



Investor Presentation

Oct 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

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

Scale with Profitability

Planning Cycle II – Pillars of Growth

Q2 outcome		
Loan growth	✓ Loan book to grow 25%-30% p.a.; well above market growth.	28%
Growing CFD book	✓ To grow beyond Rs. 25,000 crs by Year 3 ✓ To be funded through CASA	CFD book Rs.14,081 crs Growth 44%
CASA growth	✓ CASA to reach > 35% by Year 3	28%
Manage CD Ratio	✓ CD ratio > 75% < 80% ✓ Deposits to be put to efficient use	79%
Fee Growth	✓ Fee growth to exceed Loan Growth ✓ Increased focus on (New) fee enhancers	30%

Planning Cycle II – Key Initiatives

**Scale up Investment
Banking practice**

**Credit Cards
Launched**

**Full suite Assets
Portfolio**

**New Client Acquisition
Ramp-up**

**Used Commercial
Vehicles**

Currency Chest

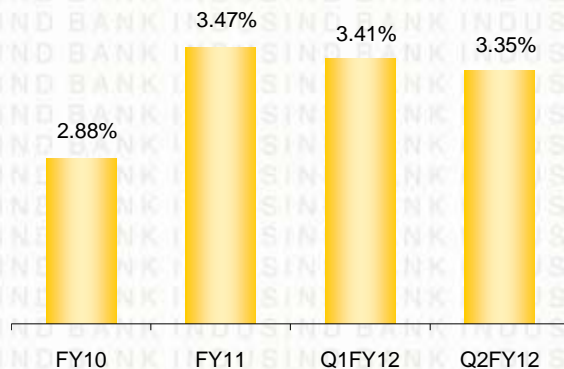
**Factoring
&
Supply
Chain Products**

New Branch rollouts

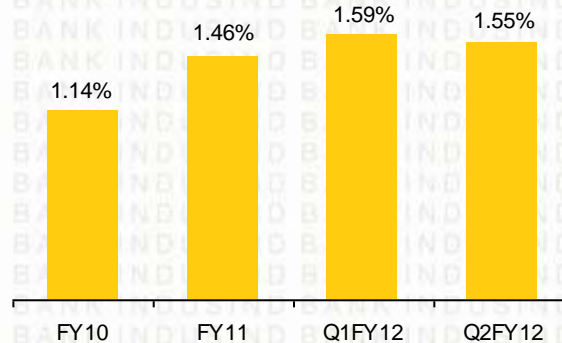
CBS rollouts

How We Measure Up On Key Metrics

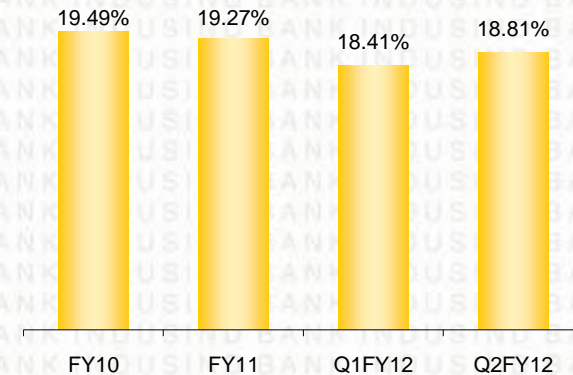
Net Interest Margin (NIM)



