

Karnataka Bank Ltd.

Your Family Bank, Across India

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

Phone : 0824-2228222 Fax: 0824-2225588
E-Mail : investor.grievance@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

January 12, 2021

SECRETARIAL DEPARTMENT

HO/SEC/211 /2020-21

To:

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,

Reg.: Investor Presentation - Q3FY2021

Ref : Intimation under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR).

Pursuant to Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015, we submit herewith the Investor Presentation on the unaudited financial results of the Bank for the Quarter ended December 31, 2020 for your information and record.

Thank You,
Yours faithfully,



Prasanna Patil

COMPANY SECRETARY



Karnataka Bank
Your Family Bank Across India

**Analysis of Financial Results
December 2020**

Table of contents



1	Company Overview	
2	Financial Performance	
3	Business Strategy	



Highlights - Q3 FY21

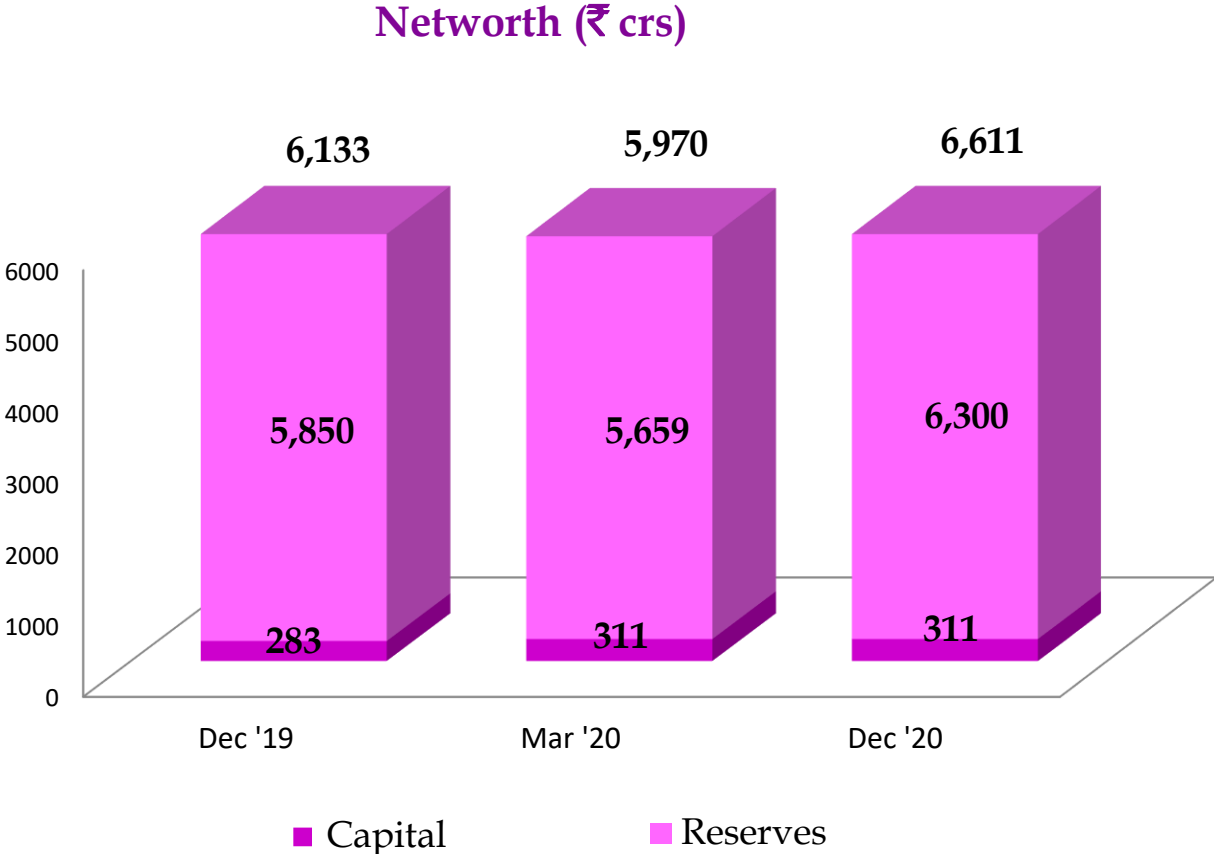
3 Months

9 Months

KPAs	Q3 FY 21 *	Q3 FY 20	Q2 FY 21 *	9M FY 21 *	9M FY 20	(₹ crs)
Turnover	↑ 1,27,014	1,26,267	1,27,028	1,27,014	1,26,267	
Asset size	↑ 84,050	82,307	83,389	84,050	82,307	
Operating profit	↑ 437.96	501.79	500.34	1,615.34	1,265.23	
Net profit	↑ 135.37	123.14	119.35	451.10	404.47	
Return on Asset	↑ 0.64%	0.60%	0.56%	0.71%	0.67%	
Earning per Share <small>(not annualized)</small>	↑ 4.35	3.96	3.84	14.51	13.01	
Return on Equity	↑ 8.28%	8.15%	7.45%	9.56%	9.05%	
Net Interest Income	↑ 614.05	507.75	574.87	1,724.04	1,501.06	
Net Interest Margin	↑ 3.26%	2.83%	3.08%	3.07%	2.82%	
Gross NPA	↓ 3.16%	4.99%	3.97%	3.16%	4.99%	
Net NPA	↓ 1.74%	3.75%	2.21%	1.74%	3.75%	
Cost to Income	↓ 50.63%	42.97%	44.68%	43.24%	46.30%	
PCR	↑ 80.51%	59.34%	75.44%	80.51%	59.34%	
CRAR (Basel III)	↑ 13.83%	12.59%	13.41%	13.83%	12.59%	

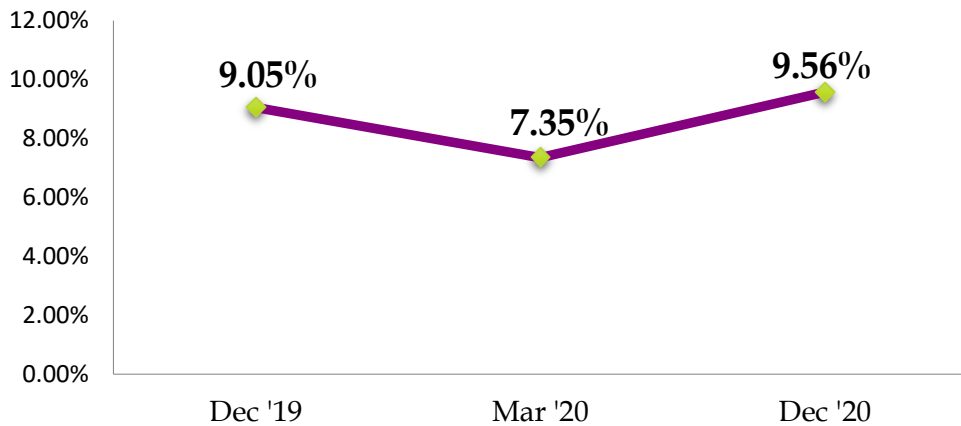
* Data pertain to Consolidated balance sheet, as full fledged business of newly formed subsidiary is yet to be fully operationalized.

Financial strength of the Bank

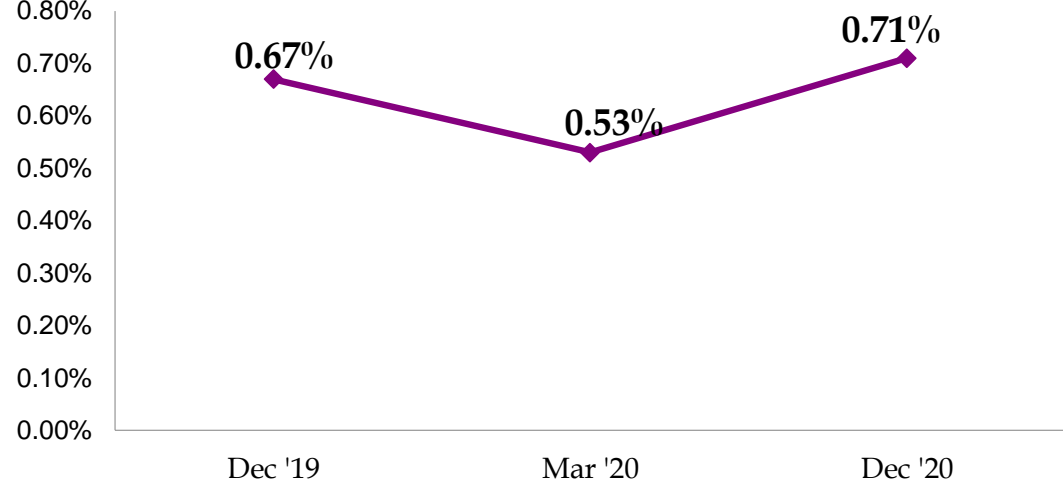


Return and Capital Adequacy Ratios

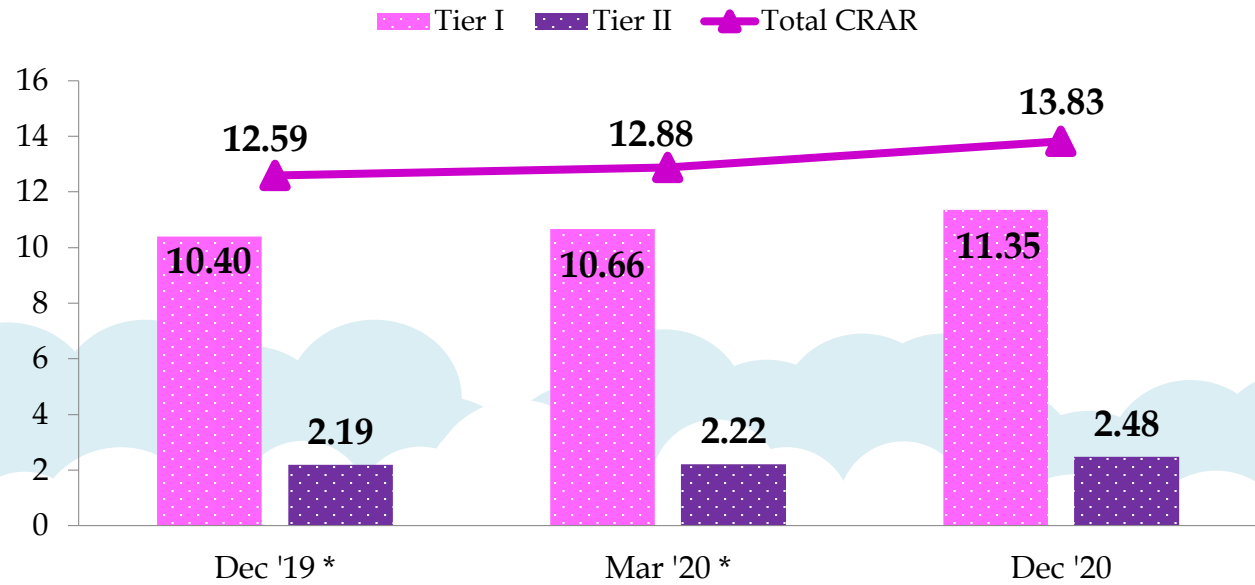
Return on Equity (%) (after tax)



Return on Assets (%) (after tax)



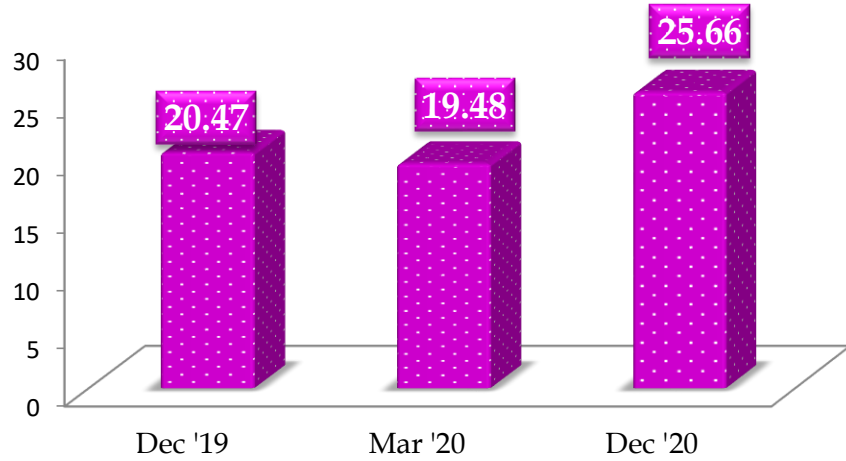
Capital Adequacy (%) - Basel III



* Recomputed by including full eligible Tier II Capital

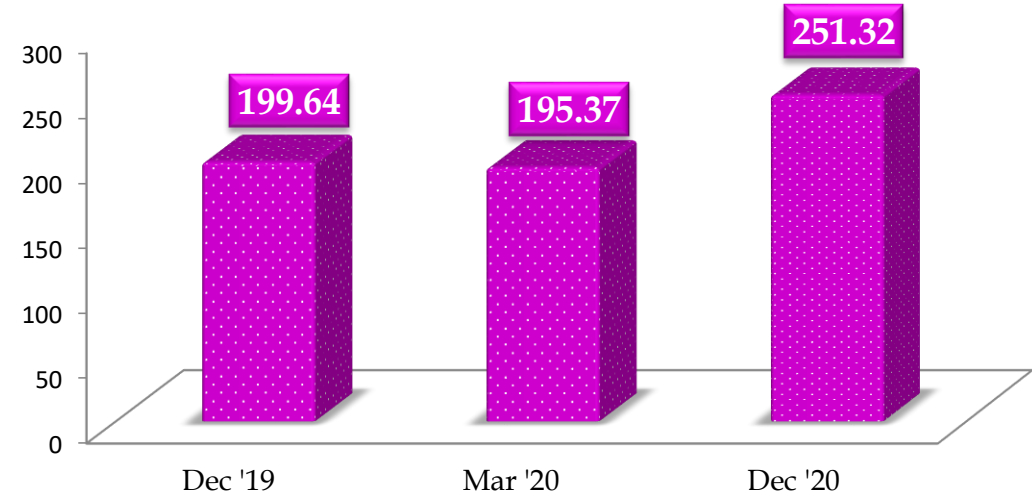
Productivity ratios

Operating Profit per employee (₹ lakh) *

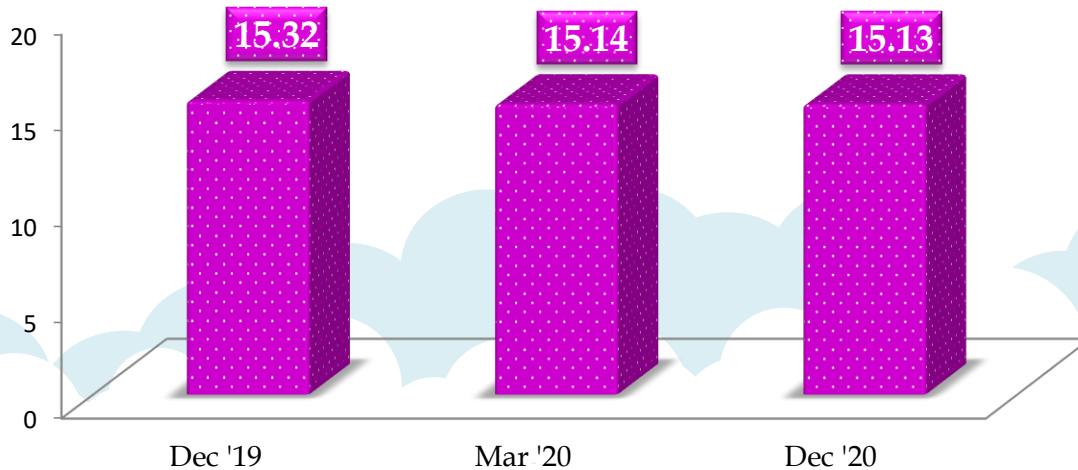


* annualized

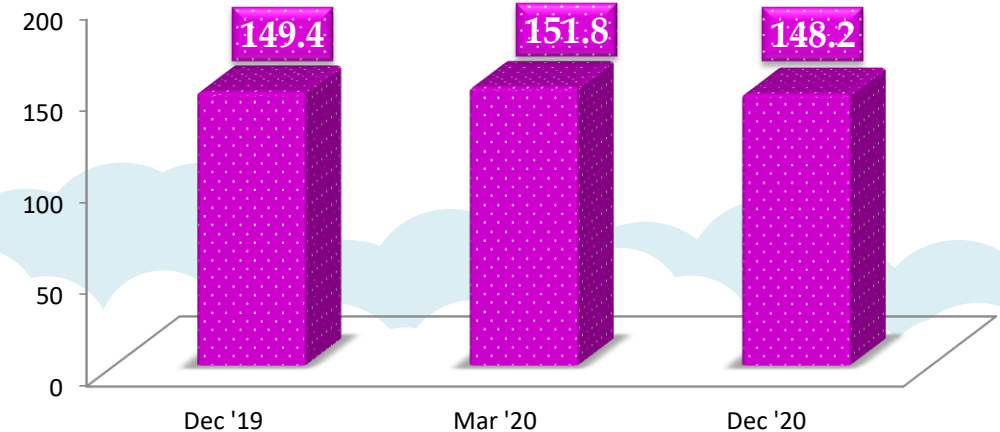
Operating Profit per branch (₹ lakh) *



Business per employee (₹ crs)



Business per branch (₹ crs)



Company Overview

- 01 96 years of banking history with Pan-India presence.
- 02 Strong & Robust technology and digital platforms.
- 03 Satisfactory productivity & capital adequacy ratios.
- 04 Experienced management team & Professional Board with highest Standards of Corporate Governance.
- 05 Diversified credit portfolio and strong retail deposit base.
- 06 Ever increasing CASA - share of CASA increased to 30.07%.
- 07 Powered by KBL - VIKAAS for Total Transformation.

