

# IndusInd Bank

September 19, 2022

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

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

**NSE Symbol: INDUSINDBK**

**BSE Scrip Code: 532187**

**Madam / Dear Sir,**

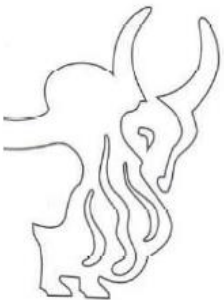
**Subject: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)**

Pursuant to Regulation 30 of Listing Regulations, we enclose here with the presentation made by the Bank at ‘**Motilal Oswal Annual Global Investor Conference, 2022**’ held on September 19, 2022 in Mumbai.

In compliance with the Regulation 46, the information is also being hosted on the Bank's website at <https://www.indusind.com/in/en/investors/investor-landing.html>

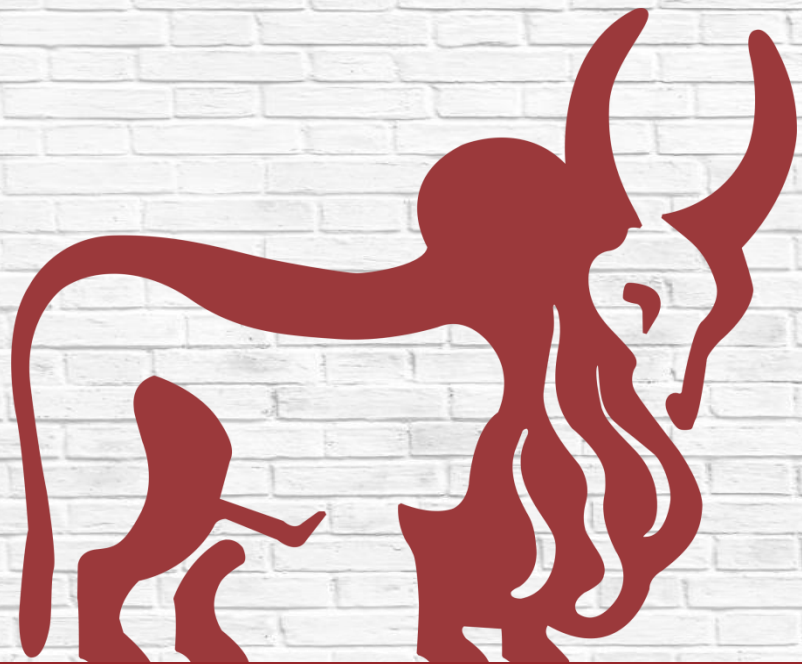
Thanking you,  
Yours faithfully,  
**For IndusInd Bank Limited**

**Anand Kumar Das  
Deputy 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](http://www.indusind.com)  
CIN: L65191PN1994PLC076333



***IndusInd Bank – Diamond Decade Opportunities***

***Motilal Oswal Global Investor Conference***

***19<sup>th</sup> September 2022***

## Presentation Path

**1** Indian Economy Poised for the Diamond Decade

**2** IndusInd Bank: Uniquely Placed to Participate in India's Growth Journey

**3** Opportunities across Businesses Providing Sustainable Growth Runway

**4** Potential Implications to the Bank





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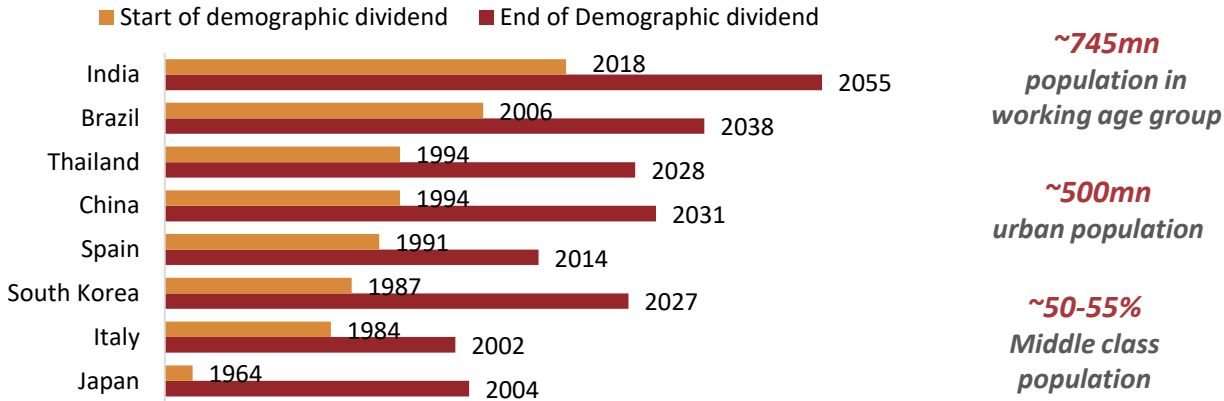
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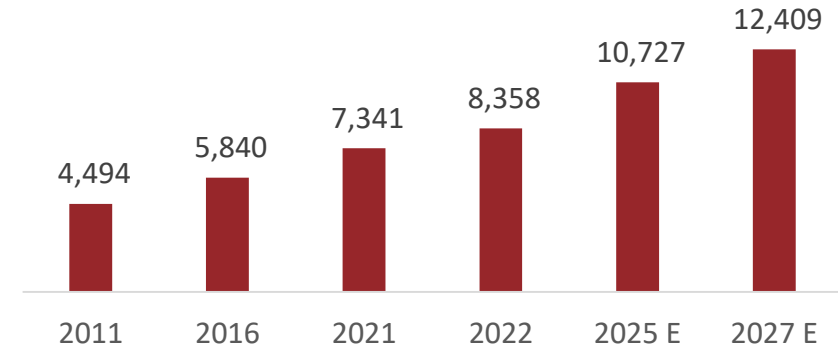


# Indian Economy Well poised for Next Decade with Favorable Demographics & Initiatives in Place

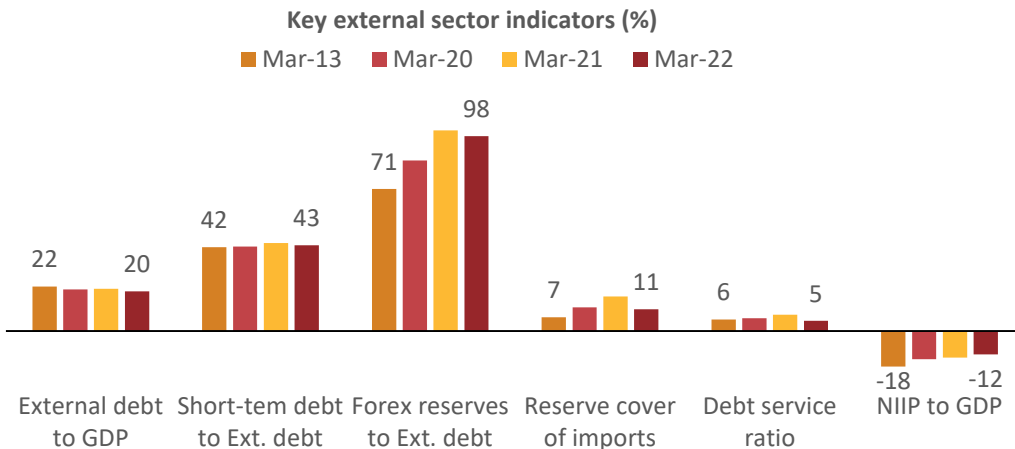
## Favorable demographic dividend with high share of young working population



