



Karur Vysya Bank

Smart way to bank

Investor Presentation

December 2014



Karur Vysya Bank

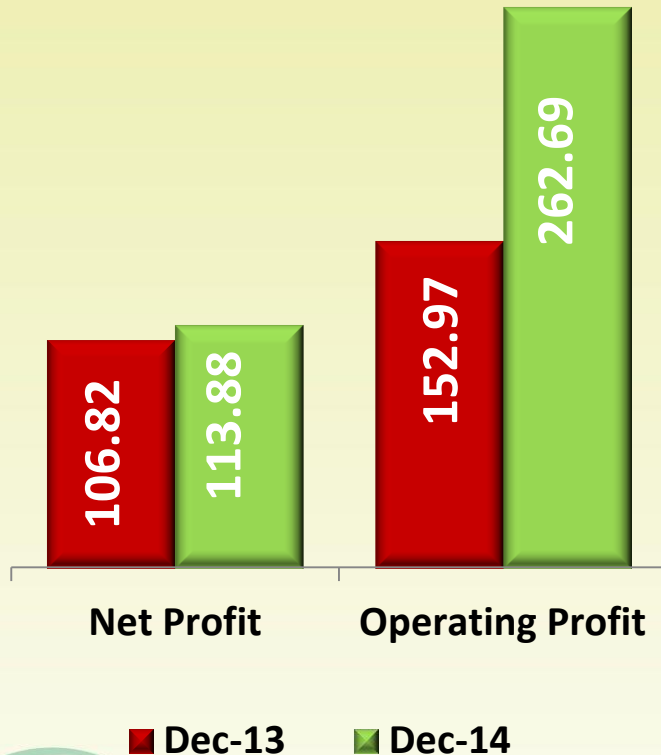
Smart way to bank

Business Performance

(₹. in crore)

Particulars	As on		Growth (%)	Year ended Mar 14	Growth (%) (Ann.)
	Dec 14	Dec 13			
Business	80,862	76,833	5.24	77,984	4.92
Gross Deposits	45,116	43,727	3.18	43,758	4.14
Gross Advances	35,746	33,106	7.97	34,226	5.92
Average Deposits	44,502	41,609	6.95	42,101	7.60
Average Advances	34,402	30,983	11.04	31,538	12.11
Total Assets	53,402	50,192	6.40	51,543	4.81
CD Ratio	79.23%	75.71%		78.22	

Net Profit & Operating Profit – Dec 2014 (Quarter)



Net Profit

- Net Profit increased by 6.61% from ₹ 106.82 crore to ₹ 113.88 crore

Operating Profit

- Operating Profit increased by 71.73% from ₹ 152.97 crore to ₹ 262.69 crore



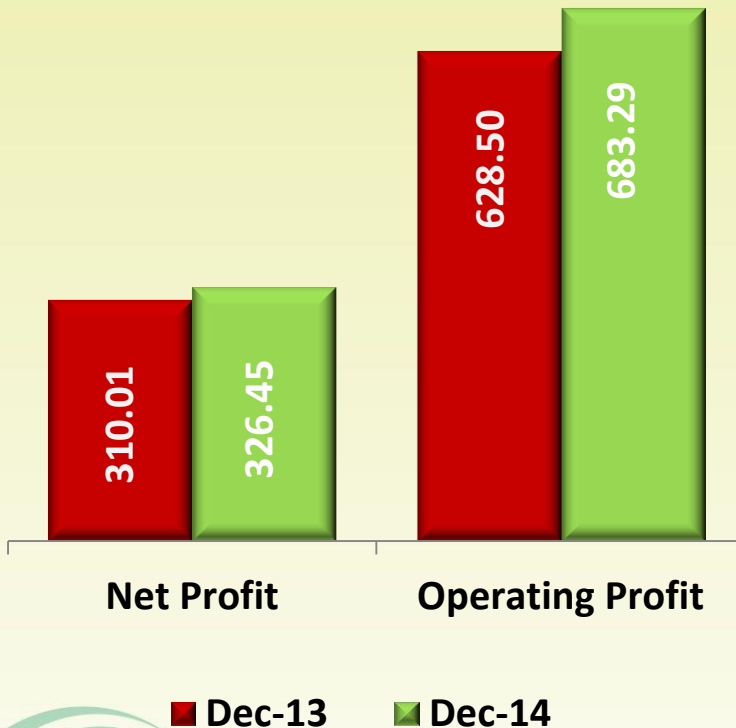
Net Profit & Operating Profit – Dec 2014 (9 months)

Net Profit

- Net Profit increased by 5.30% from ₹ 310.01 crore to ₹ 326.45 crore

Operating Profit

- Operating Profit increased by 8.72% from ₹ 628.50 crore to ₹ 683.29 crore



Performance Highlights – Dec 2014 (Y-o-Y)

(₹ in crore)

Particulars	Nine months ended		Growth (%)	Year ended Mar 14
	Dec 14	Dec 13		
Net Interest Income	1068.52	935.37	14.24	1283.70
Other Income	401.05	418.74	(4.22)	564.45
Operating Revenue	1469.57	1,354.11	8.53	1848.15
Operating Profit	683.29	628.50	8.72	837.79
Net Profit	326.45	310.01	5.30	429.60
Net Interest Margin	2.83%	2.60%	23 bps	2.64%
Return on Assets	0.82%	0.83%	(1bps)	0.86%

Performance Highlights – Dec 2014 (Q-o-Q)

(₹. in crore)

Particulars	Quarter ended		Growth (%)	Quarter Ended Sep 14	Quarter Ended Jun 14	Quarter ended Mar 14
	Dec 14	Dec 13				
Net Interest Income	391.07	305.11	28.17	337.42	340.03	348.33
Non Interest Income	147.14	105.61	39.32	135.96	117.95	145.71
Operating Revenue	538.21	410.72	31.04	473.38	457.98	494.04
Operating Profit	262.69	152.97	71.73	207.11	213.49	209.29
Net Profit	113.88	106.82	6.61	90.50	122.07	119.59
Net Interest Margin	3.08%	2.56%	52 bps	2.67%	2.73%	2.73%
Return on Assets	0.85%	0.85%	---	0.69%	0.94%	0.93%