History

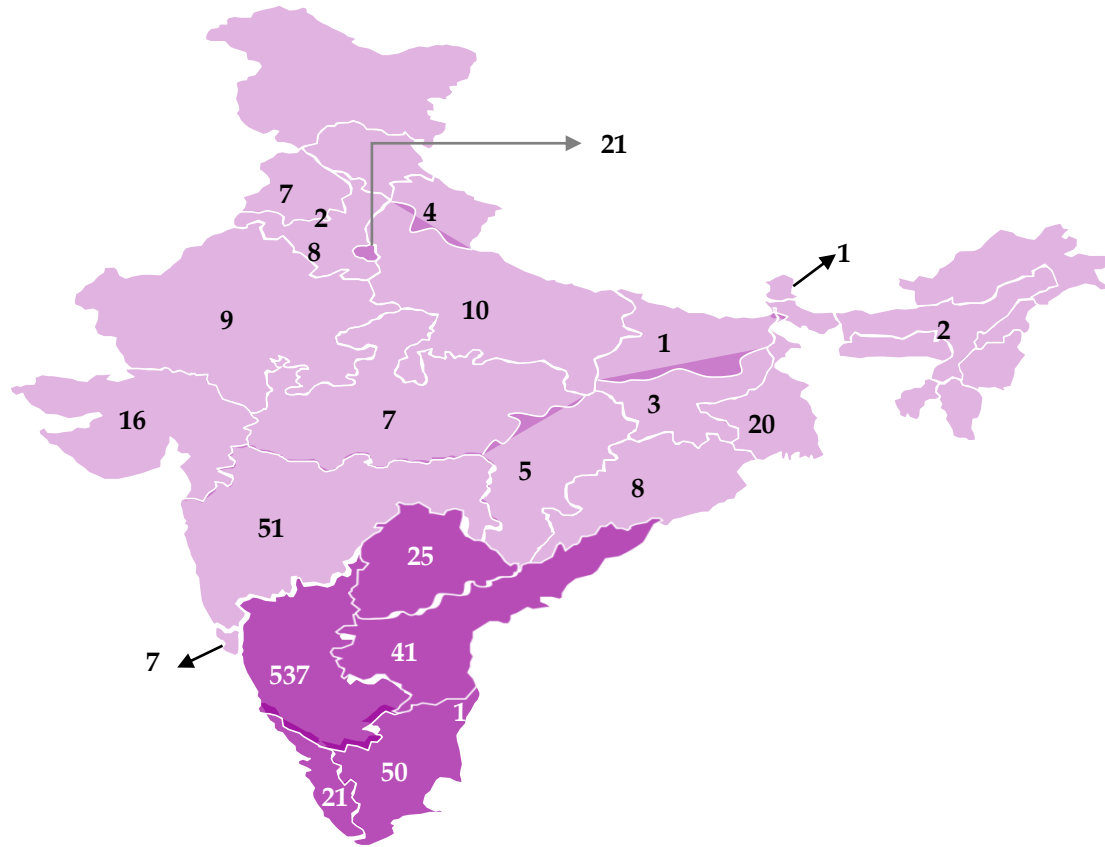
2017-20	<ul style="list-style-type: none">❑ Initiated Bank's transformation journey KBL-VIKAAS❑ Digital journey for retail products❑ Bonus issue in the ratio of 1:10❑ Successful migration to Fin10❑ Customer base crossed the milestone of 1 crore.❑ Business turnover crossed the historic milestone of ₹ 1,00,000 crore.❑ Formed Investor Relation Cell.
2012-16	<ul style="list-style-type: none">❑ Completed 1:2 rights issue to raise ₹ 658.96 crs.❑ Unveiled KBL - VISION 2020 & adopted Vision Statement.❑ No. of branches crossed 500 & No. of ATMs crossed 1,000.❑ Secured ISO 27001 : 2005 Certificate from NQA..❑ Launched ASBA facility
2007-11	<ul style="list-style-type: none">❑ Right issue of ₹ 457.03 crore in the ratio of 2:5.❑ Launched Online Trading facility.❑ Maiden QIP aggregating ₹ 160.83 crs.❑ Completion of 100% core banking
2002-06	<ul style="list-style-type: none">❑ Floated general insurance JV along with Allahabad Bank, Indian Overseas Bank, Dabur Investments and Sompo Japan Insurance.❑ Launched CDSL-DP services at select branches .❑ Rights issue in the ratio of 2:1 to raise ₹ 160 crs.❑ Right issue in the ratio of 1:2.❑ Bancassurance tie-up with MetLife.❑ Maiden bonus issue in the ratio of 1:1
1997-2002	<ul style="list-style-type: none">❑ Implementation of "Finacle" CBS in 2000
1977-96	<ul style="list-style-type: none">❑ Public issue of 45 lakh equity shares in October 1995❑ Became an authorised dealer of foreign exchange in 1977
1960-66	<ul style="list-style-type: none">❑ Took over Sringeri Sharada Bank Ltd, Chitaldurg Bank & Bank of Karnataka, Hubli.
1924	<ul style="list-style-type: none">❑ Incorporated on 18th February 1924 at Mangalore by Late B R Vyasarayachar & other leading members of the South Kanara Region

Evolution



- Business Turnover of ₹ 1,27,014 crore as on 31.12.2020.
- 2,345 service outlets with 857 branches, 1 Extension Counter, 1,014 ATMs and 473 recyclers in 554 centres across India as on 31.12.2020. And, all 37 e-Lobbies & 422 mini e-Lobbies are having Recyclers.
- Digital loan underwriting for Housing, Car & MSME loans.
- Offers wide variety of corporate and retail banking products and services to over **11 million** customers.
- Incorporated in **1924**, one of the first generation time tested private sector Banks.

Pan-India footprint



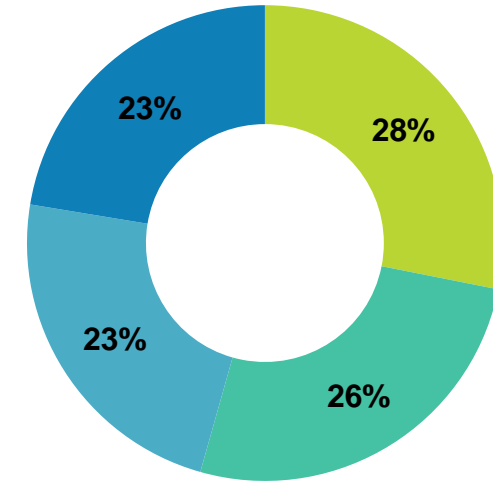
Has the strongest presence in South India with 675 branches

Top 5 States:

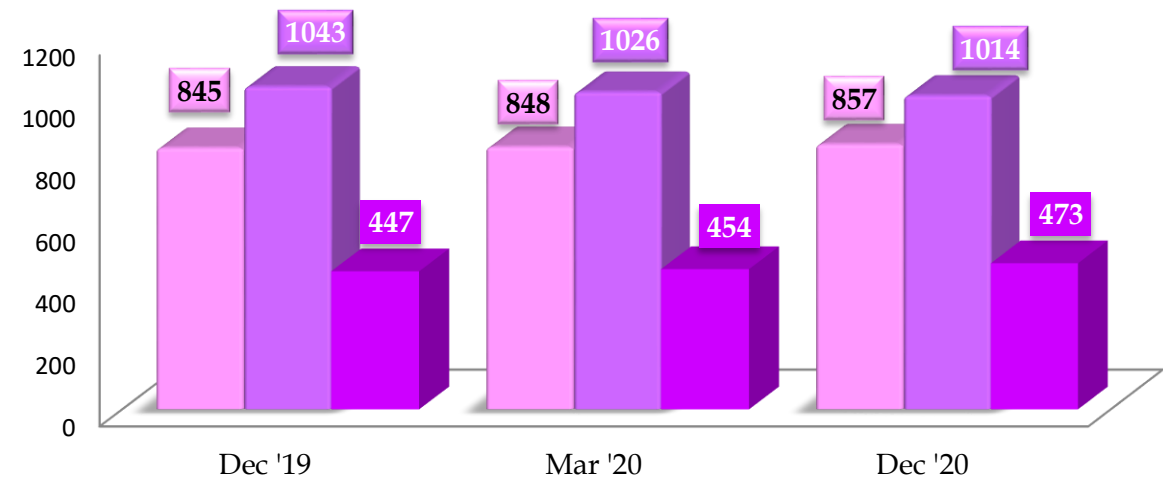
Karnataka (537), Maharashtra (51), Tamilnadu (50), Andhra Pradesh (41), Telangana (25)

Area wise distribution of Branches

■ Metro ■ Urban ■ Semi Urban ■ Rural



■ Branches ■ ATMs ■ Recyclers



Robust technology and digital platforms



Strong technology platform

The existing “ISO 27001:2013” certificate encompassing the Information Security Management System (ISMS) at the Bank’s Data Centre, Near line Site [NLS] at Bengaluru and Information Technology Department including the DR site [IT & DR] at Head Office, Mangaluru, 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.

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 .

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’.

DCoE : Accelerating Digital Transformation Catalyst

C : Cost Opt

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 INR 25 lakh are rated borrower-wise and credit facilities below INR 25 lakh & all schematic advances including agri-credit proposals are rated under 'Pool based approach'. Also, developed KBL96 model 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

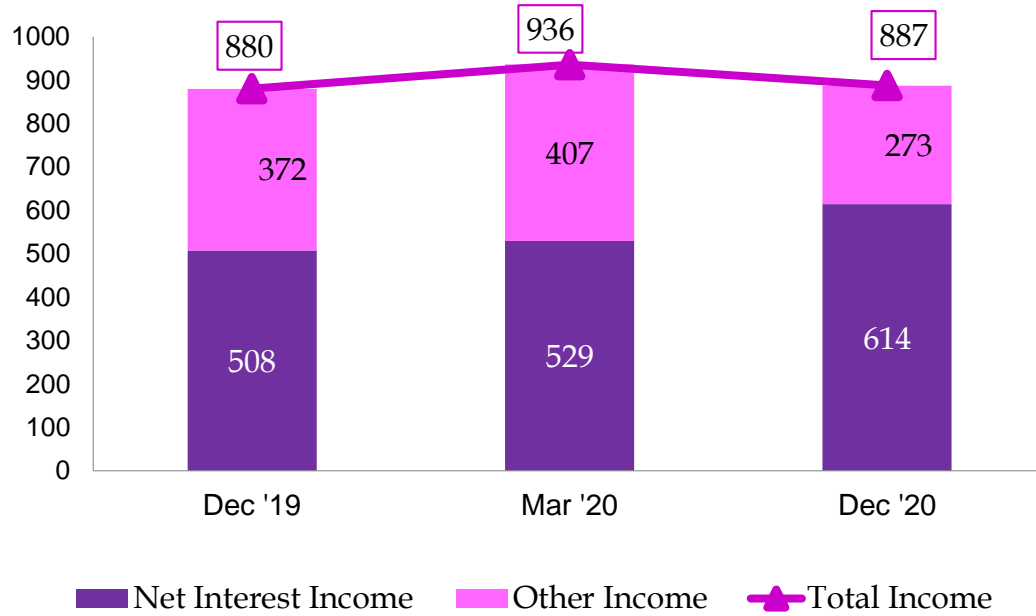
Centralized Payments and Reconciliation Cell (CPRC) to handle Reconciliation, Settlement and Disputes of all Digital Channels transactions.

Financial Performance

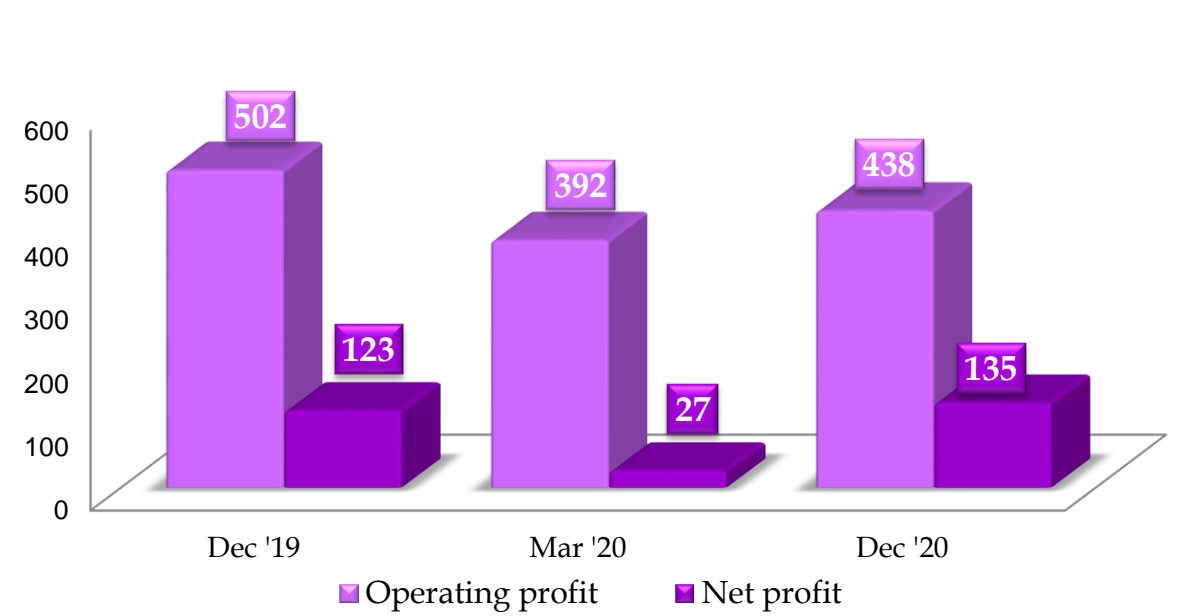


Income & Profit - Quarterly

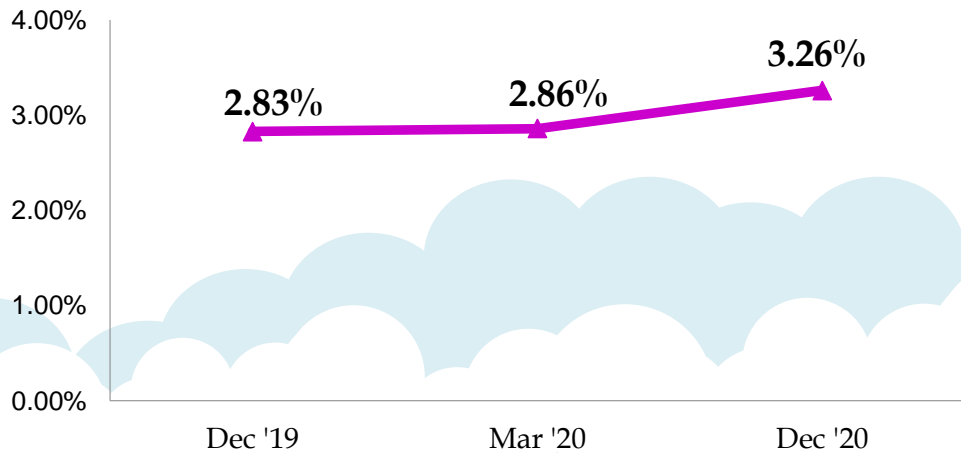
Net Income (₹ crs)



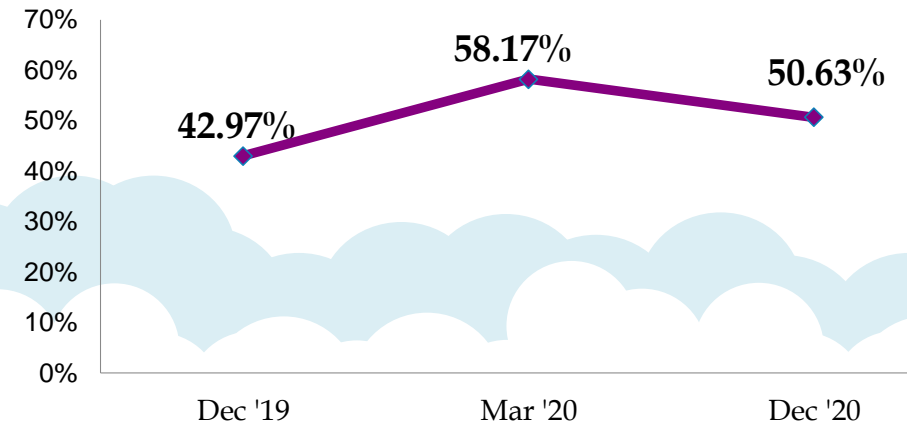
Operating and Net Profit (₹ crs)



Net Interest Margins (%)

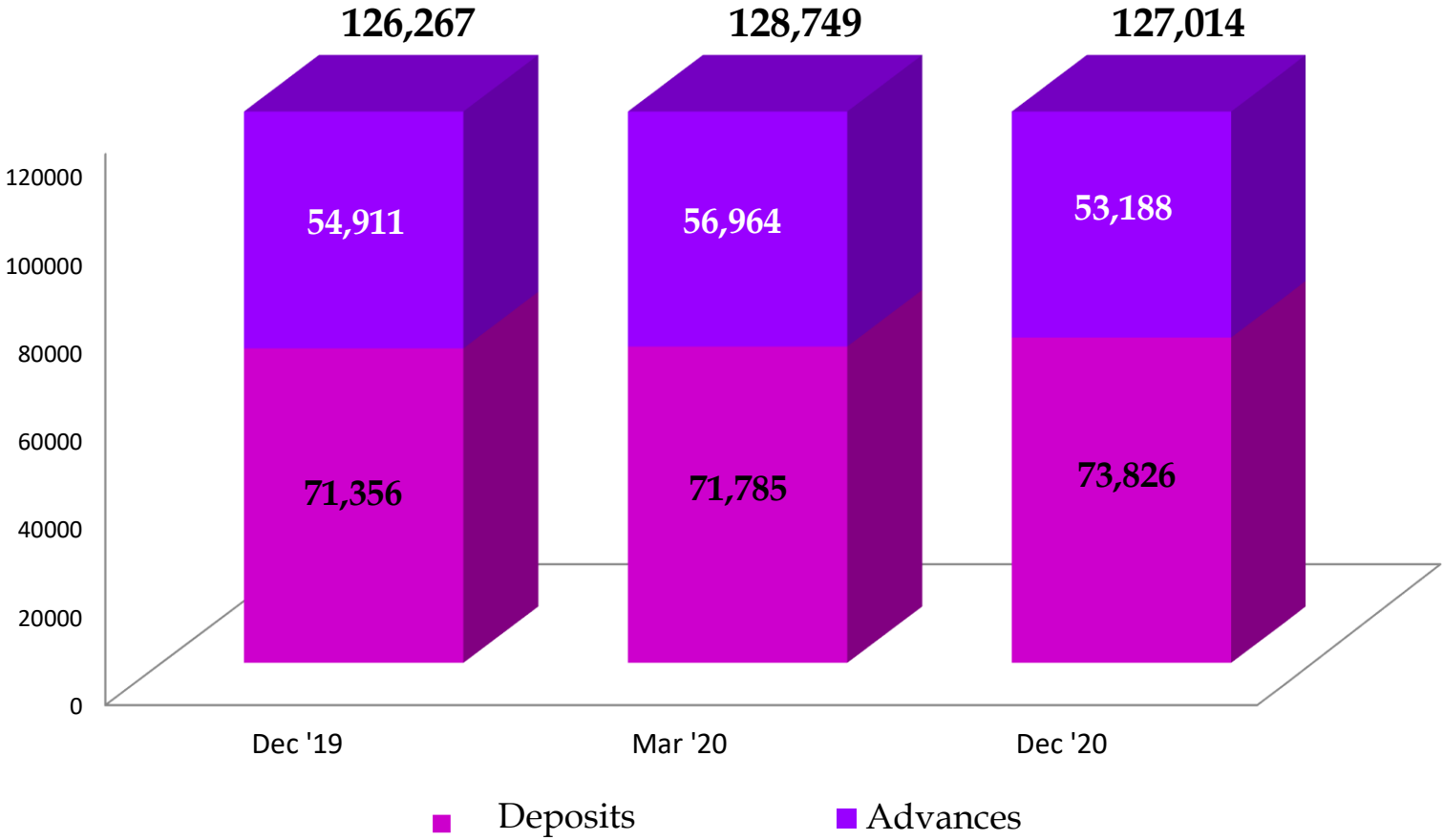


Cost to Income Ratio (%)



