F. No. 1303 (H.O.)

Karnataka Bank Ltd.

Estd : 1924

CIN : L85110KA1924PLC001128

Regd. & Head Office
P.B. No. 599, Mahaveera Circle
Kankanady, Mangalore – 575 002

Phone : 0824 - 2228222 Fax : 0824-2225588
Website : www.karnatakabank.com
email : info@ktkbank.com

16.01.2016 SECRETARIAL DEPARTMENT
HO: SEC: 526 : 2015-16

1. The Manager
Listing Department
National Stock Exchange Of India Limited.,
Exchange Plaza,C-1, Block G
Bandra-Kurla Complex, Bandra (E), MUMBAI-400 051

2. The General Manager,
Bombay Stock Exchange Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI-400 001

Dear Sir,

We enclose copy of the press communiqué released by us for your kind information.

Thank You,

Yours faithfully,

COMPANY SECRETARY

Karnataka Bank Ltd.
Your Family Bank, Across India.

Regd. & Head Office
P. B. No.599, Mahaveera Circle
Kankanady
Mangaluru – 575 002

Phone : 0824-2228325 Fax: 0824-2225587
E-Mail : pr@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

PLANNING AND DEVELOPMENT DEPARTMENT

PRESS RELEASE Date: 16-01-2016

KARNATAKA BANK POSTS A NET PROFIT OF RS. 309 CRORES

Mangaluru Head Quartered Karnataka Bank has posted a net profit of Rs. 309 crore for the first nine month period ended December 2015 against Rs. 317 crore for the corresponding period last year, which is 2.69 % lower on y-o-y basis. For the stand alone third quarter ended December 2015, Bank has earned a net profit of Rs. 96.91 Crores as against Rs. 106.94 crores during Q3 of 2014-15.

The Operating profit for the 9 months period ended December 2015, is Rs. 600.16 crores as against Rs. 533.92 crores during the corresponding period of the previous year, registering a growth of 12.41%.

The Net Interest Income for 9 months period ended December 2015 increased by Rs. 65.61 crores from Rs. 877.53 crores to Rs. 943.14 crores registering y-o-y growth of 7.48% per cent.

Bank has clocked a business turnover of Rs. 82,592 crores as on 31-12-2015, registering a y-o-y growth of 9.92%. Deposits of the Bank rose to Rs. 49,664 crores registering y-o-y growth of 10.86%. Advances rose to Rs. 32,928 crores registering y-o-y growth of 8.54%.

Current Account, Savings Account (CASA) deposits increased by Rs. 1,791 crores from Rs. 10,738 crores to Rs. 12,529 crores and constitutes 25.23% of total deposits. [23.97% as on Dec 2014].

The Capital Adequacy Ratio stood at 11.67 per cent [under BASEL III] against the regulatory requirement of minimum 9 per cent.

The gross NPAs stood at Rs. 1,187 crores and constituted 3.56% of total advances as on 31-12-2015. The Net NPA stood at Rs. 791 crores representing 2.41% of net advances as on 31-12-2015.

Announcing the results at the Bank's Head Quarters at Mangaluru, Shri P Jayarama Bhat, MD & CEO of the Bank said, "No doubt the third quarter was a challenging one but I am happy that the time tested conservative approach has helped us to tide over the situation. Gain in operating profit is mainly on account of increased interest income which is again an indication of growing asset base. Higher taxation provision also pulled down the profit. Nevertheless, growth management deserves special attention. NPA pruning exercise undertaken during the quarter has given the much needed respite. Bank is gearing up for digital transformation in all aspects of Banking in line with "KBL VISION 2020" for its all round transformation".

The Bank has a network of 1882 service outlets comprising of 702 branches and 1180 ATMs spread across the country. The Bank is poised to increase its number of outlets to 2,000 comprising of 725 Branches and 1275 ATMs, by the end of March 2016.

Bank has won several awards from reputed organizations such as IDRBT, ASSOCHAM, FIEO etc. for excellence in technology updations, export finance, social banking, MSME lending etc., the latest being the "Best Bank Award for Evangelising Technology Adoption" among 'Small Banks' category, from IDRBT.

P.T.O

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

Parameters	Nine Months Period			Quarter Ended		
	31-12-2014	31-12-2015	Variation	31-12-2014	31-12-2015	Variation
Operating Profit	533.92	600.16	12.41%	183.26	191.68	4.59%
Net Profit	317.03	308.50	-2.69%	106.94	96.91	-9.38%
Net Interest Income	877.53	943.14	7.48%	302.05	304.93	0.95%
Advances	30,338	32,928	8.54%	30,338	32,928	8.54%
Deposits	44,799	49,664	10.86%	44,799	49,664	10.86%
Gross NPA	3.44%	3.56%		3.44%	3.56%	
Net NPA	2.41%	2.41%		2.41%	2.41%	
Net Interest Margin (NIM)	2.38%	2.34%		2.41%	2.20%	
Return on Asset [ROA]	0.86%	0.76%		0.85%	0.70%	
CASA	23.97%	25.23%		23.97%	25.23%	
CD Ratio	67.72%	66.30%		67.72%	66.30%	

Srinivas Deshpande
(CHIEF MANAGER – PUBLIC RELATIONS)