

IndusInd Bank

Investor Presentation

October 09, 2015

Q2 – FY16 Performance Highlights

- Key performance vectors remained stable
- Q-o-Q PAT growth up by 7%; Y-o-Y up by 30%
- Non-Interest Income to revenue remains healthy at 42%; Core Fee growth at 24% Y-o-Y
- NIM up by 20 bps to 3.88%
- Credit growth above industry - 31% Y-o-Y and 8% Q-o-Q
- Net NPA at 0.31%
- Credit cost 15 bps for quarter
- Capital infusion through QIP Rs. 4,328 crs and Preferential Allotment Rs. 753 crs; RBS G&J Business fully integrated



Plan vs Outcome

Planning Cycle 3 (2014-17)

Q2-FY 16
Outcome

Loan Growth



25% - 30%

31%*

CASA Growth



CASA > 35%

35%

Fee Growth
Core Fee Growth



Exceed Loan Growth

32%
24%

Branch Network



To Double from 602

854

Customer Base



To Double

On track

Resulting in

*23.7% excluding the portfolio acquisition



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**

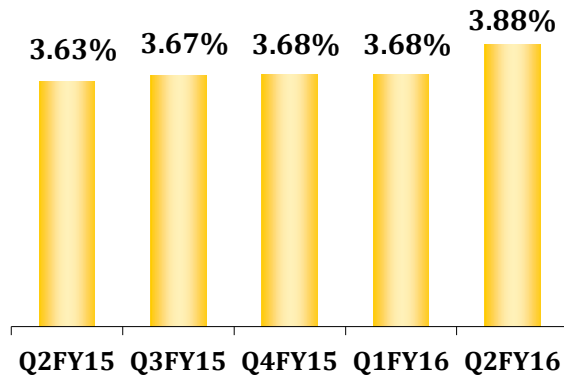
**Front and Back
Office optimization**

**Full suite of Rural
Products**

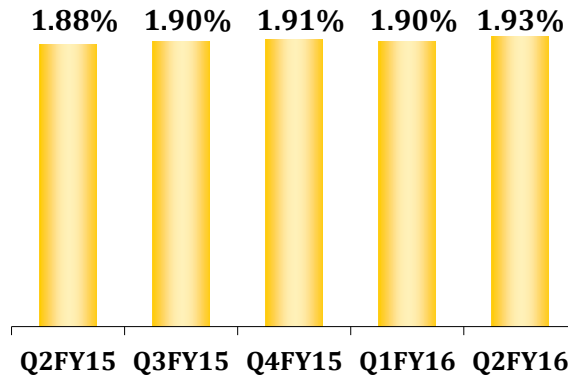


How We Measure Up On Key Metrics

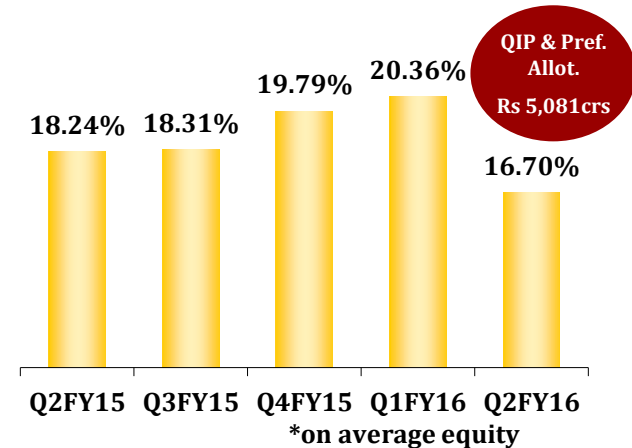
Net Interest Margin (NIM)



