



IndusInd Bank

Investor Presentation

April 19, 2018

- **FY 17-18 tracking well towards PC4 targets**
- **Q4 PAT growth up by 27%, despite lower trading gains**
- **NIM remained stable at 3.97%; MCLR raised by 40 bps this quarter**
- **Credit growth (28% up) and Deposit growth (20% up) well above industry growth**
- **GNPA stable at 1.17% (previous quarter 1.16%) even after considering divergences**
- **Credit Cost for the year at 62 bps in line with our expected range, flat Y-o-Y**
- **Client base touches to 11.20 million; on boarded 0.6 million during the quarter**
- **EPS grows to Rs. 63.54**



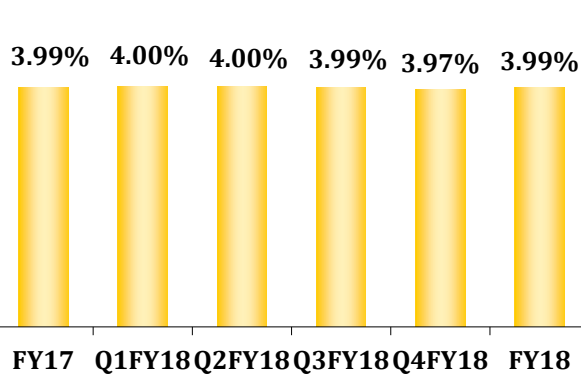
Planning Cycle 4 (2017-2020) - Plan vs Outcome

Resulting in			FY18 Outcome
	Loan Growth	▶ 25% - 30%	28%
	CASA Ratio	▶ 40%	44%
	Revenue Growth	▶ Exceed Balance Sheet Growth	20%
	RoRWA	▶ > 2.4%	2.28%
	Branch Network	▶ 2,000	1,400
	Customer Base	▶ Double to >20mn	On track

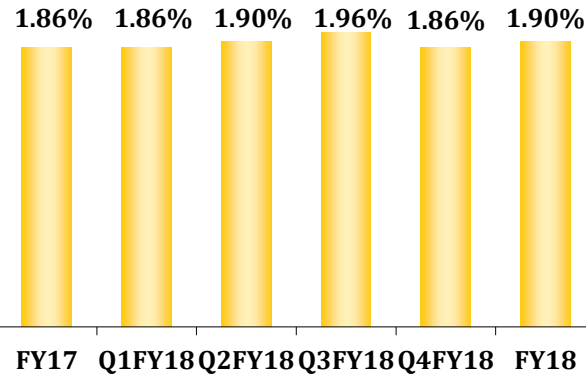


How We Measure Up On Key Metrics

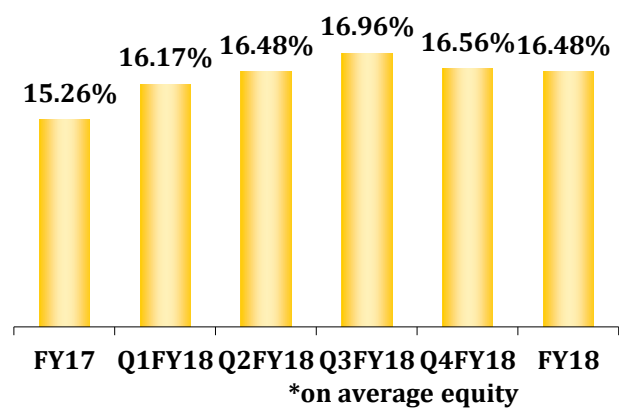
Net Interest Margin (NIM)



