



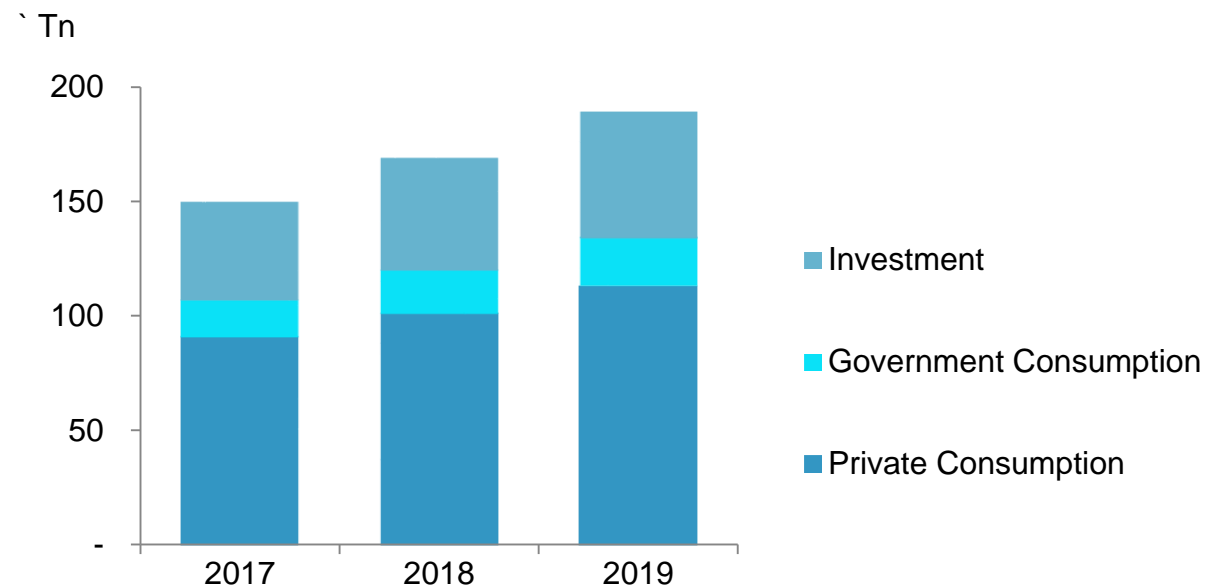
INVESTOR PRESENTATION

21st Annual India Summit hosted by Morgan Stanley , June 12 2019 . Mumbai

- ⌘ Well positioned across India's GDP spectrum
- ⌘ Meeting Diverse Customers' Needs
- ⌘ Unique Franchise in the Indian Banking Sector
- ⌘ Key Business Initiatives
- ⌘ Financial Highlights
- ⌘ Value Proposition



Well positioned across GDP spectrum



PRIVATE CONSUMPTION

- Well positioned in urban and rural markets
- Leading player across retail loan categories
- Focus on working capital finance and trade services

INVESTMENT

- Term Loans for brownfield and greenfield capex
- Loan syndication, debt capital markets
- Leading working capital banker to capital goods manufacturers
- Project financing - manufacturing, infrastructure

GOVERNMENT

- Large tax collector for the Government of India
- Significant provider of cash management services for public sector and semi government undertakings
- e-enabling public services

*Source CSO (GDP at Market Prices at current prices with new base year of 2011-12) | FY Fiscal year ended March 31 | Tn – Rupees Trillion

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Wide Range of Products and Customer Segments



RETAIL BANKING

LOAN PRODUCTS

- ⌘ Auto Loan
- ⌘ Personal Loans
- ⌘ Home Loans / Mortgages
- ⌘ Commercial Vehicles Finance
- ⌘ Retail Business Banking
- ⌘ Credit Cards
- ⌘ Loans against Gold
- ⌘ 2-Wheeler / Consumer Durable Loans
- ⌘ Construction Equipment Finance
- ⌘ Loans against Securities
- ⌘ Agri and Tractor loans
- ⌘ Education Loans

DEPOSIT PRODUCTS

- ⌘ Savings Accounts
- ⌘ Current Accounts
- ⌘ Fixed / Recurring Deposits
- ⌘ Corporate Salary Accounts
- ⌘ Escrow Accounts

LOAN PRODUCTS CONTD...

- ⌘ Self Help Group Loans
- ⌘ Joint Liability Group Loans
- ⌘ Kisan Gold Card

OTHER PRODUCTS / SERVICES

- ⌘ Depository Accounts
- ⌘ Mutual Fund Sales
- ⌘ Private Banking
- ⌘ Insurance Sales (Life, General)
- ⌘ Non-resident Indian (NRI) Services
- ⌘ Bill Payment Services
- ⌘ Point of Sale (POS) Terminals
- ⌘ Debit Cards
- ⌘ Foreign Exchange Services
- ⌘ Broking (HDFC Securities Ltd)



WHOLESALE BANKING

COMMERCIAL BANKING

- ⌘ Working Capital
- ⌘ Term Loans
- ⌘ Bill / Invoice discounting
- ⌘ Forex & Derivatives
- ⌘ Wholesale Deposits
- ⌘ Letters of Credit
- ⌘ Guarantees

TRANSACTIONAL BANKING

- ⌘ Cash Management
- ⌘ Custodial Services
- ⌘ Clearing Bank Services
- ⌘ Correspondent Banking
- ⌘ Tax Collections
- ⌘ Banker to Public Issues

INVESTMENT BANKING

- ⌘ Debt Capital Markets
- ⌘ Equity Capital Markets
- ⌘ Project Finance
- ⌘ M&A and Advisory

KEY SEGMENTS

- ⌘ Large Corporate
- ⌘ Emerging Corporates
- ⌘ Financial Institutions
- ⌘ Government / PSUs
- ⌘ Business Banking / SME
- ⌘ Supply Chain (Suppliers and Dealers)
- ⌘ Agriculture
- ⌘ Commodities



TREASURY

PRODUCTS / SEGMENTS

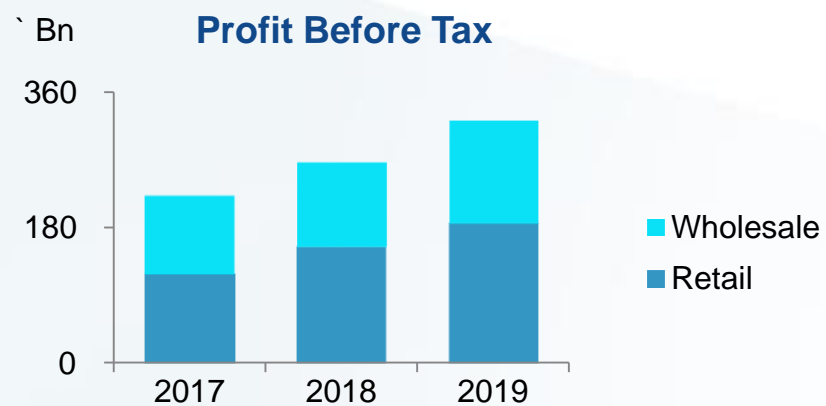
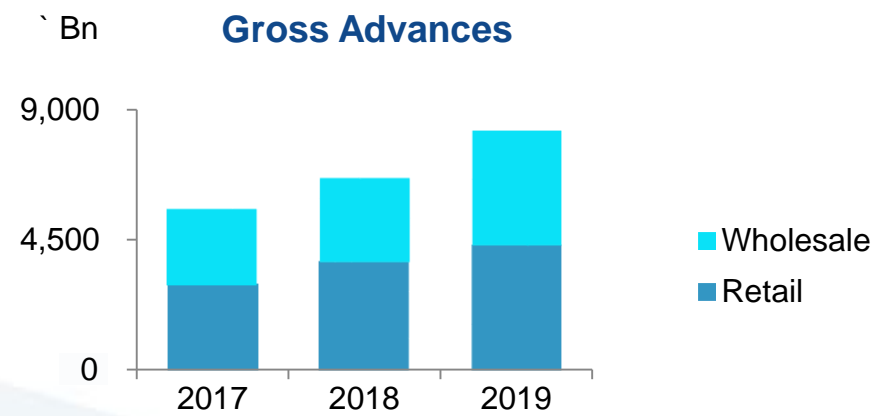
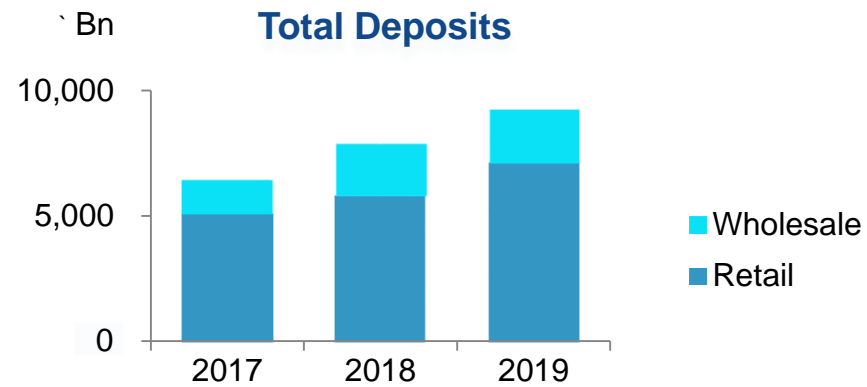
- ⌘ Foreign Exchange
- ⌘ Debt Securities
- ⌘ Derivatives
- ⌘ Equities

OTHER FUNCTIONS

- ⌘ Asset Liability Management
- ⌘ Statutory Reserve Management

COMPLETE SUITE OF PRODUCTS TO MEET DIVERSE CUSTOMERS' NEEDS

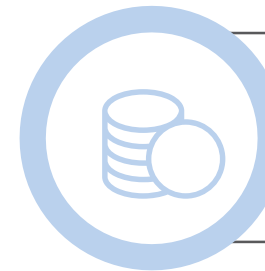
Business Mix



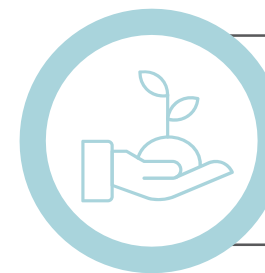
Over 90% of net revenues from customer segments



