

IndusInd Bank

Investor Presentation

July 10, 2013

Q1 – FY14 Performance Highlights

- Consistent performance in deteriorating macro economic environment
- Total Business crossed Rs. 1,00,000 crs
- Net Interest Income grew 40% Y-o-Y & 3% Q-o-Q
- Non-Interest Income to revenue remains healthy at 41%
- Consistent growth in Core Fee Income 31% Y-o-Y & 2% Q-o-Q
- Floating Provision of Rs. 50 crs
- Credit growth above industry 27% Y-o-Y & 7% Q-o-Q
- Low exposure to stressed / sensitive sectors
- Net NPA 0.21%; PCR 79.94%; Restructured Advances 0.28%
- Credit cost at 9 bps



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

Q1-14 outcome

Resulting in

Loan Growth

25% - 30%

27% Y-o-Y

CASA Growth

Exceed Loan Growth
(CASA % in 30's)

Growth-33%
CASA-30%

Fee Growth

Exceed Loan Growth

Core Fee Growth
31%

Branch Growth

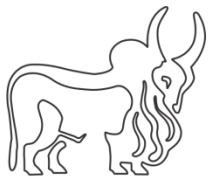
Double

30 New Branches
added in Q1-14

New Client Growth

Double

Cust. Base ~ 4 mn



Planning Cycle III – Key Initiatives

**Further inroads
into Used CV
Loans**

**Focus on
Commercial
Mortgages (LAP)**

**Investment
Banking
Expansion**

**Build Scale in
Business
Banking**

**Growing Market
Share all Vehicle
Categories**

**Unsecured Loans
(Credit Cards &
PL)**

**Industry
Specialisation**

**Build Brand
around
Innovation theme**

**Gold Loans
Launch**

**Accelerate
Branch & ATM
Roll Out**

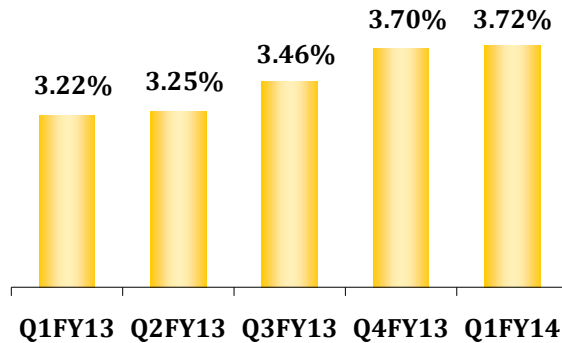
**Rural & Inclusive
Banking**

**Ten Fold Increase
in Brand Building
Spend**

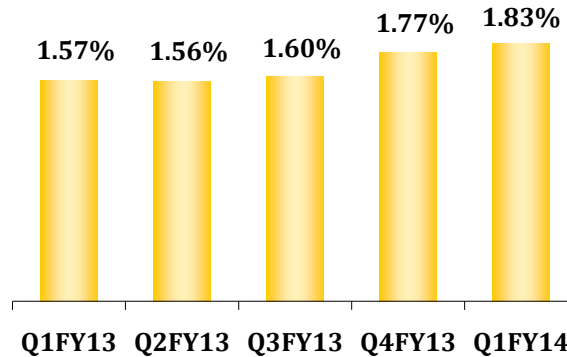


How We Measure Up On Key Metrics

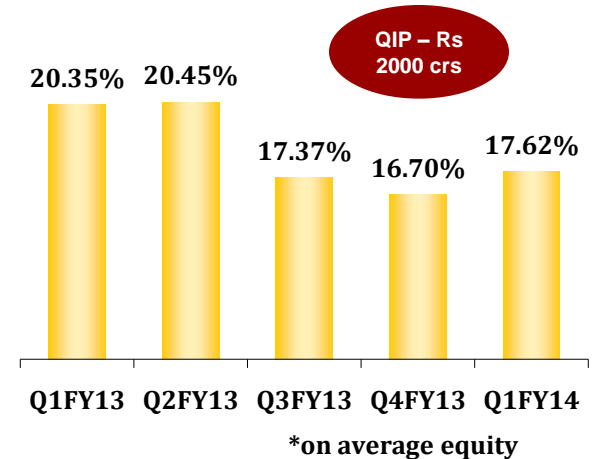
Net Interest Margin (NIM)



