

# IndusInd Bank

October 16, 2018

**The Asst. Vice President  
Listing Department  
National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East), Mumbai --- 400 051

**The Deputy General Manager  
Corporate Relationship Dept.  
BSE Ltd.**  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P. J. Towers  
Dalal Street, Fort  
Mumbai --- 400 001

**NSE Symbol: INDUSINDBK**

**BSE Scrip Code: 532187**

Madam / Dear Sir,


**Investor Presentation – Unaudited Financial Results for the quarter / half-year ended  
September 30, 2018**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith the Investor Presentation on the 'Unaudited Financial Results' of the Bank for the Quarter / Half-year ended September 30, 2018.

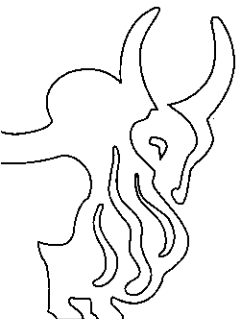
In compliance with Regulation 46, the information is being hosted on the Bank's website at [www.indusind.com](http://www.indusind.com).

Kindly take the above information on record.

Yours faithfully,  
**For IndusInd Bank Limited**

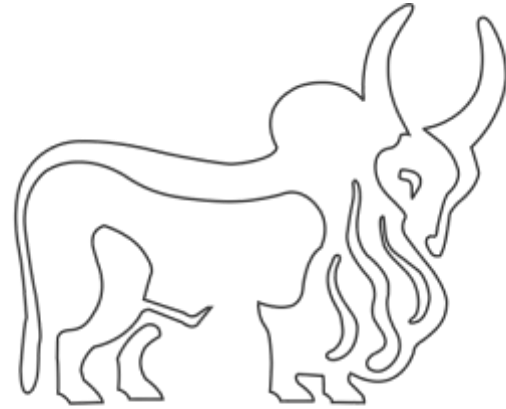
  
**Haresh K. Gajwani  
Company Secretary**

**Encl : a/a**



IndusInd Bank Limited, 701-801 Solitaire Corporate Park, 167, Guru Hargovindji Marg, Andheri (E),  
Mumbai - 400 093. Maharashtra, India Tel: (022) 66412200 Fax: (022) 66412224

**Registered Office:** 2401 Gen. Thimmayya Road, Pune 411 001, India  
Tel.: (020) 2634 3201 Fax: (020) 2634 3241 Visit us at [www.indusind.com](http://www.indusind.com)  
CIN: L65191PN1994PLC076333



***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

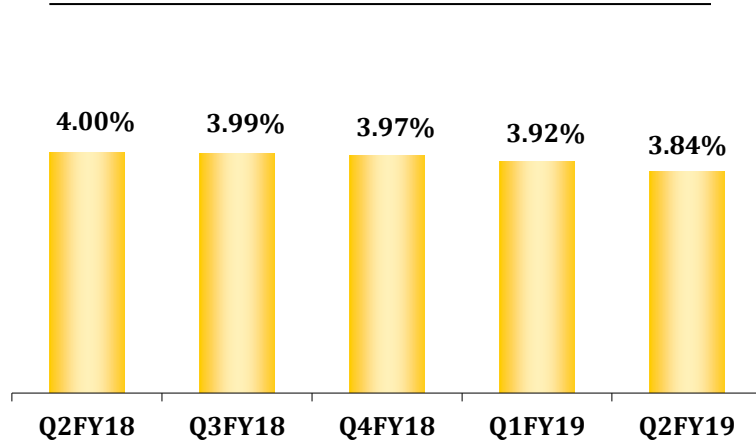
			Q2-FY19 Outcome
Resulting in	Loan Growth	▶ 25% - 30%	32%
	CASA Ratio	▶ 40%	44%
	Revenue Growth	▶ Exceed Balance Sheet Growth	17%
	RoRWA	▶ > 2.4%	1.96%*
	Branch Network	▶ 2,000	1,466
	Customer Base	▶ Double to >20mn	On track

