

IndusInd Bank

Investor Presentation

January 12, 2016

- **Key performance vectors remained stable**
- **Y-o-Y PAT growth up by 30% ; Q-o-Q up by 4%;**
- **Non-Interest Income to revenue remains healthy at 42%; Core Fee growth at 30% Y-o-Y**
- **NIM Y-o-Y up by 24 bps to 3.91%**
- **Deposit and CASA growth above industry - 25% and 28% Y-o-Y respectively**
- **Credit growth above industry - 29% Y-o-Y and 5% Q-o-Q**
- **Net NPA at 0.33% ; Credit cost 17 bps for quarter**
- **Accelerated the pace of investment in branches - 51 branches opened during the Q3; total count at 905 as on Dec 31, 2015.**



Plan vs Outcome

Planning Cycle 3 (2014-17)

Q3-FY 16
Outcome

Loan Growth



25% - 30%

29%

CASA Growth



CASA > 35%

35%

Fee Growth
Core Fee Growth



Exceed Loan Growth

29%
30%

Branch Network



To Double from 602

905

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**

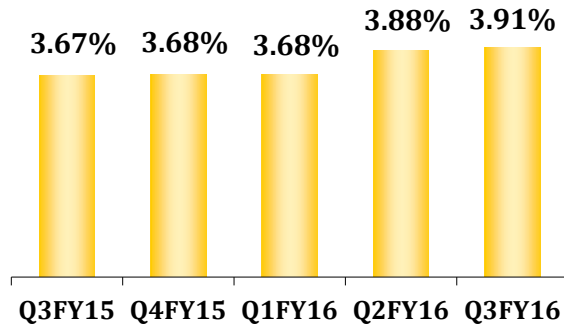
**Front and Back
Office optimization**

**Full suite of Rural
Products**

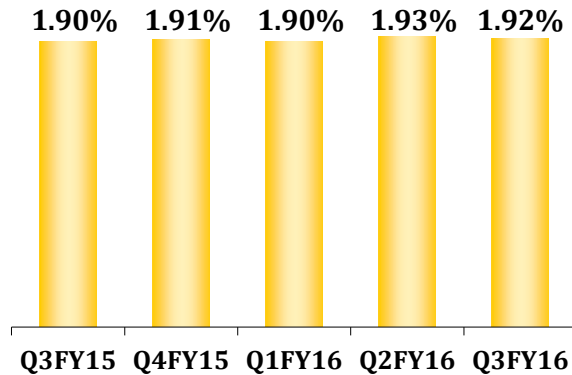


How We Measure Up On Key Metrics

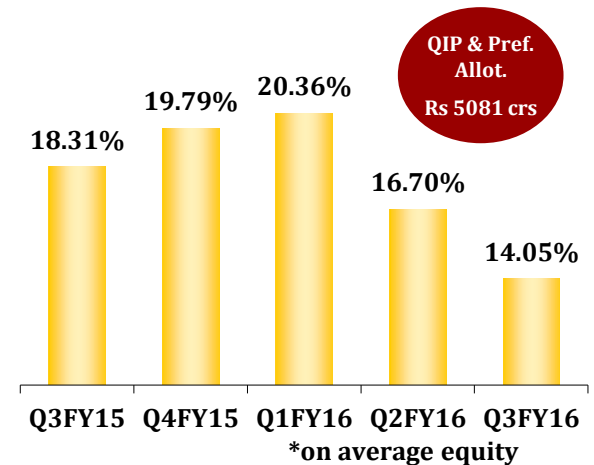
Net Interest Margin (NIM)



