

IndusInd Bank



Investor Presentation

April 19, 2012

Winner of India's Best Mid-Sized Bank Award - 2011

'BEST BANK - MID SIZE'
BW-PwC Best Banks Survey of 2011



'BEST MID-SIZED BANK'
BT-KPMG Best Banks Survey of 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 FY 2012.

Q4 FY12 PERFORMANCE HIGHLIGHTS

- Steady performance in deteriorating macro economic environment
- Net Interest Income grew 20% Y-o-Y & 8% Q-o-Q inspite of stressed Money Markets
- Non-Interest Income to revenue remains healthy at 39%
- Consistent growth in Core Fee Income 60% Y-o-Y & 5% Q-o-Q
- Credit growth above industry 34% Y-o-Y & 8% Q-o-Q
- Low exposure to stressed / sensitive sectors
- Net NPA 0.27%; PCR 72.72%; Restructured Advances 0.26%
- Credit cost falls to 40 bps

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

Scale with Profitability

Planning Cycle II – Pillars of Growth

		FY-12 outcome
Loan growth	✓Loan book to grow 25%-30% p.a.; well above market growth.	34%
Growing Consumer Finance book	✓To grow beyond Rs. 25,000 crs by Year 3 ✓To be funded through CASA	Cons. Finance book Rs. 17,237 crs Growth 48%
CASA growth	✓CASA to reach > 35% by Year 3	27%
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	45%

Planning Cycle II – Key Initiatives

**Scale up Investment
Banking practice**

**Credit Cards
Launched**

**Full suite Assets
Portfolio
(LAP / Home Loans)**

**New Client Acquisition
Ramp-up**

**Used Commercial
Vehicles**

**Offshore
branches, NRE
Deposits**

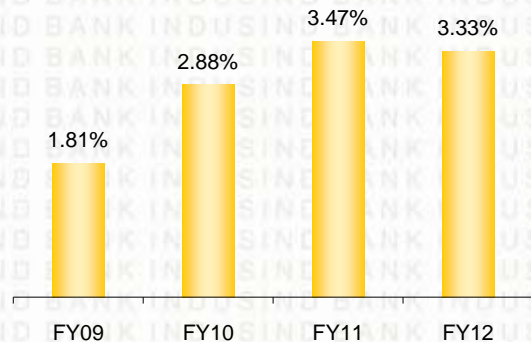
**Supply
Chain Products**

**New Branch rollouts
& Currency Chests**

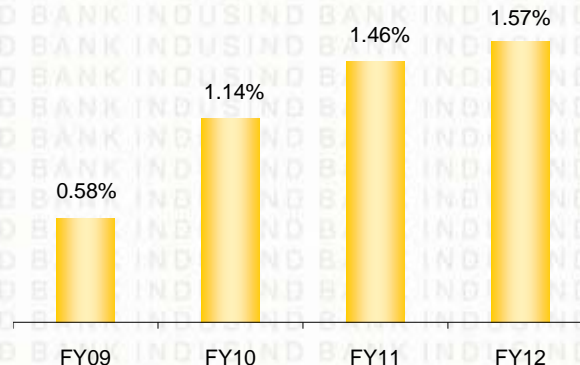
CBS rollout

How We Measure Up On Key Metrics

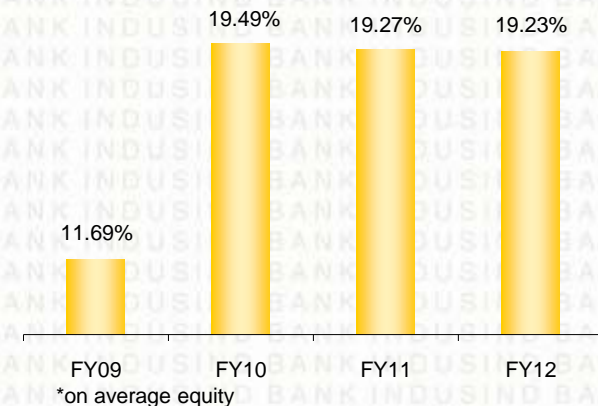
Net Interest Margin (NIM)



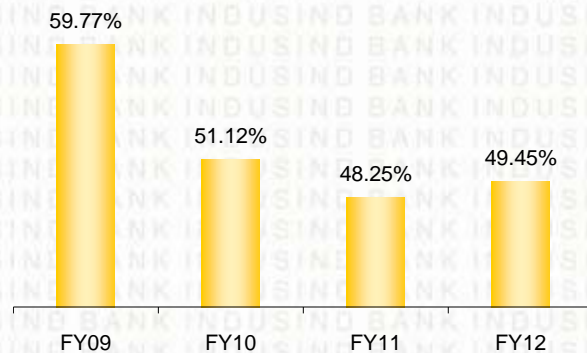
RoA



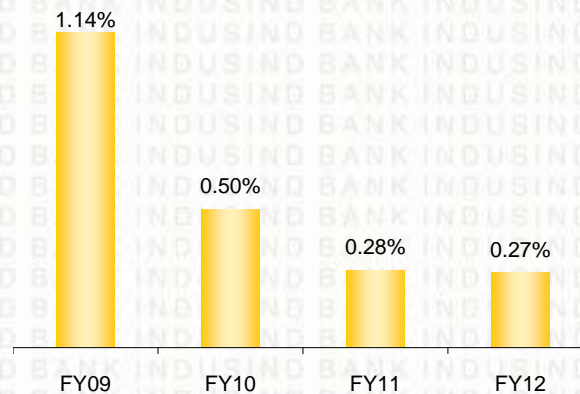
RoE*



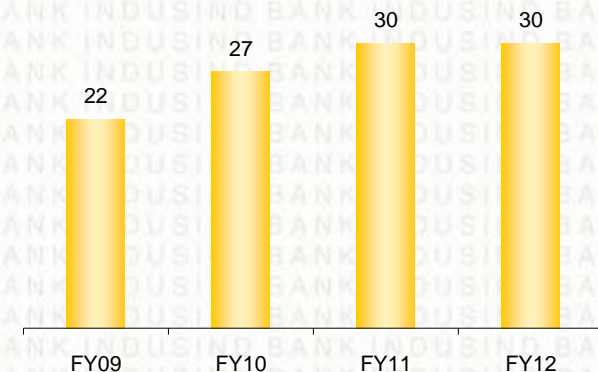
Cost/Income



Net NPA



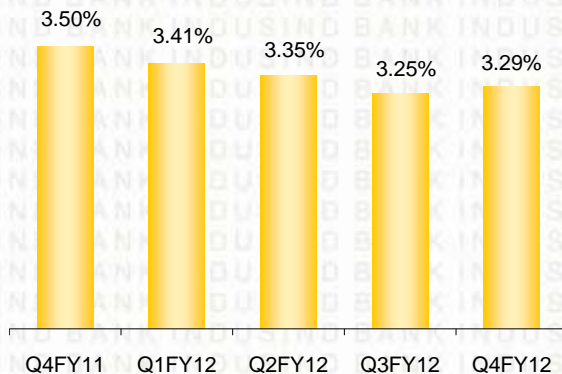
Revenue/Employee (Rs Lacs)



