

## PRESS RELEASE

### INDUSIND BANK LIMITED ANNOUNCES FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

#### Key Highlights

- Net Interest Income grew by 13% Y-o-Y
- NIM stood at 4.16% for Q2FY21
- Net NPA improved to 0.52% as at Q2FY21 from 0.86% as at Q1FY21
- Net Profit grew 30% sequentially
- Strong deposit growth to Rs. 2.28 lakh crore at Q2FY21 from Rs. 2.11 lakh crore at Q1FY21

The Board of Directors of IndusInd Bank Limited approved the Bank's results for the quarter ended September 30, 2020, at their meeting held in Mumbai on Friday, October 30, 2020.

The Business was highly impacted in Q1FY21 due to lockdown since March 24, 2020 to mitigate the spread of COVID-19 pandemic. The calibrated unlocking commenced from June 01, 2020; and industrial and consumer spends are near pre-Covid levels in some areas.

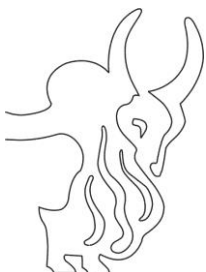
NIM at 4.16%, Net NPAs at 0.52%, Provision Coverage Ratio at 77%, Capital adequacy (CRAR) ratio at 16.55% and Liquidity Coverage Ratio at 140% underscore the strength of operating performance and adequacy of capital & liquidity buffers.

#### CONSOLIDATED FINANCIAL RESULTS

The Bank's consolidated financial results include the financial results of its wholly owned subsidiary, Bharat Financial Inclusion Limited (BFIL), a business correspondent (BC) of the Bank involved in originating small ticket MFI loans and associate entity, IndusInd Marketing & Financial Services Private Limited (IMFS) under the recognition and measurement principles as per Indian GAAP.

#### Profit & Loss Account for the quarter ended September 30, 2020

Pre Provision Operating Profit (PPOP) at Rs. 2,852 crore for the quarter ended September 2020 as against Rs 2,623 crore for the corresponding quarter of previous year. PPOP /Assets ratio for the quarter ended September 2020 stood at 3.66% compared to 3.57% in the corresponding quarter of previous year.



For the quarter ended September 30, 2020, the Bank earned Total Income (Interest Income and Fee Income) of Rs. 8,732 crore as compared to Rs. 8,878 crore for the corresponding quarter of previous year.

For the quarter ended September 30, 2020, Total expenditure (Interest expended and Operating expenses) reduced to Rs. 5,880 crore as compared to Rs. 6,254 crore for the corresponding quarter of previous year.

Net Interest Income for the quarter ended September 30, 2020 increased to Rs. 3,278 crore from Rs. 2,909 crore for the quarter ended September 30, 2019. Net Interest Margin for Q2FY21 at 4.16%.

Fee income at Rs. 1,554 crore for the quarter ended September 30, 2020 as against Rs 1,727 crore for the corresponding quarter of previous year.

Operating expenses for the quarter ended September 30, 2020 were Rs. 1,980 crore as against Rs. 2,013 crore for the corresponding quarter of previous year.

## **Profit & Loss Account for half year ended September 30, 2020**

Pre Provision Operating Profit (PPOP) at Rs. 5,780 crore for the half year ended September 30, 2020 over the corresponding previous half year at Rs. 5,214 crore.

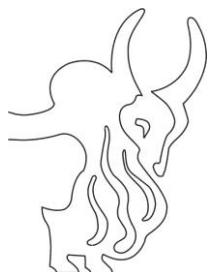
For the half year ended September 30, 2020, the Bank earned Total Income (Interest Income and Fee Income) of Rs 17,414 crore as compared to Rs. 17,502 crore for the corresponding previous half year.

For the half year ended September 30, 2020, Total expenditure (Interest expended and Operating expenses) reduced to Rs.11,634 crore as compared to Rs. 12,288 crore for the corresponding previous half year.

Net Interest Income for the half year ended September 30, 2020 increased to Rs. 6,587 crore, up by 14 % from Rs. 5,753 crore corresponding previous half year.

Fee income at Rs. 3,075 crore for the half year ended September 30, 2020 as against Rs 3,390 crore for the corresponding previous half year.

Operating expenses for the half year ended September 30, 2020 were Rs. 3,882 crore as against Rs. 3,929 crore for the corresponding previous half year.



## Balance Sheet as of September 30, 2020

Balance Sheet footage as of September 30, 2020 was Rs. 3,31,996 crore as against Rs. 2,94,933 crore as of September 30, 2019, a growth of 13%.

Total deposits as of September 30, 2020 were Rs. 2,27,884 crore as against Rs 2,07,193 crore, an increase of 10% over September 30, 2019. CASA deposits stood at Rs. 91,846 crore with Current account deposits at Rs 34,773 crore and Saving account deposits at Rs. 57,073 crore. CASA deposits comprised of 40% of total deposits as of September 30, 2020.

