

IndusInd Bank

Investor Presentation

April 21, 2016

- 1) A stable quarter with encouraging trends ; NII growth at 37% Y-o-Y**
- 2) Y-o-Y PAT growth up by 25% ; Q-o-Q up by 7%**
- 3) Fee growth at 31% Y-o-Y ; Non-Interest Income to revenue remains healthy at 42%**
- 4) NIM Y-o-Y up by 26 bps to 3.94%**
- 5) Deposit and CASA growth above industry - 25% and 29% Y-o-Y respectively**
- 6) Credit growth above industry - 29% Y-o-Y and 8% Q-o-Q**
- 7) Net NPA at 0.36% ; Credit cost 17 bps for quarter ; 53 bps for full year**
- 8) Accelerated the pace of investment in branches - 95 branches opened during the Q4; total count at 1000 as on March 31, 2016.**



Plan vs Outcome

Planning Cycle 3 (2014-17)

Q4-FY 16
Outcome

Loan Growth



25% - 30%

29%

CASA Growth



CASA > 35%

35%

Fee Growth
Core Fee Growth



Exceed Loan Growth

31%
27%

Branch Network



To Double from 602

1000

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**

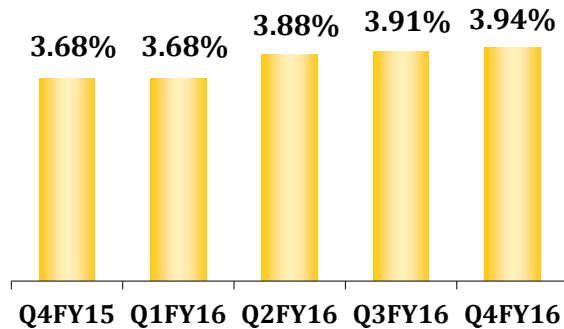
**Front and Back
Office optimization**

**Full suite of Rural
Products**

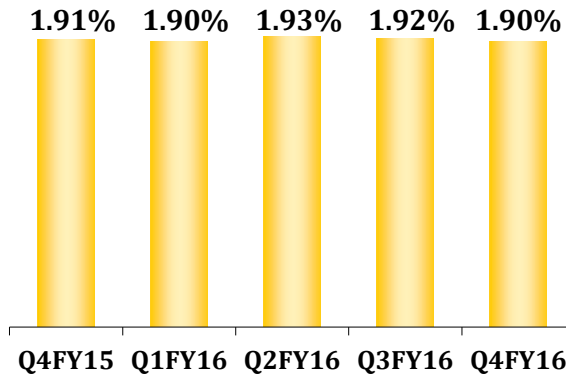


How We Measure Up On Key Metrics

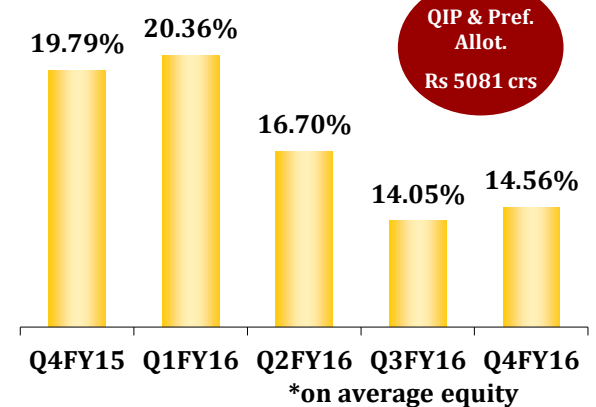
Net Interest Margin (NIM)



