

IndusInd Bank

**Investor Presentation
Q4-2019-20**

April 27, 2020

Q4 – FY20 Performance Highlights

- Stable operational metrics in Q4 FY20
- Revenue growth of 32%; NII up by 45%; Fee up by 14%
- PPOP at Rs.2,858 crs, grew by 38% YoY; PPOP / Assets of 3.84% amongst the industry highest
- Consol PAT at Rs. 315 crs
- NIM up by 10 bps to 4.25% QoQ (3.59% LY)
- Credit growth up 11% and Deposit growth up 4%; LCR retail deposit growth up 34%
- Strengthened Balance Sheet by improving PCR to 63% with floating provisions of Rs. 260 crs
- Loan book quality stable; GNPA at 2.45% and NNPA at 0.91%
- Efficiency ratio at 42.90% from 43.31% QoQ; (45.46% LY)
- Capital Adequacy stands at 15.04%
- Client base stable at 25 million
- EPS grows to Rs. 64.33 from Rs. 54.90(LY)



Q4 – FY20 marks the end of our 3-year Planning Cycle 4 (PC4)

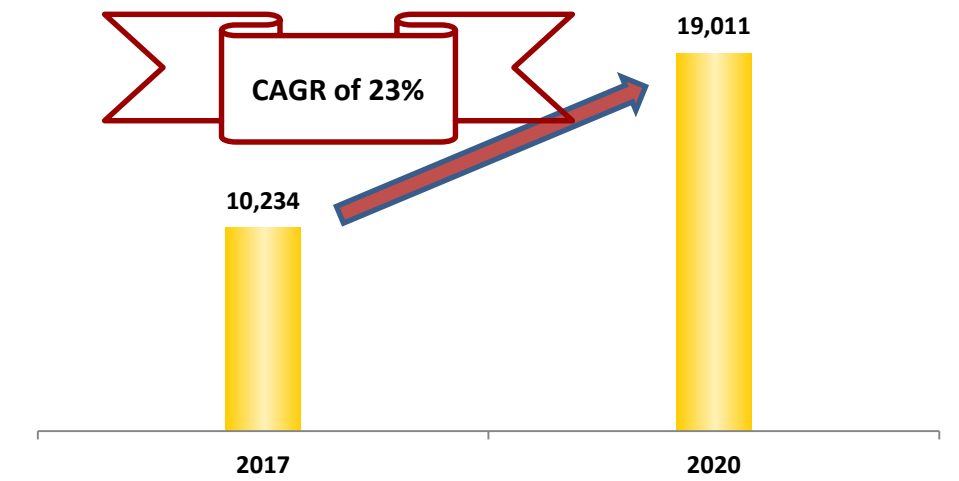
themed

“Market Share with Profitability”

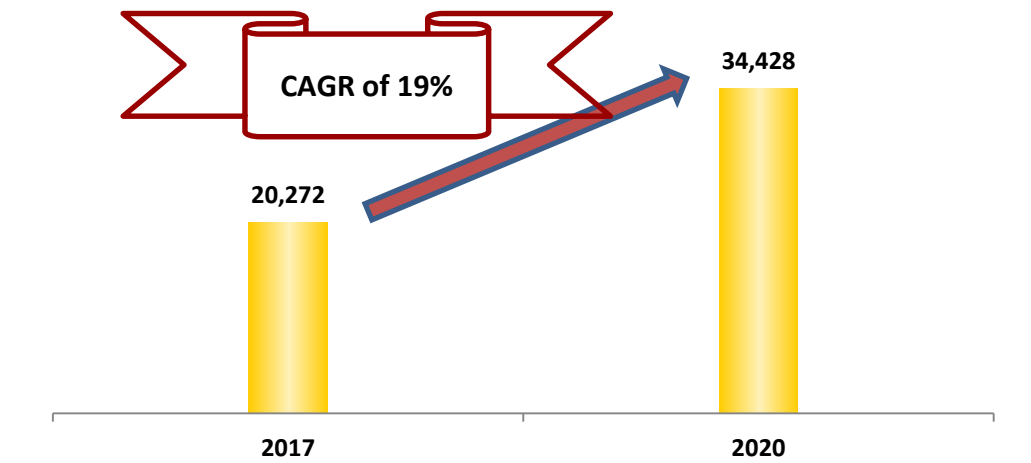
**to “Digitize to Differentiate, Diversify and Create
Domain Leadership”.**



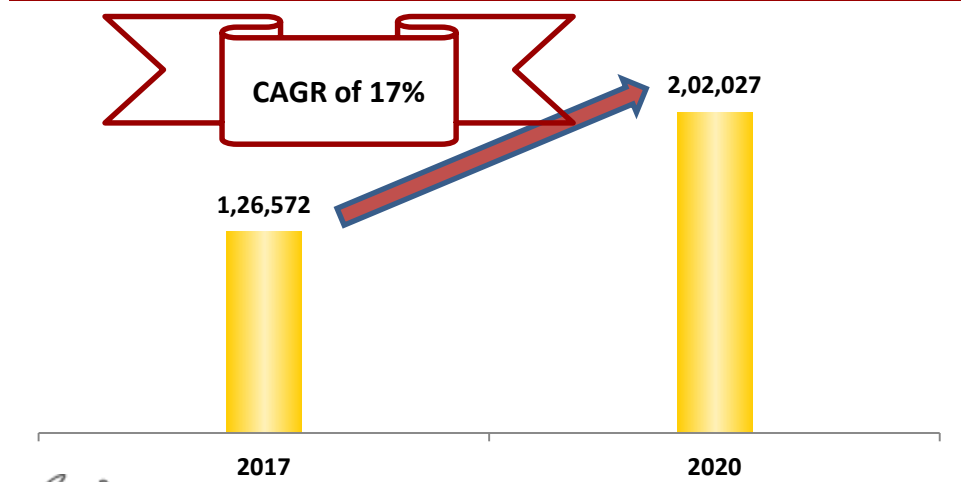
Revenue (Rs. Crs)



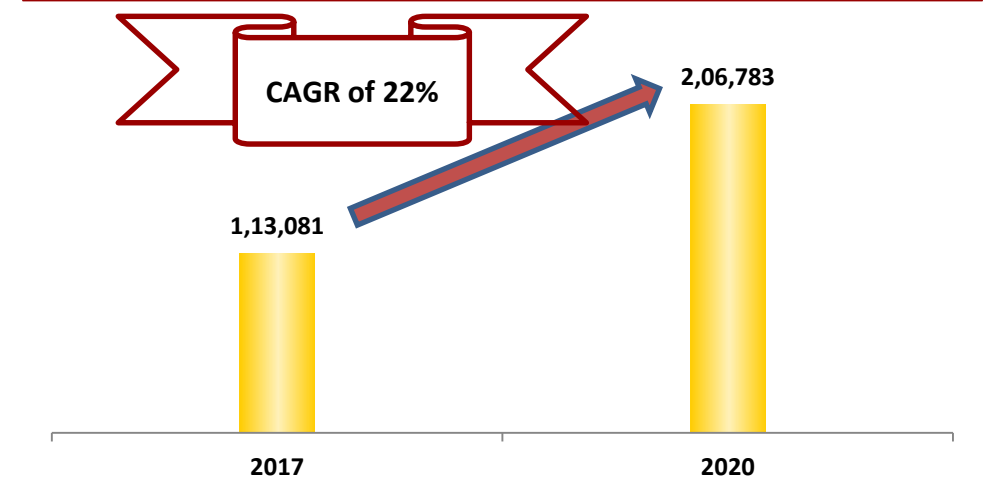
Networth (Rs. Crs)

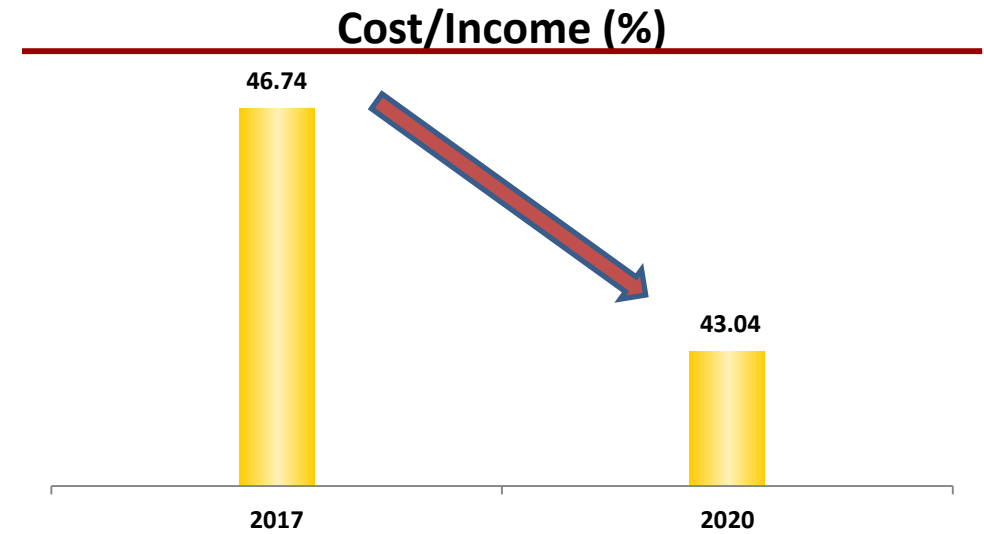
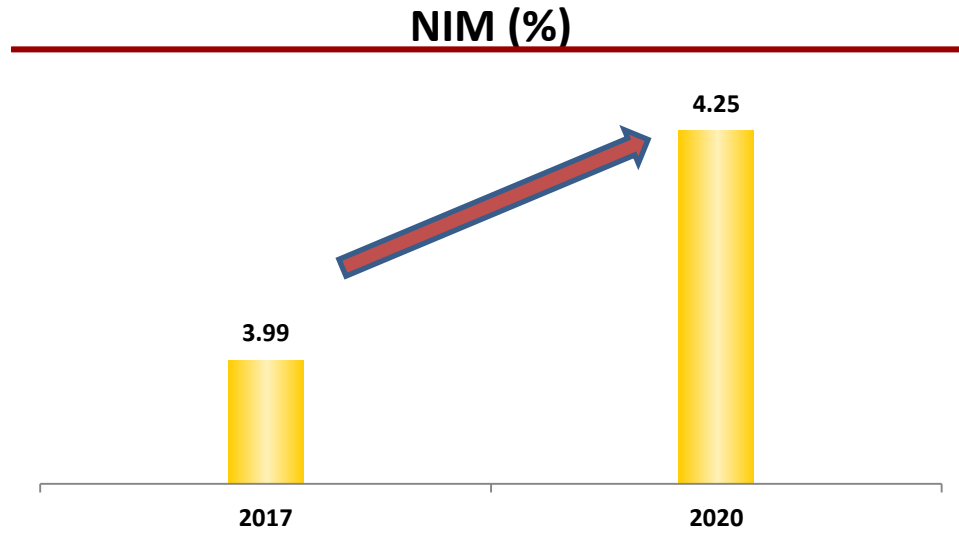


Deposits (Rs. Crs)

