IRC: F48:55:643:2017

03.08.2017

The Manager
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai 400051.

Dear Sir,

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Sub: Investor Presentation – Q1 Results of the Bank.

******

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith attached the Investor Presentation of the Bank for the 1st quarter results of FY 18 and the same has been also updated in our Bank's website.

Please take on record of the same.

Yours faithfully,

Srinivasarao M
Company Secretary

Encl: a.a.

THE KARUR VYSYA BANK LIMITED
Investor Relations Cell, Registered & Central Office,
Erode Road, Karur - 639002
✆ : 04324 - 269440 -44 Fax:225700
E-mail: kvbshares@kvbmail.com
Website: www.kvb.co.in
CIN : L65110TN1916PLC001295

KVB Karur Vysya Bank

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Investor Presentation

30.06.2017

KVB 100 YEARS OF SMART BANKING

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

Dial
*99*75#

USSD

digital
Happy Banking with KVB!

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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"

About Us

- ✓ *Banking tradition of 101 years*
- ✓ *Consistently earning profits since inception*
- ✓ *Uninterrupted dividend payment record*
- ✓ *100% and above dividend for 14 consecutive years from 2004 (120% or higher for eleven years)*
- ✓ *First bank to get permission from RBI to issue bonus shares*
- ✓ *719 branches and 1750 ATMs as on 30th June 2017*
- ✓ *6 million+ Customer Base*
- ✓ *100% CBS since 2005*
- ✓ *Full bouquet of e-banking & technology products*
- ✓ *Top Rating from CRISIL (A1+) and ICRA (A1+) for Short Term Borrowings*

Q1FY18 Results Snapshot

Operating Profit
Rs. 449 crore
(↑ 30%)

Net Profit
Rs.148 crore
(↑ 1.1%)

ROA
0.95%

NIM
3.76%
(↑ 24 bps)

Net NPA
2.85 %

Q1FY 18 Results Snapshot

Deposits
Rs. 54,668 crore
(↑**7.8 %**)

Advances
Rs. 42,401 crore
(↑ 7.7 %)

NII
Rs. 538 crore
(Rs. 481 crore)

CASA
Rs. 15,945 crore
(↑ 29.4 **%**)

CASA Share
29.2%

CRAR
11.71%

Profit & Loss Account (Q1 FY)

Units: *Rs crore*

Particulars	Q1FY 2017-18	Q1FY 2016-17	YoY Growth
Net Interest Income	**539**	481	12%
Other Income	**236**	162	46%
Total Income	**775**	643	20%
Operating Expenses	**326**	297	9%
Operating Profit	**449**	346	30%
Provisions	**233**	130	79%
Credit Related	**229**	138	66%
Others	**4**	-8	
Profit Before Tax	**216**	216	-
Tax	**68**	70	
Net Profit	**148**	146	1%

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Breakup of Other Income (Quarter)

Units: *Rs crore*

Particulars	Q1 FY 17-18	Q1 FY 16-17	YoY %
Total	236	162	45.63%
Fee Income	189	147	28.57%
Forex	11	10	10.00%
Commissions	161	124	29.84%
Other	17	13	38.46%
Profit on Sale of Investments	47	15	213.33%

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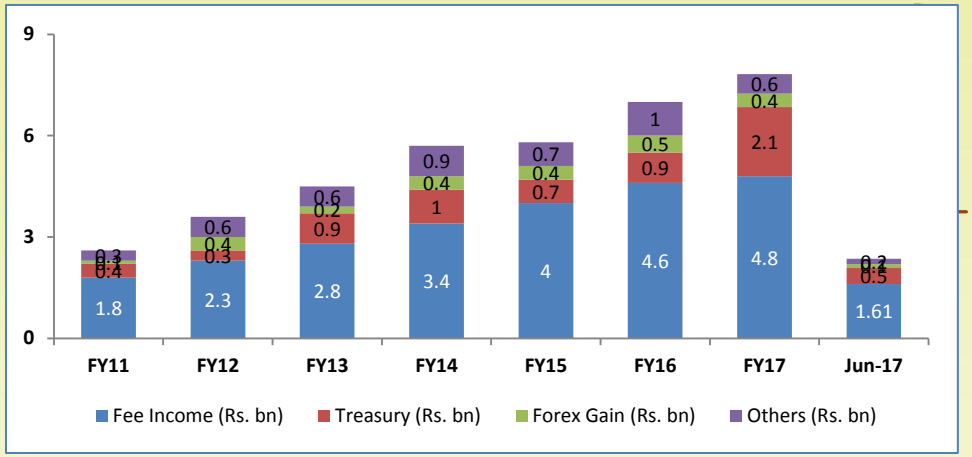
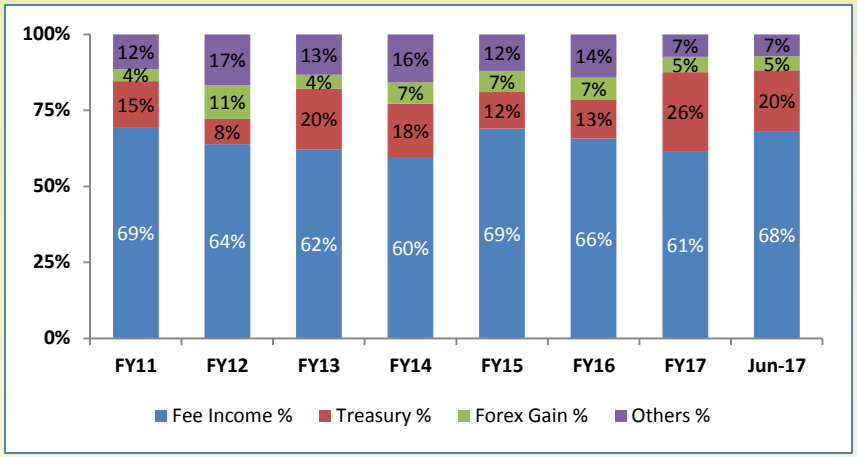
Healthy Other Income Profile

Growth in other income



Fee income consistently contributes ~ 68% of other income



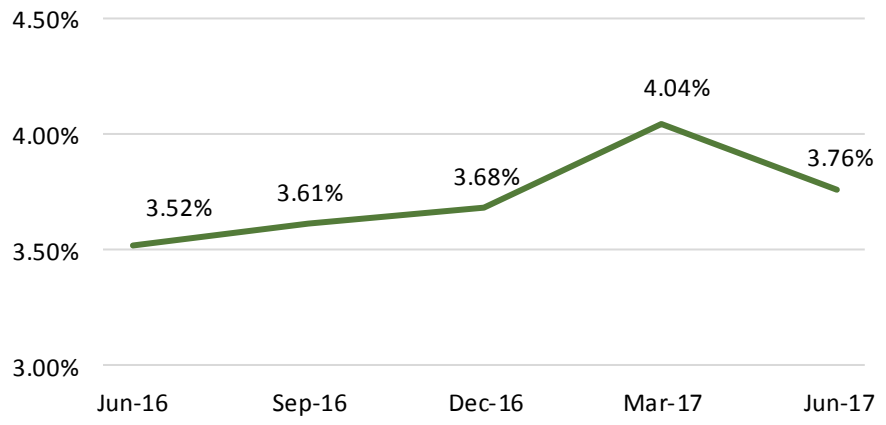
- Diverse sources of non – interest income
- Non – interest income contributed 14.57% to total income for 3 months of FY 2017-18

KVB's Fee income streams :

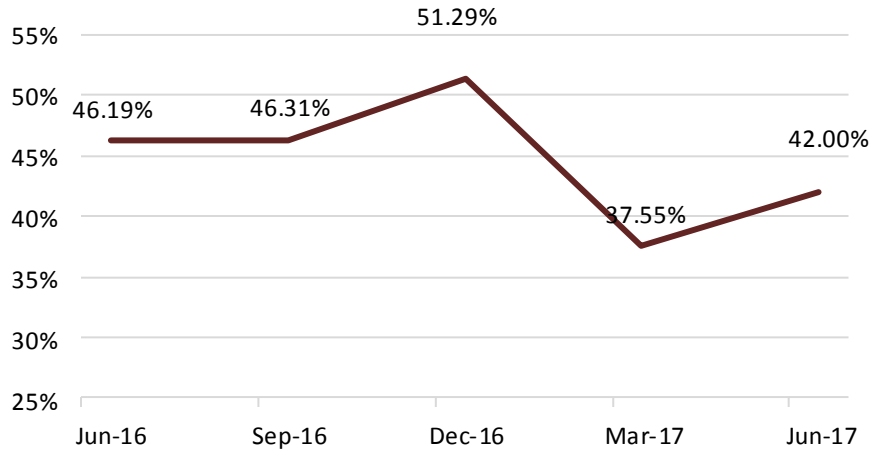
- Banking charges (Corporate, Commercial & Retail)
- Bancassurance
- Third party product sales
- Trade Finance
- Retail Asset fees
- Card fees
  - —Credit Card
  - — Debit Card
  - — Travel Card
  - — Gift Card

Key Ratios (Q1 2017-18)

