

# B S R & Co. LLP

Chartered Accountants

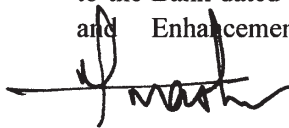
Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
Koramangala  
Bangalore 560 071 India

Telephone: + 91 80 3980 6000  
Fax: + 91 80 3980 6999

## Review Report

### To the Board of Directors ING Vysya Bank Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results ('the Statement') of ING Vysya Bank Limited ('the Bank') for the quarter ended 30 June 2014, attached herewith, being submitted by the Bank pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. Further, disclosures relating to 'Pillar 3 under Basel III Capital Regulations' as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement have not been reviewed by us. This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors of the Bank in their meeting held on 22 July 2014. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In the conduct of our review we have relied on the reports, explanations and information collated by the corporate office of the Bank from its various branches.
4. Without qualifying our opinion, we draw attention to note 6 of the Unaudited Financial Results, which describes deferment of the pension liability to existing employees of the Bank arising out of the II Pension Option, to the extent of Rs. 13.95 crores in accordance with the exemption granted by the Reserve Bank of India to the Bank from application of the provisions of Revised Accounting Standards (AS) 15, Employee Benefits vide its letter to the Bank dated 8 April 2011 regarding re-opening of the Pension Option to employees and Enhancement in Gratuity Limits – Prudential Regulatory Treatment.



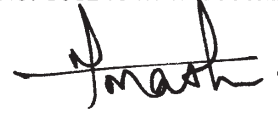
**Review Report (*Continued*)**

**ING Vysya Bank Limited**

5. Based on our review conducted as mentioned in paragraph 2 and 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Akeel Master**  
*Partner*

Membership No: 046768

Bangalore  
22 July 2014

**ING VYSYA BANK LIMITED**  
 Regd. Office: 22, MG Road, Bangalore - 560 001.  
 Unaudited financial results for the quarter ended 30 June 2014

(₹ in Crores)

Sl No.	Particulars	For the	For the	For the	For the
		Quarter ended 30 June 2014	Quarter ended 31 March 2014	Quarter ended 30 June 2013	Year ended 31 March 2014
		(Unaudited)	(Audited)*#	(Unaudited)	(Audited)*
1	Interest earned [(a)+(b)+(c)+(d)]	1,399.66	1,306.06	1,308.60	5,205.22
	(a) Interest / Discount on Advances / Bills	1,039.79	968.79	922.02	3,787.85
	(b) Income on Investments	356.29	330.52	380.50	1,399.95
	(c) Interest on balances with Reserve Bank of India and Other Inter Bank Funds	1.87	1.39	0.10	2.16
	(d) Others	1.71	5.36	5.98	15.26
2	Other Income	227.62	223.39	244.48	867.12
3	<b>Total Income (1+2)</b>	<b>1,627.28</b>	<b>1,529.45</b>	<b>1,553.08</b>	<b>6,072.34</b>
4	Interest Expended	936.61	834.79	883.18	3,452.07
5	Operating Expenses [(i)+(ii)]	376.69	383.57	342.99	1,431.64
	(i) Employee cost (net)	223.28	218.48	202.47	842.31
	(ii) Other Operating Expenses	153.41	165.09	140.52	589.33
6	Total Expenditure (4+5) (excluding Provisions and Contingencies)	1,313.30	1,218.36	1,226.17	4,883.71
7	<b>Operating Profit (3-6)</b> (Profit before Provisions and Contingencies)	<b>313.98</b>	<b>311.09</b>	<b>326.91</b>	<b>1,188.63</b>
8	Provisions (other than tax) and Contingencies	100.80	40.59	68.11	149.78
9	Exceptional Items (Refer Note No. 7)	-	61.09	-	61.09
10	Profit/ (loss) from ordinary activities before tax (7-8+9)	213.18	209.41	258.80	977.76
11	Tax expense	69.78	70.30	83.68	319.91
12	<b>Net Profit/ (loss) from ordinary activities after tax (10-11)</b>	<b>143.40</b>	<b>139.11</b>	<b>175.12</b>	<b>657.85</b>
13	Extraordinary items (net of tax expense)	-	-	-	-
14	<b>Net Profit/ (Loss) for the period (12-13)</b>	<b>143.40</b>	<b>139.11</b>	<b>175.12</b>	<b>657.85</b>
15	Paid-up equity share capital (Face Value ₹ 10/- per share)	189.72	188.64	156.73	188.64
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)				6,780.61
17	Analytical Ratios				
	i) Percentage of shares held by Government of India	-	-	-	-
	ii) Capital Adequacy Ratio	15.19%	16.76%	12.59%	16.76%
	iii) Earnings per share (in ₹)				
	a) Before Extraordinary items (net of tax expense)				
	-Basic	7.58	7.38	11.25	36.61
	-Diluted	7.47	7.27	10.97	36.02
		Not Annualised	Not Annualised	Not Annualised	
	'b) After Extraordinary items (net of tax expense)				
	-Basic	7.58	7.38	11.25	36.61
	-Diluted	7.47	7.27	10.97	36.02
		Not Annualised	Not Annualised	Not Annualised	
	iv) NPA Ratios:				
	(a) Amount of Gross Non Performing Advances (Before technical write off)	928.68	644.21	589.07	644.21
	(b) Amount of Net Non Performing Advances	331.64	102.00	64.43	102.00
	(c) Percentage of Gross Non Performing Advances	2.39%	1.77%	1.75%	1.77%
	(d) Percentage of Net Non Performing Advances	0.87%	0.28%	0.19%	0.28%
	v) Return on Assets (Annualised)	0.96%	0.99%	1.33%	1.20%
18	Public Shareholding				
	- Number of Shares	10,86,93,709	10,76,11,331	9,13,08,735	10,76,11,331
	- Percentage of Shareholding (on Issued Capital)	57.21%	56.96%	58.15%	56.96%
19	Promoters and promoter group Shareholding:				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
	b) Non-encumbered				
	- Number of Shares	8,13,09,779	8,13,09,779	6,57,04,254	8,13,09,779
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the company)	42.86%	43.10%	41.92%	43.10%

