

IndusInd Bank



Investor Presentation

July 08, 2011

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.

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

Scale with Profitability

Planning Cycle II – Pillars of Growth

Q1 outcome		
Loan growth	✓Loan book to grow 25%-30% p.a.; well above market growth.	31%
Growing CFD book	✓To grow beyond Rs. 25,000 crs by Year 3. ✓To be funded through CASA.	Growth 41%
CASA growth	✓CASA to reach > 35% by Year 3	28%
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.	44%

Planning Cycle II – Key Initiatives

**Scale up Investment
Banking practice**

Credit Cards Launch

**Full suite Assets
Portfolio**

**New Client Acquisition
Ramp-up**

**Used Commercial
Vehicles**

Currency Chest

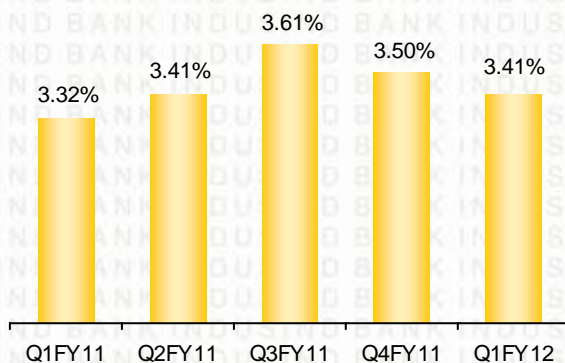
**Factoring
&
Supply
Chain Products**

New Branch rollouts

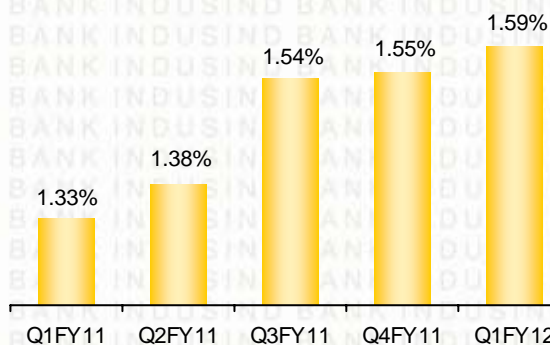
CBS rollouts

How We Measure Up On Key Metrics

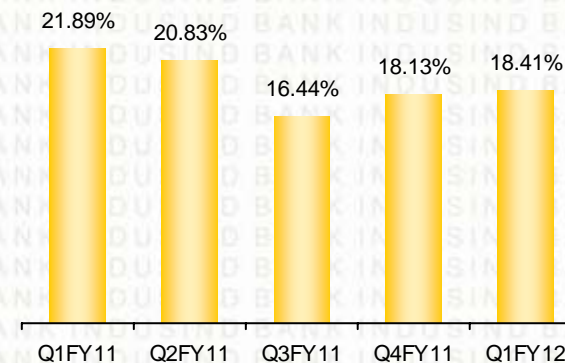
Net Interest Margin (NIM)



