

FCD/ 244 /2017-18

November 14th, 2017

The Secretary
The Stock Exchange, Mumbai.
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001.

Dear Sirs,

Reg: Un-audited Financial Results of the Bank for the period ended 30th September 2017.

Please find enclosed the Un-Audited Financial Results and Limited Review Report of the Bank for the half-year ended 30th September, 2017, approved by the Board on 14th November 2017.

Yours faithfully



(P R Seshadri)
Managing Director & C E O

Encl: as above.



THE KARUR VYSYA BANK LIMITED

Finance & Control Department

Central Office, Erode Road, KARUR - 639 002.

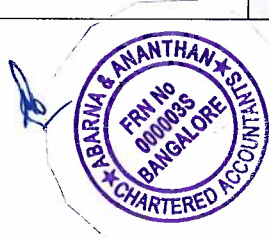
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REVIEWED FINANCIAL RESULTS FOR THE QUARTER/ HALF YEAR ENDED 30TH SEPTEMBER 2017
(Rs. in lakh)

Particulars	3 Months ended			Half Year Ended		Year ended
	30-09-17	30-06-17	30-09-16	30-09-17	30-09-16	31-03-17
	Reviewed			Reviewed		Audited
1. Interest earned (a)+(b)+(c)+(d)	140237	138408	139292	278645	277795	562235
a) Interest / discount on advances /bills	111079	108855	110809	219934	221448	440169
b) Income on Investments	27362	27415	26253	54777	52862	110604
c) Interest on balances with RBI and other interbank funds	1532	1875	1589	3407	1949	8777
d) Others	264	263	641	527	1536	2685
2. Other Income	23013	23630	21785	46643	38013	78222
3. Total Income (1+2)	163250	162038	161077	325288	315808	640457
4. Interest Expended	84736	84551	89796	169287	180187	354865
5. Operating Expenses (i+ii)	35813	32546	33013	68359	62732	128495
(i) Employees cost	15507	15145	15439	30652	29435	60796
(ii) Other operating expenses	20306	17401	17574	37707	33297	67699
6. Total Expenditure (4+5) (excluding provision and contingencies)	120549	117097	122809	237646	242919	483360
7. Operating Profit before Provisions and Contingencies (3-6)	42701	44941	38268	87642	72889	157097
8. Provisions (other than tax) and Contingencies	32136	23344	18237	55480	31248	68750
9. Exceptional items	0	0	0	0	0	0
10. Profit from Ordinary activities before tax (7-8-9)	10565	21597	20031	32162	41641	88347
11. Tax expense	3000	6800	7400	9800	14375	27749
12. Net Profit from ordinary activities after tax (10-11)	7565	14797	12631	22362	27266	60598
13. Extraordinary items (net of tax expense)	0	0	0	0	0	0
14. Net Profit for the period (12-13)	7565	14797	12631	22362	27266	60598
15. Paid-up equity share capital (FV Rs.2/-)	12186	12186	12186	12186	12186	12186
16. Reserves excluding Revaluation Reserve (as per balance sheet of previous accounting year)						445109


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Particulars	3 Months ended			Half Year Ended		Year ended
	30-09-17	30-06-17	30-09-16	30-09-17	30-09-16	31-03-17
	Reviewed			Reviewed		Audited
17. Analytical Ratios						
(i) % of shares held by Govt. of India	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(ii) Capital Adequacy Ratio - Basel III	12.22%	11.71%	11.44%	12.22%	11.44%	12.54%
(iii) Earnings per share ^ (EPS) (Rs.)						
a) Basic EPS before extraordinary items	1.24	2.43	10.37 *	3.67	22.37 *	9.95
b) Diluted EPS before extraordinary items	1.24	2.43	10.37 *	3.67	22.37 *	9.95
c) Basic EPS after extraordinary items	1.24	2.43	10.37 *	3.67	22.37 *	9.95
d) Diluted EPS after extraordinary items	1.24	2.43	10.37 *	3.67	22.37 *	9.95
(iv) NPA Ratios						
a) Gross NPA	213619	180701	90274	213619	90274	148381
b) Net NPA	140730	118916	56514	140730	56514	103346
c) % of Gross NPA	4.83%	4.27%	2.29%	4.83%	2.29%	3.58%
d) % of Net NPA	3.24%	2.85%	1.44%	3.24%	1.44%	2.53%
(v) Return on Asset (annualized)	0.48%	0.95%	0.86%	0.71%	0.93%	1.00%

