

IRC: F48:114:565:2021

08.11.2021

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,
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Scrip Code: KARURVYSYA

Scrip Code: 590003

Dear Sir,

Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Intimation of Investor Presentation – Un-audited Financial Results of the Bank for the Quarter and Half Year ended 30th September 2021.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith the Investor Presentation on the Un-audited Financial Results of the Bank for the Quarter and Half Year ended 30th September 2021 and the same has been updated in our Bank's website.

Kindly take the same on record.

Yours faithfully,



Srinivasa Rao M
Company Secretary &
Asst. General Manager

Encl: a.a.



30.09.2021

**Investor
Presentation**

Disclaimer



This presentation has been prepared by Karur Vysya Bank Limited (“the Bank”) solely by the Bank for information purposes only. This presentation is not a complete description of the Bank and the information contained herein is only current as of its date and has not been verified by anyone else. All financial numbers are based on the Audited Financials or the Reviewed Financial results or based on Management estimates. Figures for the previous period(s) have been regrouped wherever necessary; totals in columns / rows may not agree due to rounding off. The accuracy of this presentation is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank.

This presentation does not constitute an offer or invitation, directly or indirectly, to purchase or subscribe for any securities of the Bank by any person / entity based in India or in any other country. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities.

This presentation may contain statements that constitute forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated. Factors that could cause actual results to differ materially include, inter-alia, changes or developments in the Bank’s business, political, economic, legal and social conditions. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. Except as otherwise stated, all of the information contained herein is indicative and is based on management information, current plans and estimates / projections. Any opinion, estimate or projection in the presentation constitutes a judgment as of the date of this presentation and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Further, past performance is not necessarily indicative of future results. Anyone placing reliance on the information contained in this presentation or any other communication by the Bank does so at his / her / their own risk. Neither the Bank nor anyone else shall be liable for any loss or damage caused pursuant to any act or omission based on or in reliance upon the information contained in the presentation.

The Bank may, at its sole discretion, alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify anyone of such change(s). This presentation is not to be distributed, redistributed, copied or disseminated in any manner whatsoever, either directly or indirectly.

Forward-looking statements speak only as of the date they are made, and the Bank undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.



Quarter

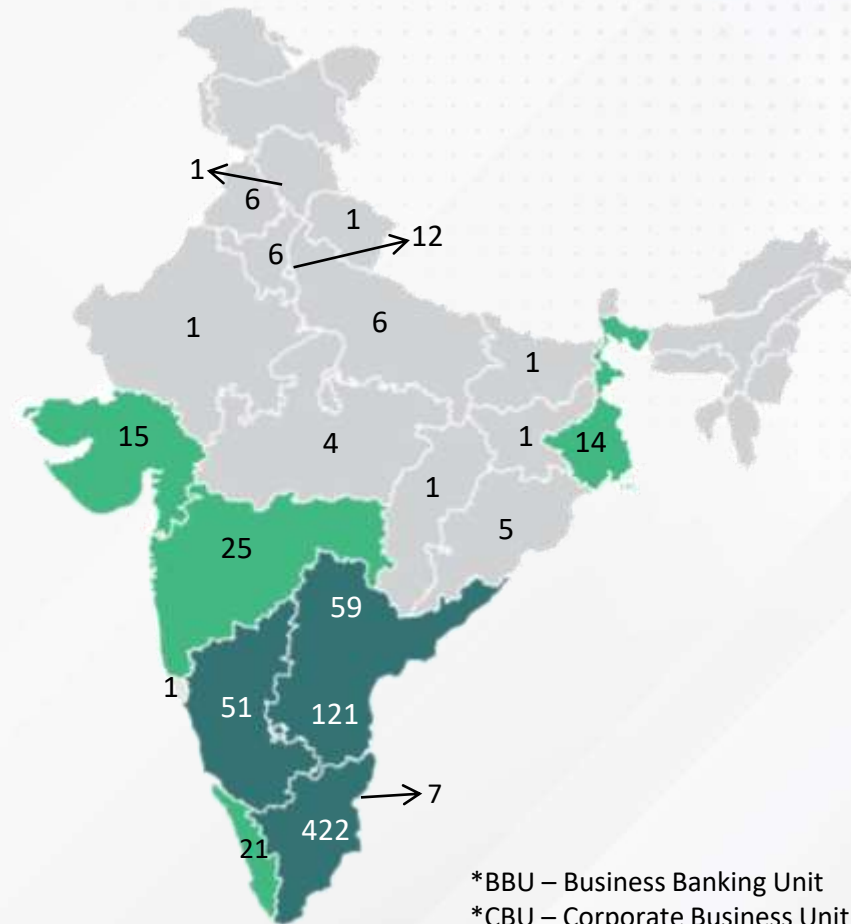
in focus

Strong presence in India's fast growing hinterland



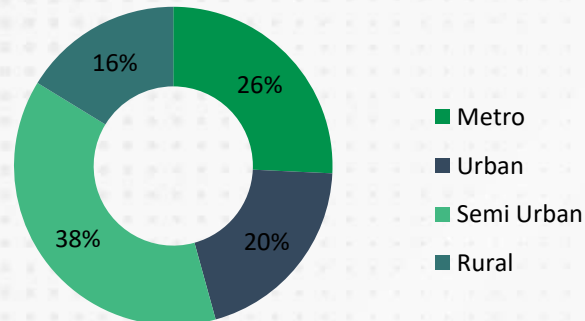
Category	30.09.21	31.03.21	31.03.20
Branches	781	780	779
ATM's + Cash Recyclers	2,234	2,236	2,224
Business Correspondents	140	139	133

Category	No. of Branches	BBU*	CBU*	Other offices#
Metro	201	10	9	8
Urban	156	4	-	-
Semi Urban	297	2	-	-
Rural	127	-	-	-
Total	781	16	9	8



Customer service excellence the differentiator

No. of Branches



*BBU – Business Banking Unit
 *CBU – Corporate Business Unit
 #Other offices includes Asset Recovery Branches, NEO and PMD

Highlights (Quarter)



Business

- Total business crossed Rs.1,19,000 crore
- Overall advances grew by 7% yoy and stood at Rs. 53,850 crore
- Total deposits grew by 7%; at stood Rs.65,410 crore
- CASA share at 35%; Saving deposit grew by 14%

Earnings

- Net profit stood at Rs. 165 crore grew by 43%; highest in last 17 quarters
- Net interest income at Rs.680 crore
- Operating profit at Rs. 374 crore ; NIM (Q2) – 3.74%

Asset Quality

- Net slippages during the period is Negative
- GNPA stood at 7.38% and NNPA at 2.99%
- PCR 76.28% market PCR at 59.84%

CRAR

- CRAR was at 18.82%; where tier I 16.79% and tier II at 2.03%;
- Total risk weighted assets is Rs. 39,782 Crore
- Capital at Rs. 7,488 Crore

New Initiatives

- Retail credit card soft launched
- Mandate to collect Direct and Indirect Taxes

Key Performance Indicators – KPIs (quarter)



(Rs. crore)

Particulars	Sep 21	Sep 20	Growth %/bps	Jun 21	Mar 21	Dec 20
Net interest income	680	601	13	638	613	584
Operating profit ¹	374	360	4	409	187	257
Net profit	165	115	43	109	104	35
Advances (Gross)	53,850	50,408	7	52,315	52,820	52,113
Deposits	65,410	61,122	7	64,398	63,278	62,089
NIM(%)	3.74	3.47	0.27	3.55	3.46	3.29
ROA(%)	0.86	0.63	0.23	0.57	0.55	0.19
CRAR(%)	18.82	18.41	0.41	19.06	18.98	18.52
GNPA(%)	7.38	7.93	(0.55)	7.97	7.85	7.37
NNPA(%)	2.99	2.99	-	3.69	3.41	2.55
PCR(%)	76.28	75.19	1.09	72.40	72.70	77.35

1 - As per RBI guidelines, operating profit was reclassified for depreciation on investments and recovery in written off accounts



Details of reclassification as per RBI Directions on Financial Statements Disclosure

Regulatory framework	Requirement	Impact
Master Direction on Financial Statements – presentation and disclosure (30.08.2021)	Presentation and disclosure in financial statements including form A and form B	<p>Depreciation on investments has been classified under other income which was hitherto classified under provision and contingencies ; recovery in written off accounts earlier reported under other income are reported under provisions and contingencies</p> <p>Operating Profit will change, but no effect in Net Profit</p>

Particulars	Quarter 30.09.2021		Quarter 30.06.2021		Year ended 31.03.2021	
	Actual	Reclassified	Actual	Reclassified	Actual	Reclassified
Other Income	209	163	220	201	1,057	889
Total Income	1,607	1,561	1,596	1,577	6,527	6,359
Operating Profit	420	374	429	409	1,429	1,261
Provisions and Contingencies	210	164	264	245	895	727

