



**Karur Vysya Bank**

*Smart way to bank*

**Investor Presentation**

**June 2014**



**Karur Vysya Bank**

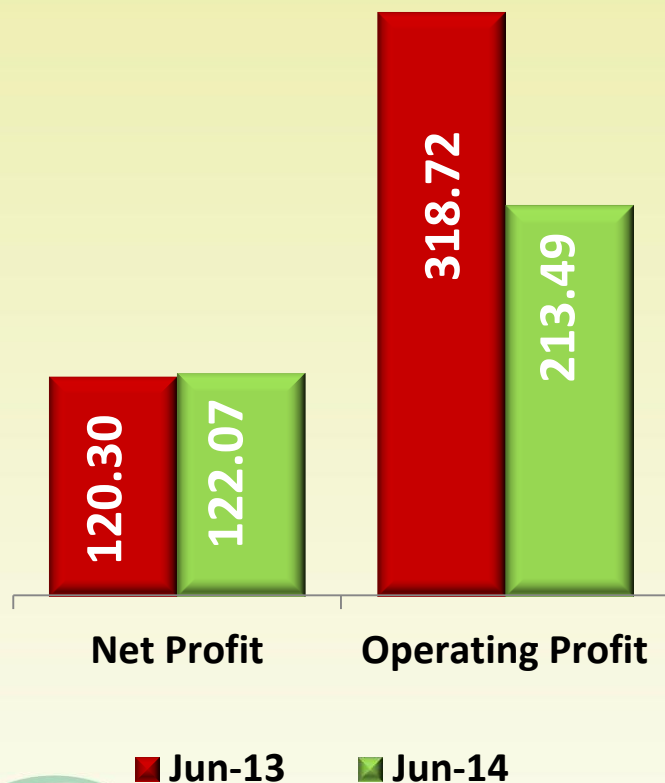
*Smart way to bank*

# Business Performance

(₹ in crore)

Particulars	Quarter ended		Growth (%)	Year ended Mar 14	Growth (%) (Ann.)
	Jun 14	Jun 13			
<b>Business</b>	<b>80,136</b>	<b>72,800</b>	10.08	77,984	11.04
<b>Gross Deposits</b>	<b>45,478</b>	<b>41,818</b>	8.75	43,758	15.71
<b>Gross Advances</b>	<b>34,658</b>	<b>30,982</b>	11.86	34,226	5.05
<b>Average Deposits</b>	<b>44,159</b>	<b>40,169</b>	9.93	42,101	19.55
<b>Average Advances</b>	<b>34,070</b>	<b>30,173</b>	12.92	31,538	32.11
<b>Total Assets</b>	<b>52,357</b>	<b>49,963</b>	4.79	51,543	6.32
<b>CD Ratio</b>	<b>76.21%</b>	<b>74.09%</b>		78.22	

# Net Profit & Operating Profit – June 2014



## Net Profit

- Net Profit increased by 1.47% from ₹ 120.30 crore to ₹ 122.07 crore

## Operating Profit

- Operating Profit decreased by 33.02% from ₹ 318.72 crore to ₹ 213.49 crore



# Performance Highlights – June 2014

(₹ in crore)

Particulars	Quarter ended		Growth (%)	Quarter Ended Mar 14	Year ended Mar 14
	June 14	June 13			
<b>Net Interest Income</b>	<b>340.03</b>	331.88	2.46	348.33	1283.70
<b>Non Interest Income</b>	<b>117.95</b>	206.93	(43.00)	145.71	564.45
<b>Operating Revenue</b>	<b>457.98</b>	538.81	(15.00)	494.04	1848.15
<b>Operating Profit</b>	<b>213.49</b>	318.72	(33.02)	209.29	837.79
<b>Net Profit</b>	<b>122.07</b>	120.30	1.47	119.59	429.60
<b>Net Interest Margin</b>	<b>2.73%</b>	2.77%	7 bps	2.67%	2.64%
<b>Return on Assets</b>	<b>0.94%</b>	1.00%	(6 bps)	0.93%	0.86%

