Karur Vysya Bank
Smart way to bank

IRC: F48:11:133:2020

01.02.2020

The Manager,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, 'G' Block,
Bandra – Kurla Complex,
Bandra (East)
Mumbai 400 051

Dear Sir,

Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Intimation of Investor Presentation – Un-audited Financial Results of the Bank for the Quarter and Nine Months ended 31st December 2019.

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Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith the Investor Presentation on the Un-audited Financial Results of the Bank for the Quarter and Nine Months ended 31st December 2019 and the same has been updated in our Bank's website.

Please take on record of the same.

Yours faithfully,

Srinivasa Rao M
Company Secretary &
Asst. General Manager

Encl: a.a.

THE KARUR VYSYA BANK LIMITED
Investor Relations Cell, Registered & Central Office,
No.20, Erode Road, Vadivel Nagar, L.N.S.,
Karur - 639 002.
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CIN : L65110TN1916PLC001295

KVB Karur Vysya Bank

Smart way to bank

INVESTOR PRESENTATION

Q3 – FY 2019-20

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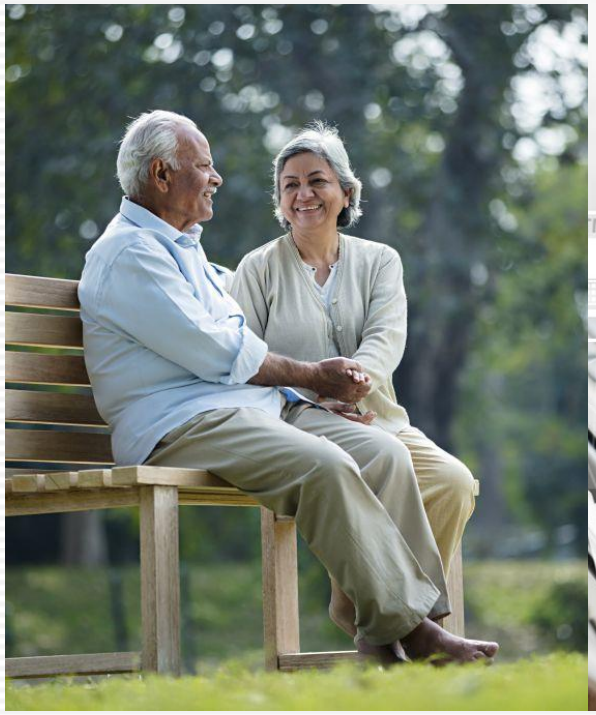
The Bank of choice - trusted by all



Over
7 million
individuals

Over
450000
businesses

Over
700000
agri customers

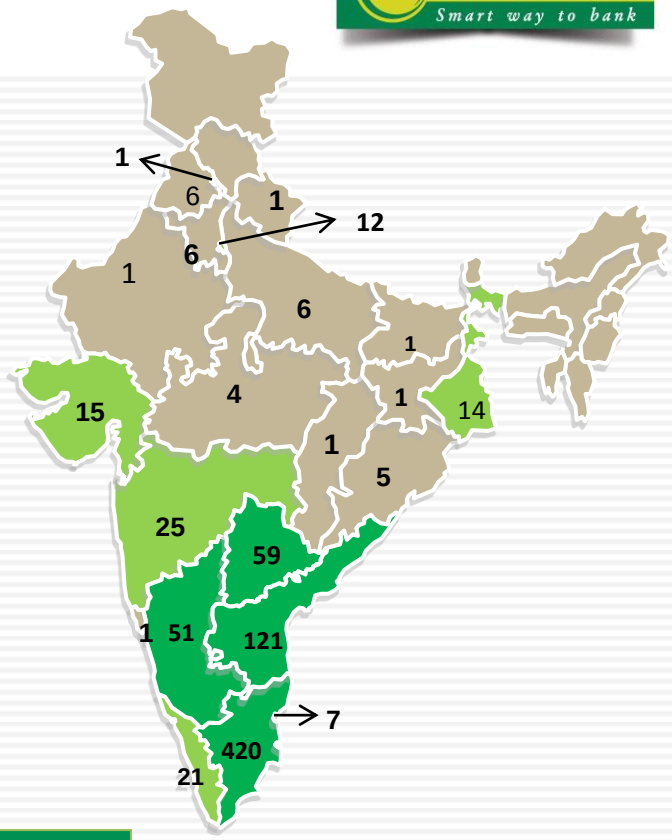
KVB – a unique franchise!

Bank of Choice, trusted by :

- Over **7 million** individuals
- Over **450000** businesses
- Over **700000** customers involved in agriculture

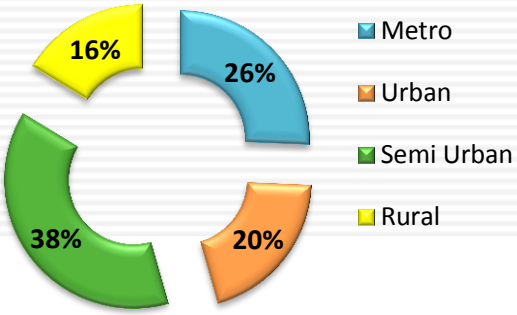
Unmatched presence in India's fast growing hinterland

Category	No. of Branches
Metro	200
Urban	155
Semi Urban	297
Rural	127
Total	**779**



Customer service excellence the differentiator

Category	31.12.19	31.03.19	31.03.18
Branches	779	778	790
ATM's + Cash Recyclers	**2212**	**2179**	**2328**



Blending Tradition with Modernity

Karur Vysya Bank
Smart way to bank

- **Business model transformation progressing well**

- **Continuing focussed execution of strategy**
  - *Granularisation of portfolio progressing well : ~75% of Portfolio Granular (as Corporate Exposures shrink) - up from 69% in March '19*
  - *Lower Risk Categories Growing Fast viz. Retail (YoY Growth of 21%, ex IBPC) & Gold Loans (YoY Growth of ~ 10%)*
    - *Commodity (Warehouse) Loans exit nearly completed (approx. Rs. 100 crore portfolio* remaining)*

- **Portfolio metrics continue to improve with delinquent stock reducing both in absolute as well as percentage terms**
  - *SMA 1 & 2 @ ~3%*

- **Healthy Capital Adequacy Levels**
  - *CET1 @ 14.14% and CAR @ 15.87%.*

- **Balance Sheet metrics continue to improve**
  - *Net NPA downward trend continues sequentially for four straight quarters and drops to 4.13%*
  - *PCR (with TWO) crosses 65%*
  - *PCR (without TWO) @56%*

- **One large Infrastructure / Finance Conglomerate exposure fully provided for**

- **Deposit costs being managed tightly, End of Period CASA grows to 31%**

- **Operating expenses continue to be extremely tightly managed**
  - *Employee costs higher due to provisions for retirement benefits.*
  - *Controllable costs managed well*

** Refers to portfolio that is Standard as on date.*

Blending Tradition with Modernity

Karur Vysya Bank
Smart way to bank

- **New initiatives scaling well**
  - *KVB Neo booking run rate @ ~Rs. 100 crore per month*
  - *Retail and Commercial digitally underwritten loans continue to scale up*
  - *Transition to Centralised Operations progressing well*
  - *97% of Branches transitioned to Digital Gold Loan*
    - ✓ *Resulting in Gold Loan growth of ~Rs. 450 crore during the quarter (up from ~ Rs. 250 crore during prior quarter). End of Period Gold Loan portfolio at ~ Rs. 8600 crore.*

- **Performance of digitally underwritten new vintages (both Retail and Commercial) continues to be good**
  - *Ever 30+% at 6 MOB for Retail at ~1.5%*
  - *At a portfolio level, newer vintages are performing well*

- **KVB Dlite Mobile Application continues to gather momentum**

- **Co-origination platform using API Gateway live & progressing**

- **Bullion business launch expected Q4-FY'20**

Historical Ways of Working

- Branch—the sole distribution platform
- Operationally intensive—branch handling most operational tasks of the bank
- Decentralised decision making at branch
- All customer types managed at branch
- Substantial branch/divisional credit empowerment
- Limited oversight on branch/divisional office prior to loan booking
- Branch responsible for origination and maintenance of all liabilities and assets
- Limited centralisation
- Largely paper based processes

Transformed business model

- Branch—one of the distribution platforms
- Responsible for liabilities (all types) and retail/small commercial loans
- Decentralised decisions with systemic controls
- Only retail/small business asset customers managed in branch
- Centralised pre-disbursal oversight on loan disbursal
- Centralised infrastructure for :
  - Collections
  - Operations
  - Expense management
  - Analytics
  - Credit acceptance
  - Digital centre of excellence
- Corporate and larger ticket (i.e., > 2 crore) customers relationship managed through non-branch entities
- Non-branch distribution established
- Fully digital processes for retail assets and commercial assets up-to INR 15 Crores

KVB DISTRIBUTION EVOLUTION

Pre - 2016

Branch

Only Distribution Channel

2016 - 2018

Branch

All retail & SME customers acquired & managed by Branches

+

Corporate Business Unit

Corporate Clients Managed by Specialists

Now

Branch

Acquires & Manages Liability Business, Retail & Small Commercial Business (i.e .< 200 lakh)

+

Business Banking Unit

Manages all medium tier SME accounts

+

Corporate Business Unit

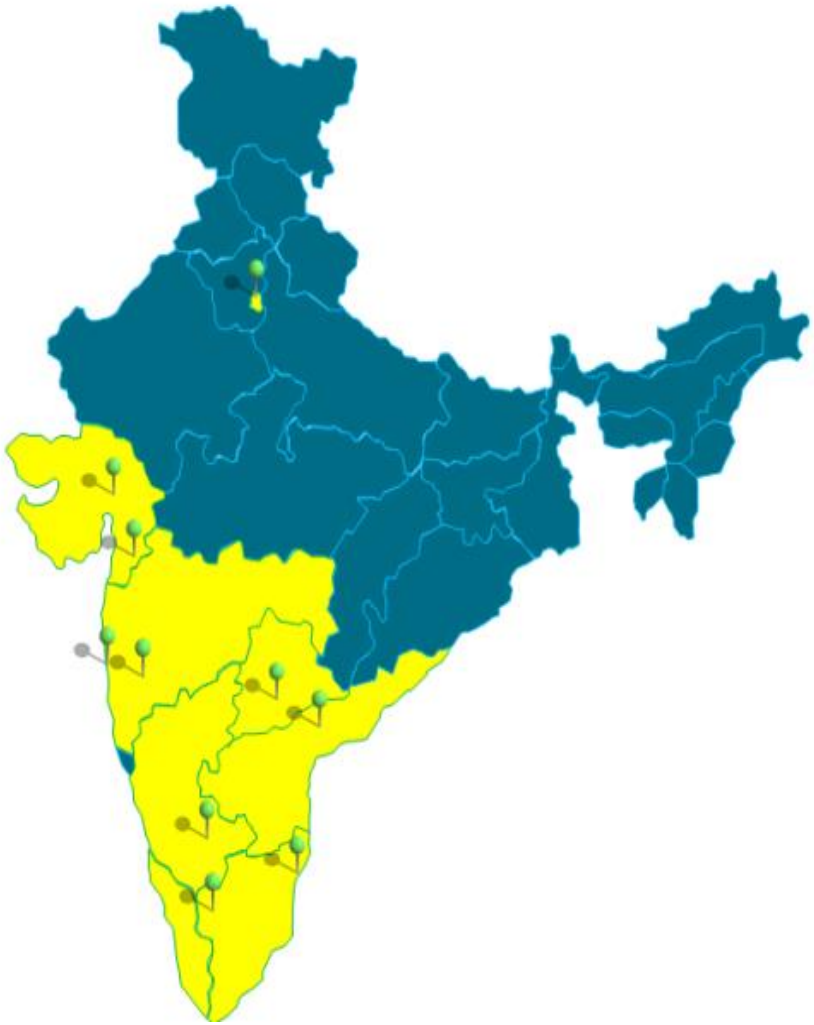
Manages all Corporate & Large SME accounts

+

NEO

Alternative distribution Network & Co-origination

KVB NEO - “a Bank within a Bank”



KVB is evolving from a ‘Branch’ based business to one that engages the market through alternate distribution mechanisms, viz.: aggregation through third parties, outbound sales force, Fintech partnerships , co-origination etc.

KVB Neo - a ‘Bank within a Bank’ - enables KVB to access these distribution channels.

Staffed with industry specialists and equipped with the most contemporary technology, KVB Neo is a strategic initiative to enable business growth. Currently live in 8 states (15 locations) and originating approximately Rs. 200 crore in loan applications monthly.

Neo has built a highly specialized team in a short span of six months (became operational in July 2019). As of Dec. 2019 Neo is active in 8 states and 15 locations with a team size of 65 people.

The team consist of experts from the banking industry

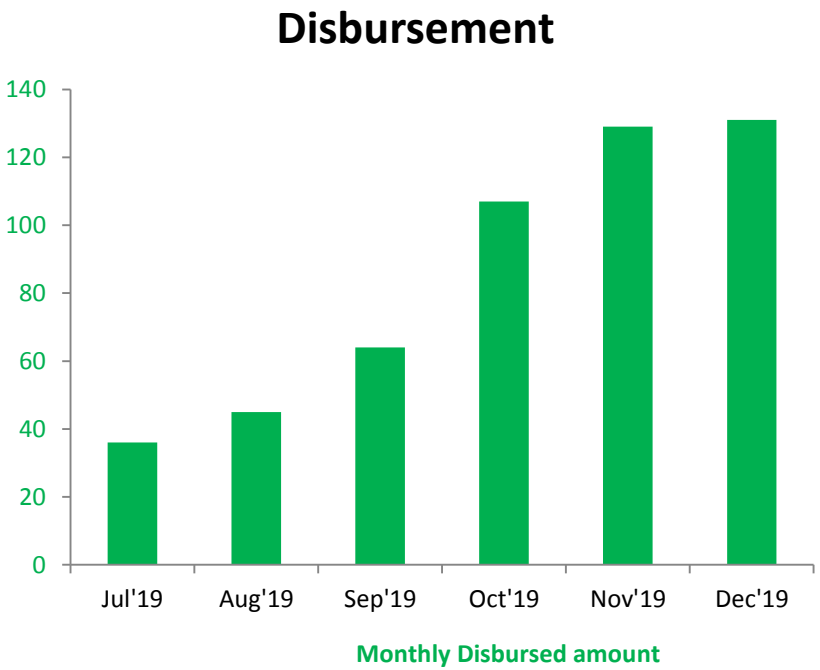
1. Business, Risk, Product, Sales, HR
2. Digitally powered Sales FOS
3. Specialist Underwriters
4. Data analysts
5. Seasoned collections team

KVB Neo – Alternate Distribution – Scaling well

(Rs. crore)

KEY ACHIEVEMENTS

- Operational in 15+ locations with average productivity of more than Rs. 3 crore per employee
- Integration with the bank's digital ecosystem has allowed NEO to scale up with low operations overhead while having best in class systems and controls
- Achieved Rs. 100+ crore disbursement in 4th month of operation
- Average ticket size and customer profile in line with retail strategy
- KVB's state of the art open API framework has started to yield good results in the multiple co-lending arrangements.
- NEO is in the process of launching new products both in secured and unsecured category

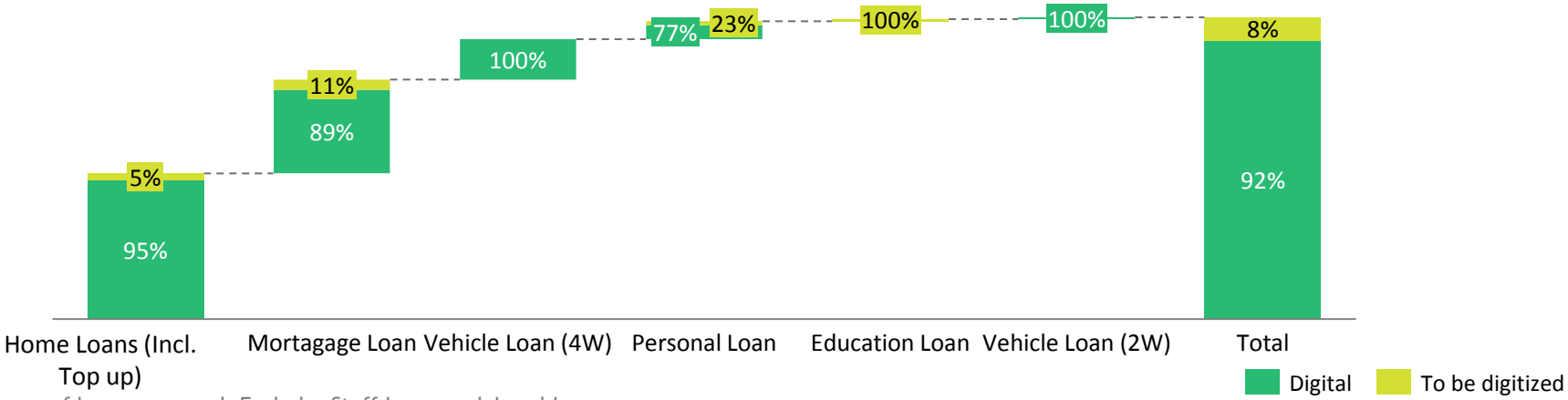


	Neo	Industry benchmark
AVERAGE PRODUCTIVITY	3 .2 crore	3.5-4.0 crore
COST OF ACQUISTION	0.45%	0.7%- 1.0%
PROCESSING FEE	0.8%	0.5%
AVERAGE TICKET SIZE (SECURED)	3.5 crore	3 crore

Average productivity – loans disbursed per employee per month, Cost of acquisition – cost incurred to onboard a new customer, Processing fee – as a percentage of loan disbursed

