

**INDUSIND BANK LIMITED**

Earnings Update - Q1 FY2007-08

Unaudited Quarterly Results

*June 30, 2007*

## Quarterly Results

The Board of Directors of IndusInd Bank Ltd at their meeting held on July 25 2007, took on record the unaudited quarterly financial results for the first quarter ended June 30, 2007.

### Financial Data & Highlights for the First Quarter ended June 30, 2007:

#### Profit & Loss Account

	Rs. Crores				
	Q1 FY 2007-08	Q1 FY 2006-07	Growth (%)	Q4 FY 2006-07	Sequential Growth (%)
Gross Interest Income	431.84	333.82	29.36%	426.52	1.25%
Net Interest Income	57.40	57.04	0.63%	85.81	(33.11%)
Profit on sale of investments	0.78	4.01	(80.55%)	(1.94)	140.21%
Others	62.98	42.26	49.03%	58.76	7.18%
<b>Total Income</b>	<b>121.16</b>	<b>103.31</b>	<b>17.28%</b>	<b>142.63</b>	<b>(15.05%)</b>
Operating Costs	89.11	76.41	16.62%	96.54	(7.70%)
Of which:					
Staff Cost	26.44	21.67	22.01%	26.00	1.69%
Rent, Taxes and Lighting	7.80	6.76	15.38%	7.93	(1.64%)
Depreciation	8.56	8.46	1.17%	8.69	(1.50%)
Other Costs				-	
<b>Total Expenditure</b>	<b>89.11</b>	<b>76.41</b>	<b>16.62%</b>	<b>96.54</b>	<b>(7.70%)</b>
<b>Operating Profit</b>	<b>32.05</b>	<b>26.90</b>	<b>19.14%</b>	<b>46.09</b>	<b>(30.46%)</b>
Other Provisions & Contingencies	11.78	14.64	(19.54%)	11.82	(0.34%)
Provision for Tax	7.05	4.25	65.88%	12.87	(45.22%)
<b>Net Profit</b>	<b>13.22</b>	<b>8.01</b>	<b>65.04%</b>	<b>21.40</b>	<b>(38.22%)</b>
Paid up Equity Capital	320.00	290.51		320.00	
<b>EPS (Rs.) (not annualised)</b>	<b>0.41</b>	<b>0.28</b>	<b>46.43%</b>	<b>0.70</b>	<b>(41.43%)</b>

- Core Banking operations (Advances + Deposits) of the Bank have shown a growth of 9.88% in Q1 FY08 on a YoY basis, while it is 0.24 % on a QoQ basis.
- Operating Profit for Q1 FY08 at Rs 32.05 crores, was up 19.14% as against Rs 26.90 crores of Q1 last year.

**Balance Sheet**
**Rs. Crores**

	Q1 FY 2007-08	Q1 FY 2006-07	Growth (%)	Q4 FY2006-07	Sequential Growth (%)
<b>Capital &amp; Liabilities</b>					
Capital	320.00	290.51	10.15%	320.00	0.00%
Reserves & Surplus	750.01	583.55	28.53%	736.79	1.79%
Deposits	17328.98	15400.06	12.53%	17644.80	-1.79%
Borrowings	546.42	1716.22	-68.16%	592.51	-7.78%
Other Liabilities & Provisions	1613.19	1200.06	34.43%	1633.04	-1.22%
<b>Total</b>	<b>20558.60</b>	<b>19190.40</b>	<b>7.13%</b>	<b>20927.14</b>	<b>-1.76%</b>
<b>Assets</b>					
Cash & Bank Balance	1177.90	891.37	32.14%	1021.17	15.35%
Balance with Bank and Money at Call & Short Notice	789.21	514.56	53.38%	1574.23	-49.87%
Investments	5749.98	5515.63	4.25%	5891.66	-2.40%
SLR Investments	4664.08	4715.98	-1.10%	4774.10	-2.30%
Non SLR Investments	1085.89	799.65	35.80%	1117.56	-2.83%
Advances	11469.28	10809.15	6.11%	11084.20	3.47%
Fixed Assets	378.26	337.67	12.02%	369.57	2.35%
Other Assets	993.97	1122.02	-11.41%	986.31	0.78%
<b>Total</b>	<b>20558.60</b>	<b>19190.40</b>	<b>7.13%</b>	<b>20927.14</b>	<b>-1.76%</b>
Core Banking (Advances+Deposit)	28798.26	26209.21	9.88%	28729.00	0.24%

