



KVB

Karur Vysya Bank

Smart way to bank

Investor Presentation

June 2013

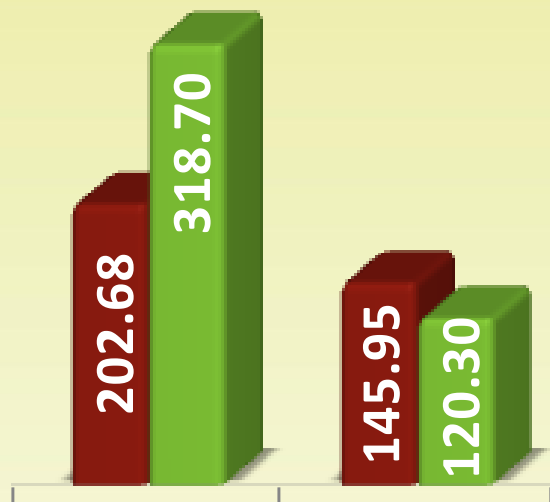


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Smart way to bank

Operating Profit & Net Profit – June 2013



Operating Profit
Net Profit

■ Jun-12

■ Jun-13

Operating Profit

- Operating Profit increased by 57.25% from ₹ 202.68 crore to ₹ 318.72 crore

Net Profit

- Net Profit decreased by 17.57% from ₹ 145.95 crore to ₹ 120.30 crore

Business Performance – June 2013

(₹ in crore)

Particulars	Quarter ended		Y-o-Y Growth (%)	Year ended Mar 13	Growth (%) (*)
	Jun 13	Jun 12			
Business	72,800	57,571	26.5	68,359	25.9
Gross Deposits	41,818	32,952	26.9	38,653	32.7
Gross Advances	30,982	24,619	25.8	29,706	17.2
Average Deposits	40,169	32,584	23.3	33,975	72.9
Average Advances	30,173	24,163	24.9	25,645	70.6
Total Assets	49,963	38,338	30.3	46,733	27.6
CD Ratio	74.09%	74.71%		76.85%	

(*) - Annualised

Performance Highlights – June 2013

(₹ in crore)

Particulars	Quarter ended		Y-o-Y Growth (%)	Quarter Ended Mar 13	Year ended Mar 13
	June 13	June 12			
Net Interest Income	331.88	253.94	30.7	310.32	1,158.47
Non Interest Income	206.93	104.27	98.5	157.80	452.56
Operating Revenue	538.81	358.21	50.4	468.12	1,611.03
Operating Profit	318.72	202.68	57.3	239.86	848.83
Net Profit	120.30	145.95	(17.6)	158.58	550.32
Net Interest Margin	2.77%	2.82%	(5 bps)	3.06%	3.03%
Return on Assets	1.00%	1.53%	(53 bps)	1.44%	1.35%



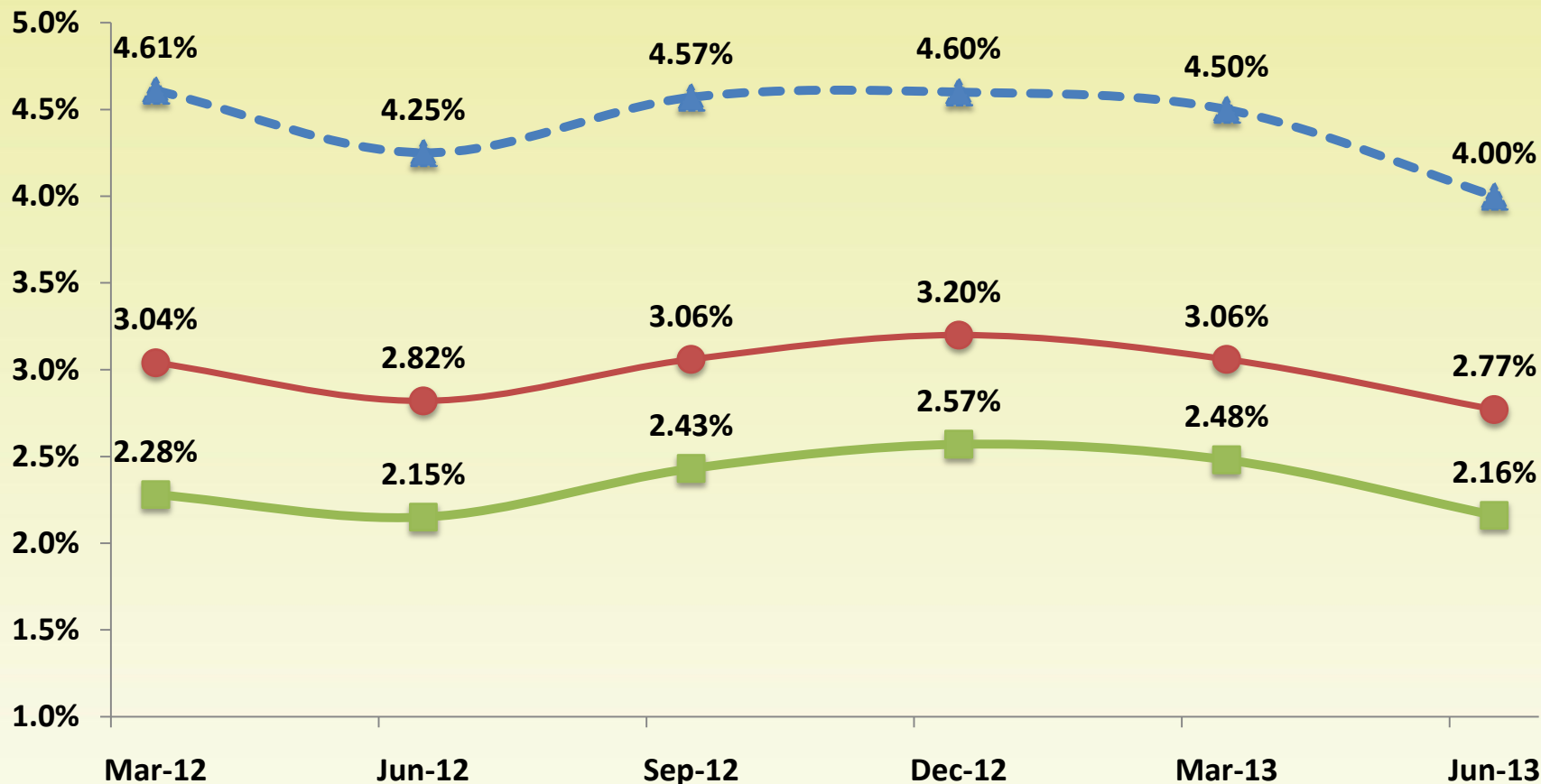
Key Ratios - I

Particulars	Quarter Ended			Year ended Mar-13
	June-13	June-12	Mar-13	
Cost of Deposits (%)	8.21	8.59	8.18	8.30
Yield on Advances (%)	12.21	12.84	12.68	12.77
Cost of Funds (%)	8.12	8.53	8.21	8.24
Yield on Funds (%)	10.28	10.68	10.69	10.65
Yield on Investments (%)	7.66	7.91	7.76	7.84
Spread (%)	2.16	2.15	2.48	2.41
NIM (%)	2.77	2.82	3.06	3.03
Return on Assets (%)	1.00	1.53	1.44	1.35
Return on Net worth (%)	14.98	20.45	20.56	17.84

