



**Karur Vysya Bank**

*Smart way to bank*

**Investor Presentation  
September 2014**



**Karur Vysya Bank**

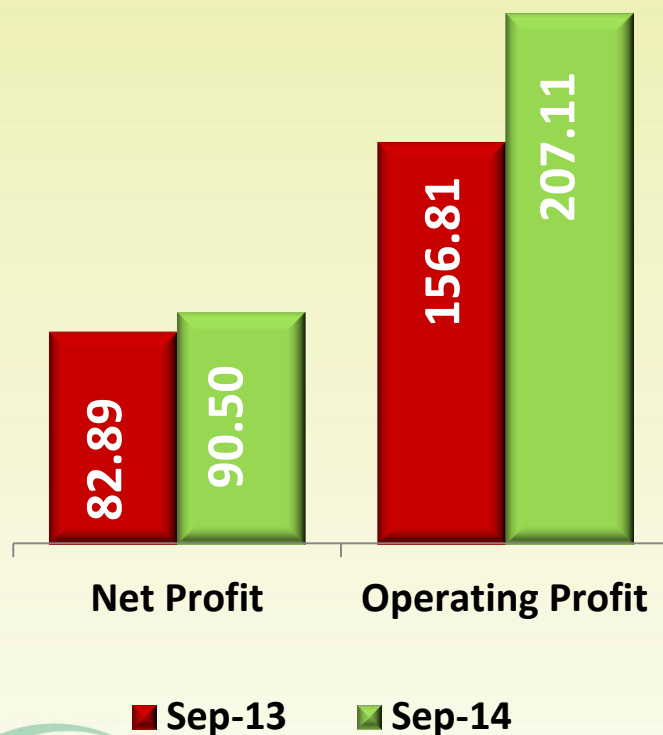
*Smart way to bank*

# Business Performance

(₹. in crore)

Particulars	Quarter ended		Growth (%)	Year ended Mar 14	Growth (%) (Ann.)
	Sep 14	Sep 13			
<b>Business</b>	<b>80,383</b>	75,281	6.78	77,984	6.15
<b>Gross Deposits</b>	<b>44,862</b>	43,372	3.43	43,758	5.05
<b>Gross Advances</b>	<b>35,521</b>	31,909	11.32	34,226	7.56
<b>Average Deposits</b>	<b>44,455</b>	40,790	8.99	42,101	11.18
<b>Average Advances</b>	<b>34,193</b>	30,612	11.70	31,538	16.84
<b>Total Assets</b>	<b>53,873</b>	50,109	7.51	51,543	9.04
<b>CD Ratio</b>	<b>79.18%</b>	73.57%		78.22	

# Net Profit & Operating Profit – Sep 2014 (Quarter)



## Net Profit

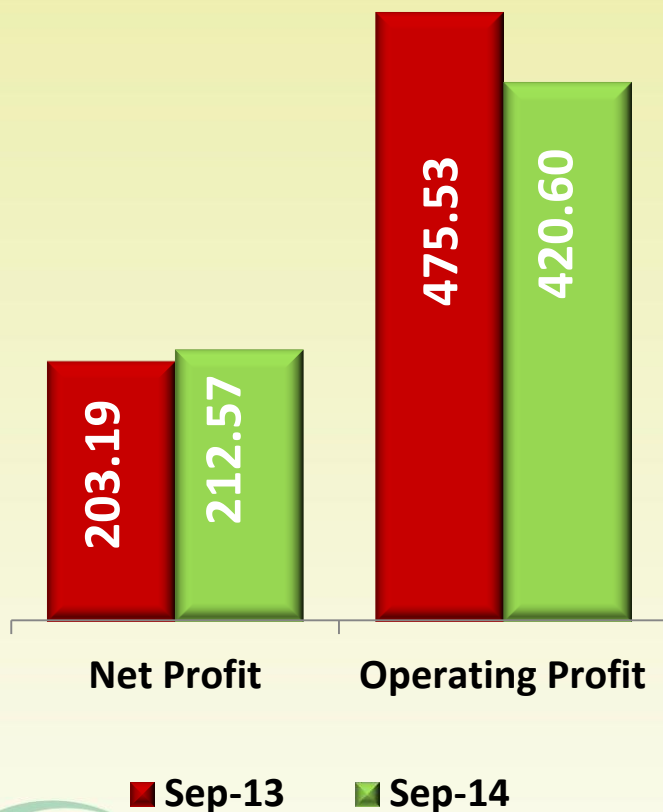
- Net Profit increased by 9.18% from ₹ 82.89 crore to ₹ 90.50 crore

## Operating Profit

- Operating Profit increased by 32.08% from ₹ 156.81 crore to ₹ 207.11 crore



# Net Profit & Operating Profit – Sep 2014 (Half year)



## Net Profit

- Net Profit increased by 4.62% from ₹ 203.19 crore to ₹ 212.57 crore

## Operating Profit

- Operating Profit decreased by 11.55% from ₹ 475.53 crore to ₹ 420.60 crore



# Performance Highlights – Sep 14 (Y-o-Y)

(₹ in crore)

Particulars	Half-year ended		Growth (%)	Year ended Mar 14
	Sep 14	Sep 13		
<b>Net Interest Income</b>	<b>677.45</b>	630.26	7.49	1283.70
<b>Other Income</b>	<b>253.91</b>	313.13	(18.91)	564.45
<b>Operating Revenue</b>	<b>931.36</b>	943.39	(1.28)	1848.15
<b>Operating Profit</b>	<b>420.60</b>	475.53	(11.55)	837.79
<b>Net Profit</b>	<b>212.57</b>	203.19	4.62	429.60
<b>Net Interest Margin</b>	<b>2.70%</b>	2.63%	10 bps	2.64%
<b>Return on Assets</b>	<b>0.81%</b>	0.82%	(1bps)	0.86%



# Performance Highlights – Sep 2014 (Q-o-Q)

(₹. in crore)

Particulars	Quarter ended		Growth (%)	Quarter Ended Jun 14	Quarter ended Mar 14
	Sep 14	Sep 13			
<b>Net Interest Income</b>	<b>337.42</b>	298.38	13.08	<b>340.03</b>	348.33
<b>Non Interest Income</b>	<b>135.96</b>	106.20	28.02	<b>117.95</b>	145.71
<b>Operating Revenue</b>	<b>473.38</b>	404.58	17.01	<b>457.98</b>	494.04
<b>Operating Profit</b>	<b>207.11</b>	156.81	32.08	<b>213.49</b>	209.29
<b>Net Profit</b>	<b>90.50</b>	82.89	9.18	<b>122.07</b>	119.59
<b>Net Interest Margin</b>	<b>2.67%</b>	2.51%	16bps	<b>2.73%</b>	2.73%
<b>Return on Assets</b>	<b>0.69%</b>	0.66%	3bps	<b>0.94%</b>	0.93%

