



IndusInd Bank

Investor Presentation

July 11, 2016

Q1 - FY17 Performance Highlights

- **Another Quarter of improving trends; NII growth at 38% Y-o-Y**
- **Y-o-Y PAT growth up by 26% ; Q-o-Q up by 7%**
- **Fee growth at 28% Y-o-Y; Non-Interest Income to revenue remains healthy at 42%**
- **NIM Y-o-Y up by 29 bps to 3.97%; sequential increase of 3 bps**
- **Deposit and CASA growth above industry - 31% and 30% Y-o-Y respectively**
- **Credit growth above industry - 30% Y-o-Y and 6% Q-o-Q**
- **Net NPA at 0.38%; Credit cost 15 bps for quarter**
- **Commenced operation of IBU branch at GIFT City; Network - 1004 branches and 1885 ATMs**



Plan vs Outcome

Planning Cycle 3 (2014-17)

Q1-FY 17
Outcome

Loan Growth



25% - 30%

30%

CASA Growth



CASA > 35%

34.4%

Fee Growth



Exceed Loan Growth

28%

Branch Network



To Double from 602

1004

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**

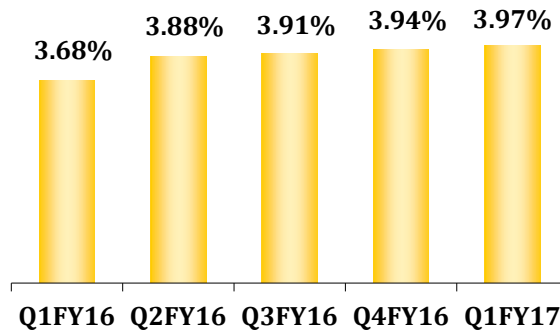
**Front and Back
Office optimization**

**Full suite of Rural
Products**

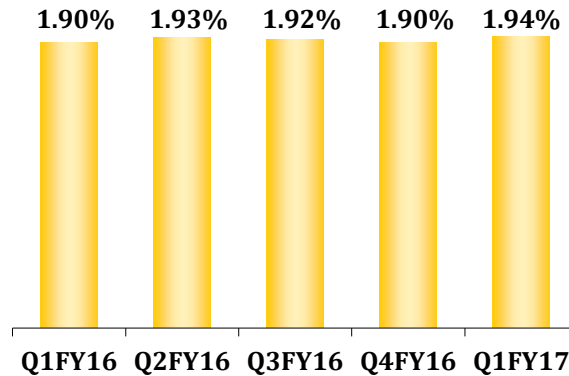


How We Measure Up On Key Metrics

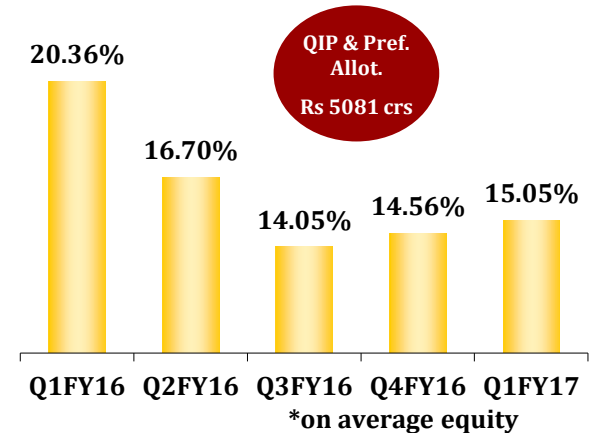
Net Interest Margin (NIM)



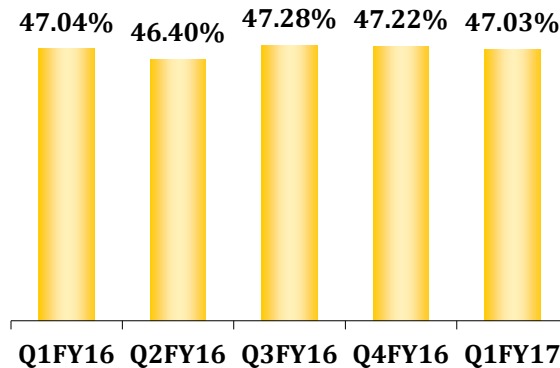
RoA



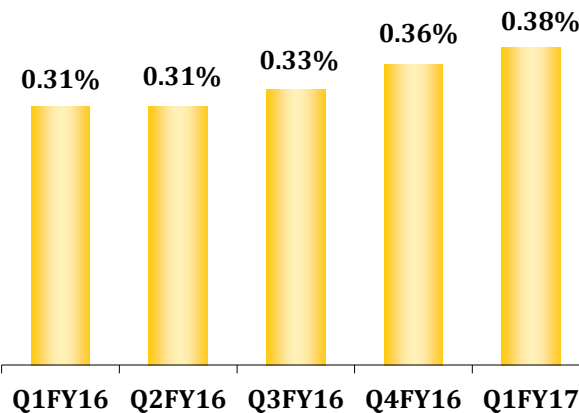
RoE*



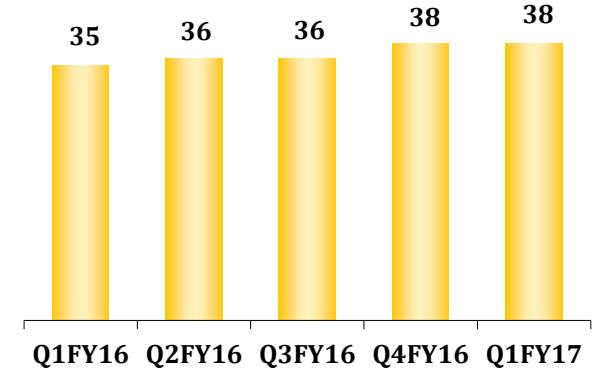
Cost /Income



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
- **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-FY17