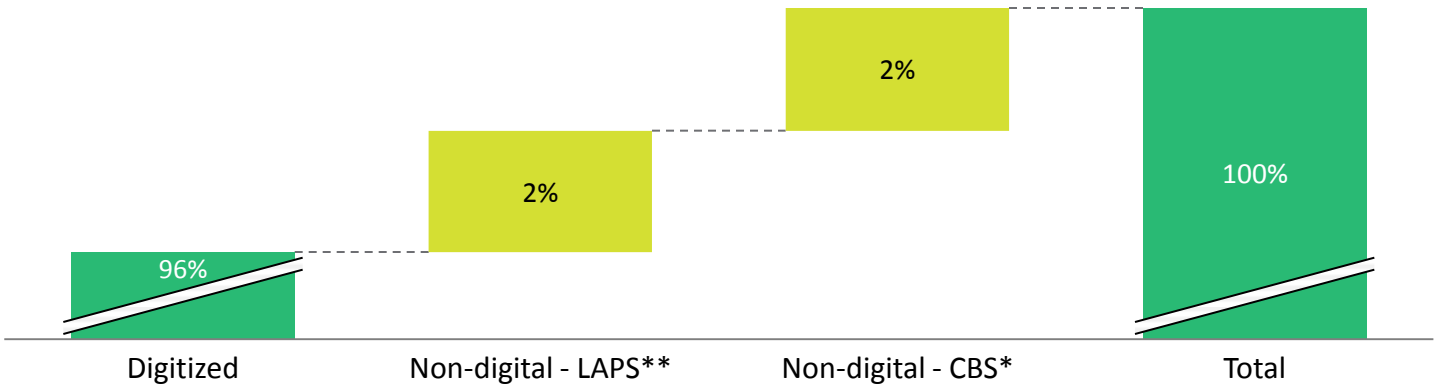
Over 90% of Loans^ approved digitally in FY20

Retail Loans



By volume of loans approved, Excludes Staff Loans and Jewel Loans

Commercial Loans



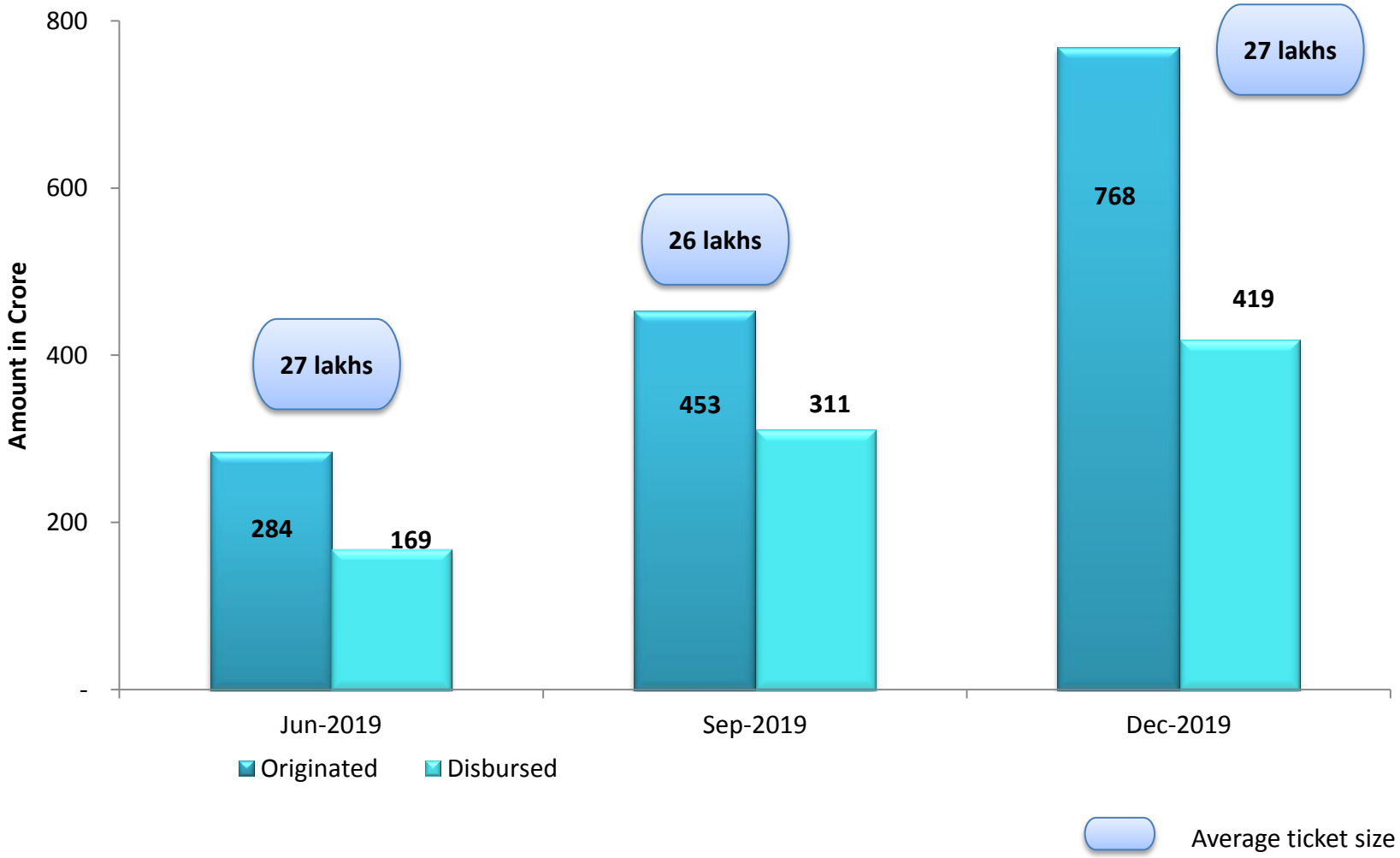
Digitization across LOS, Iexceed and PeopleSoft

^ Loans under Retail & Commercial Portfolio

* Loans Booked directly in Core Banking System ** Loans Booked through earlier Loan Origination System, being sunset

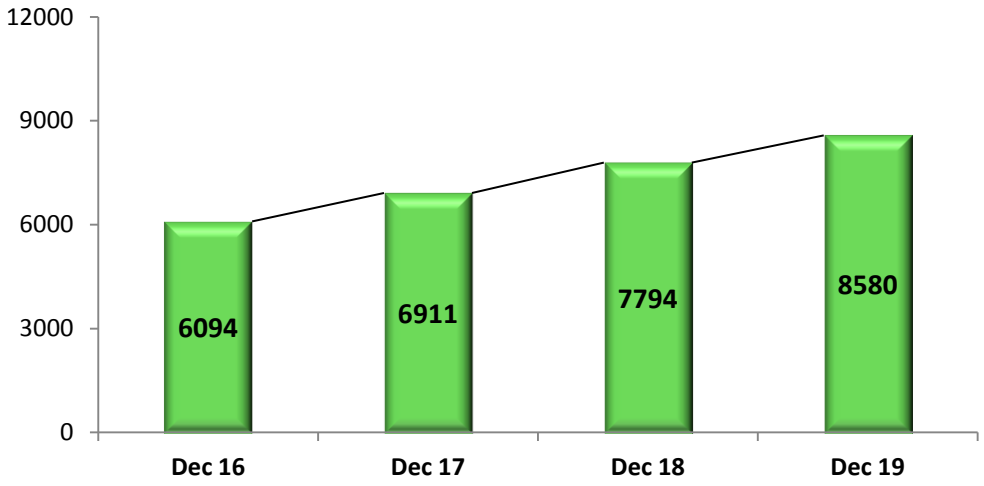
Digital SME Platform – Origination Volumes

Digital Commercial Loans (< 2 crore) – origination by amount



Gold Loan Book

(Rs. crore)



Growth in Gold Loan Portfolio ~ Rs. 1,500 crore from March 2018

CAGR 11.50%

Gold Loans Outstanding As At				
Dec 19	Sep 19	June 19	Mar 19	Mar 18
8,580	8,130	7,890	7,780	7,092

Operation Centralization

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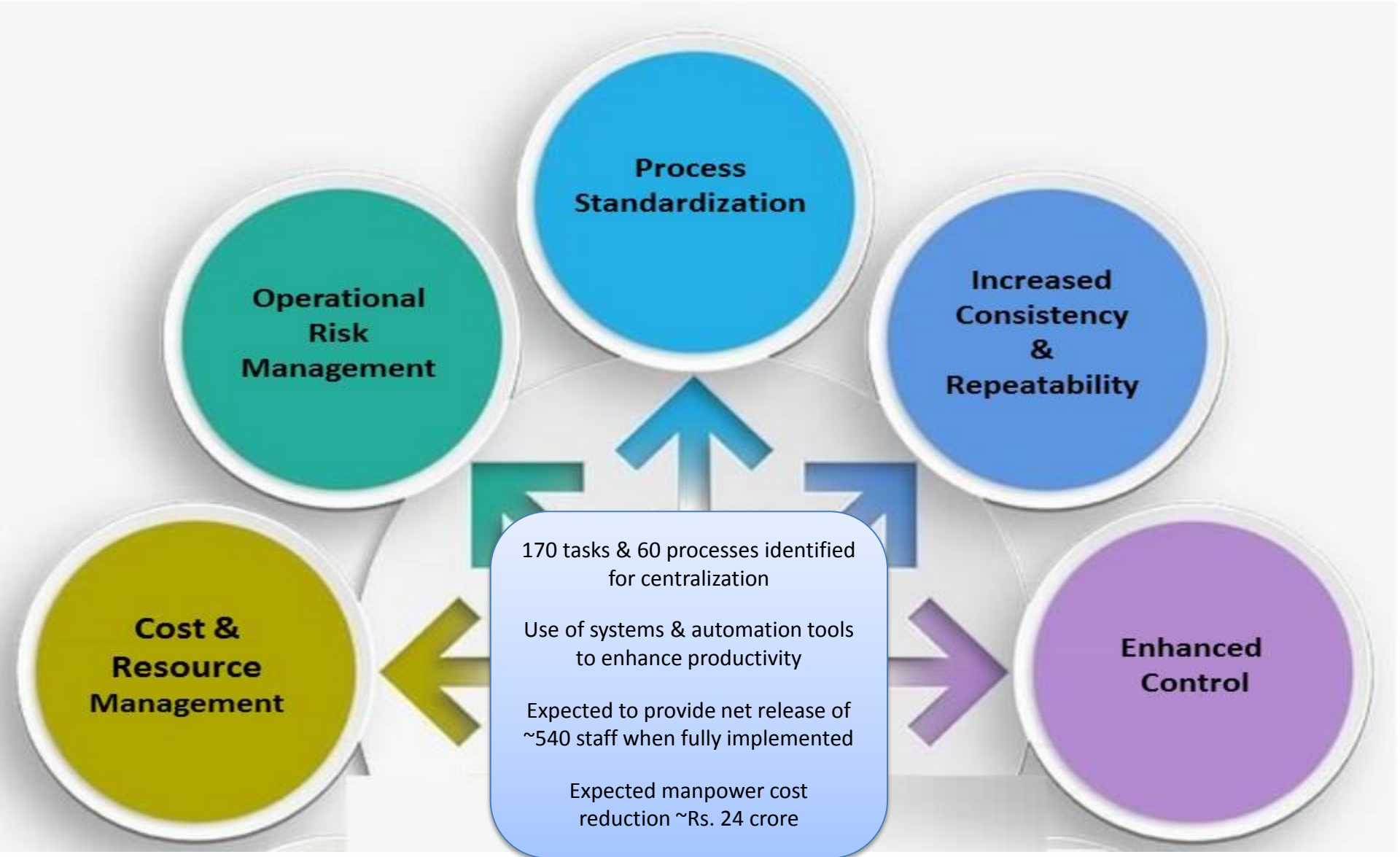

170 tasks & 60 processes identified for centralization

Use of systems & automation tools to enhance productivity

Expected to provide net release of ~540 staff when fully implemented

Expected manpower cost reduction ~Rs. 24 crore

Significant Progress in Operations Centralization

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1 Cash
- Cash payment & receipt
- Cash operations
- Chest movement
- **Addl BNRM Deployment**

2 Clearing
- **O/W Cheque Clearing**
- **O/W Cheque Concurrent Checking**
- **O/W Cheque Returns**
- **I/W Cheque Clearing**

3 Non Financial
- **Service req. follow-ups**
- Customer assistance
- **Customer Master Updation**
- Passbook Updates
- **Dormant Account Activation**
- **A/C Stmt. Issuance**

4 Fund Transfers
- Fund Transfers
- **Income Tax payment**

5 Deposits/DD/PO
- FD opening/closing
- DD/PO issuance
- **TDS updates/interest certificates issuance**

6 Re-conciliation
- **Concurrent checking**
- **Branch GL reconciliation**

7 Advances
- **Retail Loans - Sanctioning activities**
- **Retail Loans - Post-sanctioning follow-ups**
- **SMA actions**
- **NPA actions**
- **Subsidy claims**
- **Retail Loans- Legal Clearance**
- **Limit Master**

8 Jewel Loans
- **Loan sanctioning**
- **Loan maturity**
- Ornament conc. checking

9 A/C Updation
- **A/C Opening**
- **A/C Porting**
- **A/C re-activation**
- A/C closure
- Death Claims Handling
- **A/C Updation**
- **Alternate Channel req.**
- **Cheque book issuance**

10 Forex
- **O/W & I/W Remittances**
- **O/W & I/W TT**
- **O/W & I/W USANS/SITE**

11 Trade Finance
- Limit setting
- Instrument Issuance (LC, BG)
- Instrument maturity and Revocation/devolvement (LC, BG)
- Bill discounting

12 Facilities Management
- Premise Mgmt. – ATM & Branch
- ATM/BNRM Surprise visits
- Utility bill payment
- **Inventory mgmt.**
- **Security Inventory mgmt.**
- **Staff leave mgmt.**

13 Audit & Compliance
- Audit support
- Audit query processing

14 Reporting
- **Monthly reports**

15 Miscellaneous
- I/W Correspondence
- Third party products
- Daily Huddle
- Cust. Service Comm. meeting
- Other misc.
- Customer Grievance Management

16 Expense Management
- **Expense Management**

*Note – Items in **Green** represent completed phases*

Q3 HIGHLIGHTS

Highlights

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CRAR

CRAR 15.87%
Tier I @ 14.14%

BUSINESS

Total Business up 5%
Rs. 1,11,875 crore

NIM – Q3

3.33%

CREDIT

Gross Advances Rs. 49,613 crore
up by Rs. 1,847 crore (YoY)

PROFIT – Q3

Operating Profit Rs. 385 crore
Net Profit Rs. 15 crore

CASA

CASA share @ 31%
Total Deposits up 6%
Rs. 62,262 crore

Results Snapshot*

(Rs. crore)

Financial Indicators – 31.12.2019		
Parameter	Amount	YoY Growth %
Total Deposits	**62,262**	**6**
Gross Advances	**49,613**	**4**
Total Business	**1,11,875**	**5**
Total Income	**2,565**	**5**
Operating Profit	**1,261**	**1**
Net Profit	**151**	**-**

Other Business Parameters	
Gross NPA	**4,424**
Net NPA	**1,946**
Gross NPA %	**8.92**
Net NPA %	**4.13**
PCR %	**65.43**
Basel III Capital	
CRAR	**15.87**
Tier I	**14.14**
Tier II	**1.73**
NIM % (9M)	**3.42**
RoA % (9M)	**0.27**

** End of Period – 31.12.19*

Business Profile (Averages)

(Rs. crore)

Particulars	Dec 19	Dec 18	Y-o-Y Growth	
			Amount	%
Avg. Deposits	**61,189**	**57,314**	**3,875**	**7**
Avg. Demand Deposit	5,808	5,443	365	7
% to Total	*9*	*9*		
Avg. Savings Deposit	12,157	11,150	1,007	9
% to Total	*20*	*20*		
Avg. Time Deposit	43,224	40,720	2,504	6
% to Total	*71*	*71*		
Avg. CASA	**17,965**	**16,593**	**1,372**	**8**
% to average deposit	*29*	*29*		
Avg. Advances	**48,396**	**46,888**	**1,508**	**3**
Avg. CD Ratio (%)	*79.09*	*81.81*		

Business Profile*

(Rs. crore)

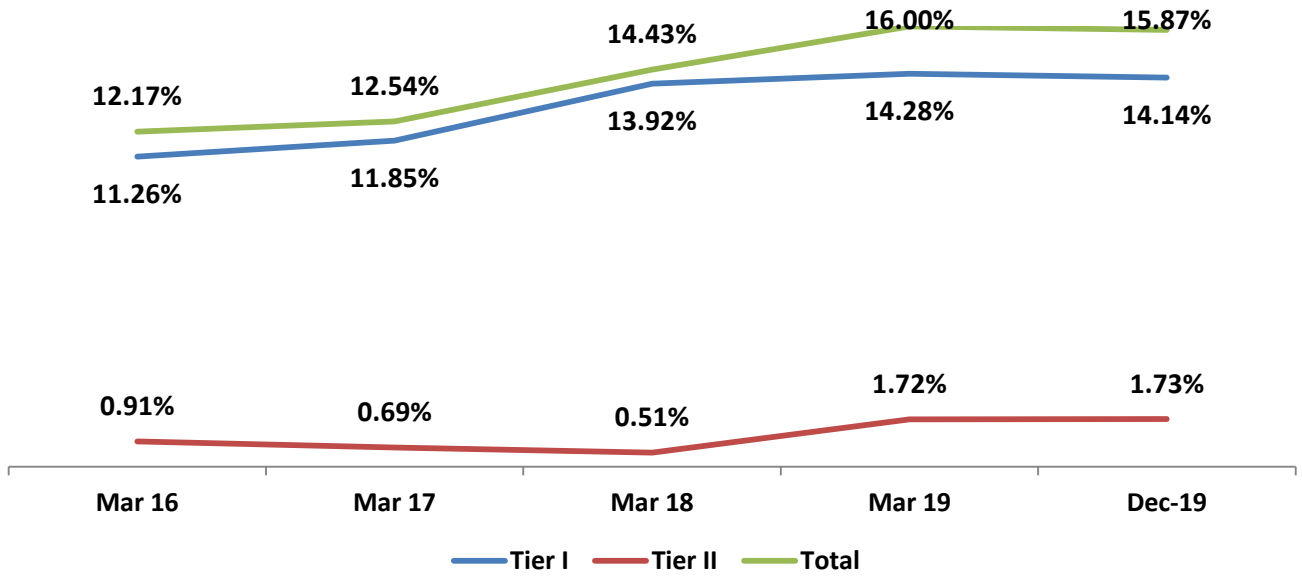
Particulars	Dec 19	Dec 18	Y-o-Y %
Total Deposits	**62,262**	**58,624**	**6**
Demand	6,260	5,852	7
Savings	12,803	11,616	10
CASA	**19,063**	**17,468**	**9**
Term Deposits	43,199	41,156	5
CASA %	*31*	*30*	
Gross Advances	**49,613**	**47,766**	**4**
Net Advances	47,119	46,005	2
Total Business	**1,11,875**	**1,06,390**	**5**

