

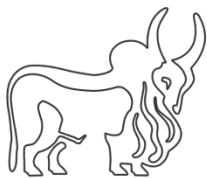
***IndusInd Bank***

**Investor Presentation**

**January 10, 2014**

**Q3 – FY14 Performance Highlights**

- Performance trend line maintained in spite of a demanding Operating Environment
- NIM maintained at 3.65% despite upward trending in interest rates
- Net Interest Income grew 26% Y-o-Y and 4% Q-o-Q
- Non-Interest Income to revenue remains healthy at 40%
- Consistent growth in Core Fee Income 30% Y-o-Y and 10% Q-o-Q
- Credit growth above industry; 24% Y-o-Y and 7% Q-o-Q
- Net NPA 0.31%; PCR 73.65%; Restructured Advances 0.31%
- Stable total credit cost at 12 bps



# Planning Cycle III (2014-16) – Pillars of Growth

Q3-14 outcome

Resulting in

Loan Growth

25% - 30%

24% Y-o-Y

CASA Growth

CASA % in 30's

CASA-32%

Fee Growth

Exceed Loan Growth

Core Fee Growth  
30%

Branch Growth

Double

13 New in Q3-14  
573 as on date

New Client Growth

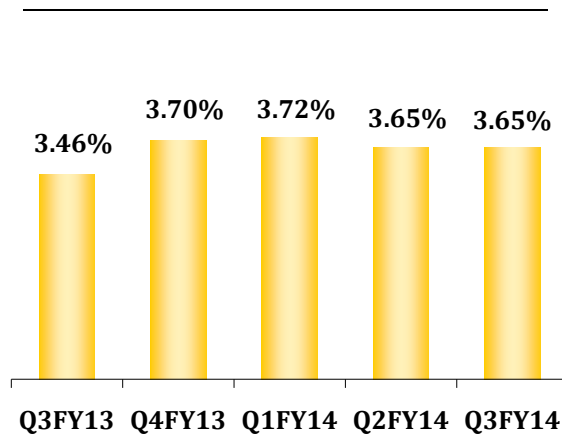
Double

Cust. Base ~ 4.5  
mn

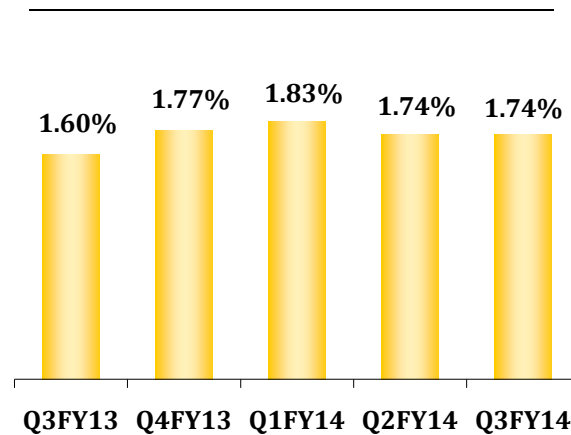


# How We Measure Up On Key Metrics

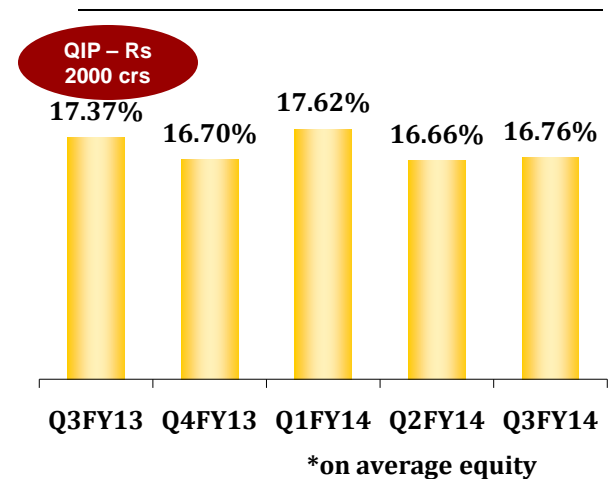
Net Interest Margin (NIM)