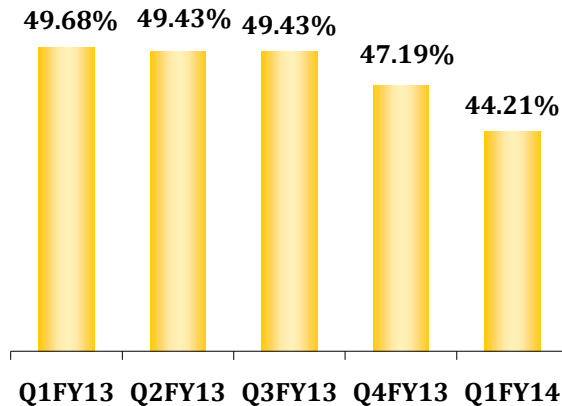
RoA



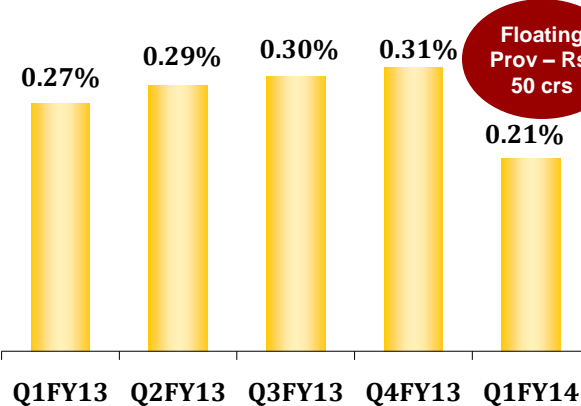
RoE*



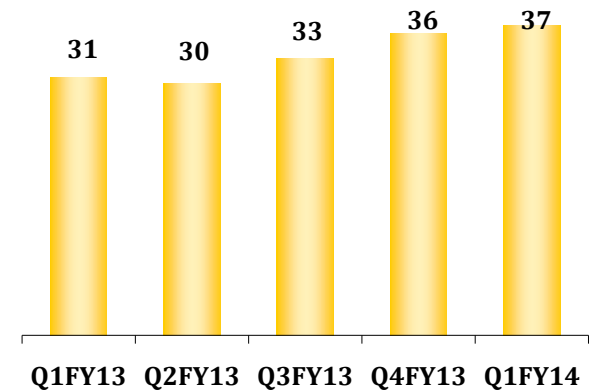
Cost /Income



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



Strong Headline Numbers for Q1-FY14

			Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 679.48 crs	↑	40%	3%
Other Income	Rs 470.61 crs	↑	48%	28%
Core Fee Income	Rs 351.57 crs	↑	31%	2%
Revenue	Rs 1,150.09 crs	↑	43%	12%
Operating Profit	Rs 641.60 crs	↑	59%	18%
Net Profit	Rs 334.84 crs	↑	42%	9%



Top line momentum

			Y-o-Y Growth	Q-o-Q Growth	
Advances	➤	Rs 47,425 crs	↑	27%	7%
Corporate Advances	➤	Rs 24,070 crs	↑	30%	10%
Consumer Finance Advances	➤	Rs 23,355 crs	↑	24%	4%
Deposits	➤	Rs 55,660 crs	↑	23%	3%
CASA	➤	Rs 16,673 crs	↑	33%	5%



Balance Sheet

(Rs crs)

	Q1FY14	Q1FY13	Y-o-Y (%)	Q4FY13	Q-o-Q (%)
Capital & Liabilities					
Capital	523	469	12% ↑	523	- ↑
Reserves and Surplus	7,447	4,515	65% ↑	7,107	5% ↑
Deposits	55,660	45,076	23% ↑	54,117	3% ↑
Borrowings	7,755	8,705	(11%) ↓	9,460	(18%) ↓
Other Liabilities and Provisions	2,346	1,947	21% ↑	2,100	12% ↑
Total	73,731	60,712	21% ↑	73,307	↑
Assets					
Cash and Balances with RBI	2,750	3,062	(10%) ↓	3,250	(15%) ↓
Balances with Banks	3,268	1,671	96% ↑	3,599	(9%) ↓
Investments	17,364	16,308	6% ↑	19,654	(12%) ↓
Advances	47,425	37,245	27% ↑	44,321	7% ↑
Fixed Assets	757	671	13% ↑	756	- ↑
Other Assets	2,167	1,755	23% ↑	1,727	25% ↑
Total	73,731	60,712	21% ↑	73,307	↑
Business (Advances + Deposit)	1,03,085	82,321	25% ↑	98,438	5% ↑



Profit and Loss Account

(Rs crs)

	Q1FY14	Q1FY13	Y-o-Y (%)	Q4FY13	Q-o-Q (%)
Net Interest Income	679.48	484.10	40% ↑	661.23	3% ↑
Other Income	470.61	318.78	48% ↑	367.89	28% ↑
Total Income	1,150.09	802.88	43% ↑	1,029.12	12% ↑
Operating Expenses	508.49	398.85	27% ↑	485.67	5% ↑
Operating Profit	641.60	404.03	59% ↑	543.45	18% ↑
Provisions & Contingencies	132.06	53.50	147% ↑	81.85	61% ↑
Profit before Tax	509.54	350.53	45% ↑	461.60	10% ↑
Provision for Tax	174.70	114.27	53% ↑	154.20	13% ↑
Profit after Tax	334.84	236.26	42% ↑	307.40	9% ↑



