



IndusInd Bank

Investor Presentation

October 12, 2017

Q2-FY18 Results



Q2 – FY18 Performance Highlights

- Key performance indicators remained stable
- NII up 25% ; Core Fee growth at 23 % YoY;
- YoY PAT growth up by 25 %
- NIM remained steady at 4%
- Deposit and CASA growth above industry – 26 % and 46% YoY respectively
SA doubled YoY
- Credit growth above industry – 24 % YoY
- Stable Loan Book quality ; Net NPA at 0.44%; Credit cost 18 bps for quarter,
PCR at 60%
- Client base touches 10 million



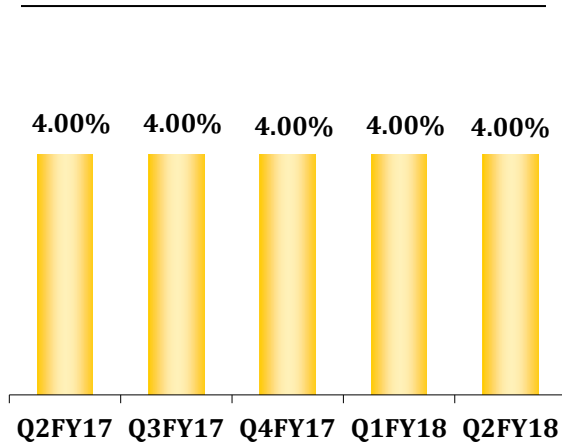
Planning Cycle 4 (2017-2020) - Plan vs Outcome

			Q2-FY18 Outcome
Resulting in	Loan Growth	25% - 30%	24%
	CASA Ratio	40%	42%
	Revenue Growth	Exceed Balance Sheet Growth	24%
	RoRWA	> 2.4%	2.34%
	Branch Network	2,000	1250
	Customer Base	Double to >20mn	On track

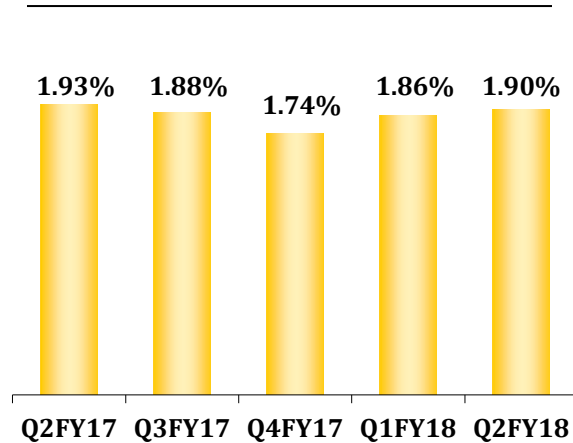


How We Measure Up On Key Metrics

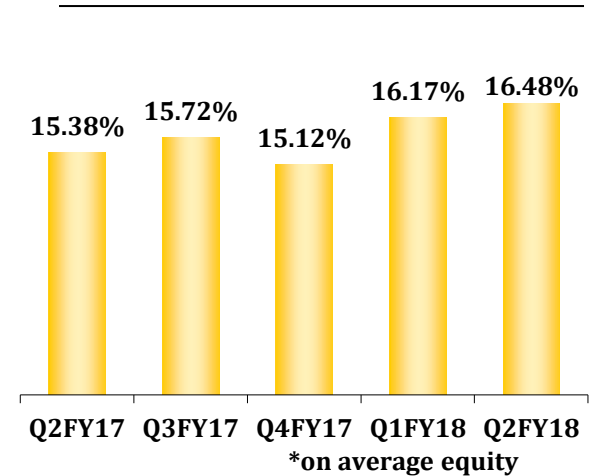
Net Interest Margin (NIM)



