

## **SIGNIFICANT EVENTS FOR THE PERIOD APRIL 2009 TO SEPTEMBER 2009 TO BE COMMUNICATED TO THE SHAREHOLDERS AS RECOMMENDED UNDER ANNEXURE III OF THE LISTING AGREEMENT**

The Directors of ING Vysya Bank Ltd are pleased to present you the significant developments of the Bank for the first half of the fiscal year 2009-2010.

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

Mr. Vaughn Richtor upon completion of his tenure of three years and two months extension relinquished the office of Managing Director and CEO on 06-Apr-2009. Subsequently, the Board of Directors appointed Mr. Vaughn Richtor as an additional Director, effective 01-Jun-2009. The shareholders at the 78<sup>th</sup> Annual General Meeting (AGM) of the Bank have appointed Mr. Richtor as a Director liable to retire by rotation.

Mr. K R Ramamoorthy completed his tenure as Part time Chairman of the Bank on 04-May-2009. The Board of Directors approved his re-appointment effective 05-May-2009 till 07-Jul-2010 when he reaches the upper age limit of 70 years subject to approval of Reserve Bank of India (RBI). Subsequently, RBI vide letter DBOD No. 20390 /08.57.001/ 2008-09 dated 28-May-2009 conveyed its approval for re-appointment of Mr. K R Ramamoorthy as Part-time Chairman of the Bank effective 05-May-2009 till 07-Jul-2010.

Mr. Shailendra Bhandari was appointed as Managing Director and CEO of the Bank in terms of approval of RBI vide letter DBOD No.2263 /08.57.001/2009-10 dated 04-Aug-2009 for a period of three years from the date of taking charge. Mr. Shailendra Bhandari took charge at the end of the day on 06-Aug-2009. The Shareholders at the 78<sup>th</sup> AGM appointed Mr. Bhandari as a non-retiring Director, to hold office co-terminus with the approved tenure of his appointment as Managing Director and CEO of the Bank.

Mr. Ramakrishnan Subramanian, who was appointed as a Director in casual vacancy effective 1-May-2008, caused due to the resignation of Mr. Lars Kramer, was eligible to hold office upto the date upto which Mr. Kramer would have held office if he had not resigned, i.e., till the date of 78<sup>th</sup> AGM of the Bank. Upon conclusion of the 78<sup>th</sup> AGM of the Bank, Mr. Ramakrishnan Subramanian ceased to be a Director of the Bank effective 04-Sep-2009 (AN).

The shareholders at the 78<sup>th</sup> AGM re-appointed Mr. Philippe Damas, Mr. Wilfred Nagel and Mr. Arun Thiagarajan as Directors liable to retire by rotation. The shareholders at the said AGM also appointed Mr. Meleveetil Damodaran as Directors liable to retire by rotation.

### **B. OPERATING RESULTS**

During half year ended 30th September, 2009, the Net Profit After Tax (PAT) of the Bank increased by 30 % to Rs.113.7 Crore from Rs.87.6 Crore in the corresponding half year of the previous year and the Profit Before Tax (PBT) increased by 31 % to Rs.174.4 Crore from Rs.133.2 Crore.

As on 30-Sep-2009, the Net Interest Income (NII) increased by 15% to Rs.363.3 Crore from Rs.314.5 Crore as on 30-Sept-2008 and Other Income increased by 24% to Rs.311.3 Crore from Rs.251.5 Crore in the same period.

Cost Income Ratio has come down significantly from 65.32% for the half year ended 30 September 2008 to 57.64% for the half year ended 30 September 2009.

## **C. BUSINESS PERFORMANCE**

### **I) DEPOSITS**

As on 30-Sep-2009, deposits grew by 8% to Rs.22,496 Crore against Rs.20,897 Crore as on 30-Sept-2008. Low cost deposits increased by 21% to Rs.7,350 Crore from Rs.6,080 Crore in the same period. As a result, the CASA ratio improved from 29.1% to 32.7%. Adjusting for certain large CASA deposits which flowed in towards the end of the period, the CASA ratio stands at 31.1% as on 30-Sep-2009.

### **II) ASSETS**

During the half year ended 30-Sep-2009, the total assets of the Bank registered a growth of 11% to Rs.29,894 Crore from Rs.26,828 Crore as on 30-Sept-2008. The credit deposit ratio stood at 73%.

### **III) ADVANCES**

As on 30-Sep-2009, advances increased by 3% to Rs.16,384 Crore from Rs.15,866 Crore as on 30 September 2008. The net NPA ratio as on 30-Sept-2009 stood at 1.78%.

### **IV) INVESTMENTS**

During the first half year of 2009, the Investments Portfolio increased by 45% to Rs.8,842 Crore from Rs.6,086 Crore in the corresponding period of the previous year.

### **V) BRANCHES AND ATMS**

During the half year ended 30-Sep-2009, the Bank opened one new branch and five new ATMs. As on 30-Sept-2009, the Bank had 442 branches, 32 Extension Counters, 28 Satellite Offices and 356 ATMs. During the current financial year, the Bank received license from RBI for opening of 60 new branches.

## **D. CAPITAL ADEQUACY RATIO**

As on 30-Sep-2009, the Capital Adequacy Ratio stood at 14.45% (Basel II – 14.48%) as at September 2009, compared to 10.52% in the corresponding period of the previous year.

