

Karnataka Bank Ltd.

Your Family Bank, Across India

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

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

SECRETARIAL DEPARTMENT

May 27, 2021

HO/SEC/49/2021-22

To:

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,

Reg.: Presentation-'Analysis of Financial Results FY21'

Pursuant to Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015 and in continuation to the publication of audited results for the year ended March 31, 2021, we submit herewith the '**Presentation on Analysis of Financial Results FY21**' for your information and record.

Thank You,

Yours faithfully,


Prasanna Patil

COMPANY SECRETARY



Karnataka Bank
Your Family Bank Across India

Analysis of Financial Results
March 2021

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Highlights - Q4 FY21

3 Months

12 Months

KPAs	Q4 FY 21 *	Q4 FY 20	Q3 FY 21 *	FY 21 *	FY 20	(₹ crs)
Turnover	1,27,349	1,28,749	1,27,014	1,27,349	1,28,749	
Asset size	85,581	83,313	84,050	85,581	83,313	
Operating profit	383.69	391.54	437.96	1,999.03	1,656.77	
Net profit	31.36	27.31	135.37	482.46	431.78	
Return on Asset	0.15%	0.13%	0.64%	0.57%	0.53%	
Earning per Share (not annualized)	1.01	0.88	4.35	15.52	13.89	
Return on Equity	1.89%	1.81%	8.28%	7.65%	7.35%	
Net Interest Income	459.14	529.30	614.05	2,183.18	2,030.36	
Net Interest Margin	2.41%	2.86%	3.26%	2.91%	2.84%	
Gross NPA - Amount	2,588.41	2,799.93	1,706.57	2,588.41	2,799.93	
- %	4.91%	4.82%	3.16%	4.91%	4.82%	
Net NPA - Amount	1,642.10	1,755.01	923.98	1,642.10	1,755.01	
- %	3.18%	3.08%	1.74%	3.18%	3.08%	
Cost to Income	53.90%	59.62%	50.63%	45.65%	49.67%	
PCR	70.05%	64.70%	# 75.09%	70.05%	64.70%	
CRAR (Basel III)	14.85%	12.88%	13.83%	14.85%	12.88%	

with proforma NPA

* Data pertain to Consolidated balance sheet, as full fledged business of newly formed subsidiary is yet to be fully operationalized.

Company Overview

- 01** 97 years of banking history with Pan-India presence.
- 02** Strong & Robust technology and digital platforms.
- 03** Satisfactory productivity & capital adequacy ratios.
- 04** Experienced management team & Professional Board with highest Standards of Corporate Governance.
- 05** Diversified credit portfolio and strong retail deposit base.
- 06** Ever increasing CASA - share of CASA increased to 31.49%.
- 07** Powered by KBL - VIKAAS for Total Transformation.

History

2017-21	<ul style="list-style-type: none">❑ Initiated Bank's transformation journey KBL-VIKAAS❑ Digital journey for retail products❑ Bonus issue in the ratio of 1:10❑ Successful migration to Fin10❑ Customer base crossed the milestone of 1 crore.❑ Business turnover crossed the historic milestone of ₹ 1,00,000 crore.❑ Formed Investor Relation Cell.
2012-16	<ul style="list-style-type: none">❑ Completed 1:2 rights issue to raise ₹ 658.96 crs.❑ Unveiled KBL - VISION 2020 & adopted Vision Statement.❑ No. of branches crossed 500 & No. of ATMs crossed 1,000.❑ Secured ISO 27001 : 2005 Certificate from NQA..❑ Launched ASBA facility
2007-11	<ul style="list-style-type: none">❑ Right issue of ₹ 457.03 crore in the ratio of 2:5.❑ Launched Online Trading facility.❑ Maiden QIP aggregating ₹ 160.83 crs.❑ Completion of 100% core banking
2002-06	<ul style="list-style-type: none">❑ Floated general insurance JV along with Allahabad Bank, Indian Overseas Bank, Dabur Investments and Sompo Japan Insurance.❑ Launched CDSL-DP services at select branches .❑ Rights issue in the ratio of 2:1 to raise ₹ 160 crs.❑ Right issue in the ratio of 1:2.❑ Bancassurance tie-up with MetLife.❑ Maiden bonus issue in the ratio of 1:1
1997-2002	<ul style="list-style-type: none">❑ Implementation of "Finacle" CBS in 2000
1977-96	<ul style="list-style-type: none">❑ Public issue of 45 lakh equity shares in October 1995❑ Became an authorised dealer of foreign exchange in 1977
1960-66	<ul style="list-style-type: none">❑ Took over Sringeri Sharada Bank Ltd, Chitaldurg Bank & Bank of Karnataka, Hubli.
1924	<ul style="list-style-type: none">❑ Incorporated on 18th February 1924 at Mangalore by Late B R Vyasarayachar & other leading members of the South Kanara Region

Evolution

First generation private sector Bank

Offers wide variety of banking products

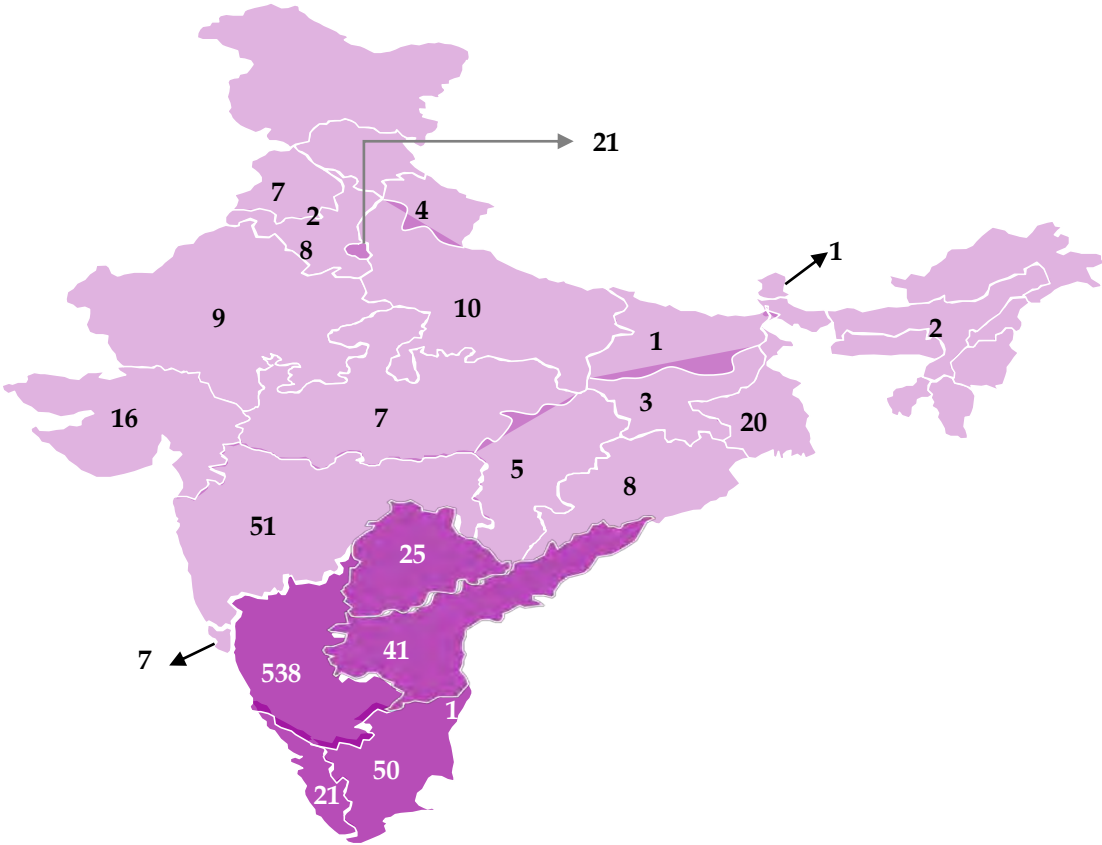
Digital loan initiatives & Tab Banking for SB a/c opening launched

2,337 Outlets all over India

₹ 1,27,349 Cr business turnover

- Business Turnover of ₹ 1,27,349 crore as on 31.03.2021.
- 2,337 service outlets with 858 branches, 1 Extension Counter, 1,001 ATMs and 477 recyclers in 554 centres across India as on 31.03.2021. And, all 36 e-Lobbies & 426 mini e-Lobbies are having Recyclers.
- Digital loan underwriting for Housing, Car & MSME loans.
- Offers wide variety of corporate and retail banking products and services to over **11 million** customers.
- Incorporated in **1924**, one of the first generation time tested private sector Banks.

Pan-India footprint

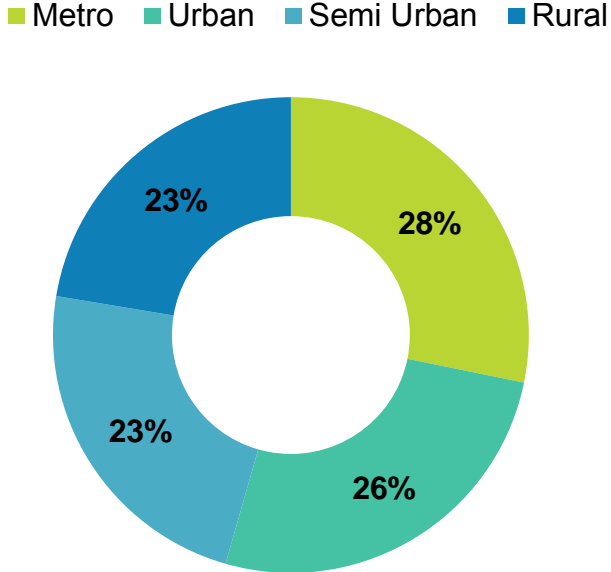


Has the strongest presence in South India with 676 branches

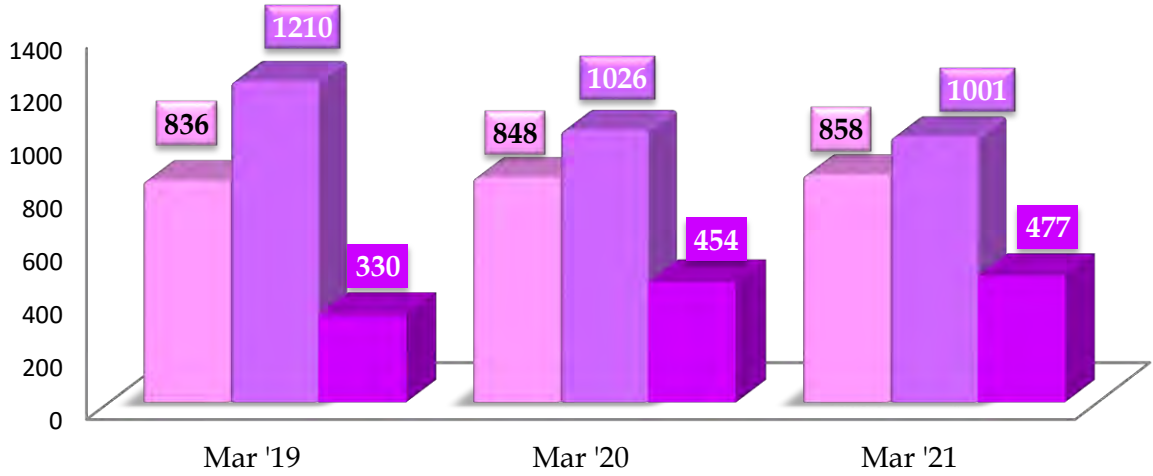
Top 5 States:

Karnataka (538), Maharashtra (51), Tamilnadu (50), Andhra Pradesh (41), Telangana (25)

Area wise distribution of Branches



Branches (light blue), ATMs (dark blue), Recyclers (orange)



Robust technology and digital platforms



Strong technology platform

The existing “ISO 27001:2013” certificate encompassing the Information Security Management System (ISMS) at the Bank’s Data Centre, Near line Site [NLS] and Information Technology Department including the DR site [IT & DR], has been renewed by AJA Registrars, UK, for a further period of three years up to March 2022, reflecting the Bank’s continued commitment to technology adoption.



Pioneer in implementing “Finacle” (CBS) amongst the first generation private sector banks

State-of-art IT set up which has enabled Anytime Anywhere Banking through alternate delivery channels such as ATMs, VISA International Debit Card, RUPAY Debit Card, Internet Banking, Mobile Banking, IMPS, e-lobby etc.

Implemented ‘KBL-Mobile Plus’ (Mobile Banking) app, ‘BHIM KBL UPI’ app on Unified Payment Interface, Cardless cash withdrawal, switch on/off debit card usage, enable/disable international transactions, etc. as additional facilities for the convenience of customers

Implemented Lending Automation Processing System (LAPS) software for efficient life cycle management of loan accounts and improved monitoring.

Established Centralized Account Opening Cell for opening of CASA.

Implemented an Enterprise Level Fraud Risk Management System (ELFRMS) for effective, cyber fraud prevention across delivery channels.

Established DCOE for developing Digital underwriting capabilities & for better risk management in credit portfolio.

Digital sanction of Home loans, Personal loans, Car loans, 2-wheeler loans & MSME loans.

Opening of Savings accounts with pre-activated debit card, through Tab provided to branches .

Digital sales of insurance policies through Mobile Banking and Internet Banking platform.

Sales of Mutual Fund products of all the AMCs in a single platform ‘FISDOM’.

Online opening of Demat & Trading account through KBL-Smart Trade.

DCoE : Accelerating Digital Transformation Catalyst

C : Cost Optimization

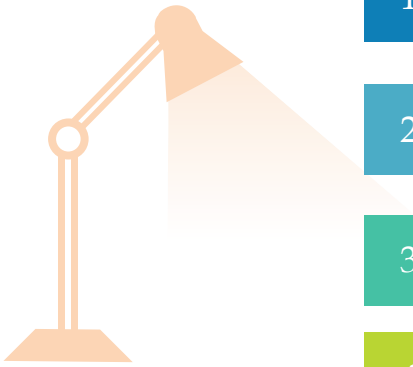
A : Adoption

R : Risk Profile

E : Experience



Effective Risk management systems



1

Periodical monitoring & reviewing of risk profile of the Bank.

2

Internal Credit Rating of all the borrowers: Credit exposure above INR 25 lakh are rated borrower-wise and credit facilities below INR 25 lakh & all schematic advances including agri-credit proposals are rated under 'Pool based approach'. Also, developed KBL96 model for all sanctions under digital journey.

3

Continuous offsite surveillance of borrower accounts.

4

Effective ALM/mid office set up to monitor Liquidity risk/ Market risk on a continuous basis.

5

Enterprise level fraud risk management system (ELFRMS) to effectively control / prevent online suspicious transactions done by customers & other digital channel transactions.

6

Effective Operational risk management by:

- building up a database of internal Loss data, near- miss cases and other Operational risk events, since Sept 2007.
- AML monitoring system to scrutinize the customer transactions to ensure compliance to the extant guidelines.

7

Complied with the extant 'Basel III' guidelines of RBI.