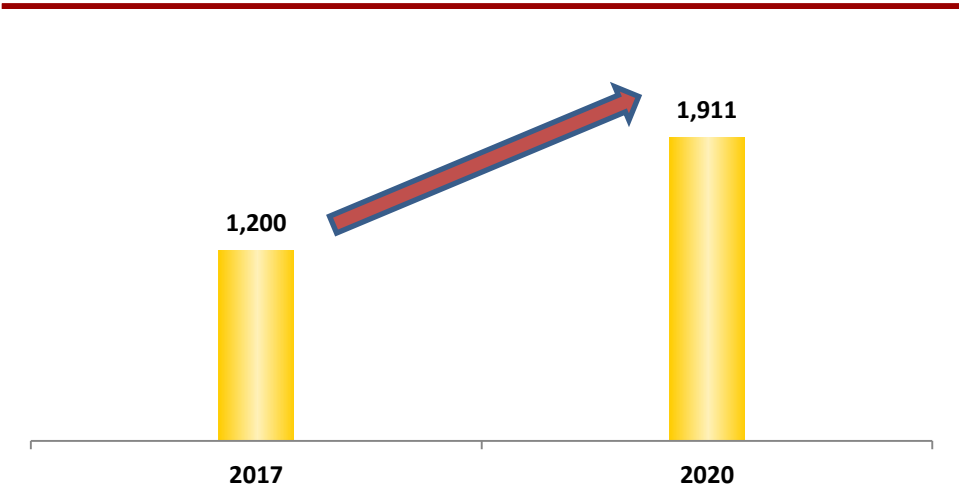


Advances (Rs. Crs)

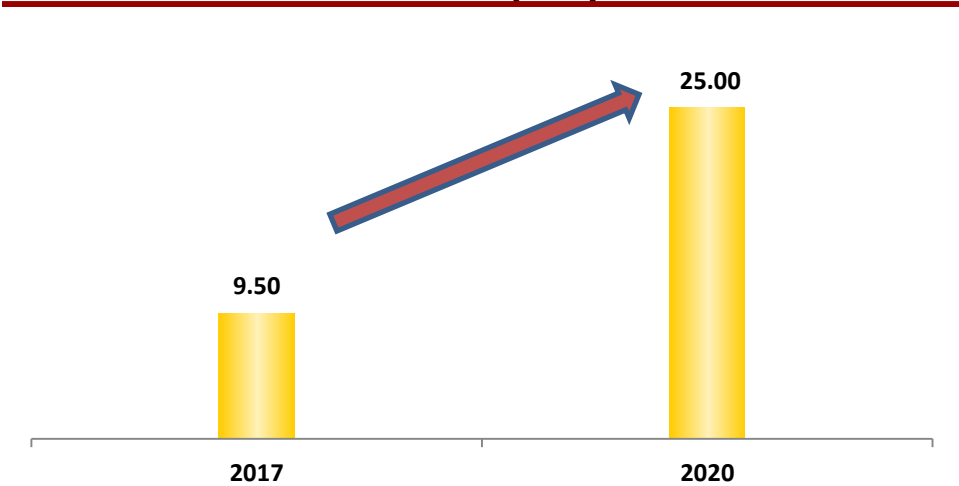




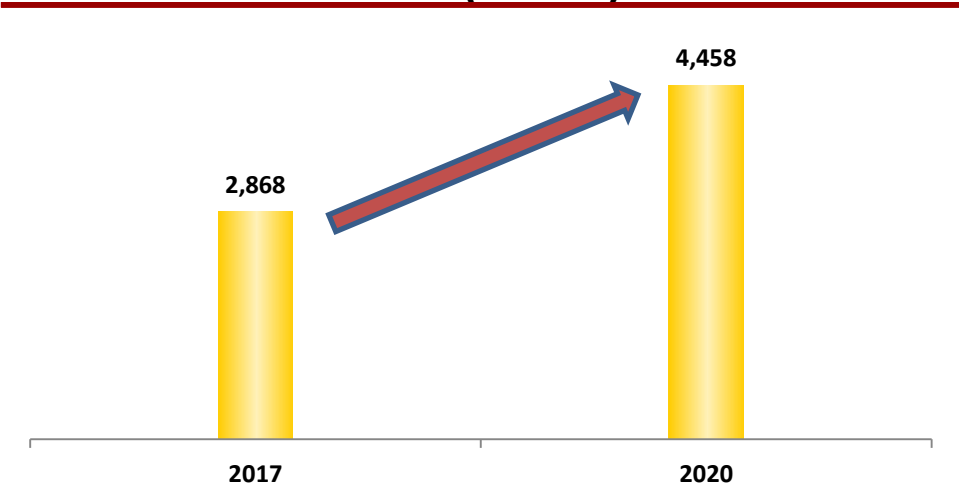
Branches



Clients (mn)



Profit (Rs. Crs)



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

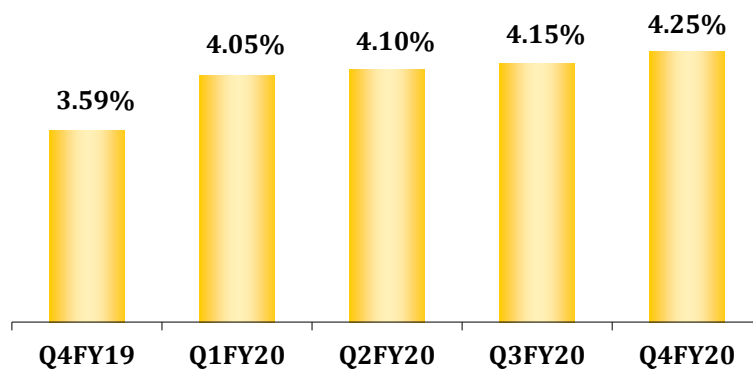
			FY20 Outcome/CAGR Consolidated
Resulting in	Loan Growth	25% - 30%	22%
	CASA Ratio	40%	40%
	Revenue Growth	Exceed Balance Sheet Growth	23%
	RoRWA	> 2.4%	1.77%
	Branch Network	2,000	1,911*
	Customer Base	Double to >20mn	25 million

* includes 150 banking outlets

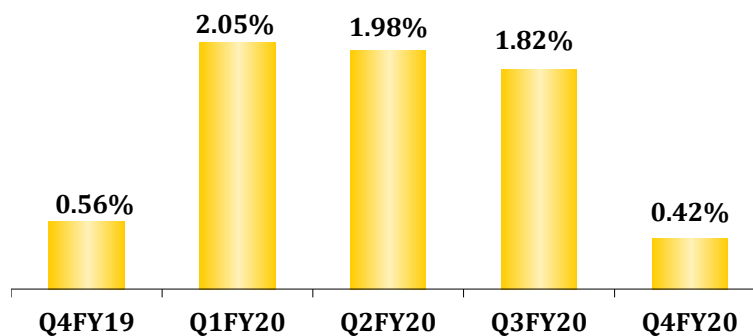


How We Measure Up On Key Metrics

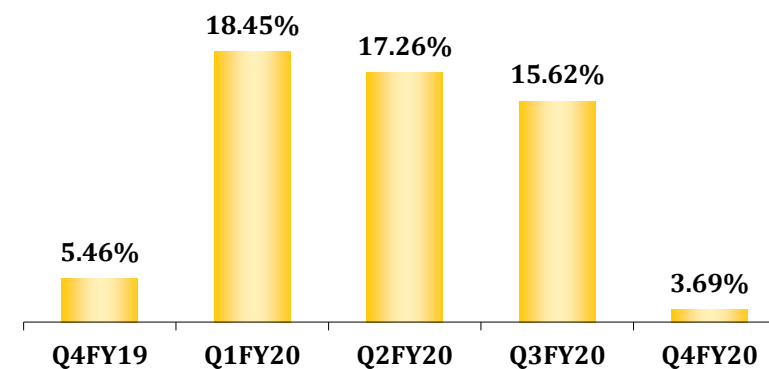
Net Interest Margin (NIM)



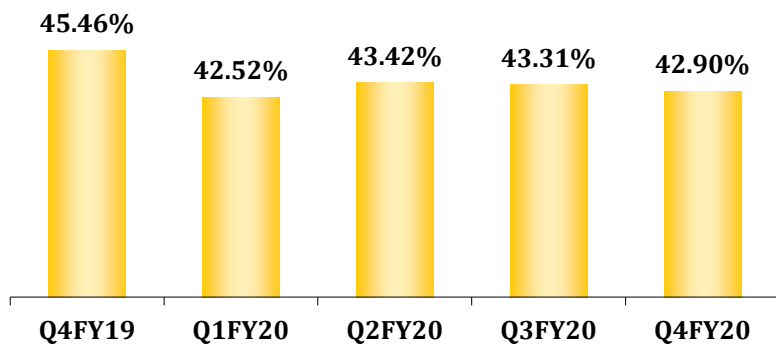
RoA



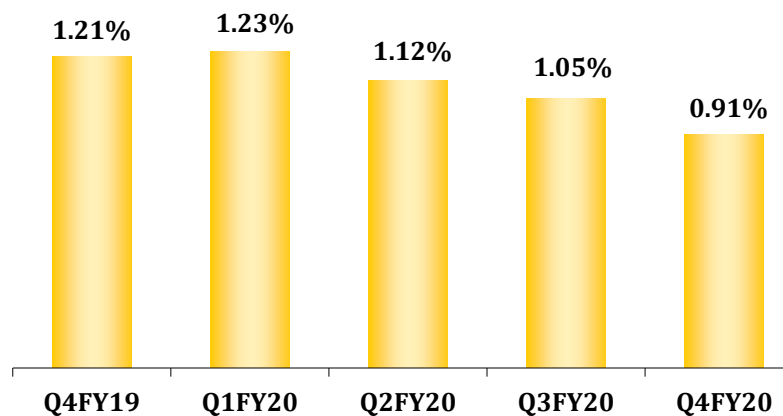
RoE



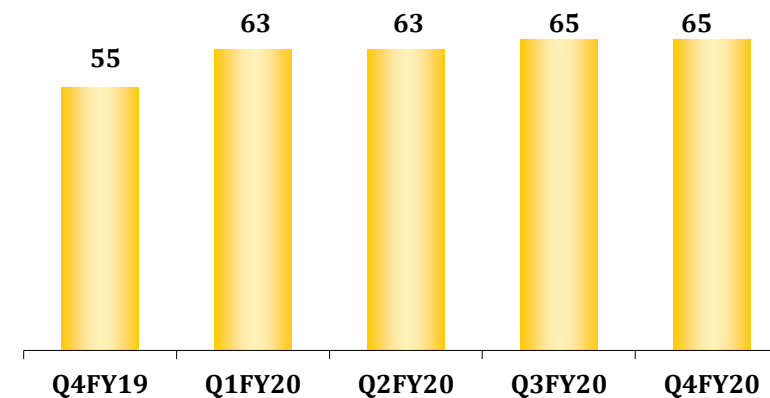
Cost / Income



Net NPA



Revenue / Employee (Rs Lakhs)



Consistent delivery of strong operating performance



Domestic Rating:

- **CRISIL AA +** for Infra Bonds program
- **CRISIL AA** for Additional Tier I Bonds program
- **CRISIL A1+** for certificate of deposit program / short term FD programme
- **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

