

 **Karnataka Bank Ltd.**

Estd : 1924

CIN : L85110KA1924PLC001128

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

Phone : 0824 - 2228222 Fax : 0824-2225588
Website : www.karnatakabank.com
email : info@ktkbank.com

15.07.2017

SECRETARIAL DEPARTMENT

HO: SEC:252: 2017-18

To:

1. The Manager

Listing Department

National Stock Exchange Of India Limited

Exchange Plaza, C-1, Block G

Bandra-Kurla Complex

Bandra (E), MUMBAI-400051

2. The General Manager

BSE Limited

Corporate Relationship Dept

Phiroze Jeejeebhoy Towers

Dalal Street

MUMBAI-400001

Dear Sir,

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

Thank You,

Yours faithfully,


COMPANY SECRETARY

PLANNING AND DEVELOPMENT DEPARTMENT

PRESS RELEASE

Date: 15-07-2017

KARNATAKA BANK Q1 PROFIT UP BY 10.13 % TO ₹ 133.85 CRORES

Karnataka Bank posted a Net Profit of ₹ 133.85 crores, during Q1 of FY 2017-18 with a growth rate of 10.13% compared to ₹ 121.54 crore during Q1 of 2016-17.

The operating profit of the Bank has increased from ₹ 261.92 crore to ₹ 309.70 crore showing a growth rate of 18.24 %. The Net Interest Income has increased by 16.38% on year-on-year basis to ₹ 424.42 crore from ₹ 364.69 crore.

In the Meeting of the Board of Directors held today here in Mangaluru, the Board has approved the financial results for the quarter ended June 30, 2017.

The business turnover of the Bank has touched ₹ 94,711 crore as on 30-06-2017, registering a growth rate of 9.56% on year-on-year basis. The deposits of the Bank grew from ₹ 51,501 crore to ₹ 56,227 crore with a y-o-y growth rate of 9.18% and advances grew from ₹ 34,946 crore to ₹ 38,484 crore with a y-o-y growth rate of 10.12%. The CD ratio has improved to 68.44 % from 67.86%, as on 30-06-2017. The CASA deposits reached a level of 28.94 % of total deposits as of 30.06.2017, as against 26.22% as on 30.06.2016.

CR/1406/17-18
15/7/17

Gross NPAs stood at ₹ 1,691 crore as at the end of Q1 of FY 2017-18, constituting 4.34 % of gross advances. Net NPAs stood at ₹ 1,230 crore as at the end of Q1 of FY 2017-18, constituting 3.20% of net advances.

The capital adequacy ratio of the Bank stood at 13.02% (under Basel III) as at the end of June-2017 as against minimum 10.25% stipulated by RBI.

Expressing his satisfaction on the Q1 result of the Bank, Shri Mahabaleshwara M. S., Managing Director & CEO of the Bank, observed that, "The encouraging growth in advances and the resultant increase in operating profit are the two major achievements which will set the tone for future growth story. This is already visible in terms of improved NII and NIM and thus such fundamentals are firming up. Asset Quality pressure is also moderating. Going forward, by giving more thrust on credit expansion, NPA management, CASA deposits, fee based income and digital banking, we are determined to further consolidate the position in the remaining nine months of the current fiscal. The growth story has just started unfolding and Bank is on its transformation journey".

As on 30-06-2017, Bank has 769 branches and 1,398 ATMs, with 110 e-lobbies/mini e-lobbies. The Bank has plans to open another 31 new branches and 52 new ATMs and 40 new e-lobbies/mini e-lobbies by March 2018, thus aiming for 2,250 service outlets, comprising of 800 branches, 1,450 ATMs and 150 e-lobbies/mini e-lobbies.

PERFORMANCE HIGHLIGHTS

(Rupees in Crore)

Parameters	Q1 FY 2017-18	Q1 FY 2016-17	% change / Variation
Operating Profit	309.70	261.92	18.24
Net Profit	133.85	121.54	10.13
Total Income	1,547.94	1,434.95	7.87
Net Interest Income	424.42	364.69	16.38
Other Income	217.39	174.36	24.68
Net Interest Margin (%)	2.64%	2.55%	+ 9 bps
Return on Assets (%)	0.83%	0.85%	[-] 2 bps
Gross NPA %	4.34%	3.92%	+ 42 bps
Net NPA %	3.20%	2.61%	+ 59 bps
CRAR (%) [Basel III]	13.02%	11.64%	+ 138 bps
CASA Ratio (%)	28.94%	26.22%	+ 272 bps
CD Ratio (%)	68.44%	67.86%	+ 58 bps
Deposits	56,227.45	51,501.25	9.18
Advances	38,483.93	34,946.19	10.12



Srinivas Deshpande
CHIEF MANAGER - PUBLIC RELATIONS