

For Immediate Publication

IndusInd Bank's net profit up 29% in Q4

NII rises 77.58% and NIM grows 83.99% in Q4

Branch Network increases by 88.52%; Dividend of 18% declared for the year

Mumbai, 30 June, 2005: The Board of Directors of IndusInd Bank Ltd., one of the fastest growing private sector banks in the country, today adopted its Audited Financial Results for the fourth quarter ended on March 31, 2005, as also for the full year ended March 31, 2005.

Performance highlights for the quarter ended March 31, 2005:

- Total Income at Rs 373.03 crore grew by 16.44% over the corresponding quarter of the previous year's income of Rs 320.35 crore
- Net Interest Income (NII) at Rs 123.15 crore registered a growth of 77.58% over the corresponding quarter of the previous year's Net Interest Income of Rs 69.35 crore
- Fee Income for the quarter stood at Rs 10.17 crore *vis-à-vis* Rs 5.78 crore in the corresponding quarter of the previous year, a growth of 75.95%
- Operating Profit for the quarter was Rs 112.06 crore as against Rs 81.57 crore in the corresponding quarter of the previous year
- Profit After Tax (PAT) stood at Rs 62.91 crore as against Rs 48.73 crore in the corresponding quarter of the previous year, representing a growth of 29.08%
- The quarterly EPS works out to Rs 2.17 (Rs 8.68 on an annualised basis) on the equity capital of Rs 290.51 crore
- Net Interest Margin (NIM) for the current quarter was at 3.55% as against 2.93% in Q3 and 2.05% for the corresponding quarter of last year
- Capital Adequacy Ratio (CAR) as on March 31, 2005 was 11.62% as against 12.75% on December 31, 2004.
- The Bank opened 17 branches during Q4

Performance highlights for the 12-month period ended March 31, 2005:

- Total Income at Rs 1,385.15 crore grew by 4.06% over the previous year as against Rs 1,331.08 crore last year



- Net Interest Income (NII) at Rs 415.51 crore registered a growth of 31.12% over the Rs 316.9 crore in the previous year
- Fee Income for the current year stood at Rs 31.53 crore *vis-à-vis* Rs 21.03 crore in the previous year, a growth of 49.93%
- Operating Profit was at Rs 401.24 crore as against Rs 444.69 crore in the previous year. The Operating Profit was lower as the profit on sale of investments was lower by Rs 175.34 crore for the year. The performance for the current year reflects a positive shift in the income streams. The Bank has improved its spread and quantum through core banking operations and reduced its earlier reliance on treasury gains
- The full year EPS works out to Rs 7.07 on the equity capital of Rs 290.51 crore as against Rs 9.02 on the Rs 290.42 crore equity capital last year
- Dividend of Rs 1.80 per share (18%) declared as against Rs 2.25 per share (22.5%) declared last year. Last year's dividend includes 5% special dividend declared on the occasion of the 10th anniversary of the Bank
- Capital Adequacy Ratio (CAR) as on March 31, 2005 was 11.62% as against 12.75% as on March 31, 2004.
- The Total Deposits of the Bank increased from Rs 11,200.26 crore as on March 31, 2004 to Rs 13,114.28 crore as on March 31, 2005 recording an annual growth rate of 17.09%. This is considerably higher than the growth rate of 10.8% recorded by Scheduled Commercial Banks in 2004-05. Total Advances for the year stood at Rs 8,999.75 crore (net of securitisation), which is an increase of 15.2% as against Rs 7,812.23 crore
- Net Interest Margin (NIM) for the year was at 2.88% as against 2.66% in the last year
- As of March 31, 2005, the Bank had 115 branches, 9 extension counters and 195 ATMs, spread over 95 geographical locations in 23 states as against 61 branches, 12 extension counters and 147 ATMs spread over 50 geographical locations in the previous year. This works out to a growth of 88.52% in terms of branches, 32.65% in terms of ATMs and 90% in terms of geographical locations. During the year, two extension counters were converted into full-fledged branches after receiving RBI clearance. IndusInd Bank customers can also access the ATM network of UTI Bank and Corporation Bank spread across the country, numbering more than 2,200. The Bank has representative offices in Dubai and London

Commenting on the performance, **Bhaskar Ghose, Managing Director & CEO** said, "We are at an inflection point as far as our business is concerned. We have grown our retail loan book at a fast clip in the last year. We continue to move on schedule along the growth trajectory charted out at the time of the merger with ALF, whose integration process with IndusInd Bank is well under way. With 130 branches as of now, we are ready to grow at a rapid pace. The current year should see incremental business generated from all our new



branches, a large portion of which started operations in the fourth quarter. This will then reduce our need to raise resources by securitising assets, as deposits will start kicking in. The range of products and services that we have introduced in the last year will be continued and we will endeavour to serve our customers even better. We will be introducing new products and services for our HNI customers very soon.”

Added **S Nagarajan, Joint Managing Director**, “The retail credit has shown a faster pace of growth, thus facilitating the improvement in NIM to 2.88% from 2.66% last year. The expansion in branch network in under-banked territories is expected to further lower our cost of funds and contribute significantly to our growth in business and performance in the coming years.”

In terms of network expansion, IndusInd Bank has been doing well, with the Bank now recognised as the fastest growing in terms of branch expansion. The Bank successfully raised Rs 170 crore by way of Tier-II bonds during Q4. The Bank has been able to bring down net NPA levels and has added very low incremental NPAs. It has also been able to recover Rs 152 crore worth of bad debts during the year.

About IndusInd Bank Ltd.

IndusInd Bank Ltd., one of the top private sector banks in India, started operations in 1994 and has capital funds of over Rs 1,200 crore as of 31st March 2005. Driven by technology, IndusInd Bank has taken steps to establish and upgrade its support systems for the introduction of retail banking products and alternative delivery channels, while continuing to expand its network of branches. The Bank has introduced a new paradigm in Internet banking – on-line access to personal bankers – which has been made possible by the Bank’s investment in advanced technology solutions in partnership with the Dublin-based CR2, a global provider of channel banking and card payment solutions to the financial services sector. In its decade-long existence, IndusInd Bank has displayed its commitment to global benchmarks in retail banking by proactively adopting the requirements of ISO 9001:2000 quality certification for its entire network of branches. IndusInd Bank was one of the first banks to go live on the RTGS platform. The Bank’s product on this platform is christened Indus AIM (Anywhere Instant Money). The Bank merged the largest NBFC – Ashok Leyland Finance (ALF) – with itself in June 2004, and since then has expanded its retail portfolio. ALF has been one of the largest players in the securitisation market. IndusInd Bank has been given the highest P1+ rating for its FDs by CRISIL. IndusInd Bank’s Tier-II Bonds have been rated as LA+ by ICRA and A+ (ind) by Fitch. The Bank has also become the clearing banker for NCDEX recently. Visit us at www.indusind.com

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