

FCD / 202 /2014-15

January 29, 2015

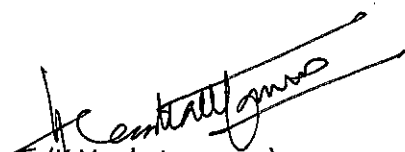
The Secretary,
National Stock Exchange of India Limited.,
Exchange Plaza, 5th Floor,
Plot No. C-1, Block G,
Bandra-Kurla Complex,
Bandra East,
MUMBAI - 400 051.

Dear Sirs,

Reg: Un-audited Financial results of the Bank for the period ended 31st December 2014.

Today (January 29, 2015), the Board of Directors of the Bank was held for the adoption of un-audited financial statements for the nine months ended 31th December 2014. In the said meeting the un-audited accounts of the Bank for the period ended 31st December 2014 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

Central Office, Erode Road, KARUR - 639 002.

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REVIEWED FINANCIAL RESULTS FOR QUARTER / NINE MONTHS ENDED 31st DECEMBER 2014

(₹ in lakhs)

Particulars	3 Months ended			Nine Months Ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
	Reviewed			Reviewed		Audited
1. Interest earned (a)+(b)+(c)+(d)	136466	135890	129800	406805	379322	511596
a) Interest / discount on advances /bills	106715	105199	99208	316685	286936	387200
b) Income on Investments	29287	30608	30448	89506	89652	119738
c) Interest on balances with RBI and other interbank funds	446	57	87	570	329	1092
d) Others	18	26	57	44	2405	3566
2. Other Income	14714	13596	10561	40105	41874	56445
3. Total Income (1+2)	151180	149486	140361	446910	421196	568041
4. Interest Expended	97359	102148	99289	299953	285785	383226
5. Operating Expenses (i+ii)	27552	26627	25775	78628	72561	101036
(i) Employees cost	13979	12675	14065	38929	37996	52792
(ii) Other operating expenses	13573	13952	11710	39699	34565	48244
6. Total Expenditure (4+5) excluding provision and contingencies	124911	128775	125064	378581	358346	484262
7. Operating Profit before Provisions and Contingencies (3-6)	26269	20711	15297	68329	62850	83779
8. Provisions (other than tax) and Contingencies	10615	9311	5065	28568	33228	44231
9. Exceptional items	0	0	0	0	0	0
10. Profit /(Loss) from Ordinary activities before tax (7-8-9)	15654	11400	10232	39761	29622	39548
11. Tax expense	4266	2350	-450	7116	-1379	-3412
12. Net Profit from ordinary activities after tax(10-11)	11388	9050	10682	32645	31001	42960
13. Extraordinary items (net of tax expense)	0	0	0	0	0	0
14. Net Profit for the period (12-13)	11388	9050	10682	32645	31001	42960
15. Paid-up equity share capital (FV Rs.10/-)	12098	12086	10718	12098	10718	10718
16. Reserves excluding Revaluation Reserve (as per balance sheet of previous accounting year)	321916	321916	297801	321916	297801	321916


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	3 Months ended			Nine Months Ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
	Reviewed			Reviewed		Audited
17. Analytical Ratios						
(i) % of shares held by Government of India	0%	0%	0%	0%	0%	0%
(ii) Capital Adequacy Ratio-Basel II	13.98%	14.40%	12.73%	13.98%	12.73%	12.77%
Capital Adequacy Ratio-Basel III	14.01%	14.41%	12.50%	14.01%	12.50%	12.60%
(iii) Earnings per share (EPS)						
a) Basic EPS before and after extra ordinary items (not annualized)	10.26	7.94	9.97	28.90	28.92	40.08
b) Diluted EPS before and after extraordinary items (not annualized)	10.22	7.46	9.89	28.77	28.70	39.78
(iv) NPA Ratios						
a) Gross NPA	68010	48074	48493	68010	48493	27918
b) Net NPA	25661	20759	15815	25661	15815	13991
c) % of Gross NPA	1.91%	1.36%	1.47%	1.91%	1.47%	0.82%
d) % of Net NPA	0.73%	0.59%	0.48%	0.73%	0.48%	0.41%
e) Return on Asset(annualized)	0.85%	0.69%	0.85%	0.82%	0.83%	0.86%
18. Public Shareholding						
Number of Shares	118350527	118174781	103917479	118350527	103917479	103954269
% of Shareholding	97.82%	97.78%	96.96%	97.82%	96.96%	96.99%
19. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
-Number of Shares	230163	302763	415213	230163	415213	320343
-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	8.74%	11.26%	12.72%	8.74%	12.72%	9.93%
-Percentage of Shares (as a % of the total share capital of the Company)	0.19%	0.25%	0.39%	0.19%	0.39%	0.30%
b) Non - encumbered						
- Number of Shares	2403834	2385065	2848414	2403834	2848414	2906494
- Percentage of Shares (as a % of the total shareholding of the Promoter and Promoter group)	91.26%	88.74%	87.28%	91.26%	87.28%	90.07%
-Percentage of Shares (as a % of the total share capital of the company)	1.99%	1.97%	2.65%	1.99%	2.65%	2.71%


