



IndusInd Bank



Investor Presentation

Jan 10, 2012

Disclaimer

Certain statements in these slides are forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances.

Please also refer to the statement of quarterly financial results required by Indian regulations that has been filed with the stock exchanges in India where IndusInd Bank's equity shares are listed and is available on our website www.indusind.com

Q3 FY12 PERFORMANCE HIGHLIGHTS

- Steady performance in deteriorating macro economic environment
- Net Interest Income grew 19% Y-o-Y & 3% Q-o-Q inspite of spiked costs
- Non-Interest Income to revenue remains healthy at 38%
- Consistent improvement in Core Fee Income at 46% Y-o-Y & 18% Q-o-Q
- Credit growth above industry 30% Y-o-Y & 8% Q-o-Q, CFD up by 48%
- Credit Cost shrunk further ; Q3 9 bps ; YTD 33 bps
- Low exposure to stressed / sensitive sector
- Net NPA 0.29%; PCR 72%; Restructured Advances 0.22%

Theme for Planning Cycle II - 2011-14 – ‘Invest to grow’ phase

Scale with Profitability

Planning Cycle II – Pillars of Growth

Q3 outcome		
Loan growth	✓ Loan book to grow 25%-30% p.a.; well above market growth.	30%
Growing CFD book	✓ To grow beyond Rs. 25,000 crs by Year 3 ✓ To be funded through CASA	CFD book Rs.15,695crs Growth 48%
CASA growth	✓ CASA to reach > 35% by Year 3	27%
Manage CD Ratio	✓ CD ratio > 75% < 80% ✓ Deposits to be put to efficient use	80%
Fee Growth	✓ Fee growth to exceed Loan Growth ✓ Increased focus on (New) fee enhancers	46%

Planning Cycle II – Key Initiatives

**Scale up Investment
Banking practice**

**Credit Cards
Launched**

**Full suite Assets
Portfolio
(LAP / Home Loans)**

**New Client Acquisition
Ramp-up**

**Used Commercial
Vehicles**

**Offshore branches,
NRE Deposits**

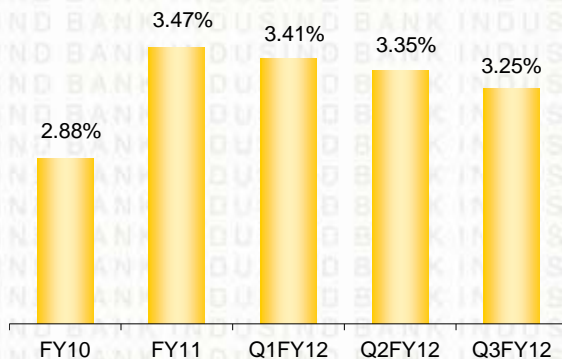
**Supply
Chain Products**

**New Branch rollouts
& Currency Chests**

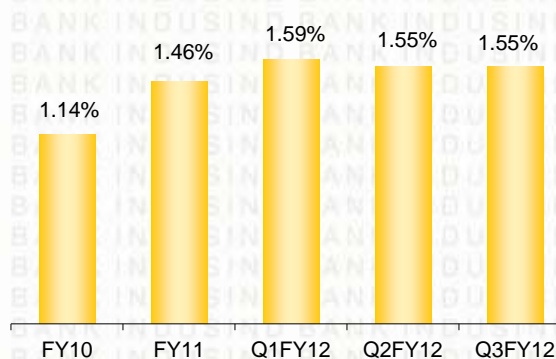
CBS rollouts

How We Measure Up On Key Metrics

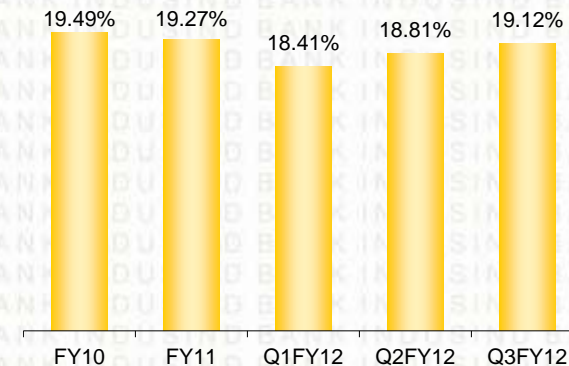
Net Interest Margin (NIM)