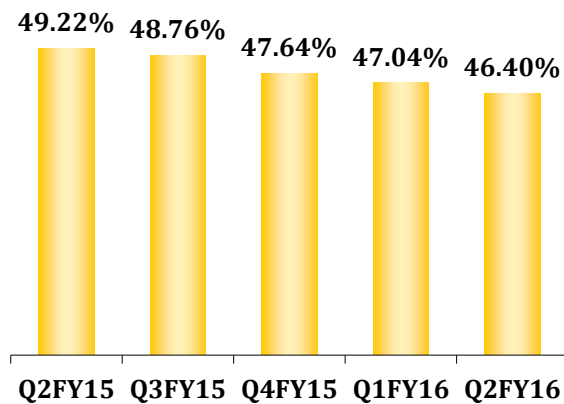
RoA



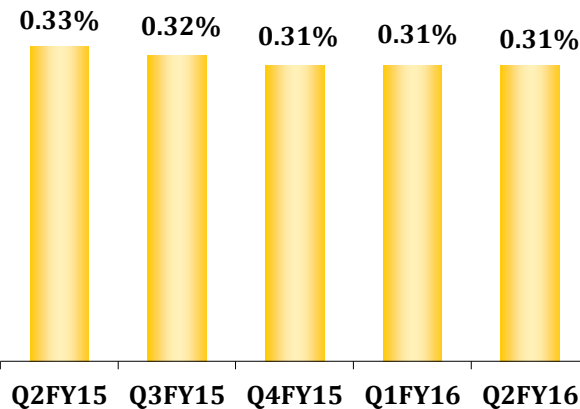
RoE*



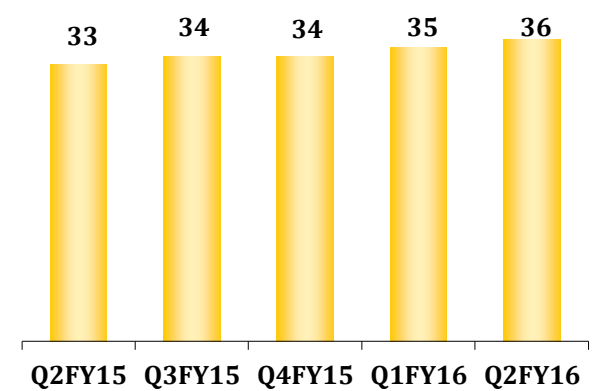
Cost /Income



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 Q2-FY16

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 1,094 crs	31%	12%
Other Income	Rs 784 crs	32%	3%
Core Fee Income	Rs 673 crs	24%	6%
Revenue	Rs 1,878 crs	32%	8%
Operating Profit	Rs 1,007 crs	39%	9%
Net Profit	Rs 560 crs	30%	7%



Steady Headline Numbers for HY-FY16

Y-o-Y Growth		
Net Interest Income	Rs 2,075 crs	27%
Other Income	Rs 1,545 crs	29%
Core Fee Income	Rs 1,310 crs	23%
Revenue	Rs 3,620 crs	28%
Operating Profit	Rs 1,929 crs	31%
Net Profit	Rs 1,085 crs	27%



Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 78,294 crs	31%*	8%
Corporate Advances	Rs 46,339 crs	36 %*	10 %
Consumer Finance Advances	Rs 31,955 crs	23 %	6 %
Deposits	Rs 80,840 crs	22%	4%
CASA	Rs 28,085 crs	26%	4%
SA	Rs 15,046 crs	32%	7%
Borrowings	Rs 21,117 crs	59%	-1%

*including the portfolio acquisition



Balance Sheet

(Rs Crs)

	Q2FY16	Q2FY15	Y-o-Y (%)		Q1FY16	Q-o-Q (%)	
Capital & Liabilities							
Capital	592	529	12%	↑	531	11%	↑
Reserves and Surplus	16,178	9,404	72%	↑	10,650	52%	↑
Deposits	80,840	65,996	22%	↑	77,693	4%	↑
Borrowings	21,117	13,319	59%	↑	21,428	-1%	↓
Other Liabilities and Provisions	4,580	3,042	51%	↑	4,114	11%	↑
Total	123,307	92,290	34%	↑	114,416	8%	↑
Assets							
Cash and Balances with RBI	4,630	3,321	39%	↑	3,830	21%	↑
Balances with Banks	5,673	3,760	51%	↑	8,191	-31%	↓
Investments	26,755	19,898	34%	↑	23,625	13%	↑
Advances	78,294	59,931	31%	↑	72,243	8%	↑
Fixed Assets	1,180	1,087	9%	↑	1,163	1%	↑
Other Assets	6,775	4,293	58%	↑	5,364	26%	↑
Total	123,307	92,290	34%	↑	114,416	8%	↑
Business (Advances + Deposit)	159,134	125,927	26%	↑	149,936	6%	↑



Profit and Loss Account

(Rs Crs)

	Q2FY16	Q2FY15	Y-o-Y (%)	Q1FY16	Q-o-Q (%)
Net Interest Income	1,094.28	833.11	31% ↑	980.66	12% ↑
Other Income*	783.54	593.96	32% ↑	761.61	3% ↑
Total Income	1,877.82	1,427.07	32% ↑	1,742.27	8% ↑
Operating Expenses*	871.29	702.40	24% ↑	819.55	6% ↑
Operating Profit	1,006.53	724.67	39% ↑	922.72	9% ↑
Provisions & Contingencies	158.09	73.20	116% ↑	123.33	28% ↑
Profit before Tax	848.44	651.47	30% ↑	799.39	6% ↑
Provision for Tax	288.40	221.27	30% ↑	274.35	5% ↑
Profit after Tax	560.04	430.20	30% ↑	525.04	7% ↑

