

PRESS RELEASE

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ING Vysya Bank Q2 Net Profit up 53% at Rs.115.4 crores

ING Vysya Bank announced its unaudited financial results for the quarter and half-year ended 30 September 2011 following the approval by its Board of Directors at their meeting held in Mumbai today.

Performance at a Glance

Q2' FY 12 v Q2' FY 11

- Net Profit up 53% to Rs. 115.4 crores
- Net Interest Income up 19% to Rs. 303.6 crores
- Net Interest Margin at 3.35%
- Risk cost down 75% to Rs 17.5 crores.
- Gross Advances up 22% to Rs. 25,289 crores
- Deposits up 18% to Rs. 30,712 crores
- CASA Ratio at 32.6%
- Provision cover up from 72.8% to 84.8%
- Net NPA improves from 0.81% to 0.31% & Gross NPA improves from 2.91% to 2.02%
- Return on Assets improves from 0.86% to 1.12%

H1' FY 12 v H1' FY 11

- Net Profit up 45% to Rs. 209.4 crores.
- Net Interest Income up 15% to Rs. 565.6 crores
- Return on Assets improves from 0.84% to 1.04%.

Financial Highlights

The Net Profit (PAT) of the bank for the quarter ended 30 September 2011 increased significantly by 53.3% to Rs. 115.4 crores compared to Rs. 75.3 crores reported in the corresponding quarter of the previous year. This was the eighth sequential quarter of PAT growth with PAT crossing Rs. 100 crores for the first time. Net Interest Income (NII) for the quarter increased by 19.4% to Rs. 303.6 crores from Rs. 254.2 crores. The Net Interest Margins (NIM) expanded from 3.02% in Q1 12 to 3.35% in the current quarter due to repricing in our advances portfolio and capital infusion in end Q1 12 . Other income showed significant improvement over Q1 12 by 15.6% at Rs.162.5 crores, however it was lower by 15.9% at Rs. 162.5 crores compared to Rs. 193.3 crores in Q2 11 due to one off investment gains in previous year. Operating costs for the quarter increased to Rs. 276.7 crores from Rs. 263.3 crores in the quarter ending September 2010. The quality of the asset portfolio continued to be healthy and provisions and contingencies were down at Rs. 17.5 crores against Rs. 69.8 crores in quarter ending September 2010. This

is the sixth consecutive quarter of improvement in Gross NPA, Net NPA and provision cover ratio. Provision cover improved to 84.8% compared to 72.8% as at 30 September 2010. Return on assets improved significantly to 1.12% compared to 0.86% in quarter ending September 2010.

The Net Profit (PAT) of the Bank for the half year ended 30 September 2011 increased by 45.1% to Rs. 209.4 crores compared to Rs. 144.3 crores reported in the corresponding period of the previous year. Net Interest Income (NII) increased by 14.9% to Rs.565.6 crores from Rs. 492.3 crores and total income increased to Rs. 868.6 crores from Rs. 809.9 crores for the half year ended 30 September 2010. Operating costs increased to Rs. 532.3 crores from Rs. 477.1 crores for the same period. The improvement in asset quality has led to sharp reduction in provisions & contingencies at Rs 23.7 crores against Rs 113.7 crores in the previous year. There was a sharp improvement in Return on assets to 1.04% compared to 0.84% for the period ended September 2010.

Commenting on the results, Managing Director, Shailendra Bhandari said "I am pleased to note that over the last Quarter, we have been able to deliver a 16% sequential growth in income & a 23% growth in PAT. This coupled with an increase of over 0.30% in NIM and a decline in Net NPA to 0.31% has enabled us to achieve a Return on Assets in excess of 1% for the first time. Our asset quality, in particular has continued to remain strong despite a deteriorating macroeconomic environment."

