

IndusInd Bank
– Investor Day

22nd November 2022

IndusInd Bank – Investor Day

Presentation-7

Global Diamonds & Jewellery Group



Evolving Operating Environment – Impact and Response

Macro Developments

Inflationary Situation Globally

China Lockdown

Russia Ukraine War

Slowdown in Diamond Demand

BU Asset Quality

Impact and Response

Diversifying across non diamond businesses to capture entire client wallet

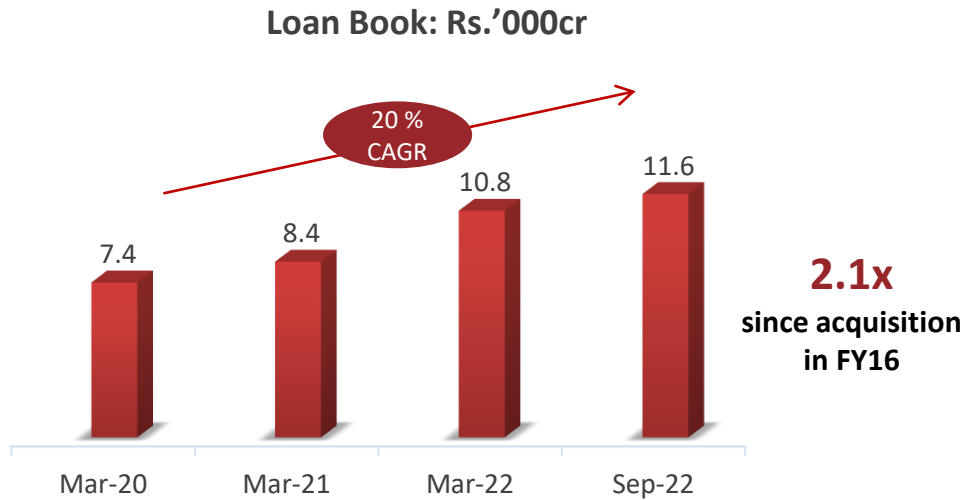
US and Indian market demand making up partially for slowdown in Chinese demand

Boon in disguise as lesser supply of diamond during a relatively slow demand phase

New initiative – Search for blue oceans offering lucrative opportunity

Close monitoring of portfolio while seizing the opportunity during uncertain times

Overview of Global Diamonds & Jewellery Group



#1 Player Globally

Strong Client Relationship
with deep and thorough understanding of the industry's needs

Encompassing the Whole Ecosystem
serving both domestic & international clients via GIFT city

Pristine Asset Quality
zero delinquency with no SMA, NPA & Restructuring

Serving the MSMEs
43% MSME clientele accounting for ~21% of loan outstanding

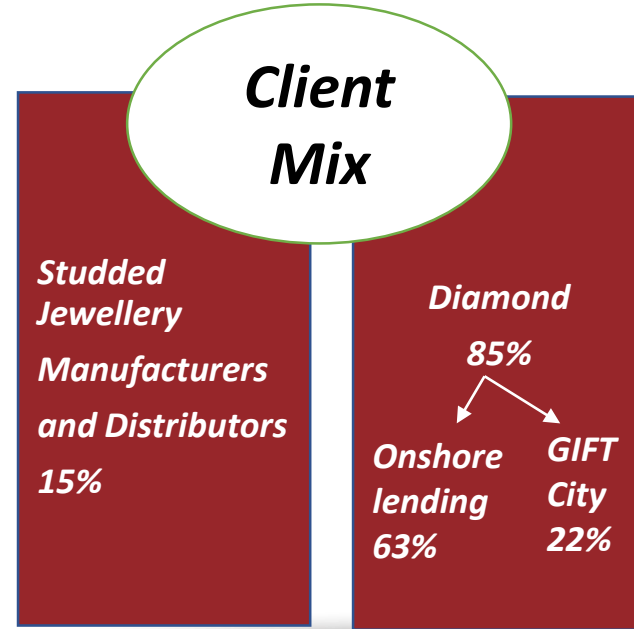
Recognition

1. Best Bank Financing the Industry – Exports
2. Highest Limits Sanctioned
3. Felicitated Country Head – GDJG for his dedicated services towards the Industry.