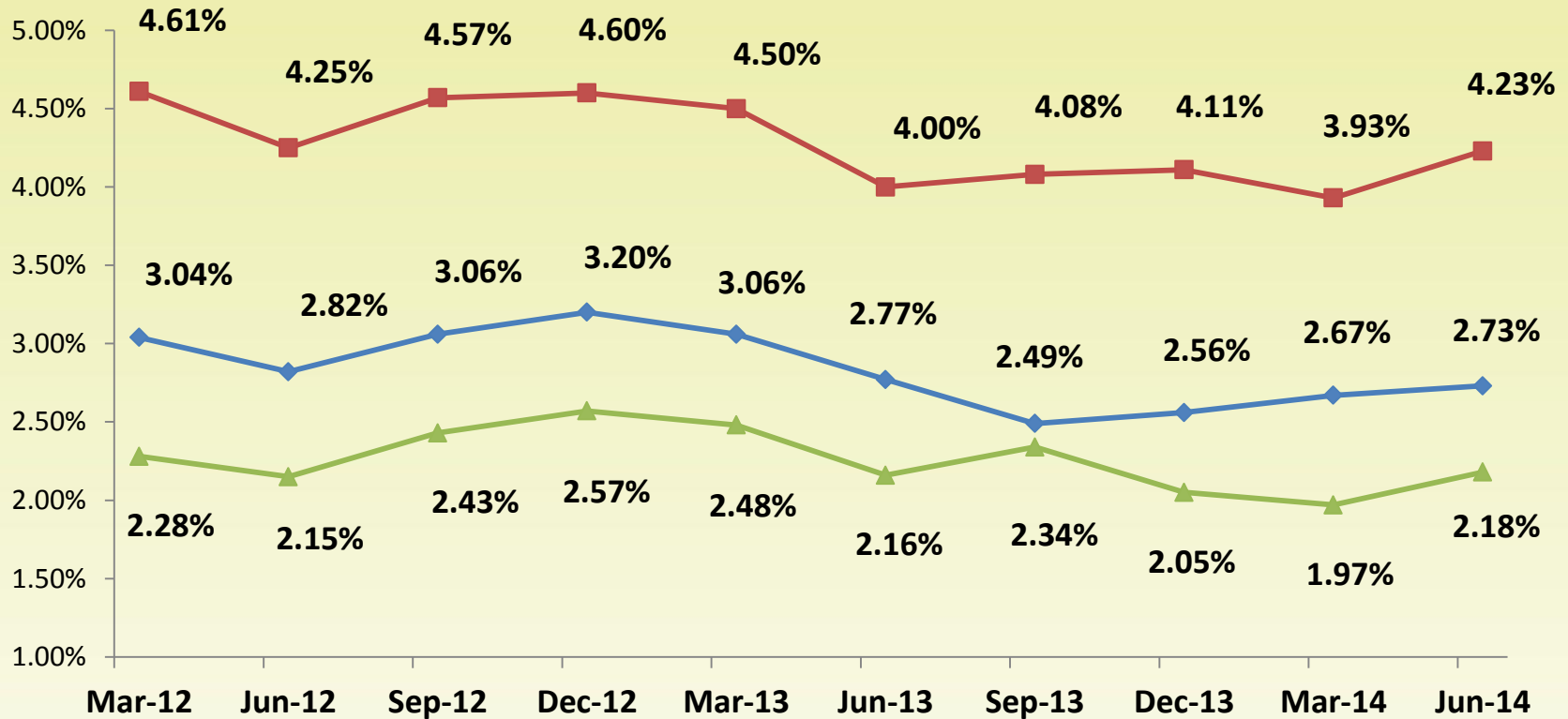
# Key Ratios - I

Particulars	Quarter Ended			Year ended Mar-14
	June-14	June-13	Mar-14	
Cost of Deposits (%)	8.07	8.21	8.08	8.24
Yield on Advances (%)	12.30	12.21	12.01	12.28
Cost of Funds (%)	8.22	8.12	8.23	8.24
Yield on Funds (%)	10.40	10.28	10.20	10.33
Yield on Investments (%)	7.58	7.66	7.55	7.70
Spread (%)	2.18	2.16	1.97	2.09
NIM (%)	2.73	2.77	2.67	2.64
Return on Assets (%)	0.94	1.00	0.93	0.86
Return on Net worth (%)	14.15	14.98	14.01	12.92

## Key Ratios - II

Particulars	Quarter Ended			Year ended Mar-14
	June-14	June-13	Mar-14	
Cost to Income (%)	53.38	40.85	57.64	54.67
Business per employee (₹. in crore)	11.04	10.84	10.55	10.55
Profit per employee (₹. in lakhs)	6.76	7.16	5.85	5.85
Operating Profit/ Total Income (%)	14.60	22.30	14.25	14.75
Net Profit/ Total Income (%)	8.35	8.42	8.14	7.56
Operating Expenses/ Total Income (%)	8.32	7.86	9.32	8.49
Staff Cost / Total Income (%)	8.39	7.54	10.08	9.29
Staff Cost / Total Expenses (%)	9.83	9.70	11.75	10.90
Staff Cost / Operating Expenses (%)	50.21	48.95	51.96	52.25
No. of employees (no.)	7220	6717	7340	7340

# Spread & NIM (Quarterly)



■ Spread (Deposits and Advances)

◆ Net Interest Margin

▲ Spread on Funds

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# Income & Expenses Analysis

(₹ in crore)

Particulars	Year ended		Growth (%)	Quarter Ended Mar 14	Seq. Growth (%)	Year ended Mar 14
	June 14	June 13				
Interest earned	1,344.49	1222.53	9.98	1,322.74	1.64	5,115.96
Interest expended	1,004.46	890.65	12.78	974.41	3.08	3,832.26
<b>Net Interest Income</b>	<b>340.03</b>	331.88	2.46	348.33	(2.38)	1,283.70
Other Income	114.99	103.73	10.86	145.45	(20.94)	460.72
Profit on Investment	2.96	103.20	(97.13)	0.26	1038.46	103.73
<b>Operating Revenue</b>	<b>457.98</b>	538.81	(15.00)	494.04	(7.30)	1,848.15
<b>Operating expenses</b>	<b>244.49</b>	220.09	11.09	284.75	(14.14)	1,010.36
Employee cost	122.75	107.77	13.90	147.95	(17.03)	527.92
Other expenses	121.74	112.32	8.39	136.80	(11.01)	482.44
<b>Operating Profit</b>	<b>213.49</b>	318.72	(33.02)	209.29	2.01	837.79
<b>Provisions</b>	<b>86.42</b>	163.16	(47.03)	110.03	(21.46)	442.31
<b>Profit Before Tax</b>	<b>127.07</b>	155.56	(18.31)	99.26	28.02	395.48
Provision for Taxes	5.00	35.26	(85.82)	(20.33)	(124.59)	(34.12)
<b>Net Profit</b>	<b>122.07</b>	120.30	1.47	119.59	2.07	429.60



# Provisions & Contingencies

(₹ in crore)

Particulars	Quarter Ended			Annual
	June-14	June-13	Mar-14	March 14
NPA	121.59	133.96	32.10	189.47
Standard Assets	(2.68)	7.09	20.16	40.07
Restructured Advances	11.37	8.09	(20.50)	5.93
Others	6.63	(0.32)	(4.97)	(6.40)
Investments	(50.49)	14.34	83.24	213.24
<b>Provisions Before Tax</b>	<b>86.42</b>	<b>163.16</b>	<b>110.03</b>	<b>442.31</b>
Provisions for Tax	5.00	35.26	(20.33)	(34.12)
<b>Total Provisions</b>	<b>91.42</b>	<b>198.42</b>	<b>89.70</b>	<b>408.19</b>

# CRAR (Basel III)

(₹ in crore)

