

Karnataka Bank Ltd.

Your Family Bank, Across India

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

Phone : 0824-2228222
E-Mail : investor.grievance@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

January 29, 2022
HO/SEC/218/2021-22

To:

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

Scrip Code: KTKBANK

Scrip Code: 532652

Dear Sir/Madam,

Reg.: Presentation-'Analysis of Financial Results Q3FY22'.

Pursuant to Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015 and in continuation to the publication of unaudited results for the quarter ended December 31, 2021, we enclose herewith the '**Presentation on Analysis of Financial Results Q3FY22**' .

The above document has been hosted on our Bank's website also at www.karnatakabank.com under Investor Portal Section.

Kindly take the above on record.

Thank You,
Yours faithfully,


Prasanna Patil
COMPANY SECRETARY



Karnataka Bank Ltd.
Your Family Bank. Across India.



Analysis of Financial Results December 2021

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01 Highlights

Financial headline numbers, Key ratios with previous period comparisons



Highlights

₹ crs

	31.12.2021	31.12.2020
Deposit		
↑ 6.23 %	78429	73826

	31.12.2021	31.12.2020
Advances		
4.33 % ↑	55489	53187

	31.12.2021	31.12.2020
Investments		
↑ 6.44 %	21991	20659

	31.12.2021	31.12.2020
Balance Sheet Size		
8.22 % ↑	90958	84050

	31.12.2021	31.12.2020
Net Profit (3 Months)		
↑ 8.27 %	146.57	135.38

	31.12.2021	31.12.2020
Operating Profit (3 Months)		
20.48 % ↓	356.32	448.09



Key Ratios as on/for the quarter 31.12.2021 (31.12.2020)

ROA	ROE	CASA	CRAR
0.65% ↑ (0.64%)	8.51% ↑ (8.28%)	31.30% ↑ (30.07%)	14.15 % ↑ (13.83%)

Sequential Highlights as on 31.12.2021 (30.09.2021)

Gross NPA	Net NPA	PCR
4.11% ↓ (4.50%)	2.45% ↓ (2.84%)	73.74% ↑ (71.75%)

Headline numbers

3 Months

9 Months

(₹ crs)

Particulars	Q3 FY 22 (31.12.2021)	Q3 FY 21 (31.12.2020)	Y-o-Y	Q2 FY 22 (30-09-2021)	31.12.2021	31.12.2020	Y-o-Y
Turnover	133918	127014	↑ 5.44%	131390	133918	127014	↑ 5.44%
Asset size	90958	84050	↑ 8.22%	89216	90958	84050	↑ 8.22%
Operating profit	356.32	448.09	↓ -20.48%	493.60	1253.88	1579.57	↓ -20.62%
Operating Profit (excl Trading Profit)	354.46	358.28	↓ -1.07%	487.10	1220.18	979.21	↑ 24.61%
Net profit	146.57	135.38	↑ 8.27%	125.61	378.27	451.20	↓ -16.16%
Return on Asset (ROA%)	0.65%	0.64%	↑ +1 bps	0.57%	0.57%	0.71%	↓ -14 bps
Earning per Share (₹)(not annualized)	4.71	4.35	↑ 0.36₹	4.04	12.17	14.51	↓ -2.34₹
Return on Equity (ROE%)	8.51%	8.28%	↑ -23 bps	7.41%	7.41%	9.56%	↓ -215 bps
Net Interest Income (NII)	622.65	614.06	↑ 1.40%	637.10	1834.54	1724.04	↑ 6.41%
Net Interest Margin (NIM%)	3.18%	3.26%	↓ -8 bps	3.31%	3.16%	3.07%	↑ 9 bps
Gross NPA - Amount	2,330.52	1,706.57*	↑ 36.56%	2501.22	2,330.52	1,706.57*	↑ 36.56%
- %	4.11%	3.16%	↑ 95 bps	4.50%	4.11%	3.16%	↑ 95 bps
Net NPA - Amount	1,359.89	923.98	↑ 47.18%	1,546.11	1,359.89	923.98	↑ 47.18%
- %	2.45%	1.74%	↑ 71 bps	2.84%	2.45%	1.74%	↑ 71 bps
Cost to Income %	56.50%	50.06%	↓ 12.86%	45.88%	50.47%	43.79%	↓ 15.26%
PCR %	73.74%	80.51%	↓ -677 bps	71.75%	73.74%	80.51%	↓ -677 bps
CRAR (Basel III)	14.15%	13.83%	↑ 32 bps	14.48%	14.15%	13.83%	↑ 32 bps

* With standstill clause for NPA recognition
The above figures are based on Standalone financials of the Bank

KBL – VIKAAS: Impact on Key Parameters

.... (1)

Particulars	Dec '21	Sep '21	March '21	March '20	March '19	March '18
PCR %	73.74%	71.75%	70.05%	64.70%	58.45%	54.56%
PCR for NPAs of Rs 25 cr & above	97.91%	95.88%	93.78%	75.25%	70.30%	60.57%
CRAR %	@14.15%	@14.48%	14.85%	12.88%	13.54%	12.04%
Operating Profit (in crore) (cumulative)	1253.88	897.56	1908.28	1,656.77	1,449.81	1,473.17
Turnover per Branch (in crore)	155.90	153.31	148.42	151.83	147.46	137.65
Turnover per Employee (in crore)	15.71	15.52	15.12	15.14	14.90	13.46
Operating Profit per Employee (in lakh) * Not annualized	* 14.71	* 10.60	22.66	19.48	17.52	18.00
GNPA - Amount (in crore)	2330.52	2501.12	2,588.41	2,799.93	2,456.38	2,376.07
- %	4.11%	4.50%	4.91%	4.82%	4.41%	4.92%
NNPA - Amount (in crore)	1359.89	1546.11	1,642.10	1,755.01	1,616.71	1,400.51
- %	2.45%	2.84%	3.18%	3.08%	2.95%	2.96%
NIM	3.16%	3.15%	2.91%	2.84%	2.93%	3.18%
ROA * Quarterly	* 0.65%	* 0.57%	0.57%	0.53%	0.64%	0.49%
ROE * Quarterly # Not annualized	** 8.51%	** 7.41%	7.65%	7.35%	8.53%	6.17%

The above figures are based on Standalone financials of the Bank

@Excluding profit; CRAR including profit is 14.87% (Dec'21) and 14.94% (Sep'21) respectively

KBL - VIKAAS: Impact on Key Parameters

....(2)

Particulars	Dec '21	Sep '21	March '21	March '20	March '19	March '18
CASA %	31.30%	30.88%	31.49%	28.91%	28.06%	27.98%
Digital transactions %	92.64%	91.86%	91.07%	83.50%	77.86%	65.34%
Retail: Mid Corporate: Large Corporate (%)	49: 32 : 19	50: 33 : 17	53 : 34 : 13	45 : 29 : 26	43 : 27 : 30	45 : 28 : 27
Digital underwriting: %						
Home loans	68%	57%	71%	32%	-	-
Car loans	78%	53%	71%	-	-	-
MSME loans (OD+Term Loan)	63%	30%	26%	-	-	-
MSME loans (Micromitra+Business Quick Loan)	70%	63%	73%	-	-	-
Salary loans	100%	100%	100%	-	-	-
Book value of shares (₹)	223.95	219.32	213.67	192.06	204.71	191.44
Networth (₹ in Cr)	6965.27	6818.10	6,642.36	5,970.45	5,785.18	5,410.15

The above figures are based on Standalone financials of the Bank

02 Company Overview

Evolution, presence, Digital and Risk Management systems



Mission Statement

"Our mission is to be a technology savvy, customer centric progressive bank with a national presence, driven by the highest standards of corporate governance and guided by sound ethical values."



Vision Statement

"To be progressive, prosperous and well governed Bank"

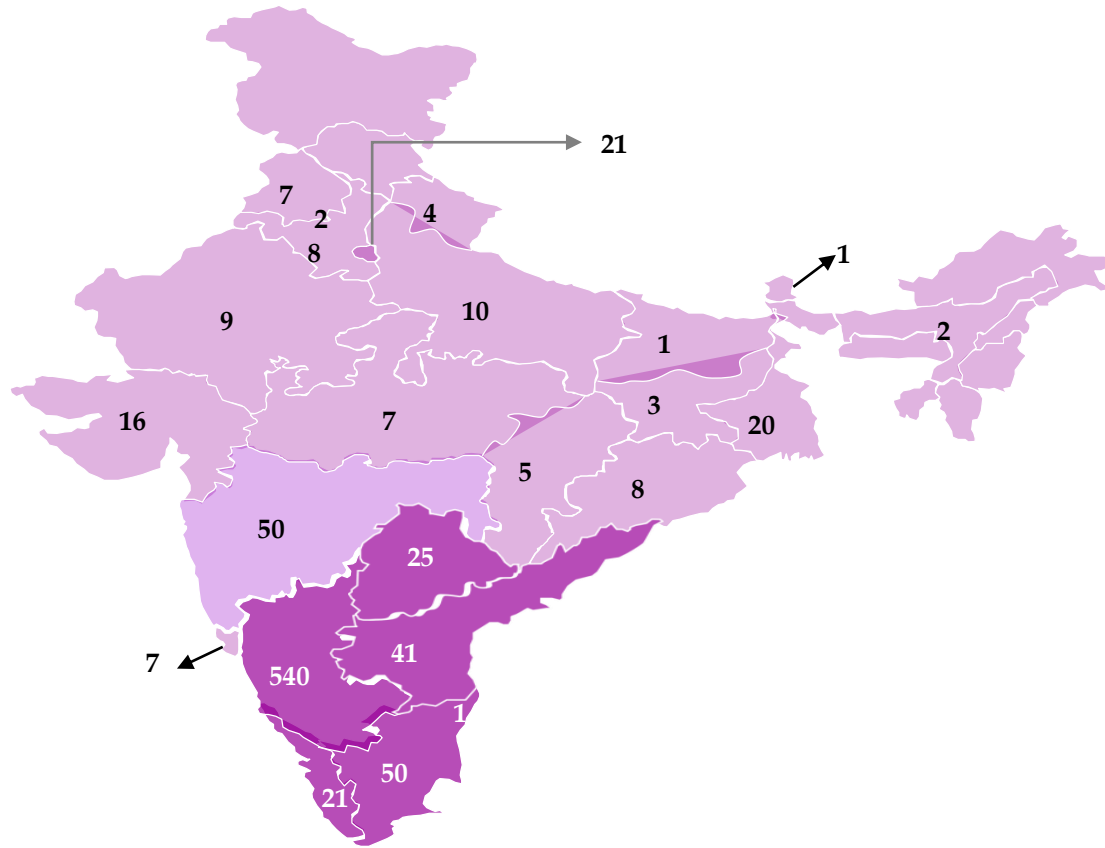
Evolution



Marching towards Centenary Year (2023-24)

- Business Turnover of ₹ 1,33,918 crore for the quarter ended 31.12.2021.
- **2,291 service outlets** with 859 branches, one Extension Counter, 915 ATMs and 517 recyclers across India as on 31.12.2021. All 36 e-Lobbies & 465 mini e-Lobbies empowered through Recyclers.
- **Digital loan underwriting** for Retail & MSME loans.
- Offers wide variety of corporate and retail banking products and services to over **12 million customers**.
- **Incorporated in 1924**, one of the first generation private sector Banks.

Pan-India footprint



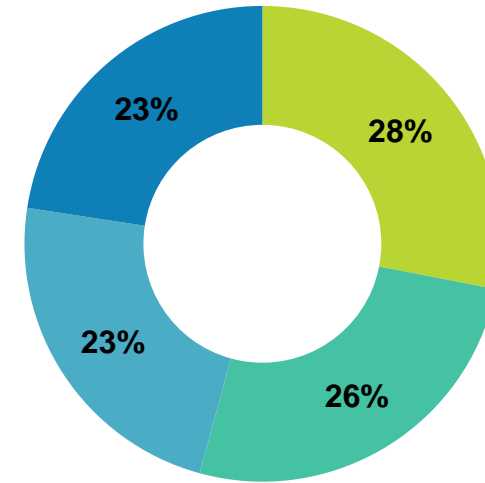
Has presence in South India with 678 branches

Top 5 States:

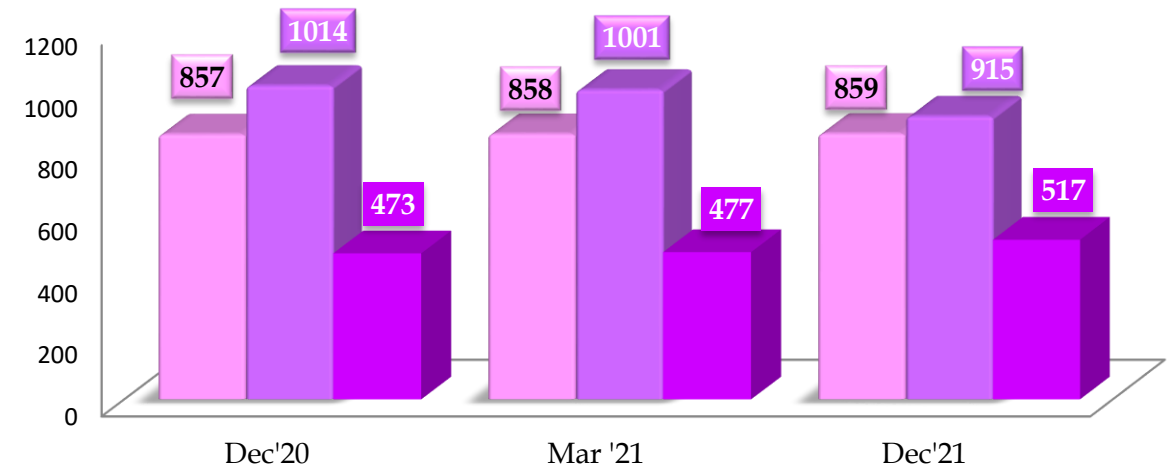
Karnataka (540), Maharashtra (50), Tamilnadu (50), Andhra Pradesh (41), Telangana (25)

Area wise distribution of Branches

■ Metro ■ Urban ■ Semi Urban ■ Rural



■ Branches ■ ATMs ■ Recyclers



Robust technology and digital platforms

The existing "ISO 27001:2013" certificate encompassing the Information Security Management System (ISMS) at the Bank's Data Centre/ IT Cell, Near line Site [NLS] and Information Technology Department including the DR site [IT & DR], has been renewed by AJA Registrars, UK, for a further period of three years up to March 2022, reflecting the Bank's continued commitment to technology adoption.

Pioneer in implementing "Finacle" (CBS) amongst the first generation private sector banks

State-of-art IT set up which has enabled Anytime Anywhere Banking through alternate delivery channels such as ATMs, VISA International Debit Card, RUPAY Debit Card, Internet Banking, Mobile Banking, IMPS, e-lobby etc.

Implemented 'KBL-Mobile Plus' (Mobile Banking) app, 'BHIM KBL UPI' app on Unified Payment Interface, Cardless cash withdrawal, switch on/off debit card usage, enable/disable international transactions, etc. as additional facilities for the convenience of customers

Implemented Lending Automation Processing System (LAPS) software for efficient life cycle management of loan accounts and improved monitoring.

Established Centralized Account Opening Cell for opening of CASA.

Implemented an Enterprise Level Fraud Risk Management System (ELFRMS) for effective cyber fraud prevention across delivery channels.

Established DCOE for developing Digital underwriting capabilities & for better risk management in credit portfolio.

Launch of KBL Fastag
Digital sanction of Home loans, Personal loans, Car loans, 2-wheeler loans & MSME loans.
Opening of Savings accounts with pre-activated debit card, through Tab provided to branches.
Opening of SB a/cs through Web banking enabled.
Digital sales of insurance policies through Mobile Banking and Internet Banking platform.
Sales of Mutual Fund products of all the AMCs in a single platform 'FISDOM'.
Online opening of Demat & Trading account through KBL-Smart Trade.



KBL- Digital Centre of Excellence

**DCoE : Accelerating Digital
Transformation Catalyst**

C : Cost Optimization

A : Adoption

R : Risk Profile

E : Experience



Effective Risk management systems

1

Periodical monitoring & reviewing of risk profile of the Bank.

2

Internal Credit Rating of all the borrowers: Credit exposure above ₹ 25 lakh are rated borrower-wise and credit facilities below ₹ 25 lakh & all schematic advances including agri-credit proposals are rated under 'Pool based approach'. Also, 'KBL96' rating model is developed for all sanctions under digital journey.

3

Continuous offsite surveillance of Borrower accounts.

4

Effective ALM/mid office set up to monitor Liquidity risk/ Market risk on a continuous basis.

5

Enterprise level fraud risk management system (ELFRMS) to effectively control / prevent online suspicious transactions done by customers & other digital channel transactions.

6

Effective Operational risk management by:

- Building up a database of internal Loss data, near- miss cases and other Operational risk events, since Sept 2007.
- AML monitoring system to scrutinize the customer transactions to ensure compliance to the extant guidelines.

7

Complied with the extant 'Basel III' guidelines of RBI.

8

Implemented a scientific Fund Transfer Pricing (FTP) & Customer Profitability Management System (CPMS) to assess the performance of branches / products / portfolios / customers.

9

Setup a dedicated Market Intelligence Unit (MIU) for sourcing intelligence from Monitoring departments, audit reports and external sources on borrowers with exposure ₹100 Crores and above

10

Centralized Payments and Reconciliation Cell (CPRC) to handle Reconciliation, Settlement and Disputes of all Digital Channels transactions.

