Investor Presentation
Q3-2019-20

January 14, 2020

Q3 – FY20 Performance Highlights

- Q3 FY 20 marked by robust growth in headline numbers
- Revenue growth of 29%; NII up by 34%; Fee up by 22%
- PPOP at Rs. 2,758 crs, grew by 30% YoY; PPOP / Assets of 3.83% amongst the industry highest
- Consolidated PAT at Rs. 1,309 crs up by 33%
- Q3 PAT without accelerated provisions at Rs. 1,497 crs up by 52% YoY
- NIM up by 5 bps to 4.15% QoQ (3.83% LY)
- Balance Sheet footage crosses Rs. 3 trillion
- Credit growth up 20% and Deposit growth up 23%
- Strengthened Balance Sheet by improving PCR to 53% with accelerated provisions of Rs. 251 crs
- Loan book quality stable ; GNPA at 2.18% and NNPA at 1.05%
- Capital Adequacy stands at 15.43% (incl 9M FY20 Profits)
- Client base grew by 2 million to touch 25 million

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

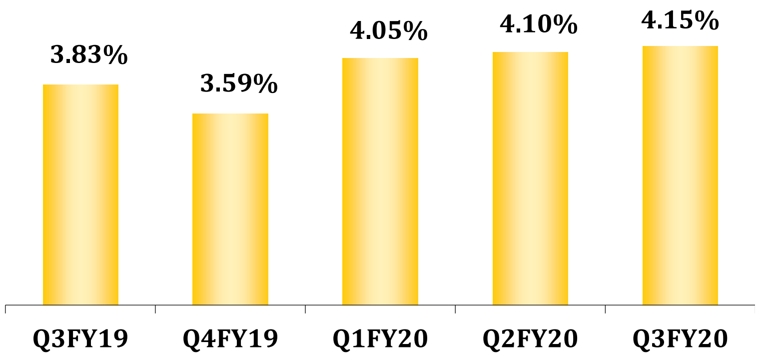
Resulting in

		Q3 FY20 Outcome Consolidated
Loan Growth	25% - 30%	20%
CASA Ratio	40%	42%
Revenue Growth	Exceed Balance Sheet Growth	29%
RoRWA	> 2.4%	2.17%
Branch Network	2,000	1851*
Customer Base	Double to >20mn	On track

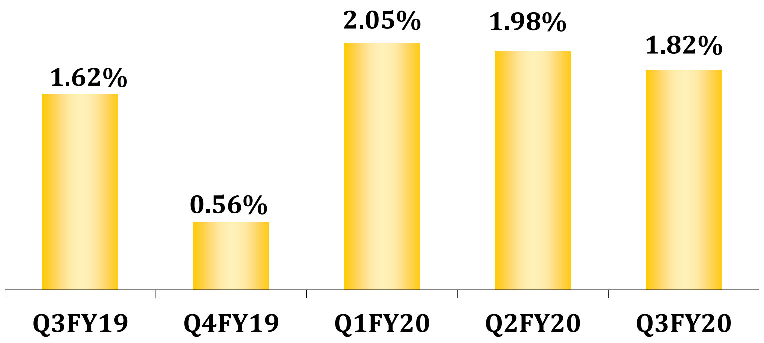
* includes 123 banking outlets

How We Measure Up On Key Metrics

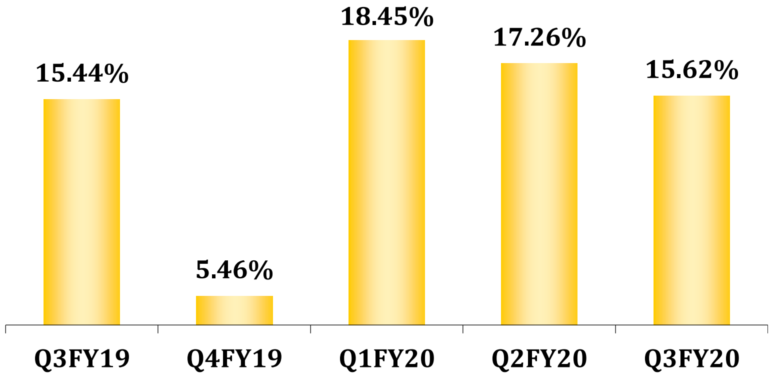
Net Interest Margin (NIM)



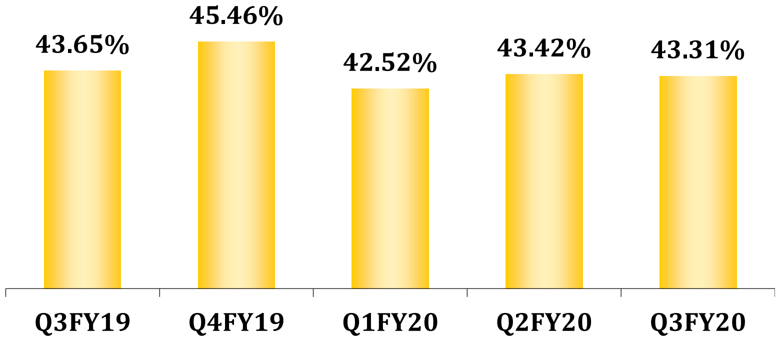
RoA



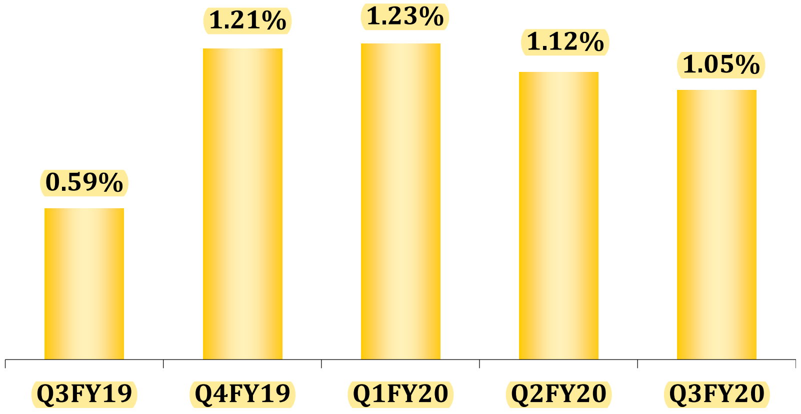
RoE



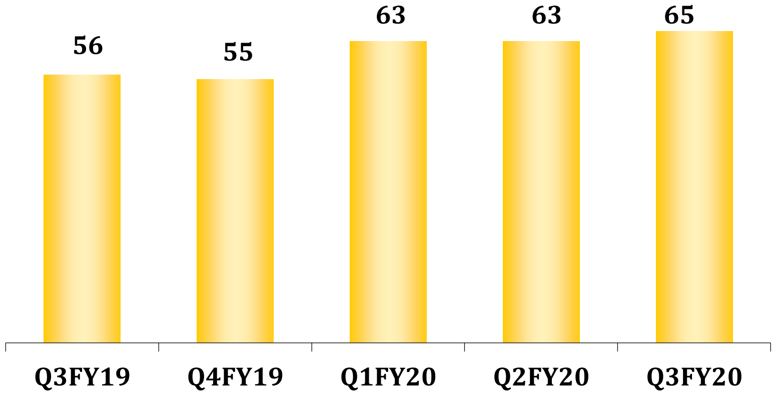
Cost / Income



Net NPA



Revenue / Employee (Rs Lakhs)



