KVB Karur Vysya Bank
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FCD/Q1/RES/98/2021

Aug. 04, 2021

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 quarter ended 30th June 2021.

Pursuant to Regulations 30, 33 and other applicable provisions of Securities and Exchange Board of India LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the un-audited financial results for the quarter ended 30th June 2021. The results were duly approved by the Board of Directors at its meeting held today.

A copy of the limited review report of the Statutory Auditors is also enclosed. Pursuant to second proviso to Regulation 33(3)(d) of SEBI LODR Regulations, 2015, as amended, we hereby declare that the Statutory Auditors M/s. Walker Chandiok & Co. LLP (Registration No. 001076N/N500013), have submitted their review report with unmodified opinion on the un-audited financial results of the Bank for the quarter ended 30th June 2021.

Kindly take the same on your records.

Yours faithfully

(M. Srinivasa Rao)
Asst. Gen. Manager & Company Secretary

THE KARUR VYSYA BANK LIMITED
Finance & Control Department
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Vadivel Nagar, L.N.S. KARUR - 639 002. Tamil Nadu
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CIN : L65110TN1916PLC001295
GSTIN : 33AAACT3373J1ZD

Walker Chandiok & Co LLP

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Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Bank pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of The Karur Vysya Bank Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of The Karur Vysya Bank Limited ('the Bank') for the quarter ended 30 June 2021, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, except for the disclosures relating to Pillar 3 disclosure as at 30 June 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement, and have not been reviewed by us.

2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. 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 the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, 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.

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), 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 RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure as at 30 June 2021, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

5. We draw attention to Note 7 of the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19. The impact of these uncertainties on the Bank's financial results is significantly dependent on future developments.

   Our conclusion is not modified in respect of the above matter.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Digitally signed by Krishnakumar Ananthasivan
Date: 2021.08.04 14:17:35 +05:30

Krishnakumar Ananthasivan
Partner
Membership No. 206229
UDIN No. 21206229AAAADD1601

Place: Kochi
Date: 4 August 2021

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2021

(Rs. in lakh)

Particulars	Quarter ended			Year ended
	30-06-2021	31-03-2021	30-06-2020	31-03-2021
	Unaudited	Audited (Refer note 1 below)	Unaudited	Audited
1. Interest earned (a+b+c+d)	**137594**	**134931**	**137610**	**547042**
a) Interest / discount on advances / bills	111803	109648	111211	445354
b) Income on investments	21856	21970	24135	94179
c) Interest on balances with Reserve Bank of India & other interbank funds	3838	3245	2088	6829
d) Other interest	97	68	176	680
2. Other income	21999	21647	31713	105665
3. Total income (1+2)	**159593**	**156578**	**169323**	**652707**
4. Interest expended	73804	73671	81426	311091
5. Operating expenses (i+ii)	42930	57929	40509	198683
(i) Employees cost	22735	35121	21364	115368
(ii) Other operating expenses	20195	22808	19145	83315
6. Total expenditure *(excluding provisions and contingencies)* (4+5)	**116734**	**131600**	**121935**	**509774**
7. Operating profit *before provisions and contingencies* (3-6)	**42859**	**24978**	**47388**	**142933**
8. Provisions (other than tax) and contingencies	26404	7145	33757	89496
9. Exceptional items	-	-	-	-
10. Profit from ordinary activities before tax (7-8-9)	**16455**	**17833**	**13631**	**53437**
11. Tax expense	5568	7396	3081	17498
12. Net profit from ordinary activities after tax (10-11)	10887	10437	10550	35939
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net profit for the period (12-13)	**10887**	**10437**	**10550**	**35939**
15. Paid-up equity share capital (FV Rs. 2/- per share)	15986	15986	15986	15986
16. Reserves excluding revaluation reserve				679988

For Identification Purposes Only
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(Rs. in lakh)

