

***IndusInd Bank***

**Investor Presentation**

**October 12, 2016**

- Undeviating quarter with robust all round growth
- Persistent uptrend in Net Interest Income; Y-o-Y up by 33% and Q-o-Q up by 8%
- Y-o-Y PAT growth up by 26% ; Q-o-Q up by 6%
- Fee growth at 24% Y-o-Y; Non-Interest Income to revenue remains healthy at 40%
- NIM Y-o-Y up by 12 bps; hits the aspirational 4% mark for the first time
- Deposit and CASA growth above industry - 39% and 46% Y-o-Y respectively
- Credit growth above industry - 26% Y-o-Y and 6% Q-o-Q
- Net NPA at 0.37%; Credit cost 15 bps for quarter and 30 bps for half year
- Opened 31 branches during Q2; Network - 1,035 branches and 1,935 ATMs



# Plan vs Outcome

## Planning Cycle 3 (2014-17)

Q2 FY 17  
Outcome

Loan Growth



25% - 30%

26%

CASA Growth



CASA > 35%

36.54%

Fee Growth



Exceed Loan Growth

24%

Branch Network



To Double from 602

1035

Customer Base



To Double

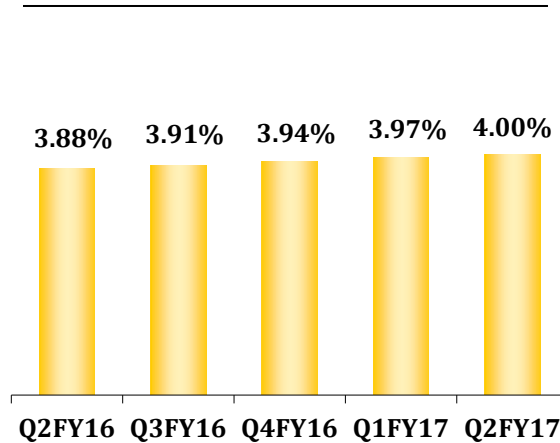
On track

Resulting in

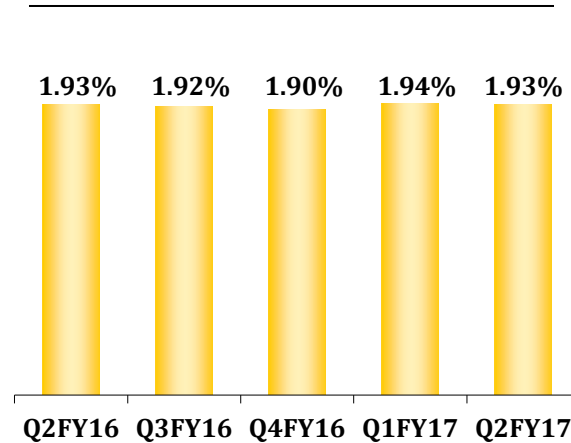


# How We Measure Up On Key Metrics

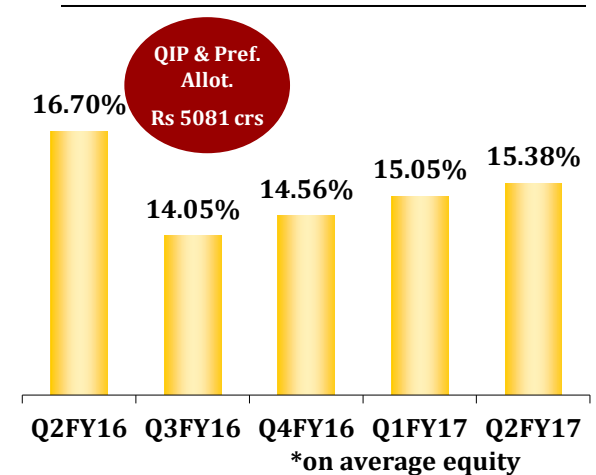
**Net Interest Margin (NIM)**



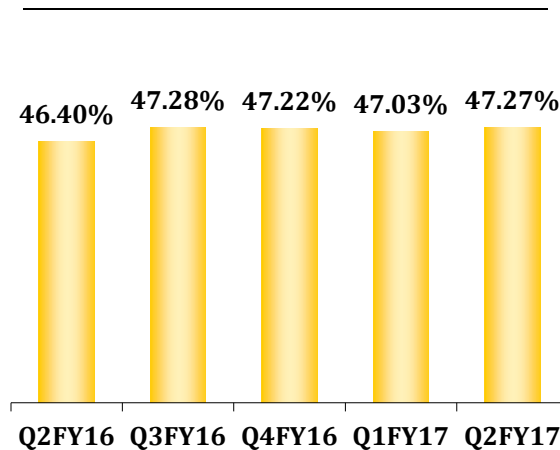
**RoA**



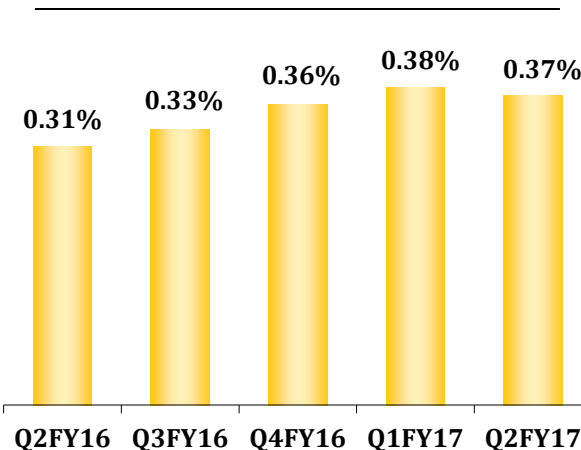
**RoE\***



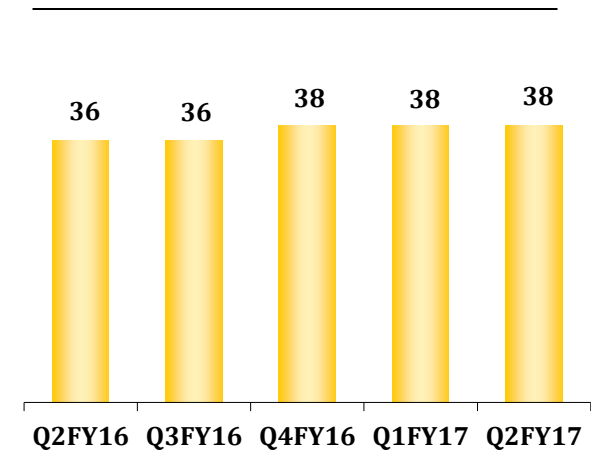
**Cost /Income**



**Net NPA**



**Revenue / Employee (Rs. Lacs)**



**Consistent delivery of strong operating performance**



# Ratings

- **ICRA AA** for 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 Upper Tier II bond program by India Ratings and Research
- **IND AA+** for Senior bonds program by India Ratings and Research



# Financial Performance



# Headline Numbers for Q2-FY17

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 1,460 crs	33%	8%
Fee Income	Rs 971 crs	24%	-
Revenue	Rs 2,431 crs	29%	4%
Operating Profit	Rs 1,282 crs	27%	4%
Net Profit	Rs 704 crs	26%	6%



# Headline Numbers for HY-FY17

## Y-o-Y Growth

Net Interest Income	Rs 2,817 crs	36%
Fee Income	Rs 1,943 crs	26%
