

IndusInd Bank

**Investor Presentation
Q3-2018-19**

January 9, 2019

Q3 – FY19 Performance Highlights

- FY 18-19 tracking towards PC4 targets
- Q3 FY19 marked by strong QoQ growth in headline numbers
- Core fee up by 18% YoY; 4% QoQ ; Total Fee up 24% YoY
- Efficiency ratio at 43.65% remains well within target
- Credit growth (35% up) and Deposit growth (20% up) well above industry growth
- Operating Profit up 27% YoY; 6% QoQ
- Q3 PAT up by 5% (after one off contingent provision of Rs. 255 crs); PAT excluding one off is up by 23%
- GNPA stands at 1.13% (previous quarter 1.09%); amongst lowest in the industry
- Credit Cost for Q3 FY-19 at 18 bps; well within our expected range
- Client base touches 14 million; on boarded 1 million during the quarter



Planning Cycle 4 (2017-2020) - Plan vs Outcome

| | | | Q3-FY19 Outcome |
|--------------|----------------|-----------------------------|-----------------|
| Resulting in | Loan Growth | 25% - 30% | 35% |
| | CASA Ratio | 40% | 44% |
| | Revenue Growth | Exceed Balance Sheet Growth | 22% |
| | RoRWA | > 2.4% | 1.99%* |
| | Branch Network | 2,000 | 1,558** |
| | Customer Base | Double to >20mn | On track |

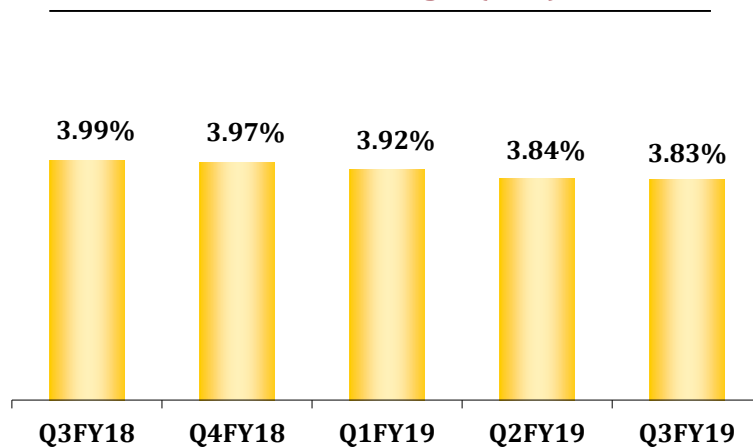
*Pre contingent provision 2.33%

** includes Banking outlet 65

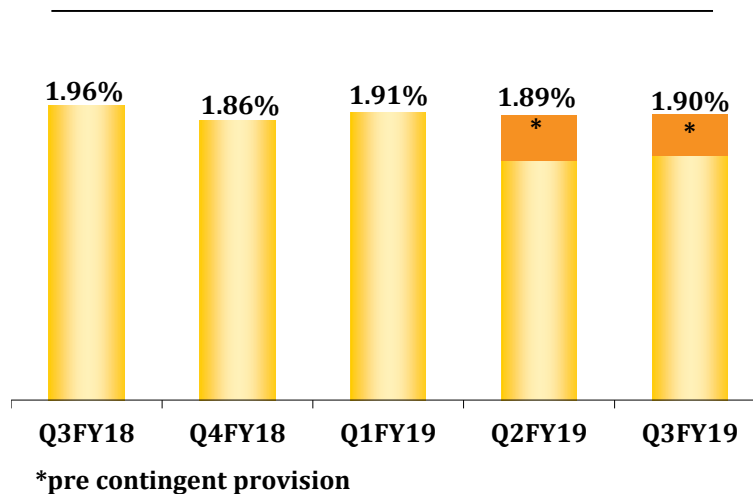


How We Measure Up On Key Metrics

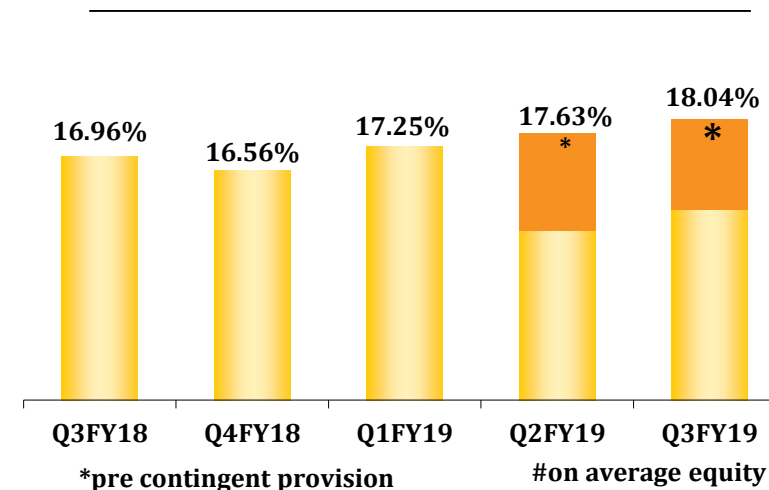
Net Interest Margin (NIM)



