

IndusInd Bank

Investor Presentation

July 09, 2014

Q1 – FY15 Performance Highlights

- **Key performance vectors stable in spite of stagnant Operating Environment**
- **Non-Interest Income to revenue remains healthy at 42%**
- **Consistent growth in Fee Income - 38% Y-o-Y and 10% Q-o-Q.**
- **NIM remains steady at 3.66%**
- **Credit growth above industry - 24% Y-o-Y and 6% Q-o-Q**
- **Net NPA 0.33%; PCR 70.12%; Restructured Advances 0.40%**
- **Stable total credit cost at 15 bps for quarter**



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**



Planning Cycle 3: Pillars of Growth

Planning Cycle 3 (2014-17)

Q1-FY 15
Outcome

Loan Growth



25% - 30%

24%

CASA Growth



CASA > 35%

33%

Fee Growth



Exceed Loan Growth

38%

Branch Network



To Double

638

Customer Base



To Double

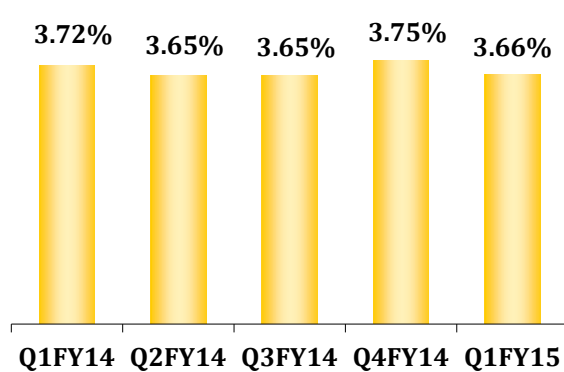
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Resulting in

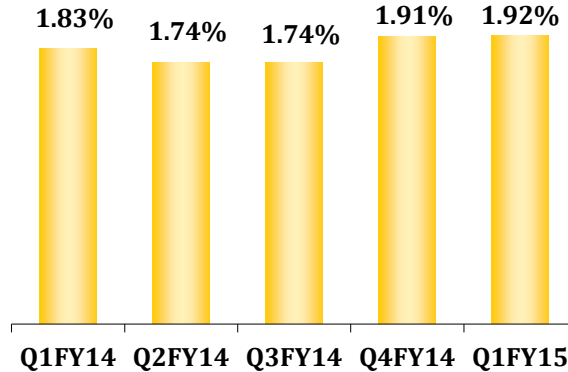


How We Measure Up On Key Metrics

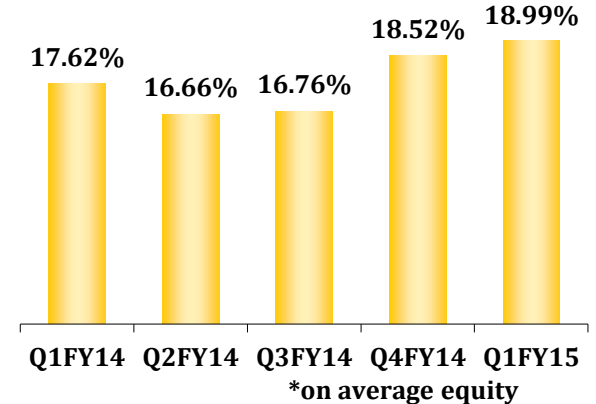
Net Interest Margin (NIM)



