

**REVIEWED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30th SEPTEMBER 2014**

(₹ in lakhs)

Particulars	3 Months ended			Half Year Ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
	Reviewed			Reviewed		Audited
1. Interest earned (a)+(b)+(c)+(d)	135890	134449	127269	270339	249522	511596
a) Interest / discount on advances /bills	105199	104771	95656	209970	187728	387200
b) Income on Investments	30608	29611	31150	60219	59204	119738
c) Interest on balances with RBI and other interbank funds	57	67	124	124	242	1092
d) Others	26	0	339	26	2348	3566
2. Other Income	13596	11795	10620	25391	31313	56445
3. Total Income (1+2)	149486	146244	137889	295730	280835	568041
4. Interest Expended	102148	100446	97431	202594	186496	383226
5. Operating Expenses (i+ii)	26627	24449	24777	51076	46786	101036
(i) Employees cost	12675	12275	13154	24950	23931	52792
(ii) Other operating expenses	13952	12174	11623	26126	22855	48244
6. Total Expenditure (4+5) excluding provision and contingencies	128775	124895	122208	253670	233282	484262
7. Operating Profit before Provisions and Contingencies (3-6)	20711	21349	15681	42060	47553	83779
8. Provisions (other than tax) and Contingencies	9311	8642	11847	17953	28163	44231
9. Exceptional items	0	0	0	0	0	0
10. Profit /(Loss) from Ordinary activities before tax (7-8-9)	11400	12707	3834	24107	19390	39548
11. Tax expense	2350	500	-4455	2850	-929	-3412
12. Net Profit from ordinary activities after tax(10-11)	9050	12207	8289	21257	20319	42960
13. Extraordinary items (net of tax expense)	0	0	0	0	0	0
14. Net Profit for the period (12-13)	9050	12207	8289	21257	20319	42960
15. Paid-up equity share capital (FV Rs.10/-)	12086	10729	10718	12086	10718	10718
16. Reserves excluding Revaluation Reserve (as per balance sheet of previous accounting year)	321916	321916	297801	321916	297801	321916



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17. Analytical Ratios						
(i) % of shares held by Government of India	0%	0%	0%	0%	0%	0%
(ii) Capital Adequacy Ratio-Basel II	14.40%	12.58%	13.08%	14.40%	13.08%	12.77%
Capital Adequacy Ratio-Basel III	14.41%	12.49%	12.81%	14.41%	12.81%	12.60%
(iii) Earnings per share (EPS)						
a) Basic EPS before and after extraordinary items (not to be annualized)	7.94	11.38	7.73	18.64	18.95	40.08
b) Diluted EPS before and after extraordinary items (not to be annualized)	7.46	11.30	7.67	17.51	18.81	39.78
(iv) NPA Ratios						
a) Gross NPA	48074	45096	49486	48074	49486	27918
b) Net NPA	20759	18248	16134	20759	16134	13991
c) % of Gross NPA	1.36%	1.30%	1.55%	1.36%	1.55%	0.82%
d) % of Net NPA	0.59%	0.53%	0.51%	0.59%	0.51%	0.41%
e) Return on Asset(annualized)	0.69%	0.94%	0.66%	0.81%	0.82%	0.86%
18. Public Shareholding						
Number of Shares	118174781	104605801	103902862	118174781	103902862	103954269
% of Shareholding	97.78%	97.49%	96.94%	97.78%	96.94%	96.99%
19. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
-Number of Shares	302763	285763	432153	302763	432153	320343
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	11.26%	10.63%	13.18%	11.26%	13.18%	9.93%
-Percentage of Shares (as a % of the total share capital of the Company)	0.25%	0.27%	0.40%	0.25%	0.40%	0.30%
b) Non - encumbered						
- Number of Shares	2385065	2402165	2846091	2385065	2846091	2906494
- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	88.74%	89.37%	86.82%	88.74%	86.82%	90.07%
-Percentage of Shares (as a % of the total share capital of the company)	1.97%	2.24%	2.66%	1.97%	2.66%	2.71%

