

IndusInd Bank

**Investor Presentation
Q2-2018-19**

October 15, 2018

Q2 – FY19 Performance Highlights

- **FY 18-19 tracking towards PC4 targets**
- **Q2 FY19 marked by strong QoQ growth in headline numbers**
- **Core fee up by 20% YoY; 5% QoQ**
- **Cost well maintained; target efficiency ratio at 43.41%**
- **Credit growth (32% up) and Deposit growth (19% up) well above industry growth**
- **Q2 PAT up by 5% (after one off contingent provision of Rs. 275 crs); PAT excluding one off is up by 25%**
- **Core PAT up by 35% excluding trading gains and one off provision**
- **GNPA declined to 1.09% (previous quarter 1.15%); amongst lowest in the industry**
- **Credit Cost for Q2 FY-19 at 12 bps; well maintained with our expected range**
- **Client base touches 13 million; on boarded 1 million during the quarter**



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

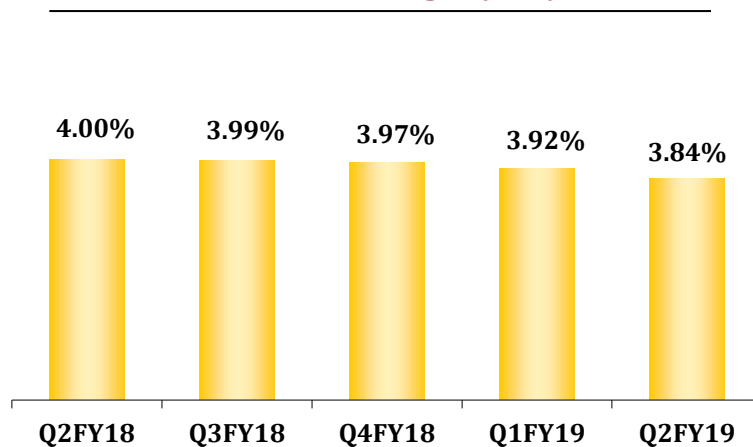
			Q2-FY19 Outcome
Resulting in	Loan Growth	25% - 30%	32%
	CASA Ratio	40%	44%
	Revenue Growth	Exceed Balance Sheet Growth	17%
	RoRWA	> 2.4%	1.96%*
	Branch Network	2,000	1,466
	Customer Base	Double to >20mn	On track

* Pre contingent provision 2.34%

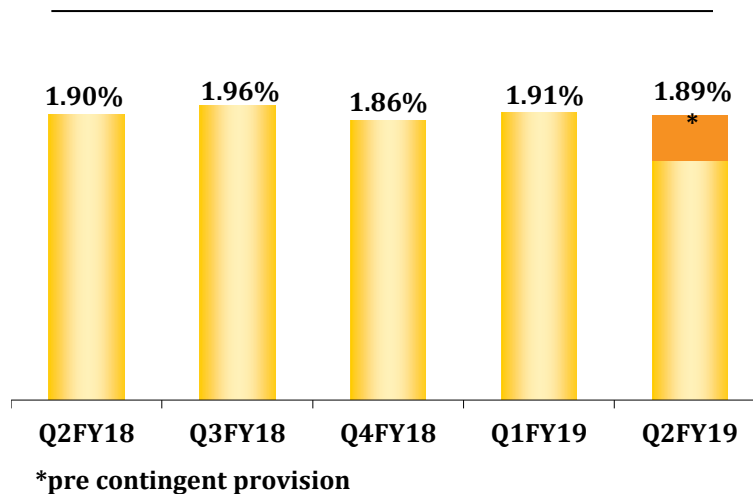


How We Measure Up On Key Metrics

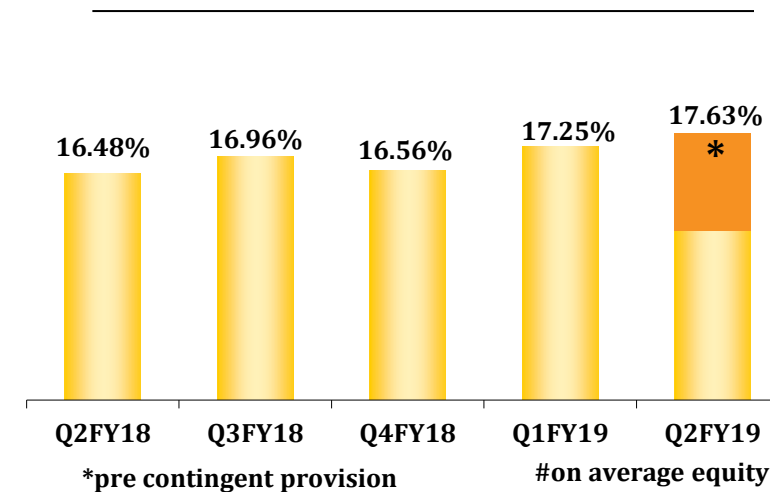
Net Interest Margin (NIM)