8

Implemented a scientific Fund Transfer Pricing (FTP) & Customer Profitability Management System (CPMS) to assess the performance of branches / products / portfolios / customers.

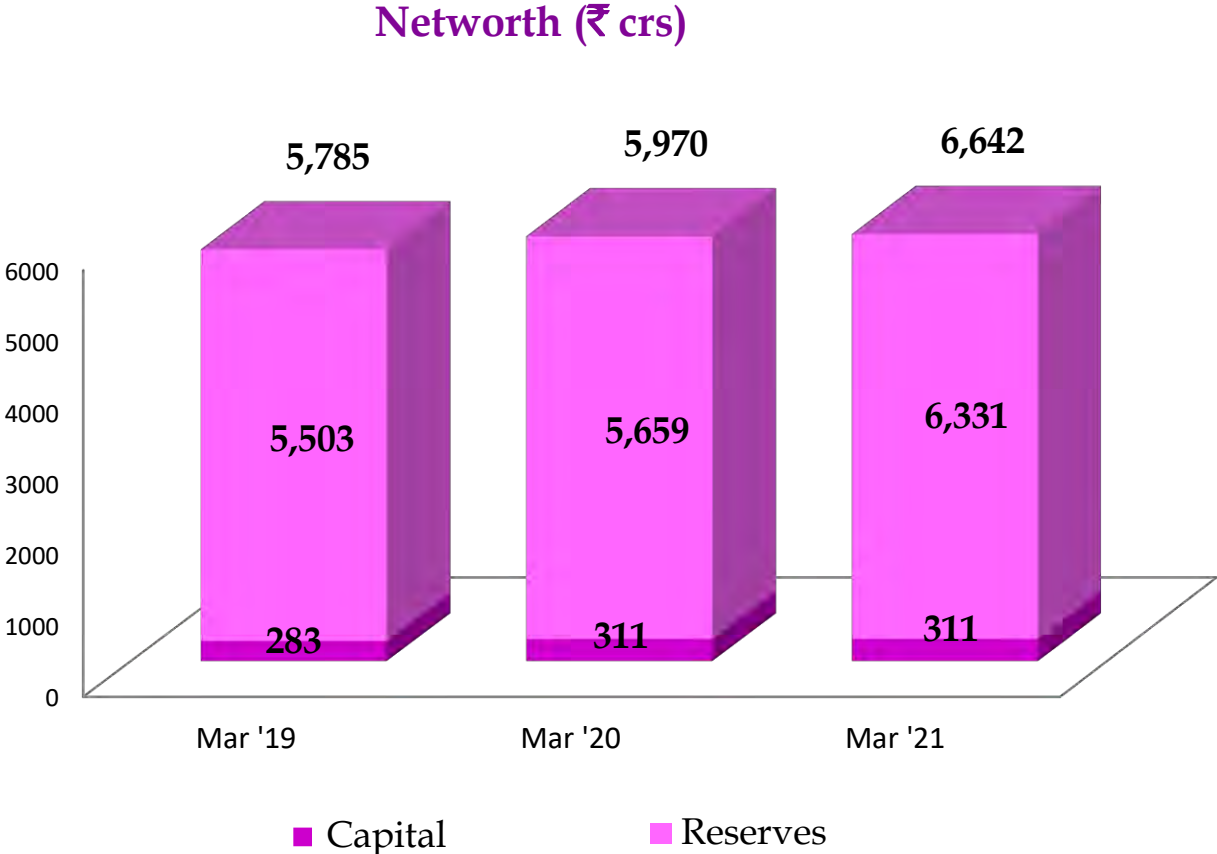
9

Centralized Payments and Reconciliation Cell (CPRC) to handle Reconciliation, Settlement and Disputes of all Digital Channels transactions.

Financial Performance

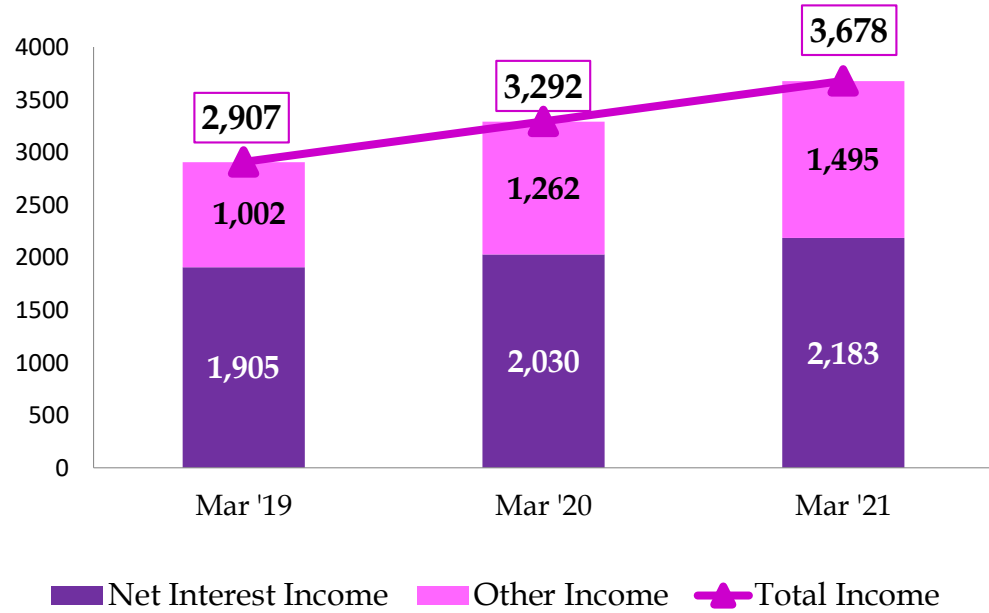


Financial strength of the Bank

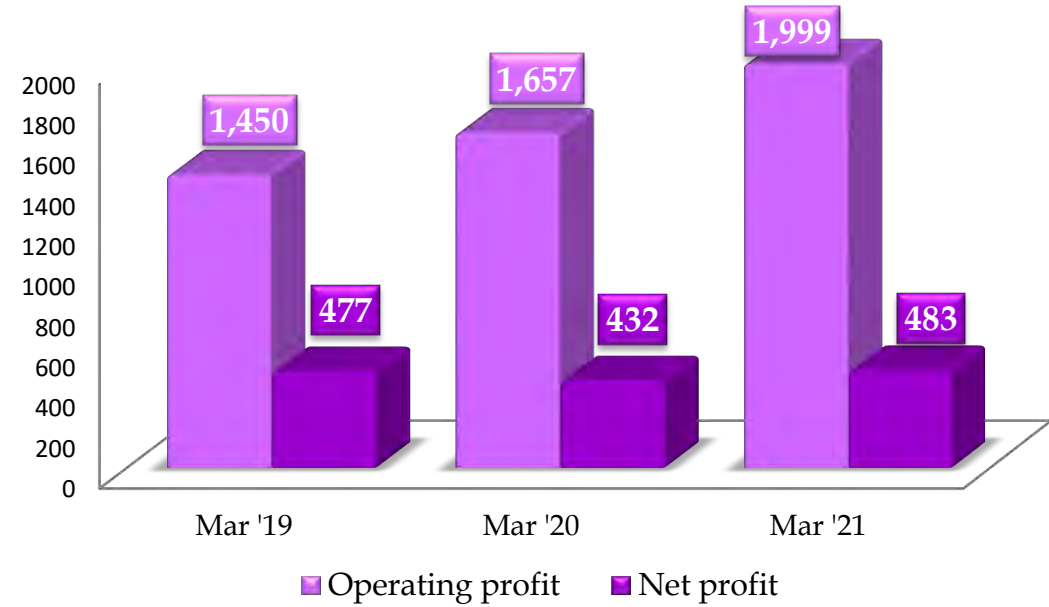


Income & Profit - Annual

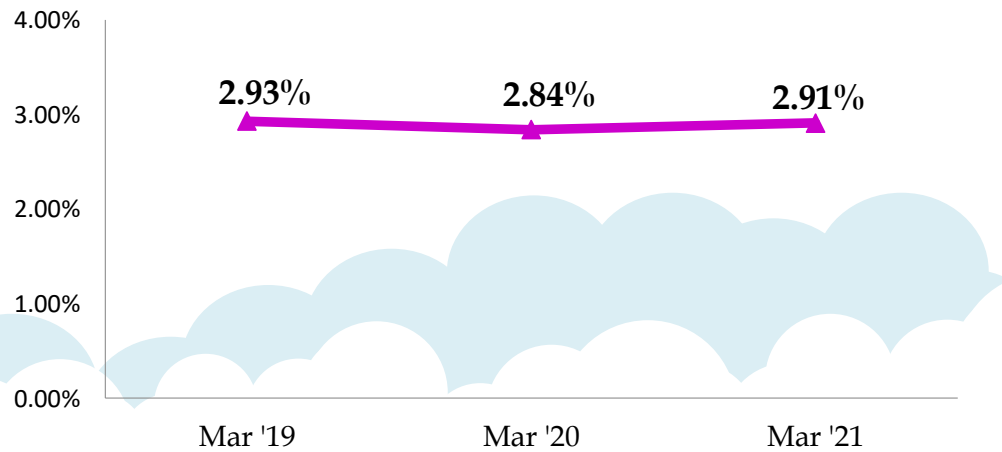
Net Income (₹ crs)



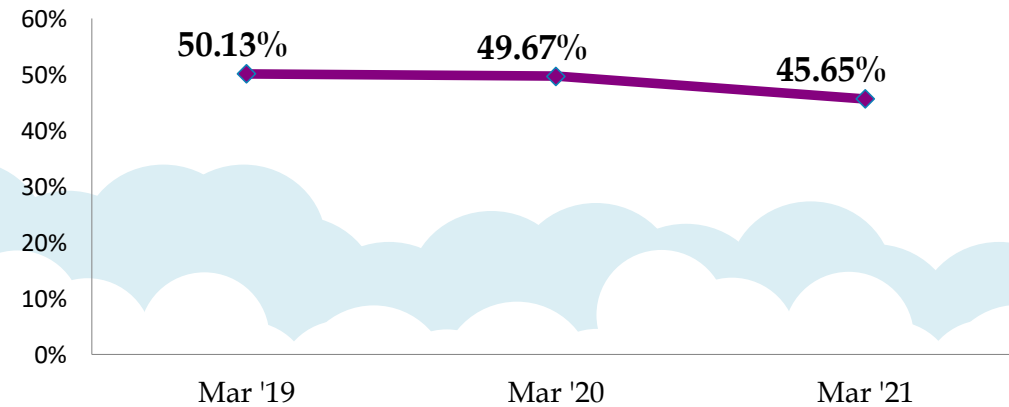
Operating and Net Profit (₹ crs)



Net Interest Margins (%)

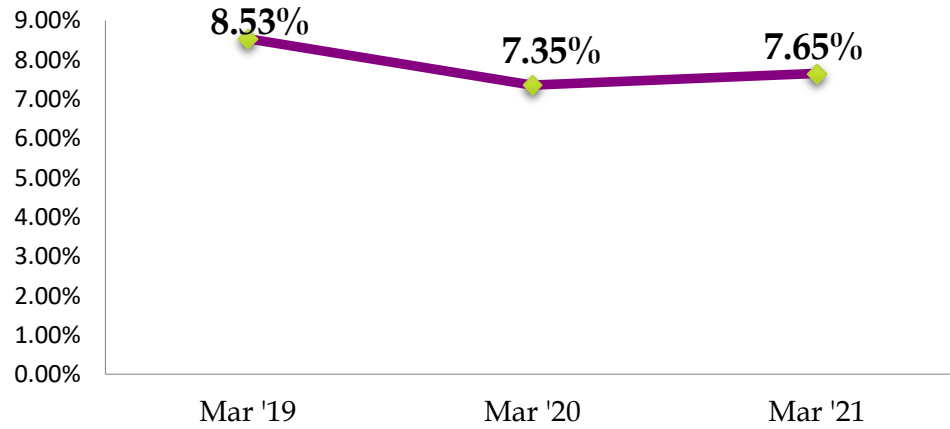


Cost to Income Ratio (%)

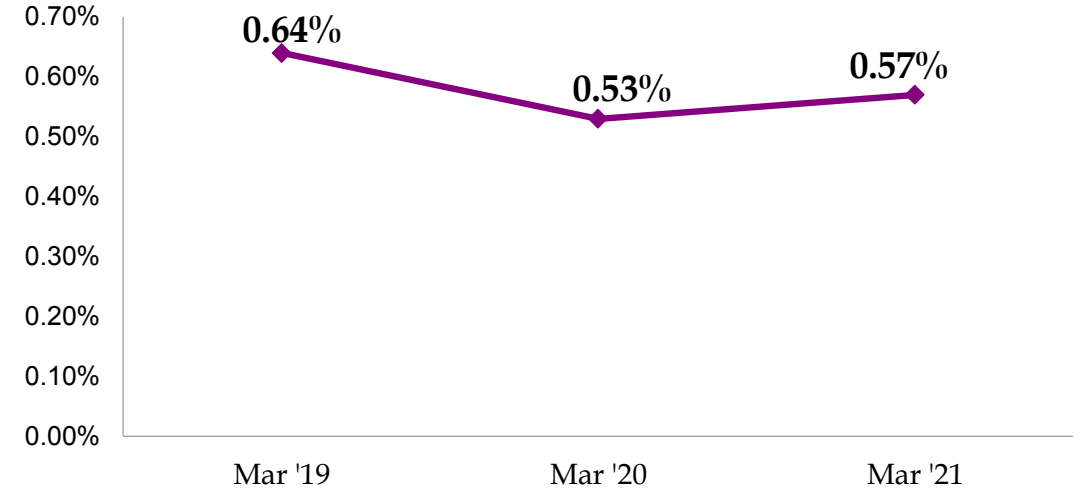


Return and Capital Adequacy Ratios

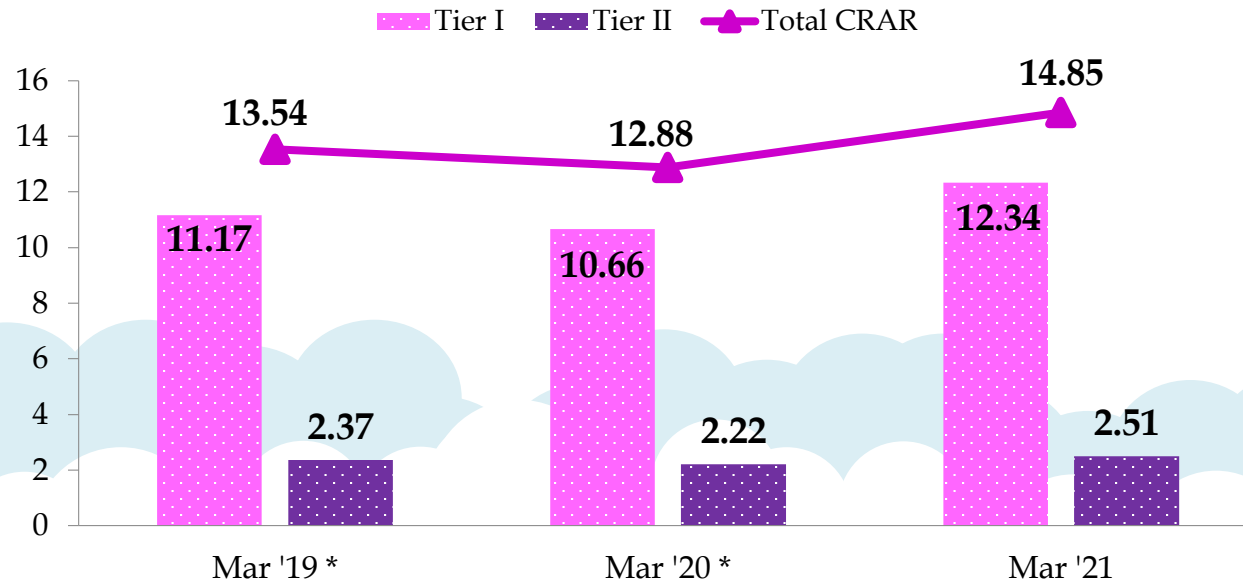
Return on Equity (%) (after tax)



