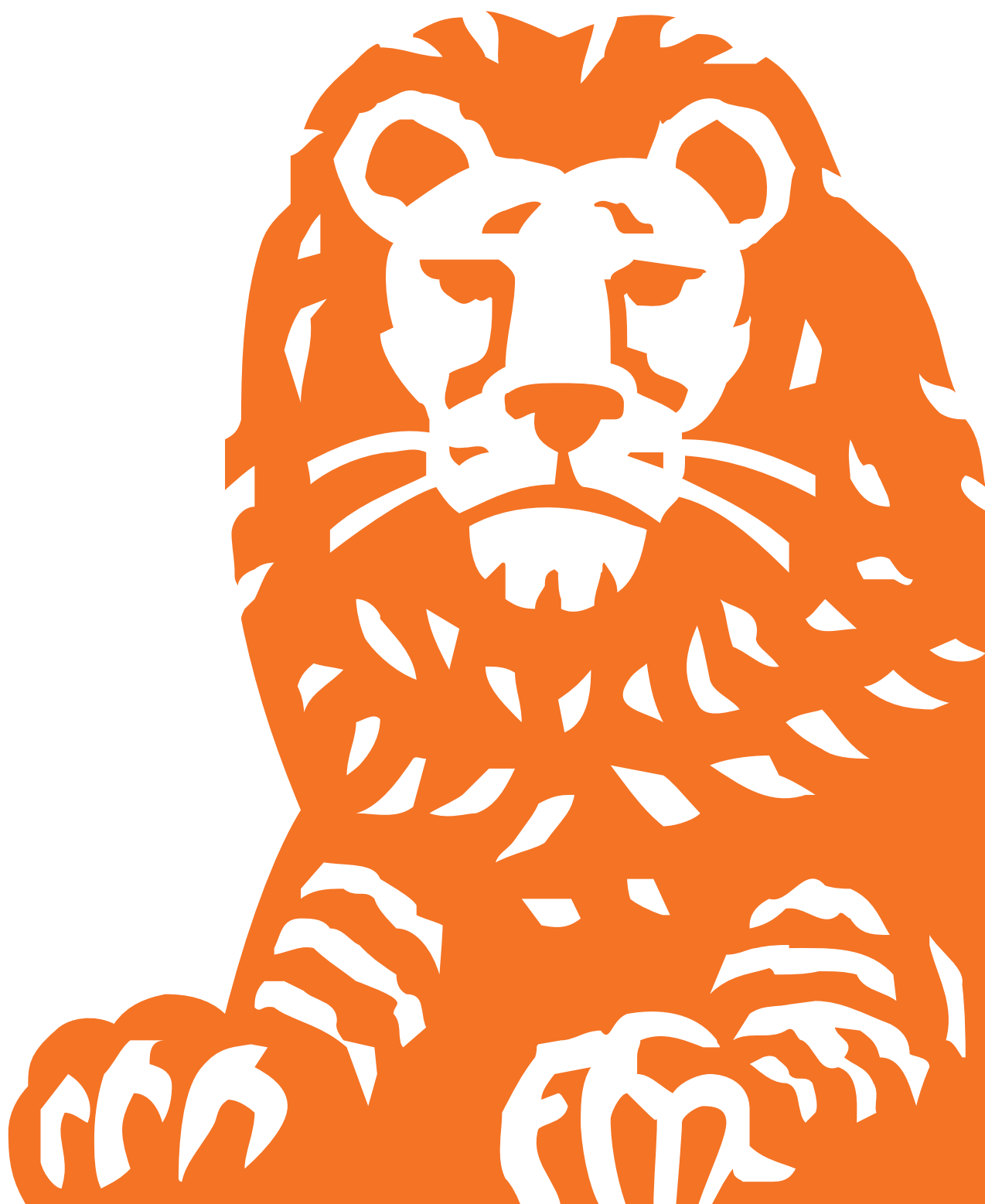


79<sup>th</sup> ANNUAL REPORT  
2009-10



# Ten years at a glance

(All Figures in Rs. Crore except as stated otherwise)

