# *Investor Presentation*

# *Q3 FY2013*

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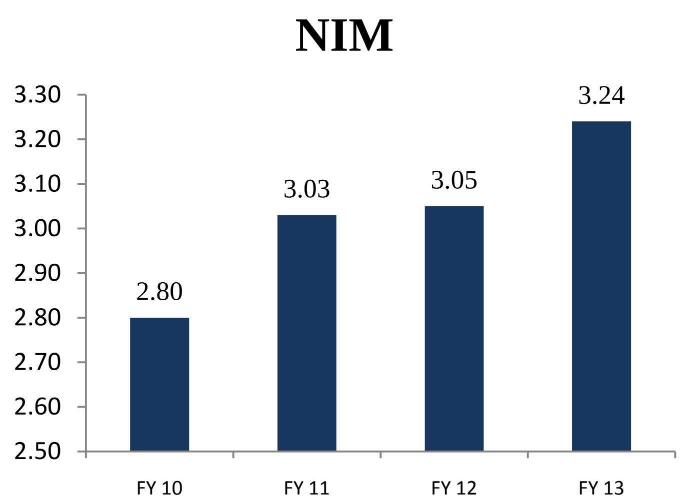
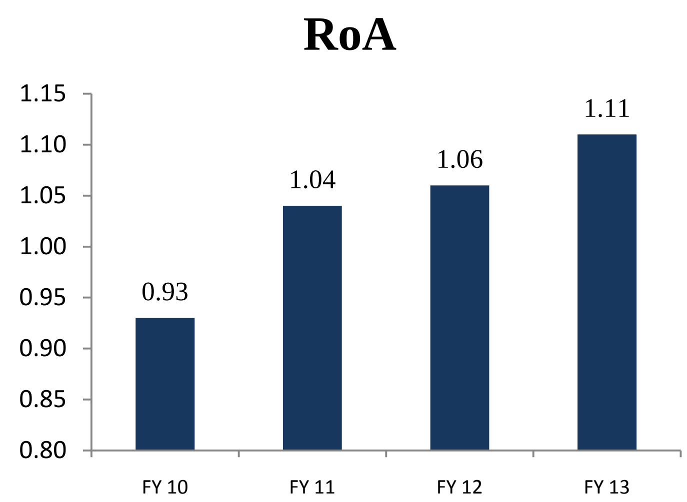
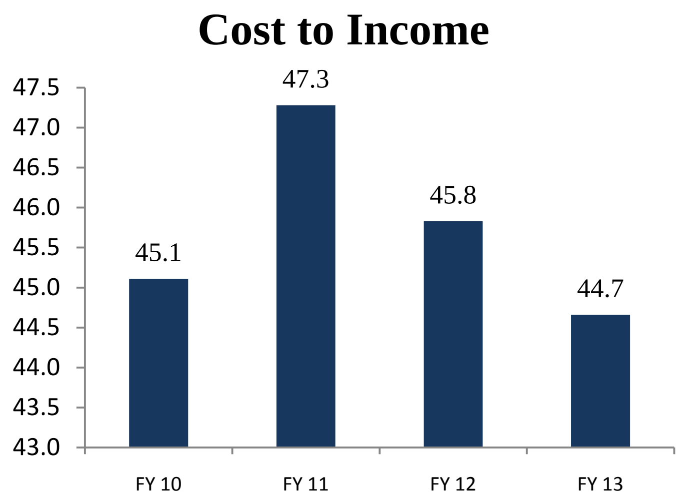
# Snapshot

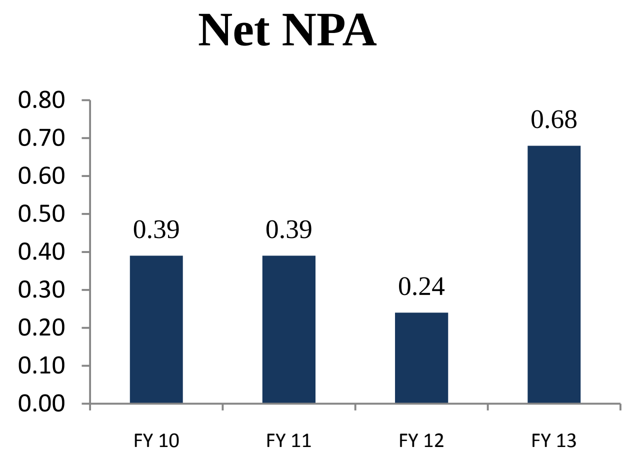
| | |
|---|---|
| Track record | 83 year old franchise; Leading position in Kerala; Expanding fast outside |
| Growth and Profitability | Last 5 year CAGR: 25% business; PAT of 25%; RoAA up from 0.5% to 1.1%<br>Improving asset yield as bank builds fee income streams in addition to interest income |
| 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)<br>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 33 years) with continuity of management<br>2 CEOs in the last decade |
| Stakeholder value | Strong protection of stakeholder interest<br>Stock return of 775% since IPO, and 72% since maiden QIP in 2007 |