Particulars	Quarter ended			Year ended
	30-06-2021	31-03-2021	30-06-2020	31-03-2021
	Unaudited	Audited (Refer Note 1 below)	Unaudited	Audited
17. Analytical ratio				
(i) % of shares held by Government of India	-	-	-	-
(ii) Capital adequacy ratio - Basel III (%)	19.06	18.98	18.14	18.98
(iii) Earnings per share (EPS)^ (Rs.)				
a) Basic EPS before and after extraordinary items	1.36	1.31	1.32	4.50
b) Diluted EPS before and after extraordinary items	1.36	1.31	1.32	4.50
(iv) NPA ratios				
a) Gross NPA	416749	414287	405566	414287
b) Net NPA	184461	171939	158523	171939
c) % of Gross NPA	7.97	7.85	8.34	7.85
d) % of Net NPA	3.69	3.41	3.44	3.41
(v) Return on asset (annualised) (%)	0.57	0.55	0.59	0.49

^ EPS not annualised for the quarter.

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SEGMENT REPORTING FOR THE QUARTER ENDED 30th JUNE 2021

(Rs. in lakh)

Business Segments	Quarter ended			Year ended
	30-06-2021	31-03-2021	30-06-2020	31-03-2021
	Unaudited	Audited (Refer note 1 below)	Unaudited	Audited
Segment revenue				
1. Treasury	30107	26439	44546	139697
2. Corporate/Wholesale banking	29655	31647	31426	125211
3. Retail banking	99204	97537	92980	385018
4. Other banking operations	627	955	371	2781
Total	**159593**	**156578**	**169323**	**652707**
Segment results				
1. Treasury	9395	5669	19815	48389
2. Corporate/Wholesale banking	8578	5617	7991	26683
3. Retail banking	30108	18376	24785	87559
4. Other banking operations	474	654	291	2016
Total	**48555**	**30316**	**52882**	**164647**
Less: Unallocated income/expenses	5696	5338	5494	21714
Operating profit	**42859**	**24978**	**47388**	**142933**
Tax expense	5568	7396	3081	17498
Other provisions	26404	7145	33757	89496
Net profit from ordinary activities	**10887**	**10437**	**10550**	**35939**
Extraordinary items	-	-	-	-
Net profit	**10887**	**10437**	**10550**	**35939**
Segment assets				
1. Treasury	1906819	1912596	1855302	1912596
2. Corporate/Wholesale banking	1120401	1177076	1136483	1177076
3. Retail banking	3875811	3859275	3476616	3859275
4. Other banking operations	-	-	-	-
5. Unallocated	522920	513372	469631	513372
Total segment assets	**7425951**	**7462319**	**6938032**	**7462319**

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(Rs. in lakh)

Business Segments	Quarter ended			Year ended
	30-06-2021	31-03-2021	30-06-2020	31-03-2021
	Unaudited	Audited (Refer note 1 below)	Unaudited	Audited
Segment liabilities				
1. Treasury	1741253	1836846	1695202	1836846
2. Corporate/Wholesale banking	1010705	1045290	1022297	1045290
3. Retail banking	3495604	3428179	3127431	3428179
4. Other banking operations	-	-	-	-
5. Unallocated	471528	456030	422525	456030
Total (a)	**6719090**	**6766345**	**6267455**	**6766345**
Capital employed (Segment assets - Segment liabilities)				
1. Treasury	165566	75750	160100	75750
2. Corporate/Wholesale banking	109696	131786	114186	131786
3. Retail banking	380207	431096	349185	431096
4. Other banking operations	-	-	-	-
5. Unallocated	51392	57342	47106	57342
Total (b)	**706861**	**695974**	**670577**	**695974**
Total segment liabilities (a+b)	**7425951**	**7462319**	**6938032**	**7462319**

For the above segment reporting, the reportable segments are identified into Treasury, Corporate/Wholesale banking, Retail banking and other banking operations in compliance with RBI guidelines. The Bank operates only in India.

Notes:

1. The figures for the quarter ended 31st March 2021 are the balancing figures between audited financial year ended 31st March 2021 and unaudited published figures for nine months ended 31st December 2020.

2. The above financial results for the quarter ended 30th June 2021 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 04th August 2021. The same have been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by Reserve Bank of India and as per listing agreement with the stock exchange.