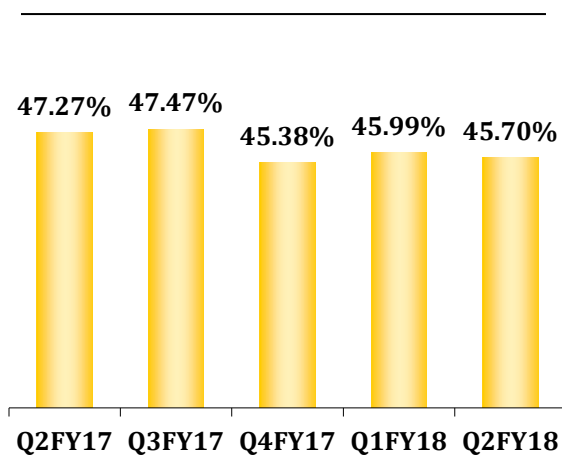
RoA



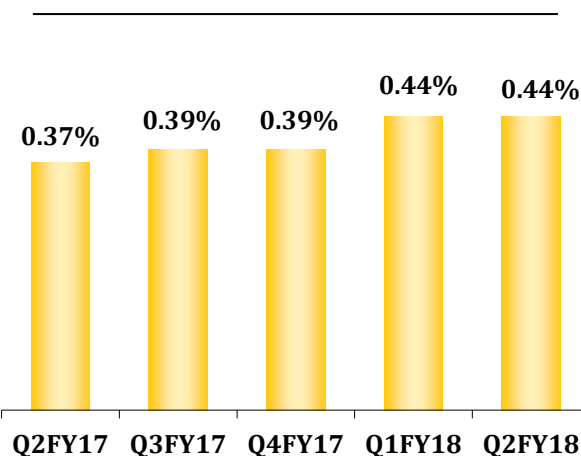
RoE*



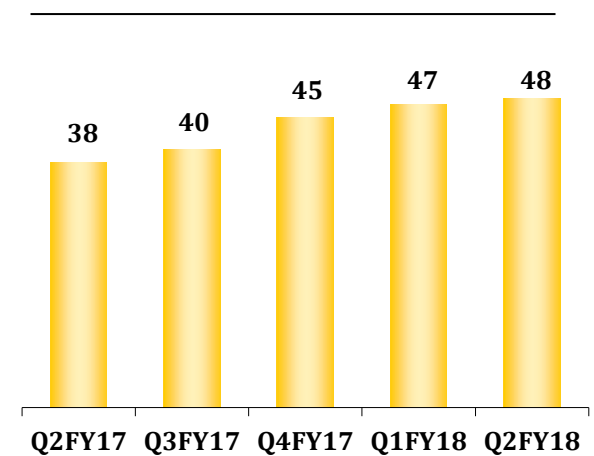
Cost / Income



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 Q2-FY18

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 1,821 crs	25%	3%
Fee Income	Rs 1,188 crs	22%	2%
Revenue	Rs 3,009 crs	24%	2%
Operating Profit	Rs 1,634 crs	27%	3%
Net Profit	Rs 880 crs	25%	5%



Steady Headline Numbers for HY-FY18

Y-o-Y Growth

Net Interest Income	Rs 3,595 crs	28%
Fee Income	Rs 2,355 crs	21%
Revenue	Rs 5,950 crs	25%
Operating Profit	Rs 3,222 crs	28%
Net Profit	Rs 1,716 crs	26%



Top line momentum

			Y-o-Y Growth	Q-o-Q Growth
Advances	➤	Rs 1,23,181 crs	24%	6%
Corporate Advances	➤	Rs 73,716 crs	26%	6%
Consumer Finance Advances	➤	Rs 49,465 crs	22%	5%
Deposits	➤	Rs 1,41,441 crs	26%	6%
CASA	➤	Rs 59,775 crs	46%	18%
SA	➤	Rs 40,157 crs	95%	27%
Borrowings	➤	Rs 23,558 crs	23%	(14%)



Balance Sheet

(Rs Crs)

	Q2FY18	Q2FY17	Y-o-Y (%)	Q1FY18	Q-o-Q (%)
Capital & Liabilities					
Capital	599	597	- ↑	599	- ↑
Reserves and Surplus	21,373	18,518	15% ↑	20,902	2% ↑
Deposits	1,41,441	1,12,313	26% ↑	1,33,673	6% ↑
Borrowings	23,557	19,078*	23% ↑	27,404	(14%) ↓
Other Liabilities and Provisions	8,062	7,332	10% ↑	8,072	- ↓
Total	1,95,032	1,57,838	24% ↑	1,90,650	2% ↑
Assets					
Cash and Balances with RBI	6,358	5,760	10% ↑	6,415	(1%) ↓
Balances with Banks	11,951	5,394	122% ↑	13,754	(13%) ↓
Investments	42,146	36,549*	15% ↑	42,147	- ↓
Advances	1,23,181	98,949	24% ↑	1,16,407	6% ↑
Fixed Assets	1,348	1,297	4% ↑	1,360	(1%) ↓
Other Assets	10,048	9,889	2% ↑	10,567	(5%) ↓
Total	1,95,032	1,57,838	24% ↑	1,90,650	2% ↑
Business (Advances + Deposit)	2,64,622	2,11,262	25% ↑	2,50,080	6% ↑

*In terms of RBI guidelines Repo / Reverse Repo under LAF is regrouped.