\* Pre contingent provision 2.34%

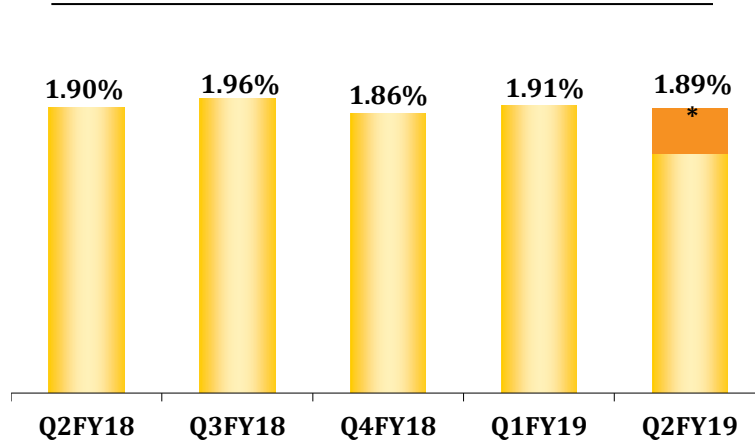


# How We Measure Up On Key Metrics

### Net Interest Margin (NIM)

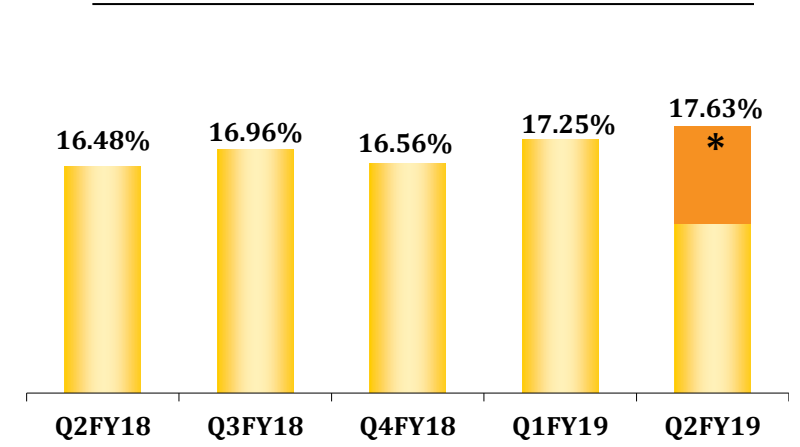


### RoA



\*pre contingent provision

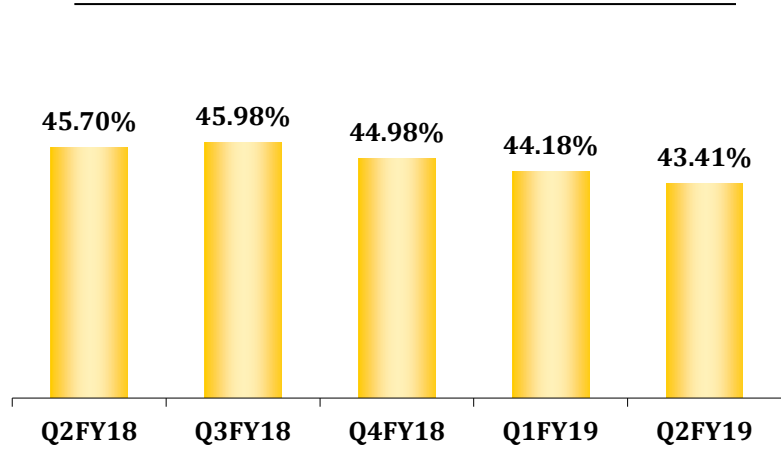
### RoE#



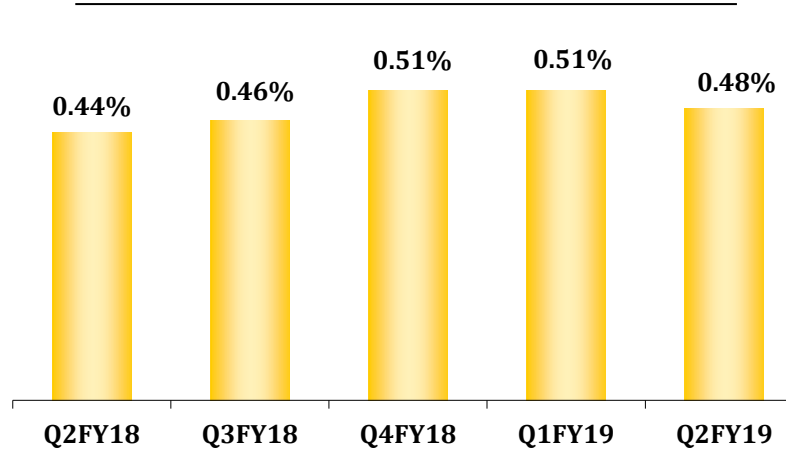
\*pre contingent provision

#on average equity

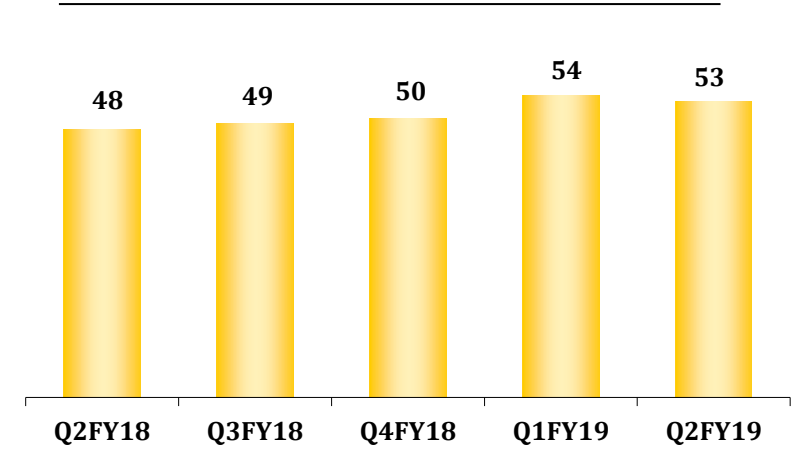
### Cost / Income



### 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
<b>Net Interest Income</b>	Rs 2,203 crs	21%	4%
<b>Core Fee Income</b>	Rs 1,218 crs	20%	5%
<b>Revenue</b>	Rs 3,521 crs	17%	3%
<b>Operating Profit</b>	Rs 1,992 crs	22%	4%
<b>Net Profit</b>	Rs 920 crs	5%	(11)%
<b>Core Profit</b>	Rs 1,034 crs	35%	9%