International Rating:

- **Baa3** as Issuer, Bank Deposits and Senior Unsecured MTN ratings by Moody's Investors Service
- **P3** as Short Term Issuer Rating by Moody's Investors Service



Consolidated Financial Performance



Steady Headline Numbers for Q4-FY20

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs. 3,232 crs	45%	5%
Total Fee Income	Rs. 1,773 crs	14%	(1%)
Revenue	Rs. 5,004 crs	32%	3%
Operating Profit	Rs. 2,858 crs	38%	4%
Net Profit	Rs. 315 crs	(12%)	(76%)



		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs. 2,06,783 crs	11%	-
Deposits	Rs. 2,02,027 crs	4%	(7%)
CASA	Rs. 81,557 crs	(3%)	(11%)
SA	Rs. 53,130 crs	(2%)	(18%)
Borrowings	Rs. 60,754 crs	28%	30%



Balance Sheet

(Rs Crs)

	Q4FY20	Q4FY19	Y-o-Y (%)		Q3FY20	Q-o-Q (%)	
Capital & Liabilities							
Capital	694	603	15%	▲	693	-	▲
Reserves and Surplus	33,381	26,083	28%	▲	32,789	2%	▲
Share Warrant Subscription money	674	-	-	▲	674	-	▲
Deposits	2,02,027	1,94,868	4%	▲	2,16,713	(7%)	▼
Borrowings	60,754	47,321	28%	▲	46,813	30%	▲
Other Liabilities and Provisions	9,700	8,944	8%	▲	10,261	(5%)	▼
Total	3,07,230	2,77,819	11%	▲	3,07,943	-	▼
Assets							
Cash and Balances with RBI	13,683	9,961	37%	▲	11,350	21%	▲
Balances with Banks	2,372	4,822	(51%)	▼	9,438	(75%)	▼
Investments	59,938	59,266	1%	▲	60,517	(1%)	▼
Advances	2,06,783	1,86,394	11%	▲	2,07,413	-	▼
Fixed Assets	1,871	1,710	9%	▲	1,832	2%	▲
Other Assets	22,582	15,666	44%	▲	17,393	30%	▲
Total	3,07,230	2,77,819	11%	▲	3,07,943	-	▼
Business (Advances + Deposit)	4,08,810	3,81,261	7%	▲	4,24,127	4%	▼



Profit and Loss Account – Q4FY20

(Rs Crs)

	Q4FY20	Q4FY19	Y-o-Y (%)		Q3FY20	Q-o-Q (%)	
Net Interest Income	3,232	2,232	45%	▲	3,074	5%	▲
Other Income	1,773	1,559	14%	▲	1,790	(1%)	▼
Total Income	5,005	3,791	32%	▲	4,864	3%	▲
Operating Expenses	2,148	1,724	25%	▲	2,106	2%	▲
Operating Profit	2,857	2,068	38%	▲	2,758	4%	▲
Provisions & Contingencies	2,440	1,561	56%	▲	1,044	134%	▲
Profit before Tax	416	507	(18%)	▼	1,714	(76%)	▼
Provision for Tax	101	147	(31%)	▼	405	(75%)	▼
Profit after Tax	315	360	(12%)	▼	1,309	(76%)	▼



Profit and Loss Account – FY20

			(Rs. 'crores)	
	FY20	FY19	YoY (%)	
Net Interest Income	12,059	8,846	36%	▲
Other Income	6,953	5,647	23%	▲
Total Income	19,011	14,493	31%	▲
Operating Expenses	8,183	6,405	28%	▲
Operating Profit	10,829	8,088	34%	▲
Provisions & Contingencies	4,652	3,108	50%	▲
Profit before Tax	6,177	4,981	24%	▲
Provision for Tax	1,719	1,679	2%	▲
Profit after Tax	4,458	3,301	35%	▲



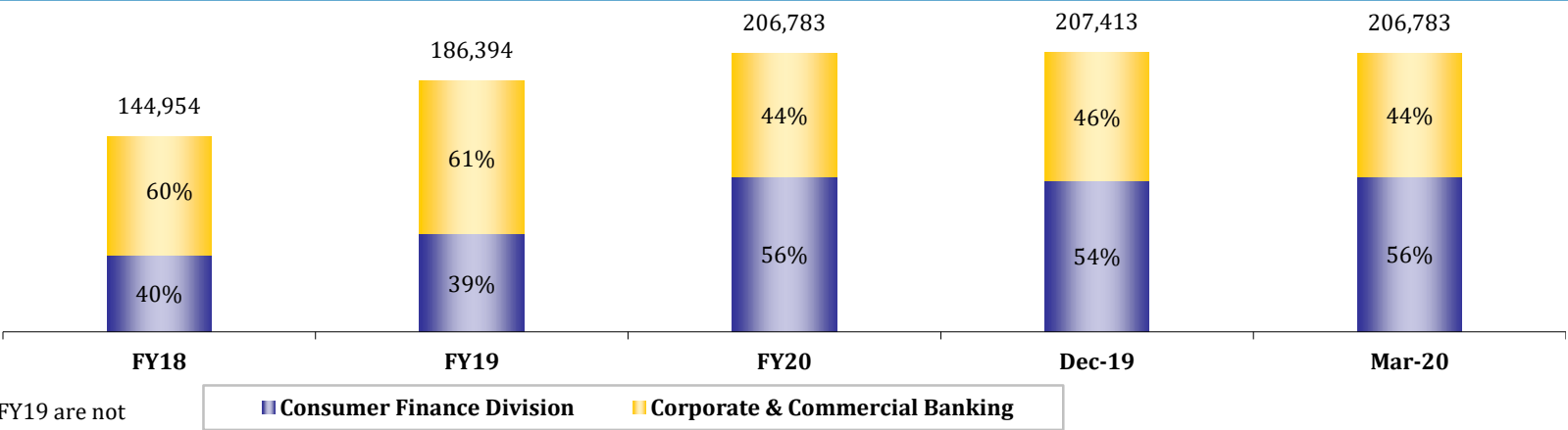
Key Financial Indicators

	FY19	Q4FY19	Q3FY20	Q4FY20	FY20
Return on Assets	1.39%	0.56%	1.82%	0.42%	1.56%
PPOP / Average Assets	3.41%	3.20%	3.83%	3.84%	3.79%
Return on Equity	13.25%	5.46%	15.62%	3.69%	14.67%
Cost / Income Ratio	44.19%	45.46%	43.31%	42.90%	43.04%
Net Interest Margin	3.80%	3.59%	4.15%	4.25%	4.14%
Net NPA	1.21%	1.21%	1.05%	0.91%	0.91%
EPS (annualized, Rs. per share)	54.90	24.37	75.56	18.19	64.33
Capital + Reserves (Excl. Revaluation Reserve) (Rs. in crs)	26,360	26,367	33,832	34,428	34,428



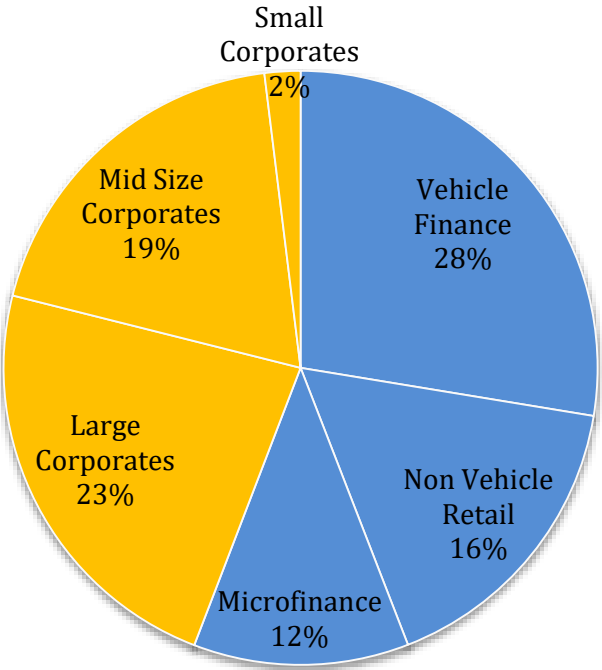
Well Diversified Loan Book

Loan Book (Rs crs)



FY18 and FY19 are not comparable due to reclassification of BBG & MFI

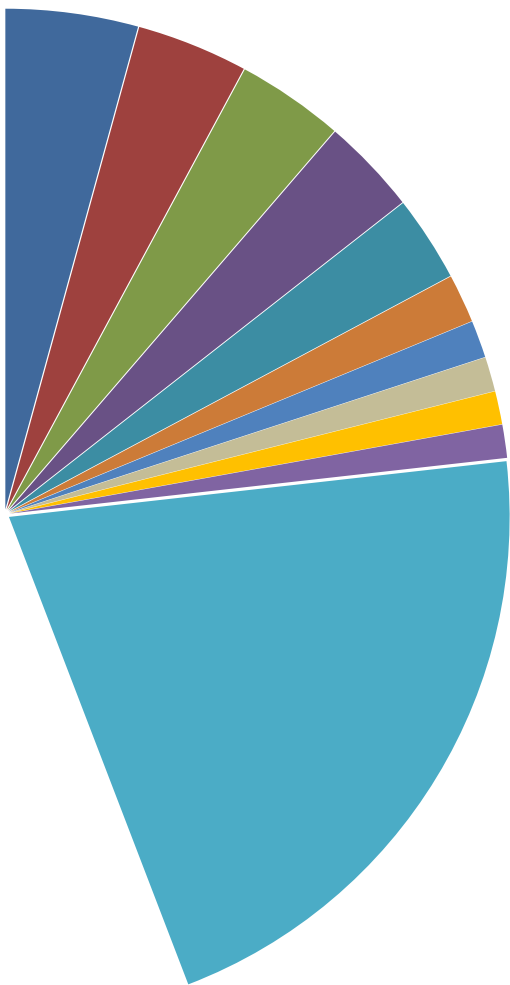
(Rs crs)		
Corporate Banking	Mar-20	
Large Corporates	47,742	23%
Mid size Corporates	39,559	19%
Small Corporates	4,033	2%
Total Advances	91,334	44%



(Rs crs)		
Consumer Finance	Mar-20	
Vehicle Loans	57,054	28%
Comm. Vehicle Loans	23,948	12%
Utility Vehicle Loans	4,377	2%
Small CV	3,524	2%
Two Wheeler Loans	5,204	3%
Car Loans	7,247	4%
Tractor	4,670	2%
Equipment Financing	8,083	4%
Non-Vehicle Loans	34,163	17%
Business Banking	11,643	6%
Loan Against Property	9,448	5%
Credit Card	4,762	2%
BL, PL, AHL Others	8,311	4%
Microfinance*	24,232	12%
Total Advances	1,15,449	56%

*includes BFIL





Sector	%	SMA2 (Rs. crs)
Lease Rental	4.27%	5
Gems and Jewellery	3.59%	7
Real Estate	3.36%	-
Steel	3.11%	-
NBFCs (other than HFCs)	2.77%	-
Power Generation	1.20%	-
Telecom- Cellular	1.11%	-
Housing Finance Companies	1.07%	-
Services	1.07%	-
Food Beverages and Food processing	1.07%	-
Other Industry	21.55%	241
Corporate Banking	44.17%	253
Consumer Banking	55.83%	85
Total	100.00%	338

