

**IndusInd Bank**



## Investor Presentation

January 09, 2013

## Disclaimer

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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](http://www.indusind.com).

## Q3 FY13 PERFORMANCE HIGHLIGHTS

- Steady performance in deteriorating macro economic environment
- NIM recovery on track - Net Interest Income grew 34% Y-o-Y & 13% Q-o-Q
- Non-Interest Income to revenue remains healthy at 38%
- Consistent growth in Core Fee Income 32% Y-o-Y & 11% Q-o-Q
- Credit growth above industry 31% Y-o-Y & 8% Q-o-Q
- Low exposure to stressed / sensitive sectors
- Net NPA 0.30%; PCR 70.30%; Restructured Advances 0.26%
- Credit cost at 16 bps

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

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# Scale with Profitability

# Planning Cycle II – Pillars of Growth

Q3-13 outcome

Loan growth	✓ Loan book to grow 25%-30% p.a.; well above market growth.	31%
Growing Consumer Finance book	✓ To grow beyond Rs. 25,000 crs by March 2014 ✓ To be funded through CASA	Cons. Finance book Rs. 21,691 crs Growth 38%
CASA growth	✓ CASA to reach > 35% by March 2014	Growth-26% CASA-28.67%
Manage CD Ratio	✓ CD ratio > 75% < 80% ✓ Deposits to be put to efficient use	83%
Fee Growth	✓ Fee growth to exceed Loan Growth ✓ Increased focus on (New) fee enhancers	Fee Growth 32%

## 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

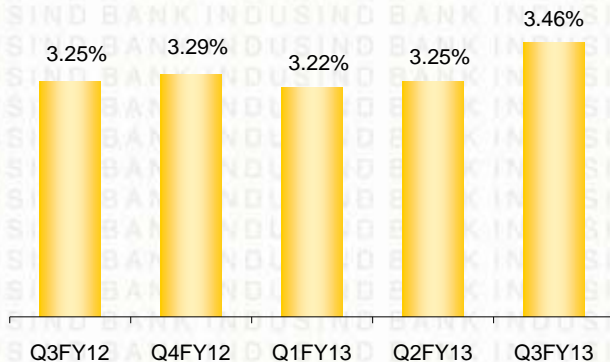
New Branch rollouts &  
Currency Chests

CBS rollout  
(Completed Dec 2012)

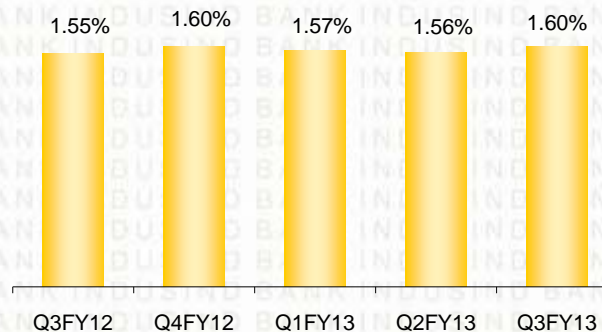
"On Track " performance on all initiatives

# How We Measure Up On Key Metrics

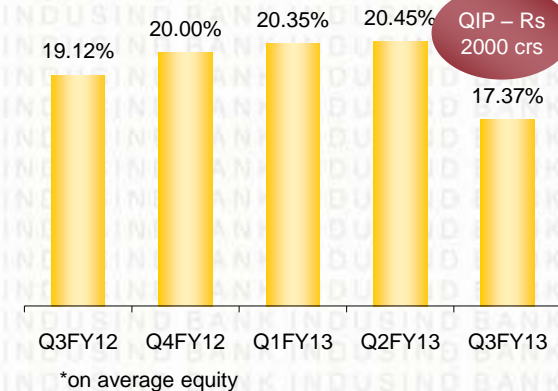
## Net Interest Margin (NIM)