03 Financial Performance

Financial Results, Business numbers, Productivity ,
Capital Adequacy ratios and Asset Quality



PL numbers

3 Months

9 Months

₹ crs	Q3 FY 22 (31.12.2021)	Q3 FY 21 (31.12.2020)	Y-o-Y	Q2 FY 22 (30-09-2021)	31.12.2021	31.12.2020	Y-o-Y
Interest Income	1565.10	1595.51	-1.91 ↓	1554.28	4642.88	4814.92	-3.57 ↓
Interest Expense	942.45	981.45	-3.97 ↓	917.18	2808.34	3090.88	-9.14 ↓
Net Interest Income	622.65	614.06	1.40 ↑	637.10	1834.54	1724.04	6.41 ↑
Fee Income	194.59	193.42	0.60 ↑	268.38	663.28	485.62	36.58 ↑
Treasury Income	1.86	89.81	-97.93 ↓	6.50	33.70	600.36	-94.39 ↓
Non-Interest Income	196.45	283.23	-30.64 ↓	274.88	696.98	1085.98	-35.82 ↓
Total Income (Net of Interest Expense)	819.10	897.29	-8.71 ↓	911.98	2531.52	2810.02	-9.91 ↓
Operating Expenses	462.78	449.20	3.02 ↑	418.38	1277.64	1230.45	3.84 ↑
Operating Profit	356.32	448.09	-20.48 ↓	493.60	1253.88	1579.57	-20.62 ↓
Provision for loan losses in Adv. / losses in Invts. / Taxes / other	209.75	312.71	-32.93 ↓	367.99	875.61	1128.37	-22.40 ↓
Net Profit	146.57	135.38	8.27 ↑	125.61	378.27	451.20	-16.16 ↓

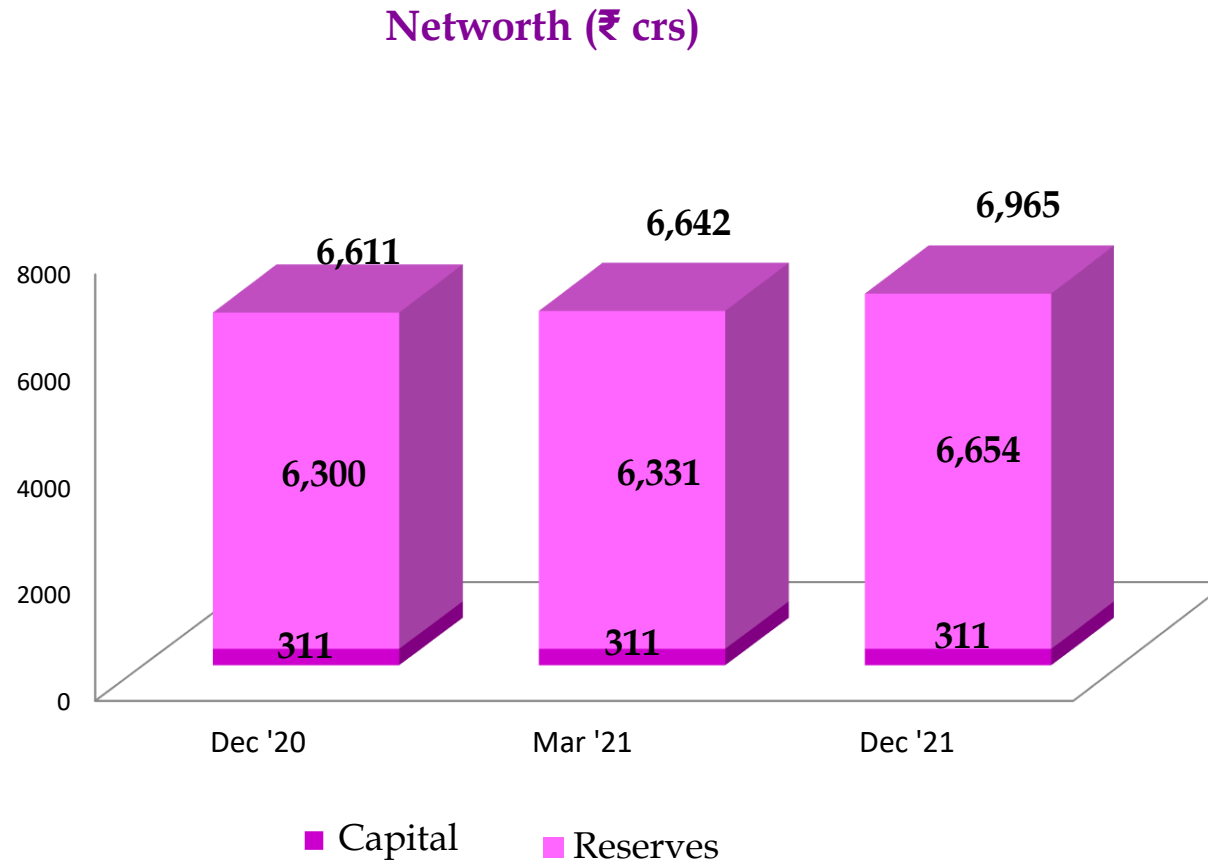
PL numbers

3 Months

9 Months

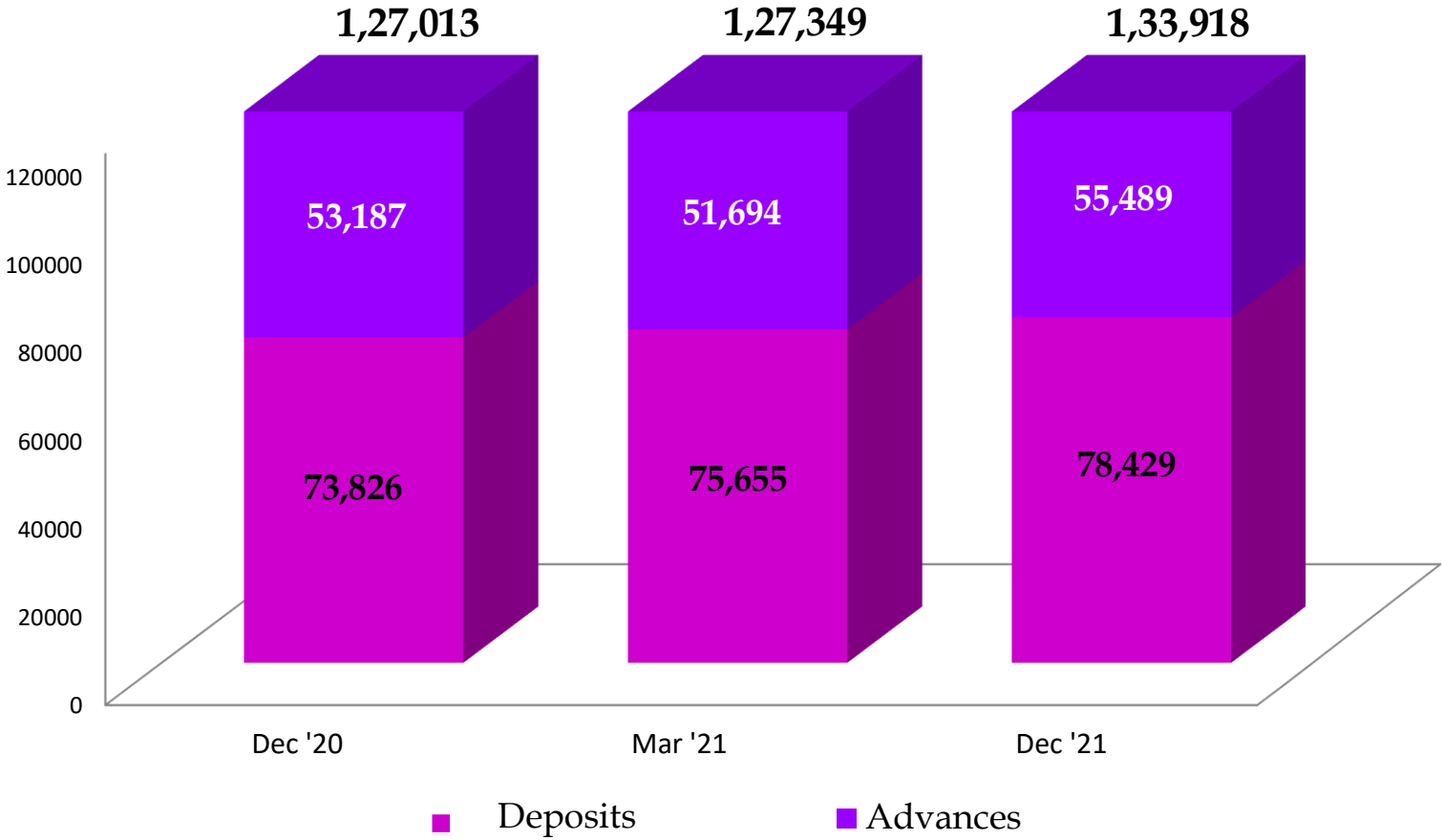
₹ crs	Q3 FY 22 (31.12.2021)	Q3 FY 21 (31.12.2020)	Y-o-Y	Q2 FY 22 (30-09-2021)	31.12.2021	31.12.2020	Y-o-Y
<u>Interest Income</u>							
Interest Income	1565.10	1595.51	↓ -1.91	1554.28	4642.88	4814.92	↓ -3.57
Interest on Advances	1195.32	1271.50	↓ -5.99	1169.77	3526.38	3864.16	↓ -8.97
Interest on Investments	329.23	288.34	↑ 14.18	334.15	980.06	839.49	↑ 16.74
Other interest	40.55	35.66	↑ 13.71	50.36	136.44	111.27	↑ 22.62
Yield on Advances %	8.81	9.39	↓ -6.14	8.91	8.89	9.38	↓ -5.20
Adjusted yield on Investments %	5.74	7.51	↓ -23.57	5.75	5.70	9.70	↓ -41.24
<u>Interest Expense</u>							
Interest Expense	942.45	981.45	↓ -3.97	917.18	2808.34	3090.88	↓ -9.14
Interest on Deposits	907.43	939.99	↓ -3.46	882.93	2702.94	2933.06	↓ -7.85
Other interest	35.02	41.46	↓ -15.53	34.25	105.40	157.82	↓ -33.22
Cost of Deposits %	4.68	5.14	↓ -8.90	4.64	4.71	5.40	↓ -12.79
<u>Net Interest Income</u>							
Net Interest Income	622.65	614.06	↑ 1.40	637.10	1834.54	1724.04	↑ 6.41
Interest Spread in Lending %	4.13	4.25	↓ -2.82	4.27	4.18	3.98	↑ 5.12
Net Interest Margin %	3.18	3.26	↓ -2.54	3.31	3.16	3.07	↑ 2.96

Financial strength of the Bank



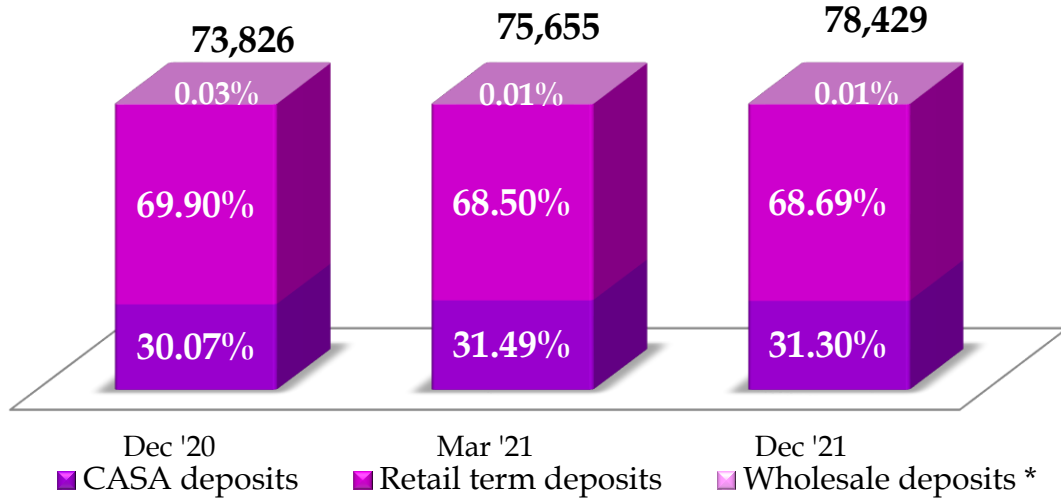
Business size

Business Turnover (₹ crs)



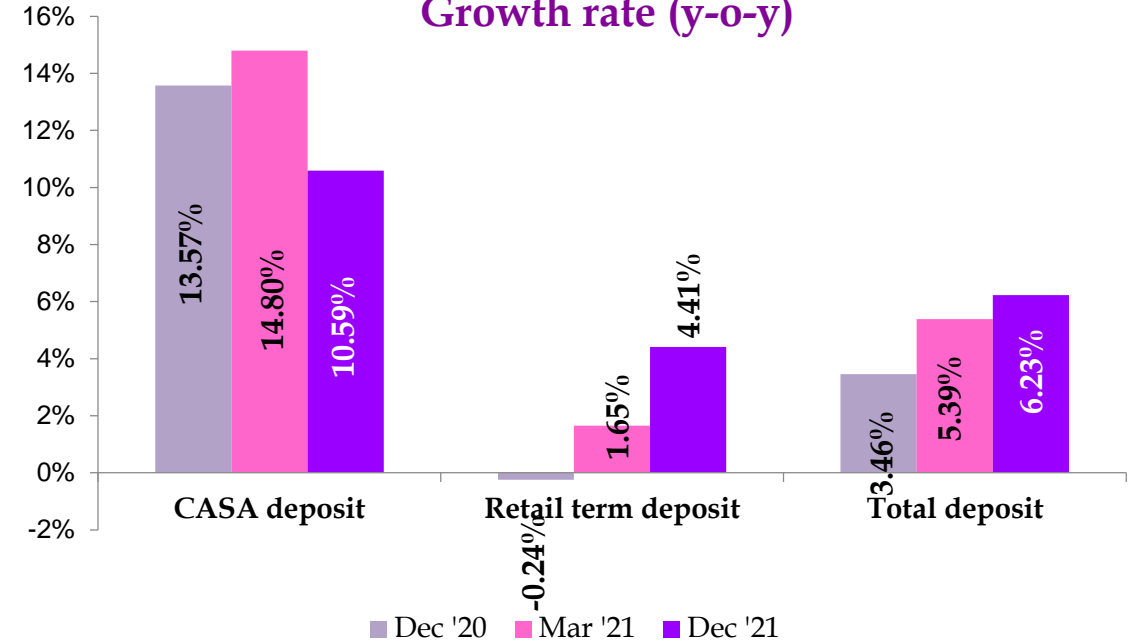
Deposits

Deposits (₹ crs)

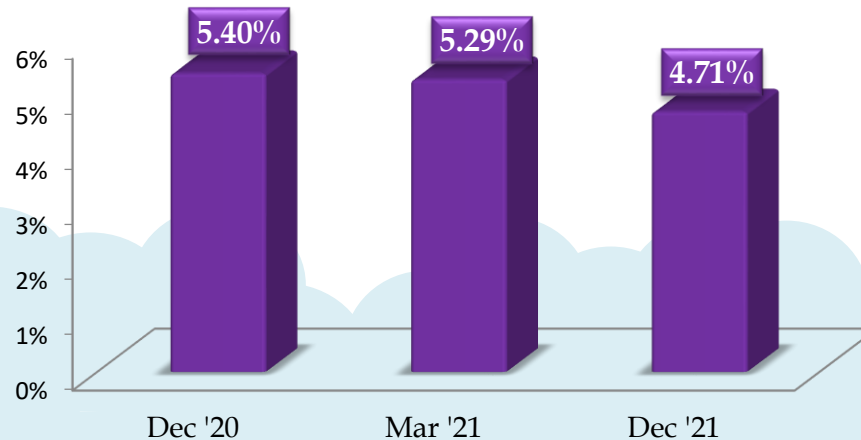


* Wholesale deposits = Purchase liability + Certificates of deposit + Interbank deposits

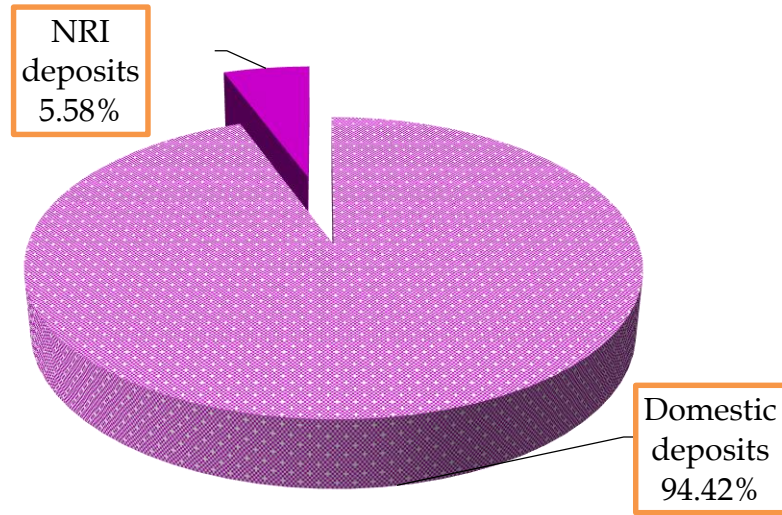
Growth rate (y-o-y)



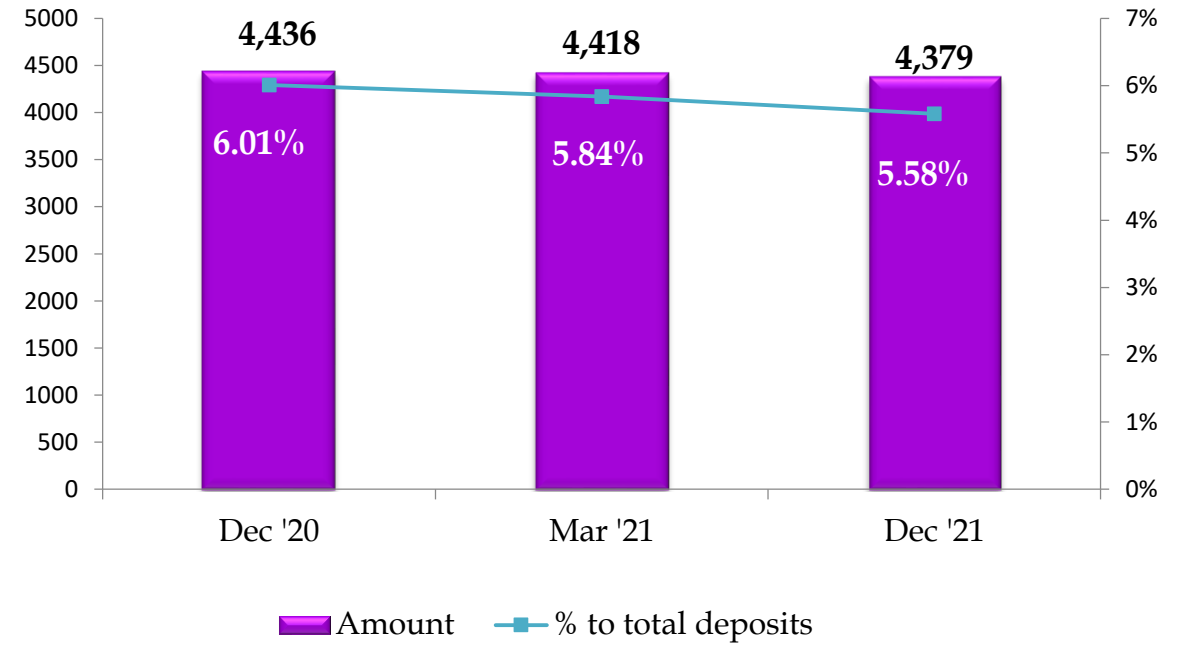
Cost of Deposits



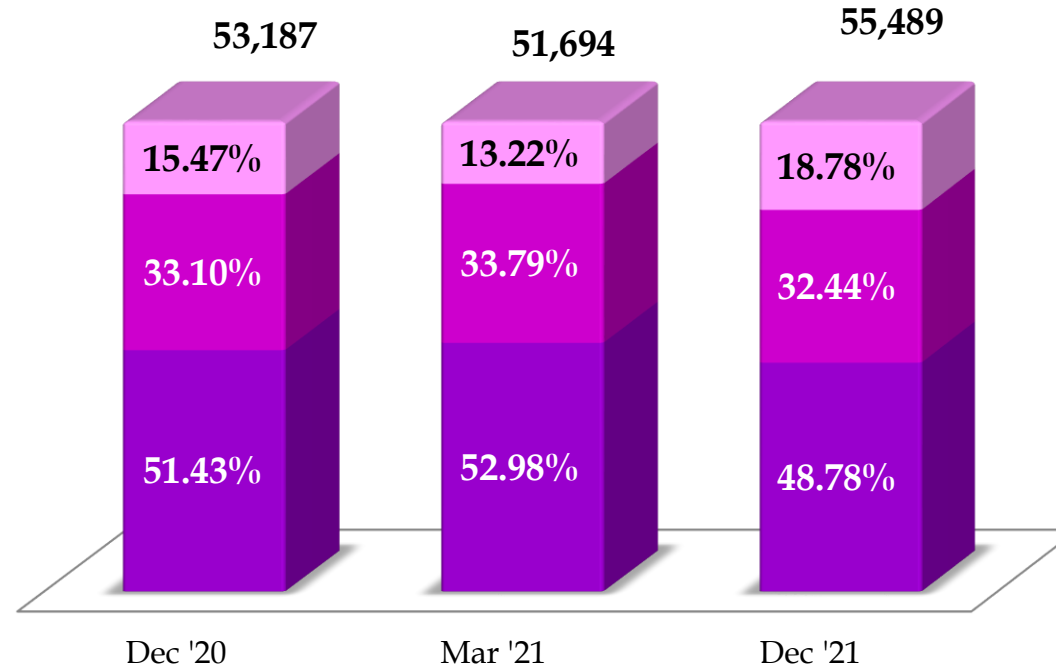
Deposits



NRI Deposits (₹ crs)