# Significant Transformation Since 2007



# Strategy

| | |
|---|---|
| Growth with quality | 30% from wholesale banking ; 30% from SME and 40% from retail by FY15<br>Credit growth rate of 25% till FY15; NIM to be maintained in 3% range<br>Fee income to be 10%<br>NNPA to be under 0.50% |
| Strong distribution network | 50 addition to branches, 100 ATM additions per year<br>Proportion of branches outside Kerala : 1:1<br>Second largest player in Kerala among private banks |
| Low cost liabilities and Cost/Income | Priority banking in 80 centres; NRE banking to attract deposits<br>CASA ratio to increase 1% per annum<br>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 | 1,008 | 0% | 975 | 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 | 583 | 603 | -3% | 563 | 3% |
| **Total** | **43,879** | **37,455** | **17%** | **43,035** | **2%** |
| Business (Advances+Deposit) | 67,979 | 58,544 | 16% | 66,645 | 2% |

# Result Review

## Profit and Loss Account (Quarter)

***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 | 25% | 335 | 55% |
| Operating Profit | 643 | 488 | 32% | 408 | 57% |
| Provisions & Contingencies | 127 | 67 | 90% | 81 | 57% |
| Profit before Tax | 516 | 422 | 22% | 327 | 58% |
| Provision for Tax | 167 | 142 | 18% | 106 | 58% |
| **Profit after Tax** | **348** | **280** | **25%** | **221** | **58%** |

# Other Performance Highlights

***Rs. In Crore***

| **Performance Highlights** | **Sep-11** | **June-12** | **Sep-12** | **Dec-12** |
|---|---|---|---|---|
| CRAR Basel 2 (%) | 13.5% | 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 (%) | 1.0% | 1.1% | 1.7% | 1.6% |
| Net NPA (%) | 0.3% | 0.4% | 0.9% | 0.7% |
| Provision Coverage | 74.7% | 67.7% | 51.2% | 58.6% |
| CASA % | 21.3% | 21.1% | 20.0% | 20.7% |

