

***IndusInd Bank***

**Investor Presentation  
Q2-2020-21**

**October 30, 2020**

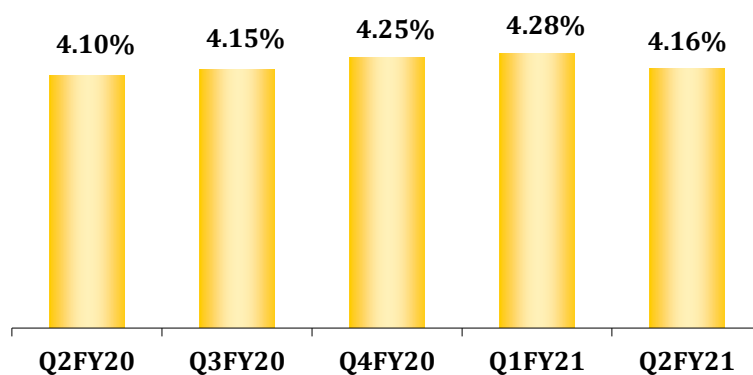
**Q2 – FY21 Performance Highlights**

- Strengthened capital position by raising Rs. 3,288 crs; Capital Adequacy stands at 16.55%
- PPOP at Rs 2,852 crs, grew by 9% YoY; PPOP / Assets at 3.66% amongst the industry highest
- NII at Rs. 3278 crs ; up by 13% YoY
- NIM at 4.16% up by 6 bps YoY
- Consol PAT at Rs. 663 crs after Covid provisions of Rs. 952 crs taking total provision at Rs. 2,155 crs
- Credit growth 2% YoY and Deposit growth 10% YoY
- PCR improved to 77% ; Total loan related provisions at 132% of GNPA
- Liquidity Coverage Ratio (LCR) stands at 140%
- Loan book quality stable; GNPA at 2.21% (reduction of 32 bps sequentially)
- NNPA improved to 0.52% from 0.86% QoQ
- Efficiency ratio at 40.98% (43.42% LY)
- Client base at 26 million

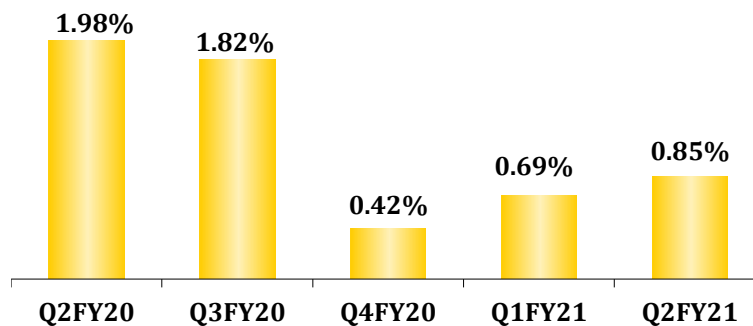


# How We Measure Up On Key Metrics

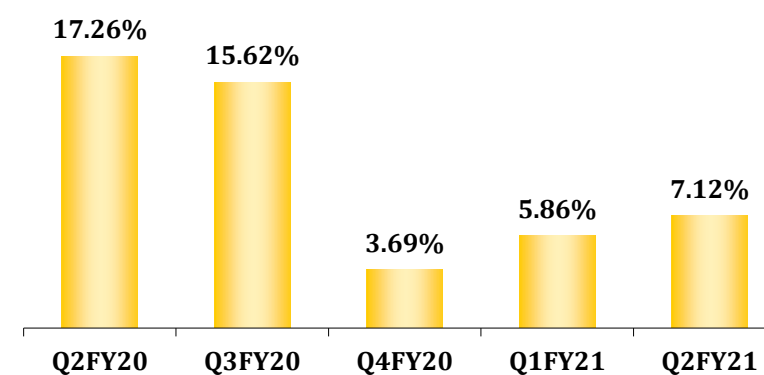
Net Interest Margin (NIM)



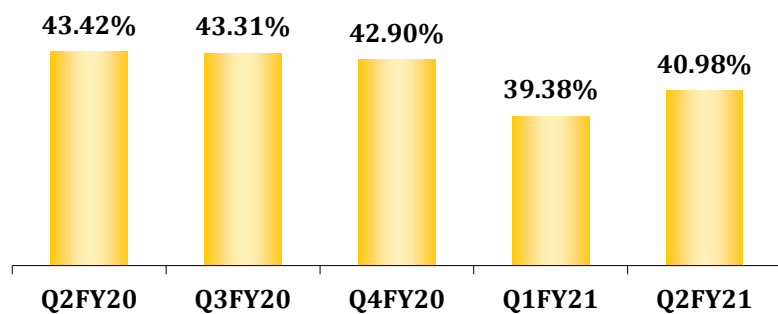
RoA



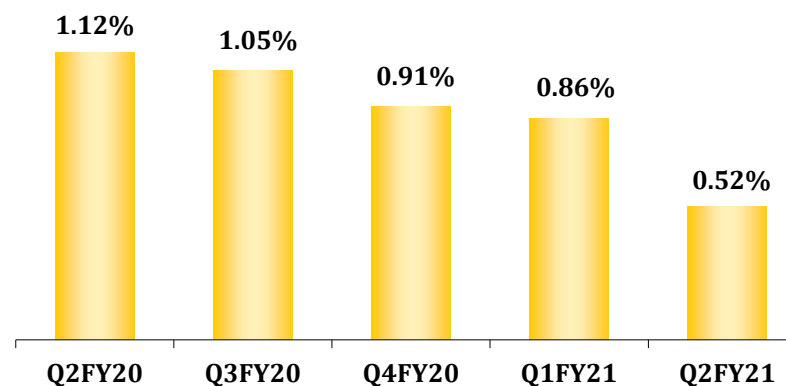
RoE



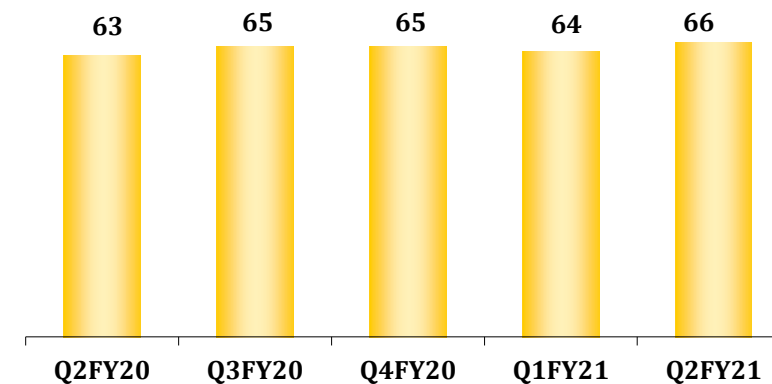
Cost / Income



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:**

- **Ba1** for Senior Unsecured MTN programme by Moody's Investors Service



# Consolidated Financial Performance



## Steady Headline Numbers for Q2 FY21

		Y-o-Y Growth	Q-o-Q Growth
Net Interest Income	Rs. 3,278 crs	13%	(1%)
Total Fee Income	Rs. 1,554 crs	(10%)	2%
Revenue	Rs. 4,832 crs	4%	0%
Operating Profit	Rs. 2,852 crs	9%	(3%)
Net Profit	Rs. 663 crs	(53%)	30%



