

## **SIGNIFICANT EVENTS FOR THE PERIOD APRIL 2010 TO SEPTEMBER 2010 TO BE COMMUNICATED TO THE SHAREHOLDERS AS RECOMMENDED UNDER ANNEXURE III OF THE LISTING AGREEMENT**

The Directors of ING Vysya Bank Limited are pleased to present you the significant developments of the Bank for first half of the fiscal year 2010-2011.

### **A. CHANGES IN COMPOSITION OF THE BOARD OF DIRECTORS:**

Mr. Lars Kramer was appointed as a Director in casual vacancy effective 28-Apr-2010, arising out of the resignation of Mr. Wilfred Nagel, in terms of Section 262 of the Companies Act, 1956. He would hold office till such date upto which Mr Nagel would have held his office if he had not resigned, i.e., till the date of 81<sup>st</sup> Annual General Meeting.

On attaining the upper age limit of 70 years, Mr. K R Ramamoorthy has relinquished his office as Part-time Chairman and as Director of the Bank, effective 07-Jul-2010.

Mr. Arun Thiagarajan has assumed charge as Part-time Chairman of the Bank effective 09-Aug-2010 for a period of three years in terms of RBI's letter No.DBOD.APPTS.2137/08.57.001/2010-11 dated 4-Aug-2010 and resolution passed by the Board of Directors on 6-Aug-2010.

The shareholders at the 79<sup>th</sup> AGM held on 01-Jul-2010, re-appointed Mr. Aditya Krishna, Mr. Santosh Ramesh Desai and Mr. Richard Cox as Directors liable to retire by rotation. The shareholders at the said AGM also appointed Mr. Peter Maria Staal as Director liable to retire by rotation.

### **B. OPERATING RESULTS:**

Bank's Net Profit after Tax (PAT) for the period ended 30-Sep-2010 increased by 26.9% to Rs.144.34 Crore from Rs.113.73 Crore for the period ended 30-Sep-2009 and the Profit before Tax (PBT) increased by 25.6 % to Rs.219.14 Crore from Rs.174.44 Crore.

Net Interest Income (NII) increased by 35.5% to Rs.492.27 Crore for the period ended 30-Sep-10 from Rs.363.26 Crore for the period ended September 2009 and Total Income increased by 20.1% to Rs.809.94 Crore from Rs.674.57 Crore in the same period. While the Bank has received regulatory approval for achieving the Provision Coverage Ratio of 70% by 31 March 2011, the Bank has accelerated provision in the current quarter and Provision Coverage Ratio improved to 72.8% against 39.8% in September 2009.

### **C. BUSINESS PERFORMANCE:**

#### **D) DEPOSITS**

Deposits grew by 15.9% to Rs.26,069 Crore as at 30-Sep-2010 from Rs.22,496 Crore as at 30-Sep-2009. Low cost deposits increased by 27.3% to Rs.9,354 Crore from Rs.7,350 Crore in the same period.

## II) ASSETS

Total assets of the Bank registered a growth of 18.3% to Rs.35,354 Crore as at 30-Sep-2010 from Rs.29,895 Crore as at 30-Sep-2009. The credit deposit ratio as at 30-Sep-2010 stood at 77.6%.

## III) ADVANCES

Advances increased by 23.5% to Rs. 20,242 Crore as at 30-Sep-2010 from Rs.16,384 Crore as at 30-Sep-2009. The net NPA ratio reduced to 0.81% as at September 2010 from 1.78% as at September 2009.

## IV) INVESTMENTS

The Investments Portfolio increased by 15.8% to Rs.10,243 Crore as at 30-Sep-2010 compared to Rs.8,842 Crore as at 30-Sep-2009

## V) BRANCHES AND ATMs

The Bank opened 7 new branches and 10 new ATMs during the period ended 30-Sep-2010. As of 30-Sep-2010, the Bank had 475 branches, 13 Extension Counters, 28 Satellite Offices and 367 ATMs.

## D. CAPITAL ADEQUACY RATIO:

The Bank adopted the Basel II framework as on 31-Mar-2009 and the CAR as per the Basel II guidelines stands at 13.50% as at 30-Sep-2010 compared to 14.48% as at 30-Sep-2009.