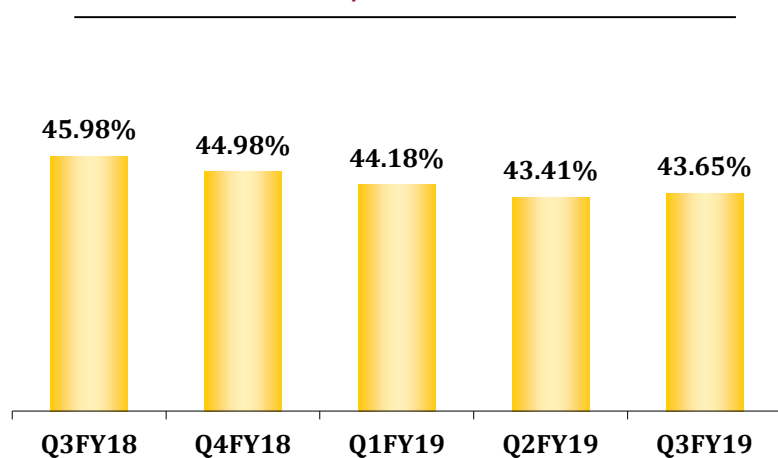
RoA



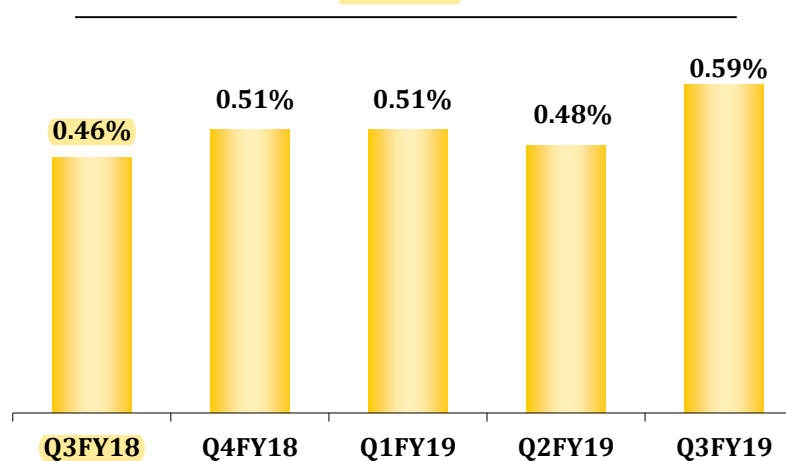
RoE#



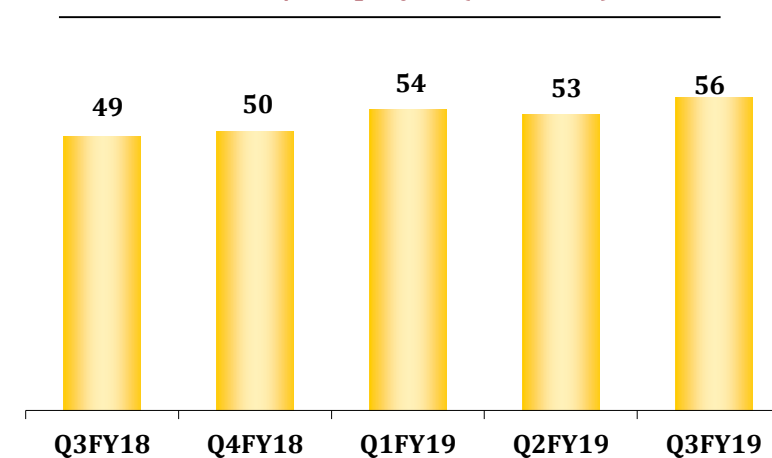
Cost / Income



Net NPA



Revenue / Employee (Rs Lakhs)



Consistent delivery of strong operating performance



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



Financial Performance



| | | Y-o-Y Growth | Q-o-Q Growth |
|--|--------------|--------------|--------------|
| Net Interest Income | Rs 2,288 crs | 21% | 4% |
| Total Fee Income | Rs 1,469 crs | 24% | 12% |
| Revenue | Rs 3,757 crs | 22% | 7% |
| Operating Profit | Rs 2,117 crs | 27% | 6% |
| Net Profit | Rs 985 crs | 5% | 7% |
| Net Profit (pre contingent provision) | Rs 1,151 crs | 23% | 5% |



| | | Y-o-Y Growth | Q-o-Q Growth |
|-----------------------------|-----------------|--------------|--------------|
| Advances | Rs 1,73,169 crs | 35% | 6% |
| Corporate Advances excl MFI | Rs 97,613 crs | 34% | 4% |
| Microfinance Advances | Rs 7,523 crs | 187% | 24% |
| Consumer Finance Advances | Rs 68,033 crs | 28% | 7% |
| Deposits | Rs 1,75,701 crs | 20% | 4% |
| CASA | Rs 76,549 crs | 22% | 4% |
| SA | Rs 50,023 crs | 18% | (2%) |
| Borrowings | Rs 44,536 crs | 91% | 4% |



Balance Sheet

(Rs Crs)

| | Q3FY19 | Q3FY18 | Y-o-Y (%) | Q2FY19 | Q-o-Q (%) |
|--------------------------------------|-----------------|-----------------|----------------|-----------------|---------------|
| Capital & Liabilities | | | | | |
| Capital | 602 | 600 | - ↑ | 601 | - ↑ |
| Reserves and Surplus | 25,798 | 22,340 | 15% ↑ | 24,763 | 4% ↑ |
| Deposits | 1,75,701 | 1,46,086 | 20% ↑ | 1,68,220 | 4% ↑ |
| Borrowings | 44,536 | 23,367 | 91% ↑ | 42,828 | 4% ↑ |
| Other Liabilities and Provisions | 9,562 | 8,309 | 15% ↑ | 11,908 | (20%) ↓ |
| Total | 2,56,199 | 2,00,703 | 28% ↑ | 2,48,320 | 3% ↑ |
| Assets | | | | | |
| Cash and Balances with RBI | 9,580 | 6,827 | 40% ↑ | 8,765 | 9% ↑ |
| Balances with Banks | 3,170 | 6,761 | (53%) ↓ | 9,567 | (67%) ↓ |
| Investments | 53,681 | 46,171 | 16% ↑ | 50,089 | 7% ↑ |
| Advances | 1,73,169 | 1,28,542 | 35% ↑ | 1,63,145 | 6% ↑ |
| Fixed Assets | 1,699 | 1,333 | 27% ↑ | 1,363 | 25% ↑ |
| Other Assets | 14,900 | 11,069 | 35% ↑ | 15,391 | (3%) ↓ |
| Total | 2,56,199 | 2,00,703 | 28% ↑ | 2,48,320 | 3% ↑ |
| Business (Advances + Deposit) | 3,48,870 | 2,74,628 | 27% ↑ | 3,31,365 | 5% ↑ |



Profit and Loss Account – Q3FY19

(Rs Crs)

| | Q3FY19 | Q3FY18 | Y-o-Y (%) | Q2FY19 | Q-o-Q (%) |
|--|--------------|--------------|-----------|--------------|-----------|
| Net Interest Income | 2,288 | 1,895 | 21% ↑ | 2,204 | 4% ↑ |
| Other Income | 1,469 | 1,187 | 24% ↑ | 1,317 | 12% ↑ |
| Total Income | 3,757 | 3,082 | 22% ↑ | 3,521 | 7% ↑ |
| Operating Expenses | 1,640 | 1,417 | 16% ↑ | 1,529 | 7% ↑ |
| Operating Profit | 2,117 | 1,665 | 27% ↑ | 1,992 | 6% ↑ |
| Provisions & Contingencies | 607* | 237 | 156% ↑ | 590* | 3% ↑ |
| Profit before Tax | 1,510 | 1,428 | 6% ↑ | 1,402 | 8% ↑ |
| Provision for Tax | 525 | 492 | 7% ↑ | 482 | 9% ↑ |
| Profit after Tax | 985 | 936 | 5% ↑ | 920 | 7% ↑ |
| Net Profit (pre contingent provision) | 1,151 | 936 | 23% ↑ | 1,099 | 5% ↑ |

*includes one off contingent provision of Rs. 255 crores and Rs. 275 crores in Q3FY19 and Q2FY19 respectively