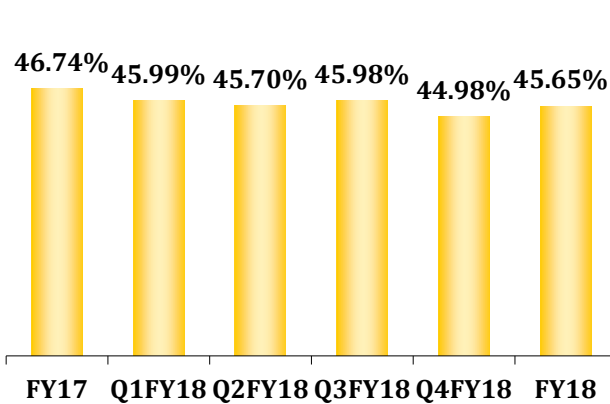
RoA



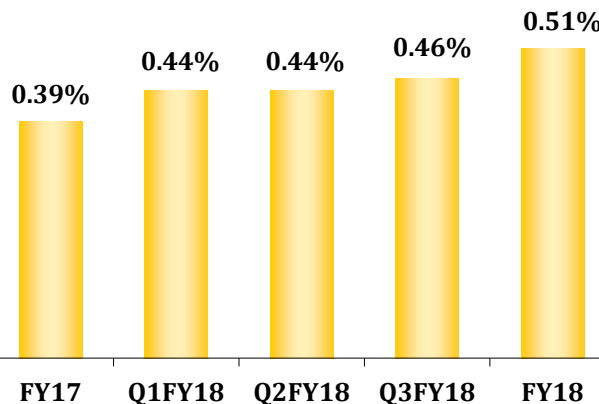
RoE*



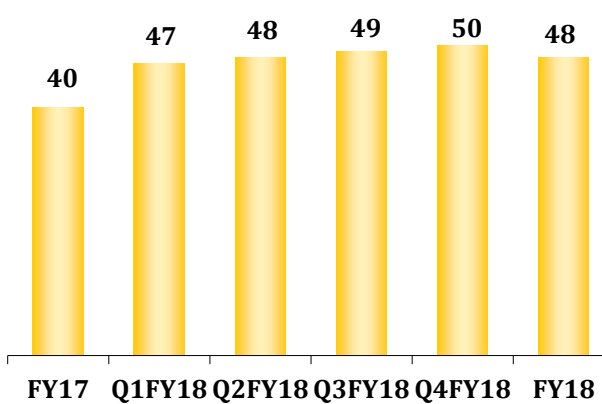
Cost / Income



Net NPA



Revenue / Employee (Rs Lakhs)



Consistent delivery of strong operating performance



Ratings

- **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



Steady Headline Numbers for Q4-FY18

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 2,008 crs	20%	6%
Core Fee Income	Rs 1,113 crs	12%	3%
Revenue	Rs 3,216 crs	12%	4%
Operating Profit	Rs 1,769 crs	13%	6%
Net Profit	Rs 953 crs	27%	2%



Steady Headline Numbers for FY 2017-18

Y-o-Y Growth

Net Interest Income	Rs 7,498 crs	24%
Core Fee Income	Rs 4,177 crs	20%
Revenue	Rs 12,248 crs	20%
Operating Profit	Rs 6,656 crs	22%
Net Profit	Rs 3,606 crs	26%



Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	➤	Rs 1,44,954 crs	28%	13%
Corporate Advances	➤	Rs 87,715 crs	30%	16%
Consumer Finance Advances	➤	Rs 57,239 crs	26%	8%
Deposits	➤	Rs 1,51,639 crs	20%	4%
CASA	➤	Rs 66,729 crs	43%	7%
SA	➤	Rs 45,888 crs	70%	9%
Borrowings	➤	Rs 38,289 crs	71%	64%



Balance Sheet

(Rs Crs)

	Q4FY18	Q4FY17	Y-o-Y (%)	Q3FY18	Q-o-Q (%)
Capital & Liabilities					
Capital	600	598	- ↑	600	- ↑
Reserves and Surplus	23,242	20,048	16% ↑	22,341	4% ↑
Deposits	1,51,639	1,26,572	20% ↑	1,46,086	4% ↑
Borrowings	38,289	22,454	71% ↑	23,367	64% ↑
Other Liabilities and Provisions	7,856	8,976	(12%) ↓	8,309	(5%) ↓
Total	2,21,626	1,78,648	24% ↑	2,00,703	10% ↑
Assets					
Cash and Balances with RBI	10,962	7,749	41% ↑	6,827	61% ↑
Balances with Banks	2,253	10,879	(79%) ↓	6,761	(67%) ↓
Investments	50,077	36,702	36% ↑	46,171	8% ↑
Advances	1,44,954	1,13,081	28% ↑	1,28,542	13% ↑
Fixed Assets	1,339	1,335	- ↑	1,333	- ↑
Other Assets	12,041	8,902	35% ↑	11,069	9% ↑
Total	2,21,626	1,78,648	24% ↑	2,00,703	10% ↑
Business (Advances + Deposit)	2,96,593	2,39,653	24% ↑	2,74,628	8% ↑



Profit and Loss Account – Q4FY18

(Rs Crs)

	Q4FY18	Q4FY17	Y-o-Y (%)	Q3FY18	Q-o-Q (%)
Net Interest Income	2,008	1,668	20% ↑	1,895	6% ↑
Other Income	1,208	1,211	- ↓	1,187	2% ↑
Total Income	3,216	2,879	12% ↑	3,082	4% ↑
Operating Expenses	1,447	1,307	11% ↑	1,417	2% ↑
Operating Profit	1,769	1,572	13% ↑	1,665	6% ↑
Provisions & Contingencies	335	430	(22%) ↓	237	41% ↑
Profit before Tax	1,434	1,142	26% ↑	1,428	- ↑
Provision for Tax	481	390	23% ↑	492	(2%) ↓
Profit after Tax	953	752	27% ↑	936	2% ↑



Profit and Loss Account – FY 2017-18

(Rs Crs)

	2017-18	2016-17	Y-o-Y (%)	
Net Interest Income	7,498	6,063	24%	↑
Other Income	4,750	4,171	14%	↑
Total Income	12,248	10,234	20%	↑
Operating Expenses	5,592	4,783	17%	↑
Operating Profit	6,656	5,451	22%	↑
Provisions & Contingencies	1,175	1,091	8%	↑
Profit before Tax	5,481	4,360	26%	↑
Provision for Tax	1,875	1,492	26%	↑
Profit after Tax	3,606	2,868	26%	↑