Consistent delivery of strong operating performance

Ratings

Domestic Rating:

- **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

International Rating:

- **Baa3** as Issuer, Bank Deposits and Senior Unsecured MTN ratings by Moody's Investors Service
- **P3** as Short Term Issuer Rating by Moody's Investors Service

Consolidated Financial Performance

Steady Headline Numbers for Q3-FY20

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs. 3,074 crs	34%	6%
Total Fee Income	Rs. 1,790 crs	22%	4%
Revenue	Rs. 4,864 crs	29%	5%
Operating Profit	Rs. 2,758 crs	30%	5%
Net Profit	Rs. 1,309 crs	33%	(7%)

Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs. 2,07,413 crs	20%	5%
Deposits	Rs. 2,16,713 crs	23%	5%
CASA	Rs. 91,865 crs	20%	7%
SA	Rs. 64,895 crs	30%	12%
Borrowings	Rs. 46,813 crs	5%	5%

Balance Sheet

(Rs Crs)

	Q3FY20	Q3FY19	Y-o-Y (%)		Q2FY20	Q-o-Q (%)	
Capital & Liabilities							
Capital	693	602	15%	▲	693	-	▲
Reserves and Surplus	32,789	25,798	27%	▲	32,171	2%	▲
Share Warrant Subscription money	674	-	-	▲	674	-	▲
Deposits	2,16,713	1,75,701	23%	▲	2,07,193	5%	▲
Borrowings	46,813	44,536	5%	▲	44,558	5%	▲
Other Liabilities and Provisions	10,261	9,562	7%	▲	9,644	6%	▲
Total	**3,07,943**	**2,56,199**	20%	▲	**294,933**	4%	▲
Assets							
Cash and Balances with RBI	11,350	9,580	18%	▲	9,973	14%	▲
Balances with Banks	9,438	3,170	198%	▲	5,306	78%	▲
Investments	60,517	53,681	13%	▲	63,540	(5%)	▼
Advances	2,07,413	1,73,169	20%	▲	1,97,113	5%	▲
Fixed Assets	1,832	1,699	8%	▲	1,799	2%	▲
Other Assets	17,393	14,900	17%	▲	17,202	1%	▲
Total	**3,07,943**	**2,56,199**	20%	▲	**2,94,933**	4%	▲
Business (Advances + Deposit)	**4,24,127**	**3,48,870**	22%	▲	**4,04,306**	5%	▲

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Profit and Loss Account – Q3FY20

(Rs Crs)

	Q3FY20	Q3FY19	Y-o-Y (%)		Q2FY20	Q-o-Q (%)	
Net Interest Income	3,074	2,288	34%	▲	2,909	6%	▲
Other Income	1,790	1,469	22%	▲	1,727	4%	▲
Total Income	**4,864**	**3,757**	29%	▲	**4,636**	5%	▲
Operating Expenses	2,106	1,640	28%	▲	2,013	5%	▲
Operating Profit	**2,758**	**2,117**	30%	▲	**2,623**	5%	▲
Provisions & Contingencies	1,044	607	72%	▲	737	42%	▲
Credit Cost	576	338	70%	▲	363	59%	▲
Others	468*	269	74%	▲	374**	25%	▲
Profit before Tax	**1,714**	**1,510**	14%	▲	**1,886**	(9%)	▼
Provision for Tax	405	525	(23%)	▼	485	(16%)	▼
Profit after Tax	**1,309**	**985**	33%	▲	**1,401**	(7%)	▼
Profit after Tax (excluding Accelerated provision)	**1,497**	**985**	52%	▲	**1,667**	(10%)	▼

Includes Rs. 251 crs of accelerated provisions ****** *Includes Rs. 355 crs of accelerated provisions*

Profit and Loss Account – 9M FY20

(Rs. 'crores)

	9M-FY20	9M-FY19	YoY (%)
Net Interest Income	8,828	6,614	33% ▲
Other Income	5,180	4,088	27% ▲
Total Income	**14,008**	**10,702**	31% ▲
Operating Expenses	6,036	4,681	29% ▲
Operating Profit	**7,972**	**6,021**	32% ▲
Provisions & Contingencies	2,212	1,547	43% ▲
Credit Cost	1,243	715	74% ▲
Others	969	832	16% ▲
Profit before Tax	**5,760**	**4,474**	29% ▲
Provision for Tax	1,618	1,533	6% ▲
Profit after Tax	**4,142**	**2,941**	41% ▲

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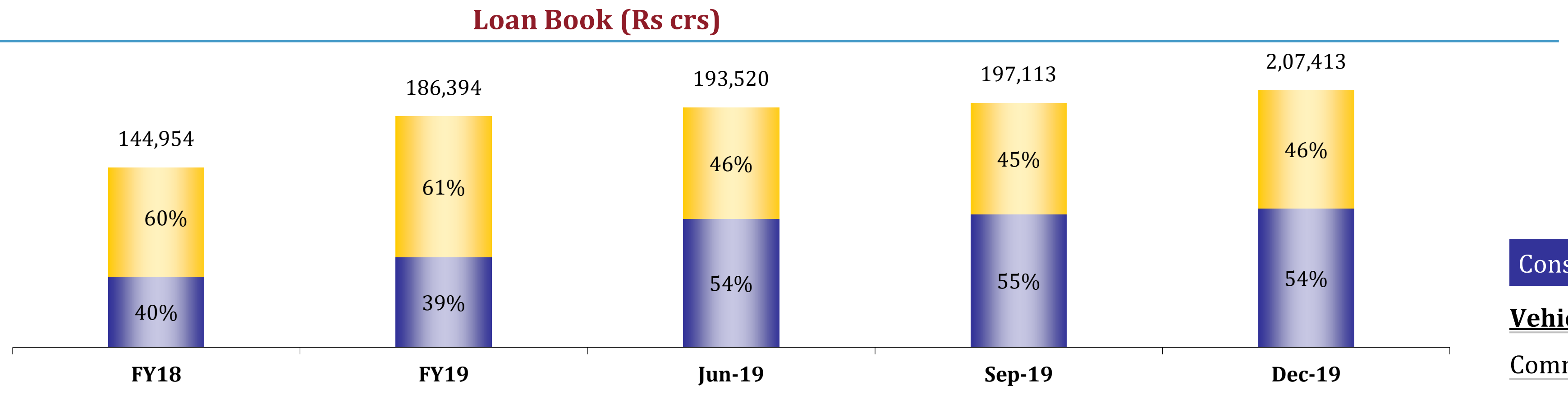
Key Financial Indicators

	Q3FY20	Q3FY19	Q2FY20
Return on Assets	1.82%	1.62%	1.98%
PPOP / Average Assets	3.83%	3.49%	3.70%
Return on Equity	15.62%	15.44%	17.26%
Cost / Income Ratio	43.31%	43.65%	43.42%
Net Interest Margin	4.15%	3.83%	4.10%
Net NPA	1.05%	0.59%	1.12%
EPS (annualized, Rs. per share)	75.56	65.48	80.88
Capital + Reserves (Excl. Revaluation Reserve) (Rs. in crs)	33,832	26,042	33,216

