

Investor Presentation

Highlights of Performance

Financials – 2005-06 (Apr– Mar)

Regd. & Corporate Office : 22, M.G. Road,
Bangalore – 560 001, India.



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◆ Performance Highlights

◆ Financial Highlights – Balance Sheet

◆ Financial Highlights – Profit and Loss

Performance Highlights : FY 2006

- ✦ Increase in Core Banking NII from Rs.356.76 crore for the period ended March 2005 to Rs.481.19 crore for the period ended March 2006, recording a significant growth rate of 34.8%.
- ✦ Net Interest Margin (NIM) has increased from 3.10% in FY 2005 to 3.16% in FY 2006.
- ✦ Treasury operations showed a turnaround by recording a profit of Rs.20.04 crore in FY 2006, compared to a loss of Rs.127.04 crore in FY 2005.
- ✦ Combining the core banking and treasury operations in FY 2006, the Bank posted a profit before tax of Rs.21.52 in FY 2006, compared to a loss of Rs.73.45 in FY 2005.
- ✦ Profit after tax amounted to Rs.9.06 crore in FY 2006, compared to a loss of Rs.38.18 crore in FY 2005.

Significant Developments – FY 2006

✚ CRISIL has reaffirmed in FY 2006, the bank's various ratings i.e.

- ✓ Tier II Bonds : AA+/ Stable
- ✓ CD Programme : P1+
- ✓ Fixed deposits : FAAA/ Stable

Significant Developments – FY 2006

- ✦ The number of branches as on 31 March 2006 stood at 377 branches and 56 ECs. During FY 2006, 8 new branches were opened and one branch was merged.
- ✦ As at the end of March 2006, the number of locations networked through a core banking solution stood at 368 compared to 247 location as of March 2005. The Bank's ATM network stood at 114 (including 9 self Banks).
- ✦ The Bank has made the decision to roll-out the core banking solution to all branches and this will be largely completed by June 2006.

Improvement In Financial Parameters – FY 2006

- The Net NPA to Net Advances ratio has improved to 1.76% as at the end of 31 March 2006, as against 2.14% as at the end of March 2005.
- The Credit-Deposit Ratio stood at 77% as on March 2006 as against 72% in March 2005.

Improvement In Financial Parameters – FY 2006

- ✦ The cost of deposits decreased from 5.04% in FY 2005 to 4.91% in FY 2006.
- ✦ The Capital Adequacy Ratio (CAR) stood at 10.67%, as on March 31 2006, compared to 9.09%, as on March 31 2005.
 - ✦ The Tier I ratio stood at 7.14% as of March 31 2006, as compared to 5.20% as of March 31 2005.

Improvement in Business Performance

- The total deposits of the Bank increased from Rs.12,569 crore as on 31 March 2005 to Rs.13,335 crore as on 31 March 2006, representing a growth of 6.10%.
- Orange' Savings Bank Account, had an outstanding of Rs.839 crore (a total of 283,755 Accounts) as on 31 March 2006; of which Rs. 358 crore (a total of 126,151 accounts) were mobilized during FY 2006.
- Orange' Current Account, a premium Retail Deposit product, had an outstanding of Rs. 344 crore (a total of 4,429 accounts) as on 31 March 2006; of which Rs. 118 crore (a total of 1,390 accounts) were mobilized during FY 2006.

Improvement in Business Performance

- Net Advances increased from Rs.9,080 crore as on 31 March 2005 to Rs.10,231 crore as on 31 March 2006, representing a growth of 12.6%.
- Investments of the Bank increased to Rs.4,372 crore as on 31 March 2006, from Rs.4,195 crore as on 31 March 2005.