## E. REGULATORY CHANGES:

- The Reserve Bank of India (RBI) increased CRR from 5.75% as on 1-Apr-2010 to 6.00% as on 30-Sep-2010; it was increased by 0.25% effective 24-Apr-2010.
- The RBI has also increased the Repo from 5.00% as of 1-Apr-2010 to 6.00% as of 30-Sep-2010.
- The Reverse Repo rate has been increased from 3.50% as of 1-Apr-2010 to 5.00% as of 30-Sep-2010.
- RBI vide its circular reference No. DBOD. No. Dir. BC 88 /13.03.00/2009-10 dated 9 April 2010 has decided that banks switch over to the system of Base Rate. The BPLR system, introduced in 2003, fell short of its original objective of bringing transparency to lending rates. This was mainly because under the Benchmark Prime Lending Rate (BPLR) system, banks could lend below BPLR. For the same reason, it was also difficult to assess the transmission of policy rates of the Reserve Bank to lending rates of banks. The Base Rate system is aimed at

enhancing transparency in lending rates of banks and enabling better assessment of transmission of monetary policy.

- RBI vide its Circular No. DBOD.No.BP.BC.34/21.04.141/2010-11 dated 6-Aug-2010 has decided that if the value of sales and transfers of securities to/from HTM category exceeds 5 per cent of the book value of investments held in HTM category at the beginning of the year, bank should disclose the market value of the investments held in the HTM category and indicate the excess of book value over market value for which provision is not made. This disclosure is required to be made in 'Notes to Accounts' in banks' audited Annual Financial Statements. The Bank has neither transferred any security to/ from HTM category nor has sold any security from HTM category during the half year ended September 2010
- RBI vide its circular No.DBOD No. Ret. BC. 29/12.02.001/2010-11 dated 27-Jul-2010 has decided that the SLR securities (including margin) acquired under the Reserve Bank of India (RBI) - Liquidity Adjustment Facility (LAF), shall not be treated as an eligible asset for the maintenance of SLR under Section 24 of the BR Act, 1949. Further it is clarified that any funds borrowed from RBI under LAF window will continue not to form part of liabilities for the purpose of maintenance of CRR/SLR.

#### **F. OUTLOOK:**

ING Vysya Bank will continue to focus on increasing productivity, raise low cost deposits and accelerate growth while effectively managing risk.

Place: Bangalore  
Date : 18-October-2010

For ING Vysya Bank Limited



Managing Director and CEO

**ING VYSYA BANK LIMITED**  
 Regd. Office: 22, MG Road, Bangalore - 560 001.  
 Unaudited financial results for the period ended 30 September 2010

(Rupees in Crores)