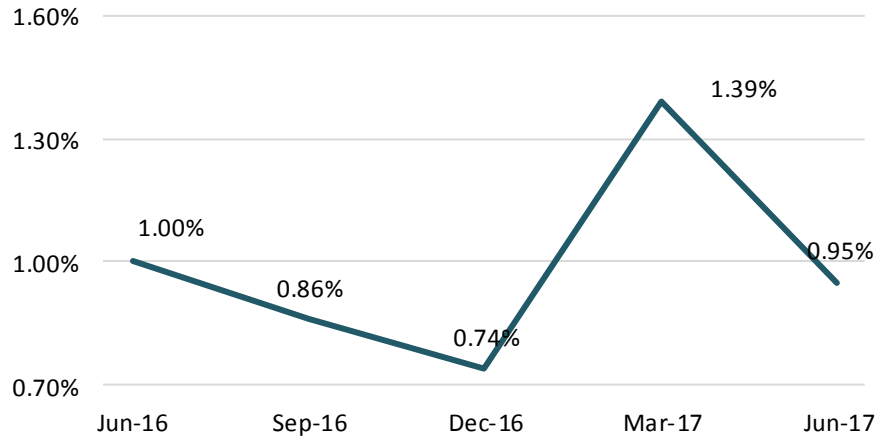
Net Interest Margin



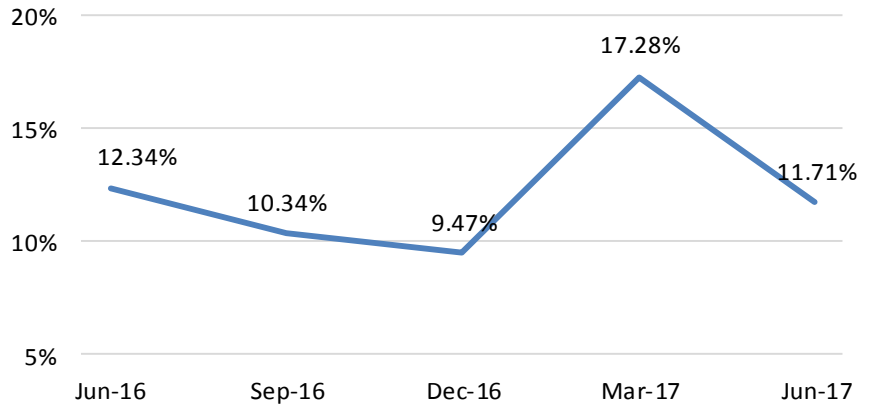
Cost to Income %



Return on Assets



Return on Equity



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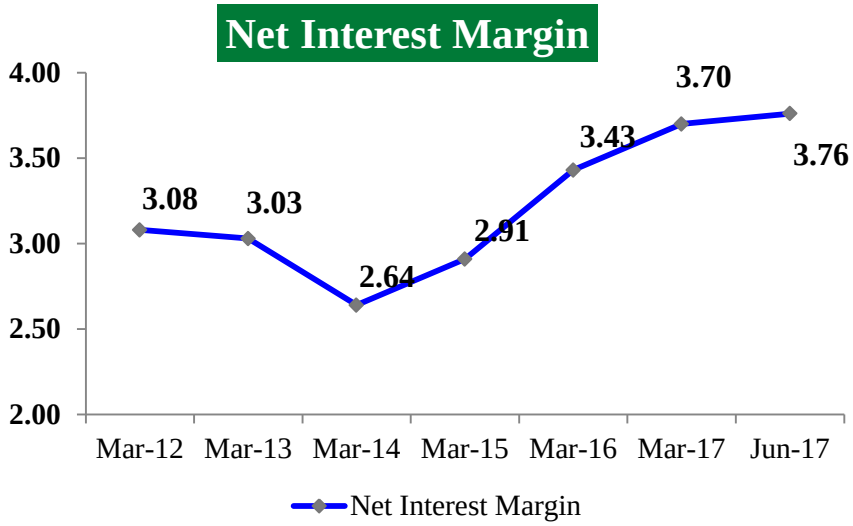
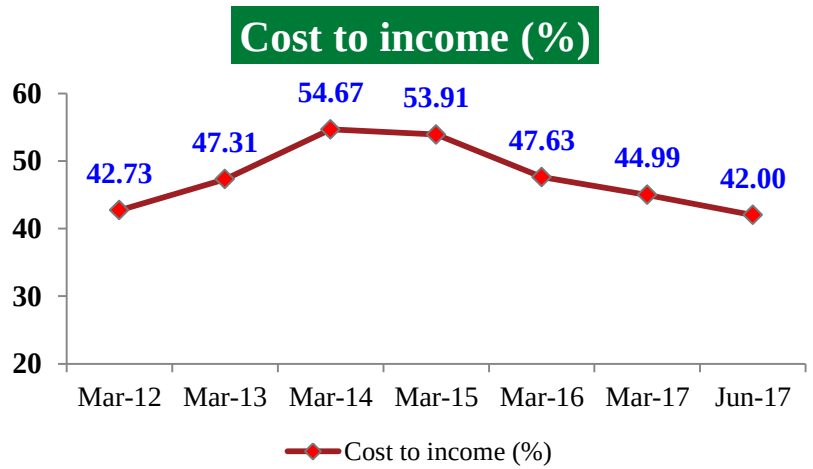
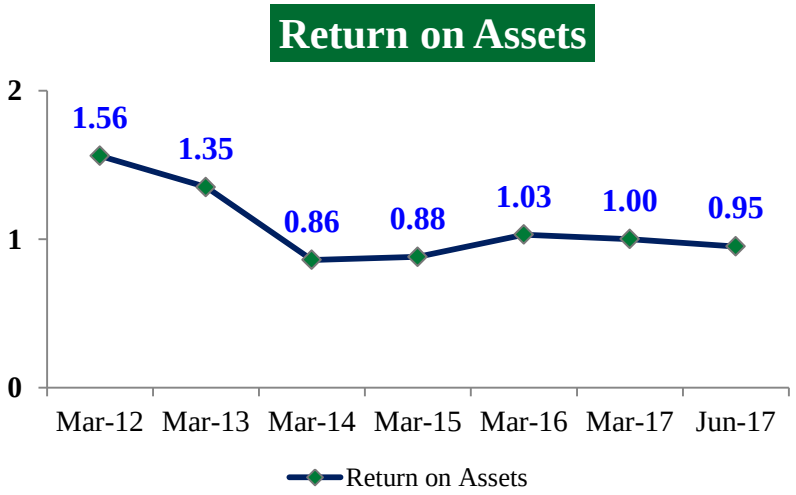
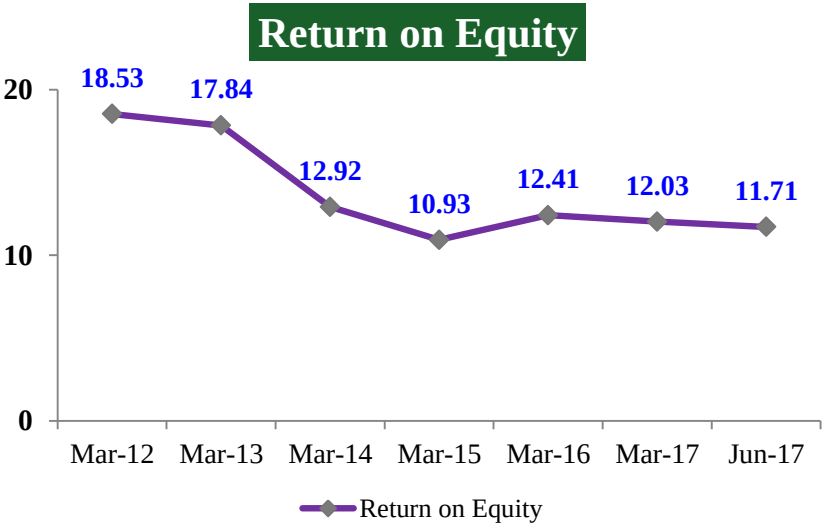
Key Ratios (Comparative)









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Key Ratios (Quarter)

Particulars	Q1 FY 17-18	Q1 FY 16-17
Cost of Deposits	6.15%	6.97%
Yield on Advances	10.58%	11.36%
Cost of Funds	6.06%	6.93%
Yield on Funds	9.22%	9.86%
Cost Income Ratio	42.00%	46.19%
Spread	3.16%	2.93%
NIM	3.76%	3.52%
Business/Emp. (Rs crore)	12.61	12.47
Profit/Emp. (Rs lakh)	7.69	8.11
No. of Employees	7694	7220