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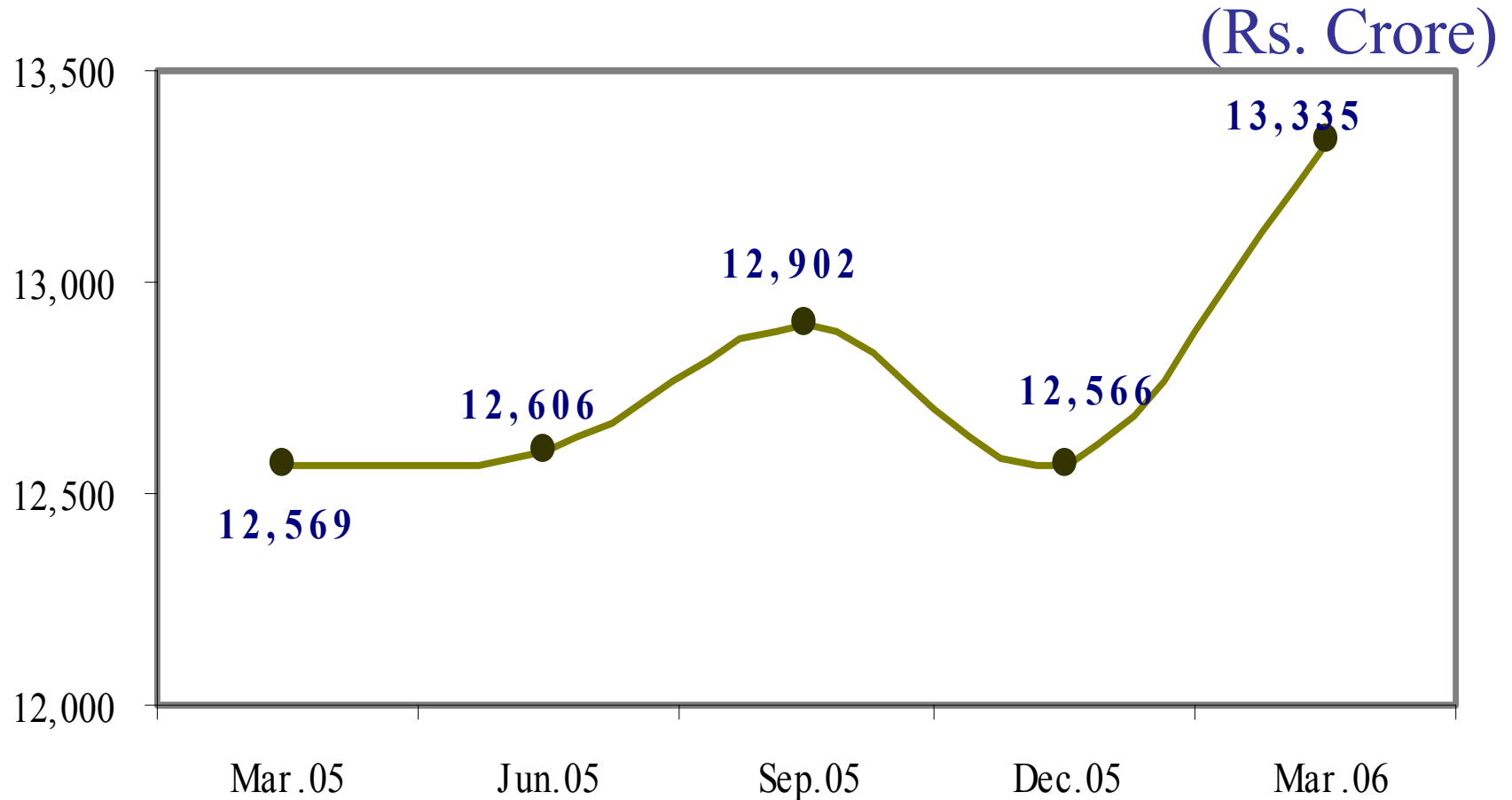
◆ Performance Highlights

◆ Financial Highlights – Balance Sheet

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Balance Sheet Details	(Rs. Crore)		
	FY 2006	FY 2005	% change
Liabilities			
Capital and Reserves	1,019.67	709.39	43.74
Share Application Money (pending allotment)	-	132.39	-
Deposits	13,335.25	12,569.31	6.09
Borrowings	1,107.45	830.78	33.30
Other Liabilities & Provisions	1,304.29	1,148.70	13.54
Total	16,766.66	15,390.57	8.94
Assets			
Cash bal, bal with banks and RBI	1,123.33	1,114.50	0.79
Advances	10,231.52	9,080.59	12.67
Investments	4,372.34	4,195.89	4.21
Fixed Assets	405.41	314.01	29.11
Other Assets	634.06	685.58	(7.51)
Total	16,766.66	15,390.57	8.94