RoA

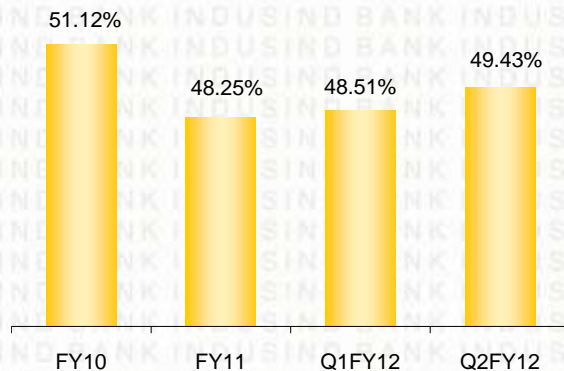


RoE*

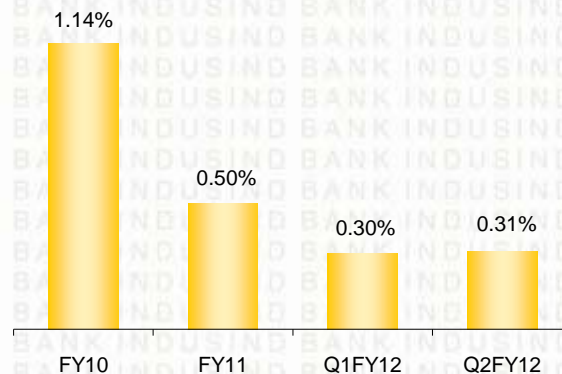


*on average equity

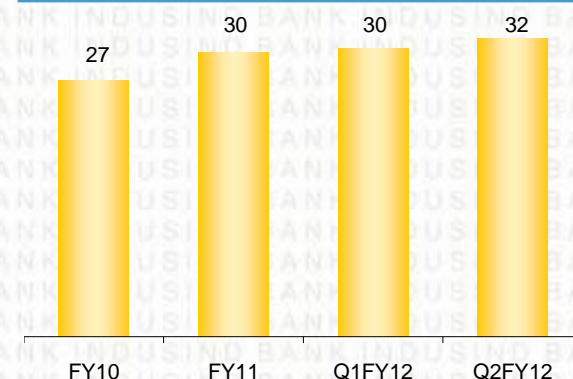
Cost to Income Ratio



Net NPA



Revenue/Employee(Rs. Lacs)



Consistent delivery of strong operating performance

Ratings

- 'ICRA AA'(upgraded from 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 Q2FY12

Y-o-Y Growth



Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 30,135 crs	↑	28%	6%
CCBG Advances	Rs 16,054 crs	↑	17%	2%
CFD Advances	Rs 14,081 crs	↑	44%	11%
Deposits	Rs 38,367 crs	↑	23%	9%
CASA	Rs 10,626 crs	↑	34%	7%

Balance Sheet

	(Rs crs)				
	Q2FY12	Q2FY11	Y-o-Y (%)	Q1FY12	Q-o-Q (%)
Capital & Liabilities					
Capital	467	461	1% ↑	466	- ↑
Reserves and Surplus	3,962	3,352	18% ↑	3,765	5% ↑
Deposits	38,367	31,290	23% ↑	35,264	9% ↑
Borrowings	5,985	3,632	65% ↑	6,642	(10%) ↓
Other Liabilities and Provisions	1,675	2,013	(17%) ↓	1,701	(2%) ↓
Total	50,456	40,748	24% ↑	47,838	5% ↑
Assets					
Cash and Balances with RBI	3,216	2,638	22% ↑	2,461	31% ↑
Balances with Banks	619	807	(23%) ↓	775	(20%) ↓
Investments	14,286	12,000	19% ↑	14,233	- ↑
Advances	30,135	23,452	28% ↑	28,384	6% ↑
Fixed Assets	624	651	(4%) ↓	613	2% ↑
Other Assets	1,576	1,200	31% ↑	1,372	15% ↑
Total	50,456	40,748	24% ↑	47,838	5% ↑
Business (Advances + Deposit)	68,519	54,742	25% ↑	63,648	8% ↑

Profit and Loss Account (Quarterly)

(Rs crs)

	Q2FY12	Q2FY11	Y-o-Y (%)	Q1FY12	Q-o-Q (%)
Net Interest Income	419.19	329.73	27% ↑	390.01	7% ↑
Other Income	239.21	175.12	37% ↑	215.40	11% ↑
Total Income	658.40	504.85	30% ↑	605.41	9% ↑
Operating Expenses	325.42	243.00	34% ↑	293.69	11% ↑
Operating Profit	332.98	261.85	27% ↑	311.72	7% ↑
Provisions & Contingencies	46.97	56.71	(17%) ↓	44.59	5% ↑
Profit before Tax	286.01	205.14	39% ↑	267.13	7% ↑
Provision for Tax	92.92	71.98	29% ↑	86.95	7% ↑
Profit after Tax	193.09	133.15	45% ↑	180.18	7% ↑

Profit and Loss Account (Half Yearly)

(Rs crs)