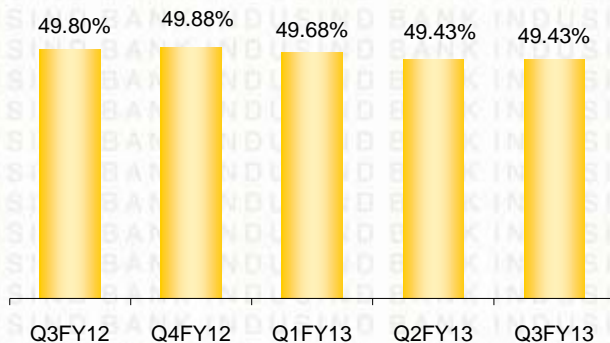
## RoA



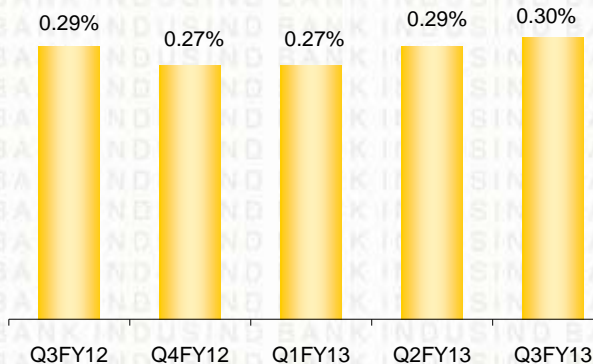
## RoE\*



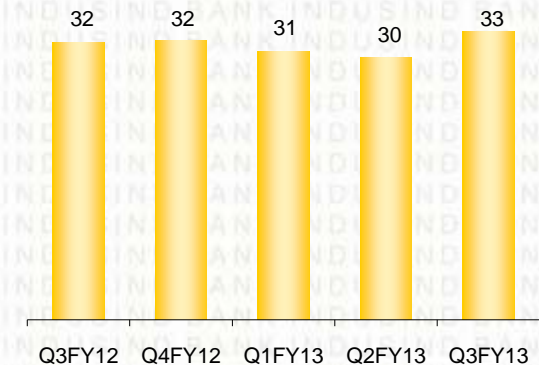
## Cost to Income Ratio



## Net NPA



## Revenue/Employee(Rs. Lacs)



**Consistent delivery of strong operating performance**

# Ratings

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- **ICRA AA** for Lower Tier II subordinate debt program by ICRA
- **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
- **IND AA-** for Long Term Debt Instruments by India Ratings and Research
- **IND A1+** for Short Term Debt Instruments by India Ratings and Research



## Financial Performance

## Strong Headline Numbers for Q3FY13

			Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 577.80 crs	↑	34%	13%
Other Income	Rs 355.80 crs	↑	34%	11%
Core Fee Income	Rs 329.29 crs	↑	32%	11%
Revenue	Rs 933.60 crs	↑	34%	12%
Operating Profit	Rs 472.16 crs	↑	35%	12%
Net Profit	Rs 267.27 crs	↑	30%	7%

## Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 42,426 crs	↑	31%	8%
Corporate Advances	Rs 20,735 crs	↑	24%	9%
Consumer Finance Advances	Rs 21,691 crs	↑	38%	6%
Deposits	Rs 51,098 crs	↑	26%	7%
CASA	Rs 14,651 crs	↑	36%	10%

# Balance Sheet

(Rs crs)

	Q3FY13	Q3FY12	Y-o-Y (%)		Q2FY13	Q-o-Q (%)	
<b>Capital &amp; Liabilities</b>							
Capital	522	467	12%	↑	470	1%	↑
Reserves and Surplus	6,973	4,168	67%	↑	4,773	46%	↑
Deposits	51,098	40,558	26%	↑	47,765	7%	↑
Borrowings	6,567	8,137	(19%)	↓	6,745	(3%)	↓
Other Liabilities and Provisions	2,736	1,803	52%	↑	2,308	19%	↑
<b>Total</b>	<b>67,896</b>	<b>55,133</b>	<b>23%</b>	<b>↑</b>	<b>62,061</b>	<b>9%</b>	<b>↑</b>
<b>Assets</b>							
Cash and Balances with RBI	2,845	2,960	(4%)	↓	2,859	(1%)	↓
Balances with Banks	2,631	876	200%	↑	1,580	67%	↑
Investments	17,594	15,362	15%	↑	15,609	13%	↑
Advances	42,426	32,426	31%	↑	39,427	8%	↑
Fixed Assets	731	635	15%	↑	695	5%	↑
Other Assets	1,669	2,875	(42%)	↓	1,891	(12%)	↓
<b>Total</b>	<b>67,896</b>	<b>55,133</b>	<b>23%</b>	<b>↑</b>	<b>62,061</b>	<b>9%</b>	<b>↑</b>
Business (Advances + Deposit)	93,524	72,983	28%	↑	87,192	7%	↑

## Profit and Loss Account (Quarter)

(Rs crs)

	Q3FY13	Q3FY12	Y-o-Y (%)		Q2FY13	Q-o-Q (%)	
Net Interest Income	577.80	430.66	34%	↑	509.73	13%	↑
Other Income	355.80	265.12	34%	↑	320.49	11%	↑
<b>Total Income</b>	<b>933.60</b>	<b>695.77</b>	<b>34%</b>	<b>↑</b>	<b>830.22</b>	<b>12%</b>	<b>↑</b>
Operating Expenses	461.44	346.53	33%	↑	410.40	12%	↑
<b>Operating Profit</b>	<b>472.16</b>	<b>349.24</b>	<b>35%</b>	<b>↑</b>	<b>419.82</b>	<b>12%</b>	<b>↑</b>
Provisions & Contingencies	78.68	42.83	84%	↑	49.07	60%	↑
<b>Profit before Tax</b>	<b>393.48</b>	<b>306.41</b>	<b>28%</b>	<b>↑</b>	<b>370.75</b>	<b>6%</b>	<b>↑</b>
Provision for Tax	126.21	100.45	26%	↑	120.50	5%	↑
<b>Profit after Tax</b>	<b>267.27</b>	<b>205.96</b>	<b>30%</b>	<b>↑</b>	<b>250.25</b>	<b>7%</b>	<b>↑</b>

## Profit and Loss Account (9 months)

(Rs crs)

