



INVESTOR PRESENTATION

JULY 2017

Private & Confidential



This presentation has been prepared by Vijaya Bank (the "Bank") for general information purposes only, without regard to any specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation or form part of any offer or invitation, directly or indirectly, in any manner, or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Bank, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefor. This presentation does not solicit any action based on the material contained herein. Nothing in this presentation is intended by the Bank to be construed as legal, accounting or tax advice.

This presentation has been prepared by the Bank based upon information available in the public domain. This presentation has not been approved and will not or may not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This presentation may include statements which may constitute forward-looking statements. The actual results could differ materially from those projected in any such forward-looking statements because of various factors. The Bank assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

This presentation contains certain forward-looking statements relating to the business, financial performance, strategy and results of the Bank and/or the industry in which it operates. Forward-looking statements are statements concerning future circumstances and results, and any other statements that are not historical facts, sometimes identified by the words including "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements, including those cited from third party sources, contained in this presentation are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Neither the Bank nor its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation and are not guarantees of future performance. As a result, the Bank expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward looking statements are based. Given these uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.

The information contained in these materials has not been independently verified. None of the Bank, its directors, promoter or affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation, and makes no representation or warranty, express or implied, for the contents of this presentation including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this presentation or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Past performance is not a guide for future performance. The information contained in this presentation is current, and if not stated otherwise, made as of the date of this presentation. The Bank undertakes no obligation to update or revise any information in this presentation as a result of new information, future events or otherwise. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Bank shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.

This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India.

This presentation is strictly confidential and may not be copied or disseminated, in whole or in part, and in any manner or for any purpose. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. Neither this document nor any part or copy of it may be distributed, directly or indirectly, in the United States. The distribution of this document in certain jurisdictions may be restricted by law and persons in to whose possession this presentation comes should inform themselves about and observe any such restrictions. By reviewing this presentation, you agree to be bound by the foregoing limitations. You further represent and agree that you are located outside the United States and you are permitted under the laws of your jurisdiction to receive this presentation.

This presentation is not an offer to sell or a solicitation of any offer to buy the securities of the Bank in the United States or in any other jurisdiction where such offer or sale would be unlawful. Securities may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in to or within the United States absent registration under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Bank's securities have not been and will not be registered under the United States Securities Act of 1933, as amended.



1

VIJAYA BANK OVERVIEW

2

KEY INVESTMENT HIGHLIGHTS

3

GROWTH STRATEGIES

4

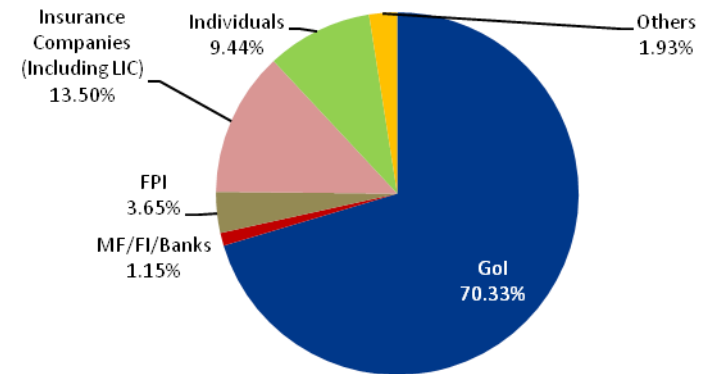
FINANCIAL STATEMENTS

Bank Overview

- ▶ A Pan India Institution serving diverse sectors of the society
- ▶ A network of 2030 branches, 13 Extension Counters and 2,044 ATMs as on 30th June 2017 that spans all states and Union Territories in the country
- ▶ Engaged in a wide variety of banking activities such as:
 - ▶ Retail Banking: Structured products to cater to savings/ investments and personal/ business requirements of individuals/ firms such as housing, consumption, automobile, small business, rent discount, education etc.
 - ▶ Corporate Lending: Comprises of a wide variety of banking activities for large and medium corporates
 - ▶ SME & MSME lending: Caters to small and medium entrepreneurs in business, trading and manufacturing sectors
 - ▶ Agricultural Banking: Caters to credit needs of farmers and agri entrepreneurs through a host of Short term and Medium / Long term loan products
 - ▶ Other Services: Services to the Govt and various State governments, and bancassurance services

Shareholding Pattern

As on 30th June, 2017



Awards & Accolades



Skoch Financial Technology Award 2017 was awarded to our Bank. Skoch Financial Technology Award 2017 for NPA Management, Banker of the Year for NPA Management –Sri B S Rama Rao, Executive Director, Vijaya Bank
Banker of the year – Dr Kishore Sansi, MD & CEO, Vijaya Bank



ASSOCHAM award for Best SME Lending-2016



National Award for Excellence in lending to MSE Sector by Govt. of India, 2013-14 and 2014-15



Rajbhasha Kirti Puraskar award by Honorable President of India



“Best Bank for Electronic Payments among Mid-Size Banks” for 2015-16 from IDRBT, Hyderabad.



Golden Peacock Award for Risk Management -2016



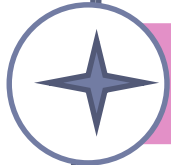
Return on Asset (ROA) at 0.49% for FY 17 and 0.62% for Q1 of FY 18



CRAR at 12.73% as on 31st March 2017 as well as on 30th June 2017



Net Interest Margin (NIM) of 2.77% for FY 17 and 2.92% for Q1 of FY 18



Market Capitalization at Rs 68670.61 Mn as on 31st March 2017 and Rs 72266.46 Mn as on 30th June 2017.



Gross NPA of 6.59% and Net NPA of 4.36% as on 31st March 2017 and 7.30%, 5.24% respectively as on 30th June 2017



Share of Retail Advances to Total Advances 30.11% as on 31st March 2017 and 32.44% as on 30th June 2017



OVERVIEW: FY17 HIGHLIGHTS



OVERVIEW: Q1FY18 HIGHLIGHTS





1 VIJAYA BANK OVERVIEW

2 **KEY INVESTMENT HIGHLIGHTS**

3 GROWTH STRATEGIES

4 FINANCIAL STATEMENTS



**Pan India Presence
through Multiple
Delivery Channels**

**Diversified Credit
Portfolio**

**Strong Liability
Franchise**

**Consistent
Operational and
Financial
Performance**

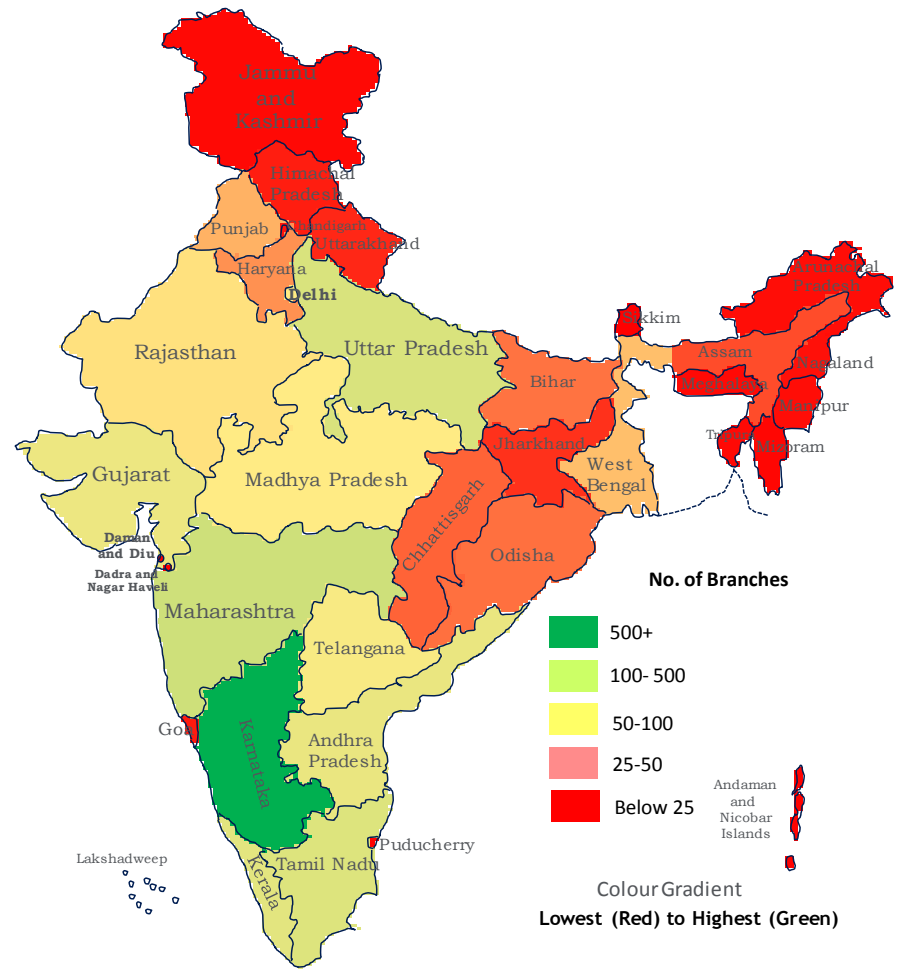
**Asset Quality
Overview**

**Experienced and
Professional
Management Team**

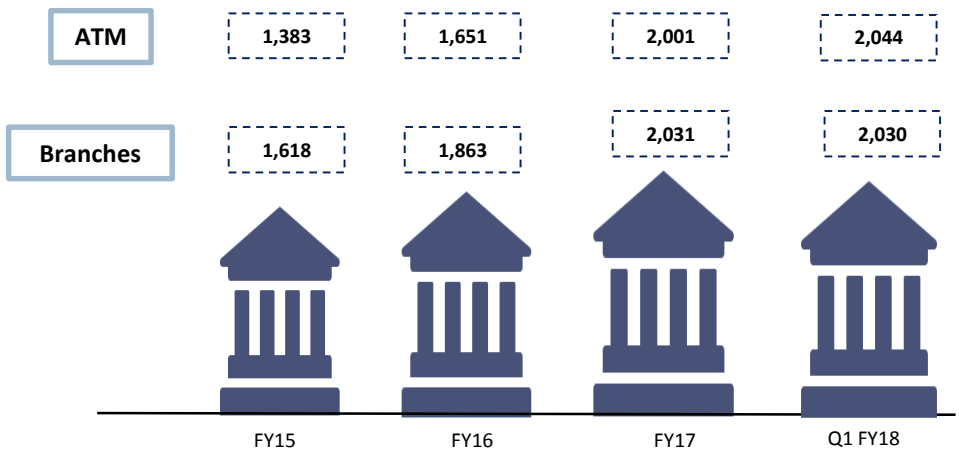
PAN INDIA PRESENCE THROUGH MULTIPLE DELIVERY CHANNELS

