

IndusInd Bank

Investor Presentation

July 13, 2015

Q1 – FY16 Performance Highlights

- Key performance vectors remained stable
- Q-o-Q PAT growth up by 6 per cent
- Non-Interest Income to revenue remains healthy at 42% with Core Fee growth at 23%
- NIM stable at 3.68%
- Credit growth above industry - 23% Y-o-Y and 5% Q-o-Q
- Net NPA at 0.31%
- Credit cost 13 bps for quarter



Plan vs Outcome

Planning Cycle 3 (2014-17)

Q1-FY 16
Outcome

Loan Growth



25% - 30%

23%

CASA Growth



CASA > 35%

35%

Fee Growth
Core Fee Growth



Exceed Loan Growth

26%
23%

Branch Network



To Double from 602

811

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**

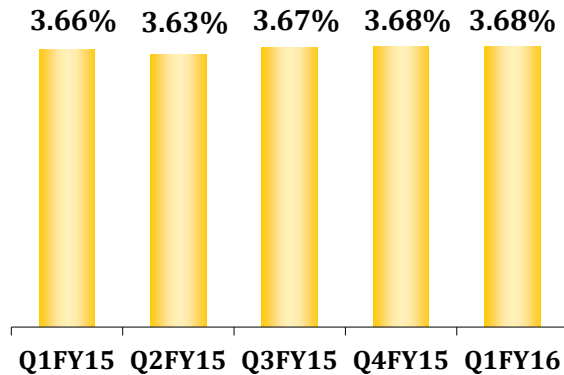
**Front and Back
Office optimization**

**Full suite of Rural
Products**

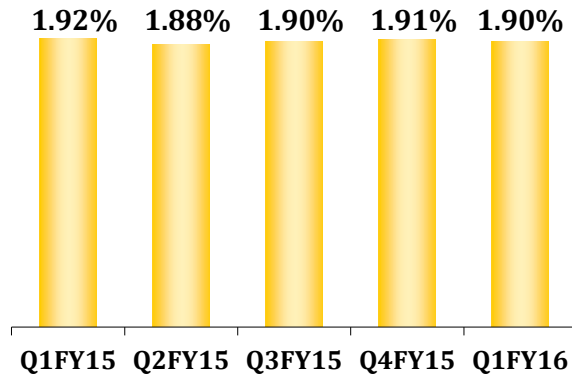


How We Measure Up On Key Metrics

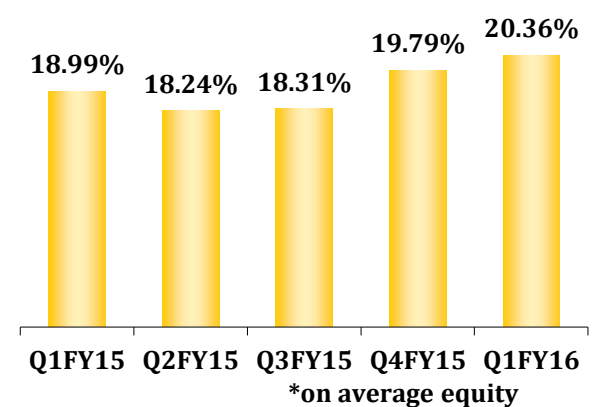
Net Interest Margin (NIM)