Sl No.	Particulars	For the	For the	For the	For the	For the
		Quarter ended 30 September 2010	Quarter ended 30 September 2009	Period ended 30 September 2010	Period ended 30 September 2009	Period ended 30 September 2009
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest earned [(a)+(b)+(c)+(d)]	638.79	538.88	1,226.43	1,172.01	2,232.90
	(a) Interest / Discount on Advances / Bills	481.91	416.41	917.95	864.63	1,709.40
	(b) Income on Investments	154.25	119.95	304.83	253.25	517.91
	(c) Interest on balances with Reserve Bank of India and Other Inter Bank Funds	0.34	0.44	0.41	0.99	1.26
	(d) Others	2.29	2.08	3.24	3.08	4.33
2	Other Income	193.26	151.59	317.67	311.31	589.48
3	<b>Total Income (1+2)</b>	<b>832.05</b>	<b>690.47</b>	<b>1,544.10</b>	<b>1,433.32</b>	<b>2,822.38</b>
4	Interest Expended	384.56	347.52	734.17	758.75	1,403.06
5	Operating Expenses [(i)+(ii)]	263.29	199.39	477.10	388.82	808.09
	(i) Employee cost	160.13	104.32	284.51	203.66	428.85
	(ii) Other Operating Expenses	103.16	95.07	192.59	185.16	379.24
6	Total Expenditure (4+5) (excluding Provisions and Contingencies)	647.85	546.91	1,211.27	1,147.57	2,211.15
7	<b>Operating Profit (3-6)</b> (Profit before Provisions and Contingencies)	<b>184.20</b>	<b>143.56</b>	<b>332.83</b>	<b>285.75</b>	<b>611.23</b>
8	Provisions (other than tax) and Contingencies	69.75	62.58	113.69	111.32	270.44
9	Exceptional Items	-	-	-	-	30.72
10	Profit/ (loss) from ordinary activities before tax (7-8+9)	114.45	80.98	219.14	174.43	371.51
11	Tax expense	39.19	27.51	74.80	60.70	129.29
12	<b>Net Profit/ (loss) from ordinary activities after tax (10-11)</b>	<b>75.26</b>	<b>53.47</b>	<b>144.34</b>	<b>113.73</b>	<b>242.22</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Net Profit/ (Loss) for the period (12-13)</b>	<b>75.26</b>	<b>53.47</b>	<b>144.34</b>	<b>113.73</b>	<b>242.22</b>
15	Paid-up equity share capital (Face Value Rs.10/- per share)	120.45	119.43	120.45	119.43	119.97
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)					2,102.93
17	Analytical Ratios					
	i) Percentage of shares held by Government of India	-	-	-	-	-
	ii) Capital Adequacy Ratio	13.50%	14.48%	13.50%	14.48%	14.91%
	iii) Earnings per share (in rupees)					
	a) Before Extraordinary items (net of tax expense)					
	-Basic	6.26	5.03	12.01	10.89	21.61
	-Diluted	6.15	4.99	11.81	10.79	21.33
		Not Annualised	Not Annualised	Not Annualised	Not Annualised	-
	b) After Extraordinary items (net of tax expense)					
	-Basic	6.26	5.03	12.01	10.89	21.61
	-Diluted	6.15	4.99	11.81	10.79	21.33
		Not Annualised	Not Annualised	Not Annualised	Not Annualised	-
	iv) NPA Ratios:					
	(a) Amount of Gross Non Performing Advances	601.47	425.06	601.47	425.06	557.20
	(b) Amount of Net Non Performing Advances	163.89	291.12	163.89	291.12	221.83
	(c) Percentage of Gross Non Performing Advances	2.91%	2.57%	2.91%	2.57%	2.96%
	(d) Percentage of Net Non Performing Advances	0.81%	1.78%	0.81%	1.78%	1.20%
	v) Return on Assets (Annualised)	0.86%	0.74%	0.84%	0.78%	0.80%
18	Public Shareholding					
	- Number of Shares	68,318,666	66,274,145	68,318,666	66,274,145	67,047,226
	- Percentage of Shareholding (on Issued Capital)	56.57%	55.34%	56.57%	55.34%	55.74%
19	Promoters and promoter group Shareholding:					
	a) Pledged / Encumbered					
	- Number of shares	0	90	0	90	90
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%
	- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%
	b) Non-encumbered					
	- Number of Shares	52,446,905	53,475,598	52,446,905	53,475,598	53,233,263
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	43.54%	44.78%	43.54%	44.78%	44.37%

## Segment Results for the Period ended 30 September 2010

(Rupees in Crores)

Particulars	For the	For the	For the	For the	For the Year
	Quarter ended	Quarter ended	Period ended	Period ended	ended 31
	30 September	30 September	30 September	30 September	March 2010
	2010	2009	2010	2009	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Segment Revenue</b>					
a) Treasury	566.26	420.30	1,020.54	940.54	1,818.60
b) Retail Banking	569.26	571.54	1,100.53	1,167.27	2,232.44
c) Corporate / Wholesale Banking	406.33	343.43	766.86	736.38	1,422.54
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	-	-	-	-	-
<b>Total</b>	<b>1,541.85</b>	<b>1,335.27</b>	<b>2,888.33</b>	<b>2,844.19</b>	<b>5,473.58</b>
Less: Inter Segmental Revenue	709.79	644.80	1,344.23	1,410.87	2,620.48
<b>Income from Operations</b>	<b>832.05</b>	<b>690.47</b>	<b>1,544.10</b>	<b>1,433.32</b>	<b>2,853.10</b>
<b>2. Segment Results</b>					
a) Treasury	52.31	(37.20)	32.78	(24.42)	(17.40)
b) Retail Banking	23.46	59.51	78.58	80.85	182.88
c) Corporate / Wholesale Banking	39.52	61.71	107.46	122.62	208.84
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	(0.84)	(3.04)	0.32	(4.62)	(2.81)
<b>Total Profit Before Tax</b>	<b>114.45</b>	<b>80.98</b>	<b>219.14</b>	<b>174.43</b>	<b>371.51</b>
Taxes	(39.19)	(27.51)	(74.80)	(60.70)	(129.29)
<b>Total Profit After Tax</b>	<b>75.26</b>	<b>53.47</b>	<b>144.34</b>	<b>113.73</b>	<b>242.22</b>
<b>3. Capital Employed as at</b>	<b>30-Sep-10</b>	<b>30-Sep-09</b>	<b>30-Sep-10</b>	<b>30-Sep-09</b>	<b>31-Mar-10</b>
(Segment Assets - Segment Liabilities)					
a) Treasury	9,124.39	9,201.21	9,124.39	9,201.21	10,529.95
b) Retail Banking	(8,759.91)	(9,489.82)	(8,759.91)	(9,489.82)	(9,410.58)
c) Wholesale Banking	4,142.08	4,201.22	4,142.08	4,201.22	3,031.39
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	(2,022.25)	(1,679.55)	(2,022.25)	(1,679.55)	(1,819.84)
<b>Total</b>	<b>2,484.31</b>	<b>2,233.06</b>	<b>2,484.31</b>	<b>2,233.06</b>	<b>2,330.92</b>