Profit and Loss Account – Q2FY18

(Rs Crs)

	Q2FY18	Q2FY17	Y-o-Y (%)	Q1FY18	Q-o-Q (%)
Net Interest Income	1,821	1,460	25% ↑	1,774	3% ↑
Other Income	1,188	971	22% ↑	1,167	2% ↑
Total Income	3,009	2,431	24% ↑	2,941	2% ↑
Operating Expenses	1,375	1,149	20% ↑	1,352	2% ↑
Operating Profit	1,634	1,282	27% ↑	1,589	3% ↑
Provisions & Contingencies	294	214	37% ↑	310	(5%) ↓
Profit before Tax	1,340	1,068	25% ↑	1,279	5% ↑
Provision for Tax	460	364	26% ↑	442	4% ↑
Profit after Tax	880	704	25% ↑	837	5% ↑



Profit and Loss Account – HYFY18

(Rs Crs)

	HYFY18	HYFY17	Y-o-Y (%)	
Net Interest Income	3,595	2,817	28%	↑
Other Income	2,355	1,943	21%	↑
Total Income	5,950	4,760	25%	↑
Operating Expenses	2,728	2,245	22%	↑
Operating Profit	3,222	2,515	28%	↑
Provisions & Contingencies	604	444	36%	↑
Profit before Tax	2,618	2,071	26%	↑
Provision for Tax	902	705	28%	↑
Profit after Tax	1,716	1,366	26%	↑



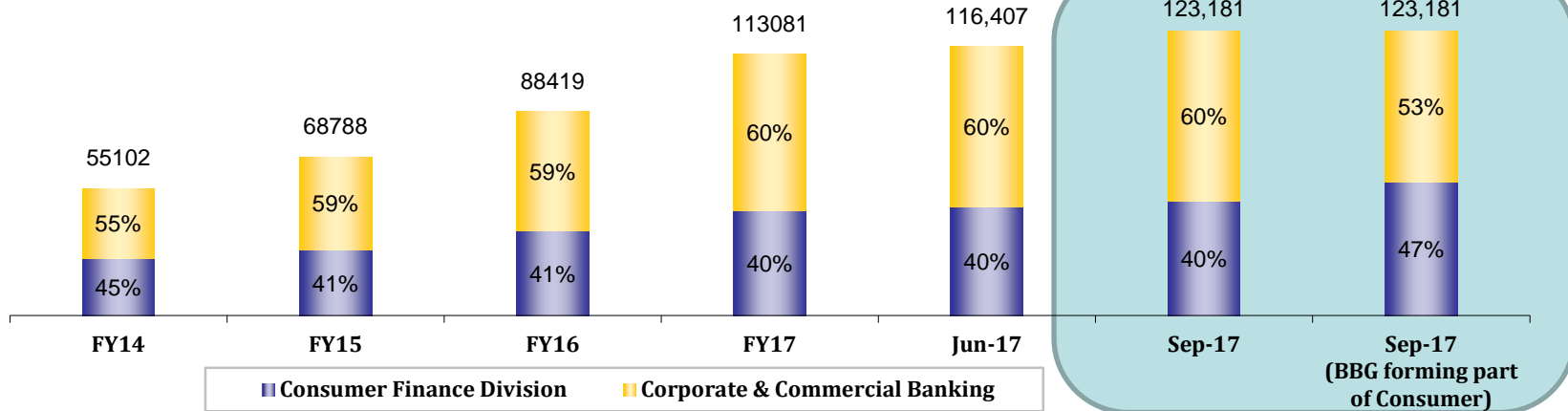
Key Financial Indicators

	Q2FY18	Q2FY17	Q1FY18
Return on Assets	1.90%	1.93%	1.86%
ROE (On average equity)	16.48%	15.38%	16.17%
Cost / Income Ratio	45.70%	47.27%	45.99%
Net Interest Margin	4.00%	4.00%	4.00%
Net NPA	0.44%	0.37%	0.44%
EPS (annualized, Rs. per share)	58.80	47.24	55.92
Capital + Reserves (Excl. Revaluation Reserve)	21,600	18,737	21,128



Well Diversified Loan Book

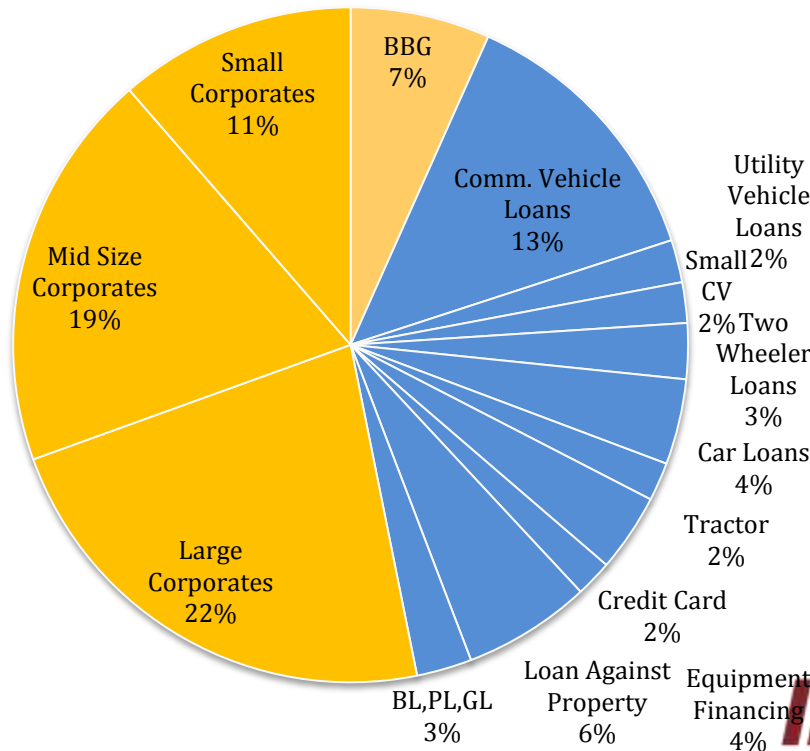
Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Sept-17	
Large Corporates	36,128	29%
Mid size Corporates	23,569	19%
Small Corporates*	14,019	12%
Total Advances	73,716	60%