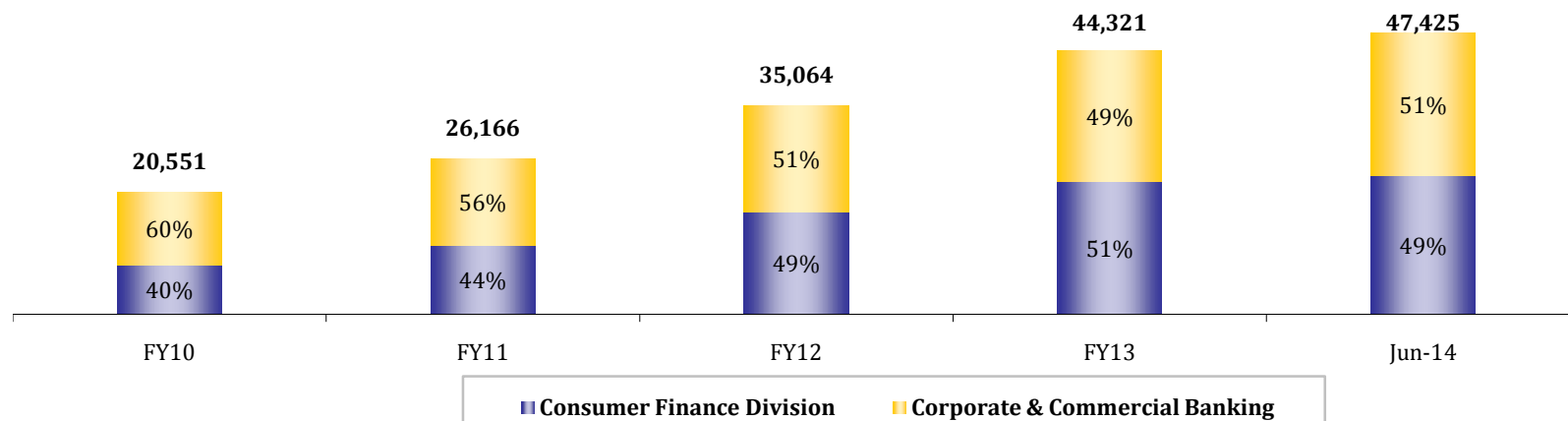
Key Financial Indicators

	Q1FY14	Q1FY13	Q4FY13
Return on Assets	1.83%	1.57%	1.77%
ROE (On average equity)	17.62%	20.35%	16.70%
Cost / Income Ratio	44.21%	49.68%	47.19%
Net Interest Margin	3.72%	3.22%	3.70%
Net NPA	0.21%	0.27%	0.31%
EPS (annualized, Rs. per share)	25.64	20.20	23.56
Net Worth (Rs. in crs) excl Reval Reserve	7,758	4,766	7,418
Book Value (Rs. per share)	148.25	101.69	142.49



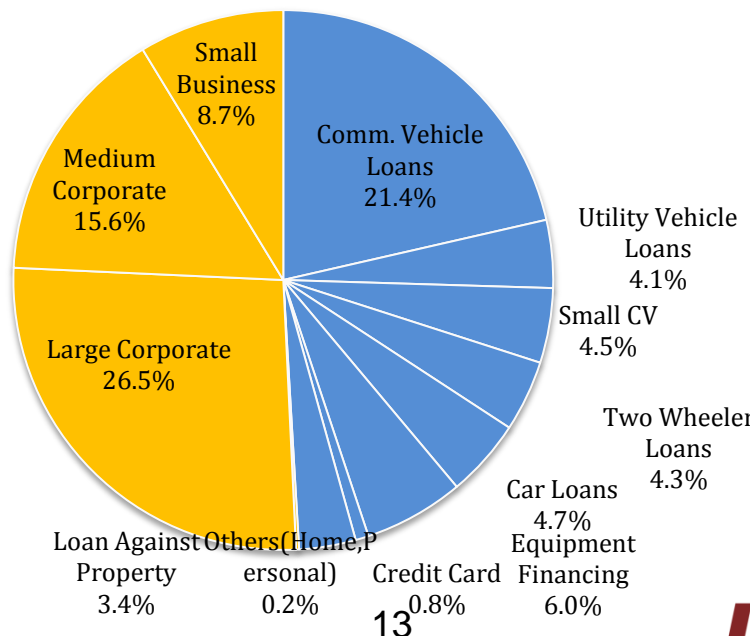
Well Diversified Loan Book

Loan Book (Rs crs)



(Rs crs)

Corporate Banking	June-13	
Large Corporates	12,557	26.5%
Mid size Corporates	7,379	15.6%
Small Corporates	4,134	8.7%
Total Advances	24,070	50.8%