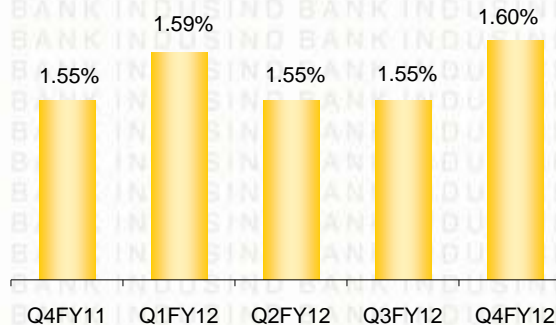
Improvement in all the key operating metrics

How We Measure Up On Key Metrics

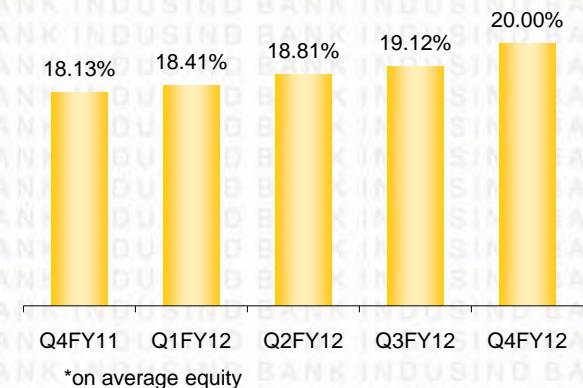
Net Interest Margin (NIM)



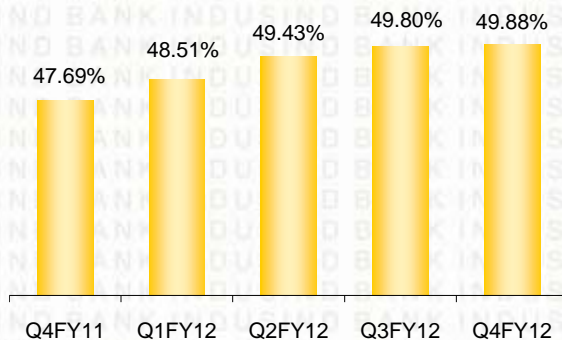
RoA



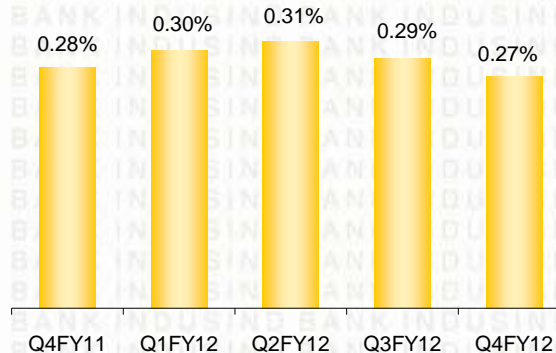
RoE*



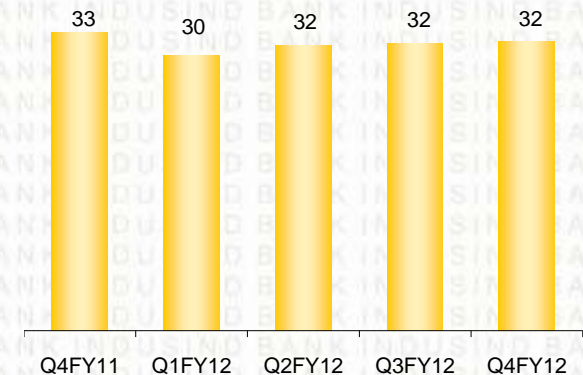
Cost to Income Ratio



Net NPA



Revenue/Employee(Rs. Lacs)



Consistent delivery of strong operating performance

Ratings

- **'ICRA AA'** for Lower Tier II subordinate debt program and **'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
- **'Fitch AA-'** for Long Term Debt Instruments and **'Fitch A1+'** for Short Term Debt Instruments by Fitch Ratings