Year	Deposits and Accounts	Total Advances	Investments	Gross Earnings	Net Profits	Paid up Capital	Reserves	Dividend (%)	No. of Employees	No. of Branches	No. of Extension Counters
2000-01	8141.11	4316.31	2695.11	1013.14	37.19	22.62	630.12	35	5906	381	103
2001-02	8068.28	4418.33	3597.2	1203.93	68.75	22.62	663.72	35	5647	380	96
2002-03	9186.62	5611.61	3640.54	1262.83	86.35	22.62	684.35	40	5334	379	64
2003-04	10478.07	6936.73	4085.24	1287.41	59.00	22.65	724.67	50	4959	373	61
2004-05	12569.31	9080.59	4195.89	1113.25	(38.18)	22.71	686.69	Nil	4963	370	56
2005-06	13335.26	10231.53	4372.34	1412.75	9.06	90.72	928.95	Nil	5312	377	56
2006-07	15418.59	11976.17	4527.81	1595.69	88.91	90.90	1012.38	6.5	5341	400	40
2007-08	20498.06	14649.55	6293.22	2099.01	156.93	102.47	1433.18	15	5852	407	39
2008-09	24889.92	16750.93	10495.54	2787.56	188.78	102.60	1600.29	20	6227	455	37
2009-10	25865.30	18507.19	10472.92	2853.11	242.22	119.97	2246.04	25*	6249	482	13

\* Subject to approval of shareholders



## BOARD OF DIRECTORS

K R Ramamoorthy  
Chairman

Shailendra Bhandari  
Managing Director and CEO  
(from 06-Aug-2009)

## OTHER DIRECTORS

Aditya Krishna  
Arun Thiagarajan  
Lars Kramer (from 28-Apr-2010)  
Meleveetil Damodaran  
Philippe Damas  
Ramakrishnan Subramanian (till 04-Sep-2009)  
Richard Cox  
Ryan Padgett  
Santosh Ramesh Desai  
Vaughn Nigel Richtor (from 01-Jun-2009)  
Peter Staal (from 21-Jan-2010)  
Wilfred Nagel (till 27-Jan-2010)

## OFFICER IN-CHARGE

Jayant Mehrotra (till 06-Aug-2009)

## CORPORATE SECRETARY

M V S Appa Rao

## STATUTORY AUDITORS

M/s S R Batliboi & Co.,  
Chartered Accountants,  
Kolkata

## ING VYSYA BANK LIMITED

Registered and Corporate Office:  
ING Vysya House, No.22, M.G.Road  
Bangalore - 560 001

## REGISTRARS & SHARE TRANSFER (R&T) AGENTS

## Karvy Computershare Private Limited

Unit: ING Vysya Bank Limited  
17-24, Vittal Rao Nagar,  
Madhapur,  
Hyderabad – 500 081  
Ph: 040-4465 5000  
Fax: 040-2342 0814  
E-mail : Einward.ris@karvy.com

## 79<sup>th</sup> ANNUAL GENERAL MEETING

Venue : The Auditorium,  
"ING Vysya House",  
No.22, M G Road,  
Bangalore - 560 001

Day/Date : Thursday, 01-Jul-2010

Time : 11.00 A.M.

## CONTENTS

Page No.

1.	Board of Directors	1
2.	Senior Management Team	2
3.	Directors' Report	3
4.	Management Discussion and Analysis Report	7
5.	Non-financial Report	19
6.	Corporate Governance Report	21
7.	Auditors' Report	39
8.	Financial Statements	40
9.	Cash Flow Statement	79
10.	Statement pursuant to Section 212	80
11.	ING Vysya Financial Services Limited	81
12.	Consolidated Auditors' Report	98
13.	Consolidated Financial Statements of ING Vysya Bank Limited and its Subsidiary	99
14.	Consolidated Cash Flow Statement	132
15.	Basel II - Pillar 3 disclosures	133



## SENIOR MANAGEMENT TEAM

Shailendra Bhandari  
Managing Director & CEO (from 06-Aug-2009)

Ashok Rao B  
Chief of Staff – Legal, Compliance & Vigilance

Bishwajit Mazumder  
Chief Audit Executive (upto 06-Feb-2010)

Janak Desai  
Country Head – Wholesale Banking

Jayant Mehrotra  
Chief Financial Officer  
and officer in-charge (till 06-Aug-2009)

Jan Van Wellen  
Chief Risk Officer

Meenakshi A  
Head – Operations

Manjunatha M S R  
Chief Audit Executive (from 06-Feb-2010)

Prasad C V G  
Chief Information Officer

Prasad J M  
Chief – Human Resources

Samir Bimal  
Country Head – Private Banking

Uday Sareen  
Country Head – Retail Banking

M V S Appa Rao  
Corporate Secretary

## DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the Seventy Ninth Annual Report of the Bank together with the Audited Statements of Accounts for the year ended 31-Mar-2010, Auditors' Report thereon and other documents and statements as are required.

