



Corporate Presentation

November 2010



Presentation Path

Key Highlights

Financial Performance

Building Blocks

Business Strategy

Appendix

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

Key Performance Highlights – Q2 2011

- Q2' 2011 Net Profit up 40.74 % YoY at Rs. 753 million
- Net Interest Income (NII) up 32.85 % YoY at Rs. 2,542 million
- Net Interest Margin (NIM) at 3.34%; up from 3.09% in Q2 2010
- CASA up 27.27 % and CASA Ratio at 35.88 %; up from 32.67 %
- Gross Advances up 25.17% YoY at Rs. 206,725 millions
- Deposits up 15.89% at Rs. 260,690 millions
- ROA at 0.86%
- Capital Adequacy at 13.50% and Tier I Capital Adequacy Ratio at 9.39%
- Enhanced provisioning resulted in Provision Cover improving to 72.75%

Key Performance Metrics

	Q2 11	Q2 10	H1 11	H1 10	FY 09-10	FY 08-09
CASA Ratio	35.88%	32.67%	35.88%	32.67%	32.58%	26.97%
Net Interest Margin	3.34%	3.09%	3.31%	2.87%	3.21%	2.84%
Cost of Deposits	4.85%	5.47%	4.77%	5.92%	5.33%	6.83%
Fee Income / Total Income	43.19%	44.20%	39.22%	46.15%	42.77%	45.74%
Cost Income Ratio	58.84%	58.14%	58.91%	57.64%	55.73%	64.52%
Net NPA Ratio	0.81%	1.78%	0.81%	1.78%	1.20%	1.20%
Return on Assets	0.86%	0.74%	0.84%	0.78%	0.80%	0.70%
Return on Equity	12.27%	11.28%	12.01%	12.57%	11.81%	11.63%
Provision Cover Ratio	72.75%	39.79%	72.75%	39.79%	60.18%	36.01%
Capital Adequacy Ratio	13.50%	14.48%	13.50%	14.48%	14.91%	11.65%

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



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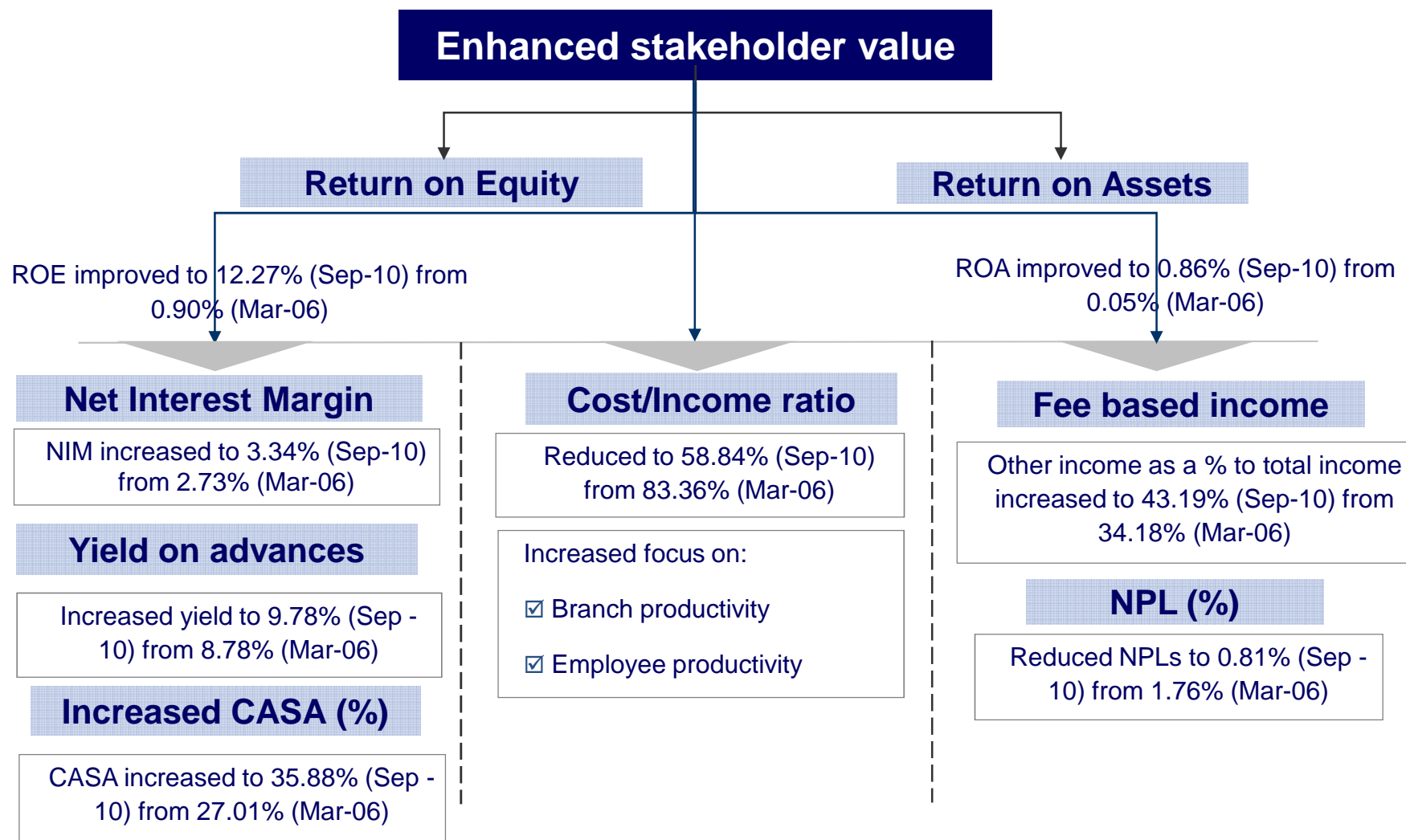
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Consistent improvement in operating metrics



* Numbers are for Qtr ended 30th September 2010

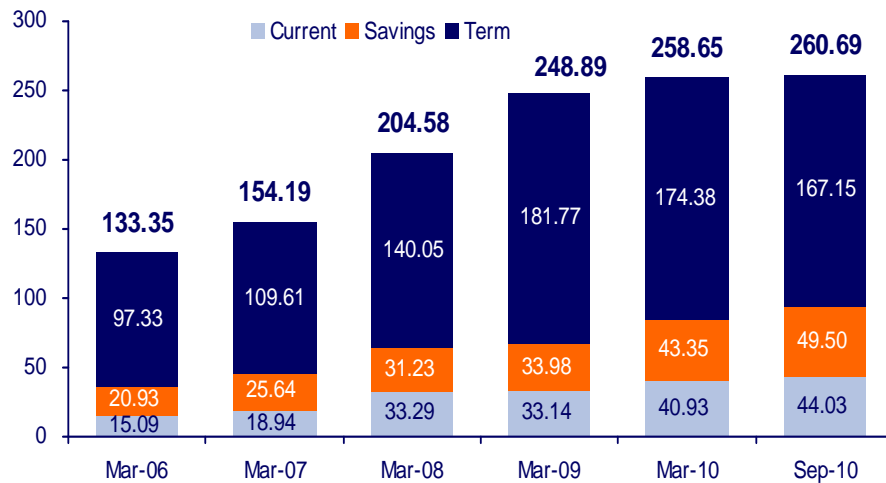
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Deposit Trends

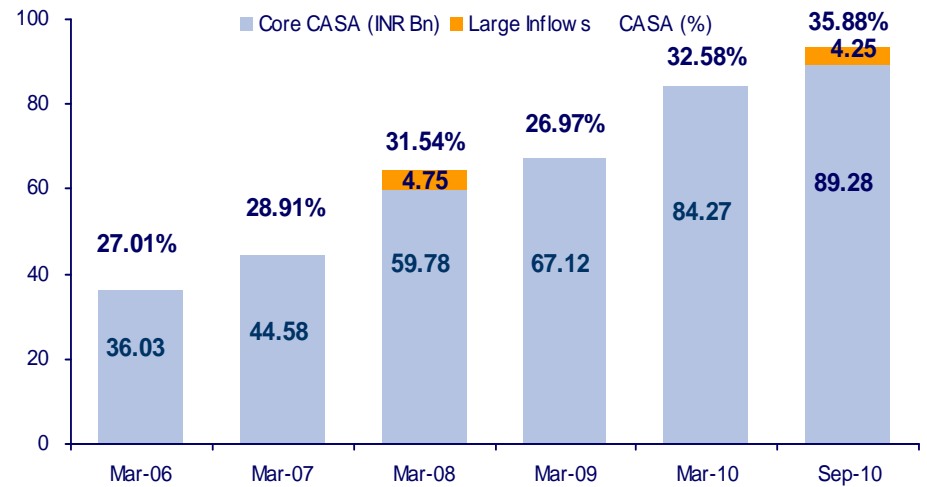
Growth in Deposits

INR Bn

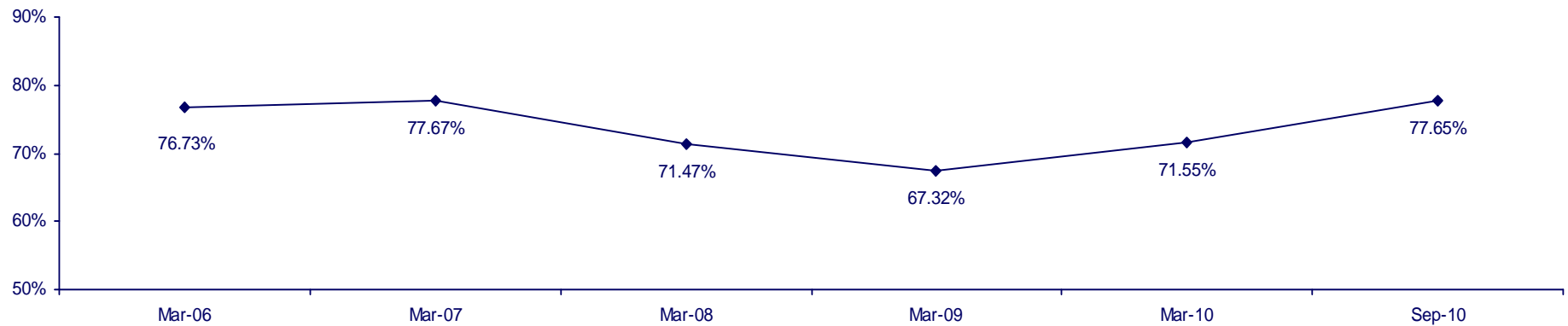


Growth in CASA

INR Bn



Credit-Deposit Ratio (%)