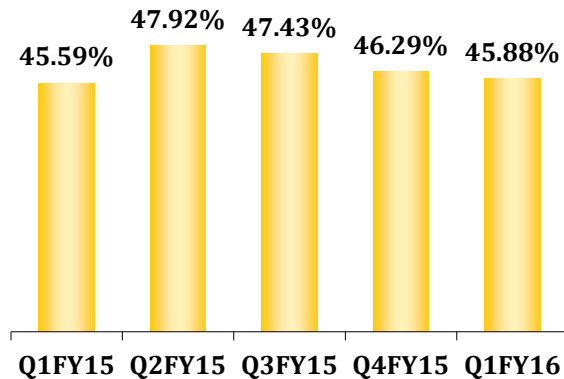
RoA



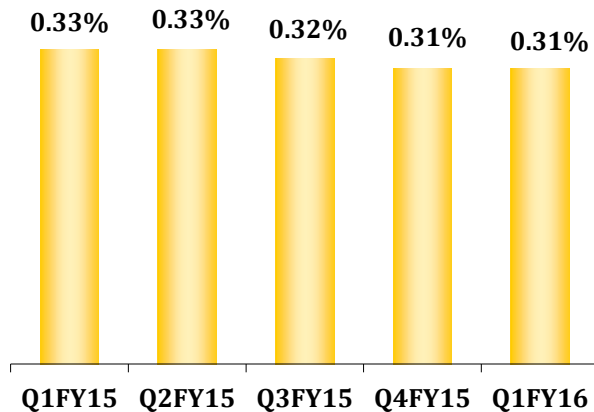
RoE*



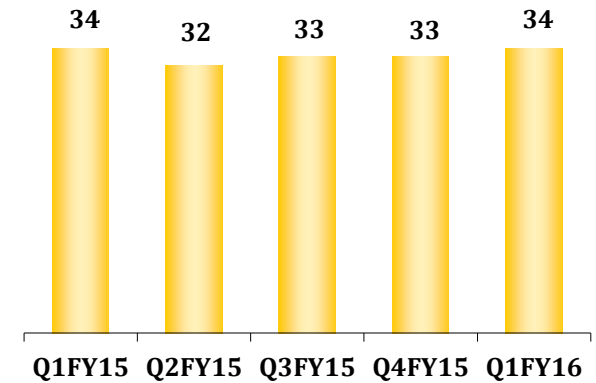
Cost /Income



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 Q1-FY16

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 981 crs	22%	6%
Other Income	Rs 724 crs	26%	10%
Core Fee Income	Rs 599 crs	23%	5%
Revenue	Rs 1,705 crs	24%	8%
Operating Profit	Rs 923 crs	23%	8%
Net Profit	Rs 525 crs	25%	6%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 72,243 crs	23%	5%
Corporate Advances	Rs 42,236 crs	27%	5%
Consumer Finance Advances	Rs 30,007 crs	18%	6%
Deposits	Rs 77,693 crs	22%	5%
CASA	Rs 26,945 crs	26%	7%
SA	Rs 14,016 crs	33%	8%
Borrowings	Rs 21,428 crs	51%	4%



Balance Sheet

(Rs Crs)

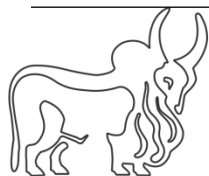
	Q1FY16	Q1FY15	Y-o-Y (%)		Q4FY15	Q-o-Q (%)	
Capital & Liabilities							
Capital	531	526	1%	↑	530	-	↑
Reserves and Surplus	10,650	8,951	19%	↑	10,115	5%	↑
Deposits	77,693	63,893	22%	↑	74,134	5%	↑
Borrowings	21,428	14,196	51%	↑	20,618	4%	↑
Other Liabilities and Provisions	4,114	2,789	48%	↑	3,719	11%	↑
Total	114,416	90,355	27%	↑	109,116	5%	↑
Assets							
Cash and Balances with RBI	3,830	3,621	6%	↑	4,035	-5%	↓
Balances with Banks	8,191	3,360	144%	↑	6,744	21%	↑
Investments	25,595	21,288	20%	↑	24,859	3%	↑
Advances	72,243	58,664	23%	↑	68,788	5%	↑
Fixed Assets	1,163	1,048	11%	↑	1,158	-	↑
Other Assets	3,394	2,374	43%	↑	3,532	-4%	↓
Total	114,416	90,355	27%	↑	109,116	5%	↑
Business (Advances + Deposit)	149,936	122,557	22%	↑	142,922	5%	↑



Profit and Loss Account

(Rs Crs)

	Q1FY16	Q1FY15	Y-o-Y (%)	Q4FY15	Q-o-Q (%)
Net Interest Income	980.66	800.66	22% ↑	925.14	6% ↑
Other Income	724.34	576.37	26% ↑	658.48	10% ↑
Total Income	1,705.00	1,377.03	24% ↑	1,583.62	8% ↑
Operating Expenses	782.28	627.83	25% ↑	733.11	7% ↑
Operating Profit	922.72	749.20	23% ↑	850.51	8% ↑
Provisions & Contingencies	123.33	110.40	12% ↑	107.44	15% ↑
Profit before Tax	799.39	638.80	25% ↑	743.07	8% ↑
Provision for Tax	274.35	217.74	26% ↑	247.80	11% ↑
Profit after Tax	525.04	421.06	25% ↑	495.27	6% ↑