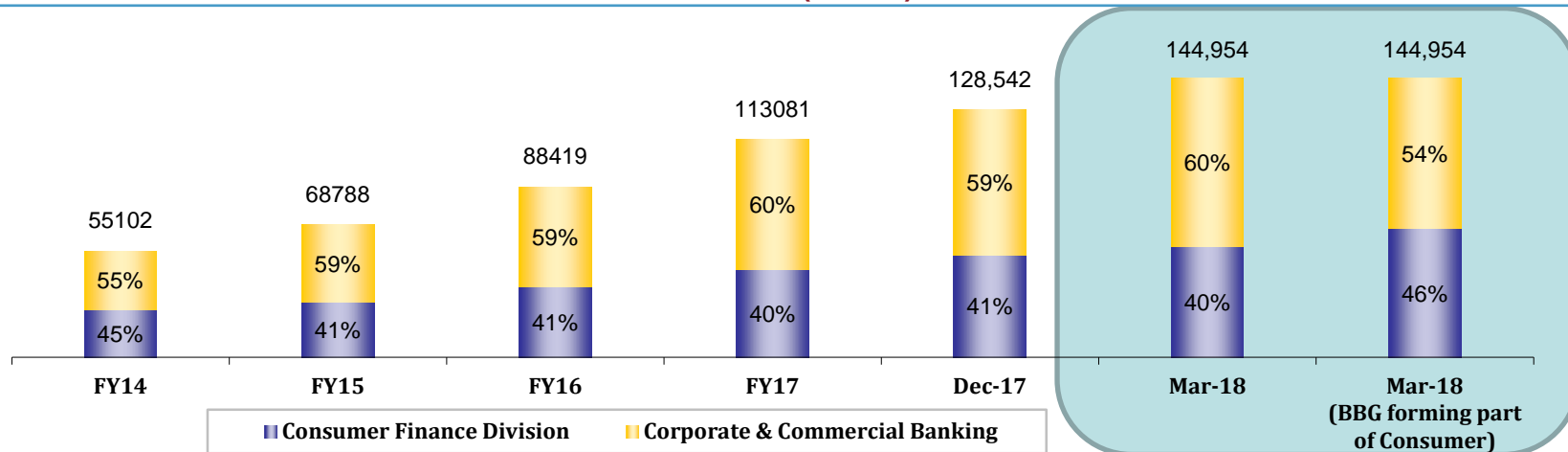
Key Financial Indicators

	FY17	Q4FY17	Q3FY18	Q4FY18	FY18
Return on Assets	1.86%	1.74%	1.96%	1.86%	1.90%
ROE (On average equity)	15.26%	15.12%	16.96%	16.56%	16.48%
Cost / Income Ratio	46.74%	45.38%	45.98%	44.98%	45.65%
Net Interest Margin	3.99%	4.00%	3.99%	3.97%	3.99%
Net NPA	0.39%	0.39%	0.46%	0.51%	0.51%
EPS (annualized, Rs. per share)	48.06	50.28	62.48	63.54	60.19
Capital + Reserves (Excl. Revaluation Reserve) Rs. in crs	20,272	20,272	22,570	23,479	23,479



Well Diversified Loan Book

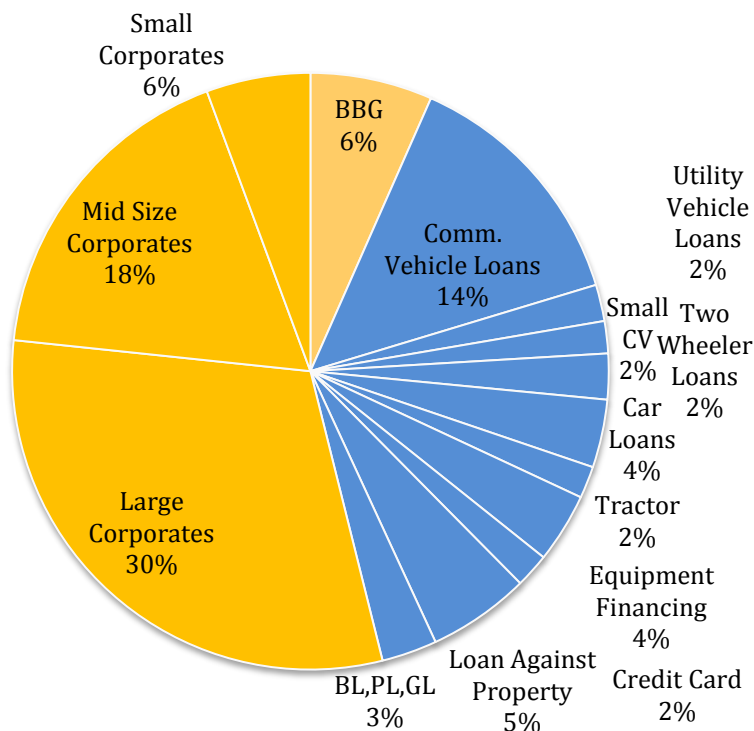
Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Mar-18	
Large Corporates	44,289	30%
Mid size Corporates	25,652	18%
Small Corporates*	17,774	12%
Total Advances	87,715	60%