\*Except for disclosure regarding 'Public Shareholding' and 'Promoters and Promoter Group Shareholding' which are unaudited.

# Refer Note 3



Segment results for the quarter ended 30 June 2014					(₹ in Crores)
Particulars	For the	For the	For the	For the	
	Quarter ended	Quarter ended	Quarter ended	Year ended	
	30 June 2014	31 March 2014	30 June 2013	31 March 2014	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
<b>1 Segment Revenue</b>					
a) Treasury	1,135.16	1,055.85	1,162.54	4,418.06	
b) Retail Banking	1,109.95	1,069.38	997.22	4,180.54	
c) Corporate / Wholesale Banking	893.65	804.94	843.67	3,266.89	
d) Other Banking Operations	-	-	-	-	
e) Unallocated	-	-	-	-	
<b>Total</b>	<b>3,138.76</b>	<b>2,930.17</b>	<b>3,003.43</b>	<b>11,865.49</b>	
Less: Inter Segmental Revenue	1,511.48	1,400.72	1,450.35	5,793.15	
<b>Income from Operations</b>	<b>1,627.28</b>	<b>1,529.45</b>	<b>1,553.08</b>	<b>6,072.34</b>	
<b>2 Segment Results</b>					
a) Treasury	27.36	62.65	74.73	245.50	
b) Retail Banking	97.32	80.61	76.82	311.12	
c) Corporate / Wholesale Banking	88.50	66.15	107.25	421.14	
d) Other Banking Operations	-	-	-	-	
e) Unallocated	-	-	-	-	
<b>Total Profit Before Tax</b>	<b>213.18</b>	<b>209.41</b>	<b>258.80</b>	<b>977.76</b>	
Taxes	(69.78)	(70.30)	(83.68)	(319.91)	
<b>Total Profit After Tax</b>	<b>143.40</b>	<b>139.11</b>	<b>175.12</b>	<b>657.85</b>	
<b>3 Capital Employed</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	
(Segment Assets - Segment Liabilities)	<b>30 June 2014</b>	<b>31 March 2014</b>	<b>30 June 2013</b>	<b>31 March 2014</b>	
a) Treasury	9,936.56	11,521.64	11,928.45	11,521.64	
b) Retail Banking	(8,863.30)	(11,628.49)	(9,820.01)	(11,628.49)	
c) Corporate / Wholesale Banking	8,205.17	9,735.35	5,059.40	9,735.35	
d) Other Banking Operations	-	-	-	-	
e) Unallocated	(2,027.71)	(2,557.16)	(2,233.06)	(2,557.16)	
<b>Total</b>	<b>7,250.72</b>	<b>7,071.34</b>	<b>4,934.78</b>	<b>7,071.34</b>	