Pan India Network

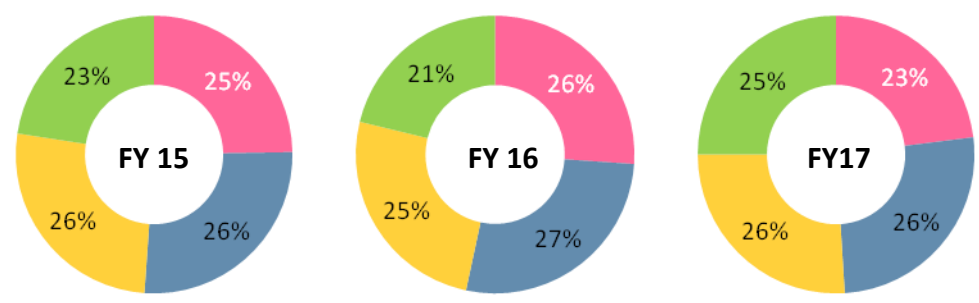
As on 30th June, 2017



Branch & ATM Network



Branch Distribution

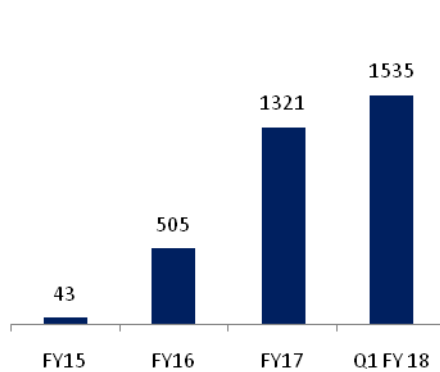


■ Rural
 ■ Semi-Urban
 ■ Urban
 ■ Metro

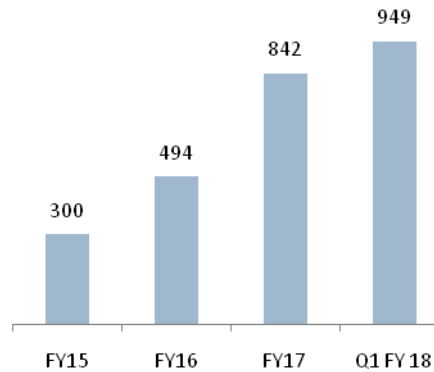
Expanding Digital Presence

In thousands

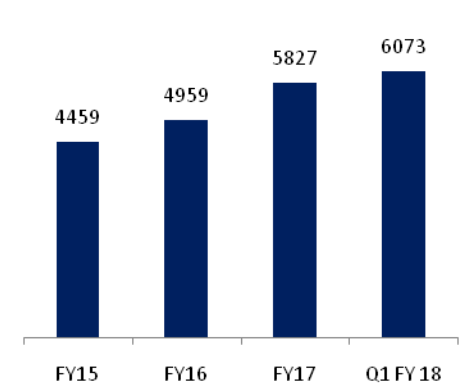
Mobile Banking Users



Internet Banking Users



Debit Card Base



Digital Initiatives

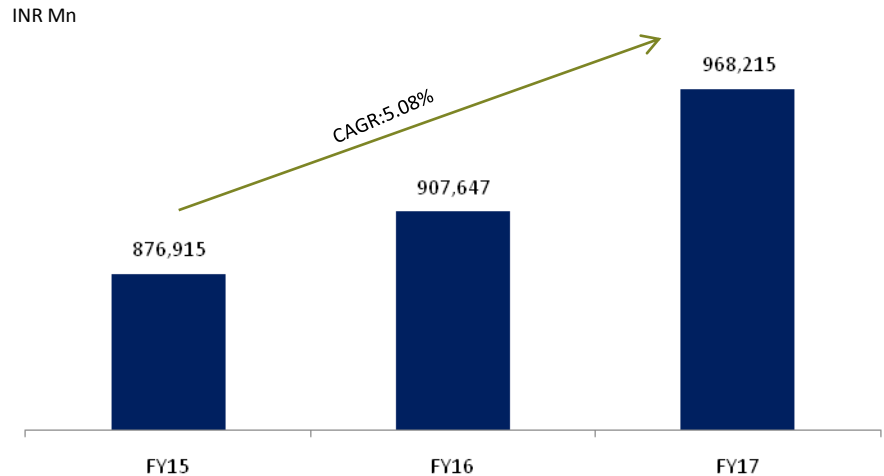
Banking on the Go with Vijaya Bank's Internet and Mobile Banking!

#HiVijayaBank

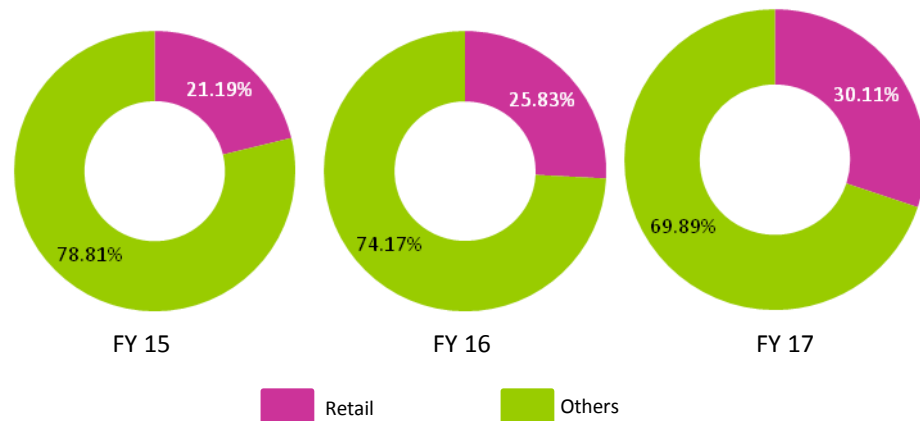
Digital Village

Services shown: RuPay Debit Card, Aadhaar enrollment status, Kisan, Rice Innovations, and others.

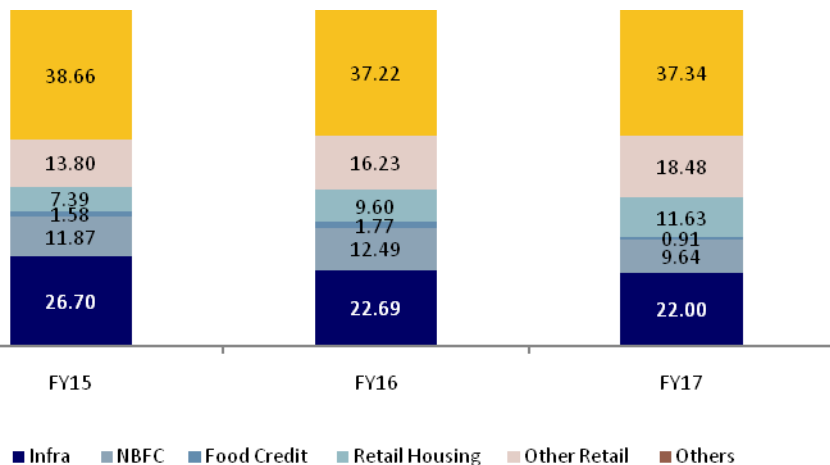
Growing Advances



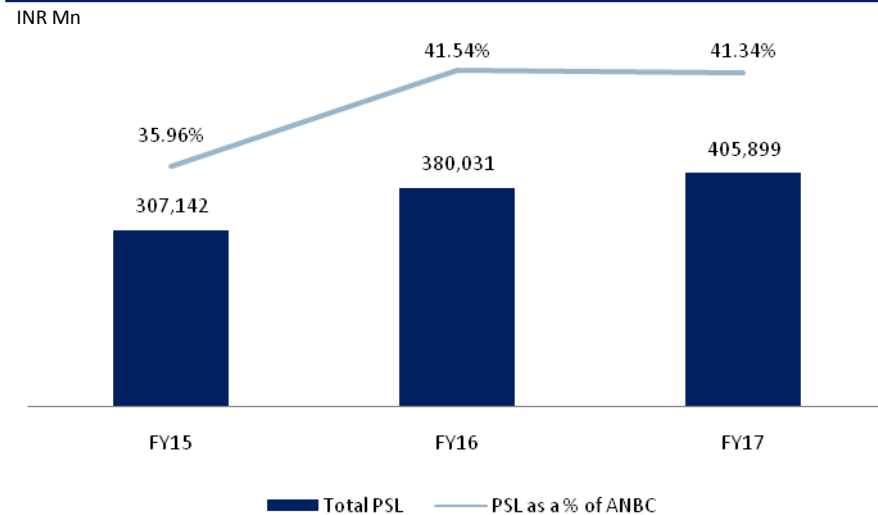
Growing Retail Book



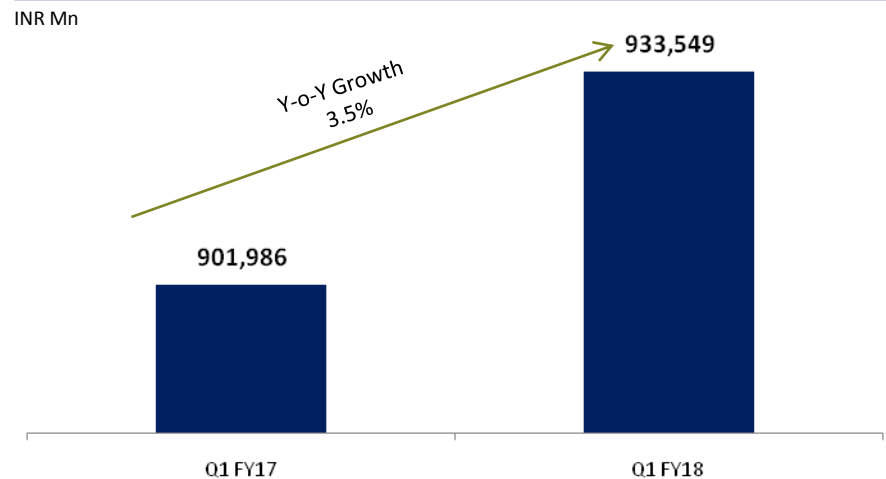
Industries-wise Gross Loan Portfolio (in %)



