CIN: L65191PN1994PLC076333

IndusInd Bank

March 19, 2018

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

NSE Symbol: INDUSINDBK

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

BSE Scrip Code: 532187

Madam / Dear Sir,

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

We enclose herewith the Presentation on "Indian Banking at Inflection – Topical Themes" made in Hong Kong on March 19, 2018, at the Credit Suisse Asian Investment Conference.

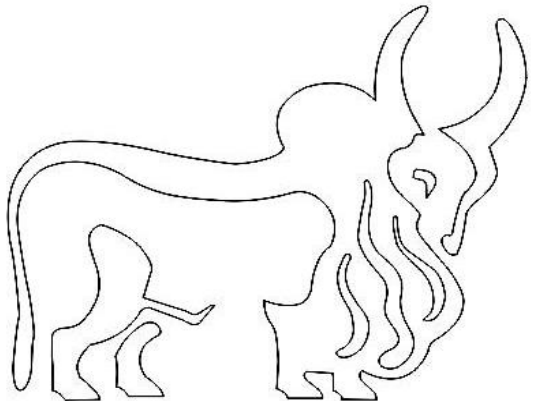
In compliance with the Regulation 46, the Presentation is also being hosted on the Bank's website at www.indusind.com.

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,
For IndusInd Bank Limited

Haresh Gajwani
Company Secretary



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Indian Banking at Inflection – Topical Themes

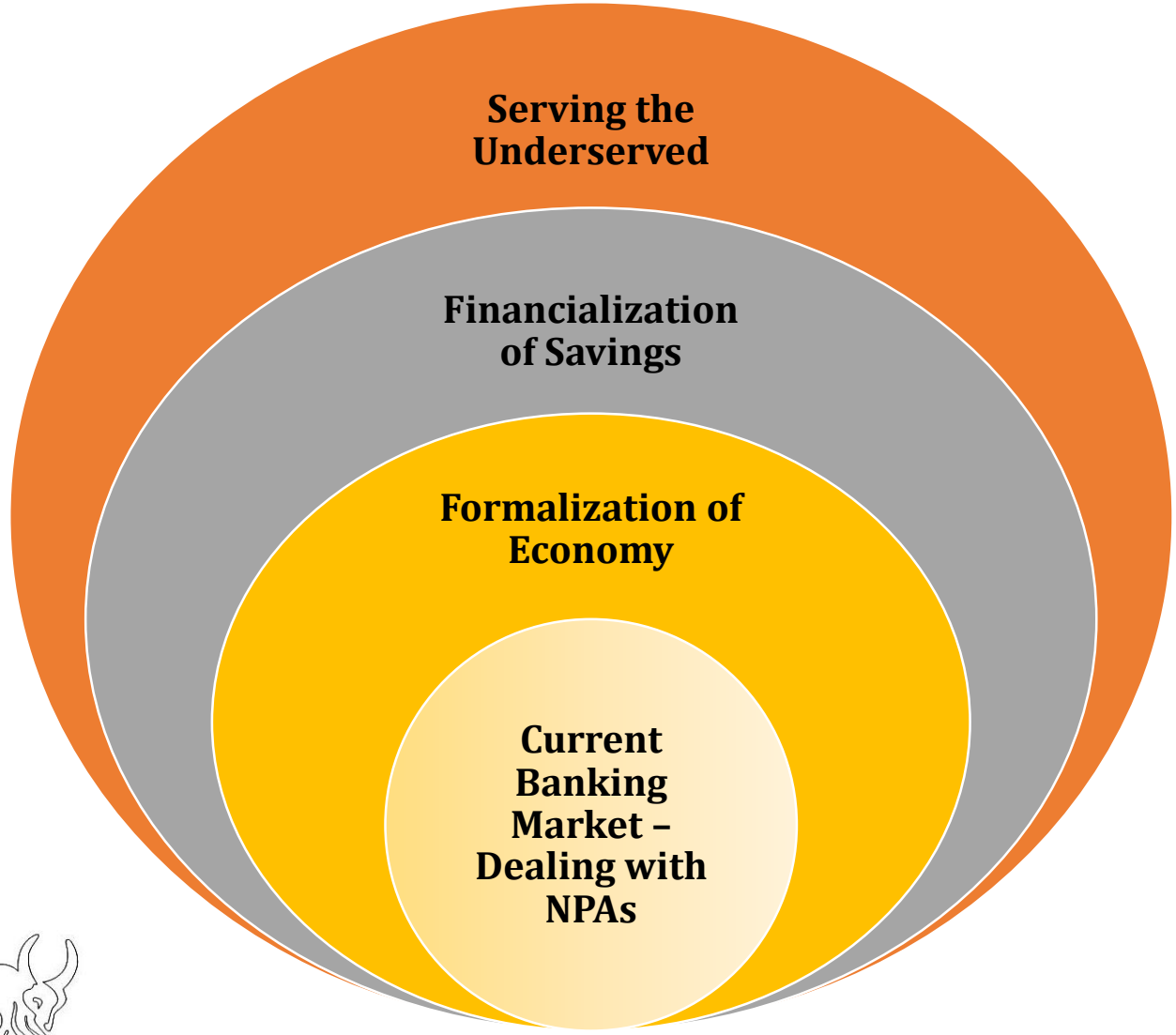
Credit Suisse Asian Investment Conference

March 19, 2018

Presentation Path

1. Finally, a Viable NPA Resolution Platform
2. Formalization of Economy
3. Financialization of Savings
4. Serving the Underserved – the Rural Frontier
5. Operational Risk Management

Reforms Set to Expand the Banking Opportunity

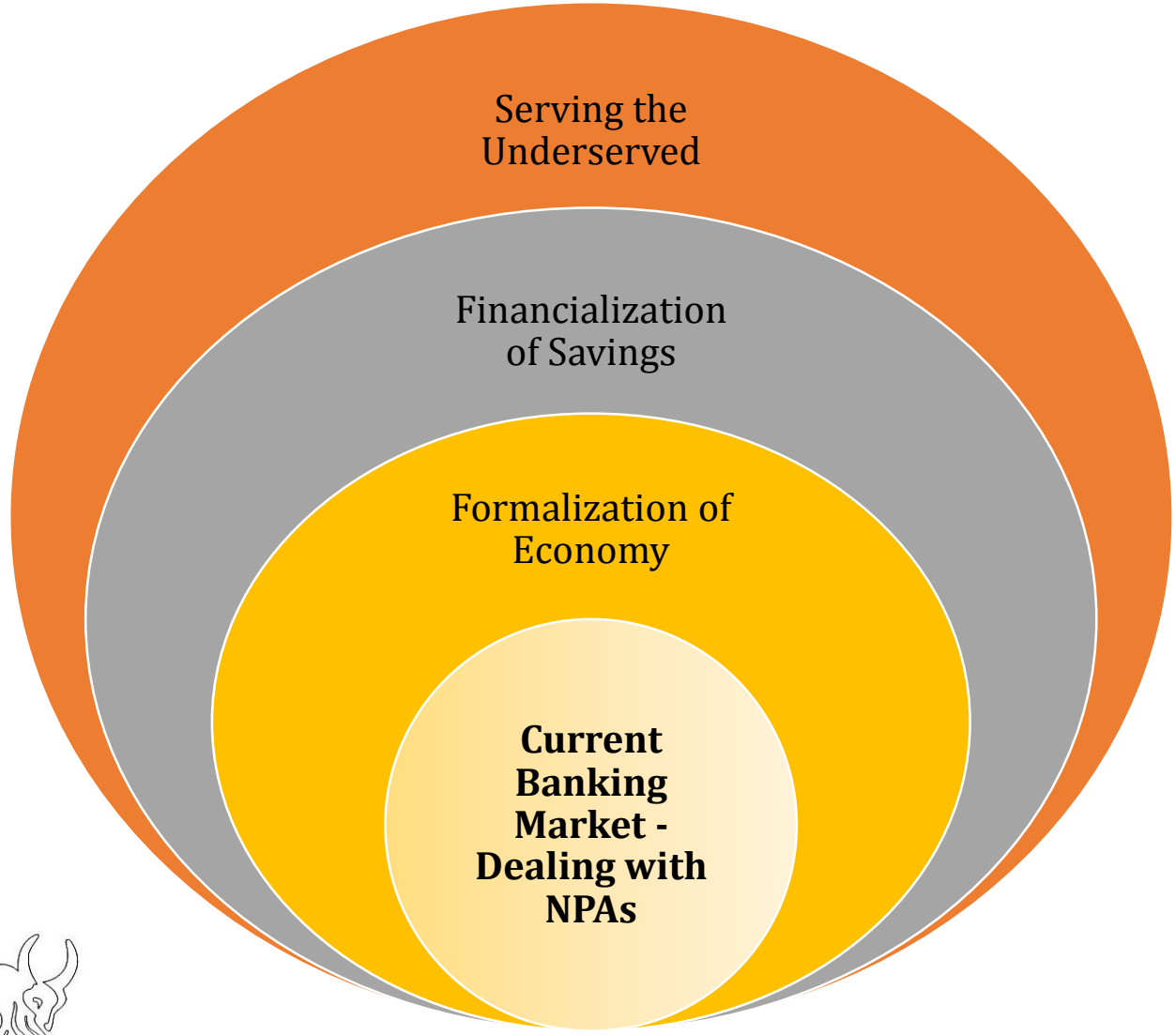


- **Rural Banking Frontier**
- **Demonetization & Change in Status Quo for Investments in Physical Assets**
- **Goods & Service Tax**
- **Bankruptcy Code – a Viable NPA Resolution Platform**

Note: Bubbles not to scale

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Reforms Set to Expand the Banking Opportunity