# Top line momentum

		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 (%)
<b>Capital &amp; Liabilities</b>					
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% ↑
<b>Total</b>	<b>2,48,320</b>	<b>1,95,032</b>	<b>27% ↑</b>	<b>2,28,879</b>	<b>8% ↑</b>
<b>Assets</b>					
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% ↑
<b>Total</b>	<b>2,48,320</b>	<b>1,95,032</b>	<b>27% ↑</b>	<b>2,28,879</b>	<b>8% ↑</b>
<b>Business (Advances + Deposit)</b>	<b>3,31,365</b>	<b>2,64,622</b>	<b>25% ↑</b>	<b>3,09,537</b>	<b>7% ↑</b>



# 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% ↑
<b>Total Income</b>	<b>3,521</b>	<b>3,009</b>	17% ↑	<b>3,424</b>	3% ↑
Operating Expenses	1,529	1,375	11% ↑	1,513	1% ↑
<b>Operating Profit</b>	<b>1,992</b>	<b>1,634</b>	22% ↑	<b>1,911</b>	4% ↑
Provisions & Contingencies	590*	294	101% ↑	350	69% ↑
<b>Profit before Tax</b>	<b>1,402</b>	<b>1,340</b>	5% ↑	<b>1,561</b>	(10%) ↓
Provision for Tax	482	460	5% ↑	525	(8%) ↓
<b>Profit after Tax</b>	<b>920</b>	<b>880</b>	5% ↑	<b>1,036</b>	(11%) ↓
<b>Core Profit</b>	<b>1,034</b>	<b>766</b>	35% ↑	<b>947</b>	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%	↑
<b>Total Income</b>	<b>6,944</b>	<b>5,950</b>	17%	↑
Operating Expenses	3,041	2,728	11%	↑
<b>Operating Profit</b>	<b>3,903</b>	<b>3,222</b>	21%	↑
Provisions & Contingencies	940	604	56%	↑
<b>Profit before Tax</b>	<b>2,963</b>	<b>2,618</b>	13%	↑
Provision for Tax	1,007	902	12%	↑
<b>Profit after Tax</b>	<b>1,956</b>	<b>1,716</b>	14%	↑



