

Press Release

IndusInd Bank Net Profit surges by 353% in Q1 FY10

NPA drops to 1.01% from 2.41%

Return on Equity shoots up to 22.83% from 5.68%

Mumbai, July 08, 2009: The Board of Directors of IndusInd Bank adopted its Unaudited Financial Results for the first quarter ended June 30, 2009 on Wednesday.

Performance Highlights at a glance:

Key Financials

Particulars (Rs Cr)	Q1 FY09	Q1 FY 10	YoY growth (%)
Net Profit	19.10	86.50	353 ↑
Operating Profit	45.87	174.31	280 ↑
Other Income	64.91	172.75	166 ↑
Net Interest Income	92.94	167.37	80 ↑
Core Fee Income	70.01	94.02	34 ↑

Key Ratios

Particulars (in %)	Q1 FY09	Q1 FY 10
Net Interest Margin	1.68	2.60
Return on Equity	5.68	22.83
Return on Assets	0.31	1.27
Net NPA	2.41	1.01
EPS (not annualized)	0.59	2.44

Performance highlights for the quarter ended June 30, 2009:

- **Net Profit** was Rs.86.50 crore as against Rs. 19.10 crore in the corresponding quarter of the previous year. **Up by 353%**. This robust improvement in profitability was driven by both interest and non-interest income, including core fee and money market earnings. Core banking business of the Bank, excluding money market revenue gains, maintained its growth trajectory.
- **Operating Profit** was Rs. 174.31 crore as against Rs 45.87 crore in the corresponding quarter of the previous year, **up by 280 %**.
- **Net Interest Income (NII)** for Quarter ended June 2009 showed significant improvement. **(80% jump Y-o-Y basis)**. NII grew to Rs 167.37 crore as compared to Rs 92.94 crore during the corresponding period last year. The growth in NII was mainly caused by both higher yield on advances and also lower cost of deposits.
- **Net Interest Margin (NIM)** for Quarter ended June 2009 works out to 2.60 % (including amortization) as compared to 1.68 % in the corresponding period last year.
- **Total Income** for Q1 FY10 was at Rs 801.58 crore as compared to Rs 583.23 crore in the corresponding quarter of the previous year, **up by 37 %**.
- **Interest Income** rose to Rs 628.83 crore as compared with Rs 518.32 crore in the corresponding quarter of the previous year, **up by 21 %**. Interest Expense at Rs 461.46 crore as compared to Rs 425.38 crore in the corresponding quarter of the previous year.
- **Core Fee Income** was higher at Rs. 94.02 crore as against Rs 70.01 crore in the corresponding quarter of the previous year, **an increase of 34%**.
- The **quarterly EPS** (not annualized) works out to Rs. 2.44 as against Rs. 0.59 in the previous year's Q1.
- **Advances** as on June 30, 2009 were at Rs. 16,451.57 crore as compared to Rs 13,268.24 crore in the corresponding quarter of the previous year, **recording a growth of 24%**.
- **Total deposits** as on June 30, 2009 were at Rs.21,638.78 crore as compared to Rs 18,116 crore in the corresponding quarter of the previous year, **recording a growth of 19%** .
- **Capital Adequacy Ratio (CAR)** as on June 30, 2009 was 12.14 % as against 13.16% in Q1 FY09 and 12.33 % in Q4 FY09.

- **CASA** for Q1 FY10 stood at 20.20 % as against 17.61 % in Q1 FY09. CASA showed **an increase of 37 %** in absolute numbers on Y-O-Y basis.
- **Gross NPA** in current Q1 has dropped to Rs 241.09 crore at 1.46% from Rs 431.24 crore at 3.22% in previous Q1. The **net NPA** too has fallen to Rs 166.55 crore at 1.01% in current Q1 as against Rs 320.08 crore at 2.41% in the previous Q1.

Commenting on the Bank's performance **Mr. Romesh Sobti, MD & CEO** said, "IndusInd Bank has posted a robust growth in income and profit in the first quarter of 2009-10 due to an all round contribution from every operating area. Significant increase in interest and non-interest income, better margins and reduction in NPAs were amongst the major achievements of the quarter. The Bank continued to expand its product offerings with attractive features. We hope to continue the momentum built up in Q1 during the rest of the year."

Business Updates:

Re-energised Products

- NRI Services – Indus NRI Services was launched in Dubai on 22nd April. The enhanced product offering has unique features like NEAT & ASSIST along with remittance tie-ups with numerous exchange houses and banks in the region.
- Launched Global Remittance offering '*Indus Fast Remit*'. Extends service to *NRI's in USA*. A remittance platform which will assist US based NRIs to send funds back into India, in a convenient manner. The service facilitates transfer of money from any bank account in the US to any bank account in India.
- This service is being offered in association with The Bank of New York Mellon, which acts as the clearing partner for IndusInd Bank in the US.
- New Current Account Story - A new Relationship model 'Emerging Corporates' was launched in the Business Accounts product category to offer customized solutions.

Client Engagement Programmes

- Debit Card Campaign – Summer Swipe Special was launched with the objective to engage with customers and drive debit card spends.
- Indus Money – A unique Rewards Program that offers cash back on virtually all kinds of transactions made on a savings account and spends made on the Debit Card.

Network Expansion

- Setup 20 new ATMs in the last quarter with the flagship ATM at the new Departure Terminal @ Delhi Airport, taking the total ATMS to 378.
- 30 more ATMs to be commissioned by 30th July. Sites have been finalized for 20 branches to be rolled out by 15th October.

Operations & IT

- Iworks is an image-based application which can automatically move images of documents across processing groups in the entire organisation thereby improving efficiency and productivity. It will significantly improve customer service and facilitate best in class operations.

Corporate Social Responsibility

- A unique campaign in the banking industry namely “Hum aur Hariyali” has been launched for environment sustainability :Thin computing, Paperless fax, E-statements to customers, encouraging net banking/ RTGS/NEFT service, Document / Workflow management system are the few initiatives out of many, not only to take care of the campaign but also to optimize the efficiency of operations.

Brand Campaign

- IndusInd Bank launched it’s first ever advertising campaign on 7th May. The Television campaign went live on 15 major TV channels including a high-visibility burst during the IPL semi’s and finals. The campaign was also aired on budget day across 9 news channels. All of this media activity resulted in increased awareness levels and positive disposition towards the brand.

Human Resources

- E-learning rolled out nationally.
- Implemented Learning Management System across Bank.

About IndusInd Bank

IndusInd Bank Ltd. is one of the new-generation private-sector banks in India which commenced its operations in 1994. The Bank currently has a network of 180 branches, spread over 147 geographical locations in 28 states and union territories across the country. The Bank also has a Representative Office each in Dubai and London.

The Bank is driven by state-of-the-art technology since its inception. It has multi-lateral tie-ups with other banks providing access to more than 18000 ATMs for its customers. 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. The Bank has been bestowed with the mandate of being a Settlement Banker for tea auctions at Kolkata, Siliguri, Coonoor and Guhawati.

IndusInd Bank has been awarded the highest A1+ rating for its Certificates of Deposit by ICRA and the highest P1+ rating for its Fixed Deposits and Certificates of Deposit by CRISIL.

In recent past, the Bank was awarded *The Smart Workplace Award* by Economic Times in association with Acer and Intel for enhancing the productivity of the employees through optimum use of resources as well as technology.

Visit us at www.indusind.com

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