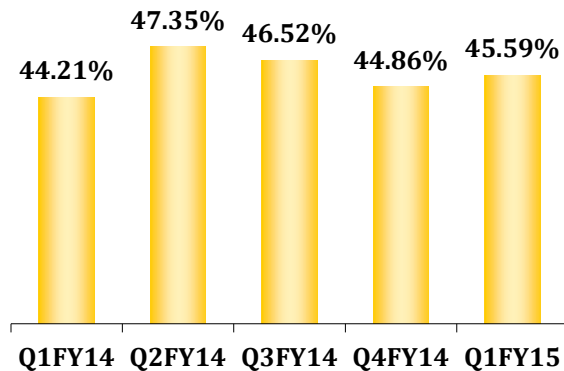
RoA



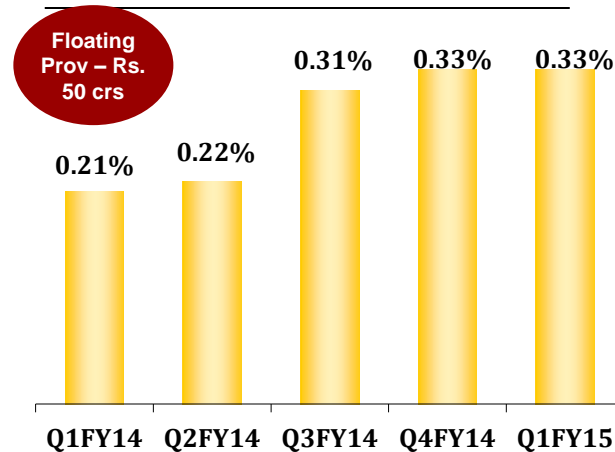
RoE*



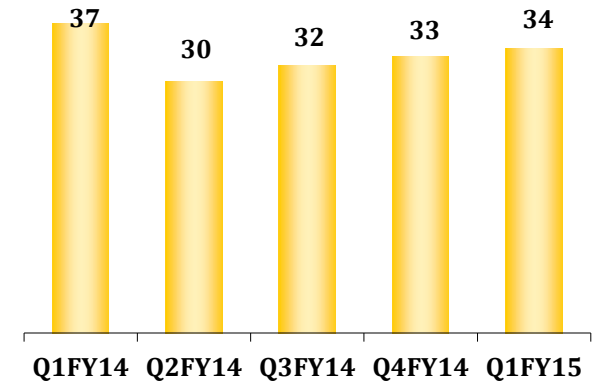
Cost /Income



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 Q1-FY15

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 801 crs	18%	2%
Other Income	Rs 576 crs	22%	10%
Core Fee Income	Rs 487 crs	38%	10%
Revenue	Rs 1,377 crs	20%	6%
Operating Profit	Rs 749 crs	17%	4%
Net Profit	Rs 421 crs	26%	6%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 58,664 crs	24%	6%
Corporate Advances	Rs 33,300 crs	38%	10%
Consumer Finance Advances	Rs 25,364 crs	9%	2%
Deposits	Rs 63,893 crs	15%	6%
CASA	Rs 21,305 crs	28%	8%
SA	Rs 10,577 crs	34%	7%
Borrowings	Rs 14,195 crs	83%	-4%



Balance Sheet

(Rs Crs)

	Q1FY15	Q1FY14	Y-o-Y (%)	Q4FY14	Q-o-Q (%)
Capital & Liabilities					
Capital	526	523	1% ↑	526	- ↑
Reserves and Surplus	8,951	7,447	20% ↑	8,517	5% ↑
Deposits	63,893	55,660	15% ↑	60,502	6% ↑
Borrowings	14,196	7,755	83% ↑	14,762	-4% ↓
Other Liabilities and Provisions	2,789	2,346	19% ↑	2,719	3% ↑
Total	90,355	73,731	23% ↑	87,026	4% ↑
Assets					
Cash and Balances with RBI	3,621	2,750	32% ↑	4,414	-18% ↓
Balances with Banks	3,360	3,268	3% ↑	2,356	43% ↑
Investments	21,288	17,364	23% ↑	21,563	-1% ↓
Advances	58,664	47,425	24% ↑	55,102	6% ↑
Fixed Assets	1,048	757	39% ↑	1,016	3% ↑
Other Assets	2,374	2,167	10% ↑	2,575	-8% ↓
Total	90,355	73,731	23% ↑	87,026	4% ↑
Business (Advances + Deposit)	1,22,557	1,03,085	19% ↑	115,604	6% ↑



Profit and Loss Account

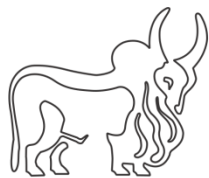
(Rs Crs)

	Q1FY15	Q1FY14	Y-o-Y (%)	Q4FY14	Q-o-Q (%)
Net Interest Income	800.66	679.48	18% ↑	781.21	2% ↑
Other Income	576.37	470.61	22% ↑	522.92	10% ↑
Total Income	1,377.03	1,150.09	20% ↑	1,304.13	6% ↑
Operating Expenses	627.83	508.49	23% ↑	585.05	7% ↑
Operating Profit	749.20	641.60	17% ↑	719.08	4% ↑
Provisions & Contingencies	110.40	132.06	-16% ↓	120.55	-8% ↓
Profit before Tax	638.80	509.54	25% ↑	598.53	7% ↑
Provision for Tax	217.74	174.70	25% ↑	202.48	8% ↑
Profit after Tax	421.06	334.84	26% ↑	396.05	6% ↑