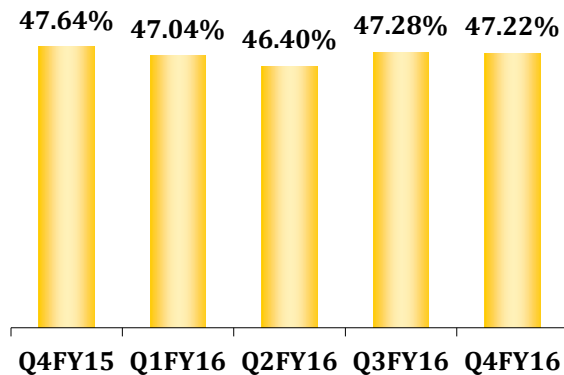
RoA



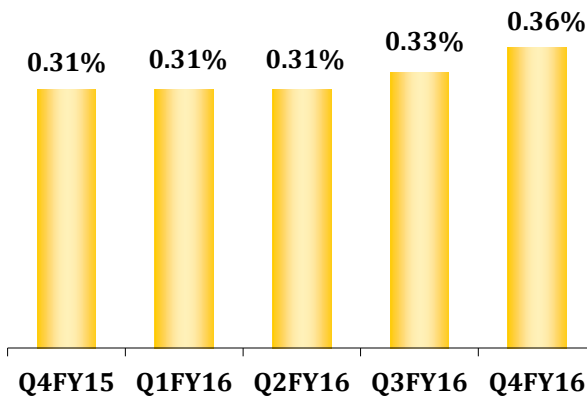
RoE*



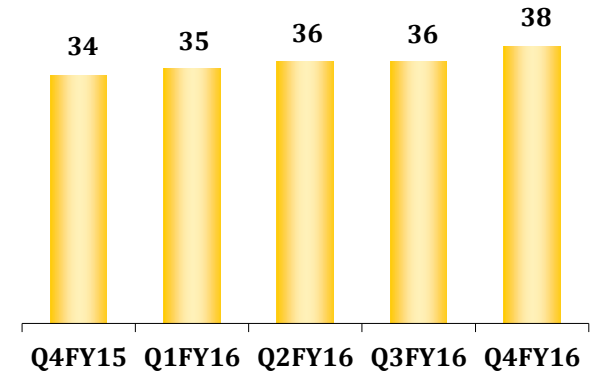
Cost /Income



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 Q4-FY16

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 1,268 crs	37%	8%
Other Income	Rs 913 crs	31%	9%
Core Fee Income	Rs 774 crs	27%	7%
Revenue	Rs 2,181 crs	34%	8%
Operating Profit	Rs 1,151 crs	35%	9%
Net Profit	Rs 620 crs	25%	7%



Steady Headline Numbers for FY16

Y-o-Y Growth

Net Interest Income	➤	Rs 4,517 crs	32%
Other Income	➤	Rs 3,297 crs	29%
Core Fee Income	➤	Rs 2,810 crs	26%
Revenue	➤	Rs 7,814 crs	31%
Operating Profit	➤	Rs 4,141 crs	34%
Net Profit	➤	Rs 2,286 crs	27%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 88,419 crs	29%	8%
Corporate Advances	Rs 51,870 crs	28%	8%
Consumer Finance Advances	Rs 36,549 crs	29%	7%
Deposits	Rs 93,000 crs	25%	8%
CASA	Rs 32,724 crs	29%	8%
SA	Rs 17,246 crs	33%	7%
Borrowings	Rs 22,156 crs	7%	9%



Balance Sheet

(Rs Crs)

	Q4FY16	Q4FY15	Y-o-Y (%)		Q3FY16	Q-o-Q (%)	
Capital & Liabilities							
Capital	595	530	12%	↑	594	-	↑
Reserves and Surplus	17,101	10,115	69%	↑	16,777	2%	↑
Deposits	93,000	74,134	25%	↑	86,423	8%	↑
Borrowings	22,156	20,618	7%	↑	20,321	9%	↑
Other Liabilities and Provisions	7,205	6,390	13%	↑	4,071	77%	↑
Total	1,40,057	1,11,787	25%	↑	128,186	9%	↑
Assets							
Cash and Balances with RBI	4,521	4,035	12%	↑	4,081	11%	↑
Balances with Banks	5,591	6,744	(17%)	↓	5,479	2%	↑
Investments	31,214	22,878	36%	↑	28,177	11%	↑
Advances	88,419	68,788	29%	↑	82,167	8%	↑
Fixed Assets	1,255	1,158	8%	↑	1,198	5%	↑
Other Assets	9,057	8,184	11%	↑	7,084	28%	↑
Total	1,40,057	1,11,787	25%	↑	128,186	9%	↑
Business (Advances + Deposit)	1,81,419	1,42,922	27%	↑	168,590	8%	↑



Profit and Loss Account

(Rs Crs)

	Q4FY16	Q4FY15	Y-o-Y (%)	Q3FY16	Q-o-Q (%)
Net Interest Income	1268.21	925.14	37% ↑	1173.42	8% ↑
Other Income	912.80	699.11	31% ↑	839.00	9% ↑
Total Income	2,181.01	1,624.25	34% ↑	2,012.42	8% ↑
Operating Expenses	1,029.82	773.74	33% ↑	951.44	8% ↑
Operating Profit	1,151.19	850.51	35% ↑	1,060.98	9% ↑
Provisions & Contingencies	213.66	107.44	99% ↑	177.08	21% ↑
Profit before Tax	937.53	743.07	26% ↑	883.90	6% ↑
Provision for Tax	317.18	247.80	28% ↑	302.88	5% ↑
Profit after Tax	620.35	495.27	25% ↑	581.02	7% ↑



Profit and Loss Account (Full Year)

(Rs Crs)

	FY16	FY15	Y-o-Y (%)	
Net Interest Income	4,516.57	3,420.28	32%	↑
Other Income	3,296.95	2,548.00	29%	↑
Total Income	7,813.52	5,968.28	31%	↑
Operating Expenses	3,672.10	2,870.06	28%	↑
Operating Profit	4,141.42	3,098.22	34%	↑
Provisions & Contingencies	672.16	389.05	73%	↑
Profit before Tax	3,469.26	2,709.17	28%	↑
Provision for Tax	1,182.81	915.45	29%	↑
Profit after Tax	2,286.45	1,793.72	27%	↑



