

ING



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ING Vysya Bank Limited (IVBL) - Key highlights

◆ Banking franchise with ~8 decades of experience

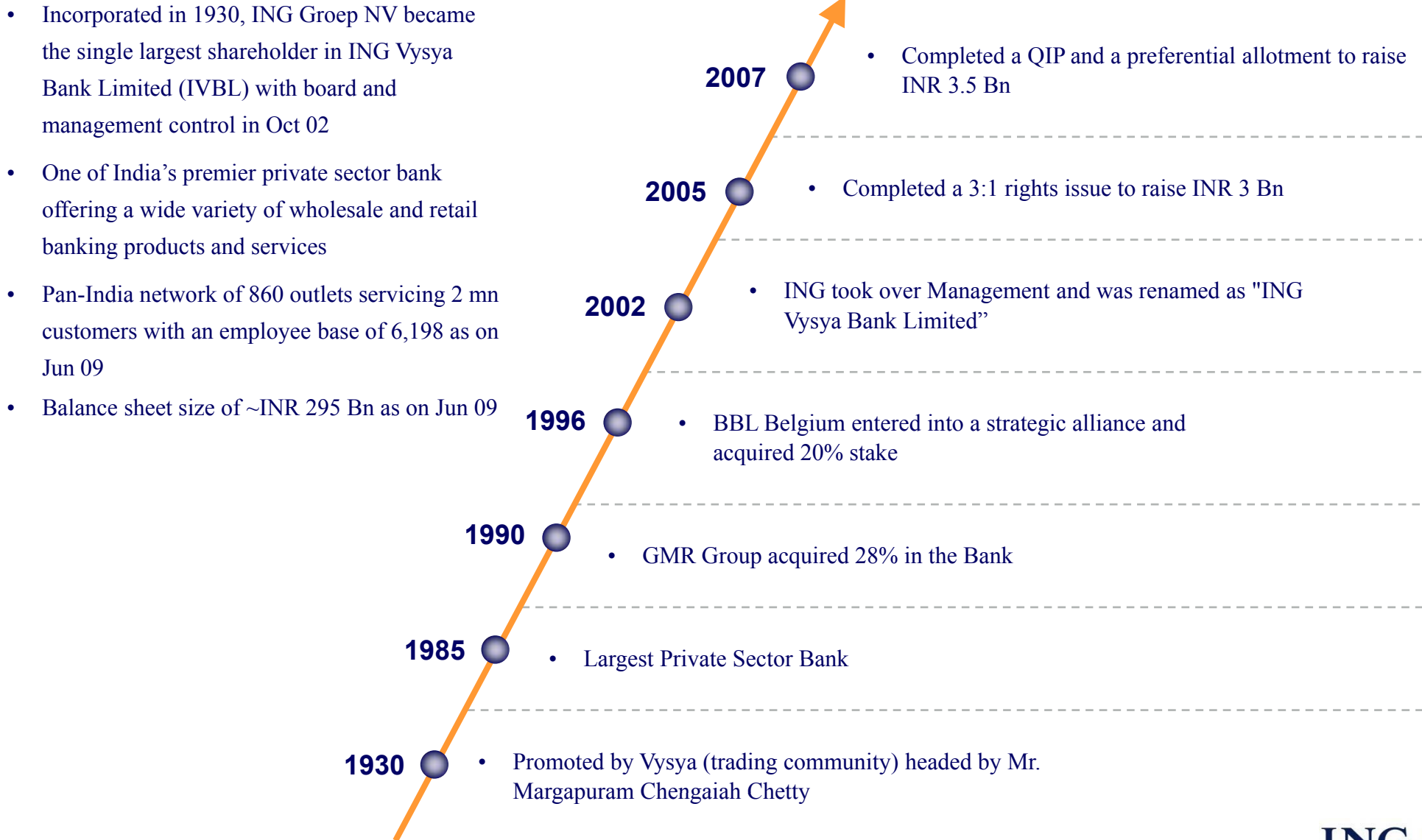
◆ Strong pedigree of investors

◆ Diversified distribution with growing footprint

◆ Consistent improvement in operating metrics

◆ Professional management team

Banking franchise with ~8 decades of experience

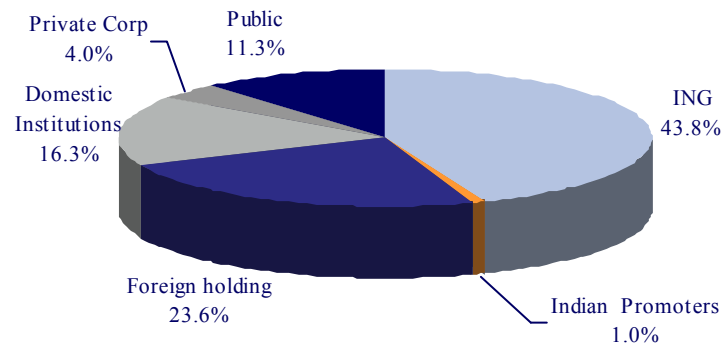


Strong pedigree of investors



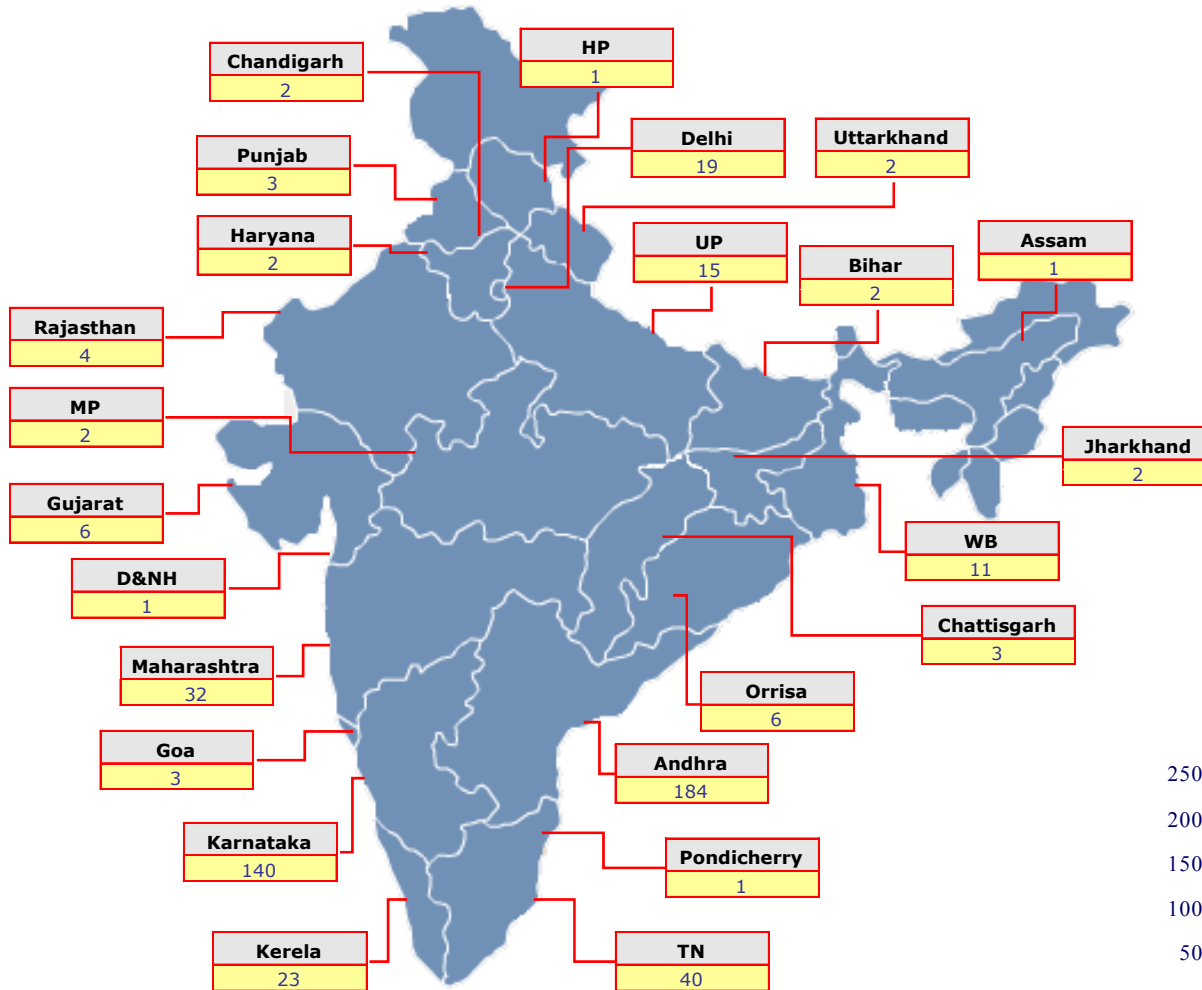
- ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services
- Customer base of ~85 million private, corporate and institutional customers spread across Europe, North and Latin America, Asia and Australia
- Key statistics – Total Income – € 66 Bn, Total Assets – € 1.3 Trn, AuM – € 551 Bn, Employees – 124,661
- With the financial backing of its largest shareholder, ING Vysya Bank can leverage the ING Groep NV's relationship for its:
 - Deep understanding of the industry across markets
 - Product knowledge and domain expertise
 - Access to global clients
 - Presence across other BFSI verticals to allow cross selling opportunities

