

IndusInd Bank

Investor Presentation

April 16, 2014

Q4 - FY14 marks the end of our 3-year Planning Cycle 2 (PC2)

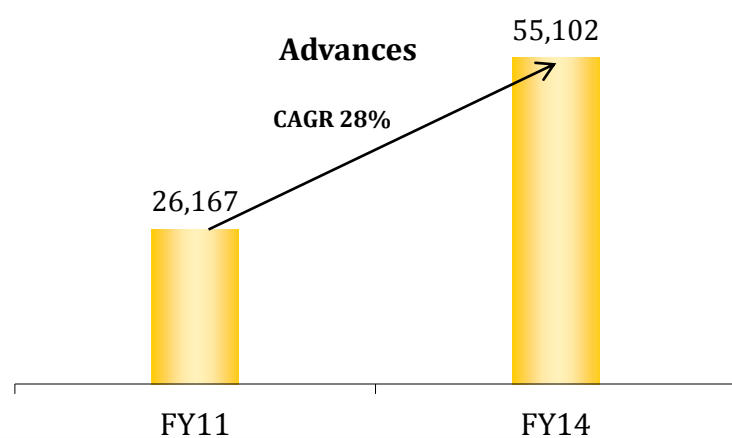
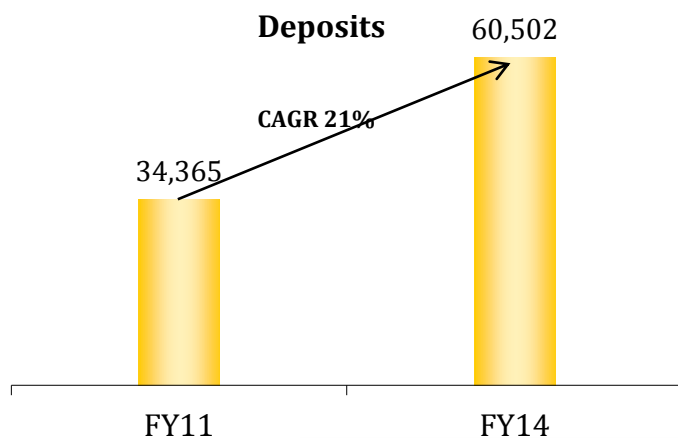
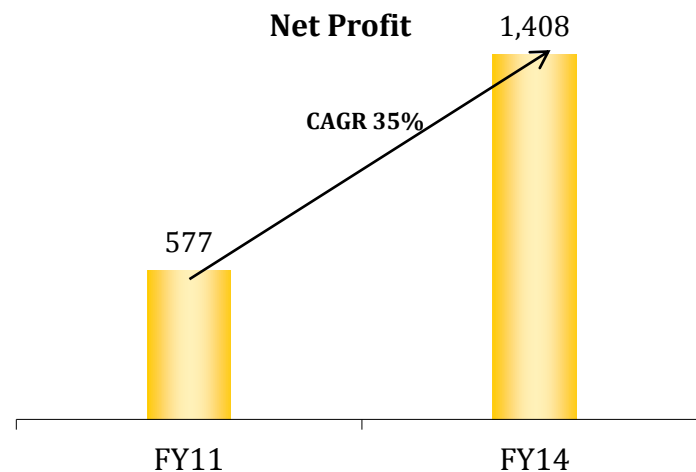
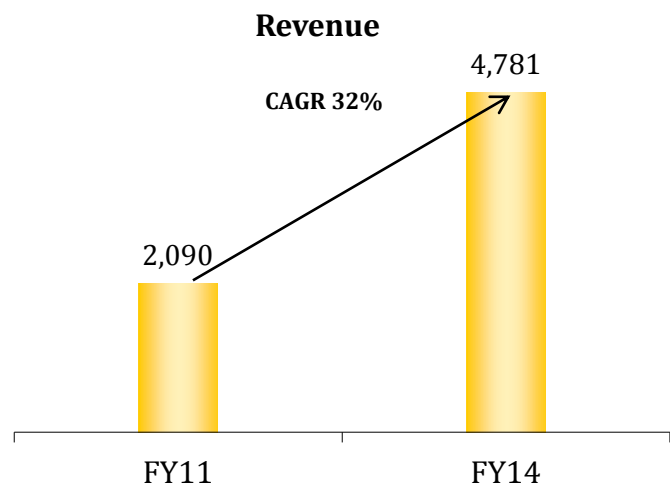
themed

“Scale with Profitability”