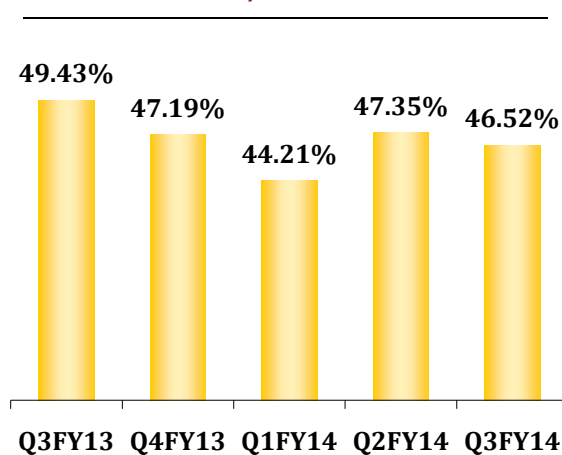
RoA



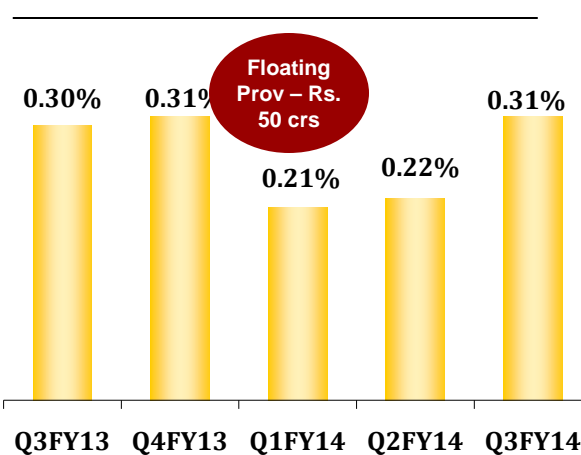
RoE\*



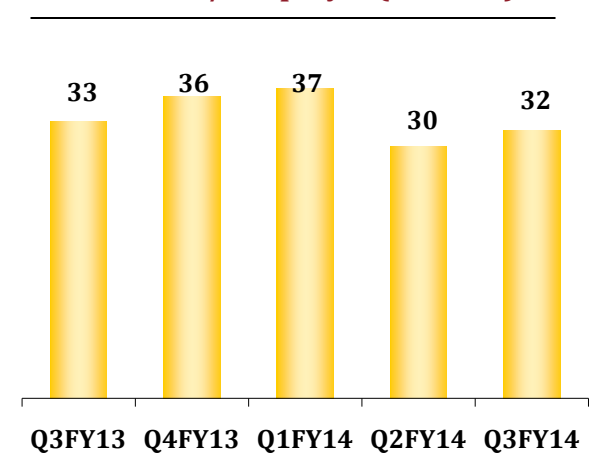
Cost /Income



Net NPA



Revenue / Employee(Rs. Lacs)

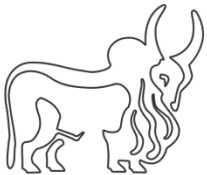


Consistent delivery of strong operating performance



# Ratings

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



# Financial Performance



# Steady Headline Numbers for Q3-FY14

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 730 crs	26%	4%
Other Income	Rs 480 crs	35%	15%
Core Fee Income	Rs 427 crs	30%	10%
Revenue	Rs 1,210 crs	30%	8%
Operating Profit	Rs 647 crs	37%	10%
Net Profit	Rs 347 crs	30%	5%



# Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 52,469 crs	24%	7%
Corporate Advances	Rs 27,829 crs	34%	12%
Consumer Finance Advances	Rs 24,640 crs	14%	2%
Deposits	Rs 56,247 crs	10%	6%
CASA	Rs 18,092 crs	23%	7%
SA	Rs 9,263 crs	50%	8%
Borrowings	Rs 14,771 crs	125%	6%





# Balance Sheet

(Rs crs)

	Q3FY14	Q3FY13	Y-o-Y (%)		Q2FY14	Q-o-Q (%)	
<b>Capital &amp; Liabilities</b>							
Capital	525	522	-	↑	524	-	↑
Reserves and Surplus	8,139	6,973	17%	↑	7,789	4%	↑
Deposits	56,247	51,098	10%	↑	53,058	6%	↑
Borrowings	14,771	6,567	125%	↑	13,995	6%	↑
Other Liabilities and Provisions	2,117	2,736	-23%	↓	2,056	3%	↑
<b>Total</b>	<b>81,799</b>	<b>67,896</b>	<b>20%</b>	<b>↑</b>	<b>77,422</b>	<b>6%</b>	<b>↑</b>
<b>Assets</b>							
Cash and Balances with RBI	3,100	2,845	9%	↑	2,879	8%	↑
Balances with Banks	2,447	2,631	-7%	↓	2,687	-9%	↓
Investments	20,134	17,594	14%	↑	19,413	4%	↑
Advances	52,469	42,426	24%	↑	48,968	7%	↑
Fixed Assets	809	731	10%	↑	779	4%	↑
Other Assets	2,840	1,669	70%	↑	2,696	5%	↑
<b>Total</b>	<b>81,799</b>	<b>67,896</b>	<b>20%</b>	<b>↑</b>	<b>77,422</b>	<b>6%</b>	<b>↑</b>
Business (Advances + Deposit)	1,08,716	93,524	16%	↑	1,02,026	7%	↑



# Profit and Loss Account

(Rs crs)

	Q3FY14	Q3FY13	Y-o-Y (%)	Q2FY14	Q-o-Q (%)
Net Interest Income	730.09	577.80	26% ↑	699.94	4% ↑
Other Income	480.27	355.80	35% ↑	416.73	15% ↑
<b>Total Income</b>	<b>1,210.36</b>	<b>933.60</b>	30% ↑	<b>1,116.67</b>	8% ↑
Operating Expenses	563.00	461.44	22% ↑	528.75	6% ↑
<b>Operating Profit</b>	<b>647.36</b>	<b>472.16</b>	37% ↑	<b>587.92</b>	10% ↑
Provisions & Contingencies	126.16*	78.68	60% ↑	88.86	40% ↑
<b>Profit before Tax</b>	<b>521.20</b>	<b>393.48</b>	32% ↑	<b>499.06</b>	4% ↑
Provision for Tax	174.30	126.21	38% ↑	168.83	3% ↑
<b>Profit after Tax</b>	<b>346.90</b>	<b>267.27</b>	30% ↑	<b>330.23</b>	5% ↑