RoA

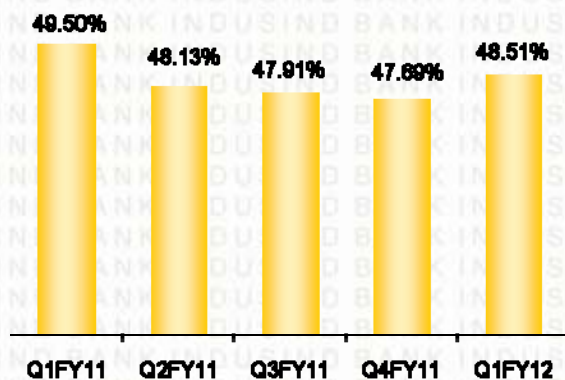


RoE*

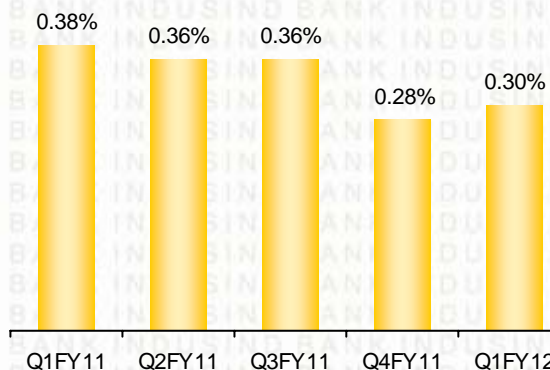


*on average equity

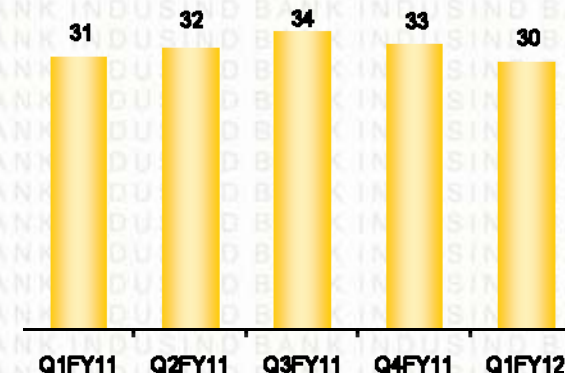
Cost to Income Ratio



Net NPA



Revenue/Employee(Rs. Lacs)



QoQ delivery of strong operating performance

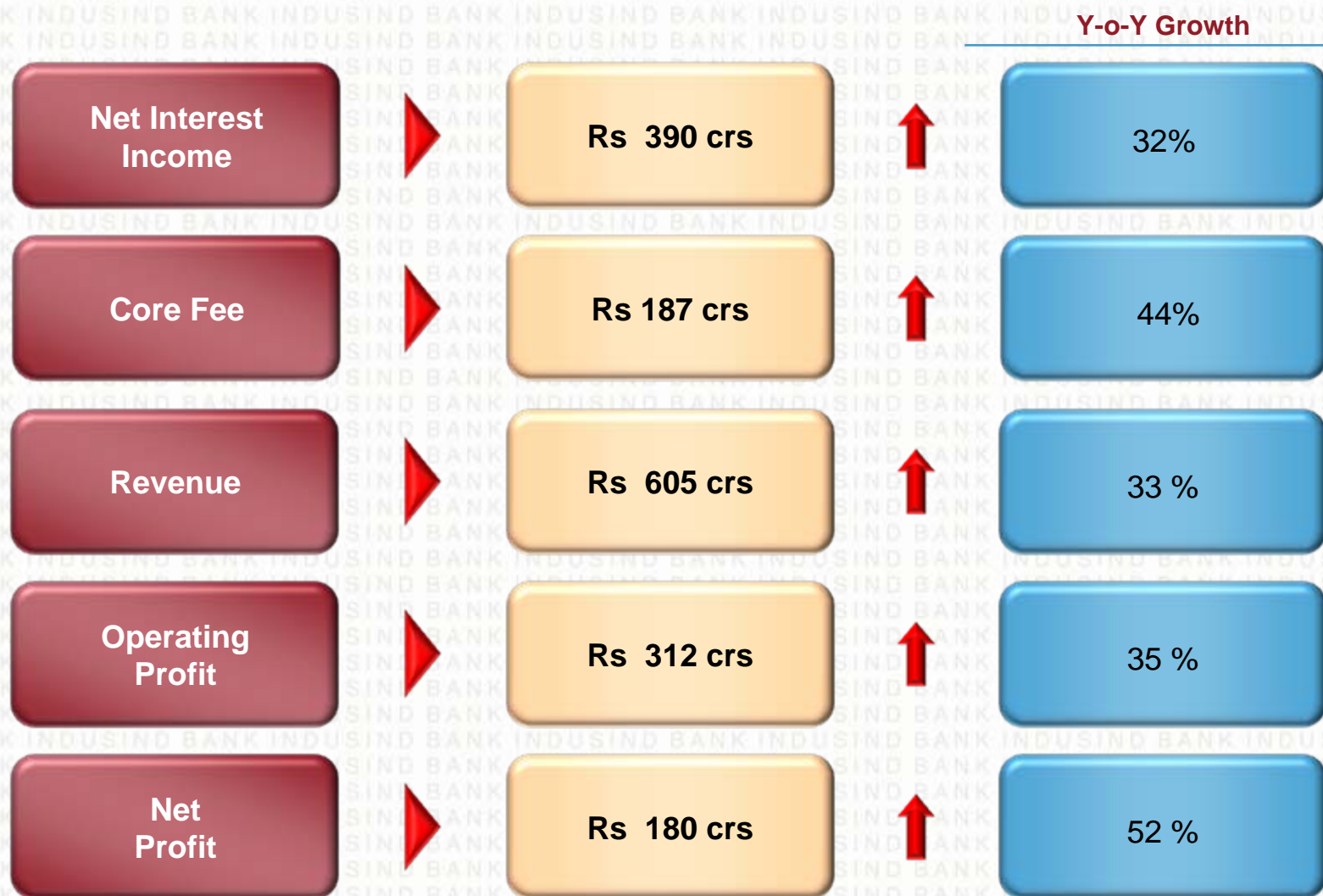
Ratings

- P1+ for certificate of deposit program by CRISIL
- 'LAA-' for Lower Tier II subordinate debt program and 'LA+' for Upper Tier II bond program by ICRA
- 'CARE AA'(upgrade in June-11) for Lower Tier II subordinate debt program by CARE
- 'AA-(ind)' for Lower Tier II subordinate debt program , 'A(ind)' for Upper Tier II bond program and F1+ for Short Term program by Fitch Ratings



