

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

Phone : 0824-2228222  
E-Mail : investor.grievance@ktkbank.com  
Website : [www.karnatakabank.com](http://www.karnatakabank.com)  
CIN : L85110KA1924PLC001128

**SECRETARIAL DEPARTMENT**

23.01.2024

HO: SEC:302:2023-24

To:

The Manager  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G  
Bandra-Kurla Complex  
Bandra (E), Mumbai-400051  
**Scrip Code: KTKBANK**

The General Manager  
**BSE Limited**  
Corporate Relationship Dept  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400001  
**Scrip Code: 532652**

Madam/Dear Sir,

**Sub: Intimation under SEBI (LODR) Regulations, 2015- Submission of copy of presentation for Analysts/Institutional Investors on Financial Results-Q3FY24**

We refer to our earlier letter no. HO:SEC:292:2023-24 dated 16.01.2024 intimating about the scheduling of Q3FY24 Earning's Audio Conference call for Analysts/Institutional Investors to be held on 23.01.2024 at 05:00PM IST and also the modalities in connection therewith.

In compliance with the provisions of Regulation 30 read with Para A of Part A of Schedule III and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose herewith the copy of presentation for Analysts/Institutional Investors on financial results of the Bank for the quarter ended December 31, 2023. The analyst presentation has been hosted on the website of the Bank and is available under the link:

<https://karnatakabank.com/investor-portal/investor-presentations>

This is for your information and dissemination.

Yours faithfully,

**Sham K**  
**Company Secretary &**  
**Compliance Officer**

# INVESTOR PRESENTATION Q3 FY24

Banking with Legacy,  
Embracing the Future

Celebrating 100 years of trust





**Karnataka Bank Ltd.**  
Your Family Bank. Across India

# Table of Contents

**01** Independent Board and Experienced Management Team

---

**02** Accelerating our Transformation Journey

---

**03** Strategic Roadmap

---

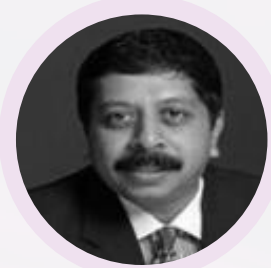
**04** Our Strengths

---

**05** Financial Highlights



# Experienced Management Team...



**Srikrishnan H**

**MD & CEO**

Former MD & CEO, Jio Payments Bank; ED, Yes Bank; Founding Team, HDFC Bank



**Sekhar Rao**

**Executive Director**

Former COO, CSB Bank; National Head, RBL; Co-Founder, Savvy India



**Balachandra Y V**

**Chief Operating Officer**

28-years operations veteran at Karnataka Bank



**Gokuldas Pai**

**Chief Business Officer**

34-years veteran at Karnataka Bank across various business functions



**Abhishek Sankar Bagchi**

**Chief Financial Officer**

Former CFO, NSDL Payments Bank; Dy-VP, Finance & Accounts, Axis Bank



**Pankaj Gupta**

**Chief Digital & Marketing Officer**

Formerly at Sify Technologies, HCL Services, Wipro Infotech



**Gurumurthy R K**

**Head – Treasury**

Formerly at DBS Bank, Laxmi Vilas Bank, Bank One, ING Vysya Bank



**Ramaswamy Subramanian**

**Chief Product Officer**

Former CPO, Dvara KGFS; Head – Products, Suryoday SFB

**New Onboarding**



**Venkat Krishnan**

**Chief Information Officer**

Former CTO, IndusInd Bank; CIO, Ujjivan SFB; CTO, Yes Bank

**New Onboarding**

Inducting laterals from various fields with proven pedigree aligned to the transformational journey of the Bank



# ..Guided by an Independent Board

With no shareholder holding >5% share capital in the Bank



*P Pradeep Kumar*

Part Time Chairman,  
Independent Director  
Former MD, State Bank of India



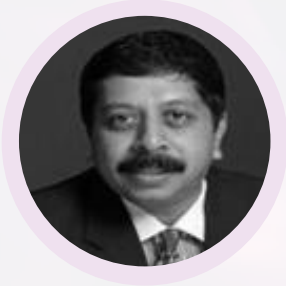
*Keshav Krishnarao Desai*

Independent Director  
Managing Partner, Desai Group



*Balakrishna Alse S*

Independent Director  
Former ED, Oriental Bank of  
Commerce



*Srikrishnan H.*

MD & CEO



*Justice A V Chandrashekar*

Independent Director  
Former Judge, High Court of  
Karnataka



*Kalmanje Gururaj Acharya*

Independent Director  
Senior Partner, M/s. K G Acharya &  
Co.; Former Independent Director,  
State Bank of Mysore



*Sekhar Rao*

Executive Director



*Uma Shankar*

Independent Director  
Former ED, Reserve Bank of India



*Jeevandas Narayan*

Independent Director  
Former MD, State Bank of  
Travancore;  
Deputy MD, State Bank of India



*B R Ashok*

Non-Executive Director  
Partner, M S K C & Associates

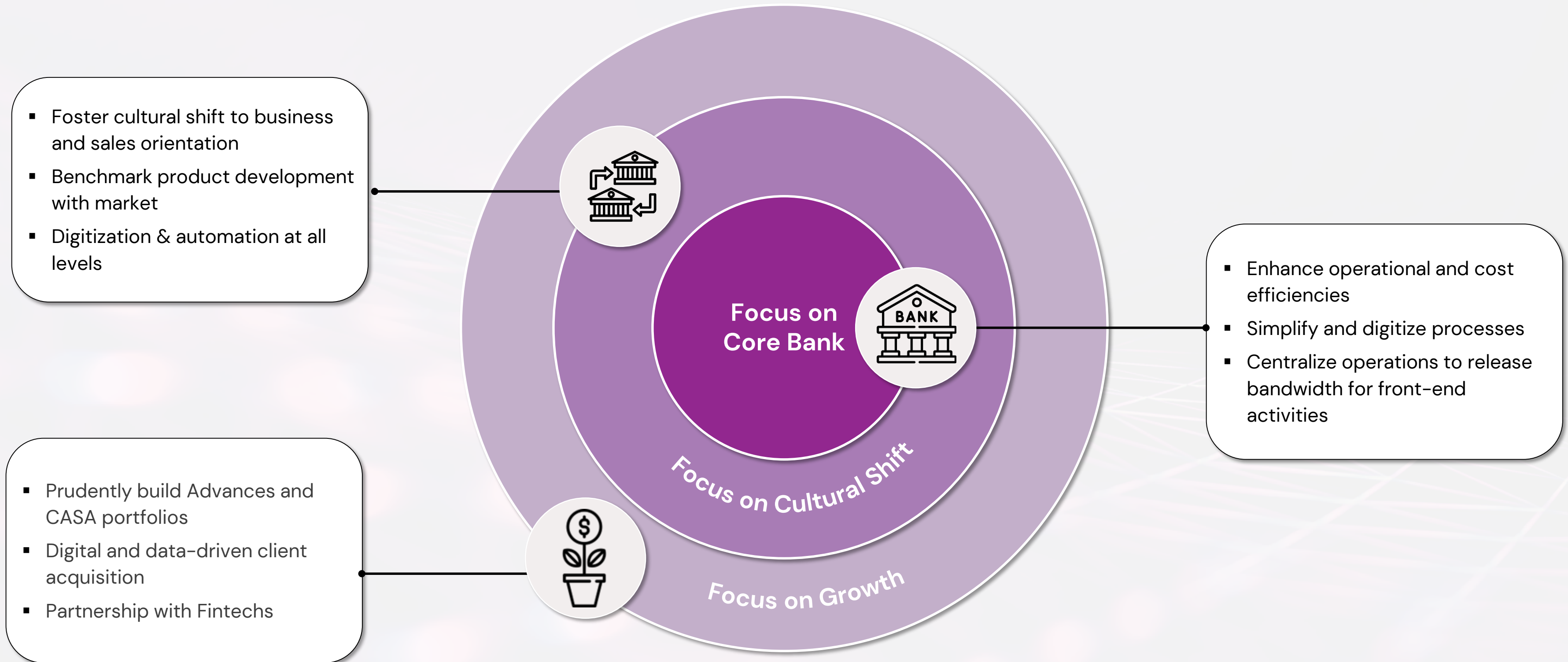


*Dr D S Ravindran*

Independent Director  
Former Principal Secretary, Govt.  
of Karnataka



# Banking with a Legacy, Embracing the Future



# Accelerating our Transformational Journey

Q3FY24

Banking with Legacy,  
Embracing the Future

Celebrating 100 years of trust





# Key Milestones During the Quarter

## Capital for Growth



### Total Capital Raise

- Board of Directors at its Meeting held on 22-Sept-23 had approved to raise equity capital for up to an amount of INR 1,500 crore



### Tranche 1 – INR 800 Cr.

- Preferential issue of Equity shares successfully completed
- Backed by marquee institutional investors



### Further Capital Raise

- Board to meet on 27-Jan-24 to consider further capital raise of the amount remaining unutilized out of the overall limit of INR 1,500 cr.
- Intimation for the Board Meeting has been made to Stock Exchange
- Further details would be intimated post board meeting on 27-Jan-24

Redeemed INR 400 cr. of Tier-2 Bonds through exercise of call option in Nov-23

Redemption of INR 320 cr. of Tier-2 Bonds through exercise of call option planned in Feb-24, subject to regulatory approvals





# Key Milestones During the Quarter

## Partnerships



### Clix Capital

- Digital co-lending partnership through Yubi platform
- Providing loans to underserved MSME sector



### DigiVridddhi

- Tailored financial services to dairy farmers & societies
- Services available at Village Dairy Co-operative societies



### Satin CreditCare

- Financial support to women in rural & semi-urban India
- Enhance micro co-lending in rural & semi-urban areas



### HDFC Life

- Offer comprehensive financial solutions
- Access to industry-leading life protection products



### Bajaj Allianz Life

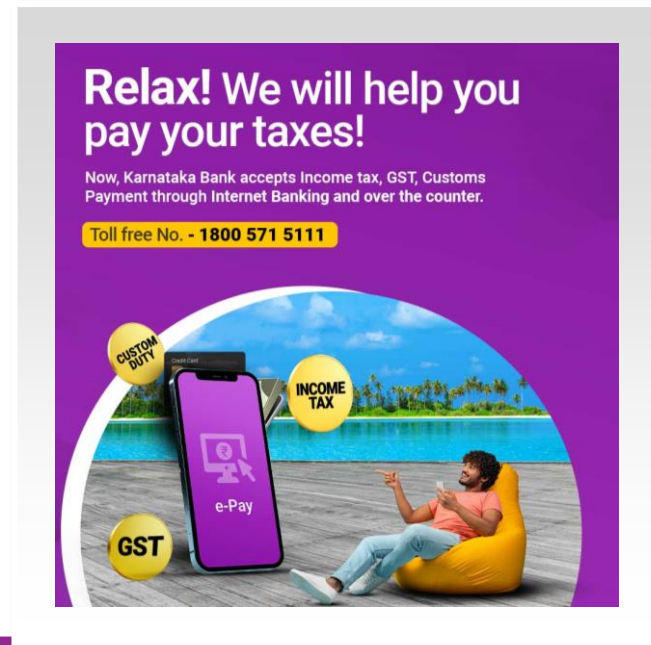
- Offer varied life insurance products
- Diverse financial solutions leveraging Bajaj's product suite

Crossed 3 lakhs Co-branded Credit Cards with incumbent partner; Crossed INR 100 cr. of Co-lending



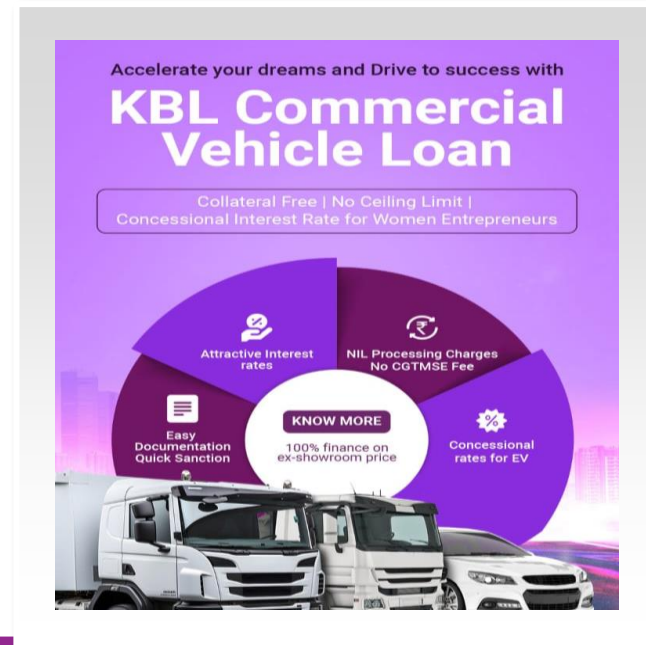
# Key Milestones During the Quarter

## Products



### Launched collections of Direct Taxes

- Platform facilitates collection of Direct Taxes, offering multiple payment methods



### KBL Commercial Vehicle Financing

- Provide loans to finance both new and used commercial vehicles including hybrid vehicles



### KBL Direct – Bill Pay

- Launched Bharat Bill payment system to facilitate online bill payment, subscriptions, and charity contributions platform



### Live with CRM

- Integration of customer data and interactions across Marketing and Sales department
- Enhanced customer engagement and improved business efficiency



# Key Milestones During the Quarter

## Process

### CASA Balance Build up

Increase CASA deposits to drive cost-effective funding



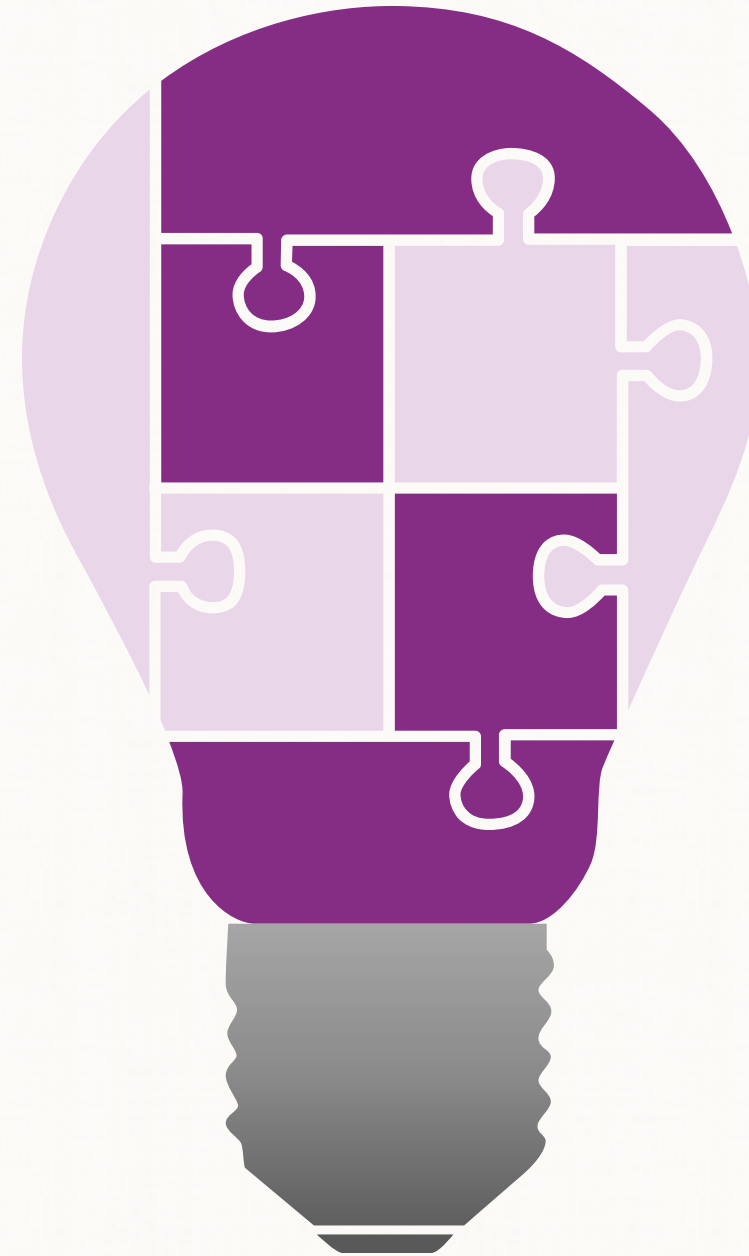
### Collection Prioritisation

Optimise collection efforts through advances analytics



### Behaviour Scorecard

Proactively monitor and control delinquency levels



### Home Loan Propensity

Target potential home loan customers with tailored promotions and personalized offers