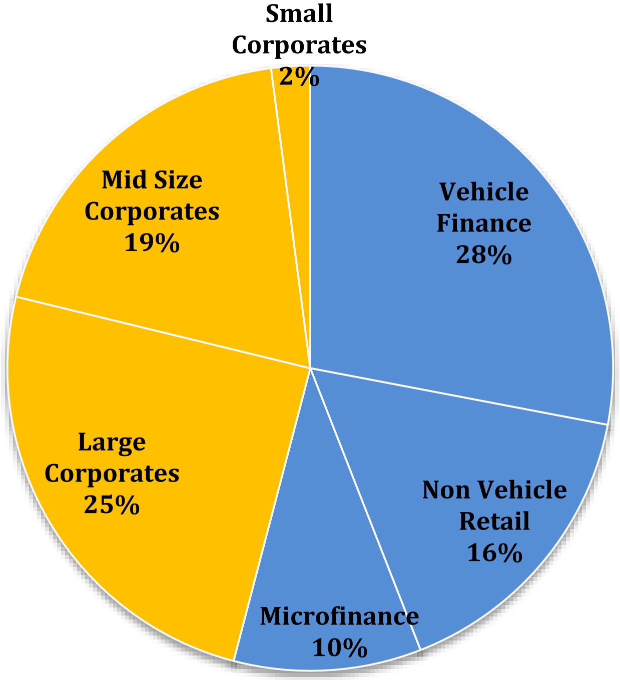
Well Diversified Loan Book



FY18 and FY19 are not comparable due to reclassification of BBG & MFI

(Rs crs)

Corporate Banking	Dec-19	
Large Corporates	51,284	25%
Mid size Corporates	39,677	19%
Small Corporates	4,292	2%
Total Advances	**95,253**	**46%**



(Rs crs)

Consumer Finance	Dec-19	
Vehicle Loans	**58,071**	**28%**
Comm. Vehicle Loans	24,977	12%
Utility Vehicle Loans	4,264	2%
Small CV	3,560	2%
Two Wheeler Loans	5,296	3%
Car Loans	7,336	3%
Tractor	4,400	2%
Equipment Financing	8,238	4%
Non-Vehicle Loans	**33,332**	**16%**
Business Banking	11,460	6%
Loan Against Property	9,539	5%
Credit Card	4,576	2%
BL, PL, AHL Others	7,757	3%
Microfinance*	**20,757**	**10%**
Total Advances	**1,12,160**	**54%**

*includes BFIL

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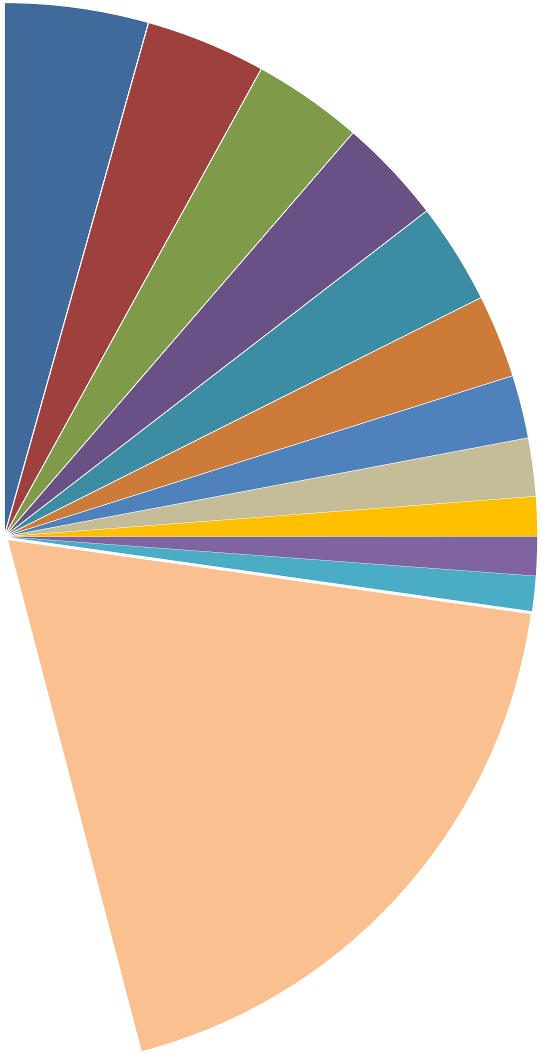
Diversified Corporate Loan Book



Sector	%	SMA2 (Rs. crs)
Lease Rental	4.36%	45
Real Estate	3.64%	23
Gems and Jewellery	3.34%	-
NBFCs (other than HFCs)	3.21%	-
Power Generation	3.06%	-
Steel	2.52%	13
Roads/other infra projects	1.91%	-
Services	1.76%	117
Telecom- Cellular	1.20%	-
Housing Finance Companies	1.18%	-
Food Beverages and Food processing	1.06%	17
Other Industry	18.68%	1,133
Corporate Banking	**45.92%**	**1,348**
Consumer Banking	**54.08%**	**59**
Total	**100.00%**	**1,407**

SMA 1 Outstanding:
0.64% of loans

SMA 2 Outstanding:
0.53% of loans excluding overlap with the 3 Stressed Groups

Accounts in SMA1 & SMA2: 101

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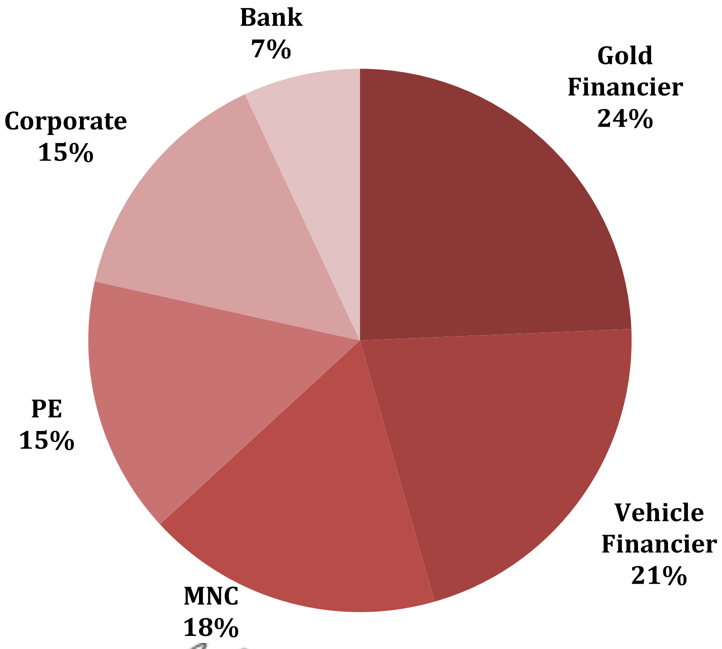
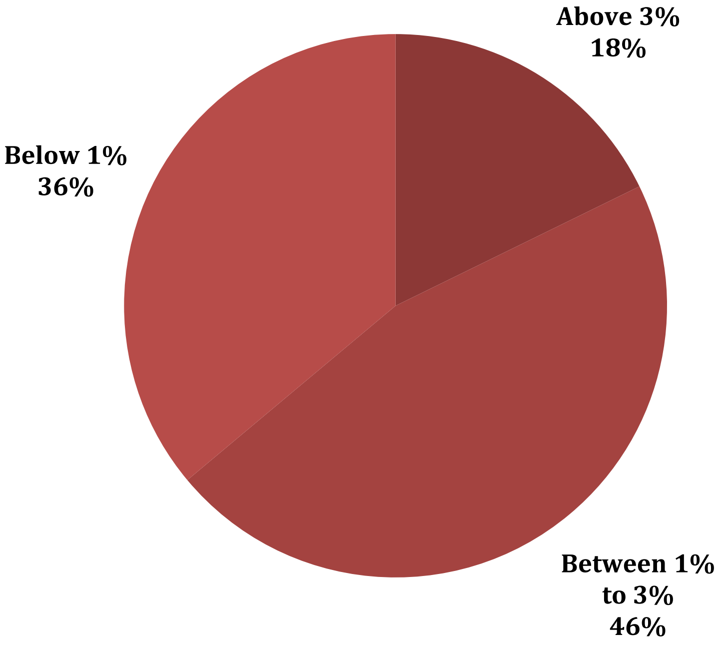
NBFC Exposure