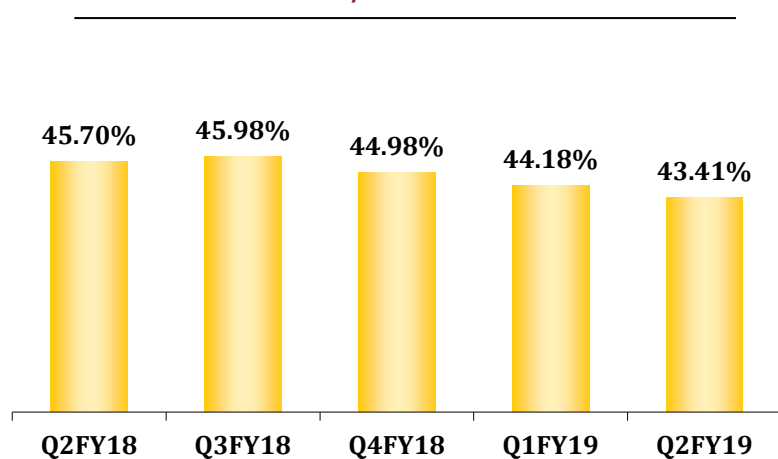
RoA



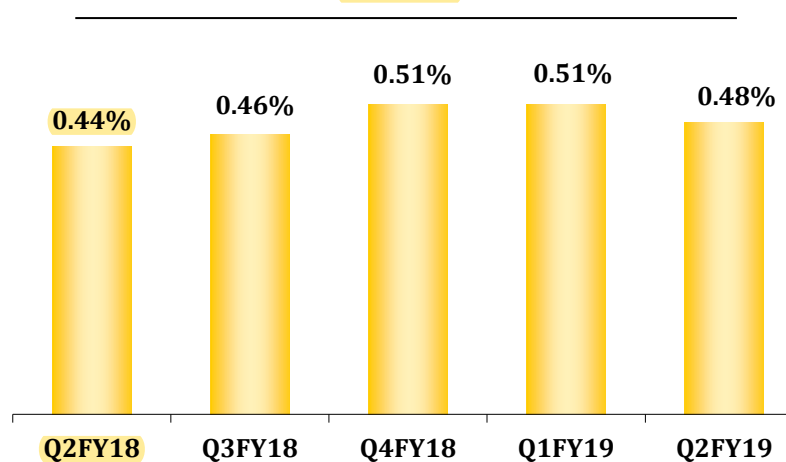
RoE#



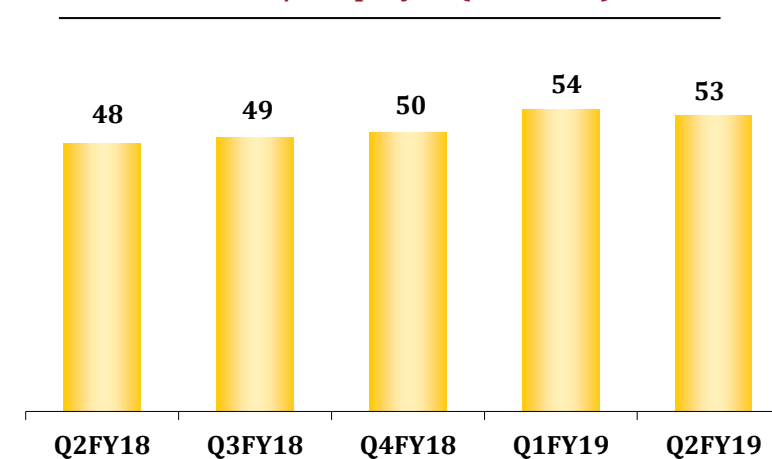
Cost / Income



Net NPA



Revenue / Employee (Rs Lakhs)



Consistent delivery of strong operating performance



- **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



		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs 2,203 crs	21%	4%
Core Fee Income	Rs 1,218 crs	20%	5%
Revenue	Rs 3,521 crs	17%	3%
Operating Profit	Rs 1,992 crs	22%	4%
Net Profit	Rs 920 crs	5%	(11)%
Core Profit	Rs 1,034 crs	35%	9%



		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs 1,63,144 crs	32%	8%
Corporate Advances	Rs 99,501 crs	35%	10%
Consumer Finance Advances	Rs 63,643 crs	29%	6%
Deposits	Rs 1,68,219 crs	19%	6%
CASA	Rs 73,375 crs	23%	6%
SA	Rs 51,106 crs	27%	7%
Borrowings	Rs 42,828 crs	82%	16%



Balance Sheet

(Rs Crs)

	Q2FY19	Q2FY18	Y-o-Y (%)	Q1FY19	Q-o-Q (%)
Capital & Liabilities					
Capital	601	599	- ↑	600	- ↑
Reserves and Surplus	24,763	21,373	16% ↑	24,321	2% ↑
Deposits	1,68,220	1,41,441	19% ↑	1,58,862	6% ↑
Borrowings	42,828	23,557	82% ↑	37,040	16% ↑
Other Liabilities and Provisions	11,908	8,062	48% ↑	8,056	48% ↑
Total	2,48,320	1,95,032	27% ↑	2,28,879	8% ↑
Assets					
Cash and Balances with RBI	8,765	6,358	38% ↑	8,658	1% ↑
Balances with Banks	9,567	11,951	(20%) ↓	3,332	187% ↑
Investments	50,089	42,146	19% ↑	52,673	(5%) ↓
Advances	1,63,145	1,23,181	32% ↑	1,50,675	8% ↑
Fixed Assets	1,363	1,348	1% ↑	1,349	1% ↑
Other Assets	15,391	10,048	53% ↑	12,192	26% ↑
Total	2,48,320	1,95,032	27% ↑	2,28,879	8% ↑
Business (Advances + Deposit)	3,31,365	2,64,622	25% ↑	3,09,537	7% ↑



Profit and Loss Account – Q2FY19

(Rs Crs)

	Q2FY19	Q2FY18	Y-o-Y (%)	Q1FY19	Q-o-Q (%)
Net Interest Income	2,204	1,821	21% ↑	2,122	4% ↑
Other Income	1,317	1,188	11% ↑	1,302	1% ↑
Total Income	3,521	3,009	17% ↑	3,424	3% ↑
Operating Expenses	1,529	1,375	11% ↑	1,513	1% ↑
Operating Profit	1,992	1,634	22% ↑	1,911	4% ↑
Provisions & Contingencies	590*	294	101% ↑	350	69% ↑
Profit before Tax	1,402	1,340	5% ↑	1,561	(10%) ↓
Provision for Tax	482	460	5% ↑	525	(8%) ↓
Profit after Tax	920	880	5% ↑	1,036	(11%) ↓
Core Profit	1,034	766	35% ↑	947	9% ↑

