

IRC: F48:54:229:2021

29.05.2021

The Manager,
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, 'G' Block,
Bandra- Kurla Complex,
Bandra (East), Mumbai - 400 051

The Manager,
Bombay Stock Exchange limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Scrip Code: KARURVYSYA

Scrip Code: 590003

Dear Sir/Madam,

Sub: Press Release titled - "Highlights of business performance for the year ended 31.03.2021".

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Press Release made by the Bank titled - "Highlights of business performance for the year ended 31.03.2021"

Kindly take the same on record.

Yours faithfully,



Srinivasarao M
Company Secretary

Encl: As above

KARUR VYSYA BANK LTD., CENTRAL OFFICE, KARUR

PRESS RELEASE

Highlights of business performance for the year ended 31.03.2021

- **Total business as on 31st March 2021 stands at Rs. 1,16,098 crore**, registering a Y-o-Y growth of 7.91% i.e. Rs.8,507 crore from Rs. 1,07,591 crore as on 31.03.2020. Sequentially too, growth continues and was Rs. 1,896 crore (1.67%) during Q4 up from a level of Rs. 1,14,202 crore as on 31.12.2020.
- **Credit growth during the year was higher at 8.87% (Rs.4,304 crore) and gross advances reached a level of Rs.52,820 crore as on 31.03.2021, up from Rs. 48,516 crore** (including IBPC of Rs. 800 crore) a year ago. Ex-IBPC, the growth was Rs.5,104 crore i.e.11%. Q4 growth was Rs.707 crore (1.36%).
- Credit growth resulted from improved off take in retail and business segment as well as higher growth witnessed in the jewel loan portfolio, backed by digital processing and improved sourcing of loans through various channels.
- Jewel Loan portfolio registered growth of Rs.3,625 crore (39%) during the year and stands at Rs.12,852 crore as on 31.03.2021.
- Total deposits grew by Rs. 4,203 crore (7%) to Rs.63,278 crore up from Rs. 59,075 crore as of 31st March 2020. Growth was driven by sustained improvement CASA mix as well as retail term deposits.
- **CASA share is up by 289 bps to 34%; CASA deposits are up by Rs.3,147 crore i.e.17% on Y-o-Y basis to Rs.21,654 crore as on 31st March 2021 growing from a level of Rs. 18,507 crore a year ago.**
- Net NPA improved by 51 bps and dropped to 3.41% as on 31.03.2021 from 3.92% a year ago, backed by consistent follow-up and recovery measures. In absolute terms, it has reduced by Rs.90 crore to Rs.1,719 crore from Rs. 1,809 crore as on 31.03.2020.
- **Provision Coverage Ratio stands at 72.70% (68.90% a year ago).**

- As at 31.03.2021, Gross NPA also has declined to 7.85% (Rs.4,143 crore as compared to Rs. 4,213 crore (8.68%) a year ago).
- **Basel III CRAR stands at 18.98% (with CET1 Ratio of 16.95%), up from 17.17% as on 31.03.2020.**
- Branch and ATM + Cash Recyclers network as on 31st March 2021 stands at 780 & 2236 respectively (corresponding position was 779 & 2,224 as on 31st March 2020).

Financial performance FY 2020-21

- **Net profit for the year grew by 52.76% to Rs.359 crore up from Rs. 235 crore during previous year.**
- Operating profit for the year was Rs.1,429 crore as compared to Rs. 1,761 crore for FY 2019-20. The various factors affecting the operating profit include inter-alia arrear payment under XI BPS and corresponding provisions for various staff retirement benefits amounting to Rs.245 crore in all. Bank has also reversed an amount of Rs.25 crore towards refund of interest on interest to borrowers as per the final order of Hon'ble Supreme Court.
- After factoring the above, net interest income for the year stood at Rs.2,360 crore as compared to Rs. 2,348 crore for FY 2019-20.
- Cost of deposits has improved by 80 bps and stands at 4.96% as compared to 5.76% during the previous year.
- Yield on advances stood at 8.93% as against 9.63% for the previous year.
- Net interest margin stands at 3.40% marginally down by 4 bps from a year ago.
- Non-interest income for the year, including treasury profit of Rs.355 crore, is Rs.1,057 crore as compared to Rs. 1,155 crore a year ago. Treasury profit for FY 2019-20 was Rs. 340 crore.
- Operating expenses for the year was higher at Rs.1,987 crore as compared to Rs. 1,742 crore during FY 2019-20; increase in expenditure is mainly due to the impact of XI BPS as stated above.

Financial performance Q4 – FY 2020-21

- **Net profit for the quarter rose by 23.81% to Rs.104 crore from Rs. 84 crore during Q4 of previous year.**
- Operating profit for the quarter stood at Rs.250 crore - down by 50% from Rs. 500 crore for Q4 of the previous year, after expensing Rs. 62 crore towards arrears payable under XI Bi-partite settlement (BPS) and interest on interest reversal of Rs. 25 crore as per the order of Honorable Supreme Court.
- Even after factoring the above, net interest income for the quarter is higher at Rs.613 crore for the current quarter vis-à-vis Rs. 590 crore for Q4 of FY 2019-20.
- Cost of deposits has improved by 92 bps and stands at 4.63% as compared to 5.55% during the previous year.
- Yield on advances is at 8.52% (9.45% for Q4 of previous year)
- Net interest margin stands at 3.46%.
- Non-interest income for the quarter (excluding treasury profit of Rs.2 crore) is Rs.214 crore during the current quarter as compared to Rs. 211 crore a year ago (Treasury profit during Q4 of previous year was Rs. 137 crore).
- Operating expenses for the quarter was Rs.579 crore as compared to Rs. 438 crore during Q4 of FY 2019-20, after factoring the additional expenditure on account of XI BPS as stated above.