

FCD/Q1/RES/41/2023

July 17, 2023

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

The Manager,
BSE limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Scrip Code: KARURVYSYA

Scrip Code: 590003

Dear Sirs,

Reg : Un-audited Financial Results of the Bank for the quarter ended 30th June 2023

Pursuant to Regulations 30, 33, 52, 54 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the un-audited financial results for the quarter ended 30th June 2023 along with the security cover certificate. The results were duly approved by the Board of Directors at its meeting held today.

A copy of the limited review report issued by the Statutory Central Auditors M/s. R G N Price & Co., Chartered Accountants (Registration No.: 002785S) and M/s. Sundaram & Srinivasan, Chartered Accountants (Registration No.: 004207S), for the quarter ended 30th June 2023 is also enclosed.

Please note that the Board meeting commenced at 10:30 a.m. and the Financial Results were approved by the Board at 1:00 PM in its meeting held today, and thereafter the Board meeting continued for consideration of other agenda items.

Kindly take the same on your records.

Yours faithfully



Srinivasarao M
Company Secretary &
Deputy General Manager

THE KARUR VYSYA BANK LIMITED

Finance & Control Department
Registered & Central Office, No.20, Erode Road,
Vadivel Nagar, L.N.S. KARUR - 639 002. Tamil Nadu
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E.mail : fcd@kvbmail.com
Website : www.kvb.co.in
CIN : L65110TN1916PLC001295
GSTIN : 33AAACT3373J1ZD

Sundaram & Srinivasan
Chartered Accountants
23, C P Ramaswamy Road,
Alwarpet,
Chennai – 600 018

R.G.N. Price & Co.,
Chartered Accountants
Simpsons' Building
861, Anna Salai,
Chennai – 600 002

Independent Auditor's Review Report on Unaudited Financial Results for the quarter ended 30 June 2023 of The Karur Vysya Bank Limited, pursuant to the Regulation 33 and Regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors,
The Karur Vysya Bank Limited
Karur, Tamilnadu

1. We have reviewed the accompanying Statement of Unaudited Financial Results of The Karur Vysya Bank Limited ('the Bank') for the quarter ended 30 June 2023 ('the Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended) ('the Listing Regulations'), except for the disclosures relating to Pillar 3 disclosure under Basel III Capital Regulations, as at 30 June 2023, including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement, which 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, 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 in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 ('the ICAI'). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in Paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement including notes thereon prepared in accordance with applicable accounting standards, the RBI Guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulations 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 disclosures as at 30 June 2023 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding 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 Note No. 8 of the Statement and have not been reviewed by us.

For Sundaram & Srinivasan,
Chartered Accountants
FRN: 004207S

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P. Menakshi Sundaram
Partner
M. No. 217914
UDIN:23217914BGWPGE1400

Place : Chennai
Date : 17 July 2023

For R.G.N. Price & Co.,
Chartered Accountants
FRN: 002785S

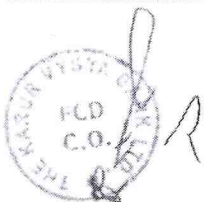
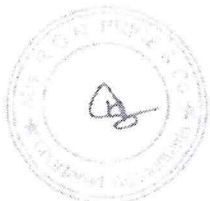
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Sriraam Alevoor M
Partner
M. No. 221354
UDIN:23221354BGXJMJ9701