Planning Cycle II : Robust Execution Has Delivered Scale with Profitability

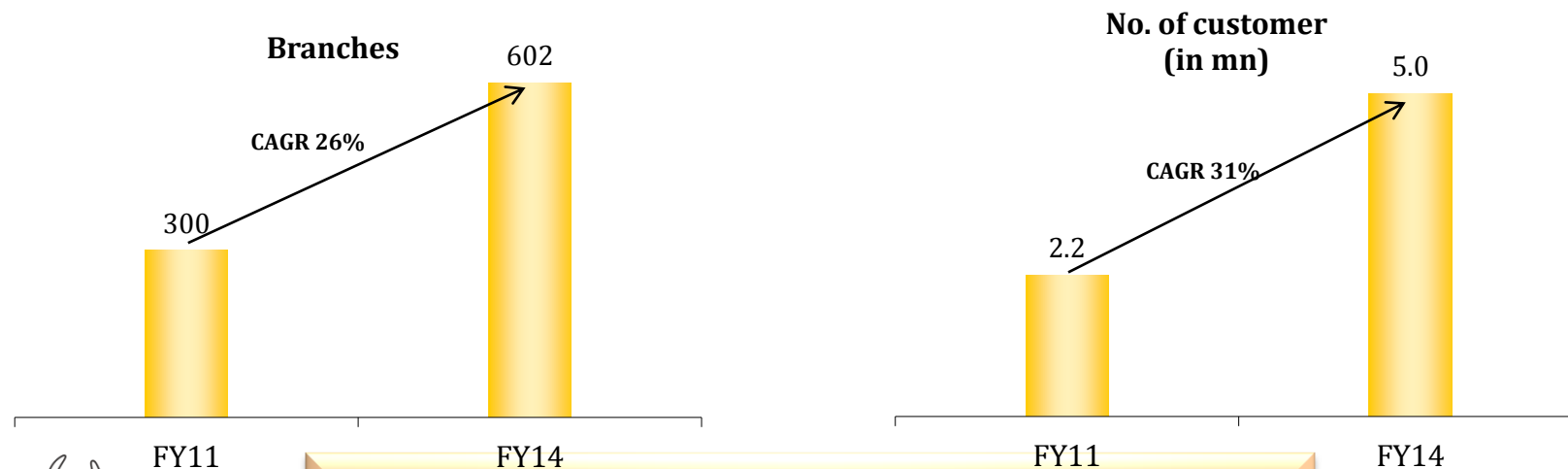
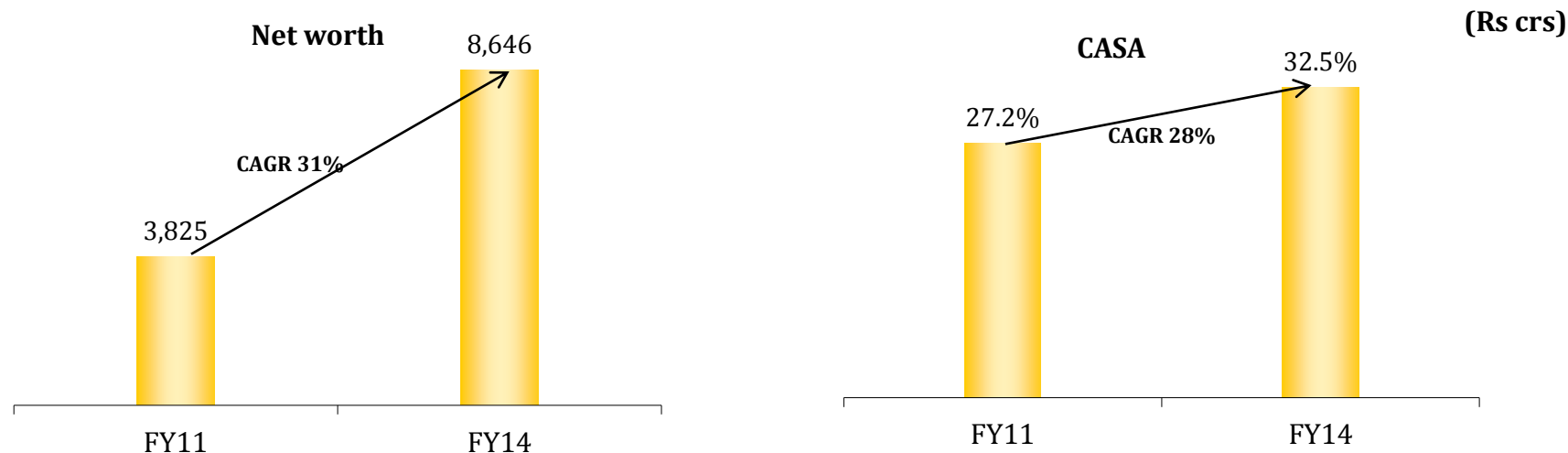
(Rs crs)



IBL included in NIFTY 50!



Planning Cycle II : Robust Execution Has Delivered Scale with Profitability



IBL included in NIFTY 50!



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

Delivered on Key Initiatives set out in PC2



Financial Performance



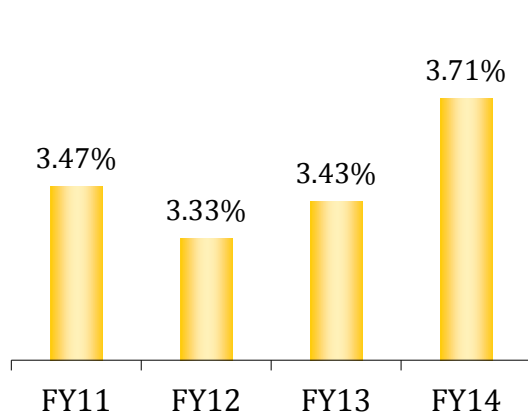
Q4 – FY14 Performance Highlights

- Performance trend line maintained in spite of a demanding Operating Environment
- NIM up at 3.75% despite some March'14 liquidity aberrations
- Revenue grew 27% Y-o-Y and 8% Q-o-Q
- Non-Interest Income to revenue remains healthy at 40%
- Consistent growth in Core Fee Income 28% Y-o-Y and 4% Q-o-Q
- Credit growth above industry; 24% Y-o-Y and 5% Q-o-Q
- Net NPA 0.33%; PCR 70.35%; Restructured Advances 0.33%
- Stable total credit cost at 13 bps for quarter and 48 bps for full year

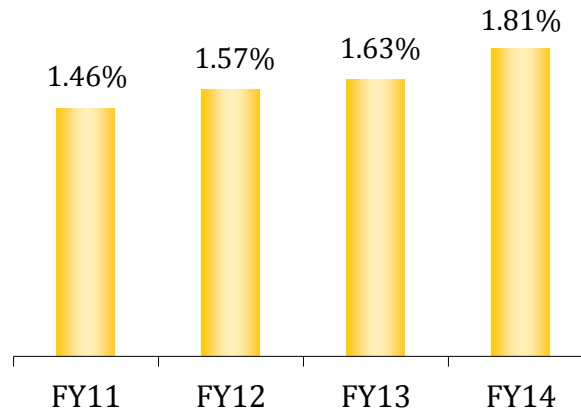


How We Measure Up On Key Metrics

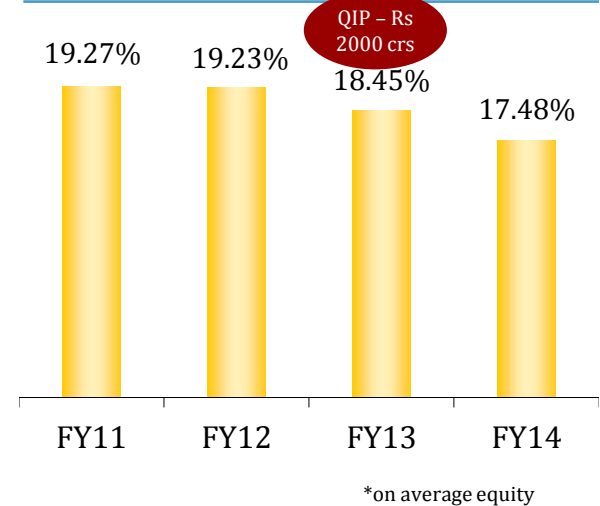
Net Interest Margin (NIM)