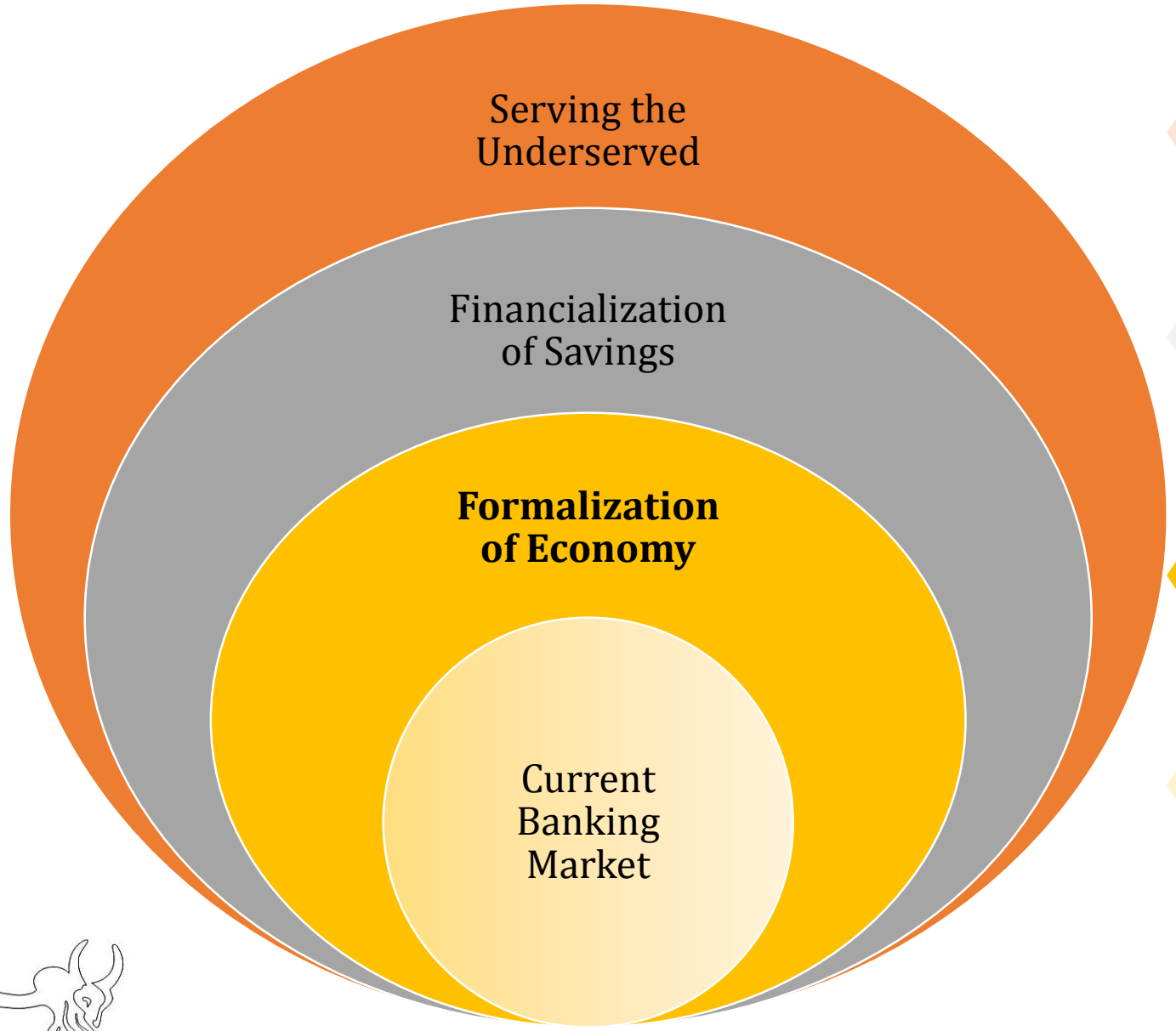


1. **Legislation well drafted and thought through**
2. **Time lines being adhered**
3. **Haircuts??**

- **Bankruptcy Code – a Viable NPA Resolution Platform**

Note: Bubbles not to scale

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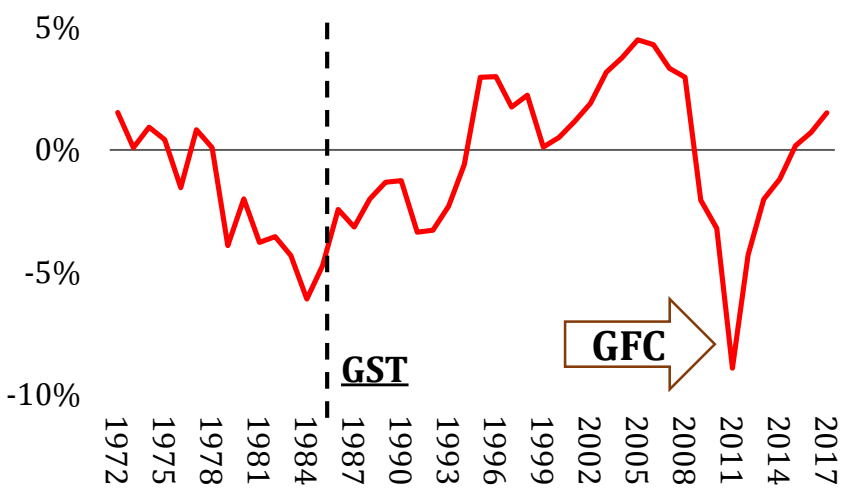
- Rural Banking
- Demonetization & Change in Status Quo for Investments in Physical Assets
- **Goods & Service Tax: Benefits far outweigh initial hiccups**
- Bankruptcy Code

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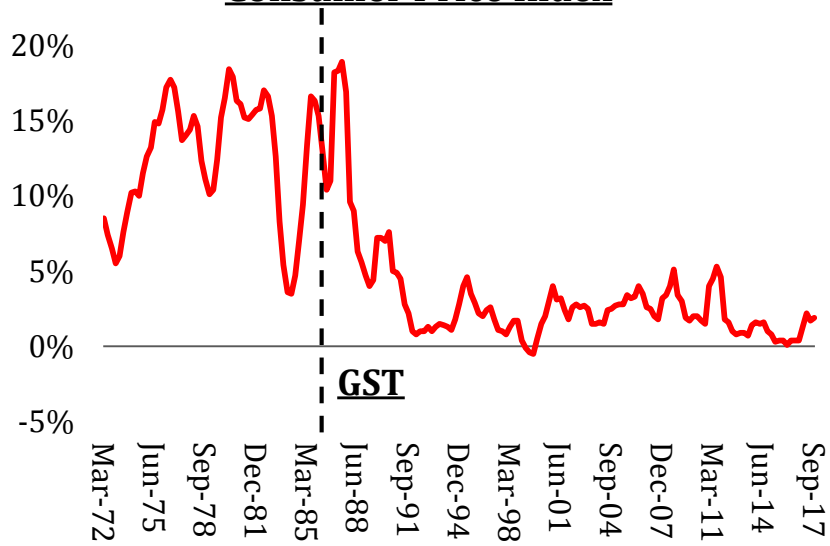
GST in New Zealand – A Case in Point

- **Pre-GST New Zealand (NZ) exhibited macro characteristics similar to India on inflation, fiscal deficit and rates**
- **NZ economy has improved consistently post implementation of GST in 1986. NZ today is one of the highest tax productive nations (GST Revenue / GDP Ratio) among OECD nations [1] and has a Fiscal Surplus!**
- **Evidence from other countries indicate one-off effects dissipated after one to two years of implementation**

Fiscal Surplus / Deficit (% of GDP)[2]



Consumer Price Index



Govt. 10 Year Bond Yield



(1) Source : IMF 2015

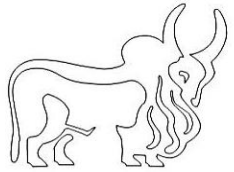
(2) Source: NZ Treasury; Adjusted Financial Balance till 1993; Operating Balance Before Gains and Losses Post 1993

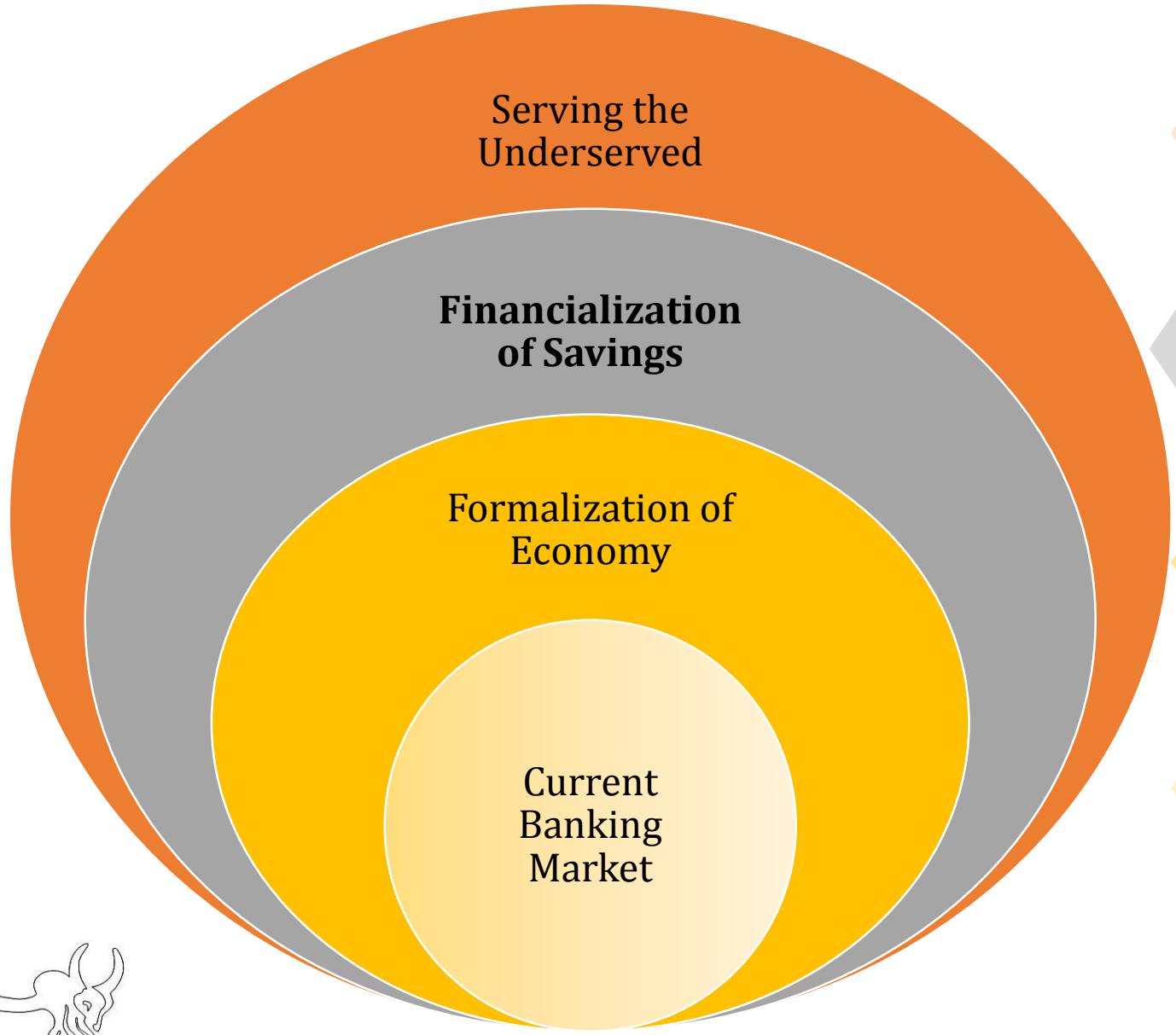
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GST To Benefit Growth & Profitability of Banks