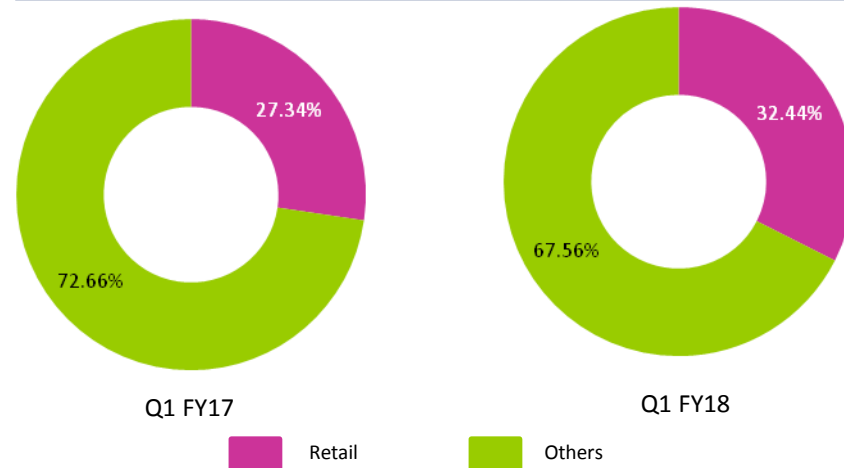
Priority Sector Portfolio



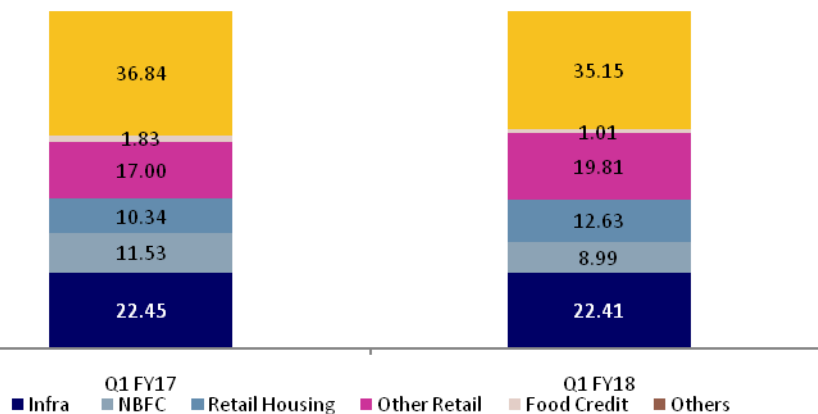
Growing Advances



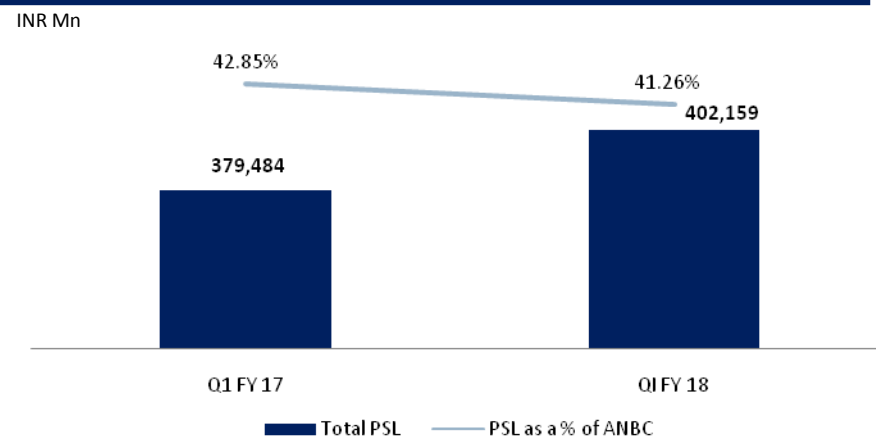
Thrust on Retail Book



Industries-wise Gross Loan Portfolio



Priority Sector Portfolio

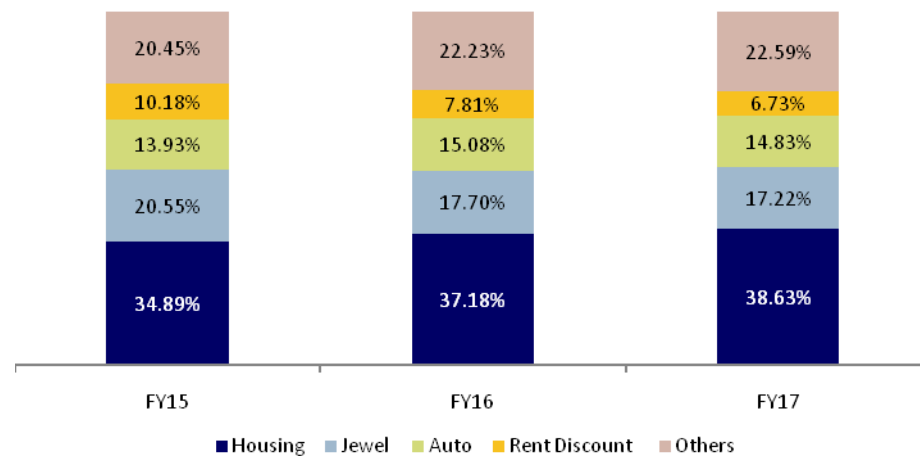


Retail Advances

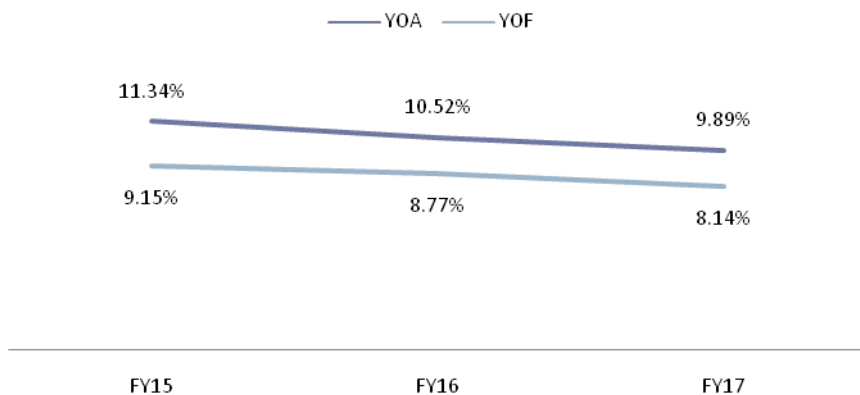
INR Mn



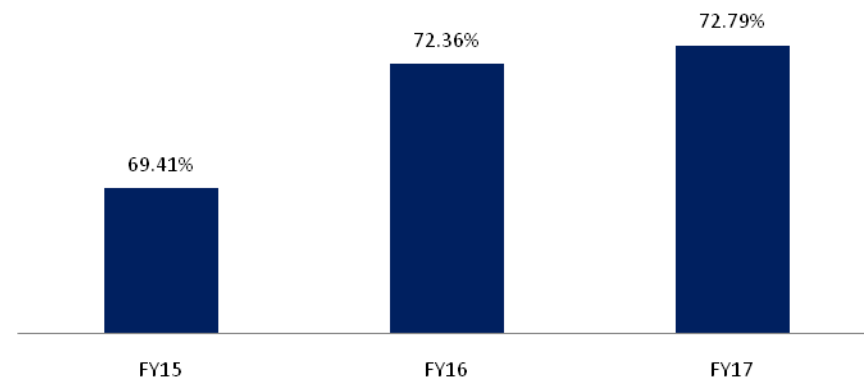
Retail Advance Mix



Yield on Advances & Funds

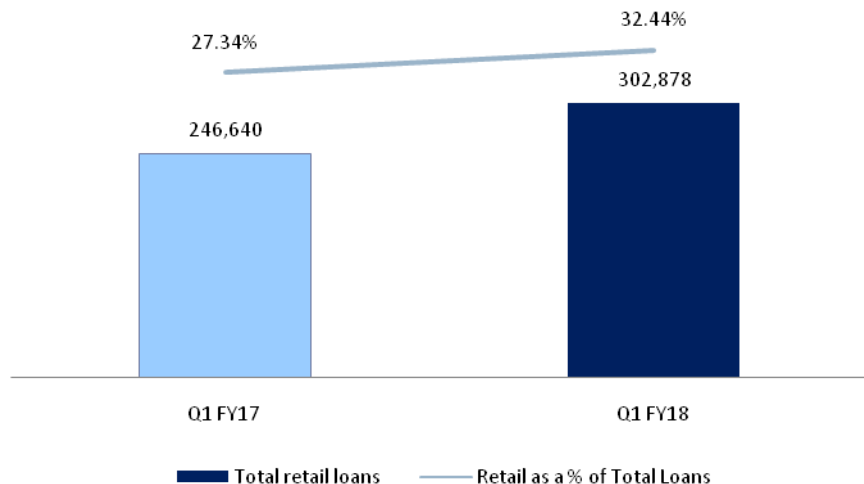


Credit to Deposit Ratio

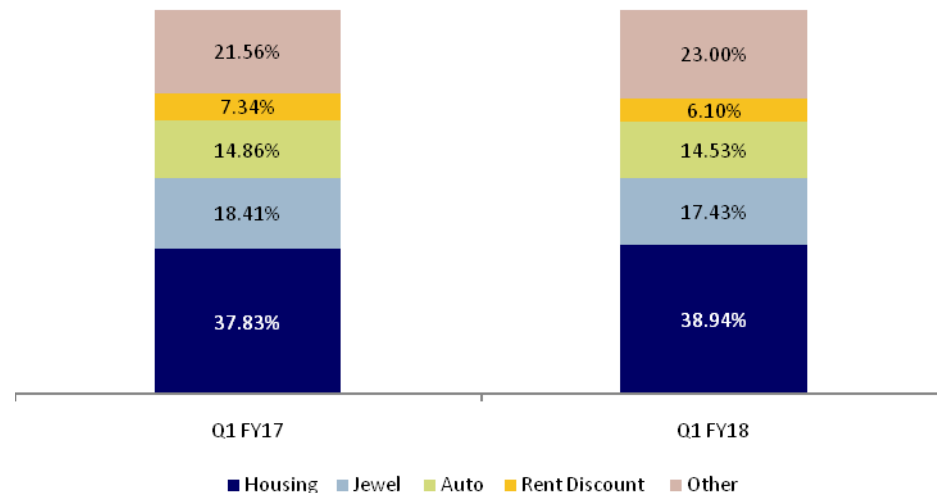


Retail Advances

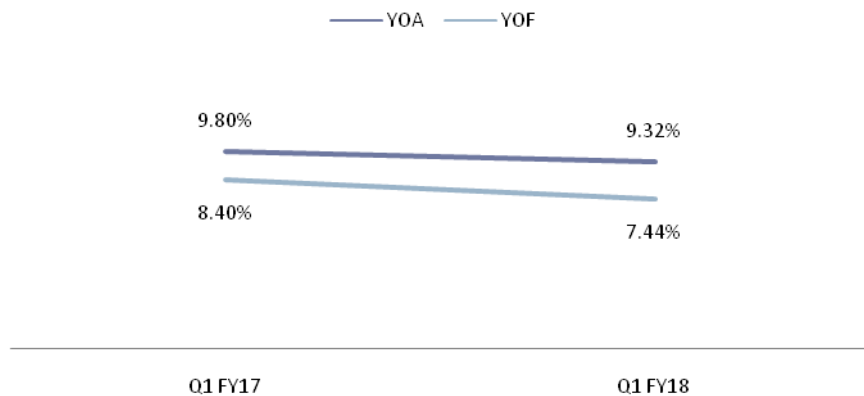
INR Mn



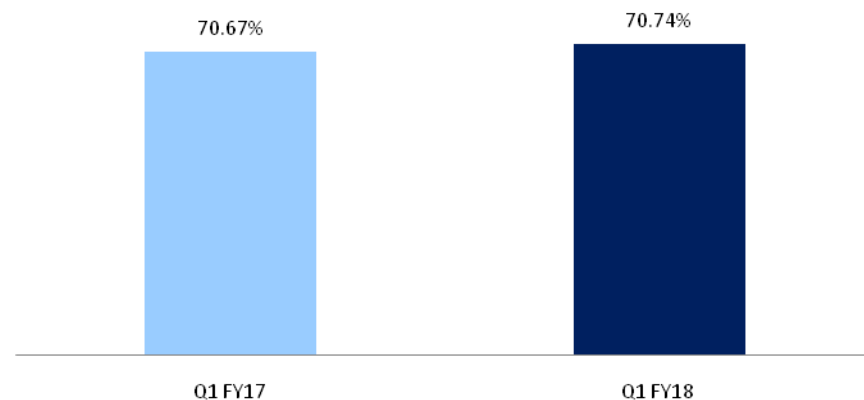