**Performance Highlights for the quarter ended June 30, 2007:**
**General**

- Capital Adequacy Ratio (CAR) as on June 30, 2007 was 12.16 % as against 9.85 % as on June 30, 2006, of which Tier I account for 7.19 %.
- Book value per share (face value Rs. 10 each) of the Bank as on June 30, 2007 works out to Rs 33.44 as against Rs. 30.11 as on June 30, 2006. The adjusted book value works out to Rs 24.42 as against Rs. 23.24 earlier.
- Networth of the Bank stands at Rs 1070 crore at the end of the Q1 FY07.
- Net Interest Margin (NIM) for Q1 FY07 was 1.12% as against 1.22% in Q1 FY07 and 1.63% % in Q4 FY07.
- Other Income for Q1 FY07 was at Rs 63.76 crore as against Rs 46.27 crore in Q1 FY06 and Rs 56.82 crore in Q4 FY07.

### Advances

- Vehicle Financing at Rs 6634 crore was up 39.78% YoY from Rs 4746 crore; sequentially up by 2.36 % from Q4 FY07.
- Retail Advances on the banking side were at Rs 1689 crore in Q1 FY08 as against Rs 1351 crore in Q1 FY07 and Rs 1688 crore in Q4 FY07 registering a growth of 25.02% QoQ and 0.06 % sequentially
- Corporate Advances stood at Rs 3496 crore in Q1 FY08 as against Rs 4712 crore in Q1 FY07 and Rs 3665 crore in Q4 FY07 registering a fall of 25.81% QoQ and 4.61% sequentially
- Net Advances at Rs 11469 crore grew 6.11% YoY in Q1 FY08; sequentially up by 3.48%
- Vehicle Advances constitute 57.84% of the Total Loan Book as of Q1 FY08; they constituted 43.91% of the total Loan Book at the end of Q1 FY07

### Vehicle and Construction Equipment Advances

Rs. Crores

	Amount Lent in Q1 FY08	Amount Lent in Q1 FY07	YoY Growth (%)	Amount Lent in Q4 FY07	QoQ Growth (%)
Commercial Vehicles	536.81	857.91	-37.43%	716.14	-25.04%
Personal Products - (TW)	179.03	162.95	9.87%	189.96	-5.75%
Cars	68.04	160.25	-57.54%	81.13	-16.13%
Utility Vehicles	51.32	58.00	-11.52%	49.50	3.68%
Equipments	205.17	176.75	16.08%	204.79	0.19%

### Recoveries, NPAs and Securitisation

- The Bank recovered Rs 13.31 crore of bad debts in Q1 FY08 as against Rs 9.78 crore in Q1 FY07 and Rs 23.29 crore in Q4 FY07
- Gross NPAs stand at Rs 362.07 crore (3.14%) in Q1 FY07 while Net NPAs stand at Rs 288.08 crore (2.51%). This compares with Rs 275.21 crore (2.53%) of Gross NPAs and Rs 199.24 crore (1.84%) of Net NPAs at the end of Q1 FY07; Gross NPAs stood at Rs 342.74 crores (3.07%) and Net NPAs at Rs 273.75 crores (2.47%) at the end of Q4 FY07.

### Deposits

- Total Deposits at the end of Q1 FY08 was Rs 17328.98 crore, as against Rs 15400.06 crore at the end of Q1 FY07, up 12.53% YoY; QoQ down 1.79% from Q4 FY07
- Current Deposits, at Rs 1654.53 crore, grew 31.66% YoY from Rs 1256.65 crore and fell 3.32% QoQ
- Savings Deposits stood at Rs 947.18 crore, up 20.02% YoY from Rs 789.16 crore; they were up 2.80 % QoQ
- Average Cost of Deposits stood at 7.94% as against 6.48 % in Q1 FY06 and 7.03% in Q4 FY07
- CASA (Current Account-Savings bank deposit accounts) Ratio improved to 15.01% against 13.28% in Q1 FY07 and 14.92% in Q4 FY07
- Credit-Deposit (CD) Ratio stood at 66.19% as against 70.19 % in Q1 FY07 and 62.82% in Q4 FY07