** End of Period – 31.12.19*

Capital Adequacy – Basel III

(Rs. crore)

Capital	As at				
	Dec 19	Mar 19	Mar 18	Mar 17	Mar 16
Tier I	6,220	6,245	6,145	4,790	4,064
Tier II	759	751	226	278	330
Total	**6,979**	**6,996**	**6,371**	**5,068**	**4,394**

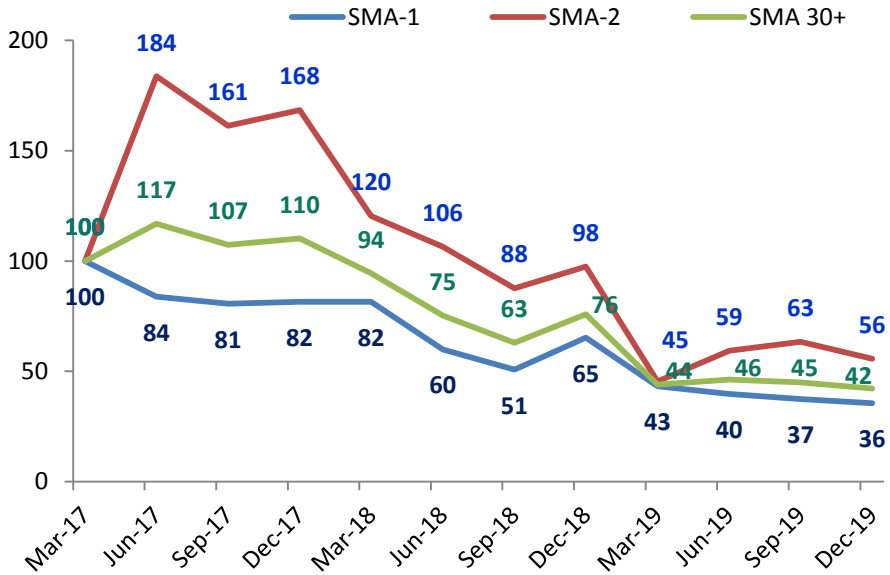


Entire Tier I comprises of CET1 capital, well above the min. requirement of 7.375%

PORTFOLIO PERFORMANCE

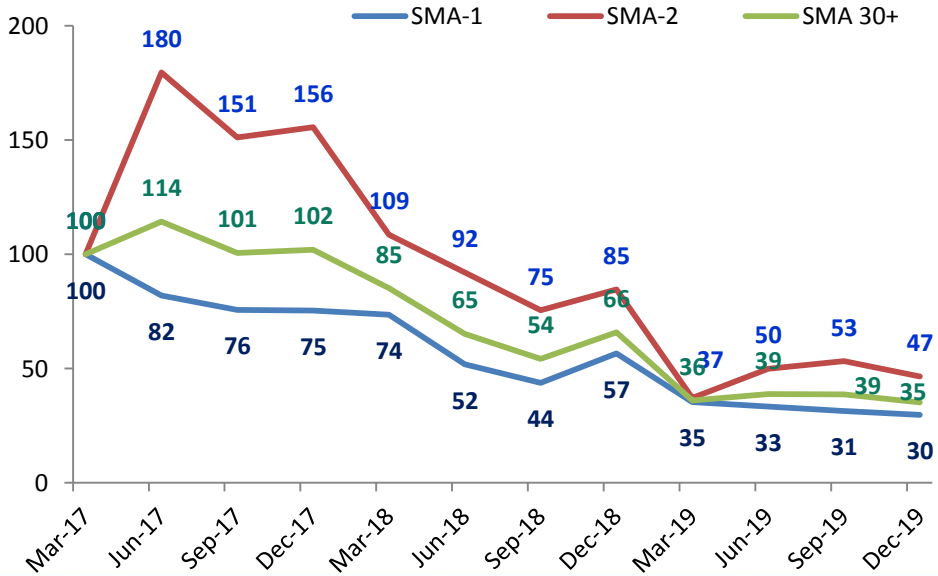
Portfolio Performance Improving

Balance in INR
Base Mar. 31, 2017 = 100

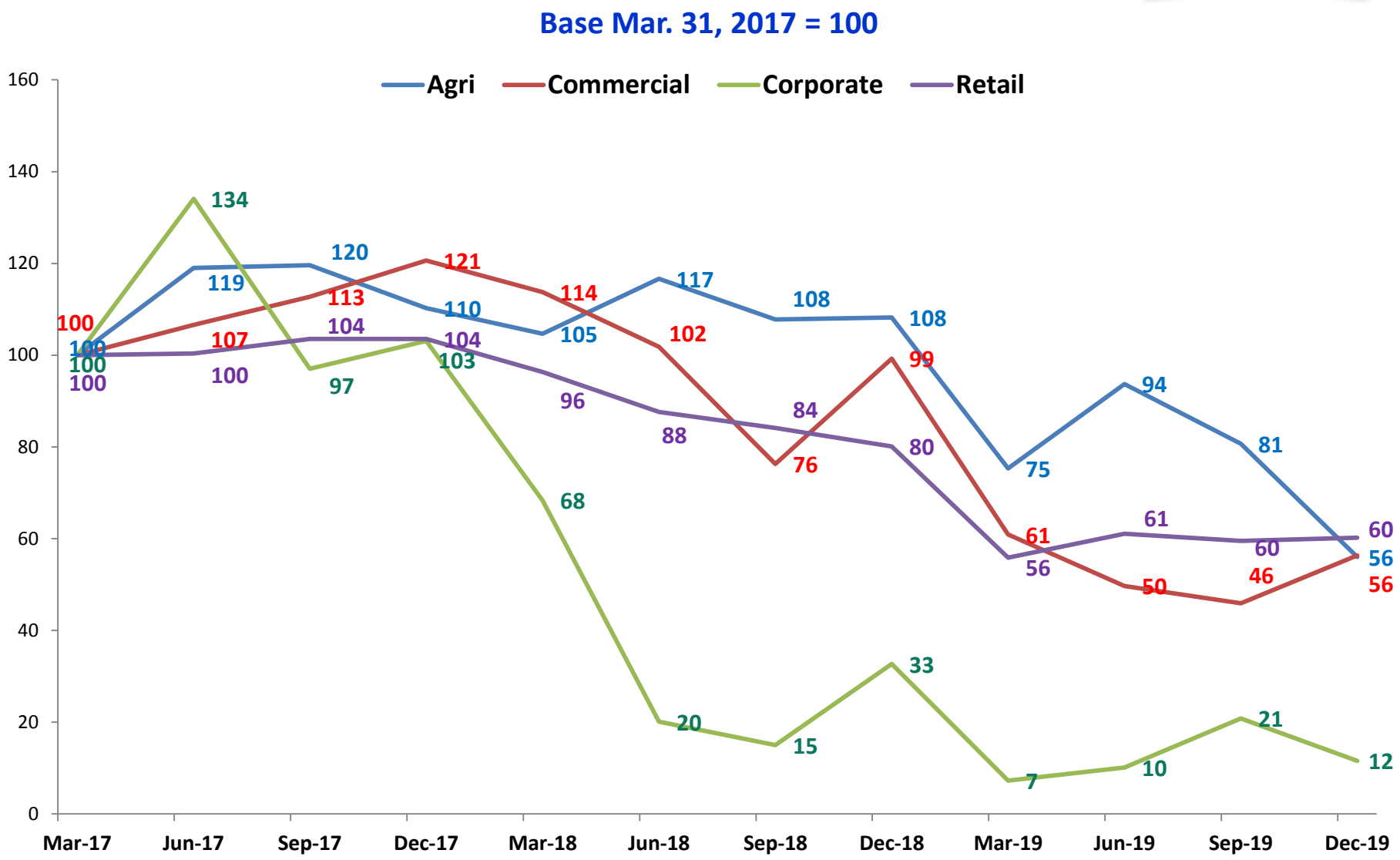


SMA 1 – 1.8%
SMA 2 – 1.4%
SMA 1 (ex-Gold) – 1.4%
SMA 2 (ex-Gold) – 1.4%

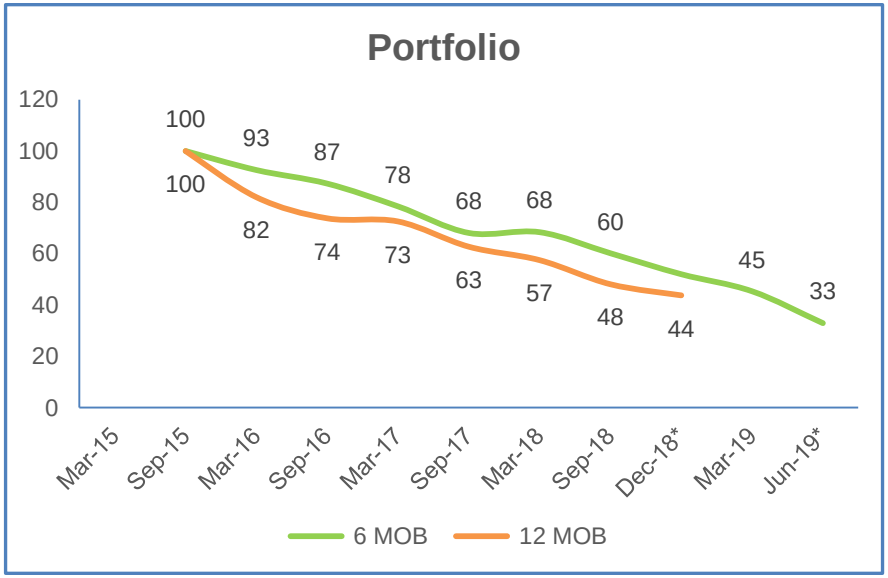
Portfolio Outstanding in %
Base Mar. 31, 2017 = 100

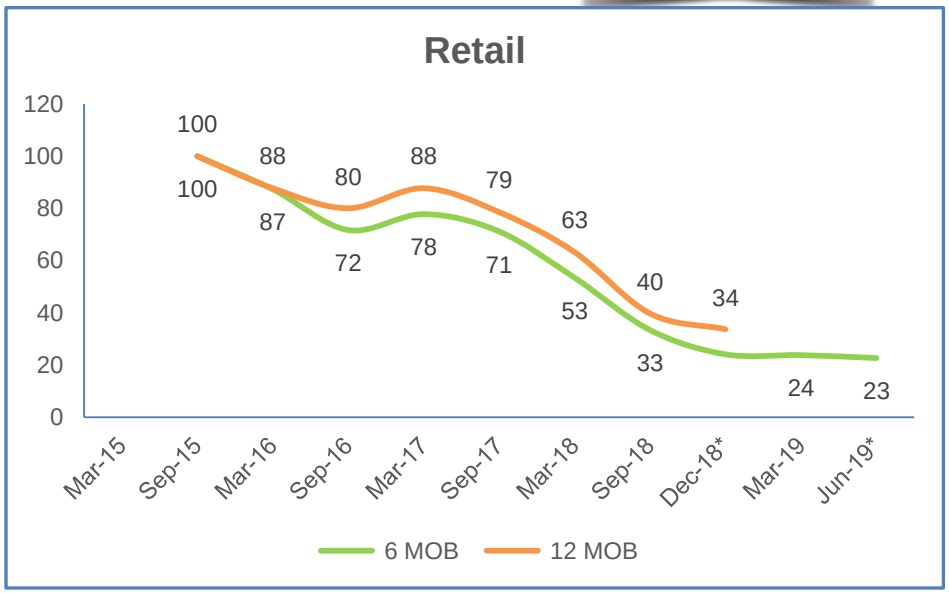


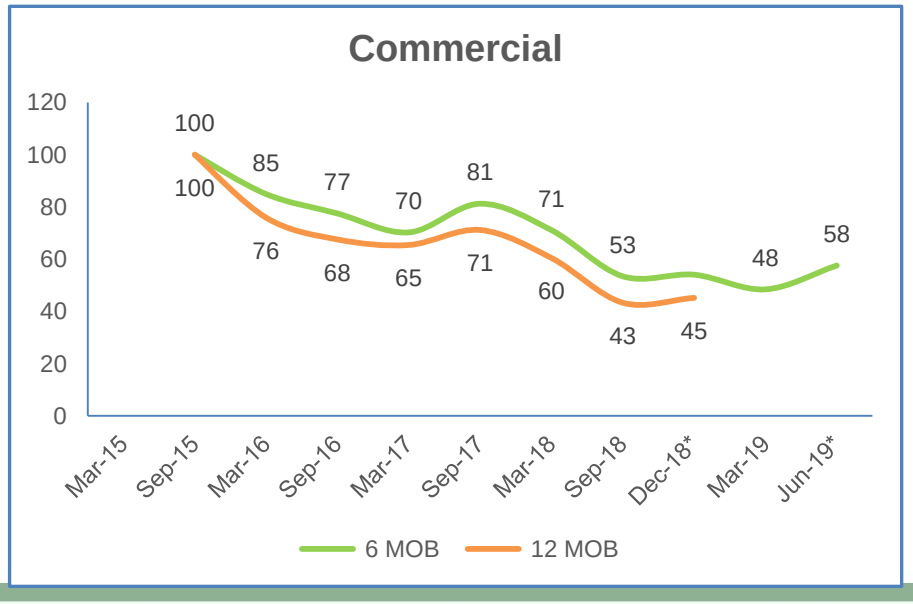
Portfolio Performance Improving



Improving Portfolio Performance (Normalized to Sep'2015)
Ever 30+% @ 6 & 12 Month On Book (MOB* – Half Yearly)



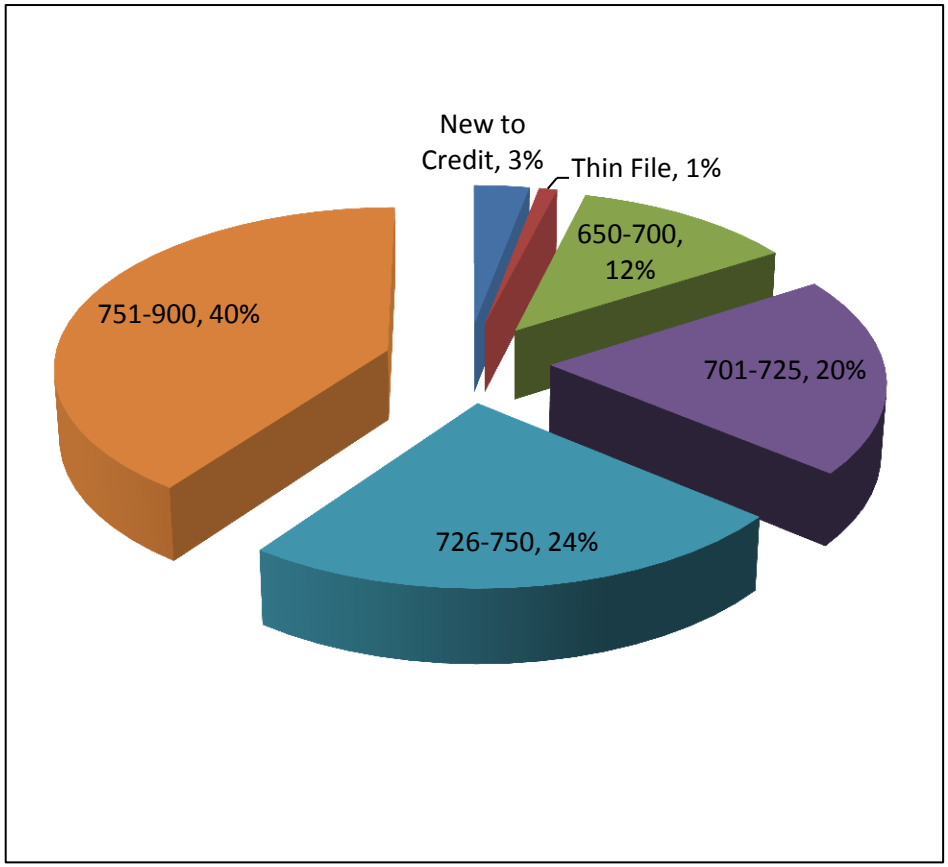




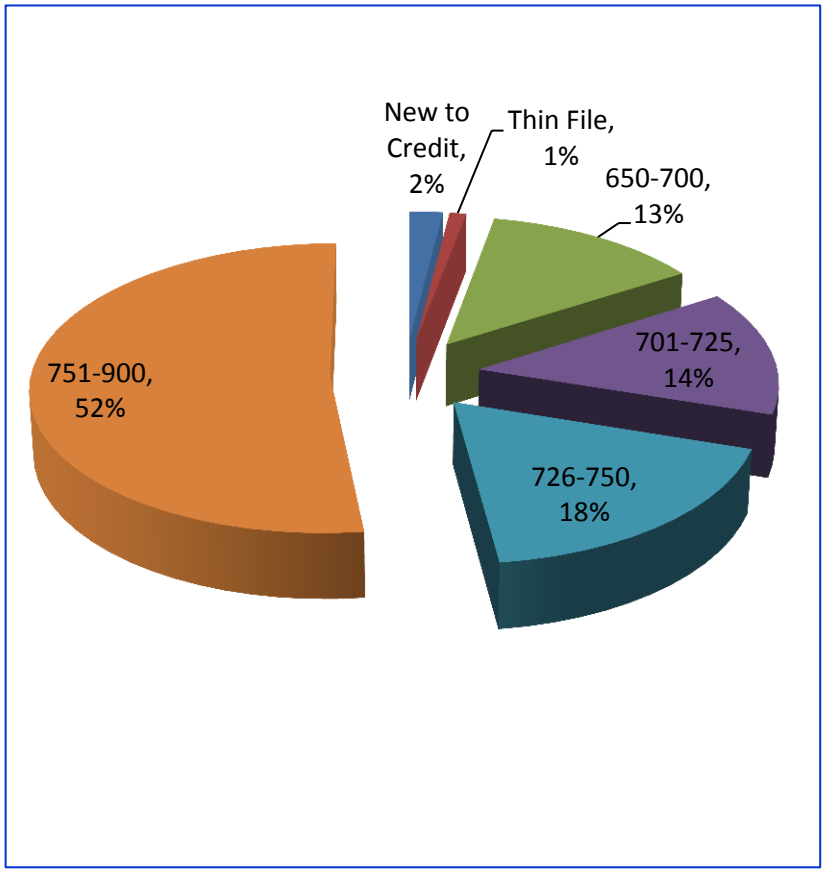
- * MOB - Month on Book – Performance of a Cohort either over 6 or 12 months from booking of the loan
- Ever 30+% = $\frac{\text{Original Principal of any loans that is SMA1 anytime during the period}}{\text{Original principle of the Cohort in Consideration}}$
- All numbers are normalized to values prevailing at September 2015 for the respective vintage (i.e. 6 or 12 MOB)
- Vintage of Sep 2015 represents the loans booked between April 2015 & Sep 2015 @ 6 &12 MOB. Similarly for other time period mentioned.
- Dec 18 & Jun 19 data points represents the performance of loans booked in Oct, Nov, Dec'18 (12 months vintages) & Apr, May, Jun'19 (6months Vintages)