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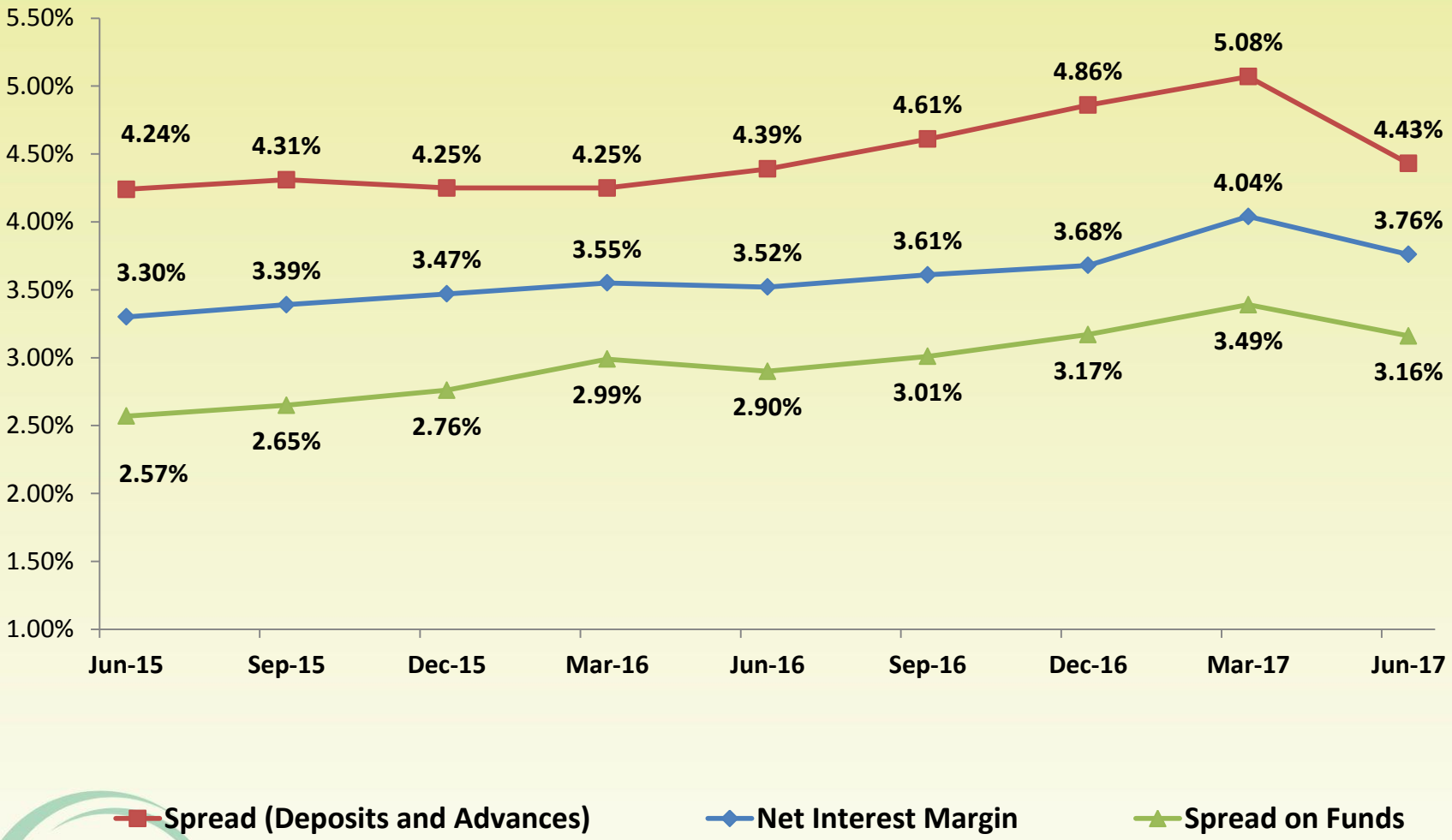
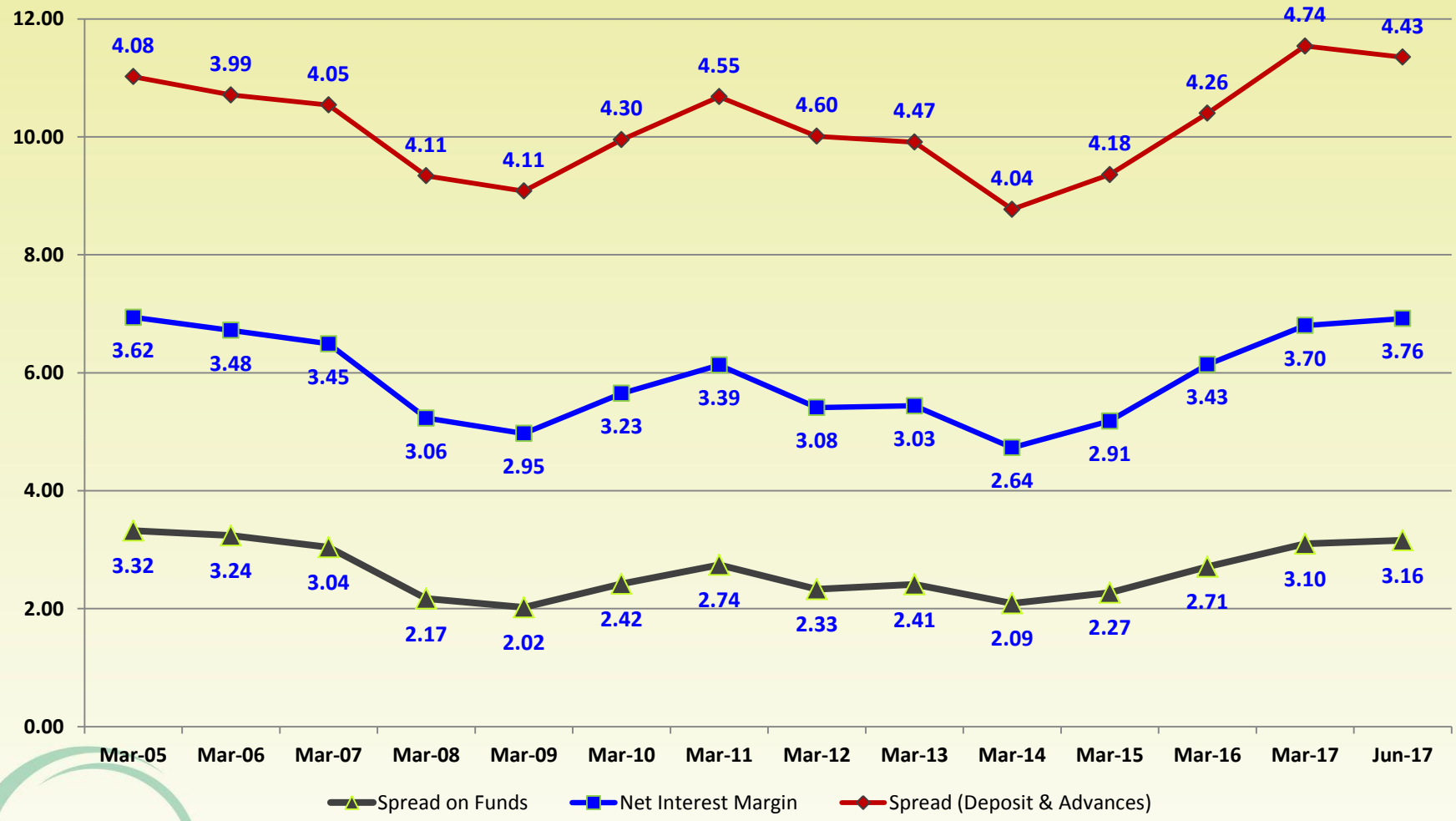
Profitability Metrics (Quarterly)



Profitability Metrics (Comparative)



Deposits

Units: *Rs crore*

Particulars	FY 17 -18	FY 16-17	YoY %
Total Deposits	54,668	50,715	7.79%
CASA	15,945	12,318	29.44%
CASA Mix %	*29.17%*	*24.29%*	
Demand	5,871	4,249	38.17%
Savings	10,074	8,069	24.85%
Term Deposits	38,723	38,397	0.85%

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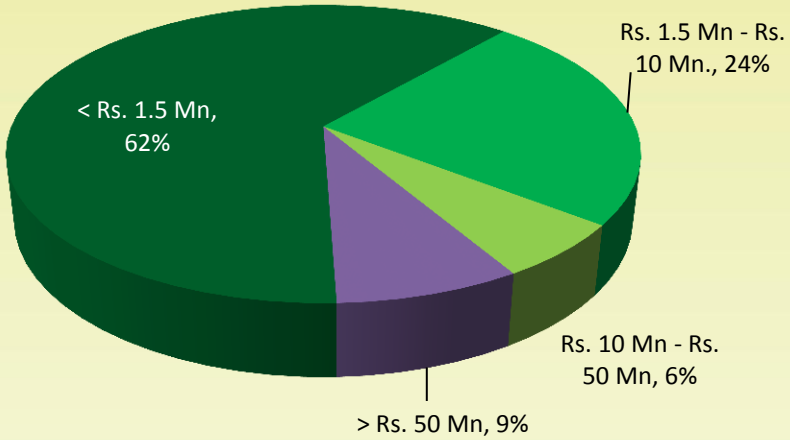
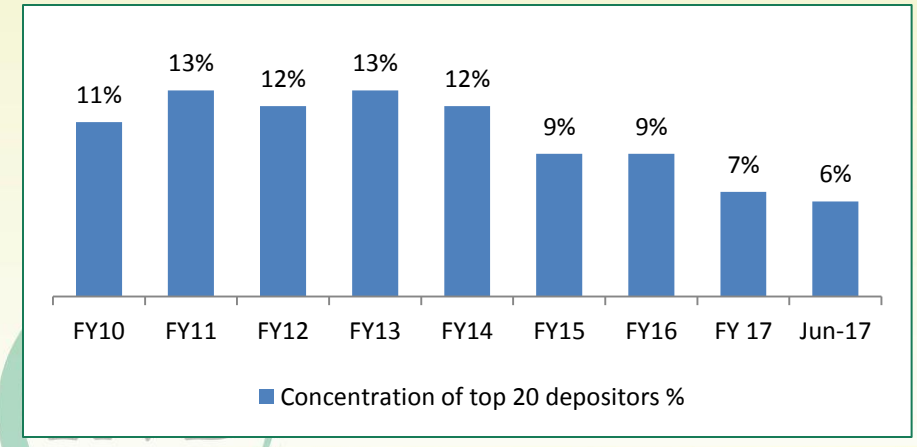
Retail Liability Franchise – Granular and Sticky

Low dependence on wholesale deposits (FY 2017-18)

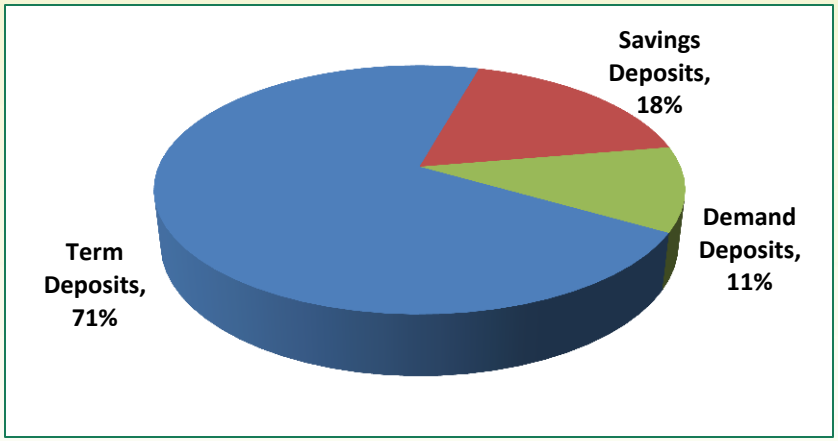
Term deposits are primarily retail deposits. Only 9% of term deposits are > Rs.50 Mn



Low concentration of deposits

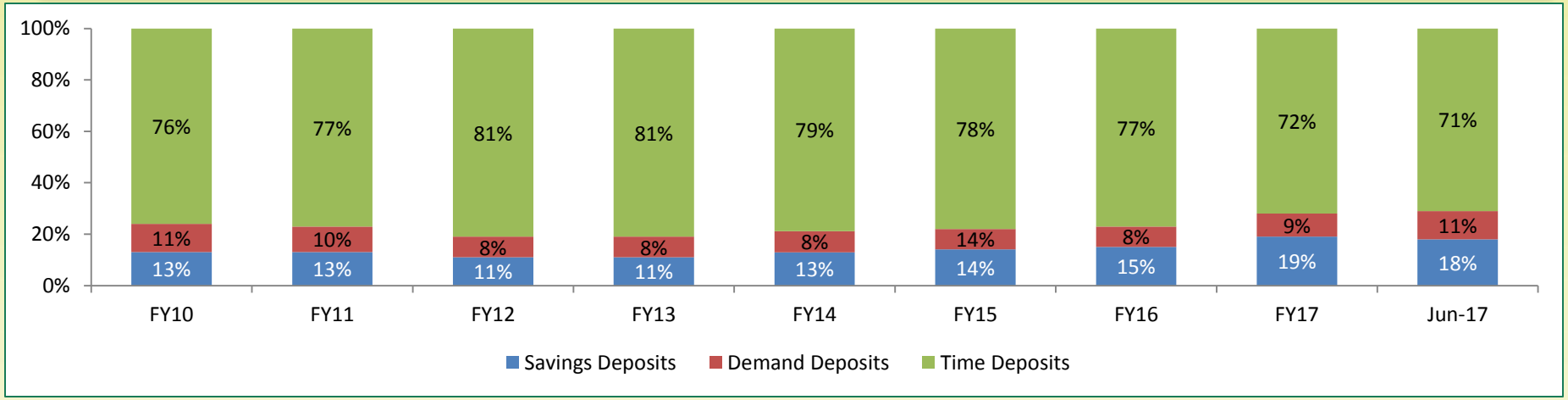


Breakup of deposits (FY18)