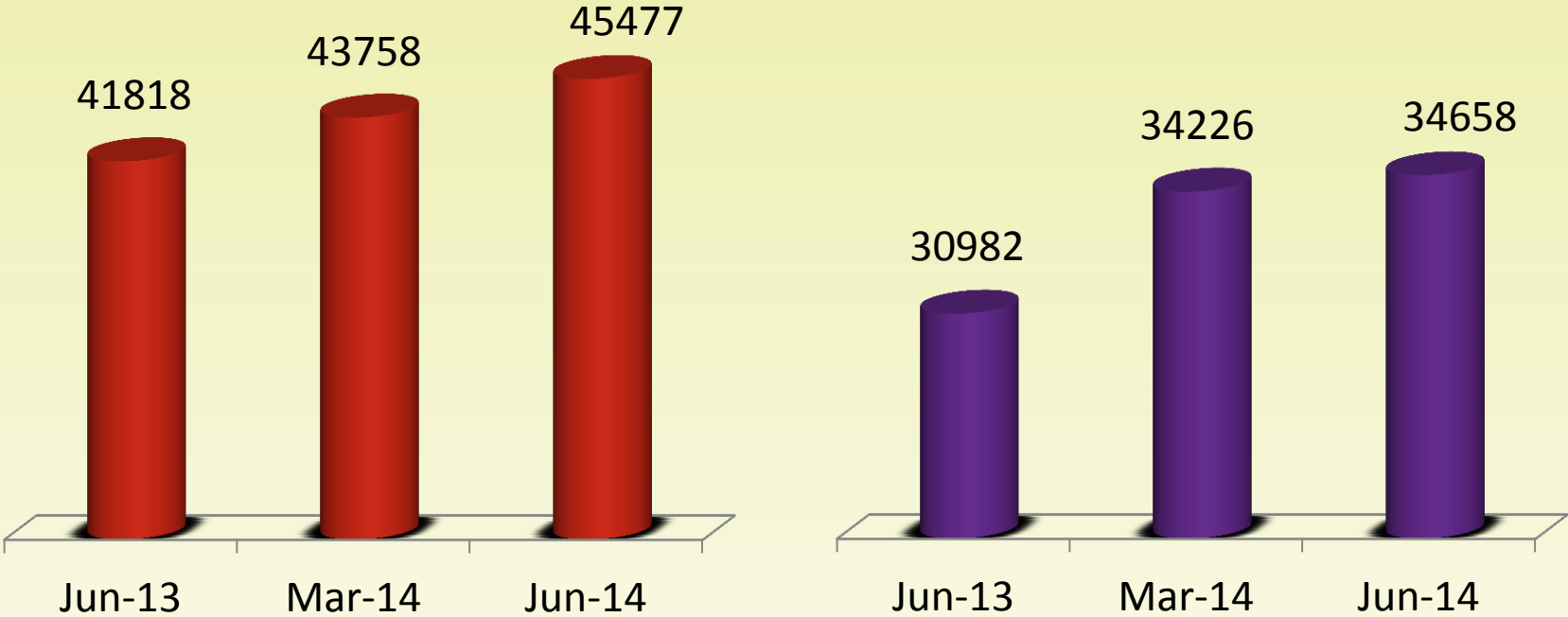
Particulars	Jun-14	Jun-13	Mar-14
Tier I Capital	3,288	2,987	3,230
Tier II Capital	267	255	270
Tier (I + II)	3,555	3,242	3,500
Total Risk Weighted Assets	28,463	25,906	27,787
Tier I – CRAR	11.55%	11.53%	11.62%
Tier II – CRAR	0.94%	0.99%	0.98%
CRAR (%)	12.49%	12.52%	12.60%

## CRAR (Basel II)

- As per Basel II, CRAR works out to 12.58%, as on June 30, 2014. It was 12.86% as on June 30, 2013.

# Deposits & Advances

(₹ in crore)