Place : Karur
Date : 17 July 2023

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2023

Particulars	Quarter ended			(Rs. in lakh)
	30-06-2023	31-03-2023	30-06-2022	Year ended
	Unaudited	Audited	Unaudited	Audited
1. Interest earned (a+b+c+d)	188291	176832	147353	651655
a) Interest / discount on advances / bills	156903	146092	118412	532695
b) Income on investments	30464	29239	25435	109913
c) Interest on balances with Reserve Bank of India & other interbank funds	812	1086	3399	8260
d) Other interest	112	415	107	787
2. Other income	33316	40081	19907	115894
3. Total income (1+2)	221607	216913	167260	767549
4. Interest expended	98584	87574	72765	316774
5. Operating expenses (i+ii)	58181	55434	46948	203196
(i) Employees cost	31891	28065	23573	100596
(ii) Other operating expenses	26290	27369	23375	102600
6. Total expenditure (excluding provisions and contingencies) (4+5)	156765	143008	119713	519970
7. Operating profit before provisions and contingencies (3-6)	64842	73905	47547	247579
8. Provisions (other than tax) and contingencies	15942	29301	15464	103893
9. Exceptional items	-	-	-	-
10. Profit from ordinary activities before tax (7-8-9)	48900	44604	32083	143686
11. Tax expense	13037	10822	9208	33077
12. Net profit from ordinary activities after tax (10-11)	35863	33782	22875	110609
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net profit for the period (12-13)	35863	33782	22875	110609
15. Paid-up equity share capital (Face Value Rs.2/- per share)	16048	16041	16002	16041
16. Reserves excluding revaluation reserve				842364
17. Analytical ratio				
(i) % of shares held by Government of India	-	-	-	-
(ii) Capital adequacy ratio - Basel III (%)	17.67	18.56	18.95	18.56
(iii) Earnings per share (EPS) ¹ (Rs.)				
a) Basic EPS before and after extraordinary items	4.47	4.21	2.86	13.81
b) Diluted EPS before and after extraordinary items	4.46	4.20	2.86	13.78

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 E.mail : fcd@kvbmail.com
 Website : www.kvb.co.in
 CIN : L65110TN1916PLC001295
 GSTIN : 33AAACT3373J1ZD

Particulars	Quarter ended			(Rs. in lakh)
	30-06-2023	31-03-2023	30-06-2022	Year ended
	Unaudited	Audited	Unaudited	31-03-2023 Audited
(iv) NPA ratios				
a) Gross NPA	132965	145815	310717	145815
b) Net NPA	39002	46815	109836	46815
c) % of Gross NPA	1.99	2.27	5.28	2.27
d) % of Net NPA	0.59	0.74	1.93	0.74
(v) Return on asset (annualised) (%)	1.53	1.50	1.09	1.27
18. Net worth ²	873983	837867	765614	837867
19. Paid up debt capital/ Outstanding debt ³ (%)	31.33	34.01	18.65	34.01
20. Debt/equity ratio ⁴	0.10	0.05	0.08	0.05
21. Total debts to total assets ⁵ (%)	1.64	1.59	3.11	1.59

¹ – EPS not annualised for the quarter.

² – Net worth is calculated as per guidelines given under RBI Master Circular on Exposure Norms.

³ – Outstanding debt / Total debts represent total borrowings of the Bank. Debt represents borrowings with residual maturity of more than one year.

⁴ – Equity represents total of share capital and reserves less proposed dividend.

⁵ – Total assets as per Balance Sheet.



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SEGMENT REPORTING FOR THE QUARTER ENDED 30TH JUNE 2023

Business Segments	Quarter ended			(Rs. in lakh)
	30-06-2023	31-03-2023	30-06-2022	Year ended
	Unaudited	Audited	Unaudited	31-03-2023 Audited
Segment revenue				
1. Treasury	34988	35734	26417	124680
2. Corporate/Wholesale banking	39563	39551	36252	157607
3. Retail banking	145766	139933	103682	480325
a) Digital Banking	-	-	-	-
b) Other Retail Banking	145766	139933	103682	480325
4. Other banking operations	1290	1695	909	4937
Total	221607	216913	167260	767549
Segment results				
1. Treasury	10867	13113	6845	41538
2. Corporate/Wholesale banking	12755	14674	11589	55097
3. Retail banking	47145	51181	34294	171785
a) Digital Banking	(2)	-	-	-
b) Other Retail Banking	47147	51181	34294	171785
4. Other banking operations	975	1290	674	3734
Total	71742	80258	53402	272154
Less: Unallocated income/expenses	6900	6353	5855	24575
Operating profit	64842	73905	47547	247579
Tax expense	13037	10822	9208	33077
Other provisions	15942	29301	15464	103893
Net profit from ordinary activities	35863	33782	22875	110609
Extraordinary items	-	-	-	-
Net profit	35863	33782	22875	110609
Segment assets				
1. Treasury	2081280	1937886	2023059	1937886
2. Corporate/Wholesale banking	1371104	1387959	1464639	1387959
3. Retail banking	5226159	4925455	4219085	4925455
c) Digital Banking	-	-	-	-
d) Other Retail Banking	5226159	4925455	4219085	4925455
4. Other banking operations	-	-	-	-
5. Unallocated	782175	766642	677910	766642
Total segment assets	9460718	9017942	8384693	9017942
Segment liabilities				