Profit & Loss Statement



Particulars	Quarter			Half year		
	Sep 21	Sep 20	Growth % (YoY)	Sep 21	Sep 20	Growth % (YoY)
Net Interest Income	680	601	13	1,319	1,163	13
Other Income	163	183	(11)	364	484	(25)
- Fee income	143	119	20	290	240	21
- Others ¹	20	64	(69)	74	244	(70)
Total Income	843	784	8	1,682	1,647	2
Operating Expenses	470	424	11	899	829	8
- Employee expense ²	252	220	15	479	434	10
- Other operating expense	218	204	7	420	395	6
Operating Profit	374	360	4	783	817	(4)
Provisions	164	196	(16)	409	517	(21)
- Credit Related	169	205	(18)	444	506	(12)
- Others	(5)	(9)	(44)	(35)	11	-
Profit Before Tax	210	164	29	374	300	25
Tax (net of DTA/DTL)	44	49	(10)	100	80	25
Net Profit	165	115	43	274	220	25

1 - As per RBI guidelines, depreciation on investments has been classified under other income which was hitherto classified under provision and contingencies ; recovery in written off accounts earlier reported under other income are reported under provisions and contingencies; 2 – Includes an amount of Rs. 26.76 crore towards enhancement of family pension paid as per XI BPS (un-amortised amount to be accounted in the next two quarters is Rs. 53.50 crore)

Key Ratios



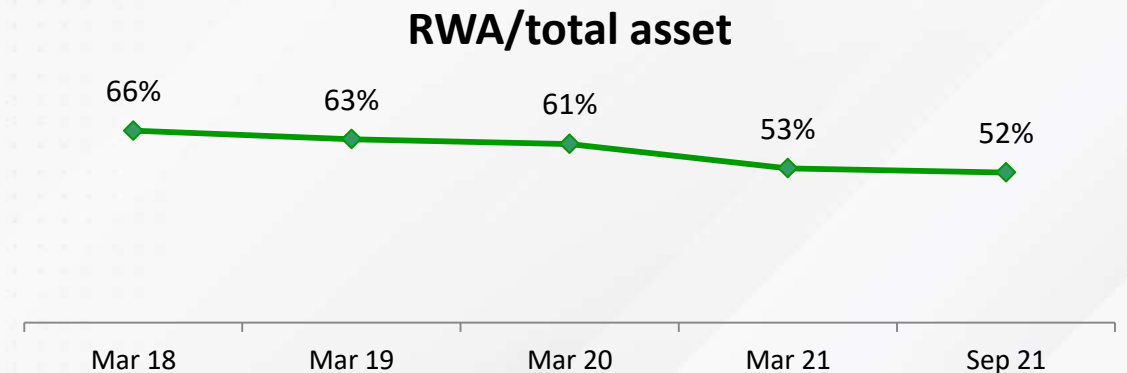
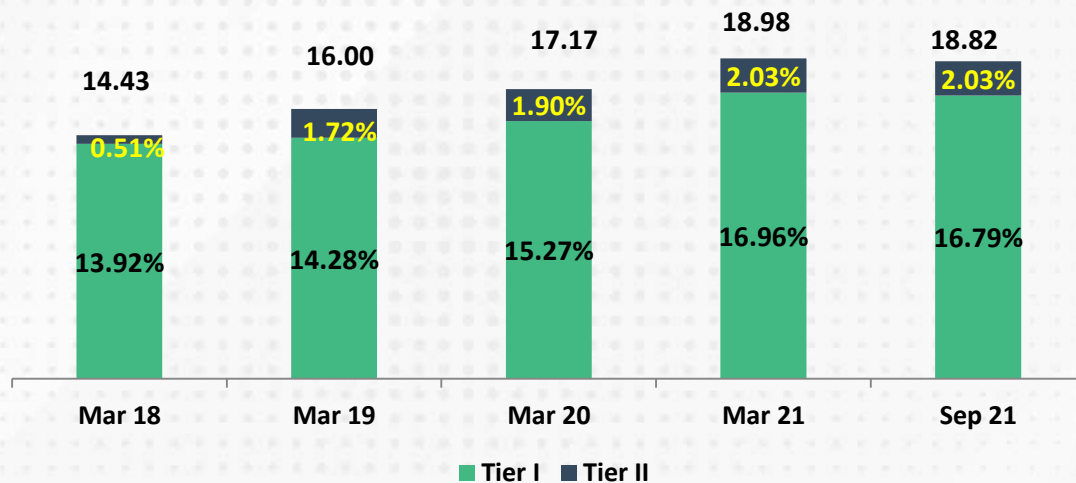
Particulars	Quarter		Half year	
	Sep 21	Sep 20	Sep 21	Sep 20
Cost of Deposits (%)	4.32	5.06	4.42	5.21
Yield on Advances (%)	8.62	9.26	8.59	9.29
Cost of Funds (%)	4.36	5.09	4.46	5.25
Yield on Funds (%)	7.42	7.84	7.41	7.92
Net Interest Margin (%)	3.74	3.47	3.65	3.42
Spread (%)	3.06	2.75	2.95	2.67
Cost to income (%)	55.68	54.10	53.44	50.36
Cost to income (%) <i>(before reclassification)</i>	52.81	48.60	51.54	47.34
Return on Equity (%)	9.20	6.74	7.63	6.46
Return on Asset (%)	0.86	0.63	0.72	0.61
EPS (Rs.) *	2.07	1.44	3.43	2.76

* Not annualized

Capital to Risk Weighted Assets Ratio – Basel III CRAR



Particulars	Sep 21	Sep 20	Jun 21
CRAR %	18.82	18.41	19.06
Total capital	7,488	7,207	7,524
Tier I capital	6,681	6,402	6,725
Tier II capital	807	805	799
RWA	39,782	39,156	39,471
Credit risk	31,914	31,379	31,599
Operational risk	6,071	6,005	6,071
Market risk	1,797	1,722	1,801



Balance Sheet



Particulars	Sep 21	Sep 20	YoY (%)
Capital & Liabilities			
Capital	160	160	-
Reserves and Surplus	7,034	6,661	6
Deposits	65,410	61,122	7
Borrowings	1,158	1,383	(16)
Other Liabilities and Provisions	2,112	1,849	14
Total	75,874	71,175	7
Assets			
Cash and Balances with RBI	3,365	2,573	31
Balances with Banks	2,785	221	-
Investments (Net)	16,387	18,435	(11)
Advances (Net)	51,381	47,822	7
Fixed Assets	504	556	(9)
Other Assets	1,452	1,568	(7)
Total	75,874	71,175	7

Optimising cost of borrowings

Declining cost of deposits and cost of funds

Particulars	Quarter		Half year	
	Sep 21	Sep 20	Sep 21	Sep 20
Cost of Deposits (%)	4.32	5.06	4.42	5.21
Cost of Funds (%)	4.36	5.09	4.46	5.25

Improving CASA ratios

Particulars	Sep 21	Sep 20	Jun 21	Mar 21
CASA (%)	35	34	35	34
Average CASA (%)	35	33	35	33



Driving growth

across verticals

Total Business – growth



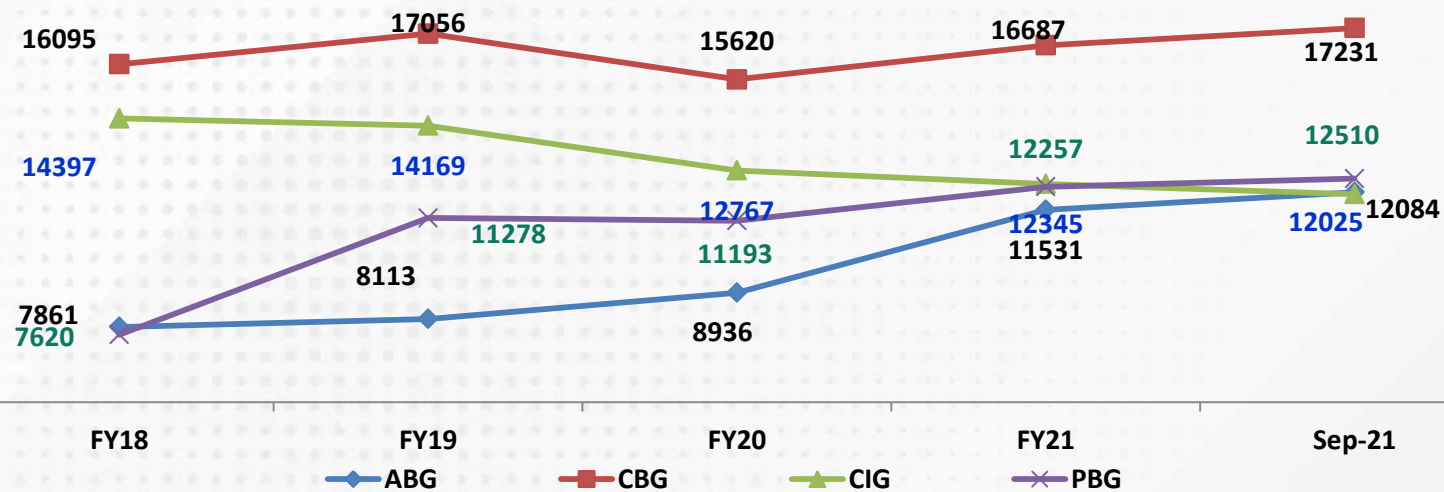
Parameter	Sep 21	Sep 20	YoY %	Jun 21
Total Deposits	65,410	61,122	7	64,398
Gross Advances	53,850	50,408	7	52,315
Total Business	1,19,260	1,11,530	7	1,16,713