*Includes Business Banking
Rs. 8,237 crs managed by Consumer Banking



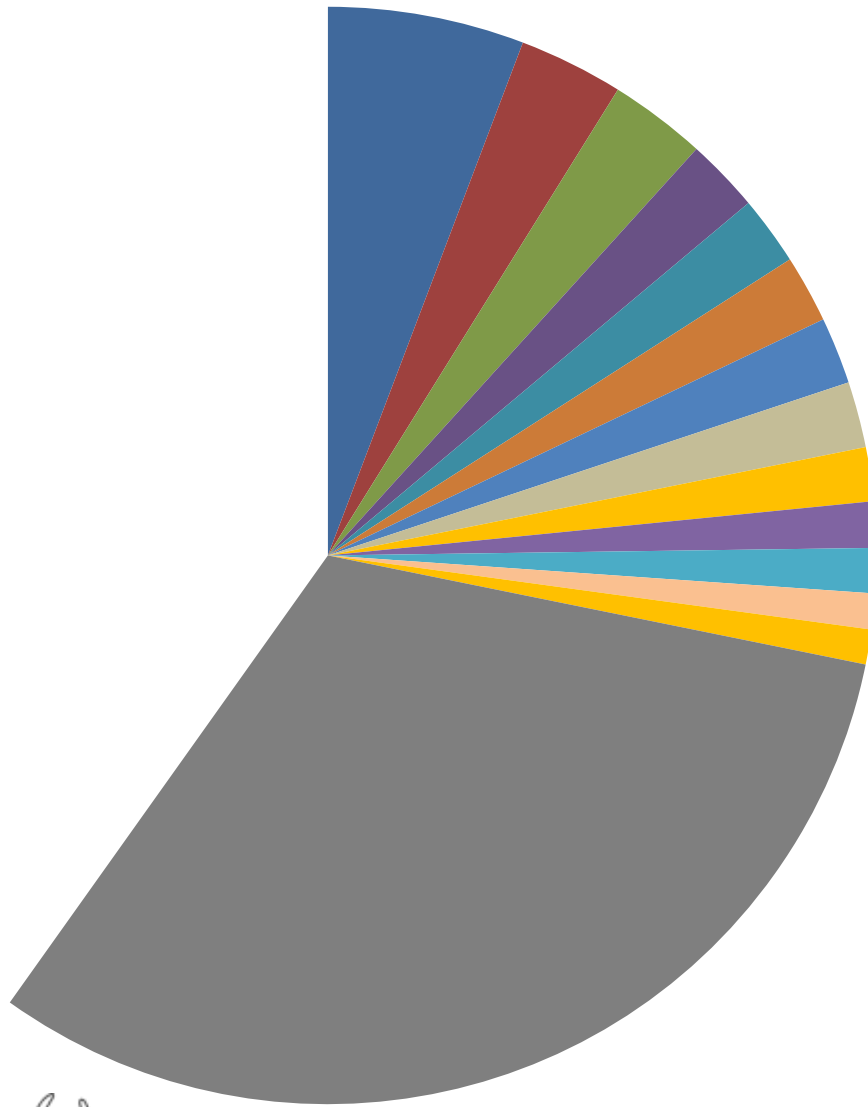
(Rs crs)

Consumer Finance	Sept-17	
Comm. Vehicle Loans	16,383	13%
Utility Vehicle Loans	2,514	2%
Small CV	2,391	2%
Two Wheeler Loans	3,288	3%
Car Loans	5,042	4%
Tractor	2,271	2%
Equipment Financing	4,603	4%
Credit Card	2,160	2%
Loan Against Property	7,549	6%
BL, PL, GL, Others	3,264	2%
Total Advances	49,465	40%

