

IndusInd Bank

July 28, 2020

National Stock Exchange of India Ltd. (Symbol: INDUSINDBK)

BSE Ltd. (Scrip Code: 532187)

India International Exchange (Scrip Code: 1100027)

Madam / Dear Sir,

Press Release – Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2020

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Press Release titled INDUSIND BANK LIMITED ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020 dated July 28, 2020 is annexed with this letter.

We request you to kindly take the above on record.

A copy of the Press Release is being uploaded on the website of the Bank at www.indusind.com

Thanking you,

Yours faithfully,
For IndusInd Bank Ltd.


Haresh Gajwani
Company Secretary

Encl: A/a



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CIN: L65191PN1994PLC076333**

INDUSIND BANK LIMITED ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

Key Highlights

- NIM improved to 4.28% for Q1FY21 from 4.25% for Q4FY20
- Stable gross NPA; net NPA improved to 0.86% as at Q1FY21 from 0.91% as at Q4FY20
- Strong sequential deposit growth to Rs 2.11 lakh crore at Q1FY21 from Rs 2.02 lakh crore at Q4FY20
- PPOP at Rs 2,928 crore; at 3.95% amongst the industry highest

The Board of Directors of IndusInd Bank Limited approved the Bank's results for the quarter ended June 30, 2020, at their meeting held in Mumbai on Tuesday, July 28, 2020.

Considering the impact of COVID-19 on the operations due to lockdown imposed by the Government of India from March 25, 2020 and easing from June 2020, Bank has reported stable performance.

NIM at 4.28%, Net NPAs at 0.86 %, Provision Coverage ratio at 67%, Capital adequacy (CRAR) ratio at 15.16 % and Liquidity Coverage Ratio at 124 % 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 June 30, 2020

For the quarter ended June 30, 2020, the Bank earned Total Income (Interest Income and Fee Income) of Rs. 8,682 crore as compared to Rs. 8,625 crore for the corresponding quarter of previous year.

For the quarter ended June 30, 2020, Total expenditure (Interest expended and Operating expenses) reduced to Rs. 5,754 crore as compared to Rs. 6,034 crore for the corresponding quarter of previous year.



Net Interest Income for the quarter ended June 30, 2020 increased to Rs. 3,309 crore, up by 16 % from Rs. 2,844 crore for the quarter ended June 30, 2019. Net Interest Margin for Q1 FY 21 improved to 4.28% from 4.25 % for Q4 FY 20.

Fee income at Rs. 1,520 crore for the quarter ended June 30, 2020 as against Rs. 1,663 crore for the corresponding quarter of previous year.

Operating expenses for the quarter ended June 30, 2020 were Rs. 1,902 crore as against Rs. 1,916 crore for the quarter ended June 30, 2019.

Pre Provision Operating Profit (PPOP) at Rs. 2,928 crore for the quarter ended June 2020 grew by 13% over the corresponding quarter of previous year at Rs. 2,591 crore. PPOP /Assets ratio for the quarter ended June 30, 2020 stood at 3.95% compared to 3.78 % in the corresponding quarter of previous year.

Balance Sheet as of June 30, 2020

Balance Sheet footage as of June 30, 2020 was Rs. 3,17,916 crore as against Rs. 2,93,046 crore as of June 30, 2019, a growth of 8 %.

Total deposits as of June 30, 2020 were Rs. 2,11,265 crore as against Rs 2,00,586 crore, an increase of 5 % over June 30, 2019. CASA deposits stood at Rs. 84,473 crore with Current account deposits at Rs. 31,946 crore and Saving account deposits at Rs. 52,527 crore. CASA deposits comprised of 40% of total deposits as of June 30, 2020.

Total advances as of June 30, 2020 were Rs. 1,98,069 crore as against Rs 1,93,520 crore in June 30, 2019.

ASSET QUALITY

The loan book quality was stable. The gross non-performing assets were at 2.53 % of gross advances as on June 30, 2020 as against 2.45 % as on March 31, 2020 and 2.15 % as on June 30, 2019. On account of higher level of prudential provisioning, the net non-performing assets were 0.86 % of net advances as on June 30, 2020 as compared to 0.91% on March 31, 2020 and 1.23% on June 30, 2019. Total provisions (comprising specific, floating, general and standard assets provisions) were 96% of the gross non-performing loans as on June 30, 2020.