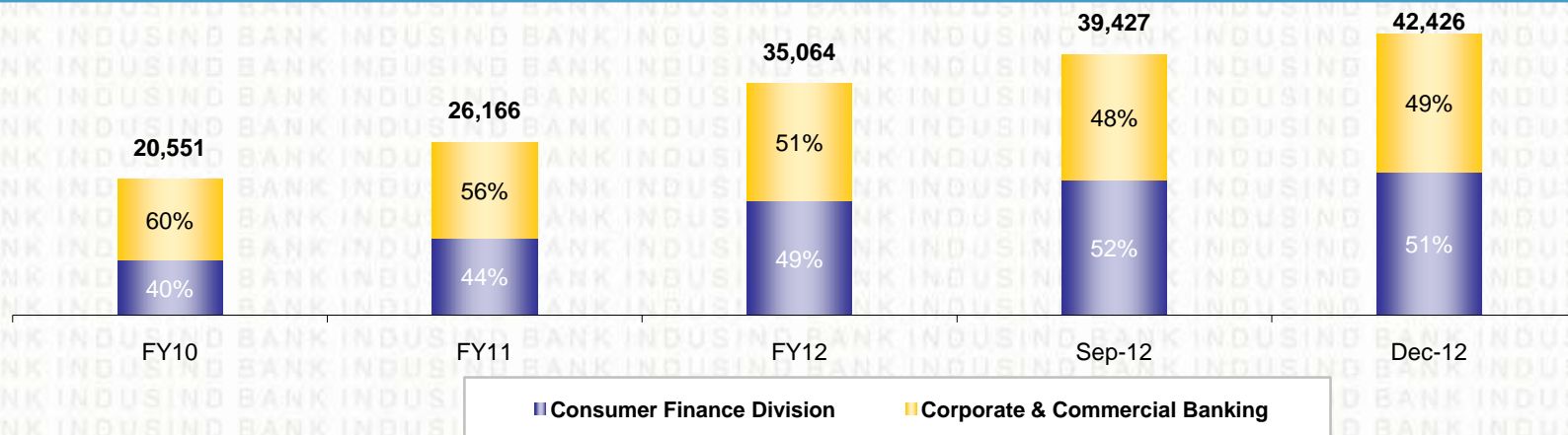
	9M-FY13	9M-FY12	Y-o-Y (%)	
Net Interest Income	1,571.63	1,239.85	27%	↑
Other Income	995.07	719.73	38%	↑
<b>Total Income</b>	<b>2,566.70</b>	<b>1,959.58</b>	<b>31%</b>	<b>↑</b>
Operating Expenses	1,270.69	965.74	32%	↑
<b>Operating Profit</b>	<b>1,296.01</b>	<b>993.94</b>	<b>30%</b>	<b>↑</b>
Provisions & Contingencies	181.25	134.39	35%	↑
<b>Profit before Tax</b>	<b>1,114.76</b>	<b>859.55</b>	<b>30%</b>	<b>↑</b>
Provision for Tax	360.98	280.32	29%	↑
<b>Profit after Tax</b>	<b>753.78</b>	<b>579.23</b>	<b>30%</b>	<b>↑</b>

## Key Financial Indicators

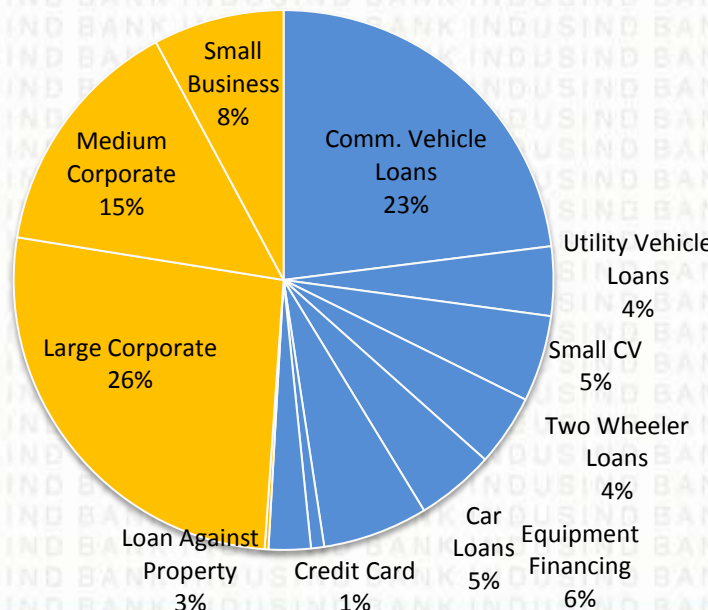
	Q3FY13	Q3FY12	Q2FY13
Return on Assets	1.60%	1.55%	1.56%
ROE (On average equity)	17.37%	19.12%	20.45%
Cost / Income Ratio	49.43%	49.81%	49.43%
Net Interest Margin	3.46%	3.25%	3.25%
Net NPA	0.30%	0.29%	0.29%
EPS (annualized, Rs. per share)	22.04	17.64	21.32
Net Worth (Rs. in crs) excl Reval Reserve	7,282	4,413	5,025
Book Value (Rs. per share)	139.48	94.55	106.76

# Well Diversified Loan Book

Loan Book (Rs crs)