Deposit break up

Parameter	Sep 21	Sep 20	YoY %	Jun 21
Demand Deposit	6,970	6,455	8	6,809
Saving Deposit	16,190	14,242	14	15,879
CASA	23,160	20,697	12	22,688
Term Deposit	42,251	40,425	5	41,710
Total Deposit	65,410	61,122	7	64,398

Growing our books responsibly

Particulars	Sep 21	Sep 20	YoY %	Jun 21
Agriculture	12,084	10,510	15	11,800
Retail (Personal Banking)	12,510	11,360	10	12,279
Commercial	17,231	16,421	5	16,504
Corporate	12,025	12,117	(1)	11,732
Gross Advances	53,850	50,408	7	52,315



Segments

ABG – Agri
 CBG – Commercial (<= Rs. 25 crore)
 CIG – Corporate (> Rs. 25 crore) PBG
 – Personal

Retail portfolio distribution



Particulars	Sep 21	Sep 20	YoY %	Jun 21
Housing loan	5,226	4,788	9	5,057
Jewel loans	1,778	1,221	46	1,806
Mortgage (LAP) loans	1,632	1,635	-	1,599
Vehicle loans	1,040	979	6	1,007
Personal loans	437	566	(23)	478
Educational loans	170	196	(13)	172
Others loans	2,227	1,975	13	2,160
Total	12,510	11,360	10	12,279

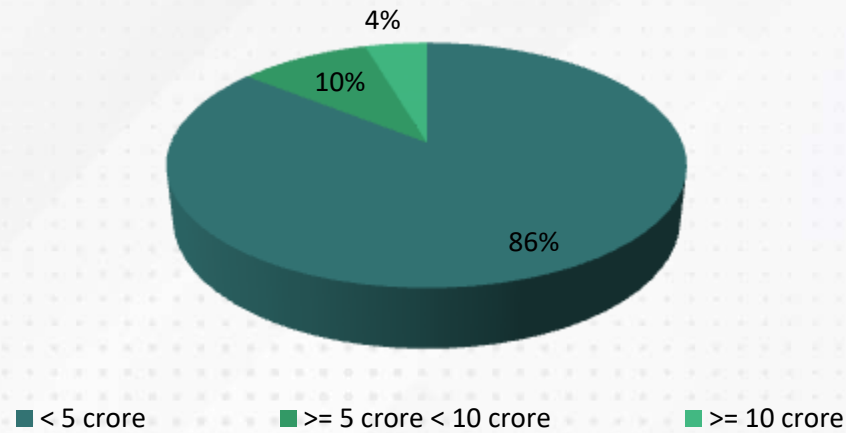
Digital Retail Loan (ex: Jewel Loan) (quarter)

Particulars	Sep 21	Sep 20	Jun 21
Sanctioned	764	465	339
Disbursed	575	388	269



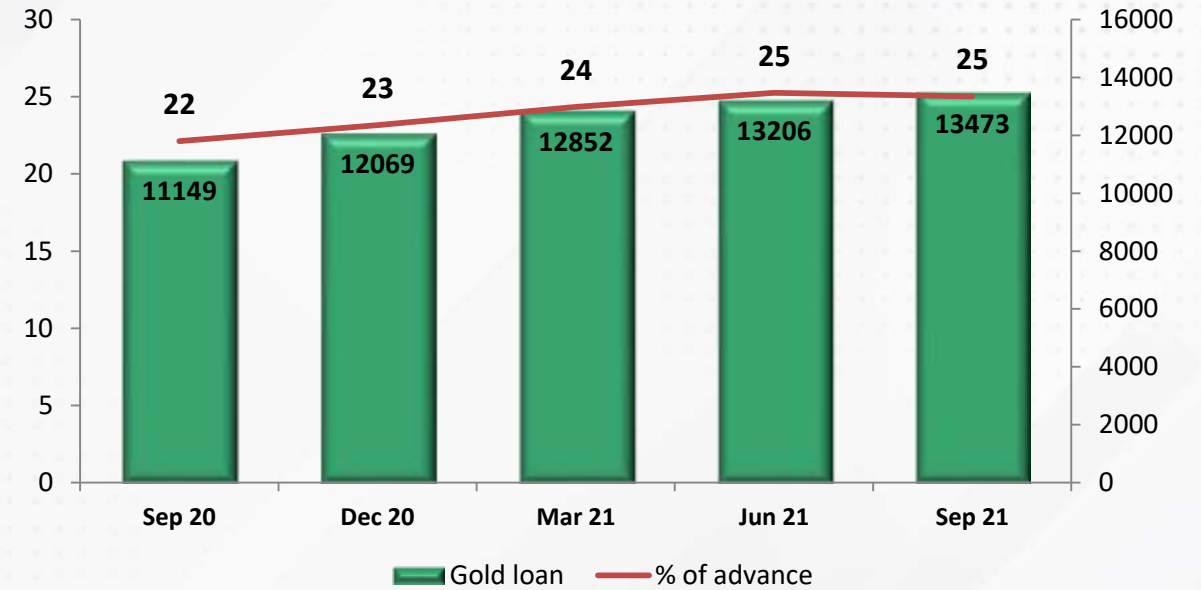
Driving growth across verticals

Ticket size of Commercial Book



- Average ticket size - Rs.37.4 lakh
- ~86% of commercial loans are less than Rs. 5 crore

Gold Loan portfolio (Bank as a whole)

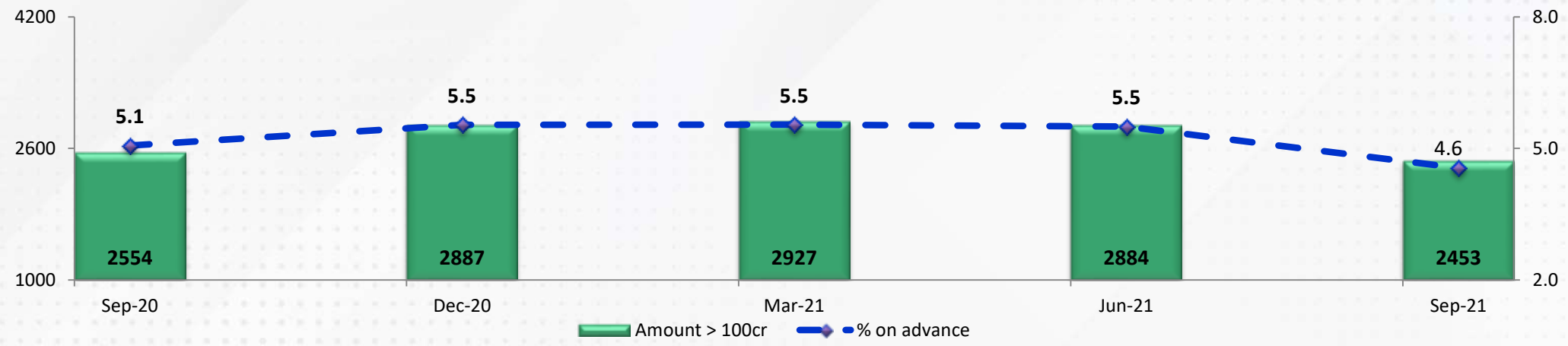


Category	Amount	SMA 30+ 30.06.2021	SMA 30+ 30.09.2021	LTV
Gold loan	13,473	648	382	74

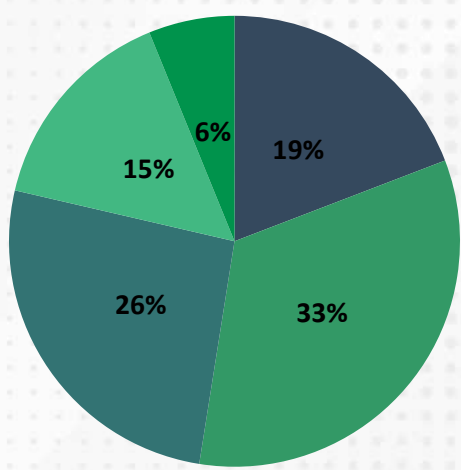
Corporate Loan Book



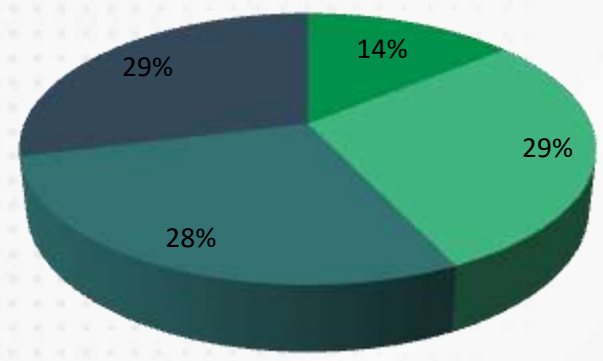
Standard Corporate advances > 100 crore




Consortium/MBA Sole Banking NBFC Govt/PSU



- Consortium
- MBA
- Sole Banking
- NBFC
- Govt/PSU



- < 25 cr
- >= 25 cr < 50 cr
- >= 50 cr < 100 cr
- >= 100 cr



- ~71% of corporate loans are less than Rs. 100 crore
- Average ticket size Rs. 38.71 crore

