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

17.07.2015 SECRETARIAL DEPARTMENT
HO: SEC: 23a 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

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 **Dt: 17-07-2015**

KARNATAKA BANK'S Q1 NET PROFIT AT Rs. 109.34 CRORES

Karnataka Bank has registered an operating profit of Rs. 239.02 crores and Net Profit of Rs. 109.34 crores for Q1 of current fiscal. The Net Interest Income increased by Rs. 53.11 crores from Rs. 278.21 crores to Rs. 331.32 crores registering a y-o-y growth of 19.09 per cent.

Bank has clocked a business turnover of Rs. 78,118 crores as on 30-06-2015, registering a y-o-y growth of 9.07%. Deposits of the Bank rose to Rs. 46,767 crores registering a y-o-y growth of 9.31%. Advances rose to Rs. 31,351 crores registering a y-o-y growth of 8.72%.

Current Account, Savings Account (CASA) deposits increased by Rs. 1,004 crores from Rs. 10,689 crores to Rs. 11,693 crores and constitutes 25% of total deposits.

The Capital Adequacy Ratio stood at 12.33 per cent [under BASEL II] and 12.07 percent [under BASEL III] against the regulatory requirement of minimum 9 per cent.

Announcing the results at the Bank's Head Quarters at Mangaluru, Shri P Jayarama Bhat, MD & CEO of the Bank said, "Bank's performance during Q1 has been fairly satisfactory considering the macro economic conditions prevailing during the period which adversely affected the banking industry in general. To bolster growth during the ensuing quarters, our focus will be on credit augmentation, especially retail credit, credit monitoring, increasing CASA and taking our digital banking initiative forward with greater zeal to address our customers' needs better and faster. We have launched 2 new Mobile Banking apps namely 'KBL-mPassBook' and 'KBL ApnaApp' which are extremely user friendly and enable our customers to carry on most of their banking

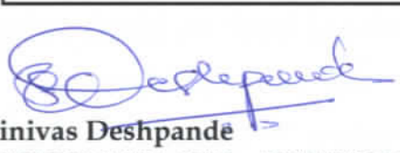
transactions on their mobile phones. Bank plans to open 50 new branches and 275 new ATMs during the current financial year, thus aiming for 2,000 service outlets, consisting of 725 branches & 1275 ATMs, by the end of the Current Financial Year. Out of this, the Bank has already opened 7 branches and 36 ATMs during Q 1, taking the tally of service outlets to 1718 [682 branches and 1036ATMs] as at the end of June 2015. The Bank is eyeing a business turnover of Rs. 91,000 crore for the year 2015-16 comprising of deposits of Rs. 53,500 crores and advances of Rs. 37,500 crores. The Bank aspires to be a major player in the banking industry and is in the process of unveiling its Vision 2020 document shortly".

During the year, Bank has received ISO 27001:2013 Certificate from UKAS, Management Systems, a UK based accreditation certifying body. Bank has also been selected for "Export Excellence Award for MSME", for the year 2014 -15, by the Federation of Indian Export Organizations – Western Region.

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

Parameters	**Q1 FY 15-16**	**Q1 FY 14-15**	**Variation**
Operating Profit	239.02	238.14	0.37%
Net Profit	109.34	121.63	[-] 10.10%
Net Interest Income	331.32	278.21	19.09%
Advances	31,351.64	28,837.22	8.72%
Deposits	46,766.85	42,782.74	9.31%
Gross NPA (per cent)	3.26	3.43	[-] 17 bps
Net NPA (per cent)	2.05	2.37	[-] 32 bps
CRAR (per cent) [Basel III]	12.07	12.97	[-] 90 bps
Net Interest Margin (per cent)	2.55	2.33	22 bps
CASA Ratio (per cent)	25.00	24.98	2 bps



Srinivas Deshpande
(CHIEF MANAGER – PUBLIC RELATIONS)