Revenue	Rs 4,760 crs	31%
Operating Profit	Rs 2,515 crs	30%
Net Profit	Rs 1,366 crs	26%



# Top line momentum

		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 98,949 crs	26%	6%
Corporate Advances	Rs 58,391 crs	26%	6%
Consumer Finance Advances	Rs 40,558 crs	27%	5%
Deposits	Rs 1,12,313 crs	39%	10%
CASA	Rs 41,034 crs	46%	17%
SA	Rs 20,567 crs	37%	8%
Borrowings	Rs 15,078 crs	(29%)	(12%)



# Balance Sheet

(Rs Crs)

	Q2FY17	Q2FY16	Y-o-Y (%)		Q1FY17	Q-o-Q (%)	
<b>Capital &amp; Liabilities</b>							
Capital	597	592	1%	↑	596	-	↑
Reserves and Surplus	18,518	16,178	14%	↑	17,786	4%	↑
Deposits	1,12,313	80,840	39%	↑	1,01,768	10%	↑
Borrowings	15,078	21,117	(29%)	↓	17,176	(12%)	↓
Other Liabilities and Provisions	7,332	7,152	3%	↑	8,424	(13%)	↓
<b>Total</b>	<b>1,53,838</b>	<b>1,25,879</b>	<b>22%</b>	<b>↑</b>	<b>1,45,750</b>	<b>6%</b>	<b>↑</b>
<b>Assets</b>							
Cash and Balances with RBI	5,760	4,630	24%	↑	5,224	10%	↑
Balances with Banks	5,394	5,673	(5%)	↓	6,193	(13%)	↓
Investments	32,549	26,755	22%	↑	28,740	13%	↑
Advances	98,949	78,294	26%	↑	93,678	6%	↑
Fixed Assets	1,297	1,180	10%	↑	1,276	2%	↑
Other Assets	9,889	9,347	6%	↑	10,639	(7%)	↓
<b>Total</b>	<b>1,53,838</b>	<b>1,25,879</b>	<b>22%</b>	<b>↑</b>	<b>1,45,750</b>	<b>6%</b>	<b>↑</b>
Business (Advances + Deposit)	2,11,262	1,59,134	33%	↑	1,95,446	8%	↑



# Profit and Loss Account – Q2FY17

(Rs Crs)

	Q2FY17	Q2FY16	Y-o-Y (%)	Q1FY17	Q-o-Q (%)
Net Interest Income	1460.31	1,094.28	33% ↑	1,356.42	8% ↑
Other Income	970.42	783.54	24% ↑	972.97	- ↑
<b>Total Income</b>	<b>2,430.73</b>	<b>1,877.82</b>	29% ↑	<b>2,329.39</b>	4% ↑
Operating Expenses	1149.08	871.29	32% ↑	1,095.60	5% ↑
<b>Operating Profit</b>	<b>1,281.65</b>	<b>1,006.53</b>	27% ↑	<b>1,233.79</b>	4% ↑
Provisions & Contingencies	213.88	158.09	35% ↑	230.47	(7%) ↓
<b>Profit before Tax</b>	<b>1,067.77</b>	<b>848.44</b>	26% ↑	<b>1,003.32</b>	6% ↑
Provision for Tax	363.51	288.40	26% ↑	341.94	6% ↑
<b>Profit after Tax</b>	<b>704.26</b>	<b>560.04</b>	26% ↑	<b>661.38</b>	6% ↑