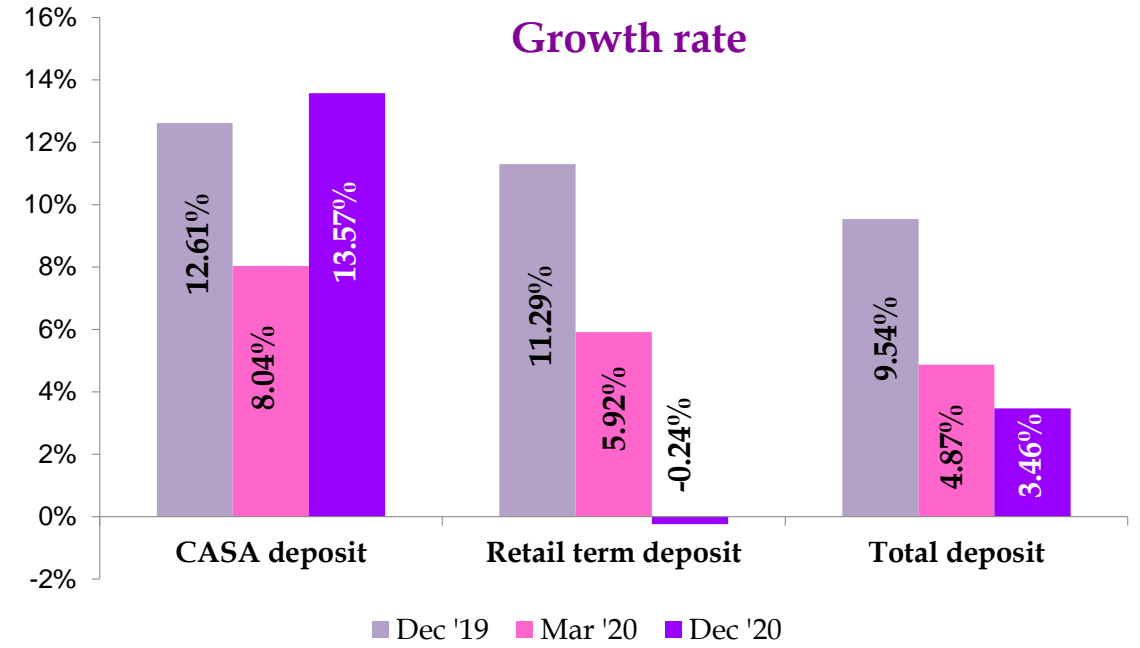
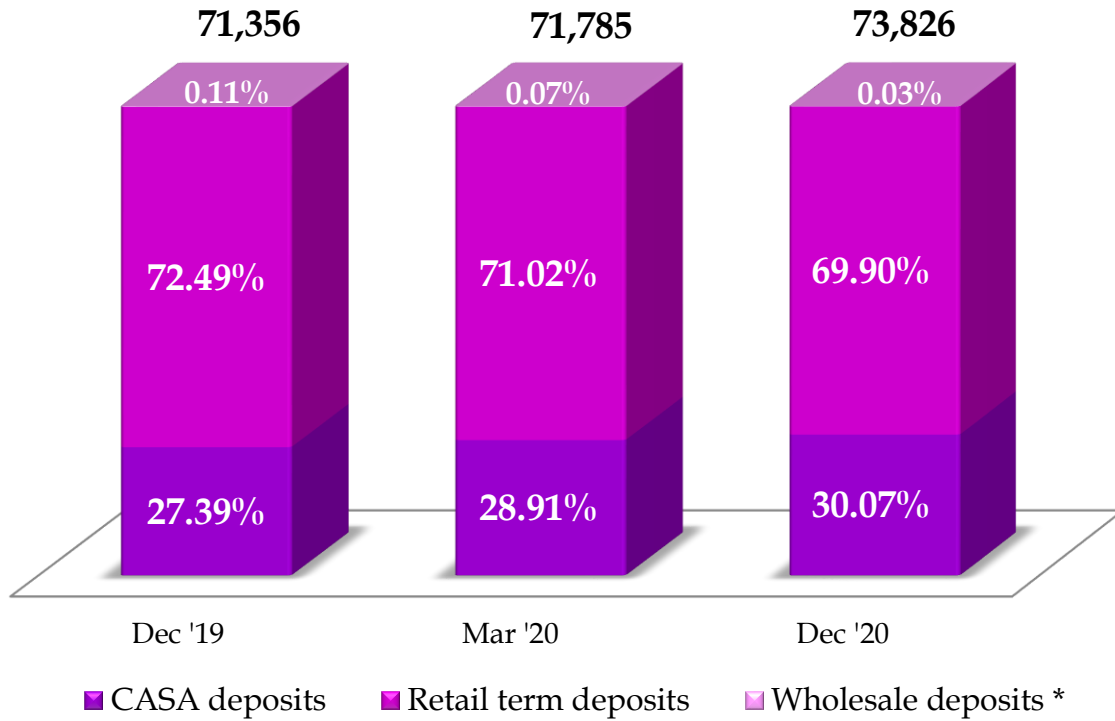
Business size

Business Turnover (₹ crs)

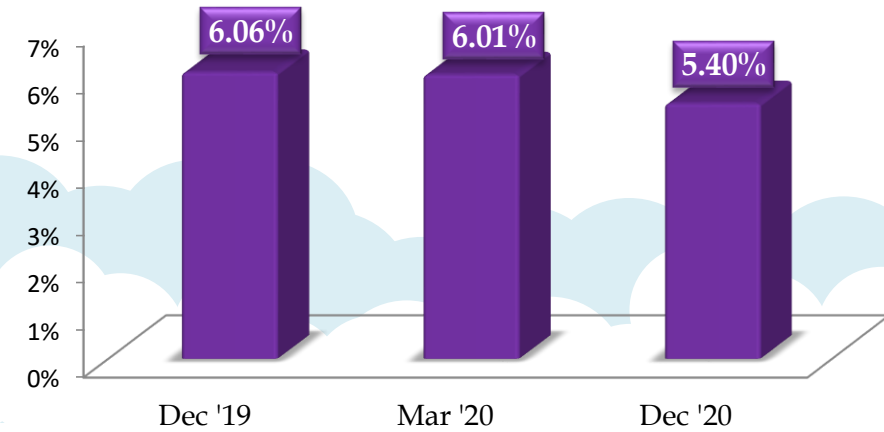


Deposits

Deposits (₹ crs)

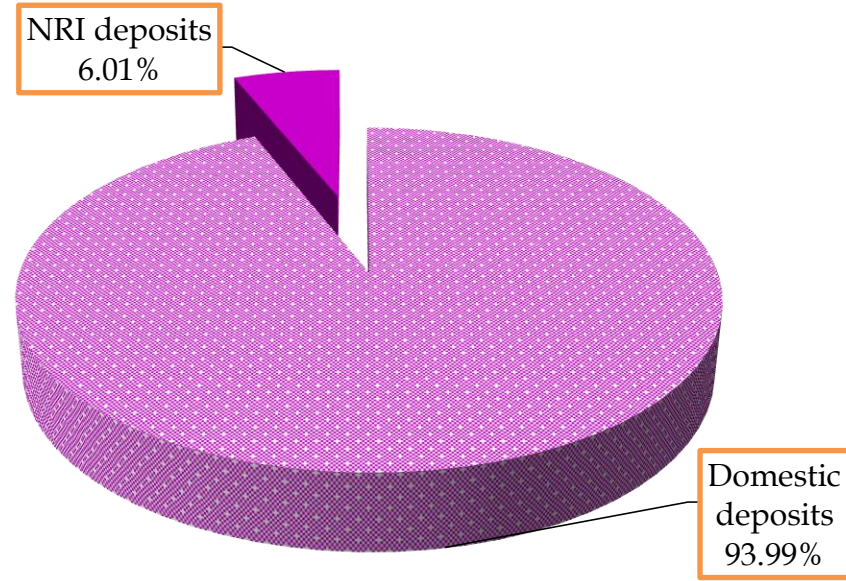


Cost of Deposits

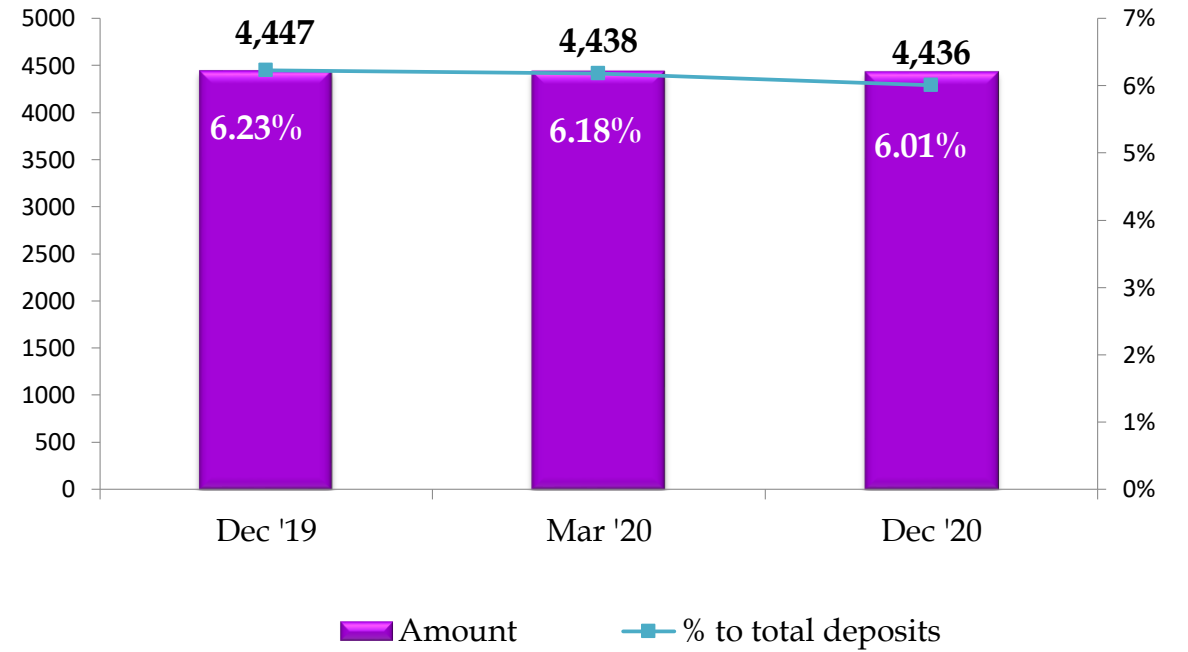


* Wholesale deposits = Purchase liability + Certificates of deposit + Interbank deposits

Deposits

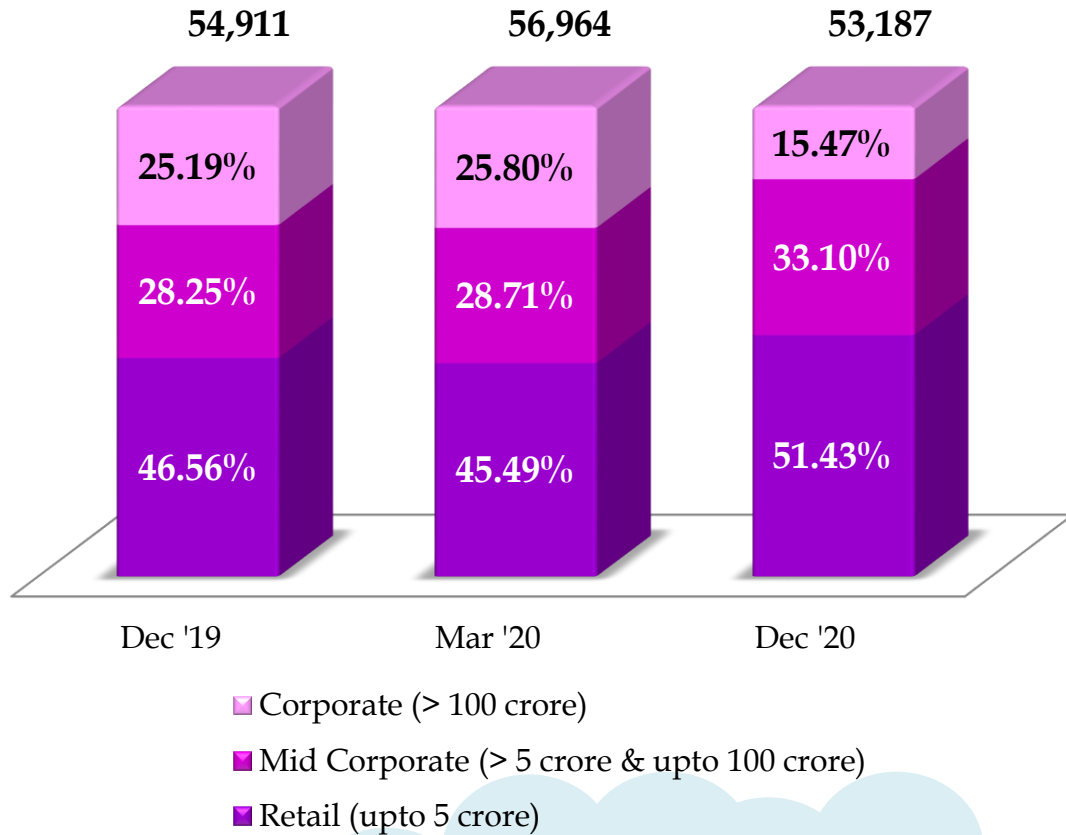


NRI Deposits (₹ crs)

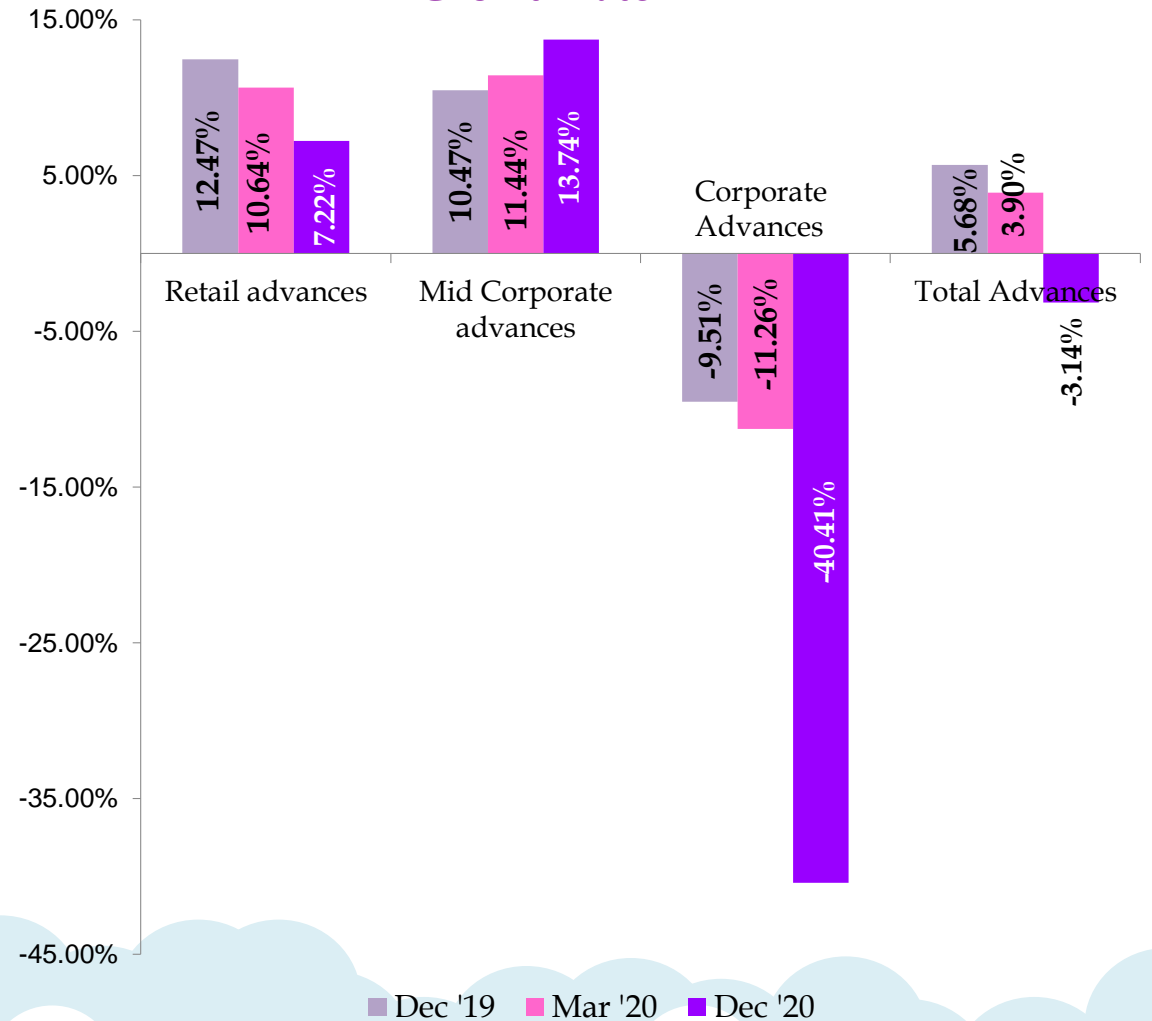


Advances

Advances [Net] (₹ crs)

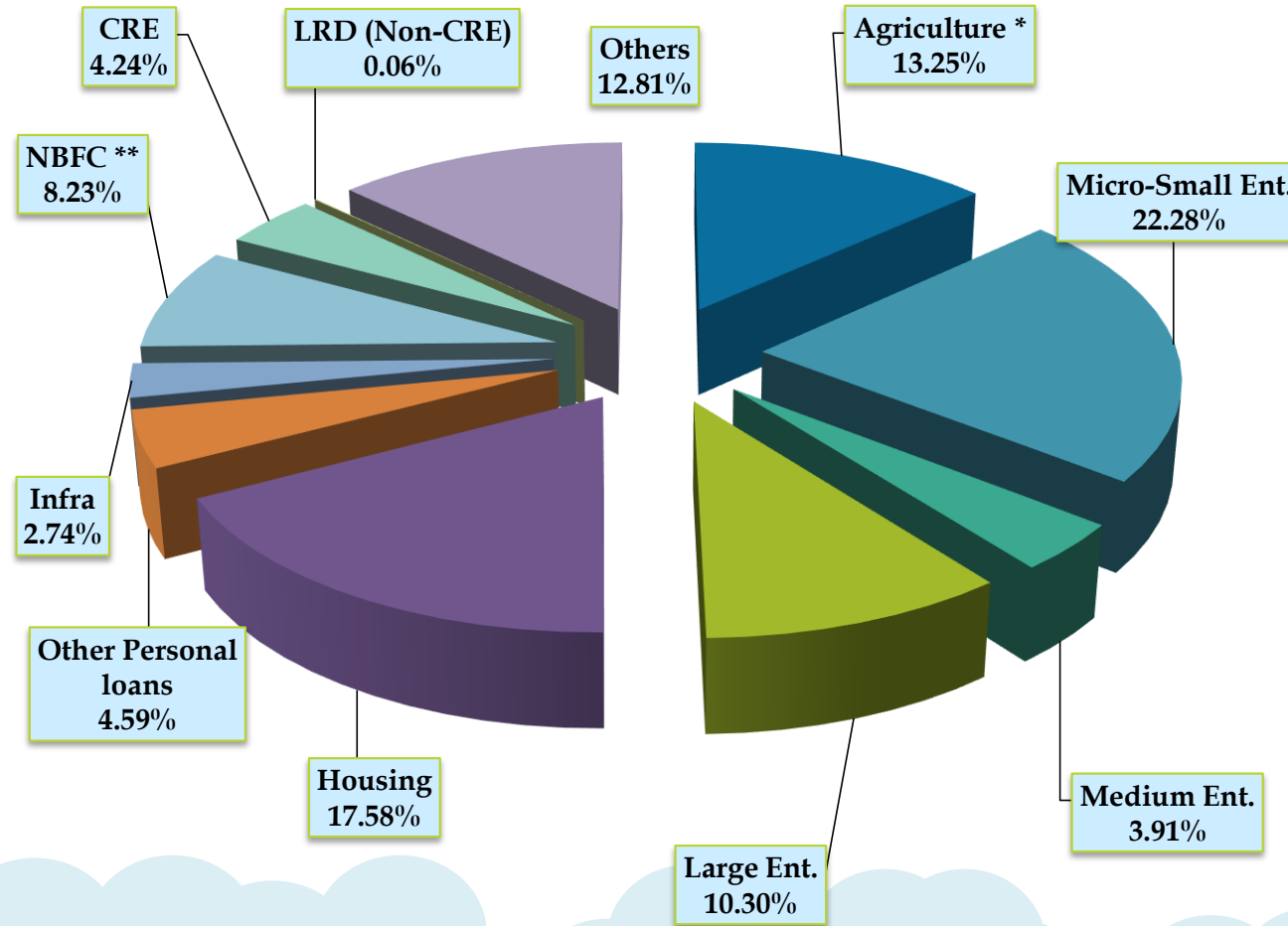


Growth rate



Diversified Advances

Segmentation of Gross Advances (Dec '20)



* However, this works out to 15.59% of the ANBC.