3. There has been no change in the accounting policies followed in the preparation of these financial results for the quarter ended 30th June 2021, as compared to those followed in the financial statements for the year ended 31st March 2021.

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4. The financial results are prepared after considering provisions for NPA, depreciation on investments, standard advances, restructured advances, exposures to entities with unhedged foreign currency exposure, taxes on income and other usual and necessary provisions. Provision for employees' retirement benefits viz. pension, gratuity and leave encashment has been made based on actuarial valuation. Provision for Income Tax, Deferred Tax and other contingencies are made on an estimated and proportionate basis and are subject to adjustments, if any, at the year end.

5. Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange transactions, selling third party products, profit on sale of investments (net), recoveries from advances written off, profit on bullion business etc.

6. In accordance with RBI circular DBOD.No.BPBC.1/21.06.201/2015-16 dated 1st July 2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March 2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, Pillar 3 disclosures under Basel III capital regulations have been made available on the Bank's website at the following link https://www.kvb.co.in/about-us/disclosures/disclosures-pillar-III/. These disclosures have not been subjected to review by the Statutory Central Auditors.

7. COVID-19 pandemic continues to have a significant impact and volatility in the global and domestic economies resulting in decreased economic activities. Increase in infection rate and various lockdowns / movement restrictions announced by Central Government and various State Governments in India and the outbreak of current 'second wave' and the probable 'third wave' of the pandemic may further slowdown economic activities. The extent to which the same will impact the Bank's operations and financial results remain uncertain and are dependent on several factors including measures initiated or to be initiated by the Government of India and RBI. There is a stress on collection of dues from borrowers; however, the Bank is closely monitoring the repayment of dues by the customers, collection efficiency and will undertake suitable steps if the efficiency levels breach the current level. As on 30th June 2021, the Bank continues to maintain liquidity coverage and capital adequacy ratios at higher levels than the regulatory minimum; the management continues to closely monitor the day to day operations, business, liquidity position and adequacy of capital.

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Details of resolution plan implemented as at 30th June 2021, as per RBI circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 in respect of restructuring of eligible borrower accounts (Resolution Framework 1.0 for COVID-19 related stress) :

(Rs. in lakh)

Type of borrower	No. of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
	(A)	(B)	(C)	(D)	(E)
Personal Loans	1606	31558	-	-	3503
Corporate persons*	23	23061	-	1048	2179
Of which, MSMEs	-	-	-	-	-
Others	23	3121	-	82	307
Total	**1652**	**57740**	**-**	**1130**	**5989**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

The Bank has restructured 449 loan accounts aggregating to Rs. 9277 lakh and has made a provision of Rs. 999 lakh under the Resolution Framework 2.0 announced by RBI vide circulars DOR.STR.REC.11/21.04.048/2021-22 and DOR.STR.REC.12/21.04.048/2021-22 dated 5th May 2021.

Disclosure as per RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 in respect of borrower accounts where modifications were sanctioned and implemented (Resolution Framework 2.0 for COVID-19 related stress):

No. of accounts in respect of which modification were sanctioned and implemented	6
Aggregate exposure to such borrower accounts as on 30th June 2021 (Rs. in lakh)	354

8. Disclosures as per RBI circular DOR.No.BP.BC.72/21.04.048/2019-20 dated 23rd May 2020 and DOR.No.BP.BC.62/21.04.048/2020-21 dated 17th April 2020 in respect of accounts where the resolution period was extended during the year ended 31st March 2021 is as under :

No. of accounts in respect of which resolution period was extended	2
Amount outstanding as on 30th June 2021 (Rs. in lakh)	13433

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9. Provision Coverage Ratio as on 30th June 2021, calculated as per RBI guidelines is 72.40% (corresponding previous period 72.74%).

10. Previous period / year's figures have been re-classified / regrouped wherever considered necessary to confirm to the current period / year's classification.

For and on behalf of Board of Directors,

Place : Karur
Date : 4th August 2021

B. Ramesh Babu
MD & CEO

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