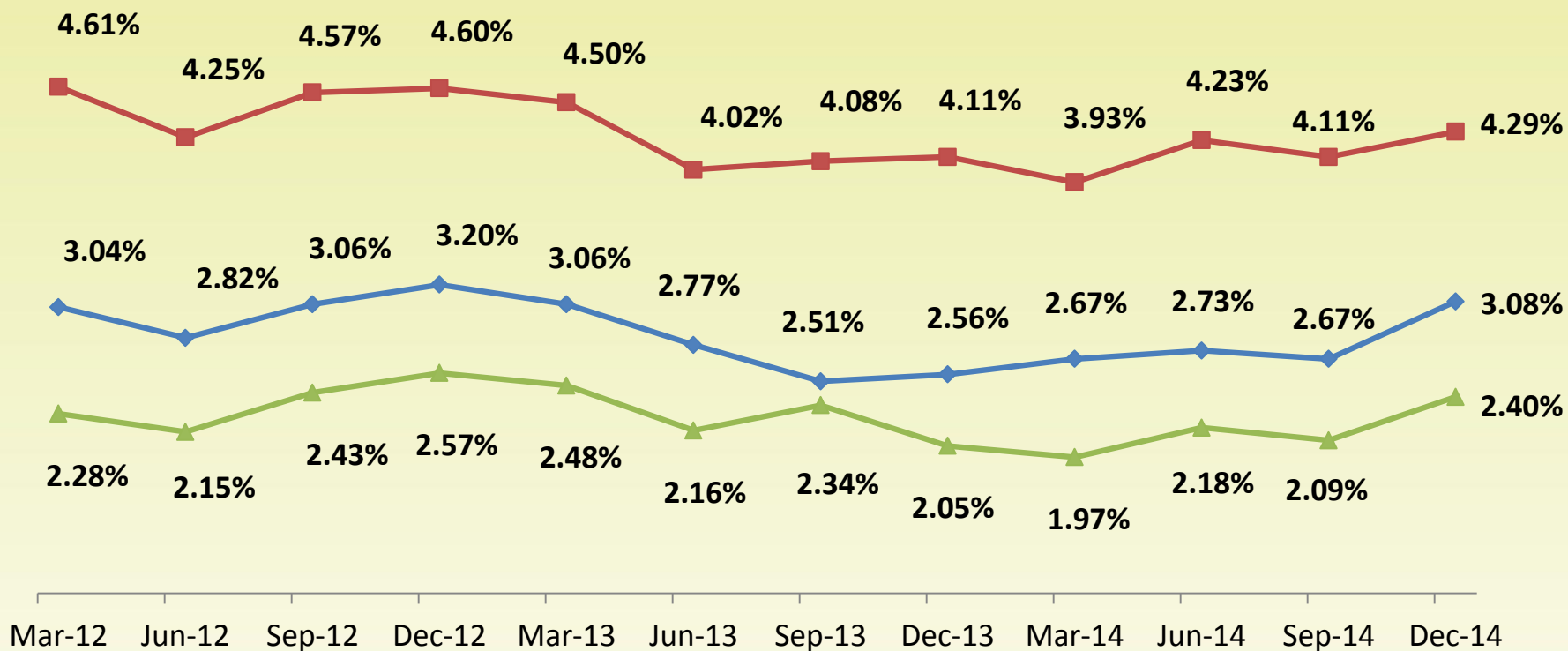
Key Ratios - I

Particulars	Nine Months Ended		Quarter Ended				Year ended Mar-14
	Dec-14	Dec-13	Dec-14	Dec-13	Sep-14	Jun-14	
Cost of Deposits (%)	8.06	8.28	7.97	8.42	8.15	8.07	8.24
Yield on Advances (%)	12.27	12.35	12.26	12.53	12.26	12.30	12.28
Cost of Funds (%)	8.16	8.30	7.97	8.44	8.29	8.22	8.24
Yield on Funds (%)	10.38	10.36	10.37	10.49	10.38	10.40	10.33
Yield on Investments (%)	7.60	7.70	7.45	7.65	7.60	7.58	7.70
Spread (%)	2.22	2.06	2.40	2.05	2.09	2.18	2.09
NIM (%)	2.83	2.60	3.08	2.56	2.67	2.73	2.64
Return on Assets (%)	0.82	0.83	0.85	0.85	0.69	0.94	0.86
Return on Net worth (%)	10.17	12.12	10.64	12.51	8.68	14.15	12.92

Key Ratios - II

Particulars	9 Months Ended		Quarter Ended				Year ended Mar-14
	Dec-14	Dec-13	Dec-14	Dec-13	Sep-14	Jun-14	
Cost to Income (%)	53.50	53.59	51.19	62.76	56.25	53.38	54.67
Business per employee (₹ cr)	11.19	10.71	11.19	10.71	11.05	11.04	10.55
Profit per employee (₹ lakhs)	6.02	5.77	6.02	5.77	5.86	6.76	5.85
Operating Profit/ Total Income (%)	15.29	14.92	17.38	10.90	13.85	14.60	14.75
Net Profit/ Total Income (%)	7.30	7.36	7.53	7.61	6.05	8.35	7.56
Operating Expenses/ Total Income (%)	8.88	8.21	8.98	9.02	9.33	8.32	8.49
Staff Cost / Total Income (%)	8.71	9.02	9.25	10.02	8.48	8.39	9.29
Staff Cost / Total Expenses (%)	10.28	10.60	11.19	11.25	9.84	9.83	10.90
Staff Cost / Operating Expenses (%)	49.51	52.36	50.74	54.57	47.60	50.21	52.25
No. of employees (no.)	7225	7167	7225	7167	7260	7220	7340

Spread & NIM (Quarterly)



■ Spread (Deposits and Advances)

◆ Net Interest Margin

▲ Spread on Funds



Income & Expenses Analysis – 9M (Y-o-Y)

(₹ in crore)

Particulars	Nine months ended		Growth (%)	Year ended March 14
	Dec 14	Dec 13		
Interest earned	4068.05	3,793.22	7.25	5,115.96
Interest expended	2999.53	2,857.85	4.96	3,832.26
Net Interest Income	1068.52	935.37	14.24	1,283.70
Other Income	363.66	315.27	15.35	460.72
Profit on Investment	37.39	103.47	(63.86)	103.73
Operating Revenue	1469.57	1,354.12	8.53	1,848.15
Operating expenses	786.28	725.61	8.36	1,010.36
Employee cost	389.29	379.97	2.45	527.92
Other expenses	396.99	345.65	14.85	482.44
Operating Profit	683.29	628.5	8.72	837.79
Provisions	285.68	332.28	(14.02)	442.31
Profit Before Tax	397.61	296.22	34.23	395.48
Provision for Taxes	71.16	-13.79	---	(34.12)
Net Profit	326.45	310.01	5.30	429.60

Income & Expenses Analysis (Q-o-Q)

(₹. in crore)