*Regrouped sourcing cost and bank charges



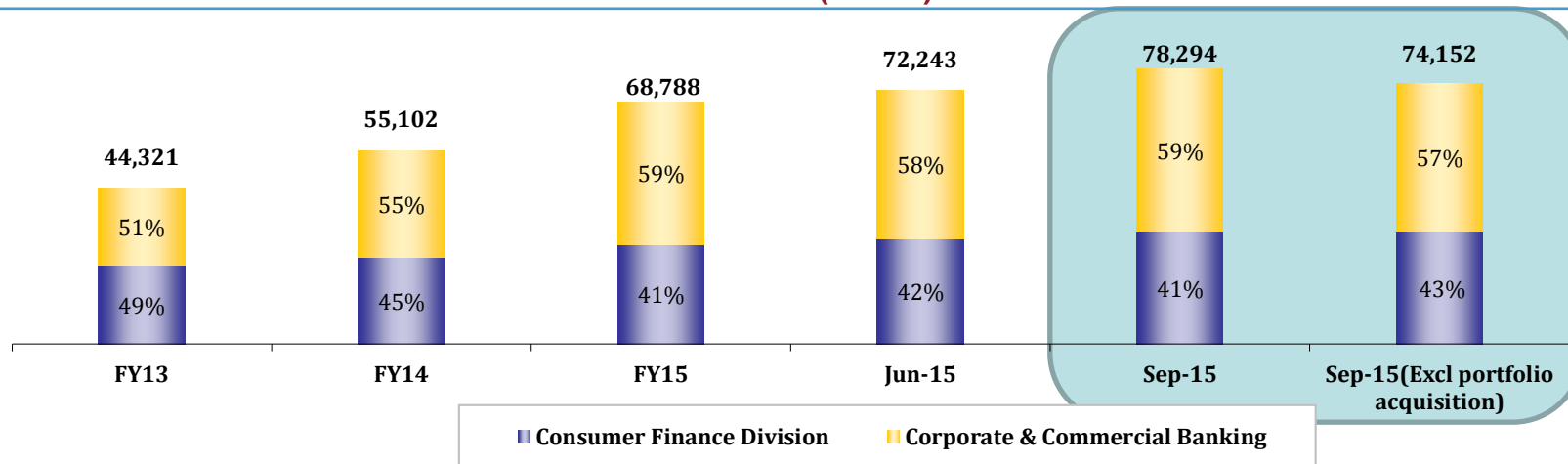
Key Financial Indicators

	Q2FY16	Q2FY15	Q1FY16
Return on Assets	1.93%	1.88%	1.90%
ROE (On average equity)	16.70%	18.24%	20.36%
Cost / Income Ratio	46.40%	49.22%	47.04%
Net Interest Margin	3.88%	3.63%	3.68%
Net NPA	0.31%	0.33%	0.31%
EPS (annualized, Rs. per share)	38.16	32.64	39.60
Capital + Reserves (Excl. Revaluation Reserve)	16,384	9,538	10,794

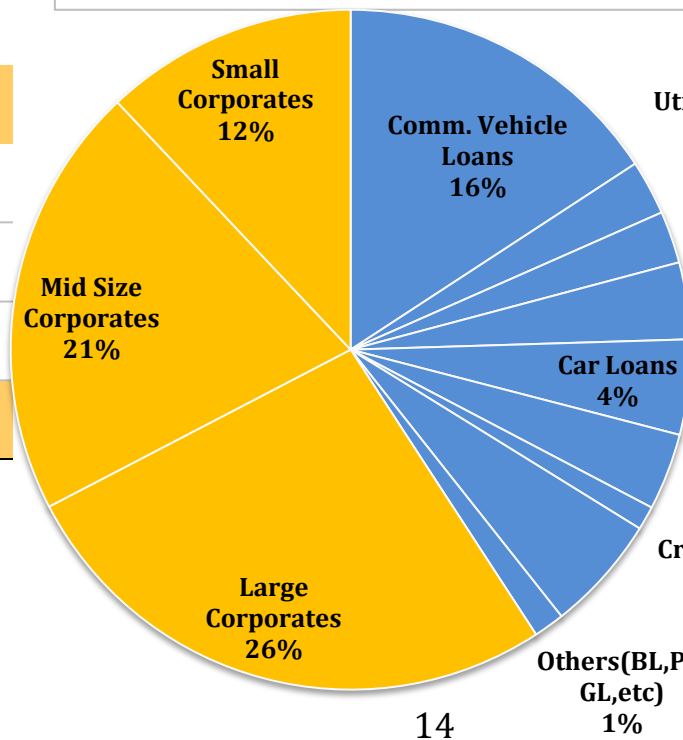


Well Diversified Loan Book

Loan Book (Rs crs)