ECLGS (Emergency Credit Line Guarantee Scheme) Portfolio



Vertical wise

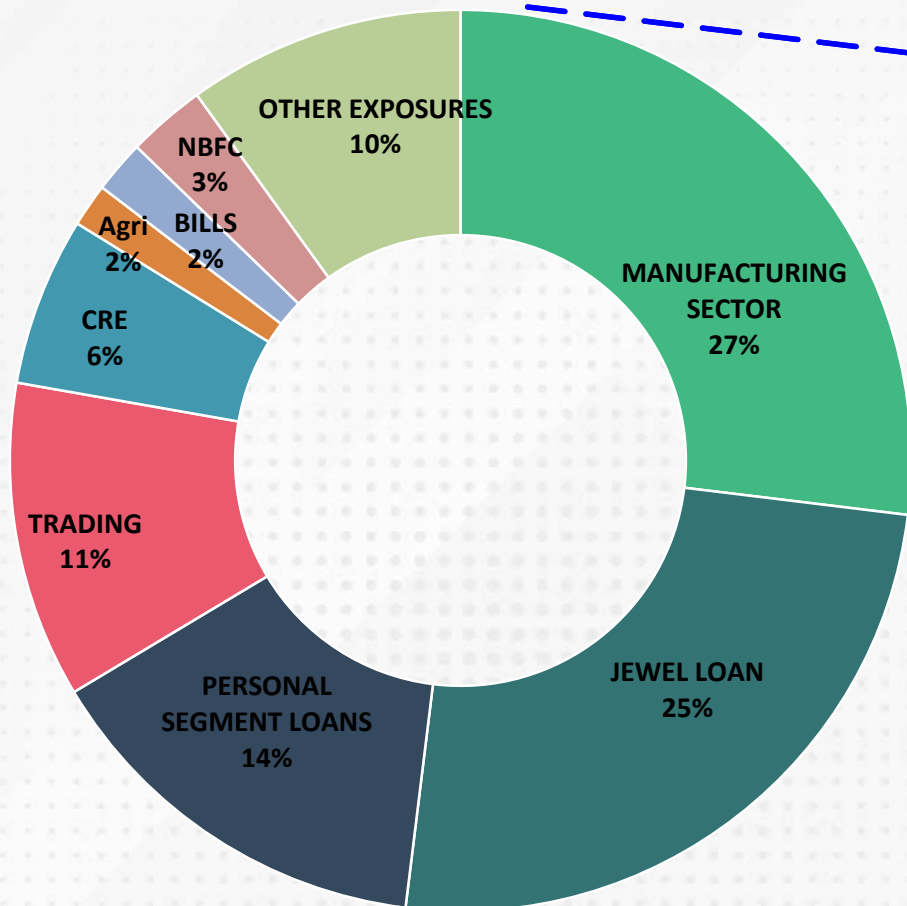
Vertical	Sep 21	Jun 21	Mar 21
Agriculture	5	4	5
Commercial	1,382	1,429	1,431
Corporate	745	730	721
TOTAL	2,132	2,163	2,157

Scheme wise

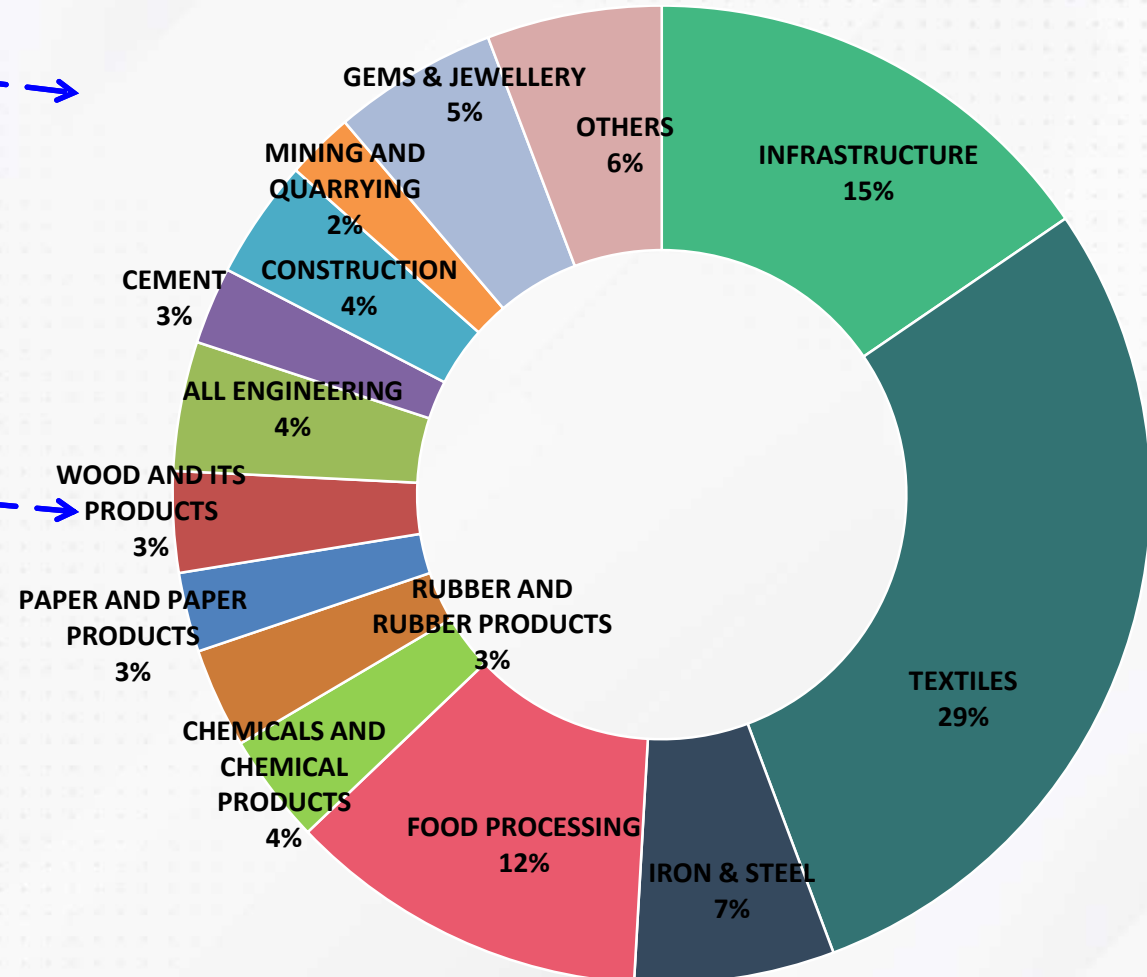
Particulars	O/s as on 30.09.2021	NPA
ECLGS 1.0	1,731	37
ECLGS 2.0	382	-
ECLGS 3.0	19	-
TOTAL	2,132	37

Sectoral composition

Rs.53,850 crore



Breakup of Industrial exposure (Rs. 14,502 crore)



Secured Exposure



Nature of security	30.09.2021
Exposure backed by -	
Letter of Credit	293
Govt. Guarantee (Emergency Credit Line Guarantee Scheme- ECLGS)	2,132
Liquid Assets ^	14,221
Vehicles	2,537
Commodities	140
Total (1)	19,323
Exposure secured by Immovable Property (Coverage)	
> 100	25,934
90 to <100	7,395
75 to <90	1,176
50 to <75	3,060
<50	1,649
Total (2)	39,214
Exposure without Immovable property as security	
Corporate, Consortium, Government etc.	1,653
Unsecured Exposure	840
Total (3)	2,493
Total Assets outstanding - Fund and Non Funded (1+2+3)*	61,030

* Total risk assets including technical write off accounts

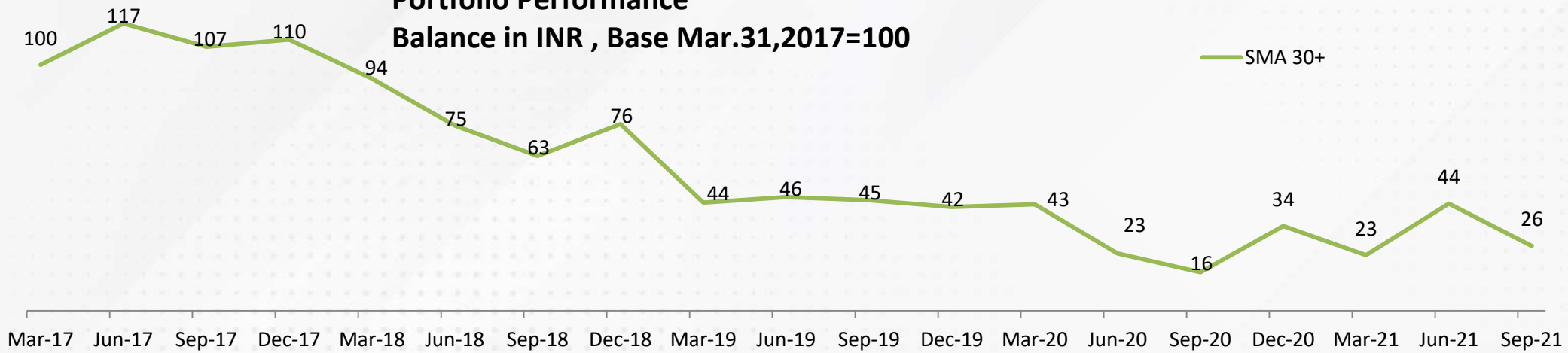
^ Liquid Assets - Cash, Jewels, NSC/Insurance policies & other liquid assets

Coverage defined as (Value of Security)/Loan Principal O/s; & is based on available valuation.