Particulars	Quarter ended		Y-o-Y Growth (%)	Quarter Ended Sep-14	Quarter Ended Jun-14	Seq. Growth (%)	Quarter ended Mar 14
	Dec-14	Dec-13					
Interest earned	1364.66	1,298.00	5.14	1358.90	1,344.49	0.42	1,322.74
Interest expended	973.59	992.89	(1.94)	1021.48	1,004.46	(4.69)	974.41
Net Interest Income	391.07	305.11	28.17	337.42	340.03	15.90	348.33
Other Income	116.43	105.06	10.82	132.24	114.99	(11.96)	145.45
Profit on Investment	30.71	0.55	---	3.72	2.96	725.54	0.26
Operating Revenue	538.21	410.72	31.04	473.38	457.98	13.70	494.04
Operating expenses	275.52	257.75	6.89	266.27	244.49	3.47	284.75
Employee cost	139.79	140.65	(0.61)	126.75	122.75	10.29	147.95
Other expenses	135.73	117.10	15.91	139.52	121.74	(2.72)	136.80
Operating Profit	262.69	152.97	71.73	207.11	213.49	26.84	209.29
Provisions	106.15	50.65	109.58	93.11	86.42	14.00	110.03
Profit Before Tax	156.54	102.32	52.99	114.00	127.07	37.32	99.26
Provision for Taxes	42.66	(4.50)	---	23.50	5.00	81.53	(20.33)
Net Profit	113.88	106.82	6.61	90.50	122.07	25.83	119.59

Provisions & Contingencies

(₹. in crore)

Particulars	9 Month ended		Quarter ended			Annual
	Dec-14	Dec-13	Dec-14	Sep-14	Jun-14	Mar-14
NPA	345.11	157.37	150.50	73.02	121.59	189.47
Standard Assets	11.66	19.91	4.17	10.17	(2.68)	40.07
Restructured Advances	15.94	26.43	3.77	0.80	11.37	5.93
Others	13.99	(1.43)	0.12	7.24	6.63	(6.40)
Investments	(101.02)	130.00	(52.41)	1.88	(50.49)	213.24
Provisions Before Tax	285.68	332.28	106.15	93.11	86.42	442.31
Provisions for Tax	71.16	(13.79)	42.66	23.50	5.00	(34.12)
Total Provisions	356.84	318.49	148.81	116.61	91.42	408.19



CRAR (Basel III)

(₹. in crore)

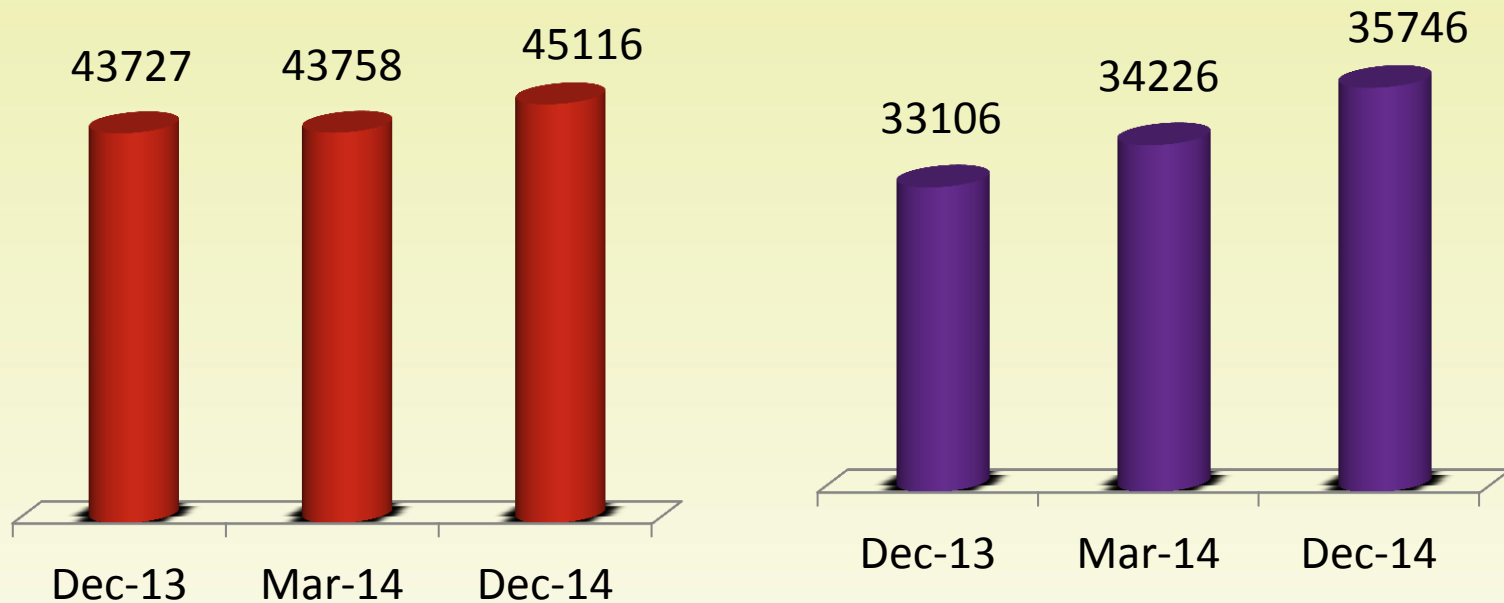
Particulars	Dec-14	Dec-13	Sep-14	Jun-14	Mar-14
Tier I Capital	3,941.78	2,995.24	3,935.15	3,288	3,230
Tier II Capital	281.82	270.99	277.65	267	270
Tier (I + II)	4,223.60	3,266.23	4,212.80	3,555	3,500
Total Risk Weighted Assets	30,136.60	26,140.14	29,243.37	28,463	27,787
Tier I – CRAR (%)	13.08%	11.46%	13.46%	11.55%	11.62%
Tier II – CRAR (%)	0.93%	1.04%	0.95%	0.94%	0.98%
CRAR (%)	14.01%	12.50%	14.41%	12.49%	12.60%

CRAR (Basel II)

- As per Basel II, CRAR works out to 13.98%, as on Dec 31, 2014. It was 12.73% as on Dec 31, 2013.