RoA

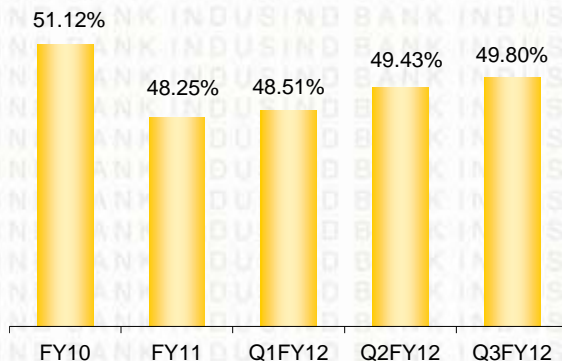


RoE*

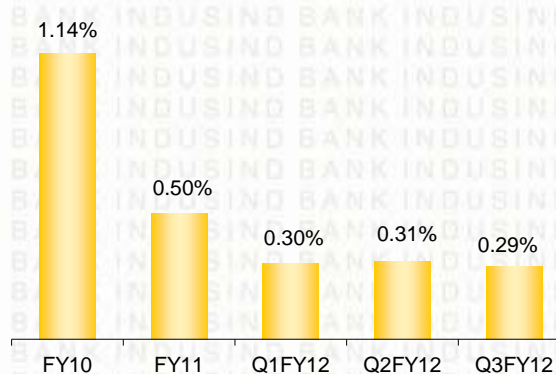


*on average equity

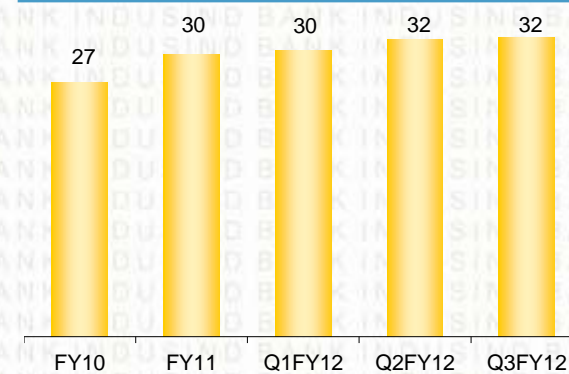
Cost to Income Ratio



Net NPA



Revenue/Employee(Rs. Lacs)



Consistent delivery of strong operating performance

Ratings

- 'ICRA AA' for Lower Tier II subordinate debt program and 'ICRA AA-' for Upper Tier II bond program by ICRA
- 'CRISIL A1+' for certificate of deposit program by CRISIL
- 'CARE AA' for Lower Tier II subordinate debt program by CARE
- 'Fitch AA-' for Long Term Debt Instruments and 'Fitch A1+' for Short Term Debt Instruments by Fitch Ratings



Financial Performance

Strong Headline Numbers for Q3FY12

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 430.66 crs	19%	3%
Other Income	Rs 265.12 crs	35%	11%
Revenue	Rs 695.77 crs	24%	6%
Operating Profit	Rs 349.24 crs	20%	5%
Net Profit	Rs 205.96 crs	34%	7%

Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 32,426 crs	↑	30%	8%
CCBG Advances	Rs 16,731 crs	↑	16%	4%
CFD Advances	Rs 15,695 crs	↑	48%	11%
Deposits	Rs 40,558 crs	↑	32%	6%
CASA	Rs 10,757 crs	↑	31%	1%

Balance Sheet

(Rs crs)

	Q3FY12	Q3FY11	Y-o-Y (%)		Q2FY12	Q-o-Q (%)	
Capital & Liabilities							
Capital	467	465	0%	↑	467	0%	↑
Reserves and Surplus	4,168	3,517	19%	↑	3,962	5%	↑
Deposits	40,558	30,663	32%	↑	38,367	6%	↑
Borrowings	8,137	4,981	63%	↑	5,985	36%	↑
Other Liabilities and Provisions	1,803	1,874	-4%	↓	1,675	8%	↑
Total	55,133	41,500	33%	↑	50,456	9%	↑
Assets							
Cash and Balances with RBI	2,960	2,213	34%	↑	3,216	-8%	↓
Balances with Banks	876	557	57%	↑	619	42%	↑
Investments	15,362	11,868	29%	↑	14,286	8%	↑
Advances	32,426	25,001	30%	↑	30,135	8%	↑
Fixed Assets	635	589	8%	↑	624	2%	↑
Other Assets	2,874	1,272	126%	↑	1,576	82%	↑
Total	55,133	41,500	33%	↑	50,456	9%	↑
Business (Advances + Deposit)	72,984	55,664	31%	↑	68,519	7%	↑

Profit and Loss Account (Quarterly)

(Rs crs)

	Q3FY12	Q3FY11	Y-o-Y (%)		Q2FY12	Q-o-Q (%)	
Net Interest Income	430.66	363.00	19%	↑	419.19	3%	↑
Other Income	265.11	195.95	35%	↑	239.21	11%	↑
Total Income	695.77	558.95	24%	↑	658.40	6%	↑
Operating Expenses	346.53	267.77	29%	↑	325.42	6%	↑
Operating Profit	349.24	291.18	20%	↑	332.98	5%	↑
Provisions & Contingencies	42.83	56.19	-24%	↓	46.97	-9%	↓
Profit before Tax	306.41	234.99	30%	↑	286.01	7%	↑
Provision for Tax	100.45	81.13	24%	↑	92.92	8%	↑
Profit after Tax	205.96	153.86	34%	↑	193.09	7%	↑

