



Investor Presentation

Q2 FY 2024

Disclaimer



This presentation has been prepared by Karur Vysya Bank Limited (“the Bank”) solely by the Bank for information purposes only. This presentation is not a complete description of the Bank and the information contained herein is only current as of its date and has not been verified by anyone else. All financial numbers are based on the Audited Financials or the Reviewed Financial results or based on Management estimates. Figures for the previous period(s) have been regrouped wherever necessary; totals in columns / rows may not agree due to rounding off. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.

This presentation does not constitute an offer or invitation, directly or indirectly, to purchase or subscribe for any securities of the Bank by any person / entity based in India or in any other country. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities.

This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated. Factors that could cause actual results to differ materially include, inter-alia, changes or developments in the Bank’s business, political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. Except as otherwise stated, all of the information contained herein is indicative and is based on management information, current plans and estimates / projections. Any opinion, estimate or projection in the presentation constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Further, past performance is not necessarily indicative of future results. Anyone placing reliance on the information contained in this presentation or any other communication by the Bank does so at his / her / their own risk. Neither the Bank nor anyone else shall be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained in the presentation.

The Bank may, at its sole discretion, alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify anyone of such change(s). This presentation is not to be distributed, redistributed, copied or disseminated in any manner whatsoever, either directly or indirectly.

Forward-looking statements speak only as of the date they are made, and the Bank undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.



Quarter

In focus

Strong presence in India's fast growing hinterland

Category	30.09.23	31.03.23	31.03.22
Branches	824	799	789
ATM's + Cash Recyclers	2,244	2,240	2,223

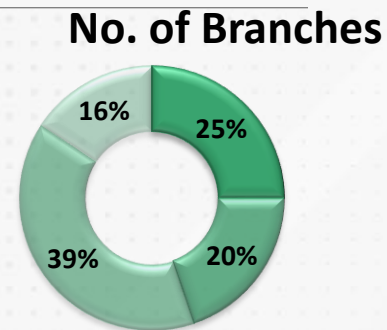
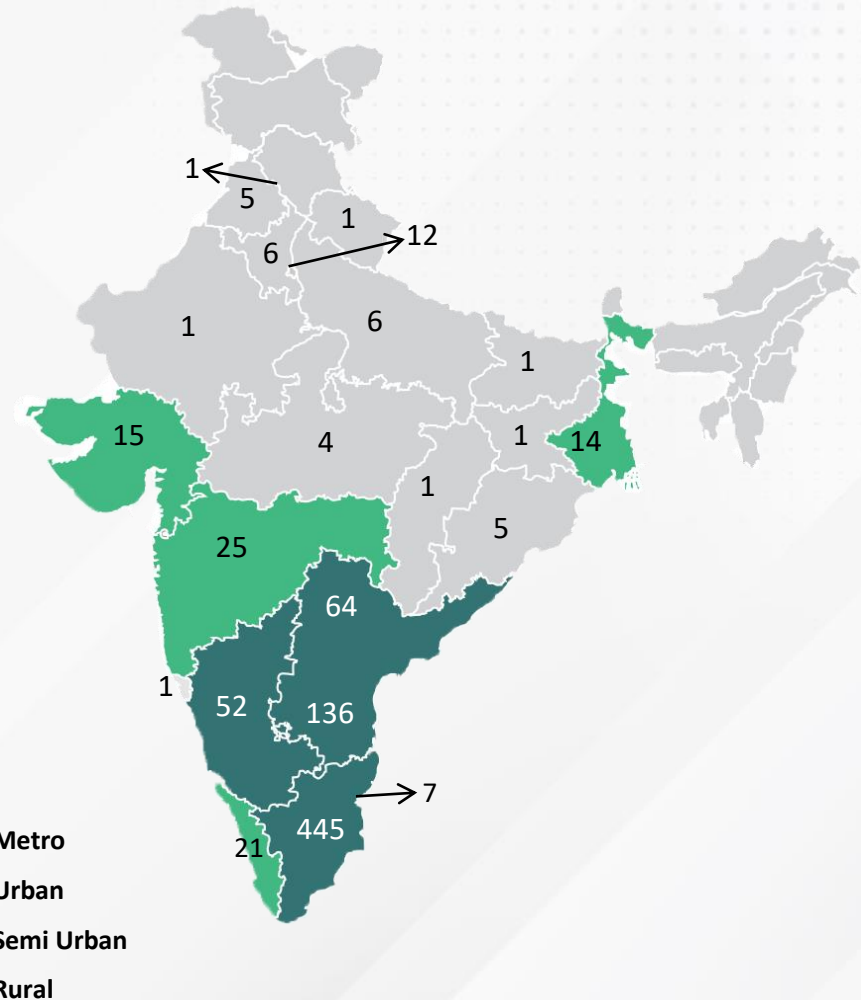
Category	No. of Branches	BBU*	CBU*	DBU*	Other offices^
Metro	206	10	9	1	15
Urban	163	3	-	-	-
Semi Urban	325	1	-	-	-
Rural	130	-	-	-	-
Total	824	14	9	1	15
BC Outlets	150				

*BBU – Business Banking Unit

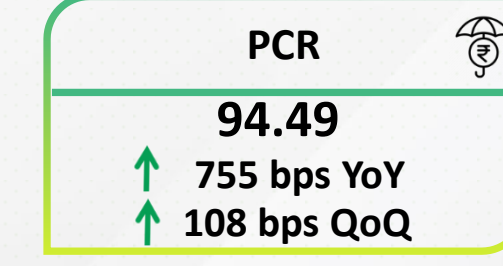
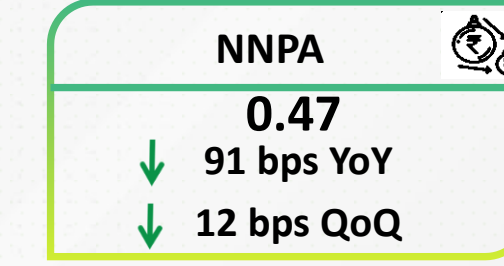
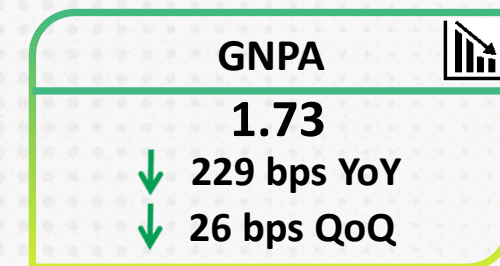
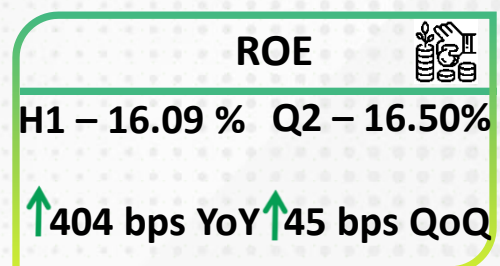
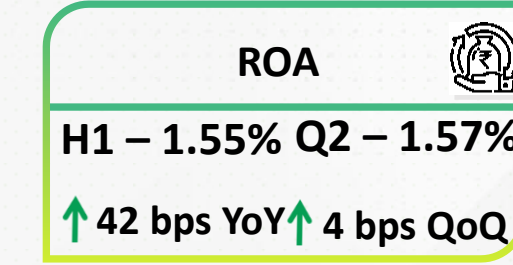
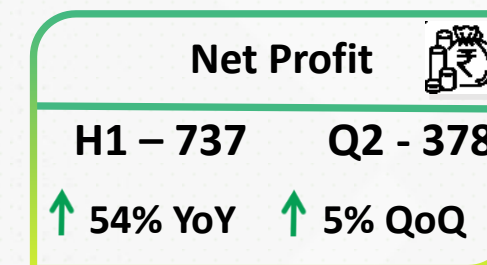
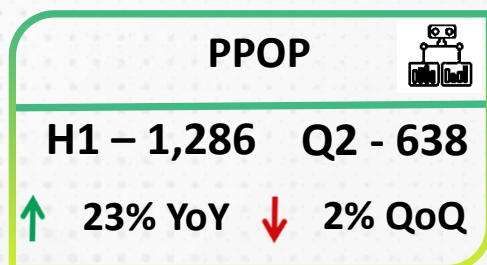
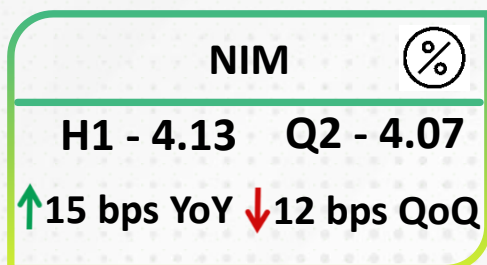
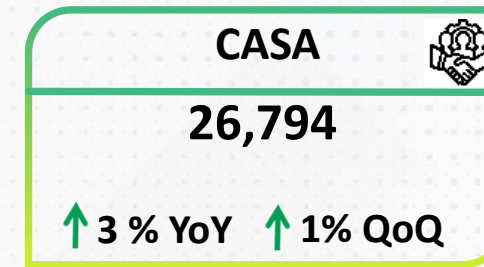
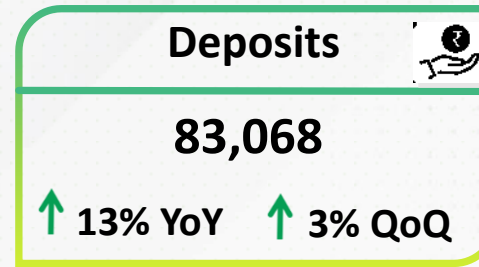
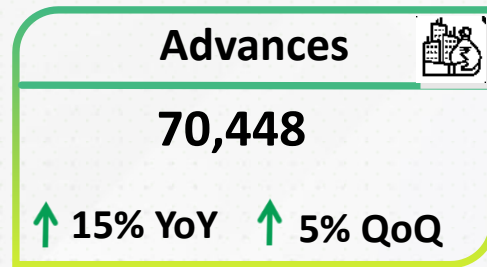
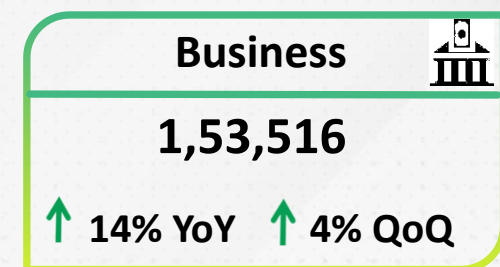
*CBU – Corporate Business Unit

*DBU – Digital Banking Unit

^ Other offices - Asset Recovery Branches, NEO, PMD and KVB Smart



Key Highlights



Based on RBI Master Direction on financial statements – Presentation and Disclosures issued on August 30, 2021 (Updated as on February 20, 2023), Interest accrued but not due on advances and deposits have been reclassified under Other Assets and Other Liabilities and Provisions. There is no change in the Net Profit / Loss for the previous periods, the figures have been reclassified as appropriate to make them comparable with the figures of the current period.