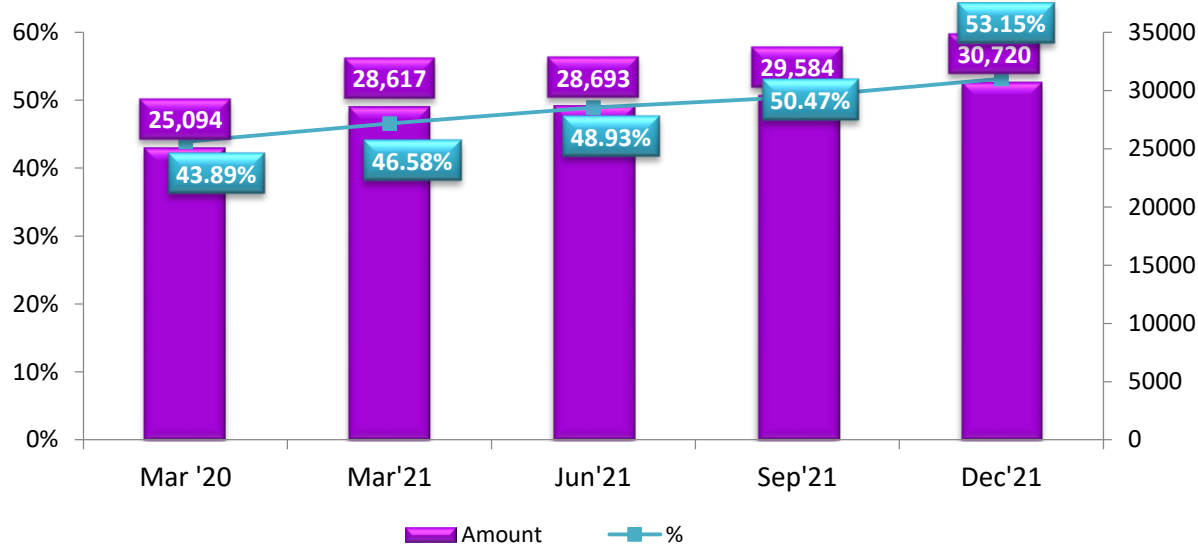
Advances [Net] (₹ crs)



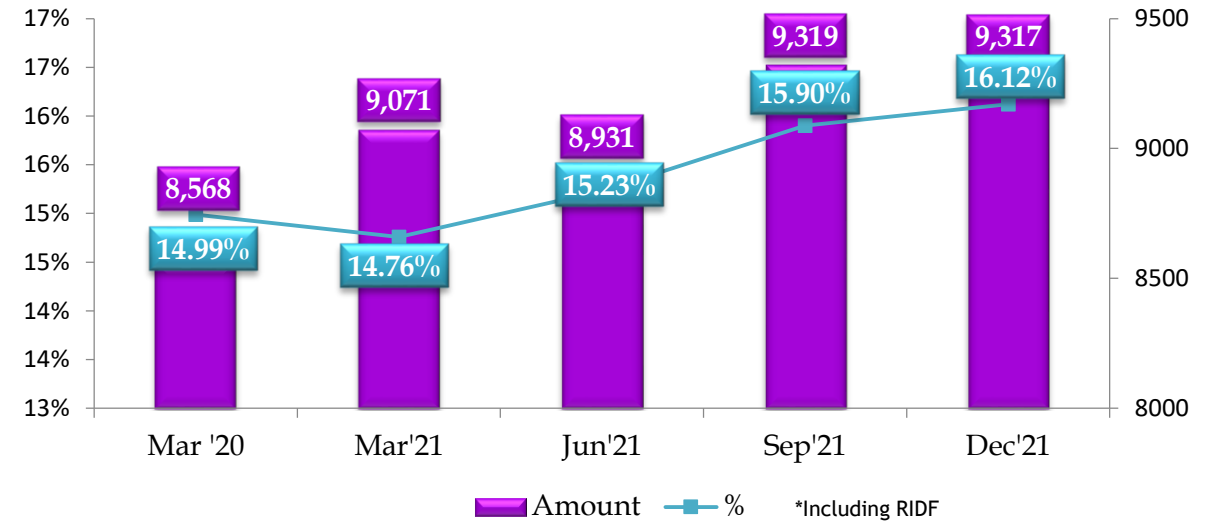
- Corporate (> 100 crore)
- Mid Corporate (> 5 crore & upto 100 crore)
- Retail (upto 5 crore)

Advances to Priority sectors

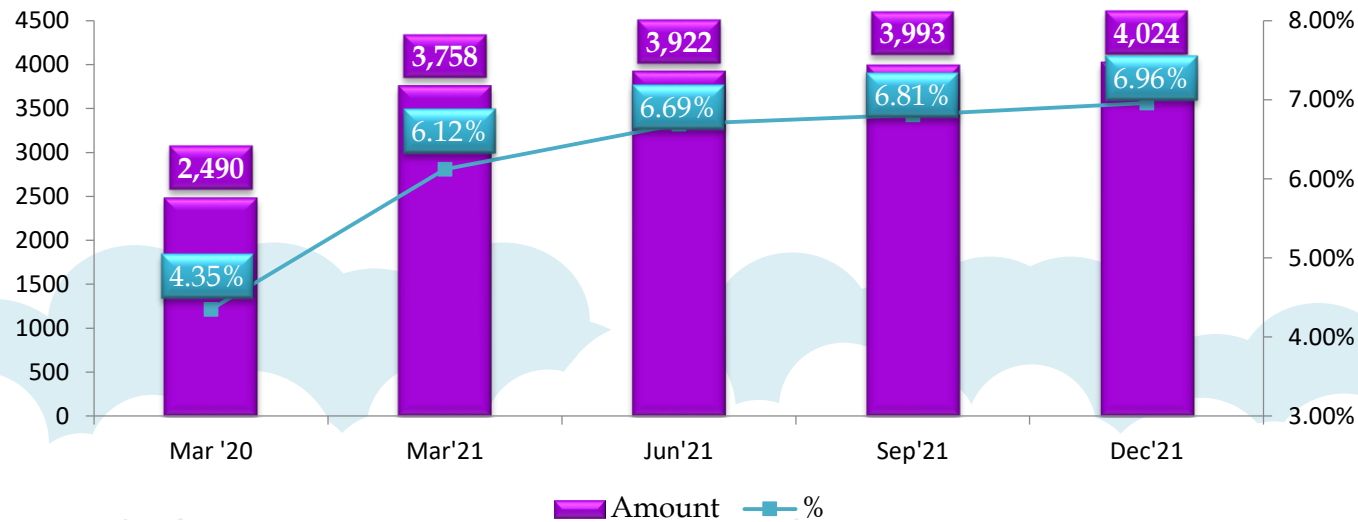
Priority Sector Advances (₹ crs)



Agriculture Advances* (₹ crs)



Advances to Weaker Section (₹ crs)



Geographical Credit concentration

(₹ crs)

State	GBC		NPA			Restructured			SMA-2#		
	Balance Outstanding	% to GBC	Balance Outstanding	% to GBC	State wise %	Balance Outstanding	% to GBC	State wise %	Balance Outstanding	% to Performing advances	State wise % to Performing advance
Karnataka	25748.11	45.45	1011.26	1.79	3.93	2528.94	4.46	9.82	681.81	1.26	2.65
Maharashtra	9102.73	16.07	218.64	0.39	2.40	356.96	0.63	3.92	63.91	0.12	0.70
Delhi	5295.26	9.35	97.94	0.17	1.85	465.77	0.82	8.80	21.89	0.04	0.41
Tamilnadu	3311.57	5.85	195.73	0.35	5.91	168.70	0.30	5.09	16.98	0.03	0.51
Telangana	3203.63	5.65	111.98	0.20	3.50	189.62	0.33	5.92	71.59	0.13	2.23
Andhra Pradesh	2483.99	4.38	118.34	0.21	4.76	148.17	0.26	5.96	63.77	0.12	2.57
All other States/ UTs	7506.38	13.25	576.623	1.02	7.68	832.14	1.47	11.09	235.05	0.43	2.12
Total	56651.67	100.00	2330.52	4.11		4690.30	8.28		1155	2.13	

This includes both ₹ 5 crore & above and below ₹5 crore as well as the main accounts & related accounts

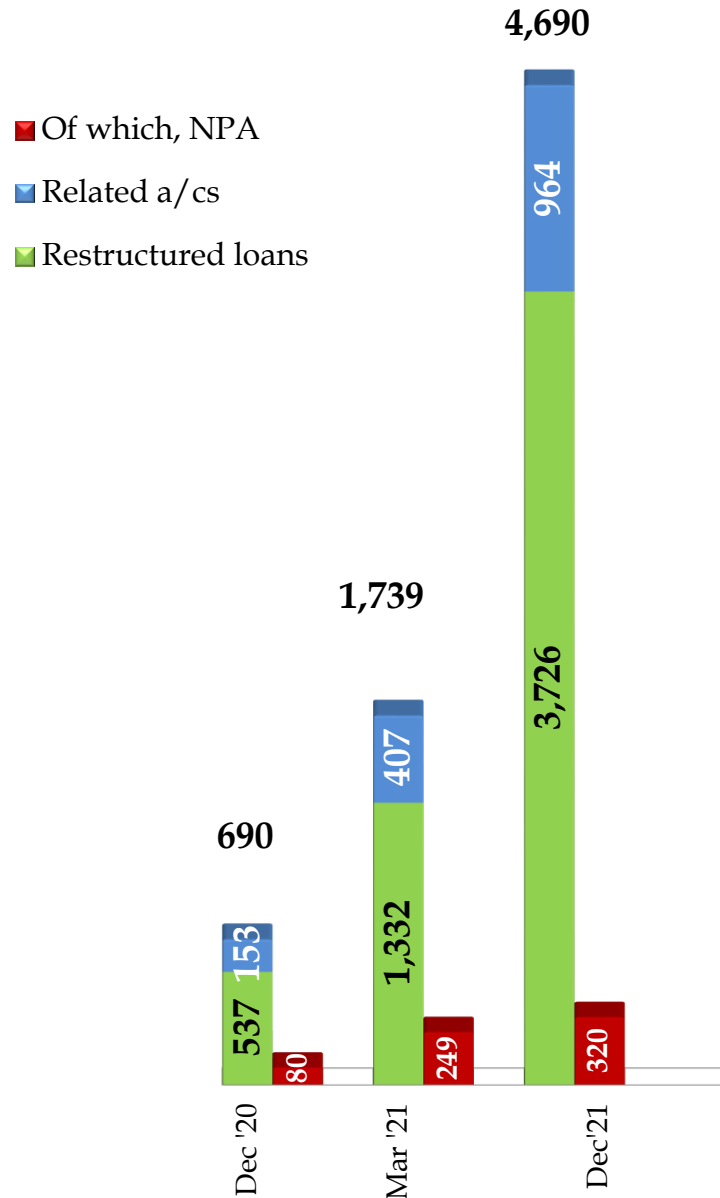
Top Credit Sectors

(₹ crs)

Particulars	Position as on 31.12.2021					
	Balance	% to GBC	NPA		SMA 2 #	
			Amount	% to sector	Total Amount	%
MSME	15945.03	28.15	1090.70	6.84	464.83	2.92
Agriculture	9317.35	16.45	548.12	5.88	80.10	0.86
Housing Loans (Residential Mortgage)	8621.14	15.22	237.91	2.76	163.28	1.89
NBFC	7613.40	13.44	12.03	0.16	0.00	0.00
Lease Rental Discounting	2865.31	5.06	44.39	1.55	29.05	1.01
Gold Loans	2850.40	5.03	6.59	0.23	15.32	0.54
Banking Arrangement						
Consortium	1726.24	3.05	12.03	0.70	0.00	0.00
Multiple banking	10591.45	18.70	64.78	0.61	18.75	0.18

This includes both ₹ 5 crore & above and below ₹5 crore as well as the main accounts & related accounts

Restructured loans & related accounts



Stress & NPA position under Restructured loans

(₹ crs)

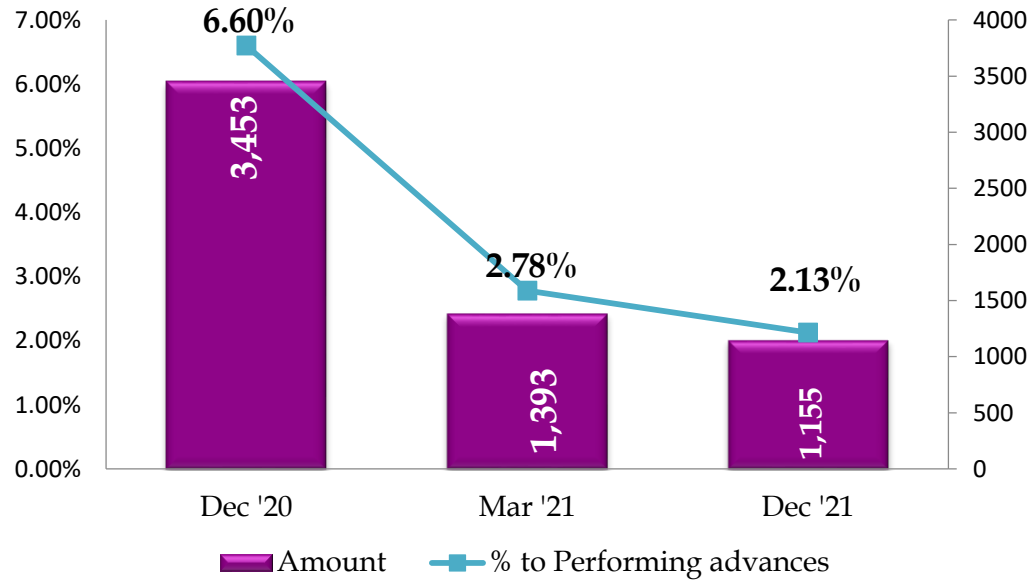
Particulars	SMA-2		NPA	
	No of Accounts	Amount	No of Accounts	Amount
RF-1	345	137.44	204	78.56
RF-2	407	118.4	156	38.48
Others**	169	122.97	252	202.86
Grand Total	921	378.81	612	319.90

RF- Resolution Framework

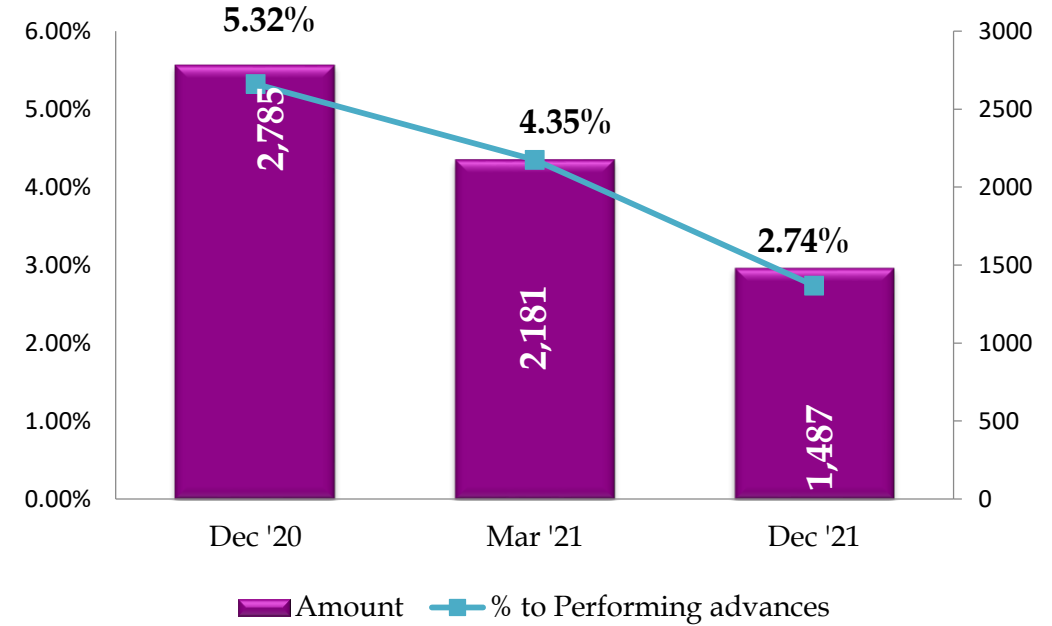
**including MSME OTR/Natural Calamities/SME DRS etc.

SMA accounts (SMA 2 and SMA 1)

SMA 2 (₹ crs)

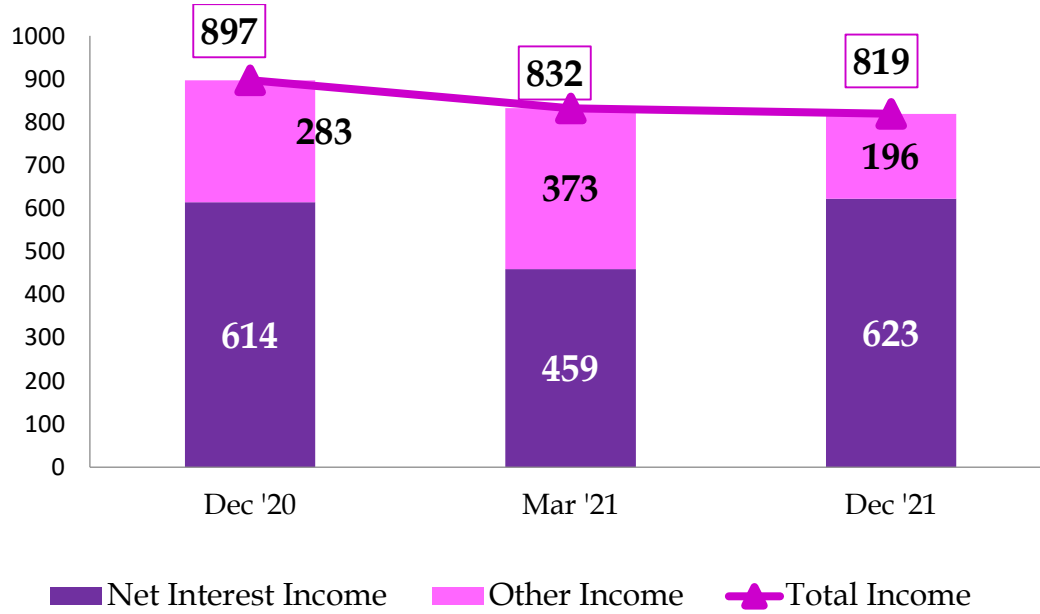


SMA 1 (₹ crs)