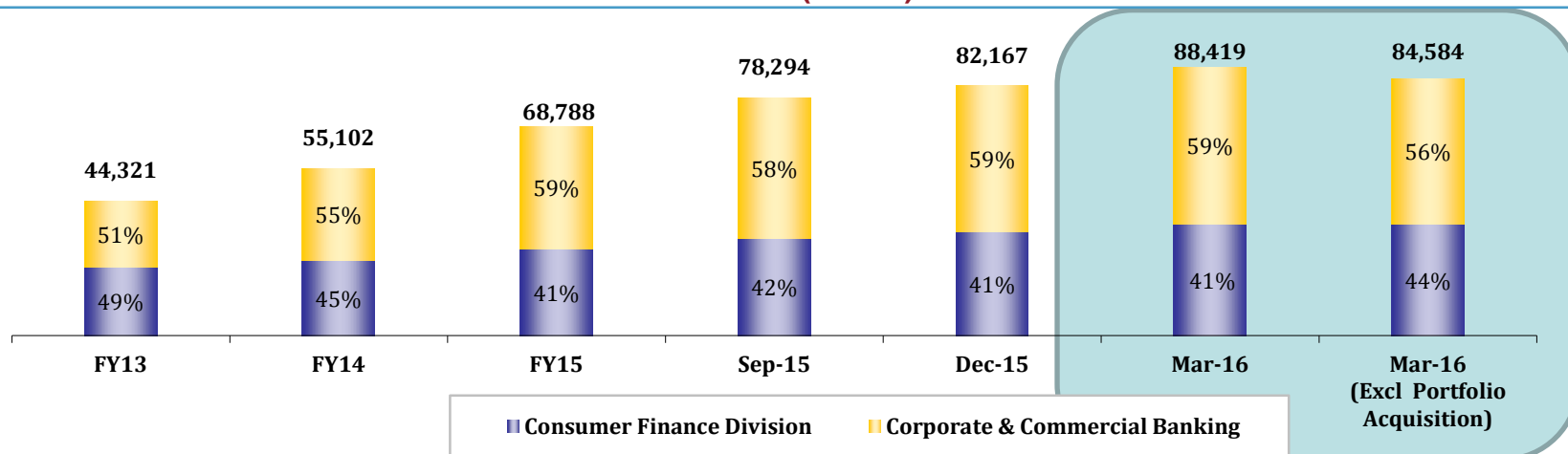
Key Financial Indicators

	Q4FY16	Q4FY15	Q3FY16
Return on Assets	1.90%	1.91%	1.92%
ROE (On average equity)	14.56%	19.79%	14.05%
Cost / Income Ratio	47.22%	47.64%	47.28%
Net Interest Margin	3.94%	3.68%	3.91%
Net NPA	0.36%	0.31%	0.33%
EPS (annualized, Rs. per share)	41.72	37.44	39.20
Capital + Reserves (Excl. Revaluation Reserve)	17,315	10,254	16,988



Well Diversified Loan Book

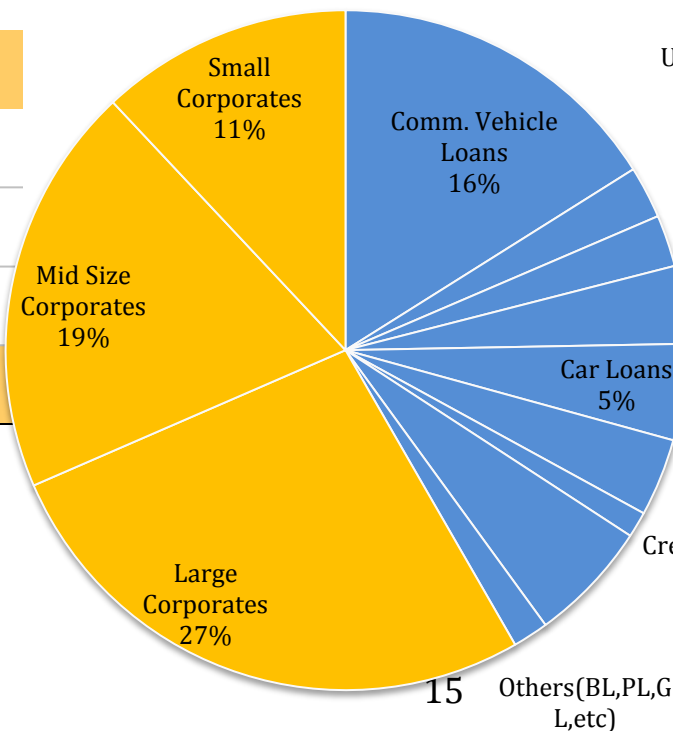
Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Mar-16	
Large Corporates	25,258	29%
Mid size Corporates	16,624	19%
Small Corporates*	9,988	11%
Total Advances	51,870	59%

*Includes Business Banking (Consumer Bank) Rs. 6,328 crs
After regrouping the Loan Mix stands at 52:48 for Corporate : Consumer



