

***IndusInd Bank***

**Investor Presentation**

**October 13, 2014**



**Q2 - FY15 Performance Highlights**

- Key performance vectors stable in spite of stagnant Operating Environment
- Non-Interest Income to revenue remains healthy at 40% with Core Fee growth at 31%
- NIM remains steady at 3.63%
- Credit growth above industry - 22% Y-o-Y and 2% Q-o-Q
- Net NPA 0.33%; PCR 70.21%
- Stable total credit cost at 10 bps for quarter
- Accelerated the pace of investment in branches - 85 branches in first half going on 800 for full year



# Planning Cycle 3: Pillars of Growth

Planning Cycle 3 (2014-17)

Q2-FY 15  
Outcome

Loan Growth



25% - 30%

22%

CASA Growth



CASA > 35%

34%

Fee Growth



Exceed Loan Growth

31%

Branch Network



To Double from 602

685

Customer Base



To Double

On track

Resulting in



# 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**

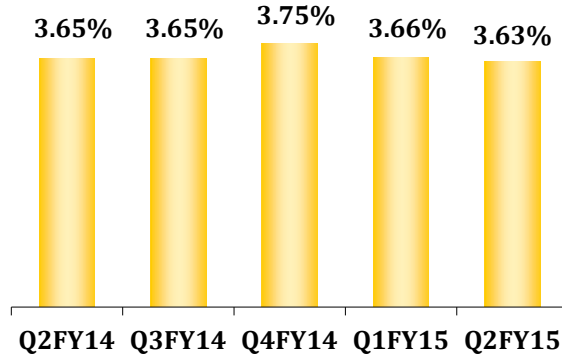
**Front and Back  
Office optimization**