Well balanced loan mix between wholesale and retail segments



Large retail deposit franchise – a source of stable funding



Equally well positioned to grow both segments

Indian GAAP figures. Fiscal Year ended 31st March; ` – Rupees

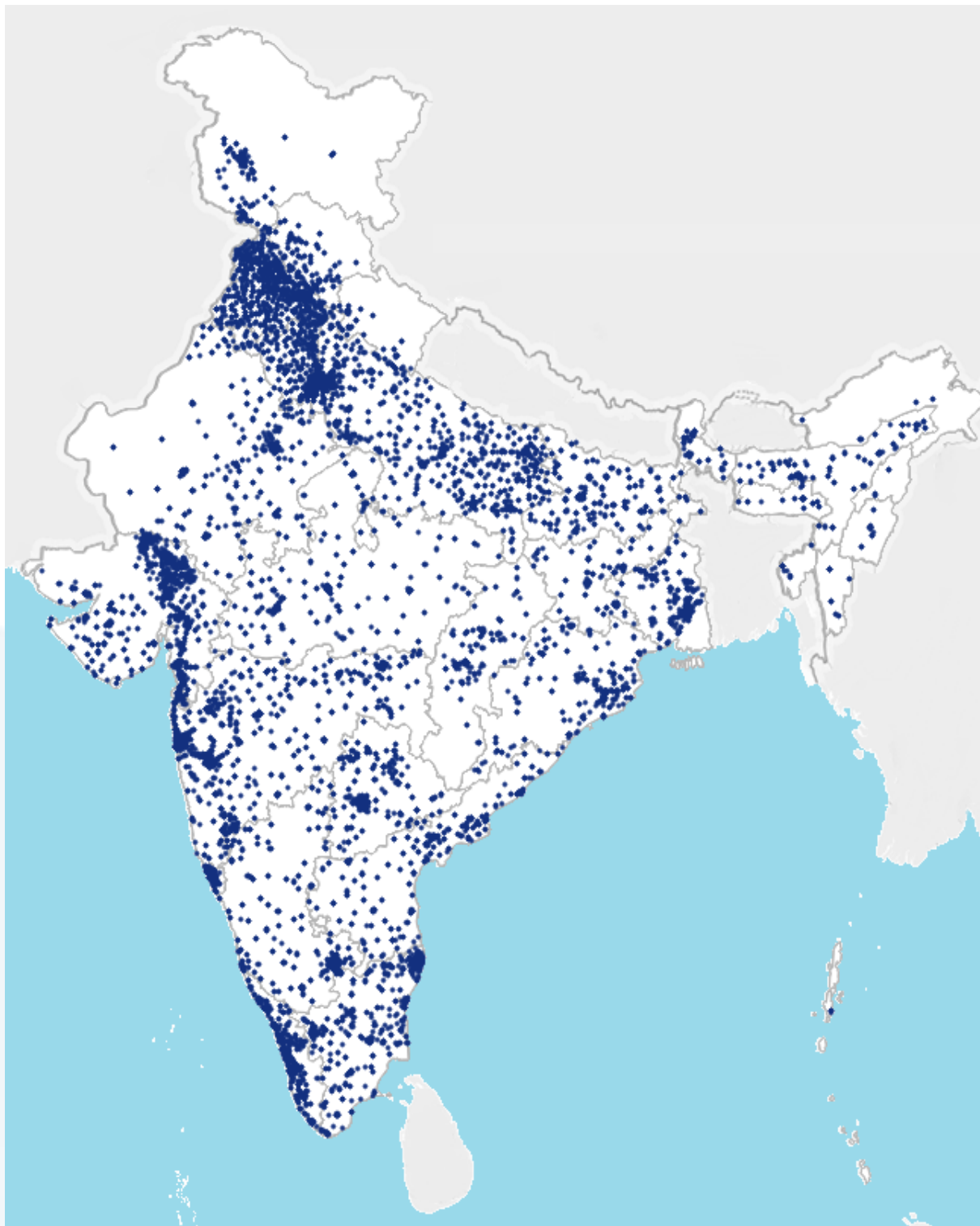
Gross advances and Profit Before Taxes classified as per RBI guidelines for segmental reporting (Basel II).

“Other Banking Operations Segment” (which includes Credit Cards, Third Party Product sales etc.) has been added to the Retail Segment



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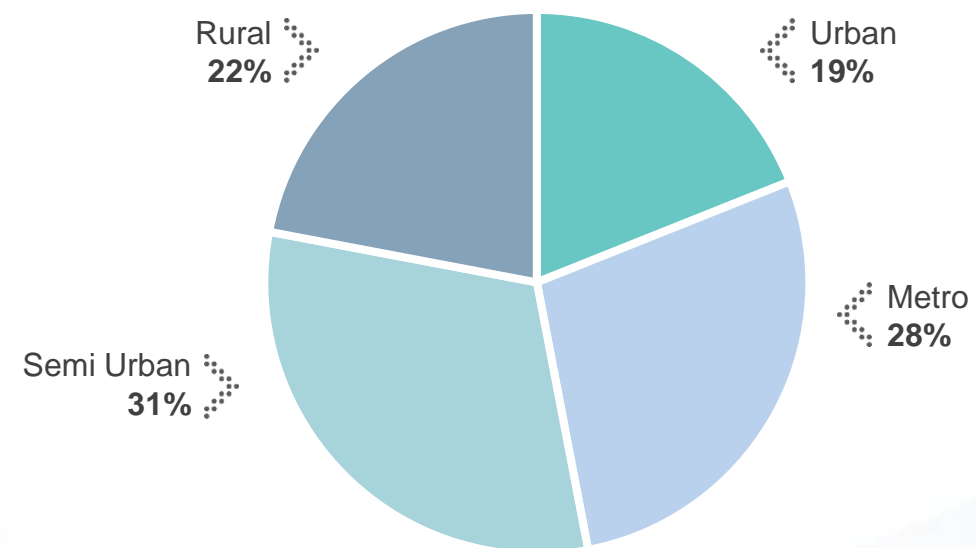
Strong National Network



FY – Fiscal year ended March 31

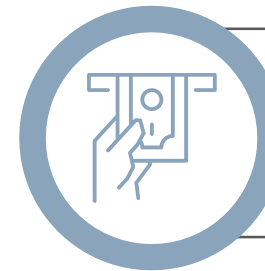
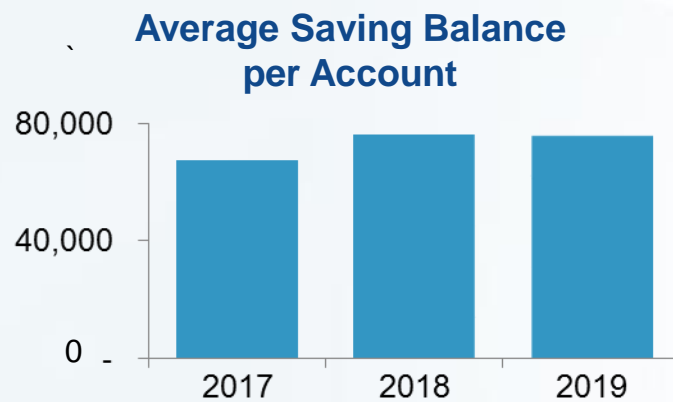
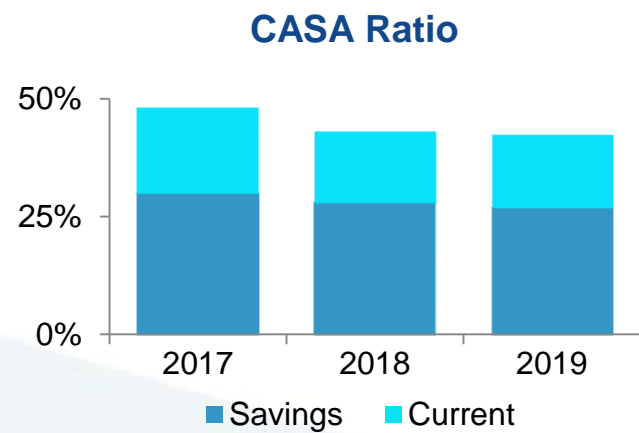
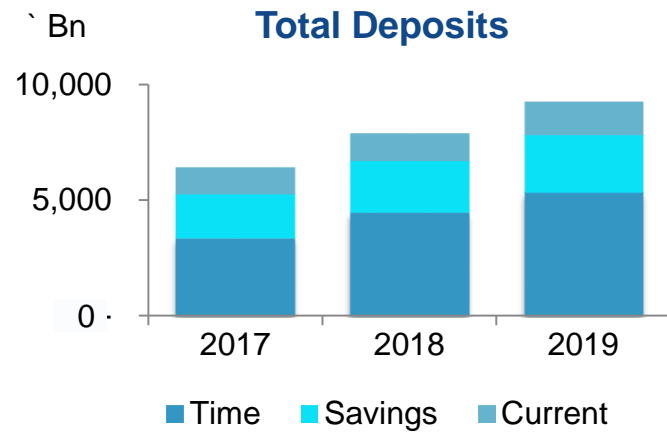
	Mar'16	Mar'17	Mar'18	Mar'19
 Banking Outlets	4,520	4,715	4,787	5,103
 Cities	2,587	2,657	2,691	2,748

Branch classification (Mar'19)



- 53% of total banking outlets in Semi-urban and Rural locations
- All branches linked online, real-time
- Customer base of over 49 million

