



Karur Vysya Bank

Smart way to bank

FCD/ 106 /2015-16

October 15, 2015

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 2015.

Please find enclosed the Un-Audited Financial Results and Limited Review Report of the Bank for the half-year ended 30th September, 2015, approved by the Board on 15th October, 2015.

Yours faithfully

(K.Venkataraman)

Managing Director & C E O

Encl: as above.

THE KARUR VYSYA BANK LIMITED

Finance & Control Department

Central Office, Erode Road, KARUR - 639 002.

☎ (04324) 269326, 269328

Fax : 225595

E.mail : fcd@kvbmail.com

REVIEWED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30th SEPTEMBER 2015

(₹ in lakhs)

Particulars	3 Months ended			Half Year Ended		Year ended
	30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15
	Reviewed			Reviewed		Audited
1. Interest earned (a)+(b)+(c)+(d)	136453	135634	135890	272087	270339	539587
a) Interest / discount on advances /bills	108388	108254	105199	216642	209970	421131
b) Income on Investments	27537	26829	30140	54366	59234	115816
c) Interest on balances with RBI and other interbank funds	47	68	57	115	124	624
d) Others	481	483	494	964	1011	2016
2. Other Income	20574	16216	13596	36790	25391	58084
3. Total Income (1+2)	157027	151850	149486	308877	295730	597671
4. Interest Expended	92711	93324	102148	186035	202594	392997
5. Operating Expenses (i+ii)	28792	28953	26627	57745	51076	110345
(i) Employees cost	13304	14852	12675	28156	24950	54705
(ii) Other operating expenses	15488	14101	13952	29589	26126	55640
6. Total Expenditure (4+5) excluding provision and contingencies	121503	122277	128775	243780	253670	503342
7. Operating Profit before Provisions and Contingencies (3-6)	35524	29573	20711	65097	42060	94329
8. Provisions (other than tax) and Contingencies	12602	11765	9311	24367	17953	48051
9. Exceptional items	0	0	0	0	0	0
10. Profit /(Loss) from Ordinary activities before tax (7-8-9)	22922	17808	11400	40730	24107	46278
11. Tax expense	8700	4350	2350	13050	2850	717
12. Net Profit from ordinary activities after tax (10-11)	14222	13458	9050	27680	21257	45561
13. Extraordinary items (net of tax expense)	0	0	0	0	0	-867
14. Net Profit for the period (12-13)	14222	13458	9050	27680	21257	46428
15. Paid-up equity share capital (FV Rs.10/-)	12186	12186	12086	12186	12086	12163
16. Reserves excluding Revaluation Reserve (as per balance sheet of previous accounting year)	412440	412440	321916	412440	321916	412440


THE KARUR VYSYA BANK LIMITED

Finance & Control Department
Central Office, Erode Road, KARUR - 639 002.
© (04324) 269326, 269328
Fax : 225595
E.mail : fcd@kvbmail.com

	3 Months ended			Half Year Ended		Year ended
	30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15
	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	13.10%	13.63%	14.40%	13.10%	14.40%	14.63%
Capital Adequacy Ratio-Basel III	13.00%	13.19%	14.41%	13.00%	14.41%	14.62%
(iii) Earnings per share (EPS)						
a) Basic EPS before and after extraordinary items (not to be annualized)	11.67	11.05	7.94	22.72	18.64	39.86
b) Diluted EPS before and after extraordinary items (not to be annualized)	11.67	11.05	7.46	22.72	17.51	39.78
(iv) NPA Ratios						
a) Gross NPA	73204	71307	48074	73204	48074	67778
b) Net NPA	35452	32310	20759	35452	20759	28097
c) % of Gross NPA	1.96%	1.91%	1.36%	1.96%	1.36%	1.85%
d) % of Net NPA	0.96%	0.88%	0.59%	0.96%	0.59%	0.78%
e) Return on Asset(annualized)	1.03%	1.00%	0.69%	1.02%	0.81%	0.88%
18. Public Shareholding						
Number of Shares	119228396	119228396	118174781	119228396	118174781	119000551
% of Shareholding	97.84%	97.84%	97.78%	97.84%	97.78%	97.84%
19. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
-Number of Shares	237341	237341	302763	237341	302763	227341
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	9.00%	9.00%	11.26%	9.00%	11.26%	8.65%
-Percentage of Shares (as a % of the total share capital of the Company)	0.19%	0.19%	0.25%	0.19%	0.25%	0.19%
b) Non - encumbered						
- Number of Shares	2398717	2398717	2385065	2398717	2385065	2401717
- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	91.00%	91.00%	88.74%	91.00%	88.74%	91.35%
-Percentage of Shares (as a % of the total share capital of the company)	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%