## Continuously rising affluence (GDP per capita, USD at PPP)



## External fundamentals have steadily improved buttressing stability



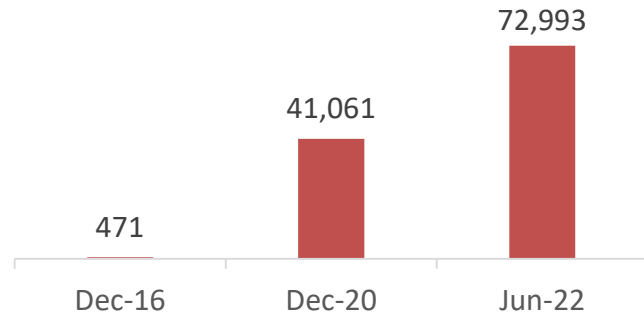
## Multiple initiatives in place to boost economic growth

- 1 **~143lac crore**  
National infrastructure pipeline
- 2 **~100lac crore**  
Gati Shakti Plan for multi-model infra connectivity
- 3 **~2.34lac crore**  
PLI scheme across 14 sectors
- 4 **~83,677 Km**  
Committed road construction under Bharatmala Scheme
- 5 **72,000+**  
Startups registered under Startup India Initiative
- 6 **Timely fiscal & regulatory measures during macro troubles like covid etc**

# Entrepreneurial India: Start-up Ecosystem to Bolster Economic Growth

## 3<sup>rd</sup> Largest Startup Ecosystem..

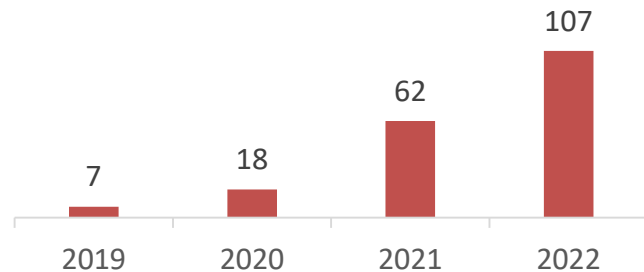
### Number of Recognised Start-ups(#)



Source: GOI, Start-up India

## ..with Rising Number of Unicorns

### Number of Unicorns (#)



~USD 341bn  
of total  
Valuation

Source: GOI, Start-up India

1

Strong talent pool with improving perception towards entrepreneurship

2

'India Stack' enabling innovative solutions

3

Collaborative approach by established companies

4

Multiple government initiatives in place to support startups viz. Start-up India, Invest India etc.

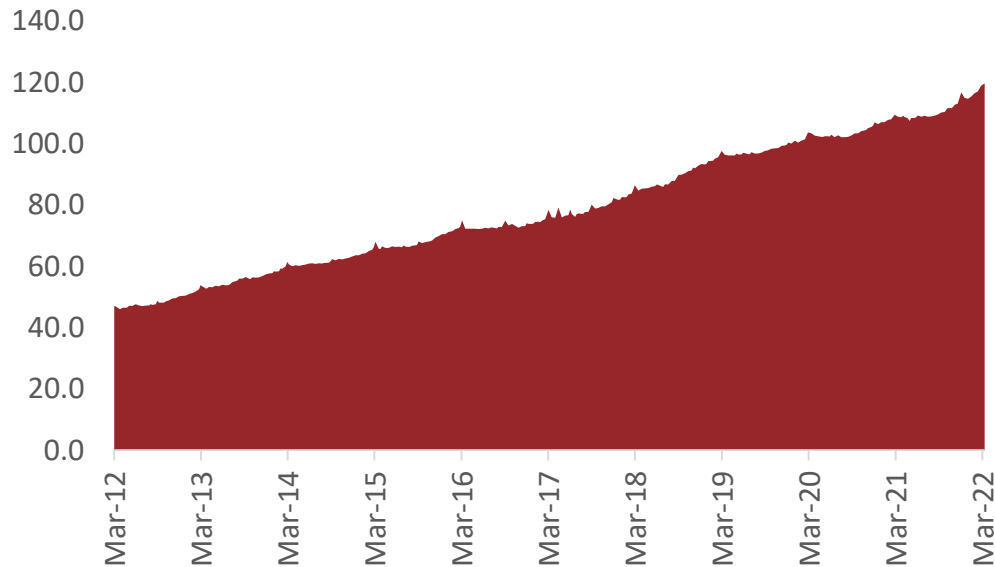
5

Robust investor confidence across lifecycle stages of the startups

# Banking Sector: Economic Growth along with Credit Under-penetration Implies Robust Growth Potential

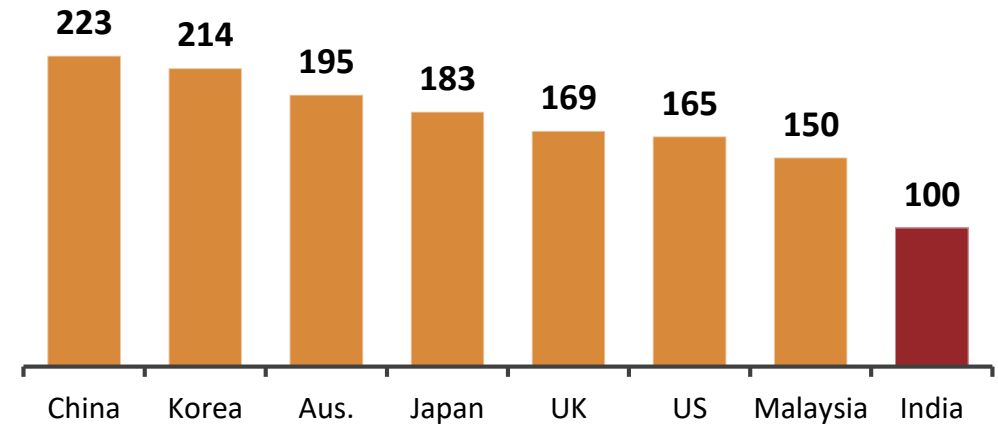
India's bank credit has grown @~10% CAGR over the last decade...