Retail Advance Mix



Yield on Advances & Funds



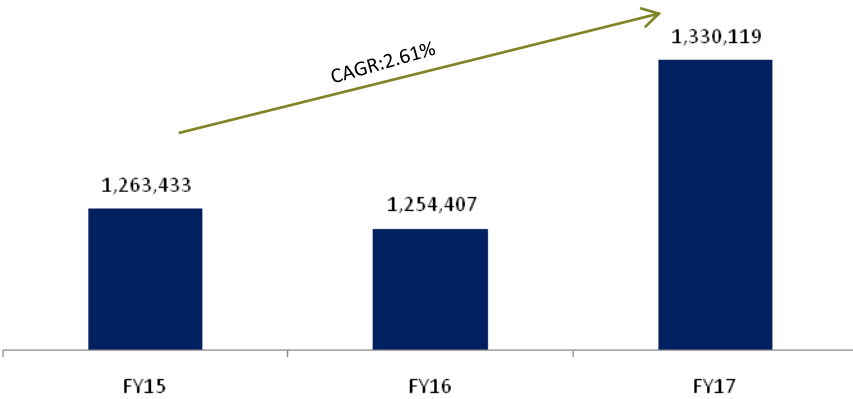
Credit to Deposit Ratio



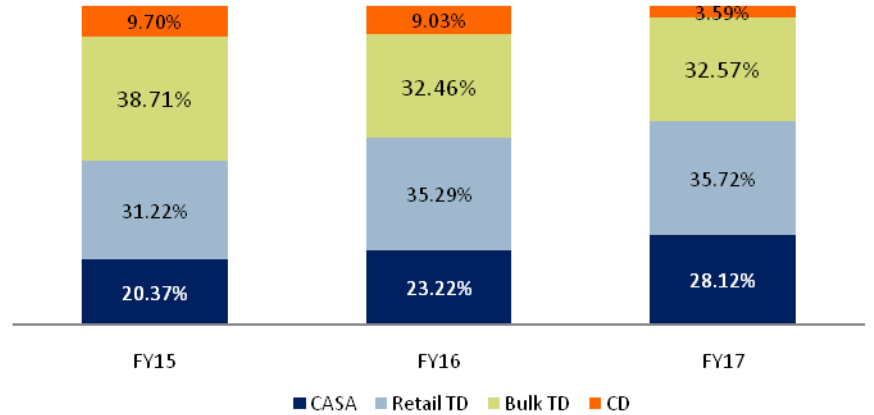
STRONG LIABILITY FRANCHISE : Y-o-Y

Increase in Deposits

INR Mn

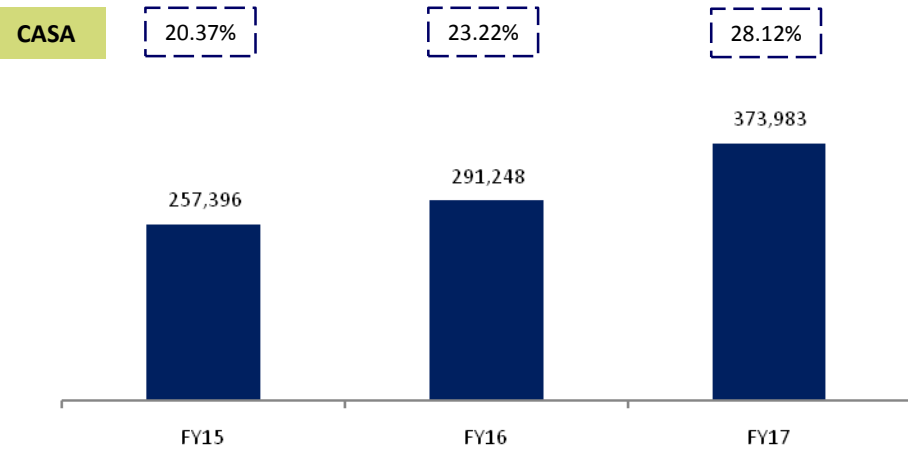


Deposit Mix

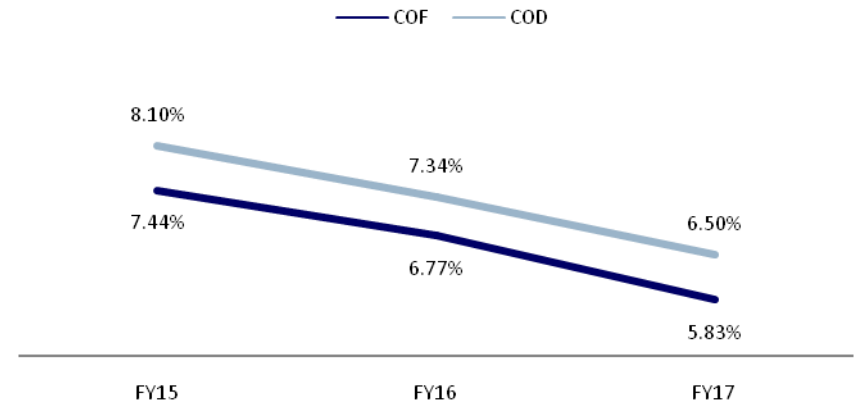


Strong CASA Growth

INR Mn



Reduction in Cost of Funds & Deposits

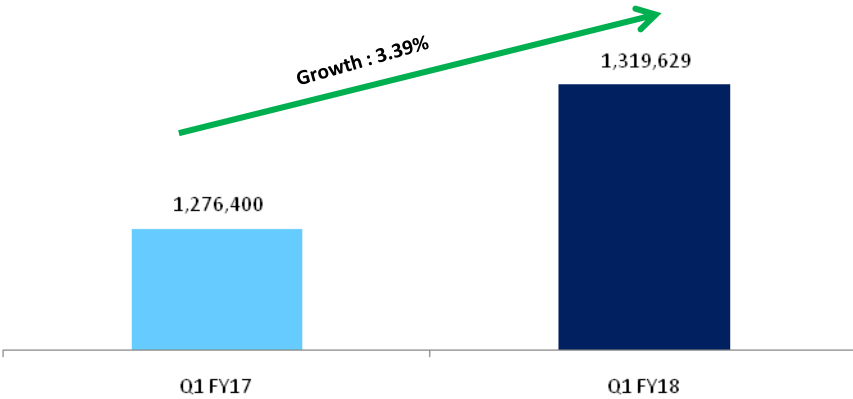


STRONG LIABILITY FRANCHISE : Q-o-Q

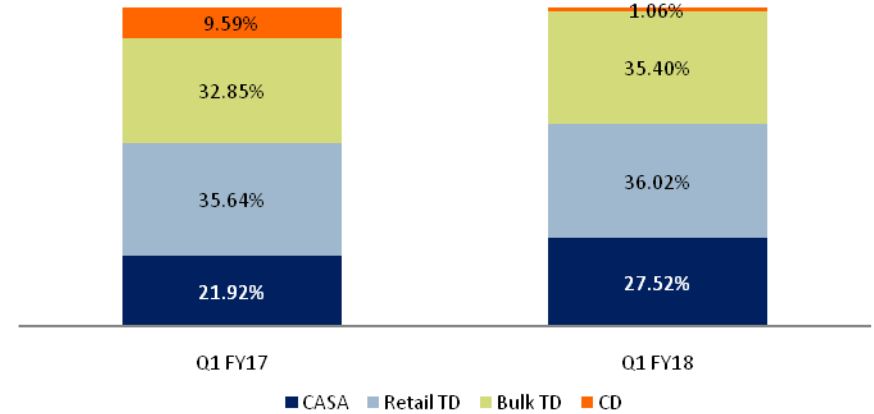


Increase in Deposits

INR Mn

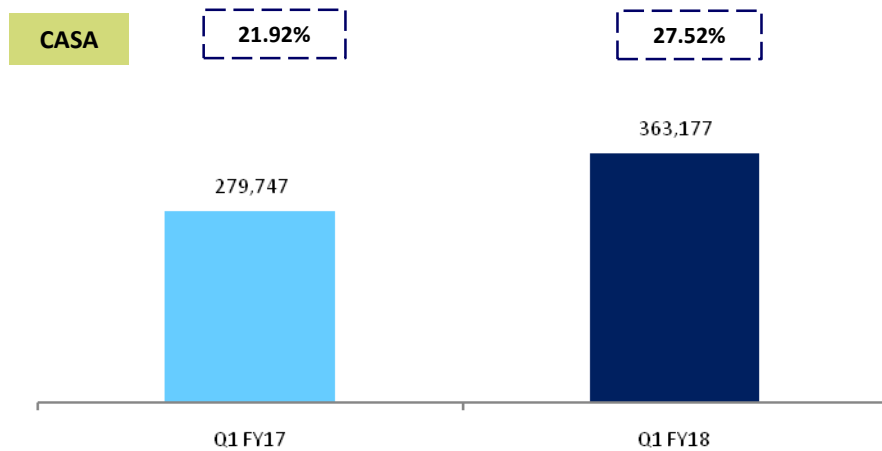


Deposit Mix

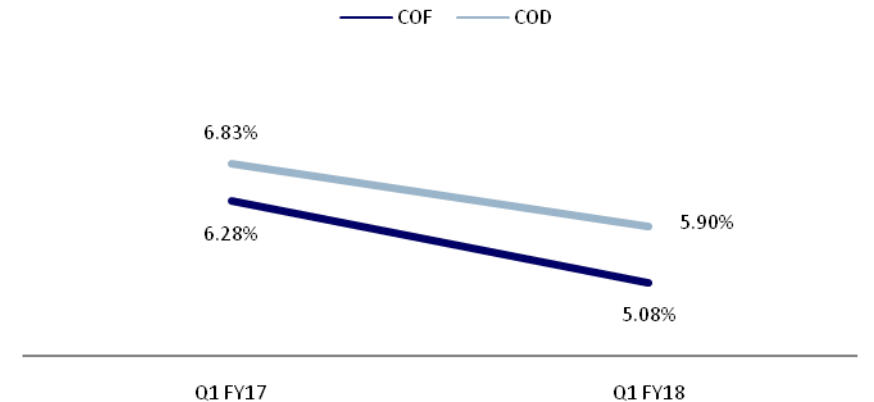


Strong CASA Growth