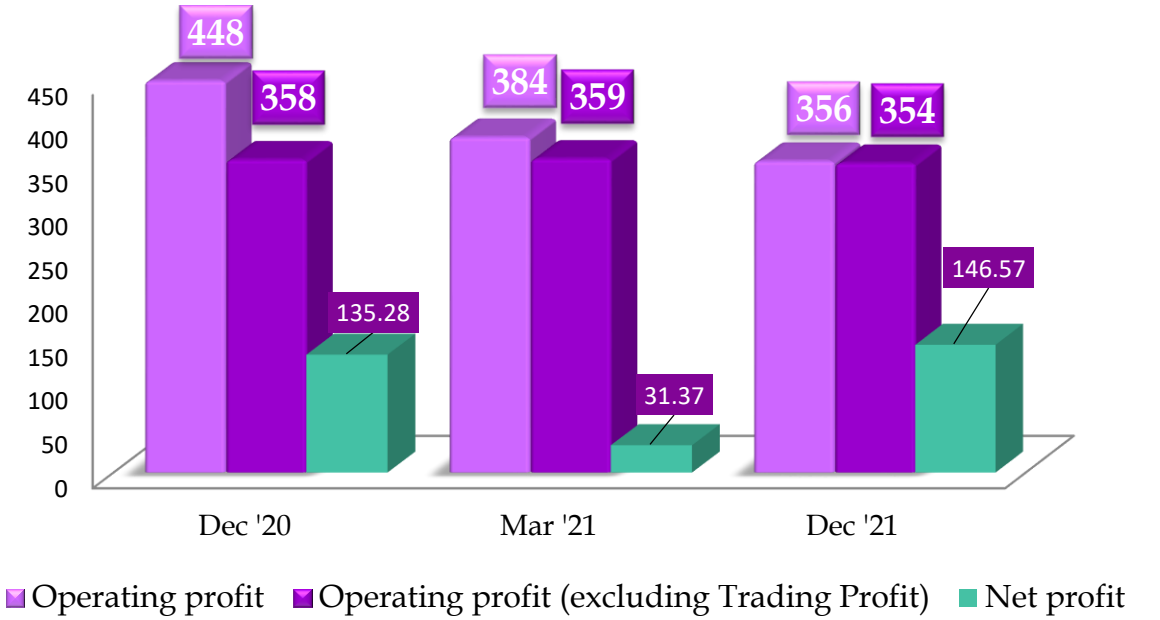


Income & Profit - Quarterly

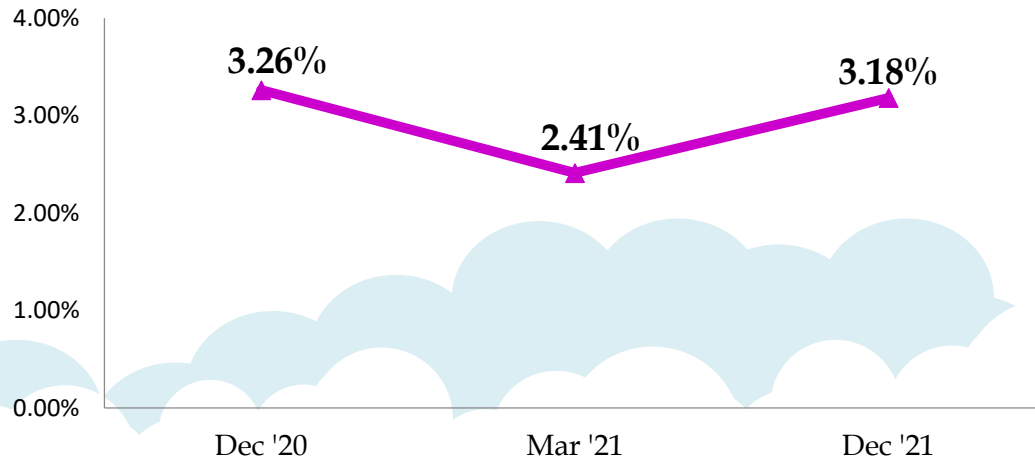
Net Income (₹ crs)



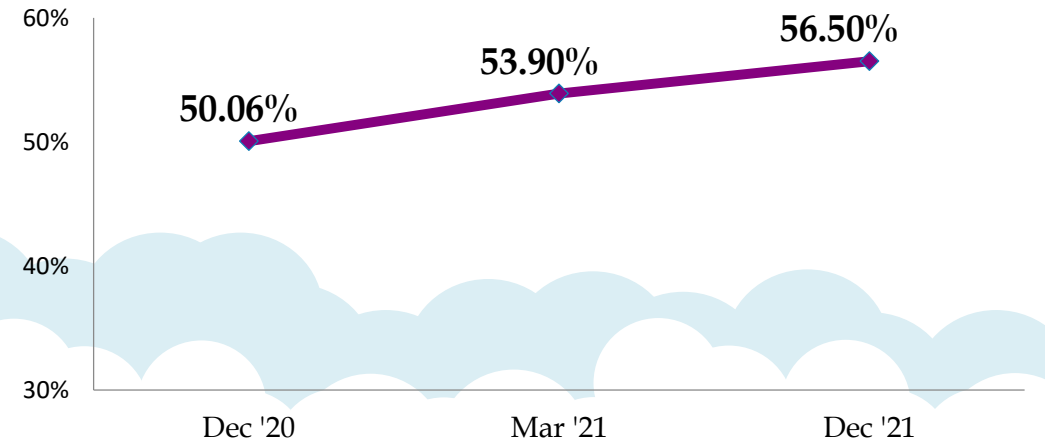
Operating and Net Profit (₹ crs)



Net Interest Margins (%)

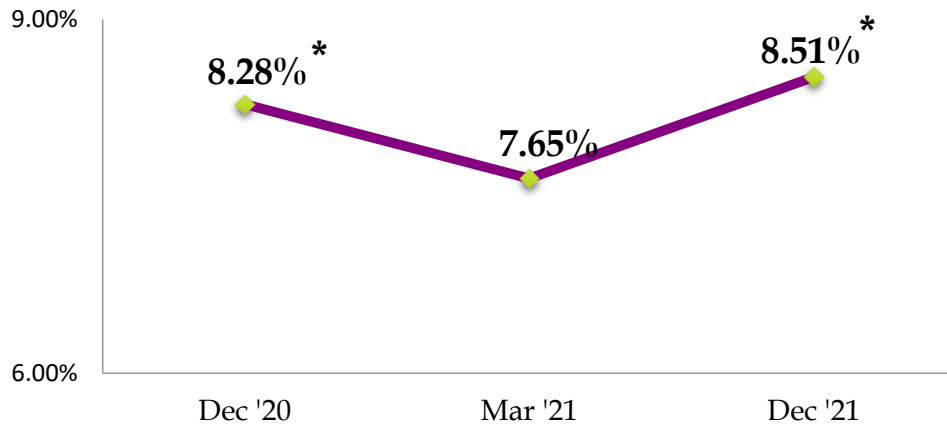


Cost to Income Ratio (%)



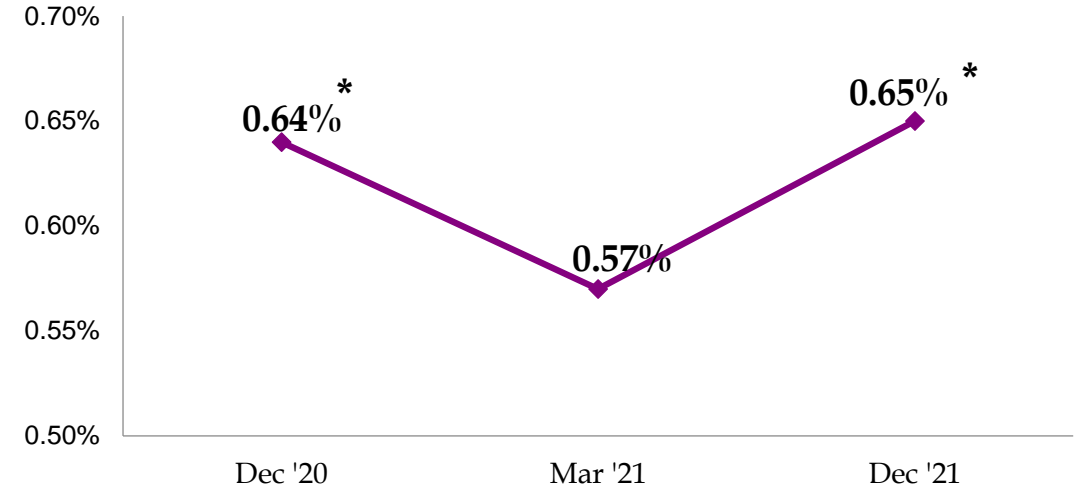
Return and Capital Adequacy Ratios

Return on Equity (%) (after tax)



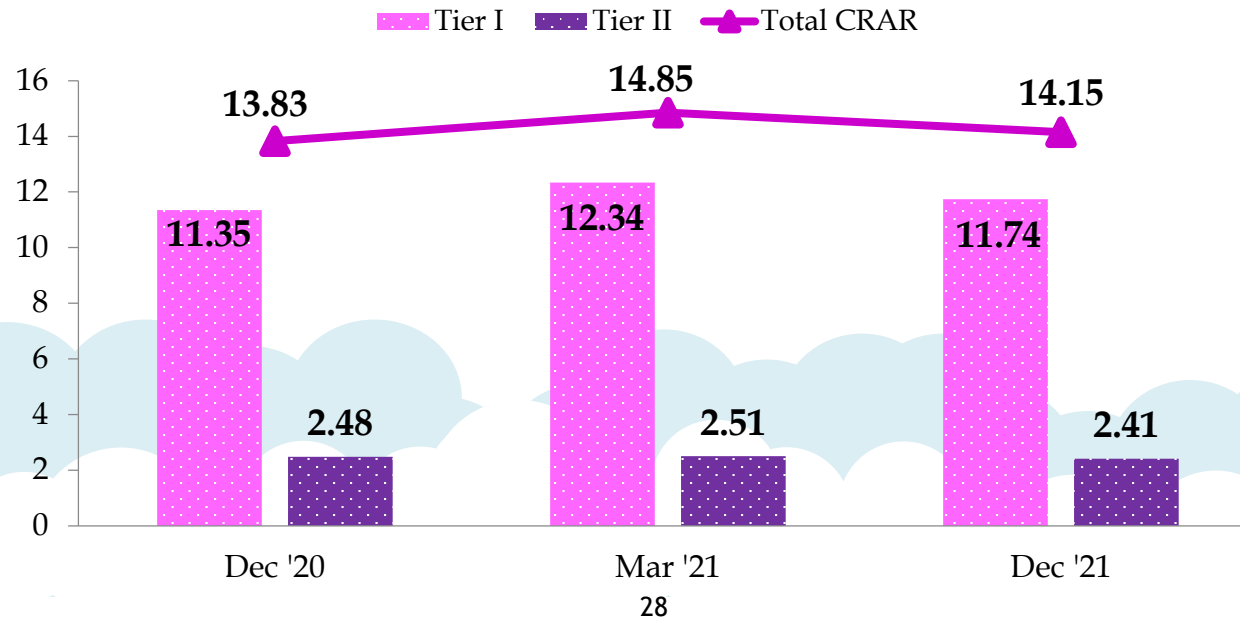
*quarterly and not annualised

Return on Assets (%) (after tax)



*quarterly

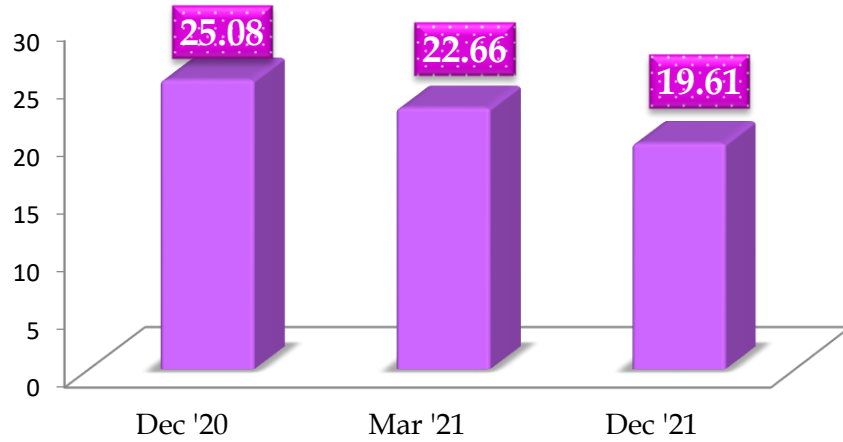
Capital Adequacy (%) - Basel III



* Tier II recomputed by including full eligible amount

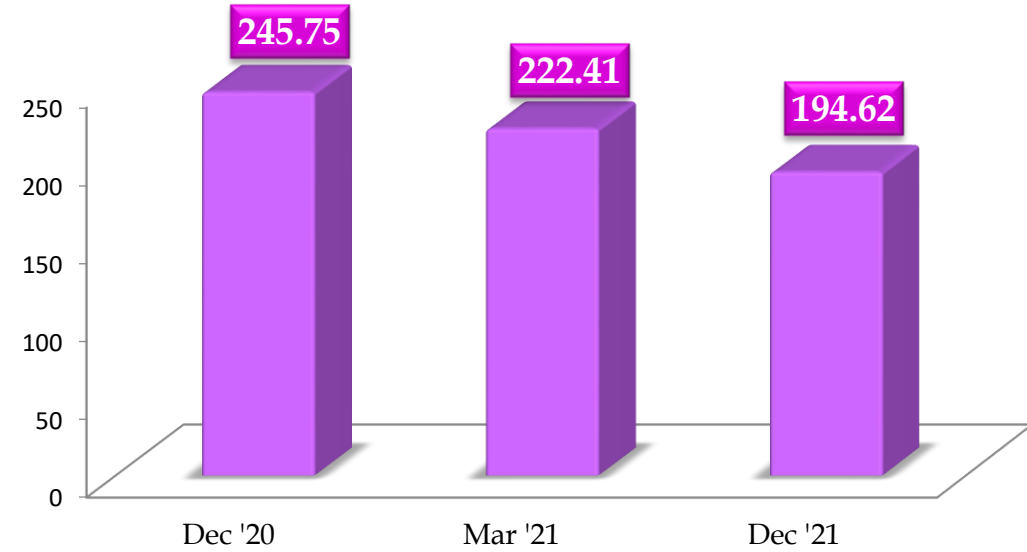
Productivity ratios

Operating Profit per employee (₹ lakh) *

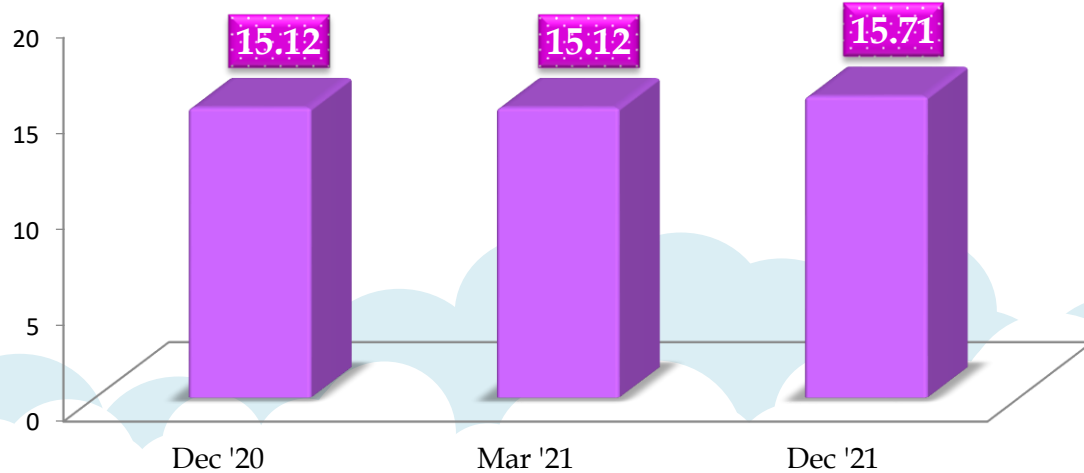


* annualized

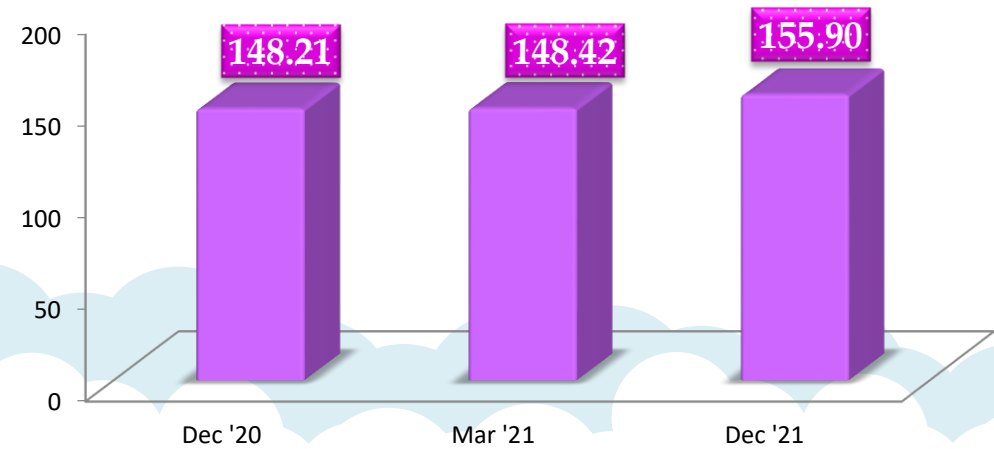
Operating Profit per branch (₹ lakh) *



Business per employee (₹ crs)



Business per branch (₹ crs)

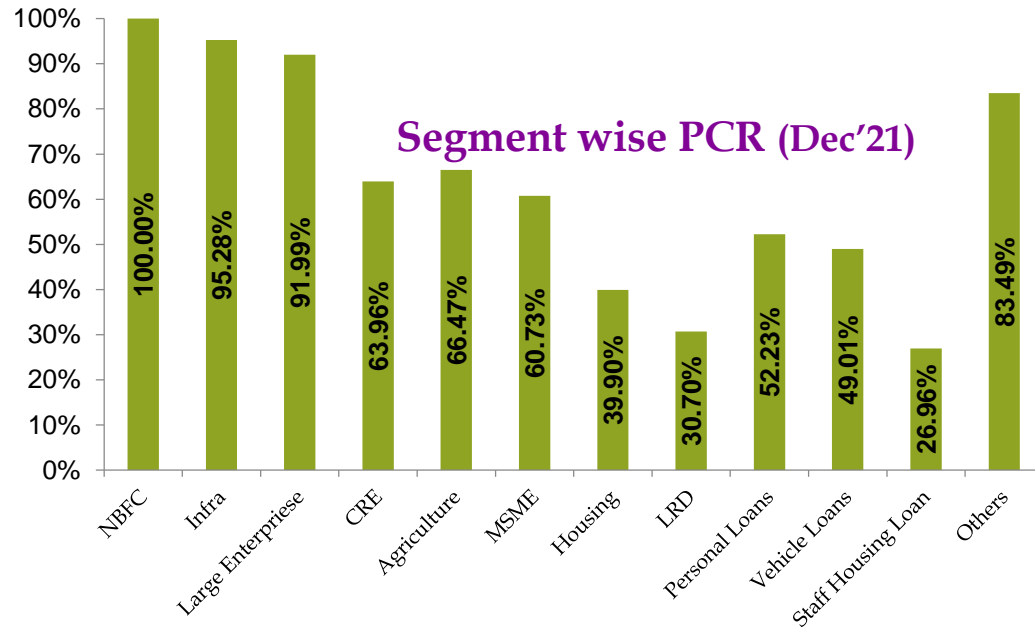
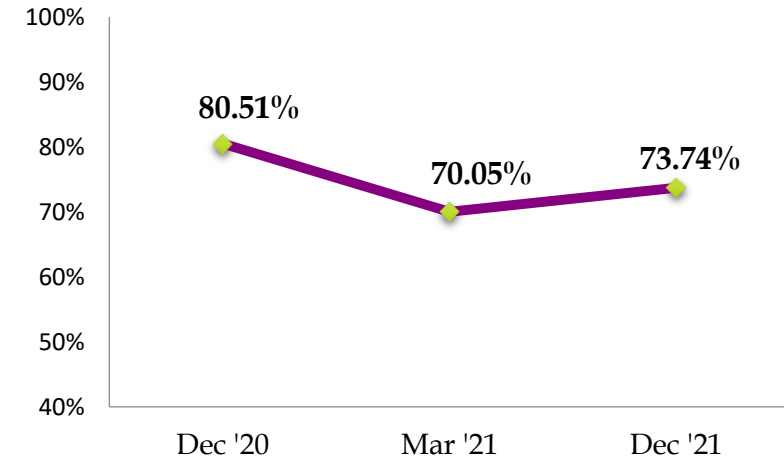