Profit and Loss Account (Nine Months)

(Rs crs)

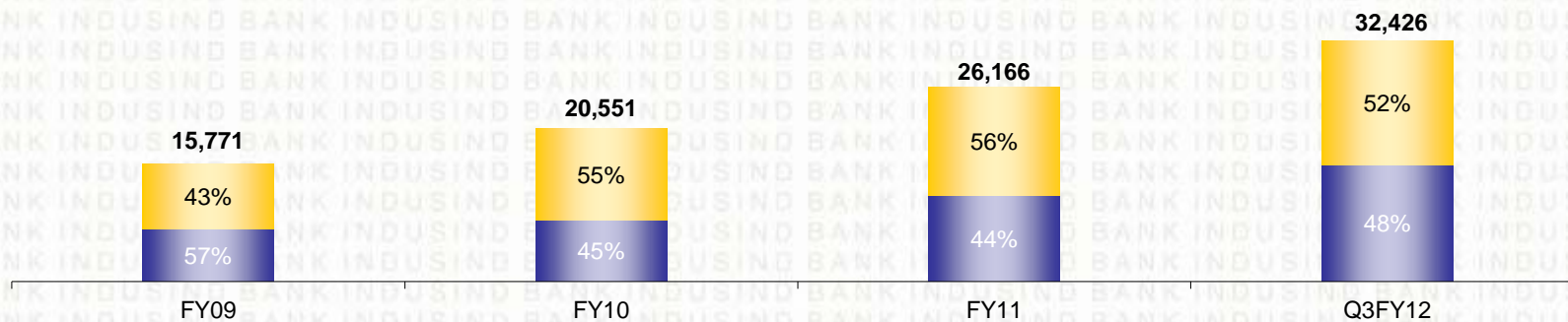
	9M 2012	9M 2011	Y-o-Y (%)
Net Interest Income	1,239.86	988.41	25% ↑
Other Income	719.72	532.03	35% ↑
Total Income	1,959.58	1,520.44	29% ↑
Operating Expenses	965.64	736.80	31% ↑
Operating Profit	993.94	783.64	27% ↑
Provisions & Contingencies	134.39	161.64	-17% ↓
Profit before Tax	859.55	622.00	38% ↑
Provision for Tax	280.32	216.44	30% ↑
Profit after Tax	579.23	405.56	43% ↑

Key Financial Indicators

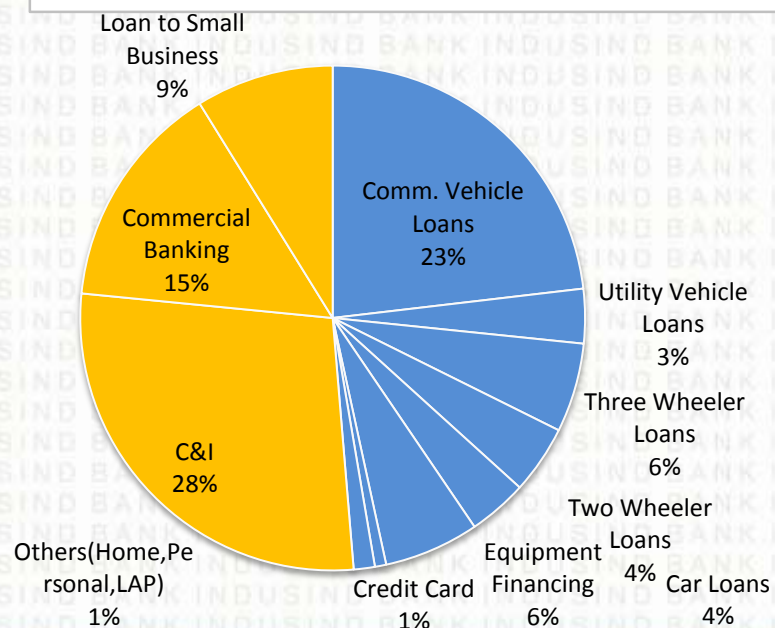
	Q3FY12	Q3FY11	Q2FY12
Return on Assets	1.55%	1.54%	1.55%
ROE (On average equity)	19.12%	16.44%	18.81%
Revenue / Staff Cost	5.41	5.50	5.52
Cost / Income Ratio	49.80%	47.91%	49.43%
Net Interest Margin	3.25%	3.61%	3.35%
Net NPA	0.29%	0.36%	0.31%
EPS (annualized, Rs. per share)	17.64	16.57	16.56
Net Worth (Rs. in crs) excl Reval Reserve	4,413	3,749	4,205
Book Value (Rs. per share.)	94.55	80.78	90.12

Well Diversified Loan Book

Loan Book (Rs crs)



