

IndusInd Bank

February 27, 2020

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

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

NSE Symbol: INDUSINDBK

BSE Scrip Code: 532187

Chief Regulatory Officer,
India International Exchange.
1st Floor, Unit No. 101,
The Signature Building No.13B,
Road 1C, Zone 1, GIFT SEZ,
GIFT CITY, Gandhinagar - GJ 382355

Scrip Code: 1100027

Madam / Dear Sir,

Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

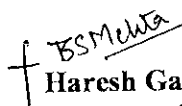
In Compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Investor Presentation on “Off Balance Sheet Exposures.” held on February 26, 2020.

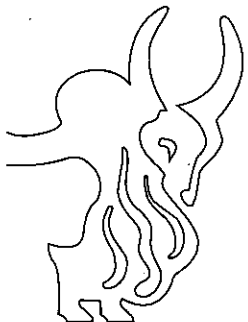
In compliance with the Regulation 46, the Presentation is also being hosted on the Bank's website at www.indusind.com.

Kindly take the same on record and oblige.

Thanking you,

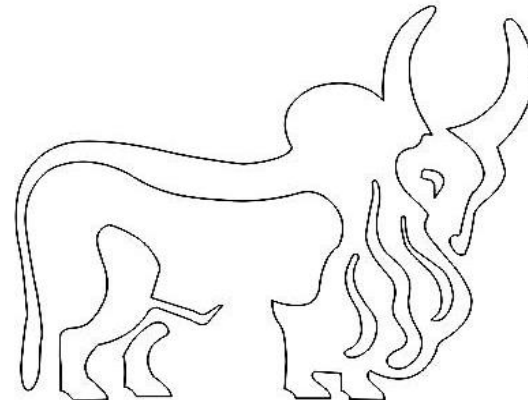
Yours faithfully,
For IndusInd Bank Limited


Haresh Gajwani
Company Secretary



IndusInd Bank Limited, Building No. 7, Solitaire Corporate Park, Andheri-Ghatkopar Link Road,
Chakala, Andheri E, Mumbai - 400 093, India. Tel: (0022) 66412200

