

IndusInd Bank

Investor Presentation

January 10, 2017

Q3 - FY17 Performance Highlights

- A quarter of steadfast performance, inspite of disruptive market elements
- Persistent uptrend in Net Interest Income; Y-o-Y up by 35% and Q-o-Q up by 8%
- Y-o-Y PAT growth up by 29% ; Q-o-Q up by 7%
- Core Fee growth at 22% Y-o-Y and 7% Q-o-Q ; Non-Interest Income to revenue remains healthy at 39%
- NIM Y-o-Y up by 9 bps to 4.00% as compared to 3.91% in Q3-FY16
- Deposit and CASA growth above industry - 38% and 46% Y-o-Y respectively
- Credit growth above industry - 25% Y-o-Y .
- Net NPA at 0.39%; Credit cost 15 bps for quarter and 44 bps for 9 months
- Opened 40 branches during Q3; Network - 1075 branches and 1960 ATMs



Plan vs Outcome

Planning Cycle 3 (2014-17)

Q3 FY 17
Outcome

Loan Growth



25% - 30%

25%

CASA Growth



CASA > 35%

37%

Fee Growth



To Exceed Loan Growth

21%

Branch Network



To Double from 602

1075

Customer Base



To Double

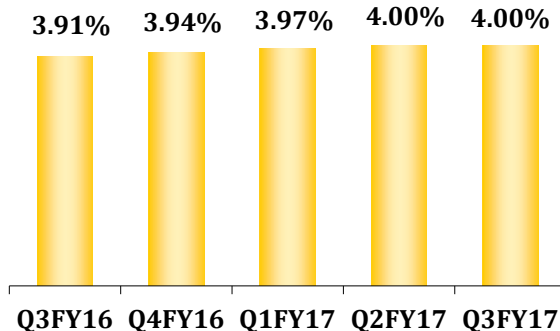
On track

Resulting in

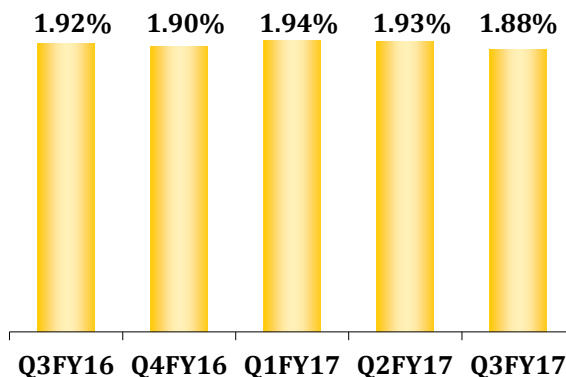


How We Measure Up On Key Metrics

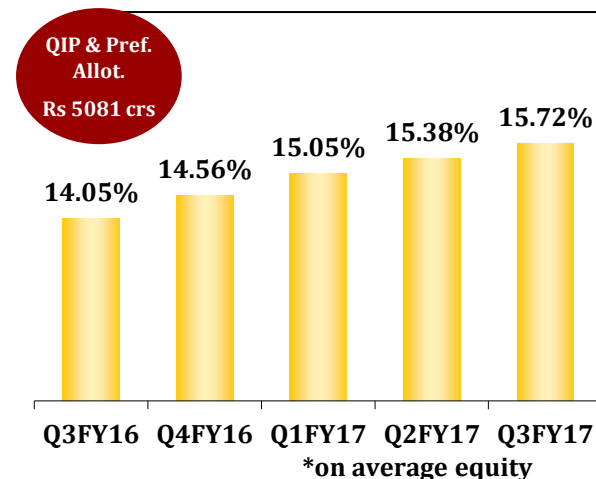
Net Interest Margin (NIM)