Return on Assets (%) (after tax)



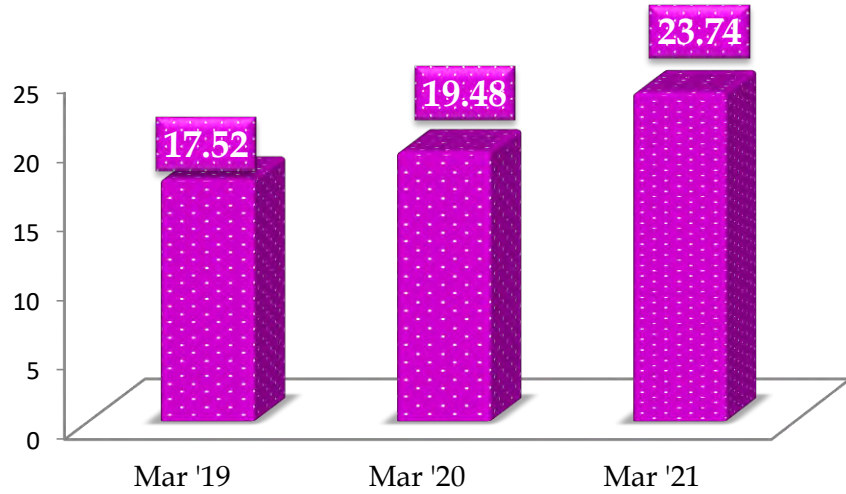
Capital Adequacy (%) - Basel III



* Recomputed by including full eligible Tier II Capital

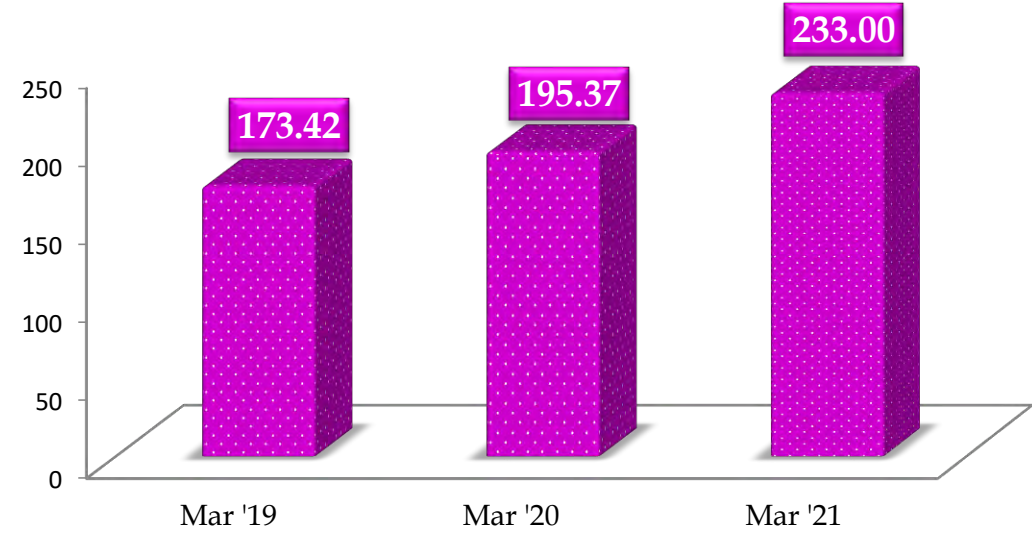
Productivity ratios

Operating Profit per employee (₹ lakh) *

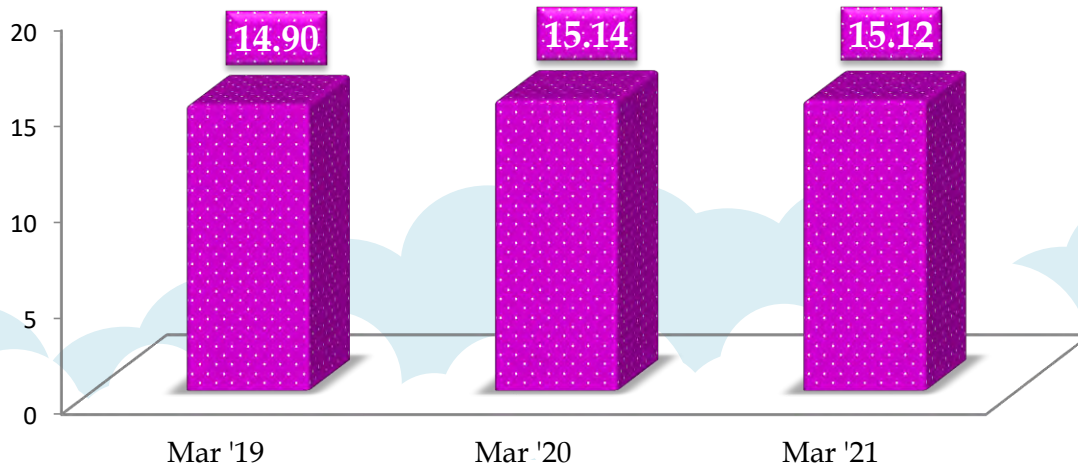


* annualized

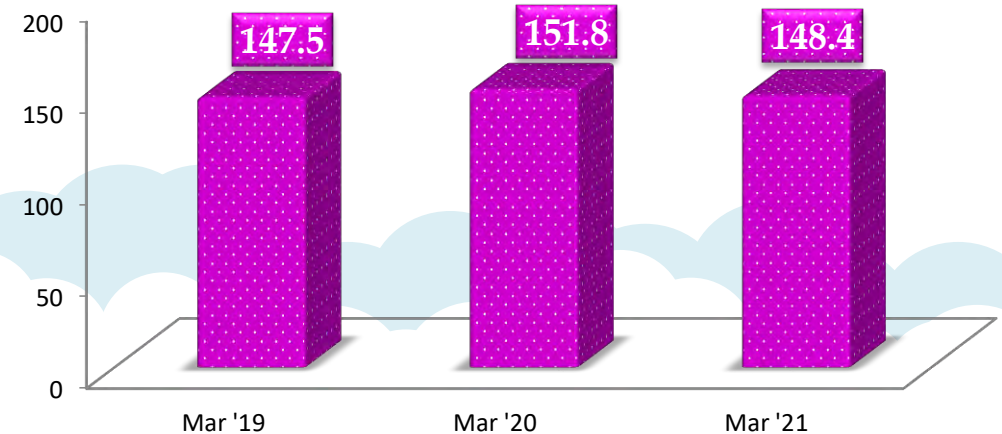
Operating Profit per branch (₹ lakh) *



Business per employee (₹ crs)

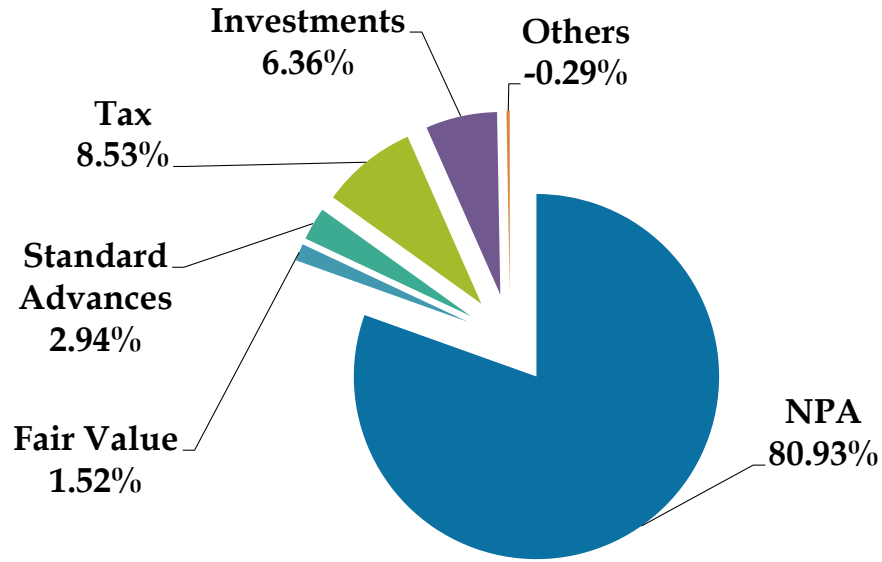


Business per branch (₹ crs)

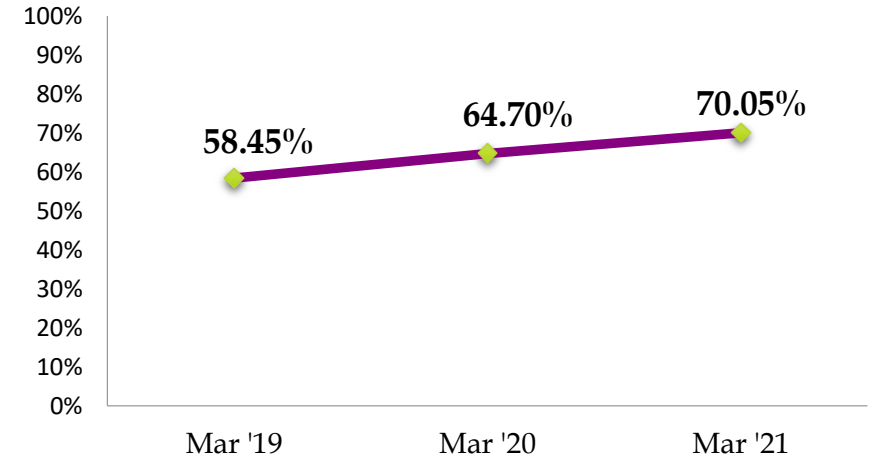


Provisions

Provisions & Contingencies

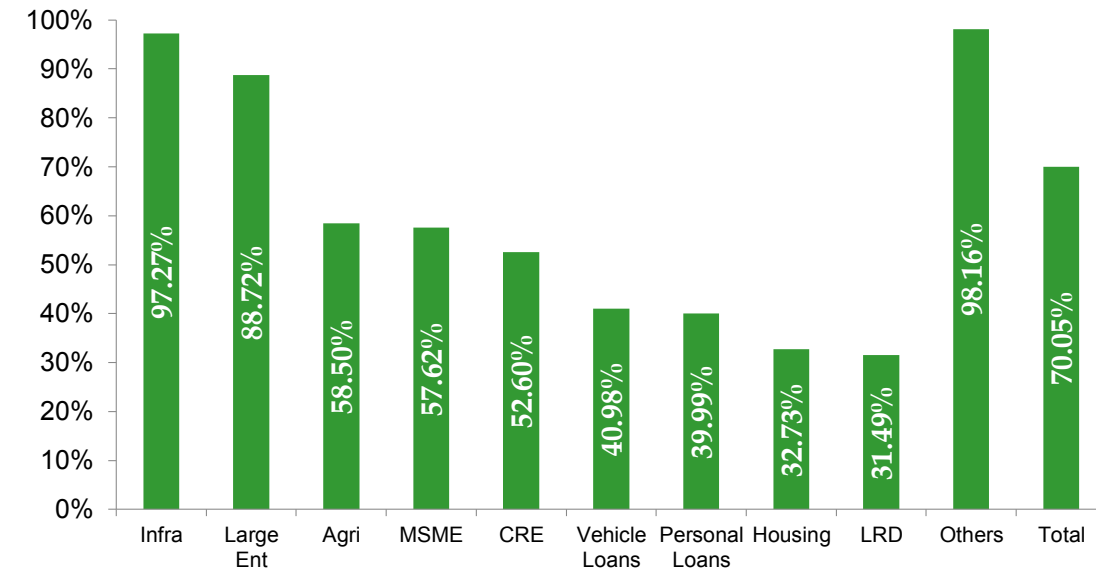


Provision Coverage Ratio



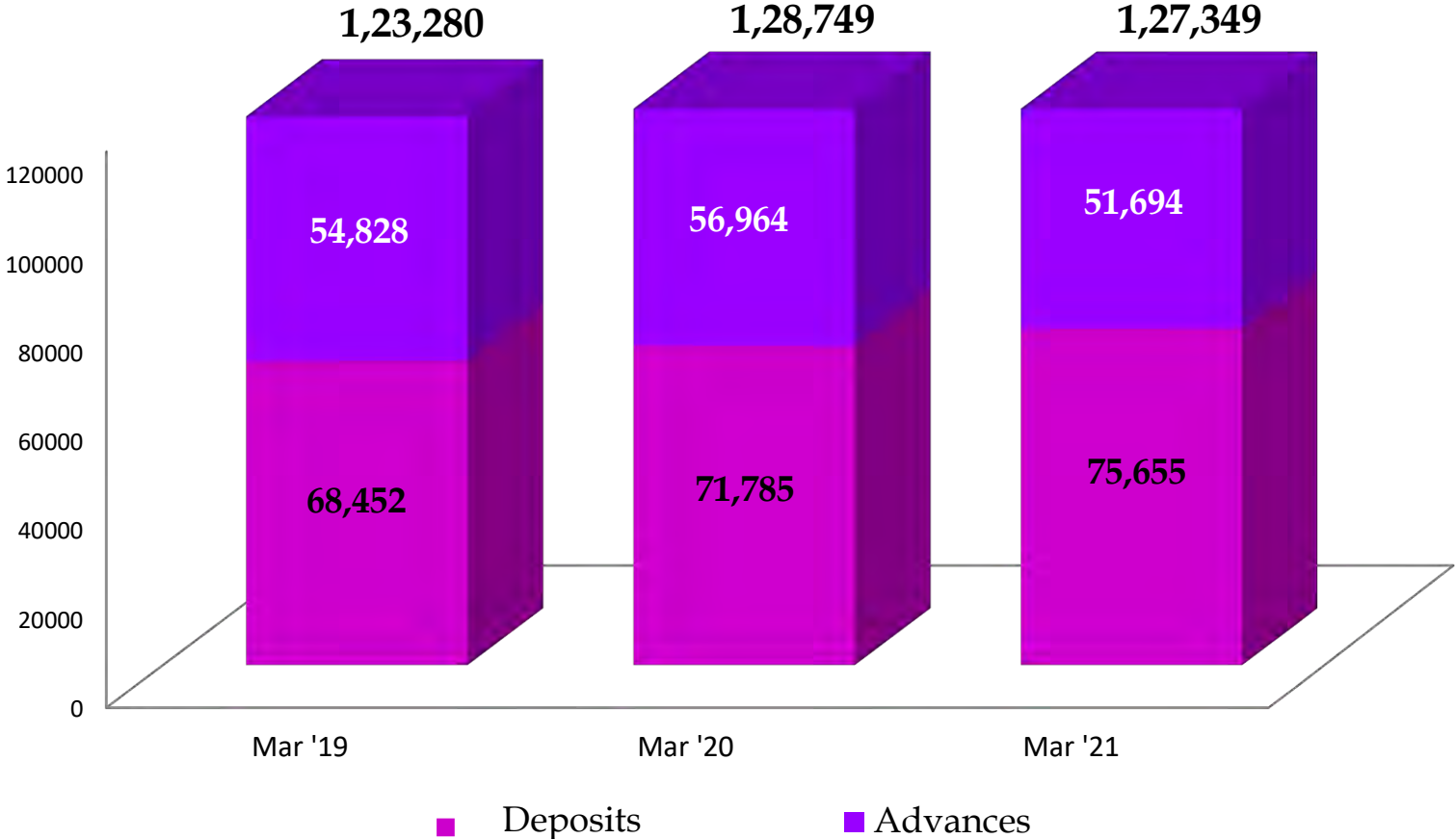
As on 31.03.2021	No. of cases	Amount (in crore)	Provision held (in crore)	% provision held
NCLT Referred cases	33	1376.99	1369.94	99.49%
SR Portfolio	-	400.42	172.84	43.16%

