

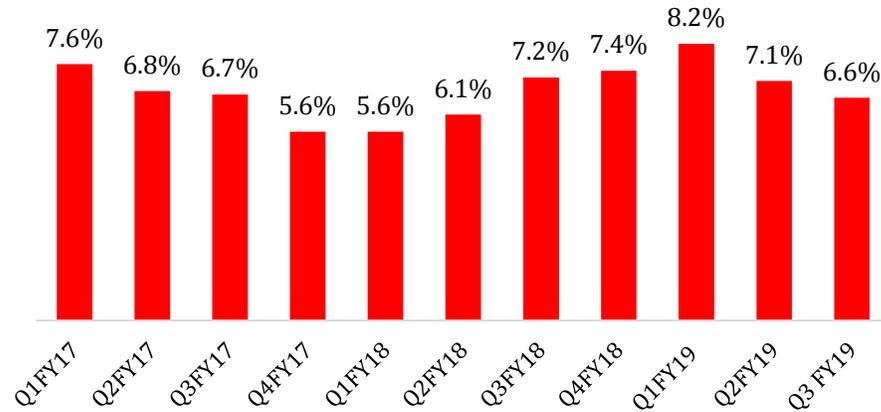
IndusInd Bank

Debt Investor Presentation

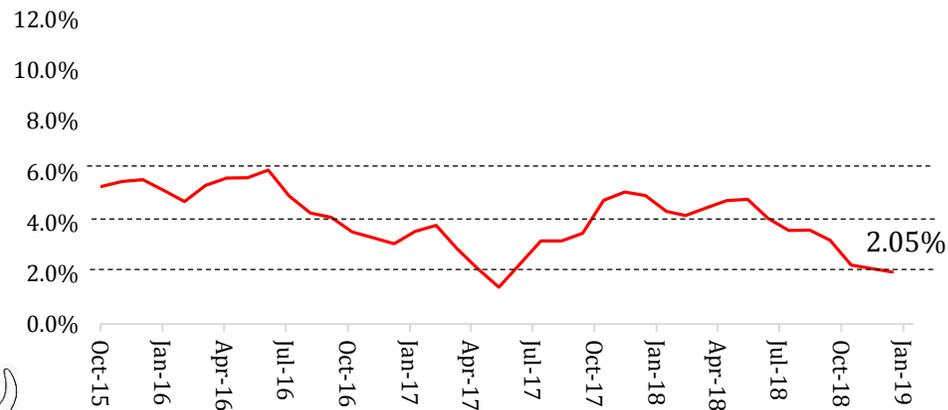
March 11, 2019

India – Positive Macro Outlook

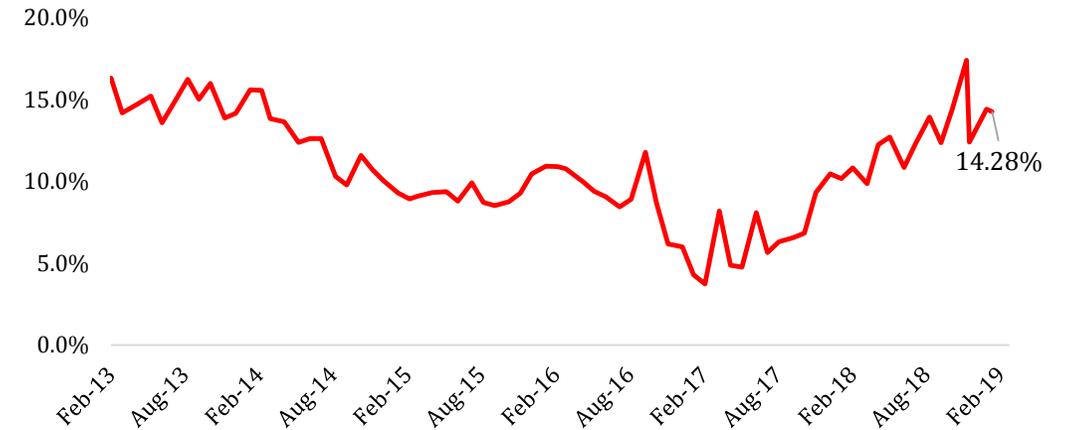
GDP growth to remain in the 7.0%-7.5% range this year and the next



CPI hovering at the lower end of prescribed limits



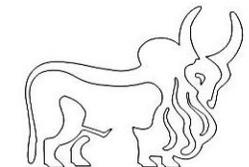
Credit growth continues to be strong



Currency regained stability in the new year



Source: CSO, RBI, Research

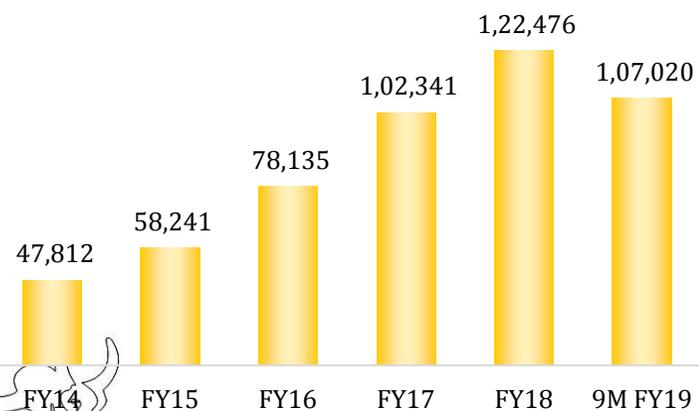


IndusInd Bank – Consistently Building Scale with Profitability

Strength

- CRAR at 14.19%; CET1 at 12.79%
- Strong Asset Quality with impaired assets proportion amongst the lowest in Indian banks; Net NPAs at 0.59%
- In top decile on productivity, profitability and efficiency parameters in Indian banking industry

Revenue (Rs mn)



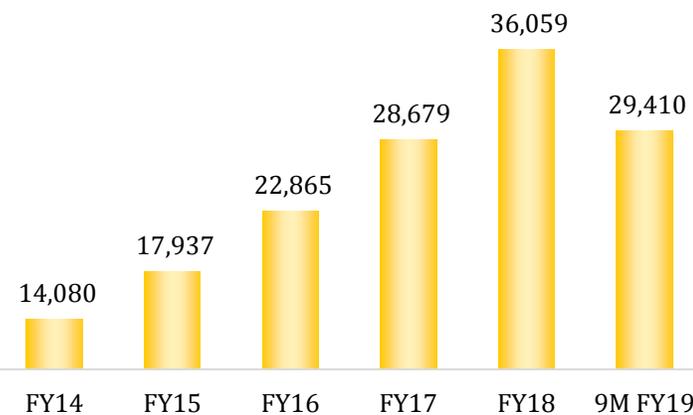
Note: Data as of December 2018

[Not annualized]

Growth

	3 Year CAGR	9MFY19 (y-o-y)
▪ Loans	28%	35%
▪ Deposits	27%	20%
▪ Revenue	27%	18%
▪ Profits	26%	11%
▪ Networth	31%	15%

Net Profit (Rs mn)



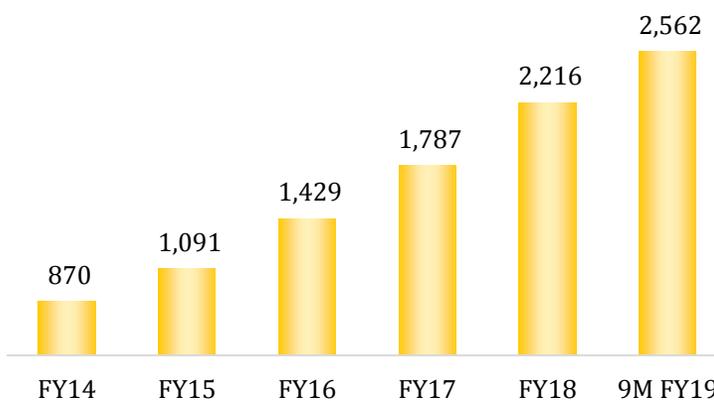
3

[Not annualized]

Returns

- 9MFY19**
- RoA = 1.7%
 - RoE = 15.9%
 - NIMs = 3.85%

Total Assets (Rs bn)

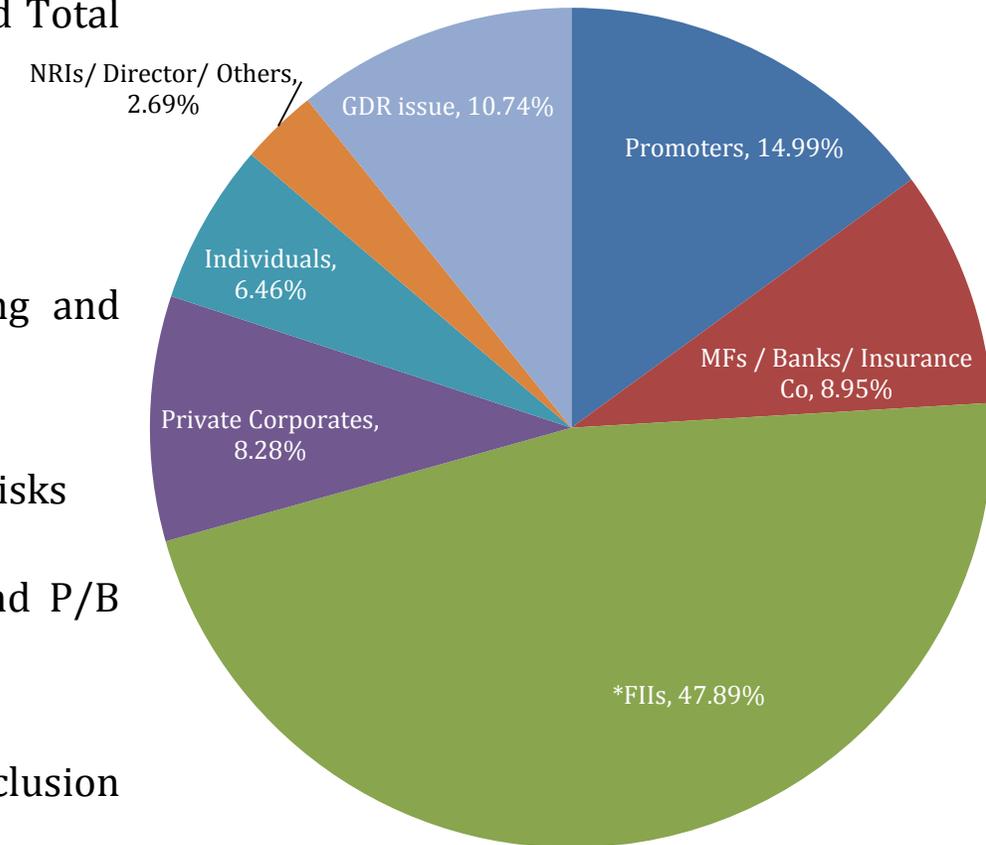


IndusInd Bank

Overview of the Bank

- Leading private sector bank and financial services company in India
- Incorporated in January, 1994; Current customer base of ~14 million⁽¹⁾ and Total Assets of over Rs 2,500 bn⁽¹⁾
- Pan India presence through a network of 1,558 branches and 2,453 ATMs⁽¹⁾
- Diversified loan book – Split between Corporate & Commercial Banking and Consumer Finance at 61% and 39% respectively⁽¹⁾
- Enterprise-wide Risk Management framework for effective management of risks
- Market Cap of over Rs 915bn⁽²⁾ implying trailing P/E multiple of 26x and P/B multiple of 3.6x
- Received regulatory & shareholder approvals for the Bharat Financial Inclusion Ltd. (BFIL) Merger, pending for the NCLT approval