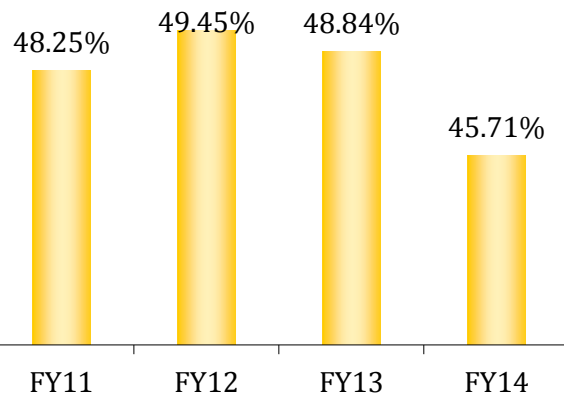
RoA



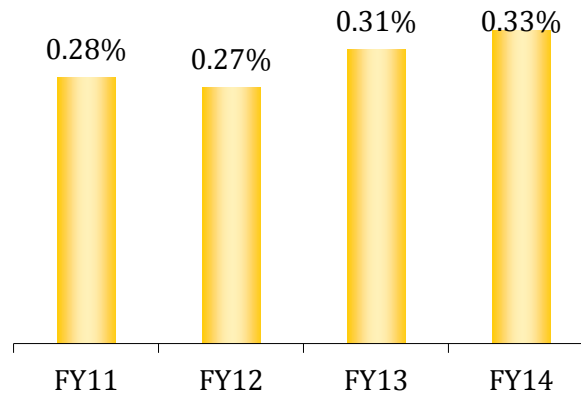
RoE*



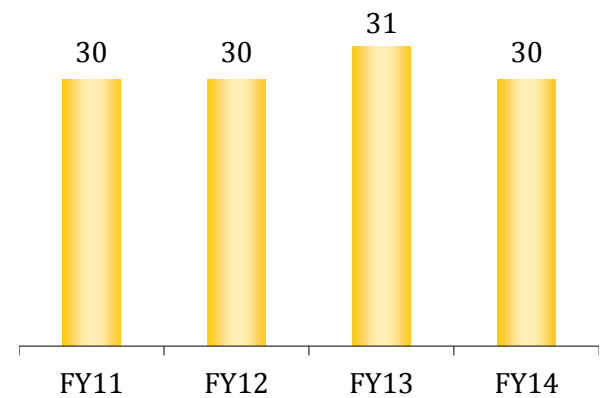
Cost/Income



Net NPA



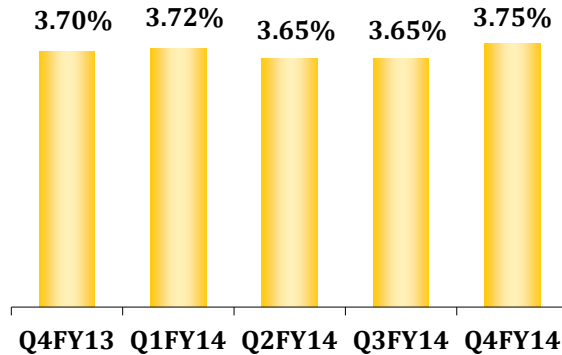
Revenue/Employee (Rs Lacs)



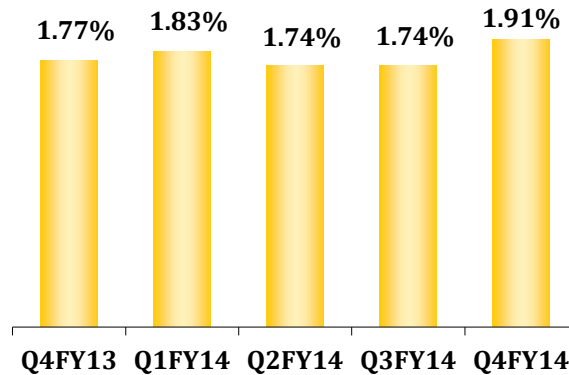
Consistent delivery of strong operating performance

How We Measure Up On Key Metrics

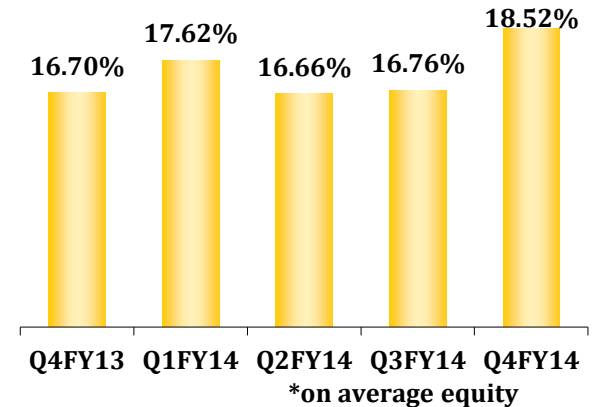
Net Interest Margin (NIM)



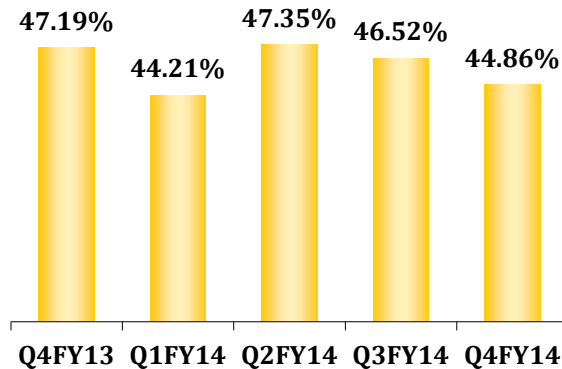
RoA



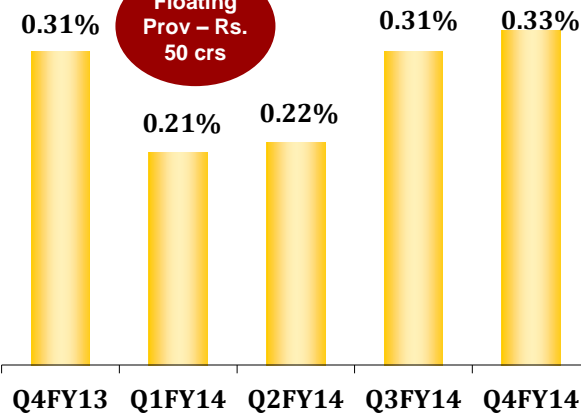
RoE*



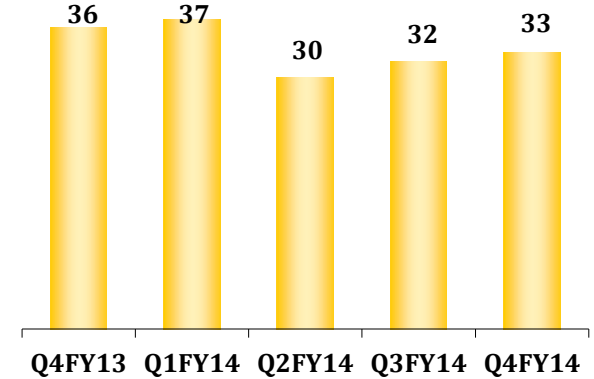
Cost /Income



Net NPA



Revenue / Employee(Rs. Lacs)



Consistent delivery of strong operating performance



Steady Headline Numbers for Q4-FY14

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 781 crs	18%	7%
Other Income	Rs 523 crs	42%	9%
Core Fee Income	Rs 442 crs	28%	4%
Revenue	Rs 1,304 crs	27%	8%
Operating Profit	Rs 719 crs	32%	11%
Net Profit	Rs 396 crs	29%	14%