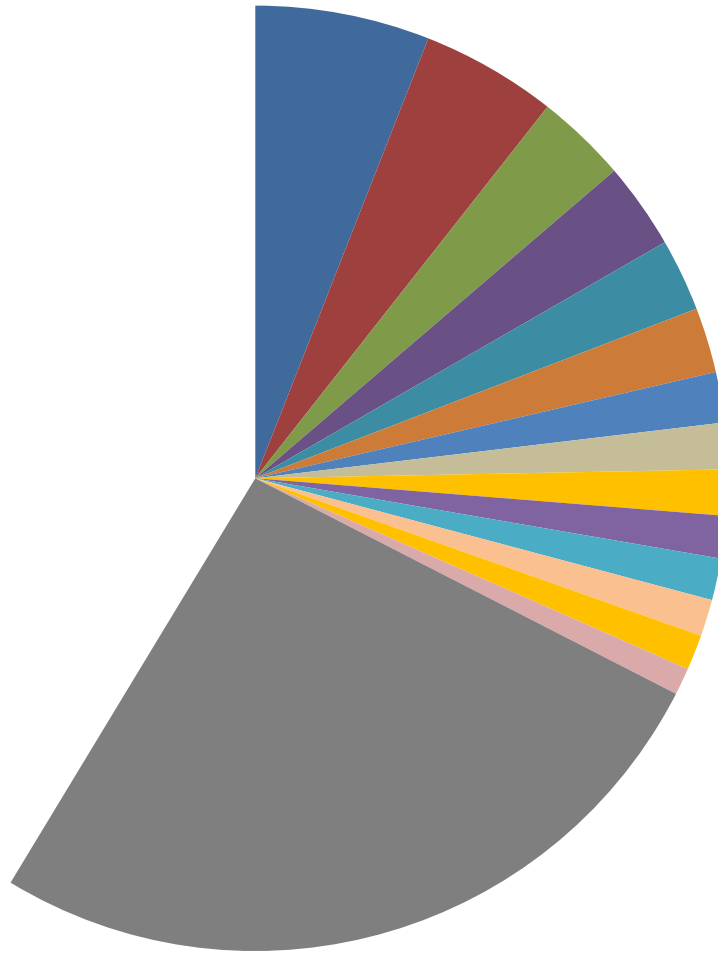
(Rs crs)

Consumer Finance	Mar-16	
Comm. Vehicle Loans	14,101	16%
Utility Vehicle Loans	2,058	2%
Small CV	2,045	2%
Two Wheeler Loans	3,045	3%
Car Loans	3,917	4%
Equipment Financing	3,244	4%
Credit Card	1,204	2%
Loan Against Property	5,248	6%
BL, PL, GL, etc	1,687	2%
Total Advances	36,549	41%