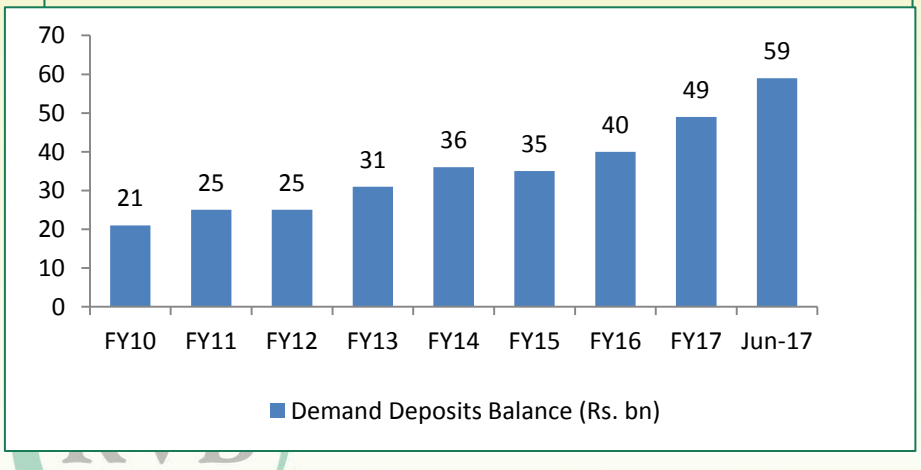


Deposit Mix

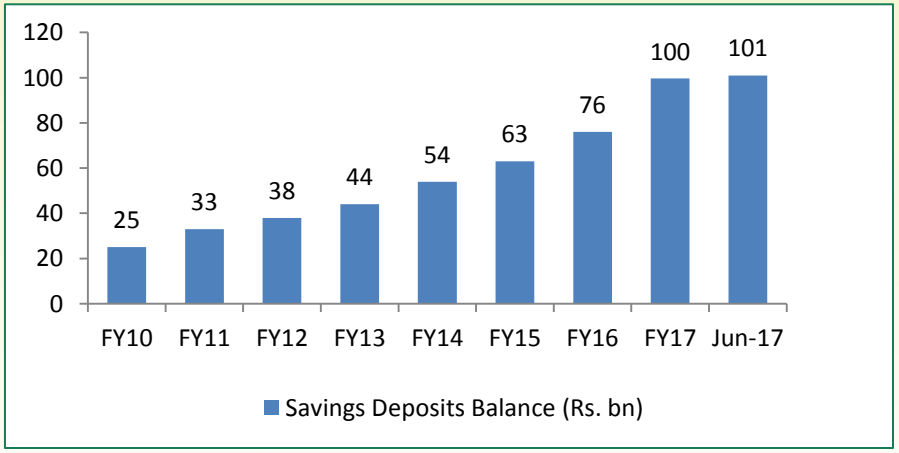
Break-up of deposit base (in %)



Growth in demand deposits since 2010



Consistent growth in Savings Deposits since FY10



Advances

Units: Rs crore

Particulars	FY 17-18	FY 16-17	YoY %
Advances	42,401	39,381	7.67%
Corporate	13,763	13,202	4.25%
Commercial	14,411	12,905	11.67%
Agriculture	7,635	7,265	5.09%
Retail (Personal Banking)	6,592	6,009	9.70%
Jewel Loan (included in other segments)	6,431	6,363	1.07%

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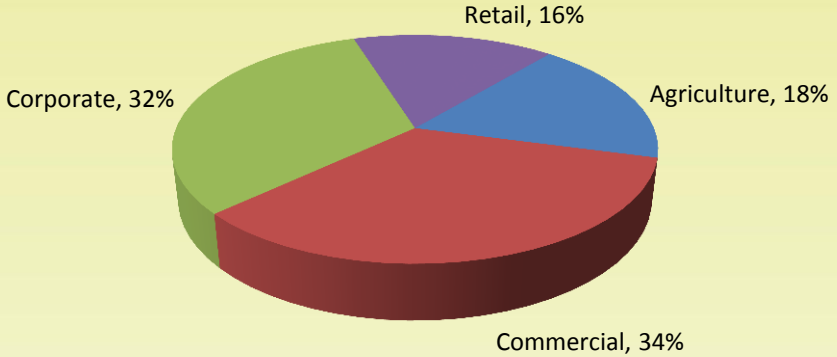
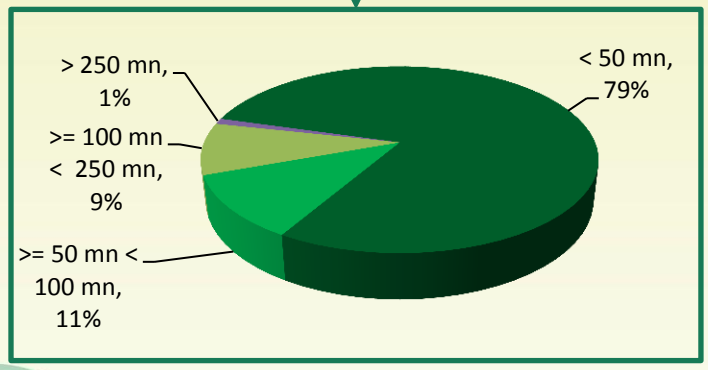
Granular Loan Portfolio

Loan book break up in FY17-18



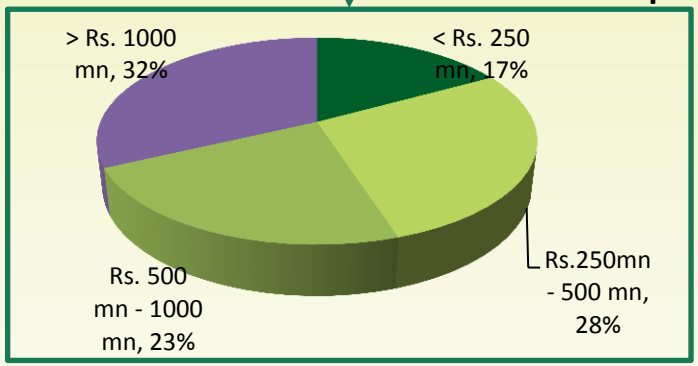
Rs.282 Bn

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*



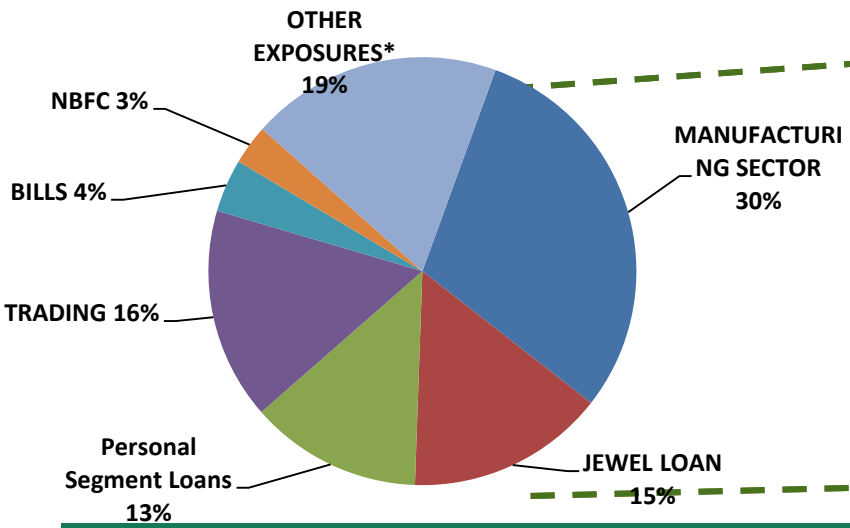
- Average ticket size of Rs. 349.43 Mn
- 68% of corporate exposure less than Rs. 1 Bn

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

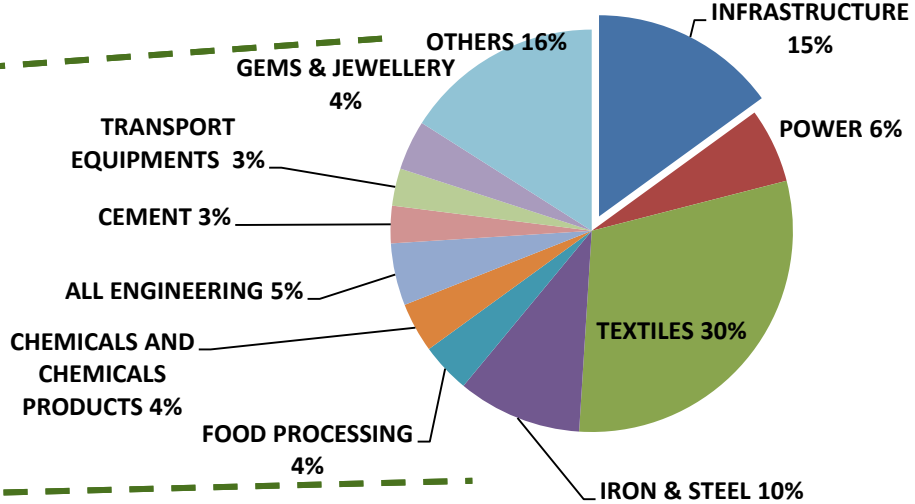
Breakup of Advances

Sub-sectoral exposures well spread out; diversified industrial exposures (FY17-18)

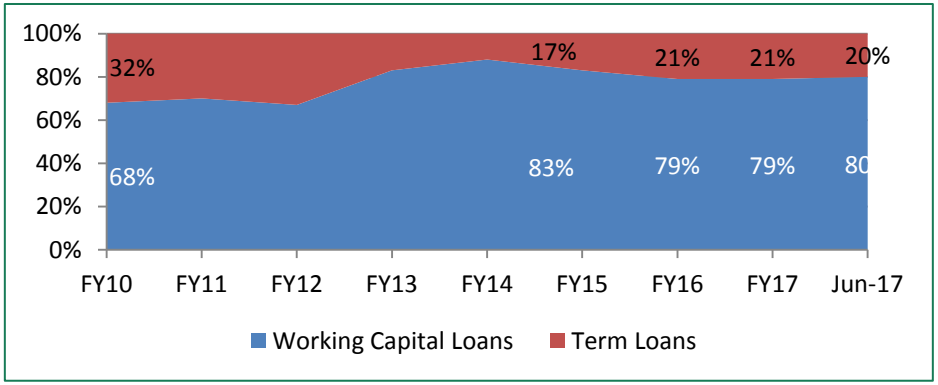
Rs. 424 Bn



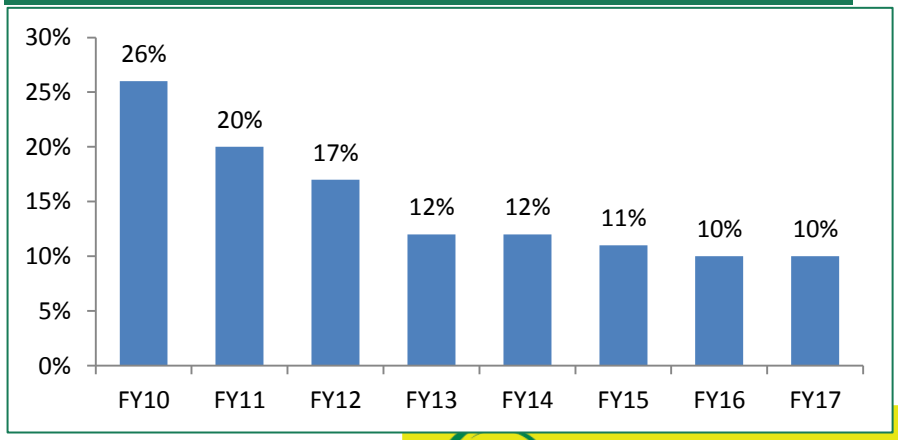
Breakup of industry exposure (Rs. 128 Bn)