### Financial and Business Performance

For the year ended March 2010 the Bank posted a net profit of Rs. 242 Crore compared to Rs. 189 Crore for 2008-09. The pre-tax profit improved to Rs. 372 Crore compared to Rs. 295 Crore during the previous year. The **Net Interest Income** for the year 2009-10 increased to Rs. 830 Crore registering an increase of 28%.

The aggregate business of the Bank reached Rs. 44,372 Crore as at 31-Mar-2010 compared to Rs. 41,646 Crore as at 31-Mar-2009. The **Total Deposits** of the Bank increased to Rs. 25,865 Crore registering a growth of 4%. The **Net Advances** increased to Rs. 18,507 Crore by March 2010 compared from Rs. 16,756 Crore at the end of the previous year recording a growth of 10%.

The Bank has exceeded the regulatory target of 40% of adjusted net bank credit for priority sector lending, having achieved a level of 41.8% (previous year 42.9%). Export advances declined to Rs. 1,062.92 Crore from Rs. 1,211.87 Crore at the end of the previous year. The export credit as a percentage of net bank credit stood at 5.74%. As of 31-Mar-2010, the outstanding credit to Scheduled Castes / Scheduled Tribes borrowers stood at Rs. 50.60 Crore and the percentage of recovery to demand as on 31-Mar-2010 was 26.31% (previous year 48.45%) of the amounts fallen due. The Net NPA Ratio as of 31-Mar-2010 is same as that of 31-Mar-2009 i.e. 1.20%.

### Paid up-capital and Capital Adequacy Ratio

The paid up capital of the Bank stood at Rs. 119.97 Crore as at 31-Mar-2010 as compared to Rs. 102.60 Crore, as at 31-Mar-2009.

The Bank has adopted the New Capital Adequacy Framework (Basel II) from 31-Mar-2009. Under this framework, the Capital Adequacy Ratio (CAR) stood at 14.91% as at 31-Mar-2010 as against the Reserve Bank of India's (RBI) stipulated minimum of 9%. Of this, Tier I Capital was 10.11% and Tier II Capital was at 4.80%.

Under the previous norm (Basel I), the CAR stood at 12.94% as at 31-Mar-2010. Of this, Tier I Capital was 8.84% and Tier II capital was 4.10% as compared to 6.91% and 4.77% respectively as at 31-Mar-2009.

The detailed discussion on financials and business performance is presented in the Management Discussion and Analysis Report, forming part of this Annual Report.

### Appropriation of Profits and Dividend

In compliance with the requirement under the Banking Regulation Act, 1949 and the guidelines issued thereunder by the RBI, the Directors propose to transfer Rs. 60.55 Crore (previous year Rs. 47.19 Crore) to Statutory Reserve, Rs. 7.02 Crore (previous year Rs. 2.28 Crore) to Capital Reserve and Rs. 0.87 Crore (previous year Rs. 2.30 Crore) to Investment Reserve, for the year ended March 2010.

Taking into account the regulatory restrictions, the Board of Directors recommend a dividend of 25% i.e. Rs. 2.50 per equity share of Rs. 10/- on all the equity shares of the Bank increasing from 20% (i.e. Rs. 2/- per equity share) of the previous year. The outflow on account of the proposed dividend, including the dividend tax, would be Rs. 35.09 Crore.

The dividend recommended, on approval would be paid to all those shareholders whose names appear as Beneficial Owners as at the end of 16-Jun-2010 as per the list to be furnished by Depositories (viz., NSDL and CDSL) in respect of the shares held in electronic form and those shareholders whose names appear in the Register of Members of the Bank as members after giving effect to all valid transfers of shares in physical form which will be lodged with the Bank on or before 16-Jun-2010.

### Consolidated Financial Statements

As required under AS 21 issued by the Institute of Chartered Accountants of India (ICAI), the Bank's consolidated financial statements are included in this Annual Report incorporating the accounts of its wholly owned subsidiary company viz., ING Vysya Financial Services Limited in line with the basis of consolidation as explained in the Notes to the said consolidated statements.