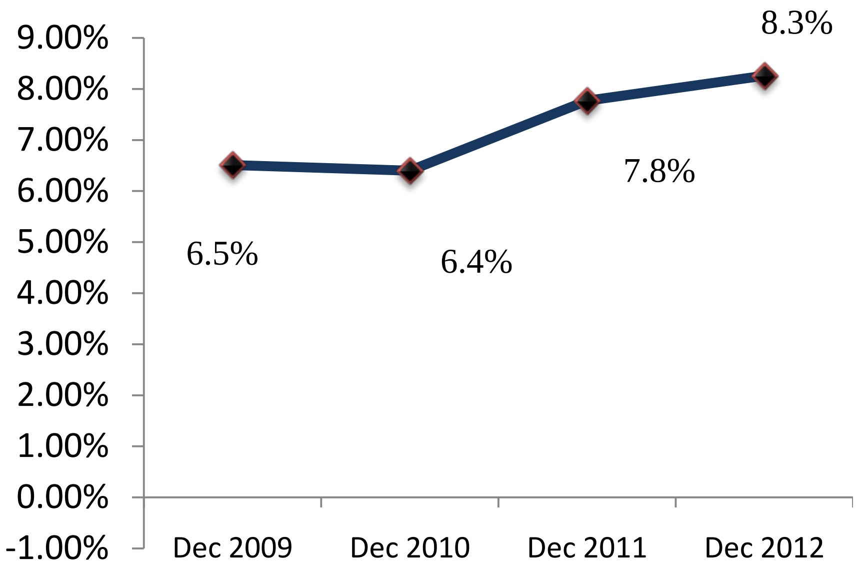
# Composition of Other Income

***Rs. In Crore***

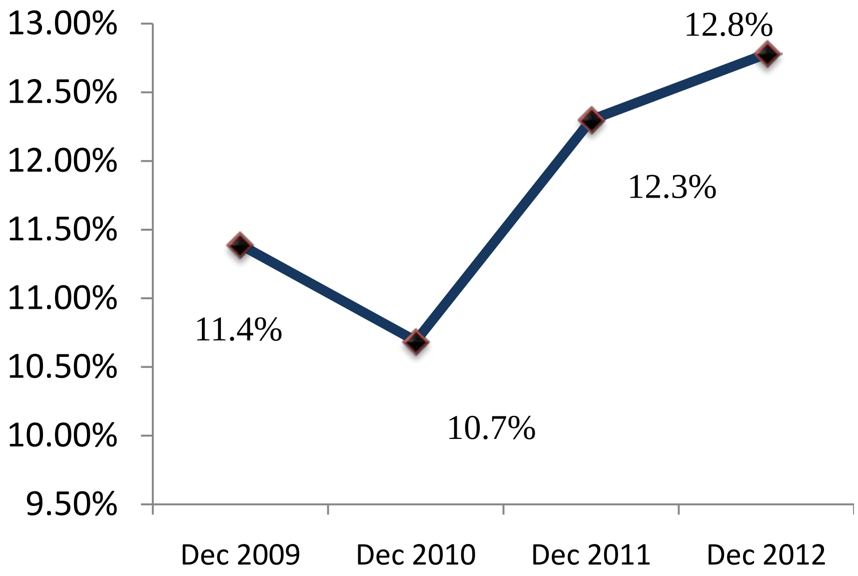
| | Q2FY13 | Q2FY12 | Y-o-Y (%) | Q1FY13 | Q-o-Q (%) |
|---|---|---|---|---|---|
| Commission & Exchange | 31 | 25 | 24% | 21 | 46% |
| Processing Fees | 13 | 12 | 12% | 8 | 58% |
| Profit on Sale of Investments | 44 | 32 | 38% | 31 | 43% |
| Foreign Exchange Profit | 16 | 19 | -20% | 12 | 34% |
| Others | 111 | 77 | 44% | 76 | 45% |
| **Total** | **214** | **165** | **30%** | **148** | **45%** |