**Full suite of Rural  
Products**

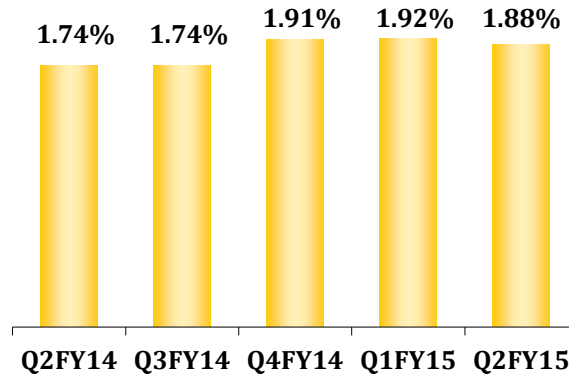


# How We Measure Up On Key Metrics

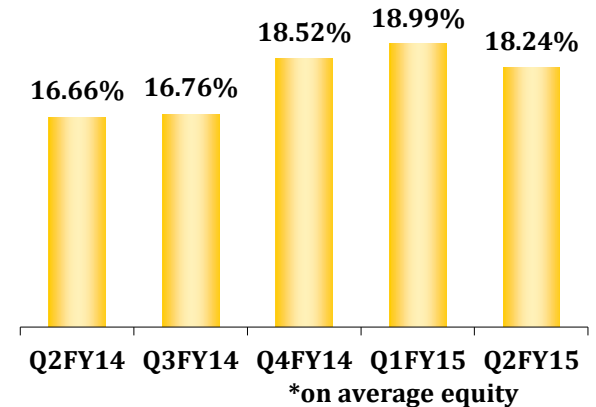
**Net Interest Margin (NIM)**



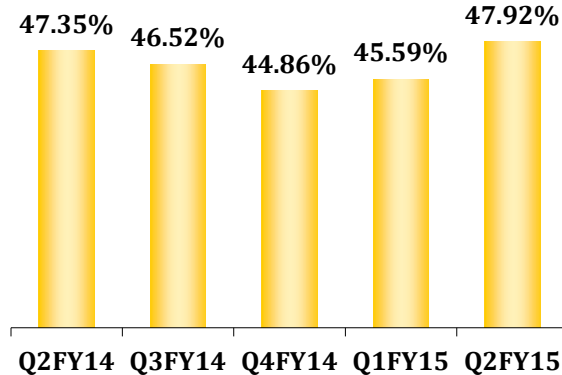
**RoA**



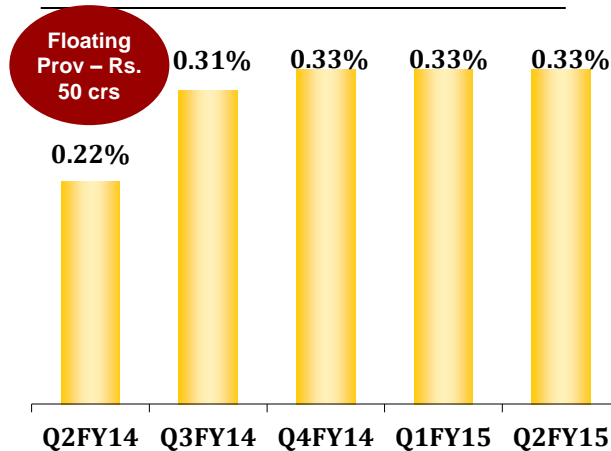
**RoE\***



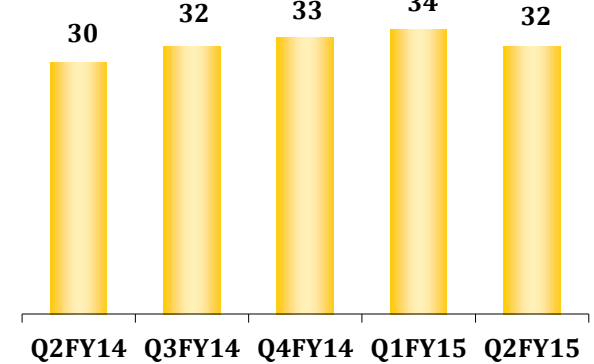
**Cost /Income**



**Net NPA**



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



**Consistent delivery of strong operating performance**



# Ratings

- **ICRA AA+** upgraded from **AA** for Lower Tier II subordinate debt program by ICRA
- **ICRA AA** upgraded from **AA -** for Upper Tier II bond program by ICRA
- **CRISIL A1+** for certificate of deposit program by CRISIL
- **CARE AA+** upgraded from **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-FY15

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 833 crs	19%	4%
Other Income	Rs 558 crs	34%	(3%)
Core Fee Income	Rs 509 crs	31%	5%
Revenue	Rs 1,391 crs	25%	1%
Operating Profit	Rs 725 crs	23%	(3%)
Net Profit	Rs 430 crs	30%	2%



# Steady Headline Numbers for H1-FY15

## Y-o-Y Growth

Net Interest Income	Rs 1,634 crs	18%
Other Income	Rs 1,135 crs	28%
Core Fee Income	Rs 996 crs	34%
Revenue	Rs 2,768 crs	22%
Operating Profit	Rs 1,295 crs	25%
Net Profit	Rs 851 crs	28%



# Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 59,931 crs	22%	2%
Corporate Advances	Rs 33,967 crs	37%	2%
Consumer Finance Advances	Rs 25,964 crs	7%	2%
Deposits	Rs 65,996 crs	24%	3%
CASA	Rs 22,363 crs	33%	5%
SA	Rs 11,392 crs	33%	8%
Borrowings	Rs 13,319 crs	-5%	-6%



# Balance Sheet

(Rs Crs)

	Q2FY15	Q2FY14	Y-o-Y (%)		Q1FY15	Q-o-Q (%)	
<b>Capital &amp; Liabilities</b>							
Capital	529	524	1%	↑	526	1%	↑
Reserves and Surplus	9,404	7,789	21%	↑	8,951	5%	↑
Deposits	65,996	53,058	24%	↑	63,893	3%	↑
Borrowings	13,319	13,995	-5%	↓	14,196	-6%	↓
Other Liabilities and Provisions	3,042	2,056	48%	↑	2,789	9%	↑
<b>Total</b>	<b>92,290</b>	<b>77,422</b>	19%	↑	<b>90,355</b>	2%	↑
<b>Assets</b>							
Cash and Balances with RBI	3,321	2,879	15%	↑	3,621	-8%	↓
Balances with Banks	3,760	2,687	40%	↑	3,360	12%	↑
Investments	21,461	19,413	11%	↑	21,288	1%	↑
Advances	59,931	48,968	22%	↑	58,664	2%	↑
Fixed Assets	1,087	779	40%	↑	1,048	4%	↑
Other Assets	2,730	2,696	1%	↑	2,374	15%	↑
<b>Total</b>	<b>92,290</b>	<b>77,422</b>	19%	↑	<b>90,355</b>	2%	↑
Business (Advances + Deposit)	1,25,927	1,02,026	23%	↑	1,22,557	3%	↑



# Profit and Loss Account

(Rs Crs)

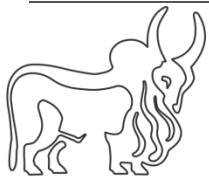
	Q2FY15	Q2FY14	Y-o-Y (%)	Q1FY15	Q-o-Q (%)
Net Interest Income	833.12	699.94	19% ↑	800.66	4% ↑
Other Income	558.27	416.73	34% ↑	576.37	-3% ↓
<b>Total Income</b>	<b>1,391.39</b>	<b>1,116.67</b>	<b>25% ↑</b>	<b>1,377.03</b>	<b>1% ↑</b>
Operating Expenses	666.71	528.75	26% ↑	627.83	6% ↑
<b>Operating Profit</b>	<b>724.68</b>	<b>587.92</b>	<b>23% ↑</b>	<b>749.20</b>	<b>-3% ↓</b>
Provisions & Contingencies	73.20	88.86	-18% ↓	110.40	-34% ↓
<b>Profit before Tax</b>	<b>651.48</b>	<b>499.06</b>	<b>31% ↑</b>	<b>638.80</b>	<b>2% ↑</b>
Provision for Tax	221.28	168.83	31% ↑	217.74	2% ↑
<b>Profit after Tax</b>	<b>430.20</b>	<b>330.23</b>	<b>30% ↑</b>	<b>421.06</b>	<b>2% ↑</b>



# Profit and Loss Account (HY)

(Rs Crs)

	HY-FY15	HY-FY14	Y-o-Y (%)	
Net Interest Income	1,633.77	1379.42	18%	↑
Other Income	1,134.64	887.34	28%	↑
<b>Total Income</b>	<b>2,768.41</b>	<b>2,266.76</b>	<b>22%</b>	<b>↑</b>
Operating Expenses	1,294.54	1,037.24	25%	↑
<b>Operating Profit</b>	<b>1,473.87</b>	<b>1,229.52</b>	<b>20%</b>	<b>↑</b>
Provisions & Contingencies	183.60	220.92	-17%	↓
<b>Profit before Tax</b>	<b>1,290.27</b>	<b>1,008.60</b>	<b>28%</b>	<b>↑</b>
Provision for Tax	439.02	343.53	28%	↑
<b>Profit after Tax</b>	<b>851.26</b>	<b>665.07</b>	<b>28%</b>	<b>↑</b>



