



## Investor Presentation

October 10, 2012

## Disclaimer

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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](http://www.indusind.com).



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



## Q2 FY13 PERFORMANCE HIGHLIGHTS

- Steady performance in deteriorating macro economic environment
- Net Interest Income grew 22% Y-o-Y & 5% Q-o-Q
- Non-Interest Income to revenue remains healthy at 39%
- Consistent growth in Core Fee Income 40% Y-o-Y & 10% Q-o-Q
- Credit growth above industry 31% Y-o-Y & 6% Q-o-Q
- Low exposure to stressed / sensitive sectors
- Net NPA 0.29%; PCR 72.09%; Restructured Advances 0.19%
- Credit cost at 11 bps



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

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# Scale with Profitability

# Planning Cycle II – Pillars of Growth

Q2-13 outcome

Loan growth	✓ Loan book to grow 25%-30% p.a.; well above market growth.	31%
Growing Consumer Finance book	✓ To grow beyond Rs. 25,000 crs by March 2014 ✓ To be funded through CASA	Cons. Finance book Rs. 20,434 crs Growth 45%
CASA growth	✓ CASA to reach > 35% by March 2014	Growth-26% CASA-28%
Manage CD Ratio	✓ CD ratio > 75% < 80% ✓ Deposits to be put to efficient use	83%
Fee Growth	✓ Fee growth to exceed Loan Growth ✓ Increased focus on (New) fee enhancers	Fee Growth 40%

## 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

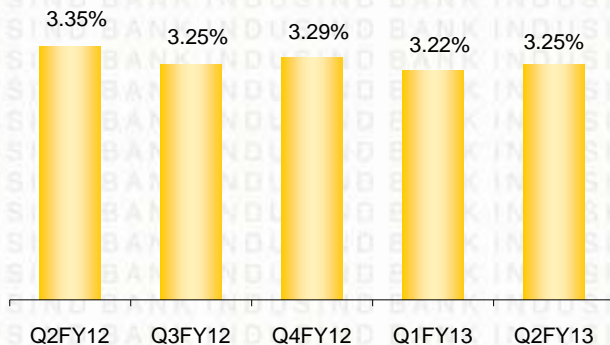
CBS rollout

"On Track " performance on all initiatives

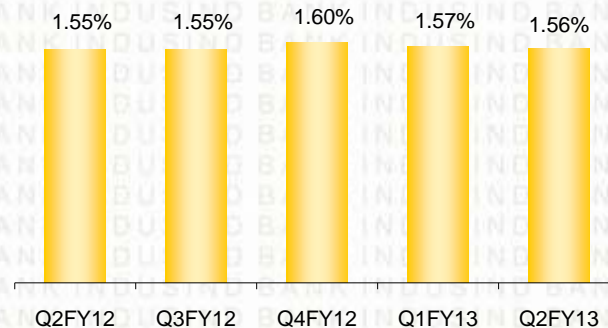


# How We Measure Up On Key Metrics

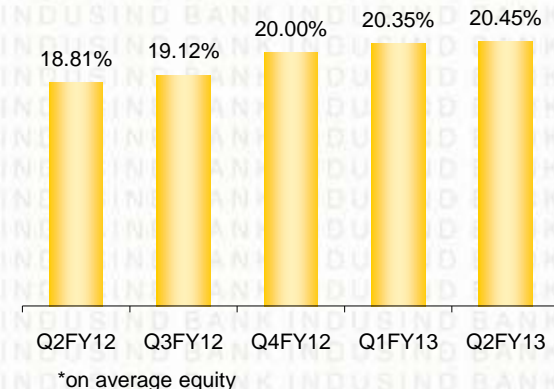
**Net Interest Margin (NIM)**



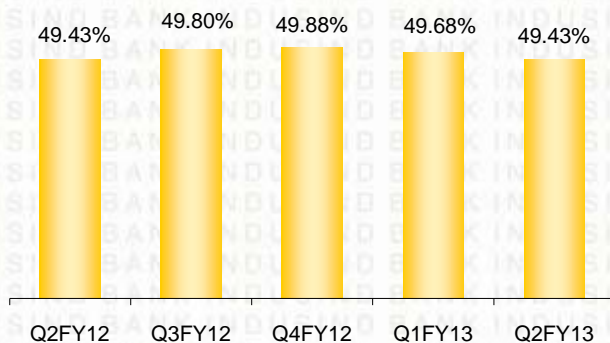
**RoA**



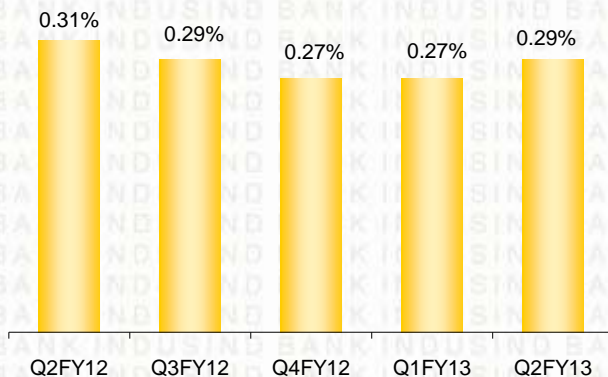
**RoE\***



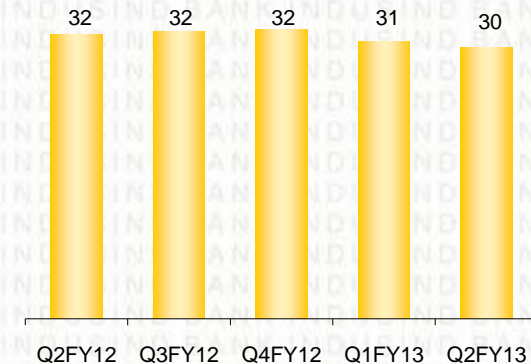
**Cost to Income Ratio**



**Net NPA**



**Revenue/Employee(Rs. Lacs)**



**Consistent delivery of strong operating performance**



# Ratings

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- **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
- **Fitch AA-** for Long Term Debt Instruments by Fitch Ratings
- **Fitch A1+** for Short Term Debt Instruments by Fitch Ratings



