



Karur Vysya Bank

Smart way to bank

Investor Presentation

31.03.2017



Smart way to Cashless Payments



Prepaid Card



Internet Banking



Mobile Banking



Credit Card



Mobile recharge



Air ticket
booking



Bill payments



RTGS/NEFT



Debit Card



Movie ticket
booking



Train ticket booking
through IRCTC



Income tax
payments



IMPS 24x7



e-Payments



POS Machine



USSD



digital

Happy Banking with KVB!



Karur Vysya Bank

Smart way to bank

www.kvb.co.in | Helpline No. 1860 200 1916

"Do not share your internet banking details such as User ID / password or your credit / debit card number / CVV / OTP with anyone – either over phone or through email"



Awards and Accolades

- ★ **IDRBT Award for the Best Bank Among Small Banks for Digital Banking , 2015-16 on 18.07.2016**
- ★ **IDRBT Award for the Best Bank Among Small Banks for Managing IT Ecosystem, 2015-16 on 18.07.2016**
- ★ **Dun & Bradstreet Banking Awards 2016, Karur Vysya Bank has been awarded the Best Private Sector Bank – Priority Sector Lending on 31.08.2016**
- ★ **FE India’s Best Banks Award, KVB is the winner in Credit Quality category for the year 2013-14 received on 01.09.2016**
- ★ **Karur Vysya Bank has been selected as The Best Bank at National Level under Private Sector category for the year 2015-2016 in the State Forum of Bankers’ Clubs Kerala (SFBCK) Banking Excellence Award 2016 on 11.12.2016**
- ★ **Karur Vysya Bank has received NSDL star performer award for the top performer in new accounts opened under Bank Category - 2nd position on 24.12.2016**
- ★ **Award for Solar irrigation pump scheme – Ministry of New & Renewable Energy, Government of India has selected Karur Vysya Bank for 1st prize for having achieved highest disbursement under the category Solar irrigation pumps – Off grid & decentralized solar applications programe for the FY 2015-16 on 24.01.2017.**
- ★ **Business Today KPMG Award – Best Small Bank for FY 2015-16**

About Us

- *Banking tradition of 100 years*
- *Consistently earning profits since inception*
- *Uninterrupted dividend payment record*
- *100% and above dividend for 13 years consecutively from 2004, out of which 120% or above for ten years*
- *First bank to get permission from RBI to issue bonus shares*
- *711 branches and 1747 ATMs as on 31st March 2017*
- *6 million+ Customer Base*
- *100% CBS since 2005 and all latest technology products are available*
- *Top Rating from CRISIL (A1+) and ICRA (A1+) for Short Term Borrowings*



Q4FY17 Results Snapshot

Operating Profit
Rs.507 crore
(↑ 57%)

Net Profit
Rs.218 crore
(↑ 58%)

ROA
1.39%
(Q4FY16 – 0.97%)

NIM
4.04%
(Q4FY16 – 3.55%)

Net NPA
2.53 %

FY17 Results Snapshot

Deposits

Rs. 53,700 crore
(↑ 7.23 %)

Advances

Rs. 41,435 crore
(↑ 4.96 %)

CASA

Rs. 14,889 crore
(↑ 27.53 %)

CASA Share
27.73%

Operating Profit

Rs. 1,571 crore
(↑ 21%)

Net Profit

Rs. 606 crore
(↑ 7 %)

NII

Rs.2073 crore
(Rs.1781 crore)

NIM

3.70%
(FY16 – 3.43%)

CRAR

12.54%

ROA

1.00%
(FY16 – 1.03%)

ROE

12.03 %
(FY16 – 12.41%)

Profit & Loss Account (Quarter)

Units: Rs crore

Particulars	Q4FY 2016-17	Q4FY 2015-16	YoY%
Net Interest Income	580	473	23%
Other Income	232	166	40%
Total Income	812	639	27%
Operating Expenses	305	317	-4%
Operating Profit	507	322	57%
Provisions	217	50	334%
Credit Related	198	89	122%
Others	19	-39	-149%
Profit Before Tax	290	272	7%
Tax	72	134	-46%
Net Profit	218	138	58%

Profit & Loss Account (FY)

Units: Rs crore

Particulars	Mar-17	Mar-16	YoY%
Net Interest Income	2074	1781	16%
Other Income	782	707	11%
Total Income	2856	2488	15%
Operating Expenses	1285	1184	9%
Operating Profit	1571	1304	20%
Provisions	688	392	76%
Credit Related	648	387	67%
Others	40	5	-
Profit Before Tax	883	912	-3%
Tax	277	344	-19%
Net Profit	606	568	7%

Breakup of Other Income (Quarter)

Units: Rs crore

<u>Particulars</u>	<u>Q4 FY 16-17</u>	<u>Q4 FY 15-16</u>	<u>YoY %</u>
Total	233	166	40.36%
Fee Income	155	155	--
<i>Forex</i>	<i>11</i>	<i>9</i>	22.22%
<i>Commissions</i>	<i>127</i>	<i>107</i>	18.69%
<i>Other</i>	<i>17</i>	<i>39</i>	(-)56.41%
Profit on Sale of Investments	78	11	609.09%

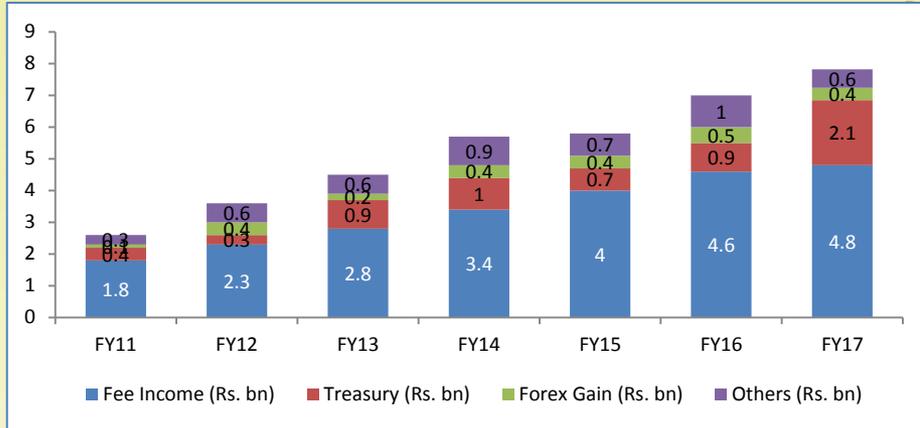
Breakup of Other Income (FY)

Units: Rs crore

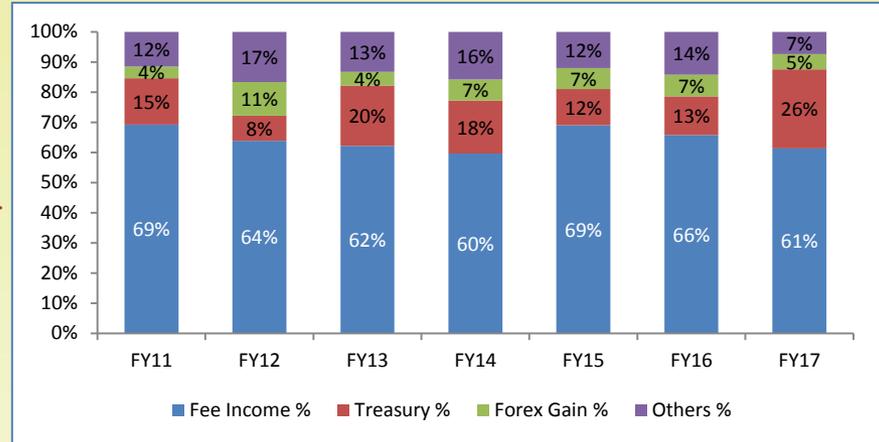
<u>Particulars</u>	<u>FY 16-17</u>	<u>FY 15-16</u>	<u>YoY %</u>
Total	782	707	10.61%
Fee Income	577	613	(-)5.87%
Forex	38	55	(-)30.91%
Commissions	480	460	4.34%
Other	59	98	(-)39.80%
Profit on Sale of Investments	205	94	118.09%

Healthy Other Income Profile

Growth in other income



Fee income consistently contributes ~ 74% of other income



- Diverse sources of non – interest income
- Non – interest income contributed 13.91% to total income for FY 2016-17

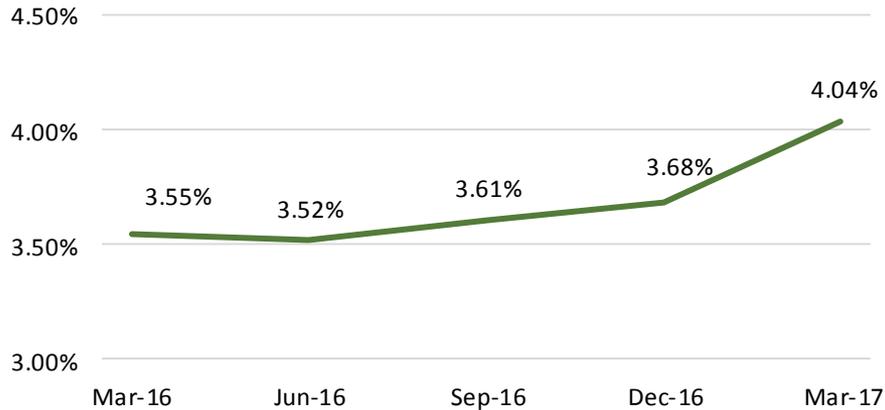
KVB's Fee income streams :

- Banking charges (Corporate, Commercial & Retail)
- Bancassurance
- Third party product sales
- Trade Finance
- Retail Asset fees
- Card fees
 - Credit Card
 - Debit Card
 - Travel Card
 - Gift Card