Provisions

Provisions & Contingencies during the quarter

Category	Provision (in crore)	% to total
NPA	111.75	53.28%
Standard advances	34.80	16.59%
Fair Value	-7.81	-3.72%
Tax	71.25	33.97%
Others	-0.24	-0.11%
Total	209.75	

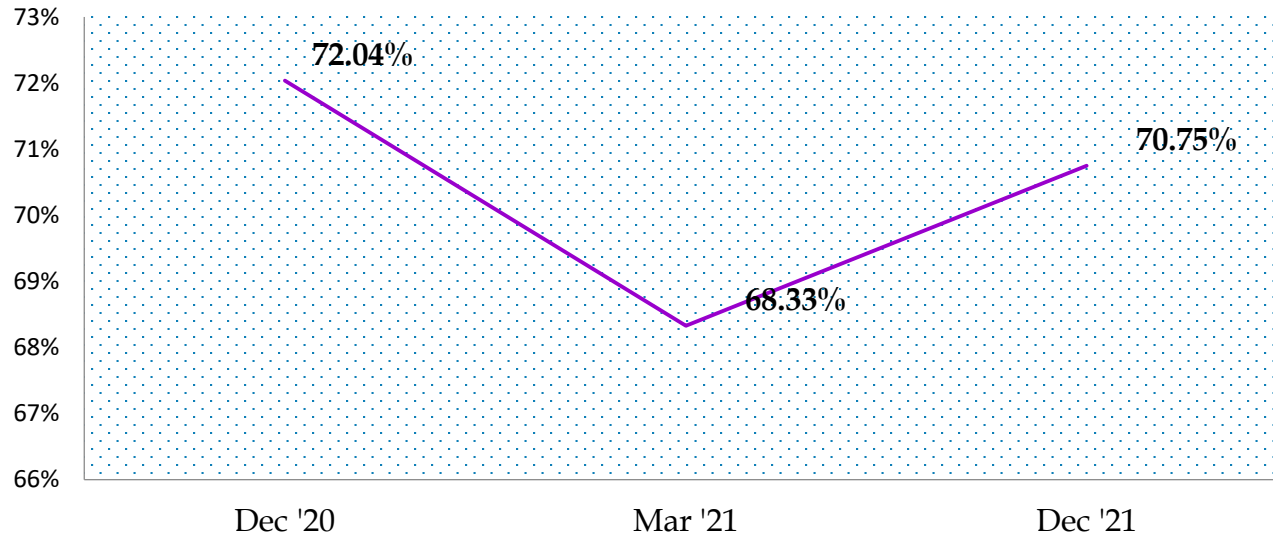
Provision Coverage Ratio



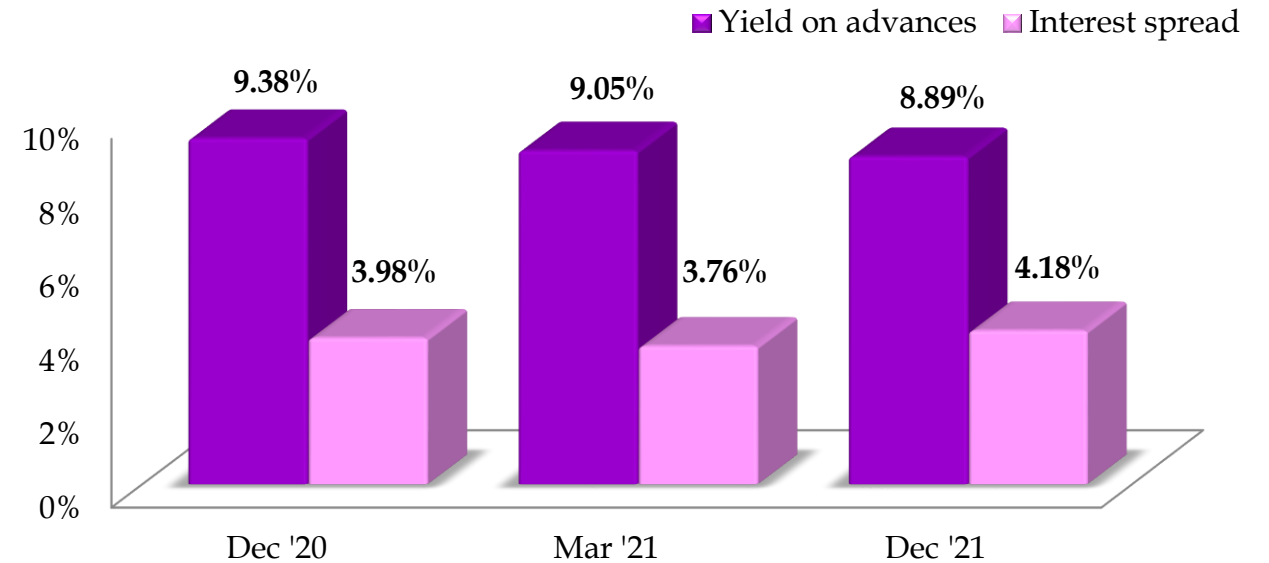
As on 31.12.2021	No. of cases	Amount (in crore)	Provision held (in crore)	% provision held
NCLT Referred cases	35	1273.91	1226.65	96.29%
Security receipts	-	388.63	194.52	50.05%

CD Ratio & Yield on Advances

Credit Deposit ratio (%)

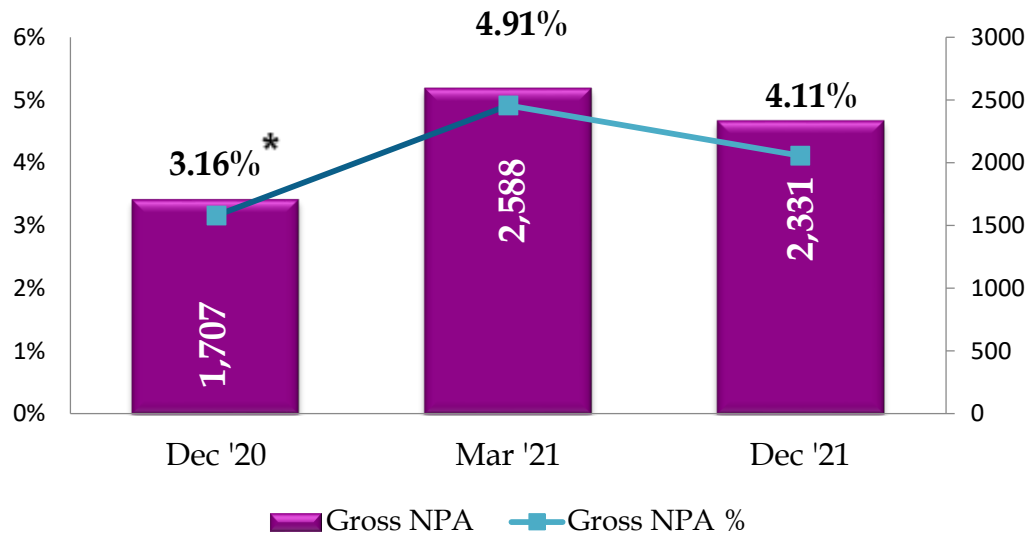


Yield on Advances & Interest Spread (%)

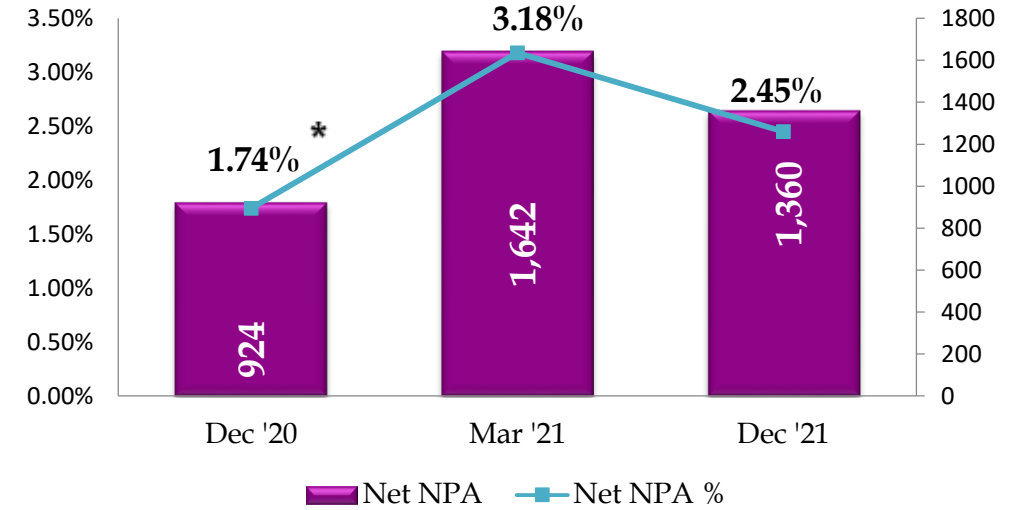


Asset Quality

Gross NPAs (₹ crs)

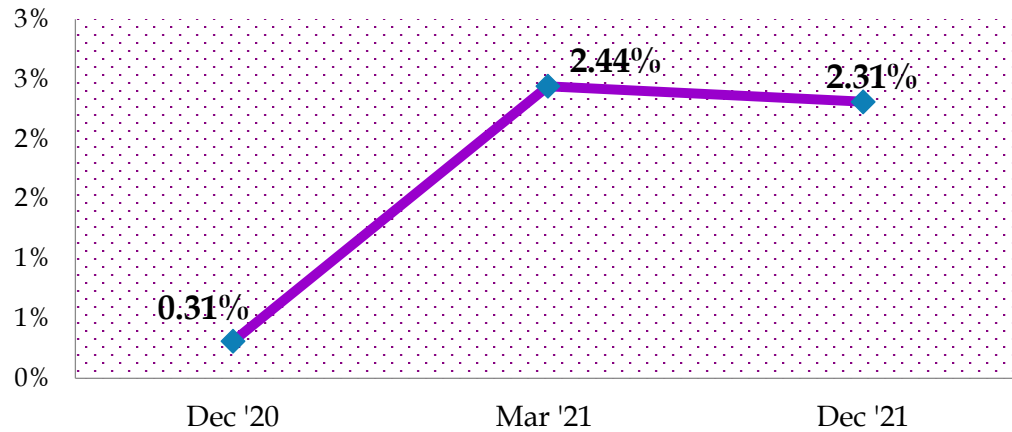


Net NPAs (₹ crs)

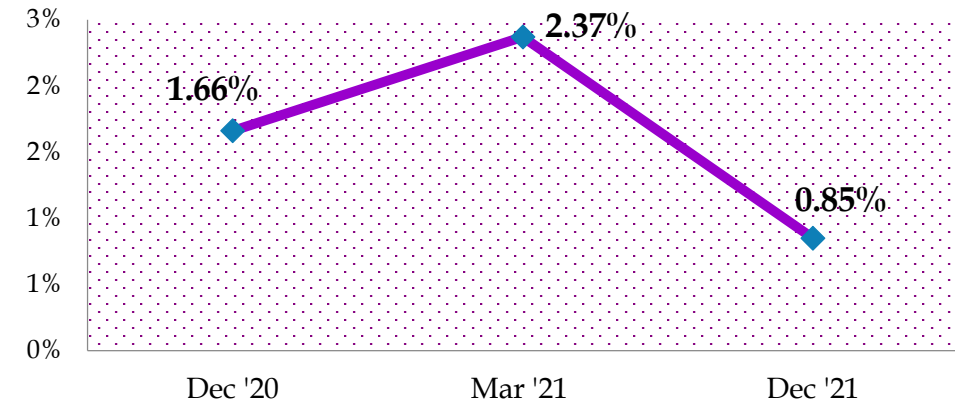


* With standstill clause for NPA recognition

Slippage ratio

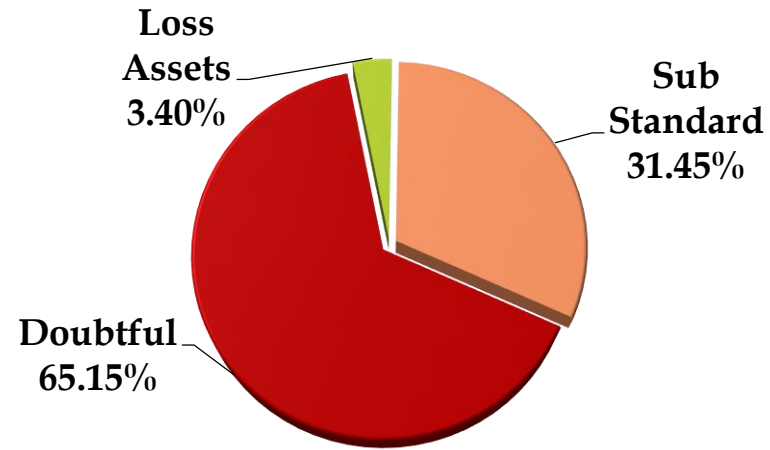


Credit cost

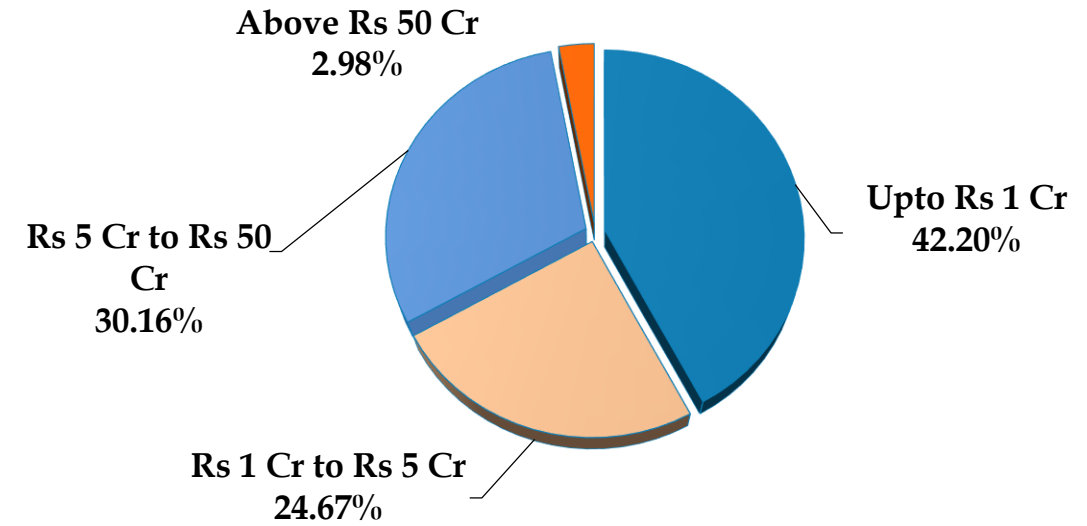


Asset Quality

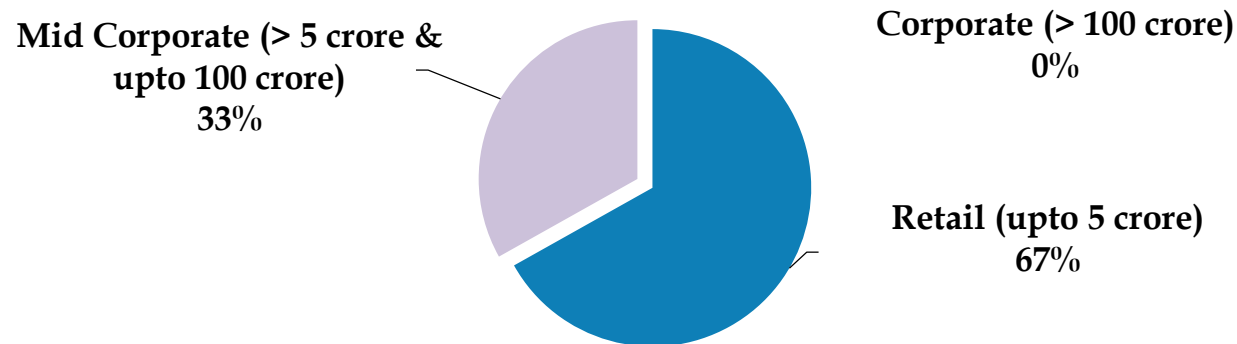
Composition of NPA



Size wise NPA



Credit portfolio wise NPA



Asset Quality

NPA accounts of Rs 25 Crore and above and provisions held -Dec'21

₹ crs)

NPA Classification	No. of Borrowers	Net Balance	Provision held	Provision %
SS	- (1)	- (101.20)	- (35.49)	- (35.07%)
DS 1	1 (3)	25.13 (127.81)	25.13 (55.79)	100% (43.65%)
DS 2	3 (3)	142.12 (125.77)	100.74 (63.85)	70.88% (50.77%)
DS 3	- (1)	- (29.49)	- (29.49)	- (100)
LOSS	- (1)	- (120.43)	- (120.43)	- (100)
Total	4 (25)	167.25 (738.40)	125.87 (389.05)	75.26% (52.69)
Total Gross NPA Amount 2330.52 (1706.57*)			Gross NPA % 4.11 (3.16*)	

[Figures in brackets – as of Dec '20] * With standstill clause for NPA recognition

Asset Quality

(₹ crs)	Q3FY20	Q4FY20	FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q2 FY22	Q3 FY22
Opening GNPA	2594.27	2777.46	2456.38	2799.93	2557.64	2188.80	1706.57	2799.93	2588.41	2549.06	2501.13
Addition	637.54	304.07	1998.58	166.84	2.21	1.40	1175.92	1346.37	414.24	445.36	297.67
Fresh slippages	606.55	304.07	1931.40	155.65	1.49	0.27	1174.29	1331.70	409.67	442.00	273.03
Slippages from existing NPA a/cs	30.99	0.00	67.18	11.19	0.72	1.13	1.63	14.67	4.57	3.36	24.64
Reduction	454.35	281.60	1655.03	409.13	371.05	483.63	294.08	1557.89	453.59	493.30	468.28
Recoveries	70.74	74.77	322.87	33.89	137.46	85.14	94.29	350.78	182.07	106.19	117.31
Upgradation	56.29	62.37	241.32	12.40	18.57	5.76	16.98	53.71	88.32	208.34	273.57
Write off	327.32	144.46	1090.84	362.84	215.02	392.73	182.81	1153.40	183.20	178.77	77.40
Closing GNPA	2777.46	2799.93	2799.93	2557.64	2188.80	1706.57	2588.41	2588.41	2549.06	2501.12	2330.52
Technical write off (cumulative)	2284.07	2172.34	2172.34	2526.83	2674.46	3033.87	2893.76	2893.76	3044.35	2972.17	2847.89
Total GNPA (incl Technical write off)	5061.53	4972.27	4972.27	5084.47	4863.26	4740.44	5482.17	5482.17	5593.41	5473.29	5178.41
NPA Provision (cumulative)	687.62	1017.31	1017.31	896.39	960.51	740.10	901.95	901.95	949.24	895.62	905.45
Total Provisions (incl Technical write off)	2971.69	3189.65	3189.65	3423.22	3634.97	3773.97	3795.71	3795.71	3993.57	3867.79	3753.34
Closing NNPA	2058.04	1755.01	1755.01	1630.65	1194.60	923.98	1642.10	1642.10	1552.95	1546.11	1359.90
PCR (%) incl Technical write off	59.34%	64.70%	64.70%	67.93%	75.44%	* 75.09%	70.05%	70.05%	72.24%	71.75%	73.74%
PCR (%) excl Technical write off	25.90%	37.32%	37.32%	36.24%	45.42%	45.86%	36.56%	36.56%	39.08%	38.18%	41.65%
GNPA %	4.99%	4.82%	4.82%	4.64%	3.97%	3.16%	4.91%	4.91%	4.82%	4.50%	4.11%
NNPA %	3.75%	3.08%	3.08%	3.01%	2.21%	1.74%	3.18%	3.18%	3.00%	2.84%	2.45%

External rating wise Advances

[Figures in brackets - as of Dec'20]

Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Restructured book		
				No. of borrowers	Bal o/s (cr)	No. of borrowers	Bal o/s (cr)	No. of borrowers	Bal o/s (cr)	% share to Std. Adv. @
AAA	15 (14)	4,208 (3,061)	7.43 (5.67)	-	-	-	-	-	-	-
AA	44 (30)	3,838 (2,984)	6.77 (5.52)	-	-	-	-	-	-	-
A	57 (39)	2,111 (1,277)	3.73 (2.36)	-	-	-	-	-	-	-
BBB	86 (88)	2,059 (2,456)	3.63 (4.55)	-	-	2	5.73	1	84	0.15
Sub total	202 (171)	12,216 (9,779)	21.56 (18.10)	-	-	2	5.73	1	84	0.15
BB	28 (40)	837 (943)	1.48 (1.74)	-	-	-	-	2	42	0.08
B	8 (12)	94 (404)	0.17 (0.75)	-	-	-	-	-	-	-
C	1 (1)	157 (6)	0.28 (0.01)	-	-	-	-	-	-	-
D	8 (6)	572 (370)	1.01 (0.68)	2 (1)	30 (101)	-	-	2	332	0.61
Sub total	45 (59)	1,660 (1,722)	2.93 (3.19)	2 (1)	30 (101)	-	-	4	374	0.69
Grand Total	247 (230)	13,876 (11,501)	24.49 (21.29)	2 (1)	30 (101)	2	5.73	5	458	0.84

Gross Bank Credit: ₹ 56,651 crore (PY Dec'20: ₹ 54,026 crore). @ Under respective rating category

NBFC portfolio

[Figures in brackets - as of Sep '20]

Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Restructured book		
				no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	% share to Std. Adv. *
AAA	14 (12)	4,208 (2,696)	7.43 (4.99)	-	-	-	-	-	-	-
AA	26 (19)	2,592 (2,277)	4.58 (4.21)	-	-	-	-	-	-	-
A	24 (14)	814 (328)	1.48 (0.61)	-	-	-	-	-	-	-
BBB	3 (1)	17 (12)	0.03 (0.02)	-	-	-	-	-	-	-
Sub total	67 (46)	7,631 (5,313)	13.47(9.83)	-	-	-	-	-	-	-
BB	1 (2)	3 (47)	0.01 (0.09)	-	-	-	-	-	-	-
B	-	-	-	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-
D	1 (-)	12 (-)	0.02 (-)	1 (-)	12 (-)	-	-	-	-	-
Sub total	2 (2)	15 (47)	0.03 (0.09)	1 (-)	12 (-)	-	-	-	-	-
Without External rating	- (4)	- (59)	- (0.11)	-	-	-	-	-	-	-
Grand Total	69 (52)	7,646 (5,419)	13.50 (10.03)	1 (-)	12 (-)	-	-	-	-	-

Gross Bank Credit: ₹ 56,651 crore (PY Dec'20: ₹ 54,026 crore). * Under respective rating category

Top 50 borrowers

[Figures in brackets - as of Dec'20]

Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Restructured book		
				no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	% share to Std. Adv. *
AAA	11 (10)	3,988 (2,821)	7.04 (5.22)	-	-	-	-	-	-	-
AA	14 (9)	2,605 (1,952)	4.60 (3.61)	-	-	-	-	-	-	-
A	6 (5)	678 (391)	1.20 (0.72)	-	-	-	-	-	-	-
BBB	5 (9)	237 (805)	0.42 (1.49)	-	-	-	-	-	-	-
Sub total	36 (33)	7,508 (5,969)	13.25 (11.04)	-	-	-	-	-	-	-
BB	2 (3)	276 (294)	0.49 (0.54)	-	-	-	-	-	-	-
B	- (2)	- (316)	- (0.58)	-	-	-	-	-	-	-
C	1 (-)	157 (-)	0.28 (-)	-	-	-	-	-	-	-
D	1 (1)	329 (152)	0.58 (0.28)	-	-	-	-	1 (-)	329	0.61
Sub total	4 (6)	762 (762)	1.35 (1.40)	-	-	-	-	1 (-)	329	0.61
Without External rating #	10 (11)	1491 (1,120)	2.63 (2.07)	- (1)	- (120)	-	-	-	-	-
Grand Total	50 (50)	9,761 (7,850)	17.23 (14.51)	- (1)	- (120)	-	-	1 (-)	329	0.61

of which 2-KB1, 1- KB2, 1- KB3, 2-KB4, 3-KB5, 1-KB6 as per Internal rating of the Bank

ALL THE TOP 50 BORROWERS ARE IN STANDARD CATEGORY AS OF DEC'21.

Gross Bank Credit: ₹ 55,601 crore (PY Dec'20: ₹ 55,142 crore).

* Under respective rating category

Consolidated numbers

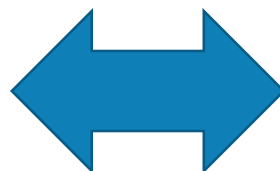
3 Months

9 Months

Particulars	Q3 FY 22 (31.12.2021)	Q3 FY 21 (31.12.2020)	Y-o-Y	Q2 FY 22 (30-09-2021)	31.12.2021	31.12.2020	Y-o-Y
Turnover	133918	127014	5.44%	131390	133918	127014	5.44%
Asset size	90958	84050	8.22%	89216	90958	84050	8.22%
Operating profit	356.17	448.08	-20.51%	493.45	1253.40	1579.47	-20.64%
Net profit	146.42	135.37	8.52%	125.45	377.79	451.10	-16.25%
Return on Asset (ROA%)	0.65%	0.64%	+1 bps	0.57%	0.57%	0.71%	-14 bps
Earning per Share (₹)(not annualized)	4.71	4.35	0.36₹	4.04	12.15	14.51	-2.36₹
CRAR (Basel III)	14.15%	13.83%	32 bps	14.48%	14.15%	13.83%	32 bps

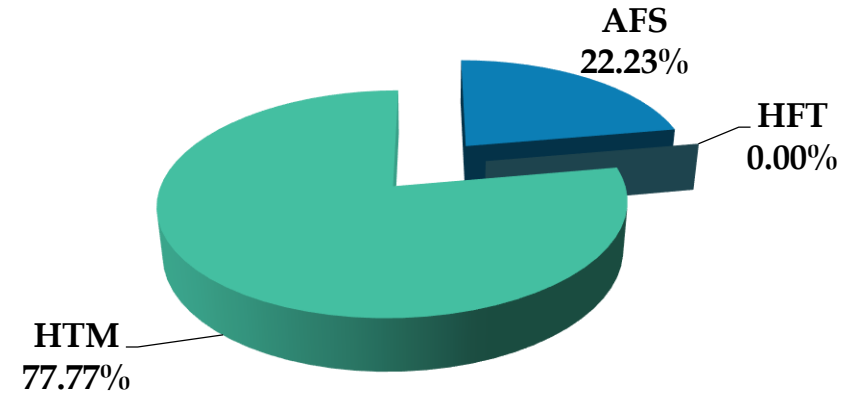
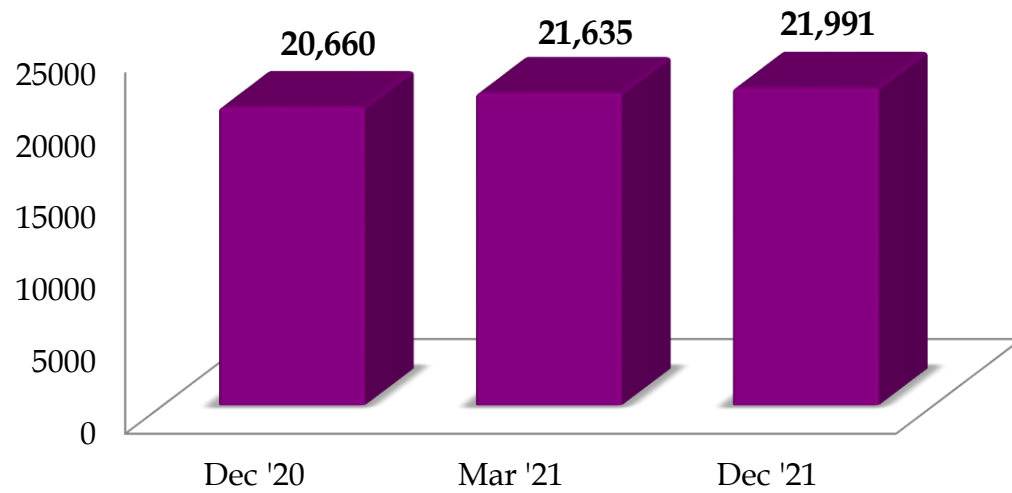
The Consolidated Financial results of the Group comprise of the financial results of **The Karnataka Bank Ltd** and its wholly owned subsidiary **KBL Services Ltd**.

The paid-up equity capital of KBL Services Limited is Rs.100.00 lakhs comprising of 10,00,000 equity shares of Rs.10 each fully paid up. KBL Services Ltd, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21, 2020 and the certificate of commencement of business was filed on August 26, 2020. The company commenced its operations on March 30, 2021.



Investments

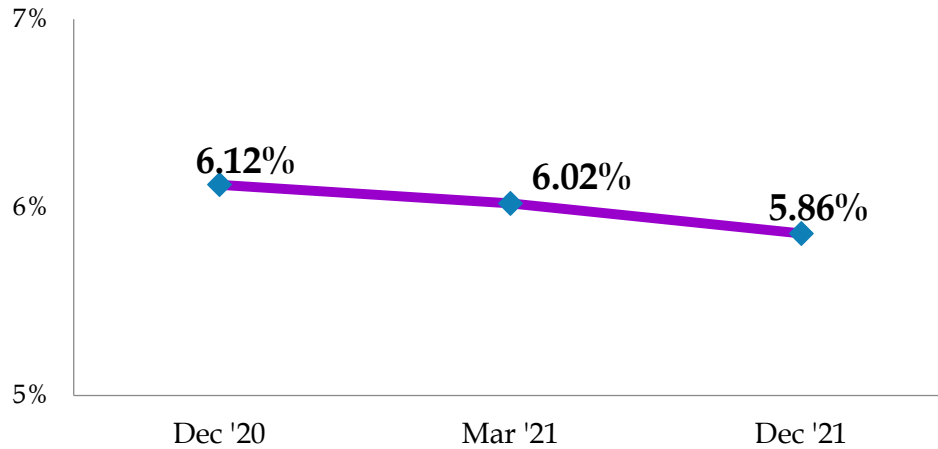
Investments [excl. RIDF] (₹ crs)



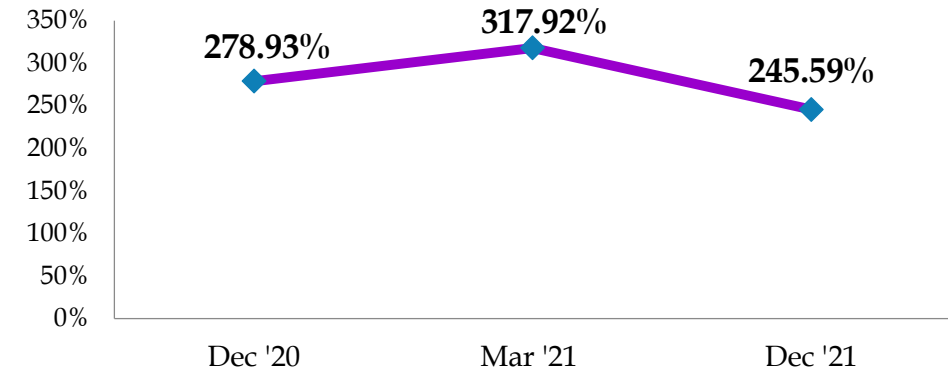
Duration

AFS	HFT	HTM	TOTAL
4.26	0.00	5.60	5.32

Yield on Investments (%)



Liquidity Coverage Ratio

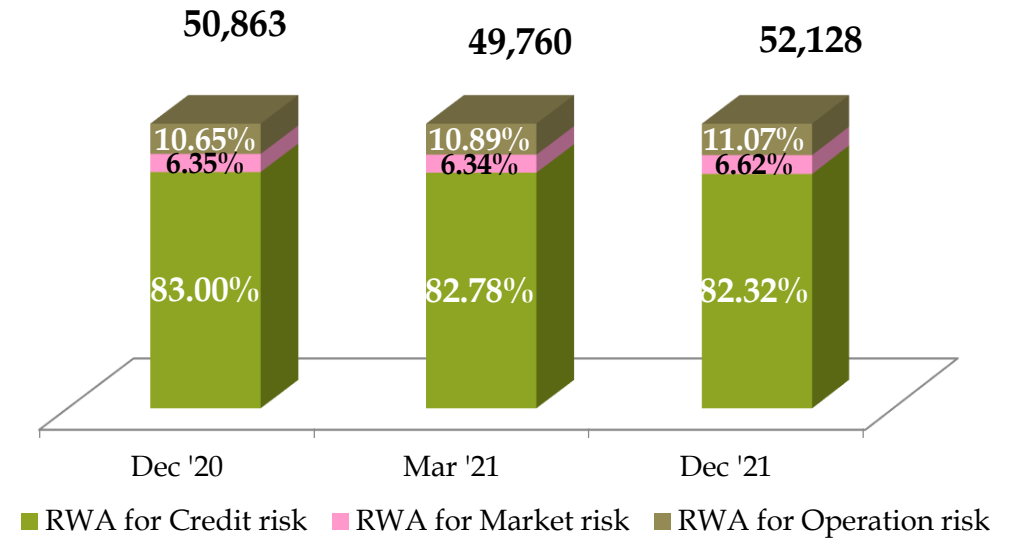


Capital Adequacy

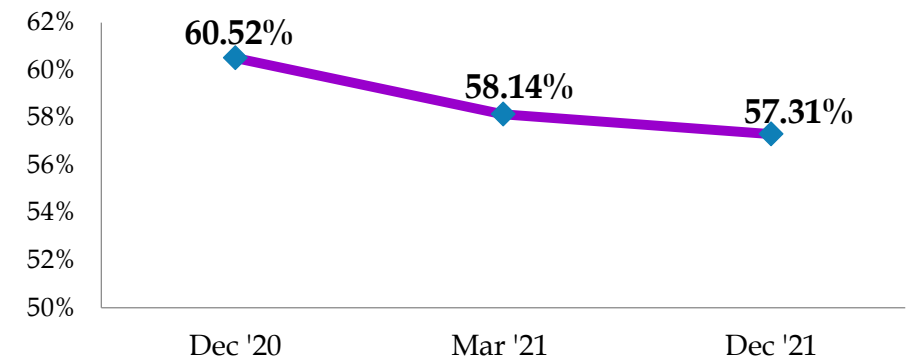
(₹ crs)

Particulars	31.12.2020	31.03.2021	31.12.2021
Risk Weighted Assets	50863.16	49,759.61	52128.30
Total Capital Fund (Basel III)	7036.02	7,387.05	7375.40
Total Tier I Capital	5770.82	6,140.39	6119.02
Paid up Equity Capital	310.88	310.88	311.02
Reserves under Tier I Cap.	5459.94	5,829.51	5808.00
Eligible Tier II Capital	1265.20	1,246.65	1256.38
General Provisions & Reserves	495.20	501.65	536.38
Subordinated Debts	770.00	745.00	720.00
CRAR under Basel III	13.83 %	14.85%	14.15%
CRAR Tier I Capital	11.35 %	12.34%	11.74%
CRAR Tier II Capital	2.48%	2.51%	2.41%
CRAR with current year's profit	14.72%		14.87%
CRAR with profit and without restriction of 1.25% of RWA for general provisions			15.47%

Risk Weighted Assets

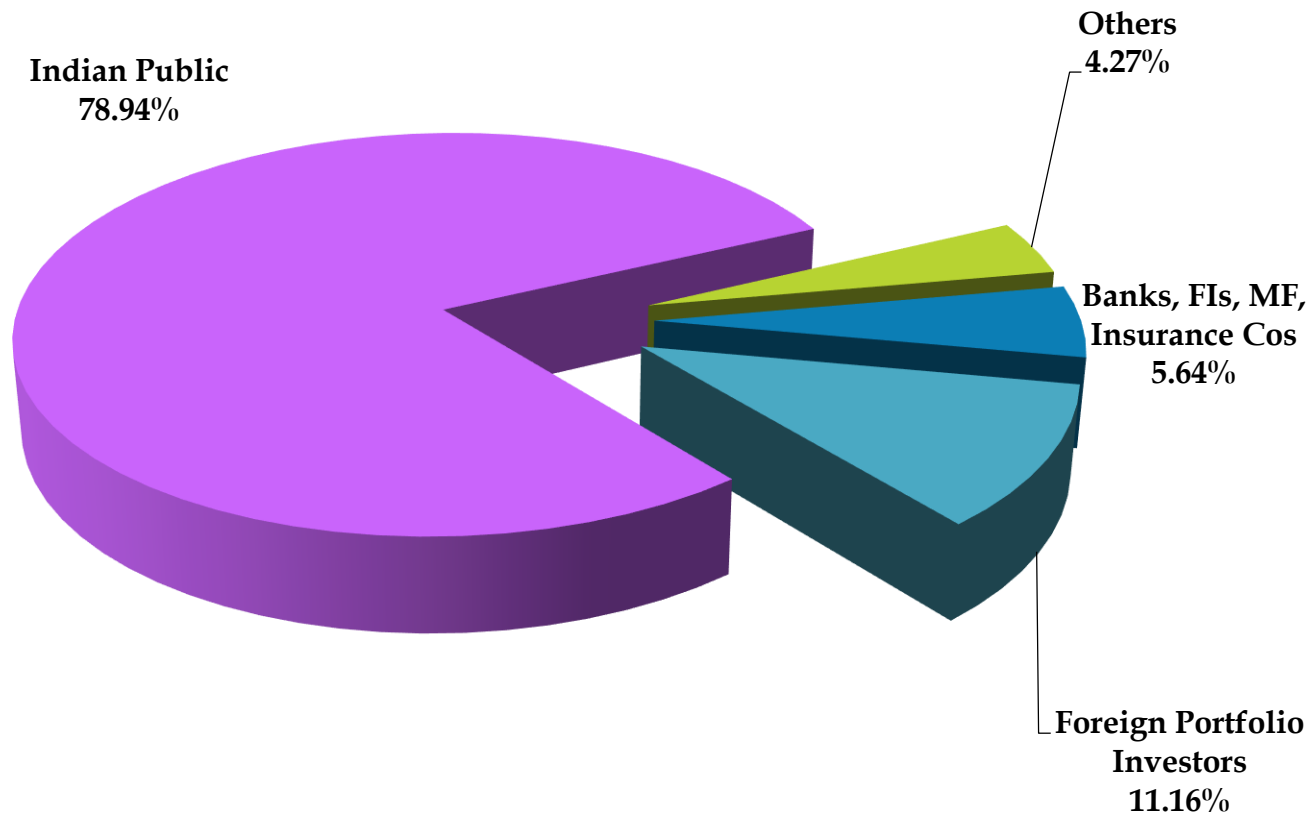


RWA to Total Assets

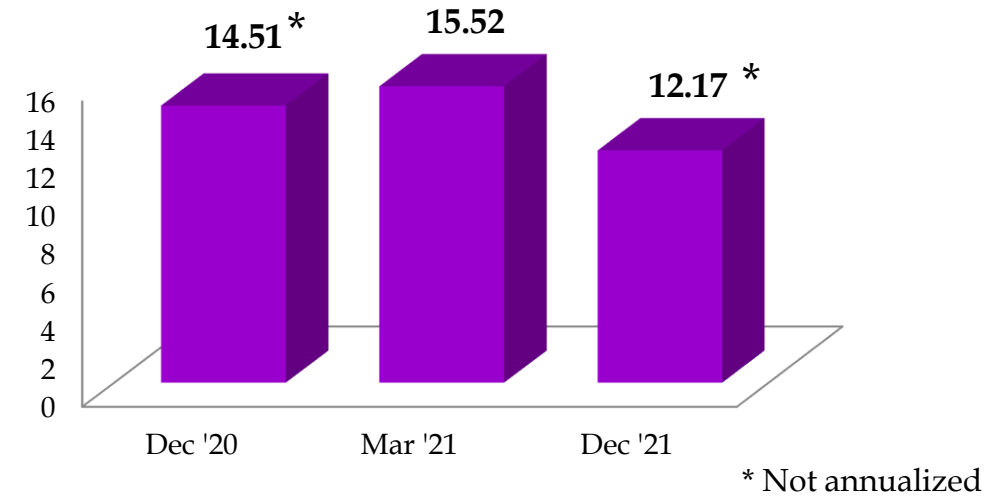


Share holders' value

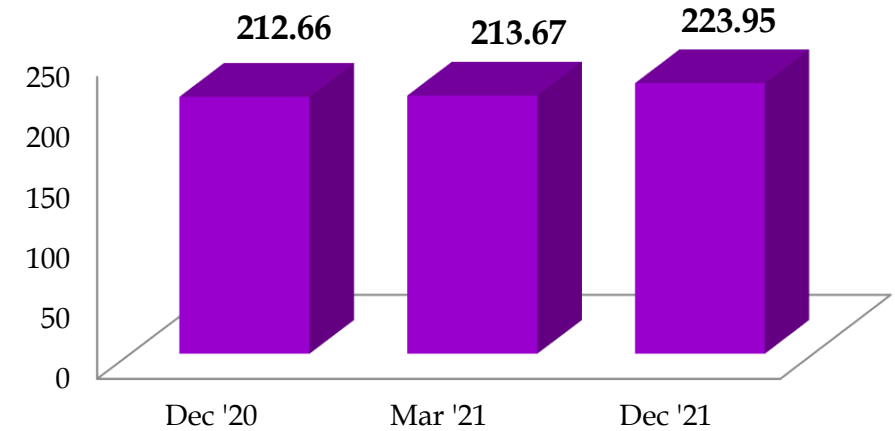
Share holding pattern



Earning Per Share (₹)