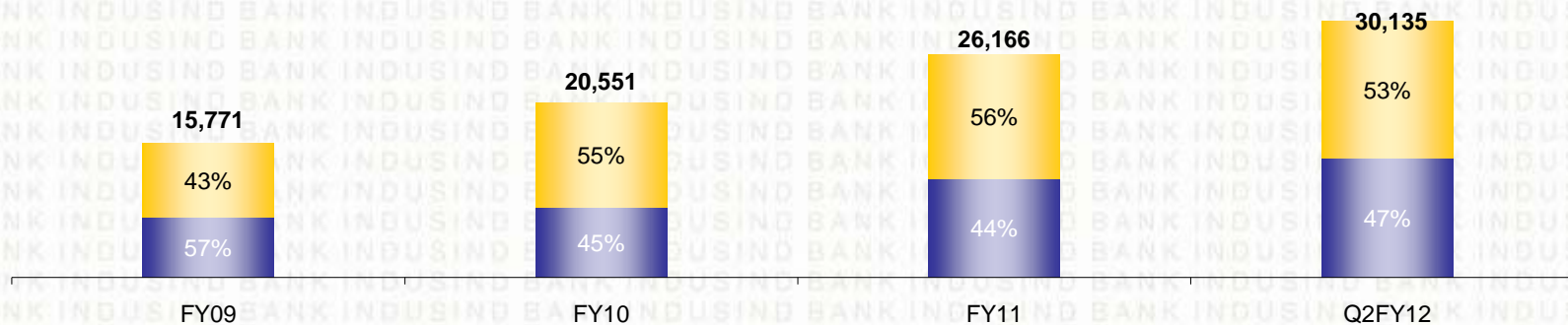
	HY 2012	HY 2011	Y-o-Y (%)	
Net Interest Income	809.21	625.41	29%	↑
Other Income	454.61	336.07	35%	↑
Total Income	1,263.81	961.48	31%	↑
Operating Expenses	619.11	469.03	32%	↑
Operating Profit	644.70	492.45	31%	↑
Provisions & Contingencies	91.56	105.44	(13%)	↓
Profit before Tax	553.14	387.01	43%	↑
Provision for Tax	179.88	135.31	33%	↑
Profit after Tax	373.27	251.70	48%	↑

Key Financial Indicators

	Q2FY12	Q2FY11	Q1FY12
Return on Assets	1.55%	1.38%	1.59%
ROE (On average Equity)	18.81%	20.83%	18.41%
Revenue / Staff Cost	5.52	5.17	5.22
Cost / Income Ratio	49.43%	48.13%	48.51%
Net Interest Margin	3.35%	3.41%	3.41%
Net NPA	0.31%	0.36%	0.30%
EPS (annualized, Rs. per share)	16.56	12.84	15.47
Net Worth (Rs. in crs) excl Revaluation Reserve	4,205	3,583	4,007
Book Value (Rs. per share.)	90.12	77.65	86.00

Well Diversified Loan Book

Loan Book (Rs crs)

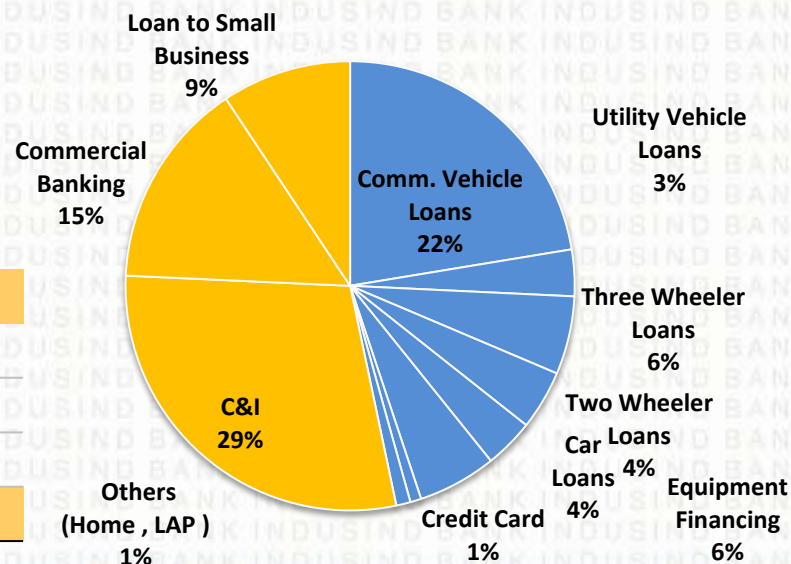


■ Consumer Finance Division

■ Corporate & Commercial Banking

(Rs crs)