Deposits & Advances

(₹ in crore)

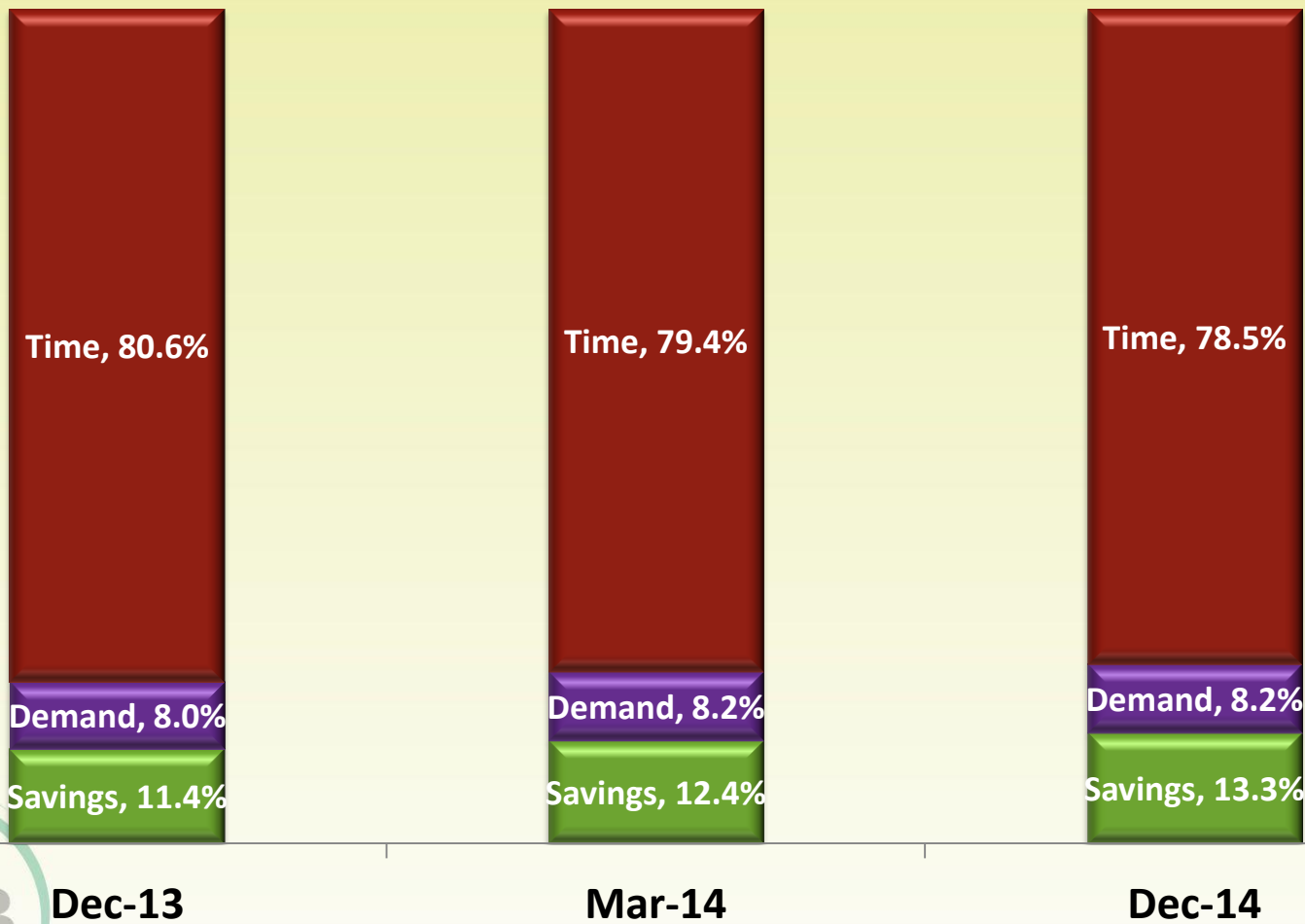


■ Deposits

■ Advances

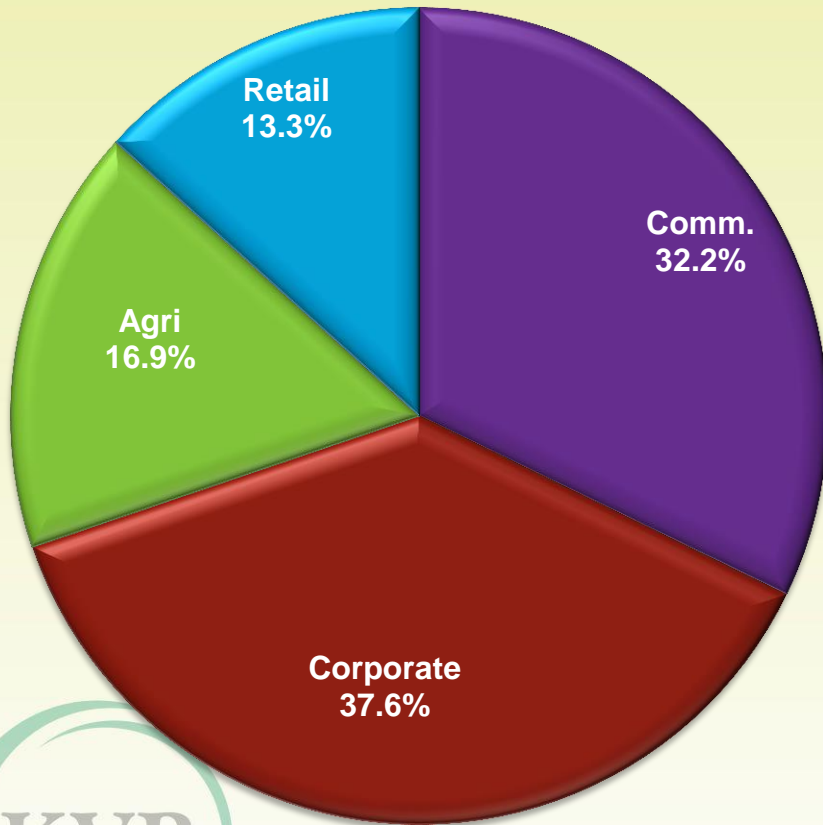


Deposit Mix

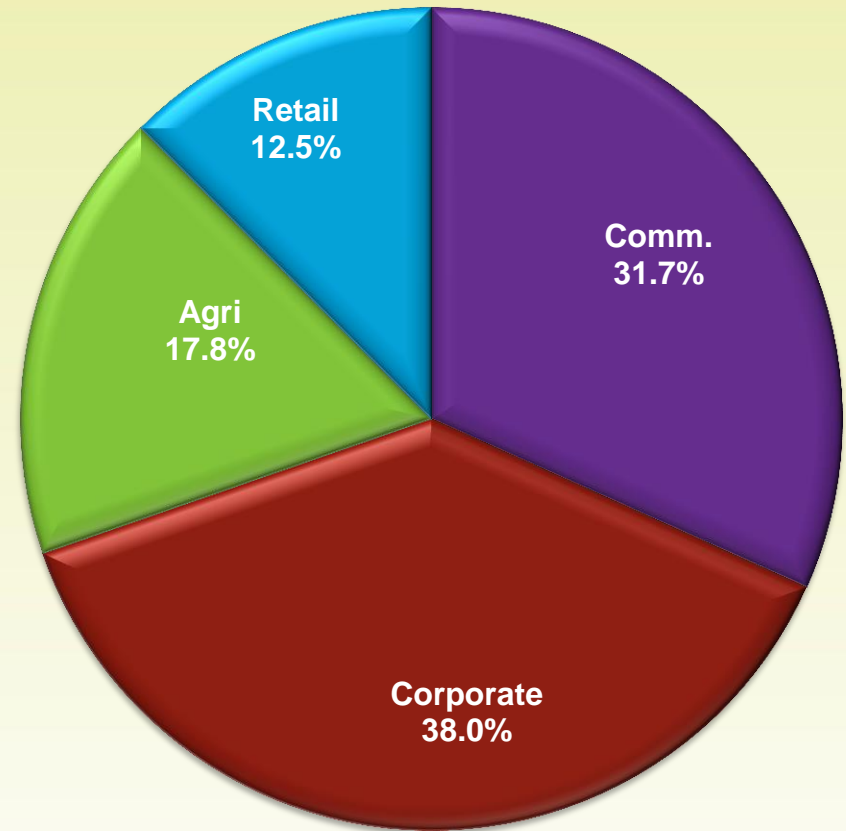


Mix of Advances

Dec 14



Dec 13



KVB

Advances – Category wise

Particulars	Amount (Rs. in crore)			% to Total Advance			Growth Over Dec-13	
	Dec-14	Dec-13	Mar-14	Dec-14	Dec-13	Mar-14	Quantum	%
MANUFACTURING SECTOR	12,575	11,570	11,930	35.2	35.0	34.9	1005	8.69
JEWEL LOAN	7,560	8,072	8,006	21.1	24.4	23.4	(512)	(6.34)
Personal Segment Loans @	4,746	4,053	4,141	13.3	12.2	12.1	693	17.10
TRADING	4,264	4,510	3,908	11.9	13.6	11.4	(246)	(5.45)
BILLS	2,022	2,067	2,112	5.7	6.2	6.2	(45)	(2.18)
NBFC	966	1,042	811	2.7	3.1	2.4	(76)	(7.29)
OTHER EXPOSURES*	3,612	1,792	3,318	10.1	5.5	9.6	1820	101.56
TOTAL ADVANCES	35,745	33,106	34,226	100.0	100.0	100.0	2639	7.97

@ 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 Dec 13	
	Dec-14	Dec-13	Mar-14	Dec-14	Dec-13	Mar-14	Quantum	%