RETAIL DIGITAL LOAN DISTRIBUTION - IMPROVING CIBIL SCORE^

Portfolio EoP*



For Dec. 2019



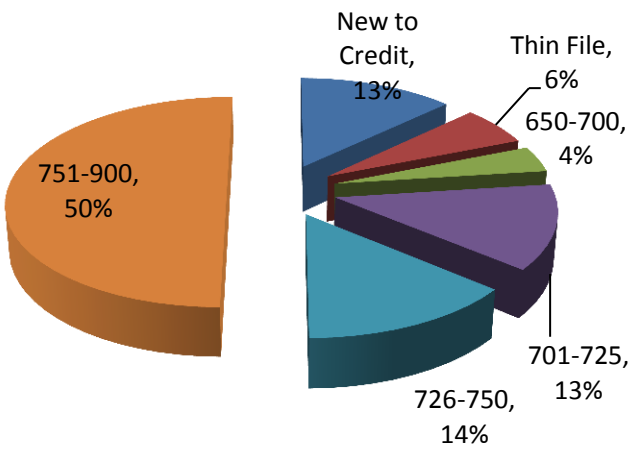
~60% of Retail Loan to Existing Banking Customers

** End of Period – 31.12.19*

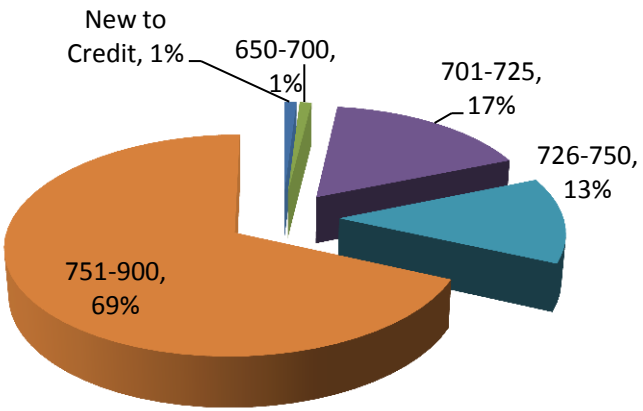
^ CIBIL V2 Score or equivalent

Retail Portfolio – Digital - CIBIL Score^ Distribution (EoP*)

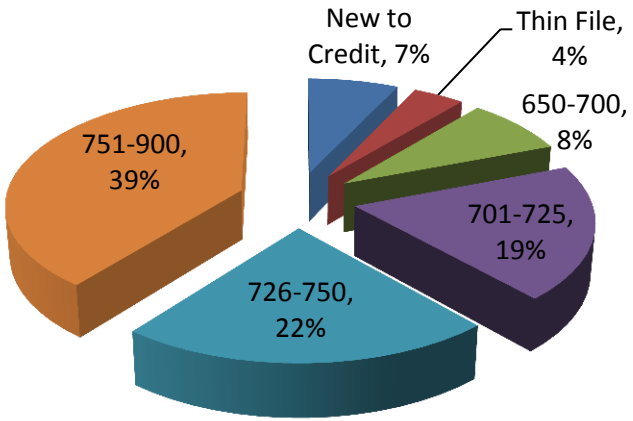
Home Loans



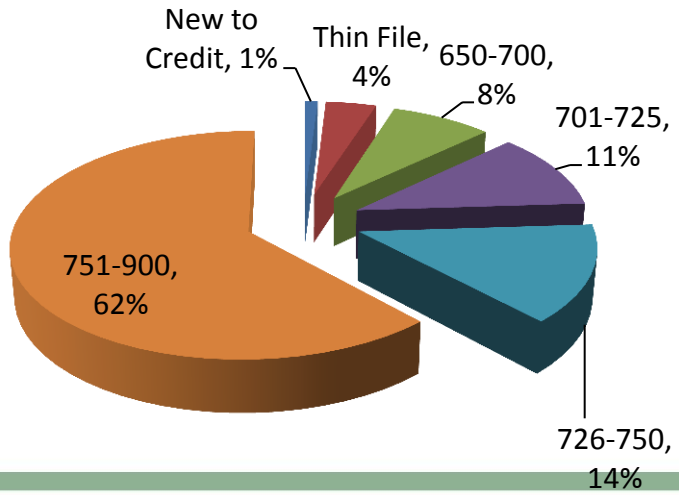
Personal Loans



LAP



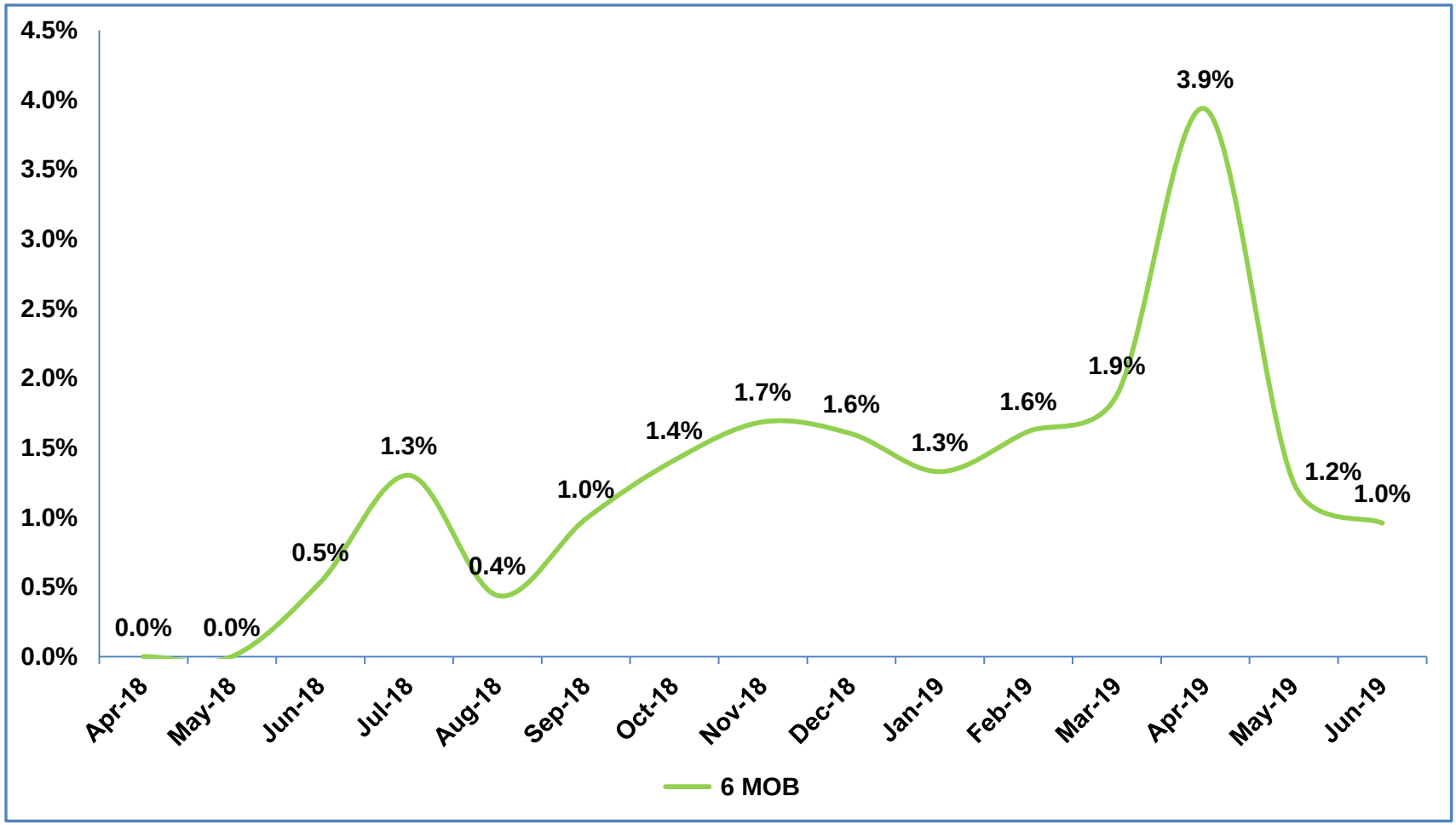
2W & 4W



** End of Period – 31.12.19*

^ CIBIL V2 Score or equivalent

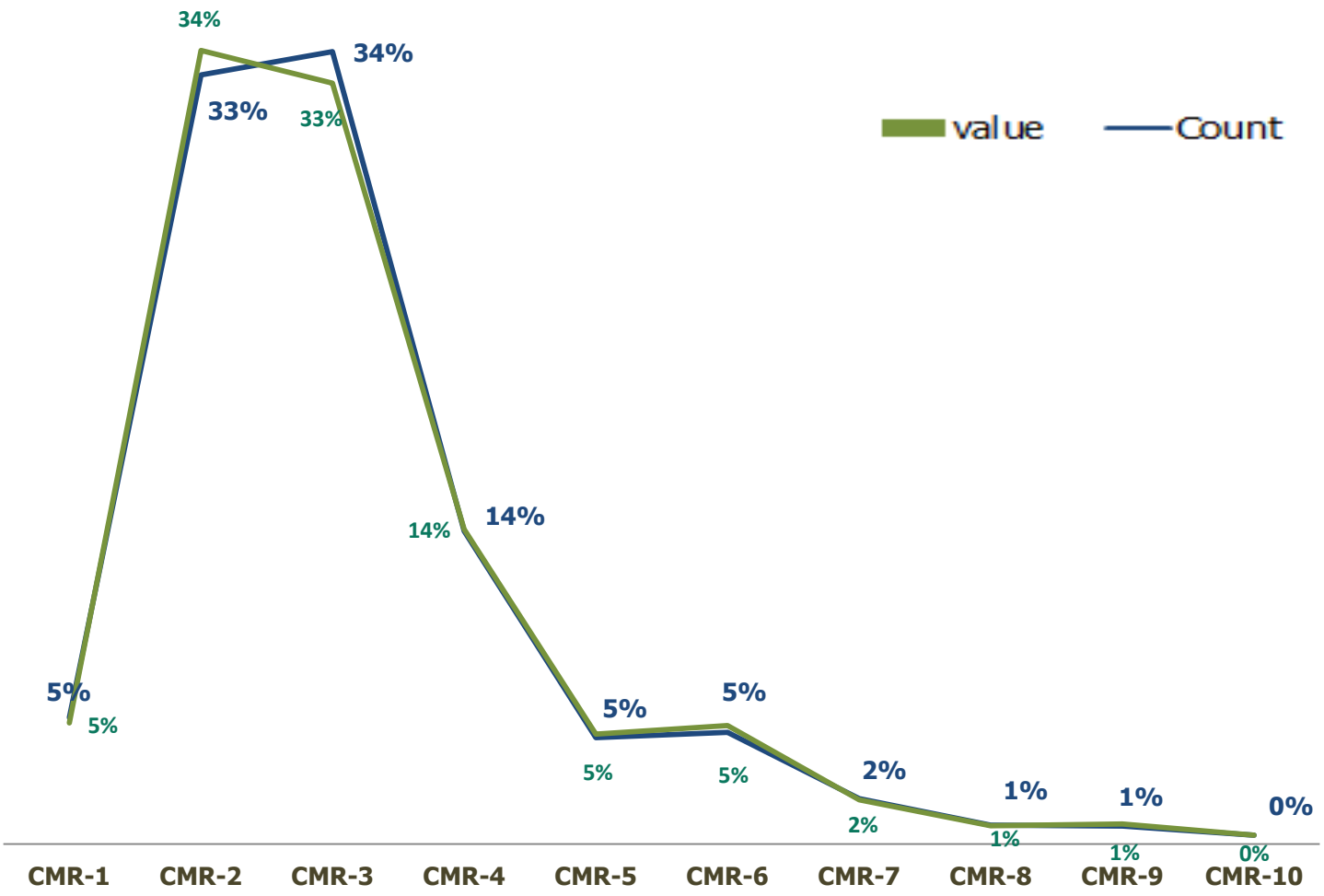
Digitally Originated Retail Loans Performing Well
Ever 30+ % at 6 MOB*



* Monthly vintages; Ever 30+% = $\frac{\text{Original Principal of any loans that is SMA1 anytime during the period}}{\text{Original principle of the Cohort in Consideration}}$

Digital SME Platform – good quality application origination

Digital Portfolio Distribution - CMR scores – EoP* Dec 31, 2019



- **82% of portfolio have CMR scores in value terms (69% of accounts)**
- **86% of portfolio is in 'CMR 1 - 4' buckets (87% of accounts)**
- Overall, less than 2% of the applications originated, with CMRs of '8-10', are approved by the system – **post digitalisation, quality of portfolio by value & no. of accounts significantly improved**

** Includes renewals carried out digitally*

FINANCIAL PERFORMANCE

Profit and Loss A/c (Qtr.)

(Rs. crore)

Particulars-	Q3 FY 19-20	Q3 FY 18-19	YoY (%)	Q2 FY 19-20
Net Interest Income	577	581	(1)	596
Other Income	260	260	-	278
Total Income	**837**	**841**	**-**	**874**
Operating Expenses	452	416	9	443
Operating Profit	**385**	**425**	**(9)**	**431**
Provisions	365	401	(9)	365
Credit Related	352	432	(18)	347
Others	13	(31)	-	18
Profit Before Tax	**20**	**24**	**(17)**	**66**
Tax	5	3	67	3
Net Profit	**15**	**21**	**(29)**	**63**

Profit and Loss A/c (9 months)

(Rs. crore)

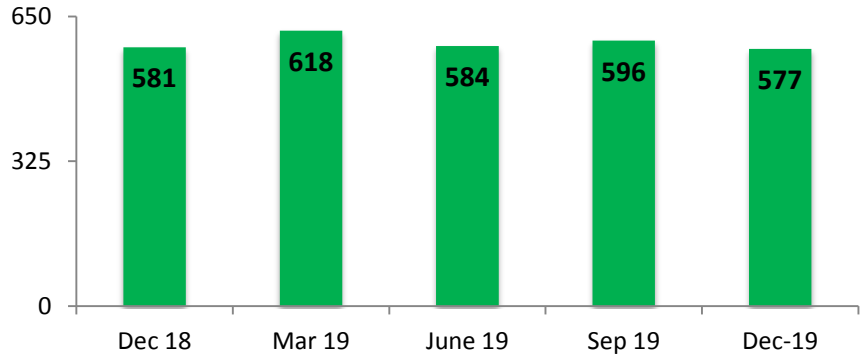
Particulars	9 months FY 19-20	9 months FY 18-19	YoY (%)
Net Interest Income	1,757	1,744	1
Other Income	808	690	17
Total Income	**2,565**	**2,434**	**5**
Operating Expenses	1,304	1,188	10
Operating Profit	**1,261**	**1,246**	**1**
Provisions	1,060	1,036	2
Credit Related	1,018	1,000	2
Others	42	36	17
Profit Before Tax	**201**	**210**	**(4)**
Tax	50	59	(15)
Net Profit	**151**	**151**	**-**

Income v/s Expenses (Qtr)

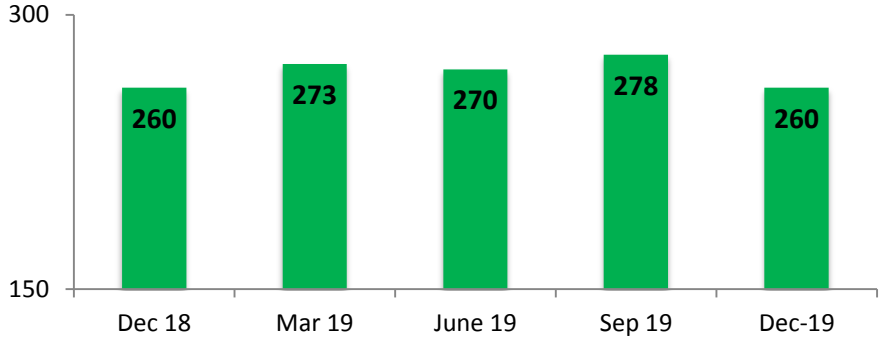
(Rs. crore)

