



**KVB**

**Karur Vysya Bank**

*Smart way to bank*

**Investor Presentation**

**September 2013**



**Karur Vysya Bank**

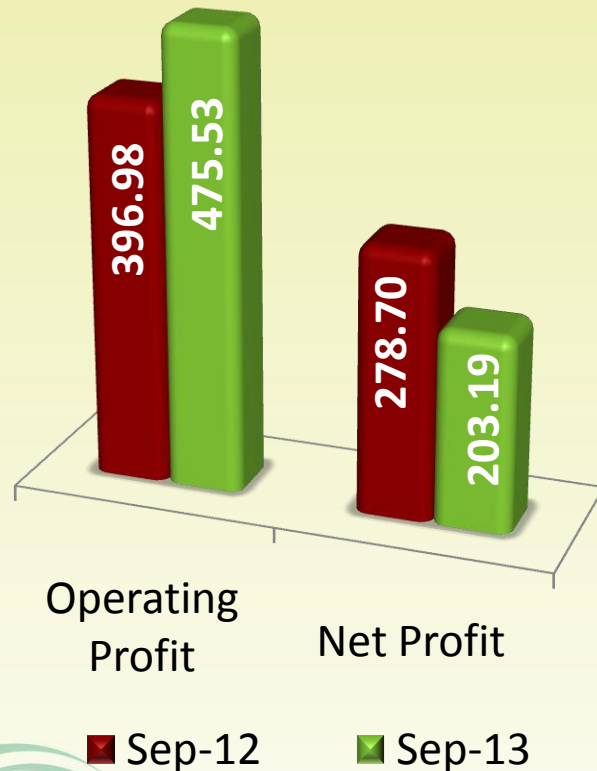
*Smart way to bank*

# Business Performance

(₹. in crore)

Particulars	Half-year ended		Growth (%)	Year ended Mar 13	Growth (%) (Annualised)
	Sep 13	Sep 12			
<b>Business</b>	<b>75,281</b>	59,121	<b>27.33</b>	68,359	20.25
<b>Gross Deposits</b>	<b>43,372</b>	33,444	<b>29.68</b>	38,653	24.42
<b>Gross Advances</b>	<b>31,909</b>	25,677	<b>24.27</b>	29,706	14.83
<b>Average Deposits</b>	<b>40,790</b>	32,910	<b>23.94</b>	33,975	40.12
<b>Average Advances</b>	<b>30,612</b>	24,442	<b>25.24</b>	25,645	38.74
<b>Total Assets</b>	<b>50,109</b>	40,298	<b>24.34</b>	46,733	14.45
<b>CD Ratio</b>	<b>73.57%</b>	76.78%	-	76.85	--

# Net Profit & Operating Profit – H1 (YoY)



## Operating Profit

- Operating Profit increased by 19.8% from ₹ 396.98 crore to ₹ 475.53 crore

## Net Profit

- Net Profit decreased by 27.1% from ₹.278.70 crore to ₹203.19 Crore .



# Performance Highlights

(₹ in crore)

Particulars	Half-year ended		Growth (%)	Year ended Mar 13
	Sep 13	Sep 12		
<b>Net Interest Income</b>	<b>630.26</b>	539.70	<b>16.78</b>	1,158.47
<b>Other Income</b>	<b>313.13</b>	189.27	<b>65.44</b>	452.56
<b>Operating Revenue</b>	<b>943.39</b>	728.85	<b>29.43</b>	1,611.03
<b>Operating Profit</b>	<b>475.53</b>	396.99	<b>19.79</b>	848.83
<b>Net Profit</b>	<b>203.19</b>	278.70	<b>(27.09)</b>	550.32
<b>Net Interest Margin</b>	<b>2.63%</b>	2.94%	<b>(31 bps)</b>	3.03%
<b>Return on Assets</b>	<b>0.82%</b>	1.44%	<b>(62 bps)</b>	1.35%

# Performance Highlights

(₹ in crore)

Particulars	Quarter ended		Growth (%)	Quarter Ended Jun 13	Quarter Ended Mar 13
	Sep 13	Sep 12			
<b>Net Interest Income</b>	<b>298.38</b>	285.77	<b>4.41</b>	331.88	310.32
<b>Other Income</b>	<b>106.20</b>	84.99	<b>24.95</b>	206.93	157.80
<b>Operating Revenue</b>	<b>404.58</b>	370.76	<b>9.12</b>	538.81	468.12
<b>Operating Profit</b>	<b>156.81</b>	194.30	<b>(19.29)</b>	318.72	239.86
<b>Net Profit</b>	<b>82.89</b>	132.76	<b>(37.56)</b>	120.30	158.58
<b>Net Interest Margin</b>	<b>2.51</b>	3.06	<b>(55 bps)</b>	2.77%	3.06%
<b>Return on Assets</b>	<b>0.66</b>	1.35	<b>(69 bps)</b>	1.00%	1.44%

