

Press Release

**IndusInd Bank's Q2 Total Income up by 22 %**  
**Fee Income up by 42 %**

**Mumbai, October 31, 2006:** 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, 2006.

**Performance highlights for the quarter ended September 30, 2006 are:**

- Total Income was Rs.429.01 crore as compared to Rs352.03 crore in the corresponding quarter of the previous year.
- Net Interest Income (NII) was Rs.65.75 crore as compared to Rs. 91.42 crore in the corresponding quarter of the previous year.
- Other Fee Income comprising Commission, Exchange, and Brokerage for the quarter stood at Rs.68.41 crore *vis-à-vis* Rs 48.14 crore in the corresponding quarter of the previous year.
- Operating Profit for the quarter was Rs.49.09 crore as against Rs 62.51 crore in the corresponding quarter of the previous year, and Rs 36.95 crore in Q1 of this year.
- Net Profit for the quarter was Rs.17.18 crore as against Rs 31.49 crore in the corresponding quarter of the previous year and Rs 8.01 crore in Q1 of this year. The profits were lower mainly due to the absence of profit on securitisation in the quarter ended September 30, 2006 (The securitization profit in Q2 last year was Rs.23.91 crores) and increase in cost of deposits.
- Net Interest Margin (NIM) for the current quarter was 1.34 % as against 2.24% in the corresponding quarter of the previous year. NIM was impacted on account of higher interest cost and the absence of securitisation profit. NIM for the Q1 of the current year was 1.22%.
- The quarterly EPS works out to Rs.0.59 (non annualised) on an equity capital base of Rs 290.51 crore.
- Capital Adequacy Ratio as on September 30, 2006 was 10.31 % as against the minimum requirement of 9%.

**Performance highlights for the 6-month period ended September 30, 2006 are:**

- Total Income for the first half-year was Rs.819.15 crore as compared to Rs 701.89 crore in the corresponding period of the previous year.
- Net Interest Income (NII) was Rs.122.78 crore as compared to Rs. 162.42 crore in the corresponding period of the previous year.
- Operating Profit for the half year period ended September 30, 2006 was Rs.86.04 crore as against Rs 140.02 crore in the corresponding period of the previous year. Net Profit for the half year period ended September 30, 2006 was Rs.25.19 crore as against Rs 71.85 crore in the corresponding period of the previous year. Profits were lower due to lower bad debts recovery and the absence of profit on securitization.
- Net Interest Margin (NIM) for the half year period was 1.28 % as against 2.06% in the corresponding period of the previous year.
- Total Advances as on September 30, 2006 were Rs.10,724 crore as compared to Rs. 9,082 crore as on September 30, 2005, recording a growth of 18.07 %.
- Total deposits as on September 30, 2006 were Rs.15,986 crore as compared to Rs.13,913 crore as on September 30, 2005, recording a growth of 14.90 %.
- The CASA (Current Accounts-Savings Accounts) ratio improved to 14.02 % of total deposits against 11.82% in H1 FY06.

Commenting on the performance, **Mr. Bhaskar Ghose, MD & CEO, IndusInd Bank** said, “Our business growth has been satisfactory, with emphasis on retail banking – particularly vehicle finance by way of Assets and retail deposits by way of liabilities. These two areas of growth, increasing our yields on advances on the one hand and lowering our dependence on high-cost bulk deposits on the other, speak well for our future.”

The Bank introduced its *Indus Tax Saver Scheme* last quarter, offering a rate of interest of 8.50% p.a. on 5-year deposits with 9% p.a. for senior citizens. The Bank also launched two cards during the quarter – the *Indus Gift Card* and the *Indus Gold Debit Card*.

*Indus Gift Card* was launched in association with VISA. It enables the card holder to shop at any Point of Sale outlet in India or abroad, as well as to make on-line purchases. The card is available for customers as well as non-customers of the Bank. *Indus Gold Debit Card* has been the latest addition to the array of cards being offered by the Bank. Apart from access to its many attractive features, the customer will also receive regular SMS alerts on all transactions made using the Debit Card.

The Bank recently entered into an arrangement with Doha Bank and launched its *E-Remittance* facility for NRI customers. This new facility will enable seamless, electronic transfer of funds across boundaries. Apart from this initiative, seventeen exchange houses from the UAE, Kuwait and Oman have entered into arrangements with IBL to provide convenient, cost-effective, and quick funds-transfer facilities to NRIs. IBL also caters to other banking and financial needs of expatriate Indians through NRE and FCNR deposits,



e-broking, direct investment in Mutual Funds, and other related third-party distribution products and services.

### **About IndusInd Bank**

IndusInd Bank Ltd., a fast-growing new-generation private-sector bank in India, commenced operations in 1994 and had a net worth of Rs.866 crore as at March 31, 2006. Driven by technology, it 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 147 branches, 84 off-site ATMs, 26 Vehicle Finance Division offices and a representative office each in Dubai and London. It also has tie-ups in place with the State Bank Group, MITR consortium, Corporation Bank and UTI Bank for the use of 14500 ATMs for IndusInd Bank customers. In its twelve-year 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. It was one of the first banks to go live on the RTGS platform and enjoys clearing bank status for both major stock exchanges - BSE and NSE – and both major commodity exchanges in the country – MCX and NCDEX. It also offers DP facilities for stock and commodity segments.

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. The Bank has been given the highest P1+ rating for its FDs by CRISIL, who have also assigned the highest safety ratings to the Bank's Pass Through Certificates for securitised assets. It has also been given the highest rating of F1+ for its Certificates of Deposit by Fitch Ratings India Pvt. Ltd. The Bank's Tier-II Bonds have been rated LA+ by ICRA and A+ (ind) by Fitch. Visit us at [www.indusind.com](http://www.indusind.com)

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