### Primary Bank Index

Analyse overall wallet share of customer with the Bank through Customer360



### Micro Market Analysis

External information on throughputs/market at a pin code level to plan operations

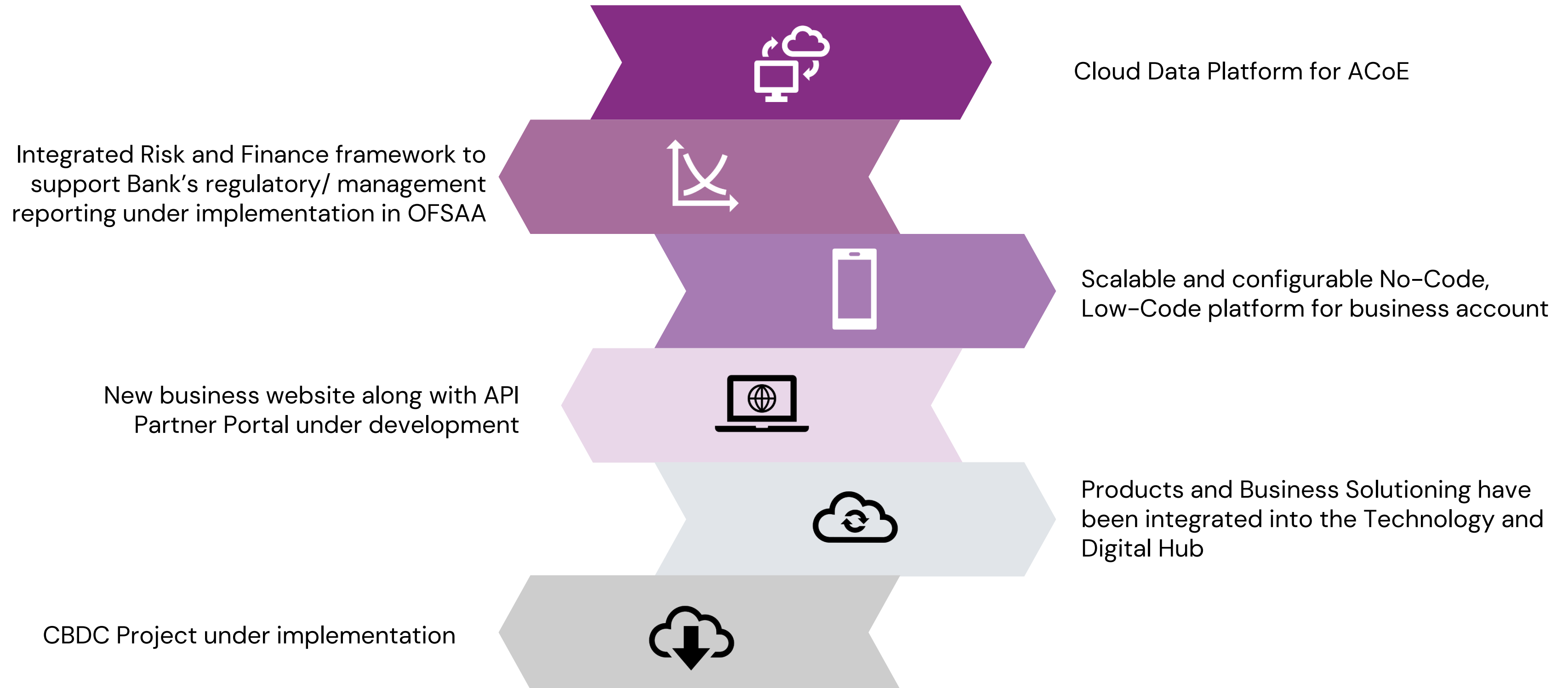


Analytics driving process and prioritization



# Key Milestones During the Quarter

## Technology



# Strategic Roadmap

“Start-up @ 100”

Banking with Legacy,  
Embracing the Future

Celebrating 100 years of trust





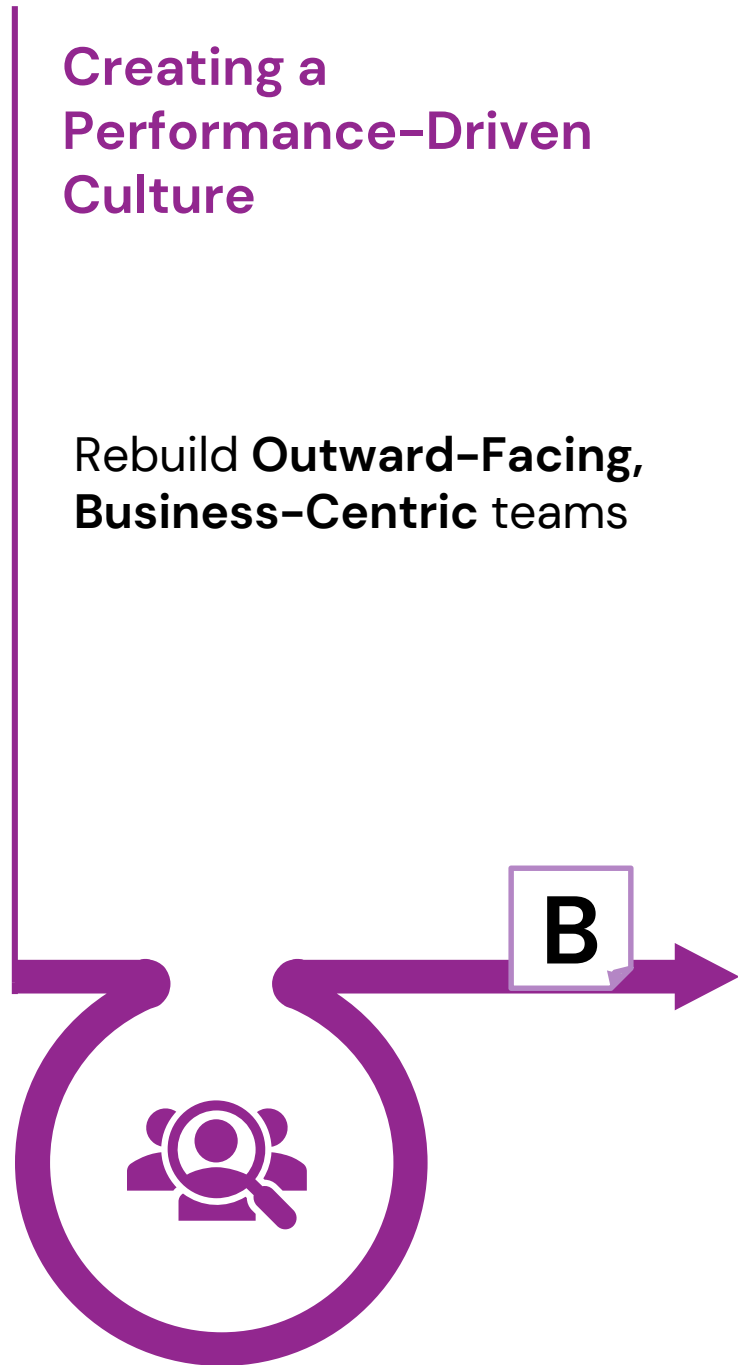
# Strategic Roadmap



**A**

**Delivering Excellence in Core Businesses with Underlying Technology Platform**

Through tech-driven **Processes, Products & People** targeting Rural, MSME and Retail sector



**B**

**Creating a Performance-Driven Culture**

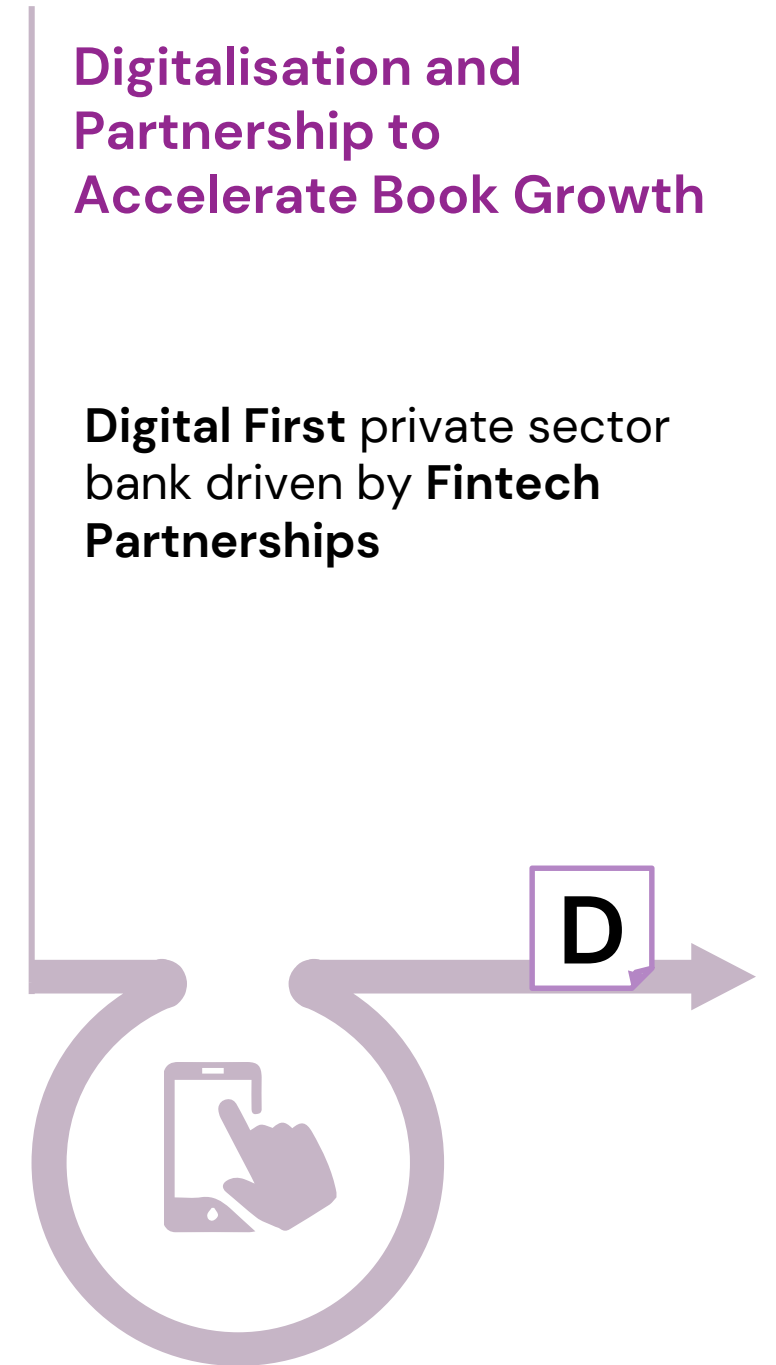
Rebuild **Outward-Facing, Business-Centric** teams



**C**

**Strengthening Financial Position to Create Long-Term Value**

**Targeted Metrics** with specific focus on long-term strategy



**D**

**Digitalisation and Partnership to Accelerate Book Growth**

**Digital First** private sector bank driven by **Fintech Partnerships**



# Driving Excellence in Proven Core Competencies



## Consistent Emphasis on our Strength Areas

### Our Legacy

### Building on Our Legacy



100 Year Legacy

13 Mn

Happy customers

1 in 40<sup>1</sup>

Indians bank with us

- Tradition with Innovation
- Outbound Sales Culture
- Startup-like Agility



MSME & Rural Focus

35.4%<sup>2</sup>

Share of MSME & Agri-Loans

46.3%

Branches in Rural & Semi-Urban Areas

- Capitalise on community network
- MSME and Rural to be key growth drivers



Retail Focus

45.5% → 47.5%<sup>2</sup>

Increase in % of Retail Advances from FY20 to Q3FY24

- Enhanced RoA and RoE
- Focus on Retail – Home, Gold Loans



Karnataka Stronghold

4.2%<sup>3</sup>

Market share in Karnataka

22 States

Pan-India presence

- Wider Geographical Presence
- Digital and Data-driven client acquisition
- Cross Selling





# Driving Excellence in Proven Core Competencies

A.

## Continued Transition Towards Retail



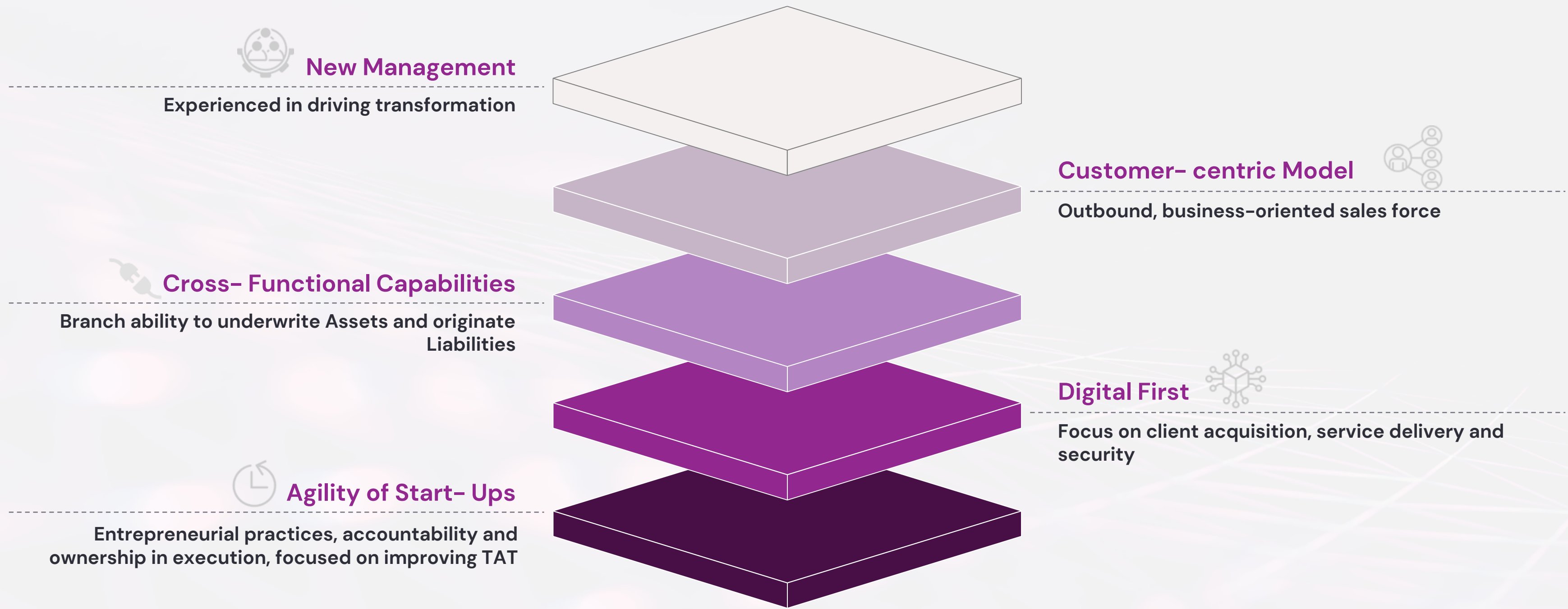




# Creating a Performance Driven Culture

B.

## Rebuild Outward-Facing, Business-Centric Teams



Linear organizational structure with an intensified focus on Branch Banking





# Strengthen Financial Position to Drive Profitability

C.