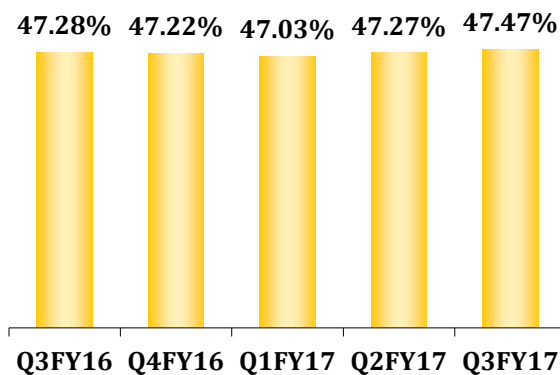
RoA



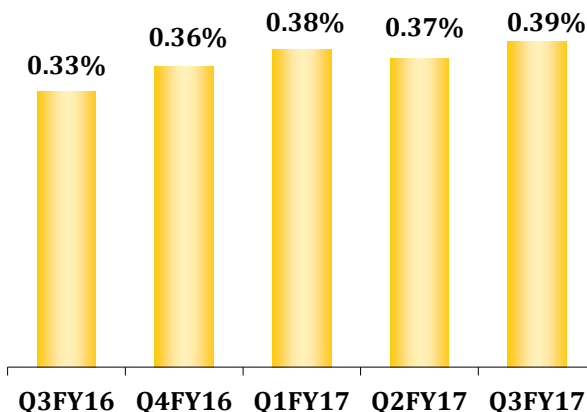
RoE*



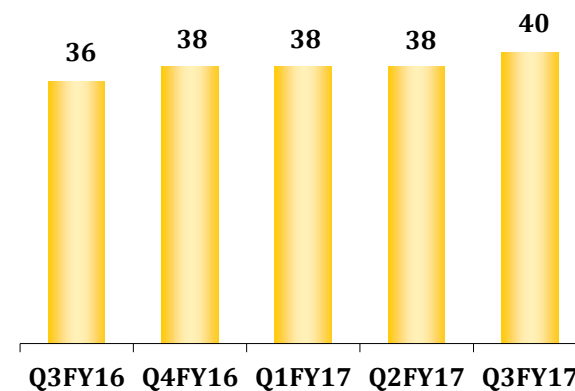
Cost /Income



Net NPA



Revenue / Employee (Rs. Lacs)



Consistent delivery of strong operating performance



Ratings

- **CRISIL AA +** for Infra Bonds program
- **CRISIL A1+** for certificate of deposit program by CRISIL
- **IND AA+** for Senior bonds program by India Ratings and Research
- **IND AA** for Upper Tier II bond program by India Ratings and Research
- **IND A1+** for Short Term Debt Instruments by India Ratings and Research
- **ICRA AA** for Upper Tier II bonds by ICRA



Financial Performance



Headline Numbers for Q3-FY17

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 1,578 crs	35%	8%
Fee Income	Rs 1,017 crs	21%	5%
Revenue	Rs 2,595 crs	29%	7%
Operating Profit	Rs 1,363 crs	29%	6%
Net Profit	Rs 751 crs	29%	7%



Headline Numbers for 9M-FY17

Y-o-Y Growth

Net Interest Income	Rs 4,395 crs	35%
Fee Income	Rs 2,960 crs	24%
Revenue	Rs 7,355 crs	31%
Operating Profit	Rs 3,879 crs	30%
Net Profit	Rs 2,116 crs	27%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 1,02,770 crs	25%	4%
Corporate Advances	Rs 59,905 crs	25%	3%
Retail -Vehicle	Rs 32,719 crs	21%	5%
Retail -Non Vehicle	Rs 10,146 crs	42%	8%
Deposits	Rs 1,19,218 crs	38%	6%
CASA	Rs 44,162 crs	46%	8%
SA	Rs 25,175 crs	56%	22%
Borrowings	Rs 20,303 crs	(1%)	6%



Balance Sheet

(Rs Crs)

	Q3FY17	Q3FY16	Y-o-Y (%)	Q2FY17	Q-o-Q (%)
Capital & Liabilities					
Capital	597	594	1% ↑	597	-
Reserves and Surplus	19,286	16,777	15% ↑	18,518	4% ↑
Deposits	1,19,218	86,423	38% ↑	1,12,313	6% ↑
Borrowings	20,303	20,506	(1%) ↓	19,078*	6% ↑
Other Liabilities and Provisions	7,698	6,624	16% ↑	7,332	5% ↑
Total	1,67,102	1,30,924	28% ↑	1,57,838	6% ↑
Assets					
Cash and Balances with RBI	5,141	4,081	26% ↑	5,760	(11%) ↓
Balances with Banks	12,999	6,139	112% ↑	5,394	141% ↑
Investments	35,274	27,701	27% ↑	36,549*	(3%) ↓
Advances	1,02,770	82,167	25% ↑	98,949	4% ↑
Fixed Assets	1,307	1,198	9% ↑	1,297	1% ↑
Other Assets	9,611	9,638	- ↓	9,889	(3%) ↓
Total	1,67,102	1,30,924	28% ↑	1,57,838	6% ↑
Business (Advances + Deposit)	2,21,988	1,68,590	32% ↑	2,11,262	5% ↑

*In terms of RBI guidelines Repo / Reverse Repo under LAF has been regrouped.



