



CONQUERING NEW HEIGHTS, TOGETHER.  
WITH 100 YEARS OF TRUST.



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## OUR FOUNDERS



SHRI M A VENKATARAMA CHETTIAR



SHRI ATHI KRISHNA CHETTIAR



## BOARD OF DIRECTORS



Sitting Left to Right : SHRI K.K BALU, SHRI G. RAJASEKARAN, SHRI B. SWAMINATHAN (CHAIRMAN),  
SHRI K. VENKATARAMAN (MD & CEO), SHRI N.S. SRINATH, SMT. K.L. VIJAYALAKSHMI

Standing Left to Right : SHRI A.J. SURIYANARAYANA, SHRI M.V. SRINIVASAMOORTHY, SHRI M.K. VENKATESAN,  
SHRI A.K. PRABURAJ, DR. V.G. MOHAN PRASAD, DR. K.S. RAVICHANDRAN



**K. VENKATESWARA RAO**  
PRESIDENT & COO



**J. NATARAJAN**  
GENERAL MANAGER



**G.S. ANANTHA KUMAR**  
GENERAL MANAGER



**T. SIVARAMAPRASAD**  
GENERAL MANAGER & CFO



**S. BALAJI**  
GENERAL MANAGER



**V. SRINIVASAN**  
GENERAL MANAGER



**M. BALACHANDRAN**  
GENERAL MANAGER



**S. SEKAR**  
GENERAL MANAGER



**C. SARAVANUN**  
GENERAL MANAGER

#### **COMPANY SECRETARY & DEPUTY GENERAL MANAGER**

KANNAN R

#### **DEPUTY GENERAL MANAGER**

MOHAN. K  
SANKARA VADIVEL. T.K  
SAIRAJ. G R  
RAMASUBRAMANIAN. S  
ASHOK KUMAR. G.P  
RAVI. S  
SWAMINATHAN K  
SAMPATH. G  
SUBBAIYAN. M  
NAGARAJAN. K  
UNNIKRISHNAN. K

RAJAGOPALAN. R  
JARARD THOMAS  
RAMALINGAM. N  
MURALI KUMAR. M  
VENKATESAN. R  
SURESH KUMAR. A  
SIVAKUMAR. R  
PANDURANGA KURAPATI  
RAMSHANKAR. R  
RAMESH. E  
LAVANYA. A

#### **ASSISTANT GENERAL MANAGER**

ASHOK VENNELAKANTI  
LAKSHMANAN. L  
VARADHARAJAN. A  
HARIHARAN K  
VENKATESH C  
RAMKUMAR. B  
RAGHAVENDRAN. N  
MOHAN KUMAR. G  
MURALI. L  
LEKSHMINARAYANAN. V  
CHANDRASEKARAN. R.N  
GANESAN. R  
ANBURAJ. V  
GOPALAN. S

RADHESYAM. T  
RAMAKRISHNA. C  
PALPANDIAN. M  
SIVAKUMAR. S  
RAVICHANDRAN K.  
SATYA SURYA PRAKASH K  
RAMANI V B  
GIRIDHARAN S.  
RAMASAMY G V  
VIJAYAKUMAR. P.V  
VENKATARAMAN G  
SRINIVAS GUPTHA. P  
MURALI. V  
BALASUBRAMANIAN. T

KOYA. K.P  
VINOOTH KUMAR. S  
UTPAL KANTI SARKAR  
CHAKKARAVARTHY. N  
MUTHU KUMAR K.P.  
RAMANATHAN S  
BHANOJI RAO K.  
PRABHAKAR GORTHI  
GANESAN. K  
VENKATASUBRAMANIAN. V  
PARAMESWARAN K  
RAJESHWARI S  
NARAYANAN R  
HEMA S  
MUTHUKRISHNAN. J

#### **LEGAL ADVISER**

K.N. SHRINIVASAN

#### **AUDITORS**

ABARNA & ANANTHAN, Bengaluru





Donation of Rs. 2 crore to Tamil Nadu Chief Minister's Flood Relief Fund for helping the victims of Chennai, Kanchipuram and Cuddalore District - during the month of November / December 2015.