Key Ratios



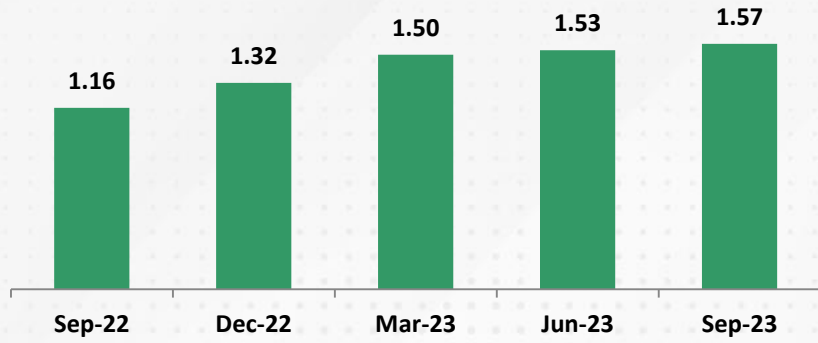
Particulars	Quarter		Half year	
	Sep 23	Sep 22	Sep 23	Sep 22
Cost of Deposits (%)	5.16	4.09	5.07	4.10
Yield on Advances (%)	9.76	8.64	9.73	8.50
Cost of Funds (%)	5.19	4.13	5.09	4.13
Yield on Funds (%)	8.52	7.57	8.49	7.45
Net Interest Margin (%)	4.07	4.10	4.13	3.98
Spread (%)	3.32	3.44	3.39	3.32
Cost to income (%)	49.14	46.16	48.22	47.82
Return on Equity (%)	16.50	12.59	16.09	12.05
Return on Asset (%)	1.57	1.16	1.55	1.13
EPS (Rs.) *	4.72	3.13	9.19	5.99

* Not annualized

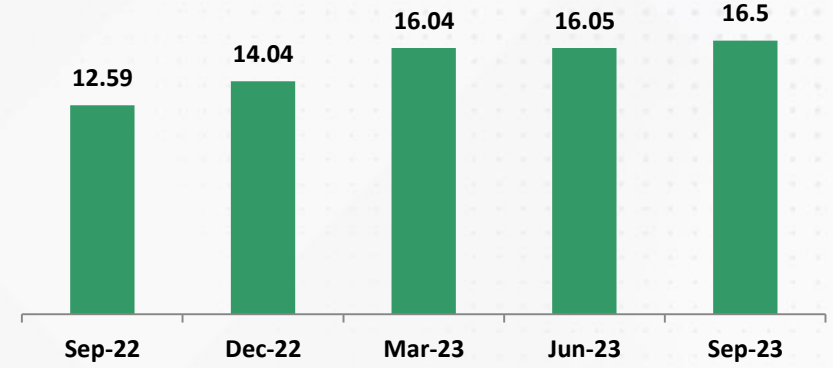
Key Ratios (Quarter)



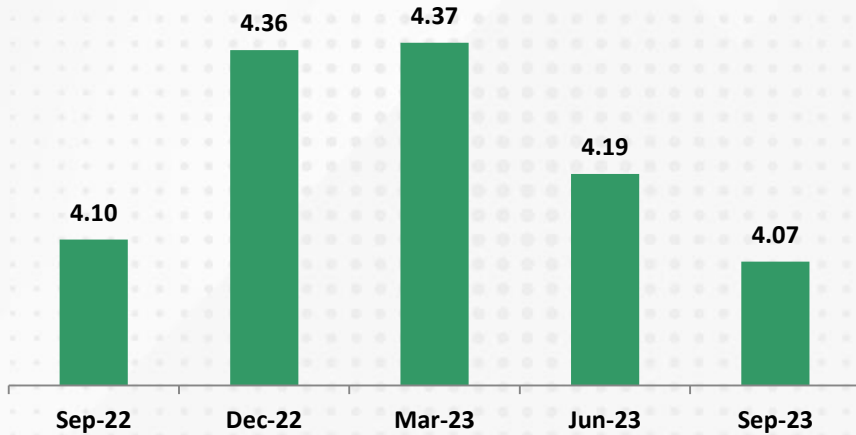
ROA



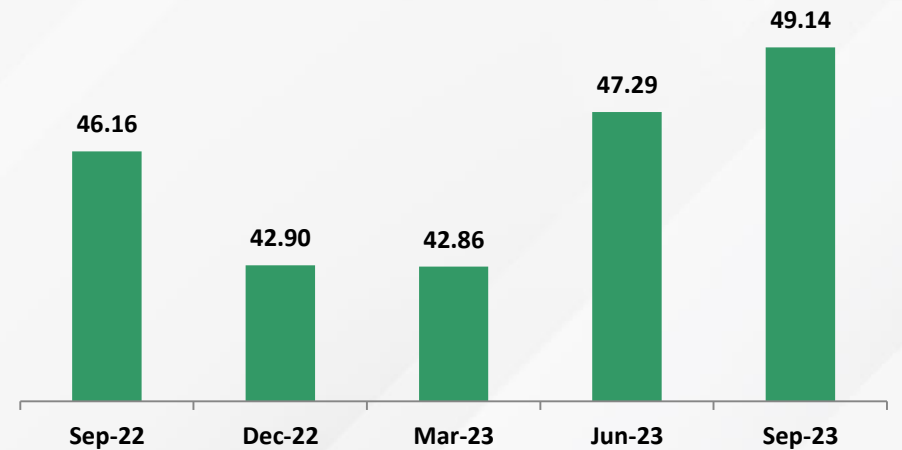
ROE



NIM



Cost to Income



* Not annualized

Profit & Loss Statement



Particulars	Quarter			Half Year		
	Sep 23	Sep 22	Growth %	Sep 23	Sep 22	Growth %
Net Interest Income	915	821	11	1,812	1,567	16
Other Income	339	242	40	672	441	52
- Fee income	197	174	13	401	361	11
- Others	142	68	109	271	80	239
Total Income	1,254	1,063	18	2,484	2,008	24
Operating Expenses	616	491	25	1,198	960	25
- Employee expense	327	234	40	646	470	37
- Other operating expense	289	257	12	552	490	13
Operating Profit	638	572	11	1,286	1,048	23
Provisions	126	227	(45)	286	382	(25)
- Credit Related	102	202	(50)	239	365	(34)
- Others	24	25	(5)	47	17	176
Profit Before Tax	511	345	48	1,000	666	50
Tax (net of DTA/DTL)	133	95	40	263	187	41
Net Profit	378	250	51	737	479	54

Balance Sheet

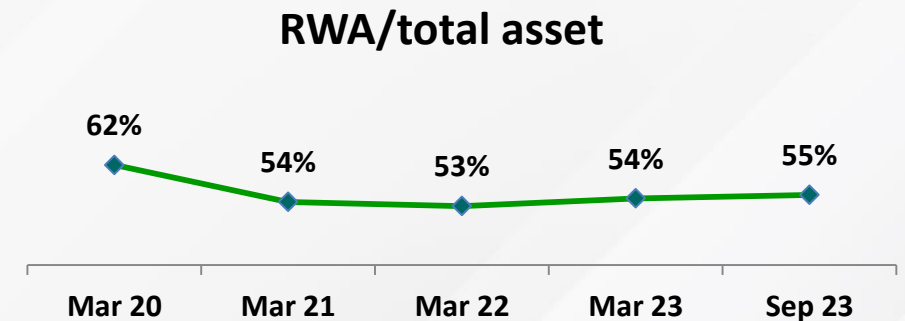
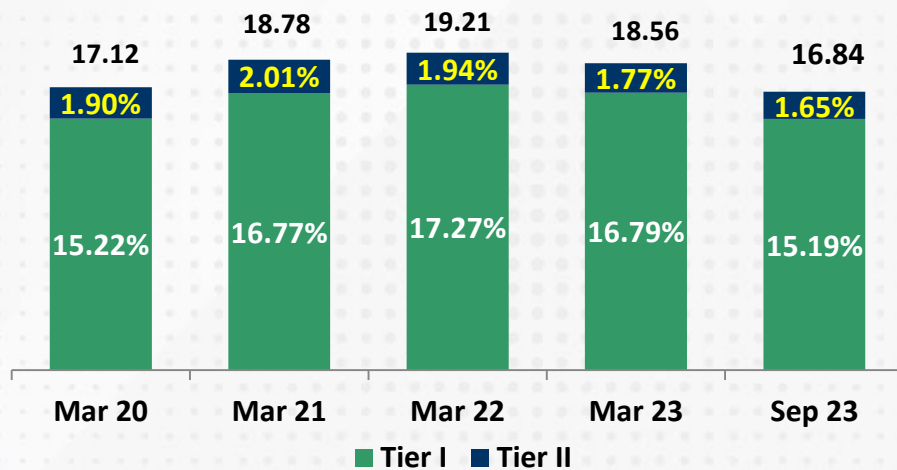


Particulars	Sep 23	Sep 22	YoY (%)
Capital & Liabilities			
Capital	161	160	1
Reserves and Surplus	9,002	7,789	16
Deposits	83,068	73,398	13
Borrowings	2,588	2,281	13
Other Liabilities and Provisions	3,615	2,737	32
Total	98,434	86,365	14
Assets			
Cash and Balances with RBI	4,614	4691	(2)
Balances with Banks	276	1,251	(78)
Investments (Net)	20,834	18,294	14
Advances (Net)	69,507	59,402	17
Fixed Assets	423	460	(8)
Other Assets	2,780	2,267	23
Total	98,434	86,365	14

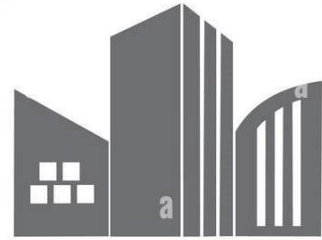
Capital to Risk Weighted Assets Ratio – Basel III



Particulars	Sep 23	Sep 22	Jun 23
CRAR %	16.84	18.07	17.67
Total capital	9,146	8,134	9,126
Tier I capital	8,249	7,293	8,244
Tier II capital	897	841	882
RWA	54,314	45,007	51,643
Credit risk	45,282	36,808	42,437
Operational risk	6,937	6,287	6,937
Market risk	2,095	1,912	2,269