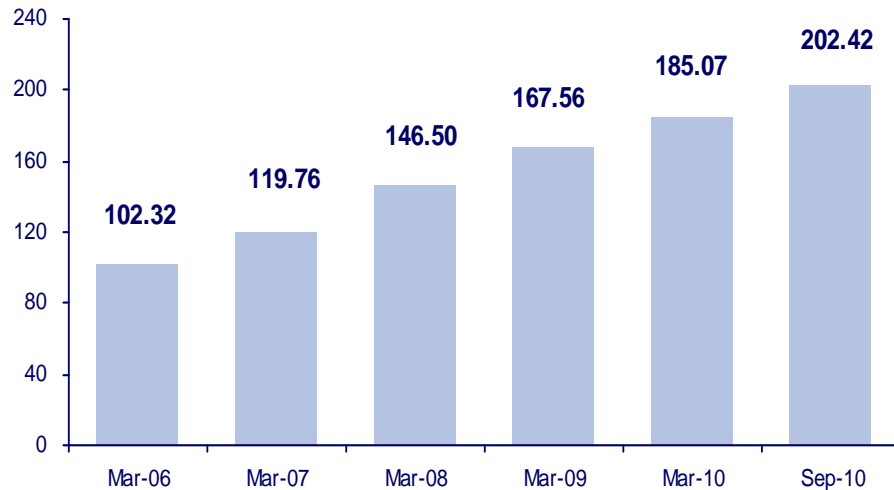


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Advances Trends

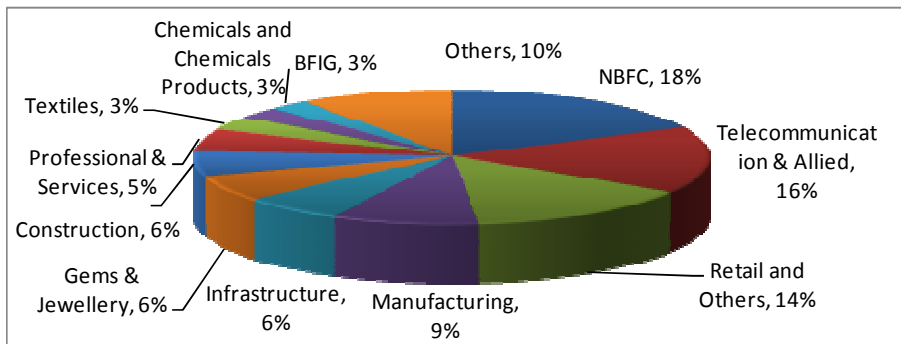
Growth in Advances INR Bn



Gross Advances Composition (Sep 10)

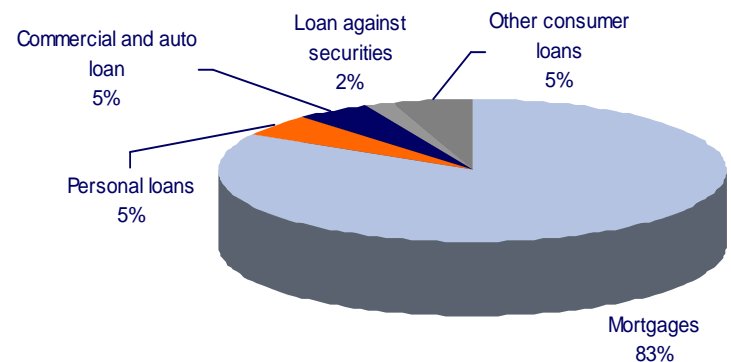
	Composition	YoY Growth	QoQ Growth
Wholesale Banking	42.03%	↑ 26.18%	↑ 7.19%
Business Banking (SME)	26.75%	↑ 40.13%	↑ 10.37%
ARB (Agriculture)	8.00%	↑ 5.62%	↓ 3.51%
Mortgages	18.88%	↑ 23.23%	↑ 8.11%
Personal Loans	1.41%	↓ 32.36%	↓ 11.96%
Commercial & Auto	1.08%	↓ 4.55%	↑ 21.46%
Others	1.71%	↓ 36.95%	↓ 4.77%
Total Bank Gross Advances		↑ 25.17%	↑ 6.91%
Total Bank excluding run off portfolio		↑ 26.96%	↑ 7.02%

Wholesale Banking Industry Exposure (Sep 10)



•Others include Basic Metals and Petroleum & Coals Products – 3% each, Rubber & Plastic products at 2%, Mining and Quarrying and Vehicle & Transport Equipments– 1% each

Consumer Banking Portfolio (Sep 10)

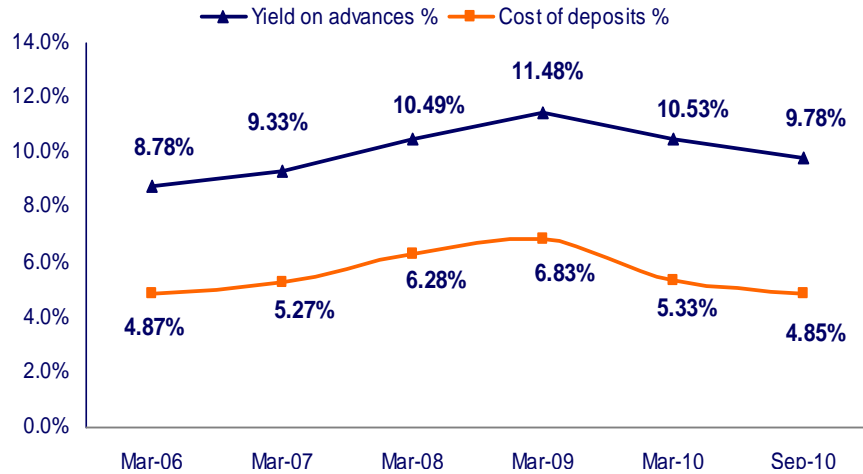


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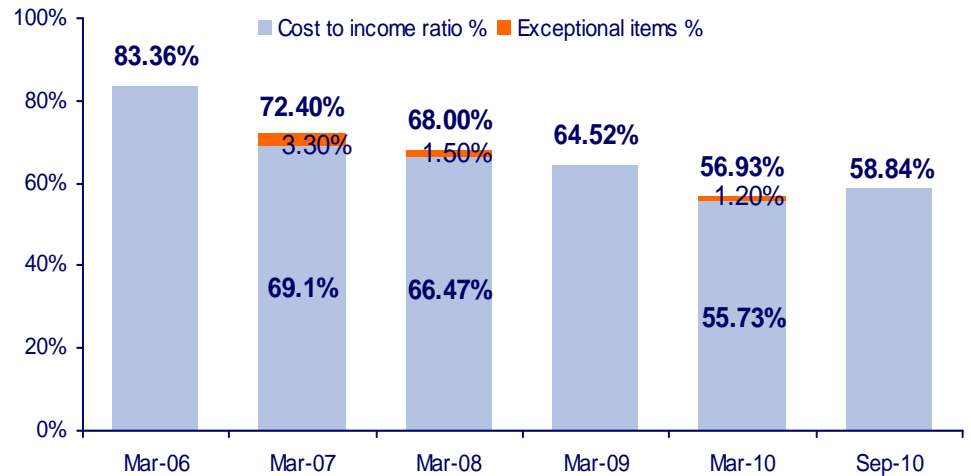