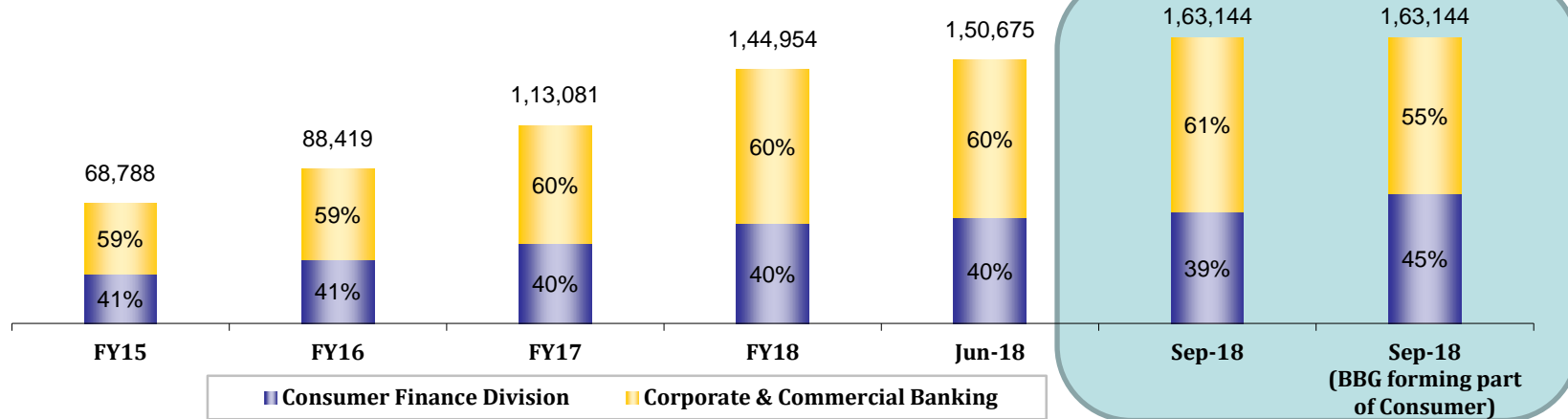
## Key Financial Indicators

	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

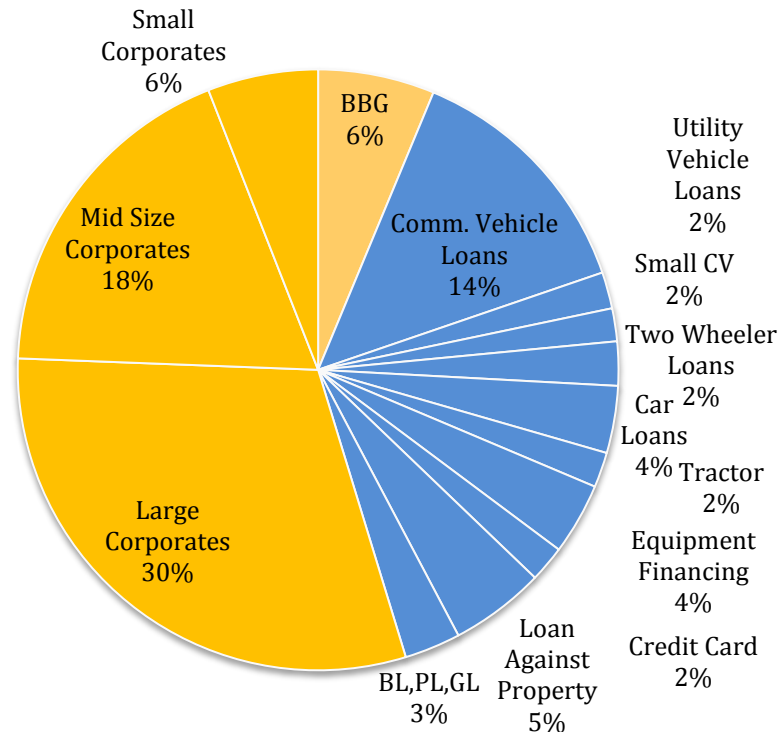
## Loan Book (Rs crs)



(Rs crs)

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

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

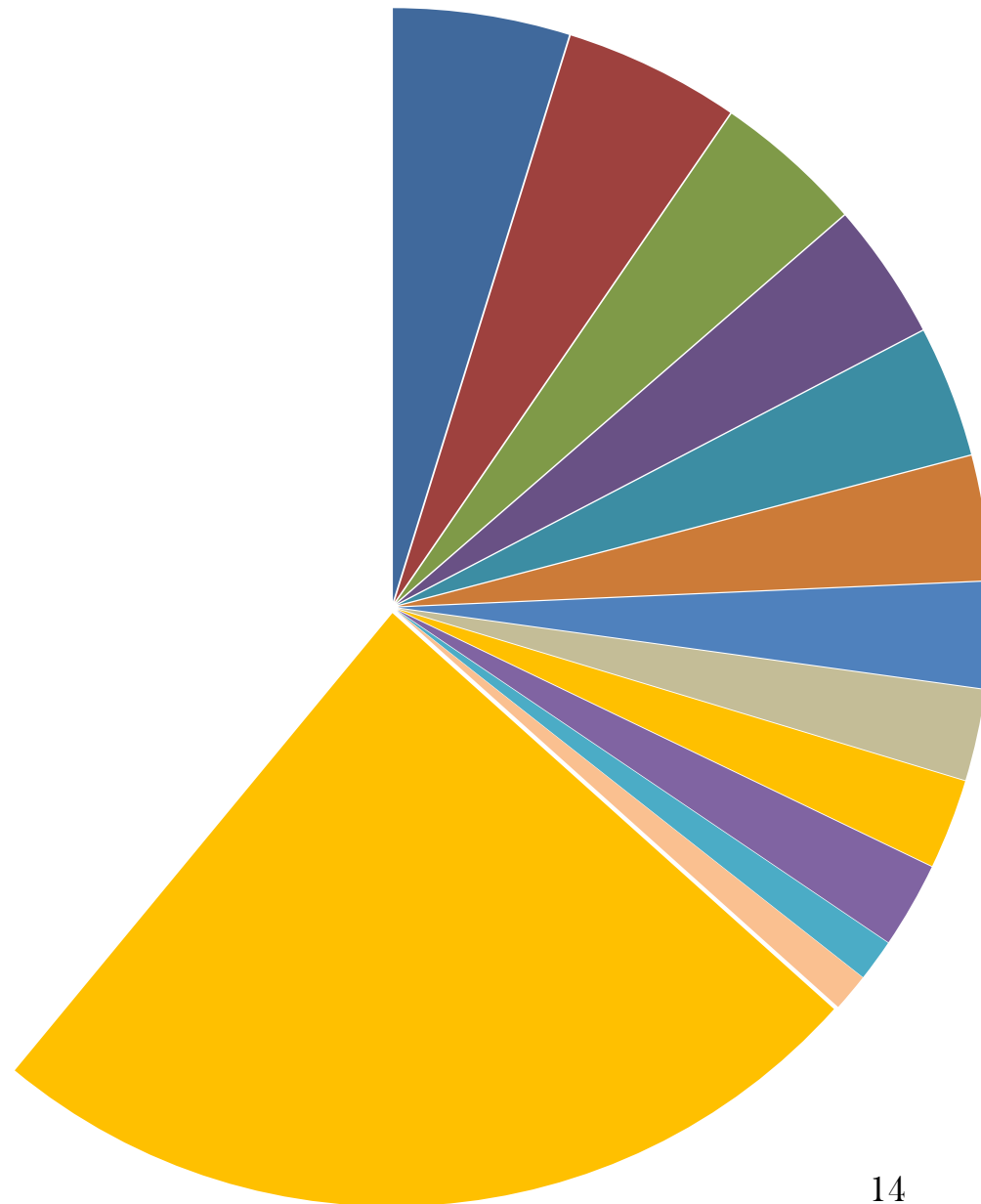


(Rs crs)

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%
<b>Total Advances</b>	<b>63,643</b>	<b>39%</b>