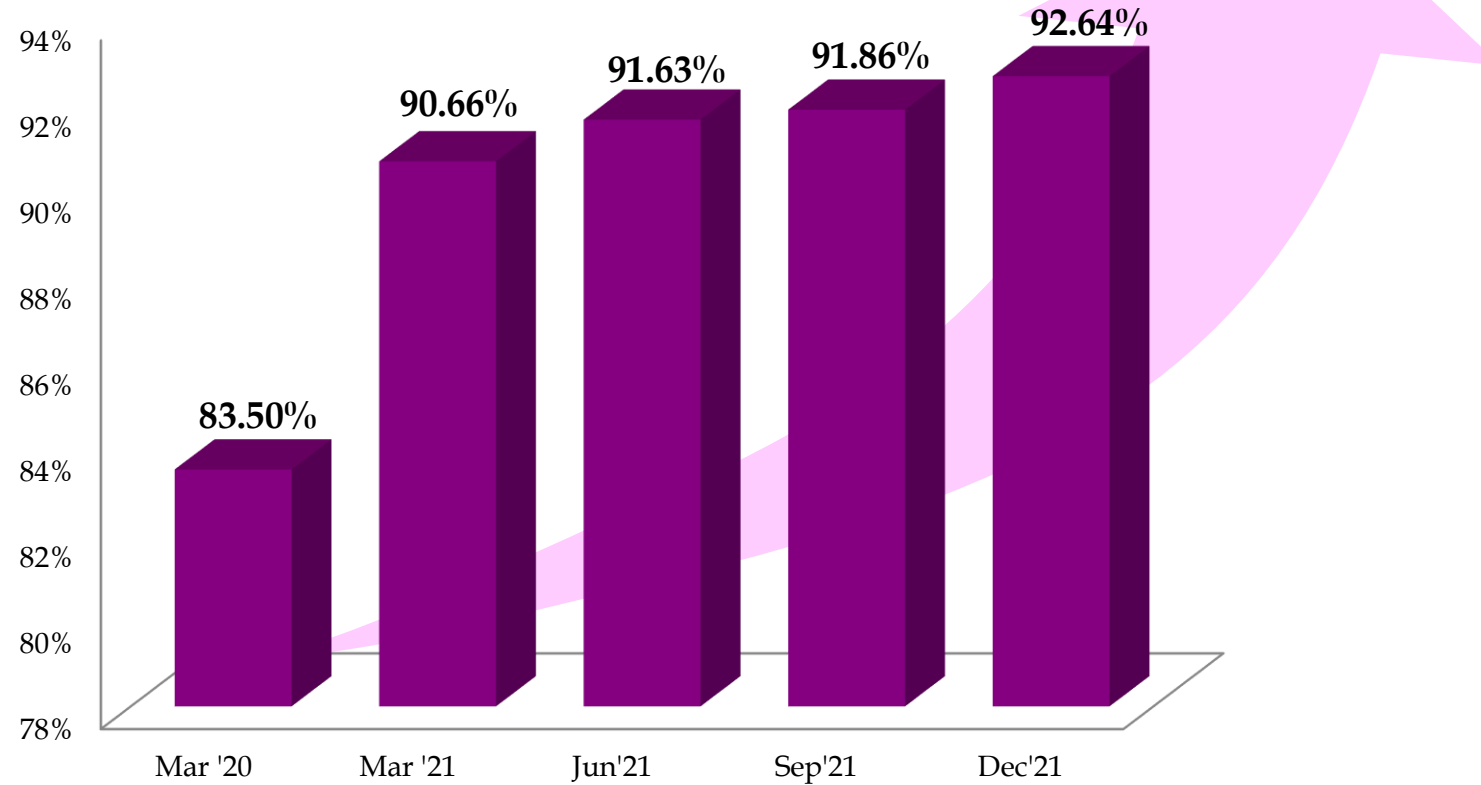


Book value (₹ in Cr)



Migration to Digital Channel

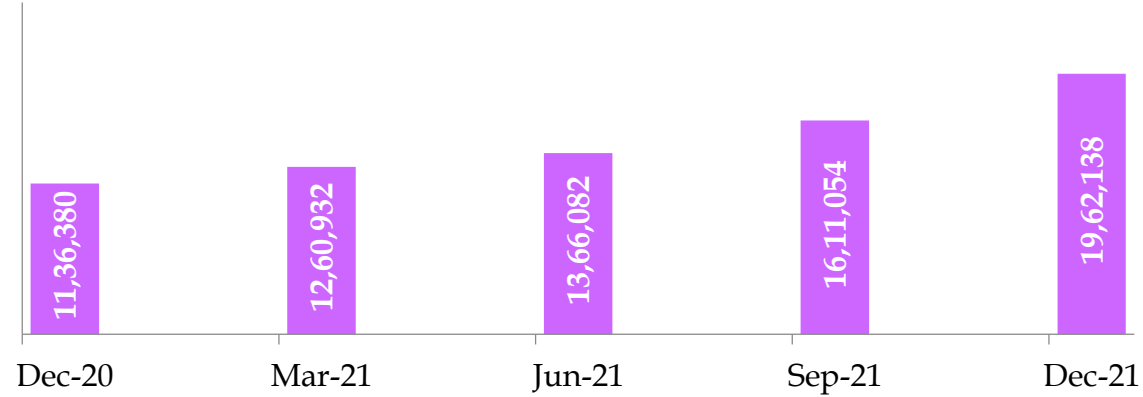
[share of ADC transactions to total CBS transactions]



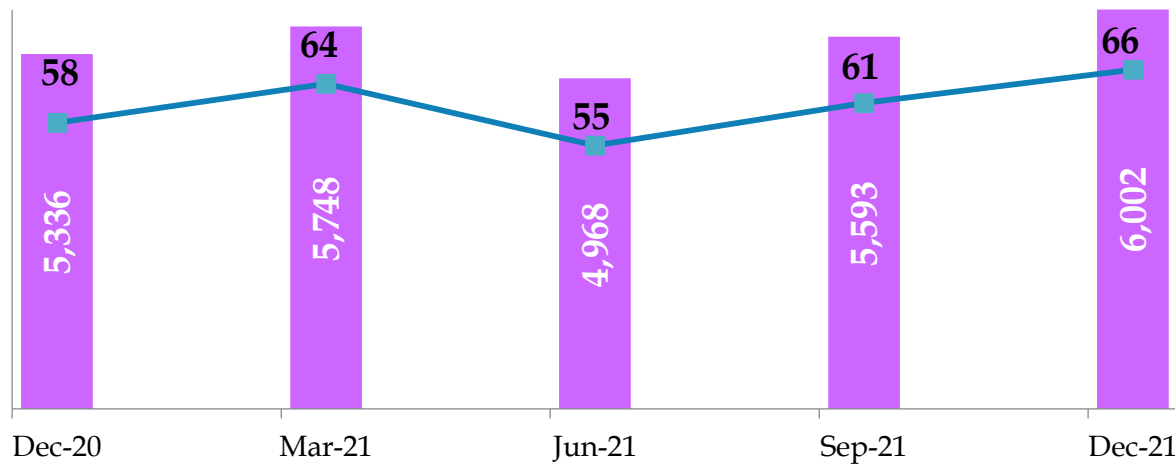
Mobile Banking



No. of Regd users (Actuals as at the end of the quarter)

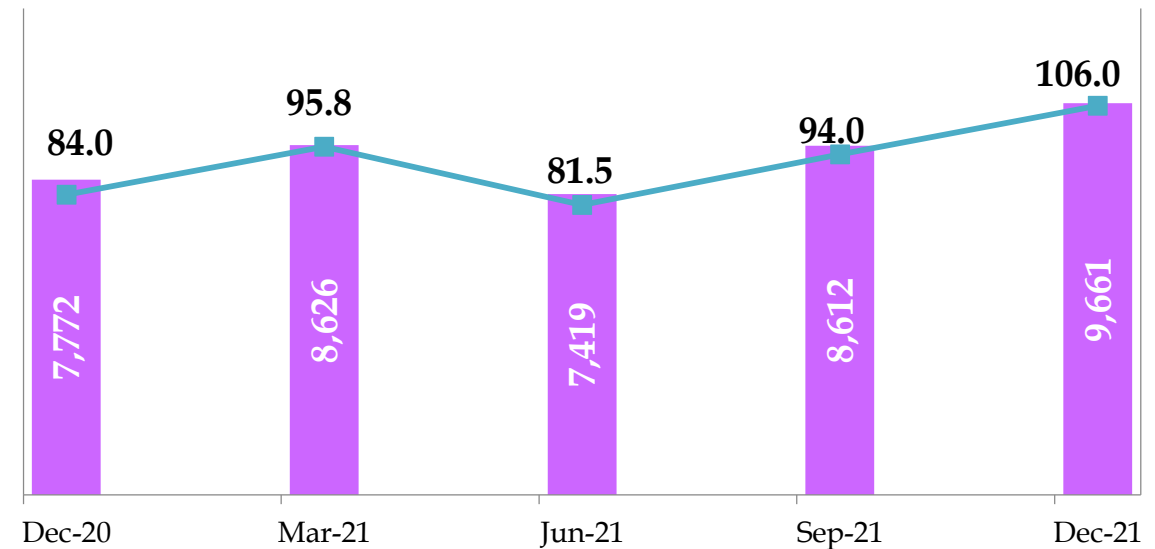


No. of transactions during the quarter



■ No. of Transactions (in 000's) —■ Avg. Transactions per day (in 000's)

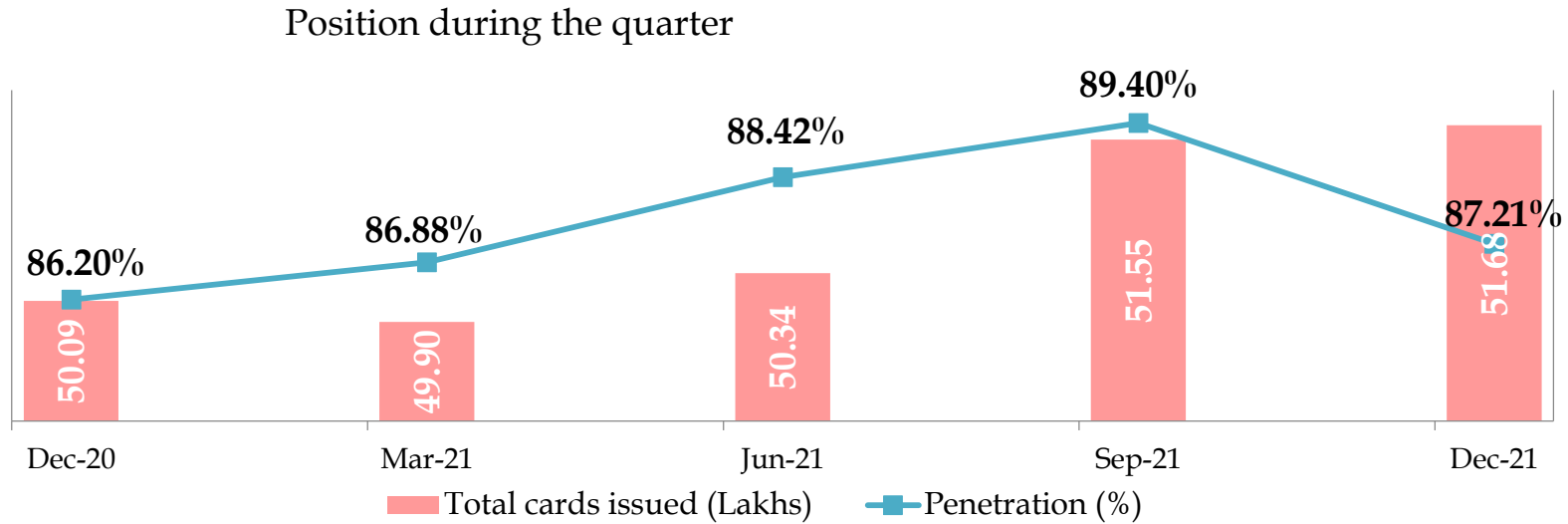
Value of transactions during the quarter



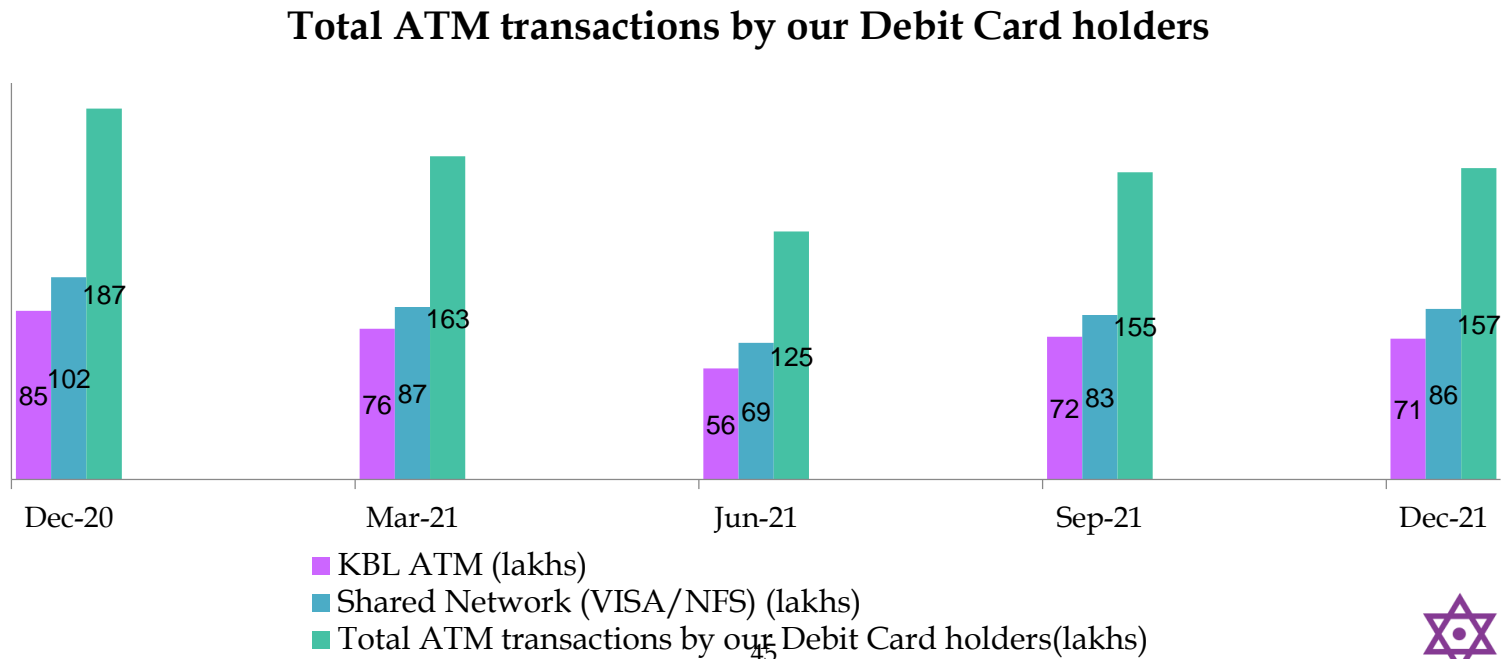
■ Value of Transactions (in Cr) —■ Avg. value of Transactions per day (in Cr)