## Financial Performance



## Strong Headline Numbers for Q2FY13

			Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 509.73 crs	↑	22%	5%
Other Income	Rs 320.49 crs	↑	34%	1%
Core Fee Income	Rs 296.10 crs	↑	40%	10%
Revenue	Rs 830.23 crs	↑	26%	3%
Operating Profit	Rs 419.82 crs	↑	26%	4%
Net Profit	Rs 250.25 crs	↑	30%	6%

## Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 39,427 crs	↑	31%	6%
Corporate Advances	Rs 18,993 crs	↑	18%	3%
Consumer Finance Advances	Rs 20,434 crs	↑	45%	9%
Deposits	Rs 47,765 crs	↑	25%	6%
CASA	Rs 13,365 crs	↑	26%	6%



# Balance Sheet

(Rs crs)

	Q2FY13	Q2FY12	Y-o-Y (%)		Q1FY13	Q-o-Q (%)	
<b>Capital &amp; Liabilities</b>							
Capital	470	467	1%	↑	469	1%	↑
Reserves and Surplus	4,773	3,962	20%	↑	4,515	6%	↑
Deposits	47,765	38,367	25%	↑	45,076	6%	↑
Borrowings	6,745	5,985	13%	↑	8,705	(23%)	↓
Other Liabilities and Provisions	2,308	1,675	38%	↑	1,947	19%	↑
<b>Total</b>	<b>62,061</b>	<b>50,456</b>	<b>23%</b>	<b>↑</b>	<b>60,712</b>	<b>2%</b>	<b>↑</b>
<b>Assets</b>							
Cash and Balances with RBI	2,859	3,216	(11%)	↓	3,062	(7%)	↓
Balances with Banks	1,580	619	155%	↑	1,671	(5%)	↓
Investments	15,609	14,286	9%	↑	16,308	(4%)	↓
Advances	39,427	30,135	31%	↑	37,245	6%	↑
Fixed Assets	695	624	11%	↑	671	4%	↑
Other Assets	1,891	1,576	20%	↑	1,755	8%	↑
<b>Total</b>	<b>62,061</b>	<b>50,456</b>	<b>23%</b>	<b>↑</b>	<b>60,712</b>	<b>2%</b>	<b>↑</b>
Business (Advances + Deposit)	87,192	68,502	27%	↑	82,321	6%	↑

## Profit and Loss Account (Quarter)

(Rs crs)

	Q2FY13	Q2FY12	Y-o-Y (%)		Q1FY13	Q-o-Q (%)	
Net Interest Income	509.73	419.19	22%	↑	484.10	5%	↑
Other Income	320.49	239.20	34%	↑	318.78	1%	↑
<b>Total Income</b>	<b>830.22</b>	<b>658.40</b>	<b>26%</b>	<b>↑</b>	<b>802.88</b>	<b>3%</b>	<b>↑</b>
Operating Expenses	410.40	325.42	26%	↑	398.85	3%	↑
<b>Operating Profit</b>	<b>419.82</b>	<b>332.98</b>	<b>26%</b>	<b>↑</b>	<b>404.03</b>	<b>4%</b>	<b>↑</b>
Provisions & Contingencies	49.07	46.97	4%	↑	53.50	(8%)	↓
<b>Profit before Tax</b>	<b>370.75</b>	<b>286.01</b>	<b>30%</b>	<b>↑</b>	<b>350.53</b>	<b>6%</b>	<b>↑</b>
Provision for Tax	120.50	92.92	30%	↑	114.27	5%	↑
<b>Profit after Tax</b>	<b>250.25</b>	<b>193.09</b>	<b>30%</b>	<b>↑</b>	<b>236.26</b>	<b>6%</b>	<b>↑</b>



## Profit and Loss Account (Half year)

(Rs crs)

	H1-FY13	H1-FY12	Y-o-Y (%)	
Net Interest Income	993.83	809.21	23%	↑
Other Income	639.27	454.61	41%	↑
<b>Total Income</b>	<b>1,633.10</b>	<b>1,263.81</b>	<b>29%</b>	<b>↑</b>
Operating Expenses	809.25	619.11	31%	↑
<b>Operating Profit</b>	<b>823.85</b>	<b>644.70</b>	<b>28%</b>	<b>↑</b>
Provisions & Contingencies	102.57	91.56	12%	↑
<b>Profit before Tax</b>	<b>721.28</b>	<b>553.14</b>	<b>30%</b>	<b>↑</b>
Provision for Tax	234.77	179.87	31%	↑
<b>Profit after Tax</b>	<b>486.51</b>	<b>373.27</b>	<b>30%</b>	<b>↑</b>