Financial Performance

Strong Headline Numbers for Q1FY12



Top line momentum

		Y-o-Y Growth		Q-o-Q Growth
Advances	Rs 28,384 crs	31%	8%	
CCBG Advances	Rs 15,683 crs	24 %	8 %	
CFD Advances	Rs 12,701 crs	41 %	9 %	
Deposits	Rs 35,264 crs	29%	3%	
CASA	Rs 9,946 crs	49 %	7 %	

Balance Sheet

(Rs crs)

	Q1FY12	Q1FY11	Y-o-Y (%)	Q4FY11	Q-o-Q (%)
Capital & Liabilities					
Capital	466	411	13% ↑	466	- ↑
Reserves and Surplus	3,765	2,108	79% ↑	3,584	5% ↑
Deposits	35,264	27,382	29% ↑	34,365	3% ↑
Borrowings	6,642	4,185	59% ↑	5,525	20% ↑
Other Liabilities and Provisions	1,701	1,419	20% ↑	1,694	- ↑
Total	47,838	35,505	35% ↑	45,635	5% ↑
Assets					
Cash and Balances with RBI	2,461	2,089	18% ↑	2,456	- ↑
Balances with Banks	775	435	78% ↑	1,569	(51%) ↓
Investments	14,233	9,422	51% ↑	13,551	5% ↑
Advances	28,384	21,608	31% ↑	26,166	8% ↑
Fixed Assets	613	649	(6%) ↓	596	3% ↑
Other Assets	1,372	1,302	5% ↑	1,297	6% ↑
Total	47,838	35,505	35% ↑	45,635	5% ↑
Business (Advances + Deposit)	63,648	48,991	30% ↑	60,531	5% ↑

Profit and Loss Account

(Rs crs)

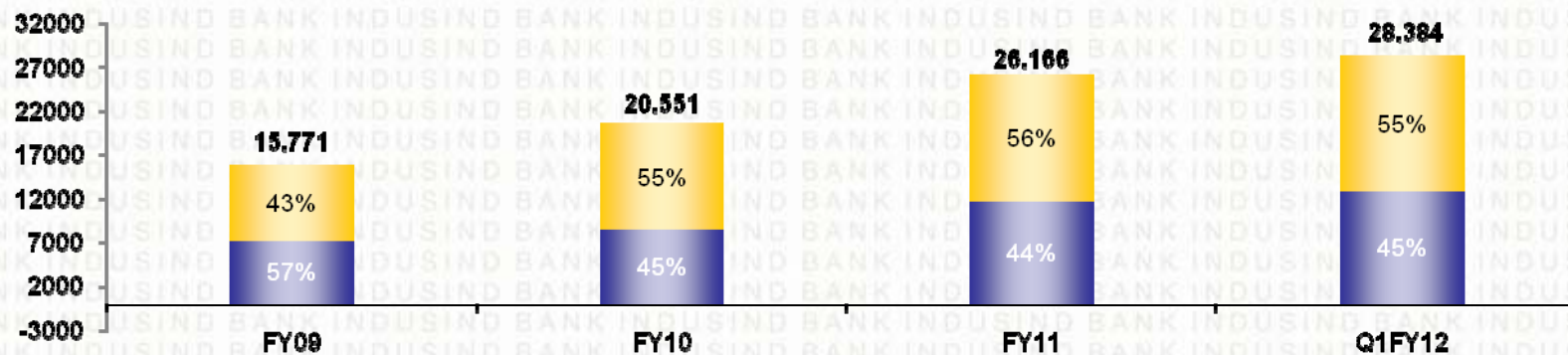
	Q1FY12	Q1FY11	Y-o-Y (%)	Q4FY11	Q-o-Q (%)
Net Interest Income	390.01	295.68	32% ↑	388.08	1% ↑
Other Income	215.40	160.96	34% ↑	181.63	19% ↑
Total Income	605.41	456.64	33% ↑	569.71	6% ↑
Operating Expenses	293.69	226.03	30% ↑	271.68	8% ↑
Operating Profit	311.72	230.61	35% ↑	298.03	5% ↑
Provisions & Contingencies	44.59	48.74	(8%) ↓	40.25	11% ↑
Profit before Tax	267.13	181.87	47% ↑	257.78	4% ↑
Provision for Tax	86.95	63.32	37% ↑	86.02	1% ↑
Profit after Tax	180.18	118.55	52% ↑	171.76	5% ↑