IndusInd Bank



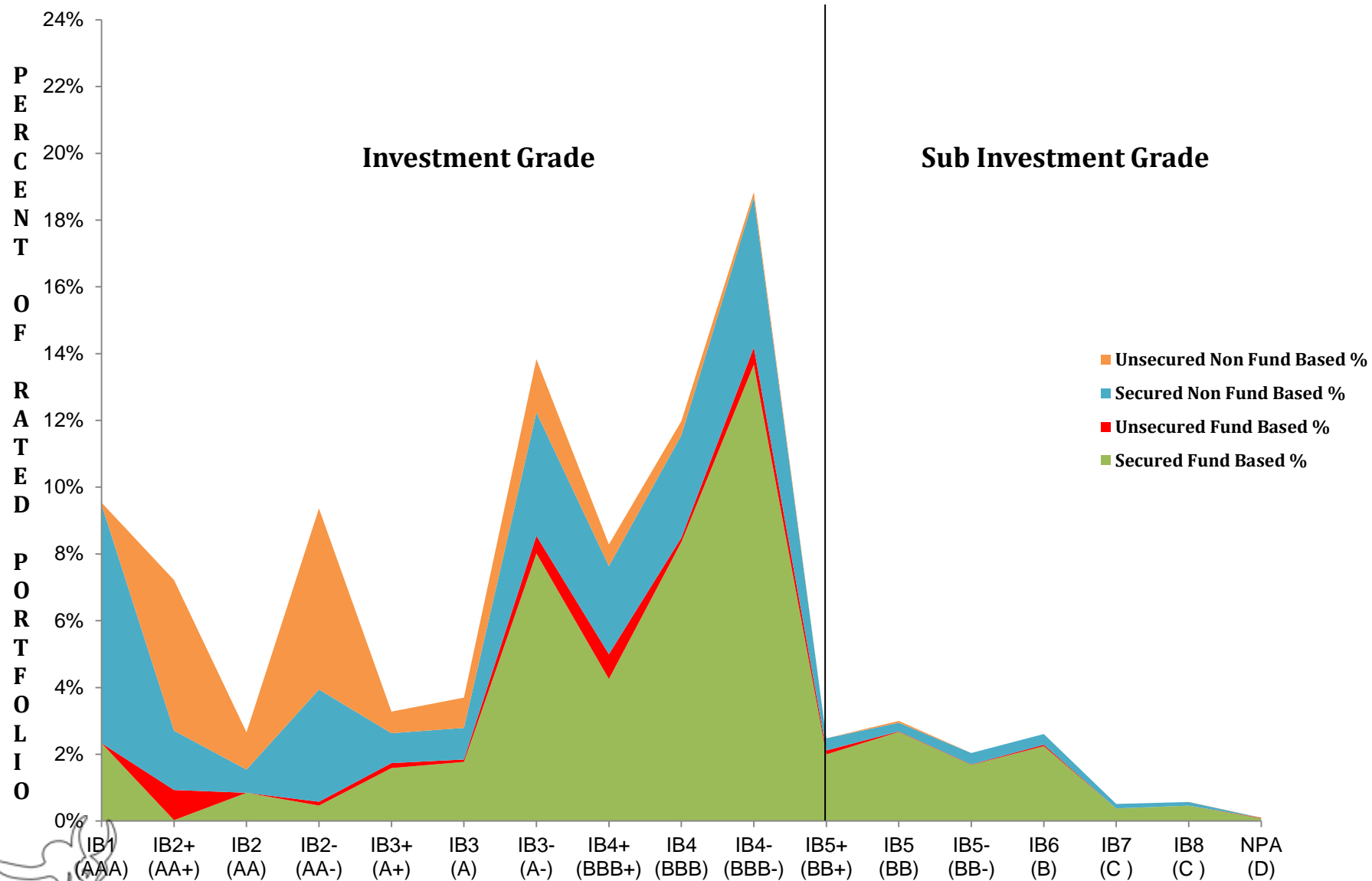
Diversified Corporate Loan Book



Gems and Jewellery	5.97%
Lease Rental	4.64%
Telecom- Cellular	3.12%
Real Estate	2.95%
Power Transmission	2.48%
NBFCs (other than HFCs) /NBFC-MFI	2.23%
Steel	1.72%
Media,Entertainment & Advt	1.59%
Constn related to infra.- EPC	1.57%
Housing Finance Companies	1.45%
Services	1.43%
Contract Construction-Civil	1.26%
Power Generation	1.21%
Pharma	0.92%
Other Industry	26.13%