Portfolio performance

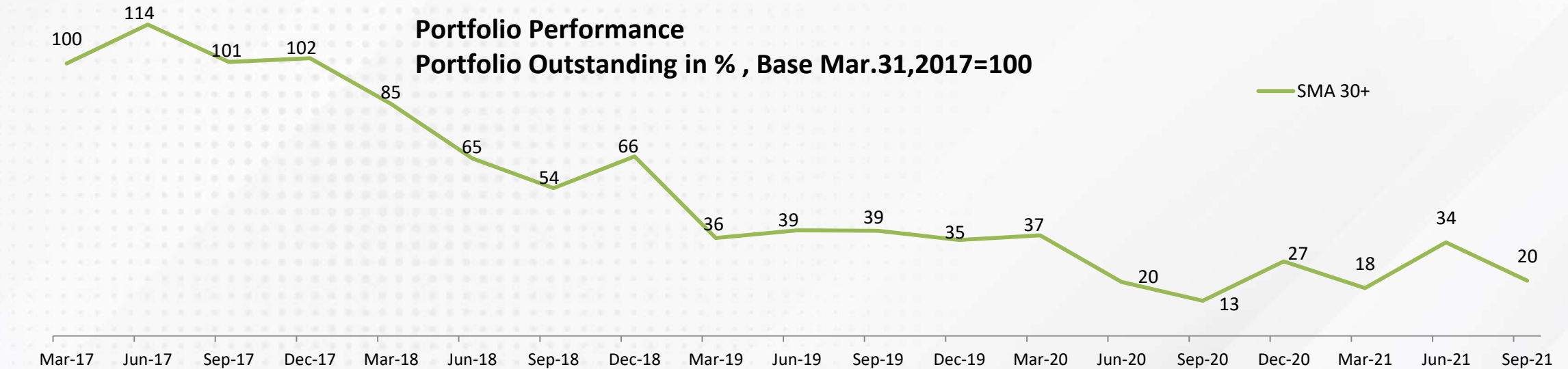


Portfolio Performance
Balance in INR , Base Mar.31,2017=100

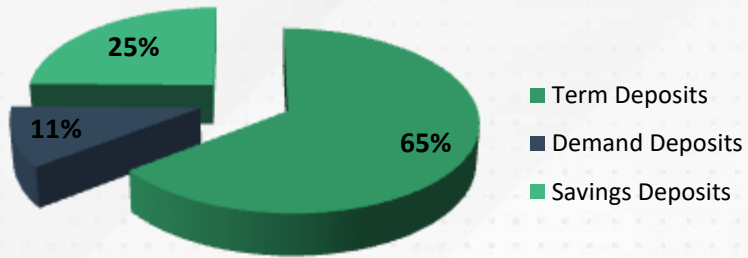


SMA 30+ - 1.86%
SMA 1 - 1.33%
SMA 2 - 0.53%

Portfolio Performance
Portfolio Outstanding in % , Base Mar.31,2017=100

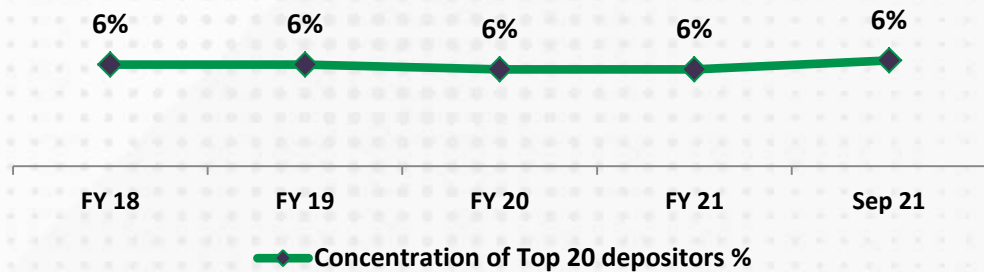


Liability Franchise : Predominantly Retail

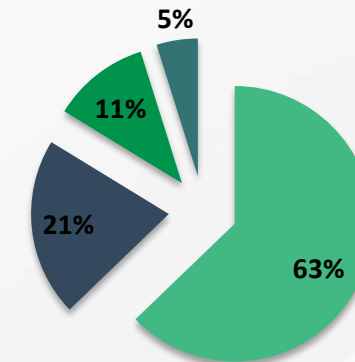


- Term deposits are primarily retail deposits
- 95% of term deposits are < Rs.5 Cr

Low concentration of Deposits



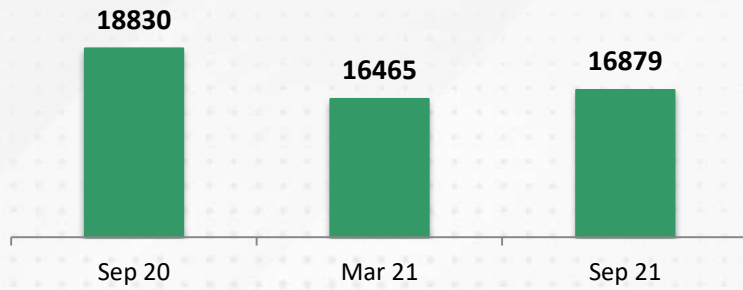
Low dependence on wholesale deposits



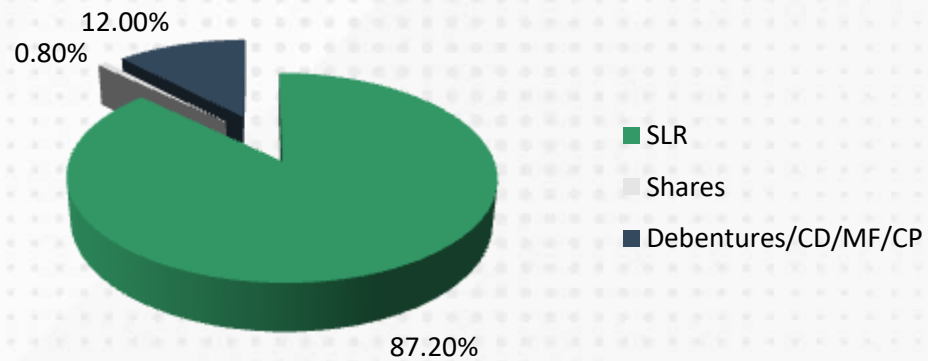
■ < Rs.15 Lakhs
 ■ Rs.15 Lakhs-Rs.1 Cr
 ■ Rs.1 Cr-Rs.5 Cr
 ■ > Rs.5 Cr

Investment Portfolio

Investments (Rs. crore)

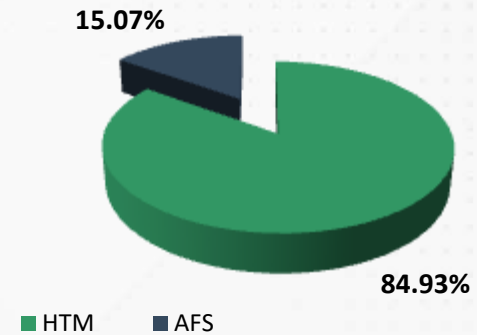


Investment Composition



Out of 12%, Security Receipts constitutes 3.53% (Rs.597 Crore)

Investment Category



Duration

AFS	HFT	HTM	Total
2.24	-	3.54	3.38

Yield on Investments





**Disciplined
approach to**

**reduce the share
of stressed assets**

Movement of NPA



Particulars	Jun 21 - Sep 21	Jun 20 - Sep 20
Gross NPAs		
Opening Balance	4,167	4,056
Additions during the period	164	32
Reductions during the period	360	89
Closing Balance	3,972	3,998
Net NPAs		
Opening Balance	1,845	1,585
Additions during the period	(159)	(99)
Reductions	148	58
Closing Balance	1,538	1,428
Provisions		
Opening Balance	2,265	2421
Provision made during the period	228	131
Write off/Write back of excess provision	115	31
Closing Balance	2,377	2,521