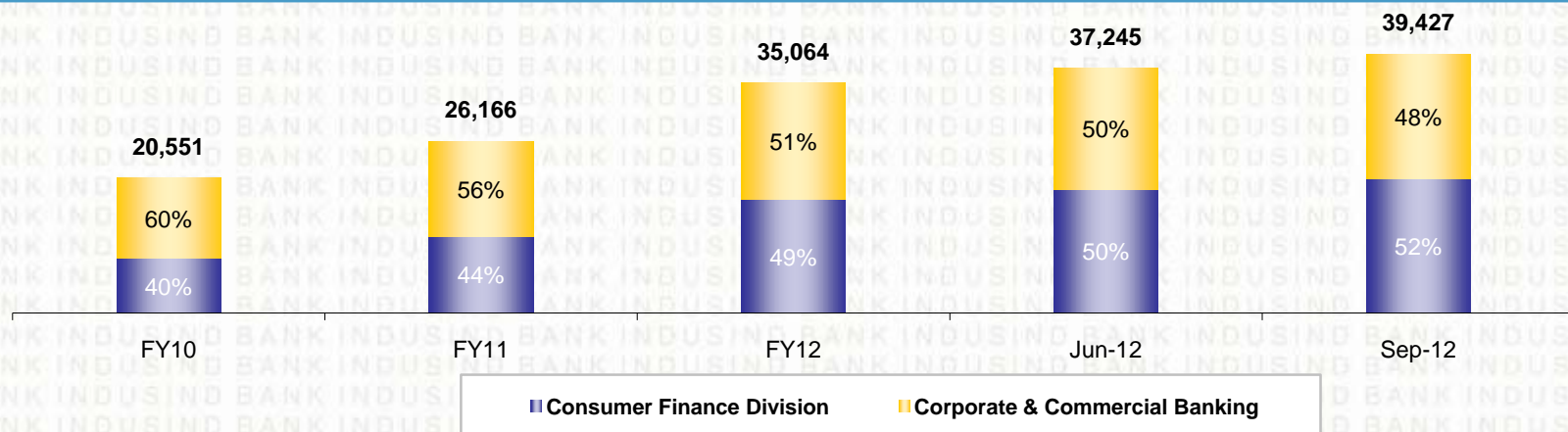
## Key Financial Indicators

	Q2FY13	Q2FY12	Q1FY13
Return on Assets	1.56%	1.55%	1.57%
ROE (On average equity)	20.45%	18.81%	20.35%
Cost / Income Ratio	49.43%	49.43%	49.68%
Net Interest Margin	3.25%	3.35%	3.22%
Net NPA	0.29%	0.31%	0.27%
EPS (annualized, Rs. per share)	21.32	16.57	20.20
Net Worth (Rs. in crs) excl Reval Reserve	5,025	4,205	4,766
Book Value (Rs. per share)	106.76	90.23	101.69

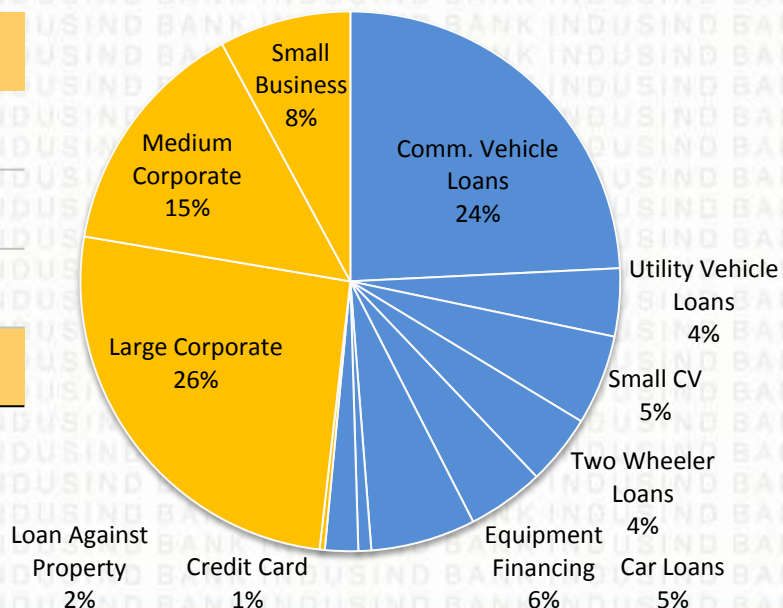


# Well Diversified Loan Book

Loan Book (Rs crs)