Shareholding pattern*



Diversified distribution with growing footprint

IVBL's network in India*

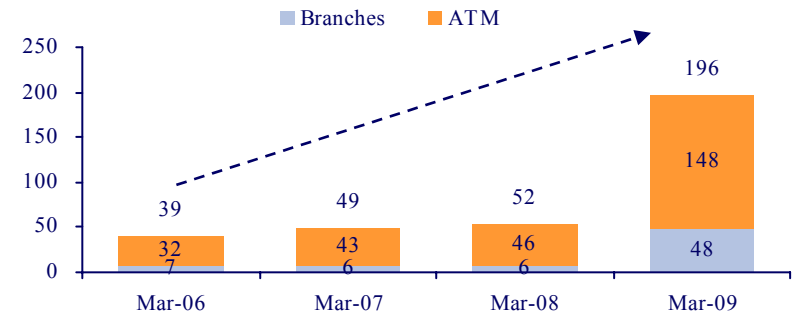


- Pan-India network of 860 outlets across India servicing ~2 mn customers as on Jun 09
- With dominant branch presence in South India, the bank is expanding its coverage in West and North India
- Newly approved branch licenses concentrated in western and northern region

Break-up of 860 Outlets

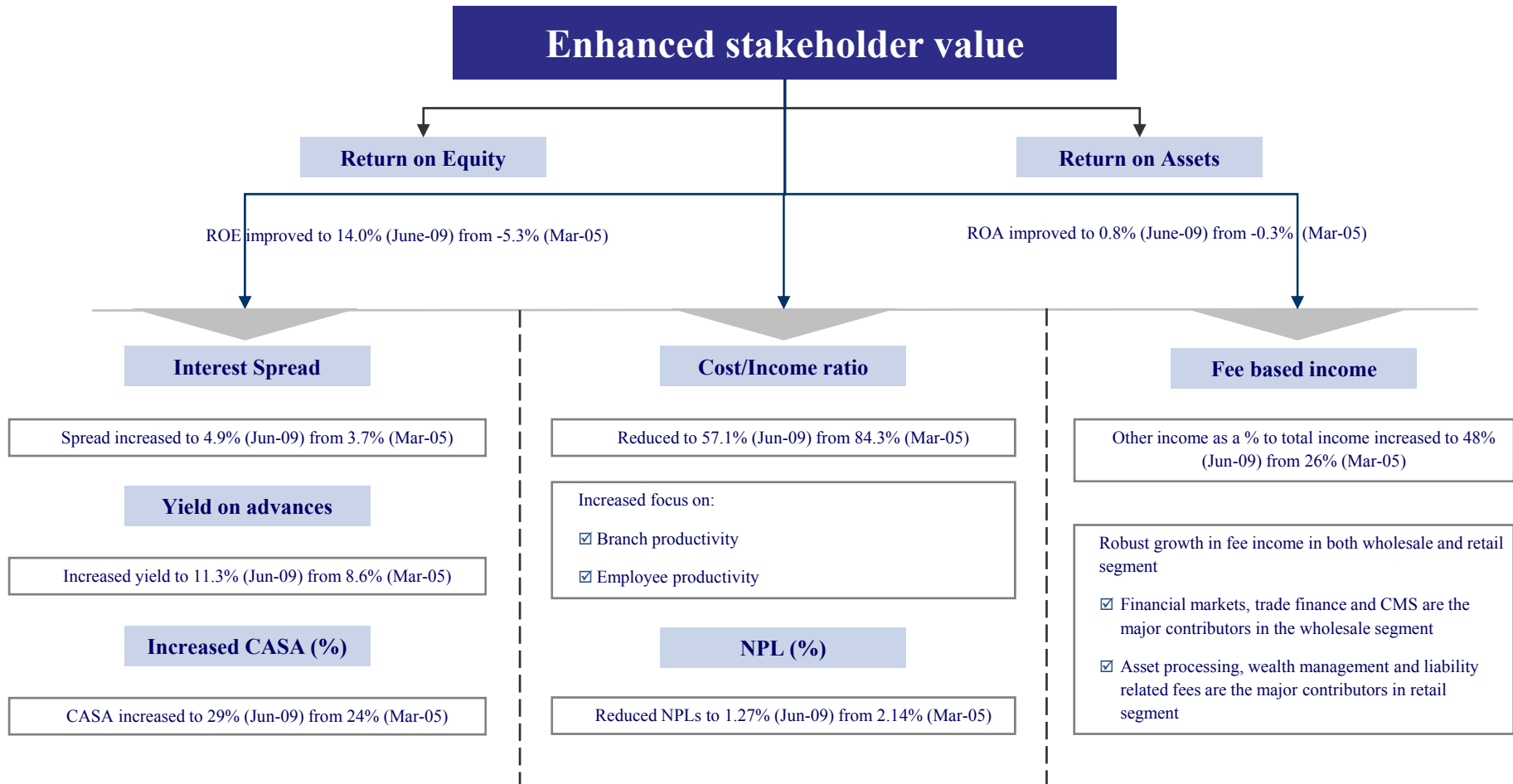
Particulars	No.
Branches	441
Extension Counters	36
Satellite Office	28
ATMs	355