Key Ratios - II

Particulars	Quarter Ended			Year ended Mar-13
	June-13	June-12	Mar-13	
Cost to Income (%)	40.85	43.42	48.76	47.31
Cost to Income - excl Bad Debts w/o (%)	40.82	42.14	48.69	45.02
Business per employee (₹ in crore)	10.84	9.92	10.14	10.14
Profit per employee (₹ in lakhs)	7.16	10.15	9.43	8.18
Operating Profit/ Total Income (%)	22.30	18.26	18.68	18.08
Net Profit/ Total Income (%)	8.42	13.15	12.35	11.72
Operating Expenses/ Total Income (%)	7.86	7.26	9.97	8.92
Staff Cost / Total Income (%)	7.54	6.75	7.80	7.32
Staff Cost / Total Expenses (%)	9.70	8.26	9.60	8.93
Staff Cost / Operating Expenses (%)	48.95	48.17	43.90	45.08

Spread & NIM (Quarterly)



▲ Spread on Funds

● Net Interest Margin

■ Spread (Deposits and Advances)

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Income & Expenses Analysis

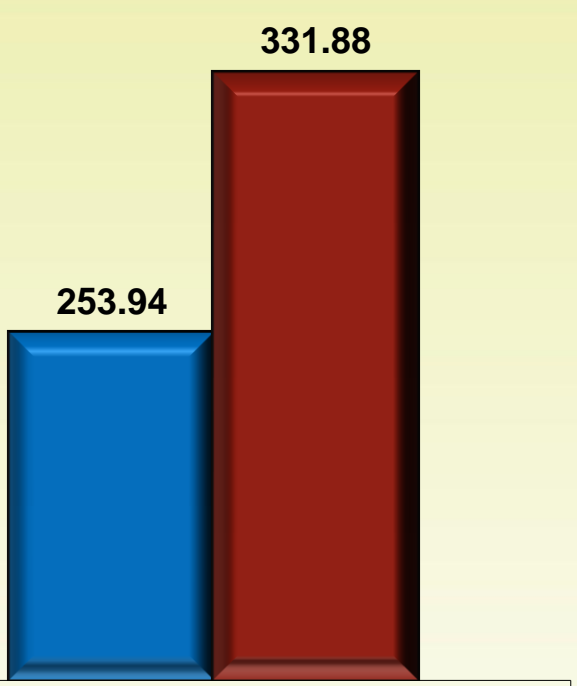
(₹ in crore)

Particulars	Year ended		Y-o-Y Growth (%)	Quarter Ended Mar 13	Seq. Growth (%) (*)	Year ended Mar 13
	June 13	June 12				
Interest earned	1,222.53	1,005.53	21.6	1,126.15	34.2%	4,242.43
Interest expended	890.65	751.59	18.5	815.82	36.7%	3,083.96
Net Interest Income	331.88	253.94	30.7	310.33	27.8%	1,158.47
Non Interest Income	103.73	90.39	14.8	105.68	(7.4%)	364.21
Profit on Investment	103.20	13.88	643.5	52.12	392.0%	88.35
Operating Revenue	538.81	358.21	50.4	468.12	60.4%	1,611.03
Operating expenses	220.09	155.53	41.5	228.27	(14.3%)	762.20
Employee cost	107.77	74.92	43.8	100.20	30.2%	343.62
Other expenses	112.32	80.61	39.3	128.07	(49.2%)	418.58
Operating Profit	318.72	202.68	57.3	239.86	131.5%	848.83
Provisions	163.16	(9.98)	--	88.76	335.3%	123.39
Profit Before Tax	155.56	212.66	(26.9)	151.10	11.8%	725.44
Provision for Taxes	35.26	66.71	(47.1)	(7.48)	--	175.12
Net Profit	120.30	145.95	(17.6)	158.58	(96.6%)	550.32

(*) - Annualised

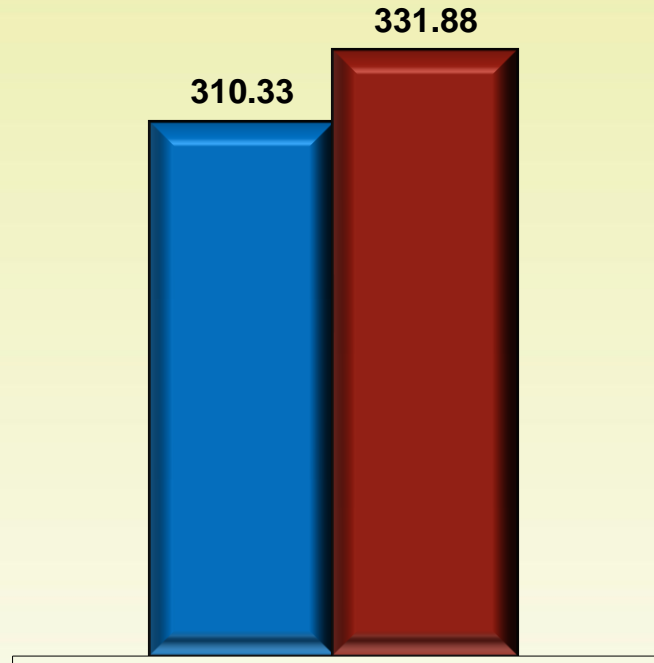
Net Interest Income (YoY & QoQ)

(₹ in crore)



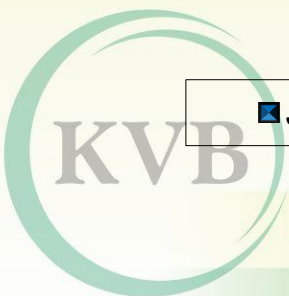
YOY 31%

■ Jun-12 ■ Jun-13



QOQ 27.8% (Annualised)

■ Mar-13 ■ Jun-13



Non Interest Income (YoY & QoQ)

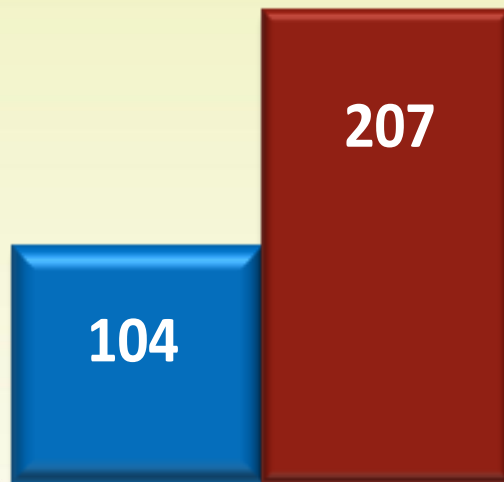
(₹ in crore)

YoY

- Increased in June 2013 over June 12 - 98.5%

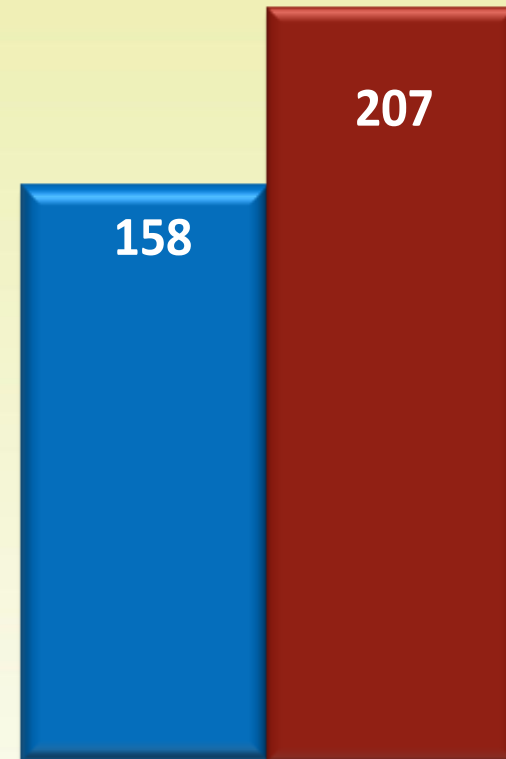
QoQ

- Increased in June 2013 over March 13 – 124.0% (annualised)



