

***IndusInd Bank***

Investor Presentation

October 14, 2013

**Q2 – FY14 Performance Highlights**

- **Consistent performance in deteriorating macro economic environment**
- **Total Business at Rs. 1,02,026 Crs**
- **Net Interest Income grew 37% Y-o-Y & 3% Q-o-Q**
- **Non-Interest Income to revenue remains healthy at 37%**
- **Consistent growth in Core Fee Income 32% Y-o-Y & 11% Q-o-Q**
- **Credit growth above industry 24% Y-o-Y & 3% Q-o-Q**
- **Net NPA 0.22%; PCR 80%; Restructured Advances 0.31 %**
- **Credit cost at 13 bps**



# Planning Cycle III (2014-16) – Pillars of Growth

Q2-14 outcome

Resulting in

Loan Growth

25% - 30%

24% Y-o-Y

CASA Growth

CASA % in 30's

CASA-32%

Fee Growth

Exceed Loan Growth

Core Fee Growth  
32%

Branch Growth

Double

30 New Branches  
added in Q2-14

New Client Growth

Double

Cust. Base ~ 4.2  
mn



# Planning Cycle III – Key Initiatives

**Further inroads  
into Used CV  
Loans**

**Focus on  
Commercial  
Mortgages (LAP)**

**Investment  
Banking  
Expansion**

**Build Scale in  
Business  
Banking**

**Growing Market  
Share all Vehicle  
Categories**

**Unsecured Loans  
(Credit Cards &  
PL)**

**Industry  
Specialisation**

**Build Brand  
around  
Innovation theme**

**Gold Loans  
Launch**

**Accelerate  
Branch & ATM  
Roll Out**

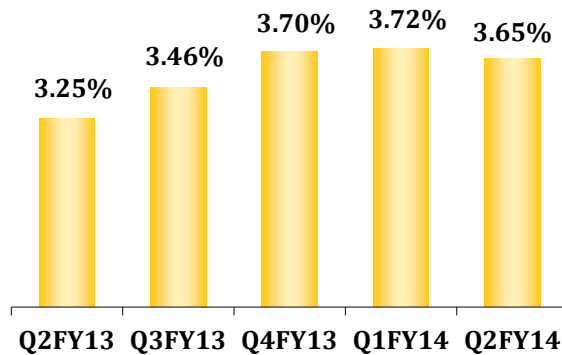
**Rural & Inclusive  
Banking**

**Ten Fold Increase  
in Brand Building  
Spend**

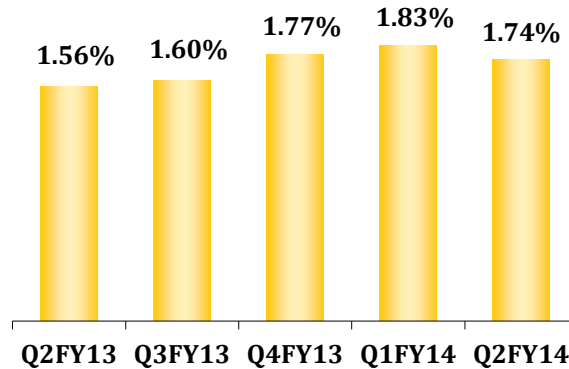


# How We Measure Up On Key Metrics

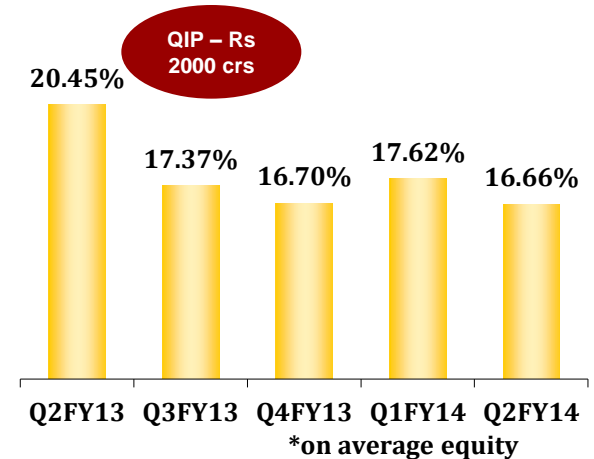
Net Interest Margin (NIM)