# Profit and Loss Account – HY FY17

(Rs Crs)

	HY-FY17	HY-FY16	Y-o-Y (%)	
Net Interest Income	2,816.73	2,074.94	36%	↑
Other Income	1,943.39	1,545.15	26%	↑
<b>Total Income</b>	<b>4,760.12</b>	<b>3,620.09</b>	31%	↑
Operating Expenses	2,244.68	1,690.84	33%	↑
<b>Operating Profit</b>	<b>2,515.44</b>	<b>1,929.25</b>	30%	↑
Provisions & Contingencies	444.35	281.42	58%	↑
<b>Profit before Tax</b>	<b>2,071.09</b>	<b>1,647.83</b>	26%	↑
Provision for Tax	705.45	562.75	25%	↑
<b>Profit after Tax</b>	<b>1,365.64</b>	<b>1,085.08</b>	26%	↑



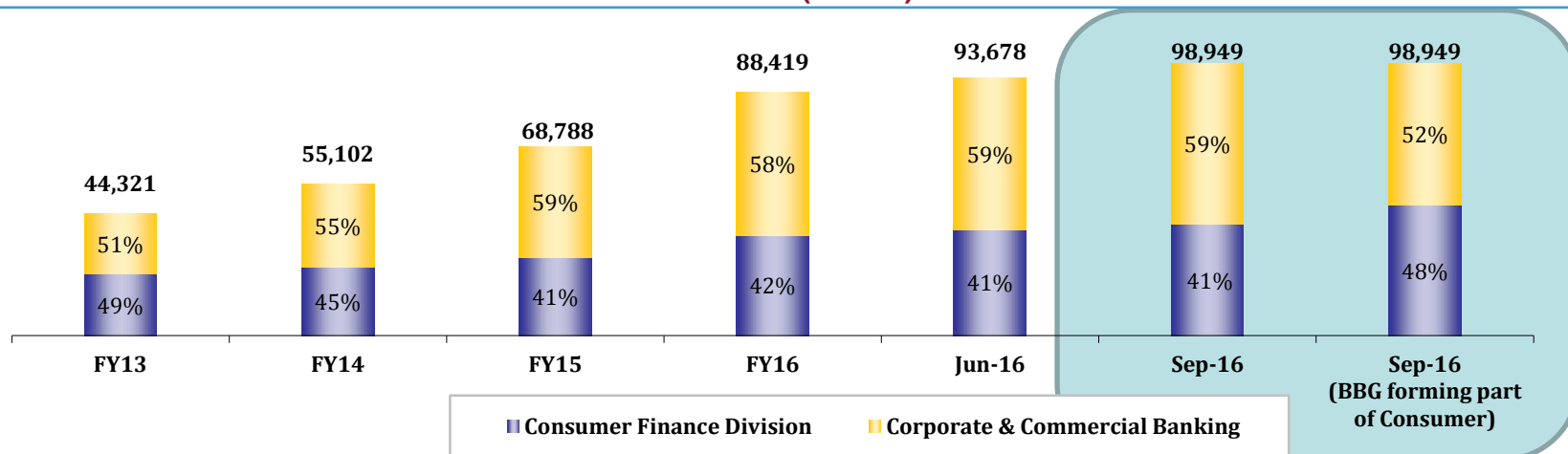
## Key Financial Indicators

	Q2FY17	Q2FY16	Q1FY17
Return on Assets	1.93%	1.93%	1.94%
ROE (On average equity)	15.38%	16.70%	15.05%
Cost / Income Ratio	47.27%	46.40%	47.03%
Net Interest Margin	4.00%	3.88%	3.97%
Net NPA	0.37%	0.31%	0.38%
EPS (annualized, Rs. per share)	47.24	38.16	44.44
Capital + Reserves (Excl. Revaluation Reserve)	18,737	16,384	18,002



# Well Diversified Loan Book

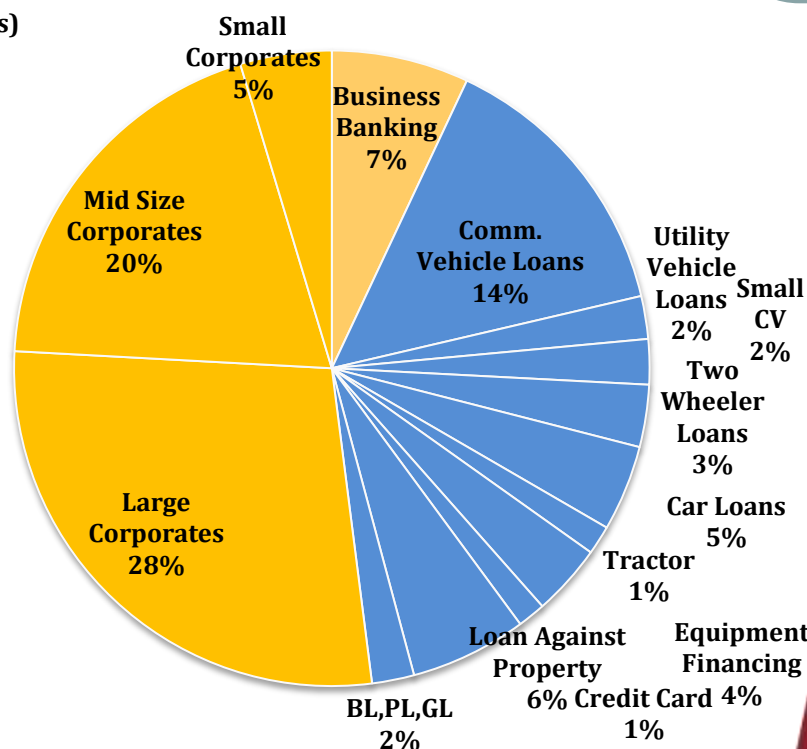
Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Sep-16	
Large Corporates	27,588	28%
Mid size Corporates	19,284	19%
Small Corporates*	11,519	12%
<b>Total Advances</b>	<b>58,391</b>	<b>59%</b>