		Y-o-Y Growth	Q-o-Q Growth
Advances	Rs. 2,01,247 crs	2%	2%
Deposits	Rs. 2,27,884 crs	10%	8%
CASA	Rs. 91,846 crs	7%	9%
TD	Rs. 1,36,038 crs	12%	7%
Borrowings	Rs. 52,385 crs	18%	(12%)



# Balance Sheet

(Rs Crs)

	Q2FY21	Q2FY20	Y-o-Y (%)		Q1FY21	Q-o-Q (%)	
<b>Capital &amp; Liabilities</b>							
Capital	756	693	9%	▲	694	9%	▲
Reserves and Surplus	38,244	32,171	19%	▲	34,134	12%	▲
Share Warrant Subscription money	674	674	-	▲	674	-	▲
Deposits	2,27,884	2,07,193	10%	▲	2,11,265	8%	▲
Borrowings	52,385	44,558	18%	▲	59,196	(12%)	▼
Other Liabilities and Provisions	12,053	9,644	25%	▲	11,953	1%	▲
<b>Total</b>	<b>3,31,996</b>	<b>294,933</b>	<b>13%</b>	<b>▲</b>	<b>3,17,916</b>	<b>4%</b>	<b>▲</b>
<b>Assets</b>							
Cash and Balances with RBI	8,278	9,973	(17%)	▼	7,621	9%	▲
Balances with Banks	37,566	5,306	608%	▲	28,497	32%	▲
Investments	62,953	63,540	(1%)	▼	59,596	6%	▲
Advances	2,01,247	1,97,113	2%	▲	1,98,069	2%	▲
Fixed Assets	1,890	1,799	5%	▲	1,855	2%	▲
Other Assets	20,062	17,202	17%	▲	22,278	(10%)	▼
<b>Total</b>	<b>3,31,996</b>	<b>2,94,933</b>	<b>13%</b>	<b>▲</b>	<b>3,17,916</b>	<b>4%</b>	<b>▲</b>
<b>Business (Advances + Deposit)</b>	<b>4,29,131</b>	<b>4,04,306</b>	<b>6%</b>	<b>▲</b>	<b>4,09,333</b>	<b>5%</b>	<b>▲</b>





# Profit and Loss Account – Q2 FY21

(Rs Crs)

	Q2FY21	Q2FY20	Y-o-Y (%)		Q1FY21	Q-o-Q (%)	
Net Interest Income	3,278	2,909	13%	▲	3,310	(1%)	▼
Other Income	1,554	1,727	(10%)	▼	1,520	2%	▲
<b>Total Income</b>	<b>4,832</b>	<b>4,636</b>	<b>4%</b>	<b>▲</b>	<b>4,830</b>	<b>-</b>	<b>▲</b>
Operating Expenses	1,980	2,013	(2%)	▼	1,902	4%	▲
<b>Operating Profit</b>	<b>2,852</b>	<b>2,623</b>	<b>9%</b>	<b>▲</b>	<b>2,928</b>	<b>(3%)</b>	<b>▼</b>
Provisions & Contingencies	1,964	737	166%	▲	2,259	(13%)	▼
<b>Profit before Tax</b>	<b>888</b>	<b>1,886</b>	<b>(53%)</b>	<b>▼</b>	<b>669</b>	<b>33%</b>	<b>▲</b>
Provision for Tax	225	485	(54%)	▼	159	42%	▲
<b>Profit after Tax</b>	<b>663</b>	<b>1,401</b>	<b>(53%)</b>	<b>▼</b>	<b>510</b>	<b>30%</b>	<b>▲</b>



# Profit and Loss Account – HY FY21

(Rs Crs)

	HYFY21	HYFY20	Y-o-Y (%)	
Net Interest Income	6,587	5,753	14%	▲
Other Income	3,075	3,390	(9%)	▼
<b>Total Income</b>	<b>9,662</b>	<b>9,143</b>	<b>6%</b>	<b>▲</b>
Operating Expenses	3,882	3,929	(1%)	▼
<b>Operating Profit</b>	<b>5,780</b>	<b>5,214</b>	<b>11%</b>	<b>▲</b>
Provisions & Contingencies	4,224	1,168	261%	▲
<b>Profit before Tax</b>	<b>1,556</b>	<b>4,046</b>	<b>(62%)</b>	<b>▼</b>
Provision for Tax	383	1,213	(68%)	▼
<b>Profit after Tax</b>	<b>1,173</b>	<b>2,833</b>	<b>(59%)</b>	<b>▼</b>



