

KVB's Q1 Net Profit up by 20.09%

Karur Vysya Bank Limited has announced the financial results for the first quarter of 2010-11 following the approval of the Board of Directors in their meeting held at Karur on 21.07.2010.

The net profit increased to Rs.84.48 crore as against Rs.70.35 crore for the corresponding quarter of the previous fiscal, registering a growth of 20.09%.

The Operating Profit for Q1 of the current fiscal rose to Rs.130 crore from Rs.94.17 crore, posting a growth of 38.05%. Total income went up to Rs.544.27 crore from Rs.487.37 crore, registering a rise of 11.67%. Total interest income went up to Rs.492.08 crore from Rs.406.90 crore, a growth of 20.93%. Interest on advances recorded a growth of 16.57% to Rs.371.60 crore from Rs.318.78 crore.

The net profit has been arrived at after providing for non-performing assets, standard assets, restructured advances and depreciation on investments as per RBI guidelines and wage revision, other usual and necessary provisions.

Net Interest Margin (NIM) of the Bank stood at 3.37% as against 2.78% of the previous fiscal.

Net NPA as a percentage of Net advances stood down at 0.17% on account of the untiring recovery efforts put in by the bank in bringing down the NPA levels. NPA Provision coverage ratio of the Bank stands at 87.53%.

The total deposits of the bank as on 30.06.2010 stood at Rs.20274 crore as against Rs.15253 crore, a year ago recording a growth of 32.92%. The total advances of the Bank stood at Rs.14191 crore, registering a growth of 28.16% over Rs.11073 crore a year ago. The CD Ratio of the Bank stood at 70%.

The capital adequacy ratio of the bank is comfortable at 14.52% as per Basel II norms (Basel I – 12.70%).

The Bank aims to reach a business level of Rs.42052 crore by end-March 2011. The network of the Bank will be expanded to 385 branches by March 2011. The Bank has recently launched its new products viz KVB's Prestige Savings account and Gift Card schemes. For the customer's convenience, the bank has also started the facility of centralized despatch of account statements for current and specific savings accounts. Soon, issue of cheque books also will be centralized.