



ICRA upgrades long term ratings for Tier II Bonds programme of IndusInd Bank

Mumbai, June 17, 2010: In a significant development for IndusInd Bank (IBL), credit rating agency ICRA Ltd. has upgraded the long term ratings for its Tier II Bonds programme.

ICRA has upgraded the Lower Tier II Bonds rating of the Bank to LAA- (pronounced L double A minus) rating with stable outlook from LA+ (pronounced L A plus) rating with stable outlook. ICRA has also upgraded the Upper Tier II Bonds rating of IBL to LA+ rating with stable outlook from LA (pronounced L A) rating with stable outlook.

Commenting on the upgrade of the Bank's Bonds programme, **Mr. Romesh Sobti, MD & CEO, IndusInd Bank** said, "The rating upgrades reflect significant improvement in the Bank's health and profitability and particularly its NIM, Asset Quality & Core Fee Income. The positive change in the core deposits profile and a healthy Capital Adequacy Ratio of 15.33% as per Basel II Guidelines, will enable the Bank to sustain its growth momentum."

The Bank reported a net credit growth of 30% in FY 10 as compared to 23% in FY 09. Consequently, the Credit-Deposit ratio improved to 76.94% as of March 2010 compared to 71.33% as of March 2009. The asset quality indicators are also comparable to its peers (at gross NPA% of 1.23% and Net NPA% of 0.50% as of Mar-10).

The Bank's non-interest Income contributes a healthy 38% and compares favourably with its peers. Notably, there has been a shift in the profile of non-interest income in FY09-10 towards core fee earnings (such as commission, profit from exchange transaction, distribution income etc.). The Management's focus on cross selling of fee products to existing customers is expected to bring stability to fee based revenues.

The Bank has improved its CASA Ratio to 23.67% as on March 31, 2010 from 19.24% as on March 31, 2009. The Bank plans to open over 100 branches in FY11 which would help to garner more CASA as well as retail term deposits. The rating also factors in the benefits of the new organizational structure focused on improving profitability and deepening client relationships.

About IndusInd Bank

IndusInd Bank, which commenced its operations in 1994, caters to the needs of both Consumer & Corporate customers. It has a robust technology platform supporting multi -



IndusInd Bank 

channel delivery capabilities. The Bank enjoys a patronage of 2 million customers and has a network of 210 branches and 497ATMs spread over 168 geographical locations in 28 states and union territories across the country. The Bank also has Representative Offices in Dubai and London.

The Bank believes in driving its business through technology. It has multi-lateral tie-ups with other banks providing access to more than 21000 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, Coimbatore and Guwahati.

In a pioneering initiative in 'Green Banking' project, the Bank became the first bank in Maharashtra to open a solar-power ATM. Subjects like sustainable development, social responsibility and climate change are fast becoming part of the corporate vocabulary and IndusInd is at the forefront of this change in the Indian banking sector.

The Bank received a series of awards commencing with the prestigious 'Technology Bank of the Year-2009' award in the private and foreign bank category from the Indian Banks' Association (IBA). It has also been recognized as the Bank with the Best Credit Quality in FE India's Best Banks, a publication brought out in support by Ernst & Young, reflecting the robustness of Bank's credit assessment systems.

Recently, CRISIL has reaffirmed its P1+ rating of IndusInd Bank's fixed deposits and certificates of deposit program. This reflects significant improvement in its asset quality. The rating also factors in the Bank's resources and earnings profile, and capitalisation levels

For more details on this release, contact:

S N Pai
Executive Vice President, IndusInd Bank Ltd.
+91 22 2423 1913

Narayan Bhatt / Aarti
Adfactors PR Pvt. Ltd.
9769226670/9819268465