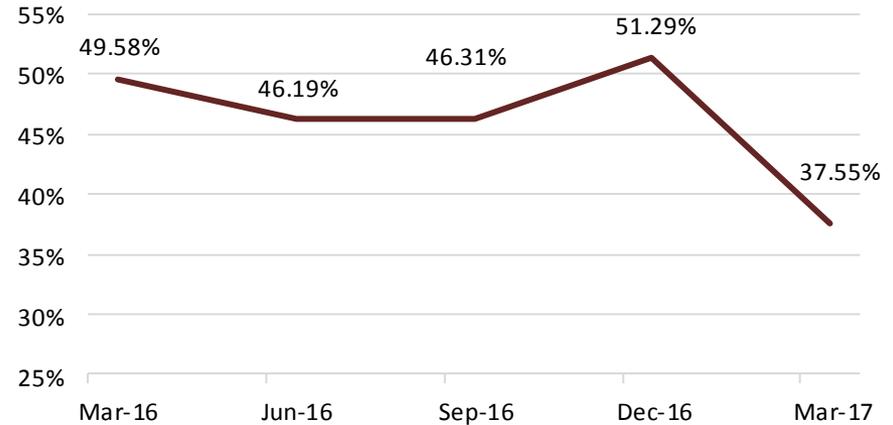


Key Ratios (Q4 2016-17)

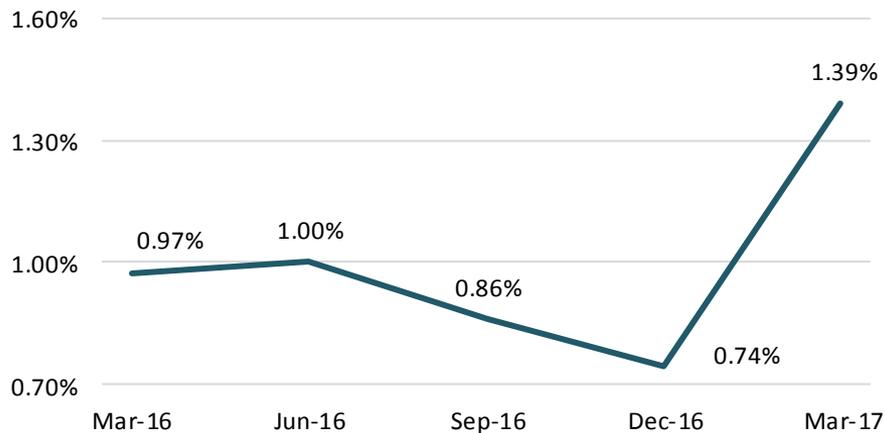
Net Interest Margin



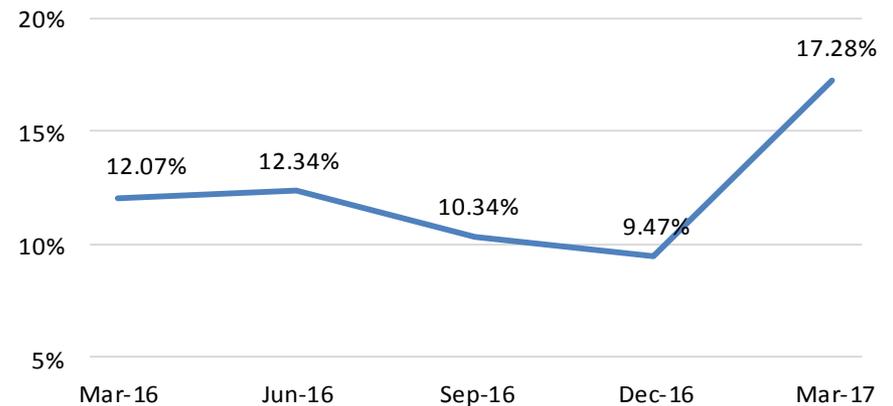
Cost to Income %



Return on Assets

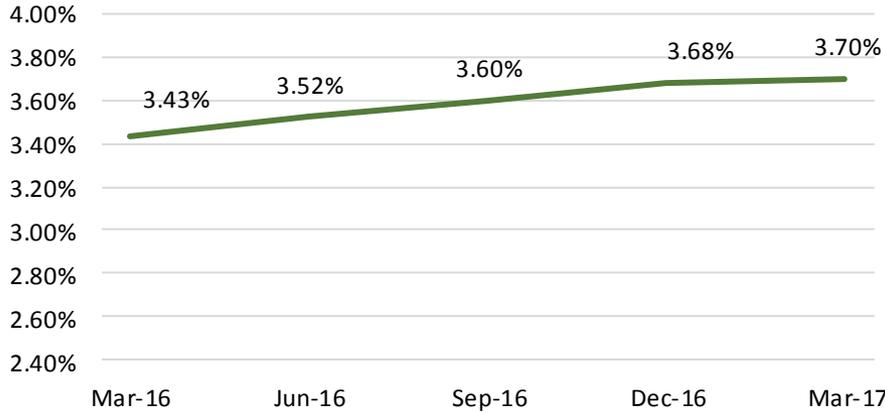


Return on Equity

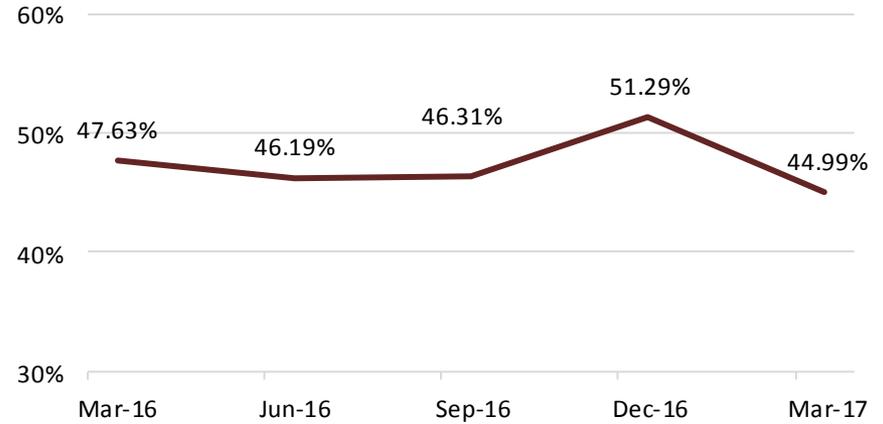


Key Ratios (FY 2016-17)

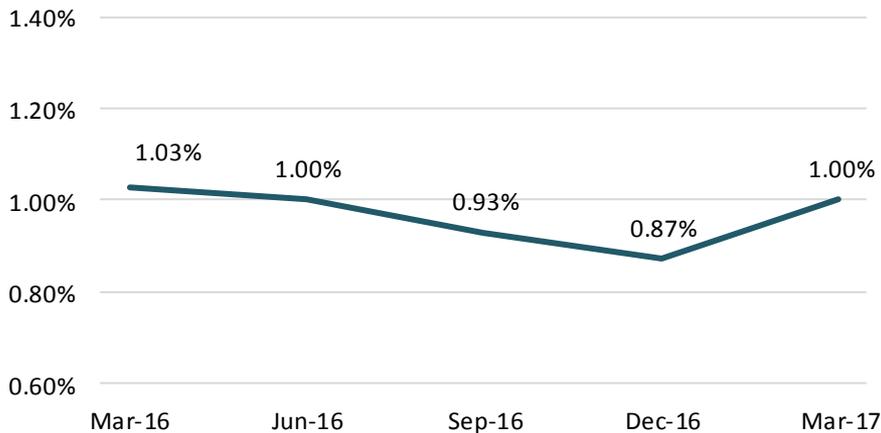
Net Interest Margin



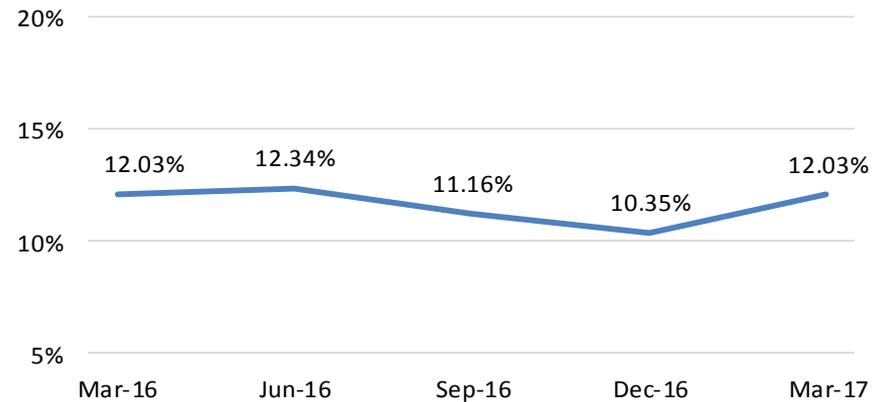
Cost to Income %



Return on Assets



Return on Equity



Key Ratios (Quarter)

Particulars	<u>Q4 FY 16-17</u>	<u>Q4 FY 15-16</u>
Cost of Deposits	6.15%	7.06%
Yield on Advances	11.23%	11.31%
Cost of Funds	6.03%	6.88%
Yield on Funds	9.52%	9.87%
Cost Income Ratio	37.55%	49.58%
Spread	3.49%	2.99%
NIM	4.04%	3.55%
Business/Emp. (Rs crore)	12.85	12.41
Profit/Emp. (Rs lakh)	11.73	7.65
No. of Employees	7,400	7,211

Key Ratios (FY)

Particulars

FY 16-17

FY 15-16

Cost of Deposits

6.60%

7.40%

Yield on Advances

11.34%

11.67%

Cost of Funds

6.52%

7.38%

Yield on Funds

9.62%

10.09%

Cost Income Ratio

44.99%

47.63%

Spread

3.10%

2.71%

NIM

3.70%

3.43%

Business/Emp. (Rs crore)

12.85

12.41

Profit/Emp. (Rs lakh)

