

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 : investor.grievance@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

26.05.2021

HO:SEC: 47 :2021-22

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

Scrip Code: **KTKBANK**

Scrip Code: **532652**

Dear Sir,

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

Thank You,
Yours faithfully,


Prasanna Patil
COMPANY SECRETARY

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BRANCH BANKING & DIGITAL CHANNELS DEPARTMENT

PRESS RELEASE

Date: 26-05-2021

KARNATAKA BANK'S ANNUAL NET PROFIT AT AN ALL TIME HIGH OF RS. 482.57 CRORES.

Karnataka Bank has posted an all time high annual net profit of Rs. 482.57 crores for the F.Y 2020-21 as against the last year's Rs. 431.78 crores, thus registering an YoY growth of 11.76%. The net profit for the fourth quarter ended March 2021 is Rs. 31.36 crores as against the net profit of Rs. 27.31 crores for the corresponding fourth quarter of 2019-20 and the YoY growth was 14.83%.

In the Meeting of the Board of Directors held today here in Mangaluru, the Board has approved the Audited Annual financial results for the period ended March 31, 2021 and has also recommended a dividend of 18% to be approved in the ensuing 97th Annual General Meeting.

The business turnover of the Bank was at Rs. 1,27,348.56 crore as on 31-03-2021. The deposits of the Bank stood at Rs. 75,654.86 crores and advances at Rs. 51,693.70 crores. The CASA deposits grew by 14.80% and reached an all time high of 31.49% of total deposits as on 31-03-2021, as against 28.91% as on 31.03.2020.

The operating profit grew by 20.67% to Rs. 1,999.14 crore and the PCR (Provision Coverage Ratio) improved to 70.05 % from 64.70% as on 31-03-2020.

The CRAR (Capital to Risk Weighted Assets Ratio) of the Bank under Basel III has significantly improved to 14.85 % against 10.875% minimum stipulated by RBI. As on 31-03-2020 CRAR was at 12.88%

The Non Performing Assets [NPA] have also moderated. The GNPA's [Gross Non Performing Assets] of the Bank stood at Rs. 2,588.41 crores constituting 4.91% as of 31-03-2021 as against Rs. 2,799.93 crores constituting 4.82% as on 31-03-2020. Similarly, the NNPA's [Net Non Performing Assets] also moderated to

Rs. 1,642.10 crores constituting 3.18% from Rs. 1,755.01 crores as on 31-03-2020 constituting 3.08%. Even though both the GNPA's and NNPA's amounts have come down, the marginal increase in percentage term is mainly on account of denominator effect.

The priority sector advances of the Bank stood at 46.58% of total advances as against the minimum stipulated target of 40%.

Expressing his happiness over the performance of the Bank, Shri Mahabaleshwara M S, Managing Director & CEO of the Bank said that "This turned out to be the best result under the unprecedented tough conditions triggered by COVID-19 pandemic. The all-time high annual net profit of Rs. 482.57 crores, the highest ever CRAR of 14.85%, very satisfactory PCR of 70.05%, a new high of 31.49% in CASA, over 90% digital transactions, moderation in NPAs etc., all indicate that economic prescription of the Bank for COVID-19 era - i.e 'Conserve, Consolidate and Emerge Strong' - has provided the much required immunity. Further, the Retail and Mid Corporate advances which have been the focus areas of the Bank as part of its Credit Realignment initiative, has registered an YoY growth of 6.34%. As there was a degrowth of 53.44% under the Large Corporate sector, the overall credit portfolio has seen negative growth. Further, the ratio of Retail : Mid Corporate : Large Corporate has improved to 52.98%, 33.79%, 13.23% as against 45.49%, 28.71%, 25.80% as of March 2020. Even though we have been successful in overcoming the adverse impact of the pandemic under wave 1.0, we will continue to be 'cautious and conservative' in handling wave 2.0 as well, by keeping intact all our efficiency maximisation efforts. I am optimistic that, once the pace of vaccination picks up the 'herd immunity' as well as the massive medical infrastructure that is created while handling wave 2.0, would prove to be very handy in containing the subsequent waves. Further the 2DG developed by the DRDO may prove to be a miracle drug in treating the pandemic. Added to this, various 'economic vaccines' such as Restructuring/GECL etc. being rolled out by the RBI and GOI would definitely help the needy borrowers and the banking industry alike to effectively overcome the challenges in a resilient way. With all these, I am sure the Bank will continue its growth story in a sustainable way and emerge as a customer centric Digital Bank of Future"

PERFORMANCE HIGHLIGHTS

(Rupees in Crores)

Parameters	Q4 FY21	Q4 FY20	% change / Variation	FY21	FY20	% change/ Variation	
Net Profit	31.36	27.31	14.83	482.57	431.78	11.76	
Operating Profit	383.69	391.54	-2.00	1,999.14	1,656.77	20.67	
Total Income	1,790.70	2,045.94	-12.48	7,727.48	7,736.40	-0.12	
Net Interest Income	459.14	529.30	-13.25	2,183.18	2,030.36	7.53	
Other Income	373.21	406.73	-8.24	1,495.07	1,261.63	18.50	
Net Interest Margin (%)	2.41	2.86	-15.73	2.91	2.84	2.46	
Return on Assets (%)	0.15	0.13	15.38	0.57	0.53	7.55	
Gross NPA	Amount	2,588.41	2,799.93	-7.55	2,588.41	2,799.93	-7.55
	(%)	4.91	4.82	1.87	4.91	4.82	1.87
Net NPA	Amount	1,642.10	1,755.01	-6.43	1,642.10	1,755.01	-6.43
	(%)	3.18	3.08	3.25	3.18	3.08	3.25
CRAR (%) Basel III	14.85	12.88	15.30	14.85	12.88	15.30	
CASA Ratio (%)	31.49	28.91	8.92	31.49	28.91	8.92	
PCR (%)	70.05	64.70	8.27	70.05	64.70	8.27	
Digital transactions (%)	90.87	86.91	4.55	90.40	85.83	5.32	



Srinivas Deshpande
ASSISTANT GENERAL MANAGER