

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30th SEPTEMBER 2020

Particulars	(Rs. in lakh)					
	Quarter ended			Half Year ended		Year ended
	30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
	Unaudited			Unaudited		Audited
1. Interest earned (a+b+c+d)	139470	137610	153751	277080	303004	598998
a) Interest / discount on advances / bills	114030	111211	119324	225241	236874	466505
b) Income on investments	24619	24135	30021	48754	58234	114967
c) Interest on balances with Reserve Bank of India & other interbank funds	653	2088	4163	2741	7409	14076
d) Other interest	168	176	243	344	487	3450
2. Other income (Refer note 4 below)	27156	31713	27773	58869	54757	115462
3. Total income (1+2)	166626	169323	181524	335949	357761	714460
4. Interest expended	79321	81426	94123	160747	184979	364204
5. Operating expenses (i+ii)	42429	40509	44285	82938	85153	174171
(i) Employees cost	22055	21364	21299	43419	41674	85665
(ii) Other operating expenses	20374	19145	22986	39519	43479	88506
6. Total expenditure (excluding provisions and contingencies) (4+5)	121750	121935	138408	243685	270132	538375
7. Operating profit (before provisions and contingencies) (3-6)	44876	47388	43116	92264	87629	176085
8. Provisions (other than tax) and contingencies	28473	33757	36517	62230	69514	148867
9. Exceptional items	-	-	-	-	-	-
10. Profit from ordinary activities before tax (7-8-9)	16403	13631	6599	30034	18115	27218
11. Tax expense	4914	3081	266	7995	4490	3716
12. Net profit from ordinary activities after tax (10-11)	11489	10550	6333	22039	13625	23502
13. Extraordinary items (net of tax expense)	-	-	-	-	-	-
14. Net profit for the period (12-13)	11489	10550	6333	22039	13625	23502



THE KARUR VYSYA BANK LIMITED
 Finance & Control Department
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 CIN : L65110TN1916PLC001295
 GSTIN : 33AACT3373J1ZD

Particulars	(Rs. in lakh)					
	Quarter ended			Half Year ended		Year ended
	30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
	Unaudited			Unaudited		Audited
15. Paid-up equity share capital (FV Rs. 2/- per share)	15986	15986	15986	15986	15986	15986
16. Reserves excluding revaluation reserve						644041
17. Analytical ratios						
(i) % of shares held by Government of India	-	-	-	-	-	-
(ii) Capital adequacy ratio - Basel III (%)	18.41	18.14	15.99	18.41	15.99	17.17
(iii) Earnings per share (EPS)^ (Rs.)						
a) Basic EPS before and after extraordinary items	1.44	1.32	0.79	2.76	1.70	2.94
b) Diluted EPS before and after extraordinary items	1.44	1.32	0.79	2.76	1.70	2.94
(iv) NPA Ratios						
a) Gross NPA	399843	405566	439103	399843	439103	421277
b) Net NPA	142820	158523	211835	142820	211835	180865
c) % of Gross NPA	7.93	8.34	8.89	7.93	8.89	8.68
d) % of Net NPA	2.99	3.44	4.50	2.99	4.50	3.92
(v) Return on asset (annualised) (%)	0.63	0.59	0.34	0.61	0.37	0.32

^ EPS not annualised for the quarter/half year.




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SEGMENT REPORTING FOR THE QUARTER/HALF YEAR ENDED 30th SEPTEMBER 2020

Business Segments	(Rs. in lakh)					
	Quarter ended			Half Year ended		Year ended
	30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
	Unaudited			Unaudited		Audited
Segment revenue						
1. Treasury	38098	44546	44326	82644	83429	166896
2. Corporate/Wholesale banking	30970	31426	37798	62396	76173	150547
3. Retail banking	96847	92980	98694	189827	196827	393881
4. Other banking operations	711	371	706	1082	1332	3136
Total	166626	169323	181524	335949	357761	714460
Segment results						
1. Treasury	14344	19815	15224	34159	29286	57825
2. Corporate/Wholesale banking	8254	7991	9176	16245	19470	39259
3. Retail banking	27183	24785	24673	51968	50617	102577
4. Other banking operations	555	291	621	846	1176	2760
Total	50336	52882	49694	103218	100549	202421
Less : Unallocated expenses (net)	5460	5494	6578	10954	12920	26336
Operating profit	44876	47388	43116	92264	87629	176085
Tax expense	4914	3081	266	7995	4490	3716
Other provisions	28473	33757	36517	62230	69514	148867
Net profit from ordinary activities	11489	10550	6333	22039	13625	23502
Extraordinary items	-	-	-	-	-	-
Net profit	11489	10550	6333	22039	13625	23502
Segment assets						
1. Treasury	1862604	1855302	2031770	1862604	2031770	1738669
2. Corporate/Wholesale banking	1149529	1136483	1266351	1149529	1266351	1213077
3. Retail banking	3632652	3476616	3443830	3632652	3443830	3396734
4. Other banking operations	-	-	-	-	-	-
5. Unallocated	472687	469631	599480	472687	599480	479337
Total segment assets	7117472	6938032	7341431	7117472	7341431	6827817