Branch additions

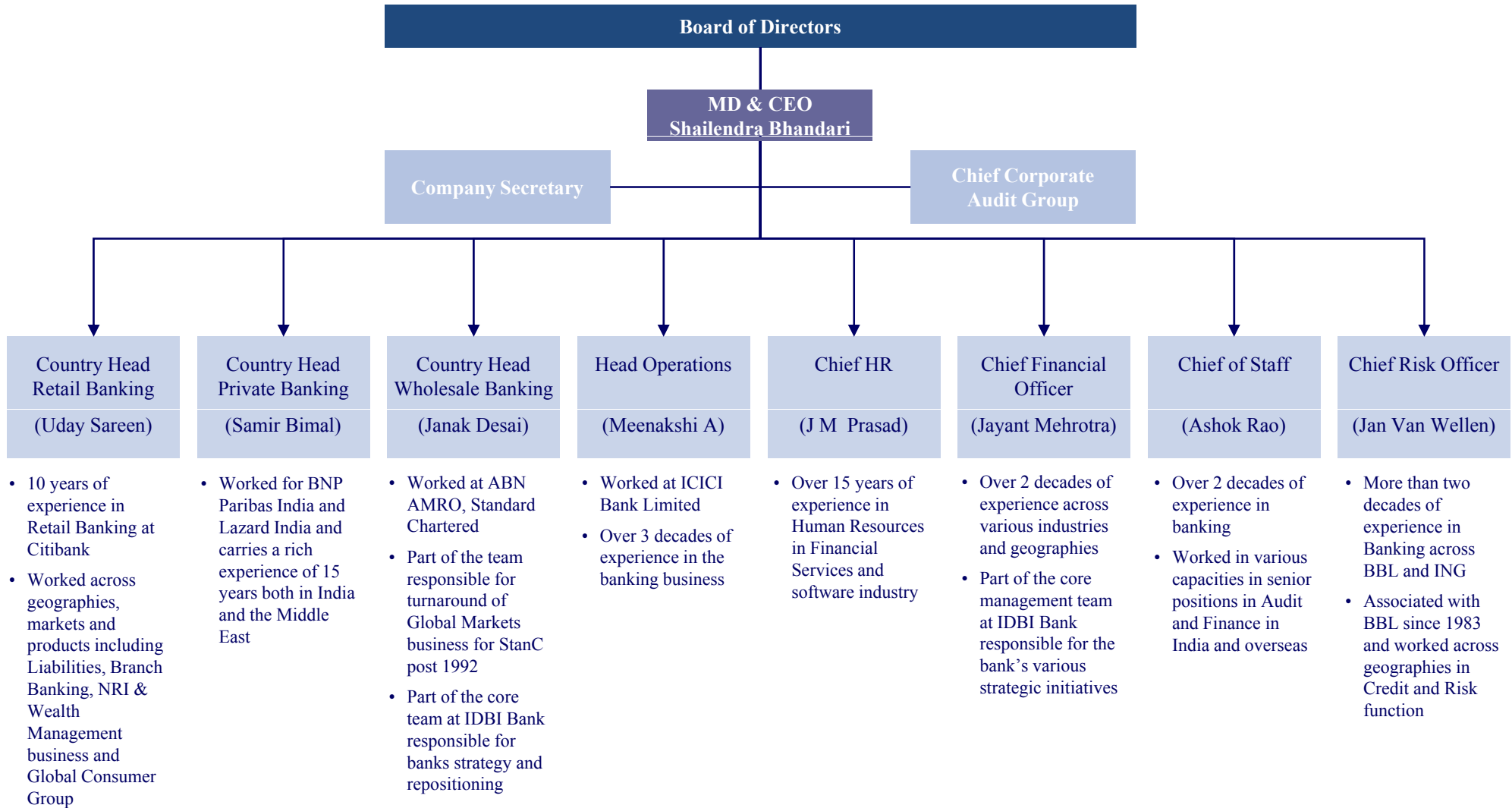


* Includes branches, satellites offices and ECs

Consistent improvement in operating metrics



Professional management team



Key Highlights

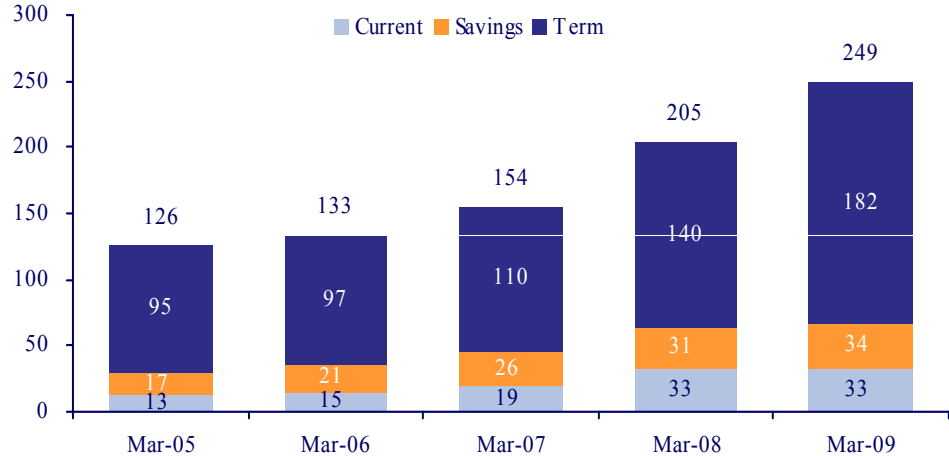
Financial Performance

Business Strategy

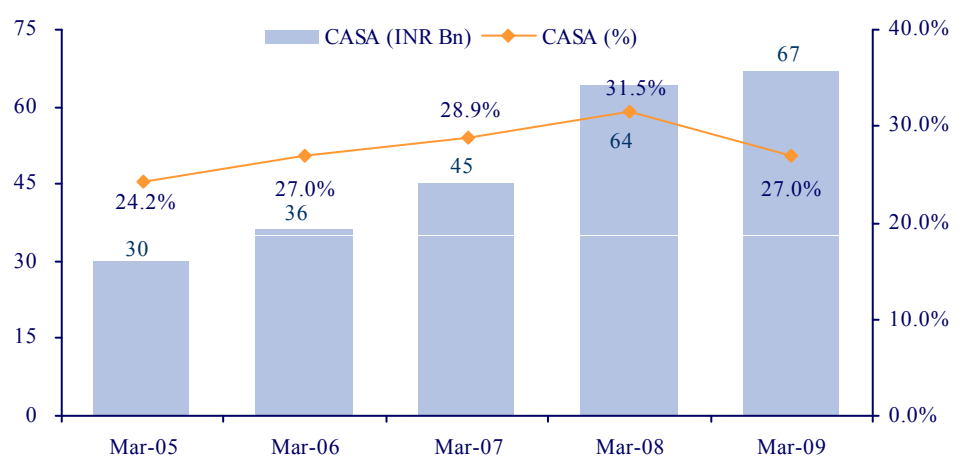
Annexure – Financial Statements

Liabilities

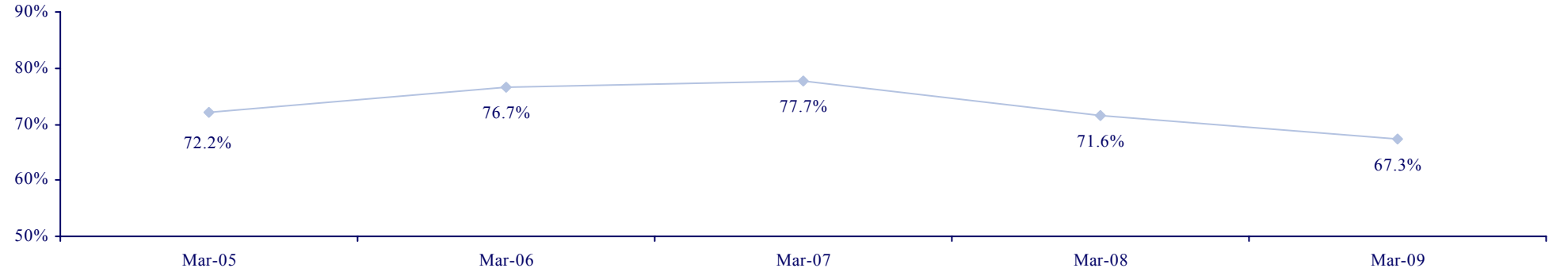
Growth in Deposits INR Bn



Growth in CASA



Credit-Deposit Ratio (%)