■ Jun-12

■ Jun-13



■ Mar-13

■ Jun-13

Provisions & Contingencies

(₹ in crore)

Particulars	Quarter Ended			Annual
	June-13	June-12	Mar-13	March 13
NPA	133.96	32.82	29.86	104.67
Standard Assets	7.09	0.46	16.64	36.64
Restructured Advances	8.09	(0.42)	21.70	23.32
Others	(0.32)	0.14	(0.05)	0.05
Investments	14.34	(42.98)	20.61	(41.29)
Provisions Before Tax	163.16	(9.98)	88.76	123.39
Provisions for Tax	35.26	66.71	(7.48)	175.12
Total Provisions	198.42	56.73	81.28	298.51

Capital to Risk Weighted Assets Ratio

(₹ in crore)

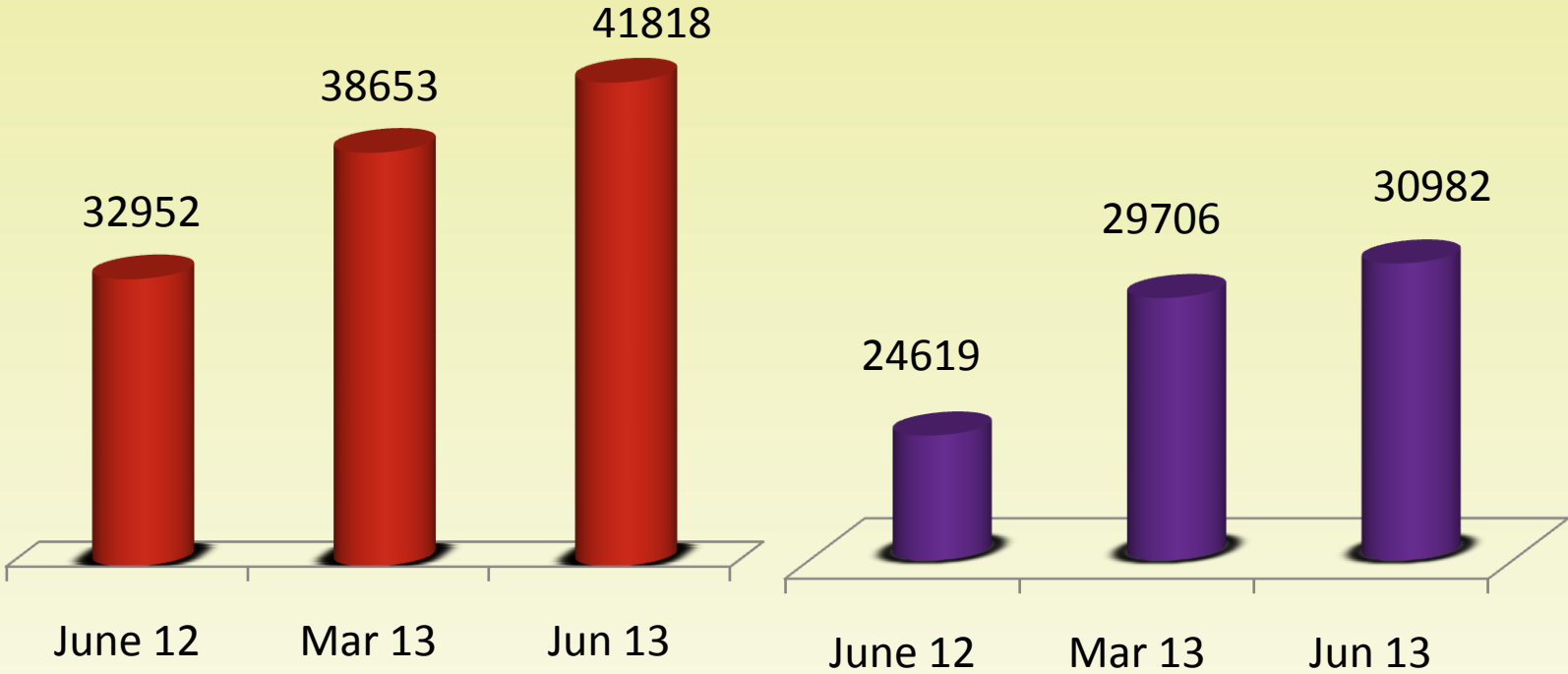
Particulars	Jun-13	Jun-12	Mar-13
Tier I Capital	3,024	2677	3,017
Tier II Capital	310	245	303
Tier (I + II)	3,334	2923	3,320
Total Risk Weighted Assets	25,922	19854	23,035
Tier I – CRAR	11.66%	13.48%	13.10%
Tier II – CRAR	1.20%	1.24%	1.31%
CRAR (%)	12.86%	14.72%	14.41%

- CRAR (with profit) is at 13.32%
- CRAR (Basel III) works out to – **12.52%** (with profit - 12.98%)
- “A+” Rating from ICRA for Long Term Bond Issuance
- Top Rating from CRISIL (A1+) and ICRA (A1+) for Short Term Borrowing



Deposits & Advances

(₹ in crore)