# Trend in Cost & Yield (Annualized)

## Trend in Cost of Deposits




## Trend in Yield on Advances

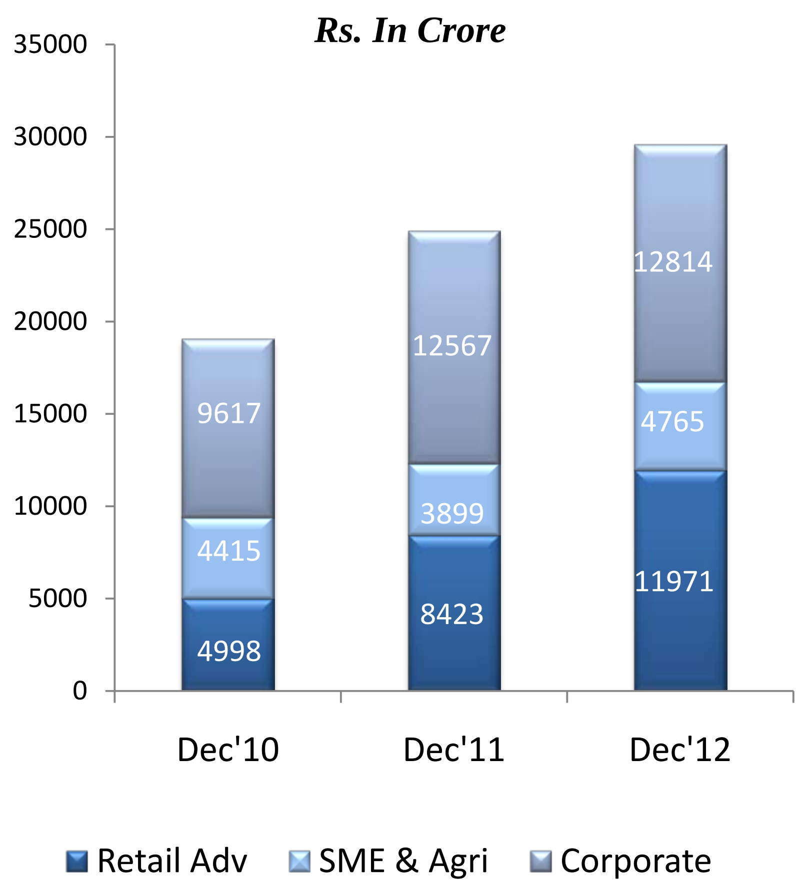


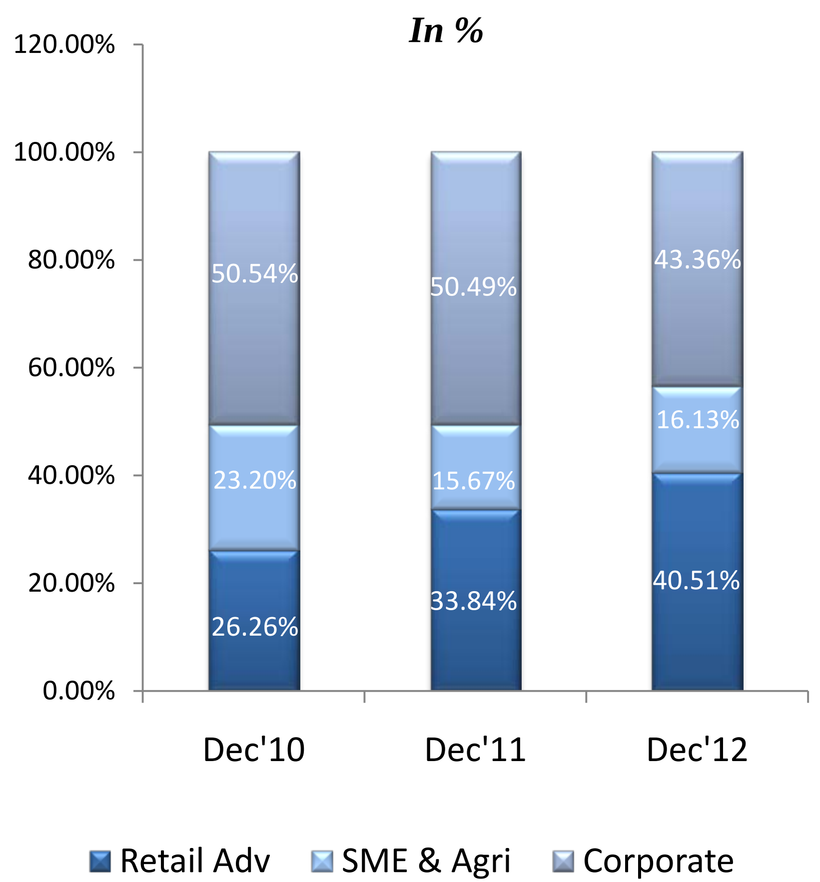
# Break-up of Provision (*other than tax*)

