

**BRANCH BANKING & DIGITAL CHANNELS DEPARTMENT**

**PRESS RELEASE**

**Date: 13-10-2020**

**KARNATAKA BANK POSTS FIRST HALF YEAR NET PROFIT OF  
RS 315.73 CRORES.**

Karnataka Bank posted a half yearly Net Profit of Rs 315.73 crores, for the half year ended Sept-20 as against Rs 281.33 crores recorded during the first half year of FY 2019-20, thus recording a y-o-y growth of 12.23%. Similarly for the quarter ended September 2020, the net profit grew by 12.69%, to Rs 119.35 crores as compared to Sept 2019 quarter net profit of Rs 105.91 crores.

In the Meeting of the Board of Directors held today at Mangaluru through Video-conferencing, the Board has approved the financial results for the quarter and half year ended September 30, 2020.

The operating profit of the Bank during the above period has also increased from Rs 763.44 crore to Rs 1,177.38 crore showing a y-o-y growth rate of 54.22%. The Net Interest Income also has increased by 11.75% on y-o-y basis to Rs 1,109.99 crore from Rs 993.31 crore.

The business turnover of the Bank has touched Rs 1,27,021.51 crore as on 30-09-2020, registering 2.72% growth on year-on-year basis. The deposits of the Bank grew from Rs 70,189.65 crore to Rs 72,922.58 crore and advances grew from Rs 53,468.42 crore to Rs 54,098.93 crore. The CD ratio is at 74.18%.

Gross NPAs declined to 3.97% compared to 4.78% as at 30.09.2019. Similarly, Net NPAs also declined to 2.21% from 3.48%.

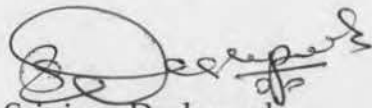
The Capital Adequacy Ratio of the Bank has stood at 13.08% as compared to 12.64% as on 30-09-2019.

Expressing his satisfaction on the Q2 result of the Bank, Shri Mahabaleshwara M. S., Managing Director & CEO of the Bank, said "I am happy that this time Karnataka Bank has the privilege of flagging off Q2 earnings season for banking sector as we happen to be the first Bank to come out with Q2 FY21 results. I am very satisfied with the results as we have been able to keep the bottom line intact with a steady growth of 12.23% in net profit, improve the asset quality significantly as the GNPA and NNPA decreased to 3.97% and 2.21%, respectively. Further, the Provision Coverage Ratio has also reached an all time high of 75.44% on account of accelerated prudent provisioning. The Bank has been successful in withering away the impact of COVID19 pandemic as the retail and mid corporate advances have also grown at 8.53% and 16.52%, respectively and share of CASA deposits also rose to 29.17% of total deposits. Bank has now started reaping the benefits of 'KBL VIKAAS', its Transformation exercise and there is significant improvement in all the fundamental parameters including the NIM (Net Interest Margin) which rose to 3.08% during the current quarter and CAR (Capital Adequacy Ratio) continuing at 13.08%. Going forward Bank is confident of continuing the consistent and sustainable performance and I thank all the customers and shareholders for their cooperation and patronage".

**PERFORMANCE HIGHLIGHTS**

[Rupees in Crore]

Parameters	Half Year Ended			Quarter Ended		
	30-09-2020	30-09-2019	Variation [%]	30-09-2020	30-09-2019	Variation [%]
Net Profit	315.73	281.33	12.23%	119.35	105.91	12.69%
Operating Profit	1,177.38	763.44	54.22%	500.34	413.43	21.02%
Net Interest Income	1,109.99	993.31	11.75%	574.87	498.72	15.27%
Fee based Income	338.18	419.23	-19.33%	174.63	233.45	-25.20%
Advances	54,098.93	53,468.42	1.18%	54,098.93	53,468.42	1.18%
Deposits	72,922.58	70,189.65	3.89%	72,922.58	70,189.65	3.89%
CD Ratio	74.18	76.18	-2.62%	74.18	76.18	-2.62%
Business Turnover	1,27,027.92	1,23,658.07	2.73%	1,27,027.92	1,23,658.07	2.73%
Gross NPA [GNPA] per cent	3.97%	4.78%		3.97%	4.78%	
Net NPA [NNPA] per cent	2.21%	3.48%		2.21%	3.48%	
Return on Asset	0.75%	0.70%		0.56%	0.53%	
Return on Equity	10.15%	9.59%		7.45%	7.12%	
Net Interest Margin	2.99%	2.80%		3.08%	2.82%	



Srinivas Deshpande  
**ASSISTANT GENERAL MANAGER**