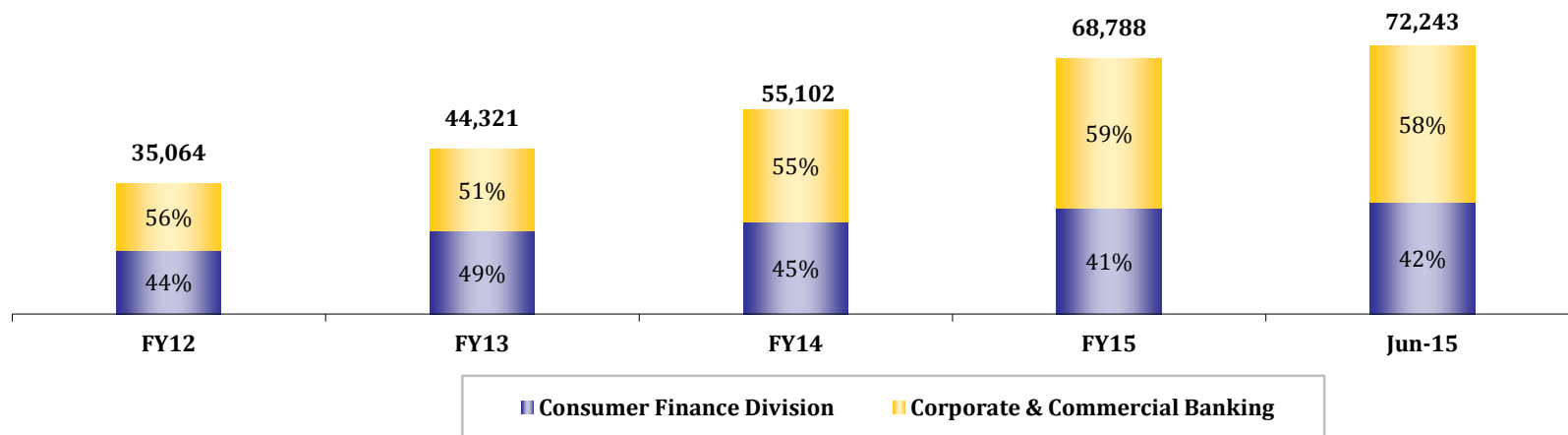
Key Financial Indicators

	Q1FY16	Q1FY15	Q4FY15
Return on Assets	1.90%	1.92%	1.91%
ROE (On average equity)	20.36%	18.99%	19.79%
Cost / Income Ratio	45.88%	45.59%	46.29%
Net Interest Margin	3.68%	3.66%	3.68%
Net NPA	0.31%	0.33%	0.31%
EPS (annualized, Rs. per share)	39.60	32.04	37.44
Capital + Reserves (Excl. Revaluation Reserve)	10,794	9,082	10,254



Well Diversified Loan Book

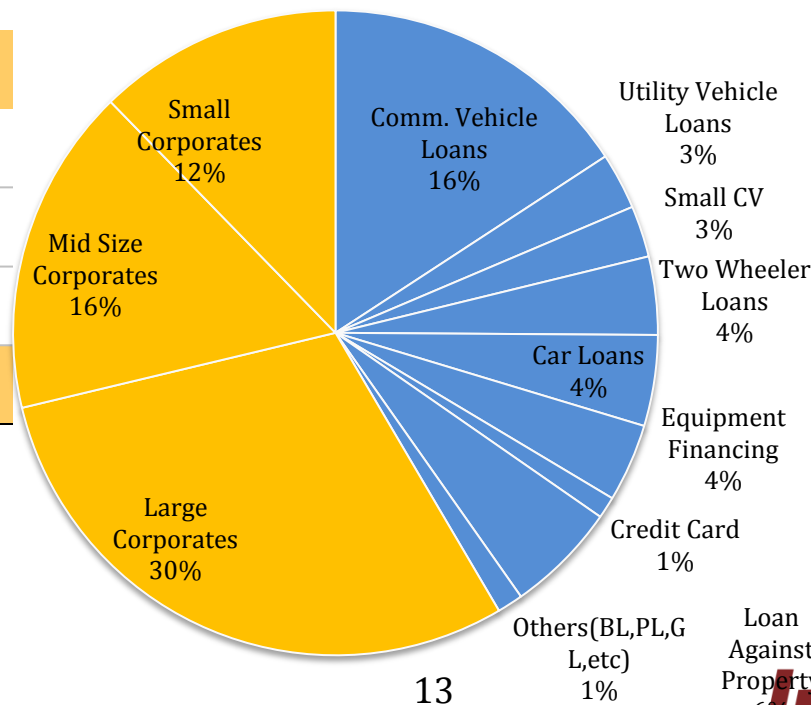
Loan Book (Rs crs)



(Rs crs)

Corporate Banking*	June-15	
Large Corporates	21,475	30%
Mid size Corporates	11,885	16%
Small Corporates	8,876	12%
Total Advances	42,236	58%

*Includes Business Banking (Consumer Bank) Rs. 4,737 crs
 *After regrouping the Loan Mix stands at 52:48 for Corporate : Consumer



(Rs crs)