Prioritise Retail and Government Accounts with Sustained Growth in Other Segments

## Key Capabilities in Place to Leverage Opportunities in the Government Business



Empaneled as 'Agency Bank' for direct tax collection



Integrated on **National Jan Samarth** portal

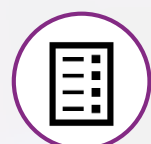


**State-level Treasury integrations** for collection of revenue (Khajane-II in Karnataka and MAHAKOSH in Maharashtra)



National Savings Institute (NSI) (to on-board customers for savings schemes)

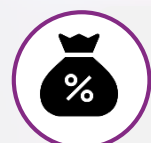
## Target to be one of the **top govt. collection banks**



Live with **GST collection** through OTC and Internet Banking



Live with **Customs collection**



Live with **Direct tax collection** offering various payment methods



Selected by RBI for upcoming cohort of **Central Bank Digital Currency (CBDC)**

Working towards "one-stop" digital solution for all statutory payments

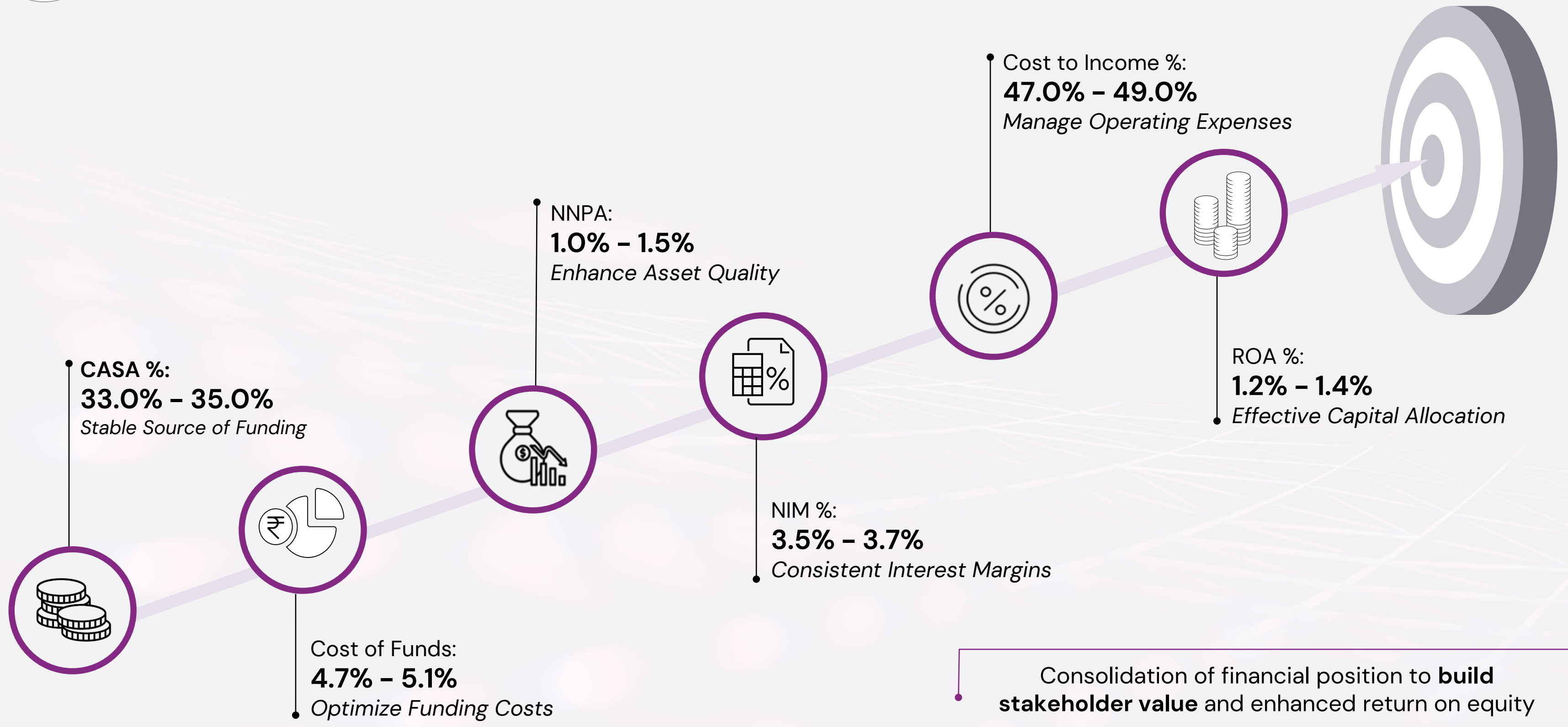




# Strengthen Financial Position to Drive Profitability

C.

## Targeted Performance Improvement to Boost Returns





# Digitalisation Propelling Robust Book Growth

D.

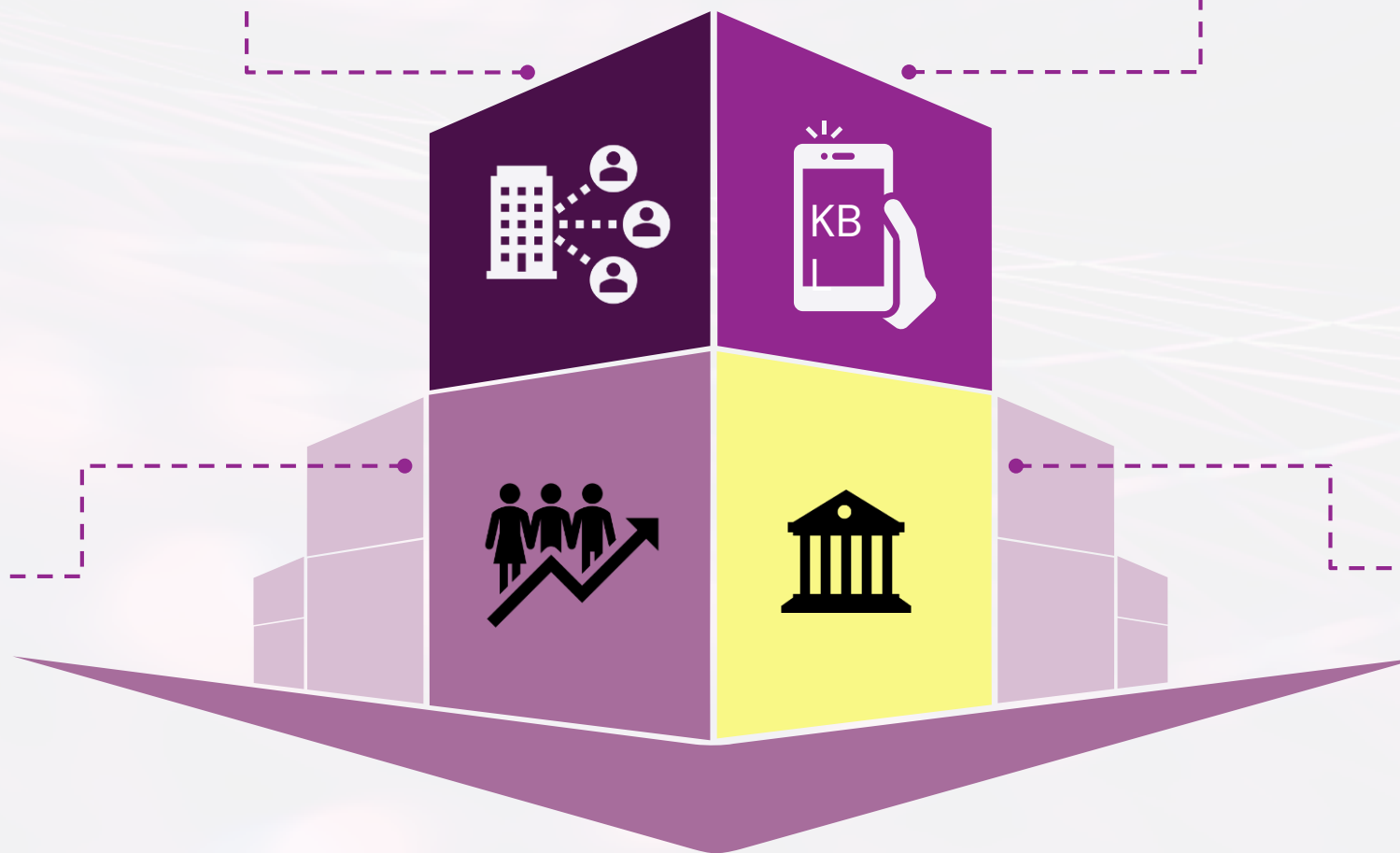
Foundation in place to Drive Next Leg of Digital Innovation

State-of-the-art **'Technology, Digital & Product Hub'** at Bengaluru

- 40,000 sq. ft. super built-up area
- 370+ work-stations
- **Products and Business Solutioning** have been integrated into the Technology and Digital Hub

Text

- **Partnerships with Fintechs**
- **Co-lending Tech Integration**



- **'Project KBL-VIKAAS'** to drive transformation initiatives advised by **Boston Consulting Group**
- Digital Centre of Excellence (**DCoE**)
- Analytical Centre of Excellence (**ACoE**)

- **Cloud Data Platform** for ACoE
- Four Modules from OFSAA including **fund transfer and profitability module** under implementation
- Scalable and configurable platform for business account



# Digitalisation Propelling Robust Book Growth

D.

## Moving Towards a Digital-First Bank

Embedding **data & analytics** in business processes to drive data-driven decision making...



Predictive, business/strategy & descriptive **analytics use-cases**

P

**Predict & Prioritise**

**Data Link** to enable seamless communication and exchange of information



**Upskill and Lateral augmentation** of special skills on Data / Portfolio / Visualization

A

**Analyse & Automate**

Scalable **central data repository** with data quality management and remediation capabilities



Upskilling **in-house analytics resources** for seamless business continuity

C

**Customise & Collaborate**

Integrated analytics with business processes to enable **data driven decision making**



E

**Enable & Execute**

...Backed by a **strong digital backend and underwriting**

**% of Digital Underwriting on Eligible Sanctions**



Personal Loan : **100%**



Car Loans : **90%**



Home Loans : **93%**



MSME Loans : **93%**





# Digitalisation Propelling Robust Book Growth



Digital First, New-Age Private Sector Bank Driven by Fintech Partnerships



## Co-branded Credit Cards

Crossed the milestone of 3 lakhs cards with SBI; Partner for Bank sponsored Co-branded CC under discussion



## Co-Lending

Tie-up with reputed NBFC and MFI, and aggregator platforms as well



## General, Health and Life Insurance

Partnered with two new Life Insurers; tie-up with one new General Insurer under discussion



## AMFI-Registered Mutual Fund Distributor

Empaneled with 8 AMCs; Tie-up with MF transaction platform



## Demat Services and Trading Accounts

Tie-up with two online trading platforms; implementation of comprehensive wealth management platform is under discussion



## KBL-FASTag Service

Enabling recharge through mobile banking, UPI, and NETC FASTag portal

Fintech partnerships provide cost effective gateway to cutting-edge innovative solutions



# Karnataka Bank

Our Strengths

Banking with Legacy,  
Embracing the Future

Celebrating 100 years of trust





# Key Strengths

## Key Highlights

100 years of legacy  
delivering consistent  
profit and dividend



Diversified offerings with  
established brand equity



Strong geographical  
footprint



Healthy asset quality and  
financials backed by prudent  
risk management capabilities



Superior customer  
service and retention



Digital & technological  
capabilities



Strong governance  
culture and an  
experienced  
management team







# Diversified Offerings With Established Brand Equity

Product & Services for Everyone

## Retail and Personal Banking

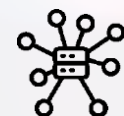


- Housing
- Vehicle
- Gold
- Loans against property
- Personal loans
- Education

## Services



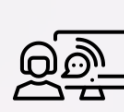
Simple & smarter digital loans



Centralized processing



Immediate in-principle sanction



Dedicated sales team

## MSME



- Working capital finance for traders & manufacturing industries
- Term loans & infrastructure finance
- Business development loans
- Corporate loans
- Professional & self-employed loans

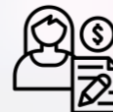
## Facilities



GST Based Loans



Quick digital underwriting



Loans to women entrepreneurs



Loans for machinery & equipment

## Agriculture Banking



- Agriculture & allied activities
- Farm development
- Agricultural land purchase
- Farm mechanization
- Hi-tech agriculture
- Agricultural infrastructure & ancillary

## Facilities



Dedicated technical experts (AFOs)



Agri Development Branches (ADB)