INFRASTRUCTURE	3,492	3,326	3,136	9.8	10.0	9.2	166	4.99
TEXTILES	2,785	2,224	2,596	7.8	6.7	7.6	561	25.22
BASIC METAL & METAL PRODUCTS	1,420	1,449	1,584	4.0	4.4	4.6	(29)	(2.00)
FOOD PROCESSING	1,243	1,081	1,134	3.5	3.3	3.3	162	14.99
CHEMICALS AND CHEMICALS PRODUCTS	602	749	699	1.7	2.3	2.0	(147)	(19.63)
TRANSPORT EQUIPMENTS	381	323	313	1.1	1.0	0.9	58	17.96
GEMS & JEWELLERY	384	380	356	1.1	1.1	1.0	4	1.05
ALL ENGINEERING	459	413	424	1.3	1.2	1.2	46	11.14
RUBBER	279	179	250	0.8	0.5	0.7	100	55.87
MINING AND QUARRYING	234	188	213	0.7	0.6	0.6	46	24.47
BEVERAGE & TOBACCO	89	90	91	0.2	0.3	0.3	(1)	(1.11)
WOOD	174	184	198	0.5	0.6	0.6	(10)	(5.43)
CEMENT	120	94	91	0.3	0.3	0.3	26	27.66
PAPER	141	71	97	0.4	0.2	0.3	70	98.59
CONSTRUCTION	346	227	276	1.0	0.7	0.8	119	52.42
GLASS	6	6	5	0.0	0.0	0.0	0	0.00
LEATHER	12	5	4	0.0	0.0	0.0	7	140.00
PETROLEUM	15	31	26	0.0	0.1	0.1	(16)	(51.61)
OTHER INDUSTRIES	393	550	437	1.1	1.7	1.3	(157)	(28.55)
TOTAL INDUSTRY EXPOSURE	12,575	11,570	11,930	35.2	35.0	34.9	1005	8.69