Segment wise PCR (Mar'21)



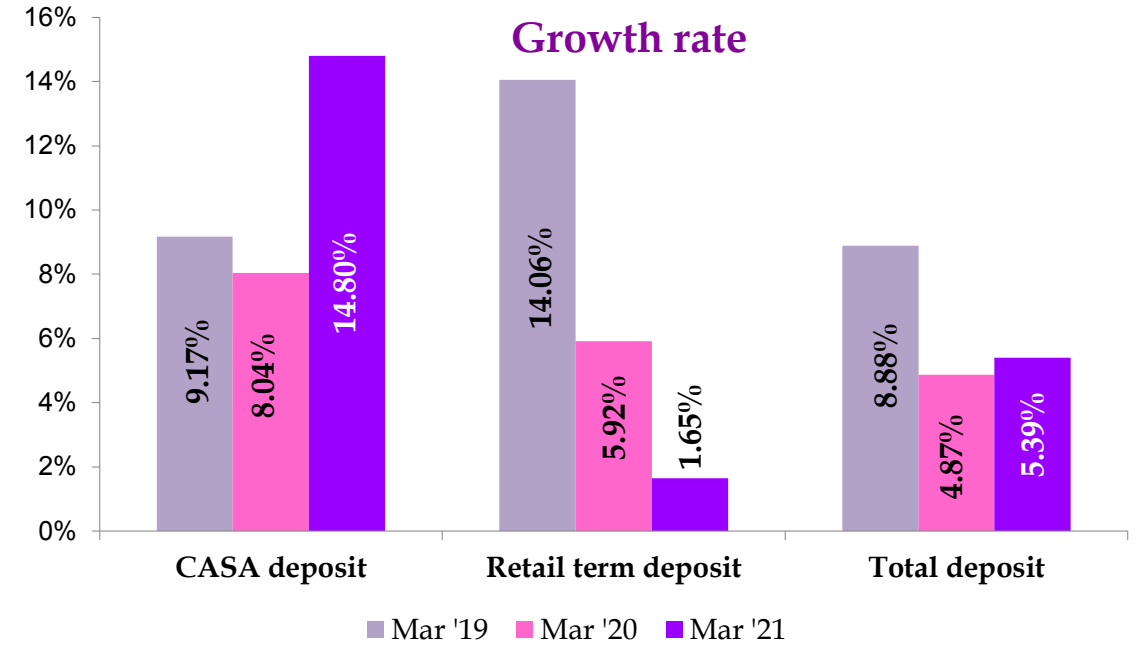
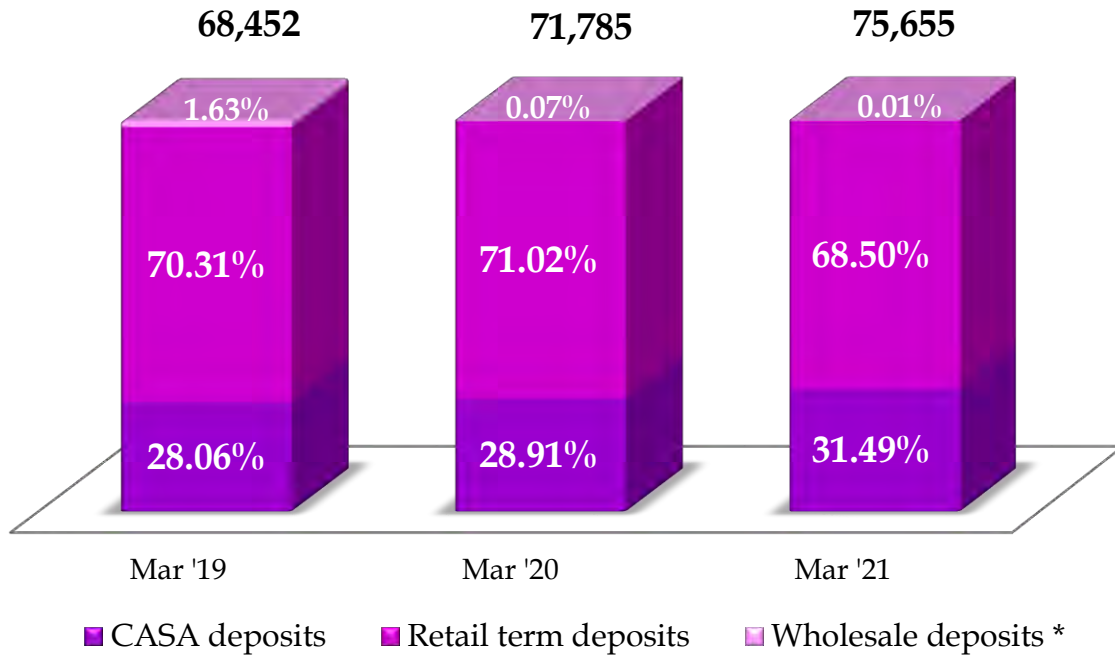
Business size

Business Turnover (₹ crs)

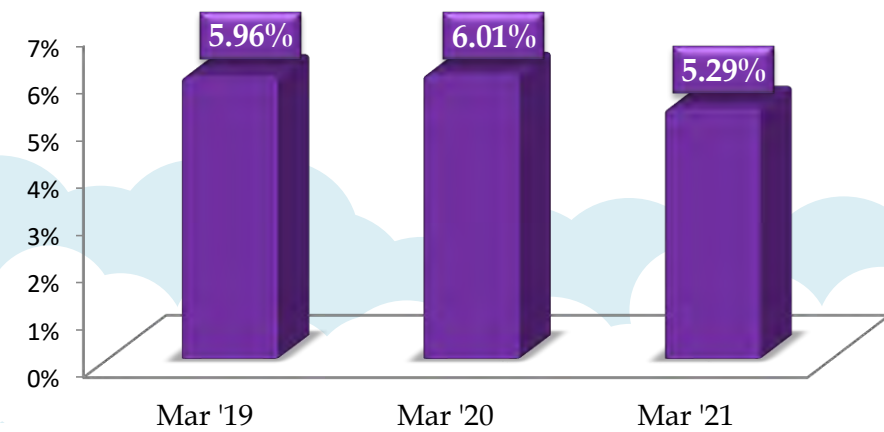


Deposits

Deposits (₹ crs)

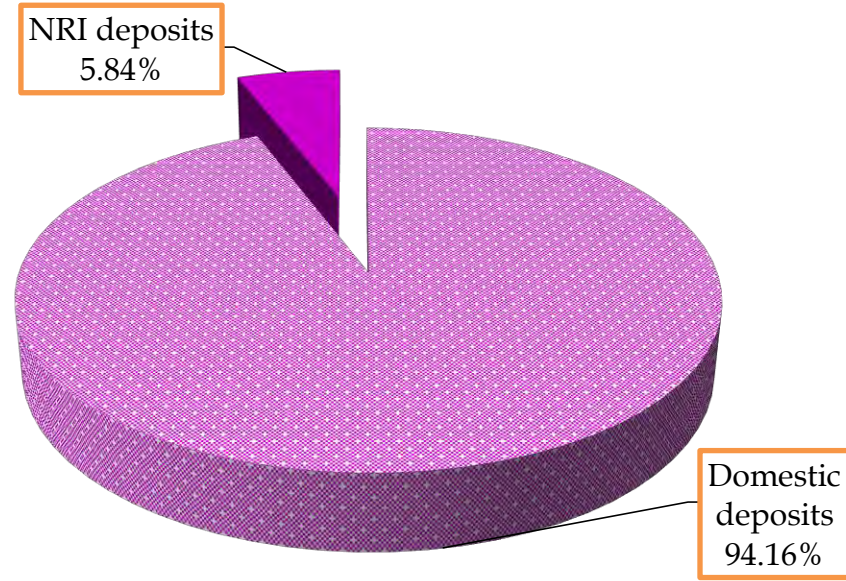


Cost of Deposits

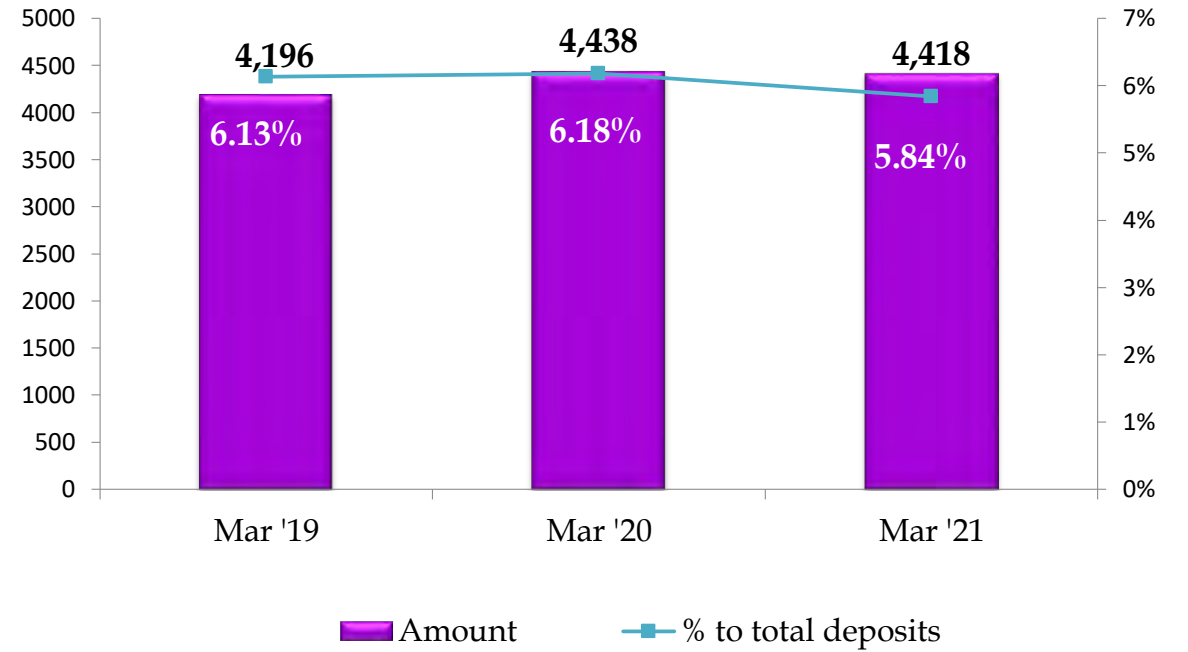


* Wholesale deposits = Purchase liability + Certificates of deposit + Interbank deposits

Deposits

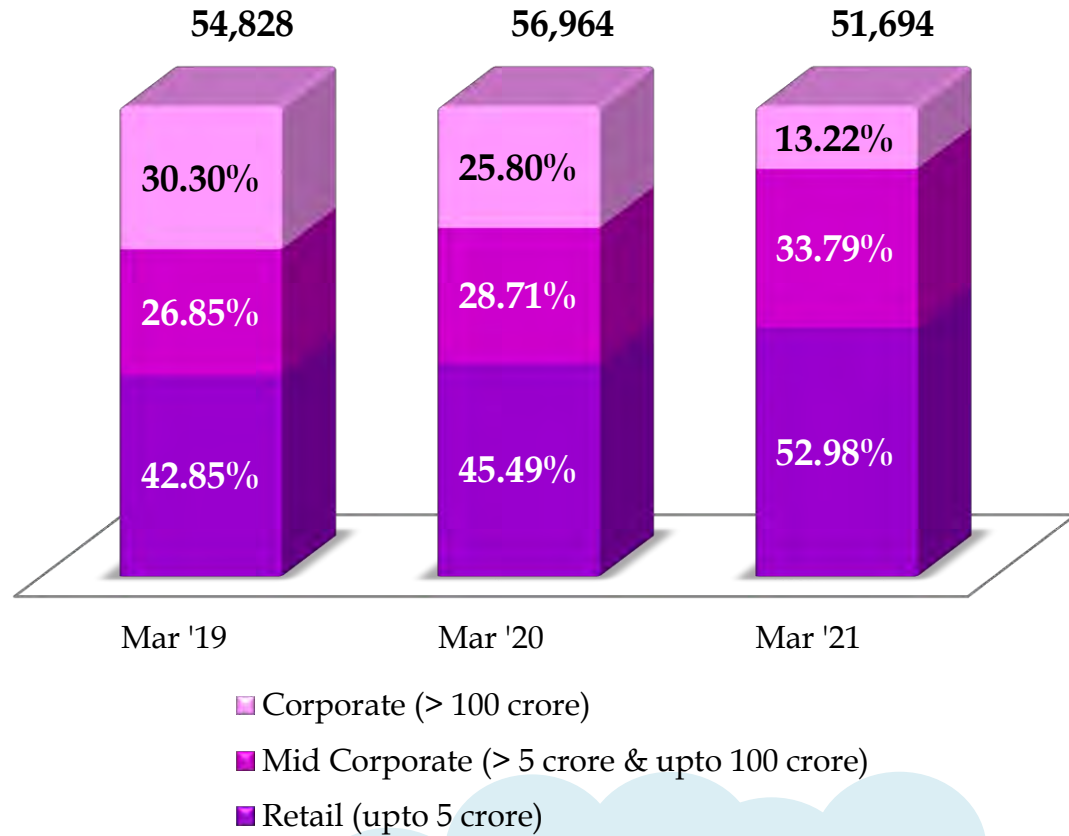


NRI Deposits (₹ crs)

