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ING Vysya Bank Q3 Profit up 22%

Continued Profit Growth sustained by Strong Fee Income Performance

The Board of Directors of ING Vysya Bank Ltd. approved the unaudited financial results of the Bank for the quarter and period ended 31 December 2008 at its meeting in Bangalore today.

Financial Highlights

Q3 Performance

Net Profit after Tax (PAT) for the quarter ended 31 December 2008 increased by 22% to Rs.52.1 crores from Rs.42.8 crores for the quarter ended 31 December 2007 and Profit before Tax (PBT) rose 17% to Rs.84.9 crores from Rs.72.4 crores. However, excluding the impact of exceptional items reported in the quarter ended 31 December 2007, PAT grew by 70% and PBT by 57% over the same quarter last year.

Net Interest Income (NII) was up 19% to Rs.172.7 crores from Rs.144.9 crores and Fee & Other Income increased by 56% to Rs.149.1 crores from Rs.95.7 crores in the prior year.

Nine months ended December'08

The PAT for the period ended 31 December 2008 increased 23% to Rs.139.7 crores from Rs.114.1 crores for the period ended 31 December 2007 and PBT grew 17% to Rs.218.1 crores from Rs.186.0 crores.

However, excluding exceptional items reported in the previous year, PAT increased by 40% and PBT by 32% over the corresponding period last year. NII grew 36% to Rs. 487.2 crores from Rs. 357.9 crores and Fee & Other Income was up 43% to Rs. 400.6 crores from Rs. 279.6 crores in the previous year.

Commenting on the results, Managing Director Vaughn Richtor said: "Our profits continue to grow driven by strong growth in fee income and improvement in interest margins. We will continue to stay vigilant and strengthen our risk management capabilities while remaining focused and committed to enhancing customer experience."

Financial Indicators

| In Rs. Crores | Q3 2008-09 | Q3 2007-08 | % growth | YTD Dec 2008 | YTD Dec 2007 | % growth |
|--|---------------|---------------|--------------|-----------------|-----------------|--------------|
| Net Interest Income | 172.7 | 144.9 | 19.2% | 487.2 | 357.9 | 36.1% |
| Other Income | 149.1 | 95.7 | 55.9% | 400.6 | 279.6 | 43.3% |
| Total Income | 321.8 | 240.6 | 33.8% | 887.8 | 637.5 | 39.3% |
| Operating Costs | 215.3 | 158.9 | 35.5% | 585.0 | 438.0 | 33.6% |
| Operating Profit | 106.5 | 81.7 | 30.4% | 302.8 | 199.5 | 51.8% |
| Exceptional Items | - | 18.4 | - | - | 20.4 | - |
| Operating Profit after Exceptional Items | 106.5 | 100.1 | 6.4% | 302.8 | 219.8 | 37.7% |
| Provision & Contingencies | 21.6 | 27.7 | -22.1% | 84.7 | 33.9 | 150.1% |
| Profit before Tax | 84.9 | 72.4 | 17.3% | 218.1 | 186.0 | 17.3% |
| Provision for Taxes | 32.8 | 29.6 | 10.9% | 78.4 | 71.9 | 9.1% |
| Profit after Tax | 52.1 | 42.8 | 21.8% | 139.7 | 114.1 | 22.5% |

| In Rs. Crores | As at 31-Dec-08 | As at 31-Dec-07 | % growth |
|------------------------|--------------------|--------------------|--------------|
| Deposits | 22,401.3 | 17,870.8 | 25.4% |
| Savings Bank | 3,138.9 | 2,929.5 | 7.1% |
| Current Account | 2,679.5 | 2,476.6 | 8.2% |
| Demand Deposits | 5,818.5 | 5,406.1 | 7.6% |
| Term Deposits | 16,582.8 | 12,464.7 | 33.0% |
| Advances | 16,013.5 | 13,408.7 | 19.4% |

Business Highlights

Total Deposits grew 25% to Rs. 22,401 crores as at end December 2008 from Rs.17, 871 crores the year before. Current and Savings (CASA) deposits rose 8% to Rs.5, 819 crores as at end December 2008 from Rs. 5,406 crores as at end December 2007.

Advances grew 19% to Rs.16, 014 crores in December 2008 from Rs. 13,409 crores in December 2007. Total Assets of the bank registered a 30% growth to Rs.29, 050 crores. The Credit Deposit Ratio was at 71.5% in December 2008 against 75.0% in December 2007.

The Gross NPA ratio and Net NPA ratio were at 1.84% and 1.09% respectively as at 31 December 2008 compared to 1.81% and 0.71% respectively as at 31 December 2007.

The net worth of the Bank as at 31 December 2008 stood at Rs.1, 568 crores compared to Rs. 1,459 crores as at end December 2007 and the Capital Adequacy Ratio stood at 10.72% in December 2008. In October 2008, the bank increased its capital through the issue of Tier 1 Perpetual debt amounting to approx. Rs.95 crores. Subsequent to the quarter end, the Bank raised an additional Rs.200 crores of Upper Tier 2 capital which has been subscribed entirely by ING Groep.

This year has been an active one in terms of network expansion. We opened 45 new branches and 111 new ATMs in the last 12 months, of which 23 branches and 64 ATMs were opened in the quarter, ended December 2008. This rollout has helped expand the footprint of the Bank in the northern and western regions of the country. As at 31 December 2008 the bank had 438 branches, 38 Extension Counters, 28 Satellite Offices and 308 ATMs.

The bank launched its multi-media advertising campaign revolving around the central theme of 'Jiyo Easy' as an expression of its brand promise. 'Jiyo Easy' is the bank's rallying philosophy - what the bank has pledged to offer its customers across the country. To deliver this promise of 'Jiyo Easy', our employees are undergoing training to ensure that our customers experience that it is indeed easy and pleasurable to interact and do business with the bank.

Another notable business initiative was the launch of our kids portal "Kidzzbank.com" last November. 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, 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.

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ING Vysya Bank Ltd is a premier private sector bank with retail, private and wholesale banking platforms that serve over 1.85 million customers. With over 75 years of history in India and leveraging ING's global financial expertise, a workforce of 5,850 employees staff, 812 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, and life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 50 countries. With a diverse workforce of about 130,000 people, ING is dedicated to setting standard in helping our clients manage their financial future. .