

IRC: F48:189:324:2022

21.10.2022

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 - 400 001

Scrip Code: KARURVYSYA

Scrip Code: 590003

Dear Sir/Madam,

Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Compliance thereof - Press Release

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached Press Release made by the Bank titled - "KVB records robust performance in terms of profitability & asset quality"

Kindly take the same on record.

Yours faithfully,

Srinivasarao M
Company Secretary

Encl: As above



Registered & Central Office: Erode Road, Karur – 639002
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PRESS RELEASE

KVB records robust performance in terms of profitability & asset quality

Karur, October 21, 2022: Karur Vysya Bank ('the Bank') announced its financial results for the Quarter / Half year ended September 30, 2022 today. The Bank has delivered a consistent robust performance in terms of profitability (highest ever) and asset quality (Net NPA reduced to 1.36% from 2.99% YOY). Reduction in NPA (lowest in last 24 quarters) and higher NIM (highest in last 18 quarters) have resulted in improved profitability.

Highlights of business performance

- Total business as on 30th September 2022 stands at Rs. 1,35,460 crore, registering a Y-o-Y growth of 13.58% i.e. up by Rs. 16,200 crore from Rs. 1,19,260 crore as on 30.09.2021. Total business stood at Rs. 1,26,226 crore as on 31.03.2022. The Total business doubled in a decade.
- Credit portfolio grew by ~15% Y-o-Y (Rs. 7,996 crore) and gross advances stands at Rs. 61,846 crore as on 30.09.2022, up from Rs. 53,850 crore a year ago.
- Credit off take continues to improve both Y-o-Y as well as Q-o-Q terms aiding the growth of advances portfolio.
- Jewel Loan portfolio registered a Y-o-Y growth of Rs. 1,992 crore (~15%) and stands at Rs. 15,465 crore as on 30.09.2022 (up from Rs. 13,473 crore a year ago).
- Total deposits grew by Rs. 8,204 crore (~13%) to Rs. 73,614 crore, up from Rs. 65,410 crore as of 30.09.2021. CASA portfolio and retail term deposits were growth drivers.
- CASA deposits are up at Rs. 25,913 crore i.e. a growth of 11.89% on Y-o-Y basis (Rs. 23,160 crore a year ago).
- Basel III CRAR stands at 18.31% (with CET1 Ratio of 16.42%), 18.82% as on 30.09.2021.

□ As at 30.09.2022, Gross NPA has declined to 3.97% (Rs. 2,457 crore) as compared to 7.38% (Rs. 3,972 crore) a year ago. GNPA as on 31.03.2022 was Rs. 3,431 crore (5.96%).

□ Net NPA stands at 1.36% (Rs. 819 crore) as on 30.09.2022 (2.99% a year ago - Rs. 1,538 crore).

□ Provision Coverage Ratio stands at 86.94% (76.28% a year ago).

□ Branch and ATM + Cash Recyclers network as on 30.09.2022 stands at 792 & 2,238 respectively (corresponding position was 781 & 2,234 as on 30.09.2021).

Financial performance Q2 FY 2022-23

□ Net profit for the quarter grew by 52% and stood at Rs. 250 crore from Rs. 165 crore during Q2 of previous year.

□ Operating profit for the quarter was Rs. 572 crore as compared to Rs. 375 crore for Q2 of previous year.

□ Net interest income for the quarter improved by ~21% (Rs. 141 crore) to Rs. 821 crore for the current quarter vis-à-vis Rs. 680 crore for Q2 of previous year.

□ Net interest margin stands at 4.07% up 33 bps from 3.74% a year ago.

□ Cost of deposits has improved by 24 bps and stands at 4.08% as compared to 4.32% during the previous year.

□ Yield on advances is at 8.55% (8.62% for Q2 of previous year).

□ Non-interest income for the quarter is Rs. 242 crore during the current quarter as compared to Rs. 165 crore a year ago.

□ Fee based income has improved by Rs. 30 crore on Y-o-Y basis to Rs. 174 crore from Rs. 144 crore during the previous year.

□ Operating expenses for the quarter was Rs. 491 crore as compared to Rs. 470 crore during Q2 of previous year.

□ Cost to income ratio stands at 46.16% (55.57% for Q2 of previous year).

Financial performance – Half-year ended 30th September 2022

- Net profit for the half year registered a robust growth of 74.8% (Rs. 205 crore) and stood at Rs. 479 crore from Rs. 274 crore during corresponding period of previous year.
- Operating profit for the half year was at Rs. 1,048 crore, as compared to Rs. 787 crore for H1 of the previous year.
- Net interest income for the half year increased by 18.9% to Rs. 1,567 crore vis-à-vis Rs. 1,318 crore for H1 of FY 2021-22.
- Net interest margin stands at 3.95% up by 30 bps as compared to 3.65% during the first half of the previous year.
- Cost of deposits has improved by 33 bps and stands at 4.09% as compared to 4.42% during the H1 of previous year.
- Yield on advances is at 8.41% as compared to 8.59% during the first half of the previous year.
- Commission and fee based income has improved by 24.5% (Rs. 71 crore) on Y-o-Y basis to Rs. 361 crore from Rs. 290 crore for H1 of the previous year.
- Operating expenses for the half year was Rs. 960 crore as compared to Rs. 899 crore during first half of FY 2021-22.

Sd/-

B. Ramesh Babu
Managing Director & CEO