8.19

7.87

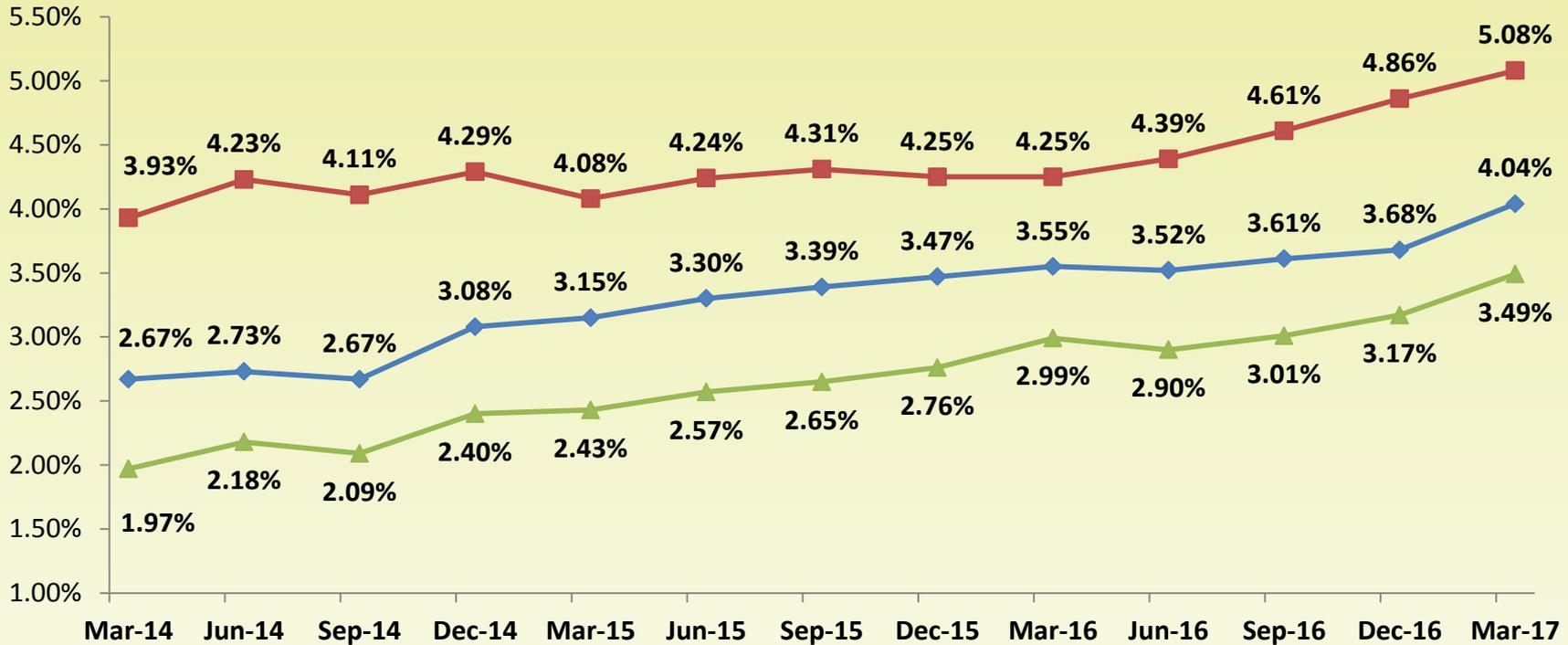
No. of Employees

7,400

7,211

Profitability Metrics

Consistency in spreads (Quarterly)



■ Spread (Deposits and Advances)

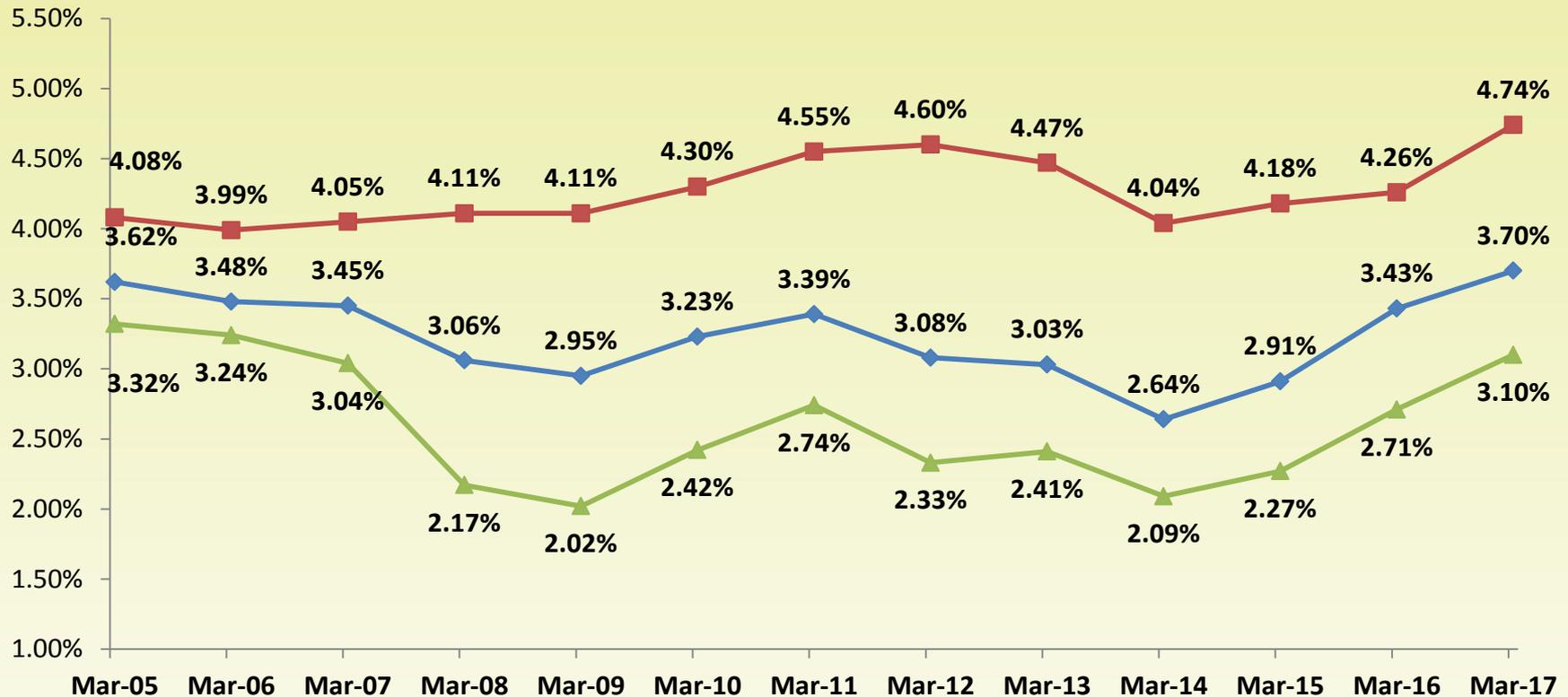
◆ Net Interest Margin

▲ Spread on Funds



Profitability Metrics

Net Interest Margin (%) over the years



■ Spread (Deposits and Advances)

◆ Net Interest Margin

▲ Spread on Funds



Deposits

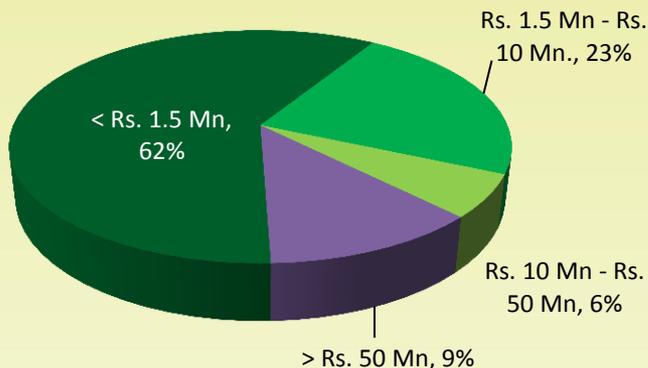
Units: Rs crore

<u>Particulars</u>	<u>FY 16 -17</u>	<u>FY 15-16</u>	<u>YoY %</u>
Total Deposits	53,700	50,079	7.23%
CASA	14,889	11,675	27.53%
CASA Mix %	27.73%	23.30%	
Demand	4,921	4,027	22.20%
Savings	9,968	7,648	30.33%
Term Deposits	38,811	38,404	1.06%

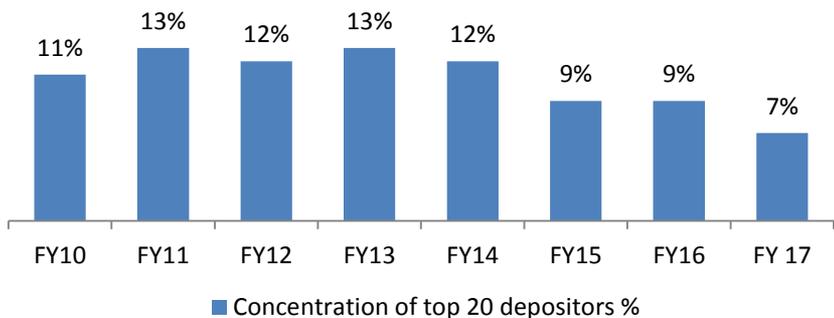
Retail Liability Franchise – Granular and Sticky

Low dependence on wholesale deposits (FY 2016-17)

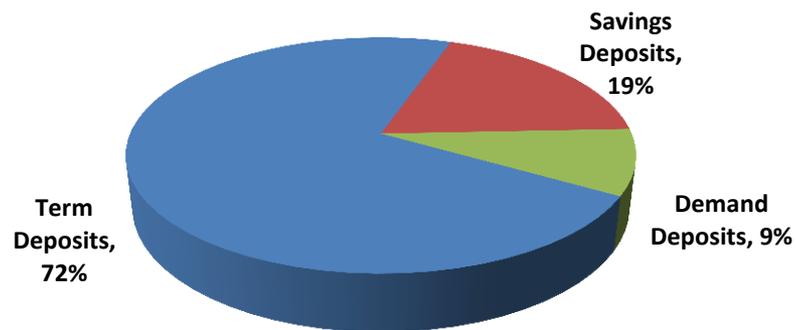
Term deposits are primarily retail deposits. Only 9% of term deposits are > Rs.50 Mn