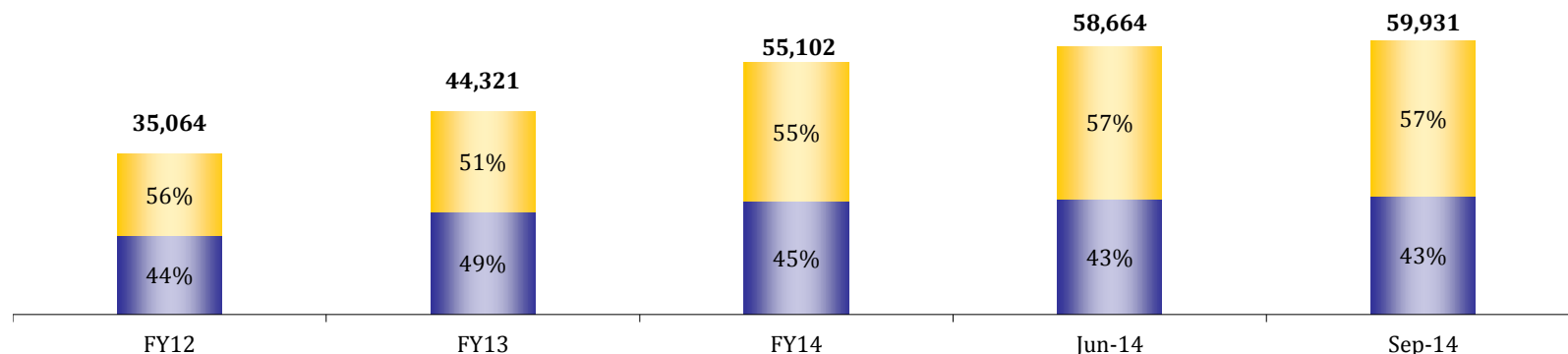
## Key Financial Indicators

	Q2FY15	Q2FY14	Q1FY15
Return on Assets	1.88%	1.74%	1.92%
ROE (On average equity)	18.24%	16.66%	18.99%
Cost / Income Ratio	47.92%	47.35%	45.59%
Net Interest Margin	3.63%	3.65%	3.66%
Net NPA	0.33%	0.22%	0.33%
EPS (annualized, Rs. per share)	32.64	25.20	32.04
Net Worth (Rs. in crs) excl Reval Reserve	9,538	8,103	9,082
Book Value (Rs. per share)	180.62	154.60	172.60



# Well Diversified Loan Book

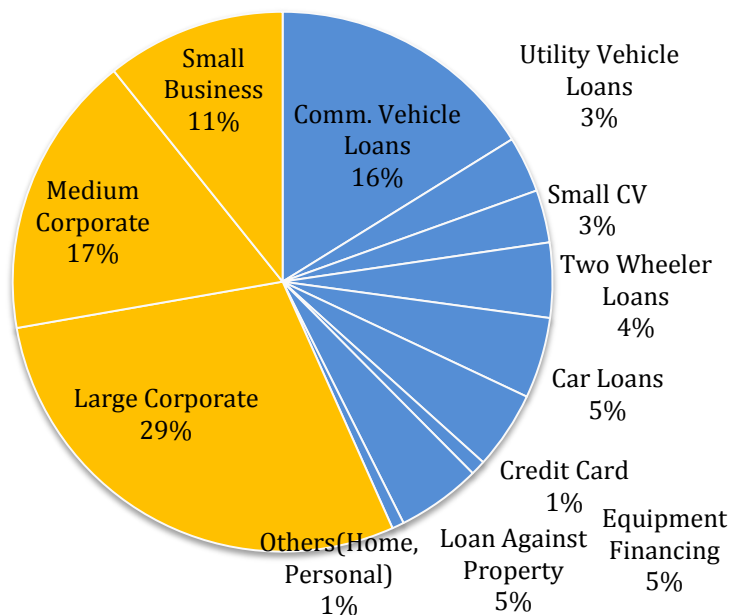
## Loan Book (Rs crs)



■ Consumer Finance Division ■ Corporate & Commercial Banking

(Rs crs)

Corporate Banking	Sep-14	
Large Corporates	17,337	29%
Mid size Corporates	10,190	17%
Small Corporates	6,440	11%
<b>Total Advances</b>	<b>33,967</b>	<b>57%</b>