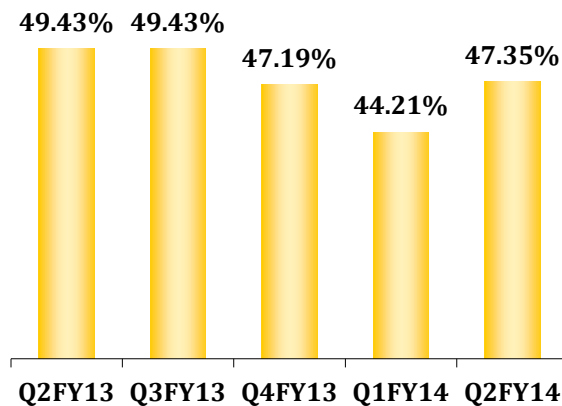
RoA



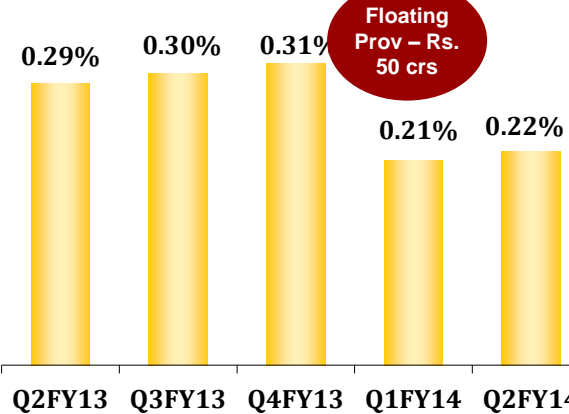
RoE\*



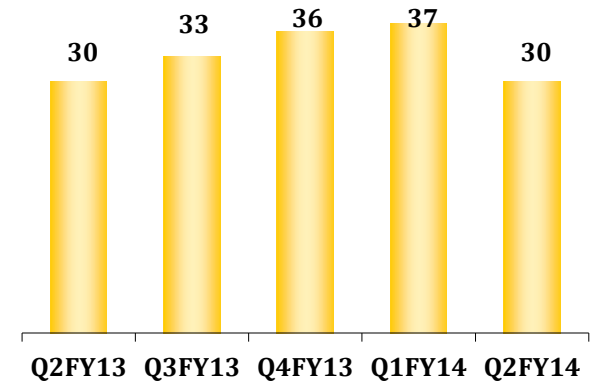
Cost /Income



Net NPA



Revenue / Employee(Rs. Lacs)



Consistent delivery of strong operating performance



# Ratings

- **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
- **IND A1+** for Short Term Debt Instruments by India Ratings and Research
- **IND AA** for Lower Tier II subordinate debt program by India Ratings and Research
- **IND AA** - for Upper Tier II bond program by India Ratings and Research



# Financial Performance



# Steady Headline Numbers for Q2-FY14

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 699.94 crs	37%	3%
Other Income	Rs 416.73 crs	30%	(11%)*
Core Fee Income	Rs 389.48 crs	32%	11%
Revenue	Rs 1,116.67 crs	35%	(3%)*
Operating Profit	Rs 587.92 crs	40%	(8%)*
Net Profit	Rs 330.23 crs	32%	(1%)*

\*Due to one-off trading gains in Q1





# Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	➤	Rs 48,968 crs	24%	3%
Corporate Advances	➤	Rs 24,802 crs	31%	3%
Consumer Finance Advances	➤	Rs 24,166 crs	18%	3%
Deposits	➤	Rs 53,058 crs	11%	(5%)
CASA	➤	Rs 16,850 crs	26%	1%
SA	➤	Rs 8,586 crs	62%	9%
Borrowings	➤	Rs 13,995 crs	107%	80%



# Balance Sheet

(Rs crs)

	Q2FY14	Q2FY13	Y-o-Y (%)	Q1FY14	Q-o-Q (%)
<b>Capital &amp; Liabilities</b>					
Capital	524	470	11% ↑	523	- ↑
Reserves and Surplus	7,789	4,773	63% ↑	7,447	5% ↑
Deposits	53,058	47,765	11% ↑	55,660	(5%) ↓
Borrowings	13,995	6,745	107% ↑	7,755	80% ↑
Other Liabilities and Provisions	2,056	2,308	(11%) ↓	2,346	(12%) ↓
<b>Total</b>	<b>77,422</b>	<b>62,061</b>	<b>25% ↑</b>	<b>73,731</b>	<b>5% ↑</b>
<b>Assets</b>					
Cash and Balances with RBI	2,879	2,859	1% ↑	2,750	5% ↑
Balances with Banks	2,687	1,580	70% ↑	3,268	(18%) ↓
Investments	19,413	15,609	24% ↑	17,364	12% ↑
Advances	48,968	39,427	24% ↑	47,425	3% ↑
Fixed Assets	779	695	12% ↑	757	3% ↑
Other Assets	2,696	1,891	43% ↑	2,167	24% ↑
<b>Total</b>	<b>77,422</b>	<b>62,061</b>	<b>25% ↑</b>	<b>73,731</b>	<b>5% ↑</b>
Business (Advances + Deposit)	1,02,026	87,192	17% ↑	1,03,085	(1%) ↓



# Profit and Loss Account

(Rs crs)

