

FCD / 190 /2013-14

January 29, 2014

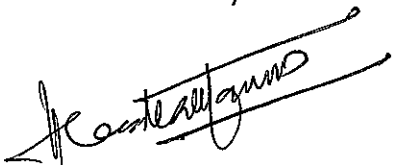
The Secretary,  
National Stock Exchange of India Limited.,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C-1, Block G,  
Bandra-Kurla Complex,  
Bandra East,  
MUMBAI - 400 051.

Dear Sirs,

Reg: Un-audited Financial results of the Bank for the period ended 31<sup>st</sup> December 2013.

Today (January 29, 2014), the Board of Directors of the Bank was held for the adoption of un-audited financial statements for the nine months ended 31<sup>th</sup> December 2013. In the said meeting the un-audited accounts of the Bank for the period ended 31<sup>st</sup> December 2013 have been adopted. The un-audited financial results of the Bank are enclosed.

Yours faithfully



(K.Venkataraman)  
Managing Director & C E O

Encl: as above.

**THE KARUR VYSYA BANK LIMITED**

Finance & Control Department  
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REVIEWED FINANCIAL RESULTS FOR QUARTER / NINE MONTHS ENDED 31st DECEMBER 2013

(₹ in lakhs)

Particulars	3 Months ended			Nine Months Ended		Year ended
	31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
	Reviewed			Reviewed		Audited
1. Interest earned (a)+(b)+(c)+(d)	129800	127269	107210	379322	311628	424243
a) Interest / discount on advances /bills	99208	95656	83126	286936	240249	327436
b) Income on Investments	30448	31150	23820	89652	70063	95035
c) Interest on balances with RBI and other interbank funds	87	124	260	329	1257	1620
d) Others	57	339	4	2405	59	152
2. Other Income	10561	10620	10549	41874	29476	45256
3. Total Income (1+2)	140361	137889	117759	421196	341104	469499
4. Interest Expended	99289	97431	76366	285785	226813	308396
5. Operating Expenses (i+ii)	25775	24777	20194	72561	53394	76220
(i) Employees cost	14065	13154	8606	37996	24342	34362
(ii) Other operating expenses	11710	11623	11588	34565	29052	41858
6. Total Expenditure (4+5) excluding provision and contingencies	125064	122208	96560	358346	280207	384616
7. Operating Profit before Provisions and Contingencies (3-6)	15297	15681	21199	62850	60897	84883
8. Provisions (other than tax) and Contingencies	5065	11847	6522	33228	3463	12339
9. Exceptional items	0	0	0	0	0	0
10. Profit /(Loss) from Ordinary activities before tax (7-8-9)	10232	3834	14677	29622	57434	72544
11. Tax expense	-450	-4455	3373	-1379	18260	17512
12. Net Profit from ordinary activities after tax(10-11)	10682	8289	11304	31001	39174	55032
13. Extraordinary items (net of tax expense)	0	0	0	0	0	0
14. Net Profit for the period (12-13)	10682	8289	11304	31001	39174	55032
15. Paid-up equity share capital (FV Rs.10/-)	10718	10718	10718	10718	10718	10718
16. Reserves excluding Revaluation Reserve (as per balance sheet of previous accounting year)	297801	297801	260104	297801	260104	297801