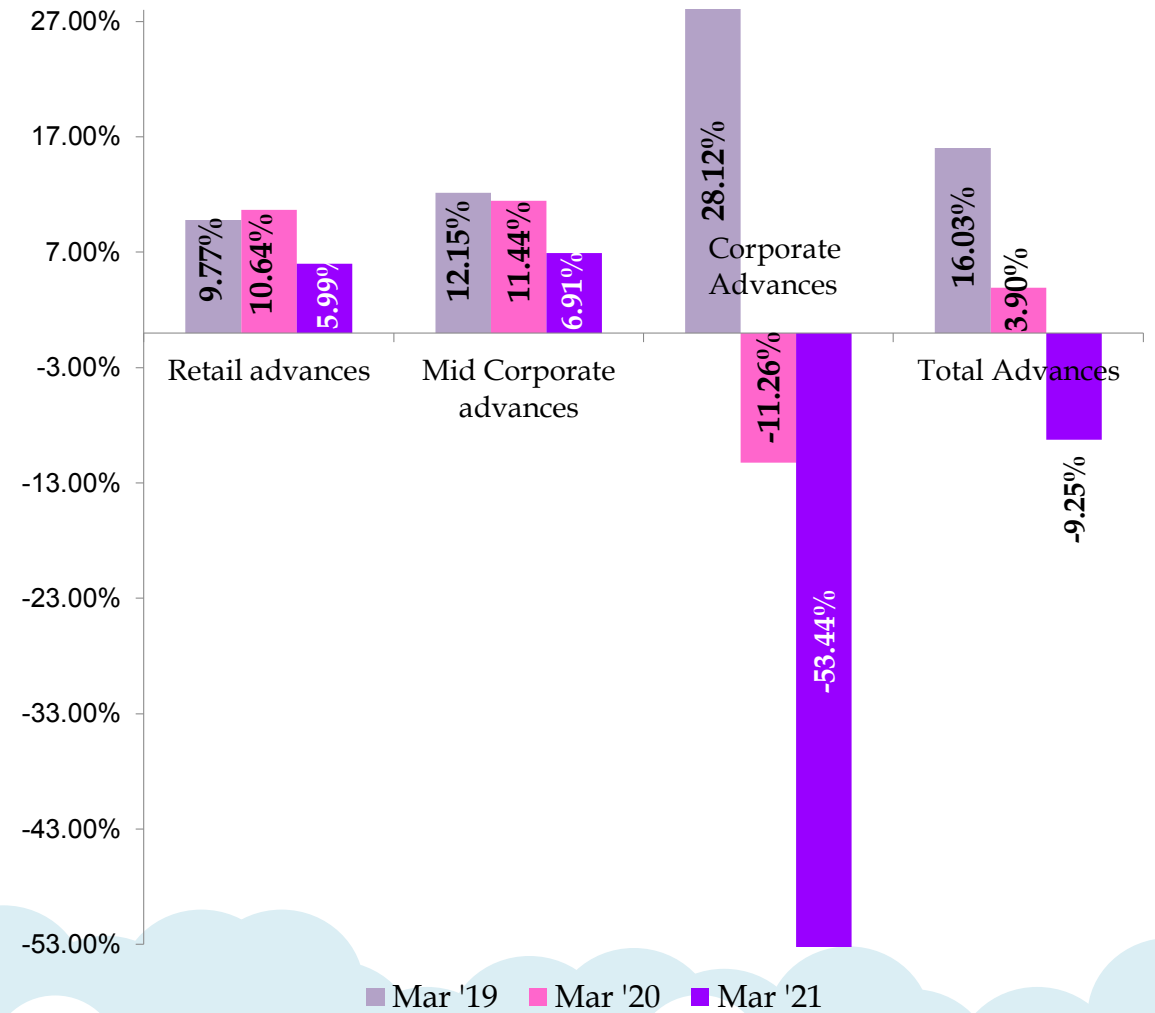


Advances

Advances [Net] (₹ crs)



Growth rate



Top Credit Sectors

Sectors	Position As on 31.03.2021					
	Total Balance O/S	% to GBC	NPA		SMA 2 #	
			Amount	% *	Amount	% *
MSME	14,653.55	27.79%	979.17	6.68%	593.40	4.05%
Housing Loans (Residential Mortgage)	9,427.18	17.88%	290.18	3.08%	224.26	2.38%
Agriculture	9,071.32	** 17.20%	602.39	6.64%	148.87	1.64%
Industrial Sector (MSME & Large)	6,096.04	11.56%	512.30	8.40%	285.12	4.68%
NBFC	4,411.11	8.37%	0.00	0.00%	0.00	0.00%
LRD	2,746.24	5.21%	40.9	1.49%	64.03	2.33%
Gold Loans	2,682.84	5.09%	14.44	0.54%	11.69	0.44%
CRE (excl. Housing Loans & LRD)	2,177.48	4.13%	79.87	3.67%	28.67	1.32%
Total GBC	52,725.09	100%	2,588.41	4.91%	1,393.16	2.64%
Consortium	1,115.88	2.12%	130.99	11.74%	36.61	3.28%
Multiple Banking	7,786.97	14.77%	76.74	0.99%	124.26	1.60%

(₹ crs)

* % to Credits under respective sector

** However, this works out to 14.76% of the ANBC

This includes both ₹ 5 crore & above and below ₹ 5 crore as well as the main accounts & the related accounts

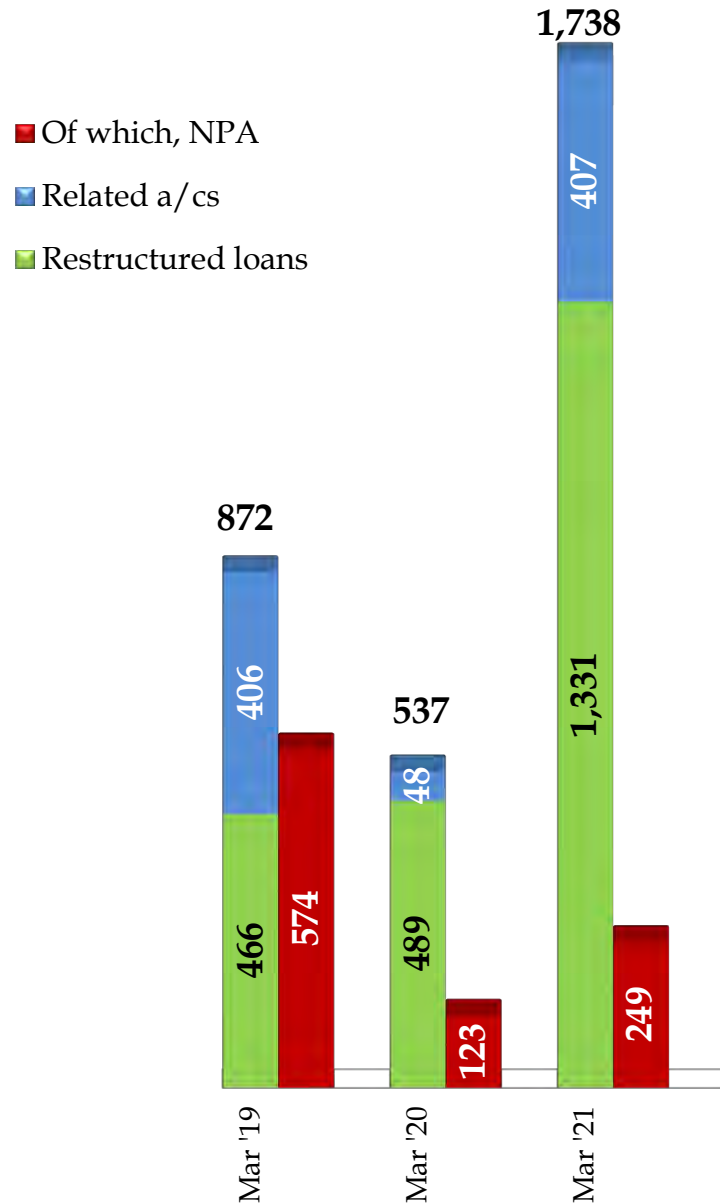
Advances under GECL

Advances under GECL (1.0 & 2.0) as on 31.03.2021

No. of Accounts	Amount (Bal. o/s in crore)	% to GBC	SMA1 * (Amount in crore & %)	SMA2 * (Amount in crore & %)
9,492	2,198.94	4.17%	10.03 0.52%	5.05 0.26%

* Including main and related accounts and both less than ₹ 5 crore & more than ₹ 5 crore.

Restructured loans & related accounts



	FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21
Opening balance	503.74	536.49	601.28	644.57	689.80	536.49
Addition	60.62	102.15	77.59	86.22	1100.54	1366.50
Reduction	27.87	37.36	34.30	40.99	51.93	164.58
Closing balance	536.49	601.28	644.57	689.80	1,738.41	1,738.41
% to Gross Adv	0.92%	1.08%	1.17%	1.28%	3.30%	3.30%
NPA amount	122.74	91.53	87.40	80.02	248.64	248.64
NPA %	22.88%	15.22%	13.56%	11.60%	14.30%	14.30%

	Bal o/s		% to GBC		SMA 2 (Amount, %)	
	Mar'20	Mar'21	Mar'20	Mar'21	Mar'20 *	Mar'21 **
OTR 1.0	-	459.78	-	0.87%	-	10.44 (2.27%)
MSME	316.98	337.93	0.55%	0.64%	63.42 (20.01%)	36.12 (10.69%)
Others	219.51	940.70	0.38%	1.78%	23.43 (10.67%)	68.37 (7.27%)
Total	536.49	1,738.41	0.92%	3.30%	86.85 (16.19%)	114.93 (6.61%)

* including main accounts (₹ 77.92 crore) & related accounts (₹ 8.93 crore) and also ₹ 5 crore & above (₹ 36.11 crore) and below ₹ 5 crore (₹ 50.74 crore).

** including main accounts (₹ 36.57 crore) & related accounts (₹ 78.36 crore) and also ₹ 5 crore & above (₹ 31.91 crore) and below ₹ 5 crore (₹ 83.02 crore).

External rating wise Advances

External rating wise Credit Portfolio as of Mar'21

Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Restructured book		
				no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	% share to Std. Adv. *
AAA	13 (24)	2,653 (7,219)	5.03 (12.44)	-	-	-	-	-	-	-
AA	31 (35)	2,390 (4,214)	4.53 (7.26)	-	-	-	-	-	-	-
A	41 (35)	1,319 (1,530)	2.50 (2.64)	-	-	1	78	-	-	-
BBB	89 (79)	2,469 (2,290)	4.68 (3.95)	-	-	3	17	1	94	3.82
Sub total	174 (173)	8,831 (15253)	16.75 (26.28)	-	-	4	95	1	94	1.07
BB	36 (78)	764 (1,491)	1.45 (2.57)	1 (3)	10 (87)	1	36	-	-	-
B	11 (60)	373 (902)	0.71 (1.55)	- (3)	- (96)	-	-	-	-	-
C	1 (3)	6 (21)	0.01 (0.04)	- (1)	- (26)	-	-	-	-	-
D	7 (32)	382 (1,422)	0.73 (2.45)	2 (13)	122 (713)	-	-	-	-	-
Sub total	55 (173)	1,525 (3836)	2.89 (6.61)	3 (20)	132 (922)	1	36	-	-	-
Grand Total	229 (346)	10,356 (19,089)	19.64 (32.89)	3 (20)	132 (922)	5	131	1	94	0.92

Gross Bank Credit: ₹ 52,725 crore (prev.yr: ₹ 58,043 crore).

NBFC portfolio

NBFC Portfolio as of Mar '21

[Figures in brackets – as of Mar '20] * Under respective rating category

Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Restructured book		
				no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	% share to Std. Adv. *
AAA	11 (17)	2,153 (5,022)	4.08 (8.65)	-	-	-	-	-	-	-
AA	18 (23)	1,793 (2,908)	3.40 (5.01)	-	-	-	-	-	-	-
A	15 (10)	395 (232)	0.75 (0.40)	-	-	-	-	-	-	-
BBB	1 (2)	11 (9)	0.02 (0.02)	-	-	-	-	-	-	-
Sub total	45 (52)	4,352 (8,171)	8.25 (14.08)	-	-	-	-	-	-	-
BB	1 (1)	8 (2.5)	0.014 (0.004)	-	-	-	-	-	-	-
B	- (1)	- (11)	- (0.02)	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	-	-
D	1 (3)	12 (317)	0.024 (0.55)	- (3)	- (317)	-	-	-	-	-
Sub total	2 (5)	20 (331)	0.04 (0.57)	-	-	-	-	-	-	-
Without External rating	2 (4)	58 (64)	0.11 (0.11)	- (3)	- (59)	-	-	-	-	-
Grand Total	49 (61)	4,430 (8,566)	8.40 (14.76)	- (6)	- (376)	-	-	-	-	-