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Business Segments	(Rs. in lakh)					
	Quarter ended			Half Year ended		Year ended
	30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	31-03-2020
	Unaudited			Unaudited		Audited
Segment liabilities						
1. Treasury	1710762	1695202	2009300	1710762	2009300	1607550
2. Corporate/Wholesale banking	1033496	1022297	1116766	1033496	1116766	1087141
3. Retail banking	3266230	3127431	3036956	3266230	3036956	3043627
4. Other banking operations	-	-	-	-	-	-
5. Unallocated	424917	422525	528279	424917	528279	429472
Total (a)	6435405	6267455	6691301	6435405	6691301	6167790
Capital employed (Segment assets - Segment liabilities)						
1. Treasury	151842	160100	22470	151842	22470	131119
2. Corporate/Wholesale banking	116033	114186	149585	116033	149585	125936
3. Retail banking	366422	349185	406874	366422	406874	353107
4. Other banking operations	-	-	-	-	-	-
5. Unallocated	47770	47106	71201	47770	71201	49865
Total (b)	682067	670577	650130	682067	650130	660027
Total segment liabilities (a+b)	7117472	6938032	7341431	7117472	7341431	6827817

For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale banking, Retail banking and other banking operations in compliance with RBI guidelines. The Bank operates only in India.




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STATEMENT OF ASSETS AND LIABILITIES AS ON 30th SEPTEMBER 2020

Particulars	(Rs. in lakh)		
	As on		
	30-09-2020	30-09-2019	31-03-2020
	Unaudited		Audited
Capital and liabilities			
Capital	15986	15986	15986
Reserves and surplus	666081	634144	644041
Deposits	6112241	6221279	5907508
Borrowings	138269	305269	118418
Other liabilities and provisions	184895	164753	141864
Total	7117472	7341431	6827817
Assets			
Cash and balances with Reserve Bank of India	257311	348656	273267
Balances with banks and money at call and short notice	22121	193441	165988
Investments	1843464	1839835	1576244
Advances	4782181	4710181	4609811
Fixed assets	55635	61276	58664
Other assets	156760	188042	143843
Total	7117472	7341431	6827817



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CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30th SEPTEMBER 2020

Particulars	(Rs. in lakh)		
	Half Year ended		Year ended
	30-09-2020	30-09-2019	31-03-2020
	Unaudited		Audited
Cash flow from / (used in) operating activities			
Net profit as per Profit and Loss account	22039	13625	23502
Adjustments for			
Depreciation on Bank's property	6171	5509	11888
Interest paid on TIER II bonds	2918	3635	6537
Provisions for other contingencies	20046	(424)	5247
Provision for taxes	7995	4490	3716
Provision for depreciation on investment	10221	1115	4022
Provision for standard assets	755	910	370
Provision for bad and doubtful debts	32869	65264	135617
Provision for non performing investments	(1662)	2650	3610
Provision for leave encashment	789	1460	1011
Amortization of premium paid on Held to Maturity (HTM) investments	5828	2872	6708
Provision for employees stock option plan / scheme	-	-	20
(Profit) / loss on sale of fixed assets (net)	-	670	1246
Operating profit before working capital changes	107969	101776	203494
Adjustments for working capital changes			
(Increase) / Decrease in investments (excluding HTM investments)	(167214)	(217425)	37537
(Increase) / Decrease in advances	(205215)	82230	112224
(Increase) / Decrease in other assets	(15564)	(24659)	18294
Increase / (Decrease) in deposits	204733	234484	(79287)
Increase / (Decrease) in borrowings	19852	148735	(23116)
Increase / (Decrease) in other liabilities and provisions	23751	16091	(6651)
	(31688)	341232	262495
Direct taxes paid	(7617)	(9336)	(12113)
Net cash flow from / (used in) operating activities	(39305)	331896	250382
Cash flow from investing activities			
Purchase of fixed assets	(3142)	(8487)	(12253)
(Increase) / Decrease in HTM investments	(114393)	(140888)	(139963)
Sale of fixed assets / other assets	-	(670)	(1246)
Net cash flow from / (used in) investing activities	(117535)	(150045)	(153462)


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Particulars	(Rs. in lakh)		
	Half Year ended		Year ended
	30-09-2020	30-09-2019	31-03-2020
	Unaudited		Audited
Cash flow from financing activities			
Proceeds from share premium	-	6	6
Increase / (Decrease) in TIER II bonds	-	-	(15000)
Interest paid on TIER II bonds	(2918)	(3635)	(6537)
Dividend paid (including tax on dividend)	(65)	(5830)	(5839)
Net cash from / (used in) financing activities	(2983)	(9459)	(27370)
Net Increase / (Decrease) in cash & cash equivalents	(159823)	172392	69550
Cash and cash equivalents at the beginning of the year	439255	369705	369705
Cash and cash equivalents at the end of the period / year	279432	542097	439255

The above Cash Flow Statement is based on indirect method.