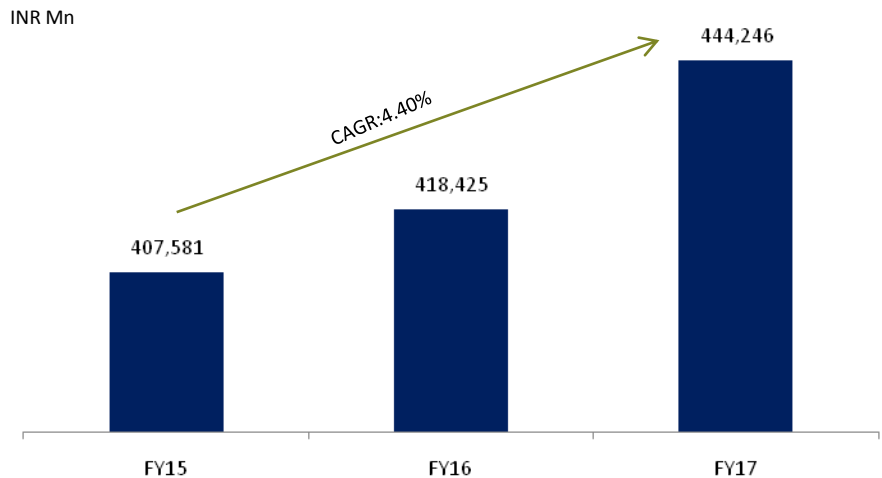
INR Mn



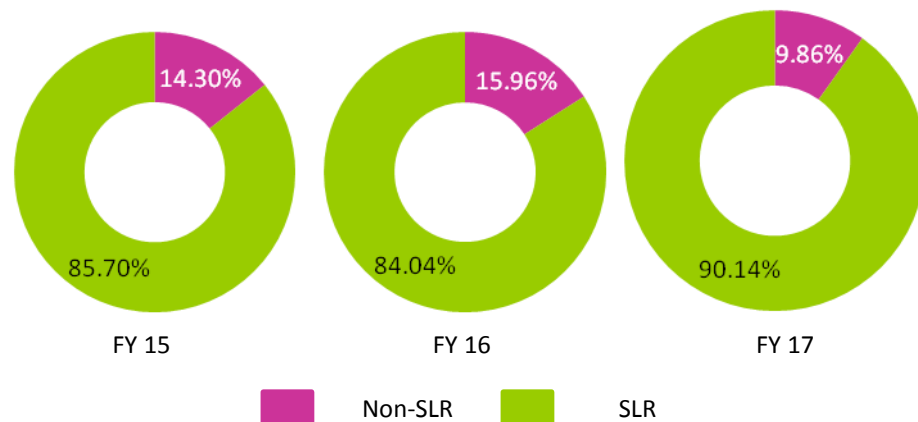
Reduction in Cost of Funds & Deposits



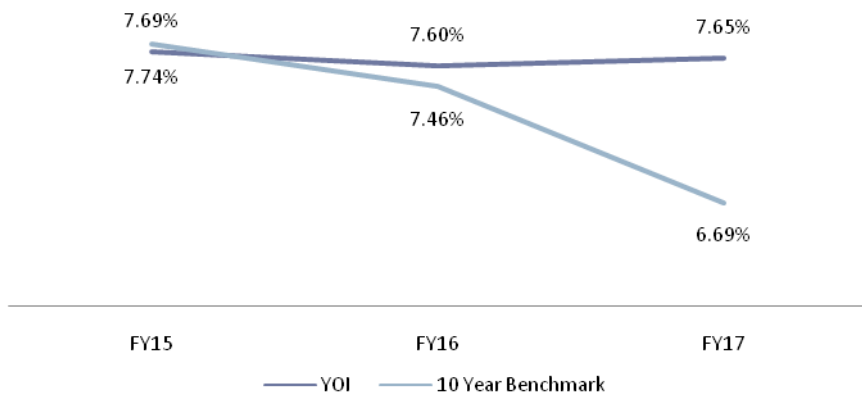
Total Investments



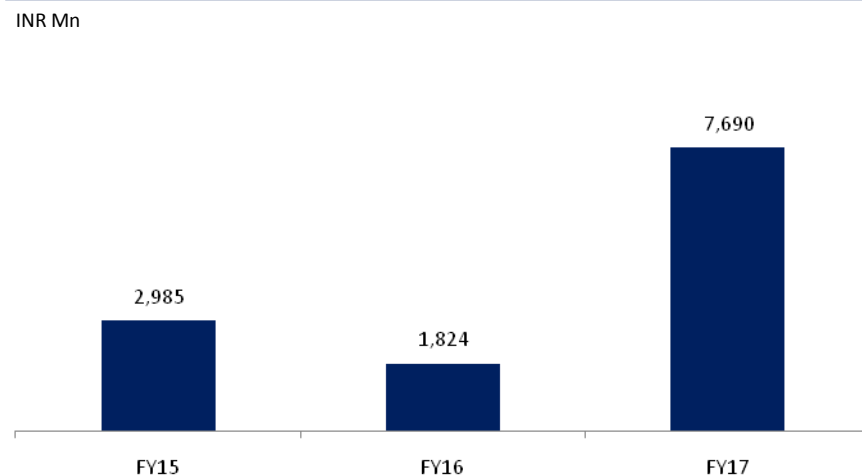
SLR & Non-SLR Investments



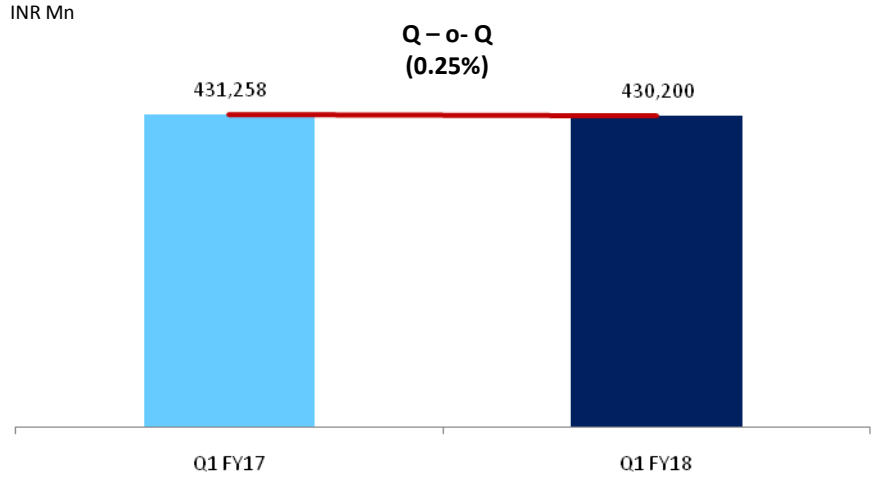
Yield on Investments



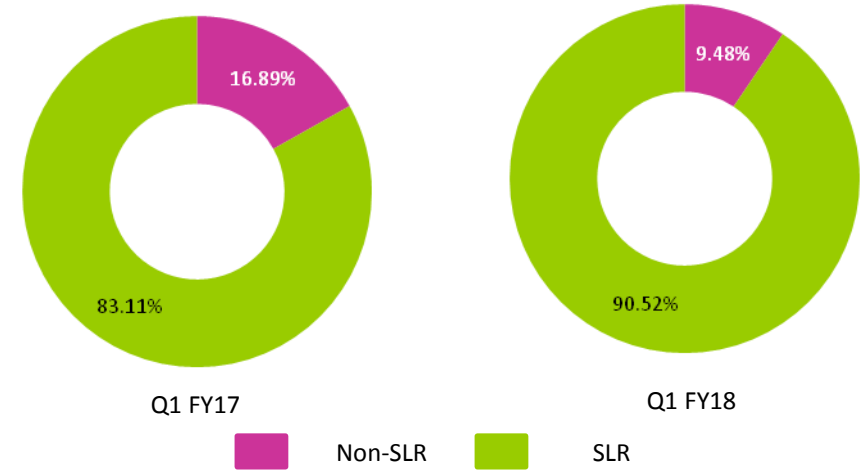
Profit on Investments



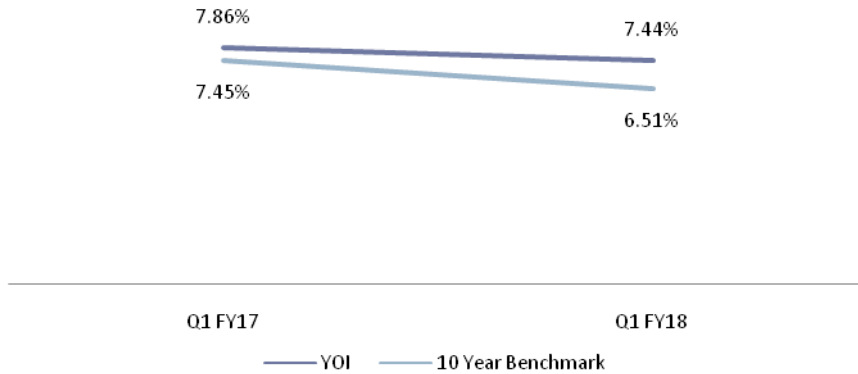
Total Investments



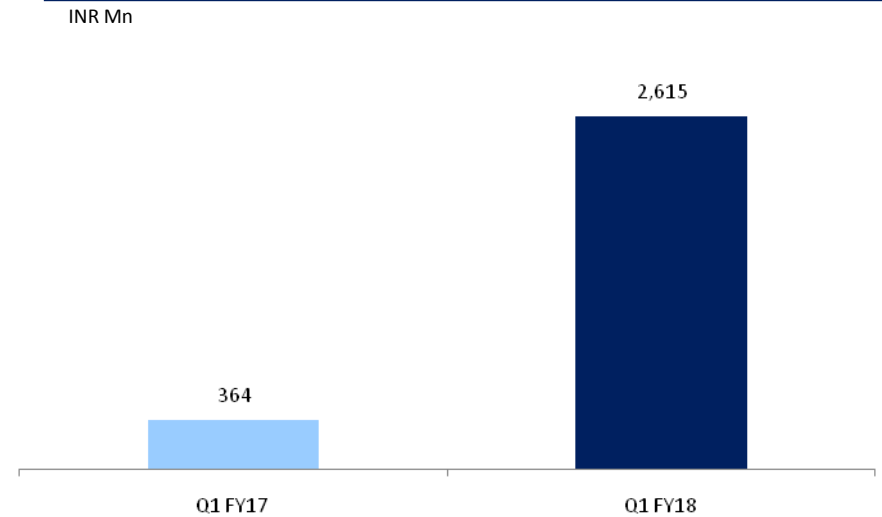
SLR & Non-SLR Investments



Yield on Investments



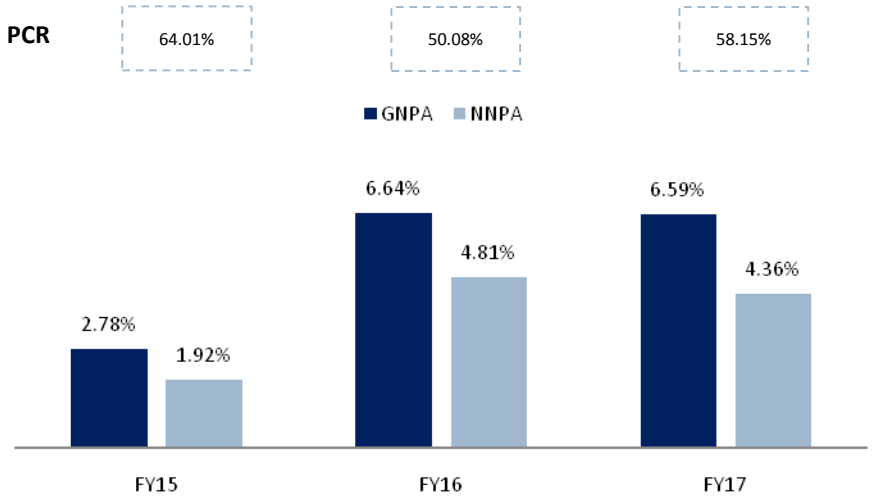
Profit on Investments



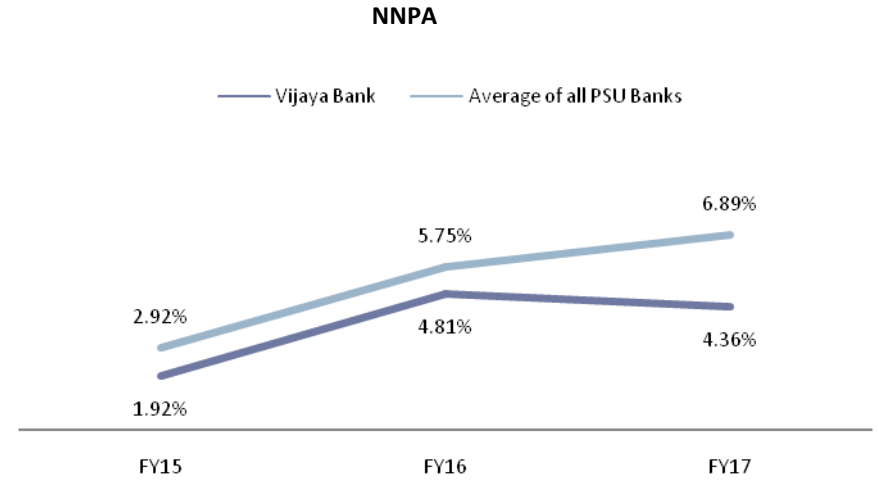
