



KVB

Karur Vysya Bank

Smart way to bank

Investor Presentation

Q1 FY2013

About Us

Origin

Established in 1916 at Karur by two illustrious sons of the soil Sri. M.A.Venkatarama Chettiar & Sri. Athi Krishna Chettiar with a seed capital of Rs.1.00 lakh which has grown into a leading financial institution that offers various financial services to millions of its customers under one roof

Vision

Delight the customers continually by blending tradition with technology to deliver innovative products and services at affordable costs through a pan-India branch network

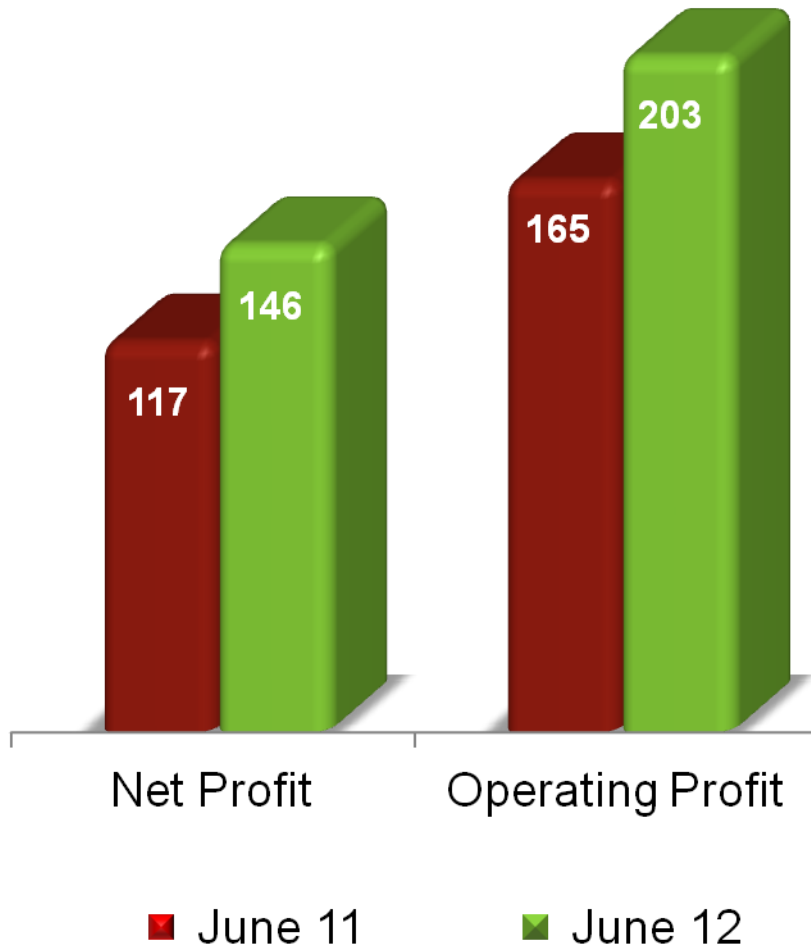


About Us

- *Banking tradition of 96 years*
- *Earning profits since its inception*
- *Declaration of uninterrupted dividend*
- *100% and above dividend for 9 years consecutively from 2004, out of which 120% for five years*
- *Dividend of 140% for the year 2012*
- *Total of 14 Rights issues and 7 Bonus issues till date*
- *First bank to get permission from RBI to issue bonus shares*
- *454 branches and 900 ATMs*
- *Fully on CBS facility since 2005 and all latest technology products are available*
- *Top Rating from CRISIL (A1+) and ICRA (A1+) for Short Term Borrowings*



Financial Highlights



	Q1 FY13	Q1 FY12	Growth
Net Profit	145.95	116.70	25.1%
Net Interest Income	253.94	204.99	23.9%
Non Interest Income	104.27	74.20	40.5%
Operating Revenue	358.21	279.19	28.3%
Operating Profit	202.68	165.26	22.6%
Net Interest Margin	2.82%	3.18%	- 36 bps
Return on Assets	1.53%	1.65%	-12 bps
Return on Networth	20.45%	19.70%	+75 bps

Incomes & Expenses

Particulars	Q1		YOY Growth	FY 2011-12
	FY 2013	FY 2012		
Interest Earned	1005.53	694.52	44.8%	3270.37
Interest Expended	751.59	489.53	53.5%	2353.25
Net Interest Income	253.94	204.99	23.9%	917.12
Non Interest Income	104.27	74.20	40.5%	350.15
Total Operating Income	358.21	279.19	28.3%	1267.27
Operating expenses	155.53	113.93	36.5%	541.56
<i>Employee Cost</i>	74.92	62.26	20.3%	264.41
<i>Other Expenses</i>	80.61	51.67	56.0%	277.15
Operating Profit	202.68	165.26	22.6%	725.71
Provisions	-9.98	37.61	-126%	93.76
Profit Before Tax	212.66	127.65	66.6%	631.95
Provision for Taxes	66.71	10.95	-509%	130.23
Net Profit	145.95	116.70	25.1%	501.72

Business Performance

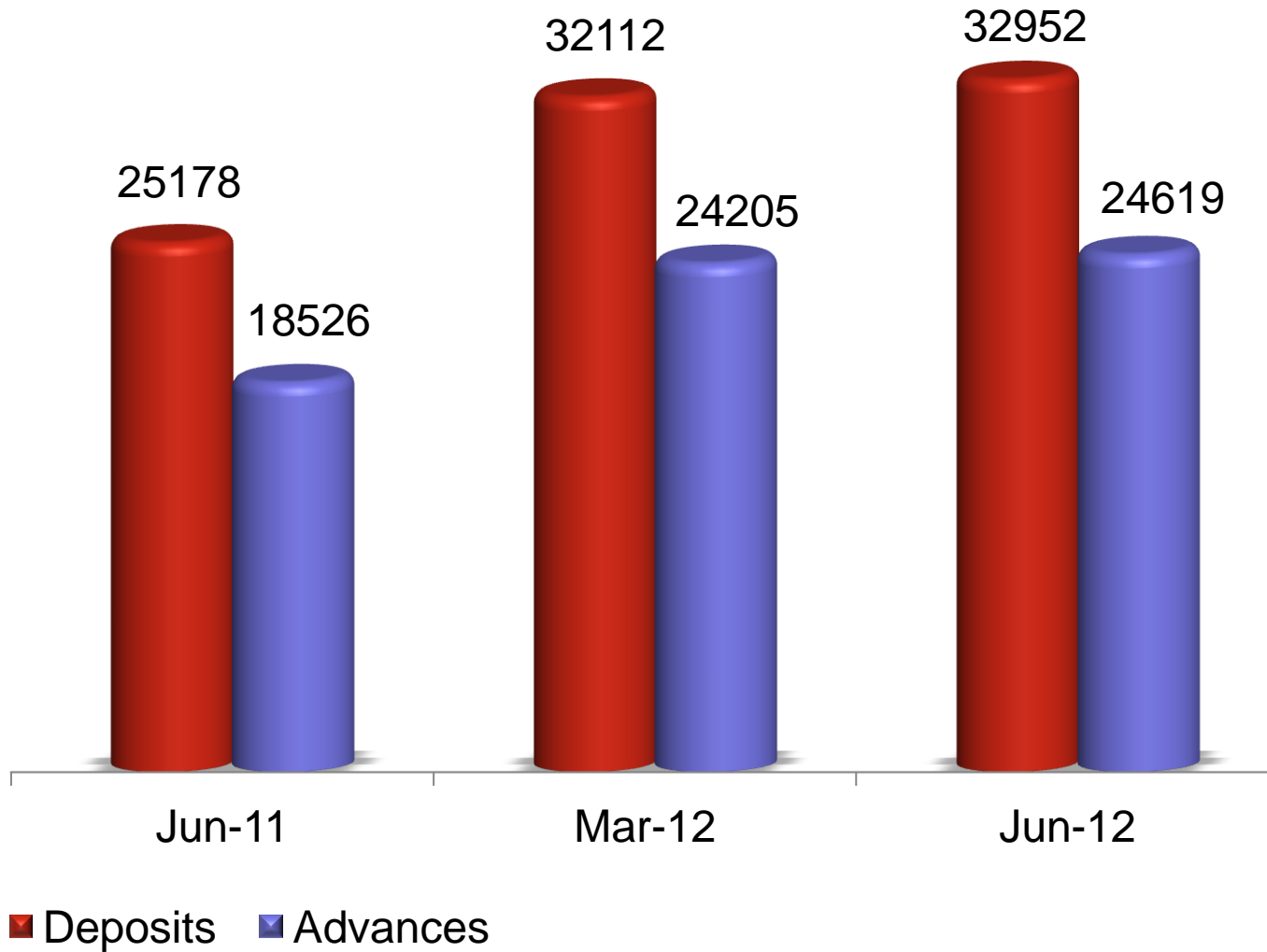
	June 12	June 11	Growth	Mar 12	
Business	57,571	43704	31.73%	56,317	↑
Gross Deposit	32,952	25,178	30.88%	32,112	↑
Gross Advances	24,619	18,526	32.89%	24,205	↑
Average Deposit	32,584	24,096	35.23%	27,156	↑
Average Advances	24,163	17,744	36.17%	19,976	↑
Total Assets	38,338	29,501	29.96%	37,635	↑