- **Informal Economy – Demonetization addressed the stock while GST addresses the flow.**
- **Demonetization & GST driving Direct Tax triangulation; Direct tax collections for Apr17-Feb18 up 19.5%**
- **GST to boost economic growth by additional 0.5% to 1% with a stable and transparent tax system**
- **Formalization of cash economy with improved quality of information enhancing bankable wallet**
- **Lower government borrowings means lower SLR & CRR freeing capital to fund the economy *(more benefit to banks with higher difference between investment and loan yields)***
- **SME, MSME invoice / bill discounting to get a fillip with GSTN bills being offered / financed on TReDS***

** Trade Receivables e-Discounting System*

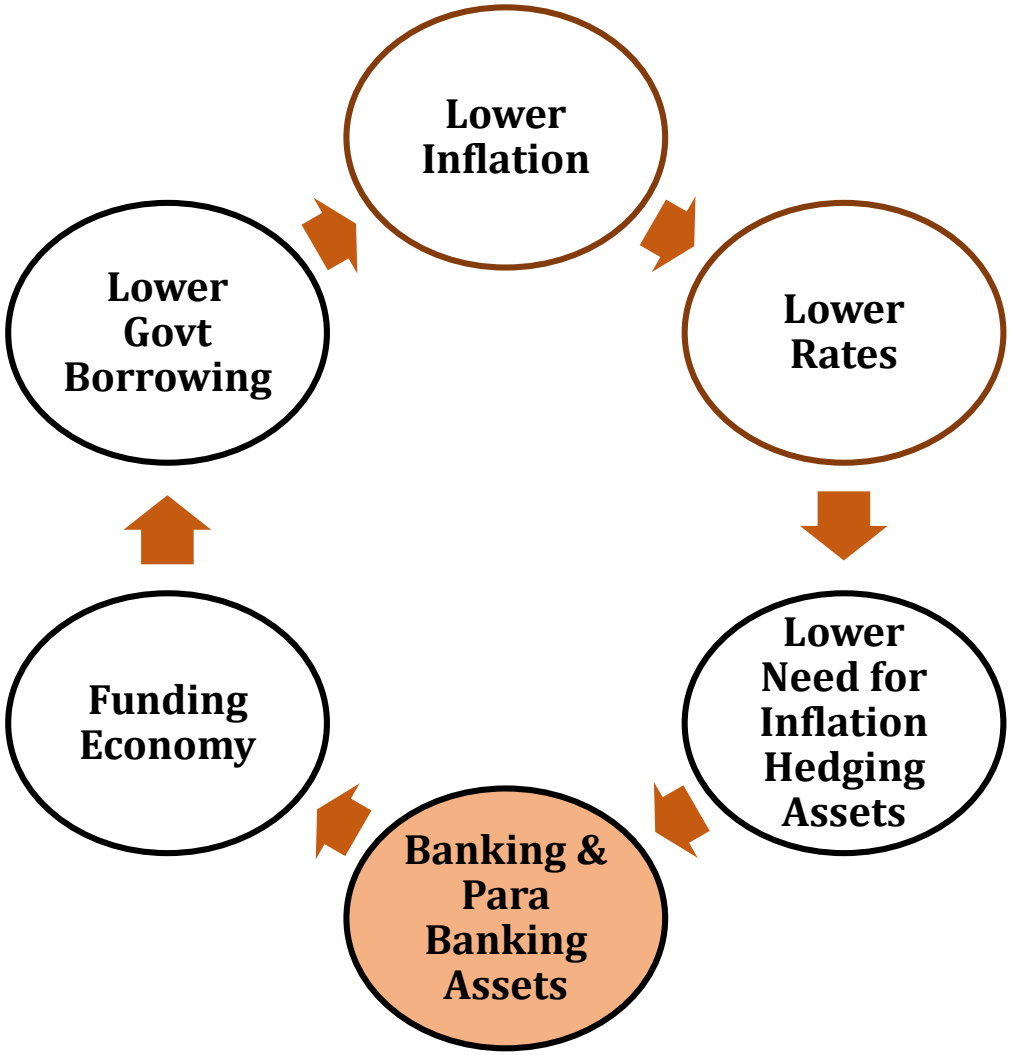




- Rural Banking
- **Demonetization & Change in Status Quo for Investments in Physical Assets**
- Goods & Service Tax: Benefits far outweigh initial hiccups
- Bankruptcy Code

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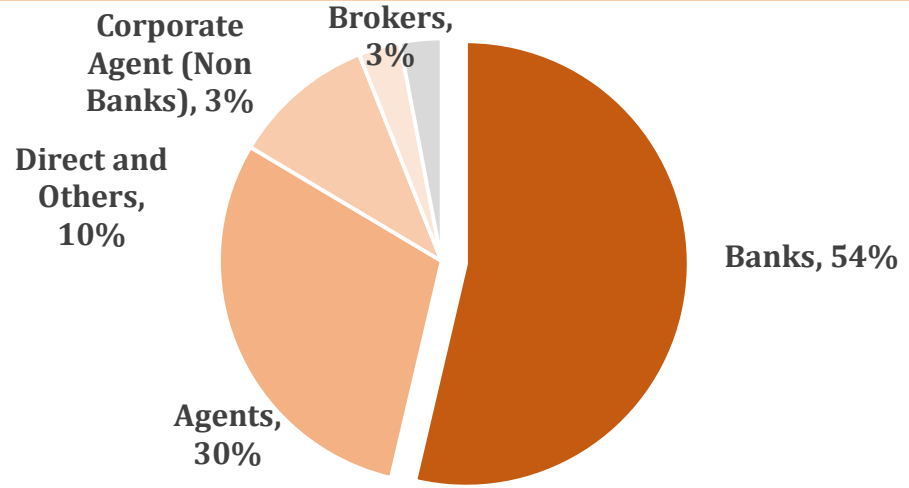
Financialization is Now a Virtuous Cycle



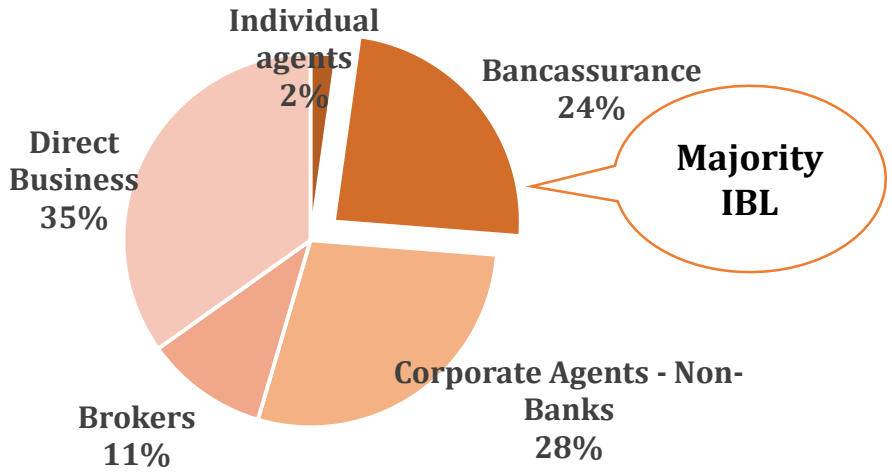
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Banks Are Natural Homes for Para-Banking Products

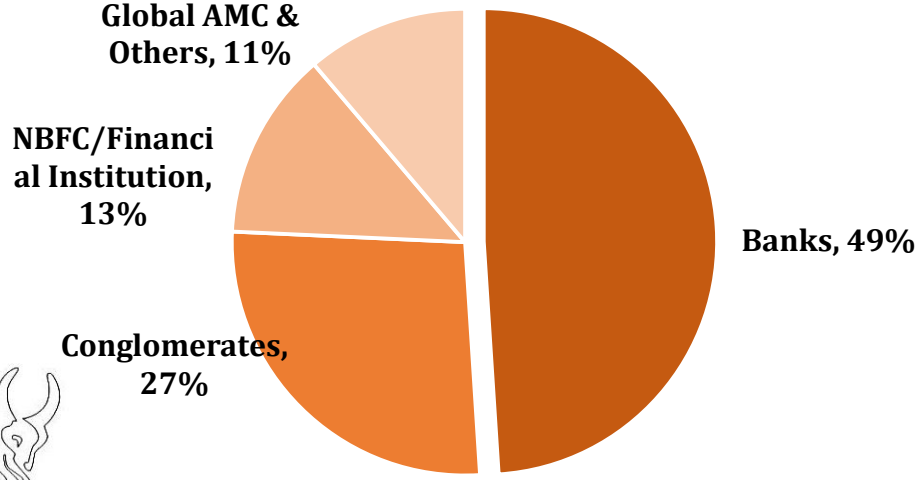
Private Life Insurers - New Business Premiums by Channel



