

PRESS RELEASE

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ING Vysya Bank Q1 Net Profit up 36% at Rs.94.0 crores

ING Vysya Bank announced its unaudited financial results for the quarter ended 30 June 2011 following the approval by its Board of Directors at their meeting held in Bangalore today.

Performance at a Glance

Q1' FY 12 v Q1' FY 11

- Net Profit up 36% to Rs. 94.0 crores
- Gross Advances up 25% to Rs. 24,256 crores
- Deposits up 29% to Rs. 31,313 crores
- CASA deposits up 29% to Rs. 10,588 crores
- CASA Ratio at 33.8%
- Provision cover up from 59.0% to 83.9%
- Net NPA improves from 1.36% to 0.35% & Gross NPA improves from 3.25% to 2.15%
- Return on Assets improves from 0.83% to 0.95%

Financial Highlights

The Net Profit (PAT) of the bank for the quarter ended 30 June 2011 increased by 36.1% to Rs. 94.0 crores compared to Rs. 69.1 crores reported in the corresponding quarter of the previous year. The consistent growth in PAT continued, with this being the seventh sequential quarterly PAT growth. Net Interest Income (NII) for the quarter increased to Rs. 262.0 crores from Rs. 238.0 crores. Net Interest Margin (NIM) was 3.02% for the quarter. With interest rate close to its peak barring unexpected policy changes, NIM's are expected to stabilize and improve in the following quarter. Other income was up by 12.9% at Rs. 140.5 crores compared to Rs. 124.4 crores in quarter ending June 2010. Operating costs for the quarter increased to Rs. 255.7 crores from Rs. 213.8 crores in the quarter ending June 2010. The asset quality continued to improve resulting in reduction in provisions and contingencies at Rs. 6.2 crores against Rs. 43.9 crores in quarter ending June 2010. Due to focus on asset growth with quality, the provisions and contingencies for the quarter were primarily towards standard asset provision. Return on assets improved to 0.95% compared to 0.83% in quarter ending June 2010. Provision cover improved to 83.9% as of 30 June 2011 as against 59.0% as at 30 June 2010.

Commenting on the results, Managing Director, Shailendra Bhandari said "We continue to perform on our ambition to deliver above market growth with better quality. Our focus on quality has enabled us to now have one of the best performing credit portfolios with among the highest provision cover in the market. Despite high interest rates, there are very few signs of stress on our asset portfolio. Our growth in profits has been equally driven by interest income and fee

income. This is despite a tight monetary policy situation in the market which has led to a decline in NIM's for most banks. We are however confident that with the measures we have taken our NIM will continue to consistently improve over the coming quarters."

Financial Indicators

In Rs. Crores	Q1 2011-12	Q1 2010-11	% growth
Net Interest Income	262.0	238.0	10.1%
Other Income	140.5	124.4	12.9%
Total Income	402.5	362.4	11.0%
Operating Costs	255.7	213.8	19.6%
Operating Profit	146.8	148.6	-1.2%
Provision & Contingencies	6.2	43.9	-85.9%
Profit before Tax	140.6	104.7	34.3%
Provision for Taxes	46.6	35.6	30.9%
Profit after Tax	94.0	69.1	36.1%

In Rs. Crores	As at 30-Jun-11	As at 30-Jun-10	% growth
Deposits	31,312.5	24,205.3	29.4%
Savings Bank	5,066.9	4,467.6	13.4%
Current Account	5,521.6	3,761.5	46.8%
Demand Deposits	10,588.5	8,229.1	28.7%
CASA %	33.8%	34.0%	
Term Deposits	20,724.1	15,976.2	29.7%
Gross Advances	24,255.7	19,336.7	25.4%
Branches and Extension Counters	515	483	
ATMs	409	363	
Capital Adequacy Ratio	15.89%	14.54%	

Business Highlights

Total Deposits were Rs. 31,313 crores at the end of June 2011, up from Rs. 24,205 crores as at the end of June 2010. Current and Savings (CASA) deposits grew by a healthy 29% to Rs. 10,588 crores from Rs. 8,229 crores as at end of June 2010. CASA ratio was at 33.8% of total deposits as at the end of June 2011 as against 34.0% at the end of June 2010.

Gross Advances grew by 25% to Rs. 24,256 crores at the end of June 2011 from Rs. 19,337 crores as at end June 2010. The Credit Deposit Ratio stood at 76.1% as at June 2011 as against 78.4% as at June 2010.

The Gross NPA ratio and Net NPA ratio were at 2.15% and 0.35% respectively as at 30 June 2011 compared to 3.25% and 1.36% respectively as at 30 June 2010. Provision cover improved from 59.0% at the end of June 2010 to 83.9% as at 30 June 2011.

The Capital Adequacy Ratio (CAR) of the Bank as at 30 June 2011 improved to 15.89% from 14.54%, as at 30 June 2010 (as per Basel-II).

In June 2011 the bank successfully raised additional capital of around Rs. 970 crores through a combination of Qualified Institutional Placement (QIP) and Preferential issue to ING Group. The QIP issue received excellent response from domestic and international investors. ING subscribed to the maximum permissible stake as allowed by the RBI.

Other Developments

During the quarter the Bank has opened 5 new branches in 5 new cities in North India. As of June 2011, the Bank has a total of 515 branches and extension counters, 28 satellite offices and 409 ATMs.

With the focus to cater to the requirement of banking clients, the Bank continued to invest in innovations and technology. With the aim to cater to its business segment's online money management requirements, ING has introduced a new internet banking platform for business clients. Catering to the small and medium businesses, the solution allows customers to manage their current accounts at the click of a button with features like workflow, vendor pay, multi-level mode of operations and future date.

The Bank re-launched personal loans with an online campaign "I can't wait", across the metro locations. The program targets ING liability customers, salaried and self employed individuals. This loan may be utilised for travel, education, marriage, business or any other personal purpose.

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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 7,010 employees staff, 952 outlets comprising of 515 branches and extension counters, 28 satellite offices and 409 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.