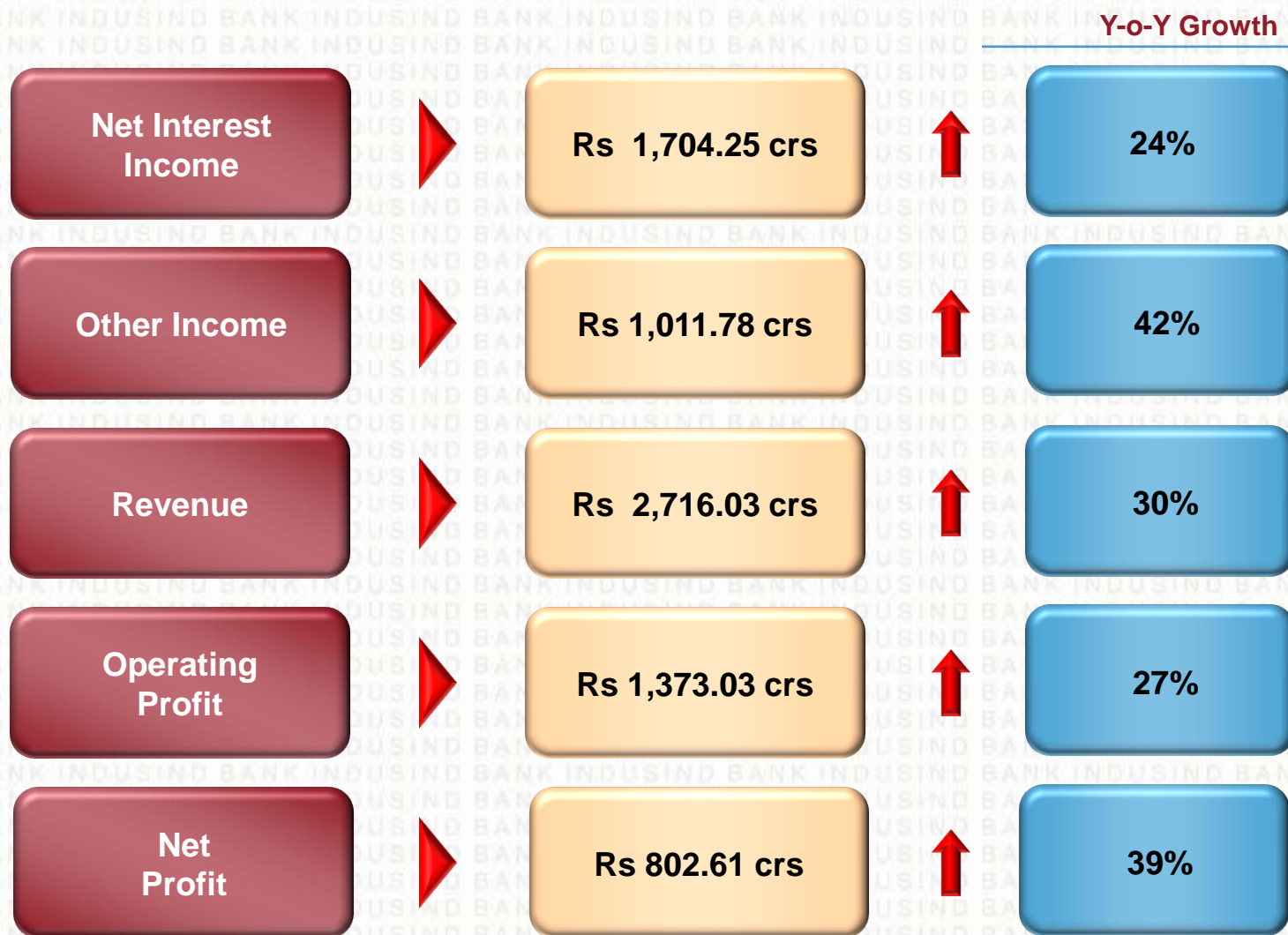


Financial Performance

Strong Headline Numbers for Q4FY12

			Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 464.39 crs	↑	20%	8%
Other Income	Rs 292.05 crs	↑	61%	10%
Revenue	Rs 756.44 crs	↑	33%	9%
Operating Profit	Rs 379.09 crs	↑	27%	9%
Net Profit	Rs 223.38 crs	↑	30%	8%

Strong Headline Numbers for 2011-12



Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 35,064 crs	↑	34%	8%
Corporate Advances	Rs 17,827 crs	↑	23%	7%
Consumer Finance Advances	Rs 17,237 crs	↑	48%	10%
Deposits	Rs 42,362 crs	↑	23%	4%
CASA	Rs 11,563 crs	↑	24%	7%

Balance Sheet

(Rs crs)

	Q4FY12	Q4FY11	Y-o-Y (%)		Q3FY12	Q-o-Q (%)	
Capital & Liabilities							
Capital	468	466	-	↑	467	-	↑
Reserves and Surplus	4,274	3,584	19%	↑	4,168	3%	↑
Deposits	42,362	34,365	23%	↑	40,558	4%	↑
Borrowings	8,682	5,525	57%	↑	8,137	7%	↑
Other Liabilities and Provisions	1,811	1,695	7%	↑	1,803	-	↑
Total	57,597	45,636	26%	↑	55,133	4%	↑
Assets							
Cash and Balances with RBI	2,904	2,456	18%	↑	2,960	(2%)	↓
Balances with Banks	2,636	1,569	68%	↑	876	200%	↑
Investments	14,572	13,551	8%	↑	15,362	(5%)	↓
Advances	35,064	26,166	34%	↑	32,426	8%	↑
Fixed Assets	657	596	10%	↑	635	3%	↑
Other Assets	1,764	1,298	36%	↑	2,874	(39%)	↓
Total	57,597	45,636	26%	↑	55,133	4%	↑
Business (Advances + Deposit)	77,426	60,531	28%	↑	72,984	6%	↑

Profit and Loss Account (Quarterly)

(Rs crs)

	Q4FY12	Q4FY11	Y-o-Y (%)		Q3FY12	Q-o-Q (%)	
Net Interest Income	464.39	388.08	20%	↑	430.66	8%	↑
Other Income	292.05	181.63	61%	↑	265.11	10%	↑
Total Income	756.44	569.71	33%	↑	695.77	9%	↑
Operating Expenses	377.36	271.68	39%	↑	346.53	9%	↑
Operating Profit	379.09	298.03	27%	↑	349.24	9%	↑
Provisions & Contingencies	45.99	40.25	14%	↑	42.83	7%	↑
Profit before Tax	333.10	257.78	29%	↑	306.41	9%	↑
Provision for Tax	109.72	86.02	28%	↑	100.45	9%	↑
Profit after Tax	223.38	171.76	30%	↑	205.96	8%	↑

Profit and Loss Account (Full Year)

(Rs crs)