Key Financial Indicators

	Q1FY12	Q1FY11	Q4FY11
ROA	1.59%	1.33%	1.55%
ROE	18.41%	21.89%	18.13%
Revenue/Staff Cost	5.22	4.81	5.54
Cost/Income Ratio	48.51%	49.50%	47.69%
NIM	3.41%	3.32%	3.50%
Net NPA	0.30%	0.38%	0.28%
EPS (annualized, Rs. per share)	15.47	11.56	14.76
Net Worth (Rs. in crs) excl Revaluation Reserve	4,007	2,288	3,825
Book Value (Rs. per share.)	86.00	55.68	82.08

Well Diversified Loan Book

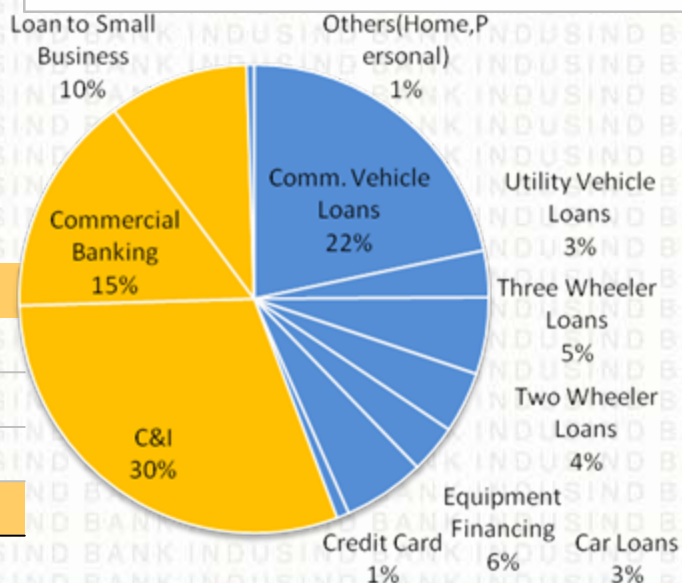
Loan Book (Rs crs)



■ Corporate & Commercial Banking ■ Consumer Finance Division

(Rs crs)

	30 Jun-11	%
C&I	8,604	30
Comm. Banking	4,334	15
Loan to Small Business	2,743	10
Total	15,683	55



Consumer Finance	30 Jun-11	%
Comm. Vehicle Loans	6,158	22
Utility Vehicle Loans	910	3
Three Wheeler Loans	1,501	5
Two Wheeler Loans	1,199	4
Car Loans	947	3
Equipment Financing	1,600	6
Credit Card	241	1
Other (Home, Personal)	147	1
Total Advances	12,701	45

Diversified Corporate Loan Book

As on June 30, 2011

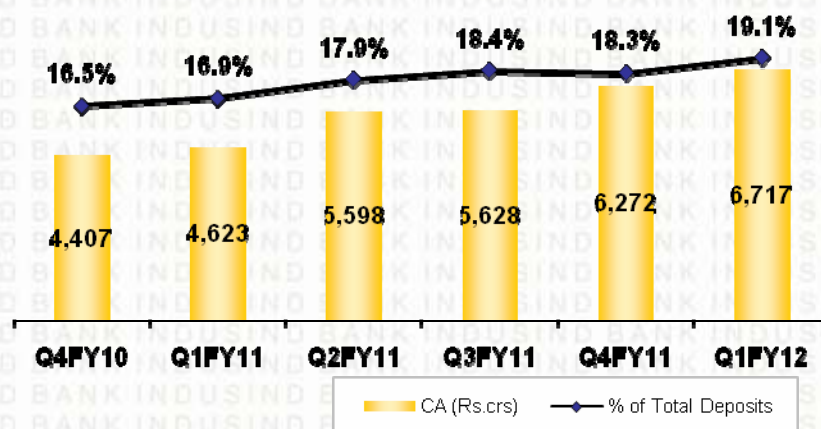


NBFCs	5.37%
Construction	3.88%
Real Estate	3.28%
Pharmaceuticals	3.13%
Telecom & Related	2.64%
Power Generation	1.89%
Automobiles Ancillaries	1.61%
Gem & Jewellery	1.48%
Hospital & Medical Services	1.29%
Steel	1.28%
Aluminium	1.17%
Other Industries	28.23%

