

IndusInd Bank



August 2010

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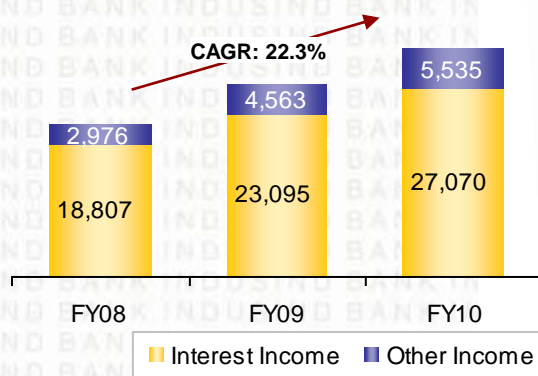
Overview

A New Private Sector Bank

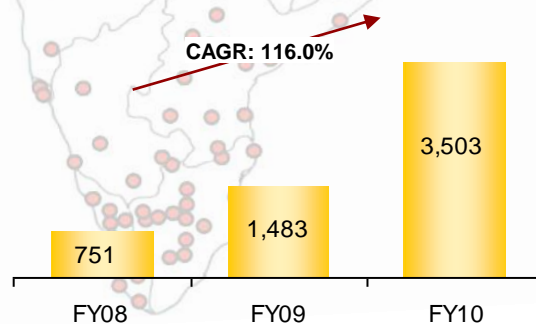
Overview

- Incorporated in 1994
- Widespread & loyal customer base of ~ 2.1 million as at June 30, 2010
- Pan India presence through a network of 224 branches, 514 marketing outlets, 533 ATMs, representative offices in Dubai and London and strategic alliances in UAE and Qatar as at June 30, 2010; further regulatory clearances for 113 new branches are in place
- Amongst the largest financiers of Vehicles; Presence in this segment in India for last 25 years
- Expertise in Commercial and Small Business Sectors and Cross Border Remittances
- Strong Enterprise-wide Risk Management (EWRM) framework and a robust technology platform
- Total Assets of Rs 355 billion (US\$ 7.6 billion) as at June 30, 2010
- CRAR at 13.7% as at June 30, 2010

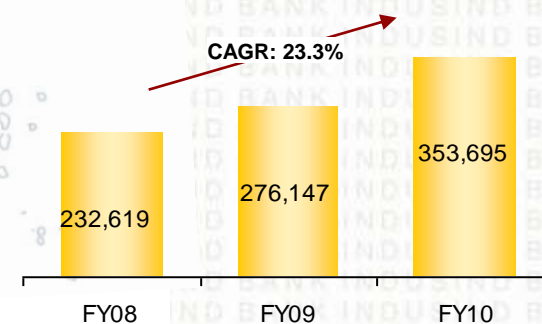
Income (Rs Mn)



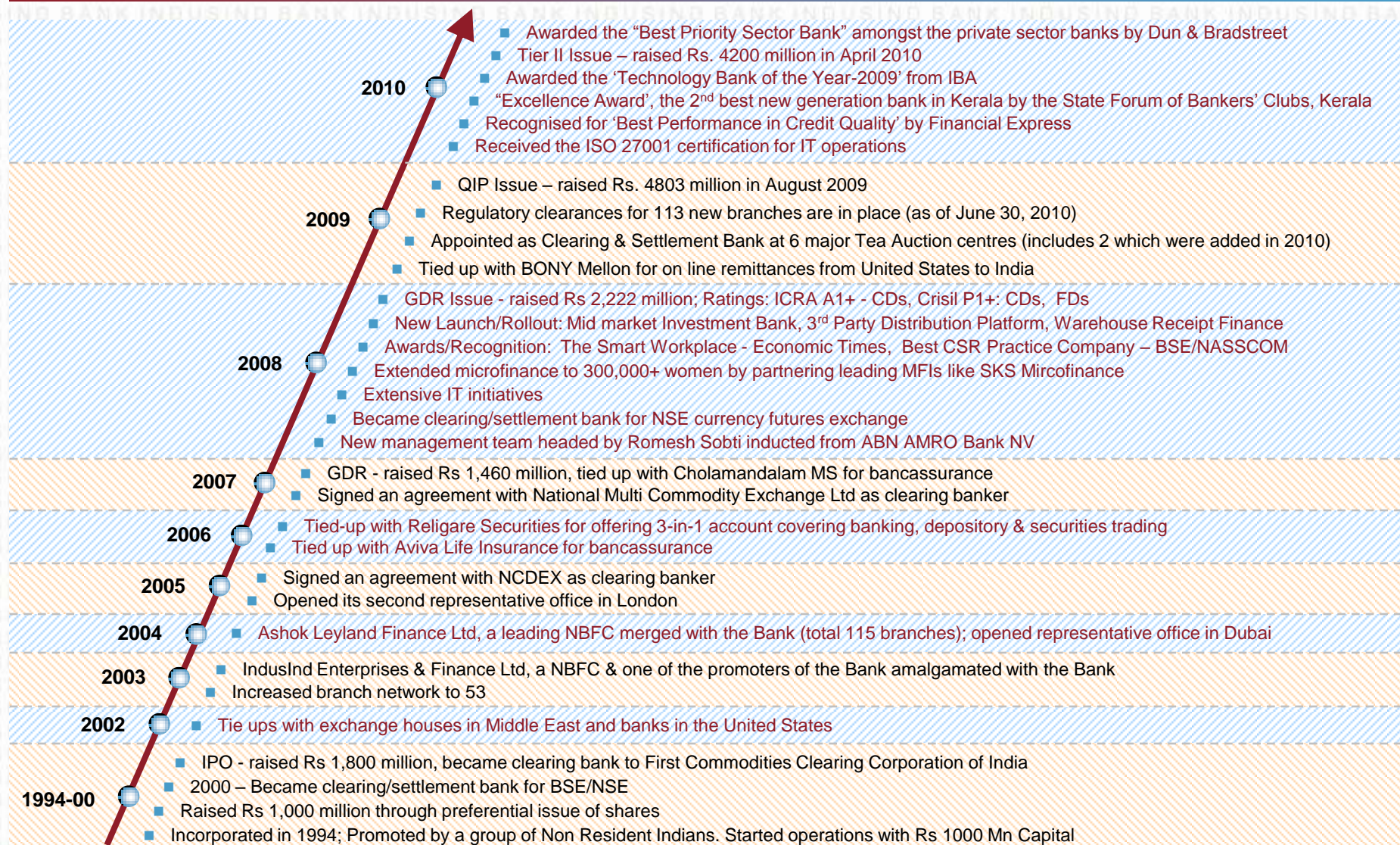
Net Profit (Rs Mn)



Total Assets (Rs Mn)



With over 16 years of Operating History



Distinguished Board

Name	Designation	Occupation
Mr. R. Seshasayee	Chairman	■ Managing Director of Ashok Leyland Ltd.
Mr. Romesh Sobti	Whole-time Director	■ Managing Director & CEO
Mr. T. Anantha Narayanan	Independent, Non-executive	■ Retired as Executive Director (Finance) of Ashok Leyland Ltd.
Dr. T.T. Ram Mohan	Independent, Non-executive	■ Professor – Finance & Accounting, IIM Ahmedabad
Mr. Premchand Godha	Independent, Non-executive	■ Industrialist
Mr. Ajay Hinduja	Non-executive	■ Industrialist ■ Director, Hinduja Group India Limited, a promoter company
Mr. S.C. Tripathi	Independent, Non-executive	■ Retired as Secretary, Ministry of Petroleum and Natural Gas
Mr. Ashok Kini	Independent, Non-executive	■ Retired as Managing Director of State Bank of India
Mr. R. Sundararaman	Independent, Non-executive	■ Retired as Dy. Managing Director of State Bank of India
Mr. Y.M. Kale	Alternate Director to Mr. Ajay Hinduja	■ Service

Ensuring transparency with all stakeholders

New Execution-focused Management

Management Team	Designation	Previous Assignments
Romesh Sobti	<i>Managing Director & CEO</i>	<ul style="list-style-type: none"> Executive Vice President – Country Executive, India and Head, UAE & Sub-continent at ABN AMRO bank N.V. Has been associated with ANZ Grindlays Bank plc & State Bank of India in his 33 year career
Paul Abraham	<i>Chief Operating Officer</i>	<ul style="list-style-type: none"> MD of ABN AMRO Central Enterprise Services COO of ABN AMRO Bank in India
Sumant Kathpalia	<i>Head - Consumer Banking</i>	<ul style="list-style-type: none"> Head - Consumer Banking, ABN AMRO Bank India
Suhail Chander	<i>Head - Corporate & Commercial Banking</i>	<ul style="list-style-type: none"> Head - Consumer & Commercial Banking, ABN AMRO Malaysia & Singapore
KS Sridhar	<i>Chief Risk Officer</i>	<ul style="list-style-type: none"> Senior Vice President and Country Risk Officer, ABN AMRO India
J Moses Harding	<i>Head - Global Markets Group</i>	<ul style="list-style-type: none"> Head - Treasury, International & Capital Markets since 2003 at IndusInd Prior positions at State Bank & Centurion Bank
SV Parthasarathy	<i>Head - Consumer Finance</i>	<ul style="list-style-type: none"> Executive Director, Ashok Leyland Finance
Ramesh Ganesan	<i>Head - Transaction Banking</i>	<ul style="list-style-type: none"> Executive Director, ABN AMRO India
SV Zaregaonkar	<i>Chief Financial Officer & Head - Investor Relations</i>	<ul style="list-style-type: none"> Joined IndusInd in 1995 as Head Operations Prior positions at Dena Bank
Suresh N Pai	<i>Head – Commercial and Corporate Services</i>	<ul style="list-style-type: none"> Joined IndusInd in 1996 Prior positions at Corporation Bank
Zubin Mody	<i>Head - Human Resources</i>	<ul style="list-style-type: none"> HR head, ICICI Lombard
Sanjeev Anand	<i>Head - Commercial Banking</i>	<ul style="list-style-type: none"> Head, Commercial Banking, ABN Amro, India