*Includes Business Banking
Rs. 9,598 crs managed by Consumer Banking



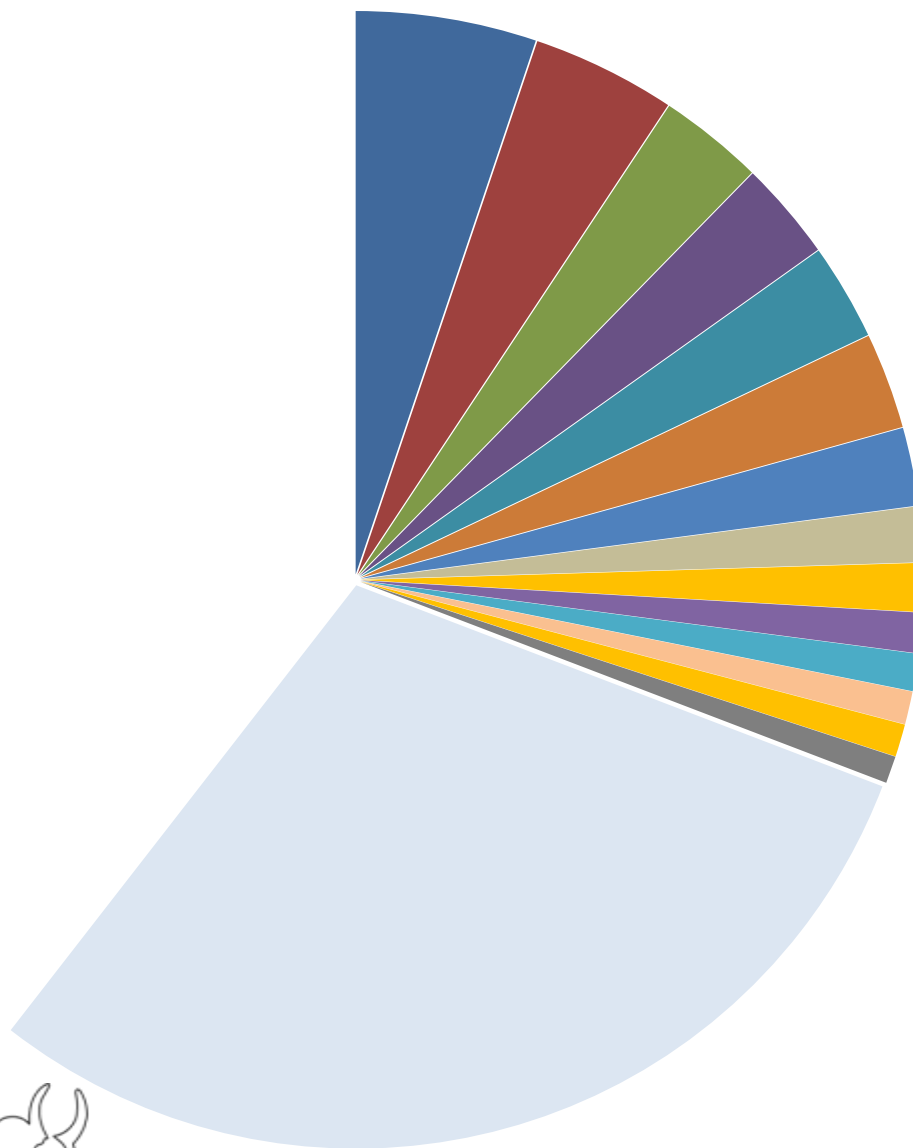
(Rs crs)

Consumer Finance	Mar-18	
Comm. Vehicle Loans	19,872	14%
Utility Vehicle Loans	2,866	2%
Small CV	2,528	2%
Two Wheeler Loans	3,589	2%
Car Loans	5,345	4%
Tractor	2,726	2%
Equipment Financing	5,479	4%
Credit Card	2,696	2%
Loan Against Property	8,009	5%
BL, PL, GL, Others	4,130	3%
Total Advances	57,239	40%