Bank Credit (Rs. Lac crore)



..however, penetration remain low compared to large economies

Total Credit to Private Non-financial Sector (% of GDP)



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# IndusInd Bank: Uniquely Placed to Participate in India's Growth Story



**Diversified**  
Loan Book **with Domain**  
**Expertise** in Livelihood Loans



**Robust**  
Liability Franchise



**Strong**  
Product Groups



**Disproportionately Large**  
Distribution Network with  
Deep Rural Presence



**Customer Centric**  
Future Ready Digital 2.0  
Strategy



**Experienced**  
Management Team



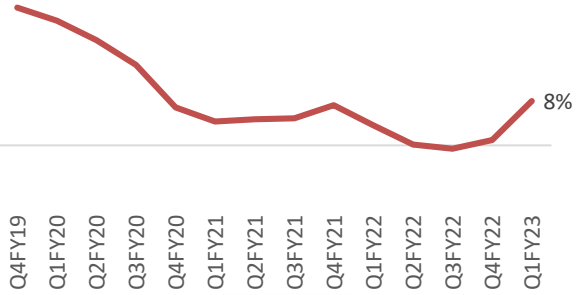
## With Strong Foundation Laid for Sustainable Future

	Parameter	Mar-20		Jun-22
1 <b>Capital</b>	CET1	13.2%	>>>	16.1%
	CRAR	15.0%	>>>	18.1%
	RWA/Assets	84%	>>>	74%
2 <b>Asset Quality</b>	Net NPA	0.91%	>>>	0.67%
	Provision Coverage Ratio	63%	>>>	72%
	Contingent Provisions	-	>>>	Rs.3,003cr
3 <b>Liquidity</b>	Liquidity Coverage Ratio	112%	>>>	124%
	Credit/Deposit Ratio	102%	>>>	82%
	Certificate of Deposits/Deposits	16%	>>>	3%
4 <b>Returns*</b>	NIM	4.25%	>>>	4.21%
	ROA	0.4%	>>>	1.7%
	ROE	3.7%	>>>	13.4%
5 <b>Liabilities</b>	Share of Retails as per LCR	31%	>>>	41%
	Cost of Deposits*	6.05%	>>>	4.79%
	Borrowings/Total Liabilities	20%	>>>	10%

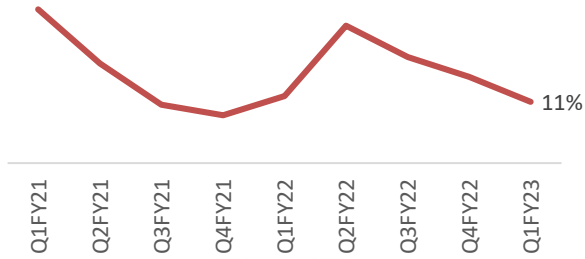
\*ratios for Q4FY20 & Q1FY23

# And Steady Improvement in Growth Across Businesses

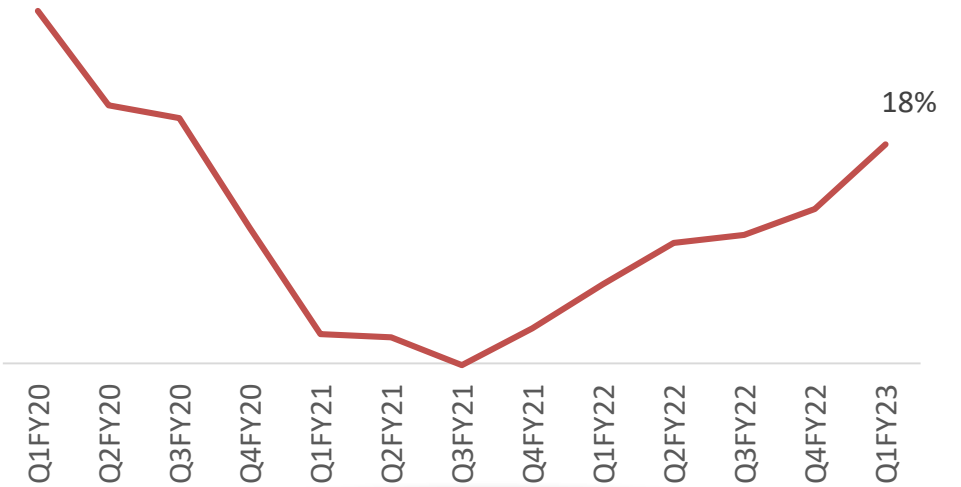
### Vehicle Finance Loan Growth (YoY %)



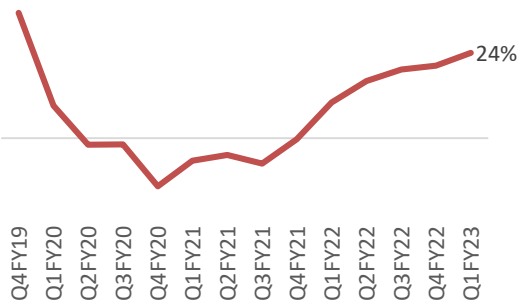
### Micro Finance Loan Growth (YoY %)



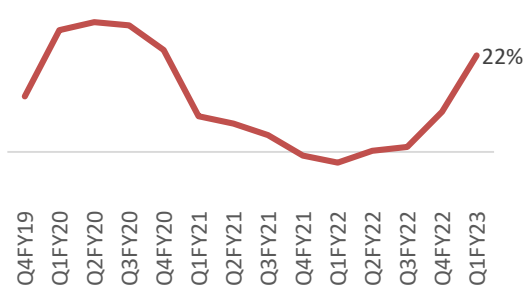
### Overall Loan Book Growth (YoY %)



### Corporate Loan Growth (YoY %)



### Non-Vehicle Retail Loan Growth (YoY %)



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# Leveraging Opportunities Across Businesses Provide Suitable Growth Runway

## A ) Existing Businesses

- 1** *Vehicle Finance: Poised for Growth Cycle Driven by Consumption & Capex Demand*
- 2** *Inclusive Banking: Holistically Serving the Under-Served Rural India*
- 3** *Gems & Jewellery: India's Export Dominance to Continue*
- 4** *Corporate Bank: Realigned Coverage & Underwriting; Positioned for Incipient Growth*
- 5** *Consumer Loans: Sub-scale Business to Participate in Abundant Opportunity*

## B ) New Growth Boosters

- 6** *Home Loans: Largest Retail Credit Segment with Steady Growth Potential*
- 7** *Merchant Acquiring: Digital Adoption Providing Ability to Serve*
- 8** *MSME: Large Unmet Credit Demand with Multiple Growth Enablers in Place*
- 9** *Wealth Management: Rising Income Levels Growing Affluent Population*
- 10** *Digital Banking: Business Models Evolving Focused on Client Convenience*



