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CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

02.11.2023

HO: SEC:230:2023-24

To:

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

The General Manager
BSE Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001
Scrip Code: 532652

Madam/Dear Sir,

Sub: Intimation under SEBI (LODR) Regulations, 2015- Submission of copy of presentation for Analysts/Institutional Investors on Financial Results-Q2FY24

We refer to our earlier letter no. HO:SEC:214:2023-24 dated 26.10.2023 intimating about the scheduling of Q2FY24 Earning's Audio Conference call for Analysts/Institutional Investors to be held on 02.11.2023 at 05:00PM IST and also the modalities in connection therewith.

In compliance with the provisions of Regulation 30 read with part A of Schedule III and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith the copy of presentation for Analysts/Institutional Investors on financial results of the Bank for the quarter and half year ended September 30, 2023. The analyst presentation has been hosted on the website of the Bank and is available under the link:

<https://karnatakabank.com/investor-portal/investor-presentations>

This is for your information and dissemination.

Yours faithfully,

Sham K
Company Secretary &
Compliance Officer

INVESTOR PRESENTATION Q2 FY24

Banking with Legacy, Embracing the
Future

Celebrating 100 years of trust





Karnataka Bank Ltd.
Your Family Bank. Across India

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Experienced Management Team...



Srikrishnan H

MD & CEO

Former MD & CEO, Jio Payments Bank; ED, Yes Bank; Founding Team, HDFC Bank



Sekhar Rao

Executive Director

Former COO, CSB Bank; National Head, RBL; Co-Founder, Savvy India



Balachandra Y V

Chief Operating Officer

28-years operations veteran at Karnataka Bank



Gokuldas Pai

Chief Business Officer

34-years veteran at Karnataka Bank across various business functions



Abhishek Sankar Bagchi

Chief Financial Officer

Former CFO, NSDL Payments Bank; Dy-VP, Finance & Accounts, Axis Bank



Pankaj Gupta

Chief Digital & Marketing Officer

Formerly at Sify Technologies, HCL Services, Wipro Infotech



Gurumurthy R K

Head – Treasury

Formerly at DBS Bank, Laxmi Vilas Bank, Bank One, ING Vysya Bank



To Be Announced

Chief Product Officer/ Head of Products

Inducting laterals from various fields with proven pedigree aligned to the transformational journey of the Bank



..Guided by an Independent Board

With no shareholder holding >5% share capital in the Bank



P Pradeep Kumar

Part Time Chairman,
Independent Director
Former MD, State Bank of India



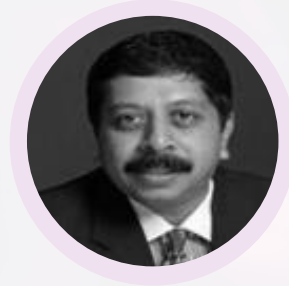
Keshav Krishnarao Desai

Independent Director
Managing Partner, Desai Group



Balakrishna Alse S

Independent Director
Former ED, Oriental Bank of
Commerce



Srikrishnan H.

MD & CEO



Justice A V Chandrashekar

Independent Director
Former Judge, High Court of
Karnataka



Kalmanje Gururaj Acharya

Independent Director
Senior Partner, M/s. K G Acharya &
Co.; Former Independent Director,
State Bank of Mysore



Sekhar Rao

Executive Director



Uma Shankar

Independent Director
Former ED, Reserve Bank of India



Jeevandas Narayan

Independent Director
Former MD, State Bank of
Travancore;
Deputy MD, State Bank of India



B R Ashok

Non-Executive Director
Partner, M S K C & Associates

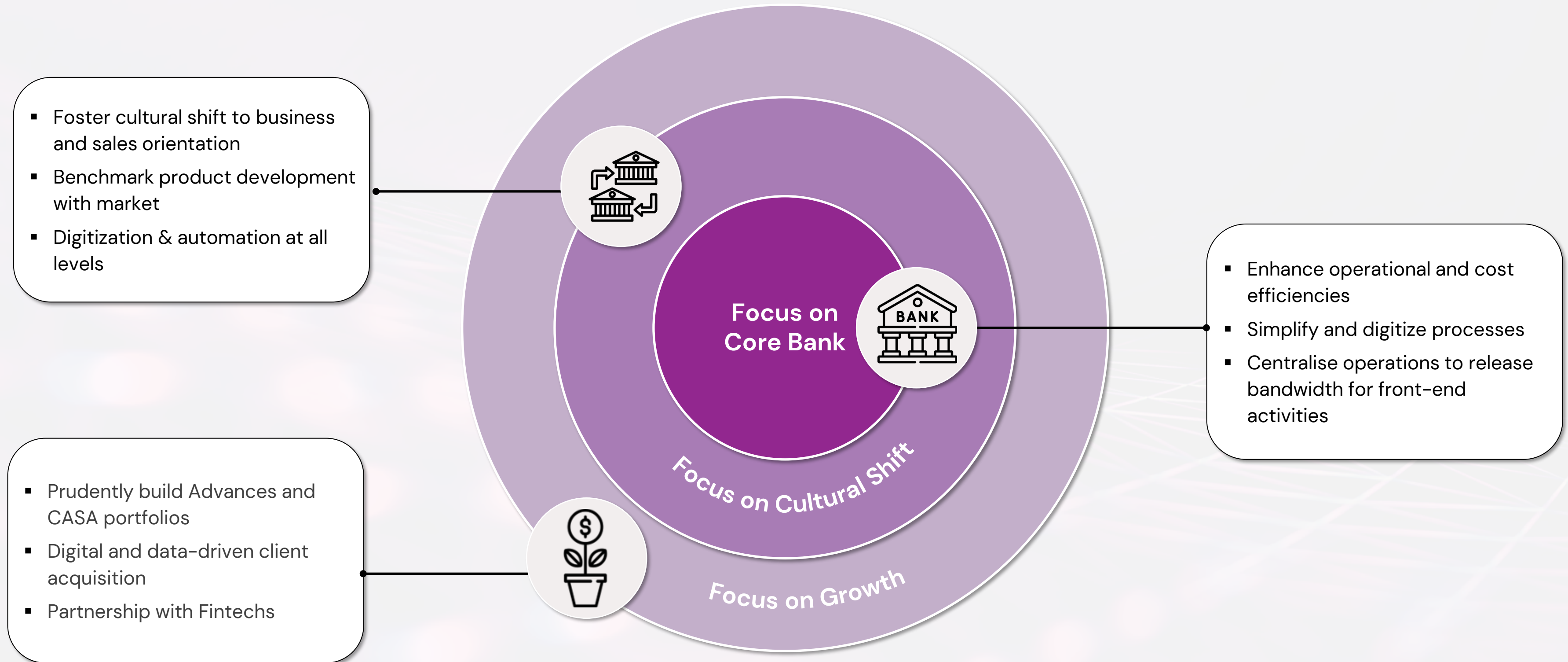


Dr D S Ravindran

Independent Director
Former Principal Secretary, Govt.
of Karnataka



Banking with a Legacy, Embracing the Future



Progress during the Quarter

Q2FY24

Banking with Legacy, Embracing the
Future

Celebrating 100 years of trust





Key Milestones

Capital for Growth

₹ 1500 Cr.

Tier-1 Capital
Approved by the Board



Tranche 1 – INR 800 Cr.

- Allotment completed post receipt of shareholder approval
- Backed by marquee institutional investors



Tranche 2 – INR 700 Cr.

- Raising of INR 700 Cr. funds by issue of equity shares by way of QIP / Preferential Issue / Rights Issue / any other permissible mode

The Bank has received RBI approval to exercise call option on its Tier-2 Bonds issued under Series V



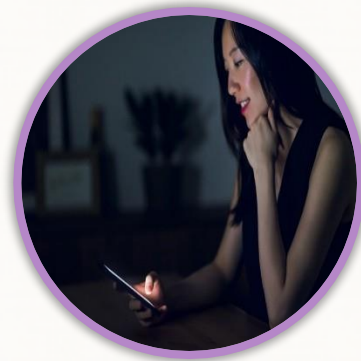
Key Milestones

Digital and data-driven client acquisition



Outbound Sales Team

- Inducted ~250 Sales Officers and ~400 Feet on Ground
- Covering key markets and target segments



Launched CRM

- Integration of customer data and interactions across Marketing and Sales department
- Enhanced customer engagement and improved business efficiency



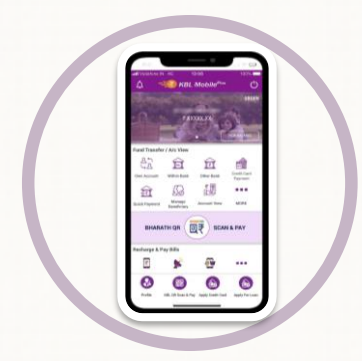
Leveraging Customer360

- Comprehensive understanding of customer behavior to enhance user experiences
- Extensive analysis of customer interactions across diverse touchpoints and channels



Website Development

- Target to go live in coming quarter
- Developer portal with 400+ APIs



KBL Mobile Plus

- Enhanced customer engagement
- User friendly interface with intuitive navigation



Key Milestones

New Products Launched During the Quarter



KBL-Swarna Bandhu

- Partnered with SahiBandhu, a gold loan aggregator
- Gold loan services at doorstep



Corporate Salary Account Schemes

- Bundled salary proposition, including zero balance account with concessions for loan processing, locker rentals, etc.
- Introduced three variants tailored to cater to all segments



Collection of GST

- Live with GST service and collection
- Multiple modes including Over the Counter (OTC) & Internet Banking



Key Milestones

Awards & Recognitions in Q2



Infosys Finacle (Innovation awards 2023)

Received by Shri Vinay Kulkarni, Dy. GM & CTrO, & Shri Gopalakrishna Samaga B, Dy. GM, RO Mumbai

Business Icon Award 2023 (Finance and Banking Sector)

Received by Shri Nagaraja Upadhyaya, DGM, RO Bangalore, & Shri. Iranna Nagaral, RSE, RO Bangalore

ET Iconic Brands of India 2023

Received by Shri. Raghavendra, DGM, RO Mumbai, Shri Santosh Kumar, AGM, Corporate Finance Branch, Mumbai, & Shri Satya Ramesh, Regional Sales Executive, RO Mumbai



Strategic Roadmap

"Start up @ 100"

Banking with Legacy, Embracing the Future

Celebrating 100 years of trust





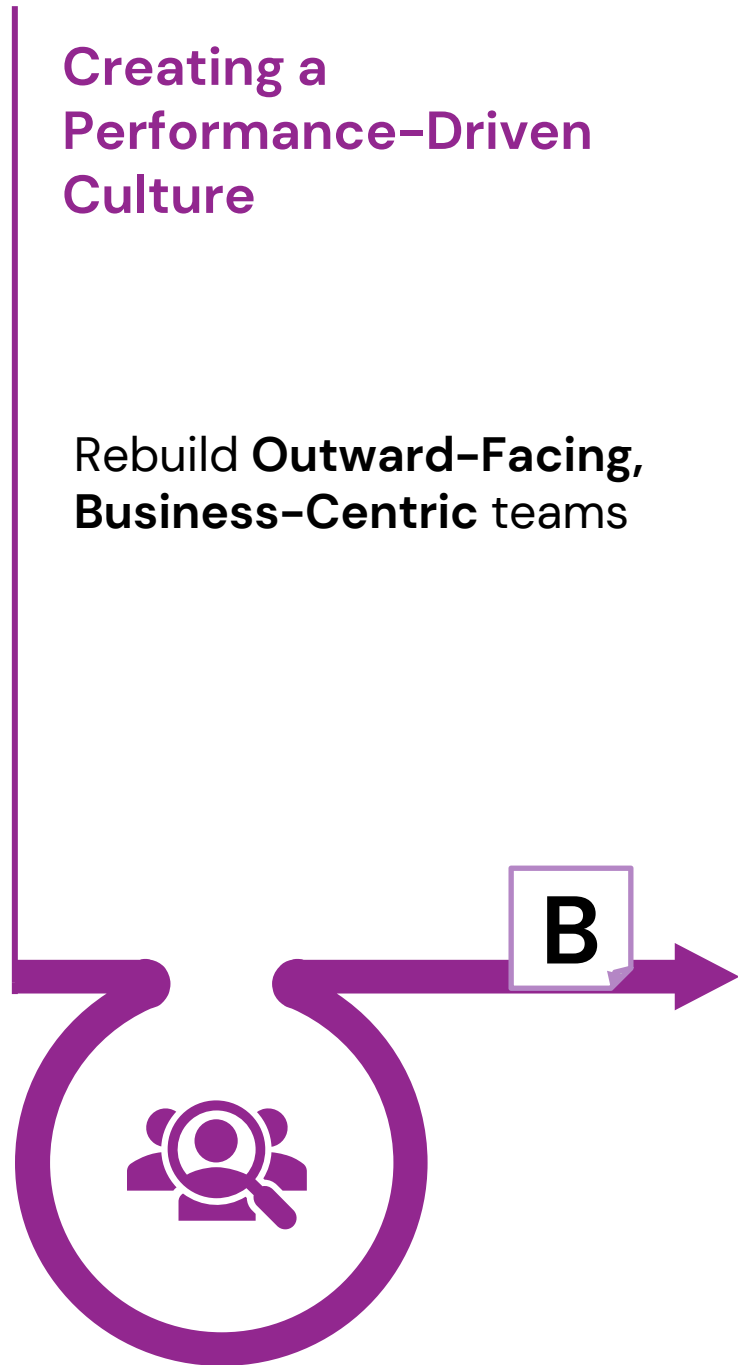
Strategic Roadmap



A

Delivering Excellence in Core Businesses with Underlying Technology Platform

Through tech-driven **Processes, Products & People** targeting Rural, MSME and Retail sector