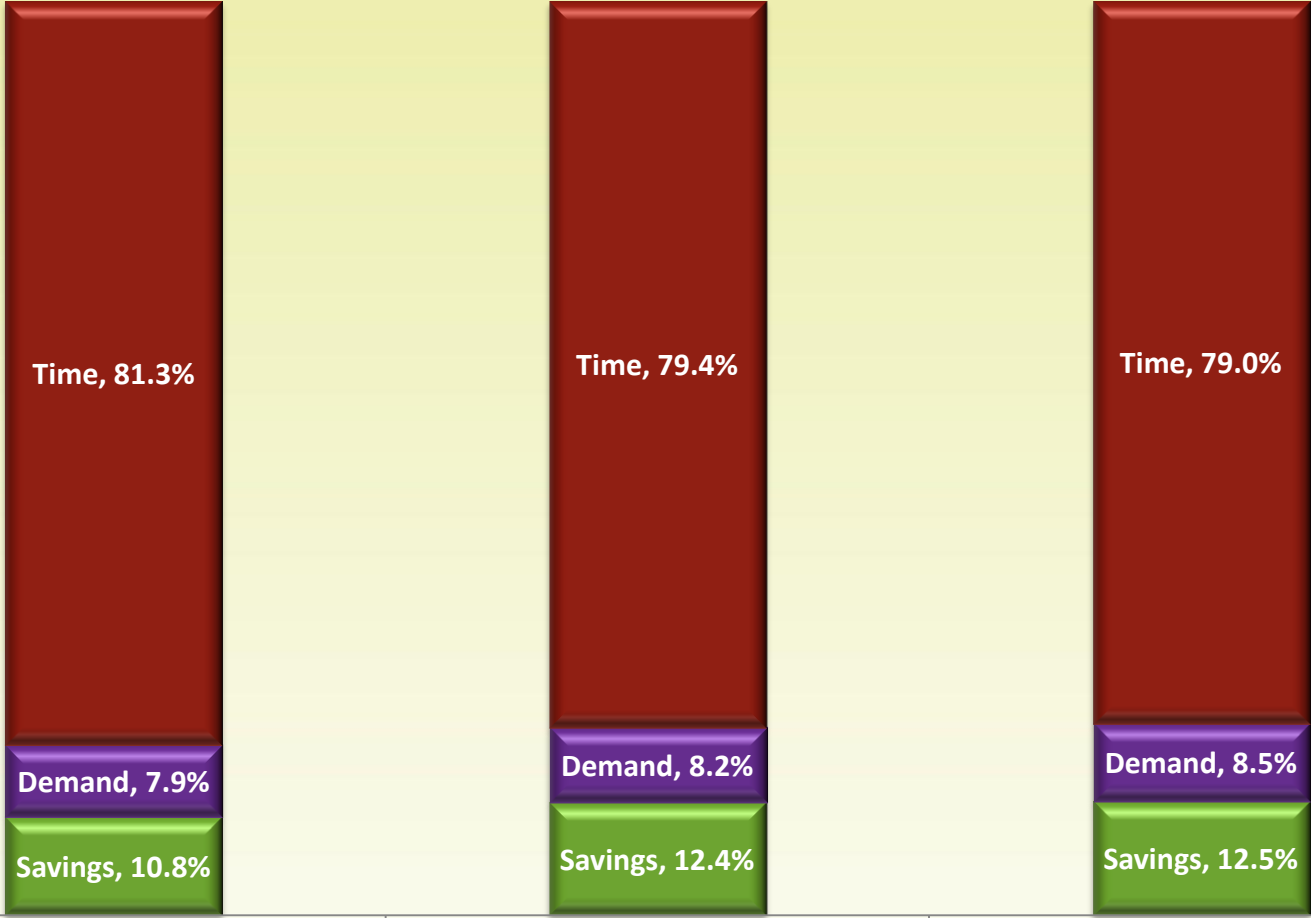


■ Deposits

■ Advances



# Deposit Mix



Jun-13

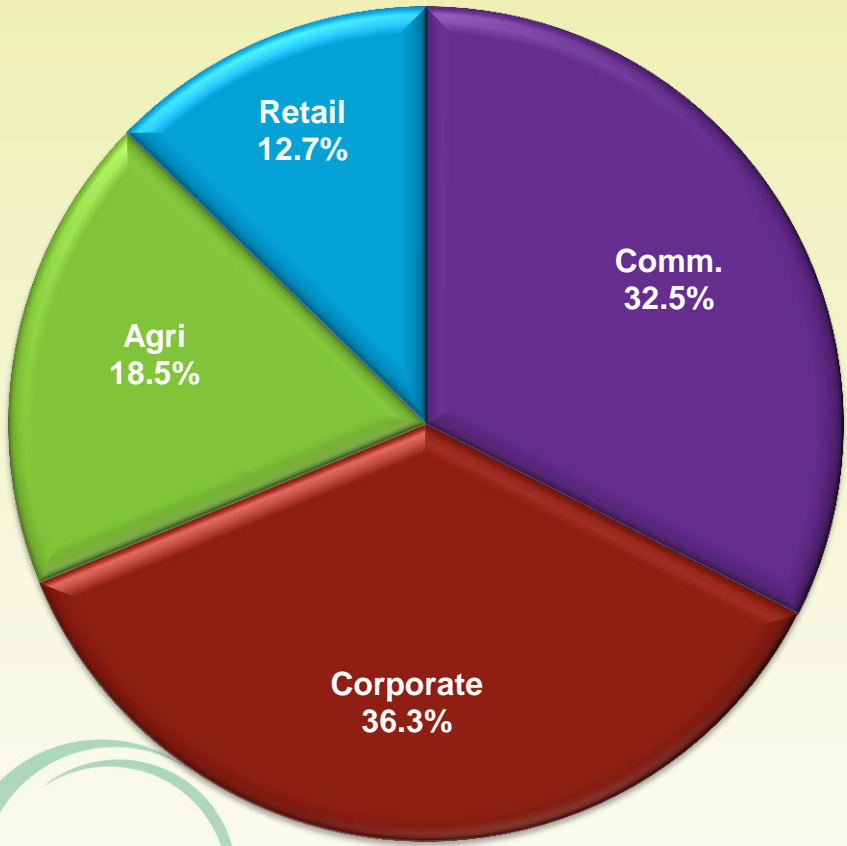
Mar-14

Jun-14

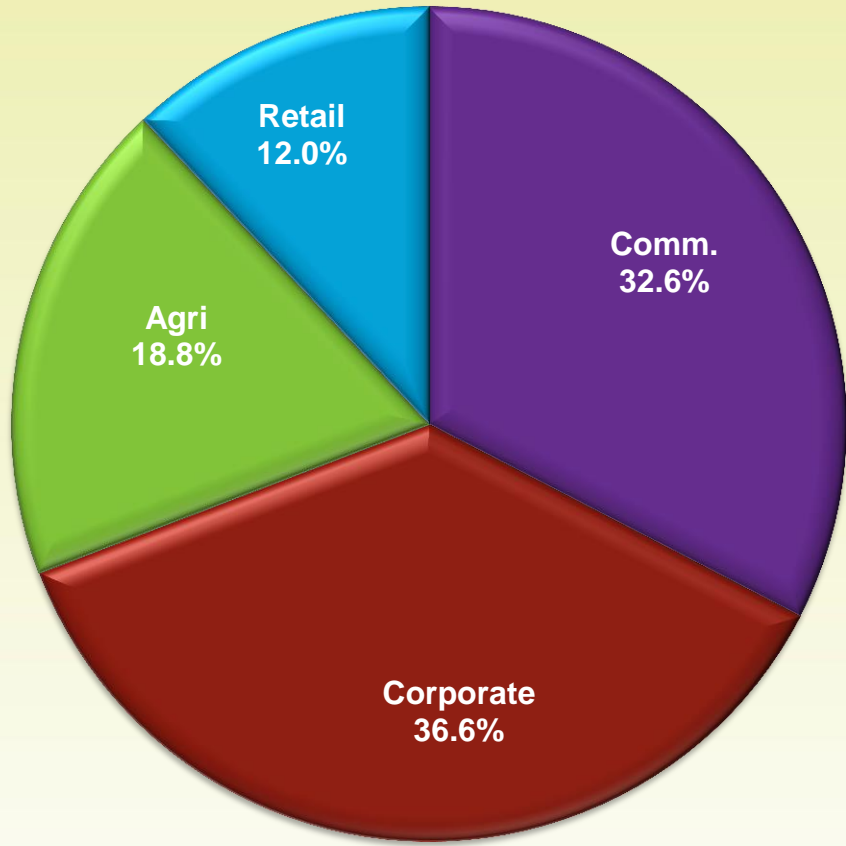


# Mix of Advances

June 14



June 13



# Advances – Category wise

Particulars	Amount (₹. in crore)			% to Total Advance			Growth Over Jun-13	
	Jun-14	Jun-13	Mar-14	Jun-14	Jun-13	Mar-14	Quantum	%
MANUFACTURING SECTOR	11,914	10,283	11,930	34.4	33.2	34.9	1,631	15.9
JEWEL LOAN	8,071	8,211	8,006	23.3	26.5	23.4	(140)	(1.7)
Personal Segment Loans @	4,404	3,723	4,141	12.7	12.2	12.1	681	18.3
TRADING	3,939	4,576	3,908	11.4	14.8	11.4	(637)	(13.9)
BILLS	2,085	1,567	2,112	6.0	5.1	6.2	518	33.0
NBFC	702	1,030	811	2.0	3.3	2.4	(328)	(31.9)
OTHER EXPOSURES*	3,544	1,592	3,318	10.2	4.9	9.6	1,952	122.6
<b>TOTAL ADVANCES</b>	<b>34,658</b>	<b>30,982</b>	<b>34,426</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>3,676</b>	<b>11.9</b>

