

Karnataka Bank Ltd.

Your Family Bank, Across India.

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CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

12.01.2021

HO:SEC:212:2020-21

1. The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,C-1, Block G
Bandra-Kurla Complex, Bandra (E)
MUMBAI-400 051

2. The General Manager
BSE Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI-400 001

Scrip Code: **KTKBANK**

Scrip Code: **532652**

Dear Sir,

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

Thank You,
Yours faithfully,


Prasanna Patil
COMPANY SECRETARY

BRANCH BANKING & DIGITAL CHANNELS DEPARTMENT**PRESS RELEASE**

Date: 12-01-2021

KARNATAKA BANK'S NET PROFIT AT ₹ 135.37 CRORES

Karnataka Bank has posted a net profit of ₹ 135.37 crore for the third quarter of current financial year with a growth rate of 9.93% as against ₹ 123.14 crores of net profit earned during the corresponding quarter of the previous year. Further, for the nine months period ended Dec 2020, Bank posted a net profit of ₹ 451.10 crores as against ₹ 404.47 crores for the corresponding period of last year with y-o-y growth rate of 11.53%

In the Meeting of the Board of Directors held today at Mangaluru through Video-conferencing, the Board approved the financial results for the quarter and nine months period ended December 31, 2020.

The operating profit during Q3 of the current financial year is ₹ 437.96 crores. Further, for the 9 months period of the current financial year, the operating profit stood at ₹ 1,615.34 crores as against ₹ 1,265.23 crores for the corresponding period of the previous year and registered a y-o-y growth of 27.67%.

Bank has clocked a business turnover of ₹ 1,27,013.55 crores as on 31-12-2020, with deposits of ₹ 73,826.06 crores and Advances ₹ 53,187.49 crores. Retail and mid-corporate advances have shown a y-o-y growth of 9.75%.

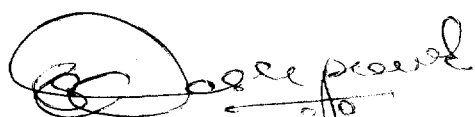
Gross NPA of the Bank has moderated to 3.16% as on 31.12.2020 from 4.99% as on 31.12.2019. Similarly, Net NPA has also come down to 1.74% from 3.75%.

Announcing the results at the Bank's Head Quarters at Mangaluru, Shri Mahabaleshwara M S, Managing Director & CEO of the Bank said, "The strong numbers of Q3 depict the resilience of Karnataka Bank inspite of COVID-19 pandemic. Our efforts to realign the asset portfolio towards retail and mid corporate advances is paying desired result as the same has grown at the rate of 9.75% y-o-y resulting in increased NII which has grown at a rate of 14.85% y-o-y. Moreover, strong operating profit which grew at the rate of 27.67% y-o-y has further strengthened the Provision Coverage Ratio (PCR) to an all time high of 80.51%. Asset Quality has almost remained stable despite the economic slowdown. Another significant achievement of this quarter is that, share of CASA deposits has increased to an all time high of 30.07% of total deposits. All our cost efficiency measures have also yielded positive result as the overall cost declined by 2.35%. The digital loan sanctions, one of the major initiatives under our "KBL-VIKAAS" transformation exercise, is showing positive traction and gaining popularity. Going forward, Bank will continue to focus on consistency and efficiency in its pursuit of emerging as 'The Bank of the future'."

PERFORMANCE HIGHLIGHTS

[Rupees in crore]

Parameters	Nine Months Period			Quarter Ended		
	31-12-2019	31-12-2020	Variation	31-12-2019	31-12-2020	Variation
Operating Profit	1,265.23	1,615.34	27.67%	501.79	437.96	-12.72%
Net Profit	404.47	451.10	11.53%	123.14	135.37	9.93%
Net Interest Income	1,501.06	1,724.04	14.85%	507.75	614.05	20.94%
Advances	54,911	53,187	-3.14%	54,911	53,187	-3.14%
Deposits	71,356	73,826	3.46%	71,356	73,826	3.46%
Gross NPA [GNPA] per cent	4.99%	3.16%	-36.67%	4.99%	3.16%	-36.67%
Net NPA [NNPA] per cent	3.75%	1.74%	-53.60%	3.75%	1.74%	-53.60%
Net Interest Margin (NIM)	2.82%	3.07%	8.87%	2.83%	3.26%	15.19%
Return on Asset [ROA]	0.67%	0.71%	5.97%	0.60%	0.64%	6.67%
CASA	27.39%	30.07%	9.78%	27.39%	30.07%	9.78%
PCR	59.34%	80.51%	35.68%	59.34%	80.51%	35.68%


Srinivas Deshpande

ASSISTANT GENERAL MANAGER