**Segmental Revenues & Profits:**

Particulars	Rs. Crores		
	Quarter ended 30.06.2007	Quarter ended 30.06.2006	Year ended 31.03.2007
<b>Segment Revenues</b>			
i) Treasury	115.42	108.56	453.17
ii) Other Banking Operations	490.32	347.96	1612.40
Less: Inter-segment revenue	(110.14)	(76.43)	(321.18)
<b>Total</b>	<b>495.60</b>	<b>380.09</b>	<b>1744.39</b>
<b>Segment Results</b>			
i) Treasury	(21.27)	3.04	(14.19)
ii) Other Banking Operations	66.71	34.81	234.84
<b>Total</b>	<b>45.44</b>	<b>37.85</b>	<b>220.65</b>
Unallocated Expenses	13.39	10.95	49.07
Operating Profit before Provisions & Contingencies	<b>32.05</b>	<b>26.90</b>	<b>171.58</b>
<b>Provisions &amp; Contingencies</b>			
i) Treasury	(2.19)	2.75	2.31
ii) Other Banking Operations	13.97	11.89	61.89
iii) Income Tax and Others	7.05	4.25	39.16
<b>Total</b>	<b>18.83</b>	<b>18.89</b>	<b>103.36</b>
<b>Net Profit</b>	<b>13.22</b>	<b>8.01</b>	<b>68.22</b>
<b>Other Information</b>			
Segment Assets :			
i) Treasury	6939.40	6369.11	7756.20
ii) Other Banking Operations	12861.63	11875.71	12386.56
iii) Unallocated Assets	757.58	945.58	784.38
<b>Total Assets</b>	<b>20558.61</b>	<b>19190.40</b>	<b>20927.14</b>
Segment Liabilities			
i) Treasury	575.37	2026.81	616.57
ii) Other Banking Operations	18614.69	15973.23	18937.93
iii) Unallocated Liabilities	1368.55	1190.36	1372.64
<b>Total Liabilities</b>	<b>20558.61</b>	<b>19190.40</b>	<b>20927.14</b>

**Break-up of Assets and Liabilities:**

**Assets**

**Rs Crores**

	As on June 30,2007	As on June 30,2006	Growth (%)	As on March 31,2007	Sequential Growth (%)
<b>Advances</b>					
<b>Corporate Lending</b>	3,496	4,712	-25.81%	3,665	-4.61%
<b>Vehicle Finance Division     Lending</b>					
Commercial Vehicle Loans	4,306	3,089	39.40%	4,021	7.09%
· Utility Vehicle Loans	254	422	-39.81%	267	-4.87%
· Car Loans	611	537	13.78%	659	-7.28%
· 2/3-Wheeler Loans	649	208	212.02%	727	-10.73%
· Equipment Financing	814	490	66.12%	807	0.87%
<b>Total (VFD)</b>	<b>6,634</b>	<b>4,746</b>	<b>39.78%</b>	<b>6,481</b>	<b>2.36%</b>
<b>Retail Division Lending</b>					
· Personal Loans	71	90	-21.11%	77	-7.79%
· Home Loans	179	151	18.54%	161	11.18%
· Other Retail Loans to traders	1439	1,110	29.64%	1450	-0.76%
<b>Total (Retail)</b>	<b>1,689</b>	<b>1,351</b>	<b>25.02%</b>	<b>1,688</b>	<b>0.06%</b>
<b>Total Advances before IBPC</b>	<b>11,819</b>	<b>10,809</b>	<b>9.35%</b>	<b>11,834</b>	<b>-0.12%</b>
<b>Less: IBPC</b>	<b>350</b>			<b>750</b>	
<b>Total Advances after IBPC</b>	<b>11,469</b>	<b>10,809</b>	<b>6.11%</b>	<b>11,084</b>	<b>3.48%</b>
Investments / Treasury Assets	5750	5,516	4.24%	5,892	-2.41%
<b>Total Advances &amp; Assets</b>	<b>17,569</b>	<b>16,325</b>	<b>7.62%</b>	<b>17,726</b>	<b>-0.88%</b>

