



Karnataka Bank Ltd.

Your Family Bank. Across India.

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Kankanady
Mangaluru – 575 002

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CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

HO:SEC:200:2026-27

Date: 28.10.2026

The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra-Kurla Complex, Bandra (E) MUMBAI - 400051	The Manager Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street MUMBAI - 400001
NSE Scrip Code: KTKBANK	BSE Scrip Code: 532652

Madam / Dear Sir,

Sub: Press Release – Karnataka Bank Hits all time High of Rs. 2,07,132.41 Crores in Aggregate Business and Rs.435.89 Crores in Net Profit

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of the press communiqué released by the Bank on 28.10.2026 on the subject matter.

This is for your kind information and dissemination.

Yours faithfully,

**Sham
Kanathila**

**Sham K
Company Secretary &
Compliance Officer**

Digitally signed by Sham
Kanathila
Date: 2026.10.28 15:38:24
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MEDIA MARKETING & PUBLIC RELATIONS DEPARTMENT

HO/MM&PR/PR/No.18 /OR.No.977/2026-27

Date: 28-10-2026

PRESS RELEASE

KARNATAKA BANK HITS AN ALL-TIME HIGH OF Rs. 2,07,132.41 CRORES IN AGGREGATE BUSINESS AND Rs. 435.89 CRORES IN NET PROFIT

In the Meeting of the Board of Directors held today at Mangaluru, the Board approved the financial results for the quarter ended September 30, 2026.

Bank's Aggregate Deposits stood at Rs. 1,15,117.15 crores as on 30th September 2026, registering a YoY growth of 12% from Rs.1,02,817.19 crores as on 30th September 2025, while Retail Term Deposits (RTD) was Rs. 72,197.32 crores as on 30th September 2026, as against Rs. 65,531.80 crores, with a 10% YoY increase from 30th September 2025.

Gross Advances stood at Rs. 92,015.26 crores registering YoY growth of 25%, as against Rs. 73,644.14 crores as on 30th September 2025. Bank's NIMs have improved from 2.72% for the quarter ended 30th September 2025, to 3.17% for the quarter ended 30th September 2026, thereby registering a 45bps YoY increase.

Bank's Net Profit for the quarter ended 30th September 2026 was Rs.435.89 crores as against Rs. 319.12 crores for the quarter ended 30th September 2025, which is a 37% YoY improvement. Consequently, Bank's ROE has improved from 10.14% for the quarter ended 30th September 2025, to 12.51% for the quarter ended 30th September 2026. Furthermore, for the half year ended September 2026, the net profit stood at Rs. 854.84 crores, as against Rs. 611.52 crores for half year ended September 2025.

Asset quality has improved significantly, with GNPA% improved by 106 bps to 2.27% from 3.33% as compared to September 2025. Similarly, the NNPA% also declined by 61 bps to 0.74% from 1.35% as compared to September 2025. The PCR (excluding TWO) improved to 68.05% in September 2026 from 60.22% in September 2025.

Announcing the results at the Bank's Head Quarters at Mangaluru, **Shri Raghavendra S. Bhat**, Managing Director & CEO, said,

"The Bank has reached a historic milestone, with its aggregate business climbing to a record Rs. 2,07,132.41 crore and net profit hitting Rs. 435.89 crore. This performance underscores our deep dedication to steady growth, sound fiscal oversight, and a customer-first approach to banking. Notably, our RAM (Retail, Agriculture, and MSME) segment expanded by a robust 19% YoY, surging from Rs. 47,958.40 crore on September 30, 2025, to Rs. 56,968.79 crore by September 30, 2026. This upward trajectory has been fueled entirely by the enduring trust of our customers, the reliance of our shareholders, and the tireless dedication of our workforce.

Driven by disciplined underwriting, robust recovery strategies, and the continuous monitoring of our credit portfolios, the bank's asset quality has strengthened remarkably. This is demonstrated by a YoY reduction in Gross Non-Performing Assets (GNPA) by 106 basis points to 2.27%, while Net Non-Performing Assets (NNPA) lowered by 61 basis points to 0.74%.

Our evolution into the digital space is picking up speed as we upgrade our technological infrastructure to offer secure, novel, and customer-focused financial platforms. We are leveraging data insights and adopting technological shifts to streamline consumer journeys, optimize internal productivity, and shape a modern institution capable of answering our clients' shifting demands.

Concurrently, we intend to draw on our core advantages, scale our operations safely, and generate enduring value for everyone connected to us. Backed by a well-defined strategic blueprint and a firm focus on leadership, innovation, and exceptional care, we expect to maintain this development pace and cement our status as a reliable financial ally.