Statement of Assets and Liabilities as on 30th September 2015

(₹ in lakhs)

Capital and Liabilities	As on 30.09.2015	As on 30.09.2014	As on 31.03.2015
Capital	12186	12086	12163
Reserve and Surplus	440742	404298	412440
Deposits	4671506	4486164	4469027
Borrowings	330613	376301	290075
Other Liabilities and Provision	120531	108462	131543
Total	5575578	5387311	5315248


THE KARUR VYSYA BANK LIMITED

Finance & Control Department
Central Office, Erode Road, KARUR - 639 002.
☎ (04324) 269326, 269328
Fax : 225595
E.mail : fcd@kvbmail.com

**Karur Vysya Bank***Smart way to bank*

(₹ in lakhs)

Assets	As on 30.09.2015	As on 30.09.2014	As on 31.03.2015
Cash & Balances with RBI	247986	234907	269292
Balances with Banks and Money at Call	7249	14108	5617
Investments	1426037	1412362	1237514
Advances	3696855	3511850	3610894
Fixed Assets	41123	39673	41117
Other Assets	156328	174411	150814
Total	5575578	5387311	5315248

Segment Reporting for the period ended 30th September 2015

Business Segments	3 Months ended			Half Year Ended		Year ended
	30-Sep-15	30-Jun-15	30-Sep-14	30-Sep-15	30-Sep-14	31-Mar-15
	Reviewed			Reviewed		Audited
Segment Revenue						
1. Treasury Operations	35030	28903	32207	63933	62855	128011
2. Corporate/Wholesale Banking Operations	43617	43889	40056	87506	79421	163005
3. Retail Banking Operations	78126	78780	77022	156906	153003	305643
4. Other Banking Operations	254	278	201	532	451	1013
Total	157027	151850	149486	308877	295730	597672
Segment Results						
1. Treasury Operations	13398	4724	9165	18122	9415	24793
2. Corporate/Wholesale Banking Operations	11270	11140	8467	22410	17158	35706
3. Retail Banking Operations	15387	20207	17579	35594	35783	55238
4. Other Banking Operations	231	254	187	485	418	933
Total	40286	36325	35398	76611	62774	116670
Unallocated Income/Expenses	4762	6752	14687	11514	20714	22340
Operating Profit	35524	29573	20711	65097	42060	94329
Income Taxes	8700	4350	2350	13050	2850	717
Other Provisions	12602	11765	9311	24367	17953	48051
Net Profit from ordinary activities	14222	13458	9050	27680	21257	45561
Extraordinary items	0	0	0	0	0	867
Net Profit	14222	13458	9050	27680	21257	46428
Other Information						
Segment Assets						
1. Treasury Operations	1426080	1369645	1413156	1426080	1413156	1238559
2. Corporate/Wholesale Banking Operations	1389014	1369567	1309579	1389014	1309579	1345414
3. Retail Banking Operations	2307841	2296845	2202271	2307841	2202271	2265480
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Assets	452643	443019	462305	452643	462305	465795
Total	5575578	5479076	5387311	5575578	5387311	5315248
Segment Liabilities						
1. Treasury Operations	1494649	1364690	1493690	1494649	1493690	1234898
2. Corporate/Wholesale Banking Operations	1214371	1218039	1145881	1214371	1145881	1206349
3. Retail Banking Operations	2017777	2042407	1926928	2017777	1926928	2031394
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Liabilities	395852	393670	404428	395852	404428	418004
Capital Employed	452929	460270	416384	452929	416384	424603
Total Liabilities	5575578	5479076	5387311	5575578	5387311	5315248

GEOGRAPHIC SEGMENTS: The Bank operates only in Domestic segment.**THE KARUR VYSYA BANK LIMITED**Finance & Control Department
Central Office, Erode Road, KARUR - 639 002.