Steady Headline Numbers for FY14

		Y-o-Y Growth
Net Interest Income	Rs 2,891 crs	29%
Other Income	Rs 1,891 crs	39%
Core Fee Income	Rs 1,610 crs	30%
Revenue	Rs 4,781 crs	33%
Operating Profit	Rs 2,596 crs	41%
Net Profit	Rs 1,408 crs	33%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 55,102 crs	24%	5%
Corporate Advances	Rs 30,317 crs	38%	9%
Consumer Finance Advances	Rs 24,785 crs	11%	1%
Deposits	Rs 60,502 crs	12%	8%
CASA	Rs 19,691 crs	24%	9%
SA	Rs 9,915 crs	41%	7%
Borrowings	Rs 14,762 crs	56%	-1%



Balance Sheet

(Rs crs)

	Q4FY14	Q4FY13	Y-o-Y (%)	Q3FY14	Q-o-Q (%)
Capital & Liabilities					
Capital	526	523	1% ↑	525	1% ↑
Reserves and Surplus	8,518	7,107	20% ↑	8,139	5% ↑
Deposits	60,502	54,117	12% ↑	56,247	8% ↑
Borrowings	14,762	9,460	56% ↑	14,771	(1%) ↓
Other Liabilities and Provisions	2,718	2,100	29% ↑	2,117	28% ↑
Total	87,026	73,307	19% ↑	81,799	6% ↑
Assets					
Cash and Balances with RBI	4,414	3,250	36% ↑	3,100	42% ↑
Balances with Banks	2,356	3,599	(35%) ↓	2,447	(4%) ↓
Investments	21,563	19,654	10% ↑	20,134	7% ↑
Advances	55,102	44,321	24% ↑	52,469	5% ↑
Fixed Assets	1,016	756	34% ↑	809	26% ↑
Other Assets	2,575	1,727	49% ↑	2,840	(9%) ↓
Total	87,026	73,307	19% ↑	81,799	6% ↑
Business (Advances + Deposit)	115,604	98,437	17% ↑	1,08,716	6% ↑



Profit and Loss Account

(Rs crs)

	Q4FY14	Q4FY13	Y-o-Y (%)	Q3FY14	Q-o-Q (%)
Net Interest Income	781.21	661.23	18% ↑	730.09	7% ↑
Other Income	522.92	367.89	42% ↑	480.27	9% ↑
Total Income	1,304.13	1,029.12	27% ↑	1,210.36	8% ↑
Operating Expenses	585.05	485.67	20% ↑	563.00	4% ↑
Operating Profit	719.08	543.45	32% ↑	647.36	11% ↑
Provisions & Contingencies	120.55	81.85	47% ↑	126.16	(4%) ↓
Profit before Tax	598.53	461.60	30% ↑	521.20	15% ↑
Provision for Tax	202.48	154.20	31% ↑	174.30	16% ↑
Profit after Tax	396.05	307.40	29% ↑	346.90	14% ↑



Profit and Loss Account

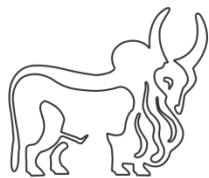
(Rs crs)

	FY14	FY13	Y-o-Y (%)	
Net Interest Income	2,890.71	2,232.87	29%	↑
Other Income	1,890.53	1,362.96	39%	↑
Total Income	4,781.24	3,595.83	33%	↑
Operating Expenses	2,185.28	1,756.36	24%	↑
Operating Profit	2,595.96	1,839.47	41%	↑
Provisions & Contingencies	467.63	263.10	78%	↑
Profit before Tax	2,128.33	1,576.37	35%	↑
Provision for Tax	720.31	515.18	40%	↑
Profit after Tax	1,408.02	1,061.19	33%	↑



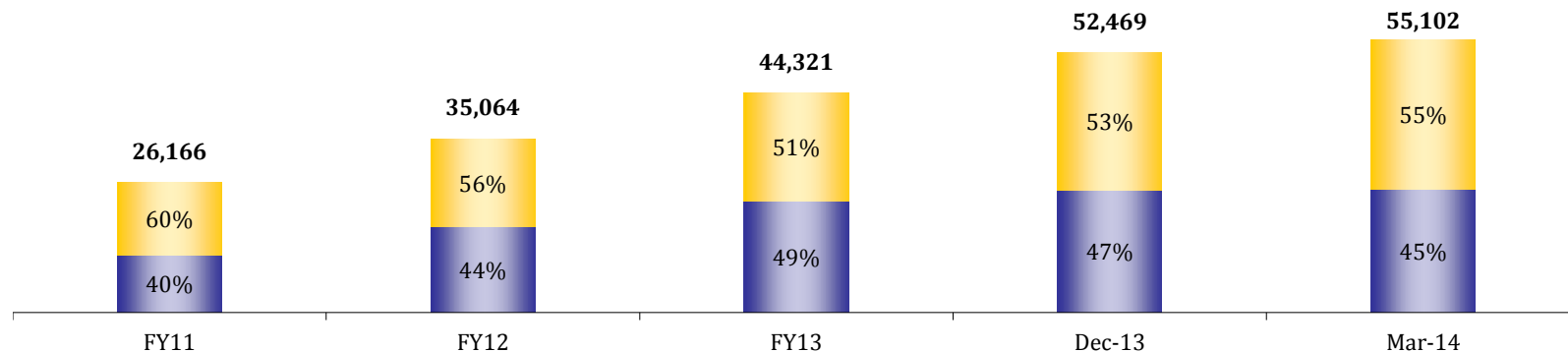
Key Financial Indicators

	Q4FY14	Q4FY13	Q3FY14
Return on Assets	1.91%	1.77%	1.74%
ROE (On average equity)	18.52%	16.70%	16.76%
Cost / Income Ratio	44.86%	47.19%	46.52%
Net Interest Margin	3.75%	3.70%	3.65%
Net NPA	0.33%	0.31%	0.31%
EPS (annualized, Rs. per share)	30.16	23.56	26.48
Net Worth (Rs. in crs) excl Reval Reserve	8,646	7,418	8,454
Book Value (Rs. per share)	164.76	141.92	161.24