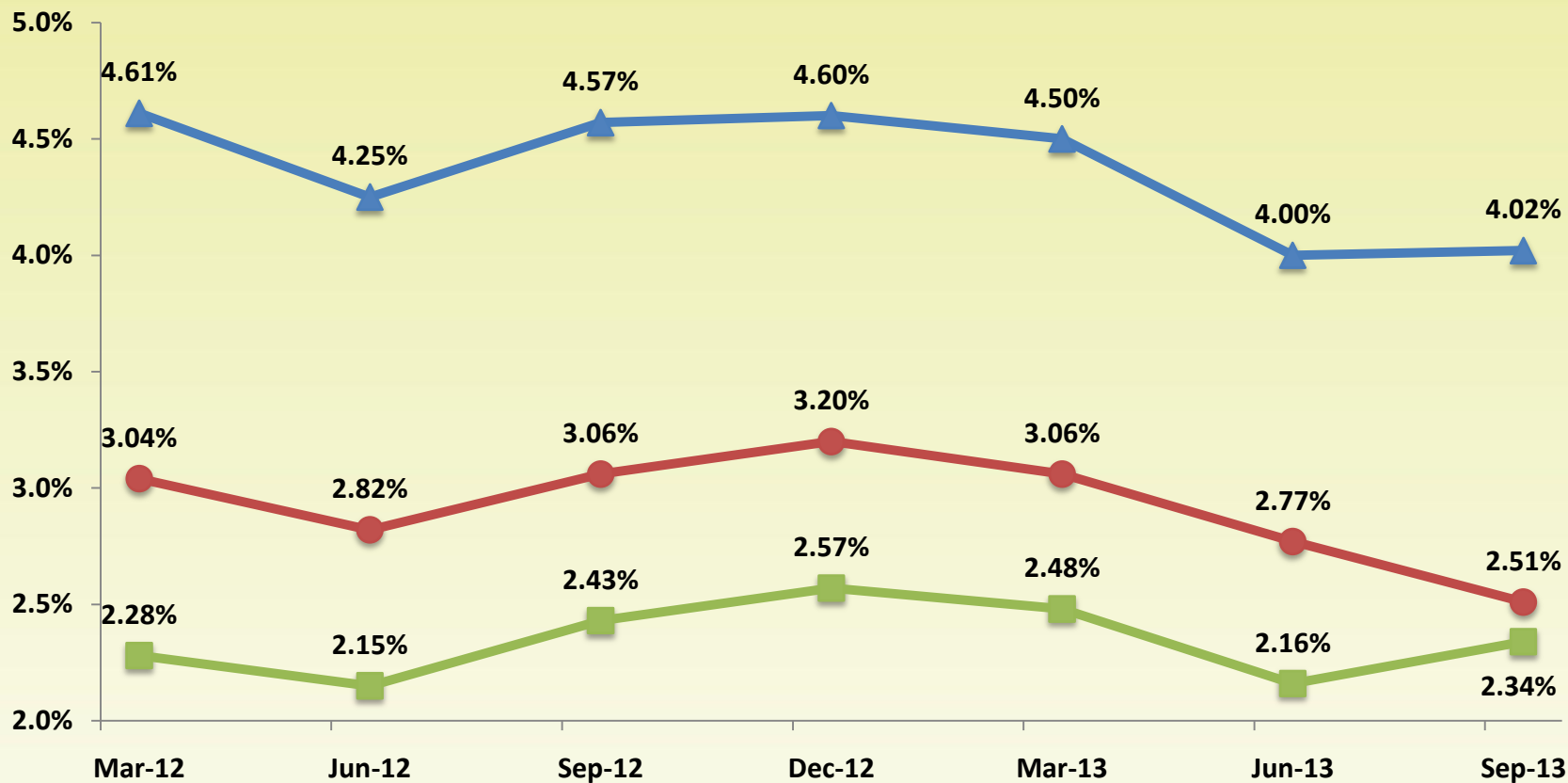
# Key Ratios - I

Particulars	Half Year Ended		Quarter Ended			Year ended Mar-13
	Sep-13	Sep-12	Sep-13	Sep-12	Jun-13	
Cost of Deposits (%)	8.22	8.45	8.27	8.34	8.21	8.30
Yield on Advances (%)	12.26	12.86	12.29	12.91	12.21	12.77
Cost of Funds (%)	8.23	8.39	8.33	8.28	8.12	8.24
Yield on Funds (%)	10.31	10.66	10.67	10.69	10.28	10.65
Spread (%)	2.08	2.27	2.34	2.43	2.16	2.41
NIM (%)	2.63	2.94	2.51	3.06	2.77	3.03
Return on Assets (%)	0.82	1.44	0.66	1.35	1.00	1.35
Return on Net worth (%)	12.31	18.66	10.04	17.78	14.98	17.84

