

PRESS RELEASE

INDUSIND BANK LIMITED ANNOUNCES FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

Key Highlights

- Net Profit for Q4-FY21 at Rs. 926 crores; up by 193% Y-o-Y
- Net Interest Income for Q4-FY21 at Rs. 3,535 crores up by 9% Y-o-Y, NIM stood at 4.13% and fee income back to pre-covid levels
- PPOP at Rs. 3,129 crores grew by 10% Y-o-Y; PPOP/Assets at 3.68%
- GNPA reduced to 2.67% for Q4-FY21 from 2.93% for Q3-FY21 (including Proforma NPA's), PCR at 75%; NNPA at 0.69%
- Total loan related provision at 122% of GNPA and 3.33% of loans
- CRAR at 17.38% post promoter's contribution of Rs. 2,021 crores at Rs. 1,709 per share
- Board recommends dividend of Rs 5 per share (50%)

The Board of Directors of IndusInd Bank Limited approved the financial results of the Bank for the year ended March 31, 2021, at their meeting held in Mumbai on Friday, April 30, 2021.

NIM at 4.13%, Net NPA at 0.69%, Provision Coverage Ratio at 75%, Capital adequacy (CRAR) ratio at 17.38% and Liquidity Coverage Ratio at 145% underscore the strength of operating performance of the Bank and adequacy of capital and liquidity buffers.

CONSOLIDATED FINANCIAL RESULTS

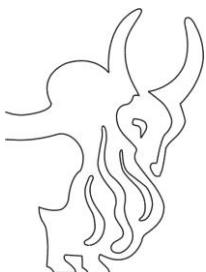
The Bank's consolidated financial results include the financial results of its wholly owned subsidiary, Bharat Financial Inclusion Limited (BFIL), a business correspondent (BC) of the Bank involved in originating small ticket MFI loans and associate entity, IndusInd Marketing & Financial Services Private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

Profit & Loss Account for the quarter ended March 31, 2021

Pre Provision Operating Profit (PPOP) at Rs. 3,129 crores for the quarter ended March 31, 2021 registered a growth of 10% over Rs. 2,857 crores for the corresponding quarter of previous year. PPOP/Assets ratio, on an annualised basis, for the quarter ended March 31, 2021 stood at 3.68% compared to 3.84% in the corresponding quarter of previous year.

Net Interest Income for the quarter ended March 31, 2021 at Rs. 3,535 crores were higher by 9% earned during the quarter ended March 31, 2020 at Rs. 3,232 crores. Net Interest Margin stood at 4.13%.

Other income at Rs. 1,780 crores for the quarter ended March 31, 2021 as against Rs. 1,773 crores for the corresponding quarter of previous year.



Operating expenses for the quarter ended March 31, 2021 grew marginally to Rs. 2,186 crores as against Rs. 2,148 crores for the corresponding quarter of previous year.

Profit & Loss Account for the year ended March 31, 2021

Pre Provision Operating Profit (PPOP) at Rs. 11,872 crores for the year ended March 31, 2021; higher by 10% over previous year at Rs. 10,829 crores.

Net Interest Income for the year ended March 31, 2021 increased to Rs. 13,528 crores from Rs. 12,059 crores for the previous year, higher by 12%.

Other income at Rs. 6,501 crores for the year ended March 31, 2021 as against Rs. 6,953 crores earned during the previous year.

Operating expenses for the year ended March 31, 2021 were Rs. 8,157 crores, as against Rs. 8,183 crores spent during the previous year.

Balance Sheet as of March 31, 2021

Balance Sheet footage as of March 31, 2021 was Rs. 3,62,903 crores as against Rs. 3,07,230 crores as of March 31, 2020, a growth of 18%. Total deposits as of March 31, 2021 were Rs. 2,55,870 crores as against Rs. 2,02,027 crores, an increase of 27% over March 31, 2020. CASA deposits stood at Rs. 1,06,791 crores with Current account deposits at Rs. 35,726 crores and Saving account deposits at Rs. 71,065 crores. CASA deposits comprised of 42% of total deposits as of March 31, 2021.

Advances as of March 31, 2021 were Rs. 2,12,596 crores as against Rs. 2,06,783 crores as at March 31, 2020.

ASSET QUALITY

The loan book quality was stable. The Gross NPA were at 2.67% of gross advances as on March 31, 2021 as against 2.45% as on March 31, 2020. On account of higher level of prudential provisioning, the net non-performing assets were 0.69% of net advances as on March 31, 2021, as compared to 0.91% on March 31, 2020.