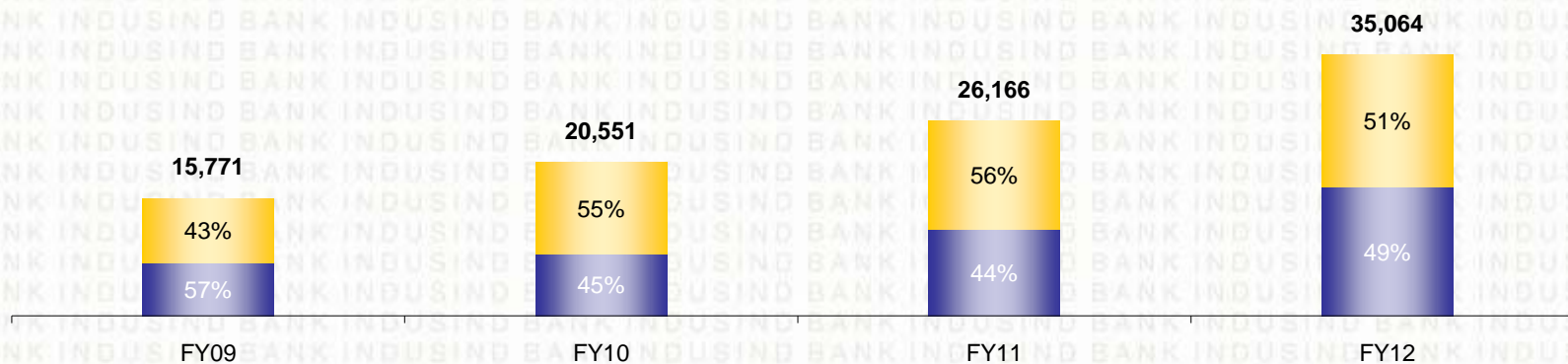
	2011-12	2010-11	Y-o-Y (%)
Net Interest Income	1,704.25	1,376.49	24% ↑
Other Income	1,011.78	713.66	42% ↑
Total Income	2,716.03	2,090.15	30% ↑
Operating Expenses	1,343.00	1008.48	33% ↑
Operating Profit	1,373.03	1,081.66	27% ↑
Provisions & Contingencies	180.38	201.89	(11%) ↓
Profit before Tax	1,192.65	879.77	36% ↑
Provision for Tax	390.04	302.45	29% ↑
Profit after Tax	802.61	577.32	39% ↑

Key Financial Indicators

	Q4FY12	Q4FY11	Q3FY12
Return on Assets	1.60%	1.55%	1.55%
ROE (On average equity)	20.00%	18.13%	19.12%
Revenue / Staff Cost Multiple	5.57	5.51	5.41
Cost / Income Ratio	49.88%	47.69%	49.80%
Net Interest Margin	3.29%	3.50%	3.25%
Net NPA	0.27%	0.28%	0.29%
EPS (annualized, Rs. per share)	19.12	17.64	17.64
Net Worth (Rs. in crs) excl Reval Reserve	4,522	3,825	4,413
Book Value (Rs. per share)	96.73	82.08	94.55

Well Diversified Loan Book

Loan Book (Rs crs)

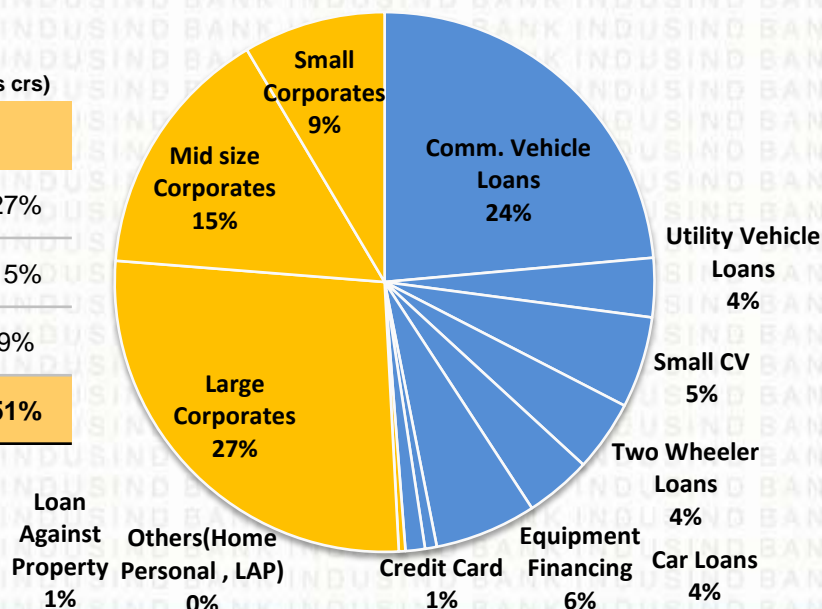


■ Corporate & Commercial Banking

■ Consumer Finance Division

(Rs crs)

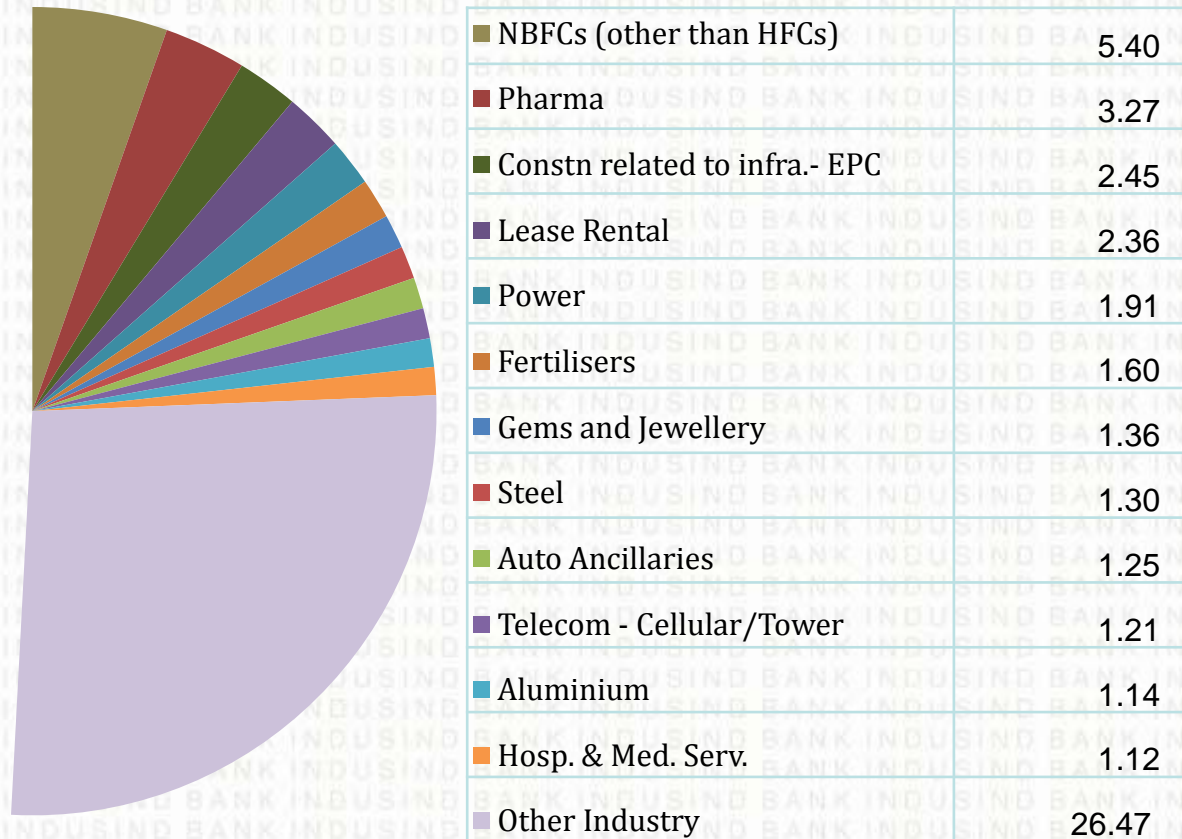
(Rs crs)		
Corporate Banking	31 Mar-12	
Large Corporates	9,502	27%
Mid size Corporates	5,338	15%
Small Corporates	2,987	9%
Total Advances	17,827	51%