***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



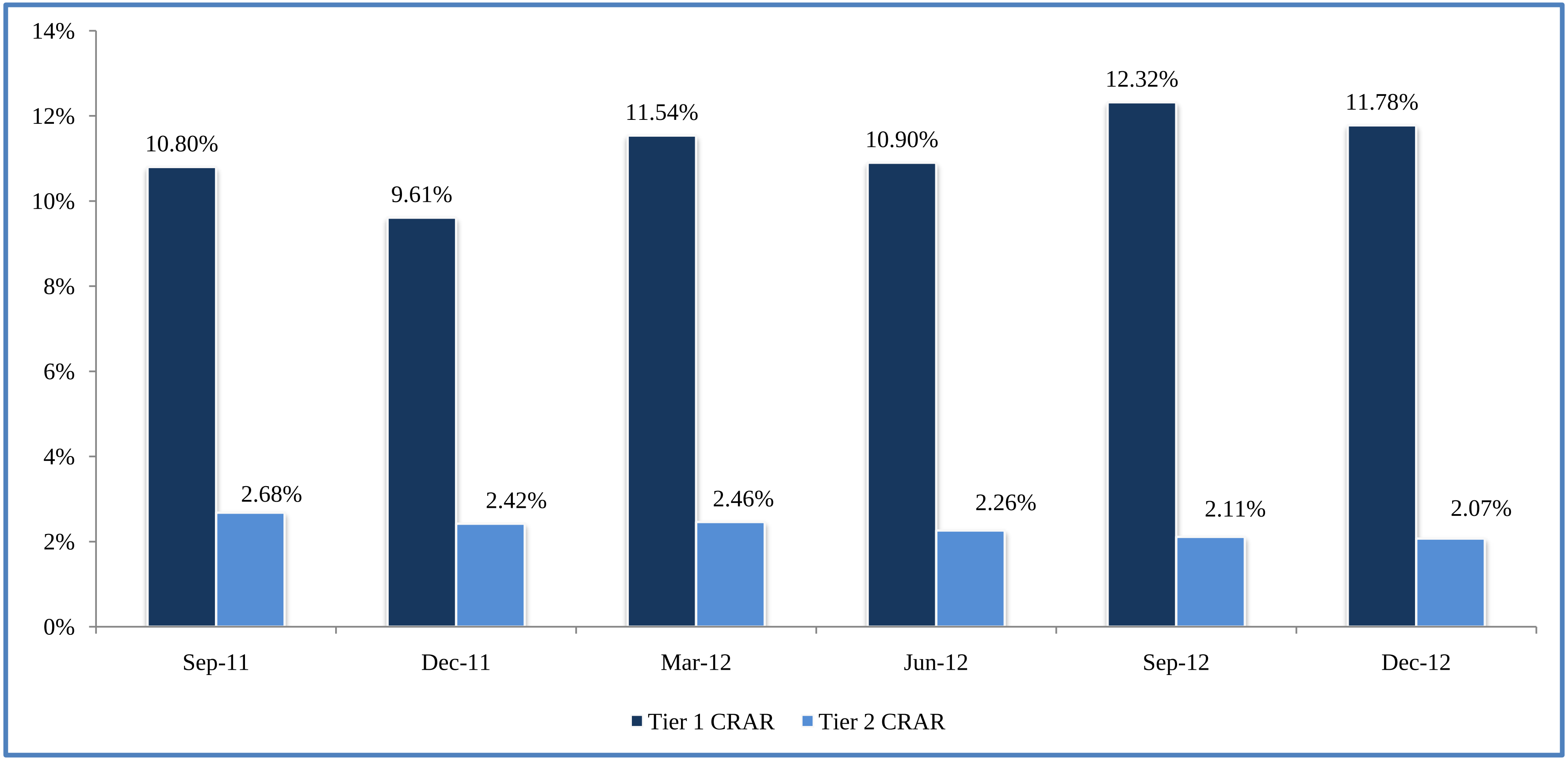

***Retail Advance - exposure less than Rs. 5 Crore***

# 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 (Non Priority) | 