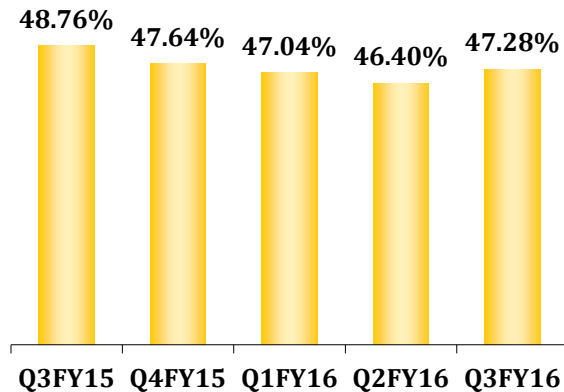
RoA



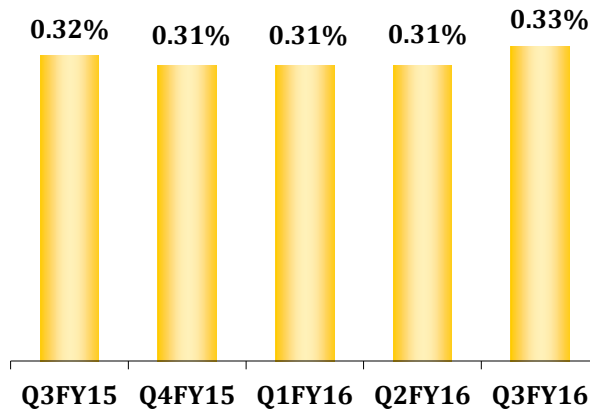
RoE*



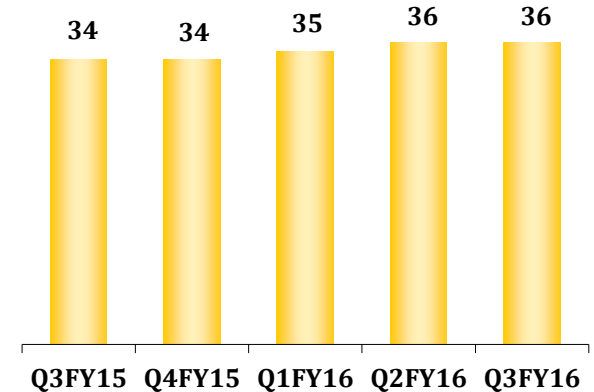
Cost /Income



Net NPA



Revenue / Employee (Rs. Lacs)



Consistent delivery of strong operating performance



Ratings

- **ICRA AA+** 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
- **IND AA+** for Senior bonds program by India Ratings and Research



Financial Performance



Steady Headline Numbers for Q3-FY16

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 1,173 crs	36%	7%
Other Income	Rs 839 crs	29%	7%
Core Fee Income	Rs 726 crs	30%	8%
Revenue	Rs 2,012 crs	33%	7%
Operating Profit	Rs 1,061 crs	37%	5%
Net Profit	Rs 581 crs	30%	4%



Steady Headline Numbers for 9M-FY16

Y-o-Y Growth

Net Interest Income	▶	Rs 3,248 crs	30%
Other Income	▶	Rs 2,384 crs	29%
Core Fee Income	▶	Rs 2,035 crs	26%
Revenue	▶	Rs 5,633 crs	30%
Operating Profit	▶	Rs 2,990 crs	33%
Net Profit	▶	Rs 1,666 crs	28%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 82,167 crs	29%	5%
Corporate Advances	Rs 47,918 crs	30%	3 %
Consumer Finance Advances	Rs 34,249 crs	27%	7 %
Deposits	Rs 86,423 crs	25%	7%
CASA	Rs 30,232 crs	28%	8%
SA	Rs 16,125 crs	32%	7%
Borrowings	Rs 20,321 crs	21%	(4%)



Balance Sheet

(Rs Crs)

	Q3FY16	Q3FY15	Y-o-Y (%)		Q2FY16	Q-o-Q (%)	
Capital & Liabilities							
Capital	594	528	12%	↑	592	-	↑
Reserves and Surplus	16,777	9,862	70%	↑	16,178	4%	↑
Deposits	86,423	69,376	25%	↑	80,840	7%	↑
Borrowings	20,321	16,752	21%	↑	21,117	(4%)	↓
Other Liabilities and Provisions	4,071	3,489	17%	↑	4,580	(11%)	↓
Total	128,186	100,007	28%	↑	123,307	4%	↑
Assets							
Cash and Balances with RBI	4,081	3,533	16%	↑	4,630	(12%)	↓
Balances with Banks	5,479	4,891	12%	↑	5,673	(3%)	↓
Investments	28,177	21,312	32%	↑	26,755	5%	↑
Advances	82,167	63,847	29%	↑	78,294	5%	↑
Fixed Assets	1,198	1,119	7%	↑	1,180	2%	↑
Other Assets	7,084	5,305	34%	↑	6,775	5%	↑
Total	128,186	100,007	28%	↑	123,307	4%	↑
Business (Advances + Deposit)	168,590	133,223	27%	↑	159,134	6%	↑



Profit and Loss Account

(Rs Crs)

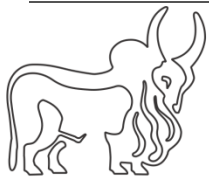
	Q3FY16	Q3FY15	Y-o-Y (%)	Q2FY16	Q-o-Q (%)
Net Interest Income	1173.42	861.37	36% ↑	1,094.28	7% ↑
Other Income	839.00	649.00	29% ↑	783.54	7% ↑
Total Income	2,012.42	1,510.37	33% ↑	1,877.82	7% ↑
Operating Expenses	951.44	736.53	29% ↑	871.29	9% ↑
Operating Profit	1,060.98	773.84	37% ↑	1,006.53	5% ↑
Provisions & Contingencies	177.08	98.01	81% ↑	158.09	12% ↑
Profit before Tax	883.90	675.83	31% ↑	848.44	4% ↑
Provision for Tax	302.88	228.64	32% ↑	288.40	5% ↑
Profit after Tax	581.02	447.19	30% ↑	560.04	4% ↑



Profit and Loss Account (9M)

(Rs Crs)