Low concentration of deposits

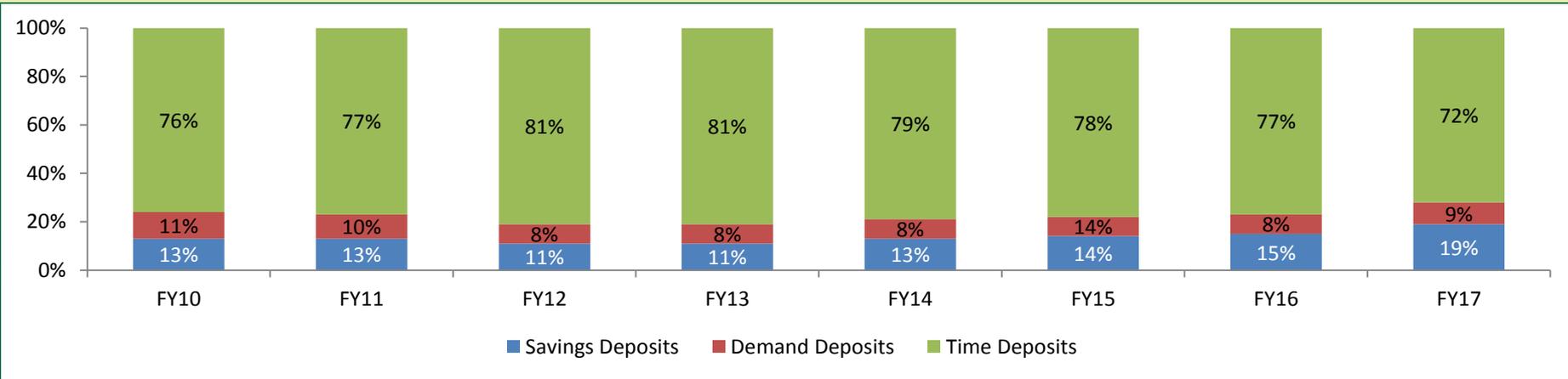


Breakup of deposits (FY17)

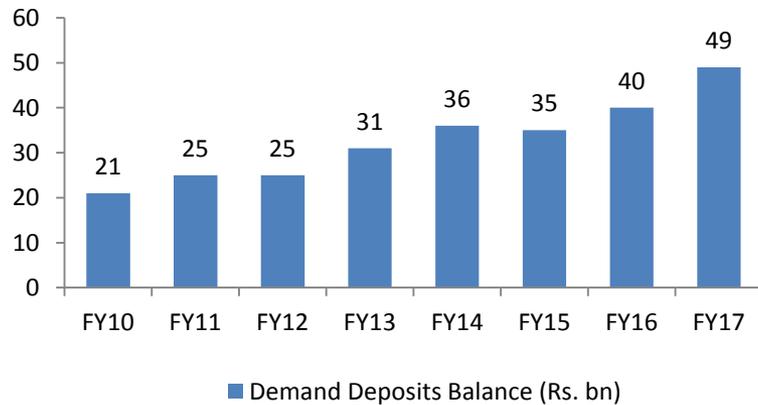


Deposit Mix

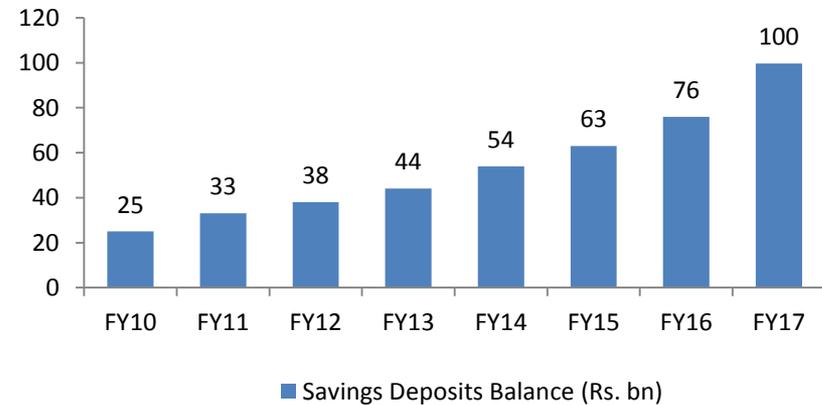
Break-up of deposit base (in %)



Growth in demand deposits since 2010



Consistent growth in Savings Deposits since FY10



Advances

Particulars

FY 16-17

FY 15-16

Units: Rs crore
YoY %

Advances

41,435

39,476

4.96%

Corporate

13,612

13,763

(-)1.09%

Commercial

14,504

12,763

13.64%

Agriculture

6,979

7,032

(-)0.75%

Retail (Personal Banking)

6,340

5,918

7.13%

Jewel Loan

(included in other segments)

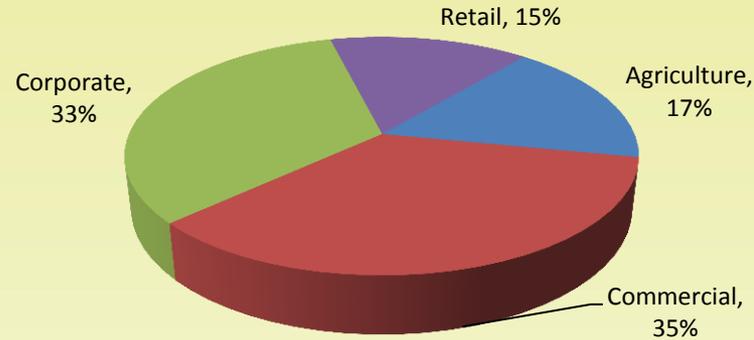
6,159

6,359

(-)3.14%

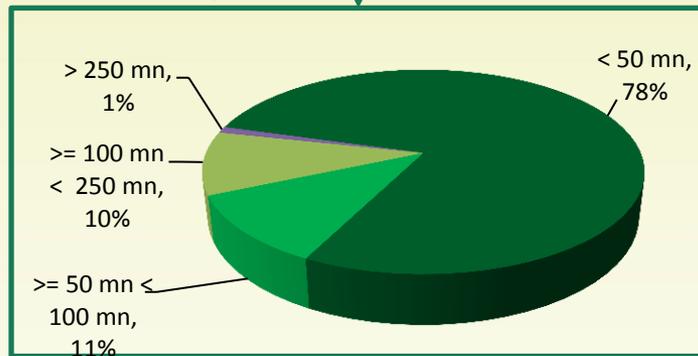
Granular Loan Portfolio

Loan book break up in FY16-17



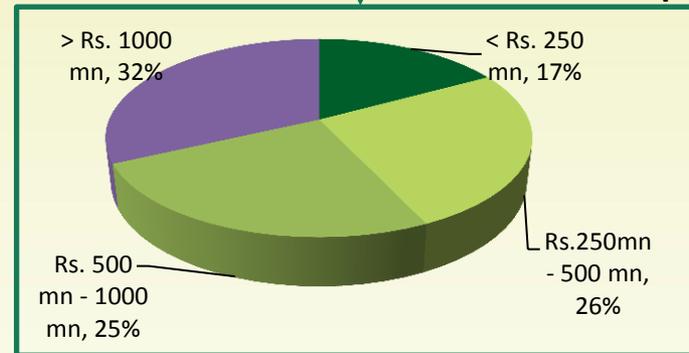
Rs.281 Bn

Commercial book break-up*



- Average ticket size of Rs 4.67 Mn
- 78% of commercial loans are less than Rs. 50 Mn

Corporate book break-up*



- Average ticket size of Rs. 351.79 Mn
- 68% of corporate exposure less than Rs. 1 Bn

KVB

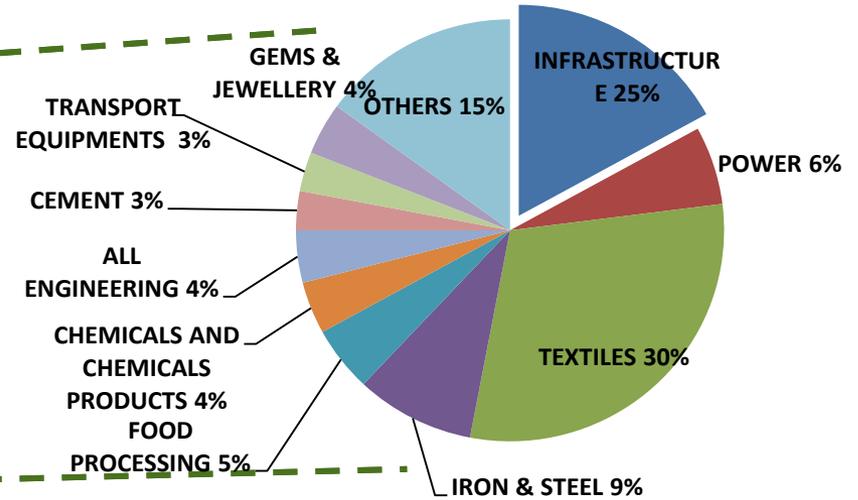
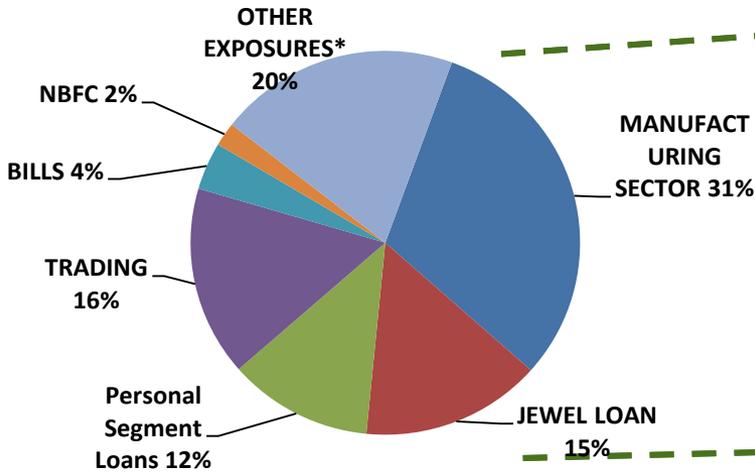
- Commercial Loans : Exposures upto Rs. 250 Mn
- Corporate Loans : Exposures above Rs. 250 Mn