*includes one off contingent provision of Rs. 275 crores



Profit and Loss Account – HYFY19

(Rs Crs)

	HYFY19	HYFY18	Y-o-Y (%)	
Net Interest Income	4,325	3,595	20%	↑
Other Income	2,619	2,355	11%	↑
Total Income	6,944	5,950	17%	↑
Operating Expenses	3,041	2,728	11%	↑
Operating Profit	3,903	3,222	21%	↑
Provisions & Contingencies	940	604	56%	↑
Profit before Tax	2,963	2,618	13%	↑
Provision for Tax	1,007	902	12%	↑
Profit after Tax	1,956	1,716	14%	↑



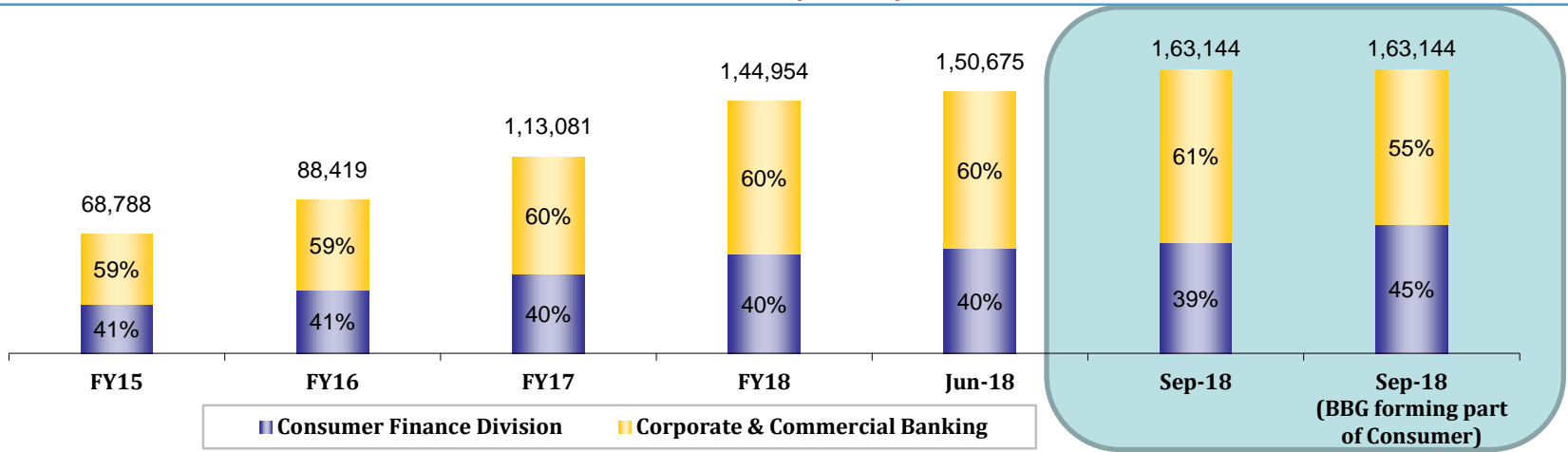
Key Financial Indicators

	Q2FY19	Q2FY19 Pre one off contingent provision	Q2FY18	Q1FY19
Return on Assets	1.59%	1.89%	1.90%	1.91%
ROE (On average equity)	14.85%	17.63%	16.48%	17.25%
Cost / Income Ratio	43.41%	43.41%	45.70%	44.18%
Net Interest Margin	3.84%	3.84%	4.00%	3.92%
Net NPA	0.48%	0.48%	0.44%	0.51%
EPS (annualized, Rs. per share)	61.27	73.41	58.80	69.00
Capital + Reserves (Excl. Revaluation Reserve) (Rs. in crs)	25,005	25,181	21,600	24,561



Well Diversified Loan Book

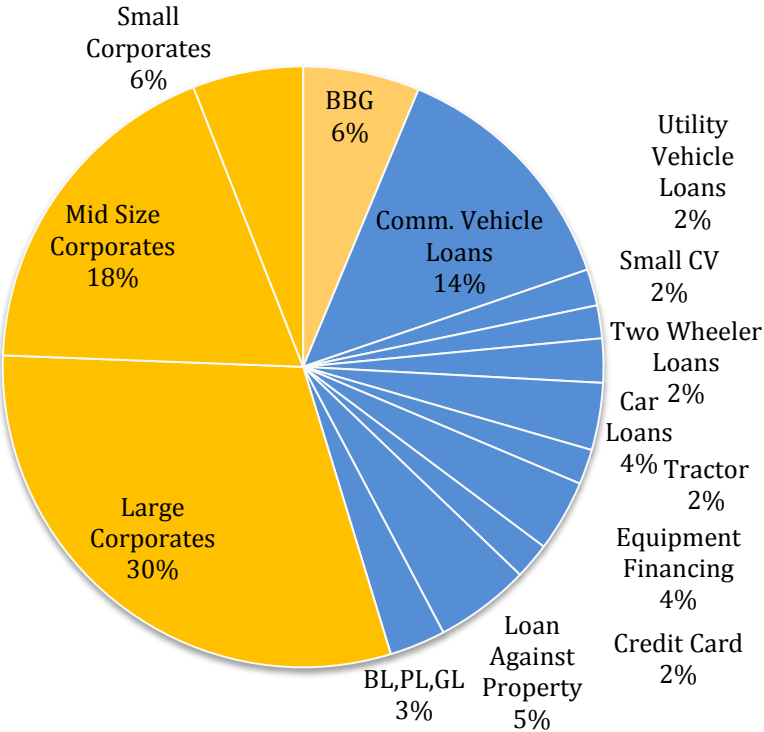
Loan Book (Rs crs)



(Rs crs)