B

Creating a Performance-Driven Culture

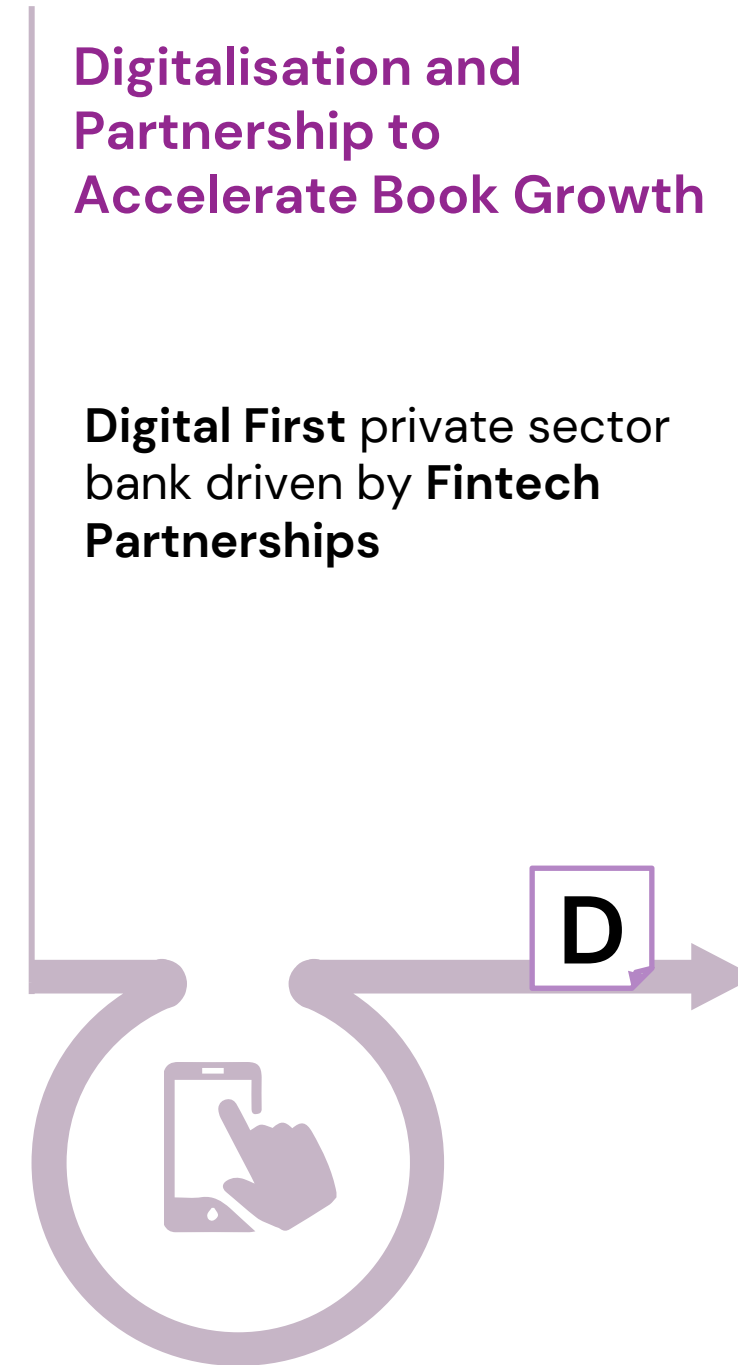
Rebuild **Outward-Facing, Business-Centric** teams



C

Strengthening Financial Position to Create Long-Term Value

Targeted Metrics with specific focus on long-term strategy



D

Digitalisation and Partnership to Accelerate Book Growth

Digital First private sector bank driven by **Fintech Partnerships**



Driving Excellence in Proven Core Competencies



Consistent Emphasis on our Strength Areas

Our Legacy

Building on Our Legacy



100 Year Legacy

13 Mn

Happy customers

1 in 40¹

Indians bank with us

- Tradition with Innovation
- Outbound Sales Culture
- Startup-like Agility



MSME & Rural Focus

36.6%²

Share of MSME & Agri-Loans

46.2%

Branches in Rural & Semi-Urban Areas

- Capitalise on community network
- MSME and Rural to be key growth drivers



Retail Focus

45.5% → 48.9%²

Increase in % of Retail Advances from FY20 to Q2FY23

- Enhanced RoA and RoE
- Focus on Retail – Home, Gold Loans



Karnataka Stronghold

4.2%³

Market share in Karnataka

22 States

Pan-India presence

- Wider Geographical Presence
- Digital and Data-driven client acquisition
- Cross Selling





Driving Excellence in Proven Core Competencies

A.

Continued Transition Towards Retail

Strategy

Outbound Sales Team and **"Feet on Street"** for growing liabilities and expanding home loan book

Business Correspondent partnerships to strengthen portfolio

Sector Focus Tie-ups to grow retail reach

Scale-up from number of Retail Loan Processing Hubs

Increase **Product Penetration** per customer through analytics-enabled cross selling



Progress

Inducted **~250 Sales Officers** and **~400 Feet on Ground** for covering key markets and target segments

Partnered with **one BC** and others in progress

Partnerships focused to expand Home, Car, Gold, Retail and Agri loan book

In process of scaling from **5 to 8** retail processing hubs

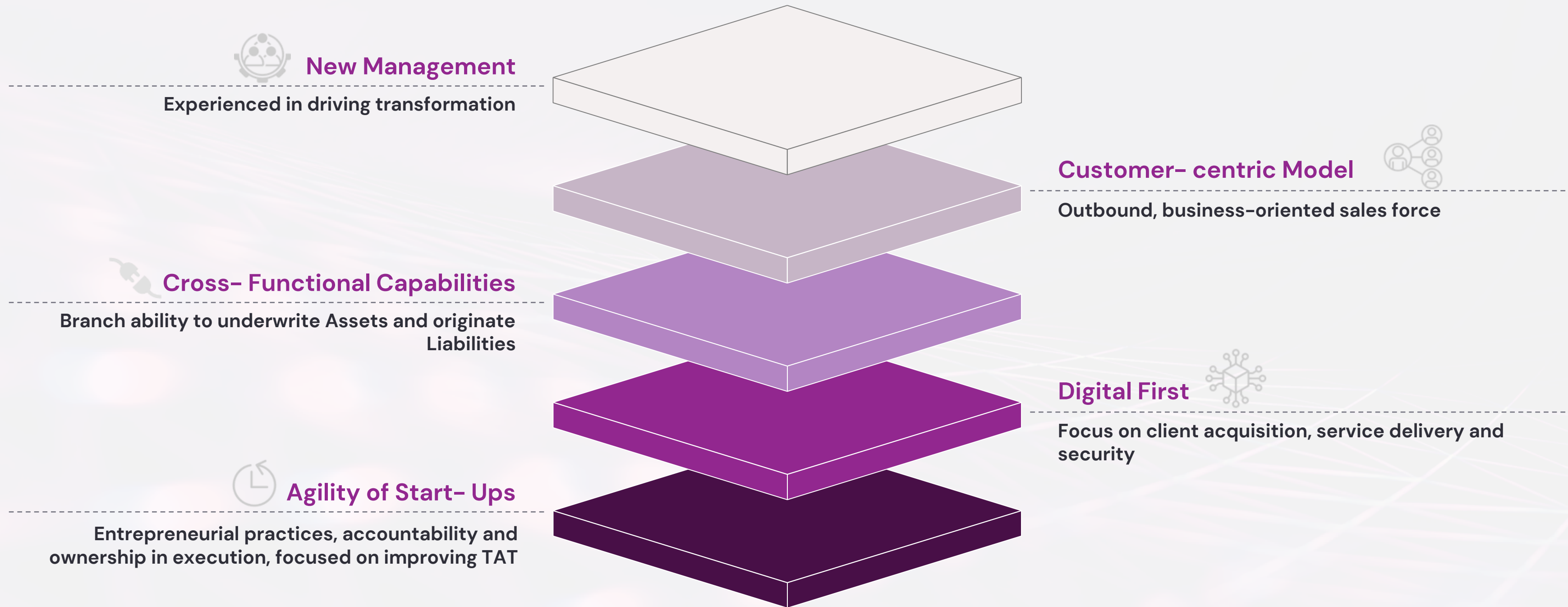
Leveraging customer data to cross-sell to existing customer base



Creating a Performance Driven Culture

B.

Rebuild Outward-Facing, Business-Centric Teams



Linear organizational structure with an intensified focus on Branch Banking





Strengthen Financial Position to Drive Profitability

C.

Prioritise Retail and Government Accounts with Sustained Growth in Other Segments

Key Capabilities in Place to Leverage Opportunities in the Government Business



Empaneled as 'Agency Bank' for direct tax collection



Integrated on **National Jan Samarth** portal

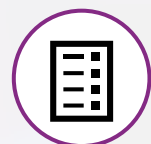


State-level Treasury integrations for collection of revenue (Khajane-II in Karnataka and MAHAKOSH in Maharashtra)



National Savings Institute (NSI) (to on-board customers for savings schemes)

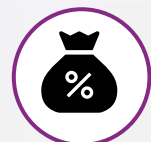
Target to be one of the **top govt. collection banks**



Live with **GST collection** through OTC and Internet Banking



Live with **Customs collection**



Direct tax collection to go live in coming quarter



Selected by RBI for upcoming cohort of **Central Bank Digital Currency (CBDC)**

Working towards "one-stop" digital solution for all statutory payments

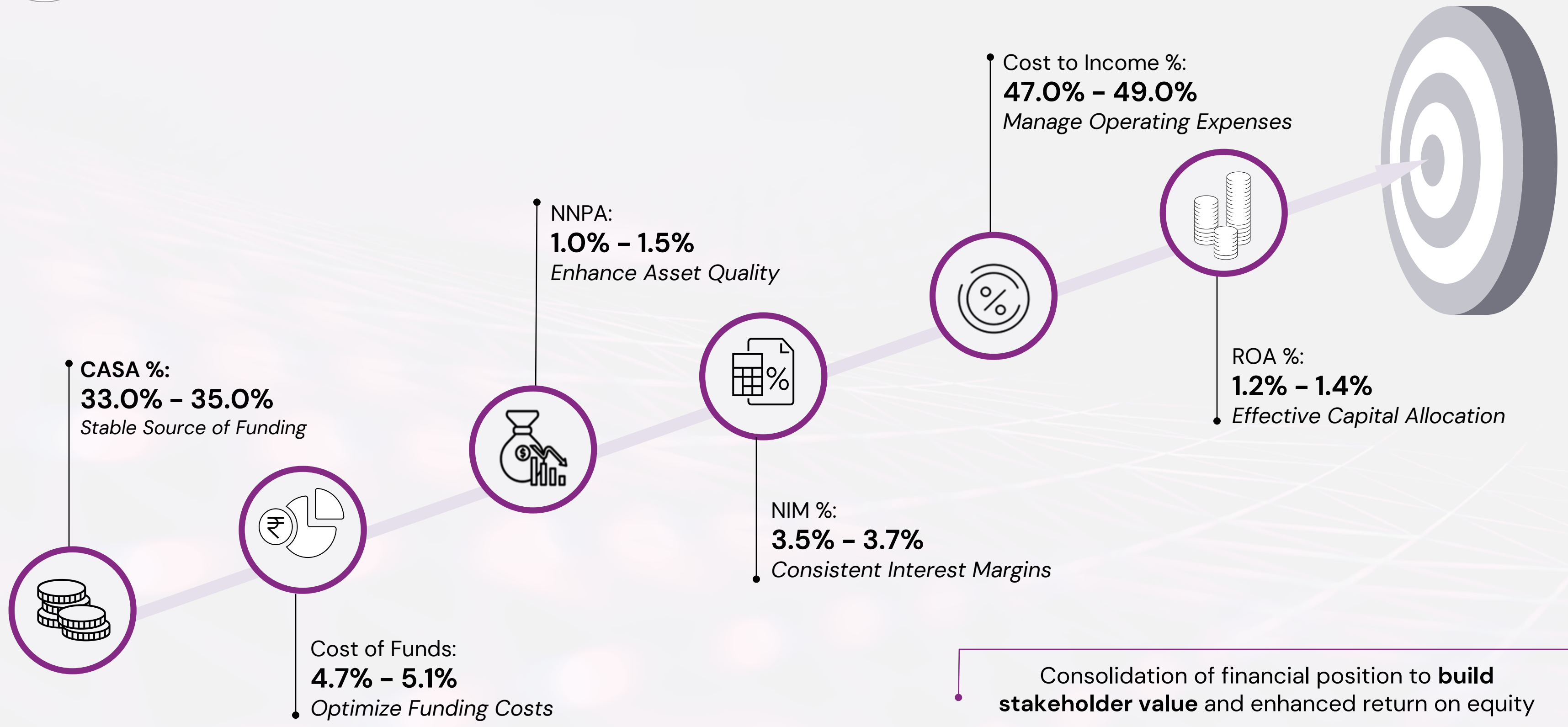




Strengthen Financial Position to Drive Profitability

C.

Targeted Performance Improvement to Boost Returns





Digitalisation Propelling Robust Book Growth

D.