Notes:

1. The above financial results for the quarter/half year ended 30th September 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 30th October 2020. The same have been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the listing agreement with the stock exchange.
2. There has been no change in the accounting policies followed in the preparation of these financial results for the quarter/half year ended 30th September 2020 as compared to those followed in the financial statements for the year ended 31st March 2020.
3. The bank has made provisions in accordance with Reserve Bank of India guidelines, for loan losses and depreciation on investments, standard advances, restructured advances, exposures to entities with unhedged foreign currency exposure. Provision for employees' retirement benefits viz. pension, gratuity and leave encashment has been made based on actuarial valuation. Provision for Income Tax, Deferred Tax and other contingencies are made on an estimated and proportionate basis and are subject to adjustments, if any, at the year end.
4. Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange transactions, selling third party products, profit on sale of investments (net), recoveries from advances written off, profit on bullion business etc.




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5. In accordance with RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, Pillar 3 disclosures under Basel III capital regulations have been made available on the Bank's website at the following link <https://www.kvb.co.in/about-us/disclosures/disclosures-pillar-III/>. These disclosures have not been subjected to review / audit by the Statutory Central Auditors.
6. The outbreak of COVID-19 pandemic continues to have a significant impact and volatility in the global and domestic economies and consequently the extent to which the same will impact the Bank's operations and financial position remain uncertain and is dependent on several factors including, inter-alia, measures initiated by the Government to mitigate the impact as well as regulatory measures notified by RBI. The Bank's management continues to closely monitor the day-to-day operations, business and liquidity position as well as adequacy of capital.

RBI vide circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 read with circulars DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020 and DOR.No.BP.BC.47/21.04.048/2019-20 dated 27th March 2020 announced 'COVID-19 Regulatory Package' which envisaged grant of various relief measures to borrowers whose accounts were classified as Standard Assets as on 29th February 2020. Accordingly, Board approved a policy for implementation of the said package including, inter-alia, grant of moratorium on the payment of installments and / or deferment of interest falling due between 1st March 2020 and 31st August 2020 as well as relaxation of certain other parameters, to eligible borrowers. The moratorium period / benefits, wherever granted, were excluded for the purpose of asset classification as per Income Recognition, Asset Classification and Provisioning (IRAC) norms during the moratorium period.

Bank is required to make additional provision @ 10%, over two quarters beginning with the quarter ended 31st March 2020, in respect of such borrowers whose accounts, though classified as Standard, would have become non-performing but for these benefits / relaxations. Accordingly, the aggregate provision held for the likely impact of COVID-19 was Rs. 120.01 crore as on 30th June 2020, which was higher than the requirement as per RBI guidelines dated 17th April 2020. Further, as a matter of prudence, the Bank has made an additional provision of Rs. 95.28 crore during the current quarter and the aggregate provision against the likely impact of COVID-19 stands at Rs. 215.29 crore as on 30th September 2020, inclusive of RBI mandated provision.

The Honourable Supreme Court of India in a writ petition in the matter of Gajendra Sharma Vs. Union of India & Anr. vide its interim order dated 3rd September 2020, has directed Banks that the accounts which were not declared NPA till 31st August 2020 shall not be classified as NPA till further orders. Pursuant to the order, the Bank has not classified any account that was not classified as NPA as on 31st August 2020 as per the prudential IRAC norms of RBI, as NPA after 31st August 2020. However, as a matter of prudence, an additional provision of Rs. 4.72 crore has been created in respect of such accounts for the quarter ended 30th September 2020.



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Disclosure as per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020

Particulars	Rs. in lakh
1. Outstanding amount as on 31 st March 2020 in SMA/overdue categories where the moratorium/deferment was extended	289646
2. Respective amount where asset classification benefits is extended (balance as on 30 th September 2020)*	46262
3. Provisions made during the quarter ended 31 st March 2020 and 30 th June 2020^	12001
4. Provisions adjusted during the quarter / half year ended 30 th September 2020 against slippages	-

* Out of these accounts, balances in SMA-0 is Rs. 16406 Lakh, SMA-1 is Rs. 13293 Lakh and SMA-2 is Rs. 16563 Lakh.

^ As a matter of prudence, Bank holds additional provision over and above the RBI mandated provision.

7. Disclosures as per RBI circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 and DOR.No.BP.BC.62/21.04.048/2019-20 dated 17th April 2020 in respect of accounts where the resolution period was extended for the half year ended 30th September 2020

No. of accounts in which resolution period was extended	2
Amount involved (Rs. in lakh)	12486

8. Pursuant to the Memorandum of Understanding dated 22nd July 2020 entered into between Indian Banks' Association and Workmen Unions and Officers' Associations, Bank has assessed the impact of proposed wage revision and has created an additional provision of Rs. 23.55 crore during the current half year (no provision was created during the corresponding period of previous year), pending finalization of bipartite settlement.
9. Provision Coverage Ratio as on 30th September 2020, calculated as per the guidelines of Reserve Bank of India, is 75.19% (previous period 61.82%).
10. Previous period's / year's figures have been re-classified / regrouped wherever considered necessary to confirm to the current period's / year's classification.

For and on behalf of Board of Directors

B Ramesh Babu
 Managing Director & CEO

Place: Karur
 Date: 30th October 2020



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