

 **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: 0824-2225587
E-Mail : plgdev@ktnkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

PLANNING AND DEVELOPMENT DEPARTMENT

PRESS RELEASE

Date: 22-05-2015

KARNATAKA BANK DECLARES STRONG RESULTS

Net Profit up by 65.52%, Bank proposes dividend of 50%

Mangalore Head Quartered, Karnataka Bank Ltd., has reported an increase of 65.52% in its Q4 Net Profit at ₹ 134.42 crore. In the corresponding period last year, the net profit was at ₹ 81.21 crore. The meeting of the Board of Directors of the Bank, which was held today, here at Mangalore, has approved the audited financial statements of FY 2015. Bank has also proposed a dividend of 50% to its share holders, as against last year's dividend of 40%.

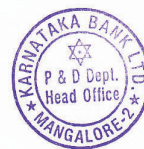
The Net profit for the year ended 31st March 2015 rose to ₹ 451.45 crores as against ₹ 311.03 crores as on 31st March 2014, registering year-on-year growth rate of 45.15%.

The business turnover of the Bank has touched ₹ 77,688.60 crore as on 31-03-2015, registering a growth rate of 12.71% on year-on-year basis. The deposits of the Bank grew from ₹ 40,582.83 crore to ₹ 46,008.61 crore with a growth rate of 13.37% and advances grew from ₹ 28,345.49 crore to ₹ 31,679.99 crore with a growth rate of 11.76%.

The gross income of the Bank for the year has increased from ₹ 4,694.41 crore to ₹ 5,205.41 crore recording an annual growth rate of 10.89%. The operating profit of the Bank has increased from ₹ 687.05 crore to ₹ 773.38 crore showing a growth rate of 12.57%. The Net Interest Income has increased by 10.68% on year-on-year basis to ₹ 1,168.85 crore from ₹ 1,056.07 crore.

The Gross NPAs decreased to 2.95% as at the end of Q4 of FY 2015 compared to 3.44% as at the end of Q3 of FY 2015. Similarly, the Net NPA also decreased to 1.98% as at the end of March 2015 compared to 2.41% as at the end of Q3 of FY 2015.

The capital adequacy ratio of the Bank stood at 12.67% (under Basel II) and at 12.41% (under Basel III) as at the end of March-2015 as against minimum 9% stipulated by RBI.



“Year 2014-15 has proved to be a best performing year for Karnataka Bank despite the challenging market conditions. Overall improvement in operational efficiency coupled with reduction in NPAs are noteworthy. As the domestic economy is now showing sure signs of near term growth, we are optimistic of improving our performance during the Current Fiscal. In the process, the customer will continue to remain the focal point of Bank’s various business initiatives. In this direction, Bank has been rolling out several innovative technology based products to increase the comfort of banking for its customers, latest being the e-lobby facility which has received an overwhelming response. Further to en-cash the growth sentiments & to focus more on retail sector, the Bank has also revised its Base Rate downwards by 25 basis points from 10.75% to 10.50%” to be effective from 1st of June 2015, said Shri P Jayarama Bhat, MD & CEO of the Bank.

As on 31-03-2015, Bank has 675 branches and 1,000 ATMs. The Bank has plans to open another 50 new branches and 275 new ATMs by March-2016, thus aiming for 2,000 service outlets, comprising of 725 branches & 1,275 ATMs. Further, in accordance with its Corporate Goal 2016, Bank has opened 2 new Regional Offices one each at Udupi and Tumakuru, thus taking the total number of Regional Offices to 12.

The Bank is eyeing a business turnover of ₹ 91,000 crore with growth rate of 17.13% for the year 2015-16 comprising of deposits of ₹ 53,500 crore and advances of ₹ 37,500 crore.

During the year, Bank has received following recognitions/awards:

1. **“MSME Banking Excellence Awards - 2014”**, instituted by CIMSME [Chamber of Indian Micro Small & Medium Enterprises], under the following categories:
 - a. **Best Bank Award for New Initiatives - Runner Up**
 - b. **Best Bank Award for CSR & Green Initiatives - Runner Up.**
2. **“Export Excellence Award for MSME”**, for the year 2014 - 15 by the Federation of Indian Export Organizations - Western Region.



PERFORMANCE HIGHLIGHTS

(Rupees in Crore)

Parameters	Q4 FY15	Q4 FY14	% change / Variation	FY15	FY14	% change / Variation
Net Profit	134.42	81.21	65.52%	451.45	311.03	45.15%
Operating Profit	189.35	89.15	112.39%	773.38	687.05	12.57%
Total Income	1,308.04	1,172.58	11.55%	5,205.41	4,694.41	10.89%
Net Interest Income	291.32	249.93	16.56%	1,168.85	1,056.07	10.68%
Other Income	111.69	113.98	(-) 2.01%	506.99	505.58	0.28%
Net Interest Margin (%)	2.28	2.17	+11 bps	2.36	2.40	(-) 4 bps
Return on Assets (%)	1.05	0.71	+34 bps	0.91	0.71	+20 bps
Gross NPA %	2.95	2.92	+ 3 bps	2.95	2.92	+ 3 bps
Net NPA %	1.98	1.91	+ 7 bps	1.98	1.91	+ 7 bps
CRAR (%) Basel II	12.67	13.30	(-) 63 bps	12.67	13.30	(-) 63 bps
CASA Ratio (%)	24.95	25.42	(-) 47 bps	24.95	25.42	(-) 47 bps
CD Ratio (%)	68.86	69.85	(-) 99 bps	68.86	69.85	(-) 99 bps
Deposits	46,009	40,583	13.37%	46,009	40,583	13.37%
Advances	31,680	28,345	11.76%	31,680	28,345	11.76%


ASSISTANT GENERAL MANAGER [P & D]