IndusInd Bank



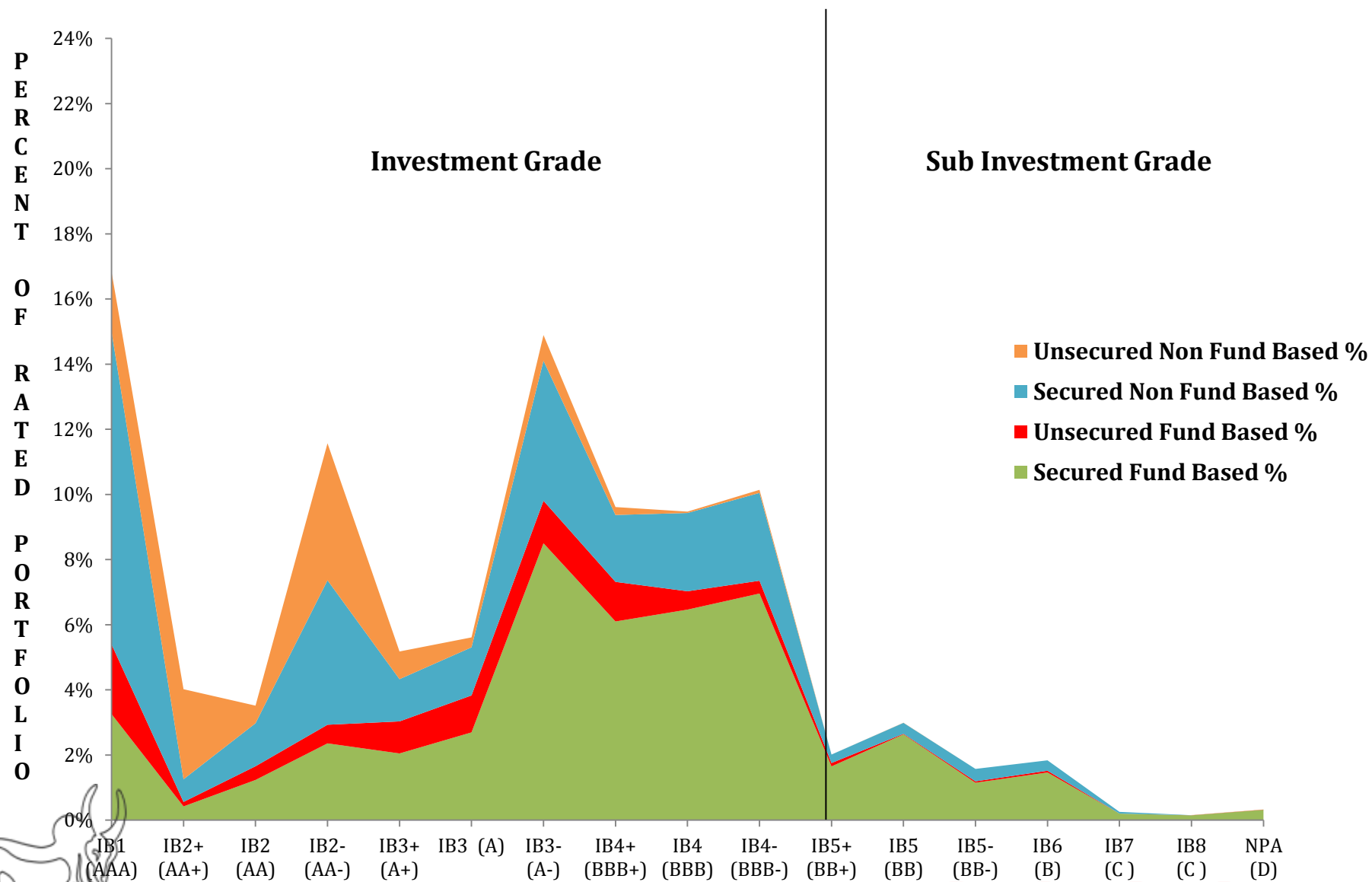
Diversified Corporate Loan Book



Gems and Jewellery	5.18%
Power Generation	4.13%
Lease Rental	3.01%
Microfinance	2.84%
Real Estate	2.77%
Constn related to infra.- EPC	2.75%
Services	2.24%
Steel	1.59%
Food Beverages and Food processing	1.40%
Petroleum & Products	1.16%
Contract Construction-Civil	1.07%
Food Credit	0.95%
Power Transmission	0.94%
Enginering and Machinery	0.78%
Other Industry	30.89%