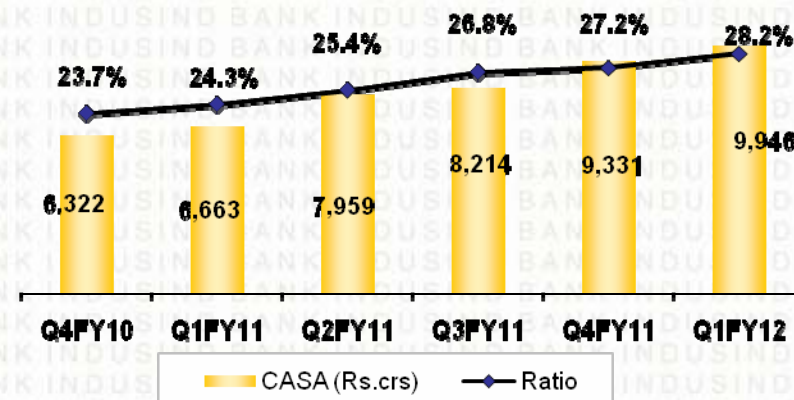
And Improving Liability and CASA

- Strong management focus on
 - Building CASA through
 - New product launches
 - Expanding branch network
 - Focus on self employed ,small business and Emerging Corporate Groups(ECG)
 - Targeting CA and SB pools
 - Focus on IPO and Dividend Mandate
 - Broad basing wholesale deposits
 - Tenor mapping

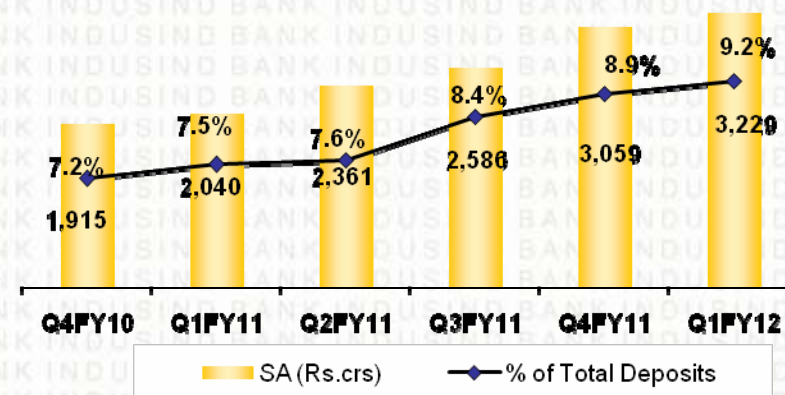
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs crs)

	Q1FY12	Q1FY11	Y-o-Y (%)	Q4FY11	Q-o-Q(%)
Core Fee	187.07	129.58	44%	164.85	13%
Securities/MM/FX Trading	27.79	28.64	(4%)	19.23	44%
NPA Recovery	-	3.00	-	--	-
Loss on Other Assets	0.54	(0.26)	-	(2.45)	-
Total	215.40	160.96	33%	181.63	19%

