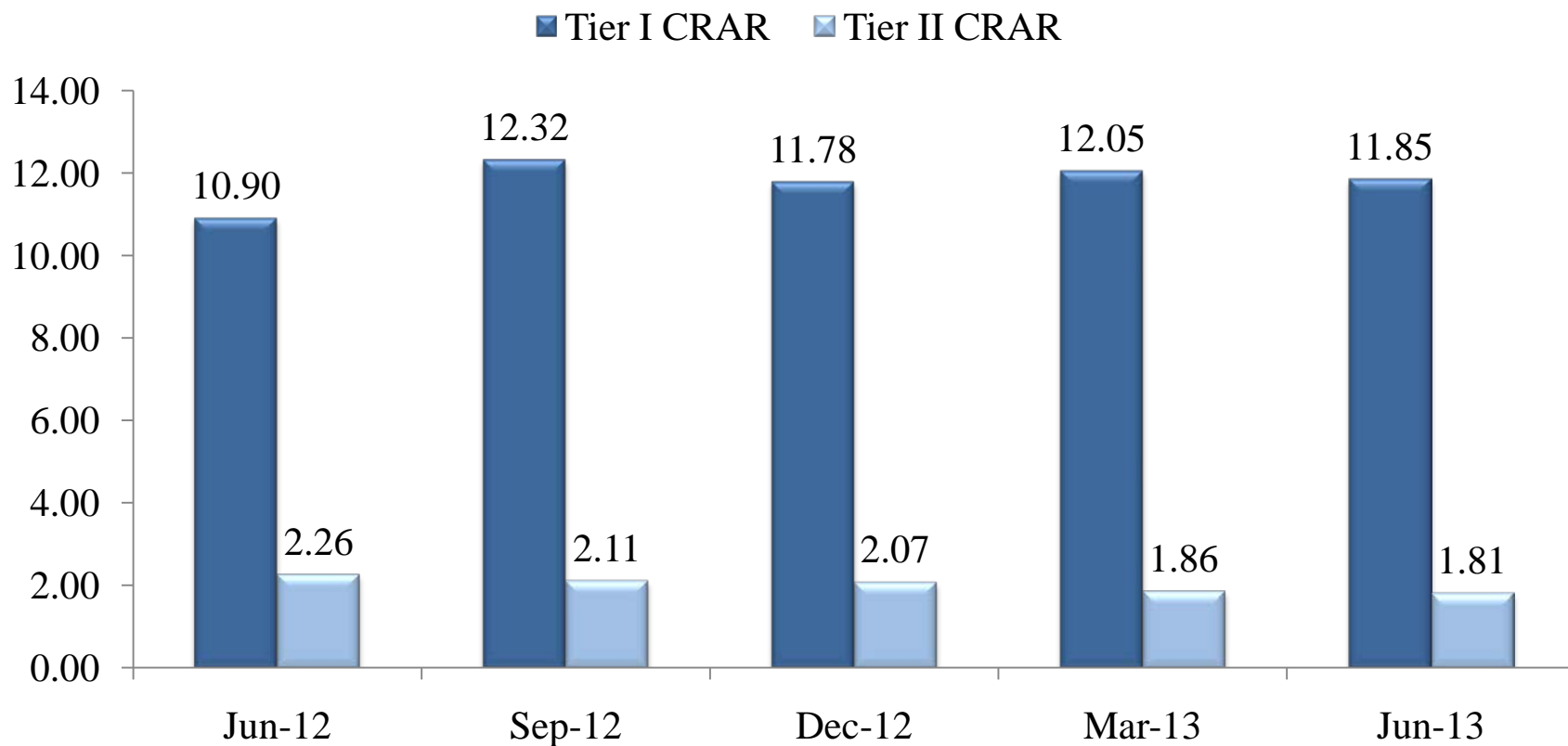
*Retail Advance - exposure less than Rs. 5 Crore*