Karur Vysya Bank
Smart way to bank

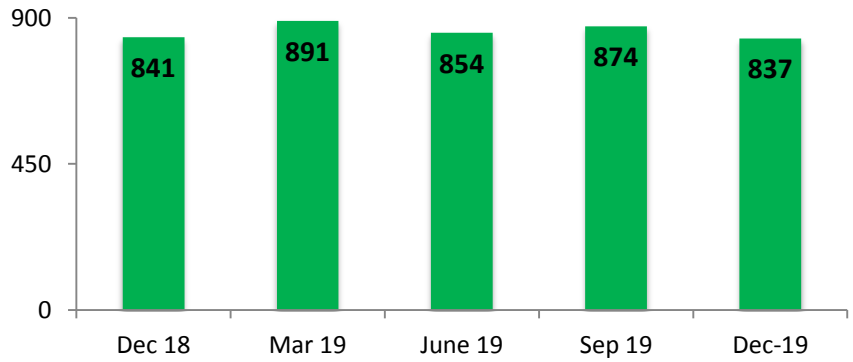
Net Interest Income



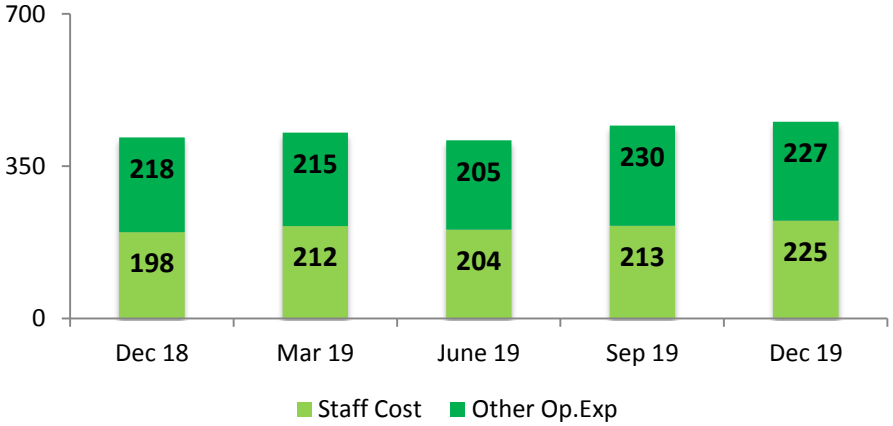
Non Interest Income



Total Operating Income



Operating Expenses



(Rs. crore)

Break Up of Other Income

Particulars	Quarter				9 months		
	Dec 19	Dec 18	YoY (%)	Sep19	Dec 19	Dec 18	YoY (%)
TOTAL NON-INT. INCOME	**260**	**260**	**-**	**278**	**808**	**690**	**17**
1) Fee Income	178	161	10	153	499	494	1
2) Investment trading profit	45	27	67	91	203	13	-
3) Forex Income	8	9	(11)	10	27	29	(7)
4) Others*	35	62	-	28	91	152	-
5) Profit/(loss) on sale of land, building, other assets etc.	(6)	1	-	(5)	(12)	2	-

**Includes recoveries from Written Off A/c's –*
Rs.8 crore (9M FY 19-20) & Rs.60 crore (9M FY 18-19)
Rs6 crore (Q3 FY 19-20) & Rs 36 crore (Q3 FY 18-19)

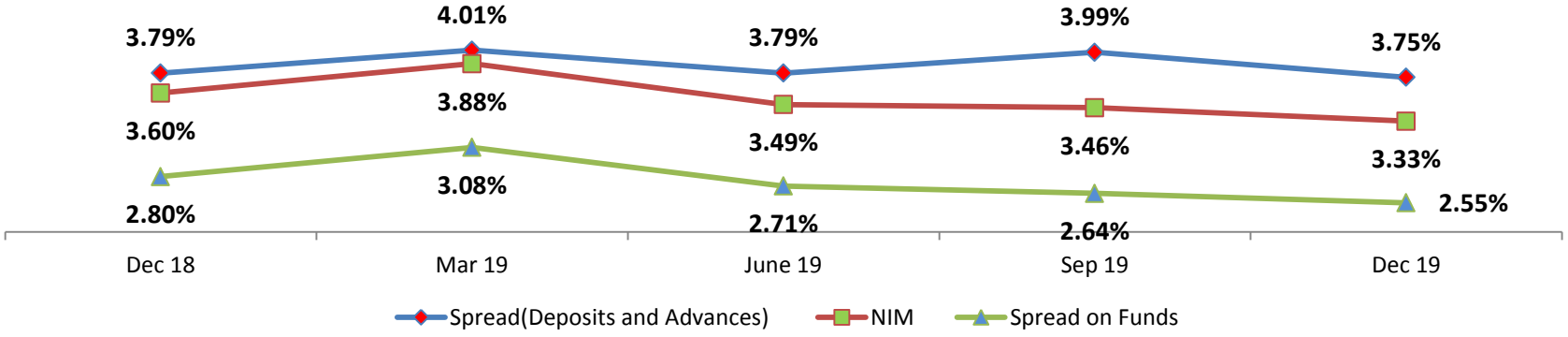
Break Up of Operating Expenses

(Rs. crore)

Particulars	Quarter				9 months		
	Dec 19	Dec 18	YoY (%)	Sep 19	Dec 19	Dec 18	YoY (%)
Staff Expenses	225	198	14	213	642	549	17
Of above – Prov. for employee retirement benefits	55	44	25	48	141	96	-
Other Operating Expenses	227	218	4	230	662	639	4
TOTAL OPG. EXPENSES	**452**	**416**	**8**	**443**	**1,304**	**1,188**	**10**

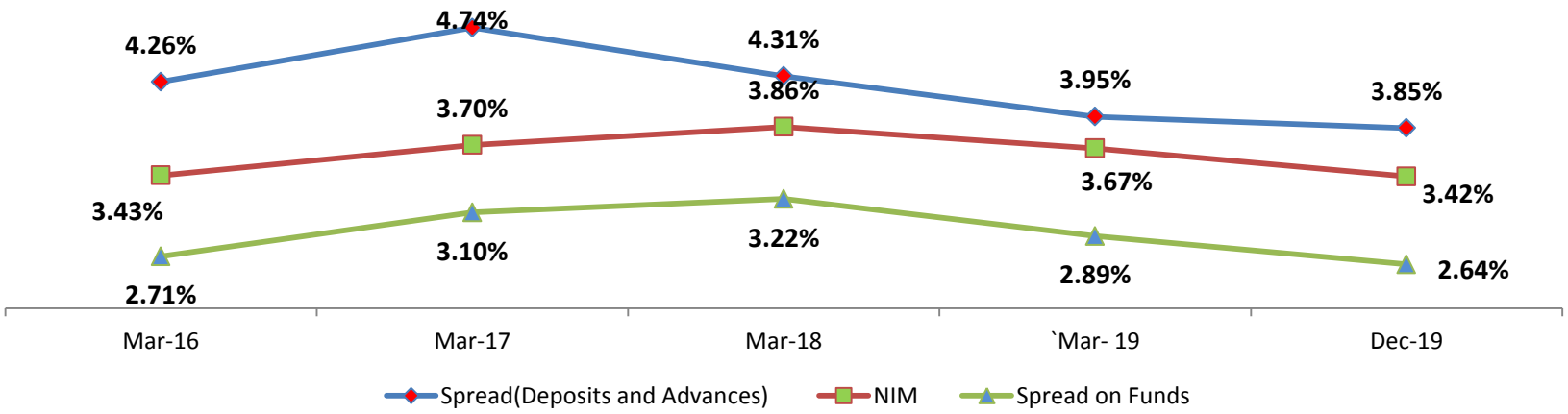
Key Ratios (Qtr.)

Particulars	Q3 FY 19-20	Q3 FY 18-19
Cost of Deposits	5.76	5.80
Yield on Advances	9.51	9.59
Cost of Funds	5.80	5.82
Yield on Funds	8.35	8.62
NIM	3.33	3.60
Spread	2.55	2.80
Cost to Income Ratio	54.05	49.45
Business/Emp. (Rs. Crore)	13.90	13.79
Profit/Emp. (Rs. Lakh)	0.75	1.10



Key Ratios (9 months)

Particulars	9 months FY 19-20	9 months FY 18-19
Cost of Deposits	5.81	5.80
Yield on Advances	9.66	9.72
Cost of Funds	5.87	5.81
Yield on Funds	8.51	8.64
NIM	3.42	3.60
Spread	2.64	2.83
Cost to Income Ratio	50.84	48.81
Business/Emp. (Rs. Crore)	13.90	13.79
Profit/Emp. (Rs. Lakh)	2.51	2.61



CREDIT PORTFOLIO COMPOSITION

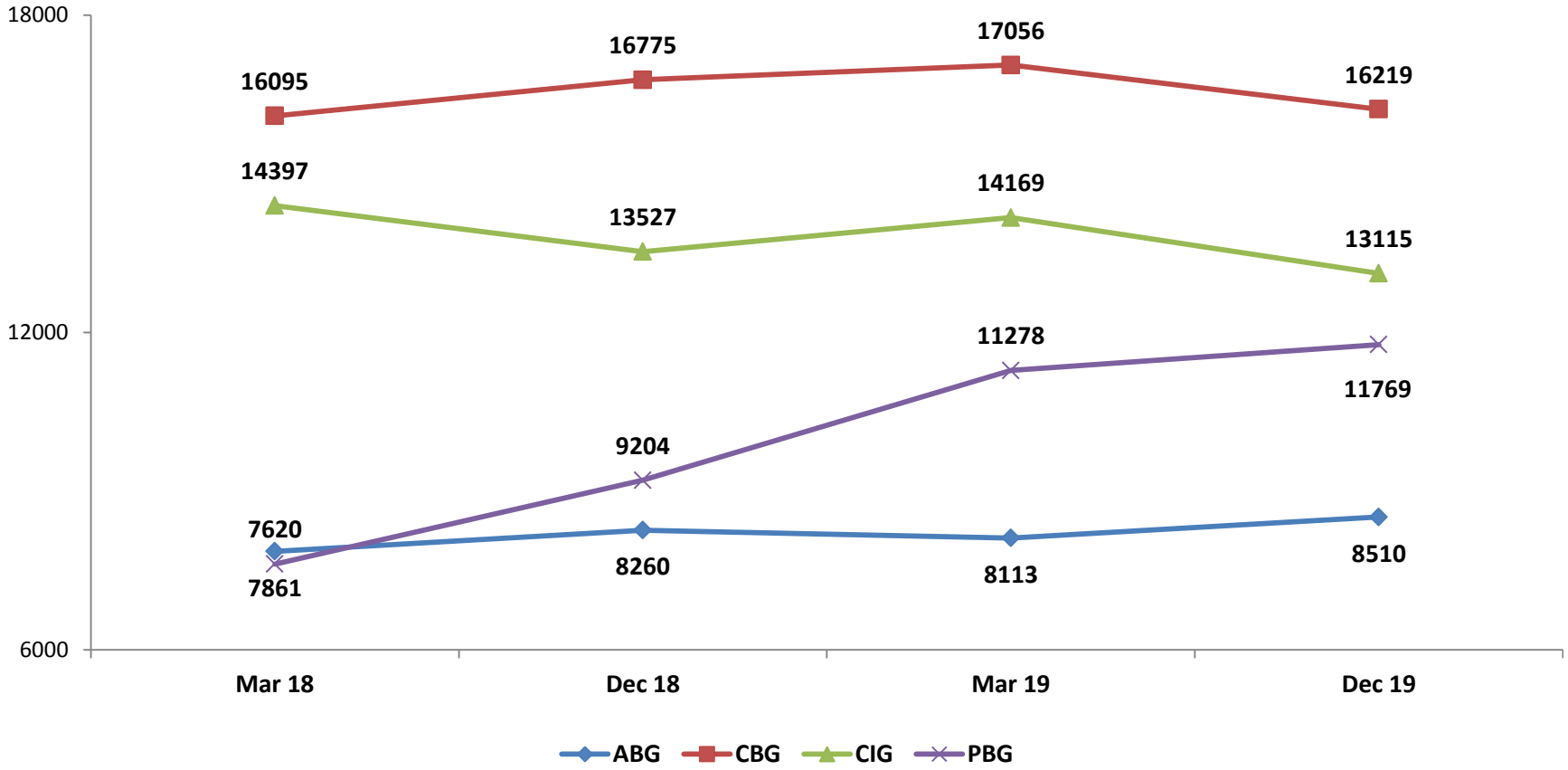
Advances Portfolio

(Rs. crore)

Particulars	Dec 19	Dec 18	Y-o-Y Growth %
Commercial	16,219	16,775	(3)
Retail (Personal Banking)	11,769	9,204	28
Corporate	13,115	13,527	(3)
Agriculture	8,510	8,260	3
Gross Advances	**49,613**	**47,766**	**4**
Jewel Loans (included above)	*8,580*	*7,794*	*10*
Retail (ex. IBPC)	*10,544*	*8,704*	*21*
Corporate (ex. IBPC)	*12,815*	*13,527*	*(5)*

Advances (Segment by Value)

(Rs. crore)

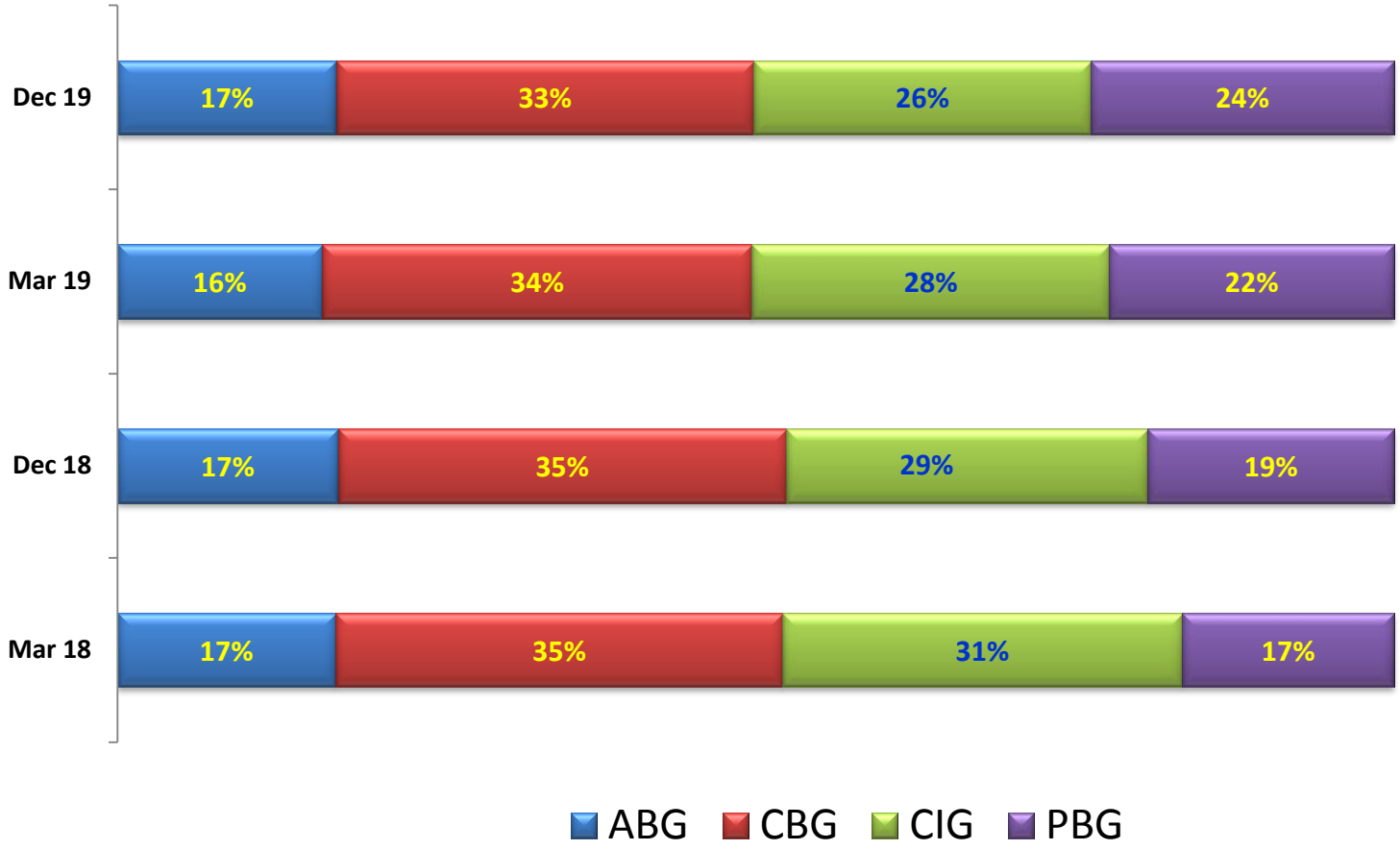


Segments

ABG – Agri **CBG – Commercial (<= Rs. 25 crore)** **CIG* – Corporate (> Rs. 25 crore)** **PBG* – Personal**

** Portfolio inclusive of IBPCs*

Advances – Segment Share



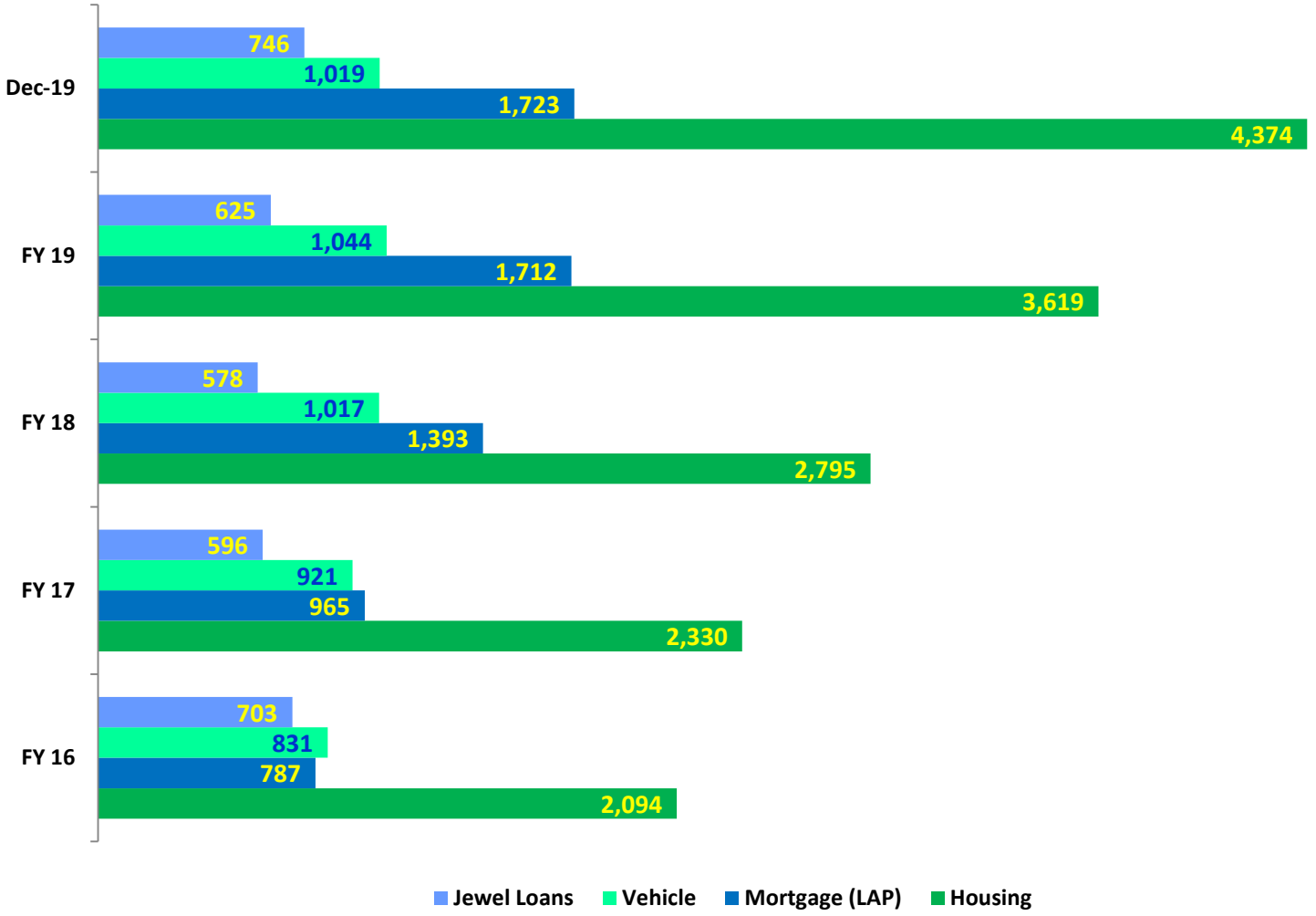
Segments

ABG – Agri **CBG – Commercial (<= Rs. 25 crore)** **CIG* – Corporate (> Rs. 25 crore)** **PBG* – Personal**