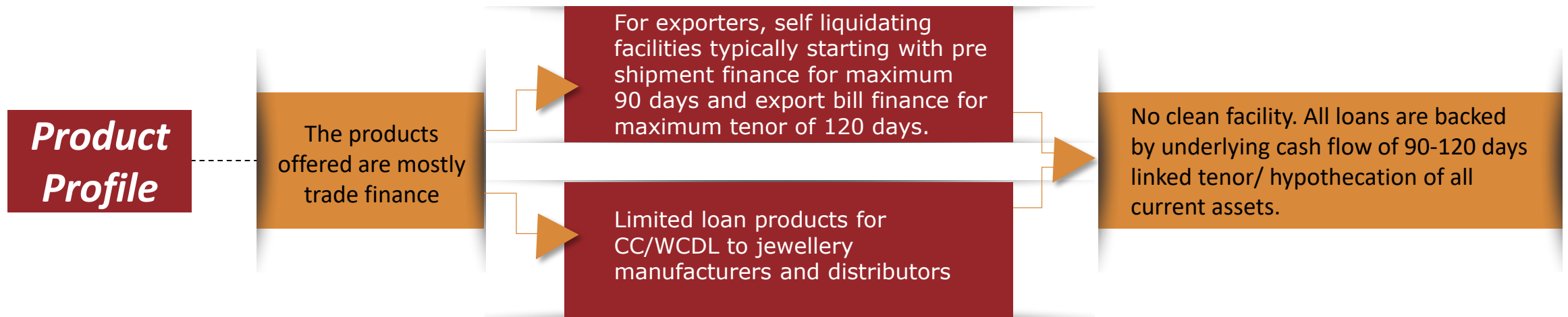
Portfolio Composition

- Diamond studded Jewellery manufacturing and distribution for Export market and Domestic market (B2B).



- Distributors and traders of rough diamonds.
- Importers of rough and manufacturer of cut and polished diamonds.
- Exporters of Polished diamonds and distributors of polished to domestic tariff area.
- Growers, manufacturers and distributors of Lab Grown Diamonds (LGD)
- Exposure through IBU GIFT City for overseas relationship engaged in procurement and distribution of rough/polished diamond and jewellery.