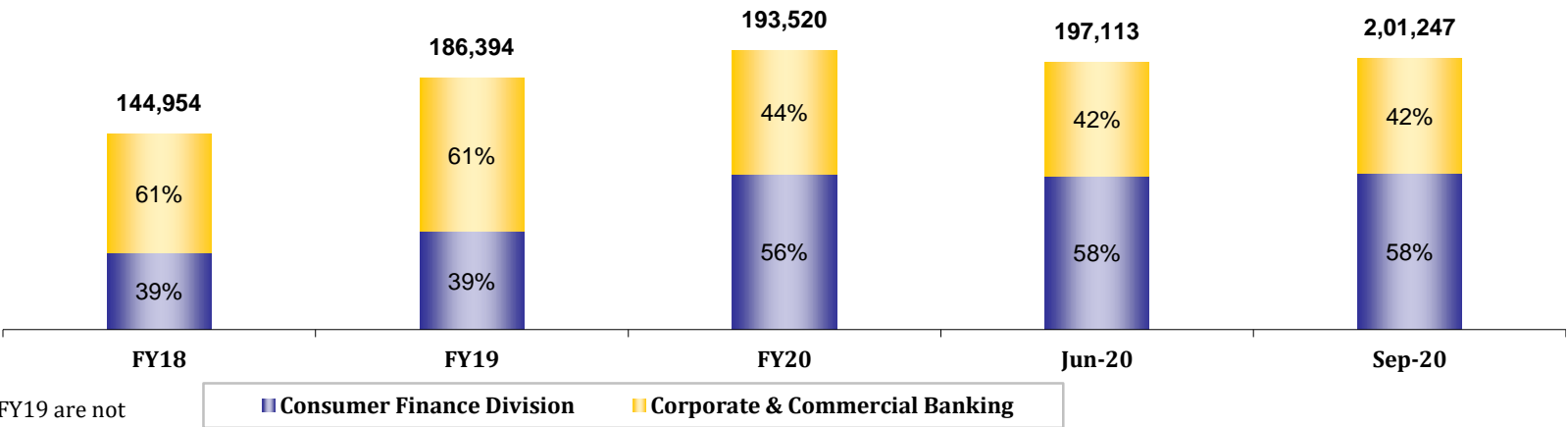
## Key Financial Indicators

	Q2FY21	Q2FY20	Q1FY21
Return on Assets	0.85%	1.98%	0.69%
PPOP / Average Assets	3.66%	3.57%	3.95%
Return on Equity	7.12%	17.26%	5.86%
Cost / Income Ratio	40.98%	43.42%	39.38%
Net Interest Margin	4.16%	4.10%	4.28%
Net NPA	0.52%	1.12%	0.86%
EPS (annualized, Rs. per share)	37.20	80.88	29.44
Capital + Reserves (Excl. Revaluation Reserve) (Rs. in crs)	39,357	33,216	35,183



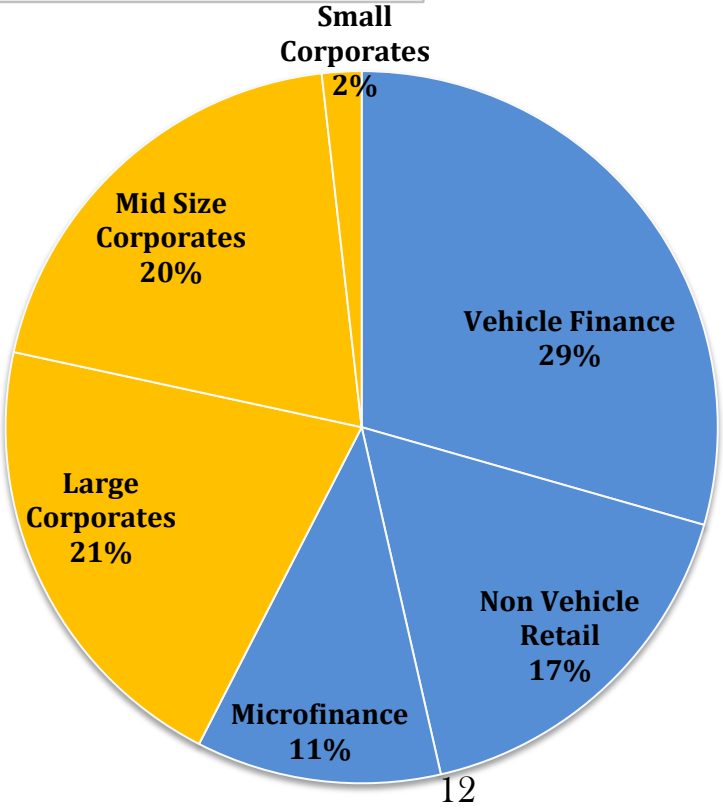
# Well Diversified Loan Book

Loan Book (Rs crs)



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

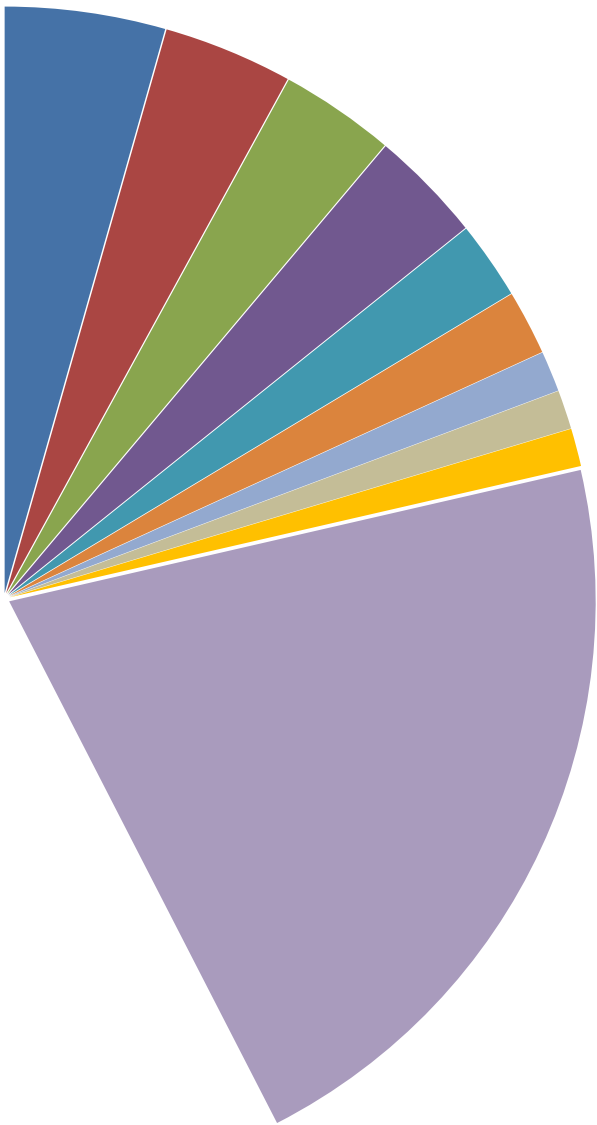
(Rs crs)		
Corporate Banking	Sep-20	
Large Corporates	41,927	20%
Mid size Corporates	39,889	20%
Small Corporates	3,611	2%
Total Advances	85,427	42%



(Rs crs)		
Consumer Finance	Sep-20	
<b>Vehicle Loans</b>	<b>59,214</b>	<b>30%</b>
Comm. Vehicle Loans	23,932	12%
Utility Vehicle Loans	4,539	2%
Small CV	3,691	2%
Two Wheeler Loans	5,739	3%
Car Loans	7,460	4%
Tractor	5,484	3%
Equipment Financing	8,369	4%
<b>Non-Vehicle Loans</b>	<b>34,223</b>	<b>17%</b>
Business Banking	11,531	6%
Loan Against Property	9,540	5%
Credit Card	4,853	2%
BL, PL, AHL, Others	8,299	4%
<b>Microfinance*</b>	<b>22,383</b>	<b>11%</b>
<b>Total Advances</b>	<b>1,15,820</b>	<b>58%</b>