**Statement of Assets and Liabilities as on 30th September 2014**

Capital and Liabilities	(₹ in lakhs)		
	As on 30.09.2014	As on 30.09.2013	As on 31.03.2014
Capital	12086	10718	10718
Reserve and Surplus	404298	319443	321916
Deposits	4486164	4337195	4375768
Borrowings	376301	257220	329331
Other Liabilities and Provision	108462	86299	116582
<b>Total</b>	<b>5387311</b>	<b>5010875</b>	<b>5154315</b>

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Assets	As on 30.09.2014	As on 30.09.2013	As on 31.03.2014
Cash & Balances with RBI	234907	236843	254620
Balances with Banks and Money at Call	14108	11626	13203
Investments	1452532	1456566	1324700
Advances	3511850	3147442	3399213
Fixed Assets	39673	35314	38470
Other Assets	134241	123084	124109
<b>Total</b>	<b>5387311</b>	<b>5010875</b>	<b>5154315</b>

**Segment Reporting for the period ended 30th September 2014**

Business Segments	₹ in lakhs)					
	3 Months ended			Half Year Ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
<b>Segment Revenue</b>	<b>Reviewed</b>			<b>Reviewed</b>		<b>Audited</b>
1. Treasury Operations	32675	31165	32707	63840	72312	134995
2. Corporate/Wholesale Banking Operations	39896	39189	35920	79085	71457	149463
3. Retail Banking Operations	76713	75640	69031	152353	136364	282266
4. Other Banking Operations	201	250	231	451	703	1317
<b>Total</b>	<b>149485</b>	<b>146244</b>	<b>137889</b>	<b>295729</b>	<b>280836</b>	<b>568041</b>
<b>Segment Results</b>						
1. Treasury Operations	5956	3001	3859	8957	18464	23886
2. Corporate/Wholesale Banking Operations	9377	7419	6699	16796	14550	29303
3. Retail Banking Operations	19878	16725	13922	36603	30125	61315
4. Other Banking Operations	187	231	216	418	670	1239
<b>Total</b>	<b>35398</b>	<b>27376</b>	<b>24696</b>	<b>62774</b>	<b>63809</b>	<b>115743</b>
<b>Unallocated Income/Expenses</b>						
Operating Profit	14687	6027	9015	20714	16256	31964
Income Taxes	20711	21349	15681	42060	47553	83779
Other Provisions	2350	500	-4455	2850	-929	-3412
<b>Net Profit</b>	<b>9050</b>	<b>12207</b>	<b>8289</b>	<b>21257</b>	<b>20319</b>	<b>42960</b>

**Other Information**

Segment Assets	₹ in lakhs)					
	3 Months ended			Half Year Ended		Year ended
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	31-Mar-14
<b>Segment Assets</b>	<b>Reviewed</b>			<b>Reviewed</b>		<b>Audited</b>
1. Treasury Operations	1453326	1380228	1457300	1453326	1457300	1327749
2. Corporate/Wholesale Banking Operations	1309579	1252736	1164687	1309579	1164687	1272730
3. Retail Banking Operations	2202271	2175098	1982755	2202271	1982755	2126483
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Assets	422135	427667	406133	422135	406133	427353
<b>Total</b>	<b>5387311</b>	<b>5235729</b>	<b>5010875</b>	<b>5387311</b>	<b>5010875</b>	<b>5154315</b>
<b>Segment Liabilities</b>						
1. Treasury Operations	1529042	1371824	1466130	1529042	1466130	1361001
2. Corporate/Wholesale Banking Operations	1145881	1143454	1054029	1145881	1054029	1150919
3. Retail Banking Operations	1926928	1984918	1794661	1926928	1794661	1923325
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Liabilities	369076	390390	367822	369076	367822	386436
<b>Capital Employed</b>	<b>416384</b>	<b>345143</b>	<b>328233</b>	<b>416384</b>	<b>328233</b>	<b>332634</b>
<b>Total Liabilities</b>	<b>5387311</b>	<b>5235729</b>	<b>5010875</b>	<b>5387311</b>	<b>5010875</b>	<b>5154315</b>

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**GEOGRAPHIC SEGMENTS:** The Bank operates only in Domestic segment.