(Rs crs)		
Corporate Banking	Sept-15	
Large Corporates	20,785	26%
Mid size Corporates	16,135	21%
Small Corporates*	9,419	12%
Total Advances	46,339	59%

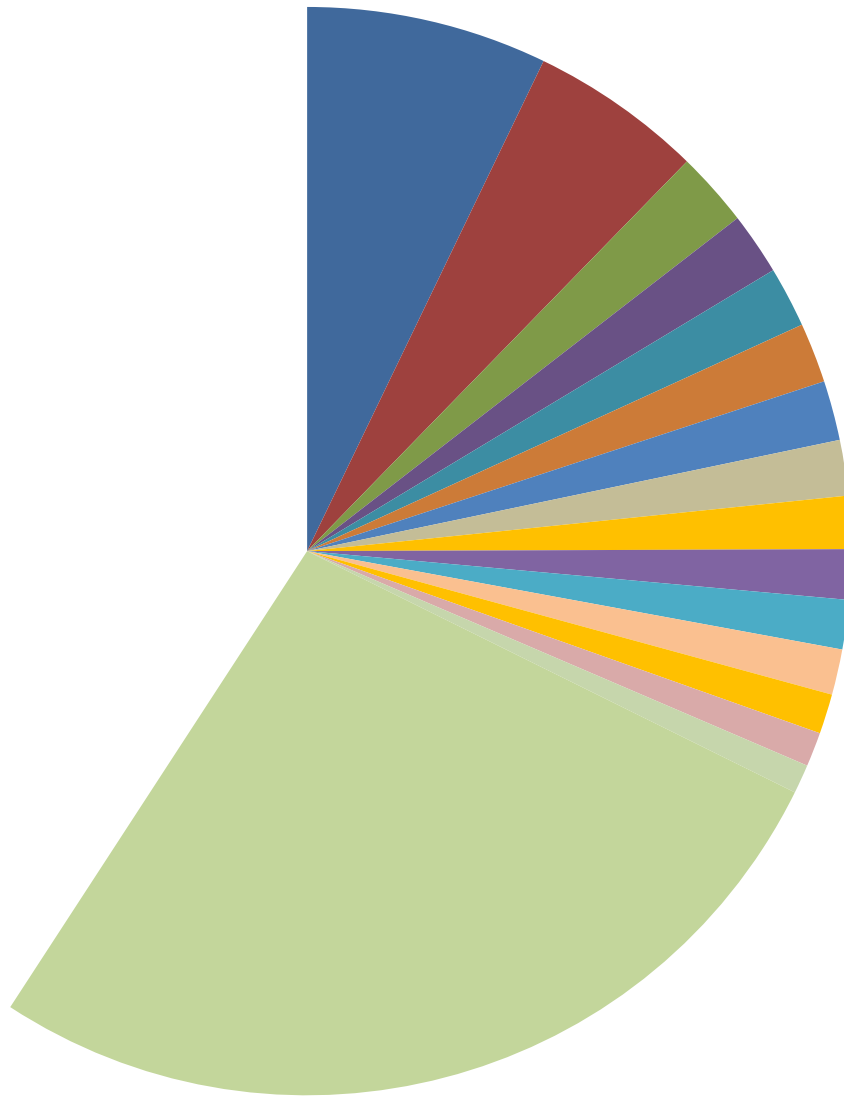


(Rs crs)			
Utility Vehicle Loans	Consumer Finance	Sept-15	
3%	Comm. Vehicle Loans	12,360	16%
2%	Utility Vehicle Loans	2,037	3%
	Small CV	1,938	2%
Two Wheeler Loans	Two Wheeler Loans	2,857	4%
4%	Car Loans	3,539	4%
	Equipment Financing	2,861	4%
Equipment Financing	Credit Card	885	1%
4%	Loan Against Property	4,331	6%
Credit Card	BL, PL, GL, etc	1,147	1%
1%	Total Advances	31,955	41%

*Includes Business Banking (Consumer Bank) Rs. 5,091 crs
After regrouping the Loan Mix stands at 53:47 for Corporate : Consumer