Planning Cycle I: 2008-11

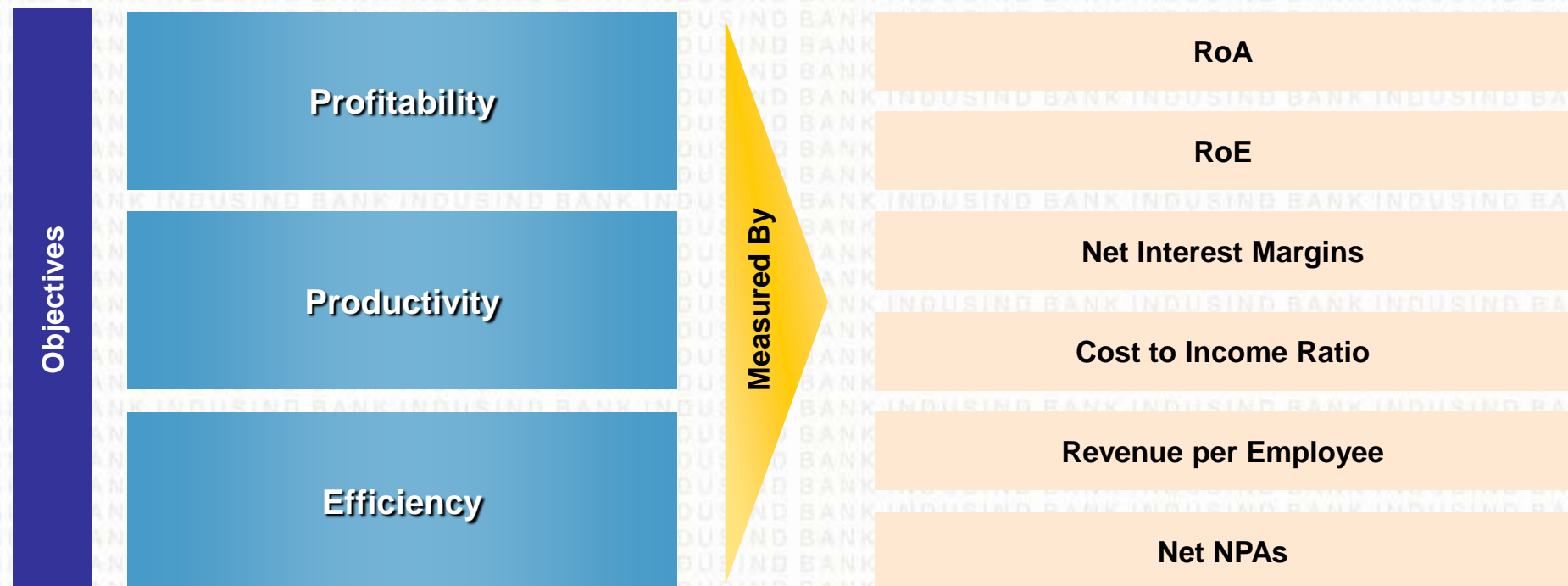
Themes for Planning Cycle: 2008-11

- Mission & Measurable Targets
- Business Segments reorganized
- Focus on Productivity, Profitability & Efficiency
- New Products & Services to ensure strong customer proposition
- Expand Network / Footprint
- Image Makeover / Build the Brand
- Invest in Technology & Process

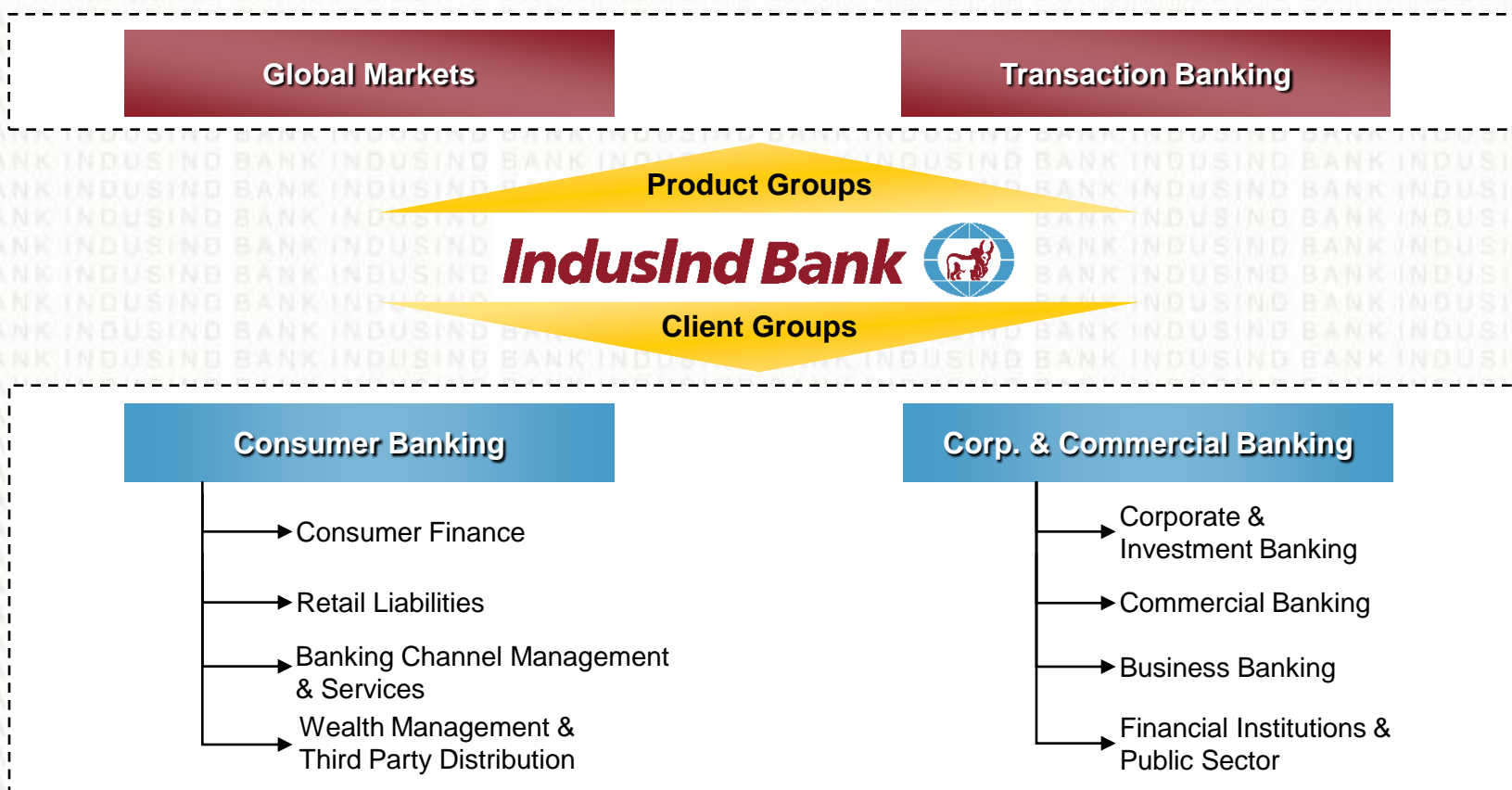
Stated Ambition with Measurable Targets

Mission Statement

To position IndusInd Bank as a Top 3 performer in the new private sector bank space in 3 years