Financial Indicators

In Rs. Crores	Q2 2011-12	Q2 2010-11	% growth	YTD Sep 2011-12	YTD Sep 2010-11	% growth
Net Interest Income	303.6	254.2	19.4%	565.6	492.3	14.9%
Other Income	162.5	193.3	-15.9%	303.0	317.7	-4.6%
Total Income	466.1	447.5	4.2%	868.6	809.9	7.2%
Operating Costs	276.7	263.3	5.1%	532.3	477.1	11.6%
Operating Profit	189.4	184.2	2.8%	336.2	332.8	1.0%
Provision & Contingencies	17.5	69.8	-74.9%	23.7	113.7	-79.2%
Profit before Tax	171.9	114.5	50.2%	312.6	219.1	42.6%
Provision for Taxes	56.6	39.2	44.4%	103.2	74.8	37.9%
Profit after Tax	115.4	75.3	53.3%	209.4	144.3	45.1%

In Rs. Crores	As at 30-Sep-11	As at 30-Sep-10	% growth
Deposits	30,712.3	26,069.0	17.8%
Savings Bank	5,197.5	4,950.2	5.0%
Current Account	4,799.5	4,403.3	9.0%
Demand Deposits	9,997.0	9,353.5	6.9%
CASA %	32.6%	35.9%	
Term Deposits	20,715.4	16,715.5	23.9%
Gross Advances	25,289.2	20,669.9	22.3%
Branches and Extension Counters	527	488	
ATMs	422	367	
Capital Adequacy Ratio	15.00%	13.50%	

Business Highlights

Total Deposits were Rs. 30,712 crores at the end of September 2011, up from Rs. 26,069 crores as at the end of September 2010. Current and Savings (CASA) deposits grew by 7% to Rs. 9,997 crores from Rs. 9,354 crores as at end of September 2010. CASA ratio was at 32.6% of total deposits as at the end of September 2011 as against 34.8% of core CASA at the end of September 2010.

Gross Advances grew by 22% to Rs. 25,289 crores at the end of September 2011 from Rs. 20,670 crores as at end September 2010. The Credit Deposit Ratio stood at 80.9% as at September 2011 as against 77.6% as at September 2010.

The Gross NPA ratio and Net NPA ratio were at 2.02% and 0.31% respectively as at 30 September 2011 compared to 2.91% and 0.81% respectively as at 30 September 2010. Provision cover improved from 72.8% at the end of September 2010 to 84.8% as at 30 September 2011.

The Capital Adequacy Ratio (CAR) of the Bank as at 30 September 2011 improved to 15.00% from 13.50%, as at 30 September 2010 (as per Basel-II).

Other Developments

The Bank continued its focus on expanding the national footprint with the launch of 25 universal branches and ATMs this quarter. As of September 2011, the Bank has a total of 527 branches and extension counters, 28 satellite offices and 422 ATMs.

In the backdrop of the current macro-economic environment and with a focus to offer products which make banking 'easier', the Bank launched ING Flexi business current account. This account keeps the customers' requirement in mind and offers dynamic banking facilities. In this current account the limits, features and charges are a function of the volume of business, thus allowing the customer more flexibility and freedom to operate their accounts.

The Bank recently launched Loans against Securities, aimed at allowing customers the flexibility to leverage their long term investments. This is an immediate line of credit, which the customer can avail

against a universe of shares, securities and bonds. The interest charged is only on the amount utilized with a simple repayment process.

The Bank continued to invest in technology with the aim of upgrading the client experience. Last quarter a new Consumer Finance system, with end to end automation was launched. The system has a seamless interface across the front office, processing centre and customer service units. This will result in quicker turn-around-time for customers and enable the bank to process higher volumes faster.

The Bank's efforts towards innovation were recognized with two prestigious awards, one from CIO-100 (third consecutive year in a row). The award was towards the Banks' innovative payment solution that helps large corporations manage receivables across multiple geographies and partners. The second award, the prestigious CIOL Dataquest Award was for ING Converge, a recently launched customized corporate banking internet platform aimed to meet the needs of large corporates

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ING Vysya Bank Ltd is a premier private sector bank with retail, private and wholesale banking platforms that serve over 2.0 million customers, with 80 years of history in India and leveraging ING's global financial expertise, a workforce of 9,303 employees, 977 outlets comprising of 527 branches and extension counters, 28 satellite offices and 422 ATMs to offer its clients an increasingly broad range of innovative and established products and services.

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 40 countries.