	31 Dec-11	
	(Rs crs)	
C&I	9,109	28%
Comm. Banking	4,773	15%
Loan to Small Business	2,849	9%
Total	16,731	52%



Consumer Finance	31 Dec-11	
Comm. Vehicle Loans	7,462	23%
Utility Vehicle Loans	1,124	3%
Three Wheeler Loans	1,842	6%
Two Wheeler Loans	1,412	4%
Car Loans	1,220	4%
Equipment Financing	1,965	6%
Credit Card	234	1%
Other (Home, LAP)	436	1%
Total Advances	15,695	48%

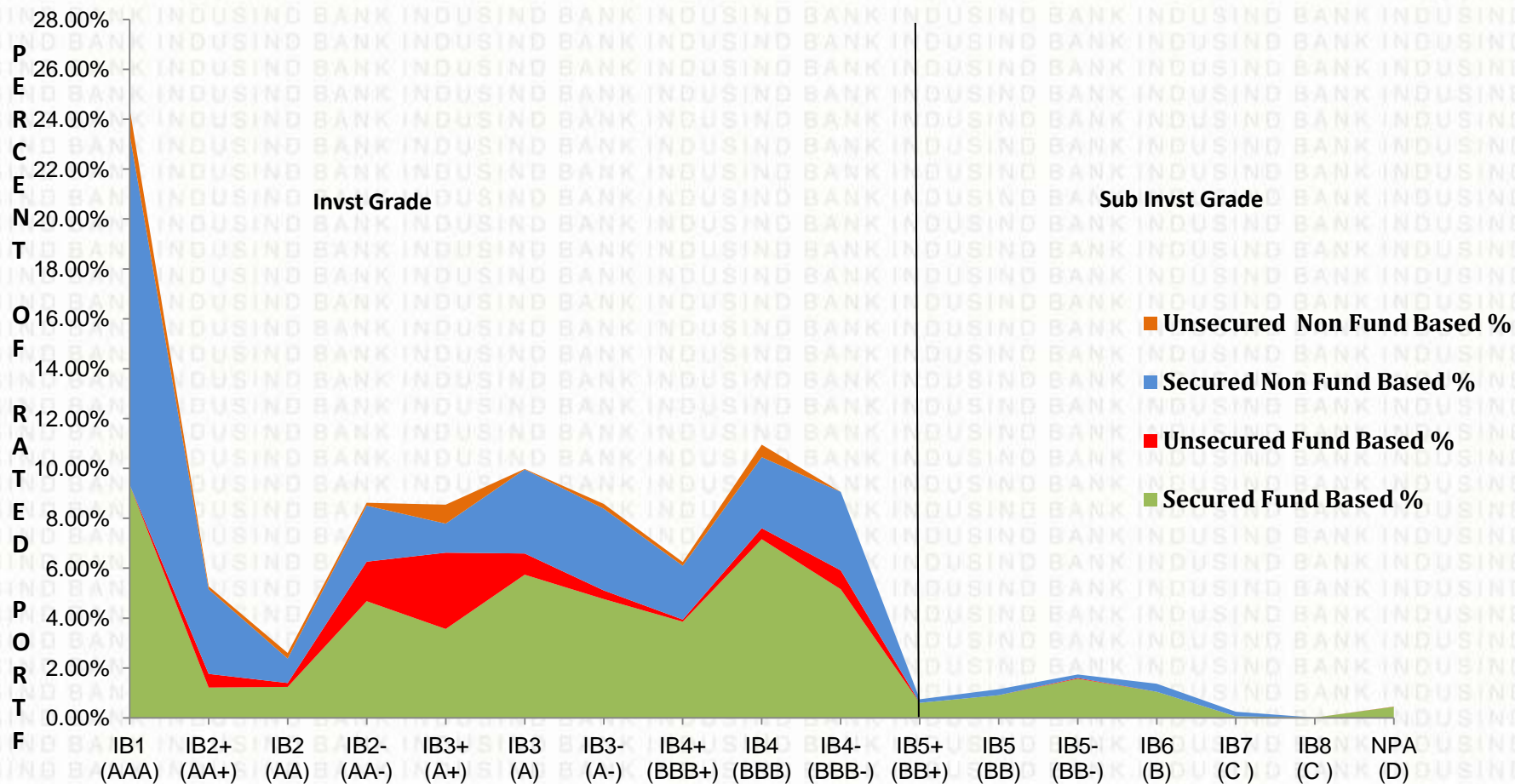
Diversified Corporate Loan Book

As on December 31, 2011



NBFCs (other than HFCs)	5.76
Pharma	2.86
Telecom - Cellular/Tower	2.85
Lease Rental Discounting	2.45
Construction	2.11
Power	1.97
Auto Ancillaries	1.36
Hosp. & Med. Serv.	1.20
Gems and Jewellery	1.15
Steel	1.08
Aluminium	1.02
Other Industry	27.80