**ING VYSYA BANK LIMITED**  
 Regd. Office: 22, MG Road, Bangalore - 560 001.  
 Summarised Balance Sheet

(Rupees in Crores)

Particulars	As on 30 September 2010	As on 30 September 2009	As on 31 March 2010
	(Unaudited)	(Unaudited)	(Audited)
<b>CAPITAL AND LIABILITIES</b>			
Capital	120.45	119.43	119.97
Employee Stock Options Outstanding (Net)	2.37	4.35	2.99
Reserves and Surplus	2,361.49	2,109.28	2,207.97
Deposits	26,069.01	22,495.54	25,865.30
Borrowings*	4,645.81	3,136.95	3,671.39
Other Liabilities and Provisions	2,154.91	2,029.44	2,012.62
<b>Total</b>	<b>35,354.04</b>	<b>29,894.99</b>	<b>33,880.24</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	2,293.87	2,447.41	2,329.59
Balances with Banks and Money at Call and Short Notice	645.78	207.63	697.46
Investments	10,242.54	8,841.72	10,472.92
Advances	20,241.59	16,383.98	18,507.19
Fixed Assets	512.59	447.41	495.93
Other Assets	1,417.67	1,566.84	1,377.15
<b>Total</b>	<b>35,354.04</b>	<b>29,894.99</b>	<b>33,880.24</b>

\*Includes Subordinated Debt (IPDI, Upper Tier II and Tier II Bonds) of Rs.1,051.34 crores as on 30 September 2010 (30 September 2009 - Rs.1,049.16 crores, 31 March 2010 - Rs.1,003.69 crores).

### Notes on Segment Results:

As the Bank operates only in the domestic segment there are no other geographic segments.

### Notes on Financial Results:

1. The above standalone results for the quarter and half year ended 30 September 2010 were reviewed by the Audit Committee of the Board and approved by the Board at its meeting held on 18 October 2010.
2. The above standalone results for the quarter and half year ended 30 September 2010 have been subjected to limited review by the statutory auditors of the Bank as per the requirements of the listing agreement.
3. The unaudited financial results for the quarter and half year ended 30 September 2010 have been prepared based on the same accounting policies as those adopted in the preparation of the annual financial statements for the year ended 31 March 2010.
4. Provision Coverage Ratio as on 30 September 2010 is 72.75% (30 September 2009 – 39.79%).
5. The Bank and the Indian Banks' Association have sought the approval from the Reserve Bank of India to permit amortization of the impact on retirement benefits on account of 9th Bipartite Settlement and amendment to the Payment of Gratuity Act, 1972 over a period of five years or allow set off against reserves, which is awaited. Meanwhile the Bank is providing towards such impact on an estimate basis.
6. During the quarter ended 31 March 2010, the Bank had revised its guidelines for writing off loans, effective 1 April 2009 and accordingly, the loans written off during the period 1 April 2009 to 31 December 2009, other than due to One Time Settlement/ Compromise Settlement or loans subsequently recovered till 30 March 2010, were reinstated in the books with a corresponding equivalent specific asset provision. Consequent to such reinstatement, as on 30 September 2009, the gross non-performing advances would be Rs. 472.51 crores and Percentage of Gross Non- Performing Advances would be 2.85%.
7. Exceptional item for the year ended 31 March 2010 represents a prior period item being capitalization of incremental amount of Rs. 30.72 crores paid for allotment of a plot of land on an 80 year lease which was expensed off during the years 2003-04, 2004-05 and 2005-06.
8. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended 30 September 2010:  
a) At the beginning of the quarter – 0      b) Received during the quarter – 40  
c) Disposed during the quarter – 40      d) Pending as at 30 September 2010 – 0
9. Comparative figures for the previous periods have been regrouped/ rearranged/ reclassified, where required, to conform to current classification.

For and on behalf of the Board

  
Shailendra Bhandari  
Managing Director & CEO

Place: Bangalore  
Date: 18 October 2010