

FCD/Q1/RES/52/2024

July 18, 2024

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 2024

Pursuant to Regulations 30, 33 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 2024. 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 2024 is also enclosed.

Please note that the Board meeting commenced at 11:00 a.m. and the Financial Results were approved by the Board at 01:10PM 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 Auditors' Review Report on Unaudited Financial Results for the quarter ended 30 June 2024 of The Karur Vysya Bank Limited, pursuant to the Regulation 33 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 (hereinafter 'the Bank') for the quarter ended 30 June, 2024 ('the Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 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 2024, 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 of 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 the 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.

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

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 Listing 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 2024 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

RAMKUMA Digitally signed by
RAMKUMAR SANKER
R SANKER Date: 2024.07.18
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S Ramkumar
Partner
M. No. 238820
UDIN: 24238820BKERM15687

Place : Chennai
Date : 18th July 2024

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

SRIRAAM Digitally signed by
SRIRAAM ALEVOOR
ALEVOOR MURALIDHARAN
MURALIDHARAN Date: 2024.07.18 13:07:16
+05'30'

Sriraam Alevoor M
Partner
M. No. 221354
UDIN: 24221354BJZZZU3899

Place : Karur
Date : 18th July 2024

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2024

Particulars	(Rs. in lakh)			
	Quarter ended			Year ended
	30-06-2024	31-03-2024	30-06-2023	31-03-2024
	Unaudited	Audited	Unaudited	Audited
1. Interest earned (a+b+c+d)	228453	218457	188291	820394
a) Interest / discount on advances / bills	188804	182240	156903	684183
b) Income on investments	38509	35365	30464	133101
c) Interest on balances with Reserve Bank of India & other interbank funds	427	364	812	2205
d) Other interest	713	488	112	905
2. Other income	38835	62885	33316	165869
3. Total income (1+2)	267288	281342	221607	986263
4. Interest expended	126018	118911	98584	439474
5. Operating expenses (i+ii)	66685	75740	58181	263875
(i) Employees cost	33346	43975	31891	146103
(ii) Other operating expenses	33339	31765	26290	117772
6. Total expenditure (excluding provisions and contingencies) (4+5)	192703	194651	156765	703349
7. Operating profit before provisions and contingencies (3-6)	74585	86691	64842	282914
8. Provisions (other than tax) and contingencies	13294	29341	15942	72895
9. Exceptional items	-	-	-	-
10. Profit from ordinary activities before tax (7-8-9)	61291	57350	48900	210019
11. Tax expense	15426	11740	13037	49538
12. Net profit from ordinary activities after tax (10-11)	45865	45610	35863	160481
13. Extraordinary items (net of tax expense)	-	-	-	-
14. Net profit for the period (12-13)	45865	45610	35863	160481
15. Paid-up equity share capital (Face Value Rs.2/- per share)	16094	16088	16048	16088
16. Reserves excluding revaluation reserve				987920
17. Analytical ratio				
(i) % of shares held by Government of India	-	-	-	-
(ii) Capital adequacy ratio - Basel III (%)	16.47	16.67	17.67	16.67
(iii) Earnings per share (EPS) ¹ (Rs.)				
a) Basic EPS before and after extraordinary items	5.70	5.67	4.47	19.99
b) Diluted EPS before and after extraordinary items	5.70	5.67	4.46	19.97

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Particulars	(Rs. in lakh)			
	Quarter ended			Year ended
	30-06-2024	31-03-2024	30-06-2023	31-03-2024
	Unaudited	Audited	Unaudited	Audited
(iv) NPA ratios				
a) Gross NPA	102453	104164	132965	104164
b) Net NPA	29366	29797	39002	29797
c) % of Gross NPA	1.32	1.40	1.99	1.40
d) % of Net NPA	0.38	0.40	0.59	0.40
(v) Return on asset (annualised) (%)	1.70	1.76	1.53	1.63
18. Net worth ²	1032237	980282	873983	980282
19. Paid up debt capital/ Outstanding debt ³ (%)	-	-	31.33	-
20. Debt/equity ratio ⁴	0.06	0.07	0.10	0.07
21. Total debts to total assets ⁵ (%)	1.94	2.35	1.64	2.35