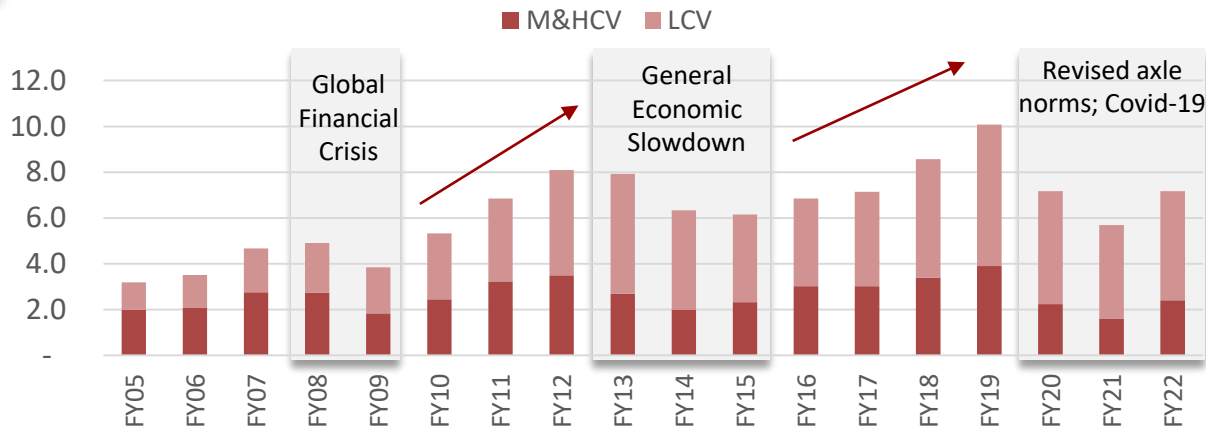
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**A** *Opportunities in Existing Businesses*



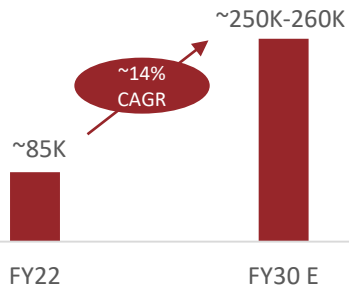
## Poised for New Growth Cycle..

Domestic CV sales rebounded sharply & reached new highs after every period of downturn



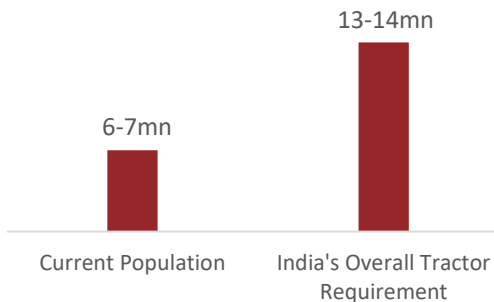
Source: SIAM; units in lacs

**CE volume expected to grow @~12-14% CAGR**  
CE annual volume (units)



Source: ICEMA

**Large under-penetration to drive tractor sales growth**  
Tractor (units)

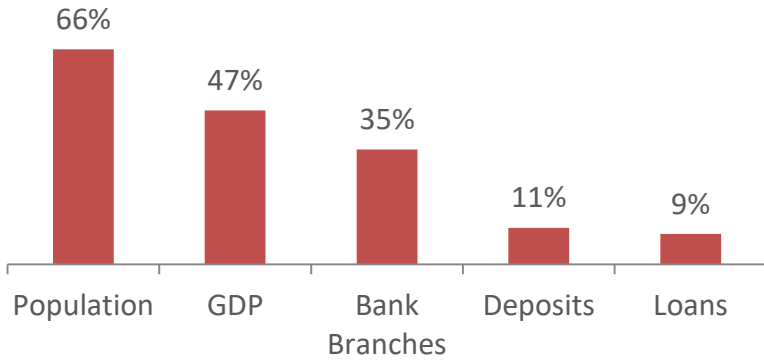


## ..with Positive Macro & Policy Environment

- 1 Governments infrastructure push
- 2 E-commerce growth & Improving last mile connectivity to lift light commercial vehicle growth
- 3 EV adoption to boost the growth cycle for next decade
- 4 Vehicle scrappage policy to bolster the replacement demand
- 5 Increasing penetration of used vehicle financing

## Rural India – A Large Untapped Opportunity

Share of Rural (%)



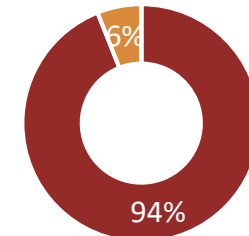
Source: Niti Ayog, RBI

## Evolving Operating Environment

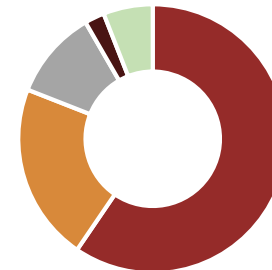
- 1 Low banking penetration presents large growth opportunity
- 2 Rural economy bouncing back from Covid stress
- 3 Multiple government initiatives towards doubling farmers' income
- 4 IBL's deep rural distribution provides competitive edge

## IBL Diversifying Offerings via BFIL

Current Loan Book



Our FY26 Ambition



- JLG Loans
- Loans to Merchants
- Individual Loans
- Two Wheeler Loans
- Affordable LAP

IBL has Deep Rural Distribution Network →

~1,33,000  
villages covered

~10mn  
women customers

94K+  
Bharat Money Stores providing  
doorstep banking

380K+  
active nano merchants



India leading in Gems & Jewellery Export



**USD 39.1bn**  
export in FY22

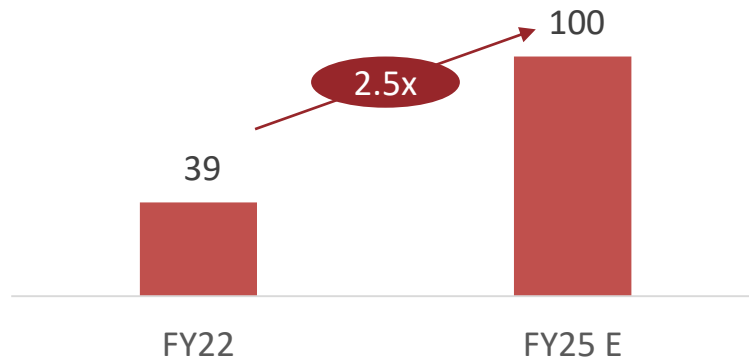
**~27%**  
of global jewellery  
consumption

**~8%**  
contribution to  
India's GDP

**~14%**  
share in India's  
merchandise exports

**~8.23mn**  
persons  
employed

India aiming to reach Gems & Jewellery export of \$100bn by FY25



Source: IBEF

Supported by encouraging policy environment

- 1 100% FDI permissions under the automatic route
- 2 Reduction of import duty on cut & polished diamond from 7.5% to 5% and sawn diamond to NIL
- 3 10 special economic zones (SEZ) for gems & jewellery with more than 500 manufacturing units
- 4 FTA signing with UAE to boost export

## Imminent Corporate Capex Cycle Driven by..

1

Strong private corporate balance sheet backed by strong cash flows & deleveraging

2

Capex cycle due with improving capacity utilisations

3

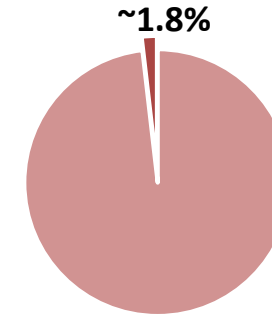
Higher capital spending by government, infrastructure push & asset monetisation

4

Encouraging policy environment like PLI, green energy etc.