Quarterly Trends – Deposits



Growth in Deposits

(Rs. crore)

FY 2006

FY 2005

Deposits

13,335.25

12,569.31

Absolute growth (Yr on Yr)

765.94

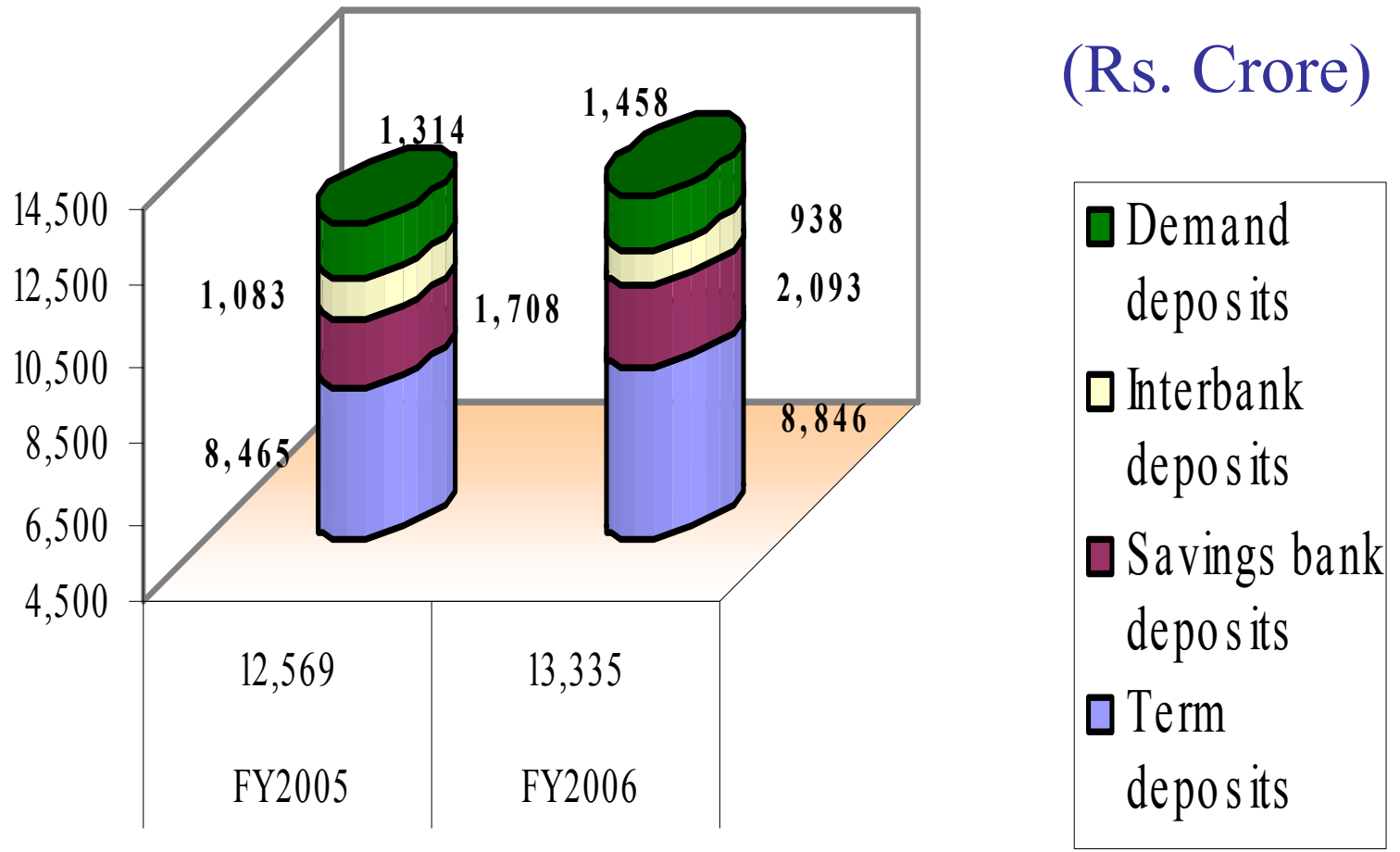
2,091.31

% Growth