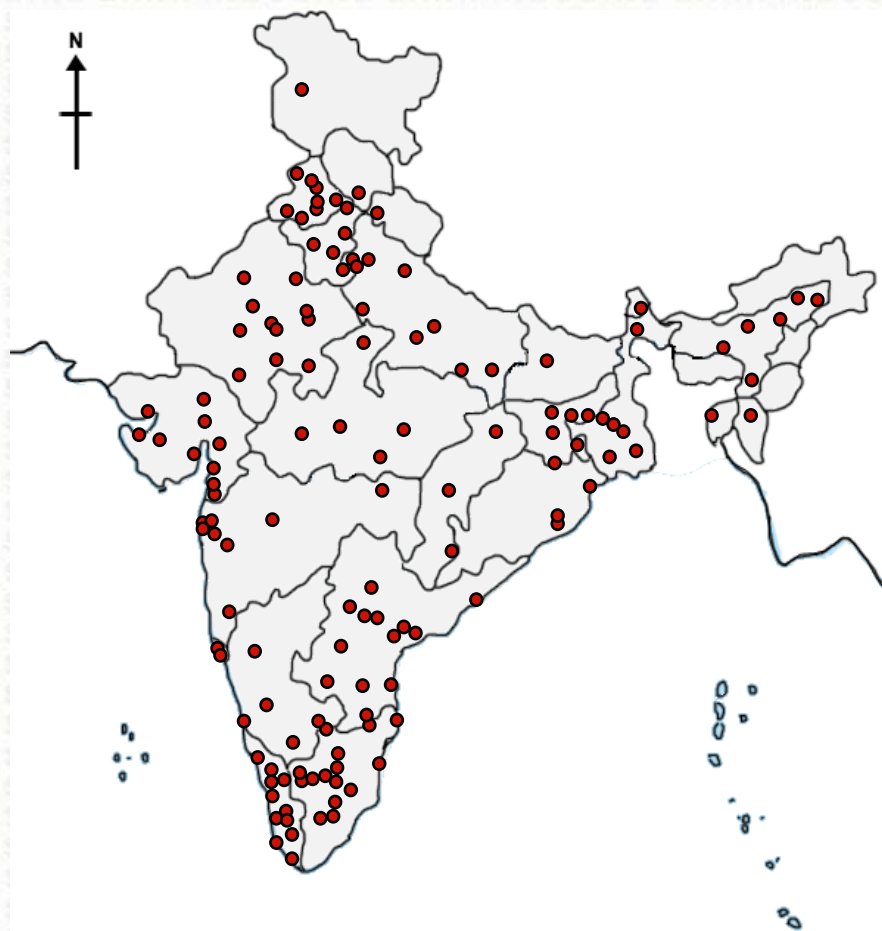


Business Units



- Reorganized business into client based units and product groups that work across client groups with the objective to enhance focus and customer orientation and service levels; also restructured geographical structure, regional offices and branch structure
- Various initiatives undertaken within each business segment to enhance customer acquisition and visibility

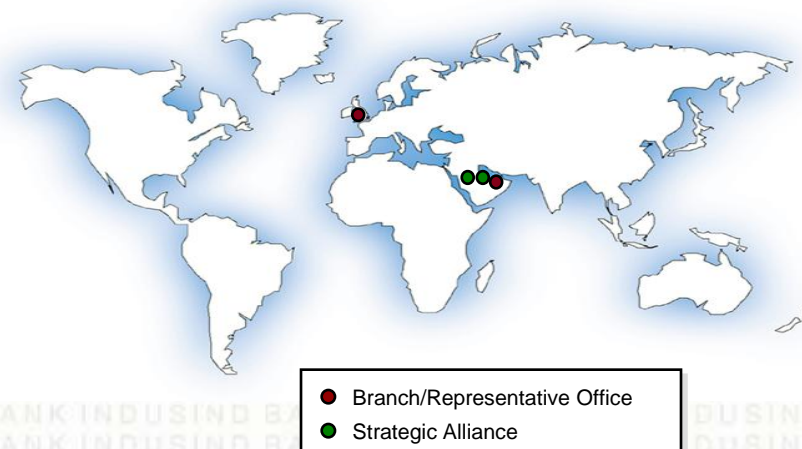
Distribution Expansion to Drive Growth



Strengthening Distribution infrastructure

As at, end	FY08	FY09	FY10	Q1FY11
Branch Network	180	180	210	224
ATMs	336	356	497	533
Marketing Outlets	410	410	499	514

Regulatory clearances for 113 new branches are in place

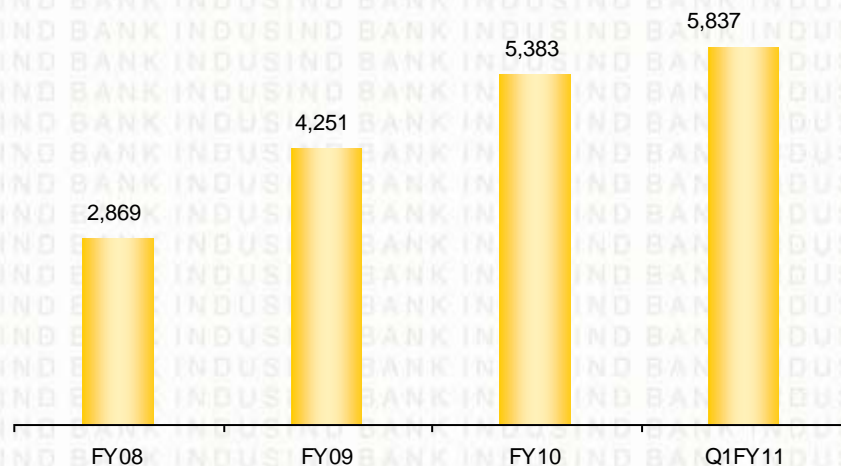


● Branch/Representative Office
● Strategic Alliance

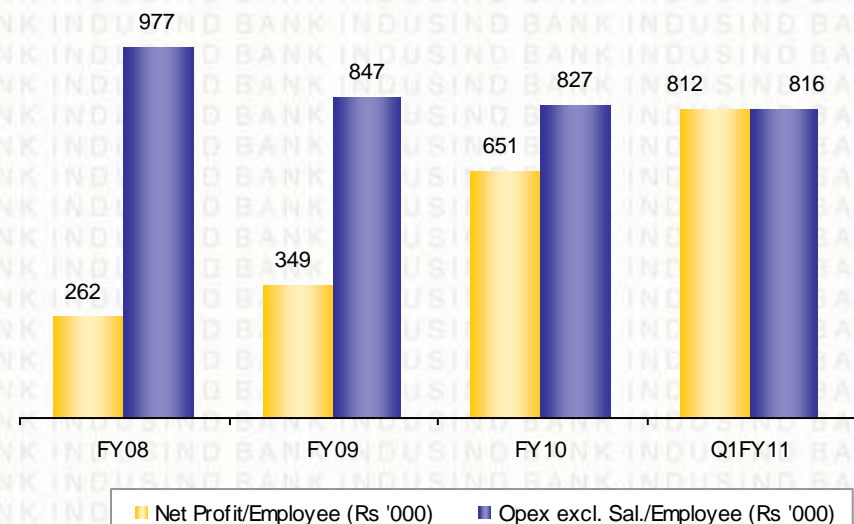
Build up of Competent Workforce to Steer Growth

- Ramped up work force (specially client-facing) to match business expansion initiatives
- Pool drawn from peer banks and foreign banks
- Variable pay structure introduced in line with industry practices

No. of Employees on Period / Year End



Increasing Net Profits and Decreasing Operating Expenditure per Employee



Revamped Risk Organisation



Continuous Process Improvement

Centralization / Standardization Initiatives

- Launched a front end Branch Banking platform
- Image based work flow solution for consumer and trade finance transaction processing
- Image based work flow solution for branch expense processing
- Centralised procurement; locally delivered at branches
- 2 CPUs at Mumbai and Chennai
- ATM management outsourced to a specialist vendor
- Electronic Customer Request / Complaint handling
- Sales Force Automation for RM and FOS
- Strategic procurement in partnership with WIPRO and e-auctions
- Revamp and upgrade National IT Com backbone and Info Security Architecture

Electronic Banking – New platforms to engage Clients

- Indus Net
 - Internet based banking services portal for retail clients
 - 347,000 registered customers
 - Diverse services; on-line account status view
- Indus Online / Indus Direct
 - Internet based banking portal for corporate clients
 - Secure, robust technology
 - Wide suite of transaction processing capability
 - 231 registered users; txn volume Rs.28.66 billion Q1 FY 11
- Clearing and Settlement Platform for Commodities; Tea Auction Settlement Systems at 6 Tea Exchanges
- Supply Chain Portal

Sustainable Environment – Green Banking

- Ethos of a “responsible corporate citizen” permeates entire bank; changes in Attitudes, Behaviour, Spaces and Policy
- Implementation of solar powered ATMs; plans to replicate in 100 ATMs during FY11
- Thin client computing, server virtualisation
- Eco friendly paper, double sided printing, e-waste management, power and water conservation
- Retrofitting cars to Compressed Natural Gas

e-Engagement with Internal Clients

- Web portal / service desk for all IT procurement requests, regular branch requirements, service and maintenance requests
- Human Resources Information System; a comprehensive portal to engage with employees; attendance, leave, goal setting and performance management
- E-Learning portal for employees

New Initiatives

- RET Retail Remote Trading for FX
- Upgrade of Trade Platform
- Replacing Core Banking Solution