Breakup of Advances

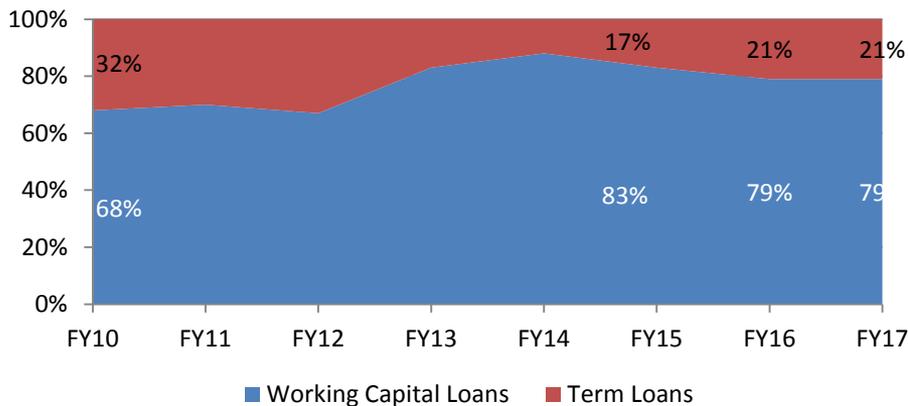
Sub-sectoral exposures well spread out; diversified industrial exposures (FY16-17)

Rs. 414 Bn

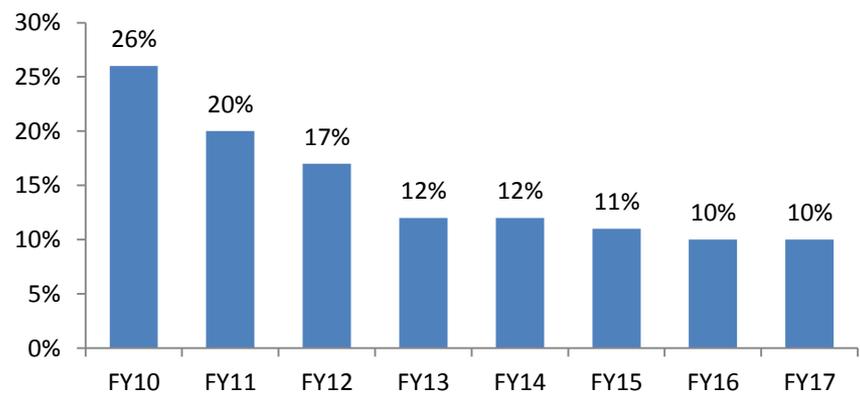
Breakup of industry exposure (Rs. 127 Bn)



Working capital focus enables quicker repricing of loans



Low concentration: Top 20 borrowers (% of overall loans)



Advances – Category wise

Particulars	Amount (Rs. in crore)		% to Total Advance		Growth	
	Mar-17	Mar-16	Mar-17	Mar-16	Amount	%
MANUFACTURING SECTOR	12,688	12,707	30.6	32.2	(19)	(0.1)
JEWEL LOAN	6,159	6,359	14.9	16.1	(200)	(3.1)
Personal Segment Loans @	4,847	5,310	11.7	13.5	(463)	(8.7)
TRADING	6,889	5,771	16.6	14.6	1118	19.4
BILLS	1,592	1,352	3.8	3.4	240	17.8
NBFC	1,159	975	2.8	2.5	184	18.9
OTHER EXPOSURES*	8,101	7,002	19.6	17.7	1099	15.7
TOTAL ADVANCES	41,435	39,476	100.0	100.0	1959	4.96

@ Vehicle, Housing, Deposit loans

* includes Commercial Real estate, Capital Market and exposure to other service sectors, etc.

Manufacturing Sector - Breakup

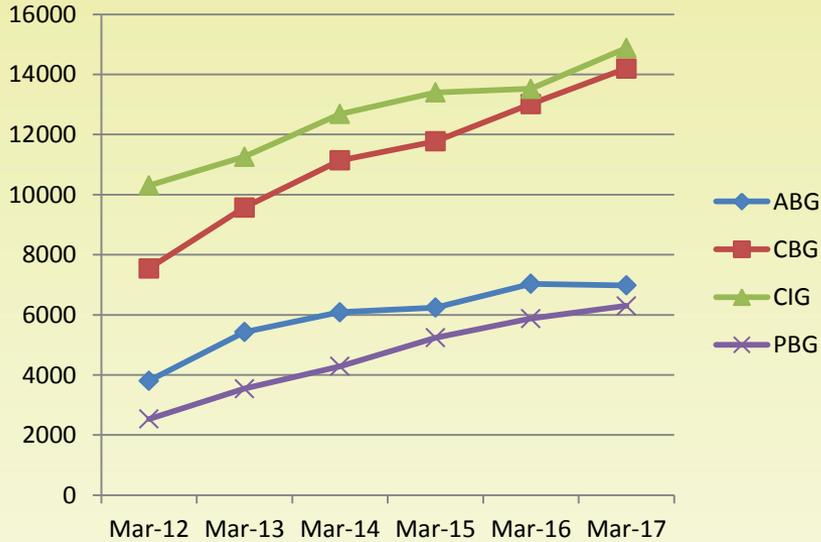
INDUSTRY	Amount (Rs. in crore)		% to Total Advance		Growth	
	Mar-17	Mar-16	Mar-17	Mar-16	Amount	%
INFRASTRUCTURE	2,964	3,354	7.2	8.5	(390)	(11.63)
TEXTILES	3,769	3,515	9.1	8.9	254	7.23
BASIC METAL & METAL PRODUCTS	1,194	1,225	2.9	3.1	(31)	(2.53)
FOOD PROCESSING	536	356	1.3	0.9	180	50.56
CHEMICALS & CHEMICALS PRODUCTS	522	720	1.3	1.8	(198)	(27.50)
ALL ENGINEERING	513	433	1.2	1.1	80	18.48
GEMS & JEWELLERY	445	342	1.1	0.9	103	30.12
TRANSPORT EQUIPMENTS	397	368	1.0	0.9	29	7.88
RUBBER & PLASTIC PRODUCTS	355	166	0.9	0.4	189	113.86
MINING & QUARRYING	304	523	0.7	1.3	(219)	(41.87)
WOOD & WOOD PRODUCTS	268	253	0.6	0.6	15	5.93
CONSTRUCTION	371	406	0.9	1.0	(35)	(8.62)
PAPER & PAPER PRODUCTS	195	266	0.5	0.7	(71)	(26.69)
CEMENT & CEMENT PRODUCTS	385	375	0.9	0.9	10	2.67
BEVERAGES & TOBACCO	112	122	0.3	0.3	(10)	(8.20)
PETROLEUM	34	9	0.1	0.0	25	277.78
GLASS & GLASSWARE	40	56	0.1	0.1	(16)	(28.57)
LEATHER & LEATHER PRODUCTS	37	19	0.1	0.0	18	94.74
OTHER INDUSTRIES	247	199	0.6	0.5	48	24.12
Total INDUSTRY EXPOSURE	12,688	12,707	30.6	32.2	(19.0)	(0.15)

Retail Advances

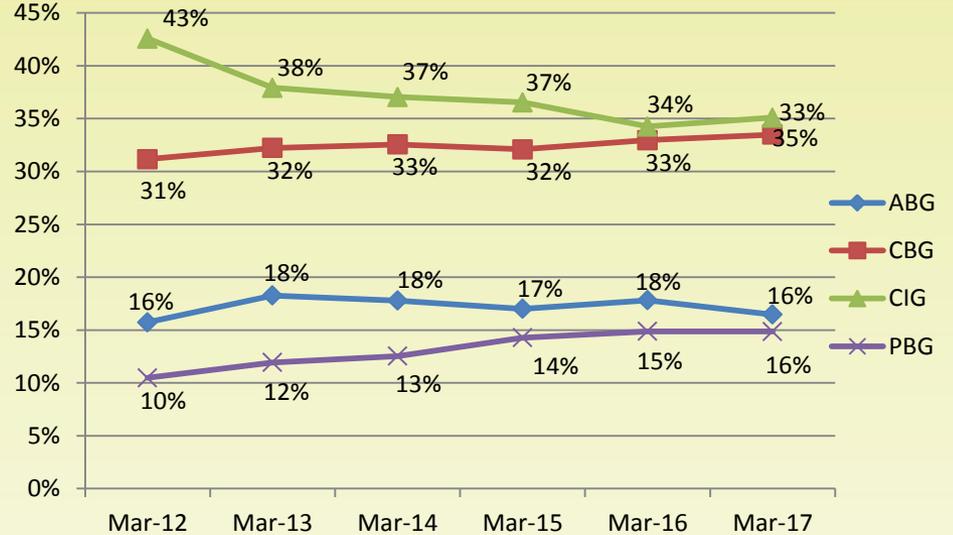
Segment	Amount (Rs. in crore)						
	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Housing Loan	436	611	971	1,387	1,757	2,094	2,330
Mortgage Loan (LAP)	-	-	-	381	568	787	965
Vehicle Loan	387	492	677	735	782	831	921
Jewel Loan	481	584	832	802	793	703	596
Personal Loan	257	319	341	353	356	354	316
Educational Loan	78	104	133	169	207	245	266
Retail (Others)	413	428	591	464	779	904	946
Total	2,052	2,538	3,545	4,291	5,242	5,918	6,340

Advances Mix

Advances in Value (Rs.in crore)



Advances Mix (in %)