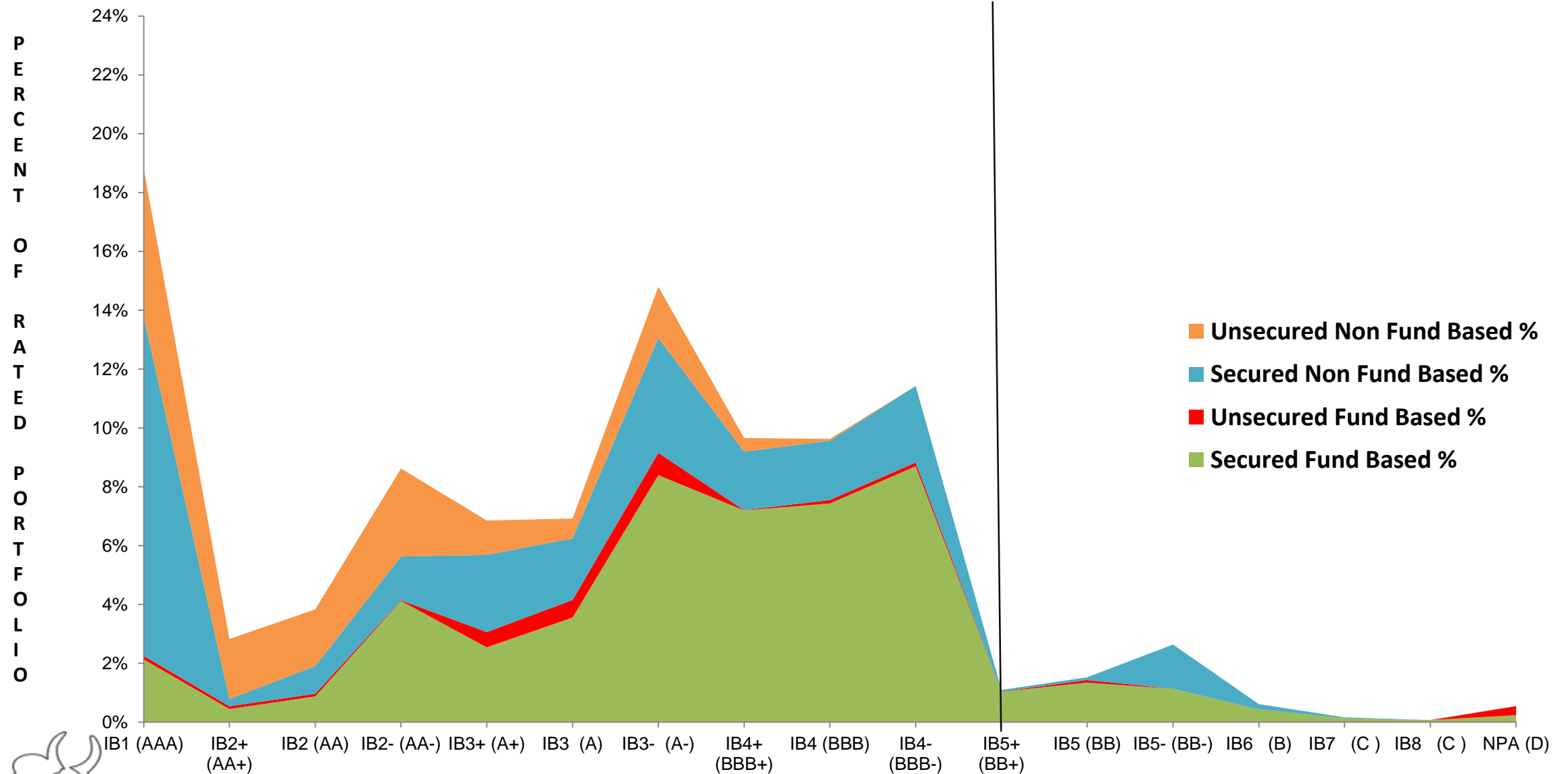
SMA 1 Outstanding:
0.53% of loans

SMA 2 Outstanding:
0.16% of loans

Accounts in SMA1 & SMA2: 57

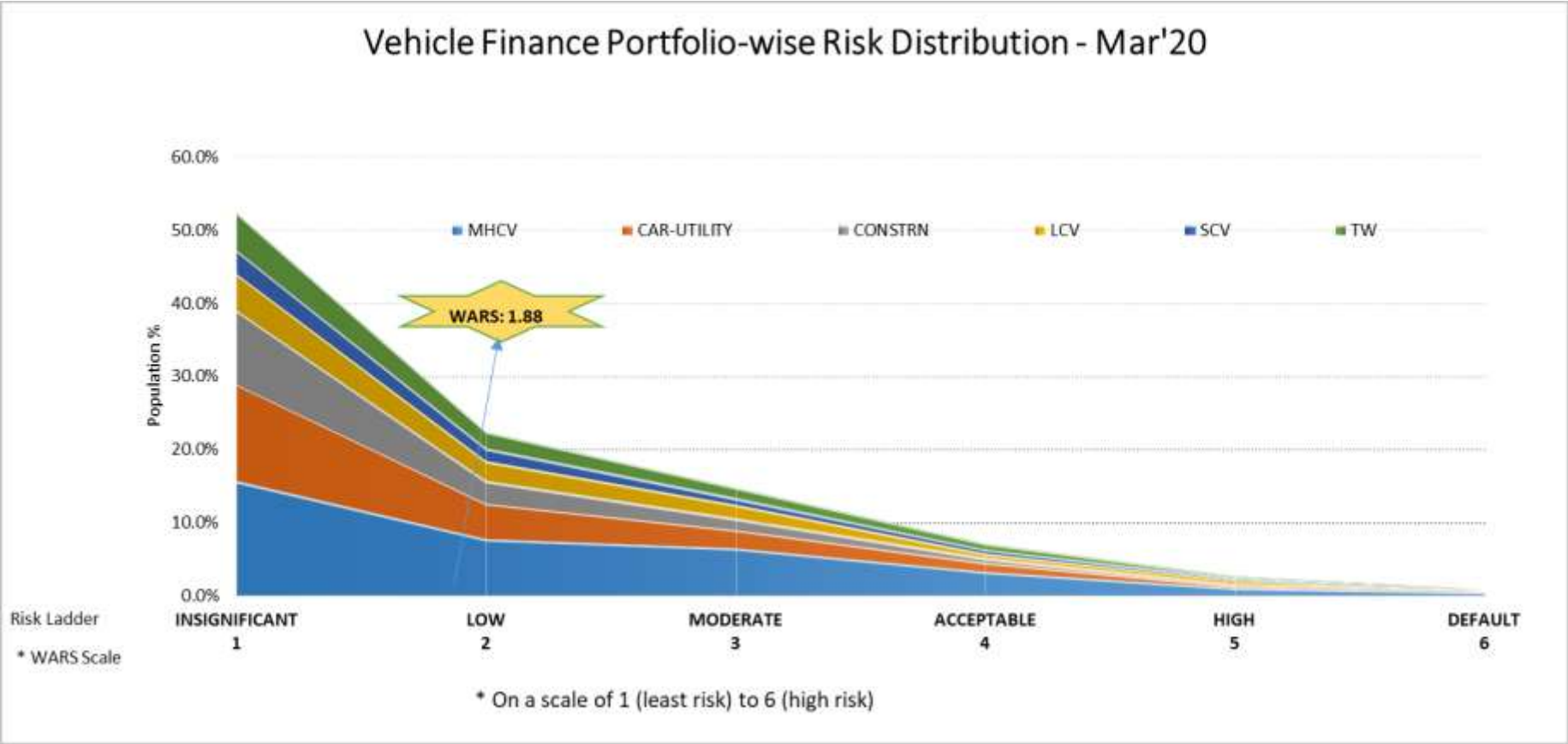


Well Rated Corporate Portfolio



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	Mar'18	Jun'18	Sep'18	Dec'18	Mar'19	Jun'19	Sep'19	Dec'19	Mar'20
WARS	1.73	1.77	1.80	1.82	1.75	1.82	1.86	1.86	1.88

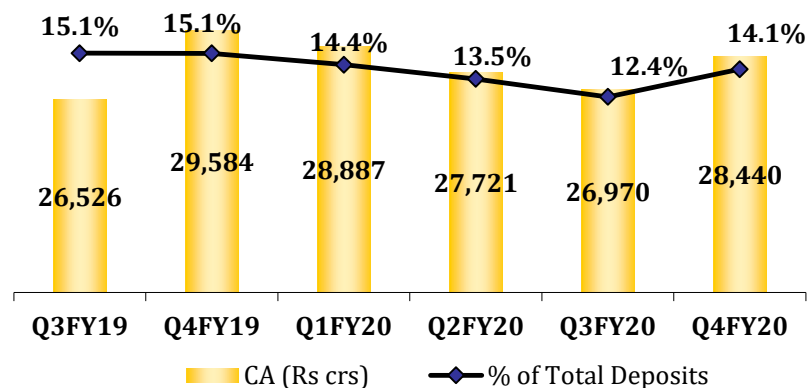


Improving CASA profile

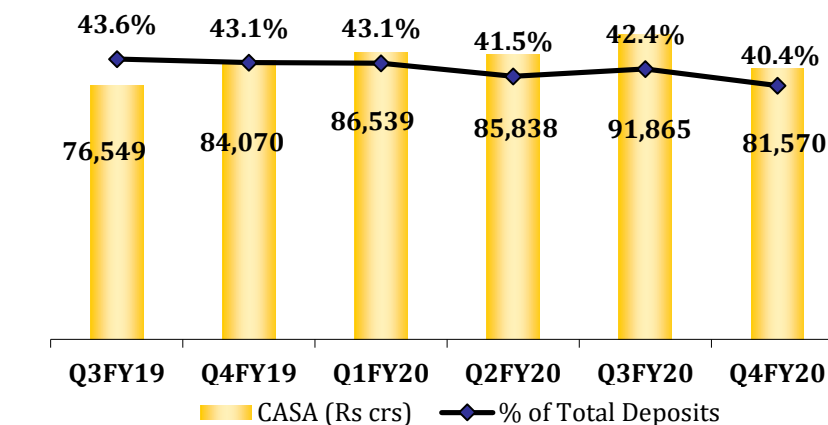
Building CASA traction

- Expanding branch network
- Focus on target market segments
 - Government business
 - Capital market flows
 - Key Non Resident markets
 - Launched branded Wealth offering “Pioneer”
 - Self employed and Emerging Corporate businesses
 - Transaction Banking and CMS Mandates
- Differentiated service propositions
- Digital distribution