Recognition for our Performance

Awards & Recognition

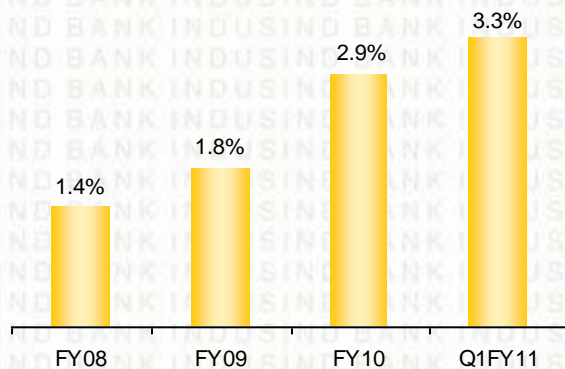
- Awarded the “Best Priority Sector Bank” amongst the private sector banks by Dun & Bradstreet
- Received the ‘Technology Bank of the Year-2009’ award from the Indian Banks’ Association (IBA)
- The State Forum of Bankers’ Clubs, Kerala, bestowed on the Bank the ‘Excellence Award’, as the second best new generation bank in Kerala
- Recognised for ‘Best Performance in Credit Quality’ by Financial Express
- Received the ISO 27001 certification for IT operations which conform to the Information Management System Standard - ISO/IEC 27001

Ratings

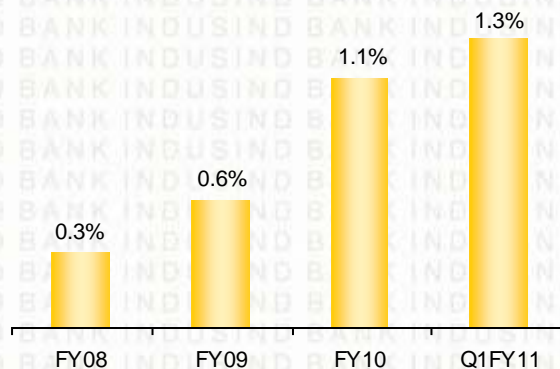
- P1+ rating for certificate of deposit program by CRISIL
- Rating of ‘LAA-’ for Lower Tier II subordinate debt program and ‘LA+’ for Upper Tier II bond program by ICRA
- Rating of ‘AA-’ for Lower Tier II subordinate debt program by CARE
- Rating of ‘A+(ind)’ for Lower Tier II subordinate debt program and ‘A-(ind)’ for Upper Tier II bond program by Fitch Ratings

How we Measure Up on Key Metrics

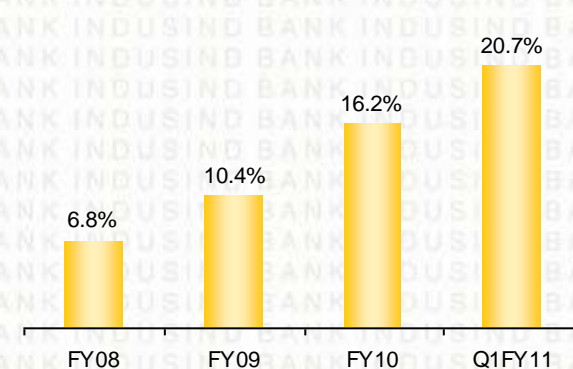
Net Interest Margin (NIM)



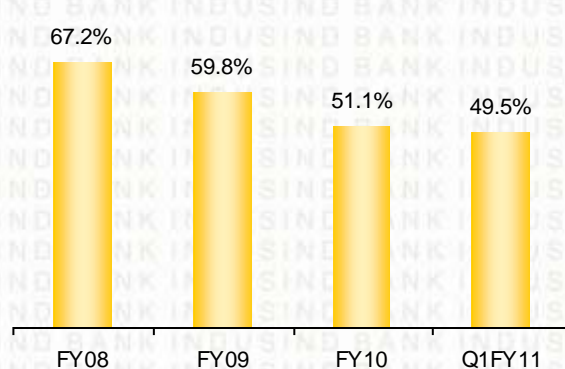
RoA



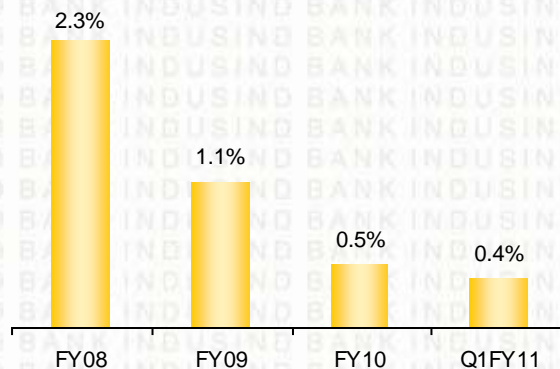
RoE



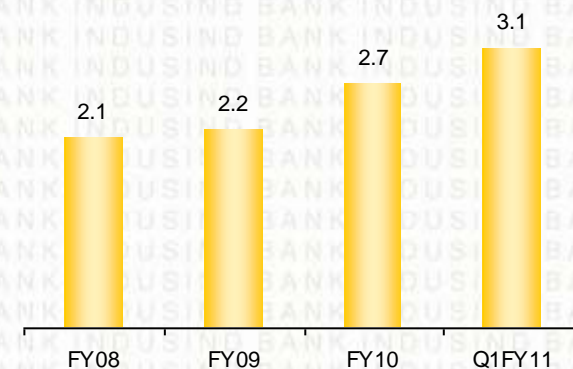
Cost to Income Ratio



Net NPA



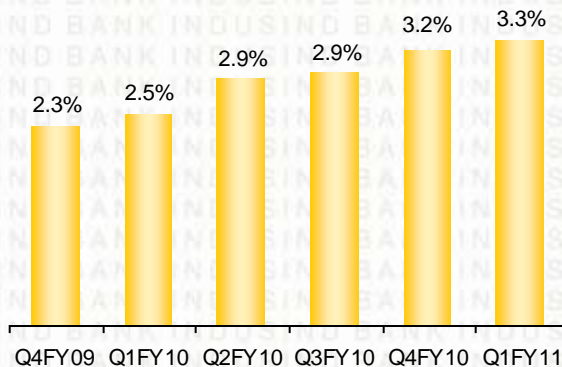
Revenue/Employee (Rs Mn)



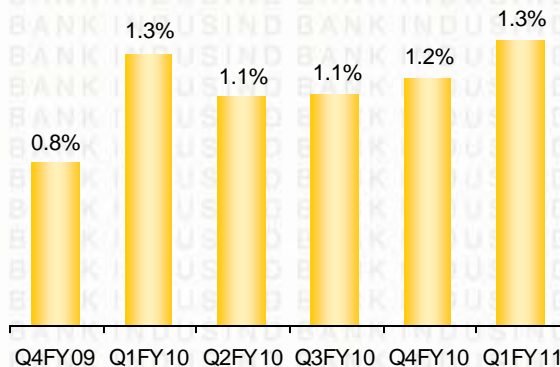
Improvement in all the key operating metrics

How we Measure Up on Key Metrics

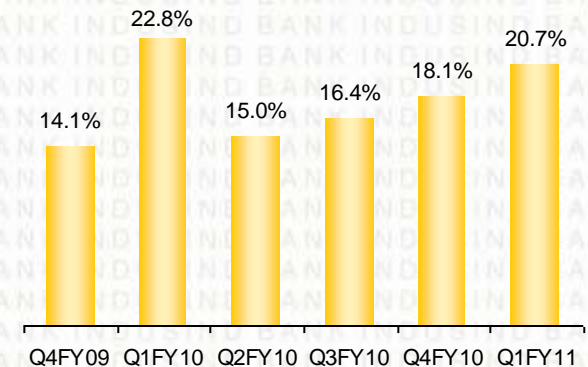
Net Interest Margin (NIM)



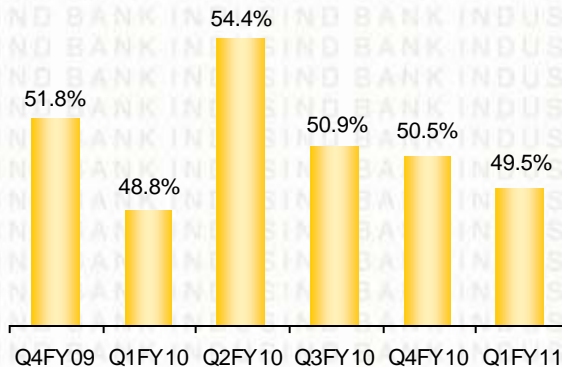
RoA



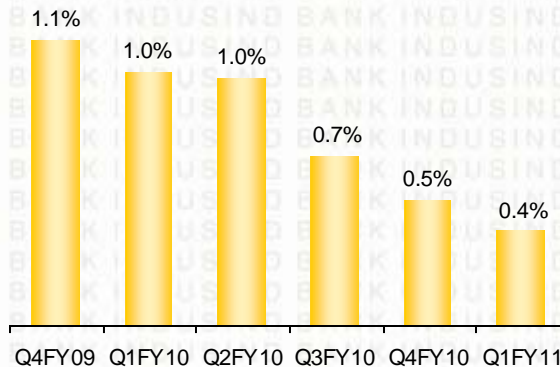
RoE



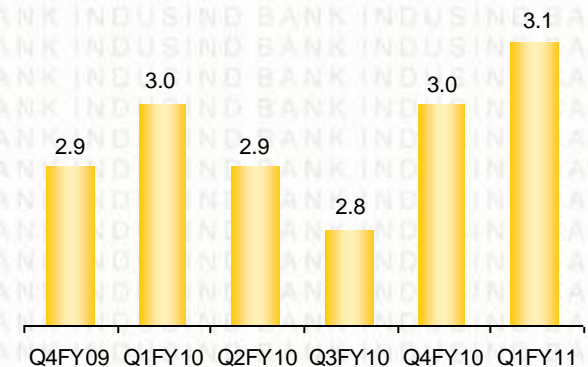
Cost to Income Ratio



Net NPA



Revenue/Employee (Rs Mn)