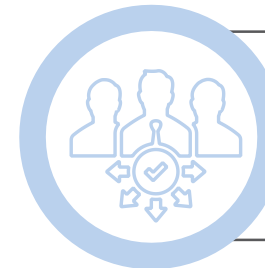
High Quality Deposit Franchise



Healthy proportion of CASA (current & savings) deposits



Floats from multiple transactional banking franchises



Provides customer base for ongoing cross-sell through branches

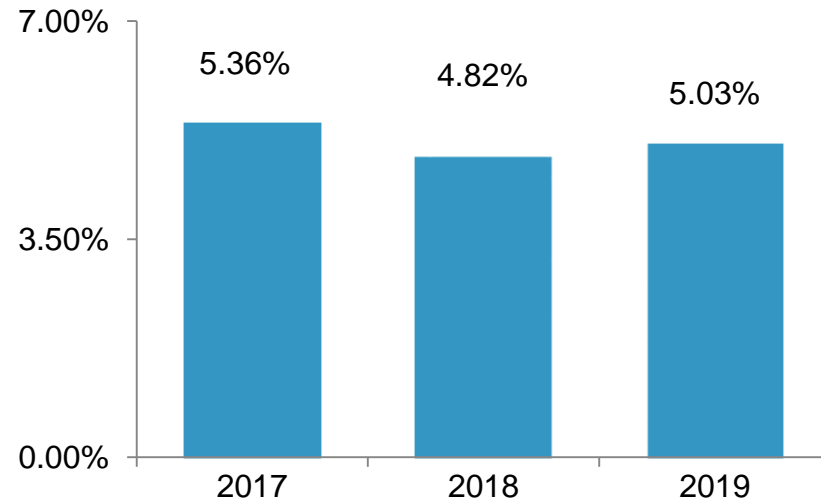


Quality growth rather than mere numbers

Indian GAAP figures. Fiscal year ended 31st March; ` - Rupees

Low Funding Costs – Healthy Margins

Cost of Deposits

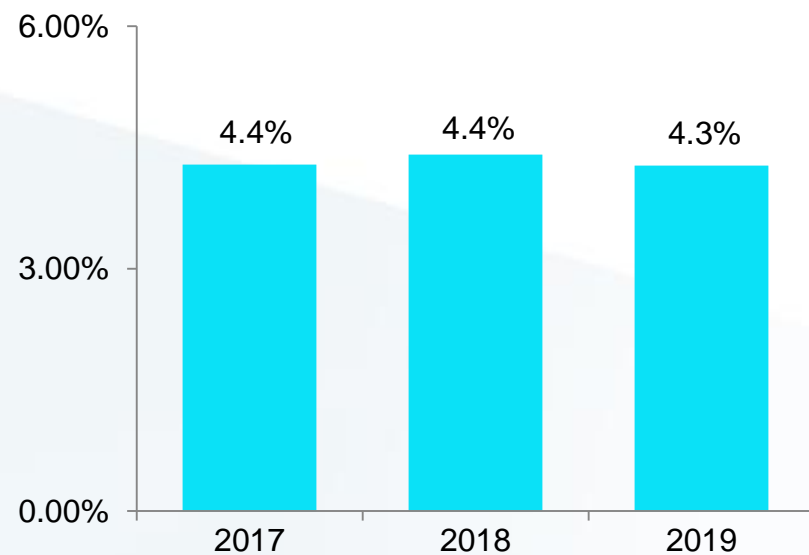


Amongst the lowest deposit costs in the industry

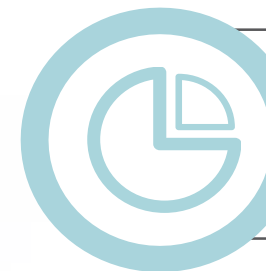


Asset yields based on higher proportion & product mix of retail loans

Net Interest Margin



Healthy margins – relatively stable across interest rate and economic cycles

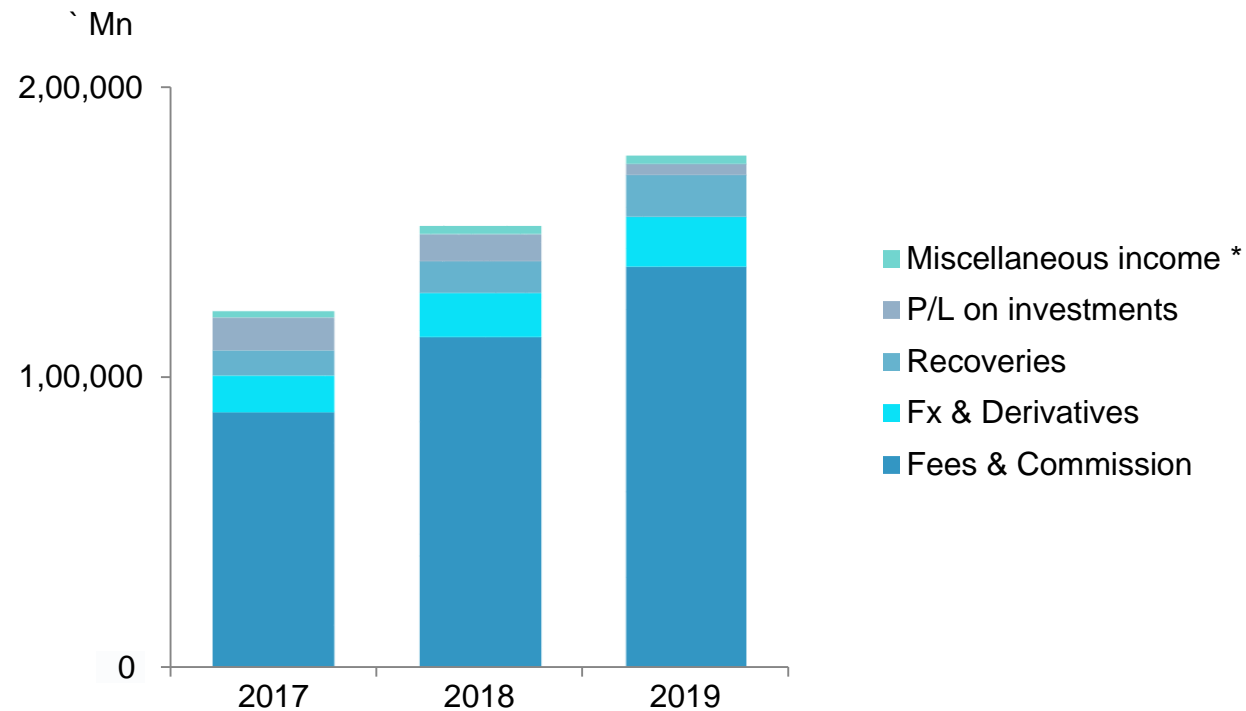


Net interest income 73% of net revenues in FY2019

Indian GAAP figures. Fiscal year ended 31st March

LAF/MSF borrowings from RBI are grossed up as per revised guidelines from RBI and accordingly previous years' NIMs have been recomputed.

High Quality Non-Funded Revenues



Multiple sources of fees & commissions:

- Banking charges (Retail & Wholesale)
- Credit card fees
- Retail asset fees
- Third party product sales
- Trade finance
- Cash management
- Depository charges
- Custody

• Other Income (non-fund revenues) at 27% of Net Revenues in FY 2019

• Composition of Other Income in FY 2019:

- Fees and commission: 78%
- FX and Derivatives Revenues: 10%
- Recoveries from written-off accounts and miscellaneous income: 10%
- Profit / Loss on sale of Investments: 2%

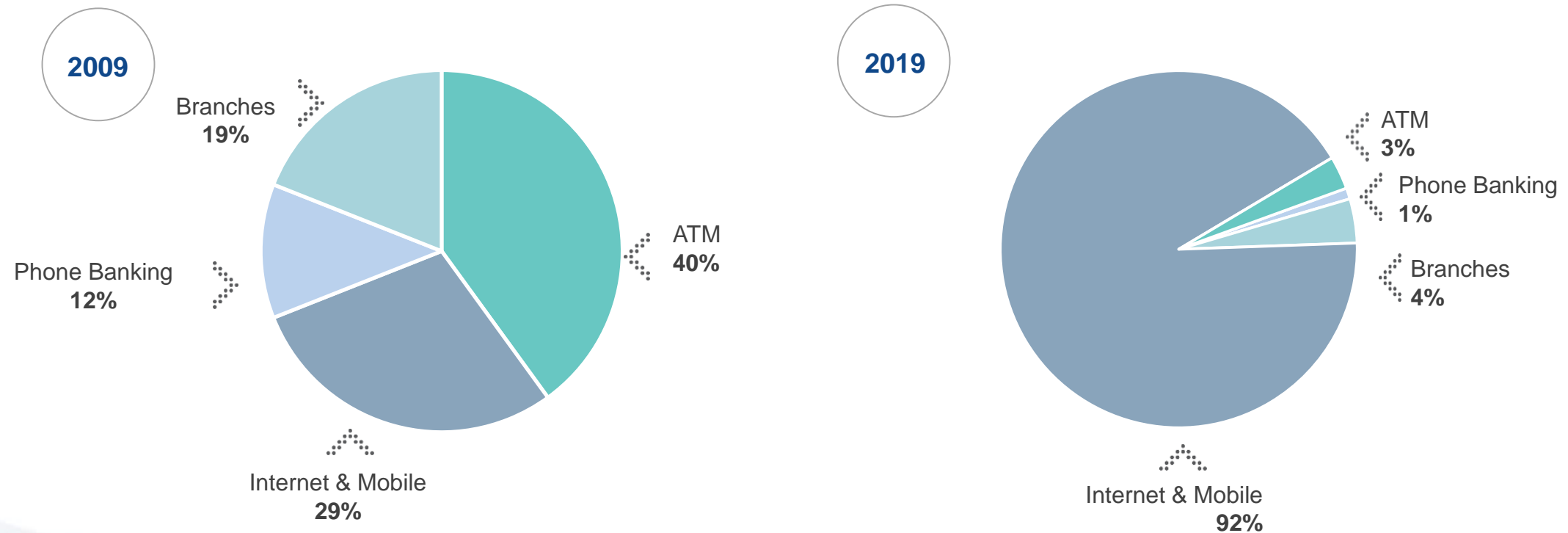
Indian GAAP figures ; FY – Fiscal Year ended 31st March.

**Miscellaneous income includes dividend from subsidiaries/associates. ` – Rupees*

Leveraging Technology

Multiple Delivery Channels

Greater Choice and Convenience for Our Retail Customers



% Customer Initiated Transactions by Channel

Central / Regional Processing Units

Economies of Scale; Branch focus: Sales & Service

Electronic Straight Through Processing

Lower Transaction Costs & Error Rates

Data Warehousing, CRM, Analytics

Higher Sales & Credit Efficiencies, Cross-sell

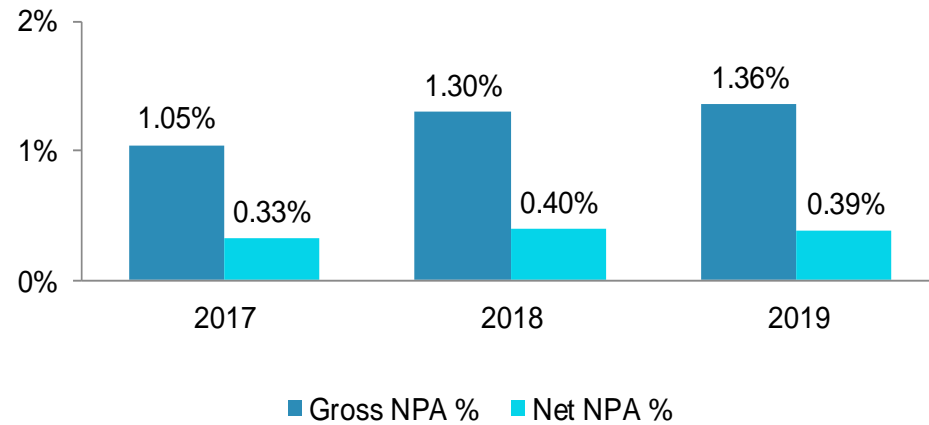
Innovative Technology Applications

Enable new Products / Channels including Apps

The charts above cover only transactions initiated by our own customers at our channels and which could have been transacted at the Bank's branches. Transactions such as (a) SMS alerts sent to customers, (b) point of sale (POS) transactions, and (c) transactions by holders of other banks' cardholders have therefore been excluded. Apps include Micro/Lite App, Smart Phone App and Tablet App