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



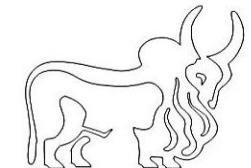
IndusInd Bank

Off Balance Sheet Exposures

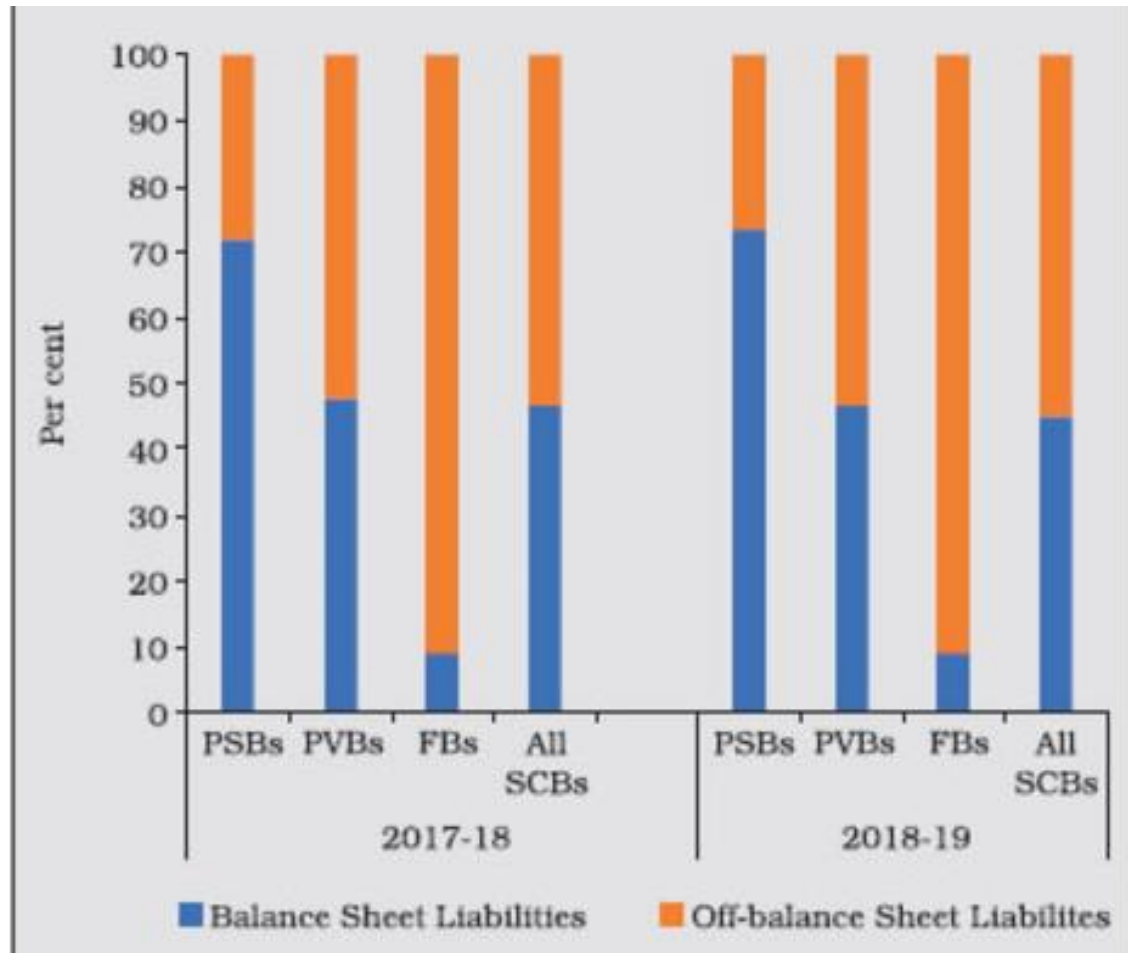
February 26, 2020

Rationale for this Presentation

- **Provide Investors and Analysts a glimpse into off Balance Sheet Products**
- **Dispel the myth that off balance sheet products are large**
 - **Most are notional principals**
- **Confirm that we (as do some peers and particularly Foreign Banks) view this as a key success factor and source of competitive advantage**



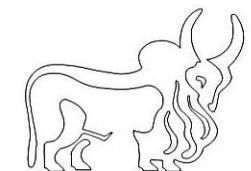
Market sizing for Off Balance Sheet Instruments



- ❑ Foreign Banks view this as amongst the most attractive parts of the customer wallet
- ❑ Foreign banks used to dominate this market, but Private Sector Banks have now made significant inroads (IndusInd is 2.5X Off to On Balance Sheet)
- ❑ The Off Balance Sheet to On Balance Sheet ratio of all Foreign Banks in India is collectively 10X
- ❑ 90% of Off Balance Sheet numbers are “notional principals” from Markets products such as FX + Derivatives + Options that are principal to principal transactions and not borrower/lender transactions
- ❑ A much smaller portion relates to Letters of Credit and Guarantees and some other items such as undrawn lines, contingent risk from Bills Rediscounting, etc.

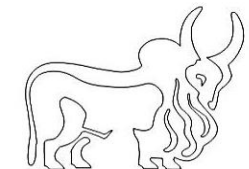
Source: RBI, Annual Reports of Banks

PSB: Public Sector Banks, PVB: Private Sector Banks, FB: Foreign Banks, SCB: All Scheduled Commercial Banks



Our approach to Off Balance Sheet Products

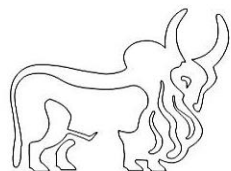
- **Income from off balance sheet products are a key component of client RAROC / Wallet plan**
- **Risk evaluation & approval in exactly the same manner as on - balance sheet products**
- **Focus is on working capital related off balance sheet products similar to our loan portfolio**



Regulatory Prescription for Off Balance Sheet Products

Product	Sub-product	Credit Conversion Factor *	Typical Duration	Risk Weighted Assets derived from External Ratings are applied to CCF
Letter of Credit	Sight LC	20%	1 Months	AAA = 20% RWA AA = 30% RWA A = 50% RWA BBB = 100% RWA
	Usance LC	100%	6 Months	
Bank Guarantee	Performance Guarantee	50%	1-3 year	
	Financial Guarantee	100%	1-3 year	
IR Derivatives	Short Term	0.5%	< 1 Year	
	Medium Term	1%	1 to 5 Years	
	Long Term	3%	> 5 years	
FX Contracts	Short Term	2%	< 1 Year	
	Medium Term	10%	1 Year to 5 Years	
	Long Term	15%	> 5 years	

- ❑ Example: USD 100m FX contract for 6 months has a 2% CCF or USD 2 m. If this is a AAA Counterparty the Risk Weight is 20% of the CCF which makes for a USD 400k RWA.