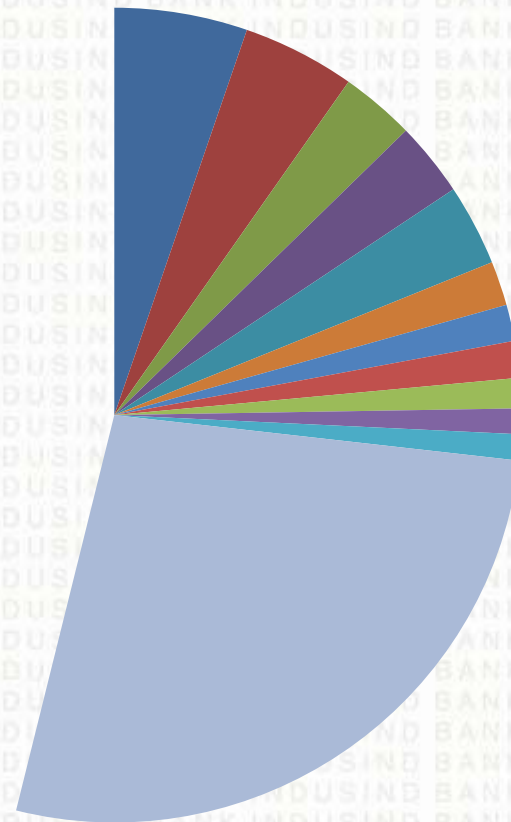
	(Rs crs)	
	30 Sep-11	%
C&I	8,750	29
Comm. Banking	4,508	15
Loan to Small Business	2,796	9
Total	16,054	53



Consumer Finance	30 Sep-11	%
Comm. Vehicle Loans	6,755	22
Utility Vehicle Loans	1,010	3
Three Wheeler Loans	1,697	6
Two Wheeler Loans	1,289	4
Car Loans	1,075	4
Equipment Financing	1,706	6
Credit Card	239	1
Other (Home, LAP)	310	1
Total Advances	14,081	47

Diversified Corporate Loan Book

As on September 30,2011



NBFCs	5.28%
Construction	4.28%
Real Estate	2.95%
Pharmaceuticals	2.96%
Telecom & Related	3.23%
Power Generation	1.76%
Automobiles Ancillaries	1.44%
Gem & Jewellery	1.46%
Hospital & Medical Services	1.20%
Steel	1.01%
Aluminium	1.03%
Other Industries	26.67%