IndusInd Bank



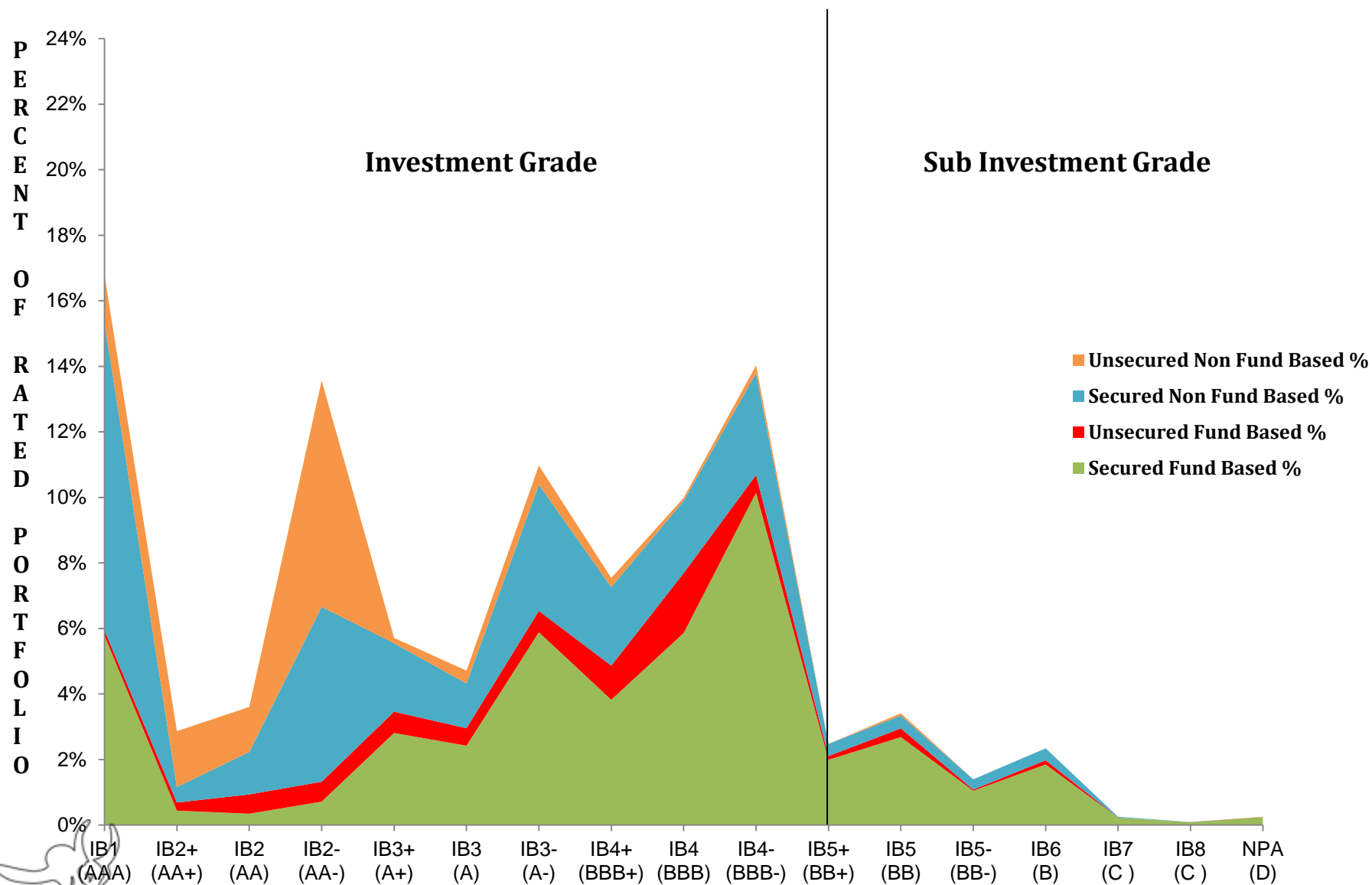
Diversified Corporate Loan Book



Gems and Jewellery	5.78%
Lease Rental	3.08%
Real Estate	3.86%
Microfinance	2.18%
Power Generation	2.03%
Services	1.99%
Telecom- Cellular	1.97%
Steel	1.94%
Contract Construction-Civil	1.59%
Constn related to infra.- EPC	1.36%
Food Beverages and Food processing	1.32%
Media,Entertainment & Advt	1.05%
Power Distribution	1.03%
Other Industry	31.66%