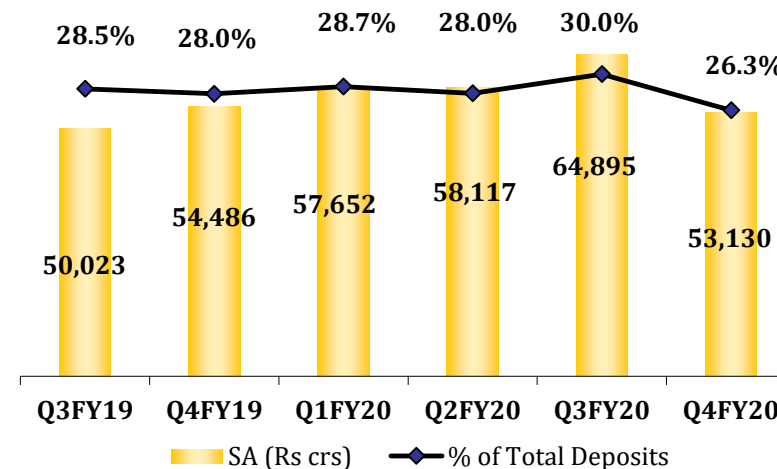
Current Account (CA)



CASA Uptick



Savings Account (SA)



Other Income

(Rs Crs)

	Q4FY20	Q4FY19	Y-o-Y (%)	Q3FY20	Q-o-Q (%)
Core Fee	1,390	1,419	2% ▼	1,506	8% ▼
Securities/MM/FX Trading/Others	383	140	174% ▲	284	35% ▲
Total	1,773	1,559	14% ▲	1,790	1% ▼



Diverse Revenues from Core Fee Income

(Rs Crs)

	Q4FY20	Q4FY19	Y-o-Y(%)	Q3FY20	Q-o-Q(%)	FY20	FY19	Y-o-Y(%)
Trade and Remittances	189	189	- ▲	185	2% ▲	720	636	13% ▲
Foreign Exchange Income	248	289	14% ▼	241	3% ▲	1,016	1,015	- ▲
Distribution Fees (Insurance, MF, Cards)	367	302	22% ▲	347	6% ▲	1,338	1,128	19% ▲
General Banking Fees	80	84	5% ▼	85	6% ▼	345	344	- ▲
Loan Fees	356	273	30% ▲	388	8% ▼	1,442	1,025	41% ▲
Investment Banking	143	228	37% ▼	209	32% ▼	788	850	7% ▼
PSLC	7	55	88% ▼	51	87% ▼	136	70	94% ▲
Total Core Fee Income	1,390	1,419	2% ▼	1,506	8% ▼	5,785	5,068	14% ▲

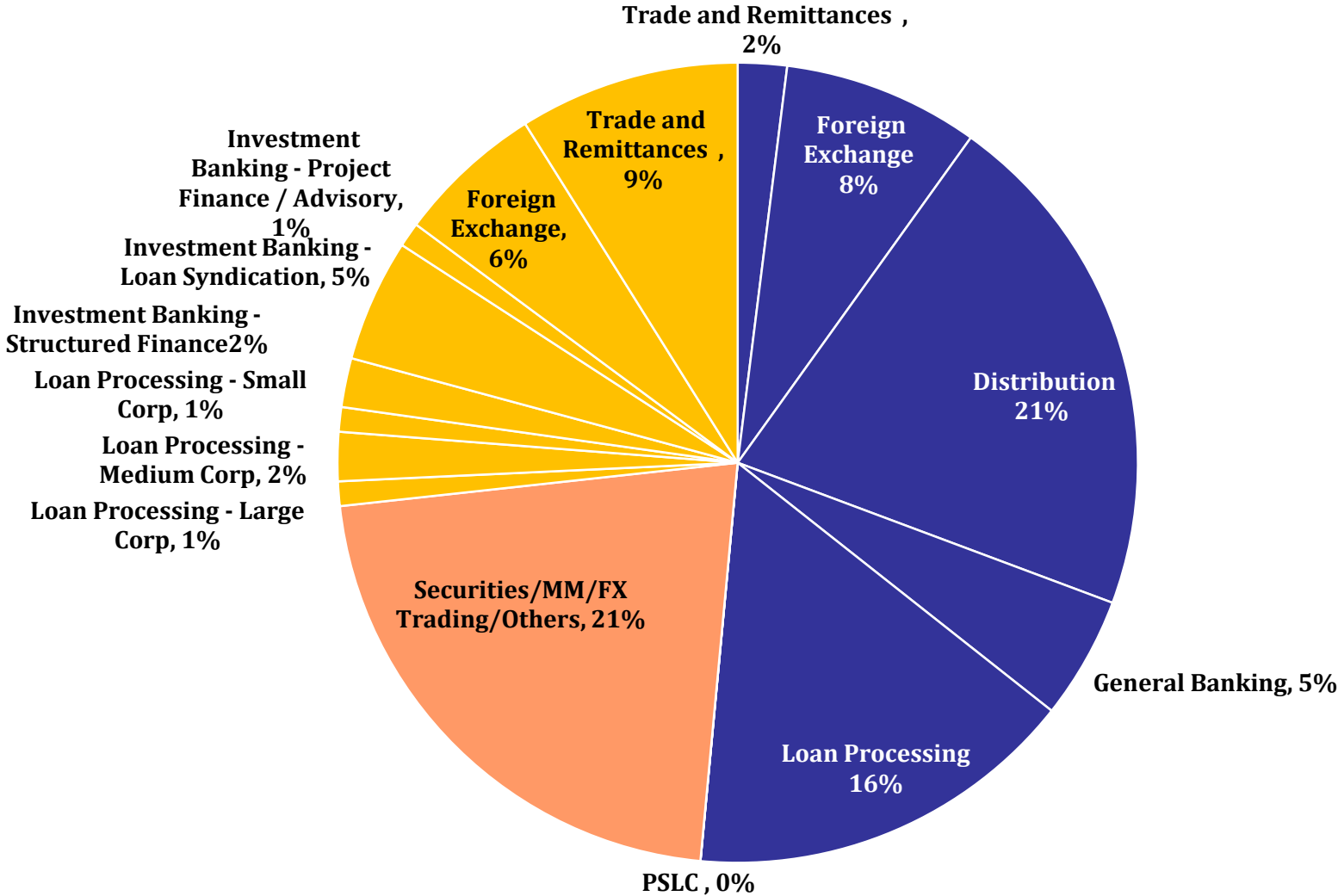


Diversified and Granular Fee Streams – Q4-FY20

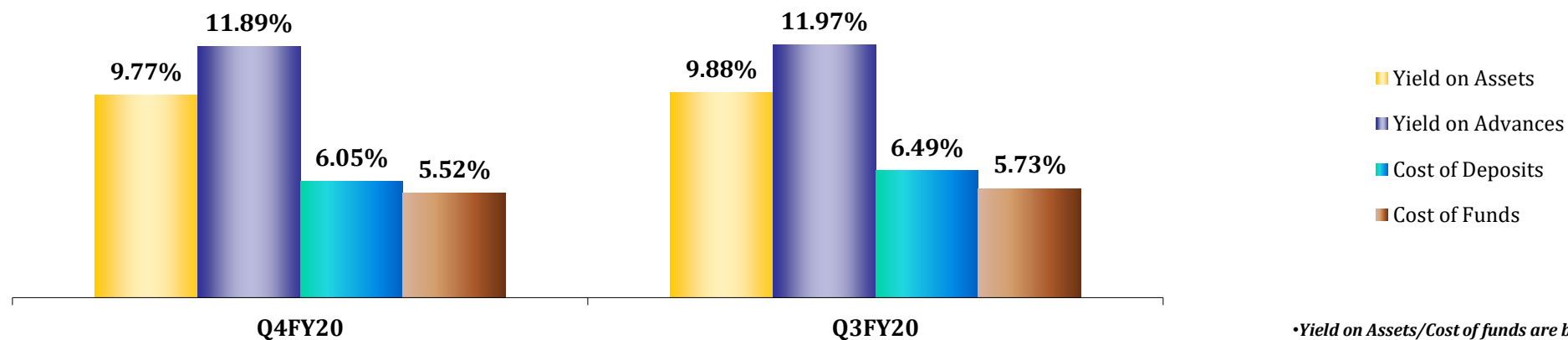
**Corporate Banking
(27%)**

**Consumer Banking
(52%)**

**Trading and Other Income
(21%)**



Yield / Cost Movement



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

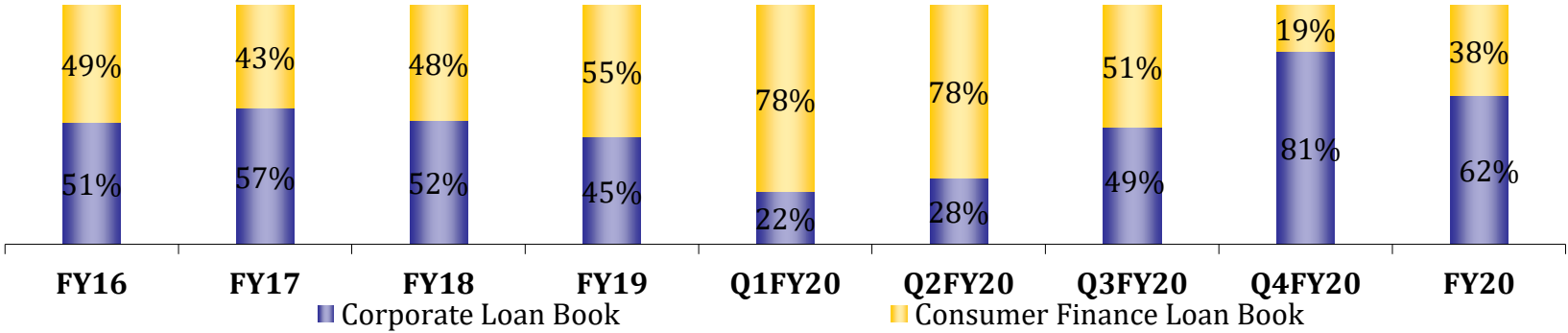
Segment-wise Yield

	Q4FY20		Q3FY20	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	91,334	8.81%	95,253	8.87%
Consumer Finance	1,15,449	14.59%	1,12,160	14.67%
Total	2,06,783	11.89%	2,07,413	11.97%



Credit Cost

	(Rs Crs)								
	FY16	FY17	FY18	FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	FY20
Corporate Bank	258	401	468	2,134	67	101	283	1,442	1,893
Consumer Finance	244	303	433	585	237	262	293	344	1,136
Gross Credit Costs	502	704	901	2,719	304	363	576	1,786	3,029
Gross Credit Costs (Basis Points on Advances)	57	62	62	146	16	18	28	86	146
Net Credit Cost	468	672	856	2,689	293	348	575	1,757	2,973
Net Credit Costs (Basis Points on Advances)	53	59	59	144	15	18	28	85	144
PCR	59%	58%	56%	43%	43%	50%	53%	63%	63%



Loan Portfolio - Movement in NPA and Restructured Advances

(Rs Crs)

	Q4FY20			Q3FY20		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	3,050	1,528	4,578	2,932	1,438	4,370
Additions	1,249 ⁽¹⁾	808	2,058	1,237	708	1,945
Deductions	884 ⁽²⁾	606	1,490	1,119	618	1,737
Gross NPA	3,416	1,731	5,147*	3,050	1,528	4,578*
Net NPA			1,887			2,173
% of Gross NPA			2.45%			2.18%
% of Net NPA			0.91%			1.05%
Provision Coverage Ratio (PCR)			63%			53%
Restructured Advances			0.04%			0.06%
Restructured + Gross NPA to Advances			2.49%			2.24%