Foundation in place to Drive Next Leg of Digital Innovation

State-of-the-art **'Technology & Digital Hub'** at Bengaluru

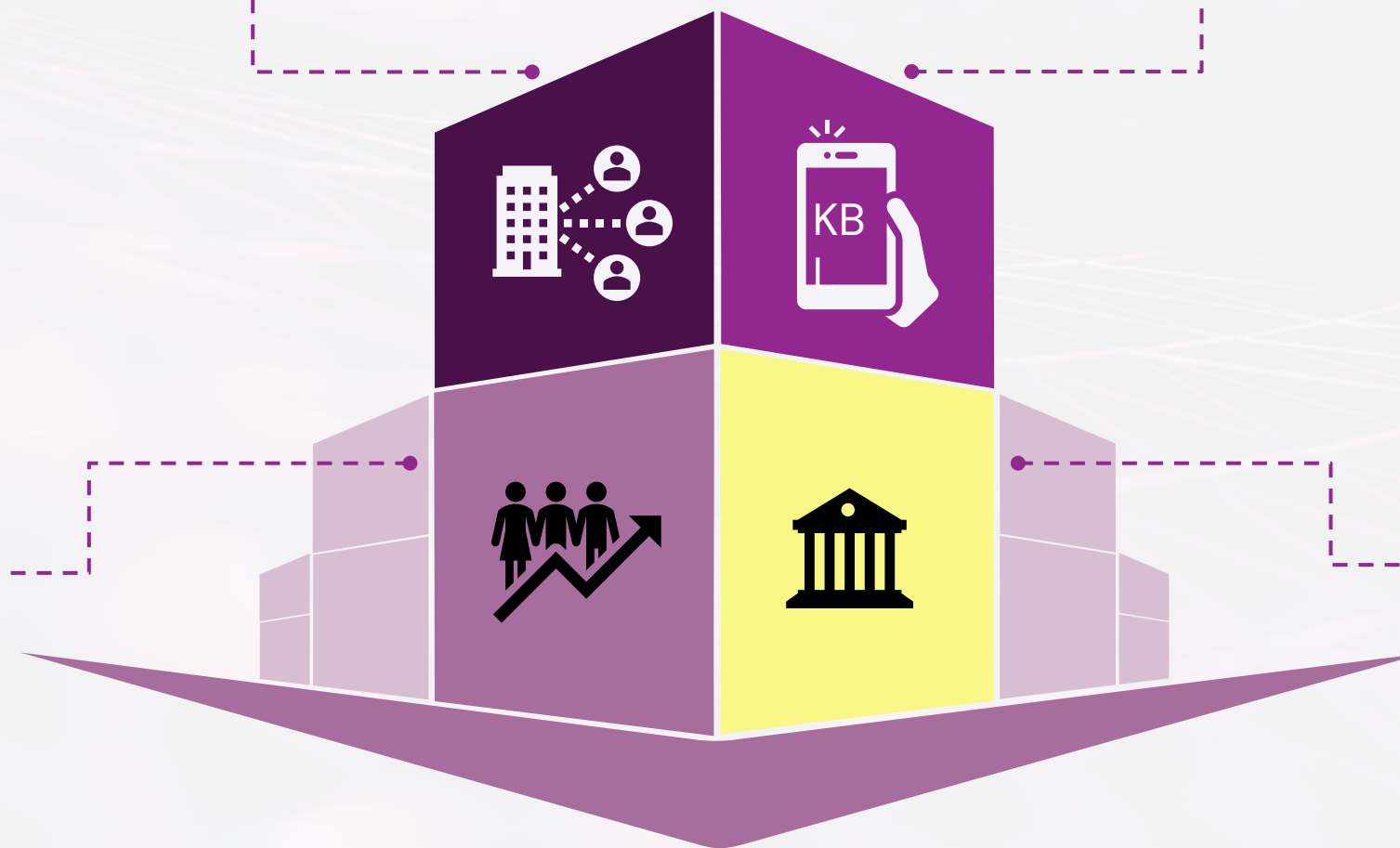
- 40,000 sq. ft. super built-up area
- 370+ work-stations
- Consolidate all technology and digital operations under **One Roof**

- **'Project KBL-VIKAAS'** to drive transformation initiatives advised by **Boston Consulting Group**
- Digital Centre of Excellence (**DCoE**)
- Analytical Centre of Excellence (**ACoE**)

- **Partnerships with Fintechs**
- **Co-lending Tech Integration**

- Pioneer in **"Finacle CBS"** amongst 1st Generation Private Banks
- **ISO 27001:2013 Certified** Information Security Management System

Text





Digitalisation Propelling Robust Book Growth

D.

Moving Towards a Digital-First Bank

Embedding **data & analytics** in business processes to drive data-driven decision making...



Predictive, business/strategy & descriptive **analytics use-cases**

P

Predict & Prioritise

Data Link to enable seamless communication and exchange of information



ACoE **capability on cloud** with robust and scalable data infrastructure

A

Analyse & Automate

Unified, scalable, **central data repository** solution & processing infrastructure



Upskilling in-house analytics resources for seamless business continuity

C

Customise & Collaborate

Integrated analytics with business processes to enable **data driven decision making**



E

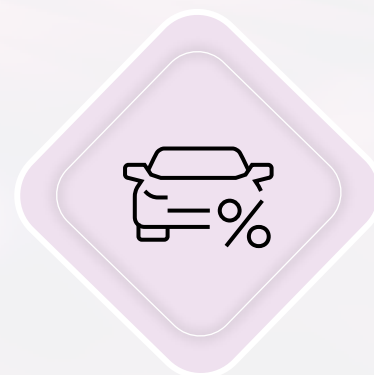
Enable & Execute

...Backed by a **strong digital backend and underwriting**

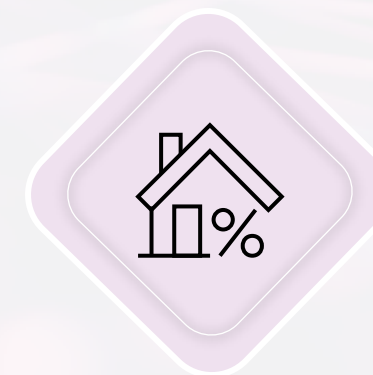
% of Digital Underwriting on Overall Sanctions



Personal Loan : **100%**



Car Loans : **90%**



Home Loans : **93%**



MSME Loans : **94%**





Digitalisation Propelling Robust Book Growth

D.

Digital First, New-Age Private Sector Bank Driven by Fintech Partnerships



Co-branded Credit Cards

Exploring partnerships with new age technology service provider



Co-Lending

Tie-up with reputed NBFC and MFI as well as aggregator platforms



General, Health and Life Insurance

HDFC Life, Bajaj Life, Bharti Axa, PNB Metlife, LIC, Bajaj General, Universal Sampo



AMFI-Registered Mutual Fund Distributor

Empaneled with 8 AMCs



Demat Services and Trading Accounts

Tie-up with two online trading platforms



KBL-FASTag Service

Enabling recharge through mobile banking, UPI, and NETC FASTag portal

Fintech partnerships provide cost effective gateway to cutting-edge innovative solutions



Karnataka Bank

Our Strengths

Banking with Legacy, Embracing the Future

Celebrating 100 years of trust





Key Strengths

Key Highlights

99 years of legacy
delivering consistent
profit and dividend



Diversified offerings with
established brand equity



Strong geographical
footprint



Healthy asset quality and
financials backed by prudent
risk management capabilities



Superior customer
service and retention



Digital & technological
capabilities



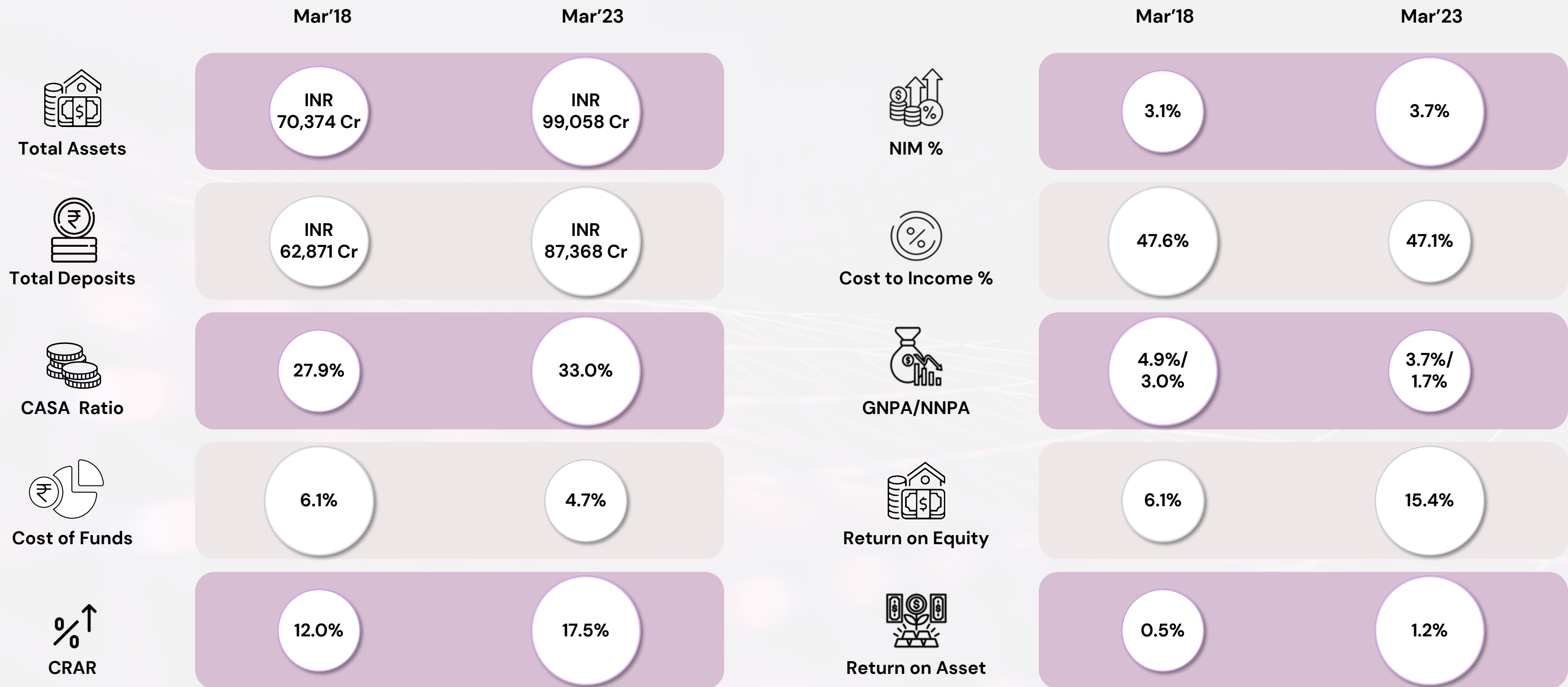
Strong governance
culture and an
experienced
management team





Longstanding Legacy Delivering Consistent Growth

Key Highlights over 5 Years





Diversified Offerings With Established Brand Equity

Product & Services for Everyone

Retail and Personal Banking



- Housing
- Vehicle
- Gold
- Loans against property
- Personal loans
- Education

MSME



- Working capital finance for traders & manufacturing industries
- Term loans & infrastructure finance
- Business development loans
- Corporate loans
- Professional & self-employed loans

Agriculture Banking

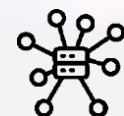


- Agriculture & allied activities
- Farm development
- Agricultural land purchase
- Farm mechanization
- Hi-tech agriculture
- Agricultural infrastructure & ancillary

Services



Simple & smarter digital loans



Centralised processing



Immediate in-principle sanction



Dedicated sales team

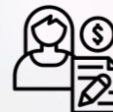
Facilities



GST Based Loans



Quick digital underwriting



Loans to women entrepreneurs



Loans for machinery & equipment

Facilities



Dedicated technical experts (AFOs)



Agri Development Branches (ADB)