@ 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 (₹. in crore)			% to Total Advance			Growth Over Jun 13	
	Jun-14	Jun-13	Mar-14	Jun-14	Jun-13	Mar-14	Quantum	%
INFRASTRUCTURE	3,108	3,057	3,136	9.0	9.9	9.2	51	1.65
TEXTILES	2,589	1,995	2,596	7.5	6.4	7.6	594	29.77
BASIC METAL & METAL PRODUCTS	1,473	1,314	1,584	4.3	4.2	4.6	159	12.11
FOOD PROCESSING	1,124	994	1,134	3.2	3.2	3.3	130	13.05
CHEMICALS AND CHEMICALS PRODUCTS	782	505	699	2.3	1.6	2.0	277	54.84
TRANSPORT EQUIPMENTS	313	202	313	0.9	0.7	0.9	111	54.93
GEMS & JEWELLERY	407	262	356	1.2	0.8	1.0	145	55.44
ALL ENGINEERING	443	414	424	1.3	1.3	1.2	29	6.99
RUBBER	264	196	250	0.8	0.6	0.7	68	34.82
MINING AND QUARRYING	210	183	213	0.6	0.6	0.6	28	15.27
BEVERAGE & TOBACCO	93	75	91	0.3	0.2	0.3	18	24.08
WOOD	167	166	198	0.5	0.5	0.6	1	0.31
CEMENT	85	105	91	0.2	0.3	0.3	(20)	(18.59)
PAPER	121	82	97	0.3	0.3	0.3	39	47.70
CONSTRUCTION	233	143	276	0.7	0.5	0.8	90	62.68
GLASS	6	9	5	0.0	0.0	0.0	(3)	(32.89)
LEATHER	5	10	4	0.0	0.0	0.0	(5)	(52.70)
PETROLEUM	17	25	26	0.0	0.1	0.1	(8)	(32.80)
Other Industries	474	546	437	1.4	1.8	1.3	(71)	(13.02)
<b>Total INDUSTRY EXPOSURE</b>	<b>11,914</b>	<b>10,283</b>	<b>11,930</b>	<b>34.4</b>	<b>33.2</b>	<b>34.9</b>	<b>1,632</b>	<b>15.87</b>

# Infrastructure Advances

INFRASTRUCTURE	Amount (₹. in crore)			% to Total Advance			Growth Over Jun-13	
	Jun-14	Jun-13	Mar-14	Jun-14	Jun-13	Mar-14	Quantum	%
Power	1,343	1,560	1,409	3.9	5.0	4.1	(217)	(13.91)
Road	343	315	342	1.0	1.0	1.0	28	8.89
Telecommunication	52	63	52	0.2	0.2	0.2	(11)	(17.46)
Infra Others	1,370	1,119	1,333	4.0	3.6	3.9	251	22.43
<b>TOTAL</b>	<b>3,108</b>	<b>3,057</b>	<b>3,136</b>	<b>9.0</b>	<b>9.9</b>	<b>9.2</b>	<b>51</b>	<b>1.65</b>

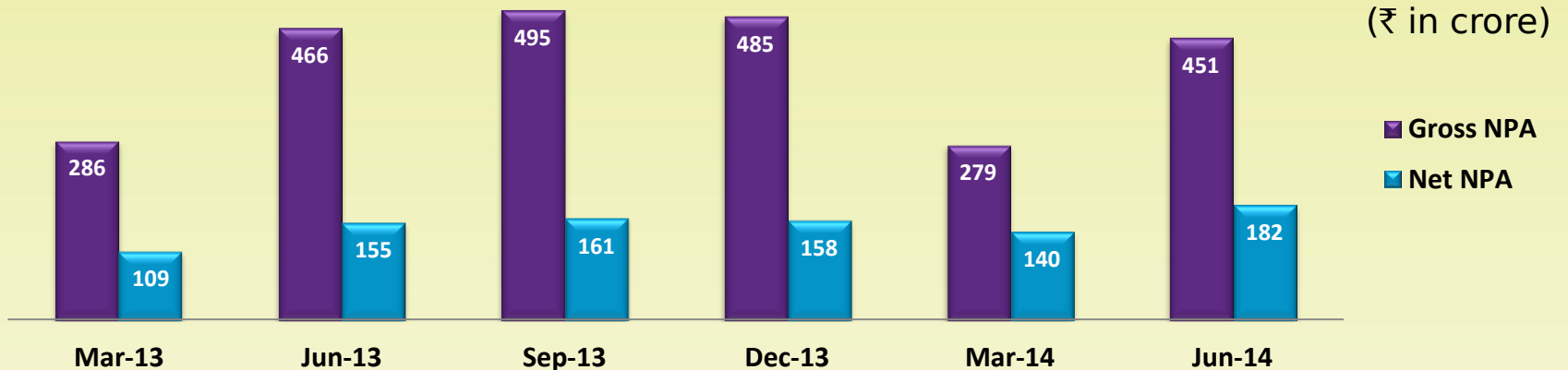
Power - Sector wise	Jun-14	Jun-13	Mar-14
GOVERNMENT	915	1,080	927
PRIVATE	428	478	482
<b>TOTAL</b>	<b>1,343</b>	<b>1,560</b>	<b>1,409</b>