Operating efficiency

Yield on Advances & Cost of Deposits



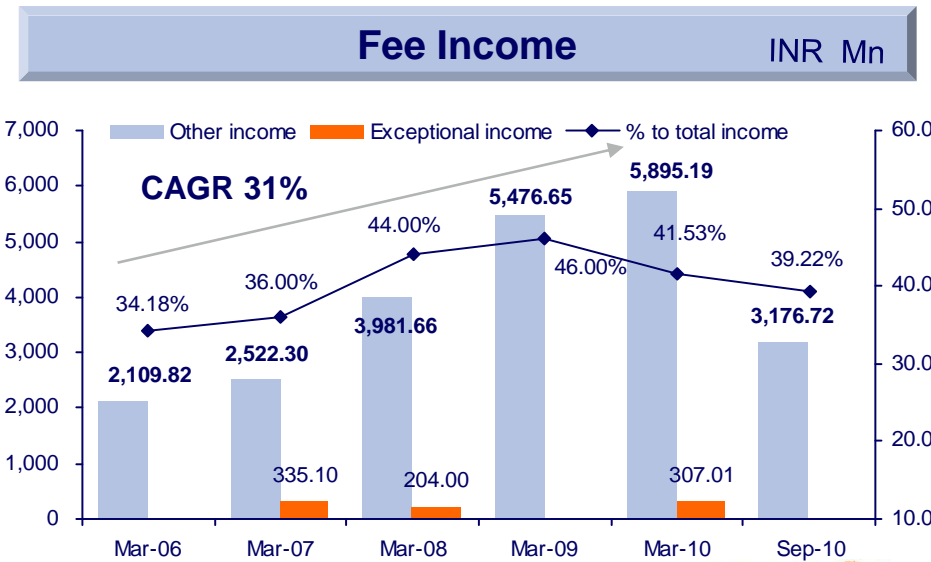
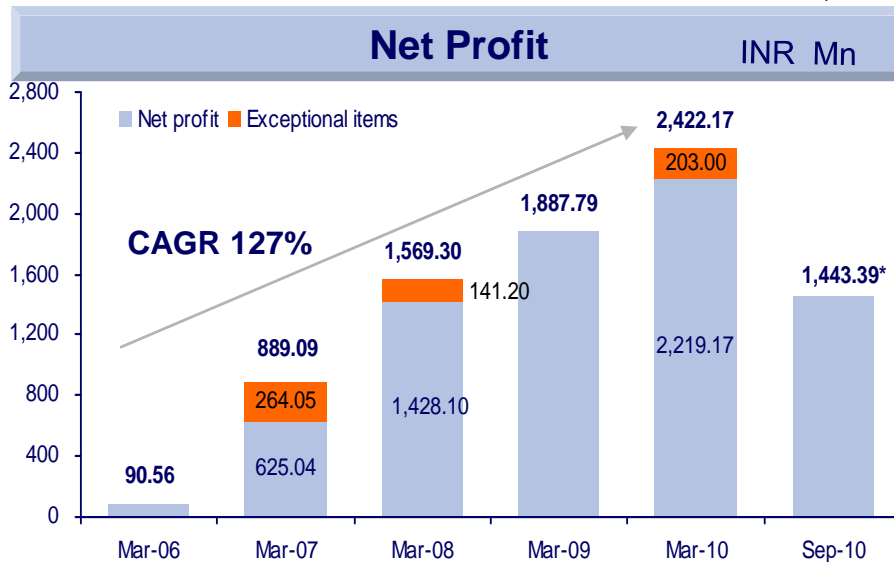
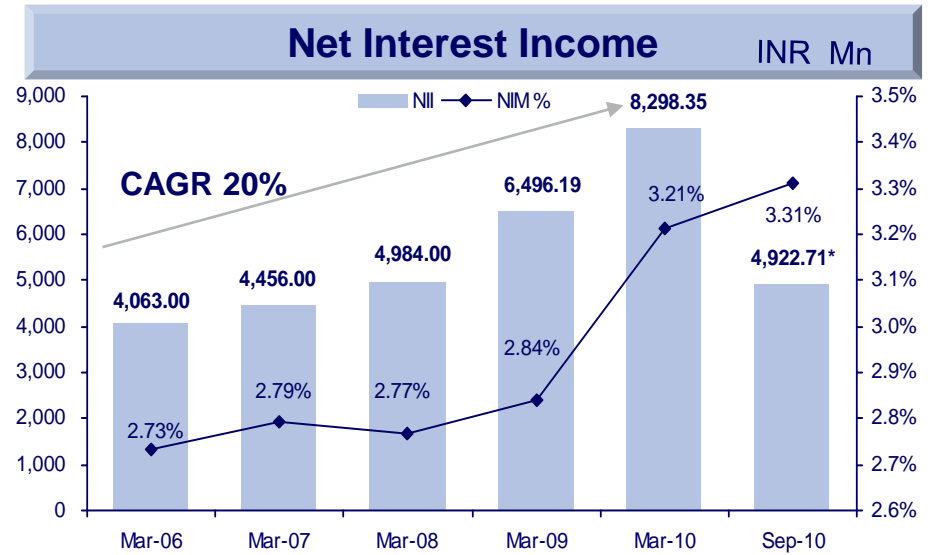
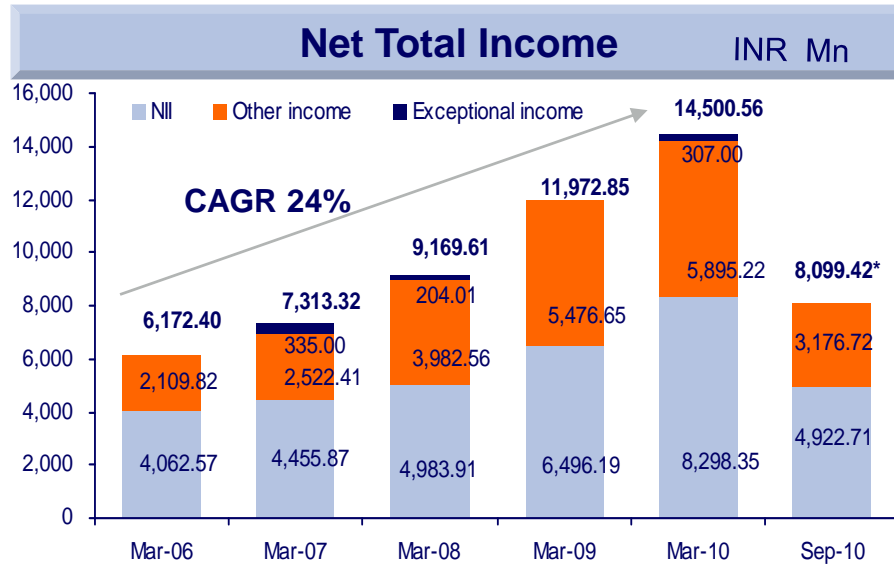
Cost Income Ratio



* Numbers are for Quarter ended 30th September 2010
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Income & profit performance



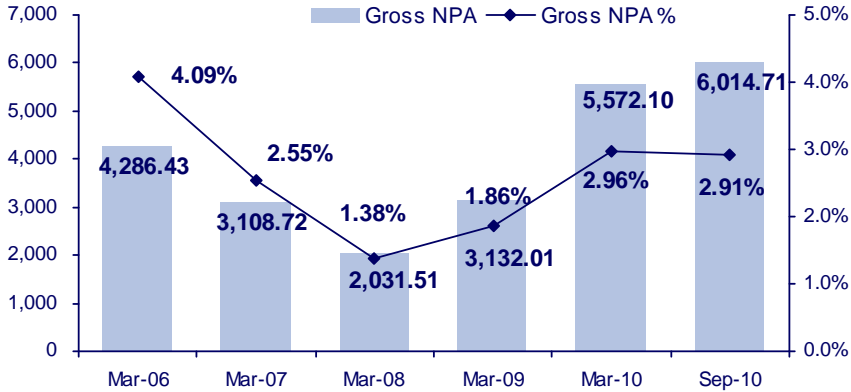
* Numbers are for Half Year ended 30th September 2010

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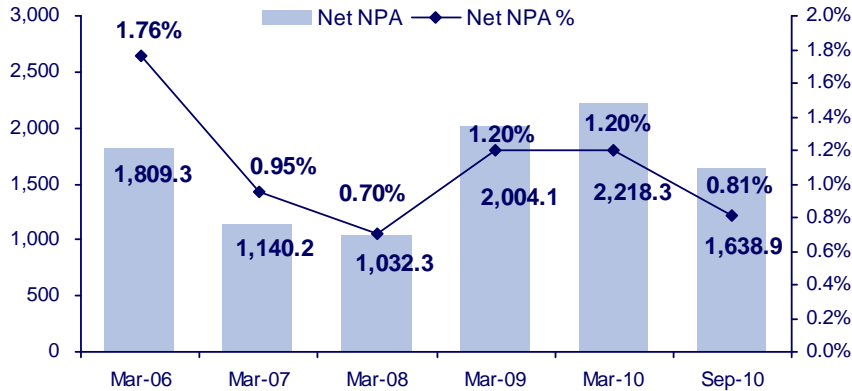
Asset Quality