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 1,356 crs	38%	7%
Other Income	Rs 973 crs	28%	7%
Core Fee Income	Rs 782 crs	23%	1%
Revenue	Rs 2,329 crs	34%	7%
Operating Profit	Rs 1,234 crs	34%	7%
Net Profit	Rs 661 crs	26%	7%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 93,678 crs	30%	6%
Corporate Advances	Rs 55,087 crs	30%	6%
Consumer Finance Advances	Rs 38,591 crs	29%	6%
Deposits	Rs 1,01,768 crs	31%	9%
CASA	Rs 35,043 crs	30%	7%
SA	Rs 19,091 crs	36%	11%
Borrowings	Rs 17,176 crs	(20%)	(22%)



Balance Sheet

(Rs Crs)

	Q1FY17	Q1FY16	Y-o-Y (%)	Q4FY16	Q-o-Q (%)
Capital & Liabilities					
Capital	596	531	12% ↑	595	- ↑
Reserves and Surplus	17,786	10,650	67% ↑	17,101	4% ↑
Deposits	1,01,768	77,693	31% ↑	93,000	9% ↑
Borrowings	17,176	21,428	(20%) ↓	22,156	(22%) ↓
Other Liabilities and Provisions	8,424	7,045	20% ↑	7,205	17% ↑
Total	1,45,750	1,17,347	24% ↑	1,40,057	4% ↑
Assets					
Cash and Balances with RBI	5,224	3,830	36% ↑	4,521	16% ↑
Balances with Banks	6,193	8,191	(24%) ↓	5,591	11% ↑
Investments	28,740	23,625	22% ↑	31,214	(8%) ↓
Advances	93,678	72,243	30% ↑	88,419	6% ↑
Fixed Assets	1,276	1,163	10% ↑	1,255	2% ↑
Other Assets	10,639	8,295	28% ↑	9,057	17% ↑
Total	1,45,750	1,17,347	24% ↑	1,40,057	4% ↑
Business (Advances + Deposit)	1,95,446	1,49,936	30% ↑	1,81,419	8% ↑



Profit and Loss Account

(Rs Crs)

	Q1FY17	Q1FY16	Y-o-Y (%)	Q4FY16	Q-o-Q (%)
Net Interest Income	1,356.42	980.66	38% ↑	1,268.21	7% ↑
Other Income	972.97	761.61	28% ↑	912.80	7% ↑
Total Income	2,329.39	1,742.27	34% ↑	2,181.01	7% ↑
Operating Expenses	1,095.60	819.55	34% ↑	1,029.82	6% ↑
Operating Profit	1,233.79	922.72	34% ↑	1,151.19	7% ↑
Provisions & Contingencies	230.47	123.33	87% ↑	213.66	8% ↑
Profit before Tax	1,003.32	799.39	26% ↑	937.53	7% ↑
Provision for Tax	341.94	274.35	25% ↑	317.18	8% ↑
Profit after Tax	661.38	525.04	26% ↑	620.35	7% ↑