Working capital focus enables quicker repricing of loans



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



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Advances – Category wise

Particulars	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun-16	
	Jun-17	Jun-16	Mar-17	Jun-17	Jun-16	Mar-17	Quantum	%
MANUFACTURING SECTOR	12,827	12,286	12,688	30.25	31.20	30.62	541	4.00%
JEWEL LOAN	6,431	6,363	6,159	15.17	16.16	14.86	68	1.00%
PERSONAL LOANS @	5,560	5,353	4,847	13.11	13.59	11.70	207	2.00%
TRADING	6,939	5,664	6,889	16.37	14.38	16.63	1,275	10.00%
BILLS	1,595	1,364	1,592	3.76	3.46	3.84	231	2.00%
NBFC	1,093	1,201	1,159	2.58	3.05	2.80	-108	-1.00%
OTHER EXPOSURES**	7,956	7,150	8,101	18.76	18.16	19.55	806	7.00%
TOTAL ADVANCES	42,401	**39,381**	**41,435**	100.00	100.00	100.00	3,020	25.00%

@ Vehicle, Housing, Deposit loans
**** includes Commercial Real estate, Capital Market and exposure to other service sectors, etc.***

Manufacturing Sector - Breakup

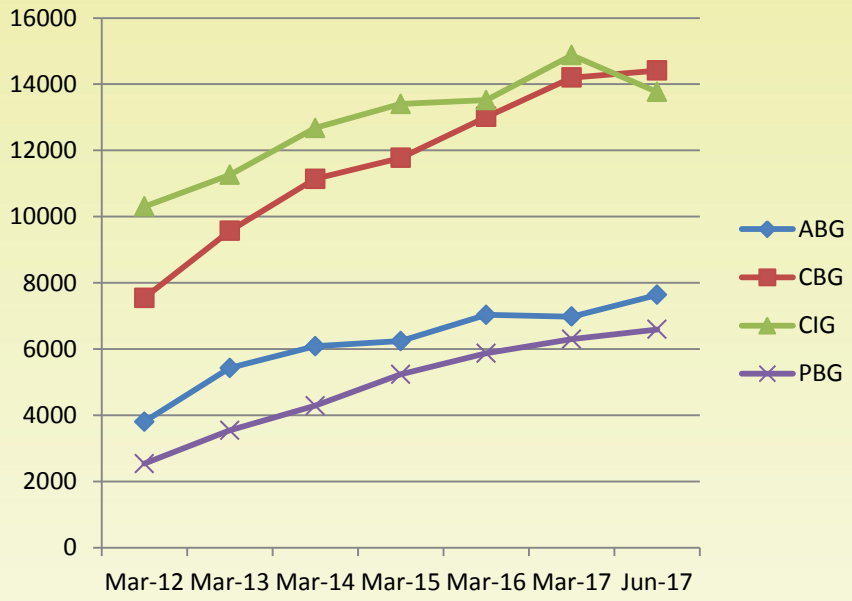
INDUSTRY	Amount (Rs. in crore)			% to Total Advance			Growth Over Jun 16	
	Jun-17	Jun-16	Mar-17	Jun-17	Jun-16	Mar-17	Quantum	%
INFRASTRUCTURE	2,779	3,141	2,964	6.55	7.98	7.15	-362	-11.52%
TEXTILES	3,820	3,535	3,769	9.01	8.98	9.1	285	8.06%
BASIC METAL & METAL PRODUCTS	1,294	1,284	1,194	3.05	3.26	2.88	10	0.78%
FOOD PROCESSING	551	492	536	3.51	3.06	1.29	59	11.99%
CHEMICALS & CHEMICALS PRODUCTS	488	545	522	1.15	1.38	1.26	-57	-10.46%
ALL ENGINEERING	558	440	513	1.32	1.12	1.24	118	26.82%
GEMS & JEWELLERY	499	353	445	1.18	0.9	1.07	146	41.36%
TRANSPORTATION SECTOR	407	388	397	0.96	0.99	0.96	19	4.90%
RUBBER & PLASTIC PRODUCTS	357	165	355	0.84	0.42	0.86	192	116.36%
MINING & QUARRYING	315	316	304	0.74	0.8	0.73	-1	-0.32%
WOOD & WOOD PRODUCTS	273	266	268	0.64	0.68	0.65	7	2.63%
CONSTRUCTION	390	401	371	0.92	1.02	0.9	-11	-2.74%
PAPER & PAPER PRODUCTS	206	221	195	0.49	0.56	0.47	-15	-6.79%
CEMENT & CEMENT PRODUCTS	388	355	385	0.92	0.9	0.93	33	9.30%
BEVERAGES & TOBACCO	122	119	112	0.29	0.3	0.27	3	2.52%
PETROLEUM	18	15	34	0.04	0.04	0.08	3	20.00%
GLASS & GLASSWARE	42	33	40	0.1	0.08	0.1	9	27.27%
LEATHER & LEATHER PRODUCTS	37	30	37	0.09	0.08	0.09	7	23.33%
OTHER INDUSTRIES	283	187	247	0.67	0.47	0.6	96	51.34%
TOTAL	12,827	12,286	12,688	30.25	33.02	30.63	541	4.40%

Retail Advances

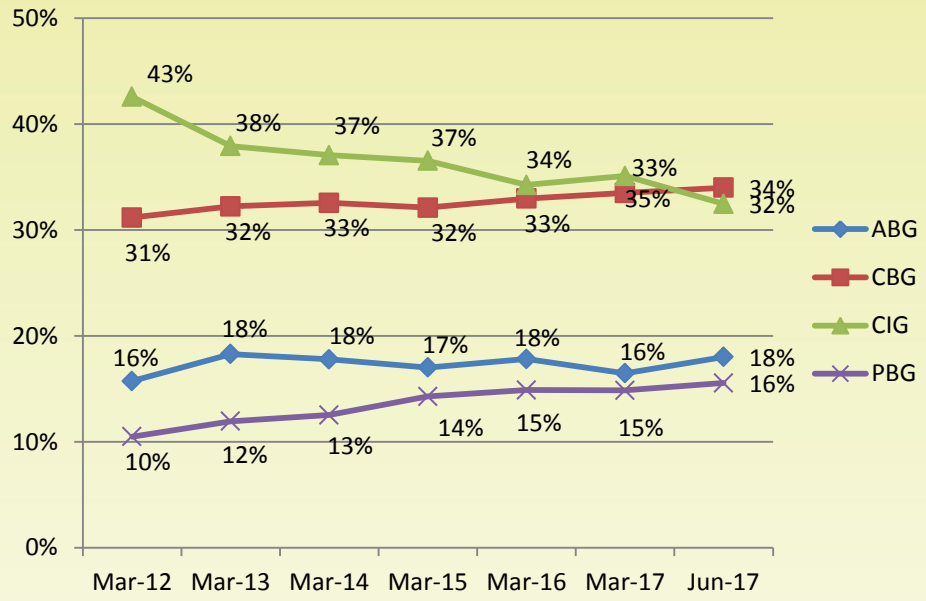
Segment	Amount (Rs. in crore)							
	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Jun-17
Housing Loan	436	611	971	1,387	1,757	2,094	2,330	2,425
Mortgage Loan (LAP)	-	-	-	381	568	787	965	1,045
Vehicle Loan	387	492	677	735	782	831	921	962
Jewel Loan	481	584	832	802	793	703	596	601
Personal Loan	257	319	341	353	356	354	316	309
Educational Loan	78	104	133	169	207	245	266	265
Retail (Others)	413	428	591	464	779	904	946	985
Total	**2,052**	**2,538**	**3,545**	**4,291**	**5,242**	**5,918**	**6,340**	**6,592**

Advances Mix

Advances in Value (Rs.in crore)



Advances Mix (in %)

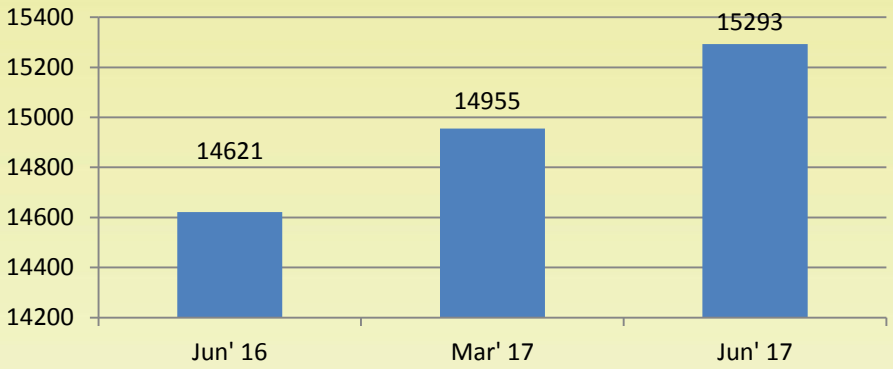


ABG- Agri Banking , CBG – Commercial Banking, CIG – Corporate Banking, PBG – Personal Banking

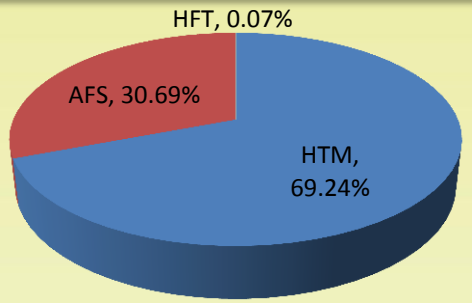
Increased focus on Commercial, SME & Retail Advances over the period