Rural godown loans

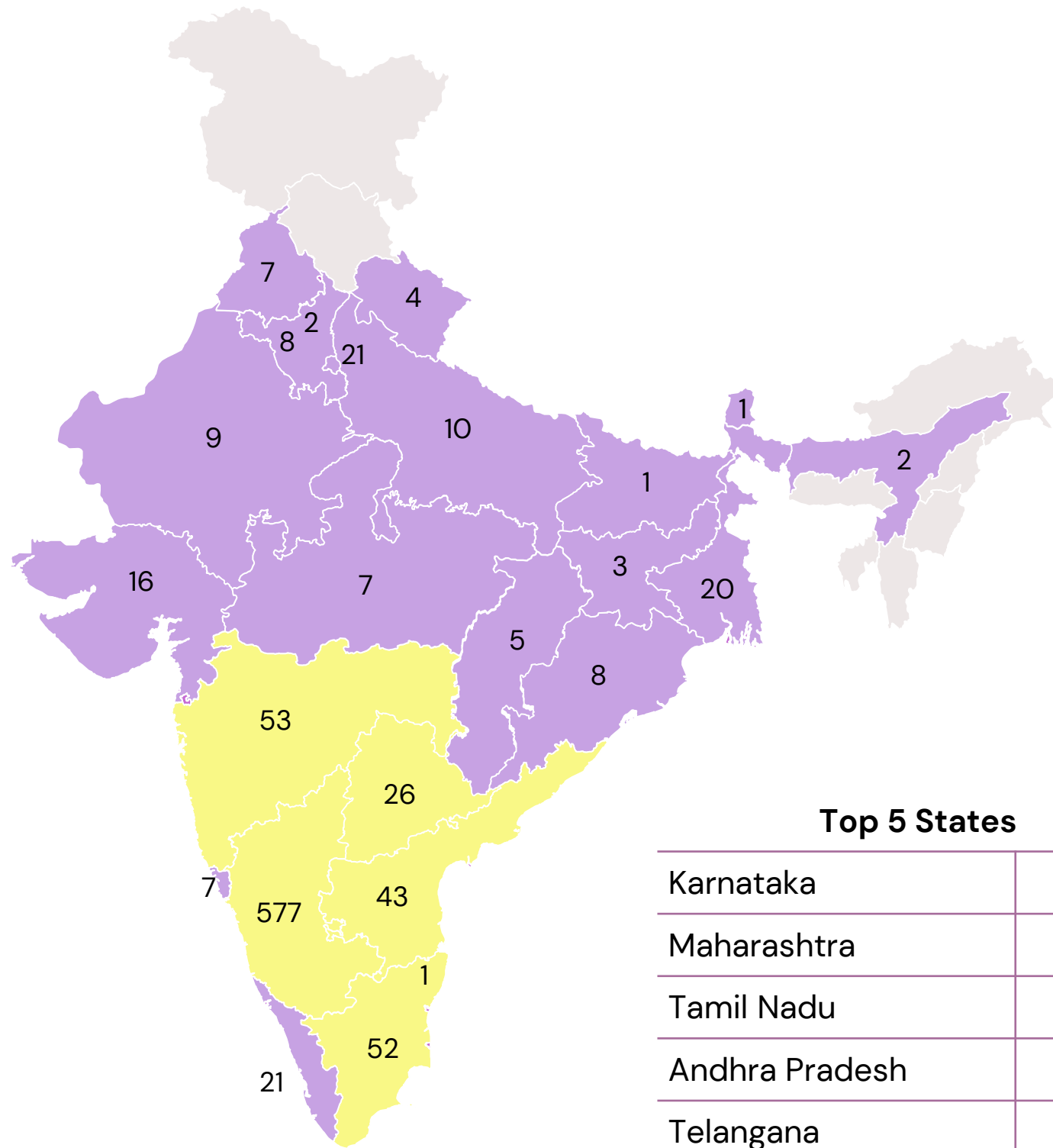


Farm machinery/ vehicle loans

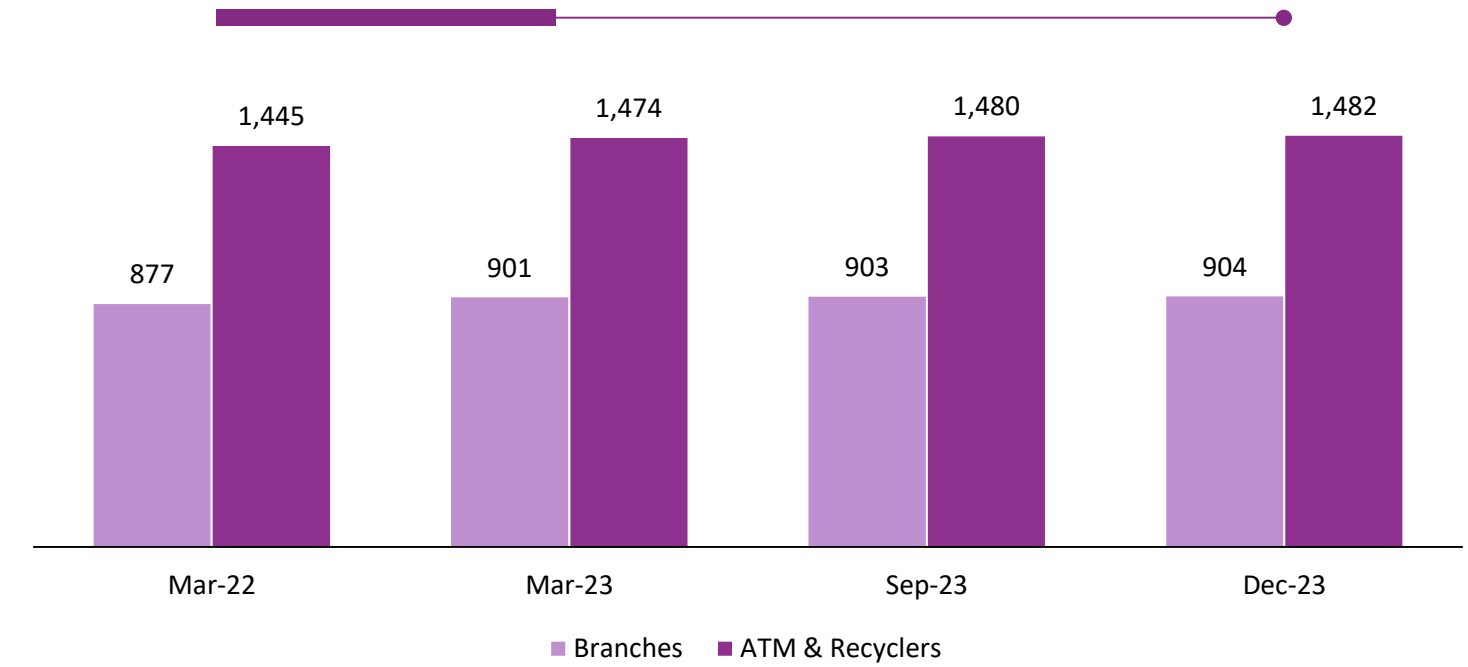


# Strong Geographical Footprint

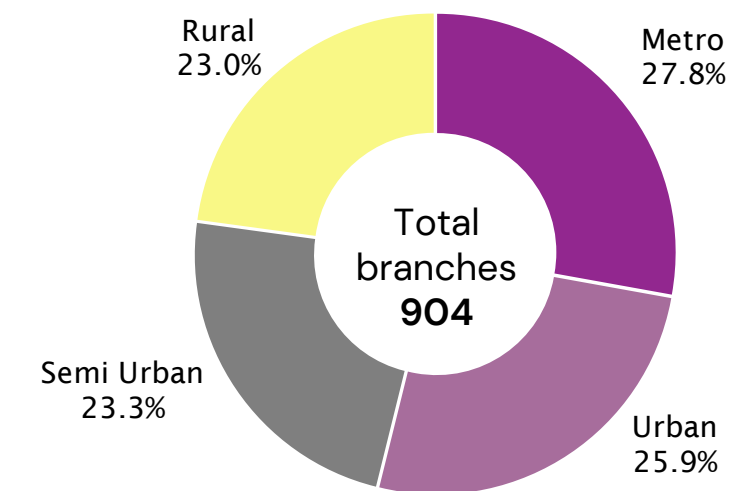
## A Trusted Brand Identity



## Steady Growth in Locations Served



## Presence Across All Tiers





# Expanding Customer Connect & Footprint

Creating a Pan-India Brand

Expanding Customer Connect...



**Customer/ NRI/ HNI Meets conducted in all key metros and regions leading to Mega event on 18<sup>th</sup> of February 2024**

Connecting with the client across various cities

...and Geographical Footprint



**Branch & e-lobby Opening in Ayodhya**

Inauguration ceremony was graced by Shri Champath Rai, General Secretary of the Shri Ram Janambhoomi Teerth Kshetra

Expanding customer connect and footprint through centenary year celebrations



# Karnataka Bank

## Financial Highlights

Banking with Legacy,  
Embracing the Future

Celebrating 100 years of trust





# Financial Highlights

## Karnataka Bank at a Glance (9M Results)

Particulars	9MFY24	9MFY23	Growth Y-o-Y
Total Assets	109,990	99,572	10.5%
Gross Advances/(% Retail)	69,741 / (47.50%)	63,673 / (48.08%)	9.5% / (58 bps)
Deposits	92,195	84,597	9.0%
Retail Deposits	63,176	57,211	10.4%
CASA Ratio	31.45%	31.91%	(46 bps)
Gross NPA	3.64%	3.28%	36 bps
Net NPA	1.55%	1.66%	(11 bps)
PCR	80.75%	80.21%	54 bps
ROE	15.18%	14.74%	44 bps
ROA	1.32%	1.14%	18 bps
NIM %	3.57%	3.63%	(6 bps)
CRAR	15.88%	15.13%	75 bps
Tier-1 Capital	13.66%	12.20%	146 bps



# Financial Highlights

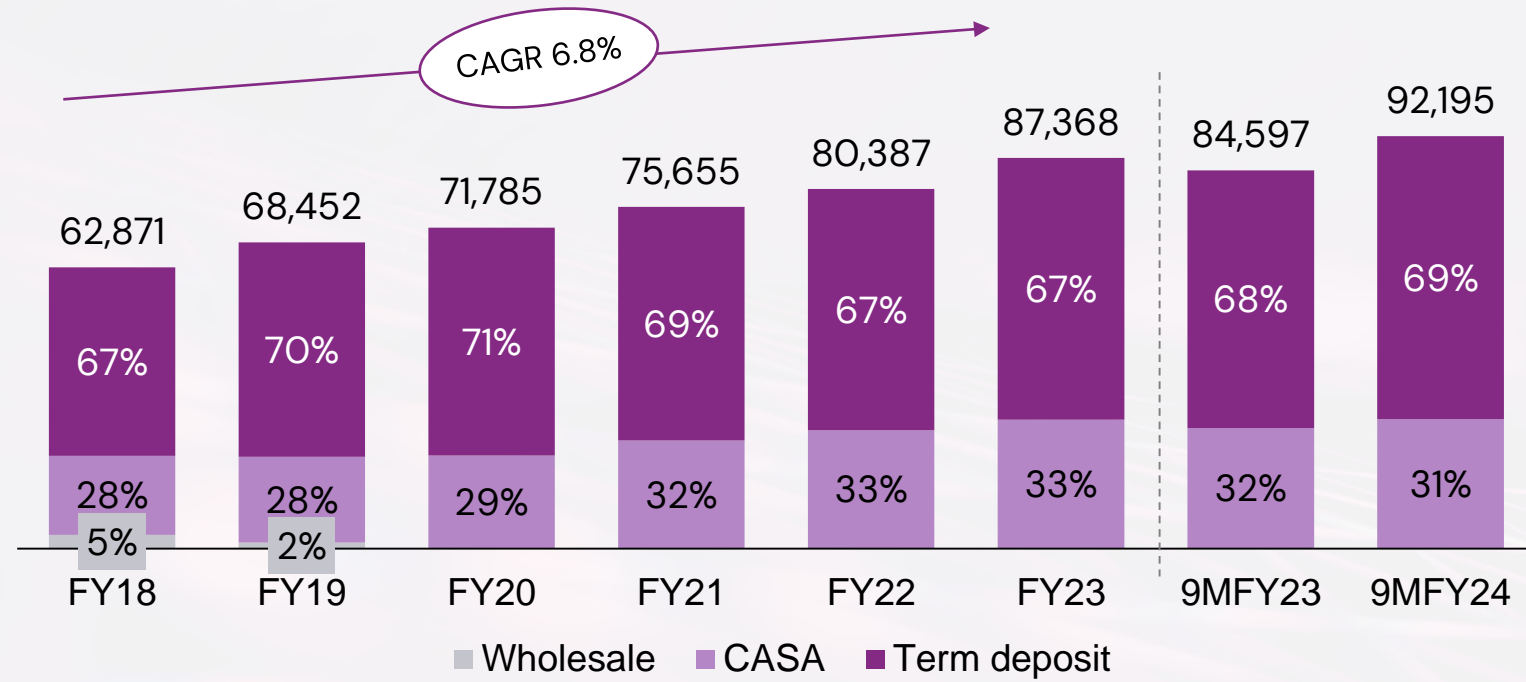
## Karnataka Bank at a Glance (Quarterly Results)

Particulars	Q3FY24	Q2FY24	Growth Q-o-Q	Q3FY23	Growth Y-o-Y
Total Assets	109,990	105,856	3.9%	99,572	10.5%
Gross Advances/(% Retail)	69,741 / (47.50%)	66,936 / (48.89%)	4.2% / (139 bps)	63,673 / (48.08%)	9.5% / (58 bps)
Deposits	92,195	89,352	3.0%	84,597	9.0%
Retail Deposits	63,176	60,962	3.6%	57,211	10.4%
CASA Ratio	31.45%	31.91%	(46 bps)	31.91%	(46 bps)
Gross NPA	3.64%	3.47%	17 bps	3.28%	71 bps
Net NPA	1.55%	1.36%	19 bps	1.66%	(173 bps)
PCR	80.75%	83.22%	(247 bps)	80.21%	54 bps
ROE	14.26%	15.11%	(85 bps)	15.61%	(135 bps)
ROA	1.21%	1.27%	(6 bps)	1.21%	-
NIM %	3.46%	3.58%	(12 bps)	3.81%	(35 bps)
CRAR	15.88%	16.20%	(32 bps)	15.13%	75 bps
Tier-1 Capital	13.66%	13.11%	55 bps	12.20%	146 bps

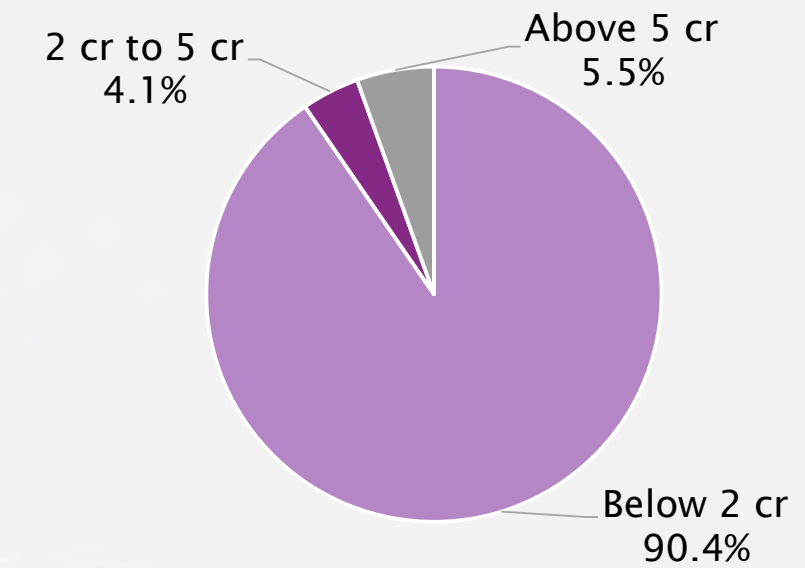


# Liability Profile

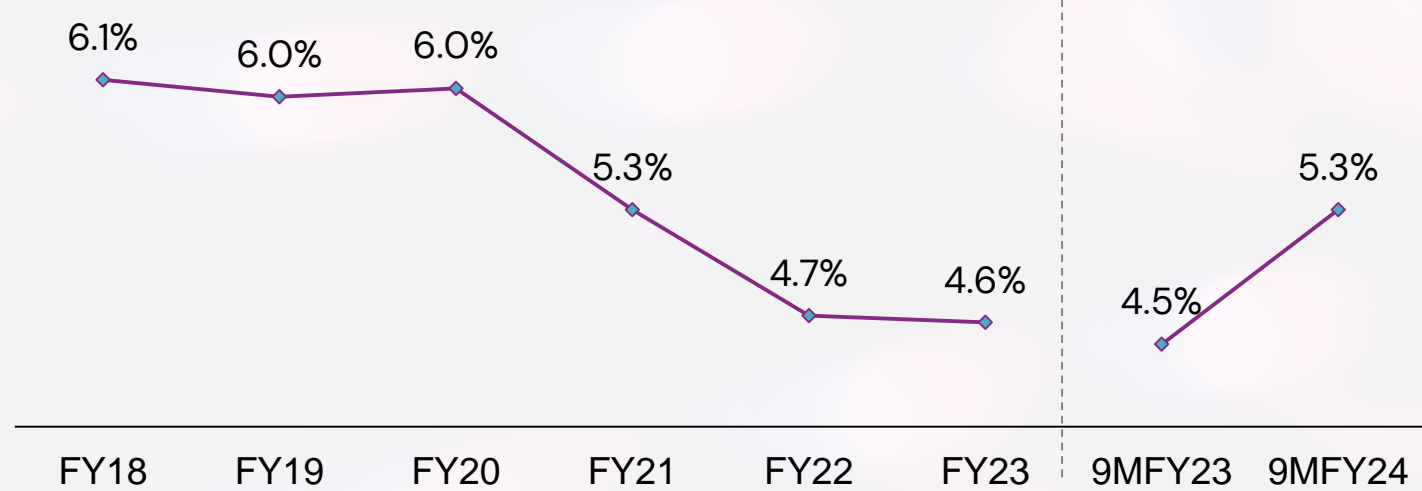
## Deposit Profile (in INR Cr)



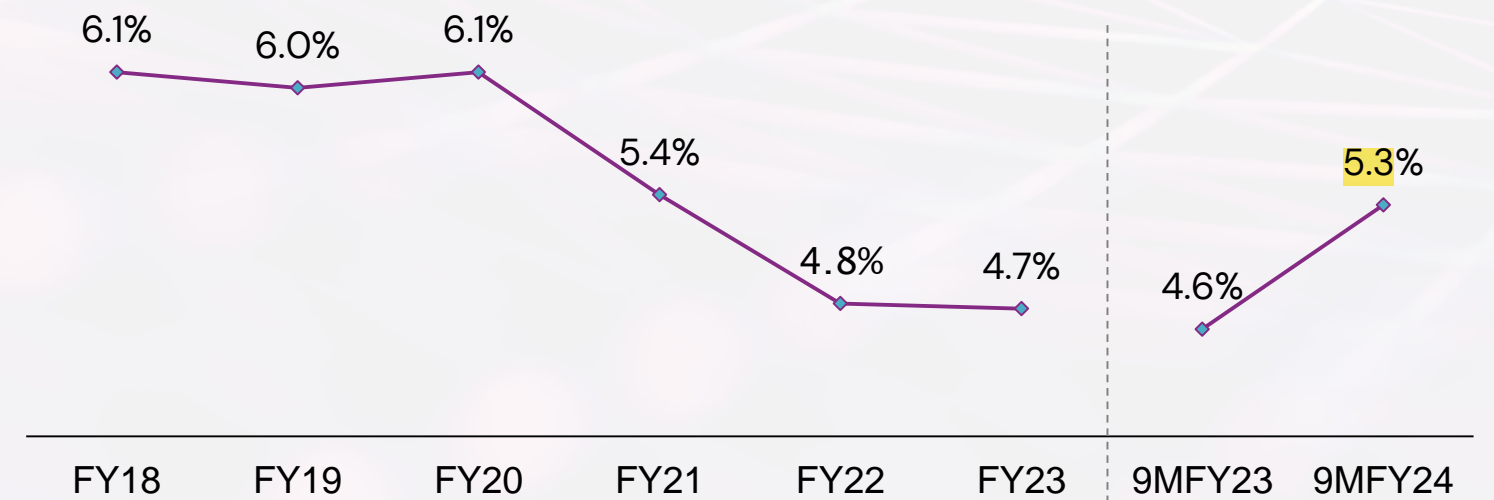
## Retail Term Deposit Breakup (Dec-23)