\*Includes Business Banking  
Rs. 6,916 crs managed by  
Consumer Banking



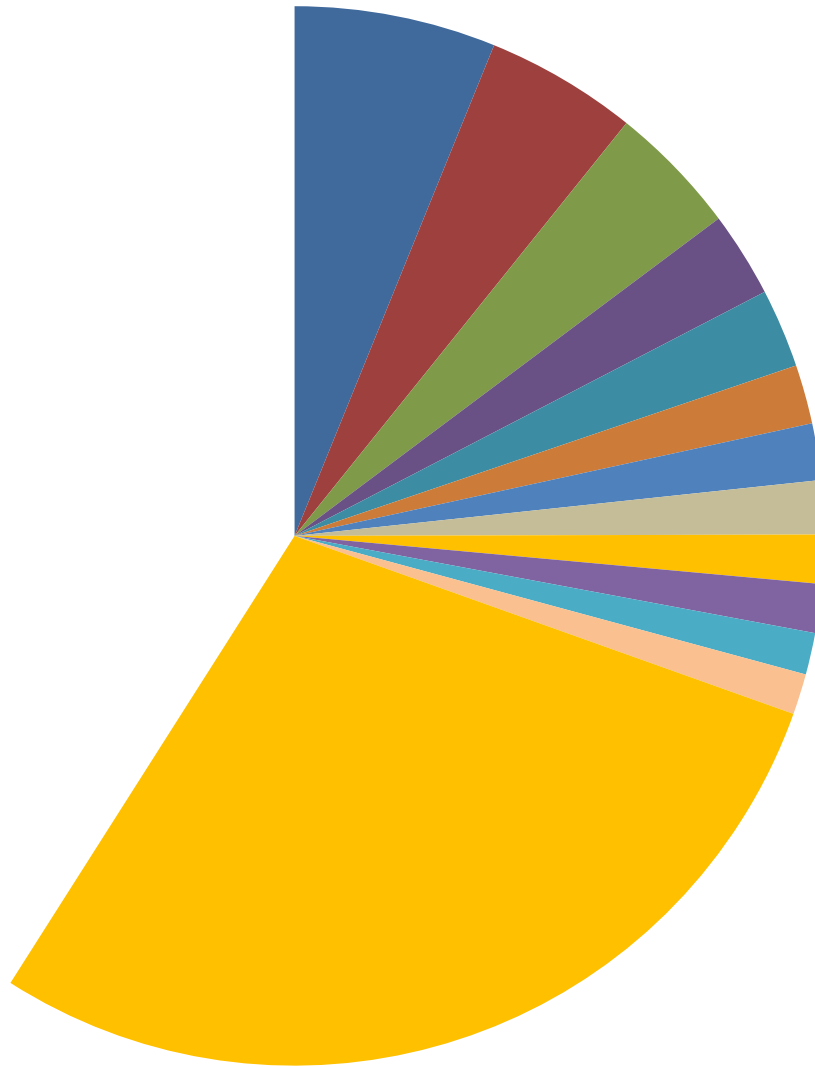
(Rs crs)

Consumer Finance	Sep-16	
Comm. Vehicle Loans	14,208	15%
Utility Vehicle Loans	2,157	2%
Small CV	2,274	2%
Two Wheeler Loans	3,134	3%
Car Loans	4,324	5%
Tractor	1,460	1%
Equipment Financing	3,597	4%
Credit Card	1,408	1%
Loan Against Property	5,872	6%
BL, PL, GL, Others	2,124	2%
<b>Total Advances</b>	<b>40,558</b>	<b>41%</b>