ASSET QUALITY OVERVIEW : Y-o-Y



GNPA & NNPA

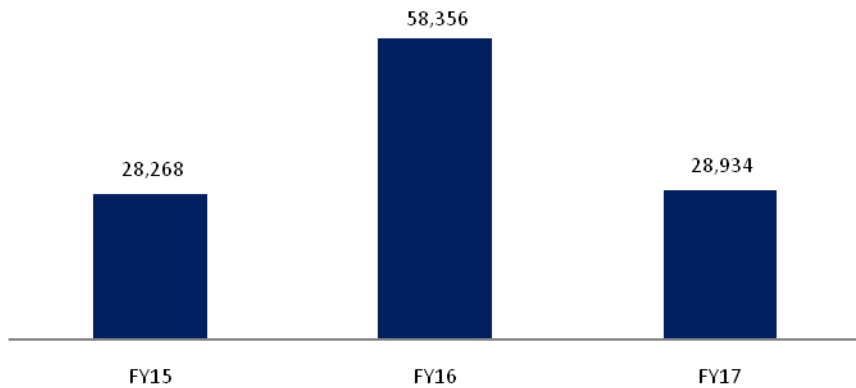


Asset Quality better than Industry Average*

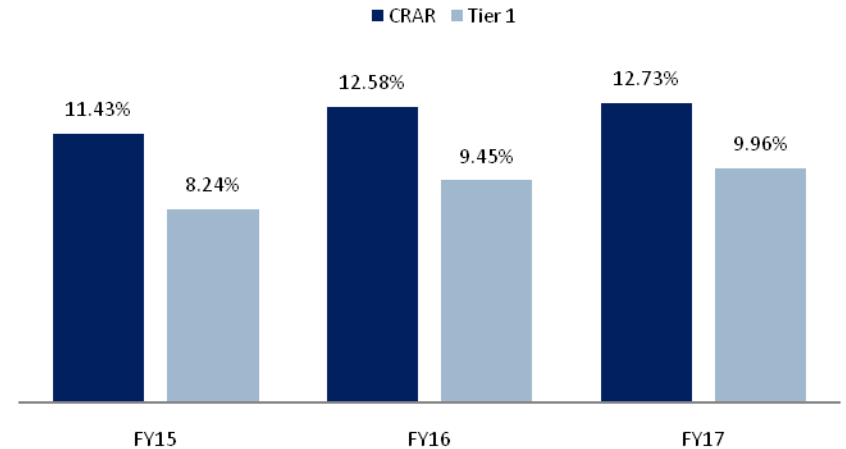


Fresh Slippages

INR Mn

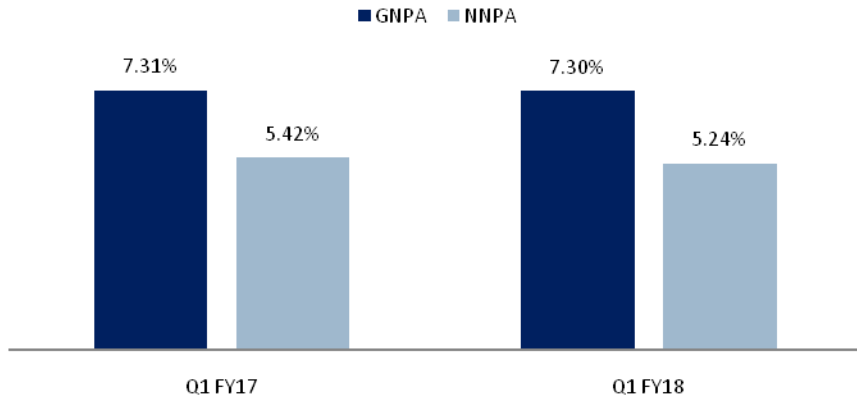


Robust Capital Adequacy

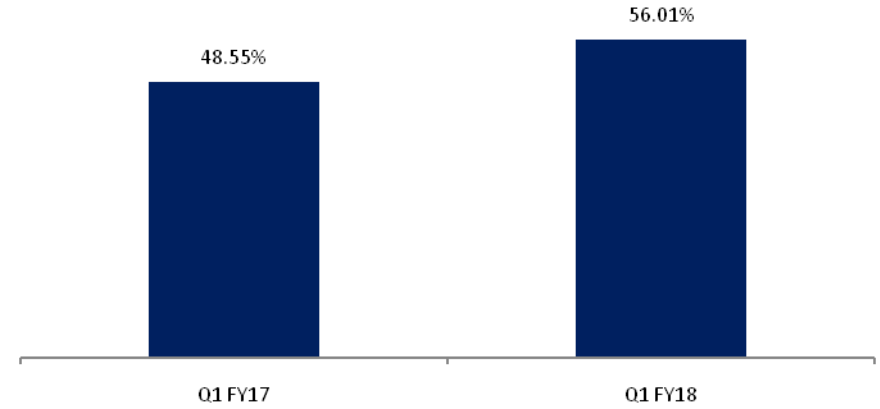


*Source: Indian Banks Association – Avg of 27 PSB

GNPA & NNPA

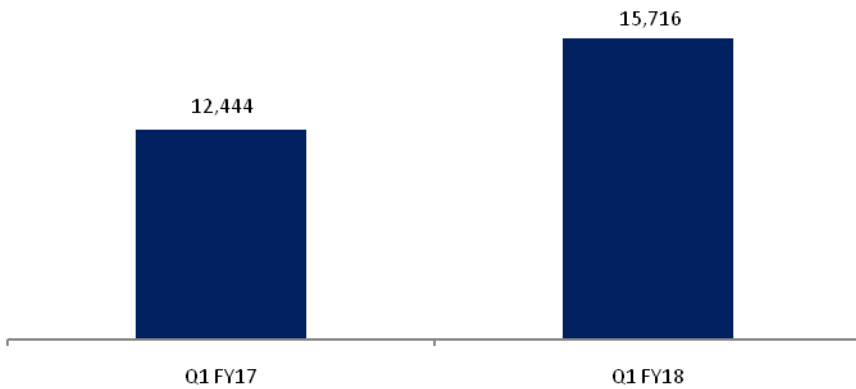


Provision Coverage Ratio (PCR)

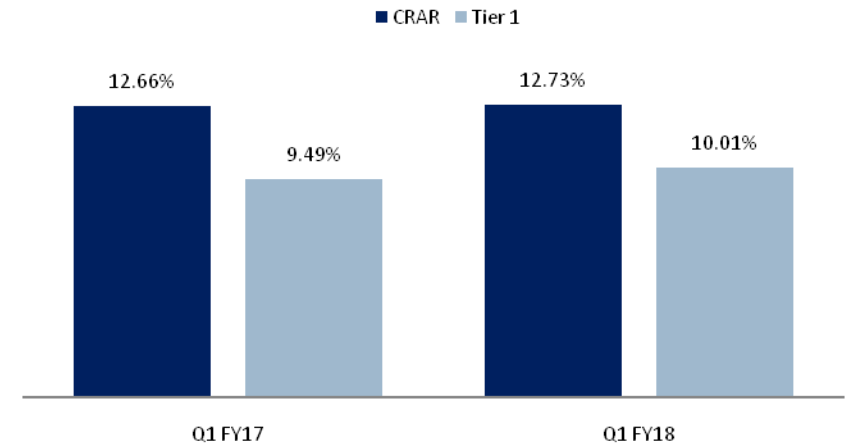


Fresh Slippages

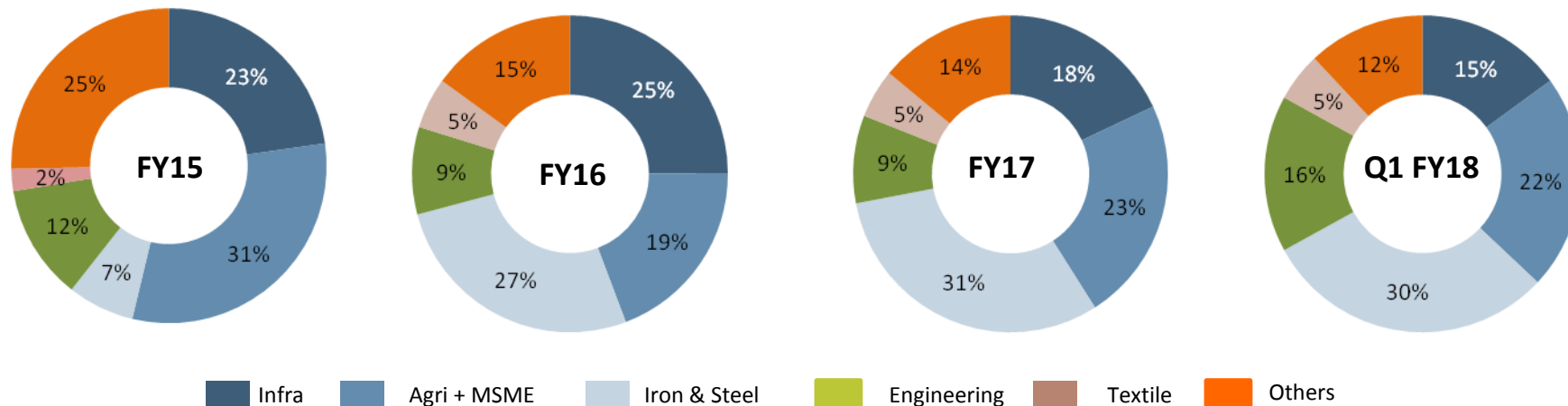
INR Mn



Robust Capital Adequacy



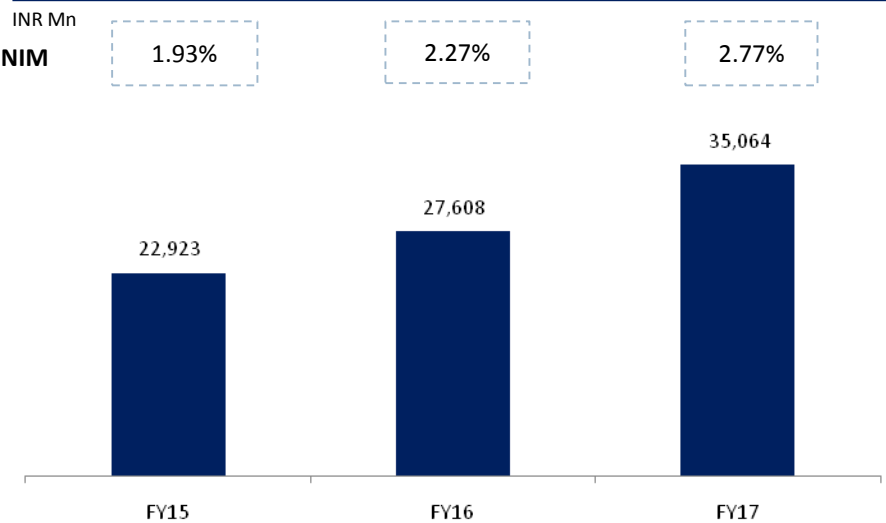
Sector wise classification of NPA as a % of total NPA