## Liabilities

Rs. Crores

	As on June 30,2007	As on June 30,2006	Growth (%)	As on March 31,2007	Sequential Growth (%)
Deposits	17,329	15,400	12.53%	17,645	-1.79%
Of which:					
Demand Deposit	2,602	2,046	27.17%	2,633	-1.18%
Time Deposit	14,727	13,354	10.28%	15,012	-1.90%
Borrowings	546	1,716	-68.18%	593	-7.93%

## Lending to Sensitive Sectors

Rs. Crores

	As on June 30,2007	As on June 30,2006	Growth (%)	As on March 31,2007	Sequential Growth (%)
Capital Markets	421.58	162.29	159.77%	330.69	27.48%
Real Estate	440.13	675.64	-34.86%	433.51	1.53%

## Break-up of Deposits & Investments:

### Categorisation of Deposits:

Rs. Crores

	As on June 30, 2007	As on June 30, 2006	Growth (%)	As on March 31, 2007	Sequential Growth (%)
Up to - 14 Days	1,780.00	1,675.00	6.27%	1,567.00	13.59%
14 Days - 28 Days	675.00	502.00	34.46%	498.00	35.54%
28 Days - 3 Months	2,180.00	1,934.00	12.72%	2,075.00	5.06%
3 Months - 6 Months	886.00	1,494.00	-40.70%	1,460.00	-39.32%
6 Months - 12 Months	1,938.00	1,677.00	15.56%	1,732.00	11.89%
12 Months - 3 Years	5,152.00	4,018.00	28.22%	5,316.00	-3.09%
3 Years - 5 Years	2,401.00	1,881.00	27.64%	2,537.00	-5.36%
Over - 5 Years	2,317.00	1,630.00	42.15%	2,459.00	-5.77%
<b>TOTAL</b>	<b>17,329.00</b>	<b>14,811.00</b>	<b>17.00%</b>	<b>17,644.00</b>	<b>-1.79%</b>

**Categorisation of Investments:**

Rs. Crores

	As on June 30,2007	As on June 30, 2006	Growth (%)	As on March 31, 2007	Sequential Growth (%)
<b>Held to Maturity (HTM)</b>					
· G-Secs	4055.37	3,896.01	4.09%	3,691.23	9.87%
· T-Bills					
· Other Approved	1.55	2.55	-39.22%	1.55	-
· Debt Instruments	-	-	-	-	-
· Equity Shares	5.85	5.85	-	5.85	-
· Mutual Fund Units	-	-	-	-	-
· Other Investments (RIDF)	913.36	641.29	42.43%	897.07	1.82%
	<b>4,976.13</b>	<b>4,545.70</b>	<b>9.47%</b>	<b>4,595.70</b>	<b>8.28%</b>
<b>Held for Trading (HFT)</b>					
· G-Secs	-	-	-	<b>49.51</b>	-
<b>Available for Sale (AFS)</b>					
· G-Secs	62.57	-	-	19.90	214.42%
· T-Bills	544.59	817.42	-33.38%	1,011.91	-46.18%
· Debt Instruments	131.99	134.14	-1.60%	198.58	-33.53%
· Equity Shares	34.70	18.37	88.89%	16.05	116.20%
	<b>773.85</b>	<b>969.93</b>	<b>-20.22%</b>	<b>1,246.44</b>	<b>-37.92%</b>
SLR Investments	4,664.08	4,715.98	-1.10%	4,774.10	-2.30%
Non SLR Investments	1,085.90	799.65	35.80%	1,117.55	-2.83%
<b>Total Investments</b>	<b>5,749.98</b>	<b>5,515.63</b>	<b>4.25%</b>	<b>5,891.65</b>	<b>-2.40%</b>
Modified Duration(AFS)	1.23	0.26		0.83	
Modified Duration(HTM)	4.74	5.49		4.81	



