

## PRESS RELEASE

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### ING Vysya Bank Q1 Net Profit up 15% at Rs.69.1 crores

ING Vysya Bank announced its unaudited financial results for the quarter ended 30 June 2010 following the approval by its Board of Directors at their meeting held in Mumbai today.

#### Performance at a Glance

##### Q1' FY 11 v Q1' FY 10

- Net Profit up 15% to Rs.69.1 crores
- Net Interest Income up 38% to Rs. 238.0 crores
- Net Interest Margin improves to 3.3% for the quarter from 2.7% in the previous year
- CASA deposits up 27% over June 09; CASA Ratio at 34% against 29% in June 09
- Advances up 18% at Rs.18,976 crores
- Provision cover at 59.0% against 43.1% in June 2009
- Return on Assets improves to 0.83%

#### Financial Highlights

The Net Profit (PAT) of the bank for the quarter ended 30 June 2010 increased by 15% to Rs. 69.1 crores compared to Rs. 60.3 crores reported in the corresponding quarter of the previous year. Net Interest Income (NII) increased sharply by 38% to Rs. 238.0 crores from Rs. 171.9 crores with Net Interest Margin (NIM) at 3.3% compared to 2.7% for the quarter ended 30 June 2009. This was achieved on the back of significant improvement in the cost of deposits which improved to 4.7% in the current quarter from 6.4% for the quarter ended June 2009. This is inspite of the fact that there has been an increase in cost of savings bank deposits and higher reserve requirements. Other income was however lower by 22% at Rs. 124.4 crores compared to Rs. 159.7 crores in Q1 10. This was primarily on account of significantly higher treasury income during the same quarter last year on account of bond redemptions. Total income increased to Rs. 362.4 crores from Rs. 331.6 crores in the corresponding quarter of previous year. Operating costs increased to Rs. 213.8 crores for the period under review from Rs. 189.4 crores reported in the corresponding quarter of the previous year (The impact on the retirement benefits including possible adjustments to reserves, on account of the amendment to the Payment of Gratuity Act, 1972 and the 9<sup>th</sup> Bipartite Settlement up to 31 March 2010 has not been considered pending clarification sought by the Bank from the Reserve Bank of India and the Indian Banks' Association on the accounting treatment). Operating profit increased by 5% to Rs. 148.6 crores from Rs. 142.2 crores in the corresponding quarter of previous year. Provisions and contingencies for the current quarter were at Rs. 43.9 crores against Rs. 48.7 crores in the previous year. Return on assets improved to 0.83% compared to 0.81% in June 2009 quarter. Provision cover improved to 59.0% as of 30 June 2010 as against 43.1% as at 30 June 2009.

Commenting on the results, Managing Director, Shailendra Bhandari said "Overall the results are encouraging; we have been able to deliver a healthy Net Interest Income (NII) growth of 38.5% on the back of a Net Interest Margin (NIM) of 3.3%, probably among the best. Our core business momentum continues to do well, demonstrated by a 26.6% growth in CASA and 17.5% growth in Advances."

### **Financial Indicators**

In Rs. Crores	Q1 2010-11	Q1 2009-10	% growth
Net Interest Income	238.0	171.9	38.5%
Other Income	124.4	159.7	-22.1%
Total Income	362.4	331.6	9.3%
Operating Costs	213.8	189.4	12.9%
Operating Profit	148.6	142.2	4.5%
Provision & Contingencies	43.9	48.7	-9.8%
Profit before Tax	104.7	93.5	12.0%
Provision for Taxes	35.6	33.2	7.3%
<b>Profit after Tax</b>	<b>69.1</b>	<b>60.3</b>	<b>14.6%</b>