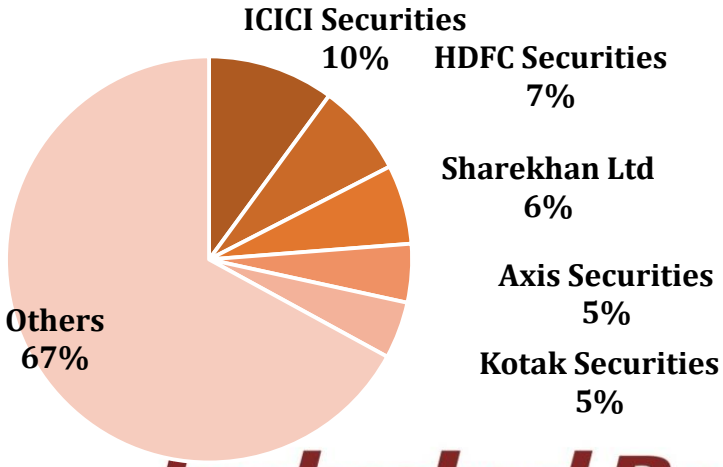
General Insurance – IBL A Large Distributor



AMC AUMs by Parent Entity



Top 5 Retail Brokers are Linked to Banks



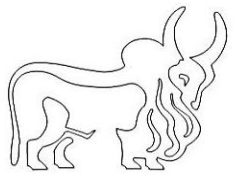
Source: IRDA, AMFI, NSE, Management Estimates

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What is Attracting IndusInd Management Attention ?

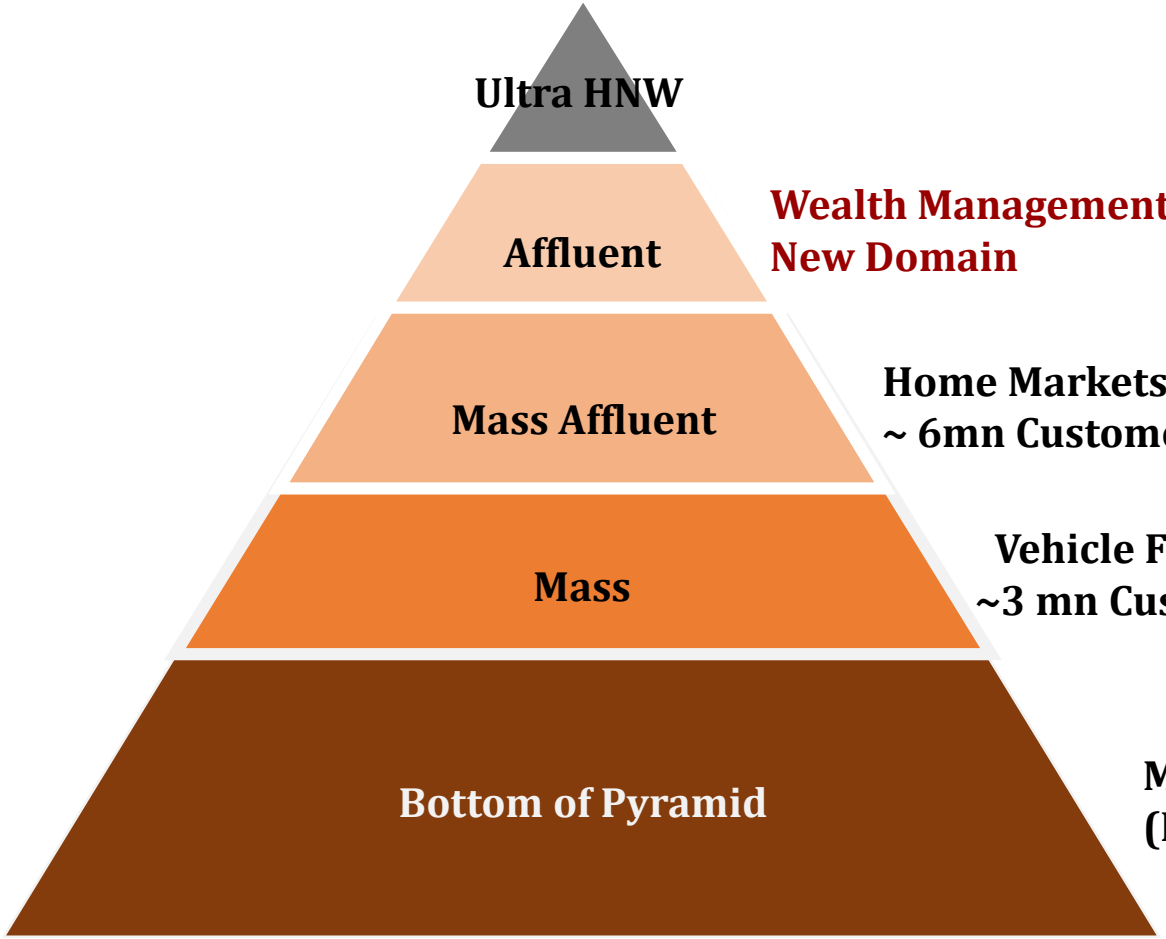
- **Para Banking – From Large Distributor to Manufacturing Profit Pools**

	Preferred Approach	
	High	**Low**
Capital Consumption	Inorganic / JV	Organic
Gestation Period	Inorganic / JV	Organic
Investment Size	Issuance of Shares	Cash
Specialist Skills	Inorganic / JV	Organic / Bolt-on
IBL Franchise	Valuation for Franchise	



What is Attracting IndusInd Management Attention ?

- **Search for New Domains – Wealth Management**



Wealth Management – New Domain

Search on for One More Domain

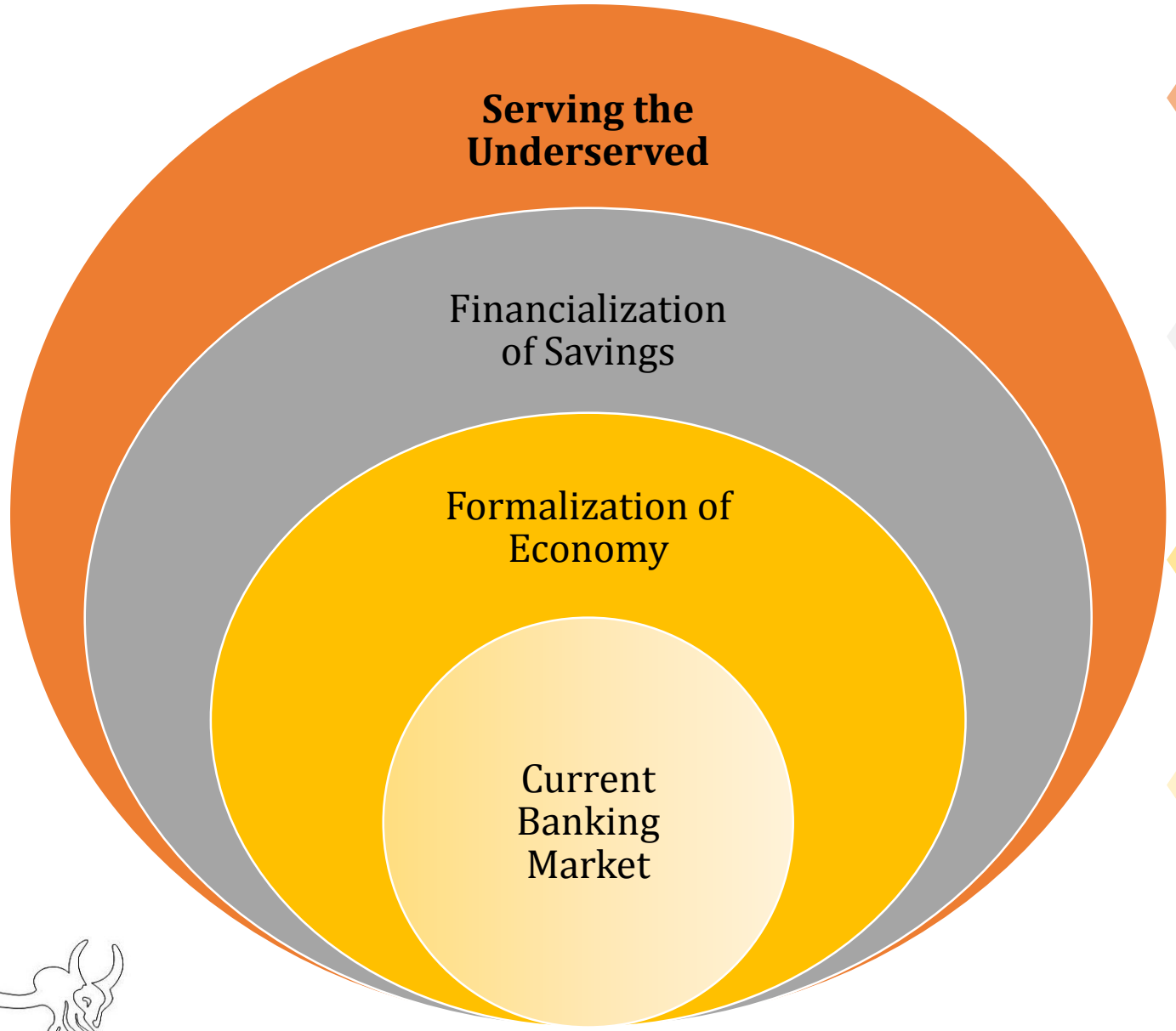
Home Markets ~ 6mn Customers

Vehicle Finance ~3 mn Customers

Microfinance (IBL + BFIL* ~8 mn Customers)

** Merger under approval process*

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- **Rural Banking: Next Growth Frontier**