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Business Segments	Quarter ended			(Rs. in lakh)
	30-06-2023	31-03-2023	30-06-2022	Year ended
	Unaudited	Audited	Unaudited	31-03-2023 Audited
1. Treasury	1912734	1769206	1940471	1769206
2. Corporate/Wholesale banking	1236030	1252671	1303675	1252671
3. Retail banking	4712098	4445801	3755062	4445801
a) Digital Banking	-	-	-	-
b) Other Retail Banking	4712098	4445801	3755062	4445801
4. Other banking operations	-	-	-	-
5. Unallocated	705450	691859	602959	691859
Total (a)	8566312	8159537	7602167	8159537
Capital employed (Segment assets - Segment liabilities)				
1. Treasury	168546	168680	82588	168680
2. Corporate/Wholesale banking	135074	135288	160964	135288
3. Retail banking	514061	479654	464023	479654
a) Digital Banking	-	-	-	-
b) Other Retail Banking	514061	479654	464023	479654
4. Other banking operations	-	-	-	-
5. Unallocated	76725	74783	74951	74783
Total (b)	894406	858405	782526	858405
Total segment liabilities (a+b)	9460718	9017942	8384693	9017942

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

RBI, vide circular dated 7th April 2022 on establishment of Digital Banking Units (DBUs), has prescribed that reporting of Digital Banking Segment has to be made as a sub-segment of Retail Banking Segment under Accounting Standard 17 – Segment Reporting. The Bank has commenced first DBU on 19.06.2023 and segment information disclosed above is related to the said DBU for the quarter ended 30th June 2023.

Notes:

1. The above financial results for the quarter ended 30th June 2023 have been recommended by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 17th July 2023. The same has been subjected to limited review as per listing agreement with the stock exchange by the Joint Statutory Central Auditors of the Bank and an unqualified review report has been issued.

2. During the quarter, the Bank has introduced a floating provision policy with effect from 1st April 2023 in line with the requirements of RBI master circular on Income Recognition, Asset Classification and Provisioning pertaining Advances duly approved by the Board of Directors. Accordingly, the Bank has created a provision of Rs.2500 lakhs during the quarter ended 30th June 2023. Floating provision created is considered as part of Tier II capital. Apart from the new policy on floating provisions, there has been no change in the accounting policies

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followed in the preparation of the financial results for the quarter ended 30th June 2023, as compared to those followed in the annual financial statements for the year ended 31st March 2023.

3. The financial results are prepared after considering provisions for non-performing advances, non-performing investments, standard advances (including stressed advances/sectors), restructured advances, floating provision on standard advances, exposures to entities with unhedged foreign currency exposure, income tax (including litigated taxes as applicable) and other necessary provisions.

4. 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 in written off accounts, profit on bullion business etc.

5. During the quarter ended 30th June 2023, the Bank has allotted 3,37,668 equity shares (corresponding quarter of previous year 82,240 equity shares) of face value Rs. 2/- each, pursuant to the exercise of stock options by employees.