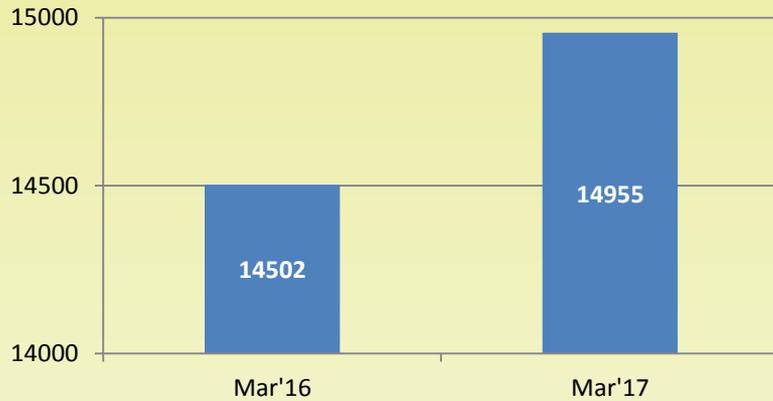


ABG- Agri Banking , CBG – Commercial Banking, CIG – Corporate Banking, PBG – Personal Banking

Increased focus on Commercial, SME & Retail Advances over the period

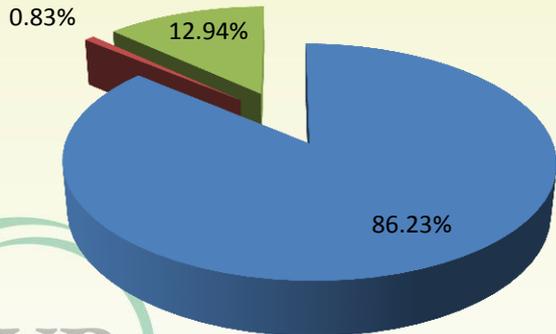
Investment Portfolio

Investments Outstanding (Rs. In crore)



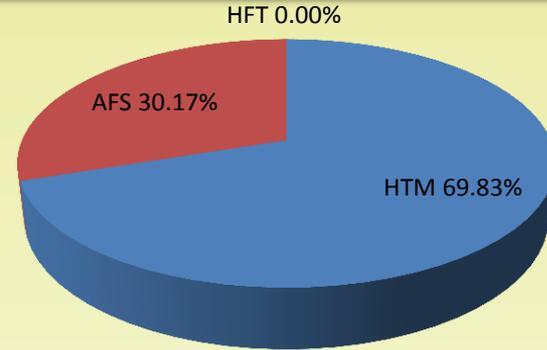
Investment Portfolio

■ SLR ■ Shares ■ Debentures/CD/MF/CP



Investments in shares includes SRs of Rs.504 crore (3.37%)

Portfolio wise Investment



Modified Duration

HTM	AFS	HFT	Total
4.53	2.20	0.00	3.86

Yield on Investment

Yield on Investments



Stress Accounts

	Rs. in Crore
SDR Outstanding (3 accounts)	104.64
5/25 (1 Account)	76.78
S4A Accounts (1 Account)	54.10
Sale to ARC in FY 16-17	Nil



Sector Wise Restructured Advances

S.NO	SECTOR	AMOUNT (Rs. in crore)		(&) to Total Restructured Advances	
		Mar-17	Mar-16	Mar-17	Mar-16
1	AGRICULTURE	7.63	15.82	0.91	1.17
2	INFRASTRUCTURE	416.36	807.02	49.46	59.56
3	TEXTILES	119.88	205.01	14.24	15.13
4	AUTO LOANS	32.47	0.73	3.86	0.06
5	EDUCATIONAL LOANS	0.15	0.97	0.02	0.07
6	FOOD PROCESSING	236.94	224.66	28.15	16.58
7	OTHERS	28.38	100.69	3.37	7.43
TOTAL		841.81	1354.90	100	100
% to Total Advance		2.03%	3.43%		



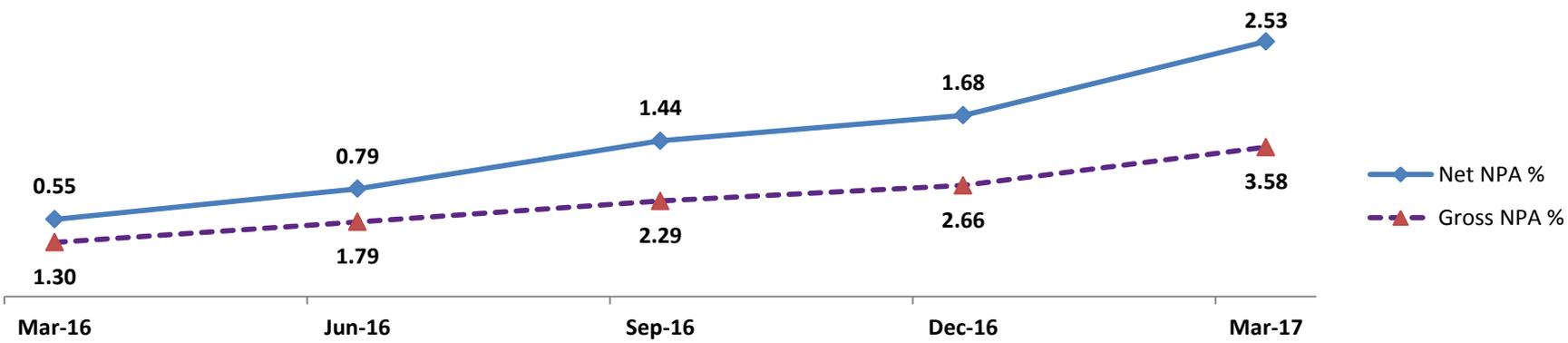
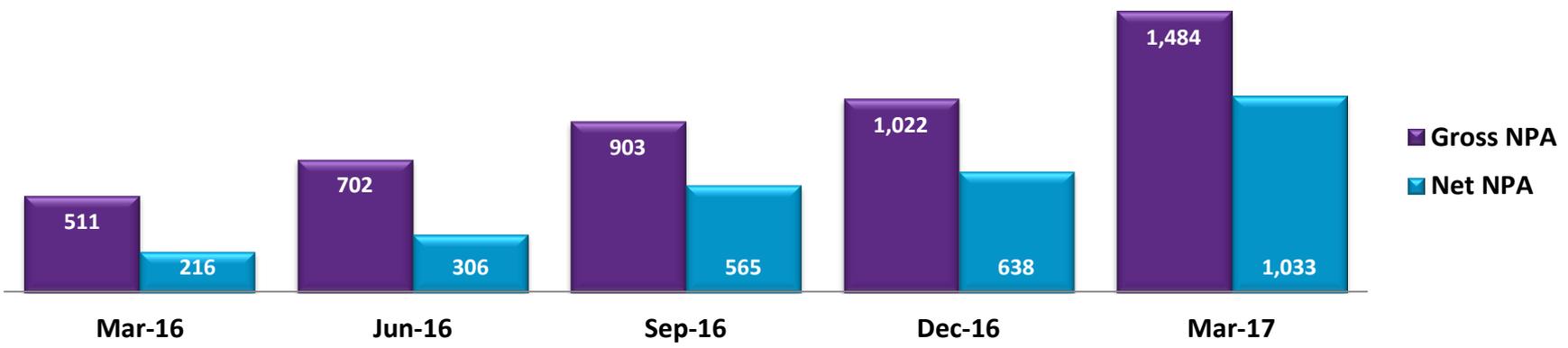
Movement of Restructured Assets

Units: Rs crore

Particulars	Apr-16 to Mar-17		Jan-17 to Mar-17	
	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]	117	1354.90	76	1279.10
Fresh Restructuring - [B]	2	1.75	0	0.00
Addition of facilities in existing restructured A/Cs - [C]		107.20		20.39
Addition through upgradation from NPA – [D]	1	0.02		
Accounts closed during the period - [E]	34	380.53	10	344.39
Accounts ceasing to attract higher provision (upgradation)– [F]	28	78.35	26	68.08
Recoveries – [G]		82.40		21.58
Slippages (into NPA)- [H]	25	80.78	7	23.63
Restructured accounts as on 31.03.2017 A+B+C+D-(E+F+G+H)	33	841.81	33	841.81

NPA Position

Units: Rs crore



Period	Provision Coverage Ratio
Mar-16	82.46%
Jun-16	78.49%
Sep-16	68.26%
Dec-16	67.06%
Mar-17	57.83%

Movement of NPA

(Rs. in crore)

Particulars	Apr 16 –Mar 17	Apr 15 –Mar 16
Movement of Gross NPAs		
Opening Balance	511.18	677.78
Additions during the period	1,330.83	1,133.41
Reductions during the period	358.20	1,300.01
Closing Balance	1,483.81	511.18
Movement of Net NPAs		
Opening Balance	216.17	280.97
Additions during the period	940.83	877.26
Reductions during the period	123.54	942.06
Closing Balance	1,033.46	216.17
Movement of Provision for NPA		
Opening Balance	285.00	380.00
Provn made during the period	484.17	350.12
Write off/Write back of excess provn	340.43	445.12
Closing Balance	428.74	285.00

Breakup of Provisions (Other than Tax)

Units: Rs crore

<u>Particulars</u>	<u>Q4 FY 16-17</u>	<u>Q4 FY 15-16</u>
Total Provisions	217	50
NPA	204	116
Standard Assets	(-)2	5
Restructured	(-)4	(-)32
Investment	19	(-)20
Others	--	(-)19