Shareholding ⁽¹⁾

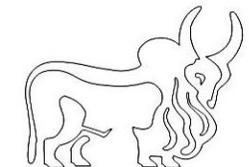
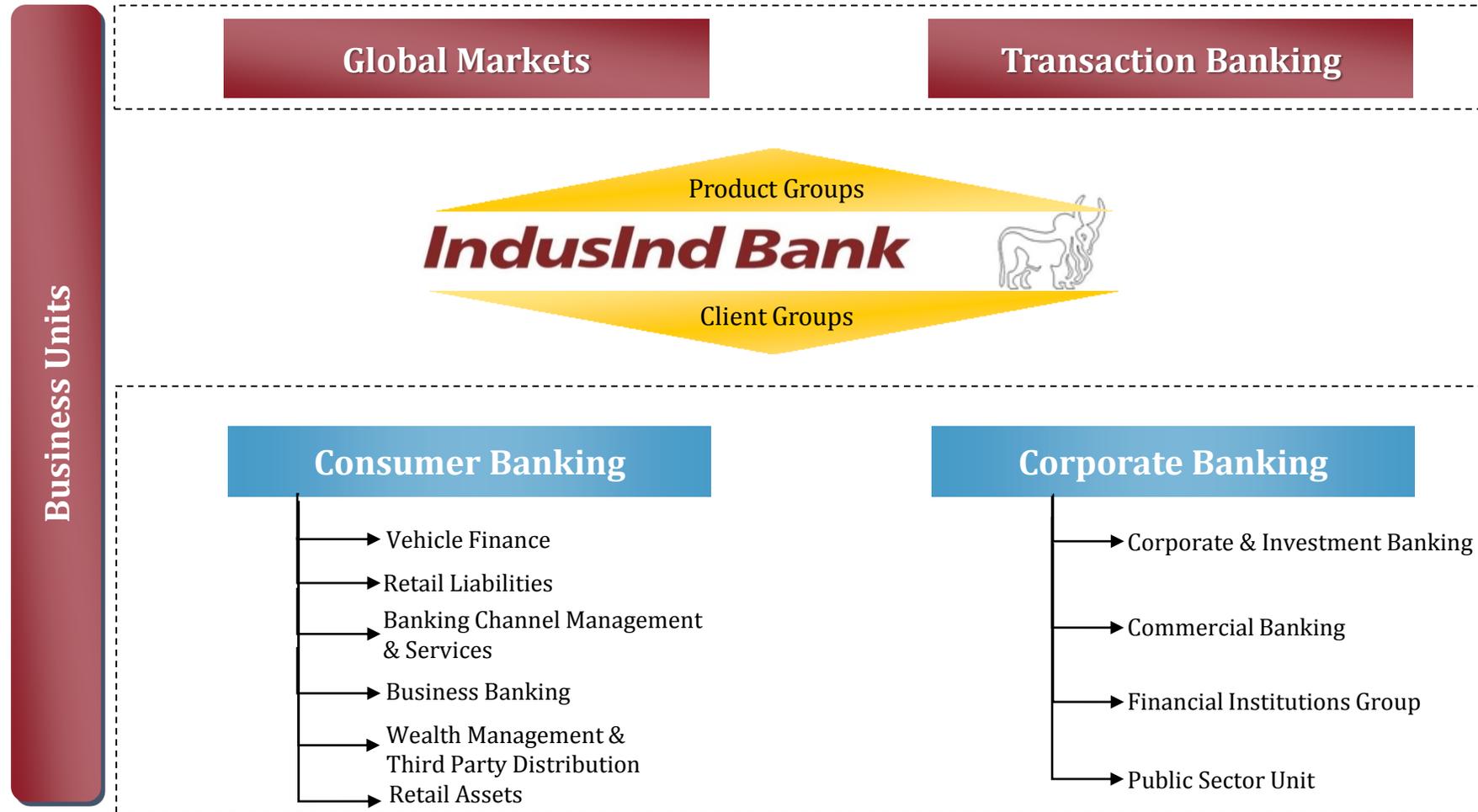


*includes FPIs



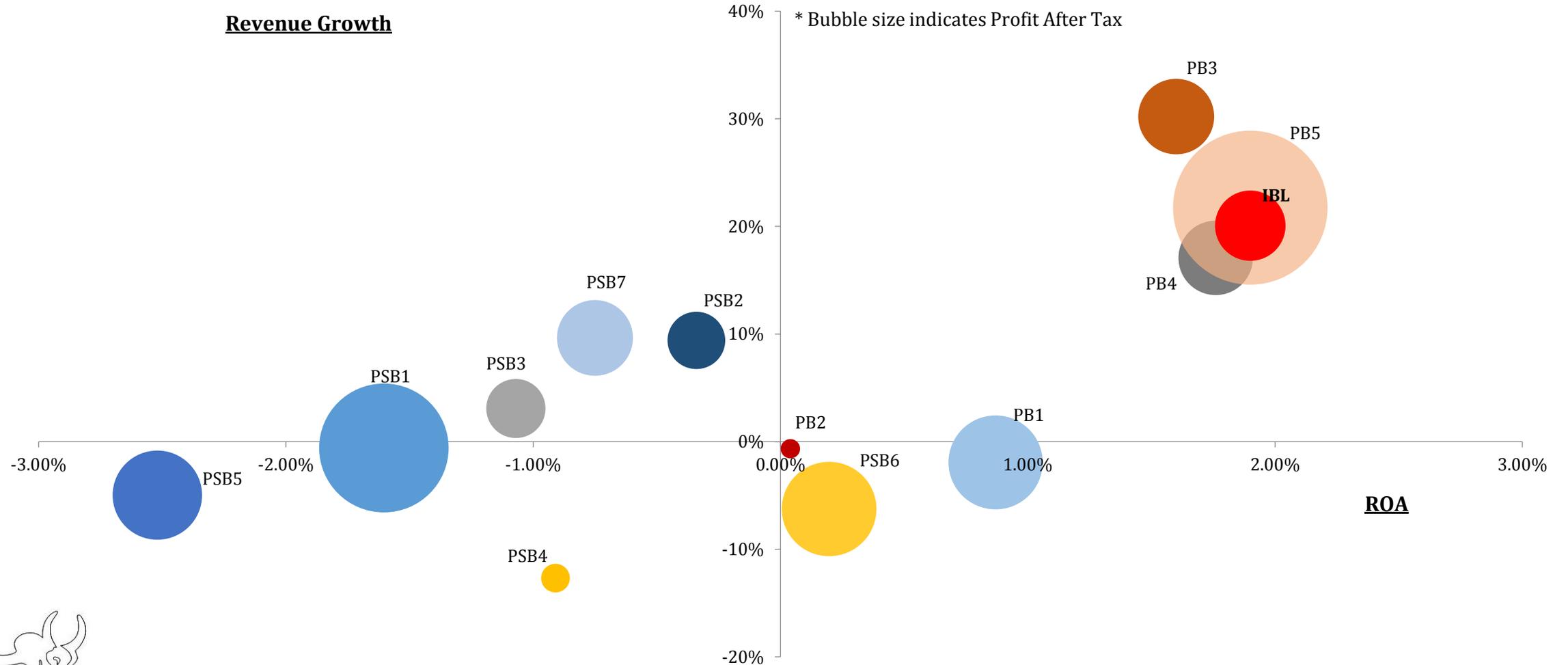
1. As on December 31, 2018
2. As on March 8, 2019

Organization Structure

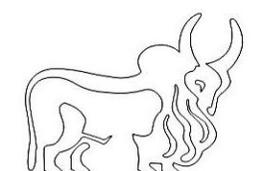


Benchmarking Revenue, Risk & Returns

- ❑ A comparison of IBL with the top 6 Public Sector (PSU) and top 5 Private Sector Banks (PB)

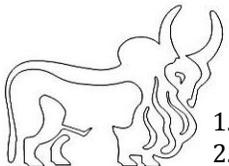


Data as of FY18. (Banks' nomenclature not in any particular order)
PSB PAT are all negative



Domestic Ratings

- **CRISIL⁽¹⁾ AA +** for Infra Bonds program
- **CRISIL AA** for Additional Tier I Bonds program
- **ICRA 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 ⁽²⁾
- **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



1. Indian subsidiary of S&P
2. Indian subsidiary of Fitch

Award Winning Brand / Franchise

International Banker 2018 Awards



Best Commercial Bank of the
Year, India



Best Innovation in
Retail Banking India

Ranked 20th Most Valuable Brand

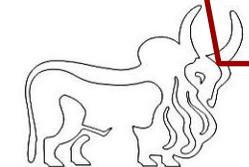


BrandZ Top 75
WPP Pls & Milward Brown
2018

Dream Employer of the Year



ET NOW: 'Dream Companies to
Work for 2019'