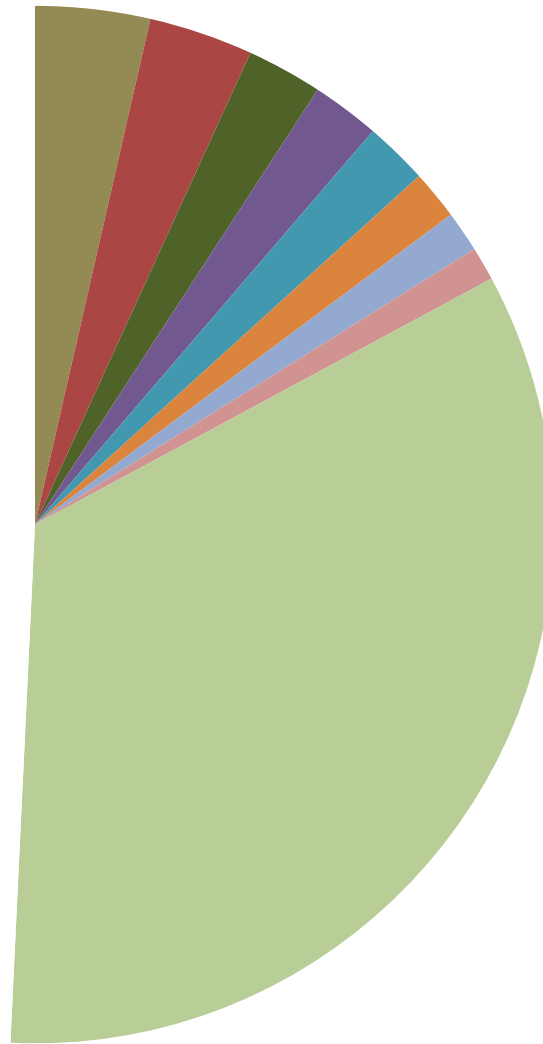


(Rs crs)

Consumer Finance	June-13	
Comm. Vehicle Loans	10,158	21.4%
Utility Vehicle Loans	1,925	4.0%
Small CV	2,125	4.5%
Two Wheeler Loans	2,018	4.2%
Car Loans	2,218	4.7%
Equipment Financing	2,845	6.0%
Credit Card	373	0.8%
Loan Against Property	1,607	3.4%
Home, PL, etc	86	0.2%
Total Advances	23,355	49.2%