Profit and Loss Account – Q3FY17

(Rs Crs)

	Q3FY17	Q3FY16	Y-o-Y (%)	Q2FY17	Q-o-Q (%)
Net Interest Income	1,578.42	1,173.42	35% ↑	1,460.31	8% ↑
Other Income	1,016.80	839.00	21% ↑	970.42	5% ↑
Total Income	2,595.22	2,012.42	29% ↑	2,430.73	7% ↑
Operating Expenses	1,231.88	951.44	29% ↑	1,149.08	7% ↑
Operating Profit	1,363.34	1,060.98	29% ↑	1,281.65	6% ↑
Provisions & Contingencies	216.85	177.08	22% ↑	213.88	1% ↑
Profit before Tax	1,146.49	883.90	30% ↑	1,067.77	7% ↑
Provision for Tax	395.85	302.88	31% ↑	363.51	9% ↑
Profit after Tax	750.64	581.02	29% ↑	704.26	7% ↑



Profit and Loss Account – 9M FY17

(Rs Crs)

	9M-FY17	9M-FY16	Y-o-Y (%)	
Net Interest Income	4,395.15	3,248.36	35%	↑
Other Income	2,960.19	2,384.15	24%	↑
Total Income	7,355.34	5,632.51	31%	↑
Operating Expenses	3,476.56	2,642.28	32%	↑
Operating Profit	3,878.78	2,990.23	30%	↑
Provisions & Contingencies	661.20	458.50	44%	↑
Profit before Tax	3,217.58	2,531.73	27%	↑
Provision for Tax	1,101.30	865.63	27%	↑
Profit after Tax	2,116.28	1,666.10	27%	↑



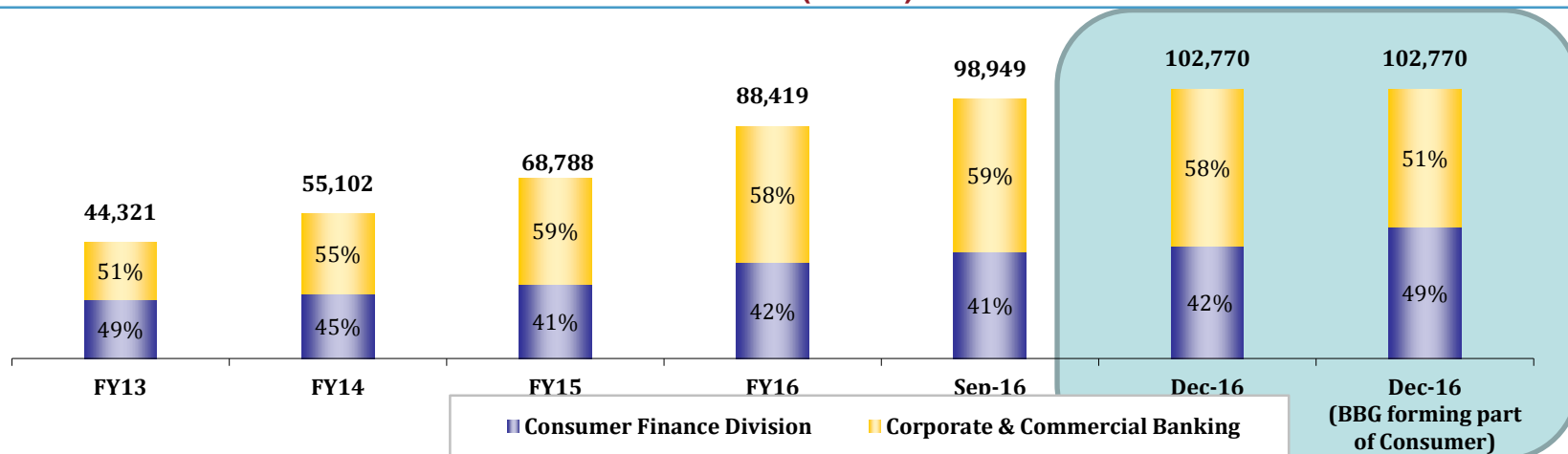
Key Financial Indicators

	Q3FY17	Q3FY16	Q2FY17
Return on Assets	1.88%	1.92%	1.93%
ROE (On average equity)	15.72%	14.05%	15.38%
Cost / Income Ratio	47.47%	47.28%	47.27%
Net Interest Margin	4.00%	3.91%	4.00%
Net NPA	0.39%	0.33%	0.37%
EPS (annualized, Rs. per share)	50.28	39.20	47.24
Capital + Reserves (Excl. Revaluation Reserve) Rs in Crs	19,507	16,988	18,737



