

Press Release Q2 FY 2007-08

IndusInd Bank Q2 Profit up 30%

Profit for H1 up 41%

Mumbai, October 27, 2007: The Board of Directors of IndusInd Bank Ltd., a fast-growing new-generation private-sector bank in India, today approved and adopted its Unaudited Financial Results intended for the second quarter and first half-year ended September 30, 2007.

Performance highlights for the quarter ended September 30, 2007 are:

- Total Income was up 25.36 % to Rs 525.47 crore as compared to Rs 419.17 crore in the corresponding quarter of the previous year.
- Net Interest Income (NII) was Rs 85.73 crore as compared to Rs 65.75 crore in the corresponding quarter of the previous year, up 30.39%.
- Other Income for the quarter stood at Rs 64.99 crore, vis-à-vis Rs 58.57 crore in the corresponding quarter of the previous year, up 10.96%.
- Operating Profit for the quarter was Rs 47.90 crore as against Rs 39.25 crore in the corresponding quarter of the previous year, up 22.04% YoY .
- Net Profit for the quarter was Rs 22.34 crore as against Rs 17.18 crore in the corresponding quarter of the previous year up 30.03% YoY..
- Net Interest Margin (NIM) for the current quarter was 1.57% as against 1.34% in the corresponding quarter of the previous year. NIM for the Q1 of the current year was 1.12%.
- Capital Adequacy Ratio as on September 30, 2007 was 11.77 % as against 10.31% at the end of September 30, 2006.
- The Bank raised Rs 50 crores of Tier II capital in Q2 FY08 through issue of sub-ordinated bonds

Performance highlights for the 6-month period ended September 30, 2007 are:

- Total Income for the first half-year was Rs 1,021.07 crore as compared to Rs 799.26 crore in the corresponding period of the previous year, up 27.75%.
- Net Interest Income (NII) was Rs 143.13 crore as compared to Rs 122.79 crore in the corresponding period of the previous year, up 16.56%.
- Operating Profit for the half year period ended September 30, 2007 was Rs 79.95 crore as against Rs 66.15 crore in the corresponding period of the previous year, up 20.86%.
- Net Profit for the half year period ended September 30, 2007 was Rs 35.56 crore as against Rs 25.19 crore in the corresponding period of the previous year, up 41.17%.
- Net Interest Margin (NIM) for the half year period was 1.35% as against 1.28% in the corresponding period of the previous year.
- Total Advances as on September 30, 2007 were Rs 12,073.35 crore as compared to Rs 10,723.61 crore as on September 30, 2006, recording a growth of 12.59 %.
- Total deposits as on September 30, 2007 were Rs 17,640.15 crore as compared to Rs 15,986.48 crore as on September 30, 2006, recording a growth of 10.34 %.
- The CASA (Current Accounts-Savings Accounts) ratio improved to 17.03% of total deposits against 14.02% in H1 FY07 and 15.01 % in Q1 FY08.
- As on September 30, 2007, IndusInd Bank had a total of 172 branches, spread over 141 geographical locations in 27 states across the country, as against 147 branches a year ago. It also has 316 ATMs an on September 30, 2007 as compared to 224 ATMs a year ago.

Commenting on the performance, **Mr. Bhaskar Ghose, MD & CEO, IndusInd Bank** said, "Our focus has been on increasing our low cost deposits and pushing up our NIM . For achieving these objectives, our Bank has undertaken a series of initiatives over a period of time. As a result, in this quarter, we witnessed a considerable improvement on both fronts. Our CASA ratio is now 17.03% as compared to 14.02% a year ago. We expect our CASA to improve at a much greater pace in the days to come. "

He further added, "Our NIMs have been improving because of a combination of factors; in the second quarter, our cost of deposits decreased in the wake of softening interest rates. On the other hand, our

average yield on advances improved for the quarter, owing to the re-pricing of our loan portfolio, especially vehicle finance. We expect interest rates to be roughly stable for the remaining part of the year and hence expect our margins to improve further."

During the quarter, the Bank signed an agreement with National Multi Commodity Exchange Ltd. (NMCE) to become their Clearing Bank. It already had such agreements with MCX and NCDEX

The Bank also entered into a tie-up with Religare Securities and now offers a value-added 3-in-1 savings accounts-linked package to customers – comprising a savings bank account, a depository account, and an Internet trading account powered by Religare.

The International division of the Bank has also been generating good income. The average number of daily remittance flows, as on September 30, 2007, more than doubled to 1300 from 600 a year ago. Earnings from this division showed a significant growth of 40.52%.

The bullion business of the Bank has also gained momentum over a period of time. During the half year ended September 30, 2007 the Bank's gold sales turnover under consignment was Rs 1,613 crore as against Rs 1,379 crore recorded last year.

About IndusInd Bank

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. 1092 crores as on September 30, 2007. The Bank posted a total business turnover of Rs.29,714 crores (as on September 30, 2007) 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 172 branches, spread over 141 geographical locations in 27 states and union territories across the country. The remaining 8 authorisation will be used shortly and the total number of branches would reach 180. In addition, IndusInd Bank also has a representative office each in Dubai and London.

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.

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