And Improving Liability and CASA

■ Strong management focus on

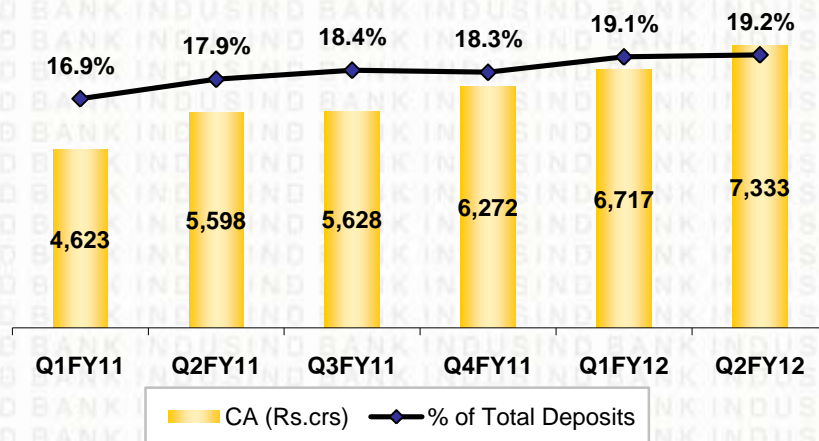
□ Building CASA through

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

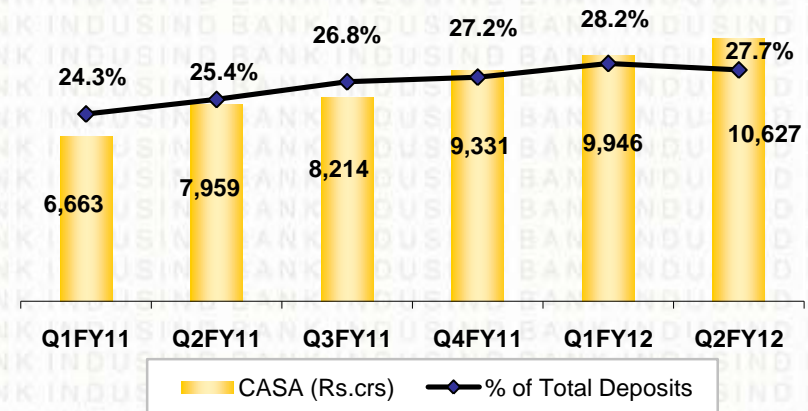
□ Broad basing wholesale deposits

□ Tenor mapping

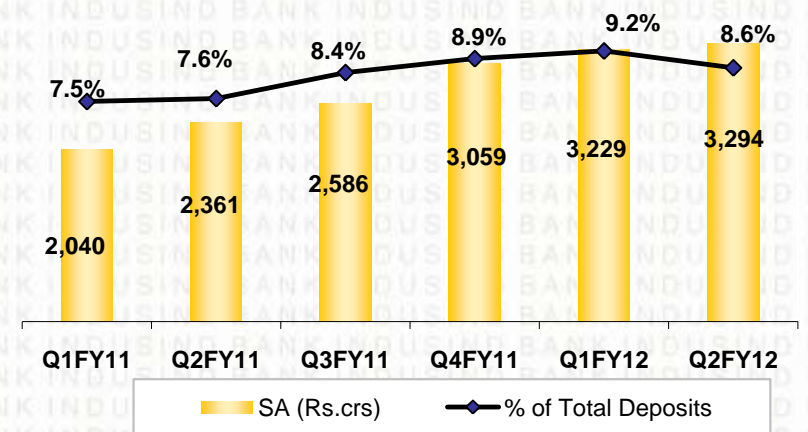
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs crs)

	Q2FY12	Q2FY11	Y-o-Y (%)	Q1FY12	Q-o-Q(%)
Core Fee	211.87	163.14	30% ↑	187.07	13% ↑
Securities/MM/FX Trading	23.89	12.16	96% ↑	27.79	(15%) ↓
Profit/(Loss) on Other Assets	0.49	(0.18)	- ↑	0.54	(9%) ↓
Others	2.96	-	-	--	-
Total	239.21	175.12	37% ↑	215.40	11% ↑

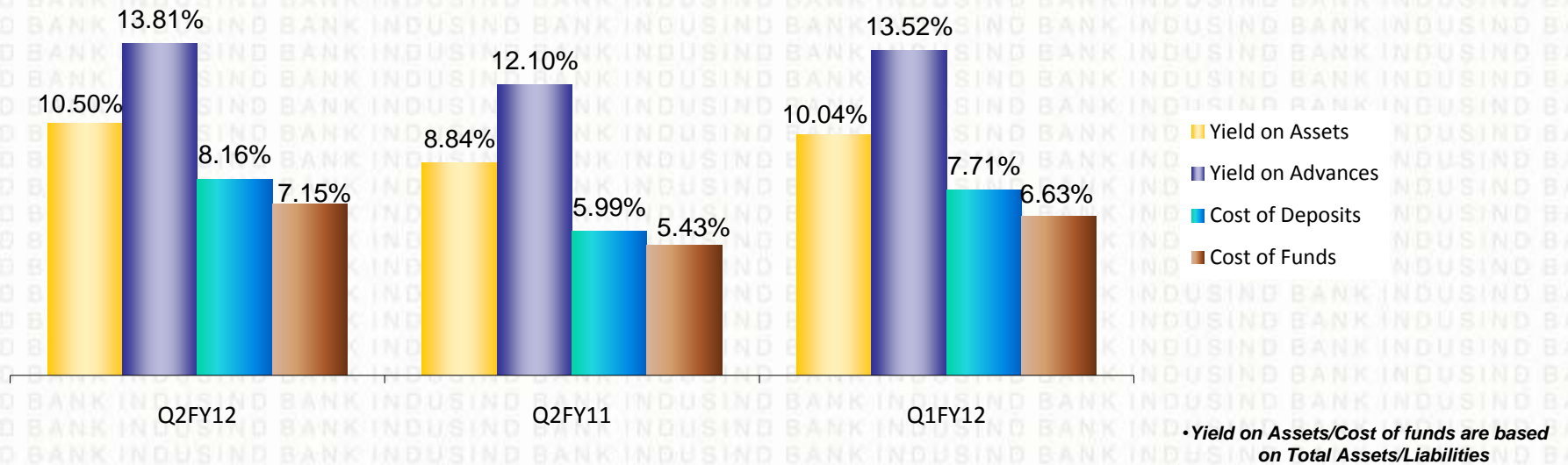
Diverse Revenues from Core Fee Income

(Rs crs)