**Analytical Ratios:**

	As on June 30, 2007	As on June 31, 2006	Growth (%)	As on March 31, 2007	Sequential Growth (%)
Networth after minority interest (Rs crore)	1,070.00	874.06	22.42%	1,056.79	1.25%
Book Value per Share (Rs)	33.44	30.11	11.05%	33.00	1.31%
Adjusted Book Value per Share (Rs.) Net of NPAs	24.42	23.24	5.08%	24.46	-0.14%
EPS (Rs)	0.41	0.28	46.43%	0.70	-41.43%
Gross NPAs (Rs crore)	362.07	275.21	31.56%	342.74	5.64%
Gross NPAs (%)	3.14%	2.53%	23.98%	3.07%	2.07%
Net NPAs (Rs crore)	288.08	199.24	44.59%	273.75	5.23%
Net NPAs (%)	2.51%	1.84%	36.51%	2.47%	1.70%
Provision Cover (%)	20.44%	27.60%	-25.97%	20.13%	1.52%
Annualised Return on Assets (%)	0.26	0.17	51.20%	0.34	-23.30%
Annualised Return on Networth (%)	4.94	3.66	35.04%	6.46	-23.43%
Net Interest Margins (NIM) (%)	1.12%	1.22%	-8.81%	1.37%	-18.72%
Capital Adequacy Ratio (CAR) (%)	12.16%	9.85%	23.44%	12.54%	-3.00%
Interest Cost/ Total Income (%)	75.55%	72.82%	3.75%	70.45%	7.25%
Credit / Deposit (%)	66.19%	70.19%	-5.71%	62.82%	5.36%
Average Cost of Deposits	7.94%	6.48%	22.55%	6.73%	18.05%
Current Accounts (Rs crore)	1,654.53	1,256.65	31.66%	1,711.30	-3.32%
Savings Accounts (Rs crore)	947.18	789.16	20.02%	921.41	2.80%
CASA Ratio (%)	15.01%	13.28%	13.05%	14.92%	0.62%
<b>Network</b>					
Branches	170	145	17.24%	170	0.00%
Extension Counters	-	-	-	-	-
Offsite ATMs	117	83	40.96%	99	18.18%
Vehicle Finance Division Offices	26	26	0.00%	26	0.00%
<b>Total Network</b>	<b>313</b>	<b>254</b>	<b>23.23%</b>	<b>295</b>	<b>6.10%</b>
Geographical Locations	141	116	21.55%	141	0.00%
State/ Union Territories covered	27	24	12.50%	27	0.00%

State Capitals covered	23	20	15.00%	23	0.00%
Foreign Locations (Representative offices)	2	2	0.00%	2	0.00%
<b>Customers</b>					
- Retail	660436	517318	27.67%	687669	-3.96%
- Retail (VFD)	873361	738419	18.27%	847460	3.06%
	1533797	1255737	22.14%	1535129	-0.09%
<b>Total Employees</b>	2773	2465	12.49%	2613	6.12%

## Business Update

### People & Infrastructure:

- IndusInd Bank's employee strength stands at 2,773 as at the end of Q1 FY08 as compared to 2,465 at the end of Q1 FY07.
- The Bank has 170 branches, and 117 offsite ATMs as of June 30, 2007.
- The branches are spread across 141 geographical locations in India at the end of Q1 FY07.
- The total number of customers has moved from 1255737 in Q1 FY07 to 1533797 in Q1 FY08

### Key Initiatives taken during the Quarter:

- Strategic tie-up with Religare Enterprises Ltd to offer capital-market related products to the Bank's customers

### **Management Outlook for the Banking Sector:**

IndusInd Bank's outlook for the Banking Sector has shifted from 'stable' to 'positive' in the ensuing quarters.

We base our outlook in the backdrop of the following factors:

#### **Global cues:**

- US economy was chugging along fine before the sub-prime markets crisis shocked not only the housing sector but also showed signs of pervading the economy in general. The fallout of Bear Stearns' Hedge funds and the rating reviews by Standard & Poor and Moody's made the credit markets feel jittery. These developments have had spillover effect on equity and currency markets with US Dollar touching record lows against major currencies.
- However, the Federal Reserve sought to allay fears indicating that the probability of spillover effect from the housing market to the rest of the economy is low.
- The current concerns are centered on tight credit conditions and a broad asset sell off, rather than the US heading into recession.
- As such, US Federal Reserve will likely adopt an extended 'Pause' mode for at least the next two quarters despite an underlying hiking bias.
- Bank of England hiked rates again by 25 bps to take the Bank Rate to 5.75%, a new high since March 2001. The main concern appears to be the pipeline inflationary pressures.
- European Central Bank is keeping rates steady at 4% though with a hiking bias. However, ECB has to be cautious as Euro's recent sharp gains against US Dollar, will likely have an adverse impact on Euro zone economy.
- Bank of Japan too kept rates steady at 0.5% and is unlikely to hike rates in a hurry.
- As for other Asian economies, it is increasingly becoming a function of Chinese policy measures, reflecting the growing stature of China in the region.
- International oil prices have steadily firmed up reflecting the general robustness of global economy and are presently trading in a range of USD 72 – 78 p. They are likely to stay at these elevated levels owing to supply concerns.