## Long Growth Runway for IBL with Small Market Share

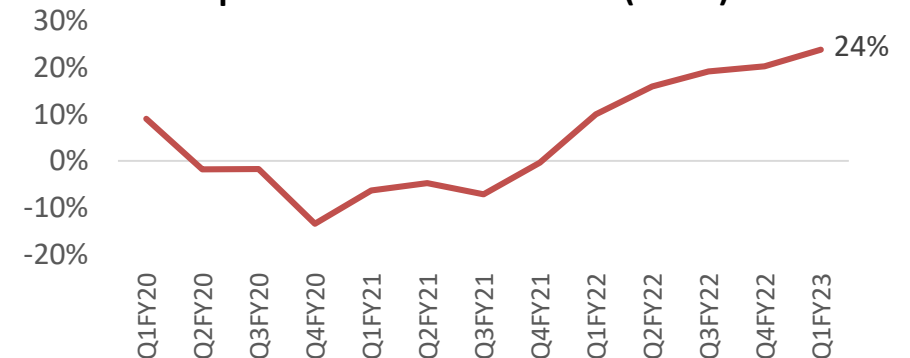
## IBL Corporate Loan Market Share (%)



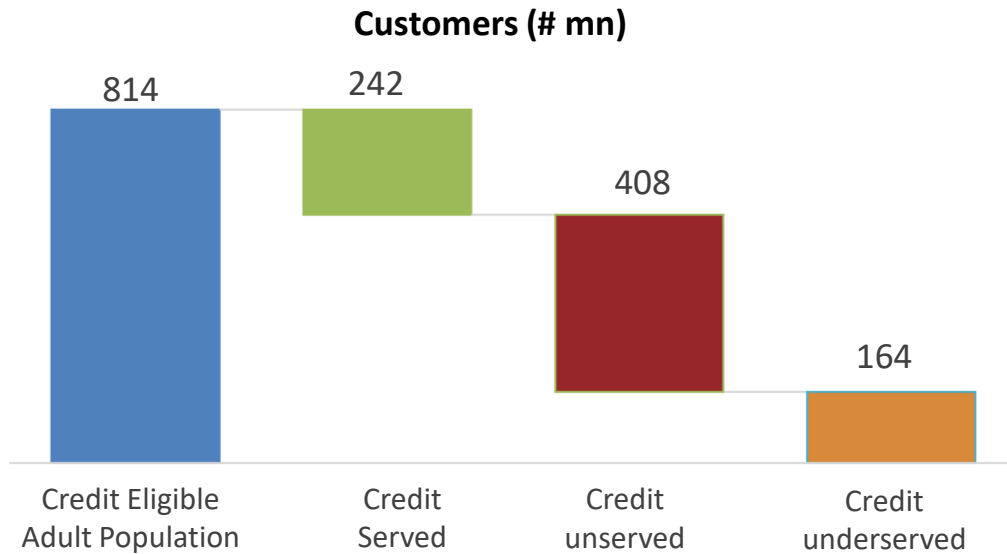
As on Jun-22

## Growth Recovery after Internal Realignments

## Corporate Loan Book Growth (YoY%)



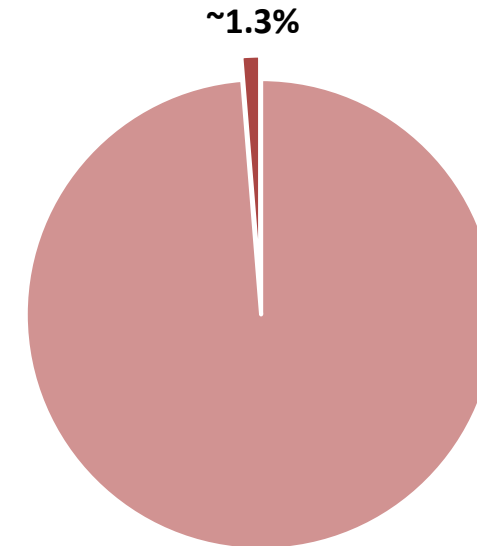
## Significant Under-penetration for Consumer Credit



Source: TransUnion CIBIL

## IBL has Long Growth Runway with Small Market Share

## IBL Consumer Loan Market Share (%)



As on Jun-22

## Key Enablers

1

Resilient performance during stressed environment

2

Digital models getting unserved segment into credit fold

3

Rising affluence with improving per capita income &amp; job creations

---

**A** *Opportunities in New Segments*





## Large Market Size...

**~Rs. 24tn**  
current housing loan market

**~13%**  
share in Bank Credit

**~50%**  
share in individual loans

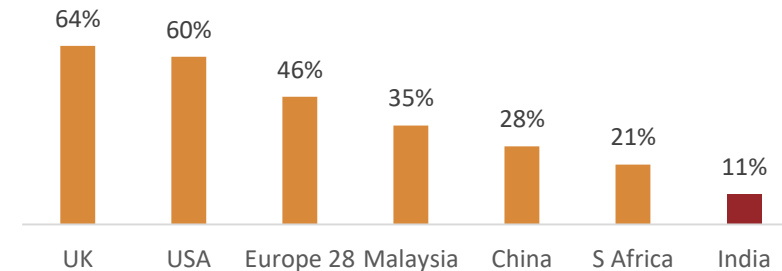
**~77%**  
share of real estate in average  
household investments

Source: RBI

## ...with Significant Room for Growth

## Mortgage penetration remains low in India

(Home loans % of GDP)