Investment Portfolio

Investments Outstanding (Rs. In crore)



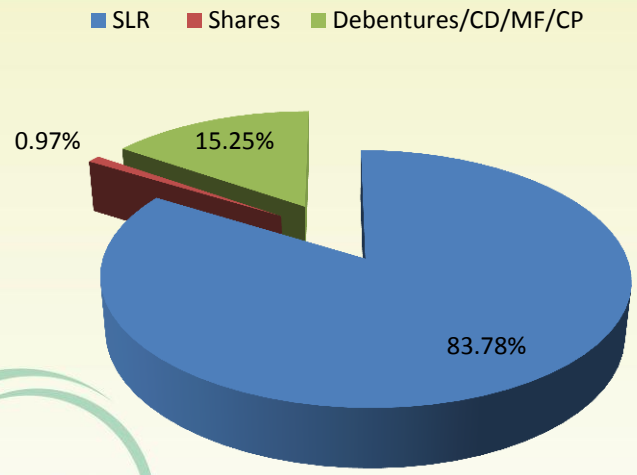
Portfolio wise Investment



Modified Duration

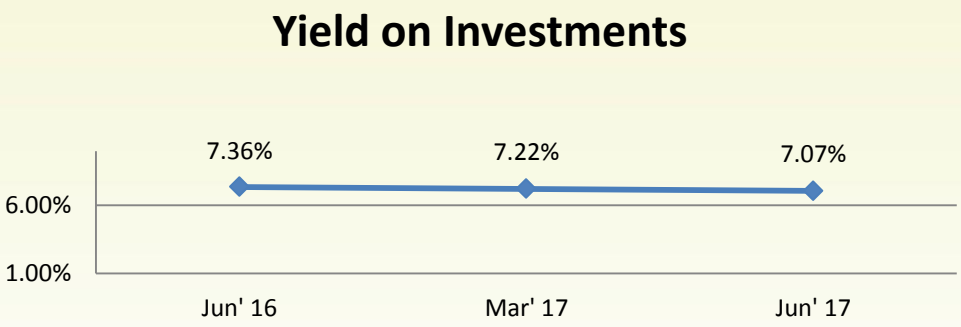
HTM	AFS	HFT	Total
4.47	2.20	8.19	3.86

Investment Portfolio



out of 15.25% Security Receipts constitutes 3.29% (Rs.502.67 Crores)

Yield on Investment



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Stress Accounts

	Rs. in Crore
SDR Outstanding (2 accounts)	93.05
5/25 (1 account)	75.65
S4A Accounts (3 Account)	208.40
Sale to ARC in Q1 of FY 17-18	Nil

Sector Wise Restructured Advances

S.NO	SECTOR	AMOUNT (Rs. in crore)		(%) to total Rest. Adv	
		Jun-17	Jun-16	Jun-17	Jun-16
1	AGRICULTURE	7.68	15.30	0.95	1.19
2	INFRASTRUCTURE	388.09	724.61	48.04	56.59
3	TEXTILES	107.71	192.74	13.33	15.05
4	AUTO LOANS	32.42	0.07	4.01	0.01
5	EDUCATIONAL LOANS	0.14	0.77	0.02	0.06
6	FOOD PROCESSING	244.37	225.60	30.25	17.62
7	OTHERS	27.44	121.42	3.40	9.48
TOTAL		807.85	1280.51	100	100
% to Total Advance		1.91%	3.25%		

Movement of Restructured Assets

Units: *Rs crore*

Particulars	Apr-17 to Jun-17		Apr-16 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]	33	841.81	117	1354.90
Fresh Restructuring - [B]	5	0.12	2	1.75
Addition of facilities in existing restructured A/Cs - [C]		15.42		107.20
Addition through upgradation from NPA – [D]			1	0.02
Accounts closed during the period - [E]	1	11.00	34	380.53
Accounts ceasing to attract higher provision (upgradation)– [F]			28	78.35
Recoveries – [G]				82.40
Slippages (into NPA)- [H]	1	38.50	25	80.78
Restructured accounts as on 30.06.2017 **A+B+C+D-(E+F+G+H)**	**36**	**807.85**	**33**	**841.81**

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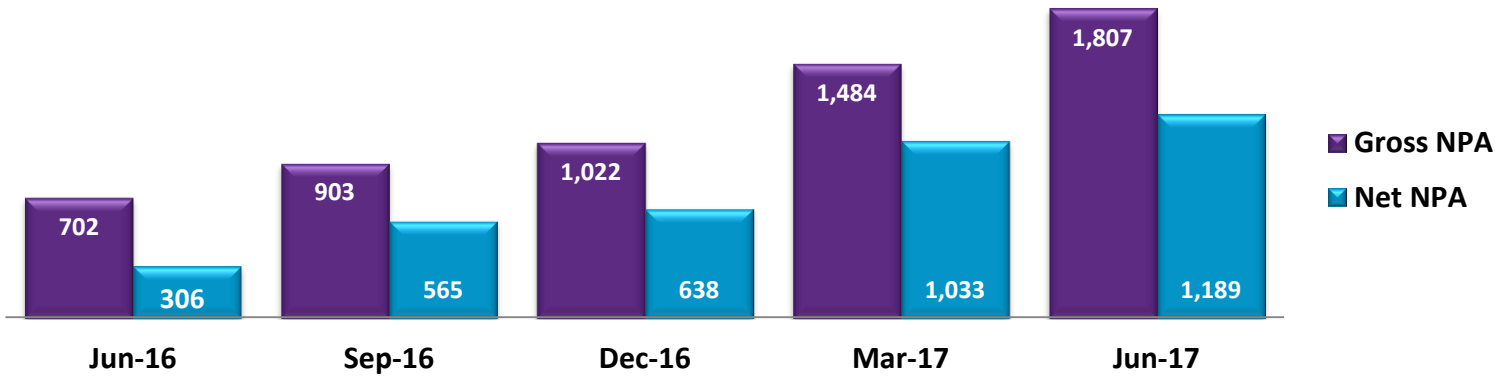
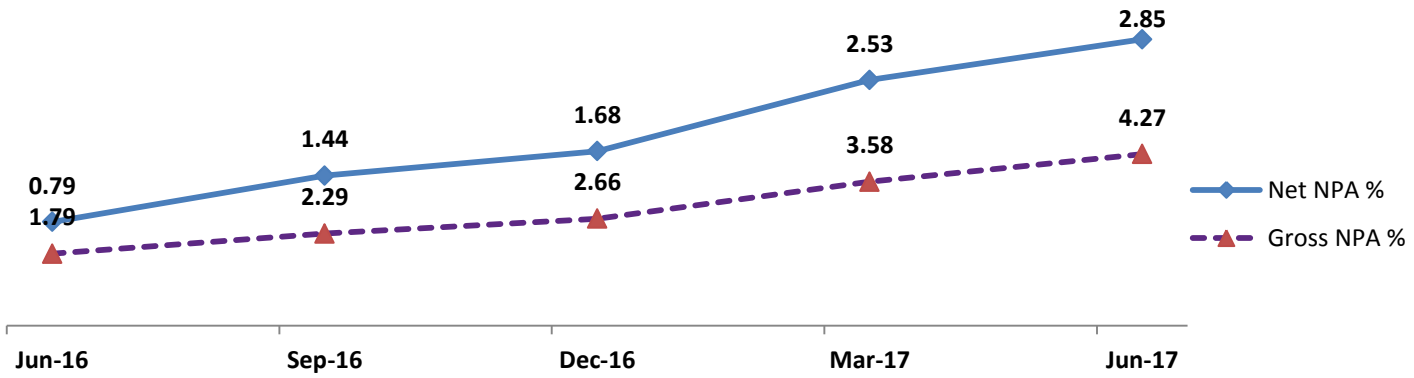
NPA Position

Units: *Rs crore*





Provision Coverage Ratio	**78.49%**	**68.26 %**	**67.06 %**	**57.83%**	**57.01%**

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Movement of NPA

(Rs. in crore)

Particulars	Apr 17 - Jun 17	Apr 16 - Jun 16	Apr 16 - Mar 17
Movement of Gross NPAs			
Opening Balance	1,483.81	511.18	511.18
Additions during the period	389.24	238.86	1,330.83
Reductions during the period	66.04	47.69	358.20
Closing Balance	1,807.01	702.35	1,483.81
Movement of Net NPAs			
Opening Balance	1,033.46	216.17	216.17
Additions during the period	211.90	137.69	940.83
Reductions during the period	56.20	47.69	123.54
Closing Balance	1,189.16	306.17	1,033.46
Movement of Provision for NPA			
Opening Balance	428.74	285.00	285.00
Provn made during the period	156.96	93.77	484.17
Write off/Write back of excess provn	0.00	0.00	340.43
Closing Balance	585.70	378.77	428.74

Breakup of Provisions (Other than Tax)

Units: Rs crore

Particulars	Q1 FY 17-18	Q1 FY 16-17
Total Provisions	233	130
NPA	157	94
Standard Assets	1	(-) 4
Restructured (including SDR& S4A)	8	(-) 5
Investment	--	(-) 7
Others (including ARC sale loss 2015-16 amortisation)	67	52