Presentation Path

➤ **Capital Adequacy**

1

➤ **Asset Quality**

2

➤ **Management Track Record & Strategy**

3

➤ **Earnings Update**

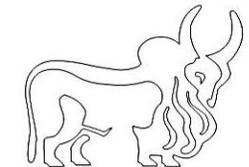
4

➤ **Liquidity & Funding Profile**

5

➤ **Building Sustainable Banking**

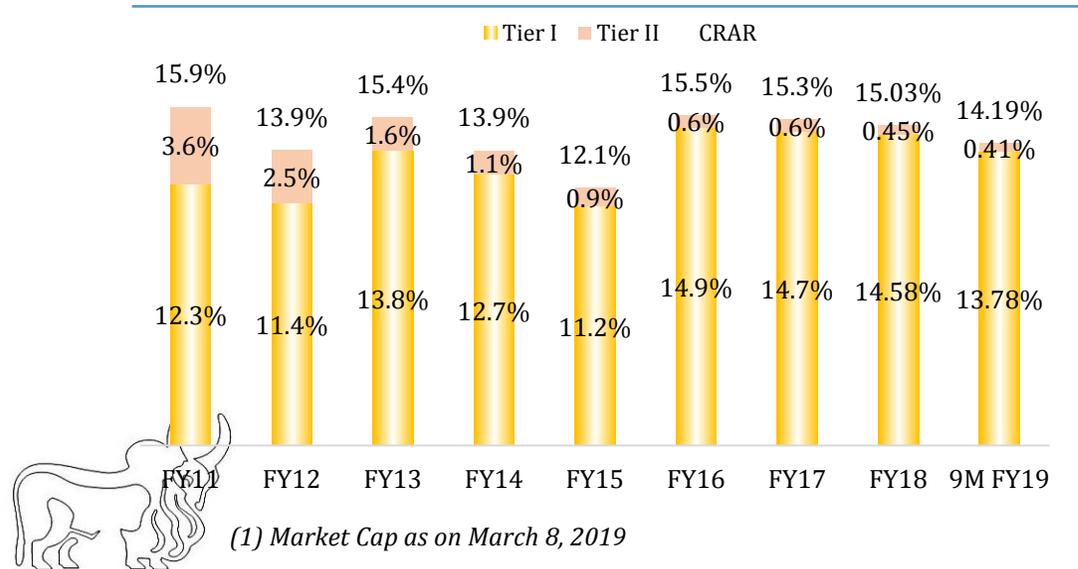
6



1. Strong Capital Adequacy

- Bank has maintained strong capital adequacy levels well in excess of the minimum regulatory requirement
- The proposed merger with BFIL to be capital accretive
- The Bank is valued at 3.6x of Dec-2018 book value ⁽¹⁾
- The Bank's policy of dividend payout ratio is between 14% and 17% of the Net Profit earned during the year.

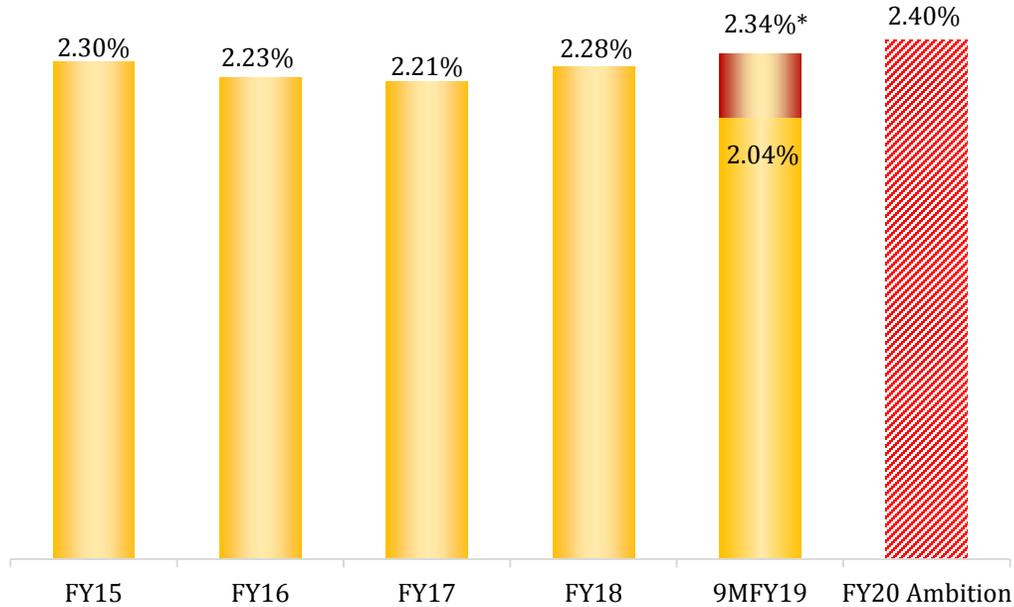
CRAR



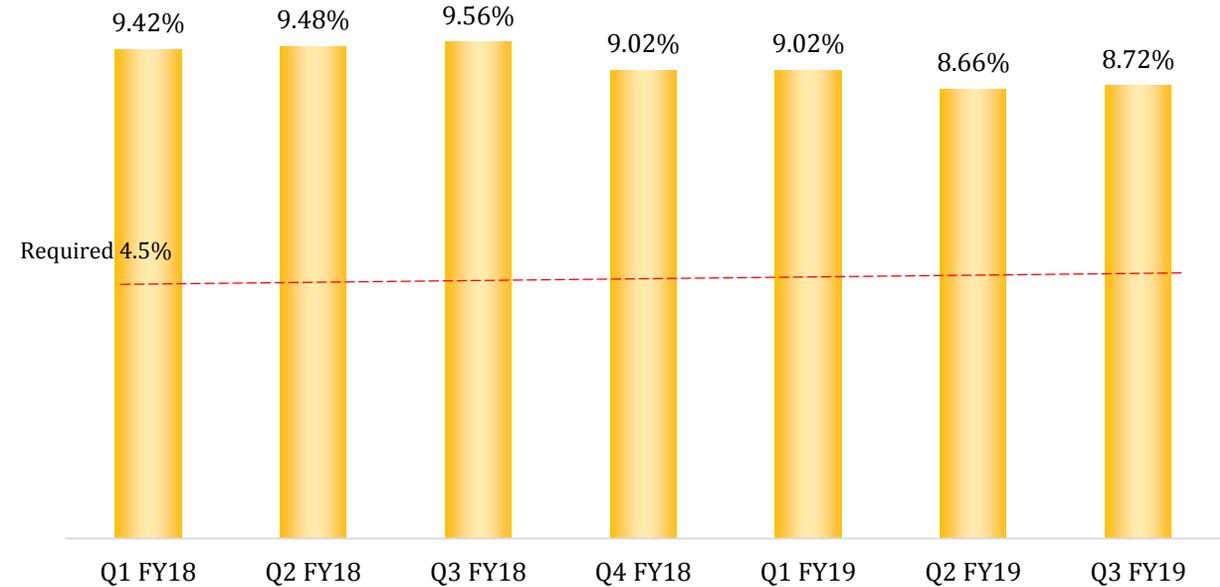
Rs bn	FY17	FY18	9MFY19
Credit Risk, CVA and UFCE	1,220	1,445	1,750
Market Risk	67	98	80
Operational Risk	148	188	188
Total Risk Weighted Assets	1,435	1,731	2019
CET 1 Capital Funds	201	232	258
Additional Tier 1 Capital Funds	10	20	20
Tier 2 Capital Funds	8	8	8
Total Capital Funds	219	260	286
CRAR	15.31%	15.03%	14.19%
CET1	14.02%	13.42%	12.79%
Tier 1	14.92%	14.58%	13.78%
Tier 2	0.59%	0.45%	0.41%

1. Deploying Capital Efficiently

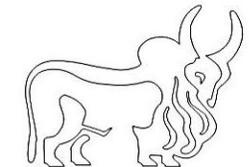
Return on Risk Weighted Assets (RoRWA)