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 2024

Business Segments	Quarter ended			Year ended
	30-06-2024	31-03-2024	30-06-2023	31-03-2024
	Unaudited	Audited	Unaudited	Audited
(Rs. in lakh)				
Segment revenue				
1. Treasury	40859	58120	34988	167984
2. Corporate/Wholesale banking	48411	47382	39563	174149
3. Retail banking	175656	170902	145766	633516
a) Digital Banking	1	1	-	1
b) Other Retail Banking	175655	170901	145766	633515
4. Other banking operations	2362	4938	1290	10614
Total	267288	281342	221607	986263
Segment results				
1. Treasury	9320	27861	10867	58446
2. Corporate/Wholesale banking	15768	13617	12755	52426
3. Retail banking	55842	49465	47145	193840
a) Digital Banking	(10)	(12)	(2)	(41)
b) Other Retail Banking	55852	49477	47147	193881
4. Other banking operations	1828	3716	975	7978
Total	82758	94659	71742	312690
Less: Unallocated income/expenses	8173	7968	6900	29776
Operating profit	74585	86691	64842	282914
Tax expense	15426	11740	13037	49538
Other provisions	13294	29341	15942	72895
Net profit from ordinary activities	45865	45610	35863	160481
Extraordinary items	-	-	-	-
Net profit	45865	45610	35863	160481
Segment assets				
1. Treasury	2317406	2311896	2081280	2311896
2. Corporate/Wholesale banking	1637057	1567949	1371104	1567949
3. Retail banking	6059430	5798800	5226159	5798800
c) Digital Banking	-	2	-	2
d) Other Retail Banking	6059430	5798798	5226159	5798798
4. Other banking operations	-	-	-	-
5. Unallocated	873512	879875	782175	879875
Total segment assets	10887405	10558520	9460718	10558520
Segment liabilities				

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Business Segments	Quarter ended			Year ended
	30-06-2024	31-03-2024	30-06-2023	31-03-2024
	Unaudited	Audited	Unaudited	Audited
	(Rs. in lakh)			
1. Treasury	2119787	2147669	1912734	2147669
2. Corporate/Wholesale banking	1473059	1408343	1236030	1408343
3. Retail banking	5451493	5208500	4712098	5208500
a) Digital Banking	-	-	-	-
b) Other Retail Banking	5451493	5208500	4712098	5208500
4. Other banking operations	-	-	-	-
5. Unallocated	784521	789998	705450	789998
Total (a)	9828860	9554510	8566312	9554510
Capital employed (Segment assets - Segment liabilities)				
1. Treasury	197619	164227	168546	164227
2. Corporate/Wholesale banking	163998	159606	135074	159606
3. Retail banking	607937	590300	514061	590300
a) Digital Banking	-	2	-	2
b) Other Retail Banking	607937	590298	514061	590298
4. Other banking operations	-	-	-	-
5. Unallocated	88991	89877	76725	89877
Total (b)	1058545	1004010	894406	1004010
Total segment liabilities (a+b)	10887405	10558520	9460718	10558520

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.

Digital Banking Segment is a sub-segment of Retail Banking Segment under Accounting Standard 17 – Segment Reporting and segment information disclosed above is related to the said DBU for the quarter ended 30th June 2024.

Notes:

1. The above financial results for the quarter ended 30th June 2024 have been recommended by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 18th July 2024. 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. From 1st April 2024, the Bank has changed its accounting policy with respect to 'Investments' to comply with RBI's master direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2023 dated 12th September 2023 ('Master direction') which is effective from 1st April 2024.

Accordingly, the investments of the Bank as at 1st April 2024 have been re-classified, wherever required and valued in accordance with the requirement of said master direction and transitional adjustment on account of AFS and other securities has been adjusted in AFS reserve and opening General reserve to the extent of



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Rs.2300.60 lakhs and Rs.26097.86 lakhs (which includes reversal of provision for depreciation of Rs.5805.86 lakhs and transfer of Investment Reserve of Rs.20292 lakhs) respectively. All investment purchased and sold during the current quarter are done in compliance with the requirement of the master direction & revised accounting policy. The impact on account of this change in the policy is not material. Apart from the above, there has been no other change in the accounting policy followed in the preparation of the financial results for the quarter ended 30th June 2024 as compared to earlier years.

3. The financial results are prepared after considering provisions for non-performing advances, non-performing investments, standard advances (including stressed advances/sectors), restructured 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 2024, the Bank has allotted 301664 equity shares (corresponding quarter of previous year 337668 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 2024 :

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 2024 by Credit Rating Agencies:

(Rs. in lakh)

Rating Scale	Book Value
RR1	-
RR1+	-
RR2	-
RR4	-
Unrated* (Rating Withdrawn)	25214.95
Unrated	1115.93
Total	26330.88

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



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7. Provision Coverage Ratio as on 30th June 2024, calculated as per RBI guidelines is 94.91% (93.41% for the corresponding period of previous year).

8. In accordance with RBI circular DOR.CAP.REC.4/21.06.201/2024-25 dated 01st April 2024, 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 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 figures for the quarter ended 31st March 2024 are the balancing figures between audited figures for the financial year ended 31st March 2024 and unaudited published figures for nine months ended 31st December 2023 which were subject to limited review.

10. 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 : 18th July 2024

For and on behalf of Board of Directors,



B. Ramesh Babu
MD & CEO



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