	Q2FY12	Q2FY11	Y-o-Y(%)		Q1FY12	Q-o-Q(%)	
Trade & Remittances	28.55	22.21	29%	↑	25.49	12%	↑
Foreign Exchange Income	52.30	31.65	62%	↑	42.27	24%	↑
Distribution Fees (Insurance, MF , Cr. Card)	57.08	39.54	44%	↑	52.35	9%	↑
General Banking Fees	26.85	21.88	23%	↑	23.82	13%	↑
Loan Processing fees	39.13	29.35	33%	↑	33.17	18%	↑
Investment Banking	7.96	18.51	(57%)	↓	9.97	(20%)	↓
Total Core Fee Income	211.87	163.14	30%	↑	187.07	13%	↑

Growth momentum continues on regular fee flows

Yield / Cost Movement



Segment-wise Yield

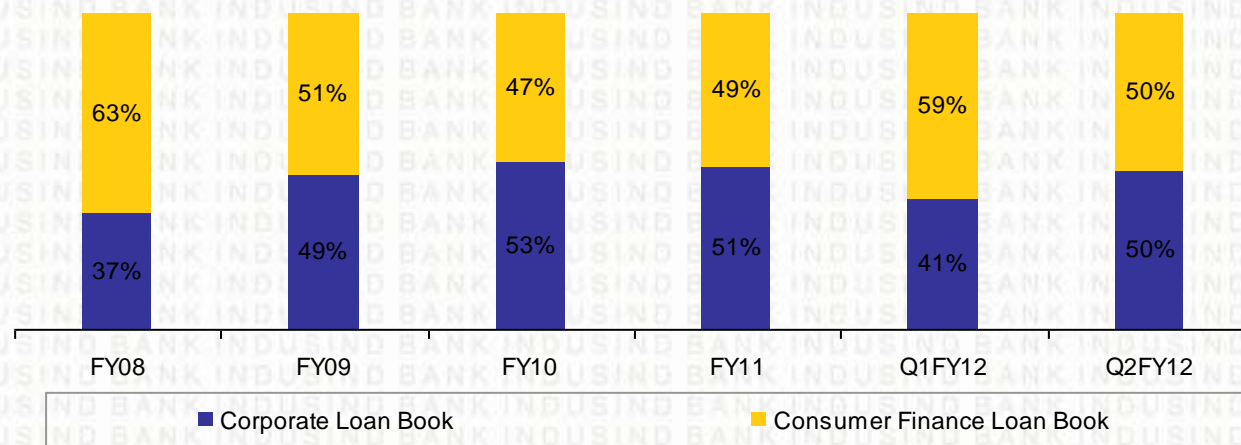
	Q2FY12		Q1FY12	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate and Commercial Banking(CCB)	16,054	11.78%	15,683	11.22%
Consumer Finance Division(CFD)*	14,081	16.36%	12,701	16.32%
Total	30,135	13.81%	28,384	13.52%

*including LAP/Credit Card business

Credit costs

(Rs crs)

	FY08	FY09	FY10	FY11	Q1FY12	Q2FY12	HY FY 12
Corporate Loan Book(CCB)	29.82	78.08	85.86	81.99	15.83	20.06	35.89
Consumer Finance Loan Book(CFD)	50.80	82.70	75.77	78.34	22.86	19.86	42.72
Total Credit Costs	80.62	160.78	161.63	160.33	38.69	39.92	78.61
Credit Costs (Basis Points on Advances)	63	102	79	61	14	13	26
PCR	26%	30%	60%	73%	73%	72%	72%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q2FY12			Q1FY12		
	CCB	CFD	Total	CCB	CFD	Total
Gross NPA	104	228	332	94	215	309
Net NPA	8	85	93	7	77	84
% of Gross NPA			1.09%			1.08%
% of Net NPA			0.31%			0.30%
Provision Coverage Ratio (PCR)			72%			73%
Restructured Advances			0.30%			0.37%