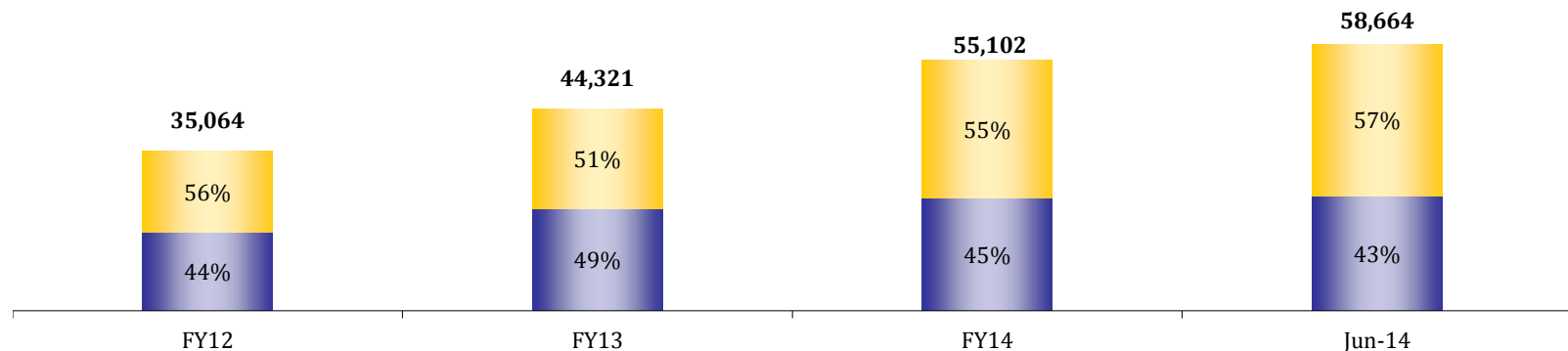
Key Financial Indicators

	Q1FY15	Q1FY14	Q4FY14
Return on Assets	1.92%	1.83%	1.91%
ROE (On average equity)	18.99%	17.62%	18.52%
Cost / Income Ratio	45.59%	44.21%	44.86%
Net Interest Margin	3.66%	3.72%	3.75%
Net NPA	0.33%	0.21%	0.33%
EPS (annualized, Rs. per share)	32.04	25.64	30.16
Net Worth (Rs. in crs) excl Reval Reserve	9,082	7,758	8,646
Book Value (Rs. per share)	172.60	148.25	164.57



Well Diversified Loan Book

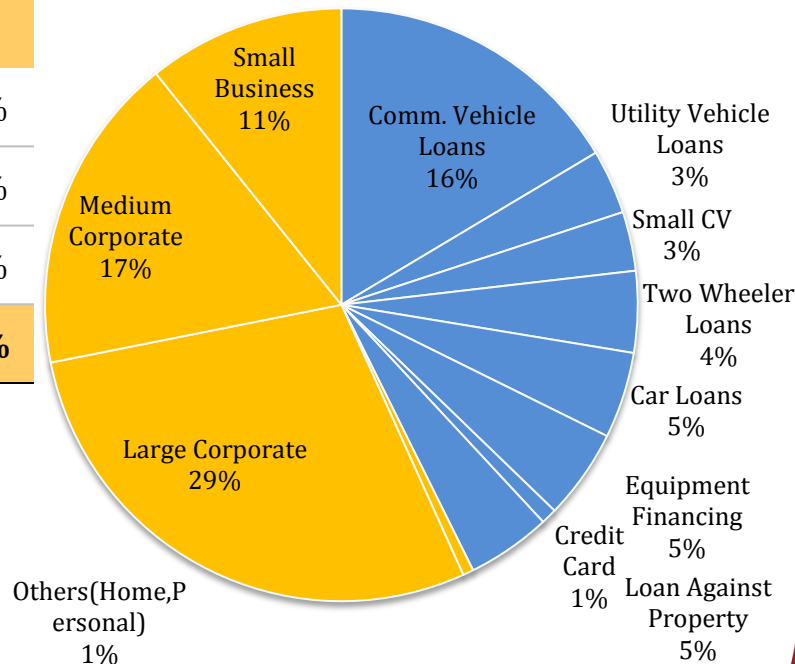
Loan Book (Rs crs)



■ Consumer Finance Division ■ Corporate & Commercial Banking

(Rs crs)

Corporate Banking	June-14	
Large Corporates	16,800	29%
Mid size Corporates	10,190	17%
Small Corporates	6,310	11%
Total Advances	33,300	57%