*After sale to ARC Rs.137 crs (Rs.200 crs)

Note 1 : Slippages from 3 Stressed Groups, a power/paper group, a tea group, a medical equipments group and a broking company amount to Rs. 1,184 crs

Note 2 : Deductions include Upgrades of Rs. 36 crs , Recovery of Rs. 5 crs and Write-offs of Rs. 843crs (including Rs. 470 crs for the large infrastructure NBFC group, which was classified as NPA in Q4FY19)



NPA Composition – Consumer Finance

(Rs Crs)

Q4-FY20	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	Tractor	BBG/LAP	HL/PL/O thers	Cards	MFI	Total
Gross NPA	466	45	85	63	167	52	58	257	78	92	368	1,731
Gross NPA %	1.94%	1.03%	1.05%	1.78%	3.14%	0.71%	1.23%	1.21%	0.93%	1.93%	1.51%	1.49%

Q3-FY20	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	Tractor	BBG/LAP	HL/PL/O thers	Cards	MFI	Total
Gross NPA	415	47	82	60	155	52	69	217	87	118	226	1,528
Gross NPA %	1.65%	1.08%	1.00%	1.66%	2.88%	0.70%	1.56%	1.03%	1.12%	2.57%	1.08%	1.35%



(Rs Crs)

	31 Mar 20	31 Dec 19	31 Dec 19
	Basel – III	Basel – III	Incl. 9M FY 20 PAT
Credit Risk, CVA and UFCE	222,175	2,14,105	2,14,105
Market Risk	8,077	8,761	8,761
Operational Risk	28,353	22,986	22,986
Total Risk Weighted Assets	258,605	2,45,852	2,45,852
Core Equity Tier 1 Capital Funds	34,196	29,673	33,389
Additional Tier 1 Capital Funds	3,490	3,490	3,490
Tier 2 Capital Funds	1,210	1,048	1,048
Total Capital Funds	38,896	34,211	37,927
CRAR	15.04%	13.92%	15.43%
CET1	13.22%	12.07%	13.58%
Tier 1	14.57%	13.49%	15.00%
Tier 2	0.47%	0.43%	0.43%



Distribution Expansion to Drive Growth

Strengthening Distribution Infrastructure

Particulars	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020
IBL Branches/Banking Outlets	1,701	1,753	1,851	1,911*
BFIL Branches	1,938	2,028	2,163	2,071
Vehicle Finance Marketing Outlets	855	842	859	853
Total Branches/Outlets	4,494	4,623	4,873	4,835
ATMs	2,605	2,662	2,721	2,760

*includes 208 specialized branches and 150 Banking outlets



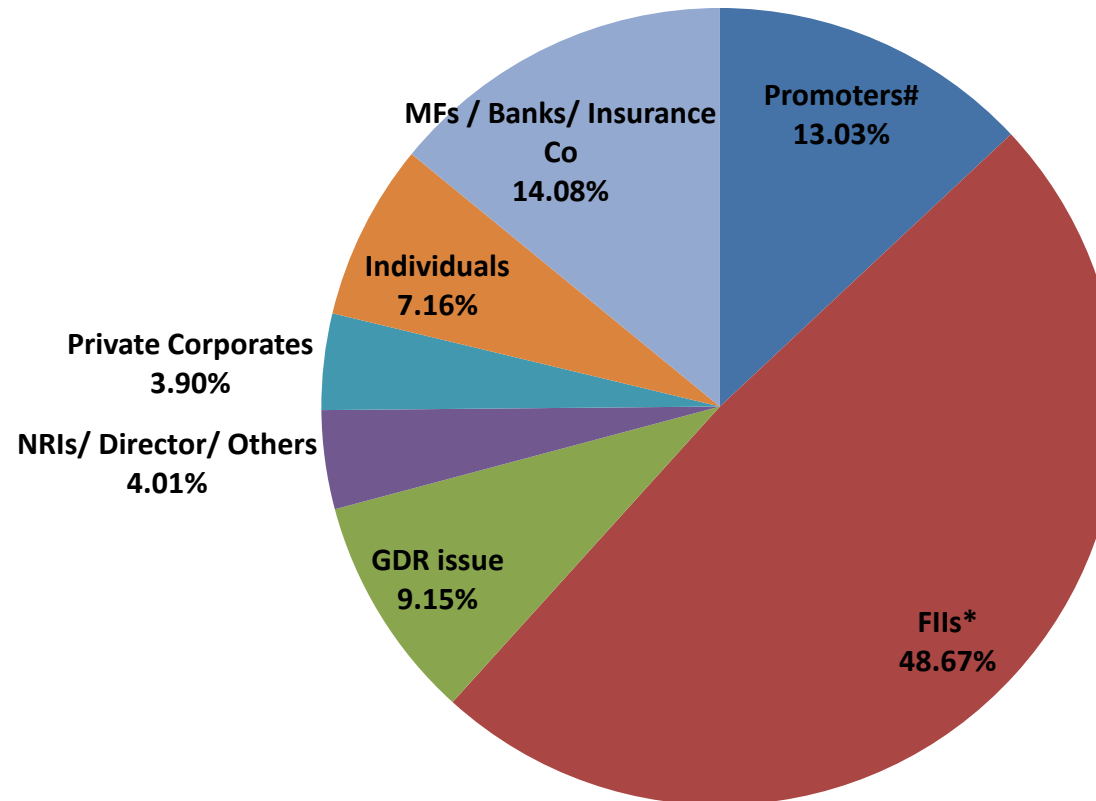
Note: Numbers given above are total branches in each state



• Branch/Representative Office
• Strategic Alliance



March 31, 2020
(Basis Paid Up Capital)



***includes FPIs**

14.67% with diluted capital including warrants/ESOP



Portfolio Level Disclosures

Microfinance

BFIL IS IN BEST POSITION TO REGULARIZE OPERATIONS QUICKLY

Rural

- 80% of portfolio is Rural.
- Majority impact of COVID felt in Metros/Urban areas
- Low migration impact in Rural

Weekly Collections

- Weekly model assists quick regularization (as witnessed during demonetization)
- ~50% of customers are exclusively with BFIL.
- Past disruptions have shown early collection recovery to 96% - 98% levels on portfolio

Quality of our loan book

- Our loan book growth (CAGR 34% for FY18-20) has been primarily led by customer acquisition (Ticket size CAGR for FY18-20 was only 11%)
- Our outstanding per borrower is 35% lesser than the largest player in the sector (as on Dec'19)

Demand Supply Gap

- Initial feedback : Positive, demand at customer level intact
- MFIs facing liquidity challenges, while BFIL in the best position to meet the customer need
- Sampark (Customer outreach program) launched – Over 9 Mn calls made, 85% unique customers contacted.

Net Producers to Economy

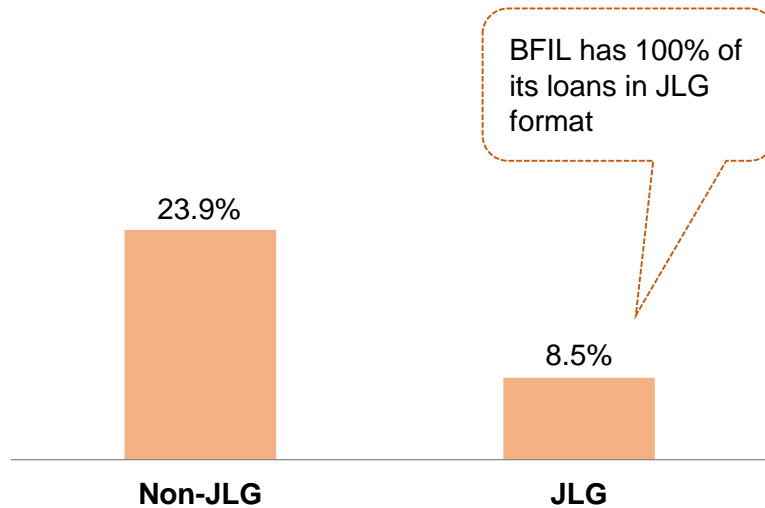
- Customers undertake economic activities, which cater to non-discretionary spending in local milieu (47% depend on Livestock, 13% Grocery stores, 9% Tailoring/Weaving, 7% Trading of vegetables and fruits etc.)

Government's Push

- More Cash in hand for our customers - Govt. and NGO schemes focusing on this segment.
- Political situation in the country expected to be stable with no fresh assembly elections in the next 4 months, shall help in stabilization

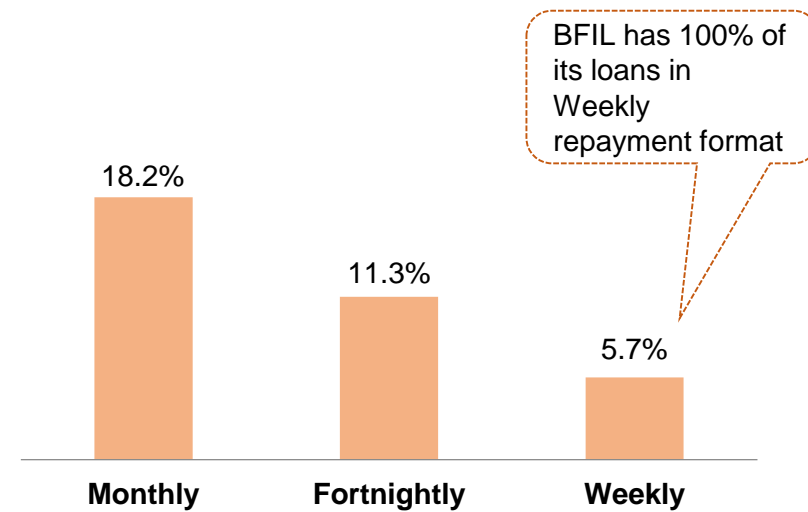
Microfinance Credit Bureau Data

JLG* Vs. Non-JLG model (30 + DPD)



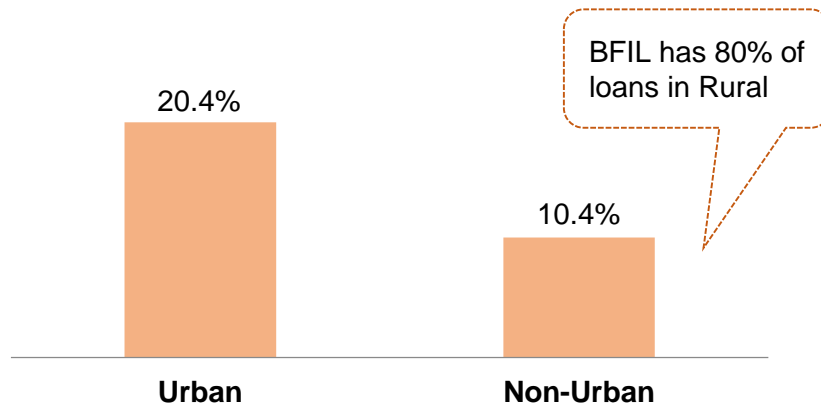
*JLG – Joint liability group lending model

Repayment Frequency^ (30 + DPD)



^ The above data excludes 6% of Industry's portfolio, which has been categorized as "others" in repayment frequency.