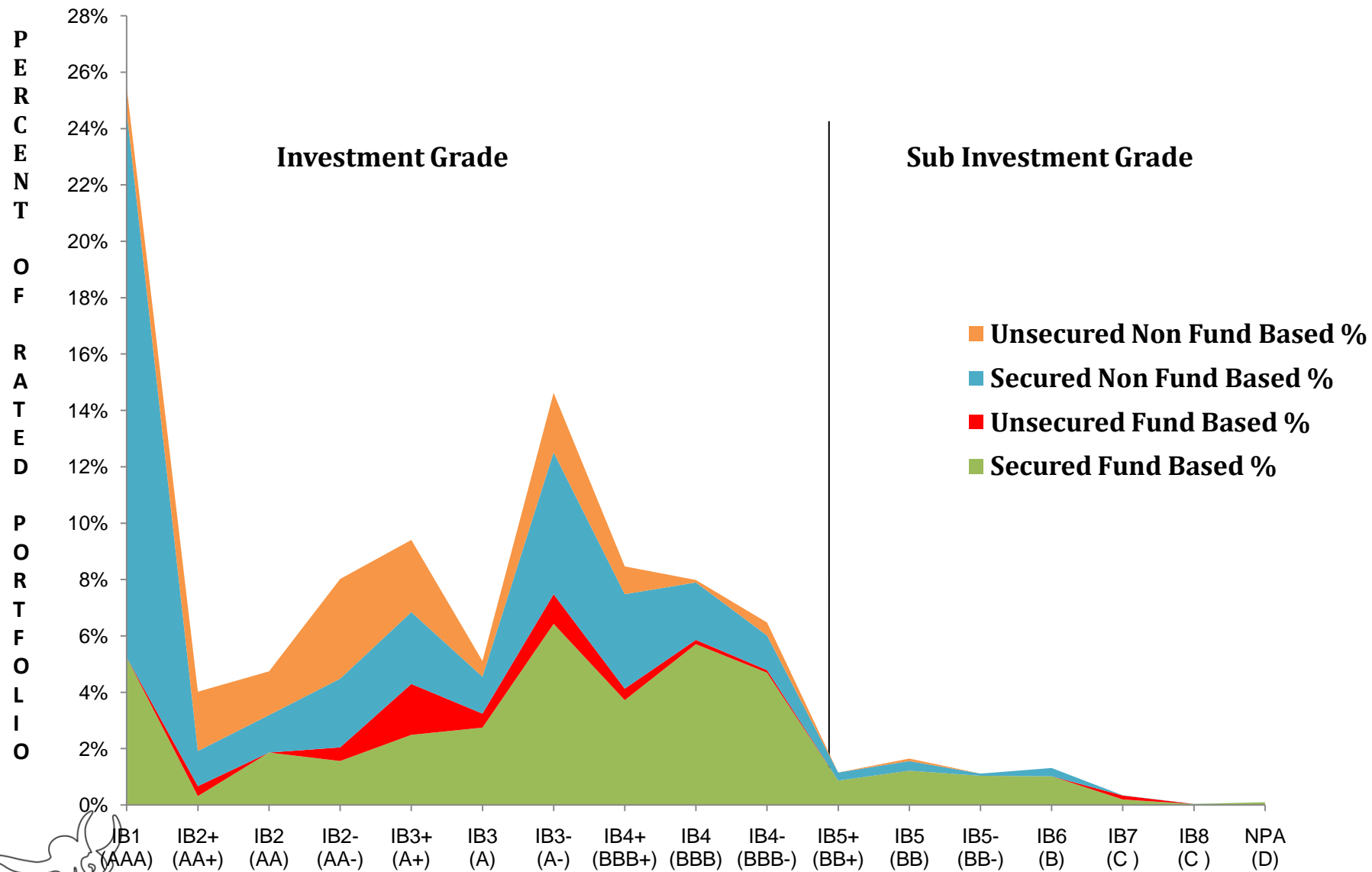
Diversified Corporate Loan Book



NBFCs (other than HFCs/HFIs)	3.57%
Lease Rental	3.25%
Constn related to infra.- EPC	2.36%
Power	2.12%
Gems and Jewellery	1.98%
Steel	1.53%
Pharma	1.28%
Real Estate Developers	1.05%
Other Industry	33.62%



Well Rated Corporate Portfolio

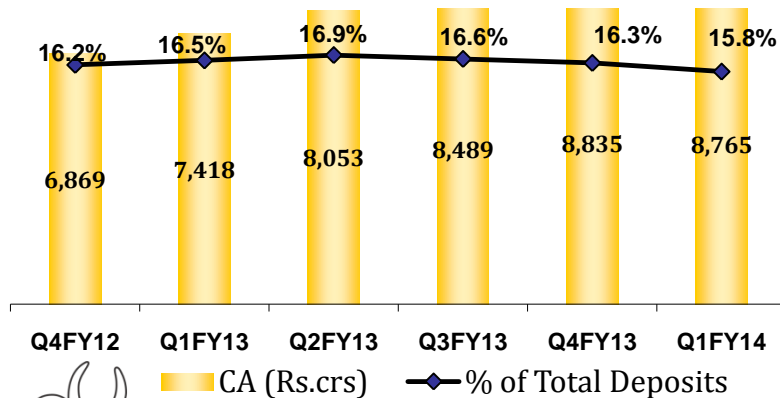


Improving CASA profile

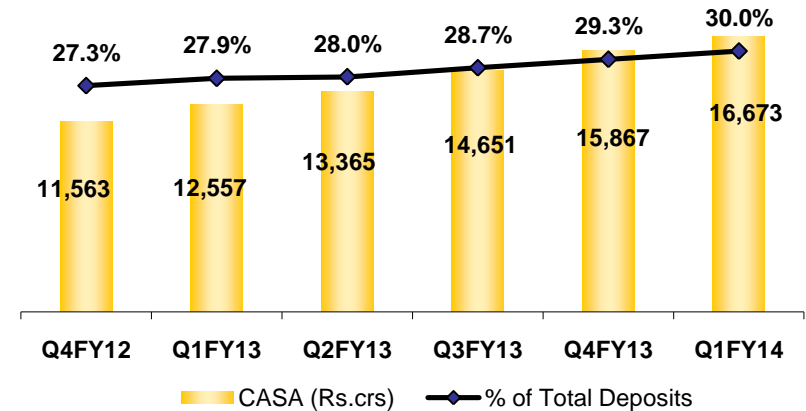
Building CASA traction

- 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

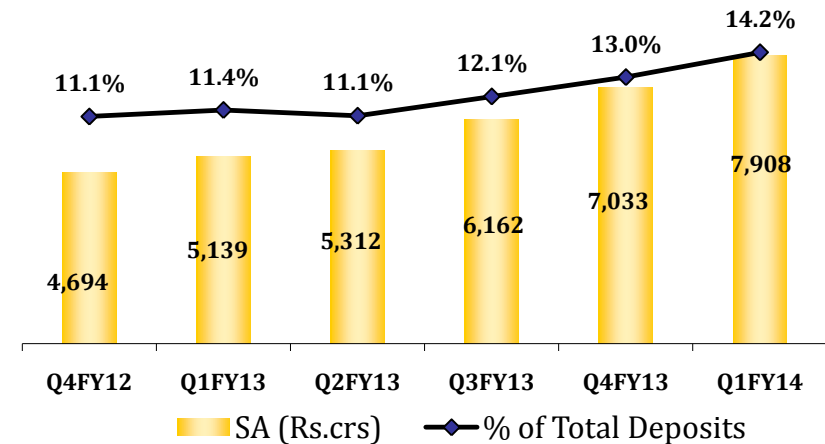
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs crs)

	Q1FY14	Q1FY13	Y-o-Y (%)		Q4FY13	Q-o-Q(%)	
Core Fee	351.57	269.03	31%	↑	344.92	2%	↑
Securities/MM/FX Trading	104.53	49.65	211%	↑	17.84	486%	↑
Others	14.51	0.10	-	↑	5.13	183%	↑
Total	470.61	318.78	48%	↑	367.89	28%	↑