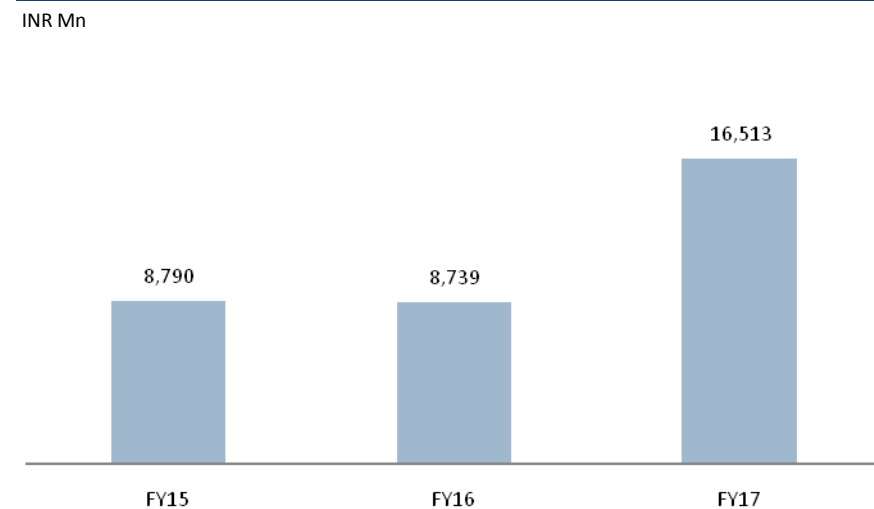
Asset Quality Management

- 1 War room established in Head Office to deal directly with NPA borrowers
- 2 'Vijaya Adalats' regularly conducted at various centres for speedy recovery
- 3 Special liberalized OTS scheme for MSME, Agriculture and small borrowers launched
- 4 Business correspondents, Retired officials and recovery agents are effectively utilized for speedy recovery
- 5 Extensive use of Information Technology for early identification of stress, Portals for SARFAESI, Recovery, Suit Filed accounts, review of advocates for close supervision and monitoring

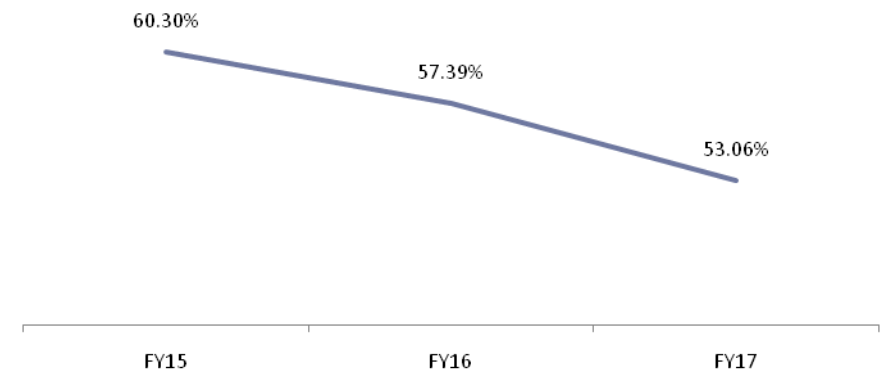
Net Interest Income



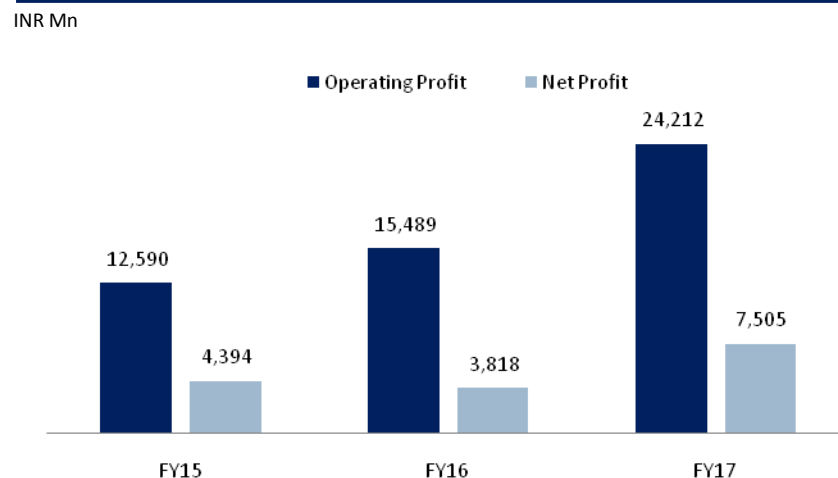
Non Interest Income



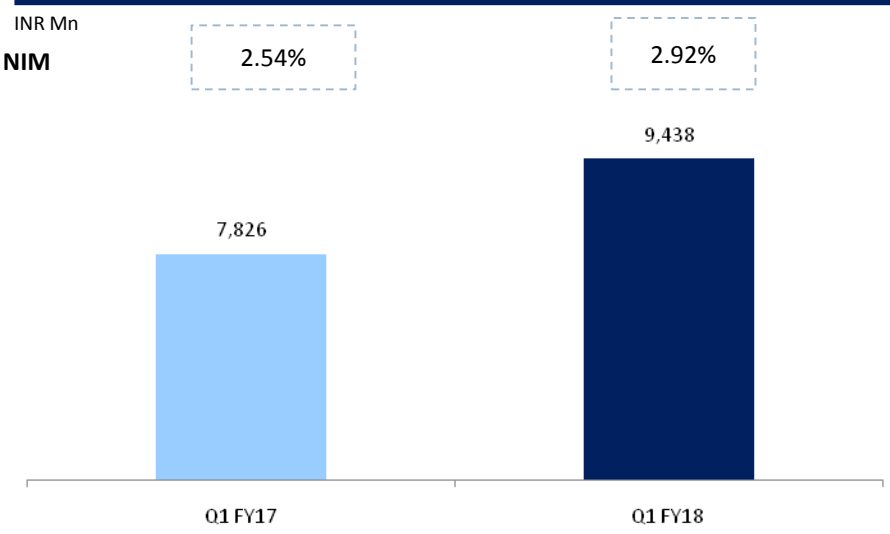
Cost to Income Ratio



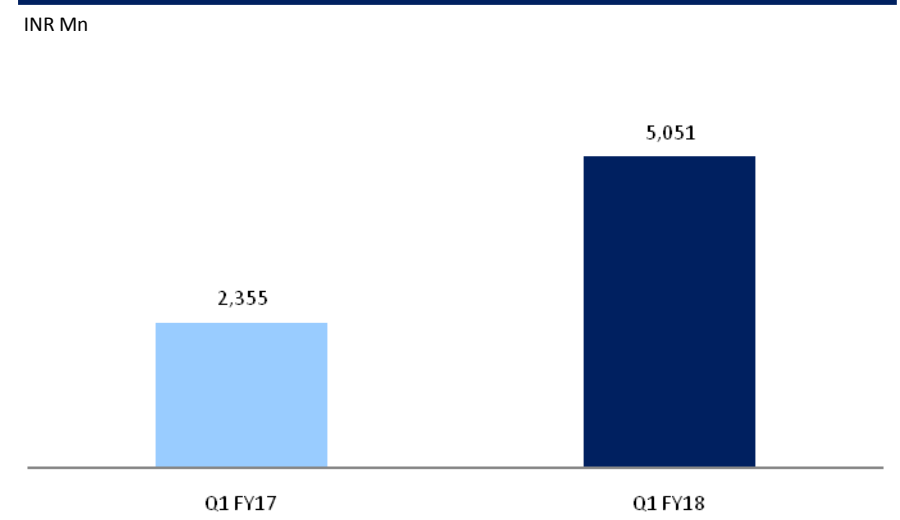
Profitability



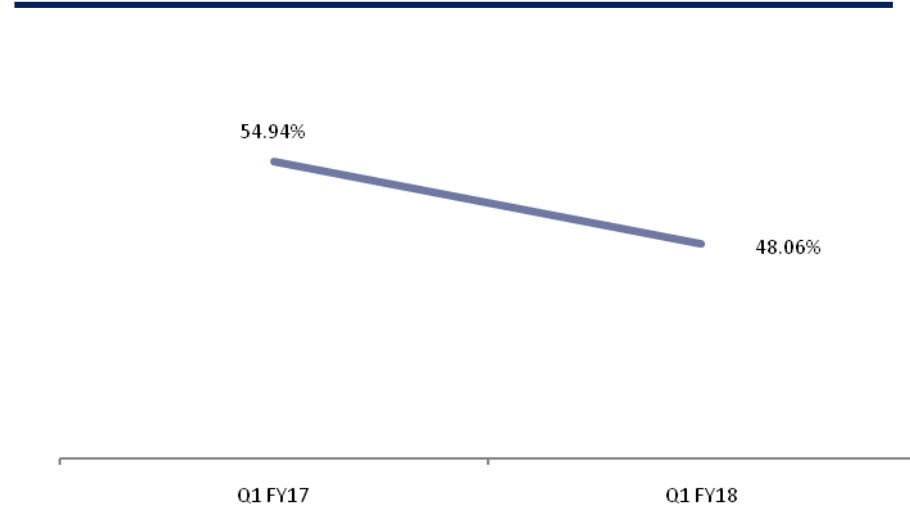
Net Interest Income



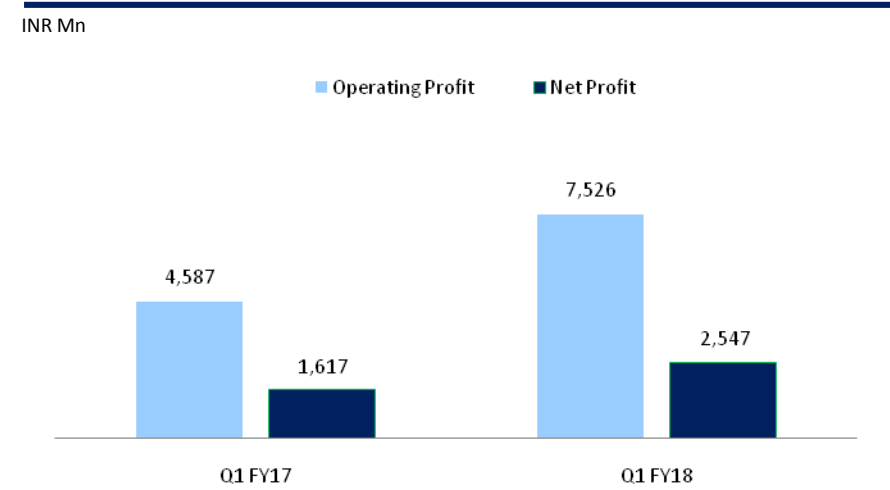
Non Interest Income



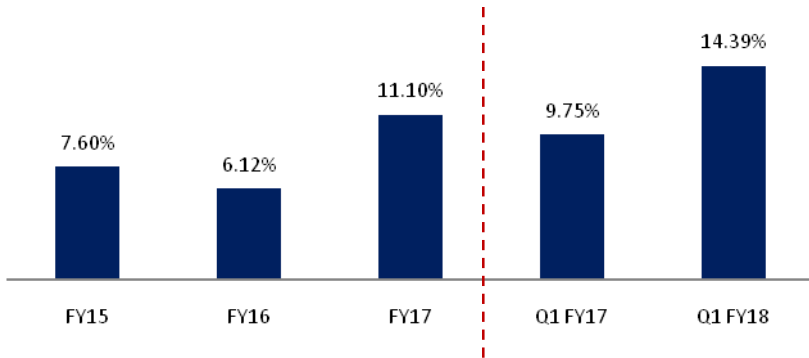
Declining Cost/ Income



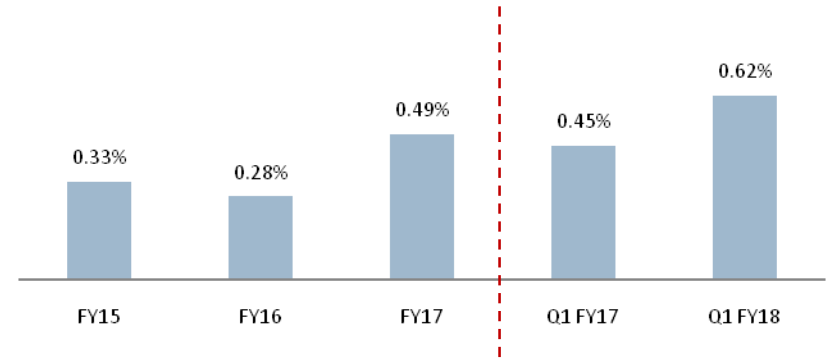
Track Record of Consistent Profitability



