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

NSE Symbol: INDUSINDBK

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

[Signature]

Haresh Gajwani
Company Secretary
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 Rediscouning, etc.

Source: RBI, Annual Reports of Banks
PSB: Public Sector Banks, PVB: Private Sector Banks, FB: Foreign Banks, SCB: All Scheduled Commercial Banks
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

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

*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

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

- Majority of Off Balance Sheet is Markets related notional principals
- * Almost 50% relate to cover operations

Note: Data as of Dec-2019
Diversified product mix across various trade products and short tenures
- Exposures predominantly to public sector, cash backed transactions and strong sponsors

Note: Data as of Dec-2019
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 8 cr settlement amount pending to be recovered in the last 5 years.

Counterparty Rating Profile

- **Banks**: 36%
- **AAA**: 3%
- **AA**: 2%
- **A**: 2%
- **BBB**: 54%
- **BB**: 0%
- **B**: 0%
- **Unrated**: 2%

Product-wise PFE* Split

- **Forward Contracts**: 50%
- **Cross Currency Swaps**: 24%
- **Interest Rate Swaps**: 24%
- **Currency Options**: 2%

Residual Tenure

- **Above 5 yrs**: 3%
- **1 - 5 yrs**: 41%
- **One Year or less**: 56%

Note: Data as of Dec-2019
* PFE = Potential Future Exposure ** 85% covered under CSA
Thank You