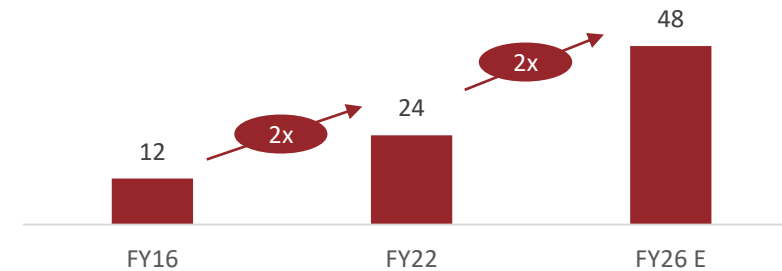
Source: HOFINET, European Mortgage Federation, NHB, CRISIL Research India (FY22 numbers), Others (CY17/18 numbers)

## Lead by Structural Drivers

- 1 Strong government push with 'Housing for All' initiatives  
~12mn units sanctioned under PMAY (U)
- 2 Regulatory support through PSL eligibility & re-finance availability
- 3 Increased availability of alternate data for credit scoring to drive financial inclusion
- 4 Improved affordability for the end borrower with various tax & other incentives

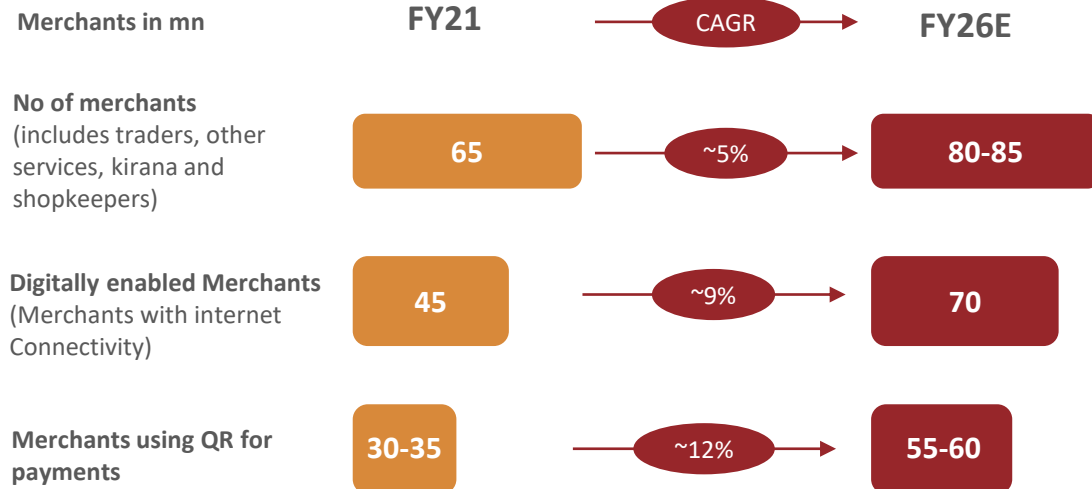
## Home Loans Market Expected to Double by FY26

Home Loans (Rs.trn)



Source: SBI Research, NHB

## India's Digital Payments Merchant Funnel



Source: RedSeer

## Key Enablers

1

Leveraging 'India Stack' of JAM+UPI

2

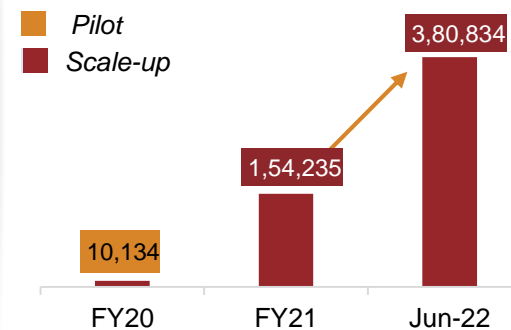
Customer adoptions leapfrogged towards digital

3

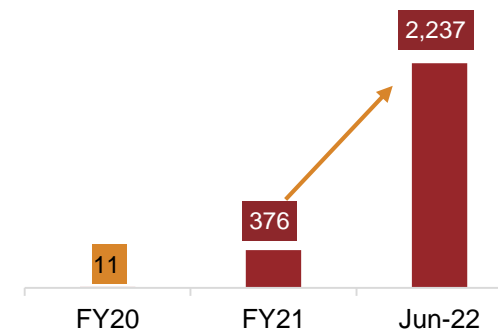
Formalising credit availability supported by new underwriting models

## Scaling-up the IBL's Merchant Business via BFIL

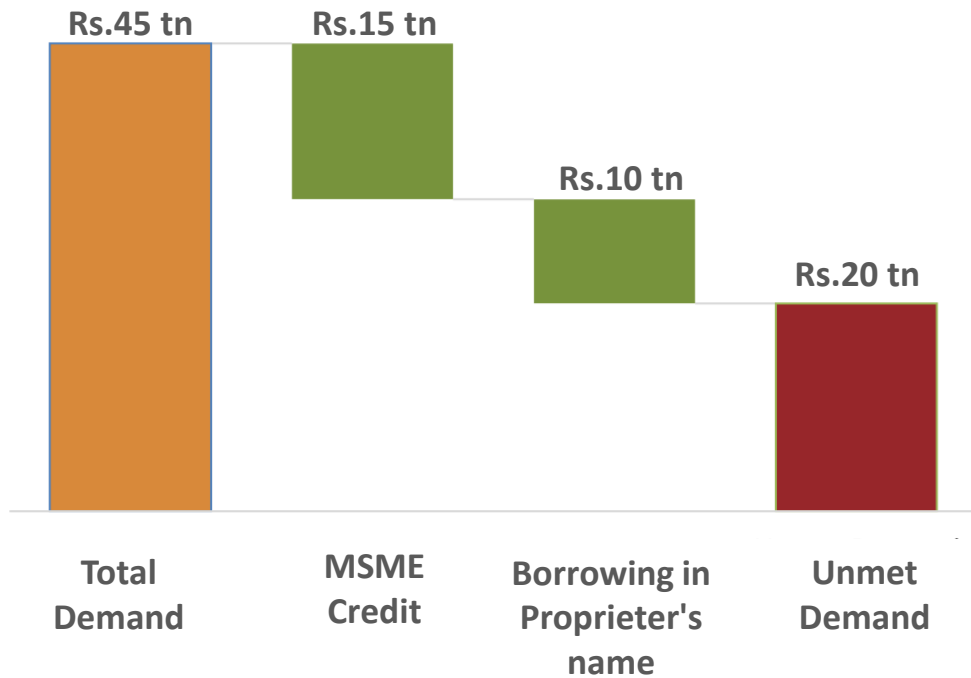
## Customer Acquisition (A/Cs opened)



## Advances ENR (Rs. Cr)



### MSME Credit Demand in India



Source: BCG, Transunion CIBIL

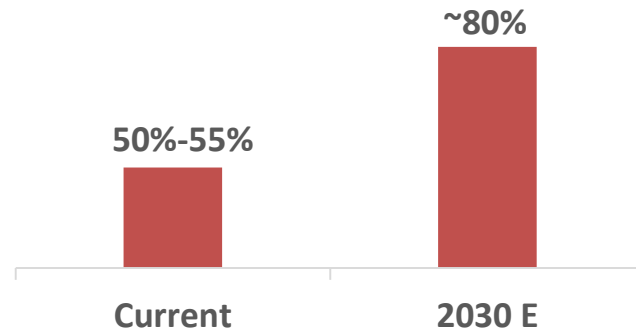
### Multiple growth drivers in place

- 1 Increasing formalisation of MSMEs driven by GST
- 2 Availability to alternate surrogate data-based credit models to drive digital lending
- 3 Increasing digital payments and e-commerce growth
- 4 Government initiatives & policy support such credit guarantee, expanded msme definition, PSL etc.