	Q2FY14	Q2FY13	Y-o-Y (%)	Q1FY14	Q-o-Q (%)
Net Interest Income	699.94	509.73	37% ↑	679.48	3% ↑
Other Income*	416.73	320.49	30% ↑	470.61	(11%) ↓
<b>Total Income</b>	<b>1,116.67</b>	<b>830.22</b>	<b>35% ↑</b>	<b>1,150.09</b>	<b>(3%) ↓</b>
Operating Expenses	528.75	410.40	29% ↑	508.49	4% ↑
<b>Operating Profit</b>	<b>587.92</b>	<b>419.82</b>	<b>40% ↑</b>	<b>641.60</b>	<b>(8%) ↓</b>
Provisions & Contingencies*	88.86	49.07	81% ↑	132.06	(33%) ↓
<b>Profit before Tax</b>	<b>499.06</b>	<b>370.75</b>	<b>35% ↑</b>	<b>509.54</b>	<b>(2%) ↓</b>
Provision for Tax	168.83	120.50	40% ↑	174.70	(3%) ↓
<b>Profit after Tax</b>	<b>330.23</b>	<b>250.25</b>	<b>32% ↑</b>	<b>334.84</b>	<b>(1%) ↓</b>

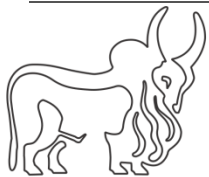
\*Provided for Rs. 16.37 crs on AFS/HFT and Rs. 27 crs for MTM /loss on OIS ;  
the appreciation of Rs. 43.37 crs was conservatively ignored



# Profit and Loss Account (HY)

(Rs crs)

	HY-FY14	HY-FY13	Y-o-Y (%)	
Net Interest Income	1379.42	993.83	39%	↑
Other Income	887.34	639.27	39%	↑
<b>Total Income</b>	<b>2,266.76</b>	<b>1,633.10</b>	<b>39%</b>	<b>↑</b>
Operating Expenses	1,037.24	809.25	28%	↑
<b>Operating Profit</b>	<b>1,229.52</b>	<b>823.85</b>	<b>49%</b>	<b>↑</b>
Provisions & Contingencies	220.92	102.57	115%	↑
<b>Profit before Tax</b>	<b>1,008.60</b>	<b>721.28</b>	<b>40%</b>	<b>↑</b>
Provision for Tax	343.53	234.77	46%	↑
<b>Profit after Tax</b>	<b>665.07</b>	<b>486.51</b>	<b>37%</b>	<b>↑</b>



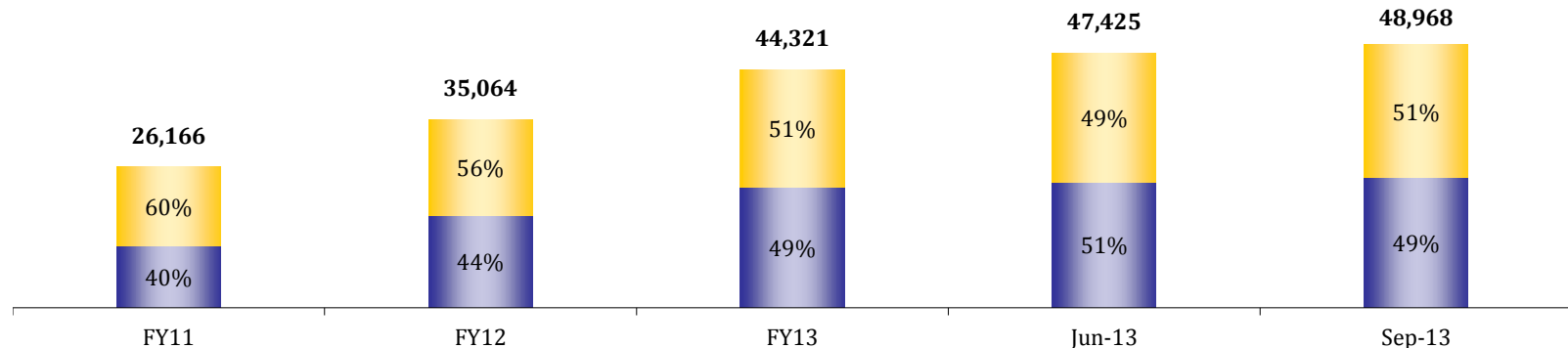
## Key Financial Indicators

	Q2FY14	Q2FY13	Q1FY14
Return on Assets	1.74%	1.56%	1.83%
ROE (On average equity)	16.66%	20.45%	17.62%
Cost / Income Ratio	47.35%	49.43%	44.21%
Net Interest Margin	3.65%	3.25%	3.72%
Net NPA	0.22%	0.29%	0.21%
EPS (annualized, Rs. per share)	25.20	21.32	25.64
Net Worth (Rs. in crs) excl Reval Reserve	8,103	5,025	7,758
Book Value (Rs. per share)	154.60	106.76	148.25



# Well Diversified Loan Book

Loan Book (Rs crs)