Corporate Banking	Sep-18	
Large Corporates	49,471	30%
Mid size Corporates	30,087	19%
Small Corporates*	19,943	12%
Total Advances	99,501	61%

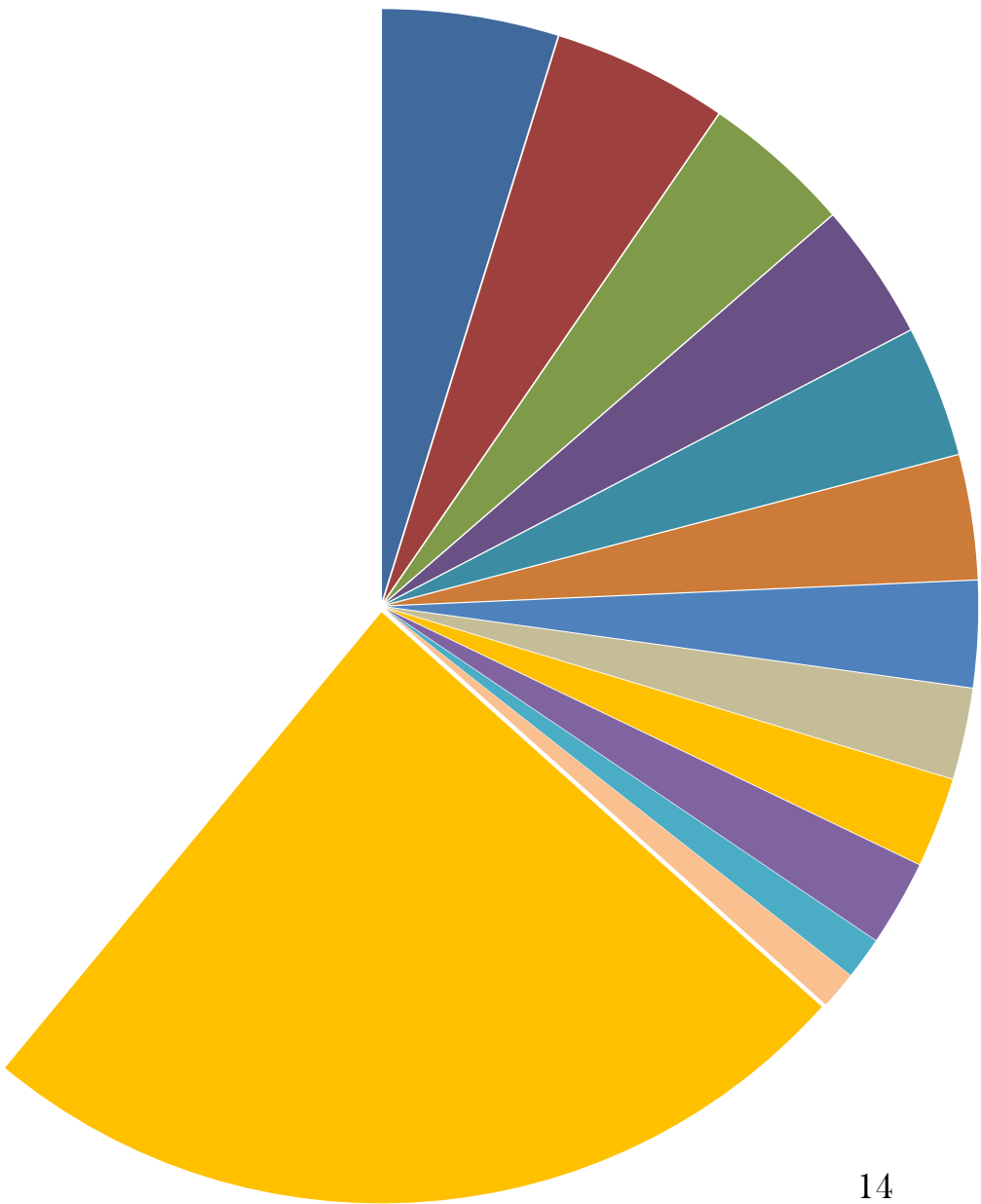
*Includes Business Banking
Rs. 10,236 crs managed by
Consumer Banking



(Rs crs)

Consumer Finance	Sep-18	
Comm. Vehicle Loans	21,992	13%
Utility Vehicle Loans	3,201	2%
Small CV	2,886	2%
Two Wheeler Loans	3,867	2%
Car Loans	5,892	4%
Tractor	3,083	2%
Equipment Financing	6,290	4%
Credit Card	3,185	2%
Loan Against Property	8,324	5%
BL, PL, GL, Others	4,922	3%
Total Advances	63,643	39%