NPA Composition – CFD - Vehicles

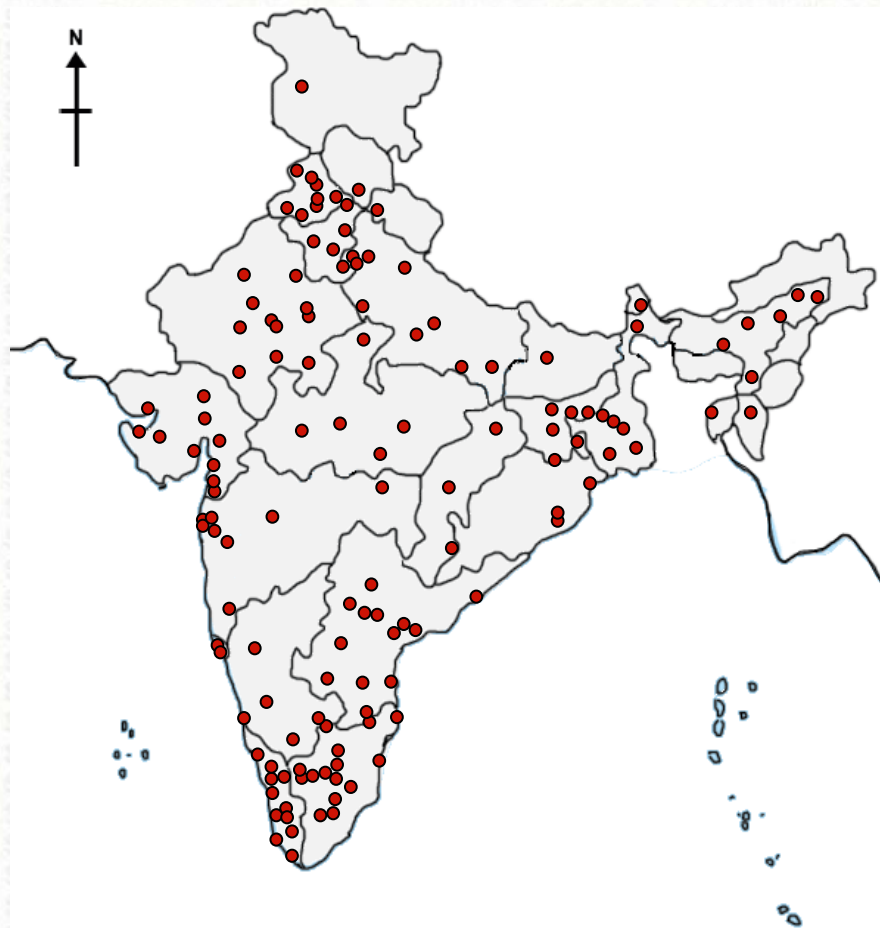
(Rs crs)						
Q2-12	Com. Vehicle	Utility	Const. Equip.	3W	TW	Cars
Gross NPA	72	16	26	17	50	11
Net NPA	22	9	11	12	22	4
Gross NPA %	1.06%	1.58%	1.51%	0.97%	3.77%	1.24%
Net NPA %	0.33%	0.85%	0.66%	0.72%	1.69%	0.38%

Q1-12	Com. Vehicle	Utility	Const. Equip.	3W	TW	Cars
Gross NPA	65	14	23	16	46	14
Net NPA	19	7	9	12	18	4
Gross NPA %	1.06%	1.54%	1.44%	1.08%	3.73%	1.41%
Net NPA %	0.31%	0.80%	0.60%	0.79%	1.55%	0.46%

CRAR - Basel II

	(Rs crs)	
	30 Sept-11	30 Sep-10
Risk Weighted Assets		
- Credit Risk	29,828	25,030
- Market Risk	659	458
- Operational Risk	2,408	1,578
- Total RWA	32,896	27,066
Tier I Capital Funds	3,761	3,294
Tier II Capital Funds	949	1,096
Total Capital Funds	4,710	4,390
CRAR	14.32%	16.22%
Tier I	11.43%	12.17%
Tier II	2.89%	4.05%
CRAR(with profit)	15.45%	17.15%
Tier I	12.56%	13.10%
Tier II	2.89%	4.05%