Key Ratios

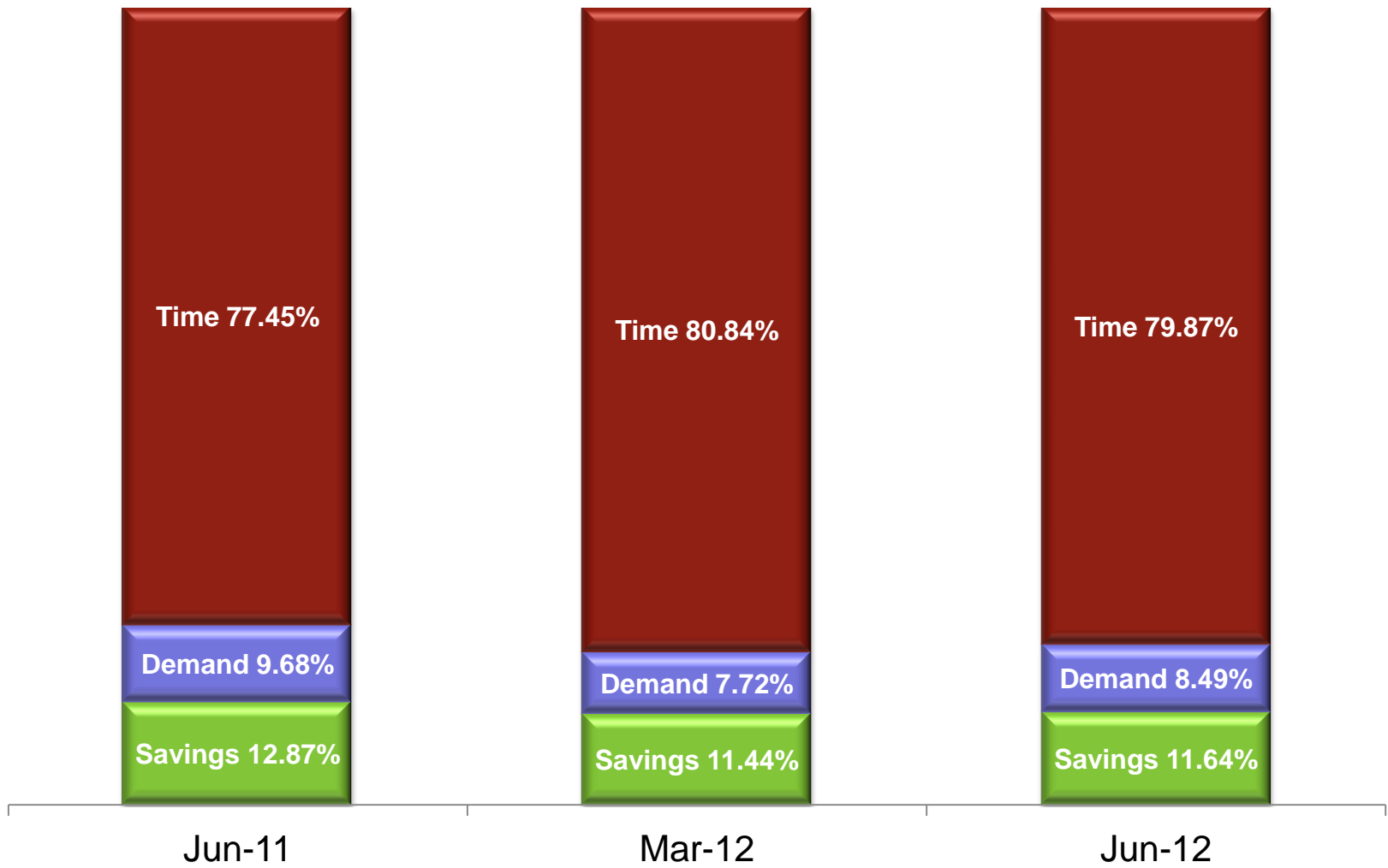
Particulars	Q1 FY13	Q1 FY12	FY 2011-12
Cost of Deposits	8.59%	7.80%	8.11%
Yield on Advances	12.84%	12.35%	12.71%
Cost of Funds	8.53%	7.77%	8.11%
Yield on Funds	10.68%	10.17%	10.44%
Yield on Investments	7.91%	7.56%	7.73%
Spread	2.15%	2.40%	2.33%
Net Interest Margin	2.82%	3.18%	3.08%
Staff Cost to Total Income	6.75%	8.10%	7.30%
Cost to Income	43.42%	40.81%	42.73%
Return on Assets	1.53%	1.65%	1.56%
Business per Employee (in crore)	9.92	9.30	9.84
Profit per Employee (in lakhs)	10.15	9.94	8.84



Deposits & Advances (Rs. In Crore)