Advances as of September 30, 2020 were Rs. 2,01,247 crore as against Rs 1,97,113 crore as at September 30, 2019.

## ASSET QUALITY

The loan book quality was stable. The gross non-performing assets were at 2.21% of gross advances as on September 30, 2020 as against 2.19% as on September 30, 2019. On account of higher level of prudential provisioning, the net non-performing assets were 0.52% of net advances as on September 30, 2020 as compared to 1.12% on September 30, 2019.

The Bank strengthened its Balance Sheet by improving Provision Coverage Ratio to 77% in September 2020 from 50% in September 2019. Provisions and contingencies for the period ended September 30, 2020 were Rs. 4,606 crore (comprising of provision for credit and other losses at Rs. 4,223 crore and towards taxes on income at Rs. 383 crore) as compared to 2,381 crore (comprising of provision for credit and other losses at Rs 1,168 crore and towards taxes on income at Rs. 1,213 crore) for the corresponding period of previous year 2019-20.

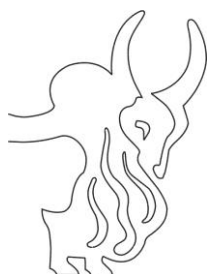
Economic activity came to a standstill from March 24, 2020 following a national lockdown but started to recover slowly to pre-COVID levels due to calibrated easing of restrictions. In this backdrop as on September 30, 2020, Bank held COVID provisions of Rs. 2,155 crore (including provision made during the quarter Rs. 952 crore).

## NET PROFIT

Consolidated Net Profit for the quarter ended September 30, 2020 was Rs. 663 crore as compared to Rs. 1,401 crore during corresponding quarter of previous year. Sequentially, the Net Profit for the quarter increased by 30% over the quarter ended June 30, 2020.

## CAPITAL ADEQUACY

The Bank augmented capital funds during the quarter through a Preferential Issue. Total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 16.55 % as on September 30, 2020 (14.70% as on September 30, 2019). Tier 1 CAR was at 15.83 % as of September 30,



# IndusInd Bank

2020 compared to 14.27% as of September 30, 2019. Risk-weighted Assets were at Rs. 261,683 crore (as against Rs. 2,37,223 crore as at September 30, 2019).

## NETWORK

As of September 30, 2020, the Bank's distribution network included 1,910 branches/banking outlets and 2,785 onsite & offsite ATMs across 751 geographic locations, as against 1,753 branches/banking outlets and 2,662 onsite & offsite ATMs across 742 geographic locations as of September 30, 2019. The client base stood at 26 million as on September 30, 2020.

Commenting on the performance, Mr. Sumant Kathpalia, Managing Director & CEO, IndusInd Bank said, "With the lockdown gradually being lifted across the country, we have positioned ourselves nicely to participate in the phased economic revival. The Bank raised capital of Rs. 3,288 crore from marquee investors which has raised capital adequacy to 16.55%. Deposits grew sequentially at a healthy rate of 8% and boosted excess liquidity to around 40,000 crore by the quarter end. Provision cover for NPA was significantly enhanced to 77% from 67% last quarter resulting in Net NPA falling to just 0.52%. With collection efficiency and disbursements getting closer to pre -Covid levels, the inflection point is around the corner. We look forward to building growth momentum in the second half of the year."

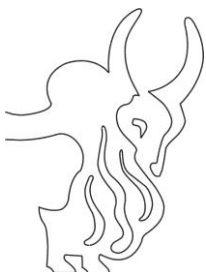
## About IndusInd Bank

IndusInd Bank, which commenced operations in 1994, caters to the needs of both consumer and corporate customers. Its technology platform supports multi-channel delivery capabilities. As on September 30, 2020, IndusInd Bank has 1910 Branches/ Banking Outlet and 2785 ATMs spread across 751 geographical locations of the country. The Bank also has representative offices in London, Dubai and Abu Dhabi. The Bank believes in driving its business through technology. It enjoys clearing bank status for both major stock exchanges - BSE and NSE - and major commodity exchanges in the country, including MCX, NCDEX and NMCE. IndusInd Bank was included in the NIFTY 50 benchmark index on April 1, 2013.

## RATING

### Domestic Rating:

- CRISIL AA + for Infra Bonds program
- CRISIL AA for Additional Tier I Bonds program
- CRISIL A1+ for certificate of deposit program / short term FD programme
- IND AA+ for Senior bonds program by India Ratings and Research



# **IndusInd Bank**

- IND AA for Additional Tier I Bonds program by India Ratings and Research
- IND A1+ for Short Term Debt Instruments by India Ratings and Research

## **International Ratings:**

Ba1 for Senior Unsecured MTN program by Moody's Investors Service

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For more details on this release, please contact:

Anu Raj  
IndusInd Bank Ltd.

Saksham Maheshwari  
Adfactors PR Pvt. Ltd.  
9930990927

[mktg@indusind.com](mailto:mktg@indusind.com), [saksham.maheshwari@adfactorspr.com](mailto:saksham.maheshwari@adfactorspr.com)