Debit Cards

Debit cards Penetration



Cards Usage



UPI transactions

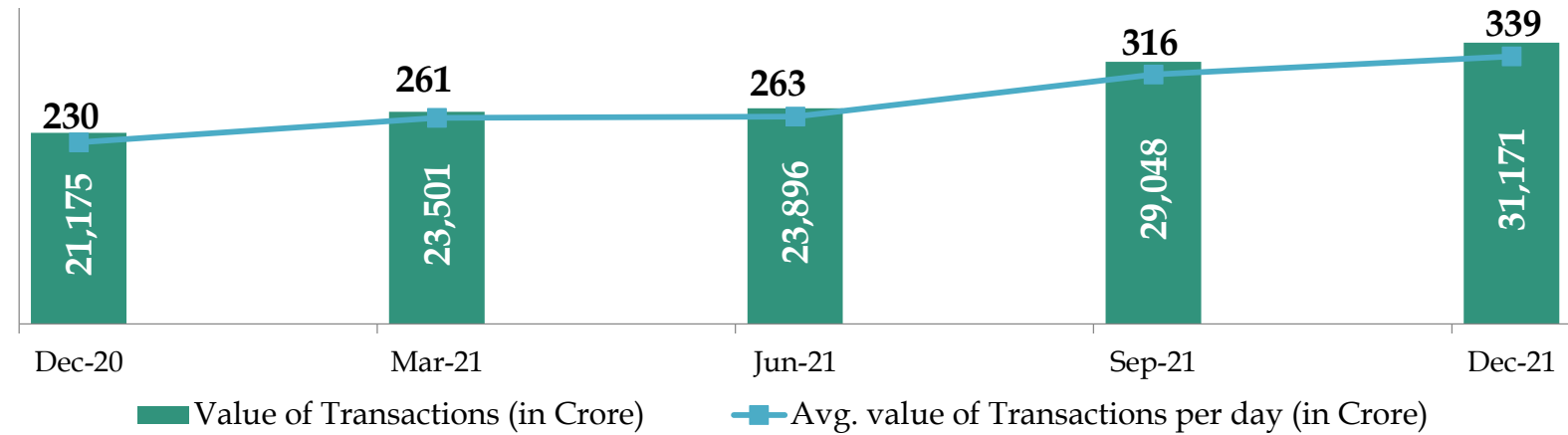
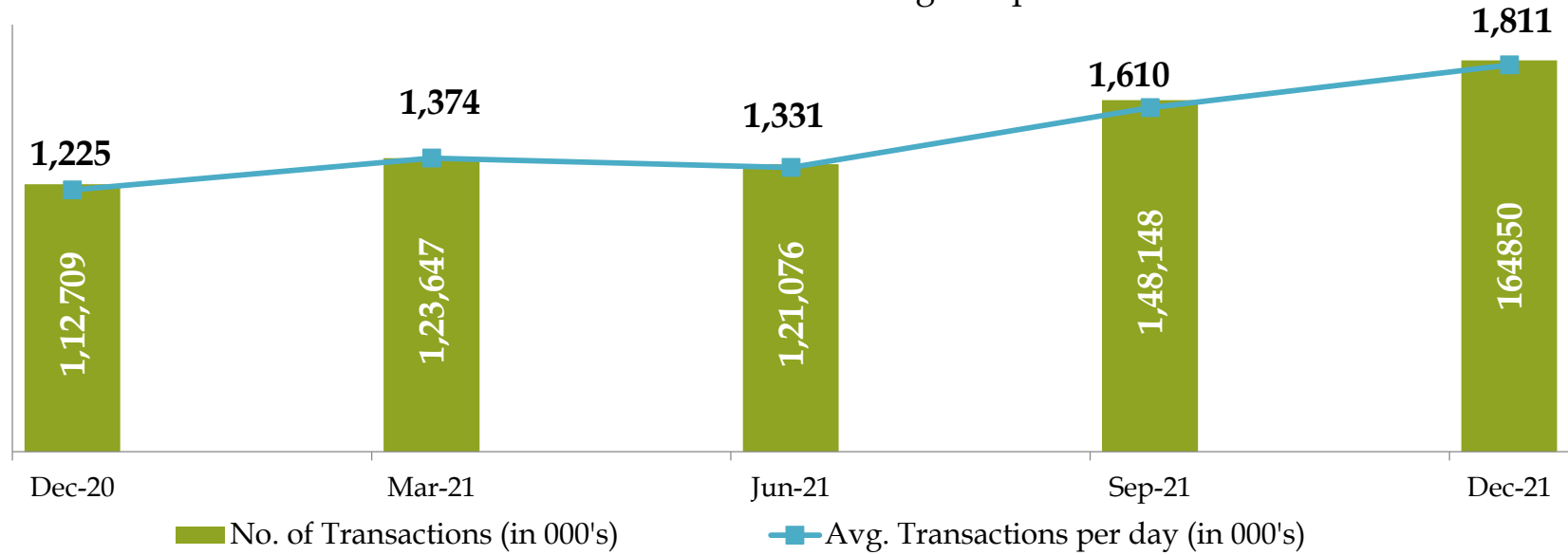
KBL BHIM UPI



BHIM KBL UPI Txns count

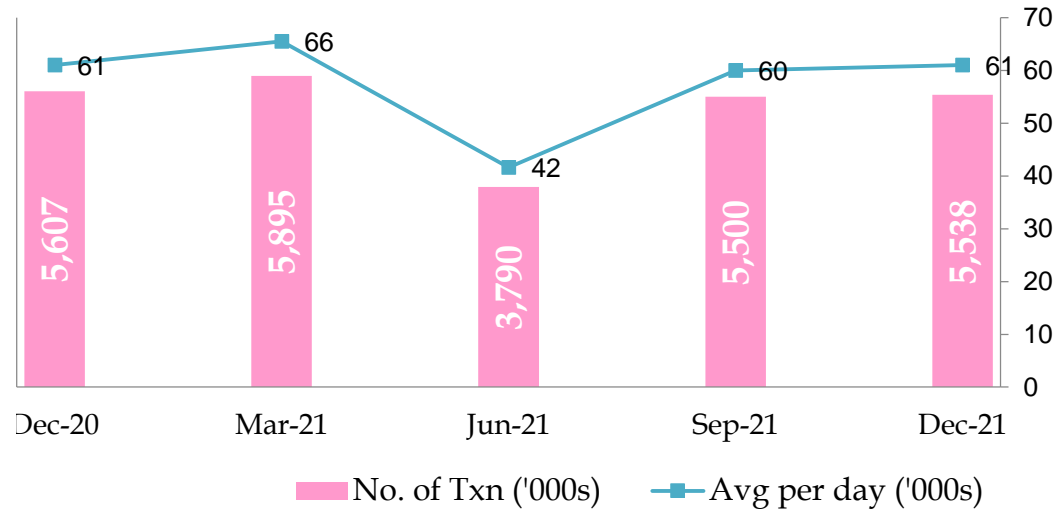
BHIM KBL UPI Txn Value

Position during the quarter

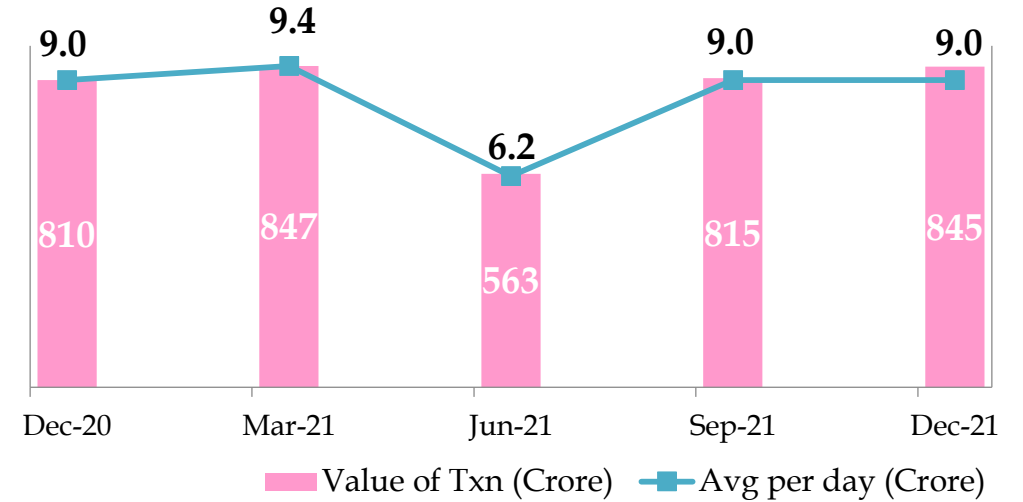


POS & ECOM transactions

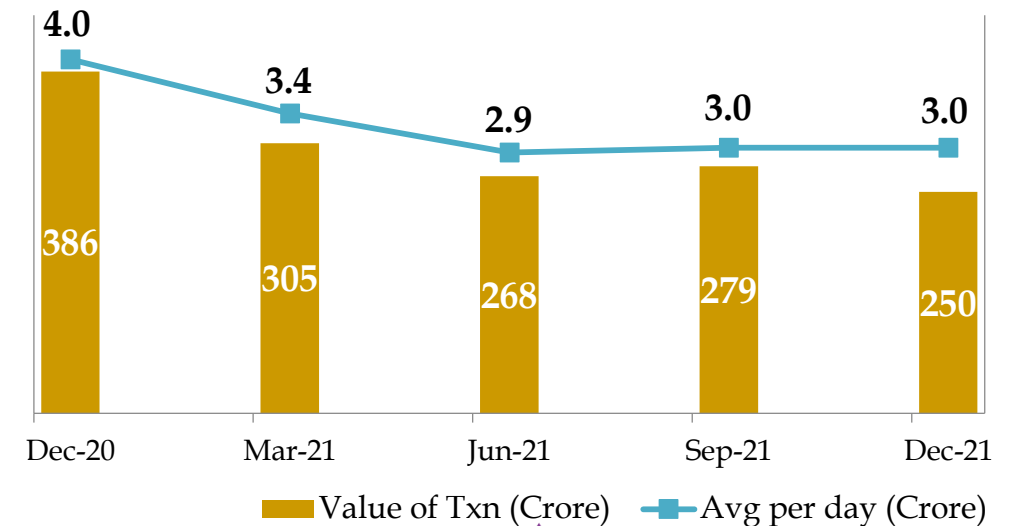
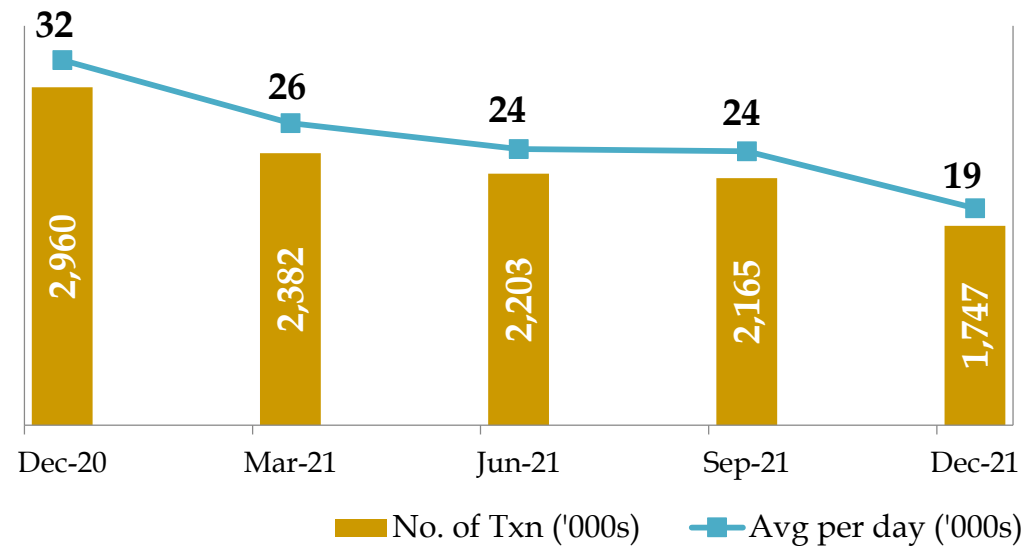
POS Transactions



Position during the quarter



ECOM Transactions



Digital Lending

Banking on Digital First Approach....

Digital Adoption



Customer Rating

5 point Scale



Best TAT

In Mins



KBL Xpress Home Loans

68%

4.52

7

Digital Leads
Enabling reach digitally



KBL Xpress Car Loans

78%

4.44

15

2100+



KBL Xpress Cash

100%

4.49

8

Risk Reduction
Improving Asset Quality
(Cibil V3 >701 Score Portfolio)



KBL Xpress MSME Loans
(Micromitra+BQL)

70%

3.96

13

>75%



KBL Xpress Accounts
(Tab+Web)

57%

4.5

5

Strong foundation of digital capabilities and enablers

Digital Channels

Mobile Banking



Internet Banking



KBL BHIM UPI



KBL- mPassBook



Xpress lending Journeys

Xpress Home Loan



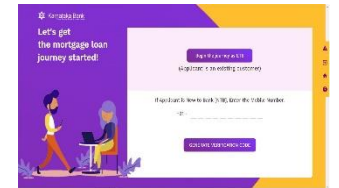
Xpress Car Loan



Xpress Cash Loan



Xpress Mortgage Loan



Xpress MSME



Term Loan



CV Loan



Xpress SB



Sustainability driven by Digital Tools



Collection activities



E-Connect
Loan Payment
Portal

Lead ID	Lead Name	Lead Status	Lead Type	Lead Source	Lead Date	Lead Age	Lead Score	Lead Rating	Lead Action
1001	Mr. Ramesh	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1002	Ms. Priya	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1003	Mr. Anand	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1004	Ms. Sneha	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1005	Mr. Arjun	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1006	Ms. Divya	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1007	Mr. Adarsh	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1008	Ms. Ananya	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1009	Mr. Abhinav	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call
1010	Ms. Aishwarya	Not Contacted	Home Loan	Referral	2023-10-01	10	85	A	Call

Digital calling tool

Lead calling status
tracking

Xpress Analytics

Annual Branch Customer Dashboard (ABCD)



Information on branch finger tips

- Customer Profile & Segment
- Products & Services Usage
- ADC Adoption
- Repayments
- Profitability



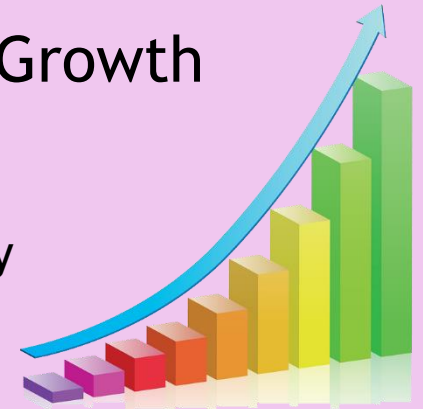
Analyzing Customer Relationship

Xpress Profile for Wallet Share (XPAWS)



Accelerating Quality Growth

- ADC Adoption & Usage
- Re-KYC and Contactability
- CASA Share
- Product Recommendation
- Quality of Business
- Customer Satisfaction
- Branch Productivity



Driving Quality & Wallet Share

04 Business Strategy

Corporate Goal and Roadmap ahead



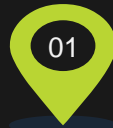
Corporate Goal for 2021-22

Business Turnover

₹ 1,42,500 crore

Road Ahead 

Digital journey for many more retail loan products



Digital opening of CASA accounts in Web Portal



Customer onboarding through V-CIP



Construction of an iconic building 'KBL Centenary Tower'



Risk Management Dept to be covered under 'QMSS-ISO 9001:2015'



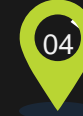
Digital Transformation- KBL NxT journey



Setting up of ACoE (Analytical Centre of Excellence)



Implementation of Data Analytics



Enhancement of existing Mobile Banking & Internet Banking features

Further strengthening of sales verticals



Xpress Journey



- Digital Insurance platform.
- Valuation & BIR Automation in digital lending.
- DSA / BSA channel platform.
- KBL Xpress Accounts : SB Quick, VCIP, Digital Re-KYC

Digital Marketing



- Marketing & Campaign Automation.
- In-house Survey Tool for market research and NPS management.
- Website & MB Modernization with Analytics

Incubating Future Tech



- ACoE (Analytics Centre of Excellence) incubation - Platform, Skills & Use cases
- Fintech Onboarding - Agri Tech, Co-lending, Whatsapp Banking, Trade Automation
- Co-lending partnerships for better leverage and asset penetration
- NLP Bot : DhIRA (Digi Human Interactive Relationship Assistant) on Xpress Journey
- MSME Neo Bank enabled through Partnerships

Business Strategy

CASA deposits

- ❑ Focusing on customer onboarding to increase CASA as well as cross selling
- ❑ RSE approach to CASA marketing.
- ❑ SB account opening through TAB banking, Web portal.

Minimum space maximum business.

Credit augmentation

- ❑ Focusing on MSME sector
- ❑ Focusing on mid-corporate & retail sectors
- ❑ Flow based lending and an exclusive personal loan product.

NPA & Stressed Assets management

- ❑ Minimizing slippages and improving recovery management.
- ❑ A comprehensive collection mechanism.

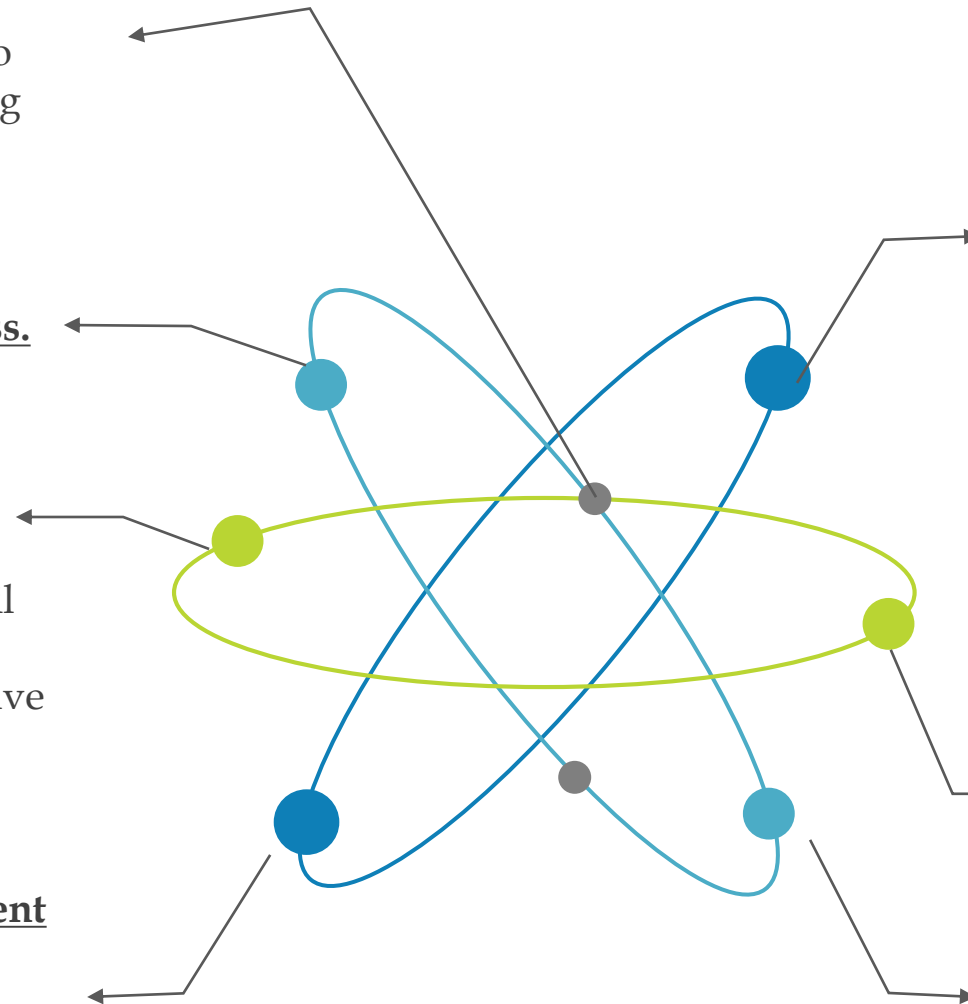
Digital Banking initiatives

- ❑ Focusing on digital marketing of Bank's products & services
- ❑ Digital loan sanctions for HL, PL, Auto loans and other retail & MSME loans
- ❑ Value addition to Bank's existing Mobile Banking & Internet Banking channels
- ❑ Installation of self service kiosks
- ❑ Comprehensive IT and Digital Strategy - Making available critical applications and IT infrastructure
- ❑ Focusing on ABCD, a 360° review of customer data.

Para banking activities

encompassing Insurance & Mutual Funds.

Partnered with efficient contact center for handling both in-bound & outbound calls.



Board of Directors



Pradeep Kumar Panja

Part Time Chairman



Mahabaleshwara M S

Managing Director & CEO



Keshav Krishnarao Desai

Hubballi
Businessman



Mrs Mythily Ramesh

Bengaluru
IT Professional and Co-Founder &
CEO of NextWealth



B R Ashok

Chartered Accountant
Partner in M/s. MSKC & Associates,
Chartered Accountants, Chennai



Justice A V Chandrashekar

Bengaluru
Former Judge, High Court of Karnataka
and former Judicial Member, Karnataka
State Administrative Tribunal



Mrs Uma Shankar

Bengaluru
Former ED, RBI



Mr D S Ravindran

Bengaluru
Former Principal Secretary to the
Government Khajane-2, Finance Dept,
Govt of Karnataka.



Mr Balakrishna Alse

Mangaluru
Former ED, OBC



Thank You

WE EXPRESS OUR
HEARTFELT GRATITUDE
TO ALL OUR STAKE
HOLDERS FOR THEIR
TRUST & SUPPORT AND
SOLICIT THEIR
CONTINUED PATRONAGE,
AS WE CONTINUE OUR
JOURNEY WITH RENEWED
DEDICATION &
COMMITMENT TO MAKE
OUR BELOVED
KARNATAKA BANK
"A DIGITAL BANK OF THE
FUTURE".

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