Rural godown loans

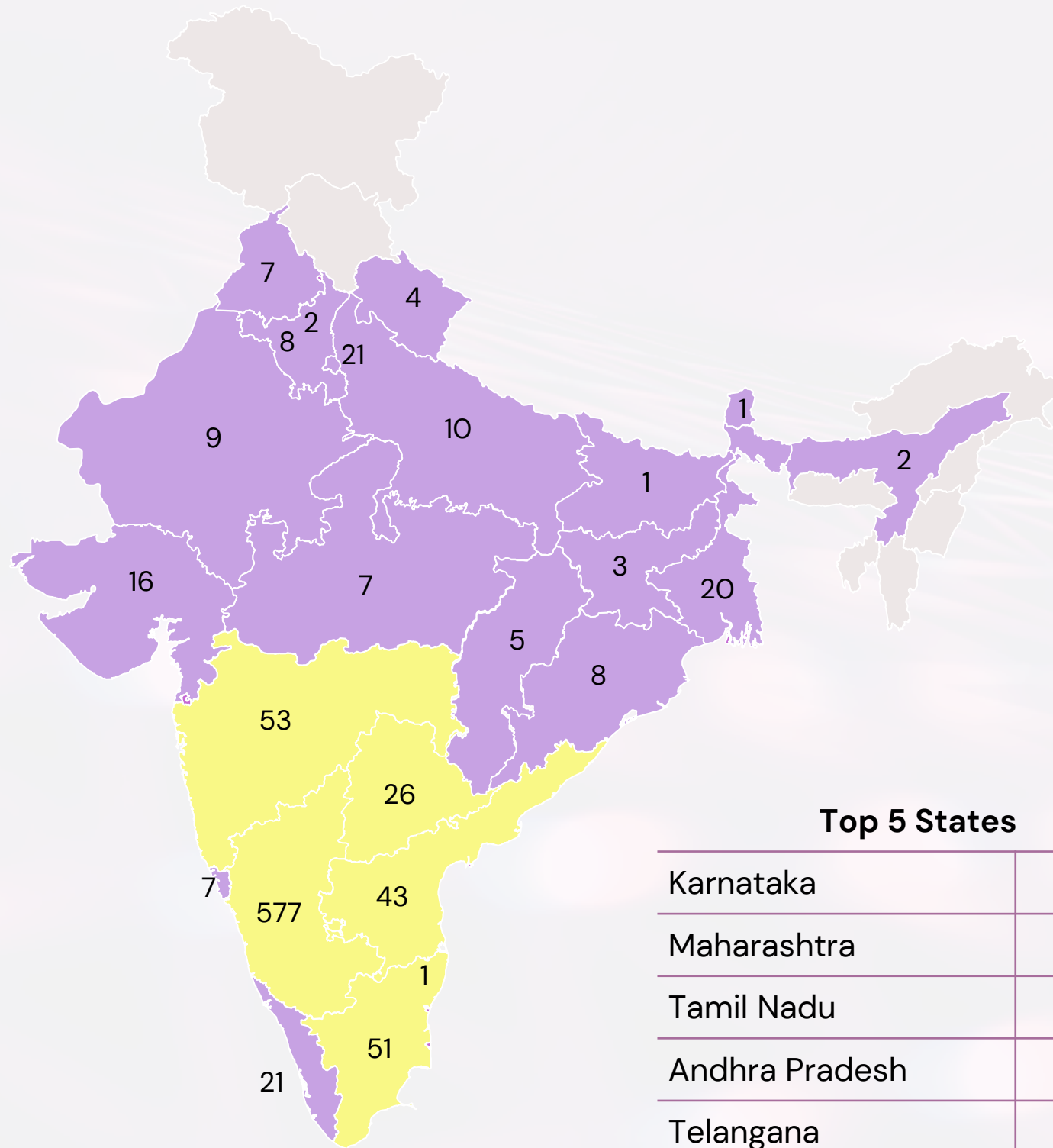


Farm machinery/ vehicle loans

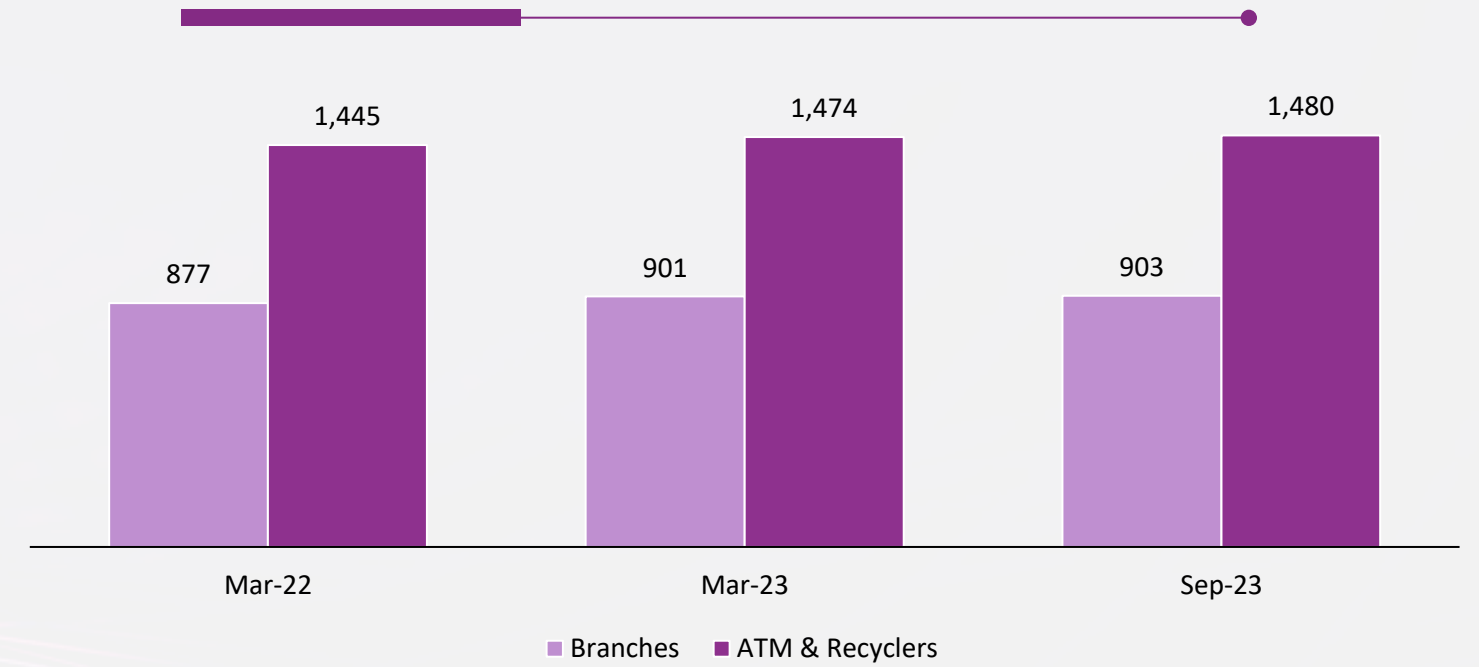


Strong Geographical Footprint

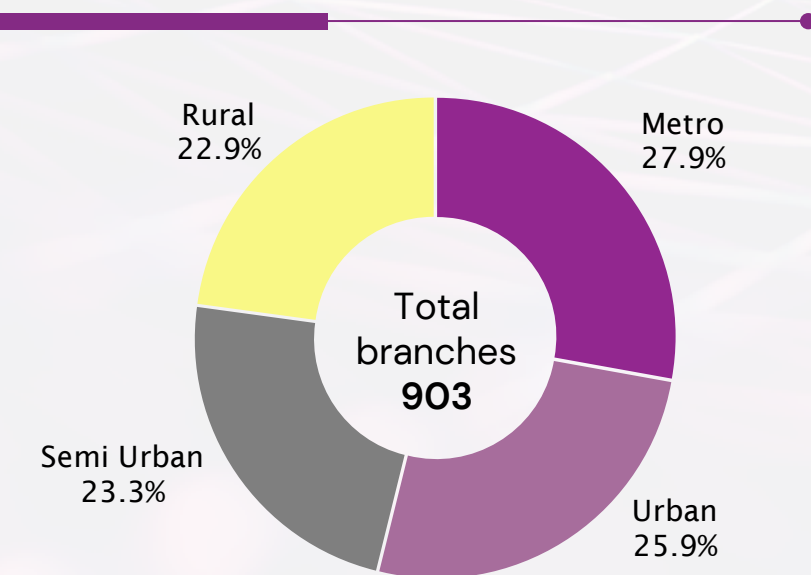
A Trusted Brand Identity



Steady Growth in Locations Served



Presence Across All Tiers



Karnataka Bank

Financial Highlights

Banking with Legacy, Embracing the Future

Celebrating 100 years of trust





Financial Highlights

Karnataka Bank at a Glance (Half Yearly Results)

Particulars	H1FY24	H1FY23	Growth Y-o-Y
Total Assets	1,05,856	97,077	9.0%
Gross Advances/(% Retail)	66,936/(48.9%)	60,991/(49.6%)	9.7%
Deposits	89,532	81,634	9.7%
Retail Deposits	60,962	54,343	12.2%
CASA Ratio	31.91%	32.82%	(91 bps)
Gross NPA	3.47%	3.36%	11 bps
Net NPA	1.36%	1.72%	(36 bps)
PCR	83.22%	79.97%	325 bps
ROE	16.47%	14.36%	211 bps
ROA	1.37%	1.10%	27 bps
NIM %	3.63%	3.56%	7 bps
CRAR	16.20%	15.28%	92 bps
Tier-1 Capital	13.11%	12.34%	77 bps



Financial Highlights

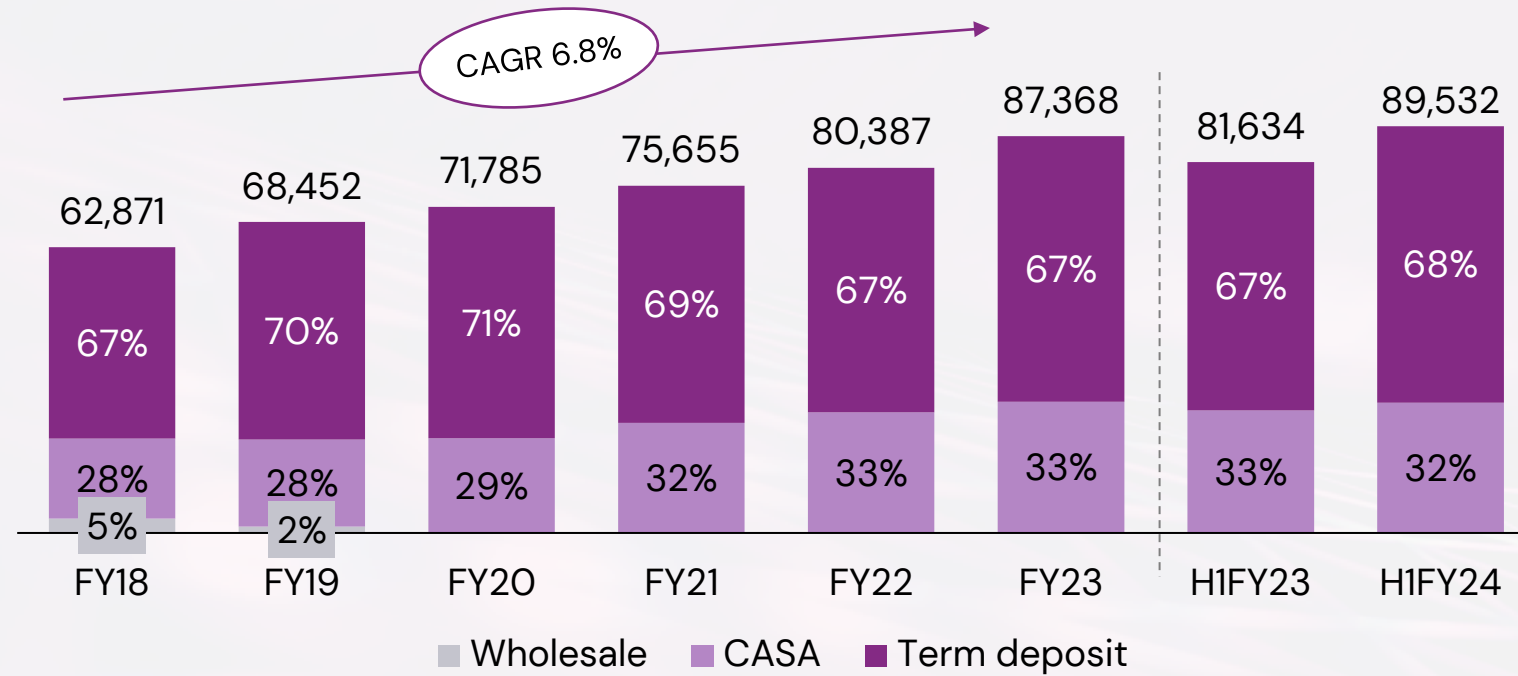
Karnataka Bank at a Glance (Quarterly Results)

Particulars	Q2FY24	Q1FY24	Growth Q-o-Q	Q2FY23	Growth Y-o-Y
Total Assets	1,05,856	99,120	6.8%	97,077	9.0%
Gross Advances/(% Retail)	66,936/(48.9%)	63,012/(48.1%)	6.2%	60,991/(49.6%)	9.7%
Deposits	89,532	86,960	3.0%	81,634	9.7%
Retail Deposits	60,962	58,964	3.4%	54,343	12.2%
CASA Ratio	31.91%	32.19%	(28 bps)	32.82%	(91 bps)
Gross NPA	3.47%	3.68%	(21 bps)	3.36%	11 bps
Net NPA	1.36%	1.43%	(7 bps)	1.72%	(36 bps)
PCR	83.22%	83.47%	(25 bps)	79.97%	325 bps
ROE	15.11%	17.70%	(259 bps)	22.31%	(720 bps)
ROA	1.27%	1.47%	(20bps)	1.70%	(43 bps)
NIM %	3.58%	3.68%	(10 bps)	3.78%	(20 bps)
CRAR	16.20%	17.00%	(80 bps)	15.28%	92 bps
Tier-1 Capital	13.11%	13.80%	(69 bps)	12.34%	77 bps

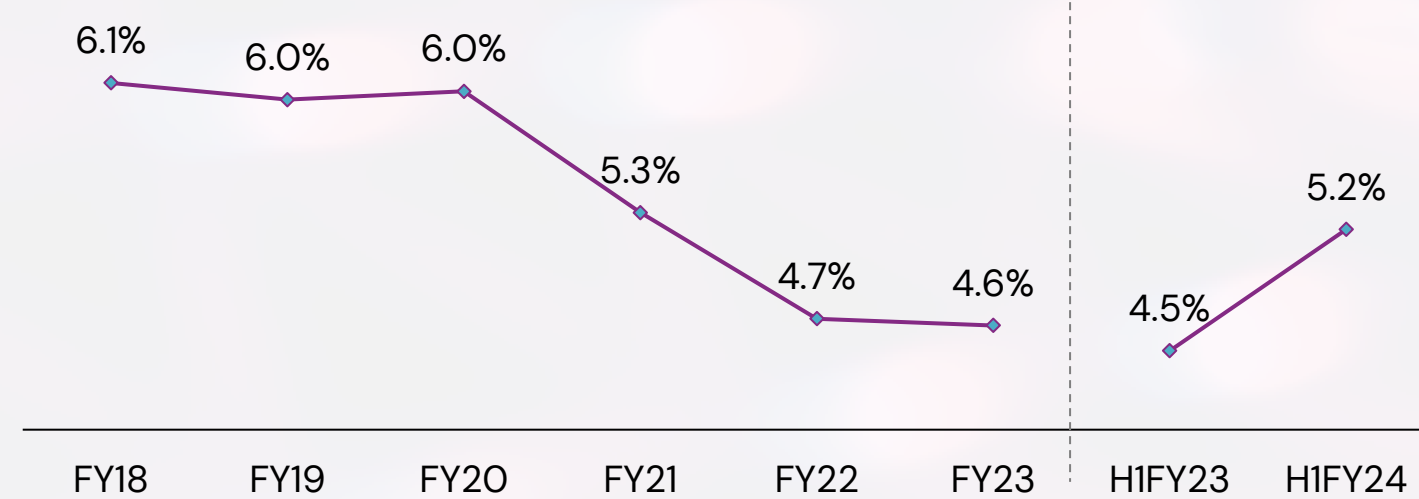


Liability Profile

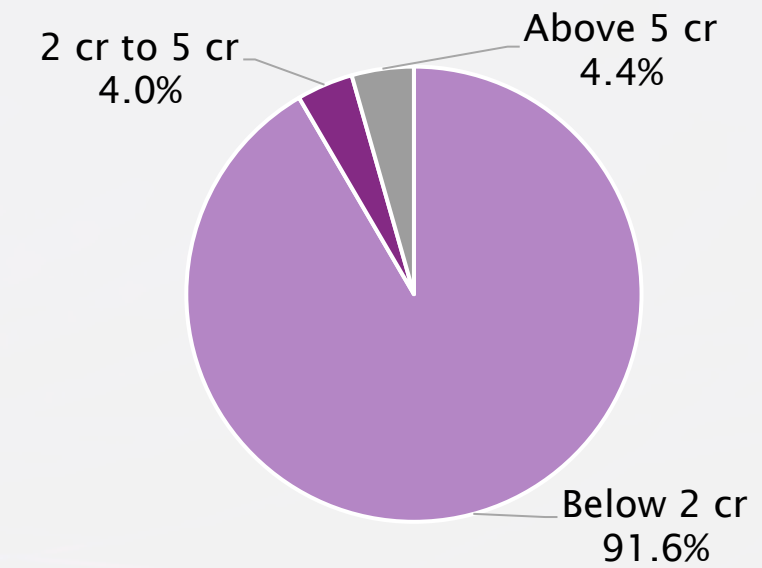
Deposit Profile (in INR Cr)