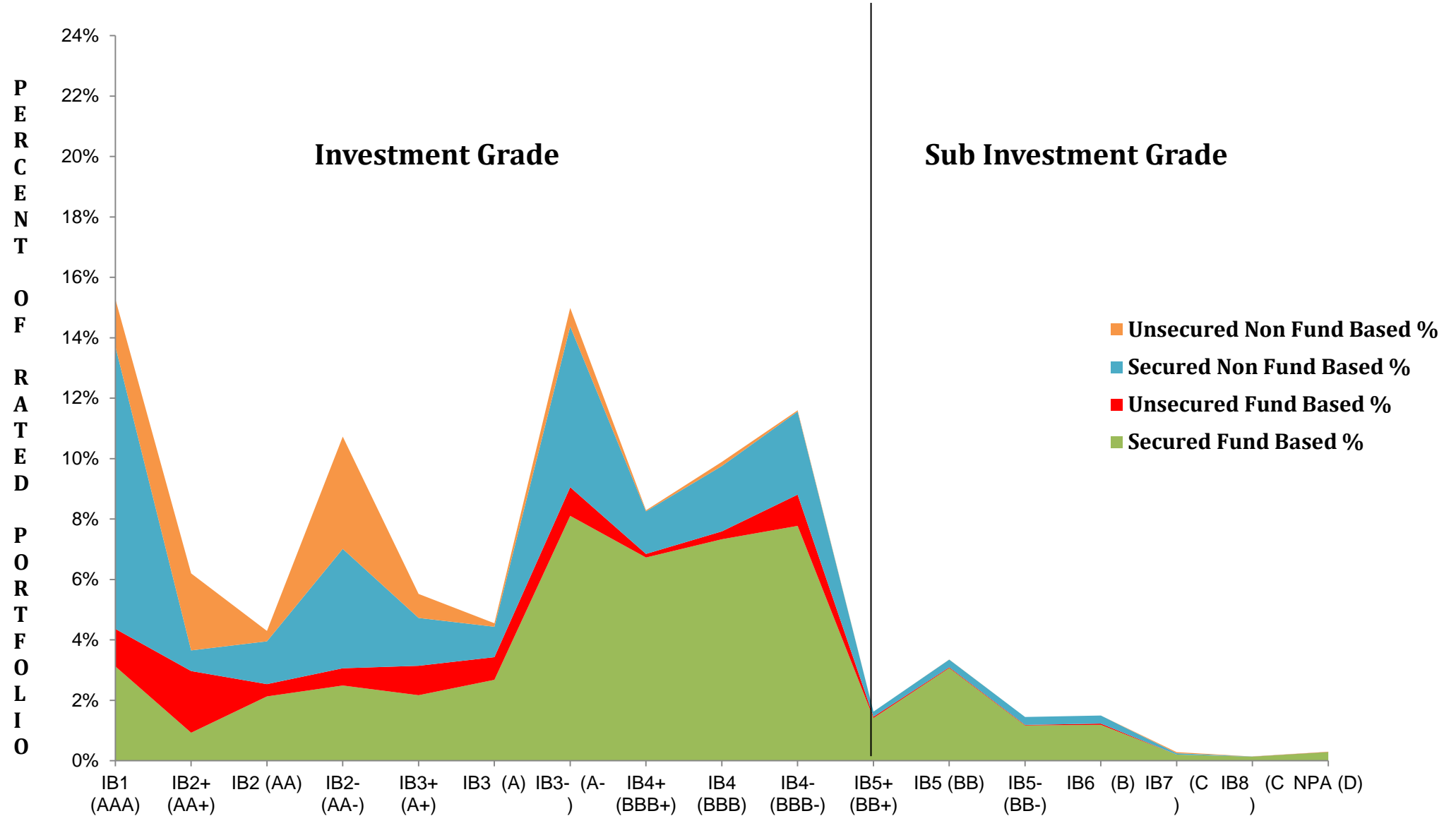




Gems and Jewellery	4.80%
NBFCs (other than HFCs)	4.77%
Real Estate Developer	4.06%
Microfinance	3.71%
Steel	3.56%
Power Generation	3.39%
Constn related to infra.- EPC	2.89%
Lease Rental	2.49%
Services	2.45%
Roads/other infra projects	2.34%
Food Beverages and Food processing	1.14%
Contract Construction-Civil	1.03%
Other Industry	24.36%