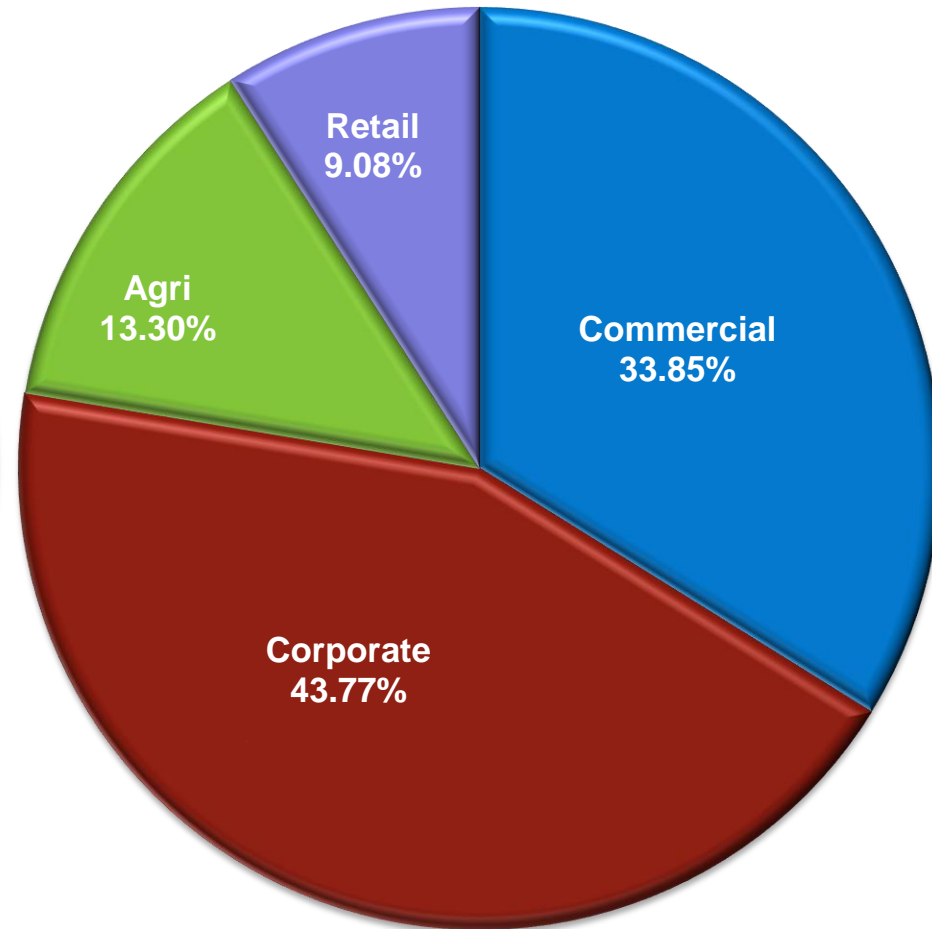
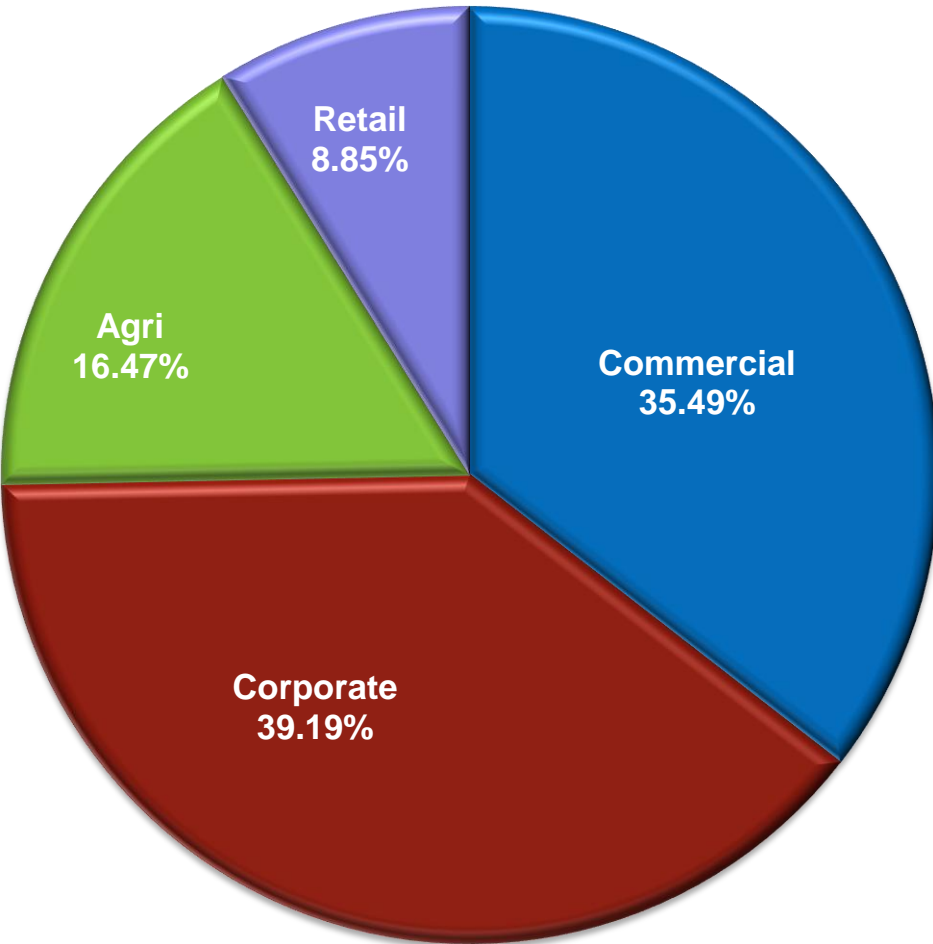
DEPOSIT MIX



Advance Mix

Jun-12

Jun-11



Advances – Category Wise

Particulars	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun 11	
	Jun 12	Jun 11	Mar 12	Jun 12	Jun 11	Mar 12	Quantum	%
INDUSTRY EXPOSURE	8546	7589	8482	34.7	41.0	35.0	957	12.6
JEWEL LOAN	5850	3316	5200	23.8	17.9	21.5	2534	76.4
Personal Segment Loans @	3066	2356	3077	12.4	12.7	12.7	710	30.1
TRADING	2880	1653	2576	11.7	8.9	10.6	1227	74.1
BILLS	1041	462	1291	4.2	2.5	5.3	579	125.2
NBFC	1126	587	1255	4.6	3.2	5.2	539	91.8
OTHER EXPOSURES*	2110	2563	2324	8.6	13.8	9.6	-453	-17.6
TOTAL ADVANCES	24619	18526	24205	100.0	100.0	100.0	6093	32.9

@ Vehicle, Housing and 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

Breakup for Industry Exposure

INDUSTRY	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun 11	
	Jun 12	Jun 11	Mar 12	Jun 12	Jun 11	Mar 12	Quantum	%
INFRASTRUCTURE	2994	2927	2984	12.2	15.8	12.3	67	2.3
TEXTILES	1838	1818	1777	7.5	9.8	7.3	20	1.1
IRON AND STEELS	1003	600	966	4.1	3.2	3.9	403	67.1
FOOD PROCESSING	641	499	633	2.6	2.7	2.6	142	28.3
CHEMICALS PRODUCTS	474	472	494	1.9	2.5	2.0	2	0.3
ALL ENGINEERING	231	173	270	0.9	0.9	1.1	58	33.9
AUTO PARTS	247	185	256	1.0	1.0	1.0	62	33.7
GEMS & JEWELLERY	216	108	217	0.9	0.6	0.9	108	100.8
RUBBER	208	133	195	0.8	0.7	0.8	75	56.1
METAL	152	194	188	0.6	1.0	0.7	-42	-21.6
WOOD	136	83	113	0.5	0.4	0.4	53	64.2
CONSTRUCTION	106	32	105	0.4	0.2	0.4	74	232.2
BEVERAGE & TOBACCO	100	97	103	0.4	0.5	0.4	3	2.7
CEMENT	95	187	95	0.4	1.0	0.4	-92	-49.1
PAPER	69	73	76	0.3	0.4	0.3	-4	-4.9
GLASS	8	5	6	0.03	0.03	0.02	3	53.0
LEATHER	3	2	2	0.01	0.01	0.01	1	51.4
PETROLEUM	25	1	2	0.1	0.01	0.01	24	1966.9
Total INDUSTRY EXPOSURE	8546	7589	8482	34.7	41.0	35.0	957	12.6

Infrastructure Advances

INFRASTRUCTURE	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun 11	
	Jun 12	Jun 11	Mar 12	Jun 12	Jun 11	Mar 12	Quantum	%
Power	1731	1885	1799	7.0	10.2	7.4	-154	-8.1
Road	340	190	315	1.4	1.0	1.3	150	78.6
Telecommunication	62	91	63	0.3	0.5	0.3	-29	-31.3
Infra Others	861	761	807	3.5	4.1	3.3	100	13.1
TOTAL	2994	2927	2984	12.2	15.8	12.3	67	2.3

Power - Sector wise	Jun 12	Jun 11	Mar 12
GOVERNMENT	1540	1594	1624
PRIVATE	191	291	175
TOTAL	1731	1885	1799

Advances - Breakup

Particulars	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun 11	
	Jun 12	Jun 11	Mar 12	Jun 12	Jun 11	Mar 12	Quantum	%
BILLS	1041	462	1292	4.2	2.5	5.3	579	125.2
DEMAND LOAN	12987	9147	12450	52.8	49.4	51.4	3840	41.9
TERM LOAN	10591	8917	10463	43.0	48.1	43.2	1674	18.8
TOTAL	24619	18526	24205	100.00	100.0	100.0	6093	32.9