# Key Ratios - I

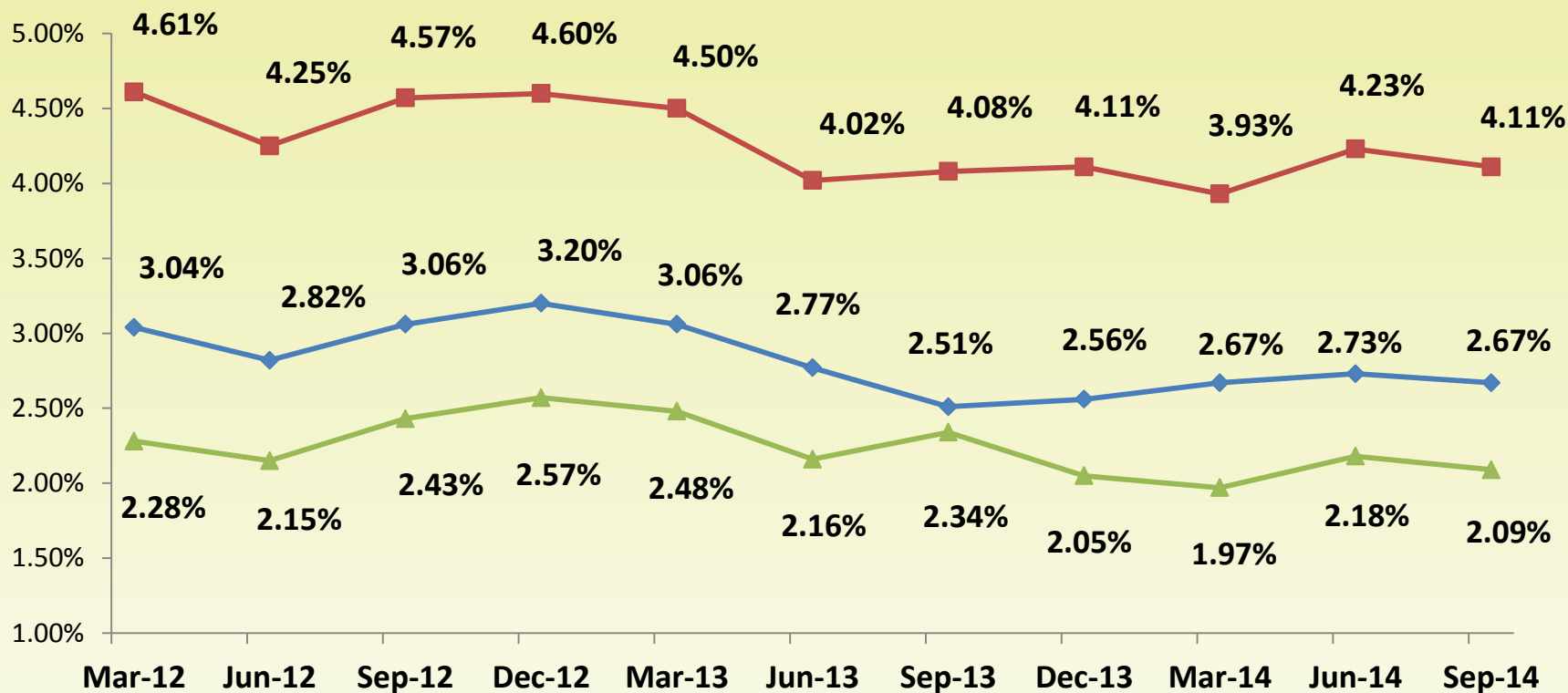
Particulars	Half Year Ended		Quarter Ended			Year ended Mar-14
	Sep-14	Sep-13	Sep-14	Sep-13	Jun-14	
Cost of Deposits (%)	8.11	8.22	8.15	8.27	8.07	8.24
Yield on Advances (%)	12.28	12.28	12.26	12.29	12.30	12.28
Cost of Funds (%)	8.26	8.26	8.29	8.33	8.22	8.24
Yield on Funds (%)	10.39	10.39	10.38	10.28	10.40	10.33
Yield on Investments (%)	7.63	7.70	7.60	7.58	7.58	7.70
Spread (%)	2.13	2.08	2.09	1.95	2.18	2.09
NIM (%)	2.70	2.63	2.67	2.51	2.73	2.64
Return on Assets (%)	0.81	0.82	0.69	0.66	0.94	0.86
Return on Net worth (%)	10.21	12.31	8.68	10.04	14.15	12.92

## Key Ratios - II

Particulars	Half Year Ended		Quarter Ended			Year ended Mar-14
	Sep-14	Sep-13	Sep-14	Sep-13	Jun-14	
Cost to Income (%)	54.84	49.59	56.25	61.24	53.38	54.67
Business per employee (₹. in crore)	11.05	10.94	11.05	10.94	11.04	10.55
Profit per employee (₹. in lakhs)	5.86	5.94	5.86	5.94	6.76	5.85
Operating Profit/ Total Income (%)	14.22	16.93	13.85	11.37	14.60	14.75
Net Profit/ Total Income (%)	7.19	7.24	6.05	6.01	8.35	7.56
Operating Expenses/ Total Income (%)	8.83	8.14	9.33	8.43	8.32	8.49
Staff Cost / Total Income (%)	8.44	8.52	8.48	9.54	8.39	9.29
Staff Cost / Total Expenses (%)	9.84	10.26	9.84	10.76	9.83	10.90
Staff Cost / Operating Expenses (%)	48.85	51.15	47.60	53.09	50.21	52.25
No. of employees (no.)	7260	6842	7260	6842	7220	7340



# Spread & NIM (Quarterly)



■ Spread (Deposits and Advances)

◆ Net Interest Margin

▲ Spread on Funds

KVB

# Income & Expenses Analysis – H1 (Y-o-Y)

(₹ in crore)

Particulars	Half Year ended		Growth (%)	Year ended March 14
	Sep 14	Sep 13		
Interest earned	2703.39	2495.22	8.34	5,115.96
Interest expended	2025.94	1864.96	8.63	3,832.26
<b>Net Interest Income</b>	<b>677.45</b>	630.26	7.49	<b>1,283.70</b>
Other Income	247.23	210.21	17.61	460.72
Profit on Investment	6.68	102.92	(93.51)	103.73
<b>Operating Revenue</b>	<b>931.36</b>	943.39	(1.28)	<b>1,848.15</b>
<b>Operating expenses</b>	<b>510.76</b>	467.86	9.17	<b>1,010.36</b>
Employee cost	249.50	239.31	4.26	527.92
Other expenses	261.26	228.55	14.31	482.44
<b>Operating Profit</b>	<b>420.60</b>	475.53	(11.55)	<b>837.79</b>
<b>Provisions</b>	<b>179.53</b>	<b>281.63</b>	(36.25)	<b>442.31</b>
<b>Profit Before Tax</b>	<b>241.07</b>	<b>193.90</b>	24.33	<b>395.48</b>
Provision for Taxes	28.50	(9.29)	---	(34.12)
<b>Net Profit</b>	<b>212.57</b>	<b>203.19</b>	4.62	<b>429.60</b>

# Income & Expenses Analysis (Q-o-Q)

(₹. in crore)