	9M-FY16	9M-FY15	Y-o-Y (%)	
Net Interest Income	3,248.36	2,495.14	30%	↑
Other Income	2,384.15	1,848.89	29%	↑
Total Income	5,632.51	4,344.03	30%	↑
Operating Expenses	2,642.28	2,096.32	26%	↑
Operating Profit	2,990.23	2,247.71	33%	↑
Provisions & Contingencies	458.50	281.61	63%	↑
Profit before Tax	2,531.73	1,966.10	29%	↑
Provision for Tax	865.63	667.65	30%	↑
Profit after Tax	1,666.10	1,298.45	28%	↑



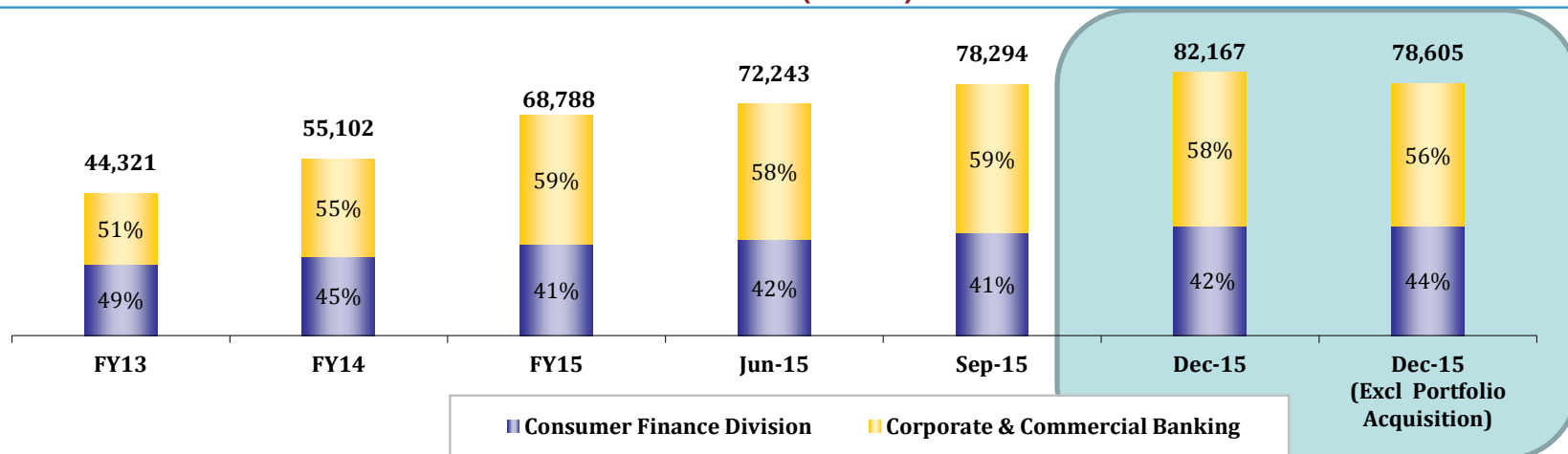
Key Financial Indicators

	Q3FY16	Q3FY15	Q2FY16
Return on Assets	1.92%	1.90%	1.93%
ROE (On average equity)	14.05%	18.31%	16.70%
Cost / Income Ratio	47.28%	48.76%	46.40%
Net Interest Margin	3.91%	3.67%	3.88%
Net NPA	0.33%	0.32%	0.31%
EPS (annualized, Rs. per share)	39.20	33.84	38.16
Capital + Reserves (Excl. Revaluation Reserve)	16,988	9,998	16,384



Well Diversified Loan Book

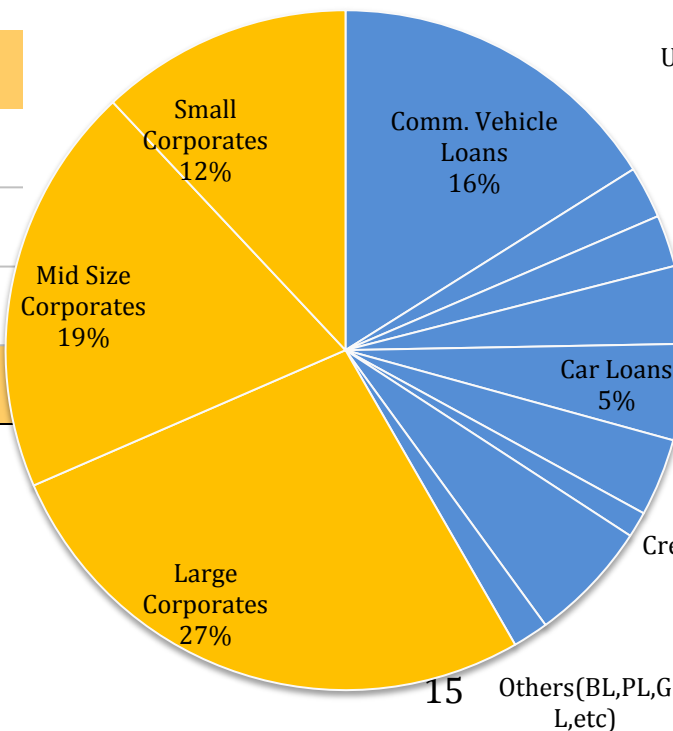
Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Dec-15	
Large Corporates	22,022	27%
Mid size Corporates	16,042	19%
Small Corporates*	9,854	12%
Total Advances	47,918	58%