#### **Domestic cues:**

- The Indian economy continues to clock impressive numbers as a result of Government's fiscal measures as also the taming effect caused by RBI's monetary measures from time to time.
- However, worries remain on decelerating export growth, deteriorating current account deficit and overwhelming capital inflows.
- Headline WPI Inflation is currently running below the central bank's comfort level of 5%.
- Loan growth and real economic activity are also moderating. Higher fuel prices, strong domestic demand together with anticipated slowdown in exports owing to Rupee appreciation will likely widen current account deficit.

- RBI will likely continue with ‘adequate liquidity’ policy and is in no need to be as aggressive as before to manage money market liquidity.
- RBI is likely to keep rates steady for a while inasmuch inflation remains under control.
- On Equity Markets, tracking global trends, the Investor sentiment remains buoyant with both the key indices (Sensex & Nifty) reaching new peaks. While Technology stocks are undergoing re-rating on the back of currency woes, other key sectors are performing impressively with Telecom & Banking meriting particular mention.
- The main concern for RBI is Exchange Rate management of Rupee in order to protect India’s export competitiveness. RBI might resort to active intervention in the Dollar-Rupee market as the other main concerns viz., Inflation and Credit Growth are at acceptable levels at present.
- Overall, in domestic market, we continue to expect a stable (to easy) interest rate regime with bias towards softening stance from Q3 onwards. While this gives a comfort feeling for the short term, the outlook for the medium term continues to remain uncertain.

**Impact on banking sector:**

- The expectation of the interest rate markets is that the central bank may be nearing completion of hiking cycle or already interest rates have “peaked” out.
- Accordingly, banks may also be through with hiking their PLRs in a significant manner.
- Easy liquidity conditions have resulted in sharp fall in deposit rates, particularly in the short tenors. This will significantly improve the Net Interest Margins (NIM) for banks in the ensuing quarters.
- The continued expansion in Telecom & Retail segments have thrown huge opportunities for banks to contribute to the growth of these segments. With boom conditions expected to continue in these segments, banks with good geographical presence and robust technological platform will be in a position to encash the opportunities.
- As equity markets appear to be in the midst of a secular bull phase, the opportunities for banks to cater to domestic and off-shore needs of corporates continue to be bright.
- SME, Business/Commercial Banking and Micro finance segments continue to offer bright prospects for banking sector in the next 3-4 quarters.
- Most banks have already exhibited the ability to move away from traditional ‘financial intermediation’ model to ‘provider of financial supermarket services’ thereby considerably de-risking their balance sheet from rate market cycles.
- Technology will continue to be the key-driver of all products and services’ in banking space.

### **Management Outlook for IndusInd Bank:**

The focus for IndusInd Bank will revolve around the following:

- The sharp fall in deposit rates will have a significant positive impact on the cost of funds for IBL.
- The Bank is poised to take advantage of prevailing higher yields on advances even while reaping the falling rates on deposits. This will significantly boost the Net Interest Income (NII) of IBL.
  - While booking high yielding loans in the Book, the churning of existing low yielding loans at higher yields will improve the Yield on advances
  - The continued thrust towards aggressive build up of CASA through a much larger branch network and the enlarged “reach” that the Bank would get through the proposed Business Correspondent model would help reduction in cost of deposits
  - The granulation of time deposits and ramp up of demand deposits should help “contain” the cost of deposits in the short-term and achieve a significant improvement in the medium term
  - In the event of reversal in the interest rate scenario, the Bank will be able to benefit in a significant manner given the accumulation of high-yielding, Fixed Rate retail loan portfolio funded through much shorter tenor liabilities
  - The significant growth achieved in non-interest income will continue to remain buoyant through the aggressive positioning in Third Party distribution space in the retail segment, thrust in non-credit products/services to Corporate Segment and capability of the revamped Investment Banking division to capture cross-border capital market flows, through debt and equity.
  - The Bank’s recent initiative of 3-in-1 account to attract retail Capital Market investors is expected to accelerate accretion of CASA account and increase in fee-based income. Further other initiatives taken by the Bank earlier like roll-out of robust CMS module covering both collection and payments (to attract SME/Corporate relationship to build up CA float and fee income) and establishment of Regional Alliances in key geographies (to attract NRI, Trade/Corporate Finance and cross-border Investment Banking businesses) would result in significant contribution to bottom-line and ramping up of customer relationships.