Strategy



Bank



Personal Loan



Travel Loan



Education Loan



Car Loan



Home Loan

Driving growth

across verticals

Total Business



Parameter	Sep 23	Sep 22	YoY %	Jun 23	QoQ %	Mar 23	YTD %
Deposits	83,068	73,398	13	80,715	3	76,638	8
Gross Advances	70,448	61,086	15	66,956	5	64,168	10
Total Business	1,53,516	1,34,484	14	1,47,671	4	1,40,806	9

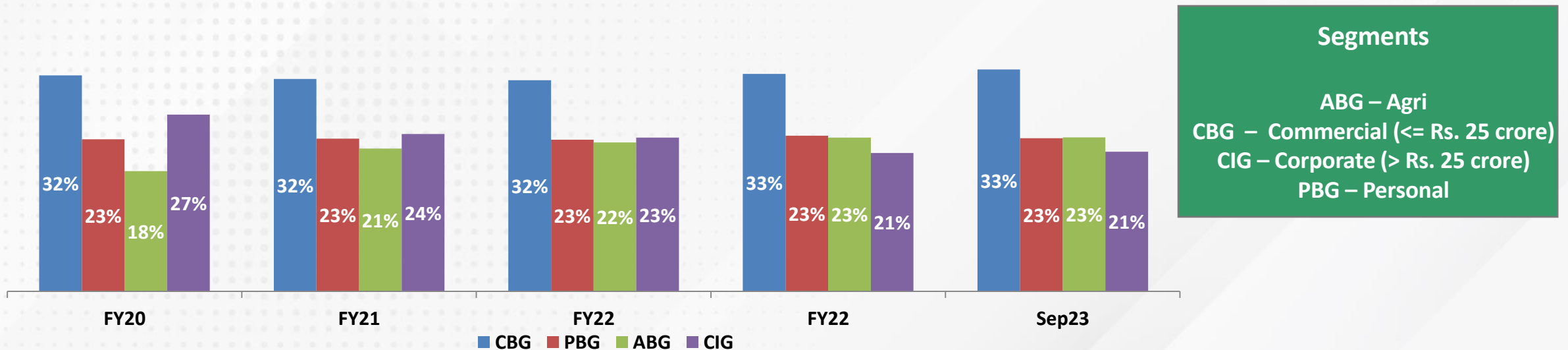
Deposits Portfolio

Parameter	Sep 23	Sep 22	YoY %	Jun 23	QoQ %	Mar 23	YTD %
Demand Deposit	8,155	8,019	2	8,117	-	7,454	9
Saving Deposit	18,639	17,895	4	18,432	1	17,995	4
CASA	26,794	25,914	3	26,549	1	25,449	5
CASA (%)	32	35	(3)	33	(1)	33	(1)
Term Deposit	56,274	47,484	19	54,166	4	51,189	10
Total Deposit	83,068	73,398	13	80,715	3	76,638	8



Growing our books responsibly

Particulars	Sep 23	Sep 22	YoY%	Jun 23	QoQ%
Commercial	23,510	19,713	19	22,171	6
Retail (Personal Banking)	16,225	13,855	17	15,610	4
Agriculture	16,302	13,796	18	15,621	4
Corporate	14,411	13,722	5	13,554	6
Gross Advances	70,448	61,086	15	66,956	5



Retail Portfolio

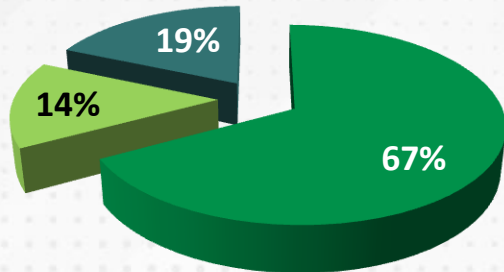


Particulars	Sep 23	Sep 22	YoY %	Jun 23	QoQ %
Housing loan	7,254	6,256	16	6,981	4
Jewel loans	2,159	1,804	20	2,183	(1)
Mortgage (LAP) loans	3,450	2,675	29	3,198	8
Vehicle loans	1,139	1,116	2	1,126	2
Personal loans	775	671	16	686	13
Educational loans	143	151	(5)	141	1
Others loans	1,305	1,182	10	1,295	1
Total	16,225	13,855	17	15,610	4

Driving growth across verticals



Ticket size of Commercial Book

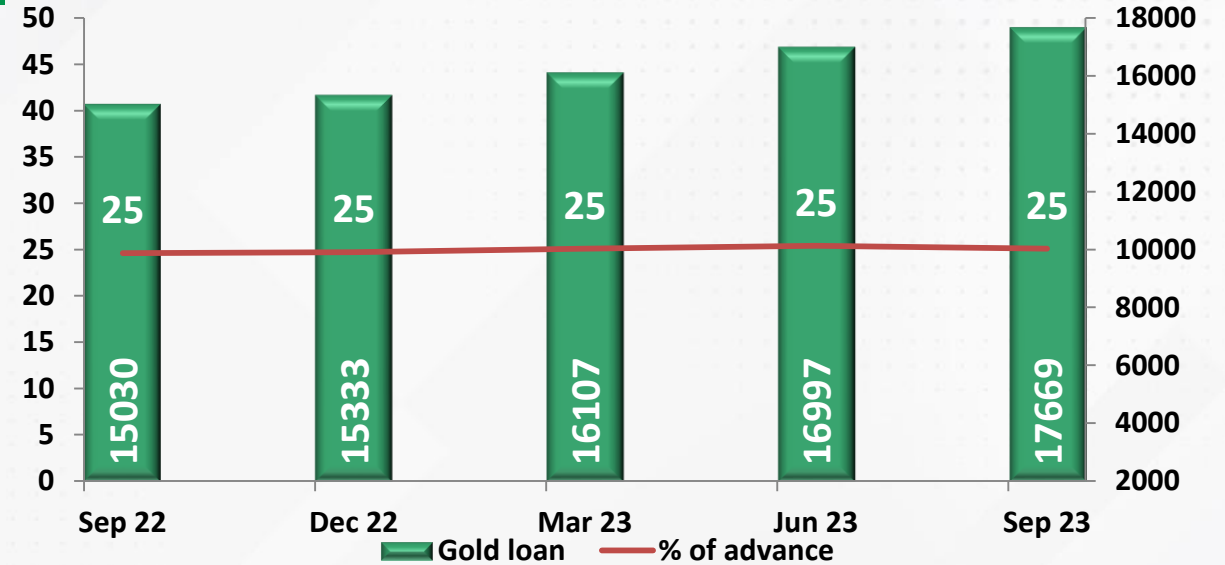


■ < 5 crore ■ >= 5 crore < 10 crore ■ >= 10 crore



- Average ticket size – Rs 39.1lakh
- ~ 67 % of commercial loans are less than Rs. 5 crore

Gold Loan portfolio



(Rs. crore)

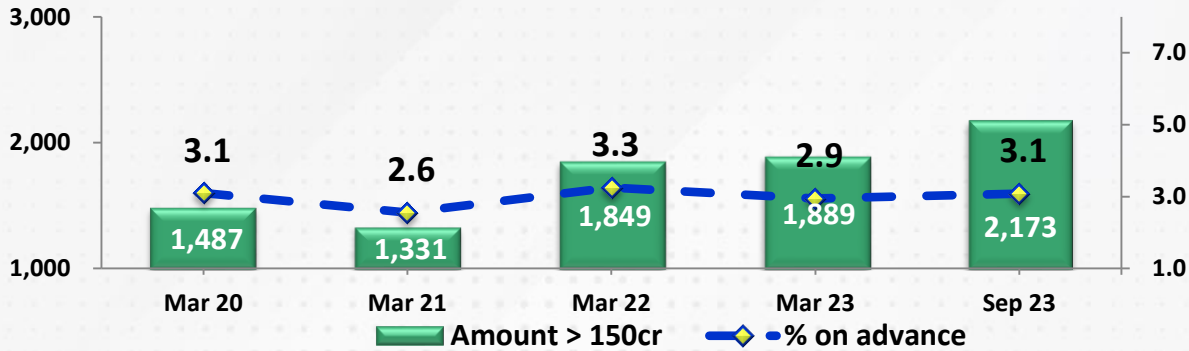
Gold Loan portfolio

Category	Amount	SMA 30+		LTV
		30.09.2023	30.06.2023	
Agriculture	15,198	32	35	72
Others	2,471	15	11	64
Total	17,669	47	46	71

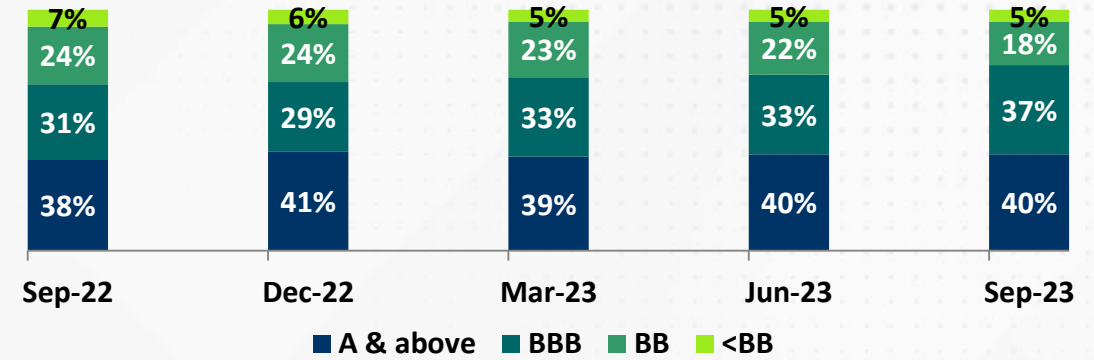
Corporate Loan Book



Standard Corporate advances > 150 crore

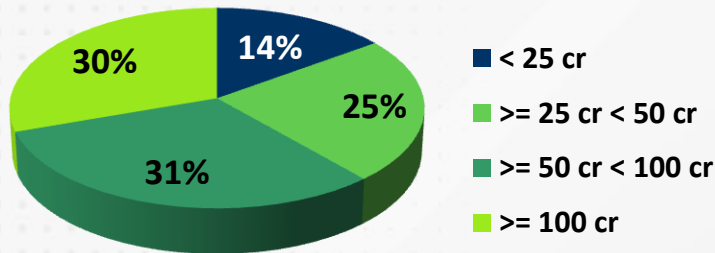
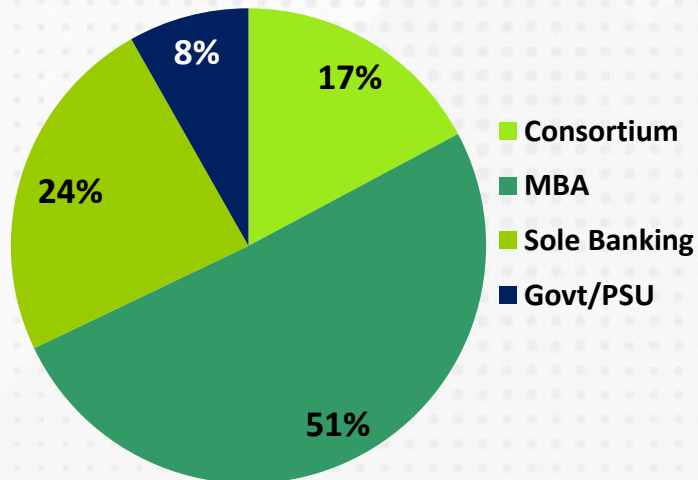