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	3 Months ended			Nine Months Ended		Year ended
	31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
	Reviewed			Reviewed		Audited
<b>17. Analytical Ratios</b>						
(i) % of shares held by Government of India	0%	0%	0%	0%	0%	0%
(ii) Capital Adequacy Ratio-Basel II	12.73%	13.08%	13.36%	12.73%	13.36%	14.41%
Capital Adequacy Ratio-Basel III	12.50%	12.81%	N.A	12.50%	N.A	N.A
(iii) Earnings per share (EPS)						
a) Basic EPS before and after extraordinary items (not annualized)	9.97	7.73	10.55	28.92	36.55	51.35
b) Diluted EPS before and after extraordinary items (not annualized)	9.89	7.67	10.55	28.70	36.55	50.94
(iv) NPA Ratios						
a) Gross NPA	48493	49486	35320	48493	35320	28586
b) Net NPA	15815	16134	10179	15815	10179	10874
c) % of Gross NPA	1.47%	1.55%	1.29%	1.47%	1.29%	0.96%
d) % of Net NPA	0.48%	0.51%	0.38%	0.48%	0.38%	0.37%
e) Return on Asset(annualized)	0.85%	0.66%	1.10%	0.83%	1.32%	1.35%
<b>18. Public Shareholding</b>						
Number of Shares	103917479	103902862	103883321	103917479	103883321	103878383
% of Shareholding	96.96%	96.94%	96.92%	96.96%	96.92%	96.92%
<b>19. Promoters and Promoter Group Shareholding</b>						
a) Pledged / Encumbered						
-Number of Shares	415213	432153	518378	415213	518378	461028
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	12.72%	13.18%	15.72%	12.72%	15.72%	13.96%
-Percentage of Shares (as a % of the total share capital of the Company)	0.39%	0.40%	0.48%	0.39%	0.48%	0.43%
b) Non - encumbered						
- Number of Shares	2848414	2846091	2779407	2848414	2779407	2841695
- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	87.28%	86.82%	84.28%	87.28%	84.28%	86.04%
-Percentage of Shares (as a % of the total share capital of the company)	2.65%	2.66%	2.60%	2.65%	2.60%	2.65%



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**Segment Reporting for the period ended 31st December 2013**

Business Segments	3 Months ended			Nine Months Ended		Year ended
	31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
	Reviewed			Reviewed		Audited
<b>Segment Revenue</b>						
1. Treasury Operations	31127	32707	26108	103439	76475	107619
2. Corporate/Wholesale Banking Operations	37086	35920	30874	108543	91583	124894
3. Retail Banking Operations	71892	69031	60151	208256	171675	235110
4. Other Banking Operations	256	231	626	958	1371	1876
<b>Total</b>	<b>140361</b>	<b>137889</b>	<b>117759</b>	<b>421196</b>	<b>341104</b>	<b>469499</b>
<b>Segment Results</b>						
1. Treasury Operations	2064	3859	5520	20528	14004	22081
2. Corporate/Wholesale Banking Operations	6321	6699	6225	20871	18931	25750
3. Retail Banking Operations	14940	13922	15507	45065	46679	63301
4. Other Banking Operations	238	216	610	908	1333	1815
<b>Total</b>	<b>23563</b>	<b>24696</b>	<b>27862</b>	<b>87372</b>	<b>80947</b>	<b>112947</b>
<b>Unallocated Income/Expenses</b>	8266	9015	6663	24522	20050	28064
<b>Operating Profit</b>	15297	15681	21199	62850	60897	84883
<b>Income Taxes</b>	-450	-4455	3373	-1379	18260	17512
<b>Other Provisions</b>	5065	11847	6522	33228	3463	12339
<b>Net Profit</b>	<b>10682</b>	<b>8289</b>	<b>11304</b>	<b>31001</b>	<b>39174</b>	<b>55032</b>

**Other Information**

Segment Assets	3 Months ended			Nine Months Ended		Year ended
	31-Dec-13	30-Sep-13	31-Dec-12	31-Dec-13	31-Dec-12	31-Mar-13
	Reviewed			Reviewed		Audited
1. Treasury Operations	1329867	1457300	1119903	1329867	1119903	1390470
2. Corporate/Wholesale Banking Operations	1241084	1164687	1000807	1241084	1000807	1118073
3. Retail Banking Operations	2027477	1982755	1702984	2027477	1702984	1829940
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Assets	420808	406133	349878	420808	349878	334851
<b>Total</b>	<b>5019236</b>	<b>5010875</b>	<b>4173572</b>	<b>5019236</b>	<b>4173572</b>	<b>4673334</b>
<b>Segment Liabilities</b>						
1. Treasury Operations	1336500	1466130	1093798	1336500	1093798	1487313
2. Corporate/Wholesale Banking Operations	1124351	1054029	907739	1124351	907739	979784
3. Retail Banking Operations	1836333	1794661	1544444	1836333	1544444	1604028
4. Other Banking Operations	0	0	0	0	0	
5. Unallocated Liabilities	380997	367822	317595	380997	317595	293690
<b>Capital Employed</b>	341055	328233	309996	341055	309996	308519
<b>Total Liabilities</b>	<b>5019236</b>	<b>5010875</b>	<b>4173572</b>	<b>5019236</b>	<b>4173572</b>	<b>4673334</b>

**GEOGRAPHIC SEGMENTS:** The Bank operates only in Domestic segment.

Notes:

1) The above financial results for the period ended December 31, 2013 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on January 29, 2014 and subjected to limited review by the Statutory Central Auditor.





