

IndusInd Bank

Investor Presentation

January 13, 2015

Q3 – FY15 Performance Highlights

- Key performance vectors remained stable
- Non-Interest Income to revenue remains healthy at 41% with Core Fee growth at 22%
- NIM slightly higher at 3.67%
- Credit growth above industry - 22% Y-o-Y and 7% Q-o-Q
- Stable Net NPA 0.32% and PCR 70%
- Credit cost higher at 17 bps for quarter
- Accelerated the pace of investment in branches - 125 branches opened during the year going on to 800 by year end



Planning Cycle 3: Pillars of Growth

Planning Cycle 3 (2014-17)

Q3-FY 15
Outcome

Loan Growth



25% - 30%

22%

CASA Growth



CASA > 35%

34%

Fee Growth
Core Fee Growth



Exceed Loan Growth

27%
22%

Branch Network



To Double from 602

727

Customer Base



To Double

On track

Resulting in



Planning Cycle 3:Key New Initiatives

Tractor Financing

**Targeting “S” of
SME**

Retail Trade / FX

**Retail Assets
Ramp Up**

Real Estate

**Innovative
Customer Offerings**

**Asset
Reconstruction**

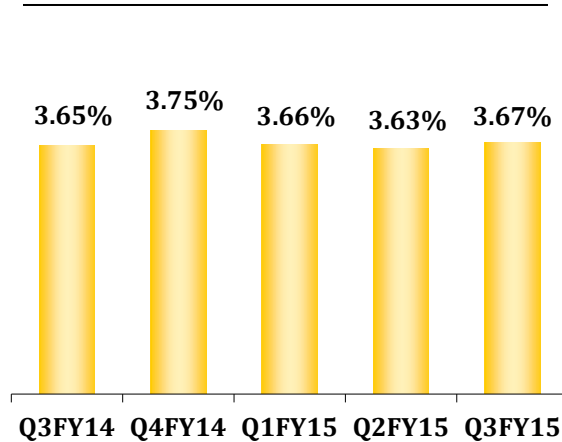
**Front and Back
Office optimization**

**Full suite of Rural
Products**

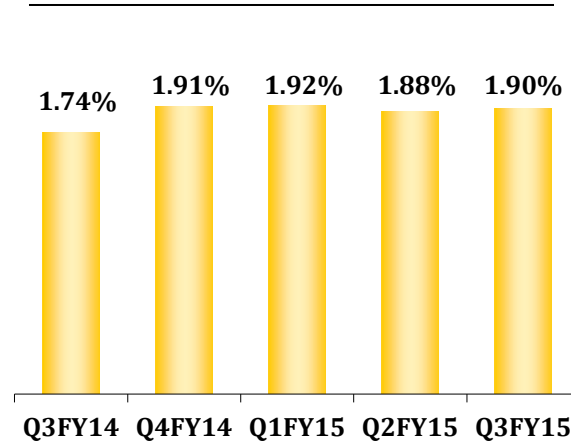


How We Measure Up On Key Metrics

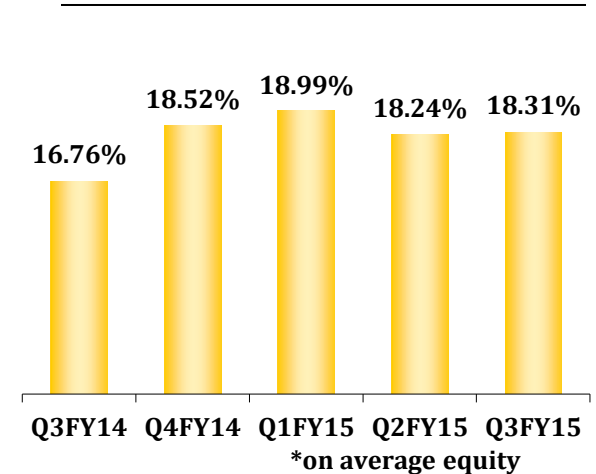
Net Interest Margin (NIM)



