



Karur Vysya Bank

Smart way to bank

FCD/ 141 /2013-14

November 13, 2013

The Secretary,
National Stock Exchange of India Limited.,
Exchange Plaza, 5th Floor,
Plot No. C-1, Block G,
Bandra-Kurla Complex,
Bandra East,
MUMBAI - 400 051.

Dear Sirs,

Reg: Un-audited Financial results of the Bank for the period ended 30th September 2013.

Today (November 13, 2013), the Board of Directors of the Bank was held for the adoption of un-audited financial statements for the half year ended 30th September 2013. In the said meeting the un-audited accounts of the Bank for the half year ended 30th September 2013 have been adopted. The un-audited financial results of the Bank are enclosed herewith.

Yours faithfully

(K.Venkataraman)
Managing Director & C E O

Encl: as above.

THE KARUR VYSYA BANK LIMITED

Finance & Control Department
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REVIEWED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30th SEPTEMBER 2013

(₹ in lakhs)

Particulars	3 Months ended			Half Year Ended		Year ended
	30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
	Reviewed			Reviewed		Audited
1. Interest earned (a)+(b)+(c)+(d)	127269	122253	103865	249522	204418	424243
a) Interest / discount on advances	95656	92072	79787	187728	157123	327436
b) Income on Investments	31150	28054	23549	59204	46243	95035
c) Interest on balances with RBI and other interbank funds	124	118	474	242	997	1620
d) Others	339	2009	55	2348	55	152
2. Other Income	10620	20693	8499	31313	18927	45256
3. Total Income (1+2)	137889	142946	112364	280835	223345	469499
4. Interest Expended	97431	89065	75288	186496	150447	308396
5. Operating Expenses (i+ii)	24777	22009	17646	46786	33200	76220
(i) Employees cost	13154	10777	8243	23931	15736	34362
(ii) Other operating expenses	11623	11232	9403	22855	17464	41858
6. Total Expenditure (4+5) excluding provision and contingencies	122208	111074	92934	233282	183647	384616
7. Operating Profit before Provisions and Contingencies (3-6)	15681	31872	19430	47553	39698	84883
8. Provisions (other than tax) and Contingencies	11847	16316	-2061	28163	-3059	12339
9. Exceptional items	0	0	0	0	0	0
10. Profit /(Loss) from Ordinary activities before tax (7-8-9)	3834	15556	21491	19390	42757	72544
11. Tax expense	-4455	3526	8216	-929	14887	17512
12. Net Profit from ordinary activities after tax (10-11)	8289	12030	13275	20319	27870	55032
13. Extraordinary items (net of tax expense)	0	0	0	0	0	0
14. Net Profit for the period (12-13)	8289	12030	13275	20319	27870	55032
15. Paid-up equity share capital (FV Rs.10/-)	10718	10718	10718	10718	10718	10718
16. Reserves excluding Revaluation Reserve (as per balance sheet of previous accounting year)	297801	297801	260104	297801	260104	297801



(₹ in lakhs)

	3 Months ended			Half Year Ended		Year ended
	30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
	Reviewed			Reviewed		Audited
17. Analytical Ratios						
(i) % of shares held by Government of India	0%	0%	0%	0%	0%	0%
(ii) Capital Adequacy Ratio-Basel II	13.08%	12.86%	14.00%	13.08%	14.00%	14.41%
Capital Adequacy Ratio-Basel III	12.81%	12.52%	N.A	12.81%	N.A	N.A
(iii) Earnings per share (EPS)						
a) Basic EPS before and after extraordinary items (not to be annualized)	7.73	11.22	12.38	18.95	26.00	51.35
b) Diluted EPS before and after extraordinary items (not to be annualized)	7.67	11.14	12.38	18.81	26.00	50.94
(iv) NPA Ratios						
a) Gross NPA	49486	46642	32274	49486	32274	28586
b) Net NPA	16134	15453	8017	16134	8017	10874
c) % of Gross NPA	1.55%	1.51%	1.26%	1.55%	1.26%	0.96%
d) % of Net NPA	0.51%	0.50%	0.32%	0.51%	0.32%	0.37%
e) Return on Asset(annualized)	0.66%	1.00%	1.35%	0.82%	1.44%	1.35%
18. Public Shareholding						
Number of Shares	103902862	103876425	103833975	103902862	103833975	103878383
% of Shareholding	96.94%	96.92%	96.88%	96.94%	96.88%	96.92%
19. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
-Number of Shares	432153	461003	521933	432153	521933	461028
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	13.18%	13.95%	15.59%	13.18%	15.59%	13.96%
-Percentage of Shares (as a % of the total share capital of the Company)	0.40%	0.43%	0.49%	0.40%	0.49%	0.43%
b) Non - encumbered						
- Number of Shares	2846091	2843678	2825198	2846091	2825198	2841695
- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	86.82%	86.05%	84.41%	86.82%	84.41%	86.04%
-Percentage of Shares (as a % of the total share capital of the company)	2.66%	2.65%	2.63%	2.66%	2.63%	2.65%