Well Diversified Loan Book

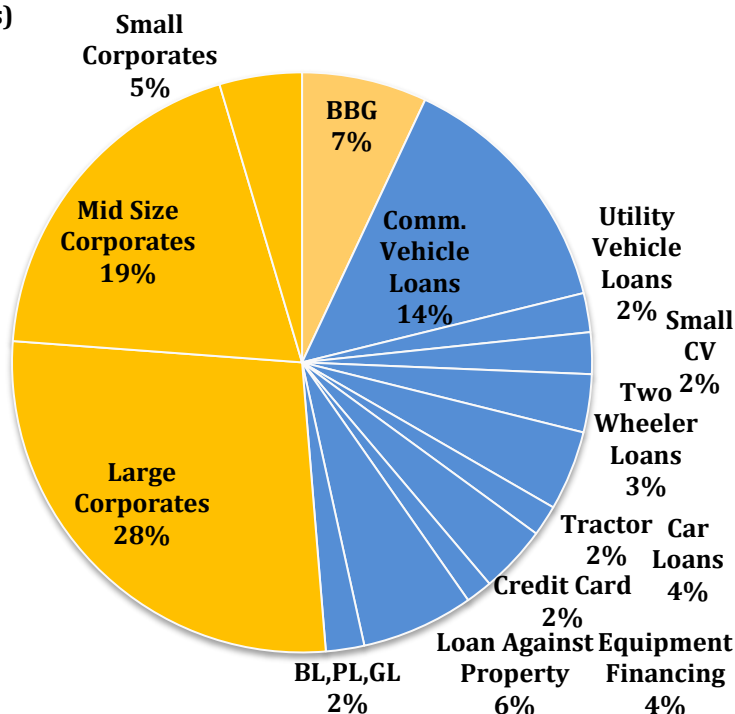
Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Dec-16	
Large Corporates	28,244	27%
Mid size Corporates	19,766	19%
Small Corporates*	11,895	12%
Total Advances	59,905	58%

*Includes Business Banking
Rs. 7,173 crs managed by
Consumer Banking



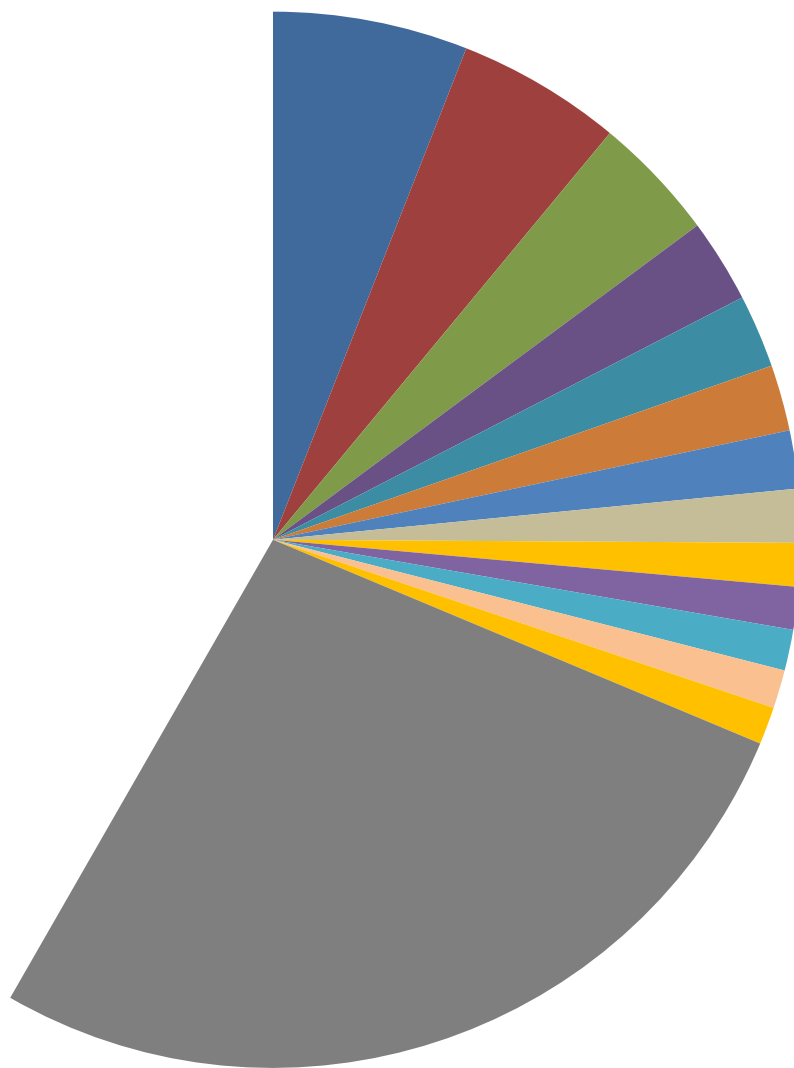
(Rs crs)

Consumer Finance	Dec-16	
Comm. Vehicle Loans	14,569	14%
Utility Vehicle Loans	2,237	2%
Small CV	2,381	3%
Two Wheeler Loans	3,323	3%
Car Loans	4,570	5%
Tractor	1,764	2%
Equipment Financing	3,875	4%
Credit Card	1,519	1%
Loan Against Property	6,429	6%
BL, PL, GL, Others	2,198	2%
Total Advances	42,865	42%