Urban Vs. Non-Urban (30 + DPD)



MFI portfolio in Top 50 Cities (by Population) of India are taken as Urban portfolio

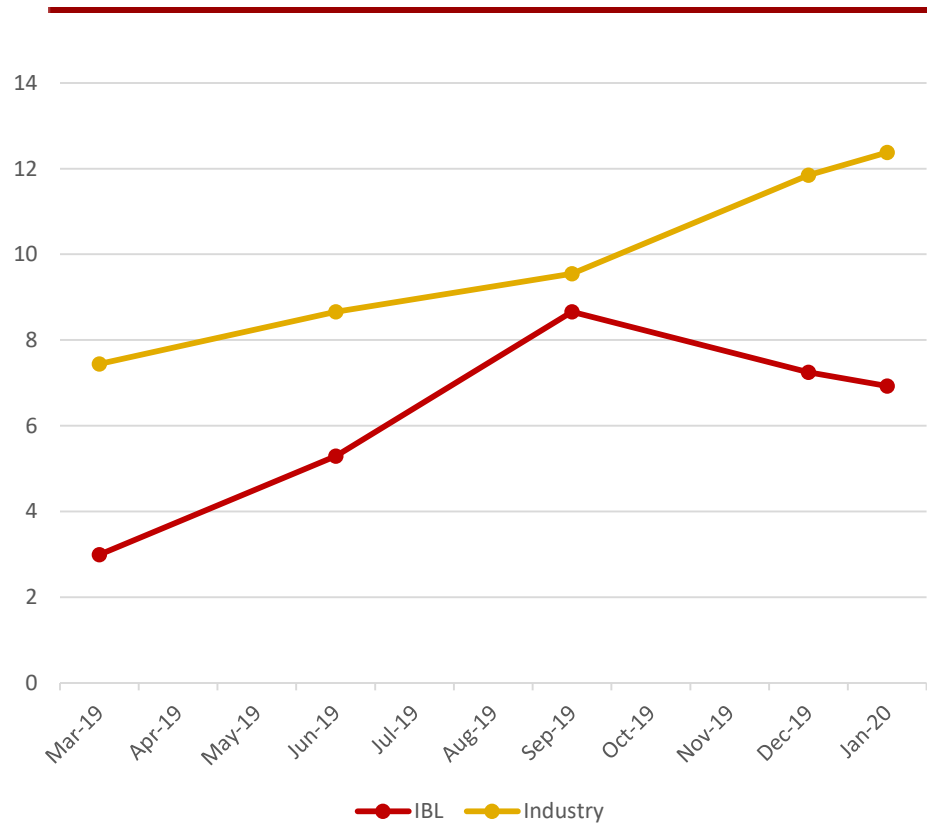
Credit Bureau Data on (30 + DPD) of MFI Industry highlights the strength of JLG Lending, weekly collection and Rural Geographies.

Source – Industry report by Equifax on Microfinance database as on April'17. This also includes data reported by Banks under Microfinance database.