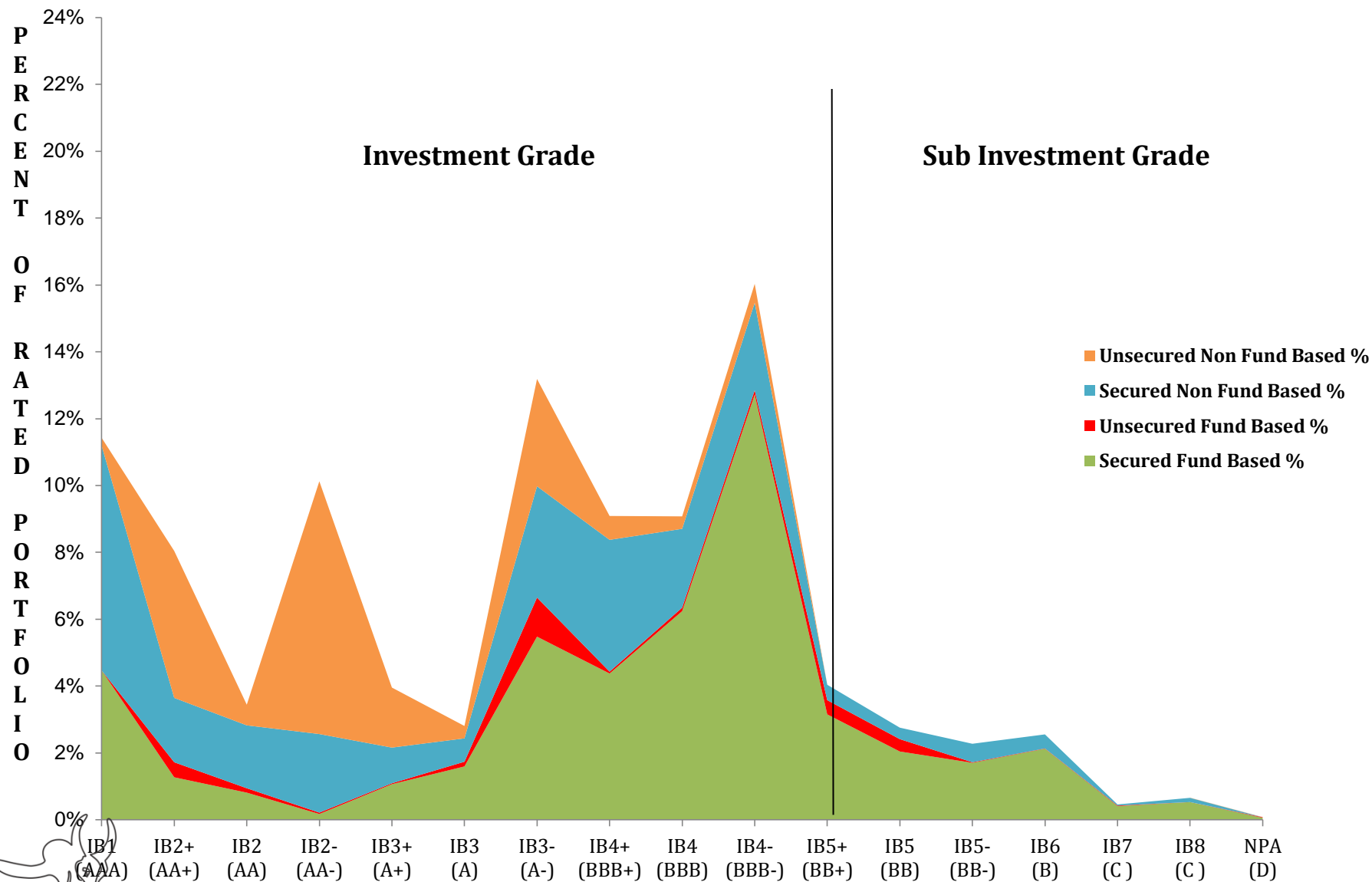
Diversified Corporate Loan Book



Gems and Jewellery	7.16%
Lease Rental	5.14%
Real Estate	2.22%
NBFCs	1.85%
Telecom- Cellular	1.80%
Constn related to infra.- EPC	1.78%
Rubber & Rubber Products	1.77%
Housing Finance Companies	1.65%
Power Generation	1.57%
Contract Construction-Civil	1.49%
Media,Entertainment & Advt	1.46%
Services	1.35%
Steel	1.18%
Food Credit	1.02%
Pharma	0.86%
Other Industry	28.53%