IndusInd Bank



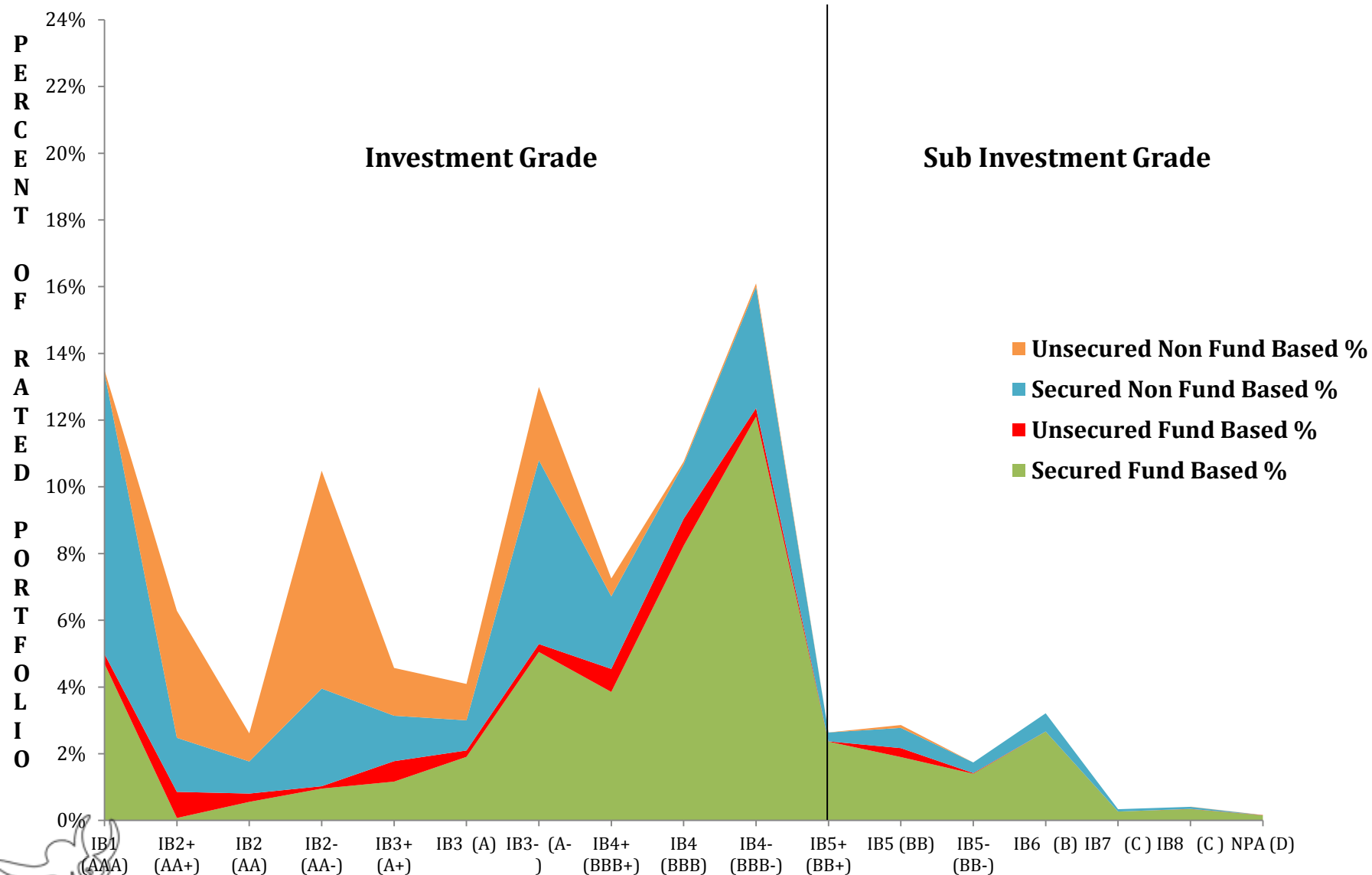
Diversified Corporate Loan Book



Gems and Jewellery	5.96%
Lease Rental	5.05%
Telecom- Cellular	3.84%
Microfinance	2.56%
Real Estate	2.24%
Steel	2.02%
Power Generation	1.77%
Housing Finance Companies	1.64%
Services	1.33%
Media, Entertainment & Advt	1.30%
Constn related to infra.- EPC	1.25%
Food Beverages and Food processing	1.17%
Contract Construction-Civil	1.15%
Other Industry	26.99%