## Key Ratios - II

Particulars	Half Year Ended		Quarter Ended			Year ended Mar-13
	Sep-13	Sep-12	Sep-13	Sep-12	Jun-13	
Cost to Income (%)	49.59	45.54	61.24	47.59	40.85	47.31
Cost to Income - excl Bad Debts w/o(%)	49.56	44.07	61.21	45.94	40.82	45.02
Business per employee (₹. in crore)	10.94	9.81	10.94	9.81	10.84	10.14
Profit per employee (₹. in lakhs)	5.94	9.34	5.94	8.72	7.16	8.18
Operating Profit/ Total Income (%)	16.93	17.77	11.37	17.29	22.30	18.08
Net Profit/ Total Income (%)	7.24	12.48	6.01	11.81	8.42	11.72
Operating Expenses/ Total Income (%)	8.14	7.82	8.43	8.37	7.86	8.92
Staff Cost / Total Income (%)	8.52	7.05	9.54	7.34	7.54	7.32
Staff Cost / Total Expenses (%)	10.26	8.57	10.76	8.87	9.70	8.93
Staff Cost / Operating Expenses (%)	51.15	47.40	53.09	46.72	48.95	45.08

# Spread & NIM (Quarterly)



▲ Spread (Deposits and Advances)    
 ● Net Interest Margin    
 ■ Spread on Funds





# Income & Expenses Analysis – H1 (YoY)

(₹ in crore)

Particulars	Half Year ended		Growth (%)	Year ended March 13
	Sep 13	Sep 12		
Interest earned	2495.22	2044.18	22.06	4242.43
Interest expended	1864.96	1504.47	23.96	3083.96
<b>Net Interest Income</b>	<b>630.26</b>	<b>539.70</b>	<b>16.78</b>	<b>1158.47</b>
Other Income	210.21	165.97	26.65	364.21
Profit on Investment	102.92	23.30	341.72	88.35
<b>Operating Revenue</b>	<b>943.39</b>	<b>728.98</b>	<b>29.41</b>	<b>1611.03</b>
<b>Operating expenses</b>	<b>467.86</b>	<b>332.00</b>	<b>40.92</b>	<b>762.20</b>
Employee cost	239.31	157.36	52.08	343.62
Other expenses	228.55	174.64	30.87	418.58
<b>Operating Profit</b>	<b>475.53</b>	<b>396.98</b>	<b>19.79</b>	<b>848.83</b>
<b>Provisions</b>	<b>281.63</b>	<b>(30.59)</b>	<b>--</b>	<b>123.39</b>
<b>Profit Before Tax</b>	<b>193.90</b>	<b>427.57</b>	<b>(54.65)</b>	<b>725.44</b>
Provision for Taxes	(9.29)	148.87	--	175.12
<b>Net Profit</b>	<b>203.19</b>	<b>278.70</b>	<b>(27.09)</b>	<b>550.32</b>

# Income & Expenses Analysis (QoQ)

(₹ in crore)

Particulars	Quarter Ended		Growth (%)	Quarter Ended Jun 13	Seq. Growth (ann. %)
	Sep 13	Sep 12			
Interest earned	1272.70	1038.65	22.53	1222.53	16.42
Interest expended	974.31	752.88	29.41	890.65	37.57
<b>Net Interest Income</b>	<b>298.39</b>	285.77	<b>4.42</b>	331.88	<b>(40.36)</b>
Other Income	106.47	75.58	40.87	103.73	10.57
Profit on Investment	(0.28)	9.41	(102.98)	103.2	(401.09)
<b>Operating Revenue</b>	<b>404.58</b>	370.76	<b>9.12</b>	538.81	<b>(99.65)</b>
<b>Operating expenses</b>	<b>247.77</b>	176.46	<b>40.41</b>	220.09	<b>50.31</b>
Employee cost	131.54	82.43	59.58	107.77	88.22
Other expenses	116.23	94.03	23.61	112.32	13.92
<b>Operating Profit</b>	<b>156.81</b>	194.3	<b>(19.29)</b>	318.72	<b>(203.20)</b>
<b>Provisions</b>	<b>118.47</b>	(-)20.61	--	163.16	<b>(109.56)</b>
<b>Profit Before Tax</b>	<b>38.34</b>	214.91	<b>(82.16)</b>	155.56	<b>(301.41)</b>
Provision for Taxes	(44.55)	82.16	--	35.26	--
<b>Net Profit</b>	<b>82.89</b>	132.75	<b>(37.56)</b>	120.3	<b>(124.39)</b>

