

IndusInd Bank



Investor Presentation

April 18, 2011

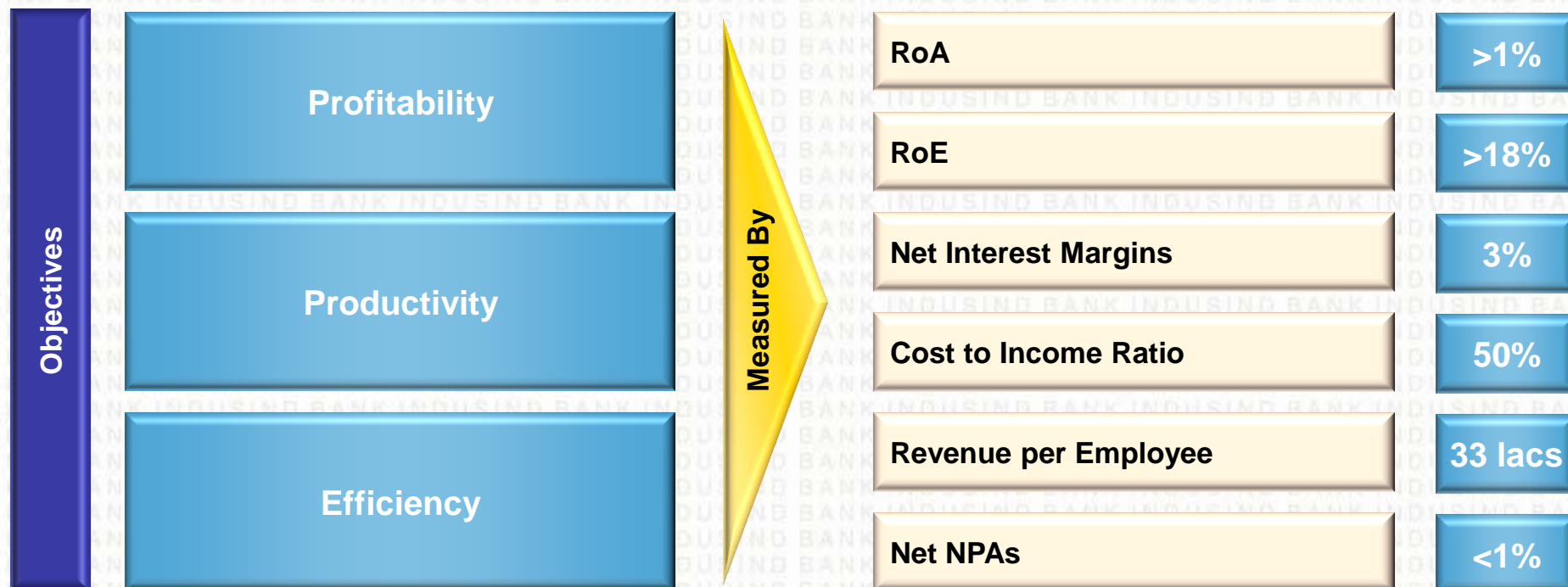
Disclaimer

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. Further details will be published as a part of our Annual report for FY2011.

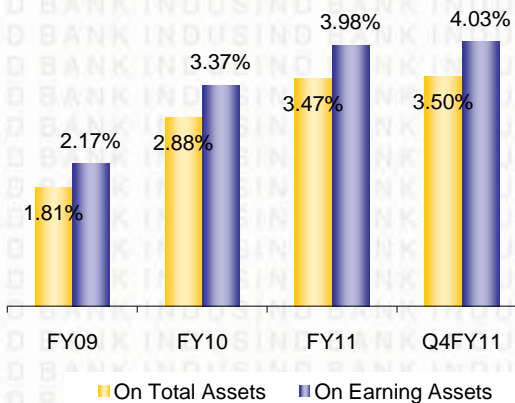
Q4 FY-11 marks end of 12 Quarters of 'Planning Cycle I' with Stated Ambition...

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

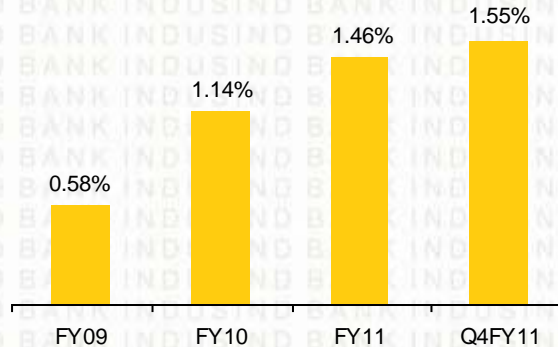


How We Measure Up On Key Metrics

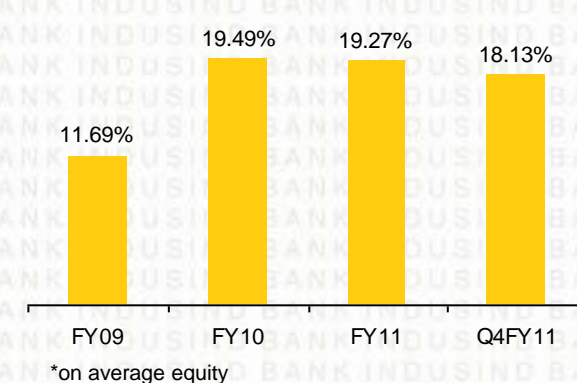
Net Interest Margin (NIM)