** NBFCs excluding Agri & MSMEs.

Advances

Movement of Moratorium book:

Category	June'20		Sept'20		Dec'20	
	Number-wise (%)	O/s. Amount-wise (%)	Number-wise (%)	O/s. Amount-wise (%)	Number-wise (%)	O/s. Amount-wise (%)
Agri	22.35%	46.85%	5.61%	5.48%	0.13%	0.50%
Micro Small	70.11%	69.76%	17.63%	8.75%	2.83%	1.50%
Medium	76.09%	62.40%	10.72%	11.99%	1.55%	1.56%
Retail	47.04%	54.89%	4.34%	14.28%	1.83%	3.05%
Corporate	65.78%	38.82%	13.74%	11.79%	0.96%	1.25%
Grand Total	37.22%	51.15%	5.93%	11.40%	1.12%	1.74%

Advances under GECL as of Dec'20:

Category	Sanctions (in crore)	Disbursement (in crore)
Micro Enterprises	466	451
Small Enterprises	748	715
Medium Enterprises	227	212
Large Enterprises	275	195
Other Enterprises	367	342
Grand Total	2,084	1,916

External rating wise Credit Portfolio as of Dec '20

Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Moratorium 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 (19)	3,061 (5,981)	5.67 (10.74)	-	-	-	-	-	-	-
AA	30 (34)	2,984 (4,631)	5.52 (8.32)	-	-	-	-	-	-	-
A	39 (40)	1,277 (1,798)	2.36 (3.23)	-	-	-	-	-	-	-
BBB	88 (71)	2,456 (1,789)	4.55 (3.21)	-	-	-	-	1	93	3.78
Sub total	171 (164)	9,779 (14198)	18.10 (25.51)	-	-	-	-	1	93	3.78
BB	40 (90)	943 (1,802)	1.74 (3.24)	- (3)	- (87)	-	-	-	-	-
B	12 (48)	404 (659)	0.75 (1.18)	- (3)	- (96)	-	-	-	-	-
C	1 (1)	6 (26)	0.01 (0.05)	- (1)	- (26)	-	-	-	-	-
D	6 (25)	370 (1,258)	0.68 (2.26)	1 (13)	101 (713)	1	11	1	11	4.01
Sub total	59 (164)	1,722 (3745)	3.19 (6.73)	1 (20)	101 (922)	1	11	1	11	4.01
Grand Total	230 (328)	11,501 (17,943)	21.29 (32.24)	1 (20)	101 (922)	1	11	2	104	0.91

Gross Bank Credit: ₹ 54,026 crore (prev.yr: ₹ 55,660 crore).

Advances

NBFC Portfolio as of Dec '20

[Figures in brackets - as of Dec '19] * Under respective rating category

Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Moratorium 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	12 (12)	2,696 (4,108)	4.99 (7.38)	-	-	-	-	-	-	-
AA	19 (22)	2,277 (3,357)	4.21 (6.03)	-	-	-	-	-	-	-
A	14 (10)	328 (206)	0.61 (0.37)	-	-	-	-	-	-	-
BBB	1 (3)	12 (9)	0.02 (0.02)	-	-	-	-	-	-	-
BB	2 (1)	47 (4)	0.09 (0.01)	-	-	-	-	-	-	-
B	- (1)	- (10)	- (0.02)	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-
D	- (3)	- (317)	- (0.57)	- (3)	- (317)	-	-	-	-	-
Without External rating	4 (5)	59 (74)	0.11 (0.13)	- (2)	- (68)	-	-	-	-	-
Total	52 (57)	5,419 (8,085)	10.03 (14.53)	- (5)	- (385)	-	-	-	-	-

Advances

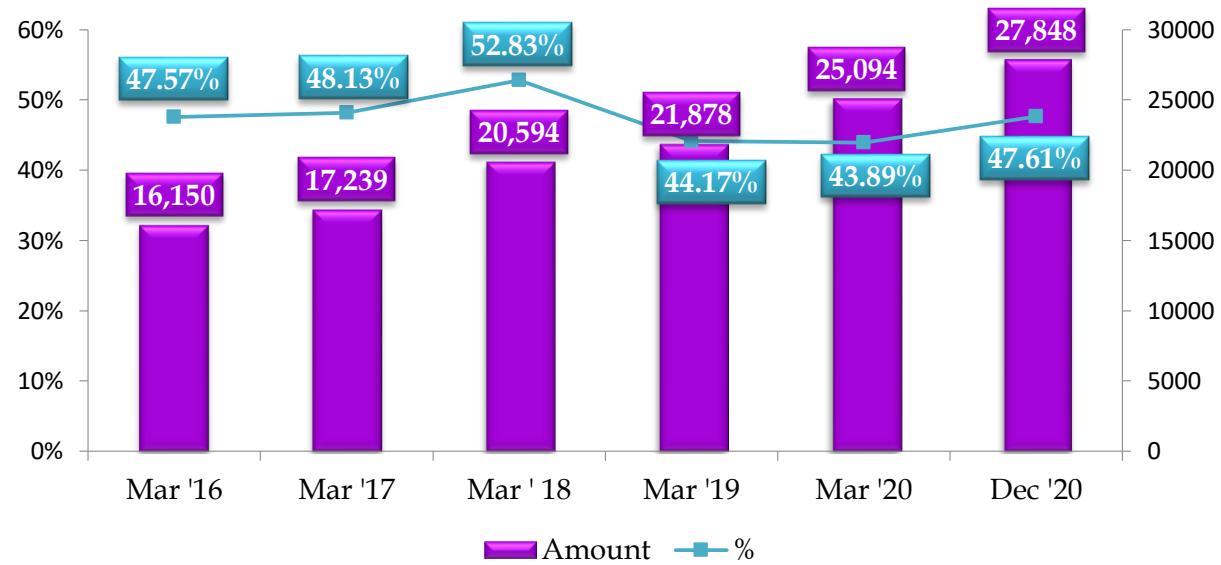
Top 50 borrowers as of Dec '20

[Figures in brackets - as of Dec '19] * Under respective rating category

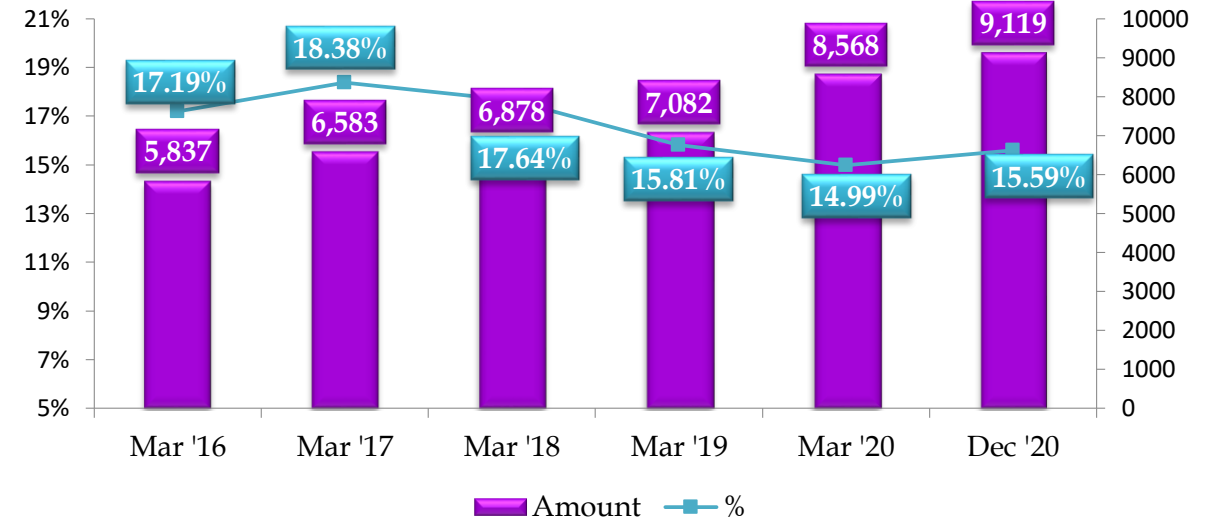
Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Moratorium book		
				no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	% share to Std. Adv. *
AAA	10 (9)	2,821 (4,765)	5.22 (8.56)	-	-	-	-	-	-	-
AA	9 (6)	1,952 (1,889)	3.61 (3.39)	-	-	-	-	-	-	-
A	5 (6)	391 (847)	0.72 (1.52)	-	-	-	-	-	-	-
BBB	9 (6)	805 (422)	1.49 (0.76)	-	-	-	-	-	-	-
BB	3 (2)	294 (105)	0.54 (0.19)	-	-	-	-	-	-	-
B	2 -	316 -	0.58 -	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-
D	1 (4)	152 (577)	0.28 (1.04)	- (1)	- (163)	-	-	-	-	-
Without External rating	11 (17)	1,120 (2,921)	2.07 (5.25)	1 -	120 -	-	-	-	-	-
Total	50	7,850 (11,525)	14.53 (20.71)	1 (1)	120 (163)	-	-	-	-	-

Advances

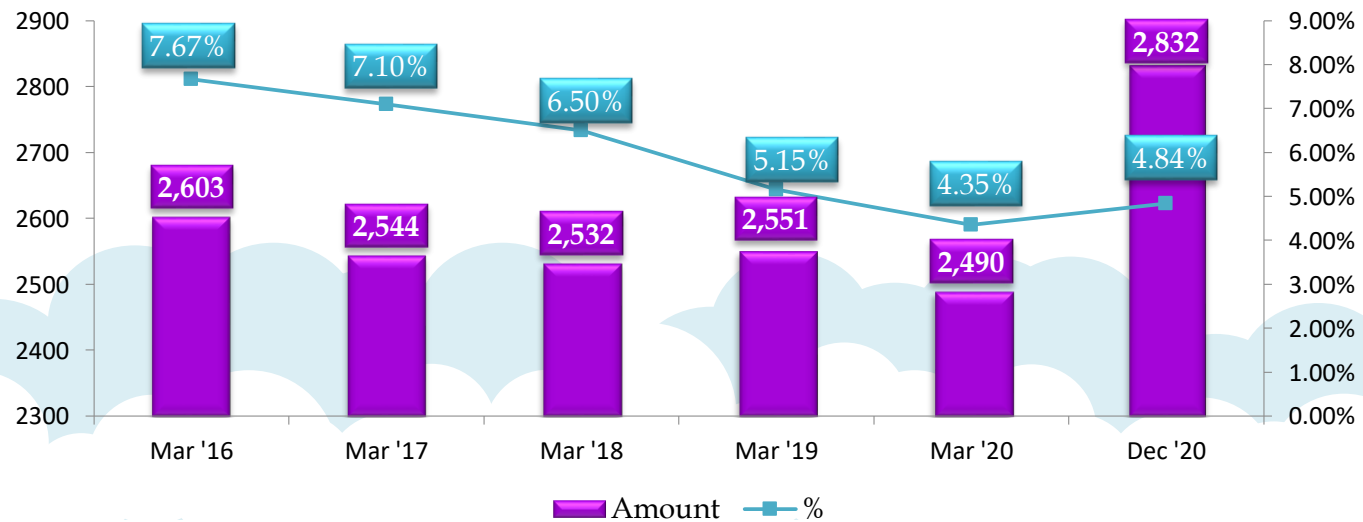
Priority Sector Advances (₹ crs)



Agriculture Advances (₹ crs)

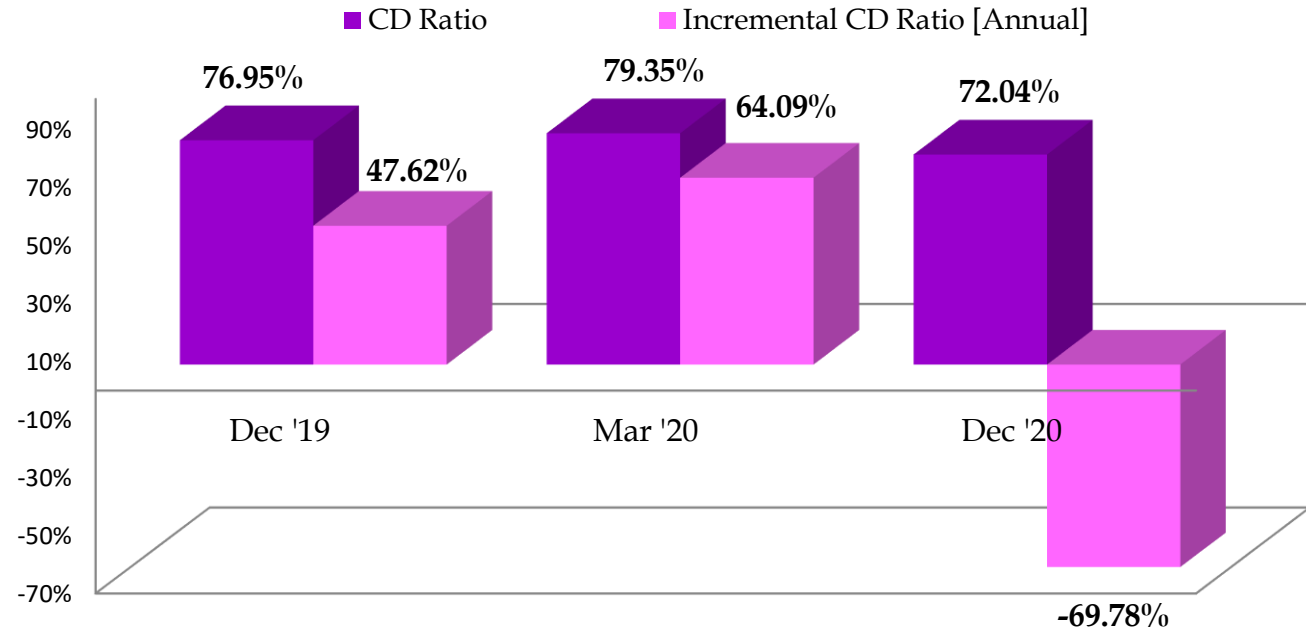


Advances to Weaker Section (₹ crs)

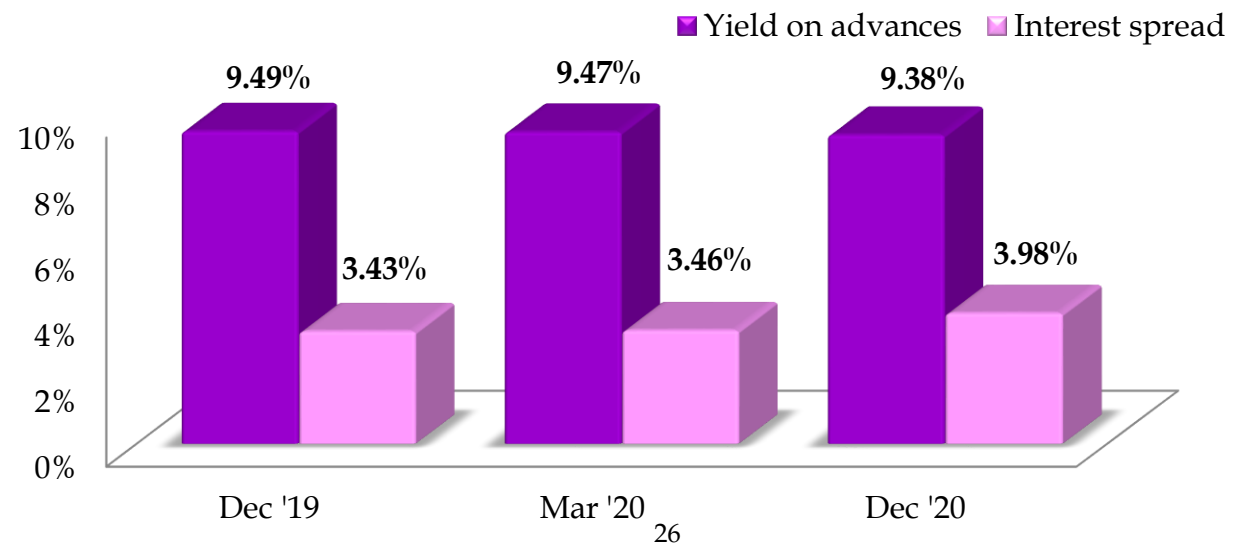


CD Ratio & Yield on Advances

Credit Deposit ratio (%)

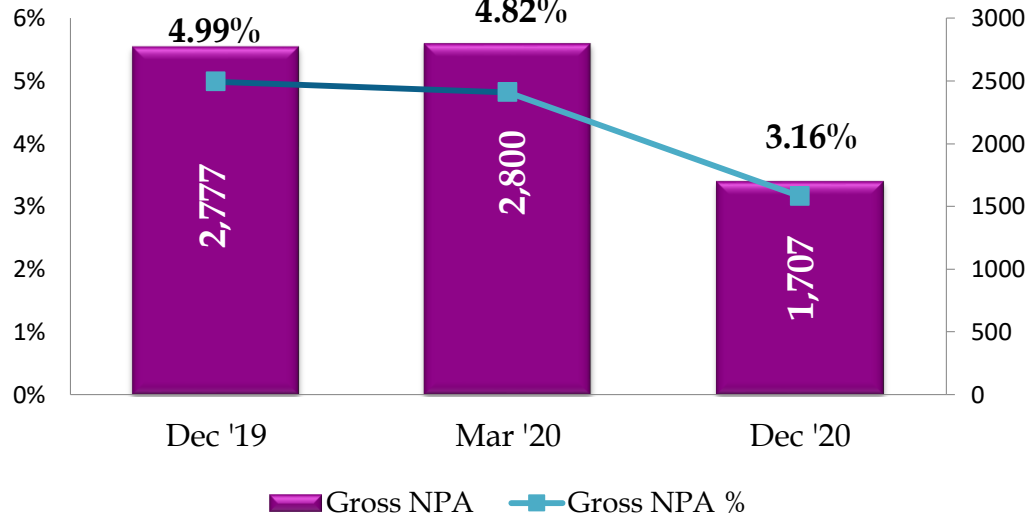


Yield on Advances & Interest Spread (%)

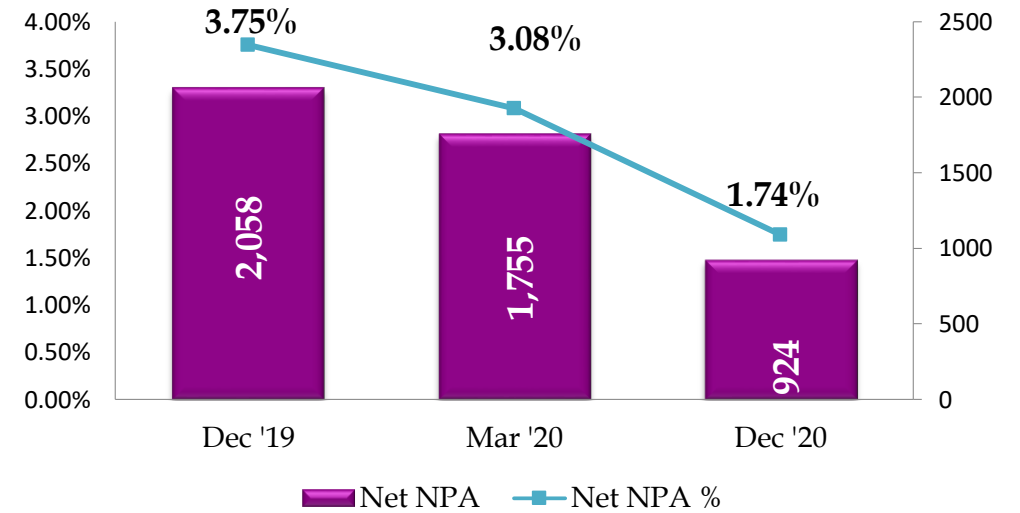


Asset Quality

Gross NPAs (₹ crs)

