

Regd. & Head Office
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Kankanady
Mangaluru – 575 002

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CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

23.07.2022

HO:SEC: 91 :2022-23

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

Scrip Code: **KTKBANK**

Scrip Code: **532652**

Dear Sir,

We enclose copy of the press communiqué released by us for your kind information.

Thank You,
Yours faithfully,


Prasanna Patil
COMPANY SECRETARY



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P. B. No.599, Mahaveera Circle
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Mangaluru – 575 002

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CIN : L85110KA1924PLC001128

PRESS RELEASE

Date: 23-07-2022

KARNATAKA BANK ANNOUNCES Q1 NET PROFIT AT Rs. 114.05 CRORE

In the Meeting of the Board of Directors held today at Bank's Head Quarters Mangaluru, the Board has approved the financial results for the quarter ended June 30, 2022.

Karnataka Bank has posted a Net Profit of Rs.114.05 crores, during Q1 of FY23 as against Rs.105.91 crores recorded during the corresponding quarter of the previous financial year, i.e. Q1 of FY 22, with an Year on Year growth rate of 7.69 %.

The operating profit of the Bank stood at Rs.412.65 crore as on 30-06-2022. The Net Interest Income increased to Rs.687.56 crore for the quarter ended 30-06-2022 as against Rs. 574.79 crore for Q1 FY 22 with an Year on Year growth rate of 19.62%.

The business turnover of the Bank was at Rs.1,38,935.71 crore as on 30-06-2022 compared to Rs.1,27,846.08 crore as on 30.06.2021 registering a YoY growth of 8.67%. The deposits of the Bank stood at Rs.80,576.38 crore with a YoY growth of 5.72% and the advances at Rs. 58,359.33 crore with a YoY growth of 13.03 %.

The loan book quality is steadily improving. Gross NPAs declined to 4.03 % as at 30-06-2022, compared to 4.84 % in the corresponding Q1 quarter of the previous FY 22, GNPA's in absolute terms declined to Rs.2,401.39 crore during Q1 of FY 23 from Rs.2,549.06 crore (Q1 of FY 22). Similarly Net NPAs [NPNAs] also declined to 2.16% from 3.02 % in the corresponding Q1 of the previous FY-2021-22. In absolute terms NPNAs declined to Rs.1,262.88 crore during Q1 of FY 23, from Rs.1,557.38 crore (Q1 of FY 22).

The Bank is making steady progress in its customer franchise building. The Bank has also acquired 1572 MSME accounts in the quarter. The Bank also did well in the sale of Mutual Funds and Co-branded Credit Card. The Bank's retail advances growth continued during the quarter as well.

The Capital Adequacy Ratio of the Bank has further improved to 15.41% as compared to 14.58 % as on 30-06-2021. The Bank further strengthened its Balance Sheet by increasing Provision Coverage Ratio to 76.77 % as on 30th June 2022 from 72.16 % as on 30th June 2021.

Commenting on the Q1 results of the Bank, Shri Mahabaleshwara M. S., Managing Director & CEO of the Bank, said “Despite multiple headwinds, the Indian economy has grown in line with RBI’s range predictions for GDP in the first quarter of the current fiscal year. We saw tangible recovery in contact-intensive sectors even as the rest of the economy held firm. At Karnataka Bank, we too started the New Financial Year with a comfortable first quarter, wherein the growth has been consistent and broad based as our credit grew by 13.03% YoY and CASA by 12.51% YoY. Moreover, in spite of a temporary aberration of a corporate advance, which required 100% provisioning, the slippage ratio is at 1.03% and the net profit also grew by 7.69% YoY. NIM has further improved to 3.33% and the increasing trend in NIM indicates the consistent improvement in all the contributing factors and is on the expected lines. Going forward, I am confident that with robust opportunities in the economy, we will continue to build up sequential momentum and hope to be consistent in our performance by working as per plan to ensure a sustainable growth.”

PERFORMANCE HIGHLIGHTS

(Rupees in Crores)

Parameters	Q1 FY23	Q4 FY22	QoQ % change / Variation	Q1 FY22	YoY % change / Variation
Net Profit	114.05	130.20	-12.40	105.91	7.69
Operating Profit	412.65	379.97	8.60	403.78	2.20
Total Income	1,761.87	1,835.76	-4.03	1,749.12	0.73
Net Interest Income	687.56	656.50	4.73	574.79	19.62
Other Income	132.79	256.98	-48.33	225.62	-41.14
Net Interest Margin (%)	3.33	3.25	8 bps	2.98	35 bps
Return on Assets (%) *	0.49 *	0.56 *	-7bps	0.49 *	-
Gross NPA %	2,401.39	2,250.82	6.69	2,549.06	-5.79
CRAR (%) Basel III	15.41	15.66	-25 bps	14.58	83 bps

CD Ratio (%)	72.43	70.64	179 bps	67.74	468 bps
Deposits	80,576.38	80,386.74	0.24	76,214.60	5.72
Advances	58,359.33	56,783.14	2.78	51,631.48	13.03
Business Turnover	1,38,935.71	1,37,169.88	1.29	1,27,846.08	8.67

* Annualized

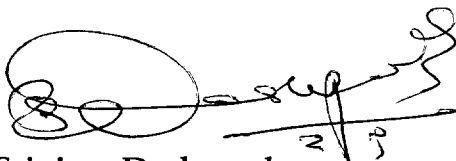
Karnataka Bank Limited

Incorporated in 1924, **Karnataka Bank Limited (KBL)** is a Scheduled Commercial Bank under Private Sector, serving customers across India. The Bank has ~8,500+ employees and presence across the metro, urban, and semi-urban cities, and rural centres. The Bank offers personal and business loans to retail, mid-corporate and corporate customers, including the priority sectors such as agriculture and MSMEs, together with large enterprises, housing, personal loans, NBFCs and infrastructure. KBL also offers Savings and Current Accounts; Fixed, Abhyudaya Cash Certificate, and Recurring Deposits; and Non-Resident Banking services.

The Bank has undergone a digital transformation over the past four years, led by its end-to-end digital channel amongst others focusing on mobile & internet banking, customer journeys, automated assistance and data analytics. Labelled as '**KBL VIKAAS 2.0**', the Bank is currently undergoing an accelerated new transformation journey KBL-NxT that will give it resilience for the next few decades of its continual journey. Going forward, the Bank is aiming to become a new-age, '**Digital Bank of the Future**'. It aims to do this by adopting cutting-edge technology and integrating its digital and physical infrastructure. As of 31st March 2022, KBL operates 877 branches, 885 ATMs, 563 Cash Recyclers and 546 e-lobbies/mini e-lobbies across 22 states and two union territories.

For more details, contact:

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Srinivas Deshpande
ASSISTANT GENERAL MANAGER