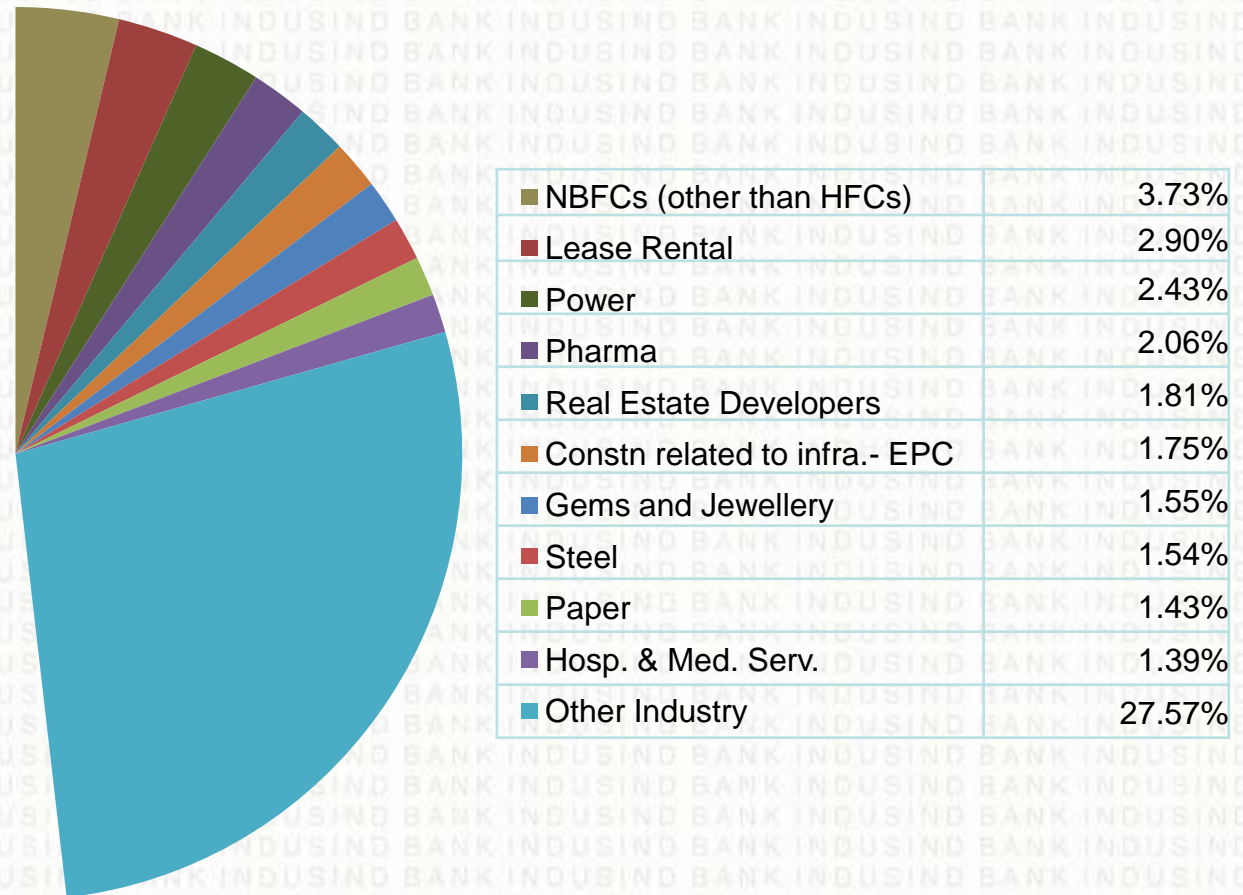


(Rs crs)		
Corporate Banking	30 Sep-12	
Large Corporates	10,185	26%
Mid size Corporates	5,698	14%
Small Corporates	3,110	8%
<b>Total Advances</b>	<b>18,993</b>	<b>48%</b>



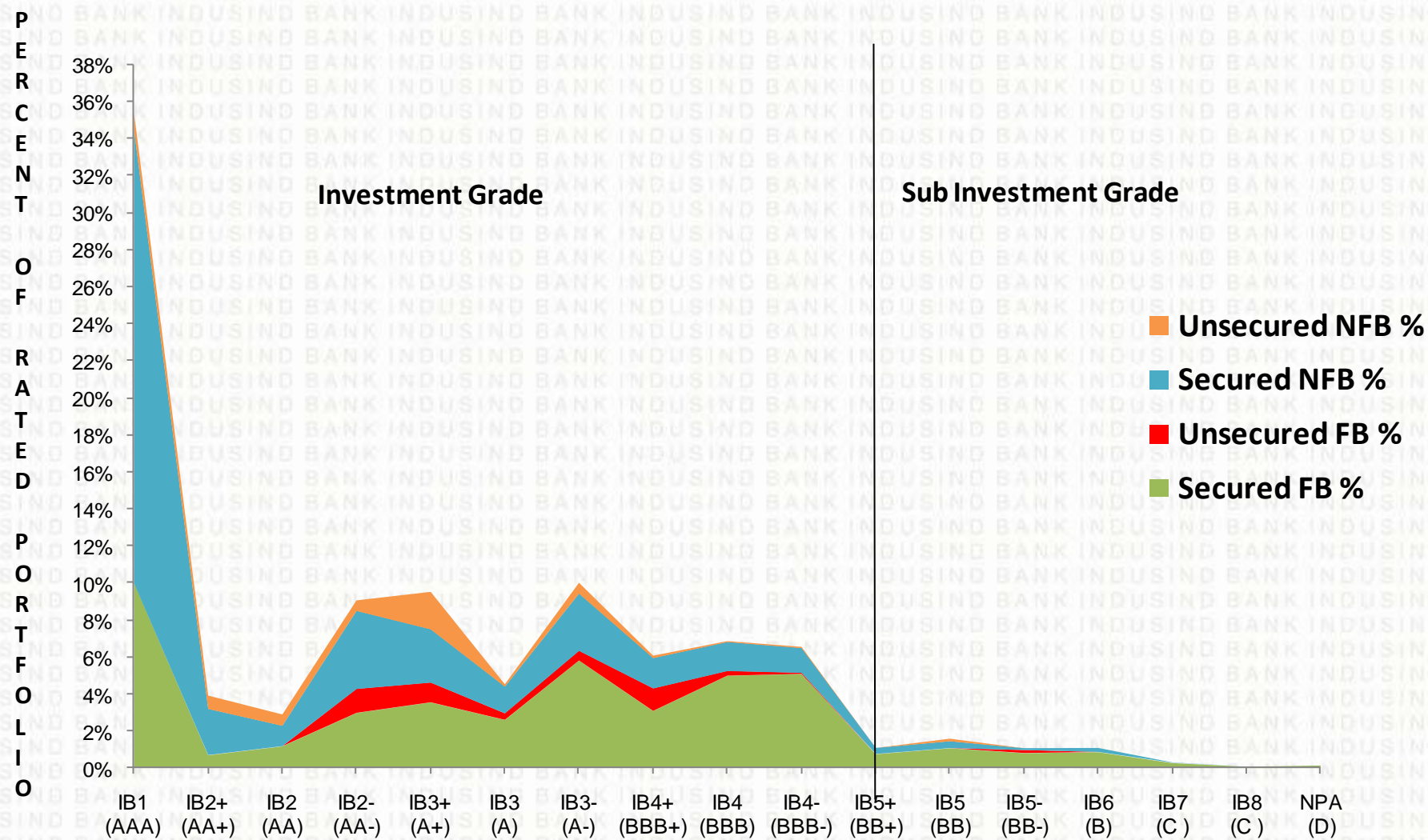
Consumer Finance	30 Sep-12	
Comm. Vehicle Loans	9,552	24%
Utility Vehicle Loans	1,602	4%
Small CV	2,124	5%
Two Wheeler Loans	1,660	4%
Car Loans	1,812	5%
Equipment Financing	2,475	6%
Credit Card	303	1%
Loan Against Property	783	2%
Home, PL, etc	123	-
<b>Total Advances</b>	<b>20,434</b>	<b>52%</b>