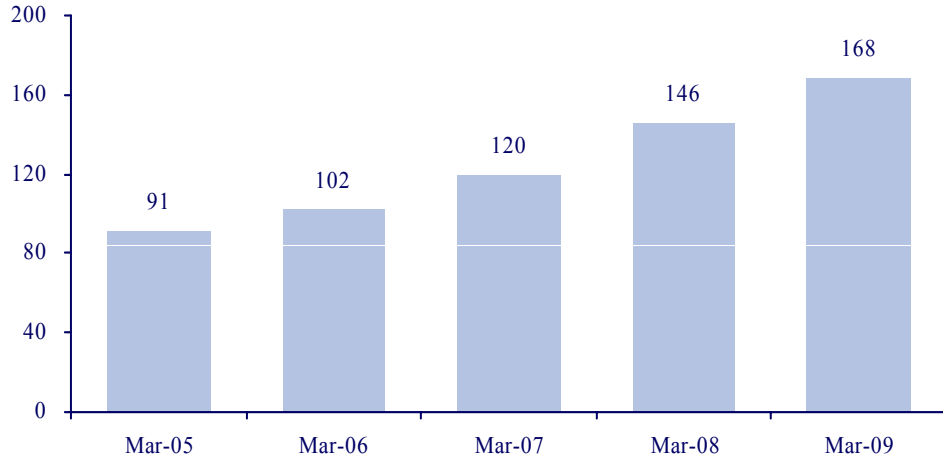


Financials are on a standalone basis and prior year data is restated/re-classified for comparison purposes

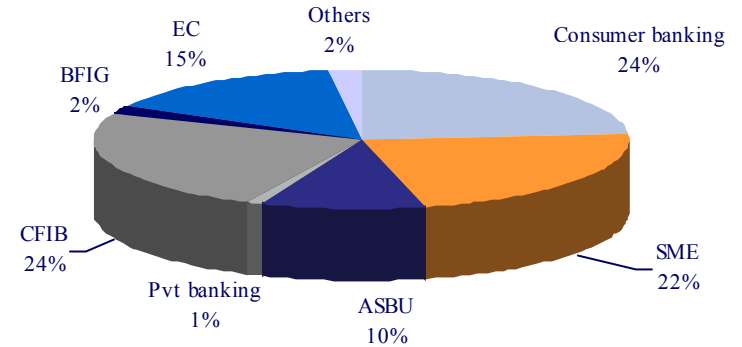
Advances

Growth in Advances

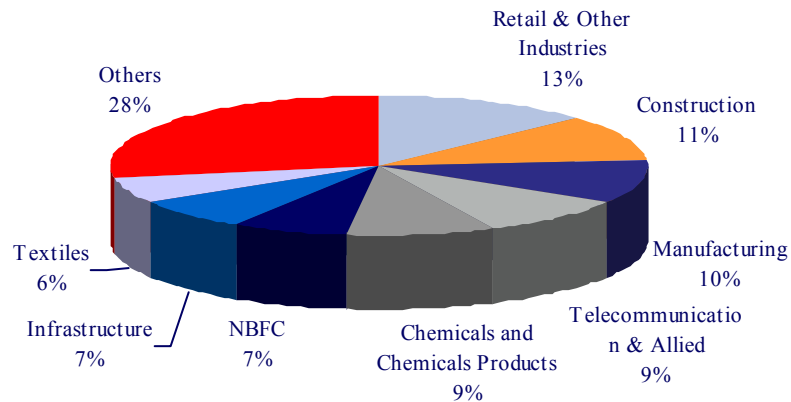
INR Bn



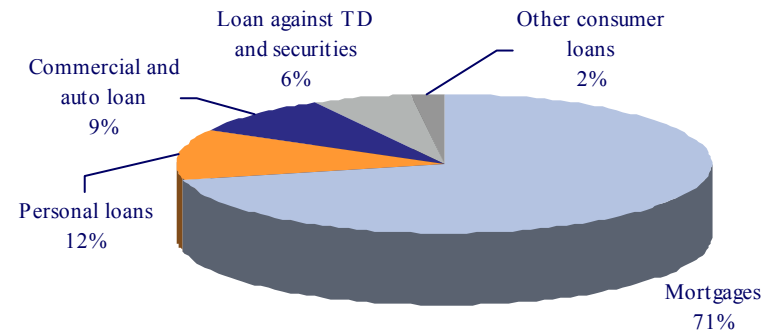
Segment wise advances (Mar 09)



Wholesale banking industry exposure (Mar 09)



Consumer banking portfolio (Mar 09)

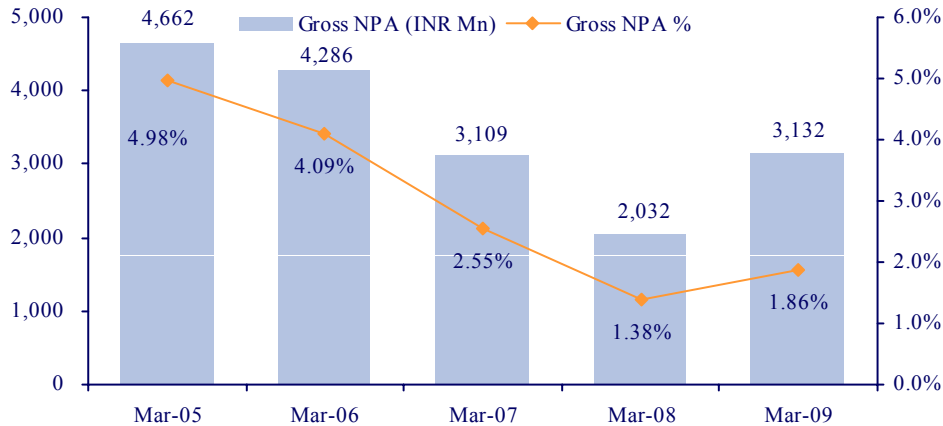


Note: Others include: Auto; professional; metal products, gems & jewellery EFIG – 4% each
Coal products and fuels; Rubber and plastic – 3% each
Mining and Quarrying – 2%