Looking ahead, our priority remains to optimize our core capabilities, grow our footprint ethically, and deliver enduring worth to our stakeholders. Guided by a distinct strategic framework, focused implementation, and a steadfast dedication to reliability, progress, and service quality, we are poised to carry forward this expansion and solidify Karnataka Bank's standing as a dependable financial partner."

Smt. Biji S. S., Executive Director, said,

“The Bank’s ongoing advancement is a direct result of disciplined implementation, a robust operational foundation, and the steadfast dedication of our team across the entire institution. We are firmly committed to achieving steady results while generating enhanced worth for both our client base and our stakeholders.

As our digital evolution gathers pace, we are utilizing technological advancements to streamline internal workflows, maximize user convenience, and refine service quality across every interaction point. Our ongoing funding of technological assets, procedural refinement, and creative workflows allows us to establish a more nimble, productive, and consumer-focused enterprise.

Alongside our focus on technological advancement, we remain committed to improving collection efficiency, enhancing customer engagement and building employee capabilities. We continue to refine our collection processes to ensure timely recoveries and improve overall performance. Through focused customer engagement programmes, we aim to deepen relationships, understand evolving customer needs and deliver more personalised, responsive and convenient banking services. Equally, we recognise that our employees are our greatest strength. We are committed to continuous capacity building through functional and technical training, alongside the development of soft skills, communication, leadership and customer service capabilities. These initiatives will help improve operational efficiency, enhance customer satisfaction and build a more agile, skilled and customer-centric organisation.

Moving forward, we will maintain our emphasis on balanced expansion, execution proficiency, and progression, while remaining dedicated to top-tier ethical metrics and client care. Supported by the joint dedication of our staff and the enduring reliance of our clientele, we are certain of our ability to supply uniform value and play a significant role in the institution's enduring prosperity.”

PERFORMANCE HIGHLIGHTS

(₹ in Crore)

Parameters		Quarter Ended				Half Year Ended			
		Q2	Q2	Variation (%) (Q2-FY27 to Q2- FY26)	Q1	Variation (%) (Q2-FY27 to Q1- FY27)	H1	H1	Variation (%) (H1-FY27 to H1- FY26)
		FY27	FY26		FY27		FY27	FY26	
Aggregate Business (Gross)		2,07,132.41	1,76,461.34	17.38%	1,97,006.62	5.14%	2,07,132.41	1,76,461.34	17.38%
Gross Advances		92,015.26	73,644.15	24.95%	86,610.21	6.24%	92,015.26	73,644.15	24.95%
Total Deposits		1,15,117.15	1,02,817.19	11.96%	1,10,396.41	4.28%	1,15,117.15	1,02,817.19	11.96%
CASA		36,605.40	31,881.95	14.82%	35,787.30	2.29%	36,605.40	31,881.95	14.82%
CASA Ratio (%)		31.80%	31.01%	79 bps	32.42%	-62 bps	31.80%	31.01%	79 bps
Operating Profit		602.22	440.04	36.86%	580.34	3.77%	1,182.56	907.33	30.33%
Net Profit		435.89	319.12	36.59%	418.95	4.04%	854.84	611.52	39.79%
Net Interest Income		982.44	728.12	34.93%	938.29	4.71%	1,920.73	1,483.72	29.45%
Net Interest Margin (%)		3.17%	2.72%	45 bps	3.20%	-3 bps	3.19%	2.77%	42 bps
Return on Assets (%)		1.26%	1.03%	23 bps	1.29%	-3 bps	1.27%	1.00%	27 bps
Cost to Income Ratio (%)		52.68%	58.93%	-625 bps	55.14%	-246 bps	53.92%	58.48%	-456 bps
Gross NPA	Amount	2,091.33	2453.10	-14.75%	2,233.25	-6.35%	2,091.33	2,453.10	-14.75%
	(%)	2.27%	3.33%	-106 bps	2.58%	-31 bps	2.27%	3.33%	-106 bps
Net NPA	Amount	668.13	975.96	-31.54%	736.38	-9.27%	668.13	975.96	-31.54%
	(%)	0.74%	1.35%	-61 bps	0.87%	-13 bps	0.74%	1.35%	-61 bps
PCR (%) [Including TWO]		85.78%	81.05%	473 bps	84.70%	108 bps	85.78%	81.05%	473 bps
PCR (%) [Excluding TWO]		68.05%	60.22%	783 bps	67.03%	102 bps	68.05%	60.22%	783 bps

Pallavi T.S

Pallavi T.S

CHIEF MANAGER & PUBLIC RELATIONS OFFICER