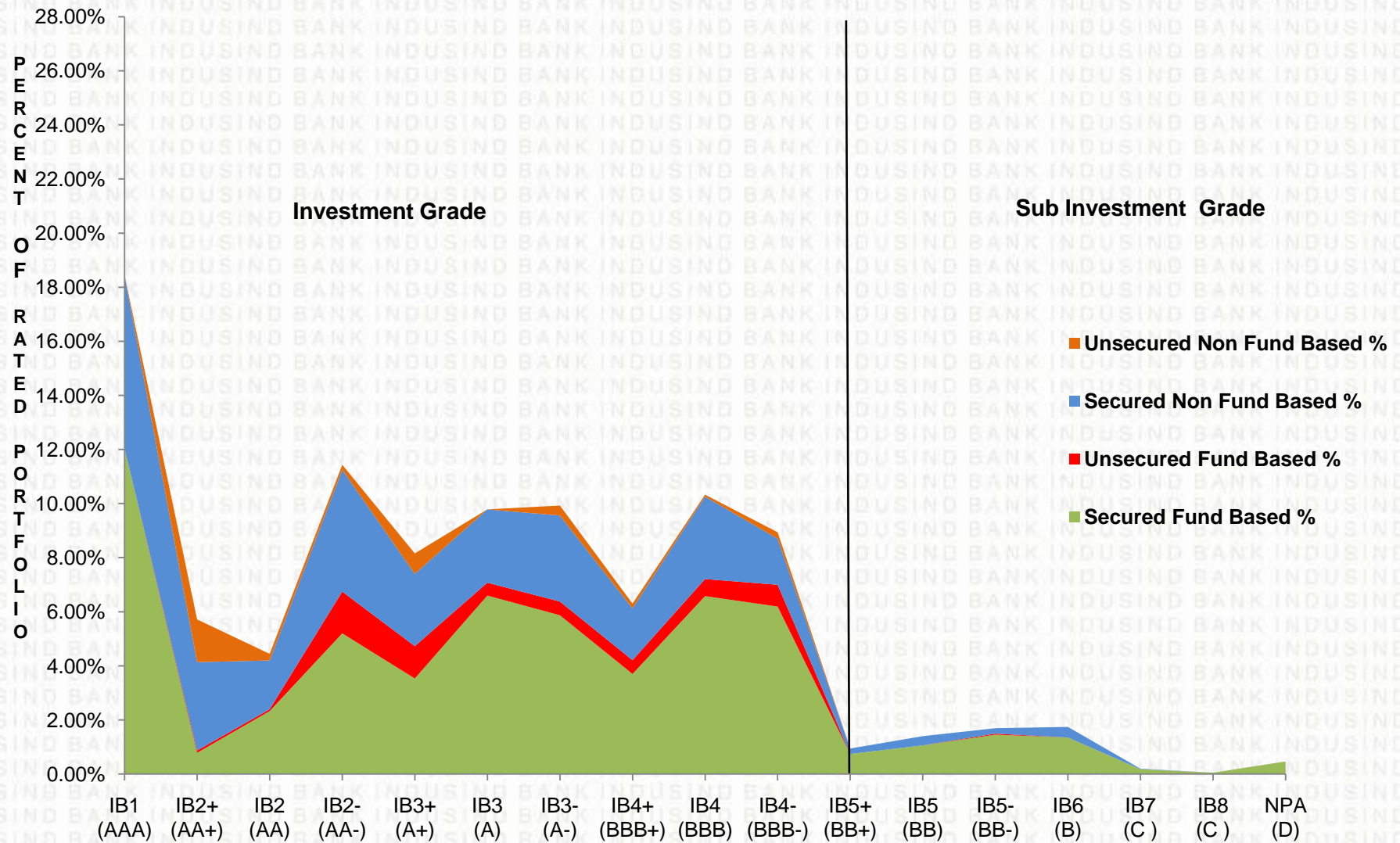
Consumer Finance	31 Mar-12	
Comm. Vehicle Loans	8263	24%
Utility Vehicle Loans	1240	4%
Small CV	1919	5%
Two Wheeler Loans	1493	4%
Car Loans	1395	4%
Equipment Financing	2134	6%
Credit Card	247	1%
Loan Against Property	408	1%
Others(Home, Personal,)	138	-
Total Advances	17,237	49%