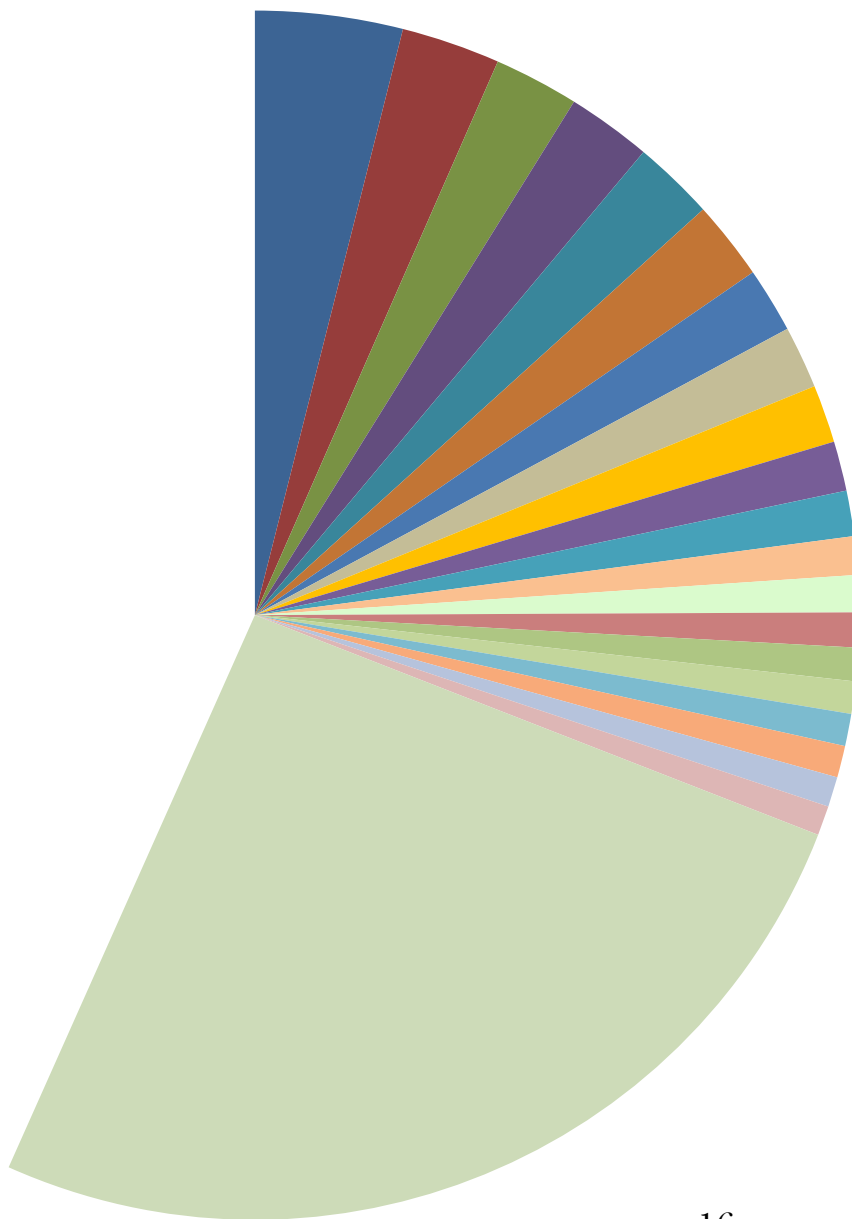
(Rs crs)

Consumer Finance	Sep-14	
Comm. Vehicle Loans	9,685	16%
Utility Vehicle Loans	2,013	3%
Small CV	1,889	3%
Two Wheeler Loans	2,688	4%
Car Loans	2,906	5%
Equipment Financing	2,795	5%
Credit Card	536	1%
Loan Against Property	3,023	5%
Home, PL, etc	430	1%
<b>Total Advances</b>	<b>25,964</b>	<b>43%</b>