- 2) There has been no change in the accounting policies followed during the quarter ended December 31, 2013 as compared to those followed in the preceding financial year ended 31st March 2013.
- 3) The financial results for the quarter ended 31st December 2013 have been arrived after considering provision for non performing assets, depreciation on investments and fixed assets on actual basis. Provision for employees benefits, income tax and other contingencies are on an estimated and proportionate basis and are subject to adjustment at the year end.
- 4) In terms of the Reserve Bank of India circular DBOD.No.BP.BC.80/21.4.018/2010-11 dated 9th February 2011 on amortization of expenses towards pension and gratuity liabilities, a proportionate sum of Rs.4.23 crore has been provided for the quarter ended 31st December 2013 out of Rs16.92 crore to be provided for the financial year ending 31st March 2014.
- 5) In terms of RBI circular DBOD No.BP.BC.88/21.06.201/2012-13 dated 28.03.2013, banks have been advised to disclose capital adequacy ratio computed under Basel III regulations from quarter ended 30th June 2013. Accordingly, corresponding details for the previous year / period are not furnished.
- 6) In terms of RBI circular DBOD.BP.BC.No.41/21.04.141/2013-14 dated August 23,2013 on "investment portfolio of banks-Classification,Valuation and Provisioning", the Bank has opted to amortise the depreciation on Available for Sale (AFS) and Held For Trading (HFT) portfolios on each of the valuation dates in the current financial year in equal installments during the financial year 2013-14. Accordingly, of the total depreciation of ₹.204.14 crore as at December 31, 2013, the bank has recognised an amount of ₹.79.28 crore for the current quarter (₹.112.40 crore for the period ended) in the profit & loss account
- 7) In terms of RBI Circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July 2013, on Basel III capital regulations certain Pillar 3 disclosure requirements are to be made along with publication of financial results. Accordingly the disclosure has been placed on the website of the bank which can be accessed at the link [http://www.kvb.co.in/footer/pillarIII\\_disclosures.html](http://www.kvb.co.in/footer/pillarIII_disclosures.html). The disclosure has not been subjected to limited review by the statutory auditors of the bank.
- 8) Details of Investor Complaints for the quarter ended 31st December 2013  
The number of investor complaints received during the quarter were 9 and all have been disposed off.
- 9) Provision Coverage Ratio is 75.14% as on 31.12.2013
- 10) Figures of the corresponding period have been re-classified/regrouped wherever considered necessary.

Place : Karur

Date : 29.01.2014


For and on behalf of Board of Directors

  
K.Venkataraman  
Managing Director & C.E.O

"As per our report of even date"

For R K Kumar & Co.,  
Chartered Accountants  
Firm Registration No.001595S





C.R.Sundararajan  
Partner  
Membership No.025400





# R.K.KUMAR & CO

CHARTERED ACCOUNTANTS

II FLOOR, CONGRESS BUILDING, 573, MOUNT ROAD, CHENNAI - 600 006.

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TEL. : 24349866, 24349867

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## Independent Auditor's Limited Review Report

**The Board of Directors  
The Karur Vysya Bank Limited**

We have reviewed the accompanying statement of unaudited financial results of The Karur Vysya Bank Limited for the quarter/ nine months ended December 31, 2013, except for disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The preparation and fair presentation of this statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to report on these unaudited financial statements based on our review.

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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. 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.

In the conduct of our Review we have relied on the reports received from concurrent auditors of 187 branches. These reports cover 73.71 percent of the advances portfolio of the Bank. Apart from these reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.





# R.K.KUMAR & CO

CHARTERED ACCOUNTANTS

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TEL. : 24349866, 24349867

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Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying interim statement of unaudited financial results prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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 Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**Date: 29<sup>th</sup> January, 2014**

**Place: Karur**

**For R.K.Kumar & Co.  
Chartered Accountants  
Firm Regn.No.001595S**



  
**(C.R.Sundararajan)  
Partner  
Membership No.025400**