IndusInd Bank
– Investor Day

22nd November 2022
IndusInd Bank – Investor Day

Presentation-9a
Global Markets Group (GMG)
Overview of Products Offered by Global Markets Group

**CLIENT BUSINESS**
- Provider of Hedging solutions across asset classes to the entire spectrum of clients.
- Amongst the first banks in India to close structured derivative transactions with Clients.

**FOREIGN EXCHANGE**
- Market Makers in FX Spot and Forwards.

**CREDIT TRADING**
- Active player in credit trading with annual volumes in excess of INR 20K crs
- Originated/arranged primary deals of over INR 10K crs

**EQUITY TRADING**
- Active in Primary Markets with active participation in IPOs, along with secondary trading volumes of INR 1000 Crores

**DERIVATIVE TRADING**
- Market Makers in MIFOR / Currency Swaps / OIS / FX Options. Volumes dealt in excess of INR 1.5 Lac Crs.
- Among the top 5 market makers in MIFOR and OIS. NDDC Volumes in excess of USD 35 Bio.

**RATES TRADING**
- Active in trading of Government Bonds / Treasury Bills / State Loans with annual volumes in excess of INR 80K crs

**BULLION**
- One of the select private sector banks authorized by RBI to deal in Bullion. Dealt Volumes of over 12.25 MT with a value of USD 1 bio.
Robust Risk Framework & Diversified Client Fee Mix

FX & Derivatives Exposure by Risk Type

- Central Counterparty (Guaranteed Settlements) 47%
- Counterparties with Collateralised Arrangements (CSA) 22%
- Exposure against Banks (Non Collateralised) 14%
- Others Counterparties 17%

Efficient Capital Deployment with Low RWA Consumption (Rs. in crs)
- Notional Amount - Derivatives Contracts: 5,14,300
- Notional Amount - FX Contracts: 9,482
- CRAR consumption 0.6%

Diversified Client FX Fee mix across Corporate & Consumer Segments

- FY18: 41% Corporate, 59% Consumer
- FY19: 44% Corporate, 56% Consumer
- FY20: 55% Corporate, 45% Consumer
- FY21: 48% Corporate, 52% Consumer
- FY22: 54% Corporate, 46% Consumer
- YTD Oct: 54% Corporate, 46% Consumer

RISK EXPOSURE:

- Majority of exposure is towards Central Counterparties (CCPs) like CCIL / LCH & NSE
- Exposure to CCPs is expected to grow as we move to INR NDF Clearing (Expected in Q4 FY23)
- Banks (Non collateralized) exposure is expected to shrink once VM Guidelines become effective (1 May 2023)
- Other Counterparties exposure is a mix of secured and unsecured exposure
Way Forward

Client Business

- Deepen Existing Wallet
- Broaden Product Suite
- New Client acquisition
- GIFT City

Trading

- Only Indian bank Market making in INR NDDC to brokers in Singapore & London
- Electronic Distribution of prices to Interbank
- LCH Clearing for INR NDDCs
- Universal Access (Over 30 VM CSAs)
- Preparing for Initial Margin
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Presentation-9b
Transaction Banking Group (TBG)
Overview of Transaction Banking Group

Offering Widespread Products and Services across Customers Segments

1. Trade Services & Finance
   - Trade Finance:
     - Import & Export Financing
     - Bill Discounting & Factoring solutions
       - 25% YoY growth in transaction volumes
   - Trade Services:
     - Trade instruments (LC/BG/SBLC)
     - Cross-border Trade flows

2. Global Remittances (GR)
   - Remittance Solutions:
     - Inward & Outward Remittances for Banks, Exchange Houses & ADIs
     - Pioneer on the Ripple platform
   - Inward Remittances
     - Thruput – USD 2 b

3. Cash Management Services (CMS)
   - Traditional CMS:
     - Leading player in Escrows, RERAs & PPIs
     - Licensed as Agency Bank
     - Settlement Banker for PFMS, GeM
   - Digital CMS:
     - 4th largest Bank on BBPS by value
     - 9% share in NACH Coll by value
     - IMPS share increased 3x in 12 mths