Particulars	Quarter ended		Y-o-Y Growth (%)	Quarter Ended Jun-14	Seq. Growth (%)	Quarter ended Mar 14
	Sep-14	Sep-13				
Interest earned	1358.90	1272.70	6.77	1,344.49	1.07	1,322.74
Interest expended	1021.48	974.31	4.84	1,004.46	1.69	974.41
<b>Net Interest Income</b>	<b>337.42</b>	298.39	13.08	340.03	(0.77)	348.33
Other Income	132.24	106.47	24.20	114.99	15.00	145.45
Profit on Investment	3.72	(0.28)	--	2.96	25.68	0.26
<b>Operating Revenue</b>	<b>473.38</b>	404.58	17.01	457.98	3.36	494.04
<b>Operating expenses</b>	<b>266.27</b>	247.77	7.47	244.49	8.91	284.75
Employee cost	126.75	131.54	(3.65)	122.75	3.25	147.95
Other expenses	139.52	116.23	20.04	121.74	14.61	136.80
<b>Operating Profit</b>	<b>207.11</b>	156.81	32.08	213.49	(2.99)	209.29
<b>Provisions</b>	<b>93.11</b>	118.47	(21.41)	86.42	7.74	110.03
<b>Profit Before Tax</b>	<b>114.00</b>	38.34	197.34	127.07	(10.28)	99.26
Provision for Taxes	23.50	(44.55)	---	5.00	370.00	(20.33)
<b>Net Profit</b>	<b>90.50</b>	82.89	9.18	122.07	(25.86)	119.59

# Provisions & Contingencies

(₹. in crore)

Particulars	Quarter Ended			Annual
	Sep-14	Sep-13	Jun-14	March 14
NPA	73.02	27.30	121.59	189.47
Standard Assets	10.17	16.52	(2.68)	40.07
Restructured Advances	0.80	37.38	11.37	5.93
Others	7.24	0.88	6.63	(6.40)
Investments	1.88	36.38	(50.49)	213.24
<b>Provisions Before Tax</b>	<b>93.11</b>	<b>118.46</b>	<b>86.42</b>	<b>442.31</b>
Provisions for Tax	23.50	(44.54)	5.00	(34.12)
<b>Total Provisions</b>	<b>116.61</b>	<b>73.92</b>	<b>91.42</b>	<b>408.19</b>

# CRAR (Basel III)

(₹. in crore)

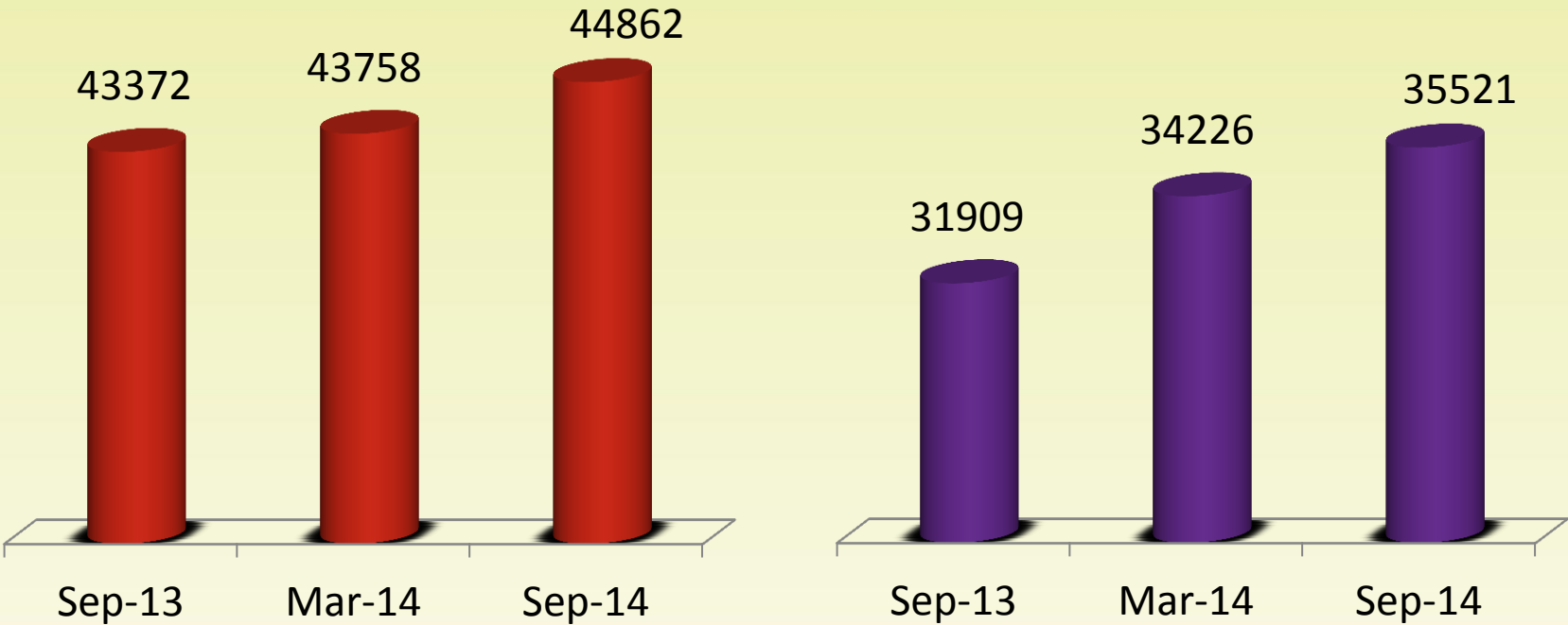
Particulars	Sep-14	Sep-13	Jun-14	Mar-14
Tier I Capital	3935.15	2995.93	3,288	3,230
Tier II Capital	277.65	274.70	267	270
Tier (I + II)	4212.80	3270.63	3,555	3,500
Total Risk Weighted Assets	29243.37	25527.00	28,463	27,787
Tier I – CRAR (%)	13.46%	11.74%	11.55%	11.62%
Tier II – CRAR (%)	0.95%	1.07%	0.94%	0.98%
CRAR (%)	14.41%	12.81%	12.49%	12.60%

## CRAR (Basel II)

- As per Basel II, CRAR works out to 14.40%, as on Sep 30, 2014. It was 13.08% as on Sep 30, 2013.