Well Diversified Loan Book

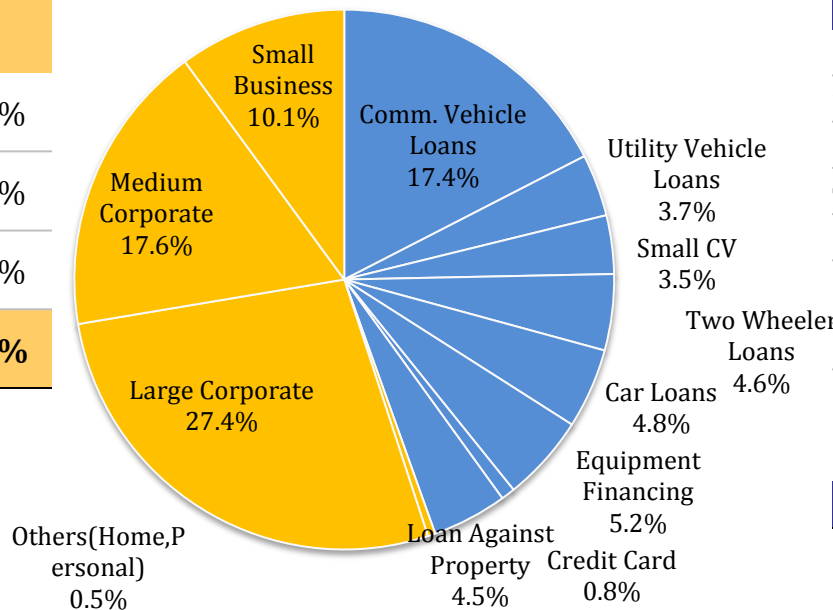
Loan Book (Rs crs)



■ Consumer Finance Division ■ Corporate & Commercial Banking

(Rs crs)

Corporate Banking	Mar-14	
Large Corporates	15,086	27%
Mid size Corporates	9,693	18%
Small Corporates	5,538	10%
Total Advances	30,317	55%



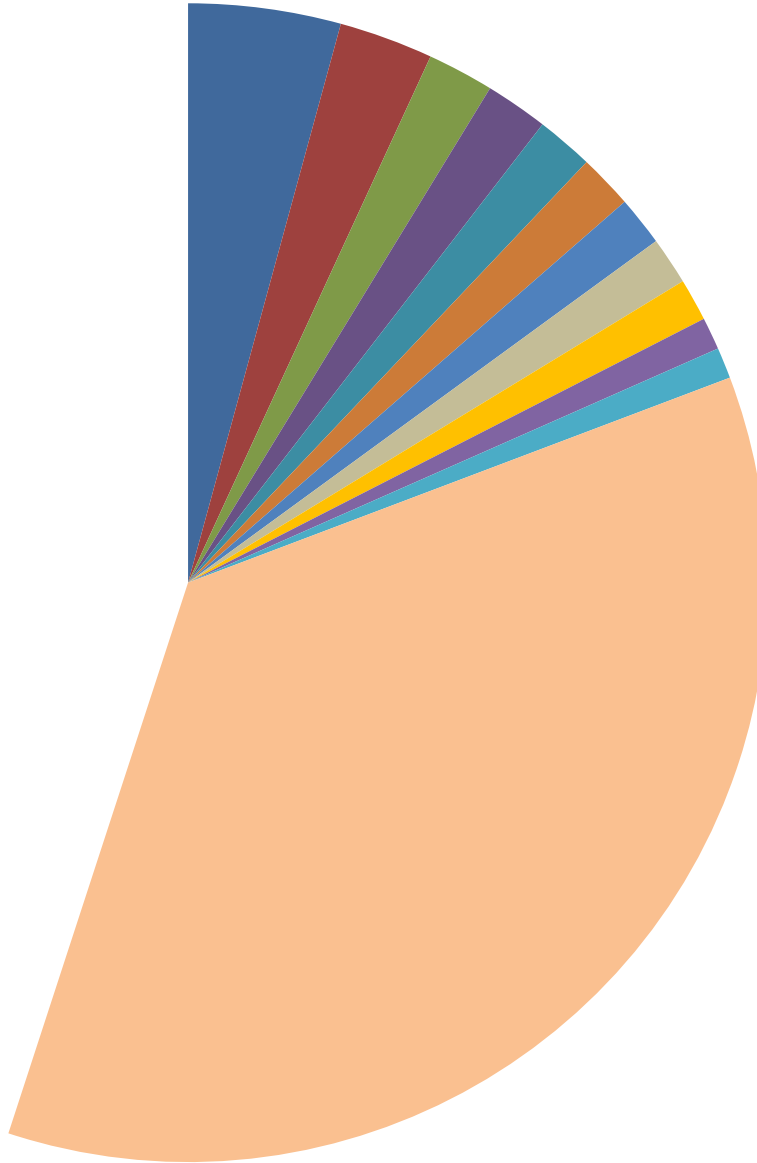
(Rs crs)

Consumer Finance	Mar-14	
Comm. Vehicle Loans	9,614	17%
Utility Vehicle Loans	2,050	4%
Small CV	1,932	4%
Two Wheeler Loans	2,512	5%
Car Loans	2,642	5%
Equipment Financing	2,854	5%
Credit Card	457	1%
Loan Against Property	2,473	4%
Home, PL, etc	251	-
Total Advances	24,785	45%