Healthy Asset Quality

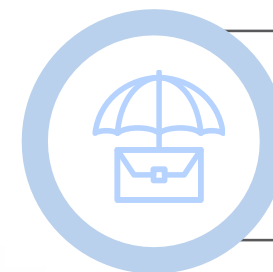
NPA% to Advances



Amongst the best portfolio quality (wholesale & retail) in the industry

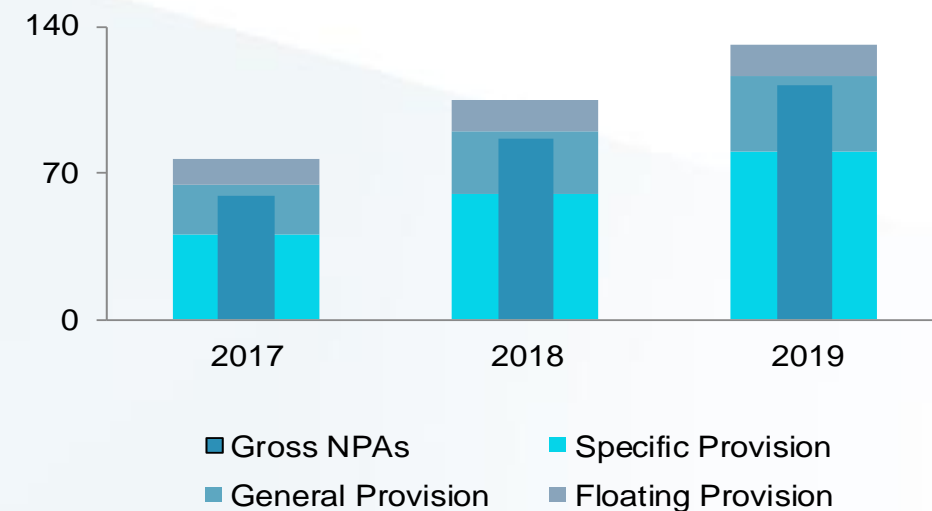


Strong credit culture, policies, processes



Specific provision cover at 71% of NPAs, total coverage ratio about 117%

Loan Loss Provisions

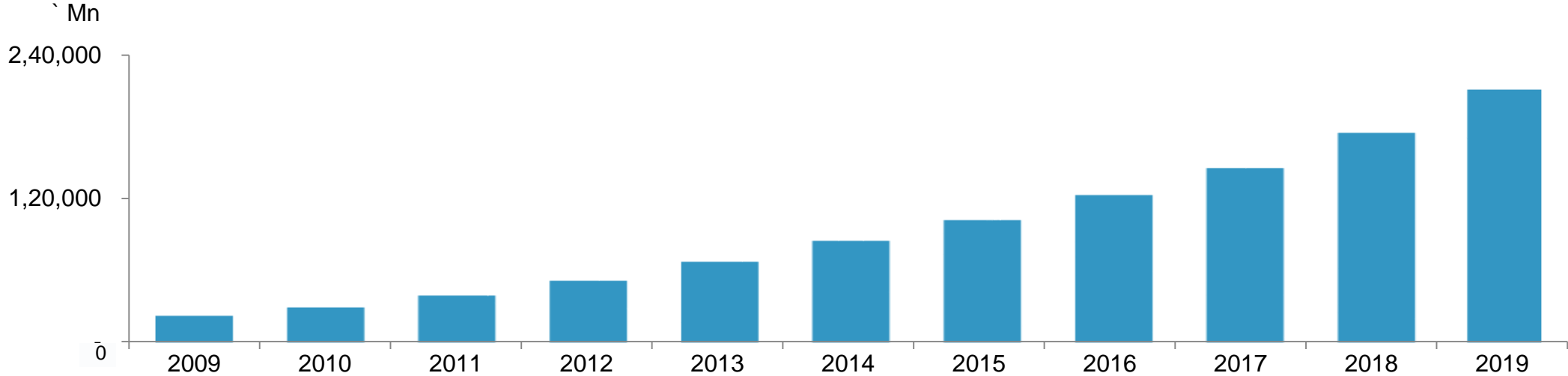


Indian GAAP figures. Fiscal year ended 31st March.

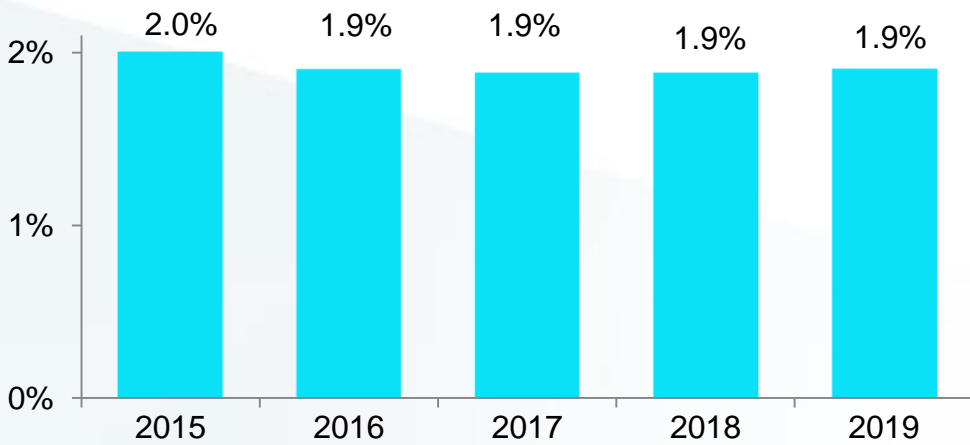
Net Non Performing Assets (NPA) = Gross NPA less specific loan loss provisions` - Rupees

Consistent Financial Performance

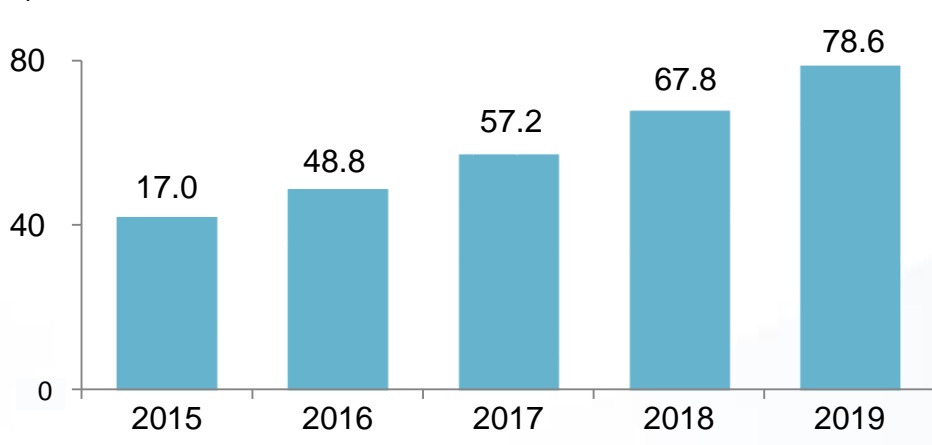
Net Profit



ROA



EPS

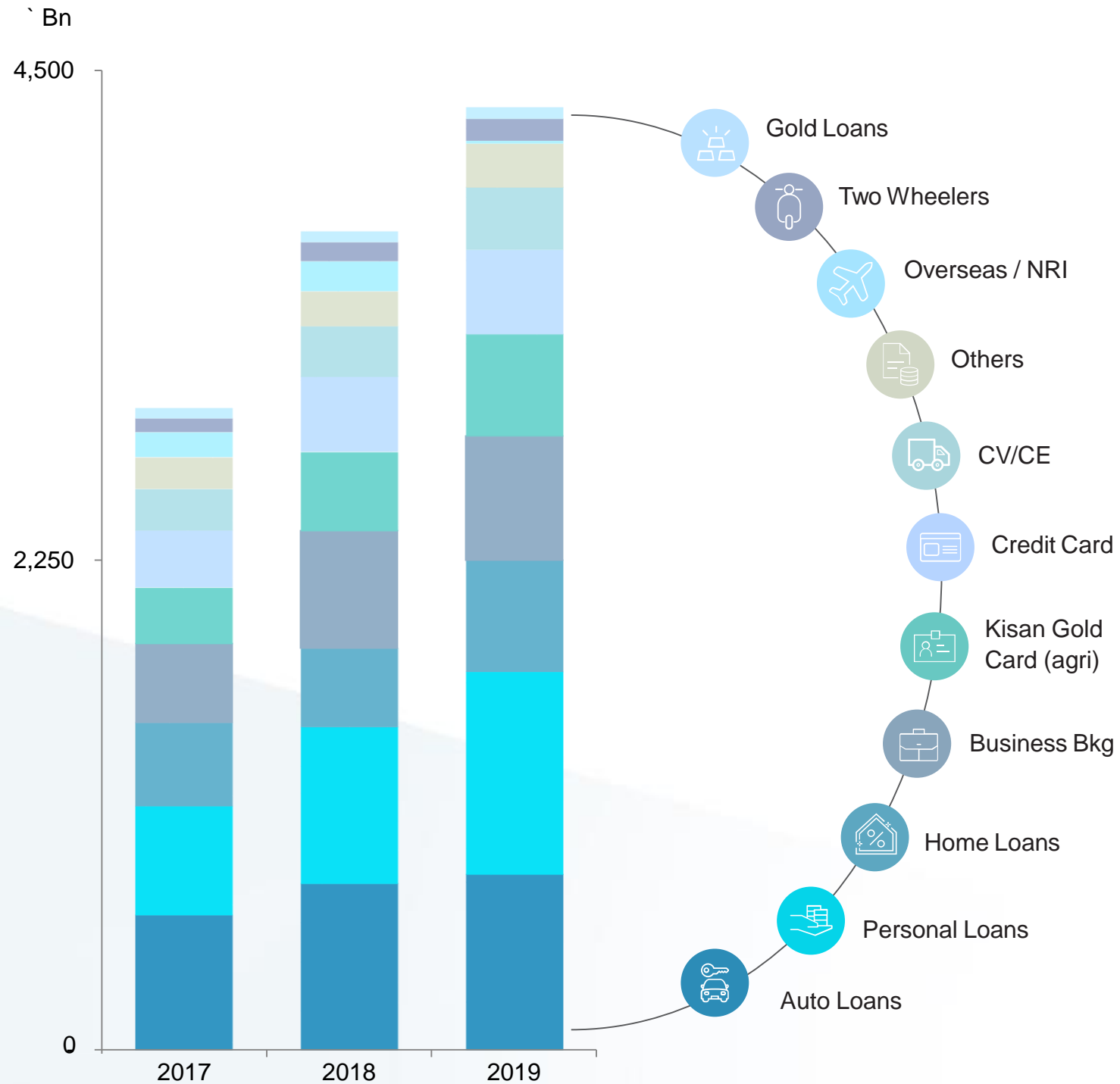


Indian GAAP figures. Fiscal year ended 31st March

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Retail Loans – Leadership & Profitable Growth