Diversified Corporate Loan Book

As on March 31, 2012



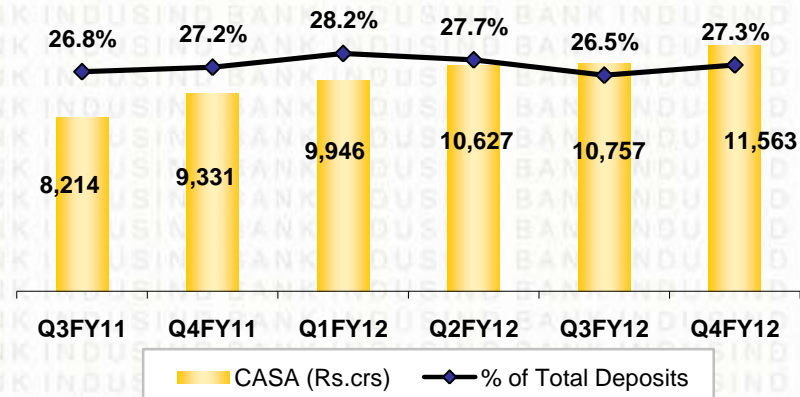
Well Rated Corporate Portfolio



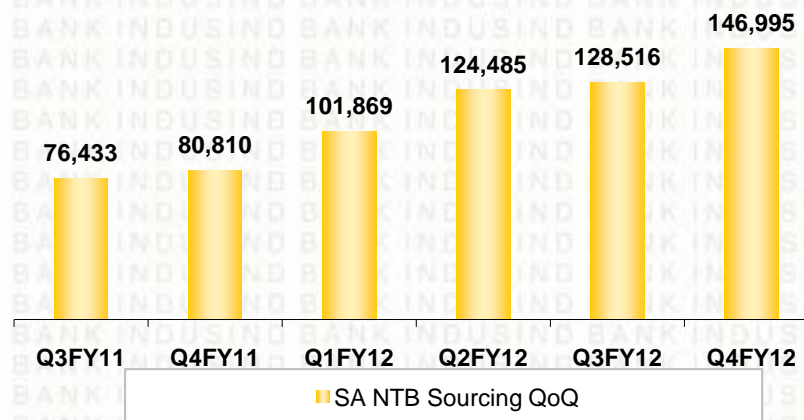
Improving CASA profile

- 18% QoQ Savings Account growth; 53% yoy growth
- 93% QoQ increase in new to bank client savings deposits; 14% increase in new to Bank accounts
- SA fundamentals intact
- Some leverage from SA rate advantage

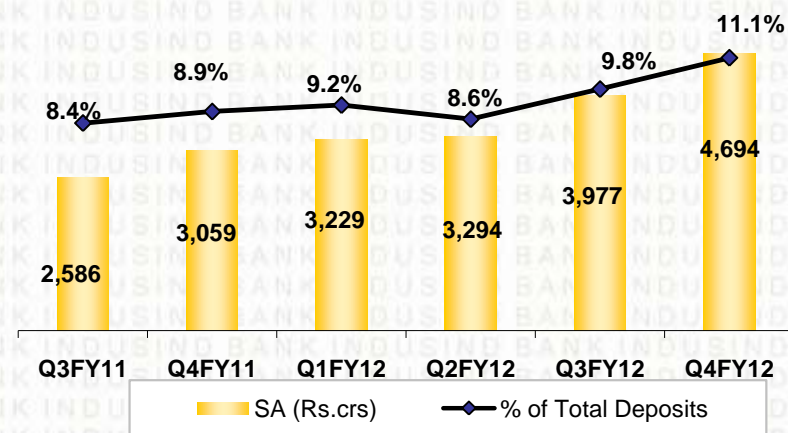
CASA Uptick



Savings Account NTB



Savings Account (SA)



Other Income

(Rs crs)

	Q4FY12	Q4FY11	Y-o-Y (%)		Q3FY12	Q-o-Q(%)	
Core Fee	263.96	164.85	60%	↑	250.34	5%	↑
Securities/MM/FX Trading	27.41	19.23	43%	↑	13.09	109%	↑
Others	0.68	(2.45)	-	↑	1.68	-	↓
Total	292.05	181.63	61%	↑	265.11	10%	↑

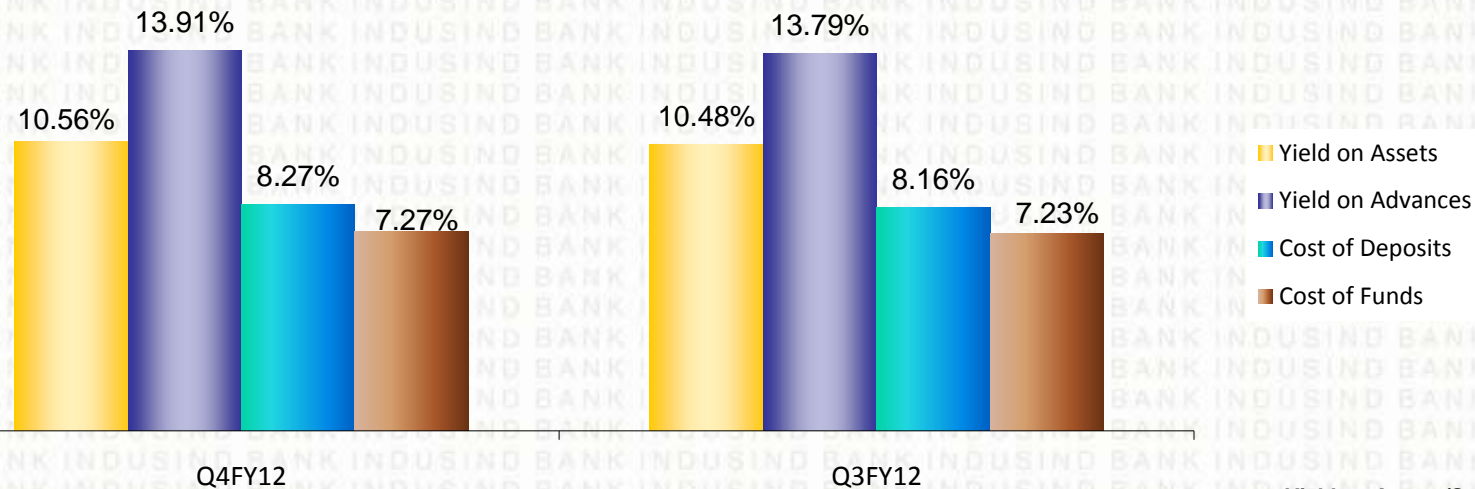
Diverse Revenues from Core Fee Income

(Rs crs)

	Q4FY12	Q4FY11	Y-o-Y(%)	Q3FY12	Q-o-Q(%)
Trade & Remittances	30.87	23.69	30% ↑	33.21	(7%) ↓
Foreign Exchange Income	46.04	26.56	73% ↑	60.13	(23%) ↓
Distribution Fees (Insurance, MF , Cr. Card)	70.69	44.81	58% ↑	66.30	7% ↑
General Banking Fees	29.80	23.79	25% ↑	27.79	7% ↑
Loan Processing fees	46.79	34.67	35% ↑	41.60	12% ↑
Investment Banking	39.77	11.33	251% ↑	21.31	87% ↑
Total Core Fee Income	263.96	164.85	60% ↑	250.34	5% ↑