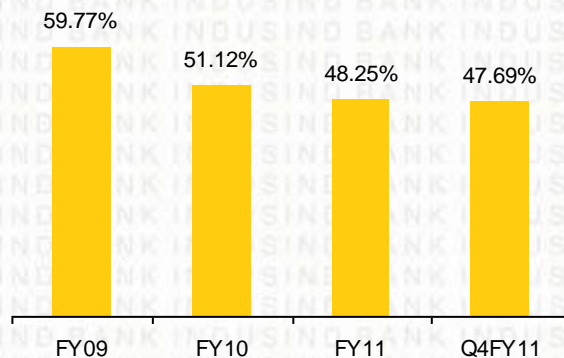
RoA



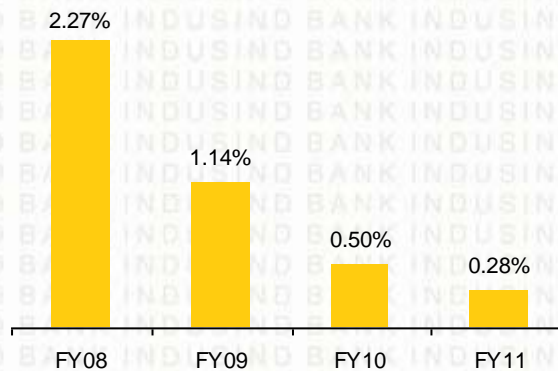
RoE*



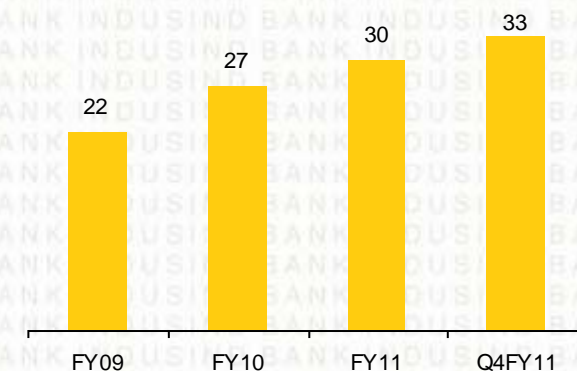
Cost/Income



Net NPA



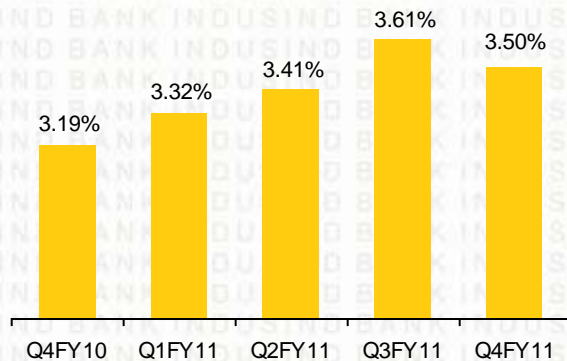
Revenue/Employee (Rs Lacs)



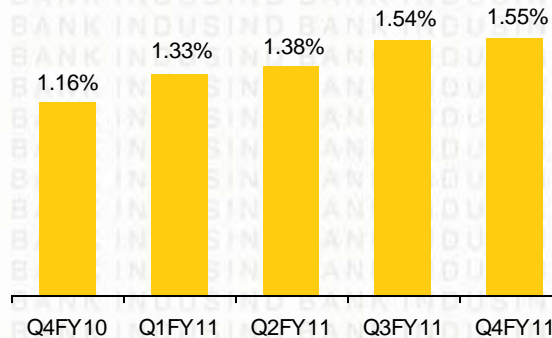
Improvement in all the key operating metrics

How We Measure Up On Key Metrics

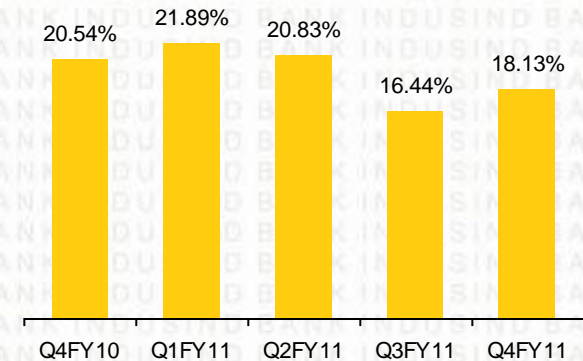
Net Interest Margin (NIM)



RoA

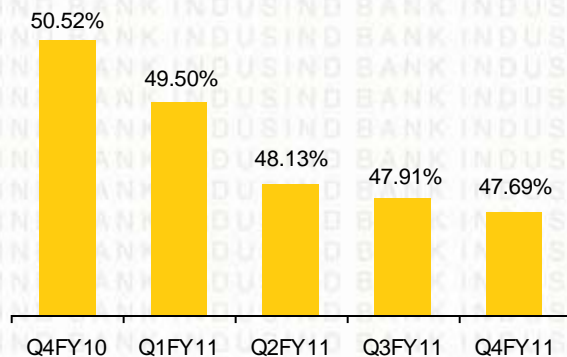


RoE*

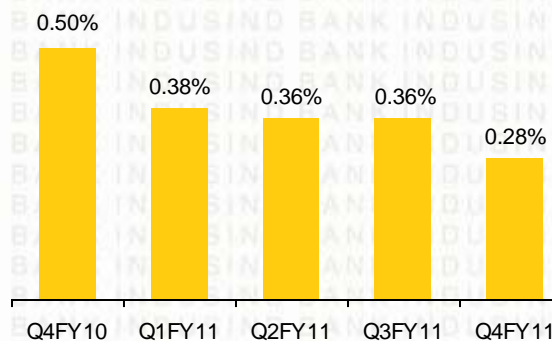


*on average equity

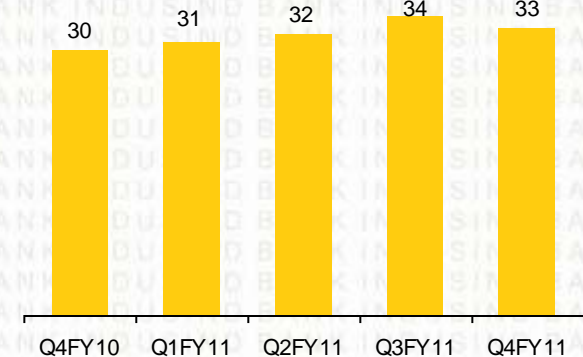
Cost to Income Ratio



Net NPA



Revenue/Employee (Rs Lacs)



QoQ delivery of strong operating performance

Accolades

“Most Improved Bank Performance of the Year”



Awarded by **Bloomberg | UTV**
Financial Leadership Awards 2011

On the basis of a detailed methodology, nomination process and research conducted by knowledge partner, ICRA, Bloomberg UTV Financial Leadership Awards, 2011 in partnership with MCX has bestowed upon IndusInd Bank as the 'Most Improved Bank Performance of the Year 2011' under the Banking Awards category.

The Award was received by **Mr. Romesh Sobti**, our MD & CEO from **Hon. Shri Pranab Mukherjee**, Finance Minister, Govt. of India.