Top 50 borrowers

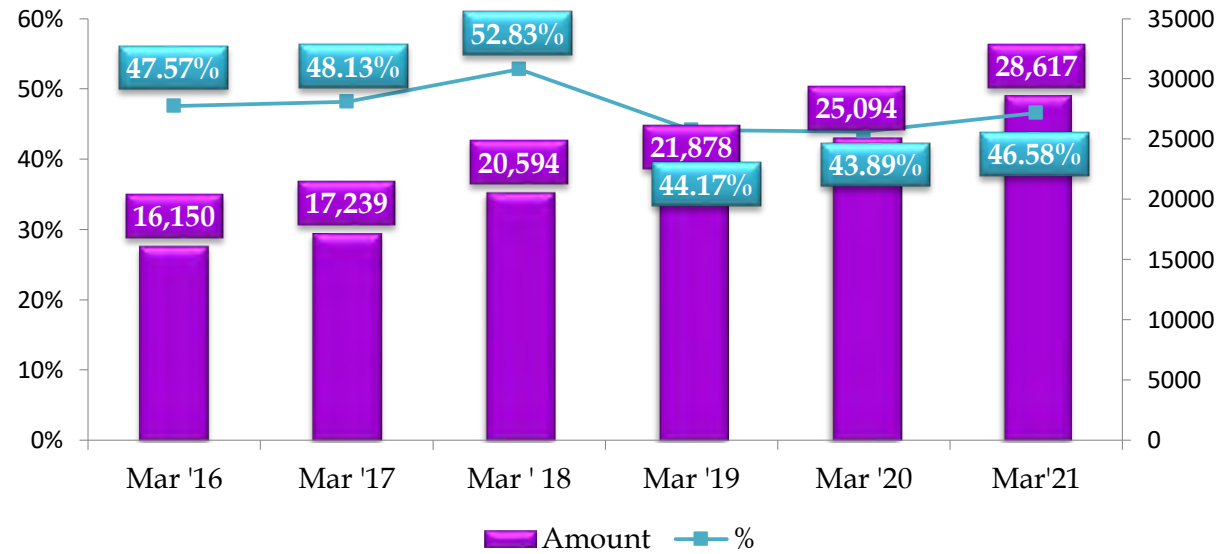
Top 50 borrowers as of Mar '21

[Figures in brackets – as of Mar '20] * Under respective rating category

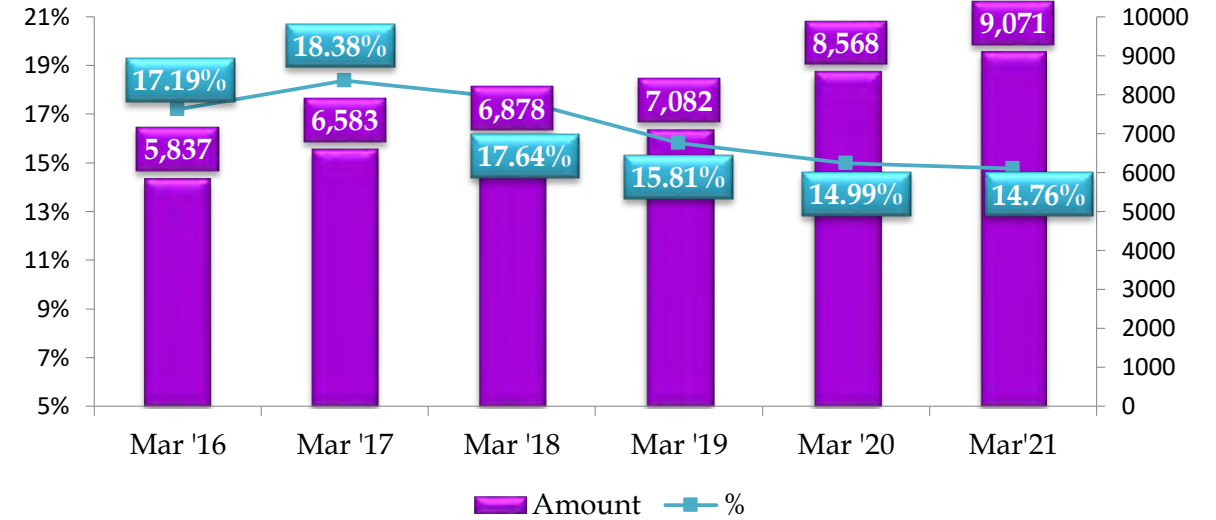
Rating	No of Borrowers	Balance O/s (in cr)	% to GBC	Of which, NPA		SMA2		Restructured book		
				no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	no. of borrowers	Bal o/s (cr)	% share to Std. Adv. *
AAA	8 (17)	2,299 (6,669)	4.36 (11.49)	-	-	-	-	-	-	-
AA	5 (11)	1,209 (2,603)	2.29 (4.48)	-	-	-	-	-	-	-
A	6 (5)	486 (643)	0.92 (1.11)	-	-	-	-	-	-	-
BBB	11 (5)	984 (589)	1.87 (1.01)	-	-	-	-	-	-	-
Sub total	30 (38)	4,979 (10,503)	9.44 (18.10)	-	-	-	-	-	-	-
BB	3 (1)	158 (0.43)	0.30 (0.001)	-	-	-	-	-	-	-
B	2 (1)	325 (103)	0.62 (0.18)	-	-	-	-	-	-	-
C	- (1)	- (1)	- (0.002)	-	-	-	-	-	-	-
D	2 (3)	263 (431)	0.50 (0.74)	1 (1)	101 (163)	-	-	-	-	-
Sub total	7 (6)	746 (536)	1.42 (0.92)	-	-	-	-	-	-	-
Without External rating	13 (6)	1,126 (1,262)	2.33 (2.17)	-	-	-	-	-	-	-
Grand Total	50 (50)	6,951 (12,301)	13.18 (21.19)	1 (1)	101 (163)	-	-	-	-	-

Advances to Priority sectors

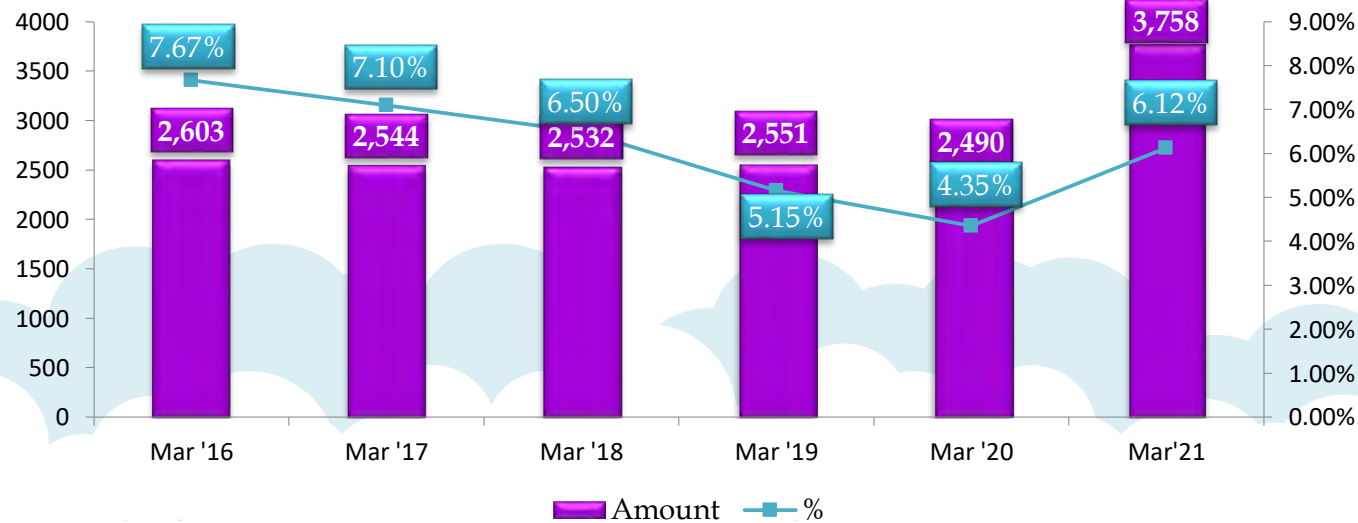
Priority Sector Advances (₹ crs)



Agriculture Advances (₹ crs)

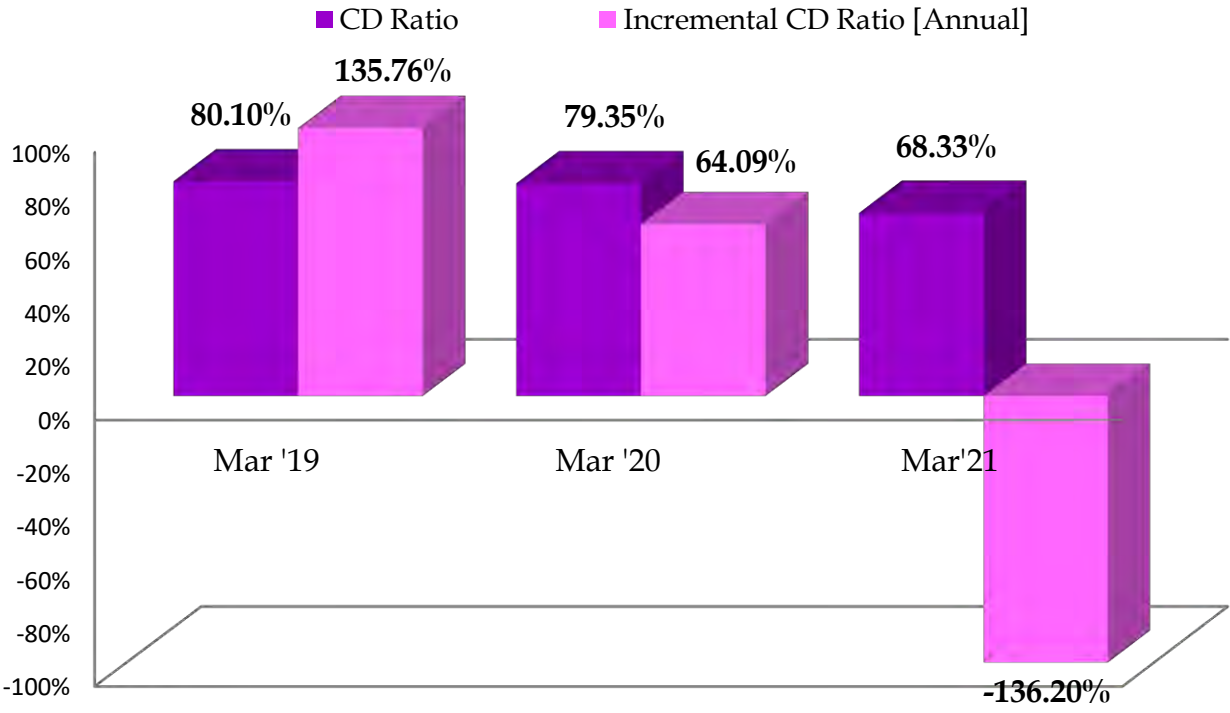


Advances to Weaker Section (₹ crs)

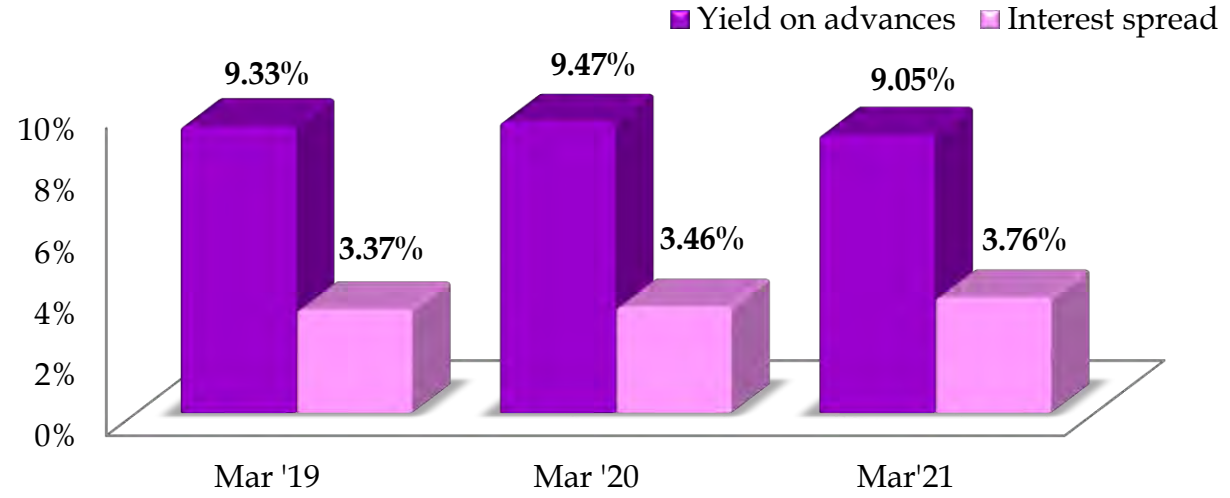


CD Ratio & Yield on Advances

Credit Deposit ratio (%)

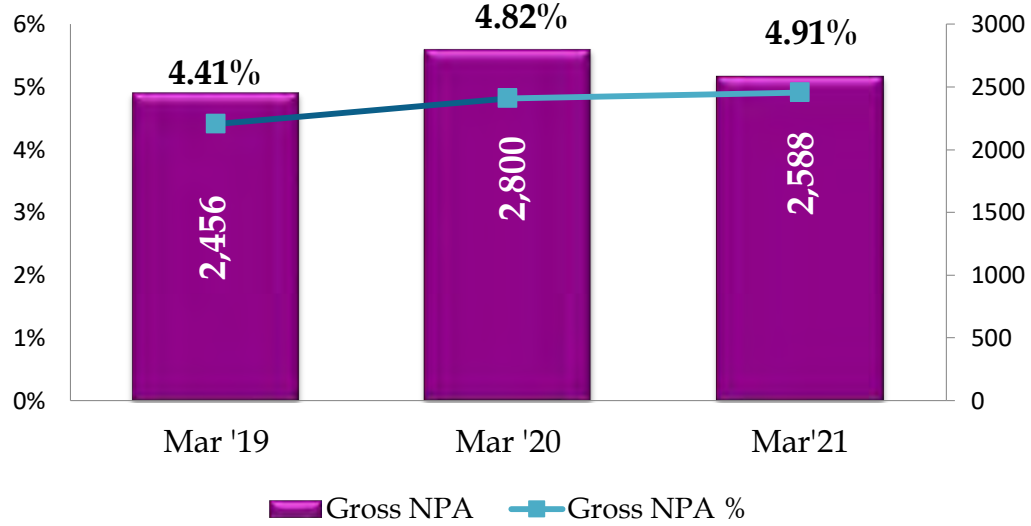


Yield on Advances & Interest Spread (%)

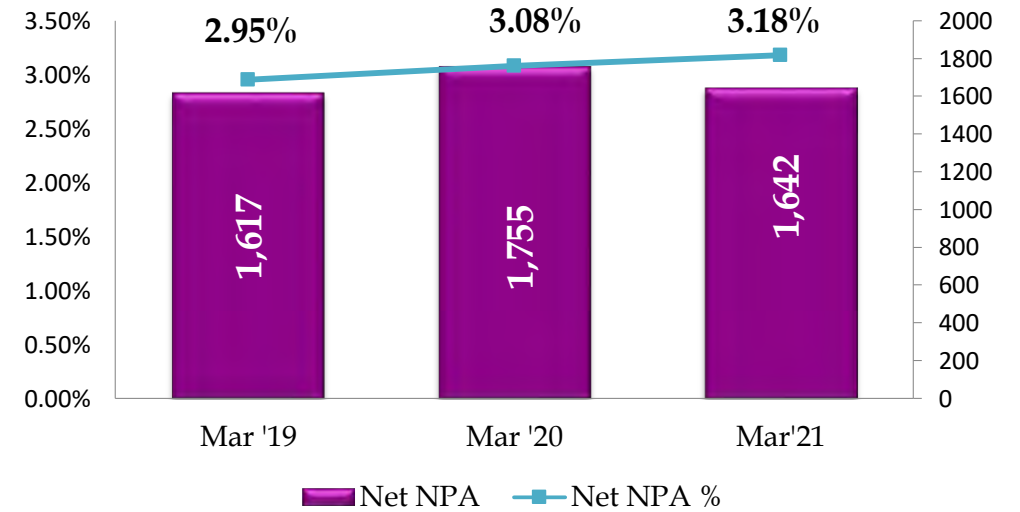


Asset Quality

Gross NPAs (₹ crs)