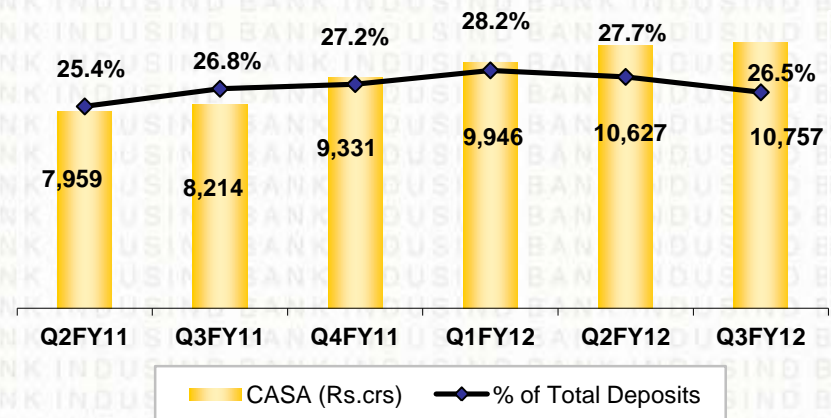
Well Rated Corporate Portfolio



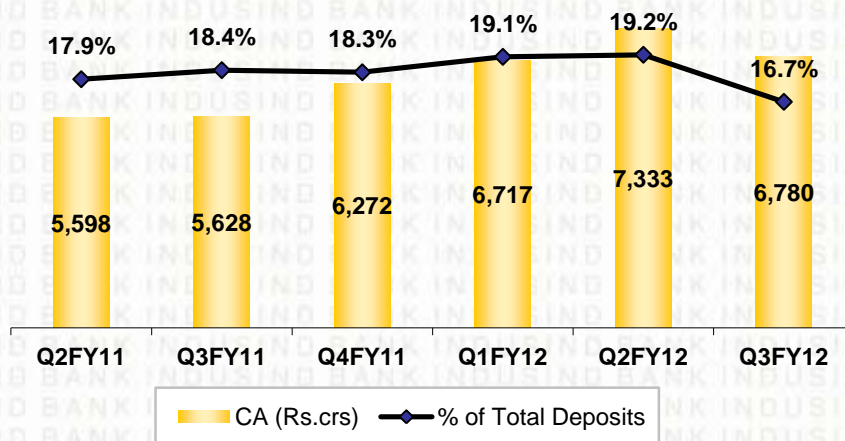
And Improving Liability and CASA

- 21% QoQ Savings Account growth
- 10% increase in new to Bank savings accounts
- SA fundamentals intact
- Some leverage from SA rate advantage
- Current account drop on account of sluggish capital markets

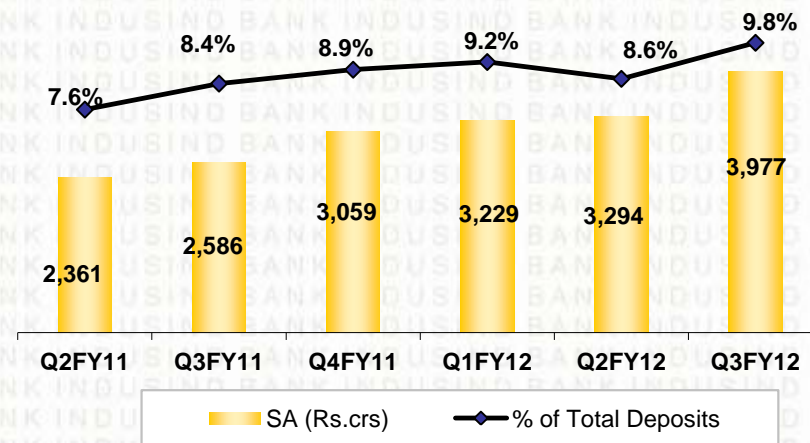
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q3FY12	Q3FY11	Y-o-Y (%)	Q2FY12	Q-o-Q(%)
Core Fee	250.34	171.86	46% ↑	211.87	18% ↑
Securities/MM/FX Trading	13.09	24.01	-45% ↑	23.89	-45% ↓
Profit/(Loss) on Other Assets	-1.12	0.09	↓	0.49	↓
Others	2.80	-		2.96	-
Total	265.11	195.96	35% ↑	239.21	11% ↑