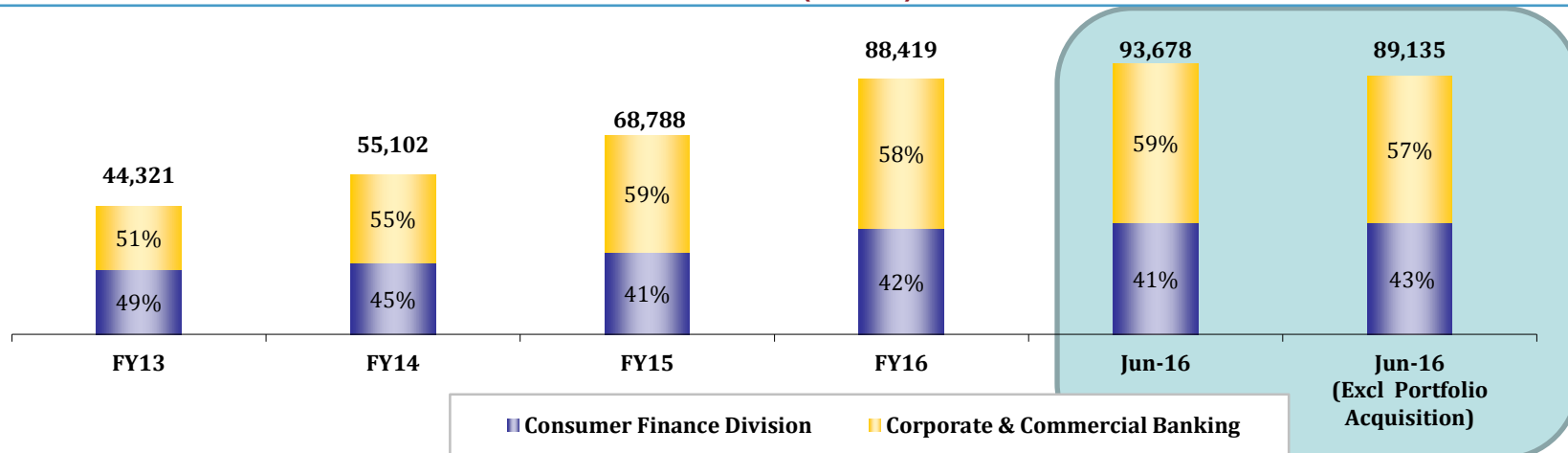
Key Financial Indicators

	Q1FY17	Q1FY16	Q4FY16
Return on Assets	1.94%	1.90%	1.90%
ROE (On average equity)	15.05%	20.36%	14.56%
Cost / Income Ratio	47.03%	47.04%	47.22%
Net Interest Margin	3.97%	3.68%	3.94%
Net NPA	0.38%	0.31%	0.36%
EPS (annualized, Rs. per share)	44.44	39.60	41.72
Capital + Reserves (Excl. Revaluation Reserve)	18,002	10,794	17,315

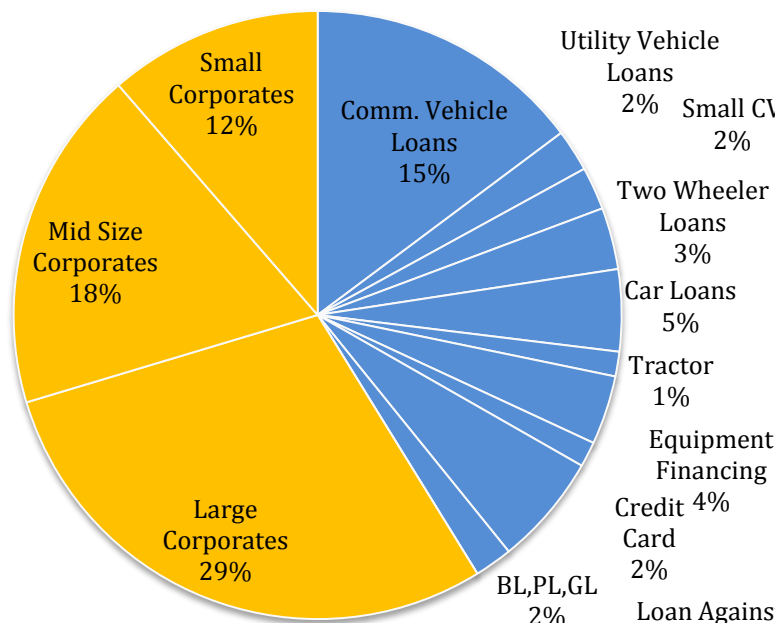


Well Diversified Loan Book

Loan Book (Rs crs)



(Rs crs)		
Corporate Banking	Jun-16	
Large Corporates	27,323	29%
Mid size Corporates	17,119	18%
Small Corporates*	10,645	12%
Total Advances	55,087	59%