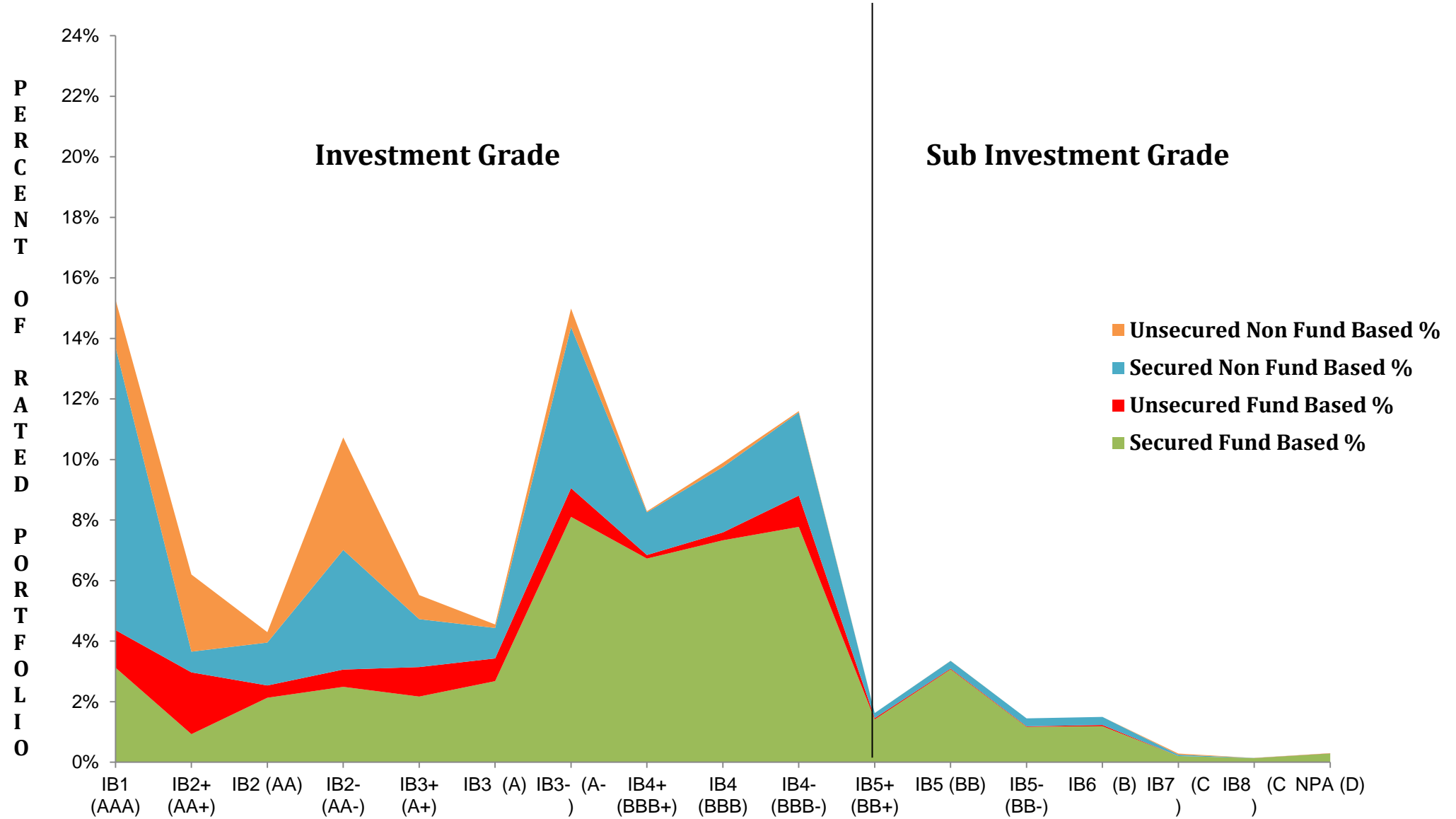
# Diversified Corporate Loan Book



■ 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%



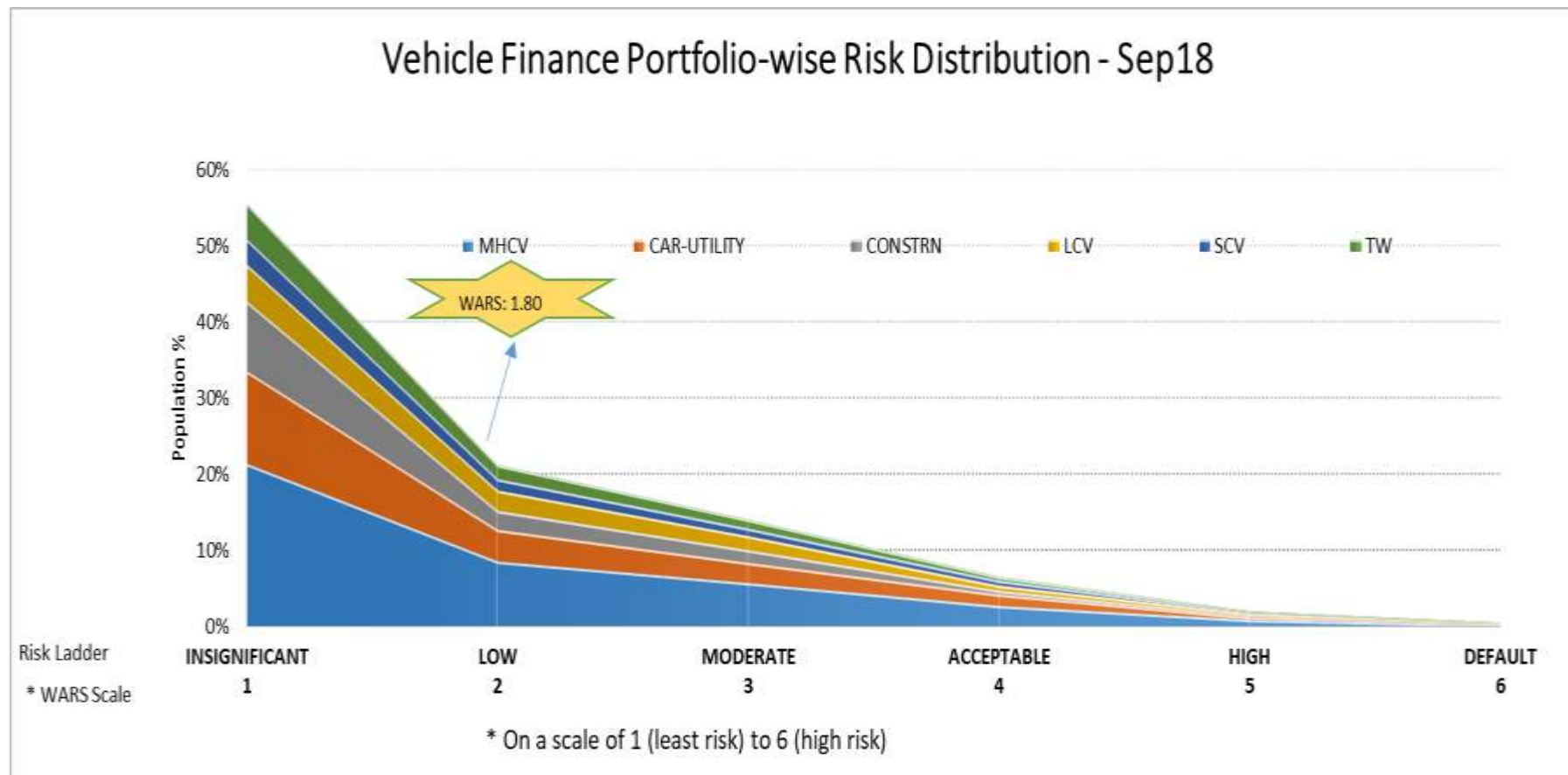
# Well Rated Corporate Portfolio





# 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):