# Provisions & Contingencies

(₹ in crore)

Particulars	Half Year Ended		Quarter Ended		
	Sep-13	Sep-12	Sep-13	Sep-12	Jun-13
NPA	161.26	1.86	27.30	(30.96)	133.96
Standard Assets	23.61	5.09	16.52	4.63	7.09
Restructured Advances	45.47	10.68	37.38	11.10	8.09
Others	0.57	0.16	0.88	0.02	(0.32)
Investments	50.72	(48.38)	36.38	(5.40)	14.34
<b>Provisions Before Tax</b>	<b>281.63</b>	<b>(30.59)</b>	<b>118.46</b>	<b>(20.61)</b>	<b>163.16</b>
Provisions for Tax	(9.29)	148.87	(44.54)	82.16	35.26
<b>Total Provisions</b>	<b>272.34</b>	<b>118.28</b>	<b>73.92</b>	<b>61.55</b>	<b>198.42</b>

# Capital to Risk Weighted Assets Ratio

(₹ in crore)

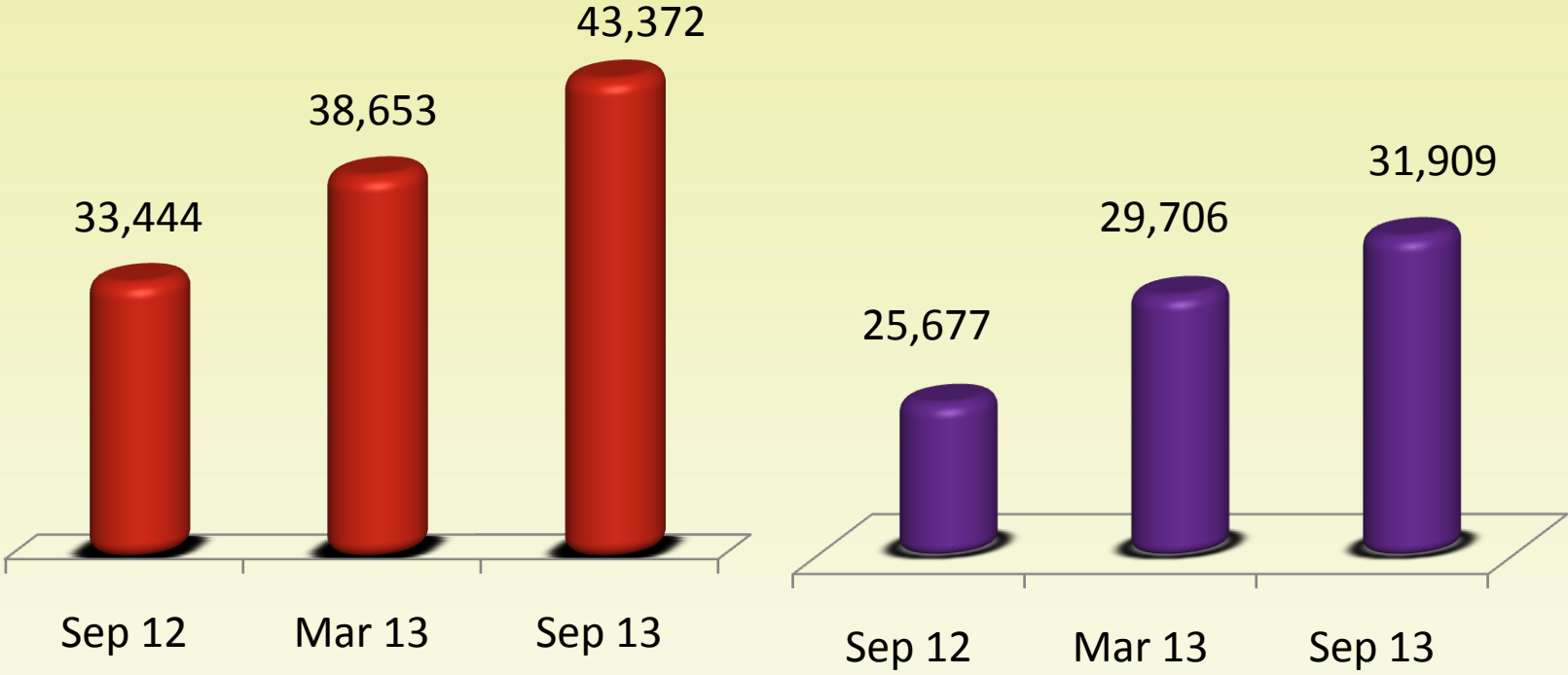
Particulars	Sep-13	Sep-12	Jun-13	Mar-13
Tier I Capital	3030	2677	3,024	3,017
Tier II Capital	327	271	310	303
Tier (I + II)	3357	2948	3,334	3,320
Total Risk Weighted Assets	25657	21055	25,922	23,035
Tier I – CRAR	11.81%	12.72%	11.66%	13.10%
Tier II – CRAR	1.27%	1.28%	1.20%	1.31%
CRAR (%)	13.08%	14.00%	12.86%	14.41%