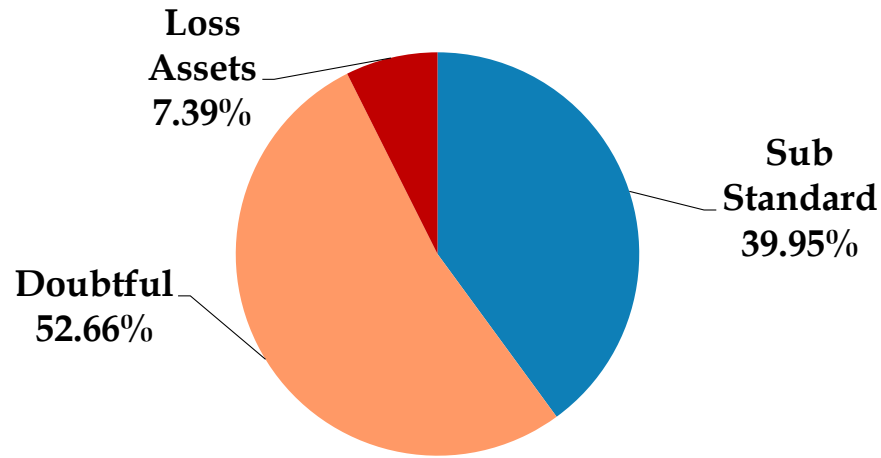


Net NPAs (₹ crs)

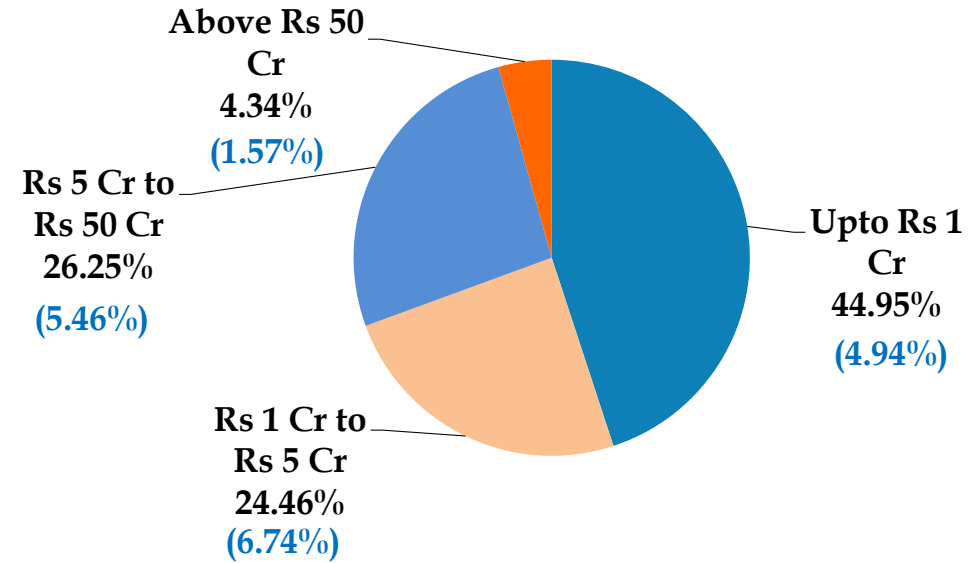


Asset Quality

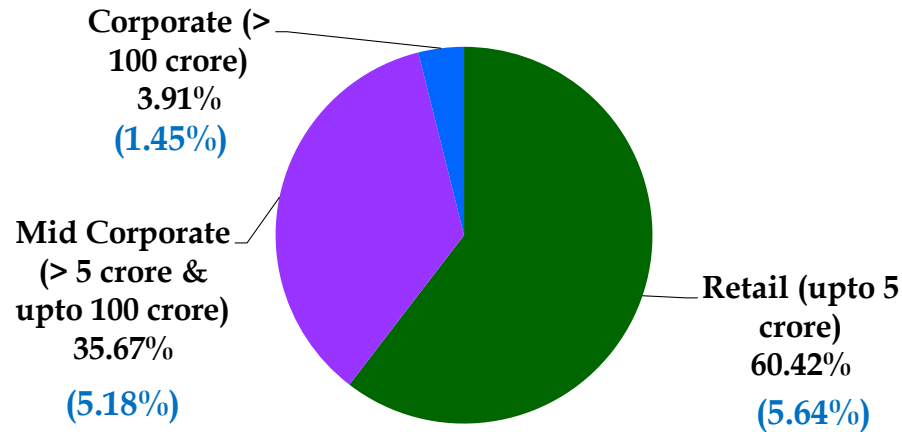
Composition of NPA



Size wise NPA



Credit portfolio wise NPA



Figures in brackets represents % share of NPA in respective category

Asset Quality

(₹ crs)	FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21
Opening GNPA	2376.07	2456.38	2437.53	2594.27	2777.46	2456.38	2799.93	2557.64	2188.80	1706.57	2799.93
Addition	1447.86	526.02	530.95	637.54	304.07	1998.58	166.84	2.21	1.40	1175.92	1346.37
Fresh slippages	1415.43	525.98	494.80	606.55	304.07	1931.40	155.65	1.49	0.27	1174.29	1331.70
Slippages from existing NPA a/cs	32.43	0.04	36.15	30.99	0.00	67.18	11.19	0.72	1.13	1.63	14.67
Reduction	1367.55	544.87	374.21	454.35	281.60	1655.03	409.13	371.05	483.63	294.08	1557.89
Recoveries	264.80	102.39	74.99	70.74	74.77	322.87	33.89	137.46	85.14	94.29	350.78
Upgradation	203.48	51.97	70.69	56.29	62.37	241.32	12.40	18.57	5.76	16.98	53.71
Write off	899.27	390.51	228.53	327.32	144.46	1090.84	362.84	215.02	392.73	182.81	1153.40
Closing GNPA	2456.38	2437.53	2594.27	2777.46	2799.93	2799.93	2557.64	2188.80	1706.57	2588.41	2588.41
Technical write off (cumm)	1434.27	1760.68	1971.10	2284.07	2172.34	2172.34	2526.83	2674.46	3033.87	2893.76	2893.76
Total GNPA (incl Technical write off)	3890.65	4198.21	4565.37	5061.53	4972.27	4972.27	5084.47	4863.26	4740.44	5482.17	5482.17
NPA Provision (cumm)	810.55	648.36	711.28	687.62	1017.31	1017.31	896.39	960.51	740.10	901.95	901.95
Total Provisions (incl Technical write off)	2244.82	2409.04	2682.38	2971.69	3189.65	3189.65	3423.22	3634.97	3773.97	3795.71	3795.71
Closing NNPA	1616.71	1759.77	1863.11	2058.04	1755.01	1755.01	1630.65	1194.60	923.98	1642.10	1642.10
PCR (%) incl Technical write off	58.45%	58.08%	59.19%	59.34%	64.70%	64.70%	67.93%	75.44%	* 75.09%	70.05%	70.05%
PCR (%) excl Technical write off	34.18%	27.80%	28.18%	25.90%	37.32%	37.32%	36.24%	45.42%	45.86%	36.56%	36.56%
GNPA %	4.41%	4.55%	4.78%	4.99%	4.82%	4.82%	4.64%	3.97%	3.16%	4.91%	4.91%
NNPA %	2.95%	3.33%	3.48%	3.75%	3.08%	3.08%	3.01%	2.21%	1.74%	3.18%	3.18%

* With proforma NPA.

Asset Quality

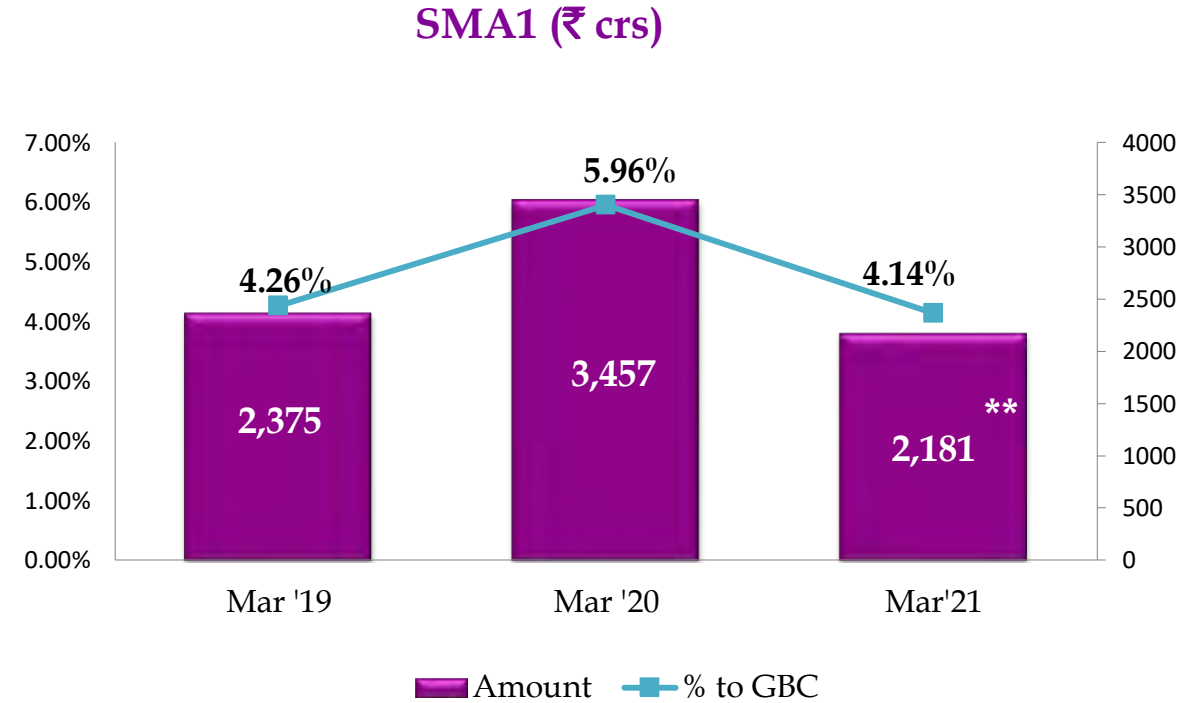
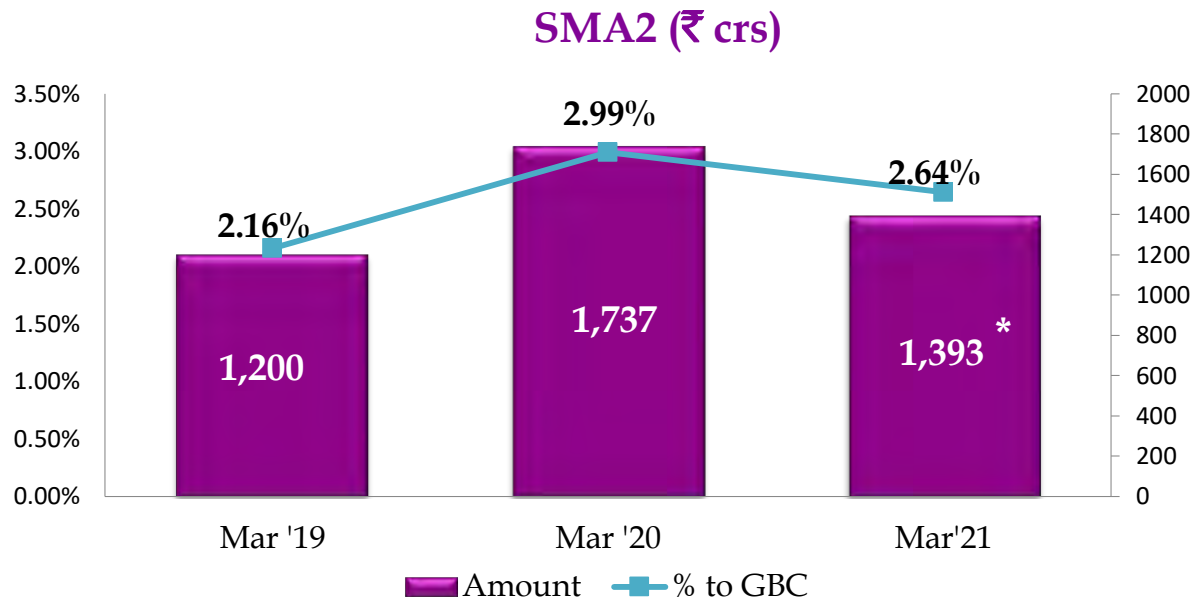
Top 25 NPA accounts & provisions held thereon (Mar '21)

NPA Classification	No. of Borrowers	Net Balance	Provision Held	Provision %
SS	4 (12)	59.80 (699.38)	9.70 (156.73)	16.23 (22.41)
DS1	12 (8)	267.89 (257.39)	94.72 (108.18)	35.36 (42.02)
DS2	6 (2)	183.32 (55.66)	103.56 (27.30)	56.49 (49.05)
DS3	0	0	0	0
LOSS	3 (3)	134.80 (234.43)	134.80 (234.43)	100 (100)
Grand Total	25 (25)	645.81 (1246.86)	342.78 (526.64)	53.08 (55.62)

[Figures in brackets - as of Mar '20]

PS: Top 25 NPA borrowers contributed ₹ 1,246.86 crore to total NPA during last year, whereas ₹ 645.81 crore during current year.

SMA accounts

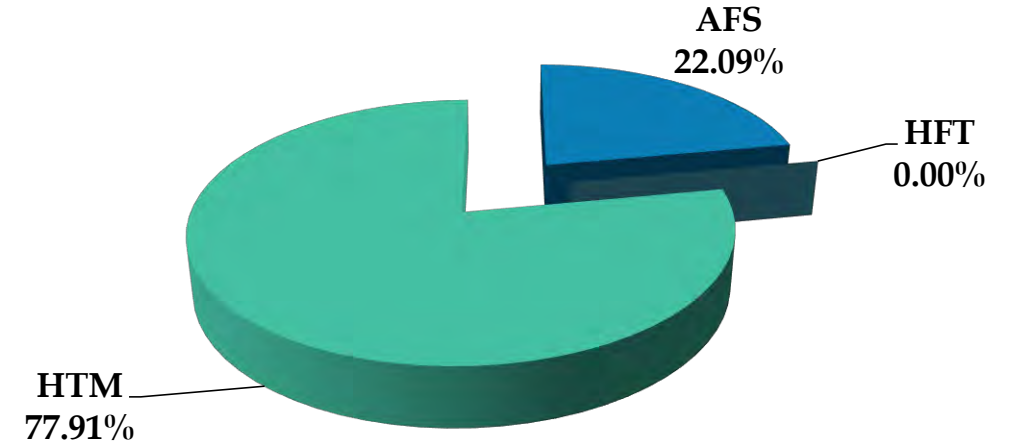
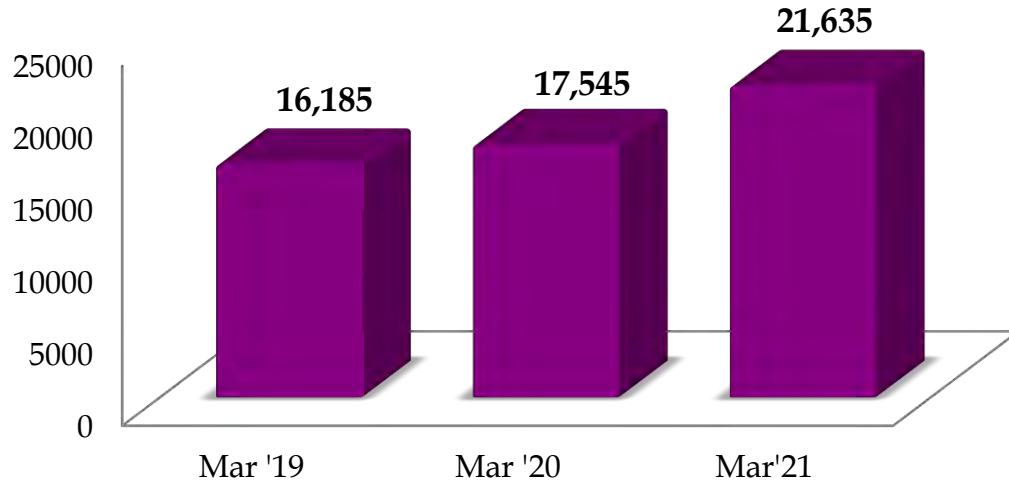


* Of which, ₹ 5 crore & above as reported to CRILC platform is ₹ 333.70 crore (consisting of main accounts ₹ 171.53 crore and related accounts ₹ 162.17 crore). Regarding below ₹ 5 crore, it is at ₹ 1,059.46 crore (consisting of main account of ₹ 681.41 crore and related accounts of ₹ 378.05 crore).