*Includes Business Banking (Consumer Bank) Rs. 5,445 crs
After regrouping the Loan Mix stands at 52:48 for Corporate : Consumer



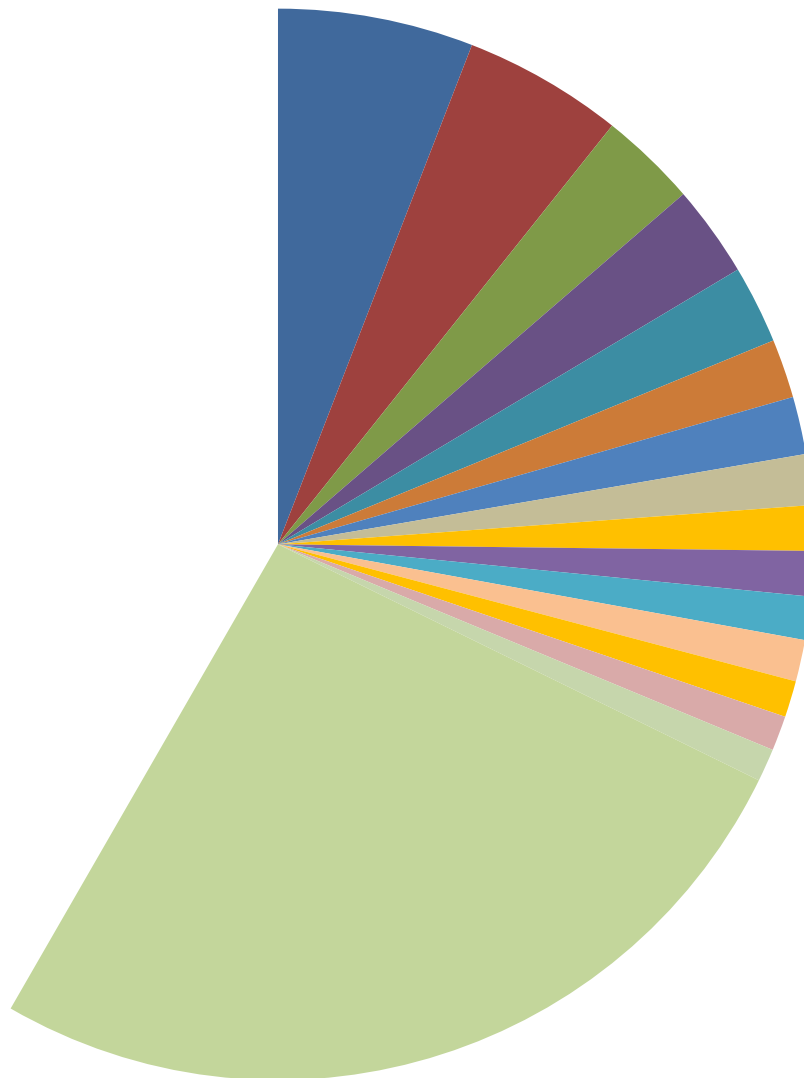
(Rs crs)

Consumer Finance	Dec-15	
Comm. Vehicle Loans	13,204	16%
Utility Vehicle Loans	2,041	2%
Small CV	2,019	2%
Two Wheeler Loans	3,034	4%
Car Loans	3,754	5%
Equipment Financing	3,036	4%
Credit Card	1,008	1%
Loan Against Property	4,759	6%
BL, PL, GL, etc	1,393	2%
Total Advances	34,249	42%