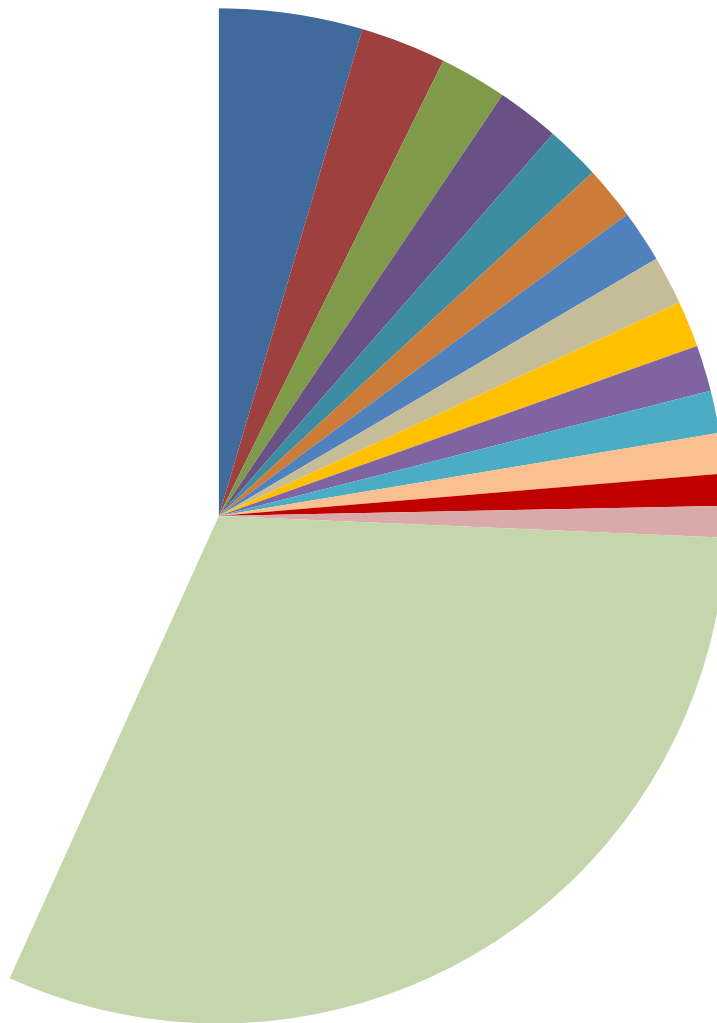
(Rs crs)

Consumer Finance	June-14	
Comm. Vehicle Loans	9,638	16%
Utility Vehicle Loans	2,059	3%
Small CV	1,892	3%
Two Wheeler Loans	2,606	4%
Car Loans	2,758	5%
Equipment Financing	2,885	5%
Credit Card	503	1%
Loan Against Property	2,691	5%
Home, PL, etc	332	1%
Total Advances	25,364	43%