# Diversified Corporate Loan Book





# Well Rated Corporate Portfolio

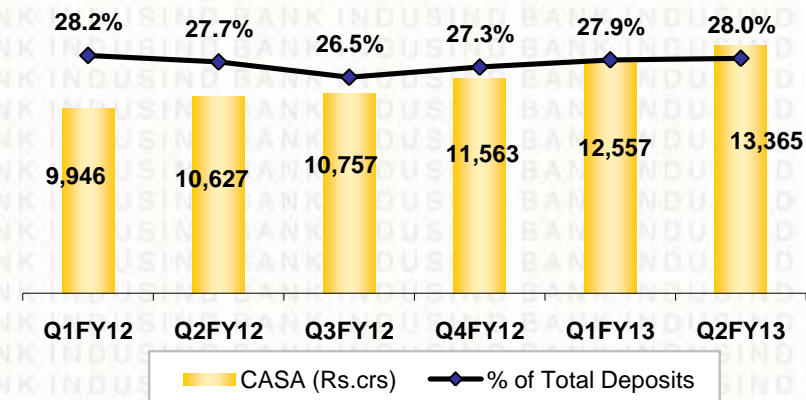


# Improving CASA profile

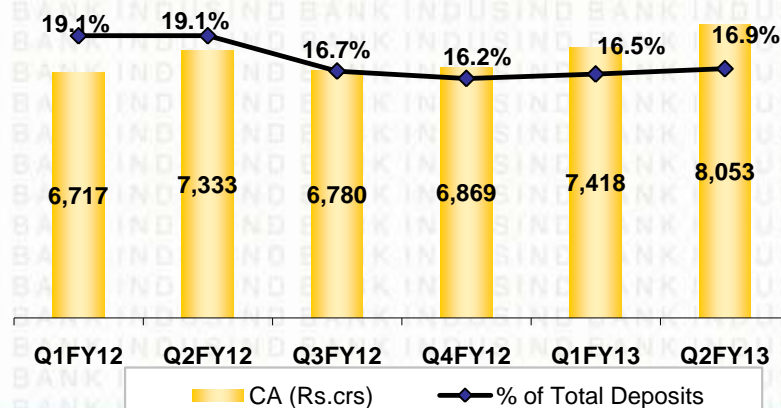
## Building CASA traction

- 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

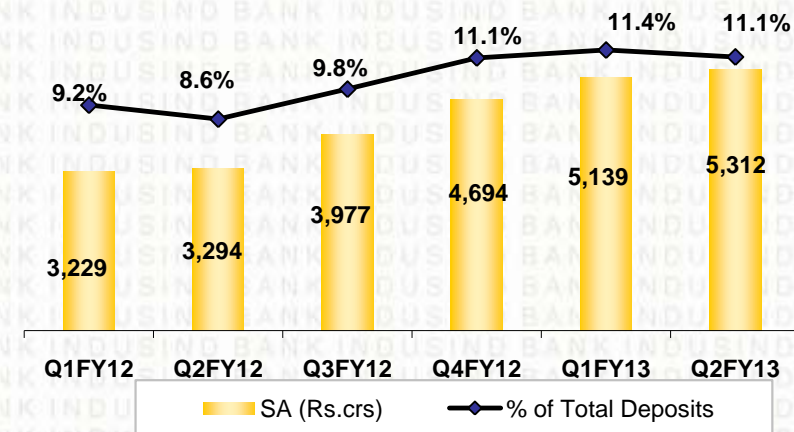
## CASA Uptick



## Current Account (CA)



## Savings Account (SA)





## Other Income

(Rs crs)

	Q2FY13	Q2FY12	Y-o-Y (%)		Q1FY13	Q-o-Q(%)	
Core Fee	296.10	211.87	40%	↑	269.03	10%	↑
Securities/MM/FX Trading	21.75	23.89	(9%)	↓	49.65	(57%)	↓
Others	2.64	3.45	(24%)	↓	0.10	-	↑
<b>Total</b>	<b>320.49</b>	<b>239.21</b>	<b>34%</b>	<b>↑</b>	<b>318.78</b>	<b>1%</b>	<b>↑</b>