Diverse Revenues from Core Fee Income

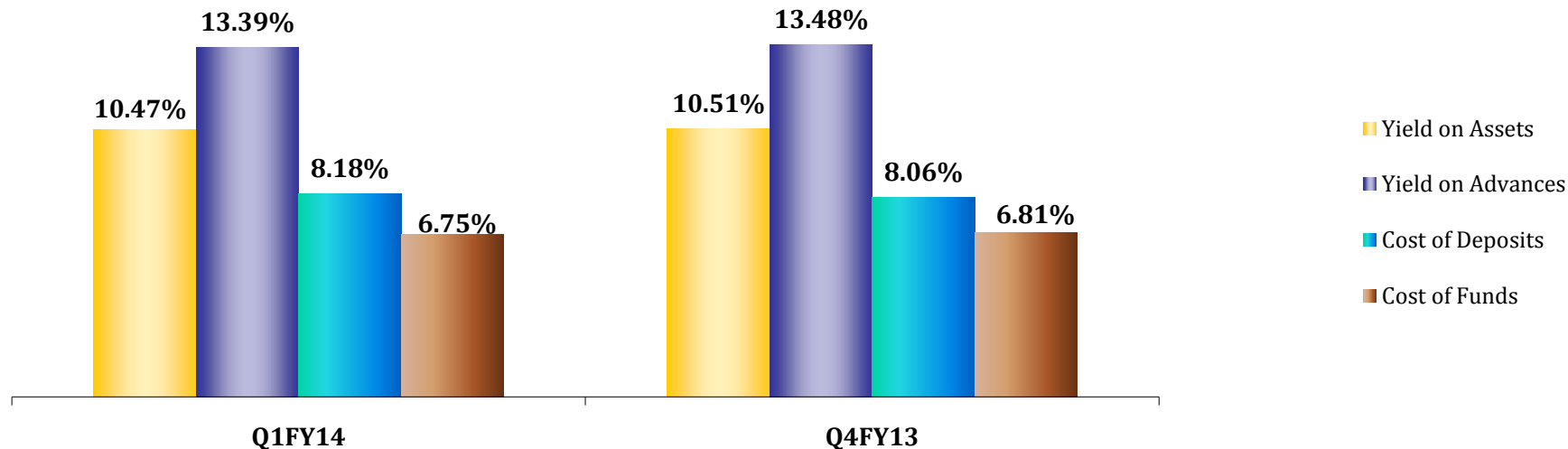
(Rs crs)

	Q1FY14	Q1FY13	Y-o-Y(%)	Q4FY13	Q-o-Q(%)
Trade & Remittances	48.83	37.28	31% ↑	47.27	3% ↑
Foreign Exchange Income	92.21	63.38	45% ↑	73.21	26% ↑
Distribution Fees (Insurance, MF, Cr. Card)	66.68	56.44	18% ↑	78.47	(15%) ↓
General Banking Fees	38.84	29.03	34% ↑	43.28	(10%) ↓
Loan Processing fees	55.23	51.72	7% ↑	58.32	(5%) ↓
Investment Banking	49.79	31.18	60% ↑	44.37	12% ↑
Total Core Fee Income	351.57	269.03	31% ↑	344.92	2% ↑

Growth momentum continues on regular fee flows



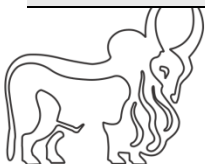
Yield / Cost Movement



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

Segment-wise Yield

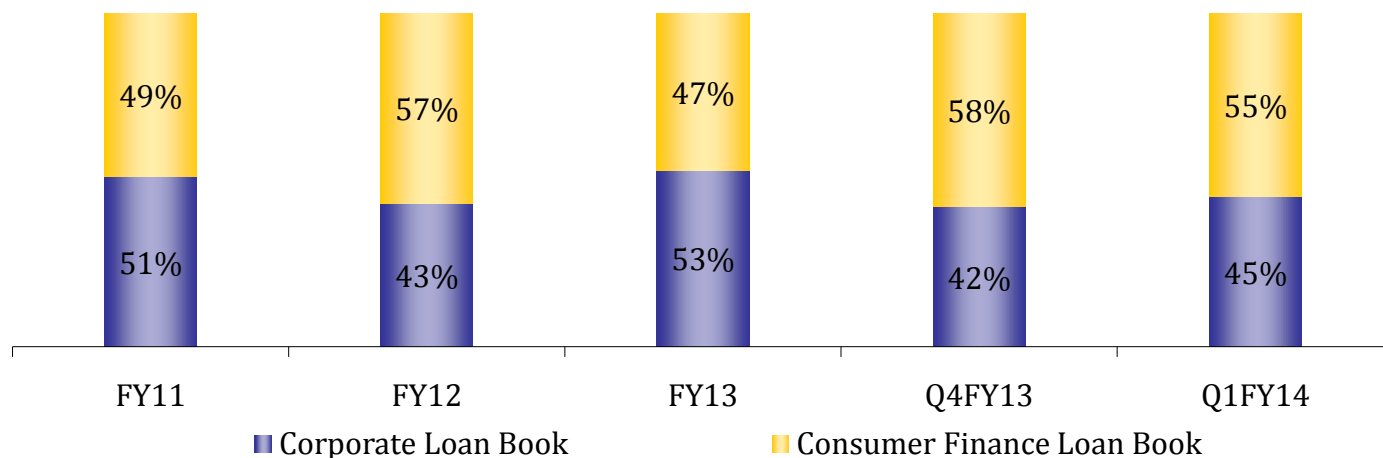
	Q1FY14		Q4FY13	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	24,070	11.26%	21,920	11.39%
Consumer Finance	23,355	15.64%	22,401	15.74%
Total	47,425	13.39%	44,321	13.48%