Vertical wise NPA



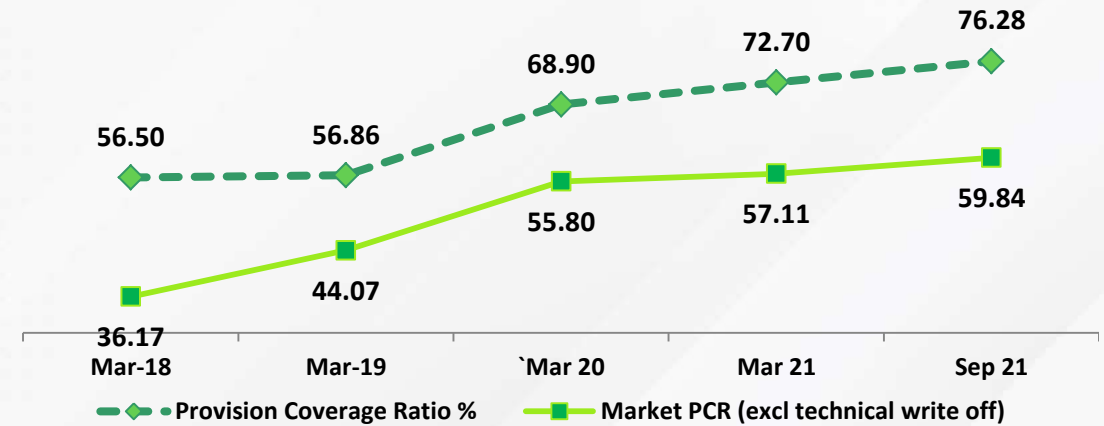
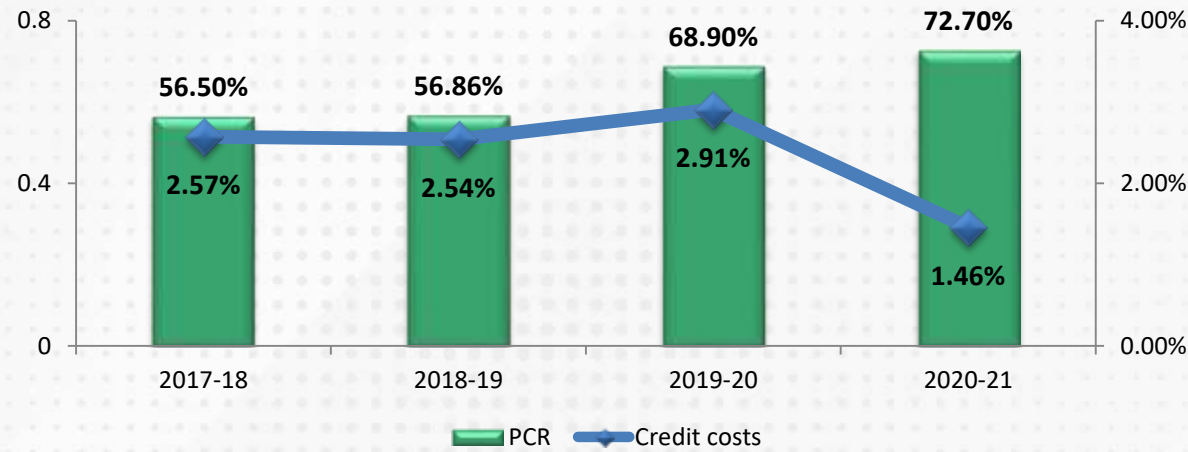
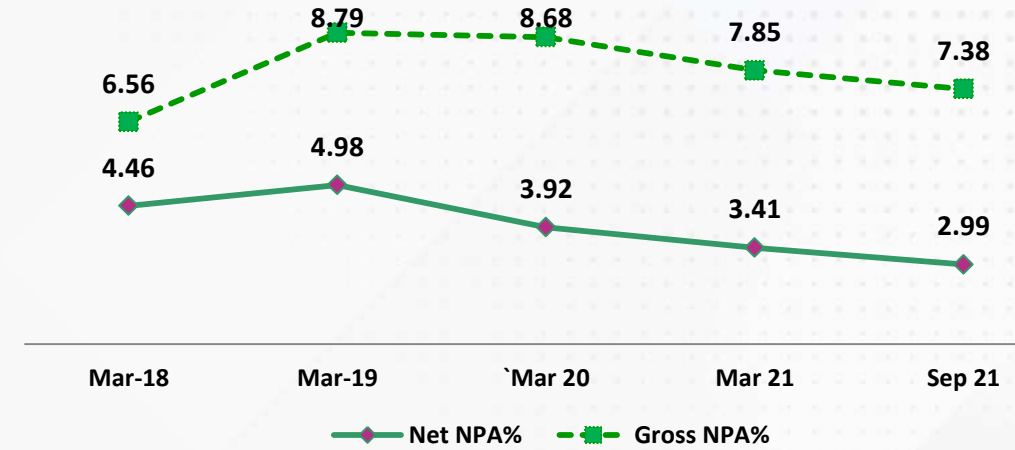
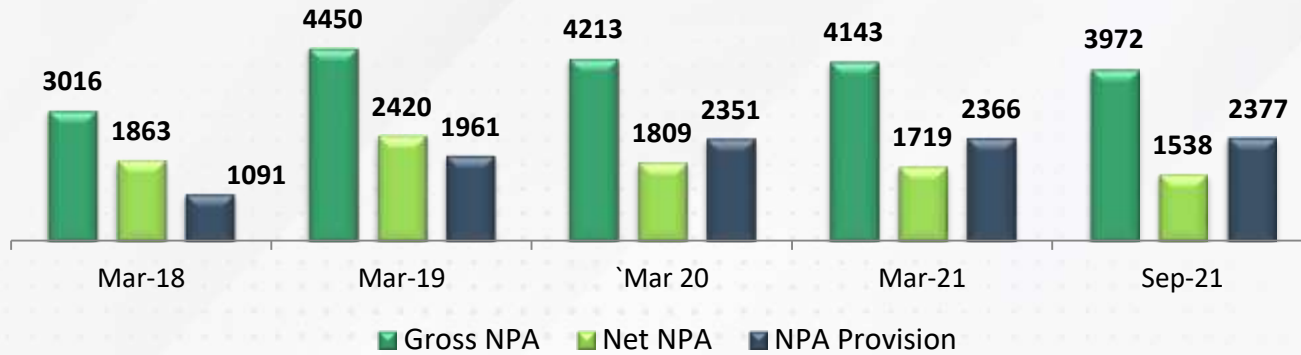
VERTICAL	Advances O/s. Sep 21	NPA as on Jun21	NPA Additions Q2	NPA Reduction Q2	Total NPA Sep 21
Agriculture	12,084	260	9	16	253
Retail (Personal Banking)	12,510	418	35	68	385
Commercial	17,231	1,543	60	180	1,423
Corporate	12,025	1,946	60	96	1,910
TOTAL	53,850	4,167	164	360	3,972

Collection efficiency

Particulars	Sep 21	Aug 21	July 21
Term Loan (%)	97.6	96.9	96.5
Working Capital (%)	97.4	93.1	95.6

During the quarter there was no sale to ARC

NPAs & Provisions



* Credit cost s for Q1'22- 0.53% and Q2'22 is 0.21%

Provisions and Contingencies



Provision for	Quarter		Half year	
	Sep 21	Sep 20	Sep 21	Sep 20
NPA ¹	113	98	389	326
Standard Assets	8	7	4	8
Restructured Advances	56	-	63	-
Other credit related items	(7)	1	(11)	-
Covid-19 relief	-	100	-	173
Total provision – credit related	169	205	444	506
Others	(5)	(9)	(35)	11
<i>NPI</i>	(5)	(15)	(6)	(17)
<i>11th BPS</i>	-	1	-	23
<i>Others</i>	-	5	(29)	5
Total Provisions (excl. Tax)	164	196	409	517
Tax Expense	44	49	100	80
Total Provisions	208	245	509	597

Restructured Accounts



Particulars	Sep - 21		June - 21		Mar - 21	
	Standard	NPA	Standard	NPA	Standard	NPA
Resolution Framework - 2.0	723	13	90	3	-	-
COVID 19 - Resolution Framework	490	14	561	8	554	3
MSME	356	113	361	115	387	93
CDR	-	3	-	3	-	3
Others*	10	215	16	191	16	293
Total	1,579	358	1,028	320	957	392

* Others include restructured accounts due to stress and natural calamities

Vertical wise	Sep - 21	
	Standard	NPA
Agriculture	2	18
Retail (Personal Banking)	679	18
Commercial	549	111
Corporate	348	211
Total	1,579	358