Well Rated Corporate Portfolio

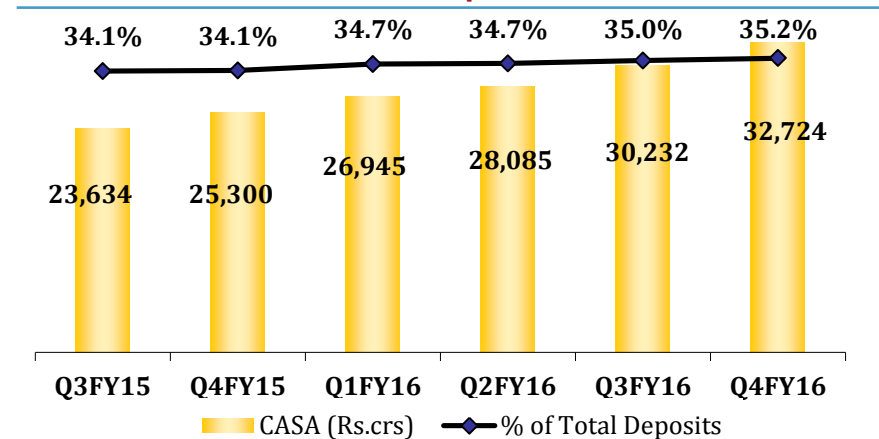


Improving CASA profile

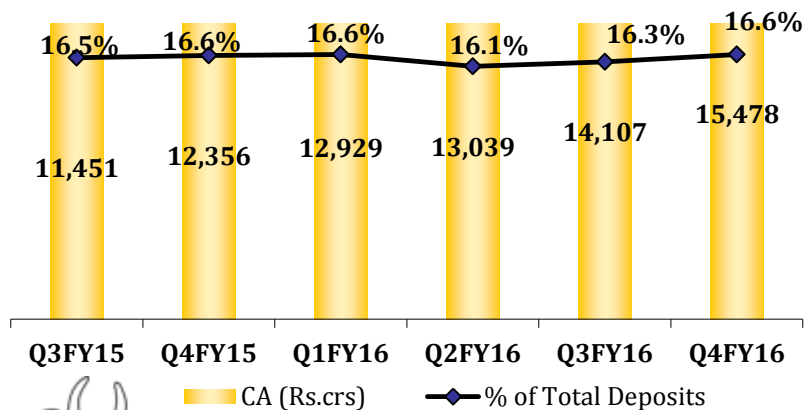
Building CASA traction

- 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

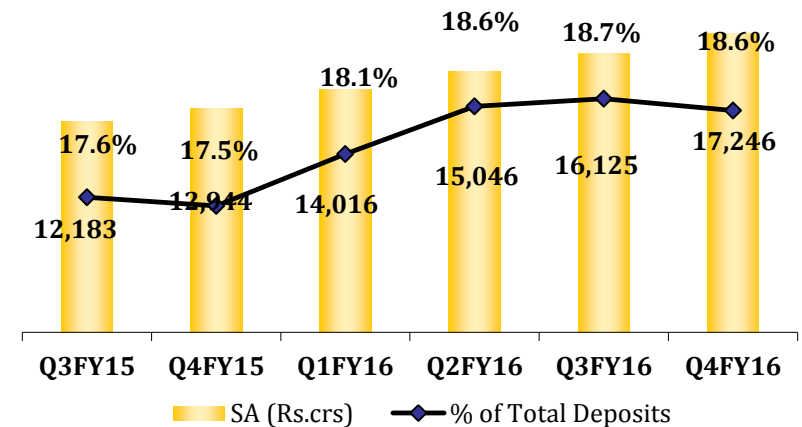
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q4FY16	Q4FY15	Y-o-Y (%)	Q3FY16	Q-o-Q(%)
Core Fee	774.19	609.20	27% ↑	725.90	7% ↑
Securities/MM/FX Trading/Others	138.61	89.91	54% ↑	113.10	23% ↑
Total	912.80	699.11	31% ↑	839.00	9% ↑



Diverse Revenues from Core Fee Income

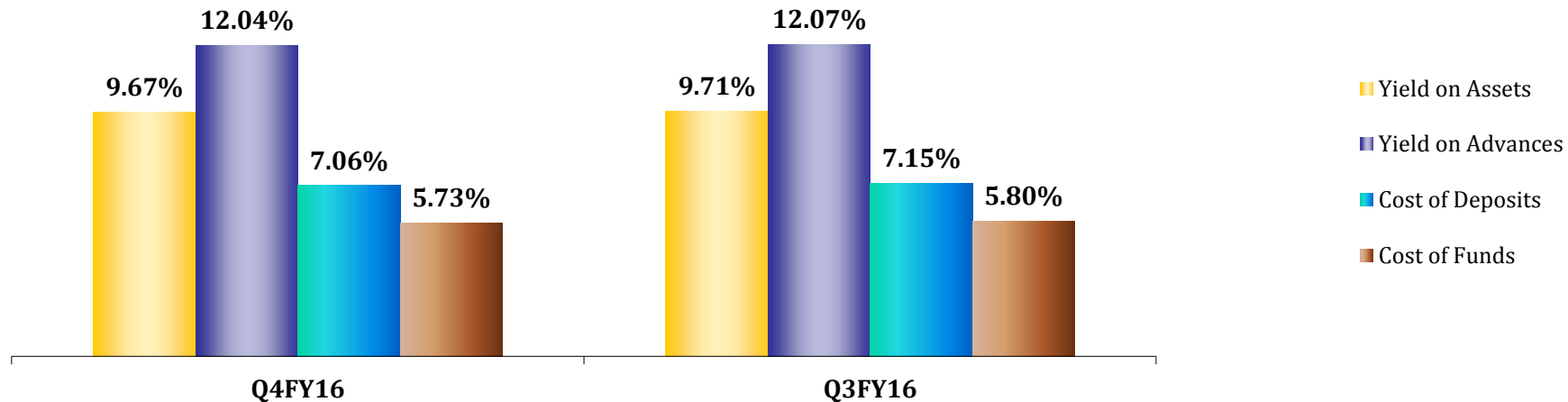
(Rs crs)

	Q4FY16	Q4FY15	Y-o-Y(%)	Q3FY16	Q-o-Q(%)
Trade and Remittances	97.27	79.80	22% ↑	85.05	14% ↑
Foreign Exchange Income	140.07	110.20	27% ↑	170.14	(18%) ↓
Distribution Fees (Insurance, MF, Cards)	138.36	127.37	9% ↑	125.99	10% ↑
General Banking Fees	48.32	45.04	7% ↑	46.29	4% ↑
Loan Processing fees	227.99	151.25	51% ↑	185.44	23% ↑
Investment Banking	122.18	95.54	28% ↑	112.99	8% ↑
Total Core Fee Income	774.19	609.20	36% ↑	725.90	7% ↑

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

	Q4FY16		Q3FY16	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	51,870	10.08%	47,918	9.98%
Consumer Finance	36,549	14.90%	34,249	15.06%
Total	88,419	12.04%	82,167	12.07%