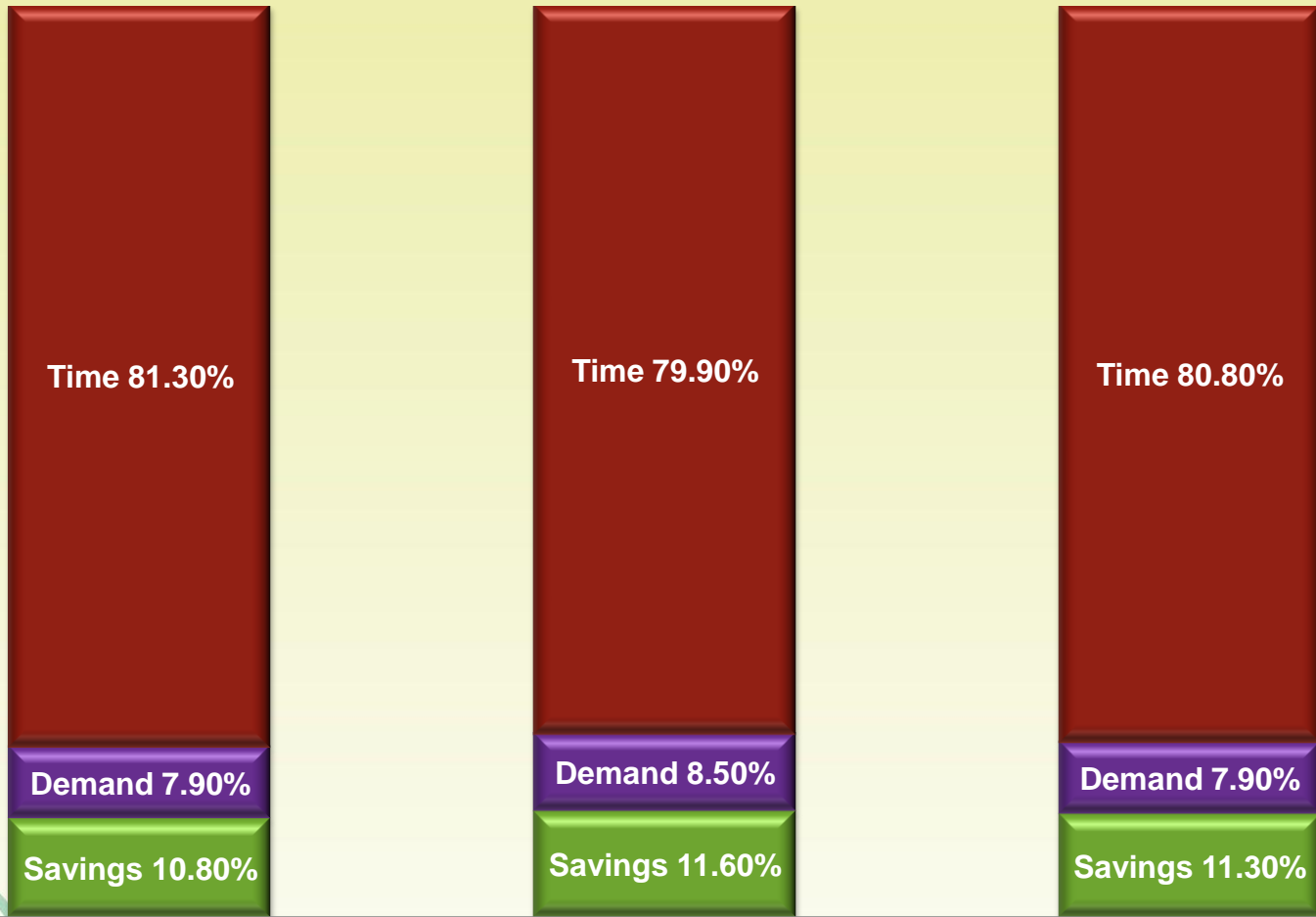


■ Deposits

■ Advances



Deposit Mix



Jun-13

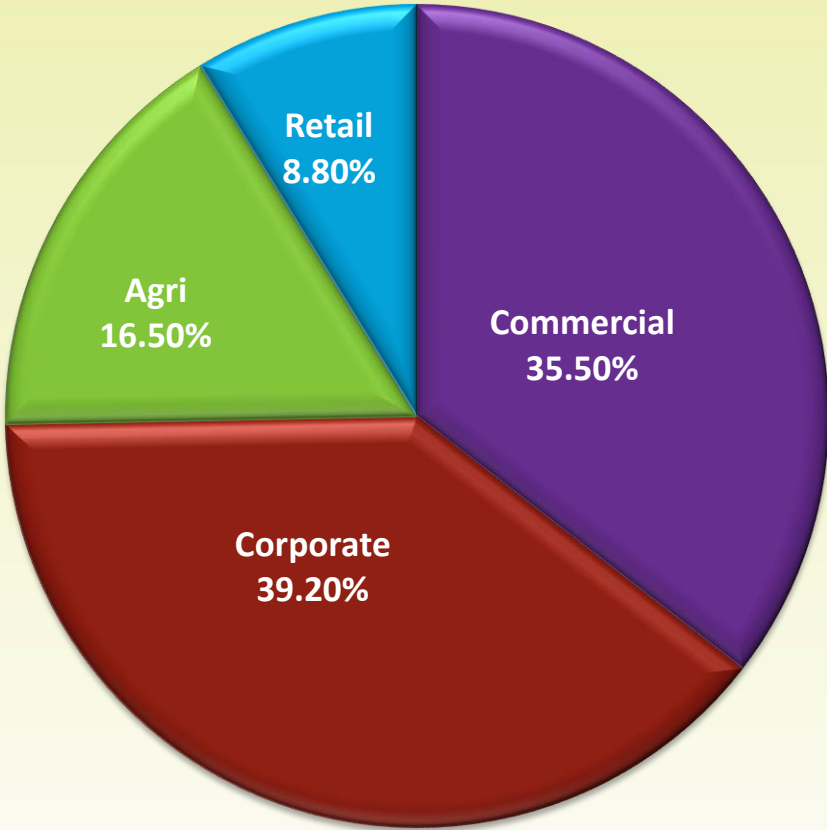
Jun-12

Mar-13

Mix of Advances

June 13

June 12



Advances – Category wise

Particulars	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun-12	
	Jun-13	Jun-12	Mar-13	Jun-13	Jun-12	Mar-13	Quantum	%
INDUSTRY EXPOSURE	10,283	9,443	10,260	33.2	34.7	34.3	1,737	20.3
JEWEL LOAN	8,211	5,850	7,798	26.5	23.8	26.3	2,361	40.4
Personal Segment Loans @	3,789	3,066	3,745	12.2	12.4	12.6	723	23.6
TRADING	4,576	2,880	4,035	14.8	11.7	13.6	1,696	58.9
BILLS	1,567	1,041	1,558	5.1	4.2	5.2	526	50.5
NBFC	1,030	1,126	1,116	3.3	4.6	3.8	(96)	(8.5)
OTHER EXPOSURES*	1,527	1,213	1,194	4.9	8.6	4.2	(583)	(27.7)
TOTAL ADVANCES	30,982	24619	29,706	100.0	100.0	100.0	6,363	25.8

@ 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 Jun 12	
	Jun-13	Jun-12	Mar-13	Jun-13	Jun-12	Mar-13	Quantum	%
INFRASTRUCTURE	3,057	2,994	2,948	9.9	12.2	9.9	63	2.1
TEXTILES	1,995	1,838	2,057	6.4	7.5	6.9	157	8.5
IRON AND STEELS	1,107	1,003	1,189	3.6	4.1	4.0	104	10.4
FOOD PROCESSING	994	792	1,010	3.2	3.2	3.4	202	25.5
CHEMICALS AND CHEM PRODUCTS	505	474	473	1.6	1.9	1.6	31	6.5
AUTO PARTS	202	247	214	0.7	1.0	0.7	-45	-18.2
GEMS & JEWELLERY	262	216	252	0.8	0.9	0.8	46	21.3
ALL ENGINEERING	414	231	386	1.3	0.9	1.3	183	79.2
RUBBER	196	208	209	0.6	0.8	0.7	-12	-5.8
METAL	207	152	193	0.7	0.6	0.6	55	36.2
BEVERAGE & TOBACCO	75	100	79	0.2	0.4	0.3	-25	-25.0
WOOD	166	136	154	0.5	0.6	0.5	30	22.1
CEMENT	105	95	92	0.3	0.4	0.3	10	10.5
PAPER	82	69	93	0.3	0.3	0.3	13	18.8
CONSTRUCTION	143	106	134	0.5	0.4	0.5	37	34.9
GLASS	9	8	9	0.0	0.0	0.0	1	12.5
LEATHER	10	3	9	0.0	0.0	0.0	7	233.3
PETROLEUM	25	25	25	0.1	0.1	0.1	0	0.0
OTHERS	729	746	734	2.4	3.0	2.3	-16.58	-2.2
Total INDUSTRY EXPOSURE	10,283	9,443	10,260	33.2	38.4	34.3	840.42	8.9