## Cost of Deposit



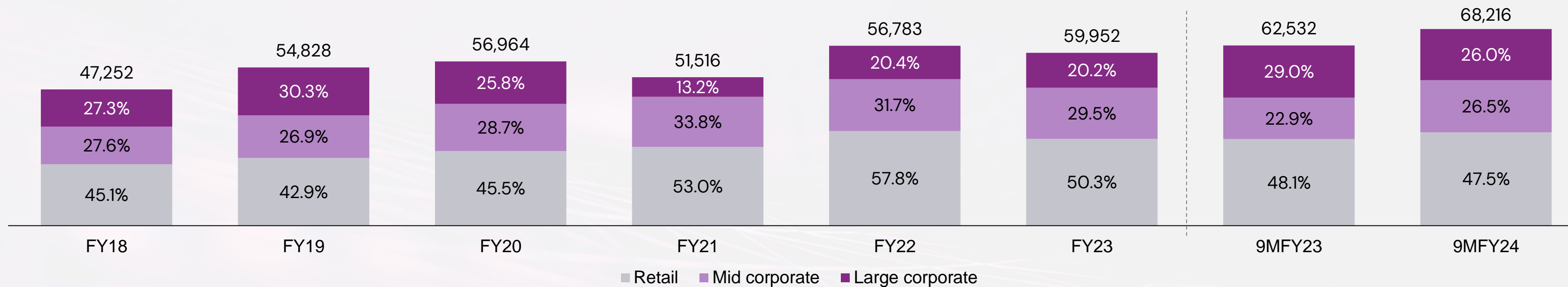
## Cost of Funds



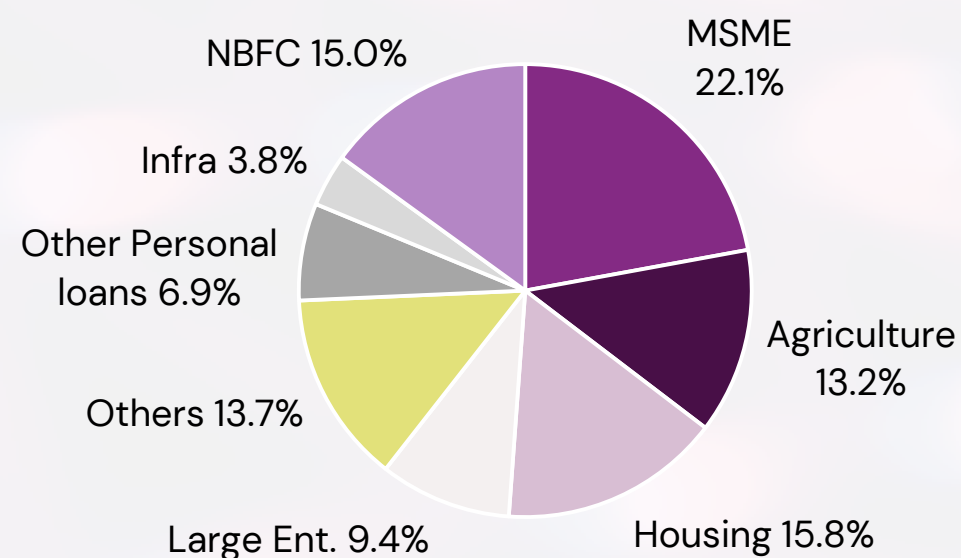


# Advances

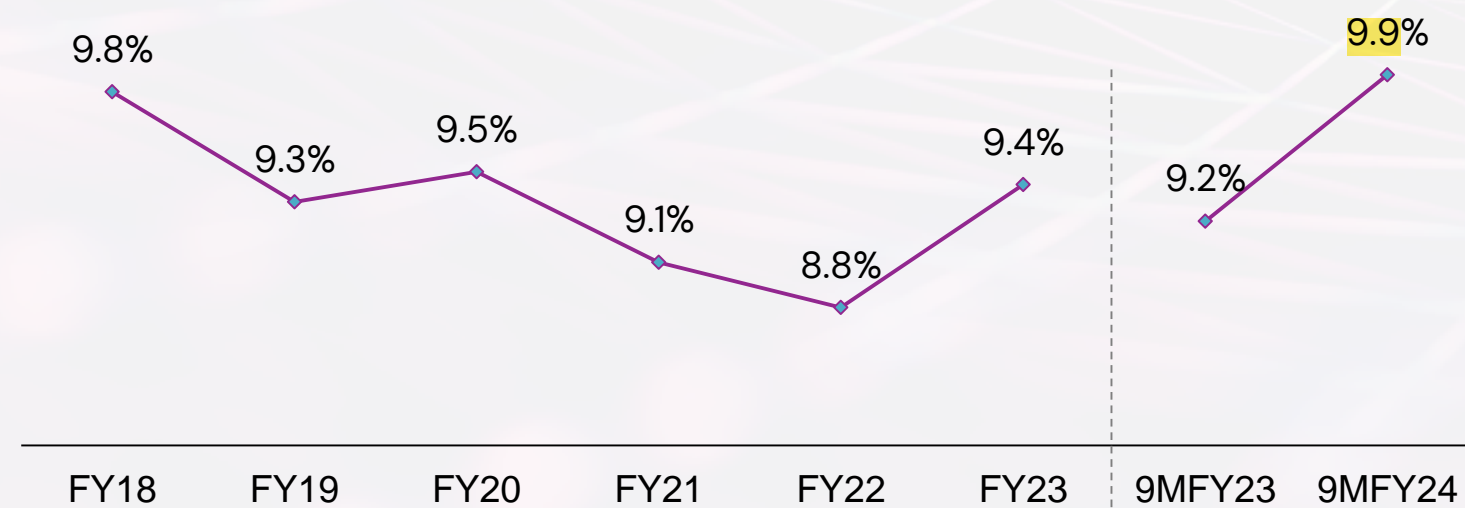
## Net Advances Profile (in INR Cr)