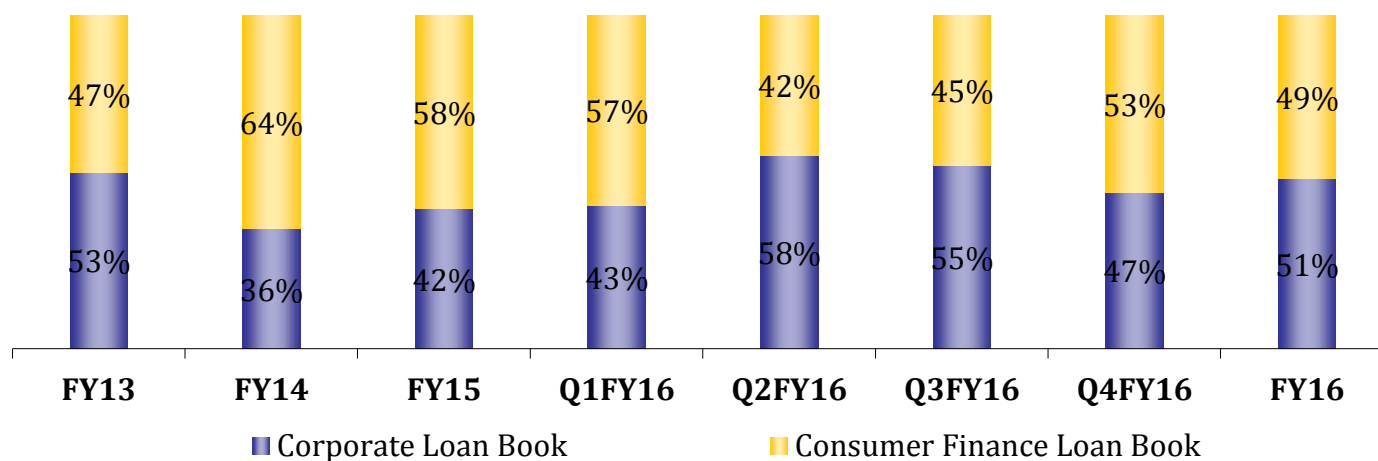
Credit Cost

(Rs crs)

	FY13	FY14	FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	FY16
Corporate Bank	116.51	93.70	143.74	39.67	69.97	77.64	70.40	257.68
Consumer Finance	103.10	169.97	195.19	51.54	50.44	63.74	78.10	243.82
Gross Credit Costs	219.61	263.67	338.93	91.21	120.41	141.38	148.50	501.50
Gross Credit Costs (Basis Points on Advances)	50	48	49	13	15	17	17	57
Net Credit Cost	204.81	227.94	323.19	86.52	116.49	121.62	143.37	468.00
Net Credit Costs (Basis Points on Advances)	46	41	48	12	15	15	16*	53^
PCR	70%	70%	63%	61%	60%	60%	59%	59%

^includes carried forward cost of credit of 15 bps

*includes carried forward cost of credit of 4 bps



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q4FY16			Q3FY16		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	311	370	681	252	350	602
Additions	106	168	274	113	139	252
Deductions	35	143	178	55	118	173
Gross NPA	382	395	777*	311	370	681*
Net NPA			322			273
% of Gross NPA			0.87%			0.82%
% of Net NPA			0.36%			0.33%
Provision Coverage Ratio (PCR)			59%			60%
Restructured Advances			0.53%			0.58%

*After sale to ARC Rs. 40 crs (Rs. 53 crs)



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q4-FY16	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	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%

Q3-FY16	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	139	20	44	16	91	15	30	15	370
Gross NPA %	1.05%	1.00%	1.45%	0.81%	2.95%	0.39%	0.57%	1.48%	1.08%



	31 Mar 16	31 Dec. 15
	Basel – III	Basel – III
Risk Weighted Assets		
- Credit Risk, CVA and UFCE	99,360	93,371
- Market Risk	5,462	4,182
- Operational Risk	11,466	8,837
- Total RWA	1,16,288	106,390
Core Equity Tier 1 / Tier 1 Capital Funds	17,350	16,641
Tier 2 Capital Funds	669	836
Total Capital Funds	18,019	17,477
CRAR	15.50%	16.43%
CET 1/ Tier 1	14.92%	15.64%
Tier 2	0.58%	0.79%



Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

Particulars	Mar 31, 2015	June 30, 2015	Sept. 30, 2015	Dec. 31, 2015	Mar 31, 2016
Branch Network	801	811	854	905	1000*
ATMs	1,487	1,543	1,578	1,621	1,800