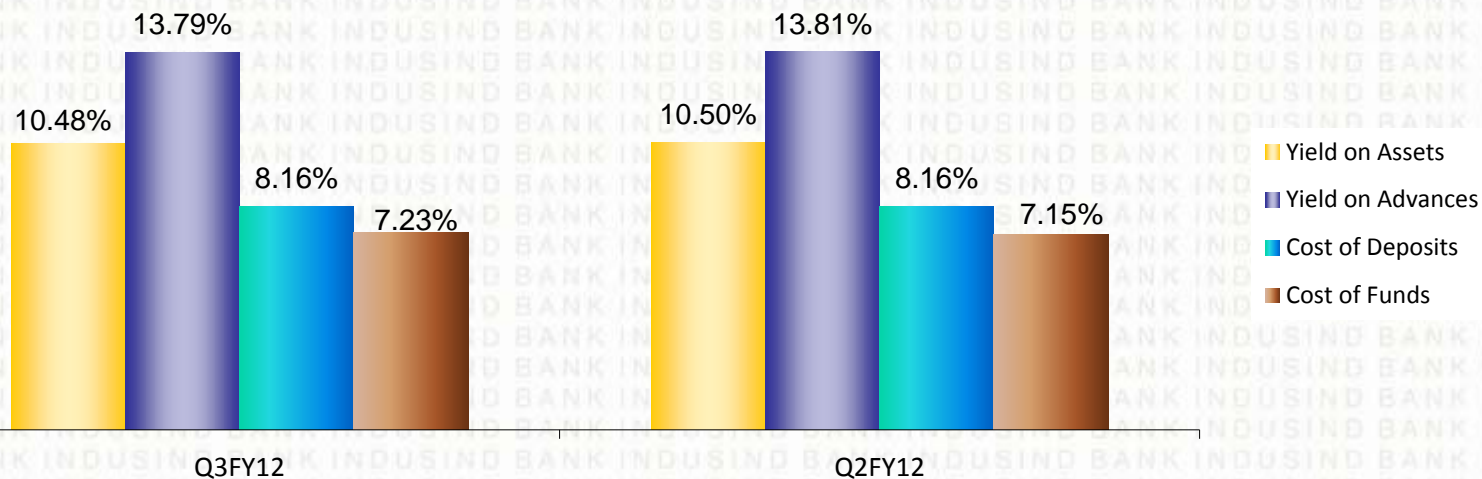
Diverse Revenues from Core Fee Income

(Rs crs)

	Q3FY12	Q3FY11	Y-o-Y(%)		Q2FY12	Q-o-Q(%)	
Trade & Remittances	33.21	22.73	46%	↑	28.55	16%	↑
Foreign Exchange Income	60.13	32.65	84%	↑	52.30	15%	↑
Distribution Fees (Insurance, MF , Cr. Card)	66.30	40.16	65%	↑	57.08	16%	↑
General Banking Fees	27.79	18.40	51%	↑	26.85	4%	↑
Loan Processing fees	41.60	29.64	40%	↑	39.13	6%	↑
Investment Banking	21.31	28.28	-25%	↑	7.96	168%	↑
Total Core Fee Income	250.34	171.86	46%	↑	211.87	18%	↑

Growth momentum continues on regular fee flows

Yield / Cost Movement



•Yield on Assets/Cost of funds are based on Total Assets/Liabilities

Segment-wise Yield

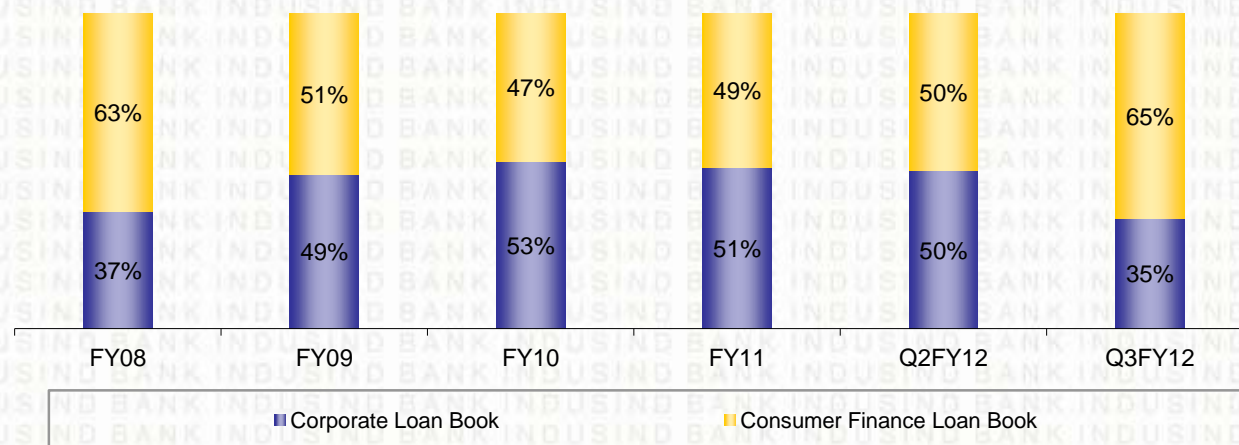
	Q3FY12		Q2FY12	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate and Commercial Banking(CCB)	16,731	11.45%	16,054	11.78%
Consumer Finance Division(CFD)*	15,695	16.41%	14,081	16.36%
Total	32,426	13.79%	30,135	13.81%

*including LAP/Credit Card business

Credit costs

(Rs crs)