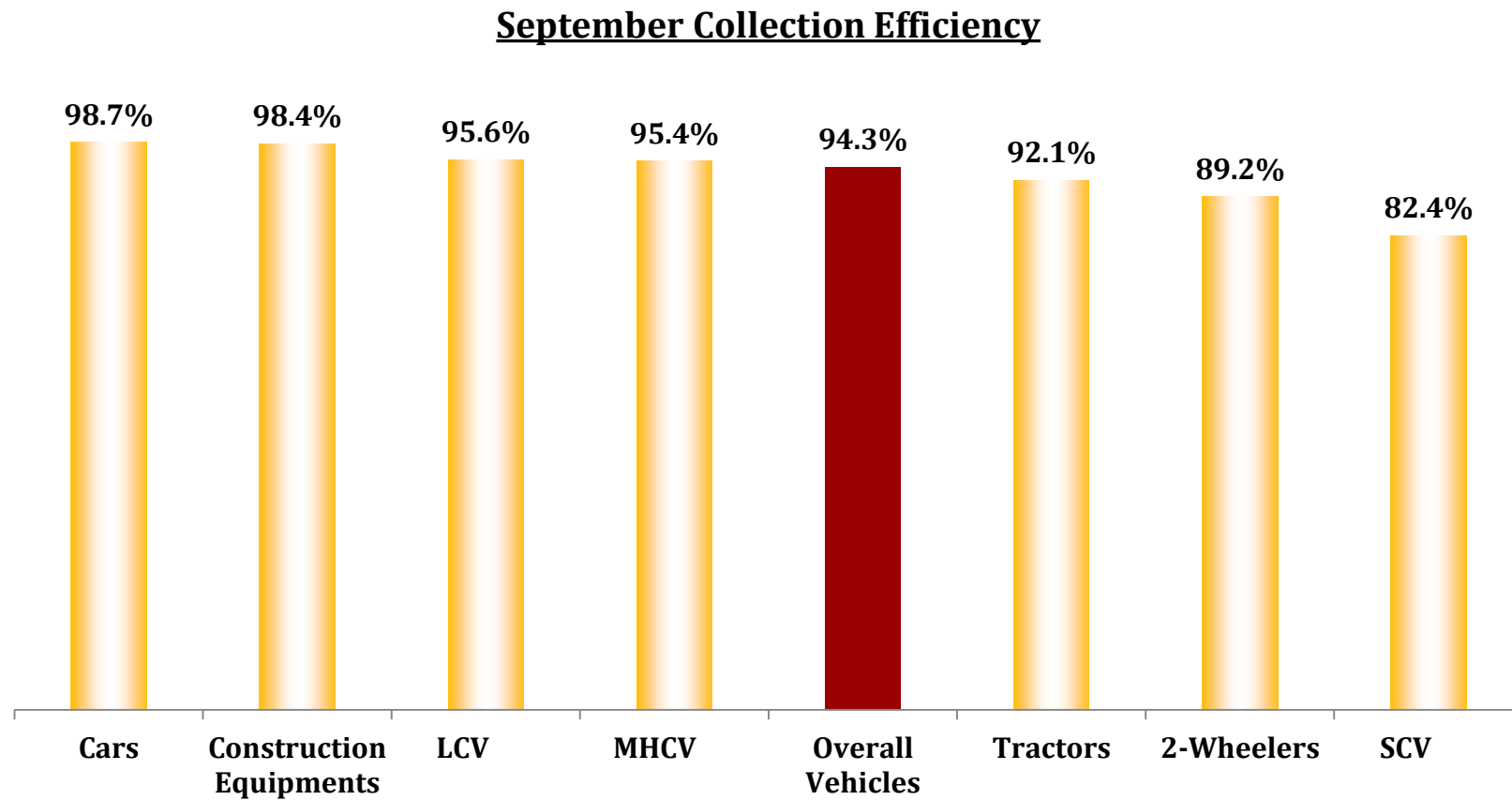
\*includes BFIL



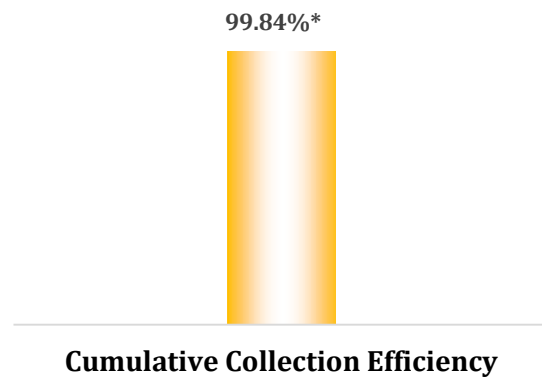


Sector	%
Lease Rental	4.41%
Real Estate - Commercial and Residential	3.56%
Steel	3.16%
Gems and Jewellery	3.11%
NBFCs (other than HFCs )	2,14%
Power Generation – Renewable	1.78%
Housing Finance Companies	1.12%
Services	1.07%
Telecom- Cellular	1.04%
Other Industry	21.05%
Corporate Banking	42.44%
Consumer Banking	57.56%
Total	100.00%

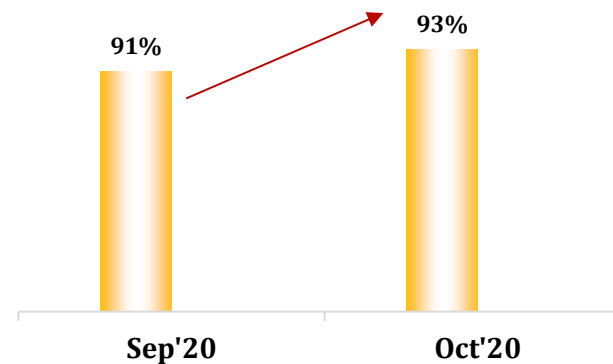




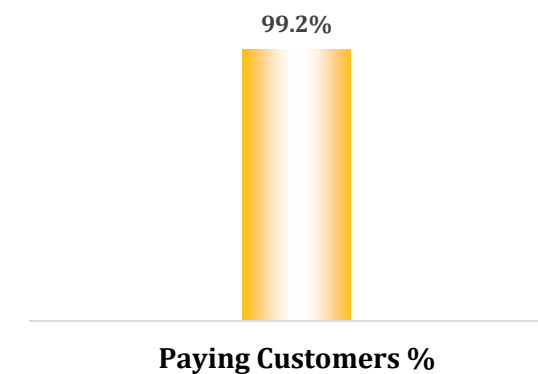
**99.9% Cumulative Collection Efficiency  
for 2.7 mn new loans (May – Oct)**