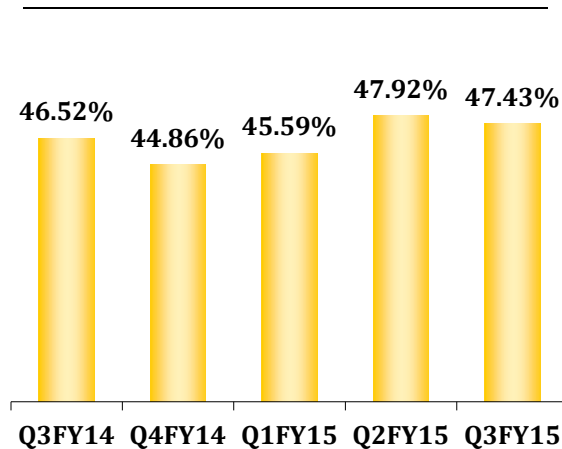
RoA



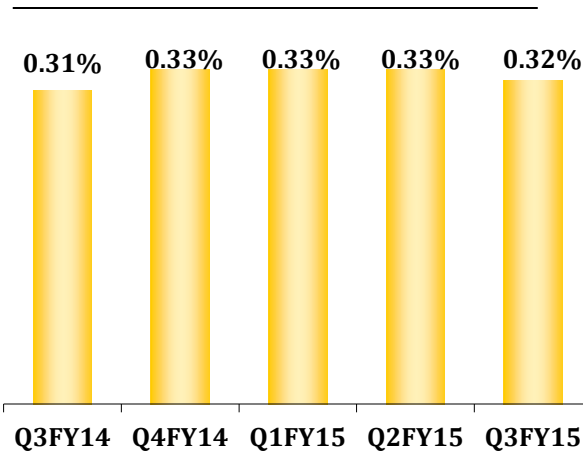
RoE*



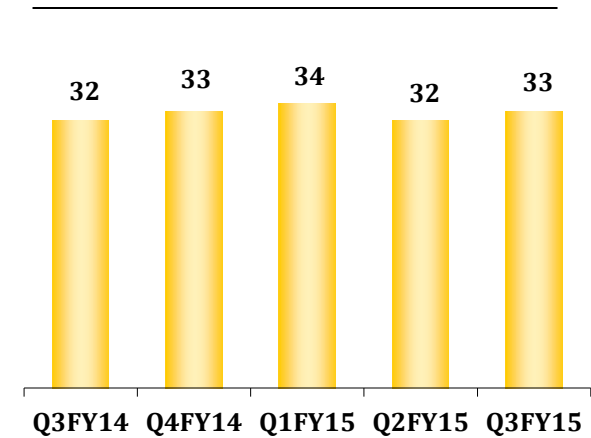
Cost /Income



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-FY15

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 861 crs	18%	3%
Other Income	Rs 611 crs	27%	9%
Core Fee Income	Rs 522 crs	22%	3%
Revenue	Rs 1,472 crs	22%	6%
Operating Profit	Rs 774 crs	20%	7%
Net Profit	Rs 447 crs	29%	4%



Steady Headline Numbers for 9M-FY15

Y-o-Y Growth

Net Interest Income	Rs 2,495 crs	18%
Other Income	Rs 1,745 crs	28%
Core Fee Income	Rs 1,518 crs	30%
Revenue	Rs 4,241 crs	22%
Operating Profit	Rs 2,248 crs	20%
Net Profit	Rs 1,298 crs	28%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 63,847 crs	22%	7%
Corporate Advances	Rs 36,836 crs	32%	8%
Consumer Finance Advances	Rs 27,011 crs	10%	4%
Deposits	Rs 69,376 crs	23%	5%
CASA	Rs 23,634 crs	31%	6%
SA	Rs 12,183 crs	32%	7%
Borrowings	Rs 16,752 crs	13%	26%



Balance Sheet

(Rs Crs)

	Q3FY15	Q3FY14	Y-o-Y (%)		Q2FY15	Q-o-Q (%)	
Capital & Liabilities							
Capital	529	525	1%	↑	529	-	↑
Reserves and Surplus	9,861	8,139	21%	↑	9,404	5%	↑
Deposits	69,376	56,247	23%	↑	65,996	5%	↑
Borrowings	16,752	14,771	13%	↑	13,319	26%	↑
Other Liabilities and Provisions	3,489	2,117	65%	↑	3,042	15%	↑
Total	1,00,007	81,799	22%	↑	92,290	8%	↑
Assets							
Cash and Balances with RBI	3,533	3,100	14%	↑	3,321	6%	↑
Balances with Banks	4,891	2,447	100%	↑	3,760	30%	↑
Investments	23,158	20,134	15%	↑	21,461	8%	↑
Advances	63,847	52,469	22%	↑	59,931	7%	↑
Fixed Assets	1,119	809	38%	↑	1,087	3%	↑
Other Assets	3,459	2,840	22%	↑	2,730	27%	↑
Total	1,00,007	81,799	22%	↑	92,290	8%	↑
Business (Advances + Deposit)	1,33,223	1,08,716	23%	↑	1,25,927	6%	↑



Profit and Loss Account

(Rs Crs)

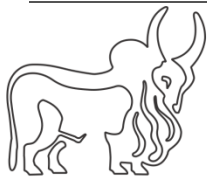
	Q3FY15	Q3FY14	Y-o-Y (%)	Q2FY15	Q-o-Q (%)
Net Interest Income	861.37	730.09	18% ↑	833.11	3% ↑
Other Income	610.75	480.27	27% ↑	558.27	9% ↑
Total Income	1,472.12	1,210.36	22% ↑	1,391.38	6% ↑
Operating Expenses	698.28	563.00	24% ↑	666.71	5% ↑
Operating Profit	773.84	647.36	20% ↑	724.67	7% ↑
Provisions & Contingencies	98.01	126.16	-22% ↓	73.20	34% ↑
Profit before Tax	675.83	521.20	30% ↑	651.47	4% ↑
Provision for Tax	228.64	174.30	31% ↑	221.27	3% ↑
Profit after Tax	447.19	346.90	29% ↑	430.20	4% ↑



Profit and Loss Account (9M)

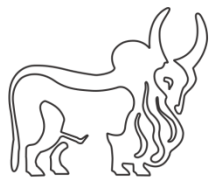
(Rs Crs)