6,538.2 | 22.1 |
| FSLD | 796.0 | 2.7 |
| UBP/LC Bills | 2,435.1 | 8.2 |
| Miscellaneous | 1,924.7 | 6.4 |
| **Total** | **29,550** | **100** |

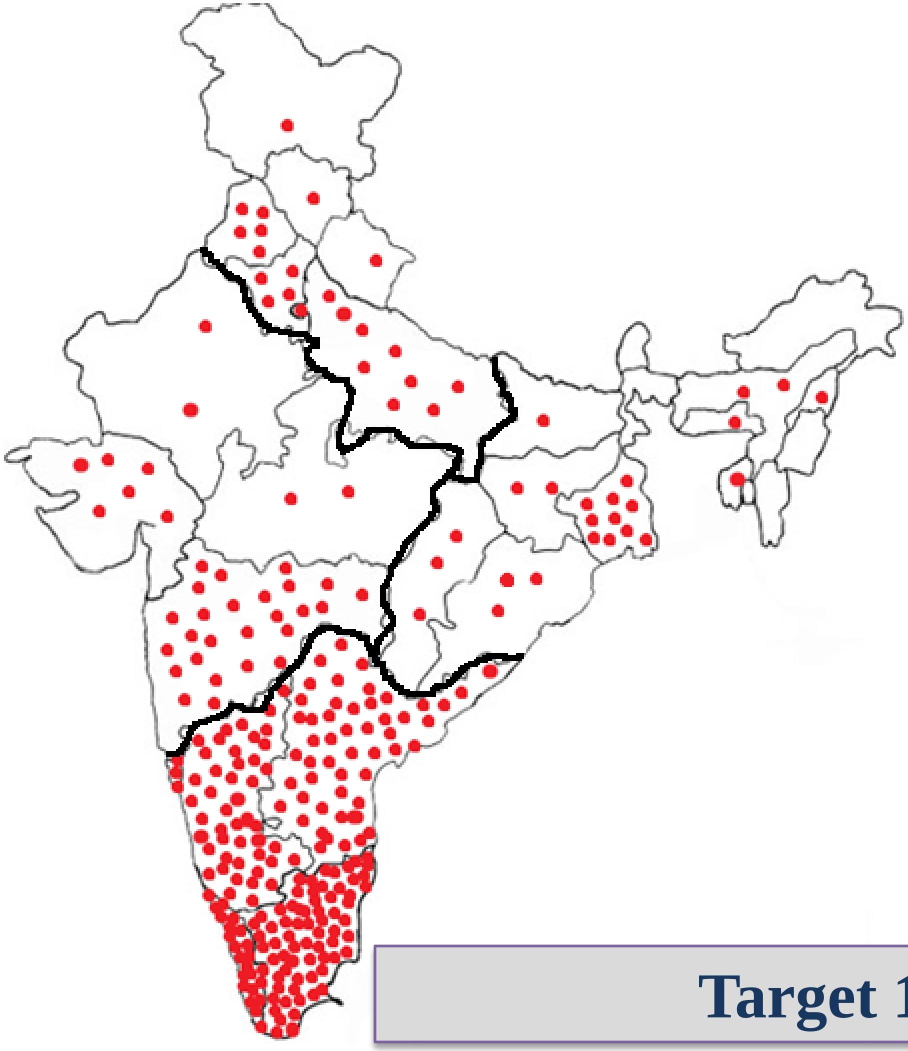
# Strong Core Capital (Tier 1 & Tier 2 CRAR)