Profit and Loss Account – 9M FY19

(Rs Crs)

| | 9M-FY19 | 9M-FY18 | Y-o-Y (%) | |
|----------------------------|---------------|--------------|-----------|---|
| Net Interest Income | 6,614 | 5,490 | 20% | ↑ |
| Other Income | 4,088 | 3,542 | 15% | ↑ |
| Total Income | 10,702 | 9,032 | 18% | ↑ |
| Operating Expenses | 4,681 | 4,145 | 13% | ↑ |
| Operating Profit | 6,021 | 4,887 | 23% | ↑ |
| Provisions & Contingencies | 1,547 | 840 | 84% | ↑ |
| Profit before Tax | 4,474 | 4,047 | 11% | ↑ |
| Provision for Tax | 1,533 | 1,394 | 10% | ↑ |
| Profit after Tax | 2,941 | 2,653 | 11% | ↑ |



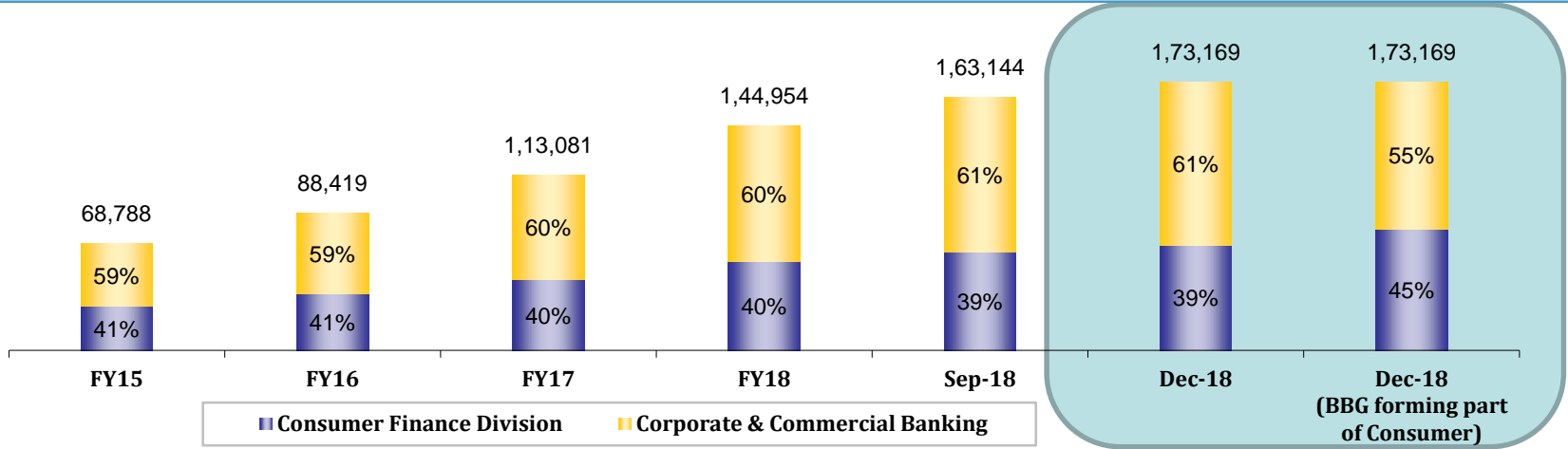
Key Financial Indicators

| | Q3FY19 | Q3FY19 Pre one off contingent provision | Q3FY18 | Q2FY19 | Q2FY19 Pre one off contingent provision |
|---|--------|--|--------|--------|--|
| Return on Assets | 1.62% | 1.90% | 1.96% | 1.59% | 1.89% |
| ROE (On average equity) | 15.44% | 18.04% | 16.96% | 14.85% | 17.63% |
| Cost / Income Ratio | 43.65% | 43.65% | 45.98% | 43.41% | 43.41% |
| Net Interest Margin | 3.83% | 3.83% | 3.99% | 3.84% | 3.84% |
| Net NPA | 0.59% | 0.59% | 0.46% | 0.48% | 0.48% |
| EPS (annualized, Rs. per share) | 65.48 | 76.51 | 62.48 | 61.28 | 73.41 |
| Capital + Reserves (Excl. Revaluation Reserve) (Rs. in crs) | 26,042 | 26,387 | 22,570 | 25,005 | 25,181 |



Well Diversified Loan Book

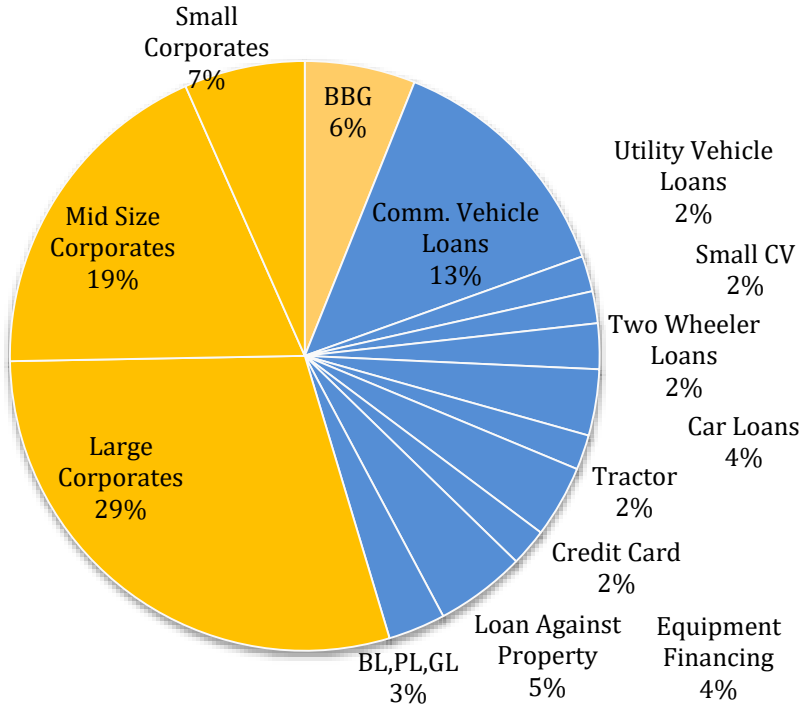
Loan Book (Rs crs)



(Rs crs)