\*Provided for Rs. 37.14 crs on AFS/HFT (ignored appreciation on AFS / HFT of Rs. 35.16 crs )

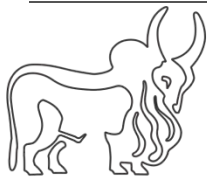


# Profit and Loss Account (9M)

(Rs crs)

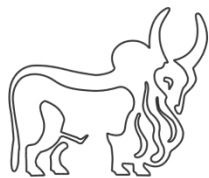
	9M-FY14	9M-FY13	Y-o-Y (%)	
Net Interest Income	2,109.50	1,571.63	34%	↑
Other Income	1,367.61	995.07	37%	↑
<b>Total Income</b>	<b>3,477.11</b>	<b>2,566.70</b>	35%	↑
Operating Expenses	1,600.23	1,270.69	26%	↑
<b>Operating Profit</b>	<b>1,876.88</b>	<b>1,296.01</b>	45%	↑
Provisions & Contingencies	347.08	181.25	91%	↑
<b>Profit before Tax</b>	<b>1,529.80</b>	<b>1,114.76</b>	37%	↑
Provision for Tax	517.83	360.98	43%	↑
<b>Profit after Tax</b>	<b>1,011.97</b>	<b>753.78</b>	34%	↑

\*Provided for Rs. 53.51 crs on AFS/HFT



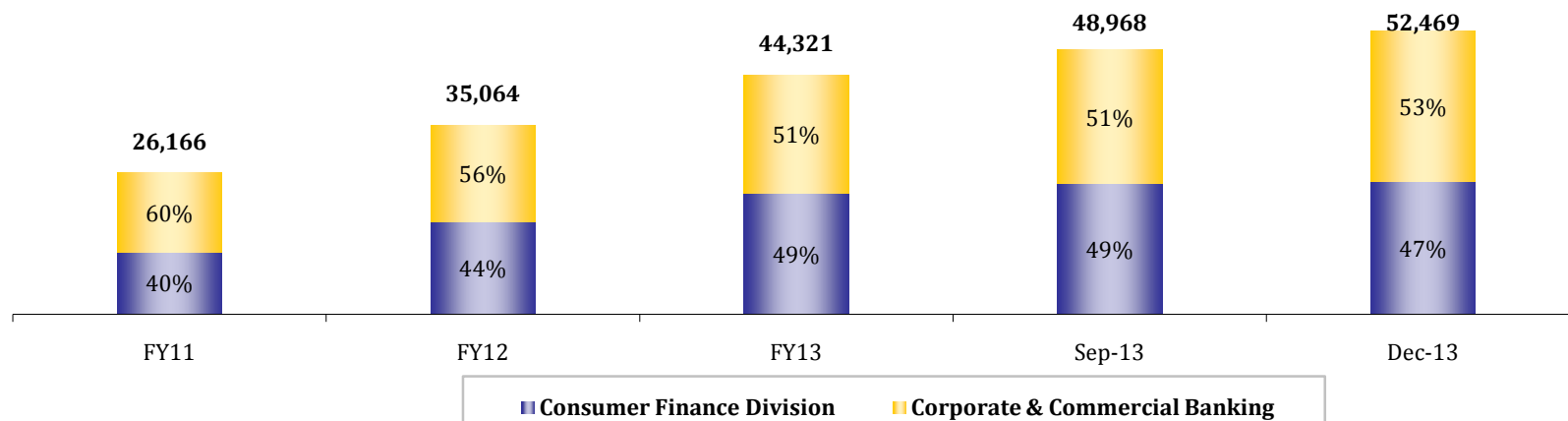
## Key Financial Indicators

	Q3FY14	Q3FY13	Q2FY14
Return on Assets	1.74%	1.60%	1.74%
ROE (On average equity)	16.76%	17.37%	16.66%
Cost / Income Ratio	46.52%	49.43%	47.35%
Net Interest Margin	3.65%	3.46%	3.65%
Net NPA	0.31%	0.30%	0.22%
EPS (annualized, Rs. per share)	26.48	22.04	25.20
Net Worth (Rs. in crs) excl Reval Reserve	8,454	7,282	8,103
Book Value (Rs. per share)	161.24	139.48	154.60



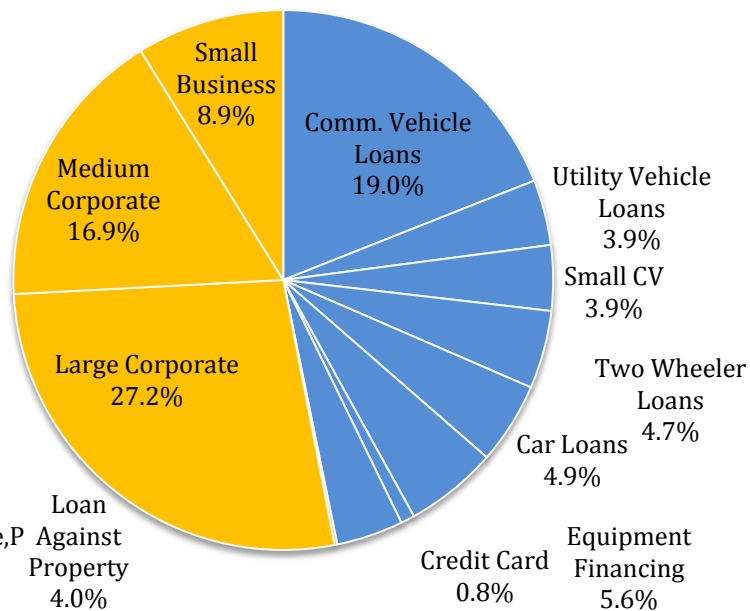
# Well Diversified Loan Book

Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Dec-13	
Large Corporates	14,275	27.2%
Mid size Corporates	8,904	16.9%
Small Corporates	4,650	8.9%
<b>Total Advances</b>	<b>27,829</b>	<b>53.0%</b>



