

IndusInd Bank ties-up with Ashok Leyland for Channel Financing

Chennai, August 18, 2010: IndusInd Bank Ltd. (IBL) and Ashok Leyland (AL) "Hinduja Group flagship" have entered into an agreement, where IndusInd Bank will provide channel finance facilities to Ashok Leyland's dealers.

The dealers of Ashok Leyland will now have access to ready upstream finance from IndusInd Bank to meet their working capital requirements in addition to the existing retail finance arrangements. This tie up is a part of the strategic focus of IndusInd Bank in developing the supply chain business.

Mr. K. Sridharan, Chief Financial Officer of Ashok Leyland opined, "IndusInd Bank has always played a key role in financing various components of Ashok Leyland's value chain, such as Dealers, Customers and Suppliers; Now they have offered an integrated, attractively priced, on-line Inventory Finance product, which encourages quick turn around of Dealers' Inventory and conversion into retail finance for end-customers. It promises to be an all-win proposition for all stakeholders".

Mr Suhail Chander, Head Corporate & Commercial Bank, IndusInd Bank said, "IndusInd Bank is a market leader in the business of financing of Commercial Vehicles, Ashok Leyland is a leading player in this segment, it is only natural that we extend the existing partnership to Channel Financing. By the introduction of a technology-based product developed through our experience and knowledge of the industry, we expect to bring efficiencies to the financial operations of both Ashok Leyland and its Dealers."

Mr. Ramesh Ganesan, Head Transaction Banking, IndusInd Bank added, "IndusInd Bank's focus is to expand the scope of client relationships by adding value to partners of our clients. There is an increased need for financing in this fast growing sector. We propose to deliver this product through a technology platform enabling integration with the manufacturer and the dealers, thus speeding up credit delivery at a reduced cost, supported by widespread branch network."

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 - channel delivery capabilities. The Bank enjoys a patronage of 2.09 million customers and has a network of 224 branches and 533 ATMs spread over 180 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, Kochi, 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. In a significant development for the Bank, 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.

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