Well diversified product mix

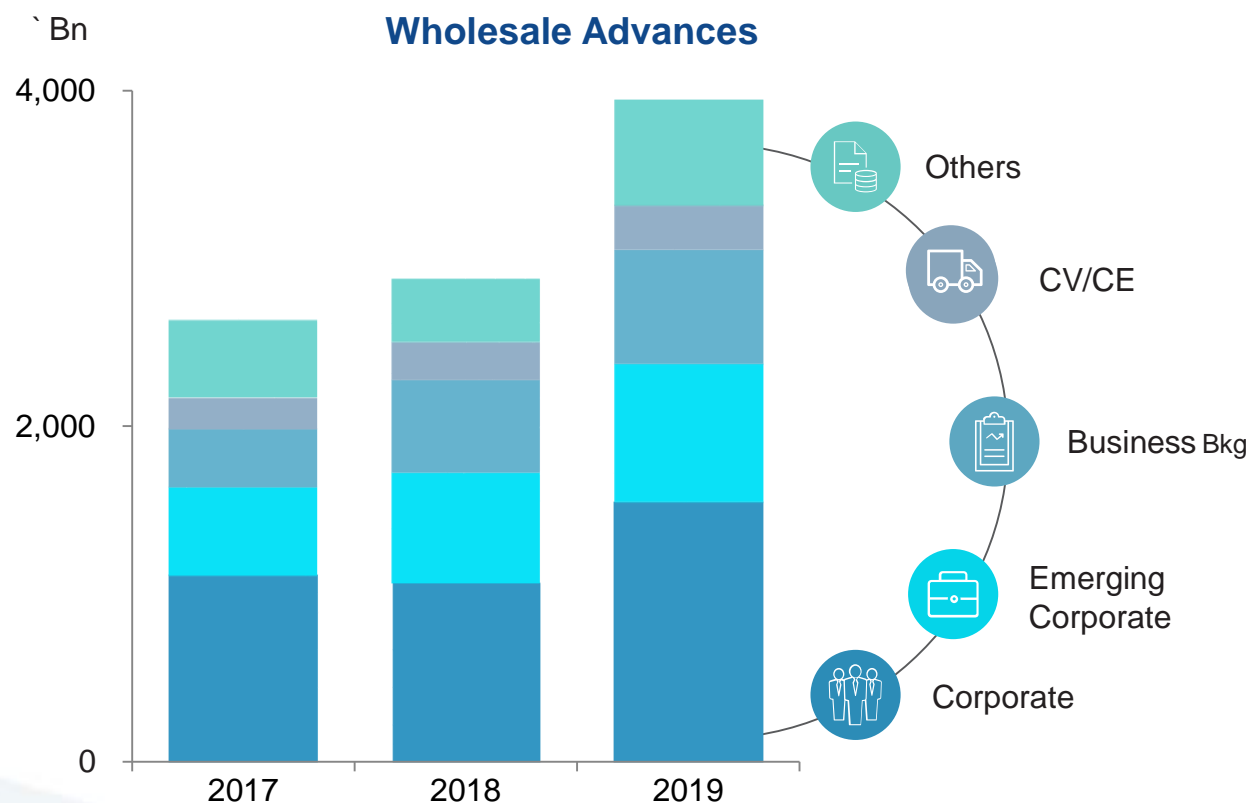
Leading player – balancing volumes & market share with margins and risk

Loan losses for most products stable and within product pricing parameters

Indian GAAP figures. Fiscal year ended 31st March; Retail loans are classified as per RBI guidelines for segmental reporting (Basel II).

*In arrangement with HDFC Ltd., CV/CE—small /medium ticket commercial vehicle and construction equipment loans, 'Others' include Tractor loans, Loan to SHGs / JLGs, Loans against Securities, etc. – Rupees

Wholesale Banking – Accessing Multiple Segments



- Leveraging relationships with large / emerging corporates and SMEs for multiple products
- Balanced mix between working capital financing, term loans and trade services
- Market leaders in cash management solutions
- Well diversified loan portfolio
- Investment banking capability across multiple Industry segments and product verticals

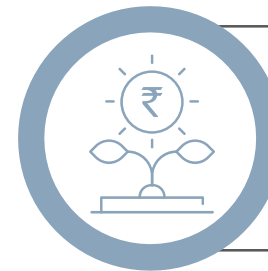
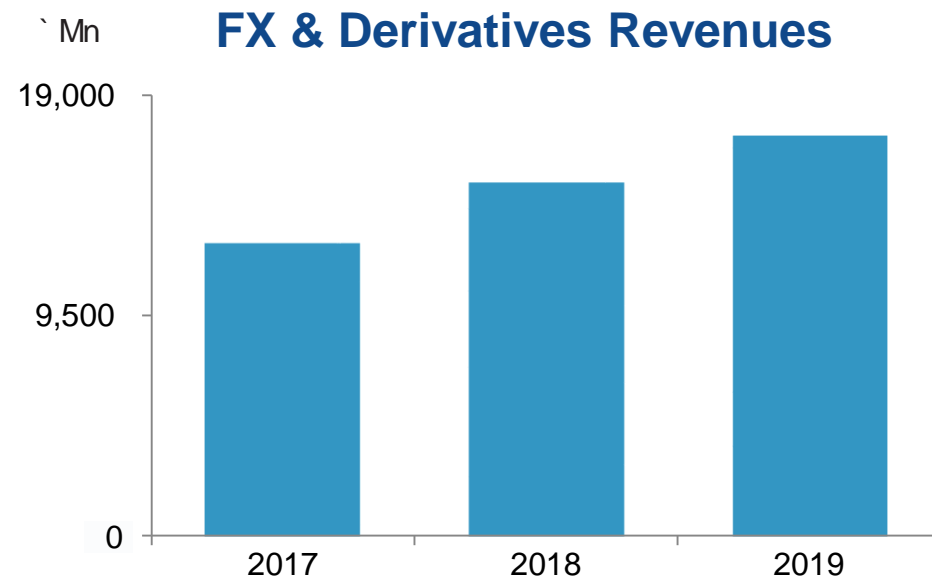


Leading provider of electronic banking services for supply chain management (SCM)

Indian GAAP figures. Fiscal year ended 31st March; Total wholesale advances are as per the RBI guidelines for segmental reporting (Basel II). 'Others' includes Capital markets, commodity finance and other consumer loans over ₹ 50 million.

CV/CE – Large ticket commercial vehicle and construction equipment loans – Rupees

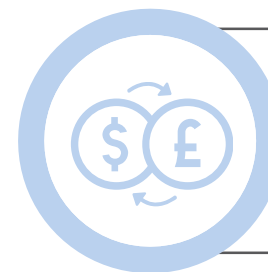
Customer Focused Treasury Products



Revenues – Largely customer driven, low reliance on trading revenue



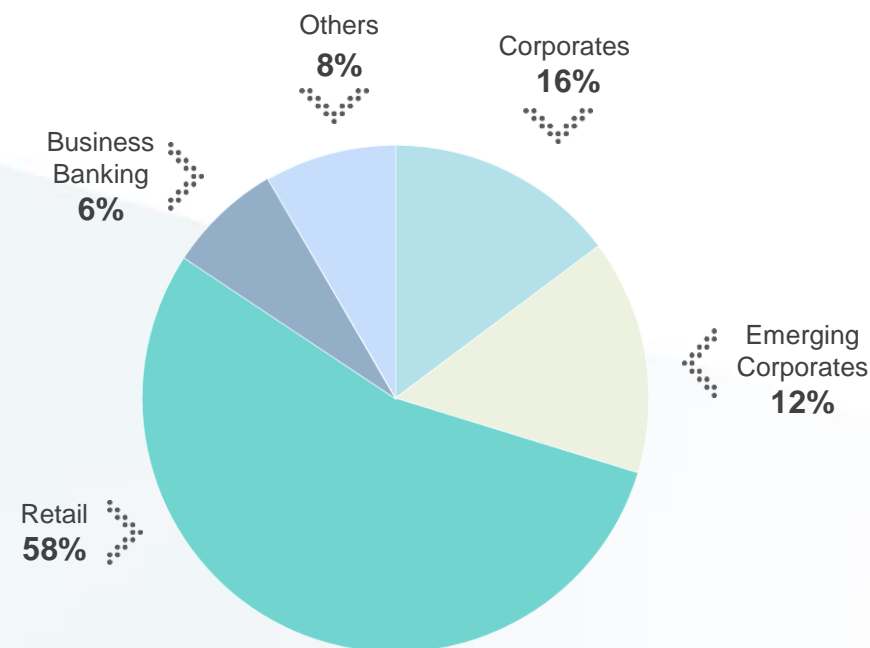
Treasury advisory services



Plain vanilla FX offerings to retail and business banking segments



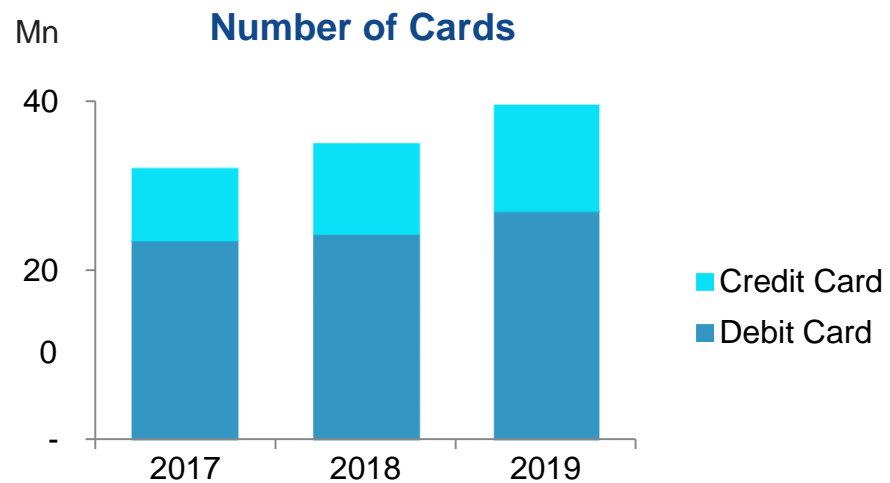
FX and derivatives product sales to corporate and institutional customers