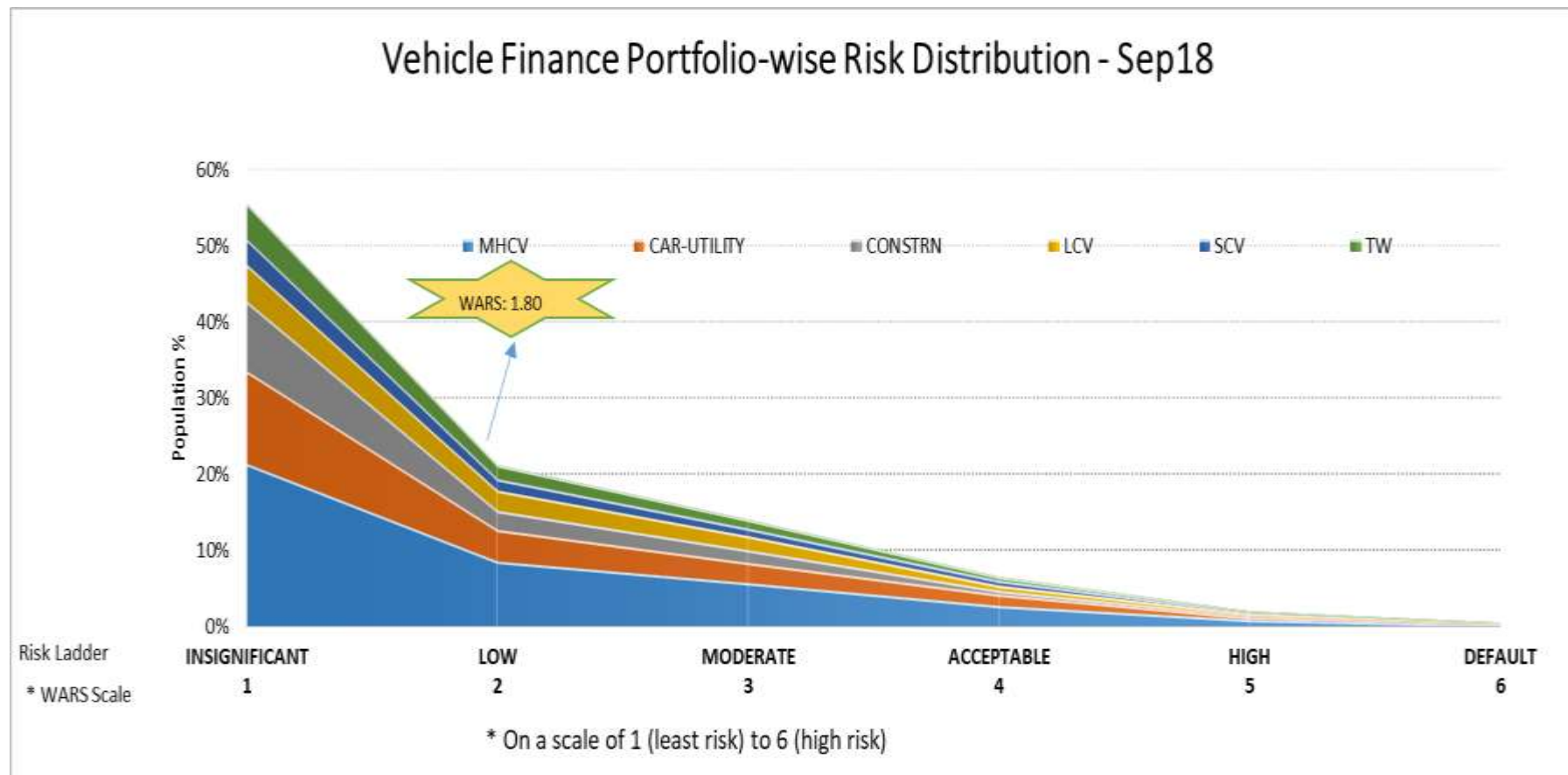


Well Rated Corporate Portfolio



Behavioural Scoring affirms quality of Vehicle Financing Portfolio

- Behavioural Score (B-score) measures post disbursement credit quality using long range historical data.
- B-score assesses every borrower risk using Current and Historical DPD, LTV, Geography, Loan tenor, Customer type, etc.
- B-score is used for credit / portfolio quality assessment, improving collection efficiency, cross-sell and is a lead indicator of credit cost.



Q-o-Q Movement in Weighted Average Risk Score (WARS):

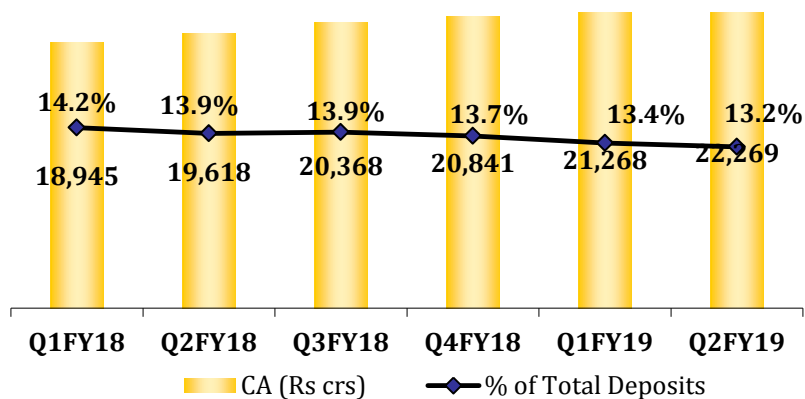
Quarter	Sep'16	Dec'16	Mar'17	Jun'17	Sep'17	Dec'17	Mar'18	Jun'18	Sep'18
WARS	1.85	1.87	1.82	1.89	1.89	1.84	1.73	1.77	1.80



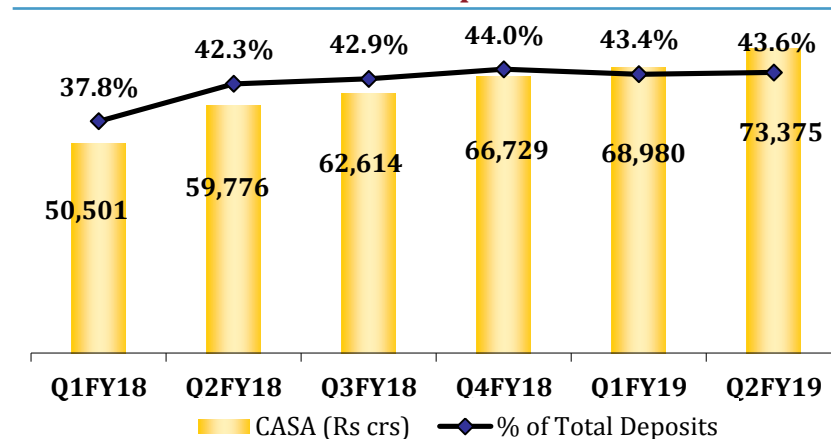
Building CASA traction

- 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

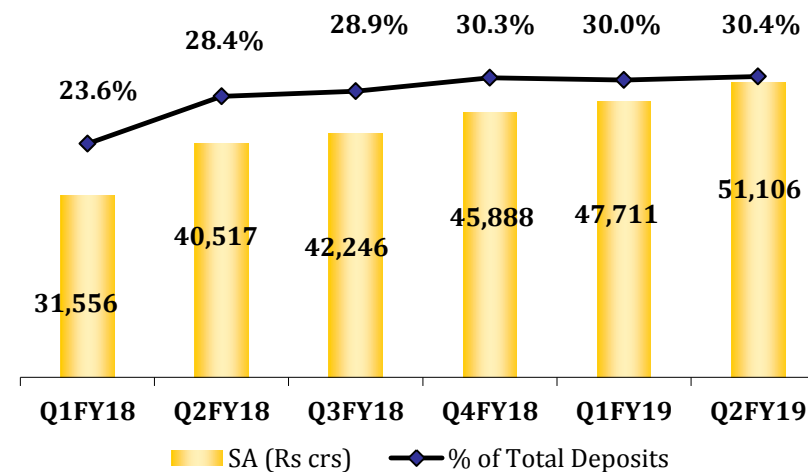
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs Crs)