	9M-FY15	9M-FY14	Y-o-Y (%)	
Net Interest Income	2,495.14	2,109.50	18%	↑
Other Income	1,745.39	1,367.62	28%	↑
Total Income	4,240.53	3,477.12	22%	↑
Operating Expenses	1,992.82	1,600.23	25%	↑
Operating Profit	2,247.71	1,876.89	20%	↑
Provisions & Contingencies	281.61	347.08	-19%	↓
Profit before Tax	1,966.10	1,529.81	29%	↑
Provision for Tax	667.65	517.83	29%	↑
Profit after Tax	1,298.45	1,011.98	28%	↑



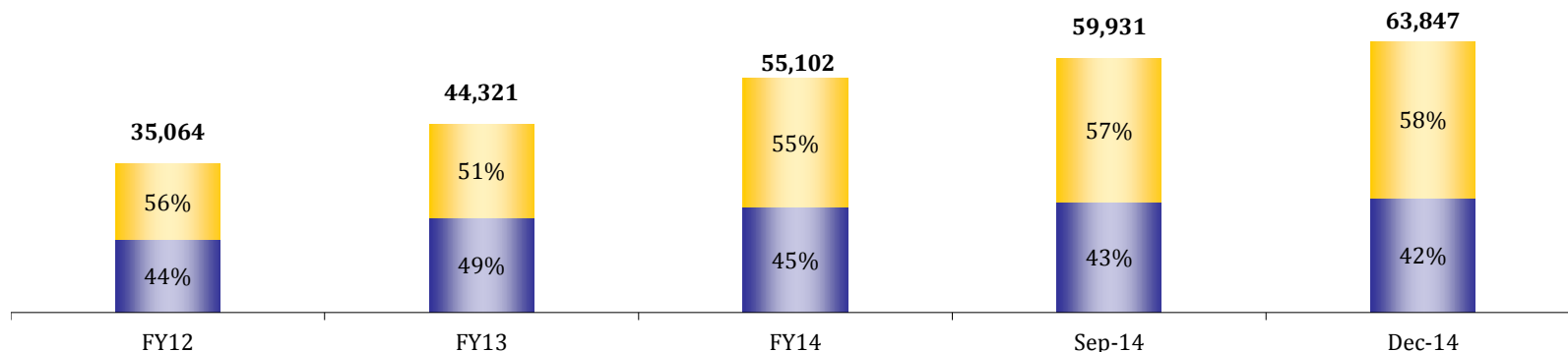
Key Financial Indicators

	Q3FY15	Q3FY14	Q2FY15
Return on Assets	1.90%	1.74%	1.88%
ROE (On average equity)	18.31%	16.76%	18.24%
Cost / Income Ratio	47.43%	46.52%	47.92%
Net Interest Margin	3.67%	3.65%	3.63%
Net NPA	0.32%	0.31%	0.33%
EPS (annualized, Rs. per share)	33.84	26.48	32.64
Net Worth (Rs. in crs) excl Reval Reserve	9,998	8,454	9,538
Book Value (Rs. per share)	189.17	161.24	180.62



Well Diversified Loan Book

Loan Book (Rs crs)



■ Consumer Finance Division ■ Corporate & Commercial Banking

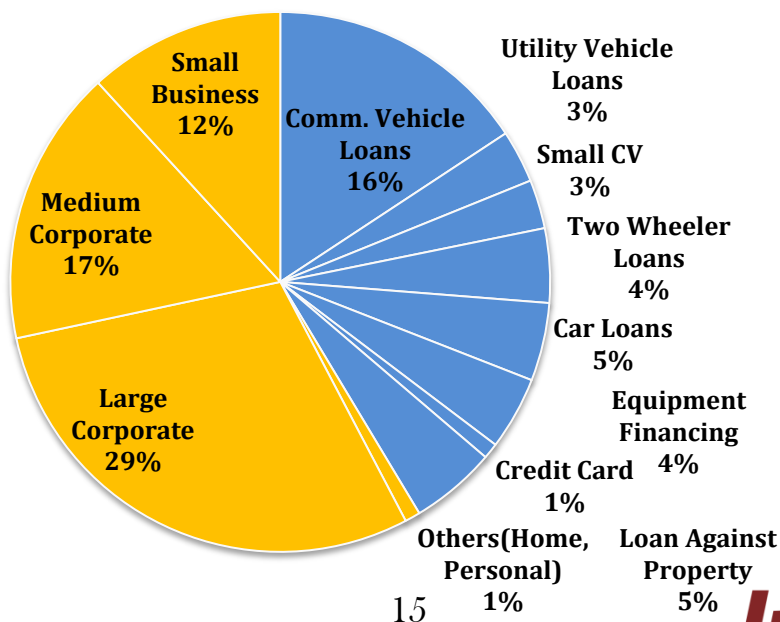
(Rs crs)

Corporate Banking	Dec-14	
Large Corporates	18,732	29%
Mid size Corporates	10,576	17%
Small Corporates*	7,528	12%
Total Advances	36,836	58%

* Business Banking (Consumer Bank)
Rs.4,199 crs

(Rs crs)