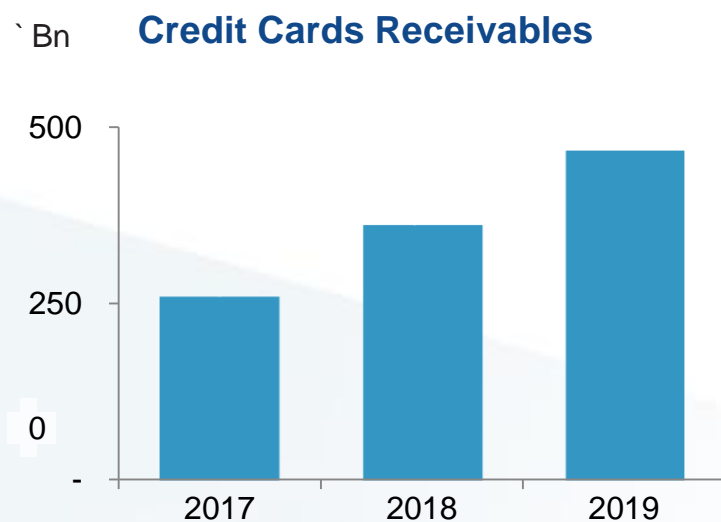
Indian GAAP figures. Fiscal year ended 31st March; ` – Rupees

Corp - Corporate banking, ECG – Emerging Corporate Group, BB - Business Banking | 'Others' includes Capital Markets and Commodity Finance groups

Cards – Market Leadership



Market leader in credit cards – 12.5 mn



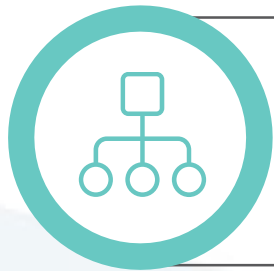
Over 80% of new credit cards issued to existing customers

Indian GAAP figures. Fiscal year ended 31st March. ₹ – Rupees | FY 2019 – Fiscal year ended 31st March 2019 | POS – Point of Sale

Subsidiary Companies



Main Products:
Retail Loans (LAP, CV/CE, PL),
Collection **services**
and Insurance **services**



Network of **1,350 branches**
across **981 cities**



FY 2019 – **Loan book:**
`547 Bn, **Net Profit:** ` 11.5 Bn
Gross NPA: 1.8%, **Capital**
adequacy ratio (CAR): 17.9%



State-of-the-art **trading** and
internet platform



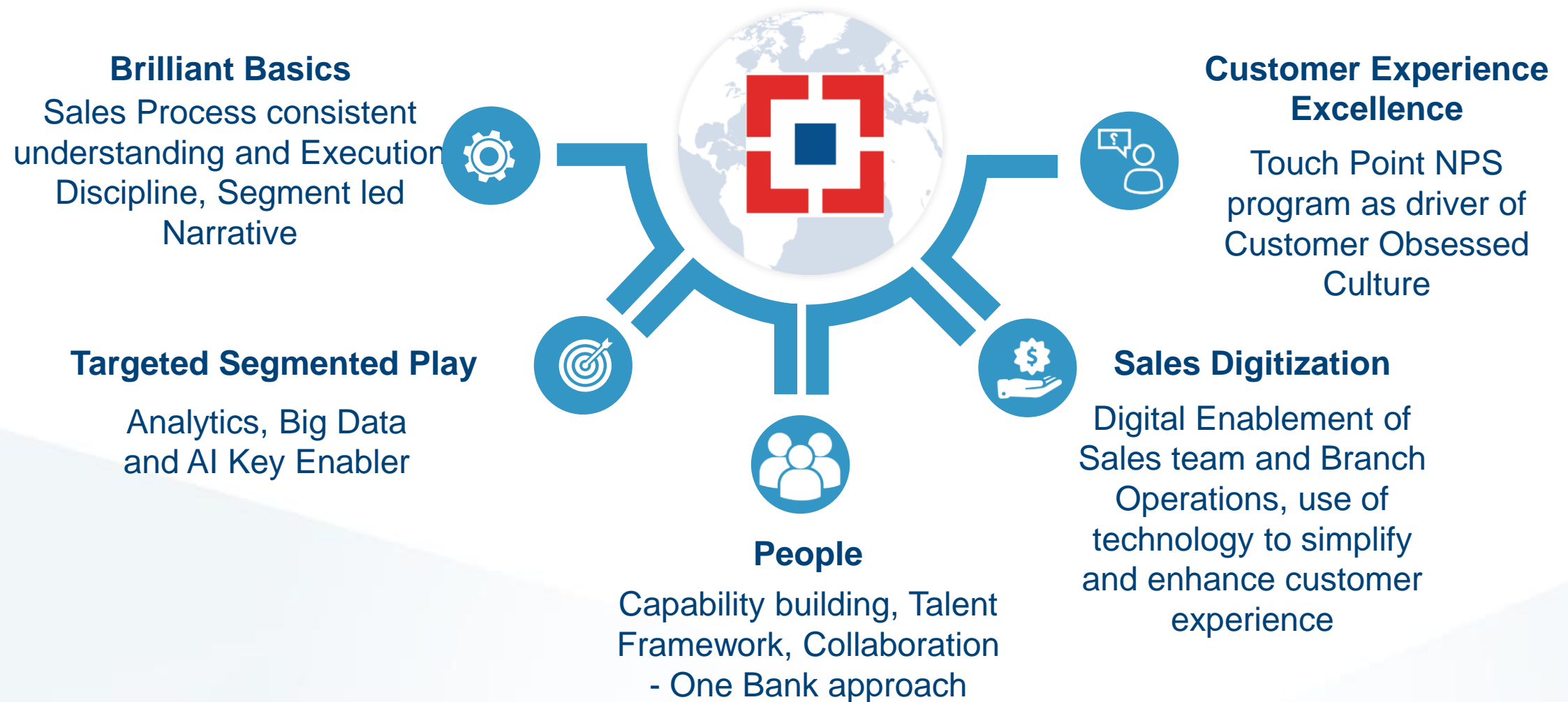
2.1 million customers; **278**
branches across **165 cities**



FY 2019 - **Total Income:** ` 7.8bn,
Net Profit: ` 3.3 Bn

` – Rupees | FY 2019 – Fiscal year ended March 31, 2019; LAP – Loans Against Property; CV/CE – Commercial Vehicle and Construction Equipment Loans; PL – Personal Loans

Branch Channel : Key Pillars of Strategy



Branch Channel : New customer acquisitions

1 Merchant Thrust

- Own shopkeepers in the catchment.
- Special rates on loans, Mini SB A/c for small shops

4 Change in Relationship

- Sourcing liability a/cs for all asset disbursements
- Joint ownership with asset teams

2 Catchment Mining Program

- To be leading Bank in the Catchment
- Weekly program in small teams led by seniors to meet, engage new customers