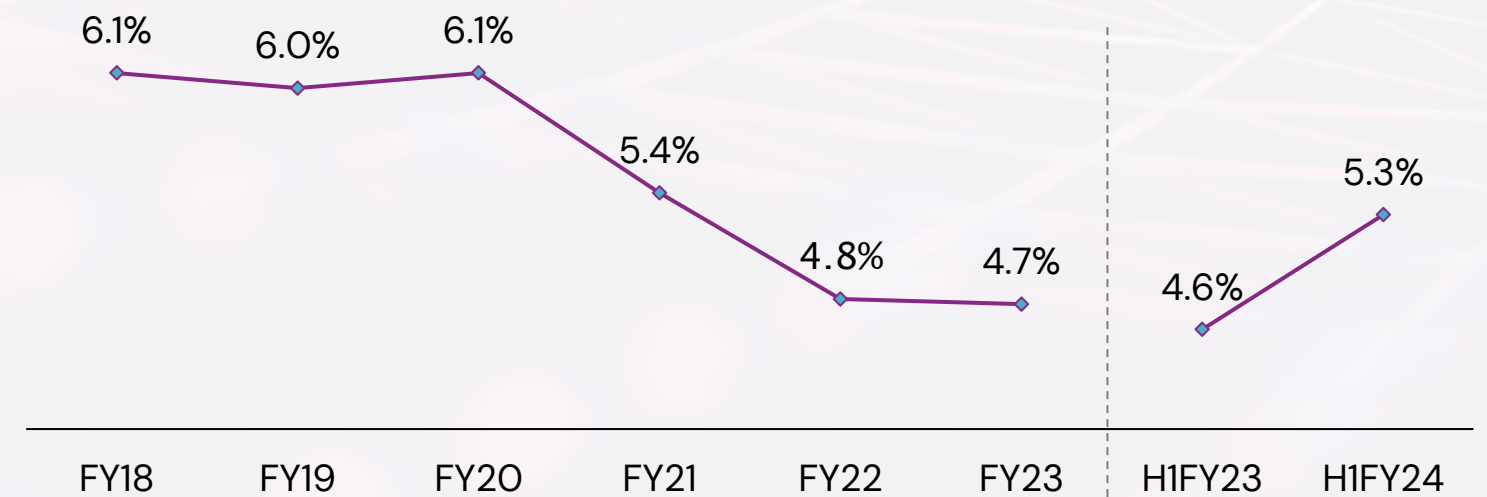
Cost of Deposit



Retail Term Deposit Breakup (Sep-23)



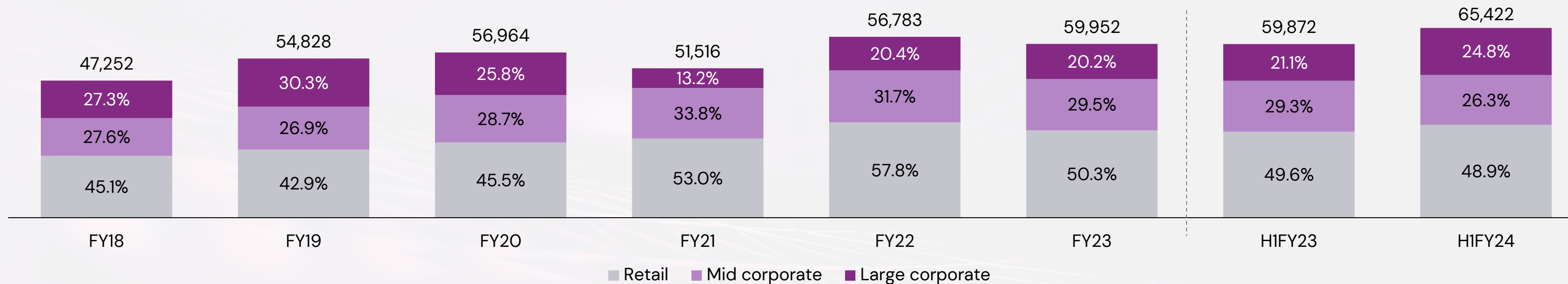
Cost of Funds



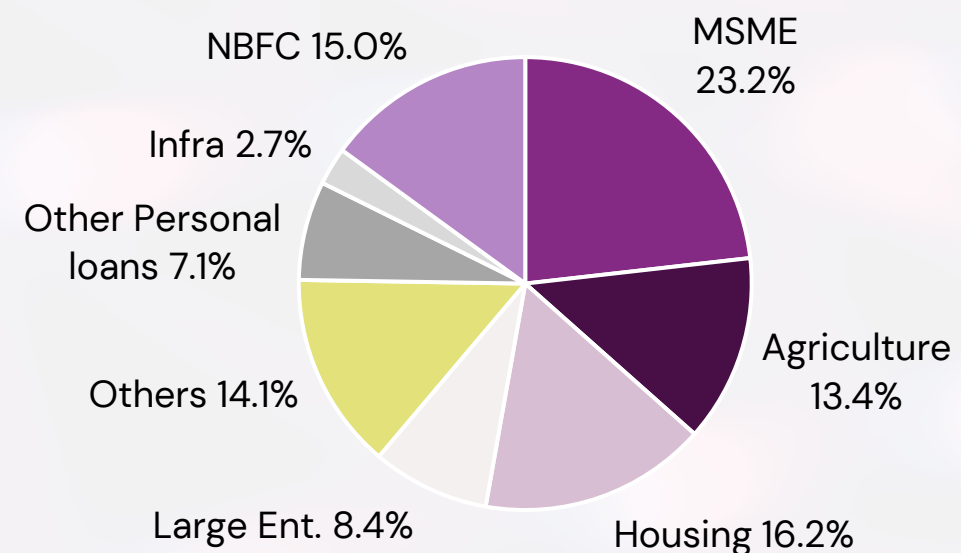


Advances

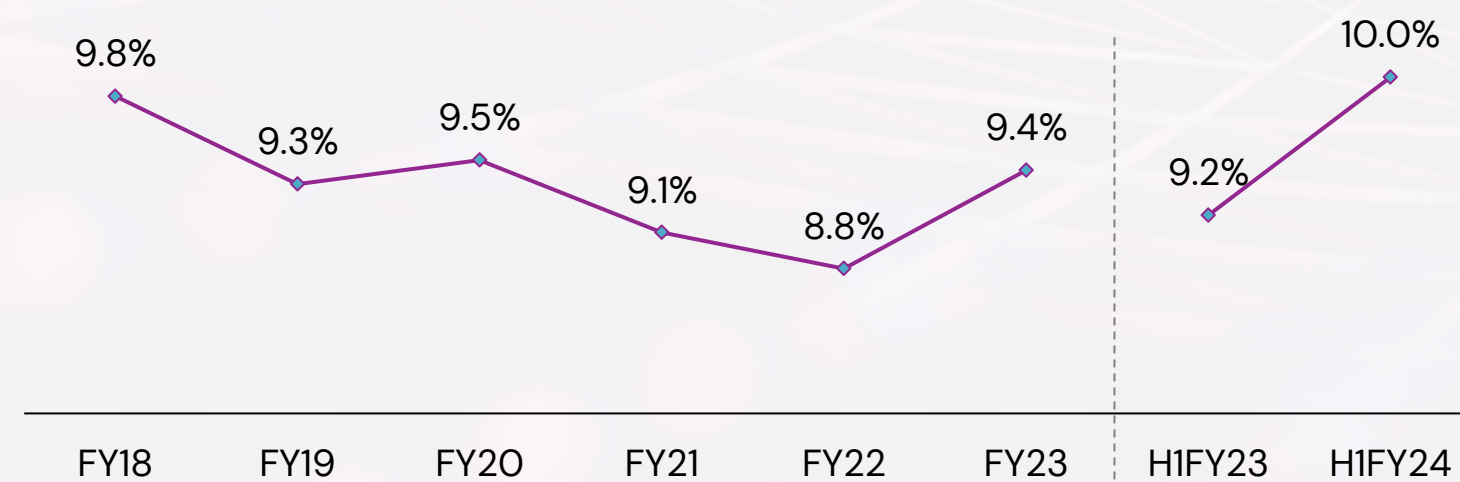
Net Advances Profile (in INR Cr)



Sectoral Loan Exposure (Sep-23)



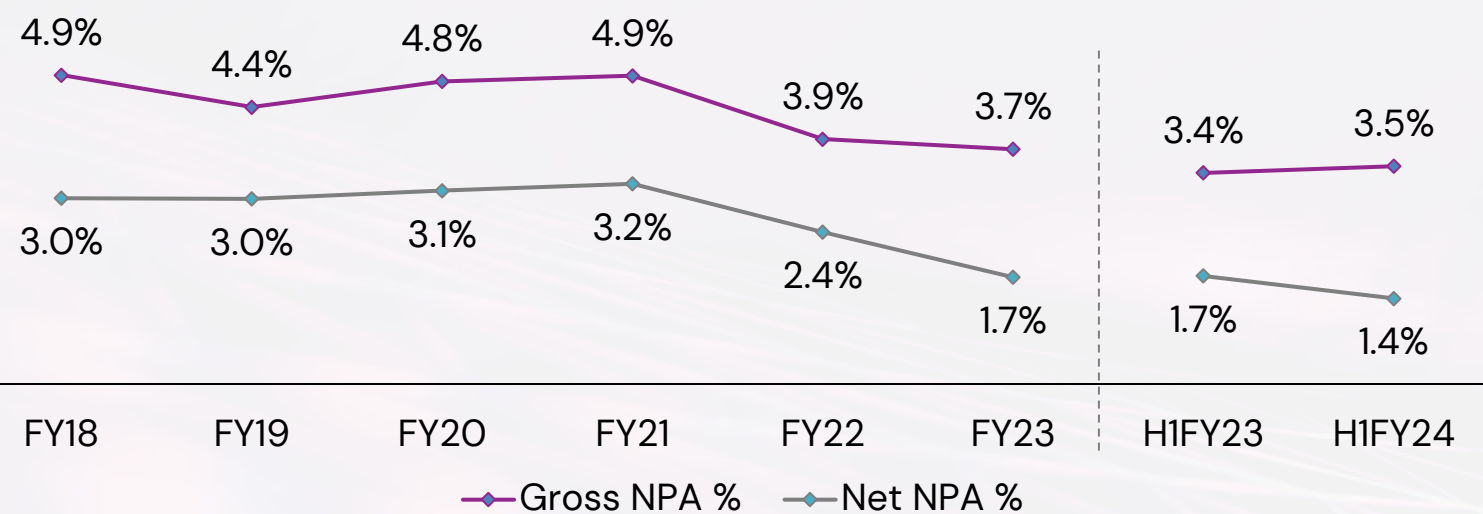
Yield on Advances





Asset Quality

GNPA & NNPA

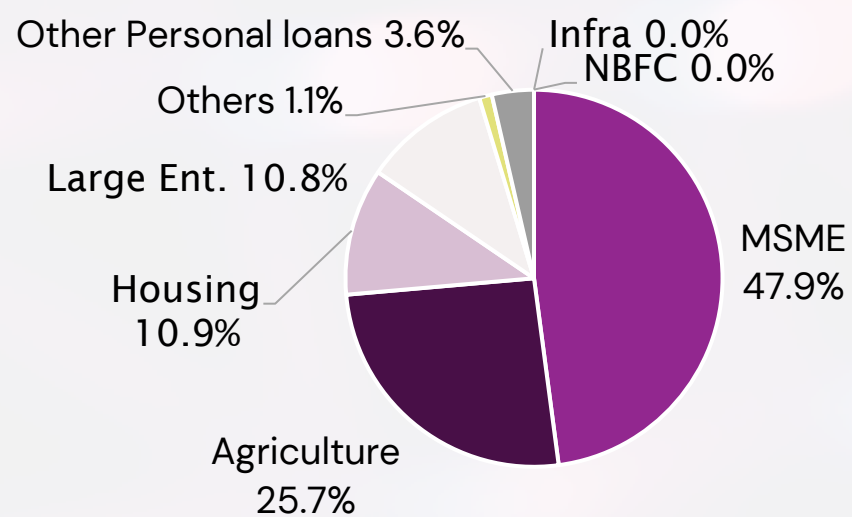


Provision Coverage (PCR) %

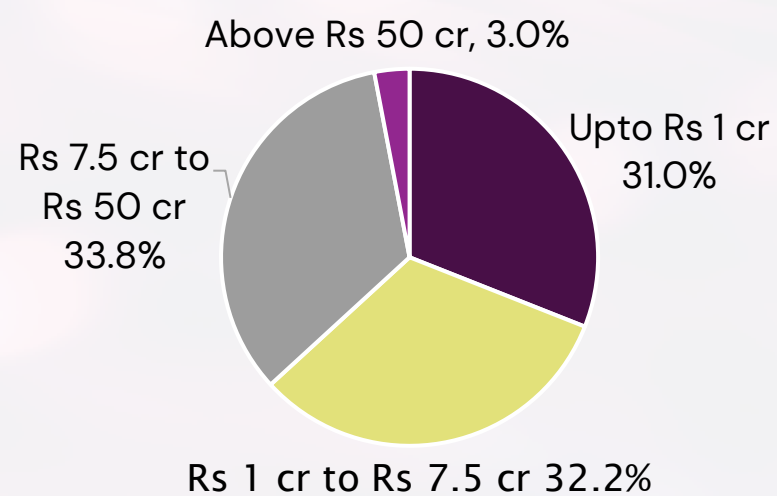


GNPA Breakup (Sep-23)