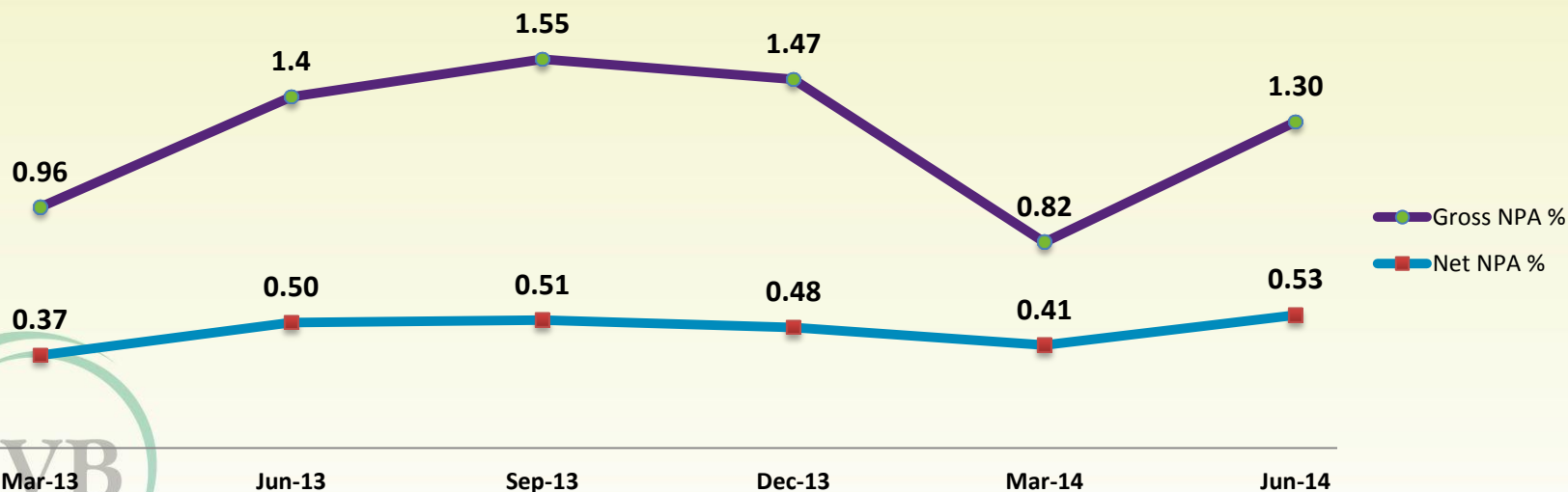


# Gross NPA & Net NPA

(₹ in crore)



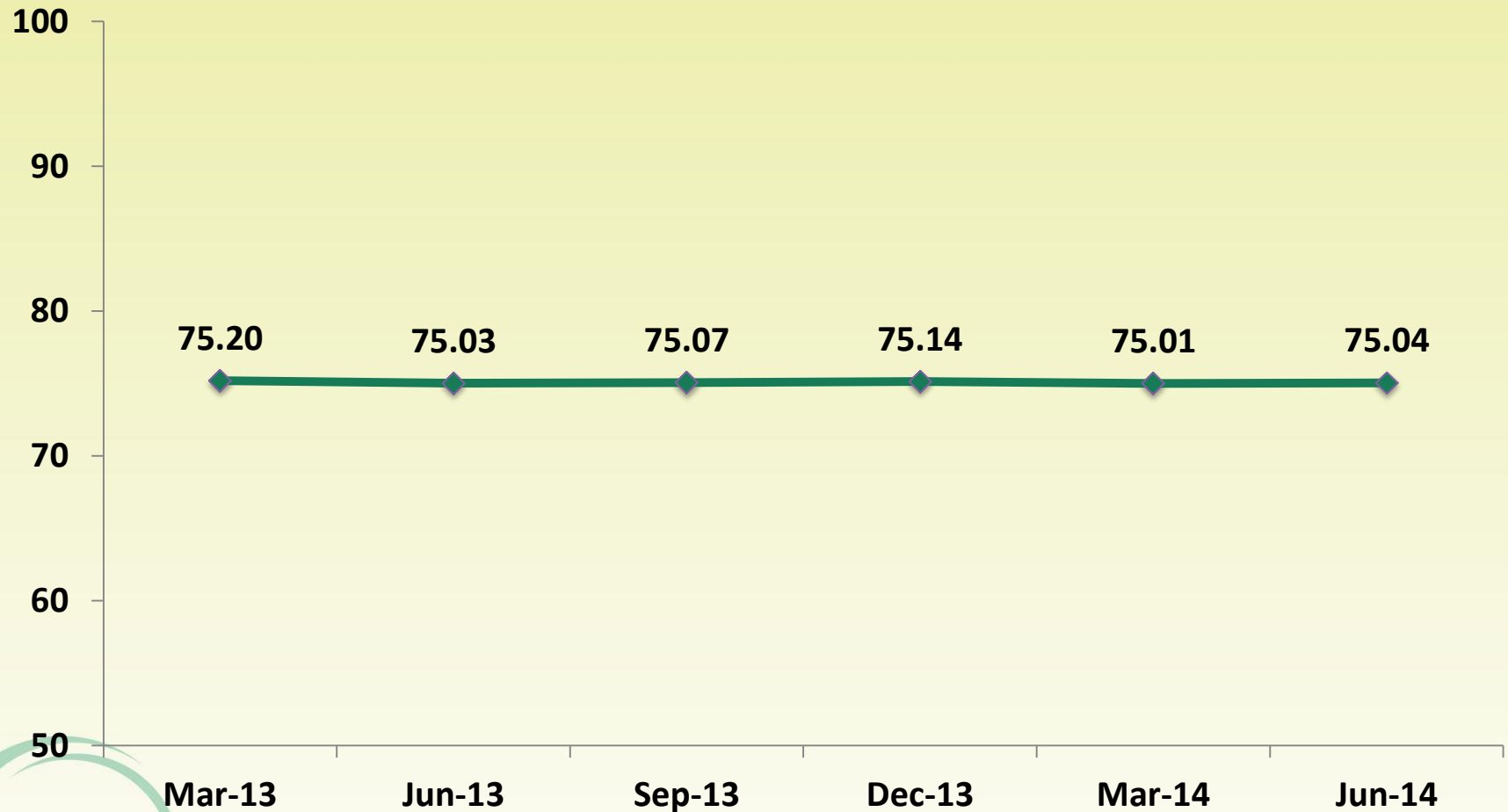
■ Gross NPA  
■ Net NPA



● Gross NPA %  
■ Net NPA %

KVB

# Provision Coverage Ratio (%)



KVB

# Movement of Restructured Advances

Particulars	Apr-14 to Jun-14		Apr 13 to Mar 14	
	No. of A/cs	Amount (₹. in crore)	No. of A/cs	Amount (₹. in crore)
Restructured accounts at the beginning of the period - [A]	181	1390	118	1,088
Addition during the period - [B]	21	158	124	883
Addition of facilities in existing restructured A/Cs - [C]		102		
Addition through upgradation from NPA		NIL		
Accounts closed during the period - [D]	2	0.06	15	383
Accounts ceases to attract higher provision (upgradation)– [E]			40	153
Amount recovered during the period – [F]		53	--	43
Accounts slipped into NPA during the period - [G]	8	106	6	2
Restructured accounts as on 30.06.2014 <b>A+B+C-(D+E+F+G)</b>	192	1,491	181	1,390