IndusInd Bank



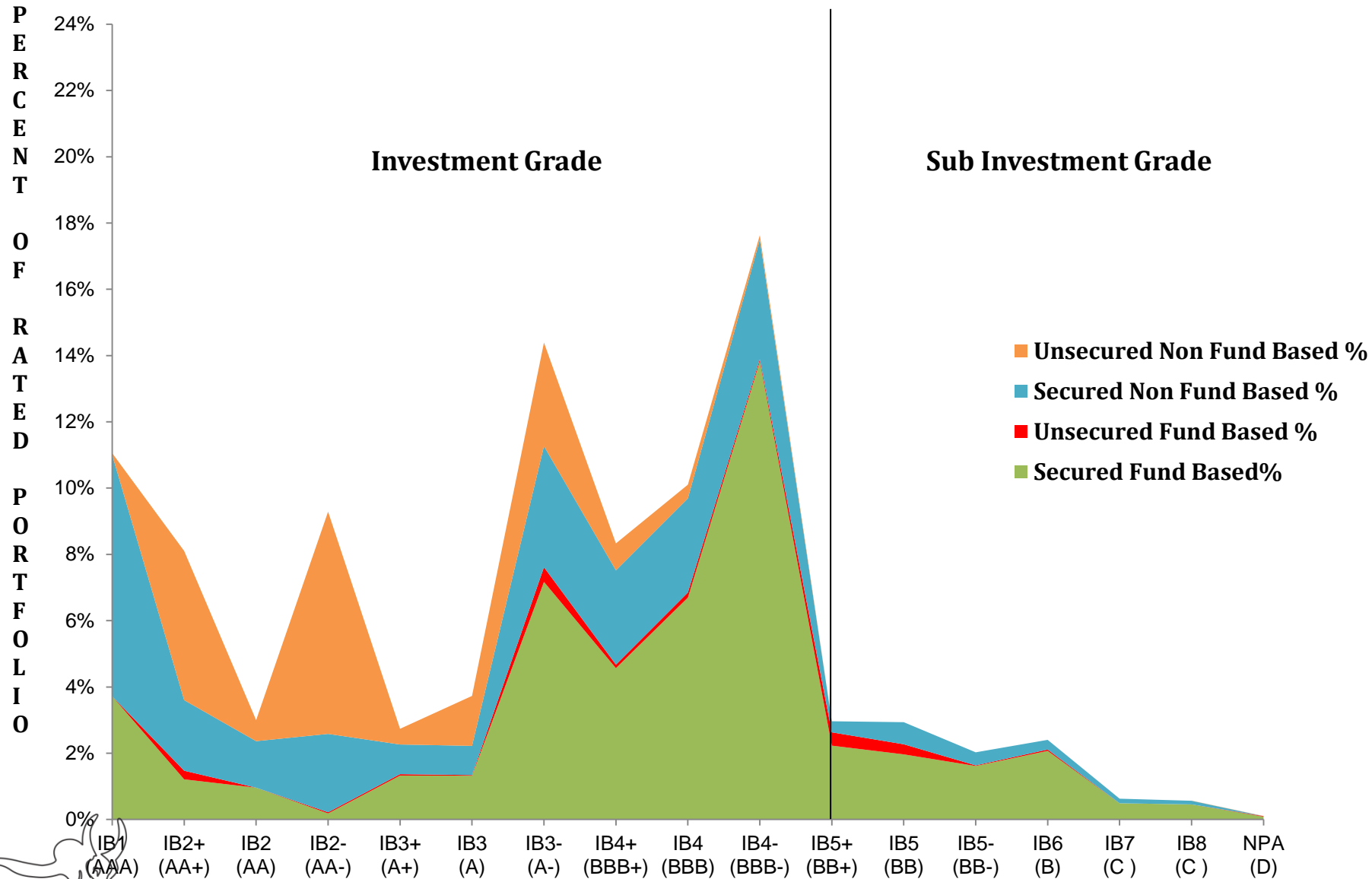
Diversified Corporate Loan Book



Gems and Jewellery	5.90%
Lease Rental	4.82%
Telecom- Cellular	2.94%
Real Estate Developer	2.77%
Power Transmission	2.36%
NBFCs (other than HFCs) /NBFC-MFI	1.78%
Media,Entertainment & Advt	1.73%
Housing Finance Companies	1.53%
Power Generation	1.37%
Contract Construction-Civil	1.36%
Steel	1.31%
Services	1.26%
Constn related to infra.- EPC	1.10%
Food Credit	1.05%
Food Beverages and Food processing	0.99%
Other Industry	26.06%