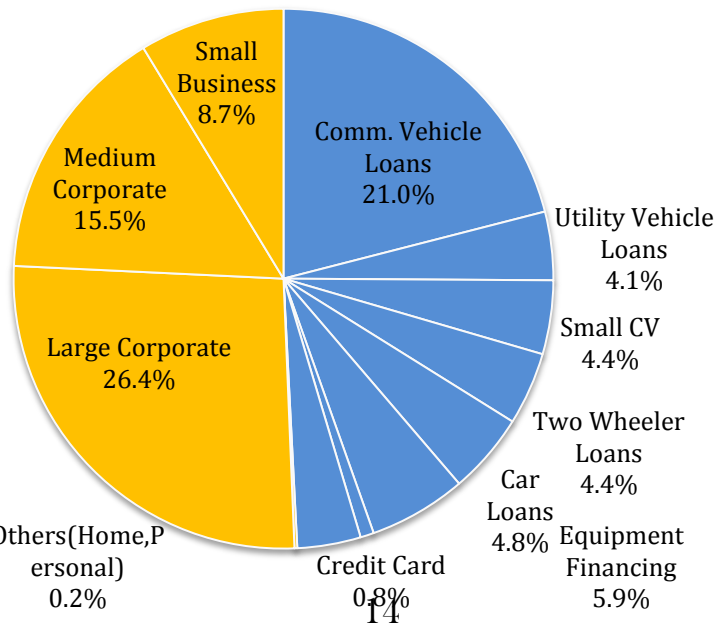
■ Consumer Finance Division ■ Corporate & Commercial Banking

(Rs crs)

Corporate Banking	Sep-13	
Large Corporates	12,929	26.4%
Mid size Corporates	7,619	15.5%
Small Corporates	4,254	8.7%
<b>Total Advances</b>	<b>24,802</b>	<b>50.6%</b>

(Rs crs)

Consumer Finance	Sep-13	
Comm. Vehicle Loans	10,284	21.0%
Utility Vehicle Loans	2,006	4.1%
Small CV	2,164	4.4%
Two Wheeler Loans	2,137	4.4%
Car Loans	2,373	4.8%
Equipment Financing	2,865	5.9%
Credit Card	395	0.8%
Loan Against Property	1,860	3.8%
Home, PL, etc	82	0.2%
<b>Total Advances</b>	<b>24,166</b>	<b>49.4%</b>