**IndusInd Bank**



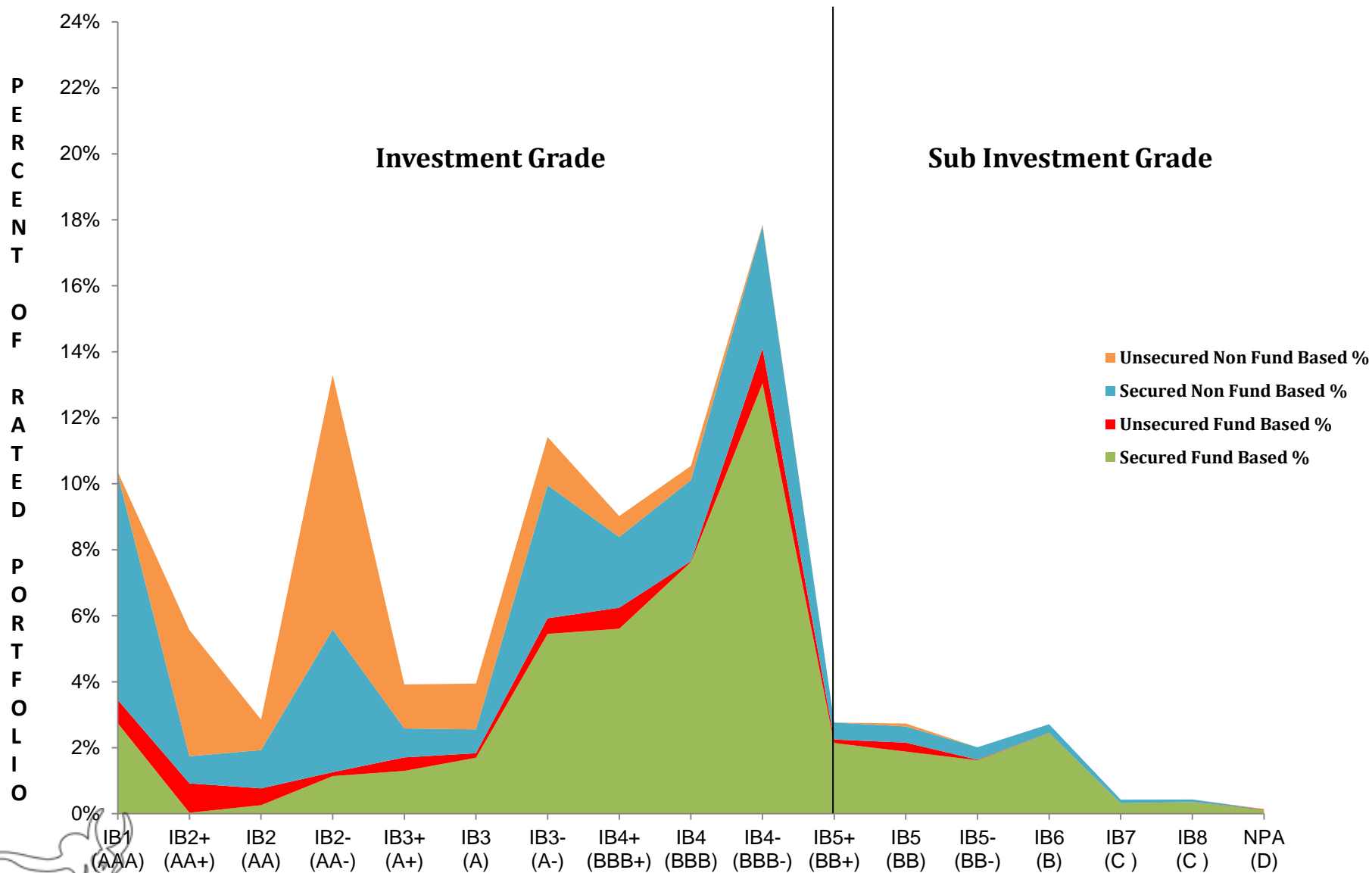
# Diversified Corporate Loan Book



Gems and Jewellery	6.15%
Lease Rental	4.63%
Telecom- Cellular	4.00%
Microfinance	2.61%
Real Estate	2.41%
Steel	1.80%
Power Generation	1.73%
Housing Finance Companies	1.64%
Media, Entertainment & Advt	1.49%
Constn related to infra.- EPC	1.49%
Services	1.27%
Contract Construction-Civil	1.24%
Other Industry	28.56%