IndusInd Bank



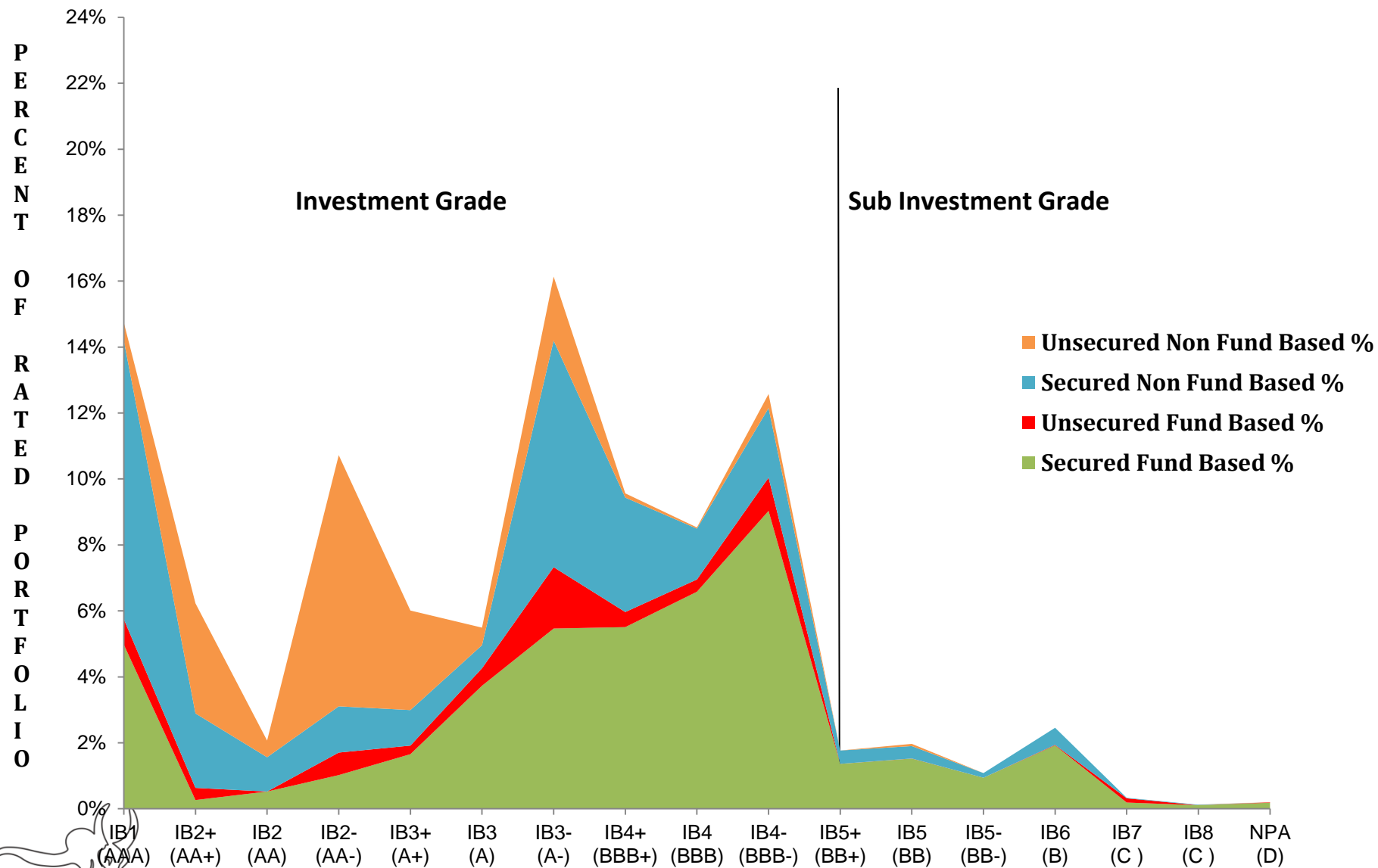
Diversified Corporate Loan Book



Lease Rental	4.56%
Power	2.73%
NBFCs (other than HFCs/HFIs)	2.15%
Gems and Jewellery	2.00%
Telecom	1.73%
Food Beverages and processing	1.71%
Real Estate Developer	1.66%
Constn related to infra.- EPC	1.55%
Food Credit	1.47%
Services	1.47%
Steel	1.35%
Fertiliser	1.29%
Pharma	1.02%
Paper	1.00%
Other Industry	31.08%



Well Rated Corporate Portfolio

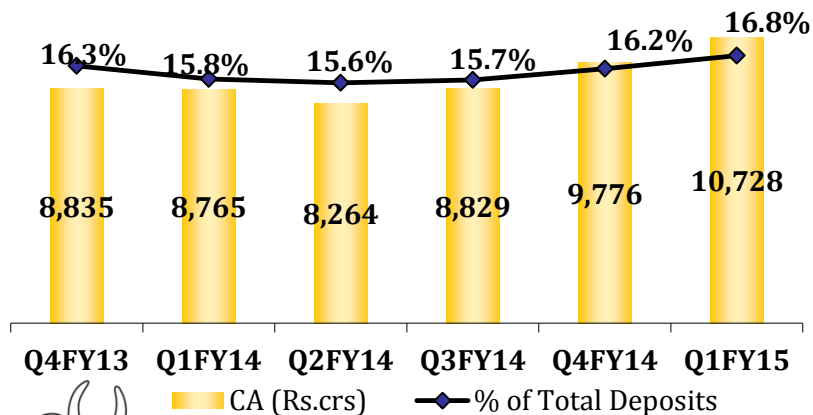


Improving CASA profile

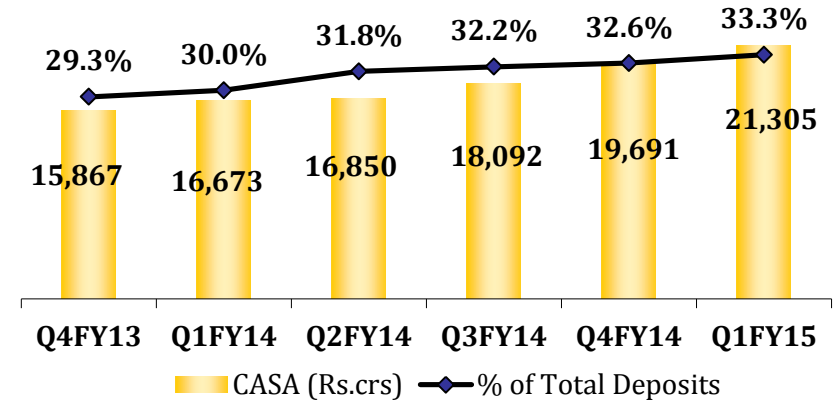
Building CASA traction

- Expanding branch network
- Some leverage from SA rate advantage
- Focus on target market segments
 - Government business
 - Capital market flows
 - Select Home Markets
 - Self employed and Emerging Corporate businesses
- Differentiated Service Propositions

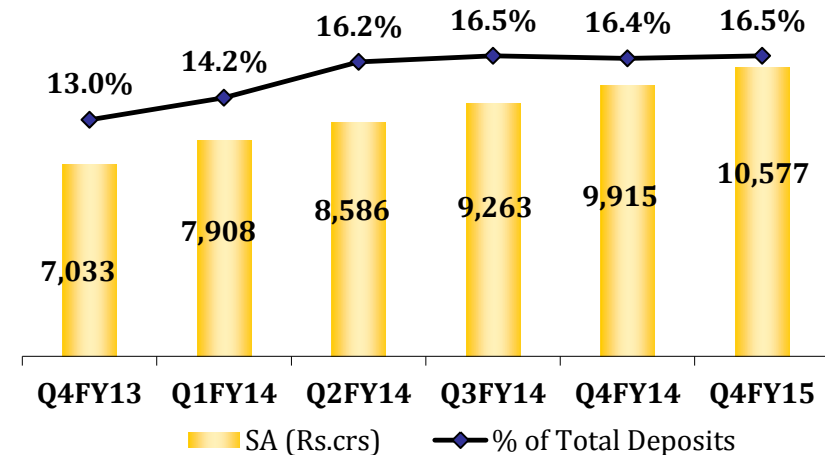
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs crs)

