

## News Release

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### ING Vysya Bank's 3<sup>rd</sup> Quarter Results – Net up by 194.86% from previous year.

The Board of Directors approved the 3<sup>rd</sup> quarter financial results for the period ended 31 December 2006, at its meeting held in Bangalore today.

#### Performance Highlights:

The net profit after tax increased by 194.86 % from Rs. 4.86 crores in Q3 : 2006 to reach Rs. 14.33 crores in Q3 : 2007. The PBT increased by 109.22 % from Rs. 10.19 crores in Q3 : 2006 to Rs. 21.32 crores in Q 3 : 2007. The Operating Profit during the current quarter improved by 42.60% to reach Rs. 61.09 crores as compared to Rs. 42.84 crores reported in Q 3: 2006. The NII of the Bank improved by 13.84 % from Rs. 119.88 crores in Q3: 2006 to Rs. 136.47 crores in Q3: 2007. While total income improved by 9.17 % during the quarter, adverse interest rate movements resulted in a marginal decline in Other Income.

The Capital Adequacy Ratio of the Bank moved to 10.70 % from 10.40% and the total assets of the bank stood at Rs. 18,148 crores as at December 2006 up 12.71 % compared to Rs. 16,100 crores as at December 2005.

Announcing the results after the meeting of the Board, the Managing Director Mr Vaughn Richtor stated "Our focus on profitable growth and improving our liabilities mix continues and is reflected on the improved results. We have made good progress, but we need to ensure that our growth is also at an acceptable rate."

In Rs. crores	Fiscal Year (FY) Results					
	Q3 FY 2006-07	Q3 FY 2005-06	% Change	YTD FY 2006-07	YTD FY 2005 - 06	% Change
Net Interest Income	<b>136.47</b>	119.88	13.84	<b>396.88</b>	348.29	13.95
Other Income	<b>40.32</b>	42.06	-4.14	<b>168.68</b>	143.96	17.17
Total Income	<b>176.79</b>	161.94	9.17	<b>565.56</b>	492.25	14.89
Operating costs	<b>115.70</b>	119.10	-2.85	<b>374.33</b>	343.94	8.84
Profit before provisions	<b>61.09</b>	42.84	42.60	<b>191.23</b>	148.31	28.94
Provisions & Contingencies	<b>39.77</b>	32.65	21.81	<b>93.80</b>	90.32	3.85
Profit before tax	<b>21.32</b>	10.19	109.22	<b>97.43</b>	57.99	68.01
Provision for taxes	<b>6.99</b>	5.33	31.14	<b>26.92</b>	24.28	10.87
Profit after tax	<b>14.33</b>	4.86	194.86	<b>70.51</b>	33.71	109.17

The deposits grew by 15.06% to reach Rs. 14,380 crores as at December 2006 from Rs. 12,498 crores as at December 2005. The bank has been pursuing a strategy to improve the share of its low cost deposits and the share of CASA in the total deposit mix has improved from Rs. 3,281 crores (26 %) as at December 2005 to Rs. 4,340 crores (30 %) as at December 2006. The low cost deposits grew by 32% between the two periods.

While the cost of deposits was at 5.25 % during the quarter (up by 33 bps as compared to December 2005) the yield on advances improved from 8.46% to 9.35% during the same period. The Credit Deposit ratio stood at 75.29 % as at December 2006.

Net advances grew by 11.32 % as at December 2006 to reach Rs. 10,827 crores from Rs. 9,726 crores as at December 2005. Both, the Gross and Net NPA levels showed significant improvement. The Gross NPA moved from 4.66 % as at December 2005 to 3.34% as at December 2006 and the Net NPA's improved from 1.66 % to 1.27 % during the same period.

#### **Other key initiatives:**

During the quarter a new branch was opened at Kakurgachi, Kolkatta and an Extension Counter in Kolar was converted into a full-fledged branch.

The bank has obtained permission from the Reserve Bank of India to open 7 new branches and 50 Off – site ATMs and the process to open these outlets at the earliest has been initiated.

The Bank's ATMs now accept the VISA Electron, Visa Credit & Visa Plus cards also in addition to the Master – Cirrus cards.

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*ING is a global financial institution of Dutch origin offering banking, insurance and asset management to over 60 million private, corporate and institutional clients in more than 50 countries. With a diverse workforce in excess of 117,000 people, ING comprises a broad spectrum of prominent companies that increasingly serve their clients under the ING brand.*