Advances - Other details

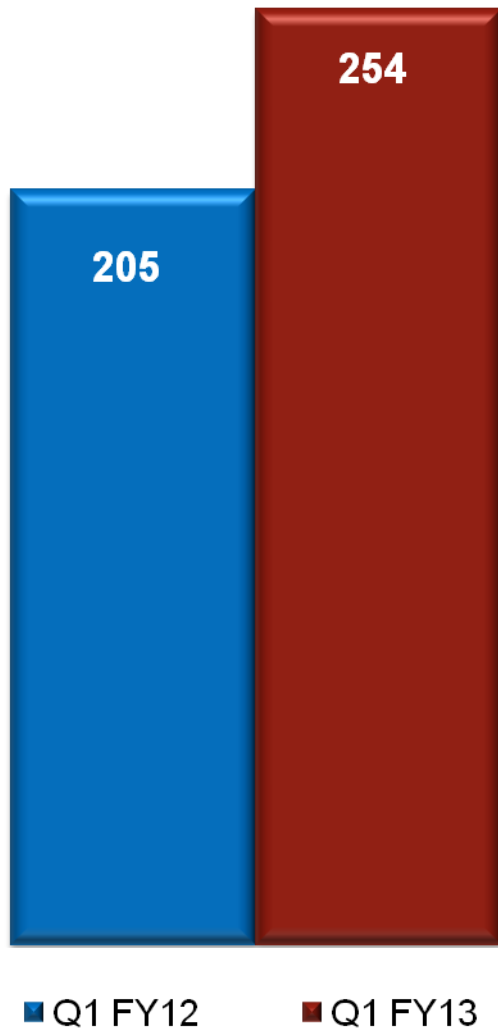
Particulars	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun 11	
	Jun 12	Jun 11	Mar 12	Jun 12	Jun 11	Mar 12	Quantum	%
COMMERCIAL REAL ESTATE	808	586	744	3.3	3.2	3.1	222	37.9
CAPITAL MARKET	38	73	189	0.2	0.4	0.7	-35	-47.9
HOUSING LOANS	1014	677	955	4.1	3.7	3.9	337	49.8
AUTO LOANS	921	721	841	3.7	3.9	3.4	200	27.7
NBFCs	1126	587	1255	4.6	3.2	5.1	539	91.8
PERSONAL LOANS	330	272	319	1.3	1.5	1.3	58	21.3

Investments Portfolio

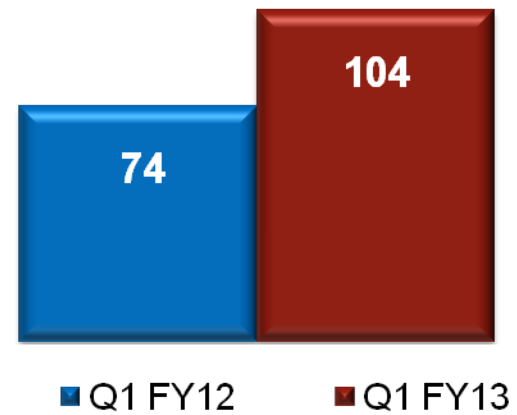
Particulars	HTM	AFS & HFT	Total (Rs. in crore)
SLR	8242	2368	10610
Non SLR (Excl. RIDF)	28	336	364
RIDF Investment	659	0	659
Total Investments	8929	2704	11633
% to total	76.8%	23.2%	