Movement of Standard Restructured Advances



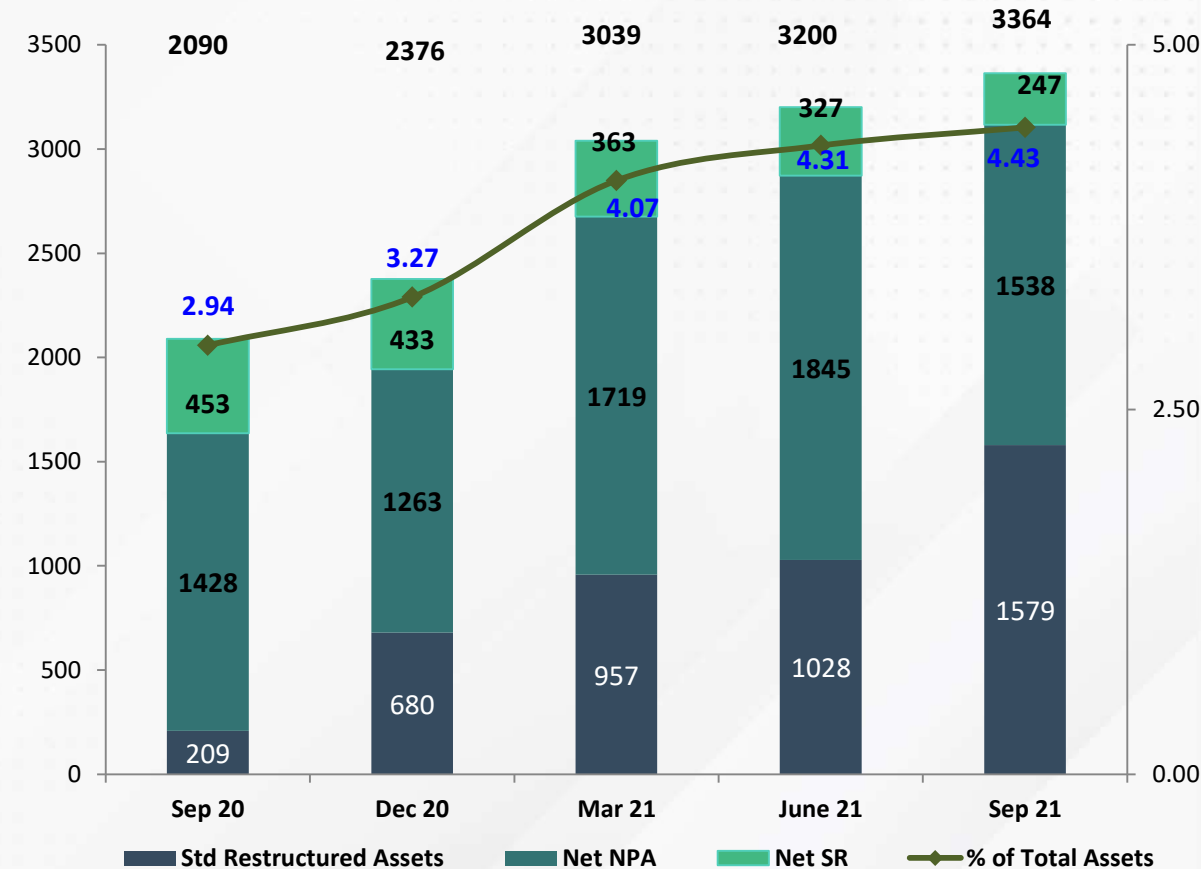
Particulars	Jun 21 to Sep 21		Jun 20 to Sep 20	
	A/c's	Amt.	A/c's	Amt.
A. Position at the beginning of the period	1,951	1,028	74	197
B. Addition during the period	1,608	561	1	1
C. Additions in existing A/c's	-	36	-	24
D. Addition through upgradation from NPA	36	7	1	1
E. Accounts closed during the period	36	6	1	4
F. Accounts ceasing to attract higher provision (upgradation)	1	7	-	-
G. Recoveries during the period	-	24	-	11
H. Slippages during the period	79	16	2	-
Position at the end of the period A+B+C+D-(E+F+G+H)	3,479	1,579	73	209

Sector-wise Standard Restructured Advances



S. N.	SECTOR	Amount	
		Sep 21	Sep 20
1	Housing Loan	378	1
2	Real Estate	229	-
3	Textile	140	65
4	Infrastructure	120	2
5	Basic Metal & its products	88	1
6	Trade	89	-
7	Personal Loan	80	-
8	Hotels and restaurants	58	-
9	Cement & Cement Products	56	28
10	Food & Food Processing	51	20
11	Auto Loan	44	-
12	All Engineering	38	4
13	Transportation	30	-
14	Wood & Wood Products	24	16
15	Education Loan	14	-
16	Gems and Jewelry	13	-
17	Agriculture	2	6
18	Others	125	66
TOTAL		1,579	209
<i>% to Total Advances</i>		<i>2.93</i>	<i>0.41</i>

Stressed Book Analysis





Building a

strong digital ecosystem

Building a strong digital ecosystem

DLite – KVB’s digital banking platform

31%

Growth in digital transactions in Q2 FY22 over Q1FY22

28.5+ lakh

DLite application downloads

2.5+ lakh

Digital accounts opened

15.9+ lakh

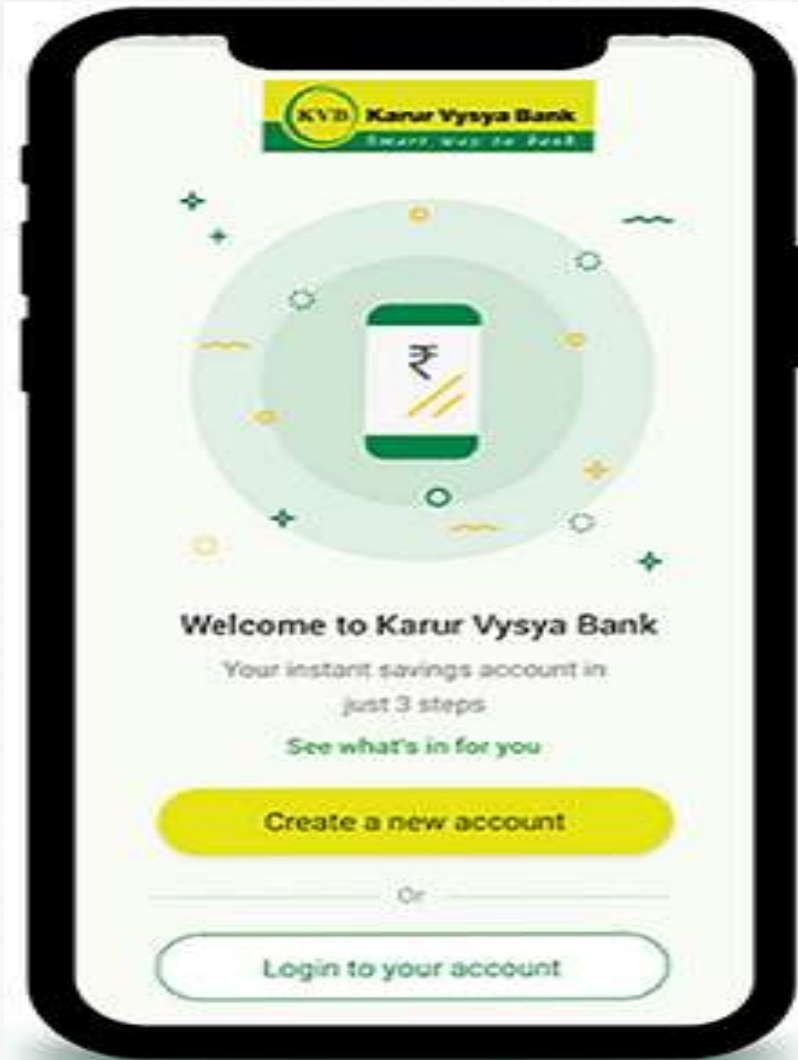
Registered users of Dlite

92%

Share of digital transaction

DLite – Digitally enabled users (Nos. in lakh)

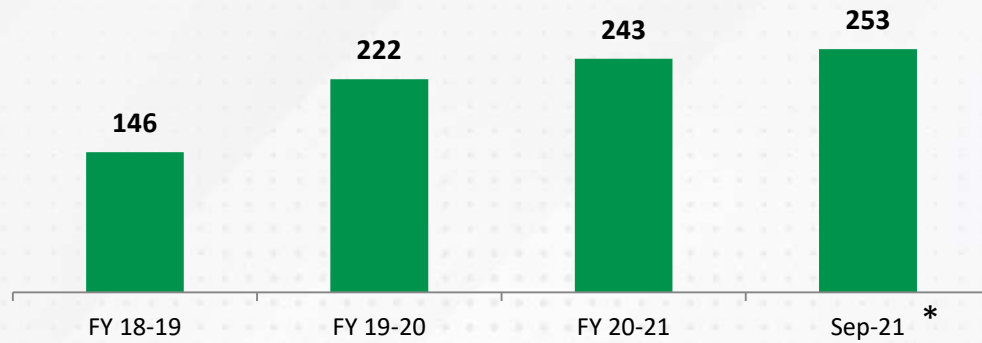
Particulars	March 2020	March 2021	Sep 2021
Number of clients	9.61	14.20	15.97