## Sectoral Loan Exposure (Dec-23)



## Yield on Advances

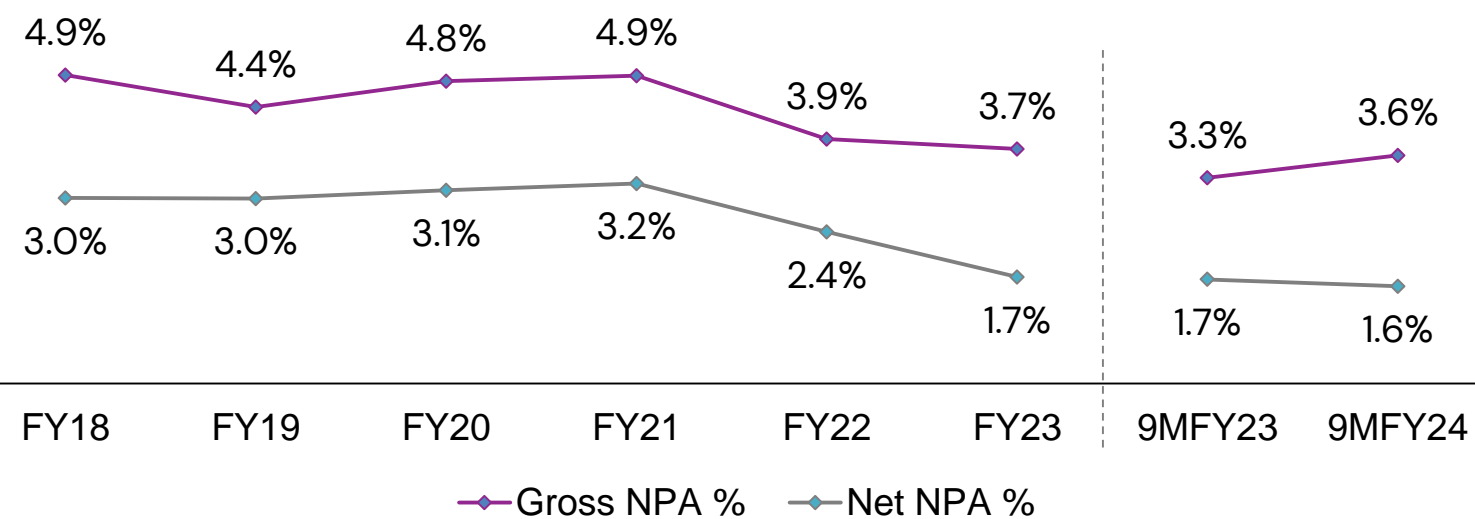




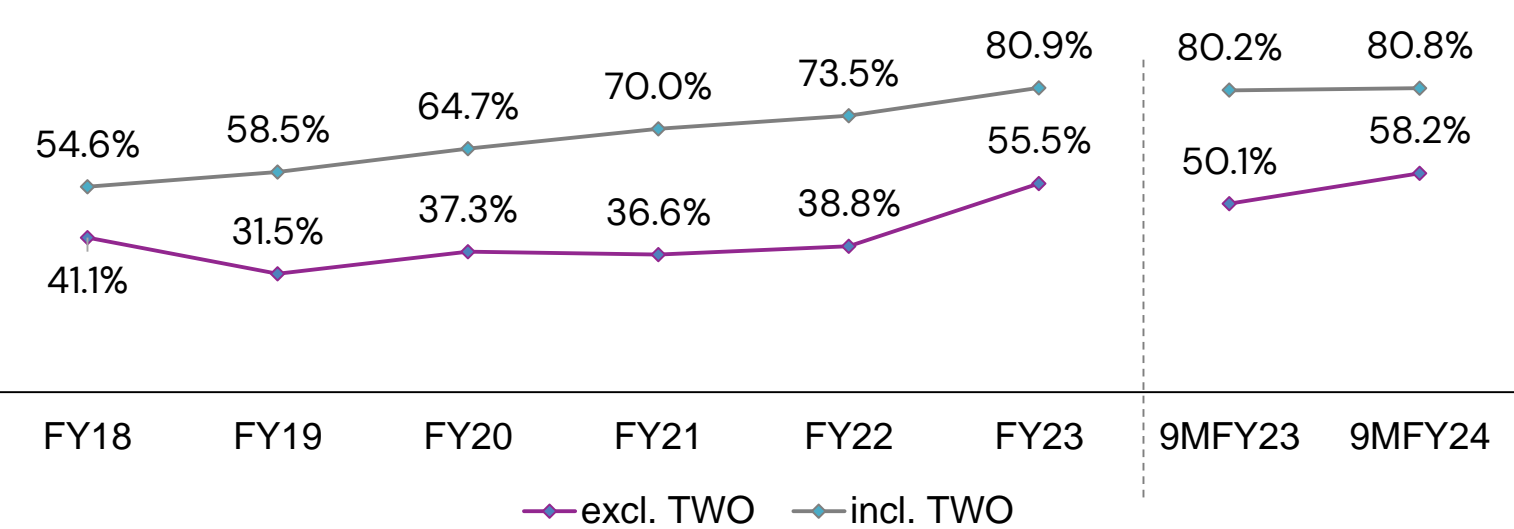


# Asset Quality

## GNPA & NNPA

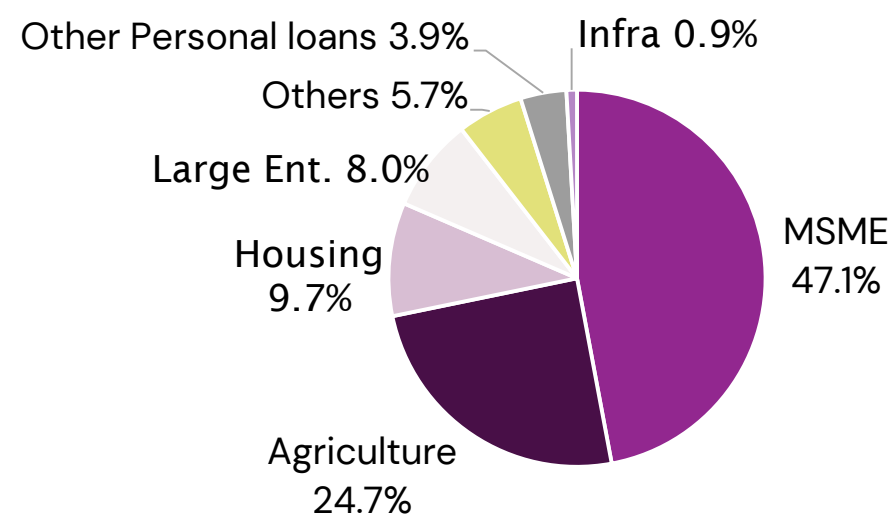


## Provision Coverage (Incl. & excl. TWO)

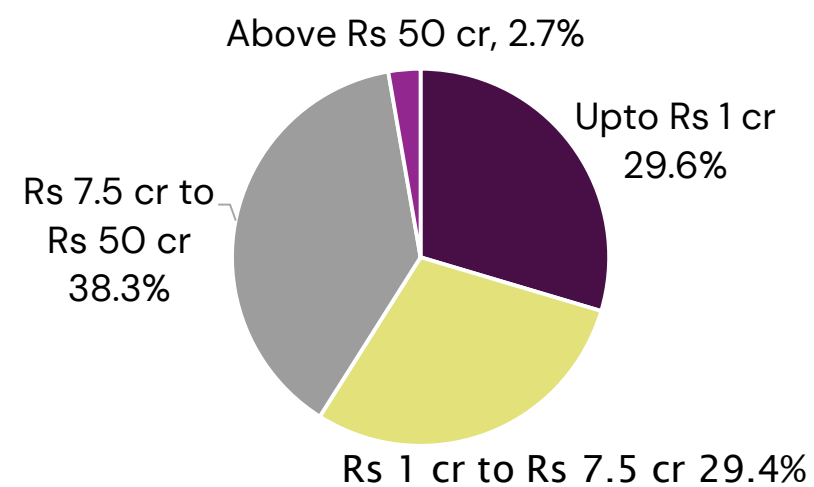


## GNPA Breakup (Dec-23)

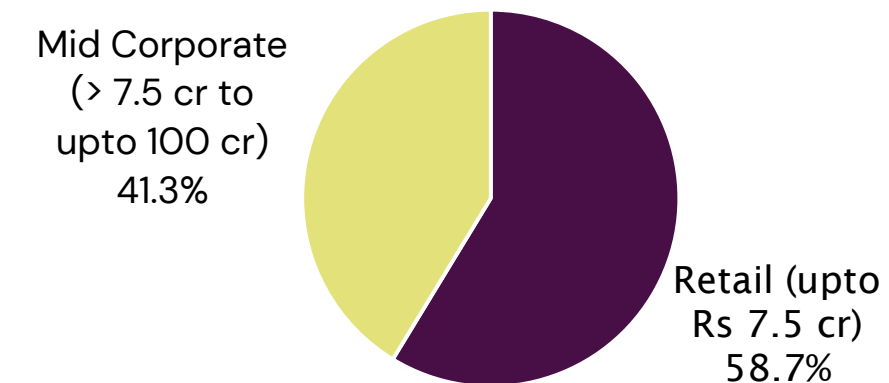
### Sector wise



### Size wise



### Credit Portfolio wise



GNPA as on 31 December 2023: INR 2,537 Cr





# Asset Quality

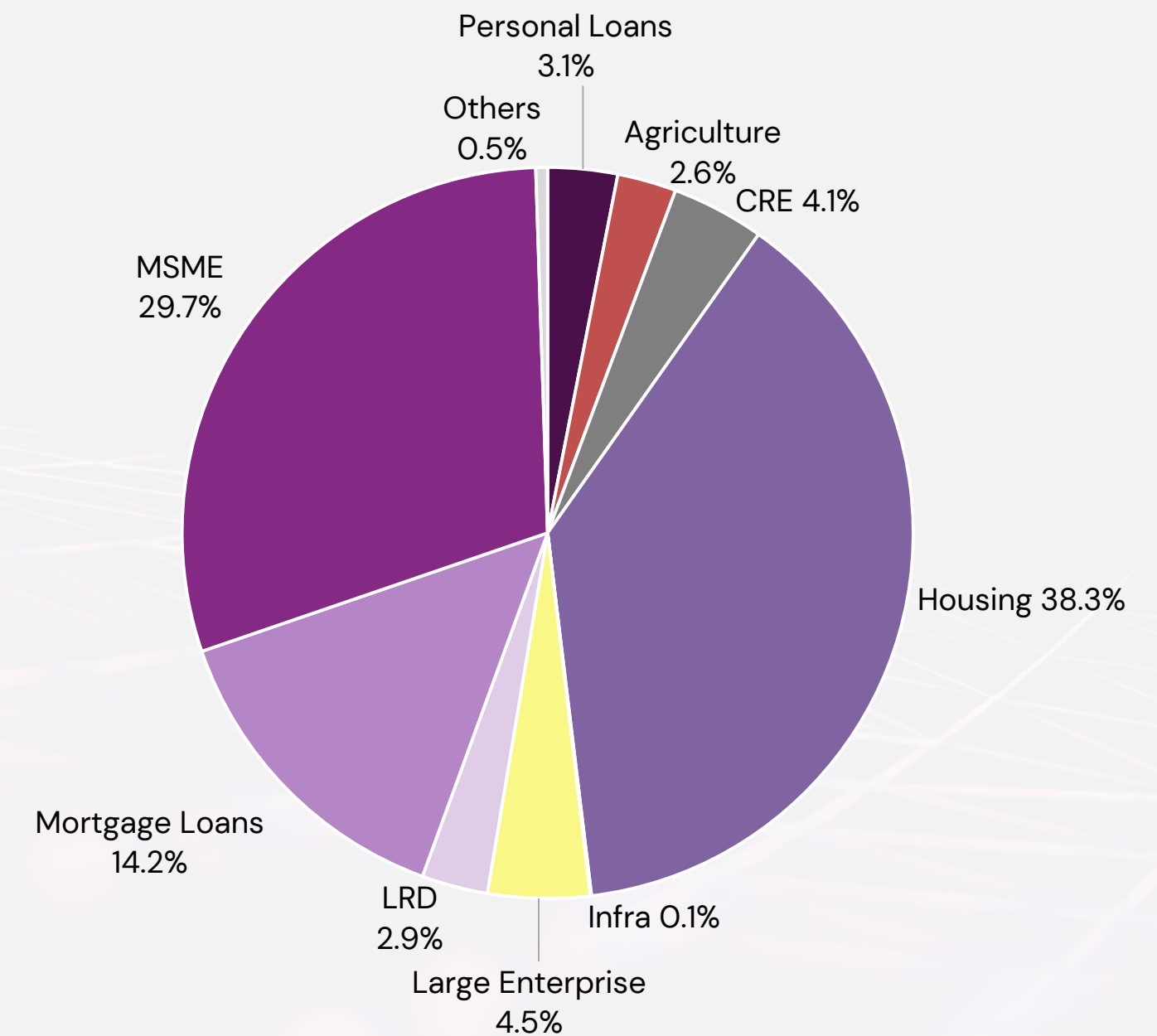
## Restructured Portfolio

### Standard Restructured Portfolio – Movement

Particulars (INR Cr)	Q3FY24
Opening balance	2,214
Fresh restructuring during the period	5
Increase in balance in the existing restructured accounts	12
Upgrade of NPA to Standard category	17
<b>Total - A</b>	<b>2,248</b>
Reductions in opening balance	203
Downgrades to NPA during the period	207
Write-offs during the period	0
<b>Total - B</b>	<b>410</b>
<b>Total Standard Restructured Portfolio (A-B)</b>	<b>1,837</b>

*Includes related accounts*

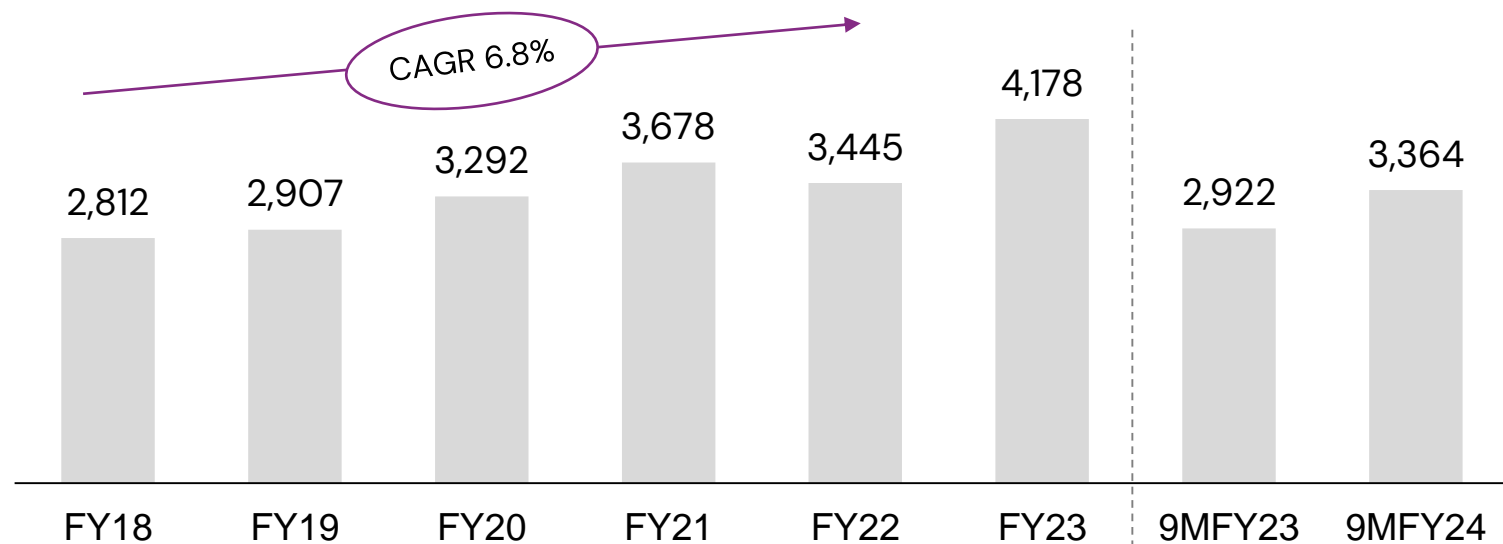
### Standard Restructured Portfolio – Break-up



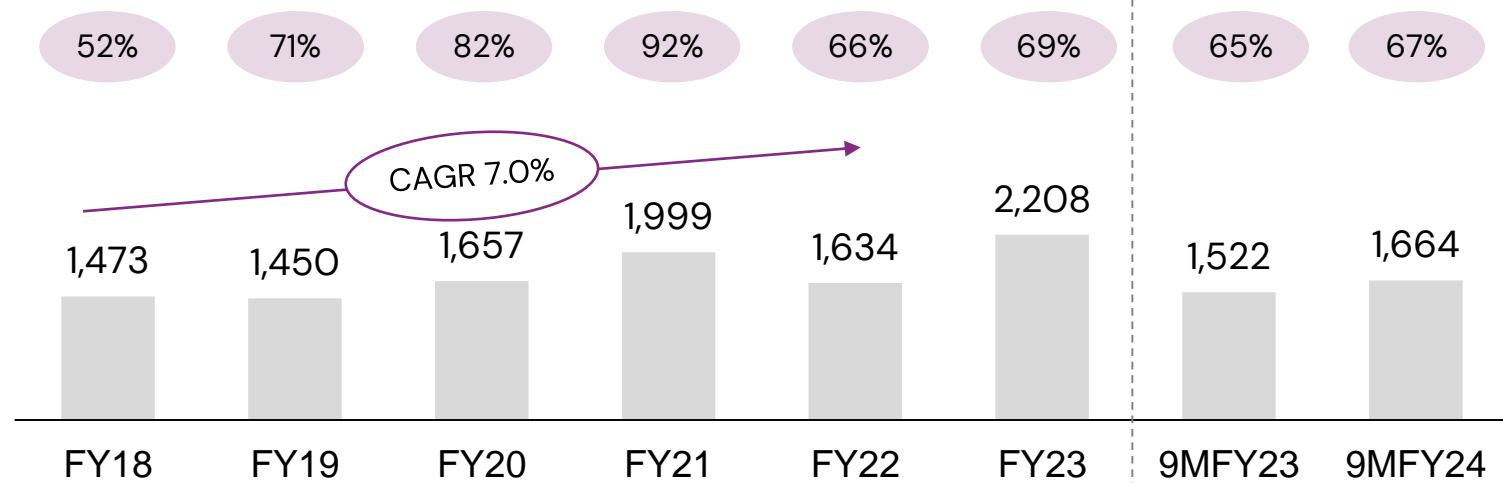


# Profitability

## Operating Revenue (INR Cr.)

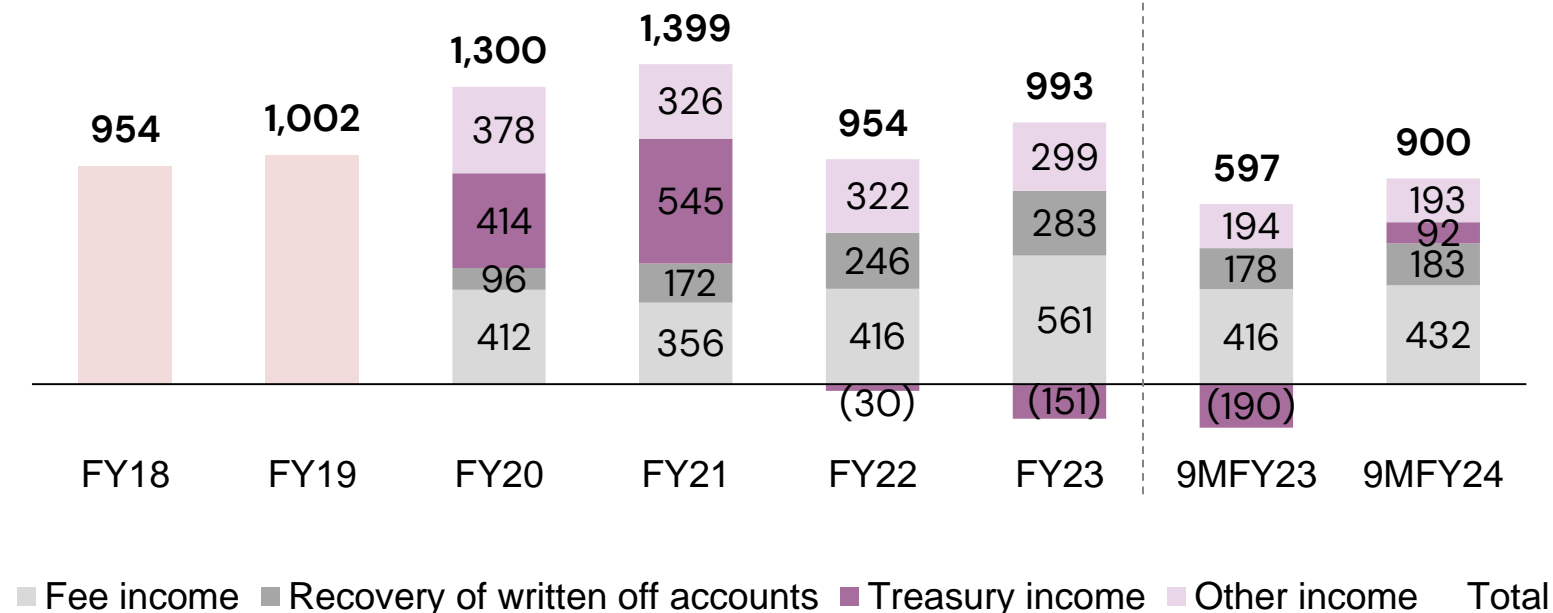


## Operating Profit (INR Cr.)

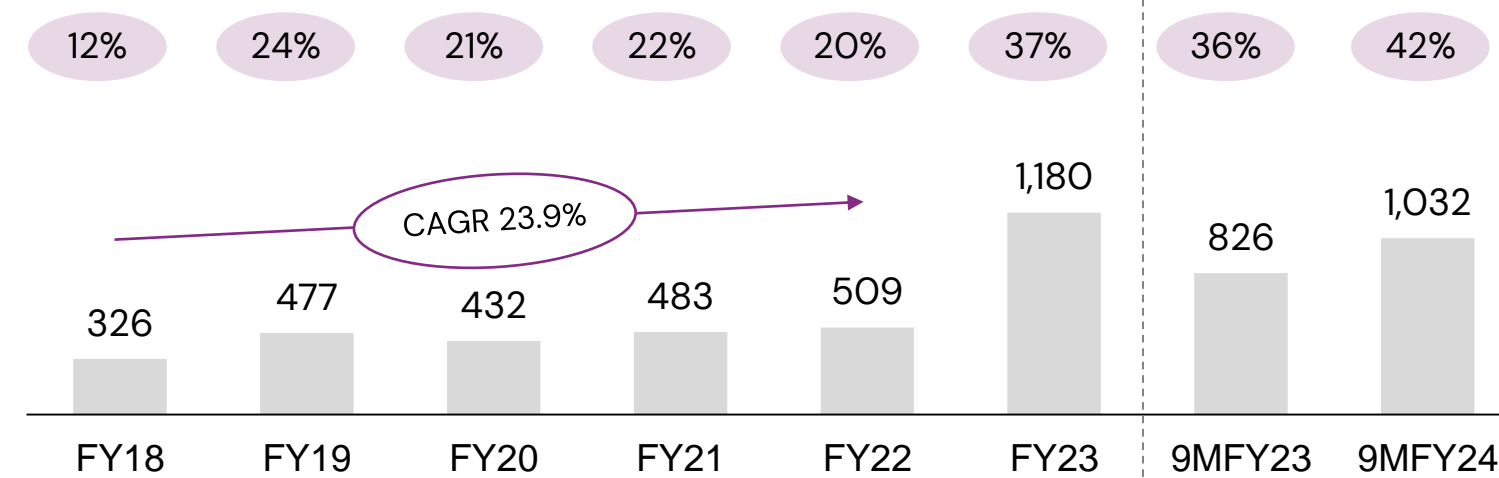


Operating Profit Margin (% of NII)

## Other Income<sup>1</sup> (INR Cr.)



## PAT (INR Cr.)



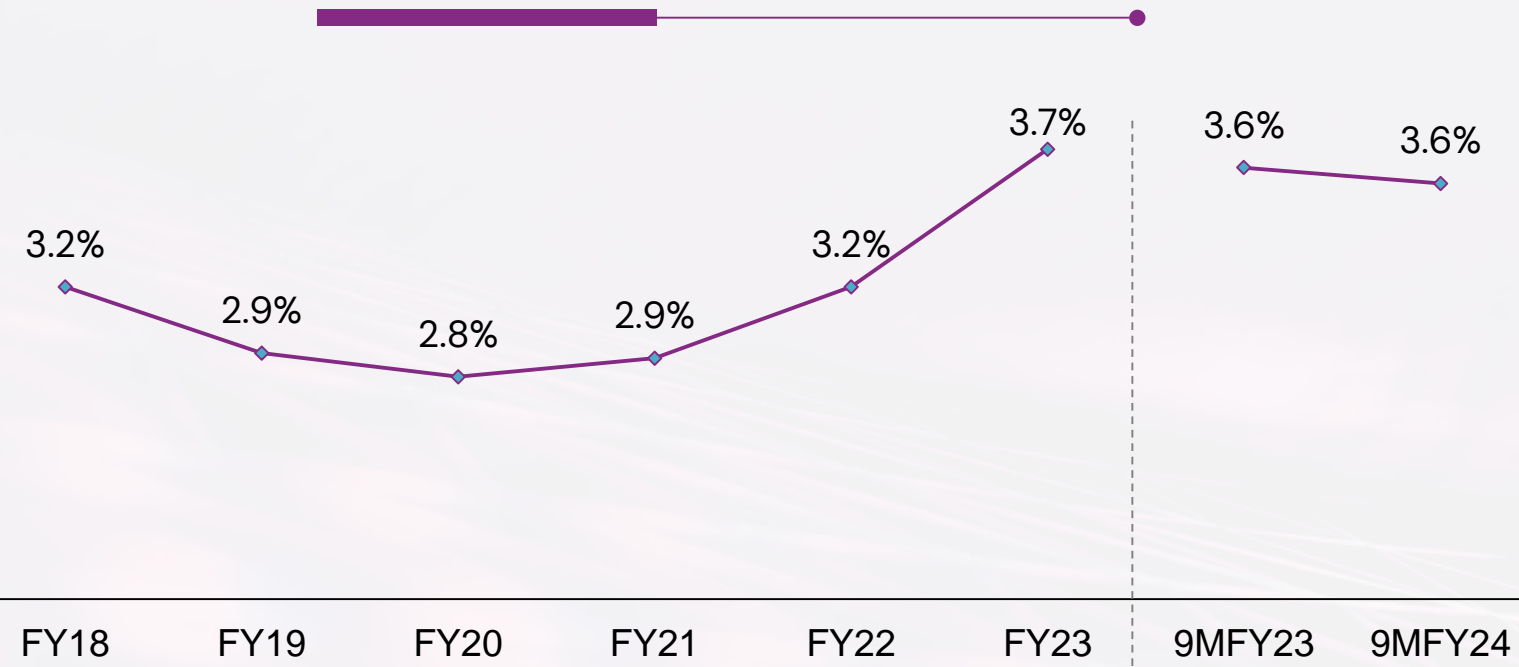
PAT Margin (% of NII)