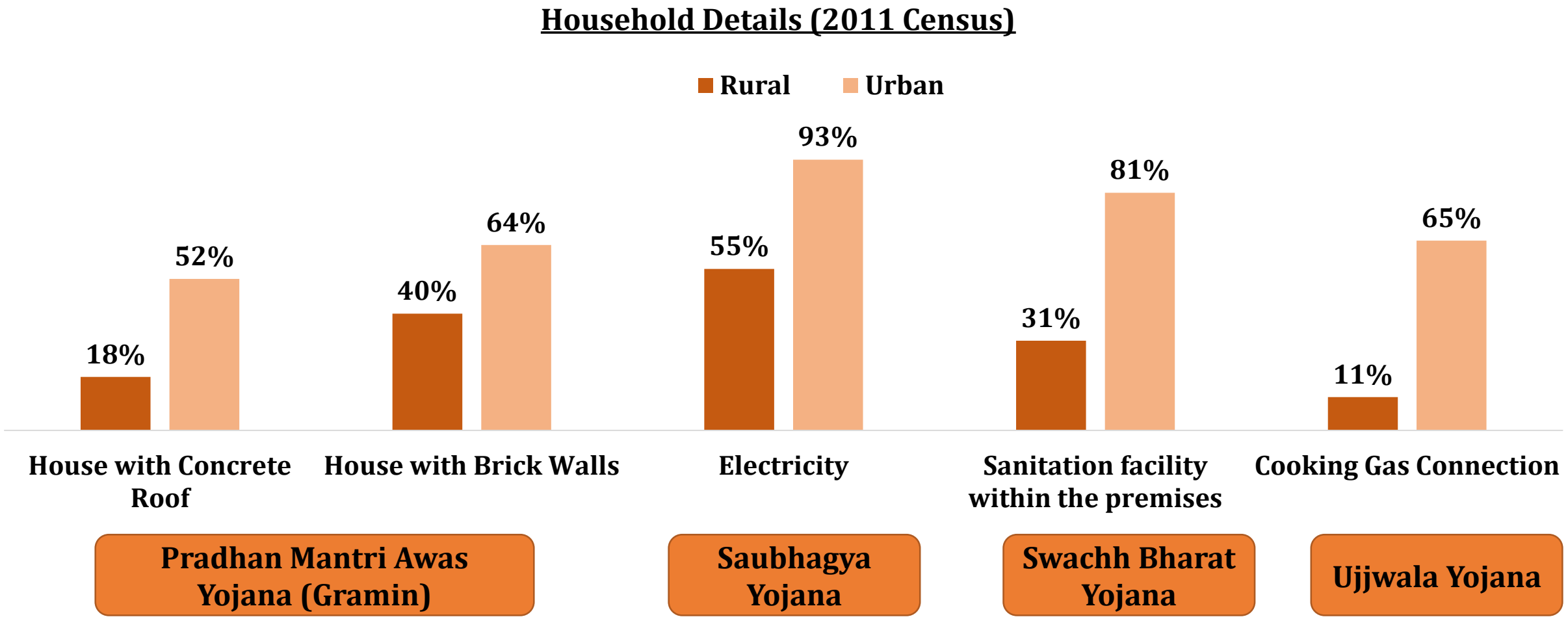
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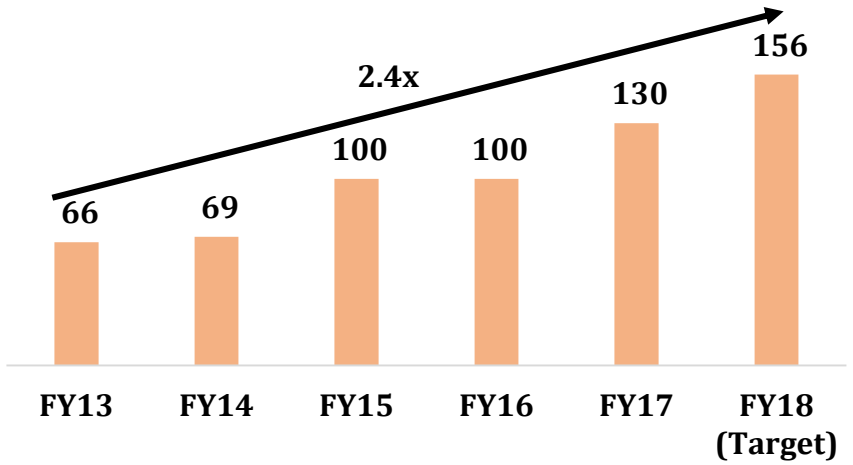
Government Schemes Bridging the Urban / Rural Divide



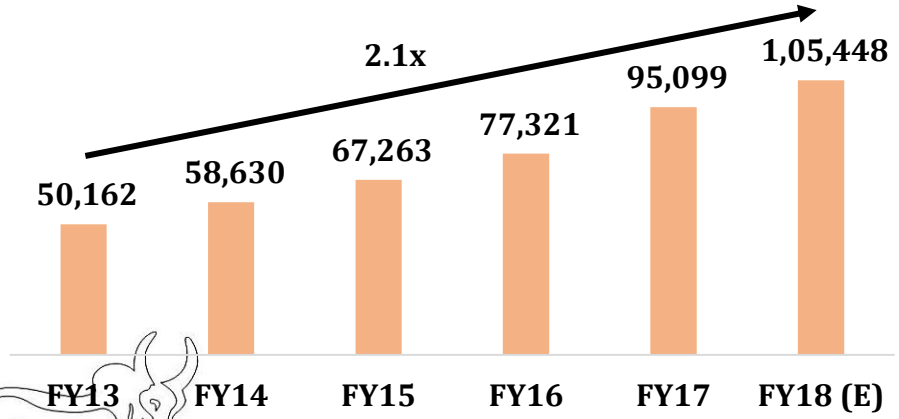
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… And Are Well Executed … And Well Supported

Average Daily Rural Roads Constructed (km)



Expenditure on Rural Development Schemes (Rs cr)



Source: Ministry of Rural Development

Building Blocks of "Rural Stack"

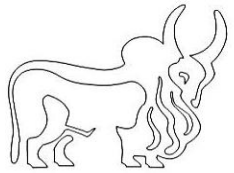
- Credit Bureau Coverage
- Mobile Penetration
- Jan Dhan Accounts
- GST to formalize MSME
- Govt + Private Customer Service Centre Infrastructure

Cost of Delivery Falling Rapidly !

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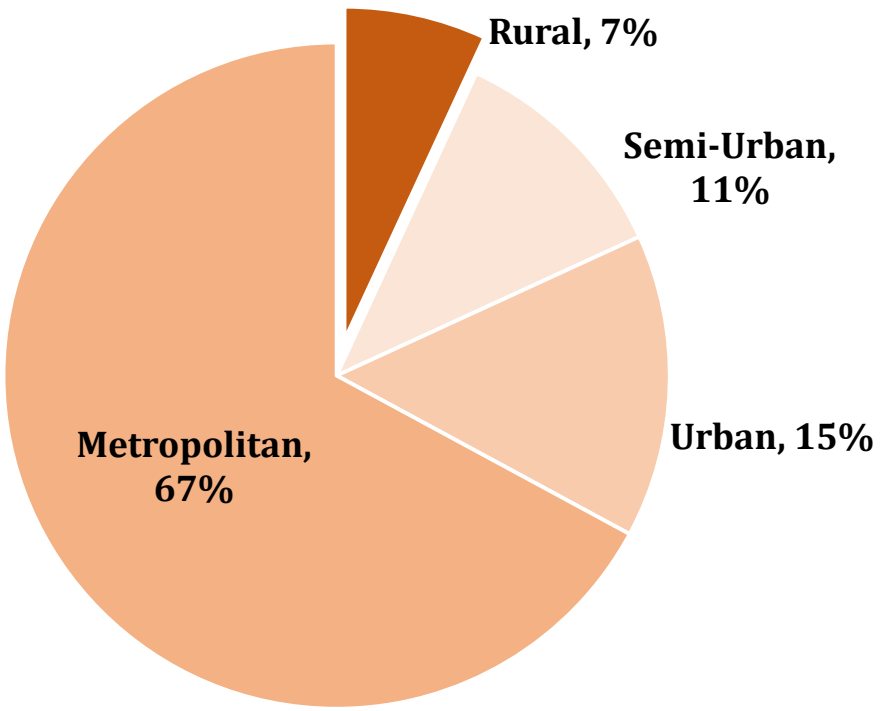
Union Budget 2018-19 Promises More

- **Increasing Farm Income – Minimum Support Price for major crops at 1.5x the cost of production**
- **National Health Protection scheme – Health insurance for 100 mn rural households; Pilot of Rs 20 bn to be ramped up in subsequent years.**
- **Swachh Bharat Mission – targets additional ~19 mn individual household sanitation facilities**
- **Ujjwala (LPG connections to BPL households) – increased target from 50 mn to 80 mn households**
- **Saubhagaya (Electricity connection to households) – targets additional 17.5 mn households with electric point in every house.**