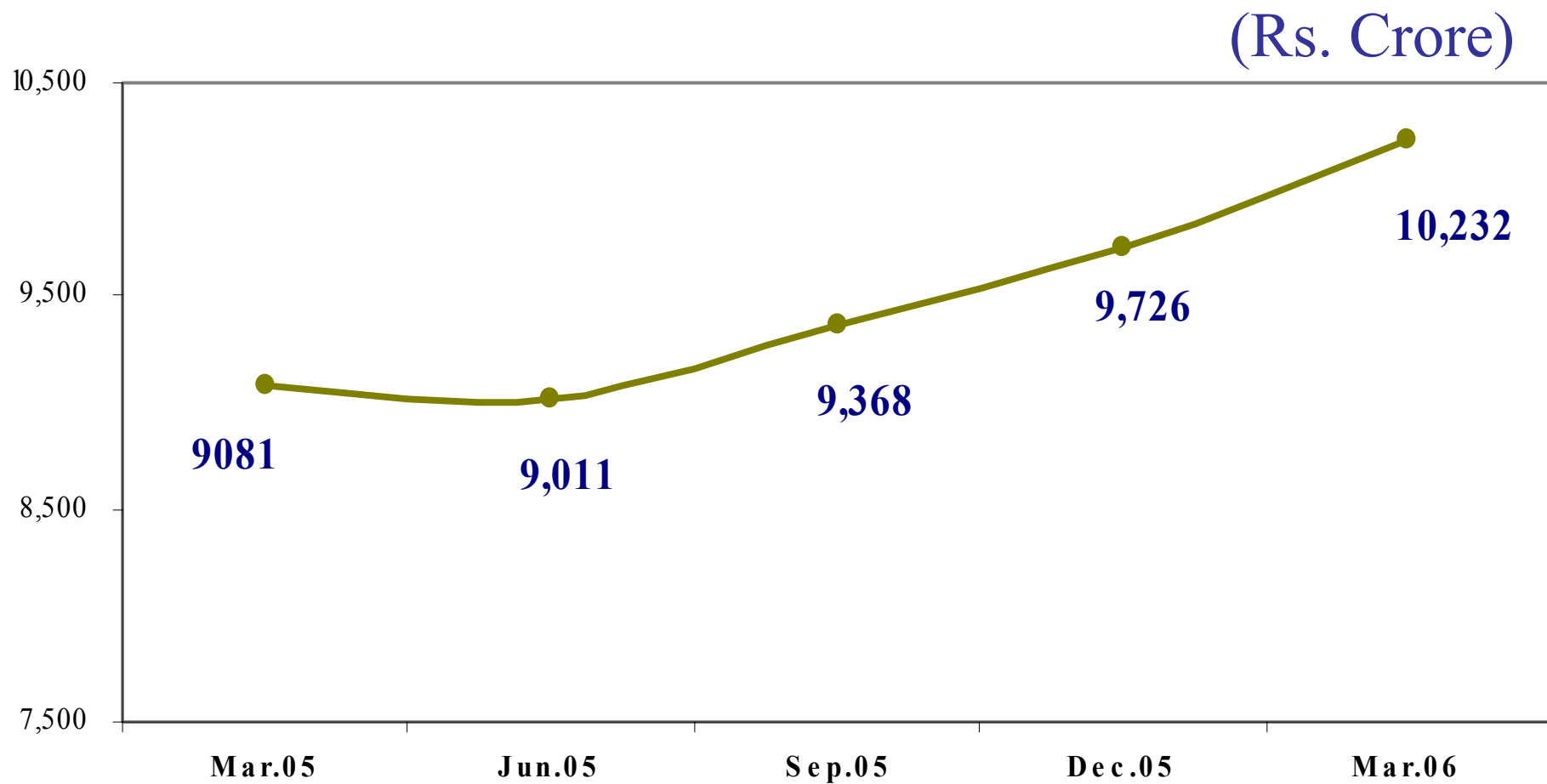
6.09

19.96

Composition of Deposits



Quarterly Trends – Advances



Growth in Advances

(Rs. crore)

FY 2006

FY 2005

Advances

10,231.53

9,080.59

Absolute growth (Yr on Yr)