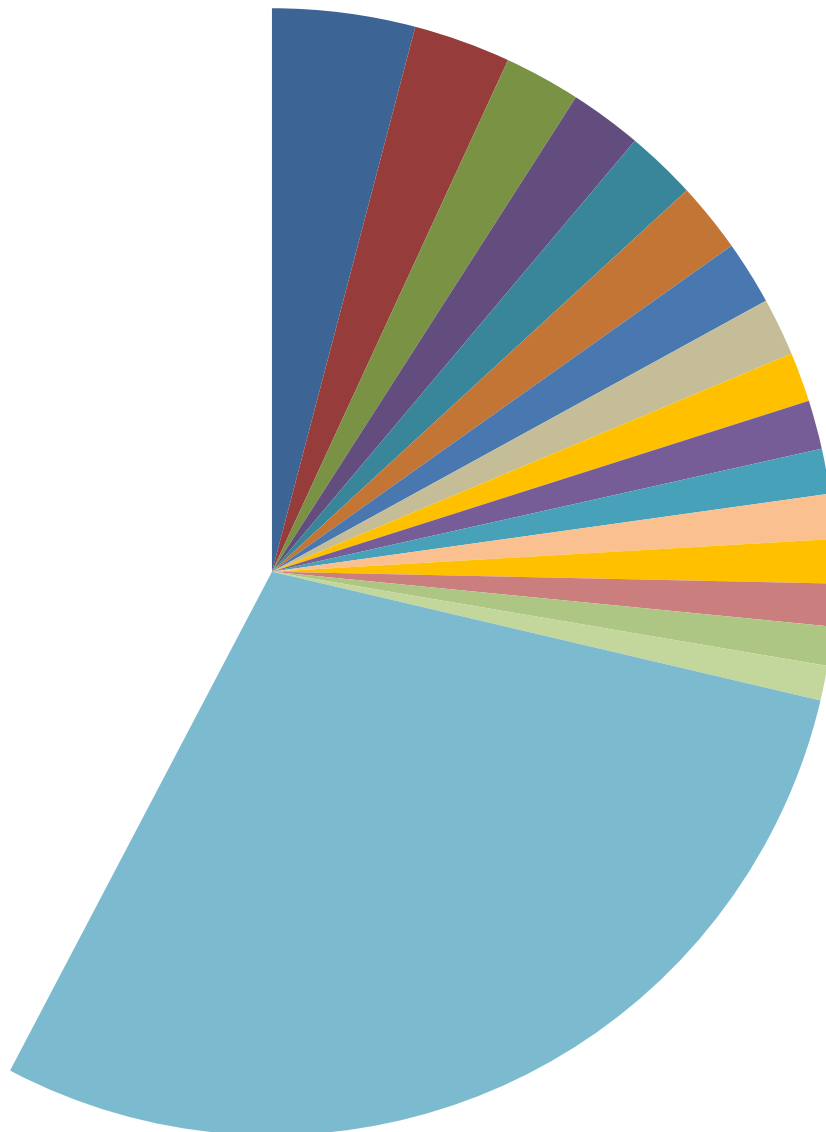
Consumer Finance	Dec-14	
Comm. Vehicle Loans	10,043	16%
Utility Vehicle Loans	2,013	3%
Small CV	1,867	3%
Two Wheeler Loans	2,838	4%
Car Loans	2,988	5%
Equipment Financing	2,797	4%
Credit Card	598	1%
Loan Against Property	3,313	5%
Bus. Loan, PL, GL, HL etc	554	1%
Total Advances	27,011	42%