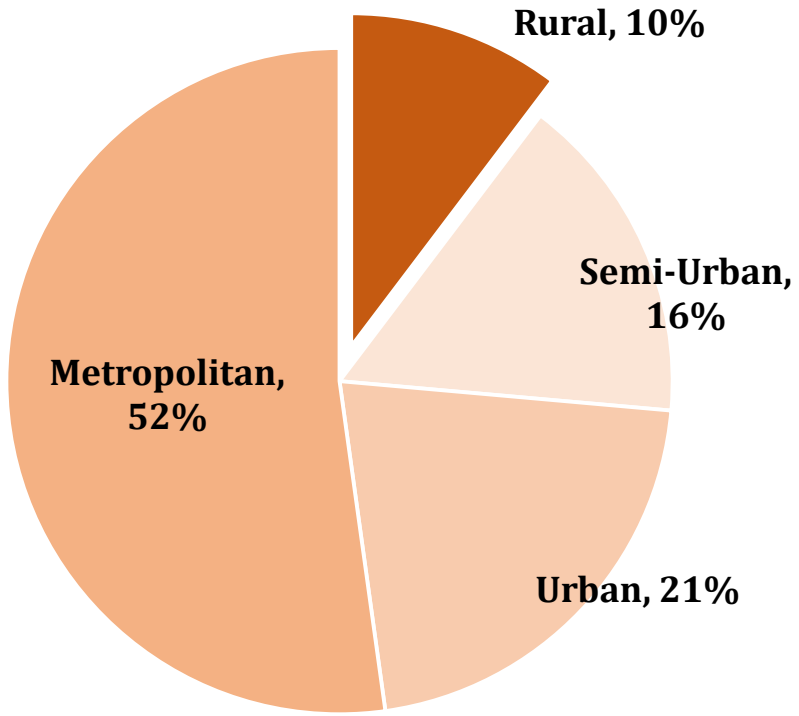


Rural India Under-served for both Assets & Liabilities

Credit by Population Category



Deposits by Population Category



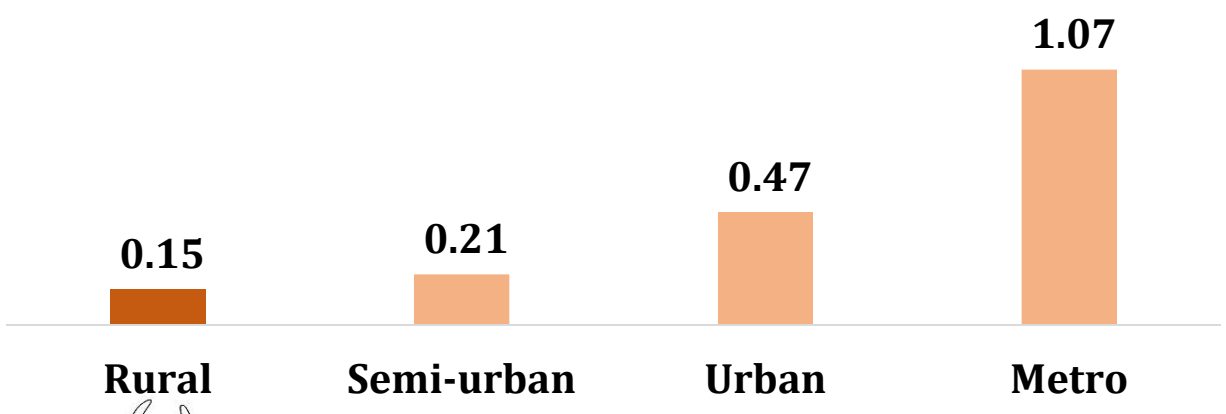
Source: RBI, Data as of March 2017

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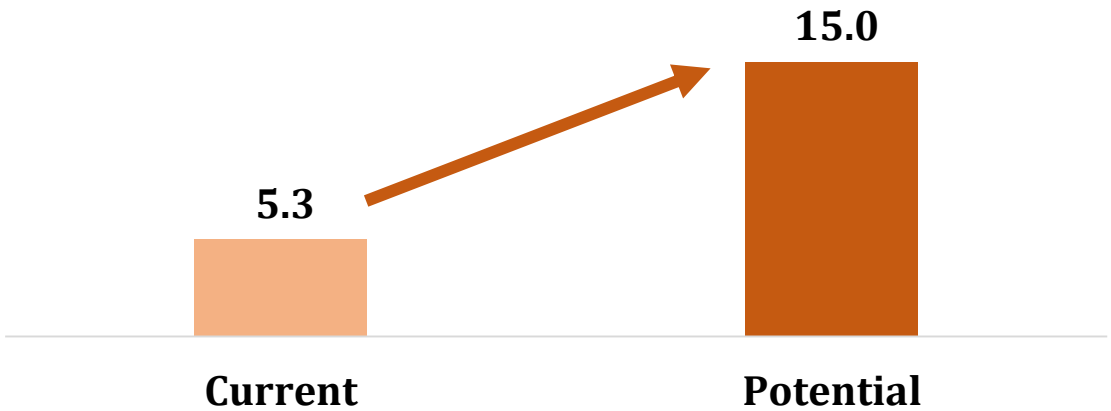
Rural Opportunity >3x the Current Market

- **Rural India HouseHolds: 168 mn**
- **Less: Accessibility: 20%; Credit Rejection: 20%**
- **Balance HouseHolds: 100mn**
- **Average HouseHold Borrowing: Rs 1,50,000**

Average Outstanding Credit Per Account (Rs mn)



Rural Credit Market (Rs. Trillion)

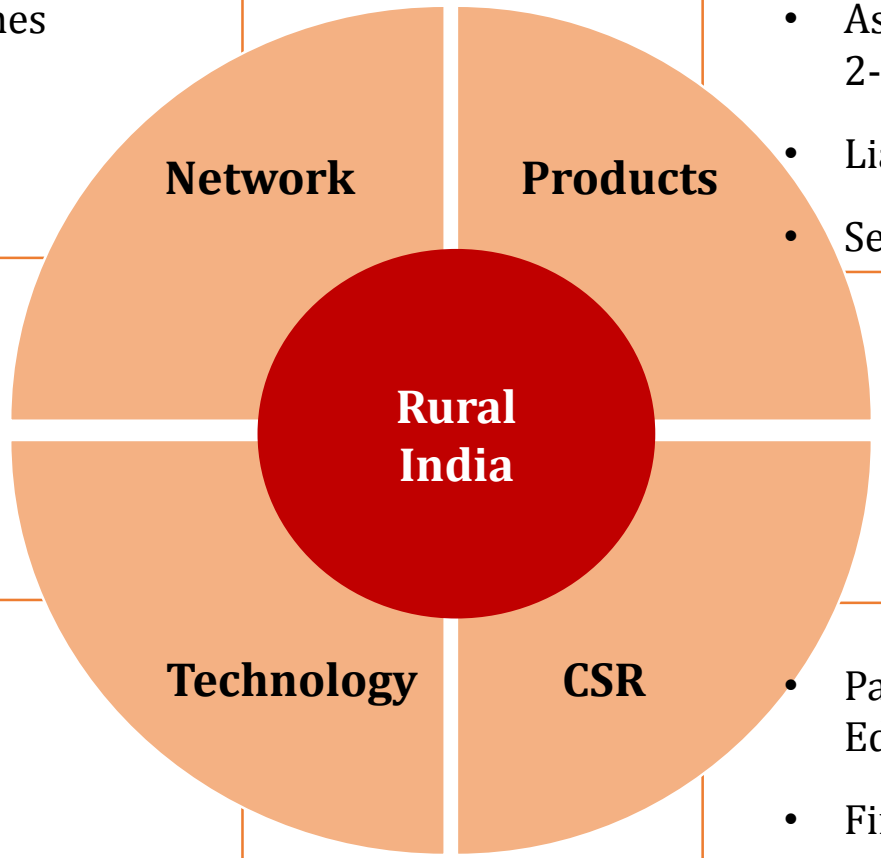


Source: Census 2011, RBI Population Group-wise Outstanding Credit Of Scheduled Commercial Banks – March 2017

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IndusInd Being Positioned to Harness the Opportunity

- Over 1,700 IBL + BFIL Rural Branches
- Access to 1,00,000+ Villages
- Doorstep Delivery



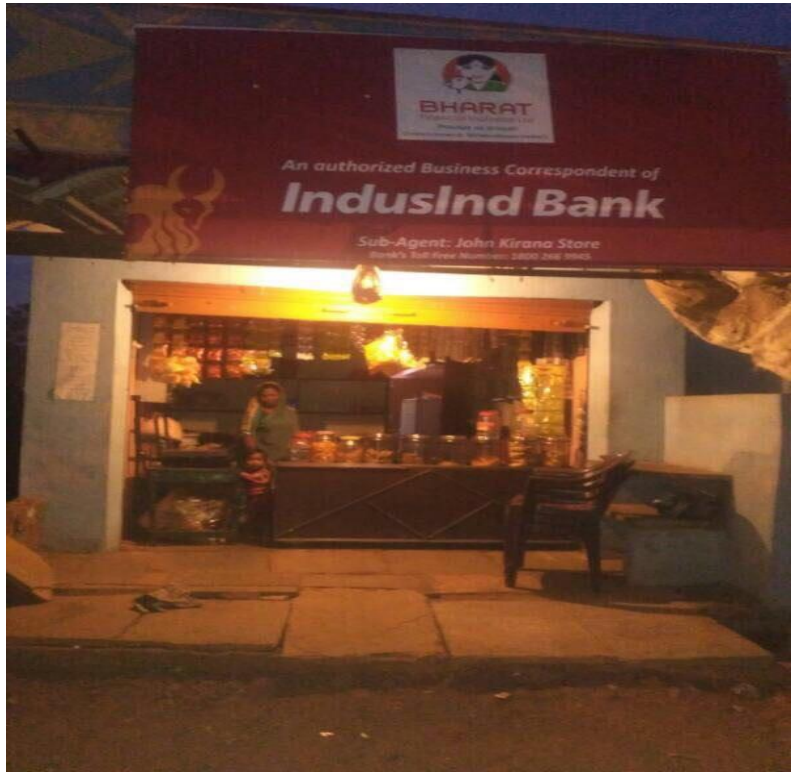
- Assets: Microfinance, Home Improvement, 2-Wheeler, Consumer Durable Finance
- Liabilities: Saving A/C, Recurring Deposits
- Services: DBT, Remittances

- Cashless Collections & Disbursals
- Online Credit Underwriting
- Facilitate e-commerce

- Part of local ecosystem with Health, Education & Water Initiatives
- Financial & Legal Literacy Programs

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Pilots Validating Retail Distribution Service Point Model (RDSP)