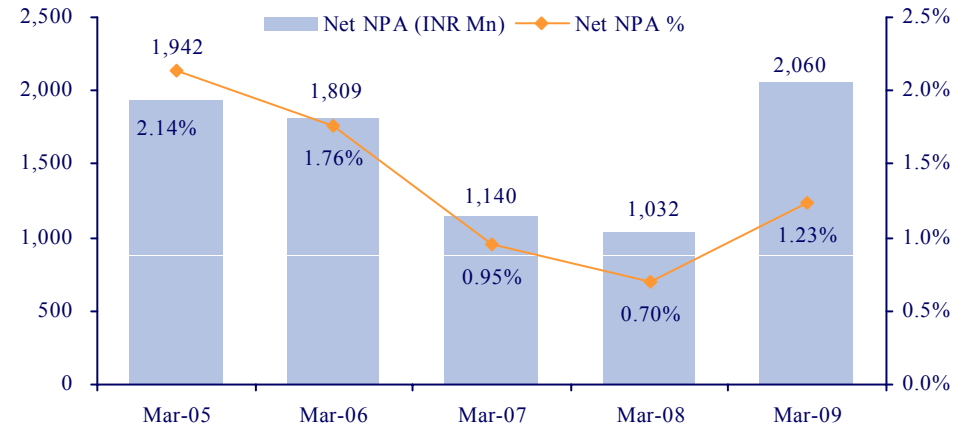


Asset quality

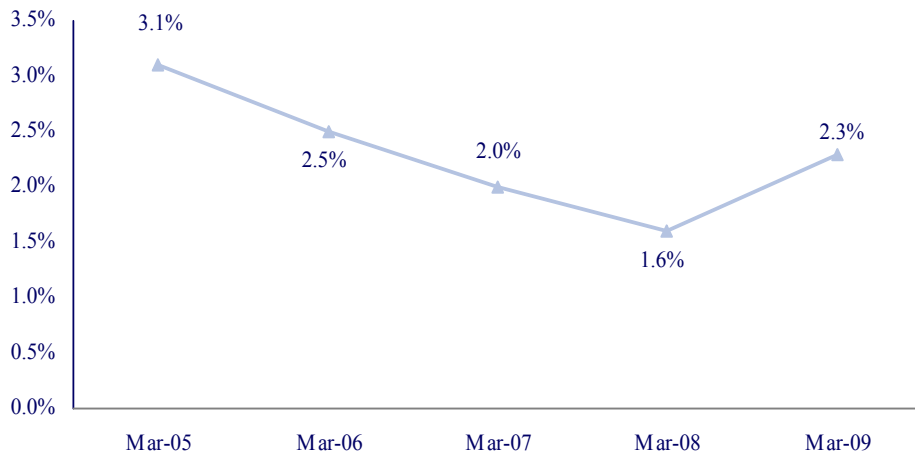
Gross NPA



Net NPA



Incremental slippage ratio (%)



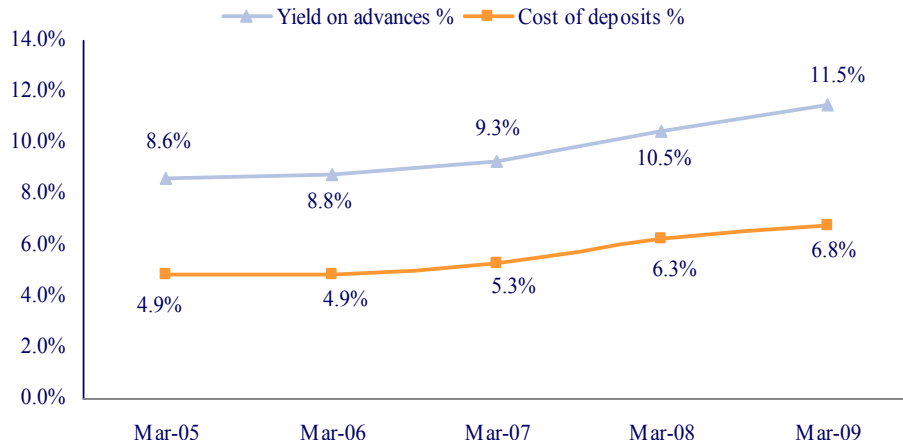
Restructured Assets

- Restructured loans during FY 08-09 is ~INR 1,600 Mn
 - Assets restructured as a % to total loans is **0.96%**
- Restructured loans during quarter ended Jun 09 is INR 28 Mn