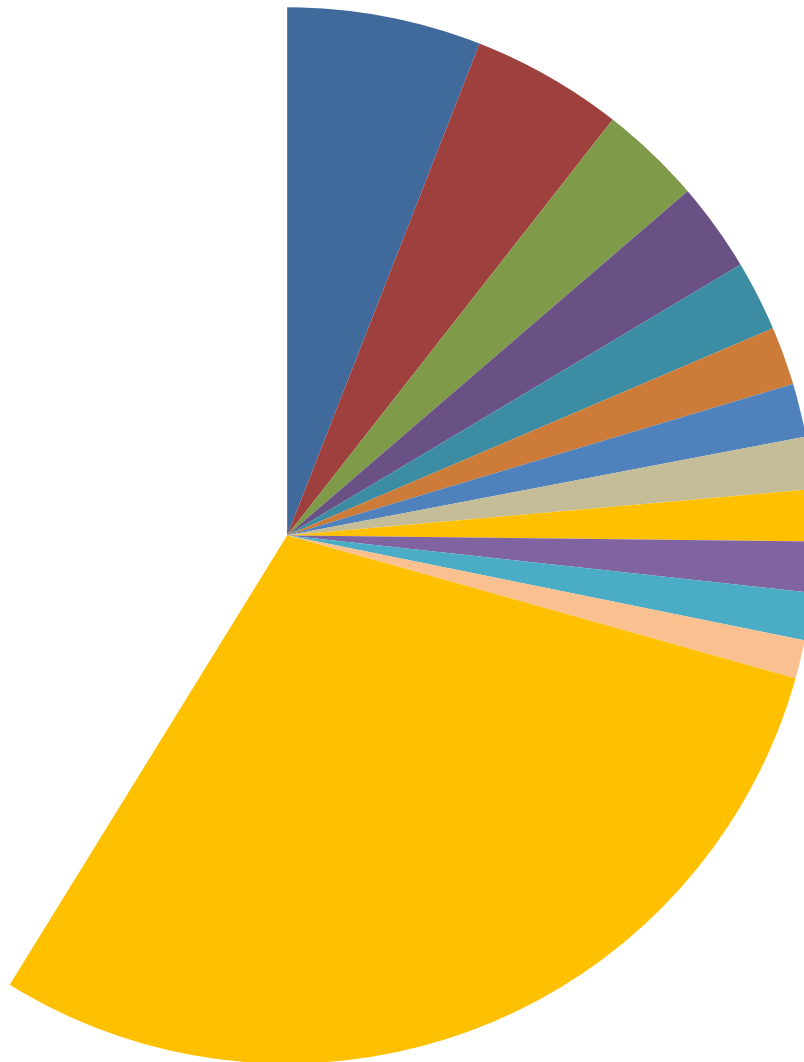


Consumer Finance	Jun-16	
Comm. Vehicle Loans	13,847	15%
Utility Vehicle Loans	2,097	2%
Small CV	2,133	2%
Two Wheeler Loans	3,076	3%
Car Loans	4,076	4%
Tractor	1,229	1%
Equipment Financing	3,435	4%
Credit Card	1,258	2%
Loan Against Property	5,585	6%
BL, PL, GL, Others	1,855	2%
Total Advances	38,591	41%

*Includes Business Banking (Consumer Bank) Rs. 6,348 crs
After regrouping the Loan Mix stands at 52:48 for Corporate : Consumer