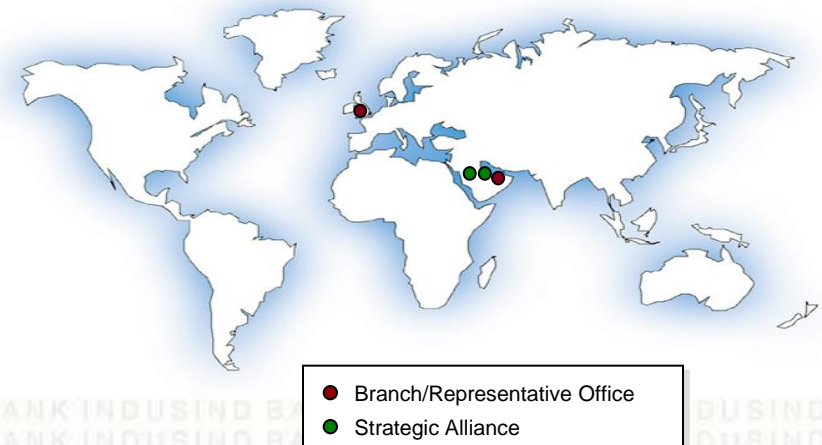
Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

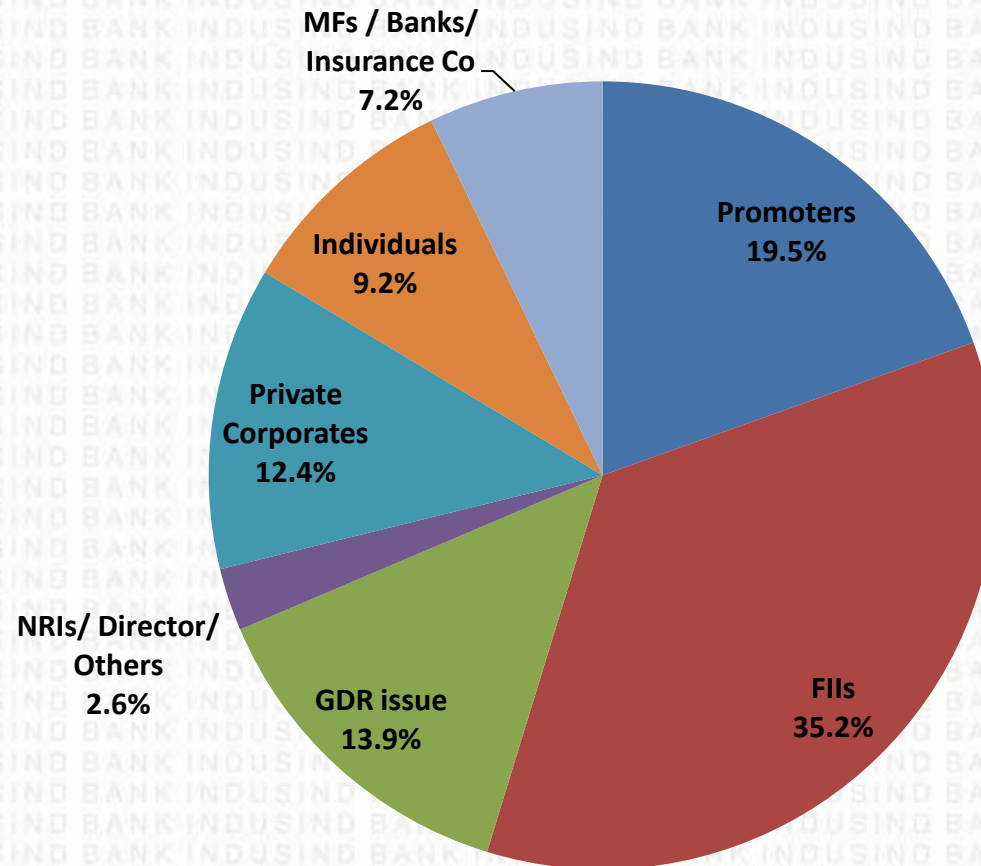
As at, end	FY09	FY10	FY11	Q2FY12
Branch Network	180	210	300	350*
ATMs	356	497	594	666

*includes 19 specialized branches



- Branch/Representative Office
- Strategic Alliance

Shareholding Pattern



As at September 30, 2011



Thank you