### Employee Stock Option Scheme

During the financial year 2009-10, eligible employees were granted 23,80,610 options under ESOS 2007 reaching a cumulative grant of 75,48,976 options. Considering the inadequate balance of 2,51,024 options available in the existing ESOS 2007, it is proposed that

## DIRECTORS' REPORT

a new Employee Stock Option Scheme 2010 (ESOS 2010) be introduced with an outlay of 1,15,00,000 stock options. A proposal for approval of ESOS 2010 is being placed before the shareholders at the ensuing AGM.

The eligible employees were vested with 12,67,050 options under ESOS 2007 and 48,197 options under ESOS 2005.

The requisite particulars to be disclosed under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, in respect of the options granted etc., under the existing schemes are furnished in Annexure - I to this report.

### Statutory Disclosures

The particulars of employees required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder, are given in the annexure appended hereto (Annexure- II) forming part of this report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the said annexure may write to Corporate Secretary at the Registered Office of the Bank.

The provisions of Section 217(1)(e) of the Companies Act, 1956 regarding conservation of energy and technology absorption are not applicable to the Bank. The Bank has, however, used information technology extensively in its operations.

### Subsidiaries

The main object of ING Vysya Financial Services Limited (IVFSL), a wholly owned subsidiary of the Bank, is to carry on business of non-fund / fee based activities of marketing and distribution of various financial products / services of IVBL / other companies, apart from recovery of the old lease rentals due to the company.

Subsequent to transfer of the Wealth Management Services of IVFSL to the Bank in Apr, 2007, IVFSL continues to provide the services to the Bank, as may be required from time to time, on a non-exclusive contract basis.

Currently the recovery of past lease rentals is the only major income for IVFSL besides receipt of reimbursement charges on outsourcing of manpower to the Bank. IVFSL has been offering low cost hiring platform for the resourcing needs of the Bank. There is growing need from the business perspective to build capabilities within the IVFSL and use IVFSL as an outsourcing platform for the Bank. The Bank has also expressed its interest in availing outsourcing services from IVFSL. In order to build capabilities and expand the activities of IVFSL long term plans are being drawn up.

IVFSL has earned a net profit of Rs. 0.81 Crore for the year 2009-10, as against Rs. 0.37 Crore during the previous year.

As required under Section 212 of the Companies Act, 1956, the Balance Sheet, Directors' Report and other documents pertaining to IVFSL, along with a statement of interest of the Bank in the subsidiary, are attached to the financial statements of the Bank.

### Directors

Mr. Wilfred Nagel resigned as Director effective 27-Jan-2010. The Board places on record its appreciation for the valuable contributions rendered by him during his tenure as Director on the Board.

Mr. Peter Henri Maria Staal was appointed by the Board of Directors as an Additional Director effective 21-Jan-2010 to hold office till the 79th AGM. A notice, as required under Section 257 of the Companies Act, 1956 has been received by the Bank for his appointment as a Director of the Bank. A proposal to appoint him as a Director, liable to retire by rotation, is being placed before the shareholders at the ensuing AGM.

Mr Lars Kramer was appointed as a Director in casual vacancy effective 28-Apr-2010, caused by the resignation of Mr. Wilfred Nagel, to hold office till such date up to which Mr. Nagel would have held his office if he had not resigned, i.e., till the date of 81st AGM to be held in 2012.

### Part-time Chairman

In terms of approval of Reserve Bank of India vide its letter DBOD No. 20390/08.57.001/2008-09 dated 28-May-2009, Mr. K R Ramamoorthy, the current Part-time Chairman of the Bank, will be completing his term on 07-Jul-2010, when he reaches the upper age limit of 70 years. Steps are being taken to appoint a successor to Mr. K R Ramamoorthy.

## DIRECTORS' REPORT

### Retirement of Directors by rotation

Mr. Aditya Krishna, Mr. Santosh Ramesh Desai and Mr. Richard Cox will retire by rotation in terms of Section 256 of the Companies Act, 1956 at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A brief resume of each of these Directors is furnished in the Annexure to the Notice convening the ensuing Annual General Meeting.