Improving Risk Profile



*Internal Rating approach based on CRISIL Rating Assessment Model

Breakup of Corporate Book



- ~69 % of corporate loans are less than Rs. 100 crore
- Average ticket size Rs. 39.60crore

ECLGS (Emergency Credit Line Guarantee Scheme) Portfolio



Vertical wise

Vertical	Sep 23	Sep 22	Jun 23
Commercial	895	1,305	1,002
Agriculture	2	4	2
Corporate	661	897	714
TOTAL	1,558	2,206	1,718

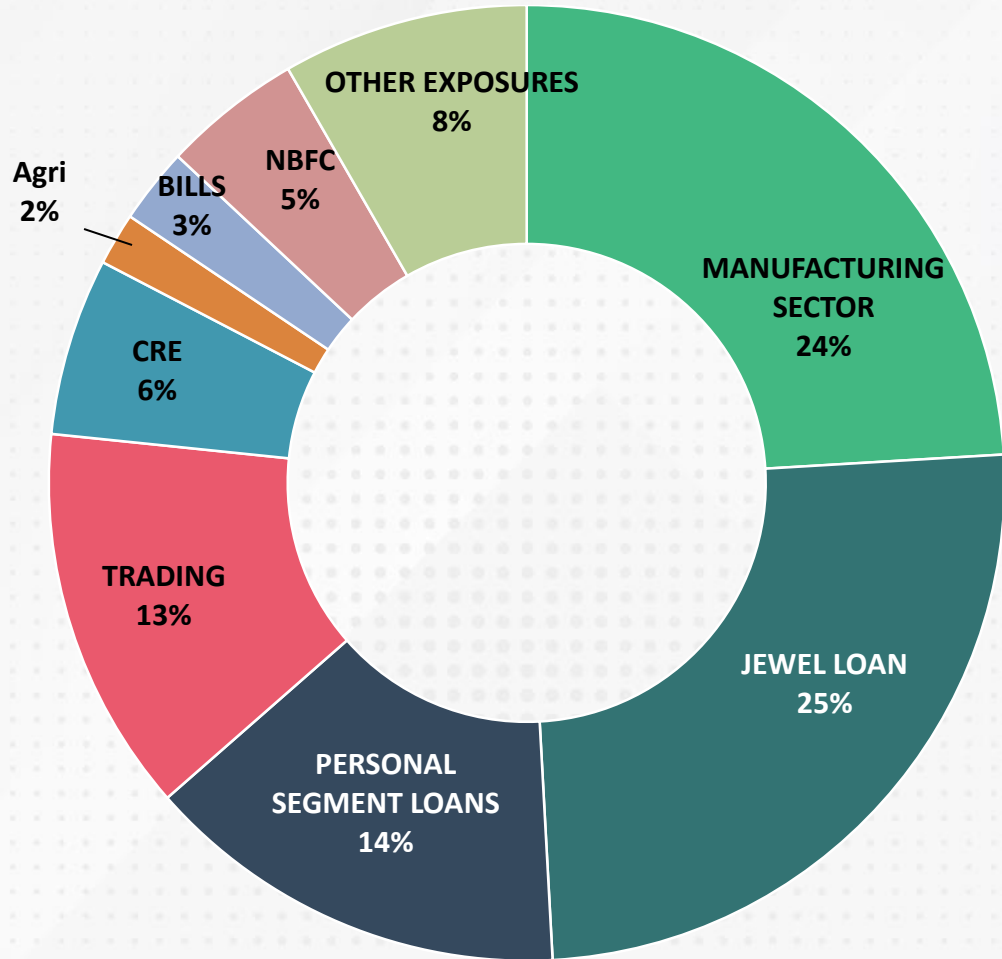
Scheme wise

Particulars	Sep 23		Jun 23	
	Outstanding	NPA	Outstanding	NPA
ECLGS 1.0	1,183	81	1,320	79
ECLGS 2.0	336	21	349	9
ECLGS 3.0	38	0	48	-
ECLGS 4.0	1	0	1	0
TOTAL	1,558	102	1,718	88

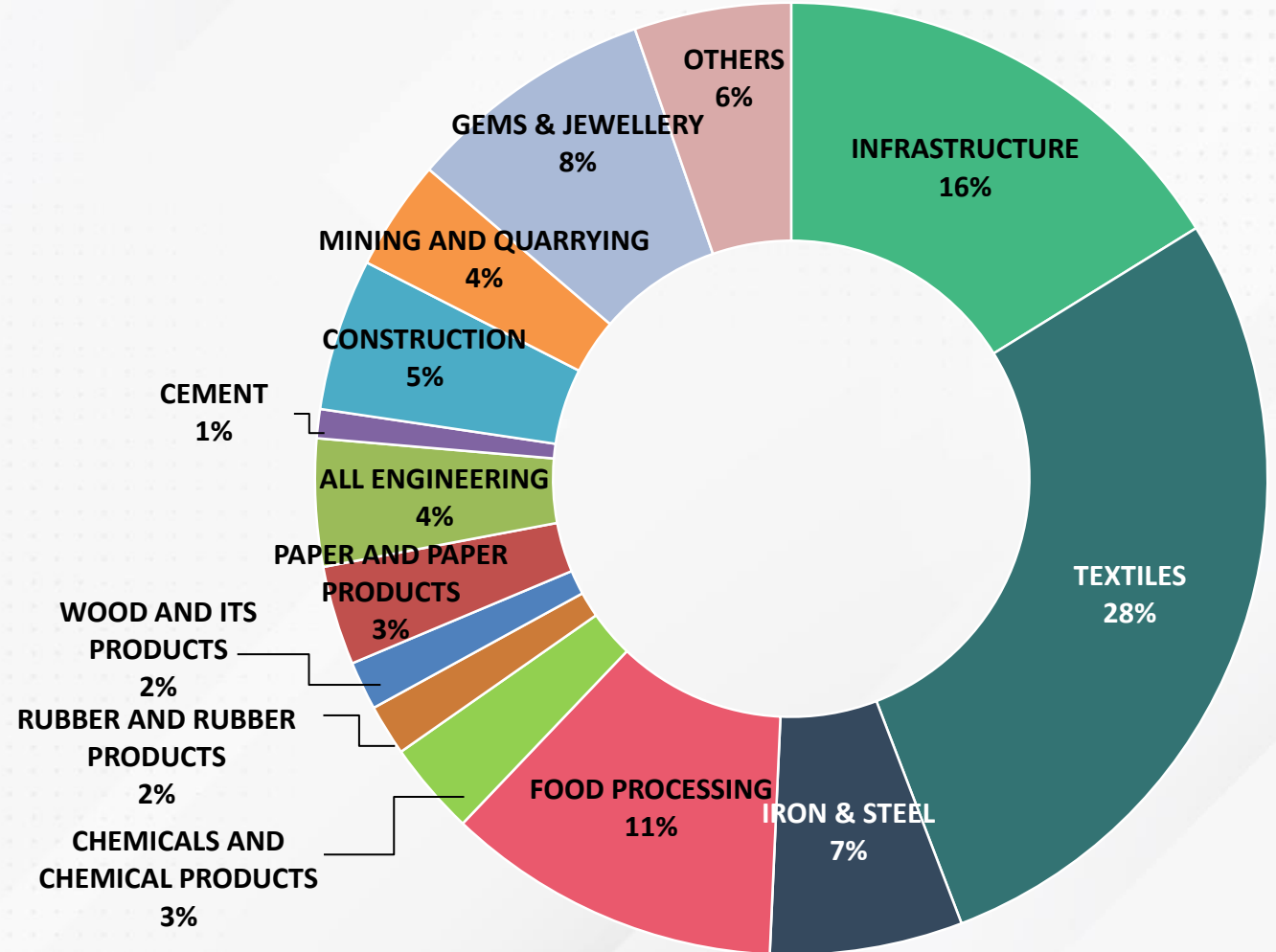
Sectoral composition



Rs. 70,448 Crore



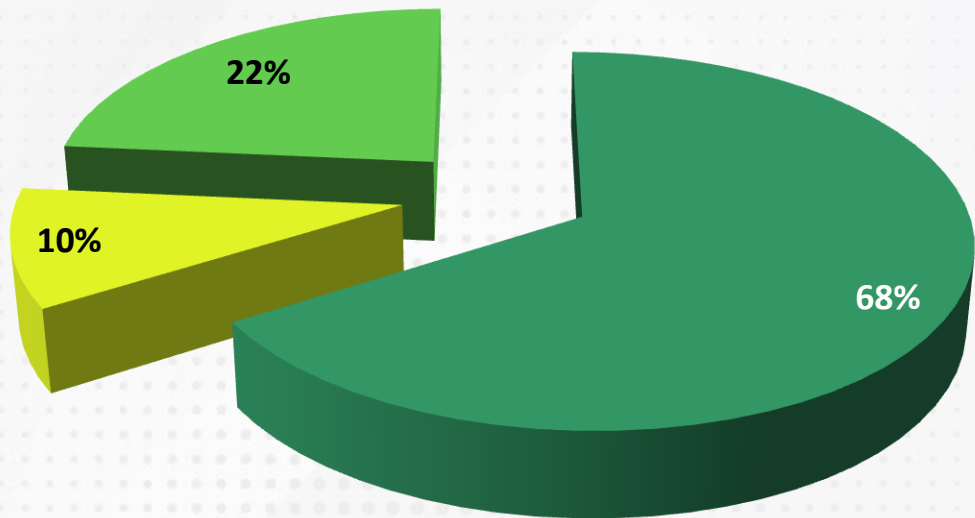
Break of Manufacturing Sector (Rs.17,043 Crore)