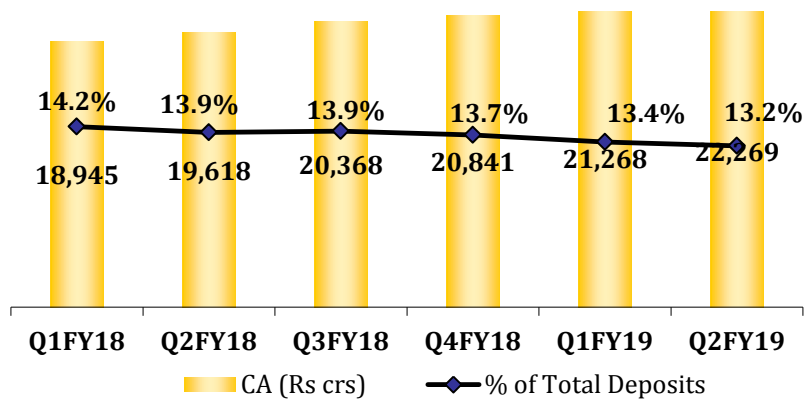
Quarter	Sep'16	Dec'16	Mar'17	Jun'17	Sep'17	Dec'17	Mar'18	Jun'18	Sep'18
<b>WARS</b>	<b>1.85</b>	<b>1.87</b>	<b>1.82</b>	<b>1.89</b>	<b>1.89</b>	<b>1.84</b>	<b>1.73</b>	<b>1.77</b>	<b>1.80</b>