Well Rated Corporate Portfolio

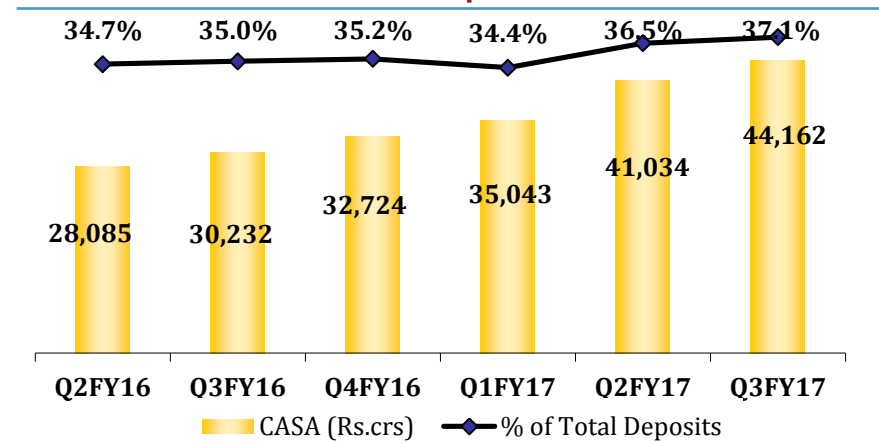


Improving CASA profile

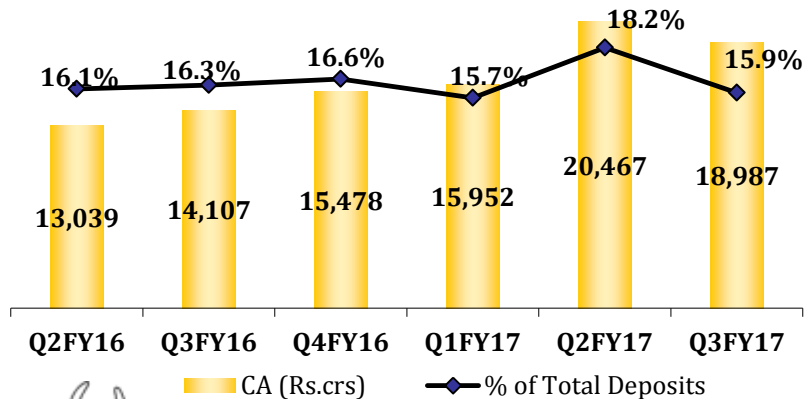
Building CASA traction

- 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

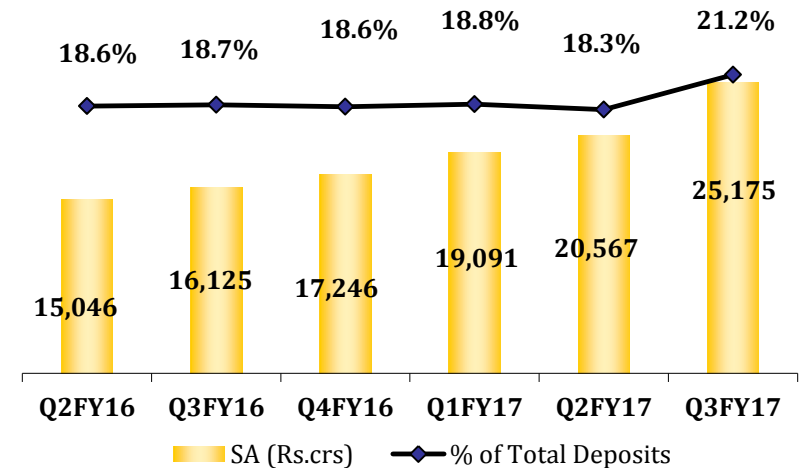
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q3FY17	Q3FY16	Y-o-Y (%)	Q2FY17	Q-o-Q(%)
Core Fee	884.84	725.90	22% ↑	825.57	7% ↑
Securities/MM/FX Trading/Others	131.96	113.10	17% ↑	144.85	(9%) ↓
Total	1,016.80	839.00	21% ↑	970.42	5% ↑



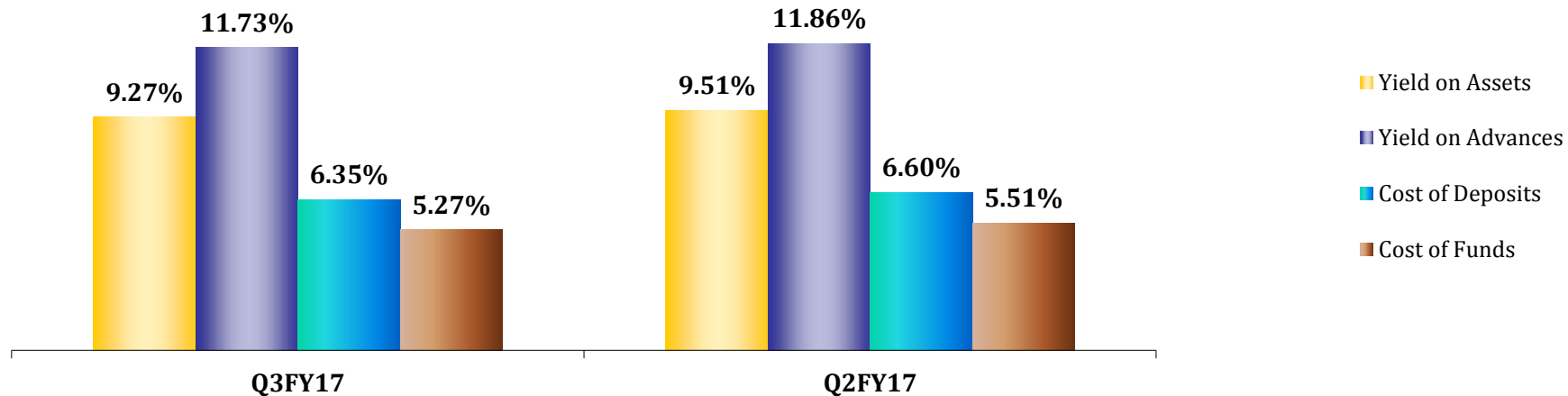
Diverse Revenues from Core Fee Income

(Rs crs)

