

PRESS RELEASE

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ING Vysya Bank Q3 Net Profit up 44% at Rs.119.5 crores

ING Vysya Bank announced its unaudited financial results for the quarter and nine months ended 31 December 2011 following the approval by its Board of Directors at their meeting held in Bangalore today.

Performance at a Glance

Q3' FY 12 v Q3' FY 11

- Net Profit up 44% to Rs. 119.5 crores
- Net Interest Income up 32% to Rs. 323.6 crores
- Net Interest Margin at 3.49%
- Operating profit up 33% to Rs. 211.3 crores
- Cost income ratio lower at 57.2% from 61.4%
- Gross Advances up 22% to Rs. 26,752 crores
- Deposits up 16% to Rs. 31,654 crores
- CASA Ratio at 32.6%
- Provision cover up to 85.0% from 76.4%
- Net NPA improves to 0.31% from 0.64% & Gross NPA improves to 2.01 % from 2.66%
- Return on Assets improves to 1.13% from 0.88%

YTD Dec 11 v YTD Dec 10

- Net Profit up 45% to Rs. 328.9 crores
- Net Interest Income up 20% to Rs. 889.2 crores
- Return on Assets improves to 1.07% from 0.86%

Financial Highlights

The Net Profit (PAT) of the bank for the quarter ended 31 December 2011 increased by 44.0% to Rs. 119.5 crores compared to Rs. 83.0 crores reported in the corresponding quarter of the previous year. This was the ninth sequential quarter of PAT growth. Net Interest Income (NII) for the quarter increased by 31.6% to Rs. 323.6 crores from Rs. 245.9 crores. The Net Interest Margins (NIM) increased to 3.49% in Q3 FY12 from 3.10% in Q3 FY11. Other income was Rs. 169.9 crores and total income increased by 19.6% to Rs. 493.5 crores. Operating costs for the quarter increased by 11.4% to Rs. 282.2 crores from Rs. 253.3 crores in the quarter ending December 2010. Operating profit increased significantly by 32.5% to Rs. 211.3 crores and cost income ratio improved to 57.2% in the current quarter from 61.4%. Provisions and contingencies

was marginally lower at Rs. 33.4 crores from Rs 33.6 crores in the corresponding quarter of the previous year. The Gross NPA ratio and Net NPA ratio were at 2.01% and 0.31% respectively as at 31 December 2011 compared to 2.66% and 0.64% respectively as at 31 December 2010. Provision cover improved from 76.4% at the end of December 2010 to 85.0% as at 31 December 2011. The quality of the asset portfolio continues to be healthy and provisions in current quarter are mainly on account of provisions for standard assets and on account of MFI buyout pool where the bank has been conservative and has fully provided for the entire buyout pool (it may be noted that portfolio buyouts from MFI's were not covered by the industry wide CDR process of June 2011). This is the seventh consecutive quarter of improvement in Gross NPA and provision cover ratio. Provision cover improved to 85.0% from 76.4% as at 31 December 2010. Return on assets improved significantly to 1.13% from 0.88% in quarter ending December 2010.

The Net Profit (PAT) of the Bank for nine month ended 31 December 2011 increased by 44.7% to Rs. 328.9 crores from Rs. 227.4 crores reported in the corresponding period of the previous year. Net Interest Income (NII) increased by 20.5% to Rs. 889.2 crores from Rs. 738.2 crores and total income increased to Rs. 1,362.1 crores from Rs. 1,222.6 crores for the period ended 31 December 2010. Operating costs increased to Rs. 814.5 crores from Rs. 730.4 crores for the same period. The improvement in asset quality led to sharp reduction in provisions & contingencies at Rs. 57.1 crores from Rs. 147.3 crores in the previous year. There was a sharp improvement in Return on assets to 1.07% from 0.86% for the period ended December 2010.

Commenting on the results, Managing Director, Shailendra Bhandari said "I am pleased to note, we have been able to deliver 12% sequential growth in operating profit on the back of improvement in our cost income ratio to 57.2%. NIM's have further improved to 3.49% from 3.35% in previous quarter and 3.02% in first quarter. Our continued focus on asset quality has enabled us to improve our credit quality ratios in an otherwise challenging environment."