IndusInd Bank



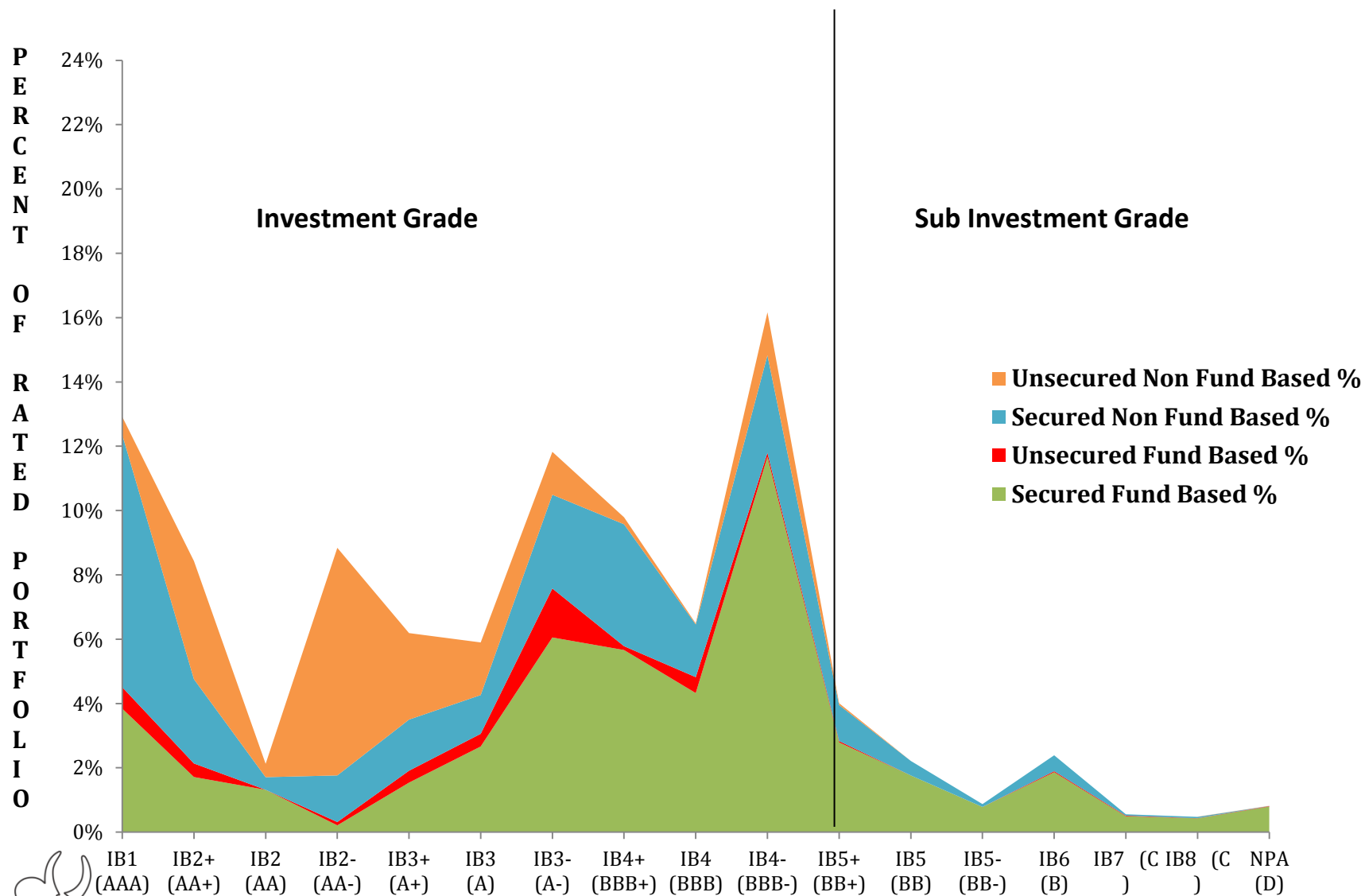
Diversified Corporate Loan Book



Lease Rental	4.09%
Real Estate Developer	2.79%
Telecom- Cellular	2.19%
Gems and Jewellery	2.07%
NBFCs (other than HFCs) /NBFC-MFI	2.03%
Food Beverages and Food processing	2.01%
Housing Finance Companies	1.83%
Media,Entertainment & Advt	1.66%
Power Generation	1.42%
Steel	1.40%
Constn related to infra.- EPC	1.29%
Food Credit	1.29%
Contract Construction-Civil	1.26%
Services	1.22%
Rubber & Rubber Products	1.12%
Paper	1.00%
Other Industry	29.02%



Well Rated Corporate Portfolio

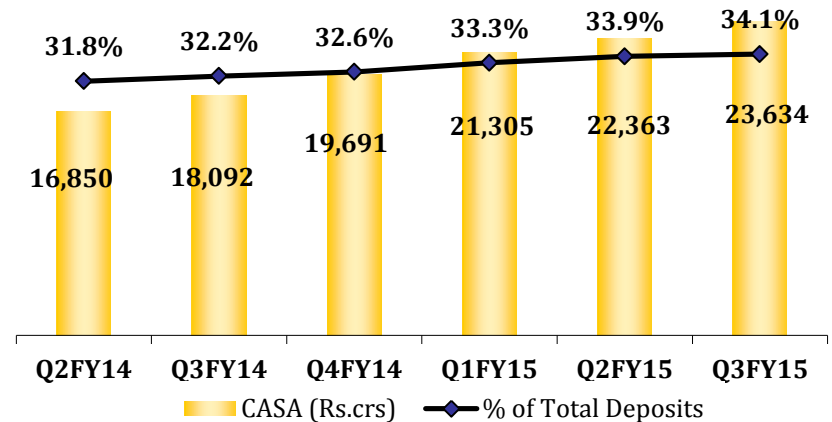


Improving CASA profile

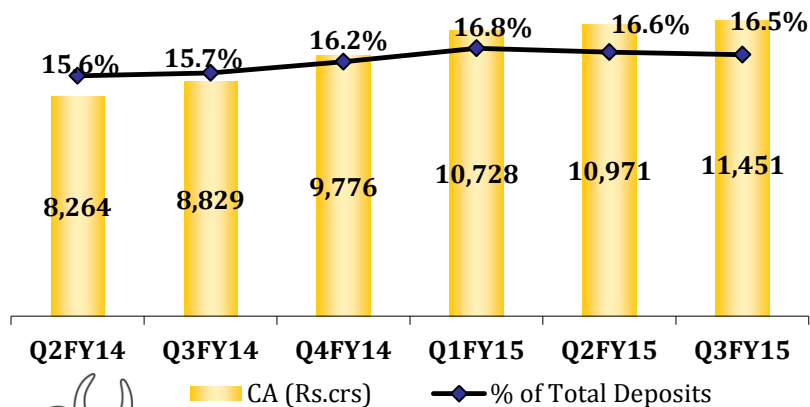
Building CASA traction

- Expanding Branch Network
- Market and Client segmentation
- Transaction Banking initiatives in Corporate and Consumer
- Focus on target customer segments including :
 - Self employed and emerging corporate businesses
 - Debt and Equity Capital Markets
 - Government & PSU transaction flows
- Differentiated service propositions