# Well Rated Corporate Portfolio

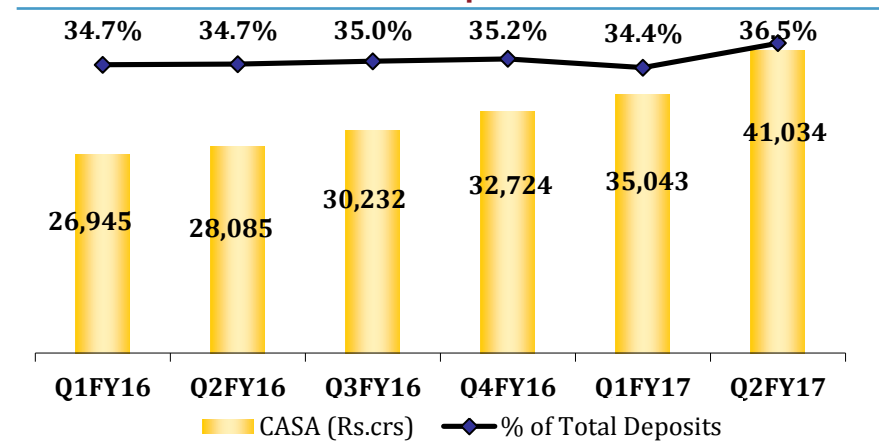


# Improving CASA profile

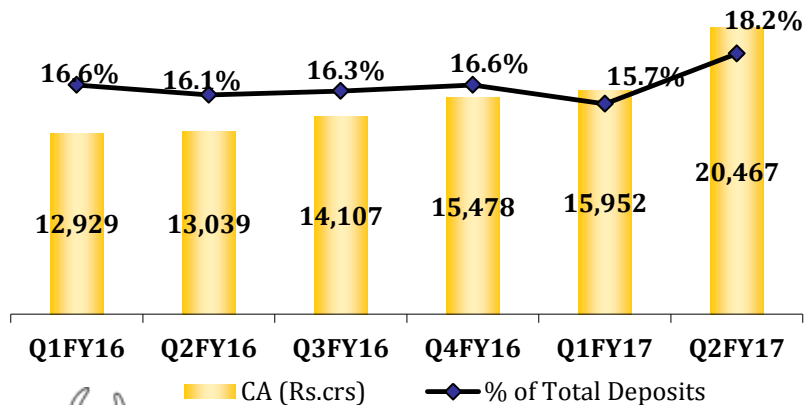
## Building CASA traction

- 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

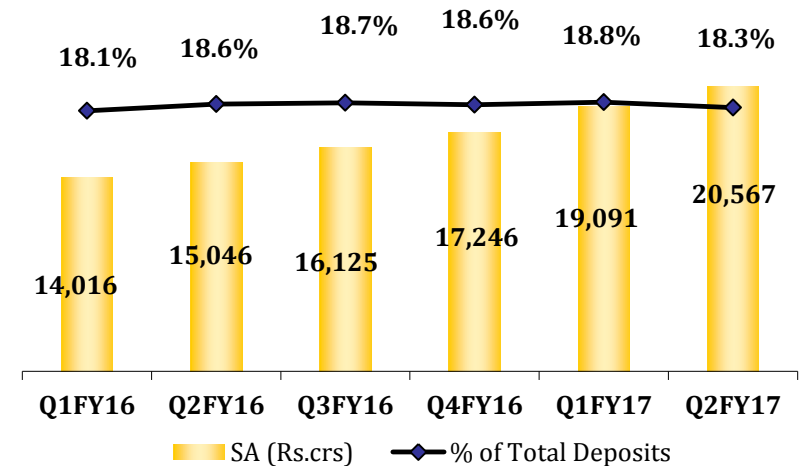
### CASA Uptick



### Current Account (CA)



### Savings Account (SA)



# Other Income

(Rs crs)

	Q2FY17	Q2FY16	Y-o-Y (%)	Q1FY17	Q-o-Q(%)
Core Fee	825.57	673.30	23% ↑	781.91	6% ↑
Securities/MM/FX Trading/Others	144.85	110.24	31% ↑	191.06	(24%) ↓
<b>Total</b>	<b>970.42</b>	<b>783.54</b>	<b>24% ↑</b>	<b>972.97</b>	<b>-</b>



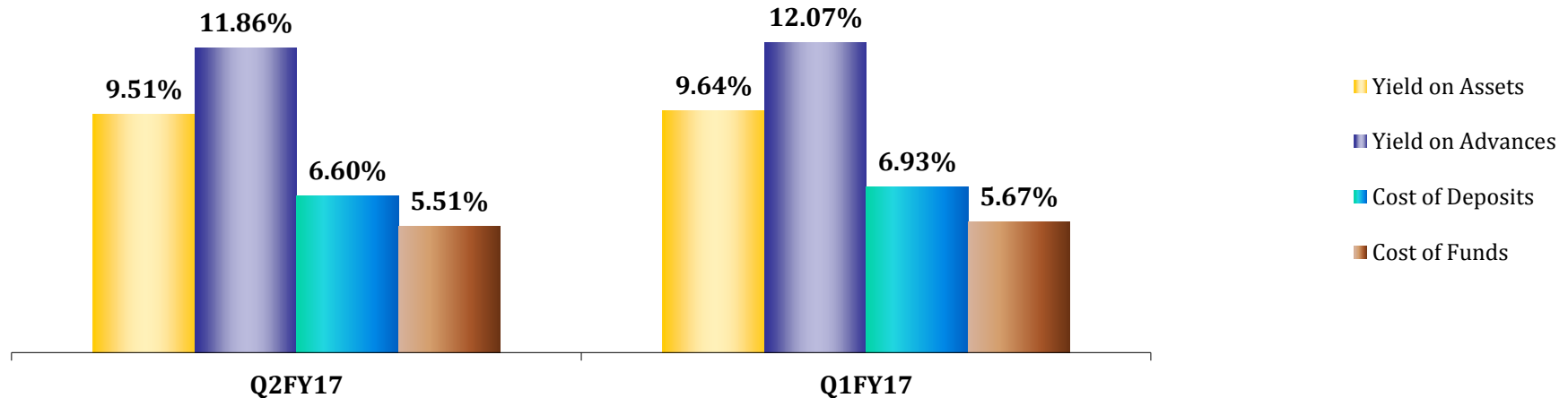
## Diverse Revenues from Core Fee Income

(Rs crs)