	FY08	FY09	FY10	FY11	Q2FY12	Q3FY12	9M FY 12
Corporate Loan Book(CCB)	29.82	78.08	85.86	81.99	20.06	10.09	45.98
Consumer Finance Loan Book(CFD)	50.80	82.70	75.77	78.34	19.86	18.37	61.09
Total Credit Costs	80.62	160.78	161.63	160.33	39.92	28.46	107.07
Credit Costs (Basis Points on Advances)	63	102	79	61	13	9	33
PCR	26%	30%	60%	73%	72%	72%	72%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q3FY12			Q2FY12		
	CCB	CFD	Total	CCB	CFD	Total
Opening Balance	104	228	332	94	215	309
Additions	5	63	68	71	60	131
Deductions	17	50	67	61	47	108
Gross NPA	92	241	333	104	228	332
Net NPA	2	92	94	8	85	93
% of Gross NPA			1.02%			1.09%
% of Net NPA			0.29%			0.31%
Provision Coverage Ratio (PCR)			72%			72%
Restructured Advances			0.22%			0.30%

NPA Composition – CFD - Vehicles

(Rs crs)

Q3-12	Com. Vehicle	Utility	Const. Equip.	3W	TW	Cars
Gross NPA	80	16	26	20	54	14
Net NPA	30	4	11	12	25	5
Gross NPA %	1.07%	1.43%	1.31%	1.08%	3.74%	1.17%
Net NPA %	0.40%	0.35%	0.58%	0.66%	1.77%	0.37%

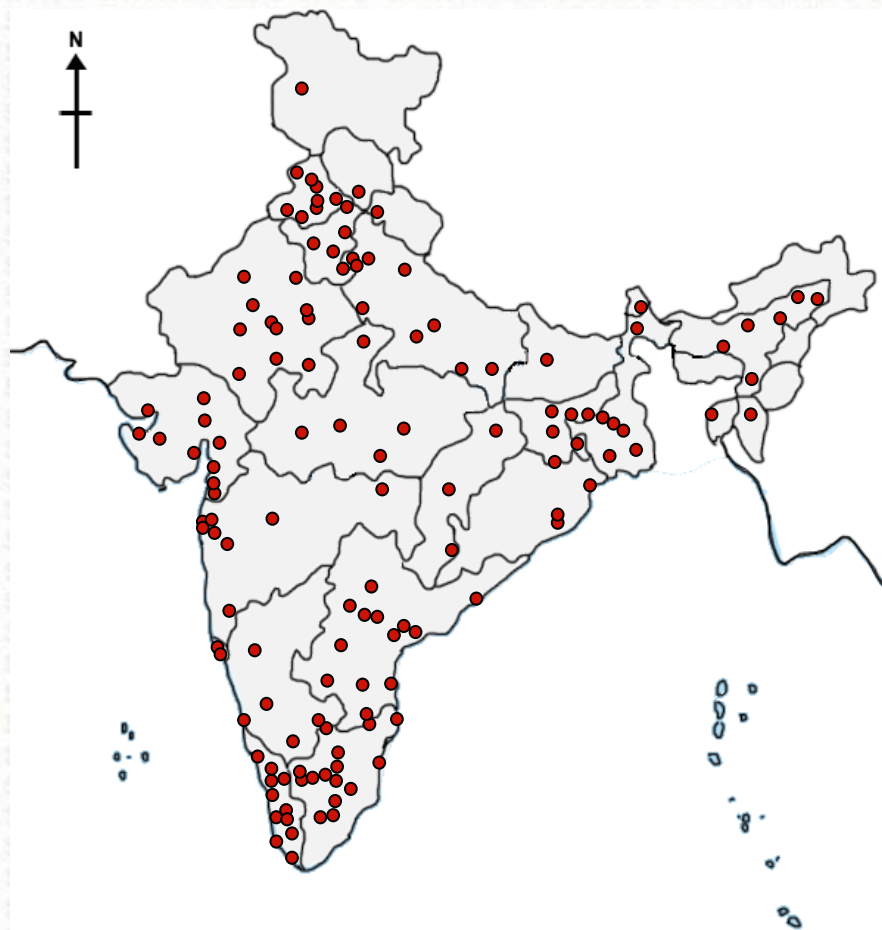
Q2-12	Com. Vehicle	Utility	Const. Equip.	3W	TW	Cars
Gross NPA	72	16	26	17	50	11
Net NPA	22	9	11	12	22	4
Gross NPA %	1.06%	1.58%	1.51%	0.97%	3.77%	1.24%
Net NPA %	0.33%	0.85%	0.66%	0.72%	1.69%	0.38%

CRAR - Basel II

(Rs crs)

	31 Dec-11	31 Dec-10
Risk Weighted Assets		
- Credit Risk	32,074	26,064
- Market Risk	670	430
- Operational Risk	2,408	1,578
- Total RWA	35,152	28,073
Tier I Capital Funds	3762	3,277
Tier II Capital Funds	958	1,104
Total Capital Funds	4720	4,381
CRAR	13.43%	15.61%
Tier I	10.70%	11.67%
Tier II	2.73%	3.94%
CRAR(with profit)	15.08%	17.05%
Tier I	12.35%	13.11%
Tier II	2.73%	3.94%