### Registrars and Share Transfer (R&T) Agents

Karvy Computershare Private Limited, Hyderabad continues to be the R & T Agents for the shares of the Bank.

### Auditors

The Statutory Auditors viz., M/s. S R Batliboi & Co., Chartered Accountants who were re-appointed at the 78th Annual General Meeting held on 04-Sep-2009 are retiring at this AGM and being eligible for re-appointment under the guidelines of Reserve Bank of India (RBI), offer themselves for re-appointment for the fourth consecutive year.

The Shareholders are requested to appoint the above auditors and authorize the Board of Directors to determine their remuneration. Shareholders are also requested to authorize the Board of Directors to appoint Branch Auditors and determine their remuneration. The re-appointment of Auditors is subject to the approval of the Reserve Bank of India.

### Other Reports

As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a detailed report on Corporate Governance is included in this Annual Report.

### Directors' Responsibility Statement

As required by Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit of the Bank for the year under review;
- (iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- (iv) that they had prepared the accounts for the financial year ended 31-Mar-2010 on a going concern basis.

### Acknowledgements

The Board of Directors place on record their gratitude for the guidance and co-operation received from the Reserve Bank of India and other regulatory bodies. The Directors also place on record their appreciation of the encouragement and patronage received from valued customers and other stakeholders like financial institutions, bondholders etc., and look forward to their continued support. The Directors also take this opportunity to express their appreciation for the good work and efforts put in by the employees of the Bank.

Finally, the Directors acknowledge the Members for their trust and support.

For and on behalf of the Board

Place : Bangalore  
Date : 29-Apr-2010

K R Ramamoorthy  
Chairman

## ANNEXURE - I TO DIRECTORS' REPORT

### Statutory Disclosures as of 31-Mar-2010 regarding ESOS under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

	ESOS 2002 (as modified in 2005)		ESOS 2005		ESOS 2007
	Tranche 1	Tranche 2	Tranche 1	Tranche 2 (Loyalty Options)	Tranche 1
<b>Options Granted</b> - Pre Rights Issue 2005	1,66,800	1,60,490	-	-	-
- Post Rights Issue 2005	3,27,980	4,29,524	4,65,212	5,25,285	75,48,976
<b>Pricing Formula</b>	Exercise price is equivalent to 75% of the average price of the shares during the past six months in the Stock Exchange where the Stocks are traded in highest number.	Exercise price is equivalent to 75% of the average price of the shares during the past six months in the Stock Exchange where the Stocks are traded in highest number.	Exercise price is equivalent to 75% of the average price of the shares during the past six months in the Stock Exchange where the Stocks are traded in highest number.	Exercise price is equivalent to 75% of the average price of the shares during the past six months in the Stock Exchange where the Stocks are traded in highest number.	Exercise price is latest available closing price, prior to the date of meeting of the Board of Directors in which options are granted in the Stock Exchange where the Shares are traded in the highest number.
<b>AGM Resolution</b>	29-Sep-01	29-Sep-01	22-Sep-05	22-Sep-05	11-May-07
<b>Options Vested</b> - Pre Rights Issue	60,450	28,868	-	-	-
- Post Rights Issue	2,90,610	3,39,536	2,91,957	5,08,100	29,23,796
<b>Options Exercised</b> - Pre Rights Issue	59,740	27,568	-	-	-
- Post Rights Issue	2,64,480	2,94,077	2,05,558	1,67,980	3,07,277
<b>Total number of Shares arising as a result of exercise of Options</b>					
- Pre Rights Issue	59,740	27,568	-	-	-
- Post Rights Issue	2,64,480	2,94,077	2,05,558	1,67,980	3,07,277
<b>Options Lapsed</b>					
- Pre Rights Issue	25,065	25,541	-	-	-
- Post Rights Issue	63,500	1,34,967	1,57,005	29,090	2,47,100
<b>Variation of terms of options</b>	NIL	NIL	NIL	NIL	NIL
<b>Money realised by exercise of options (in Rs.)</b>	2,23,48,560.00	2,86,72,507.50	2,52,11,302.00	3,10,46,063.60	4,80,55,522
<b>Total number of options in force</b>	-	480	1,02,649	3,28,215	69,94,599
<b>Employee wise details of grant to Senior Managerial Personnel</b>					
Mr. B Ashok Rao	-	11,900	5,000	-	2,82,500
Mr. Bishwajit Mazumder	-	-	-	-	64,000
Mr. Janak Desai	-	-	-	-	6,95,000
Mr. Jan Van Wellen	-	-	-	-	-
Mr. Jayant Mehrotra	-	-	5,000	-	7,25,000
Mr. Manjunatha M S R	5,040	5,440	3,000	-	24,000
Ms. Meenakshi A	-	-	-	-	70,000
Mr. Prasad C V G	-	-	-	-	57,000
Mr. Prasad J M	-	-	5,500	-	3,23,000
Mr. Samir Bimal	-	-	7,000	-	5,87,000
Mr. Shailendra Bhandari	-	-	-	-	-
Mr. Uday Sareen	-	-	-	-	7,00,476
Mr. M V S Appa Rao	5,040	5,440	4,500	500	10,000
<b>Any other employee who received a grant in any one year of the options amounting to 5% or more of the options granted during that year.</b>	NIL	NIL	NIL	NIL	NIL
<b>Identified employee who were granted options during any one year, equal to or exceeding 1% of the issued capital (exclude outstanding warrants and conversion) of the company at the time of grant.</b>	NIL	NIL	NIL	NIL	NIL