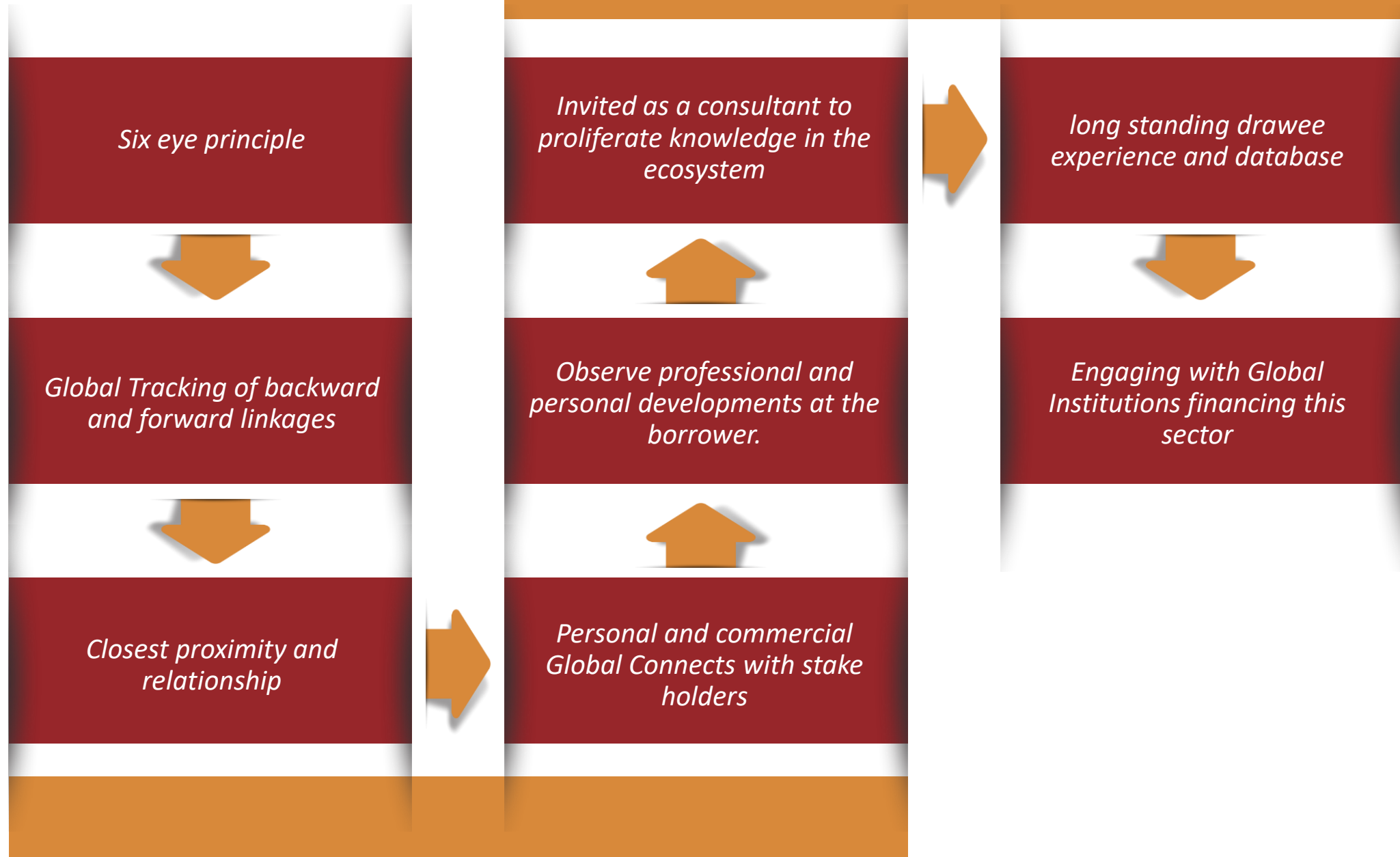
Currently looking at other wallets of these client groups.



Our Differentiating Factors and USPs



Transaction Flow and Monitoring



Robust Risk Management

Risk factors

- Inflation, recession, unemployment
- Geo-political tension
- Trend change with preference of millennial
- Pandemic
- Geological changes
- Introduction of Substitution like CVD
- Conflict diamond
- Changes in government trade policies

Mitigants

- High end luxury is largely inflation neutral.
- Diversification of portfolio
- International finance through GIFT city
- Global best practices such as Kimberley process
- Acceptance of Lab Grown Diamond is work towards sustainable growth of industry.
- Global events like pandemic have not dented the industry.
- Expanding the wallet share by financing non gems and jewellery businesses

Ring fencing

- The facilities are entirely backed by charge on current assets as primary security and additionally Second way out collateral cover by way of mortgages (including cash collateral, mortgage of properties, pledge of security & insurance endorsement).
- Apart from primary and secondary securities, the loan are covered by typically personal guarantees / corporate guarantees of principal promoters, key managerial personnel and holding companies.

Diamond Bank – Way forward

Growth in existing business

- Enhancement in existing portfolio with growth potential and sound business.
- Onboarding new customers with acceptable risk profile.
- Lab grown diamonds is a new business segment

Search for blue ocean continues

- Finance all other business activities of our clients for the entire wallet ie assets and liabilities.
- Cross sell to our clients all banking products and services.
- Financing to their employees our secured and unsecured retail products.

GIFT City – Overseas wallet

- Financing can further expand to jewellery and luxury brands all over the globe.
- Top clients have well paid of manpower - scope for mobilizing liability.
- Broad base product line offering to suite requirements of overseas entity

Liabilities

- BU is permitted to cater to the entire banking requirement across the spectrum for the client segment and through community banking.
- Focus on mobilizing CASA accounts in the form of accounts of promoters, key managerial personnel, family trust, corporate salary accounts e.t.c

Continued focus on sustainable growth

- BU is focused in creating a value base for the bank by building a sustainable business model enabling continuous risk adjusted annuity income in long run.
- The continuing theme is market share through mind share.

THANK YOU



IndusInd Bank

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