	Q1FY15	Q1FY14	Y-o-Y (%)	Q4FY14	Q-o-Q(%)
Core Fee	486.52	351.58	38% ↑	441.87	10% ↑
Securities/MM/FX Trading/Others	89.85	119.03	(25%) ↓	81.05	11% ↑
Total	576.37	470.61	22% ↑	522.92	10% ↑



Diverse Revenues from Core Fee Income

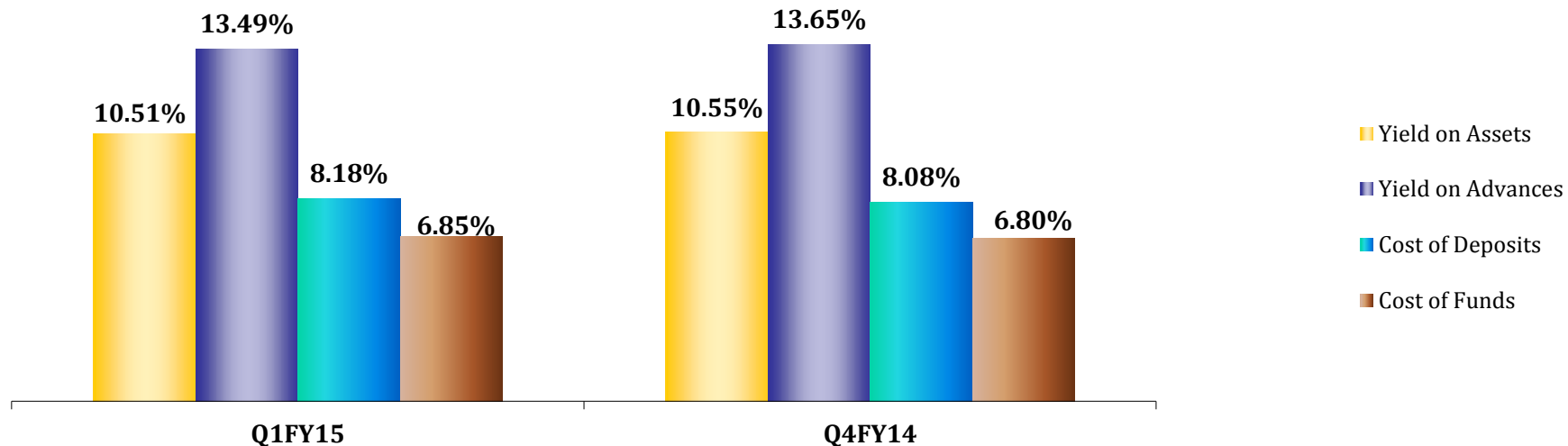
(Rs crs)

	Q1FY15	Q1FY14	Y-o-Y(%)	Q4FY14	Q-o-Q(%)
Trade and Remittances	61.54	48.83	26% ↑	60.05	2% ↑
Foreign Exchange Income	134.85	92.21	46% ↑	109.09	24% ↑
Distribution Fees (Insurance, MF, Cards)	74.65	66.68	12% ↑	77.45	(4%) ↓
General Banking Fees	42.67	38.84	10% ↑	37.66	13% ↑
Loan Processing fees	86.09	55.23	56% ↑	89.58	(4%) ↓
Investment Banking	86.72	49.79	74% ↑	68.04	27% ↑
Total Core Fee Income	486.52	351.58	38% ↑	441.87	10% ↑

