



Karnataka Bank Ltd.

Estd : 1924

CIN : L85110KA1924PLC001128

Regd. & Head Office
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Kankanady, Mangalore – 575 002

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SECRETARIAL DEPARTMENT

12.10.2018

HO: SEC: 409: 2018-19

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

Dear Sir,

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

Thank You,

Yours faithfully,


At COMPANY SECRETARY

CORPORATE PLANNING DEPARTMENT

PRESS RELEASE

October 12, 2018

KARNATAKA BANK Q2 NET UP BY 19.79% TO ₹ 111.86 CRORES AND ASSET QUALITY MODERATES.

Mangaluru based private lender Karnataka Bank has reported a 19.79 % increase in its Net Profit for the quarter ended 30th September 2018. The Net Profit increased to ₹ 111.86 crores as compared to ₹ 93.38 crores as on 30-09-2017. Similarly for the entire first half of current year, the Net Profit rose to ₹ 275.10 crores by 21.07 % as compared to ₹ 227.23 crores as of 30-09-2017.

The Asset Quality has also moderated and is showing signs of turnaround. The GNPA [Gross Non Performing Assets] has improved to 4.66 % as compared to 4.72% of previous quarters i.e, June 2018 and 4.92% as of March 2018. However as of June 2017 it was at 4.34%. Further, stress in the pipeline, especially in terms of SMA2, MSME dispensation accounts, restructured advances etc has considerably eased.

The Bank has clocked a total business of ₹ 1,13,854 crores as on 30-09-2018, registering a y-o-y growth of 16.63%. Deposits of the Bank rose to ₹ 63,885 crores registering a y-o-y growth of 12.95%. Advances rose to ₹ 49,970 crores registering a y-o-y growth of 21.69%. Bank has achieved a CD Ratio of 78.22 % which is an all time high for the Bank. Bank has also been able to curtail its operational expenses considerably in comparison with the previous quarters.

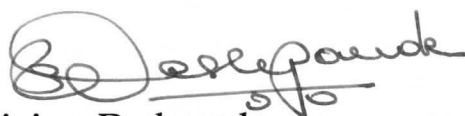
“The results are on the expected line as we have been able to declare a decent profit with more focus on asset quality and healthy growth. CD ratio of 78.22% is a new high for Karnataka Bank. Asset quality has moderated and stress in the pipeline is also receding and that is good news going forward. Expenditure is fully under control and a growth of 7.29% in operating profit for the first half of current year is an indication of robustness of the business portfolio. Bank has made several interventions in credit

delivery, IT Management and HR Management in the recent past as per Transformation initiatives under the guidance of Transformation partner M/s BCG and the results are encouraging. With one crore customers contributing for more than ₹ 1.13 lakh crore business and powered by Transformation initiatives, Karnataka Bank is poised for an exciting growth journey”, said Shri Mahabaleshwara M S, Managing Director & CEO, of the Bank.

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

Parameters	Half Year Ended			Quarter Ended		
	30-09-2018	30-09-2017	Variation [%]	30-09-2018	30-09-2017	Variation [%]
Net Profit	275.10	227.23	21.07	111.86	93.38	19.79
Operating Profit	725.21	675.94	7.29	356.33	366.24	-2.71
Net Interest Income	936.29	864.65	8.29	467.71	440.23	6.24
Fee based Income	396.82	303.94	30.56	194.27	161.83	20.05
Advances	49,970	41,062	21.69	49,970	41,062	21.69
Deposits	63,885	56,558	12.95	63,885	56,558	12.95
CD Ratio	78.22%	72.60%	562 bps	78.22%	72.60%	562 bps
Business Turnover	1,13,854	97,621	16.63	1,13,854	97,621	16.63
Gross NPA [GNPA] per cent	4.66%	4.13%	53 bps	4.66%	4.13%	53 bps
Net NPA [NNPA] per cent	3.00%	3.04%	-4 bps	3.00%	3.04%	-4 bps
Return on Asset	0.76%	0.71%	5 bps	0.61	0.58	3 bps
Return on Equity	10.01%	8.71%	130 bps	8.02	7.05	97 bps
Net Interest Margin	2.95%	3.03%	-8 bps	2.91%	3.09%	-18 bps



Srinivas Deshpande
CHIEF MANAGER - PUBLIC RELATIONS