**IndusInd Bank**



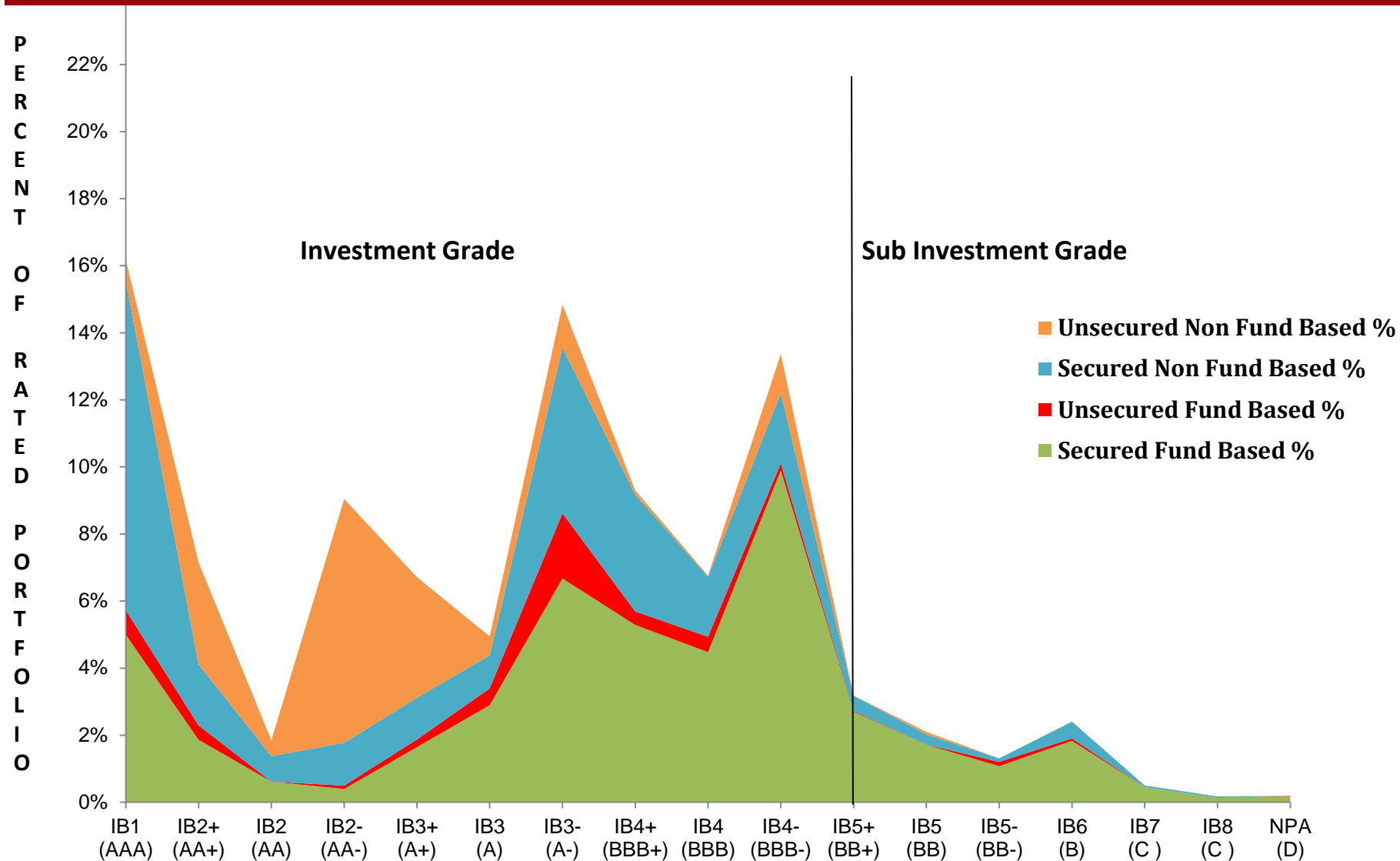
# Diversified Corporate Loan Book



Lease Rental	3.94%
Real Estate Developer	2.64%
Power	2.27%
NBFCs (other than HFCs/HFIs)	2.26%
Food Beverages and processing	2.18%
Gems and Jewellery	2.11%
Constn related to infra.- EPC	1.74%
Telecom	1.67%
Housing Finance Companies	1.55%
Food Credit	1.33%
Steel	1.21%
Paper	1.03%
Services	0.99%
Roads/other infra projects	0.93%
Contract Construction-Civil	0.89%
Pharma	0.86%
Plastic & Plastic Products	0.86%
Engineering and Machinery	0.85%
Petroleum & Products	0.80%
Hotels	0.79%
Other Industry	25.76%



# Well Rated Corporate Portfolio

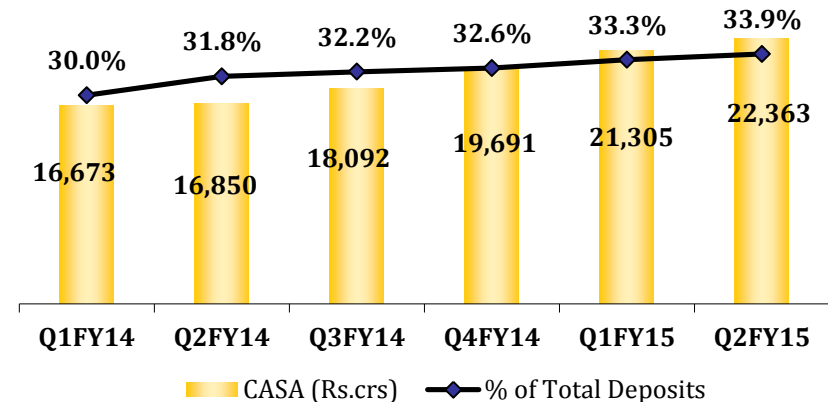


# Improving CASA profile

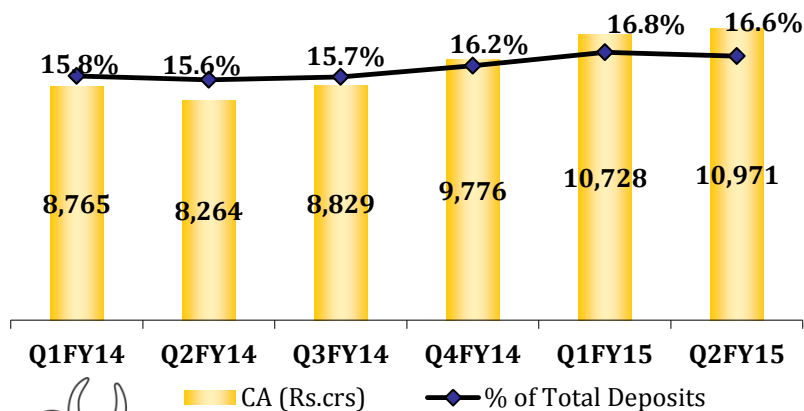
## Building CASA traction

- Expanding Branch Network
- Market and Client segmentation
- Transaction Banking initiatives in Corporate and Consumer
- Focus on target customer segments including :
  - Self employed and emerging corporate businesses
  - Debt and Equity Capital Markets
  - Government & PSU transaction flows
- Differentiated service propositions