4. Delivered via Best in Class Digital Offerings: Full Stack of Portal, Mobile & API
Serving Clients via Best in Class Digital Stack

- Single Platform & Single Sign On across Payments & Trade on Portal and App
- Escrow transaction management through Portal & APIs
- Online submission of stock statement
- IDPMS/EDPMS Dashboard & regularisation
- Integrated DIY collections platform with bouquet of payment options
- Comprehensive API stack for AP & AR, including custom APIs for GeM & e-Tendering
- Portal & API enablement for Remittances; first to integrate with Ripple

Robust Digital Channel Growth

<table>
<thead>
<tr>
<th>Channel Volume</th>
<th>Channel Value</th>
<th>Transacting Client Count</th>
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<tbody>
<tr>
<td>~ 2 times FY20</td>
<td>~ 2.5 times FY20</td>
<td>~ 6 times FY20</td>
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<tr>
<td>FY20</td>
<td>FY20</td>
<td>FY20</td>
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<tr>
<td>FY22</td>
<td>FY22</td>
<td>FY22</td>
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</tbody>
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Driving Consistent Fee & Deposit Growth

Growing & Sustained Contribution to Corporate Fee

- Trade & Remittances Fee (Rs.cr)
  - FY20: 720
  - FY22: 757

- TBG Contribution to Corporate Fee
  - FY20: 100
  - FY22: 133

CMS Throughput Driving Corporate CA growth

- Corporate CA ANR
  - FY20: 100
  - FY22: 200

Indexed to FY20

Powering Govt Clients through Digital CMS solutions

Leader in structured Trade & Cash Management solutions for Renewables Sector
Diversified Product Mix with Efficient Capital Deployment

Low RWA Consumption (Rs.crs)

- Notional Amount: 81,674
- Risk Weighted Assets: 25,436
- CRAR consumption: 1.6%

Rating Profile

- Below Investment Grade: 4%
- Cash Backed: 12%
- Above investment grade: 78%
- Secured by Counter Guarantees of Correspondent Banks: 6%

Product Mix

- Bank Guarantee Financial: 34%
- Performance Guarantees: 38%
- LC - Usance: 18%
- LC - Sight: 10%

Trade NFB to FB Ratio (%)

- Mar-20: 41%
- Sep-22: 31%

as on Sep-22
Some Case Studies
Case Study 1: 360° Overview - Structured CMS Solutions for Government

Key highlights

- Handling a throughput of almost 1.64 lakh crores p.a. In Transaction banking for Govt accounts
- 18200 accounts actively doing transactions through us.

Agency Banking
- Issued Licence for Agency Banking business
- Integrated with PCS (Port Integration)

e-Tendering
- Top 3 banks in handling EMD settlement solution in India having 4 States and various Central PSUs
- Ecosystem Banking capabilities
- 40X growth in CASA in last 5 years

Land Acquisition
Leading Bank in handling Land acquisition settlement solutions. Complete End to end solution from ERP for Govt to beneficiaries

Govt DBT Accounts
Handling number of accounts under PFMS & DBT Schemes. Top 10 banks in terms of volumes handled

Smart QR Address
First of its kind solution for Smart address linked QR code started in one City for all Banking needs
Case Study 2: Structured Escrow Initiative

Robust Processes

- Fixed TAT for Escrow execution
- Specialists for transaction structuring
- RERA & PPI expertise
- Dedicated & centralized control for transaction management

Comprehensive Product Stack

Digital Transaction Fulfilment

- APIs for individual & bulk payments
- Host to Host / SFTP integration
- Integrated Channels for payment

- Float in INR Crs. ~ 3.8 times

Pioneered the launch of Digital payment initiation for Escrows

- Retailisation of CA
- Annuity & stable CA
- Acquisition and X-sell opportunity
THANK YOU
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