Leverage Ratio

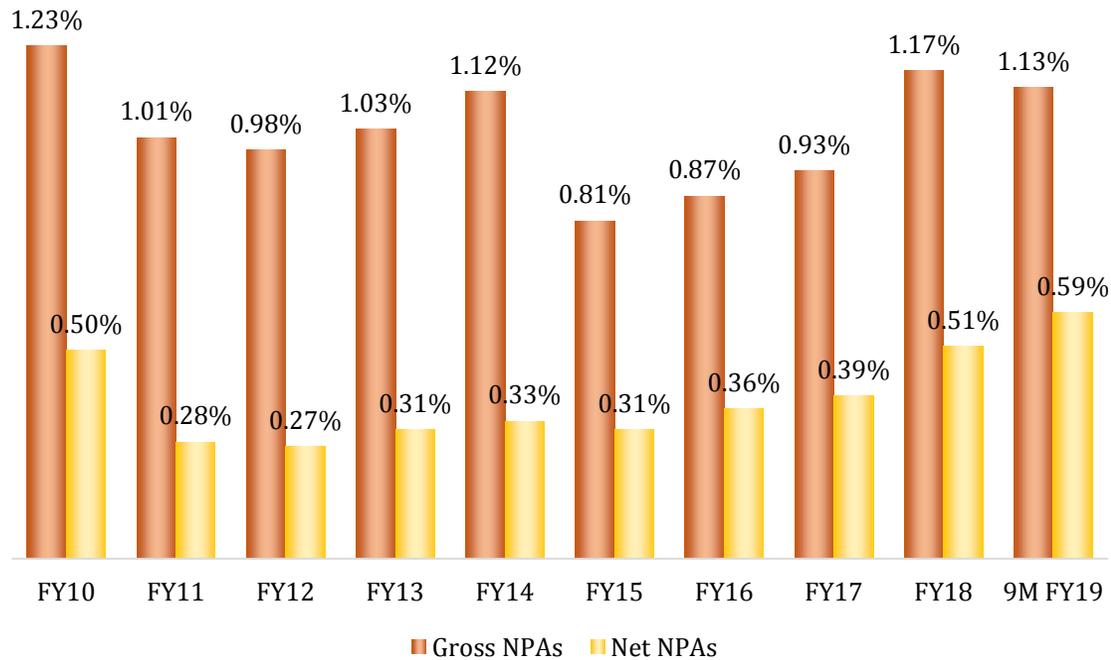


*Excluding contingent provision

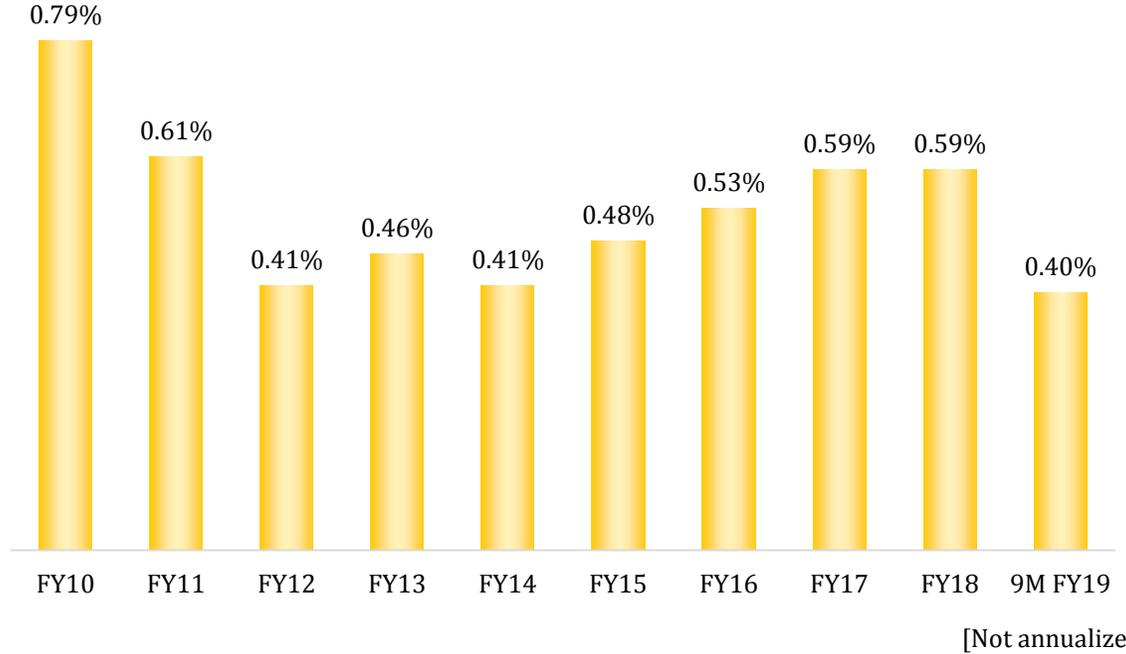


2. Asset Quality Stable Across Cycles

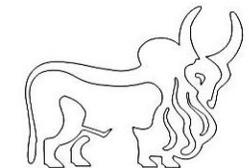
NPA



Credit Cost *

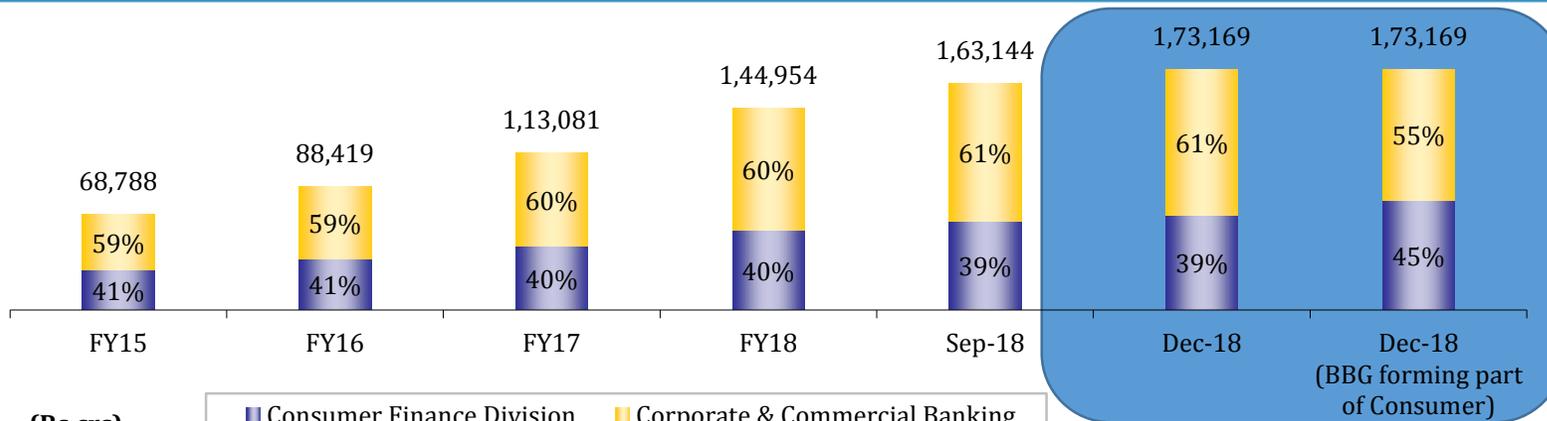


* Net of recoveries



2. Diversified Loan Book

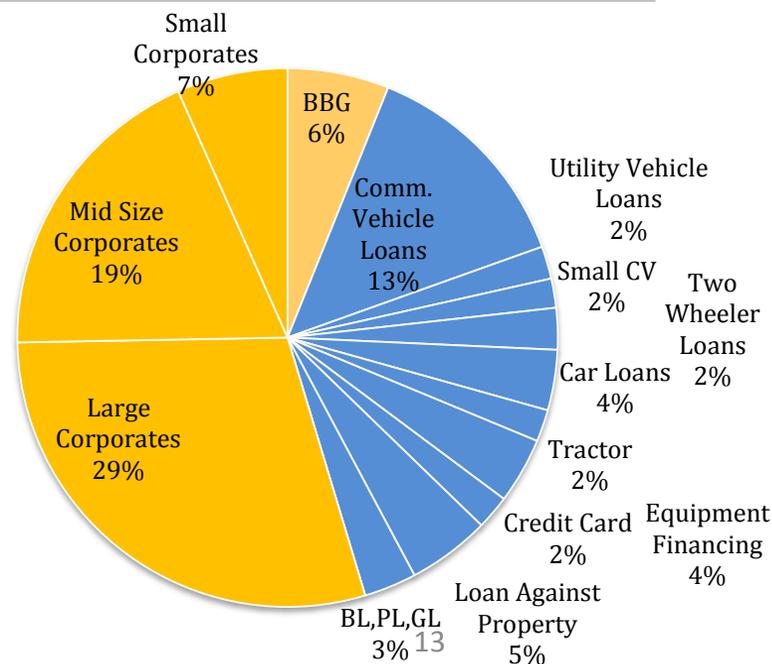
Loan Book (Rs crs)



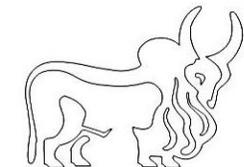
(Rs crs)		
Corporate Banking	Dec-18	
Large Corporates	50,833	29%
Mid size Corporates	32,312	19%
Small Corporates*	21,991	13%
Total Advances	1,05,136	61%

*Includes Business Banking
Rs. 10,511 crs managed by
Consumer Banking

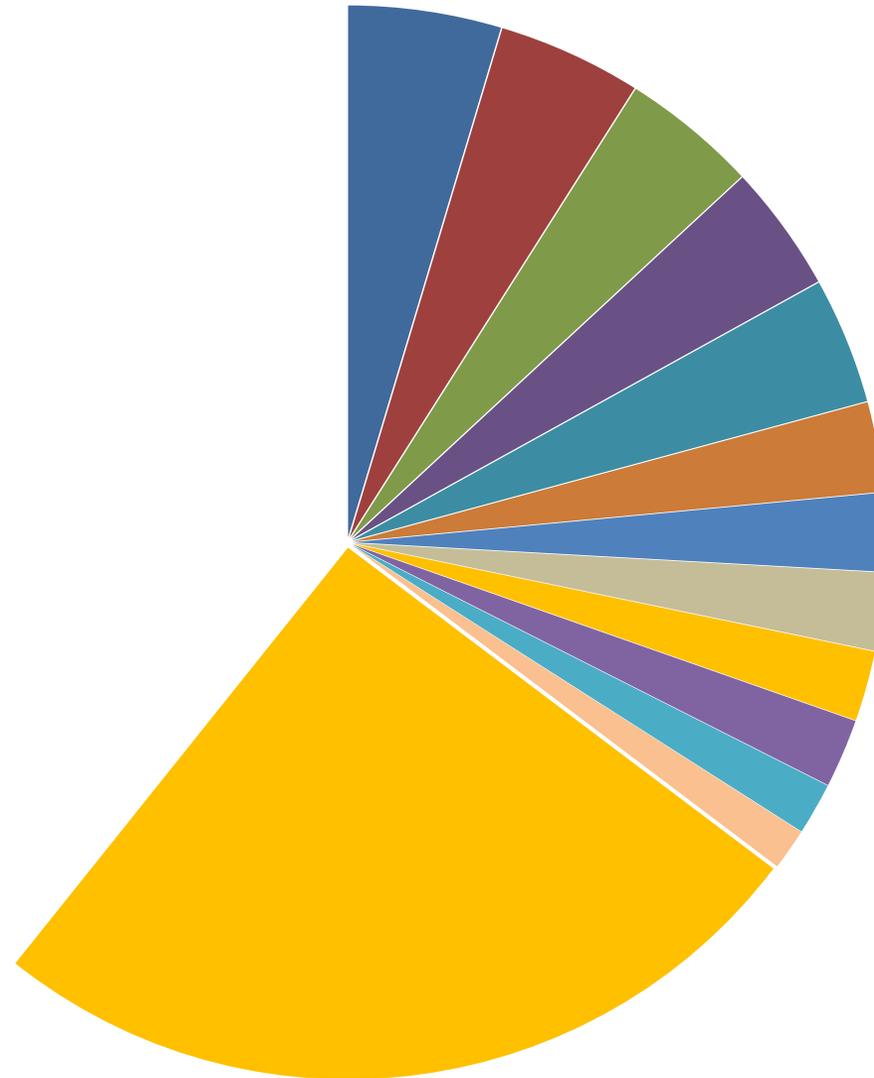
■ Consumer Finance Division ■ Corporate & Commercial Banking