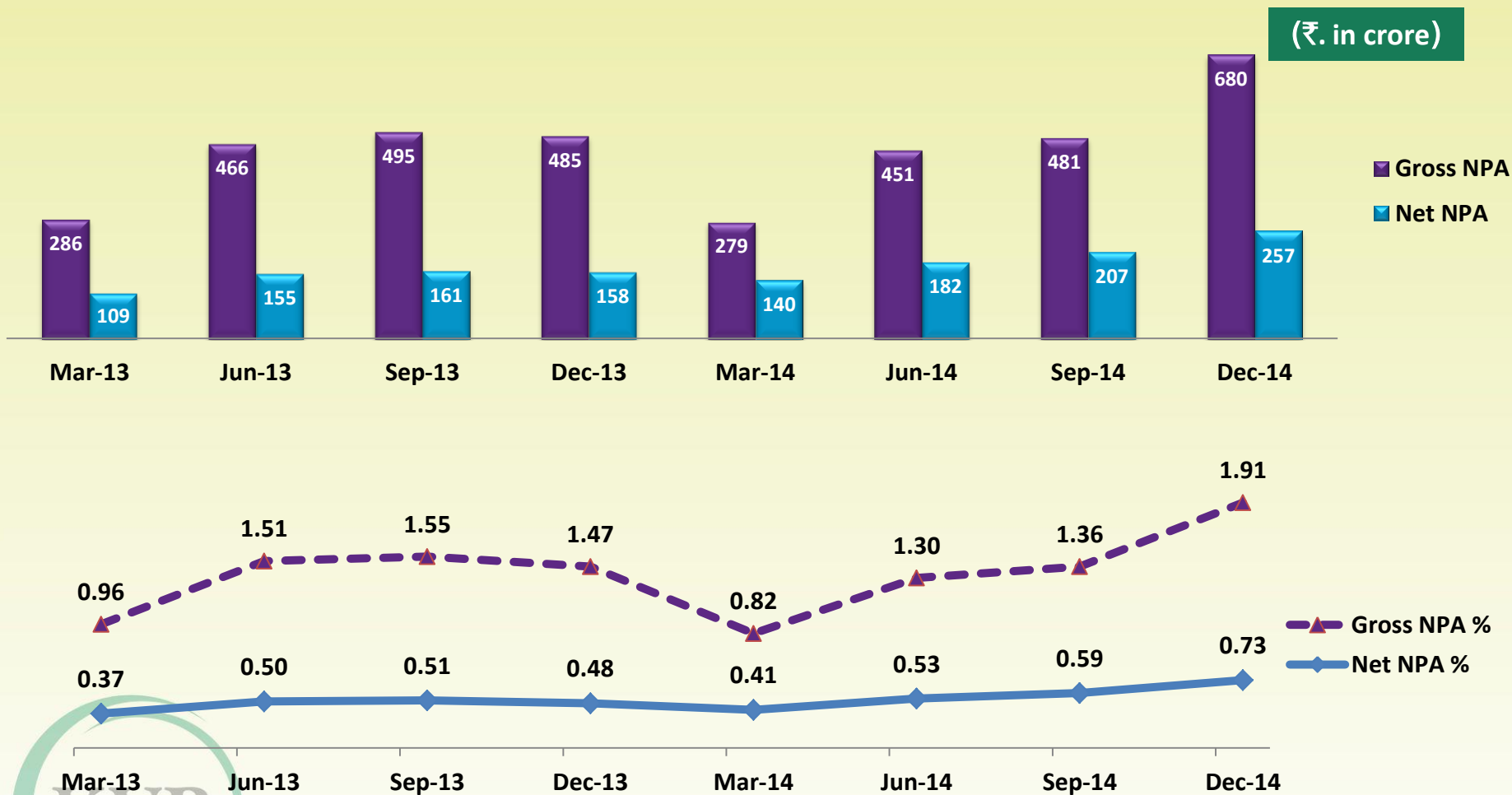
Infrastructure Advances

INFRASTRUCTURE	Amount (Rs. in crore)			% to Total Advance			Growth Over Dec-13	
	Dec-14	Dec-13	Mar-14	Dec-14	Dec-13	Mar-14	Quantum	%
Power	1,481	1,611	1,409	4.1	4.9	4.1	(130)	(8.07)
Road	358	346	342	1.0	1.0	1.0	12	3.47
Telecommunication	54	70	52	0.2	0.2	0.2	(16)	(22.86)
Infra Others	1,599	1,299	1,333	4.5	3.9	3.9	300	23.09
TOTAL	3,492	3,326	3,136	9.8	10.0	9.2	166	4.99

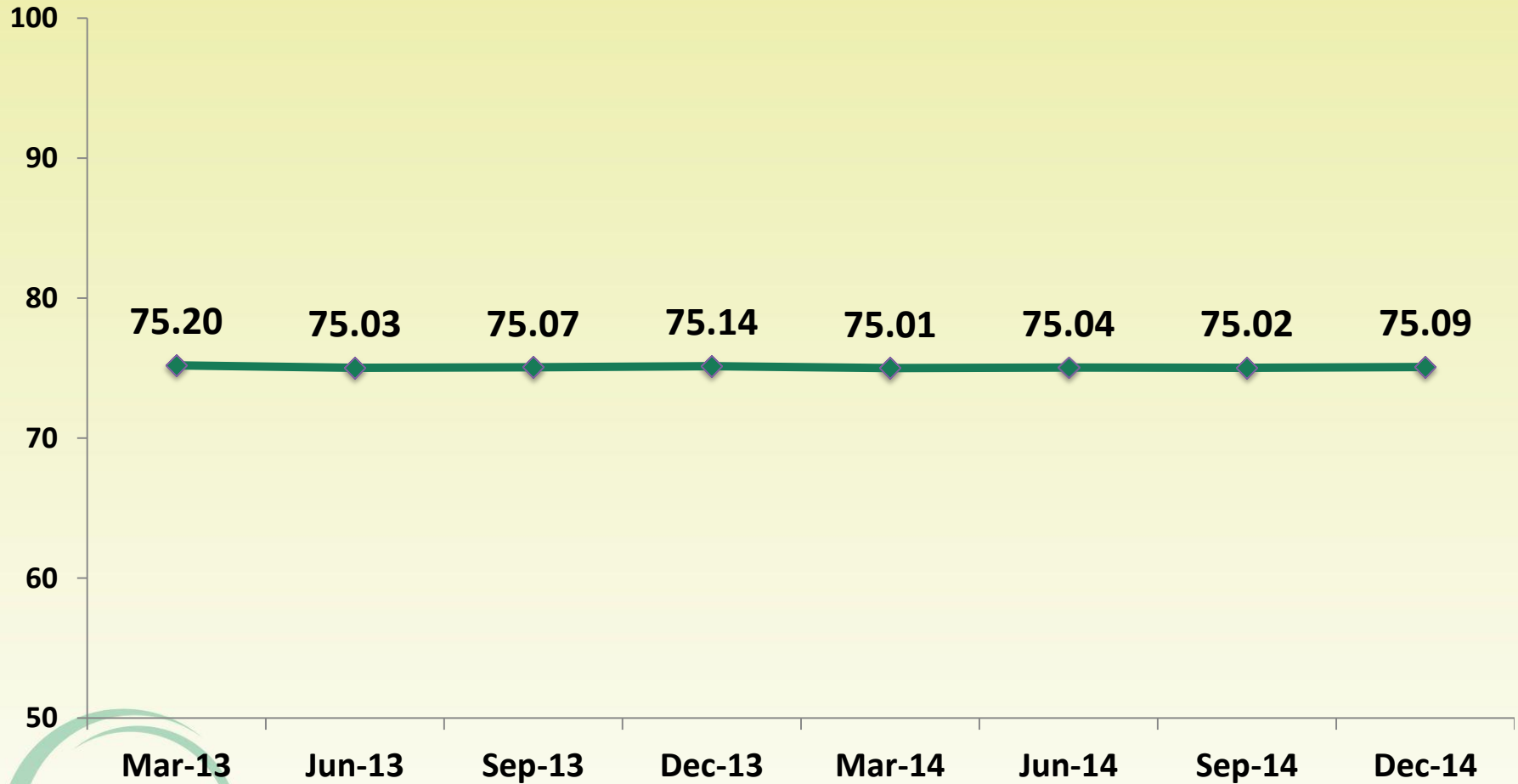
Power - Sector wise	Dec-14	Dec-13	Mar-14
GOVERNMENT	1,099	1,105	927
PRIVATE	382	506	482
TOTAL	1,481	1,611	1,409