** Portfolio inclusive of IBPCs*

Robust Growth in Retail Segment

(Rs. crore)



(Rs. crore)

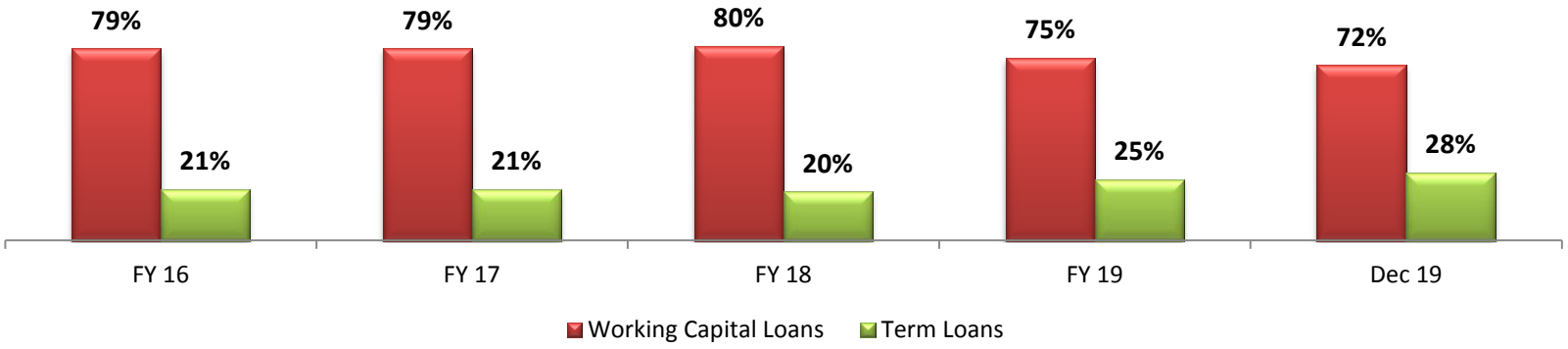
Retail Portfolio Distribution

Segment	Advances outstanding as at				
	Dec 19	Mar 19	Mar 18	Mar 17	Mar 16
Housing	4,374	3,619	2,795	2,330	2,094
Mortgage (LAP)	1,723	1,712	1,393	965	787
Vehicle	1,019	1,044	1,017	921	831
Jewel Loans	746	625	578	596	703
Personal Loans	547	424	296	316	354
Education Loans	215	235	261	266	245
Others*	3,145	3,620	1,280	946	904
Total	**11,769**	**11,278**	**7,620**	**6,340**	**5,918**

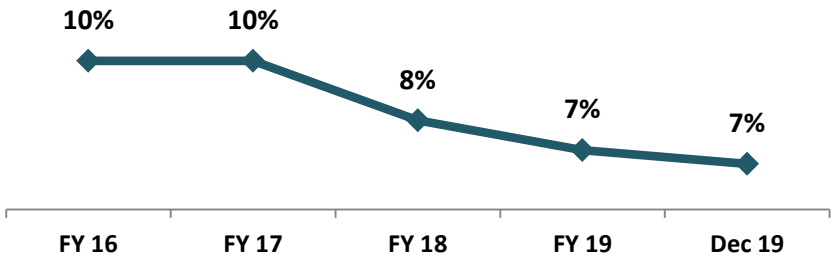
*Includes IBPC of Rs.1225 Cr, Rs.2050 Cr and Rs.200 Cr for Dec 19 , Mar 19 and Mar 18 respectively.

Credit Portfolio – other metrics

Short term credit (Working Capital) forms major part of credit portfolio

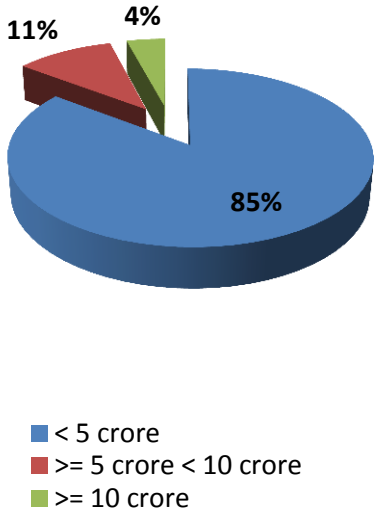


Low concentration : Top 20 borrowers (% of overall loans)



Ticket size of Commercial Book

- Average ticket size - Rs. 40 lakh
- 85% of commercial loans are less than Rs. 5 crore

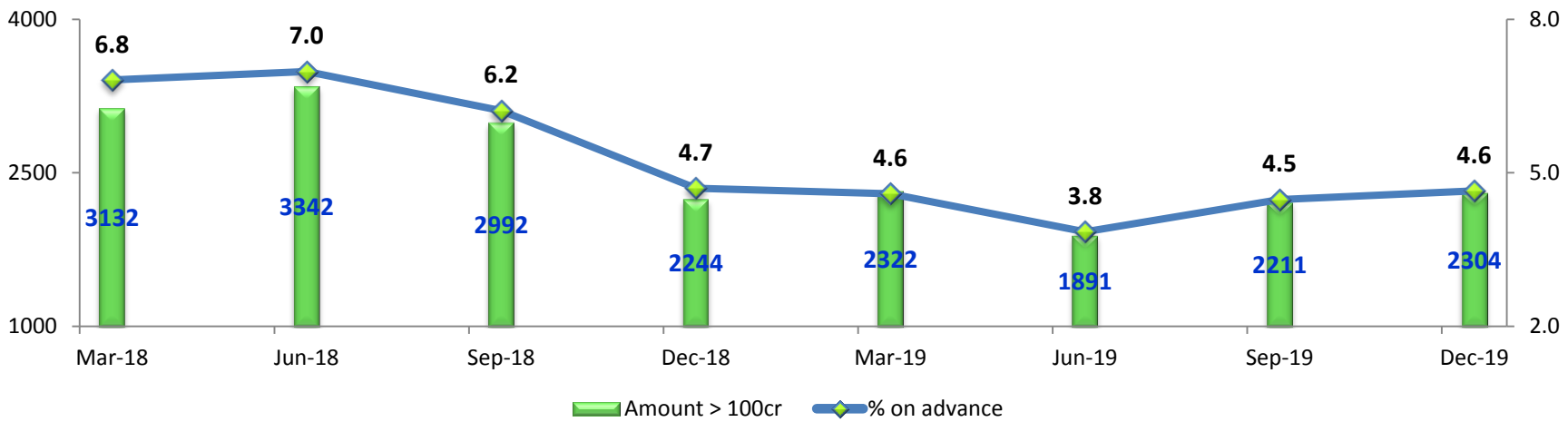


Corporate Book *

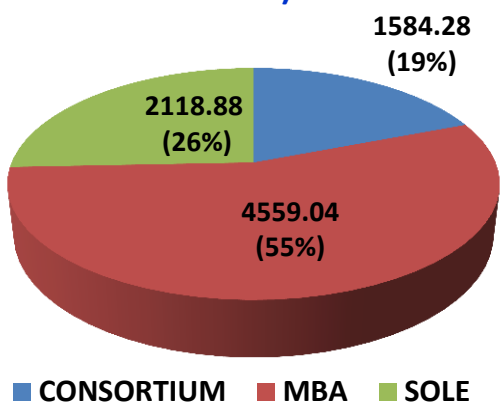
(Rs. crore)

Karur Vysya Bank
Smart way to bank

Standard Corporate advances > 100 cr

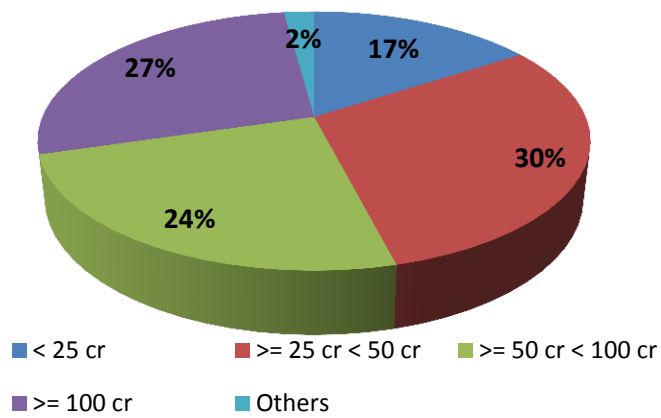


BANKING ARRANGMENT (> Rs. 50 Crore - FB + NFB)



- Average ticket size ~Rs. 35 crore
- ~70% of corporate loans are less than Rs. 100 crore
- *SMA 1 & 2 in corporate credit is ~ 1% of the book*

Exposure-wise break-up



Others indicates IBPC of Rs. 300 crore

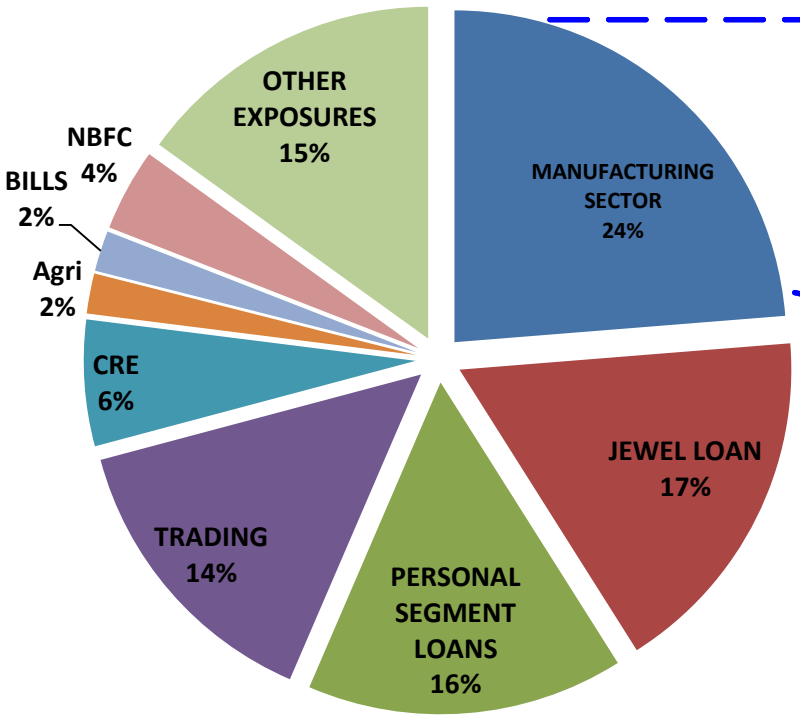
** Corporate Book represents exposure > Rs. 25 crore*

Advances – Composition

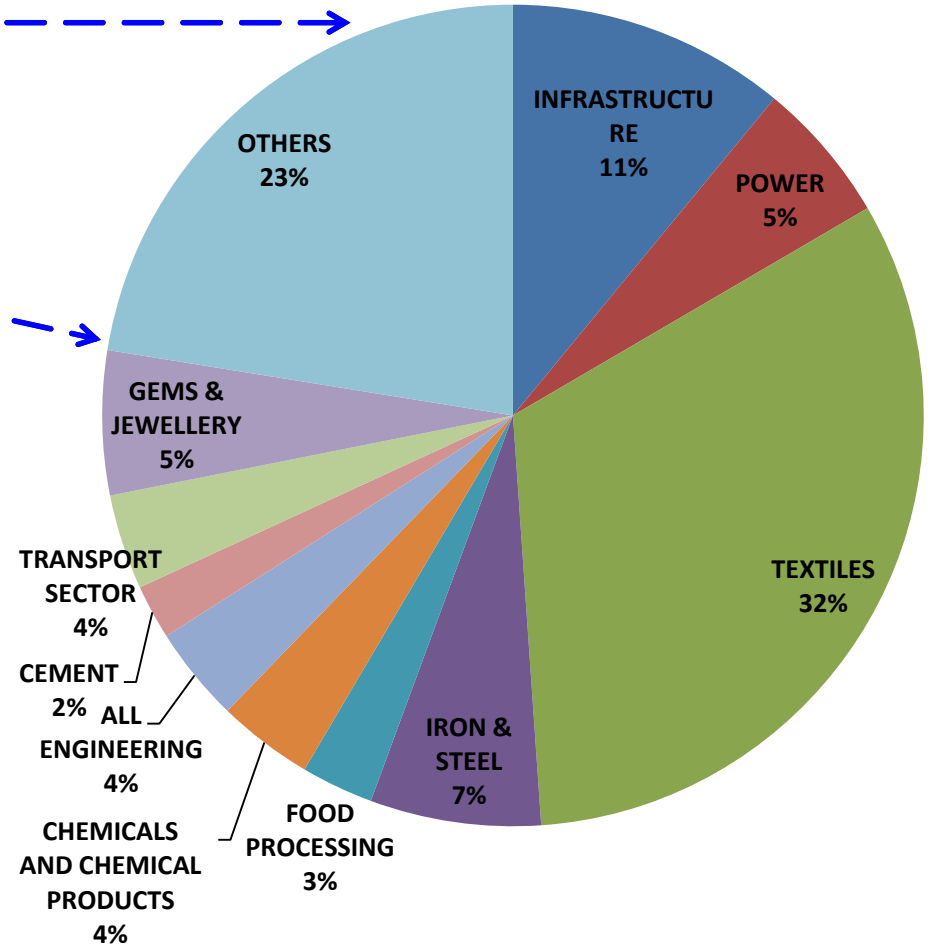
Karur Vysya Bank
Smart way to bank

Well spread sub-sectorial exposures & diversified industrial exposures

Rs.496 Bn



Breakup of Industrial exposure (Rs.118 Bn)



(Rs. crore)

Security Coverage

Nature of security	31.12.19	
Exposure backed by -		
Letter of Credit	273	
Liquid Assets ^	9,556	
Vehicles	2,729	
Commodities	254	
Total (1)		**12,812**
Exposure secured by Immovable Property (% Coverage)		
> 100%	22,062	
90% to <100%	8,735	
75% to <90%	1,673	
50% to <75%	3,611	
<50%	2,858	
Total (2)		**38,939**
Exposure without Immovable property as security		
Corporate, Consortium, Government, IBPC etc.	2,214	
Unsecured Exposure	538	
Total (3)		**2,752**
Total Risk Assets outstanding – Fund and Non Funded (1+2+3)*		**54,503**

** Total risk assets including technical write off accounts*

^ Liquid Assets - Cash, Jewels, NSC/Insurance policies & other liquid assets

Coverage defined as (Value of Security)/Loan Principal O/s; & is based on available valuation.

(Rs. crore)

Advances – Composition

Particulars	Amount			% to Total Advance		Growth Over Dec 18	
	Dec 19	Dec 18	Sep 19	Dec 19	Dec 18	Amt	%
Manufacturing	11,777	13,013	12,006	24	27	(1,236)	(9)
Trading	7,134	7,990	7,052	14	17	(856)	(11)
Jewel loan	8,580	7,794	8,130	17	16	786	10
Personal loans @	7,660	6,773	7,918	15	14	887	13
CRE	3,047	2,765	2,838	6	6	282	10
Agri (other than Jewel Loan)	969	1,330	1,092	2	3	(361)	(27)
Bills	980	1,209	933	2	3	(229)	(19)
NBFC	1,992	1,517	1,921	4	3	475	31
Capital market	1	21	1	-	0	(20)	-
Others*	7,473	5,355	7,497	15	11	2118	40
Total Advances	**49,613**	**47,766**	**49,388**	**100**	**100**	**1,847**	**4**

@ Vehicle, Housing, Deposit loans & Insta Loans
**Exposure to other service sectors.*

(Rs. crore)

Manufacturing Sector - Industry Wise

Industry	Amount		% to Total Advance		Y-o-Y Growth	
	Dec 19	Dec 18	Dec 19	Dec 18	Amount	%
Textile	3,814	3,773	7.7	7.9	41	1
Infrastructure	1,901	2,515	3.8	5.3	(614)	(24)
Basic Metal & Metal Products	791	746	1.6	1.6	45	6
Food Processing	335	920	0.7	1.9	(585)	(64)
Gems & Jewelry	665	616	1.3	1.3	49	8
All Engineering	441	598	0.9	1.3	(157)	(26)
Chemical & Chemical Products	443	475	0.9	1.0	(32)	(7)
Rubber and Plastic Products	557	547	1.1	1.2	10	2
Construction	374	443	0.8	0.9	(69)	(16)
Wood & Wood Products	438	453	0.9	1.0	(15)	(3)
Transport Sector	441	398	0.9	0.8	43	11
Paper & Paper Products	395	295	0.8	0.6	100	34
Cement & Cement products	253	302	0.5	0.6	(49)	(16)
Other Products	929	932	1.9	1.9	(3)	(6)
TOTAL	**11,777**	**13,013**	**23.7**	**27.2**	**(1,236)**	**(9)**

Other industries include : beverages & tobacco, mining & quarrying, petroleum, glass & glassware, leather& leather products, etc .