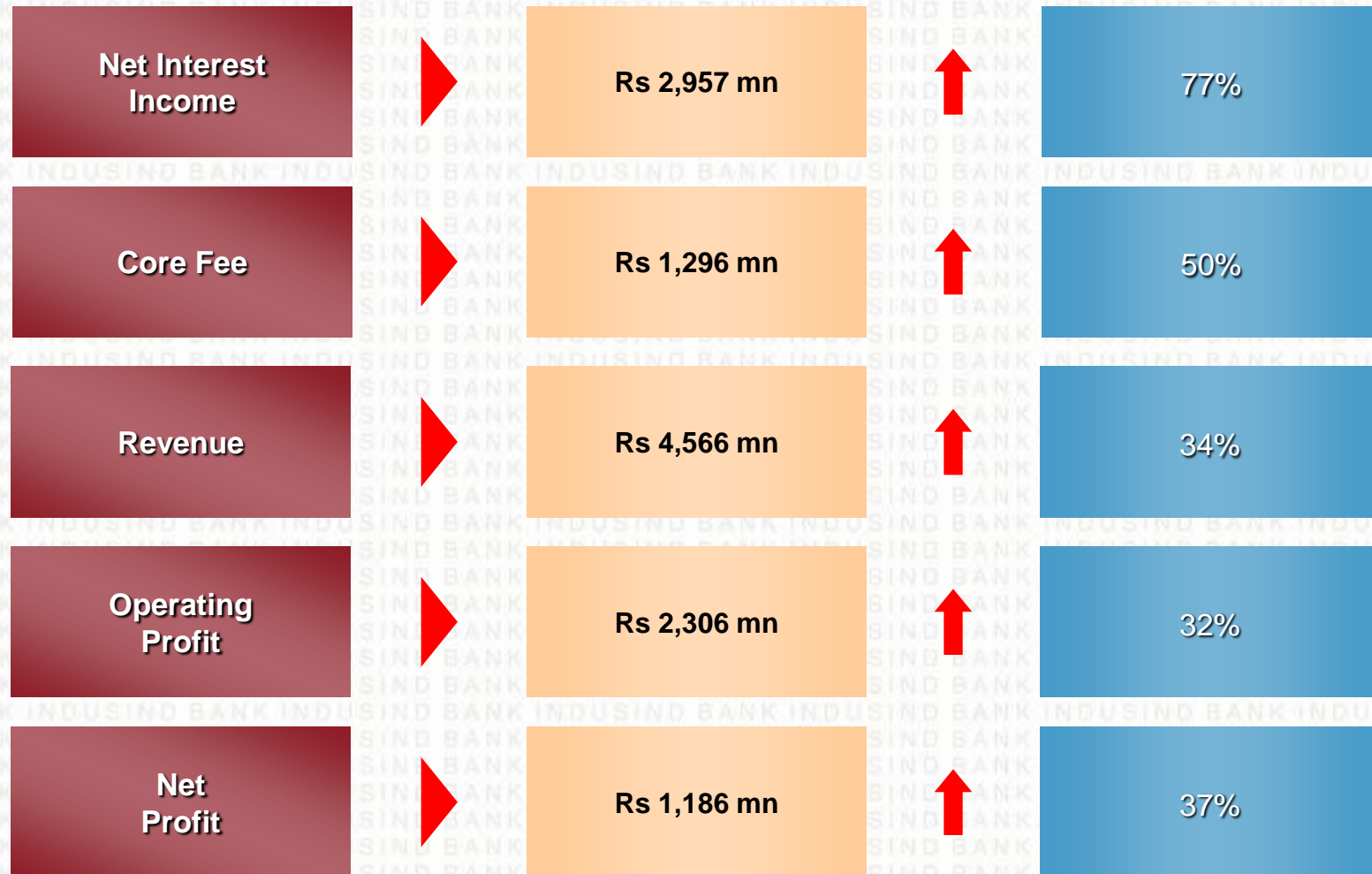
QoQ delivery of strong operating performance



Financial Performance

Strong Headline Numbers for Q1FY11

Y-o-Y Growth



Balance Sheet

	(Rs Mn)					
	FY09	FY10	Growth	Q1FY10	Q1FY11	Growth
Capital & Liabilities						
Capital	3,552	4,106	16% ↑	3,552	4,111	16% ↑
Reserves and Surplus (incl. ESOP o/s)	13,092	19,866	52% ↑	13,952	21,078	51% ↑
Deposits	221,102	267,102	21% ↑	216,388	273,824	27% ↑
Borrowings	28,170	49,343	75% ↑	32,353	41,854	29% ↑
Other Liabilities and Provisions	10,231	13,278	30% ↑	11,727	14,188	21% ↑
TOTAL	276,147	353,695	28% ↑	277,972	355,055	28% ↑
Assets						
Cash and Balances with RBI	11,908	20,992	76% ↑	14,024	20,894	49% ↑
Balances with Banks	7,329	5,040	-31% ↓	6,218	4,352	-30% ↓
Investments	80,834	104,018	29% ↑	75,845	94,223	24% ↑
Advances	157,706	205,506	30% ↑	164,516	216,081	31% ↑
Fixed Assets	6,232	6,448	3% ↑	6,213	6,491	4% ↑
Other Assets	12,138	11,691	-4% ↓	11,156	13,014	17% ↑
TOTAL	276,147	353,695	28% ↑	277,972	355,055	28% ↑
Core Banking (Advances + Deposit)	378,808	472,608	25% ↑	380,904	489,905	29% ↑

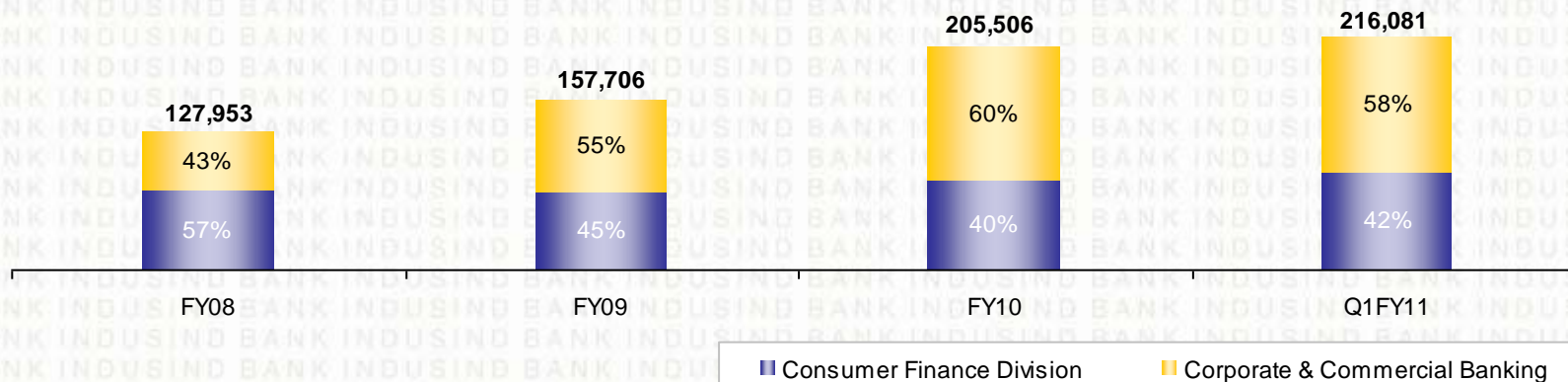
Profit and Loss Account

	FY09	FY10	Growth	Q1FY10	Q1FY11	Growth
Net Interest Income	4,590	8,864	93% ↑	1,674	2,957	77% ↑
Other Income	4,563	5,535	21% ↑	1,728	1,610	-7% ↓
Total Income	9,153	14,399	57% ↑	3,401	4,566	34% ↑
Operating Expenses	5,470	7,360	35% ↑	1,658	2,260	36% ↑
Operating Profit	3,683	7,039	91% ↑	1,743	2,306	32% ↑
Provisions & Contingencies	1,408	1,708	21% ↑	343	487	42% ↑
Profit before Tax	2,275	5,331	134% ↑	1,400	1,819	30% ↑
Provision for Tax	792	1,827	131% ↑	535	633	18% ↑
Profit after Tax	1,483	3,503	136% ↑	865	1,185	37% ↑