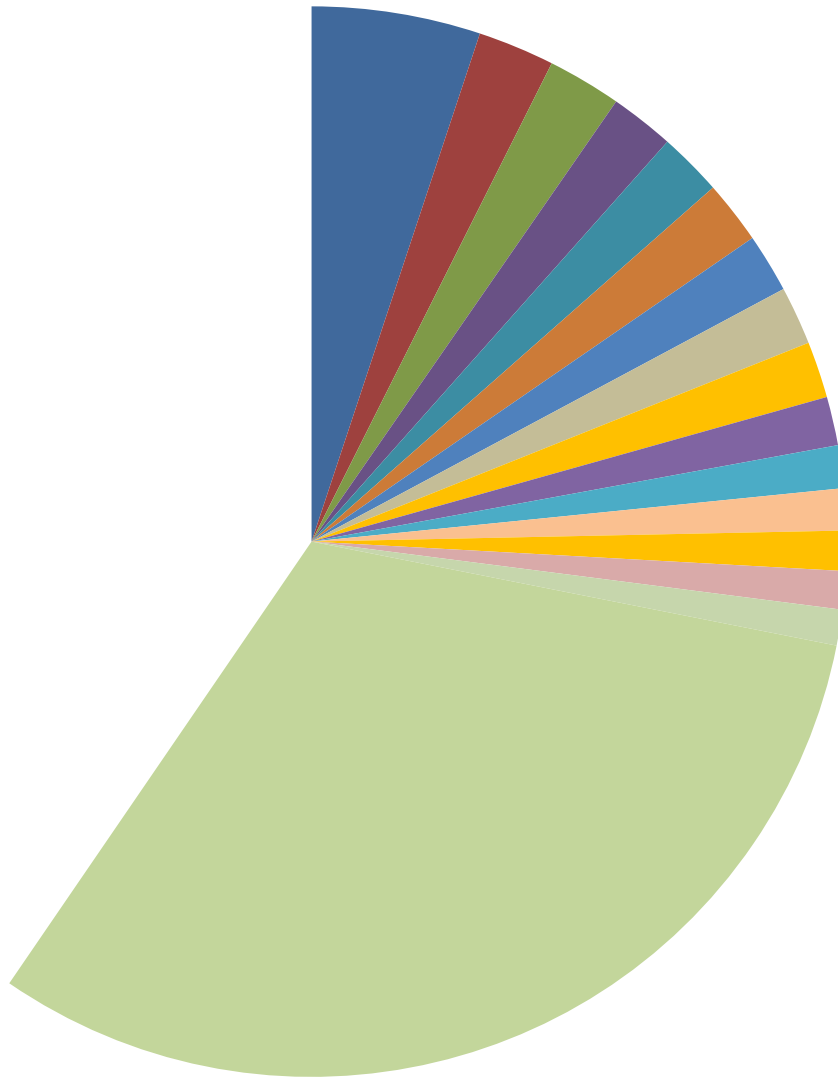
Consumer Finance	June-15	
Comm. Vehicle Loans	11,405	16%
Utility Vehicle Loans	2,043	3%
Small CV	1,860	3%
Two Wheeler Loans	2,829	4%
Car Loans	3,293	4%
Equipment Financing	2,827	4%
Credit Card	786	1%
Loan Against Property	4,032	6%
BL,PL,GL,etc	932	1%
Total Advances	30,007	42%