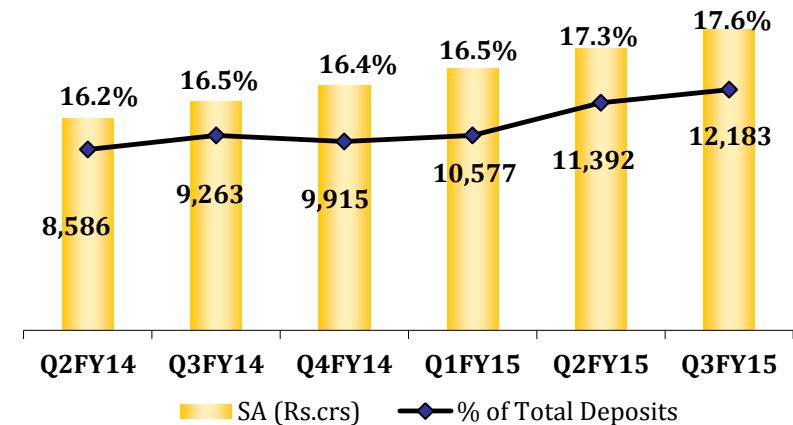
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs Crs)

	Q3FY15	Q3FY14	Y-o-Y (%)	Q2FY15	Q-o-Q (%)
Core Fee	522.27	426.80	22% ↑	509.30	3% ↑
Securities/MM/FX Trading/Others	88.48	53.47	65% ↑	48.97	81% ↑
Total	610.75	480.27	27% ↑	558.27	9% ↑



Diverse Revenues from Core Fee Income

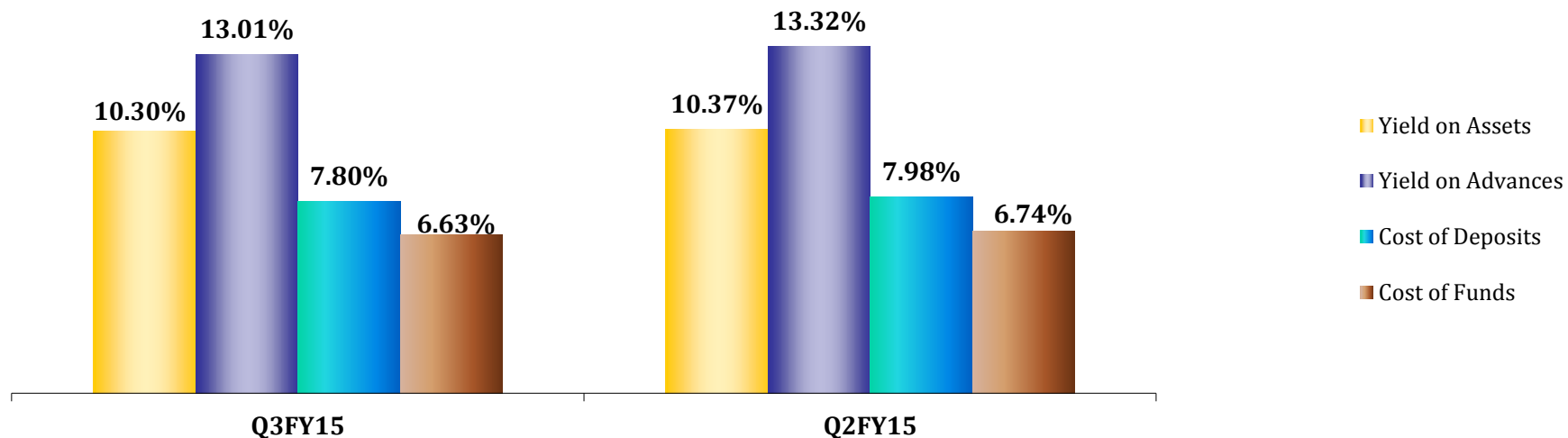
(Rs Crs)

	Q3FY15	Q3FY14	Y-o-Y(%)	Q2FY15	Q-o-Q(%)
Trade and Remittances	62.35	55.50	12% ↑	61.53	1% ↑
Foreign Exchange Income	168.78	130.71	29% ↑	139.37	21% ↑
Distribution Fees (Insurance, MF, Cards)	97.95	69.62	41% ↑	84.66	16% ↑
General Banking Fees	42.42	34.77	22% ↑	40.84	4% ↑
Loan Processing fees	91.36	77.43	18% ↑	90.11	1% ↑
Investment Banking	59.41	58.77	1% ↑	92.79	(36%) ↓
Total Core Fee Income	522.27	426.80	22% ↑	509.30	3% ↑