Modified Duration for the investments under AFS & HFT stood at 4.24

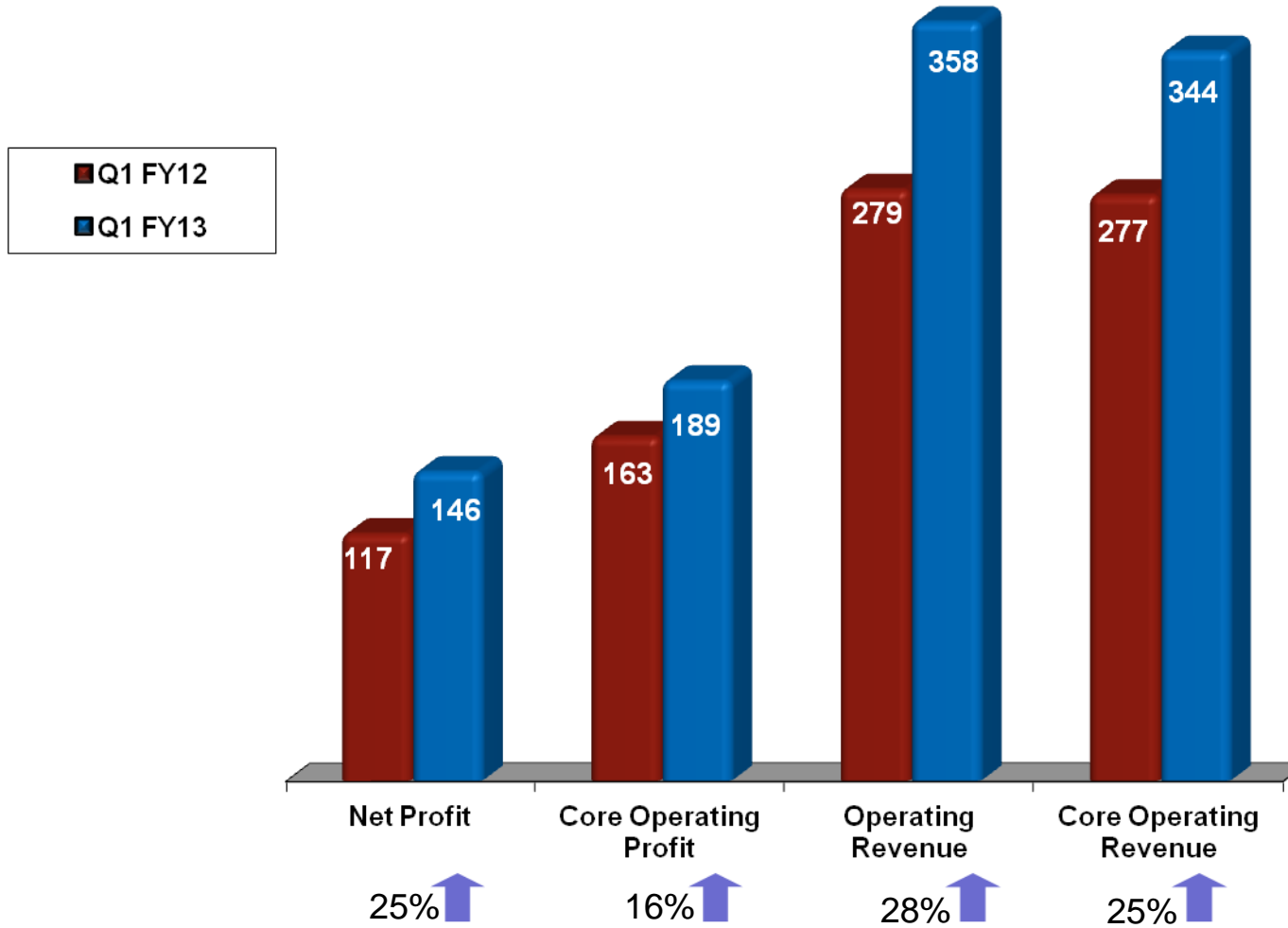
Net Interest Income



Non Interest Income



Profitability

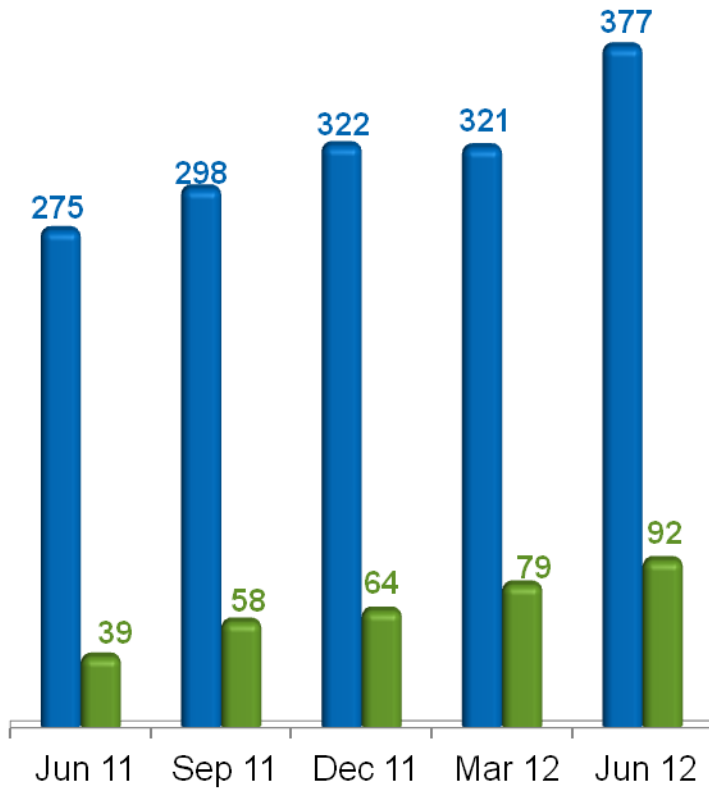


Core Revenue/Profit excludes profit from investment

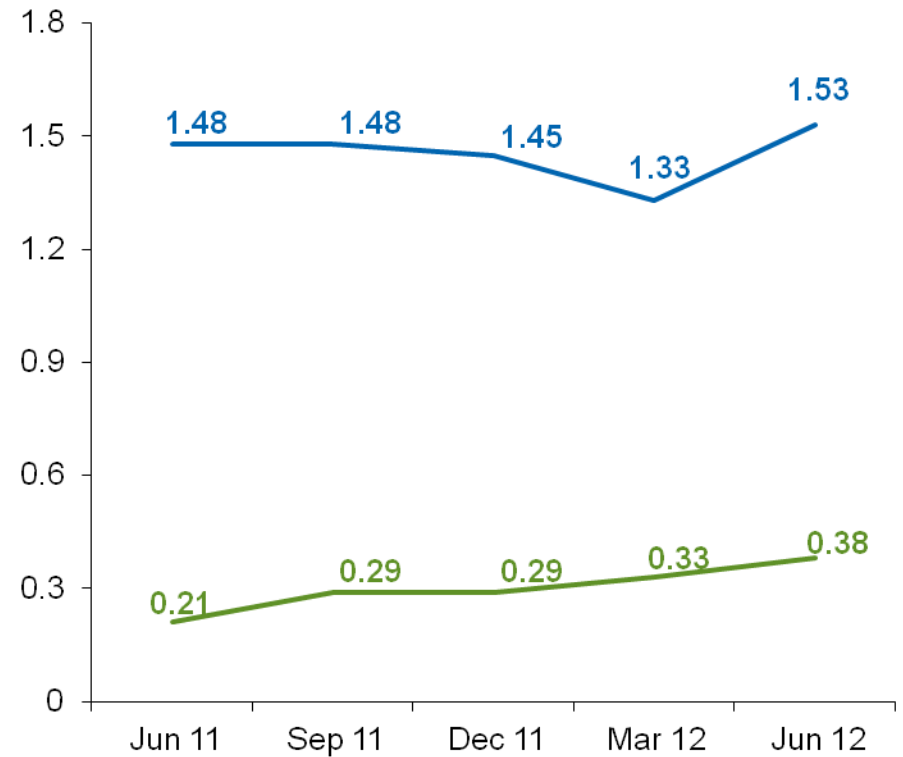
Provisions and Contingencies

Particulars	Q1		FY 2011-12
	FY 2013	FY 2012	
NPA	32.82	12.60	19.09
Standard Assets	0.46	4.16	28.84
Restructured Advances	-0.42	-1.75	3.81
Others	0.14	0.49	0.69
Investments	-42.98	22.11	41.33
Provisions Before Tax	-9.98	37.61	93.76
Provisions for Tax	66.71	10.95	130.23
Total Provisions	56.73	48.56	223.99

Gross NPA & Net NPA

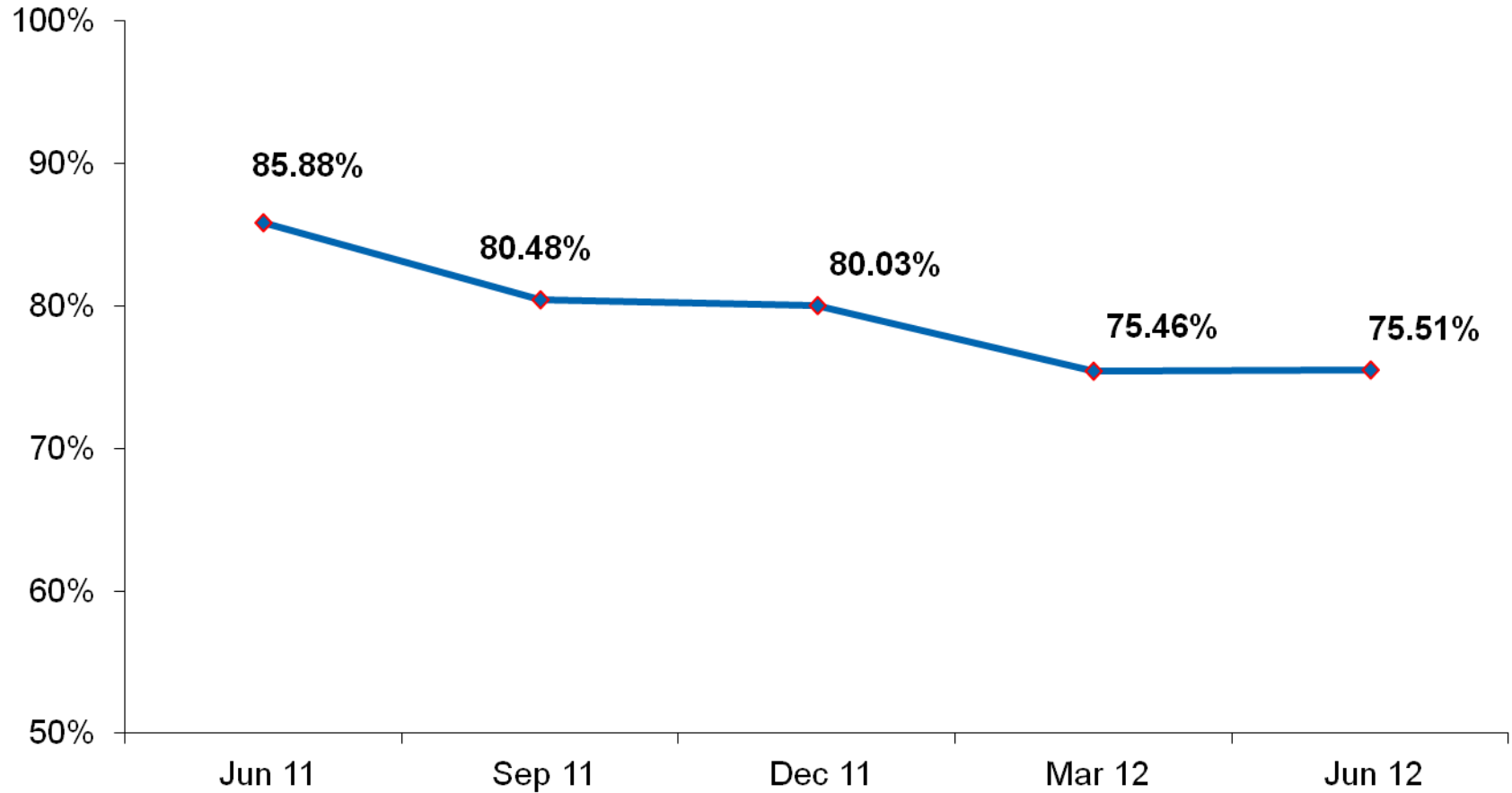


■ Gross NPA ■ Net NPA



— Gross NPA % — Net NPA %

Provision Coverage Ratio



Movement of NPA

Particulars	Q1 FY13	FY 2012-13
Movement of Gross NPAs		
Opening Balance	320.99	228.15
Additions during the period	76.33	174.00
Reductions during the period	20.41	81.16
Closing Balance	376.90	320.99
Movement of Net NPAs		
Opening Balance	78.78	13.87
Additions during the period	25.43	90.92
Reductions during the period	11.92	26.01
Closing Balance	92.29	78.78
Movement of Provisions for NPAs		
Opening Balance	201.51	182.42
Provisions made during the period	41.04	52.43
Write off/Write back of excess provision	8.23	33.34
Closing Balance	234.32	201.51