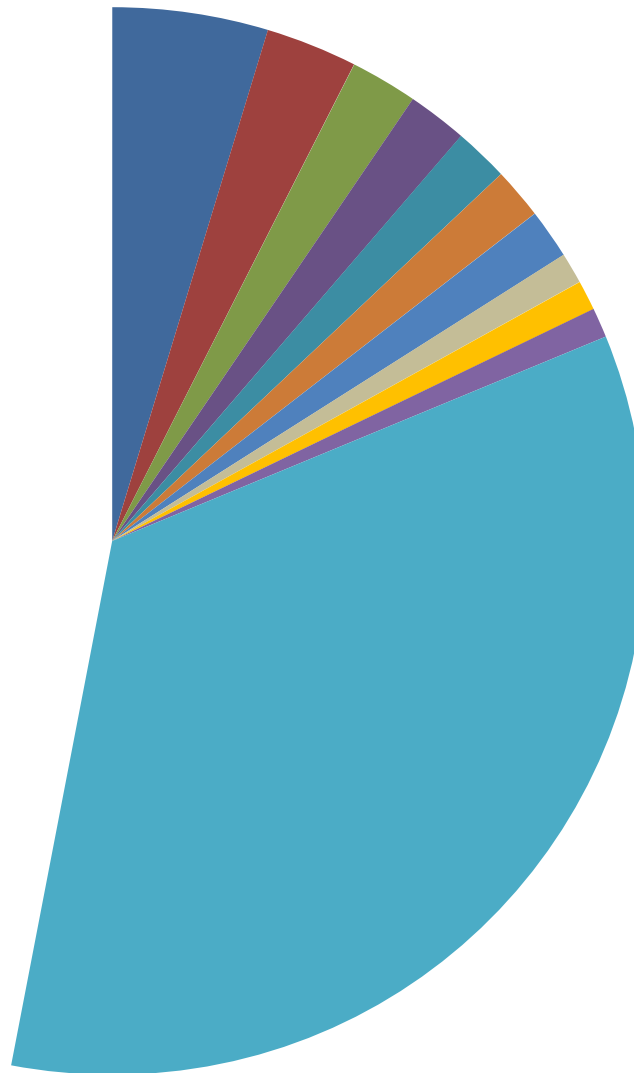
(Rs crs)

Consumer Finance	Dec-13	
Comm. Vehicle Loans	9,971	19.0%
Utility Vehicle Loans	2,060	3.9%
Small CV	2,052	3.9%
Two Wheeler Loans	2,454	4.7%
Car Loans	2,568	4.9%
Equipment Financing	2,913	5.6%
Credit Card	435	0.8%
Loan Against Property	2,100	4.0%
Home, PL, etc	87	0.2%
<b>Total Advances</b>	<b>24,640</b>	<b>47.0%</b>