^ EPS not annualized for the quarter / half-year

*Sub division of face value of shares from Rs. 10/- to Rs. 2/- per share was effected during the quarter ended December 31, 2016. For the quarter & period ended September 2016, EPS has been calculated with face value of Rs.10/- each

STATEMENT OF ASSETS AND LIABILITIES AS ON 30TH SEPTEMBER 2017

(Rs. in lakh)

Capital and Liabilities	As on 30.09.2017 (Reviewed)	As on 30.09.2016 (Reviewed)	As on 31.03.2017 (Audited)
Capital	12186	12186	12186
Reserves and Surplus	513185	476558	491383
Deposits	5639988	5200213	5369981
Borrowings	66295	146640	169565
Other Liabilities and Provisions	164217	128184	137647
Total Liabilities	6395871	5963781	6180762
Assets			
Cash & Balances with RBI	294952	271126	279047
Balances with Banks and Money at Call	98839	145002	155462
Investments	1468041	1428697	1485749
Advances	4343479	3911704	4090772
Fixed Assets	47375	42373	41861
Other Assets	143185	164879	127871
Total Assets	6395871	5963781	6180762



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SEGMENT REPORTING FOR THE PERIOD ENDED 30TH SEPTEMBER 2017
(Rs. in lakh)

Business Segments	3 Months ended			Half Year Ended		Year ended
	30-09-17	30-06-17	30-09-16	30-09-17	30-09-16	31-03-17
	Reviewed			Reviewed		Audited
Segment Revenue						
1. Treasury Operations	32074	35057	36711	67131	66213	143754
2. Corporate/Wholesale Banking Operations	40435	44535	43055	84970	87146	175576
3. Retail Banking Operations	90338	82048	81076	172386	161909	319998
4. Other Banking Operations	404	397	235	801	540	1128
Total	163251	162037	161077	325288	315808	640456
Segment Results						
1. Treasury Operations	9179	11614	12917	20793	19547	41650
2. Corporate/Wholesale Banking Operations	12763	14721	12046	27484	25130	54432
3. Retail Banking Operations	25836	23658	19048	49494	39300	83508
4. Other Banking Operations	366	359	211	725	488	1020
Total	48144	50352	44222	98496	84465	180610
Unallocated Income/Expenses	5443	5411	5953	10854	11576	23513
Operating Profit	42701	44941	38269	87642	72889	157097
Income Taxes	3000	6800	7400	9800	14375	27749
Other Provisions	32136	23344	18238	55480	31248	68750
Net Profit from ordinary activities	7565	14797	12631	22362	27266	60598
Extraordinary items	0	0	0	0	0	0
Net Profit	7565	14797	12631	22362	27266	60598
Other Information						
Segment Assets						
1. Treasury Operations	1510999	1549165	1488569	1510999	1488569	1495821
2. Corporate/Wholesale Banking Operations	1351303	1435867	1366683	1351303	1366683	1351162
3. Retail Banking Operations	2992176	2733905	2545021	2992176	2545021	2739610
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Assets	541393	533919	563508	541393	563508	594169
Total	6395871	6252856	5963781	6395871	5963781	6180762
Segment Liabilities						
1. Treasury Operations	1411524	1449971	1430618	1411524	1430618	1448711
2. Corporate/Wholesale Banking Operations	1233545	1305869	1235316	1233545	1235316	1219454
3. Retail Banking Operations	2730962	2486610	2299778	2730962	2299778	2472378
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Liabilities	494469	485720	509325	494469	509325	536649
Capital Employed	525371	524686	488744	525371	488744	503570
Total Liabilities	6395871	6252856	5963781	6395871	5963781	6180762

GEOGRAPHIC SEGMENTS: The Bank operates only in Domestic segment.