6. Disclosure as per RBI Circular DOR.STR.REC.51/21.04.048/2021-22 dated 24th September 2021 (updated as on December 05, 2022) in respect of loans not in default / stressed loans transferred / acquired during the quarter ended 30th June 2023 :

- a) The Bank has not acquired any "loans not in default" through assignment.
- b) The Bank has neither transferred any stressed (SMA) loans & loans not in default nor has acquired any stressed loans / loans classified as NPA.
- c) The Bank has not invested in Security Receipts (SR) issued by Asset Reconstruction Companies (ARC) in respect of stressed loans transferred to ARCs.

d) Recovery Ratings assigned to outstanding SRs as on 30th June 2023 by Credit Rating Agencies:

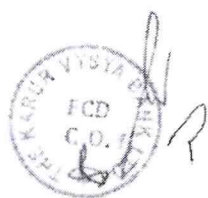
(Rs. in lakh)

Rating Scale	Book Value
RR1	10452
RR1+	2125
RR2	6884
RR4	15796
Unrated* (Rating Withdrawn)	10629
Total	45886

*As per RBI guideline, rating is not applicable after 8 years

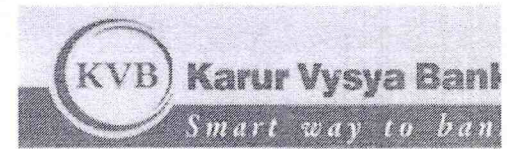
7. Provision Coverage Ratio as on 30th June 2023, calculated as per RBI guidelines is 93.41% (82.74% for the corresponding period of previous year).

8. In accordance with RBI circular DOR.CAP.REC.15/21.06.201/2023-24 dated 12th May 2023, read together with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated 1st July 2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, Pillar 3 disclosures under Basel III capital regulations



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will be made available on the Bank's website at the following link <https://www.kvb.co.in/about-us/disclosures/pillar-III-disclosures/>, including disclosures in respect of Net Stable Funding Ratio (NSFR) as per RBI circular DOR.No.LRG.BC.40/21.04.098/2020-21 dated 5th February 2021 read together with circular DBR.BP.BC.No.106/ 21.04.098/2017-18 dated 17th May 2018. These disclosures have not been subjected to audit/review by the Statutory Central Auditors.

9. The ratios and other information which are to be disclosed as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been disclosed to the extent considered applicable.

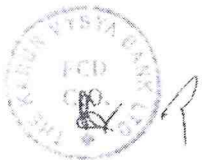
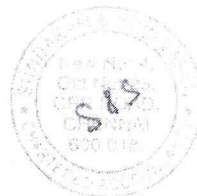
10. The figures for the quarter ended 31st March 2023 are the balancing figures between audited figures for the financial year ended 31st March 2023 and unaudited published figures for nine months ended 31st December 2022 which were subject to limited review.

11. Figures for the previous period/s have been re-grouped / re-classified, where necessary, to make them comparable with current period figures.

Place : Karur
Date : 17th July 2023

For and on behalf of Board of Directors,

B. Ramesh Babu
MD & CEO



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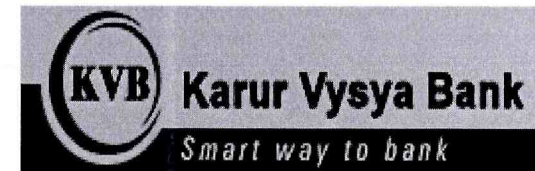
Annexure - Format of Security Cover



Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Column O	
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate					Total Value(=K+L+M+ N)
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari- Passu charge (excluding items covered in Column F)	Debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable(For Eg.Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)				
		BookValue	BookValue	Yes/No	BookValue	BookValue					Relating to Column F				
ASSETS															
Property,Plant and Equipment															
Capital Work-in- Progress															
Right of Use Assets															
Goodwill															
Intangible Assets															
Intangible Assets under Development															
Investments															
Loans															
Inventories															
Trade Receivables															
Cash and Cash Equivalents															
Bank Balances other than Cash and Cash Equivalents															
Others															
Total															
LIABILITIES															
Debt securities to which this certificate pertains															
Other debt sharing pari-passu charge with above debt															
Other Debt															
Subordinated debt															
Borrowings															
Bank															
Debt Securities															
Others															
Trade payables															
Lease Liabilities															
Provisions															
Others															
Total															
Cover on Book Value															
Cover on Market Value ^{ix}															
		Exclusive Security Cover Ratio	NIL	Pari-Passu Security Cover Ratio	NIL										



Annexure - Format of Security Cover



Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in Column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+ N)
		BookValue	BookValue	Yes/No	BookValue	BookValue								

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O.

R. Paul

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