# Diversified Corporate Loan Book

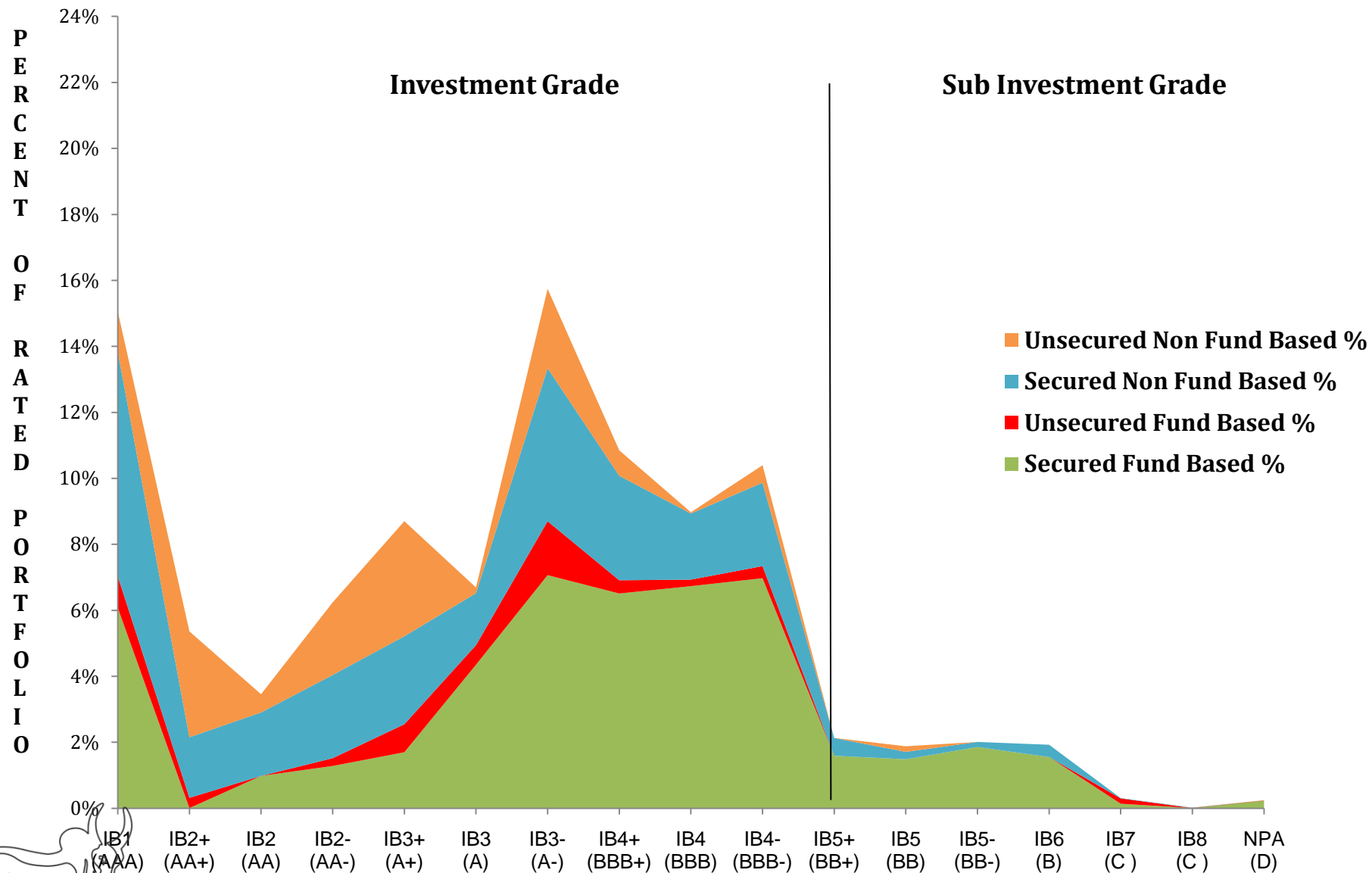
As on December 31, 2013



■ Lease Rental	4.71%
■ NBFCs (other than HFCs/HFIs)	2.77%
■ Power	2.03%
■ Constn related to infra.- EPC	1.81%
■ Gems and Jewellery	1.65%
■ Steel	1.56%
■ Real Estate Developer	1.49%
■ Paper	0.94%
■ Petroleum & Products	0.91%
■ Pharma	0.90%
■ Other Industry	34.28%