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-' 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

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

Scale with Profitability

Planning Cycle II – Pillars of Growth

Loan growth

✓ Loan book to grow 25%-30% p.a.; well above market growth.

Growing CFD book

✓ To grow beyond Rs. 25,000 crs by Year 3.
✓ To be funded through CASA.

CASA growth

✓ CASA to reach > 35% by Year 3 from the current 27%.

Manage CD Ratio

✓ CD ratio > 75% < 80%
✓ Deposits to be put to efficient use.

Fee Growth

✓ Fee growth to exceed Loan Growth.
✓ Increased focus on (New) fee enhancers.

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

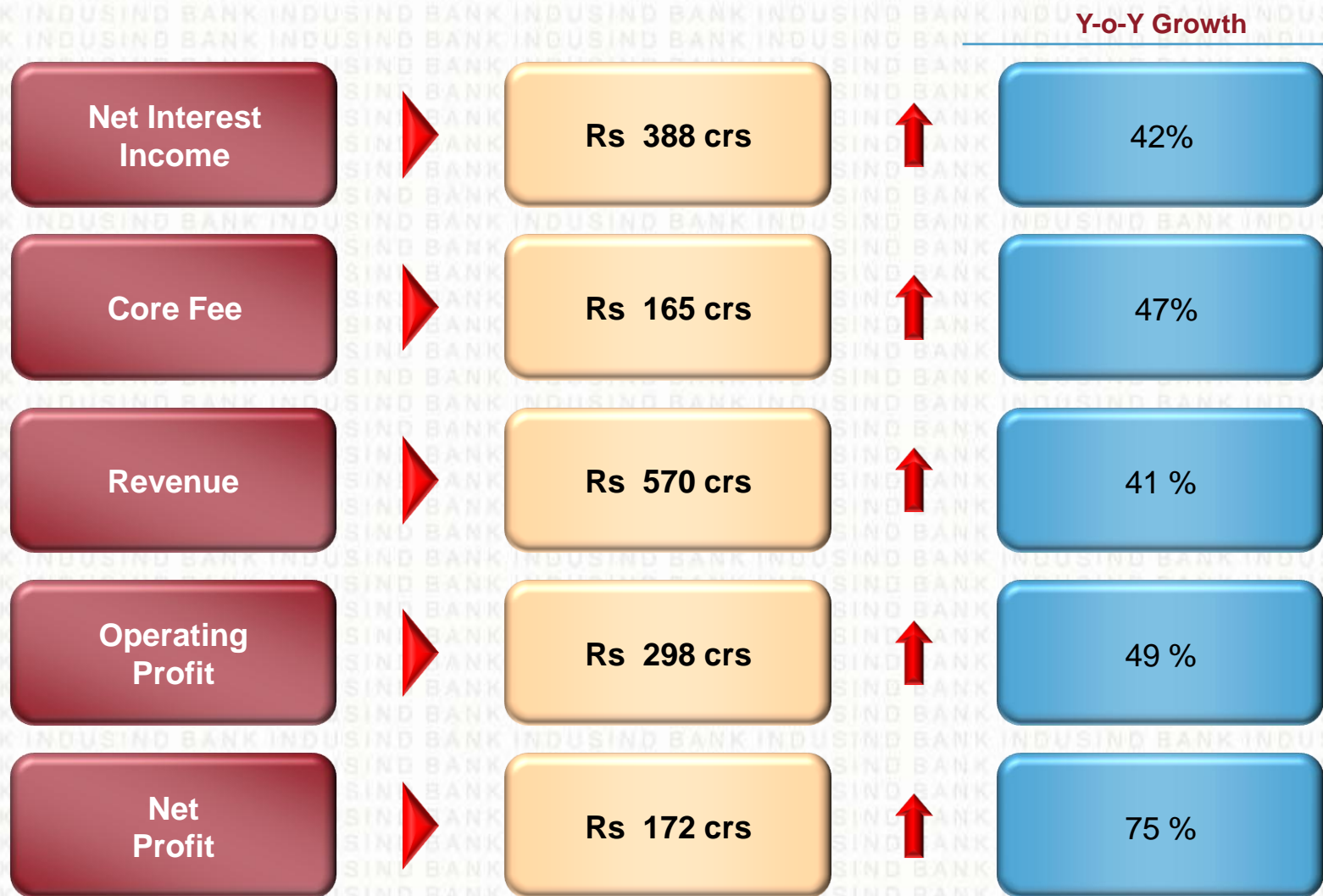
New Branch rollouts

CBS rollouts

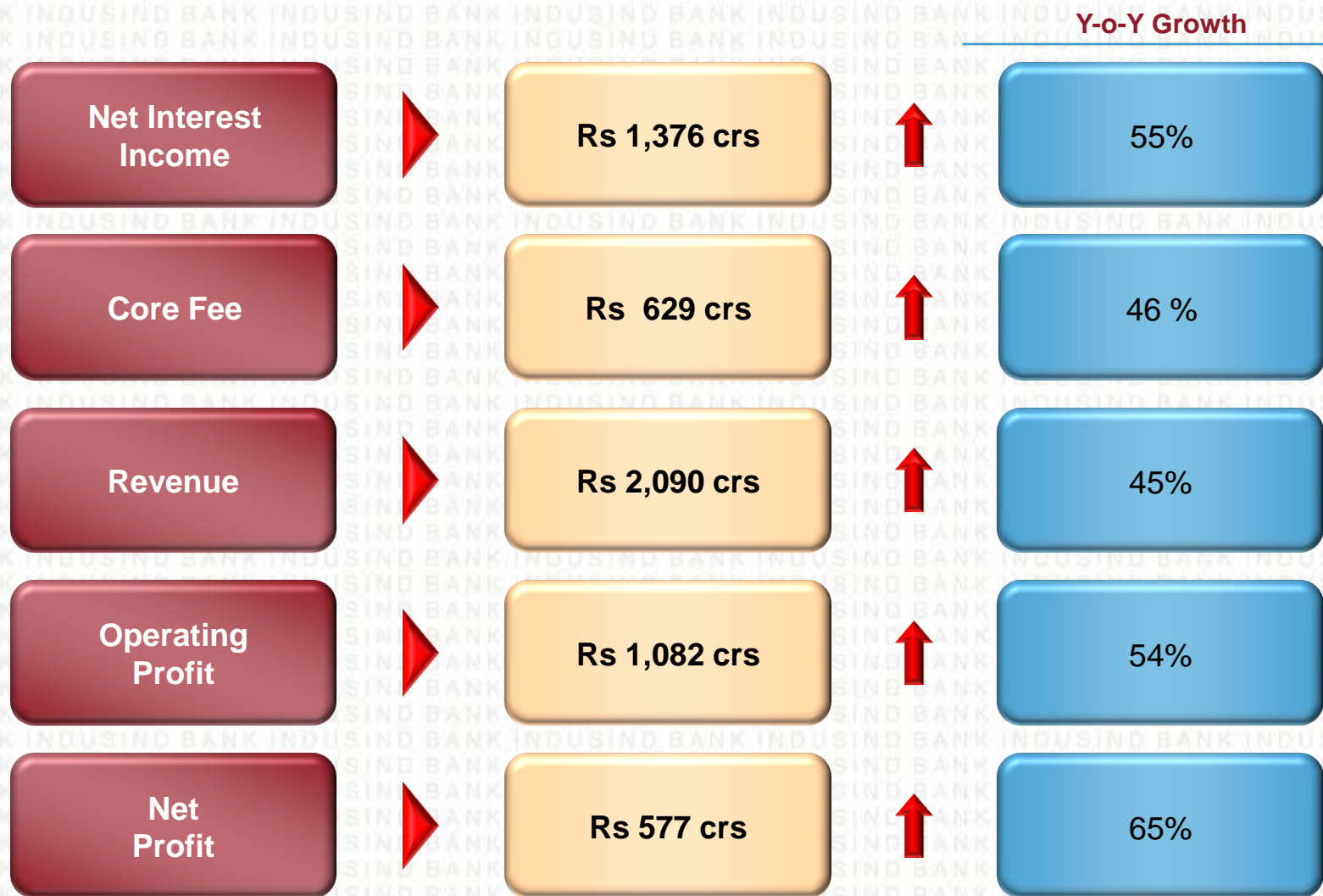


Financial Performance

Strong Headline Numbers for Q4FY11



Strong Headline Numbers for 2010-11



Balance Sheet

(Rs crs)

	Q4FY11	Q4FY10	Y-o-Y (%)	Q3FY11	Q-o-Q (%)
Capital & Liabilities					
Capital	466	411	13% ↑	465	- ↑
Reserves and Surplus	3,584	1,987	80% ↑	3,517	2% ↑
Deposits	34,365	26,710	29% ↑	30,663	12% ↑
Borrowings	5,525	4,934	12% ↑	4,981	11% ↑
Other Liabilities and Provisions	1,694	1,328	28% ↑	1,874	(10%) ↓
TOTAL	45,635	35,370	29% ↑	41,500	10% ↑
Assets					
Cash and Balances with RBI	2,456	2,099	17% ↑	2,213	11% ↑