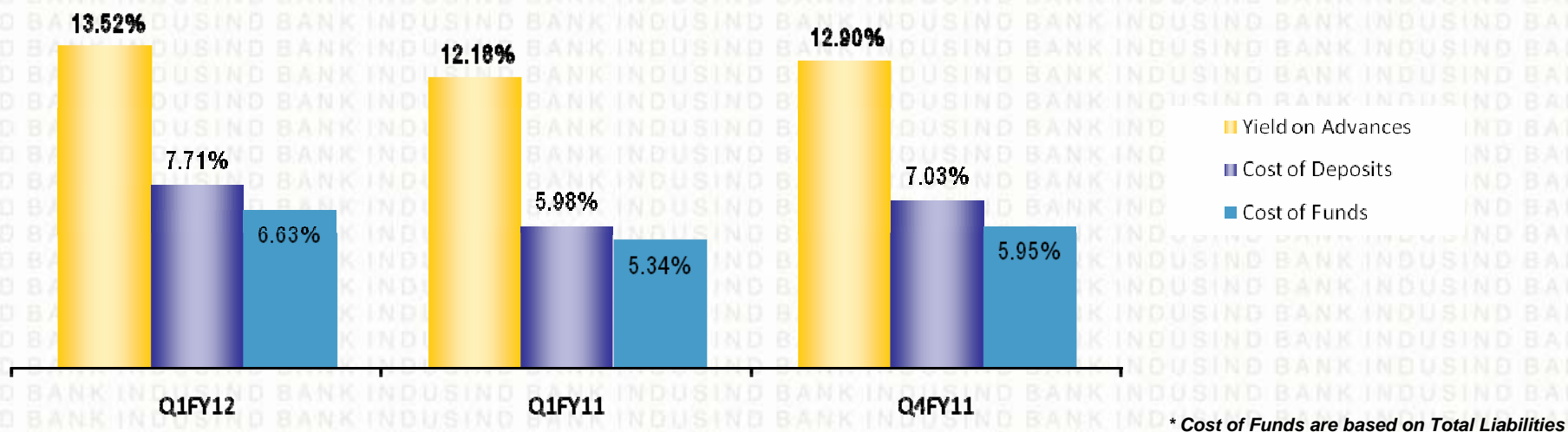
Diverse Revenues from Core Fee Income

(Rs crs)

	Q1FY12	Q1FY11	Y-o-Y(%)		Q4FY11	Q-o-Q(%)	
Trade & Remittances	25.49	20.82	22%	↑	23.69	8%	↑
Foreign Exchange Income	42.27	18.57	128%	↑	26.56	59%	↑
TPP Distribution Income (Insurance, MF)	50.57	36.17	40%	↑	44.81	13%	↑
General Banking Fees	25.60	21.20	21%	↑	23.79	8%	↑
Loan Processing fees	33.17	30.42	9%	↑	34.67	(4%)	↓
Investment Banking	9.97	2.40	315%	↑	11.33	(12%)	↓
Total Core Fee Income	187.07	129.58	44%	↑	164.85	13%	↑

Growth momentum continues on regular fee flows

Yield / Cost Movement



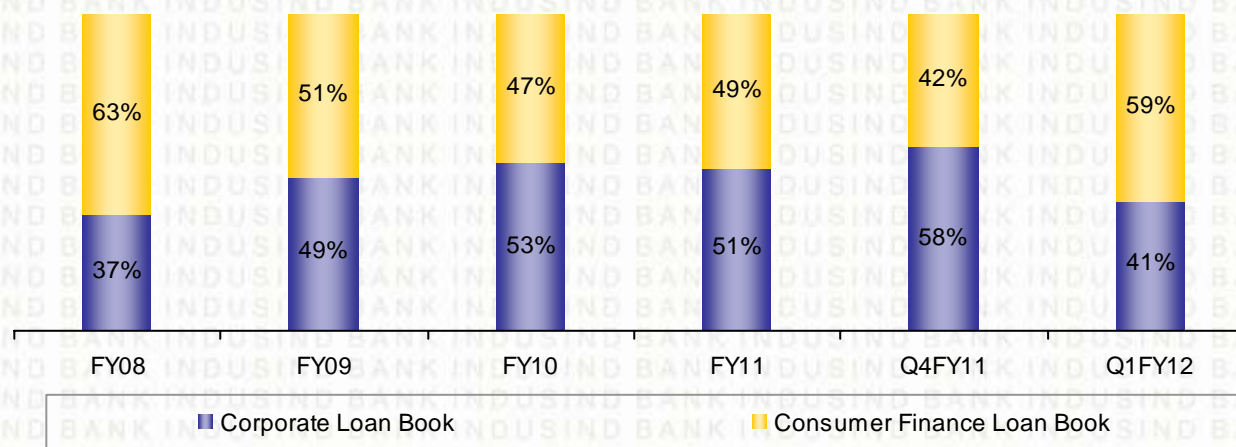
Segment-wise Yield

	Q1FY12		Q4FY11	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate and Commercial Banking(CCB)	15,683	11.22%	14,547	10.32%
Consumer Finance Division(CFD)	12,701	16.32%	11,619	16.29%
Total	28,384	13.52%	26,166	12.90%

Credit costs

(Rs crs)