# Well Rated Corporate Portfolio

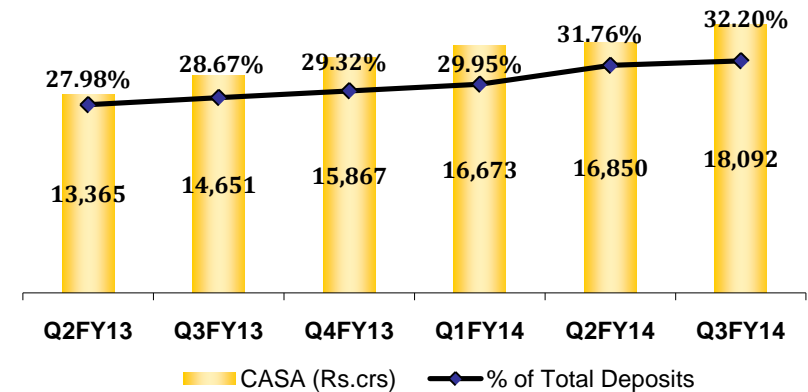


# Improving CASA profile

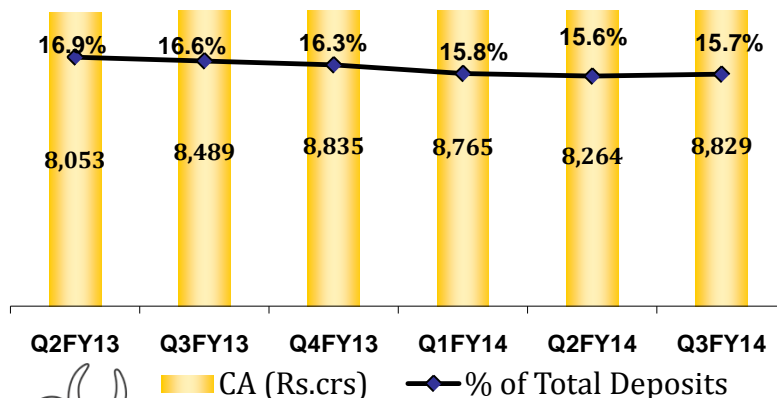
## Building CASA traction

- 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

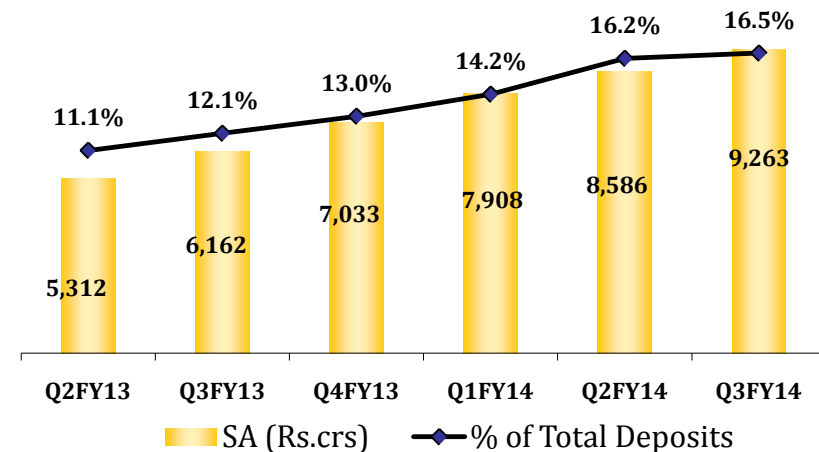
## CASA Uptick



## Current Account (CA)



## Savings Account (SA)





# Other Income

(Rs crs)

	Q3FY14	Q3FY13	Y-o-Y (%)	Q2FY14	Q-o-Q(%)
Core Fee	426.80	329.29	30% ↑	389.48	10% ↑
Securities/MM/FX Trading/Others	53.47	26.51	101% ↑	27.25	96% ↑
<b>Total</b>	<b>480.27</b>	<b>355.80</b>	<b>35% ↑</b>	<b>416.73</b>	<b>15% ↑</b>



## Diverse Revenues from Core Fee Income

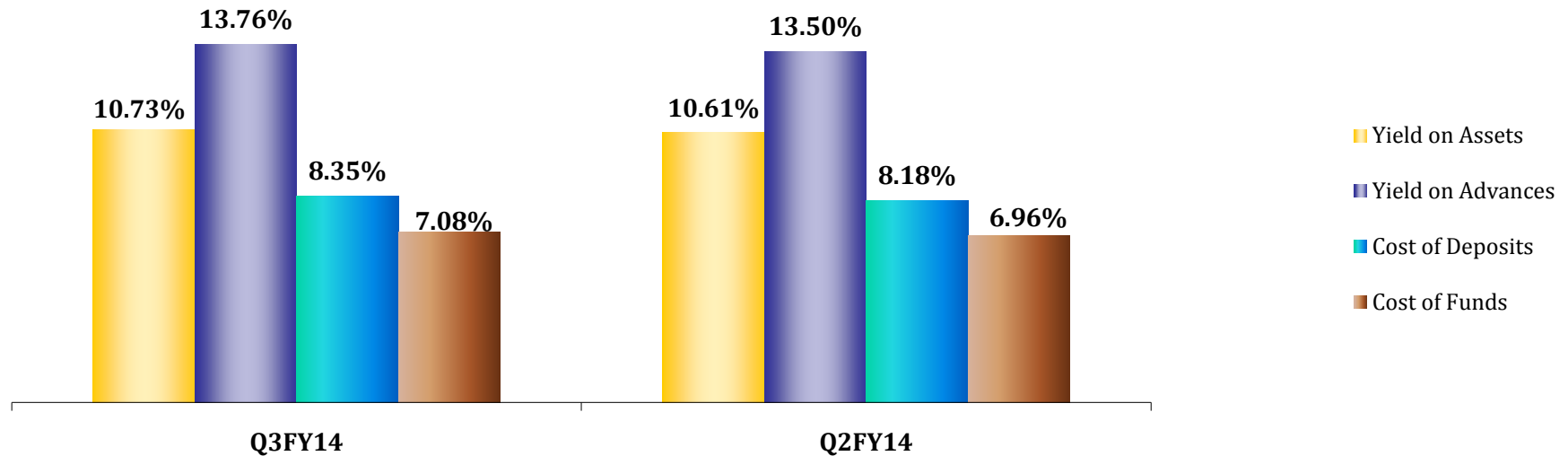
(Rs crs)

	Q3FY14	Q3FY13	Y-o-Y(%)	Q2FY14	Q-o-Q(%)
Trade and Remittances	55.50	43.37	28% ↑	50.03	11% ↑
Foreign Exchange Income	130.71	82.87	58% ↑	102.87	27% ↑
Distribution Fees (Insurance, MF, Cards)	69.62	68.06	2% ↑	67.69	3% ↑
General Banking Fees	34.77	33.38	4% ↑	34.11	2% ↑
Loan Processing fees	77.43	66.07	17% ↑	68.92	12% ↑
Investment Banking	58.77	35.54	65% ↑	65.86	-11% ↓
<b>Total Core Fee Income</b>	<b>426.80</b>	<b>329.29</b>	<b>30% ↑</b>	<b>389.48</b>	<b>10% ↑</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