## CRAR and Rating

- As per Basel III, CRAR works out to 12.81%, with Tier I CRAR 11.74% and Tier II CRAR at 1.07% as on Sep 30, 2013

# Deposits & Advances

(₹ in crore)



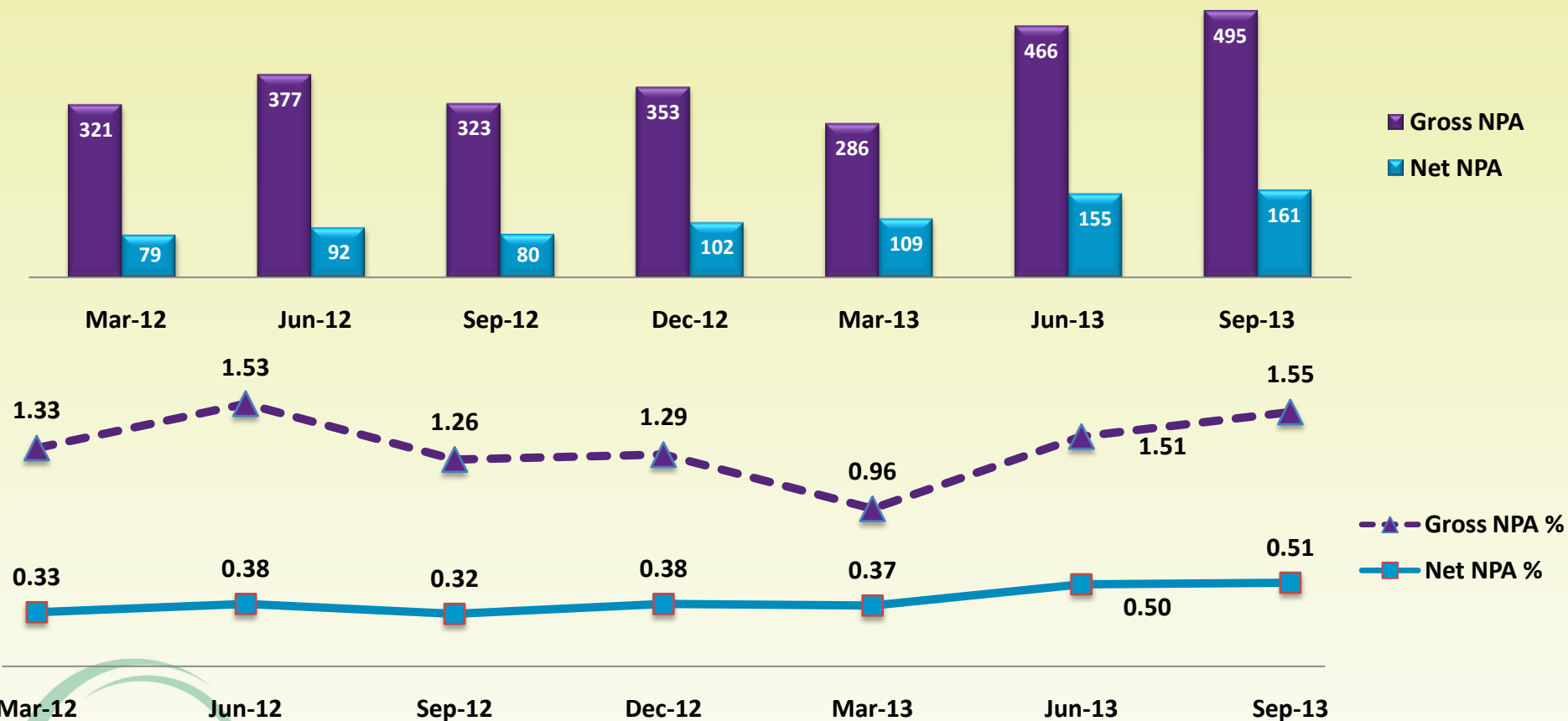
■ Deposits

■ Advances

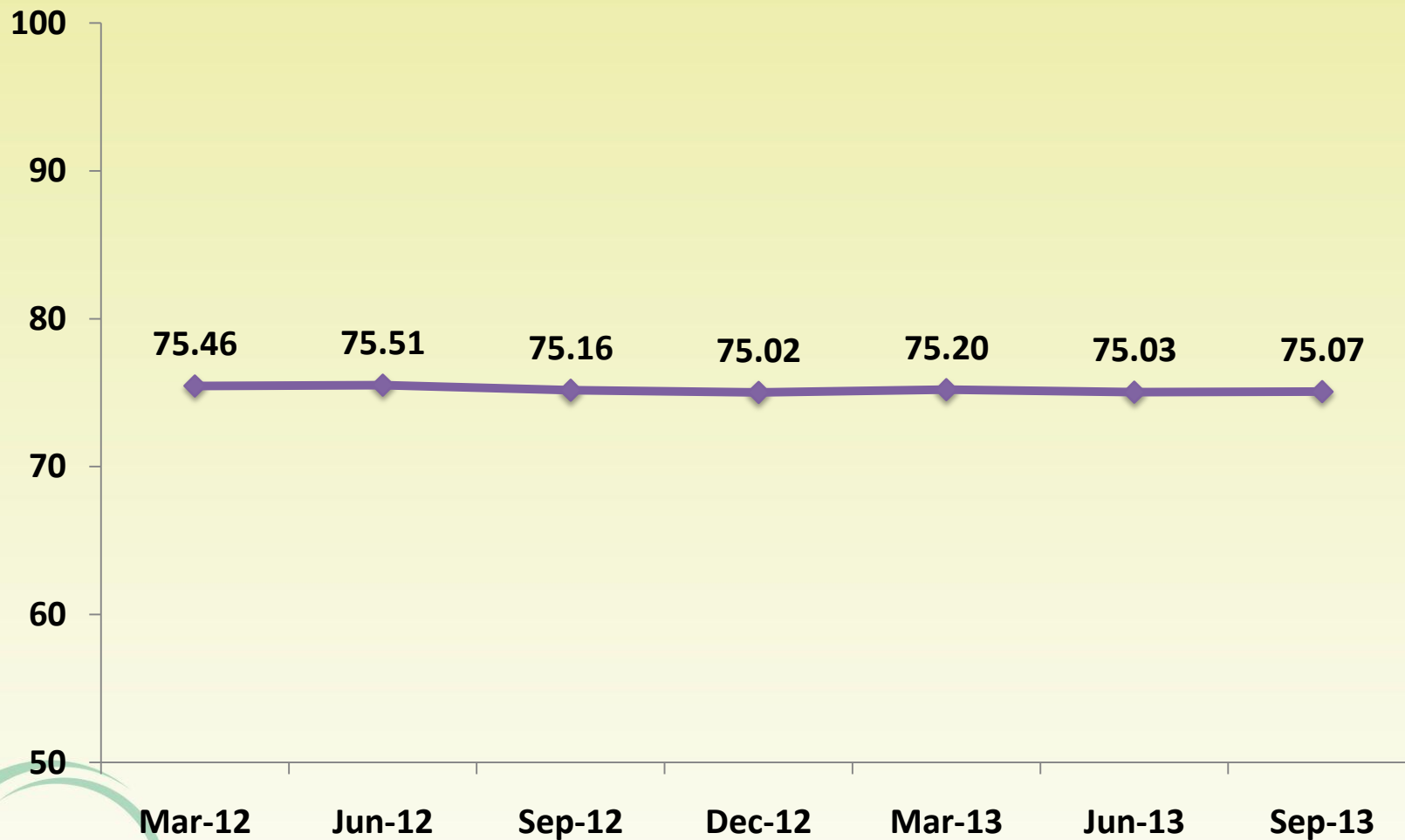


# Gross NPA & Net NPA

(₹ in crore)



# Provision Coverage Ratio (%)



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# Movement of Restructured Advances

Particulars	Apr-13 to Sep-13		Jul-13 to Sep-13	
	No. of A/cs	Amount (₹. in crore)	No. of A/cs	Amount (₹. in crore)
Restructured accounts at the beginning of the period - [A]	118	1,088	128	1,219
Addition during the period - [B]	44	753	28	463
Addition through upgradation from NPA - [C]	4	16	4	16
Accounts closed during the period - [D]	3	100	2	73
Accounts ceases to attract higher provision – [E]	-	-		
Amount recovered during the period – [F]	0	144	0	25
Accounts slipped into NPA during the period - [G]	12	47	7	34
Restructured accounts as on 30.09.2012 <b>A+B+C-(D+E+F+G)</b>	<b>151</b>	<b>1,566</b>	<b>151</b>	<b>1,566</b>