1,150.94

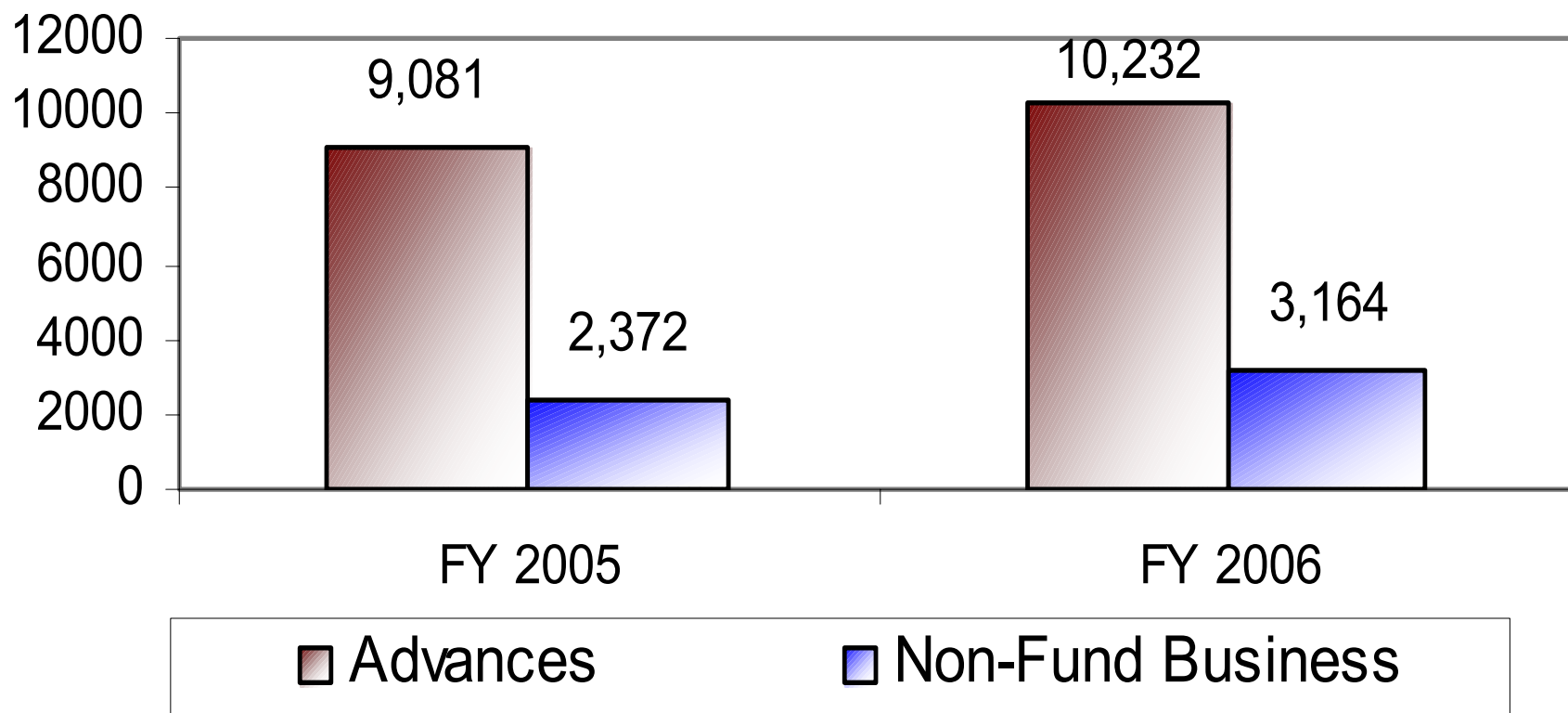
2,142.59

% Growth

12.67

30.88

Funded and Non-Funded Business (LCs & Guarantees)