	Q2FY19	Q2FY18	Y-o-Y (%)	Q1FY19	Q-o-Q (%)
Core Fee	1,218	1,013	20% ↑	1,165	5% ↑
Securities/MM/FX Trading/Others	99	175	(43%) ↓	137	(28%) ↓
Total	1,317	1,188	11% ↑	1,302	1% ↑



Diverse Revenues from Core Fee Income

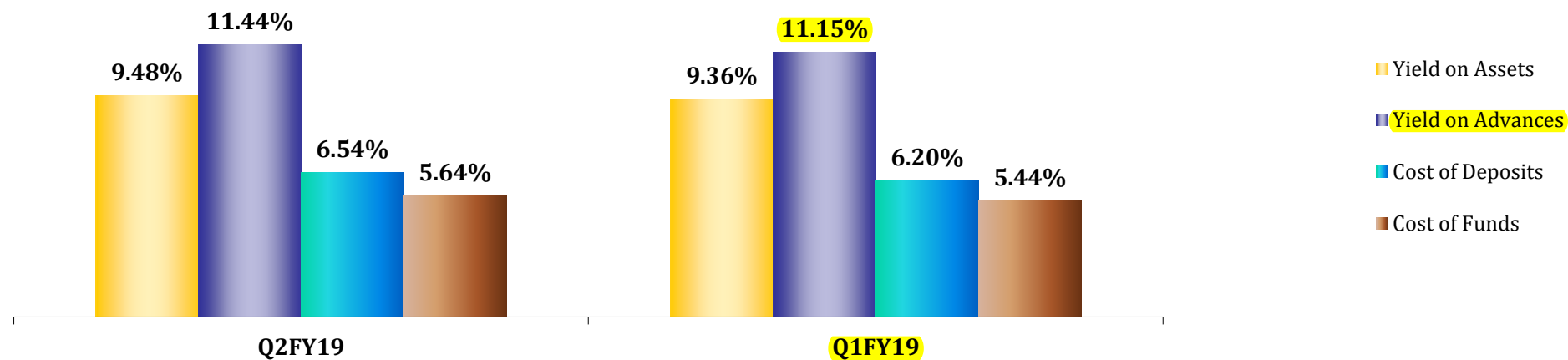
(Rs Crs)

	Q2FY19	Q2FY18	Y-o-Y(%)	Q1FY19	Q-o-Q(%)
Trade and Remittances	151	128	18% ↑	141	7% ↑
Foreign Exchange Income	223	183	22% ↑	228	(2%) ↓
Distribution Fees (Insurance, MF, Cards)	280	237	18% ↑	278	1% ↑
General Banking Fees	91	65	40% ↑	80	14% ↑
Loan Processing fees	260	214	21% ↑	230	13% ↑
Investment Banking	213	186	15% ↑	208	2% ↑
Total Core Fee Income	1,218	1,013	20% ↑	1,165	5% ↑

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

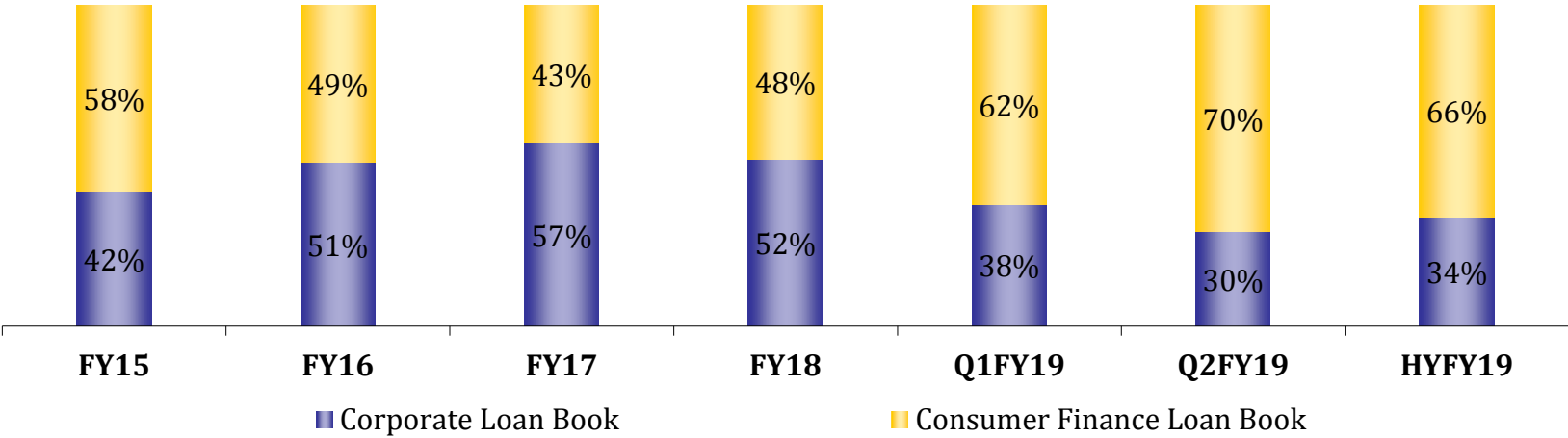
	Q2FY19		Q1FY19	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	99,501	9.69%	90,411	9.16%
Consumer Finance	63,643	14.08%	60,264	13.91%
Total	1,63,144	11.44%	1,50,675	11.15%



Credit Cost

(Rs Crs)

	FY15	FY16	FY17	FY18	Q1FY19	Q2FY19	HY FY19
Corporate Bank	144	258	401	468	80	59	139
Consumer Finance	195	244	303	433	129	141	270
Gross Credit Costs	339	502	704	901	209	200	409
Gross Credit Costs (Basis Points on Advances)	49	57	62	62	14	12	25
Net Credit Cost	323	468	672	856	205	193	398
Net Credit Costs (Basis Points on Advances)	48	53	59	59	14	12	24
PCR	63%	59%	58%	56%	56%	56%	56%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs Crs)