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Notes:

- 1) The above financial results for the period ended 30th September 2017 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 14th November 2017. The same have 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 2017 as compared to those followed in the preceding financial year ended 31st March 2017.
- 3) The above interim financial results have been arrived at after considering various provisions as per RBI guidelines, for loan losses and depreciation on Investments, Standard Advances, Restructured Advances, exposures to entities with Unhedged Foreign Currency Exposure. Provision for employees' retirement benefits like pension, gratuity and leave encashment has been made as per actuarial valuation. Provision for Income Tax, Deferred Tax and other contingencies are on estimated and proportionate basis and are subject to adjustments if any, at the year end.
- 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 from advances written off.
- 5) In accordance with RBI circular DBOD.No.BPBC.1/21.06.201/2015-16 dated 01.07.2015, read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31.03.2015, Banks are required to make Pillar 3 disclosures under Basel III capital regulations. Accordingly, Pillar 3 disclosures under Basel III capital regulations have been made available on the Bank's website at the following link http://www.kvb.co.in/footer/pillarIII_disclosures.html. These disclosures have not been subjected to review/audit by the Statutory Central Auditors.
- 6) In accordance with RBI guidelines, Bank has shifted Securities amounting to Rs. 723.60 crore from HTM to AFS category during the first quarter of the current financial year and there was no impact on the Profit & Loss account. (Corresponding depreciation charged during the first quarter of the previous financial year being Rs. 0.93 crore.)
- 7) In terms of RBI guidelines vide circular DBR.No.BP.BC.102/21.04.048/2015-16 dated 13.06.2016, the Bank had debited General Reserves an amount of Rs. 185.07 crore as on 31.03.2017, being unamortised loss on sale of NPAs to ARCs during 2015-16, which was to be proportionately debited to Profit and Loss account during the current financial year i.e. Rs. 63.18 crore each in the quarter ended June 2017 and September 2017 and the remaining Rs. 58.71 crore during the quarter ending December 2017. However, the entire amount of Rs.185.07 crore has been debited to Profit and Loss account and credited to General Reserves during the half year ended September 2017 (Rs. 121.89 crore during the quarter ended September 2017). Consequently, the balance amount to be reversed in the ensuing quarter is Nil.



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8) Pursuant to RBI circular FMRD DIRD.10/14.03.002/2015-16 dated May 19, 2016, as amended, the Bank has with effect from November 26, 2016 considered its repo/reverse repo transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) of RBI as Borrowings/Lendings, as the case may be. Hitherto, the repo/reverse repo transactions were included under Investments. Figures for the previous period's/year have been regrouped/reclassified to conform to current period's/quarter classification. The above regrouping/reclassification has no impact on the profit of the Bank for the quarter/period ended 30th September, 2017 or the previous periods/quarters.

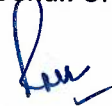
9) Provision Coverage Ratio is 54.09% as on 30th September 2017.

10) The position of investor complaints is as under -

No. of complaints pending at the beginning of the quarter Nil; received during the quarter 08; disposed of during the quarter 08; pending at the end of the quarter Nil.

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

For and on behalf of Board of Directors



P R Seshadri
Managing Director & CEO

Place: Karur
Date: 14.11.2017

"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 Review Report on Review of Interim Financial Results

**To
The Board of Directors of Karur Vysya Bank limited**

1. We have reviewed the accompanying statement of Unaudited Financial Results of **The Karur Vysya Bank Limited** for the quarter and six months ended 30th September, 2017 ("the Statement"), excluding the "Pillar 3 disclosures and leverage ratio under Basel III Capital Regulations" disclosed on the Bank's website and in respect of which a link has been provided in the Statement, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to Banking Companies and circulars and guidelines issued by Reserve Bank of India and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 Statement is free of material misstatements. 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.
3. In the conduct of our review, we have relied on the reports, explanation and information collated by the Head Office of the Bank from its various branches and processing centers.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, in so far as they apply to Banking Companies and circulars and guidelines issued by Reserve Bank of India from time to time, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 prescribed by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**For Abarna & Ananthan
Chartered Accountants
Firm Regn. No. 000003S**



**Lalitha Rameswaran
Partner
Membership No : 207867**



**Place: Karur
Date : 14.11.2017**

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