

FCD / 132 /2017-18

July 28, 2017

The Secretary  
The Bombay Stock Exchange, Mumbai.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI - 400 001.

Dear Sirs,

Reg: Reviewed Financial Results of the Bank for the quarter ended 30<sup>th</sup> June 2017.

Please find enclosed the Reviewed Financial Results of the Bank for the quarter ended 30<sup>th</sup> June 2017 and approved by the Board on 28<sup>th</sup> July 2017.

Yours faithfully



(K.Venkataraman)  
Managing Director & C E O

Encl: as above.

**THE KARUR VYSYA BANK LIMITED**

Finance & Control Department  
Central Office, Erode Road, KARUR - 639 002.

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**REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2017**
*(Rs. in lakh)*

Particulars	3 Months ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
	Reviewed	Audited	Reviewed	Audited
1. Interest earned (a+b+c+d)	138408	143324	138503	562235
a) Interest / discount on advances / bills	108855	110399	110639	440169
b) Income on Investments	27415	29183	26609	110604
c) Int. on balances with RBI & other interbank funds	1875	3431	360	8777
d) Other Interest	263	311	895	2685
2. Other Income	23630	23199	16228	78222
3. Total Income (1+2)	162038	166523	154731	640457
4. Interest Expended	84551	85325	90391	354865
5. Operating Expenses (i+ii)	32546	30492	29719	128495
(i) Employees cost	15145	13799	13996	60796
(ii) Other operating expenses	17401	16693	15723	67699
6. Total Expenditure <i>excluding provisions and contingencies (4+5)</i>	117097	115817	120110	483360
7. Operating Profit <i>before provisions and contingencies (3-6)</i>	44941	50706	34621	157097
8. Provisions (other than tax) and Contingencies	23344	21750	13011	68750
9. Exceptional items	0	0	0	0
10. Profit from ordinary activities before tax (7-8-9)	21597	28956	21610	88347
11. Tax expense	6800	7200	6975	27749
12. Net Profit from ordinary activities after tax (10-11)	14797	21756	14635	60598
13. Extraordinary items (net of tax expense)	0	0	0	0
14. Net Profit for the period (12-13)	14797	21756	14635	60598
15. Paid-up equity share capital (FV Rs.2/-)	12186	12186	12186	12186
16. Reserves excluding Revaluation Reserve <i>(as per balance sheet of previous accounting year)</i>				445109
17. Analytical Ratios				
(i) % of shares held by Government of India	0%	0%	0%	0%
(ii) Capital Adequacy Ratio - Basel III	11.71%	12.54%	11.67%	12.54%
(iii) Earnings per share (EPS)^ (Rs.)				
a) Basic EPS before extraordinary items	2.43	3.57	(*) 12.01	9.95
b) Diluted EPS before extraordinary items	2.43	3.57	(*) 12.01	9.95
c) Basic EPS after extraordinary items	2.43	3.57	(*) 12.01	9.95
d) Diluted EPS after extraordinary items	2.43	3.57	(*) 12.01	9.95
(iv) NPA Ratios				
a) Gross NPA	180701	148381	70235	148381
b) Net NPA	118916	103346	30617	103346
c) % of Gross NPA	4.27%	3.58%	1.79%	3.58%
d) % of Net NPA	2.85%	2.53%	0.79%	2.53%
(v) Return on Asset (annualised)	0.95%	1.39%	1.00%	1.00%

^ - EPS not annualized for the quarter.

\* Sub division of face value of shares from Rs. 10/- to Rs. 2/- per share was effected during the quarter ended December 31, 2016. For the quarter ended June 16, EPS has been calculated with face value of Rs.10/- each.


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**Karur Vysya Bank***Smart way to bank**(Rs. in lakh)*

Segment Reporting for the Quarter ended 30th June 2017				
Particulars	3 Months ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
Business Segments	Reviewed	Audited	Reviewed	Audited
<b>Segment Revenue</b>				
1. Treasury Operations	35057	41388	29502	143754
2. Corporate/Wholesale Banking Operations	44535	44010	44091	175576
3. Retail Banking Operations	82048	80763	80833	319998
4. Other Banking Operations	397	362	305	1128
<b>Total</b>	<b>162037</b>	<b>166523</b>	<b>154731</b>	<b>640456</b>
<b>Segment Results</b>				
1. Treasury Operations	14059	12371	6630	41650
2. Corporate/Wholesale Banking Operations	17346	15530	13084	54432
3. Retail Banking Operations	28893	27743	20253	83508
4. Other Banking Operations	359	331	277	1020
<b>Total</b>	<b>60657</b>	<b>55975</b>	<b>40244</b>	<b>180610</b>
<b>Less: Unallocated Income/Expenses</b>	<b>15716</b>	<b>5269</b>	<b>5623</b>	<b>23513</b>
<b>Operating Profit</b>	<b>44941</b>	<b>50706</b>	<b>34621</b>	<b>157097</b>
Tax expense	6800	7200	6975	27749
Other Provisions	23344	21750	13011	68750
<b>Net Profit from ordinary activities</b>	<b>14797</b>	<b>21756</b>	<b>14635</b>	<b>60598</b>
Extraordinary items	0	0	0	0
<b>Net Profit</b>	<b>14797</b>	<b>21756</b>	<b>14635</b>	<b>60598</b>
<b>Other Information</b>				
<b>Segment Assets</b>				
1. Treasury Operations	1549165	1495821	1456934	1495821
2. Corporate/Wholesale Banking Operations	1435867	1351162	1364254	1351162
3. Retail Banking Operations	2733905	2739610	2525128	2739610
4. Other Banking Operations	0	0	0	0
5. Unallocated Assets	533919	594169	516668	594169
<b>Total</b>	<b>6252856</b>	<b>6180762</b>	<b>5862984</b>	<b>6180762</b>
<b>Segment Liabilities</b>				
1. Treasury Operations	1449971	1448711	1404405	1448711
2. Corporate/Wholesale Banking Operations	1305869	1219454	1233641	1219454
3. Retail Banking Operations	2486610	2472378	2283323	2472378
4. Other Banking Operations	0	0	0	0
5. Unallocated Liabilities	485720	536649	467055	536649
<b>Capital Employed</b>	<b>524686</b>	<b>503570</b>	<b>474560</b>	<b>503570</b>
<b>Total Liabilities</b>	<b>6252856</b>	<b>6180762</b>	<b>5862984</b>	<b>6180762</b>