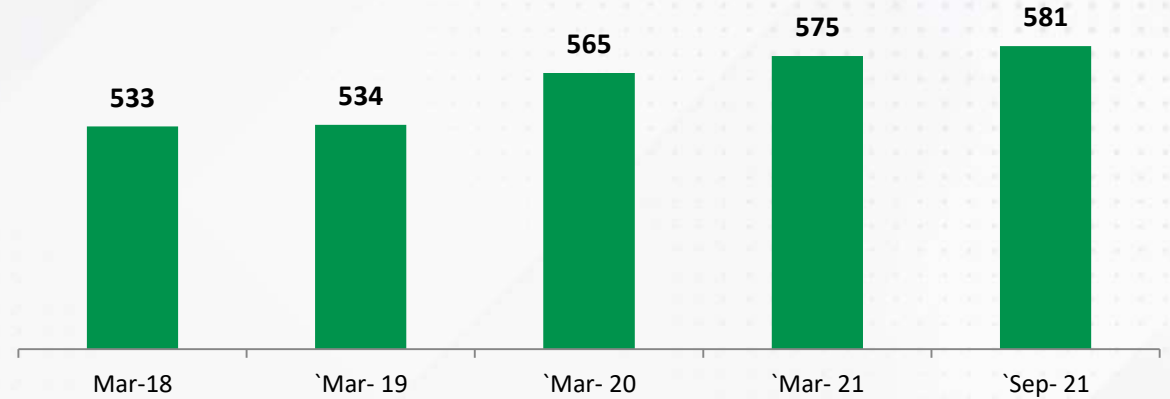
Delivery Channels



Mobile transactions volume (through Dlite)



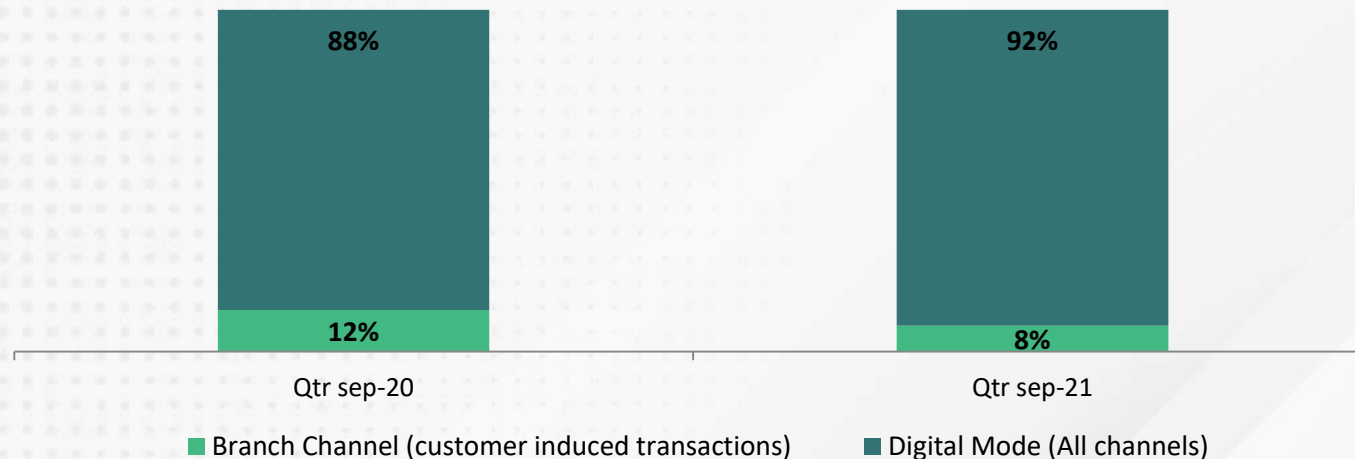
Cash Deposit Machines (Nos.)



*Annualized

Nos. in lakhs

Digital vs Branch Transaction (%)



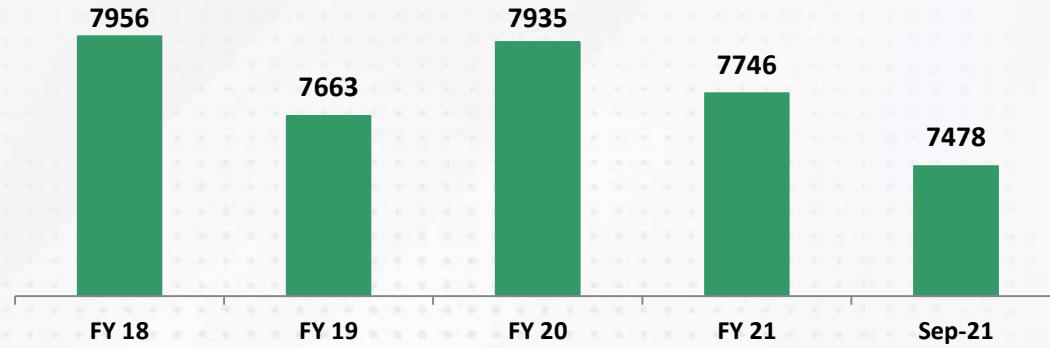
Branch Channel (customer induced transactions)

Digital Mode (All channels)

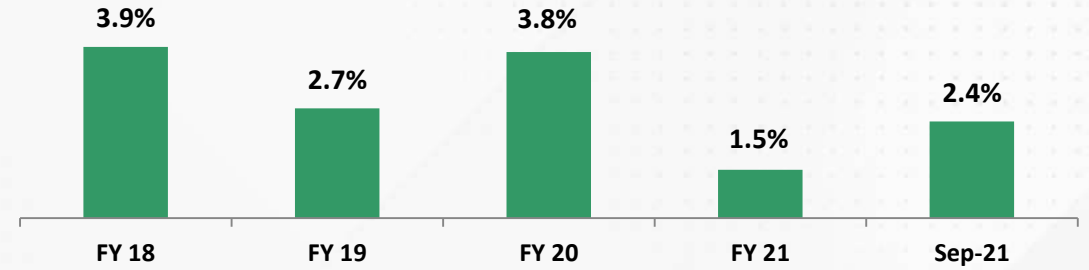
Dynamic workforce



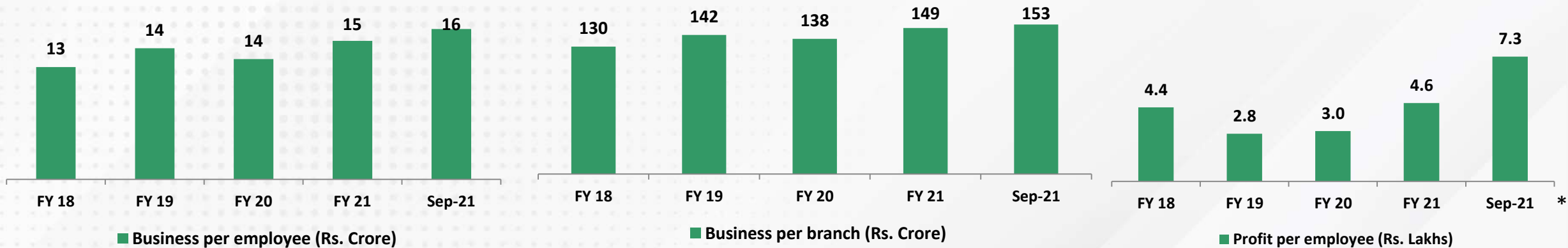
Number of Employees



Attrition Rate



Leading to Improved Productivity



*Annualized



Sustained Decade of Growth



Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Paid up Capital	107	107	107	122	122	122	145	160	160	160
Reserves	2,601	2,978	3,219	4,124	4,451	4,723	6,066	6,205	6,440	6,800^
Owned funds	2,708	3,085	3,326	4,246	4,573	4,845	6,211	6,365	6,600	6,960
CRAR - Basel II (%)	14.33	14.41	12.77	14.63	12.26	-	-	-	-	-
Basel III (%)	-	-	12.60	14.62	12.17	12.54	14.43	16.00	17.17	18.98
Deposits	32,112	38,653	43,758	44,690	50,079	53,700	56,890	59,868	59,075	63,278
Advances	24,205	29,706	34,226	36,691	39,476	41,435	45,973	50,616	48,516	52,820
Total Business	56,317	68,359	77,984	81,381	89,555	95,135	1,02,863	1,10,484	1,07,591	1,16,098
Total Income	3,621	4,695	5,680	5,977	6,150	6,405	6,600	6,779	7,145	6,527
Operating Profit	726	849	838	943	1,303	1,571	1,777	1,711	1,761	1,429
Net Profit	502	550	430	464	568	606	346	211	235	359
Cost of Deposit	8.11	8.30	8.24	7.96	7.40	6.60	5.99	5.80	5.76	4.96
Yield on Advance	12.71	12.77	12.28	12.14	11.67	11.34	10.30	9.75	9.63	8.93
Dividend (%)	140	140	130	130	140	130	30	30	-	25
Branches (No.)	451	551	572	629	667	711	790	778	779	780
EPS (Rs.)	46.81	51.35	40.08	39.86	46.59	9.95*	4.78	2.64	2.94	4.50
Return on Assets (%)	1.56	1.35	0.86	0.88	1.03	1.00	0.53	0.31	0.32	0.49
Book Value(Rs.)	252.68	287.85	308.91	348.42	375.25	79.51*	85.49	79.56	82.57	87.07#
Business per employee	9.93	10.16	10.63	11.31	12.42	12.86	12.93	14.42	13.56	14.99
No of Employees	5,673	6,730	7,339	7,197	7,211	7,400	7,956	7,663	7,935	7,746

* During the Financial Year 2016-17, one Equity Share face value of Rs.10/- each was subdivided into five Equity Shares of face value Rs.2/- each

^Includes proposed dividend ; # Book value including proposed dividend



Thank You