## Wealth Management: Rising Income Levels Growing Affluent Population

### Rising Income Levels Expanding Affluent Middle Class

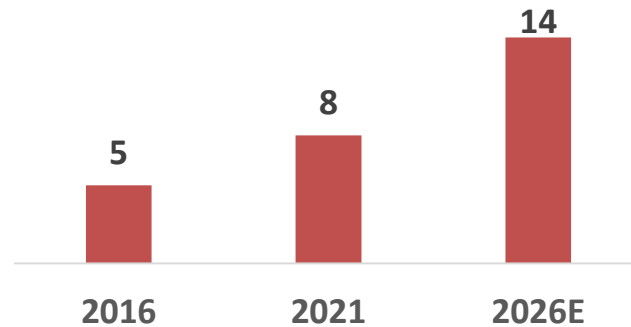
Share of Middle Class Household (%)



Source: WEF

### Increasing HNI population in India (~14lacs HNIs by 2026)

HNI Population (# lacs)



Source: Knight frank: The World Wealth Report 2022;  
HNI: Networth USD1mn+

1

Rising household savings with high proportion of savings towards financial assets

2

Robust start-up ecosystem catalysing new set of HNIs

3

Increasing digital adoption driving financial awareness

4

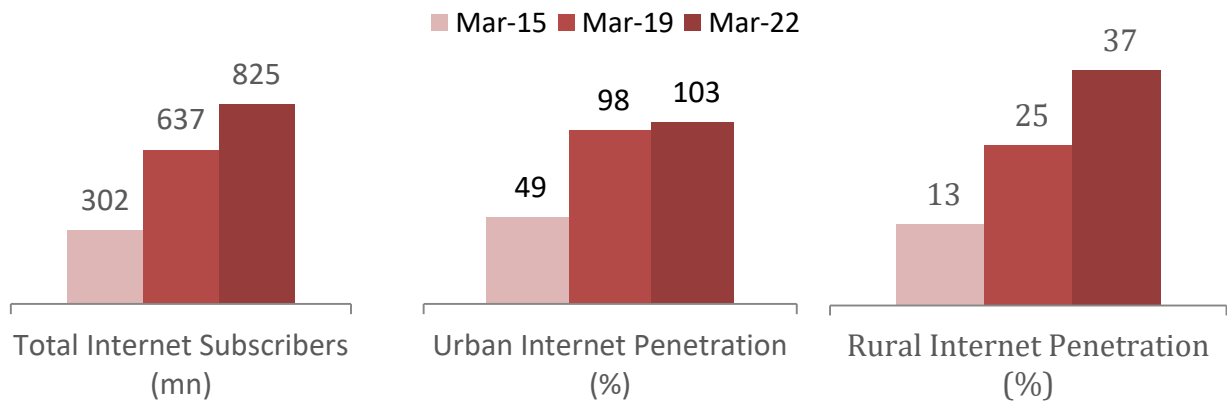
Hyper-personalized physital model is the way forward

5

Private Sector Banks have strong market positioning further helped by MNC Banks' withdrawal

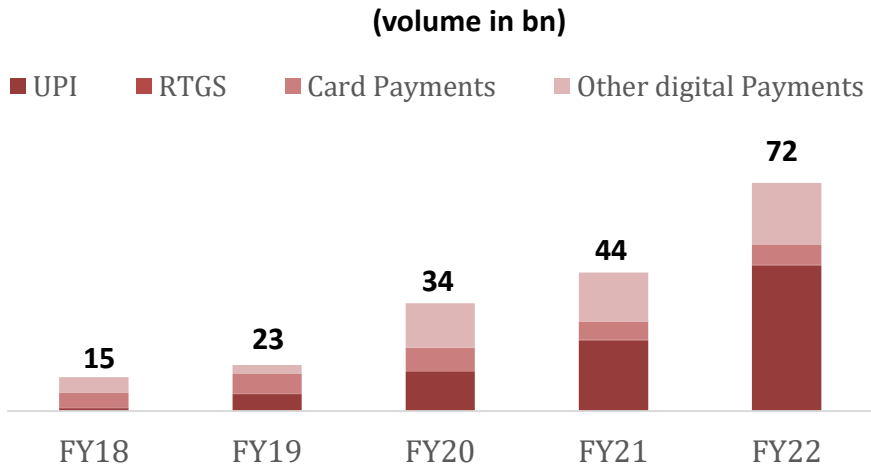
# Digital Banking: Business Models Evolving Focused on Client Convenience

## Increasing internet penetration with growth in subscriber base



Source: TRAI

## Massive surge in digital transactions led by UPI



Source: RBI

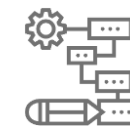
There is a fundamental shift in the way consumers consume financial products



*Convenient, Intuitive, Personalized Experience*



*Digital Ecosystems with embedded financial products*



*New tech led Business Models driving Disruptive innovation in products & services*