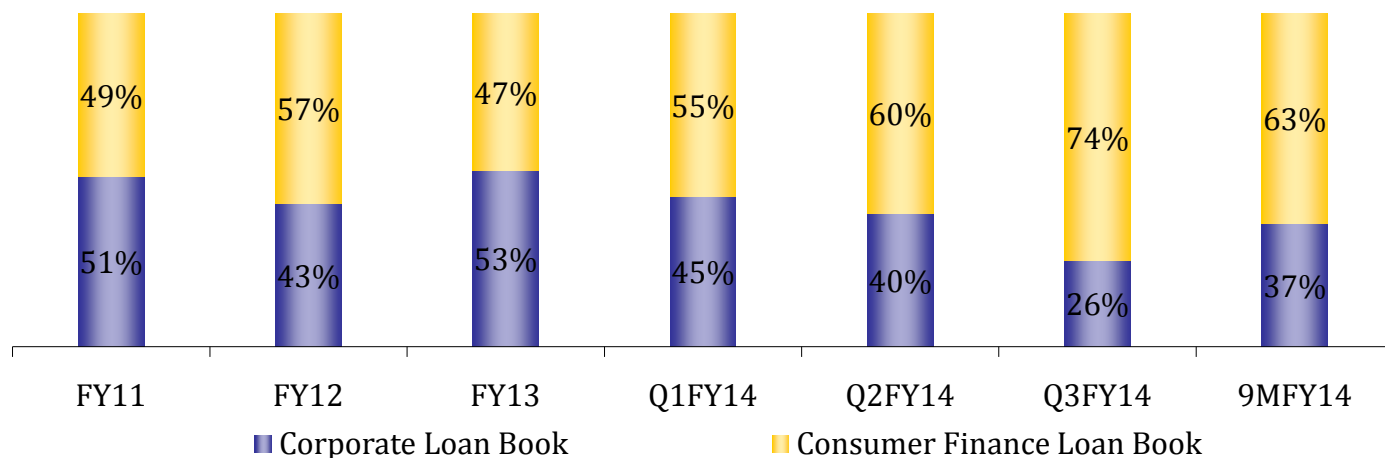
	Q3FY14		Q2FY14	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	27,829	11.89%	24,802	11.54%
Consumer Finance	24,640	15.63%	24,166	15.49%
<b>Total</b>	<b>52,469</b>	<b>13.76%</b>	<b>48,968</b>	<b>13.50%</b>



# Credit Cost

(Rs crs)

	FY11	FY12	FY13	Q1FY14	Q2FY14	Q3FY14	9MFY14
Corporate Bank	81.99	61.11	116.51	27.80	25.46	16.83	70.09
Consumer Finance	78.34	81.46	103.10	33.72	40.00	47.25	120.97
<b>Gross Credit Costs</b>	<b>160.33</b>	<b>142.57</b>	<b>219.61</b>	<b>61.52</b>	<b>65.46</b>	<b>64.08</b>	<b>191.06</b>
<b>Gross Credit Costs (Basis Points on Advances)</b>	<b>61</b>	<b>41</b>	<b>50</b>	<b>13</b>	<b>13</b>	<b>12</b>	<b>36</b>
<b>Net Credit Cost</b>	<b>139.38</b>	<b>133.12</b>	<b>204.81</b>	<b>43.91</b>	<b>63.46</b>	<b>61.02</b>	<b>168.39</b>
<b>Net Credit Costs (Basis Points on Advances)</b>	<b>53</b>	<b>38</b>	<b>46</b>	<b>9</b>	<b>13</b>	<b>12</b>	<b>32</b>
<b>PCR</b>	<b>73%</b>	<b>73%</b>	<b>70%</b>	<b>80%</b>	<b>80%</b>	<b>74%</b>	<b>74%</b>



# Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q3FY14			Q2FY14		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	270	276	546	223	282	505
Additions	55	129	184	47	92	139
Deductions	1	103	104	-	98	98
Gross NPA	324	302**	626	270	276**	546
Net NPA	101	114	165*	59	100	109*
% of Gross NPA	1.16%	1.22%	1.18%	1.08%	1.13%	1.11%
% of Net NPA	0.36%	0.46%	0.31%	0.24%	0.41%	0.22%
Provision Coverage Ratio (PCR)	68.99%	62.07%	73.65%	78.15%	63.77%	80.01%
Restructured Advances			0.31%			0.31%

\*Net off floating provision of Rs.50 crs

\*\* after sale to ARC Rs. 24 crs (Rs.25 crs)



# NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q3-FY14	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Cards	Total
Gross NPA	129	16	37	15	68	10	18	9	302
Net NPA	53	3	14	2	32	3	6	2	115
Gross NPA %	1.28%	0.76%	1.26%	0.72%	2.73%	0.40%	0.84%	1.95%	1.22%
Net NPA %	0.53%	0.15%	0.47%	0.10%	1.28%	0.12%	0.28%	0.49%	0.46%

Q2-FY14	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Cards	Total
Gross NPA	111	15	34	16	64	11	18	7	276
Net NPA	41	4	11	4	29	4	5	2	100
Gross NPA %	1.08%	0.76%	1.17%	0.75%	2.95%	0.44%	0.92%	1.85%	1.13%
Net NPA %	0.40%	0.20%	0.39%	0.17%	1.36%	0.15%	0.26%	0.46%	0.41%