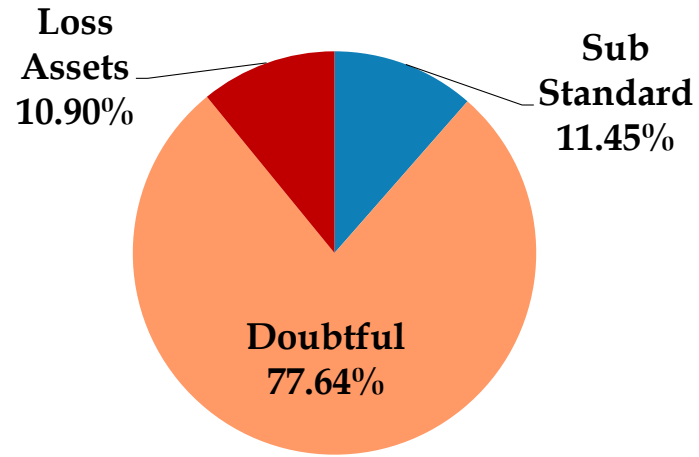


Net NPAs (₹ crs)

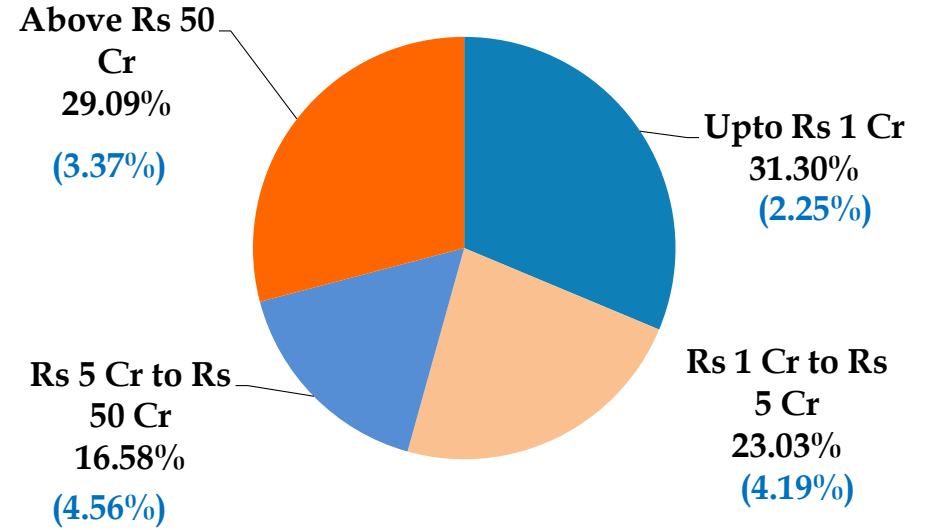


Asset Quality

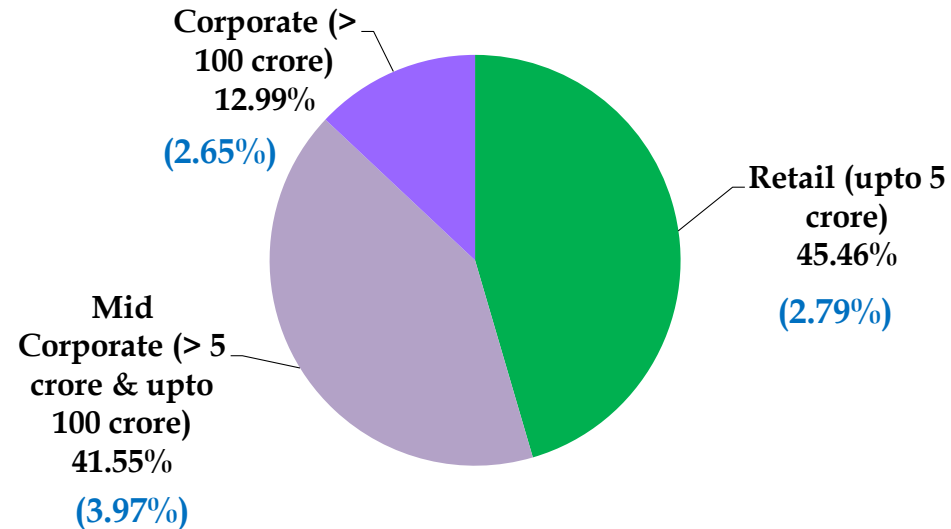
Composition of NPA



Size wise NPA



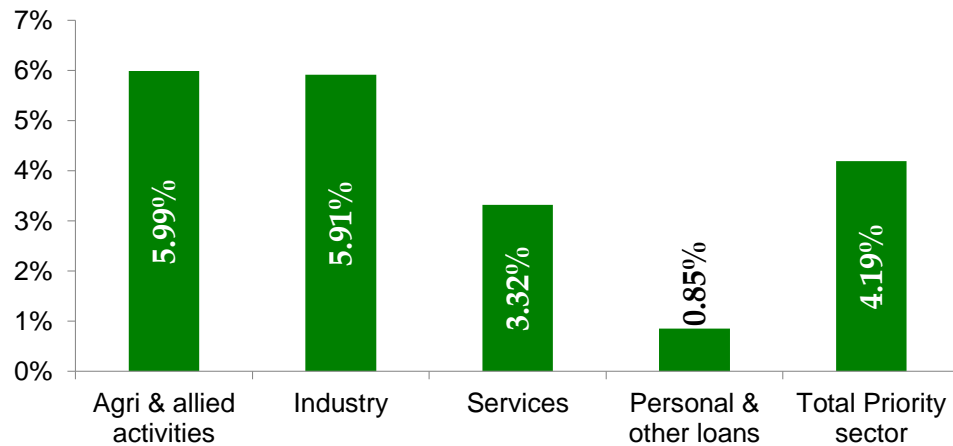
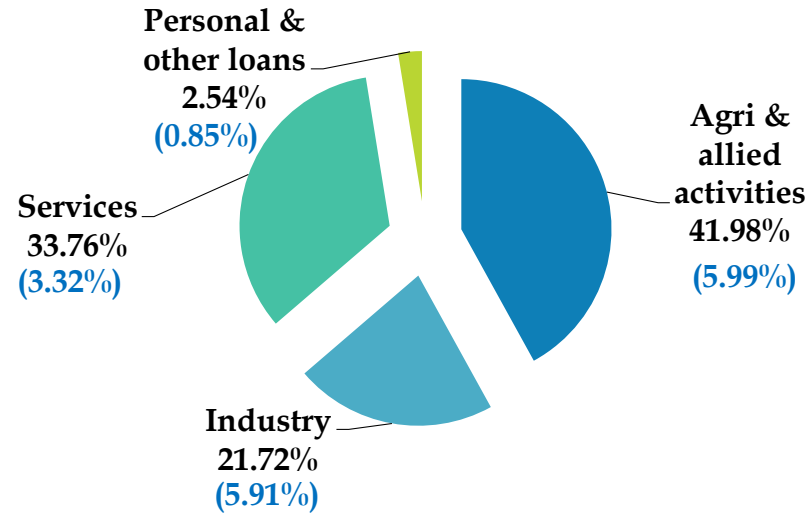
Credit portfolio wise NPA



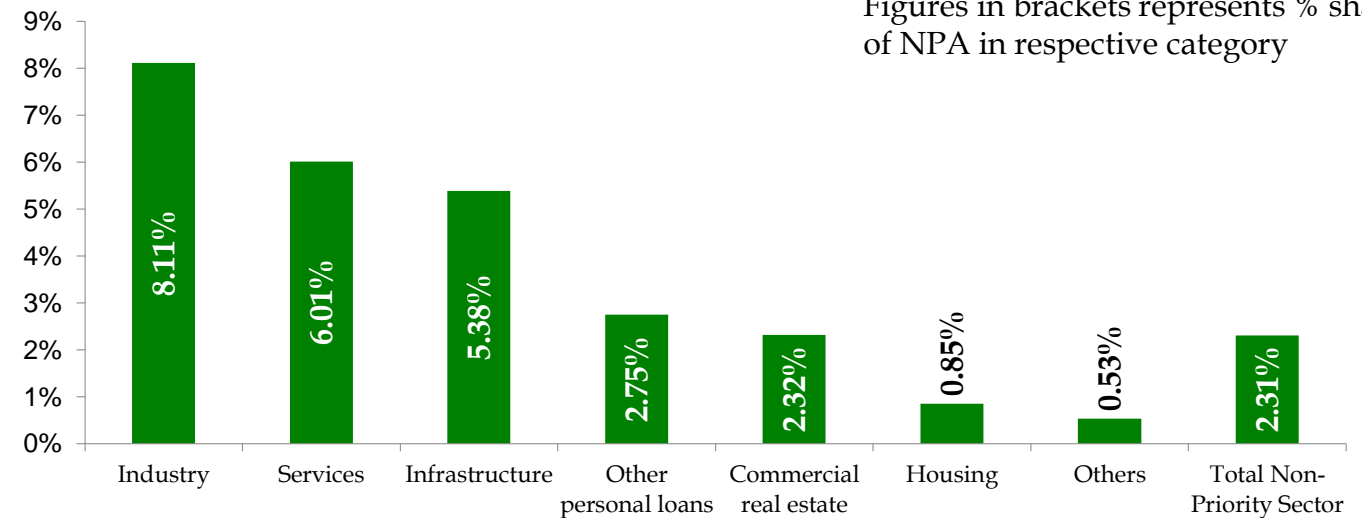
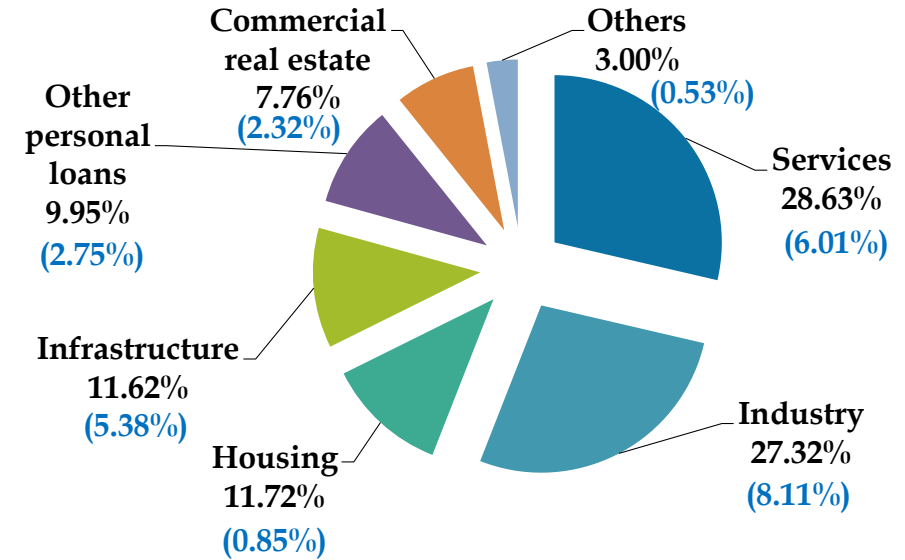
Figures in brackets represents % share of NPA in respective category

Asset Quality composition

Sectoral Exposures in NPA - Priority Sector



Sectoral Exposures in NPA - Non-Priority Sector



Figures in brackets represents % share of NPA in respective category

Asset Quality

Non Performing Assets

Particulars	For the period / As on	Without proforma slippages		With proforma slippages *	
		Amount	% age	Amount	% age
Gross NPA	31.12.2020	1706.57	3.16	2133.95	3.95
	30.09.2020	2188.80	3.97	2278.95	4.13
	31.12.2019			2777.46	4.99
Net NPA	31.12.2020	923.98	1.74	1287.25	2.42
	30.09.2020	1194.60	2.21	1271.23	2.35
	31.12.2019			2058.04	3.75
PCR	31.12.2020		80.51		75.09
	30.09.2020		75.44		73.66
	31.12.2019		59.34		59.34
Credit Cost	31.12.2020		1.30		1.42
	30.09.2020		0.96		0.99
	31.12.2019		1.50		1.50

* Had there not been any interim order of Honourable Supreme Court on asset classification.

Asset Quality

(₹ crs)	FY17	FY18	FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	FY20	Q1FY21	Q2FY21	Q3FY21
Opening GNPA	1180.40	1581.59	2376.07	2456.38	2437.53	2594.27	2777.46	2456.38	2799.93	2557.64	2188.80
Addition	1348.37	2119.87	1447.86	526.02	530.95	637.54	304.07	1998.58	166.84	2.21	1.40
Fresh slippages		2088.19	1415.43	525.98	494.80	606.55	304.07	1931.40	155.65	1.49	0.27
Slippages from existing NPA accounts		31.68	32.43	0.04	36.15	30.99	0.00	67.18	11.19	0.72	1.13
Reduction	947.18	1325.39	1367.55	544.87	374.21	454.35	281.60	1655.03	409.13	371.05	483.63
Recoveries	286.09	431.50	264.80	102.39	74.99	70.74	74.77	322.87	33.89	137.46	85.14
Upgradation	203.08	178.14	203.48	51.97	70.69	56.29	62.37	241.32	12.40	18.57	5.76
Write off	458.11	715.75	899.27	390.51	228.53	327.32	144.46	1090.84	362.84	215.02	392.73
Closing GNPA	1581.59	2376.07	2456.38	2437.53	2594.27	2777.46	2799.93	2799.93	2557.64	2188.80	1706.57
Technical write off Account (cumm)	537.42	706.16	1434.27	1760.68	1971.10	2284.07	2172.34	2172.34	2526.83	2674.46	3033.87
Total GNPA (incl Technical write off)	2119.01	3082.23	3890.65	4198.21	4565.37	5061.53	4972.27	4972.27	5084.47	4863.26	4740.44
NPA Provision (cumm)	581.60	946.26	810.55	648.36	711.28	687.62	1017.31	1017.31	896.39	960.51	740.10
Total Provisions (incl Technical write off)	1119.02	1652.42	2244.82	2409.04	2682.38	2971.69	3189.65	3189.65	3423.22	3634.97	3773.97
Closing NNPA	974.73	1400.51	1616.71	1759.77	1863.11	2058.04	1755.01	1755.01	1630.65	1194.60	923.98
PCR (%) excl Technical write off	38.37%	41.06%	34.18%	27.80%	28.18%	25.90%	37.32%	37.32%	36.24%	45.42%	45.86%
PCR (%) incl Technical write off	54.00%	54.56%	58.45%	58.08%	59.19%	59.34%	64.70%	64.70%	67.93%	75.44%	80.51%
GNPA %	4.21%	4.92%	4.41%	4.55%	4.78%	4.99%	4.82%	4.82%	4.64%	3.97%	3.16%
NNPA %	2.64%	2.96%	2.95%	3.33%	3.48%	3.75%	3.08%	3.08%	3.01%	2.21%	1.74%

Asset Quality

Top 25 NPA accounts & provisions held thereon (Dec'20)

NPA Classification	No. of Borrowers	Net Balance	Provision Held	Provision %
SS	2 (16)	112.51 (858.81)	37.19 (128.89)	33.06 (15.01)
DS1	14 (7)	295.96 (222.19)	108.27 (62.46)	36.58 (28.11)
DS2	6 (2)	167.56 (56.71)	81.22 (28.22)	48.47 (49.76)
DS3	1 (0)	29.49 (0.00)	29.49 (0.00)	100.00 (0)
LOSS	2 (0)	132.88 (0.00)	132.88 (0.00)	100.00 (0)
Grand Total	25 (25)	738.40 (1,137.71)	389.05 (219.56)	52.69 (19.30)

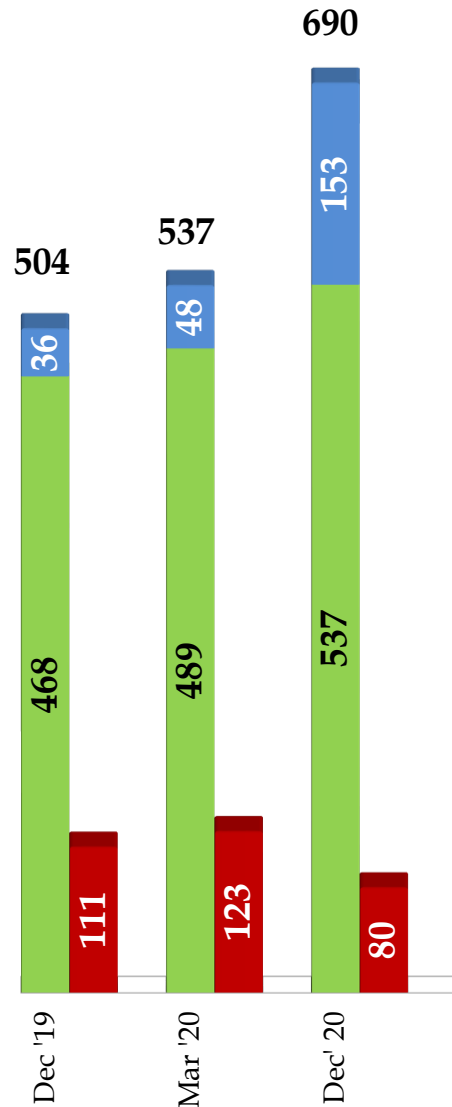
[Figures in brackets - as of Dec '19]

Restructured loans

Restructured loans & related accounts

(₹ crs)