IndusInd Bank



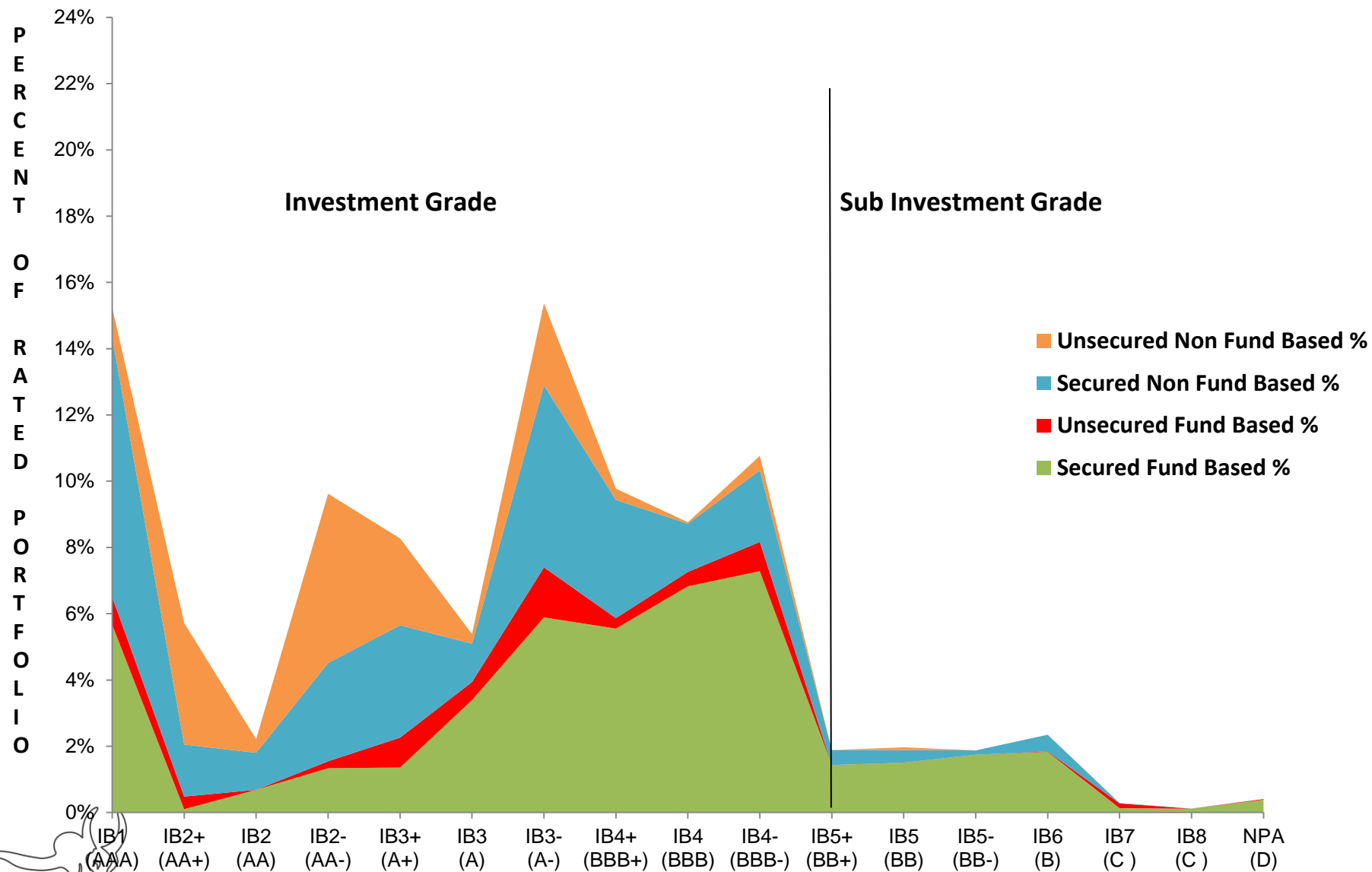
Diversified Corporate Loan Book



■ Lease Rental	4.25%
■ NBFCs (other than HFCs/HFIs)	2.62%
■ Power	1.85%
■ Real Estate Developer	1.75%
■ Gems and Jewellery	1.59%
■ Constn related to infra.- EPC	1.51%
■ Steel	1.38%
■ Food Credit	1.33%
■ Pharma	1.18%
■ Paper	0.90%
■ Petroleum & Products	0.86%



Well Rated Corporate Portfolio

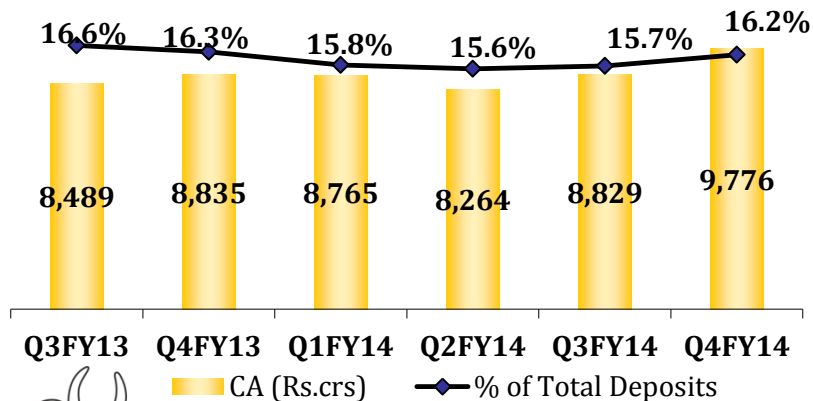


Improving CASA profile

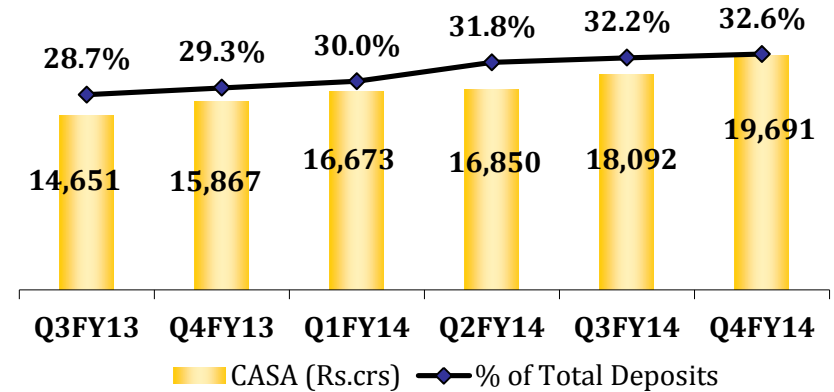
Building CASA traction

- 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

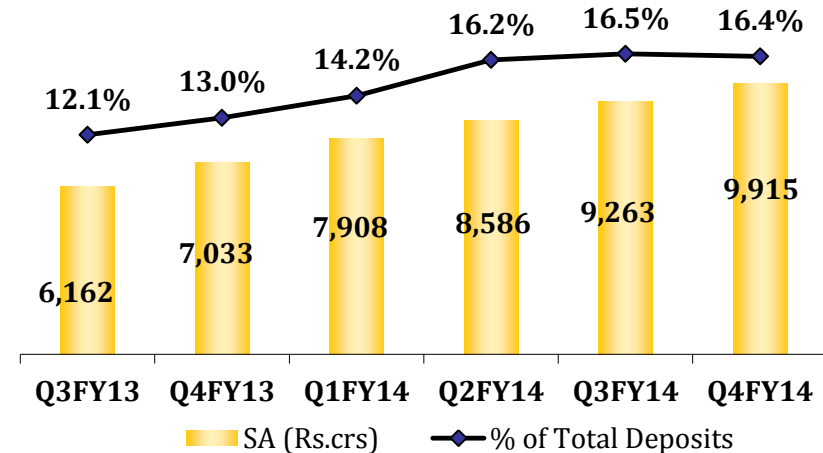
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs crs)

	Q4FY14	Q4FY13	Y-o-Y (%)	Q3FY14	Q-o-Q(%)
Core Fee	441.87	344.92	28% ↑	426.80	4% ↑
Securities/MM/FX Trading/Others	81.05	22.97	253% ↑	53.47	52% ↑
Total	522.92	367.89	42% ↑	480.27	9% ↑