Well Rated Corporate Portfolio

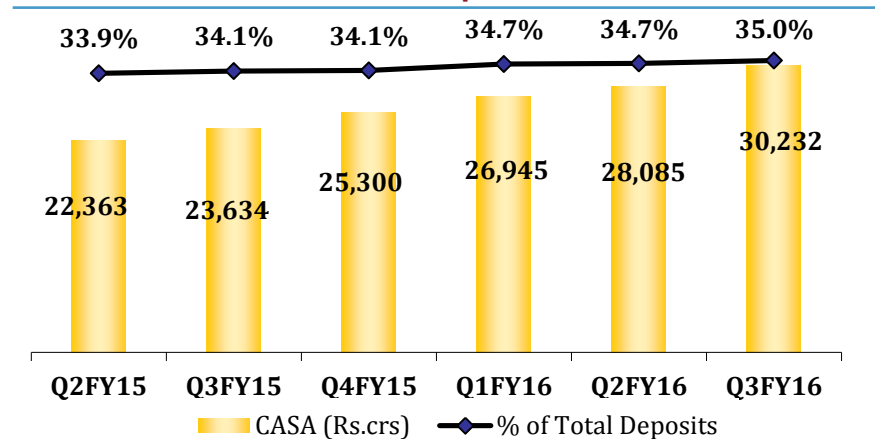


Improving CASA profile

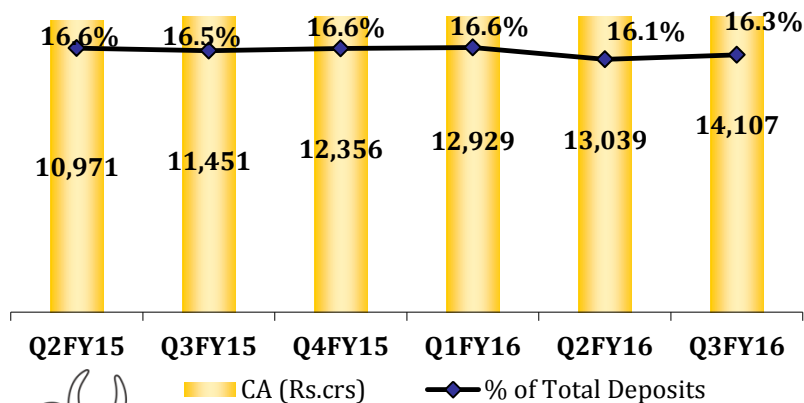
Building CASA traction

- Expanding branch network
- Focus on target market segments
 - Government business
 - Capital market flows
 - Key Non Resident markets
 - Self employed and Emerging Corporate businesses
 - Transaction Banking and CMS Mandates
- Differentiated service propositions

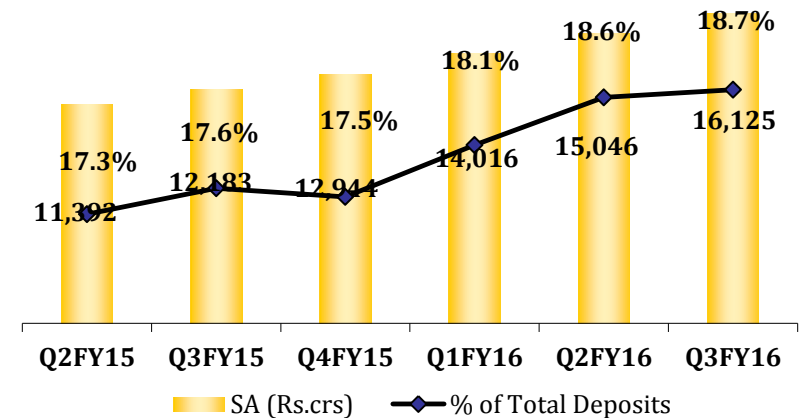
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q3FY16	Q3FY15	Y-o-Y (%)	Q2FY16	Q-o-Q(%)
Core Fee	725.90	560.52	30% ↑	673.30	8% ↑
Securities/MM/FX Trading/Others	113.10	88.48	28% ↑	110.24	3% ↑
Total	839.00	649.00	29% ↑	783.54	7% ↑



Diverse Revenues from Core Fee Income

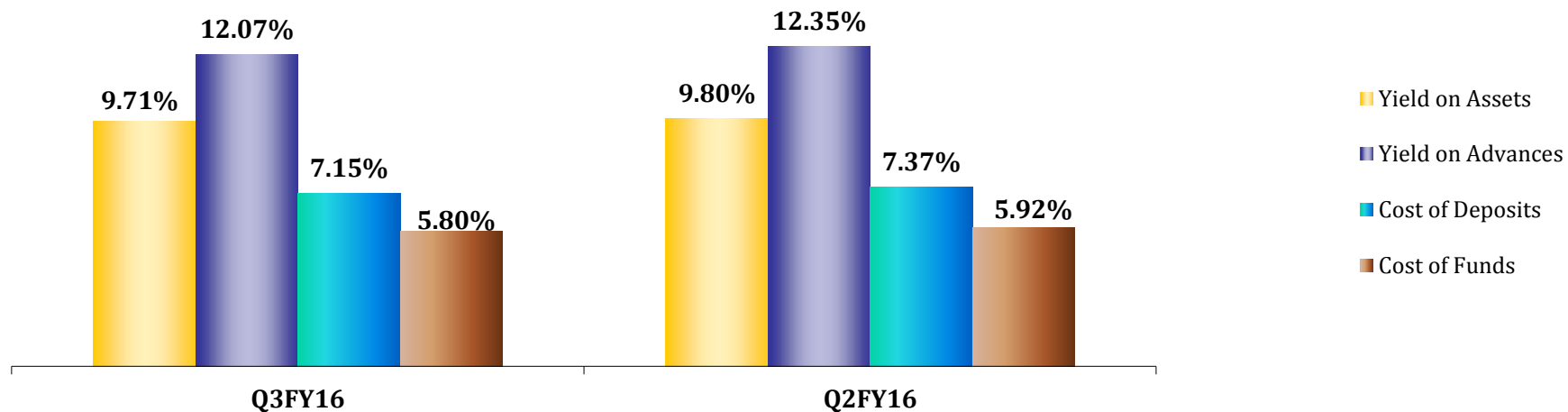
(Rs crs)

	Q3FY16	Q3FY15	Y-o-Y(%)	Q2FY16	Q-o-Q(%)
Trade and Remittances	85.05	62.35	36% ↑	84.35	1% ↑
Foreign Exchange Income	170.14	168.78	1% ↑	169.57	1% ↑
Distribution Fees (Insurance, MF, Cards)	125.99	97.95	29% ↑	119.21	6% ↑
General Banking Fees	46.29	42.42	9% ↑	41.39	12% ↑
Loan Processing fees	185.44	129.61	43% ↑	144.78	28% ↑
Investment Banking	112.99	59.41	90% ↑	114.00	(1%) ↓
Total Core Fee Income	725.90	560.52	30% ↑	673.30	8% ↑