# Deposits & Advances

(₹ in crore)

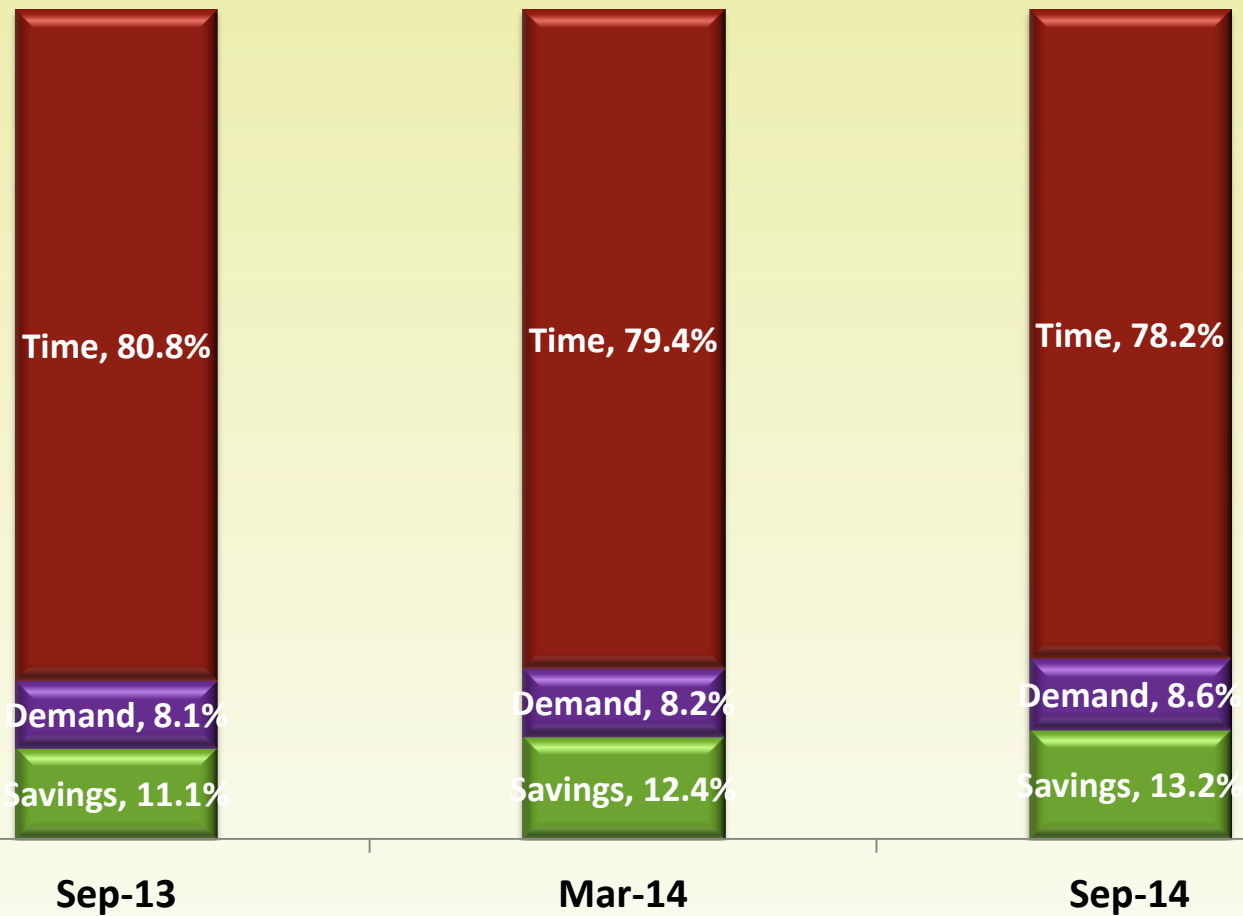


■ Deposits

■ Advances

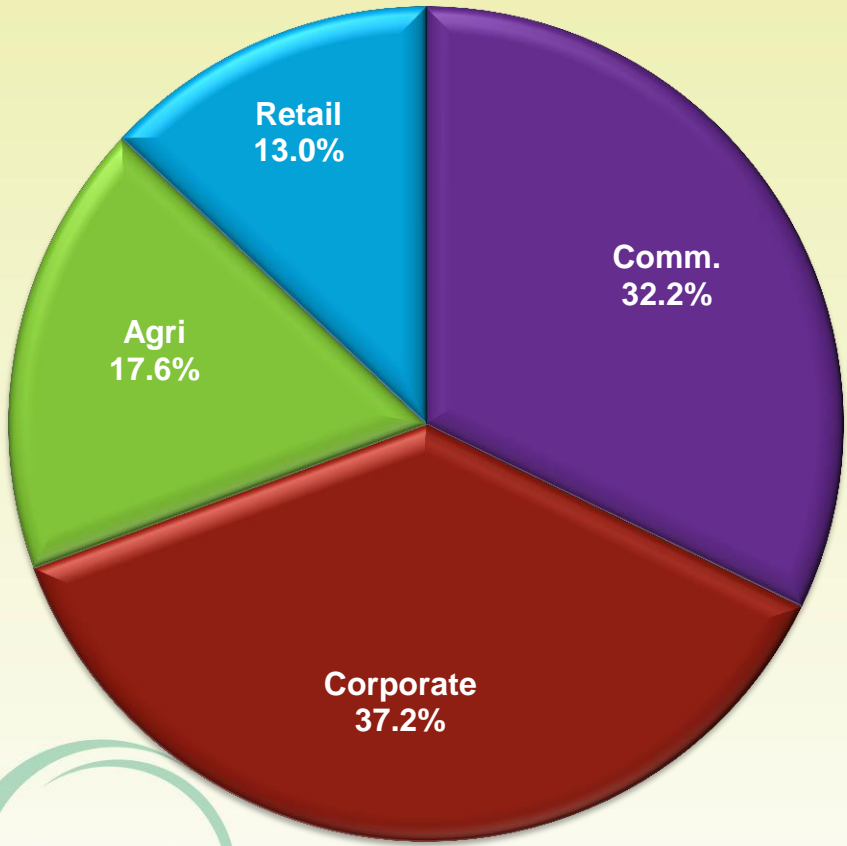


# Deposit Mix

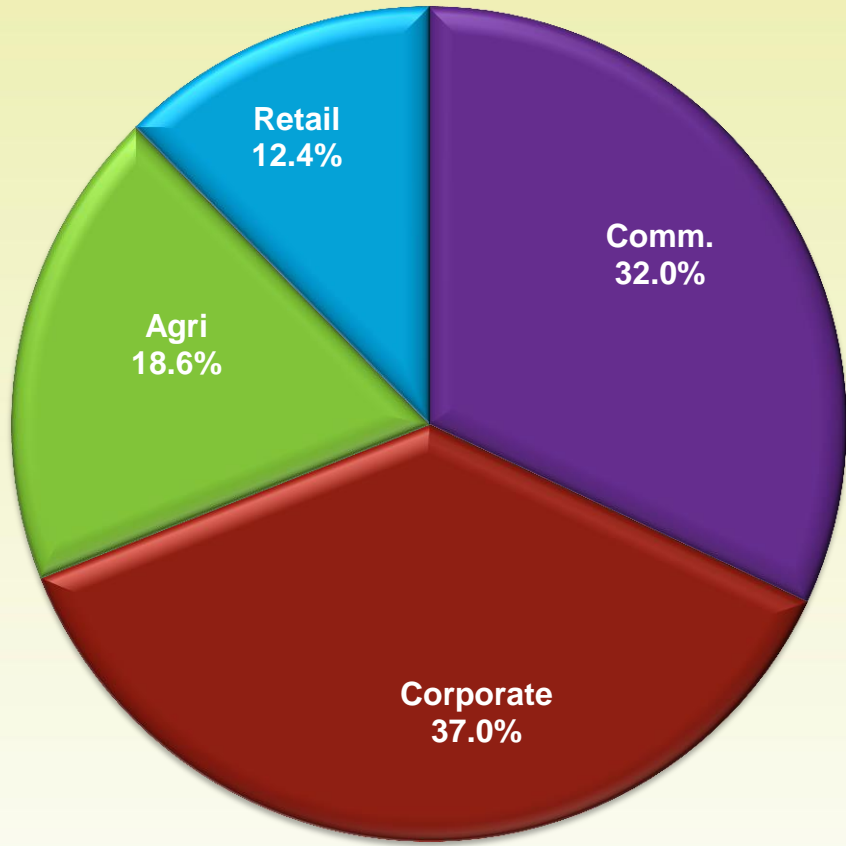


# Mix of Advances

Sep 14



Sep 13





# Advances – Category wise

Particulars	Amount (Rs. in crore)			% to Total Advance			Growth Over Sep-13	
	Sep-14	Sep-13	Mar-14	Sep-14	Sep-13	Mar-14	Quantum	%
MANUFACTURING SECTOR	<b>12,026</b>	10,680	11,930	<b>33.9</b>	33.5	34.9	1,346	12.60
JEWEL LOAN	<b>7,965</b>	8,071	8,006	<b>22.4</b>	25.3	23.4	(106)	(1.31)
Personal Segment Loans @	<b>4,307</b>	3,869	4,141	<b>12.1</b>	12.1	12.1	438	11.32
TRADING	<b>4,213</b>	4,439	3,908	<b>11.9</b>	13.9	11.4	(226)	(5.09)
BILLS	<b>2,157</b>	1,751	2,112	<b>6.1</b>	5.5	6.2	406	23.19
NBFC	<b>1,015</b>	857	811	<b>2.9</b>	2.7	2.4	158	18.44
OTHER EXPOSURES*	<b>3,838</b>	2,242	3,318	<b>10.8</b>	7.0	9.6	1,596	71.19
<b>TOTAL ADVANCES</b>	<b>35,521</b>	31,909	34,426	<b>100.0</b>	100.0	100.0	3,612	11.32

@ Vehicle, Housing, Deposit loans

\*includes Commercial Real estate, Capital Market exposure and Loans given other than to industry, like short term loans, Cash credit & over draft etc

# Industry Exposure - Breakup

INDUSTRY	Amount (Rs. in crore)			% to Total Advance			Growth Over Sep 13	
	Sep-14	Sep-13	Mar-14	Sep-14	Sep-13	Mar-14	Quantum	%
INFRASTRUCTURE	3,301	3,130	3,136	9.3	9.8	9.2	171	5.46
TEXTILES	2,637	2,129	2,596	7.4	6.7	7.6	508	23.86