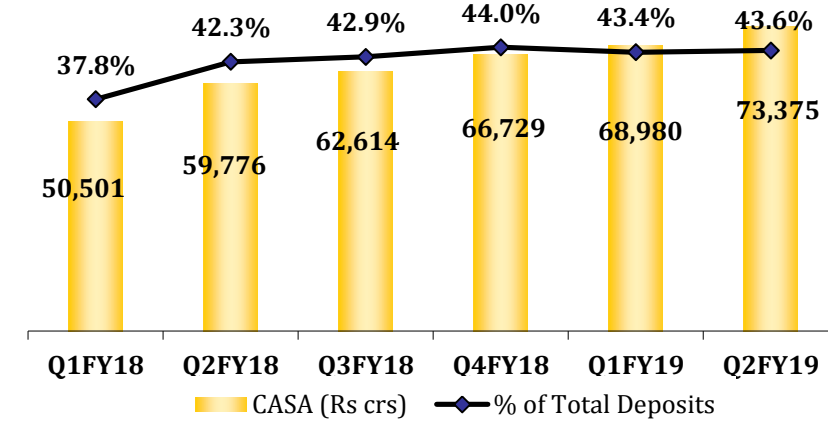
## Building CASA traction

- 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

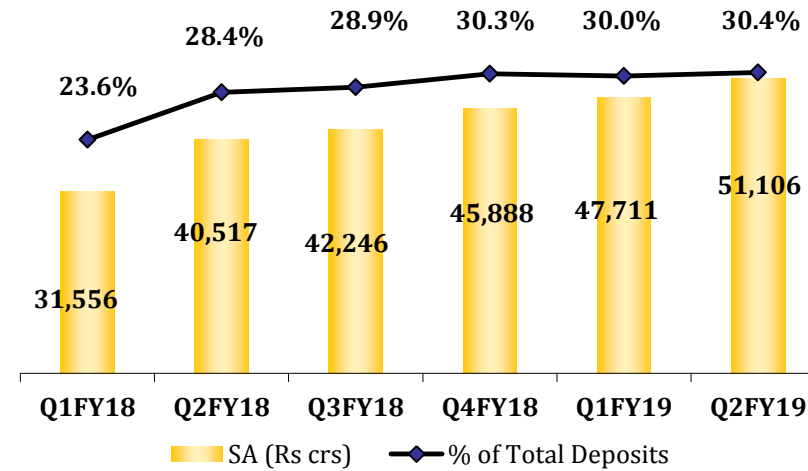
## Current Account (CA)



## 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%) ↓
<b>Total</b>	<b>1,317</b>	<b>1,188</b>	<b>11% ↑</b>	<b>1,302</b>	<b>1% ↑</b>



## Diverse Revenues from Core Fee Income

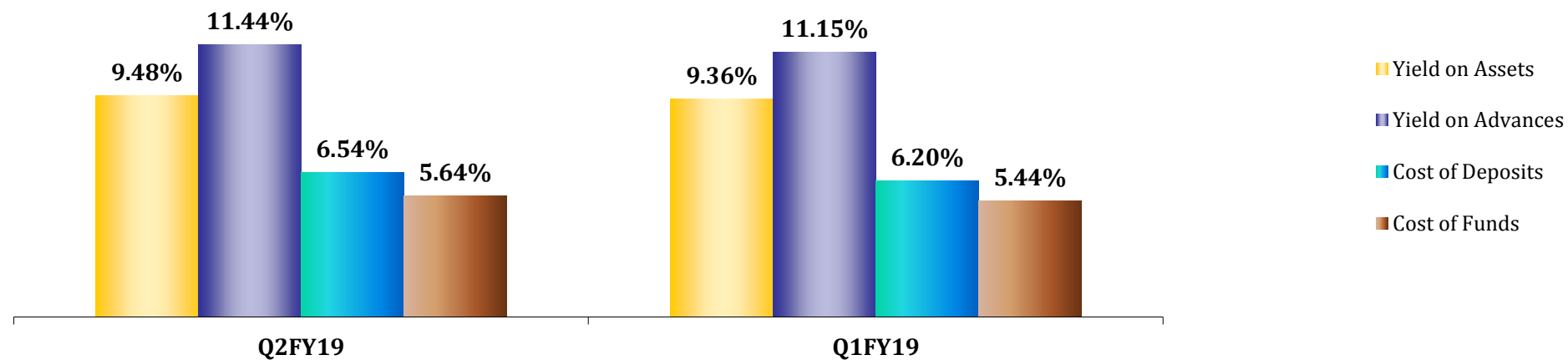
(Rs Crs)

	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% ↑
<b>Total Core Fee Income</b>	<b>1,218</b>	<b>1,013</b>	<b>20% ↑</b>	<b>1,165</b>	<b>5% ↑</b>

**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

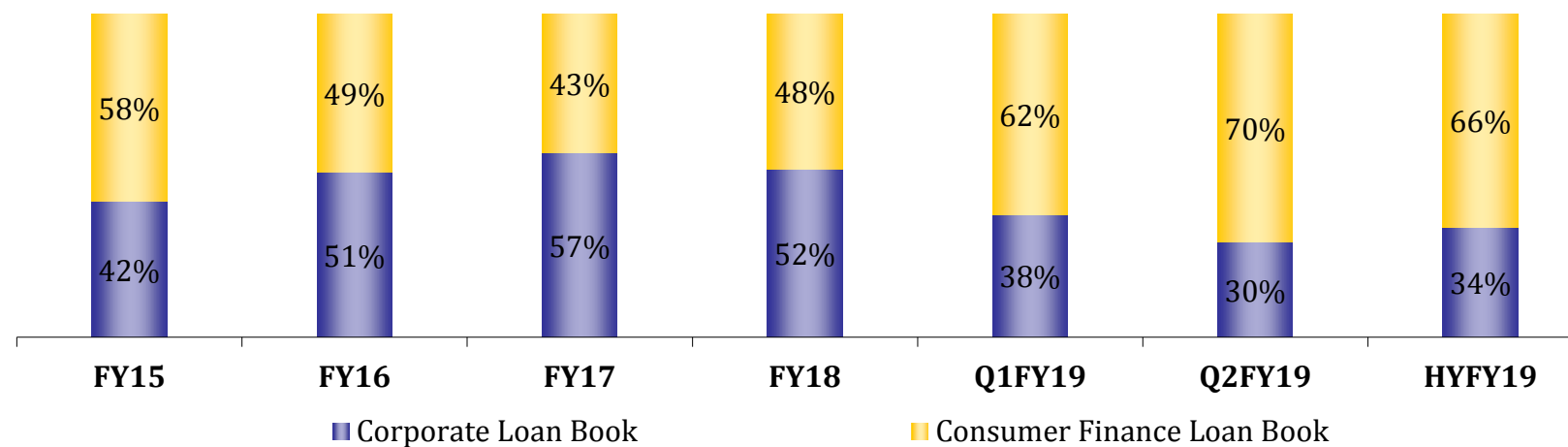
	Q2FY19		Q1FY19	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	99,501	9.69%	90,411	9.16%
Consumer Finance	63,643	14.08%	60,264	13.91%
<b>Total</b>	<b>1,63,144</b>	<b>11.44%</b>	<b>1,50,675</b>	<b>11.15%</b>