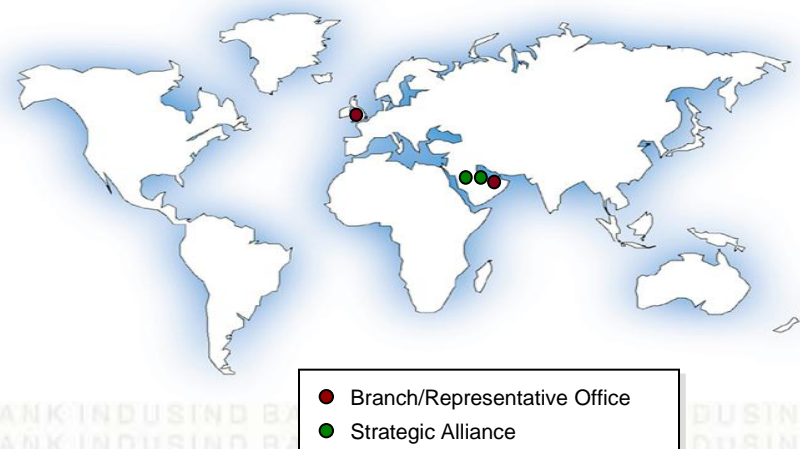
Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

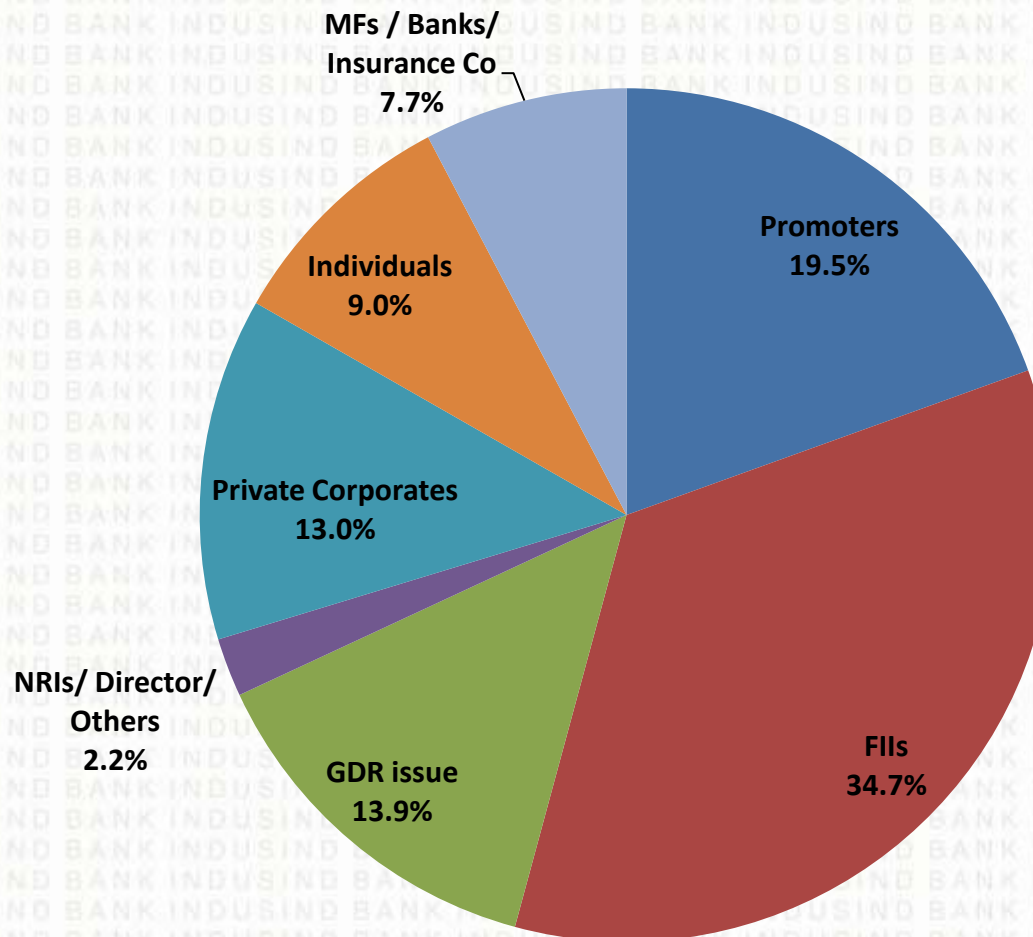
As at, end	FY09	FY10	FY11	Q3FY12
Branch Network	180	210	300	365
ATMs	356	497	594	674

*includes 19 specialized branches



- Branch/Representative Office
- Strategic Alliance

Shareholding Pattern



As at December 31, 2011

Awards & Recognition

Winner of India's Best Mid-Sized Bank Award - 2011





Thank you