- Of which, NPA
- Related a/cs
- Restructured loans



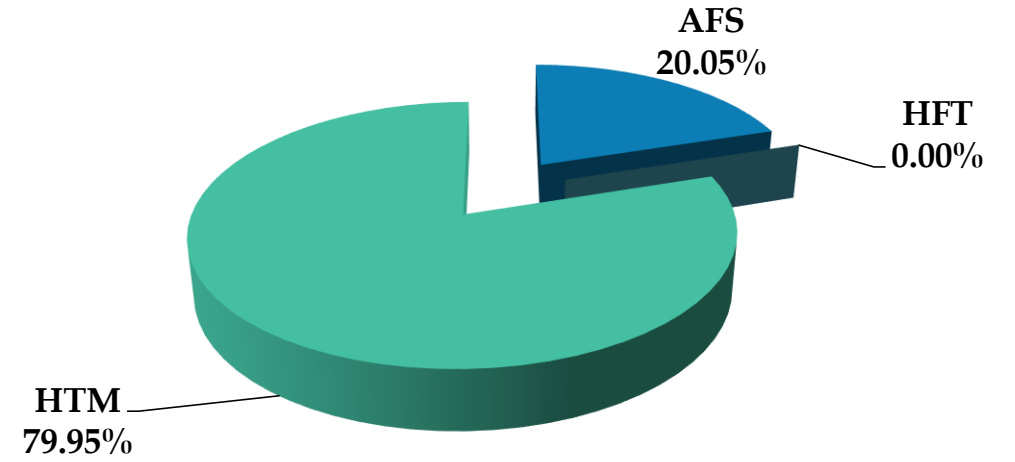
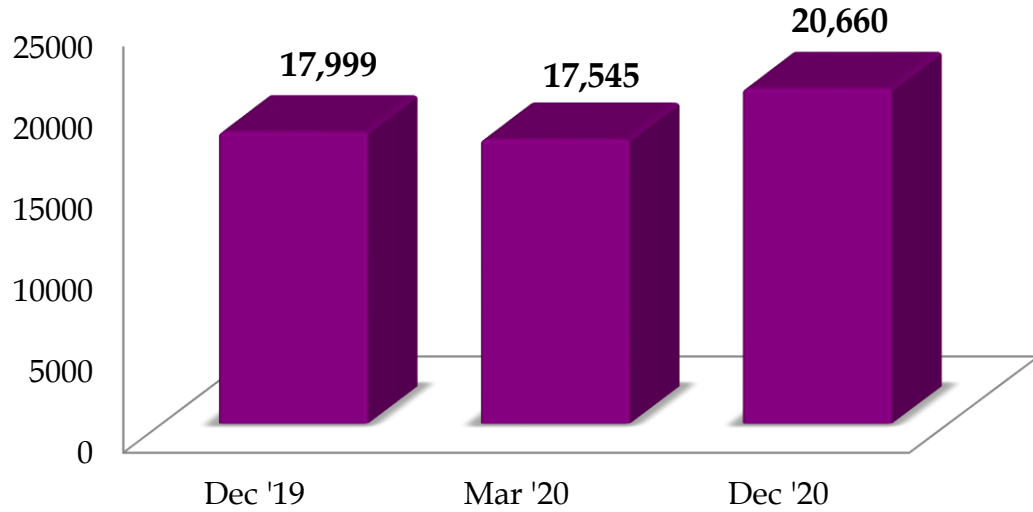
	FY20	Q1FY21	Q2FY21	Q3FY21
Opening balance	503.74	536.49	601.28	644.57
Addition	60.62	102.15	77.59	86.22
Reduction	27.87	37.36	34.30	40.99
Closing balance	536.49	601.28	644.57	689.80
% to Gross Adv	0.92%	1.08%	1.17%	1.28%
NPA amount	122.74	91.53	87.40	80.02
NPA %	22.88%	15.22%	13.56%	11.60%

Accounts identified for Restructuring as of Dec'20

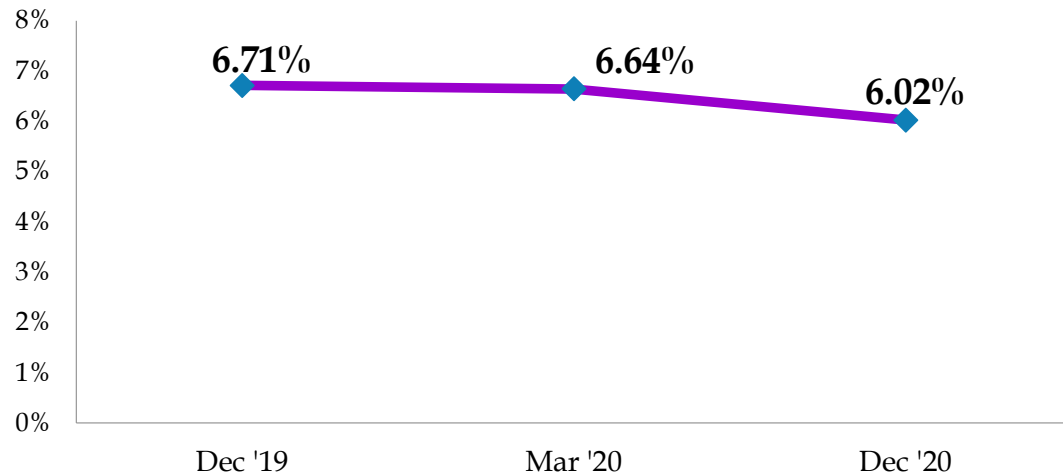
OTR	No. of a/cs	O/s. Amount (in crore)
General Advances	1,431	345.44
MSME	2,715	684.49
Total	4,146	1,029.93

Investments

Investments [excl. RIDF] (₹ crs)












Yield on Investments (%)



Duration












AFS	HFT	HTM	TOTAL
4.18	0.00	6.04	5.75

Topline numbers

₹ crs		<u>Dec-20</u>	<u>Sept-20</u>	<u>Mar-20</u>	<u>Dec-19</u>
Total Deposits		73,826	72,929	71,785	71,356
CASA Deposits		22,199	21,275	20,752	19,546
Retail Deposits		51,605	51,629	50,980	51,728
Wholesale Deposits		23	26	54	82
Total Advances		53,187	54,099	56,964	54,911
Priority Sector Advances		27,848	26,970	25,094	24,182
Agri Advance		9,119	8,916	8,568	8,123
MSME Advances		14,151	13,716	12,345	10,473
Advances to Weaker Section		2,832	2,753	2,490	2,537














Growth based on y-o-y.

Headline numbers

₹ crs		Dec-20 [9 months]	Dec-19 [9 months]	Sept-20 [6 months]	Mar-20 [12 months]
Interest Income		4,815	4,836	3,219	6,475
Interest Expense		3,091	3,335	2,109	4,445
Net Interest Income		1,724	1,501	1,110	2,030
Fee Income		521	610	338	862
Treasury Income		600	245	511	400
Non-Interest Income		1,122	855	849	1,262
Total Income (Net of Interest Expense)		2,846	2,356	1,959	3,292
Operating Expenses		1,231	1,091	782	1,635
Operating Profit		1,615	1,265	1,177	1,657
Provision for loan losses in Adv. / losses in Invt. / Taxes / other		1,164	861	861	1,225
Net Profit		451	404	316	432

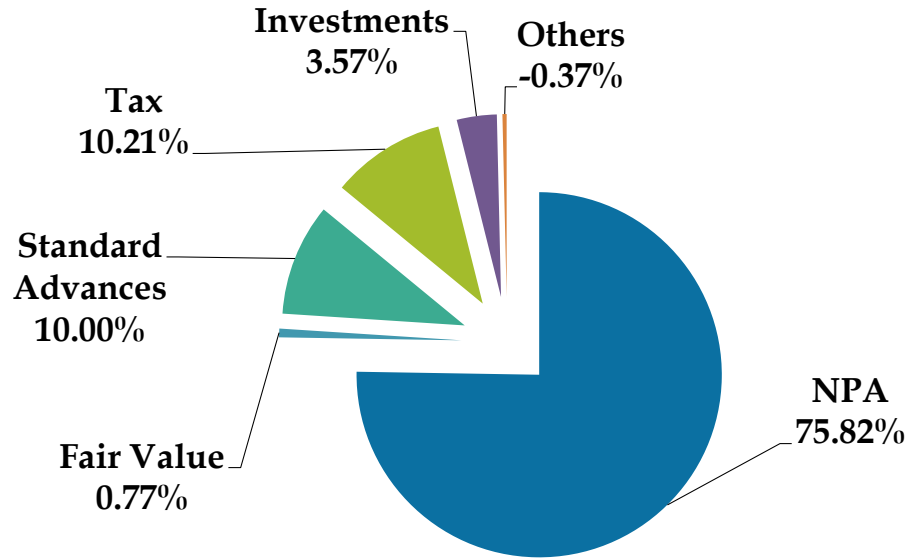
Growth based on y-o-y.

Headline numbers

₹ crs		<u>Dec-20</u> [9 months]	<u>Dec-19</u> [9 months]	<u>Sept-20</u> [6 months]	<u>Mar-20</u> [12 months]
<u>Interest Income</u>					
Interest Income		4,815	4,836	3,219	6,475
Interest on Advances		3,864	3,839	2,593	5,156
Interest on Investments		839	870	551	1,160
Other interest		112	127	75	159
Yield on Advances		9.38%	9.49%	9.36%	9.47%
Adjusted yield on Invts.		9.70%	8.86%	11.04%	8.94%
<u>Interest Expense</u>					
Interest Expense		3,091	3,335	2,109	4,445
Interest on Deposits		2,933	3,155	1,993	4,205
Other interest		158	180	116	240
Cost of Deposits		5.40%	6.06%	5.54%	6.01%
<u>Net Interest Income</u>					
Net Interest Income		1,724	1,501	1,110	2,030
Interest Spread in Lending		3.98%	3.43%	3.82%	3.46%
Net Interest Margin on average earning assets		3.07%	2.82%	2.99%	2.84%

Provisions

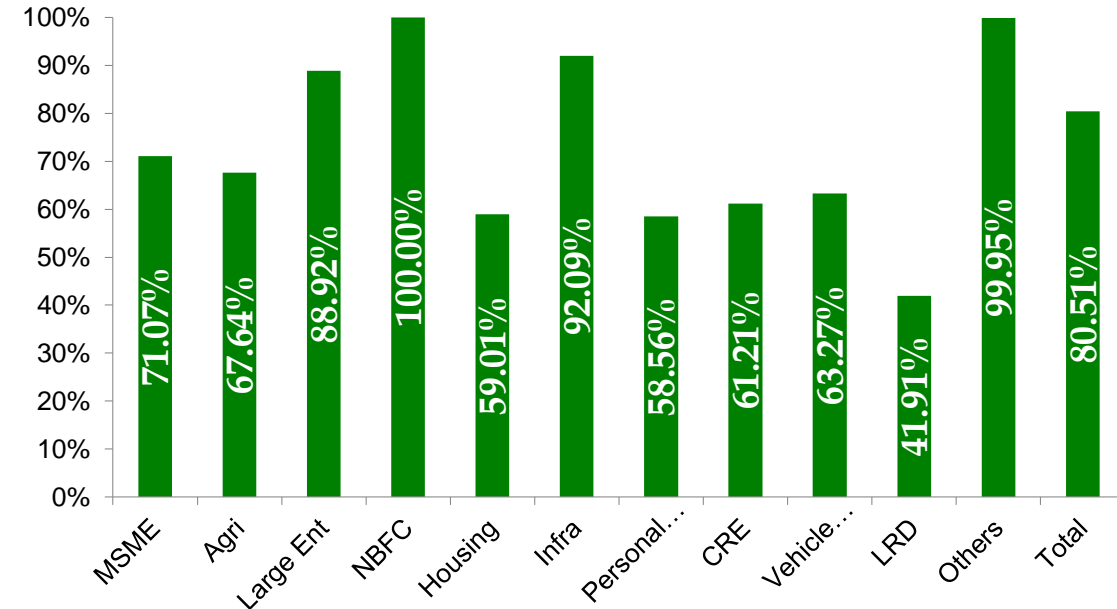
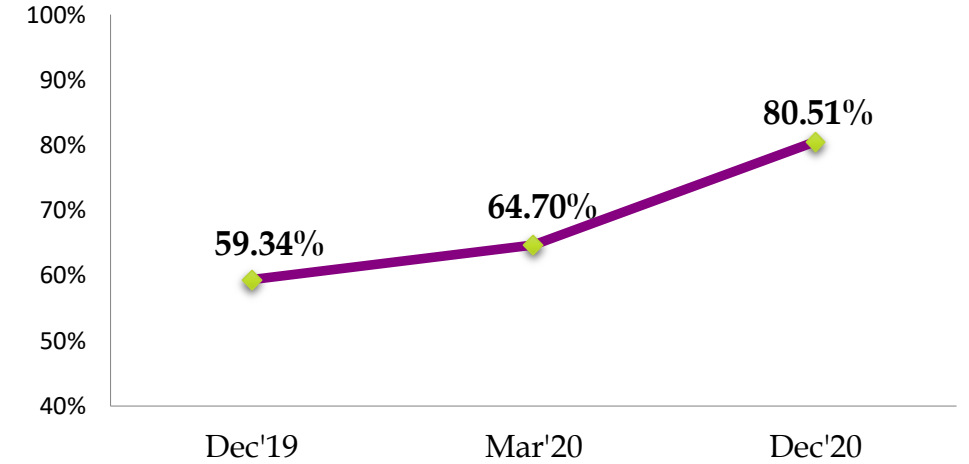
Provisions & Contingencies



COVID-19 Provision: Rs 147.99 crore as on 31.12.2020.

As on 31.12.2020	No. of cases	Amount (in crore)	Provision held (in crore)	% provision held
NCLT Referred cases	31	1,408.17	1,357.92	96.43%
SR Portfolio	-	416.45	146.57	35.19%

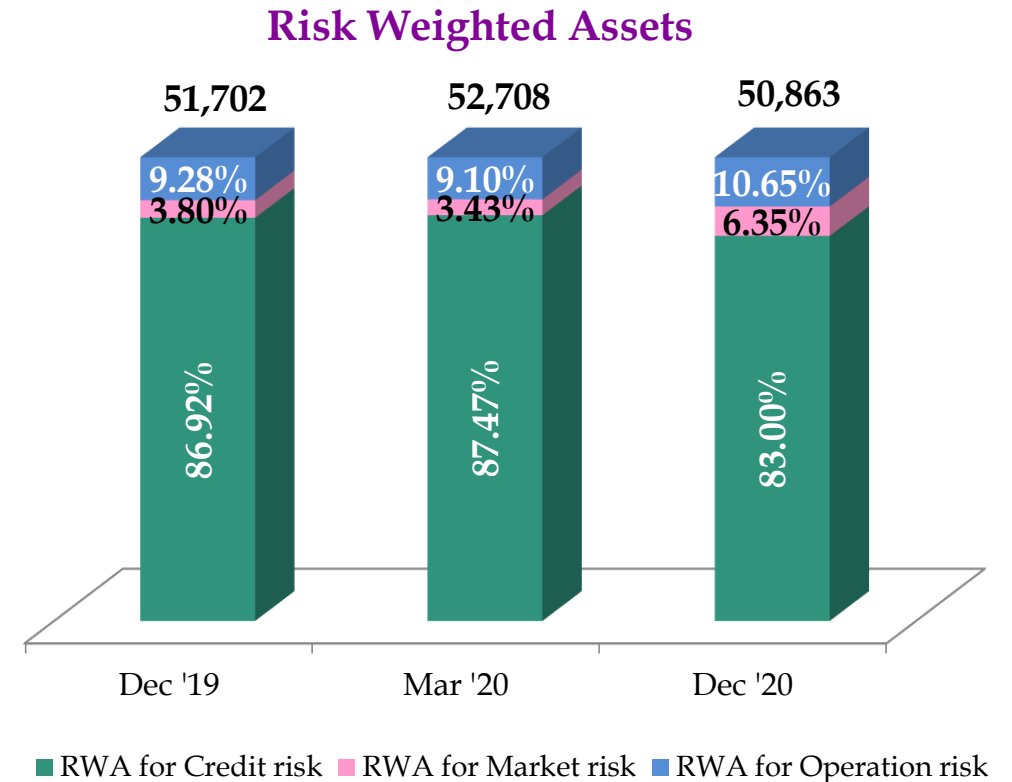
Provision Coverage Ratio



Capital Adequacy

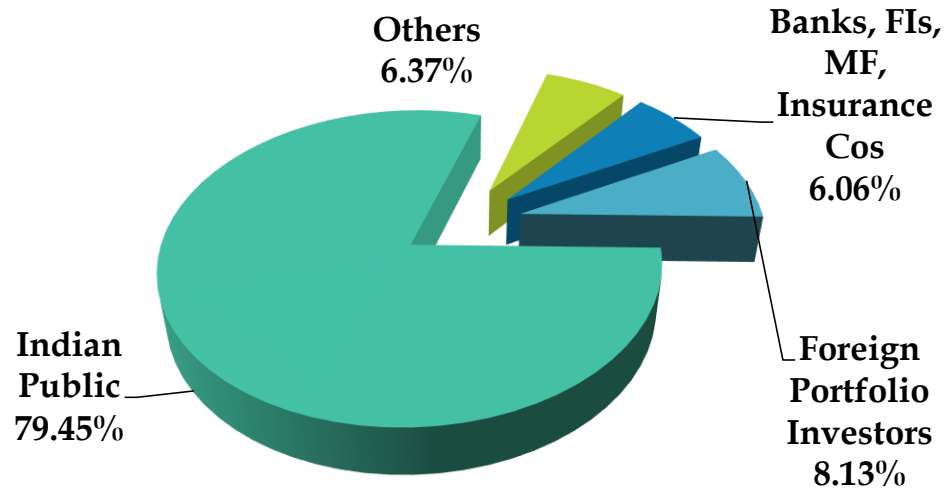
RS IN CRS	31.12.2020	31.03.2020	31.12.2019
Risk Weighted Assets	50,863.16	52,708.33	51,701.90
Total Capital Fund (Basel III)	7,036.02	6,789.35	6,511.91
Total Tier I Capital	5,770.82	5,619.43	5,379.44
Paid up Equity Capital	310.88	310.88	282.62
Reserves under Tier I Cap.	5,459.94	5,308.55	5,096.82
Eligible Tier II Capital	1,265.20	1,169.92	1,132.47
General Provisions & Reserves	495.20	399.32	337.47
Subordinated Debt Fund	770.00	770.00	795.00
CRAR under Basel III	13.83%	* 12.88%	* 12.59%
CRAR Tier I Capital	11.35%	10.66%	10.40%
CRAR Tier II Capital	2.48%	2.22%	2.19%

* Recomputed by including full eligible Tier II Capital

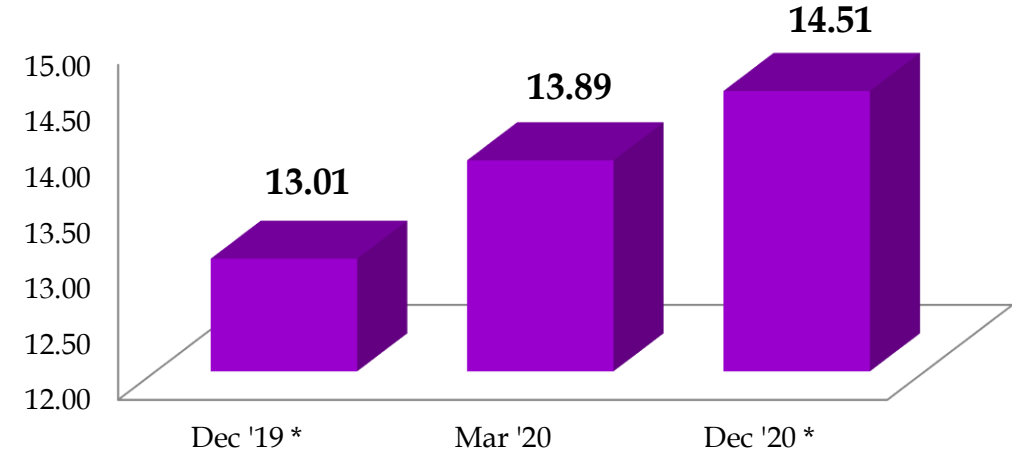


Share holders' value

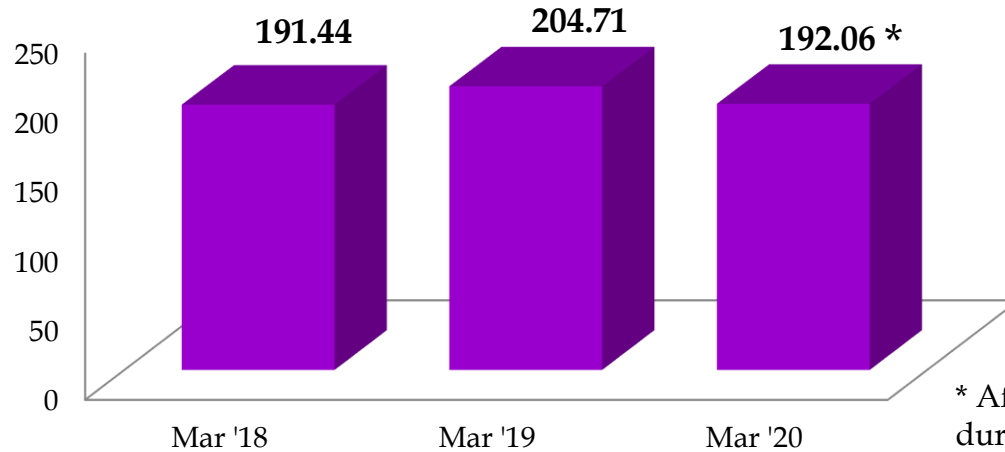
Share holding pattern (Dec '20)