Balances with Banks	1,569	504	211% ↑	557	182% ↑
Investments	13,551	10,402	30% ↑	11,868	14% ↑
Advances	26,166	20,551	27% ↑	25,001	5% ↑
Fixed Assets	596	645	(8%) ↓	589	1% ↑
Other Assets	1,297	1,169	11% ↑	1,272	2% ↑
TOTAL	45,635	35,370	29% ↑	41,500	10% ↑
Core Banking (Advances + Deposit)	60,531	47,261	28% ↑	55,664	9% ↑

Profit and Loss Account

(Rs crs)

	Q4FY11	Q4FY10	Y-o-Y (%)	Q3FY11	Q-o-Q (%)
Net Interest Income	388.08	272.79	42% ↑	363.00	7% ↑
Other Income	181.63	132.36	37% ↑	195.95	(7%) ↓
Total Income	569.71	405.15	41% ↑	558.96	2% ↑
Operating Expenses	271.68	204.67	33% ↑	267.77	1% ↑
Operating Profit	298.03	200.48	49% ↑	291.18	2% ↑
Provisions & Contingencies	40.25	53.14	(24%) ↓	56.19	(29%) ↓
Profit before Tax	257.78	147.34	75% ↑	234.99	10% ↑
Provision for Tax	86.02	49.38	74% ↑	81.13	6% ↑
Profit after Tax	171.76	97.96	75% ↑	153.86	12% ↑

Profit and Loss Account

(Rs crs)

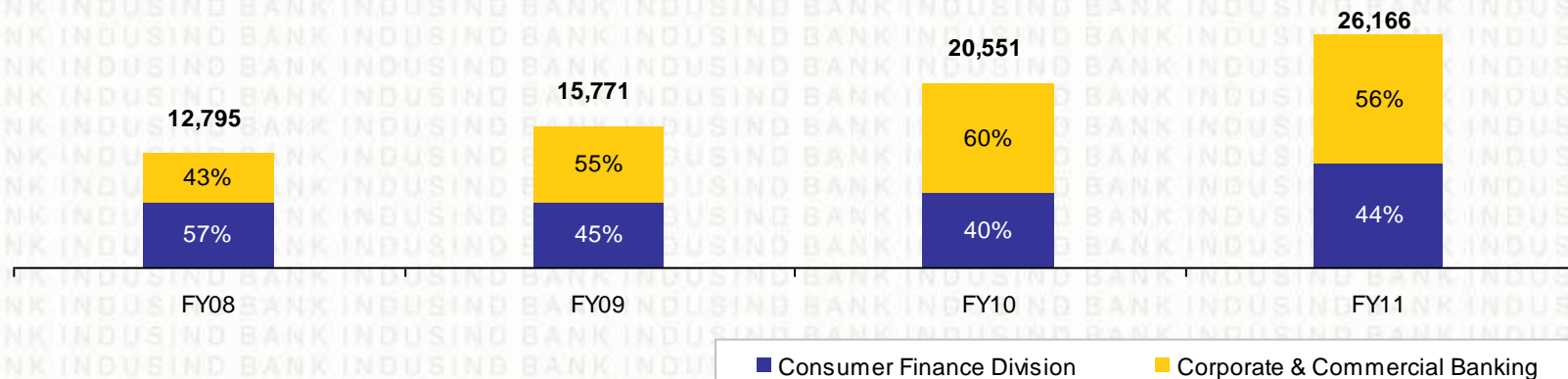
	2010-11	2009-10	Y-o-Y (%)
Net Interest Income	1,376.49	886.42	55% ↑
Other Income	713.66	553.48	29% ↑
Total Income	2,090.15	1,439.90	45% ↑
Operating Expenses	1,008.48	736.00	37% ↑
Operating Profit	1,081.67	703.89	54% ↑
Provisions & Contingencies	201.89	170.84	18% ↑
Profit before Tax	879.78	533.05	65% ↑
Provision for Tax	302.46	182.74	66% ↑
Profit after Tax	577.32	350.31	65% ↑