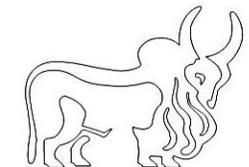
(Rs crs)		
Consumer Finance	Dec-18	
Comm. Vehicle Loans	23,304	13%
Utility Vehicle Loans	3,383	2%
Small CV	3,034	2%
Two Wheeler Loans	4,322	2%
Car Loans	6,285	4%
Tractor	3,315	2%
Equipment Financing	6,852	4%
Credit Card	3,546	2%
Loan Against Property	8,557	5%
BL, PL, GL, Others	5,435	3%
Total Advances	68,033	39%



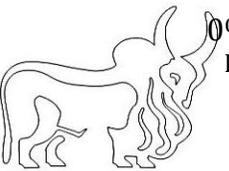
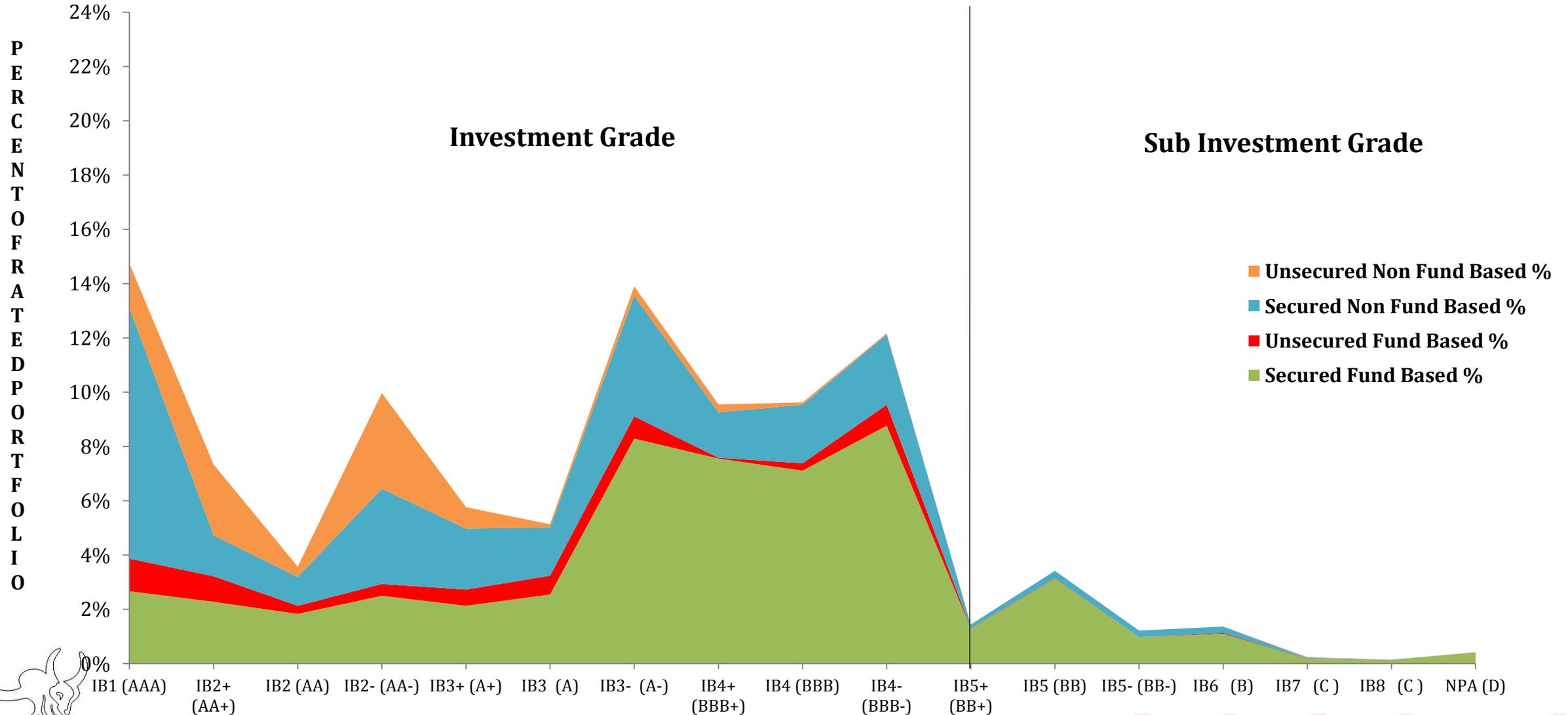
2. Diversified Corporate Portfolio



NBFCs (other than HFCs)	4.63%
Microfinance	4.34%
Gems and Jewellery	4.11%
Power Generation	3.86%
Real Estate	3.84%
Constn related to infra.- EPC	2.73%
Steel	2.38%
Lease Rental	2.36%
Roads/other infra projects	2.14%
Services	2.09%
Petroleum & Products	1.58%
Food Beverages and Food processing	1.26%
Other Industry	25.40%

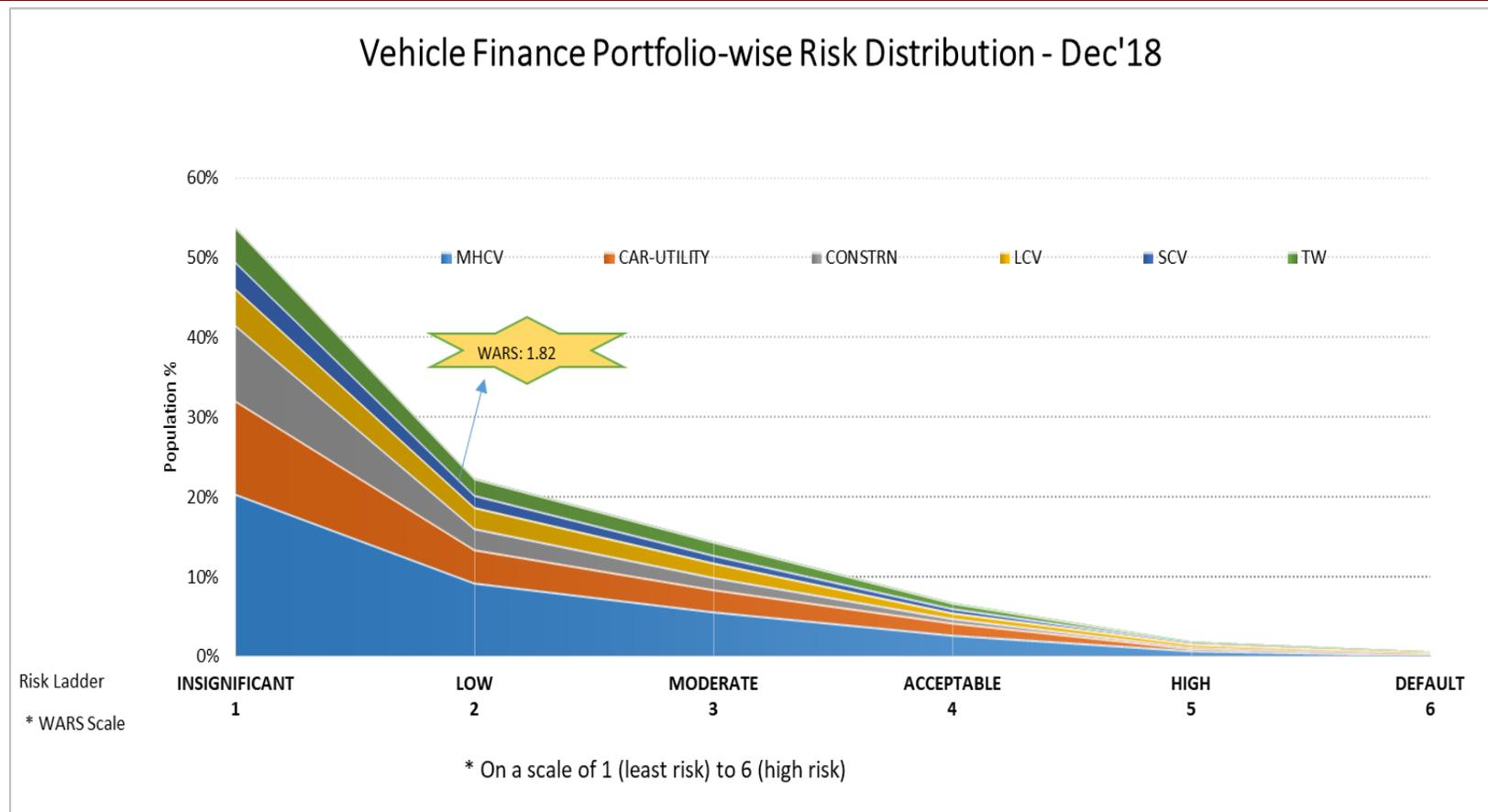


2. Well Rated Corporate Portfolio



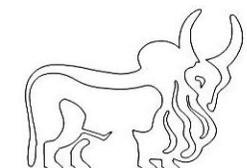
2. Behavioural Scoring affirms quality of Vehicle Financing Portfolio

- 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.