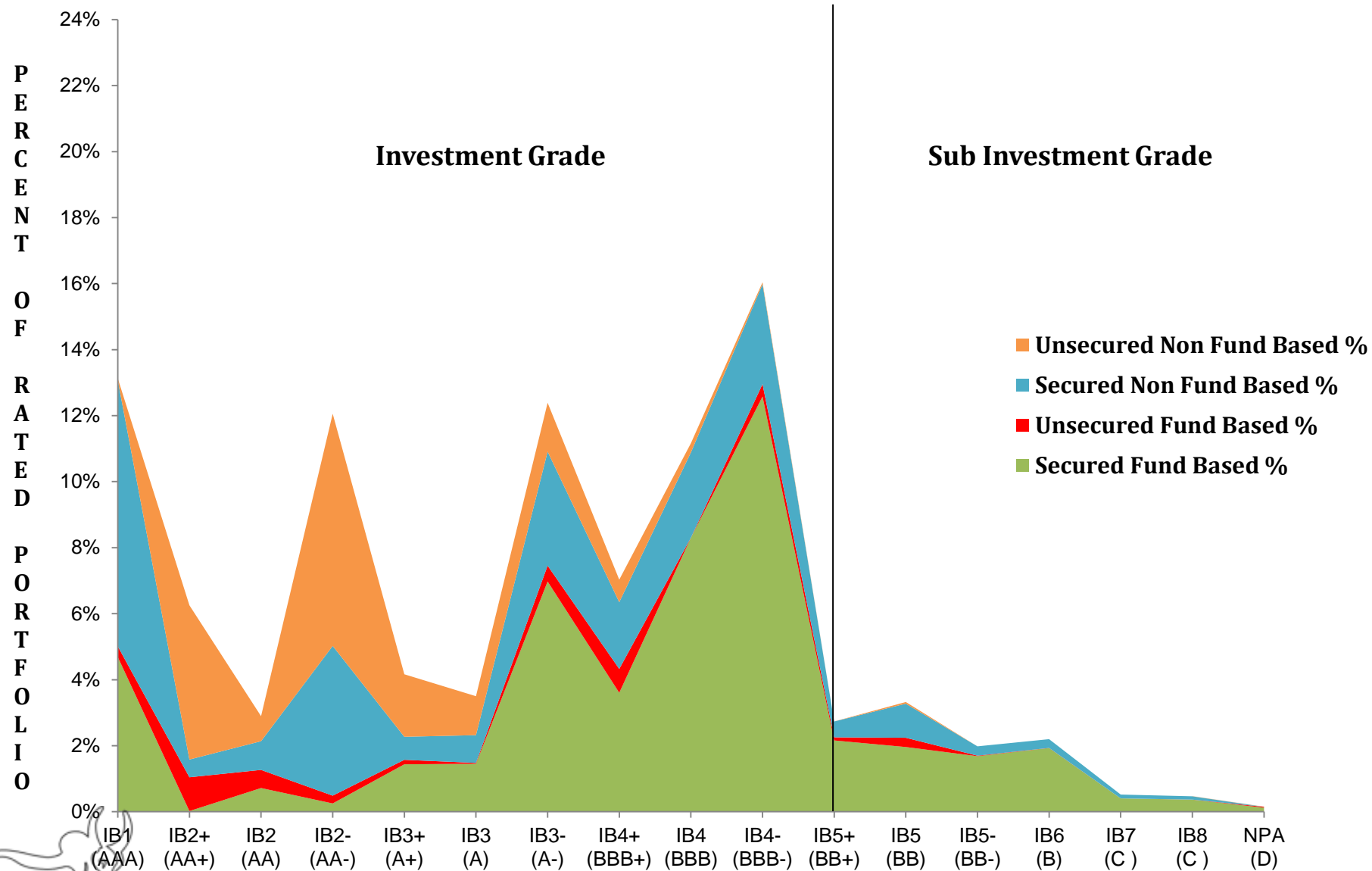
Diversified Corporate Loan Book



Gems and Jewellery	5.93%
Lease Rental	4.64%
Telecom- Cellular	3.13%
Real Estate	2.73%
Power Transmission	2.16%
Housing Finance Companies	1.79%
NBFCs (other than HFCs) /NBFC-MFI	1.63%
Media,Entertainment & Advt	1.60%
Steel	1.58%
Constn related to infra.- EPC	1.55%
Power Generation	1.45%
Contract Construction-Civil	1.18%
Other Industry	29.44%



Well Rated Corporate Portfolio

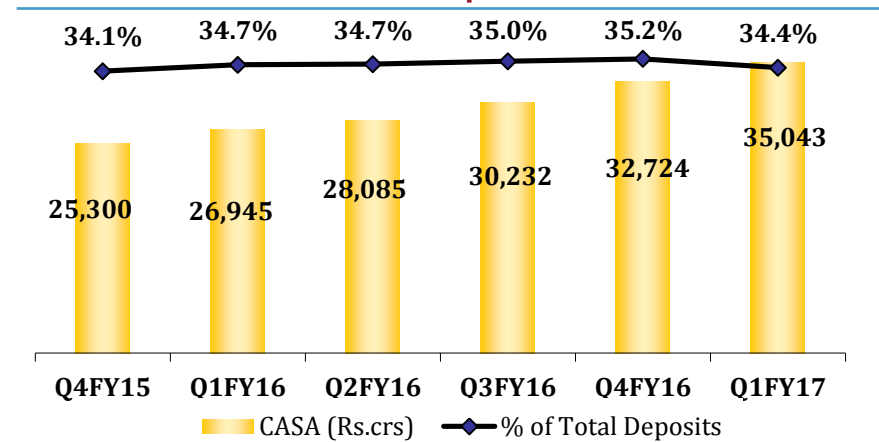


Improving CASA profile

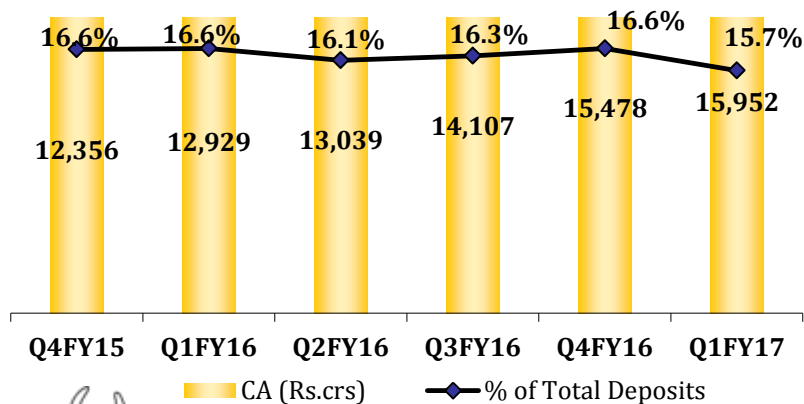
Building CASA traction

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

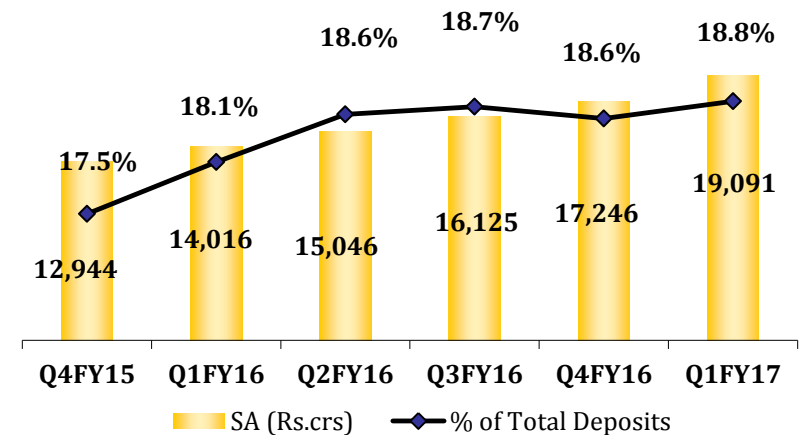
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q1FY17	Q1FY16	Y-o-Y (%)	Q4FY16	Q-o-Q(%)
Core Fee	781.91	636.20	23% ↑	774.19	1% ↑
Securities/MM/FX Trading/Others	191.06	125.41	52% ↑	138.61	38% ↑
Total	972.97	761.61	28% ↑	912.80	7% ↑