	Q2FY19			Q1FY19		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	1,110	631	1,741	1,053	652	1,705
Additions	93	326	419	209	266	475
Deductions	142	237	379	152	287	439
Gross NPA	1,061	720	1,781*	1,110	631	1,741*
Net NPA			788			762
% of Gross NPA			1.09%			1.15%
% of Net NPA			0.48%			0.51%
Provision Coverage Ratio (PCR)			56%			56%
Restructured Advances			**(178)0.11%			(69)0.05%
Restructured + Gross NPA to Advances			1.20%			1.20%

*After sale to ARC Rs. 104 crs (Rs. 149 crs)

** Includes Loans restructured due to natural calamities in Kerala Rs 111 crs



NPA Composition – Consumer Finance

(Rs Crs)

Q2-FY19	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	205	43	46	37	153	47	79	53	57	720
Gross NPA %	0.93%	1.32%	0.73%	1.27%	3.87%	0.80%	0.60%	1.72%	1.78%	1.13%

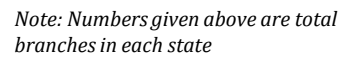
Q1-FY19	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	LAP/HL/PL	Tractor	Cards	Total
Gross NPA	189	42	53	30	140	39	50	35	53	631
Gross NPA %	0.91%	1.38%	0.88%	1.09%	3.67%	0.69%	0.39%	1.20%	1.77%	1.04%



(Rs Crs)

	30 Sept 18	30 Jun 18
	Basel – III	Basel – III
Credit Risk, CVA and UFCE	1,66,588	1,53,398
Market Risk	8,617	9,800
Operational Risk	18,840	18,840
Total Risk Weighted Assets	1,94,045	1,82,038
Core Equity Tier 1 Capital Funds	24,897	24,014
Additional Tier 1 Capital Funds	2,000	2,000
Tier 2 Capital Funds	810	739
Total Capital Funds	27,707	26,753
CRAR	14.28%	14.70%
CET1	12.83%	13.19%
Tier 1	13.86%	14.29%
Tier 2	0.42%	0.41%

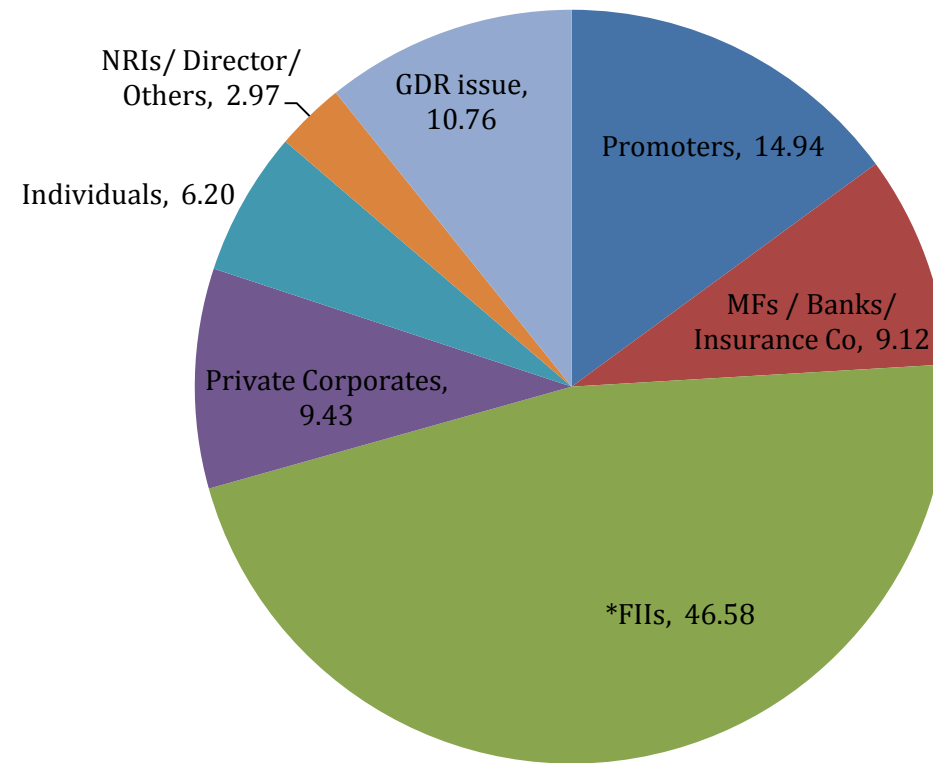




Particulars	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018
Branch Network	1,320	1,400	1,410	1,466*
ATMs	2,162	2,203	2,285	2,372

IndusInd Bank

September 30, 2018



*includes FPIs



New Initiatives and Accolades



New Product Launches



IndusInd Bank Duo Card



- 2 EMV chips and 2 magnetic stripes on a single card
- A single account statement
- Reward points that can be combined for maximizing redemption options
- A single card with double the offers of both credit and debit
- Launched with multi-media campaign **#KeepItSingle**



Indus Assist – Voice Based Banking



- Now our Customers can Bank with voice commands!
- Indus Assist presents an Artificial Intelligence (AI) based utility which enables our customers to conduct financial and non-financial banking transactions on Amazon Echo and other Alexa-enabled devices using voice based commands
- Launched in September 2018



Accolades





International Banker 2018 Awards

Best Commercial Bank of the
Year, India

Best Innovation in Retail
Banking India



Apex India Excellence Awards 2017 in CSR for Sports



IndusInd Bank won the Apex India Excellence Awards 2017 in CSR for Sports. We were bestowed with this honour for our support towards para-athletes, blind athletes and women athletes.

IndusInd Bank is the only Banking & Financial services company to win this CSR award.



ELSC Leadership Awards



IndusInd Bank is awarded with '12th ELSC Leadership Awards' for the "Best-In-Class Client & Supplier Collaboration".



Thank You

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