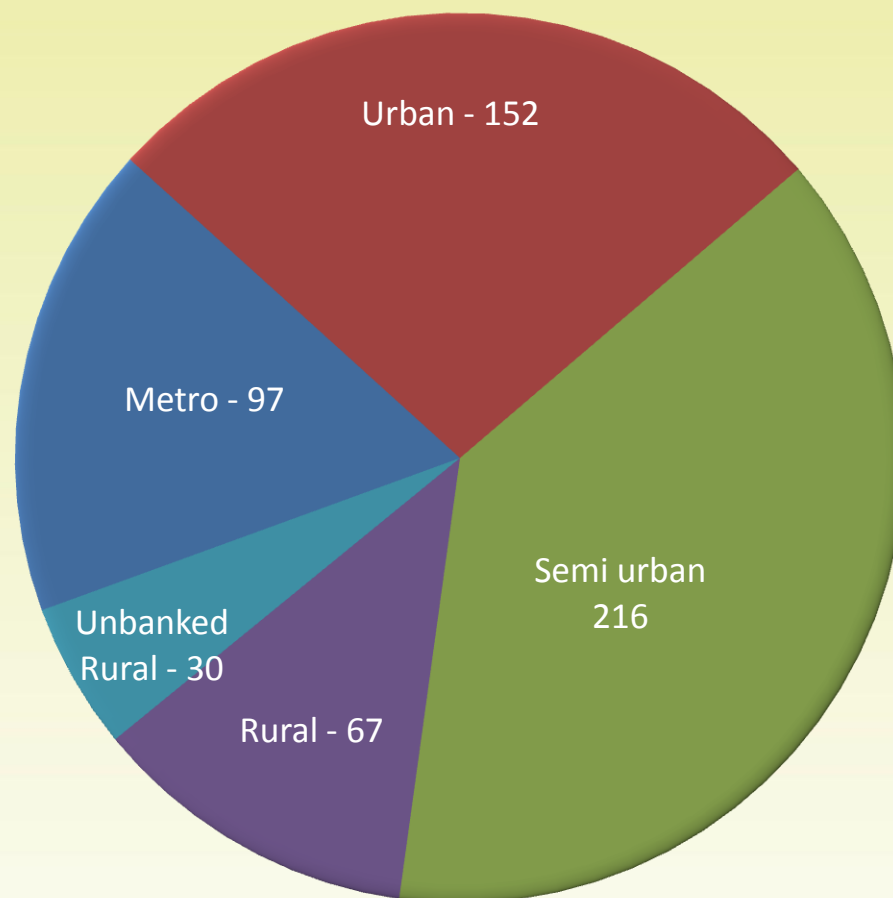
# Network and Human Resources

Particulars	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Jun-13	Sep-13
No of Branches	312	335	369	451	551	554	562
No of ATMs	324	376	488	825	1,276	1,357	1,468
No of Employees	3,941	4,175	4,574	5,673	6,730	6,717	6,842

