F. No. 1303 (H.O.)

Karnataka Bank Ltd.

Estd : 1924

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

Phone : 2228222
Grams : Abhyuday
Fax : 0824-2225588 / 2225589

22.10.2013 SECRETARIAL DEPARTMENT
HO: SEC:473: 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 550/13-14

Karnataka Bank Ltd.

Estd: 1924

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

Phone : 0824-2228222
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PLANNING & DEVELOPMENT DEPARTMENT

PRESS RELEASE **Dt: 21-10-2013**

KARNATAKA BANK HALF YEAR NET PROFIT ₹ 123.12 CRORE

Mangalore based Premier Private Sector Bank, Karnataka Bank Ltd., has posted a net profit of ₹ 123.12 crore for half year ended September 2013. The operating profit of the Bank has increased by ₹ 101.45 crore from ₹ 327.70 crore to ₹ 429.15 crore registering a y-o-y growth of 30.96 per cent.

The business turnover of the Bank has touched ₹ 64,483 crore as at the end of September 2013, against ₹ 56,363 crore as at the end of the corresponding period last year, registering a y-o-y growth of 14.41 per cent. The deposits of the Bank grew by ₹ 4046 crore from ₹ 33,968 crore to ₹ 38,014 crore registering a y-o-y growth of 11.91 per cent. Advances grew by ₹ 4,074 crore from ₹ 22,395 crore to ₹ 26,469 crore registering a y-o-y growth of 18.19 per cent.

Current Account, Savings Account (CASA) increased by ₹ 1067 crore from ₹ 7,970 crore to ₹ 9037 crore registering a y-o-y growth of 13.39 per cent.

The Net Interest Income has increased by ₹ 80.11 crore from ₹ 454.54 crore to ₹ 534.64 crore registering a y-o-y growth of 17.62 per cent.

The Capital Adequacy Ratio stood at 13.47 per cent [under BASEL II standards] against the regulatory requirement of minimum 9 per cent.

"Despite sluggish growth in economy and subdued investment sentiments, Bank has been able to do well in many areas and I am optimistic about the growth opportunities for the second half of current year" said Sri P Jayarama Bhat, MD & CEO of the Bank.

During the half year, the Bank has opened 73 service outlets comprising of 8 branches and 65 ATMs, taking the tally of service outlets to 1126 [558 branches and 568 ATMs]. The Bank has its presence in 20 states and 2 union territories, and plans to take the tally of service outlets to 1,200 by the end of March 2014 by increasing the number of branches and ATMs to 600 each.

The Bank has won the following excellence awards during the half year ended Sept 2013

1. ASSOCHAM Social Banking Excellence Award 2013[Runner up] under the "Private Sector Banks Category".
2. Sunday Standard FINWIZ -2013 Best Bankers Awards under the following 3 categories:
   a. Best Bank for Customer Friendliness under the category of Midsized Banks.
   b. Best Banker for Customer Orientation under the category of Private Sector Banks.
   c. Best Banker for HR under the category of Private Sector Banks.
3. IDRBT Banking Technology Excellence Awards for the year 2012-13, among Small Banks, under the following categories:
   a. Best Bank Award for Managing IT Risks
   b. Best Bank Award for use of IT for business innovation

The Bank is eyeing a business turnover of ₹ 78,000 crore for the current financial year 2013-14 comprising of deposits of ₹ 45,500 crore and advances of ₹ 32,500 crore.

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

Parameters	Half Year Ended			Quarter Ended		
	30-09-2013	30-09-2012	Variation	30-09-2013	30-09-2012	Variation
Operating Profit	429.15	327.70	30.96%	171.64	158.77	8.11%
Net Profit	123.12	200.62	-38.63%	28.95	117.19	-75.29%
Net Interest Income	534.64	454.54	17.62%	284.54	232.64	22.31%
Other Income	293.75	182.22	61.21%	87.80	86.89	1.05%
Advances	26469	22395	18.19%	26469	22395	18.19%
Deposits	38014	33968	11.91%	38014	33968	11.91%
Net NPA per cent	2.25%	2.08%		2.25%	2.08%	
CRAR [Basel II]	13.47%	12.17%		13.47%	12.17%	
Net Interest Margin	2.51%	2.40%		2.63%	2.39%	
CASA	23.79%	23.47%		23.79%	23.47%	
CD Ratio	69.63%	65.93%		69.63%	65.93%	

CHIEF MANAGER[PR]