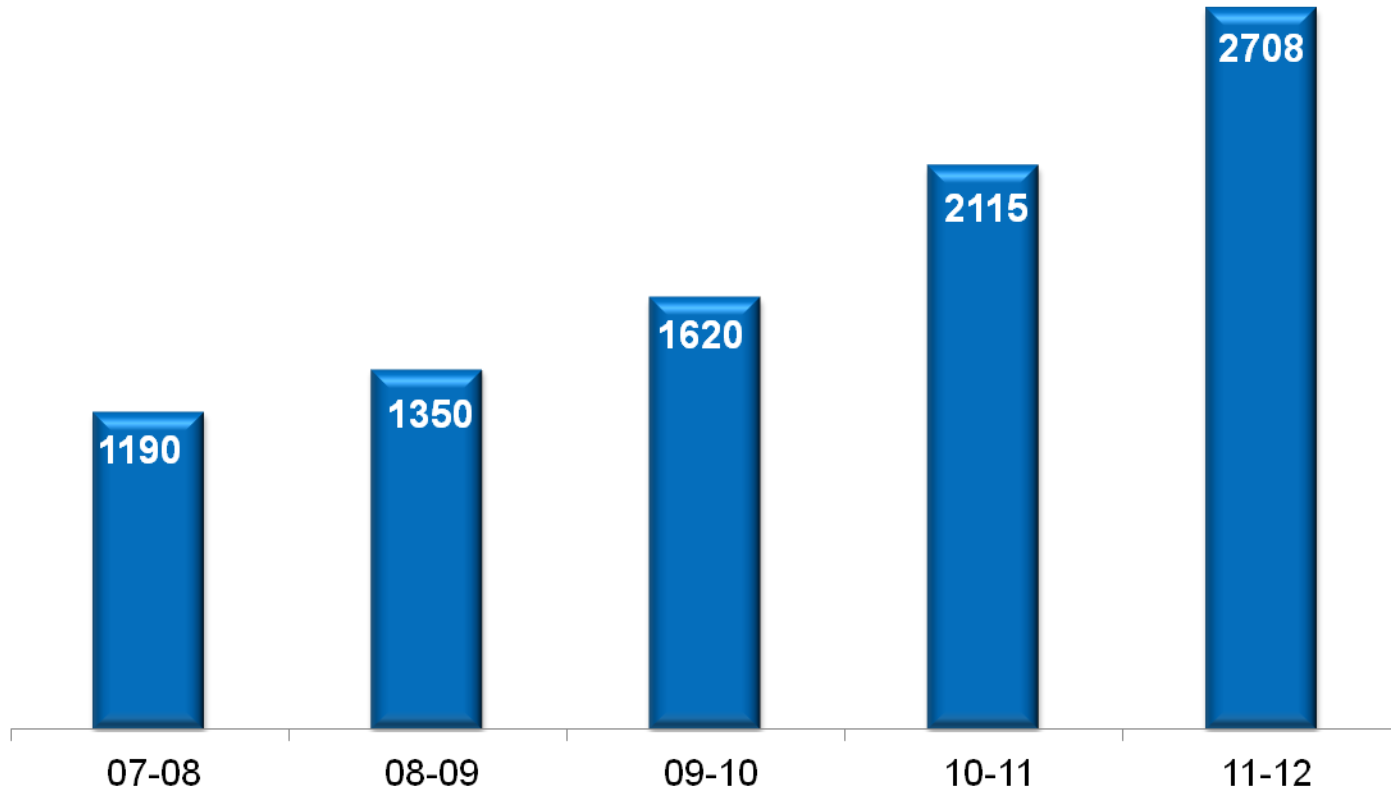
SECTORWISE RESTRUCTURED ACCOUNTS

S.NO	SECTOR	NO. OF ACCOUNTS		AMOUNT (Rs. in crore)		(% to total Rest. Adv)	
		Jun 12	Mar 12	Jun 12	Mar 12	Jun 12	Mar 12
1	FOOD	8	9	3.56	32.97	0.55%	5.02%
2	STEEL	3	3	12.58	13.39	1.94%	2.04%
3	TEXTILE	54	57	253.75	273.17	39.15%	41.62%
4	REAL ESTATE	33	33	4.99	5.97	0.77%	0.91%
5	COMMERCIAL REAL ESTATE	13	10	11.53	10.97	1.78%	1.67%
6	PAPER	3	3	3.31	3.48	0.51%	0.53%
7	PHARMA	1	1	11.12	11.18	1.72%	1.70%
8	CHEMICAL	3	3	12.60	12.53	1.94%	1.91%
9	POWER	2	1	177.94	147.05	27.45%	22.40%
10	OTHERS	87	82	156.80	145.67	24.19%	22.20%
	TOTAL % to total Advance	207	202	648.16 2.63%	656.39 2.71%	100.00%	100.00%

Movement of Restructured Advances

Movement of Restructured Accounts for Q1 of FY13	No. of Accounts	Amount (Rs. in crore)
Restructured accounts as on 31.03.2012 - [A]	202	656.39
Addition during the period - [B]	16	49.95
Accounts closed during the period - [C]	6	29.69
Amount recovered during the period - [C]	-	20.91
Accounts slipped into NPA during the period - [E]	5	7.58
Restructured accounts as on 30.06.2012 A+B-(C+D+E)	207	648.16

Owned Funds



CAGR

**5 Yr
20.57%**



Capital Adequacy Ratio

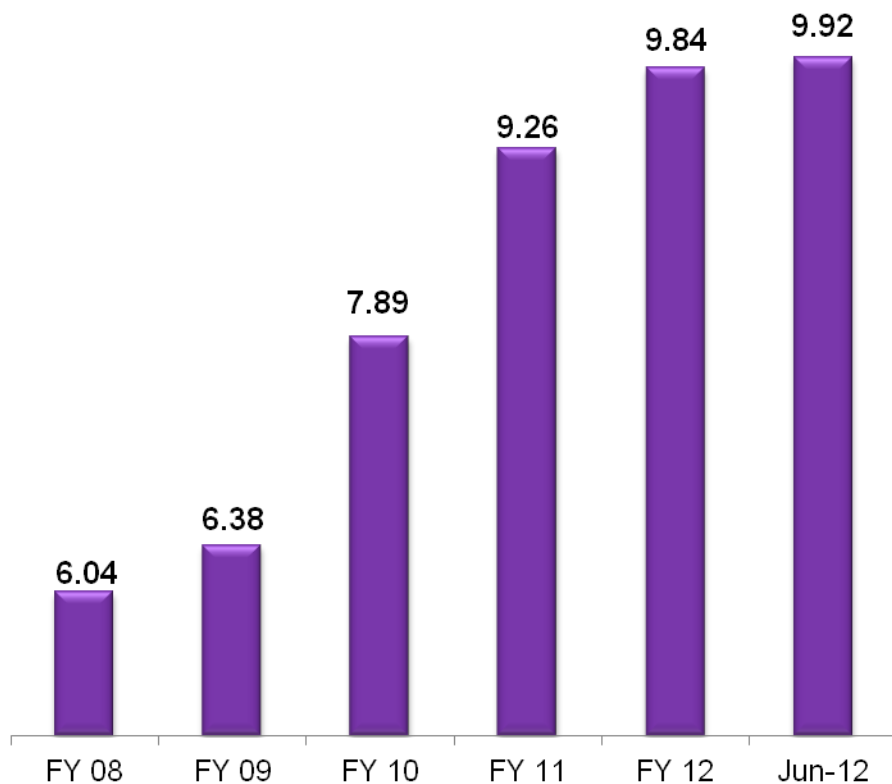
Particulars	Jun 12	Jun 11	Mar 12
Tier I Capital	2,677	2,233	2,677
Tier II Capital	246	221	246
Tier (I + II)	2,923	2,454	2,923
Total RWA	19,854	16,548	20,403
Tier I – CRAR	13.48%	13.50%	13.12%
Tier II – CRAR	1.24%	1.33%	1.21%
CRAR – Basel II	14.72%	14.83%	14.33%