Financial Indicators

In Rs. Crores	Q3 2011-12	Q3 2010-11	% growth	YTD Dec 2011-12	YTD Dec 2010-11	% growth
Net Interest Income	323.6	245.9	31.6%	889.2	738.2	20.5%
Other Income	169.9	166.8	1.9%	472.9	484.5	-2.4%
Total Income	493.5	412.7	19.6%	1,362.1	1,222.6	11.4%
Operating Costs	282.2	253.3	11.4%	814.5	730.4	11.5%
Operating Profit	211.3	159.4	32.5%	547.6	492.3	11.2%
Provision & Contingencies	33.4	33.6	-0.6%	57.1	147.3	-61.2%
Profit before Tax	177.9	125.8	41.4%	490.4	344.9	42.2%
Provision for Taxes	58.4	42.8	36.4%	161.5	117.6	37.4%
Profit after Tax	119.5	83.0	44.0%	328.9	227.4	44.7%

In Rs. Crores	As at 31-Dec-11	As at 31-Dec-10	% growth
Deposits	31,654.5	27,267.8	16.1%
Savings Bank	5,206.0	4,920.7	5.8%
Current Account	5,108.7	4,207.1	21.4%
Demand Deposits	10,314.7	9,127.8	13.0%
CASA %	32.6%	33.5%	
Term Deposits	21,339.8	18,140.0	17.6%
Gross Advances	26,751.8	21,893.4	22.2%
Branches and Extension Counters	527	491	
ATMs	427	377	
Capital Adequacy Ratio	14.08%	12.69%	

Business Highlights

Total Deposits were Rs. 31,654 crores at the end of December 2011, up from Rs. 27,268 crores as at the end of December 2010. Current and Savings (CASA) deposits grew by 13% to Rs. 10,315 crores from Rs. 9,128 crores as at end of December 2010. CASA ratio was at 32.6% of total deposits as at the end of December 2011 as against 33.5% at the end of December 2010.

Gross Advances grew by 22% to Rs. 26,752 crores at the end of December 2011 from Rs. 21,893 crores as at end of December 2010. The Credit Deposit Ratio stood at 83.1% as at December 2011 as against 78.7% as at December 2010.

The Capital Adequacy Ratio (CAR) of the Bank as at 31 December 2011 improved to 14.08% from 12.69%, as at 31 December 2010 (as per Basel-II).

Other Developments

The Bank continued to expand its national footprint with the number of branches at 527 up from 491 same time last year and ATMs at 427 up from 377 same time last year. As of December 2011, the Bank has a total of 527 branches and extension counters, 28 satellite offices and 427 ATMs.

The Bank, during this quarter, entered into tie-ups with Life Insurance Corporation of India (LIC) and Oriental Insurance Company (OIC) for offering e-Payments services for select branches across the country. ING Vysya Bank won the mandate as a result of its state-of-the-art payments platform, INGP@y. The Bank has identified transaction processing and electronic banking delivery channels as a key area of growth, and accordingly investing technology in cutting edge technologies. With the aim to further strengthen the online banking experience of retail banking clients, the Bank launched MasterCard SecureCode. This allows clients to shop online securely, using their ING MAESTRO debit card, which is pin protected. These payments can be made at all online merchant sites which accept Maestro debit cards.

The Bank was ranked among Top 5 private sector banks in the country by Economic Times Brand Equity – Most Trusted Brands Survey, 2011.

ING Vysya Bank was adjudged the top rupee forecaster (against US dollar) in the six quarters through December by Bloomberg in their rankings done across several Asian currencies and market players.

ING Vysya Bank also joined the select set of private sector banks in the country allowed to import precious metals including gold after the bank received Reserve Bank of India approval.

In December 2011, ING Vysya Bank inaugurated a first-ever Art Branch in Cuffe Parade, Mumbai based on the concept “fine arts meet finance”. The Art Branch is a universal branch, offering the complete suite of ING Banking products. Some of those key services on offer by the bank branch include wealth management, safe deposit lockers, foreign exchange services, Sunday banking and doorstep banking. As part of the launch event held in December, the Bank had organized ING ArtWalk, an art exhibition where over 100 works of art by celebrated artists across the country were displayed. To promote art, the Bank also plans to regularly feature artists and conduct workshops to make art more accessible and easier to understand with plans lined up to initiate art classrooms where senior artists will share their skills and teach aspiring artists. Last month, the Bank conducted a children’s art competition which drew an enthusiastic response.

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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 9,449 employees staff, 982 outlets comprising of 527 branches and extension counters, 28 satellite offices and 427 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.