BASIC METAL & METAL PRODUCTS	1,448	1,370	1,584	4.1	4.3	4.6	78	5.69
FOOD PROCESSING	1,109	931	1,134	3.1	2.9	3.3	178	19.12
CHEMICALS AND CHEMICALS PRODUCTS	685	538	699	1.9	1.7	2.0	147	27.32
TRANSPORT EQUIPMENTS	343	312	313	1.0	1.0	0.9	31	9.94
GEMS & JEWELLERY	401	323	356	1.1	1.0	1.0	78	24.15
ALL ENGINEERING	469	431	424	1.3	1.4	1.2	38	8.82
RUBBER	270	182	250	0.8	0.6	0.7	88	48.35
MINING AND QUARRYING	217	179	213	0.6	0.6	0.6	38	21.23
BEVERAGE & TOBACCO	89	67	91	0.3	0.2	0.3	22	32.84
WOOD	169	174	198	0.5	0.5	0.6	(5)	(2.87)
CEMENT	112	99	91	0.3	0.3	0.3	13	13.13
PAPER	99	88	97	0.3	0.3	0.3	11	12.50
CONSTRUCTION	254	153	276	0.7	0.5	0.8	101	66.01
GLASS	5	9	5	0.0	0.0	0.0	(4)	(44.44)
LEATHER	4	9	4	0.0	0.0	0.0	(5)	(55.56)
PETROLEUM	15	25	26	0.0	0.1	0.1	(10)	(40.00)
OTHER INDUSTRIES	399	531	437	1.1	1.7	1.3	(132)	(24.86)
<b>TOTAL INDUSTRY EXPOSURE</b>	<b>12,026</b>	<b>10,680</b>	<b>11,930</b>	<b>33.9</b>	<b>33.5</b>	<b>34.9</b>	<b>1346</b>	<b>12.60</b>

# Infrastructure Advances

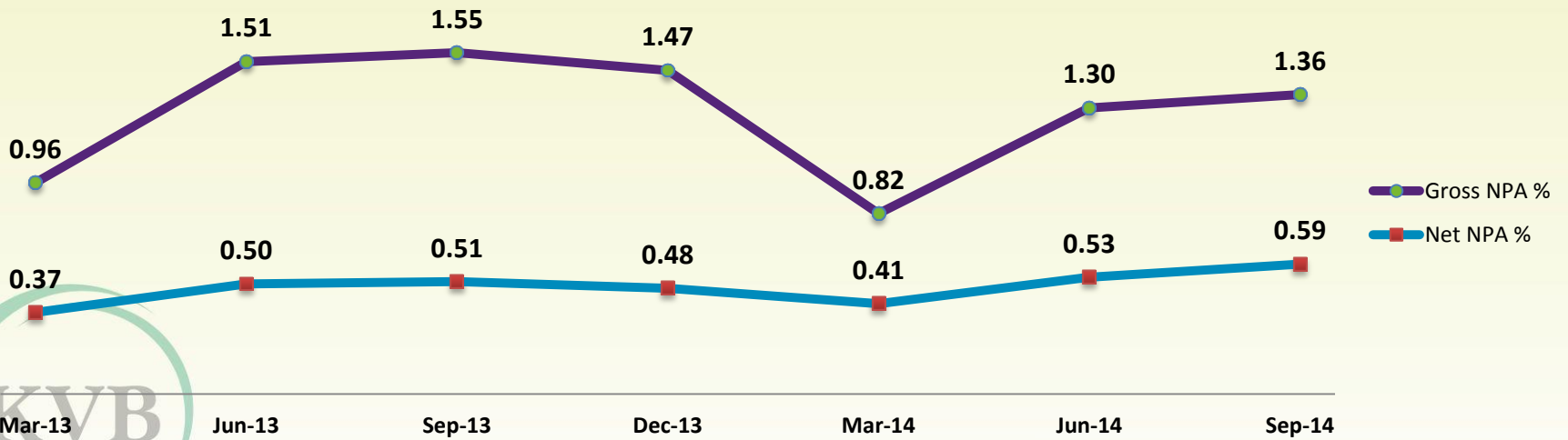
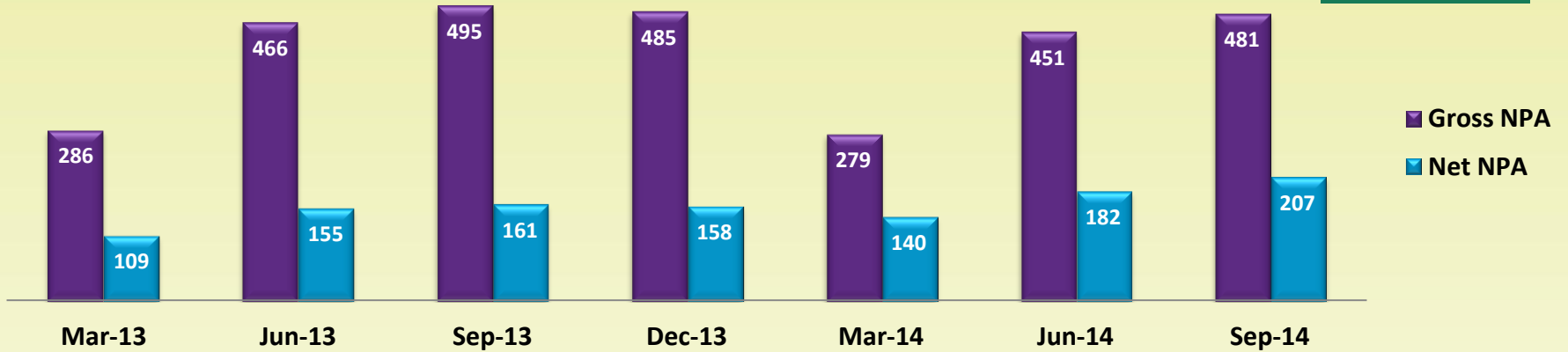
INFRASTRUCTURE	Amount (Rs. in crore)			% to Total Advance			Growth Over Sep-13	
	Sep-14	Sep-13	Mar-14	Sep-14	Sep-13	Mar-14	Quantum	%
Power	1,458	1,567	1,409	4.1	4.9	4.1	(109)	(6.96)
Road	349	321	342	1.0	1.0	1.0	28	8.72
Telecommunication	51	69	52	0.1	0.2	0.2	(18)	(26.09)
Infra Others	1,443	1,172	1,333	4.1	3.7	3.9	271	23.12
<b>TOTAL</b>	<b>3,301</b>	<b>3,129</b>	<b>3,136</b>	<b>9.3</b>	<b>9.8</b>	<b>9.2</b>	<b>172</b>	<b>5.50</b>