Statement of Assets and Liabilities as on 30th September 2013

(₹ in lakhs)

Capital and Liabilities	As on 30.09.2013	As on 30.09.2012	As on 31.03.2013
Capital	10718	10718	10718
Reserve and Surplus	319443	287974	297801
Deposits	4337195	3344433	3865298
Borrowings	257220	298568	399934
Other Liabilities and Provision	86299	88073	99583
Total	5010875	4029766	4673334

Assets			
Cash & Balances with RBI	236843	213352	162863
Balances with Banks and Money at Call	11626	19855	16738
Investments	1456566	1144076	1383726
Advances	3147442	2539388	2948013
Fixed Assets	35314	26898	32211
Other Assets	123084	86197	129783
Total	5010875	4029766	4673334

Segment Reporting for the period ended 30th September 2013

(₹ in lakhs)

Business Segments	3 Months ended			Half Year Ended		Year ended
	30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
	Reviewed			Reviewed		Audited
Segment Revenue						
1. Treasury Operations	32707	39605	24285	72312	50367	107619
Operations	35920	35537	30506	71457	60709	124894
3. Retail Banking Operations	69031	67333	57280	136364	111524	235110
4. Other Banking Operations	231	472	293	703	745	1876
Total	137889	142947	112364	280836	223345	469499
Segment Results						
1. Treasury Operations	3859	14605	2214	18464	8484	22081
2. Corporate/Wholesale Banking	6699	7851	6455	14550	12706	25750
3. Retail Banking Operations	13922	16203	16931	30125	31172	63301
4. Other Banking Operations	216	454	282	670	723	1815
Total	24696	39113	25882	63809	53085	112947
Unallocated Income/Expenses	9015	7241	6453	16256	13387	28064
Operating Profit	15681	31872	19430	47553	39698	84883
Income Taxes	-4455	3526	8216	-929	14887	17512
Other Provisions	11847	16316	-2061	28163	-3059	12339
Net Profit	8289	12030	13275	20319	27870	55032





Other Information

(₹ in lakhs)

Segment Assets	3 Months ended			Half Year Ended		Year ended
	30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
	Reviewed			Reviewed		Audited
1. Treasury Operations	1457300	1548577	24364	1457300	24364	1390470
2. Corporate/Wholesale Banking Operations	1164687	1121149	981516	1164687	981516	1118073
3. Retail Banking Operations	1982755	1940264	1557872	1982755	1557872	1829940
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Assets	406133	386322	1466014	406133	1466014	334851
Total	5010875	4996312	4029766	5010875	4029766	4673334
Segment Liabilities						
1. Treasury Operations	1466130	1655443	220620	1466130	220620	1487313
2. Corporate/Wholesale Banking Operations	1054029	981903	860308	1054029	860308	979784
3. Retail Banking Operations	1794661	1699077	1365333	1794661	1365333	1604028
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Liabilities	367822	338678	1284812	367822	1284812	293690
Capital Employed	328233	321211	298693	328233	298693	308519
Total Liabilities	5010875	4996312	4029766	5010875	4029766	4673334

GEOGRAPHIC SEGMENTS: The Bank operates only in Domestic segment.