	Q2FY17	Q2FY16	Y-o-Y(%)	Q1FY17	Q-o-Q(%)
Trade and Remittances	102.50	84.35	22% ↑	109.34	(6%) ↓
Foreign Exchange Income	155.63	169.57	(8%) ↓	150.97	3% ↑
Distribution Fees (Insurance, MF, Cards)	155.77	119.21	31% ↑	136.69	14% ↑
General Banking Fees	49.43	41.39	19% ↑	55.53	(11%) ↓
Loan Processing fees	201.48	144.78	39% ↑	215.06	(6%) ↓
Investment Banking	160.75	114.00	41% ↑	114.32	41% ↑
<b>Total Core Fee Income</b>	<b>825.57</b>	<b>673.30</b>	<b>23% ↑</b>	<b>781.91</b>	<b>6% ↑</b>



# Yield / Cost Movement



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

## Segment-wise Yield

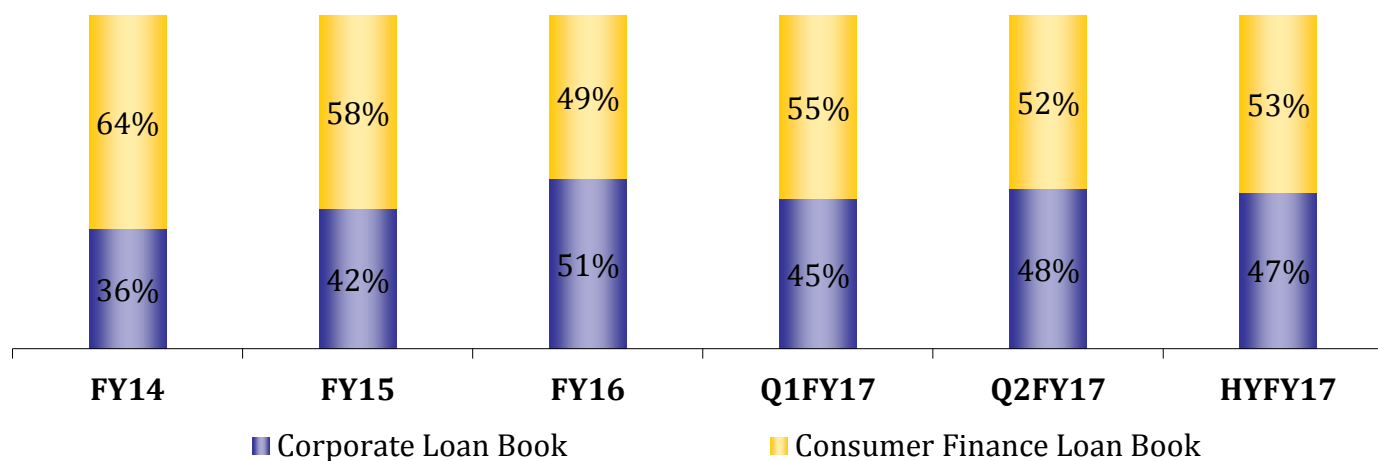
	Q2FY17		Q1FY17	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	58,391	9.92%	55,087	10.18%
Consumer Finance	40,558	14.57%	38,591	14.62%
<b>Total</b>	<b>98,949</b>	<b>11.86%</b>	<b>93,678</b>	<b>12.07%</b>



# Credit Cost

(Rs crs)

	FY14	FY15	FY16	Q1FY17	Q2FY17	HYFY17
Corporate Bank	93.70	143.74	257.68	64.65	73.57	138.22
Consumer Finance	169.97	195.19	243.82	79.70	78.13	157.83
<b>Gross Credit Costs</b>	<b>263.67</b>	<b>338.93</b>	<b>501.50</b>	<b>144.35</b>	<b>151.70</b>	<b>296.05</b>
<b>Gross Credit Costs (Basis Points on Advances)</b>	<b>48</b>	<b>49</b>	<b>57</b>	<b>15</b>	<b>15</b>	<b>30</b>
<b>Net Credit Cost</b>	<b>227.94</b>	<b>323.19</b>	<b>468.00</b>	<b>138.70</b>	<b>143.29</b>	<b>281.99</b>
<b>Net Credit Costs (Basis Points on Advances)</b>	<b>41</b>	<b>48</b>	<b>53</b>	<b>15</b>	<b>14</b>	<b>28</b>
<b>PCR</b>	<b>70%</b>	<b>63%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>



# Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q2FY17			Q1FY17		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	420	441	861	382	395	777
Additions	73	188	261	94	159	253
Deductions	69	154	223	56	113	169
Gross NPA	424	475	899*	420	441	861*
Net NPA			369			356
% of Gross NPA			0.90%			0.91%
% of Net NPA			0.37%			0.38%
Provision Coverage Ratio (PCR)			59%			59%
Restructured Advances			0.44%			0.49%

\*After sale to ARC Rs. 41crs (Rs. 17 crs)



# NPA Composition – Consumer Finance - Vehicles

(Rs crs)

Q2-FY17	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP & others	Tractor	Cards	Total
Gross NPA	152	25	51	22	116	21	57	7	24	475
Gross NPA %	1.07%	1.17%	1.40%	0.97%	3.62%	0.49%	0.71%	0.49%	1.68%	1.17%

Q1-FY17	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP & others	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%