**GEOGRAPHIC SEGMENTS:** The Bank operates only in Domestic segment.

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Notes:

1) The above financial results for the quarter ended 30<sup>th</sup> June 2017 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 28<sup>th</sup> July 2017. The same has been subjected to limited review by the Statutory Central Auditors of the Bank.

2) There has been no change in the accounting policies followed during the quarter ended 30<sup>th</sup> June 2017 as compared to those followed in the preceding financial year ended 31<sup>st</sup> March 2017.

3) The above interim financial results have been arrived at after considering various provisions as per RBI guidelines, for loan losses and depreciation on Investments, Standard Advances, Restructured Advances, exposure to entities with Unhedged Foreign Currency Exposure. Provision for employees' retirement benefits like pension, gratuity and leave encashment have been made as per actuarial valuation. Provision for Income Tax, Deferred Tax and other contingencies are on estimated and proportionate basis and are subject to adjustments, if any, at the year end.

4) The figures for the quarter ended March 31, 2017 are the balancing figures between audited figures in respect of financial year 2016-17 and the published year to date figures upto the end of the third quarter of the financial year ended 31st March 2017.

5) In terms of RBI guidelines vide RBI circular RBI/2015-16/423 DBR.No.BP.BC.102/21.04.048/2015-16 dated 13.06.2016, the Bank had debited General Reserves being unamortised loss on sale of NPAs to ARCs during 2015-16 to the extent of Rs.185.07 crore as on 31.03.2017. Out of the above, a sum of Rs.63.19 crore has been debited to Profit and Loss account and credited to General Reserves during the quarter ended June 2017 in order to proportionately reverse the debit to General Reserves. The balance amount Rs.121.88 crore would be reversed in the ensuing quarters.

6) In accordance with the RBI circular DBOD.No.BPBC.1/21.06.201/2015-16 dated 01.07.2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015, 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 [http://www.kvb.co.in/footer/pillarIII\\_disclosures.html](http://www.kvb.co.in/footer/pillarIII_disclosures.html). These disclosures have not been subjected to review/audit by the Statutory Central Auditors.



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7) In accordance with RBI guidelines, Bank has shifted securities amounting to Rs. 723.60 crore from HTM to AFS category during the first quarter of the current financial year and there was no impact on the Profit and Loss account.

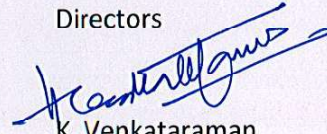
8) Provision Coverage Ratio as on 30.06.2017 is 57.01%

9) The position of investor complaints is as under: No. of complaints pending at the beginning of the quarter Nil; received during the quarter 03; disposed off during the quarter 03; pending at the end of the quarter Nil.

10) Figures of the corresponding previous period have been re-classified/regrouped wherever considered necessary.

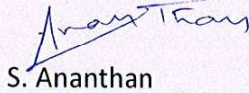
Place : Karur  
Date : 28.07.2017

For and on behalf of Board of  
Directors



K. Venkataraman  
Managing Director & C.E.O

"As per our report of even date"  
For Abarna & Ananthan  
Chartered Accountants  
Firm Registration No. 0000035



S. Ananthan  
Partner  
Membership No. 026379



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## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF  
KARUR VYSYA BANK LIMITED

1. We have reviewed the accompanying statement of Unaudited Financial Results of **The Karur Vysya Bank Limited** for the quarter ended 30<sup>th</sup> June, 2017 ("the Statement"), excluding the "Pillar 3 disclosures and leverage ratio under Basel III Capital Regulations" disclosed on the Bank's website and in respect of which a link has been provided in the Statement, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to Banking Companies and circulars and guidelines issued by Reserve Bank of India and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. In the conduct of our review, we have relied on the reports, explanation and information collated by the Head Office of the Bank from its various branches and processing centers.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, in so far as they apply to Banking Companies and circulars and guidelines issued by Reserve Bank of India from time to time, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

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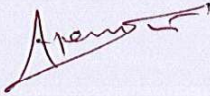


**Emphasis of Matter**

5. Without qualifying our opinion, attention is drawn to:

Note No. 5 of the Financial Statement, regarding the adjustment of Rs. 63.19 crore during the current quarter relating to the unamortised loss from sale of assets to ARCs during the year 2015-16. Our conclusion is not qualified in respect of this matter.

**For Abarna & Ananthan  
Chartered Accountants  
Firm Regn. No. 000003S**



**S. Ananthan  
Partner  
Membership No : 026379**

**Place: Karur  
Date : 28.07.2017**



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**Head Office: #521, 3<sup>rd</sup> Main, 6<sup>th</sup> Block, 2<sup>nd</sup> Phase, BSK 3<sup>rd</sup> Stage, Bangalore 560 085**

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