Gross NPA INR Mn



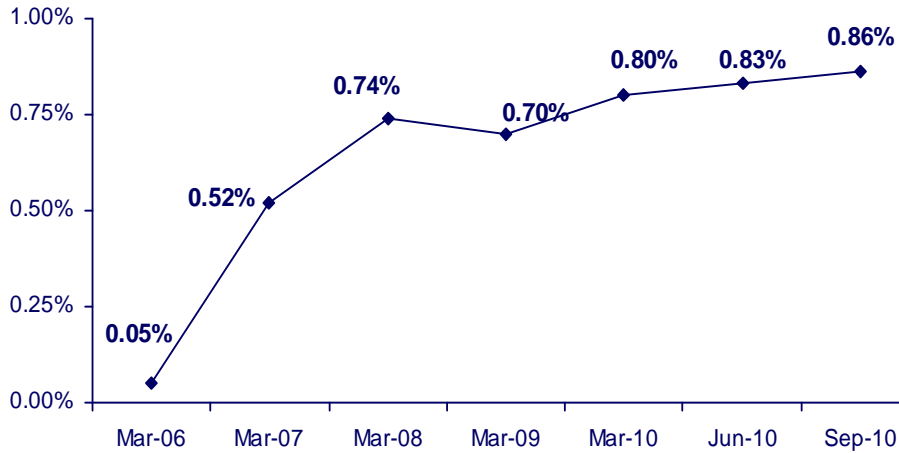
* In FY 2010, the Bank revised its policy for writing off fully provided loans and accordingly discontinued prudential write-off of loans with 100% provision

Net NPA INR Mn

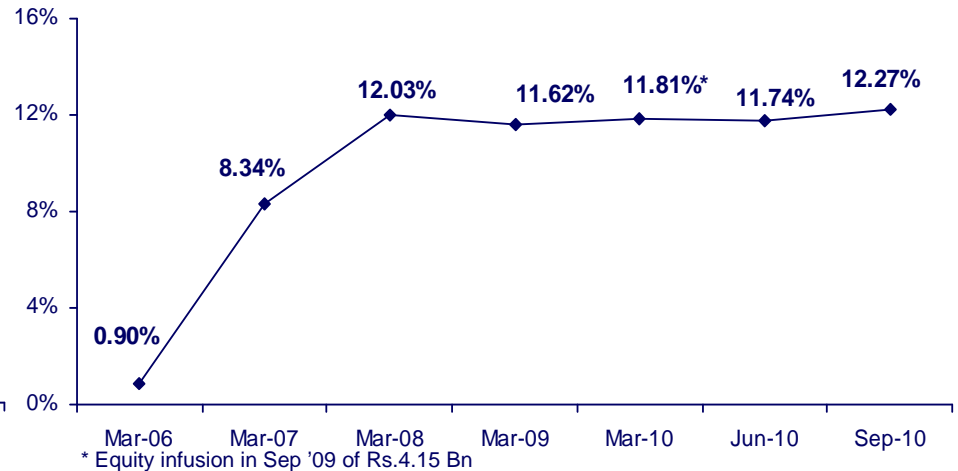


Returns to stakeholders

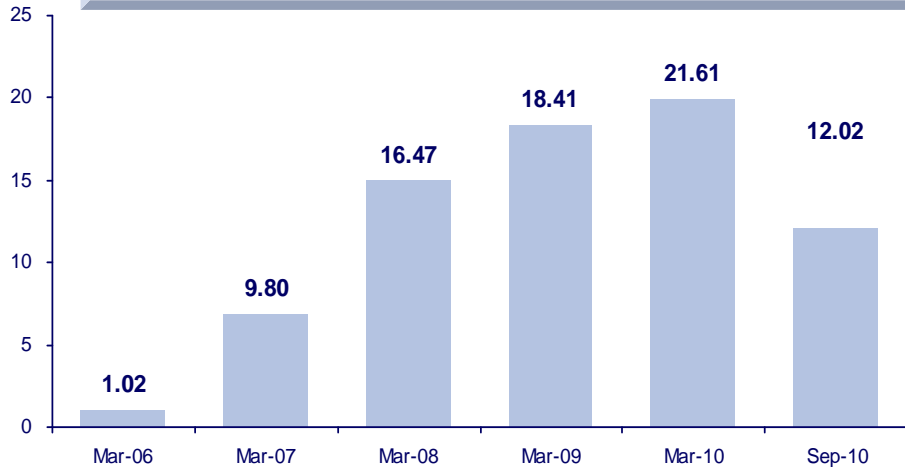
Return On Assets



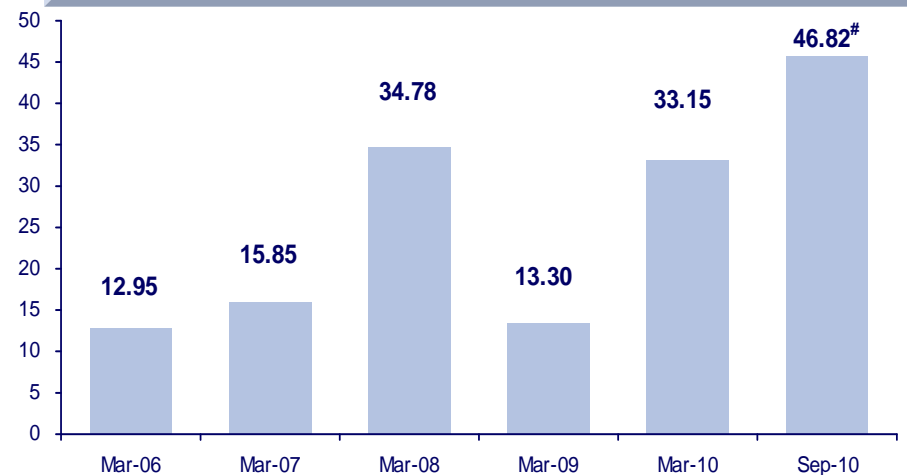
Return On Equity



Earnings Per Share# INR



Market Capitalisation INR Bn



For the Half Year ended 30th Sept 2010

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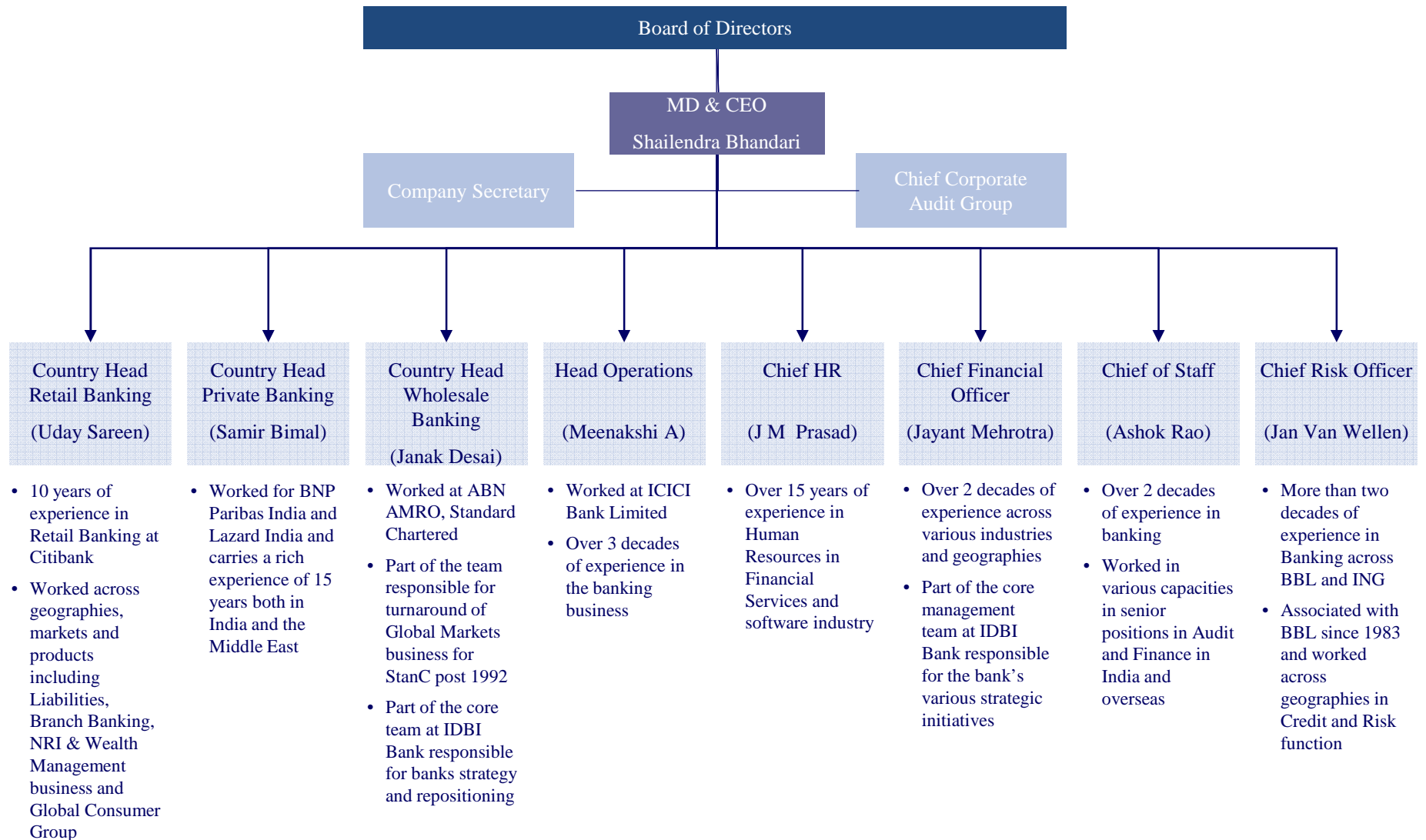
Financial Performance

Building Blocks

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Professional management team