Well Rated Corporate Portfolio

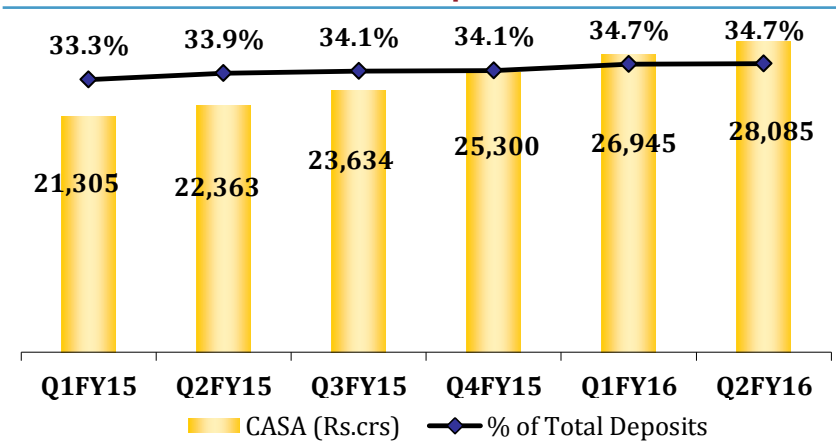


Improving CASA profile

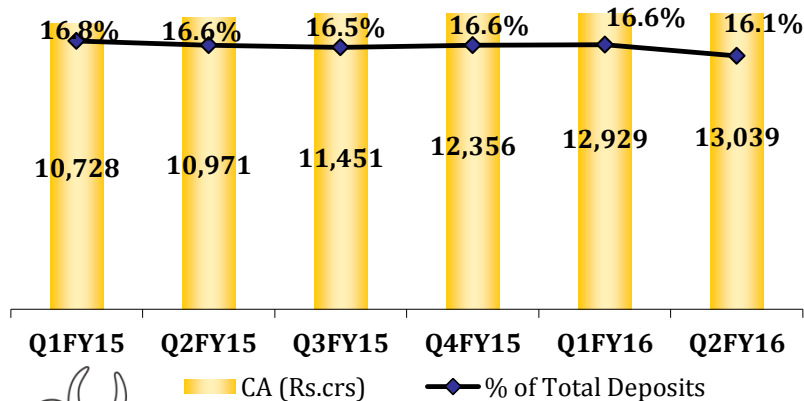
Building CASA traction

- Expanding branch network and online channels
- 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

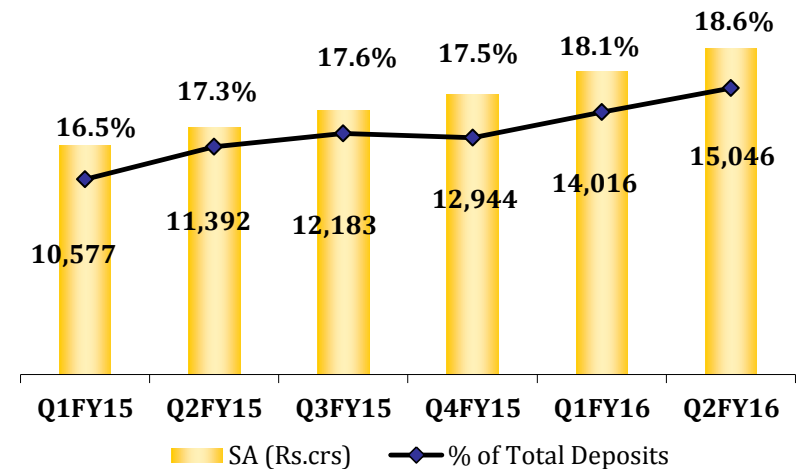
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs crs)

	Q2FY16	Q2FY15	Y-o-Y (%)	Q1FY16	Q-o-Q(%)
Core Fee	673.30	544.99	24% ↑	636.20	6% ↑
Securities/MM/FX Trading/Others	110.24	48.97	125% ↑	125.41	(12%) ↓
Total	783.54	593.96	32% ↑	761.61	3% ↑



Diverse Revenues from Core Fee Income

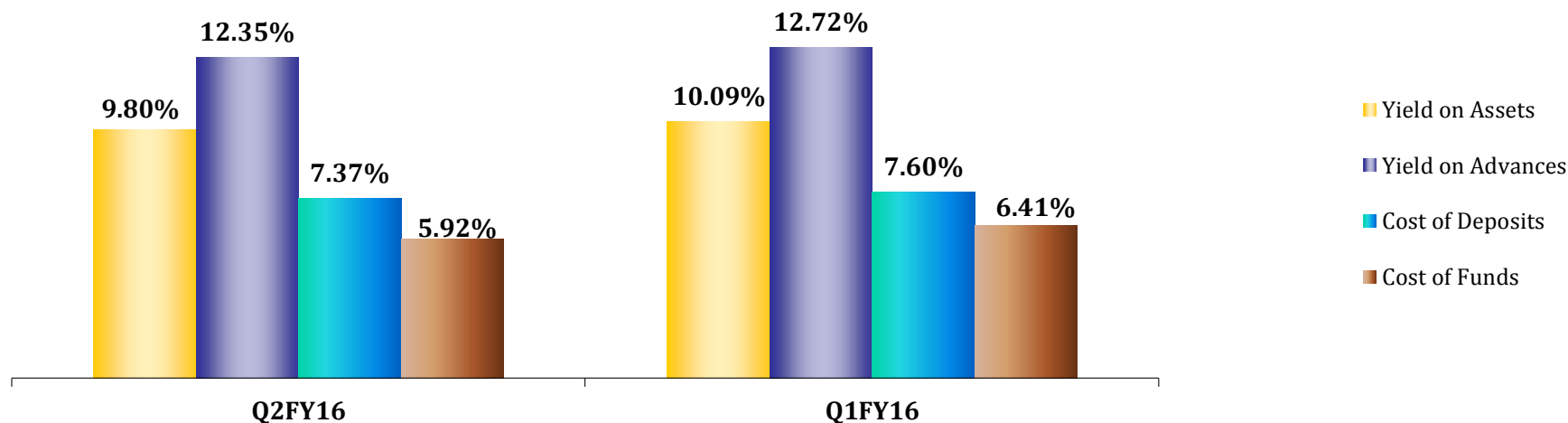
(Rs crs)