Loan
Against
Property
6%

IndusInd Bank



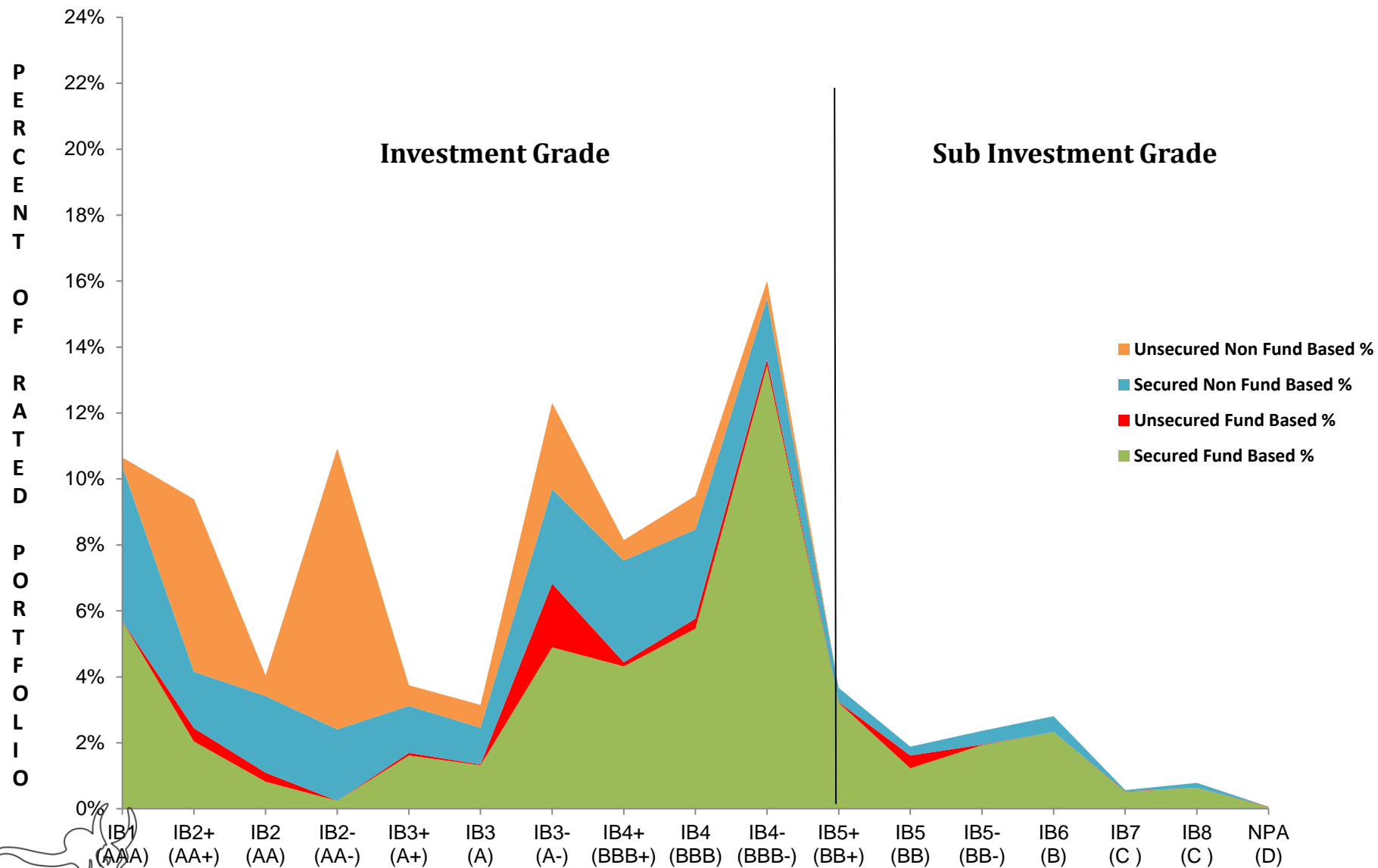
Diversified Corporate Loan Book



■ Lease Rental	5.09%
■ Services	2.31%
■ Gems and Jewellery	2.23%
■ Telecom- Cellular	1.94%
■ NBFCs	1.92%
■ Power Generation	1.90%
■ Real Estate Developer	1.78%
■ Media,Entertainment & Advt	1.76%
■ Housing Finance Companies	1.70%
■ Rubber & Rubber Products	1.47%
■ Contract Construction-Civil	1.29%
■ Steel	1.26%
■ Food Credit	1.21%
■ Constn related to infra.- EPC	1.15%
■ Food Beverages and Food processing	1.08%
■ Other Industry	31.44%