Key Financial Indicators

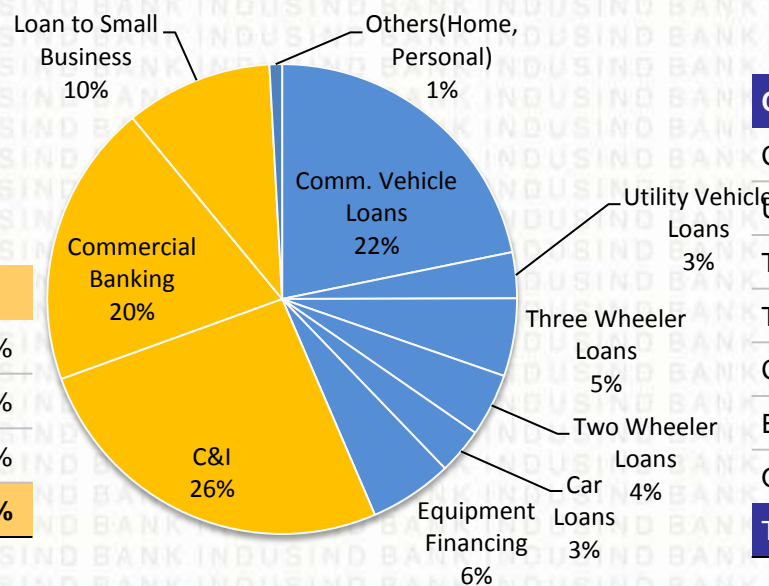
	Q4-11	Q4-10	Q3-11
ROA	1.55%	1.16%	1.54%
ROE	18.13%	18.09%	16.44%
Revenue/Employee (Rs. in lacs)	33	30	34
Efficiency Ratio	47.69%	50.52%	47.91%
NIM	3.50%	3.19%	3.61%
NIM on Earning Assets	4.03%	3.68%	4.14%
Net NPA	0.28%	0.50%	0.36%
EPS (annualized, Rs. per share)	14.76	9.56	13.28
Net Worth (Rs. in crs) excl Revaluation Reserve	3,825	2,166	3,749
Book Value (Rs. per share.)	82.08	52.74	80.78

Well Diversified Loan Book

Loan Book (Rs crs)



	(Rs crs)	
	31 Mar-11	%
C&I	6,837	26%
Comm. Banking	5,060	20%
Loan to Small Business	2,650	10%
Total	14,547	56%



	(Rs crs)	
Consumer Finance	31 Mar-11	%
Comm. Vehicle Loans	5,704	22%
Utility Vehicle Loans	826	3%
Three Wheeler Loans	1,401	5%
Two Wheeler Loans	1,134	4%
Car Loans	830	3%
Equipment Financing	1,497	6%
Other (Home, Personal)	227	1%
Total Advances	11,619	44%

Diversified Corporate Loan Book

As on March 31,2011

Real Estate

- Lease Rental Disc Rs 310 crs
- HFC Rs. 371 crs
- Developers & others – Rs. 151 crs

Telecom related

- 2G/3G Spectrum – NIL
- Towers –Rs. 875 crs
- Equipments – Rs. 103 crs

Micro finance

- Direct Loans Rs. 155 crs

NBFCs (other than HFCs)	6.80%
Construction	2.77%
Pharmaceuticals	3.52%
Real Estate	3.18%
Telecom & Related	3.74%
Textiles	1.17%
Power Generation	1.24%
Automobiles-Commercial Vehicle	1.90%
Steel	1.05%
Plastic & Plastic Products	1.22%
Aluminium	1.15%
Other Industry	27.88%

And Improving Liability and CASA

■ Strong management focus on

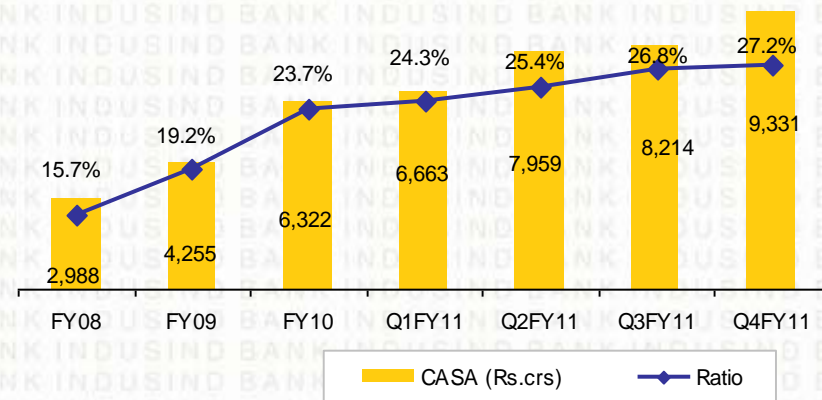
□ Building CASA through

- New product launches
- Expanding branch network
- Focus on self employed and small business
- Targeting CA pools
- Focus on IPO and Dividend Mandate