Growth momentum continues on regular fee flows



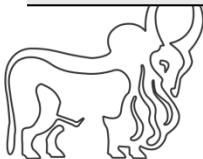
Yield / Cost Movement



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

Segment-wise Yield

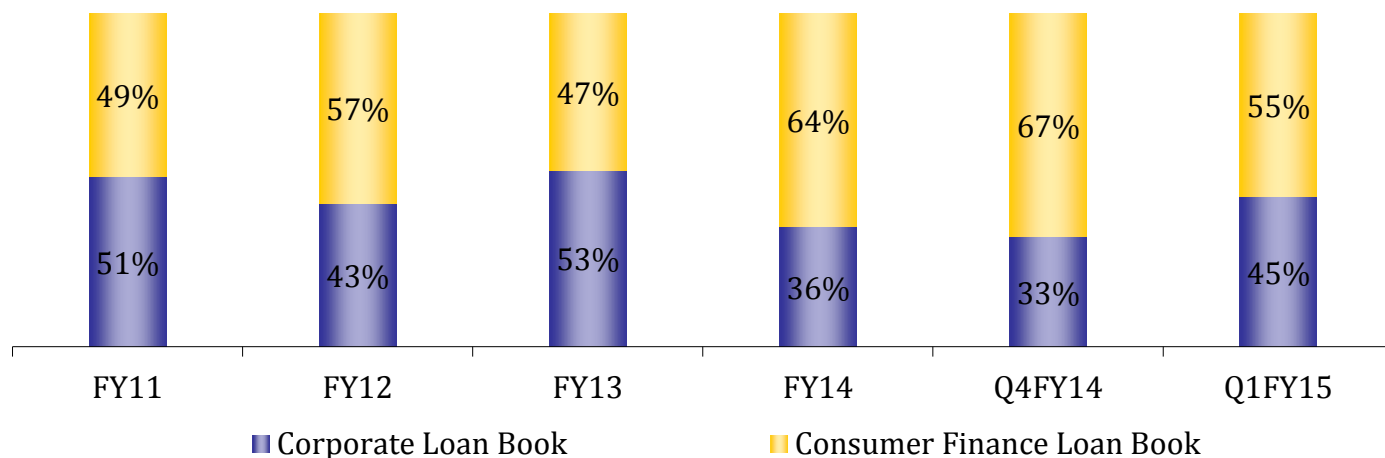
	Q1FY15		Q4FY14	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	33,300	11.55%	30,317	11.64%
Consumer Finance	25,364	15.75%	24,785	15.75%
Total	58,664	13.49%	55,102	13.65%



Credit Cost

(Rs crs)

	FY11	FY12	FY13	FY14	Q4FY14	Q1FY15
Corporate Bank	81.99	61.11	116.51	93.70	23.60	38.49
Consumer Finance	78.34	81.46	103.10	169.97	49.00	46.71
Gross Credit Costs	160.33	142.57	219.61	263.67	72.60	85.20
Gross Credit Costs (Basis Points on Advances)	61	41	50	48	13	15
Net Credit Cost	139.38	133.12	204.81	227.94	59.13	81.92
Net Credit Costs (Basis Points on Advances)	53	38	46	41	11	14
PCR	73%	73%	70%	70%	70%	70%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q1FY15			Q4FY14		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	310	311	621**	324	302	626
Additions	59	104	163	39	149	188
Deductions	32	97	129	53	140	193
Gross NPA	337	318	655**	310	311	621**
Net NPA			196*			184*
% of Gross NPA			1.11%			1.12%
% of Net NPA			0.33%			0.33%
Provision Coverage Ratio (PCR)			70.12%			70.35%
Restructured Advances			0.40%			0.33%

* Net off floating provision of Rs. 50 crs

**After sale to ARC Rs.16 crs (Rs. 35 crs)



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q1-FY15	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	139	17	46	15	66	13	14	8	318
Net NPA	55	5	22	3	28	3	6	4	126
Gross NPA %	1.44%	0.84%	1.58%	0.82%	2.49%	0.46%	0.47%	1.53%	1.25%
Net NPA %	0.57%	0.22%	0.75%	0.14%	1.09%	0.13%	0.21%	0.86%	0.50%

Q4-FY14	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	133	18	37	18	64	14	19	8	311
Net NPA	54	6	14	5	28	6	7	3	123
Gross NPA %	1.38%	0.87%	1.30%	0.92%	2.50%	0.52%	0.69%	1.80%	1.25%
Net NPA %	0.56%	0.28%	0.50%	0.29%	1.11%	0.23%	0.27%	0.66%	0.50%



	30 June 14	31 Mar 14
	Basel - III	Basel - III
Risk Weighted Assets		
- Credit Risk	65,345	58,612
- Market Risk	2,579	2,517
- Operational Risk	6,131	6,131
- Total RWA	74,055	67,260
Tier I Capital Funds	8,928	8,551
Tier II Capital Funds	777	754
Total Capital Funds	9,705	9,305
CRAR	13.11%	13.83%
Tier I	12.06%	12.71%
Tier II	1.05%	1.12%



Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

Strengthening Distribution Infrastructure

Particulars	FY13	FY14	Q1-FY15
Branch Network	500	602	638*
ATMs	882	1,110	1,238

*includes 44 specialized branches

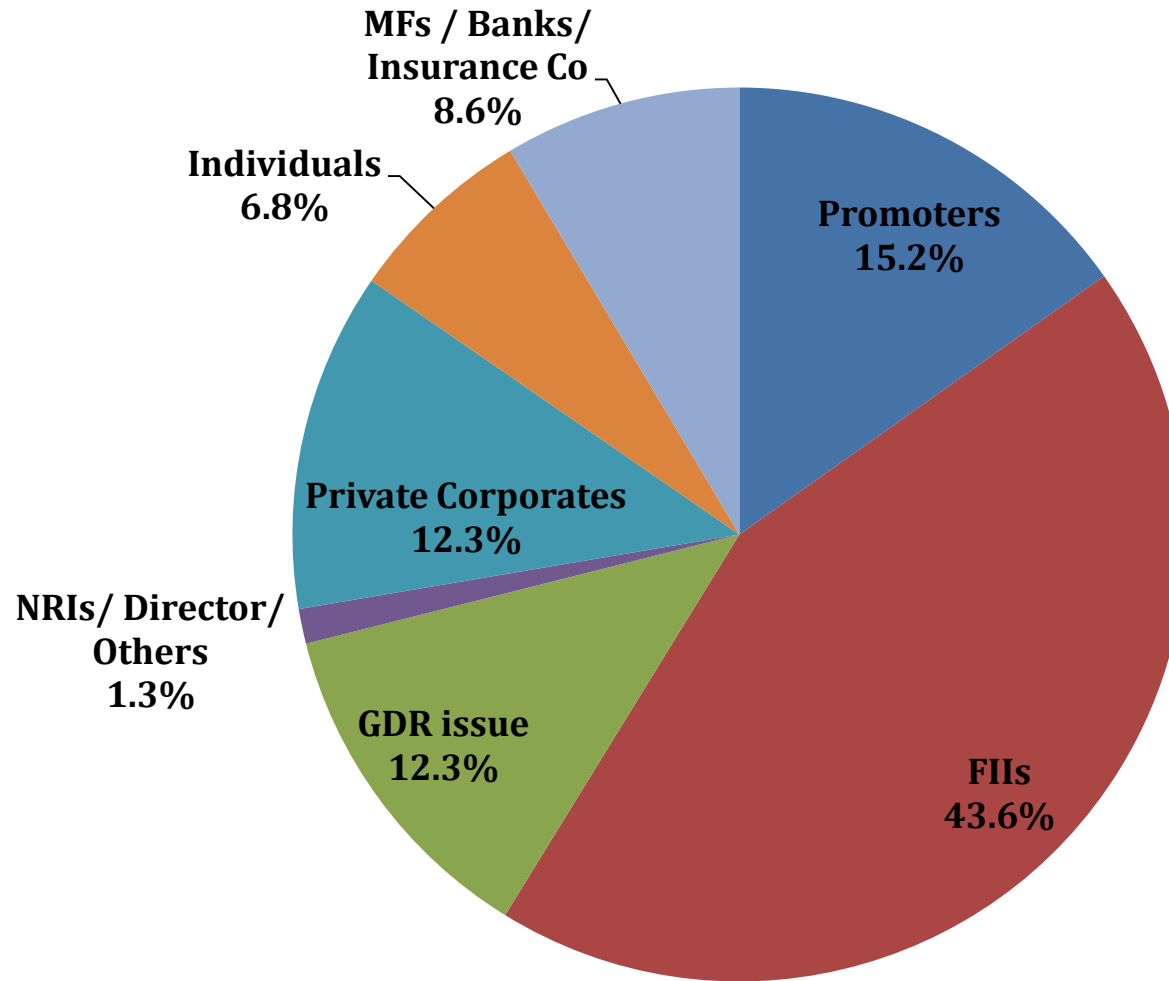


- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

June 30, 2014



New Launches





The advertisement features a man in a light blue shirt and white pants sitting on a rug in a modern living room, looking at a large tablet. The tablet displays a woman in a grey blazer holding a document, with the text 'IndusInd Bank' and 'LIVE' on the screen. The background shows a white sofa and large windows.

VIDEO Branch

.....EXPERIENCE.....
FACE TO FACE BANKING
WITHOUT GOING
.....TO YOUR BANK.....

1st TIME IN INDIA

IndusInd Bank

INDUSIND BANK INTRODUCES VIDEO BRANCH — NOW DO 'LIVE' VIDEO CALL WITH YOUR BRANCH

Yes it's true! Now you can experience the ease of Face to Face Banking without going to your bank, with our new 'LIVE' Video Banking Service – **Video Branch**. An innovative service that enables you to do your banking transactions 'LIVE' on your mobile, tablet, laptop or PC, by speaking to your Branch / Relationship Manager / Video Branch Representative.

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Tractor & Farm Equipment Loans



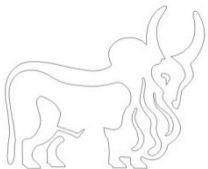
Launch of new vertical to cater to the growing financial needs of agricultural community



Asset Reconstruction



Launched Asset Reconstruction business to capitalise on the investment opportunity in Stressed Assets



Thank you



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