Well Rated Corporate Portfolio

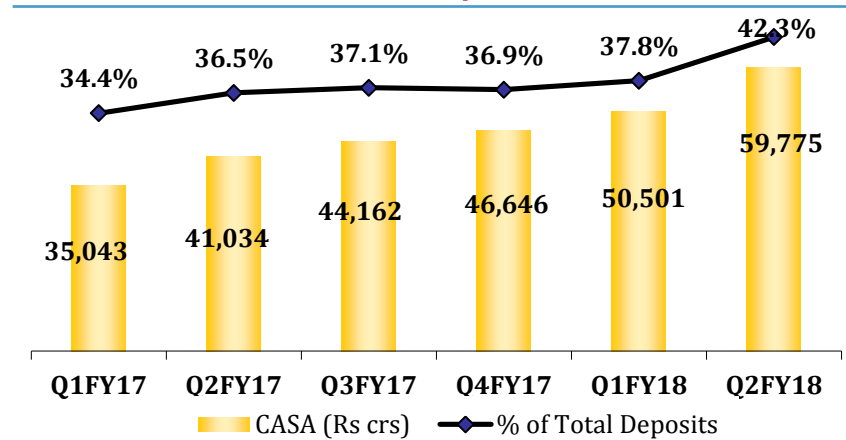


Improving CASA profile

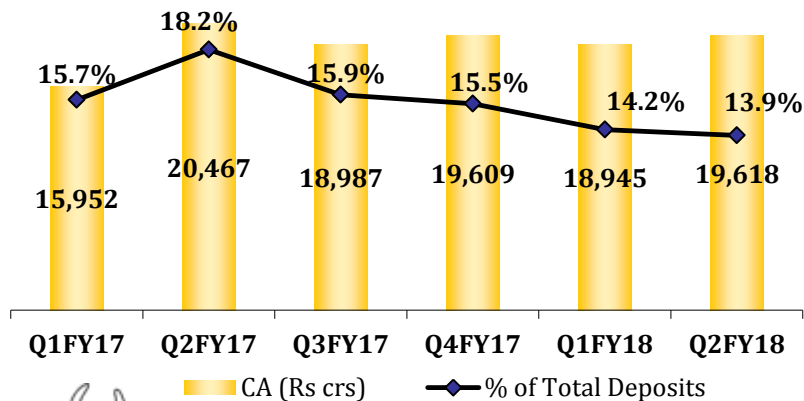
Building CASA traction

- 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

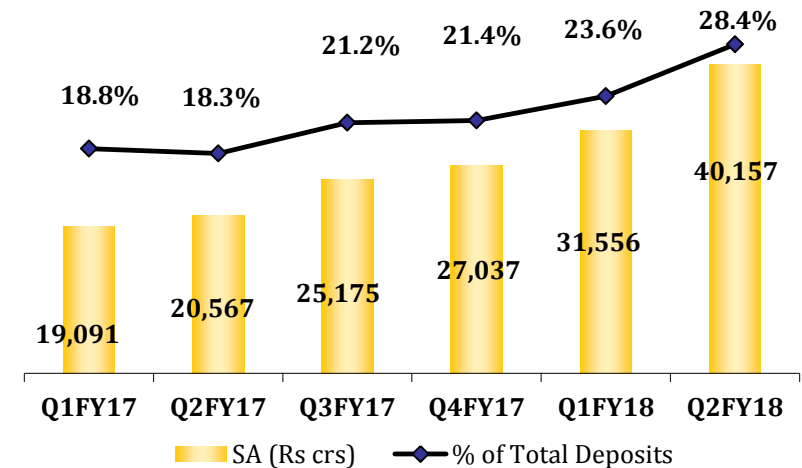
CASA Uptick



Current Account (CA)



Savings Account (SA)



Other Income

(Rs Crs)

	Q2FY18	Q2FY17	Y-o-Y (%)	Q1FY18	Q-o-Q (%)
Core Fee	1,013	826	23% ↑	974	4% ↑
Securities/MM/FX Trading/Others	175	145	22% ↑	193	(9%) ↓
Total	1188	971	22% ↑	1,167	2% ↑



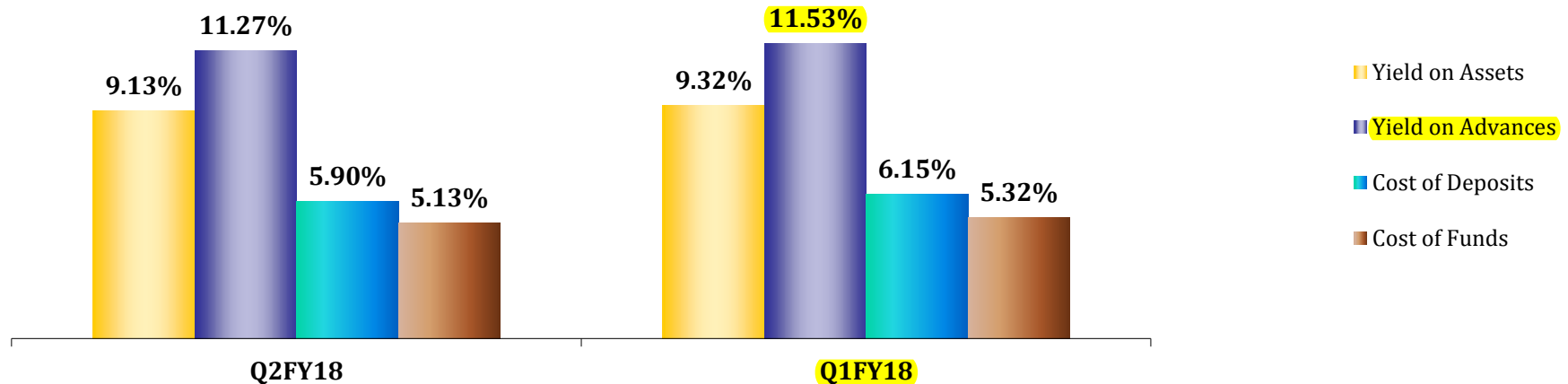
Diverse Revenues from Core Fee Income

(Rs crs)