Infrastructure Advances

(Rs. crore)

Infrastructure	Amount O/s		% to Total Advance		Y-o-Y Growth	
	Dec 19	Dec 18	Dec 19	Dec 18	Amt	%
Power	609	632	1.2	1.3	(23)	(4)
Road	465	431	0.9	0.9	34	8
Infra Others	827	1,452	1.7	3.0	(625)	(43)
TOTAL	**1,901**	**2,515**	**3.8**	**5.3**	**(614)**	**(24)**

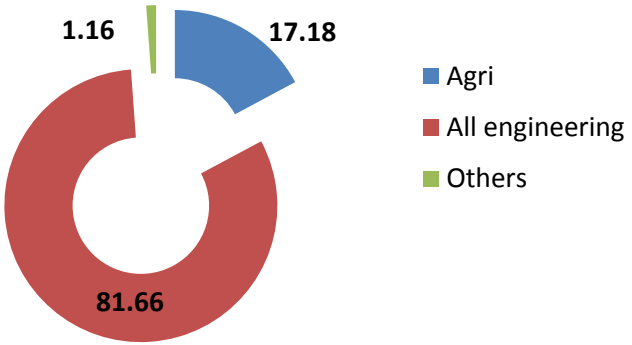
Power Sector Exposure		
Ownership	**Dec 19**	**Dec 18**
Government	334	375
Private	275	257
TOTAL	**609**	**632**

(Rs. crore)

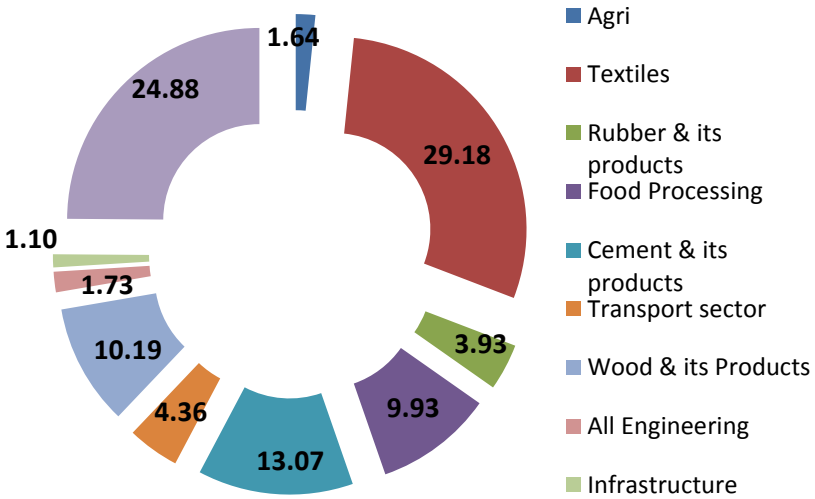
Sector-wise Restructured Advances

S. N.	SECTOR	Amount	
		Dec 19	Dec 18
1	Textile	59.32	-
2	Food & Food Processing	20.18	-
3	Wood & Wood Products	20.72	-
4	Transport sector	8.86	-
5	Rubber & Rubber Products	7.98	-
6	Cement & Cement Products	26.57	-
7	All Engineering	3.51	4.23
8	Agriculture	3.33	0.89
9	Infrastructure	2.23	-
10	Others	50.57	0.06
TOTAL		**203.27**	**5.18**
% to Total Advances		***0.41***	***0.01***

% to Total Restructured Advances Dec 18



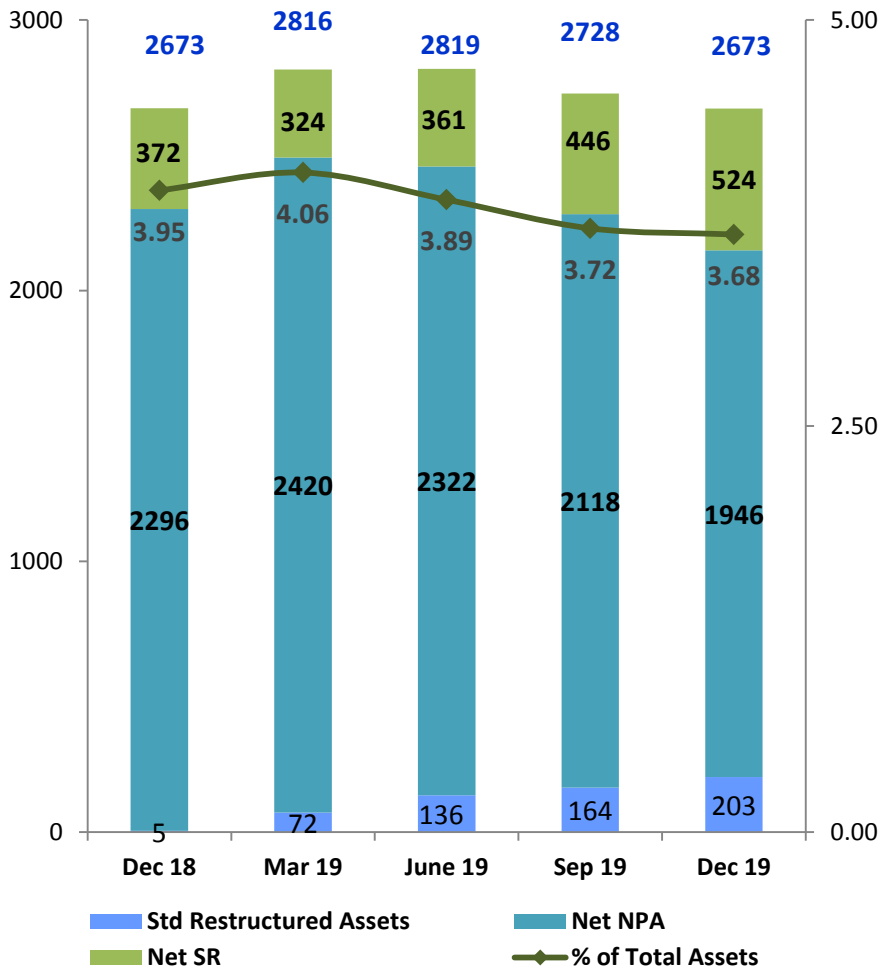
% to Total Restructured Advances Dec 19



Stressed Book Analysis

(Rs. crore)

Karur Vysya Bank
Smart way to bank

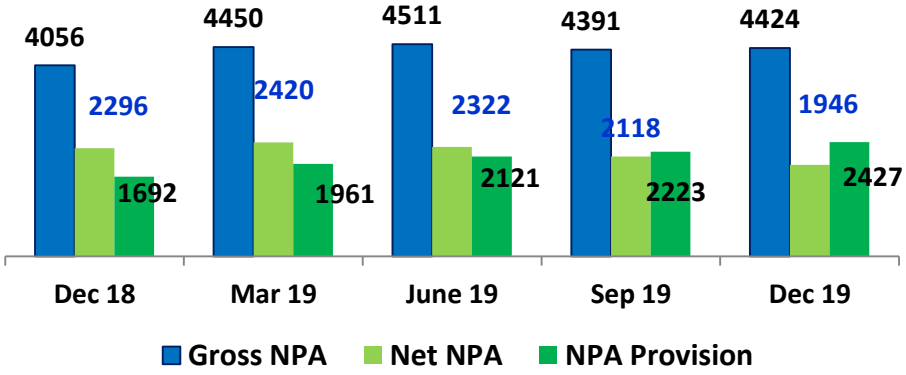


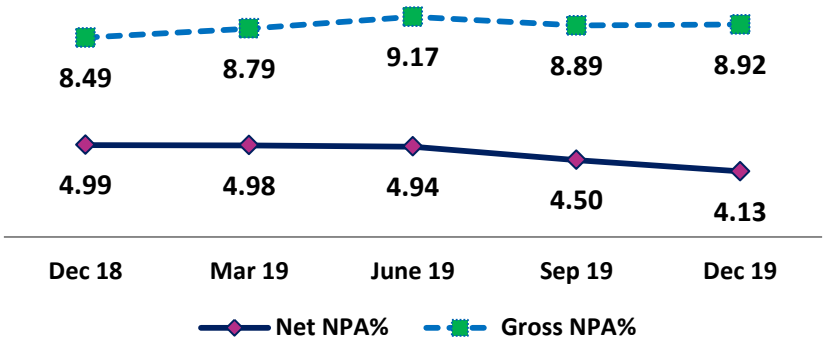
Movement of Restructured Advances

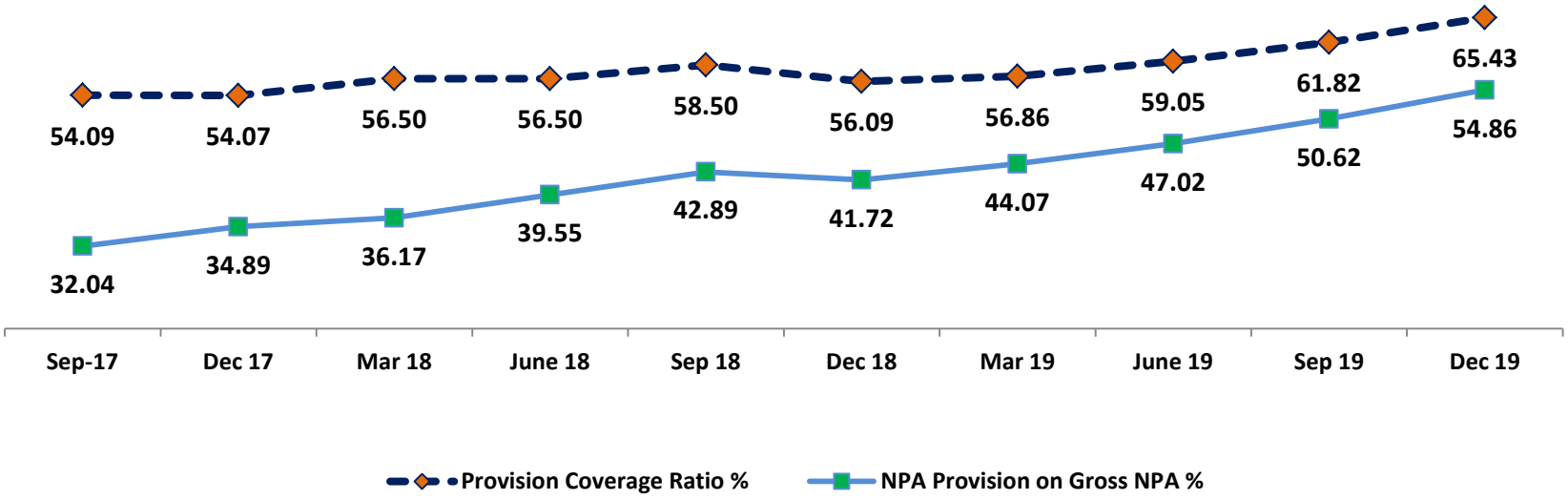
Particulars	Apr 19 to Dec 19		Apr 18 to Dec 18	
	A/c's	Amt.	A/c's	Amt.
A. Position at the beginning of the period	34	72.09	22	262.43
B. Addition during the period	48	177.76	-	-
C. Additions in existing A/c's	-	7.07	-	0.25
D. Addition through upgradation from NPA	1	0.12	-	-
E. Accounts closed during the period	-	4.03	7	13.51
F. Accounts ceasing to attract higher provision (upgradation)	-	-	-	-
G. Recoveries during the period	-	2.87	-	2.51
H. Slippages during the period	13	46.87	5	241.48
Position at the end of the period A+B+C+D-(E+F+G+H)	**70**	**203.27**	**10**	**5.18**

NPAs, Provisions & PCR

(Rs. crore)







Movement of NPA

(Rs. crore)

VERTICAL	Advances O/s. Dec 19	Additions Q3	Deletions* Q3	Total NPA Dec 19	Accretion rate Q3 (%)*
COMMERCIAL	16,219	160	230	1,074	(1.73)
RETAIL (Per. Banking)	11,769	37	41	212	(0.10)
CORPORATE	13,115	219	129	2,913	2.81
AGRICULTURE	8,510	33	17	225	0.75
TOTAL	**49,613**	**449**	**417**	**4,424**	**0.27**

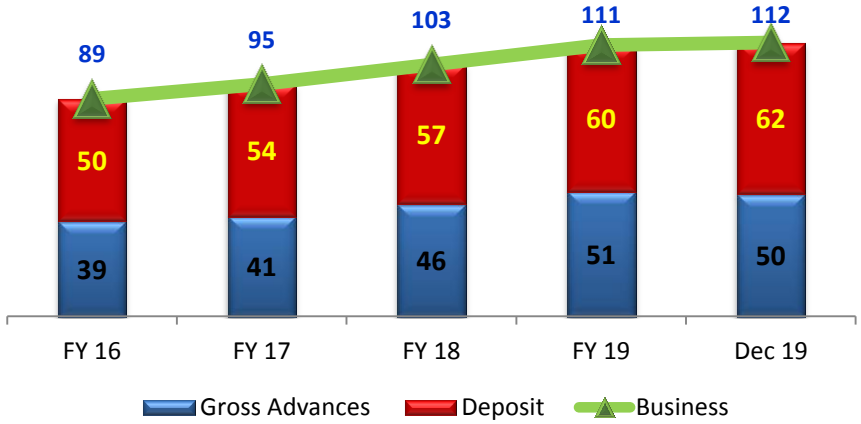
Particulars	Apr 19 - Dec 19	Apr 18 - Dec 18
Gross NPAs		
Opening Balance	4,450	3,016
Additions during the period	1,267	1,863
Reductions during the period	1,293	823
Closing Balance	**4,424**	**4,056**
Net NPAs		
Opening Balance	2,420	1,863
Additions during the period	92	815
Reductions/write off during the period	566	382
Closing Balance	**1,946**	**2,296**
Provisions		
Opening Balance	1,961	1,091
Provision made during the period	1,174	1,042
Write off/Write back of excess provision	708	441
Closing Balance	**2,427**	**1,692**

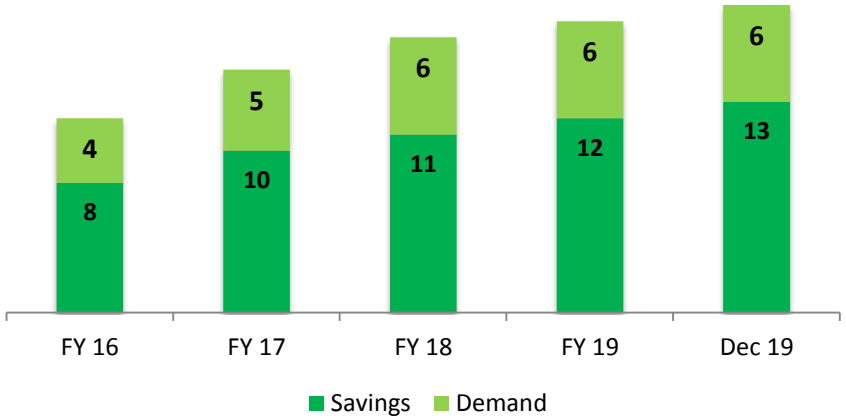
** Annualised; Inclusive of assets sold during the quarter*

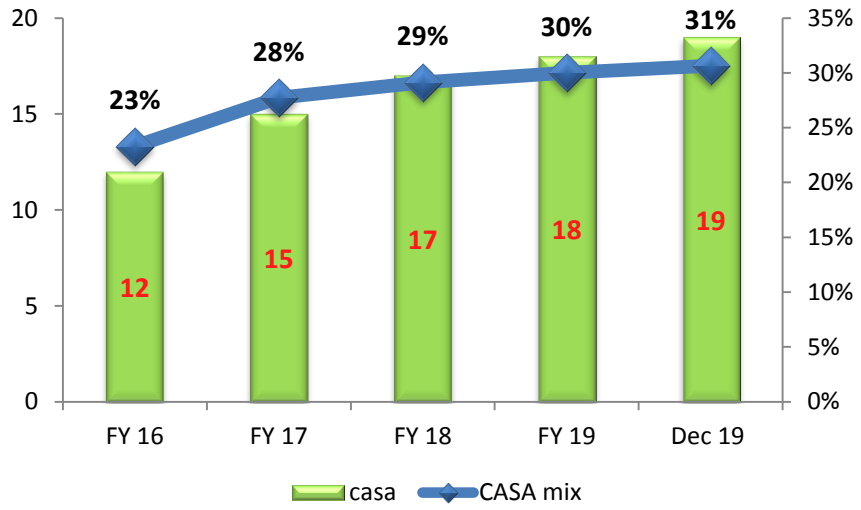
OTHER PARAMETERS

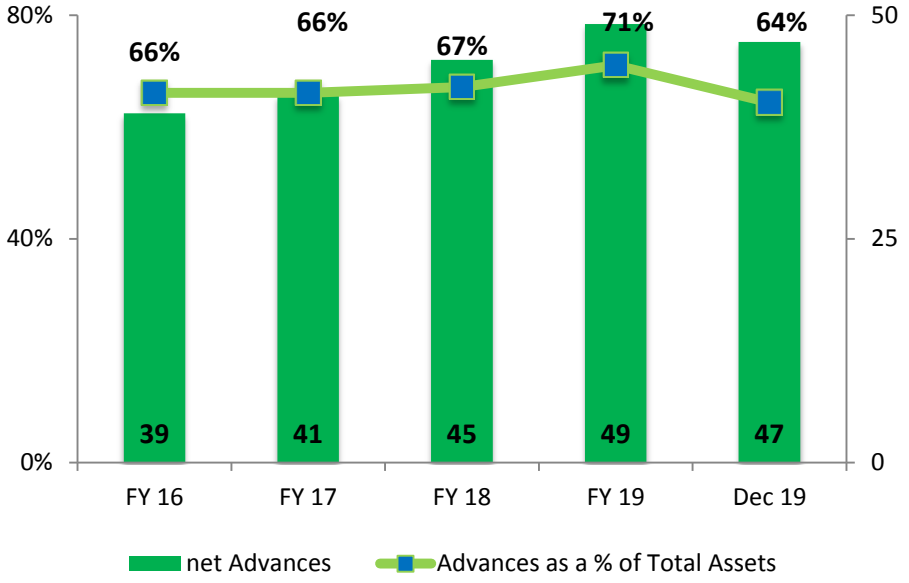
Business Growth

(Rs. thousand crore)