### Notes on Segment Results:

1. 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 ended 30 June 2014 were reviewed by the Audit Committee of the Board and approved by the Board at its meeting held on 22 July 2014.
2. The above standalone results for the quarter ended 30 June 2014 have been subjected to limited review by the statutory auditors of the Bank as per the requirements of the listing agreement. The auditors have issued an unqualified opinion with an ongoing matter of emphasis relating to the accounting for additional liability on reopening of the pension option as explained in note 6 below.

Management response: The accounting treatment is in accordance with the Reserve Bank of India (RBI) letter.

3. The figures for the quarter ended 31 March 2014 as reported in these financial results are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the financial year 2013-14. Further, the figures up to the end of the third quarter have been subjected to a limited review by the statutory auditors of the Bank.
4. The above standalone results for the quarter ended 30 June 2014 have been prepared following the same accounting policies as those followed in the annual financial statements for the year ended 31 March 2014.
5. The results for the quarter ended 30 June 2014 have been arrived at after considering provision for standard assets (including requirements for exposures to entities with Unhedged Foreign Currency Exposures), non-performing assets (NPAs), restructured advances, depreciation on investments, income tax and other usual and necessary provisions.
6. The Reserve Bank of India vide its letter dated 8 April 2011 has permitted the Bank to amortise over a period of five years, beginning with the financial year ending 31 March 2011, the additional liability on account of re-opening of pension option to the existing employees rather than on the principles of AS-15- Employee Benefits, which requires the additional liability to be fully charged to the Profit & Loss account in the year of occurrence. Accordingly, the results for the quarter ended 30 June 2014 are after considering provisions of ₹ 4.65 crores, being the proportionate charge for the quarter ended 30 June 2014 towards second pension option to the existing employees and the balance unamortized carry forward expenditure is ₹ 13.95 crores.
7. Exceptional item for the quarter and year ended 31 March 2014 represents one time cost of ₹ 61.09 crores towards retirement benefits in respect of employees who are under Indian Banks' Association's (IBA) pay structure. The Bank had received a letter from Reserve Bank of India dated 24 March 2014 advising it to comply with the Guidance Note on Funding Superannuation Schemes issued by the IBA by increasing the estimated Salary Escalation Rate (SER) for employees under the IBA pay structure to 5-5.50%, to be further adjusted upwards to take into account future wage revisions. Accordingly, during the quarter ended 31 March 2014, the Bank revised SER from 3.5% to 5.5% in compliance with the RBI letter.
8. In accordance with the RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1 July 2013, banks are required to make Pillar 3 disclosures under Basel III capital requirements with effect from 30 September 2013. The Bank has made these disclosures which are available on its website at the following link: [www.ingvysyabank.com/basel](http://www.ingvysyabank.com/basel). The disclosures have not been subjected to audit or limited review.



9. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended 30 June 2014:

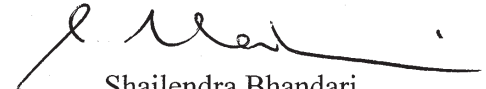
a) At the beginning of the quarter – 0      b) Received during the quarter – 24

c) Disposed of during the quarter – 24      d) Pending as at 30 June 2014 – 0

10. Comparative figures for the previous periods have been regrouped/ rearranged/ reclassified, where required, to conform to current classification.

Place: Bangalore  
Date: 22 July 2014

For and on behalf of the Board



Shailendra Bhandari  
Managing Director & CEO