Well Rated Corporate Portfolio

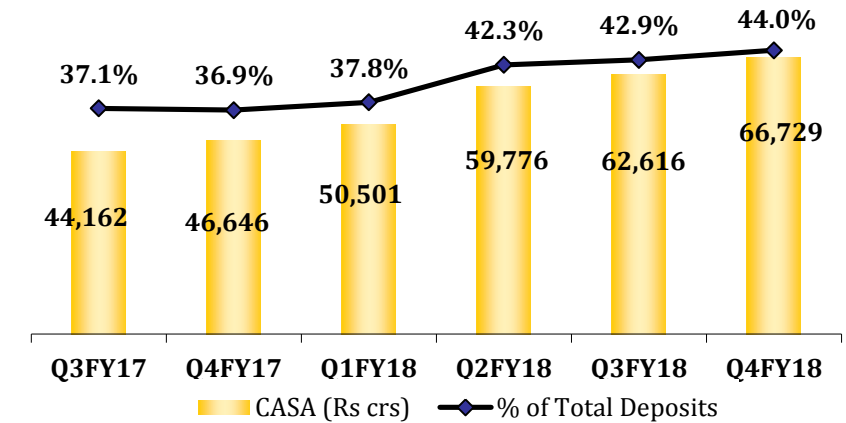


Improving CASA profile

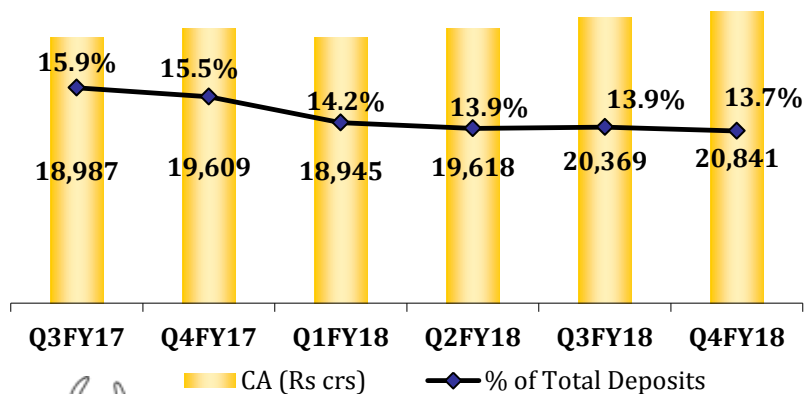
Building CASA traction

- 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

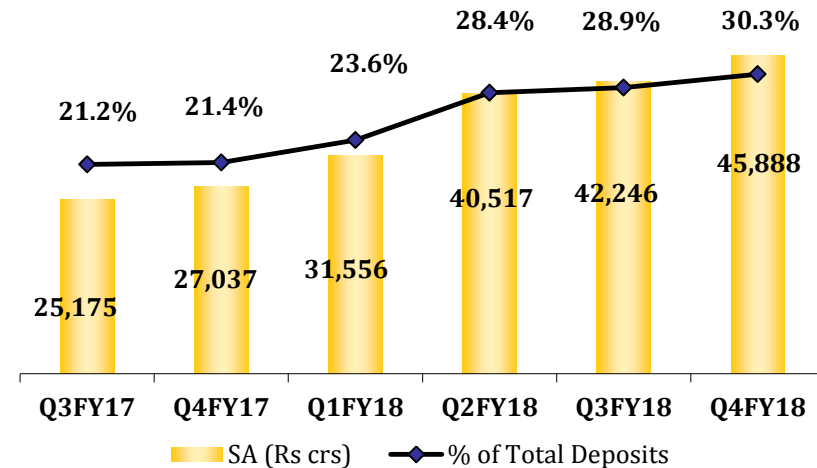
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs Crs)

	Q4FY18	Q4FY17	Y-o-Y (%)	Q3FY18	Q-o-Q (%)
Core Fee	1,113	996	12% ↑	1,077	3% ↑
Securities/MM/FX Trading/Others	95	215	(56%) ↓	110	(14%) ↓
Total	1,208	1,211	- ↓	1,187	2% ↑



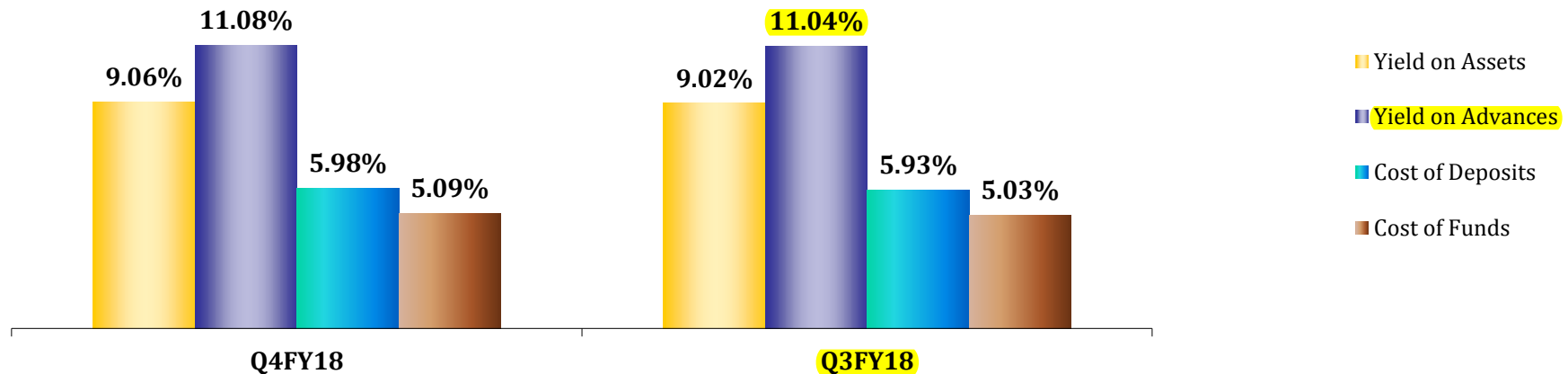
Diverse Revenues from Core Fee Income

(Rs crs)

	Q4FY18	Q4FY17	Y-o-Y(%)	Q3FY18	Q-o-Q(%)	FY18	FY17	Y-o-Y(%)
Trade and Remittances	153	120	26% ↑	127	20% ↑	540	439	23% ↑
Foreign Exchange Income	197	170	16% ↑	202	(2%) ↓	779	655	19% ↑
Distribution Fees (Insurance, MF, Cards)	273	241	13% ↑	256	7% ↑	976	715	37% ↑
General Banking Fees	65	63	3% ↑	70	(7%) ↓	264	232	14% ↑
Loan Processing fees	228	243	(6%) ↓	242	(6%) ↓	880	854	3% ↑
Investment Banking	197	159	24% ↑	180	9% ↑	738	594	24% ↑
Total Core Fee Income	1,113	996	12% ↑	1077	3% ↑	4,177	3,489	20% ↑