The Bank strengthened its Balance Sheet by improving Provision Coverage Ratio to 67% in June 2020 from 43% in June 2019. Provisions and contingencies for the quarter ended June 30, 2020 were Rs. 2,417 crore (comprising of provision for credit and other losses at Rs 2,259 crore and towards taxes on income at Rs. 159 crore) as compared to 1,158 crore (comprising of provision for credit and other losses at Rs 431 crore and towards taxes on income at Rs.727 crore) for the corresponding quarter of previous year 2019-20.

Economic activity came to a standstill in April on national lockdown but started to recover slowly to pre-COVID levels by June on restrictions getting eased. In this backdrop as on June



30, 2020, Bank held COVID provisions of Rs 1,203 crore (including provision made during the quarter Rs. 920 crore).

NET PROFIT

Consolidated Net Profit for the quarter ended June 30, 2020 was Rs. 510 crore as compared to Rs.1,433 crore during corresponding quarter of previous year.

CAPITAL ADEQUACY

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 15.16% as on June 30, 2020 (14.90 % as on June 30, 2019). Tier 1 CAR was at 14.49 % as of June 30, 2020 compared to 14.47% as of June 30, 2019. Risk-weighted Assets were at Rs. 2,61,722 crore (as against Rs. 2,31,094 crore as at June 30, 2019).

NETWORK

As of June 30, 2020, the Bank's distribution network included 1,911 branches/banking outlets and 2,721 onsite & offsite ATMs across 751 geographic locations, as against 1,701 branches/banking outlets and 2,605 onsite & offsite ATMs across 740 geographic locations as of June 30, 2019. The Network also includes 2088 branches of BFIL and 854 outlets of IMFS as of June 30, 2020. The number of employees were at 30,331 as of June 30, 2020 as against 28,659 as of June 30, 2019). The client base stood at 26 million as on June 30, 2020.

KEY BUSINESS UPDATES

COVID / Lockdown period continuity

- Key processes were up-and-running during this period including 24*7 NEFT, payment settlement systems, clearing etc.
- Continuity of branch operations and currency chest operations including ATMs (onsite and offsite) was ensured.
- Routing customers calls received at the contact centre and Work-from-Home implemented for the agents with help of technology. Services were continued during this period.

Video KYC Launch

- Video KYC for savings and fixed deposit customers made live allowing customers to provide KYC documents from the comfort of their homes for accounts opened online. Over 450 plus such interactions done per day and increasing.
- Video KYC process made live for credit cards which are sourced digitally.

Digital sourcing (Liability accounts)



- Instant savings account funding launched - funds get credited to customer's savings account instantly on opening digitally
- Instant fixed deposit (FD) booking launched online – new-to-bank and existing customers
- FD booking enabled for loan and other asset customers online
- Roll out of FD booking process by CFD Executives for their existing and new references customers

Pioneer Banking

The Pioneer Banking program that caters to Ultra rich high net worth individuals is now available in 50 cities as on June 30, 2020, scaled up from 9 cities as on March 31, 2020. Six dedicated lobbies are now live in Delhi, Gurgaon and Mumbai. Online webinars and investment workshops helped maintain the client confidence and engagement.

Commenting on the performance, Mr. Sumant Kathpalia, Managing Director & CEO, IndusInd Bank said: “We have begun the first quarter of this financial year on a positive note. We did see considerable sluggishness in economic activities during the quarter, following the outbreak of COVID-19, which also impacted business volumes across sectors. However, IndusInd Bank as an organisation responded exceedingly well amidst the crisis, with branches, contact centres, ATMs remaining fully operational, and catering to financial needs of our customers. Our superior digital channels such as the Indus Mobile app and online banking and the implementation of our Video KYC capabilities ensured that we continued to provide seamless and convenient banking to our customers. During the quarter, the Bank delivered a robust 5% sequential growth in deposits, strengthened the Balance sheet by taking provision cover upto 67% from 63% last quarter and delivered our highest ever pre-provision operating profit margin of 3.95% as a percentage of total assets.”

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 June 30, 2020, IndusInd Bank has 1911 Branches/ Banking Outlet and 2721 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
- 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



IndusInd Bank

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