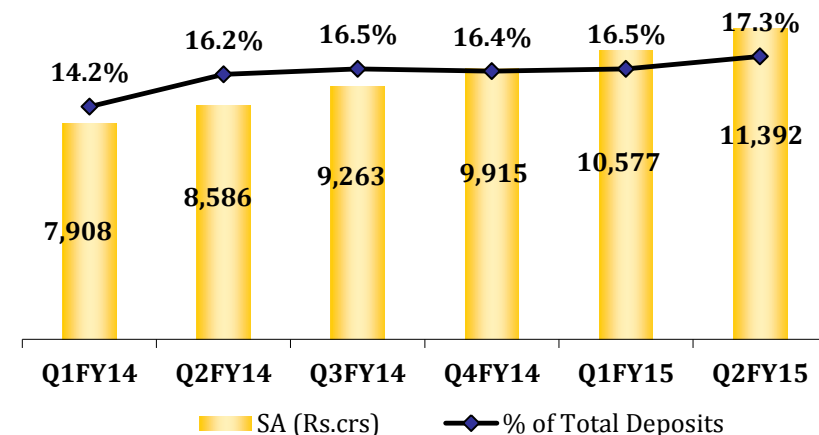
## CASA Uptick



## Current Account (CA)



## Savings Account (SA)



# Other Income

(Rs Crs)

	Q2FY15	Q2FY14	Y-o-Y (%)	Q1FY15	Q-o-Q (%)
Core Fee	509.30	389.48	31% ↑	486.52	5% ↑
Securities/MM/FX Trading/Others	48.97	27.25	80% ↑	89.85	-46% ↓
<b>Total</b>	<b>558.27</b>	<b>416.73</b>	<b>34% ↑</b>	<b>576.37</b>	<b>-3% ↓</b>



## Diverse Revenues from Core Fee Income

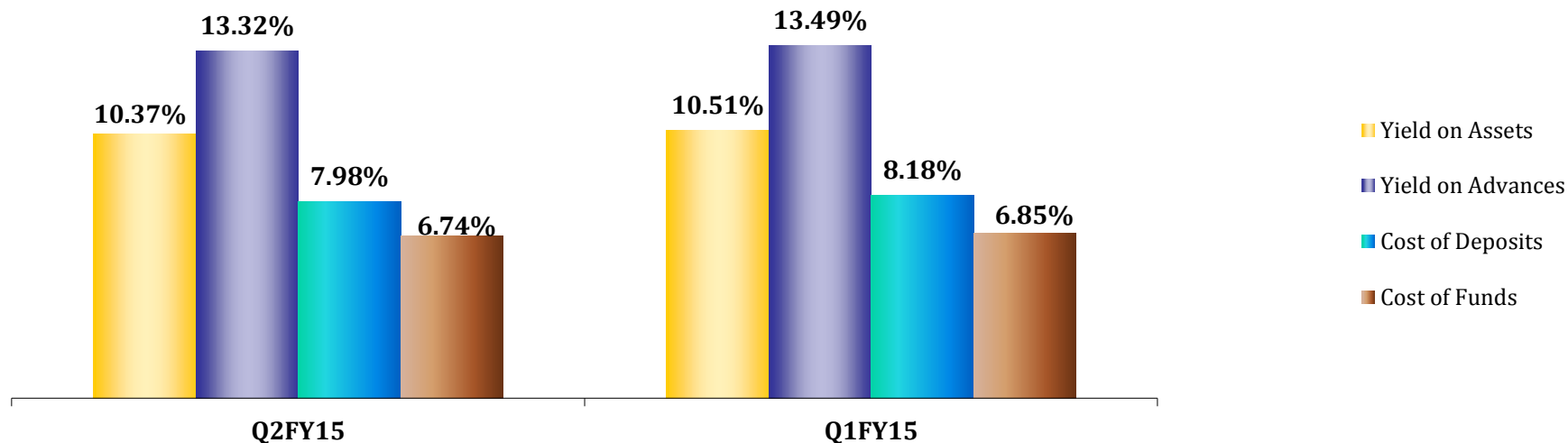
(Rs Crs)

	Q2FY15	Q2FY14	Y-o-Y(%)	Q1FY15	Q-o-Q(%)
Trade and Remittances	61.53	50.03	23% ↑	61.54	- -
Foreign Exchange Income	139.37	102.87	35% ↑	134.85	3% ↑
Distribution Fees (Insurance, MF, Cards)	84.66	67.69	25% ↑	74.65	13% ↑
General Banking Fees	40.84	34.11	20% ↑	42.67	-4% ↓
Loan Processing fees	90.11	63.92	41% ↑	86.09	5% ↑
Investment Banking	92.79	70.86	31% ↑	86.72	7% ↑
<b>Total Core Fee Income</b>	<b>509.30</b>	<b>389.48</b>	<b>31% ↑</b>	<b>486.52</b>	<b>5% ↑</b>