☎ (04324) 269326, 269328

Fax : 225595

E.mail : fcd@kvbmail.com

Notes:

- 1) The above financial results for the period ended 30th September 2015 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 15th October 2015. The same has been subjected to limited review by the Statutory Central Auditors of the Bank.
- 2) There has been no change in the accounting policies followed during the period ended 30th September, 2015 as compared to those followed in the preceding financial year ended 31st March 2015.
- 3) The above interim financial results have been arrived at after considering various provisions as per RBI Guidelines, for loan losses and depreciation on Investments, Standard Advances, Restructured Advances, exposure to entities with the Unhedged Foreign Currency Exposure. Provision for employees retirement benefits like pension, gratuity and leave encashment have been made as per Actuarial valuation. Provision for Income Tax, Deferred Tax and other contingencies are on estimated and proportionate basis and are subject to adjustments if any, at the year end.
- 4) Provision of Rs 32.45 crore has been made during the first quarter of the current financial year (Quarter 2 - Nil) towards the final balance of wage arrears, based on 10th Bi-partite settlement, which is effective from November 01, 2012.
- 5) During the half year ended 30th Sep 2015, the Bank had allotted 2,34,845 shares pursuant to the exercise of stock options by certain employees at Rs 275 per share and Rs 10.75 crore has been credited to share premium account.
- 6) In accordance with the RBI circular DBOD. No. BPBC.1/21.06.201/2015-16 dated 01.07.2015, the banks are required to make quarterly Pillar 3 disclosures under Basel III Capital Regulations. Accordingly, such applicable disclosures have been made available on the banks website at the following link http://www.kvb.co.in/footer/pillarIII_disclosures.html. These quarterly Pillar 3 disclosures have not been subjected to limited review by Statutory Auditors of the Bank
- 7) In accordance with RBI guidelines, Bank has shifted Securities amounting to Rs.153.03 crore from AFS to HTM category and Rs.598.91 crore from HTM to AFS category and the resultant depreciation of Rs.3.38 crore has been charged to Profit & Loss account during the first quarter of the current financial year.
- 8) Pursuant to RBI circular DBR.BP.BC.No.31/21.04.018/2015-16 dated July 16, 2015, the Bank has, effective quarter ended June 30, 2015, included its deposits placed with NABARD / SIDBI / NHB on account of shortfall in priority sector targets under schedule 11 - "Other Assets". Hitherto these were included under "Investments". Interest Income on these deposits has been included under "Interest Earned - Others". Hitherto such interest income was included under "Interest Earned - Income on Investments". Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above change in classification has no impact on the profit of the Bank for the quarter/half year ended 30th September, 2015 and previous period presented.
- 9) Provision Coverage Ratio as on 30.09.2015 is 75.09%
- 10) Details of Investor Complaints for the quarter ended 30th September 2015

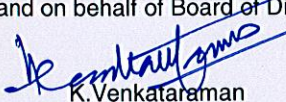
i) Pending at the beginning of the quarter: Nil	ii) Received during the quarter : 5
iii) Redressed during the quarter : 5	iv) Pending at end of the quarter: Nil
- 11) Figures of the corresponding period have been re-classified/regrouped wherever considered necessary.

For and on behalf of Board of Directors

Place : Karur
Date : 15th October, 2015

"As per our report of even date"
For Abarna & Ananthan
Chartered Accountants
Firm Registration No. 000003S


Lalitha Rameswaran
Partner
Membership No. 207867


K. Venkataaraman
Managing Director & C.E.O



THE KARUR VYSYA BANK LIMITED
Finance & Control Department
Central Office, Erode Road, KARUR - 639 002.
☎ (04324) 269326, 269328
Fax : 225595
E.mail : fcd@kvbmail.com



**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF
DIRECTORS OF KARUR VYSYA BANK LIMITED**

1. We have reviewed the accompanying statement of unaudited financial results of The Karur Vysya Bank Limited for the quarter ended September 30 2015, except for disclosures regarding 'Public Shareholding' and 'Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Further, disclosures relating to 'Pillar 3 under Basel III Capital Regulations' and "Leverage Ratio" as have been disclosed on the Banks Website and in respect of which a link has been provided in the aforesaid Statement have not been reviewed by us. This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors of the Bank in their meeting held on 15 October 2015. Our responsibility is to issue a report on the Statements based on our review.
2. 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 Statement is free of material misstatements. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed audit accordingly, we do not express an audit opinion.
3. Based on our review conducted as mentioned in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with applicable Accounting Standards Specified under Sectioned 133 of the Companies act 2013, read with rule 7 of the companies (Accounts) Rules, 2014 and 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 prescribed by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S



Lalitha Rameswaran
Partner
Membership No : 207867



Place: Karur
Date : 15/10/2015

Head Office: #521, 3rd Main, 6th Block, 2nd Phase, BSK 3rd Stage, Bangalore 560 085

☎ : +91 80 3298 7322/+91 80 26426022 / 📠: 2672 7430

Branch at : Chennai

✉: audit@abarna-ananthan.com