Diverse Revenues from Core Fee Income

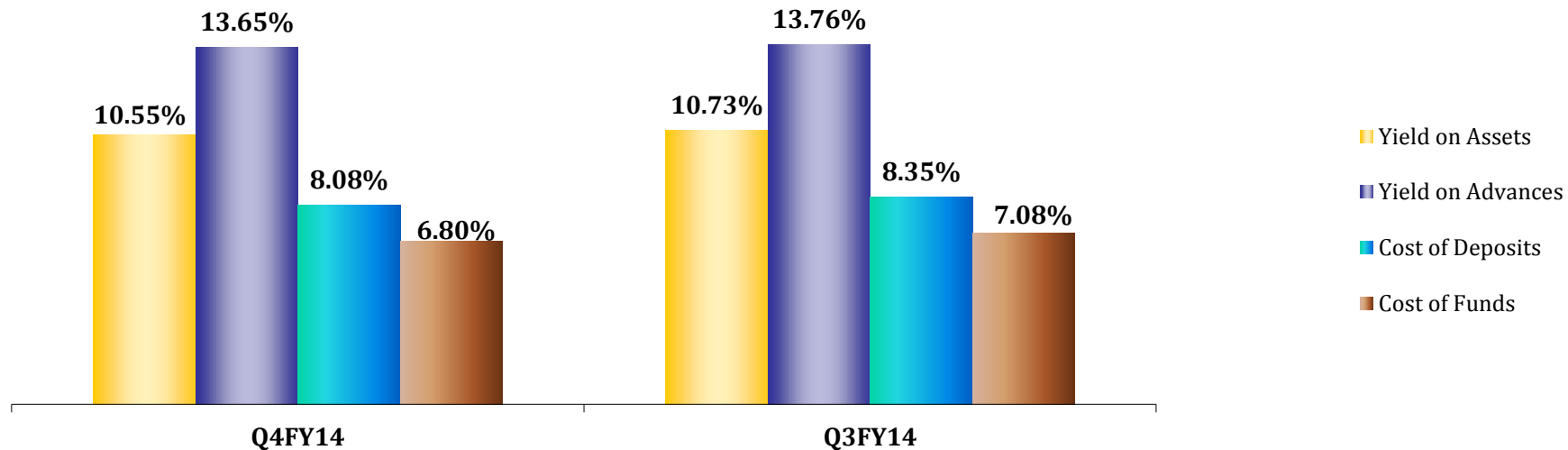
(Rs crs)

	Q4FY14	Q4FY13	Y-o-Y(%)	Q3FY14	Q-o-Q(%)
Trade and Remittances	60.05	47.27	27% ↑	55.50	8% ↑
Foreign Exchange Income	109.09	73.21	49% ↑	130.71	(17%) ↓
Distribution Fees (Insurance, MF, Cards)	77.45	78.47	(1%) ↓	69.62	11% ↑
General Banking Fees	37.66	43.28	(13%) ↓	34.77	8% ↑
Loan Processing fees	89.58	58.32	54% ↑	77.43	16% ↑
Investment Banking	68.04	44.37	53% ↑	58.77	16% ↑
Total Core Fee Income	441.87	344.92	28% ↑	426.80	4% ↑

Growth momentum continues on regular fee flows



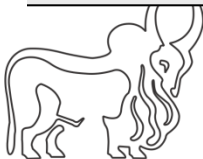
Yield / Cost Movement



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

Segment-wise Yield

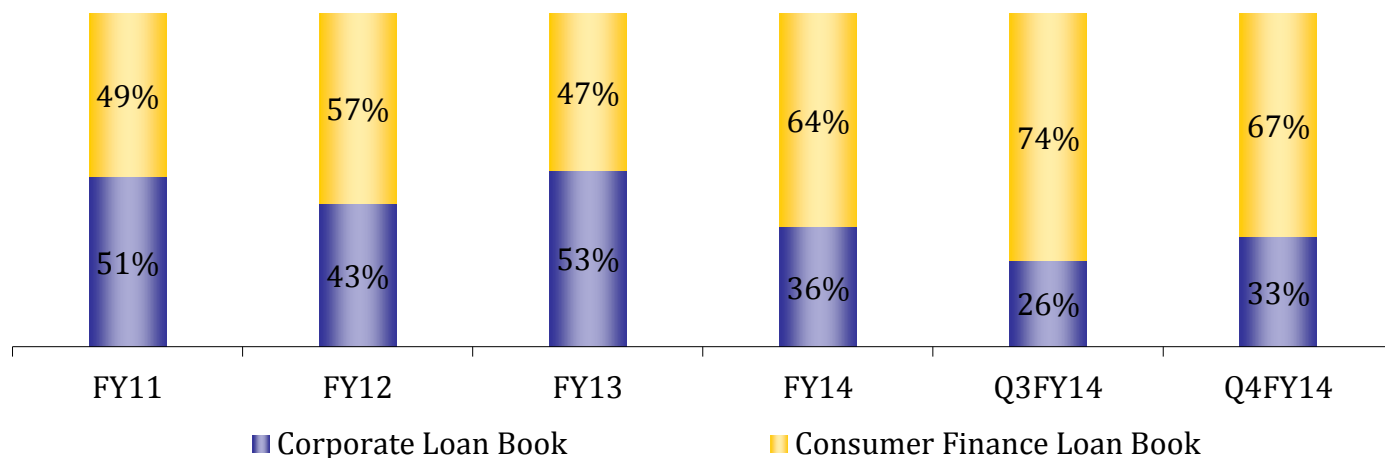
	Q4FY14		Q3FY14	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	30,317	11.64%	27,829	11.89%
Consumer Finance	24,785	15.75%	24,640	15.63%
Total	55,102	13.65%	52,469	13.76%



Credit Cost

(Rs crs)

	FY11	FY12	FY13	FY14	Q3FY14	Q4FY14
Corporate Bank	81.99	61.11	116.51	93.70	16.83	23.60
Consumer Finance	78.34	81.46	103.10	169.97	47.25	49.00
Gross Credit Costs	160.33	142.57	219.61	263.67	64.08	72.60
Gross Credit Costs (Basis Points on Advances)	61	41	50	48	12	13
Net Credit Cost	139.38	133.12	204.81	227.94	61.02	59.13
Net Credit Costs (Basis Points on Advances)	53	38	46	41	12	11
PCR	73%	73%	70%	70%	74%	70%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q4FY14			Q3FY14		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	324	302	626	270	276	546
Additions	39	149	188	55	129	184
Deductions	53	140	193	1	103	104
Gross NPA	310	311	621**	324	302	626
Net NPA			184*			165*
% of Gross NPA			1.12%			1.18%
% of Net NPA			0.33%			0.31%
Provision Coverage Ratio (PCR)			70.35%			73.65%
Restructured Advances			0.33%			0.31%

* Net off floating provision of Rs. 50 crs

**After sale to ARC Rs.35 crs (Rs.24 crs)



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

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%

Q3-FY14	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	129	16	37	15	68	10	18	9	302
Net NPA	53	3	14	2	32	3	6	2	115
Gross NPA %	1.28%	0.76%	1.26%	0.72%	2.73%	0.40%	0.84%	1.95%	1.22%
Net NPA %	0.53%	0.15%	0.47%	0.10%	1.28%	0.12%	0.28%	0.49%	0.46%



	31 Mar 14	31 Dec 13
	Basel - III	Basel - III
Risk Weighted Assets		
- Credit Risk	58,612	55,173
- Market Risk	2,517	2,107
- Operational Risk	6,131	4,670
- Total RWA	67,260	61,950
Tier I Capital Funds	8,551	8,227
Tier II Capital Funds	754	683
Total Capital Funds	9,305	8,910
CRAR	13.83%	14.38%
Tier I	12.71%	13.28%
Tier II	1.12%	1.10%



Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

Strengthening Distribution Infrastructure

Particulars	FY12	FY13	FY14
Branch Network	400	500	602
ATMs	692	882	1,110

*includes 44 specialized branches

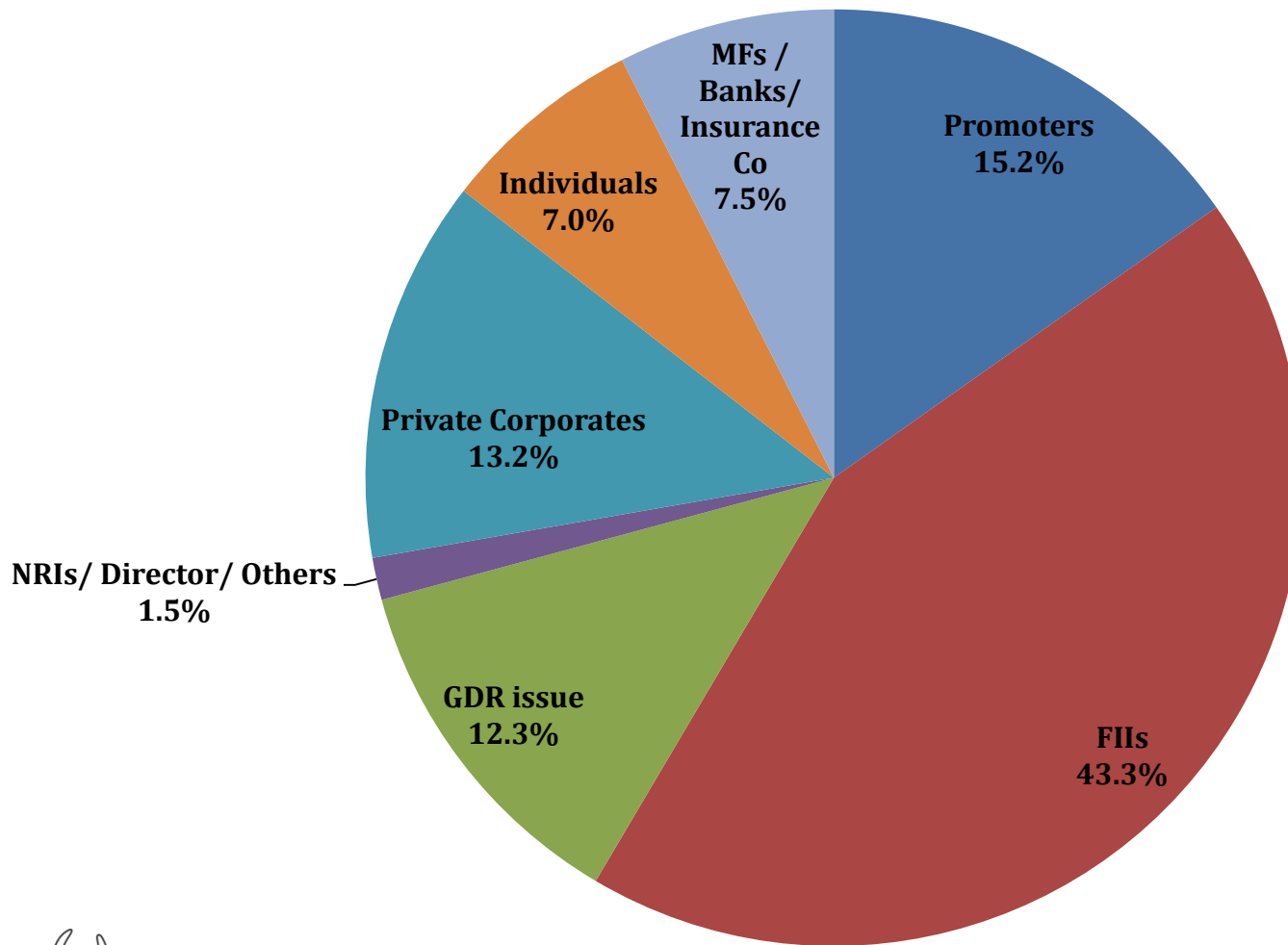


- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

March 31, 2014



Planning Cycle 3 (PC3) 2014-17



Planning Cycle 3: Strategy

Planning Cycle 3 (2014–17)

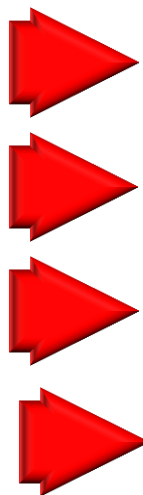
Strategy

Market Share with Profitability

Theme

**Intelligent Domination
and Specialisation**

Focus on



New Yield & Fee Boosters

Scaling Up Client Base

Density in Branch Network

Growth in “Business As Usual”



Planning Cycle 3: Growth Themes



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)

Resulting in

Loan Growth



25% - 30%

CASA Growth



CASA > 35%

Fee Growth



Exceed Loan Growth

Branch Network



To Double

Customer Base



To Double



Events and Awards



Accolades



'Banking Frontiers' 'Finnoviti 2013' awarded to IndusInd Bank for My Account My Number



'Financial Inclusion Payment Systems Award 2013' organized by Elets Technomedia.



Accolades



'Best Initiative of the Year'- TACK India , Indus Pro at the Global World Congress held at Athens.



'Best Private Sector Bank - Priority Sector Lending' at Dun & Bradstreet - Polaris Financial Technology Banking Awards 2013.



Accolades



‘Fastest Growing Mid-Size Bank’
in Business World – PwC Best
Bank Survey 2013.

‘Banker of the Year’ Mr. Romesh
Sobti in Business World – PwC
Best Bank Survey 2013.



‘Roll of Honour’- India’s Best CEOs
by Business Today - PwC India
Listing of India's top 100 CEOs.



Accolades



The Sunday Standard 'Best Bankers' Awards 2013 – Best Banker – Growth', Mid-Sized, IndusInd Bank.



'Best Bank Award for Customer Management and Business Intelligence Initiatives' - Among Small Banks 2012-13 by IDRBT.



Accolades



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



ABP News Global CSR Excellence & Leadership Awards in the category 'Best Use of CSR Practises in Banking & Finance'



Accolades



'Mixed Media Category' for "My Account My Number", awarded by Paul Writers, at the Marketing Hall of Fame 2013.



5th Retail Banker International Asia Trailblazer Summit - Excellence in Customer Centricity & Dynamic Third Party Partnerships, for Super Saver Packs.



Accolades



CISO - Awarded one of the Top 100 Chief Information Security Officer awards 2014.



IBA Banking Technology Awards 2012-13 - 1st Runners up for Best use of Technology in Training and E-Learning initiatives



Thank you



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Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.