Yield / Cost Movement



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

Segment-wise Yield

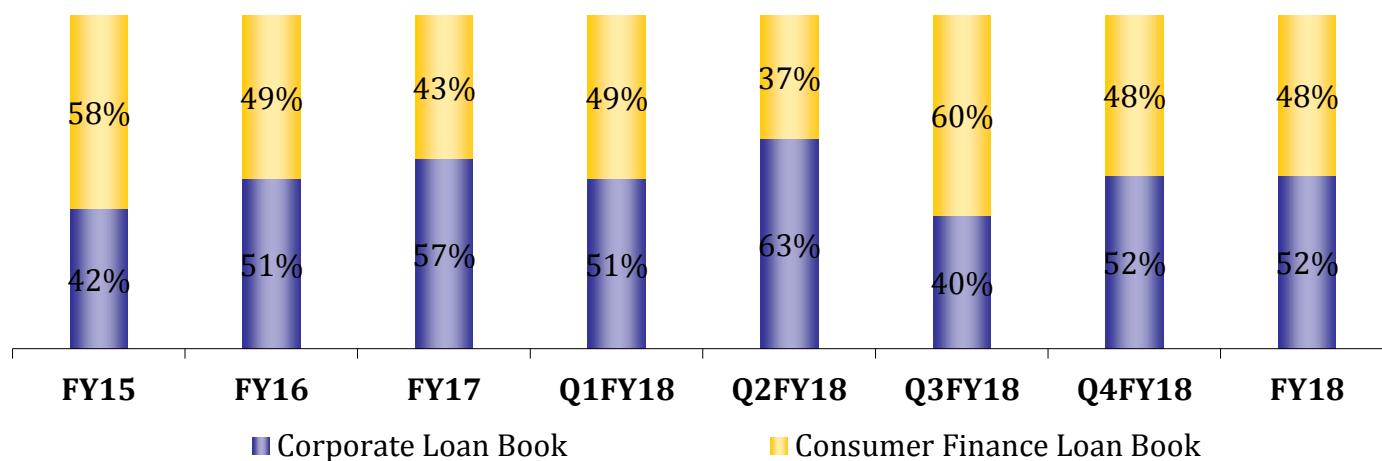
	Q4FY18		Q3FY18	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	87,715	9.07%	75,418	8.96%
Consumer Finance	57,239	13.87%	53,124	14.04%
Total	1,44,954	11.08%	1,28,542	11.04%



Credit Cost

(Rs crs)

	FY15	FY16	FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	FY18
Corporate Bank	144	258	401	107	140	74	146	468
Consumer Finance	195	244	303	103	82	113	136	433
Gross Credit Costs	339	502	704	210	222	187	282	901
Gross Credit Costs (Basis Points on Advances)	49	57	62	18	18	15	19	62
Net Credit Cost	323	468	672	198	214	177	268	856
Net Credit Costs (Basis Points on Advances)	48	53	59	17	17	14	19	59
PCR	63%	59%	58%	60%	60%	60%	56%	56%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q4FY18			Q3FY18		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	914	585	1,499	823	523	1,346
Additions	539**	321	860	142	266	408
Deductions	400**	254	654	51	204	255
Gross NPA	1,053	652	1,705*	914	585	1,499*
Net NPA			746			592
% of Gross NPA			1.17%			1.16%
% of Net NPA			0.51%			0.46%
Provision Coverage Ratio (PCR)			56%			60%
Restructured Advances			(76)0.05%			(188)0.15%
Restructured + Gross NPA to Advances			1.23%			1.31%

* After sale to ARC Rs. 182 crs (Rs. 40 crs)

** Excludes Exposure fully repaid



Divergence of NPA

(Rs crs)

	Divergence of NPA	1,350.20
	Of Which:	
a)	Large standard cement M&A “bridge loan” provided for in March 2017 and fully repaid in June 2017	518.52
b)	Loans fully repaid on original due dates	257.80
c)	Loans classified as NPA prior to Divergence report and already included in GNPA and Credit Cost	236.00
d)	Loan sold to ARC	118.80
e)	Accounts under divergence upgraded to “Standard”	Nil
f)	Loans written off (already provided in Q-I)	33.18
g)	Road asset classified as NPA by the Bank, currently being considered by consortium banks as "Standard"	104.20
h)	Balance of divergence recognised as GNPA as of 31/03/2018	81.70
	Total impact on GNPA in Q-4 (items g +h)	185.90



NPA Composition – Consumer Finance

(Rs crs)

Q4-FY18	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	197	37	59	32	140	36	72	35	44	652
Gross NPA %	0.99%	1.28%	1.07%	1.27%	3.81%	0.67%	0.59%	1.29%	1.61%	1.13%

Q3-FY18	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	168	34	53	30	135	33	64	29	39	585
Gross NPA %	0.93%	1.25%	1.06%	1.22%	3.78%	0.62%	0.56%	1.15%	1.65%	1.10%



Quality of Loan Book Robust

- Gross NPA flat at 1.17%
- Credit cost flat Y-o-Y at 62 bps inspite of one-offs
- Restructured book down to 5 bps
- GNPA + Restructured down from 1.31% in Q3-FY18 to 1.23% in Q4-FY18
- ARC Sale / SRs at Rs. 473 crs (0.30%) in Q4-FY18 as against Rs. 450 crs (0.35%) in Q3 FY18
- Provision Coverage Ratio (PCR) remains strong at 56% ; Floating provision not utilised in Q4-FY18
- Exposure to 40 NCLT cases only Rs. 385 crs provisioned upto 65%
- AAA and AA rated exposures (Corporate Book) stands at 36.4% as against 30% in March 2016
- SMA2 as of March 31, 2018 stands at 13 bps