**Collection Efficiency %**



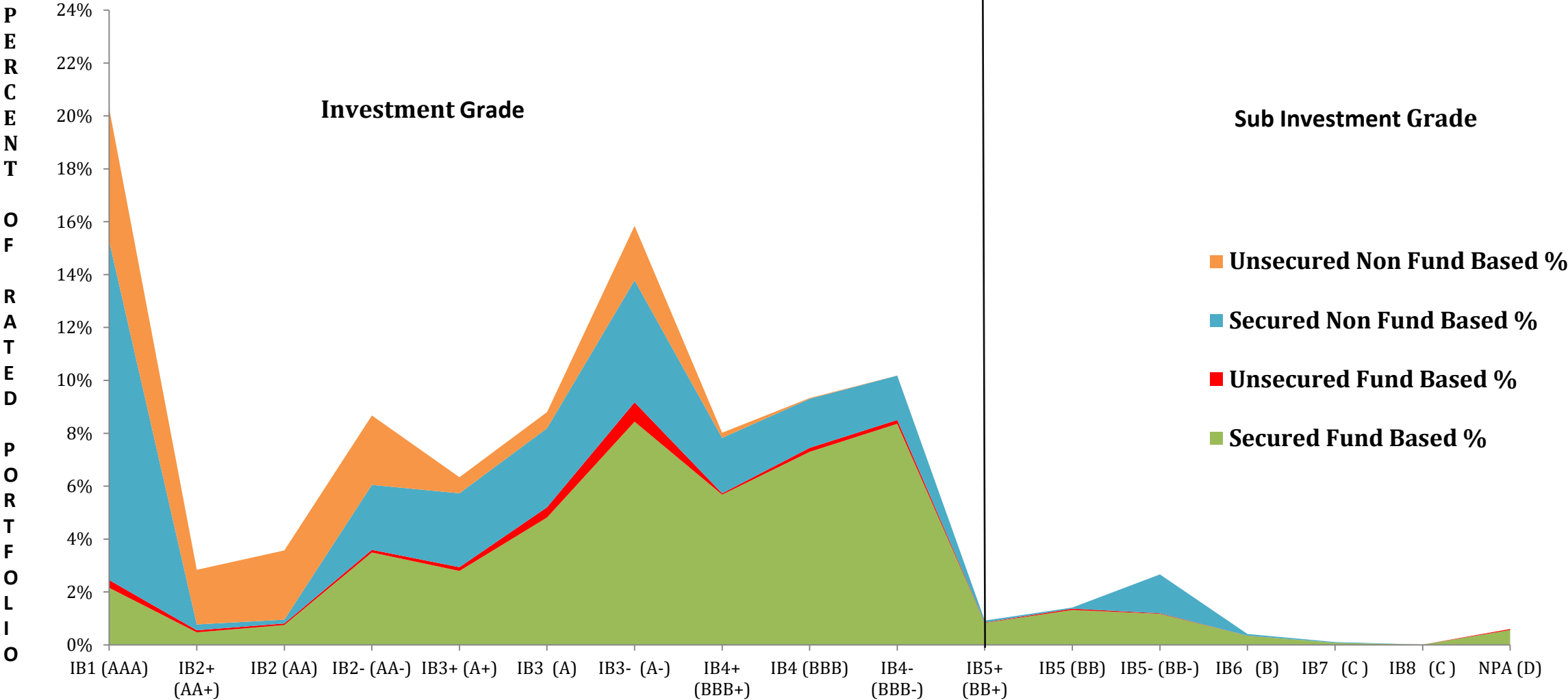
**99.2% customers resumed  
payment since Lockdown**



*\* For entire portfolio originated in FY21, representing ~27% of overall loan portfolio.*



# Well Rated Corporate Portfolio



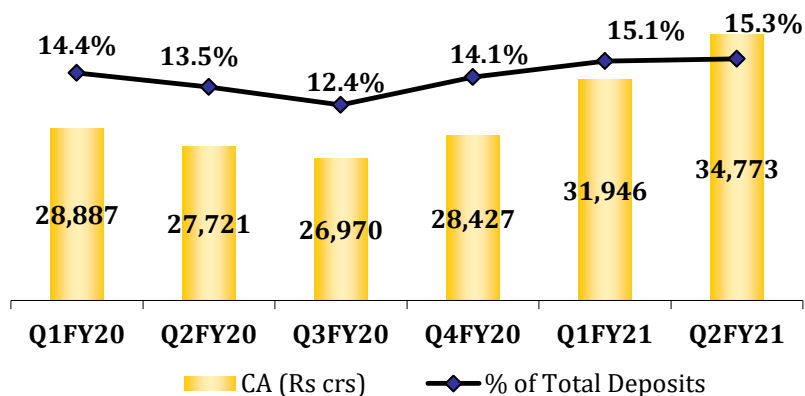


# Improving CASA profile

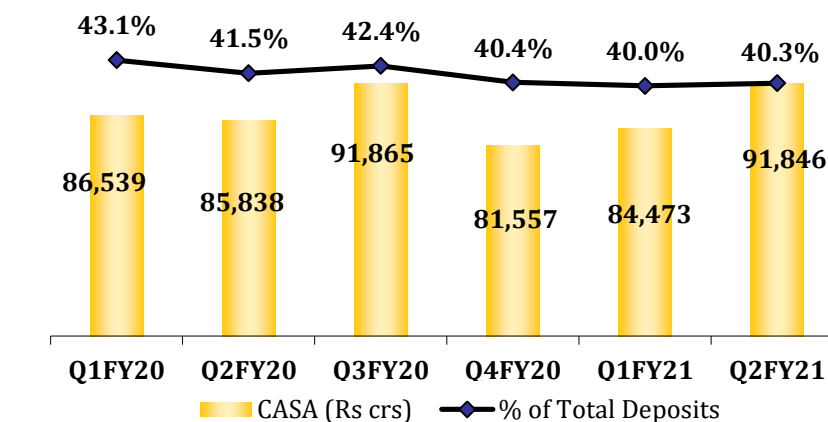
## Building CASA traction

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

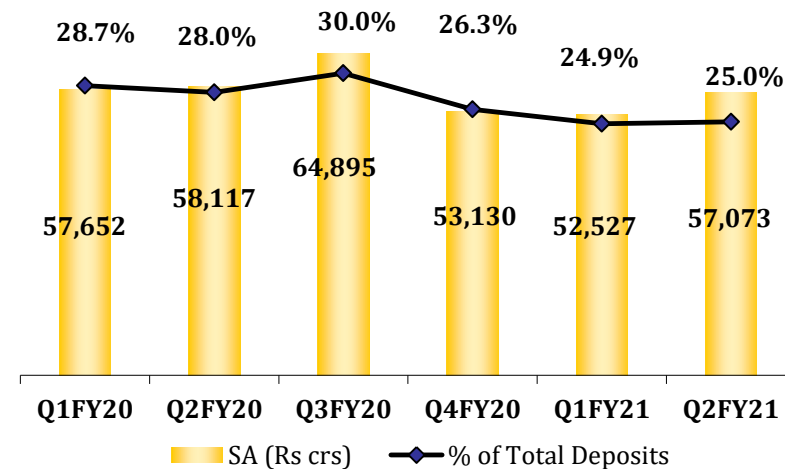
### Current Account (CA)



