

## NEWS RELEASE

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### ING Vysya Bank's 2<sup>nd</sup> quarter results – Net up 110% from previous year.

ING Vysya Bank Ltd. today announced that its Board of Directors had approved its financial results for the fiscal second quarter ended 30<sup>th</sup> September 06, at its meeting held today at Bangalore.

#### Performance Highlights:

The net profit after tax of ING Vysya Bank increased by 110% from Rs. 19.70 crores in Q2 : 05-06 to Rs. 41.39 crores in Q2 : 06-07. During the quarter under review the bank had divested its stake in Bharat Overseas Bank and recorded a post tax profit of Rs. 26.40 crores on the transaction. In the same quarter, last year the bank had divested its stake in ING Vysya Life Insurance, which had resulted in a post tax profit of Rs. 16.01 crores. The Total Income of the bank during the current quarter increased by 19.05 % - to reach Rs. 222.89 crores from Rs. 187.22 crores in Q2 : 06-07. The Gross Profit before provisions improved by 24.03% during the period under review.

The Capital Adequacy ratio of the Bank increased to 11.36% from 10.95% and the total assets of the bank reached Rs. 16,733 crores as at September 06 up 5.92% compared to Rs. 15,798 crores as at September 05.

Announcing the results after the meeting of the Board, the Managing Director Mr Vaughn Richtor said: "Our focus on profitable growth, with an emphasis on improving our liabilities mix continues to yield steady results. We look to continue to build on the progress made".

In Rs. crores	Fiscal Year (FY) Results					
	Q2 FY 2006-07	Q2 FY 2005-06	% Change	YTD FY 2006-07	YTD FY 2005 - 06	% Change
Net Interest Income	137.41	126.45	8.66	260.41	228.41	14.00
Other Income	85.48	60.77	40.68	128.36	101.90	25.98
Total Income	222.89	187.22	19.05	388.77	330.31	17.70
Operating costs	136.32	117.42	16.10	258.63	224.84	15.03
Profit before provisions	86.57	69.80	24.03	130.14	105.47	23.39
Provisions & Contingencies	33.58	38.93	-13.74	54.03	57.67	-6.31
Profit before tax	52.99	30.87	71.66	76.11	47.80	59.23
Provision for taxes	11.60	11.17	3.85	19.93	18.95	5.17
Profit after tax	41.39	19.70	110.10	56.18	28.85	94.73

The bank has been pursuing a strategy to improve the share of the low cost deposits. The Share of Current Account & Savings Account (CASA) deposits in the bank's total deposit mix has improved from Rs. 3,222 crores (25%) as at September 05 to Rs. 3,936 crores (31%) as at September 06.

While the cost of deposits was flat at 4.97% the yield on advances improved from 9.18% to 9.42% during the same period. The Credit deposit ratio stood at 78% as at September 06.

Both the Gross and Net NPA levels showed significant improvement. The Gross NPA moved from 5.02% as at September 05 to 3.90% as at September 06 and the Net NPAs reduced from 1.98% to 1.57% during the same period.

### **Other key initiatives**

Effective from July 06 all branches and extension counters have been fully computerised and are on the core banking platform. Consequently, the bank now offers 'anywhere banking' across the network and the customers can now avail cash deposit, cash withdrawal, cheque deposit, local & outstation clearing, purchase of DD/ Pos, transfer of funds and other similar facilities from any branch.

An Extension Counter of the bank at Divya Jyothi Public School was converted into a full branch at Narasamapet in Andhra Pradesh. The bank also commissioned two ATM's during the period under review.

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*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 5,449 employees staff 450 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.*