Infrastructure Advances

INFRASTRUCTURE	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun-12	
	Jun-13	Jun-12	Mar-13	Jun-13	Jun-12	Mar-13	Quantum	%
Power	1,560	1731	1,499	5.0	7.0	5.0	(171)	(9.9)
Road	315	340	313	1.0	1.4	1.1	(25)	(7.4)
Telecommunication	63	62	62	0.2	0.3	0.2	1	1.6
Infra Others	1,119	861	1,074	3.6	3.5	3.6	258	30.0
TOTAL	3,057	2994	2,948	9.9	12.2	9.9	63	2.1

Power - Sector wise	Jun-13	Jun-12	Mar-13
GOVERNMENT	1,082	1,540	1,050
PRIVATE	478	191	449
TOTAL	1,560	1,731	1,499



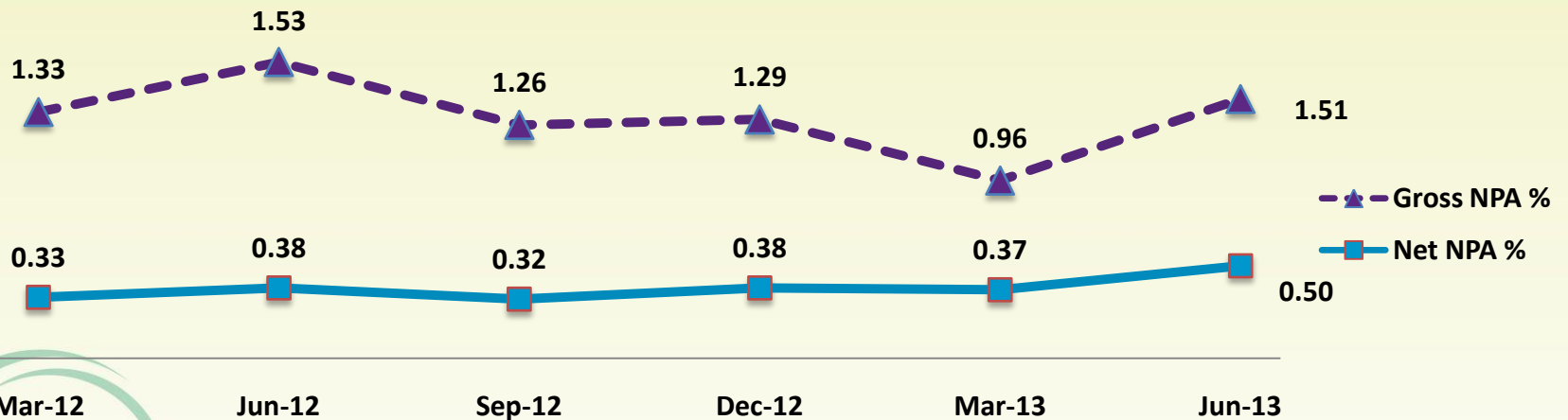
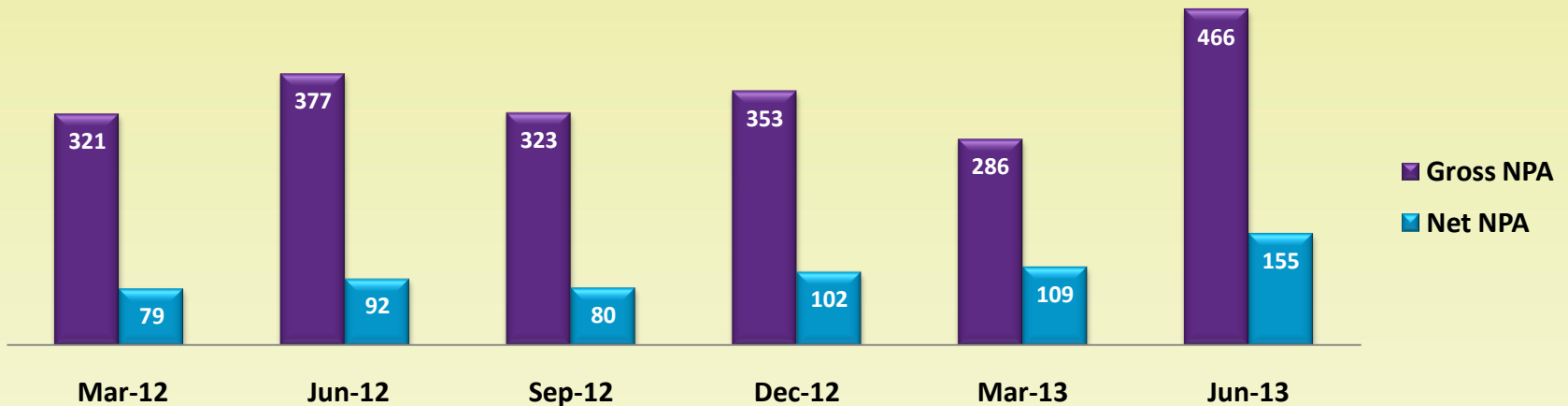
Advances - Other Details

Particulars	Amount (Rs. in crore)			% to Total Advance			Quantum over June 12	%
	Jun-13	Jun-12	Mar-13	Jun-13	Jun-12	Mar-13		
COMMERCIAL REAL ESTATE	1,274.57	808.0	1,063.0	4.1	3.3	3.6	466.57	57.74
CAPITAL MARKET	184.45	38.0	150.0	0.6	0.2	0.5	146.45	385.39
HOUSING LOANS	1,465.07	1,014.0	1,355.0	4.7	4.1	4.6	451.07	44.48
AUTO LOANS	1,112.31	921.0	1,073.0	3.6	3.7	3.6	191.31	20.77
NBFCs	1,029.61	1,126.0	1,116.0	3.3	4.6	3.8	(96.39)	(8.56)
PERSONAL LOANS	363.99	330.0	340.0	1.2	1.3	1.1	33.99	10.30