## Diverse Revenues from Core Fee Income

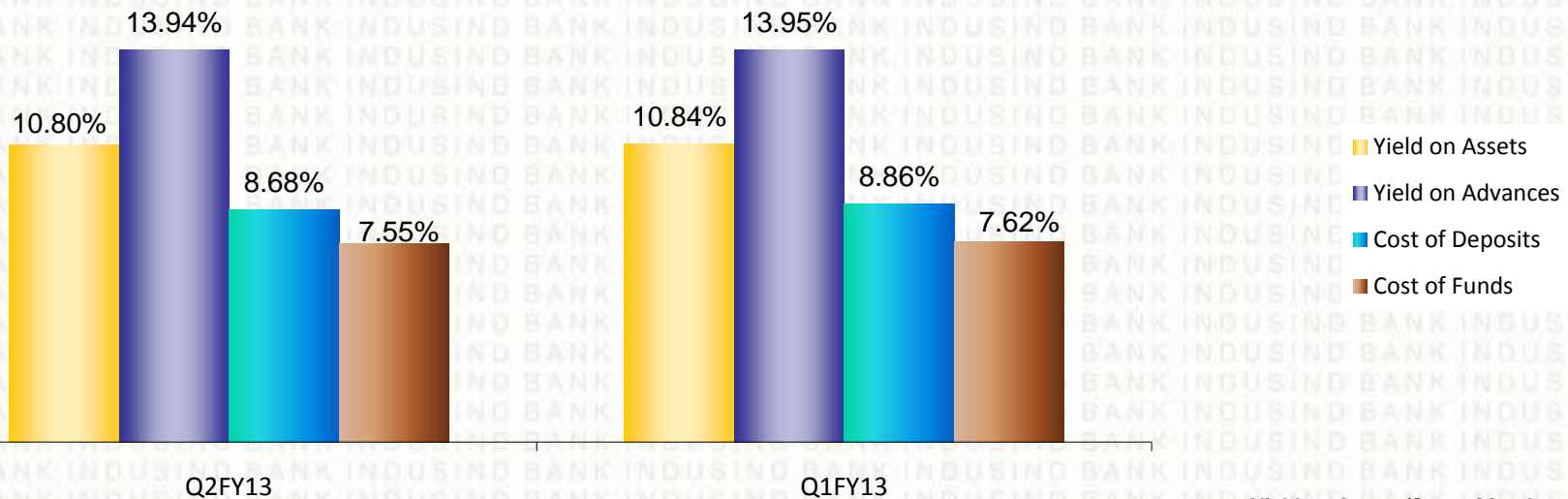
(Rs crs)

	Q2FY13	Q2FY12	Y-o-Y(%)	Q1FY13	Q-o-Q(%)
Trade & Remittances	40.28	28.55	41% ↑	37.28	8% ↑
Foreign Exchange Income	65.84	52.30	26% ↑	63.38	4% ↑
Distribution Fees (Insurance, MF, Credit Card )	67.40	57.08	18% ↑	56.44	19% ↑
General Banking Fees	33.11	26.85	23% ↑	29.03	14% ↑
Loan Processing fees	56.64	39.13	45% ↑	51.72	10% ↑
Investment Banking	32.83	7.96	313% ↑	31.18	5% ↑
<b>Total Core Fee Income</b>	<b>296.10</b>	<b>211.87</b>	<b>40% ↑</b>	<b>269.03</b>	<b>10% ↑</b>

**Growth momentum continues on regular fee flows**



## Yield / Cost Movement



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

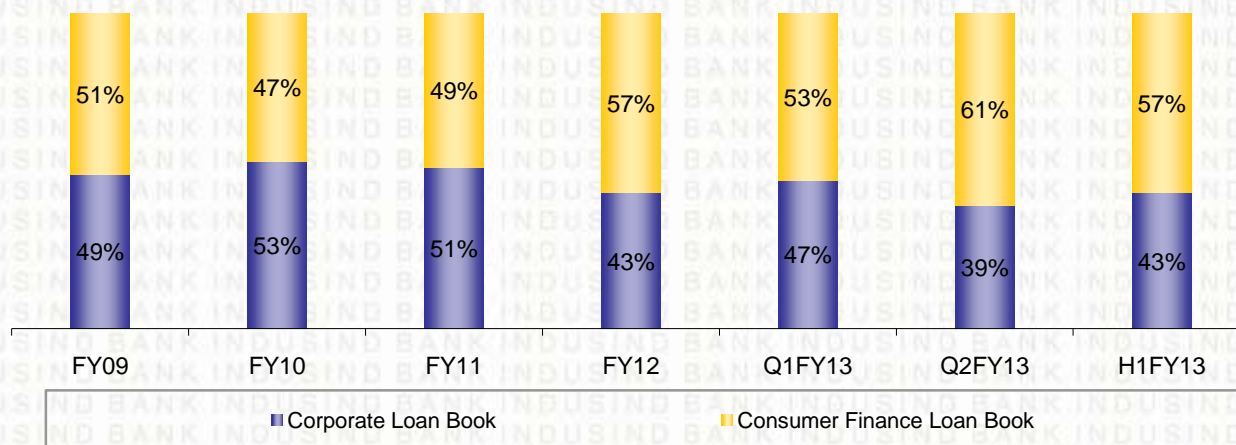
### Segment-wise Yield

	Q2FY13		Q1FY13	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	18,993	11.84%	18,484	11.78%
Consumer Finance	20,434	16.11%	18,761	16.34%
<b>Total</b>	<b>39,427</b>	<b>13.94%</b>	<b>37,245</b>	<b>13.95%</b>

# Credit costs

(Rs crs)