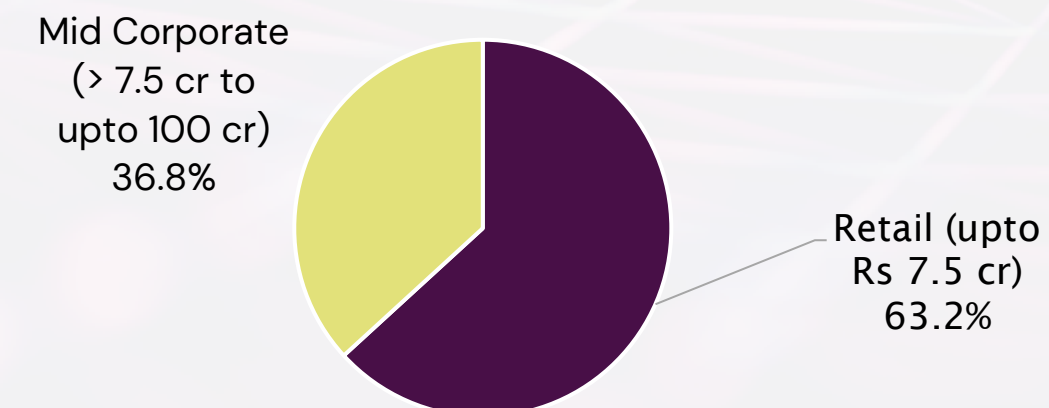
Sector wise



Size wise



Credit Portfolio wise



GNPA as on 30 September 2023: INR 2,324 Cr





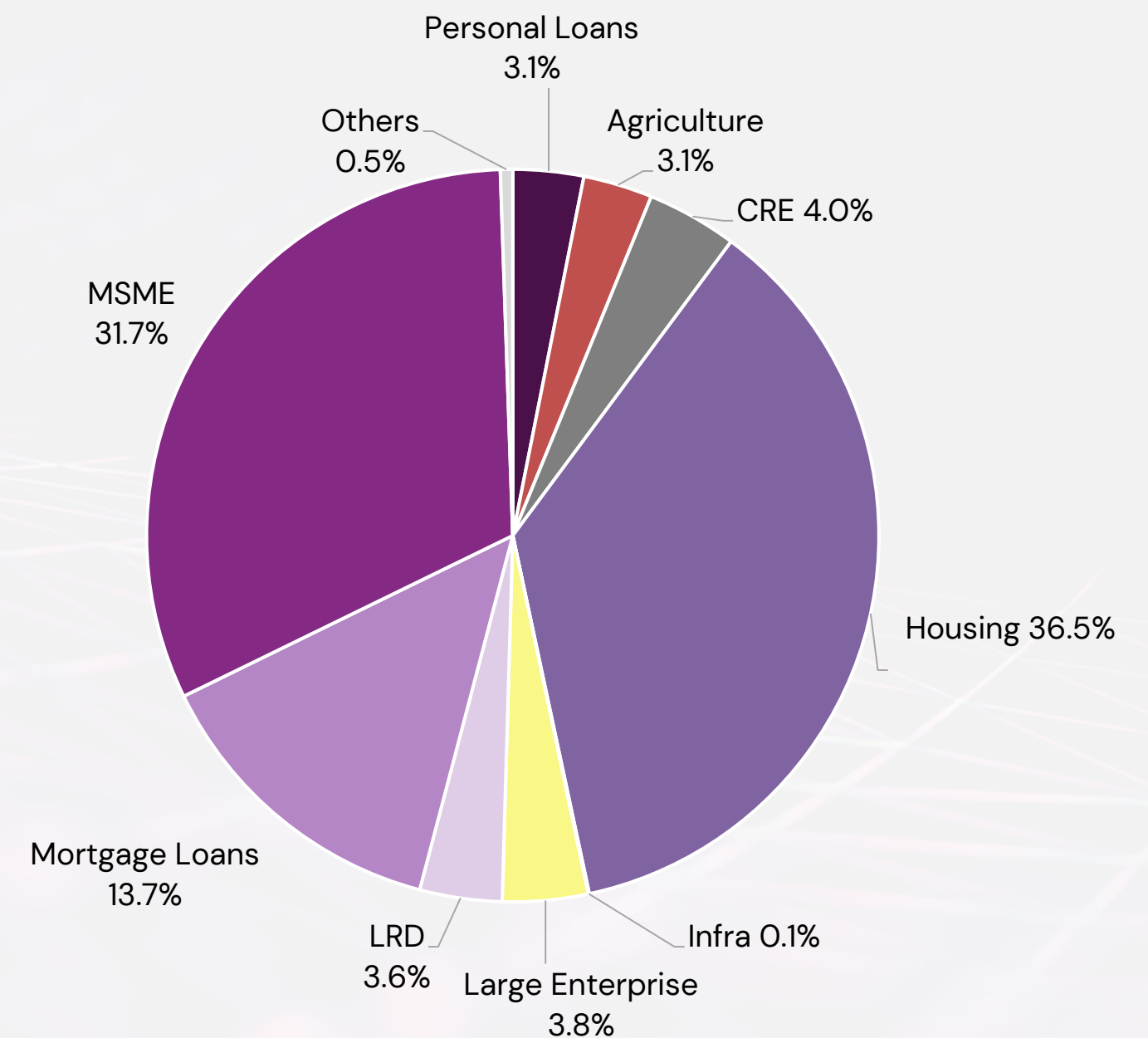
Asset Quality

Restructured Portfolio

Standard Restructured Portfolio – Movement

Particulars (INR cr)	Q2 FY24
Opening balance	2,534
Fresh restructuring during the period	-
Increase in balance in the existing restructured accounts	32
Upgrade of NPA to Standard category	18
Total - A	2,584
Reductions in opening balance	275
Downgrades to NPA during the period	95
Write-offs during the period	0
Total - B	370
Total Standard Restructured Portfolio (A-B)	2,214

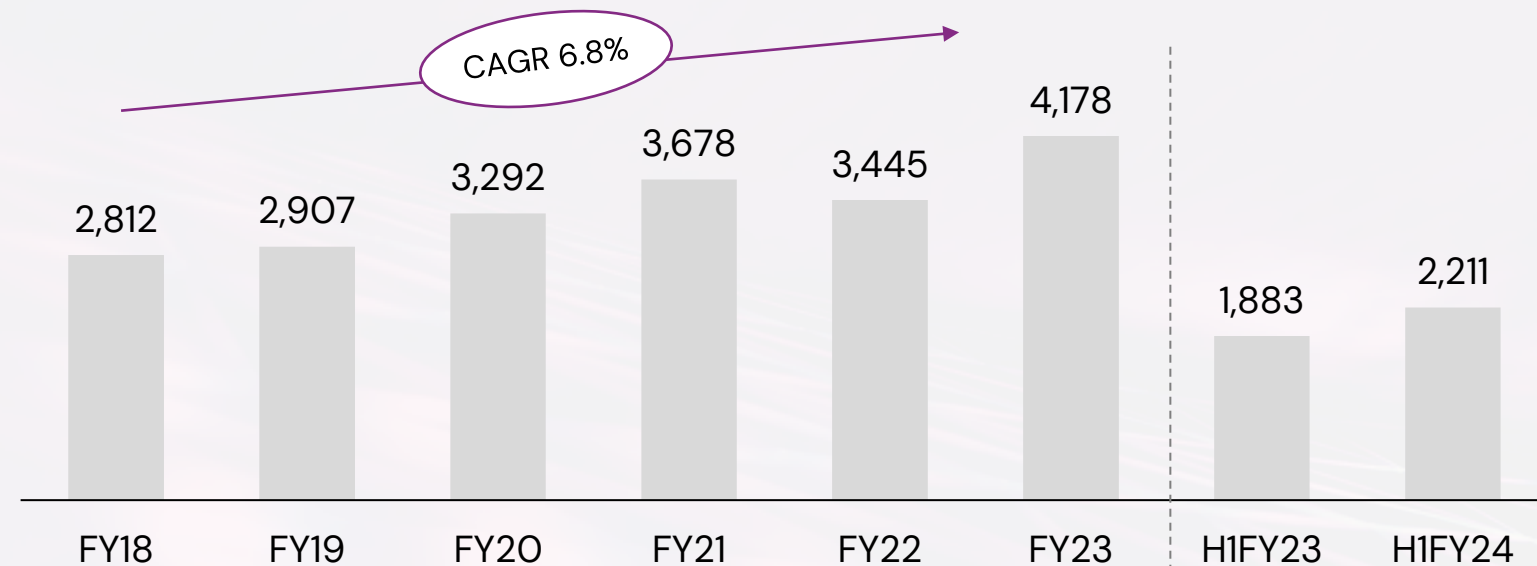
Standard Restructured Portfolio – Break-up



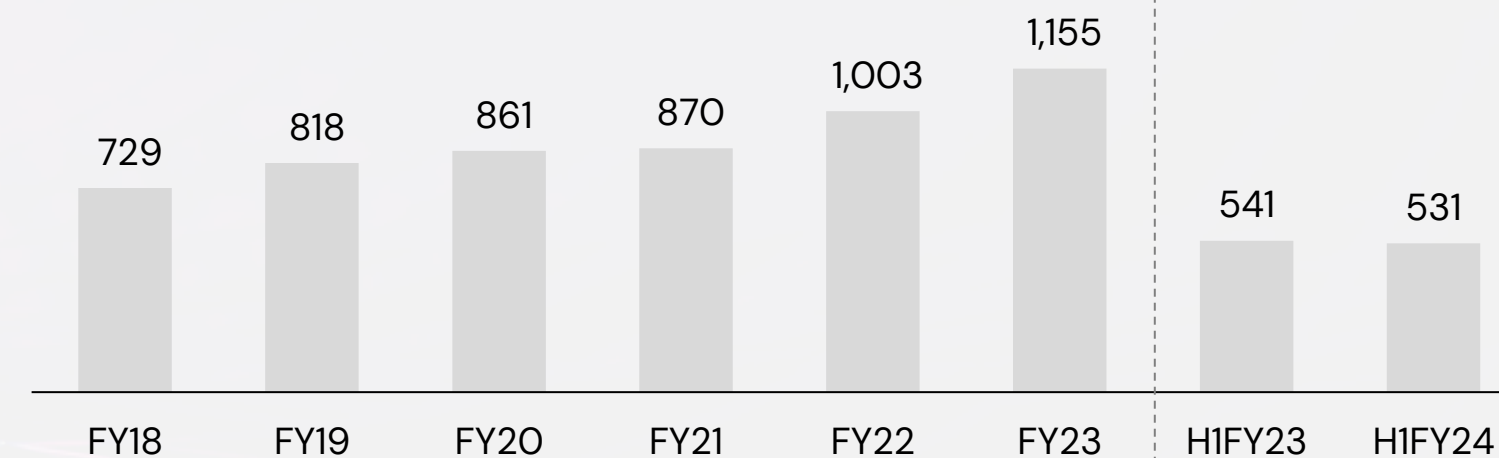


Profitability

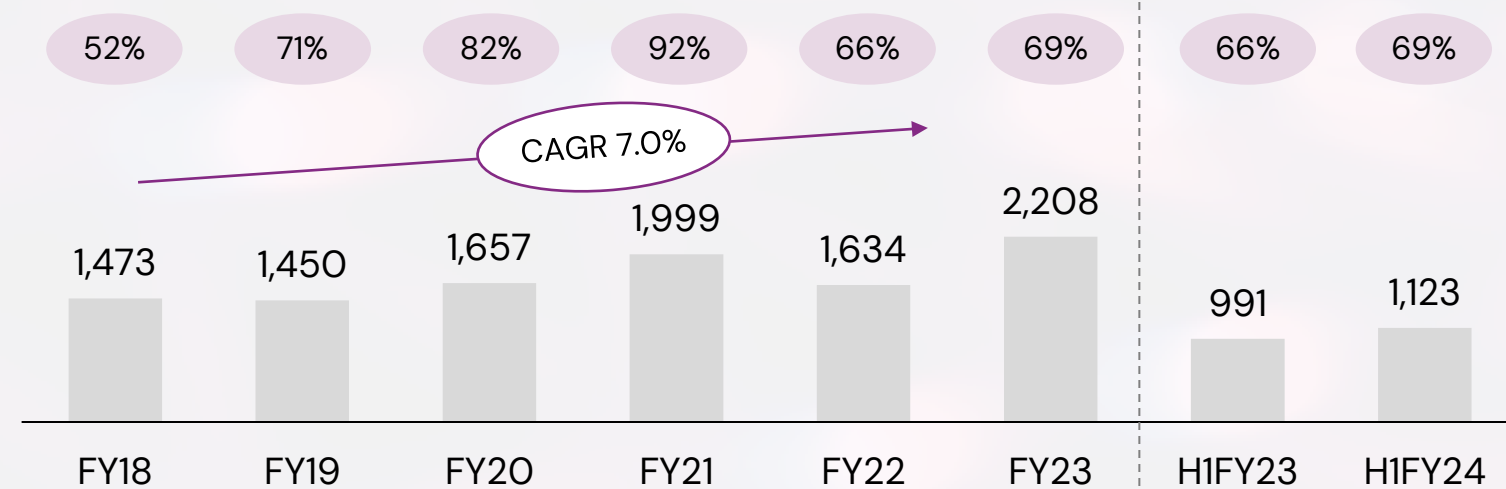
Operating Revenue (INR Cr.)