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

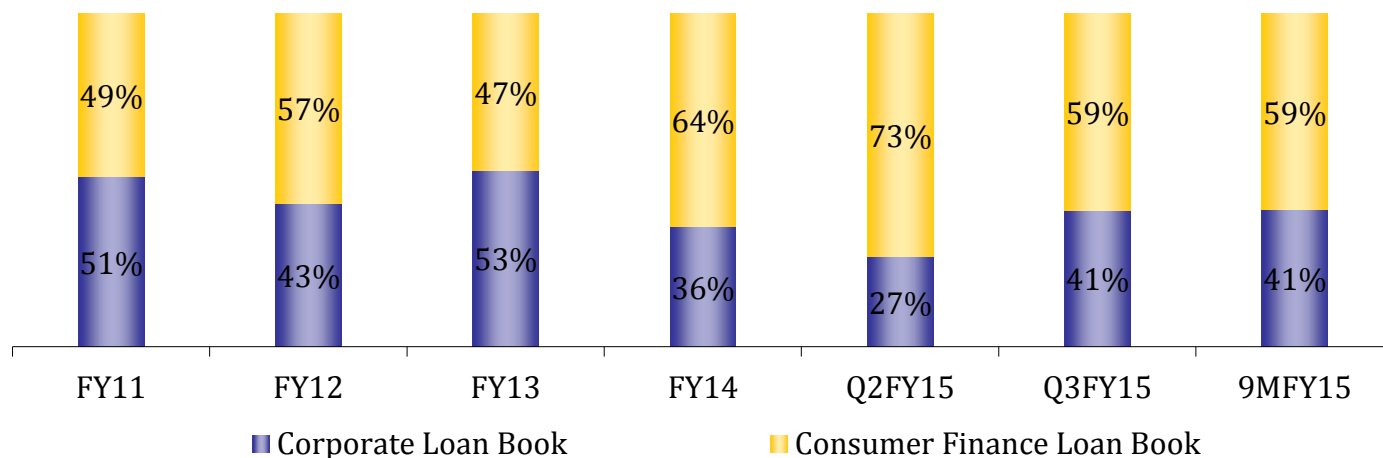
	Q3FY15		Q2FY15	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	36,836	10.93%	33,967	11.33%
Consumer Finance	27,011	15.82%	25,964	15.77%
Total	63,847	13.01%	59,931	13.32%



Credit Cost

(Rs crs)

	FY11	FY12	FY13	FY14	Q2FY15	Q3FY15	9MFY15
Corporate Bank	81.99	61.11	116.51	93.70	16.12	48.91	103.52
Consumer Finance	78.34	81.46	103.10	169.97	44.56	56.77	148.04
Gross Credit Costs	160.33	142.57	219.61	263.67	60.68	105.68	251.56
Gross Credit Costs (Basis Points on Advances)	61	41	50	48	10	17	39
Net Credit Cost	139.38	133.12	204.81	227.94	57.51	99.28	238.71
Net Credit Costs (Basis Points on Advances)	53	38	46	41	10	16	37
PCR	73%	73%	70%	70%	70%	70%	70%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q3FY15			Q2FY15		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	337	318	655**	337	318	655**
Additions	21	140	161	3	110	113
Deductions	18	125	143	3	110	113
Gross NPA	340	333	673**	337	318	655**
Net NPA			202*			195*
% of Gross NPA			1.05%			1.08%
% of Net NPA			0.32%			0.33%
Provision Coverage Ratio (PCR)			70.04%			70.21%
Restructured Advances			0.55%			0.52%

* Net off floating provision of Rs. 50 crs

**After sale to ARC Rs.25 crs (Rs. 17 crs)



NPA Composition – Consumer Finance

(Rs crs)

Q3-FY15	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	146	20	46	17	68	14	12	9	332
Net NPA	59	5	25	3	27	4	6	6	135
Gross NPA %	1.44%	0.97%	1.64%	0.90%	2.36%	0.48%	0.32%	1.53%	1.22%
Net NPA %	0.59%	0.28%	0.88%	0.14%	0.94%	0.13%	0.15%	1.10%	0.50%

Q2-FY15	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	146	15	45	14	66	11	12	8	317
Net NPA	60	2	22	1	28	2	7	5	127
Gross NPA %	1.50%	0.77%	1.59%	0.74%	2.42%	0.38%	0.30%	1.53%	1.19%
Net NPA %	0.62%	0.12%	0.79%	0.02%	1.02%	0.06%	0.19%	1.02%	0.48%



	31 Dec 14	30 Sept 14
	Basel – III	Basel – III
Risk Weighted Assets		
- Credit Risk, CVA and UFCE	74,764	68,843
- Market Risk	3,798	2,787
- Operational Risk	6,131	6,131
- Total RWA	84,693	77,761
Tier I Capital Funds	9,746	9,355
Tier II Capital Funds	750	723
Total Capital Funds	10,496	10,078
CRAR	12.39%	12.96%
Tier I	11.51%	12.03%
Tier II	0.88%	0.93%

CVA – Credit Valuation Adjustment

UFCE – Unhedged Foreign Currency Exposure – Additional RWA



Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

Strengthening Distribution Infrastructure

Particulars	FY14	June 30, 2014	Sept 30, 2014	Dec 31, 2014
Branch Network	602	638	685	727*
ATMs	1,110	1,238	1,277	1,350