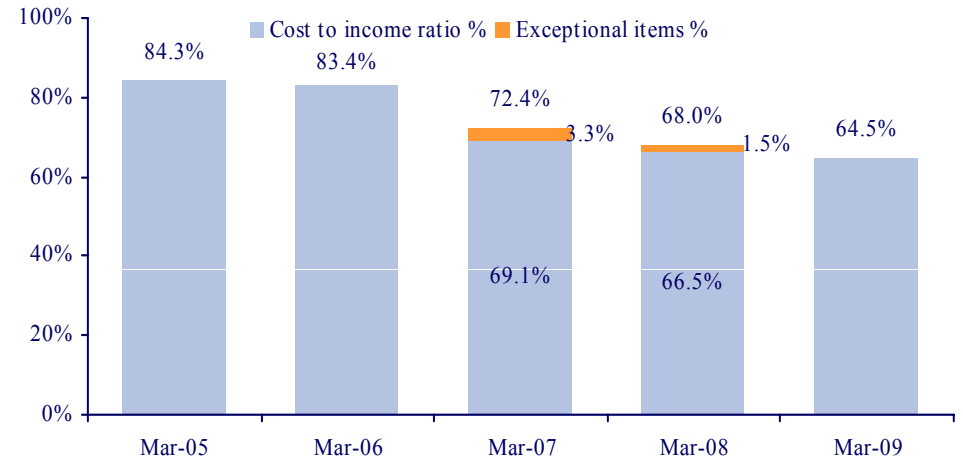


Operating efficiency

Yield on Advances & Cost of Deposits

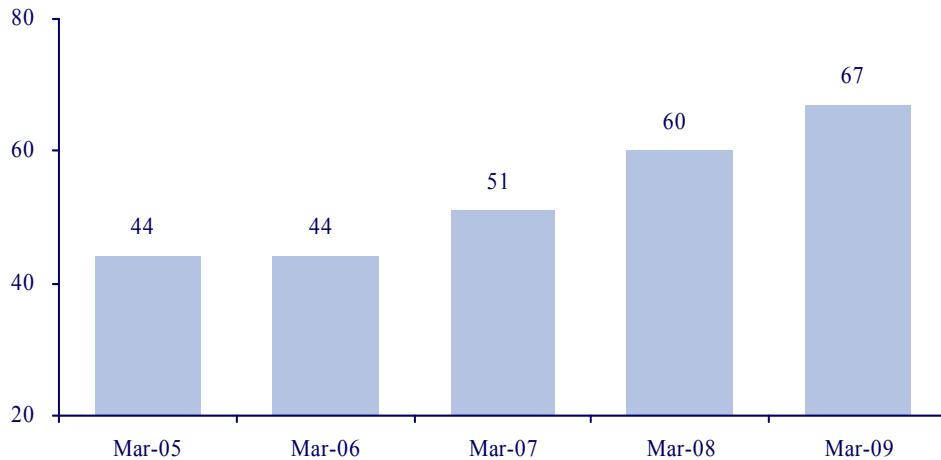


Cost income ratio



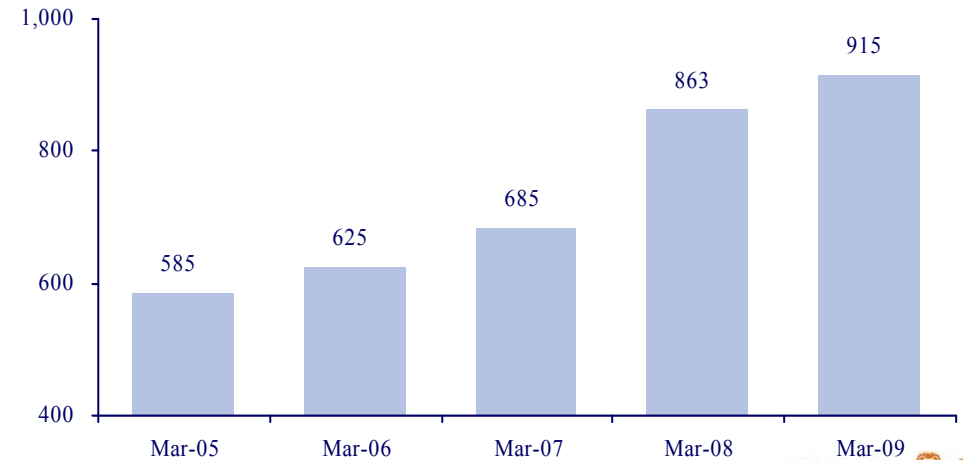
Business Per Employee

INR Mn



Business Per Branch

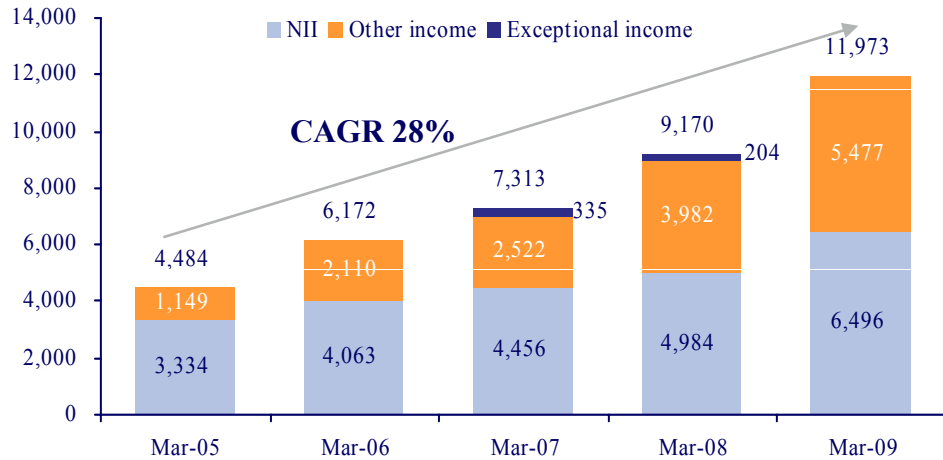
INR Mn



Income & profit performance

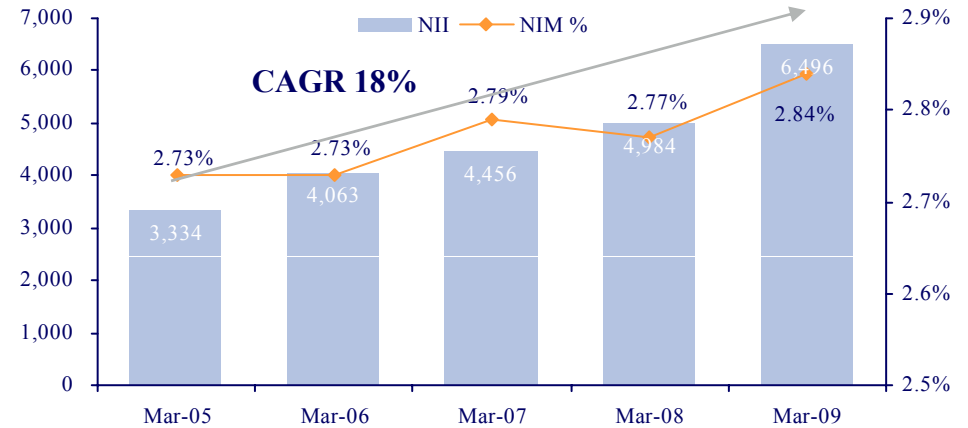
Net Total Income

INR Mn



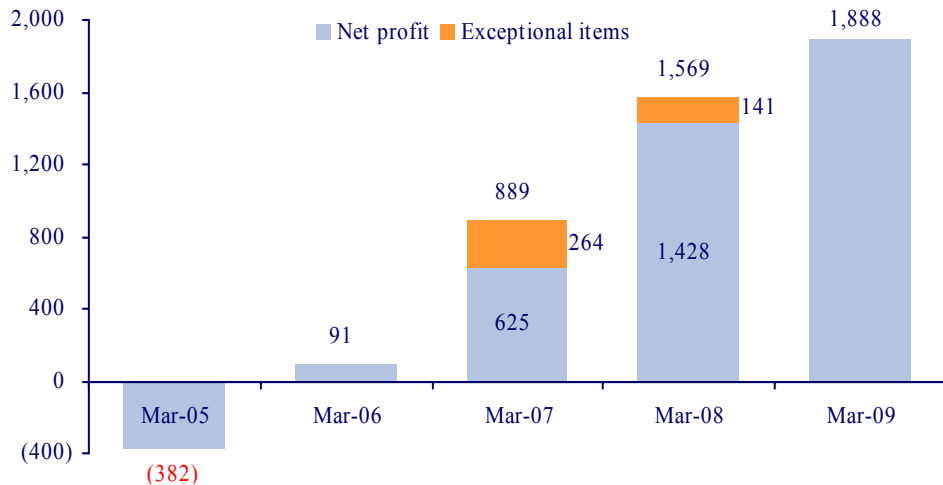
Net Interest Income

INR Mn