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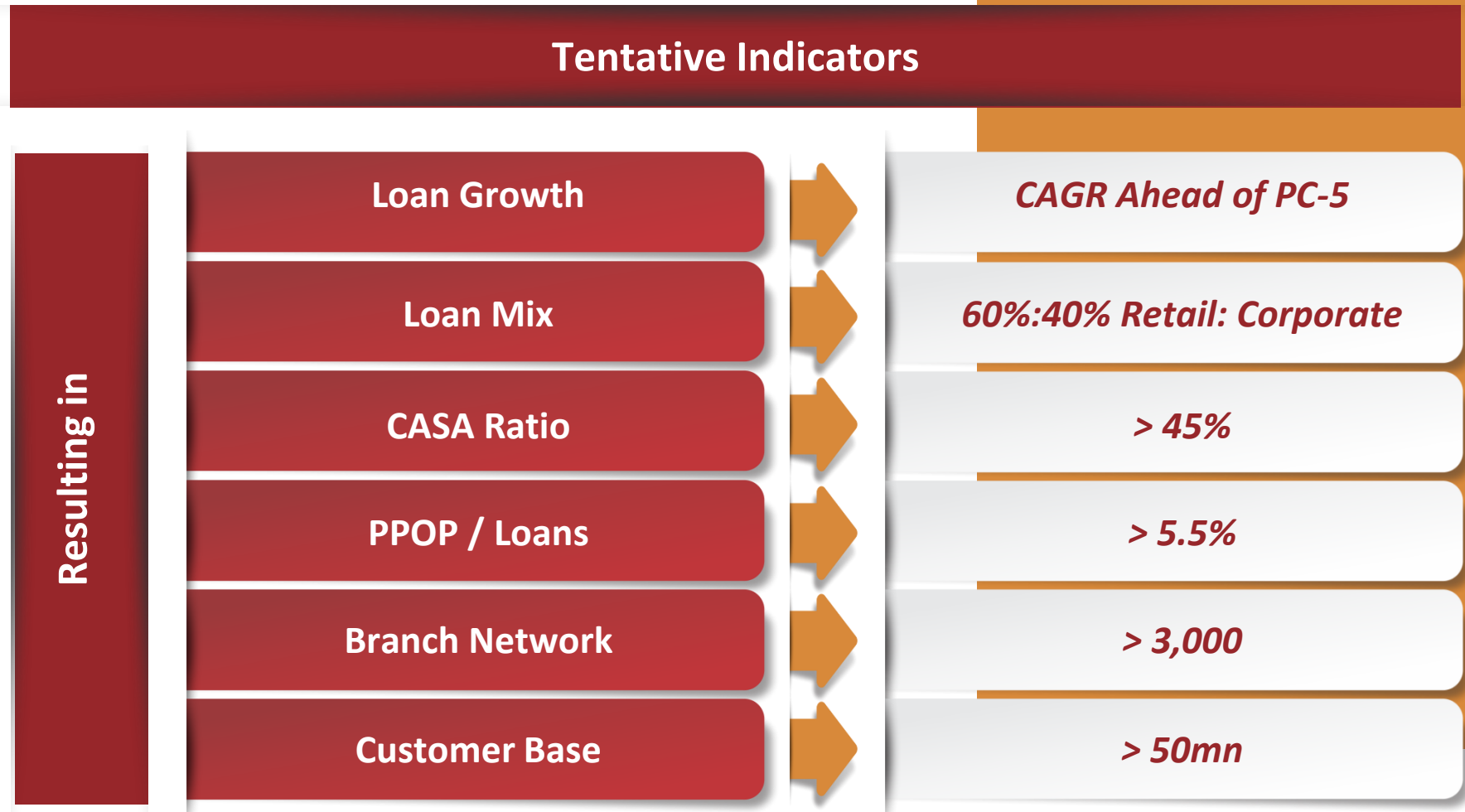
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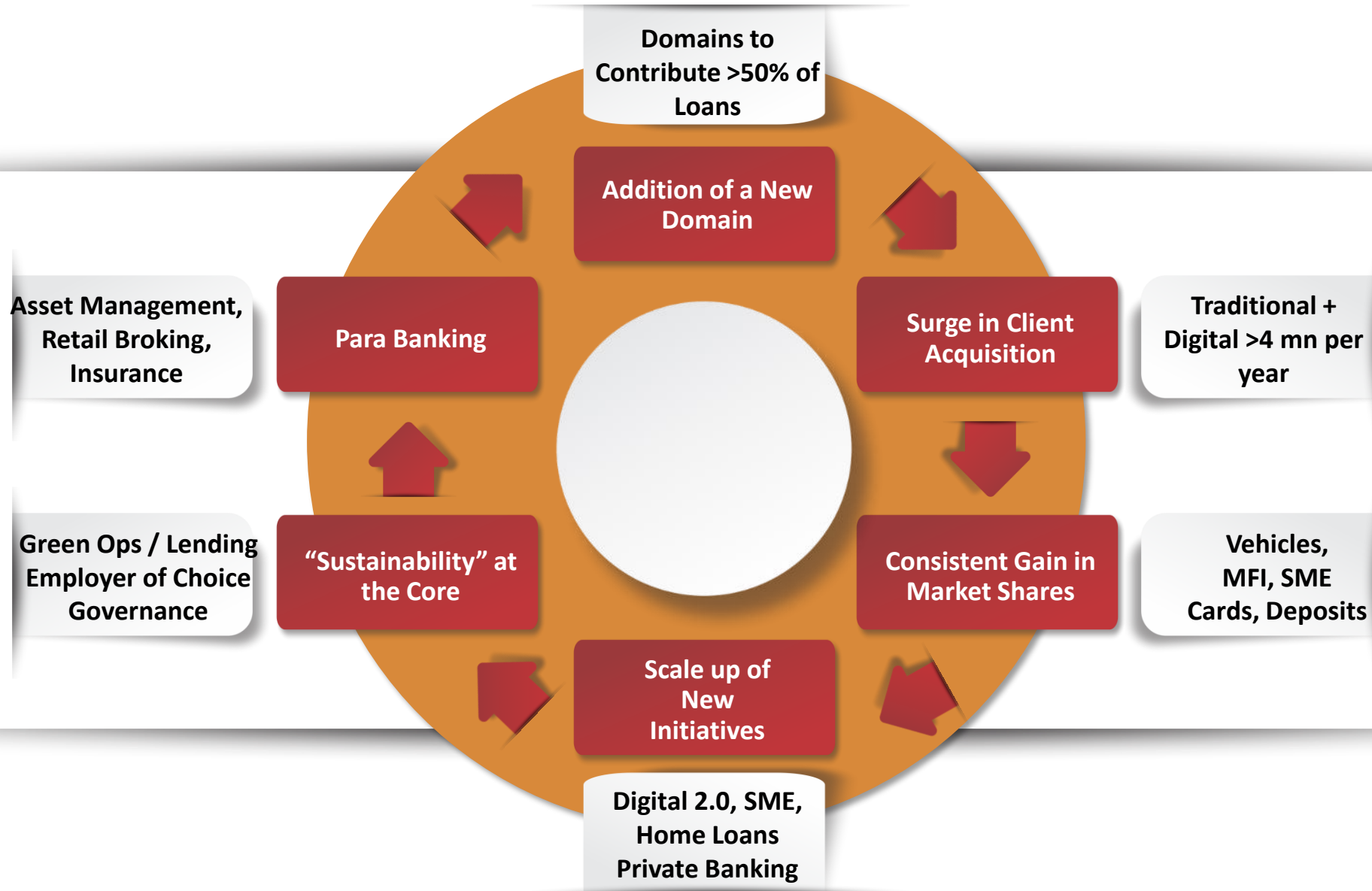




Potential Growth to Accelerate in "Planning Cycle 6"



# Key Drivers for Growth



**THANK YOU**



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