

NEWS RELEASE

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ING Vysya Bank back in the black

ING Vysya Bank Ltd. today announced that its Board of Directors had approved the annual audited accounts of the Bank, for the fiscal year ended 31 March 2006, at the Board Meeting held in Bangalore on Tuesday 23 May 2006.

Performance Highlights

Net Profit of the Bank for the fiscal year stood at Rs. 9.06 crores against a loss of Rs. 38.18 crores, in the previous fiscal year. Total Income during the year rose by 27% to Rs. 1,413 crores; up from Rs. 1,113 crores, while net interest income and fee-based income during the year increased by Rs. 124.43 crores and Rs. 10.50 crores respectively.

As at 31 March 2006, total assets of the Bank had increased by 8.94% to Rs. 16,766 crores from Rs. 15,391 crores as at 31 March 2005. The net worth of the Bank was Rs. 1,019.67 crores as at the end of 31 March 2006, versus Rs. 709.40 crores of the previous year. The Capital Adequacy Ratio stood at 10.67%, compared to 9.09%, as at the end of March 2005.

The net non-performing advances as a percentage to customer assets dropped to 1.77% against 2.14% at the end of the previous year.

Announcing the results, Managing Director, Mr. Vaughn Richtor stated: "I am pleased to see that the bank is moving back on track. Our IT initiatives towards the networking of all our branches are about to be completed and we look forward to expanding the business, increasing our customer acquisition and improving our financial performance further".

Key Figures

In Rs. crores	Fiscal Year (FY) Results		
	2005-06	2004-05	% Change
Net interest income	481.19	356.76	34.88
Other income	190.31	122.67	55.14
Total income	671.50	479.43	40.06
Operating costs	518.79	380.10	36.49
Pre-provision profit	152.71	99.33	53.74
Provisions & contingencies	131.19	172.77	-24.07
Profit before tax	21.52	(73.44)	129.30
Provision for tax	12.46	(35.26)	135.34
Profit after tax	9.06	(38.18)	123.73

Business Highlights

Total deposits increased from Rs. 12,569 crores as at 31 March 2005 to Rs. 13,335 crores as at 31 March 2006, recording growth of 6%. In the total deposit mix, the share of Current and Savings was at Rs. 3,603 crores, reflecting growth of 18.27%. Meanwhile, the cost of deposits decreased to 4.91%. For the same period, the advances grew by 12.67% to reach Rs. 10,232 crores from Rs. 9,081 crores. The credit deposit ratio stood at 77% for the period under review.

The investments as at 31 March 2006 stood at Rs. 4,372 crores reflecting an increase of Rs. 176.44 crores, and the yield on investments was 7.09% versus 6.25% for the previous year.

Other Key Initiatives

During the period under review, the Bank opened eight new branches, including the conversion of an existing extension counter (EC) to a branch, bringing the total number of branches and ECs of the bank to 377 and 56 respectively. The bank also operates 28 satellite offices. With the increased emphasis on automation, a total of 368 offices are now connected to the networked core-banking platform.

The ATM network of the bank reached 114 machines, which is inclusive of nine Self Bank outlets opened in Bangalore. These Self Banks are a unique concept introduced by ING as a first in the country.

The bank also launched Mi-remit, an Inbound Money Transfer Service from the U.S.A. The service offers a secured online mode of remitting money by any non-resident Indian in the U.S.A. to a beneficiary in India -24 hours a day, 7 days a week. It is offered by the Bank in association with TimesofMoney Limited, which has provided the technology and back-end services.

CRISIL has reaffirmed its rating of "AA+/Stable" for the Bonds raised by the bank. It has also rated the Certificate of Deposit Programme as "P1+" and Fixed Deposit Programme as FAAA/Stable.

Press enquiries: ING Vysya Bank

G.K. Sateesh Kumar, +91 (0)80 2500 5832, sateeshkumargk@ingvysyabank.com

ING Vysya Bank Ltd is a premier private sector bank with retail, private and wholesale banking platforms that serve over 1.5 million customers. With over 75 years of history in India and leveraging ING's global financial expertise, a workforce of 6,000 employees staff 480 outlets to offer their clients an increasingly broad range of innovative and established products and services.

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.