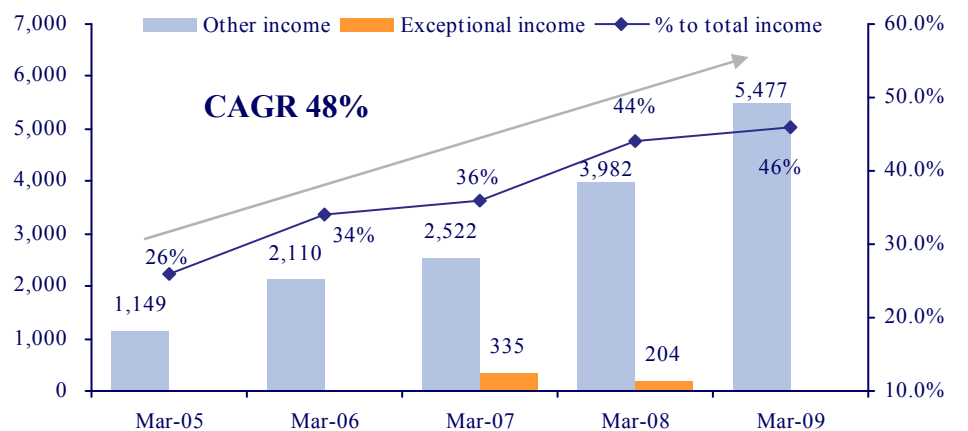
Net Profit

INR Mn



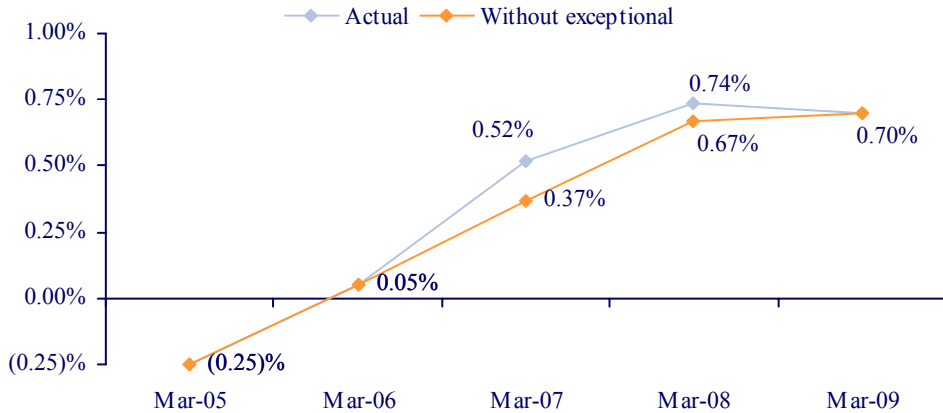
Fee Income

INR Mn

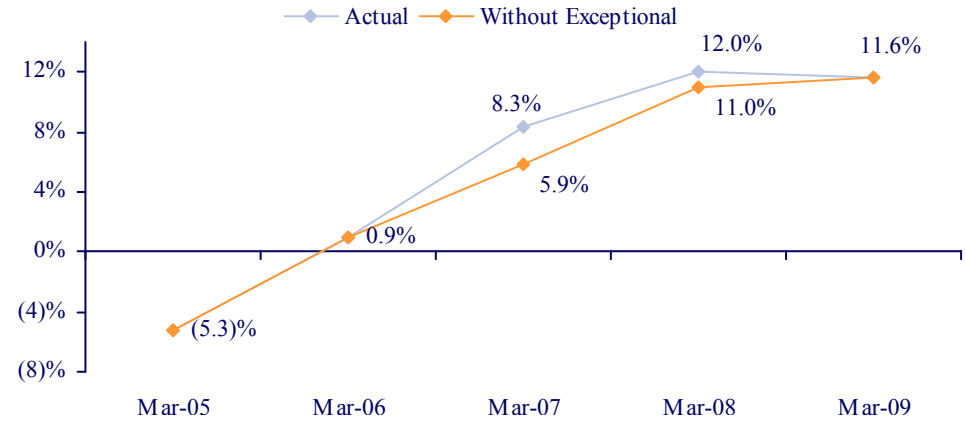


Returns to stakeholders

Return on Assets

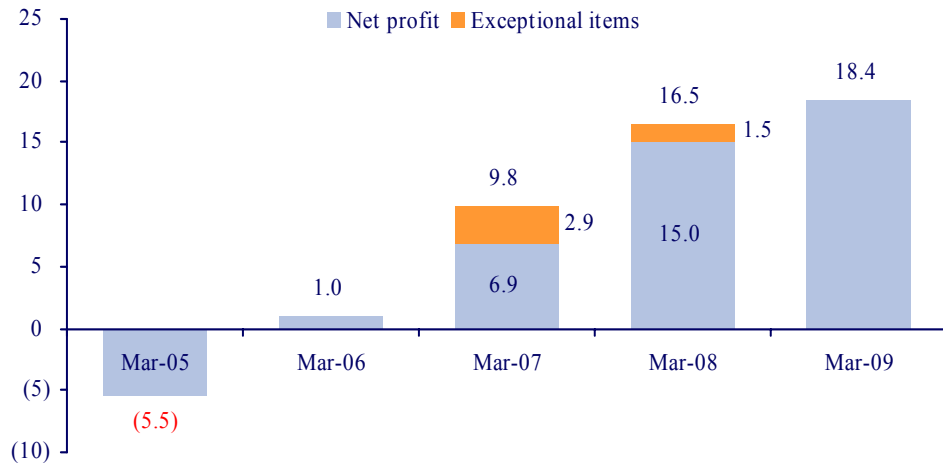


Return on Equity



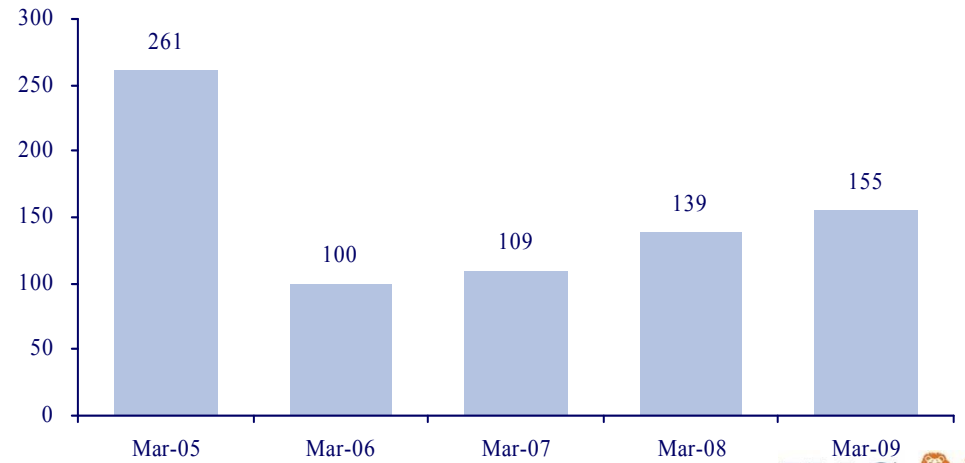
Earning per share

INR



Book value per share¹

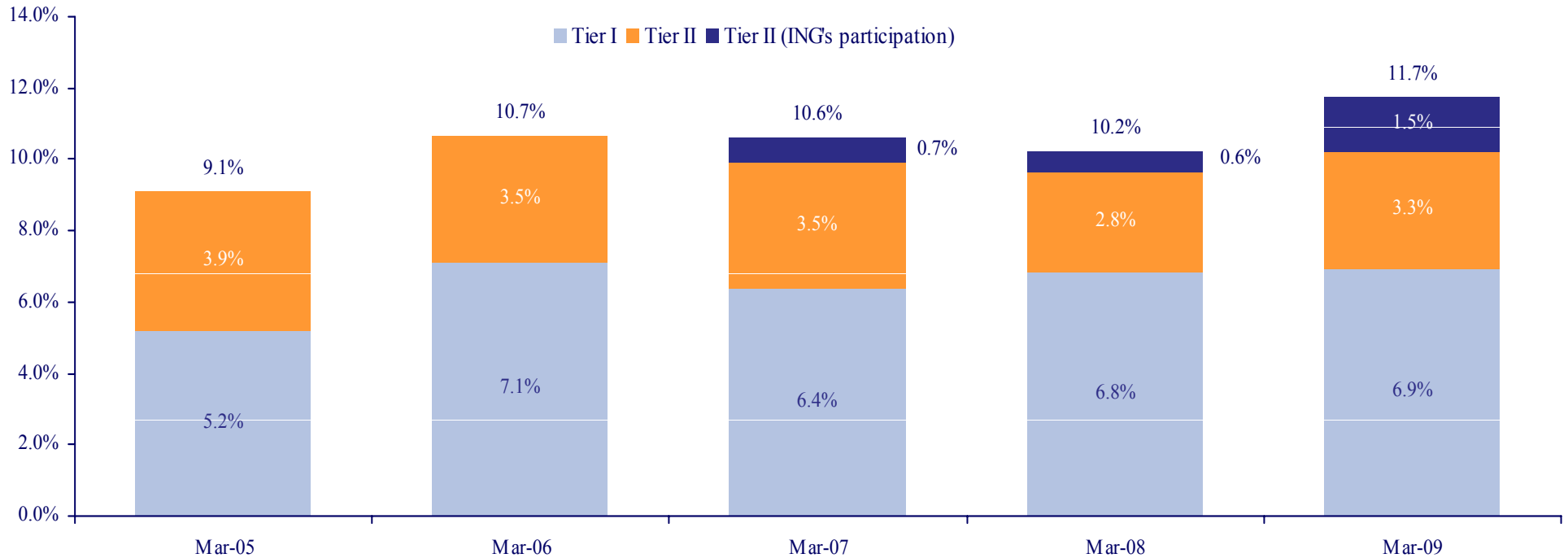
INR



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¹ Excluding revaluation reserve