	Q3FY17	Q3FY16	Y-o-Y(%)	Q2FY17	Q-o-Q(%)
Trade and Remittances	106.14	85.05	25% ↑	102.50	4% ↑
Foreign Exchange Income	179.30	170.14	5% ↑	155.63	15% ↑
Distribution Fees (Insurance, MF, Cards)	181.24	125.99	44% ↑	155.77	16% ↑
General Banking Fees	63.68	46.29	38% ↑	49.43	29% ↑
Loan Processing fees	194.62	185.44	5% ↑	201.48	(3%) ↓
Investment Banking	159.86	112.99	41% ↑	160.75	(1%) ↓
Total Core Fee Income	884.84	725.90	22% ↑	825.57	7% ↑



Yield / Cost Movement



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

Segment-wise Yield

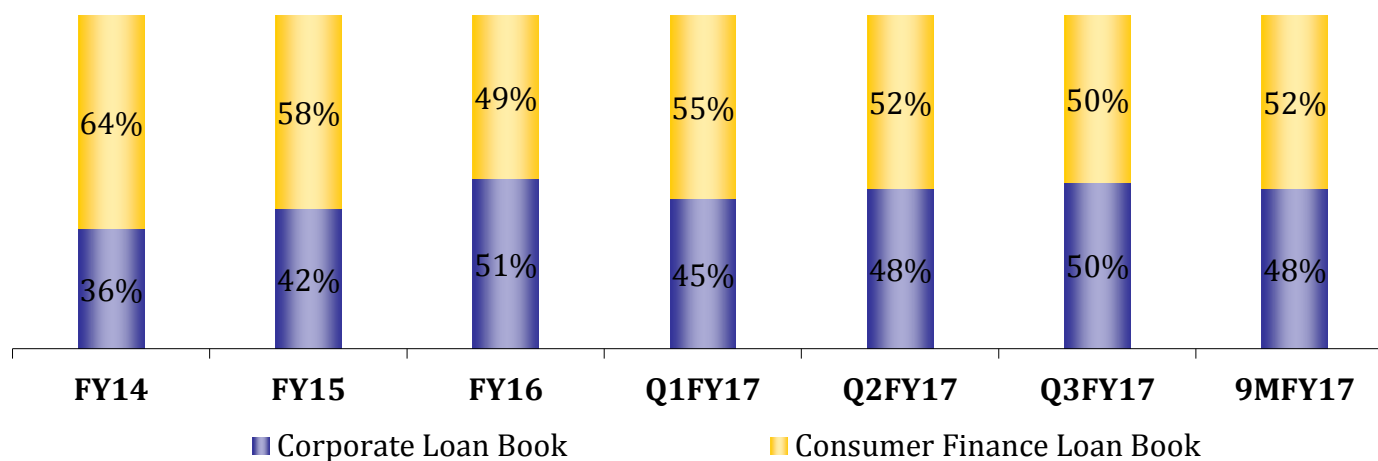
	Q3FY17		Q2FY17	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	59,905	9.76%	58,391	9.92%
Consumer Finance	42,865	14.53%	40,558	14.57%
Total	1,02,770	11.73%	98,949	11.86%



Credit Cost

(Rs crs)

	FY14	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	9MFY17
Corporate Bank	93.70	143.74	257.68	64.65	73.57	75.99	214.21
Consumer Finance	169.97	195.19	243.82	79.70	78.13	76.36	234.19
Gross Credit Costs	263.67	338.93	501.50	144.35	151.70	152.35	448.40
Gross Credit Costs (Basis Points on Advances)	48	49	57	15	15	15	44
Net Credit Cost	227.94	323.19	468.00	138.70	143.29	141.00	422.99
Net Credit Costs (Basis Points on Advances)	41	48	53	15	14	14	41
PCR	70%	63%	59%	59%	59%	59%	59%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q3FY17			Q2FY17		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	424	475	899*	420	441	861
Additions	111	170	281	73	188	261
Deductions	62	147	209	69	154	223
Gross NPA	473	498	971*	424	475	899*
Net NPA			401			369
% of Gross NPA			0.94%			0.90%
% of Net NPA			0.39%			0.37%
Provision Coverage Ratio (PCR)			59%			59%
Restructured Advances			0.41%			0.44%

*After sale to ARC Rs. 21 crs (Rs. 41 crs)