Earning Per Share (₹)



Book value (₹)



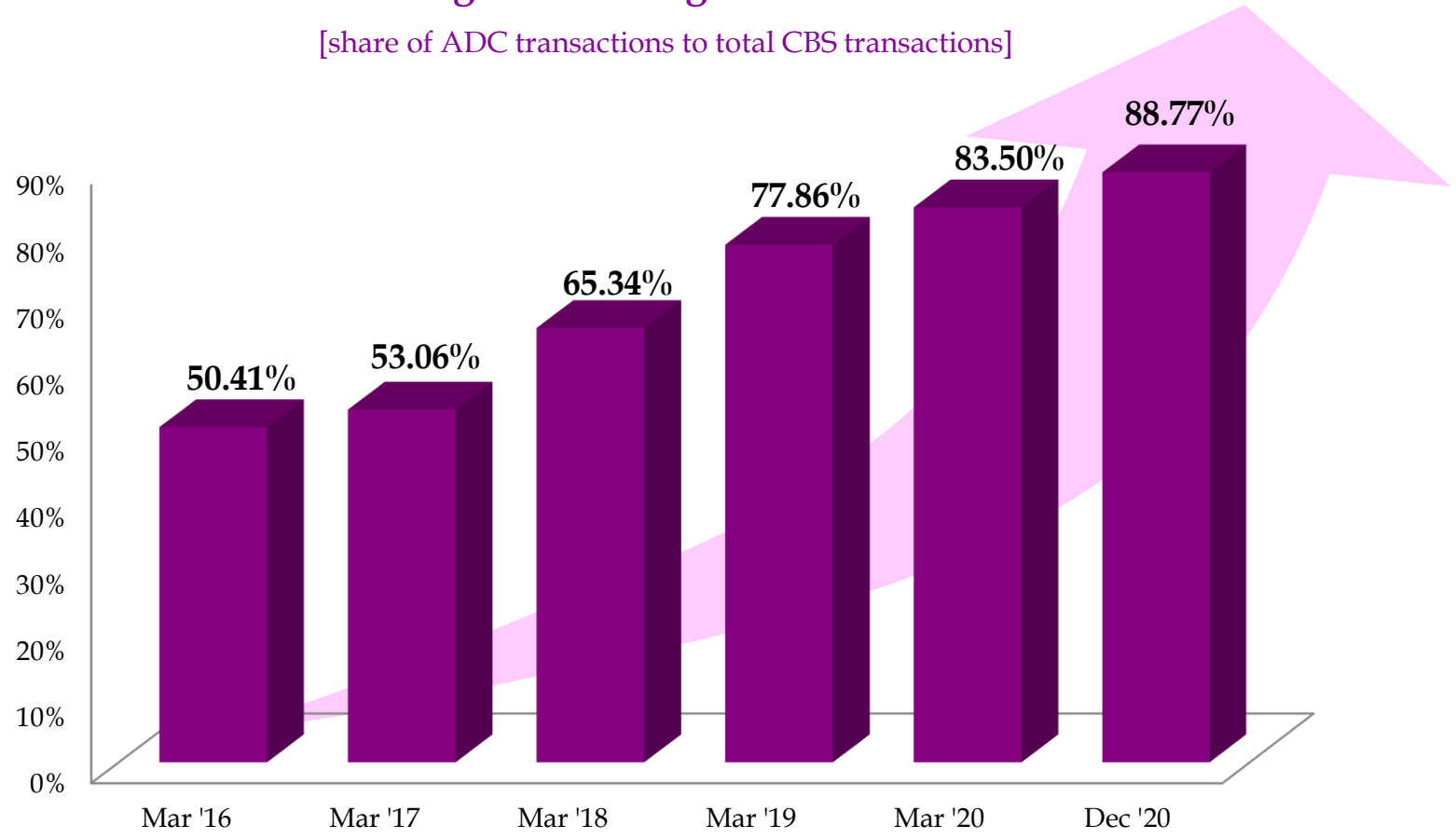
* After considering the bonus shares issued during the FY ended 31.03.2020

* Not annualized

Digital capabilities

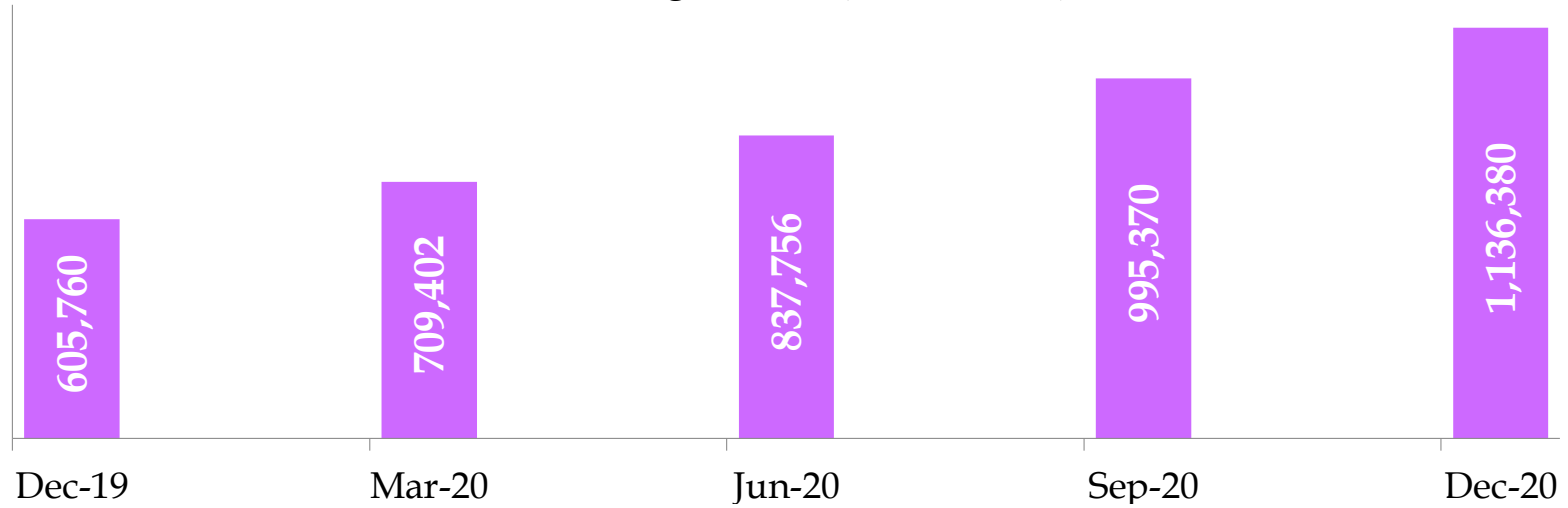
Migration to Digital Channel

[share of ADC transactions to total CBS transactions]

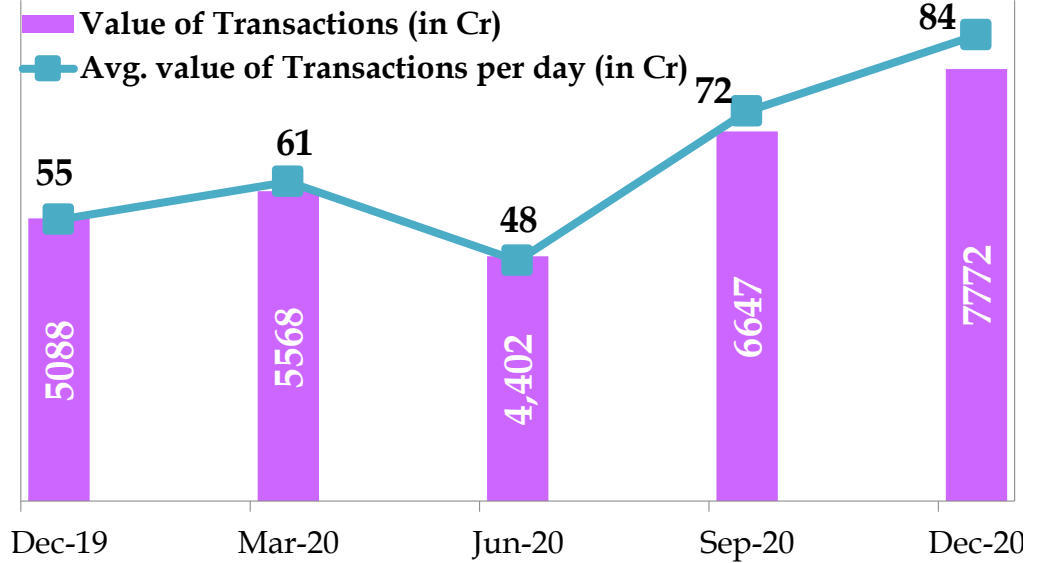
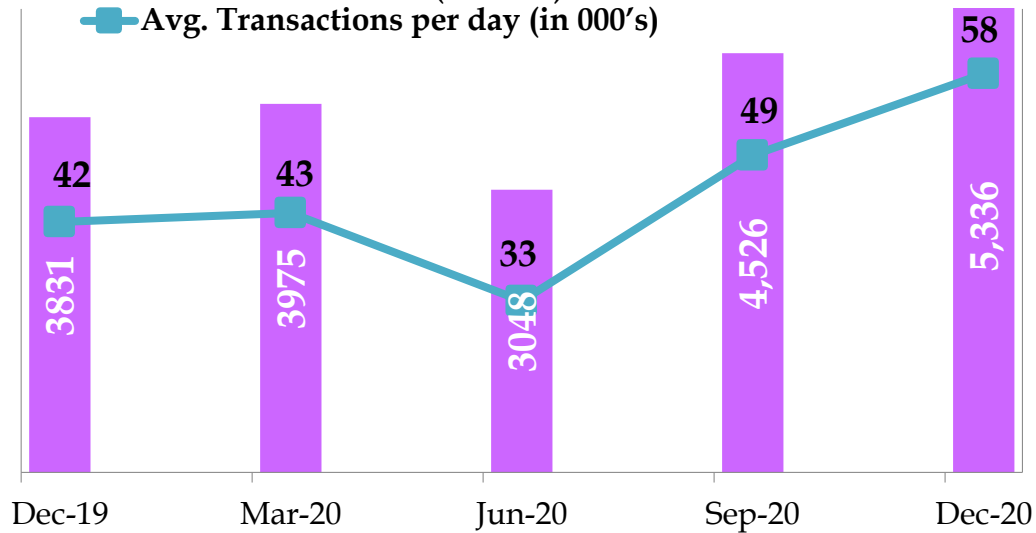


Mobile Banking

No. of Regd users (Thousands)

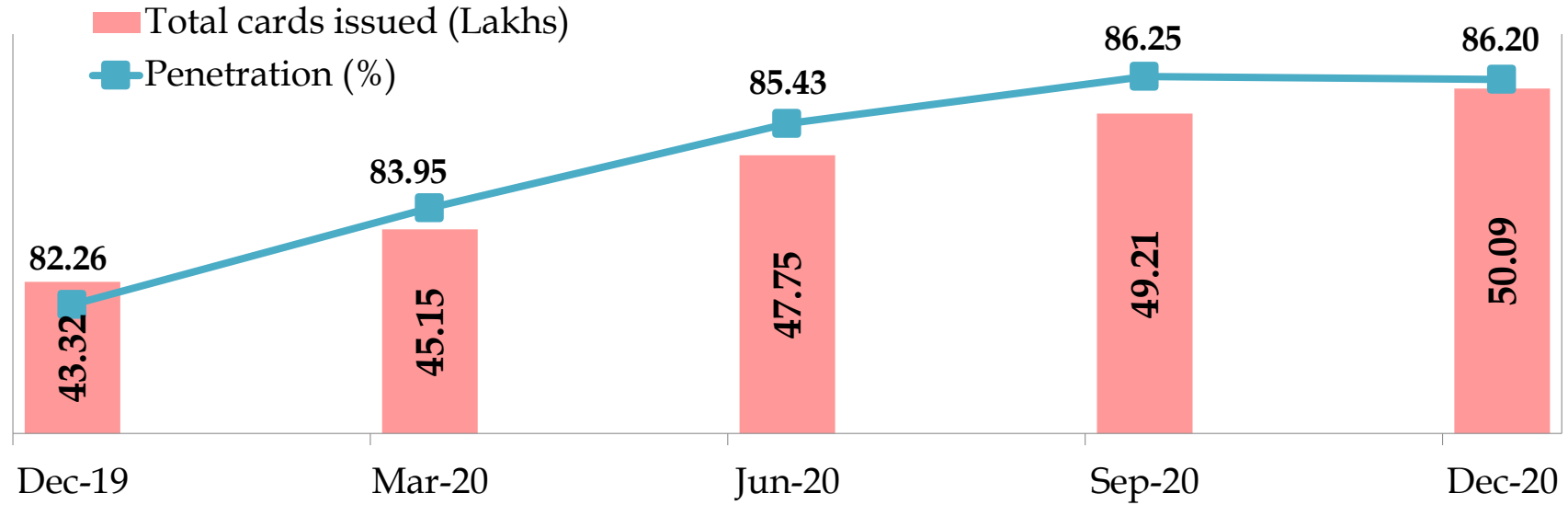


No. of Transactions (in 000's)
Avg. Transactions per day (in 000's)