Systems & Technology

- **Journey so far – Setting up building blocks**

- Core banking implemented with 100% of the branches networked to the central site
- Modern MPLS (Multi Protocol Layered Switching) technology based backbone, point to point leased lines and VSAT based Branch network
- Comprehensive Disaster Recovery infrastructure for all critical applications
- Investments made on systems and channels
 - Wealth Management platform, Mobile Banking platform, End-to-end integrated Treasury platform, Cash management Payments platform, Basel II solution, PeopleSoft for HRMS

- **Road ahead – Agility and Innovation**

- Moving Core banking to 24x7 mode
- Modernize Branch network with MPLS technology
- Further Investments on systems and channels
 - New Internet banking platform for Corporate and Retail, Payment gateway, Online shopping through Mobile Banking, Online share trading platform, New Retail assets platform, Retail foreign exchange services platform, Enhanced Payments platform, Online forex dealing system
 - Document / Business process management system
 - Performance management system

Increasing Brand Awareness

	Pre Corporate Campaign	Post Corporate Campaign	Month 1 of Jiyo Easy Campaign	Month 3 of Jiyo Easy Campaign	2 months after campaign off air
Above the line advertising : TV, Outdoor, Internet	Mar, 2008	Mar, 2009	Nov ,2009	Feb, 2010	March, 2010
Impact on awareness of brand					
Top of Mind (unaided recall, top bank recalled)	1	1	2	2	2
- South India	NA	3	2	2	3
- Rest of India	NA	0	2	1	1
Spontaneous Awareness (unaided recall, top 7 banks recalled)	1	16	36	44	44
- South India	NA	24	48	53	51
- Rest of India	NA	11	22	42	34
Total Awareness (aided recall)	84	87	98	100	100
- South India	NA	24	100	100	100
- Rest of India	NA	11	95	100	100
Brand Consideration (likelihood of considering ING for next purchase)	NA	NA	8	13	12
- South India			11	15	15
- Rest of India			4	10	8

- Significant improvement in brand awareness and consideration
- New markets in North and West witnessed growth desire to own a product from ING



Enhancing Brand Awareness



Neon Signs - Mumbai



Airport Security check areas



ATM Machines in the Malls



Aerobridges



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Business Strategy

Grow and leverage the distribution franchise

- Current branch distribution concentrated 73% in southern states which accounts for only 24% business of the Indian Banking business. Grow distribution in northern and western parts of the country.
- Derive value from investments made in branch expansion and increase penetration within existing network
- 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

Focus on creating Asset growth engines

- **Wholesale:** Leverage ING Global relationships to service domestic clients, greater support and co-ordination with EBD and increase lending to large Indian corporate.
- **Retail:** Focus on growth in Individual mortgages, Small and Medium Enterprises (SME); Explore opportunities of launching secured retail lending products

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
- Increase per branch productivity closer to best in class

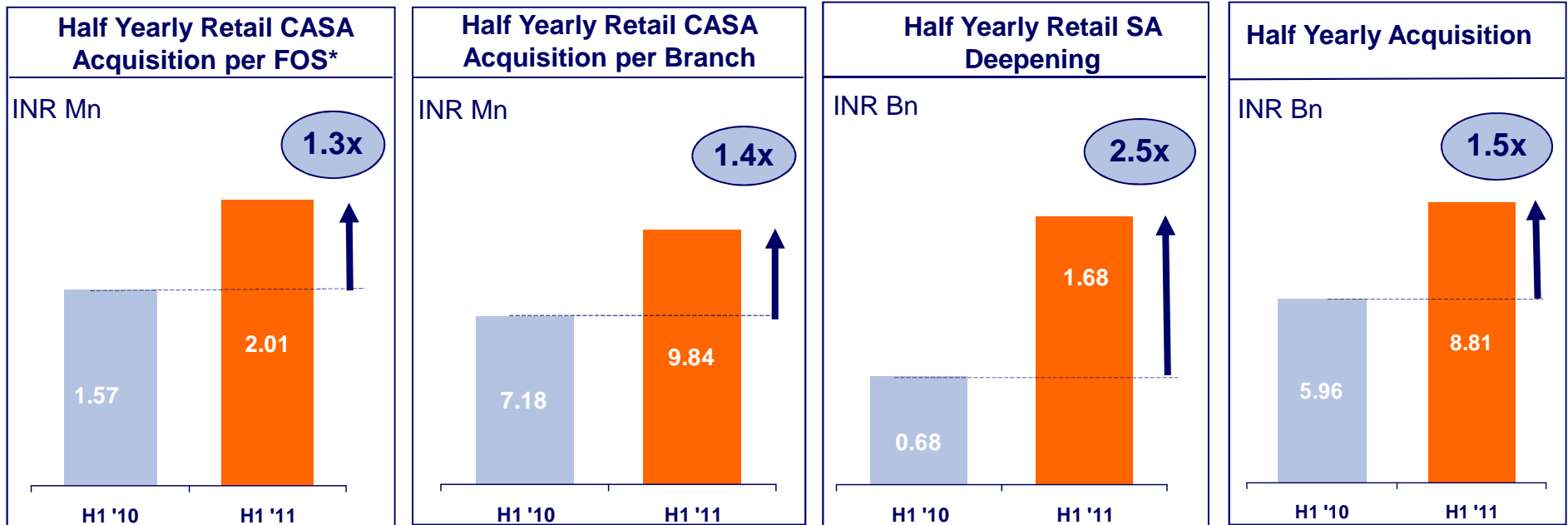
Reposition as ING in select markets

- To position as bank of choice to chosen customer segments
- Continue investment in the brand as we expand footprint outside South India
- Migrate global best practices and knowledge

* As of March 2010



Retail CASA Growth



* FOS – Feet on Street



Retail CASA Growth Momentum

INR Bn

	Q1 '10	Q2 '10	Q3 '10	Q4 '10	Q1 '11	Q2 '11
Retail Bank CASA Average	52.10	57.00	60.10	65.80	69.20	73.95
Quarterly CASA Growth	3.00	4.9 0	3.1 0	5.70	3.40	4.75
CASA New to Bank (NTB)	2.53	3.43	3.40	4.70	3.72	5.07
Feet on Street (FOS) #	1,826	1,726	1,635	1,848	1,896	2,227
Branches ##	477	474	474	481	483	488

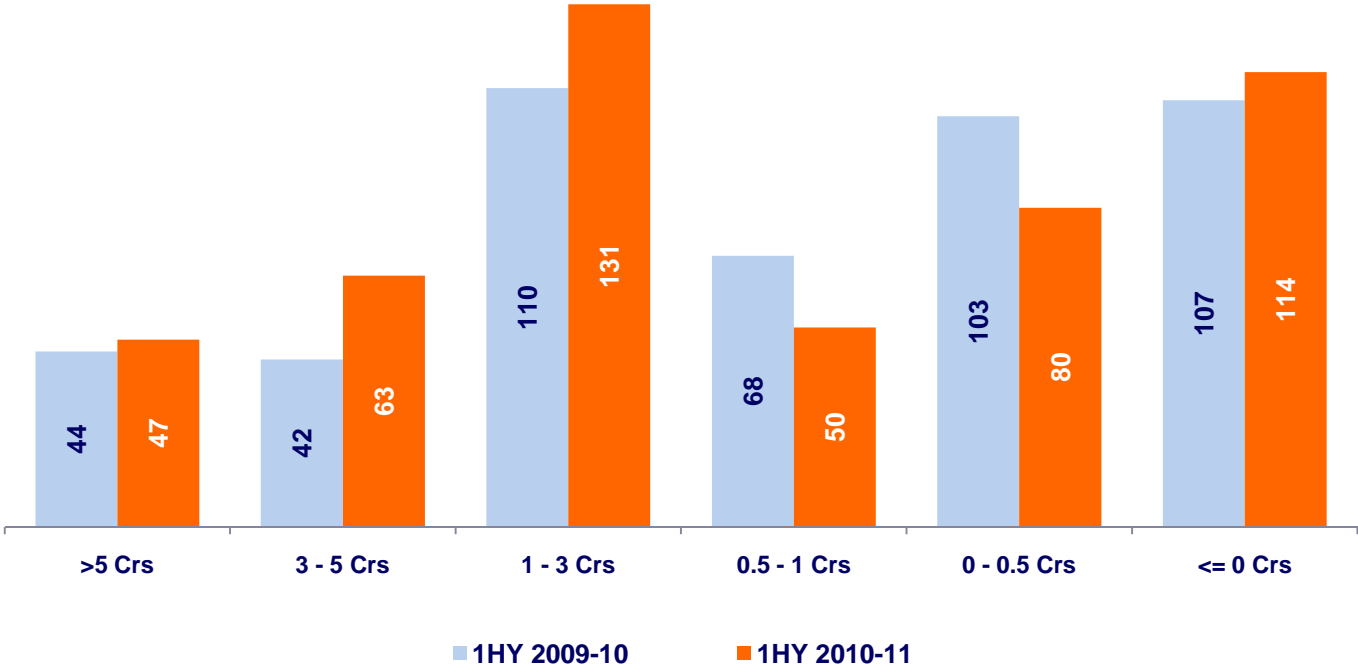
*Quarterly CASA growth in Q2'10 growth had one offs adjusted for which would have been Rs. 4.4 bn instead of Rs. 4.9 bn

Includes Branches and Ecs

FOS – Feet on Street



Retail CASA Growth Distribution (# of branches)