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q3-FY17	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	149	24	48	20	122	34	71	5	25	498
Gross NPA %	1.02%	1.07%	1.24%	0.83%	3.60%	0.75%	0.81%	0.28%	1.62%	1.16%

Q2-FY17	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	152	25	51	22	116	21	57	7	24	475
Gross NPA %	1.07%	1.17%	1.40%	0.97%	3.62%	0.49%	0.71%	0.49%	1.68%	1.17%



	31 Dec 16	30 Sep 16
	Basel – III	Basel – III
Risk Weighted Assets		
- Credit Risk, CVA and UFCE	1,14,872	1,09,512
- Market Risk	5,442	6,377
- Operational Risk	11,466	11,466
- Total RWA	1,31,780	1,27,355
Core Equity Tier 1 / Tier 1 Capital Funds	19,430	18,697
Tier 2 Capital Funds	751	815
Total Capital Funds	20,181	19,512
CRAR	15.31%	15.32%
CET1 / Tier 1	14.74%	14.68%
Tier 2	0.57%	0.64%



Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

Particulars	Mar. 31, 2016	June 30, 2016	Sept 30, 2016	Dec 31, 2016
Branch Network	1,000	1,004	1,035	1,075*
ATMs	1,800	1,885	1,935	1,960

*includes 74 specialized branches



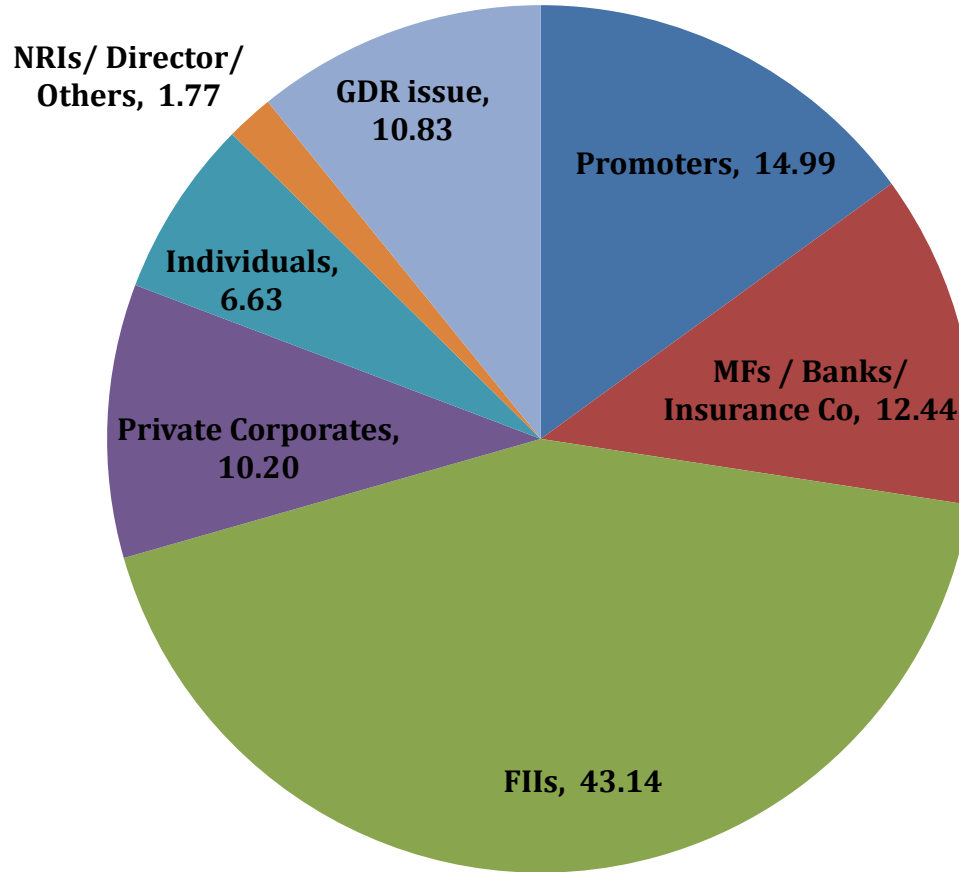
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

December 31, 2016



*includes FPIs



Accolades and New Initiatives



Accolades



Mr. Romesh Sobti is awarded as The BEST CEO (BFSI) at the Business Today Best CEO Awards 2016.



IndusInd Bank has bagged silver in Indian Marketing Awards for 'Fingerprint Banking' campaign; in the category of Brand Revitalisation.



The World Champions Programme – Cricket for the Blind

IndusInd Bank announces the launch of the 'World Champions Programme - Cricket for the Blind', in partnership with Cricket Association for the Blind in India (CABI) - Sports Initiative of Samarthanam Trust for the Disabled to aid the Indian Blind Cricket Team in their quest for sporting glory.

The Bank is supporting the Indian Blind Cricket Team, consisting of 26 players that will represent India at domestic and international tournaments.



Refer www.indusind.com/forsports/

Thank you



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