	Q2FY18	Q2FY17	Y-o-Y(%)	Q1FY18	Q-o-Q(%)
Trade and Remittances	128	103	25% ↑	131	(2%) ↓
Foreign Exchange Income	183	156	17% ↑	198	(8%) ↓
Distribution Fees (Insurance, MF, Cards)	237	156	52% ↑	210	13% ↑
General Banking Fees	65	49	33% ↑	64	2% ↑
Loan Processing fees	214	201	6% ↑	196	9% ↑
Investment Banking	186	161	16% ↑	175	6% ↑
Total Core Fee Income	1013	826	23% ↑	974	4% ↑



Yield / Cost Movement



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

Segment-wise Yield

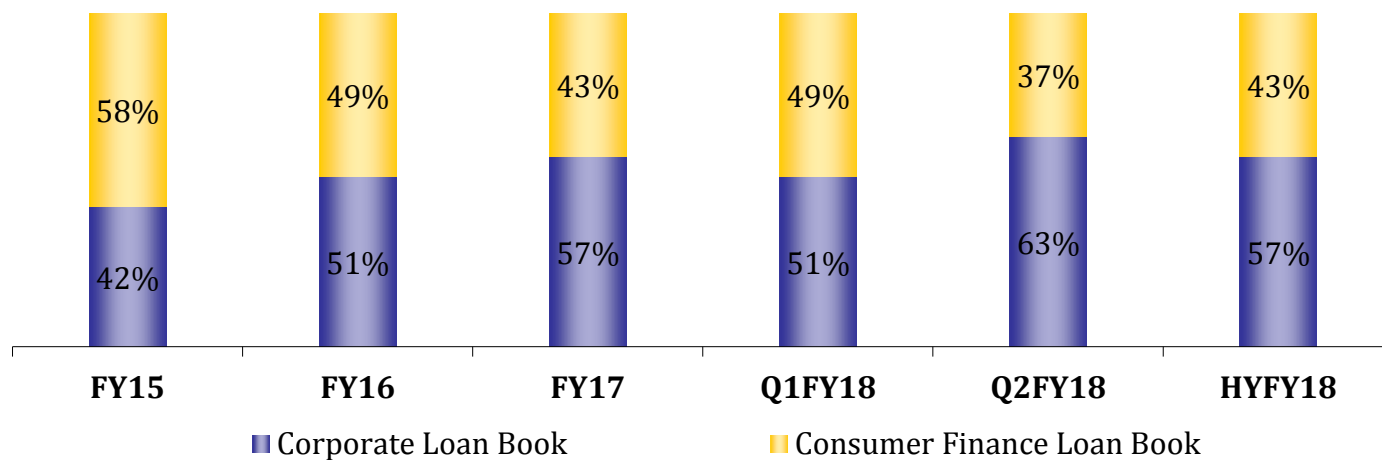
	Q2FY18		Q1FY18	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	73,716	9.13%	69,312	9.51%
Consumer Finance	49,465	14.36%	47,095	14.48%
Total	1,23,181	11.27%	1,16,407	11.53%



Credit Cost

(Rs crs)

	FY15	FY16	FY17	Q1FY18	Q2FY18	HYFY18
Corporate Bank	144	258	401	107	140	247
Consumer Finance	195	244	303	103	82	185
Gross Credit Costs	339	502	704	210	222	432
Gross Credit Costs (Basis Points on Advances)	49	57	62	18	18	35
Net Credit Cost	323	468	672	198	214	412
Net Credit Costs (Basis Points on Advances)	48	53	59	17	17	33
PCR	63%	59%	58%	60%	60%	60%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs crs)

	Q2FY18			Q1FY18		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	682	590	1,272	544	511	1,055
Additions	285	213	498	351	257	608
Deductions	144	280	424	213	178	391
Gross NPA	823	523	1,346	682	590	1,272*
Net NPA			537			508
% of Gross NPA			1.08%			1.09%
% of Net NPA			0.44%			0.44%
Provision Coverage Ratio (PCR)			60%			60%
Restructured Advances			(194)0.16%			(200) 0.17%
Restructured + Gross NPA to Advances			1.25%			1.26%

*After sale to ARC Rs. 102 crs (Rs. 57 crs)



NPA Composition – Consumer Finance

(Rs crs)

Q2-FY18	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	167	35	45	27	119	34	40	24	32	523
Gross NPA %	1.02%	1.37%	0.97%	1.10%	3.55%	0.68%	0.37%	1.06%	1.48%	1.19%