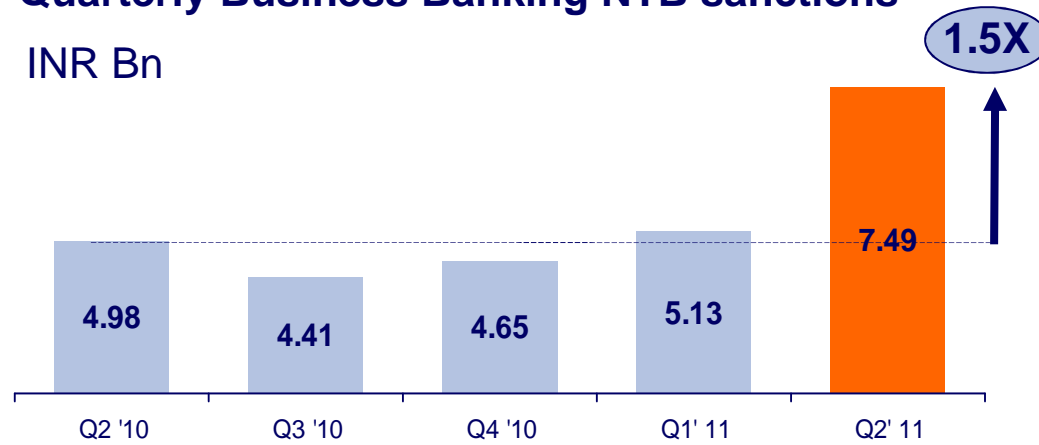
Growth getting broad based



Retail Asset Momentum

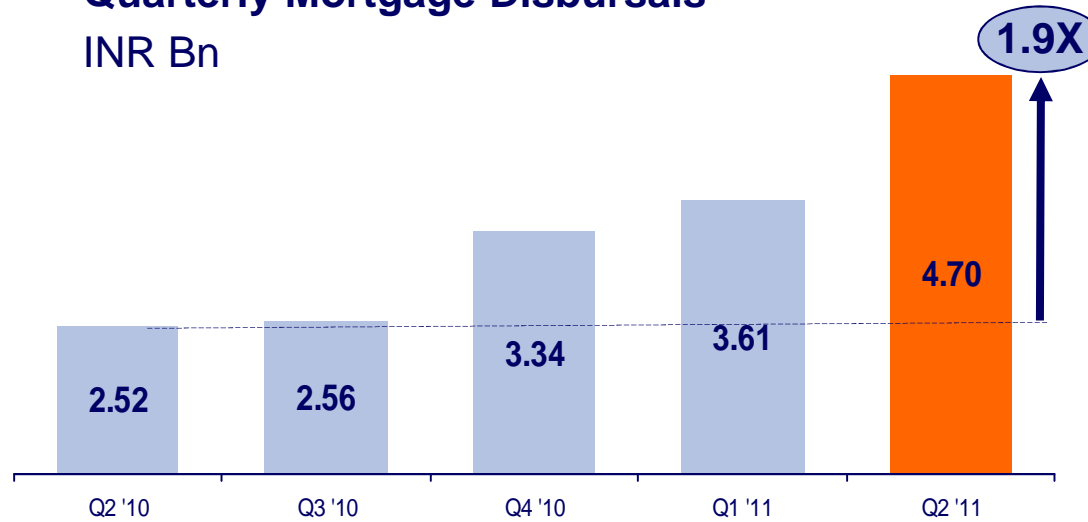
Quarterly Business Banking NTB sanctions

INR Bn



Quarterly Mortgage Disbursals

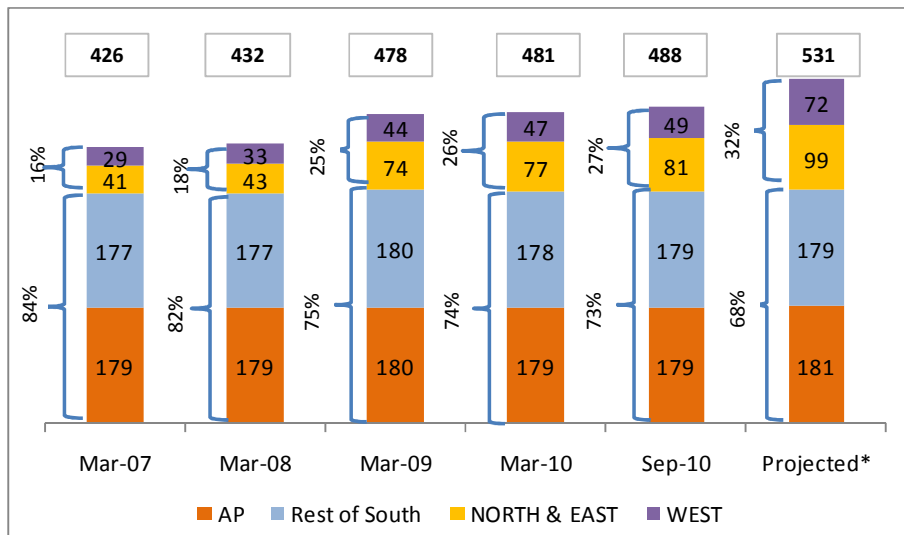
INR Bn



Distribution of retail branches

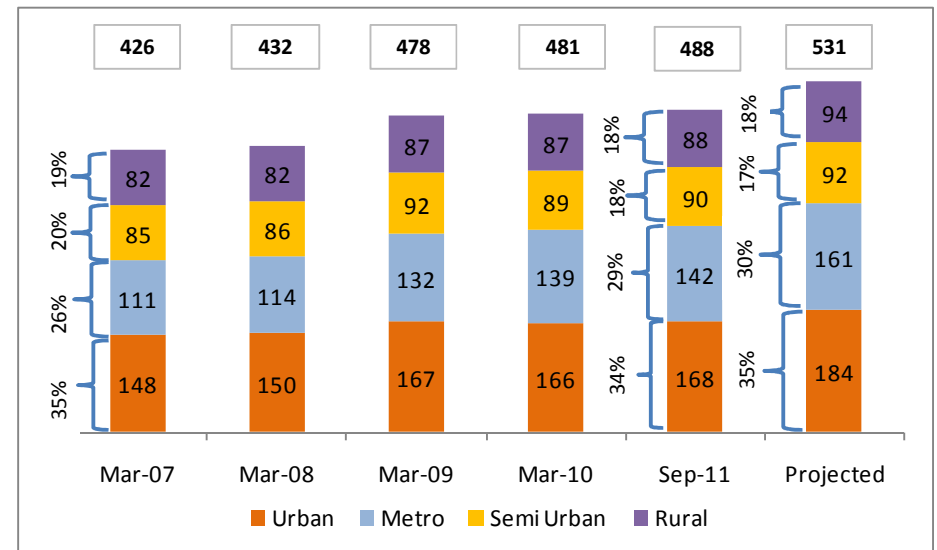
Geographical Distribution

No. of branches; % share



Population wise Distribution

No. of branches; % share

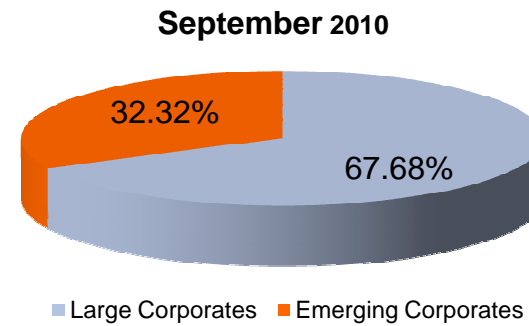
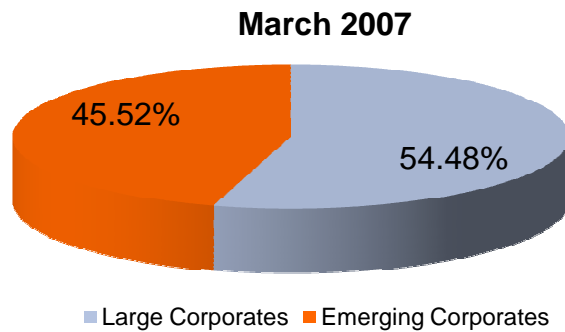
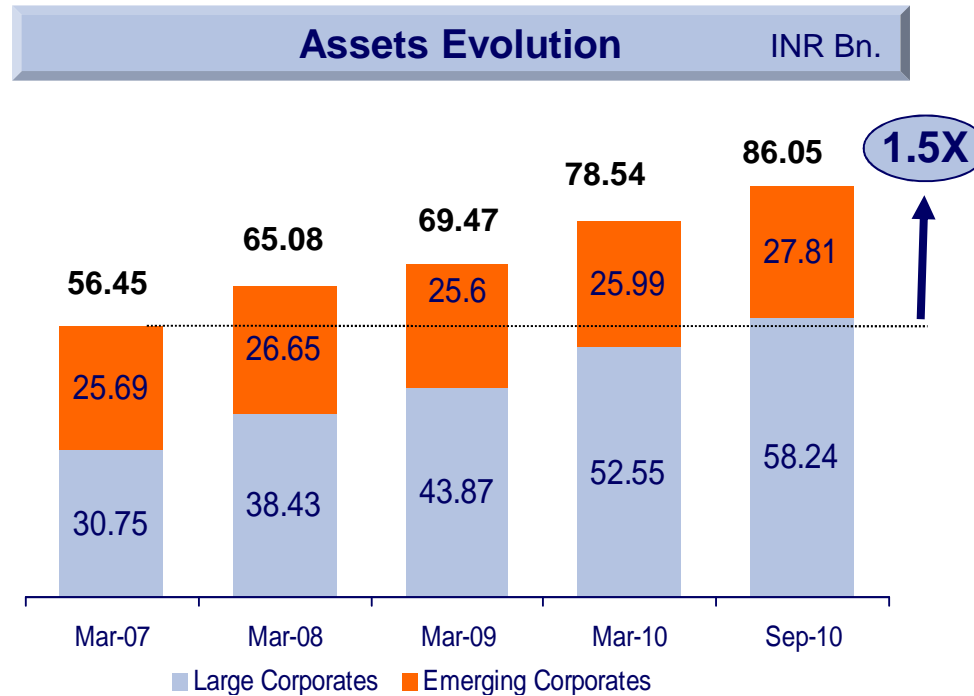