- Loans to NBFCs (other than HFCs and MFIs) at 3.2% of the total loan book (3.7% previous quarter)
- Portfolio spread across entities with strong sponsors typically in niche retail businesses
- Resilient portfolio performance despite the sector facing a tough operating environment

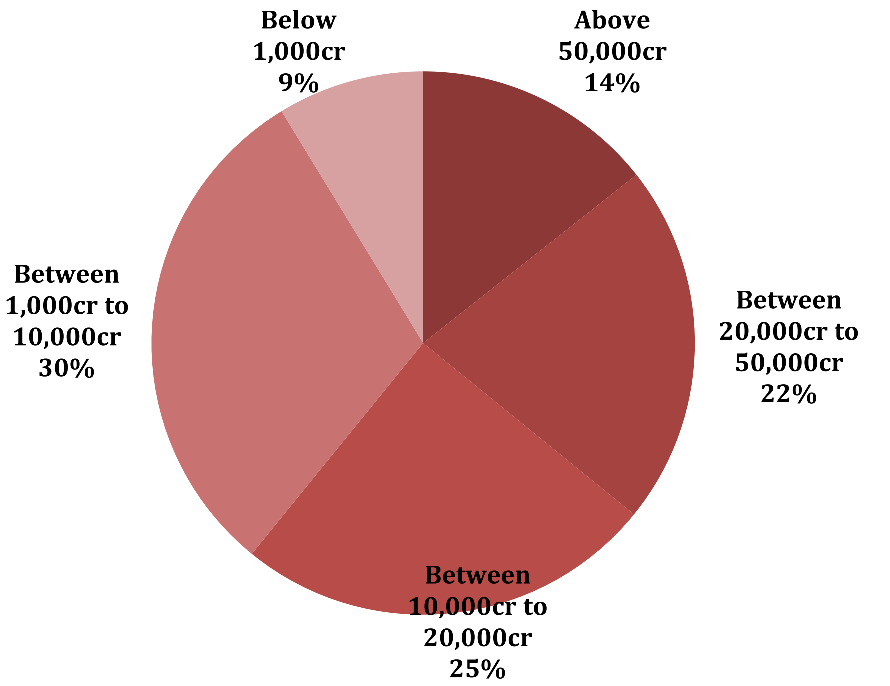
Sponsor Profile



NBFC NNPA Mix

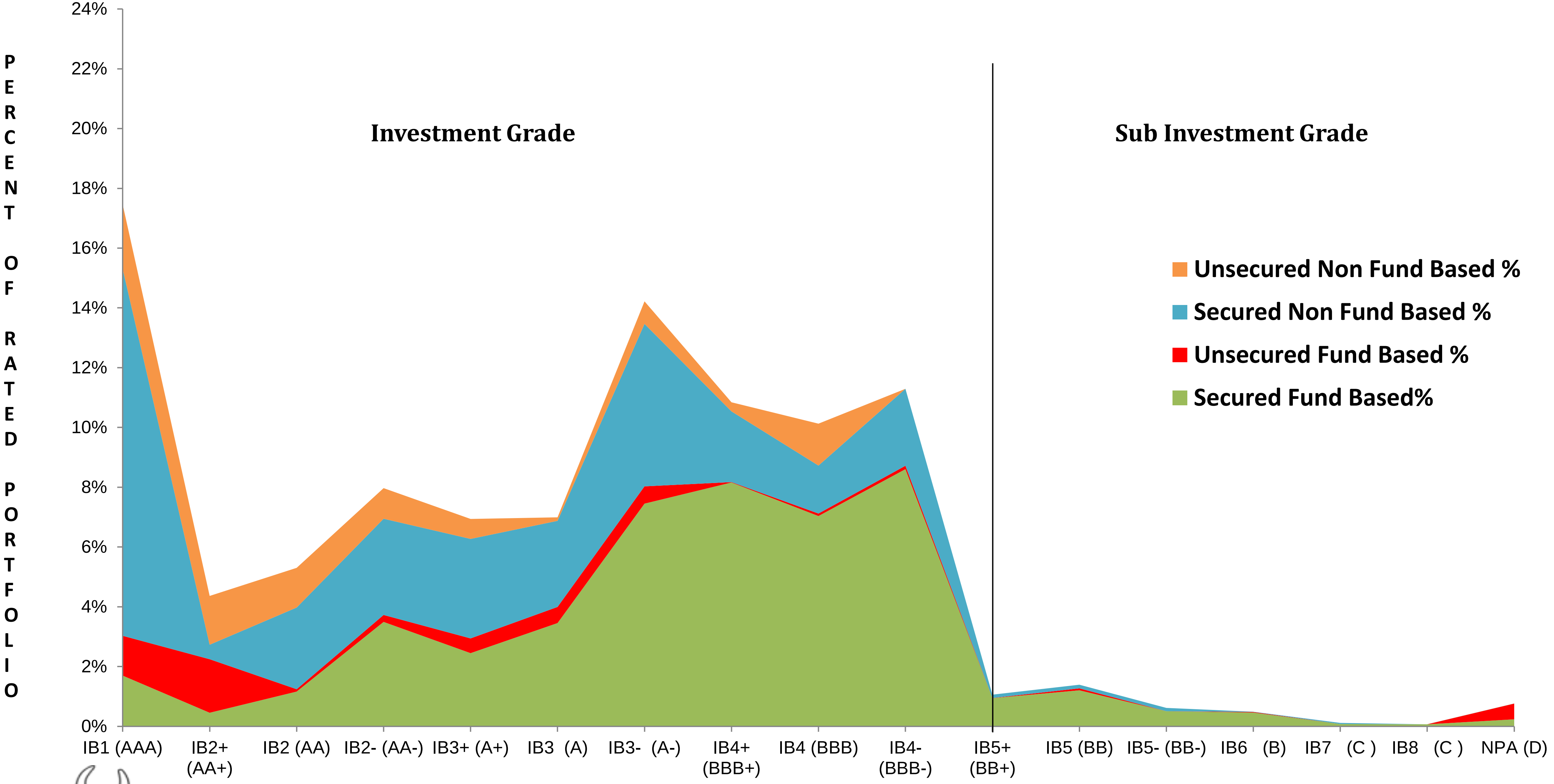


NBFC AUM Mix



Note: Data as of September 2019 for NBFCs >Rs 10cr exposure amounting to 99% of the NBFC portfolio