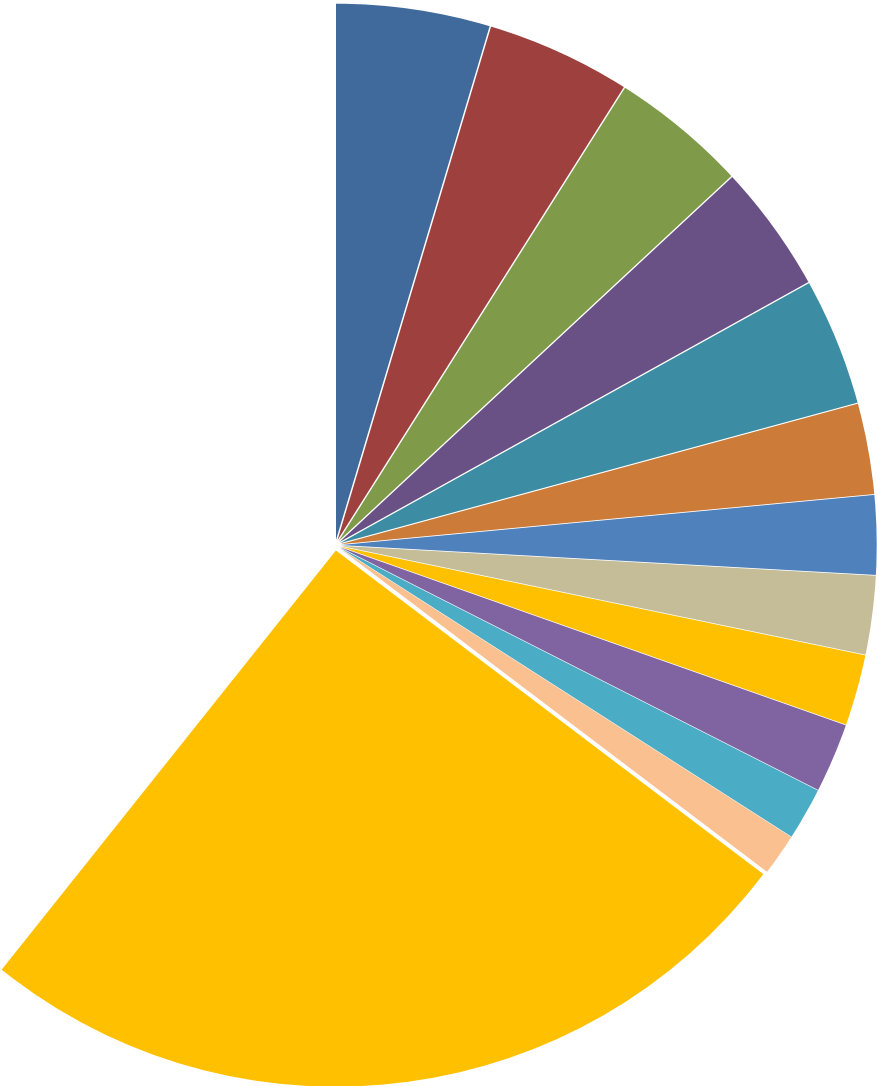
| Corporate Banking | Dec-18 | |
|---------------------|----------|-----|
| Large Corporates | 50,833 | 29% |
| Mid size Corporates | 32,312 | 19% |
| Small Corporates* | 21,991 | 13% |
| Total Advances | 1,05,136 | 61% |

*Includes Business Banking
Rs. 10,511 crs managed by
Consumer Banking



(Rs crs)

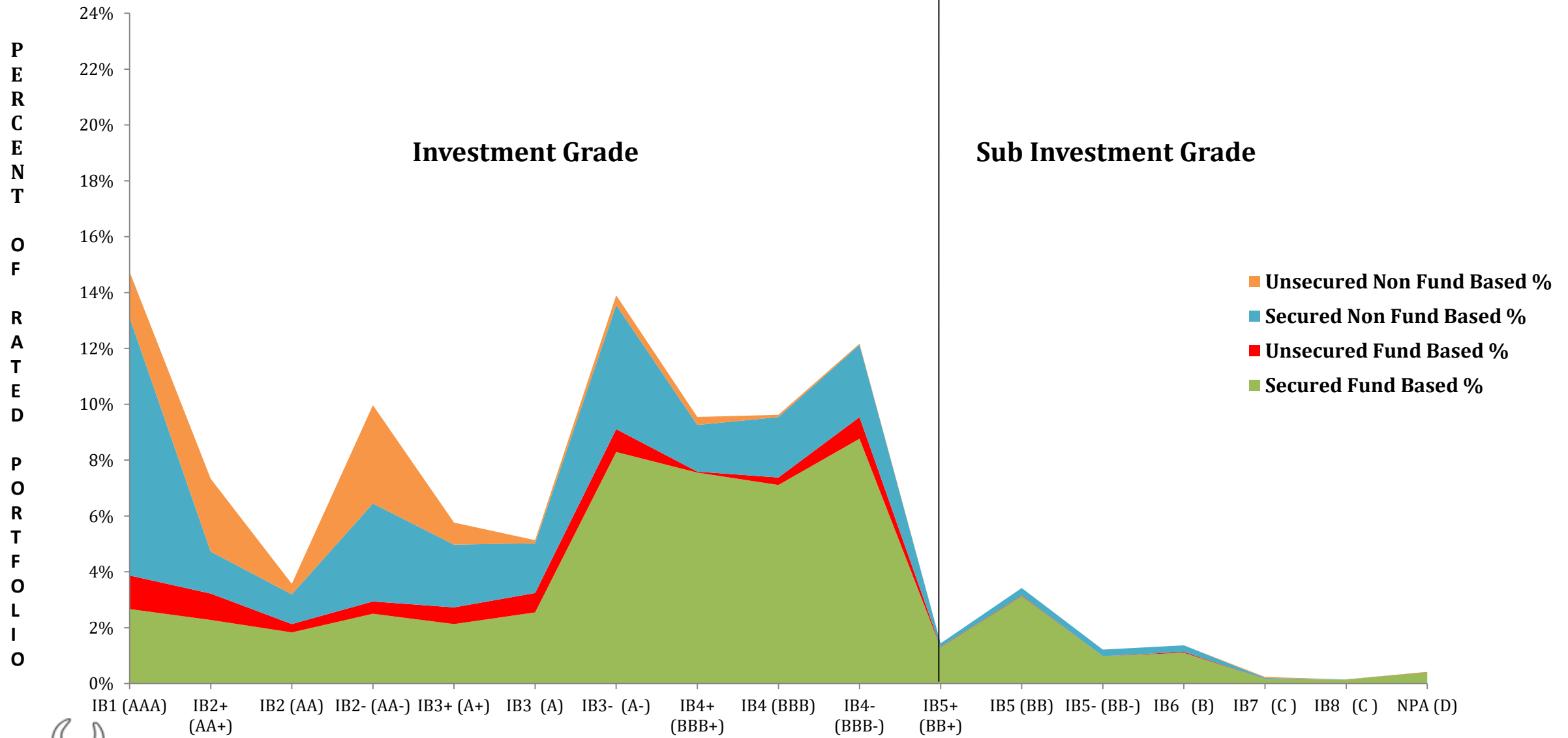
| Consumer Finance | Dec-18 | |
|-----------------------|--------|-----|
| Comm. Vehicle Loans | 23,304 | 13% |
| Utility Vehicle Loans | 3,383 | 2% |
| Small CV | 3,034 | 2% |
| Two Wheeler Loans | 4,322 | 2% |
| Car Loans | 6,285 | 4% |
| Tractor | 3,315 | 2% |
| Equipment Financing | 6,852 | 4% |
| Credit Card | 3,546 | 2% |
| Loan Against Property | 8,557 | 5% |
| BL, PL, GL, Others | 5,435 | 3% |
| Total Advances | 68,033 | 39% |



| | |
|------------------------------------|--------|
| NBFCs (other than HFCs) | 4.63% |
| Microfinance | 4.34% |
| Gems and Jewellery | 4.11% |
| Power Generation | 3.86% |
| Real Estate | 3.84% |
| Constn related to infra.- EPC | 2.73% |
| Steel | 2.38% |
| Lease Rental | 2.36% |
| Roads/other infra projects | 2.14% |
| Services | 2.09% |
| Petroleum & Products | 1.58% |
| Food Beverages and Food processing | 1.26% |
| Other Industry | 25.40% |