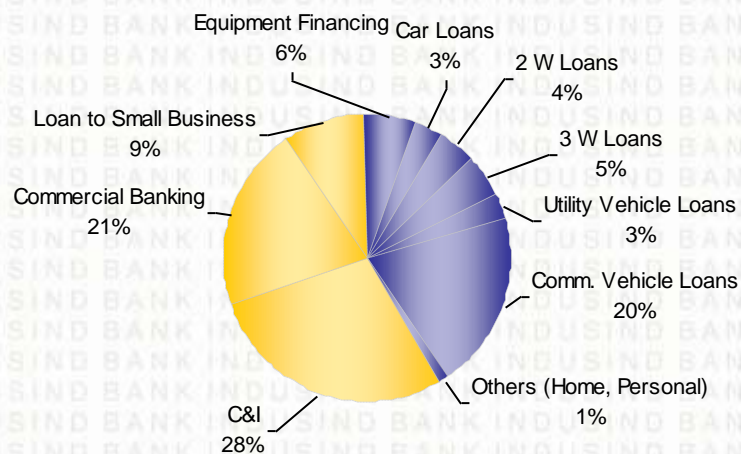
(Rs Mn)

Well Diversified Loan Book

Loan Book (Rs Mn)



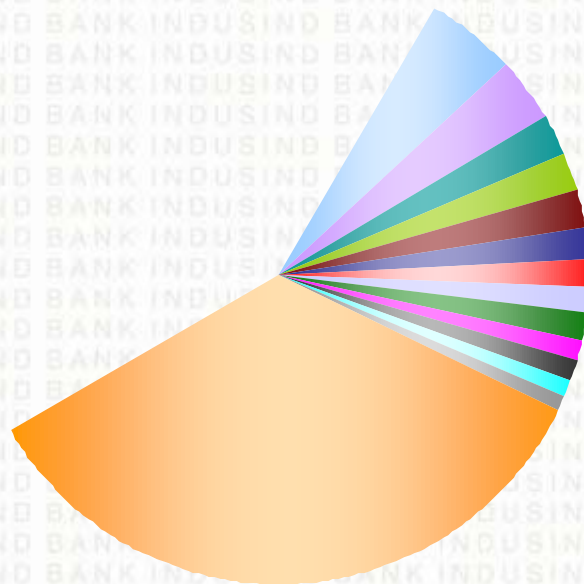
	(Rs Bn)	
	30 Jun-10	%
C&I	61.4	28
Comm. Banking	46.4	21
Loan to Small Business	18.5	9
Total	126.3	58



Consumer Finance	(Rs Bn)	
	30 Jun-10	%
Comm. Vehicle Loans	44.1	20
Utility Vehicle Loans	7.5	3
Three Wheeler Loans	10.3	5
Two Wheeler Loans	8.8	4
Car Loans	5.4	3
Equipment Financing	12.0	6
Other (Home, Personal)	1.6	1
Total Advances	89.6	42

Diversified Corporate Loan Book

Industry-wise Advances

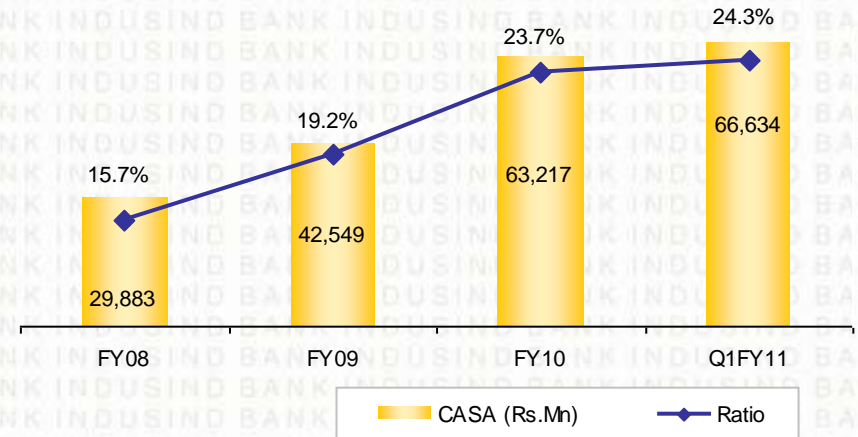


NBFCs	4.8%
Pharma	3.3%
Housing Finance Co.	2.1%
Steel	2.1%
Construction	1.9%
Textiles	1.6%
Telecom	1.6%
Aluminium	1.3%
Hospital & Medical Serv.	1.2%
Real Estate	1.1%
Construction Equip.	1.1%
Auto Ancillaries	1.0%
Microfinance Institution	0.9%
Other Industry	34.4%

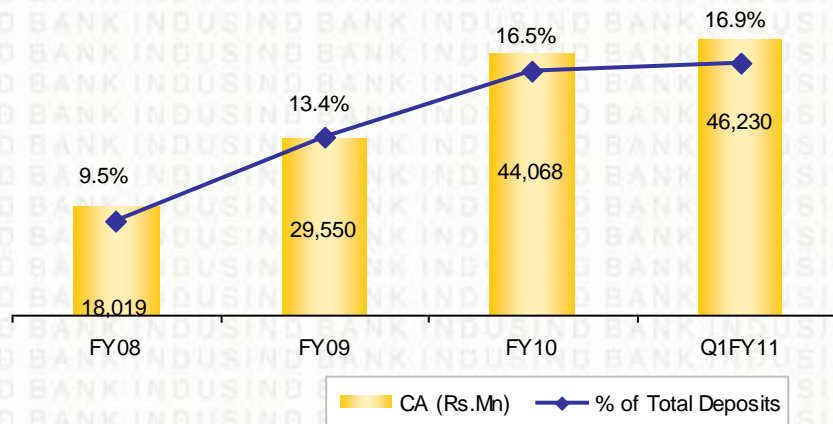
And Improving Liability and CASA

- Strong management focus on
 - Building CASA through
 - New product launches
 - restructuring of branch network
 - focus on self employed and small business
 - Targetting CA pools
 - Broad basing the wholesale deposits
 - Tenor mapping

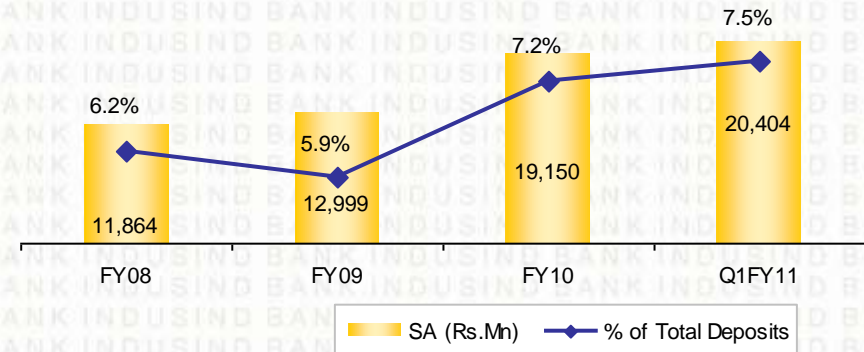
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs Mn)

	FY09	FY10	Growth	Q1FY10	Q1FY11	Growth
Fee Based Income	2,508	3,501	39.54%	715	1,090	52.45%
Profit on Exchange Transactions	719	845	17.52%	174	288	65.52%
Profit on Sale of Investments	1,216	1,110	8.72%	868	199	(77.07%)
Profit/(Loss) on sale of assets	(306)	(340)	(11.11%)	(86)	(3)	(96.51%)
NPA Recovery	238	222	6.72%	5	30	500.00%
Lease Rentals	188	197	5.35%	52	6	(88.46%)
Total	4,563	5,535	21.30%	1,728	1,610	(6.83%)

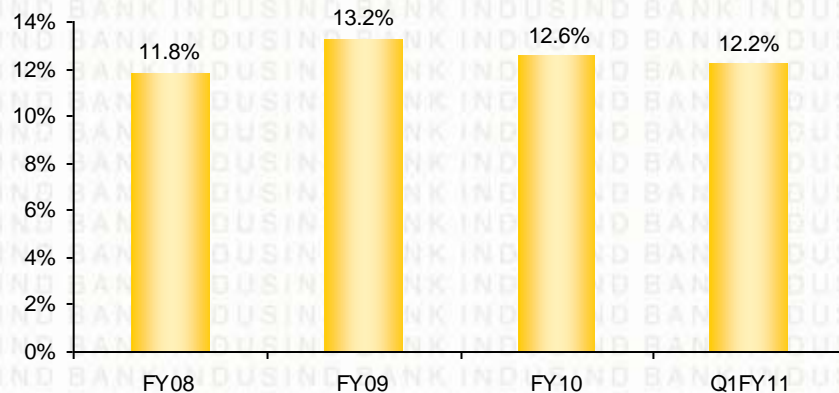
Diverse Revenues from Core Fee Income

	FY09	FY10	Growth	Q1FY10	Q1FY11	Growth	(Rs Mn)
Trade Fees	414	538	30% ↑	102	191	87% ↑	
Loan Processing fees	610	915	50% ↑	212	304	43% ↑	
Foreign Exchange Income	313	612	96% ↑	93	201	117% ↑	
TPP Distribution Income (Insurance, MF)	673	1161	73% ↑	169	362	114% ↑	
General Banking Fees	1,001	1,097	10% ↑	289	238	-17% ↓	
Total core fee	3011	4323	44% ↑	865	1,296	50% ↑	