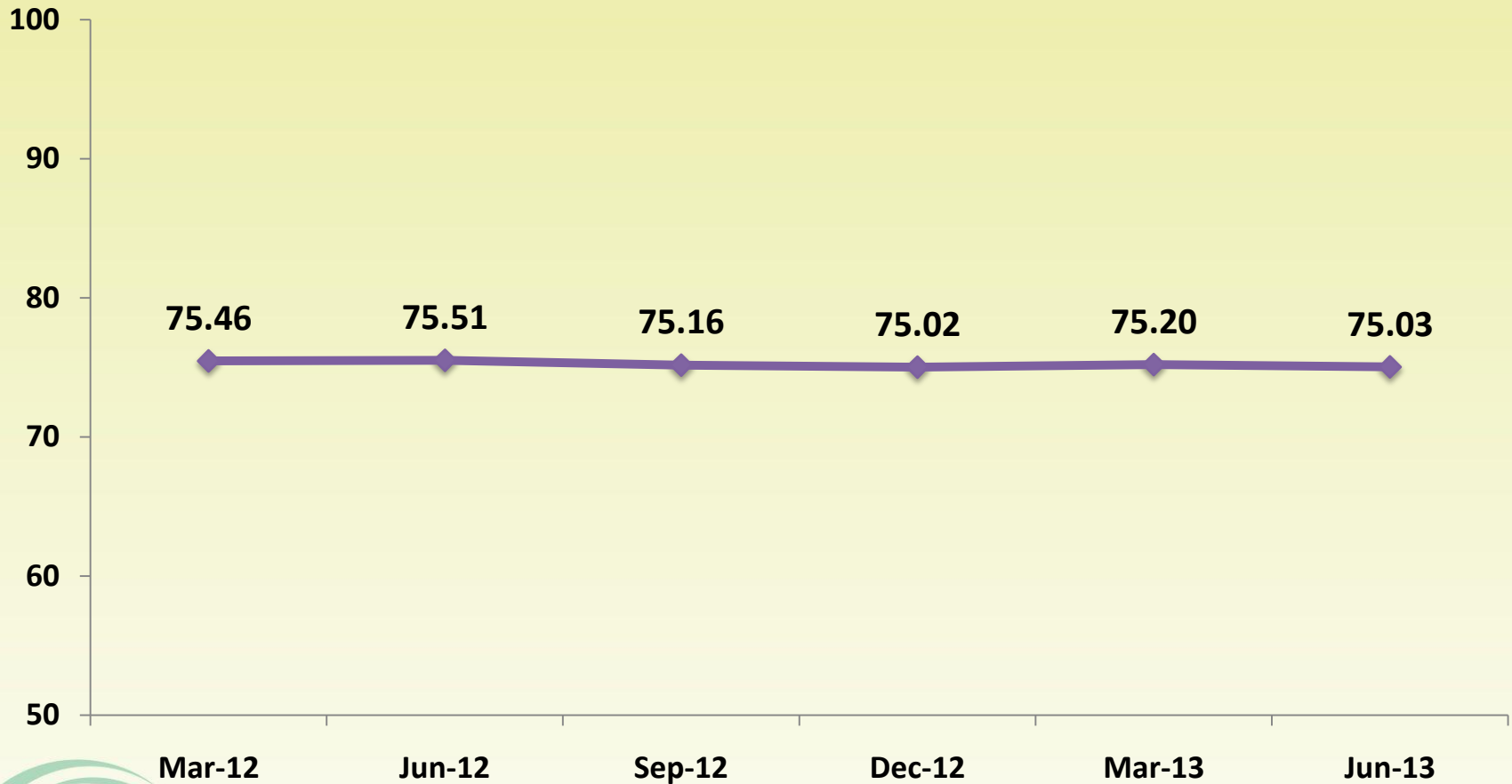


Gross NPA & Net NPA

(₹ in crore)



Provision Coverage Ratio (%)



Movement of NPA

(₹ in crore)

Particulars	Apr 13 – Jun 13	Apr 12 – Jun 12	Apr 12 – Mar 13
Movement of Gross NPAs			
Opening Balance	285.86	320.99	320.99
Additions during the period	193.62	76.33	200.54
Reductions during the period	13.06	20.41	235.67
Closing Balance	466.42	376.90	285.86
Movement of Net NPAs			
Opening Balance	108.74	78.78	78.78
Additions during the period	58.56	25.43	107.75
Reductions during the period	12.77	11.92	77.79
Closing Balance	154.53	92.29	108.74
Movement of Provision for NPA			
Opening Balance	151.50	201.51	201.51
Provisions made during the period	134.24	41.04	104.67
Write off/Write back of excess provision	-	8.23	154.68
Closing Balance	285.74	234.32	151.50

Sector wise Restructured Advances

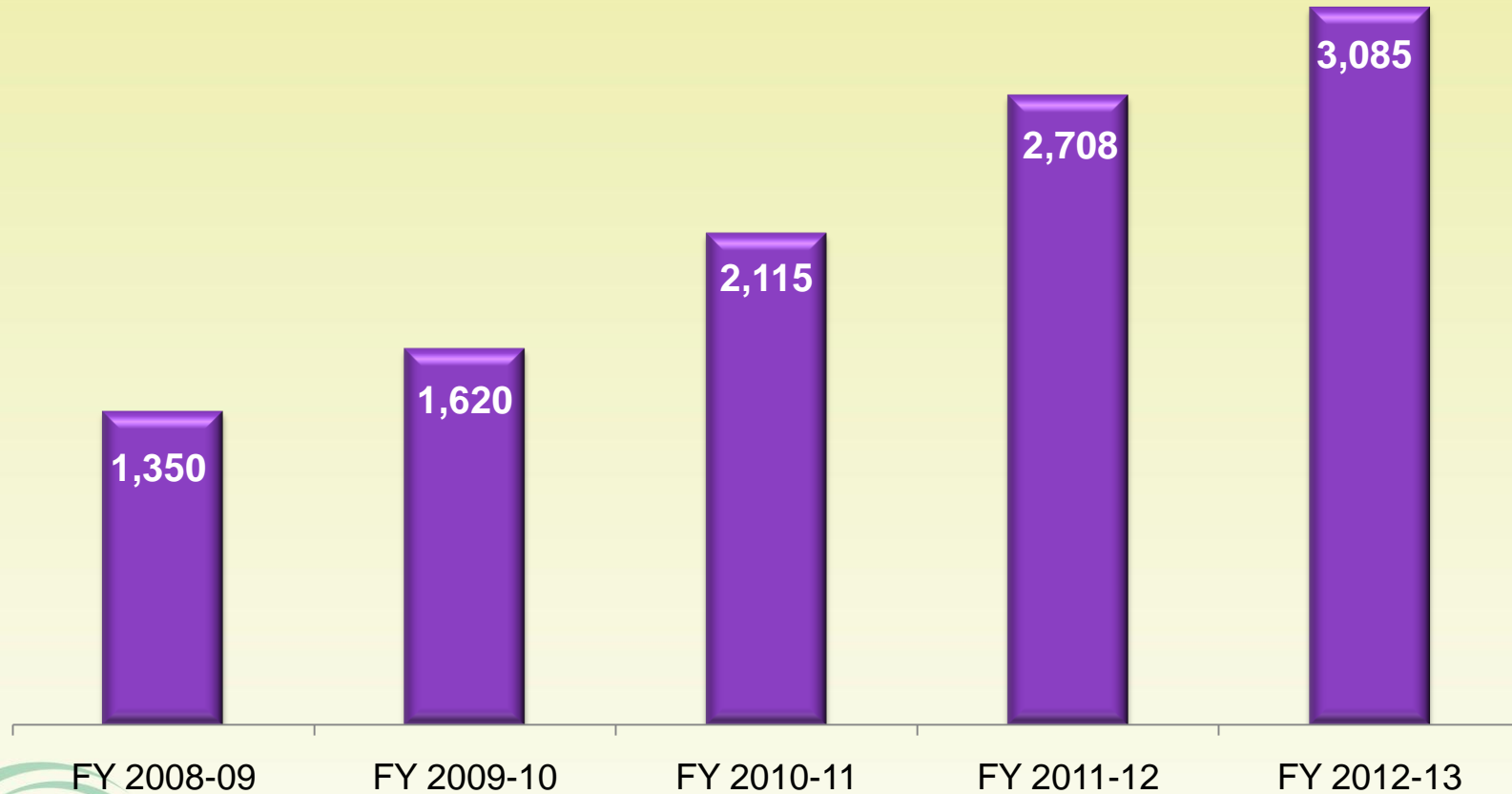
S.NO	SECTOR	AMOUNT (Rs. in crore)		(% to total Rest. Adv)	
		Jun 13	Mar 13	Jun 13	Mar 13
1	AGRICULTURE	3.67	13.93	0.3	1.3
2	IRON AND STEEL	12.21	14.02	1.0	1.3
3	INFRASTRUCTURE	705.32	606.03	57.9	55.7
4	TEXTILES	301.57	267.64	24.7	24.6
5	HOUSING LOANS	2.55	2.53	0.2	0.2
6	AUTO LOANS	0.62	0.14	0.1	0.0
7	EDUCATIONAL LOANS	1.34	1.05	0.2	0.1
8	REAL ESTATE	0.57	0.58	0.1	0.1
9	OTHERS	191.03	182.11	15.5	16.7
	TOTAL	1,218.88	1,088.03	100	100.0
	% to Total Advance	3.9%	3.7%		