Notes:

- 1) The above financial results for the period ended 30th September, 2014 reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on 6th November, 2014. 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, 2014 as compared to those followed in the preceding financial year ended 31st March 2014.
- 3) The financial results for the quarter ended 30th September 2014 have been arrived after considering provision for non performing assets, depreciation on investments on actual basis. The depreciation on fixed assets has been provided on proportionate basis, as per the method adopted in the previous year. Provision for employees benefits, income tax and other contingencies are on an estimated on 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 2014 out of Rs16.90 crore to be provided for the financial year ending 31st March 2015.
- 5) In accordance with RBI guidelines, Bank has shifted Securities from AFS to HTM category amounting to Rs.536.21 crore during the first quarter of the half year and the resultant depreciation of Rs. 44.48 crore has been charged to Profit and Loss account.
- 6) 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 disclosures have been available on the website of the bank which can be accessed at the link [http://www.kvb.co.in/footer/pillarIII\\_disclosures.html](http://www.kvb.co.in/footer/pillarIII_disclosures.html). These disclosures have not been subjected to limited review by the Statutory Central Auditors of the bank.
- 7) During the quarter ended 30.09.2014, the Bank has issued 13412015 shares having a face value of Rs.10/- at a premium of Rs.466 as Qualified investors Placement with necessary approval from SEBI and The expenses of QIP issue of Rs 7.40 Crores is netted off against the share premium.
- 8) During the quarter ended 30.09.2014, Non performing Financial assets aggregating to Rs.7.79 crore (net of provisions) were assigned to Asset Reconstruction Company(s) for an aggregate consideration of Rs.10.60 crore.



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9) During the quarter ended 30th Sep 2014, the Bank had allotted 156865 shares pursuant to the exercise of stock options by certain employees

10) Details of Investor Complaints for the quarter ended 30th September 2014

i) Pending at the beginning of the quarter: 0, ii) Received during the quarter : 6,  
iii) Redressed during the quarter : 6, iv) Pending at end of the quarter : 0,

11) Provision Coverage Ratio is 75.02% as on 30.09.2014

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

Place : Karur

Date : 06th November, 2014

For and on behalf of Board of Directors



K. Venkataraman  
Managing Director & C.E.O

"As per our report of even date"

For Abarna & Ananthan

Chartered Accountants

Firm Registration No. 000003S





Lalitha Rameswaran  
Partner

Membership No. 207867

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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 ended September 30, 2014, 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 214 branches. These reports cover 77.89 per cent 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.



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**Emphasis of Matter:**

Without qualifying our conclusion, we draw attention to Note 4 to the financial results, wherein it is stated that on amortization of expenses towards pension and gratuity liabilities, a proportionate sum of Rs.4.23 Crore has been provided for the quarter ended 30<sup>th</sup> September 2014 out of Rs.16.90 Crore to be provided for the financial year ending 31<sup>st</sup> March 2015. This is in pursuant to the exemption granted by the Reserve Bank of India vide their letter DBOD.No.BP.BC.80/21.4.018/2010-11 dated 9<sup>th</sup> February, 2011 from the application of the provisions of Accounting Standard (AS) 15, Employee Benefits.

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: 6<sup>th</sup> November, 2014**  
**Place: Karur**

**for Abarna & Ananthan**  
**Chartered Accountants**

  


**Lalitha Rameswaran**  
**Partner**  
**Membership No.207867**  
**Firm Regn.No.000003S**