Growth momentum continues on regular fee flows



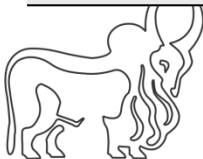
Yield / Cost Movement



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

Segment-wise Yield

	Q3FY16		Q2FY16	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	47,918	9.98%	46,339	10.10%
Consumer Finance	34,249	15.06%	31,955	15.38%
Total	82,167	12.07%	78,294	12.35%

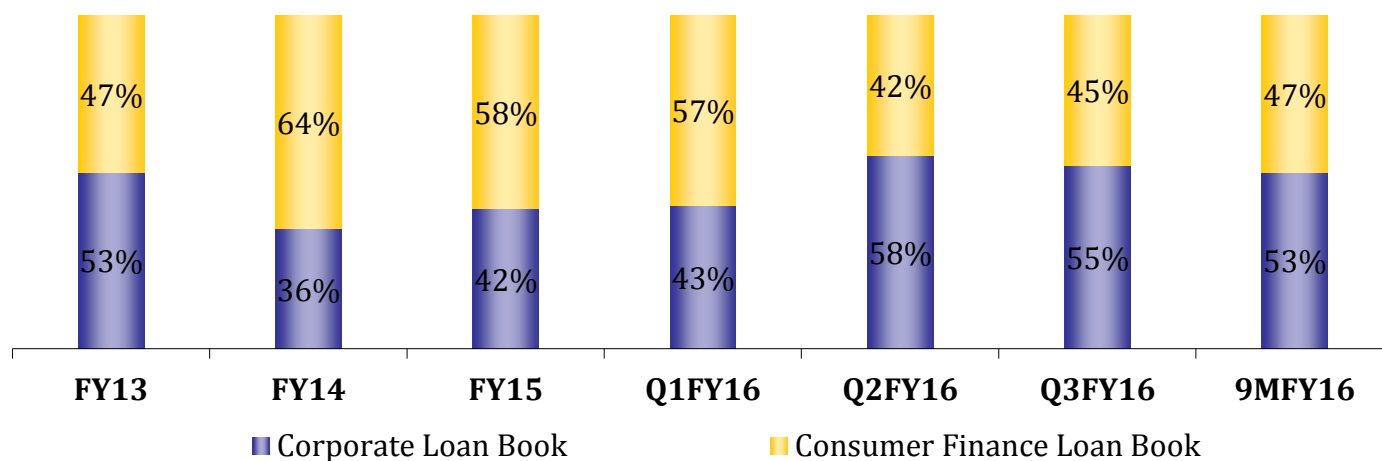


Credit Cost

(Rs crs)

	FY13	FY14	FY15	Q1FY16	Q2FY16	Q3FY16	9MFY16
Corporate Bank	116.51	93.70	143.74	39.67	69.97	77.64	187.28
Consumer Finance	103.10	169.97	195.19	51.54	50.44	63.74	165.72
Gross Credit Costs	219.61	263.67	338.93	91.21	120.41	141.38	353.00
Gross Credit Costs (Basis Points on Advances)	50	48	49	13	15	17*	43
Net Credit Cost	204.81	227.94	323.19	86.52	116.49	121.62	324.63
Net Credit Costs (Basis Points on Advances)	46	41	48	12	15	15	40
PCR	70%	70%	63%	61%	60%	60%	60%

*includes carried forward cost of credit of 4 bps



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q3FY16			Q2FY16		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	252	350	602	225	345	570
Additions	113	139	252	73	116	189
Deductions	55	118	173	46	111	157
Gross NPA	311	370	681*	252	350	602*
Net NPA			273			241
% of Gross NPA			0.82%			0.77%
% of Net NPA			0.33%			0.31%
Provision Coverage Ratio (PCR)			60%			60%
Restructured Advances			0.58%			0.63%

*After sale to ARC Rs. 53 crs (Rs.41 crs)



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q3-FY16	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	139	20	44	16	91	15	30	15	370
Gross NPA %	1.05%	1.00%	1.45%	0.81%	2.95%	0.39%	0.57%	1.48%	1.08%

Q2-FY16	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	136	21	45	17	82	14	23	12	350
Gross NPA %	1.10%	1.03%	1.57%	0.84%	2.83%	0.41%	0.41%	1.35%	1.09%



	31 Dec. 15	30 Sept. 15
	Basel – III	Basel – III
Risk Weighted Assets		
- Credit Risk, CVA and UFCE	93,371	88,294
- Market Risk	4,182	4,425
- Operational Risk	8,837	8,837
- Total RWA	106,390	101,556
Core Equity Tier 1 / Tier 1 Capital Funds	16,641	15,961
Tier 2 Capital Funds	836	819
Total Capital Funds	17,477	16,780
CRAR	16.43%	16.52%
CET 1/ Tier 1	15.64%	15.72%
Tier 2	0.79%	0.80%



Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

Particulars	Mar 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015
Branch Network	801	811	854	905*
ATMs	1,487	1,543	1,578	1,621

*includes 58 specialized branches



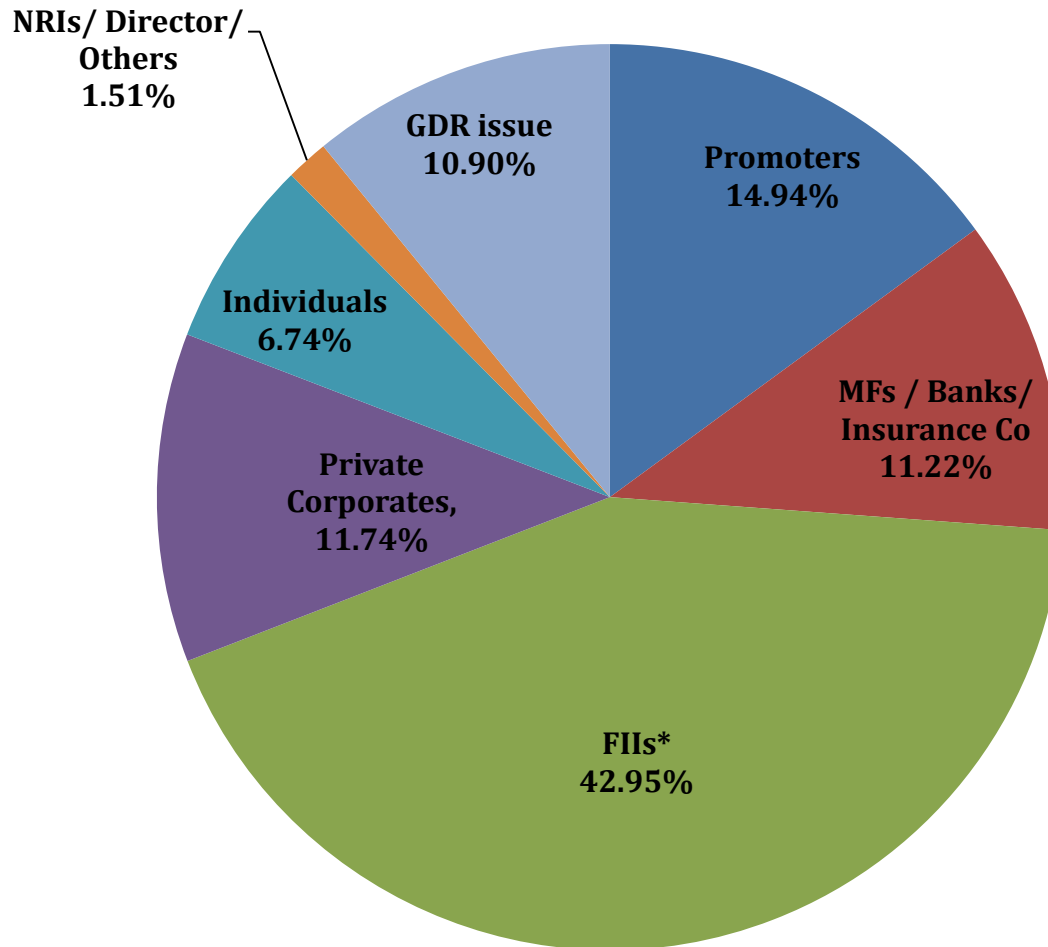
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

December 31, 2015



*includes FPIs



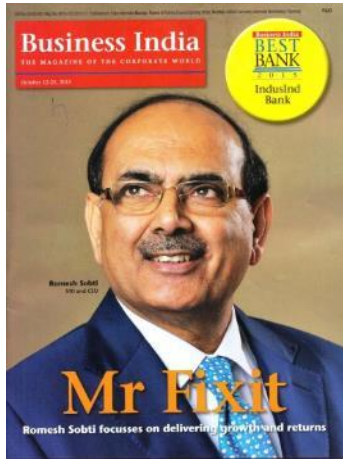
IndusInd Bank

Accolades



IndusInd Bank

Accolades



IndusInd Bank was awarded as the Best Bank 2015 by Business India



Golden Peacock Award for Innovation Management presented at the 15th London Global Convention on Corporate Governance & Sustainability



Accolades



Best Bank Award for Electronic Payment System among Mid-sized Banks by IDRBT for the year 2014-15



IndusInd Bank won top honors at the Cyber Security for Business Impact conference and awards ceremony organized by CSO FORUM for implementing security projects having positive Business Impact and enabled the Bank to quickly launch new online services by significantly reducing the security assurance cycle while ensuring continuous protection



Accolades



IndusInd Bank was awarded as -
Winner in “Small Banks Category” -
for excellent performance in NFS ATM
Network at the National Payments
Excellence Awards 2015



IndusInd Bank was awarded as –
Joint Runner up - in “Small Banks
Category” - for excellent
performance in NACH at the
National Payments Excellence
Awards 2015



Thank you



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