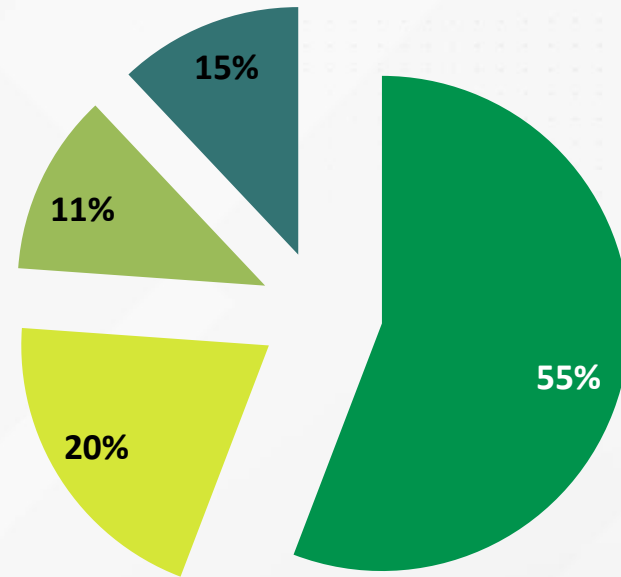
Liability Franchise : Predominantly Retail



Low dependence on wholesale deposits



- Term Deposits
- Demand Deposits
- Savings Deposits



- < Rs.15 Lakhs
- Rs.15 Lakhs-Rs.1 Cr
- Rs.1 Cr-Rs.5 Cr
- > Rs.5 Cr

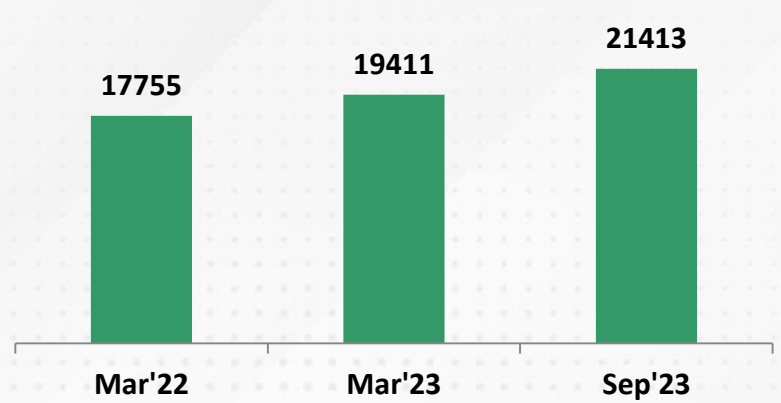
Term deposits are primarily retail deposits

~ 86% of term deposits are < Rs.5 Cr

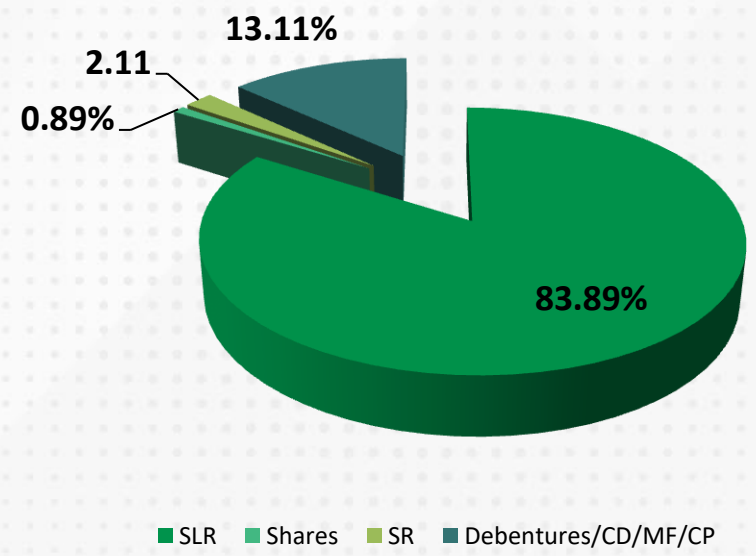
Investment Portfolio



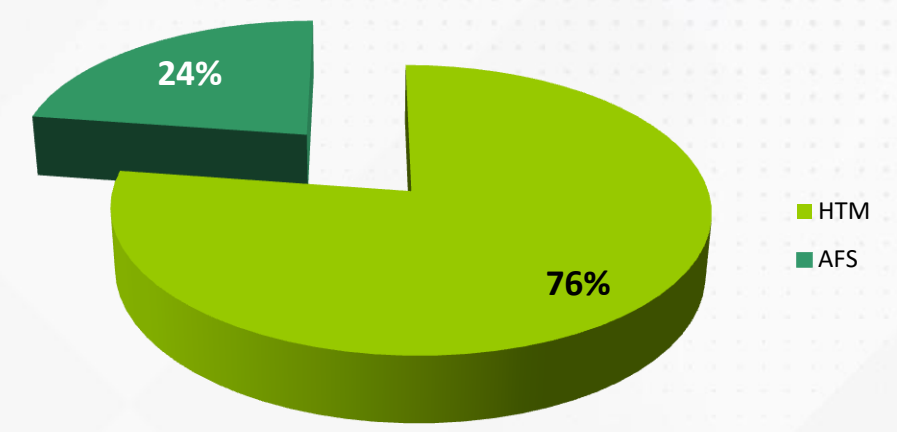
Gross Investments (Rs. crore)



Investment Composition



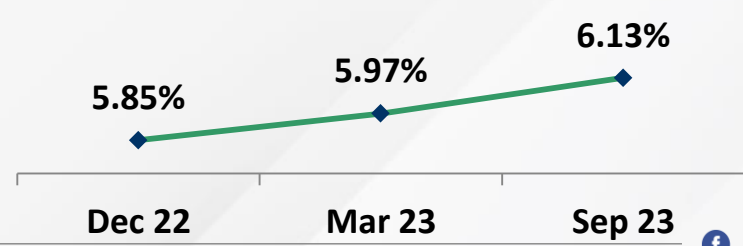
Investment Category



Duration

AFS	HFT	HTM	Total
2.09	-	3.19	2.95

Yield on Investments





**Disciplined
approach to**

reduce stressed assets

Movement of NPA for the quarter



Particulars		Jun 23- Sep 23	Jun 22 – Sep 22
Gross NPAs			
Opening Balance		1,330	3,107
Additions during the period		155	131
Reductions during the period		266	781
-Of which	Recoveries/Upgradation	115	205
	Tech Write offs	151	576
Closing Balance		1,219	2,457
Provisions			
Opening Balance		907	1,968
Provision made during the period		157	340
Write off/Write back of excess provision		199	710
-Of which	Recoveries/Upgradation	48	134
	Tech Write offs	151	576
Closing Balance		865	1,598
Net NPAs		324	819



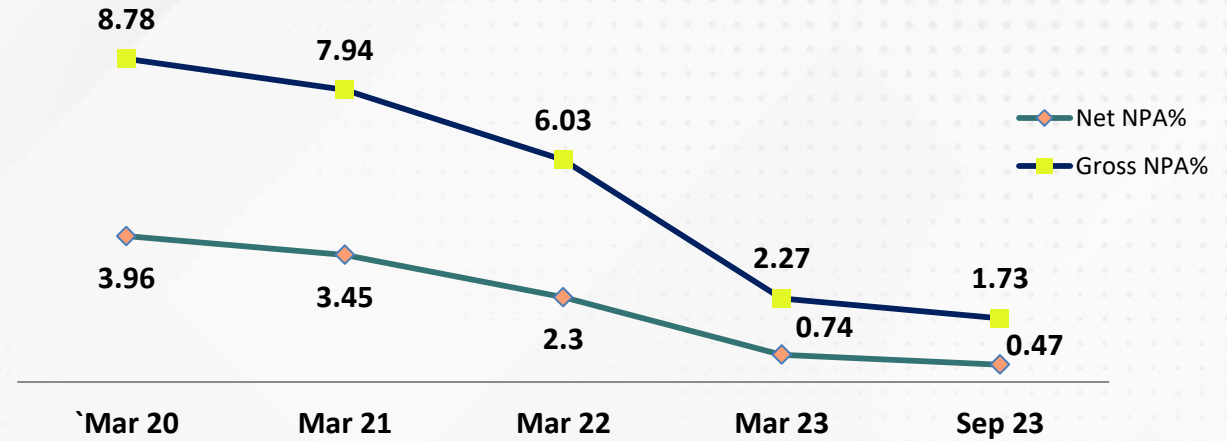
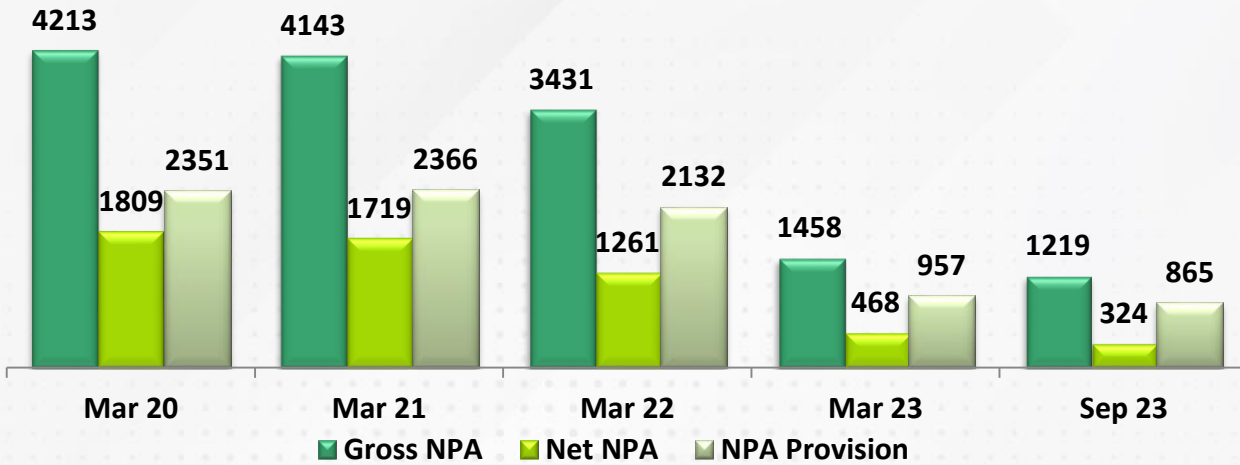
Vertical wise NPA

VERTICAL	Advances O/s. Sep 23	NPA as on Jun 23	NPA Additions Q2	NPA Reduction Q2		NPA as on Sep 23	Provisions Sep 23
				Recoveries / upgradation	Tech W/off		
Commercial	23,510	736	90	69	84	673	445
Retail (Personal Banking)	16,225	337	38	37	29	308	215
Agriculture	16,302	89	7	9	3	84	69
Corporate	14,411	168	20	-	35	154	136
TOTAL	70,448	1,330	155	115	151	1,219	865