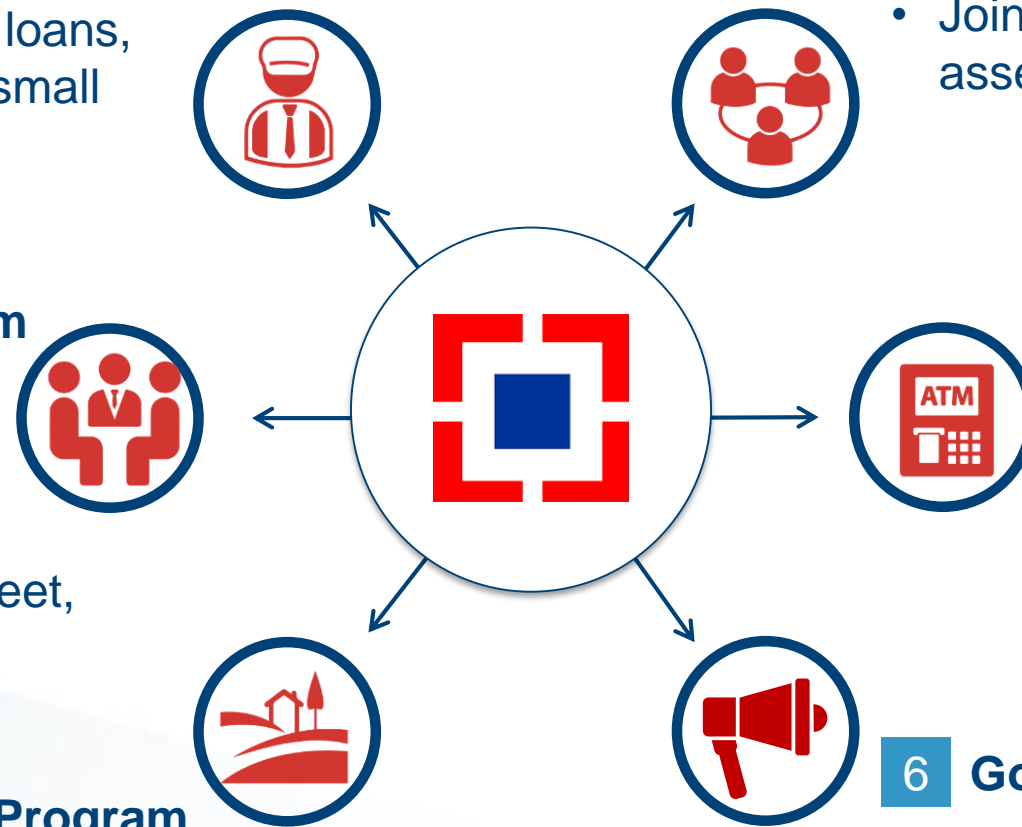
5 ATM Assist Program

- Being launched across Bank in high transacting ATMs

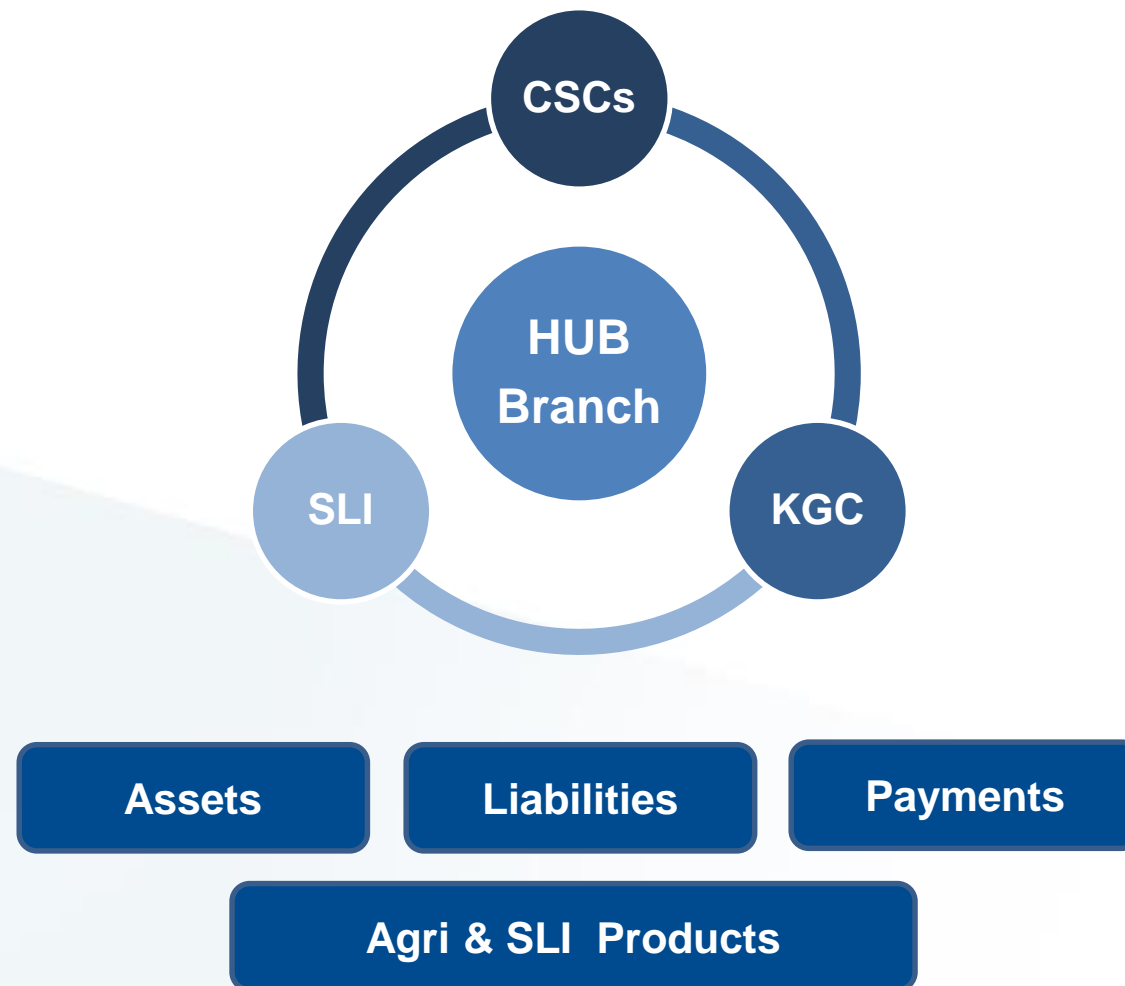
3 Village Penetration Program

- Joint program with Agri/KGC -targeting new customers in Villages

6 Go to Sales

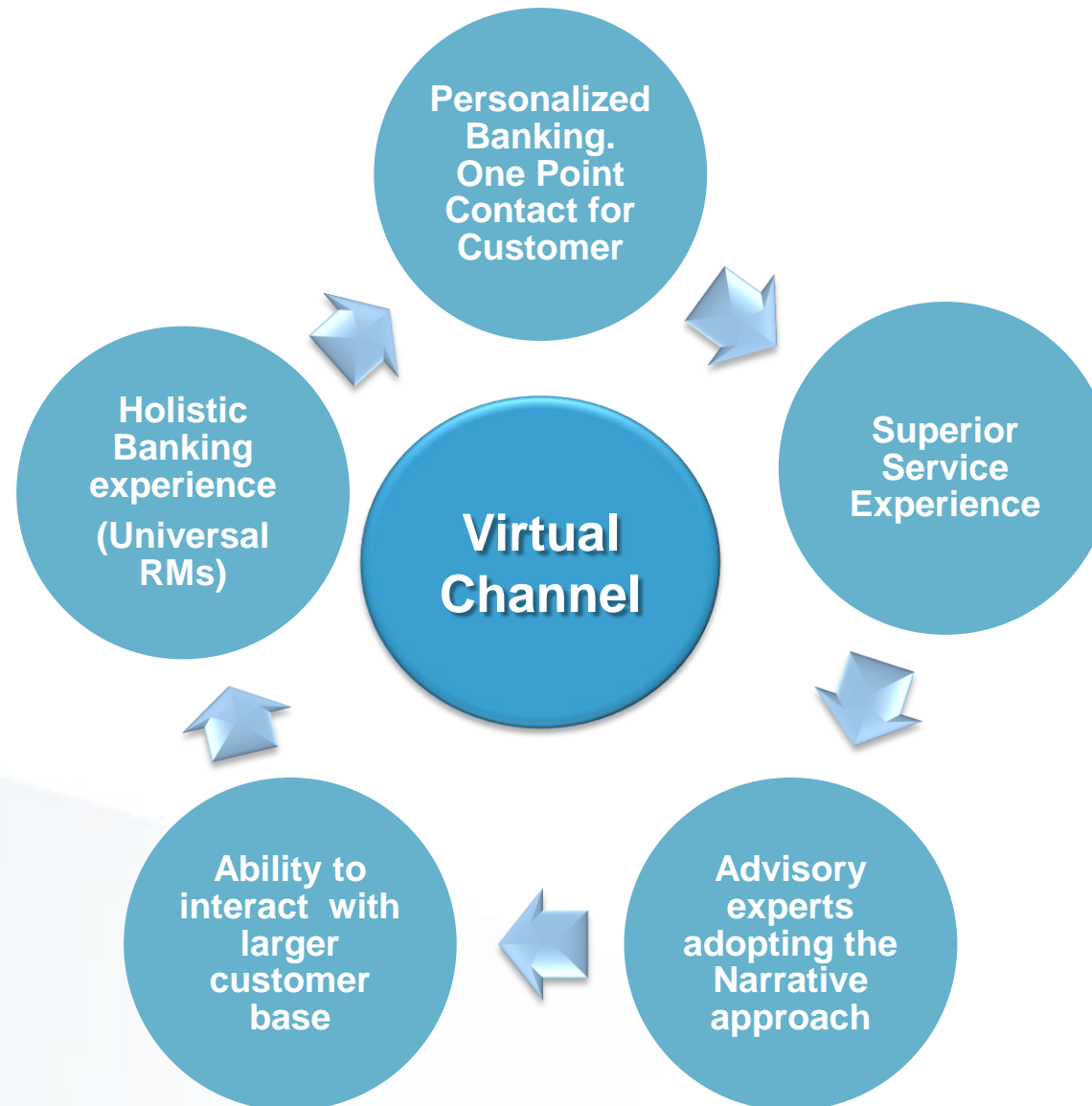


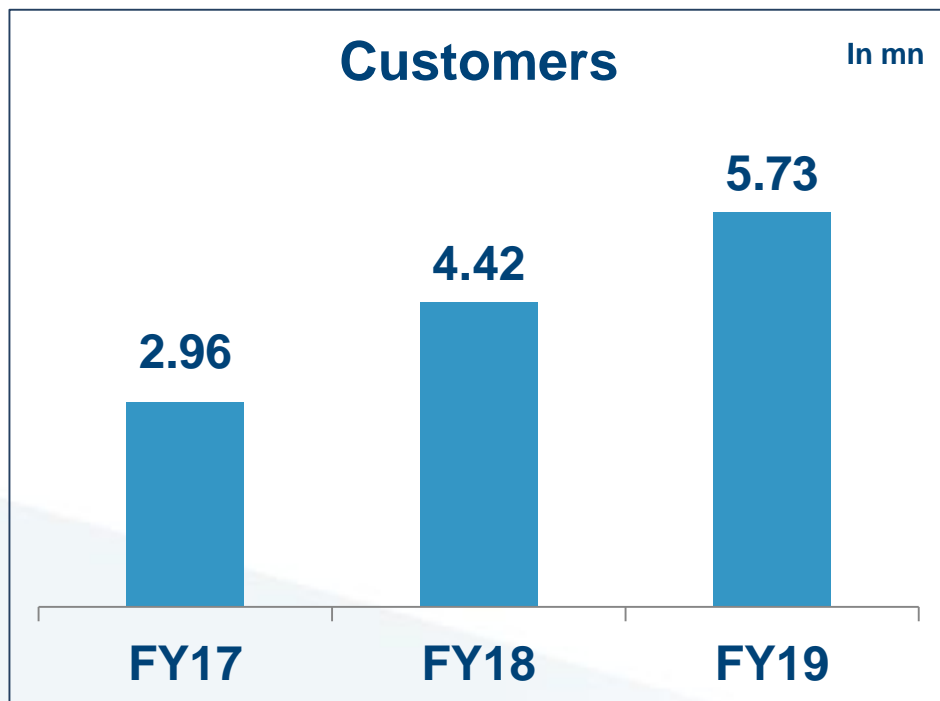
Expanding Our Distribution Footprint



- ∴ Per Capital Rural GDP upwards of \$ 2000
- ∴ Only bank in town to offer all products on asset side of balance sheet
- ∴ Proven track record
- ∴ Wider distribution with branch, CSC, feet on street of KGC / SLI teams (low cost)
- ∴ 100,000 existing Bank employees + 100,000 distribution footprint creating a bank within a bank
- ∴ Expect larger distribution of products
- ∴ Small shop strategy

Virtual Relationship Model (VRM)





- Metro Cities: 58%, Urban: 23%, Semi-Urban: 14%, Rural: 5%.
- Resources increased from 1,845 to 3,567