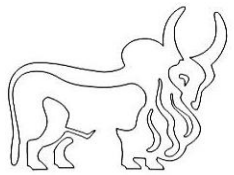






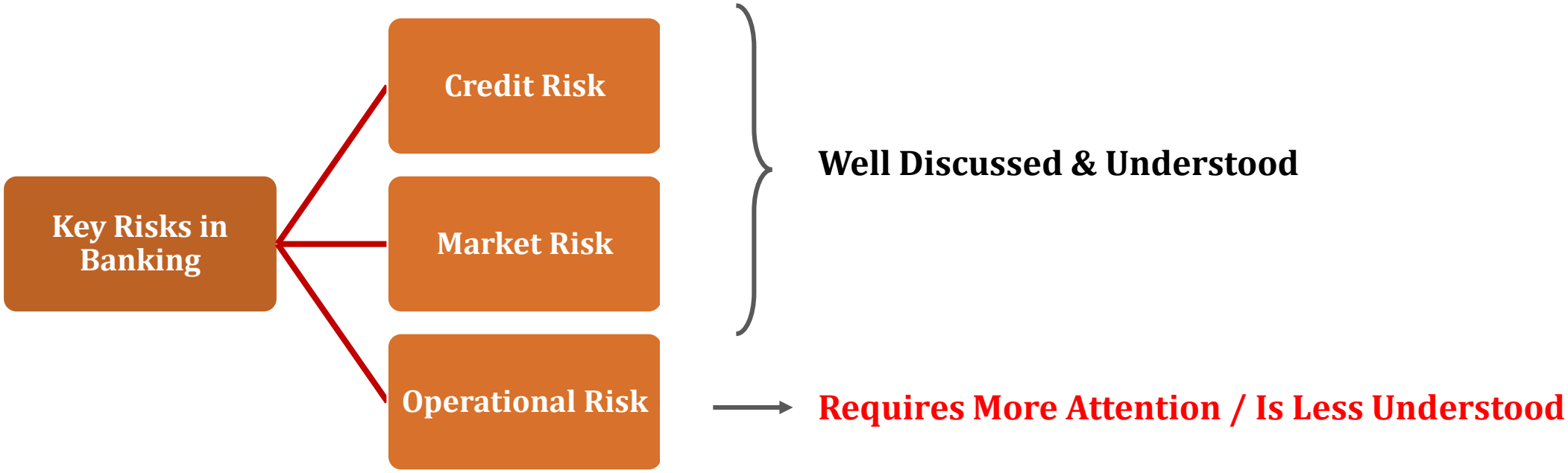
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Operational Risk Management

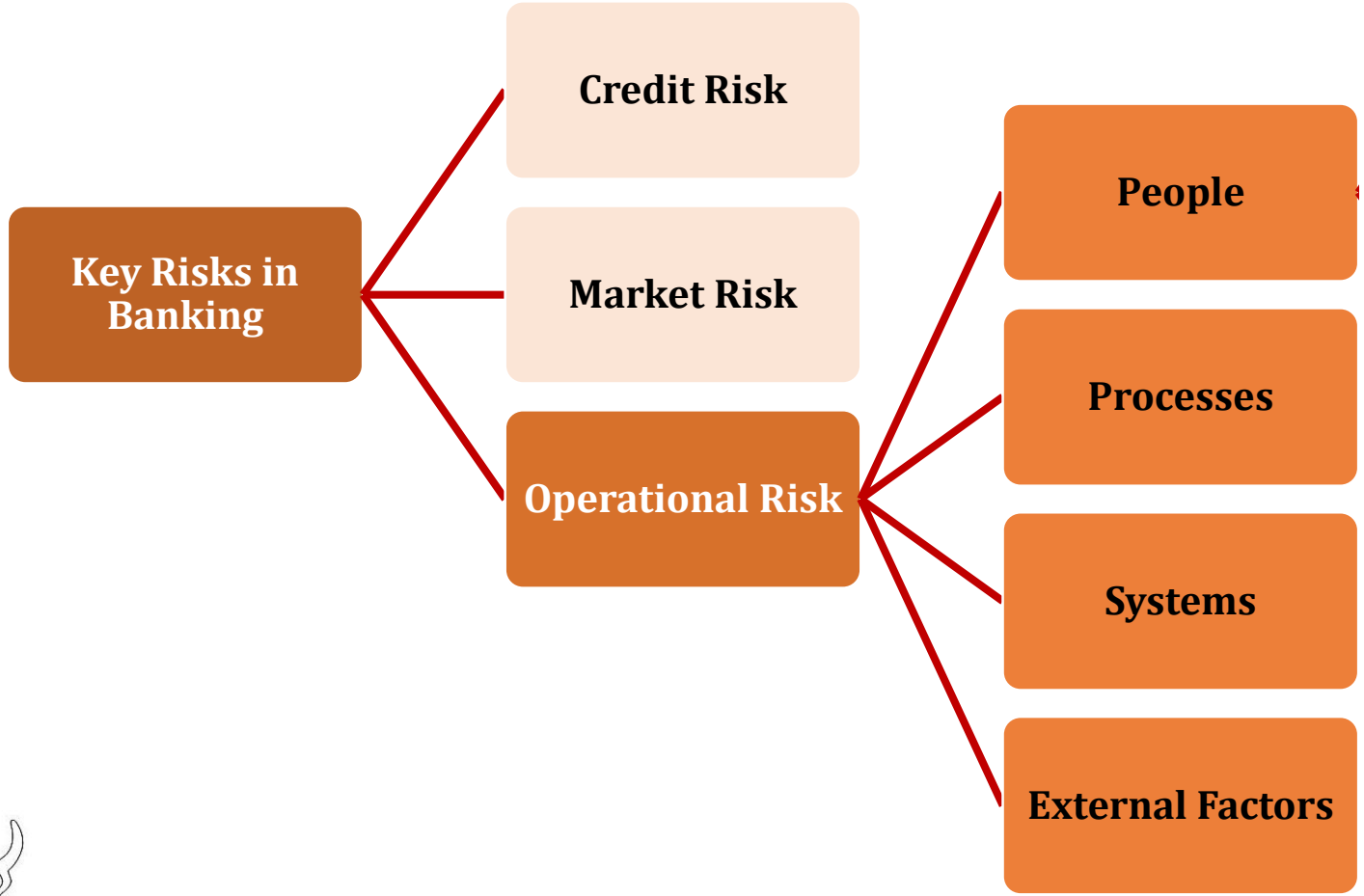


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Sources & Mitigants of Operational Risks