Gross NPA & Net NPA



Provision Coverage Ratio (%)



KVB

Movement of Restructured Advances

Particulars	Apr-14 to Sep-14		Oct 14 to Dec 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	206	1,599
Addition during the period - [B]	51	283	21	65
Addition of facilities in existing restructured A/Cs - [C]		176		59
Addition through upgradation from NPA [D]	1	14	1	0
Accounts closed during the period - [E]	6	14	7	41
Accounts ceases to attract higher provision (upgradation)- [F]				
Amount recovered during the period – [G]		76		4
Accounts slipped into NPA during the period - [H]	21	174	13	1
Restructured accounts as on 31.12.2014 A+B+C+D-(E+F+G+H)	206	1,599	208	1,677

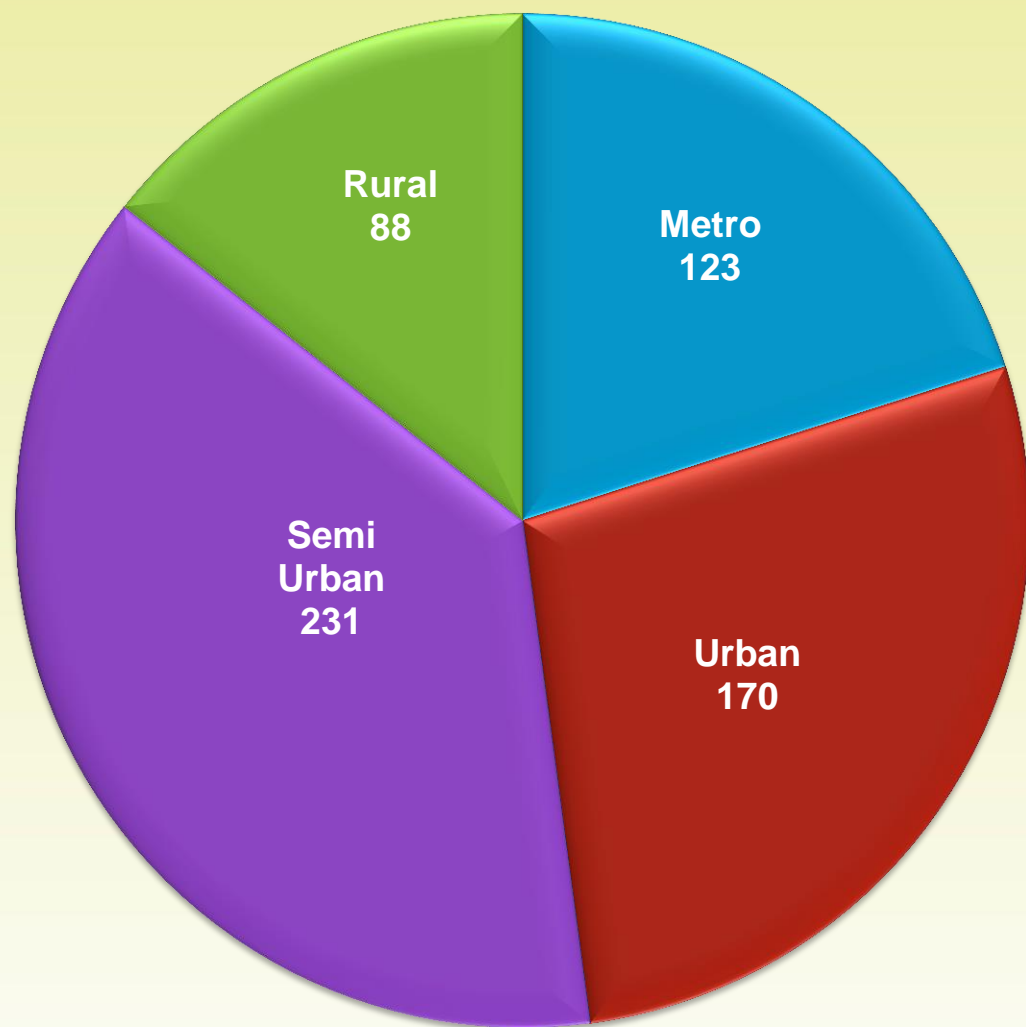
Network and Human Resources

Particulars	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Jun-13	Mar-14	Jun-14	Sep-14	Dec-14
No of Branches	312	335	369	451	551	554	572	588	599	612
No of ATMs	324	376	488	825	1,276	1,357	1,616	1,630	1,637	1,647
No of Employees	3,941	4,175	4,574	5,673	6,730	6,717	7,340	7,220	7,260	7,225