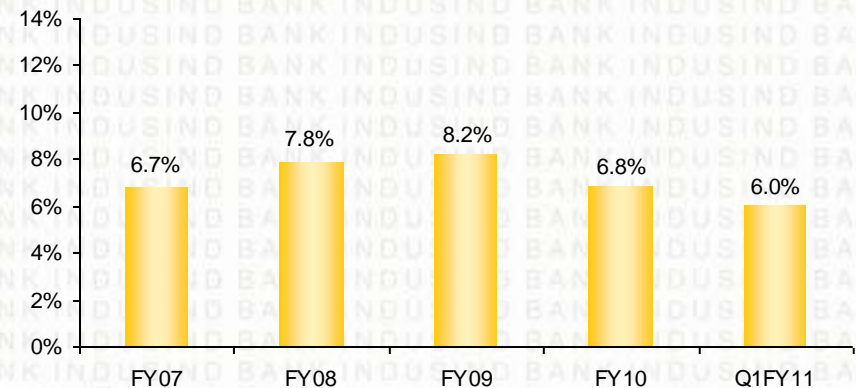
- Broadened the fee income base
- Revamped Transaction Banking products suite: cash management, trade and financing, supply chain financing, global remittances, commodity financing, and electronic banking services to clients across business groups
- Realignment of pricing of General Banking products
- Thrust on cross selling to existing client base using Relationship Managers and Managed Sales
- Third Party Products distribution capabilities developed

Favourable Yield / Cost Movement

Yield on Advances



Cost of Deposits

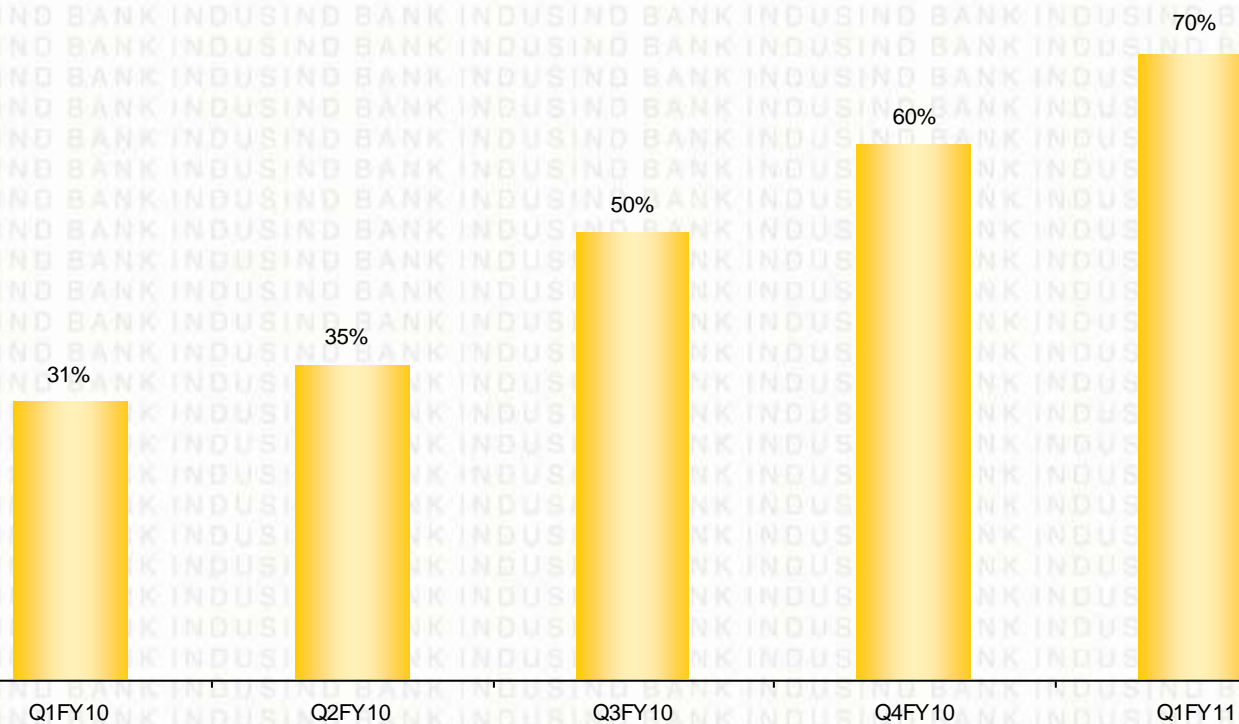


* Yield / Cost based on daily averages

Segment-wise Yield

	Q1FY10		FY10		Q1FY11	
	Outstanding (Rs Mn)	Yield (%)	Outstanding (Rs Mn)	Yield (%)	Outstanding (Rs Mn)	Yield (%)
Corporate and Commercial Banking	91,729	11.9%	122,842	9.1%	126,316	9.2%
Consumer Finance Division	72,787	15.0%	82,664	15.9%	89,765	16.1%
Total	164,516	13.4%	205,506	11.85%	216,081	12.2%

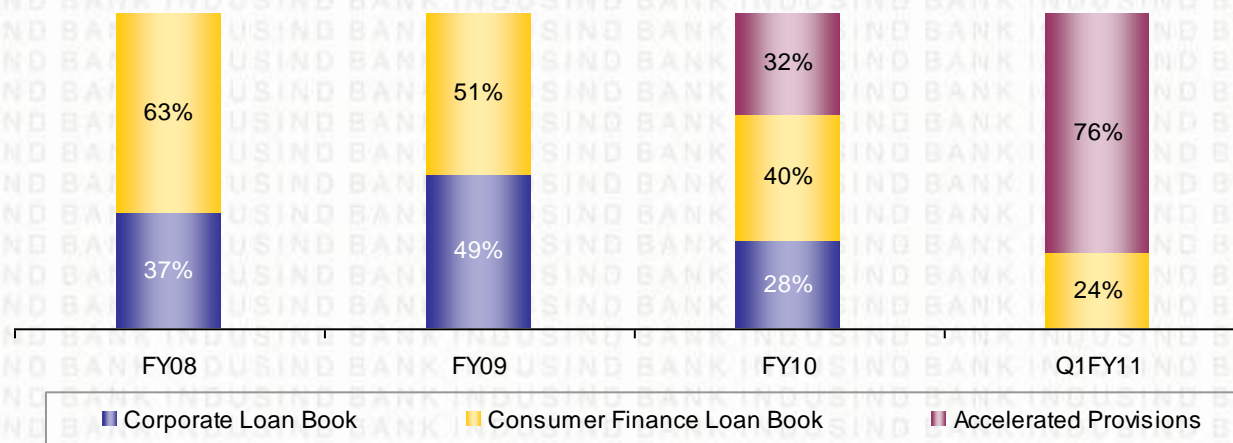
Provision Coverage Ratio



Achieved regulatory norm of 70% ahead of stipulated time frame

Cost of Credit

	(Rs Mn)			
	FY08	FY09	FY10	Q1FY11
Bad Debts Written Off and Provisions for NPA – Corporate Loan Book	298.2	780.8	450.3	-
Bad Debts Written Off, Diminution in value/ Loss on sale of Repossessed vehicles and Provisions for NPA – Consumer Finance Loan Book	508.0	827.0	650.3	111.1
Accelerated provisions	-	-	515.7	359.7
Total Credit Costs	806.2	1607.8	1616.3	470.8
Credit Costs (Basis Points on Advances)	63	102	79	22



Loan Portfolio - Movement in NPA

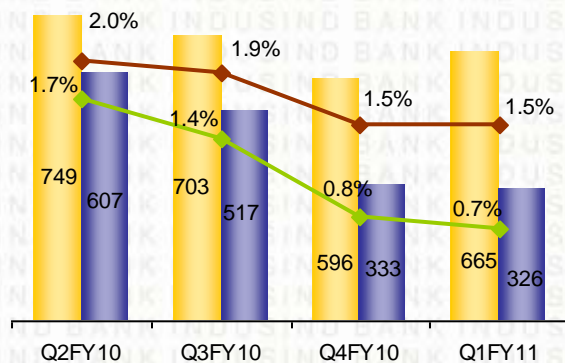
(Rs Mn)									
	FY09			FY10			Q1FY11		
	CCB	CFD	Total	CCB	CFD	Total	CCB	CFD	Total
Opening Balance	2,059	1,864	3,923	596	1,954	2,550	827	1,727	2,554
Additions	898	1,292	2,190	616	1,600	2,216	105	563	668
Deduction	2,361	1,202	3,563	385	1,827	2,212	31	440	471
Gross NPA	596	1,954	2,550	827	1,727	2,554	901	1,850	2751
Provisions	247	512	759	827	709	1,536	901	1,026	1927
Net NPA	349	1,442	1,791	-	1,018	1,018	-	824	824
Total Advances	86,432	71,274	1,57,706	122,842	82,664	205,506	126,316	89,765	216,081
% of Gross NPA	0.7%	2.7%	1.6%	0.7%	2.1%	1.2%	0.7%	2.0%	1.3%
% of Net NPA	0.4%	2.0%	1.1%	-	1.2%	0.5%	-	0.9%	0.4%
Provision Coverage	41.4%	26.2%	29.8%	100.0%	41.0%	60.1%	100.0%	55.4%	70.0%