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Segment Reporting for the period ended 31st December 2014

Business Segments	3 Months ended			Nine Months Ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
	Reviewed			Reviewed		Audited
Segment Revenue						
1. Treasury Operations	33539	32675	31127	97379	103439	134995
2. Corporate/Wholesale Banking	40576	39896	37086	119661	108543	149463
3. Retail Banking Operations	76841	76713	71892	229194	208256	282266
4. Other Banking Operations	224	201	256	676	958	1317
Total	151180	149485	140361	446910	421196	568041
Segment Results						
1. Treasury Operations	6969	5956	2064	15926	20528	23886
2. Corporate/Wholesale Banking	8737	9377	6321	25533	20871	29303
3. Retail Banking Operations	16313	19878	14940	43839	45065	61315
4. Other Banking Operations	207	187	238	625	908	1239
Total	32226	35398	23563	85923	87372	115743
Unallocated Income/Expenses	5957	14687	8266	17594	24522	31964
Operating Profit	26269	20711	15297	68329	62850	83779
Income Taxes	4266	2350	-450	7116	-1379	-3412
Other Provisions	10615	9311	5065	28568	33228	44231
Net Profit	11388	9050	10682	32645	31001	42960

Other Information

Segment Assets	3 Months ended			Nine Months Ended		Year ended
	31-Dec-14	30-Sep-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Mar-14
	Reviewed			Reviewed		Audited
1. Treasury Operations	1420552	1453326	1329867	1420552	1329867	1327749
2. Corporate/Wholesale Banking Operations	1321628	1309579	1241084	1321628	1241084	1272730
3. Retail Banking Operations	2196859	2202271	2027477	2196859	2027477	2126483
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Assets	401202	422135	420808	401202	420808	427353
Total	5340241	5387311	5019236	5340241	5019236	5154315
Segment Liabilities						
1. Treasury Operations	1401004	1529042	1336500	1401004	1336500	1361001
2. Corporate/Wholesale Banking Operations	1183930	1145881	1124351	1183930	1124351	1150919
3. Retail Banking Operations	1967955	1926928	1836333	1967955	1836333	1923325
4. Other Banking Operations	0	0	0	0	0	0
5. Unallocated Liabilities	359245	369076	380997	359245	380997	386436
Capital Employed	428107	416384	341055	428107	341055	332634
Total Liabilities	5340241	5387311	5019236	5340241	5019236	5154315

GEOGRAPHIC SEGMENTS: The Bank operates only in Domestic segment.



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Notes:

- 1) The above financial results for the period ended December 31, 2014 reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on January 29, 2015 and subjected to limited review by the Statutory Central Auditor of the bank.
- 2) There has been no change in the accounting policies followed during the quarter ended December 31, 2014 as compared to those followed in the preceding financial year ended 31st March 2014.
- 3) The financial results for the quarter ended 31st December 2014 have been arrived after considering provision for non performing assets, depreciation on investments on actual basis. The depreciation on fixed assets has been provided on proportionate basis as per the method adopted in the previous year. 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 2014 out of Rs16.90 crore to be provided for the financial year ending 31st March 2015.
- 5) During the quarter ended 31st December 2014, the bank had allotted 121915 shares pursuant to the exercise of stock options by certain employees.
- 6) 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. The disclosure has not been subjected to limited review by the statutory Central auditors of the bank.
- 7) During the quarter ended on 30.09.2014, the Bank issued 13412015 shares having a face value of Rs.10/- at a premium of Rs.466 as Qualified investors Placement with necessary approval from SEBI and the expenses of QIP issue of Rs 7.40 crores was netted off against the share premium.
- 8) Details of Investor Complaints for the quarter ended 31st December 2014

The number of investor complaints received during the quarter were 2 and all have been disposed off.
- 9) Provision Coverage Ratio is 75.09% as on 31.12.2014
- 10) Figures of the corresponding period have been re-classified/regrouped wherever considered necessary.

Place : Karur

Date : 29.01.2015

For and on behalf of Board of Directors


K. Venkataraman
Managing Director & C.F.O.


"As per our report of even date"

For Abarna & Ananthan

Chartered Accountants

Firm Registration No. 0000035


Lalitha Rameswaran

Partner

Membership No. 207867



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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 ended December, 31, 2014, 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.



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Emphasis of Matter:

Without qualifying our conclusion, we draw attention to Note 4 to the financial results, wherein it is stated that 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 2014 out of Rs.16.90 Crore to be provided for the financial year ending 31st March 2015. This is in pursuant to the exemption granted by the Reserve Bank of India vide their letter DBOD.No.BP.BC.80/21.4.018/2010-11 dated 9th February, 2011 from the application of the provisions of Accounting Standard (AS) 15, Employee Benefits.

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: 29th January , 2015
Place: Karur

for Abarna & Ananthan
Chartered Accountants



Lalitha Rameswaran
Partner
Membership No.207867
Firm Regn.No.000003S

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