F. No. 1304 (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

09.11.2016 SECRETARIAL DEPARTMENT
HO: SEC: : 2016-17

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,
BSE 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,

Y V Balachandra
COMPANY SECRETARY

OR-3984/16-17

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 November 9, 2016

THE KARNATAKA BANK LIMITED'S Q2 NET RISES BY 21.10% TO ₹ 123.82 CRORES

The Karnataka Bank Limited (**"Bank"**) has registered Net Profit of ₹ 123.82 crores for Q2 of the current fiscal from ₹ 102.25 crores [Q2 of FY 2015-16], registering a y-o-y growth of 21.10% when compared to corresponding quarter last year. The operating profit also showed a growth of 37.35% and improved to ₹ 232.75 crores from ₹ 169.46 crores [Q2 of FY 2015-16].

The Net Interest Income for the half year increased by ₹ 123.73 crores from ₹ 638.21 crores to ₹ 761.94 crores registering a y-o-y growth of 19.39 per cent.

The Bank has clocked a total business of ₹ 89,707 crores as on 30-09-2016, registering a y-o-y growth of 10.32%. Deposits of the Bank rose to ₹ 53,096 crores registering a y-o-y growth of 8.64%. Advances rose to ₹ 36,611 crores registering a y-o-y growth of 12.85%.

The Capital Adequacy Ratio stood at 11.19 per cent [under BASEL III] against the regulatory requirement of minimum 9 per cent.

Gross NPAs stood at ₹ 1,345 crores as on 30-09-2016 and constituted 3.64% of gross advances.

Net NPAs stood at ₹ 961 crores as on 30-09-2016, constituting 2.63 % of net advances.

PERFORMANCE HIGHLIGHTS

Rupees in Crore]

Parameters	Half Year Ended			Quarter Ended		
	30-09-2016	30-09-2015	Variation [%]	30-09-2016	30-09-2015	Variation [%]
Net Profit	245.36	211.59	15.96%	123.82	102.25	21.10%
Operating Profit	494.67	408.48	21.10%	232.75	169.46	37.35%
Net Interest Income	761.94	638.21	19.39%	397.25	306.89	29.44%
Other Income	364.06	240.13	51.61%	189.70	121.01	56.76%
Advances	36,611	32,443	12.85%	36,611	32,443	12.85%
Deposits	53,096	48,872	8.64%	53,096	48,872	8.64%
Business Turnover	89,707	81,315	10.32%	89,707	81,315	10.32%
Gross NPA [GNPA] per cent	3.64%	3.18%		3.64%	3.18%	
Net NPA [NNPA] per cent	2.63%	1.96%		2.63%	1.96%	
CRAR [Basel III]	11.19%	11.95%		11.19%	11.95	
Net Interest Margin	2.62%	2.41%		2.69%	2.27%	

Disclaimer: *The Karnataka Bank Limited, ("Bank"), is proposing, subject to receipt of requisite approvals, market conditions and other considerations, a rights issue of its equity shares, and has in this regard, filed a Letter of Offer ("LOF") dated October 28, 2016, with the SEBI and the Designated Stock Exchange._The LOF is available on the website of SEBI at www.sebi.gov.in, the stock exchanges where the equity shares are listed i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com, and the website of the Lead Manager to the Issue, i.e._Edelweiss Financial Services Limited; Website: www.edelweissfin.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please see the section entitled "Risk Factors" on page 12 of the LOF.*

Srinivas Deshpande
(CHIEF MANAGER – PUBLIC RELATIONS)