Well Rated Corporate Portfolio

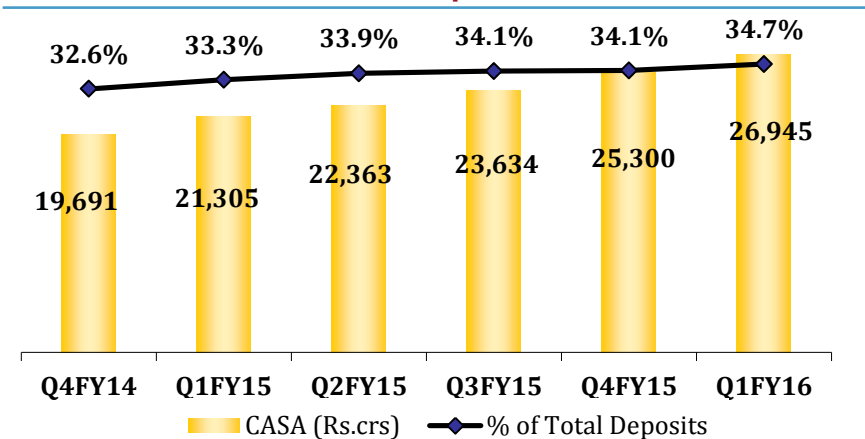


Improving CASA profile

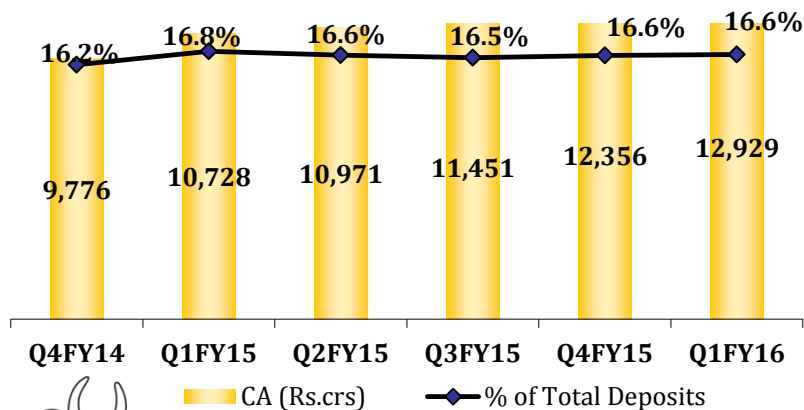
Building CASA traction

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

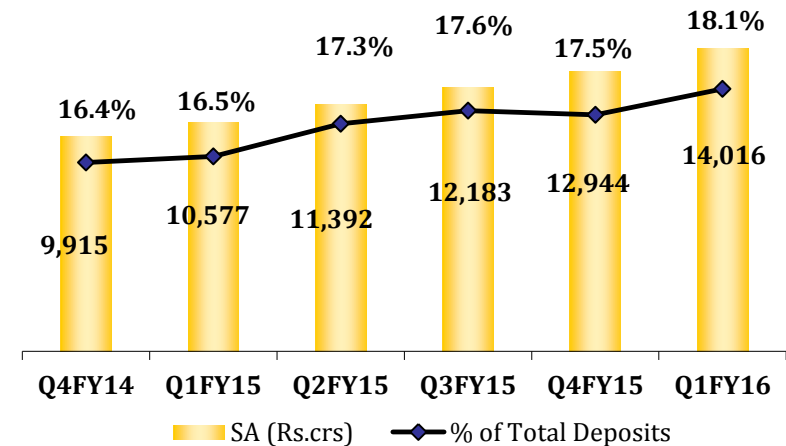
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q1FY16	Q1FY15	Y-o-Y (%)	Q4FY15	Q-o-Q(%)
Core Fee	598.93	486.52	23% ↑	568.57	5% ↑
Securities/MM/FX Trading/Others	125.41	89.85	40% ↑	89.91	39% ↑
Total	724.34	576.37	26% ↑	658.48	10% ↑



Diverse Revenues from Core Fee Income

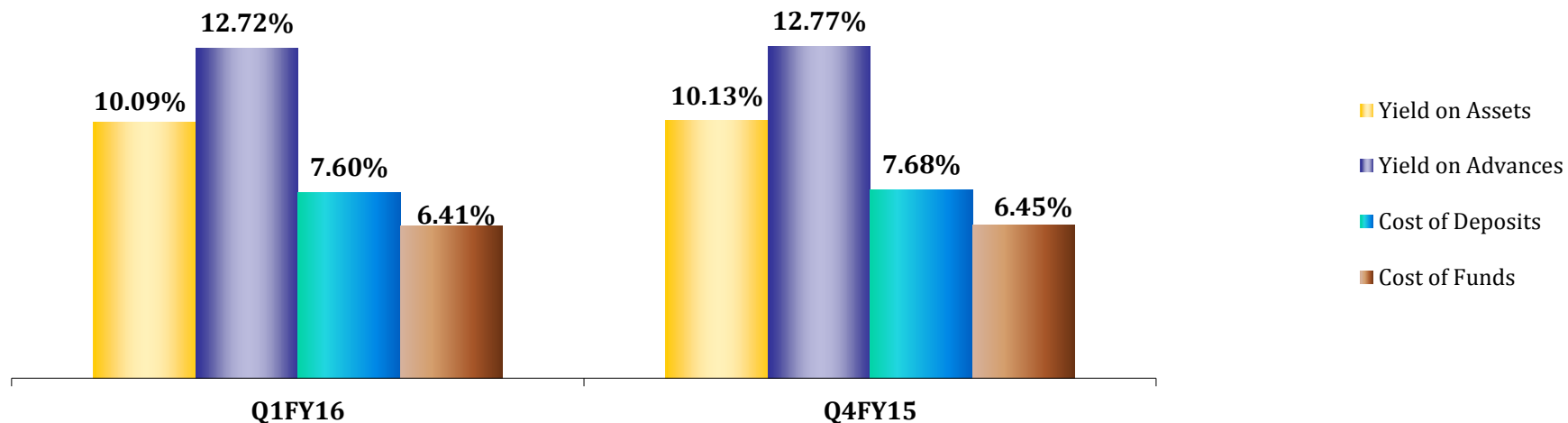
(Rs crs)

	Q1FY16	Q1FY15	Y-o-Y(%)		Q4FY15	Q-o-Q(%)	
Trade and Remittances	56.19	61.54	(9%)	↓	79.80	(30%)	↓
Foreign Exchange Income	159.45	134.85	18%	↑	110.20	45%	↑
Distribution Fees (Insurance, MF, Cards)	106.99	74.65	43%	↑	127.37	(16%)	↓
General Banking Fees	48.94	42.67	15%	↑	45.04	9%	↑
Loan Processing fees	104.42	86.09	21%	↑	110.62	(6%)	↓
Investment Banking	122.94	86.72	42%	↑	95.54	29%	↑
Total Core Fee Income	598.93	486.52	23%	↑	568.57	5%	↑

Growth momentum continues on regular fee flows



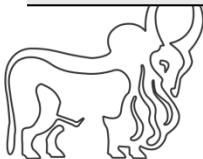
Yield / Cost Movement



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

Segment-wise Yield

	Q1FY16		Q4FY15	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	42,236	10.40%	40,376	10.58%
Consumer Finance	30,007	15.74%	28,412	15.78%
Total	72,243	12.72%	68,788	12.77%