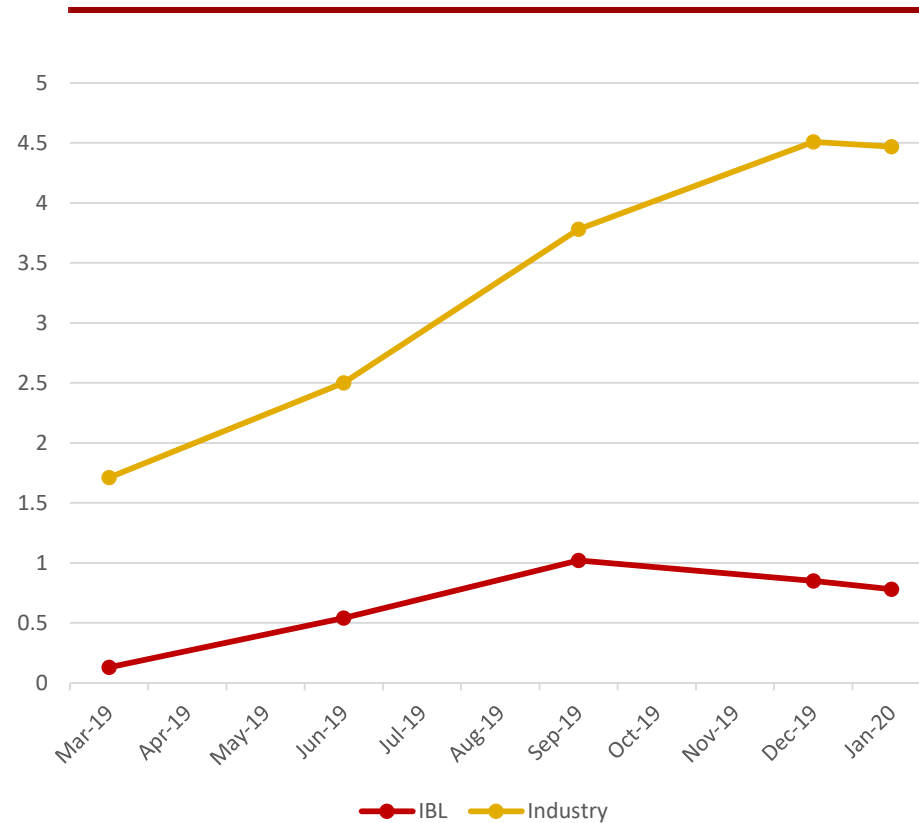
Vehicle Finance

CV Portfolio – As per a Leading Bureau

60+ Delinquency

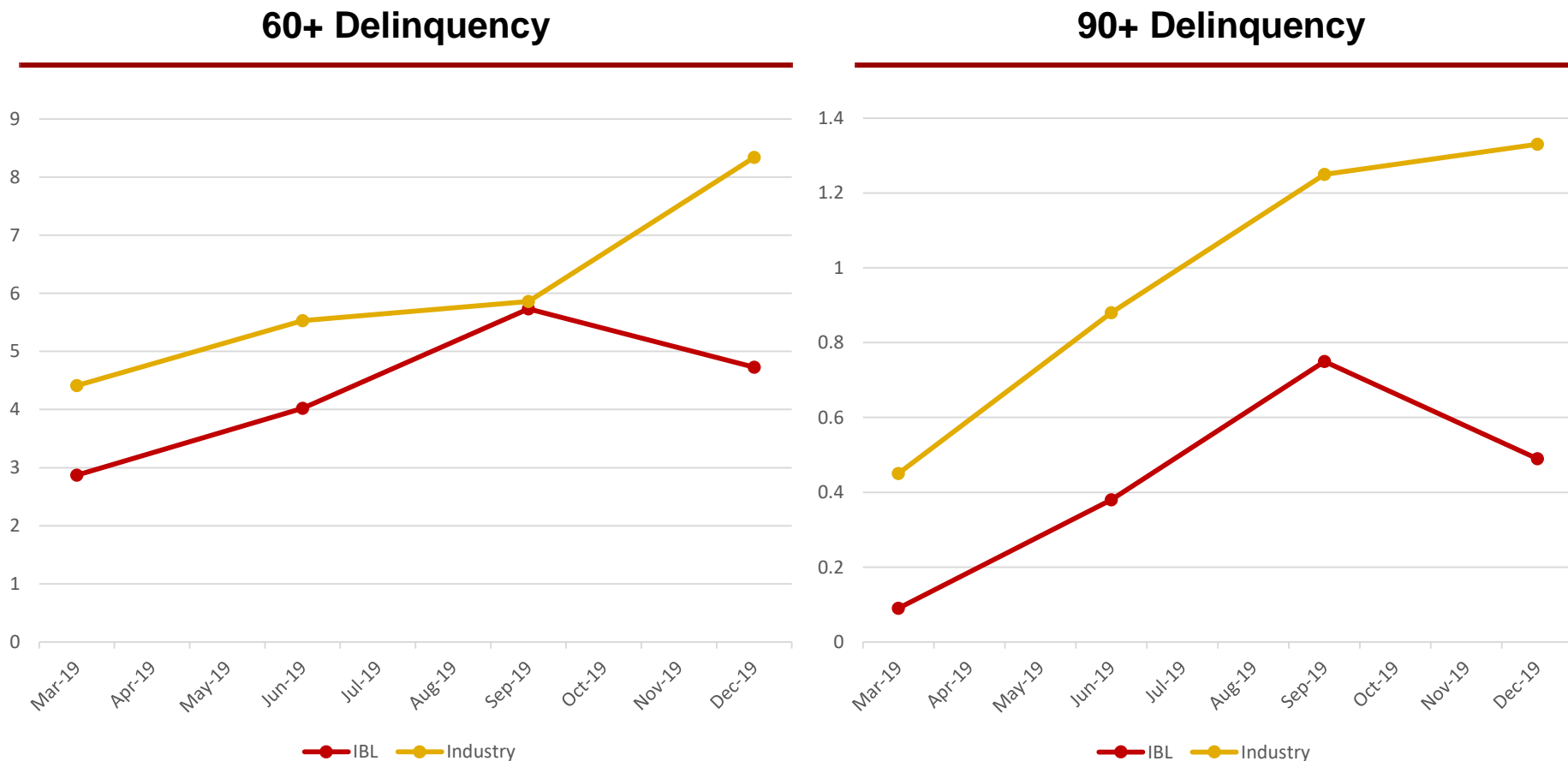


90+ Delinquency



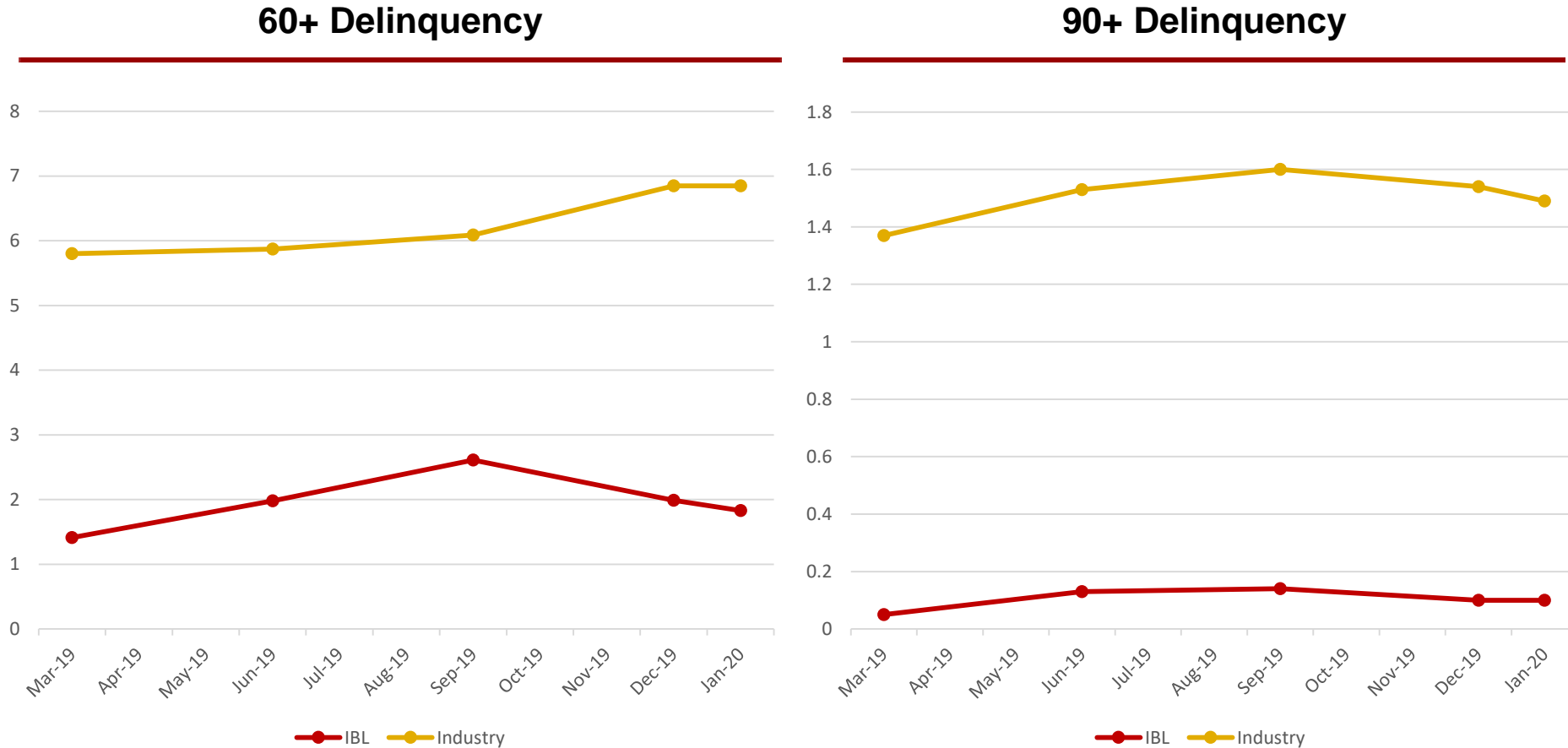
- Strong portfolio performance (60+ and 90+ QoQ) compared to competition and market

CE Portfolio – As per a Leading Bureau



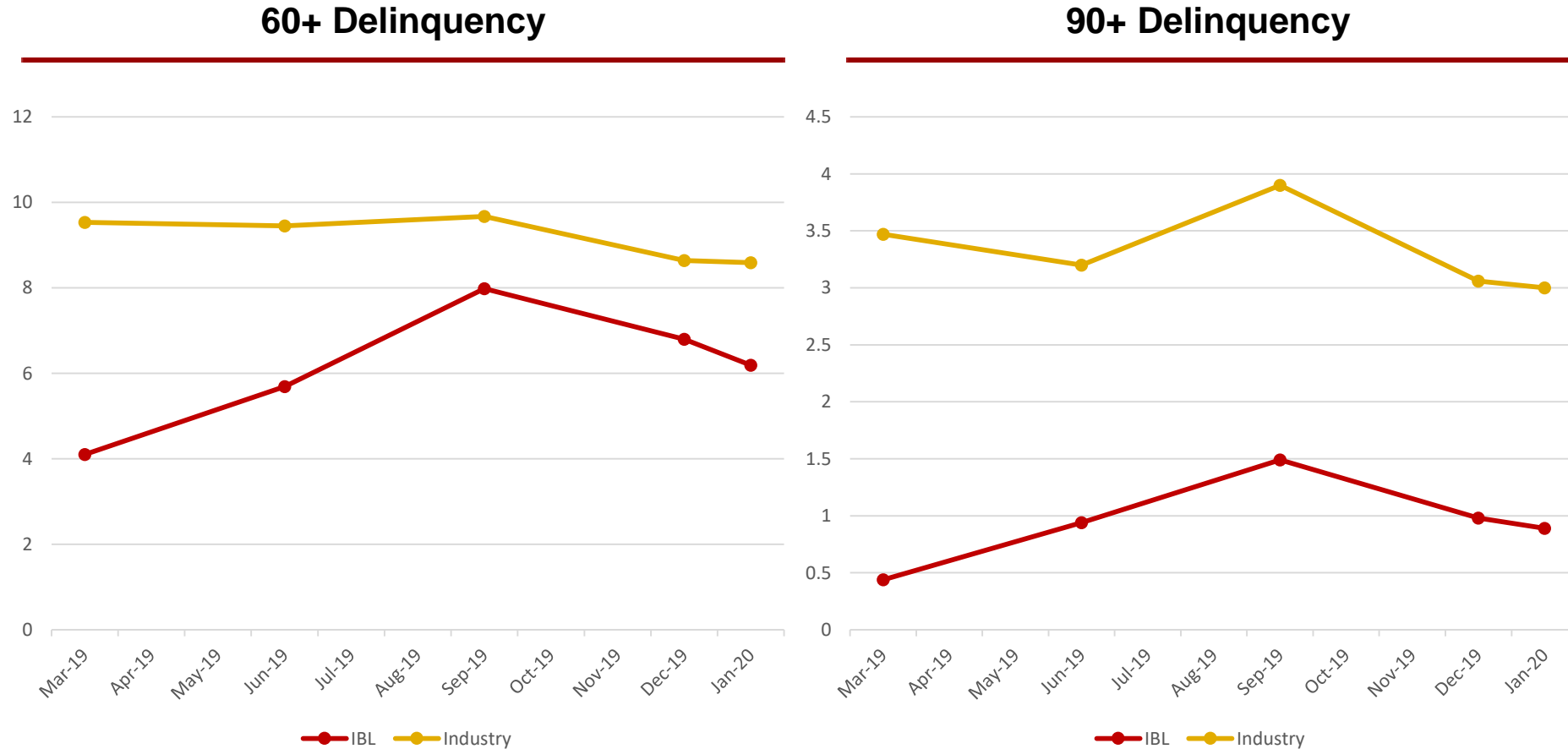
- Strong portfolio performance (60+ and 90+ QoQ) compared to competition and market

PV Portfolio – As per a Leading Bureau



- Strong portfolio performance (60+ and 90+ QoQ) compared to competition and market

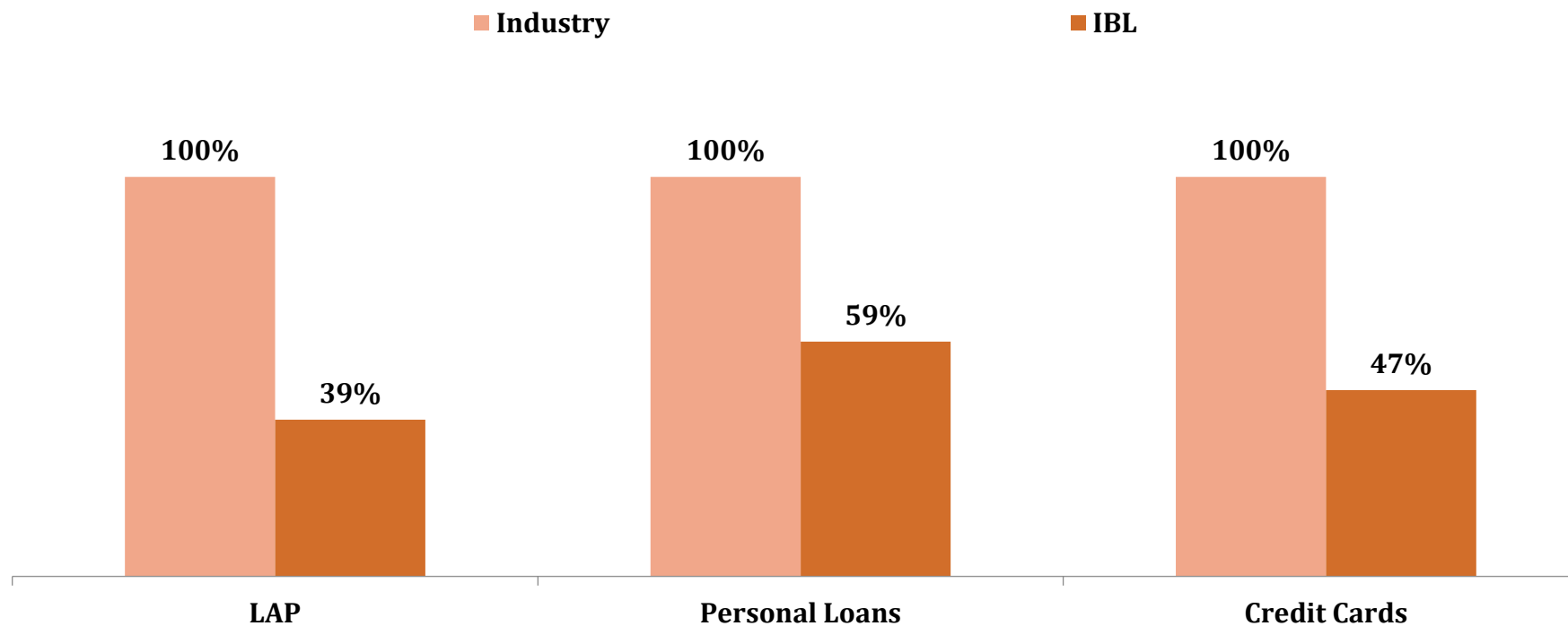
Tractor Portfolio – As per a Leading Bureau



- Strong portfolio performance (60+ and 90+ QoQ) compared to competition and market

Other Retail Products

Retail Products 30DPD vs. Industry



- Strong portfolio performance compared to market

Accolades





IndusInd Bank is awarded with the **Spirit of Innovation** awards for the launch of its IndusCorp, Duo Card, Nexxt Credit Card and Data Warehouse & Power BI Implementation Projects at the 8th Edition of the Finnoviti 2020 Conference & Awards



IndusInd Bank is awarded with the Best Technology Bank, Best use of IT and Data Analytics for Business Outcome and Best Payment Initiative amongst Private Sector Banks at the 15th edition of the Annual Banking Technology Conference, Expo and Awards organized by IBA





IndusInd Bank has been awarded with the **BankTech Awards 2020** for its efforts in using technology solutions to provide a suite of services enabling a superior customer experience

Top 500 Banking Brands 2020		
CLIMBERS BY BRAND VALUE		
Brand	Domicile	Change in Brand Value 2020
1 IndusInd Bank	India	122%
2 Vietcombank	Vietnam	99%
3 Chemical Bank	US	88%
4 Power Finance Corporation	India	86%
5 Yuanta Bank	Taiwan	85%
6 Bank of Changsha	China	81%
7 Huishang Bank	China	80%
8 Bank of Chengdu	China	78%
9 Shawbrook Group	UK	73%
10 Banca Transilvania	Romania	53%

IndusInd Bank has witnessed the highest' growth in brand value amongst top global banks, according to The Banker's Top 500 Banking Brands 2020 report





IndusInd Bank has been awarded with the **Best Bank Award** in the mid-sized bank category at the **24th edition of the Business Today - Money Today Financial Awards**.



Thank You



IndusInd Bank

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