Loan Against Property  
3.8%

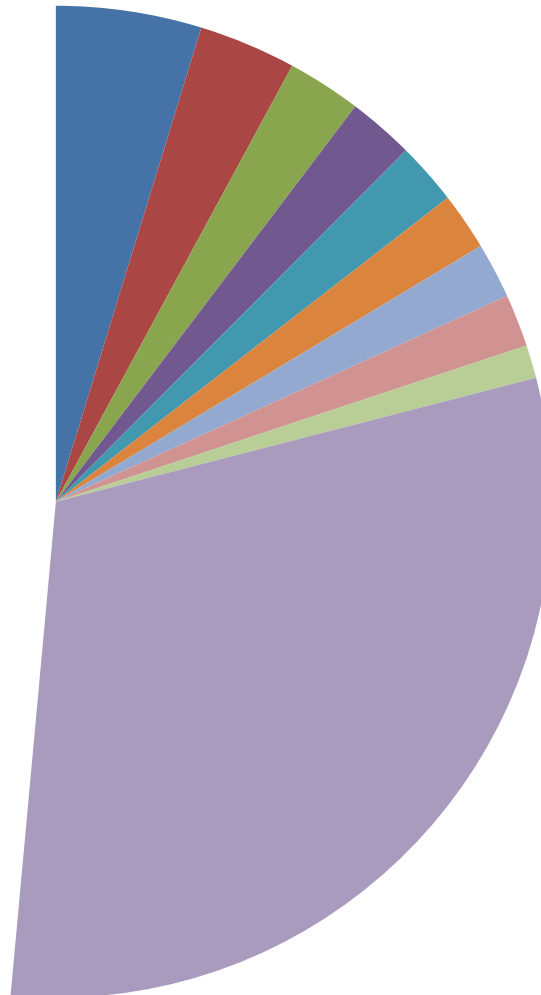
Others(Home, Personal)  
0.2%

**IndusInd Bank**



# Diversified Corporate Loan Book

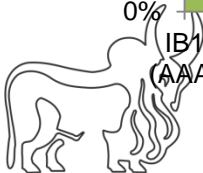
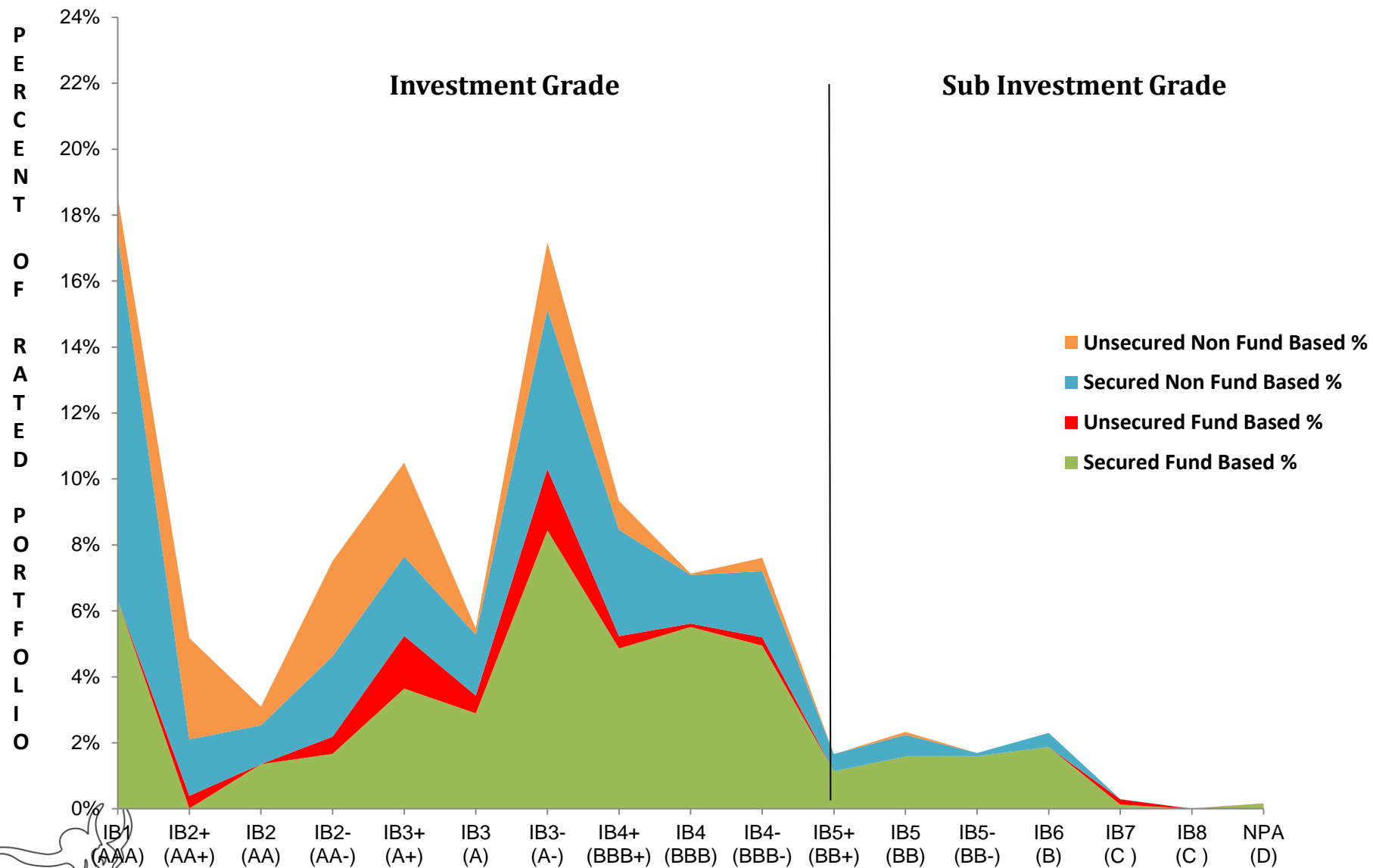
As on Sept 30,2013



■ Lease Rental	4.74%
■ NBFCs (other than HFCs/HFIs)	3.17%
■ Power	2.41%
■ Real Estate Developers	2.15%
■ Constn related to infra.- EPC	2.03%
■ Gems and Jewellery	1.87%
■ Steel	1.81%
■ Pharma	1.71%
■ Plastic & Plastic Products	1.08%
■ Other Industry	30.47%