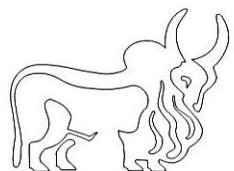
* Plus Positive MTM to arrive at CCF

Off Balance Sheet exposure is 16% of Bank RWA

Particulars	Notional Amount	Credit Equivalent Basel Exposure	Risk Weighted Assets	RWAs as % of Notional
LC and Guarantees	85,596	85,596	27,121	32%
Derivatives + FX Contracts + Options	7,03,614 *	11,085	7,742	1%
Undrawn limits		3,710	3,303	
Bill Rediscounting + MFI Securitization		1,518	1,375	
Total		1,01,894	39,541	
Bank's Total Risk Weighted Assets			2,45,852	
% of Total RWAs			16%	

Majority of Off Balance Sheet is Markets related notional principals

* Almost 50% relate to cover operations

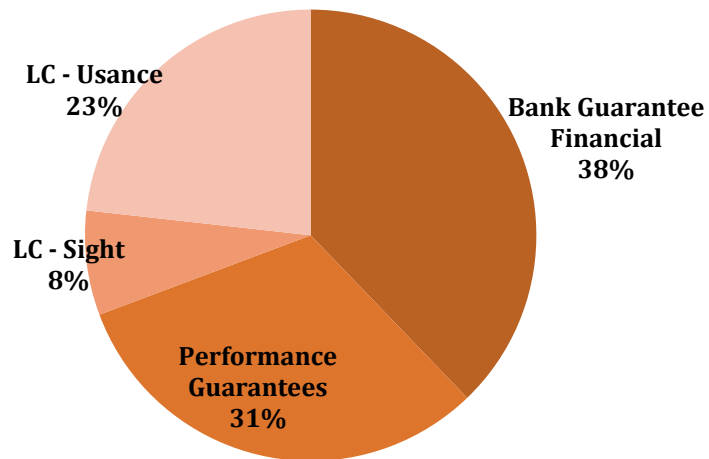


Note: Data as of Dec-2019

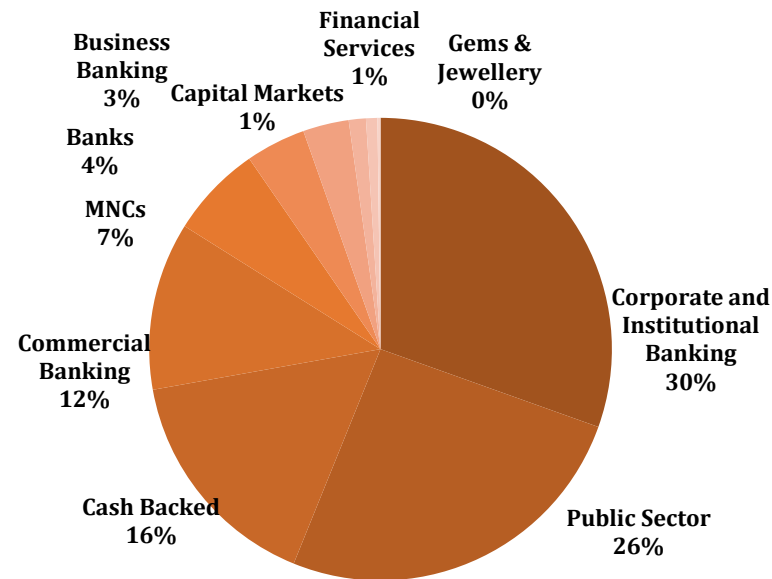
Trade Related Off Balance Sheet Instruments

- ❑ Diversified product mix across various trade products and short tenures
- ❑ Exposures predominantly to public sector, cash backed transactions and strong sponsors