In Rs. Crores	As at 30-Jun-10	As at 30-Jun-09	% growth
<b>Deposits</b>	<b>24,205.3</b>	<b>22,607.8</b>	<b>7.1%</b>
Savings Bank	4,467.6	3,513.6	27.2%
Current Account	3,761.5	2,987.6	25.9%
<b>Demand Deposits</b>	<b>8,229.1</b>	<b>6,501.2</b>	<b>26.6%</b>
<b>CASA %</b>	<b>34.0%</b>	<b>28.8%</b>	
<b>Advances</b>	<b>18,976.5</b>	<b>16,148.7</b>	<b>17.5%</b>
<b>Branches</b>	<b>470</b>	<b>441</b>	
<b>ATMs</b>	<b>363</b>	<b>355</b>	
<b>Capital Adequacy Ratio</b>	<b>14.54%</b>	<b>12.55%</b>	

### **Business Highlights**

Total Deposits were Rs. 24,205 crores at the end of June 2010, up from Rs. 22,608 crores as at the end of June 2009. Current and Savings (CASA) deposits grew by a healthy 27% to Rs. 8,229 crores from Rs. 6,501 crores as at end of June 2009. CASA ratio increased to 34.0% of total deposits as at the end of June 2010 as against 28.8% at the end of June 2009.

Advances grew by 18% to Rs. 18,976 crores at the end of June 2010 from Rs. 16,149 crores as at end June 2009. The Credit Deposit Ratio stood at 78.4% as at June 2010 as against 71.4% as at June 2009.

The Gross NPA ratio and Net NPA ratio were at 3.25% and 1.36% respectively as at 30 June 2010 compared to 2.16% and 1.27% respectively as at 30 June 2009. Provision cover improved from 43% at the end of June 2009 to 59% as at 30 June 2010. The Bank has applied to RBI for extension of time till September 2011 to achieve the provision coverage ratio of 70%. Approval from RBI is awaited.

The Capital Adequacy Ratio (CAR) of the Bank as at 30 June 2010 improved to 14.54% (without reckoning Q1 FY11 profit, as stipulated by Reserve Bank of India) from 12.55%, as at 30 June 2009 (as per Basel-II).

### **Other Developments**

The Bank opened a branch at Jammu in the state of Jammu & Kashmir on 30<sup>th</sup> June 2010; this was preceded with a branch launch in Patiala. As of June 2010, the Bank has a total of 483 branches and extension counters across India and 363 ATMs. As a result of the branch expansion, now ING Vysya Bank has 14% of its branches in Western India, 22% in Northern and Eastern India, 64% in the four Southern states.

The Bank launched a new solution, ING INWARDS, for Corporate Banking clients. The solution, which is based on NEFT & RTGS electronic funds transfers, improves the velocity of cash flows, inventory management, risk management and receivables reconciliation. The Bank also launched Liquidity Management solutions which assists Corporate Banking clients to manage their liquidity in a more efficient manner.

Keeping in mind the growing preference of consumers to transfer money through electronic platforms like NEFT and RTGS, the Bank developed a sophisticated payments engine which ensures that a customer gets Real Time credit. Thus, Bank customers receive credits, faster than other banks.

The Bank's Debt Capital Markets (DCM) business has been ranked amongst the Top 15 players in the country in its very first year of operations and during the quarter, we associated ourselves with some high profile transactions in the bond markets.

During the quarter the retail bank expanded its portfolio of services, with the launch of ING Online Shopping for bank customers. This service enables customers to shop for a wide choice of services and goods with various merchant / service portals encompassing rail, bus, air tickets, movie tickets, electronic goods, apparels, gifts, flowers and many more things.

The Bank continued to add new customers under the biometric solution aimed at NREGA / SSP program, taking the total number of customers served to over 1.5 lakh customers.

With the introduction of the Base Rate regime for Advances, the Bank fixed its ING Vysya Base Rate (IVBR) @ 7.25% p.a., effective from 1<sup>st</sup> July 2010.

The Bank observed 'World Environment Day' on 5<sup>th</sup> June 2010, by commencing a 'Plant a Tree' campaign towards providing a greener world as a part of its CSR initiatives.

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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 million customers, with 80 years of history in India and leveraging ING's global financial expertise, a workforce of 6,485 employees staff, 874 outlets comprising of 483 branches and extension counters, 28 satellite offices and 363 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. With a diverse workforce of about 125,000 people, ING is dedicated to setting the standards in helping its clients manage their financial future.*