Credit Cost

(Rs crs)

	FY11	FY12	FY13	Q4FY13	Q1FY14
Corporate Bank	81.99	61.11	116.51	26.90	27.80
Consumer Finance	78.34	81.46	103.10	36.76	33.72
Gross Credit Costs	160.33	142.57	219.61	63.66	61.52
Gross Credit Costs (Basis Points on Advances)	61	41	50	14	13
Net Credit Cost	139.38	133.12	204.81	58.28	43.91
Net Credit Costs (Basis Points on Advances)	53	38	46	13	9
PCR	73%	73%	70%	70%	80%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q1FY14			Q4FY13		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	199	259	458	182	240	422
Additions	27	86	113	24	102	126
Deductions	3	63	66	7	83	90
Gross NPA	223	282	505	199	259	458
Net NPA	41	110	101*	43	94	137
% of Gross NPA			1.06%			1.03%
% of Net NPA			0.21%			0.31%
Provision Coverage Ratio (PCR)			79.94%			70.13%
Restructured Advances			0.28%			0.29%

*Net off floating provision of Rs.50 crs



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q1-FY14	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	119	17	33	18	59	16
Net NPA	53	6	11	6	26	6
Gross NPA %	1.17%	0.86%	1.16%	0.83%	2.87%	0.70%
Net NPA %	0.52%	0.33%	0.39%	0.28%	1.29%	0.25%

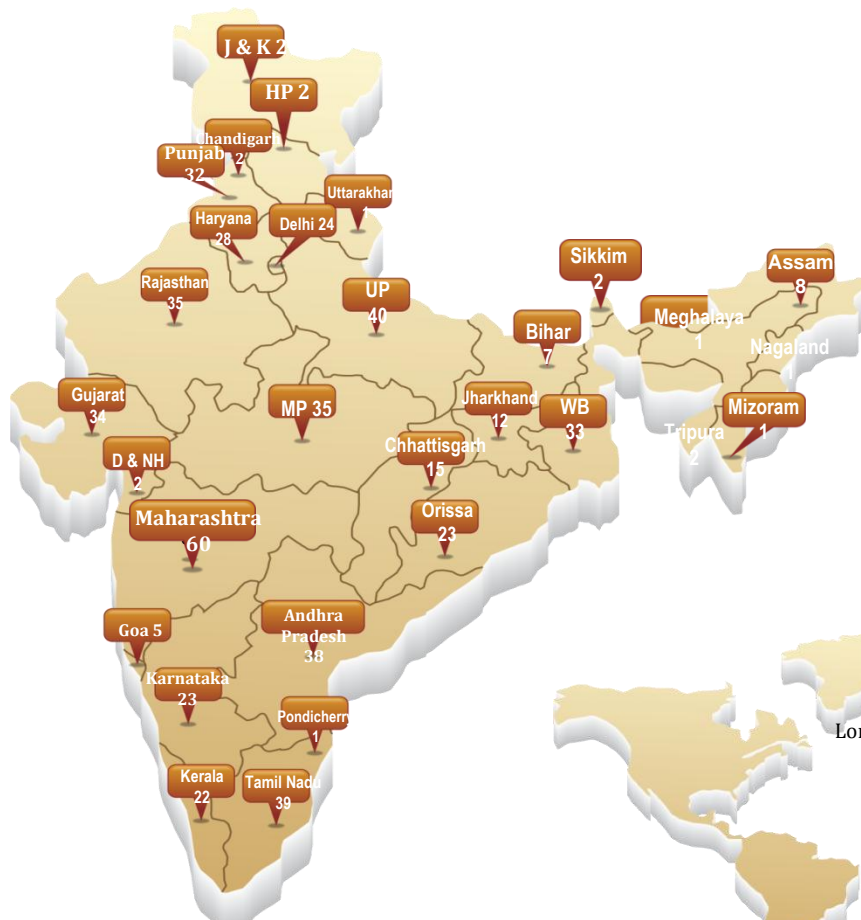
Q4-FY13	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	101	16	32	18	57	15
Net NPA	37	6	11	7	27	5
Gross NPA %	1.01%	0.88%	1.17%	0.84%	2.95%	0.73%
Net NPA %	0.37%	0.31%	0.39%	0.32%	1.41%	0.25%