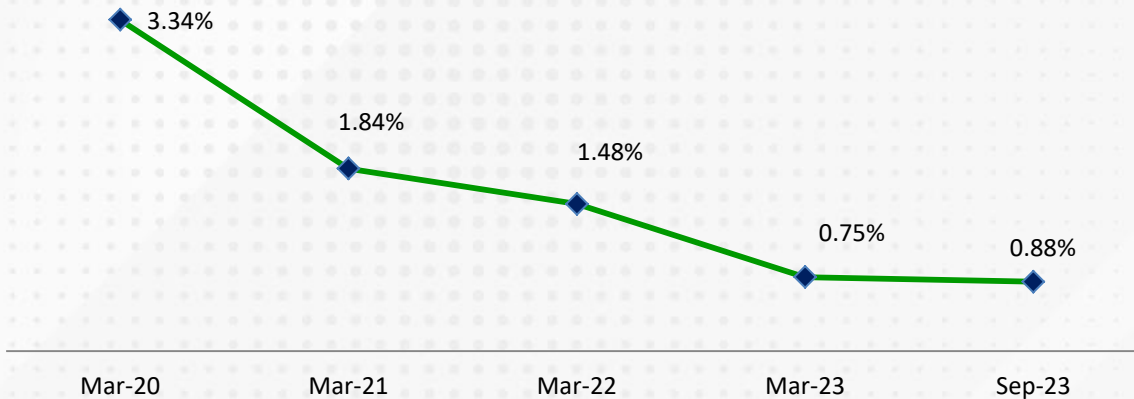
Collection efficiency

Particulars	Sep 23	Aug 23	Jul 23
Term Loan (%)	99	99	99
Working Capital (%)	99	99	99

Improving Asset Quality

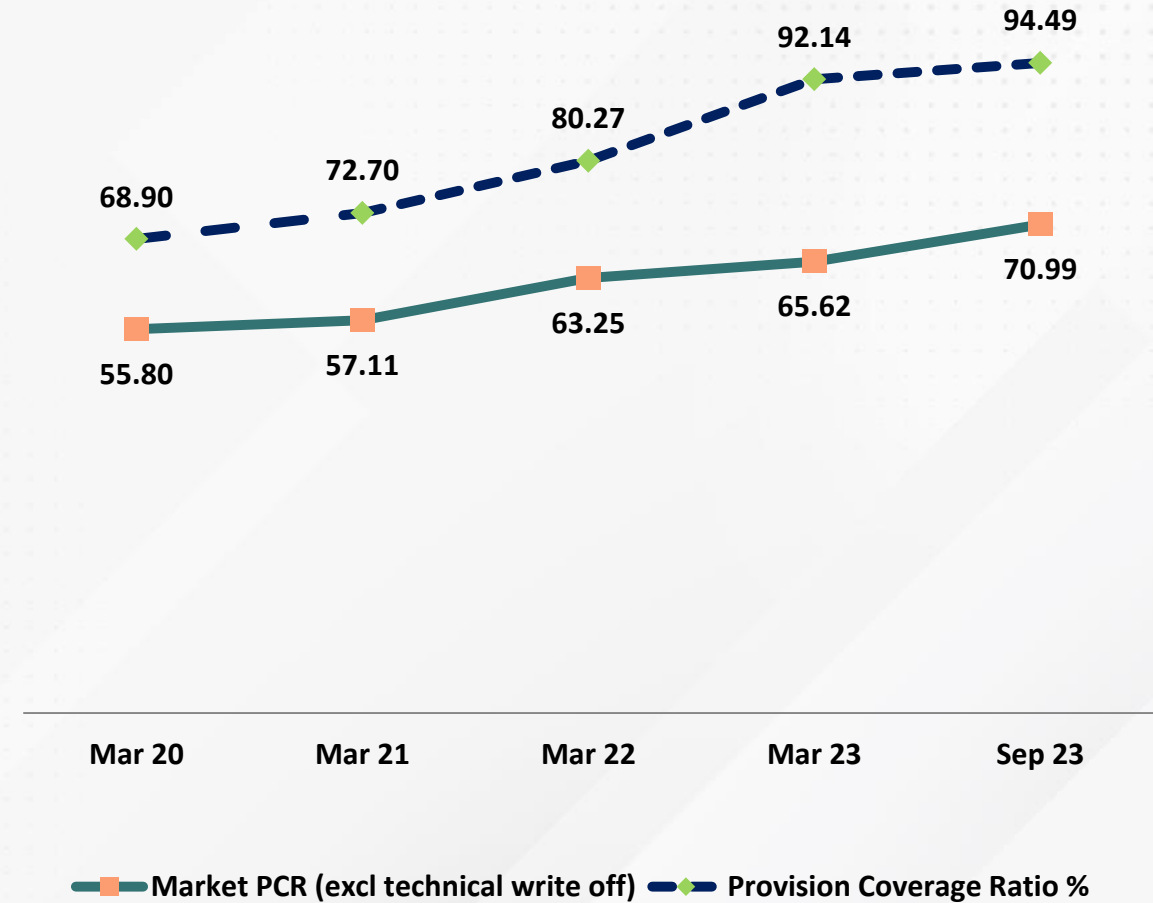
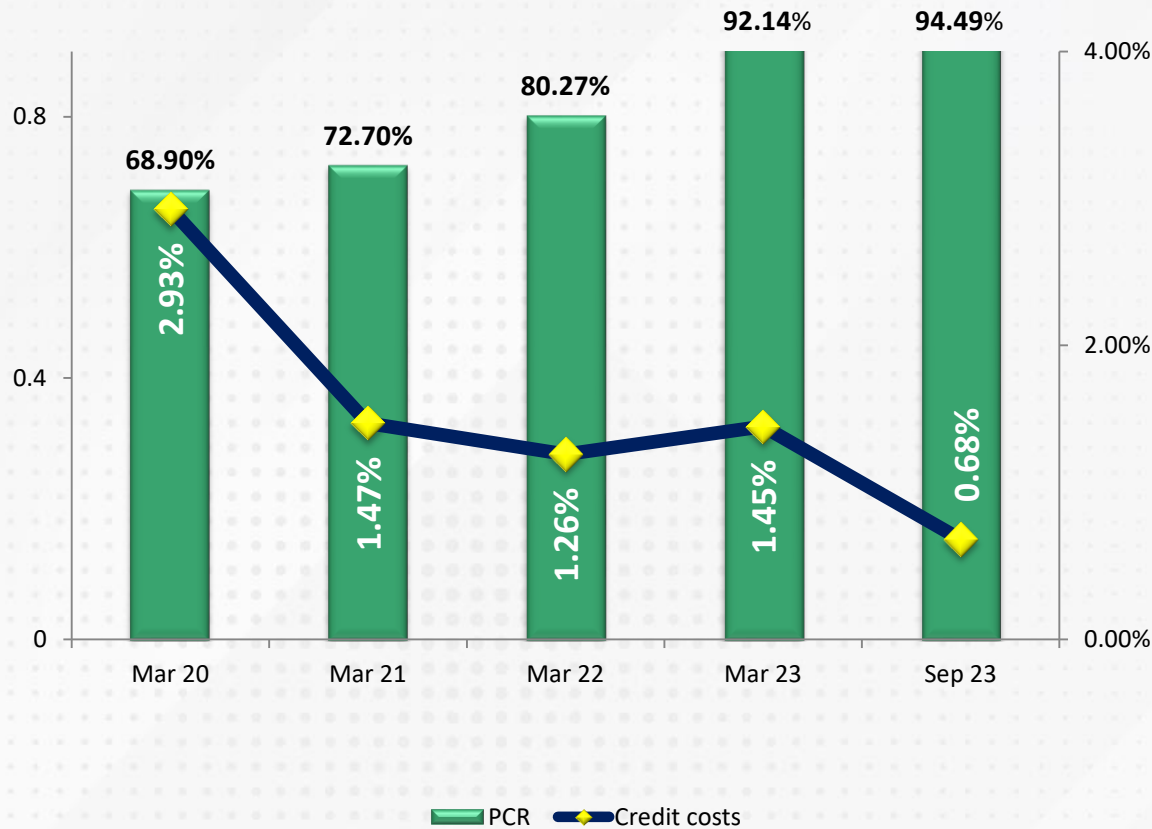


Slippage Ratio



Particulars (entire loan book)	Sep 23		Sep 22	
	Amt	% of Adv	Amt	% of Adv
SMA 1	288	0.41	251	0.41
SMA 2	149	0.21	158	0.26
SMA 30+	437	0.62	409	0.70

Provisions Coverage



Provisions and Contingencies



Provision for	Quarter		Half year	
	Sep 23	Sep 22	Sep 23	Sep 22
NPA	109	206	210	347
Standard Assets	15	11	28	20
Restructured advance & Other credit related items	(22)	(15)	1	(2)
Sub-total – Credit Provisions	102	202	239	365
Floating provisions	25	-	50	-
Others	(1)	25	(3)	17
- Of which				
	<i>NPI</i>	(1)	(5)	(5)
	<i>Others</i>	-	30	22
Total Provisions (excl. Tax)	126	227	286	382
Tax Expense	133	95	263	187
Total Provisions	259	322	549	569

Restructured Accounts



Particulars	Sep 23		Sep 22		Jun 23	
	Standard	NPA	Standard	NPA	Standard	NPA
Resolution Framework - 2.0	510	93	671	60	536	101
COVID 19 - Resolution Framework	219	124	372	47	230	127
MSME	118	97	181	215	127	118
CDR	-	-	-	-	-	-
Others*	-	26	1	42	-	26
Total	847	340	1,225	364	893	372

* Others include restructured accounts due to stress, natural calamities and extension of DCCO.