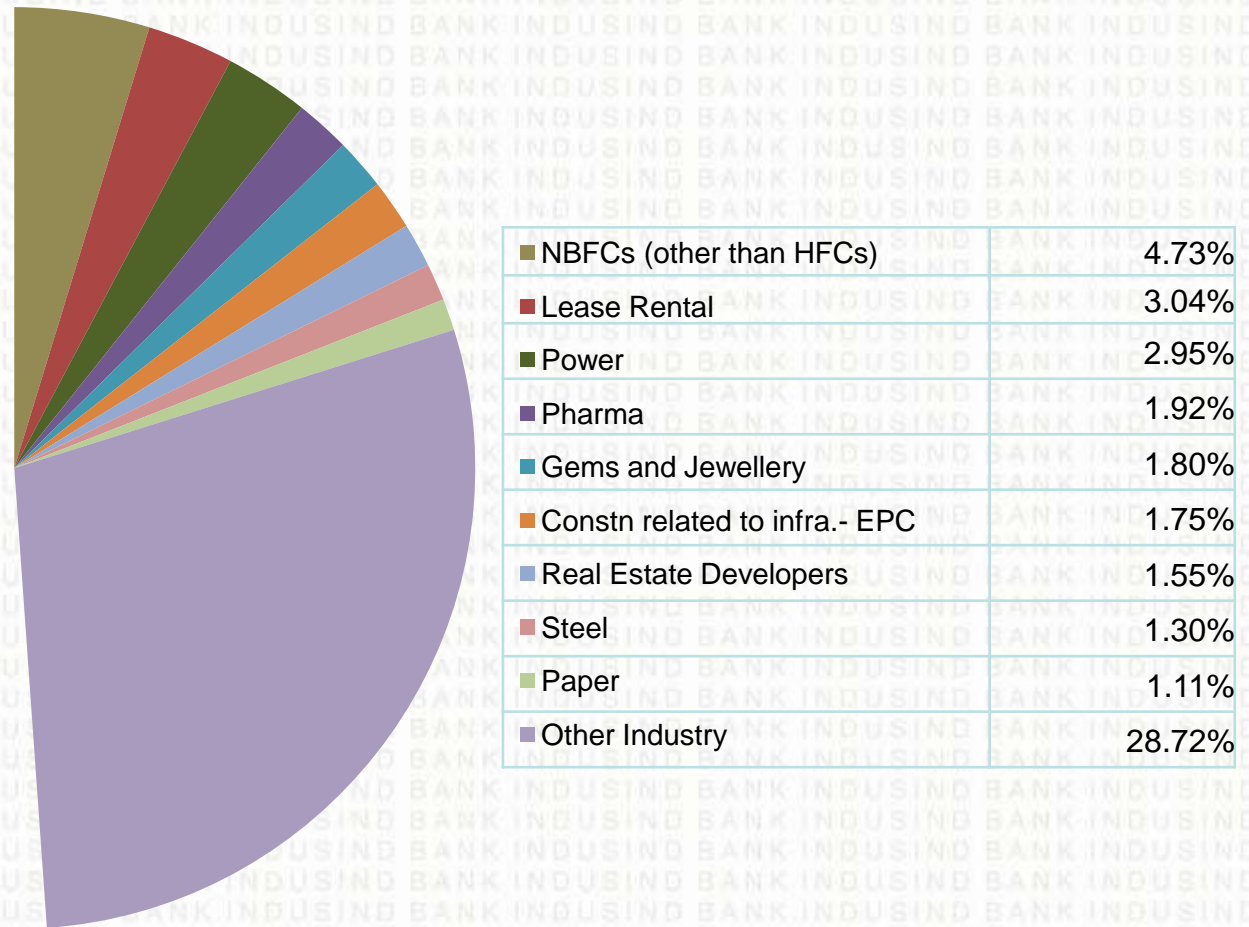


(Rs crs)		
Corporate Banking	31 Dec-12	
Large Corporates	11,202	26%
Mid size Corporates	6,205	15%
Small Corporates	3,328	8%
<b>Total Advances</b>	<b>20,735</b>	<b>49%</b>

