

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

Phone : 0824-2228222 Fax: 0824-2225587
E-Mail : comsec@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

15.03.2020
HO/SEC/473/2019-20

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,C-1, Block G
Bandra-Kurla Complex, Bandra (E)
MUMBAI-400051

The General Manager
BSE Limited
Corporate Relationship Dept.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI-400001

SCRIPT CODE: **KTKBANK**

SCRIPT CODE: **532652**


Sir/Madam,

Sub: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015.
Reg.: Email communication sent to Shareholders / Depositors of the Bank.

With a view to provide clarification on adverse reports circulated in the print / electronic media relating to our Bank and to disseminate correct information to Shareholders/Depositors, Bank has sent a communication to its Shareholders / Depositors through email on 14.03.2020 and the copy of said letter is enclosed for your kind information.

Please take this disclosure on record as part of compliance to the provisions of Regulation 30 of the SEBI (LODR).

Thank you,


Prasanna Patil
Company Secretary

From: kblinvestorupdate
Sent: 14 March 2020 16:20
To: undisclosed recipients;
Subject: Karnataka Bank Limited-Important Communication



Regd. & Head Office: Mahaveera Circle, Kankanady, Mangaluru-575002
CIN: L85110KA1924PLC001128, email: investor.grievance@ktkbank.com
(Website: www.karnatakabank.com, Tel. no. 0824-2228222, Fax no. 0824-2225588)

Dear Customers/Shareholders,

Name of the Shareholder

: XXXXXXXXXXX

Following the moratorium imposed on the Yes Bank Ltd by Reserve Bank of India on March 5, 2020, a report by India Today, a television channel, was telecasted on safety of some banks including our bank using an absurd and flawed so called M-Cap to deposit ratio. Later the said report was also circulated widely in social media. The above report by TV Channel infused a lot of anxiety and panicky situation among the depositors in particular and other stakeholders in general and also raised a doubt about the safety of the Bank.

The aforesaid report by television channel is totally incorrect, mischievous and likely to mislead the public and depositors by creating shadow of doubt about safety of the Bank. In fact, the very next day of telecast of above report, Shri Krishnamurthy Subramanian, Chief Economic Advisor to Government of India, Governor, RBI, Chairman of SBI (who is also the Chairman of Indian Banks` Association) and other experts in the matter clarified that so called M- cap to deposits ratio is non-existent in the financial world and nowhere used in the world to measure the health of banks. In fact the solvency and strength of banks is measured globally by referring to Capital to Risk Weighted Assets ratio i e CRAR only.

The CRAR of your Bank as per audited financials as on March 31,2019 was at 13.17 per cent which is well above the CRAR of 10.825 per cent prescribed by Reserve Bank of India. It is amply clear that your Bank is well capitalised indicating solvency of the Bank and with sound financial position measured among other parameters like Net NPA (2.95%) and Provision Coverage Ratio(PCR) (58.45%) as on March 31, 2019 .

With a view to allay any fear and panic about the safety of deposits and health of the Bank, we have issued press releases dated March 11, 2020 and also clarified the same in social media. The Bank has also taken appropriate legal action against such incorrect and misleading publications.

We, hereby confirm and reassure our depositors, shareholders and other stakeholders that your Bank is professionally managed and has a proven track record of consistent profit. The lending philosophy is largely assets based financing with adequate security cover. We are a financially sound and well capitalised Bank marching towards celebrating our centenary year in 2024.

We acknowledge your support in all these years and seek your continued patronage for the growth and development of the Bank. We also request you not to be carried away by any misleading and concocted reports about the safety of your Bank published and circulated with malicious intent. We remain committed in further strengthening the CRAR of the Bank by augmenting the capital through Qualified Institutions Placement (QIP) for which we are thankful to our shareholders for their approval. We are committed to continue our efforts in further strengthening the fundamentals of the Bank and also to create value enhancement for all our stakeholders.

Thank you

Yours faithfully
Mahabaleshwara M S
Managing Director & CEO