Movement of Restructured Advances

Particulars	Apr-13 to Jun-13		Apr 12 to Mar 13	
	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]	118	1,088	202	1,236
Addition during the period - [B]	16	290	58	682
Addition through upgradation from NPA - [C]	-	-	1	0
Accounts closed during the period - [D]	1	27	40	358
Accounts ceases to attract higher provision – [E]	-	-	97	359
Amount recovered during the period – [F]	-	119	-	32
Accounts slipped into NPA during the period - [G]	5	13	6	81
Restructured accounts as on 30.09.2012 A+B+C-(D+E+F+G)	128	1,219	118	1,088

Owned Funds

(₹ in crore)



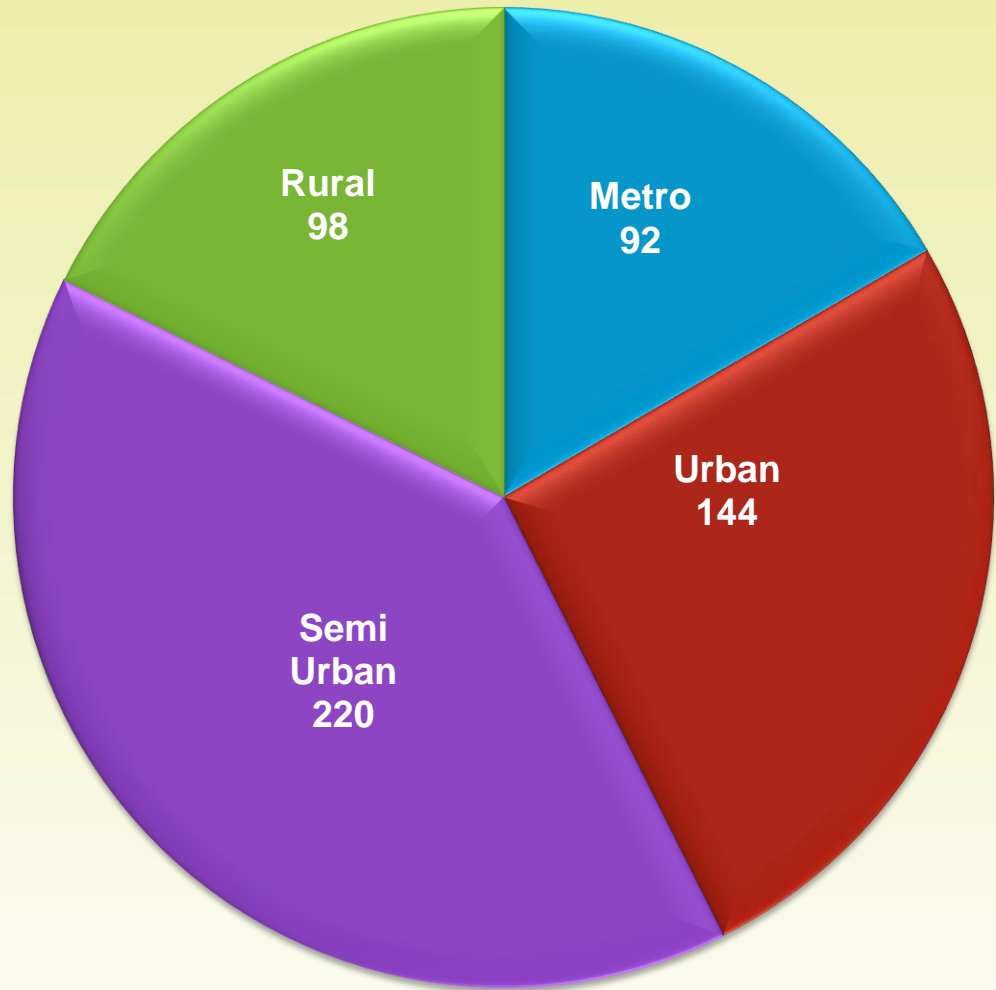
Network and Human Resources

Particulars	Mar 09	Mar 10	Mar 11	Mar 12	Mar 13	June 13
No of Branches	312	335	369	451	551	554
No of ATMs	324	376	488	825	1,276	1,357
No of Employees	3,941	4,175	4,574	5,673	6,730	6,717