- “LA+” Rating from ICRA for Long Term Bond Issuance
- Top Rating from CRISIL (A1+) and ICRA (A1+) for Short Term Borrowing

Network and Human Resources

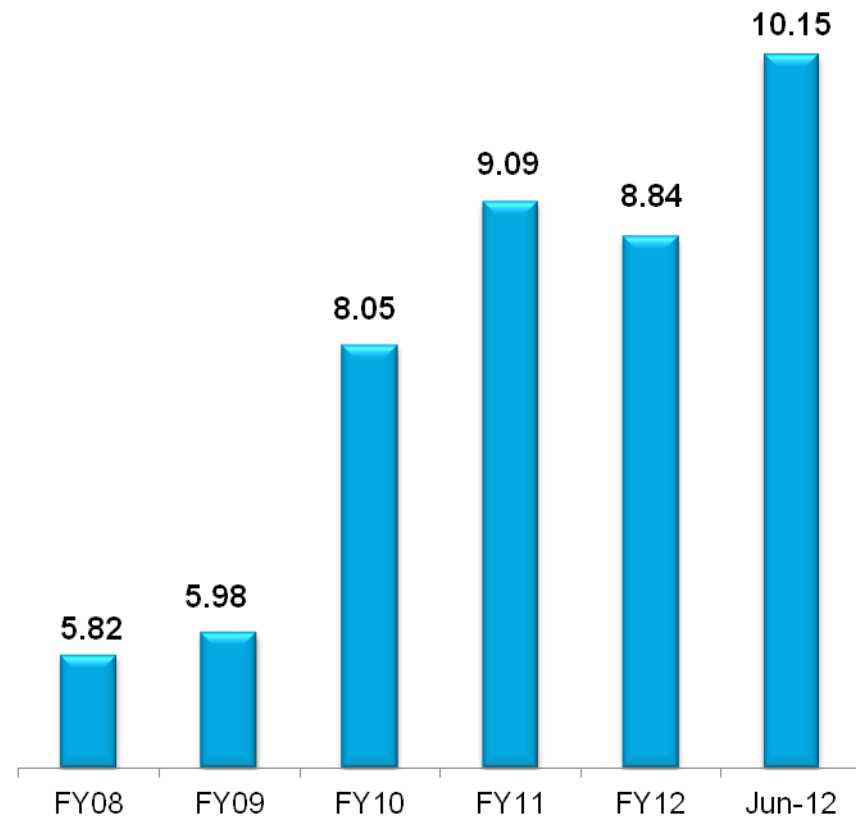
Particulars	Mar 08	Mar 09	Mar 10	Mar 11	Mar 12	Jun 12
No of Branches	288	312	335	369	451	454
No of ATMs	286	324	376	488	825	900
No of Employees	3580	3941	4175	4574	5673	5754

Business Per Employee



(Rs. in crore)

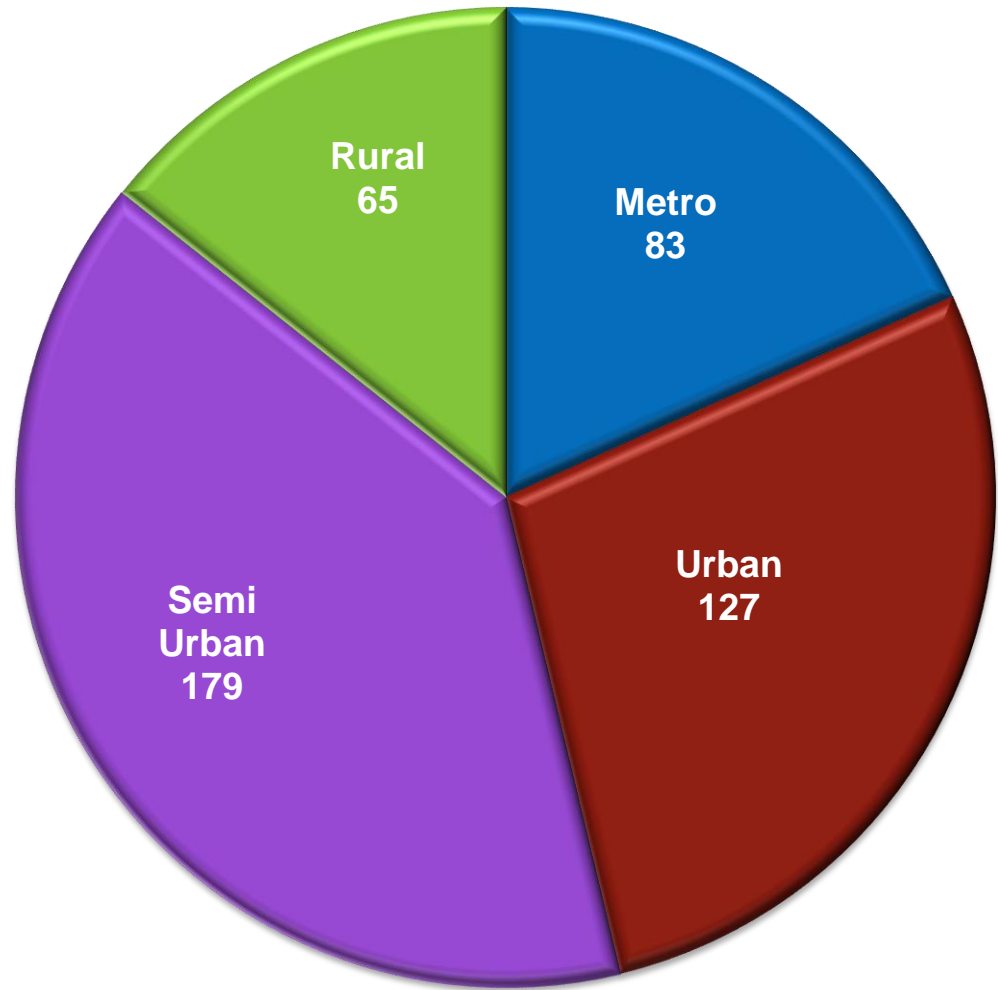
Profit Per Employee



(Rs. in Lakhs)

Network of 454 Branches

STATE	Mar 12	Jun 12
TAMILNADU	227	228
ANDHRA PRADESH	96	96
KARNATAKA	32	33
MAHARASHTRA	21	22
GUJARAT	14	14
KERALA	11	11
DELHI	9	9
WEST BENGAL	12	12
PUNJAB	5	5
HARYANA	4	4
ORISSA	4	4
M.P.	3	3
UTTARPRADESH	5	5
PONDICHERY	2	2
RAJASTHAN	2	2
CHANDIGARH	1	1
CHATTISGARH	1	1
GOA	1	1
JHARKHAND	1	1
Total	451	454