CRAR

(Rs Crs)

	31 Mar 18	31 Dec 17
	Basel – III	Basel – III
Credit Risk, CVA and UFCE	1,44,549	1,34,957
Market Risk	9,767	9,603
Operational Risk	18,840	14,824
Total Risk Weighted Assets	1,73,156	1,59,384
Core Equity Tier 1 Capital Funds	23,243	22,423
Additional Tier 1 Capital Funds	2,000	2,000
Tier 2 Capital Funds	779	800
Total Capital Funds	26,022	25,223
CRAR	15.03%	15.83%
CET1	13.42%	14.07%
Tier 1	14.58%	15.33%
Tier 2	0.45%	0.50%



Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

Particulars	June 30, 2017	Sept. 30, 2017	Dec. 31, 2017	Mar. 31, 2018
Branch Network	1,210	1,250	1,320	1,400*
ATMs	2,090	2,146	2,162	2,203

*includes 172 specialized branches



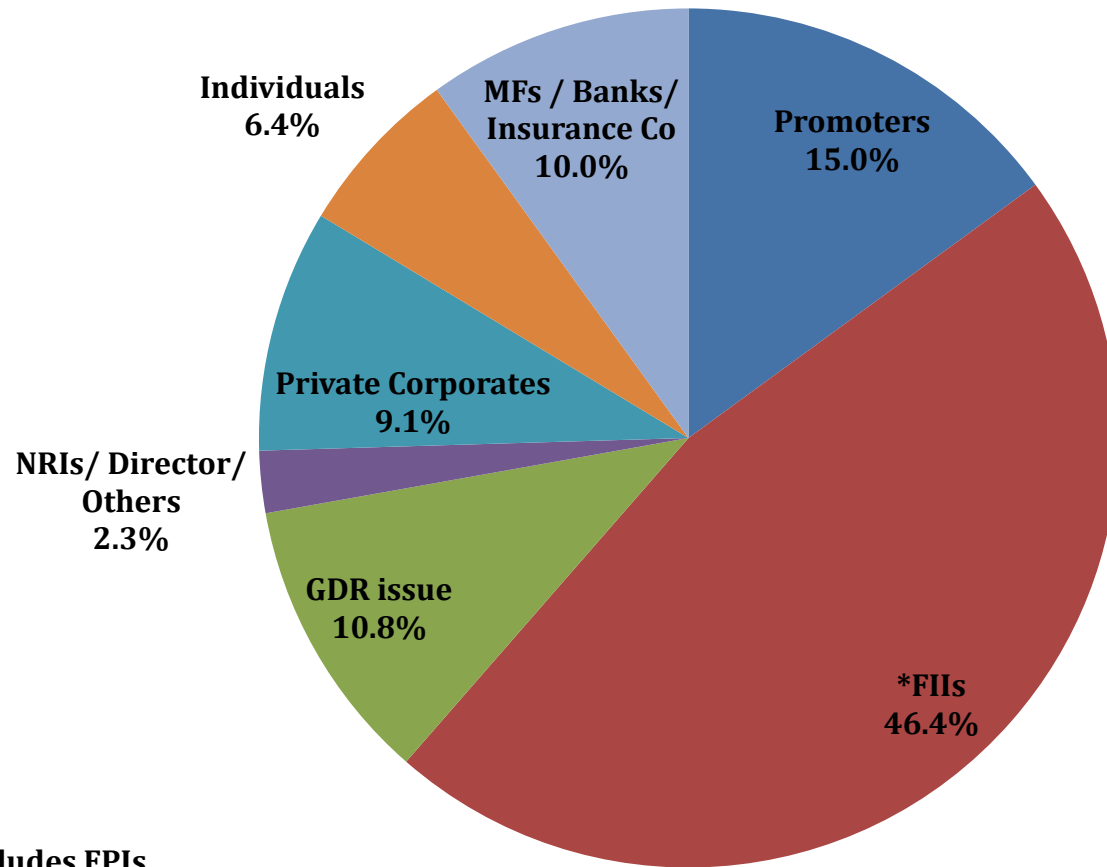
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

March 31, 2018



Accolades



Accolades



Business Today's Best CEO Award

The Best CEO Award to Mr. Romesh Sobti, Managing Director and CEO



TransUnion CIBIL Data Quality Award 2018

Best Data Quality Commercial Bureau Amongst Private Banks

Accolades



Abby Awards 2017

#TheOtherMenInBlue Campaign
Silver - Cause Marketing
Silver - Digital and Mobile Games
Online
Bronze - Integrated Marketing



The INFHRA's FM Excellence Conference & Award 2017-18

For Outstanding demonstration in
Safety & Security

Accolades



IBA Banking Technology Awards 2018

Winner under Category – Best IT Risk and Cyber Security Initiatives

Winner under Category – Best Payment Initiatives

Runner-up under Category – Best Financial Inclusions Initiatives

Runner-up under Category – Best Technology Bank



Thank you



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