### CASA



### Savings Account (SA)



# Other Income

(Rs Crs)

	Q2FY21	Q2FY20	Y-o-Y (%)		Q1FY21	Q-o-Q (%)	
Core Fee	1,061	1,468	(28%)	▼	682	56%	▲
Securities/MM/FX Trading/Others	493	259	90%	▲	838	(41%)	▼
<b>Total</b>	<b>1,554</b>	<b>1,727</b>	<b>(10%)</b>	<b>▼</b>	<b>1,520</b>	<b>2%</b>	<b>▲</b>



# Diverse Revenues from Core Fee Income

(Rs Crs)

	Q2FY21	Q2FY20	Y-o-Y(%)	Q1FY21	Q-o-Q(%)
Trade and Remittances	152	182	(16%) ▼	116	31% ▲
Foreign Exchange Income	228	277	(18%) ▼	155	47% ▲
Distribution Fees (Insurance, MF, Cards)	323	322	- ▲	174	86% ▲
General Banking Fees / PSL	123	126	(2%) ▼	109	13% ▲
Loan Fees	212	360	(41%) ▼	99	114% ▲
Investment Banking	23	201	(89%) ▼	29	(21%) ▼
<b>Total Core Fee Income</b>	<b>1,061</b>	<b>1,468</b>	<b>(28%) ▼</b>	<b>682</b>	<b>56% ▲</b>

