F. No. 1303 (H.O.)

Karnataka Bank Ltd.

Estd : 1924

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

25.01.2014 SECRETARIAL DEPARTMENT
HO: SEC: 633 : 2013-14

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,

Y V Balachandra
COMPANY SECRETARY

OR. 3576/B-14

Karnataka Bank Ltd.

Estd: 1924

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

Phone : 0824-2228222
Grams : Abhyudaya, FAX: 0824-2225587
E-mail : plgdev@ktkbank.com

PLANNING & DEVELOPMENT DEPARTMENT

PRESS RELEASE **Dt: 24-01-2014**

KARNATAKA BANK Q3 NET PROFIT UP 33.3% at ₹ 107 CRORE

Mangalore based Premier Private Sector Bank, Karnataka Bank Ltd., has posted a net profit of ₹ 106.70 crore for the third quarter of the current year against ₹ 80.07 crore for the corresponding period last year, thus registering a Q-O-Q growth of 33.3 per cent.

The business turnover of the Bank has touched ₹ 65,688 crore as at the end of December 2013, registering a y-o-y growth of 13.2 per cent. The deposits of the Bank grew by ₹ 4,063 crore from ₹ 34,620 crore to ₹ 38,683 crore registering a y-o-y growth of 11.7 per cent. Advances grew by ₹ 3,601 crore from ₹ 23,404 crore to ₹ 27,005 crore registering a y-o-y growth of 15.4 per cent.

Current Account, Savings Account (CASA) increased by ₹ 1,461 crore from ₹ 8,115 crore to ₹ 9,576 crore registering a y-o-y growth of 18.0 per cent.

The total income of the Bank has increased by ₹ 450 crore from ₹ 3072 crore to ₹ 3,522 crore registering a y-o-y growth of 14.7 per cent. The operating profit of the Bank has increased by ₹ 116 crore from ₹ 482 crore to ₹ 598 crore registering a y-o-y growth of 24.1 per cent. The Net Interest Income has increased by ₹ 124 crore from ₹ 682 crore to ₹ 806 crore registering a y-o-y growth of 18.1 per cent.

The Capital Adequacy Ratio stood at 13.01 per cent [under BASEL II standards] against the regulatory requirement of minimum 9 per cent.

"The financial performance of the Bank has been satisfactory despite a challenging economic environment. The deposits and advances of the Bank have shown steady growth. The Bank's effort to increase the retail loan book has started yielding desired results. Further, the customer acquisition activity is in full swing in the form of "CASA Campaign" and as a result Bank is encashing the cross selling opportunities. With the economy showing signs of recovery and market sentiments improving, Q4 is expected to be more fruitful." said Sri P Jayarama Bhat, MD & CEO of the Bank.

The Bank has planned to open 40 new branches and 100 new ATMs during the Q4 of current year, thus increasing the number of branches to 600 and ATMs to 700 by March 2014.

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

Parameters	Nine Months Period			Quarter Ended		
	31-12-2012	31-12-2013	Variation	31-12-2012	31-12-2013	Variation
Operating Profit	481.74	597.90	24.1%	154.04	168.75	9.5%
Net Profit	280.69	229.82	[-] 18.1%	80.07	106.70	33.3%
Net Interest Income	682.33	806.14	18.1%	227.80	271.50	19.2%
Other Income	268.46	391.60	45.9%	86.24	97.85	13.5%
Advances	23,404	27,005	15.4%	23,404	27,005	
Deposits	34,620	38,683	11.7%	34,620	38,683	
Net NPA per cent	2.19%	2.23%		2.19%	2.23%	
CRAR [Basel II]	12.93%	13.01%		12.93%	13.01%	
Net Interest Margin (NIM)	2.36%	2.49%		2.29%	2.44%	
CASA	23.45%	24.77%		23.45%	24.77%	
CD Ratio	67.60%	69.81%		67.60%	69.81%	

Chief Manager - Public Relations
Planning & Development Dept.