



**K R Ramamoorthy**  
Chairman

Dear Shareholders,

It is indeed my pleasure and privilege to extend a warm welcome to you at this 75th Annual General Meeting of ING Vysya Bank.

The Annual Report, including the Audited Accounts of the Bank for the year ended March 31, 2006, has been in your hands for sometime. With your consent, I shall take it as read. This is my first interaction with you after taking over again as non-Executive Chairman of the Bank, in May this year. I take this opportunity to thank you all for the confidence reposed in me and also for making it convenient to attend this meeting.

May I now take the pleasure of welcoming Mr. Vaughn Richtor who assumed charge as the new Managing Director & CEO of your Bank, effective 7<sup>th</sup> February 2006 for a period of three years. Mr. Vaughn Richtor comes with a rich experience of 30 years, including 15 years with ING, where he has held various important positions and most recently as CEO of ING Bank (Australia) Limited for seven years, launching and growing the innovative brand of ING Direct to become that country's sixth largest retail bank. Mr. Vaughn Richtor is passionately committed to reposition ING Vysya Bank as a strong retail bank and has been tirelessly

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working with a strategic plan towards this vision. I am confident that given his strong leadership and commitment, your Bank will scale new heights benefiting all the stakeholders. He needs your understanding and the support and cooperation of all the members of the ING Vysya family, which I am sure will be readily forthcoming.

### **Financial Performance**

Your Bank has recorded an encouraging performance in 2005-06 and posted a profit after tax of Rs. 9.06 crore as against the loss of Rs. 38.2 crore incurred in the previous year. During the first quarter of this current year, your Bank's performance has continued to show good improvement and as per unaudited results, your Bank's net profit has increased by 52% year on year to Rs. 14.79 crore, as compared to Rs. 9.68 crore registered during the first quarter of the previous year. The improvement in performance indicates an upswing in the growth trajectory and your bank is traversing on the road to progress. The Bank's overall financials continue to be strong.

### **Business Performance**

During the year 2005-06, the total assets of the Bank increased by 9% over the March 2005 level. While the growth in deposits was 6%, advances grew by 13% during the year. Due to the effective recovery measures and appropriate risk management practices adopted by the management, the net NPA ratio has declined to 1.77% as on 31st March 2006 as against 2.13% as on 31st March 2005.

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Mr. Vaughn Richtor, Managing Director, will take you through a detailed analysis of the Bank's performance during 2005-06.

### **Focus on Value Creation**

In the constantly changing business environment, your Bank would strive towards building mechanisms not only to increase the profits but also to sustain the growth in profits thereby maximising shareholder value.

Considering the present level of financial sector development and the competitive pressures existing and emerging, your Bank has been consistently focusing on building up the competencies across the Bank to meet the emerging competitive challenges.

### **Acknowledgements**

We really feel honoured by the presence of Mr. G M Rao at this Annual General Meeting. After over two decades of long association with your Bank dating back to 1985, Mr. G M Rao, in view of his growing business commitments, particularly in building the country's infrastructure, expressed his inability to continue to shoulder the responsibility of non-Executive Chairman. Since he has been on the Board of the Bank for a continuous period of eight years, he could not continue as a Director on the Board in view of the restriction under the Banking Regulation Act, 1949, though the Board would have desired very much to have his continued association. Mr. Rao therefore resigned during the year as Director on the Board and as its non-Executive Chairman. I take this opportunity to place on record our sincere appreciation for his outstanding contribution in building this Bank

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brick by brick in the post-reform period. He is a great visionary and the members of the Board and I personally will miss him very much. His role in placing Vysya Bank, as it was until recently known, in the global orbit, is indeed a rare and unique feat in the Indian Banking industry, particularly for an old generation private sector bank.

May I now request Mr. Rao to kindly join us on the dais.

I would like to take this opportunity to thank the members of the Board for their valuable guidance, support and prudent counsel. I and my colleagues on the Board sincerely thank the Reserve Bank of India, SEBI and stock exchanges for their support and guidance. My sincere thanks to the Auditors, Legal Advisors, NSDL and CDSL for their valuable support & contribution. I also thank the media for its support in all the business endeavours of the Bank.

Before I conclude, I wish to place on record our sincere thanks to all of you shareholders for the sustained confidence reposed in the Board & the management, and to our customers for their continued confidence in the Bank and the patronage extended to the Bank. I also thank all the employees for their dedicated and sincere service & the contribution made by them for the organisation's growth and success.

**Thank you.**