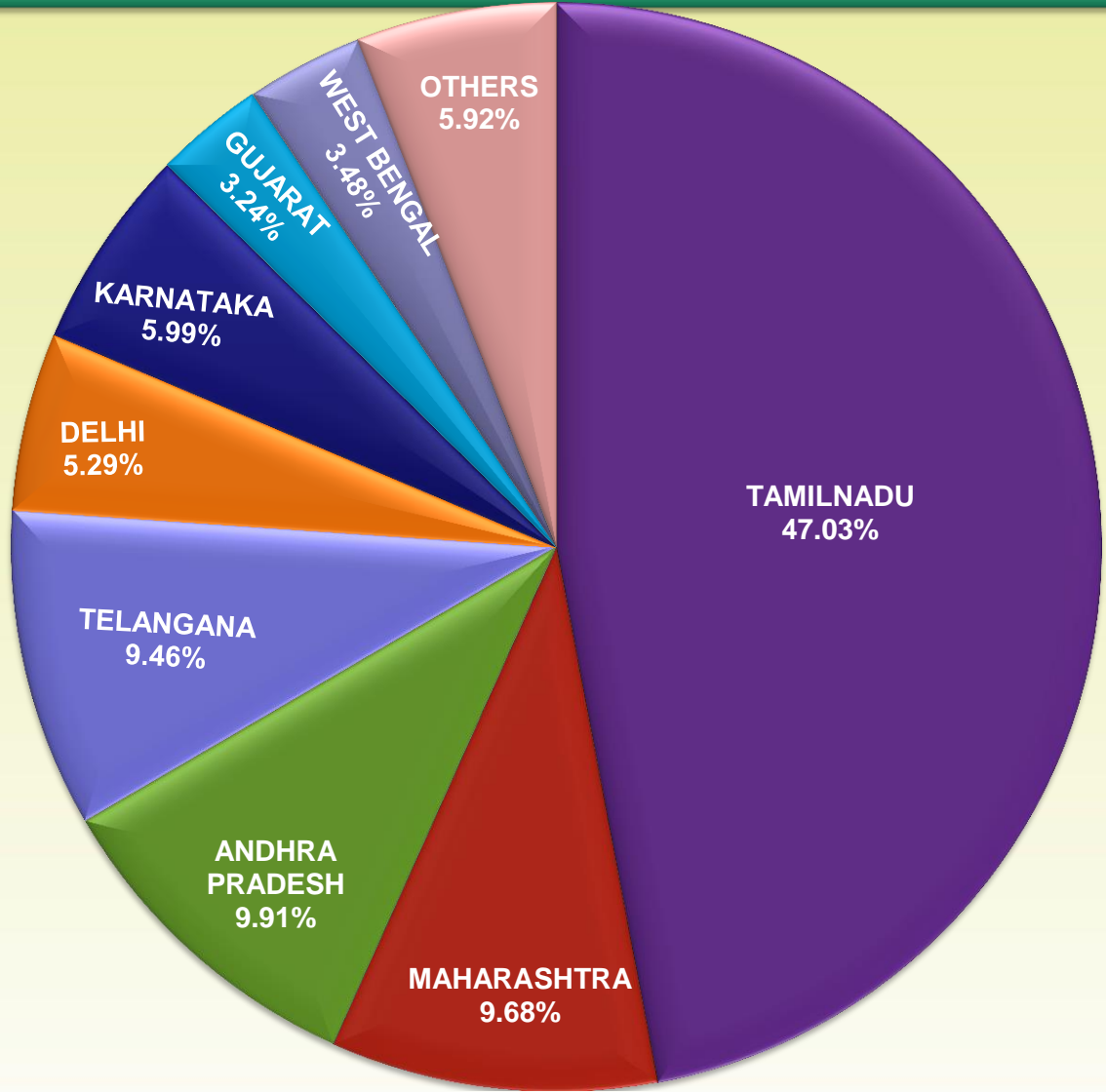


Network of 612 Branches

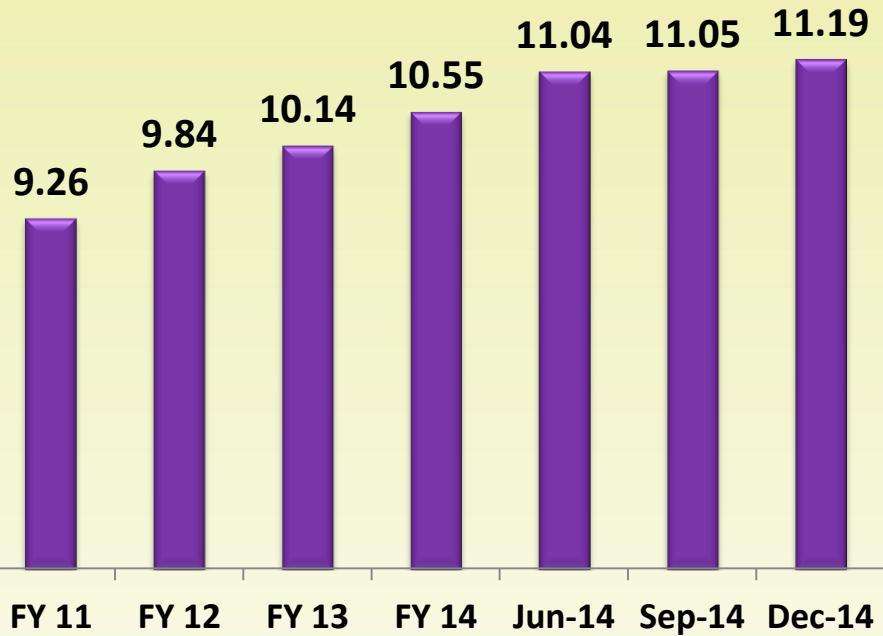
STATE	Dec-14	(%)	Dec-13	(%)
TAMILNADU	322	52.61	290	51.33
ANDHRA PRADESH	85	13.89	120	21.24
TELANGANA	47	7.68		
KARNATAKA	39	6.37	38	6.73
MAHARASHTRA	26	4.25	26	4.60
GUJARAT	15	2.45	15	2.65
WEST BENGAL	14	2.29	14	2.48
KERALA	15	2.45	14	2.48
DELHI	12	1.96	12	2.12
PUNJAB	7	1.14	7	1.24
UTTARPRADESH	6	0.98	6	1.06
ORISSA	5	0.82	5	0.88
HARYANA	4	0.65	4	0.71
PONDICHERY	5	0.82	4	0.71
M.P.	3	0.49	3	0.53
RAJASTHAN	2	0.33	2	0.35
JHARKHAND	2	0.33	2	0.35
CHANDIGARH	1	0.16	1	0.18
CHATTISGARH	1	0.16	1	0.18
GOA	1	0.16	1	0.18
Total	612	100.00	565	100.00



State wise Contribution - Total Business

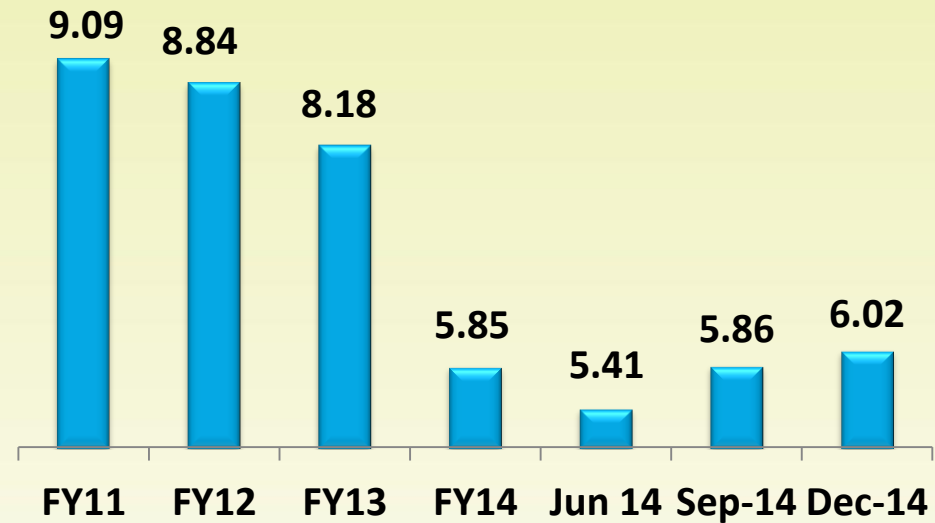


Business Per Employee



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

THANK YOU



Karur Vysya Bank

Smart way to bank