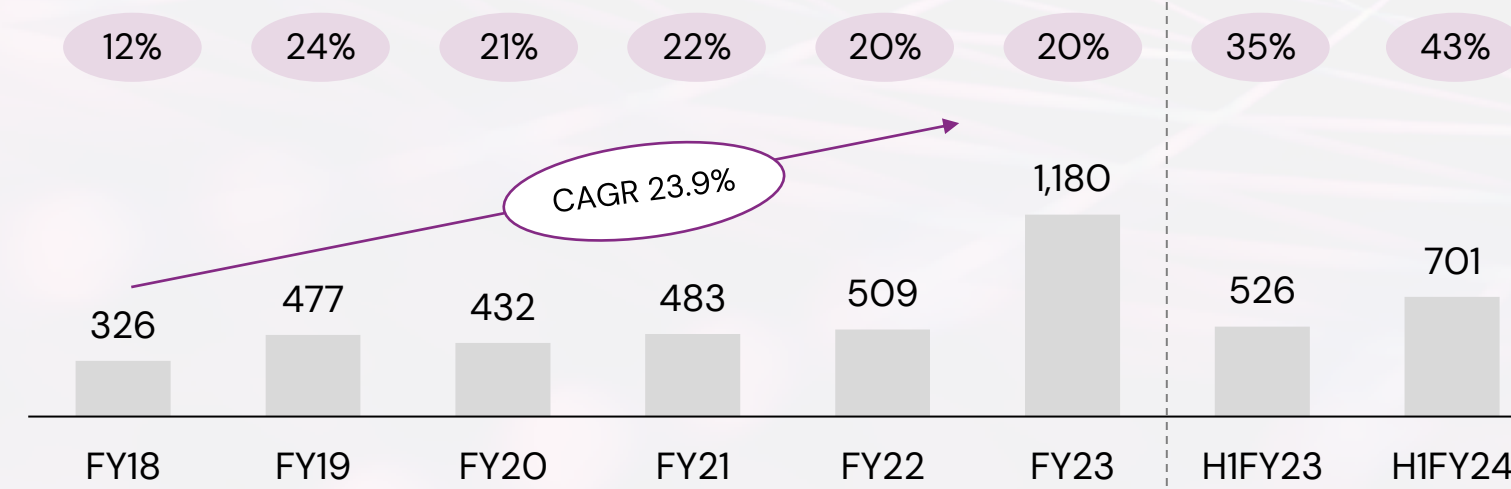
Other Income¹ (INR Cr.)



Operating Profit (INR Cr.)



PAT (INR Cr.)



Operating Profit Margin (% of NII)

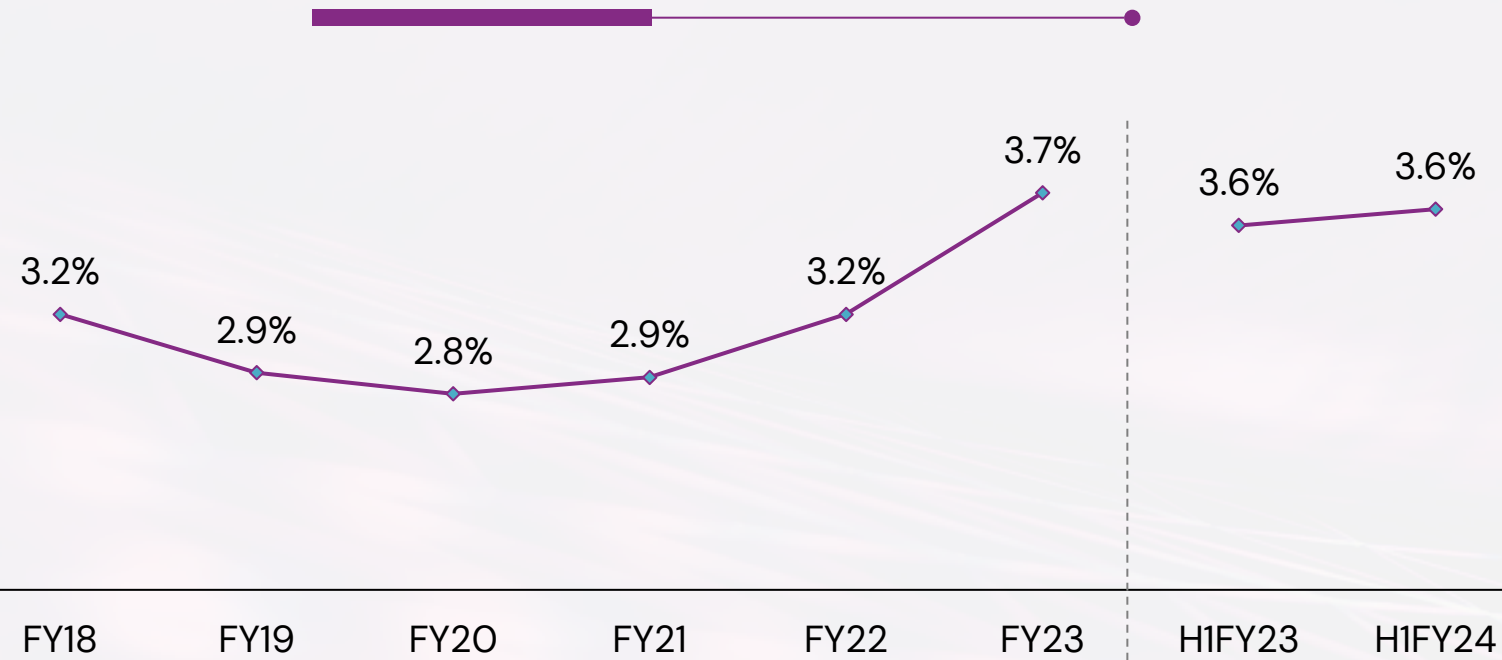
PAT Margin (% of NII)