Q1-FY18	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	175	35	47	32	118	36	105	18	24	590
Gross NPA %	1.12%	1.42%	1.07%	1.33%	3.55%	0.74%	1.02%	0.85%	1.21%	1.25%



CRAR

(Rs Crs)

	30 Sept 17	30 June 17
	Basel – III	Basel – III
Credit Risk, CVA and UFCE	1,32,915	1,21,926
Market Risk	8,314	8,499
Operational Risk	14,824	14,824
Total Risk Weighted Assets	1,56,053	1,45,249
Core Equity Tier 1 Capital Funds	21,554	20,737
Additional Tier 1 Capital Funds	2,000	2,000
Tier 2 Capital Funds	833	758
Total Capital Funds	24,387	23,495
CRAR	15.63%	16.18%
CET1	13.81%	14.28%
Tier 1	15.09%	15.66%
Tier 2	0.54%	0.52%



Distribution Expansion to Drive Growth



Strengthening Distribution Infrastructure

Particulars	Dec 31, 2016	Mar 31, 2017	June 30, 2017	Sept. 30, 2017
Branch Network	1,075	1,200	1,210	1,250*
ATMs	1,960	2,036	2,090	2,146

*includes 143 specialized branches



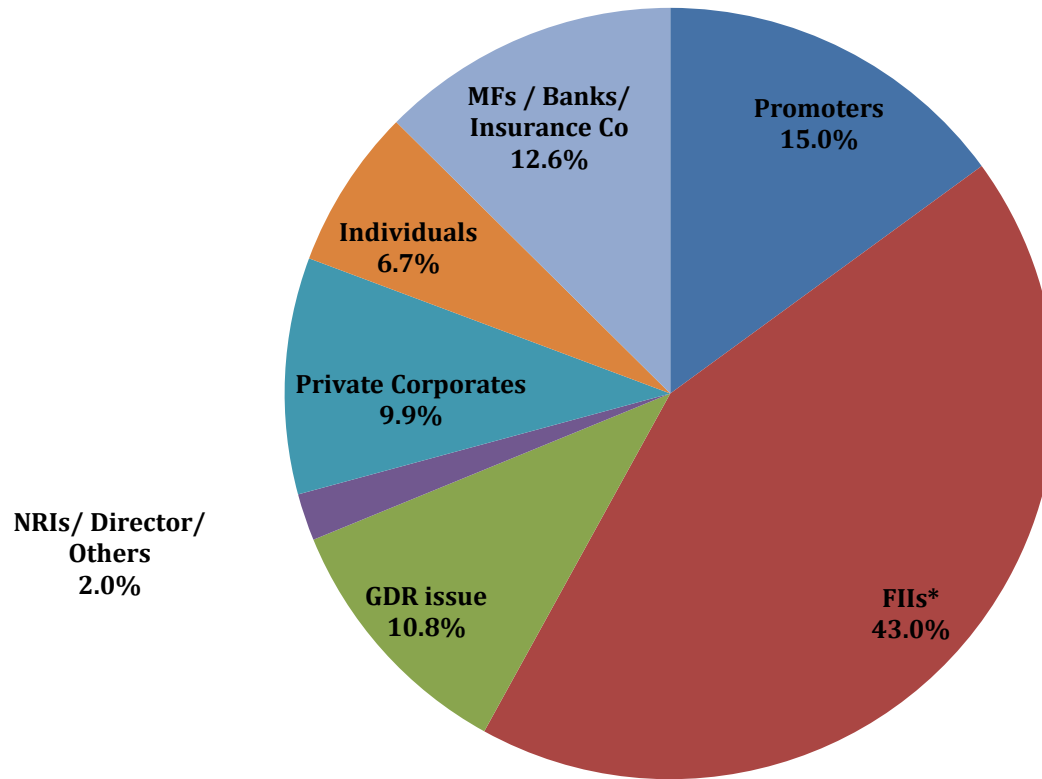
Note: Numbers given above are total branches in each state

- Branch/Representative Office
- Strategic Alliance



Shareholding Pattern

September 30, 2017



*includes FPIs



Accolades





Awarded Best Private Sector Bank - Government Scheme Participation (PMJDY) at the Dun & Bradstreet Banking Awards 2017



Accolades



Awarded the '**Best Integrated Digital Campaign Award**' at the **Digital Industry Awards 2017** by KamiKaze for IndusInd For Sports #JeetKaHalla Campaign





Won 2 awards at the **IDRBT Banking Technology Excellence Awards 2016-17**

- 1) Best Bank Award among Mid-Sized Banks for **High Performance IT Ecosystem**
- 2) Best Bank Award among Mid-Sized Banks for **Cyber Defense**



Accolades



Awarded the **BFSI Digital Innovation Awards** in the 'Analytics' category organized by **Express Computers**



Thank you



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