

Bangalore • 28<sup>th</sup> April 2009

## **ING Vysya Bank FY09 Net Profit up 20% Operating Profit up 38% Recommends 20% Dividend**

ING Vysya Bank announced its audited results for the financial year 2008-09, following the approval by its Board of Directors at their meeting held in Bangalore today.

The Board of Directors has proposed a dividend of 20% for consideration by the shareholders at the next Annual General Meeting.

### **Financial Highlights**

#### **Financial year ended March 2009**

The Net Profit (PAT) for the year ended 31 March 2009 increased by 20% to Rs.188.8 crores from Rs.156.9 crores for the year ended 31 March 2008 and PBT increased by 17% to Rs.294.7 crores from Rs.251.5 crores. Operating profit for the year was higher by 38% at Rs. 424.8 crores as against Rs. 307.5 crores in the previous year.

Excluding exceptional items reported in the previous year, PAT increased by 32% and PBT by 28% over the prior year. Operating profit before exceptional items was significantly higher by 48% over the previous year.

Net Interest Income (NII) increased by 30% to Rs. 649.6 crores from Rs. 498.4 crores on the back of Balance sheet growth of 25%. The yield on Advances improved from 10.5% in the prior year to 11.5%. The cost of Deposits however increased at a lower rate from 6.3% to 6.8% for the year ended March 2009. Fee & Other Income increased by 38% to Rs. 547.7 crores from Rs. 398.2 crores in the previous year. The increase in fees was contributed by both retail and wholesale businesses with trade finance, customer forex fees etc. showing robust growth over the previous year.

Commenting on the results, Chief Financial Officer and Officer-in-charge Jayant Mehrotra said: "We have continued to demonstrate consistent improvement in profitability and most of our core operating parameters. However we are in a challenging environment and we continue to stay vigilant and focused on risk management while being committed to profitably growing the franchise".

#### **Quarter ended March 2009**

The PAT for the quarter ended 31 March 2009 was higher by 15% at Rs.49.1 crores as against Rs. 42.9 crores reported in the quarter ended 31 March 2008. Profit before tax was higher by 17% at Rs. 76.6 crores from Rs. 65.5 crores reported in the same quarter last year.

Net Interest Income (NII) increased by 16% to Rs.162.4 crores from Rs.140.5 crores and Fee & Other Income increased by 24% to Rs.147.1 crores from Rs.118.6 crores in the corresponding quarter of the prior year. Due to significant volatility in the markets, the bank being conservative carried surplus liquidity, which impacted the NII for the quarter. Operating costs grew marginally by 9% inspite of the network expansion, which helped post a 39% growth in the operating profit for the quarter over the same quarter in the previous year. Provisions and contingencies for the quarter were Rs. 45.5 crores against Rs. 22.1 crores for the corresponding quarter in the previous year.

During the year, the bank restructured loans aggregating to Rs.160.3 crores which constitutes 0.95% of the bank's gross advances as of March 31, 2009.

## **Financial Indicators**

In Rs. Crores	Q4 2008-09	Q4 2007-08	% growth	YTD Mar 2009	YTD Mar 2008	% growth
Net Interest Income	162.4	140.5	15.6%	649.6	498.4	30.3%
Other Income	147.1	118.6	24.0%	547.7	398.2	37.5%
Total Income	309.5	259.1	19.4%	1,197.3	896.6	33.5%
Operating Costs	187.4	171.5	9.3%	772.5	609.5	26.7%
Operating Profit	122.1	87.6	39.3%	424.8	287.1	48.0%
Exceptional Items	-	-	-	-	20.4	-
Operating Profit after Exceptional Items	122.1	87.6	39.3%	424.8	307.5	38.2%
Provision & Contingencies	45.5	22.1	105.5%	130.2	56.0	132.4%
Profit before Tax	76.6	65.5	16.9%	294.7	251.5	17.2%
Provision for Taxes	27.4	22.6	21.4%	105.9	94.5	12.0%
<b>Profit after Tax</b>	<b>49.1</b>	<b>42.9</b>	<b>14.6%</b>	<b>188.8</b>	<b>156.9</b>	<b>20.3%</b>

In Rs. Crores	As at 31-Mar-09	As at 31-Mar-08	% growth
<b>Deposits</b>	<b>24,889.9</b>	<b>20,457.6</b>	<b>21.7%</b>
Savings Bank	3,398.4	3,123.2	8.8%
Current Account	3,314.5	3,329.3	-0.4%
<b>Demand Deposits</b>	<b>6,712.9</b>	<b>6,452.4</b>	<b>4.0%</b>
<b>Term Deposits</b>	<b>18,177.0</b>	<b>14,005.1</b>	<b>29.8%</b>
<b>Advances</b>	<b>16,750.9</b>	<b>14,649.5</b>	<b>14.3%</b>