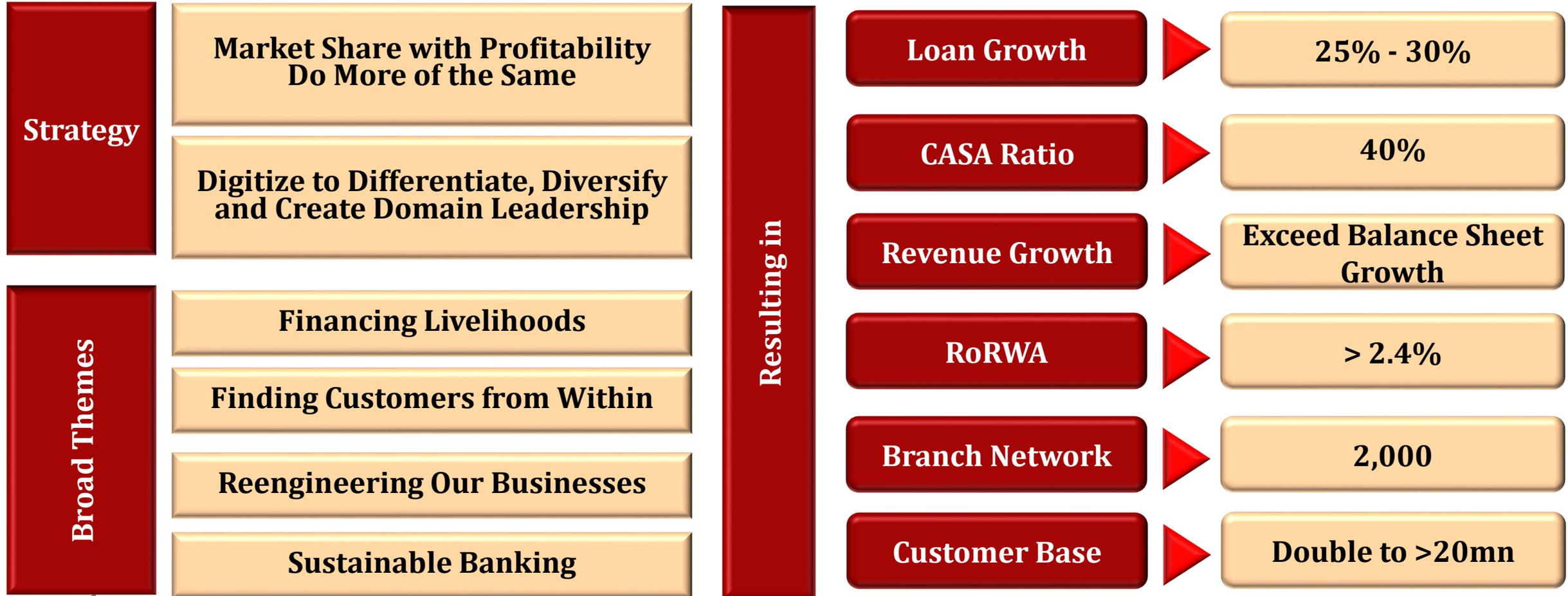


Q-o-Q Movement in Weighted Average Risk Score (WARS):

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

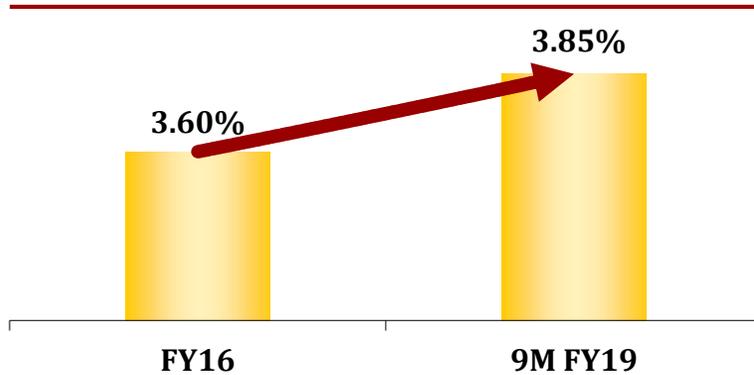


3. Planning Cycle 4 Strategy (FY17-FY20)

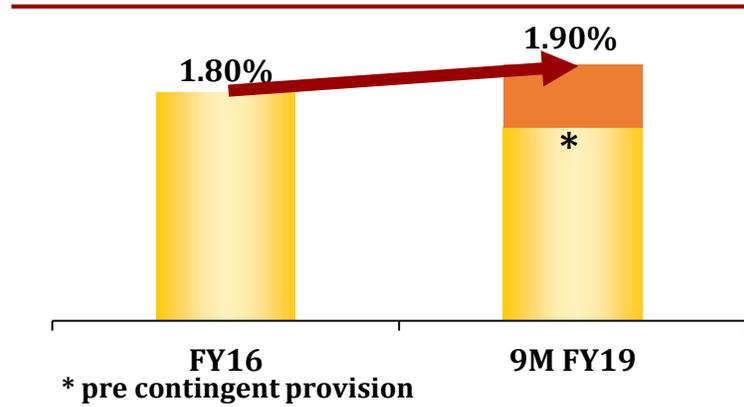


3. Management Track Record

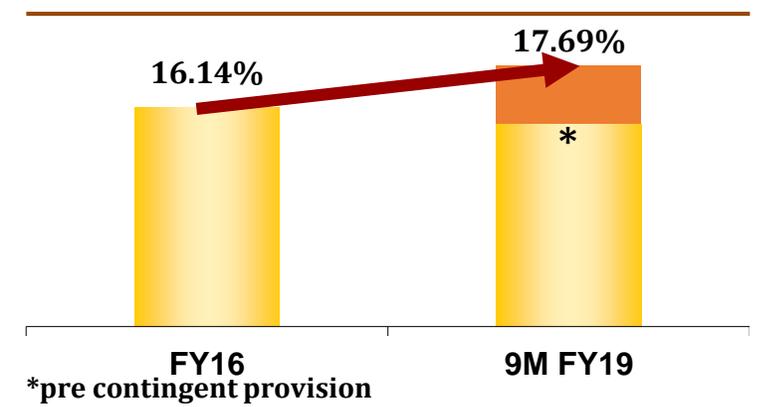
Net Interest Margin (NIM)



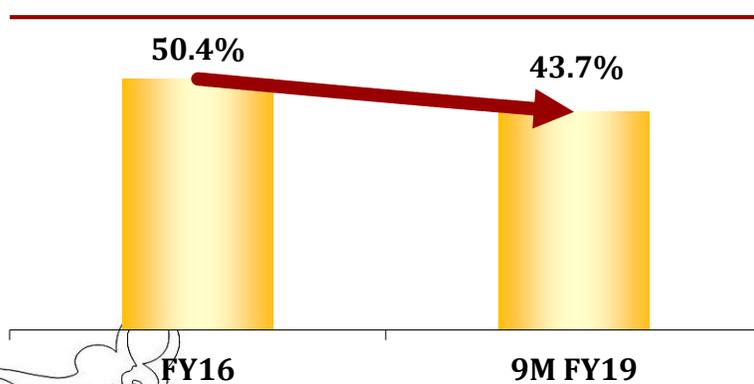
RoA (%)



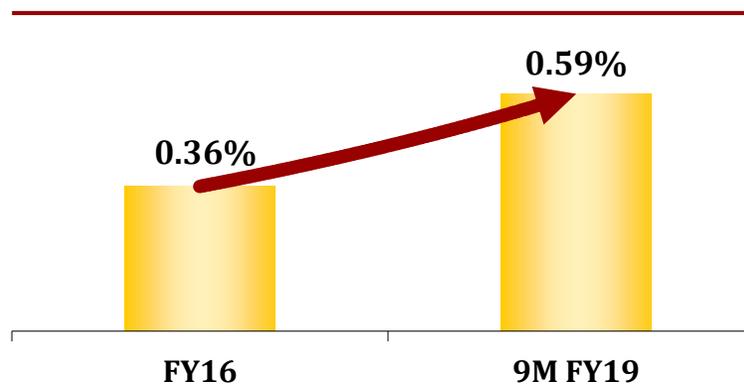
RoE



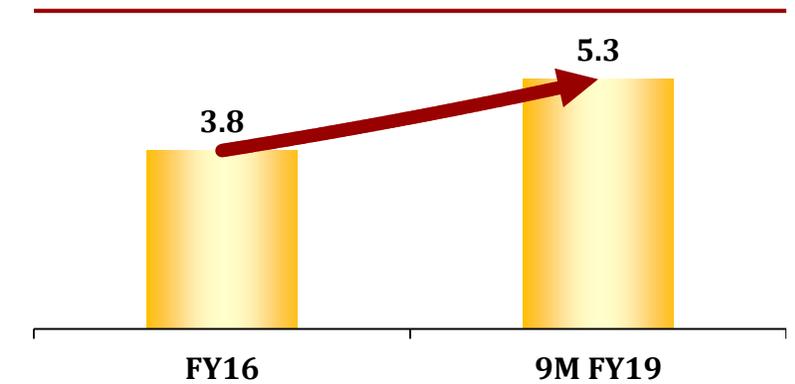
Cost to Income (%)



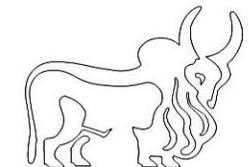
Net NPA (%)



Revenue per Employee (Rs. mn)



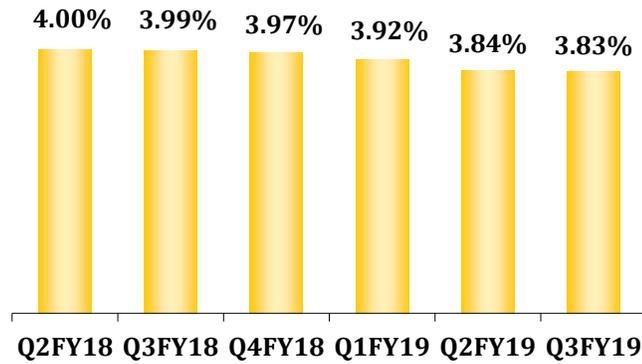
3. Strategic Themes



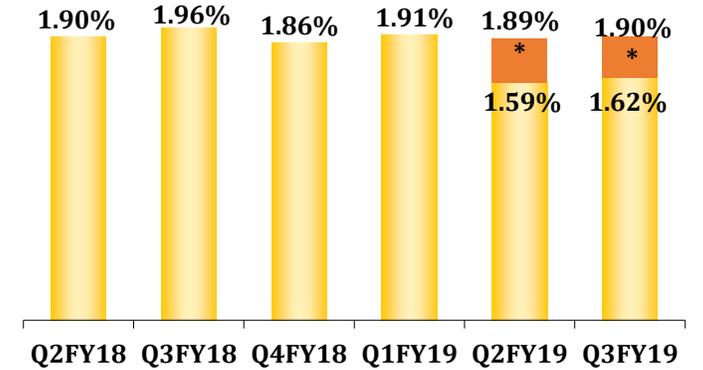
4. Earnings Update

	9MFY19 Outcome
Loan Growth	35%
CASA Ratio	44%
Revenue Growth	18%
PAT Growth	11% 24%*
RoRWA	2.04% 2.34%*
Customer Base	~14mn

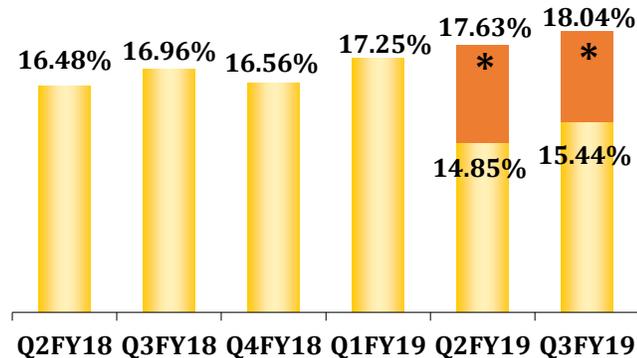
Net Interest Margin (NIM)