*Projected – On complete utilization of all licenses

Includes Branches and ECs

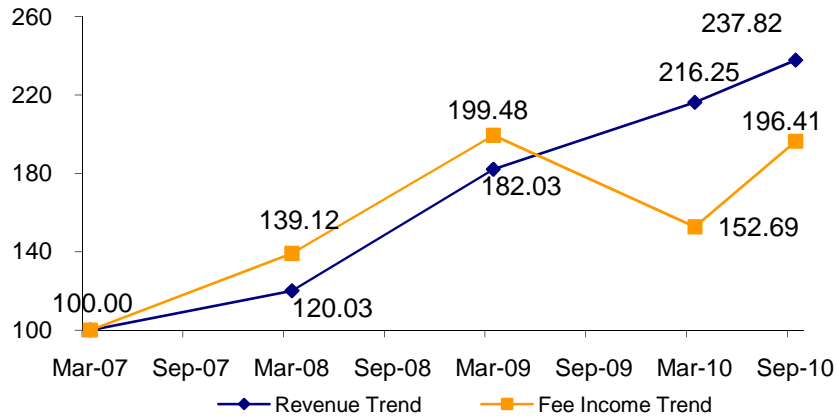


Wholesale Bank Momentum



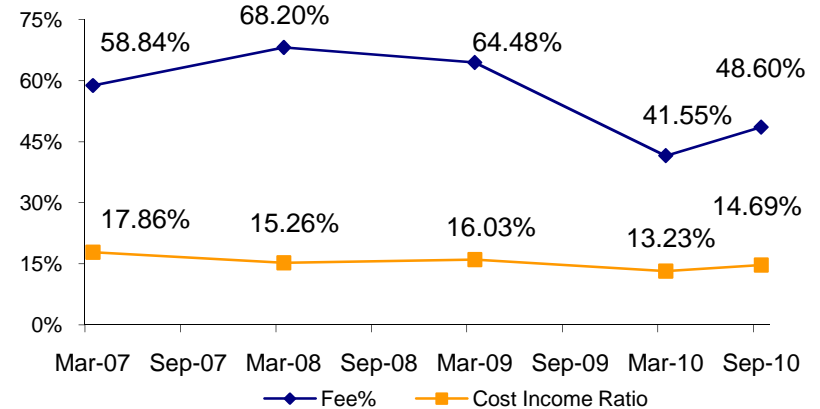
Wholesale Bank Momentum

Revenue Momentum*

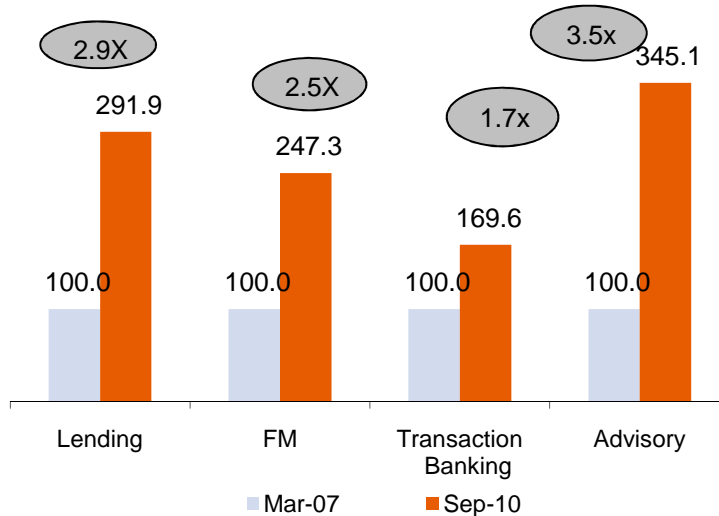


* From a base of 100 in March - 2007

Key Ratios



Product Momentum *



* September 2010 numbers have been annualized as per half year numbers

* From a base of 100 in March - 2007









NOTE for Product Momentum

- Lending includes NII on advances
- FM includes FX and derivatives
- Transaction Banking includes the NII on the float, CMS fees and trade finance fee revenues
- Advisory includes fees from corporate finance, DCM, and structure finance



Wholesale Bank – Debt Capital Markets Credentials

Recent Deals executed

Power Jan'09 Andhra Pradesh Power Development Corporation INR 5.5Bn Syndicated Working Capital Facility 	Public Sector Feb'10 Rural Electrification Corp. INR 5.5Bn Syndicated Bond Issue 	Public Sector Feb'10 Indian Railways Finance Co. INR 7.6Bn Syndicated Bond Issue 	Infrastructure Financing May '10 IDFC INR 4.0Bn Syndicated Bond Issue 
Lead Arranger	Lead Arranger	Lead Arranger	Joint Arranger
Steel Jun'10 PSL INR 1.0Bn Syndicated Loan 	Banking Jun'10 Bank of India INR 10.0Bn Syndicated Bond Issue 	Banking Sep '10 Canara Bank INR 10.0Bn Lower Tier II Capital Bonds 	Real Estate Oct '10 DLF INR 5.5Bn Syndicated Project Finance 
Mandated Lead Arranger	Joint Arranger	Joint Arranger	Mandated Lead Arranger

Ranked 12th in the Bond Underwriter's League Table published by Bloomberg*

* As of 30th September, 2010



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Banking franchise with ~8 decades of experience

- Incorporated in 1930, ING Groep NV became the single largest shareholder in ING Vysya Bank Limited (IVBL) with board and management control in Oct 02
- One of India's premier private sector bank offering a wide variety of wholesale and retail banking products and services
- Pan-India network of 883 outlets servicing over 2 mn customers as on Jun 10
- Balance sheet size of ~INR 353 Bn as on Sep10



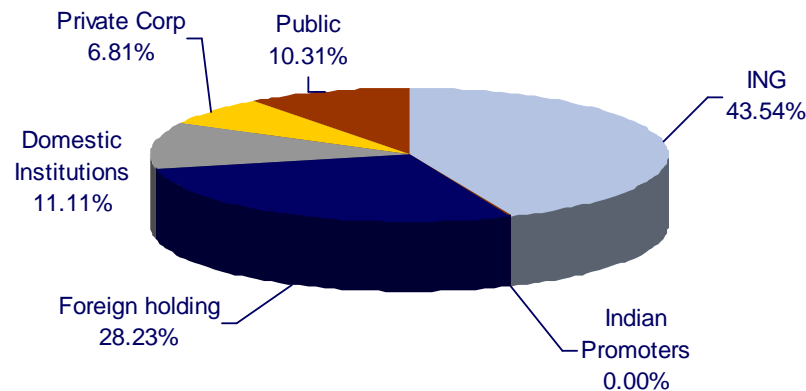
Strong pedigree of investors



- 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 – € 48 Bn, Total Assets – € 1.2Trn, AuM – € 343 Bn, Employees – 107,173
- 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