	31 Dec 13	30 Sept.13
	Basel - III	Basel - III
<b>Risk Weighted Assets</b>		
- Credit Risk	55,173	52,260
- Market Risk	2,107	2,007
- Operational Risk	4,670	4,670
<b>- Total RWA</b>	<b>61,950</b>	<b>58,937</b>
Tier I Capital Funds	8,227	7,925
Tier II Capital Funds	683	671
<b>Total Capital Funds</b>	<b>8,910</b>	<b>8,596</b>
<b>CRAR</b>	<b>14.38%</b>	<b>14.58%</b>
Tier I	13.28%	13.45%
Tier II	1.10%	1.13%



# Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

## Strengthening Distribution Infrastructure

Particulars	FY12	FY13	June 30, 2013	Sept 30, 2013	Dec 31, 2013
Branch Network	400	500	530	560	573*
ATMs	692	882	1,003	1,025	1,055

\*includes 44 specialized branches



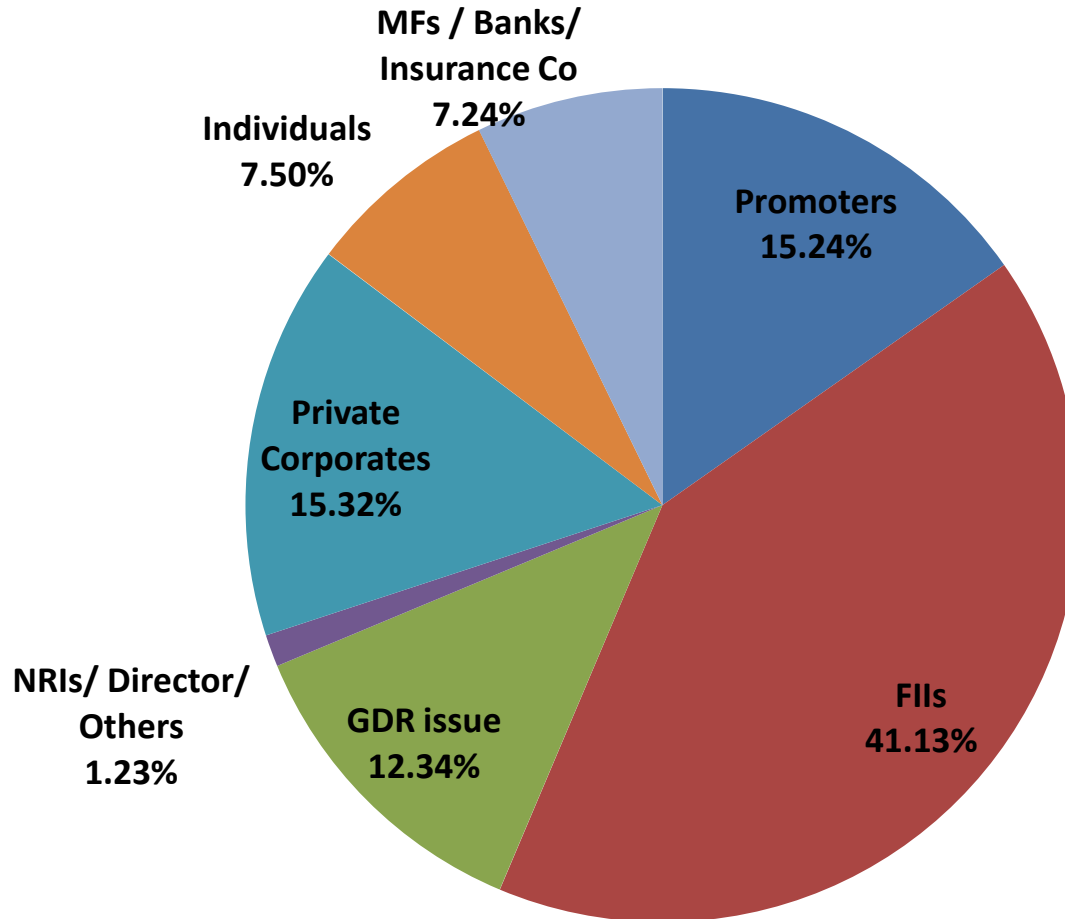
- Branch/Representative Office
- Strategic Alliance





# Shareholding Pattern

As on December 31, 2013



# Events and Awards



# Accolades



'Finnoviti 2013' innovation award to IndusInd Bank for My Account My Number.



'Financial Inclusion Payment Systems Award 2013' organized by Elets Technomedia.



## Accolades



'Best Initiative of the Year'- TACK India , Indus Pro at the Global World Congress held at Athens.



'Best Private Sector Bank - Priority Sector Lending' at Dun & Bradstreet - Polaris Financial Technology Banking Awards 2013.



# Accolades



‘Fastest Growing Mid-Size Bank’  
in Business World – PwC Best  
Bank Survey 2013.

‘Banker of the Year’ Mr. Romesh  
Sobti in Business World – PwC  
Best Bank Survey 2013.



‘Roll of Honour’- India’s Best CEOs  
by Business Today - PwC India  
Listing of India's top 100 CEOs.



# Accolades



The Sunday Standard  
'Best Bankers' Awards 2013 –  
Best Banker – Growth',  
Mid-Sized, IndusInd Bank.



'Best Bank Award for  
Customer Management and  
Business Intelligence Initiatives' -  
Among Small Banks 2012-13  
by IDRBT.



# Accolades



‘Mixed Media Category’ for “My Account My Number”, awarded by Paul Writers, at the Marketing Hall of Fame 2013.



**Thank you**





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