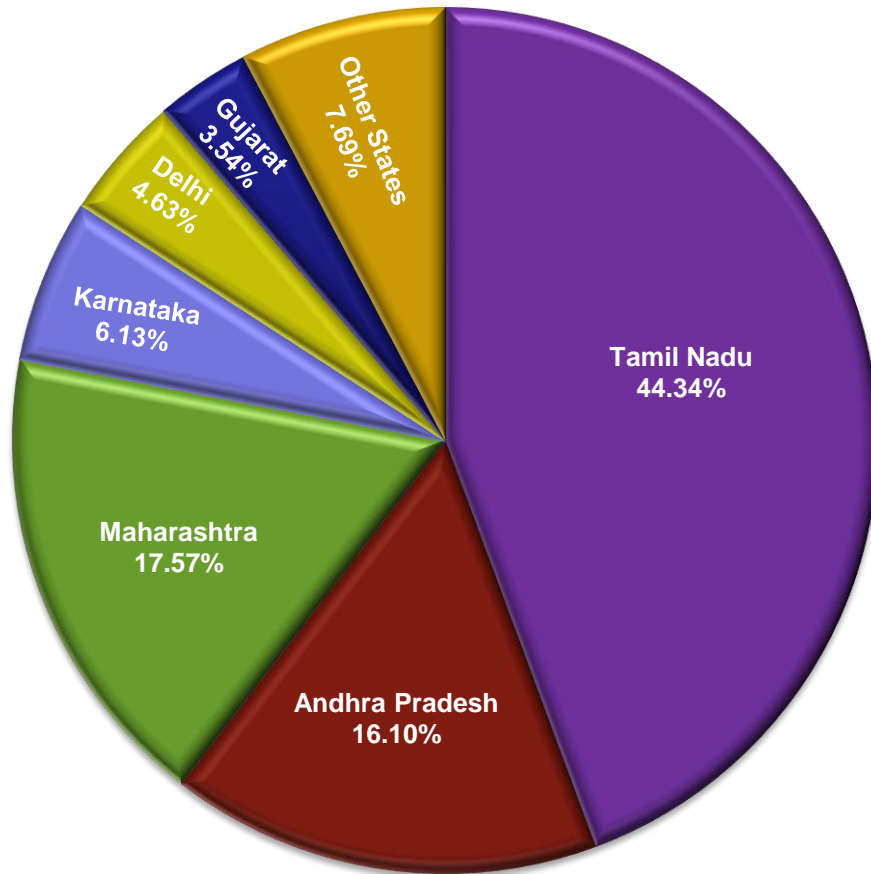
A Decade of Progress

Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Paid up Capital	16.41	17.98	17.98	17.98	49.49	53.94	53.95	54.44	94.49	107.18
Reserves	542.27	694.05	742.90	853.65	1013.67	1136.06	1296.21	1565.54	2020.05	2601.04
Owned funds	558.68	712.03	760.88	871.63	1063.16	1190.00	1350.16	1619.98	2114.54	2708.22
CRAR - Basel I	17.01%	17.11%	16.07%	14.79%	14.51%	12.58%	13.08%	12.48%	12.16%	11.64%
Basel II	-	-	-	-	-	-	14.92%	14.49%	14.41%	14.33%
Deposits	5122	5911	6672	7577	9340	12550	15101	19272	24722	32112
Advances	3344	4023	4620	5701	7194	9569	10563	13675	18052	24205
Investments	1845	2173	2219	2298	2874	3526	4716	6649	7776	10581
Gross Income	648	722	704	771	987	1289	1711	2005	2482	3621
Net Profit	125	161	105	135	160	208	236	336	416	502
Dividend	70%	100%	100%	120%	100%	120%	120%	120%	120%	140%
Branches	214	223	231	238	269	288	312	335	369	451
EPS (Rs.)	156.28	89.58	58.59	28.29	32.80	38.62	43.71	62.23	44.90	46.81
Book Value(Rs.)	340.45	396.05	423.22	484.80	197.09	220.61	250.25	297.60	200.33	252.68
No of Employees	2833	2849	2811	2908	3286	3580	3941	4175	4574	5673

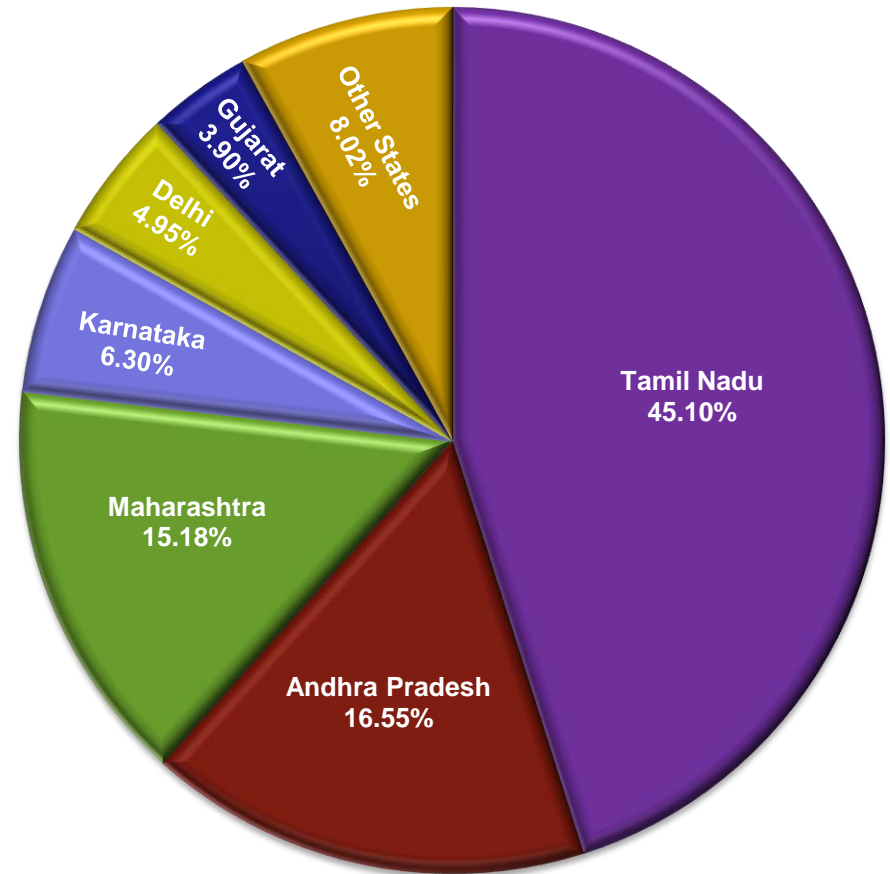


Statewise Contribution in Total Business

Jun-12



Jun-11



Awards and Recognitions

- ✓ *Bloomberg UTV Financial Leadership Awards, 2012 – **Best Private Sector Bank***
- ✓ *Institute of Public Enterprise, Hyderabad - **Best Employer Brand***



New Initiatives

- *MOU signed with Mahindra & Mahindra, Maruthi Suzuki (I) Pvt Ltd and TATA for vehicle financing*
- *Tie-up with M/s Tech Process (Payment Gateway).*
- *Launch of Institutional Fee Payment through KVBmPay*
- *New branch transformation model under BPR*
- *Designated Bank for collection of commercial taxes and VAT in AP*
- *Designated Bank for collection of property tax in Chennai Corporation*
- *Authorized banks for online ticket booking services of IRCTC.*
- *Introduction of Queue management system on trial basis at select Branches.*
- *Welcome Kit introduced*
- *Agreement with National Payment Corporation of India for issuance and acquiring of RuPay Cards.*
- *TNEB bill and Utility bill payments through KVBmPAY (KVBs mobile application)*
- *Inter Bank Mobile Payments through RBI (NPCI)*
- *Setting up of Bank's own call center.*
- *UIDAI Pilot project through VISA.*



Outlook

- *Planned to open around 100 branches and 400 ATMs during the current fiscal.*
- *Planned to achieve total business of Rs.72,000 crore by 31st March 2013*
- *Aiming to achieve Rs.41,000 crore of Deposits for the fiscal 2012-13*
- *Aiming to achieve Rs.31,000 crore of Advances for the fiscal 2012-13*
- *Thrust on CASA and SME & Mid-corporate segments*
- *BPR - Processes & Operations*
- *Strengthen Training System*





Karur Vysya Bank

Smart way to bank

Thank You