Well Rated Corporate Portfolio



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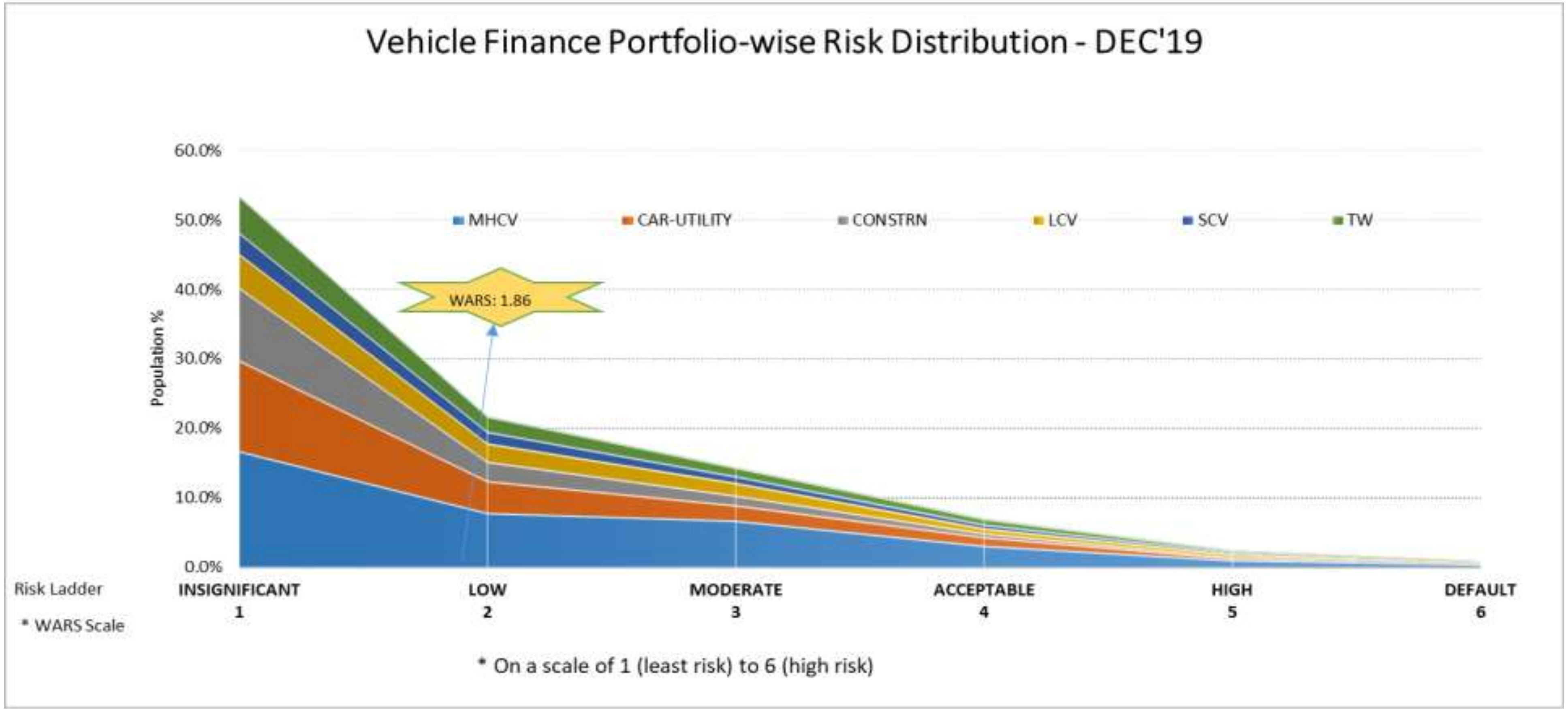
Behavioural Scoring affirms quality of Vehicle Financing Portfolio

- 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	Sep'17	Dec'17	Mar'18	Jun'18	Sep'18	Dec'18	Mar'19	Jun'19	Sep'19	Dec'19
WARS	1.89	1.84	1.73	1.77	1.80	1.82	1.75	1.82	1.86	1.86

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Market rumours / comments on Exposure to Potentially Stressed Groups

- **Three stressed groups, one each in Media / Diversified / Housing Finance sectors**
- **Bank's net funded and non-funded exposure to these groups is 0.47% of the loan book net of provisions held as under:**

% of Loans	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Media Group	0.4%	0.4%	0.3%	0.27%(1)
Diversified Group	1.0%	1.0%	0.5%	0.21%
HFC	0.4%	0.3%	0.3%	- (2)
Total	**1.9%**	**1.7%**	**1.1%**	**0.47%**

Note 1: Holding Company exposures at 0.14% and OpCo Cash Flow exposures at 0.12%
Note 2: Exposure 100% provided of which 25% debited to P&L and 75% drawn down from the Reserves (drawn down amount shall be debited to P&L equally over the next 3 quarters).

- **Consolidated security cover of 169% for the exposures held by us, of which marketable security in the form of listed shares covers 27% of the total exposure as on date**
- **All above accounts remain standard in the Bank's books**