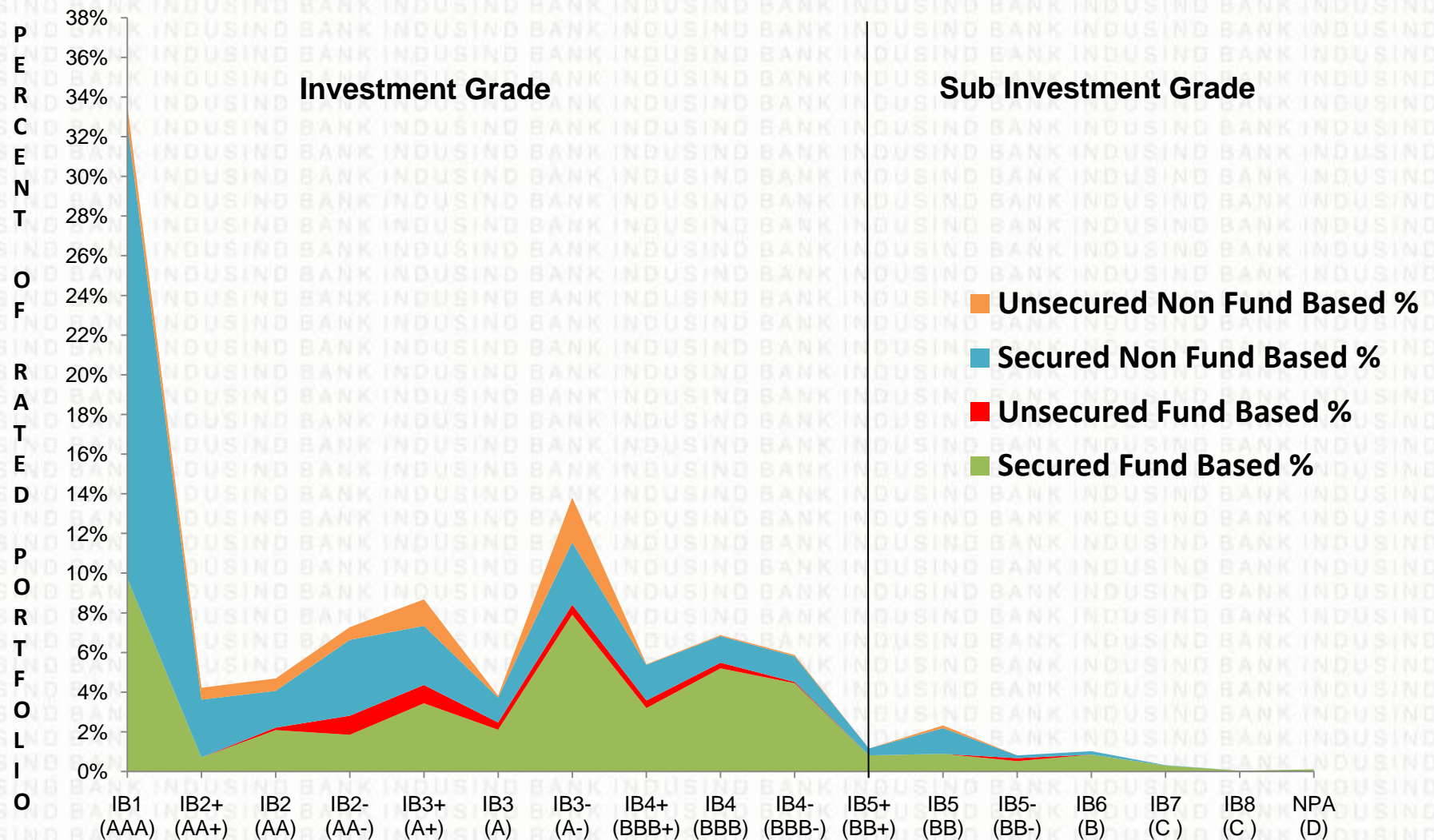


Consumer Finance	31 Dec-12	
Comm. Vehicle Loans	9,757	23%
Utility Vehicle Loans	1,758	4%
Small CV	2,192	5%
Two Wheeler Loans	1,815	4%
Car Loans	1,995	5%
Equipment Financing	2,675	6%
Credit Card	333	1%
Loan Against Property	1,069	3%
Home, PL, etc	97	-
<b>Total Advances</b>	<b>21,691</b>	<b>51%</b>

# Diversified Corporate Loan Book



# Well Rated Corporate Portfolio

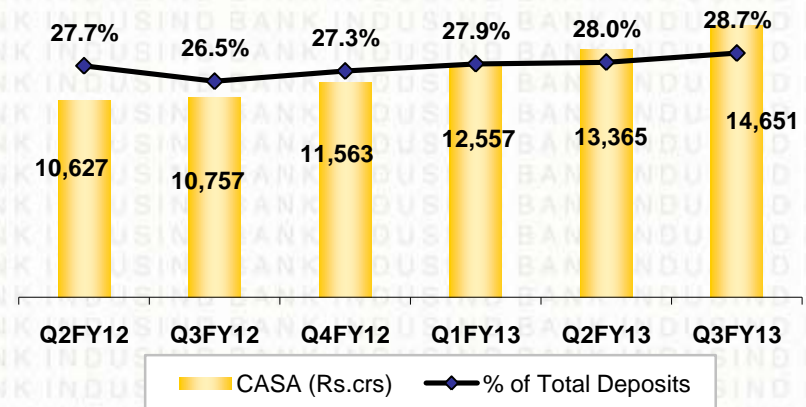


# Improving CASA profile

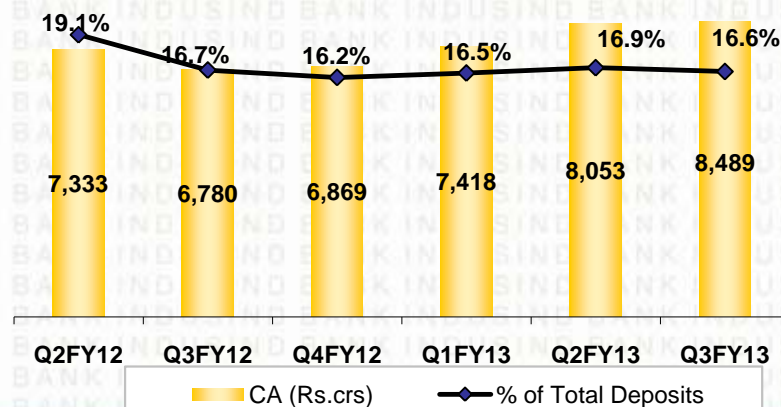
## Building CASA traction

- Expanding branch network
- Some leverage from SA rate advantage
- Focus on target market segments
  - Government business
  - Capital market flows
  - Key Non Resident markets
  - Self employed and Emerging Corporate businesses
- Differentiated Service Propositions

