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

30.10.2015 SECRETARIAL DEPARTMENT
HO: SEC:410 : 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

2458/15/CO

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: October 30, 2015

KARNATAKA BANK'S Q2 NET RISES BY 15.59% TO ₹ 102.25 CRORES

Karnataka Bank has registered Net Profit of ₹ 102.25 crores for Q2 of current fiscal from ₹ 88.46 crores [Q2 of FY 2014-15], registering a y-o-y growth of 15.59%. The operating profit also showed marginal growth of 4.21% and improved to ₹ 169.46 crores from ₹ 162.62 crores [Q2 of FY 2014-15].

The Net Interest Income for the half year end increased by ₹ 62.74 crores from ₹ 575.47 crores to ₹ 638.21 crores registering a y-o-y growth of 10.90 per cent.

Bank has clocked a business turnover of ₹ 81,315 crores as on 30-09-2015, registering a y-o-y growth of 10.01%. Deposits of the Bank rose to ₹ 48,872 crores registering a y-o-y growth of 10.58%. Advances rose to ₹ 32,443 crores registering a y-o-y growth of 9.17%.

Current Account, Savings Account (CASA) deposits increased by ₹ 1,108 crores from ₹ 10,747 crores to ₹ 11,855 crores and constitutes 24.26% of total deposits.

The Capital Adequacy Ratio stood at 11.95 per cent [under BASEL II] and 11.70 percent [under BASEL III] against the regulatory requirement of minimum 9 per cent.

The gross NPAs registered a declining trend with ₹ 1043.67 crores as against ₹ 1060.88 crore as of Sept. 2014. This constituted 3.18% as against 3.53% as of Sept 2014, and thus GNPAs reduced by 35 bps.

The Net NPA also declined by 41 basis points to 1.96% from 2.37%(as of Sept. 2014) and amount wise to ₹ 635.28 crores from ₹ 702.24 crores.

P.T.O

Announcing the results at the Bank's Head Quarters at Mangaluru, Shri P Jayarama Bhat, MD & CEO of the Bank said, "Turnaround in NPA is the significant achievement of the second quarter and efforts would be further intensified to consolidate the position. Increase in NII (by 10.90 %) and reduction in NPAs (GNPA by 35 bps and NNPA by 41 bps) are the twin achievements of the quarter. Our focus during the ensuing quarters will be on expansion of credit, particularly retail credit with an eye on asset quality. With the recent cut of 25 basis points in our Base Rate from 10.5% to 10.25%, we expect the retail loan portfolio to pick up in the ensuing quarters. Further, bank is taking its digital banking initiative forward with all enthusiasm to increase the comfort of banking for our customers and to digitally empower them. Of the 25 e-lobbies planned for the current year, 12 e-lobbies are already commissioned".

The Bank is into its 92nd year of purposeful banking and eyeing a business turnover of ₹ 91,000 crore [Deposits ₹ 53,500 crore & Advances ₹ 37,500 crores].The Bank has a network of 1,793 service outlets comprising of 691 branches, 1,102 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.

During the year, Bank has bagged the coveted IDRBT Banking Technology Excellence Award - "Best Bank Award for Evangelising Technology Adoption" among Small Banks, instituted by Institute for Development and Research in Banking Technology [IDRBT], Hyderabad for the year 2014-15.

Bank has also bagged the "Export Excellence Award for MSME", for the year 2014 - 15, by the Federation of Indian Export Organizations - Western Region.

Bank has also received ISO 27001:2013 Certificate from UKAS, Management Systems, a UK based accreditation certifying body.

P.T.O

PERFORMANCE HIGHLIGHTS

Rupees in Crore]

Parameters	Half Year Ended			Quarter Ended		
	30-09-2015	30-09-2014	Variation [%]	30-09-2015	30-09-2014	Variation [%]
Net Profit	211.59	210.09	0.71	102.25	88.46	15.59
Operating Profit	408.48	400.76	1.93	169.46	162.62	4.21
Net Interest Income	638.21	575.47	10.90	306.89	297.26	3.24
Other Income	240.13	232.47	3.30	121.01	102.77	17.75
Advances	32,443	29,718	9.17	32,443	29,718	9.17
Deposits	48,872	44,196	10.58	48,872	44,196	10.58
Business Turnover	81,315	73,914	10.01	81,315	73,914	10.01
Gross NPA [GNPA] per cent	3.18%	3.53%		3.18%	3.53	
Net NPA [NNPA] per cent	1.96%	2.37%		1.96%	2.37%	
CRAR [Basel II]	11.95%	12.31%		11.95	12.31%	
Net Interest Margin	2.41%	2.37%		2.27%	2.41%	
CASA	24.26%	24.32%		24.26%	24.32%	

Renuka N Bangera
[ASSISTANT GENERAL MANAGER]