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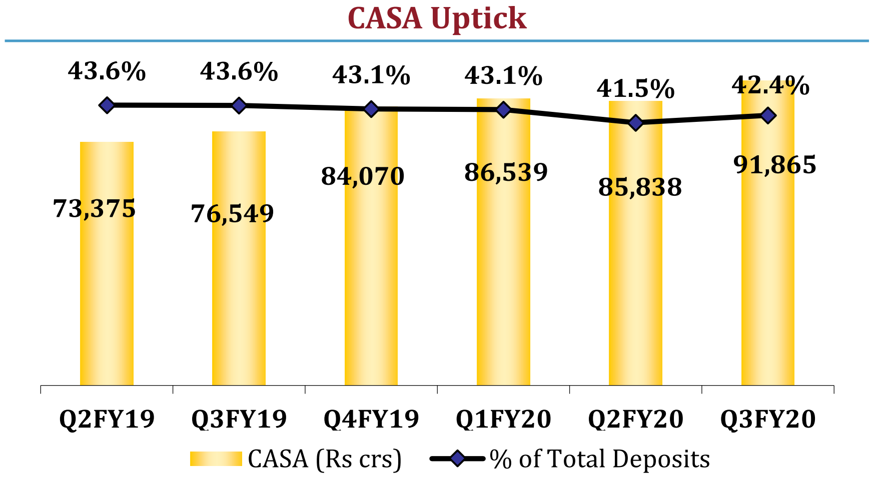
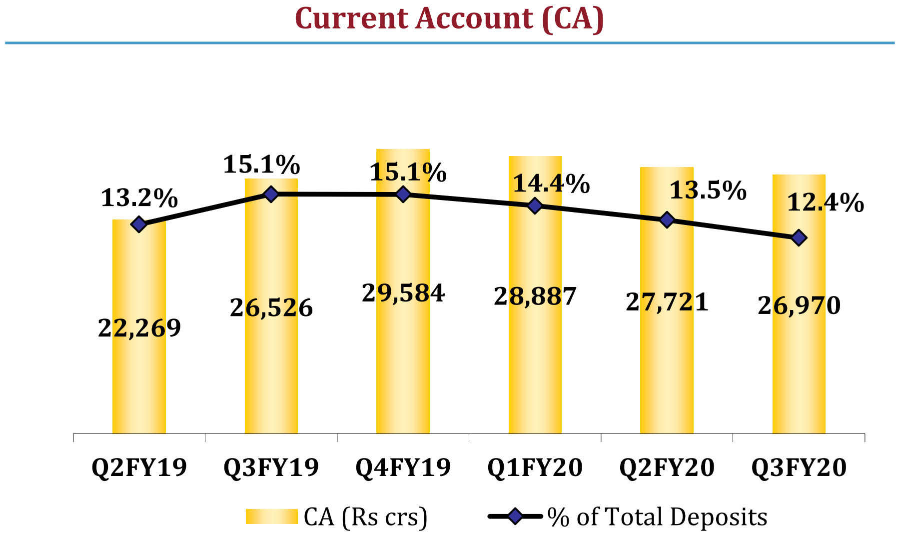
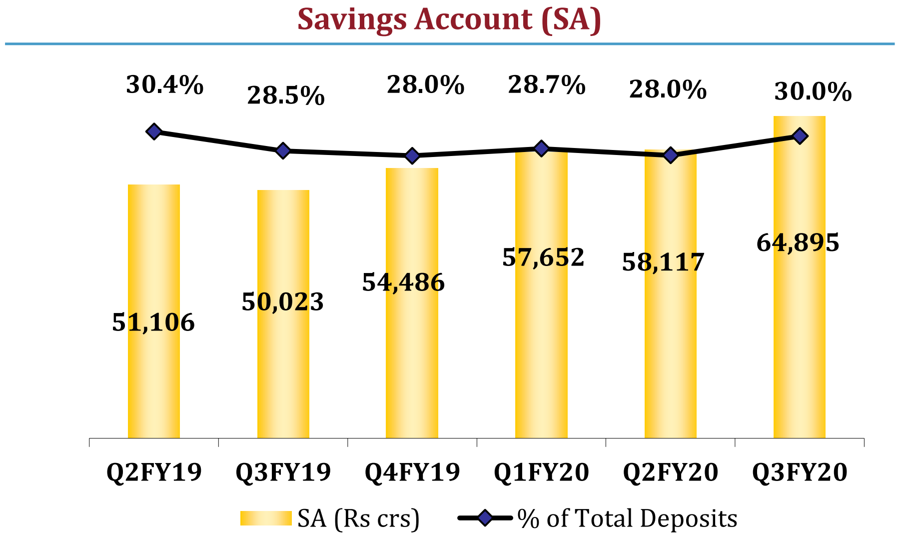
Improving CASA profile

Building CASA traction

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







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Other Income

(Rs Crs)

	Q3FY20	Q3FY19	Y-o-Y (%)	Q2FY20	Q-o-Q (%)
Core Fee	1,506	1,266	19% ▲	1,468	3% ▲
Securities/MM/FX Trading/Others	284	203	40% ▲	259	10% ▲
Total	**1,790**	**1,469**	22% ▲	**1,727**	4% ▲

Diverse Revenues from Core Fee Income

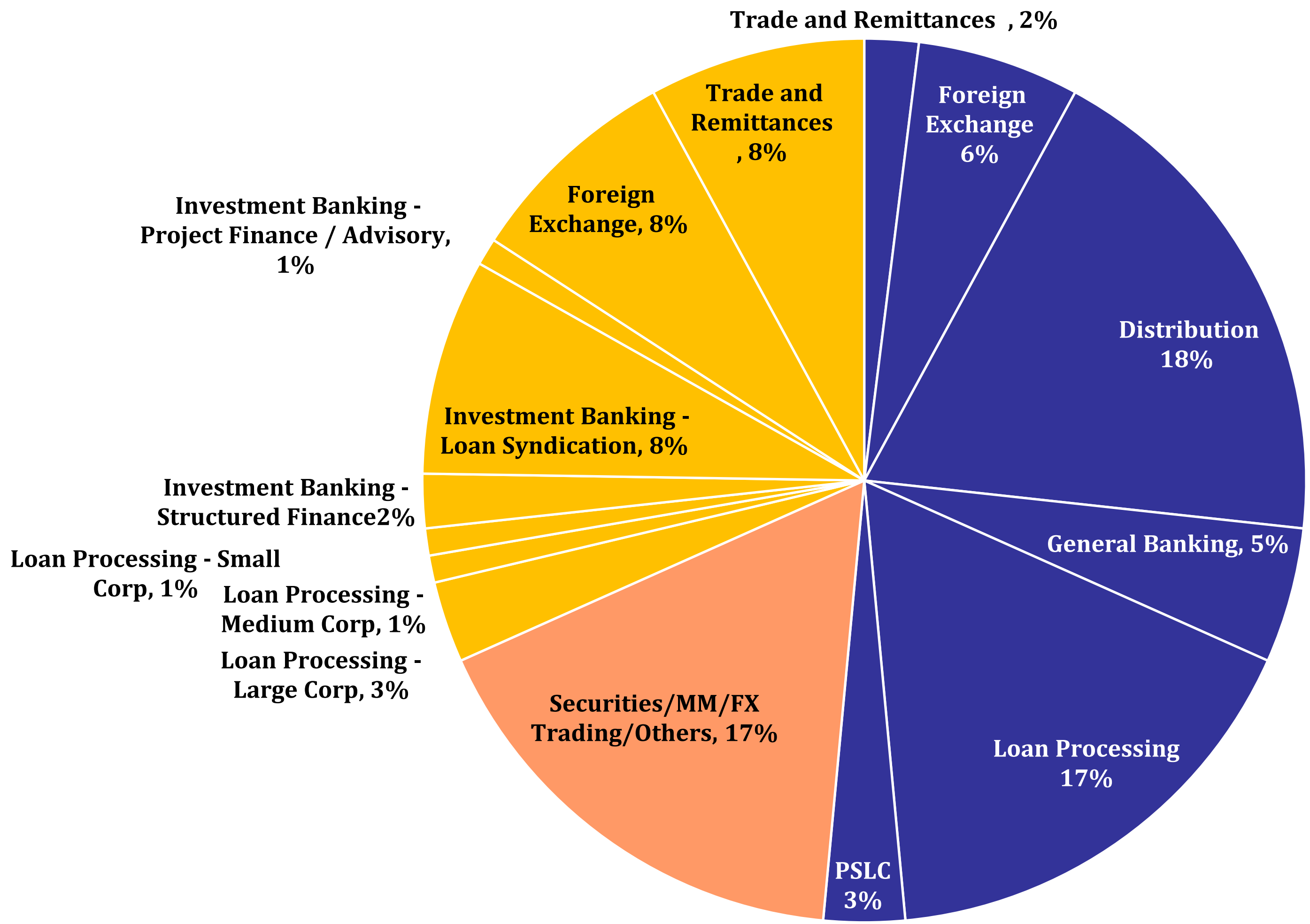
(Rs Crs)