CCB - Corporate and Commercial Banking

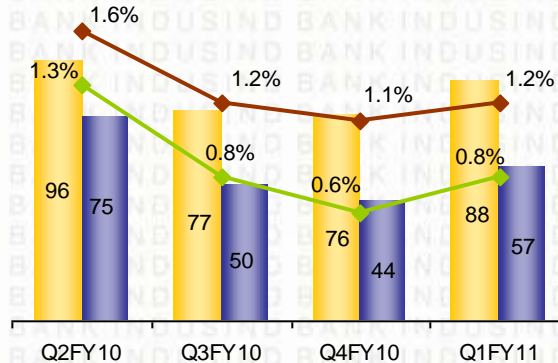
CFD - Consumer Finance Division

CFD - Segment wise NPA

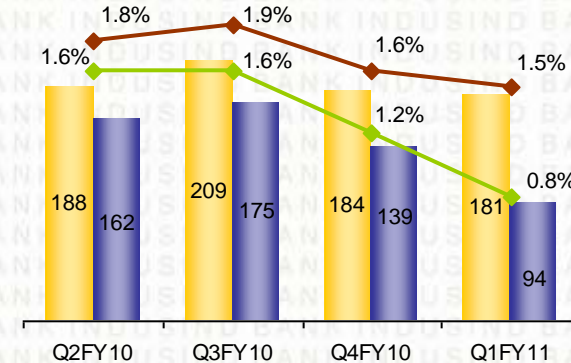
Commercial Vehicle



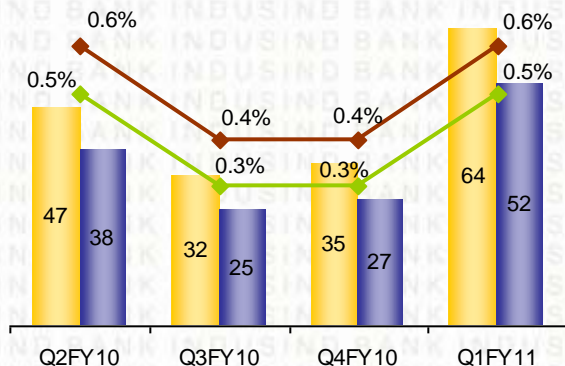
Utility



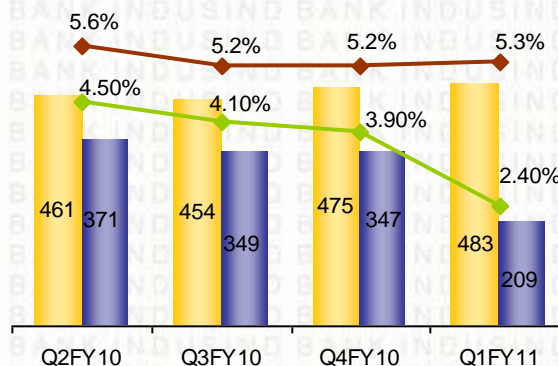
Construction Equipment



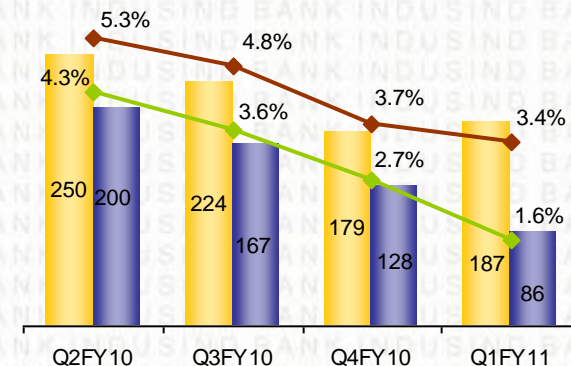
3-Wheelers



2-Wheelers



Cars



Gross NPA (Rs Mn)

Net NPA (Rs Mn)

Gross NPA (%)

Net NPA (%)

Loan Portfolio – Restructured Standard Advances

	Q1-11		Q1-10		Q4-10	
	No.	Rs Mn	No.	Rs Mn	No.	Rs Mn
Restructured Loans (Net)	77	453	129	757	85	472
Advances		216,081		164,516		205,506
Restructured Loans		0.2%		0.5%		0.2%

CRAR - Basel II

	(Rs Mn)	
	30 Jun-10	30 Jun-09
Credit Risk RWA	225,731	169,086
Market Risk RWA	3,282	3,072
Operational Risk RWA	15,784	10,948
Total Risk Weighted Assets	244,797	183,106
Tier I	21,379	15,134
Tier II	12,170	8,934
Total Capital	33,549	24,068
CRAR	13.71%	13.14%
Tier I	8.73%	8.26%
Tier II	4.97%	4.88%



Planning Cycle II: 2011-14

Themes for Planning Cycle II

- **Continue building on Planning Cycle - I acquiring scale organically & inorganically including strategic alliances**
- **Re-rating of the Profitability, Productivity & Efficiency targets**
- **Complete the “Universal Bank” agenda**
 - Products
 - Client Segments
- **Build Scale**
 - Products
 - Client base
 - Distribution network
 - Expand branch network
 - Expand ATM network

Growth Drivers over Next 3 Years

Consumer Finance

New Products

- Loans against Property
- Credit Cards

Corporate Banking

Incremental Revenues

- Supply Chain Financing
- Infrastructure Lending
- Commodity Finance
- Co-operative Bank Sector Initiatives

Fee Income

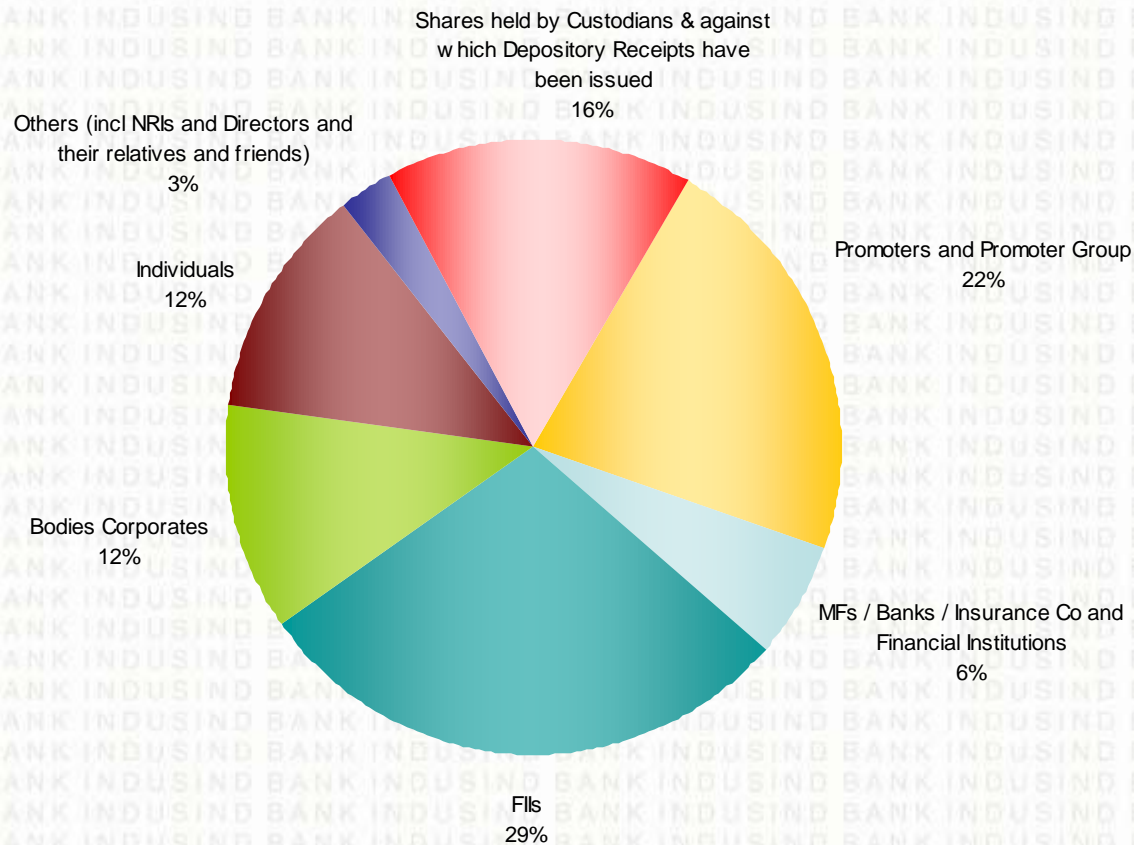
New Products / Client Segments

- **Consumer**
 - HNI Advisory & Offshore
 - Health Insurance
 - White Labelled Mortgages
- **Corporate**
 - Investment Banking (Debt / PE / Advisory)

Management Outlook - Disciplined Growth Strategy

- To continue to optimize balance sheet and business mix to improve profitability
- To continue to create a more enhanced and deeper customer focus and leverage customer relationships
- To widen and leverage delivery channels and achieve disciplined growth
- To improve operating efficiencies
- To continue to engage and retain employees
- To continue to improve brand equity

Shareholding Pattern



As at June 30, 2010



Thank you