Capital adequacy



- Capital Adequacy as per Basel II as at Mar 09 – 11.65%
- Capital infusion during FY 08-09
 - Lower Tier II Bonds INR 2,100 mn
 - Upper Tier II Bonds approximately INR 2,000 mn (wholly subscribed by ING)
 - Innovative Perpetual Bonds approximately INR 1,000 mn (wholly subscribed by ING)

Q1 FY10 performance

INR Million

	Q1 FY10	Q1 FY09	Growth
Net Interest Income	1,719	1,580	9% ↑
Other Income	1,597	1,279	25% ↑
Total Income ¹	3,316	2,859	16% ↑
Net Profit	603	406	48% ↑
EPS	5.87	3.96	48% ↑
	As at 30 th June 2009	As at 30 th June 2008	Growth
Advances	161,487	144,329	12% ↑
CASA	65,016	60,562	7% ↑
Deposits	226,083	203,805	11% ↑
Networth	17,632	15,768	12% ↑
BVPS ²	161.3	143.2	13% ↑

	Q1 FY10	Q1 FY09
Profitability ratios		
Return on Assets	0.8% ↑	0.7%
Return on Equity	14.0% ↑	10.5%
Capital ratios		
Capital Adequacy	12.2% ↑	10.4%
Tier I	7.4% ↑	7.0%
Tier II	4.9% ↑	3.4%
Other ratios		
Gross NPA	2.0% ↓	1.6%
Net NPA	1.3% ↓	0.8%
Credit Deposit ratio	71.4% ↑	70.8%
Cost Income Ratio	57.1% ↑	63.4%
Yield on Advances	11.3% ↑	10.7%
Cost of Deposits	6.4% ↓	6.0%

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Business strategy

Leverage our distribution franchise

- Derive value from investments made in branch expansion and increase penetration within existing network of 860 outlets servicing ~2 mn customers *
- Leverage network to grow transaction banking platform to meet client needs
- Cater to high growth wealth management advisory business

Increase low cost/retail liabilities

- Deepening of customer relationships with product aligned to target segments including a strategic push on current account of the business banking customer
- Focusing on operating account for corporate/salaried segment

Maintain momentum/focus on fee revenue

- **Wholesale Clients:** Transactional services, PCM, trade & foreign exchange and value added services such as DCM, CF and structured products
- **Retail Clients:** Distribution of mutual fund and insurance, leveraging the integrated wealth management platform
- Increased focus on forex fee income from mid-corporate and on assets & banking fees

Enhance operating efficiency

- Increase overall profitability both from legacy network and growing footprint in North and West
- Continuous improvement in technology platform to build a cost efficient and customer centric model

Reposition as ING in selected markets

- To position as bank of choice to chosen customer segments
- Leverage global relationship to service domestic client needs and also migrate best practices and knowledge

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Balance sheet

INR Millions

	As at 30 Jun 09	As at 31 Mar 09	As at 31 Mar 08	As at 31 Mar 07	As at 31 Mar 06	As at 31 Mar 05	CAGR FY05-09 (%)
Capital and Reserves	17,632	17,269	15,357	11,033	10,197	8,418	20% ↑
Deposits	226,083	248,899	204,576	154,186	133,353	125,693	19% ↑
Borrowings	20,649	21,524	12,498	8,436	11,074	8,308	27% ↑
Liab. & Provisions	30,780	30,877	22,969	19,209	13,043	11,487	28% ↑
	295,144	318,570	255,399	192,863	167,667	153,906	20% ↑
Cash, Inter-bank, etc	23,867	22,823	31,848	15,917	11,233	11,145	20% ↑
Investments	90,057	104,955	62,933	45,278	43,723	41,959	26% ↑
Advances	161,487	167,509	146,495	119,762	102,315	90,806	17% ↑
Fixed Assets	4,460	4,372	3,992	3,960	4,054	3,140	9% ↑
Other Assets	15,273	18,911	10,131	7,946	6,341	6,856	29% ↑
	295,144	318,570	255,399	192,863	167,667	153,906	20% ↑

	As at 30 Jun 09	As at 31 Mar 09	As at 31 Mar 08	As at 31 Mar 07	As at 31 Mar 06	As at 31 Mar 05	CAGR FY05-09 (%)
CA	29,881	33,145	33,293	18,936	15,090	13,382	25% ↑
SA	35,135	33,984	31,232	25,639	20,935	17,077	19% ↑
TD	136,820	163,644	118,980	103,177	81,401	78,815	20% ↑
CD	24,247	18,126	21,071	6,433	15,927	16,419	3% ↑
Total Deposits	226,083	248,899	204,576	154,186	133,353	125,693	19% ↑
CASA%	29%	27%	32%	29%	27%	24%	-



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Profit & loss

INR Millions

	Q1 FY 09-10	FY 08-09	FY 07-08	FY 06-07	FY 05-06	FY 04-05	CAGR FY05-09 (%)
Net Interest Income	1,719	6,496	4,984	4,456	4,063	3,334	18% ↑
Other Income	1,597	5,477	3,982	2,522	2,110	1,149	48% ↑
Total Income	3,316	11,973	8,966	6,978	6,172	4,484	28% ↑
Staff expenses	993	3,922	3,024	2,272	2,250	1,761	22% ↑
Other Expenses	901	3,802	3,071	2,778	2,895	2,018	17% ↑
Total Expenses	1,894	7,725	6,095	5,050	5,146	3,779	20% ↑
Operating Profit	1,422	4,248	2,871	1,928	1,027	705	57% ↑
Exceptional Items	-	-	204	335	-	-	-
Op Profit after Excep. Items	1,422	4,248	3,075	2,263	1,027	705	57% ↑
Provisions	487	1,302	560	987	812	1,439	(2)% ↓
Profit before tax	935	2,947	2,515	1,276	215	(734)	-
Taxes	332	1,059	945	387	125	(353)	-
Net Profit	603	1,888	1,569	889	91	(382)	-

Key ratios

INR Millions

	Q1 FY 09-10	FY 08-09	FY 07-08	FY 06-07	FY 05-06	FY 04-05
Yield on Advances	11.3%	11.5%	10.5%	9.3%	8.8%	8.6%
Cost of Deposits	6.4%	6.8%	6.3%	5.3%	4.9%	4.9%
Gross NPA Ratio	2.0%	1.9%	1.4%	2.6%	4.1%	5.0%
Net NPA to Net advances	1.3%	1.2%	0.7%	1.0%	1.8%	2.1%
Return on Assets	0.8%	0.7%	0.7%	0.5%	0.1%	(0.3)%
Return on Equity	14.0%	11.6%	12.0%	8.3%	0.9%	(5.3)%
Credit-Deposit Ratio	71.4%	67.3%	71.6%	77.7%	76.7%	72.2%
Cost Income Ratio	57.1%	64.5%	66.5%	69.1%	83.4%	84.3%
Capital Adequacy Ratio	12.2%	11.7%	10.2%	10.6%	10.7%	9.1%

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