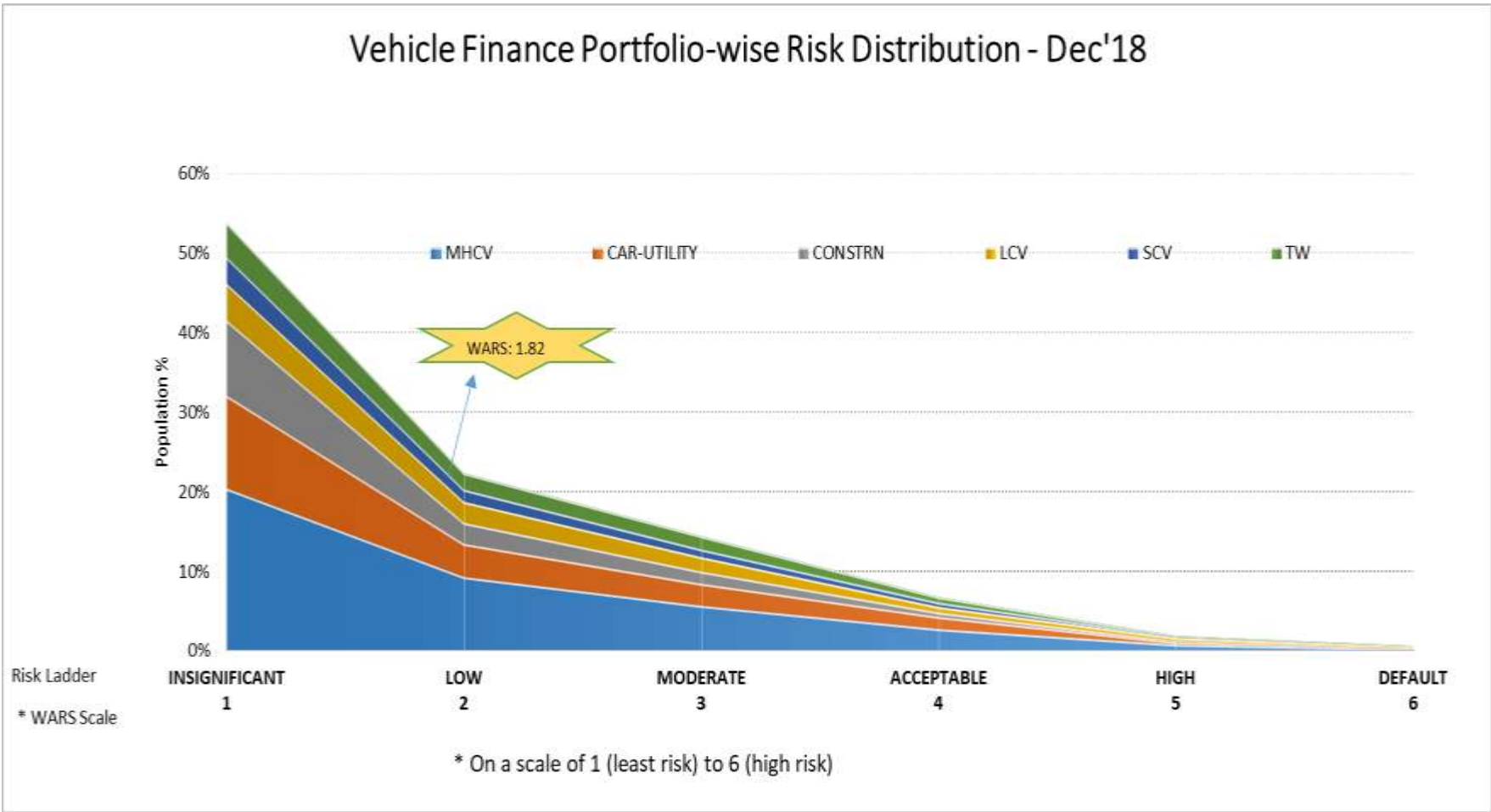


Well Rated Corporate Portfolio



Behavioural Scoring affirms quality of Vehicle Financing Portfolio

- Behavioural Score (B-score) measures post disbursement credit quality using long range historical data.
- B-score assesses every borrower risk using Current and Historical DPD, LTV, Geography, Loan tenor, Customer type, etc.
- B-score is used for credit / portfolio quality assessment, improving collection efficiency, cross-sell and is a lead indicator of credit cost.



Q-o-Q Movement in Weighted Average Risk Score (WARS):

| Quarter | Mar'17 | Jun'17 | Sep'17 | Dec'17 | Mar'18 | Jun'18 | Sep'18 | Dec'18 |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| WARS | 1.82 | 1.89 | 1.89 | 1.84 | 1.73 | 1.77 | 1.80 | 1.82 |