	30 June-13		30 June-12
	Basel – III	Basel - II	Basel - II
Risk Weighted Assets			
- Credit Risk	48,599	48,599	37,530
- Market Risk	3,236	3,236	997
- Operational Risk	4,670	4,670	3,443
- Total RWA	56,505	56,505	41,970
Tier I Capital Funds	7,622	7,321	4,459
Tier II Capital Funds	771	825	937
Total Capital Funds	8,393	8,146	5,396
CRAR	14.85%	14.42%	12.86%
Tier I	13.49%	12.96%	10.62%
Tier II	1.36%	1.46%	2.24%
CRAR (under Basel – II with profit)		15.01%	13.42%
Tier I		13.55%	11.19%
Tier II		1.46%	2.23%



Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

Strengthening Distribution Infrastructure

Particulars	FY11	FY12	FY13	June 30, 2013
Branch Network	300	400*	500*	530
ATMs	594	692	882	1,003

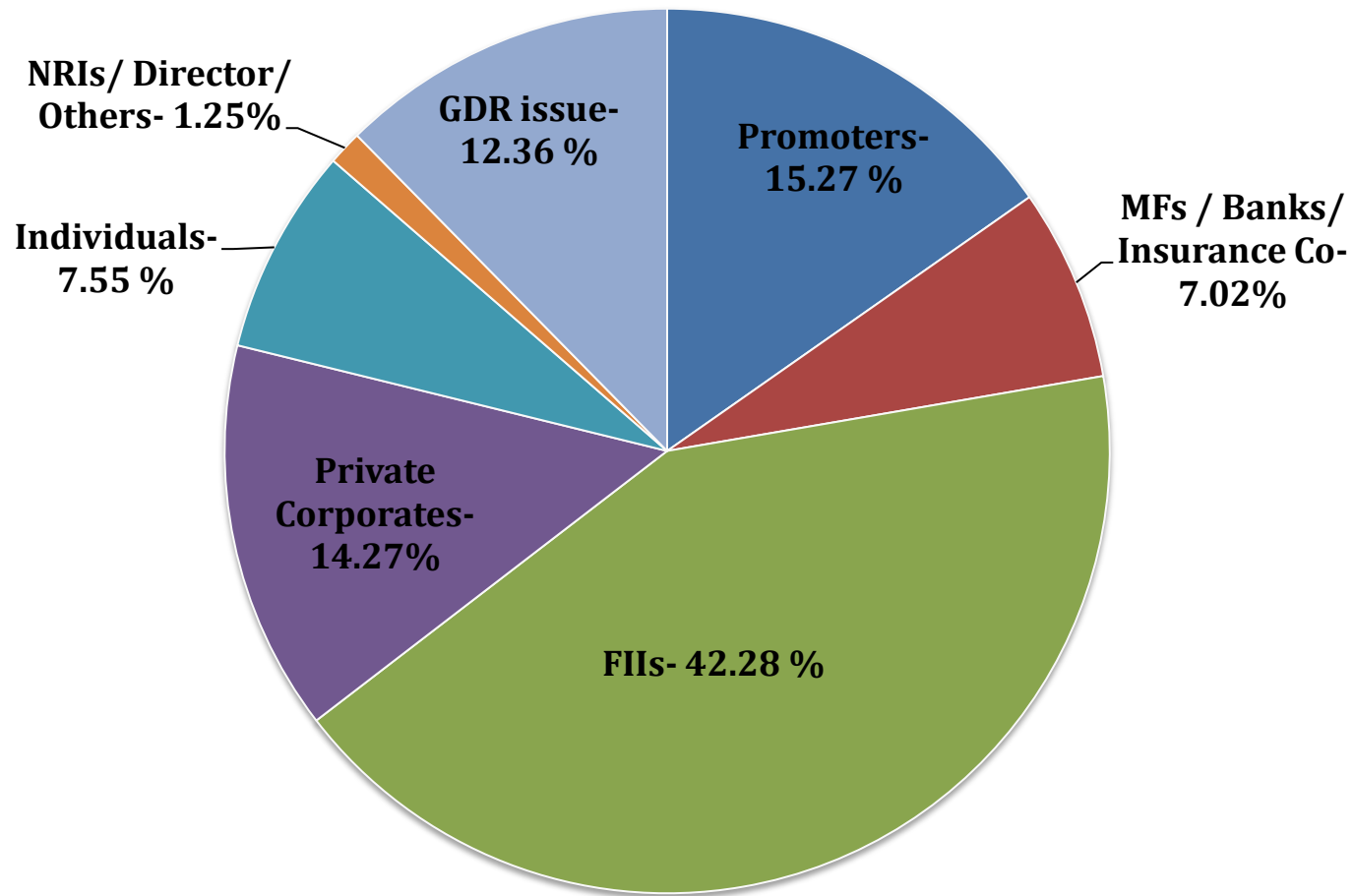
*includes 40 specialized branches



- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern



Events and Awards



Global CSR Excellence & Leadership Award 2013



For 'Best Use of CSR Practices in Banking & Finance'

For 'Innovation in Corporate Social Responsibility Practices'

BSE - 7th Social and Corporate Governance Awards



For Best Corporate Social Responsibility Practice' 2013'



Inclusion in Nifty50



On 1st April 2013 IndusInd Bank entered Benchmark Index of NSE Nifty 50



Thank you



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