**Growth momentum continues on regular fee flows**



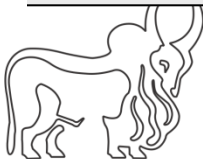
# Yield / Cost Movement



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

## Segment-wise Yield

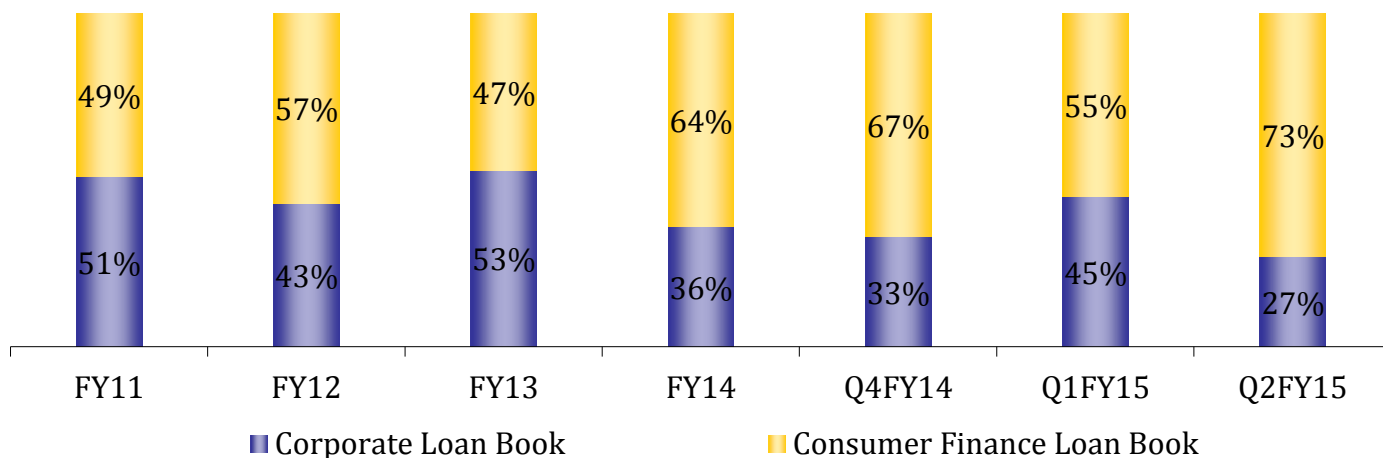
	Q2FY15		Q1FY15	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	33,967	11.33%	33,300	11.55%
Consumer Finance	25,964	15.77%	25,364	15.75%
<b>Total</b>	<b>59,931</b>	<b>13.32%</b>	<b>58,664</b>	<b>13.49%</b>



# Credit Cost

(Rs crs)

	FY11	FY12	FY13	FY14	Q1FY15	Q2FY15
Corporate Bank	81.99	61.11	116.51	93.70	38.49	16.12
Consumer Finance	78.34	81.46	103.10	169.97	46.71	44.56
<b>Gross Credit Costs</b>	<b>160.33</b>	<b>142.57</b>	<b>219.61</b>	<b>263.67</b>	<b>85.20</b>	<b>60.68</b>
<b>Gross Credit Costs (Basis Points on Advances)</b>	<b>61</b>	<b>41</b>	<b>50</b>	<b>48</b>	<b>15</b>	<b>10</b>
<b>Net Credit Cost</b>	<b>139.38</b>	<b>133.12</b>	<b>204.81</b>	<b>227.94</b>	<b>81.92</b>	<b>57.51</b>
<b>Net Credit Costs (Basis Points on Advances)</b>	<b>53</b>	<b>38</b>	<b>46</b>	<b>41</b>	<b>14</b>	<b>10</b>
<b>PCR</b>	<b>73%</b>	<b>73%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>



# Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q2FY15			Q1FY15		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	337	318	655**	310	311	621**
Additions	3	110	113	59	104	163
Deductions	2	111	113	32	97	129
Gross NPA	338	317	655**	337	318	655**
Net NPA			195*			196*
% of Gross NPA			1.08%			1.11%
% of Net NPA			0.33%			0.33%
Provision Coverage Ratio (PCR)			70.21%			70.12%
Restructured Advances			0.52%			0.40%

\* Net off floating provision of Rs. 50 crs

\*\*After sale to ARC Rs.17 crs (Rs. 16 crs)



# NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q2-FY15	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	146	15	45	14	66	11	12	8	317
Net NPA	60	2	22	1	28	2	7	5	127
Gross NPA %	1.50%	0.77%	1.59%	0.74%	2.42%	0.38%	0.30%	1.53%	1.19%
Net NPA %	0.62%	0.12%	0.79%	0.02%	1.02%	0.06%	0.19%	1.02%	0.48%

Q1-FY15	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	139	17	46	15	66	13	14	8	318
Net NPA	55	5	22	3	28	3	6	4	126
Gross NPA %	1.44%	0.84%	1.58%	0.82%	2.49%	0.46%	0.47%	1.53%	1.25%
Net NPA %	0.57%	0.22%	0.75%	0.14%	1.09%	0.13%	0.21%	0.86%	0.50%



	30 Sept 14	30 June 14
	Basel – III	Basel – III
<b>Risk Weighted Assets</b>		
- Credit Risk	68,843	65,345
- Market Risk	2,787	2,579
- Operational Risk	6,131	6,131
<b>- Total RWA</b>	<b>77,761</b>	<b>74,055</b>
Tier I Capital Funds	9,355	8,928
Tier II Capital Funds	723	777
<b>Total Capital Funds</b>	<b>10,078</b>	<b>9,705</b>
<b>CRAR</b>	<b>12.96%</b>	<b>13.11%</b>
Tier I	12.03%	12.06%
Tier II	0.93%	1.05%



# Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

## Strengthening Distribution Infrastructure

Particulars	FY13	FY14	June 30, 2014	Sept 30, 2014
Branch Network	500	602	638	685*
ATMs	882	1,110	1,238	1,277