	FY08	FY09	FY10	FY11	Q4FY11	Q1FY12
Corporate Loan Book(CCB)	29.82	78.08	85.86	81.99	21.28	15.83
Consumer Finance Loan Book(CFD)	50.80	82.70	75.77	78.34	15.19	22.86
Total Credit Costs	80.62	160.78	161.63	160.33	36.47	38.69
Credit Costs (Basis Points on Advances)	63	102	79	61	14	14
PCR	26%	30%	60%	73%	73%	73%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q1FY12			Q1FY11		
	CCB	CFD	Total	CCB	CFD	Total
Opening Balance	82	184	266	83	172	255
Additions	16	57	73	10	57	67
Deduction	4	26	30	3	44	47
Gross NPA	94	215	309	90	185	275
Provisions	87	138	225	90	103	193
Net NPA			84			82
Total Advances			28,384			21,608
% of Gross NPA			1.08%			1,26%
% of Net NPA			0.30%			0.38%
Restructured Advances			0.37%			0.21%

NPA Composition - CFD

(Rs crs)						
Q1-12	Com. Vehicle	Utility	Const. Equip.	SCV	TW	Cars
Gross NPA	65	14	23	16	46	14
Net NPA	19	7	9	12	18	4
Gross NPA %	1.06%	1.54%	1.44%	1.08%	3.73%	1.41%
Net NPA %	0.31%	0.80%	0.60%	0.79%	1.55%	0.46%

Q4-11	Com. Vehicle	Utility	Const. Equip.	SCV	TW	Cars
Gross NPA	67	9	21	9	44	13
Net NPA	24	4	7	6	16	5
Gross NPA %	1.17%	1.08%	1.37%	0.62%	3.77%	1.58%
Net NPA %	0.43%	0.48%	0.48%	0.43%	1.38%	0.55%

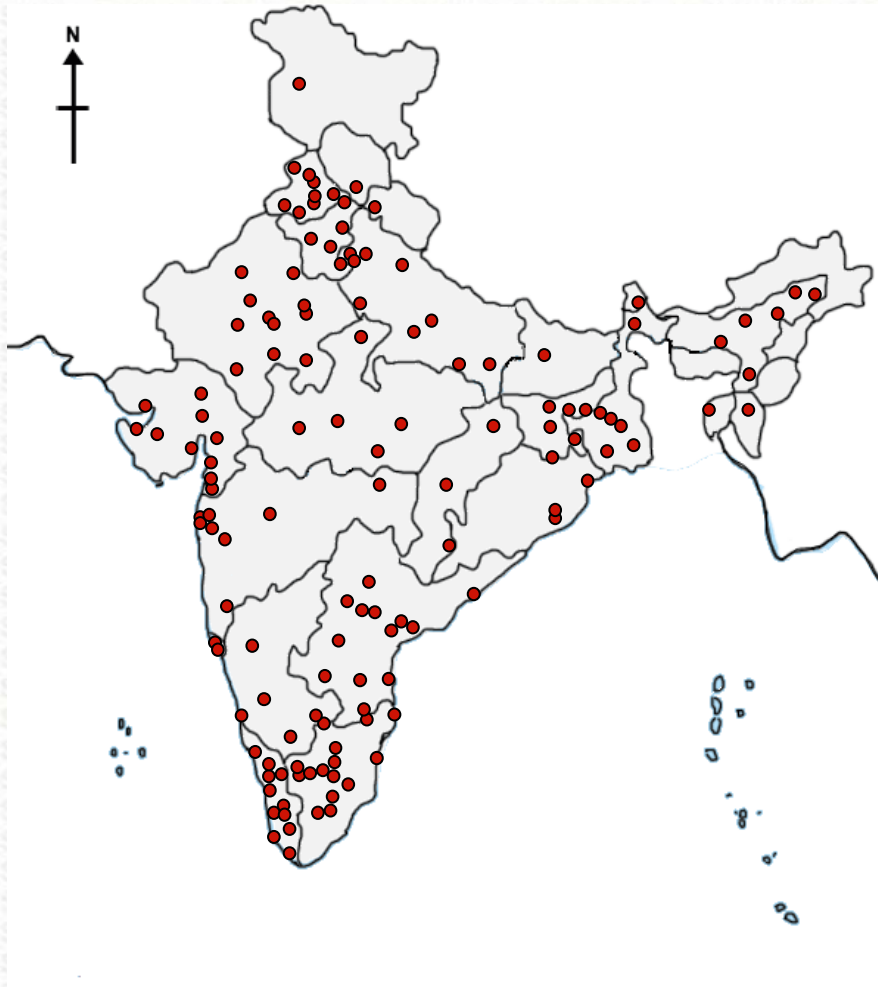
CRAR - Basel II

(Rs crs)