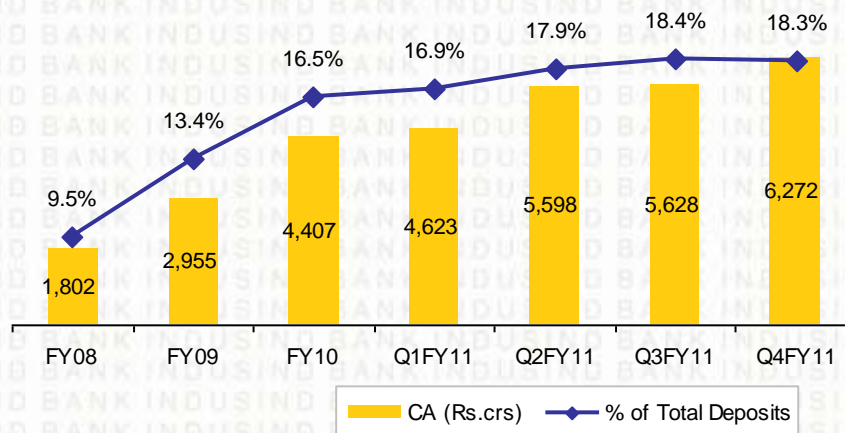
□ Broad basing wholesale deposits

□ Tenor mapping

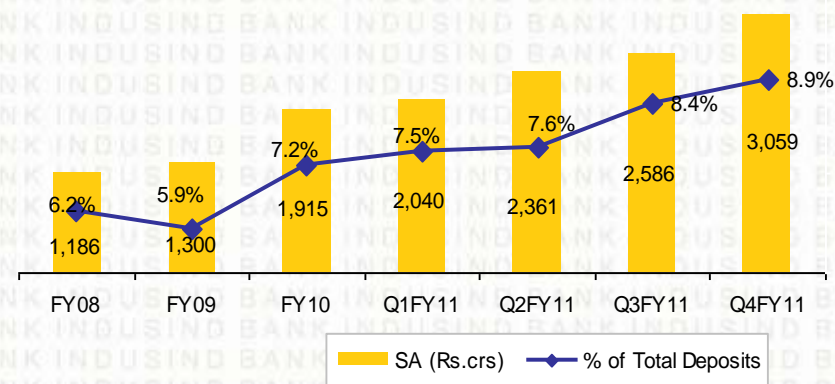
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q4FY11	Q4FY10	Y-o-Y (%)	2010-11	2009-10	Y-o-Y(%)
Core Fee	164.85	112.21	47% ↑	629.43	432.27	46% ↑
Securities/MM/FX Trading	19.23	9.42	104% ↑	87.15	134.24	(35%) ↓
NPA Recovery	--	18.08	- ↓	3.14	20.97	(85%) ↓
	184.08	139.71	32%	716.52	587.48	22% ↑
Loss on Other Assets	(2.45)	(7.35)	(67%)	(2.86)	(34.00)	(92%) ↓
Total	181.63	132.36	37%	713.66	553.48	29% ↑

*w.e.f. March 2010 Loss on sale of Repossessed Vehicles forms part of Provisions & Contingencies.

Diverse Revenues from Core Fee Income

(Rs crs)

	Q4FY11	Q4FY10	Y-o-Y(%)		Q3FY11	Q-o-Q(%)	
Trade & Remittances	23.69	16.89	40%	↑	22.73	4%	↑
Foreign Exchange Income	26.56	15.57	71%	↑	32.65	(19%)	↓
TPP Distribution Income (Insurance, MF)	44.81	29.61	51%	↑	40.16	12%	↑
General Banking Fees	23.79	17.06	39%	↑	18.40	29%	↑
Loan Processing fees	34.67	23.74	46%	↑	29.64	17%	↑
	153.52	102.87	49%	↑	143.58	7%	↑
Investment Banking	11.33	9.34	21%	↑	28.28	(60%)	↓
Total Core Fee Income	164.85	112.21	47%	↑	171.86	(4%)	↓

- Contribution of Transaction Banking products improving
- Steady performance in Third Party Products distribution
- Focus on cross-sell

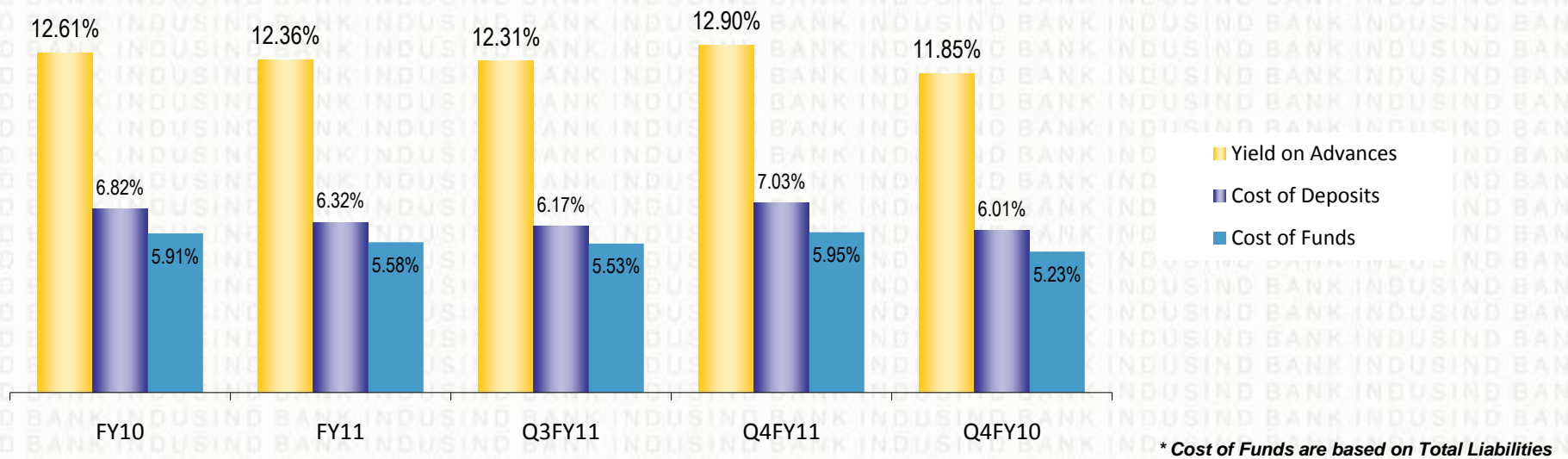
Diverse Revenues from Core Fee Income

(Rs crs)

	2010-11	2009-10	Y-o-Y(%)	
Trade & Remittances	89.45	58.44	53%	↑
Foreign Exchange Income	111.66	61.04	83%	↑
TPP Distribution Income (Insurance, MF)	160.68	108.08	49%	↑
General Banking Fees	83.04	88.85	(7%)	↓
Loan Processing fees	124.08	95.95	29%	↑
	568.91	412.36	38%	↑
Investment Banking	60.53	19.91	204%	↑
Total Core Fee Income	629.43	432.27	46%	↑