Notes:

- 1) The above financial results for the period ended 30th September, 2013 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on 13th November, 2013 and subjected to limited review by the Statutory Central Auditor.
- 2) There has been no change in the accounting policies followed during the quarter ended 30th September, 2013 as compared to those followed in the preceding financial year ended 31st March 2013.
- 3) The financial results for the quarter ended 30th September 2013 have been arrived after considering provision for non performing assets, depreciation on investments and fixed assets on actual basis. Provision for employees benefits, income tax and other contingencies are on an estimated and proportionate basis and are subject to adjustment at the year end.
- 4) In terms of the Reserve Bank of India circular DBOD.No.BP.BC.80/21.4.018/2010-11 dated 9th February 2011 on amortization of expenses towards pension and gratuity liabilities, a proportionate sum of Rs.4.23 crore has been provided for the quarter ended 30th September 2013 out of Rs16.92 crore to be provided for the financial year ending 31st March 2014.



5) In terms of RBI circular DBOD No.BP.BC.88/21.06.201/2012-13 dated 28.03.2013, banks have been advised to disclose capital adequacy ratio computed under Basel III regulations from quarter ended 30th June 2013. Accordingly, corresponding details for the previous year / period are not furnished.

6) In terms of RBI Circular DBOD.BP.BC.No.41/21.04.141/2013-14 dated 23rd August 2013 on "Investments portfolio of banks. Classification, Valuation and Provisioning" the bank has transferred SLR securities with Book Value of Rs.2300.76 crore held under AFS portfolio to HTM portfolio and the depreciation has been fully recognized for 30th September 2013. Further, by exercising the option given in the said circular, out of the total depreciation of Rs.231.71 crore on account of valuation of entire AFS and HTM portfolio as on 30th September 2013, bank has provided for Rs.33.10 crore, in addition to the depreciation of Rs.3.26 crore recognized on account of transfer of securities from AFS to HTM.

7) In terms of RBI Circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July 2013, banks are required to make half yearly Pillar 3 disclosure under Basel III capital requirements with effect from 30th September 2013. The disclosure has been placed on the website of the bank which can be accessed at the link http://www.kvb.co.in/footer/pillarIII_disclosures.html. The disclosure has not been subjected to limited review by the statutory auditors of the bank.

8) Details of Investor Complaints for the quarter ended 30th September 2013

- | | |
|---|--|
| i) Pending at the beginning of the quarter: Nil | ii) Received during the quarter : 34 |
| iii) Redressed during the quarter : 34 | iv) Pending at end of the quarter: Nil |

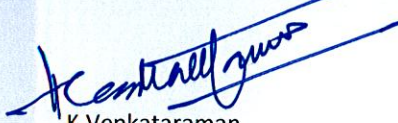
9) Provision Coverage Ratio is 75.07% as on 30.09.2013

10) Figures of the corresponding period have been re-classified/regrouped wherever considered necessary.

Place : Karur

Date : 13th November, 2013

For and on behalf of Board of Directors



K.Venkataraman
Managing Director & C.E.O

"As per our report of even date"
For R K Kumar & Co.,
Chartered Accountants
Firm Registration No.001595S



G.Naganathan
Partner
Membership No.022456





R.K.KUMAR & CO

CHARTERED ACCOUNTANTS

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Independent Auditor's Limited Review Report

**The Board of Directors
The Karur Vysya Bank Limited**

We have reviewed the accompanying statement of unaudited financial results of The Karur Vysya Bank Limited for the quarter/ half year ended September 30, 2013, except for disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The preparation and fair presentation of this statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to report on these unaudited financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In the conduct of our Review we have relied on the reports received from concurrent auditors of 191 branches. These reports cover 76.31 percent of the advances portfolio of the Bank. Apart from these reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.





R.K.KUMAR & CO

CHARTERED ACCOUNTANTS

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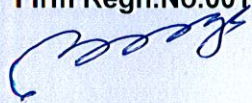
Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying interim statement of unaudited financial results prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Date: 13th November, 2013

Place: Karur



**For R.K.Kumar & Co.
Chartered Accountants
Firm Regn.No.001595S**


**(G.Naganathan)
Partner
Membership No.022456**