Overall, given the good chance of achieving a significant improvement in the Net Interest Margin and of continuing growth in the non-interest income will help the Bank in achieving a higher Return on Assets, which will enhance the share holders’ wealth through a better EPS, P/E and attract investors’ interest in IBL stock.

Shareholding Pattern (as on 30<sup>th</sup> June 2007)

	Category	No. of shares held	% of shareholding
<b>A.</b>	<b>Promoters holding</b>		
<b>1</b>	<b>Promoters</b>		
	a Indian Promoters		
	b Foreign Promoters	90999984	28.45
<b>2</b>	<b>Persons acting in Concert</b>		
	<b>Sub Total</b>	90999984	28.45
<b>B.</b>	<b>Non-Promoters Holding</b>		
<b>3</b>	<b>Institutional Investors</b>		
	a Mutual Funds and UTI	5337074	1.67
	b Financial Institutions/ Banks	769891	0.24
	c Insurance Companies	3472324	1.09
	d Foreign Institutional Investors	49980541	15.63
	<b>Sub Total</b>	59559830	18.62
<b>4</b>	<b>Others</b>		
	a Bodies Corporate	55508458	17.36
	b Individuals	64539148	20.18
	c Clearing Member	1919654	0.60
	d Non- Executive Directors	680	0.00
	e Non- Executive Director (Non-resident & Foreign national)	255802	0.08
	f Overseas Corporate Bodies	6873093	2.15
	g Non Resident Indians	10660987	3.33
	<b>Sub Total</b>	139757822	43.70
<b>C.</b>	<b>Shares held by Custodians and against which depository receipts have been issued.</b>	29490300	9.22
	<b>GRAND TOTAL</b>	319807936	100.00

## **About IndusInd Bank Ltd.**

IndusInd Bank Ltd. is one of the leading new-generation private-sector banks in India which commenced its operations in 1994. The Bank recently had a successful GDR issue and its net worth touched Rs. 1056 crores as on March 31, 2007. The Bank posted a total business turnover of Rs.28,700 crores and is poised for greater growth in the years ahead. Its network expansion received a fillip with the Bank securing 40 authorizations from Reserve Bank of India for new branches and 100 offsite ATMs in the last calendar year. The Bank currently has a network of 170 branches, spread over 141 geographical locations in 27 states and union territories across the country. In addition, IndusInd Bank also has a representative office each in Dubai and London. The Bank has proactively adopted the requirements of ISO 9001:2000 quality certification for its entire network of branches.

Driven by technology, IndusInd constantly upgrades its support systems for the introduction of retail banking products and alternative delivery channels. The Bank continues to display its commitment to global benchmarks in technology, as testified by its winning the prestigious IBA Award for the year 2006 (Runner Up) for the Overall Implementation of Straight Through Processing between various systems. Since the merger of Ashok Leyland Finance in June 2004, the Bank has expanded its retail portfolio. It is a large player in the financing of commercial vehicles, utility vehicles, 2/3-wheelers and construction equipment. It is one of the first banks to go live on the Real Time Gross Settlement (RTGS) initiative of RBI. It enjoys clearing bank status for both major stock exchanges - BSE and NSE and three major commodity exchanges in the country – MCX, NCDEX, and NMCE. It also offers DP facilities for stock and commodity segments.

IndusInd Bank has been awarded the highest A1+ rating for its Certificates of Deposits by ICRA and the highest P1+ rating for its FDs by CRISIL, which has also assigned the highest safety ratings to the Bank's Pass through Certificates for securitized assets.

## **Safe Harbour**

*This document contains certain forward-looking statements based on current expectations of the IndusInd Bank management. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of IndusInd Bank as well as its ability to implement the strategy. IndusInd Bank does not undertake to update these statements.*

*This document does not constitute an offer or recommendation to buy or sell any securities of IndusInd Bank or any of its associate companies. This document also does not constitute an offer or recommendation to buy or sell any financial products offered by IndusInd Bank.*

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