	Q3FY20	Q3FY19	Y-o-Y(%)		Q2FY20	Q-o-Q(%)	
Trade and Remittances	185	155	19%	▲	182	2%	▲
Foreign Exchange Income	241	275	(12%)	▼	277	(13%)	▼
Distribution Fees (Insurance, MF, Cards)	347	268	29%	▲	322	8%	▲
General Banking Fees	85	91	(7%)	▼	90	(6%)	▼
Loan Fees	388	261	49%	▲	360	8%	▲
Investment Banking	209	201	4%	▲	201	4%	▲
PSLC	51	15	235%	▲	36	39%	▲
Total Core Fee Income	**1,506**	**1,266**	19%	▲	**1,468**	3%	▲

Growth momentum continues on regular fee flows

Diversified and Granular Fee Streams – Q3-FY20

Corporate Banking (32%)	Consumer Banking (51%)	Trading and Other Income (17%)



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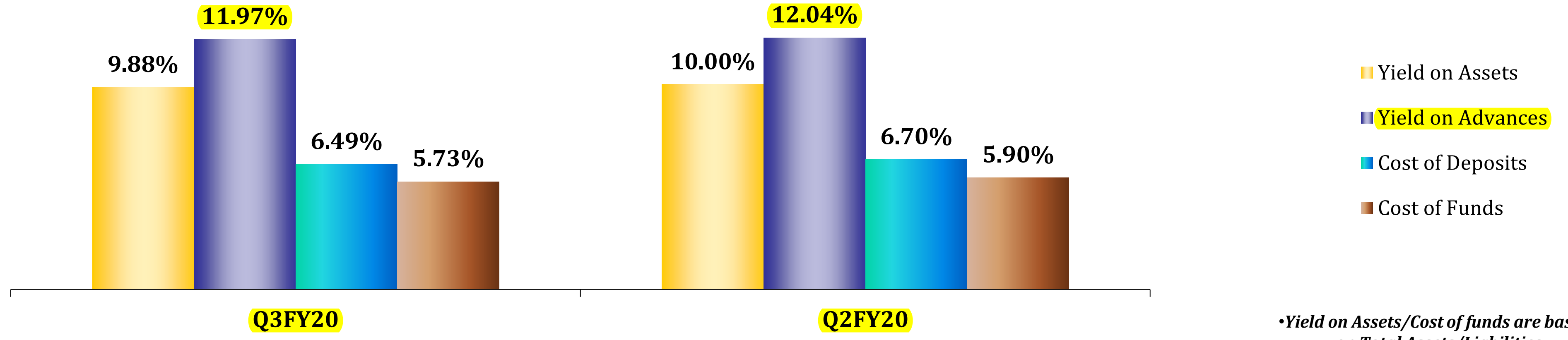
Yield / Cost Movement



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

Segment-wise Yield

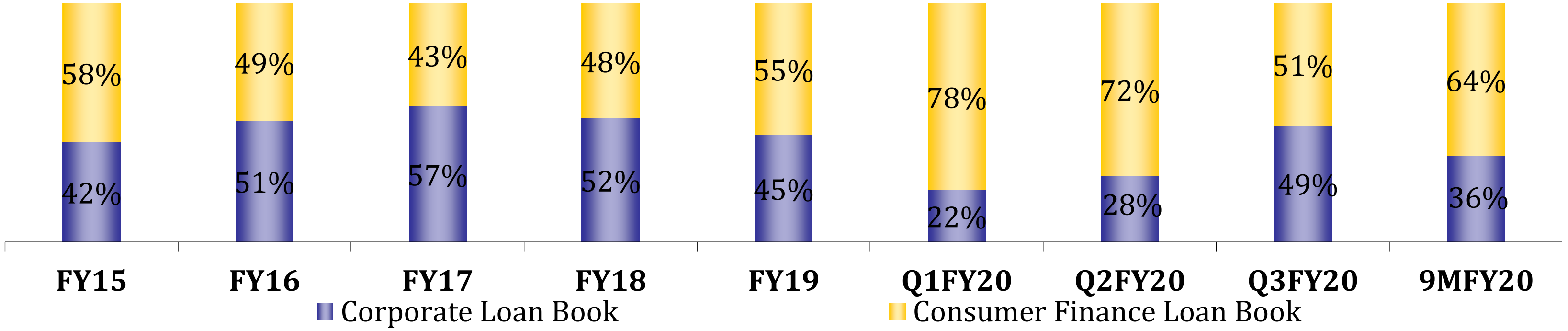
	Q3FY20		Q2FY20	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	95,253	8.87%	89,661	9.02%
Consumer Finance	1,12,160	14.67%	1,07,452	14.65%
Total	**2,07,413**	**11.97%**	**1,97,113**	**12.04%**

Credit Cost

(Rs Crs)

	FY15	FY16	FY17	FY18	FY19	Q1FY20	Q2FY20	Q3FY20	9MFY20
Corporate Bank	144	258	401	468	2,134	67	101	283	450
Consumer Finance	195	244	303	433	585	237	262	293	793
Gross Credit Costs	**339**	**502**	**704**	**901**	**2,719**	**304**	**363**	**576***	**1,243**
Gross Credit Costs ***(Basis Points on Advances)***	**49**	**57**	**62**	**62**	**146**	**16**	**18**	**28***	**60**
Net Credit Cost	**323**	**468**	**672**	**856**	**2,689**	**293**	**348**	**575***	**1,216**
Net Credit Costs (Basis Points on Advances)	**48**	**53**	**59**	**59**	**144**	**15**	**18**	**28***	**59**
PCR	**63%**	**59%**	**58%**	**56%**	**43%**	**43%**	**50%**	**53%**	**53%**

*** Excluding accelerated provision of Rs. 251 crs**



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Loan Portfolio - Movement in NPA and Restructured Advances

(Rs Crs)

	Q3FY20			Q2FY20		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	2,932	1,438	**4,370**	2,903	1,297	**4,200**
Additions	1,237(1)	708	**1,945**	479	623	**1,102**
Deductions	1,119(2)	618	**1,737**	450	482	**932**
Gross NPA	3,050	1,528	**4,578***	2,932	1,438	**4,370***
Net NPA			**2,173**			**2,203**
% of Gross NPA			**2.18%**			**2.19%**
% of Net NPA			**1.05%**			**1.12%**
Provision Coverage Ratio (PCR)			**53%**			**50%**
Restructured Advances			**0.06%**			**0.11%**
Restructured + Gross NPA to Advances			**2.27%**			**2.33%**

***After sale to ARC Rs. 200 crs (Rs.103 crs)**

Note 1: Slippages above Rs 100cr include a Travel company (Rs 282cr), a Diversified Group from 3 Stressed Groups (Rs 250cr; fully recovered), a Paper company (Rs 177cr)
Note 2: Deductions include Upgrades of Rs 187cr , Recovery of Rs 345cr , Sale to ARC of Rs 70cr and Write-offs of Rs 516cr (including Rs 250cr for the large infrastructure NBFC, which was classified as NPA in Q4FY19)

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NPA Composition – Consumer Finance

(Rs Crs)

Q3-FY20	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	Tractor	BBG/LAP	HL/PL/Others	Cards	MFI	Total
Gross NPA	415	47	82	60	155	52	69	217	87	118	226	**1,528**
Gross NPA %	1.65%	1.08%	1.00%	1.66%	2.88%	0.70%	1.56%	1.03%	1.12%	2.57%	1.08%	**1.35%**