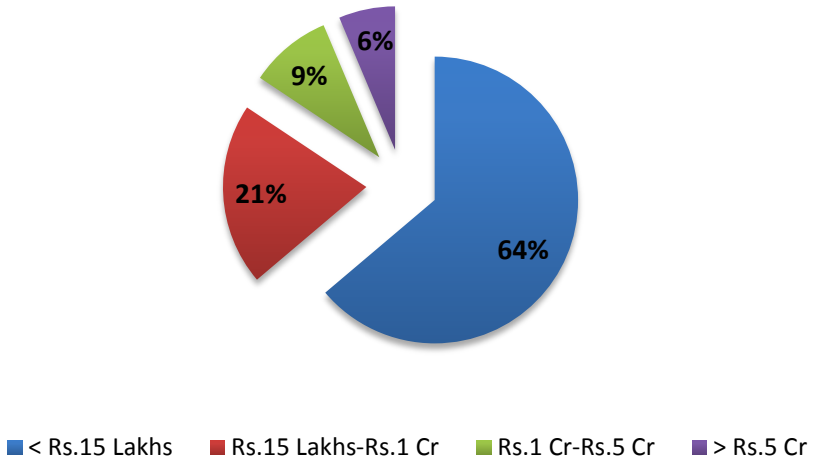






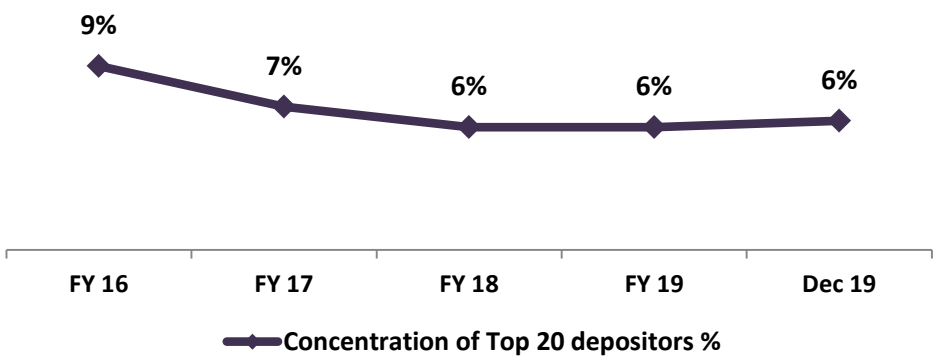


Retail Liability Franchise : Granular & Sticky

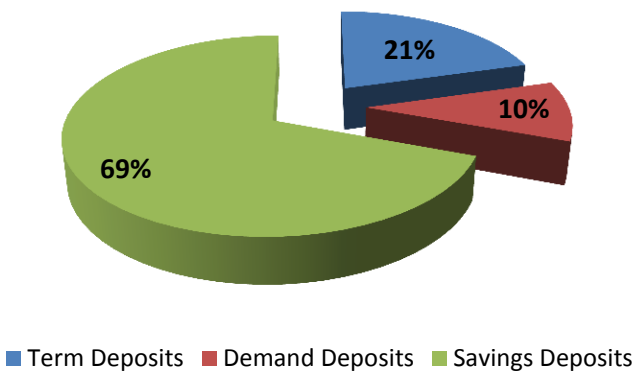


- ✓ Term deposits are primarily retail deposits
- ✓ **94% of term deposits are < Rs.5 Cr**

Low concentration of Deposits

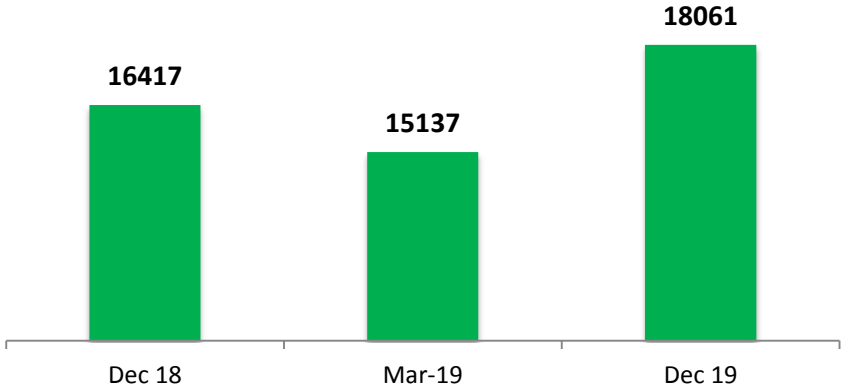


Low dependence on wholesale deposits

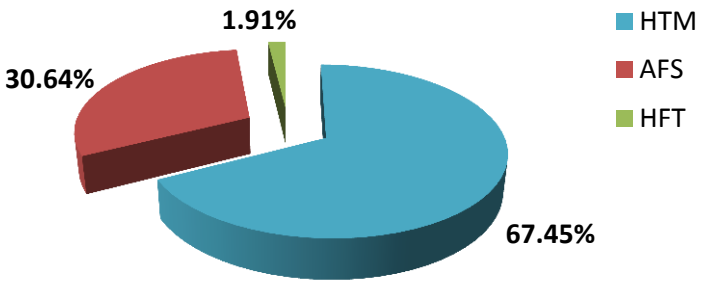


Investment Portfolio

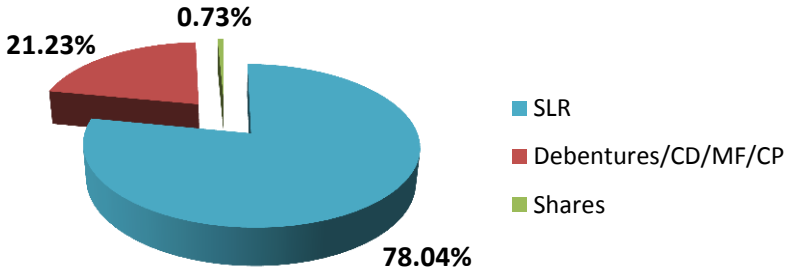
Investments (Rs. crore)



Portfolio wise Investment



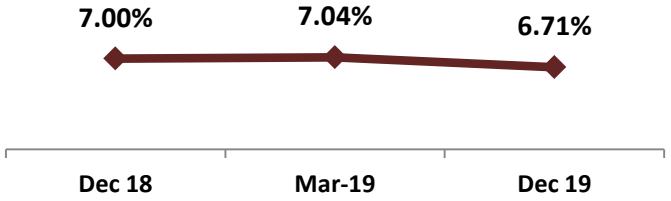
Investment Portfolio



Duration

AFS*	HFT	HTM*
1.30	0.17	3.46

Yield on Investment



Debentures/CD/MF/CP includes SRs of Rs. 509.10 crore (2.82%)

** **AFS** Duration Jun 19 was 1.23, Sep 19 was 1.19 ; **HTM** Duration Jun 19 was 4.05, Sep 19 was 3.63.*

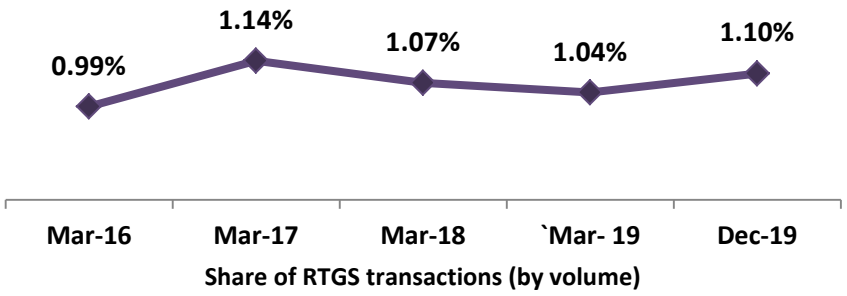
(Rs. crore)

Provisions and Contingencies

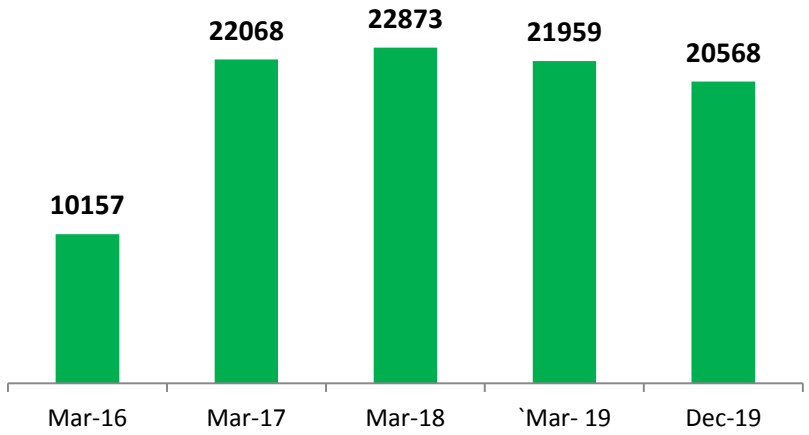
Provision for	Quarter		9 months	
	Dec 19	Dec 18	Dec 19	Dec 18
NPA	350	432	1,002	1,042
Standard Assets	(2)	2	7	(8)
Restructured Advances	1	(2)	6	(11)
SDR, S4A, 5/25 etc.	-	-	-	(10)
NCLT (specific a/c's)	-	-	-	(12)
Others (incl. NPI)	13	11	31	61
Investment Depreciation	3	(42)	14	(25)
Total Provisions (excl. Tax)	**365**	**400**	**1,060**	**1,036**
Tax Expense	5	3	50	59
Total Provisions	**370**	**403**	**1,110**	**1,095**

Leveraging Technology - Delivery Channels

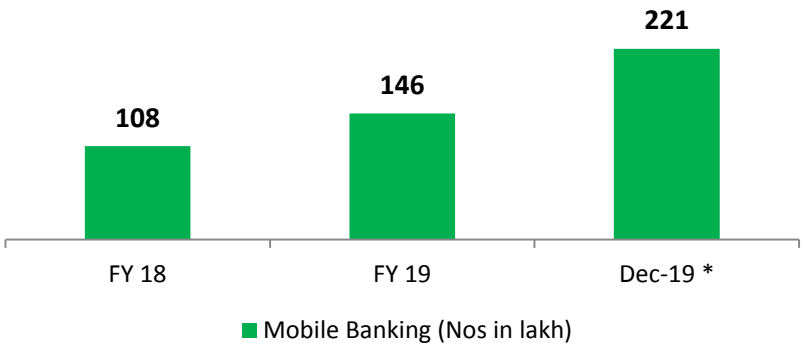
Market share in RTGS transactions



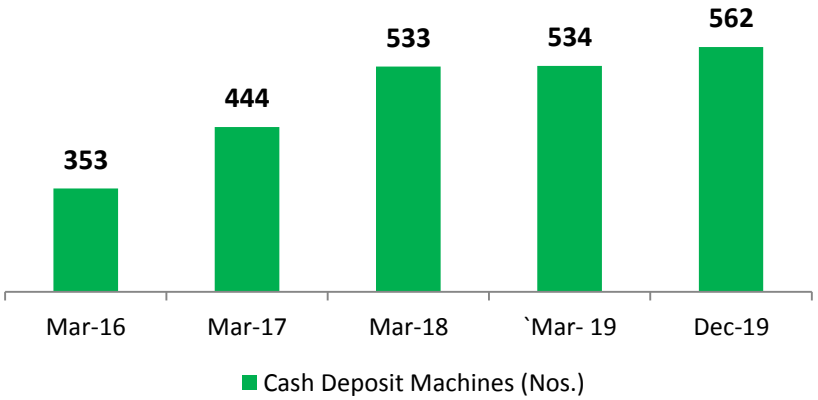
POS Terminals



Exponential growth in Mobile transactions



Cash Deposit Machines

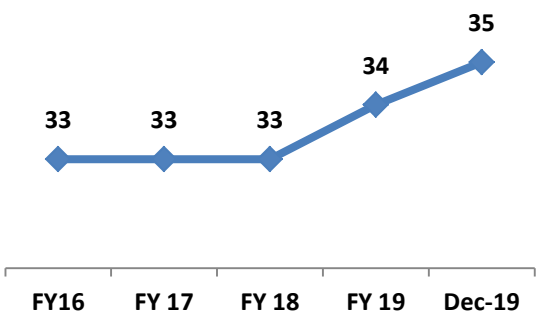


** Annualized*

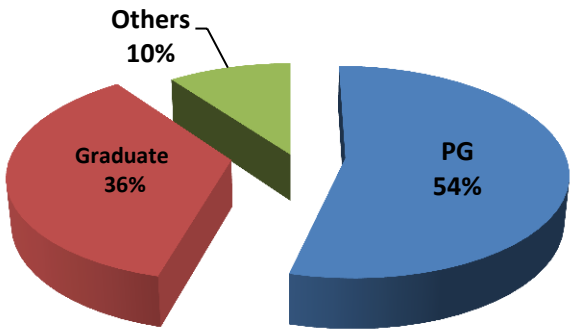
Human Resources

Karur Vysya Bank
Smart way to bank

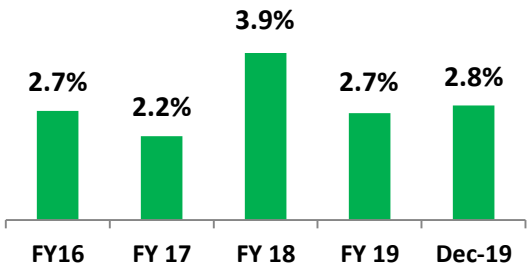
Young workforce.....



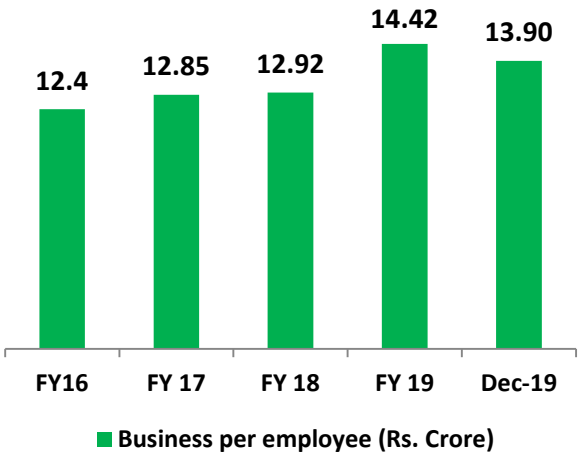
... well qualified ...

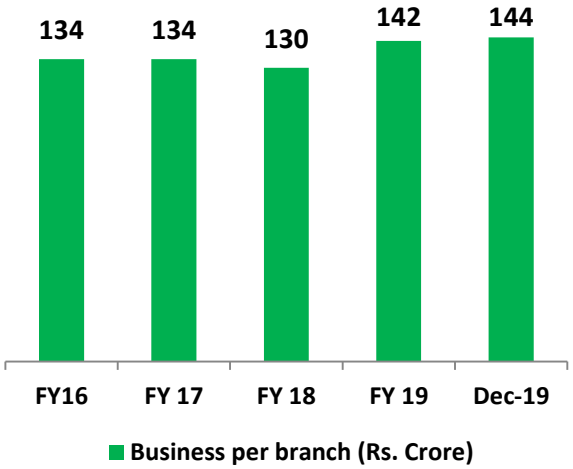


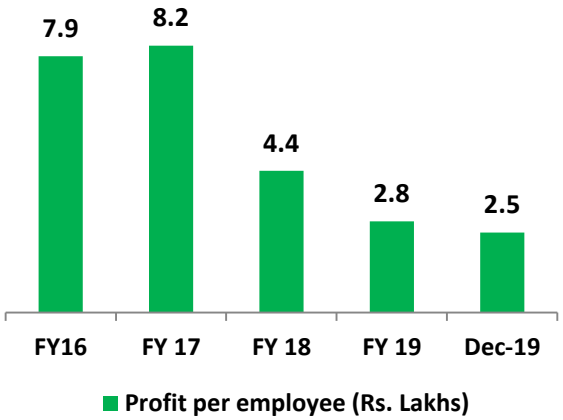
... lower attrition ...



... leading to improved productivity







A Decade of Progress

(Rs. crore)

Karur Vysya Bank
Smart way to bank

Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Paid up Capital	54	94	107	107	107	122	122	122	145	160
Reserves	1,566	2,020	2,601	2,978	3,219	4,124	4,451	4,723	6,066	6,205
Owned funds	1,620	2,114	2,708	3,085	3,326	4,246	4,573	4,845	6,211	6,365
CRAR - Basel II (%)	14.49	14.41	14.33	14.41	12.77	14.63	12.26			
Basel III (%)					12.60	14.62	12.17	12.54	14.43	16.00
Deposits	19,272	24,722	32,112	38,653	43,758	44,690	50,079	53,700	56,890	59,868
Advances	13,675	18,052	24,205	29,706	34,226	36,691	39,476	41,435	45,973	50,616
Total Business	32,947	42,774	56,317	68,359	77,984	81,381	89,555	95,135	102,863	1,10,484
Total Income	2,005	2,482	3,621	4,695	5,680	5,977	6,150	6,405	6,600	6,779
Operating Profit	463	600	726	849	838	943	1,303	1,571	1,777	1,711
Net Profit	336	416	502	550	430	464	568	606	346	211
Dividend (%)	120	120	140	140	130	130	140	130	30	30
Branches (No.)	335	369	451	551	572	629	667	711	790	778
EPS (Rs.)	62.23	44.90	46.81	51.35	40.08	39.86	46.59	9.95*	4.78	2.64
Return on Assets (%)	1.76	1.71	1.56	1.35	0.86	0.88	1.03	1.00	0.53	0.31
Book Value(Rs.)	297.60	193.04	252.68	287.85	308.91	348.42	375.25	79.51*	85.49	79.56
No of Employees	4,175	4,574	5,673	6,730	7,339	7,197	7,211	7,400	7,956	7,663

* 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

KVB
Karur Vysya Bank
Smart way to bank
Thank You