# Well Rated Corporate Portfolio



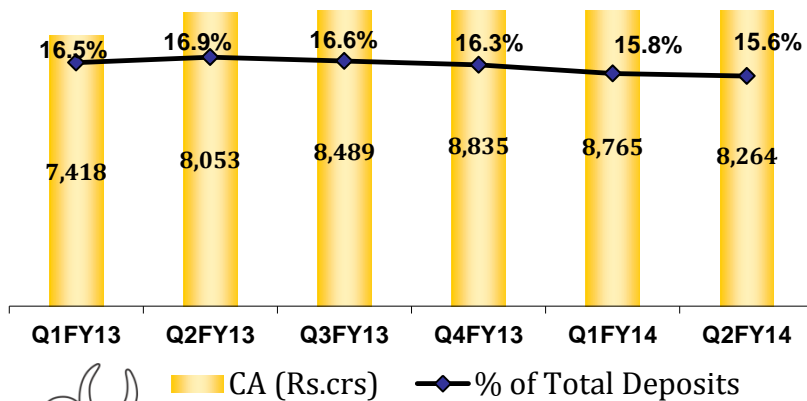


# Improving CASA profile

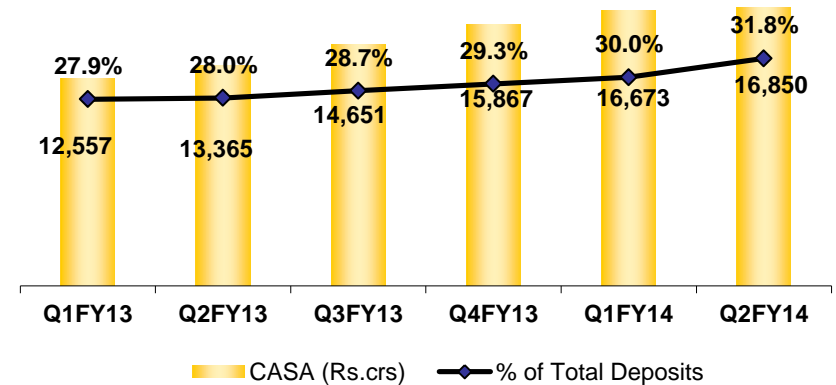
## Building CASA traction

- 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

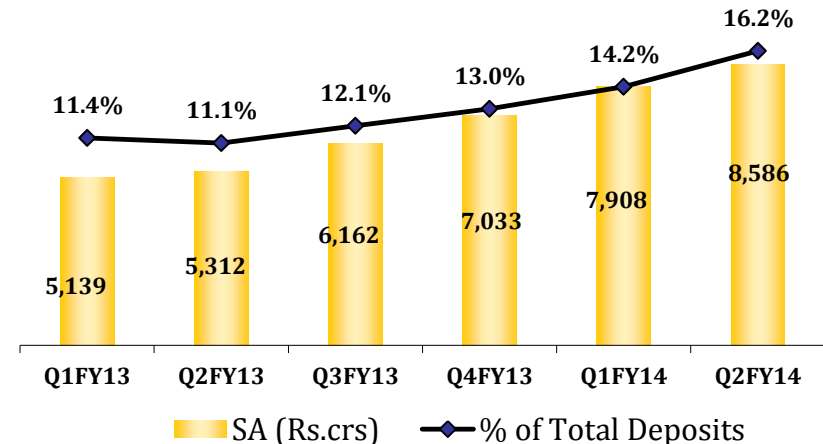
### Current Account (CA)



### CASA Uptick



### Savings Account (SA)



# Other Income

(Rs crs)

	Q2FY14	Q2FY13	Y-o-Y(%)		Q1FY14	Q-o-Q(%)	
Core Fee	389.48	296.10	32%	↑	351.57	11%	↑
Securities/MM/FX Trading	24.20	21.75	11%	↑	104.53	(77%)	↓
Others	3.05	2.64	16%	↑	14.51	(79%)	↓
<b>Total</b>	<b>416.73</b>	<b>320.49</b>	<b>30%</b>	<b>↑</b>	<b>470.61</b>	<b>(11%)</b>	<b>↓</b>



## Diverse Revenues from Core Fee Income

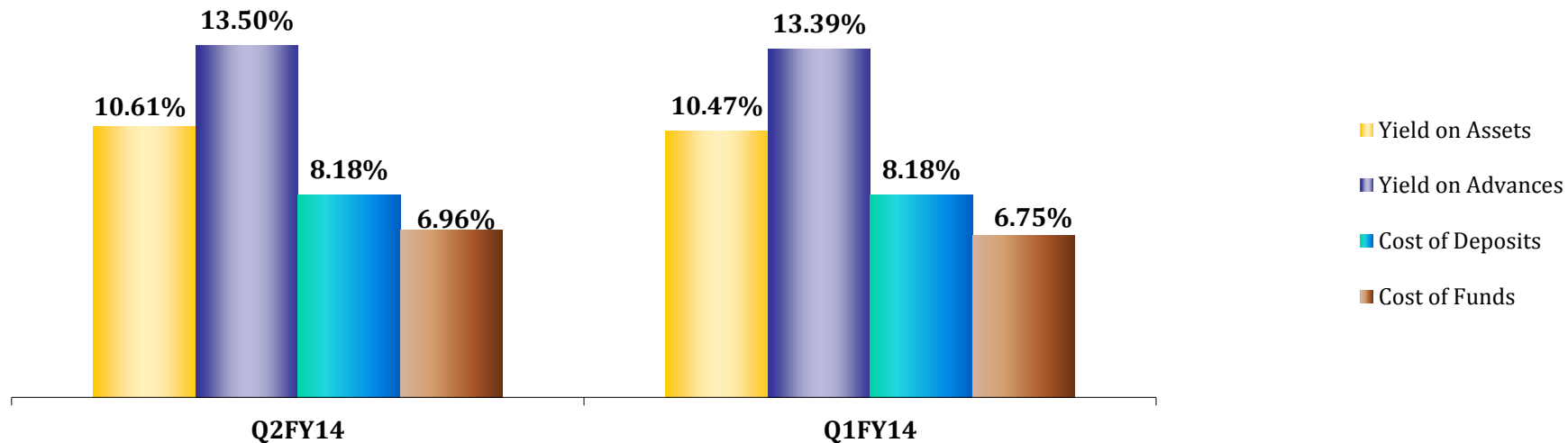
(Rs crs)

	Q2FY14	Q2FY13	Y-o-Y(%)	Q1FY14	Q-o-Q(%)
Trade & Remittances	50.03	40.28	24% ↑	48.83	2% ↑
Foreign Exchange Income	102.87	65.84	56% ↑	92.21	12% ↑
Distribution Fees ( Insurance, MF, Cards )	67.69	67.40	1% ↑	66.68	2% ↑
General Banking Fees	34.11	33.11	3% ↑	38.84	(12%) ↓
Loan Processing fees	68.92	56.64	22% ↑	55.23	25% ↑
Investment Banking	65.86	32.83	101% ↑	49.79	32% ↑
<b>Total Core Fee Income</b>	<b>389.48</b>	<b>296.10</b>	<b>32% ↑</b>	<b>351.57</b>	<b>11% ↑</b>