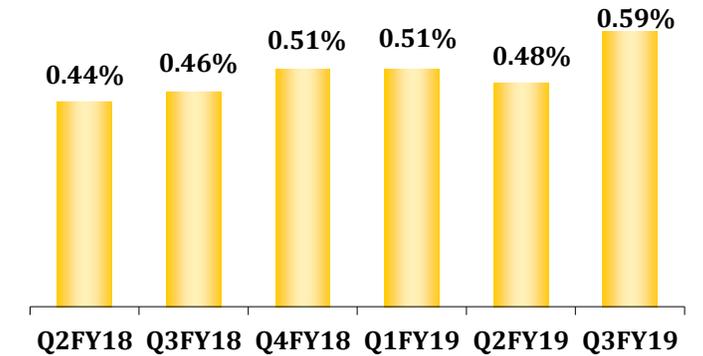
RoA



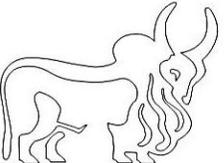
RoE



Net NPA

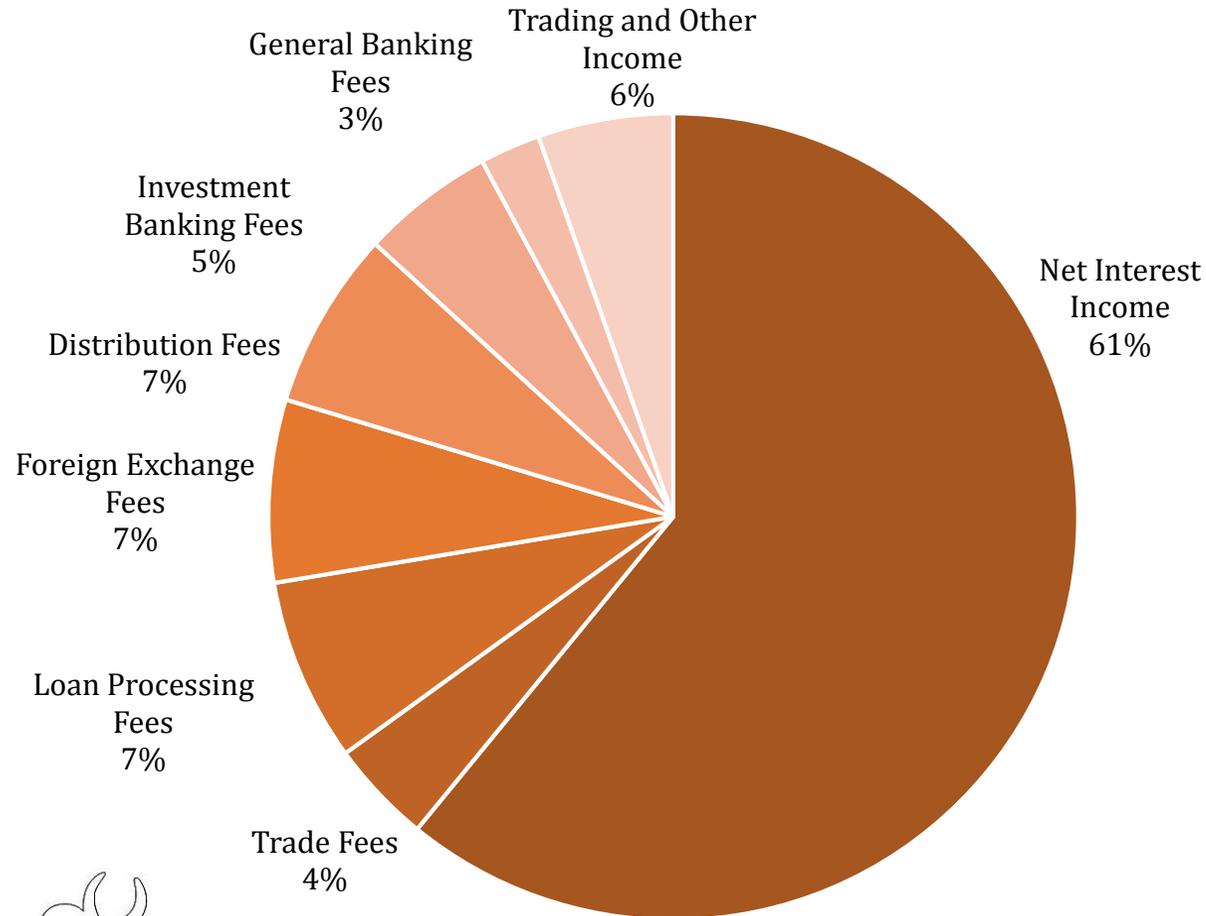


*pre contingent provision

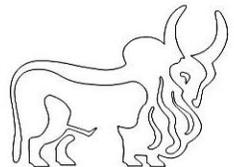
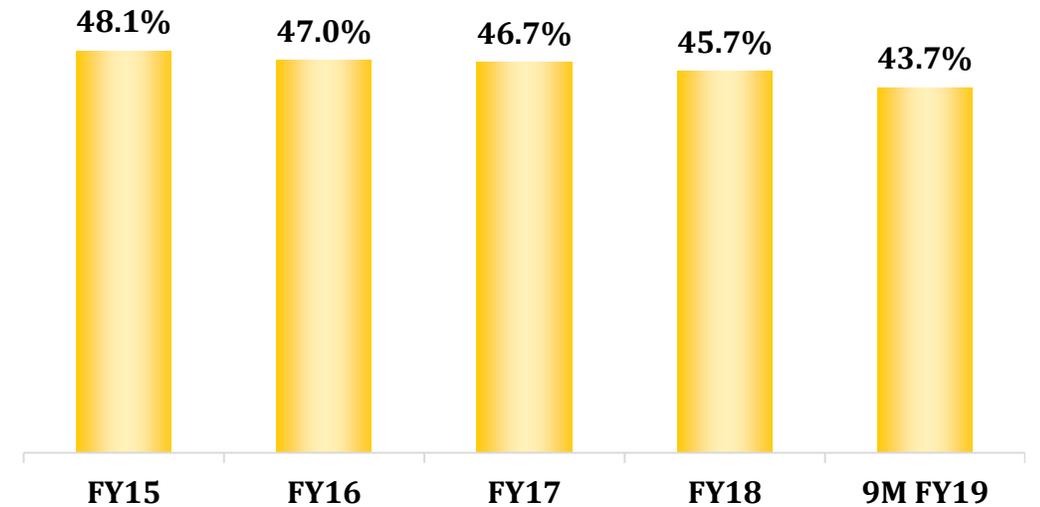


4. Diversified Revenue Streams, Opex Trend Improving

Net Revenue Streams (Q3 FY19)