	30 Sep 16	30 Jun 16
	Basel – III	Basel – III
<b>Risk Weighted Assets</b>		
- Credit Risk, CVA and UFCE	1,09,512	1,05,027
- Market Risk	6,377	5,091
- Operational Risk	11,466	11,466
<b>- Total RWA</b>	<b>1,27,355</b>	<b>1,21,584</b>
Core Equity Tier 1 / Tier 1 Capital Funds	18,697	18,000
Tier 2 Capital Funds	814	744
<b>Total Capital Funds</b>	<b>19,512</b>	<b>18,744</b>
<b>CRAR</b>	<b>15.32%</b>	<b>15.42%</b>
CET1 / Tier 1	14.68%	14.81%
Tier 2	0.64%	0.61%



# Distribution Expansion to Drive Growth



## Strengthening Distribution Infrastructure

Particulars	Dec. 31, 2015	Mar. 31, 2016	June 30, 2016	Sept 30, 2016
Branch Network	905	1,000	1,004	1,035*
ATMs	1,621	1,800	1,885	1,935

\*includes 70 specialized branches



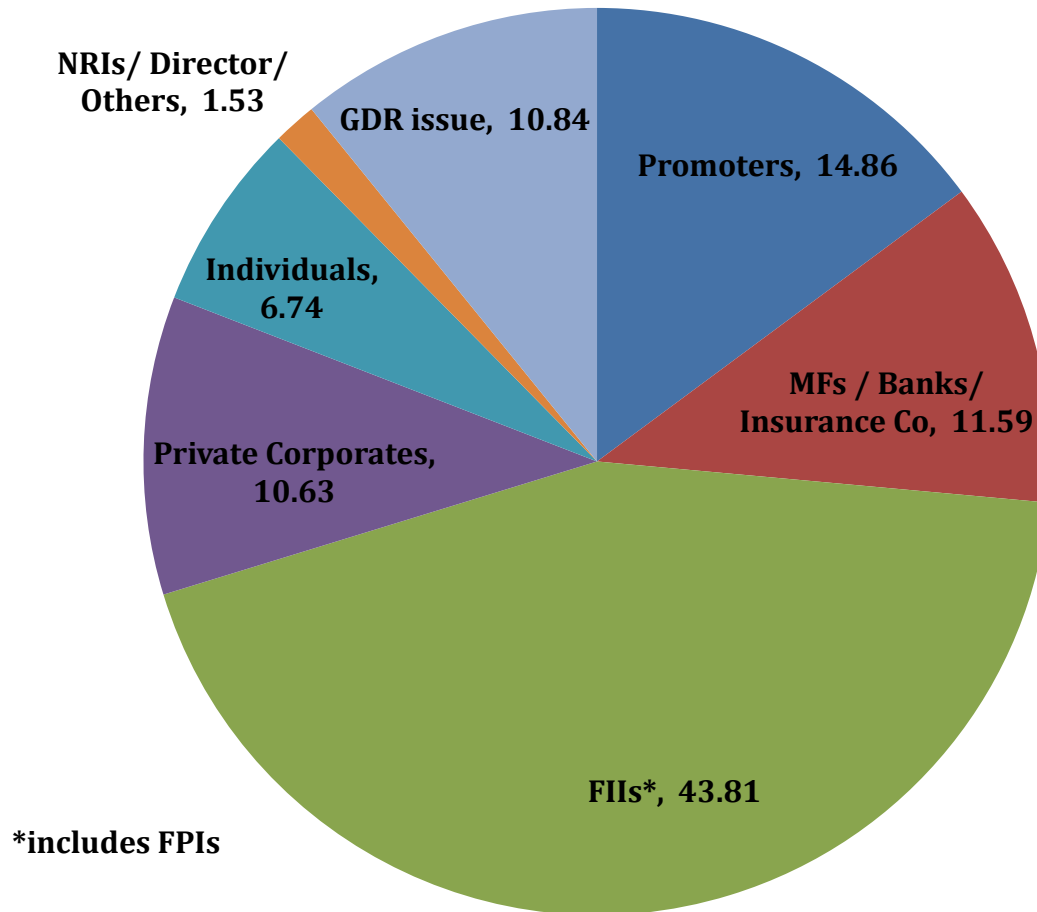
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



# Shareholding Pattern

September 30, 2016



# Accolades



***IndusInd Bank***

# Accolades



IndusInd Bank features among Forbes' Super 50 Companies in India.



IndusInd Bank Awarded the “Best Bank Award” for Innovative Use of Technology at the 12th IDRBT Banking Technology Excellence Awards 2015-16.



# Accolades



Mr. Romesh Sobti was awarded as 'The Banker of the Year' at the Financial Express Best Banks Awards 2015.



IndusInd Bank received 'Runner-up award' - New Private Sector Bank' category, at the Financial Express Best Banks Awards 2015.



## Accolades



IndusInd Bank has been ranked No. 12 in the prestigious 'Brandz Top 50 Most Valuable Indian Brands 2016' as adjudged by Kantar Millward Brown and WPP with a brand value of \$ 1.80 bn - a growth of 18% from last year.



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

## Accolades



IndusInd Bank was honoured with the CNBC Asia's Corporate Social Responsibility Award.



The Bank was recognized as the Best Private Sector Bank for Retail Growth Performance at Dun & Bradstreet "India's Leading SME Companies & SME Business Excellence Awards 2016".

**Thank you**



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