	FY09	FY10	FY11	FY12	Q1FY13	Q2FY13	H1FY13
Corporate Bank	78.08	85.86	81.99	61.11	21.41	16.22	37.63
Consumer Finance	82.70	75.77	78.34	81.46	23.85	25.87	49.72
<b>Total Credit Costs</b>	<b>160.78</b>	<b>161.63</b>	<b>160.33</b>	<b>142.57</b>	<b>45.26</b>	<b>42.09</b>	<b>87.35</b>
<b>Credit Costs (Basis Points on Advances)</b>	<b>102</b>	<b>79</b>	<b>61</b>	<b>41</b>	<b>12</b>	<b>11</b>	<b>22</b>
<b>PCR</b>	<b>30%</b>	<b>60%</b>	<b>73%</b>	<b>73%</b>	<b>73%</b>	<b>72%</b>	<b>72%</b>



## Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q2FY13			Q1FY13		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	153	212	365	110	237	347
Additions	42	71*	113	51	58**	109
Deductions	9	59*	68	8	83**	91
Gross NPA	186	224	410	153	212	365
Net NPA	51	63	114	36	64	100
% of Gross NPA	1.03%			0.97%		
% of Net NPA	0.29%			0.27%		
Provision Coverage Ratio (PCR)	72.09%			72.64%		
Restructured Advances	0.19%			0.24%		

\* includes sale to ARC Rs.15 crs

\*\* includes sale to ARC Rs. 21 crs



## NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q2-FY13	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	72	14	21	19	57	13
Net NPA	17	2	2	12	24	3
Gross NPA %	0.75%	0.86%	0.84%	0.90%	3.36%	0.71%
Net NPA %	0.17%	0.14%	0.09%	0.56%	1.43%	0.19%

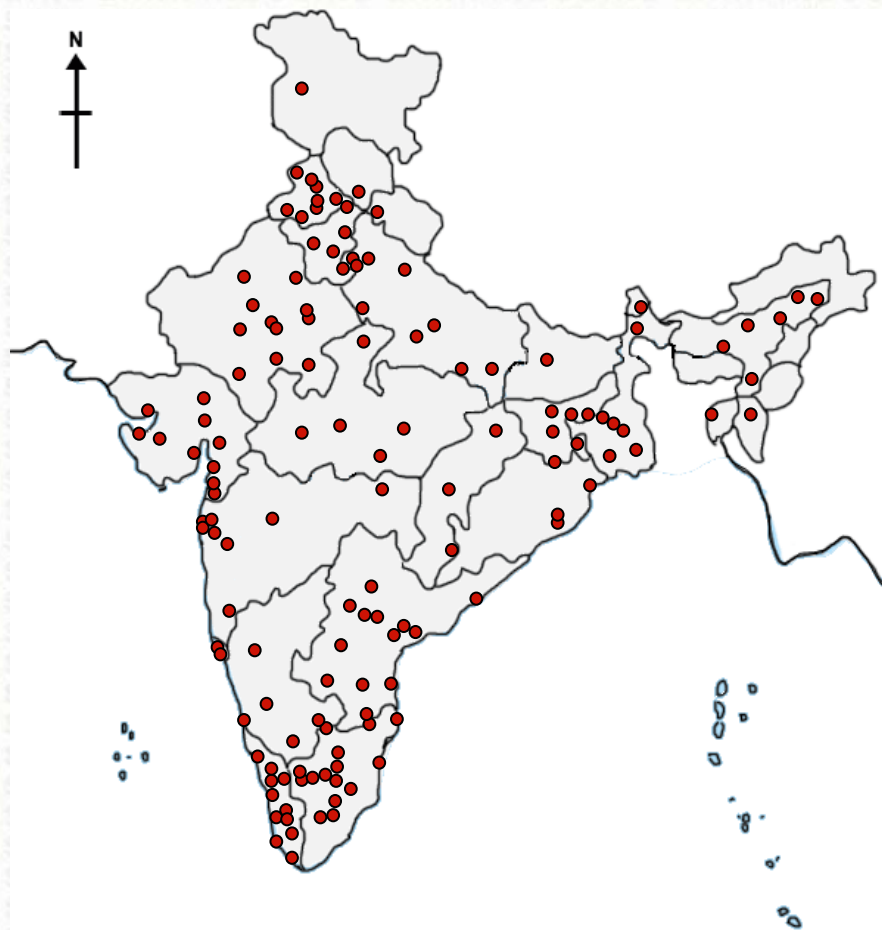
Q1-FY13	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars
Gross NPA	63	13	23	16	56	12
Net NPA	18	2	7	9	23	3
Gross NPA %	0.71%	0.92%	0.99%	0.81%	3.47%	0.76%
Net NPA %	0.20%	0.15%	0.31%	0.45%	1.44%	0.19%

## CRAR - Basel II

(Rs crs)

	30 September-12	30 September-11
<b>Risk Weighted Assets</b>		
- Credit Risk	40,407	29,828
- Market Risk	1,035	659
- Operational Risk	3,443	2,408
<b>- Total RWA</b>	<b>44,885</b>	<b>32,896</b>
Tier I Capital Funds	4,457	3,761
Tier II Capital Funds	822	949
<b>Total Capital Funds</b>	<b>5,279</b>	<b>4,710</b>
<b>CRAR</b>	<b>11.76%</b>	<b>14.32%</b>
Tier I	9.93%	11.43%
Tier II	1.83%	2.89%
<b>CRAR (with profit)</b>	<b>12.85%</b>	<b>15.45%</b>
Tier I	11.02%	12.56%
Tier II	1.83%	2.89%

