

**IndusInd Bank Average Advances grow 30% YoY**  
**Average Deposits grow at 25% YoY**  
**Vehicle Financing Division grows at 25% YoY**

**Mumbai, June 13, 2006:** The Board of Directors of IndusInd Bank today adopted its Audited Financial Results for the fourth quarter ended on March 31, 2006, as well as for the full year ended March 31, 2006.

**Performance highlights for the quarter ended March 31, 2006 are:**

- Gross Income was at Rs.360.32 crore as compared to Rs 373.03 crore in the corresponding quarter of the previous year.
- Net Interest Income (NII) was at Rs.78.76 crore as compared to Rs.123.15 crore in the corresponding quarter of the previous year.
- Fee Income comprising Commission, Exchange, and Brokerage for the quarter stood at Rs 14.13 crore *vis-à-vis* Rs 10.17 crore in the corresponding quarter of the previous year. Other Miscellaneous fee income (processing charges, depository income) for the quarter stood at Rs.19.30 crores *vis-à-vis* Rs.9.85 crores in the corresponding quarter of the previous year.
- Operating Profit for the quarter was Rs.40.05 crore as against Rs 112.06 crore in the corresponding quarter of the previous year. Operating profit was lower due to increase in cost of deposits from 5.44% in Q4 of last year to 5.97% in Q4 of the current year, lower trading income on investments, loss incurred in trading activities of Rs.0.33 crores as against trading income of Rs.22.17 crores in Q4 of the last year, and absence of securitisation profit in Q4 of the current year as against Rs.31.14 crores earned in Q4 of the last year.
- Bank declares a loss of Rs.62.40 crore in Q4 as against profit of Rs 62.91 crore in the corresponding quarter of the previous year; Net profit for Q4 was lower due to higher amount of provisions and contingencies which stood at Rs.102.45 crores in Q4 as against Rs.49.15 crores in Q4 of the last year. Although not required under statutory guidelines, provisions and contingencies for the quarter ended March 31, 2006 also includes a prudential write-off of Rs.48.71 crores in respect of one of the borrower accounts classified as Standard.
- Net Interest Margin (NIM) for the current quarter was at 1.82% as against 3.37% in the corresponding quarter of the previous year. As stated earlier, NIM was impacted on account of higher interest cost and absence of securitisation profit.

- The Bank has recovered Rs.8.24 crore of bad debts during the quarter as against Rs. 21.32 crore in the previous corresponding quarter
- The Bank opened 6 branches, including one extension counter upgraded to a full-fledged branch, during the quarter ended March 2006.

**Performance highlights for the 12-month period ended March 31, 2006 are:**

- Gross Income was at Rs.1414.39 crore as against Rs 1,385.15 crore last year
- Net Interest Income (NII) stood at Rs.315.10 crore as against Rs 415.51 crore in the previous year
- Fee Income for the current year stood at Rs.40.51 crore *vis-à-vis* Rs 31.53 crore in the previous year. Other Miscellaneous fee income (processing charges, depository income) for the year stood at Rs.56.00 crores *vis-à-vis* Rs.40.55 crores in the last year.
- Operating Profit was at Rs 224.57 crore as against Rs 401.24 crore in the previous year. The operating profit was lower during the current year on account of reasons such as rise in interest cost, impact of RBI guidelines on securitisation, increase in operating expenses on account of expansion of network, and absence of trading profits on investments. The net profit was Rs 36.82 crore as compared to Rs 210.15 crore last year.
- The full year EPS works out to Rs.1.27 on the equity capital of Rs 290.51 crore as against Rs 7.07 in the previous year.
- Capital Adequacy Ratio as on March 31, 2006 was 10.54% as against 11.62% as on March 31, 2005.
- The Bank brought down the level of Net NPA (as a percentage of net advances) from 2.71% in 2004-05 to 2.09% in 2005-06.
- The Total Deposits of the Bank increased from Rs 13,114.28 crore as on March 31, 2005 to Rs.15,006.30 crore as on March 31, 2006 recording growth rate for the year of 14.43%. Average deposits showed a growth of 25% YoY. Total Advances for the year stood at Rs.9310.46 crore (net of securitisation), which is an increase of 3.45% over Rs 8,999.75 crore recorded in the last year. The average advances showed a growth of 30% YoY.
- As on March 31, 2006, IndusInd Bank had a total of 137 branches, spread over 116 geographical locations in 24 states across the country, as against 115 branches a year ago. In addition, IndusInd Bank also had 8 extension counters and 83 off-site ATMs, 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 13000 ATMs for IndusInd Bank customers.