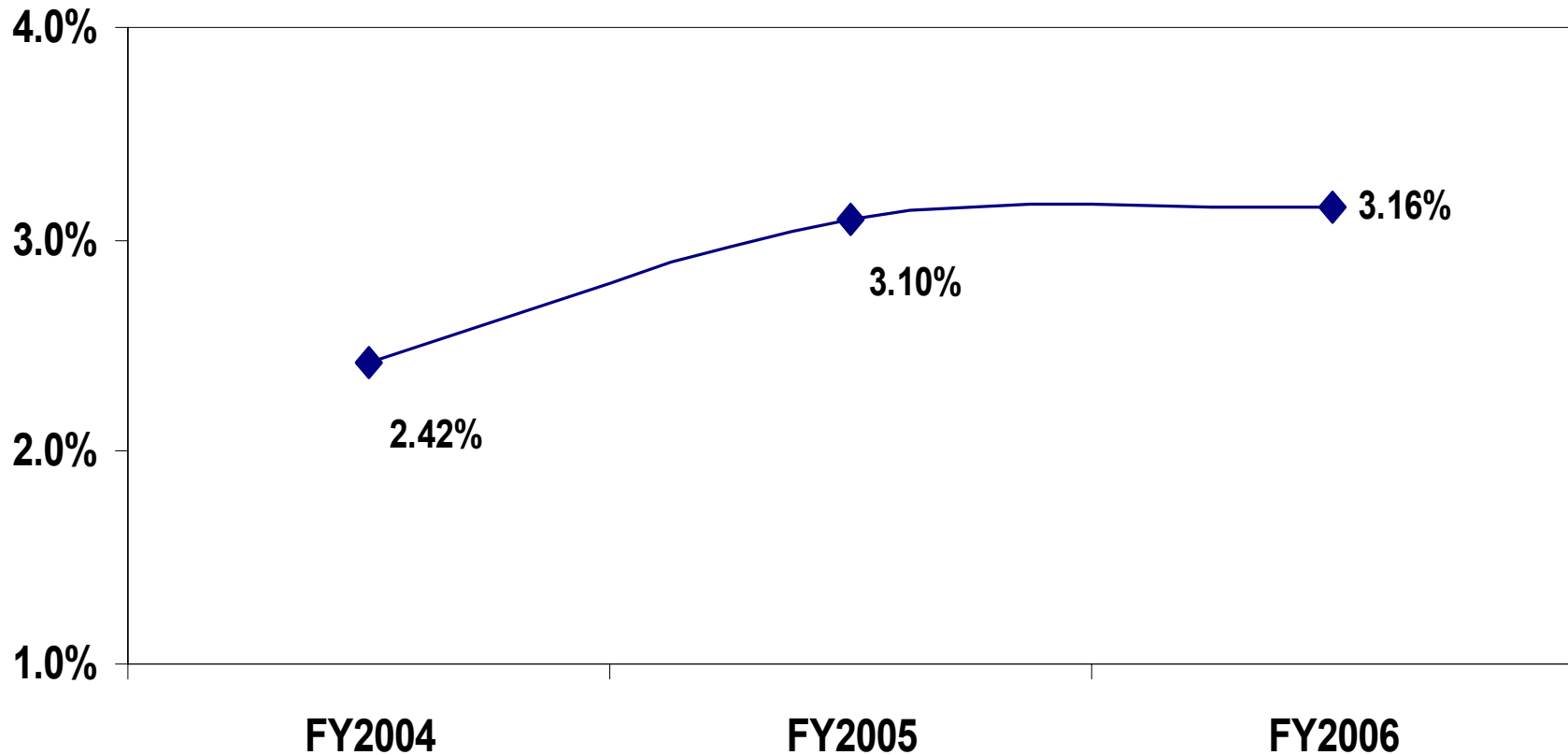
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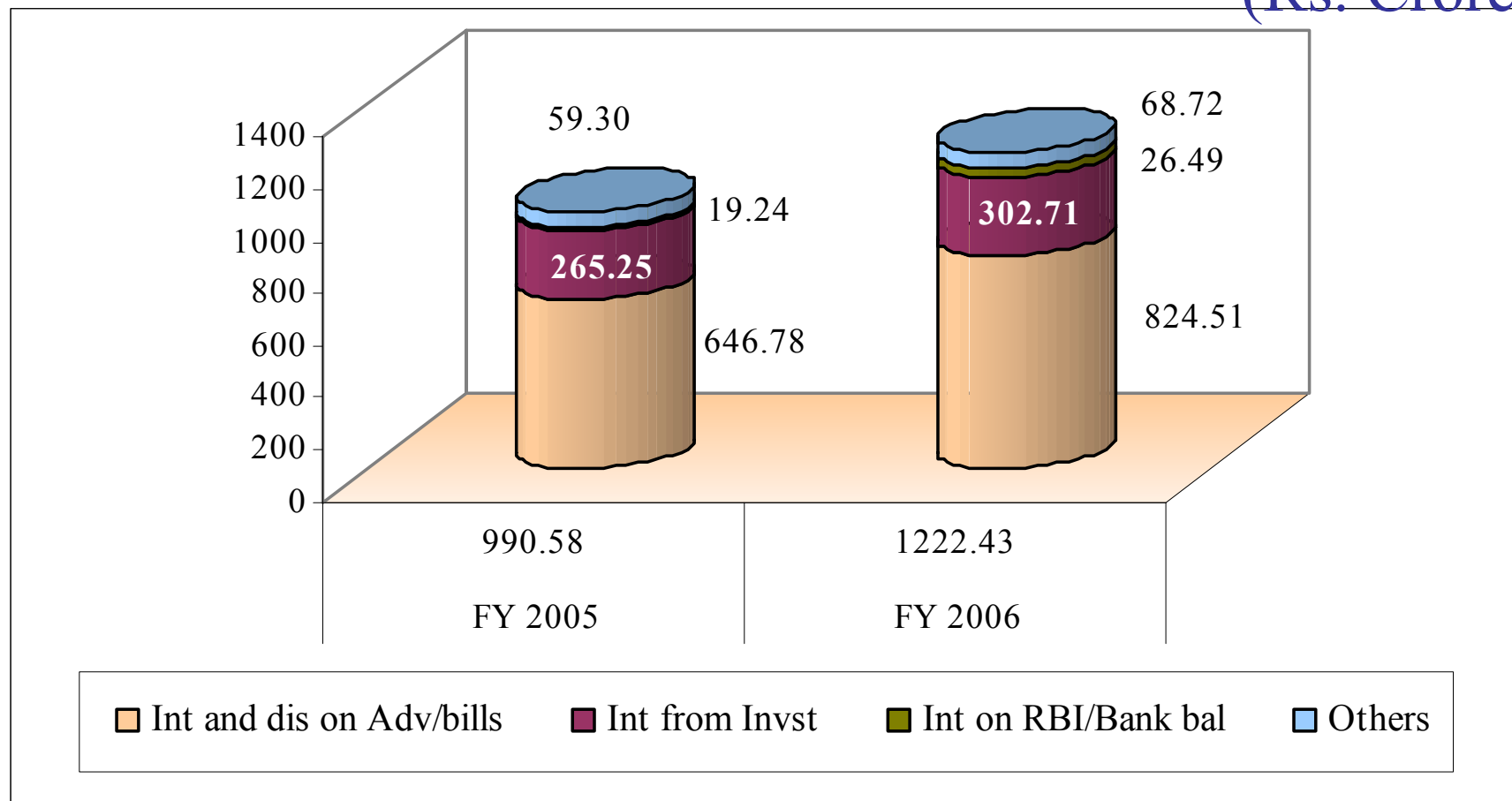
◆ Financial Highlights – Profit and Loss

Net Interest Margin %



Components of Interest Income

(Rs. Crore)



Profit from Treasury Operations

Particulars	Rs. Crore	
	FY 2006	FY 2005
Treasury Income(IRS interest,MTM IRS & Profit on Sale)	25.81	(71.10)
Provisions-MTM securities	5.77	55.94
Profit form Treasury	20.04	(127.04)

Capital Adequacy Ratio

	Rs. Crore	
	FY 2006	FY 2005
Tier -I Capital Funds	872.95	502.35
Tier -II Capital Funds	430.86	375.93
Total Capital Funds (A)	1,303.81	878.28
Risk Weighted Assets (Balance Sheet Items)	9,563.06	8,261.53
Risk Weighted Assets - Market Risk	767.86	211.18
Risk Weighted Assets (Off Balance Sheet Items)	1,893.37	1,184.92
Total Risk Assets (B)	12,224.29	9,657.63
Capital Adequacy Ratio (A/B) -%	10.67	9.09
Capital Adequacy Ratio at Tier-I Capital-%	7.14	5.20

Thank You

ING  Vysya
BANK