Vertical wise	Sep 23		Sep 22		Jun 23	
	Standard	NPA	Standard	NPA	Standard	NPA
Commercial	287	146	441	190	303	169
Retail (Personal Banking)	382	85	505	81	404	94
Agriculture	-	-	-	12	-	-
Corporate	178	109	279	81	186	109
Total	847	340	1,225	364	893	372

Movement of Standard Restructured Advances for the quarter

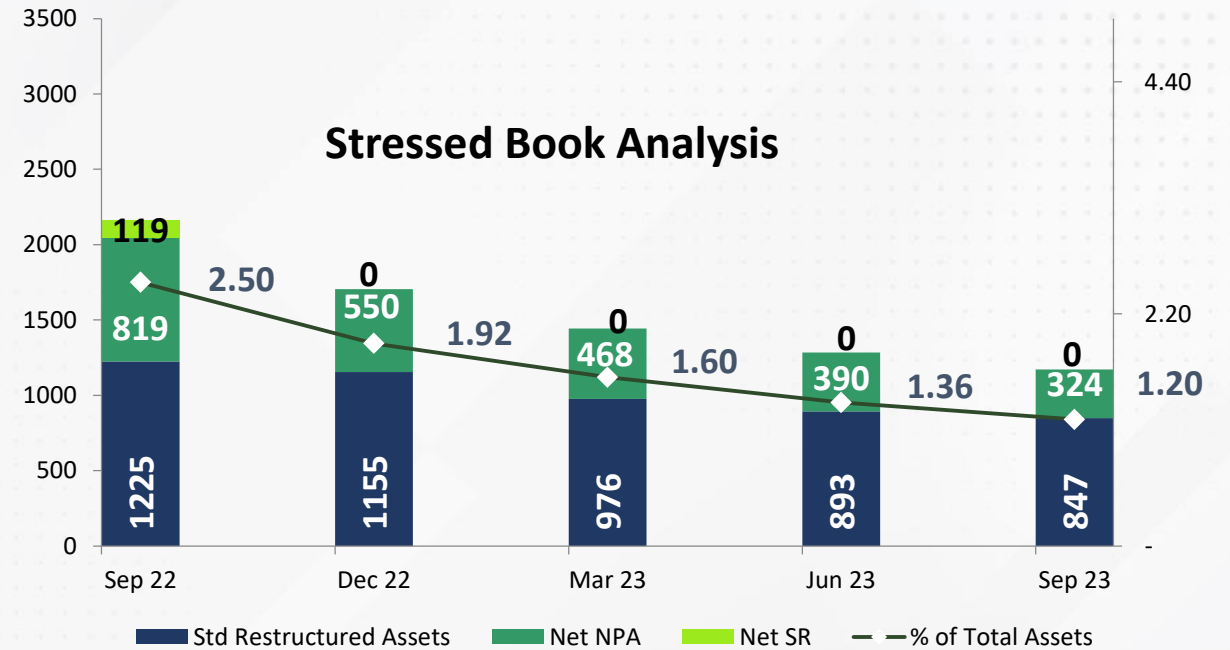


Particulars	Jun 23 to Sep23		Jun 22 to Sep 22	
	A/c's	Amt.	A/c's	Amt.
A. Position at the beginning of the period	2,318	893	2,987	1,518
B. Addition during the period	-	-	-	-
C. Additions in existing A/c's	-	10	-	27
D. Addition through upgradation from NPA	32	7	34	12
E. Accounts closed during the period	90	15	88	165
F. Accounts upgraded	-	-	1	54
G. Recoveries during the period	-	35	0	82
H. Slippages during the period	56	13	111	31
Position at the end of the period A+B+C+D- (E+F+G+H)	2,204	847	2,822	1,225

Sector-wise Standard Restructured Advances



S. N.	SECTOR	Amount	
		Sep 23	Jun 23
1	Housing	228	239
2	Real Estate	139	146
3	Trade	77	85
4	Textile	44	49
5	Personal	37	40
6	Infrastructure	44	43
7	Hotels and restaurants	40	42
8	All Engineering	33	36
9	Food & Food Processing	17	15
10	Auto	30	33
11	Transportation	11	13
12	Wood & Wood Products	21	22
13	Education Loan	7	7
14	Gems and Jewelry	4	4
15	Construction	7	7
17	Others	108	112
TOTAL		847	893
<i>% to Total Advances</i>		<i>1.20</i>	<i>1.33</i>



SR Book

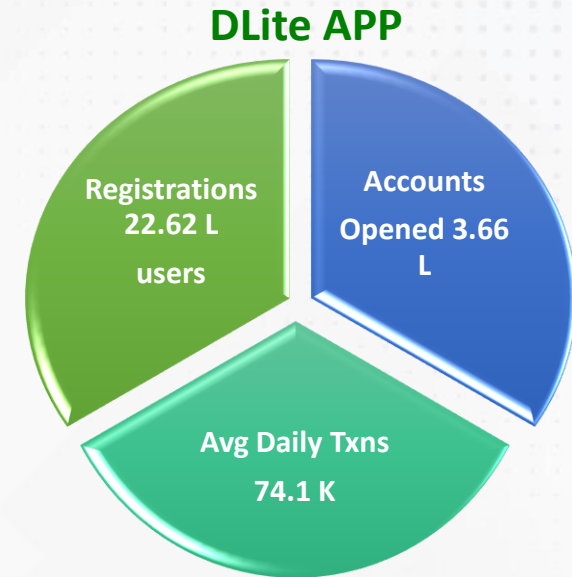
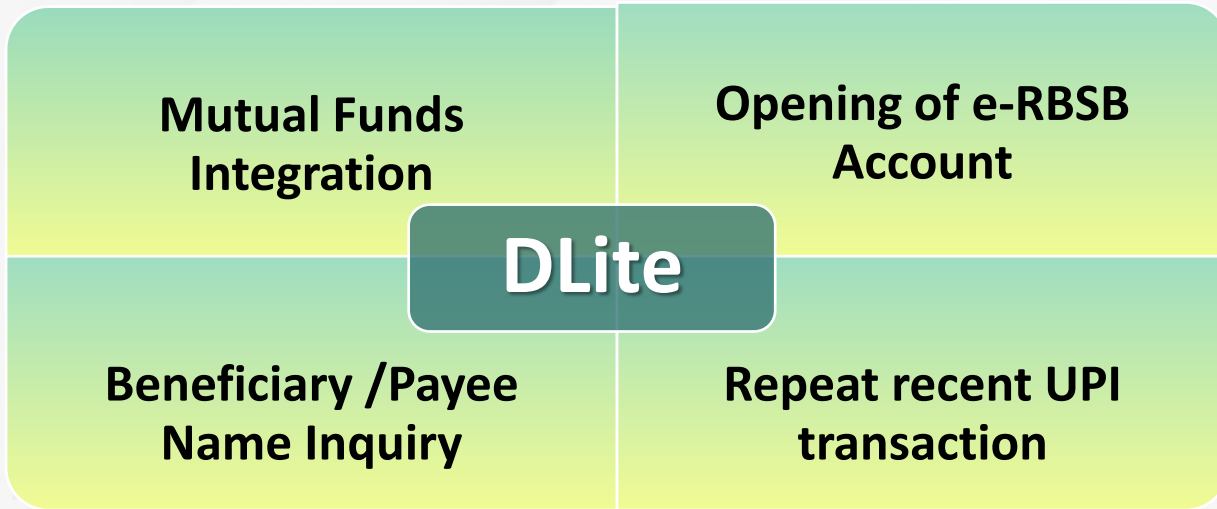
Particulars	Amount	
	Sep 23	Sep 22
Gross SR	451	504
Less : Provisions	451	385
Net SR	-	119



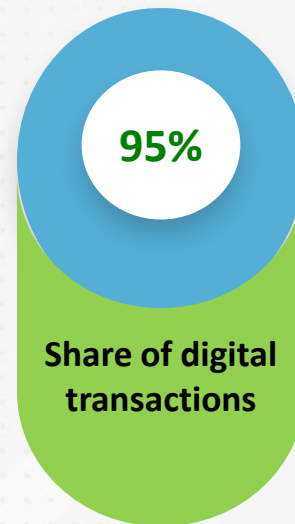
Building a

strong digital ecosystem

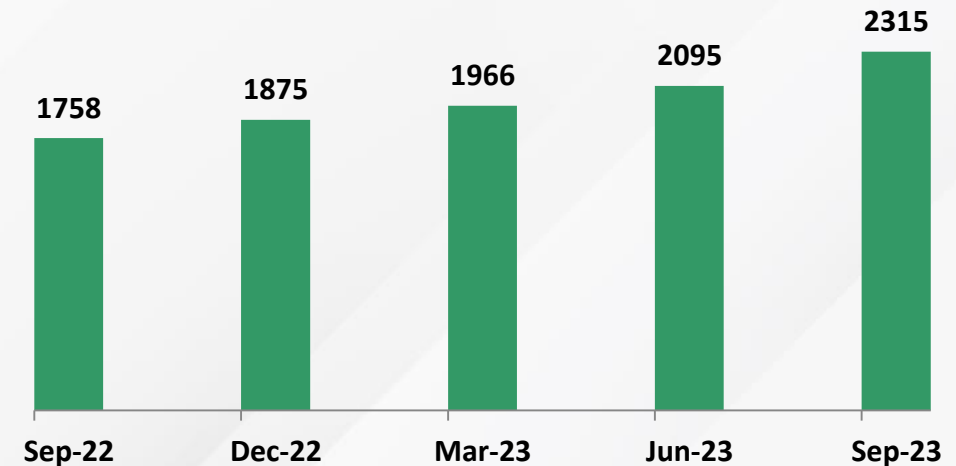
Digital Banking



**4.71 MILLION
DLITE APP
DOWNLOADS**



UPI Transactions (in lakhs)



Digital Partnerships

ASSETS



LIABILITIES





Environmental

Social Governance



Environment



- Established a comprehensive ESG due diligence policy
- Reduced our energy intensity by 14.3% over FY22
- 15% reduction in our scope 1 and scope 2 intensity



MOU was signed between Tamil Nadu Agricultural University (TNAU), Karur Vysya Bank, District Administration, Govt of Tamil Nadu, Dindigul and Evergreen City Club, Oddanchatram for implementing the project **“Establishment of Multi utility community Forest in Idayakotai Village Panchayat, Oddanchatram Taluk, Dindigul**

Rejuvenation of Water Harvesting Structure at Konerirajapuram- The Revetment work was commenced at Konerirajapuram water Tank.



Provision of Napkin Incinerator and Napkin Vending Machine at Govt. Arts College, Coimbatore – Sanitary pad incinerators and dispensers installed at Gov't Arts college, Coimbatore. Also a session on Menstrual Health and Hygiene Organized for college Girls.



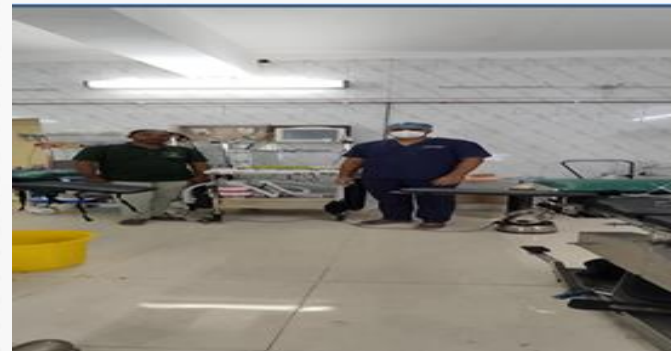
Social



- Improved our workforce diversity by 11.2%
- Increased our total manhours of training by over 3x
- Doubled our CSR expenditure over FY22
- Reduced the employee turnover rate by 15.2%
- 40% and 16% of the total branches present in semi-urban and rural branches respectively



Provision of Smart Board and Science Lab at Government Ashram High School, Adilabad- Smart board and science Lab was installed in Government Ashram High School at Adilabad(Aspirational District of Andhra Pradesh)



Provision of Anesthesia Boyel's Apparatus to Government Hospital, Pallipalyam, Nammakal



Setting up of creative Learning Lab for Children with specific Learning Disabilities- Creating Learning Lab facility for children with specific Learning Disabilities is Provisioned at Helikx Open School at Salem



Provision of RO water Dispenser to Vasavi Club, Vizinagaram



Support to Mother Special Children School with required Materials – Mother Special School Children at Karur



Governance



- **Board diversity enhanced by 37.5% over FY22**

ESG Enhancements

- ❖ Progressing towards achieving the Indian Green Building Council (IGBC) certification.
- ❖ Initiatives towards financial inclusion by supporting women dairy farmers in bettering their livelihoods.
- ❖ Board approved Environment, Social and Governance Policy.
- ❖ Rechristened their CSR committee to CSR & ESG committee.
- ❖ Created awareness programs on ESG aspects across the bank.
- ❖ Enhanced disclosures in terms of water consumption, withdrawals and waste generation reporting

Incorporation of ESG in the lending process

- ❖ Developed an ESG due diligence framework to be incorporated in our credit policy.
- ❖ Introduced green products such as green tractor loans, green car loans, green card for farmers, green harvester loans and renewable energy installations for farmers.
- ❖ In order to promote financial inclusion, improved microfinance credit facilities towards SHG(self Help Group) and JLG groups.