\*includes 44 specialized branches

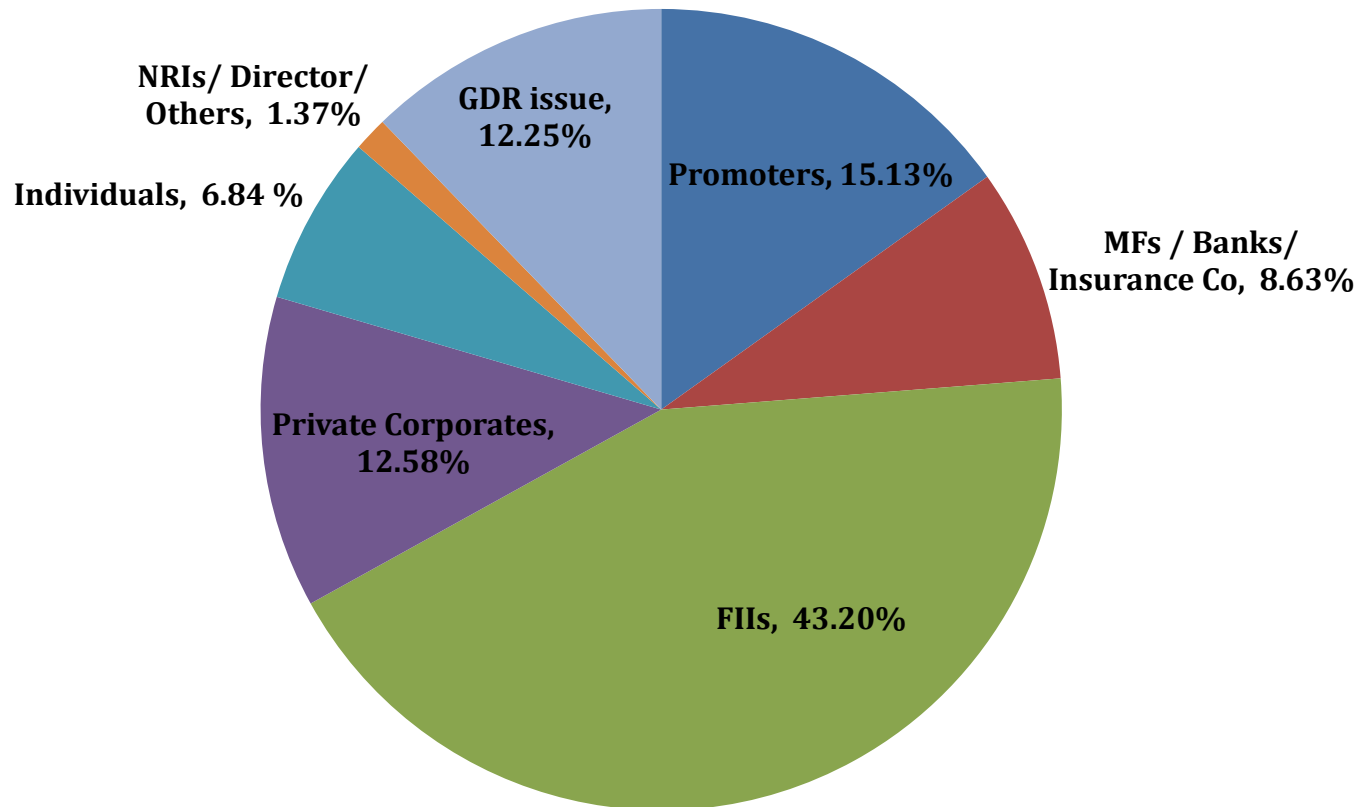


- Branch/Representative Office
- Strategic Alliance



# Shareholding Pattern

September 30, 2014



# Digital Branch

India's first Digital Branch inaugurated at Rapid Metro station, Gurgaon



Interactive teller with video branch

Smart bay for tablet banking

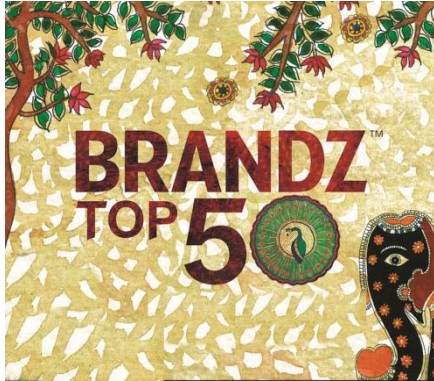


# Accolades



***IndusInd Bank***

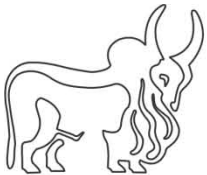
## Accolades



IndusInd Bank has been ranked 19<sup>th</sup> in the Top 50 Most Valuable Indian Brands 2014 as per the BrandZ Top 50 Ranking powered by WPP Plc and Millward Brown



IndusInd Bank has been ranked 39<sup>th</sup> in the Best Indian Brands 2014 as per the Economic Times and Interbrand Best Indian Brand Study



# Accolades



ACI Universal Payment ACI Excellence Award 2014 - Operational Excellence. The award is for Bank's ATM features namely Cash on Mobile, PIN reset on IVR and Stop cheque on ATMs



Talisma Insight "Excellence in Innovation" award for the implementation of "Always On" technology from Microsoft that helped building high availability and DR for Talisma application.



# Accolades



Project 'IndusInd Bank Partnership Program' declared as Winner for Financial Inclusion and Payment Systems (FIPS) Awards 2014.



**Thank you**



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