* As of Dec 31 2009 Annual Report

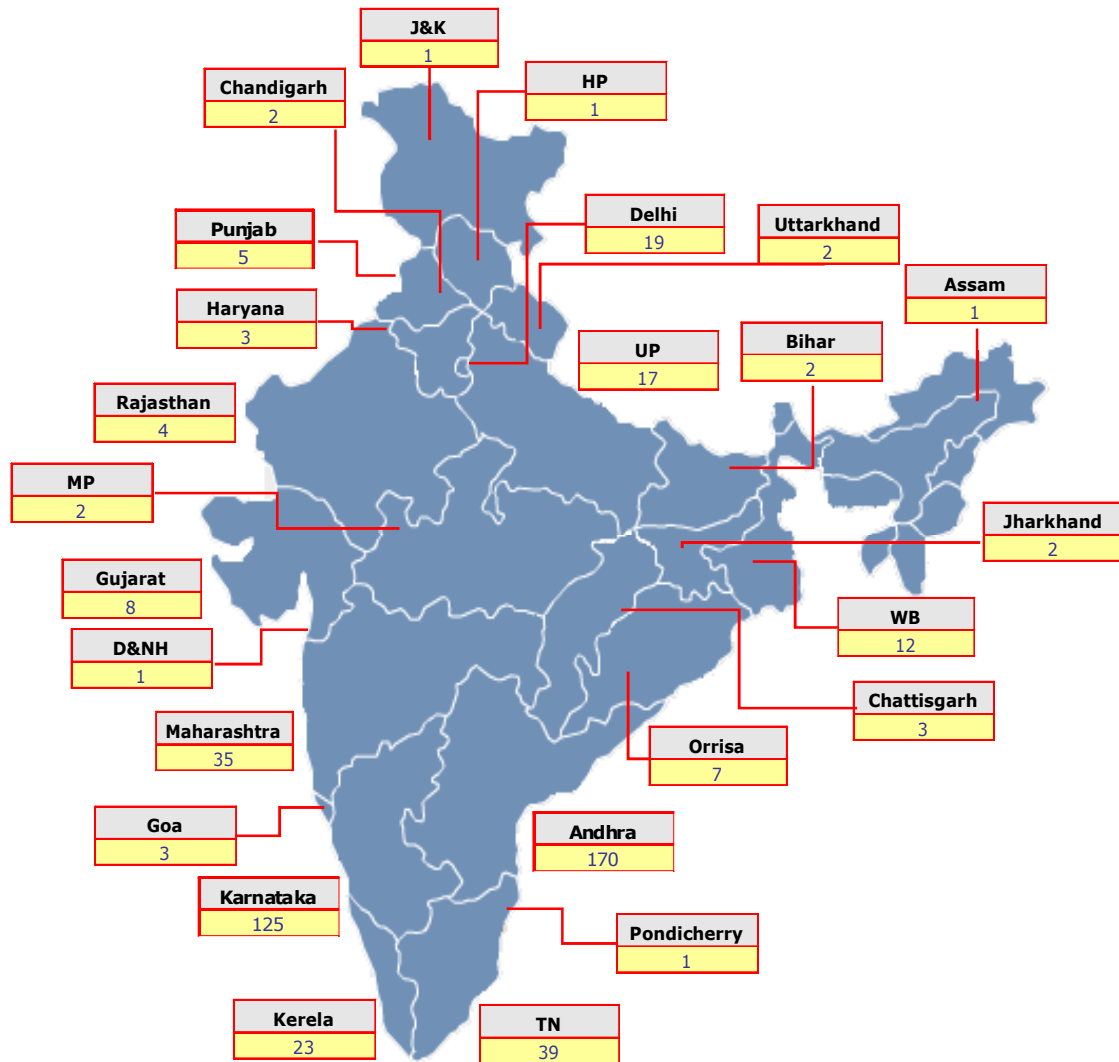
IVBL Shareholding pattern#



As on 30th Sep 10



Network Distribution



Break-up of 883 Outlets

Particulars	No.
Branches	475
Extension Counters	13
Satellite Office	28
ATMs	367

* Includes branches and ECs



Balance sheet

	INR Mn								
	Actual 30 Sep 10	Actual 30 Sep 09	As at 31 Mar 10	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 FY05-10 (%)
Capital and Reserves	24,842.94	22,330.52	23,309.15	17,028.95	15,356.58	11,032.87	10,196.74	8,417.90	22.59% ↑
Deposits	260,690.19	224,955.32	258,653.01	248,894.70	204,575.56	154,185.89	133,352.55	125,693.05	15.52% ↑
Borrowings	46,458.07	31,369.48	36,713.88	31,853.20	17,467.50	14,811.84	15,694.46	11,807.76	25.46% ↑
Liab. & Provisions	21,549.06	20,294.36	20,126.36	20,859.97	18,015.09	12,832.37	8,422.92	7,986.96	20.30% ↑
	353,540.25	298,949.67	338,802.40	318,636.80	255,414.72	192,862.97	167,666.68	153,905.68	17.09% ↑
Cash, Inter-bank, etc	29,396.45	26,550.39	30,270.44	22,816.28	31,851.71	15,922.57	11,233.34	11,144.98	22.12% ↑
Investments	102,425.34	88,417.20	104,729.19	104,955.39	62,933.20	45,278.13	43,723.36	41,958.93	20.07% ↑
Advances	202,415.94	163,839.80	185,071.90	167,563.80	146,495.48	119,761.65	102,315.25	90,805.92	15.30% ↑
Fixed Assets	5,125.89	4,474.09	4,959.33	4,372.00	3,992.15	3,959.70	4,054.09	3,140.04	9.57% ↑
Other Assets	14,176.64	15,668.20	13,771.54	18,929.35	10,142.19	7,940.92	6,340.64	6,855.81	14.97% ↑
	353,540.25	298,949.67	338,802.40	318,636.80	255,414.72	192,862.97	167,666.68	153,905.68	17.09% ↑

	Actual 30 Sep 10	Actual 30 Sep 09	As at 31 Mar 10	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 FY05-10 (%)
CA	44,033.06	36,414.24	40,920.65	33,140.52	33,292.59	18,936.34	15,090.47	13,381.81	25.05% ↑
SA	49,502.24	37,081.14	43,349.63	33,984.17	31,231.66	25,639.04	20,934.55	17,077.26	20.47% ↑
TD	123,179.17	138,597.90	131,454.00	163,643.90	118,980.37	103,177.19	81,400.67	78,814.89	10.77% ↑
CD	43,975.71	12,862.04	42,928.73	18,126.11	21,070.94	6,433.32	15,926.86	16,419.09	21.19% ↑
Total Deposits	260,690.19	224,955.32	258,653.01	248,894.70	204,575.56	154,185.89	133,352.55	125,693.05	15.52% ↑
CASA%	35.88%	32.67%	32.58%	26.97%	31.54%	28.91%	27.01%	24.23%	-

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Profit & loss

INR Mn

	Actual Q2 FY 10-11	Actual Q2 FY 09 – 10	FY 09- 10	FY 08- 09	FY 07-08	FY 06- 07	FY 05- 06	FY 04- 05	CAGR FY05-10 (%)	
Net Interest Income	2,542.42	1,913.66	8,298.36	6,496.20	4,983.91	4,455.87	4,062.57	8,298.36	20.03%	↑
Other Income	1,932.59	1,515.80	5,895.01	5,476.66	3,981.66	2,517.40	2,109.83	5,895.01	38.67%	↑
Total Income	4,475.01	3,429.46	14,193.37	11,972.86	8,965.58	6,973.27	6,172.40	14,193.37	25.91%	↑
Staff expenses	1,601.28	1,043.19	4,288.53	3,922.20	3,023.85	2,272.34	2,250.10	4,288.53	19.48%	↑
Other Expenses	1,031.72	950.57	3,792.51	3,802.49	3,071.04	2,777.84	2,895.43	3,792.51	13.44%	↑
Total Expenses	2,633.00	1,993.76	8,081.04	7,724.70	6,095.89	5,050.17	5,145.53	8,081.04	16.41%	↑
Operating Profit	1,842.00	1,435.69	6,112.32	4,248.16	2,869.68	1,928.10	1,026.87	6,112.32	54.04%	↑
Exceptional Items	-	-	307.20	-	204.00	340.00	-	307.20	-	
Op Profit after Excep. Items	1,842.00	1,435.69	6,419.52	4,248.16	3,073.68	2,263.10	1,026.87	6,419.52	55.56%	↑
Provisions	697.53	625.84	2,704.50	1,301.63	560.09	986.75	811.69	2,704.50	13.44%	↑
Profit before tax	1,144.47	809.85	3,715.03	2,946.53	2,518.59	1,276.34	215.17	3,715.03	-	
Taxes	391.89	275.15	1,292.85	1,058.73	945.28	387.24	124.61	1,292.85	-	
Net Profit	752.58	534.70	2,422.17	1,887.80	1,573.30	889.10	90.56	2,422.17	-	

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



Key ratios

	Q2 FY 11	Q2 FY 10	FY 09-10	FY 08-09	FY 07-08	FY 06-07	FY 05-06	FY 04-05
Net Interest Margin	3.34%	3.09%	3.21%	2.84%	2.78%	2.79%	2.73%	2.73%
Yield on Advances	9.78%	10.51%	10.53%	11.48%	10.49%	9.33%	8.78%	8.62%
Cost of Deposits	4.85%	5.47%	5.33%	6.83%	6.28%	5.27%	4.87%	4.90%
Cost Income Ratio	58.84%	58.14%	55.73%	64.52%	66.47%	69.06%	83.36%	84.28%
Return on Assets	0.86%	0.74%	0.80%	0.70%	0.74%	0.52%	0.05%	(0.25)%
Return on Equity	12.27%	11.28%	11.81%	11.63%	12.03%	8.34%	0.90%	(5.28)%
CASA Ratio	35.88%	32.67%	32.58%	26.97%	31.54%	28.91%	27.01%	24.23%
Credit-Deposit Ratio	77.65%	72.83%	71.55%	67.33%	71.47%	77.67%	76.73%	72.24%
Gross NPA Ratio	2.91%	2.85%	2.96%	1.86%	1.38%	2.55%	4.09%	4.98%
Net NPA Ratio	0.81%	1.78%	1.20%	1.20%	0.70%	0.95%	1.76%	2.14%
Capital Adequacy Ratio*	13.50%	14.48%	14.91%	11.65%	10.20%	10.56%	10.67%	9.09%
Provision Cover	72.75%	39.79%	60.19%	36.01%	49.19%			

* Capital Adequacy Ratio up to FY 07-08 as per Basel-I

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Disclaimer

Certain statements in these slides are forward-looking statements. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors.

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