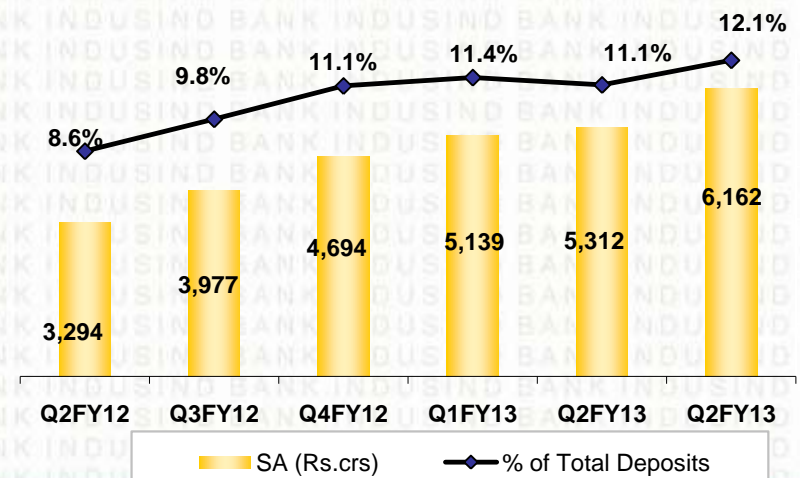
## CASA Uptick



## Current Account (CA)



## Savings Account (SA)



## Other Income

(Rs crs)

	Q3FY13	Q3FY12	Y-o-Y (%)	Q2FY13	Q-o-Q(%)
Core Fee	329.29	250.34	32% ↑	296.10	11% ↑
Securities/MM/FX Trading	17.72	13.09	52% ↑	21.75	(19%) ↓
Others	8.79	1.68	- ↑	2.64	- ↑
<b>Total</b>	<b>355.80</b>	<b>265.11</b>	<b>34% ↑</b>	<b>320.49</b>	<b>11% ↑</b>

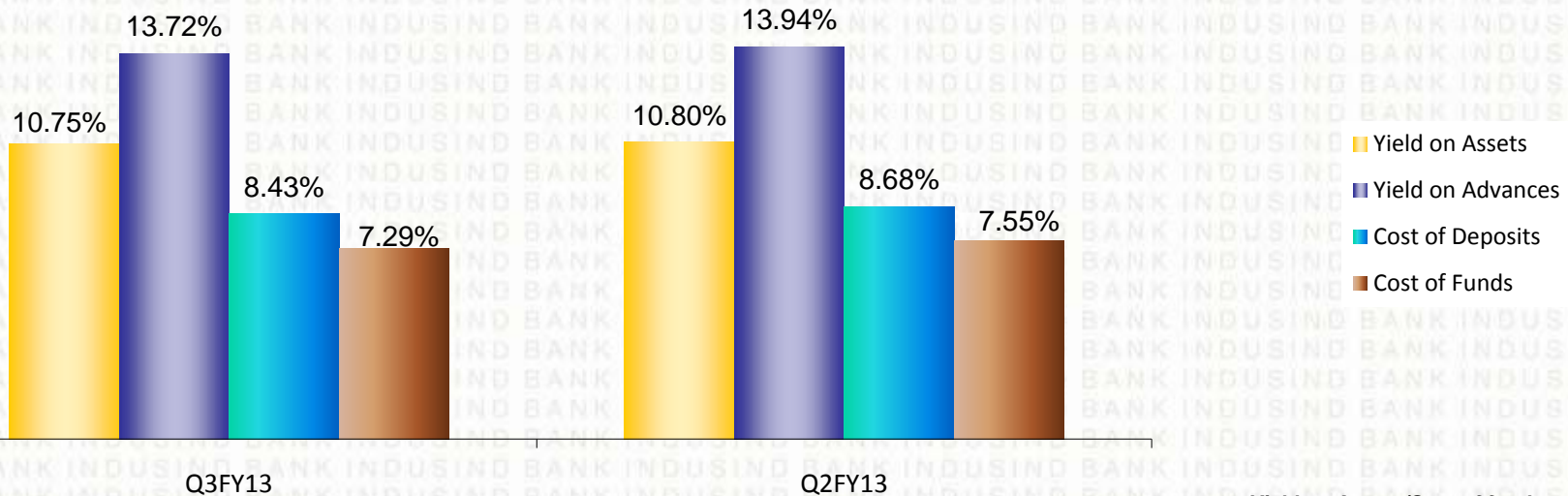
## Diverse Revenues from Core Fee Income

(Rs crs)

	Q3FY13	Q3FY12	Y-o-Y(%)	Q2FY13	Q-o-Q(%)
Trade & Remittances	43.37	33.21	31% ↑	40.28	8% ↑
Foreign Exchange Income	82.87	60.13	38% ↑	65.84	26% ↑
Distribution Fees ( Insurance, MF, Cr. Card )	68.06	66.30	3% ↑	67.40	1% ↑
General Banking Fees	33.37	27.79	20% ↑	33.11	1% ↑
Loan Processing fees	66.07	41.60	59% ↑	56.64	17% ↑
Investment Banking	35.54	21.31	67% ↑	32.84	8% ↑
<b>Total Core Fee Income</b>	<b>329.29</b>	<b>250.34</b>	<b>32% ↑</b>	<b>296.10</b>	<b>11% ↑</b>