Growth momentum continues on regular fee flows

Yield / Cost Movement



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

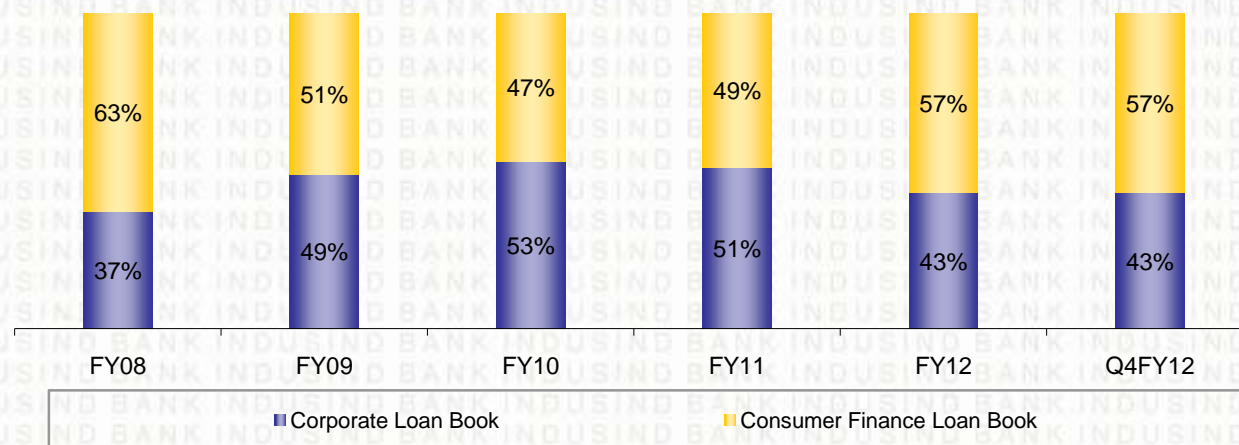
Segment-wise Yield

	Q4FY12		Q3FY12	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	17,827	11.73%	16,731	11.45%
Consumer Finance	17,237	16.33%	15,695	16.41%
Total	35,064	13.91%	32,426	13.79%

Credit costs

(Rs crs)

	FY09	FY10	FY11	FY12	Q3FY12	Q4FY12
Corporate Bank	78.08	85.86	81.99	61.11	10.09	15.13
Consumer Finance	82.70	75.77	78.34	81.46	18.37	20.37
Total Credit Costs	160.78	161.63	160.33	142.57	28.46	35.50
Credit Costs (Basis Points on Advances)	102	79	61	41	9	10
PCR	30%	60%	73%	73%	72%	73%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q4FY12			Q3FY12		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	92	242	334	104	228	332
Additions	21	63	84	5	63	68
Deductions	3	68	71	17	50	67
Gross NPA	110	237	347	92	242	334
Net NPA	12	83	95	2	92	94
% of Gross NPA			0.98%			1.02%
% of Net NPA			0.27%			0.29%
Provision Coverage Ratio (PCR)			72.72%			72%
Restructured Advances			0.26%			0.22%

NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q4-12	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	83	16	26	18	51	14
Net NPA	30	4	10	11	22	4
Gross NPA %	1.00%	1.31%	1.22%	0.95%	3.32%	0.99%
Net NPA %	0.36%	0.34%	0.46%	0.56%	1.45%	0.29%

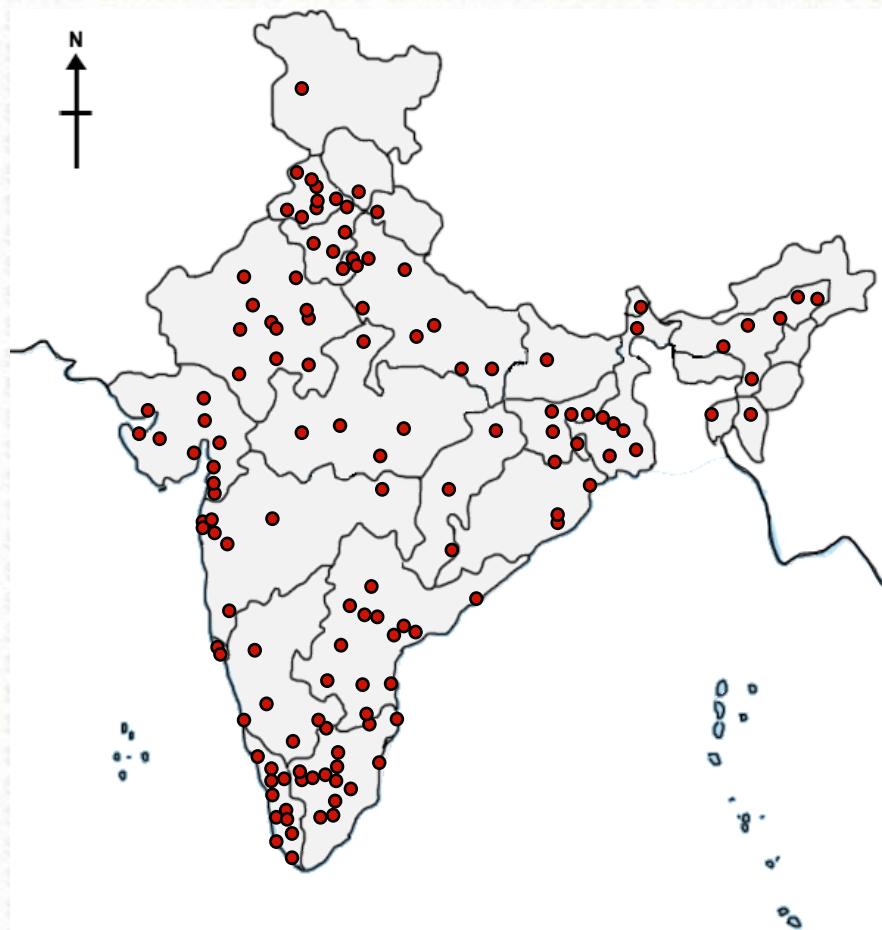
Q3-12	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	80	16	26	20	54	14
Net NPA	30	4	11	12	25	5
Gross NPA %	1.07%	1.43%	1.31%	1.08%	3.74%	1.17%
Net NPA %	0.40%	0.35%	0.58%	0.66%	1.77%	0.37%

