

For Immediate Publication

## IndusInd Bank's total income grows 22.43% in Q3

### Net Interest Income rises 82.14%

**Mumbai, 28 January 2005:** The Board of Directors of IndusInd Bank today adopted its Unaudited Financial Results for the third quarter ended on December 31, 2004. The current results include the financial performance of the erstwhile Ashok Leyland Finance. Hence the quarterly figures may not be comparable with those of the corresponding quarter of the previous year (which did not include figures for Ashok Leyland Finance).

#### **Performance highlights for the quarter ended December 31, 2004:**

- Total Income at Rs 317.6 crore grew by 22.43% over the corresponding quarter of the previous year's income of Rs 259.41 crore
- Net Interest Income at Rs 101.18 crore registered a growth of 82.14% over the corresponding quarter of the previous year's Net Interest Income of Rs 55.55 crore
- Fee Income for the quarter stood at Rs 7.91 crore *vis-à-vis* Rs 5.48 crore in the corresponding quarter of the previous year, a growth of 44.34%
- Operating Profit for the quarter was Rs 87.06 crore as against Rs 115.13 crore in the corresponding quarter of the previous 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
- Profit After Tax stood at Rs 42.85 crore as against Rs 77.09 crore in the corresponding quarter of the previous year
- The quarterly EPS works out to Rs 1.47 (Rs 5.88 on an annualised basis) on the equity capital of Rs 290.42 crore
- Advances as on December 31, 2004 were at Rs 7,374.17 crore (net of securitisation) while total Deposits at the end of the quarter were at Rs 11,023.03 crore. Without deducting the quantum of loans securitised, Gross Advances stood at Rs 9,645.65 crores
- Net Interest Margin for the current quarter was at 2.93% as against 2.77% in Q2 and 2.58% for the corresponding quarter of last year
- Capital Adequacy Ratio as on December 31, 2004 was 12.73% as against 13.17% on September 30, 2004
- Retail Credit has surged by 11.6% to Rs 3,031 crore as compared to Rs 2,716 crore in Q2, led primarily by commercial vehicle loans and two-wheeler loans

- Retail Book (net of securitisation) now constitutes 41% of the total Loan Book as against 40% in Q2
- As on December 31, 2004, the Bank had 98 branches, 10 extension counters and 79 offsite ATMs

**Performance highlights for the 9-month period ended December 31, 2004:**

- Total Income at Rs 1,012 crore grew by 31.29% over the corresponding 9-month period of the previous year
- Net Interest Income at Rs 292.36 crore registered a growth of 98.23% over the corresponding 9-month period of the previous year
- Fee Income for the current 9-month period stood at Rs 21.36 crore *vis-à-vis* Rs 15.25 crore in the corresponding 9-month period of the previous year, a growth of 40.06%
- Operating Profit was at Rs 289.18 crore as against Rs 301.7 crore in the corresponding 9-month period of the previous year. The Operating Profit was lower during the current year as the profit on sale of investments was lower by Rs 95.54 crore for the 9-month period
- Profit After Tax stood at Rs 147.24 crore as against Rs 177.96 crore in the corresponding 9-month period of the previous year. A major portion of provision and contingencies includes depreciation provision of Rs 52.47 crore for one-time shift (in September 2004) of Available for Sale (AFS) category to Held to Maturity (HTM) category at marked to market price. With this shift, Bank has insulated investment portfolio from further depreciation on account of upward movement in interest rates
- The Bank has securitised Rs 2,271.48 crore in the 9-month period compared to Rs 1,309.6 crore upto the first six months of the current year
- The 9-month EPS works out to Rs 5.07 (Rs 6.76 on an annualised basis) on the equity capital of Rs 290.42 crore
- Capital Adequacy Ratio as on December 31, 2004 was 12.73% as against 17.07% as on December 31, 2003
- Net Interest Margin for the current 9-month period was at 2.71% as against 2.25% in the corresponding 9-month period of last year

Commenting on the performance, **Bhaskar Ghose, Managing Director & CEO** said, “We have been growing our loan book – particularly on the retail side – at a fast clip. Net of securitisation, our retail book has grown 11.6% in the current quarter, and now it comprises 41% of the total loan book for us. 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 progressing satisfactory. With our 100<sup>th</sup> branch now on the horizon, we



should see incremental business generated from all our new branches as well. This will then reduce our need to raise resources by securitising assets.”

Added **S Nagarajan, Joint Managing Director**, “IndusInd Bank’s total advances (gross of securitisation) at Rs 9,646 crore represent a growth of 14.5% over last year. Retail advances (gross) at Rs 5,302 crore have recorded an increase of 51% over the level as on March 31, 2004. This change in mix of advances is reflected in our Net Interest Margin improving to 2.93% this quarter, compared to 2.58% in the same period last year. Our 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 recognized as the fastest growing in terms of branch expansion. The number of branches stands at 99 now, as compared to 68 at the end of the last quarter (September 30, 2004).

With the transformation of IndusInd Bank from a wholesale player to a player with a mix of wholesaler and retail business, the Bank went in for a change in its identity too during the quarter. It has launched a scheme for the young, and enhanced the benefits of the senior citizen scheme, reiterating its commitment – “*Care at Every Stage of Life*”.

#### **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 1,000 crore as of 31<sup>st</sup> March 2004. 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, the 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. The Bank has also become the clearing banker for National Commodity & Derivatives Exchange, India (NCDEX) recently. Visit us at [www.indusind.com](http://www.indusind.com)

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