**Growth momentum continues on regular fee flows**

## Yield / Cost Movement



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

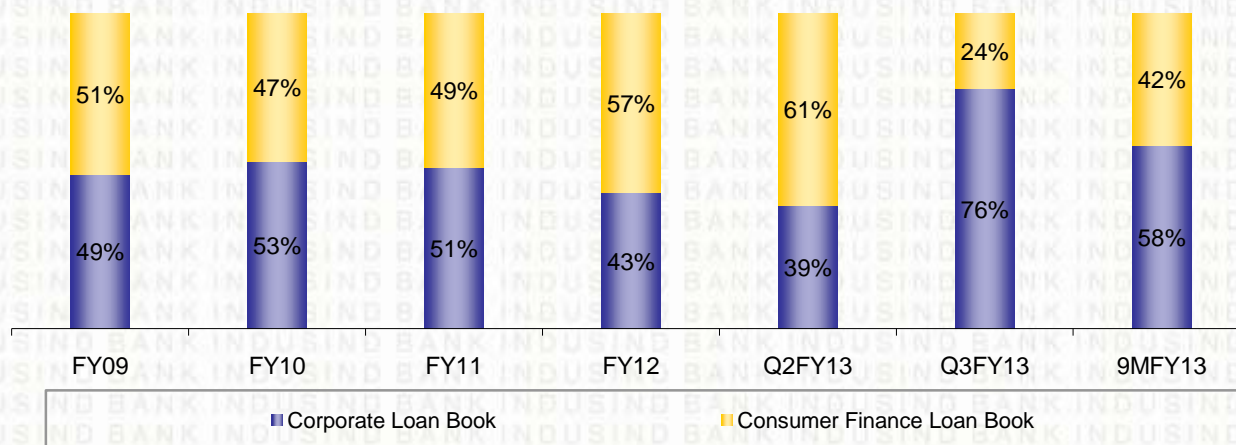
### Segment-wise Yield

	Q3FY13		Q2FY13	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	20,735	11.63%	18,993	11.84%
Consumer Finance	21,691	15.94%	20,434	16.11%
<b>Total</b>	<b>42,426</b>	<b>13.72%</b>	<b>39,427</b>	<b>13.94%</b>

# Credit costs

(Rs crs)

	FY09	FY10	FY11	FY12	Q2FY13	Q3FY13	9MFY13
Corporate Bank	78.08	85.86	81.99	61.11	16.22	52.37	90.01
Consumer Finance	82.70	75.77	78.34	81.46	25.87	16.23	65.94
<b>Total Credit Costs</b>	<b>160.78</b>	<b>161.63</b>	<b>160.33</b>	<b>142.57</b>	<b>42.09</b>	<b>68.60</b>	<b>155.95</b>
<b>Credit Costs (Basis Points on Advances)</b>	<b>102</b>	<b>79</b>	<b>61</b>	<b>41</b>	<b>11</b>	<b>16</b>	<b>37</b>
<b>PCR</b>	<b>30%</b>	<b>60%</b>	<b>73%</b>	<b>73%</b>	<b>72%</b>	<b>70%</b>	<b>70%</b>



## Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q3FY13			Q2FY13		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	186	224	<b>410</b>	153	212	<b>365</b>
Additions	105**	80**	<b>185</b>	42	71*	<b>113</b>
Deductions	109**	64**	<b>173</b>	9	59*	<b>68</b>
Gross NPA	182	240	<b>422</b>	186	224	<b>410</b>
Net NPA	45	80	<b>125</b>	51	63	<b>114</b>
% of Gross NPA	<b>0.99%</b>			<b>1.03%</b>		
% of Net NPA	<b>0.30%</b>			<b>0.29%</b>		
Provision Coverage Ratio (PCR)	<b>70.30%</b>			<b>72.09%</b>		
Restructured Advances	<b>0.26%</b>			<b>0.19%</b>		

\* includes sale to ARC Rs. 21 crs

\*\*includes sale to ARC Rs. 75 crs

## NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q3-FY13	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	89	13	26	20	66	13
Net NPA	31	1	7	10	26	3
Gross NPA %	0.90%	0.75%	0.96%	0.92%	3.55%	0.64%
Net NPA %	0.32%	0.08%	0.26%	0.45%	1.45%	0.13%

Q2-FY13	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	72	14	21	19	57	13
Net NPA	17	2	2	12	24	3
Gross NPA %	0.75%	0.86%	0.84%	0.90%	3.36%	0.71%
Net NPA %	0.17%	0.14%	0.09%	0.56%	1.43%	0.19%

## CRAR - Basel II

(Rs crs)

	31 December-12	31 December-11
<b>Risk Weighted Assets</b>		
- Credit Risk	43,464	32,074
- Market Risk	1,539	670
- Operational Risk	3,443	2,408
<b>- Total RWA</b>	<b>48,445</b>	<b>35,152</b>
Tier I Capital Funds	6,441	3,762
Tier II Capital Funds	830	958
<b>Total Capital Funds</b>	<b>7,271</b>	<b>4,720</b>
<b>CRAR</b>	<b>15.01%</b>	<b>13.43%</b>
Tier I	13.30%	10.70%
Tier II	1.71%	2.73%
<b>CRAR (with profit)</b>	<b>16.56%</b>	<b>15.08%</b>
Tier I	14.85%	12.35%
Tier II	1.71%	2.73%

# Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance

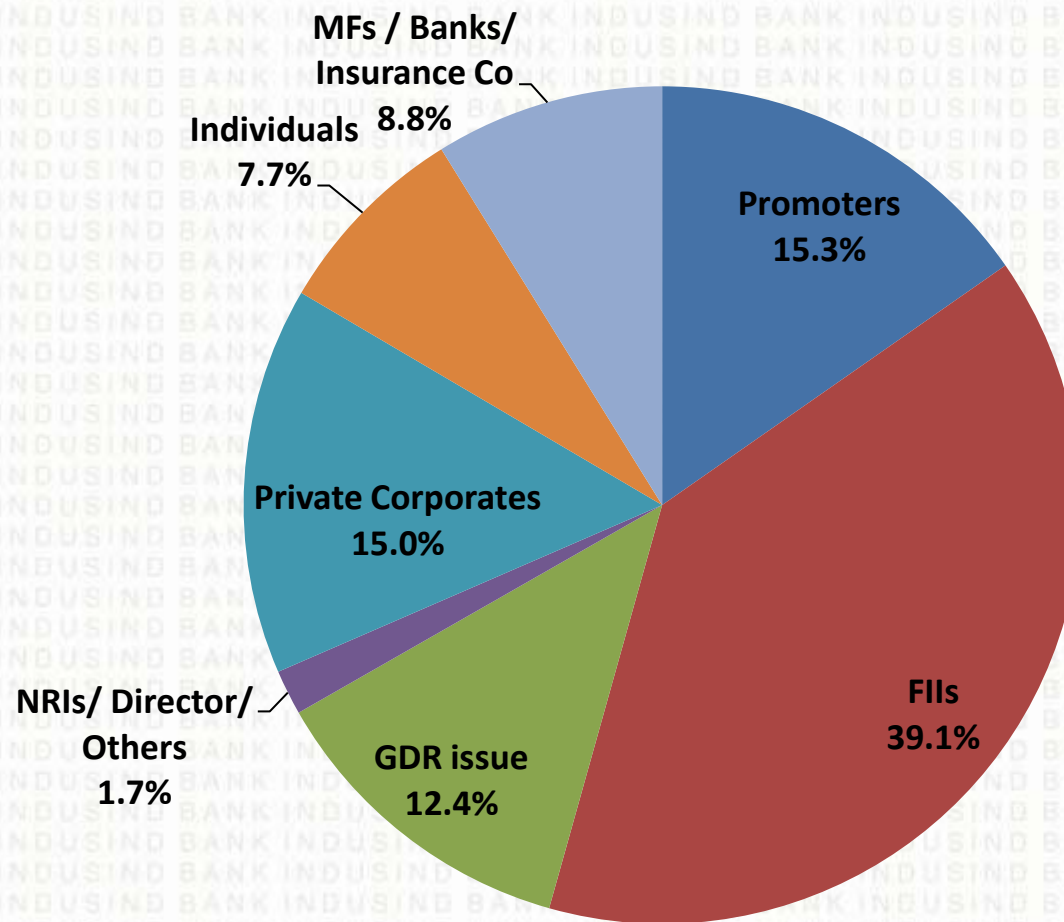
## Strengthening Distribution Infrastructure

Particulars	FY10	FY11	FY12	Dec 31,2012
Branch Network	210	300	400*	461*
ATMs	497	594	692	852

\*includes 19 specialized branches



# Shareholding Pattern



As at December 31, 2012

# ACCOLADES

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## BA Banking Technology Awards

### 1st Runners- Up

- Best Risk Management & IT Security
- Best Use of Technology in training & e Learning

### 2nd Runners-Up

- Best Online Bank
- Best use of Business Intelligence
- Best use of Mobility technology in Banking



## Institute for Development and Research in Banking Technology (IDRBT).

- The best bank award among small banks for 'IT for Effectiveness



# ACCOLADES

## Sunday Standard Finwiz 2012 - Best Bankers' Awards

### Best Private Sector Banker

(Category- Medium)

Romesh Sobti ,

MD & CEO, IndusInd Bank Ltd.



### Best Indian Banker

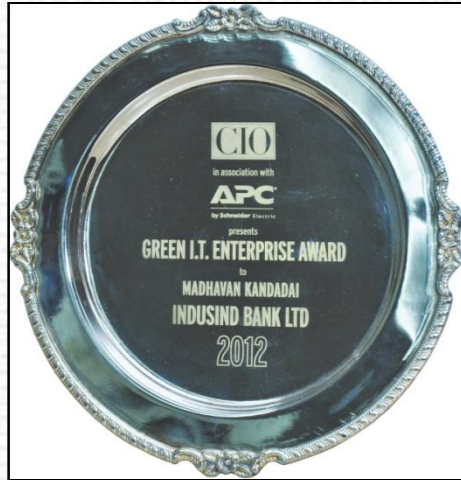
(Category- Medium)

Romesh Sobti ,

MD & CEO, IndusInd Bank Ltd.



# ACCOLADES



**CIO Magazine - Top Green IT Enterprise Award 2012**



**Top 100 CISO (Chief Information Security Officer) Awards 2012**



**Panasonic Green Globe foundation Award 2012 in the "Business Enterprise Services" (UNEP/TERI/KPMG)**



**NASSCOM IT User Award 2012 for "Environmental Sustainability" (Frost & Sullivan)**



**The CII Environmental Best Practice Award 2012 for the "Most Innovative Project"**

# ACCOLADES



**Banking Frontier –  
Finnoviti 2012 Awards  
for 2 innovations:**

- Cash on mobile
- Direct connect for select customers



**National Payments  
Corporation of India –  
Operational  
Excellence Awards –  
Special Jury award for  
effectively managing  
charge backs**



Thank you