Diverse Revenues from Core Fee Income

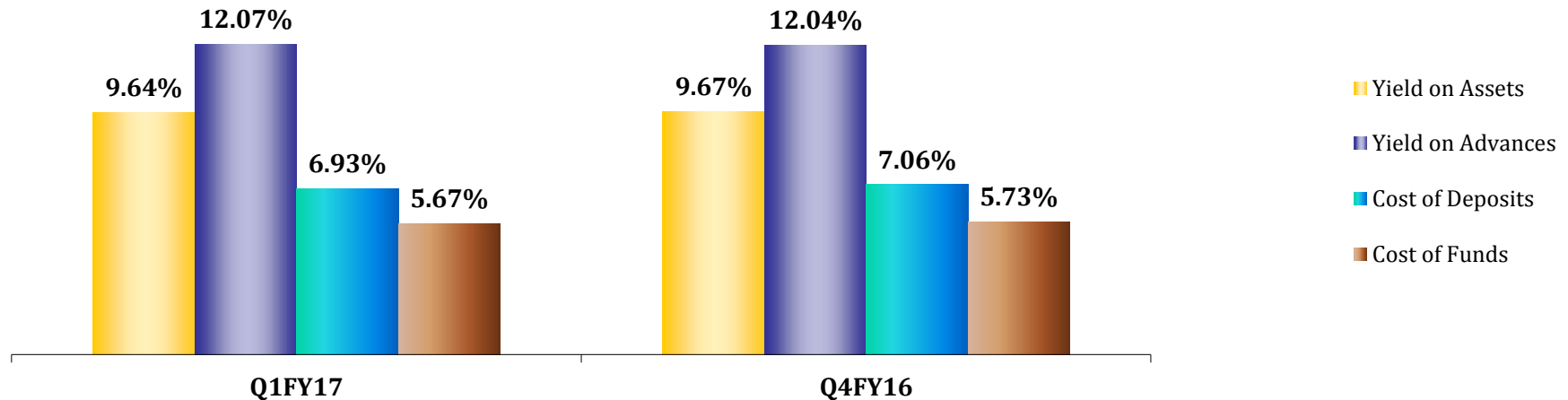
(Rs crs)

	Q1FY17	Q1FY16	Y-o-Y(%)	Q4FY16	Q-o-Q(%)
Trade and Remittances	109.34	56.19	95% ↑	97.27	12% ↑
Foreign Exchange Income	150.97	159.45	(5%) ↓	140.07	8% ↑
Distribution Fees (Insurance, MF, Cards)	136.69	106.99	28% ↑	138.36	(1%) ↓
General Banking Fees	55.53	48.94	13% ↑	48.32	15% ↑
Loan Processing fees	215.06	141.69	52% ↑	227.99	(6%) ↓
Investment Banking	114.32	122.94	(7%) ↓	122.18	(6%) ↓
Total Core Fee Income	781.91	636.20	23% ↑	774.19	1% ↑

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

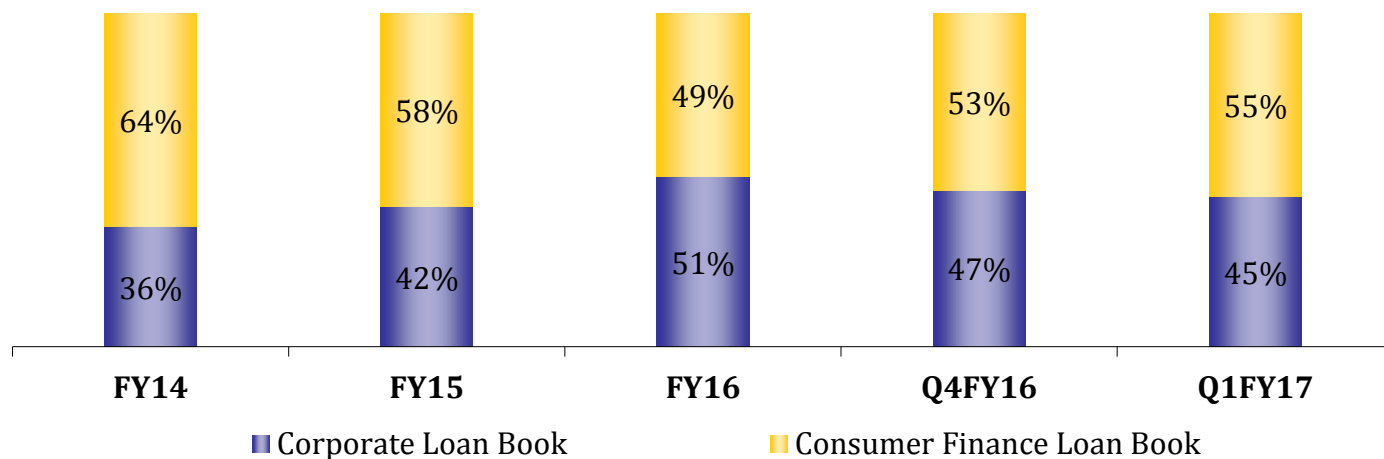
	Q1FY17		Q4FY16	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	55,087	10.18%	51,870	10.08%
Consumer Finance	38,591	14.62%	36,549	14.90%
Total	93,678	12.07%	88,419	12.04%