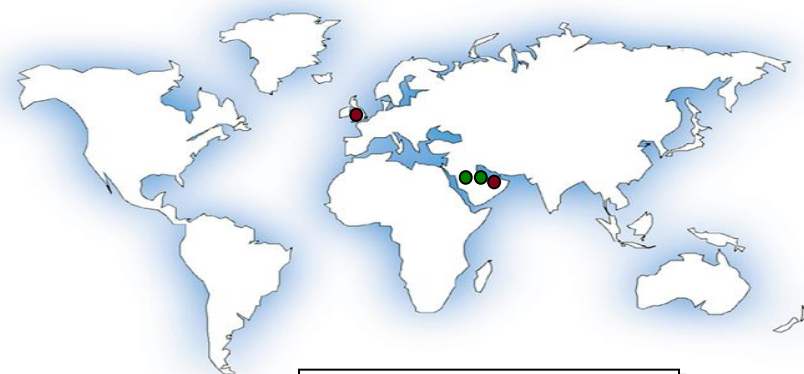
# Distribution Expansion to Drive Growth



## Strengthening Distribution Infrastructure

As at, end	FY10	FY11	FY12	Sept 30, 2012
Branch Network	210	300	400*	441*
ATMs	497	594	692	796

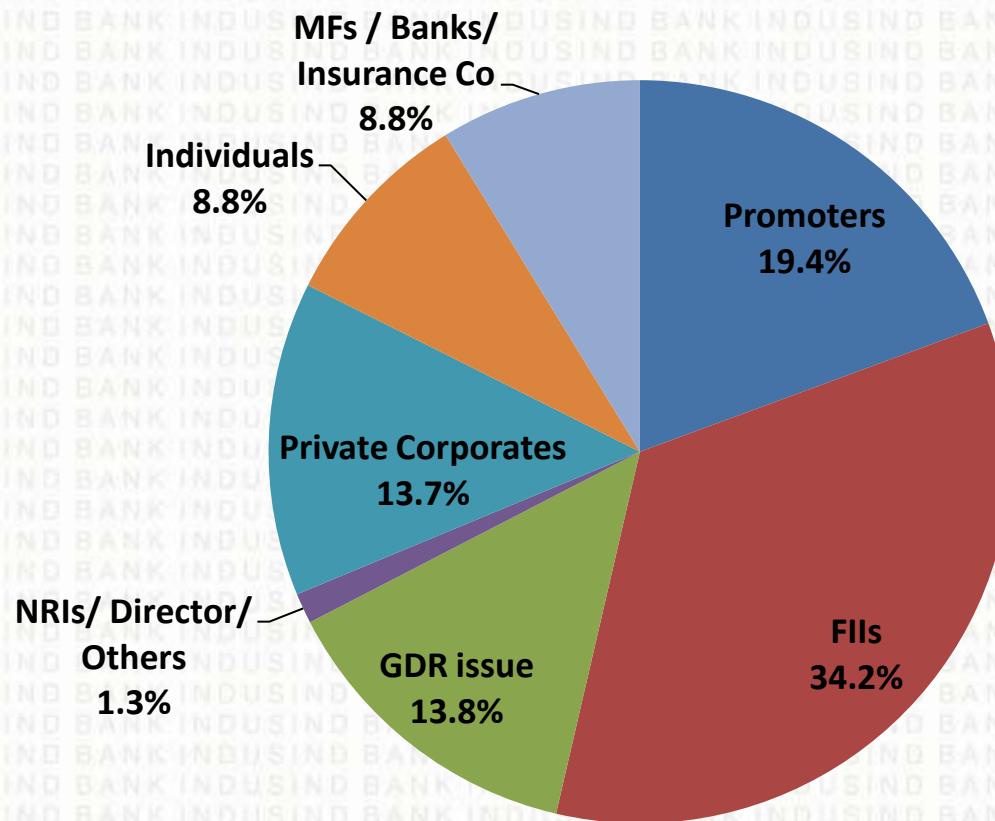
\*includes 19 specialized branches



- Branch/Representative Office
- Strategic Alliance



# Shareholding Pattern



As at September 30, 2012

# ACCOLADES

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## IBA Banking Technology Awards

### 1st Runners- Up

- Best Risk Management & IT Security
- Best Use of Technology in training & e Learning

### 2nd Runners-Up

- Best Online Bank
- Best use of Business Intelligence
- Best use of Mobility technology in Banking



## Institute for Development and Research in Banking Technology (IDRBT).

- The best bank award among small banks for 'IT for Operational Effectiveness





# ACCOLADES

## Sunday Standard Finwiz 2012 - Best Bankers' Awards

### Best Private Sector Banker

(Category- Medium)

Romesh Sobti ,

MD & CEO, IndusInd Bank Ltd.



### Best Indian Banker

(Category- Medium)

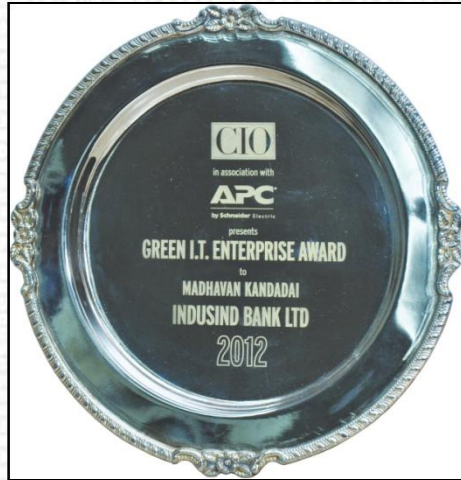
Romesh Sobti ,

MD & CEO, IndusInd Bank Ltd.





# ACCOLADES



**CIO Magazine - Top Green IT Enterprise Award 2012**



**Top 100 CISO (Chief Information Security Officer) Awards 2012**



**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 Practice Award 2012 for the "Most Innovative Project"**



Thank you