**Growth momentum continues on regular fee flows**



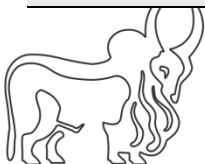
# Yield / Cost Movement



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

## Segment-wise Yield

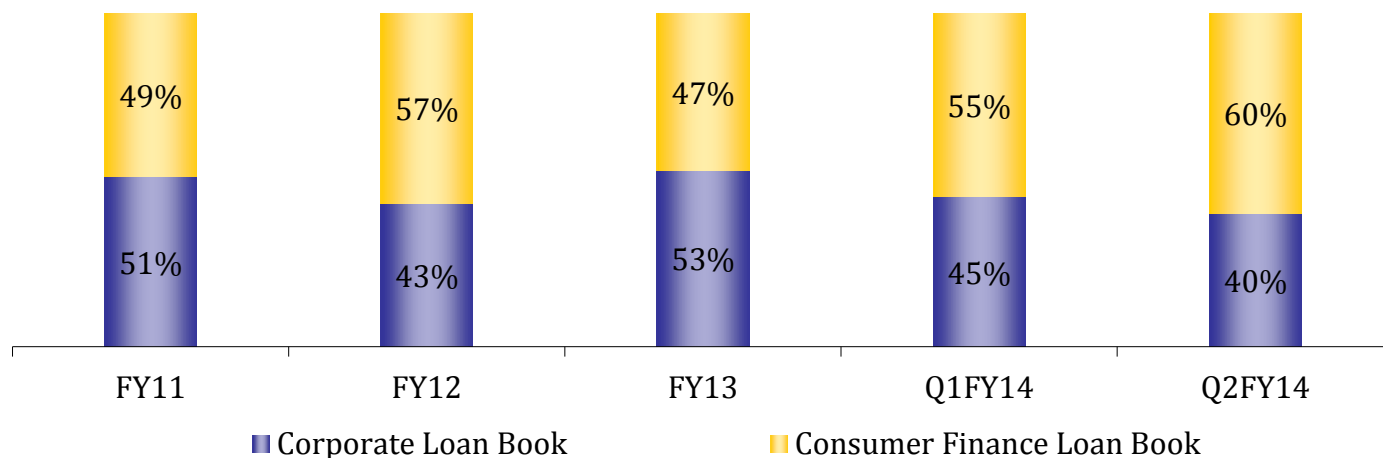
	Q2FY14		Q1FY14	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	24,802	11.54%	24,070	11.26%
Consumer Finance	24,166	15.49%	23,355	15.64%
<b>Total</b>	<b>48,968</b>	<b>13.50%</b>	<b>47,425</b>	<b>13.39%</b>



# Credit Cost

(Rs crs)

	FY11	FY12	FY13	Q1FY14	Q2FY14
Corporate Bank	81.99	61.11	116.51	27.80	25.46
Consumer Finance	78.34	81.46	103.10	33.72	40.00
<b>Gross Credit Costs</b>	<b>160.33</b>	<b>142.57</b>	<b>219.61</b>	<b>61.52</b>	<b>65.46</b>
<b>Gross Credit Costs (Basis Points on Advances)</b>	<b>61</b>	<b>41</b>	<b>50</b>	<b>13</b>	<b>13</b>
<b>Net Credit Cost</b>	<b>139.38</b>	<b>133.12</b>	<b>204.81</b>	<b>43.91</b>	<b>63.46</b>
<b>Net Credit Costs (Basis Points on Advances)</b>	<b>53</b>	<b>38</b>	<b>46</b>	<b>9</b>	<b>13</b>
<b>PCR</b>	<b>73%</b>	<b>73%</b>	<b>70%</b>	<b>80%</b>	<b>80%</b>



# Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q2FY14			Q1FY14		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	223	282	505	199	259	458
Additions	47	92	139	27	86	113
Deductions	-	98	98	3	63	66
Gross NPA	270	276**	546	223	282	505
Net NPA	59	100	109*	41	110	101*
% of Gross NPA	1.08%	1.13%	1.11%	0.92%	1.20%	1.06%
% of Net NPA	0.24%	0.41%	0.22%	0.17%	0.47%	0.21%
Provision Coverage Ratio (PCR)	78.15%	63.77%	80.01%	81.61%	60.99%	79.94%
Restructured Advances			0.31%			0.28%

\*Net off floating provision of Rs.50 crs

\*\* includes sale to ARC Rs. 25 crs



# NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q2-FY14	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Cards	Total
Gross NPA	111	15	34	16	64	11	18	7	276
Net NPA	41	4	11	4	29	4	5	2	100
Gross NPA %	1.08%	0.76%	1.17%	0.75%	2.95%	0.44%	0.92%	1.85%	1.13%
Net NPA %	0.40%	0.20%	0.39%	0.17%	1.36%	0.15%	0.26%	0.46%	0.41%