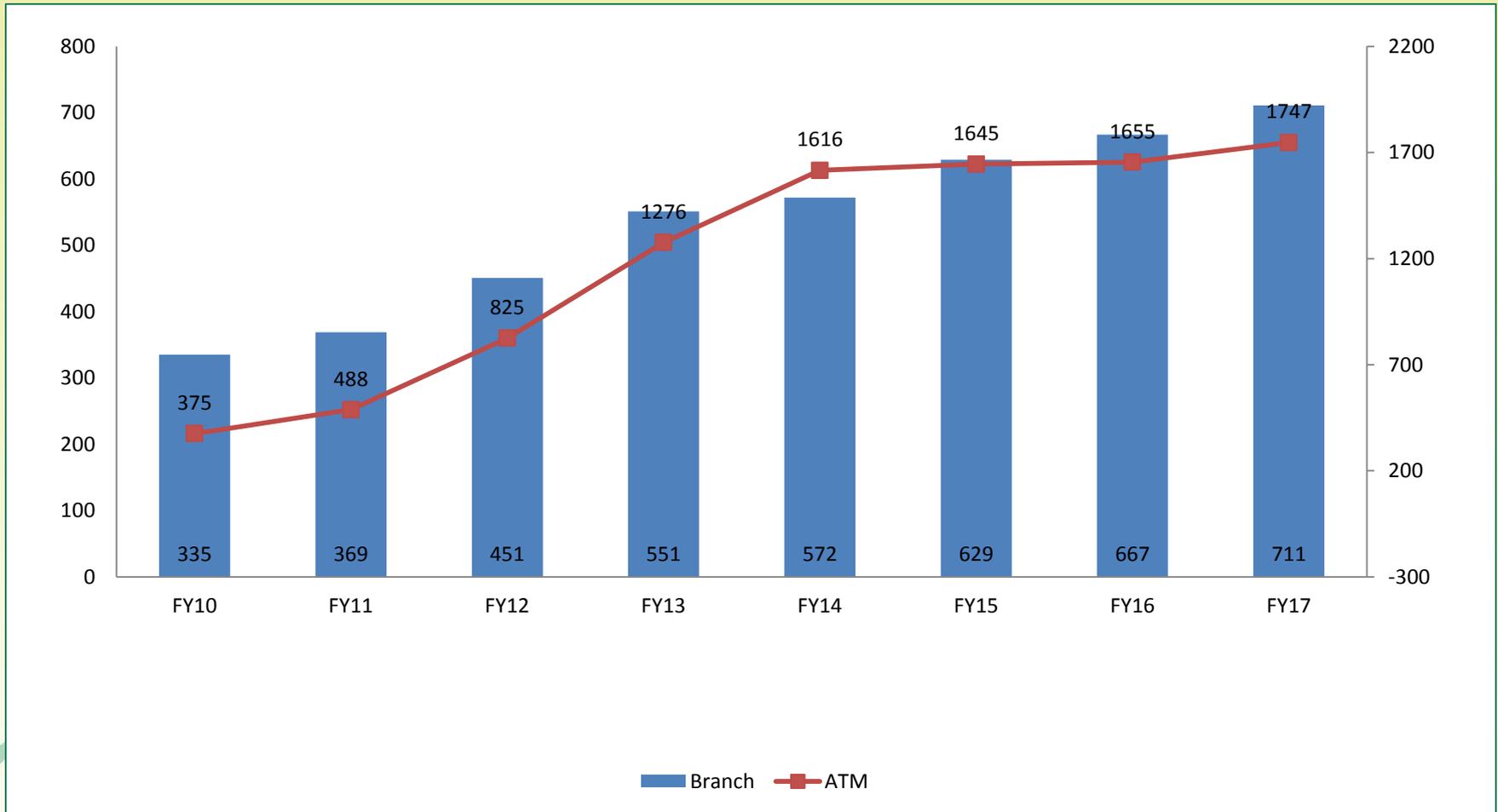
Breakup of Provisions (Other than Tax)

Units: Rs crore

<u>Particulars</u>	<u>12M FY 16-17</u>	<u>12M FY 15-16</u>
Total Provisions	688	392
NPA	671	418
Standard Assets	(-)11	30
Restructured	(-)12	(-)61
Investment	30	(-)1
Others	10	6

Growth in Branch & ATM Network

Branch network & ATM network

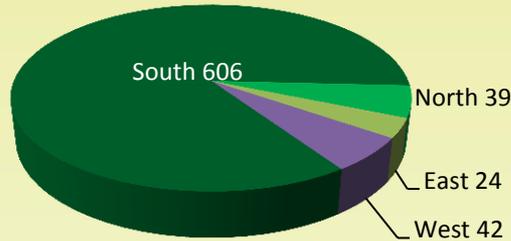


Branch Network - Diversified Across the Country

Geographical spread of branches (FY 2016-17)

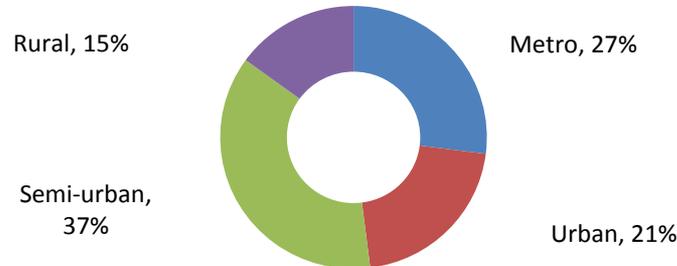
Region, Number of branches

18 Divisional Offices spread across the country



Dominant presence (52%) in semi-urban and rural locations

Branch Distribution in FY17 (711 branches)



Number of customers (Millions)



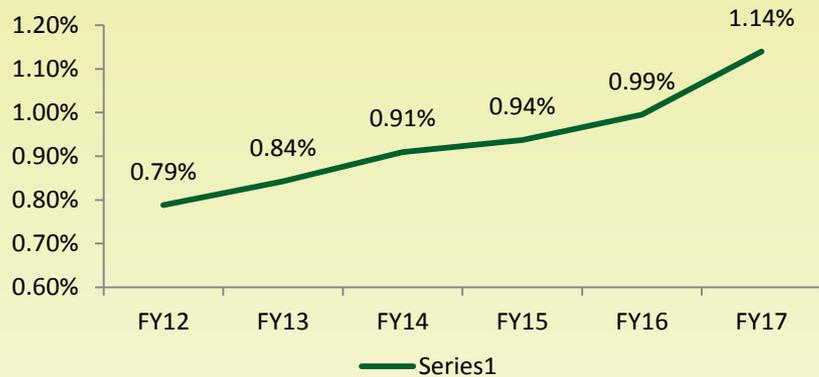
State /UT	Mar -17 - Branches (Nos)
TAMILNADU	377
ANDHRA PRADESH	105
TELANGANA	51
KARNATAKA	49
MAHARASHTRA	27
GUJARAT	15
WEST BENGAL	16
KERALA	17
DELHI	14
PUNJAB	7
UTTARPRADESH	6
ORISSA	5
HARYANA	4
PONDICHERY	6
M.P.	4
RAJASTHAN	3
JHARKHAND	2
CHANDIGARH	1
CHATTISGARH	1
GOA	1
Total	711

Karur Vysya Bank

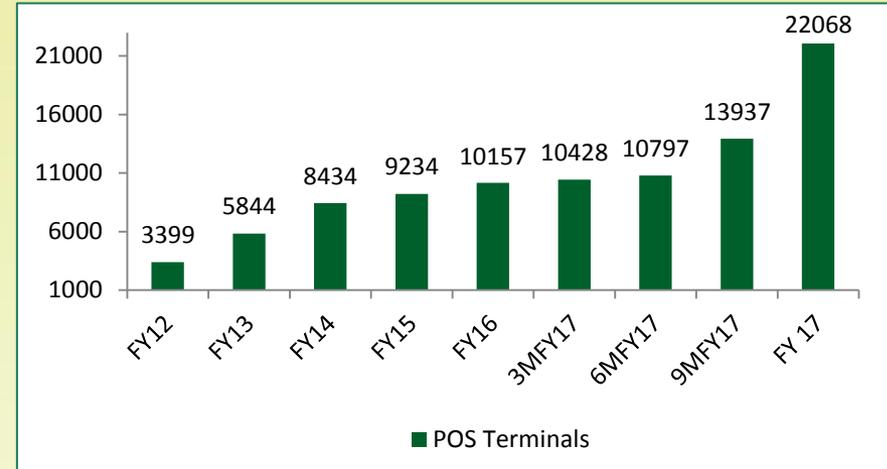
Smart way to bank

Leveraging Technology – Alternate Banking Channels

Rising market share in RTGS transactions



POS Terminals

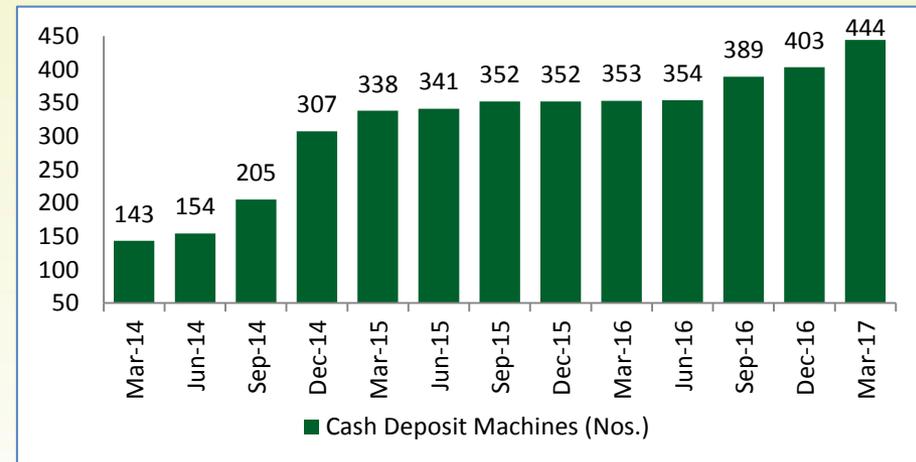


Exponential growth in Mobile transactions

Mobile Banking (Nos in '000)