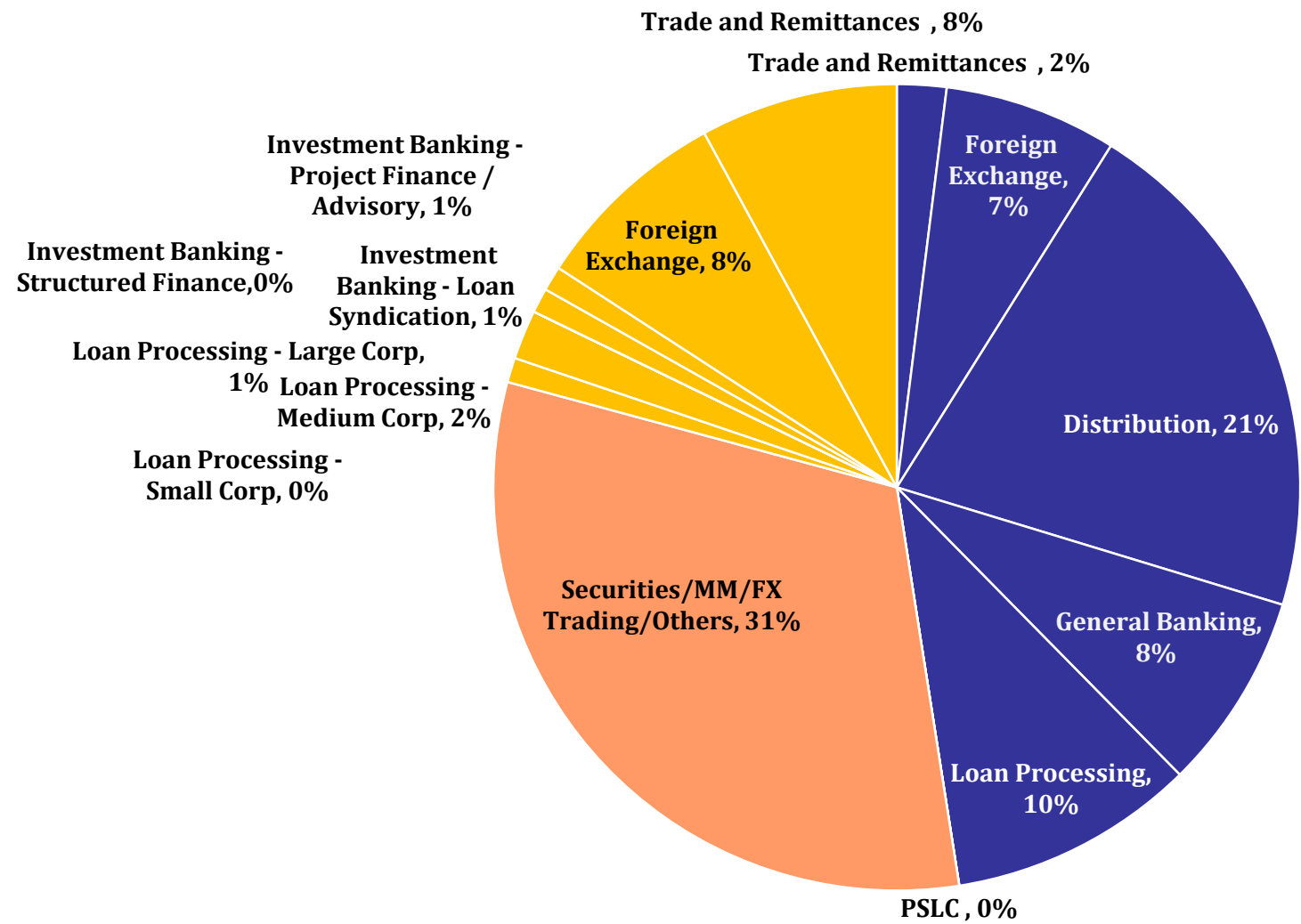


# Diversified and Granular Fee Streams – Q2 FY21

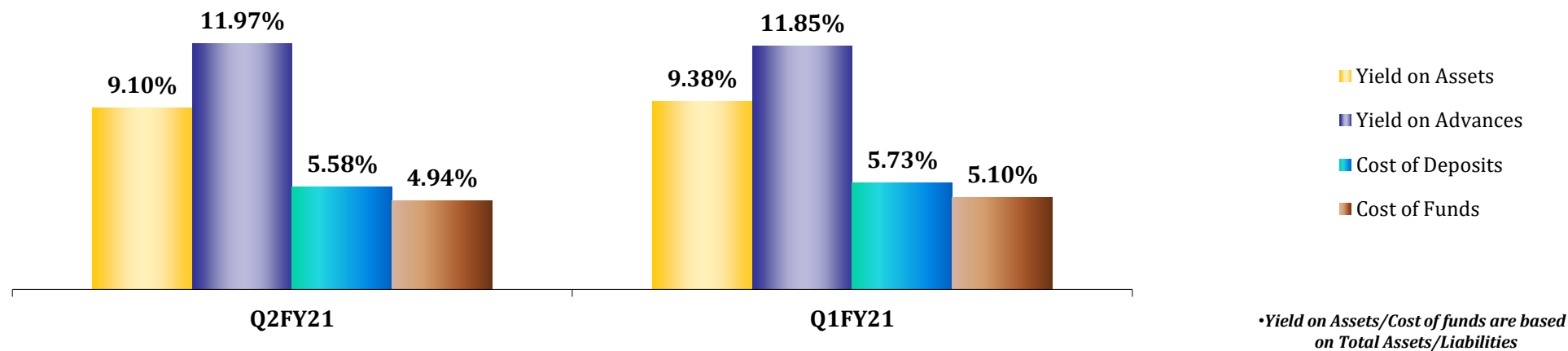
**Corporate Banking  
(21%)**

**Consumer Banking  
(48%)**

**Trading and Other Income  
(31%)**



# Yield / Cost Movement



## Segment-wise Yield

	Q2FY21		Q1FY21	
	Outstanding (Rs crs)	Yield (%)	Outstanding (Rs crs)	Yield (%)
Corporate Bank	85,427	8.42%	83,986	8.56%
Consumer Finance	1,15,820	14.63%	1,14,083	14.49%
<b>Total</b>	<b>2,01,247</b>	<b>11.97%</b>	<b>1,98,069</b>	<b>11.85%</b>

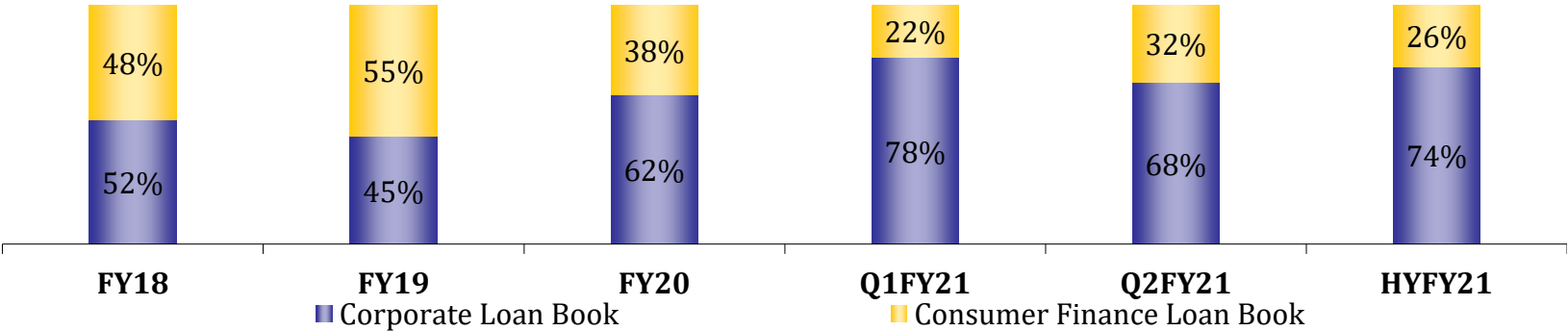


- Specific provision of Rs. 2,646 crs related to non-performing loans
- Provision of Rs. 2,155 crs related to COVID-19
- Floating provisions of Rs. 70 crs other than related to COVID-19
- Standard asset provision of Rs. 972 crs other than related to COVID-19
- Other provisions of Rs. 150 crs on standard assets
- Total loan related provisions at 132% of GNPA
- Loan related provisions are 3.0% of the loans



# Credit Cost

	(Rs Crs)					
	FY18	FY19	FY20	Q1FY21	Q2FY21	HYFY21
Corporate Bank	468	2,134	1,893	907	419	1,326
Consumer Finance	433	585	1,136	259	201	460
Gross Credit Costs	901	2,719	3,029	1,166	620	1,786
Gross Credit Costs (Basis Points on Advances)	62	146	146	59	31	89
Net Credit Cost	856	2,689	2,973	1,157	602	1759
Net Credit Costs (Basis Points on Advances)	59	144	144	58	30	87
PCR	56%	43%	63%	67%	77%	77%



# Loan Portfolio - Movement in NPA and Restructured Advances

(Rs Crs)

	Q2FY21			Q1FY21		
	Corporate	Consumer	Total	Corporate	Consumer	Total
Opening Balance	3,388	1,711	5,099	3,416	1,731	5,147
Additions	13	386	399	1,225	312	1,537
Deductions	471	495	966	1,253	332	1,585
Gross NPA	2,930	1,602	4,532*	3,388	1,711	5,099*
Net NPA			1,056			1,703
% of Gross NPA			2.21%			2.53%
% of Net NPA			0.52%			0.86%
Provision Coverage Ratio (PCR)			77%			67%
Restructured Advances			0.05%			0.05%
Restructured + Gross NPA to Advances			2.26%			2.58%

\*After sale to ARC Rs .95 crs (Rs. 26 crs)





# NPA Composition – Consumer Finance

(Rs Crs)

Q2 FY21	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	Tractor	BBG/LAP	HL/PL/ Others	Cards	MFI	Total
Gross NPA	440	53	76	66	223	65	70	189	34	28	358	<b>1,602</b>
Gross NPA %	1.82%	1.17%	0.90%	1.78%	3.80%	0.87%	1.27%	0.89%	0.40%	0.57%	1.58%	<b>1.36%</b>

Q1 FY21	Com. Vehicle	Utility	Const. Equip.	Small CV	TW	Cars	Tractor	BBG/LAP	HL/PL/ Others	Cards	MFI	Total
Gross NPA	524	51	90	66	154	58	67	253	43	38	367	<b>1,711</b>
Gross NPA %	2.19%	1.16%	1.11%	1.82%	2.62%	0.80%	1.43%	1.23%	0.54%	0.79%	1.55%	<b>1.48%</b>



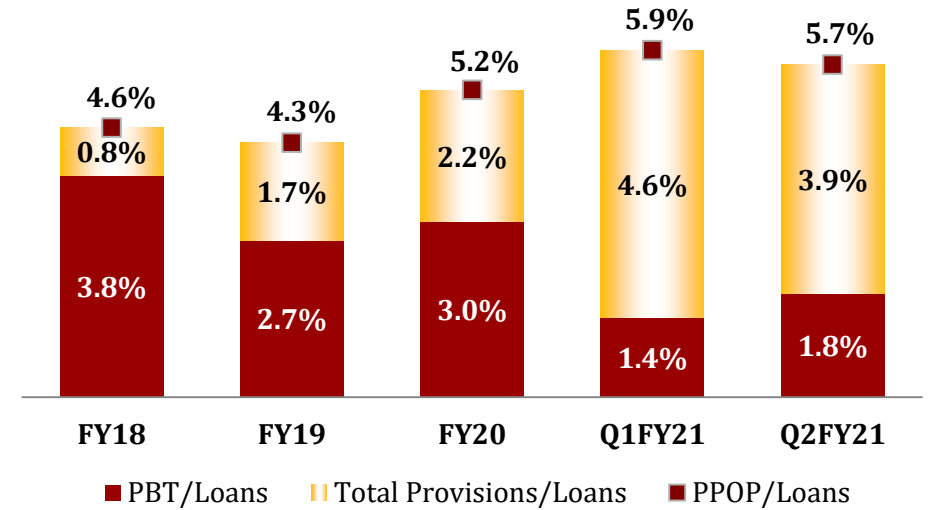
# Strong Balance Sheet & Profitability Buffers in Place