*includes 70 specialized branches



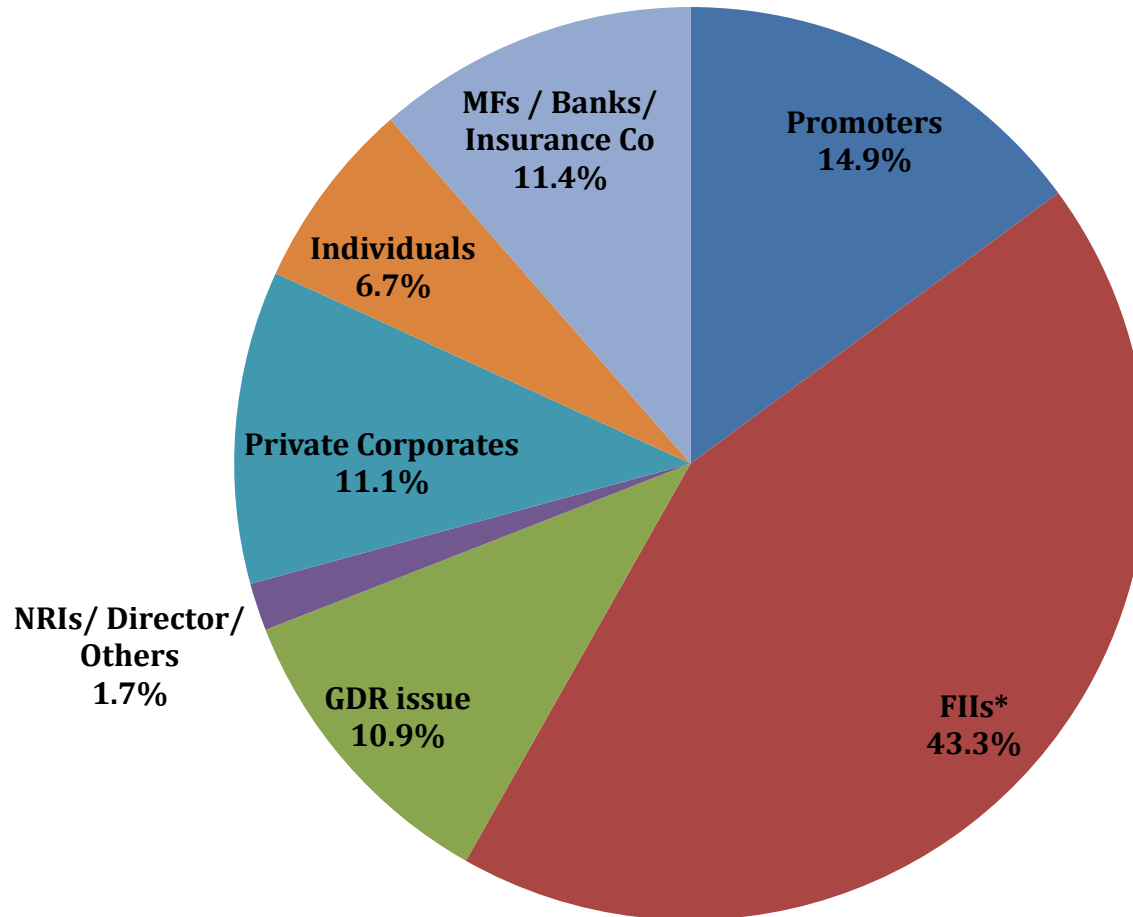
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

March 31, 2016



*includes FPIs



IndusInd Bank

Accolades



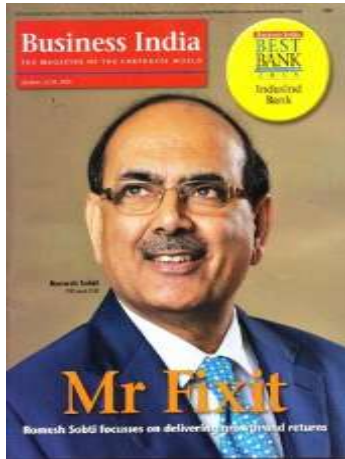


IndusInd Bank has moved up 6 ranks, to 13th place from 19th place of last year. This makes us the Top Riser in the BrandZ Top 50 Most Valuable Indian Brands of 2015 as adjudged by WPP and Millward Brown.

Our brand value has increased by 46% to \$1.5 billion since last year and we are also the sixth largest gainer in Brand Value.



Accolades



IndusInd Bank was awarded as the Best Bank 2015 by Business India



Mr. Romesh Sobti, MD & CEO won the most prestigious business award "EY Entrepreneurial CEO of the Year 2015" at the 17th EY Entrepreneur of the Year 2015 India awards.



Accolades



Best Bank Financing the industry-
Highest Finance Sanctioned
(Exports) by India Gem & Jewellery
Awards 2015 (42nd Edition)



Mr. Romesh Sobti, MD & CEO wins
the "Banker of the Year" award by FE
India's Best Banks 2015



Accolades



‘Best Bank Award’ for Electronic Payment System among Mid-sized Banks by IDRBT for the year 2014-15



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.



Accolades



Outstanding Achievement in
“Safety Management” in the
Banking Sector -
Category: Gold, organised by
M/s. GreenTech Foundation, New
Delhi & National Safety Council of
Singapore



Excellence in Procurement
Sustainability - Runners-up
Award in 3rd Annual CPO Forum



Accolades



Winner in 'Small Banks Category'
- for excellent performance in
NFS ATM Network at the
National Payments Excellence
Awards 2015



Joint Runner up - in 'Small Banks
Category' - for excellent
performance in NACH at the
National Payments Excellence
Awards 2015



Accolades



Top honors at the Cyber Security for Business Impact conference organized by CSOFORUM for implementing security projects having positive Business Impact and enabled the Bank to quickly launch new online services by significantly reducing the security assurance cycle while ensuring continuous protection



Golden Peacock Awards
A Strategic tool to Lead the Competition
Winner of Golden Peacock Innovation Management Award - 2015



Accolades



Winners in the categories

- Best Payments Initiative
- Best Financial Inclusive Initiative

Runner up in the category

- Best Fraud and Risk Management Initiative

at IBA Banking Technology Conference, Expo & Awards 2016.



Thank you



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