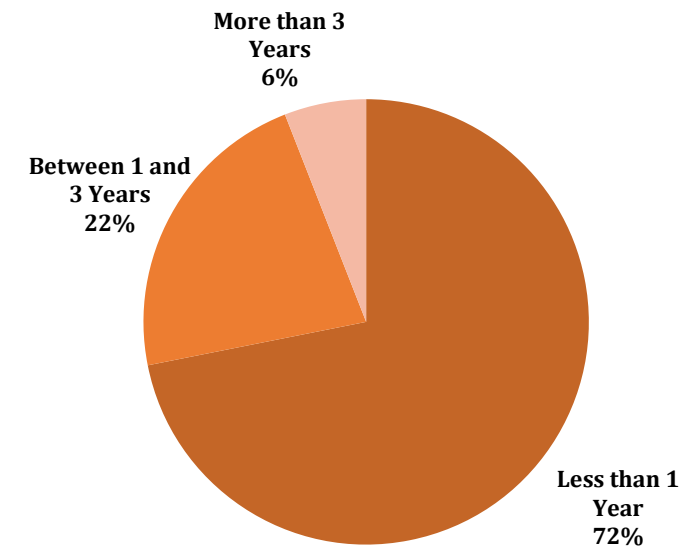
Product Mix



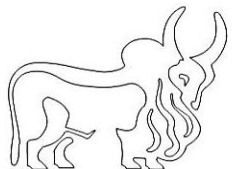
Client Profile Mix



Residual Tenure



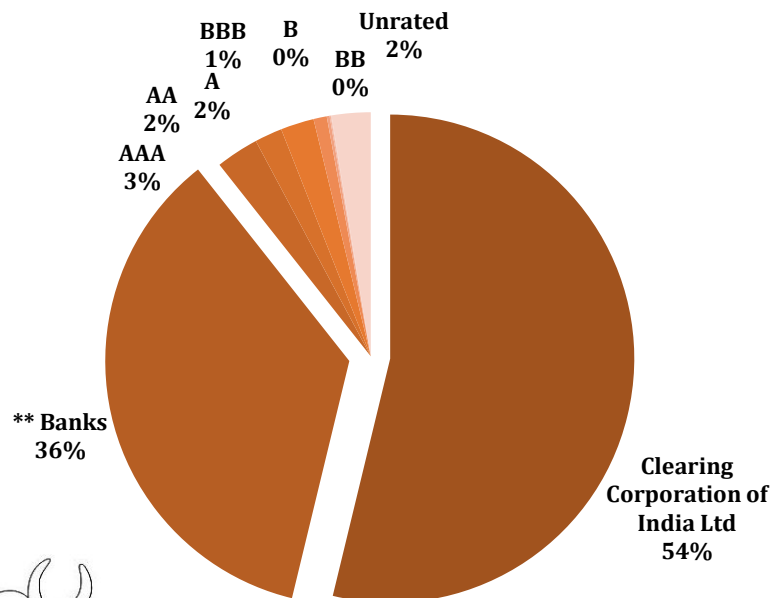
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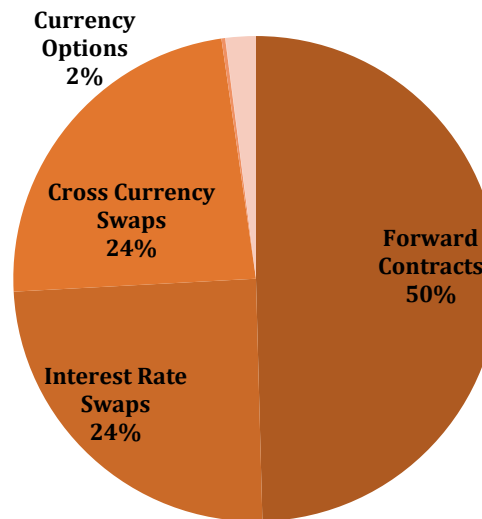
Market Related Off Balance Sheet Instruments

- ❑ One of the largest treasuries in Indian banks with best-in-class risk management systems
- ❑ Robust framework for measurement of risks through Client Suitability Tests, VaR, PV01, Stop-loss limits, MTM of marketable portfolios, Exposure limits, etc.
- ❑ Only one client with Rs 8cr settlement amount pending to be recovered in the last 5 years.

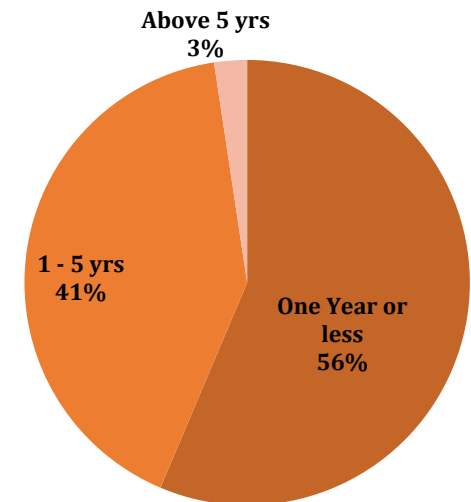
Counterparty Rating Profile



Product-wise PFE* Split

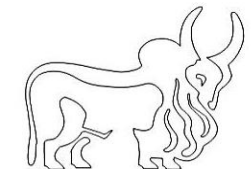


Residual Tenure



Note: Data as of Dec-2019

* PFE = Potential Future Exposure ** 85% covered under CSA



Thank You