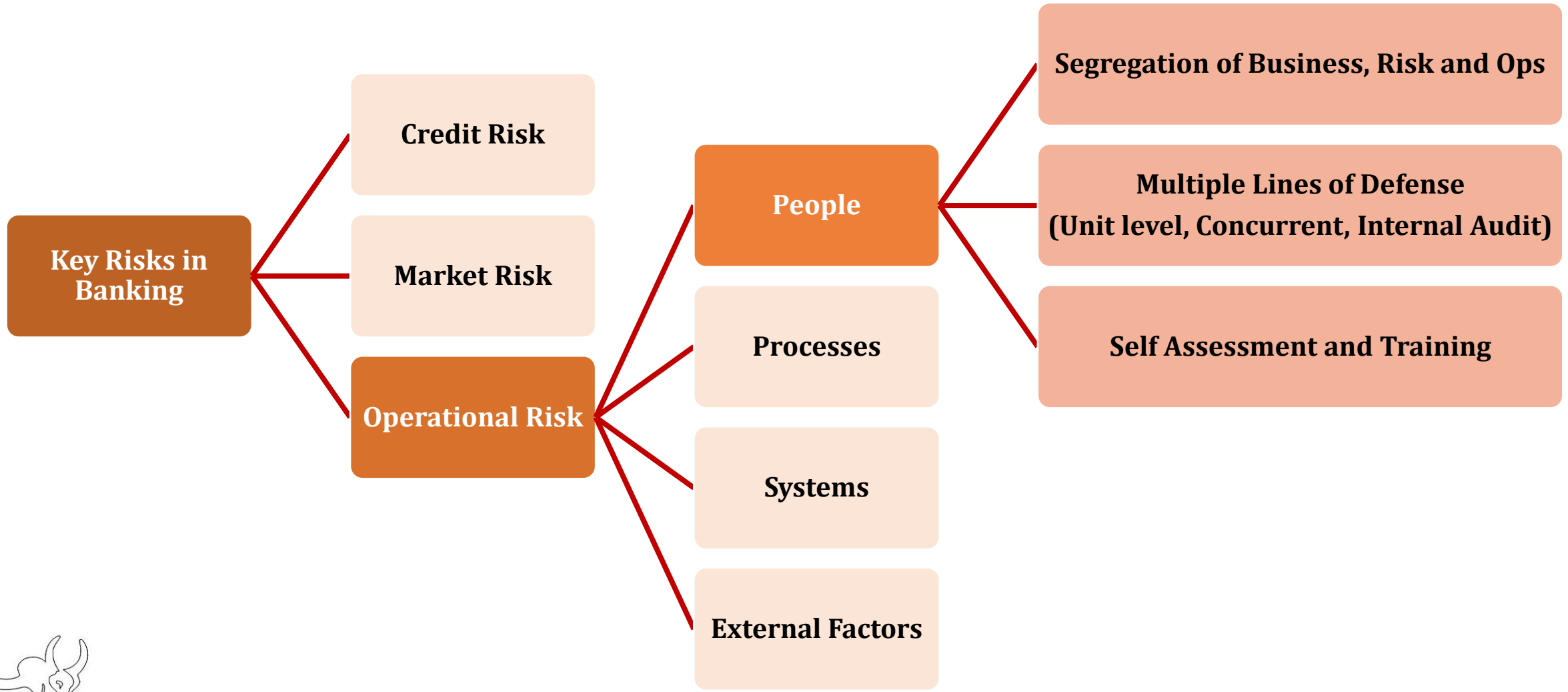


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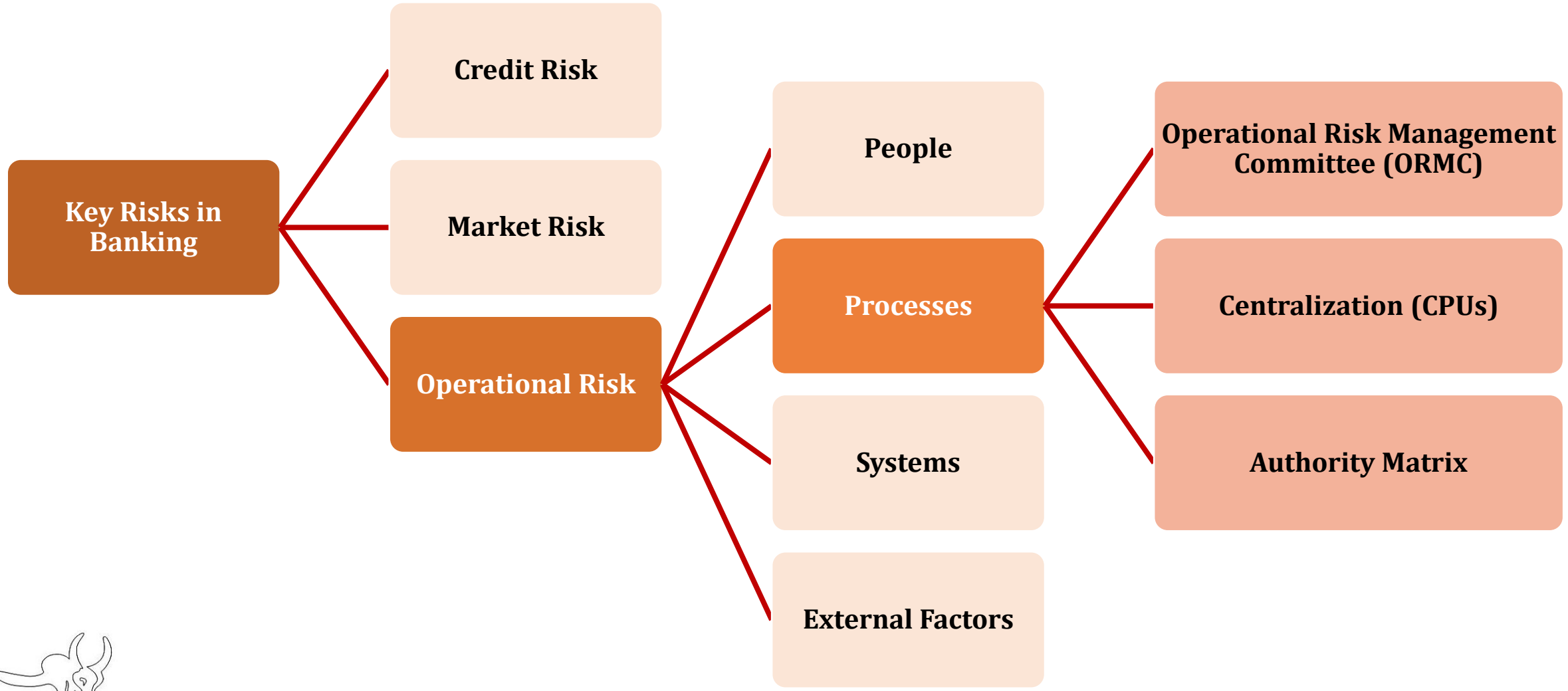
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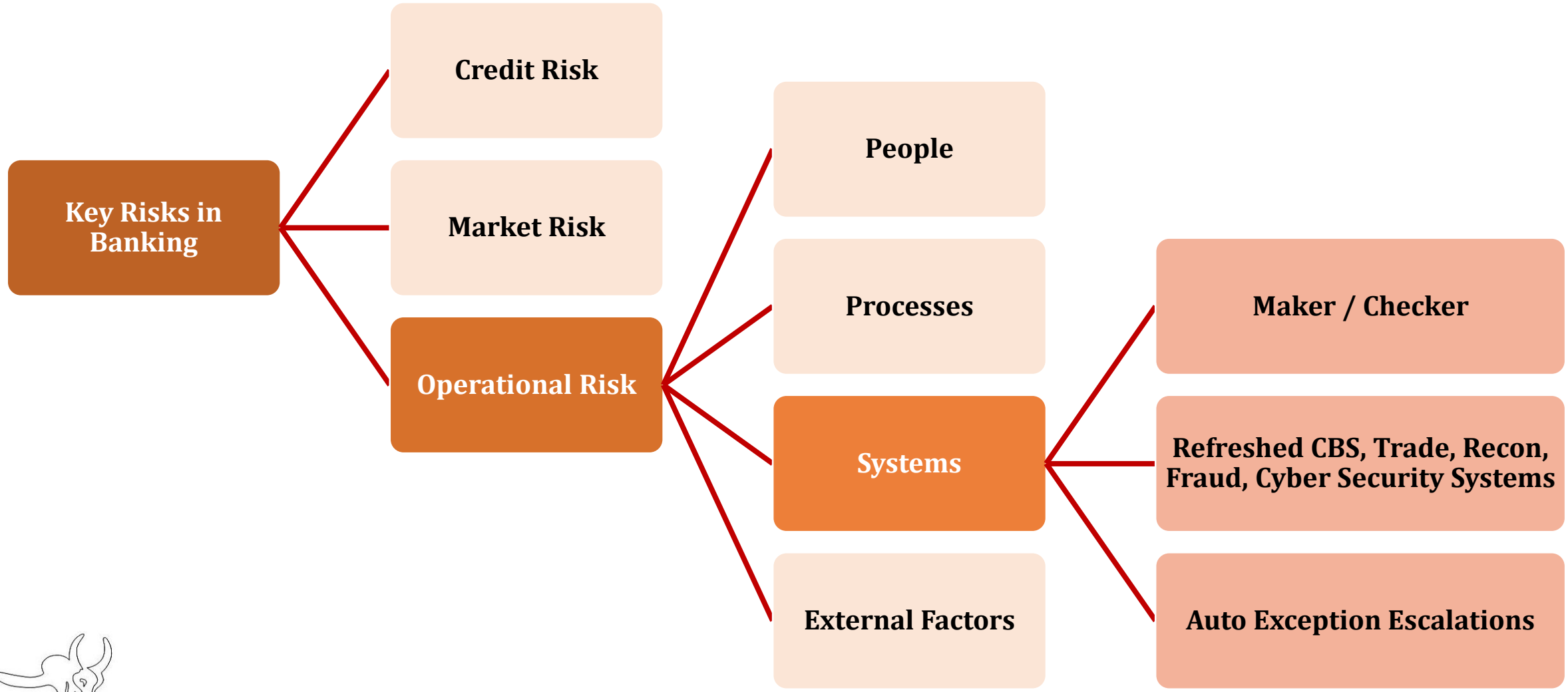
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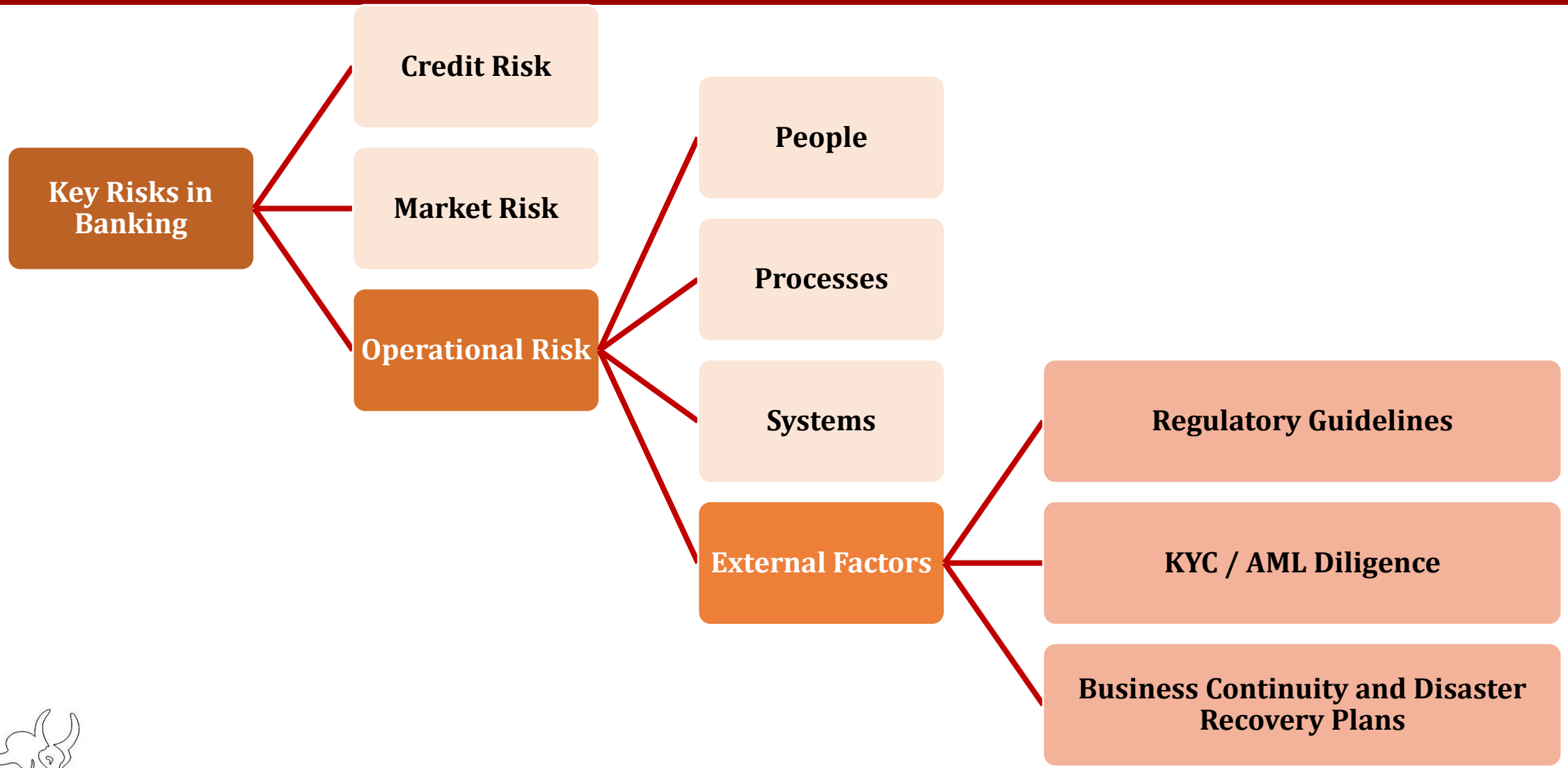
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Sources & Mitigants of Operational Risks



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Q&A

Thank You

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