## Capital Adequacy

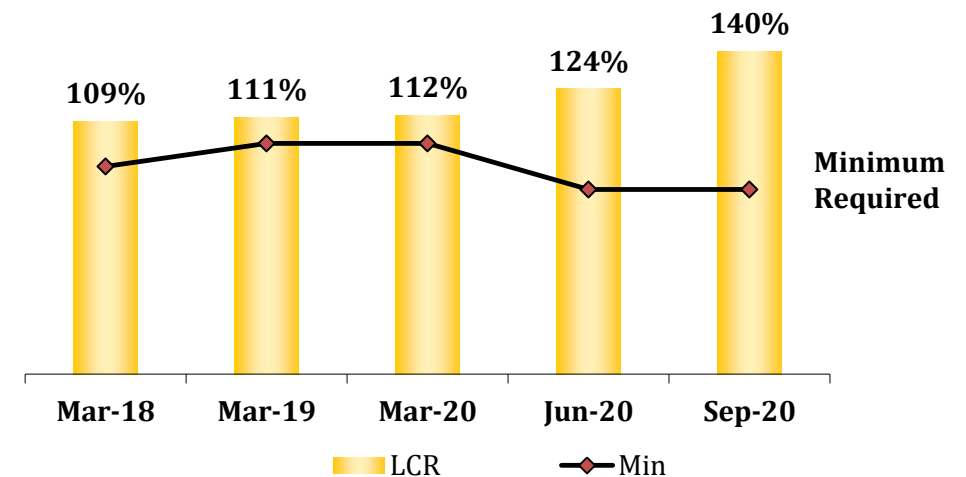
	(Rs Crs)	
	30 Sep 20	30 Jun 20
Credit Risk, CVA and UFCE	2,24,353	2,22,384
Market Risk	8,977	10,985
Operational Risk	28,353	28,353
<b>Total Risk Weighted Assets</b>	<b>2,61,683</b>	<b>2,61,722</b>
Core Equity Tier 1 Capital Funds	37,942	34,435
Additional Tier 1 Capital Funds	3,490	3,490
Tier 2 Capital Funds	1,871	1,749
<b>Total Capital Funds</b>	<b>43,303</b>	<b>39,674</b>
<b>CRAR</b>	<b>16.55%*</b>	<b>15.16%</b>
CET1	14.50%*	13.16%
Tier 1	15.83%	14.49%
Tier 2	0.72%	0.67%

\* CRAR at 16.87% and CET1 at 14.82% including HY FY 21 PAT

## Pre Provision Operating Profit Margin



## Liquidity Coverage Ratio



# Distribution Expansion to Drive Growth



## Strengthening Distribution Infrastructure

Particulars	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020
Branches/Banking Outlets	1,851	1,911	1,911	1,910*
BFIL Branches	2,163	2,071	2,079	2,144
Vehicle Finance Marketing Outlets	859	853	854	841
<b>Total</b>	<b>4,873</b>	<b>4,835</b>	<b>4,844</b>	<b>4,895</b>
ATMs	2,721	2,760	2,721	2,785

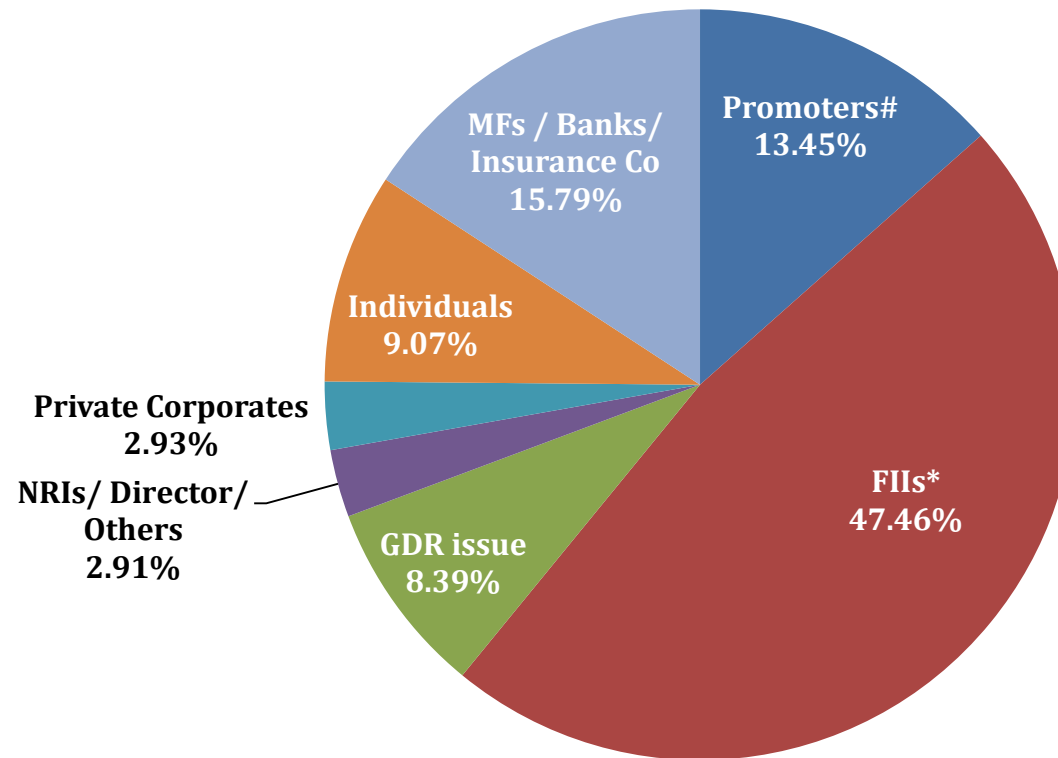
\*includes 208 specialized branches and 150 Banking outlets



• Branch/Representative Office



## Paid up Capital as of September 30, 2020



\*includes FPIs

# 14.92% with diluted capital including warrants/ESOP



**Thank You**



***IndusInd Bank***

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