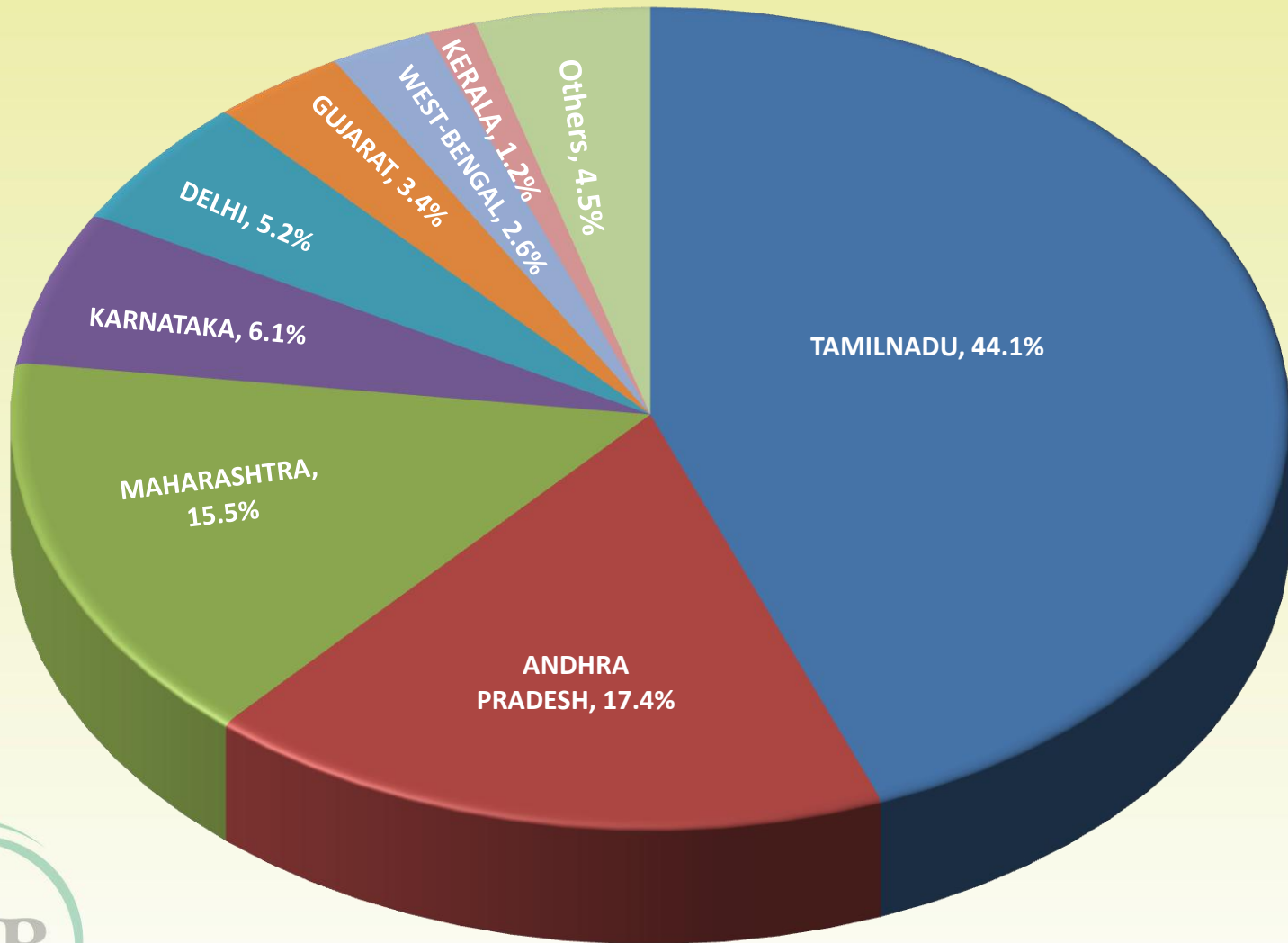


Network of 554 Branches

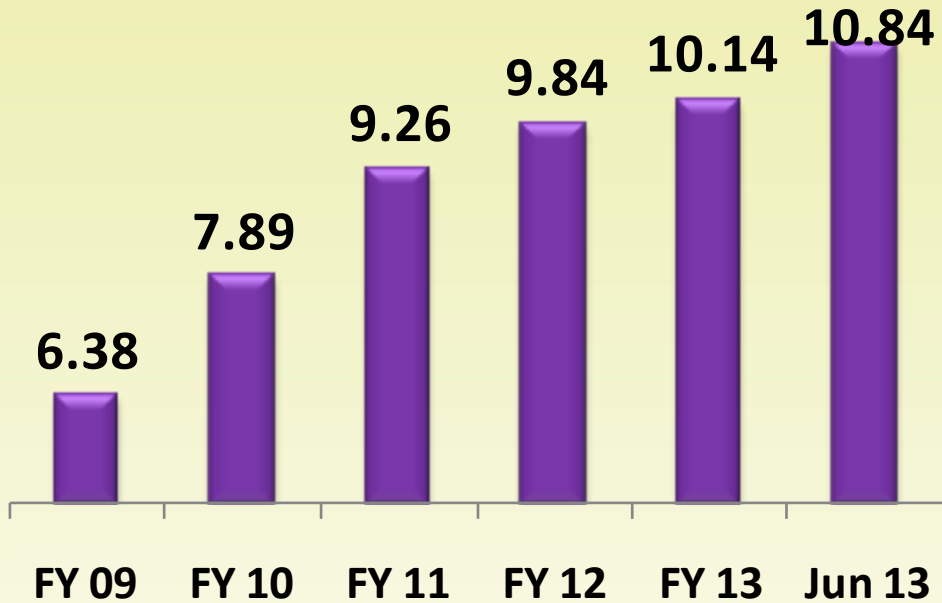
STATE	Jun 12	(%)	Jun 13	(%)
TAMILNADU	228	50.2	280	50.5
ANDHRA PRADESH	96	21.1	119	21.5
KARNATAKA	33	7.3	38	6.9
MAHARASHTRA	22	4.8	26	4.7
GUJARAT	14	3.1	15	2.7
WEST BENGAL	12	2.6	14	2.5
KERALA	11	2.4	14	2.5
DELHI	9	2.0	12	2.2
PUNJAB	5	1.1	7	1.3
UTTARPRADESH	5	1.1	6	1.1
ORISSA	4	--	5	--
HARYANA	4	--	4	--
PONDICHERY	2	--	4	--
M.P.	3	--	3	--
RAJASTHAN	2	--	2	--
JHARKHAND	1	--	2	--
CHANDIGARH	1	--	1	--
CHATTISGARH	1	--	1	--
GOA	1	--	1	--
Total	454		554	



State wise Contribution - Total Business

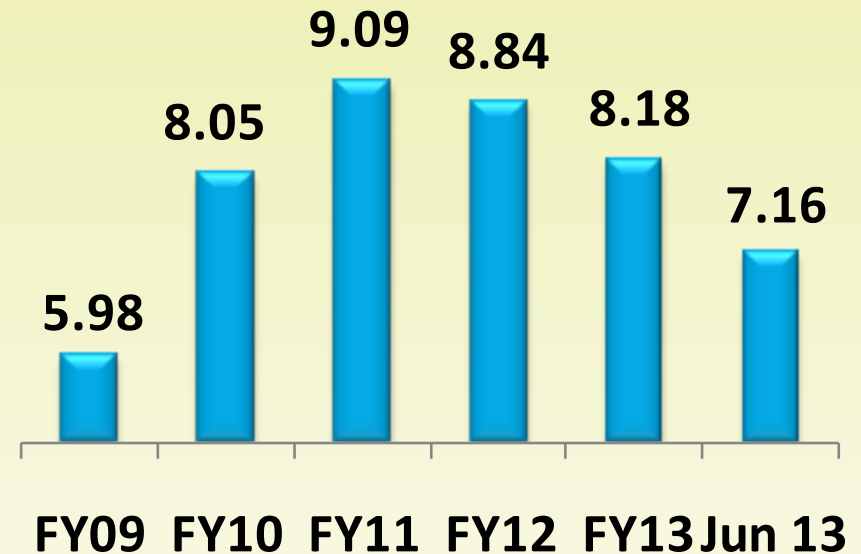


Business Per Employee



(Rs. in crore)

Profit Per Employee



(Rs. in Lakhs)



A Decade of Progress

(₹ in crore)

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Paid up Capital	17.98	17.98	17.98	49.49	53.94	53.95	54.44	94.49	107.18	107.18
Reserves	694.05	742.90	853.65	1013.67	1136.06	1296.21	1565.54	2020.05	2601.04	2978.01
Owned funds	712.03	760.88	871.63	1063.16	1190.00	1350.16	1619.98	2114.54	2708.22	3085.19
CRAR - Basel I	17.11%	16.07%	14.79%	14.51%	12.58%	13.08%	12.48%	12.16%	11.64%	12.02%
Basel II	-	-	-	-	-	14.92%	14.49%	14.41%	14.33%	14.41%
Deposits	5911	6672	7577	9340	12550	15101	19272	24722	32112	38653
Advances	4023	4620	5701	7194	9569	10563	13675	18052	24205	29706
Investments	2173	2219	2298	2874	3526	4716	6649	7776	10581	13869
Total Income	722	704	771	987	1289	1711	2005	2482	3621	4695
Net Profit	161	105	135	160	208	236	336	416	502	550
Dividend	100%	100%	120%	100%	120%	120%	120%	120%	140%	140%
Branches	223	231	238	269	288	312	335	369	451	551
EPS (Rs.)	89.58	58.59	28.29	32.80	38.62	43.71	62.23	44.90	46.81	51.35
Return on Assets	2.43%	1.45%	1.65%	1.53%	1.63%	1.49%	1.76%	1.71%	1.56%	1.35%
Book Value(Rs.)	396.05	423.22	484.80	197.09	220.61	250.25	297.60	200.33	252.68	287.85
No of Employees	2849	2811	2908	3286	3580	3941	4175	4574	5673	6730

Awards and Recognitions

- ✓ *MasterCard Innovation Award for “POS Acquiring Business” category, 2012-13.*
- ✓ *Annual Banking Technology Award of IDRBT, Hyderabad – Best Bank award for Electronic Payment Systems Among Small Banks*
- ✓ *The Best Bank in Private Sector from IPE, Hyderabad – BFSI*



THANK YOU



Karur Vysya Bank

Smart way to bank