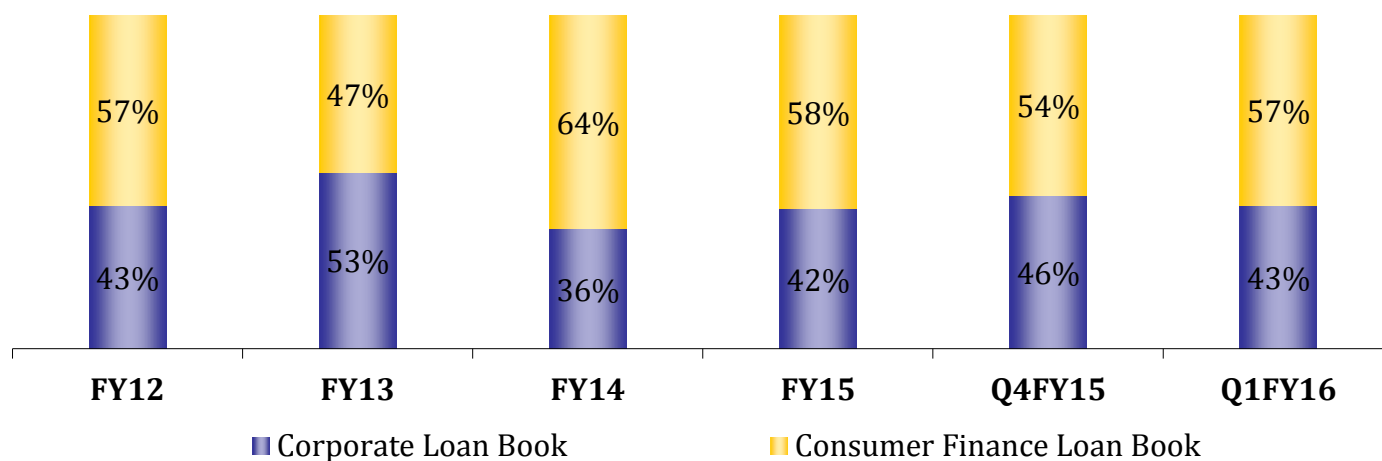


Credit Cost

(Rs crs)

	FY12	FY13	FY14	FY15	Q4FY15	Q1FY16
Corporate Bank	61.11	116.51	93.70	143.74	40.22	39.67
Consumer Finance	81.46	103.10	169.97	195.19	47.15	51.54
Gross Credit Costs	142.57	219.61	263.67	338.93	87.37	91.21
Gross Credit Costs (Basis Points on Advances)	41	50	48	49	13	13*
Net Credit Cost	133.12	204.81	227.94	323.19	84.48	86.52
Net Credit Costs (Basis Points on Advances)	38	46	41	48	12	12
PCR	73%	70%	70%	63%	63%	61%

*includes carried forward cost of credit of 5 bps



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q1FY16			Q4FY15		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	234	329	563	340	333	673
Additions	13	120	133	316	133	449
Deductions	22	104	126	*422	137	559
Gross NPA	225	345	570**	234	329	563
Net NPA			225			210
% of Gross NPA			0.79%			0.81%
% of Net NPA			0.31%			0.31%
Provision Coverage Ratio (PCR)			61%			63%
Restructured Advances			0.63%			0.53%

*Includes sale to ARC as permitted vide RBI Circular dated Feb.26,2014

**After sale to ARC Rs.21 crs



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q1-FY16	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	135	22	42	19	76	19	21	11	345
Gross NPA %	1.18%	1.06%	1.46%	1.04%	2.65%	0.58%	0.48%	1.32%	1.14%

Q4-FY15	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	135	22	41	17	72	18	15	9	329
Gross NPA %	1.27%	1.08%	1.44%	0.92%	2.53%	0.56%	0.33%	1.24%	1.15%



	30 June 15	31 March 15
	Basel – III	Basel – III
Risk Weighted Assets		
- Credit Risk	77,727	76,718
- Market Risk	4,035	4,356
- Operational Risk	8,837	7,855
- Total RWA	90,599	88,929
Tier I Capital Funds	10,468	9,975
Tier II Capital Funds	795	776
Total Capital Funds	11,263	10,751
CRAR	12.43%	12.09%
Tier I	11.55%	11.22%
Tier II	0.88%	0.87%



Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

Strengthening Distribution Infrastructure

Particulars	Sept 30, 2014	Dec 31, 2014	Mar 31, 2015	June 30, 2015
Branch Network	685	727	801	811*
ATMs	1,277	1,350	1,487	1,543