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

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

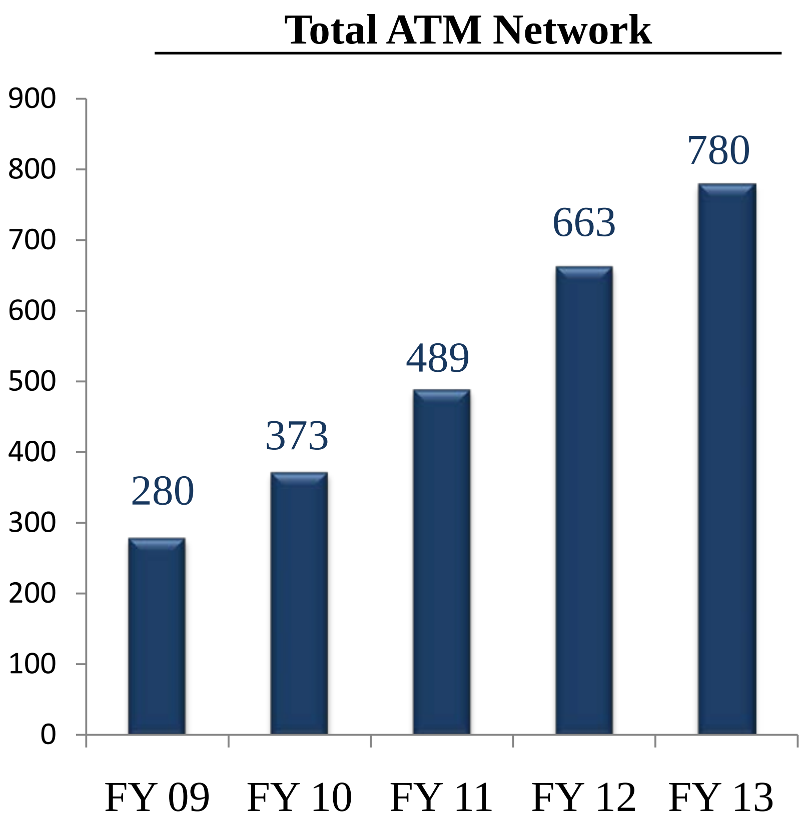
# Branch Network

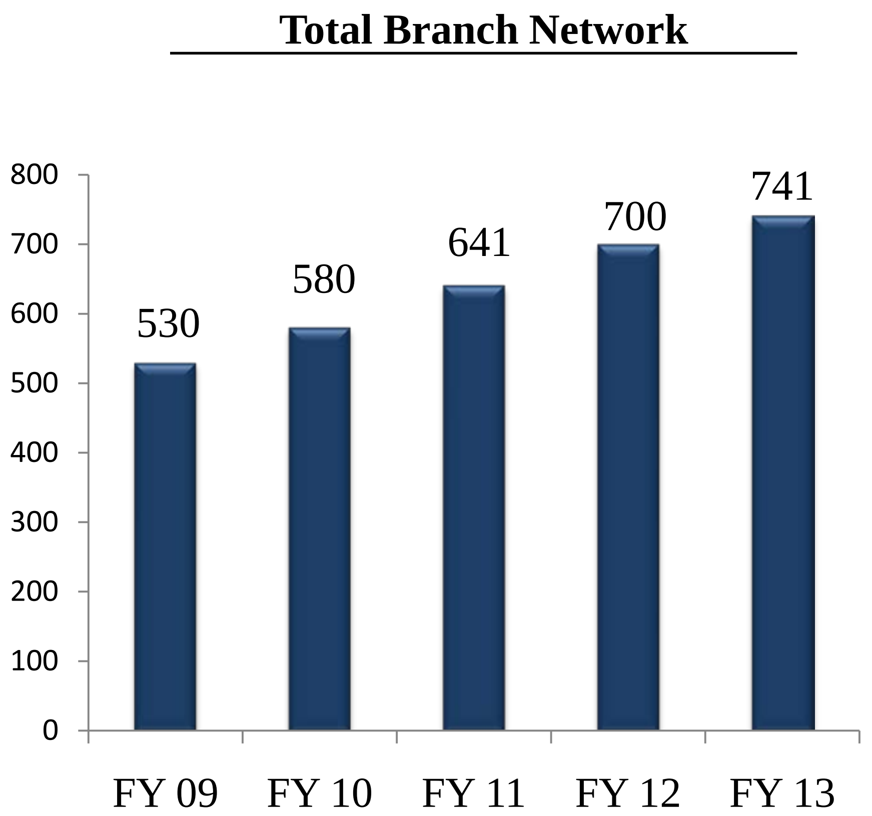


| | No. of Branches |
|---|---|
| North | 46 |
| South | 628 |
| East | 23 |
| West | 44 |
| Total | **741** |

**Target 1:1 Outside Kerala**

# Strong Retail Franchise

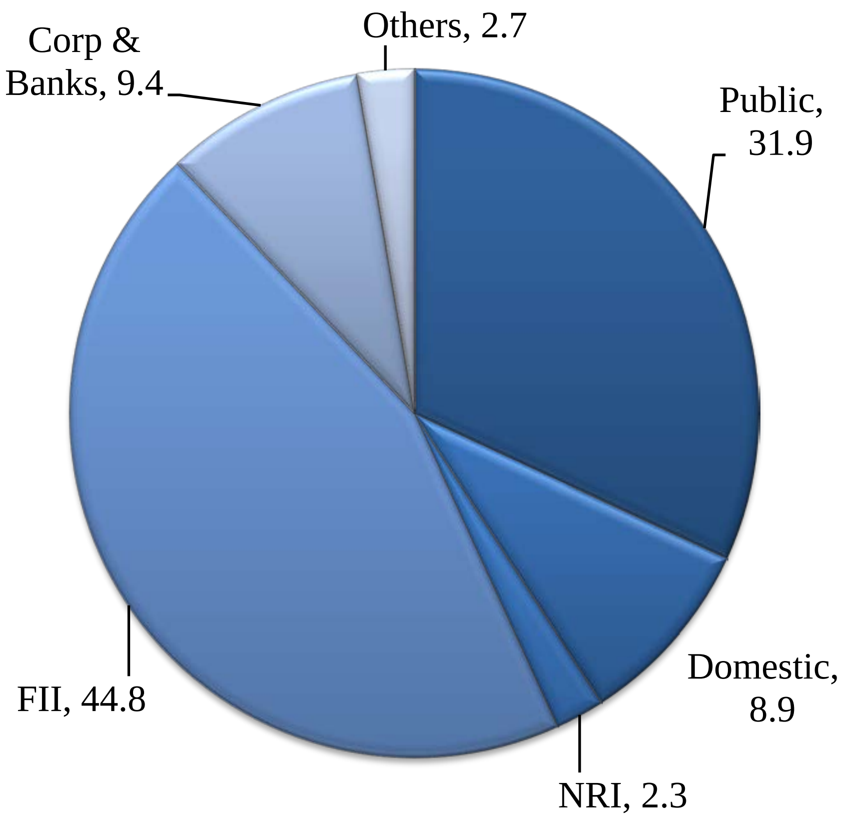



***FY 13 denotes position as on 31st December 2012 (Q3FY13)***

**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