## **E. REGULATORY CHANGES**

- As announced in the Annual Policy Statement for the year 2009-10, the Reserve Bank has decided to reduce the repo rate under the Liquidity Adjustment Facility (LAF) by 25 bps from 5.00 % to 4.75 % and the reverse repo rate by 25 bps from 3.50 % to 3.25 % with effect from 21-Apr-2009.
- RBI vide Circular RBI/2008-09/452 DBOD. No. Dir. BC.128/13.03.00/2008-09 dated 24-Apr-2009 has advised that on a review, and in view of the present satisfactory level of computerization in commercial bank branches, it has proposed that payment of interest on

savings bank accounts by scheduled commercial banks would be calculated on a daily product basis with effect from 01-Apr-2010.

- As per circular DBOD.No. BL.BC. 137 /22.01.001/2008-09 dated 12-Jun-2009, RBI has permitted Scheduled Commercial Banks to install Off-site ATMs at centers/places identified by them, without having the need to take permission from the Reserve Bank in each case, but subject to certain conditions and regulatory requirements.
- RBI has decided vide circular RBI/2009-10/105 DPSS.CO.PD.No. 147/02.14.003/ 2009-10 to permit cash withdrawals at POS terminals as a step towards enhancing the customer convenience in using the plastic money.

## **F. TIER I CAPITAL**

During September 2009 the bank successfully raised additional capital of around Rs. 415 Crore through a Qualified Institutional Placement (QIP) and Preferential issue to ING Group, Foreign promoters. The QIP issue received good response, well above the targeted capital, with a mix of domestic and foreign institutions participating in the issue.

## **G. OUTLOOK**

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

For ING Vysya Bank Limited

Place: Bangalore  
Date : 23-Oct- 2009

Managing Director and CEO



## Segment Results for the Period ended 30 September 2009

(Rs. In crores)

Particulars	For the Quarter ended 30 Sept 2009 (Unaudited)	For the Quarter ended 30 Sept 2008 (Unaudited)	For the Period ended 30 Sept 2009 (Unaudited)	For the Period ended 30 Sept 2008 (Unaudited)	For the Year ended 31 March 2009 (Audited)
<b>1 Segment Revenue</b>					
a) Treasury	420.30	477.85	940.54	895.83	2,070.42
b) Retail Banking	571.54	541.66	1,167.27	1,041.29	2,298.57
c) Corporate / Wholesale Banking	343.43	429.00	736.38	789.43	1,704.57
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	-	-	-	-	-
<b>Total</b>	<b>1,335.27</b>	<b>1,448.51</b>	<b>2,844.19</b>	<b>2,726.55</b>	<b>6,073.56</b>
Less: Inter Segmental Revenue	644.80	793.31	1,410.87	1,465.09	3,286.00
<b>Income from Operations</b>	<b>690.47</b>	<b>655.20</b>	<b>1,433.32</b>	<b>1,261.46</b>	<b>2,787.56</b>
<b>2 Segment Results</b>					
a) Treasury	(37.20)	(5.45)	(24.42)	(2.04)	79.92
b) Retail Banking	59.51	13.45	80.85	45.36	24.49
c) Corporate / Wholesale Banking	61.71	63.07	122.62	94.27	195.06
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	(3.04)	(1.10)	(4.62)	(4.39)	(4.82)
<b>Total Profit Before Tax</b>	<b>80.98</b>	<b>69.97</b>	<b>174.43</b>	<b>133.20</b>	<b>294.65</b>
Taxes	(27.51)	(23.00)	(60.70)	(45.60)	(105.87)
<b>Total Profit After Tax</b>	<b>53.47</b>	<b>46.97</b>	<b>113.73</b>	<b>87.60</b>	<b>188.78</b>
<b>3 Capital Employed as at</b> (Segment Assets - Segment Liabilities)	<b>30-Sep-09</b>	<b>30-Sep-08</b>	<b>30-Sep-09</b>	<b>30-Sep-08</b>	<b>31-Mar-09</b>
a) Treasury	9,201.21	6,944.52	9,201.21	6,944.52	10,634.45
b) Retail Banking	(9,489.82)	(7,571.04)	(9,489.82)	(7,571.04)	(11,457.75)
c) Corporate / Wholesale Banking	4,201.22	3,757.54	4,201.22	3,757.54	4,286.20
d) Other Banking Operations	-	-	-	-	-
e) Unallocated	(1,679.55)	(1,506.40)	(1,679.55)	(1,506.40)	(1,760.01)
<b>Total</b>	<b>2,233.06</b>	<b>1,624.62</b>	<b>2,233.06</b>	<b>1,624.62</b>	<b>1,702.89</b>

### 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 2009 were reviewed by the Audit Committee of the Board and approved by the Board at its meeting held on 23 October 2009.
2. The standalone results for the quarter ended 30 September 2009 have been subject to a 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 2009 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 2009.
4. The Bank adopted Basel II framework as on 31 March 2009. With the adoption of the revised guidelines, the Capital Adequacy Ratio (CAR) figure as at 30 September 2008 is not comparable. The CAR as on 30 September 2009 computed as per the Basel I guidelines is 14.45%.
5. Pursuant to the resolution passed by the Shareholders of the Bank at the Annual General Meeting (AGM) held on 4 September 2009, the Bank allotted 9,270,455 equity shares of face value of Rs.10/- each by way of Qualified Institutional Placement (QIP) to Qualified Institutional Buyers (QIBs) and 7,493,478 equity shares of face value of Rs.10/- each by way of preferential allotment to ING Group, for cash at a price of Rs.248.10/- including a premium of Rs. 238.10/- per equity share to augment the resources of the Bank.
6. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended 30 September 2009:
  - a) At the beginning of the quarter – 0
  - b) Received during the quarter – 21
  - c) Disposed during the quarter – 21
  - d) Pending as at 30 September 2009 – 0
7. 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: 23 October 2009