



Karnataka Bank Ltd.

Estd : 1924

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

Phone : 2228222
Grams : Abhyuday
Fax : 0824-2225588 / 2225589

01.08.2013

SECRETARIAL DEPARTMENT

HO: SEC: 294 : 2013-14

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

Dear Sir,

We enclose copy of the press communiqué released by us on Quarterly results for the Quarter ended June 30, 2013 for your kind information.

Thank You,
Yours faithfully,

COMPANY SECRETARY

Karnataka Bank Ltd.

Estd: 1924

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

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PLANNING & DEVELOPMENT DEPARTMENT

PRESS RELEASE

Dt: 31-07-2013

KARNATAKA BANK Q1 NET PROFIT ₹ 94.17 CRORE

Mangalore based Premier Private Sector Bank, Karnataka Bank Ltd., has posted a net profit of ₹ 94.17 crore for Q-1 of the financial year 2013-14 as against ₹ 83.43 crore for the corresponding period last year, registering a y-o-y growth of 12.87 per cent.

The business turnover of the Bank has touched ₹ 62,158.99 crore registering a y-o-y growth of 14.63 per cent. The deposits of the Bank grew by ₹ 4,368.03 crore from ₹ 32,546.59 crore to ₹ 36,914.62 crore registering a y-o-y growth of 13.42 per cent. Advances grew by ₹ 3,566.80 crore from ₹ 21,677.57 crore to ₹ 25,244.37 crore registering a y-o-y growth of 16.45 per cent.

Current Account, Savings Account (CASA) increased by ₹ 1,065.03 crore from ₹ 7,694.08 crore to ₹ 8,759.11 crore registering a y-o-y growth of 13.84 per cent.

The total income of the Bank has increased by ₹ 215.14 crore from ₹ 988.66 crore to ₹ 1203.80 crore registering a y-o-y growth of 21.76 per cent. The operating profit of the Bank has increased by ₹ 88.57 crore from ₹ 168.94 crore to ₹ 257.51 crore registering a y-o-y growth of 52.43 per cent. The Net Interest Income has increased by ₹ 28.21 crore from ₹ 221.88 crore to ₹ 250.10 crore registering a y-o-y growth of 12.72 per cent.

The Capital Adequacy Ratio stood at 14.08 per cent [under BASEL II standards] against the regulatory requirement of minimum 9 per cent.

“Despite the subdued market and industry specific challenges, the Bank has improved in almost all important parameters and has been able to post a result which is better than industry average” said Sri P Jayarama Bhat, MD & CEO of the Bank.

The Bank has opened 30 service outlets consisting of 5 branches and 25 ATMs during Q1 of the current financial year, taking the tally of service outlets to 1084 [555 branches and 529 ATMs]. The Bank has its presence in 20 states and 2 union territories, and plans to take the tally of service outlets to 1,200 by the end of March 2014 by increasing the number of branches and ATMs to 600 each.

The Bank is eyeing a business turnover of ₹ 78,000 crore for the year 2013-14 comprising of deposit of ₹ 45,500 crore and advances of ₹ 32,500 crore, with an annual growth of 27.32 per cent. To support its business expansion plan, the Bank is on a recruitment drive to meet its increased man power requirement and has already recruited 820 clerks and is in the process of recruiting 280 officers [including 100 Marketing officers].

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

| Parameters | Q1 FY 13-14 | Q1 FY 12-13 | Variation |
|--------------------------------|--------------------|--------------------|------------------|
| Net Profit | 94.17 | 83.43 | 12.87% |
| Operating Profit | 257.51 | 168.94 | 52.43% |
| Net Interest Income | 250.10 | 221.88 | 12.72% |
| Other Income | 205.95 | 95.33 | 116.04% |
| Advances | 25244.37 | 21677.57 | 16.45% |
| Deposits | 36914.62 | 32546.59 | 13.42% |
| Net NPA per cent | 1.96 | 1.99% | |
| CRAR (per cent) [Basel II] | 14.08 | 12.50% | |
| Net Interest Margin (per cent) | 2.39 | 2.40% | |
| CASA Ratio (per cent) | 23.73 | 23.64% | |
| CD Ratio (per cent) | 68.39 | 66.60% | |


CHIEF MANAGER