- Investment Banking gaining momentum
- Contribution of Transaction Banking products improving
- Steady performance in Third Party Products distribution
- Focus on cross-sell

Yield / Cost Movement



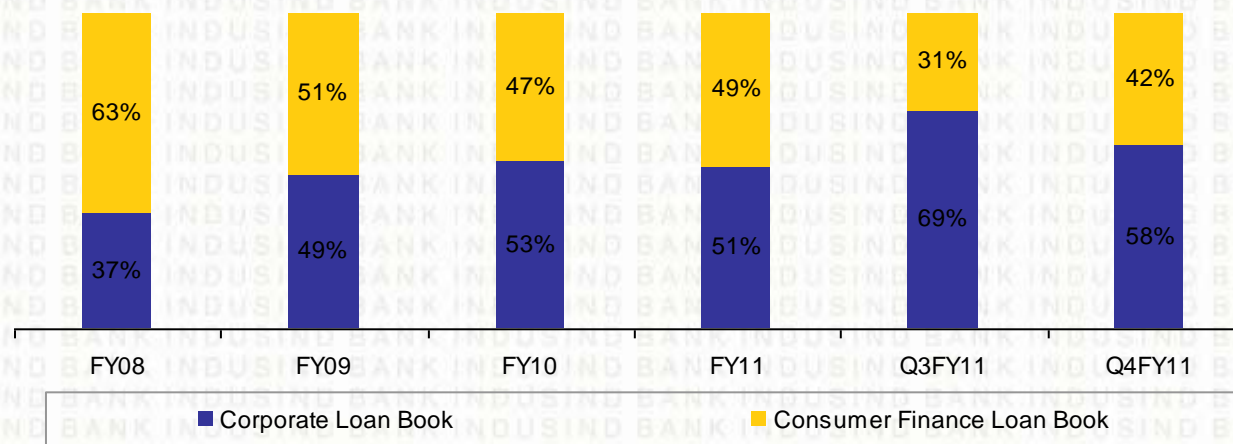
Segment-wise Yield

	Q4FY11		Q3FY11	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate and Commercial Banking	14547	10.32%	14,428	9.48
Consumer Finance Division	11619	16.29%	10,573	16.01
Total	26166	12.90%	25,001	12.31

Credit costs

(Rs crs)

	FY08	FY09	FY10	FY11	Q4FY11
Bad Debts Written Off and Provisions for NPA – Corporate Loan Book	29.82	78.08	85.86	81.99	21.28
Bad Debts Written Off, Diminution in value/ Loss on sale of Repossessed vehicles and Provisions for NPA – Consumer Finance Loan Book	50.80	82.70	75.77	78.34	15.19
Total Credit Costs	80.62	160.78	161.63	160.33	36.47
Credit Costs (Basis Points on Advances)	63	102	79	61	14
PCR	26%	30%	60%	73%	73%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q4FY11			Q3FY11		
	CCB	CFD	Total	CCB	CFD	Total
Opening Balance	110	196	306	95	191	286
Additions	12	43	55	41	47	88
Deduction	40	55	95	26	42	68
Gross NPA	82	184	266	110	196	306
Provisions	71	122	193	100	115	215
Net NPA	11	62	73	10	81	91
Total Advances			26,166			25,001
% of Gross NPA			1.01%			1.21%
% of Net NPA			0.28%			0.36%
Restructured Advances			0.28%			0.16%

NPA Composition - CFD

(Rs crs)

Q4-11	Com. Vehicle	Utility	Const. Equip.	3W	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%
Q3-11	Com. Vehicle	Utility	Const. Equip.	3W	TW	Cars
Gross NPA	75	9	22	6	47	16
Net NPA	35	6	10	4	20	6
Gross NPA %	1.45%	1.05%	1.60%	0.53%	4.51%	2.16%
Net NPA %	0.69%	0.62%	0.73%	0.36%	1.94%	0.81%

CRAR - Basel II

(Rs crs)

	31 Mar-11	31 Mar-10
Risk Weighted Assets		
- Credit Risk	27,514	20,216
- Market Risk	794	385
- Operational Risk	2,408	1,578
- Total RWA	30,716	22,180
Tier I Capital Funds	3,774	2,140
Tier II Capital Funds	1,108	1,259
Total Capital Funds	4,882	3,399
CRAR	15.89%	15.33%
Tier I	12.29%	9.65%
Tier II	3.60%	5.68%

Investment Break-up

(Rs crs)

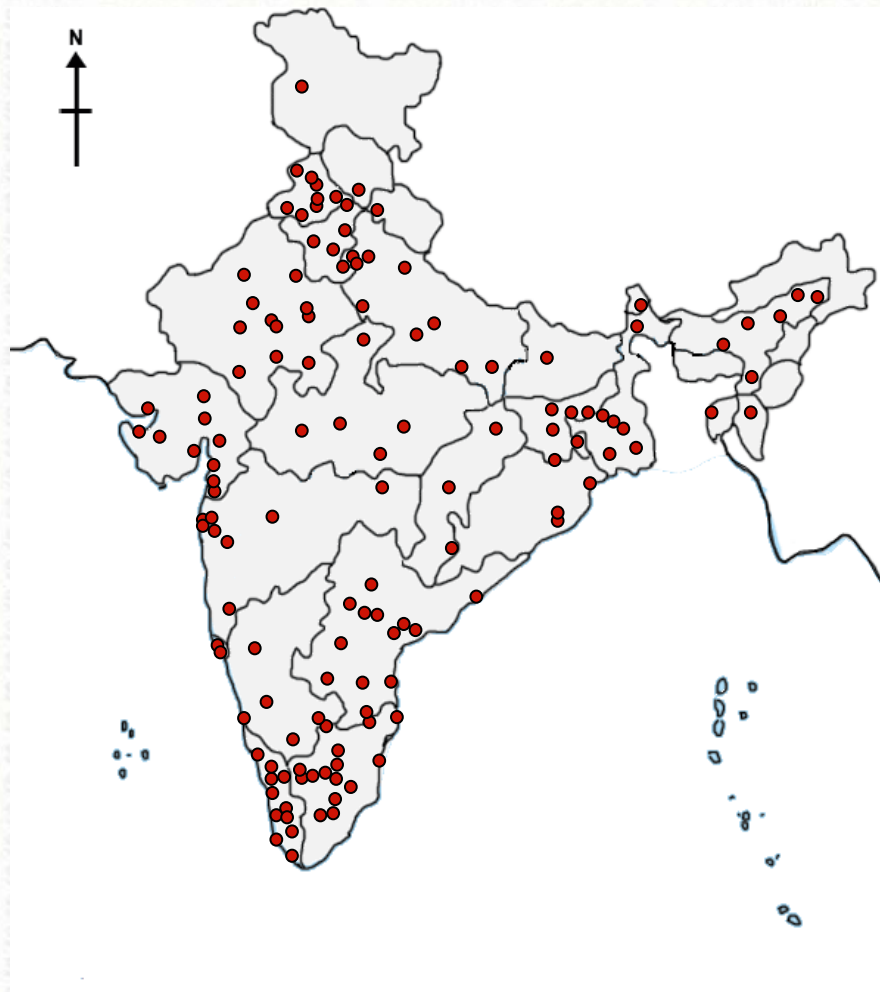
	31 Mar-11	31 Mar-10
Held To Maturity (HTM)	9,726	8,616
Available for Sale (AFS)	3,825	1,786
Total Investments	13,551	10,402
Of which:		
SLR Investments	9,796	8,525
Non SLR Investments	3,754	1,877
Modified Duration (AFS)	0.51	0.56