*includes 44 specialized branches

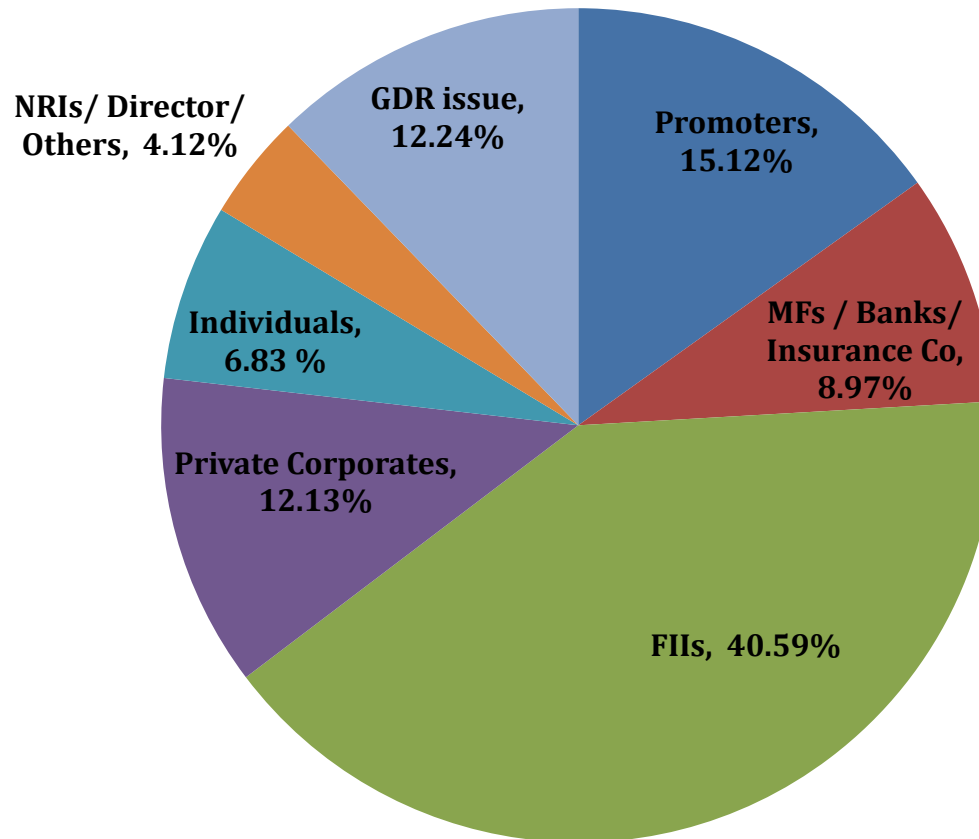


- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

December 31, 2014



Accolades



IndusInd Bank

Accolades



Mr. Romesh Sobti, Managing Director & CEO was adjudged as the “Banker of the Year” by Business Standard



IndusInd Bank was awarded Best Mid-size Bank and Fastest Growing Mid- size Bank

Business World – PwC Best Bank Survey 2014



Accolades



Project 'IndusInd Bank Partnership Program' declared as Winner for Financial Inclusion and Payment Systems (FIPS) Awards 2014.



IndusInd Bank was awarded the “Top Performer” in Active Accounts (Rising DPs) by National Securities Depository Limited (NSDL)



Accolades



IndusInd Bank has been ranked 19th in the Top 50 Most Valuable Indian Brand 2014 as per the BrandZ Top 50 Ranking powered by WPP Plc and Millward Brown



IndusInd Bank has been ranked 39th in the Best Indian Brands 2014 as per the Economic Times and Interbrand Best Indian Brand Study



Accolades



ACI Universal Payment ACI Excellence Award 2014 - Operational Excellence.

The award is for Bank's ATM features namely Cash on Mobile, PIN reset on IVR and Stop cheque on ATMs



Talisma Insight "Excellence in Innovation" award for the implementation of "Always On" technology from Microsoft that helped building high availability and DR for Talisma application.



Accolades



“Best Bank Award for Managing IT Risk” among the small banks category (classification based on business as on 31st March 2013) by the Institute for Development and Research in Banking Technology IDRBT.



The Bank has been awarded as Winner for Excellent Performance in National Automated Clearing House (NACH) under midsize bank category.



CSR Accolades



Top CSR Advocates in Asia at Asia Corporate Excellence & Sustainability Awards 2014, Singapore



Best Rural Outreach Award at Asian Sustainability Leadership Awards 2014, Dubai



CSR Accolades



Special Commendation at
Golden Peacock Award for
Sustainability 2014, London



Best CSR excellence in category
protecting the environment by
CSR Awards-We Care – Amity
Chandigarh



Thank you



Disclaimer

This presentation has been prepared by IndusInd Bank Limited (the “Bank”) solely for information purposes, without regard to any specific objectives, financial situations or informational needs of any particular person. All information contained has been prepared solely by the Bank. No information contained herein has been independently verified by anyone else. This presentation may not be copied, distributed, redistributed or disseminated, directly or indirectly, in any manner.

This presentation does not constitute an offer or invitation, directly or indirectly, to purchase or subscribe for any securities of the Bank by any person in any jurisdiction, including India and the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. Any person placing reliance on the information contained in this presentation or any other communication by the Bank does so at his or her own risk and the Bank shall not be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained herein.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Further, past performance is not necessarily indicative of future results.

This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank’s business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Except as otherwise noted, all of the information contained herein is indicative and is based on management information, current plans and estimates in the form as it has been disclosed in this presentation. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.

This presentation is not intended to be an offer document or a prospectus under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or any other applicable law.

Figures for the previous period / year have been regrouped wherever necessary to conform to the current period’s / year’s presentation. Total in some columns / rows may not agree due to rounding off.

Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.