Power - Sector wise	Sep-14	Sep-13	Mar-14
GOVERNMENT	1,020	1,086	927
PRIVATE	438	481	482
<b>TOTAL</b>	<b>1,458</b>	<b>1,567</b>	<b>1,409</b>



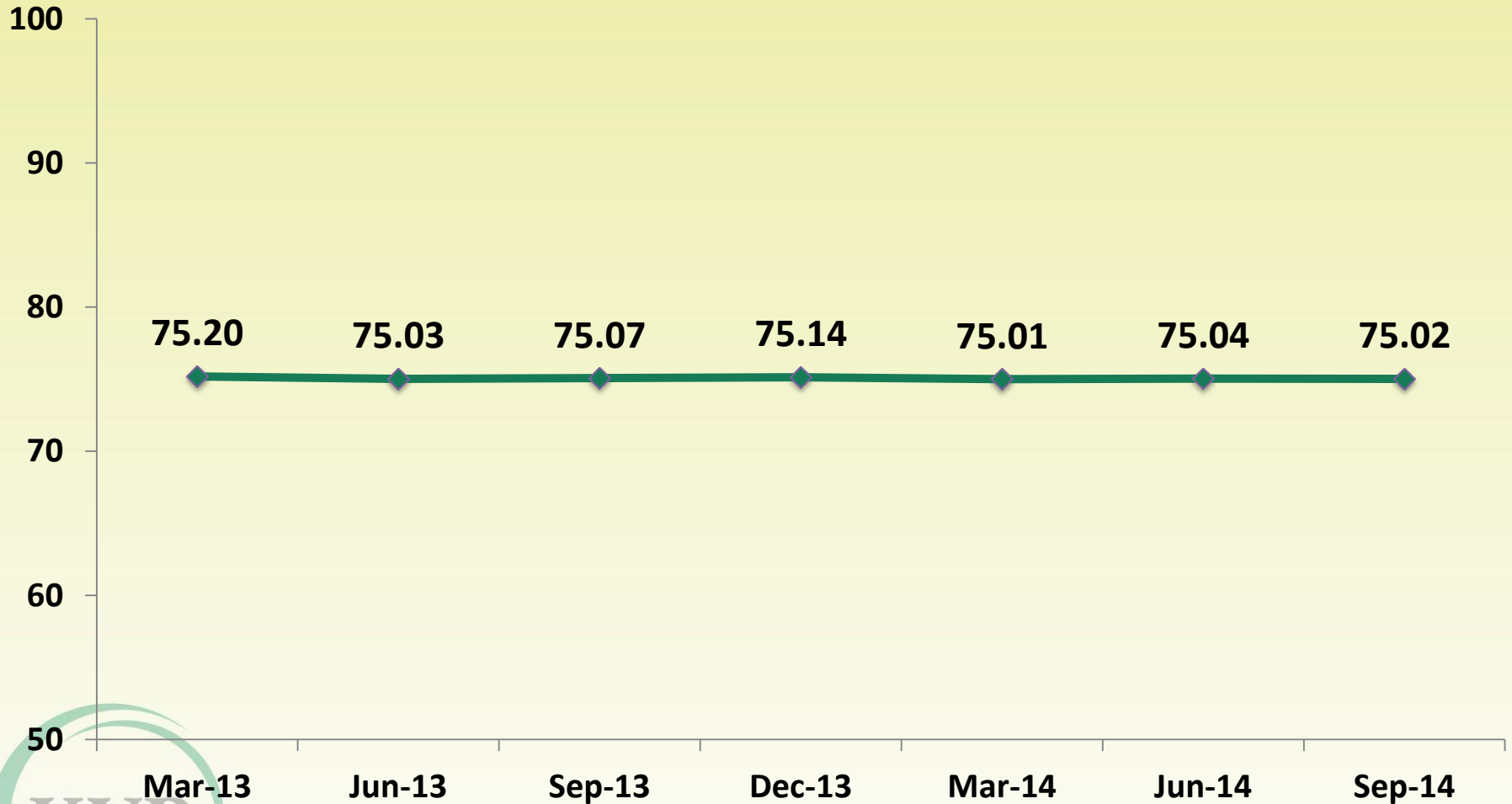
# Gross NPA & Net NPA

(₹. in crore)



KVB

# Provision Coverage Ratio (%)



# Movement of Restructured Advances

Particulars	Apr-14 to Jun-14		Jul 14 to Sep 14	
	No. of A/cs	Amount (Rs. in crore)	No. of A/cs	Amount (Rs. in crore)
Restructured accounts at the beginning of the period - [A]	181	1,390	192	1,491
Addition during the period - [B]	21	158	30	125
Addition of facilities in existing restructured A/Cs - [C]		102		74
Addition through upgradation from NPA [D]		NIL	1	14
Accounts closed during the period - [E]	2	0.06	4	14
Accounts ceases to attract higher provision (upgradation)- [F]				
Amount recovered during the period – [G]		53		23
Accounts slipped into NPA during the period - [H]	8	106	13	68
Restructured accounts as on 30.09.2014 <b>A+B+C+D-(E+F+G+H)</b>	<b>192</b>	<b>1,491</b>	<b>206</b>	<b>1,599</b>