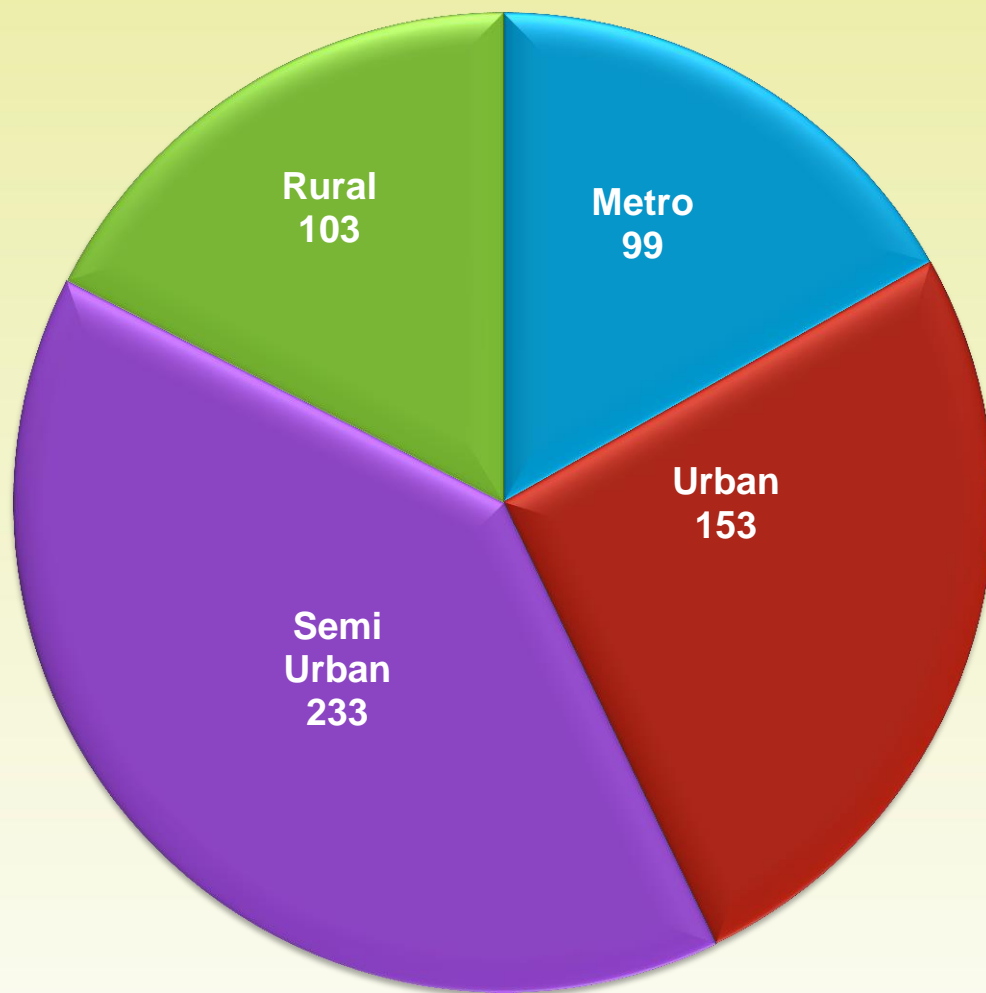
# Network and Human Resources

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

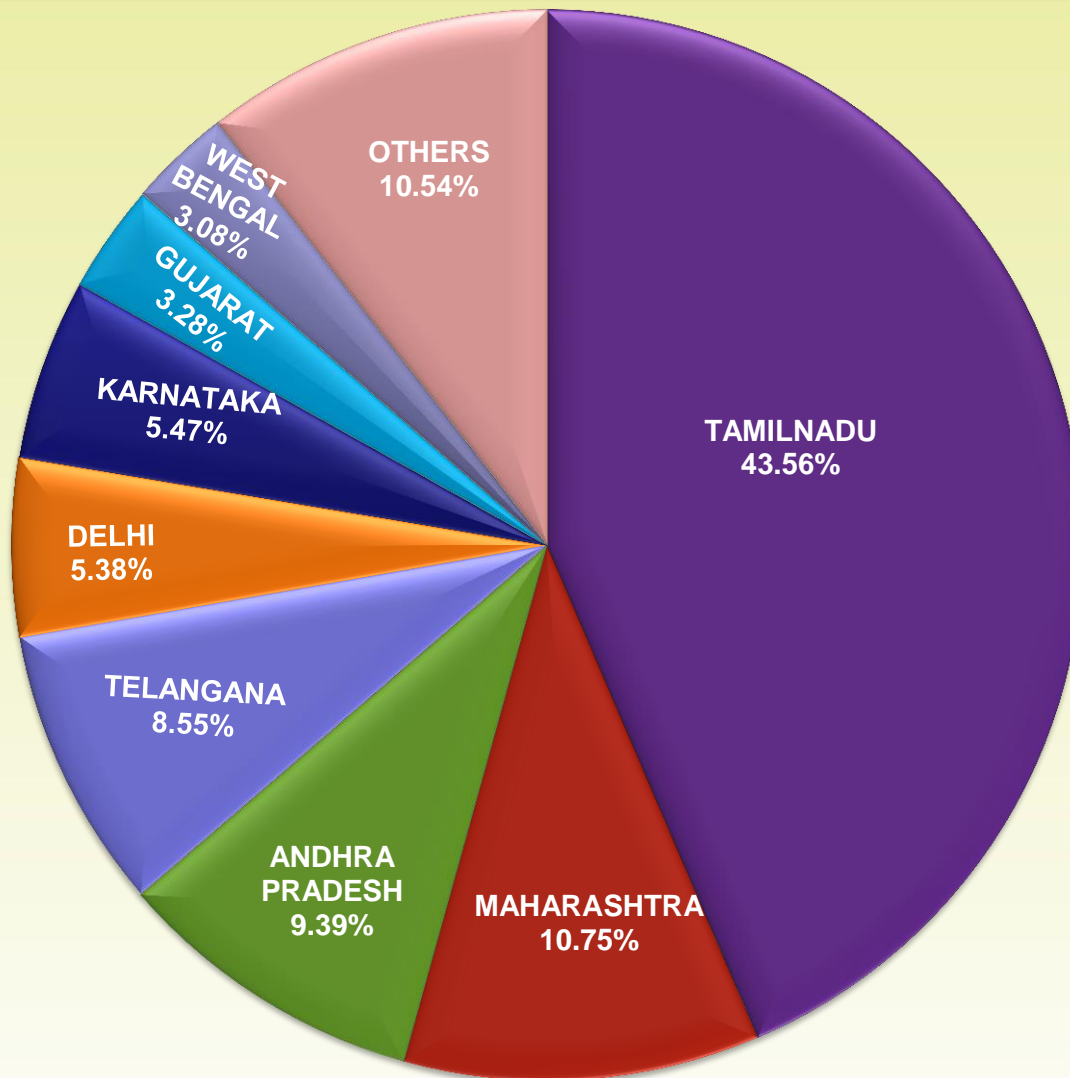


# Network of 588 Branches

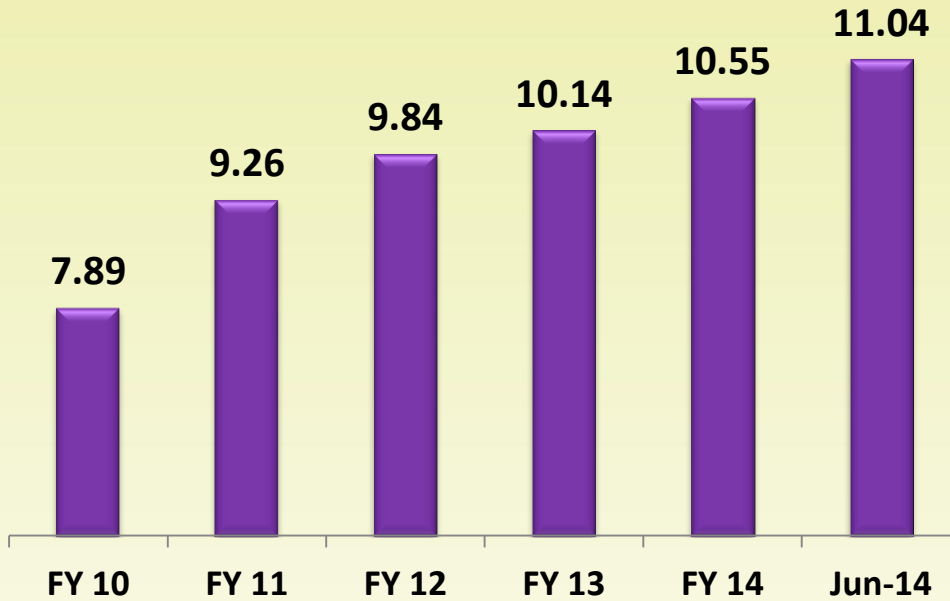
STATE	Jun-14	(%)	Jun-13	(%)
TAMILNADU	306	52.04	280	50.5
ANDHRA PRADESH	80	13.61	119	21.5
TELANGANA	47	7.99		
KARNATAKA	38	6.46	38	6.9
MAHARASHTRA	26	4.42	26	4.7
GUJARAT	15	2.55	15	2.7
WEST BENGAL	14	2.38	14	2.5
KERALA	14	2.38	14	2.5
DELHI	12	2.04	12	2.2