Awards and Accolades for the Half year



**UBS FORUMS
INFRASTRUCTURE MANAGEMENT**



The Best Performance of CASA



**BEST BNPL
COMPANY/PLATFORM OF THE
YEAR**



**MOST INNOVATION MOBILE
BANKING APP OF THE YEAR
(KVB DLITE APP)**

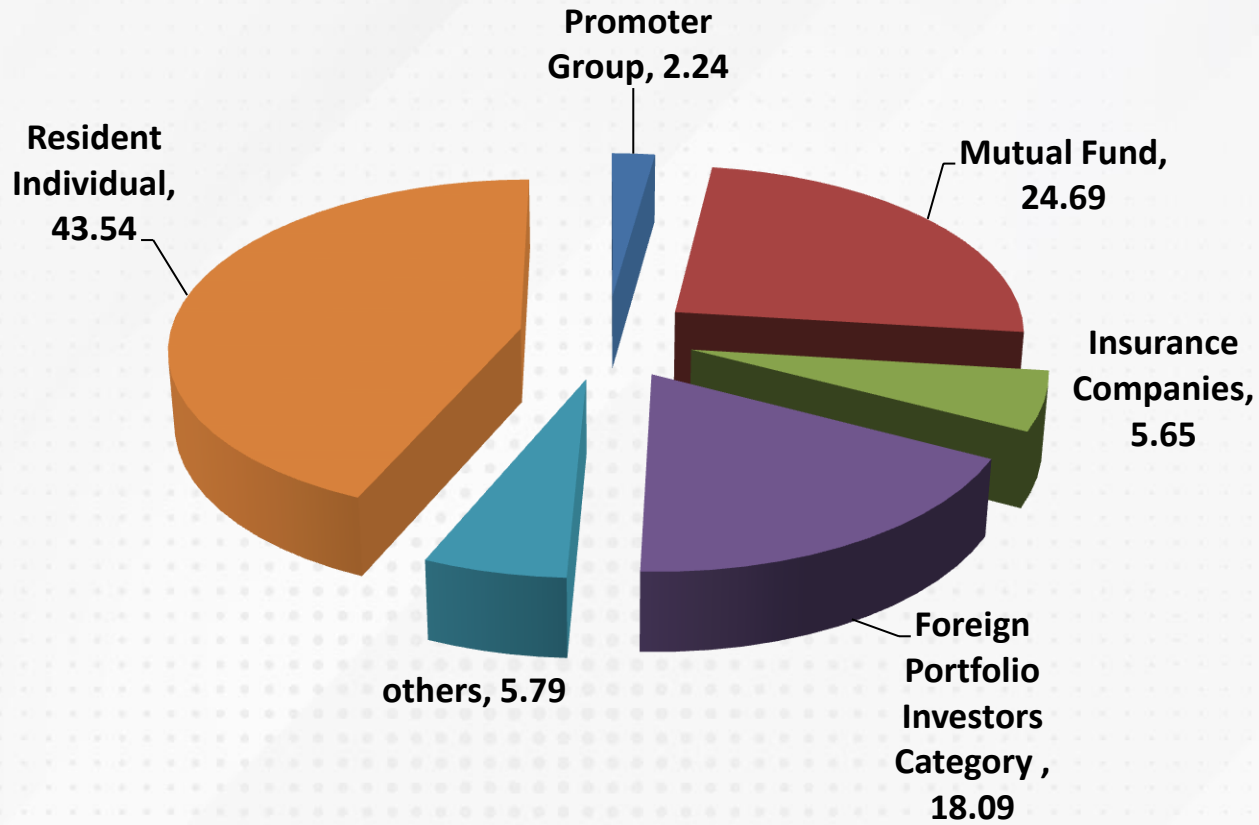


CIO POWER LIST 2023






CIO OF THE YEAR

Shareholding pattern



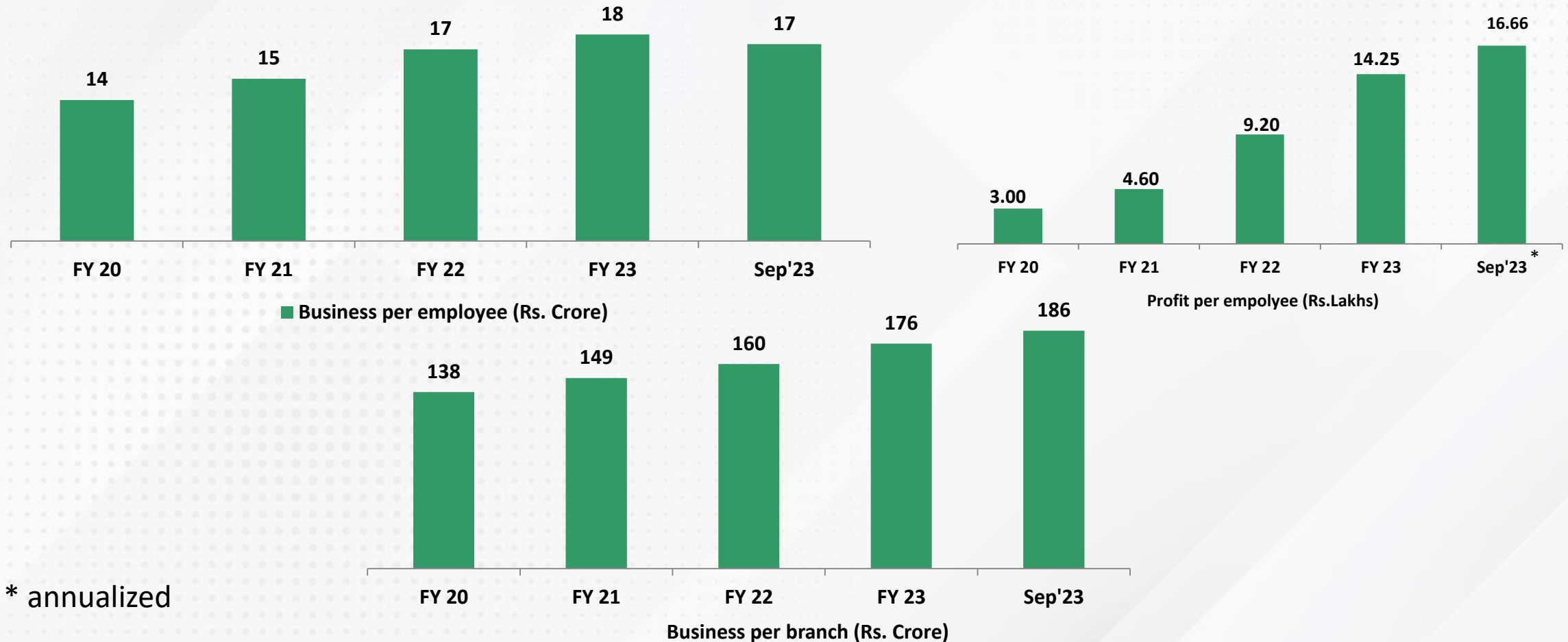
External Ratings

Rating Agency	Instrument	Ratings
	Certificate of Deposits	A1+
	Tier II Bonds	A+ (stable)
	Tier II Bonds	A+
	Certificate of Deposits	A1+

Dynamic workforce



Leading to improved Efficiency



* annualized

Decade of Sustained Growth



Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Paid up Capital	107	122	122	122	145	160	160	160	160	160
Reserves	3,219	4,124	4,451	4,723	6,066	6,205	6,440	6,760	7,436^	8,424^
Owned funds	3,326	4,246	4,573	4,845	6,211	6,365	6,600	6,920	7,596	8,584
Basel III (%)	12.60	14.62	12.17	12.54	14.43	16.00	17.17	18.98	19.46	18.56
Deposits	43,758	44,690	50,079	53,700	56,890	59,868	59,075	63,278	68,486	76,638
Advances	34,226	36,691	39,476	41,435	45,973	50,616	48,516	52,820	57,550	64,168
Total Business	77,984	81,381	89,555	95,135	1,02,863	1,10,484	1,07,591	1,16,098	1,26,226	1,40,806
Total Income	5,680	5,977	6,150	6,405	6,600	6,779	7,145	6,389**	6,357	7,675
Operating Profit	838	943	1,303	1,571	1,777	1,711	1,761	1,291**	1,630	2,476
Net Profit	430	464	568	606	346	211	235	359	673	1,106
Return on Assets (%)	0.86	0.88	1.03	1.00	0.53	0.31	0.32	0.49	0.86	1.27
Cost of Deposit(%)	8.24	7.96	7.40	6.60	5.99	5.80	5.76	4.96	4.30	4.27
Yield on Advance(%)	12.28	12.14	11.67	11.34	10.30	9.75	9.63	8.93	8.47	8.93
EPS (Rs.)	40.08	39.86	46.59	9.95*	4.78	2.64	2.94	4.50	8.42	13.81
Book Value(Rs.)	308.91	348.42	375.25	79.51 *	85.49	79.63	82.57	86.57	94.95	105.03
Dividend (%)	130	130	140	130	30	30	-	25	80	100 [#]
No of Employees	7,339	7,197	7,211	7,400	7,956	7,663	7,935	7,746	7,306	7,764
Business per employee	10.63	11.31	12.42	12.86	12.93	14.42	13.56	14.99	17.28	18.14
Branches (No.)	572	629	667	711	790	778	779	780	789	799

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

^Includes proposed dividend ; # proposed subject to approval at AGM

**After reclassification of depreciation on investments as an item of other income.



Thank You