*includes 58 specialized branches

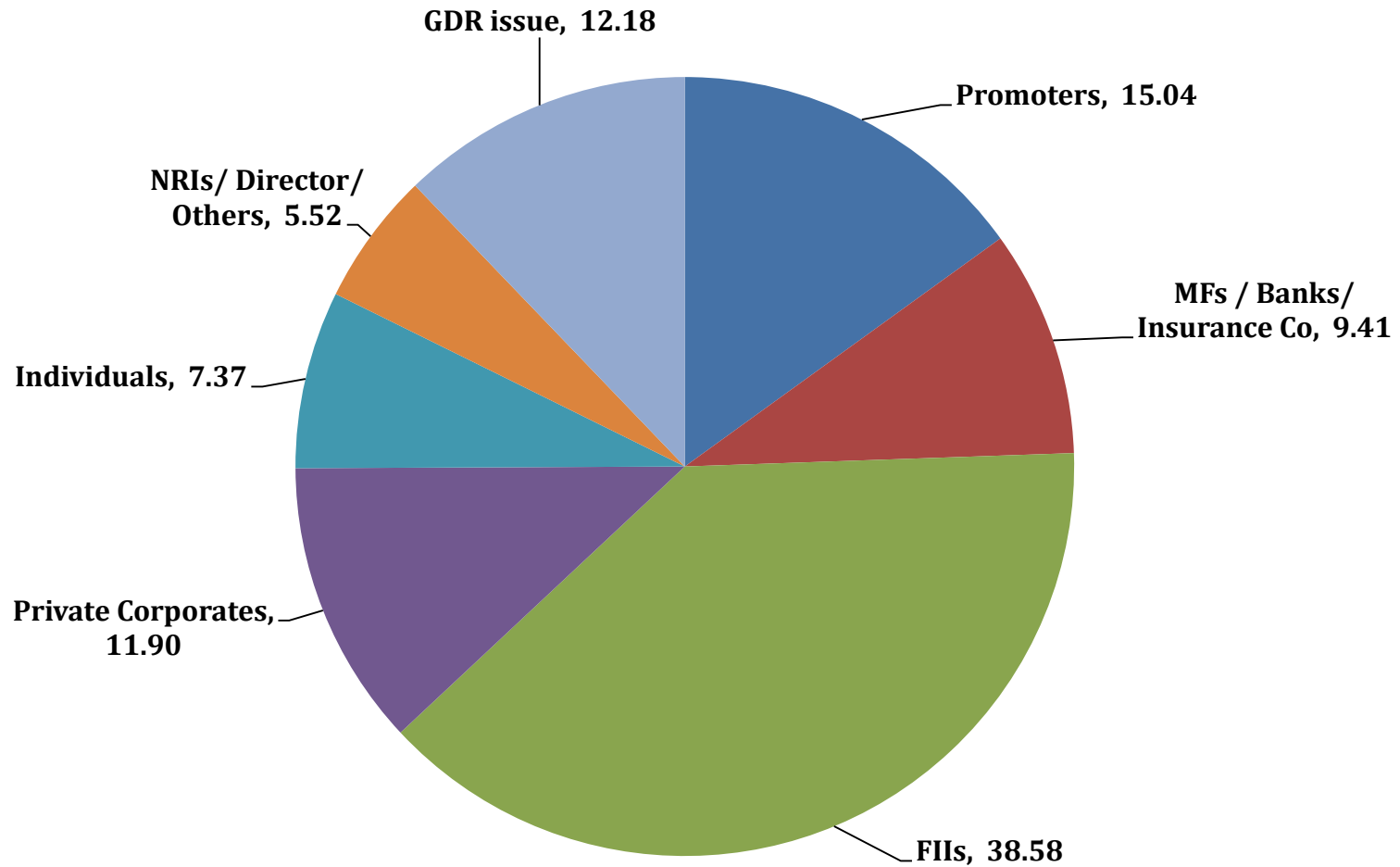


- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

June 30, 2015



New Launches



Quick-Pay

- Enables customers to send and receive money instantly through SMS or E-mail
- No Need to fill in beneficiary Bank Account details – Just fill the E-mail Id or Mobile Number of the receiver
- Can choose to send E-Gift Cards
- QuickPay happens via NPCI's Immediate Payment Service (IMPS Person to Account)
- Instant and 24X7



Association with World Pay

- World Pay the global leader in payments has partnered with IndusInd Bank Limited to offer domestic acquiring services in India.
- Ability to take payments in 120 currencies across the world
- Contribute to the growth of the ever growing Indian eCommerce industry



Loan Against Shares

- In partnership with Bajaj Financial Services Ltd.
- Loan up to Rs. 50 crores
- Loan against shares, Mutual Funds, Bonds, FMPs
- Attractive Interest Rates



New Currency Chest Kolkata

- Equipped with state-of-the-art cash processing facilities to cater to the needs of IndusInd branches and ATMs in eastern part of the country
- Enables the Bank branches to handle larger volumes of cash
- Enables customers to exchange their notes into those of higher or lower denominations or to obtain fresh notes by replacing soiled ones which may be unfit for re-use



CSR Initiative



CSR Initiatives

- **IndusInd Swacch Vidyalaya**

- Two phases of School Sanitation Facility Mapping complete
- Mobilization of teachers and community on-going
- Construction / Renovation of toilets– 10 toilets in Kolhapur complete and 7 in Gadhinglaj under progress
- Formed school sanitation management Committee in 10 schools

- **Green-house Gas Report verified**

The Green-house Gas Report for the FY 2014-15 prepared by IndusInd Bank has been verified and assured by Lloyds Register Quality Assurance Limited(LRQA) in accordance with ISO 14064 which is an internationally accepted guidelines for carbon foot-print and management



Accolades



IndusInd Bank



The Asset- Treasury, Trade and Risk Management Awards 2015 under the Country Category for Best Cash Management Solution, Best Electronic Implementation Solution & Best Liquidity Management Solution



Thank you



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