PUNJAB	7	1.19	7	1.3
UTTARPRADESH	6	1.02	6	1.1
ORISSA	5	0.85	5	0.9
HARYANA	4	0.68	4	0.7
PONDICHERY	4	0.68	4	0.7
M.P.	3	0.51	3	0.5
RAJASTHAN	2	0.34	2	0.4
JHARKHAND	2	0.34	2	0.4
CHANDIGARH	1	0.17	1	0.2
CHATTISGARH	1	0.17	1	0.2
GOA	1	0.17	1	0.2
<b>Total</b>	<b>588</b>		<b>554</b>	



# State wise Contribution - Total Business

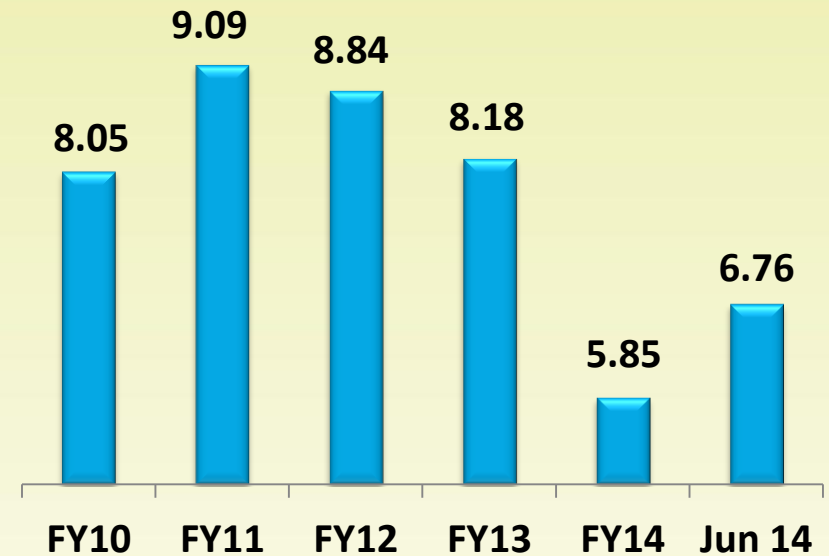


## Business Per Employee



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



THANK YOU



**Karur Vysya Bank**

*Smart way to bank*