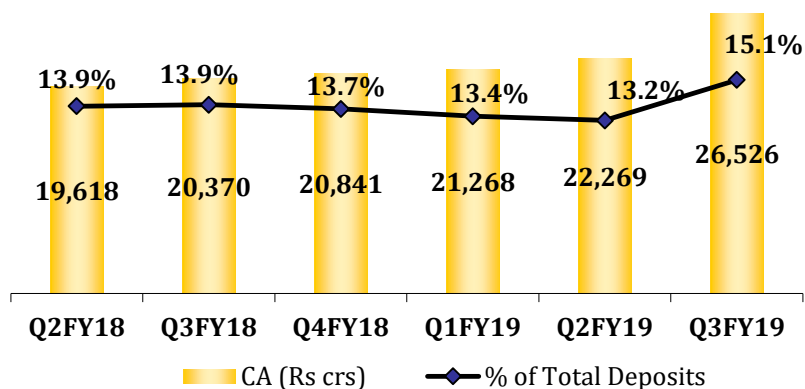


Improving CASA profile

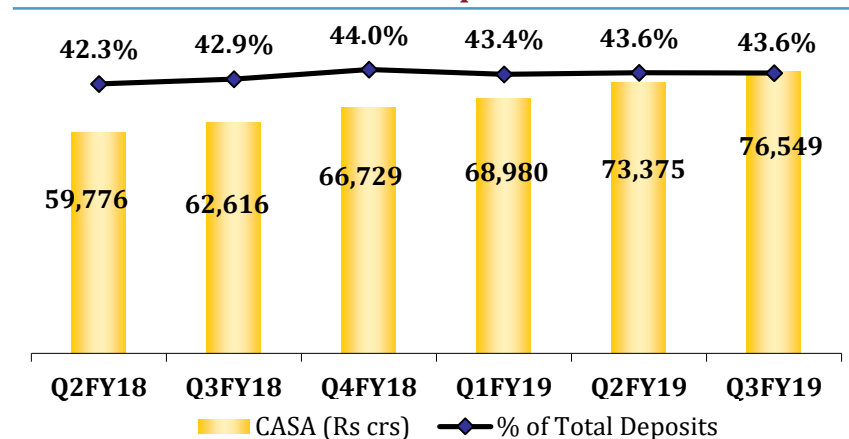
Building CASA traction

- 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

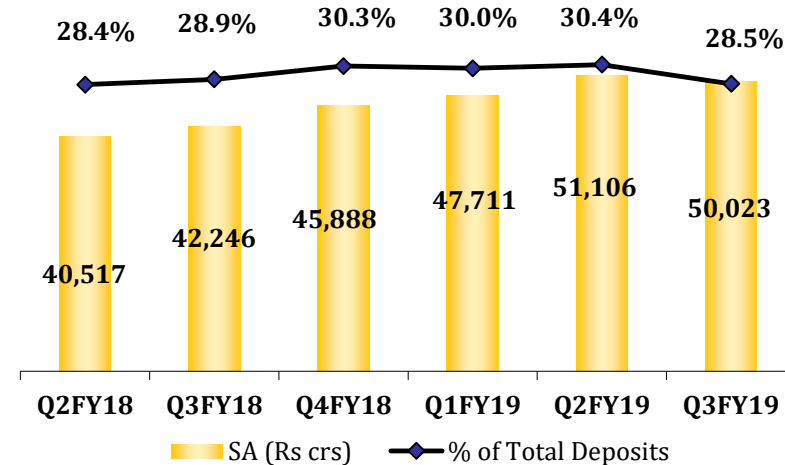
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs Crs)

| | Q3FY19 | Q3FY18 | Y-o-Y (%) | Q2FY19 | Q-o-Q (%) |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Core Fee | 1,266 | 1,077 | 18% ↑ | 1,218 | 4% ↑ |
| Securities/MM/FX Trading/Others | 203 | 110 | 85% ↑ | 99 | 105% ↑ |
| Total | 1,469 | 1,187 | 24% ↑ | 1,317 | 12% ↑ |



Diverse Revenues from Core Fee Income

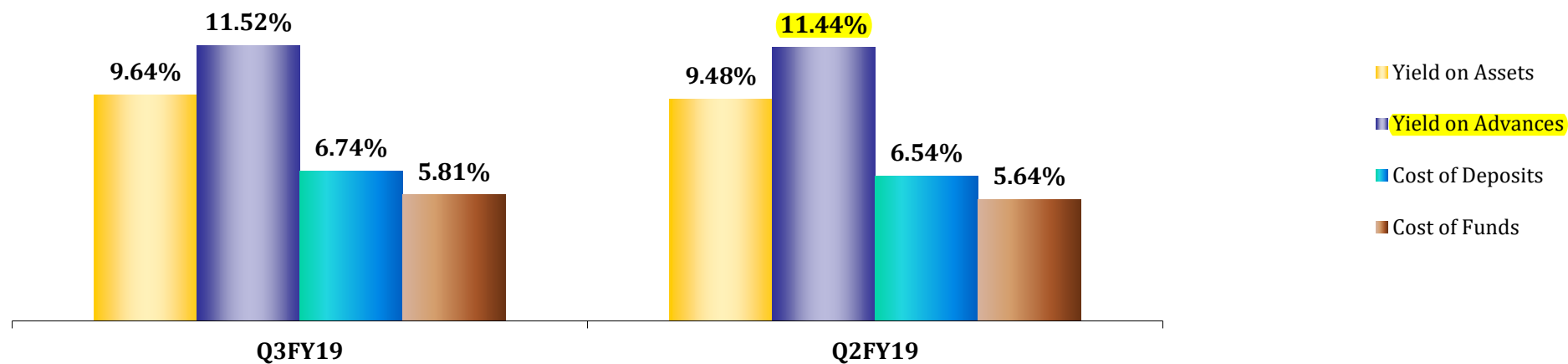
(Rs Crs)

| | Q3FY19 | Q3FY18 | Y-o-Y(%) | Q2FY19 | Q-o-Q(%) |
|--|--------------|--------------|--------------|--------------|-------------|
| Trade and Remittances | 155 | 127 | 22% ↑ | 151 | 3% ↑ |
| Foreign Exchange Income | 275 | 202 | 36% ↑ | 223 | 23% ↑ |
| Distribution Fees (Insurance, MF, Cards) | 268 | 256 | 5% ↑ | 280 | (4%) ↓ |
| General Banking Fees | 91 | 70 | 30% ↑ | 91 | - ↑ |
| Loan Fees | 276 | 242 | 14% ↑ | 260 | 6% ↑ |
| Investment Banking | 201 | 180 | 12% ↑ | 213 | (6%) ↓ |
| Total Core Fee Income | 1,266 | 1,077 | 18% ↑ | 1,218 | 4% ↑ |

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

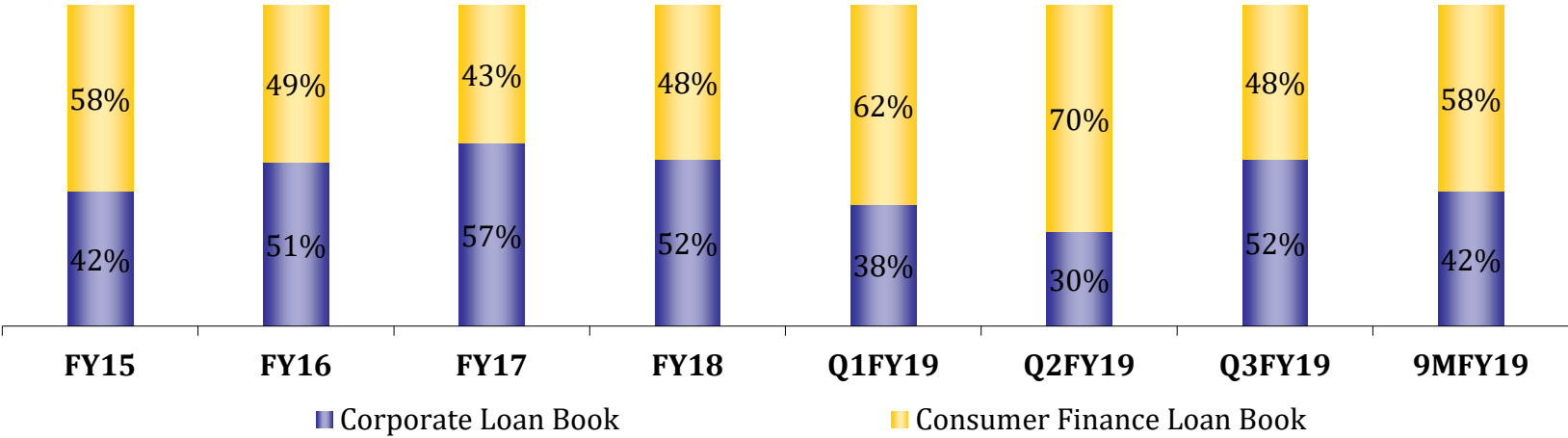
| | Q3FY19 | | Q2FY19 | |
|------------------|-------------------------|---------------|-------------------------|---------------|
| | Outstanding (Rs crs) | Yield (%) | Outstanding (Rs crs) | Yield (%) |
| Corporate Bank | 1,05,136 | 9.82% | 99,501 | 9.69% |
| Consumer Finance | 68,033 | 14.12% | 63,643 | 14.08% |
| Total | 1,73,169 | 11.52% | 1,63,144 | 11.44% |