Credit Cost

(Rs crs)

	FY14	FY15	FY16	Q4FY16	Q1FY17
Corporate Bank	93.70	143.74	257.68	70.40	64.65
Consumer Finance	169.97	195.19	243.82	78.10	79.70
Gross Credit Costs	263.67	338.93	501.50	148.50	144.35
Gross Credit Costs (Basis Points on Advances)	48	49	57	17	15
Net Credit Cost	227.94	323.19	468.00	143.37	138.70
Net Credit Costs (Basis Points on Advances)	41	48	53	16	15
PCR	70%	63%	59%	59%	59%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q1FY17			Q4FY16		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	382	395	777	311	370	681
Additions	94	159	253	106	168	274
Deductions	56	113	169	35	143	178
Gross NPA	420	441	861*	382	395	777*
Net NPA			356			322
% of Gross NPA			0.91%			0.87%
% of Net NPA			0.38%			0.36%
Provision Coverage Ratio (PCR)			59%			59%
Restructured Advances			0.49%			0.53%

*After sale to ARC Rs. 17crs (Rs. 40 crs)



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q1-FY17	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	150	27	48	23	98	20	50	3	22	441
Gross NPA %	1.08%	1.27%	1.39%	1.05%	3.15%	0.49%	0.68%	0.24%	1.73%	1.14%

Q4-FY16	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	141	25	41	20	93	20	38	-	17	395
Gross NPA %	1.00%	1.21%	1.26%	0.98%	3.02%	0.50%	0.65%	-	1.45%	1.08%



	30 Jun 16	31 Mar. 16
	Basel - III	Basel - III
Risk Weighted Assets		
- Credit Risk, CVA and UFCE	1,05,027	99,360
- Market Risk	5,091	5,462
- Operational Risk	11,466	11,466
- Total RWA	1,21,584	1,16,288
Core Equity Tier 1 / Tier 1 Capital Funds	18,000	17,350
Tier 2 Capital Funds	744	669
Total Capital Funds	18,744	18,019
CRAR	15.42%	15.50%
CET1 / Tier 1	14.81%	14.92%
Tier 2	0.61%	0.58%



Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

Particulars	Sept. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016
Branch Network	854	905	1,000	1004*
ATMs	1,578	1,621	1,800	1,885

*includes 70 specialized branches



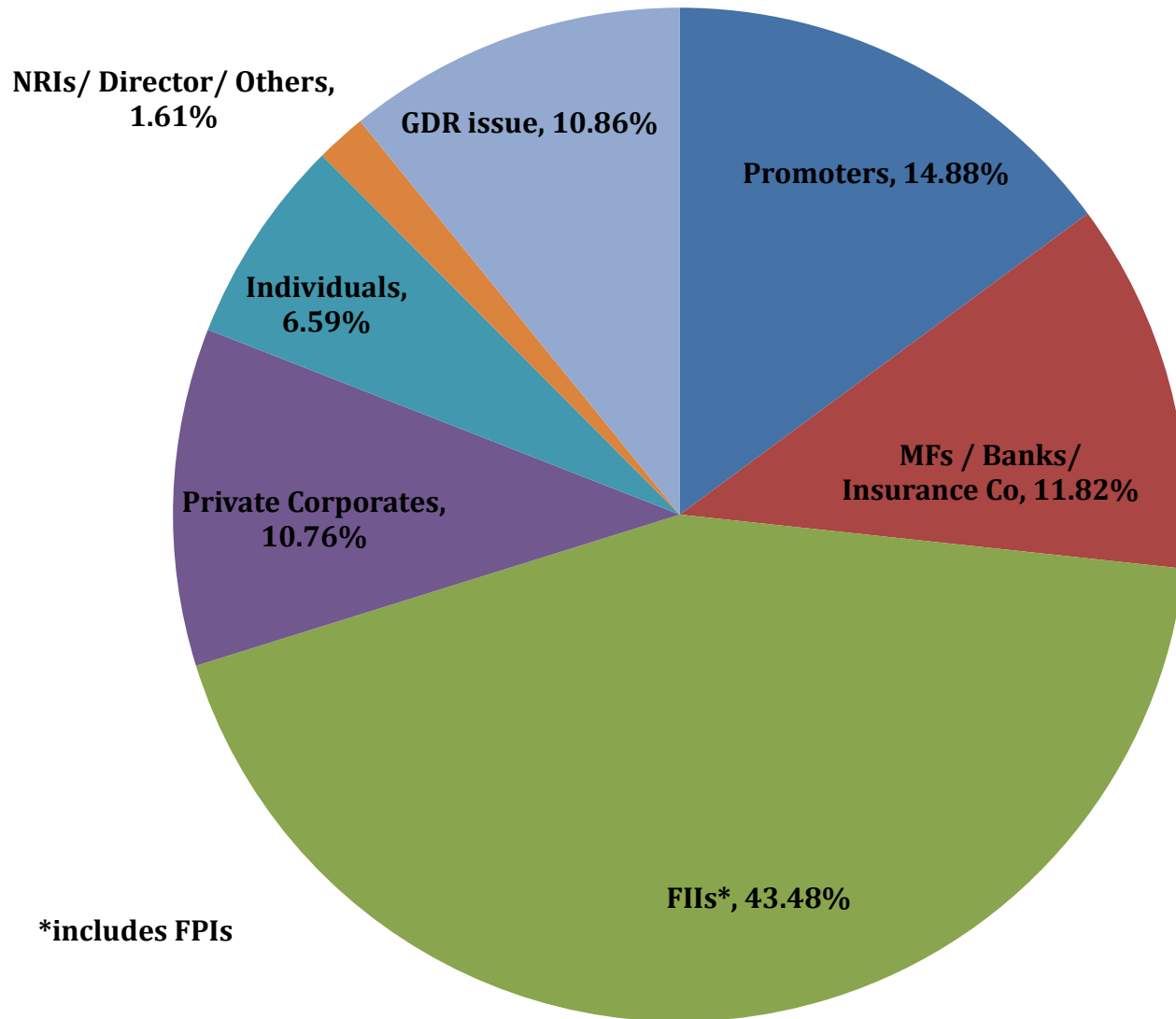
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