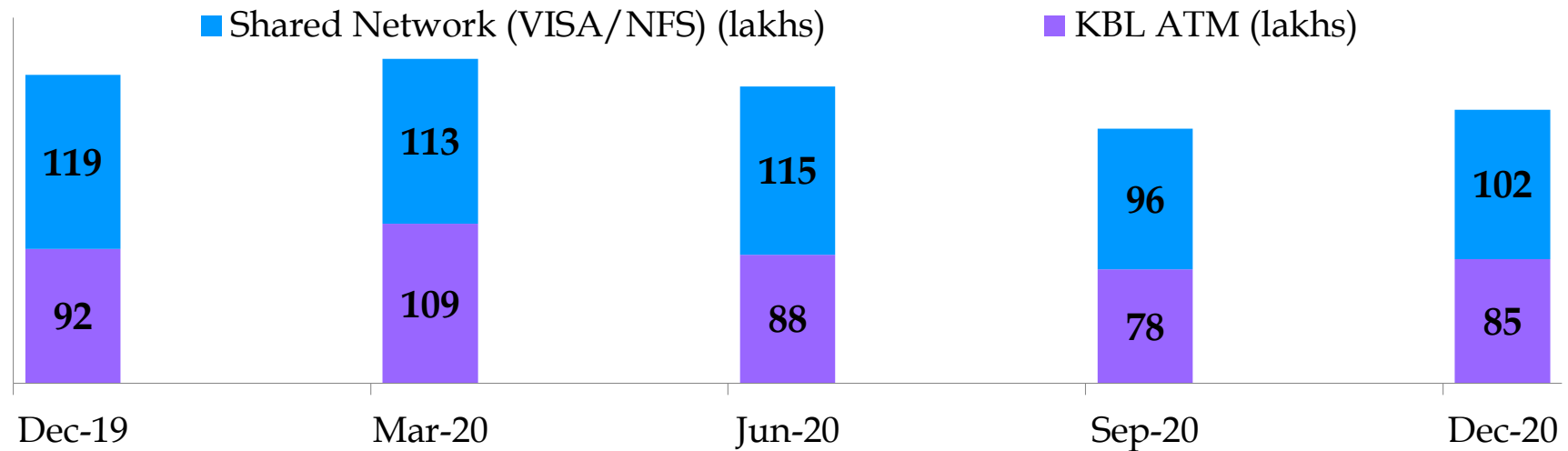
Debit Cards

Debit cards Penetration



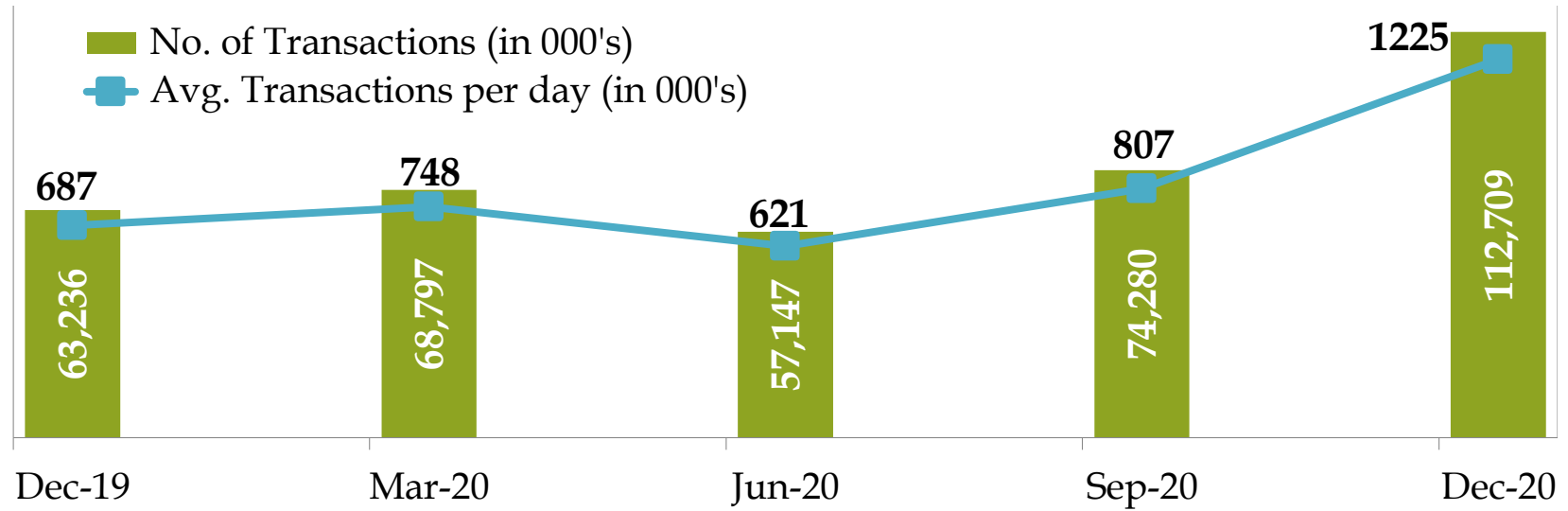
Cards Usage

Total ATM transactions by our Debit Card holders

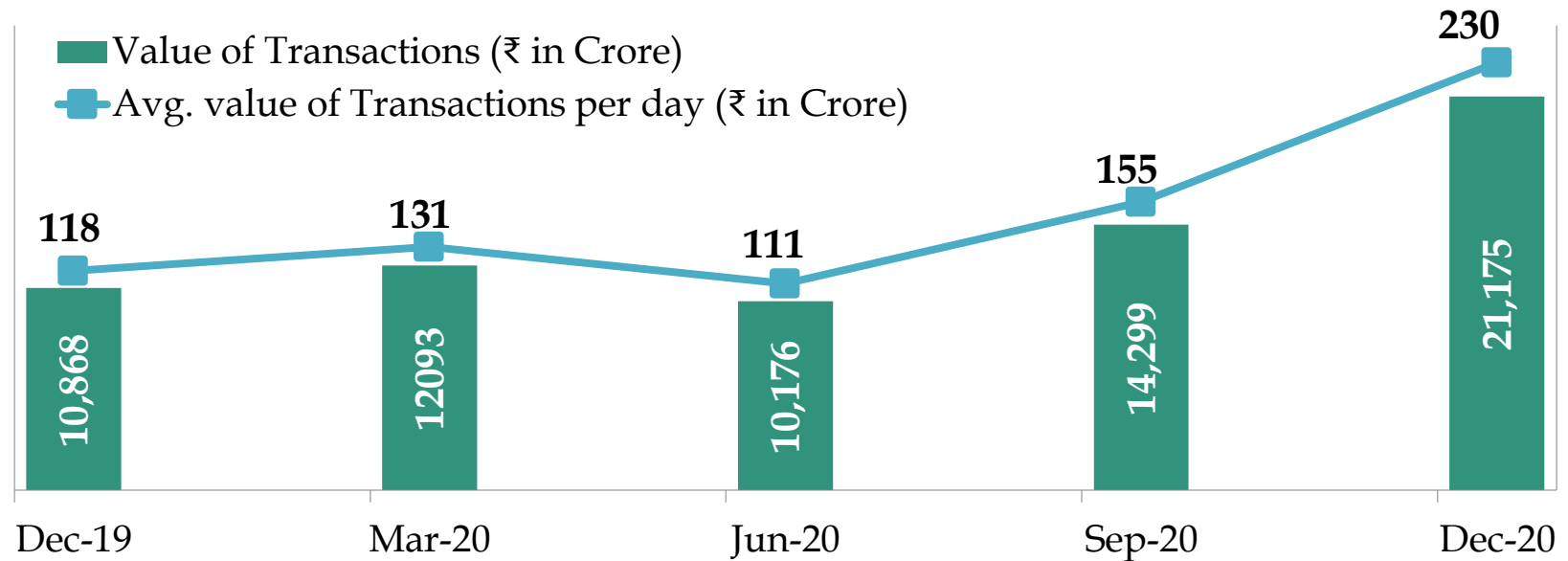


UPI transactions

BHIM KBL UPI Txns count

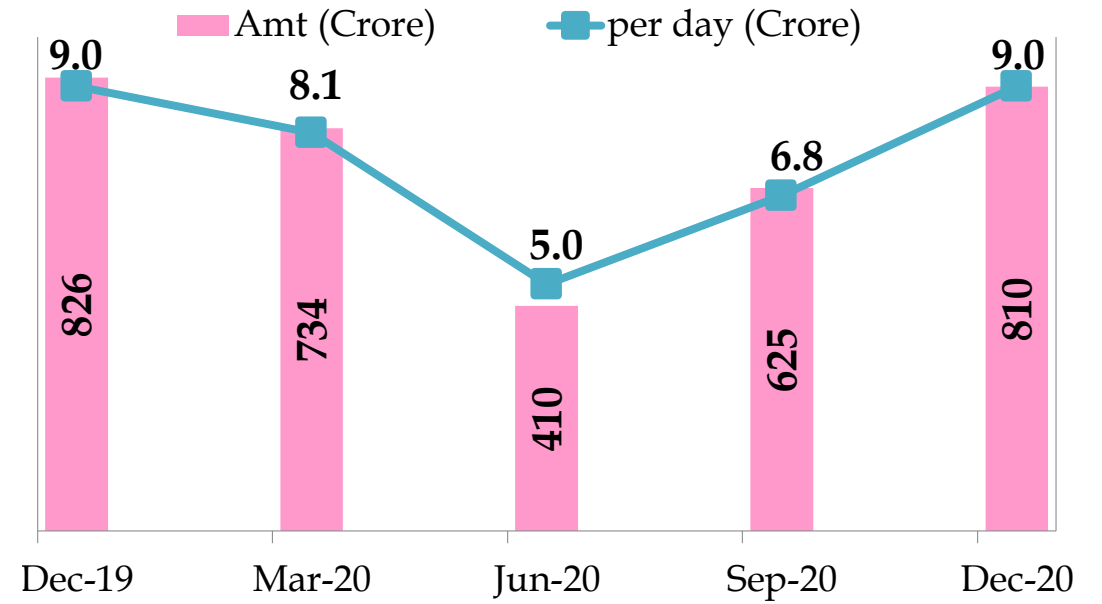
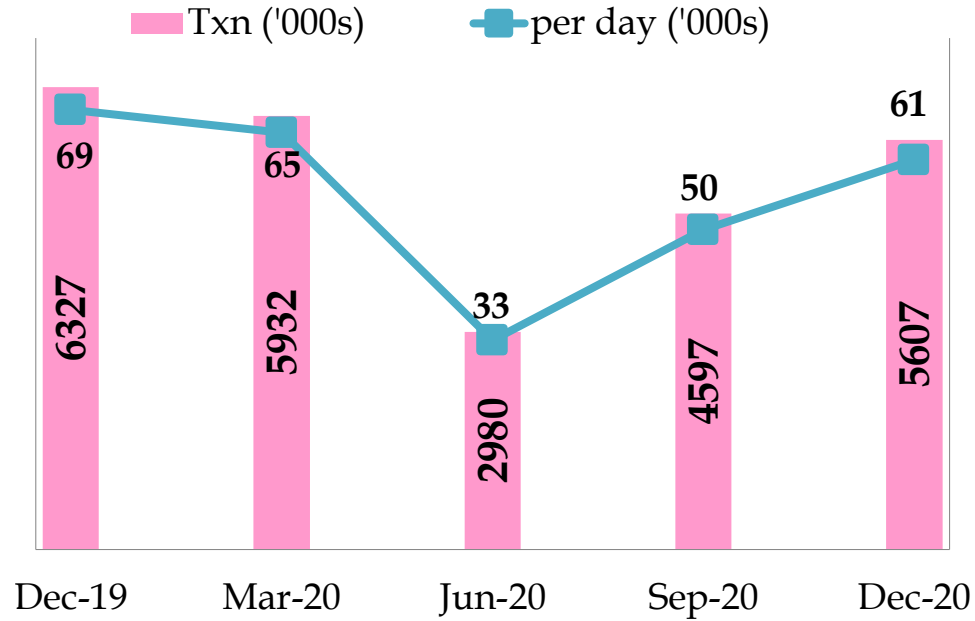


BHIM KBL UPI Txn Value

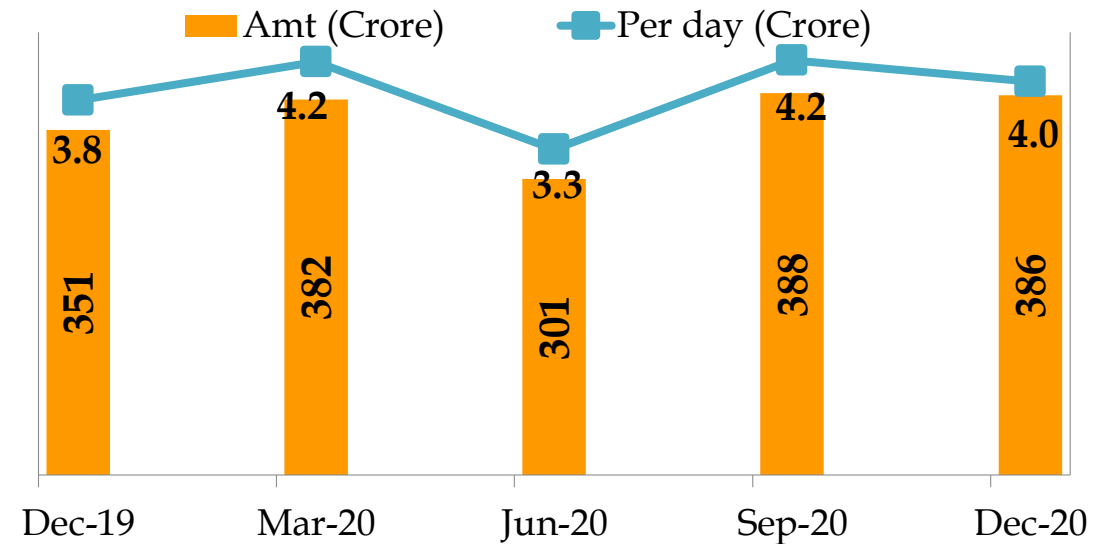
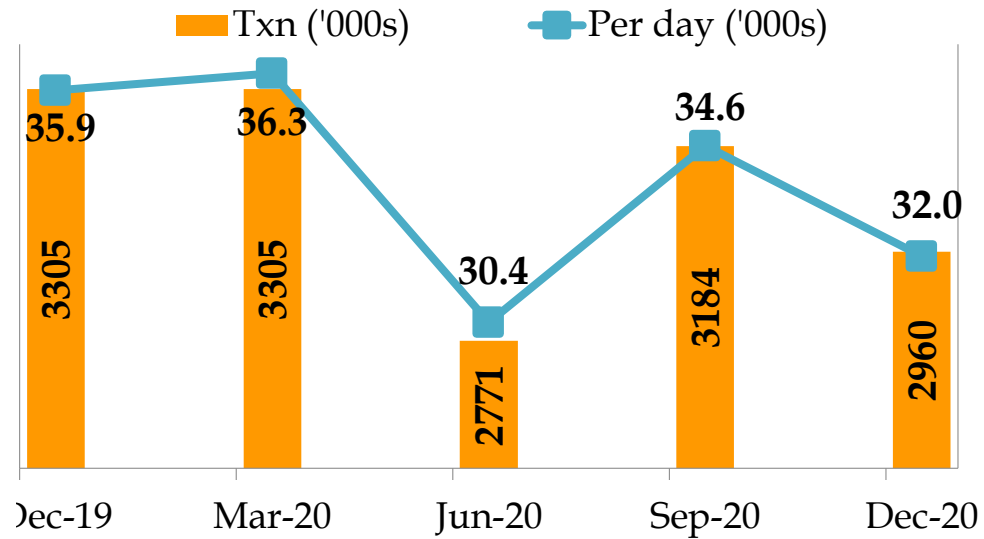


POS & ECOM transactions

POS Transactions



ECOM Transactions



Corporate Social Responsibility



Donating a dedicated Ambulance to Dakshina Kannada District Administration to transport COVID-19 infected patients, in the fight against the pandemic.



Sponsored newly constructed public bus shelter along the Mangaluru - Udupi National Highway NH-66 dedicated to Katpady Gram Panchayath, Udupi District.

KBL-Vikaas - Bank's Transformation Journey

As a part of Transformation journey,

- Launched OD facility against gold ornaments.
- Introduced alternate source for leads generation, both for assets & liabilities (DSAs, BSAs, Analytics).
- Launched 'KBL FORCE' - an integrated Lead Management System (LMS) and KBL-FORCE (LMS) Mobile App.
- Introduced Dealer tie up for Auto Loans in all Regions.
- Introduced Risk based pricing for Retail Loans.
- Verticalized Credit Dept. as 'Sales vertical' & 'Sanctions vertical'.
- Introduced Collection Management System.
- Launched 'KBL KOLLECT+' - a Collection tool, at Regional Collection Hubs in all Regions.
- Launched 'KBL eConnect' - a link based loan instalment payment facility to customers.
- Launched VASOOL SO-F^t - a NPA Management tool.
- Launched Monitoring Excellence Initiatives.
- Implemented Employee Satisfaction and Career Development System [ESCDS] and Key Result Area [KRA].
- Launched 'KBL RISE' - a Performance Management System for employees.
- Opened Bank's first 'Digi Branch' at Bengaluru.
- Established Digital Centre of Excellence (DCoE) at Bengaluru.
- Established Contact Center in collaboration with a service provider.
- Launched Tab banking 'KBL Xpress SB' for opening of SB accounts in select branches.
- Launched an institutional SB product 'KBL SB-TASC' and salary account schemes with variants.
- Launched a Mutual Fund platform 'FISDOM' to offer the products of all the AMCs to our customers.
- Introduced Digital sales of insurance policies through Mobile Banking and Internet Banking platform.
- Started participating in TReDS platform.
- Introduced Automated Review Tool for granular insights.

DCoE : Accelerating Digital & Transformation Outcomes for Q3:



Adoption : Accelerating Xpress Digital Portfolio :

- ✓ Home Loan : 63% of fresh sanctions -through Digital sanction
- ✓ Car Loan : 73% of fresh sanctions -through Digital sanction
- ✓ Cash Loan : Perfect 100. All fresh sanctions done digitally
- ✓ Q4 Outlook : Enhancements executed for 80% Digital sanctions

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

- ✓ > 76% New Digital Sanction (Low & Medium Risk v/s 67% Manual Portfolio)

Experience driven by Improving CSAT :

Digi Sanction CSAT Score (Max of 5)

Xpress Loan Products	June 2020	December 2020	↑
Xpress Home	3.85	4.20	↑
Xpress Car	3.92	4.43	
Xpress Cash	4.34	4.32	↔

Comprehensive Digital Products :

- ✓ Xpress Retail : Home / Car / Cash
- ✓ Xpress MSME : OD / CV / TL / MM / BQL
- ✓ Customer Onboarding : Xpress SB Accounts

Q4 Release Planned :

DhIRA (Digi-human Interactive Relationship Assistant – AI Driven) & few retail loans

Business Strategy



Corporate Goal for 2020-21



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.

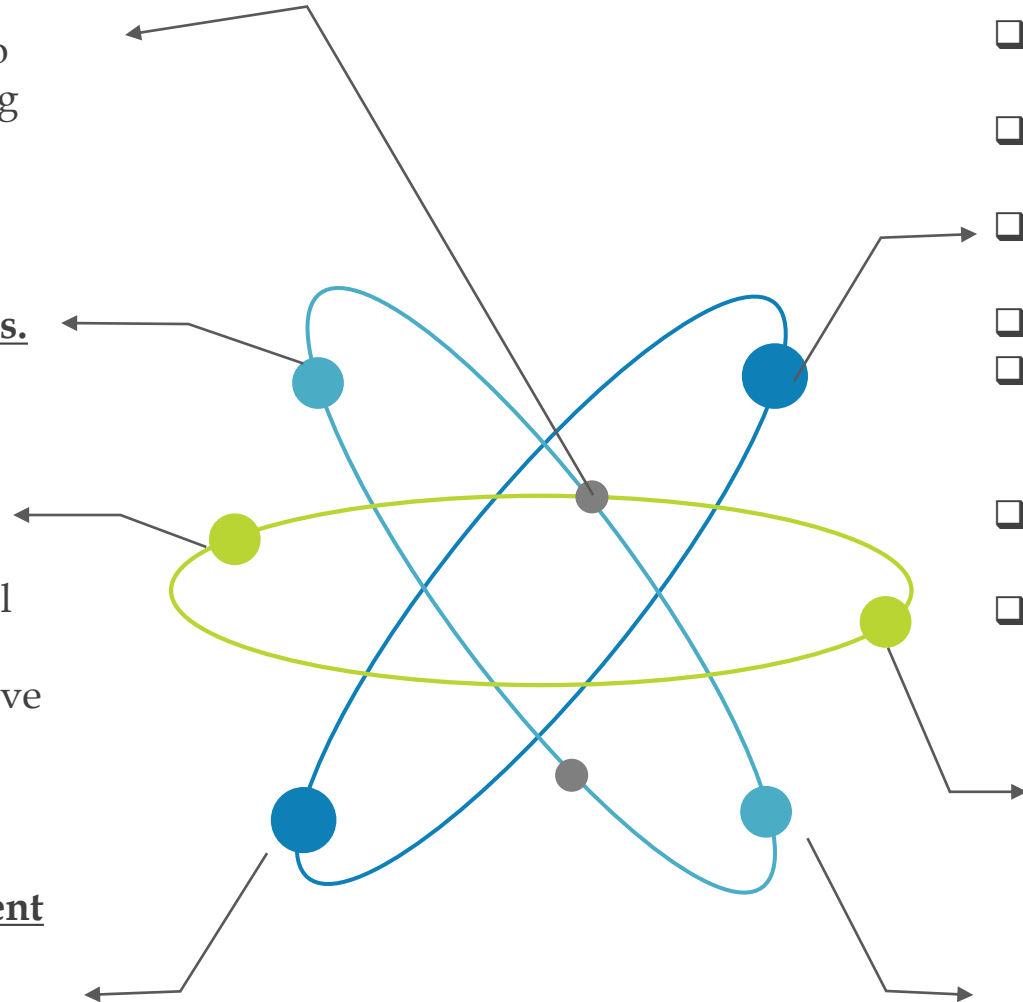
Digital Banking initiatives

- ❑ Focusing on digital marketing of Bank's products & services
- ❑ Digital loan sanctions for HL, PL, Auto loans & other retail loans
- ❑ Value addition to Bank's existing Mobile Banking & Internet Banking channel
- ❑ Installation of self service kiosks
- ❑ Comprehensive IT and Digital Strategy - Requirement of critical applications and IT infrastructure
- ❑ Introduction of DhIRA (Digital human Interactive Relationship Assistant)
- ❑ Focusing on ABCD, a 360° review of customer data.

Para banking activities

encompassing Insurance & Mutual Funds.

Partnering with an efficient call center handling companies for handling service calls for better customer service and handling sales and collection calls for marketing and credit monitoring.





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 BANK OF THE FUTURE”.

Board of Directors



P Jayarama Bhat
Non Executive Chairman



Mahabaleshwara M S
Managing Director & CEO



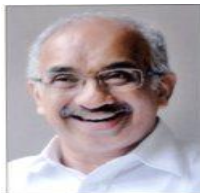
Rammohan Rao Belle
Bengaluru
Former MD & CEO, SBI Gen.
Insu. Co. Ltd



U R Bhat
Mumbai
Investment Adviser & Columnist



Keshav Krishnarao Desai
Hubballi
Businessman



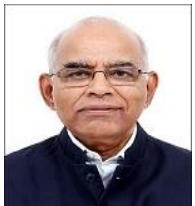
D. Surendra Kumar,
Shri Kshethra Dharmastala,
Dakshina Kannada
Educationist



Mrs Mythily Ramesh,
Bengaluru
IT Professional and Co-Founder &
CEO of NextWealth



B R Ashok
Chartered Accountant
Partner in M/s. MSKC & Associates,
Chartered Accountant, Chennai



Justice A V Chandrashekar
Bengaluru
Former Judge, High Court of Karnataka
and former Judicial Member, Karnataka
State Administrative Tribunal



Pradeep Kumar Panja
Bengaluru
Former MD (Corporate Banking), SBI



Mrs Uma Shankar,
Bengaluru
Former ED, RBI

Disclaimer

This presentation has been prepared by Karnataka Bank (the "Bank") solely for providing information about the Bank. This presentation is confidential and may not be copied or disseminated, in whole or part, in any manner. This presentation has been prepared by the Bank based on information and data which the Bank considers reliable, but the Bank makes no representation or warranty or undertaking, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness, correctness and reasonableness of the contents of this presentation. This presentation has not been approved and will not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India and may not comply with all the disclosure requirements prescribed thereof. This presentation may not be all inclusive and may not contain all of the information that you may consider material. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. Any liability in respect of the contents of, or any omission from, this presentation is expressly excluded. No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. Neither the Bank nor any of its respective affiliates, advisers or representatives, shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking statements", including those relating to the Bank's general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ from these forward-looking statements due to a number of factors, including future changes or developments in the Bank's business, its competitive environment, information technology and political, economic, legal and social conditions in India and worldwide. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims no obligation to update forward looking statements to reflect events or circumstances after the date thereof. This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation and any information presented herein are not intended to be, offers to sell or solicitation of offers to buy the Bank's equity shares or any of its other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. The Bank's equity shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the Securities Act") or any securities laws in the United States and, as such, may not be offered or sold in the United States or to, or for the benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) absent registration or an exemption from the registration requirements of the Securities Act and applicable laws. Any offering of the equity shares made, if any, in the United States (or to U.S. persons) was made by means of a prospectus and private placement memorandum which contained detailed information about the Bank and its management, as well as financial statements. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person.