# 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
<b>Gross Credit Costs</b>	<b>339</b>	<b>502</b>	<b>704</b>	<b>901</b>	<b>209</b>	<b>200</b>	<b>409</b>
<b>Gross Credit Costs (Basis Points on Advances)</b>	<b>49</b>	<b>57</b>	<b>62</b>	<b>62</b>	<b>14</b>	<b>12</b>	<b>25</b>
<b>Net Credit Cost</b>	<b>323</b>	<b>468</b>	<b>672</b>	<b>856</b>	<b>205</b>	<b>193</b>	<b>398</b>
<b>Net Credit Costs (Basis Points on Advances)</b>	<b>48</b>	<b>53</b>	<b>59</b>	<b>59</b>	<b>14</b>	<b>12</b>	<b>24</b>
<b>PCR</b>	<b>63%</b>	<b>59%</b>	<b>58%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>



# 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	<b>720</b>
Gross NPA %	0.93%	1.32%	0.73%	1.27%	3.87%	0.80%	0.60%	1.72%	1.78%	<b>1.13%</b>

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	<b>631</b>
Gross NPA %	0.91%	1.38%	0.88%	1.09%	3.67%	0.69%	0.39%	1.20%	1.77%	<b>1.04%</b>





(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
<b>Total Risk Weighted Assets</b>	<b>1,94,045</b>	<b>1,82,038</b>
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
<b>Total Capital Funds</b>	<b>27,707</b>	<b>26,753</b>
<b>CRAR</b>	<b>14.28%</b>	<b>14.70%</b>
CET1	12.83%	13.19%
Tier 1	13.86%	14.29%
Tier 2	0.42%	0.41%



# Distribution Expansion to Drive Growth



Note: Numbers given above are total branches in each state

## Strengthening Distribution Infrastructure

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

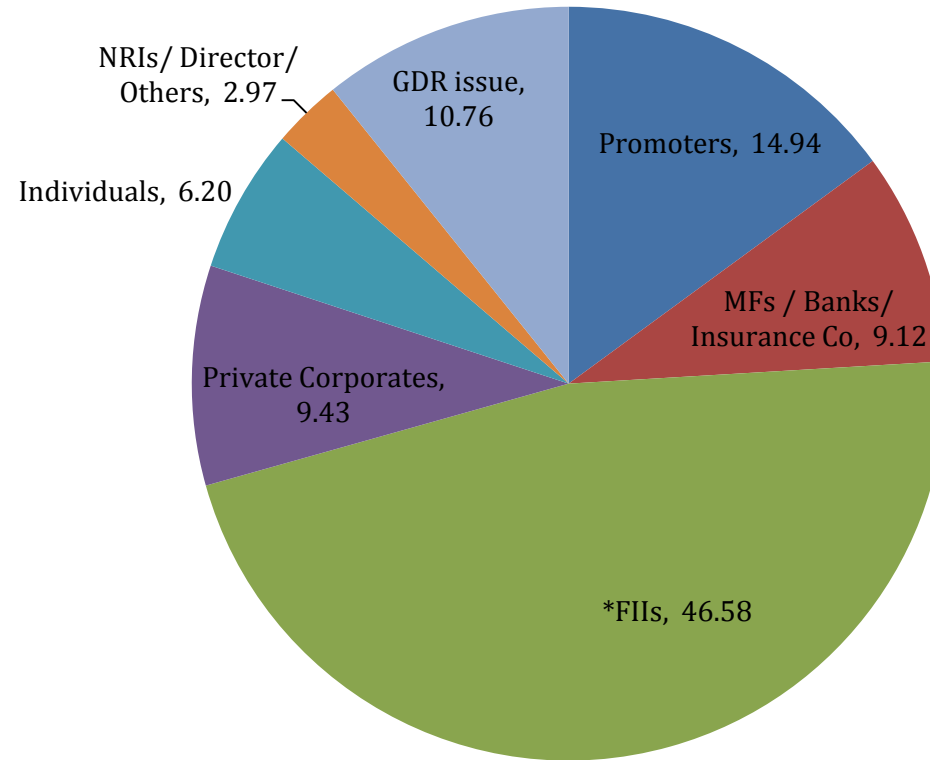
\*includes 203 specialized branches



- Branch/Representative Office
- Strategic Alliance



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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