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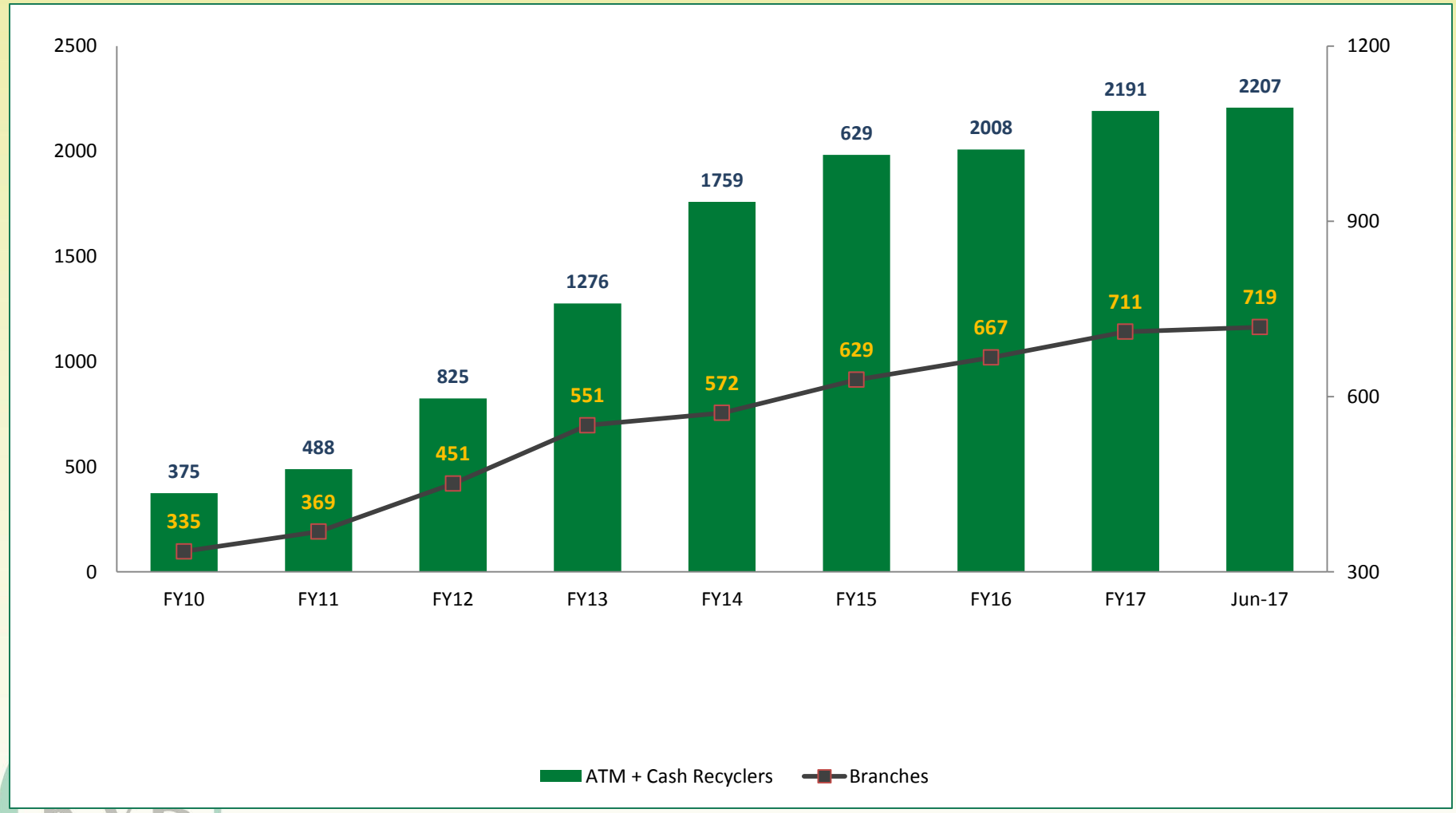
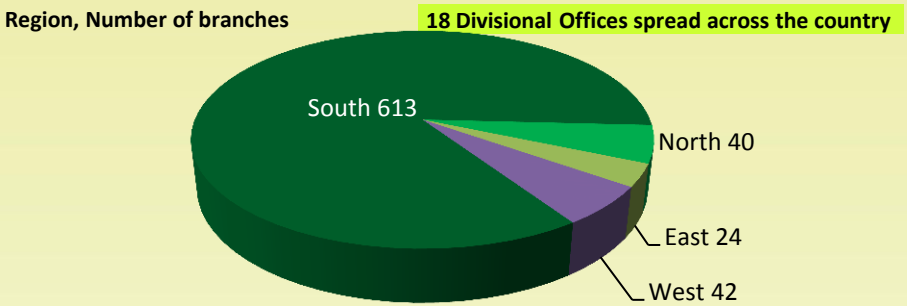
Branch and ATM / Cash Recyclers Network

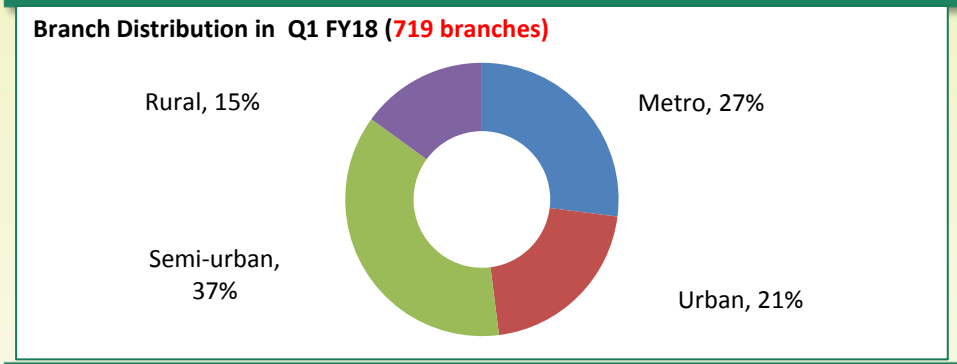


Branch Network - Diversified Across the Country

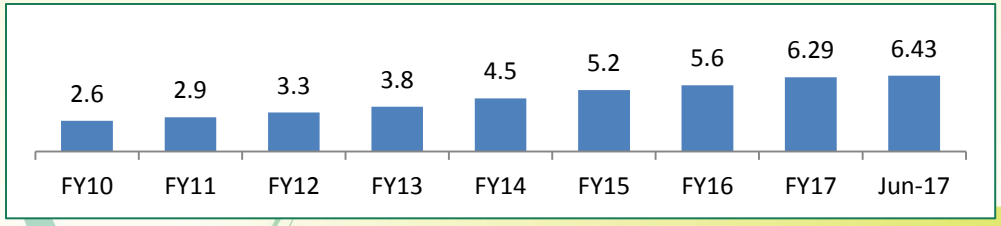
Geographical spread of branches (FY 2017-18)



Dominant presence (58%) in semi-urban and rural locations



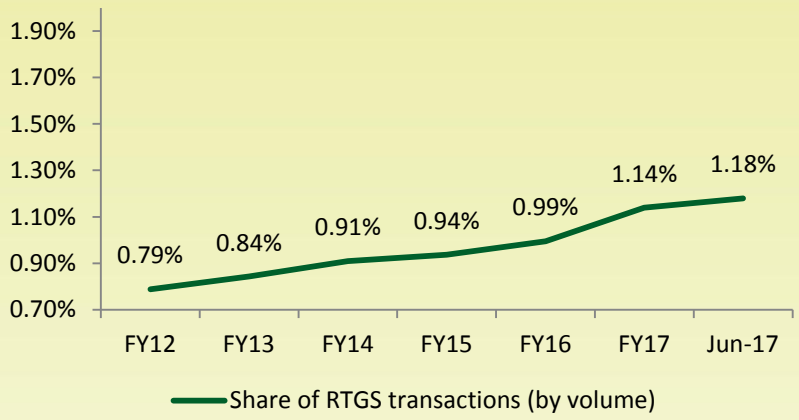
Number of customers (Millions)



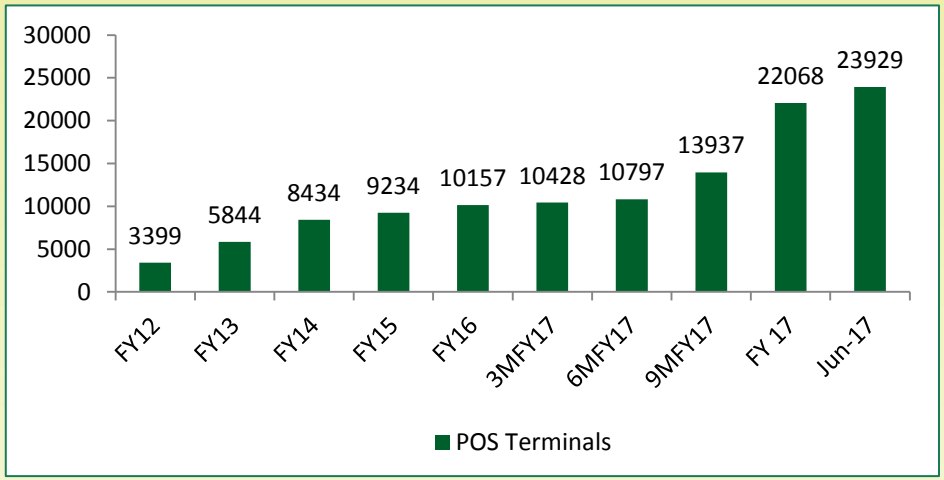
State /UT	Jun-17 - Branches (Nos)
TAMILNADU	383
ANDHRA PRADESH	105
TELANGANA	52
KARNATAKA	49
MAHARASHTRA	27
GUJARAT	15
WEST BENGAL	16
KERALA	17
DELHI	14
PUNJAB	7
UTTARPRADESH	6
ORISSA	5
HARYANA	4
PONDICHERY	6
M.P.	4
RAJASTHAN	3
JHARKHAND	2
CHANDIGARH	1
CHATTISGARH	1
UTARAKHAND	1
GOA	1
Total	719