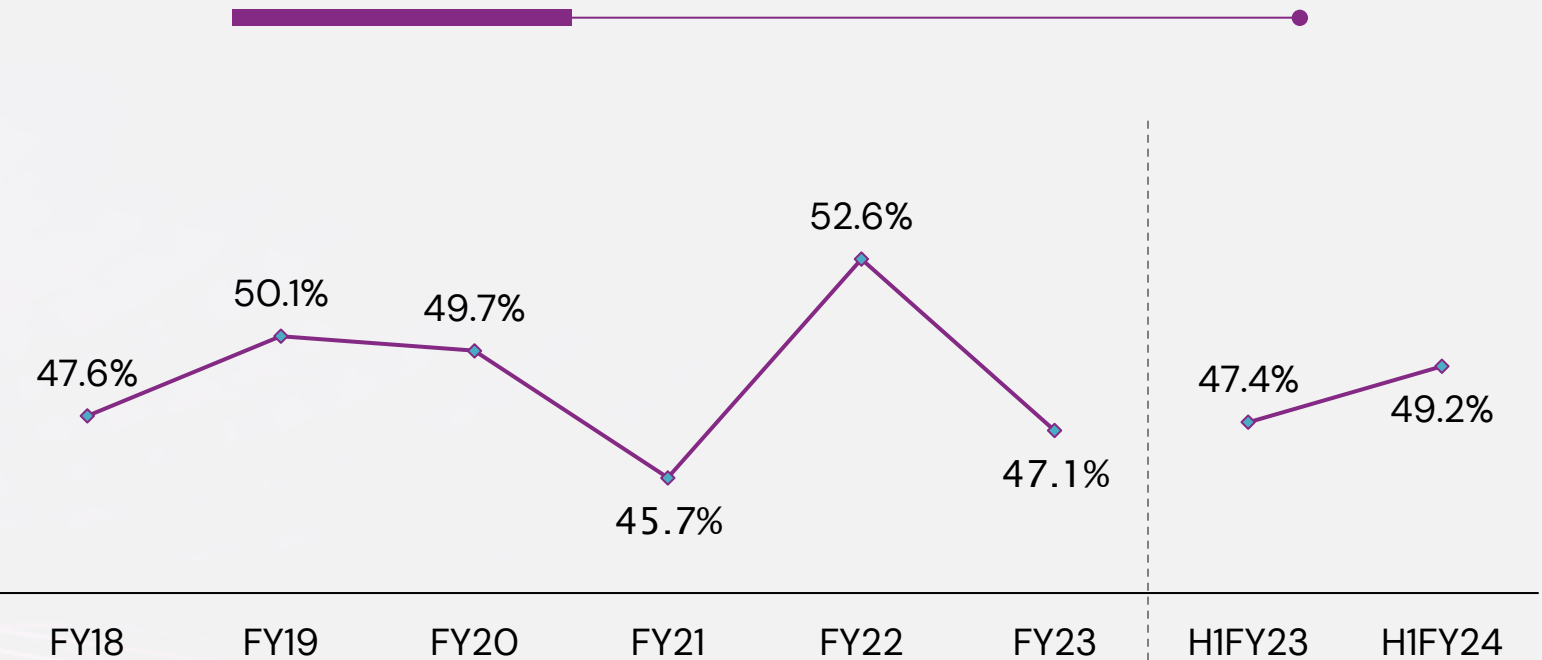


Profitability

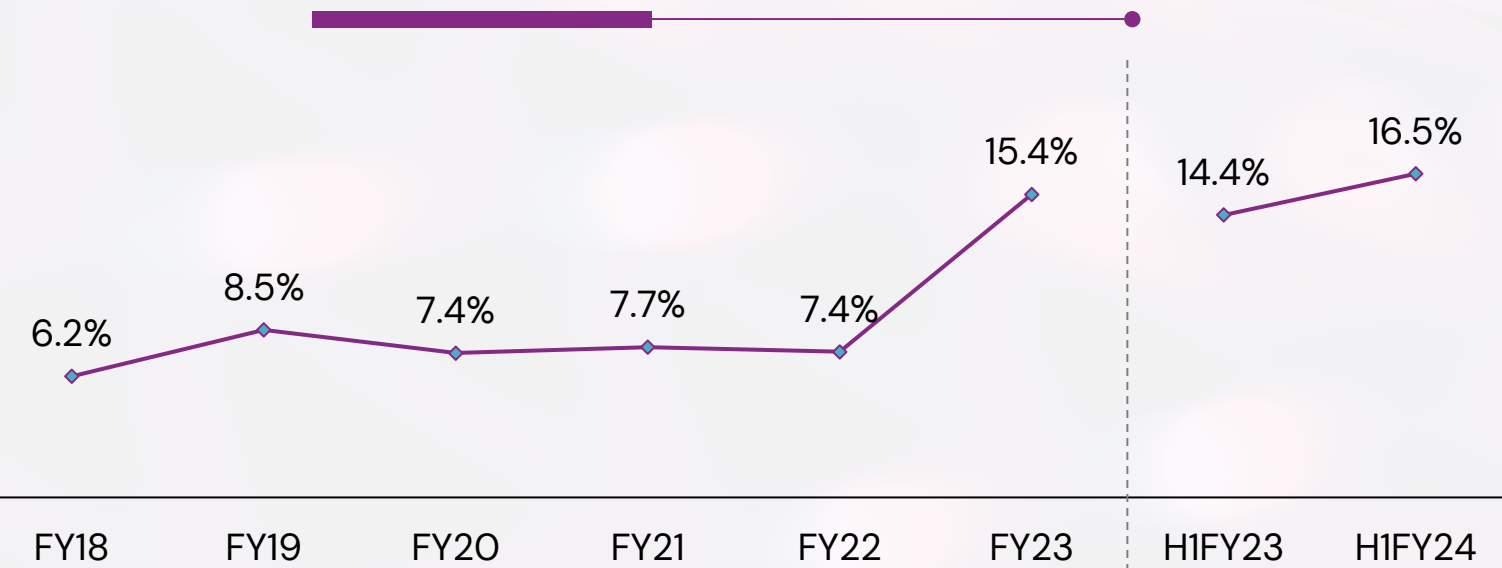
Net Interest Margin



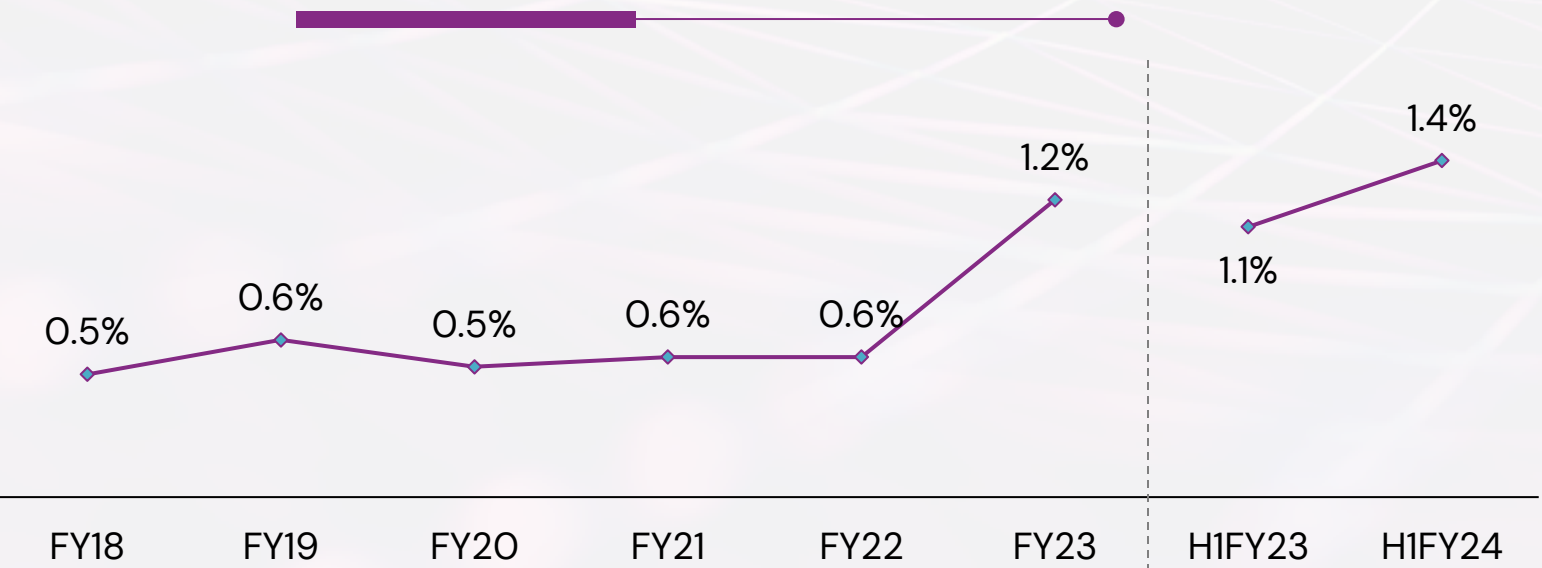
Cost to Income ratio



Return on Equity



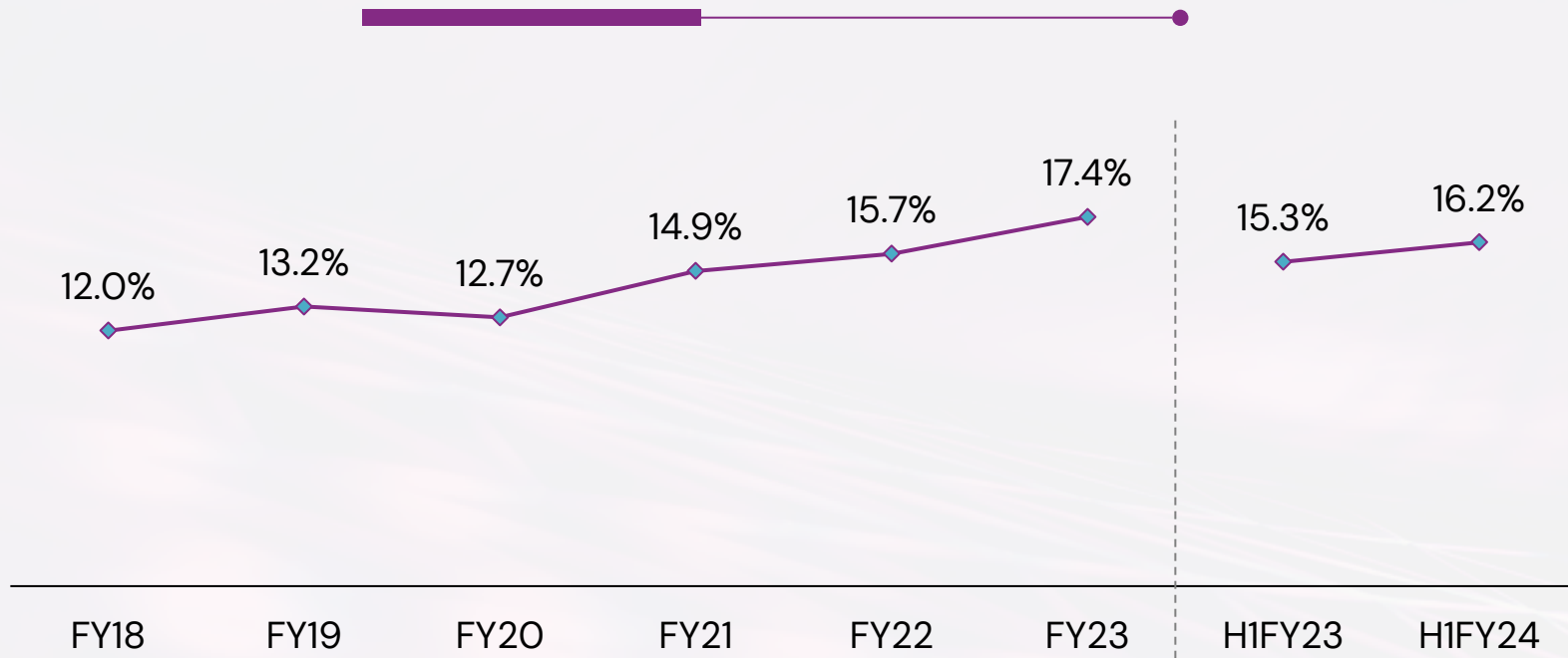
Return on Assets



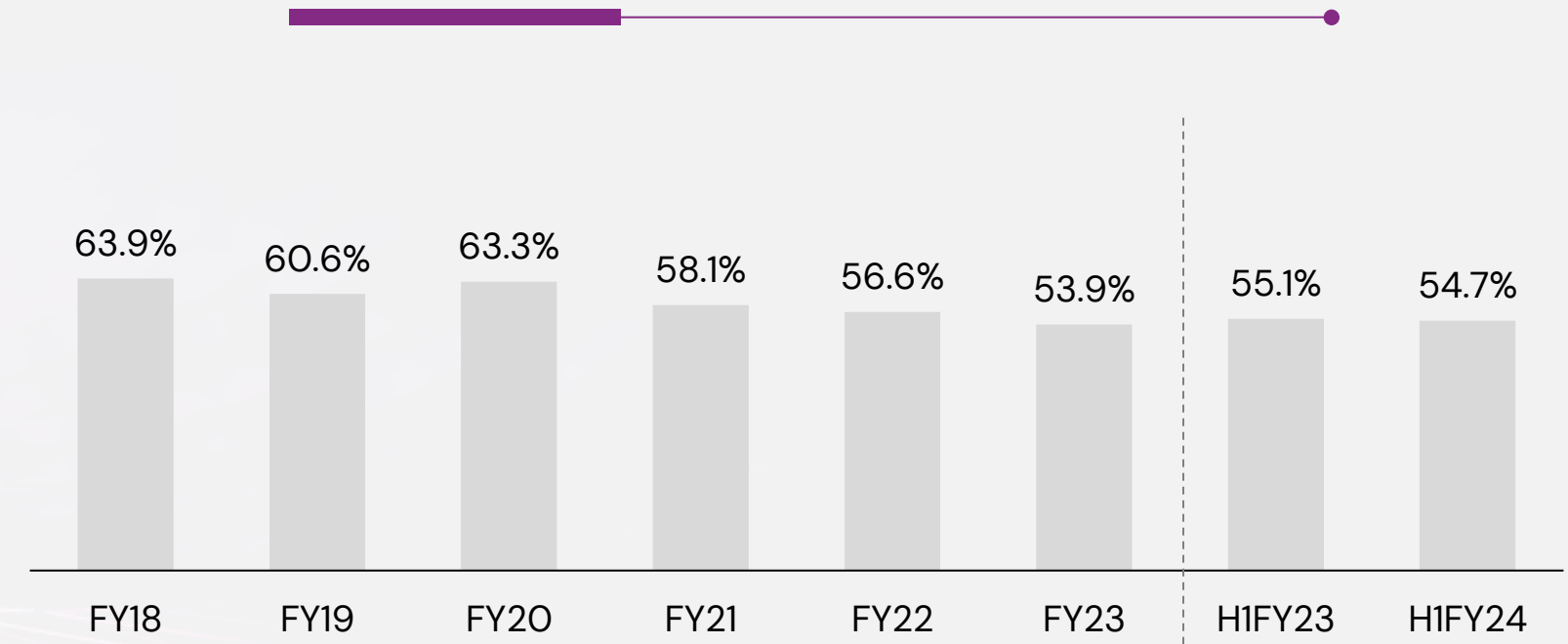


Key Ratios

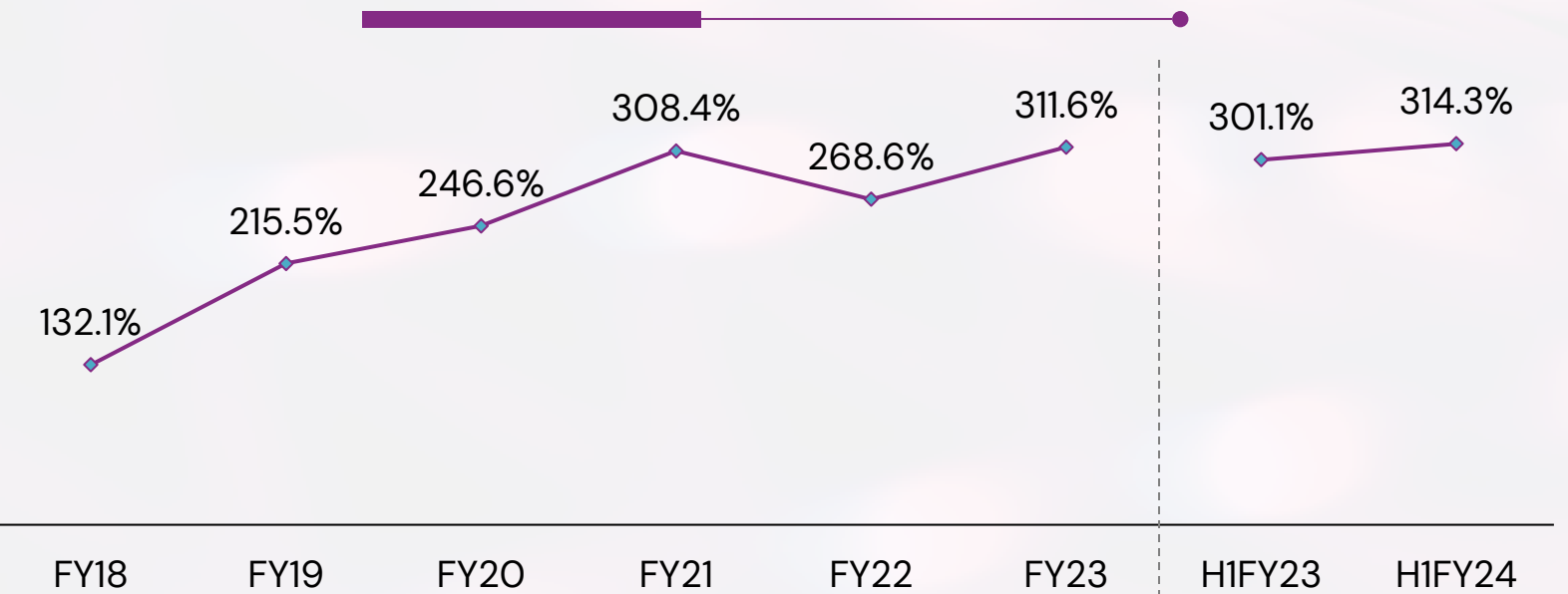
CRAR



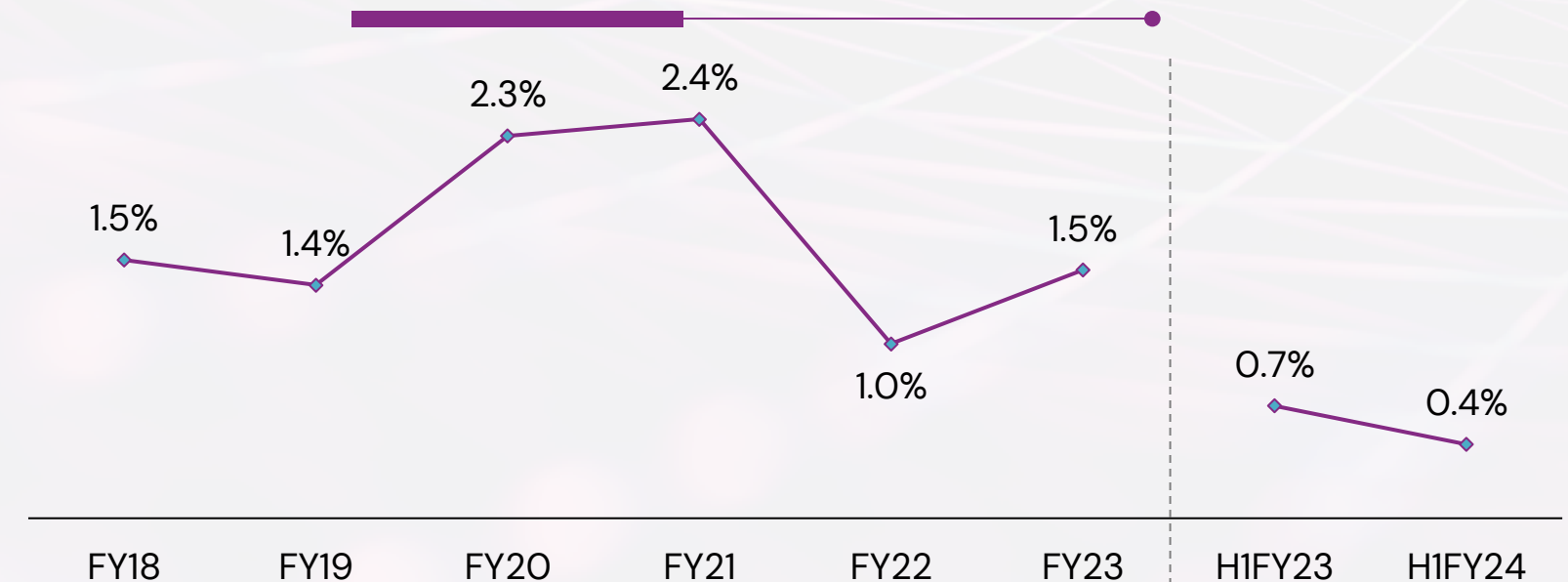
RWA/Total Assets



LCR



Credit Cost %





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