# Advances – Composition (June 2013)

*Rs. In Crore*

Sector	June-2013	March-2013
Gold Loan	7,062	6,972
Infrastructure	4,866	5,340
Micro & Small Enterprise	4,773	4,525
Large Industry(Ex. Infra)	4,036	4,501
Advance against LC backed bills	2,114	2,868
Agriculture	1,990	2,149
Others	2,293	1,801
Housing	1,975	1,621
Fully Secured Loan against Deposit	996	1,051
Medium Industries	629	649
Food Credit	662	555
Commercial Real Estate	143	131
<b>Total</b>	<b>31,539</b>	<b>32,163</b>

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

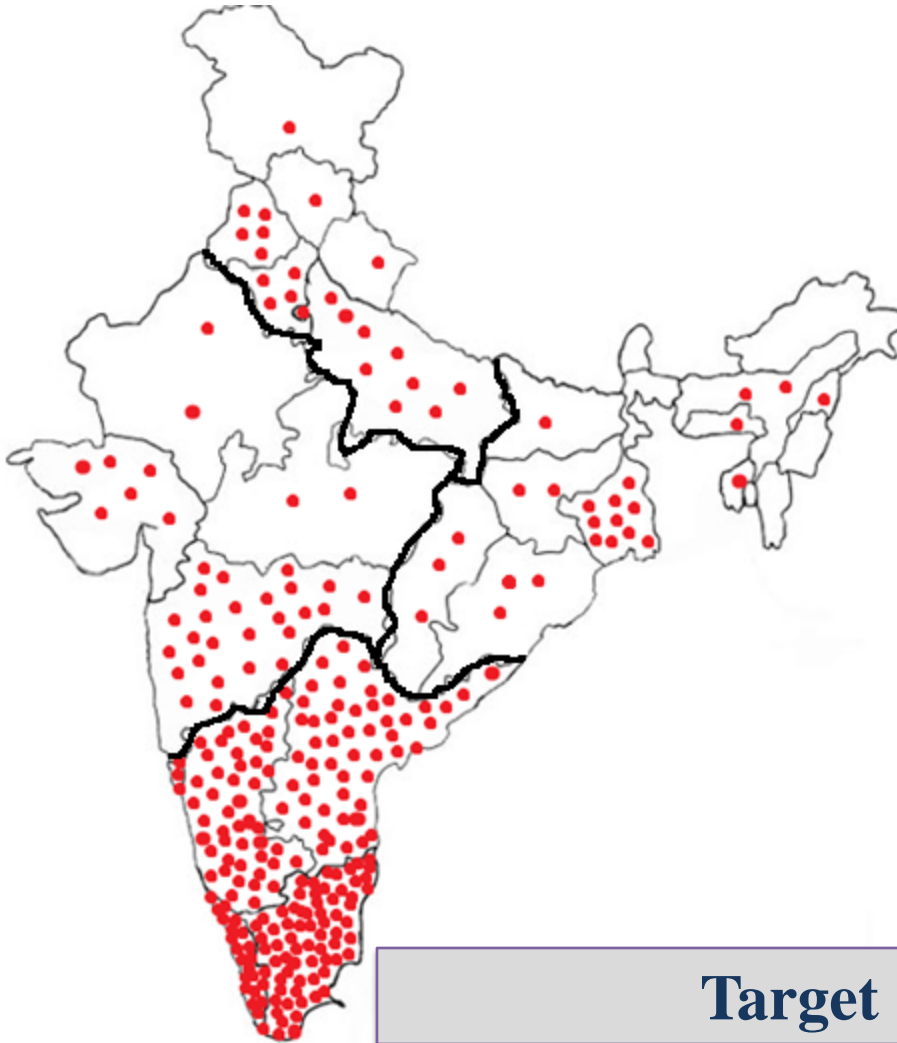