The details on Employee compensation cost is given under 'Employee Stock Option Scheme' in the Notes on Accounts (Schedule 18) of the Balance Sheet (page no. 53)

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### MACRO ECONOMIC AND BANKING INDUSTRY DEVELOPMENTS

Real Gross Domestic Product (GDP) growth for the third quarter of 2009-10 was at 6% and the advance estimate of GDP growth is placed at 7.2% for 2009-10. The turnaround in GDP growth witnessed during the first quarter of 2009-10 was sustained during the second and third quarter, spurred by robust revival in industrial performance and fiscal expenditure driven services activities. The performance of the agricultural sector remained subdued due to the impact of the deficient South-West monsoon, the major part of the impact being reflected in the third quarter GDP of the year. The industrial recovery, besides exhibiting acceleration in the last few months, has also become more broad-based. Most of the lead indicators of services sector activities also suggest revival in growth momentum.

The declining trend in India's merchandise exports, which began in October 2008, continued for thirteen consecutive months up to October 2009. However the rate of decline in exports showed persistent moderation starting from June 2009. In November 2009, there was reversal in the trend, with exports turning around sharply by exhibiting a growth of 18.2% as compared with a decline of 13.5% in November 2008; and has been positive since then.

The inflationary momentum is clearly visible in terms of the increase in Wholesale Price Index (WPI) by 9.90 % in March 2010 reflecting the increase in food and fuel prices as well as the impact of the waning of base effect. The upward revision of prices of petrol and diesel (effective 02-Jul-2009), increase in prices of freely priced products under the fuel group in line with hardening of international crude oil prices, and higher prices of sugar, vegetables and drugs and medicines drive the current inflation.

The budget moved one step towards a selective roll-back of fiscal stimulus with a 2% hike in excise duty and certain other changes in indirect taxes. Fiscal deficit target for Financial Year (FY) 11 is set at 5.5%, a sharp reduction from 6.7% in FY10. Important assumptions which the government is making are a robust growth in indirect taxes, large-scale disinvestment and lower fuel subsidies.

The domestic financial markets continued to witness low risks and greater volumes in various market segments. During 2009-10, the rupee strengthened by 11.4% against the US dollar on the back of continued capital inflows, revival in growth performance of the Indian economy and general weakening of the US dollar in the international markets. During the financial year, the Indian equity market outperformed most emerging market economies by registering an increase of 81% and relatively lower volatility.

### BANKING INDUSTRY DEVELOPMENT

The Reserve Bank of India (RBI) embarked on the monetary exit marking an end to a 15-month phase of monetary accommodation. In the monetary policy announcement in Jan'10, Cash Reserve Ratio was hiked by 75 bps to 5.75%, while other key rates were left unchanged. The RBI raised both the Repo and the Reverse Repo rates by 25 bps in an interim policy announcement in Mar'10 to counter the higher than expected inflation. Further, through the Annual Policy Statement issued in Apr'10, the RBI hiked the Cash Reserve Ratio by additional 25 bps to 6.0% and also both the Repo and the Reverse Repo rates were increased by additional 25 bps. An increased confidence in recovery encouraged RBI to clearly and explicitly shift their stance from 'managing the crisis' to "managing the recovery".