Q1-FY14	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Cards	Total
Gross NPA	119	17	33	18	59	16	13	7	282
Net NPA	53	6	11	6	26	6	1	2	110
Gross NPA %	1.17%	0.86%	1.16%	0.83%	2.87%	0.70%	0.82%	1.85%	1.20%
Net NPA %	0.52%	0.33%	0.39%	0.28%	1.29%	0.25%	0.05%	0.53%	0.47%



	30 Sep 13		30 Sep12
	Basel – III	Basel - II	Basel - II
<b>Risk Weighted Assets</b>			
- Credit Risk	52,260	52,259	40,407
- Market Risk	2,007	2,007	1,035
- Operational Risk	4,670	4,670	3,443
<b>- Total RWA</b>	<b>58,937</b>	<b>58,936</b>	<b>44,885</b>
Tier I Capital Funds	7,925	7,329	4,457
Tier II Capital Funds	671	711	822
<b>Total Capital Funds</b>	<b>8,596</b>	<b>8,040</b>	<b>5,279</b>
<b>CRAR</b>	<b>14.58%</b>	<b>13.64%</b>	<b>11.76%</b>
Tier I	13.45%	12.43%	9.93%
Tier II	1.13%	1.21%	1.83%
<b>CRAR (under Basel – II with profit)</b>		<b>14.77%</b>	<b>12.85%</b>
Tier I		13.56%	11.02%
Tier II		1.21%	1.83%





# Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

## Strengthening Distribution Infrastructure

Particulars	FY11	FY12	FY13	June 30, 2013	Sep 30, 2013
Branch Network	300	400	500	530	560*
ATMs	594	692	882	1,003	1,025

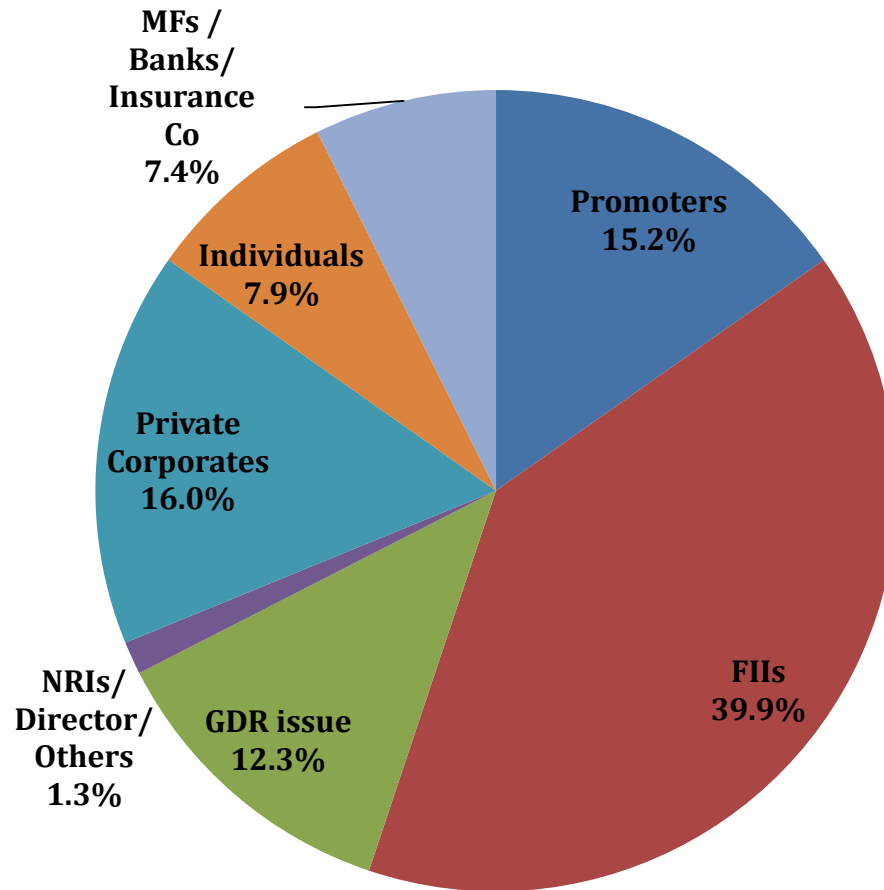
\*includes 44 specialized branches



- Branch/Representative Office
- Strategic Alliance



# Shareholding Pattern



# Events and Awards



## Global CSR Excellence & Leadership Award 2013



For 'Best Use of CSR Practices in Banking & Finance'

For 'Innovation in Corporate Social Responsibility Practices'

## BSE - 7th Social and Corporate Governance Awards



For Best Corporate Social Responsibility Practice' 2013'



# Accolades



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



'Mix Media' category for the 'My Account My Number Ad Campaign'  
– Awarded by Paul Writers Marketing Hall of Fame 2013



# Accolades



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



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



**Thank you**



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