CRAR - Basel II

(Rs crs)

	31 Mar-12	31 Mar-11
Risk Weighted Assets		
- Credit Risk	34,963	27,514
- Market Risk	797	794
- Operational Risk	3,443	2,408
- Total RWA	39,203	30,716
Tier I Capital Funds	4,458	3,774
Tier II Capital Funds	970	1,108
Total Capital Funds	5,428	4,882
CRAR	13.85%	15.89%
Tier I	11.37%	12.29%
Tier II	2.48%	3.60%

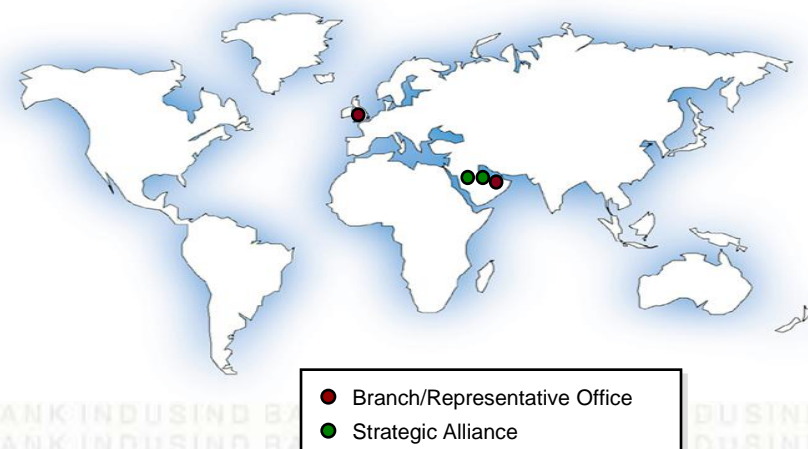
Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

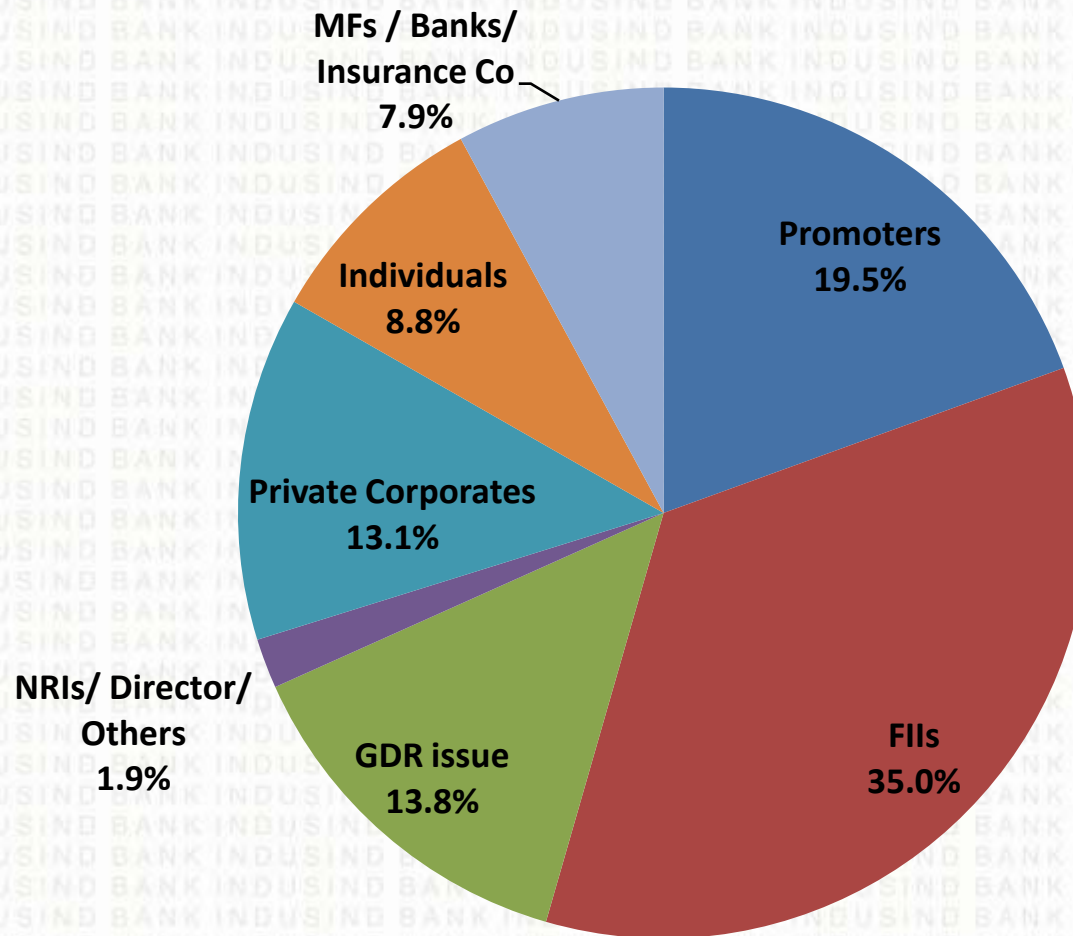
As at, end	FY09	FY10	FY11	FY12
Branch Network	180	210	300	400*
ATMs	356	497	594	692

*includes 19 specialized branches



● Branch/Representative Office
● Strategic Alliance

Shareholding Pattern



As at March 31, 2012

ACCOLADES



**Panasonic Green Globe
foundation Award 2012 in
the “Business Enterprise
Services”
(UNEP/TERI/KPMG)**



**NASSCOM IT User
Award 2012 for
“Environmental
Sustainability”
(Frost & Sullivan)**



**The CII
Environmental Best
Practices Award 2012
for the “Most
Innovative Project”**



**Most Improved Bank
Performance of the Year” at
Financial Leadership Awards
2012 (Bloomberg UTV)**



**M.IT.R- 50 Marketing &
IT Recognition Program
amongst top 50 brands-
(Paul Writer & IBM)**



Thank you