Credit Cost

(Rs Crs)

| | FY15 | FY16 | FY17 | FY18 | Q1FY19 | Q2FY19 | Q3FY19 | 9MFY19 |
|--|------|------|------|------|--------|--------|--------|--------|
| Corporate Bank | 144 | 258 | 401 | 468 | 80 | 59 | 158 | 297 |
| Consumer Finance | 195 | 244 | 303 | 433 | 129 | 141 | 148 | 418 |
| Gross Credit Costs | 339 | 502 | 704 | 901 | 209 | 200 | 306 | 715 |
| Gross Credit Costs (Basis Points on Advances) | 49 | 57 | 62 | 62 | 14 | 12 | 18 | 41 |
| Net Credit Cost | 323 | 468 | 672 | 856 | 205 | 193 | 299 | 697 |
| Net Credit Costs (Basis Points on Advances) | 48 | 53 | 59 | 59 | 14 | 12 | 17 | 40 |
| PCR | 63% | 59% | 58% | 56% | 56% | 56% | 48% | 48% |



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs Crs)

| | Q3FY19 | | | Q2FY19 | | |
|--------------------------------------|-----------|----------|------------|-----------|----------|------------|
| | Corporate | Consumer | Total | Corporate | Consumer | Total |
| Opening Balance | 1,061 | 720 | 1,781 | 1,110 | 631 | 1,741 |
| Additions | 458 | 348 | 806 | 93 | 326 | 419 |
| Deductions | 316 | 303 | 619 | 142 | 237 | 379 |
| Gross NPA | 1,203 | 765 | 1,968* | 1,061 | 720 | 1,781* |
| Net NPA | | | 1,029 | | | 788 |
| % of Gross NPA | | | 1.13% | | | 1.09% |
| % of Net NPA | | | 0.59% | | | 0.48% |
| Provision Coverage Ratio (PCR) | | | 48% | | | 56% |
| Restructured Advances | | | (186)0.11% | | | (178)0.11% |
| Restructured + Gross NPA to Advances | | | 1.24% | | | 1.20% |

*After sale to ARC Rs. 134 crs (Rs. 104 crs)



NPA Composition – Consumer Finance

(Rs Crs)

| Q3-FY19 | Com. Vehicle | Utility | Const. Equip. | Small CV | TW | Cars | LAP/HL/PL | Tractor | Cards | Total |
|-------------|--------------|---------|---------------|----------|-------|-------|-----------|---------|-------|-------|
| Gross NPA | 245 | 45 | 52 | 40 | 158 | 52 | 57 | 48 | 68 | 765 |
| Gross NPA % | 1.05% | 1.32% | 0.76% | 1.32% | 3.60% | 0.82% | 0.41% | 1.46% | 1.90% | 1.12% |

| Q2-FY19 | Com. Vehicle | Utility | Const. Equip. | Small CV | TW | Cars | LAP/HL/PL | Tractor | Cards | Total |
|-------------|--------------|---------|---------------|----------|-------|-------|-----------|---------|-------|-------|
| Gross NPA | 205 | 43 | 46 | 37 | 153 | 47 | 79 | 53 | 57 | 720 |
| Gross NPA % | 0.93% | 1.32% | 0.73% | 1.27% | 3.87% | 0.80% | 0.60% | 1.72% | 1.78% | 1.13% |



(Rs Crs)

| | 31 Dec 18 | 30 Sept 18 |
|-----------------------------------|-----------------|-----------------|
| | Basel – III | Basel – III |
| Credit Risk, CVA and UFCE | 1,75,042 | 1,66,588 |
| Market Risk | 7,973 | 8,617 |
| Operational Risk | 18,840 | 18,840 |
| Total Risk Weighted Assets | 2,01,855 | 1,94,045 |
| Core Equity Tier 1 Capital Funds | 25,809 | 24,897 |
| Additional Tier 1 Capital Funds | 2,000 | 2,000 |
| Tier 2 Capital Funds | 831 | 810 |
| Total Capital Funds | 28,640 | 27,707 |
| CRAR | 14.19% | 14.28% |
| CET1 | 12.79% | 12.83% |
| Tier 1 | 13.78% | 13.86% |
| Tier 2 | 0.41% | 0.42% |



Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

Strengthening Distribution Infrastructure

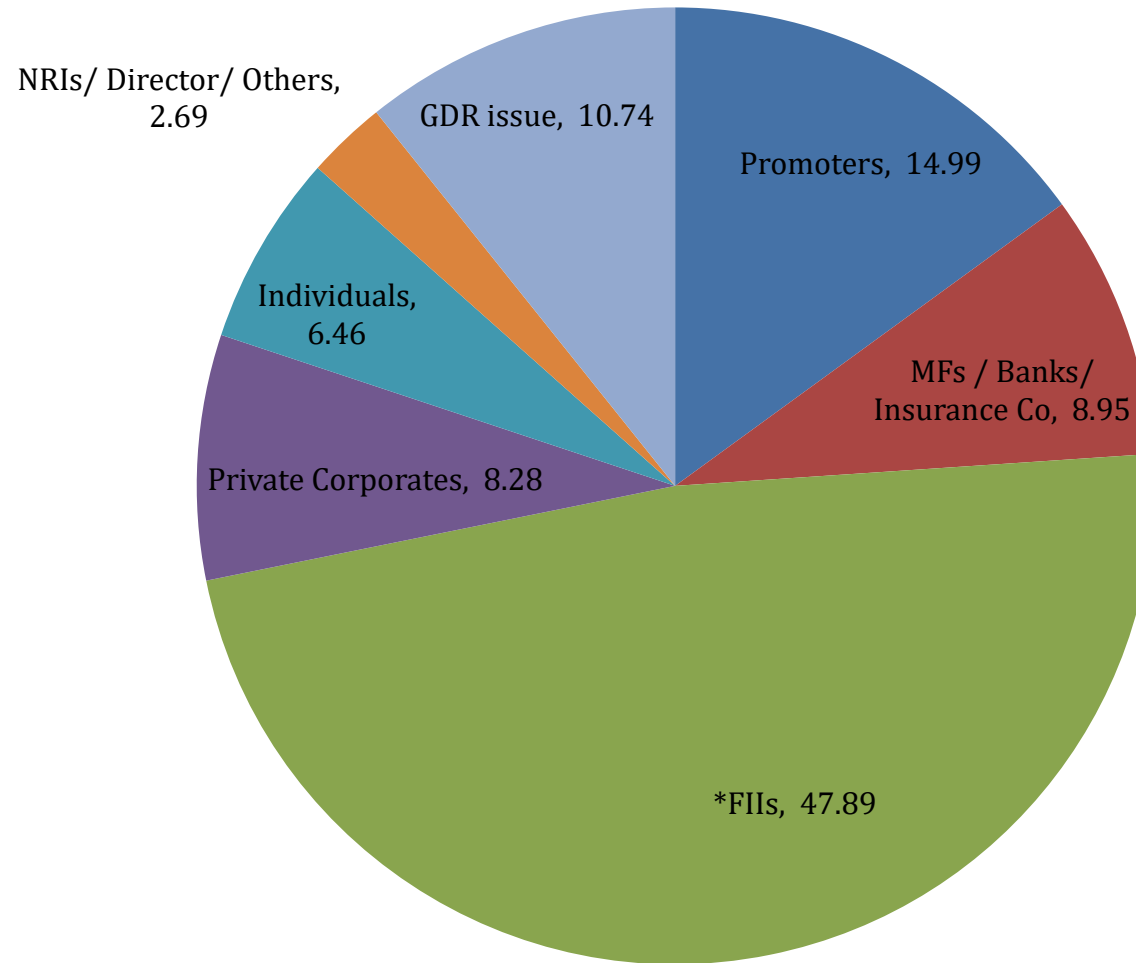
| Particulars | Mar. 31, 2018 | June 30, 2018 | Sept. 30, 2018 | Dec. 31, 2018 |
|--------------------------|---------------|---------------|----------------|---------------|
| Branches/Banking Outlets | 1,400 | 1,410 | 1,466 | 1,558* |
| ATMs | 2,203 | 2,285 | 2,372 | 2,453 |

*includes 208 specialized branches and 65 Banking outlets



• Branch/Representative Office
• Strategic Alliance

December 31, 2018



*includes FPIs

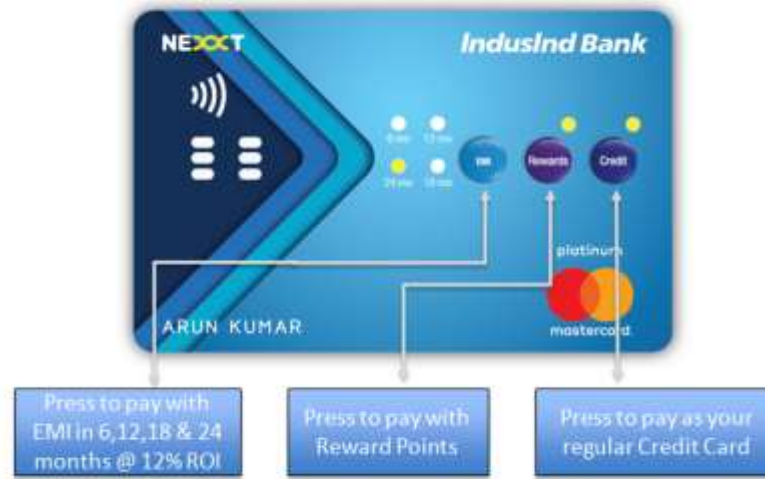


New Initiatives



Nexxt Card Product Launch





An industry first - A one-of-a-kind battery powered interactive Card launched in the Indian market offering absolute flexibility when making payments at POS.

- The Card plastic has buttons for payment options. Each button corresponds to a different payment feature.
- When the button is pressed, the LED light associated with the pressed button illuminates to indicate the payment selection.
- Cardholder needs to press a button before dipping/swiping his Credit Card into the POS machine slot.



Industry / Media Recognition / Awards





IndusInd Bank has been awarded
with the Stars of the Industry Awards
- Excellence in CSR

Promoting Employment for the
Physically Challenged

Best Use of CSR Practices in Banking
and Finance





IndusInd Bank has been awarded by Ashok Leyland for being the No. 1 Financier for FY 2017-18





IndusInd Bank has been awarded with the IBA Banking Technology Awards 2018

Winner in the category Medium Banks:

- Best Payment Initiatives
- Best IT Risk and Cyber Security Initiatives





IndusInd Bank has been awarded with the IBA Banking Technology Awards 2018

Runner up in the category Medium Banks:

- Technology Bank of the Year
- Best Financial inclusion Initiatives





IndusInd Bank has been awarded with the 12th Edition Express Logistics & Supply Chain Leadership Awards

Best-in-Class Client & Supplier Collaboration





IndusInd Bank has been awarded with the Gold Award at the Apex India CSR Excellence Award in CSR Banking category



IndusInd Bank adjudged Winner of National Payments Excellence Awards 2017 in category 'B' Banks for excellent performance in NPS ATM Network



Thank You

This presentation has been prepared by IndusInd Bank Limited (the “Bank”) solely for information purposes, without regard to any specific objectives, financial situations or informational needs of any particular person. All information contained has been prepared solely by the Bank. No information contained herein has been independently verified by anyone else. This presentation may not be copied, distributed, redistributed or disseminated, directly or indirectly, in any manner.

This presentation does not constitute an offer or invitation, directly or indirectly, to purchase or subscribe for any securities of the Bank by any person in any jurisdiction, including India and the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. Any person placing reliance on the information contained in this presentation or any other communication by the Bank does so at his or her own risk and the Bank shall not be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained herein.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Further, past performance is not necessarily indicative of future results.

This presentation is not a complete description of the Bank. This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially include, among others, future changes or developments in the Bank’s business, its competitive environment and political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Except as otherwise noted, all of the information contained herein is indicative and is based on management information, current plans and estimates in the form as it has been disclosed in this presentation. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such change or changes. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.

This presentation is not intended to be an offer document or a prospectus under the Companies Act, 2013 and Rules made thereafter, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or any other applicable law.

Figures for the previous period / year have been regrouped wherever necessary to conform to the current period’s / year’s presentation. Total in some columns / rows may not agree due to rounding off.

Note: All financial numbers in the presentation are from Audited Financials or Limited Reviewed financials or based on Management estimates.