Return on Net Worth

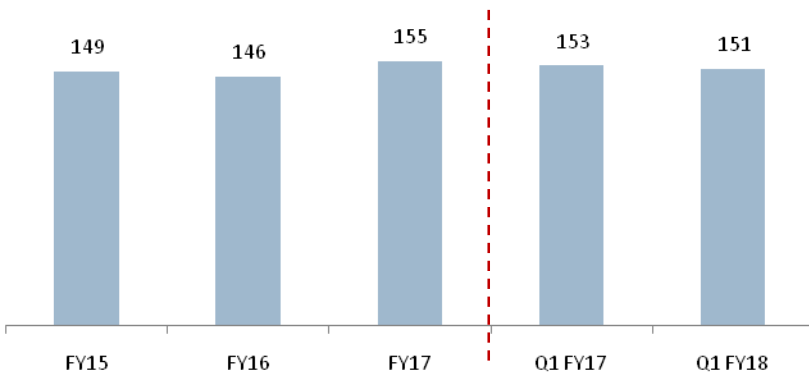


Return on Assets



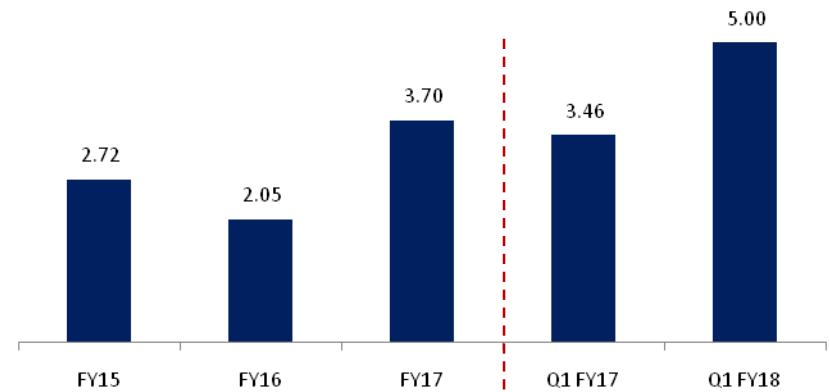
Business per Employee

INR Mn



Profit per Branch

INR Mn



EXPERIENCED & PROFESSIONAL MANAGEMENT TEAM



G Narayanan, Non Executive Chairman & Non Official Director

- Over 39 years of experience in public sector bank at various levels.
- Retired as Executive Director of Indian Overseas Bank
- Holds a bachelor's degree in Science and is a Certified Associate of Indian Institute of Bankers



B.S Rama Rao, Executive Director

- Over 39 years of experience as a professional banker
- Started as probationary officer in 1978 at Andhra Bank and held various positions and worked in different assignments.
- Holds a master's degree in Economics from Osmania University



Sanjay Kumar, Govt. Nominee Director

- Presently working as deputy secretary in DFS, Ministry of Finance
- Holds master's degree in Arts and bachelors degree in law from Magadh University and Post Graduate Diploma in Business Management From National Institute of Financial Management



M Bhagvantha Rao, Non Official Director

- Retired as MD of State Bank of Hyderabad
- Holds bachelors' degree in Science from Madras University



S. Raghunath, Non Official Director

- Professor at IIM Bangalore since 1992



Bharati Rao, Shareholder Director*

- Over 36 years of experience in the banking industry
- She started her career in 1972 as probationary officer with SBI
- Holds a master degree in Arts (economics) and is a Certified Associate of Indian Institute of Bankers



P. Vaidyanathan, Shareholder Director*

- He has several years of experience in the financial services industry
- Was a whole time Director of City Union Bank Limited for 2 years
- Holds professional qualification of chartered accountant, company secretary and cost accountant



Dr. Kishore Sansi, MD & CEO

- Over 37 years of experience in the banking industry
- Was the Executive Director of Punjab & Sind Bank
- Holds master's degree in Science & Philosophy from University of Delhi and is a Certified Information Systems Auditor from ISACA.



Nageswara Rao. Y, Executive Director

- Over 32 years of banking experience, handling key functional areas such as IT, Planning & Development, Risk Management etc.
- Commerce graduate and a Certified Associate of Indian Institute of Bankers



G.P. Borah, RBI Nominee Director

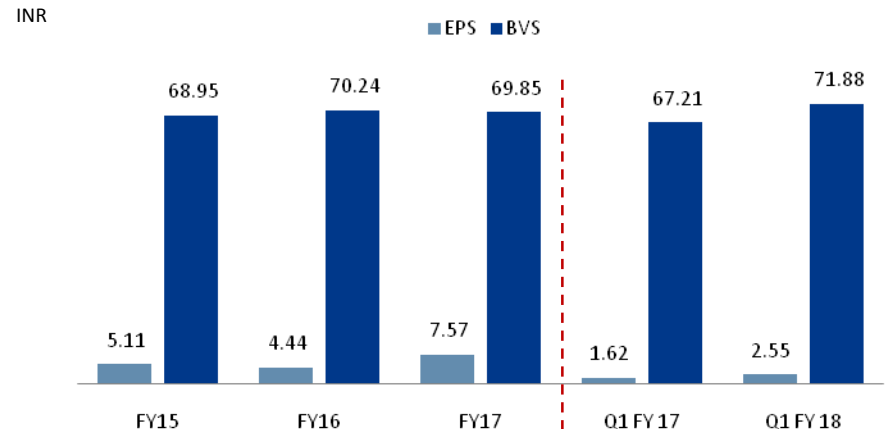
- Presently working as the Chief General Manager at the RBI Regional Office in Mumbai
- Holds master's degree in Management (banking and finance) and bachelor's degree in Law from Mumbai University, and Certified Associate of Indian Institute of Bankers



V V R Sastry, Non Official Director

- Holds Bachelors Degree in Electronics & Communication from Andhra University

Shareholder Value Creation





1 VIJAYA BANK OVERVIEW

2 KEY INVESTMENT HIGHLIGHTS

3 **GROWTH STRATEGIES**

4 FINANCIAL STATEMENTS



Improve Retail Lending Profile



Increase customer penetration through expansion of branch and ATM network and strengthening alternate delivery channels



Increase focus on improving asset quality and containing NPA levels



Continue to focus on improving our risk management systems



Focus on developing our treasury operations and fee based income channels



1 VIJAYA BANK OVERVIEW

2 KEY INVESTMENT HIGHLIGHTS

3 GROWTH STRATEGIES

4 **FINANCIAL STATEMENTS**


Balance Sheet Summary

In Rs. Million

Balance Sheet	FY15	FY16	FY17
Cash & Balances with RBI	65,343.0	62,683.5	57,704.2
Balances with Bank & Money at Call & Short Notice	8,175.4	3,512.0	1,602.9
Investments	407,581.2	418,424.9	444,245.5
Advances	866,958.6	889,869.6	945,488.9
Fixed Assets	5,666.4	12,882.9	13,187.6
Other Assets	72,197.4	66,714.5	86,586.7
Total Assets	1,425,922.0	1,454,087.4	1,548,815.8
Paid-up Capital	8,591.2	9,325.6	9,988.5
Share Application Money	-	2,200	-
Reserves & Surplus	53,006.4	64,721.6	71,526.4
Deposits	1,263,433.5	1,254,407.3	1,330,119.5
Borrowings	72,781.9	103,005.7	110,618.0
Other Liabilities and Provisions	28,109.0	20,427.2	26,563.4
Total Liabilities	1,425,922.0	1,454,087.4	1,548,815.8


Profit & Loss Account Summary

In Rs. Million

Income Statement	FY15	FY16	FY17
Interest Earned	122,735.3	120,835.8	123,794.6
Interest Expended	99,812.5	93,227.5	88,730.2
Net Interest Income	22,922.8	27,608.3	35,064.4
Other Income	8,789.6	8,738.6	16,512.6
Operating Income (Net Total Income)	31,712.4	36,346.9	51,577.0
Operating Expenses	19,122.1	20,858.2	27,365.5
Operating Profit	12,590.3	15,488.7	24,211.5
Net Profit	4,394.1	3,818.0	7,504.9

Key Ratios

	FY15	FY16	FY17
Earnings Per Share (Basic) –In Rs	5.11	4.44	7.57
Earnings Per Share (Diluted) –In Rs	5.11	4.44	7.57
Return on Net Worth (%)	7.60	6.12	11.10
Return on Assets (%)	0.33	0.28	0.49
CRAR (%)	11.43	12.58	12.73



Balance Sheet Summary

In Rs. Million

Balance Sheet	Q1FY17	Q1FY18
Cash & Balances with RBI	57,479.2	76,696.7
Balances with Bank & Money at Call & Short Notice	8,953.8	2,006.9
Investments	431,257.7	430,199.9
Advances	883,804.5	913,159.1
Fixed Assets	12,896.1	13,071.7
Other Assets	77,442.1	69,724.2
Total Assets	1,471,833.4	1,504,858.5
Paid-up Capital	9,988.5	9,988.5
Share Application Money	-	-
Reserves & Surplus	67,766.9	73,973.4
Deposits	1,276,400.4	1,319,628.7
Borrowings	92,290.1	75,889.7
Other Liabilities and Provisions	25,387.5	25,378.2
Total Liabilities	1,471,833.4	1,504,858.5



Profit & Loss Account Summary

In Rs. Million

Income Statement	Q1FY17	Q1FY18
Interest Earned	30,595.6	30,050.1
Interest Expended	22,769.2	20,612.1
Net Interest Income	7,826.4	9,438.0
Other Income	2,354.9	5,051.0
Operating Income (Net Total Income)	10,181.3	14,489.0
Operating Expenses	5,594.0	6,963.5
Operating Profit	4,587.3	7,525.5
Net Profit	1,616.6	2,546.9

Key Ratios

	Q1FY17	Q1FY18
Earnings Per Share (Basic) -In Rs	1.62	2.55
Earnings Per Share (Diluted) – In Rs	1.62	2.55
Return on Net Worth (%)	9.75%	14.39%
Return on Assets (%)	0.45%	0.62%
CRAR (%)	12.66%	12.73%

THANK YOU



Vijaya Bank, Head Office
41/2, MG Road
Bangalore, Karnataka
India, Pin – 560 001.
www.vijayabank.com