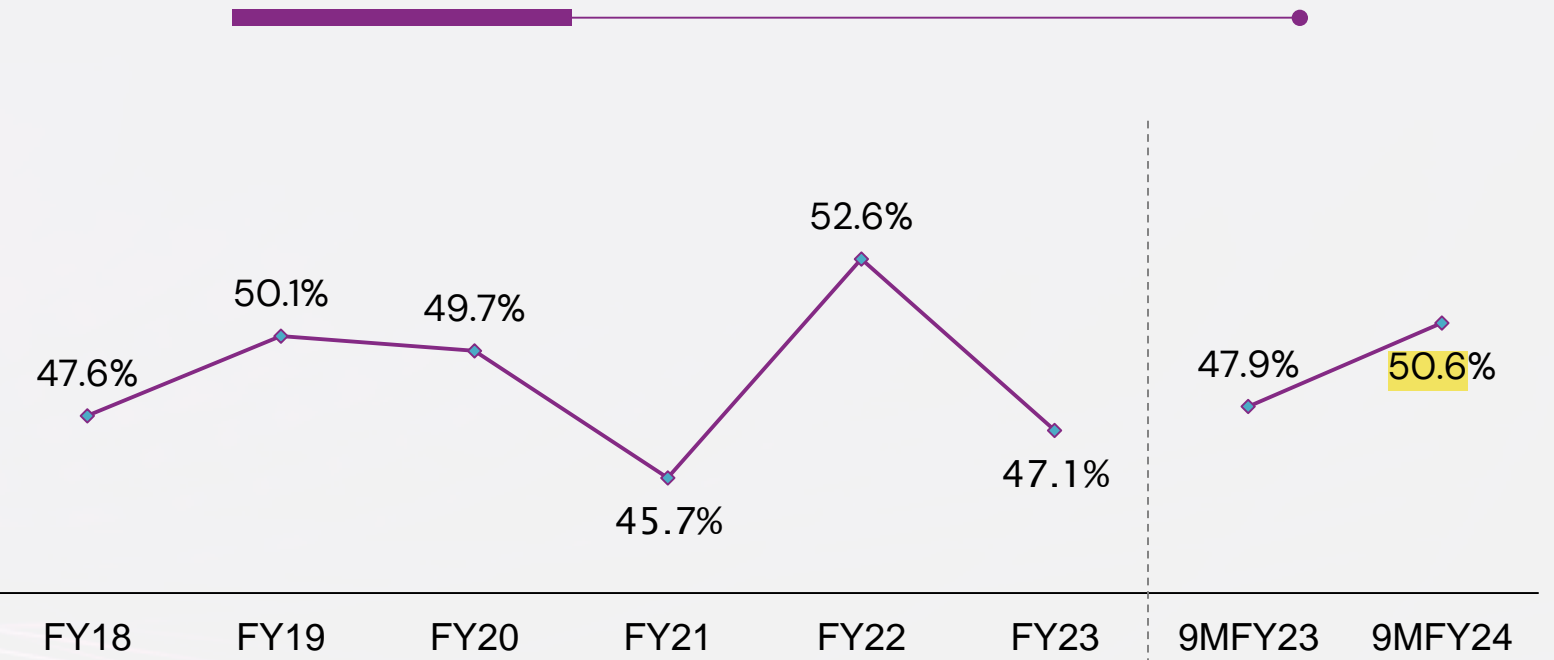


# Profitability

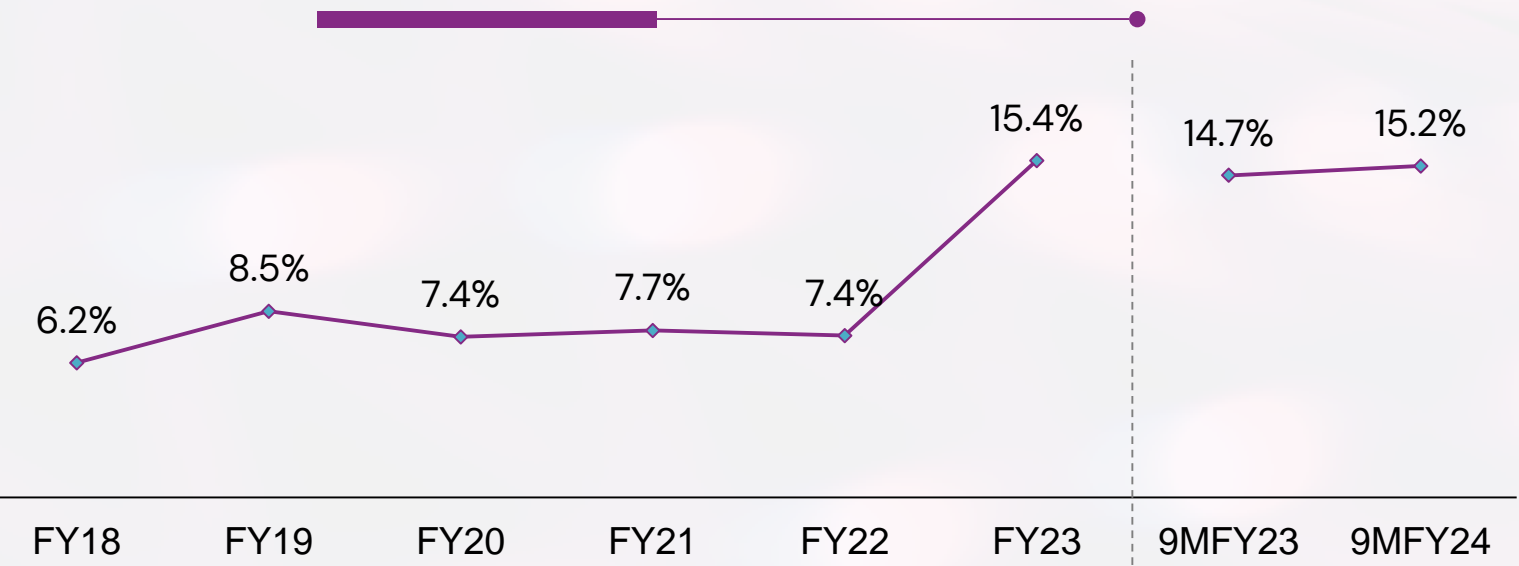
## Net Interest Margin



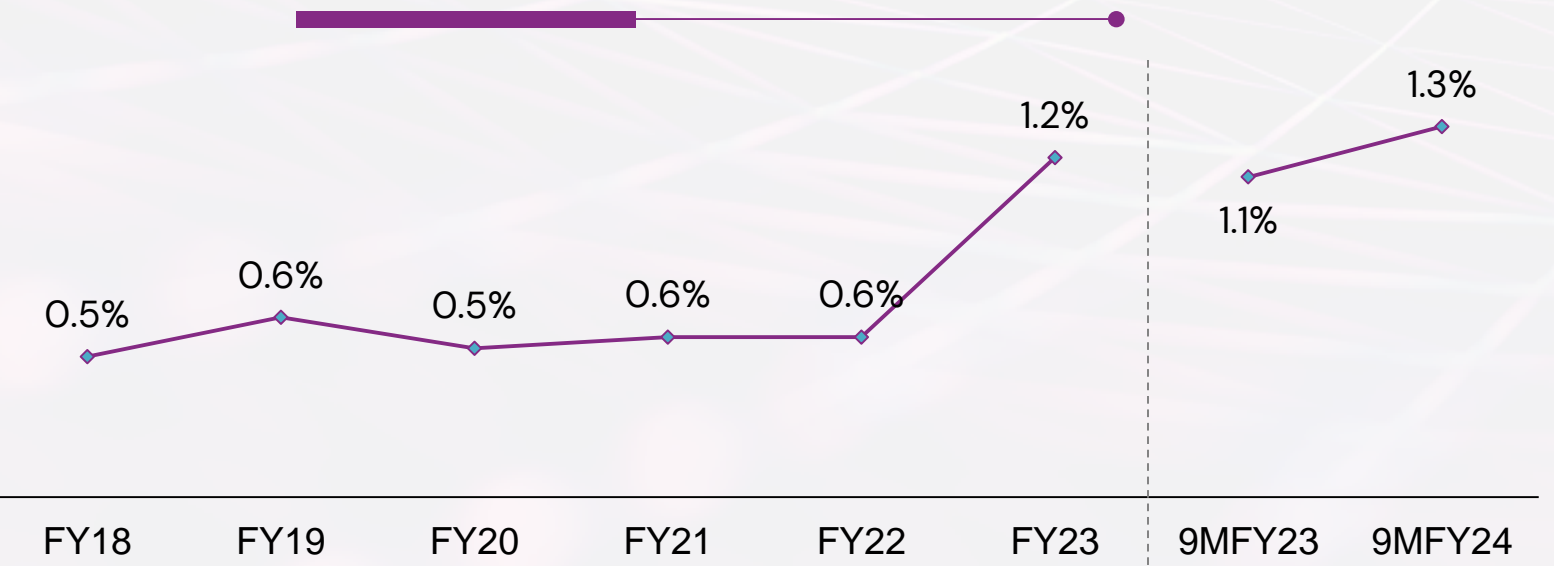
## Cost to Income ratio



## Return on Equity



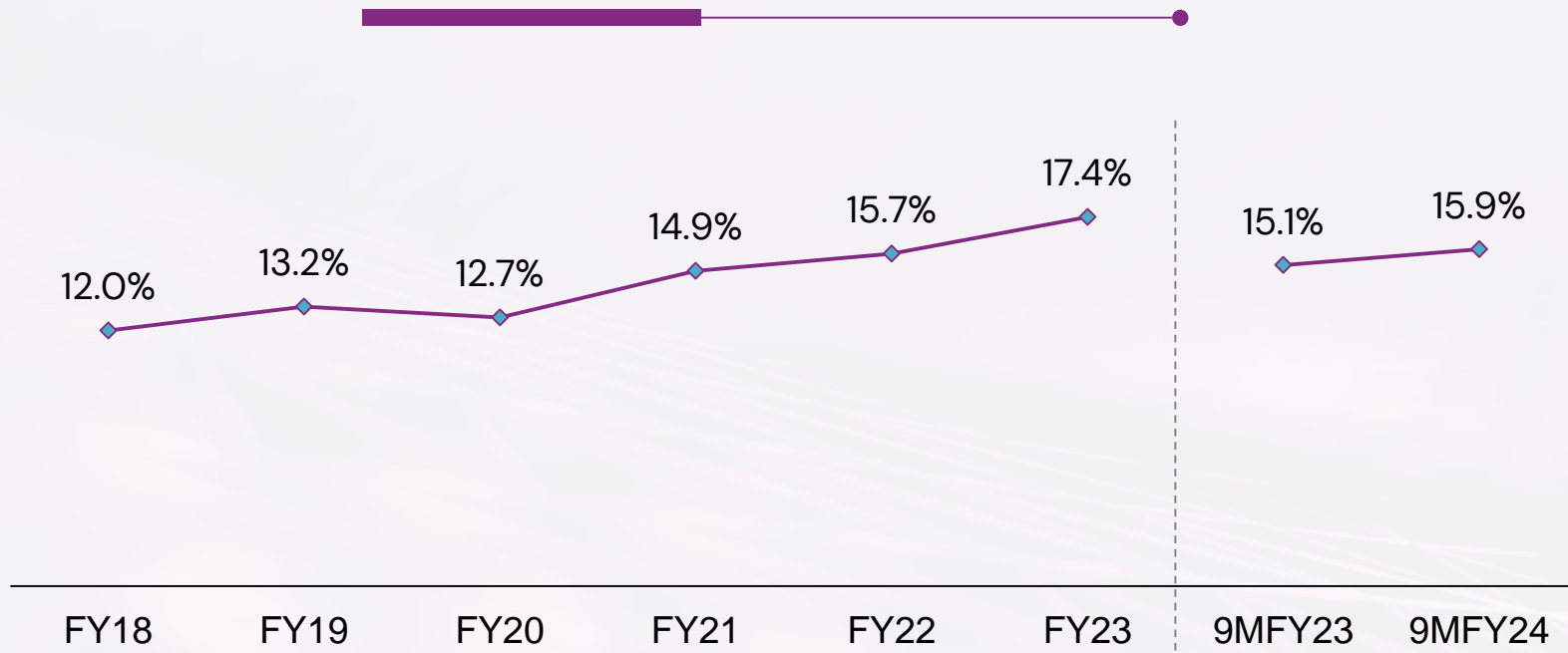
## Return on Assets



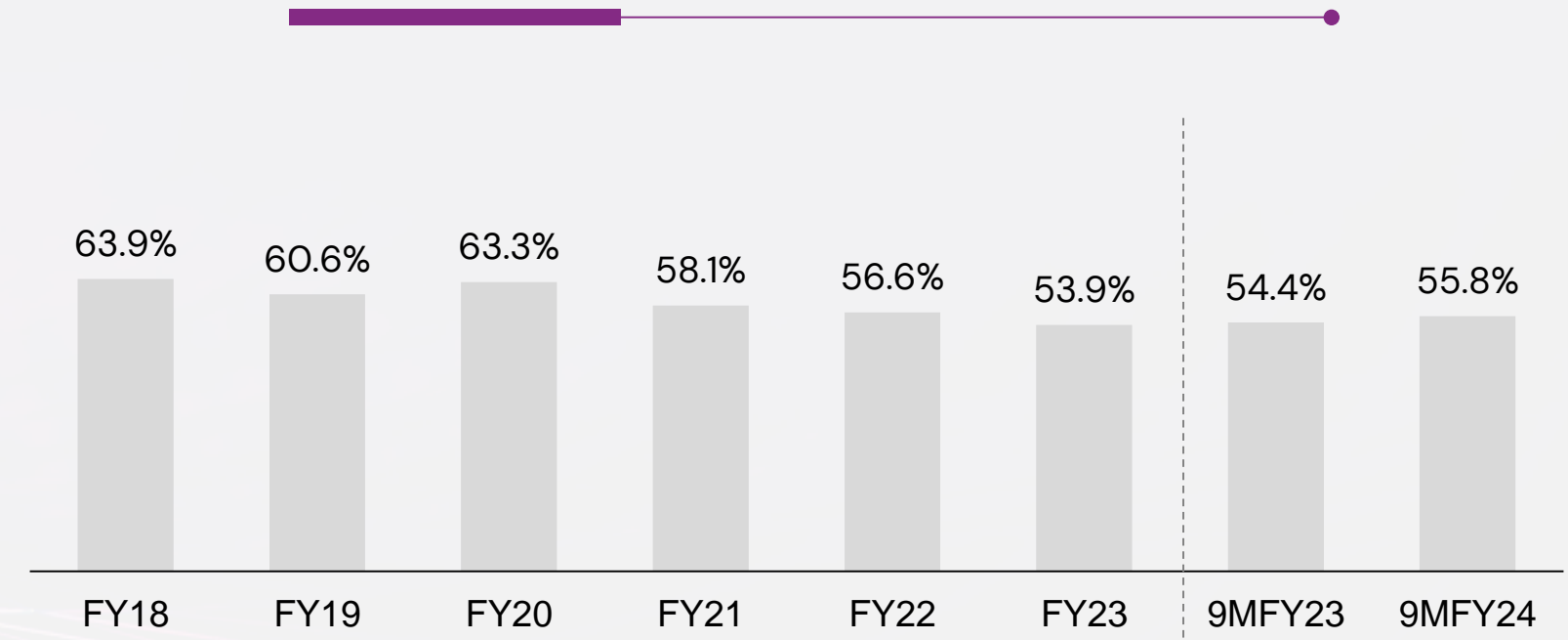


# Key Ratios

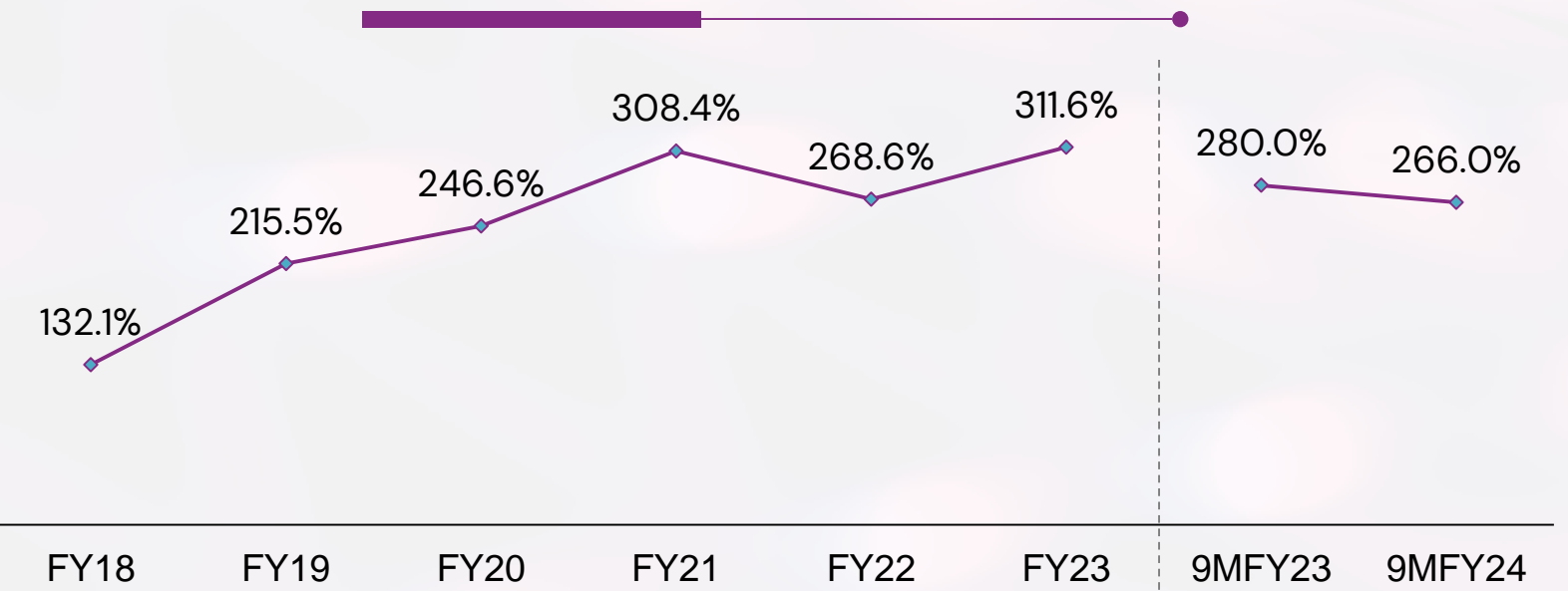
## CRAR



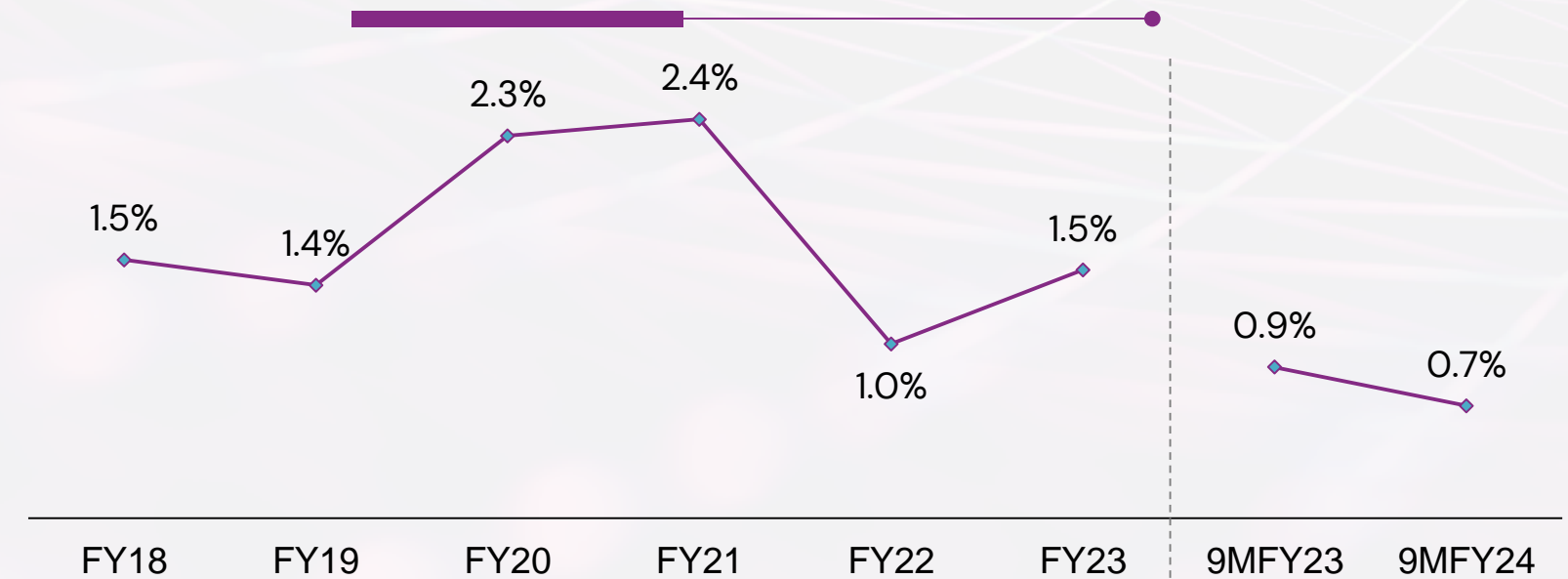
## RWA/Total Assets



## LCR



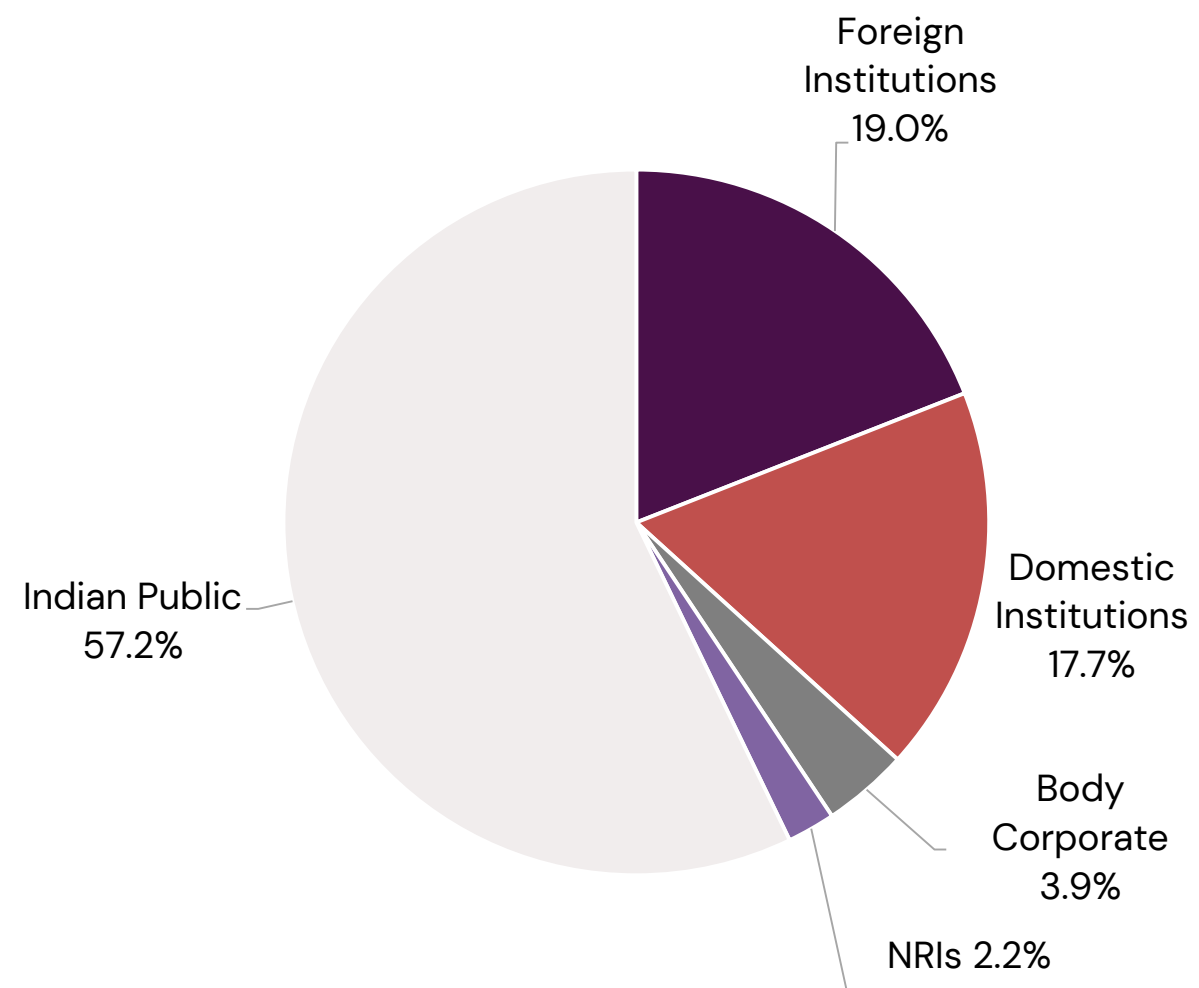
## Credit Cost %



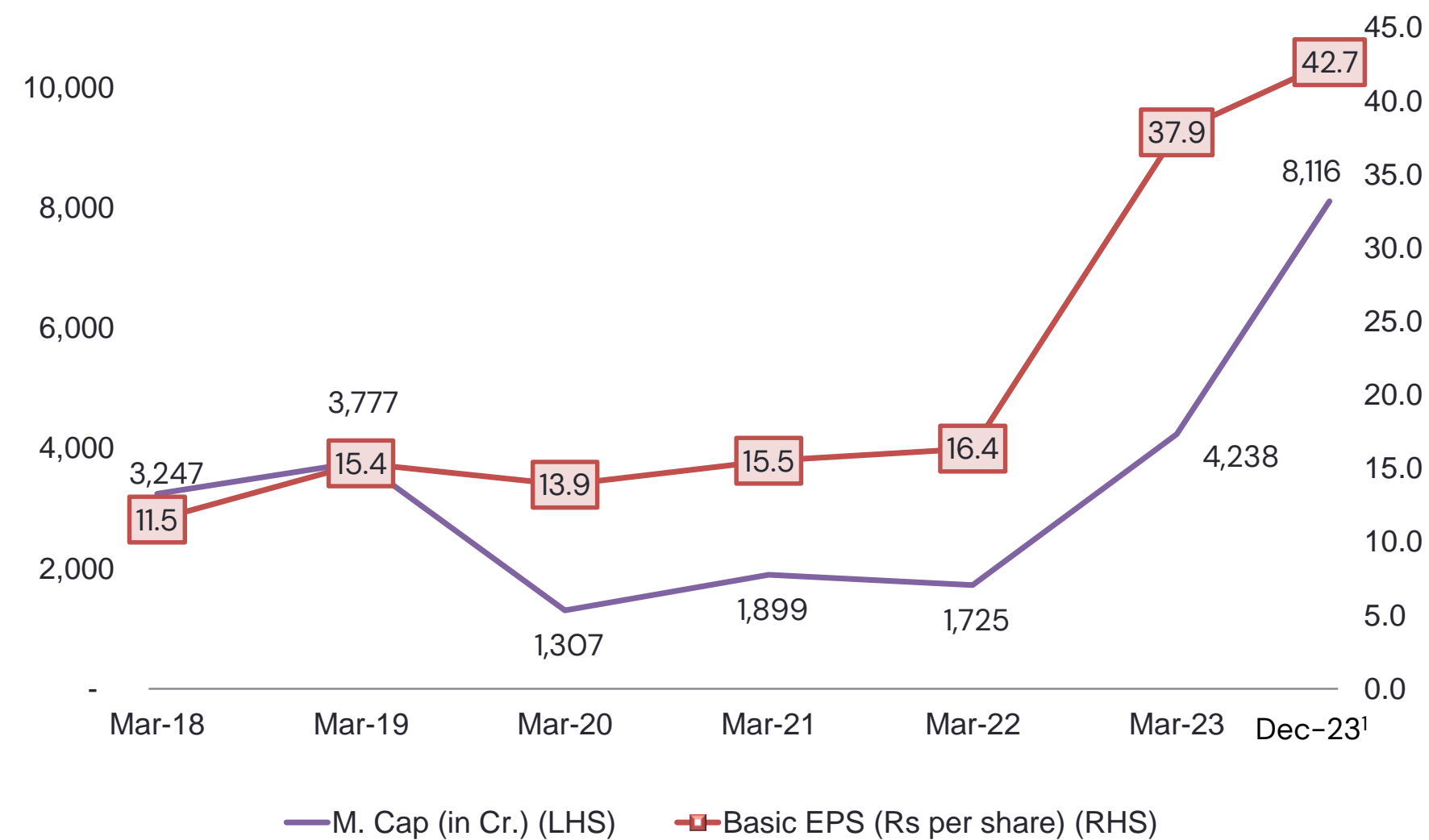


# Shareholder Value

## Shareholding Pattern (Dec-23)



## EPS & Market Capitalisation



DII Holding has increased from 5.7% in Mar-23 to 17.7% in Dec-23





# Disclaimer

This presentation has been prepared by Karnataka Bank (the "Bank") solely for providing information about the Bank. This presentation is confidential and may not be copied or disseminated, in whole or part, in any manner. This presentation has been prepared by the Bank based on information and data which the Bank considers reliable, but the Bank makes no representation or warranty or undertaking, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness, correctness and reasonableness of the contents of this presentation. This presentation has not been approved and will not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India and may not comply with all the disclosure requirements prescribed thereof. This presentation may not be all inclusive and may not contain all of the information that you may consider material. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. Any liability in respect of the contents of, or any omission from, this presentation is expressly excluded. No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. Neither the Bank nor any of its respective affiliates, advisers or representatives, shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking statements", including those relating to the Bank's general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ from these forward-looking statements due to a number of factors, including future changes or developments in the Bank's business, its competitive environment, information technology and political, economic, legal and social conditions in India and worldwide. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Bank disclaims no obligation to update forward looking statements to reflect events or circumstances after the date thereof. This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation and any information presented herein are not intended to be, offers to sell or solicitation of offers to buy the Bank's equity shares or any of its other securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. The Bank's equity shares have not been and will not be registered under the U.S. Securities Act 1993, as amended (the Securities Act") or any securities laws in the United States and, as such, may not be offered or sold in the United States or to, or for the benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) absent registration or an exemption from the registration requirements of the Securities Act and applicable laws. Any offering of the equity shares made, if any, in the United States (or to U.S. persons) was made by means of a prospectus and private placement memorandum which contained detailed information about the Bank and its management, as well as financial statements. The Bank may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person.