The Bank strengthened its Balance Sheet by improving Provision Coverage Ratio to 75% as on March 31, 2021 from 63% as on March 31, 2020. Provisions and contingencies for the period ended March 31, 2021 were Rs. 8,942 crores (comprising of provision for credit and other losses at Rs. 7,943 crores and towards taxes on income at Rs. 999 crores) as compared to Rs. 6,371 crores (comprising of provision for credit and other losses at Rs. 4,652 crores and towards taxes on income at Rs. 1,719 crores) for the corresponding period of previous year. The Surplus Contingent Provision as on March 31, 2021 stands at Rs 1,600 crores.

The SC judgment vacated the interim order passed on September 03, 2020 that barred recognition of new NPA's since 01 September 2020. Hence, the RBI Circular dated April 07, 2021 has reiterated the application of the extant IRAC norms and the specific reliefs available in the RBI Circulars on



COVID 19 Regulatory Package on Asset Classification and Provisioning and Resolution Framework. Accordingly, the Bank started the process of recognition of Non-Performing Assets.

NET PROFIT

Consolidated Net Profit for the quarter ended March 31, 2021 was Rs. 926 crores up by 193% as compared to Rs. 315 crores during corresponding quarter of previous year. Sequentially, the Net Profit for the quarter increased by 12% over the quarter ended December 31, 2020.

CAPITAL ADEQUACY

Under a Preferential Issue completed in two stages, on September 02, 2020, the Bank allotted 48 million equity shares of Rs. 10 each to five Qualified Institutional Buyers and on September 04, 2020, allotted 15 million equity shares of Rs. 10 each to two corporates including one of the promoter entities, at a price of Rs. 524 per equity share bringing in Rs 3,288 crores of Core Equity Tier 1 Capital Funds, in compliance with the applicable laws and regulations.

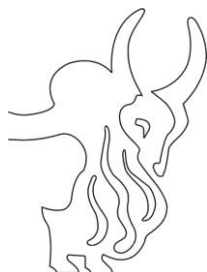
In July 2019, the promoters subscribed to 15.77 million share warrants at Rs 1,709 per warrant by paying Rs 673.82 crores. On February 18, 2021 the promoters paid Rs. 2,021.45 crores towards the remaining 75% and exercised the option of conversion and consequently, the Bank allotted 15.77 million equity shares of Rs. 10 each fully paid at a price of Rs. 1,709 per equity share.

Total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 17.38% as on March 31, 2021 (15.04% as on March 31, 2020). Tier 1 CAR was at 16.83% as of March 31, 2021 compared to 14.57% as of March 31, 2020. Risk-weighted Assets were at Rs. 2,72,912 crores as against Rs. 2,58,605 crores at March 31, 2020.

NETWORK

As of March 31, 2021, the Bank's distribution network included 2,015 branches/banking outlets and 2,872 onsite and offsite ATMs, as against 1,911 branches/banking outlets and 2,760 onsite and offsite ATMs as of March 31, 2020. The client base stood at 28 million as on March 31, 2021.

Commenting on the performance, Mr. Sumant Kathpalia, Managing Director & CEO, IndusInd Bank said: "The Indian economy showed significant resilience against the impact of Covid -19 and had begun recovering in a gradual manner. While that momentum may have reduced due to the onset of a second wave, the mass vaccination drive should help getting things back on track. We look forward to participating in this journey with a strengthened balance sheet during the year. During FY21, as well as Q4, the Bank witnessed healthy growth in its top line as well as in its Pre-Provision Operating Profits. For the quarter, our net profit improved to Rs. 926 crores in Q4-FY 21 from Rs. 830 crores in Q3-FY 21. The Bank has conservatively built a strong Provision Cover 75% resulting in a Net NPA of 0.69% compared to previous year of 0.91%. The bank is also carrying significant buffers outside these provisions as a prudent measure. Our areas of domain expertise such as vehicle finance, micro-finance and diamond finance have witnessed strong disbursements and we expect the growth to become further broad-based in the current financial 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 March 31, 2021, IndusInd Bank has 2,015 Branches/ Banking Outlet and 2,872 ATMs spread across 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 Infrastructure Bonds programme
- CRISIL AA for Additional Tier I Bonds programme
- CRISIL A1+ for certificate of deposit programme / short term FD programme
- IND AA+ for Senior bonds programme by India Ratings and Research
- IND AA for Additional Tier I Bonds programme by India Ratings and Research
- IND A1+ for Short Term Debt Instruments by India Ratings and Research

International Ratings:

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

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