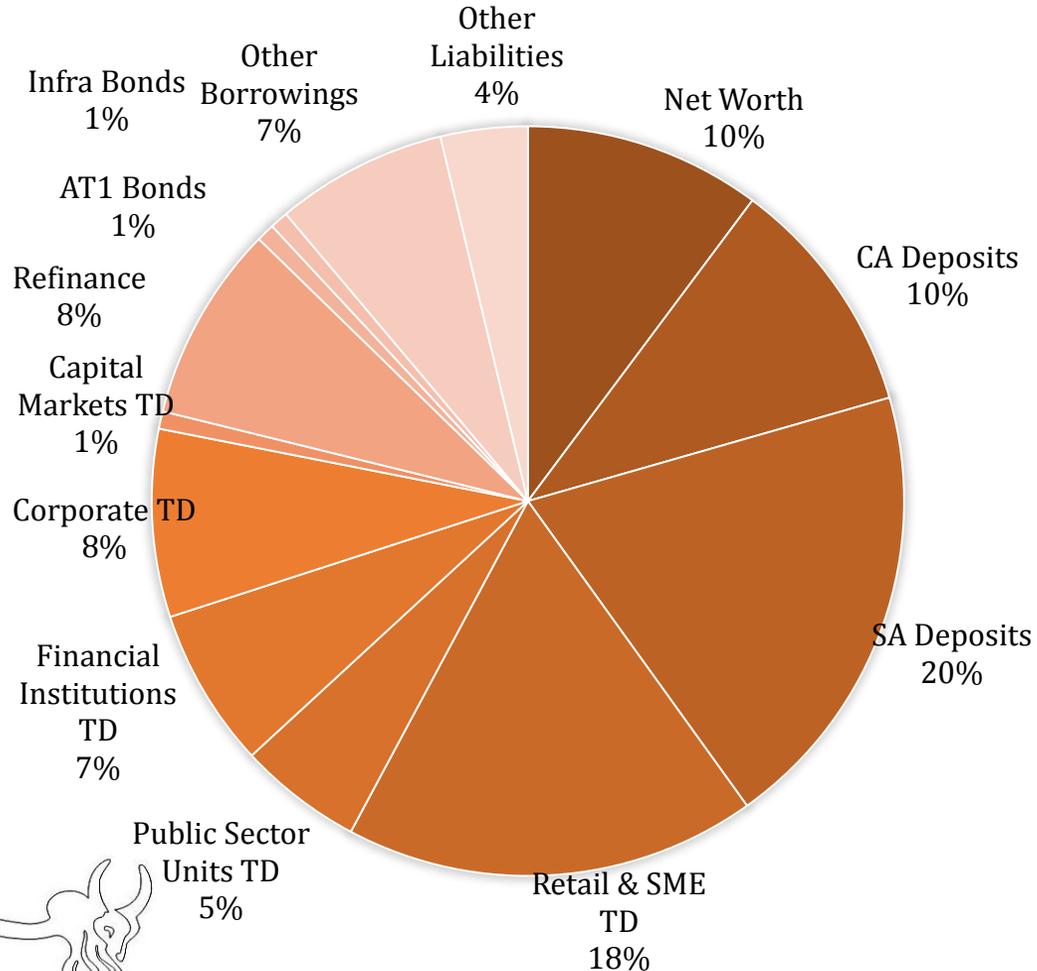


Cost / Income Trajectory

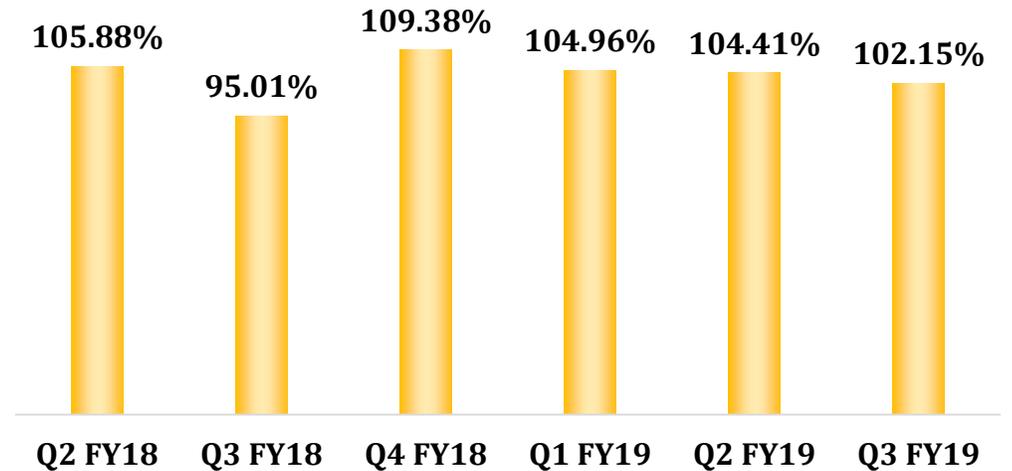


5. Liquidity & Funding Profile

Diversified Funding Sources



Liquidity Coverage Ratio



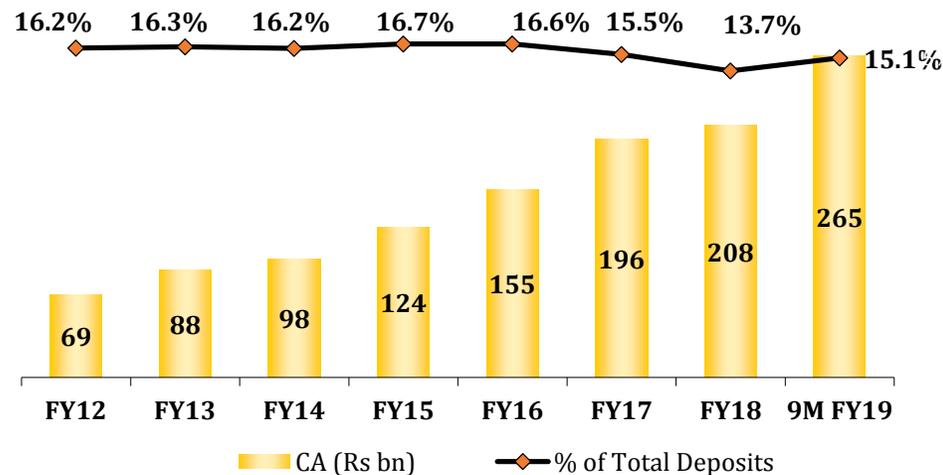
Note: Data as on Dec 2018

5. Improving CASA profile

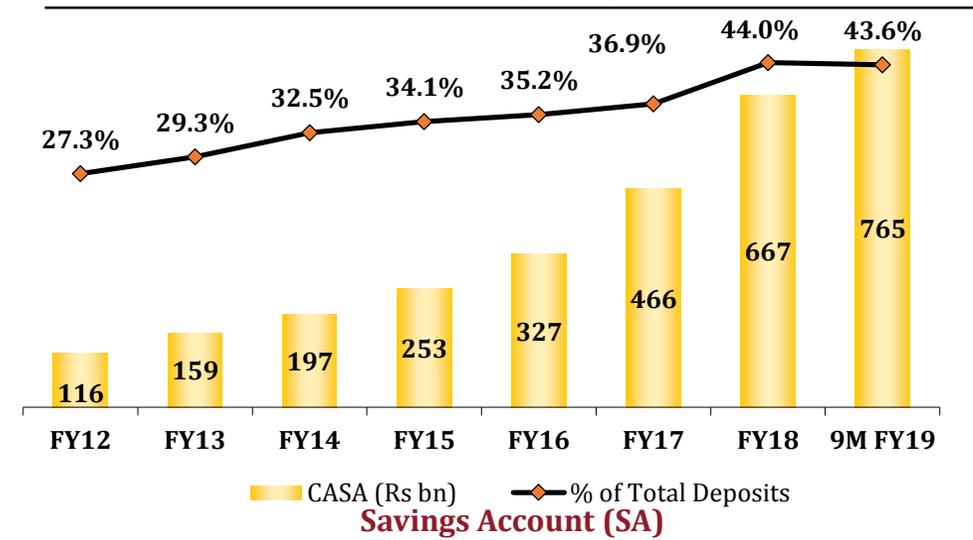
Building CASA traction

- 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

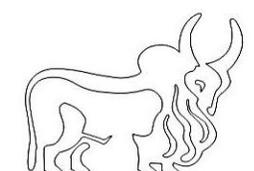
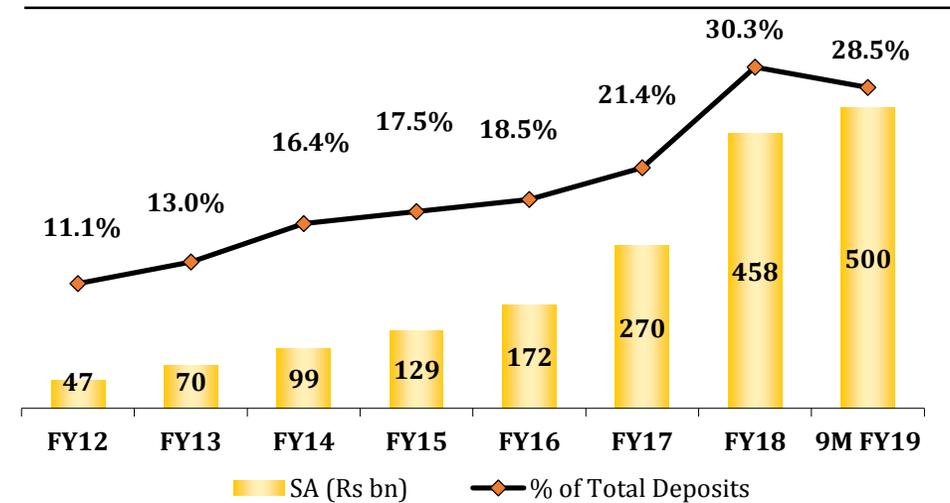
Current Account (CA)



CASA Trajectory



Savings Account (SA)



6. Sustainable Banking: Good Ecology is good Economics!

Regulatory Compliance

- ✓ Operational Compliance
- ✓ Market Risk Management
- ✓ Liquidity Management
- ✓ AT-1 Capital Issuance
- ✓ IT & Information Security
- ✓ Reputation Risk Management
- ✓ Strategic Risk Management

Environmental

- ✓ Solar ATMs
- ✓ Thin Servers
- ✓ Waste Management
- ✓ Green champions
- ✓ LEEDs certified building
- ✓ Financing Renewable Energy
- ✓ Afforestation Projects

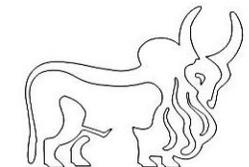
Social

- ✓ Water rejuvenation projects
- ✓ Micro Credit
- ✓ Rural Branches
- ✓ Para Champions
- ✓ Priority sector compliance
- ✓ Legal and Financial literacy
- ✓ Critical care support
- ✓ Impact Financing

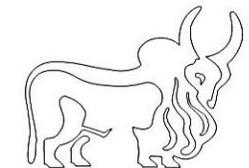
Governance

- ✓ Board Level CSR Committee
- ✓ 8 Years of Sustainability Reporting
- ✓ Participation in CDP, DJSI Surveys
- ✓ Environmental Lending Policy
- ✓ Integrated Financial Reporting

IndusInd Bank is amongst five Indian companies and the only bank in the CDP "A LIST" !



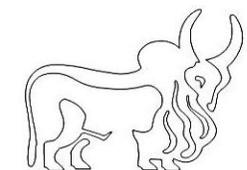
Additional Information



Balance Sheet

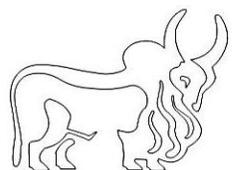
INR mn	9M FY19 (USD mn)	9M FY19	FY18	FY17
Capital & Liabilities				
Capital	86	6,021	5,190	5,982
Reserves and Surplus	3,696	2,57,977	2,32,269	2,00,580
Deposits	25,176	17,57,010	15,16,390	12,65,722
Borrowings	6,381	4,45,360	3,82,890	2,24,537
Other Liabilities and Provisions	1,370	95,620	78,563	89,764
Total	36,710	25,61,987	22,15,301	17,86,484
Assets				
Cash and Balances with RBI	1,373	95,797	1,22,051	64,687
Balances with Banks	454	31,700	22,535	1,08,795
Investments	7,692	5,36,810	5,00,767	3,67,021
Advances	24,813	17,31,690	14,49,537	11,30,805
Fixed Assets	243	16,990	13,410	12,800
Other Assets	2,135	1,49,000	1,20,412	1,02,375
Total	36,710	25,61,987	22,15,301	17,86,484

USD 1 = INR 69.79 as on Dec 31, 2018



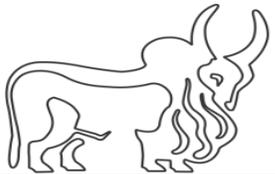
Profit and Loss Statement

	INR mn.	9M FY19 (USD mn)	9M FY19	FY18	FY17
Net Interest Income		948	66,138	75,372	60,626
Other Income		586	40,877	47,506	41,715
Total Income		1,372	95,775	1,22,878	1,02,341
Operating Expenses		671	46,810	55,914	47,831
Operating Profit		863	60,205	66,964	54,510
Provisions & Contingencies		120	8,399	11,757	10,913
Profit before Tax		580	40,468	55,207	43,597
Provision for Tax		200	13,939	18,750	14,918
Profit after Tax		380	26,529	36,456	28,679



USD 1 = INR 69.79 as on Dec 31, 2018

Thank You



IndusInd Bank

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