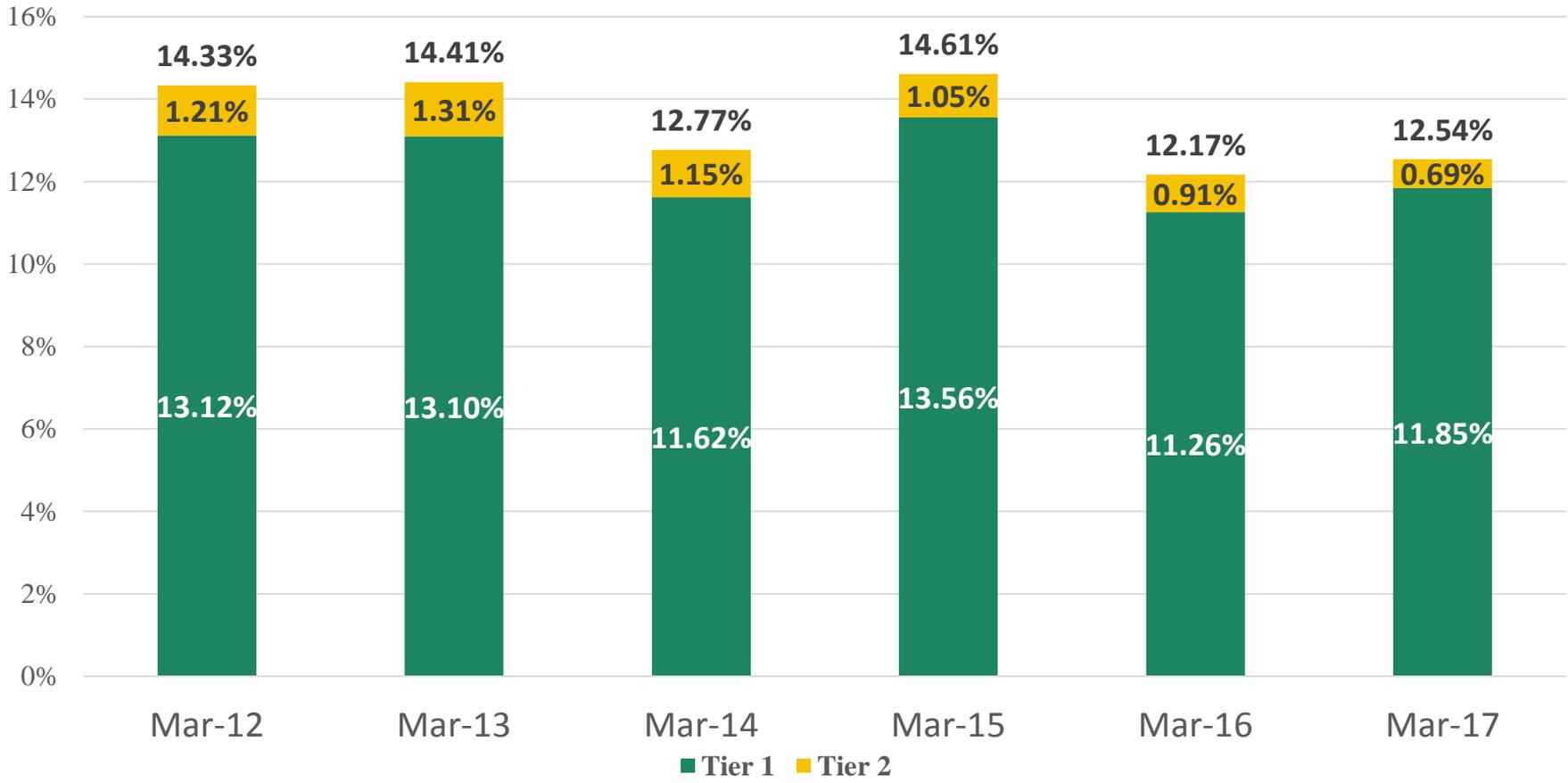


Cash Deposit Machines



Capital Adequacy

Capital Adequacy Ratio
(FY 12 to FY 14 Basel II and FY 15 onwards Basel III)



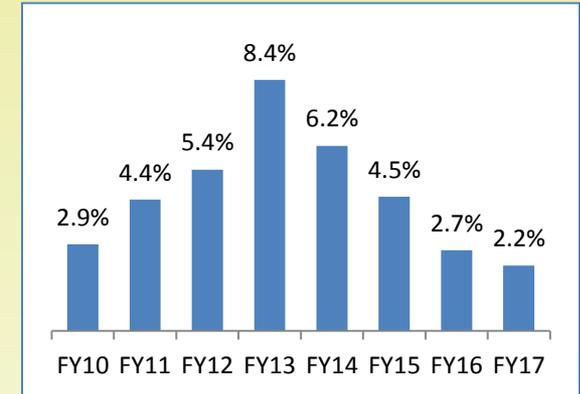
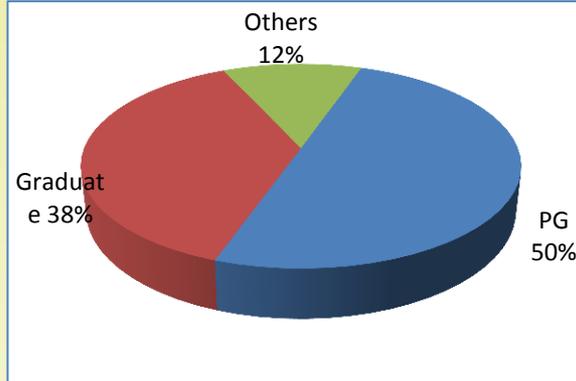
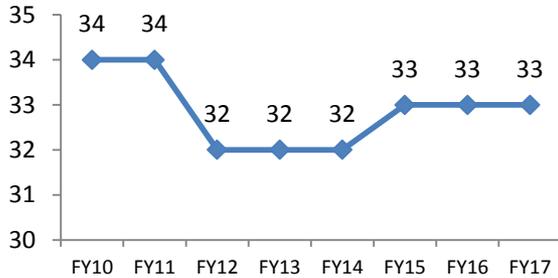
Human Resources

Young workforce (average 33 years).....

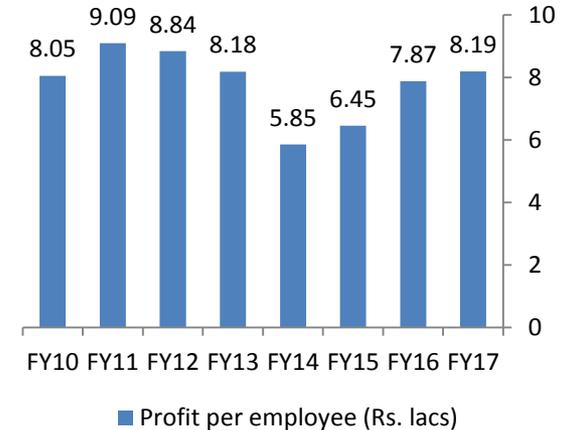
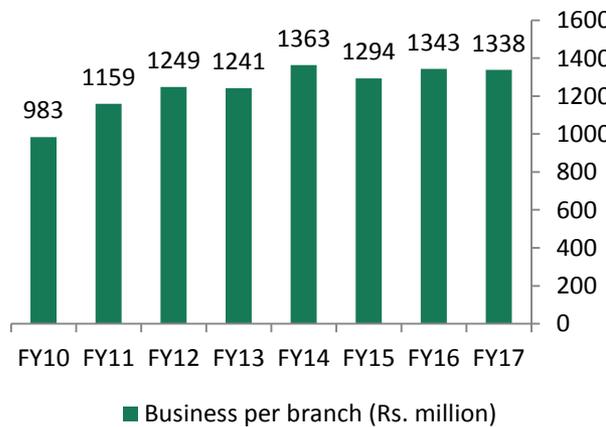
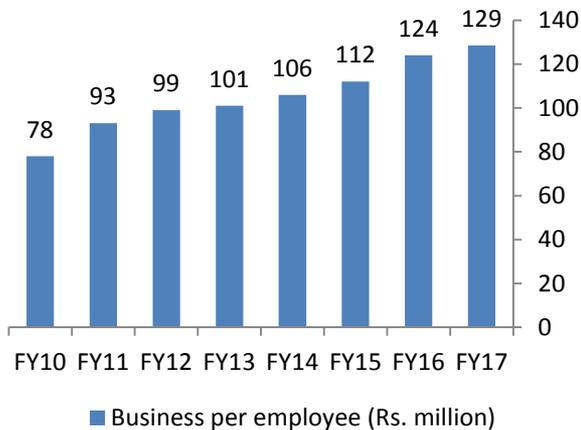
... and well qualified work force...

...with lower attrition ...

37% below 30 yrs of age out of 7,400 employees



...leading to improving productivity



A Decade of Progress

Units: Rs crore

Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Paid up Capital	53.94	53.95	54.44	94.49	107.18	107.18	107.18	121.63	121.86	121.86
Reserves	1136.06	1296.21	1565.54	2020.05	2601.04	2978.01	3219.16	4124.4	4451.09	4723.16
Owned funds	1190	1350.16	1619.98	2114.54	2708.22	3085.19	3326.34	4246.03	4572.95	4845.02
CRAR - Basel II	-	14.92%	14.49%	14.41%	14.33%	14.41%	12.77%	14.63%	12.26	-
Basel III	-	-	-	-	-	-	12.60%	14.62%	12.17	12.54
Deposits	12550	15101	19272	24722	32112	38653	43758	44690	50079	53700
Advances	9569	10563	13675	18052	24205	29706	34226	36691	39476	41435
Total Income	1289	1711	2005	2482	3621	4695	5680	5977	6150	6405
Operating Profit	308	418	463	600	726	849	838	943	1303	1571
Net Profit	208	236	336	416	502	550	430	464	568	606
Dividend (%)	120	120	120	120	140	140	130	130	140	130 (@)
Branches (No.)	288	312	335	369	451	551	572	629	667	711
EPS (Rs.)	38.62	43.71	62.23	44.9	46.81	51.35	40.08	39.86	46.59	9.95 (*)
Return on Assets	1.63%	1.49%	1.76%	1.71%	1.56%	1.35%	0.86%	0.88%	1.03%	1.00%
Book Value(Rs.)	220.61	250.25	297.6	193.04	252.68	287.85	308.91	348.42	375.25	79.51 (*)
No of Employees	3580	3941	4175	4574	5673	6730	7339	7197	7211	7400

(@) Proposed

(*) During the Financial Year 2016-17, one Equity Share face value of Rs.10/- each was subdivided into five Equity Shares face value of Rs.2/- each

THANK YOU