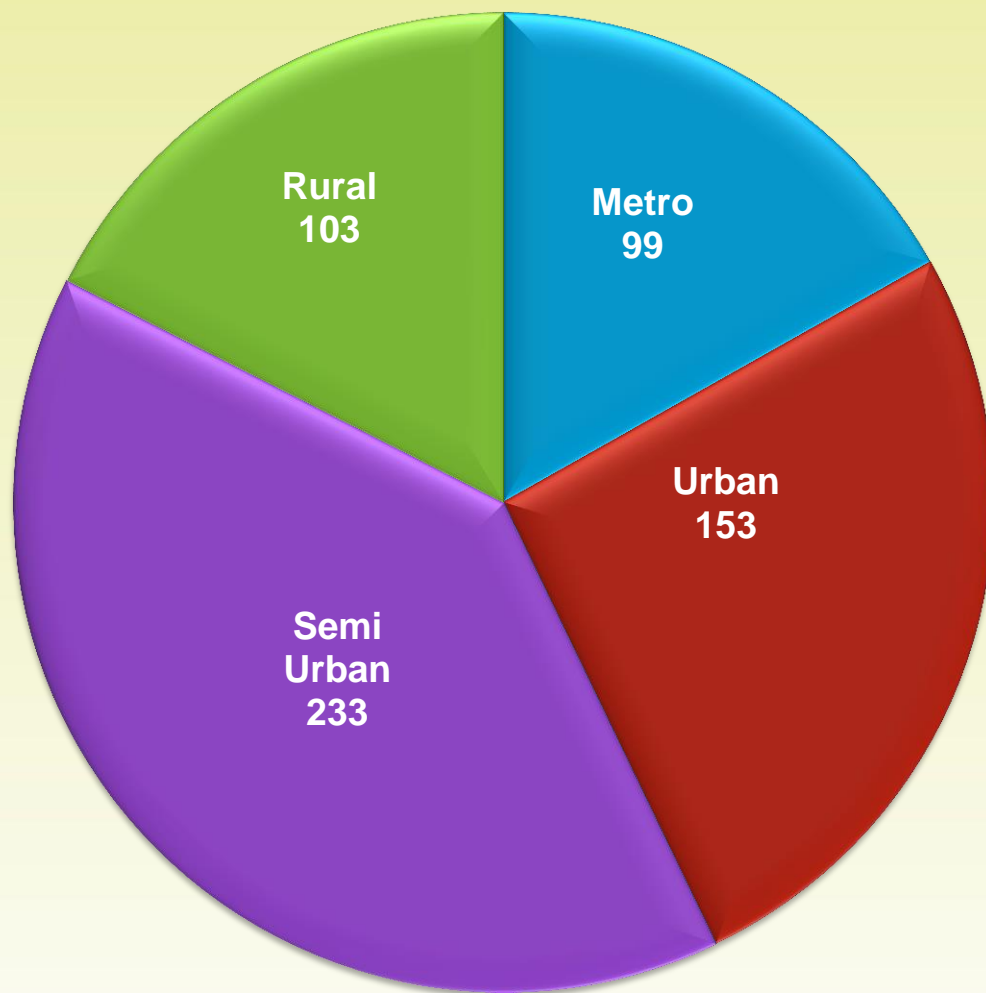
# Network and Human Resources

Particulars	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Jun-13	Mar-14	Jun-14	Sep-14
No of Branches	312	335	369	451	551	554	572	588	599
No of ATMs	324	376	488	825	1,276	1,357	1,616	1,630	1,637
No of Employees	3,941	4,175	4,574	5,673	6,730	6,717	7,340	7,220	7,260



