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

27.01.2015 SECRETARIAL DEPARTMENT
HO: SEC: 616 : 2014-15

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

Dear Sir,

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

Thank You,
Yours faithfully,

COMPANY SECRETARY

OR 48 43/14-15

Karnataka Bank Ltd.

Your Family Bank, Across India.

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

Phone : 0824-2228222 Fax: 0824-2225587
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PLANNING AND DEVELOPMENT DEPARTMENT

PRESS RELEASE **Dt: 27-01-2015**

KARNATAKA BANK'S NET PROFIT ZOOMS TO ₹ 317 CRORES

Karnataka Bank has posted a net profit of ₹ 317.03 crore for the first nine months of the current year against ₹ 229.82 crore for the corresponding period last year, thus registering a Y-O-Y growth of 37.95 per cent. For the stand alone third quarter of the current year, Bank has earned a net profit of ₹ 106.94 Crores as against ₹ 106.70 crores during Q3 of 2013-14.

Current Account, Savings Account (CASA) increased by ₹ 1,162 crore from ₹ 9,576 crore to ₹ 10,738 crore and constitutes 23.97% of total deposits.

The Business of the bank increased to ₹ 75,137 Crores from ₹ 65,688 crores (as on 31/12/2013) by registering Y-O-Y growth of 14.38%, whereas, deposits reached a new high of ₹ 44,799 crores with Y-O-Y growth rate of 15.81% and advances ₹ 30,338 crores with Y-O-Y growth rate of 12.34%.

The Capital Adequacy Ratio stood at 11.99 per cent [under BASEL II] and 11.79 percent [under BASEL III] against the regulatory requirement of minimum 9 per cent. Similarly, the Return on Asset (ROA) also improved by 15 bps to 0.86% as against 0.71% a year ago.

Announcing the results, Shri P Jayarama Bhat, MD & CEO of the Bank, said "The results are in line with expectations. With the signs of industrial down turn bottoming out and the business sentiments gaining momentum, we are optimistic of business

excellence in the Q4 of FY 2015. However, geo-political uncertainties are still a cause of concern and the ensuing union budget will be a trend setter for economic growth".

The Bank plans to open 75 new branches and 300 new ATMs during current year, thus aiming for 1,675 service outlets, consisting of 675 branches & 1000 ATMs. During the Current Financial Year, the Bank has already opened 36 branches and 127 ATMs taking the tally of service outlets to 1,463 with 636 branches and 827 ATMs. The Bank also plans to introduce e-lobbies shortly. The Bank is eyeing a business turnover of ₹ 80,000 crore for the year 2014-15 comprising of deposits of ₹ 47,000 crore and advances of ₹ 33,000 crore.

During the current year, Bank has bagged following accolades

1. Best Bank Award for new initiatives (Runner Up) and Best Bank Award for CSR and green initiatives (Runner Up) instituted by Chamber of Indian Micro, Small & Medium Enterprises (CIMSME).

2. ASSOCHAM's Certificate of Excellence for Social Banking.

3. Shri P. Jayarama Bhat, MD and CEO was honored with the New Year Award, 2015 by Academy of General Education, Manipal University and Syndicate Bank, Manipal.

4. Further, the HR initiatives of Shri P Jayarama Bhat, MD & CEO, were recognized and rewarded at the Asia Pacific HRM Congress 2014, in the form of an Award under the Category "CEO with HR orientation".

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

Parameters	Nine Months Period			Quarter Ended		
	31-12-2013	31-12-2014	Variation	31-12-2013	31-12-2014	Variation
Net Profit	229.82	317.03	37.95%	106.70	106.94	0.22%
Operating Profit	597.90	533.92	[-] 10.70%	168.75	183.26	8.60%
Net Interest Income	806.14	877.53	8.86%	271.50	302.05	11.25%
Other Income	391.60	395.30	0.94%	97.85	162.83	66.41%
Advances	27,005	30,338	12.34%	27,005	30,338	12.34%
Deposits	38,683	44,799	15.81%	38,683	44,799	15.81%
Gross NPA	3.65%	3.44%		3.65%	3.44%	
Net NPA	2.23%	2.41%		2.23%	2.41%	
Net Interest Margin (NIM)	2.49%	2.38%		2.44%	2.41%	
Return on Asset [ROA]	0.71%	0.86%		0.96%	0.85%	
CASA	24.76%	23.97%		24.76%	23.97%	
CD Ratio	69.81%	67.72%		69.81%	67.72%	

Srinivas Deshpande
(CHIEF MANAGER – PUBLIC RELATIONS)