June 30, 2016



*includes FPIs



New Launches & Tie-ups



Indus Mobile Finger Print Banking



Easy, Cool & Safe

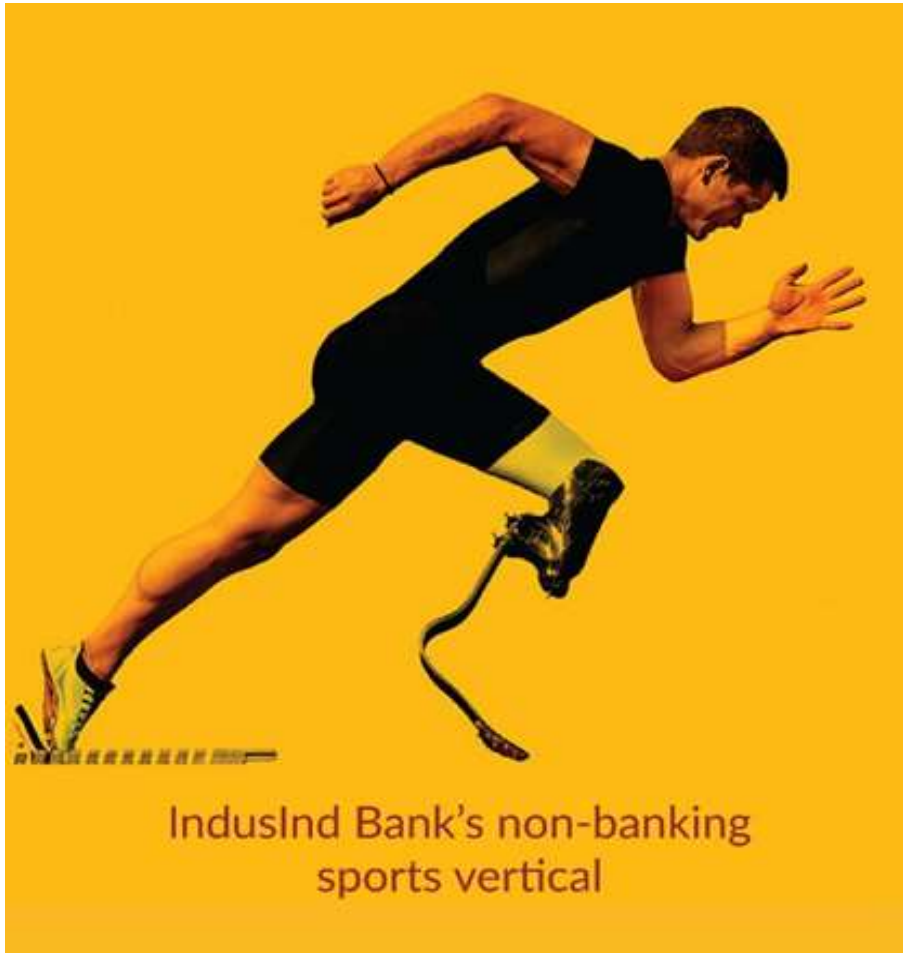
Forget passwords, forever!

Do all your mobile banking transactions
with Fingerprint Banking for an easy
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IndusInd Bank



Non Banking Sports Vertical – IndusInd For Sports



Sports is all about
Sustainability

IndusInd Bank



Refer www.indusind.com/forsports/

Gift City – IFSC Banking Unit



Starts Operations in IFSC
Banking unit in GIFT city

IndusInd Bank



Tie - ups & MoUs



Lohia Auto Industries signs a MOU for national 3Wheeler retail finance with IndusInd bank



Tie up with Reliance General Insurance for distribution of Insurance products



Honda inks national 2Wheeler retail finance MoU with IndusInd Bank Ltd.



Accolades



IndusInd Bank

Accolades



IndusInd Bank was recognized as a 'Symbol of Excellence' in the Banking category, at Economic Times Best BFSI Brands 2016



Thank you



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