Non-food credit growth (y-o-y) of Scheduled Commercial Banks (SCBs) decelerated over twelve months following the peak reached in October 2008, which could be partly explained by the availability of alternate Non-Banking sources of funding, including internal resources of corporates, besides the impact of the economic slowdown on credit from the demand side. Non-food credit growth has shown a reversal in trend since November 2009 increasing from 10.3% (y-o-y) as on November 6, 2009 to 17.2% as of end-Mar, 2010.

In a move to increase transparency in pricing credit, starting July 2010, all categories of loans would be priced only with reference to the Base Rate (as against BPLR earlier), which will be Bank specific. Following the change, the base rate is likely to come down from the existing Benchmark Prime Lending Rate (BPLR) levels of 11-16%. The move is also aimed at increasing credit flow to small and medium-term enterprises at reasonable rates as henceforth, Banks will not be permitted to resort to any lending below the base rate subject to certain exceptions.

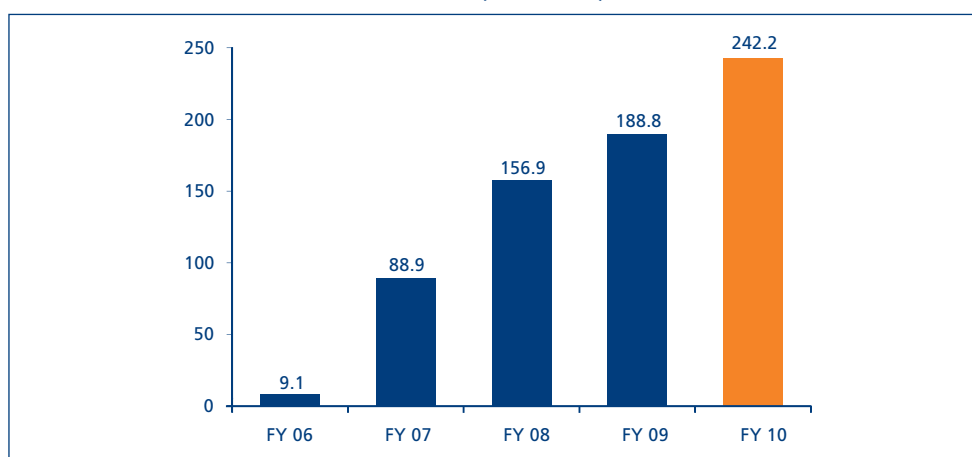
## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OVERVIEW OF FINANCIAL AND BUSINESS PERFORMANCE

During the financial year 2009-10, the Bank has reported healthy growth in its financial performance, in its business and improvement in its financial and other operating parameters.

The Bank recorded a net Profit After Tax (PAT) of Rs. 242 Crore for the year 2009-10, an increase of 28% from Rs. 189 Crore reported in the previous year. Operating profit (before provisions and contingencies) grew strongly by 51% to Rs. 642 Crore from Rs. 425 Crore reported in the previous year. Provision and contingencies for the financial year 2009-10 was higher at Rs. 270 Crore, due to certain one time provision on account of restructuring and additional provision that the Bank was required to make in order to enhance its provision cover to achieve the provision coverage ratio of 70% that RBI has mandated all commercial banks to achieve by Sept, 2010.

Net Profit (Rs. in Crore)



The Net Total Income of the Bank for the year rose by 21% to Rs. 1,450 Crore from Rs. 1,197 Crore reported during the previous year. During this period, the Net Interest Income (NII) grew by 28% to Rs. 830 Crore from Rs. 650 Crore reported in the previous financial year. The increase in NII was contributed by significant improvement in the Net Interest Margin (NIM) which was at 3.21% for the financial year 2009-10 against 2.84% that was reported in the previous financial year. This was achieved on the back of significant improvement in the cost of deposits and increase in the proportion of low cost deposits. Fee and Other Income increased by 13% to Rs. 620 Crore from Rs. 548 Crore. Operating expenses increased by only 5% to Rs. 808 Crore from Rs. 772 Crore in the previous year due to several cost control measures initiated during the year. The staff strength stood at 6,249 as at 31 March 2010 against 6,227 as at the previous year end. The Cost to Income Ratio has improved to 56% against 65% in the previous year.

Cost to Income Ratio