Leveraging Technology – Alternate Banking Channels

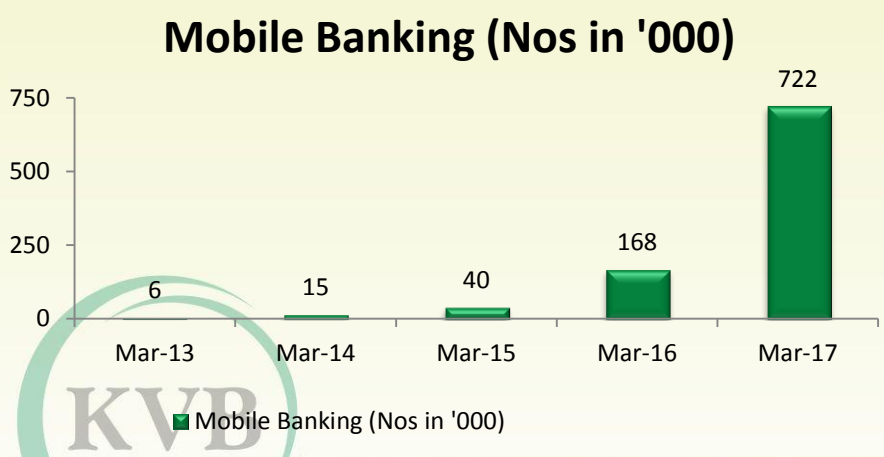
Rising volume of RTGS transactions



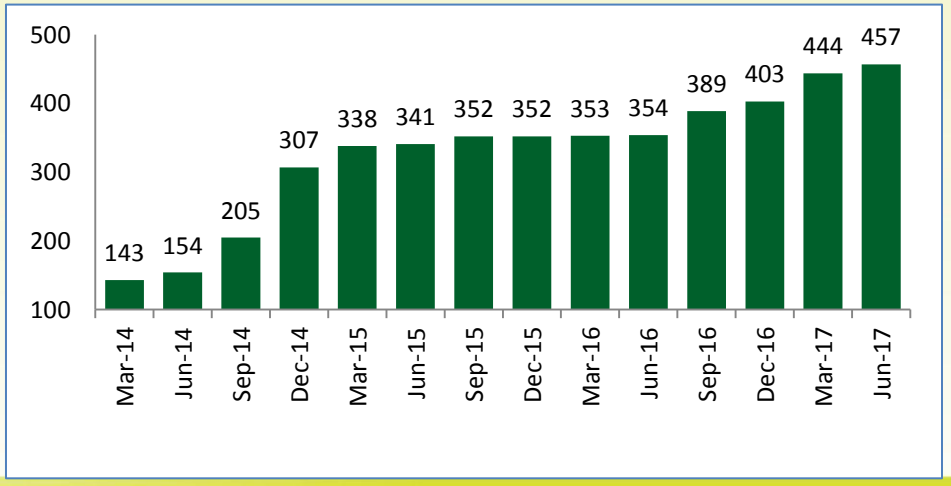
POS Terminals



Exponential growth in Mobile transactions

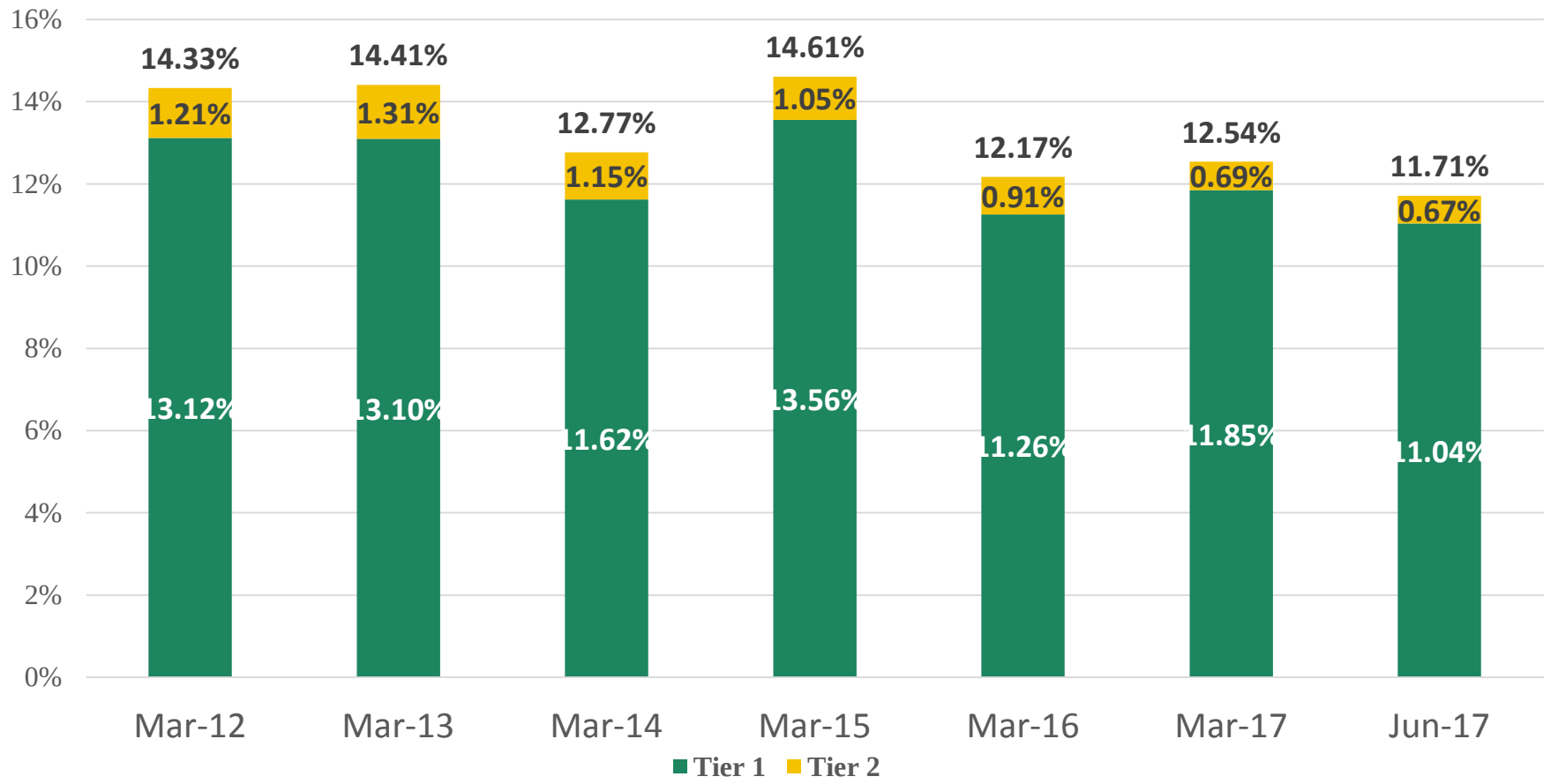


Bunch Note Recycler Machines



Capital Adequacy

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



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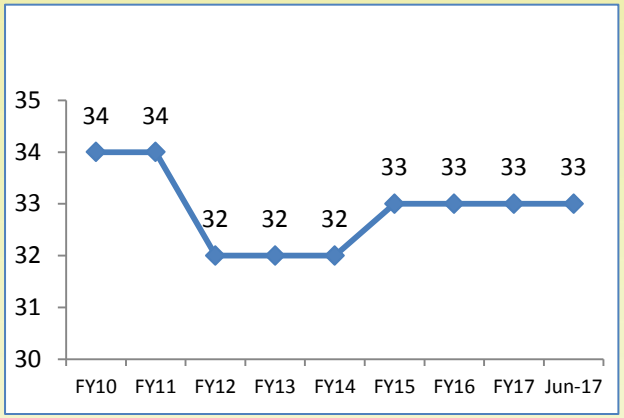
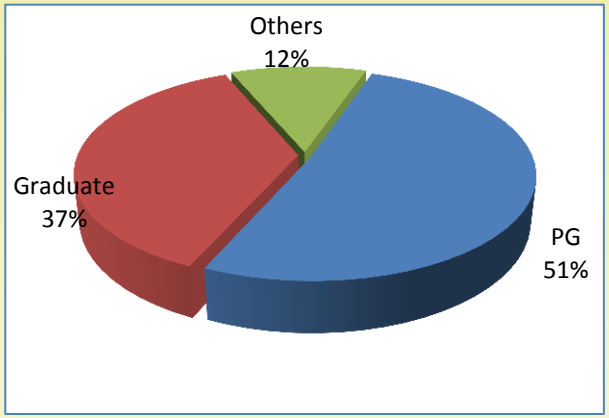
Human Resources

Young workforce (average 33 years)…..

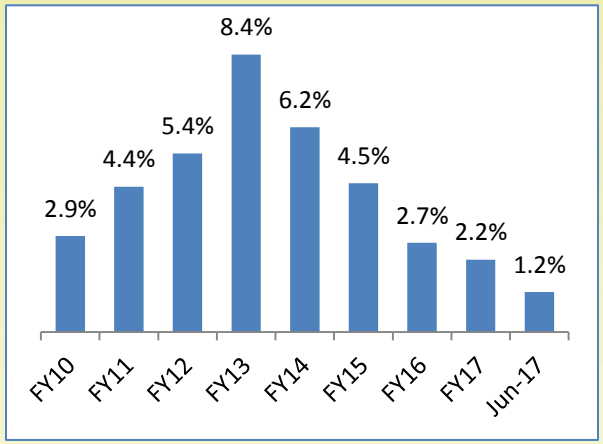
40% below 30 yrs of age out of **7,694 employees**



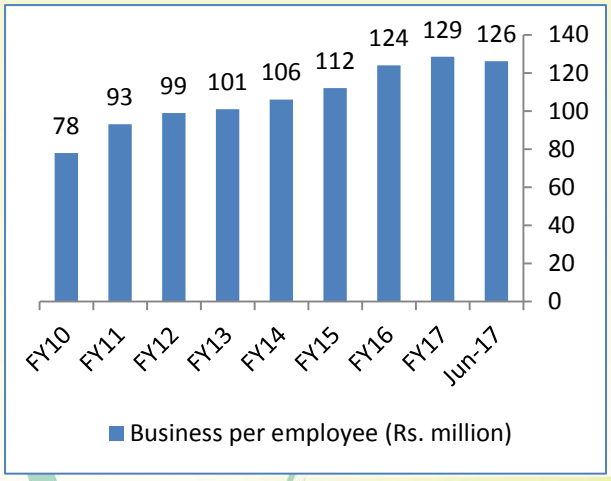
… and well qualified work force…

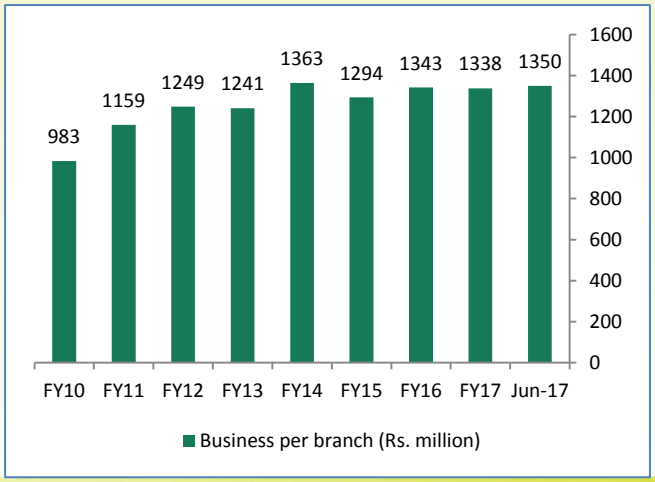


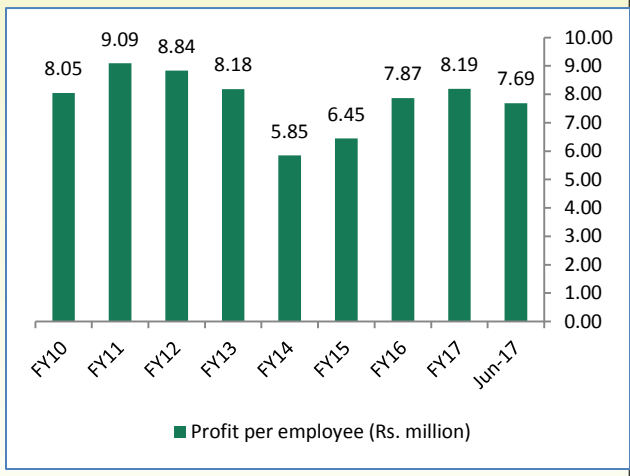
…with lower attrition …



…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

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THANK YOU

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