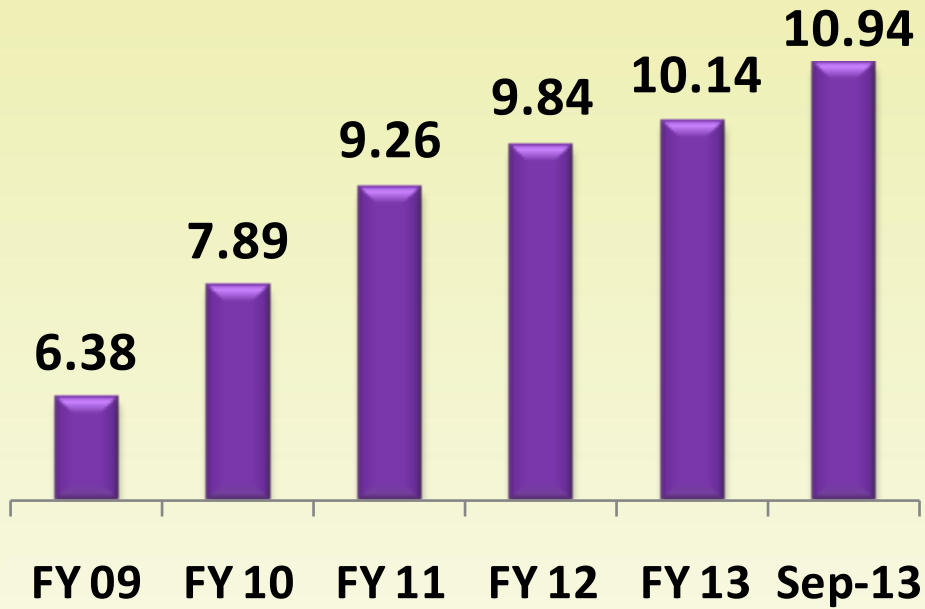


# Network of 562 Branches

STATE	Sep-12	(%)	Sep-13	(%)
TAMILNADU	239	50.85	288	51.25
ANDHRA PRADESH	99	21.06	119	21.17
KARNATAKA	33	7.02	38	6.76
MAHARASHTRA	22	4.68	26	4.63
GUJARAT	14	2.98	15	2.67
WEST BENGAL	12	2.55	14	2.49
KERALA	11	2.34	14	2.49
DELHI	9	1.91	12	2.14
PUNJAB	5	1.06	7	1.25
UTTARPRADESH	5	1.06	6	1.07
ORISSA	4	0.85	5	0.89
HARYANA	4	0.85	4	0.71
PONDICHERY	2	0.43	4	0.71
M.P.	3	0.64	3	0.53
RAJASTHAN	2	0.43	2	0.36
JHARKHAND	1	0.21	2	0.36
CHANDIGARH	1	0.21	1	0.18
CHATTISGARH	1	0.21	1	0.18
GOA	1	0.21	1	0.18
<b>Total</b>	<b>470</b>	<b>100.00</b>	<b>562</b>	<b>100.00</b>

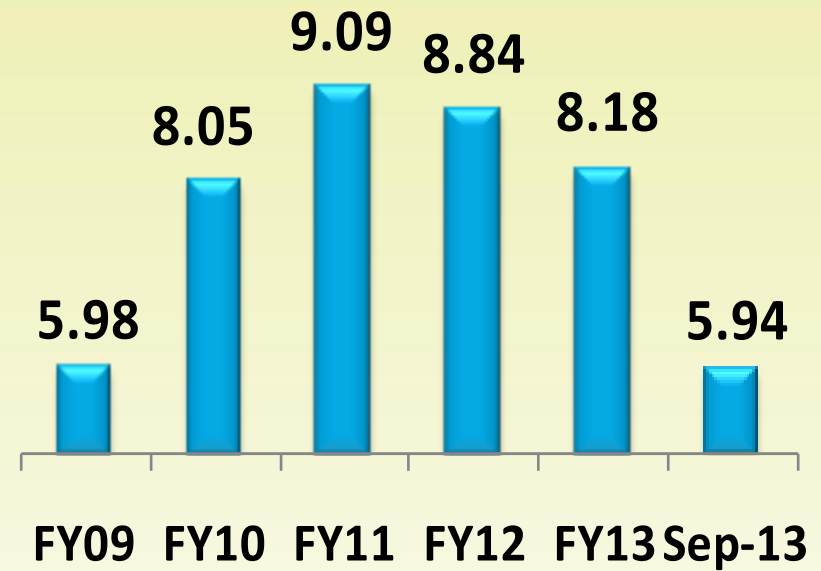


## Business Per Employee



(₹. in crore)

## Profit Per Employee



(₹. in Lakhs)



# A Decade of Progress

(₹ in crore)

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Paid up Capital</b>	17.98	17.98	17.98	49.49	53.94	53.95	54.44	94.49	107.18	107.18
<b>Reserves</b>	694.05	742.90	853.65	1013.67	1136.06	1296.21	1565.54	2020.05	2601.04	2978.01
<b>Owned funds</b>	712.03	760.88	871.63	1063.16	1190.00	1350.16	1619.98	2114.54	2708.22	3085.19
<b>CRAR - Basel I</b>	17.11%	16.07%	14.79%	14.51%	12.58%	13.08%	12.48%	12.16%	11.64%	12.02%
<b>Basel II</b>	-	-	-	-	-	14.92%	14.49%	14.41%	14.33%	14.41%
<b>Deposits</b>	5911	6672	7577	9340	12550	15101	19272	24722	32112	38653
<b>Advances</b>	4023	4620	5701	7194	9569	10563	13675	18052	24205	29706
<b>Investments</b>	2173	2219	2298	2874	3526	4716	6649	7776	10581	13869
<b>Total Income</b>	722	704	771	987	1289	1711	2005	2482	3621	4695
<b>Net Profit</b>	161	105	135	160	208	236	336	416	502	550
<b>Dividend</b>	100%	100%	120%	100%	120%	120%	120%	120%	140%	140%
<b>Branches</b>	223	231	238	269	288	312	335	369	451	551
<b>EPS (Rs.)</b>	89.58	58.59	28.29	32.80	38.62	43.71	62.23	44.90	46.81	51.35
<b>Return on Assets</b>	2.43%	1.45%	1.65%	1.53%	1.63%	1.49%	1.76%	1.71%	1.56%	1.35%
<b>Book Value(Rs.)</b>	396.05	423.22	484.80	197.09	220.61	250.25	297.60	200.33	252.68	287.85
<b>No of Employees</b>	2849	2811	2908	3286	3580	3941	4175	4574	5673	6730

THANK YOU



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