	Q2FY16	Q2FY15	Y-o-Y(%)	Q1FY16	Q-o-Q(%)
Trade and Remittances	84.35	61.53	37% ↑	56.19	50% ↑
Foreign Exchange Income	169.57	139.37	22% ↑	159.45	6% ↑
Distribution Fees (Insurance, MF, Cards)	119.21	84.66	41% ↑	106.99	11% ↑
General Banking Fees	41.39	40.84	1% ↑	48.94	(15%) ↓
Loan Processing fees	144.78	125.80	15% ↑	141.69	2% ↑
Investment Banking	114.00	92.79	23% ↑	122.94	(7%) ↓
Total Core Fee Income	673.30	544.99	24% ↑	636.20	6% ↑

Growth momentum continues on regular fee flows



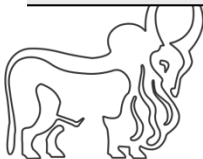
Yield / Cost Movement



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

Segment-wise Yield

	Q2FY16		Q1FY16	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	46,339	10.10%	42,236	10.40%
Consumer Finance	31,955	15.38%	30,007	15.74%
Total	78,294	12.35%	72,243	12.72%

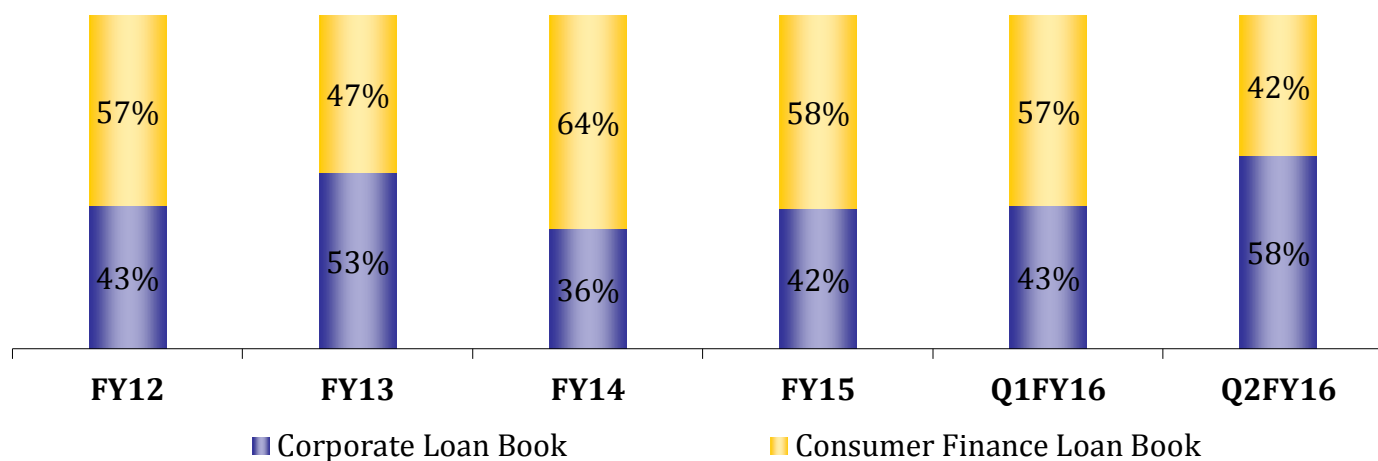


Credit Cost

(Rs crs)

	FY12	FY13	FY14	FY15	Q1FY16	Q2FY16
Corporate Bank	61.11	116.51	93.70	143.74	39.67	69.97
Consumer Finance	81.46	103.10	169.97	195.19	51.54	50.44
Gross Credit Costs	142.57	219.61	263.67	338.93	91.21	120.41
Gross Credit Costs (Basis Points on Advances)	41	50	48	49	13	15*
Net Credit Cost	133.12	204.81	227.94	323.19	86.52	116.49
Net Credit Costs (Basis Points on Advances)	38	46	41	48	12	15
PCR	73%	70%	70%	63%	61%	60%