## **Business Highlights**

Total Deposits grew by 22% to Rs. 24,890 crores as at the end of March 2009 from Rs.20,458 crores as at the end of March 2008. There were certain large deposits of around Rs. 1,000 crores, which flowed in towards the end of the year. Current and Savings (CASA) deposits increased marginally to Rs.6,713 crores as at the end of March 2009 from Rs. 6,452 crores as at the end of March 2008, impacted by an industry-wide slowdown in the growth of CASA deposits.

Advances grew by 14% to Rs.16,751 crores on March 2009 from Rs. 14,650 crores on March 2008. Total Assets of the bank registered a growth of 25% to Rs.31,857 crores. The Credit Deposit Ratio stood at 67.3% as at March 2009 as against 71.6% at March 2008.

The Gross NPA ratio and Net NPA ratio were at 1.86% and 1.23% respectively as at 31 March 2009 compared to 1.38% and 0.70% respectively as at 31 March 2008.

The net worth of the Bank as at 31 March 2009, stood at Rs.1,594 crores compared to Rs. 1,426 crores as at end March 2008.

During the quarter, the Bank raised Rs.200 crores of Upper Tier 2 capital which was subscribed entirely by ING Groep and Rs. 60 crores of Lower Tier 2 capital from domestic institutions. The Capital Adequacy Ratio (CAR) of the Bank as at 31 March 2009 was 11.68% compared to 10.20% as at 31 March 2008 (as per Basel-I). The bank adopted the Basel II framework as on 31 March 2009 and the CAR as per the Basel II guidelines stands at 11.65%. The Tier 1 capital ratio was 6.89% as against 6.81% as at 31 March 2008.

## **Other Developments**

The year has been active in terms of branch distribution expansion. We opened 48 new branches and 148 ATMs in the last 12 months, of which 3 branches and 43 ATMs were opened in the quarter ended March 2009. This rollout has helped expand the footprint of the Bank in the northern and western regions of the country. As of 31 March 2009 the bank had 857 outlets comprising of 441 branches, 37 Extension Counters, 28 Satellite Offices and 351 ATMs.

The bank continued to invest in the brand, reaching consumers as an "Easy To Deal With" and "Friendly" Bank.

India's first Formula 1 Lifestyle based financial product 'ING Formula Savings Account' that offers a host of online banking and gaming features with F1 merchandise linked to debit card together with the convenience of Online Banking was launched. Also, during the year, the bank commenced 'ING Platina Preferred Banking Services' to handle priority-banking services that bundle personalized banking, financial planning and a host of other privileges.

The launch of Kids Portal "Kidzzbank.com" was another notable initiative. The portal introduces children to the concept of money and savings in a fun way, apart from covering interesting aspects of the world like Nature, the Environment, and problems faced by the planet Earth and also Money. The portal aims to educate and familiarize kids with the basics of financial planning to secure one's future.

Keeping the focus on segmenting our product suite to cater to specific needs of clients, the bank launched the Corporate Salary Solution "ING Aspira" aimed at upwardly mobile employees of mid-sized to large corporate who value remote banking channels. Aspira is aimed at large local relationships across Wholesale and Retail bank in India as well as leveraging on some of ING's global multinational relationships wherever these companies are present in India. Aspira will be a key part of our liability growth strategy for this year.

Recently as a part of its CSR initiative, the Bank took the lead in Bangalore City to propagate and promote the observance of the global event "Earth Hour", a global campaign against climate change started by WWF. The bank sent out communications soliciting support from employees, business associates and customers in switching off all non essential lights on March 28.

Press enquiries:

ING Vysya Bank

**G K Sateesh Kumar, +91 (0)80 25005 832, sateeshkumargk@ingvysyabank.com**

Hanmer & Partners

**Ashok N / Cauvery, + 91 (0)80 2525 2234 / 98 4439 5518, ashok@hanmerpr.com**

*ING Vysya Bank Ltd is a premier private sector bank with retail, private and wholesale banking platforms that serve over 1.95 million customers. With over 75 years of history in India and leveraging ING's global financial expertise, a workforce of 6225 employees staff, 857 outlets to offer their 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 standard in helping our clients manage their financial future.*