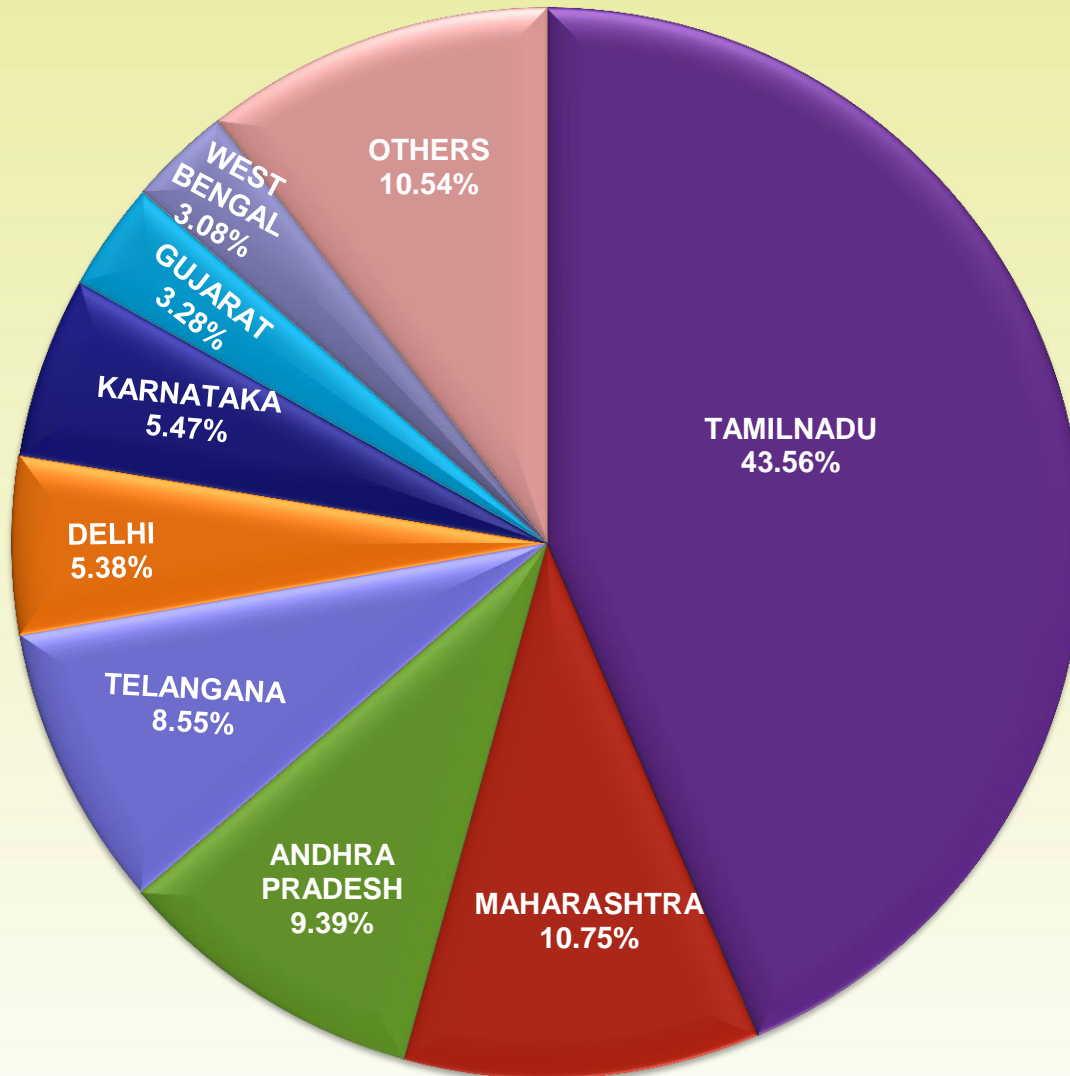
# Network of 599 Branches

STATE	Sep-14	(%)	Sep-13	(%)
TAMILNADU	313	52.25	288	51.25
ANDHRA PRADESH	83	13.86	119	21.17
TELANGANA	47	7.85		
KARNATAKA	38	6.34	38	6.76
MAHARASHTRA	26	4.34	26	4.63
GUJARAT	15	2.50	15	2.67
WEST BENGAL	14	2.34	14	2.49
KERALA	14	2.34	14	2.49
DELHI	12	2.00	12	2.14
PUNJAB	7	1.17	7	1.25
UTTARPRADESH	6	1.00	6	1.07
ORISSA	5	0.83	5	0.89
HARYANA	4	0.67	4	0.71
PONDICHERY	5	0.83	4	0.71
M.P.	3	0.50	3	0.53
RAJASTHAN	2	0.33	2	0.36
JHARKHAND	2	0.33	2	0.36
CHANDIGARH	1	0.17	1	0.18
CHATTISGARH	1	0.17	1	0.18
GOA	1	0.17	1	0.18
<b>Total</b>	<b>599</b>	<b>100.00</b>	<b>562</b>	<b>100.00</b>

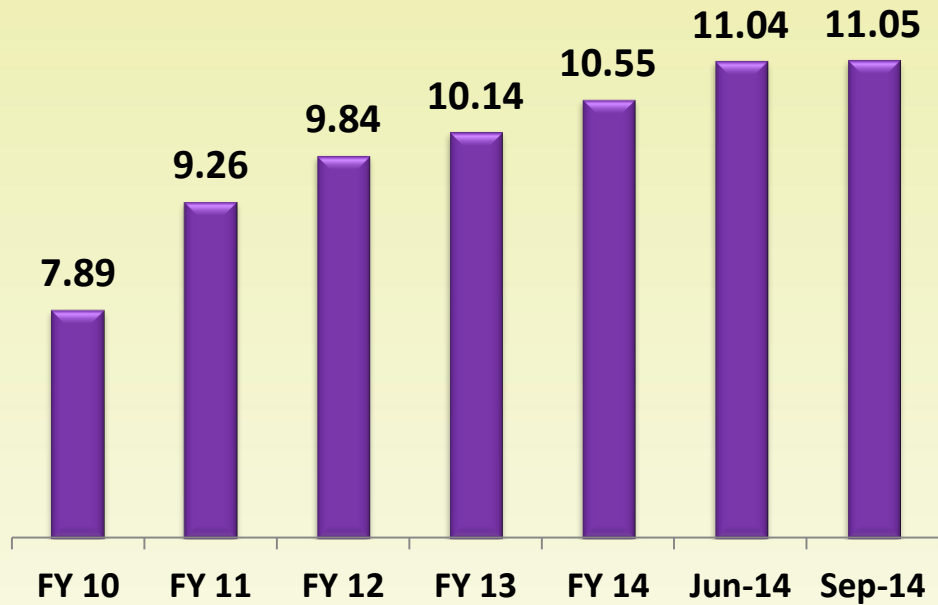




# State wise Contribution - Total Business

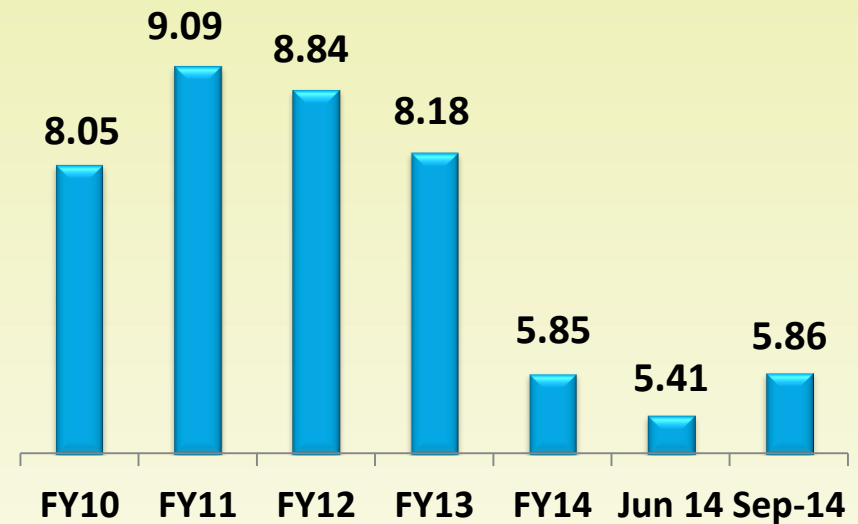


## Business Per Employee



(₹. in crore)

## Profit Per Employee



(₹. in Lakhs)



# A Decade of Progress

(₹ in crore)

Year	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Paid up Capital</b>	17.98	17.98	49.49	53.94	53.95	54.44	94.49	107.18	107.18	107.18
<b>Reserves</b>	742.90	853.65	1013.67	1136.06	1296.21	1565.54	2020.05	2601.04	2978.01	3219.16
<b>Owned funds</b>	760.88	871.63	1063.16	1190.00	1350.16	1619.98	2114.54	2708.22	3085.19	3326.34
<b>CRAR - Basel II</b>	-	-	-	-	14.92%	14.49%	14.41%	14.33%	14.41%	12.77%
<b>Basel III</b>	-	-	-	-	-	-	-	-	-	12.60%
<b>Deposits</b>	6672	7577	9340	12550	15101	19272	24722	32112	38653	43758
<b>Advances</b>	4620	5701	7194	9569	10563	13675	18052	24205	29706	34226
<b>Investments</b>	2219	2298	2874	3526	4716	6649	7776	10581	13869	13445
<b>Total Income</b>	704	771	987	1289	1711	2005	2482	3621	4695	5680
<b>Net Profit</b>	105	135	160	208	236	336	416	502	550	430
<b>Dividend</b>	100%	120%	100%	120%	120%	120%	120%	140%	140%	130%
<b>Branches (No.)</b>	231	238	269	288	312	335	369	451	551	572
<b>EPS (Rs.)</b>	58.59	28.29	32.80	38.62	43.71	62.23	44.90	46.81	51.35	40.08
<b>Return on Assets</b>	1.45%	1.65%	1.53%	1.63%	1.49%	1.76%	1.71%	1.56%	1.35%	0.86%
<b>Book Value(Rs.)</b>	423.22	484.80	197.09	220.61	250.25	297.60	200.33	252.68	287.85	308.91
<b>No of Employees</b>	2811	2908	3286	3580	3941	4175	4574	5673	6730	7340

THANK YOU



**Karur Vysya Bank**

*Smart way to bank*