*Quarterly data for Tier I excludes profit for the period*

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



# Branch Network

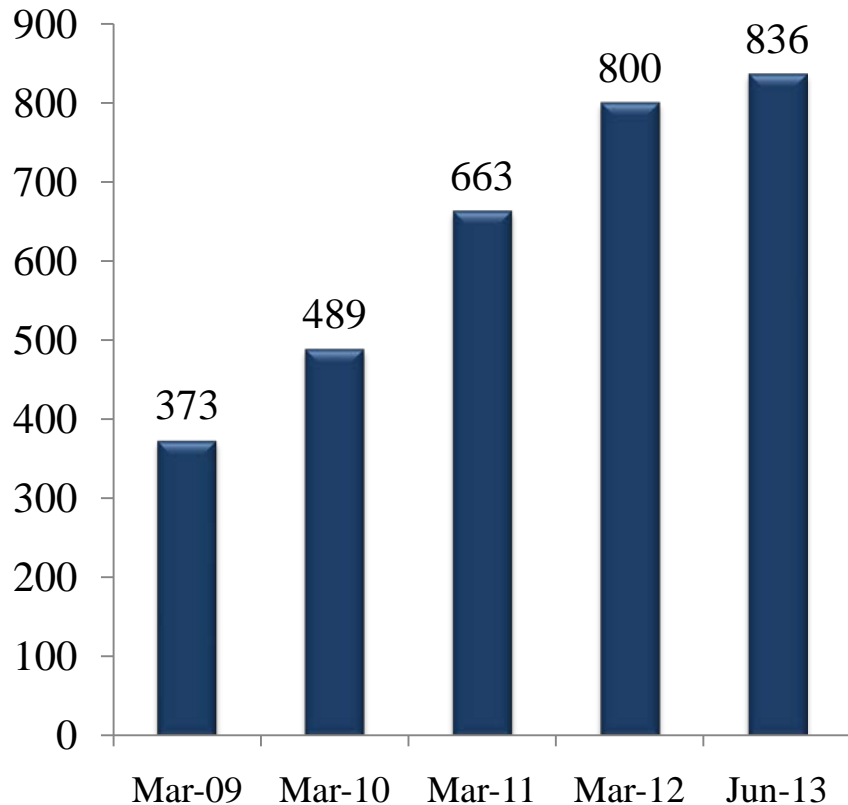


	No. of Branches
North	46
South	634
East	27
West	46
<b>Total</b>	<b>753</b>

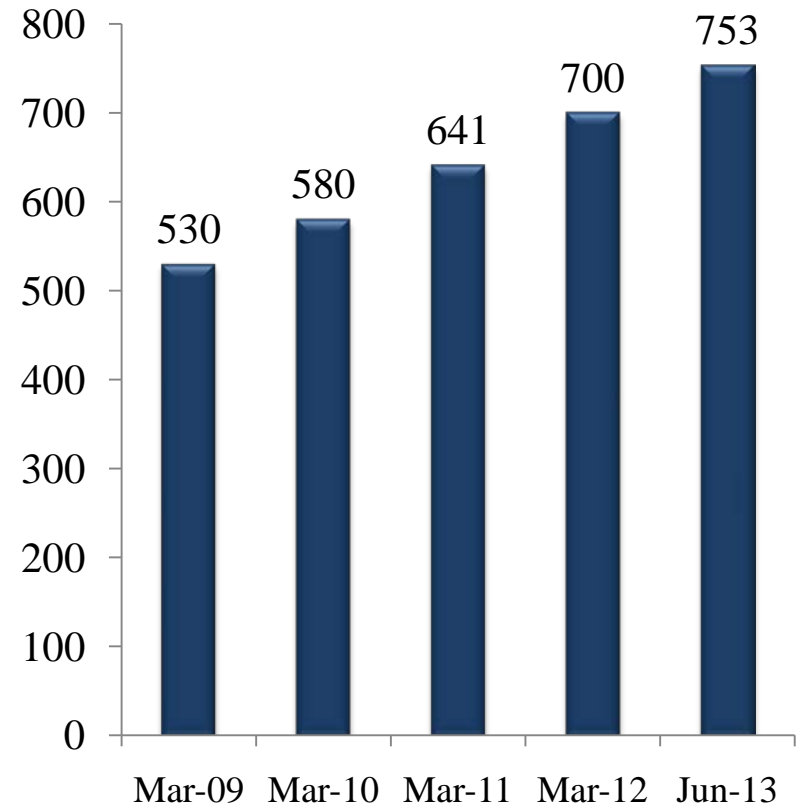
**Target 1:1 Outside Kerala**

# Strong Retail Franchise

## Total ATM Network

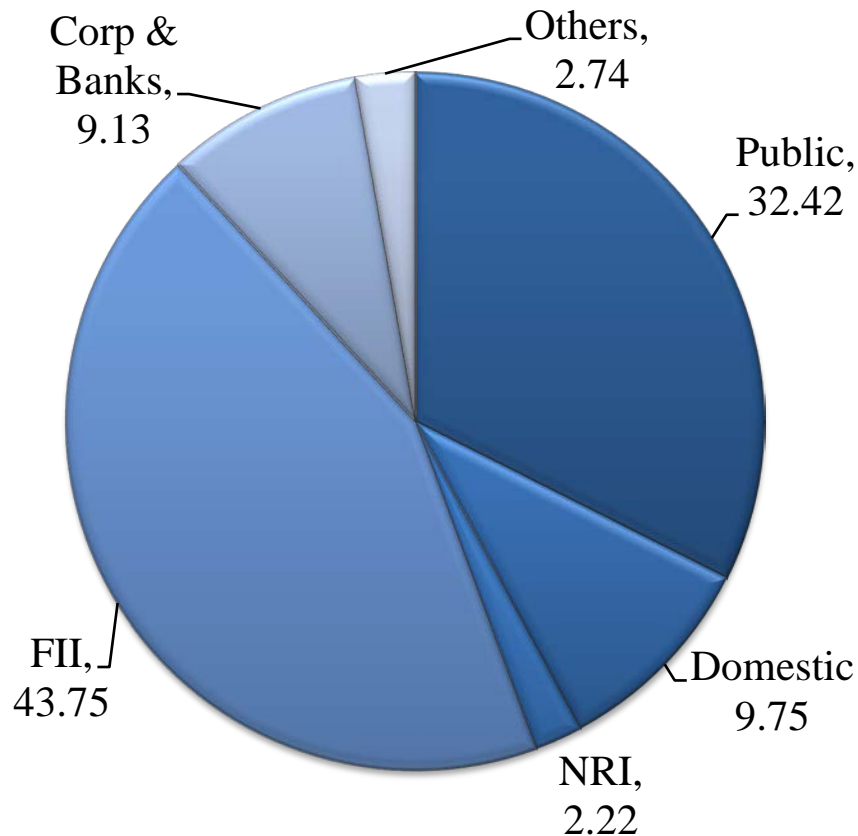


## Total Branch Network



**ATM : Branch ratio above 1.0x**

# Marquee Investor List



## Major Institutional Shareholders

INDIA CAPITAL FUND LIMITED	5.73%
IFCI LTD	4.97%
FIRST CARLYLE VENTURES MAURITIUS	4.96%
LIFE INSURANCE CORPORATION OF INDIA	4.46%
ARGONAUT VENTURES	4.23%
IIFL INC A/C MULTIPLES PRIVATE EQUITY FII I	4.05%
JM FINANCIAL TRUSTEE COMPANY PVT LTD - JM FINANCIAL INDIA FUND III	3.32%
FID FUNDS (MAURITIUS) LIMITED	3.15%
CX SECURITIES LIMITED	3.04%
DEUTSCHE SECURITIES MAURITIUS LIMITED	2.69%

**Strong Institutional Ownership**

# Recognitions



TECHNOLOGY  
EXCELLENCE AWARD  
2011-12 FROM IDRBT



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



SOUTH INDIAN BANK BAGS  
TWO PRESTIGIOUS D&B  
BANK AWARDS



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