Provision and Contingencies

(Rs crs)

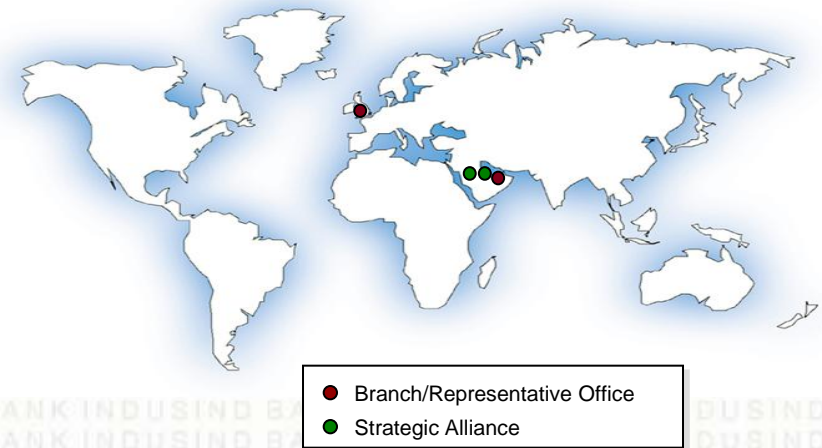
	Q4-11	Q4-10	2010-11	2009-10
Income Tax / Wealth Tax / Deferred Tax / Fringe Benefit tax	86.02	49.38	302.46	182.74
NPA and Other Provisions				
Provision for diminution in value of investments	(0.41)	(0.13)	7.62	(0.29)
Provision for non performing assets including bad debts written off	33.90	42.15	158.67	131.28
Other including Standard Assets	6.76	11.13	35.60	39.86
	40.25	53.15	201.89	170.85
Total Provision & Contingencies	126.27	102.53	504.35	353.59

Distribution Expansion to Drive Growth



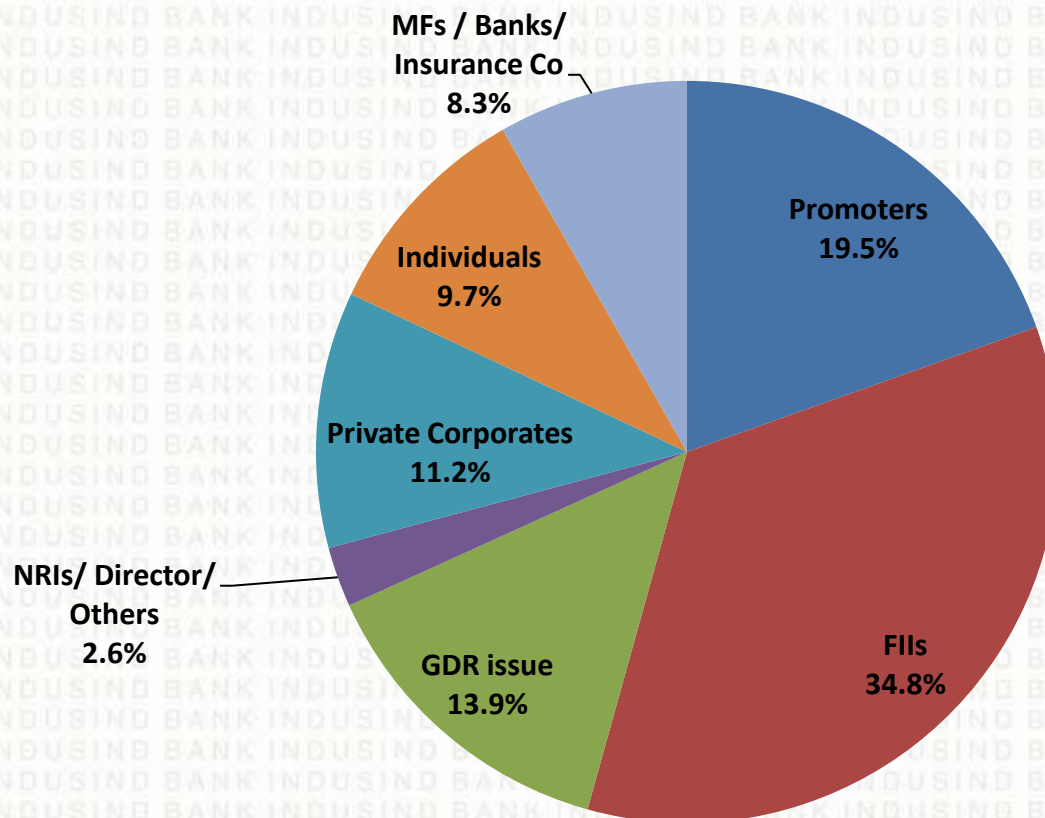
Strengthening Distribution Infrastructure

As at, end	FY08	FY09	FY10	FY11
Branch Network	180	180	210	300
ATMs	336	356	497	594



- Branch/Representative Office
- Strategic Alliance

Shareholding Pattern



As at March 31, 2011



Thank you