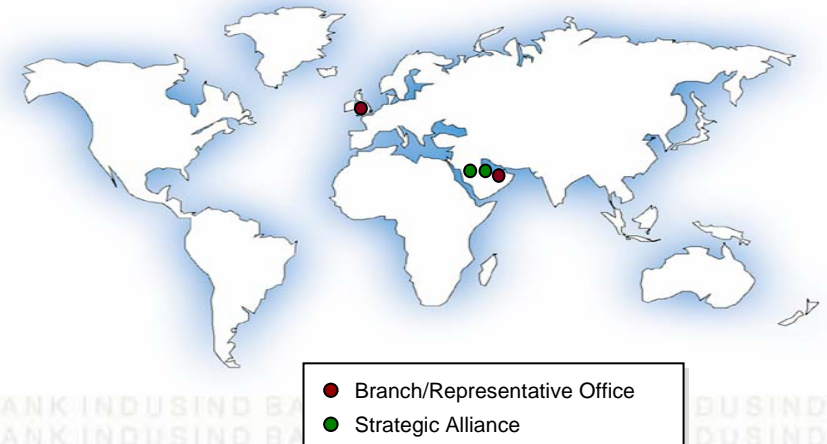
	30 Jun-11	30 Jun-10
Risk Weighted Assets		
- Credit Risk	29,313	22,574
- Market Risk	580	328
- Operational Risk	2408	1,578
- Total RWA	32,301	24,480
Tier I Capital Funds	3771	2,138
Tier II Capital Funds	1071	1,217
Total Capital Funds	4,842	3,355
CRAR	14.99%	13.71%
Tier I	11.67%	8.73%
Tier II	3.32%	4.98%

Distribution Expansion to Drive Growth

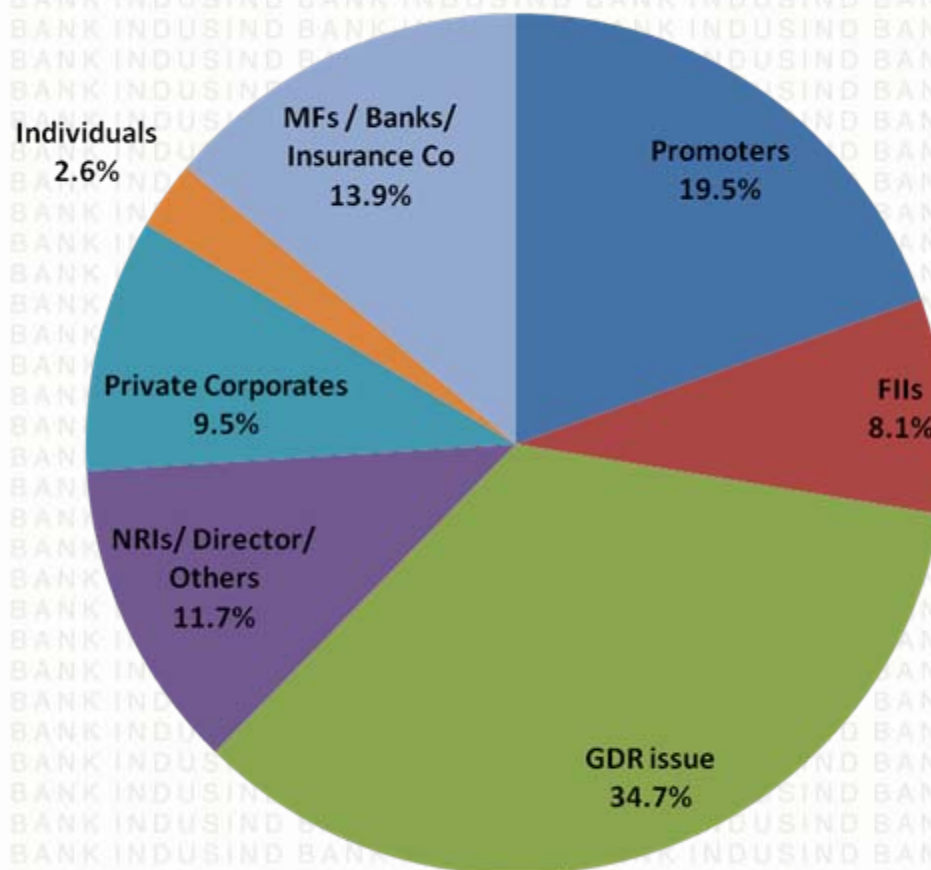
Strengthening Distribution Infrastructure



As at, end	FY09	FY10	FY11	Q1FY12
Branch Network	180	210	300	326
ATMs	356	497	594	633



Shareholding Pattern



As at June 30, 2011



Thank you