Commenting on the performance, **Bhaskar Ghose, Managing Director & CEO**, said, “On the performance front, there was a drop in the numbers for various reasons. One of the major factors was that in Q3, the Bank stopped securitizing assets as a result of the new RBI guidelines. Though for the short run the Bank took a hit, for the long run the Bank has retained its high yielding assets on its books. Last year has been a year of tie-ups. We have managed to partner with important banks both nationally and internationally to offer improved services to our domestic as well as international customers.”

The Bank opened 22 branches during the year. On this front Mr. Ghose said, “The operating expenses in the first half of the year remained high as the Bank incurred staff expenses in anticipation of new branch openings but some new licenses were received only in the second half of the year. Out of the 11 licenses that we received in March 2006, 5 branches have already been opened. We have also upgraded 8 of our extension counters into full-fledged branches recently. As of date we have 145 branches and 83 off-site ATMs. With our tie-up with SBI in the early half of the last year, our customers now have access to around 13,000 ATMs. We hope to maintain this pace of growth and to announce some more branch openings very soon.”

Last year, the Bank introduced a series of new products for its retail customers. IndusInd has been one of the few banks to have ventured into Gold Banking. To cater to the poorer section of the society, the Bank introduced the ‘Indus Easy Savings Account’ which is a zero balance account. Earlier in the year, the Bank also introduced ‘Indus Suraksha’, a Group Insurance Scheme for its current and savings account customers.

With a view to provide improved products to its customers, the Bank introduced ‘Indus Bill Pay’ & ‘Mobile Top-Up’ in April last year. Later in the year, the Bank introduced ‘Visa Money Transfer’ for its NRI customers. Recently, the Bank also tied up with Sharekhan to facilitate online transfer of funds. Currently the Bank is also a distributor of 27 Mutual Funds.

The Bank has recently announced two strategic alliances: Union National Bank, Abu Dhabi in the UAE and Doha Bank in Qatar. These strategic alliances will encompass a wide range of banking services, including deposit accounts, remittance business, loans, wealth management advisory, distribution of third party products, trade finance, global banking, and investment banking including corporate finance. Through this partnership, IndusInd Bank and its allies will treat each other as preferred partners, with reciprocity of business flows and promotion of each other’s banking services.

Apart from this initiative, seventeen exchange houses from the UAE, Kuwait, Bahrain, Qatar and Oman have entered into arrangements with IBL to provide convenient, cost-effective, and quick funds-transfer facilities to NRIs. Further, IBL also caters to NRIs settled in USA through Indus Fast Remit, a special cost-effective remittance product through the Bank’s website.



During the year, the Bank's performance was recognized in various forums. It was ranked as one of the top ten banks in the country by ET 500 list of leading companies. The Bank was recognized as the *Most Efficient Bank* by a Business Standard survey covering around 79 banks. It was ranked as *India's Most Productive Bank* by a Business Today survey. It also emerged as a runner up for the *Outstanding Achiever of 2005* award by Business Today.

Speaking on the performance, S Nagarajan, Joint Managing Director said, "Despite a competitive scenario, the Bank's average advances grew by 30%. The Vehicle Finance Division of the Bank also recorded an increase of 25% in vehicle finance from Rs. 3710 crores in 2004-05 to Rs.4642 crores in 2005-06. The disbursement of loan for 2&3 wheelers has been a major contributing factor to the rise in numbers of Vehicle Financing. We expect this segment to continue performing better even in the future."

The recoveries of the Bank have been good once again last year and its Net NPAs have dropped to 2.09% from 2.71% in the last year. Gross NPAs were at 2.86% as on March 31, 2006 as compared to 3.53% as on March 31, 2005.

### **About IndusInd Bank**

IndusInd Bank Ltd., a fast-growing new-generation private-sector bank in India, commenced operations in 1994 and has 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. 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. 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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