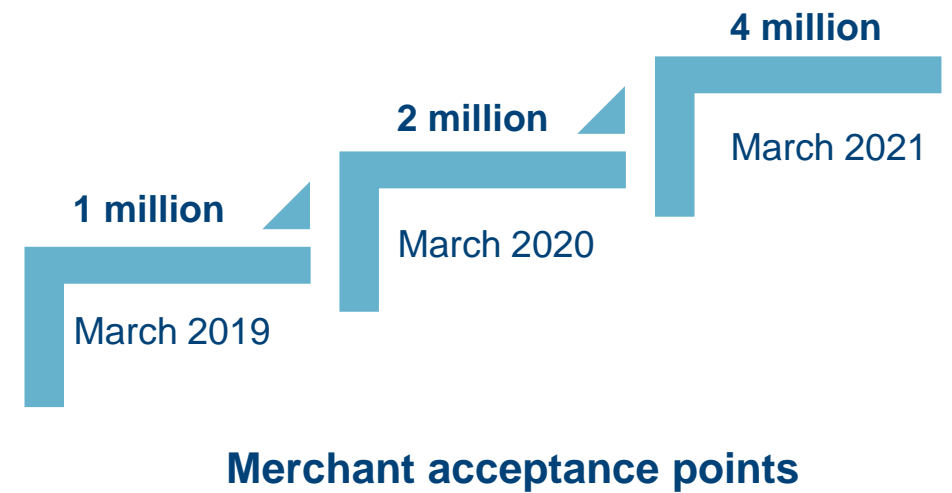
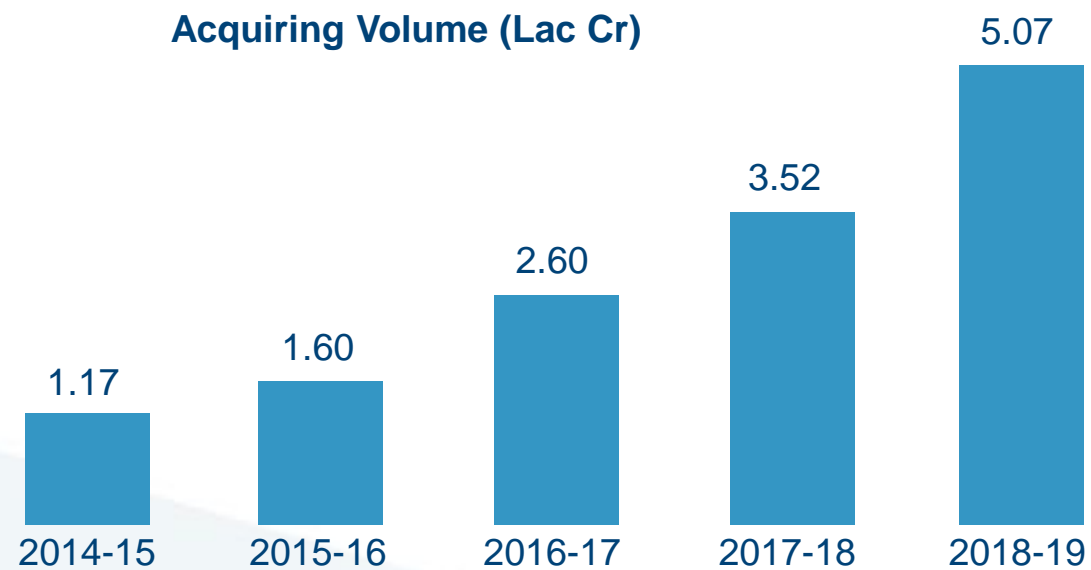
Mission – 10 mn customers in FY20

Making the channel intelligent, customer centric & responsive –through use of technology

Building RM efficiency

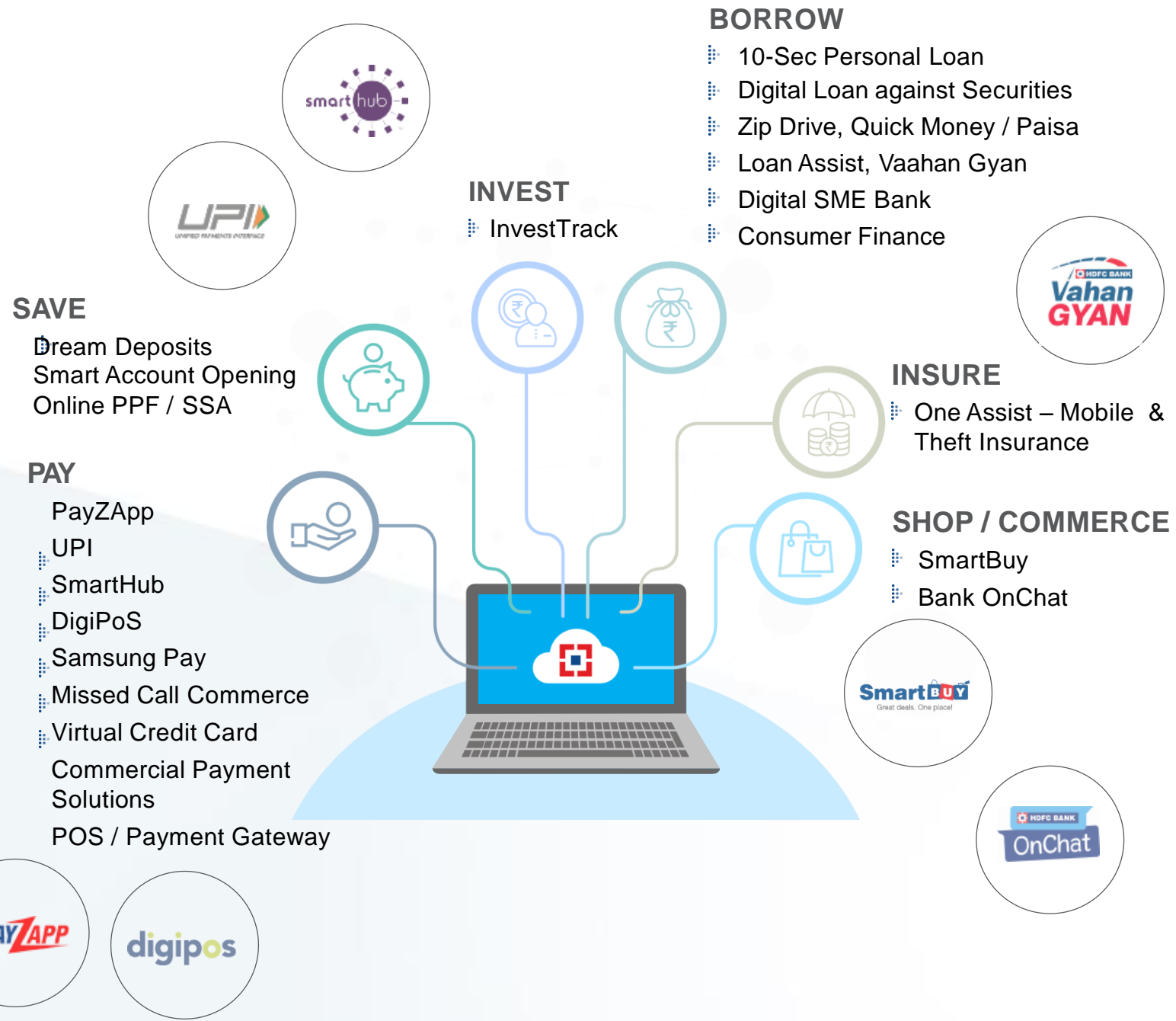
- ⌘ Unified front end for RMs, integrated with core systems and with AI based Real time marketing offers
- ⌘ Non connectable cases, addressed, through App based notification to customers allowing them to start the journey at their convenience
- ⌘ 24X7 intelligent voice BOT providing response to next probable query.
- ⌘ Intensive use data mining for sentiment analysis, performance analytics and behavior analysis

Holistic Approach To Acquiring Merchant Banking Relationships



- 4X growth in 5 years
- Dominant market share > 42%
- 1 million Acceptance points deployed LTD.

Digital 2.0 - Taking The Bank To The Customer



- Frictionless experience on our digital platform
- Banking at the edge through our APIs
- Shop through us to get the best financial benefits.
- API & Host-to-Host integration for corporate & SME banking

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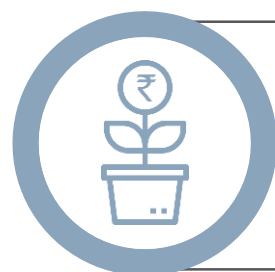
Key Financials

₹ In million

	Quarter Ended Mar 19	Quarter Ended Mar 18	Change	Year Ended Mar 19	Year Ended Mar 18	Change
Net Interest Income	130,895	106,577	22.8%	482,432	400,949	20.3%
Fees & Commissions	36,921	33,297	10.9%	138,055	113,939	21.2%
FX & Derivatives	4,033	4,164	-3.1%	17,204	15,235	12.9%
Profit / (loss) on Investments	2,289	(220)	NM	3,868	9,247	-58.2%
Recoveries	5,469	5,045	8.4%	17,132	13,782	24.3%
Net Revenues	179,607	148,863	20.7%	658,691	553,152	19.1%
Operating Costs	71,171	60,506	17.6%	261,194	226,904	15.1%
Provisions & Contingencies	18,892	15,411	22.6%	75,501	59,275	27.4%
Profit Before Tax	89,544	72,946	22.8%	321,996	266,973	20.6%
Tax	30,693	24,953	23.0%	111,215	92,105	20.7%
Profit After Tax	58,851	47,993	22.6%	210,781	174,868	20.5%

Indian GAAP figures (₹ Mn), ₹ – Rupees. | Recoveries includes miscellaneous income and dividend from subsidiaries/associates.

Financial Highlights - Quarter ended March 2019



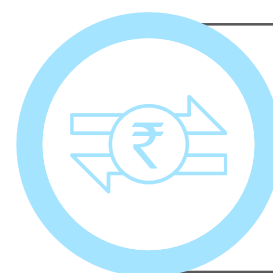
Gross advances increased by **24.6%** to ` **8,273 Bn**



Net profit up by **22.6%** to ` **58.85 Bn**



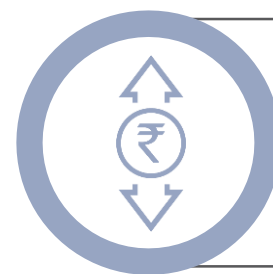
Deposits up by **17.0%** to ` **9,231 Bn**



Gross NPA / gross advances at **1.36%**



Core Net interest margin at **4.4%**



Net NPA / net advances at **0.4%**



Core Cost-to-income ratio at **40.1%**



Capital adequacy ratio (CAR)* - Total **17.1%** of which **Tier I** at **15.8%**

Indian GAAP figures (Bn = Billion); ` - Rupees; Net NPA = Gross NPA less specific loan loss provisions;

**Capital adequacy ratio computed as per RBI's Basel III regulations.*

Comparisons are with respect to corresponding figures for the quarter ended March, 2018

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Value Proposition – Healthy Growth, Balanced Risk-Reward

Growing economy / banking industry, Gaining market share

Nationwide urban & rural branch network and multiple channels

One stop shop for financial and payment needs

Healthy balance sheet and revenue growth

Leading player across multiple products / customer segments

Leveraging analytics, AI/ML digital platforms

Leveraging organic and inorganic growth opportunities

Strong risk management, focus on asset quality

Disciplined margin and capital management with a focus on RoA/RoE



Proven ability to generate Shareholder Value

Certain statements are included in this release which contain words or phrases, such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of these expressions, that are “forward-looking statements”. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for various banking services, future levels of our non-performing loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, volatility in investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to pay dividends, the impact of changes in banking regulations and other regulatory changes on us in India and other jurisdictions, our ability to roll over our short-term funding sources and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated. In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions, instability or uncertainty in India and other countries which have an impact on our business activities or investments caused by any factor, including terrorist attack in India, the United States or elsewhere, anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, tensions between India and Pakistan related to the Kashmir region or between India and China, military armament or social unrest in any part of India, the monetary and interest rate policies of the government of India, natural calamities, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in Indian and foreign laws and regulations, including tax, accounting and banking regulations, changes in competition and the pricing environment in India, and regional or general changes in asset valuations.