"Best Bank Award for Electronic Payment Systems among Small Bank for the year 2014-15" - IDRBT, by Dr. Raghuram G.Rajan, Governor, Reserve Bank of India.



## *Managing Director and CEO's letter to the shareholders*

Dear Shareholders,

I am greatly privileged and am proud to pen this letter in the Centenary Year of the Bank, presenting brief highlights of the performance of your Bank in FY 2016.

The global economy witnessed challenging period with subdued growth and diverse monetary policies pursued by many central banks of advanced economies, slowdown in China and sharp decline in commodity prices. Indian economy continued to record slowdown in demand, although the GDP recorded a growth higher than the economies of most countries. However, macro-economic fundamentals continued to strengthen with the government's commitment to reforms. On the monetary policy front RBI reduced repo rate by 75 bps during 2015-16 to 6.75%. CPI inflation was below the RBI's expected level of 6%. Considering the fiscal consolidation approach of the Government and to boost growth, RBI resorted to a further cut in repo rates by 25 bps in April 2016 to 6.50%.

The domestic operating environment was tremendously challenging. The Banking industry faced very low growth in deposits as well as credit. The banks had huge asset quality problems and mounting bad debts especially in corporate sector impacting severely profits and profitability of most banks. Asset quality remained the prime concern of all banks.

Against this highly challenging backdrop, your bank's total business level grew by 10.04% over the previous fiscal at ₹ 89,555 cr with deposits of ₹ 50,079 cr and advances of ₹ 39,476 cr. We consolidated our operations focusing on sustainable performance, by reducing the cost of deposits, shedding high cost funds, thereby improving margins. Retail products both in liability and assets were given continued thrust. Bank focused on SME segment for its loan book growth and continued its cautious approach in corporate lending. The CASA deposits grew by 18.62% and as ratio of total deposits improved from 22.02% to 23.31%.

Due to our concerted efforts on core operating parameters, the Net Interest Income increased by 21.52%, Other Income increased by 21.69% and the Operating revenue increased by 21.57% year on year.

The Bank posted a strong growth of 30.97% in operating profit from ₹ 943.29 cr to ₹ 1,235.42 cr for the fiscal, crossing the milestone of ₹ 1000 cr in Operating Profit far beyond. The net profit of the bank recorded a high growth of 22.26% to ₹ 567.63 cr reaching the highest ever Operating and Net Profits in its Centenary Year.

Recovery mechanism has been strengthened at all levels. Gross NPAs reduced from 1.85% to 1.30% and Net NPA dropped from 0.78% to 0.55% in this year.

(Contd...)

The return on assets which was at 0.88% in the last fiscal increased to 1.03% in FY 2016.

KVB has improved its footprint across the country by adding 38 more branches in FY2016 taking the total number to 667 branches pan-India.

We, in our bank, re-aligned and re-balanced our businesses to substantially improve upon the customer franchise, leveraging information technology to optimize our operations, digitize the processes to improve value of our services to customers. Some of the digital initiatives taken by our bank include roll out of Aadhaar Enabled Payment System, introduction of General Purpose Re-loadable cards issued under "RuPay" Brand, addition of more currencies in Travel Cards and roll out of new versions to our mPay and eBook applications.

These efforts have already led to substantial improvements in our financial position as detailed in the attached Annual Report.

**One Hundred years** in banking business, a rare feat accomplished by very few in the industry, makes us both proud and humble. A niche place in the financial sector is our dream and we are happy that we are steadily powering ahead closer to it. We are deeply indebted and extremely grateful for all the business support that our customers are giving us and the trust that all our stakeholders - Customers, Shareholders, Regulators and others have reposed on us.

From here on, we begin a fresh transformation journey with focus on Technology, Products, Processes and People and will continue to strive for excellence in the emerging banking business.

I look forward to your unstinted support as hitherto in continuing our transformational journey.

Yours sincerely,

**K Venkataraman**

Managing Director & CEO

June 9, 2016





96th ANNUAL GENERAL MEETING



## FOUNDERS' DAY AND COMMENCEMENT OF CENTENARY CELEBRATIONS AT KARUR



Lighting of Gayathri Lamp by Former Chairman, Shri. A.S. Janarthanan  
in the presence of Shri. G.M. Rao, Group Chairman, GMR Group