*includes carried forward cost of credit of 4 bps



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q2FY16			Q1FY16		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	225	345	570	234	329	563
Additions	73	116	189	13	120	133
Deductions	46	111	157	22	104	126
Gross NPA	252	350	602**	225	345	570**
Net NPA			241			225
% of Gross NPA			0.77%			0.79%
% of Net NPA			0.31%			0.31%
Provision Coverage Ratio (PCR)			60.01%			60.57%
Restructured Advances			0.63%			0.63%

**After sale to ARC Rs.41crs (Rs.21 crs)



NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q2-FY16	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL /PL	Cards	Total
Gross NPA	136	21	45	17	82	14	23	12	350
Gross NPA %	1.10%	1.03%	1.57%	0.84%	2.83%	0.41%	0.41%	1.35%	1.09%

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%



	30 Sept. 15	30 June 15
	Basel – III	Basel – III
Risk Weighted Assets		
- Credit Risk, CVA and UFCE	88,294	77,727
- Market Risk	4,425	4,035
- Operational Risk	8,837	8,837
- Total RWA	101,556	90,599
Tier I Capital Funds	15,961	10,468
Tier II Capital Funds	819	795
Total Capital Funds	16,780	11,263
CRAR	16.52%	12.43%
Tier I	15.72%	11.55%
Tier II	0.81%	0.88%



Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

Particulars	Dec 31, 2014	Mar 31, 2015	June 30, 2015	Sept. 30, 2015
Branch Network	727	801	811	854*
ATMs	1,350	1,487	1,543	1,578

*includes 58 specialized branches



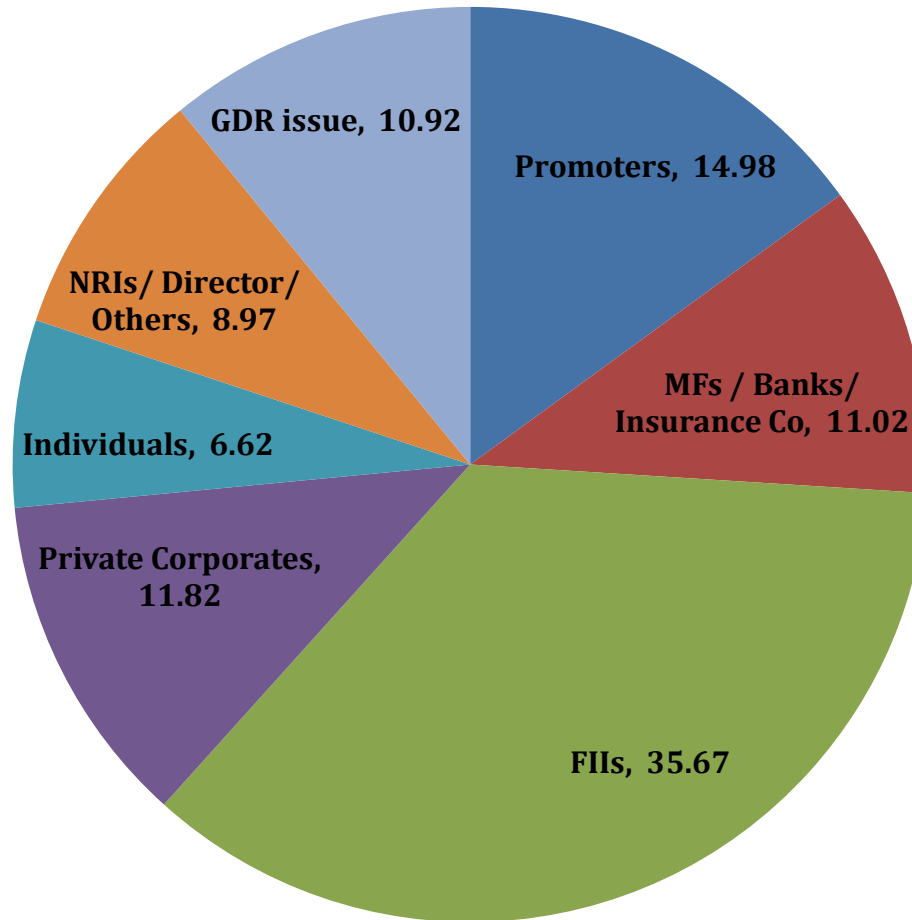
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

September 30, 2015



Accolades



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



CMO Asia 2015 award for Excellence in Social Media & Digital Marketing for Best Integrated Digital Campaign for Video Branch



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



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.





The Asian Banker Achievement
Awards 2015 – Technology
Implementation Awards for Best
CRM Project



Thank you



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