Q2-FY20	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	Tractor	BBG/LAP	HL/PL/Others	Cards	MFI	Total
Gross NPA	361	48	79	59	155	52	65	258	81	102	178	**1,438**
Gross NPA %	1.43%	1.20%	0.97%	1.72%	3.16%	0.73%	1.57%	1.27%	1.04%	2.40%	0.94%	**1.34%**

CRAR

(Rs Crs)

	31 Dec 19	31 Dec 19	30 Sep 19	30 Sep 19
	Basel – III	Incl. 9M FY 20 PAT	Basel – III	Incl. H1 FY 20 PAT
Credit Risk, CVA and UFCE	2,14,105	2,14,105	2,04,955	2,04,955
Market Risk	8,761	8,761	9,282	9,282
Operational Risk	22,986	22,986	22,986	22,986
Total Risk Weighted Assets	**2,45,852**	**2,45,852**	**2,37,223**	**2,37,223**
Core Equity Tier 1 Capital Funds	29,673	33,389	30,363	32,912
Additional Tier 1 Capital Funds	3,490	3,490	3,490	3,490
Tier 2 Capital Funds	1,048	1,048	1,016	1,016
Total Capital Funds	**34,211**	**37,927**	**34,869**	**37,418**
CRAR	**13.92%**	**15.43%**	**14.70%**	**15.77%**
CET1	12.07%	13.58%	12.80%	13.87%
Tier 1	13.49%	15.00%	14.27%	15.34%
Tier 2	0.43%	0.43%	0.43%	0.43%

Distribution Expansion to Drive Growth

Note: Numbers given above are total branches in each state

Strengthening Distribution Infrastructure

Particulars	Dec. 31, 2018	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019
IBL Branches/Banking Outlets	1,558	1,665	1,701	1,753	1,851*
BFIL Branches	-	-	1,938	2,028	2,163
Vehicle Finance Marketing Outlets	869	845	855	842	859
Total Branches/Outlets	2,427	2,510	4,494	4,623	4,873
ATMs	2,453	2,545	2,605	2,662	2,721

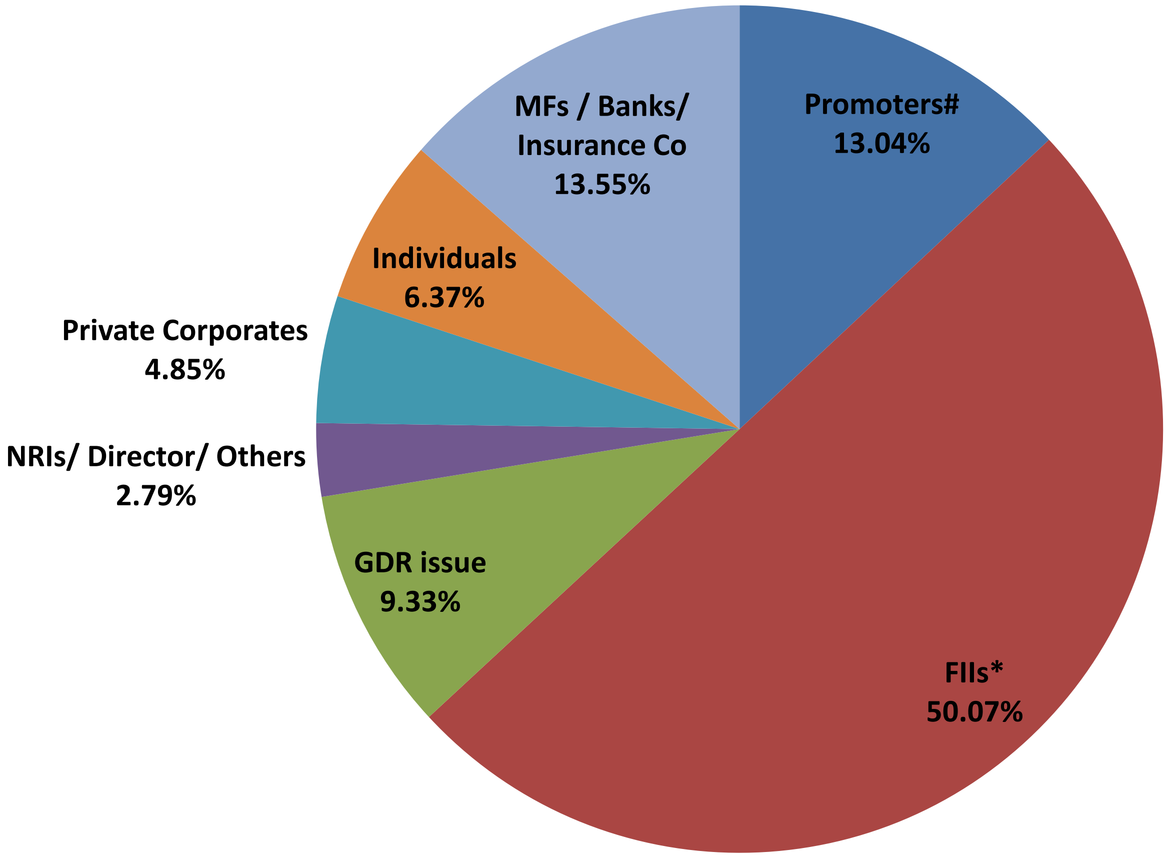
*includes 208 specialized branches and 123 Banking outlets

- *Branch/Representative Office*
- *Strategic Alliance*

IndusInd Bank

Shareholding Pattern

December 31, 2019
(Basis Paid Up Capital)



*includes FPIs

#14.68% with diluted capital including warrants/ESOP

IndusInd Bank

Initiatives for FY20

BFIL Merger

- Merger consummation
- Scaling up liabilities & RDSP (Kirana Stores) pilot

Liabilities Surge

- Pioneer – Banking for well-off
- Retailisation via Household acquisition ramp-up
- Non-Resident Indians
- Match liabilities growth with asset growth

Fee Growth

- Distribution fees for wealth products
- Ramp up retail Trade & FX fees

Retail Asset Growth

- Continued market share gains in vehicle finance
- LAP / BBG to accelerate
- Calibrated growth on unsecured

Digital / Alternate Channels

- Superior Client Experience
- Intensive collaboration with FinTech ecosystem
- Scale up digital sourcing of assets & liabilities

Productivity

- Cost efficient branch expansion
- Robot based Process Automation
- Continued investments in Talent and Technology

Corporate Risk Management Unit

- Business level Portfolio Monitoring Unit
- Diversification by ticket size, geographies, sectors, tenure
- Specialization in select domains

Para-banking

- Insurance (Life & General)
- Asset Management
- Retail Broking
- Regulatory clarity awaited

Accolades

Accolades

IndusInd Bank was honored at 6th **CSR Impact Awards 2019** in the Special Categories Project

Accolades

IndusInd Bank was awarded as the Best Corporate in the Environment, Climate & Forest Category at the **CSR Times Awards 2019**

IndusInd Bank’s sports initiatives under the National Priority Areas have received an 'Honorable mention’ by the **Ministry of Corporate Affairs (MCA), Govt. of India**

Thank You

IndusInd Bank

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