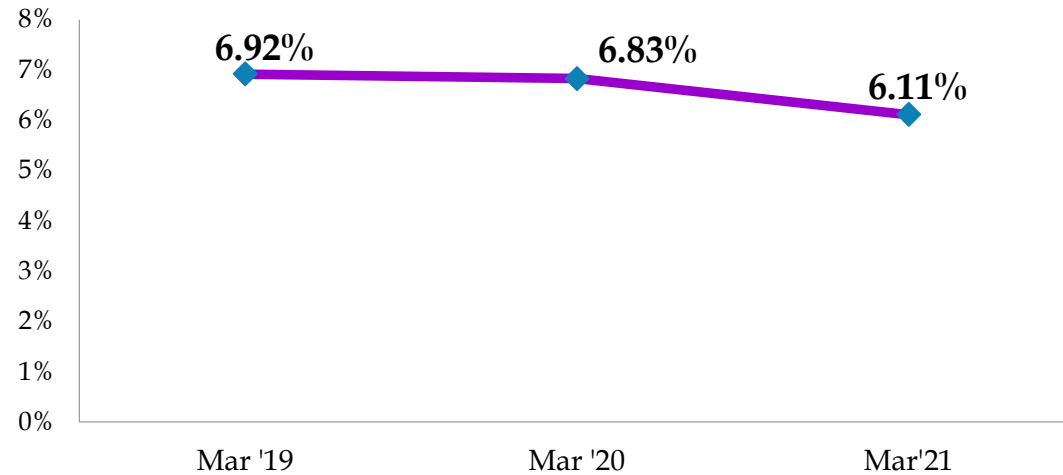
** Of which, ₹ 5 crore & above is ₹ 655.34 crore (consisting of main accounts ₹ 352.04 crore and related accounts ₹ 303.30 crore) and below ₹ 5 crore, it is at ₹ 1,525.24 crore (consisting of ₹ 1,125.62 crore under main accounts and ₹ 399.62 crore under related accounts).

Investments

Investments [excl. RIDF] (₹ crs)












Yield on Investments (%)



Duration












AFS	HFT	HTM	TOTAL
3.57	0.00	5.86	5.43

Topline numbers

₹ crs	<u>Mar-21</u>	<u>Dec '20</u>	<u>Mar-20</u>	<u>Mar-19</u>
Total Deposits	 75,655	73,826	71,785	68,452
CASA Deposits	 23,823	22,199	20,752	19,215
Retail Deposits	 51,822	51,605	50,980	48,125
Wholesale Deposits	 10	23	54	1,113
Total Advances	 51,694	53,187	56,964	54,828
Priority Sector Advances	 28,617	27,848	25,094	21,787
Agri Advance	 9,071	9,119	8,568	7,082
MSME Advances	 14,653	14,151	12,345	10,178
Advances to Weaker Section	 3,758	2,832	2,490	2,551

Growth based on y-o-y.

Headline numbers

₹ crs		Mar-21 [12 months]	Mar-20 [12 months]	Mar-19 [12 months]	Dec-20 [9 months]
Interest Income		6,232	6,475	5,906	4,815
Interest Expense		4,049	4,445	4,001	3,091
Net Interest Income		2,183	2,030	1,905	1,724
Fee Income		870	862	839	521
Treasury Income		625	400	163	600
Non-Interest Income		1,495	1,262	1,002	1,122
Total Income (Net of Interest Expense)		3,678	3,292	2,907	2,846
Operating Expenses		1,679	1,635	1,457	1,231
Operating Profit		1,999	1,657	1,450	1,615
Provision for loan losses in Adv. / losses in Invt. / Taxes / other		1,516	1,225	973	1,164
Net Profit		483	432	477	451

Growth based on y-o-y.

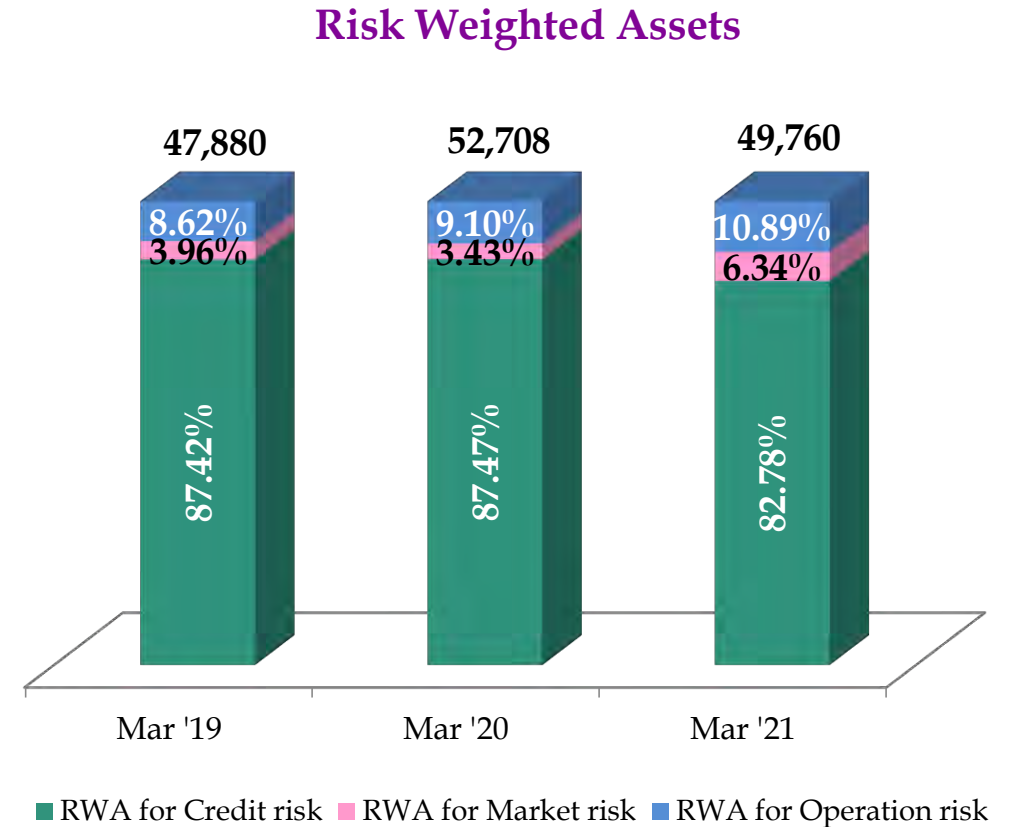
Headline numbers

₹ crs	<u>Mar-21</u> [12 months]	<u>Mar-20</u> [12 months]	<u>Mar-19</u> [12 months]	<u>Dec-20</u> [9 months]
<u>Interest Income</u>				
Interest Income	↓ 6,232	6,475	5,906	4,815
Interest on Advances	↓ 4,937	5,156	4,698	3,864
Interest on Investments	↓ 1,142	1,160	1,106	839
Other interest	↓ 153	159	102	112
Yield on Advances	↓ 9.05%	9.47%	9.33%	9.38%
Adjusted yield on Invts.	↓ 8.43%	8.94%	7.58%	9.70%
<u>Interest Expense</u>				
Interest Expense	↓ 4,049	4,445	4,001	3,091
Interest on Deposits	↓ 3,851	4,205	3,823	2,933
Other interest	↓ 198	240	178	158
Cost of Deposits	↓ 5.29%	6.01%	5.96%	5.40%
<u>Net Interest Income</u>				
Net Interest Income	↑ 2,183	2,030	1,905	1,724
Interest Spread in Lending	↑ 3.76%	3.46%	3.37%	3.98%
Net Interest Margin on average earning assets	↑ 2.91%	2.84%	2.93%	3.07%

Capital Adequacy

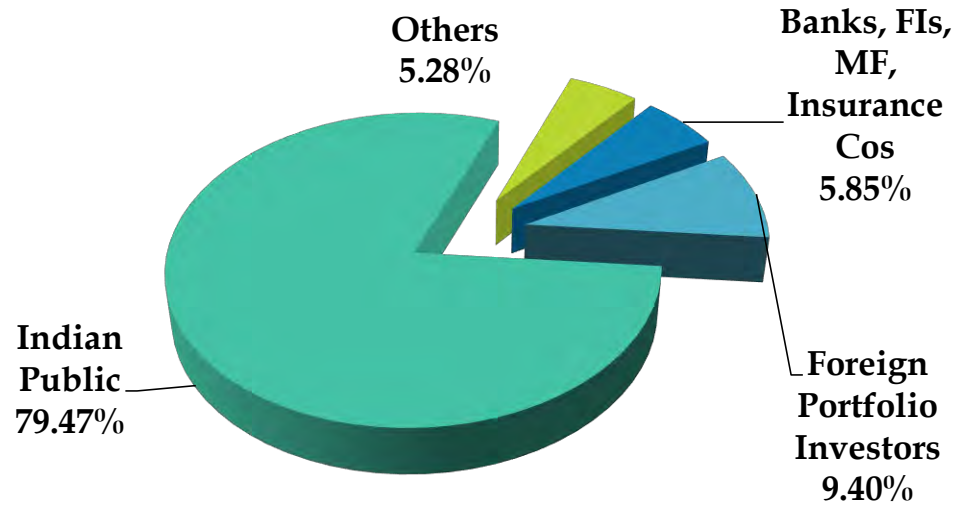
RS IN CRS	31.03.2021	31.03.2020	31.03.2019
Risk Weighted Assets	49,759.61	52,708.33	47,880.21
Total Capital Fund (Basel III)	7,387.05	6,789.35	6,484.63
Total Tier I Capital	6,140.39	5,619.43	5,349.35
Paid up Equity Capital	310.88	310.88	282.62
Reserves under Tier I Cap.	5,829.51	5,308.55	5,066.73
Eligible Tier II Capital	1,246.65	1,169.92	1,135.28
General Provisions & Reserves	501.65	399.92	340.28
Subordinated Debt Fund	745.00	770.00	795.00
CRAR under Basel III	14.85%	* 12.88%	* 13.54%
CRAR Tier I Capital	12.34%	10.66%	11.17%
CRAR Tier II Capital	2.51%	2.22%	2.37%

* Recomputed by including full eligible Tier II Capital

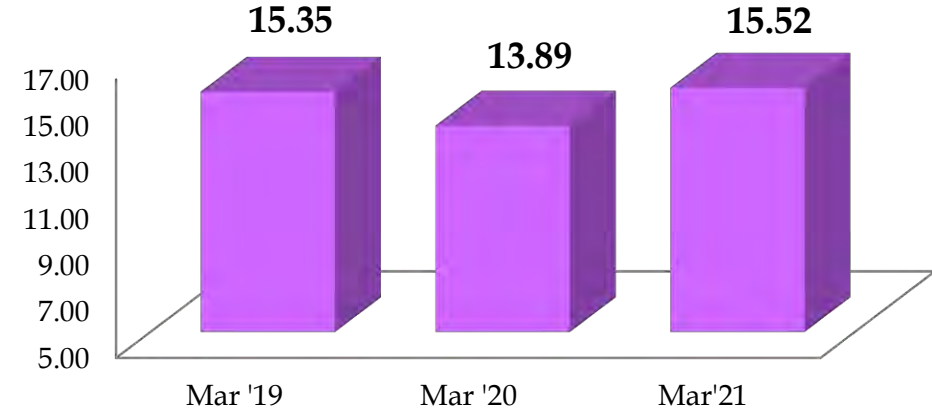


Share holders' value

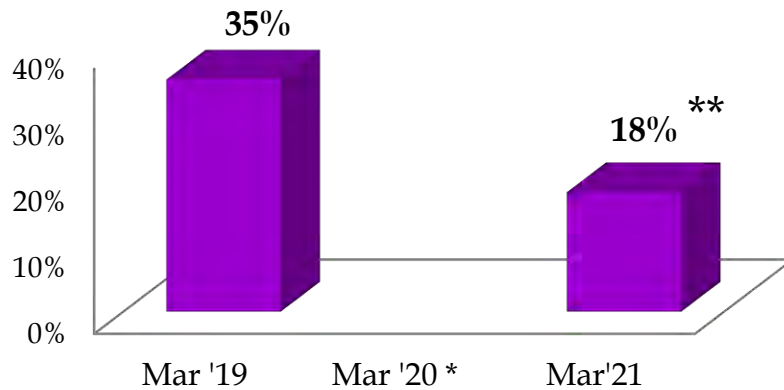
Share holding pattern (Mar '21)



Earning Per Share (₹)



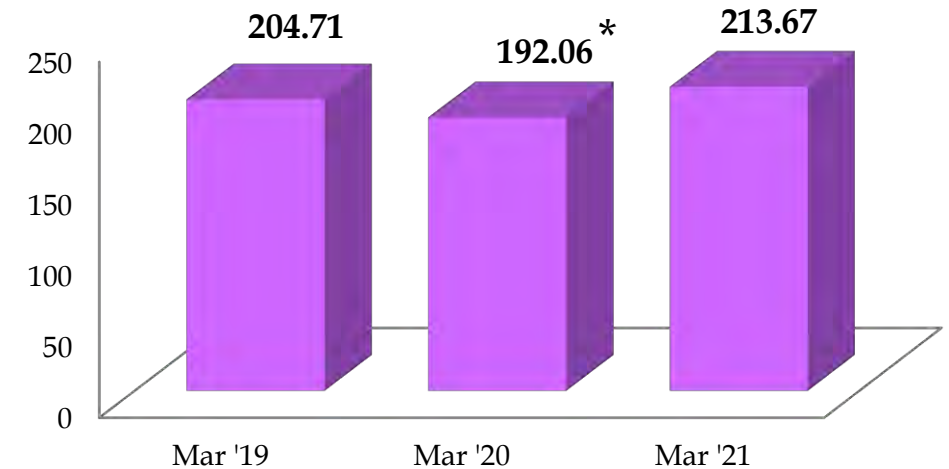
Dividend



* No dividend for the financial year 2019-20 due to RBI restriction on account of COVID-19 pandemic.

** Recommended by the Board as per the extant guidelines of RBI.

Book value (₹)

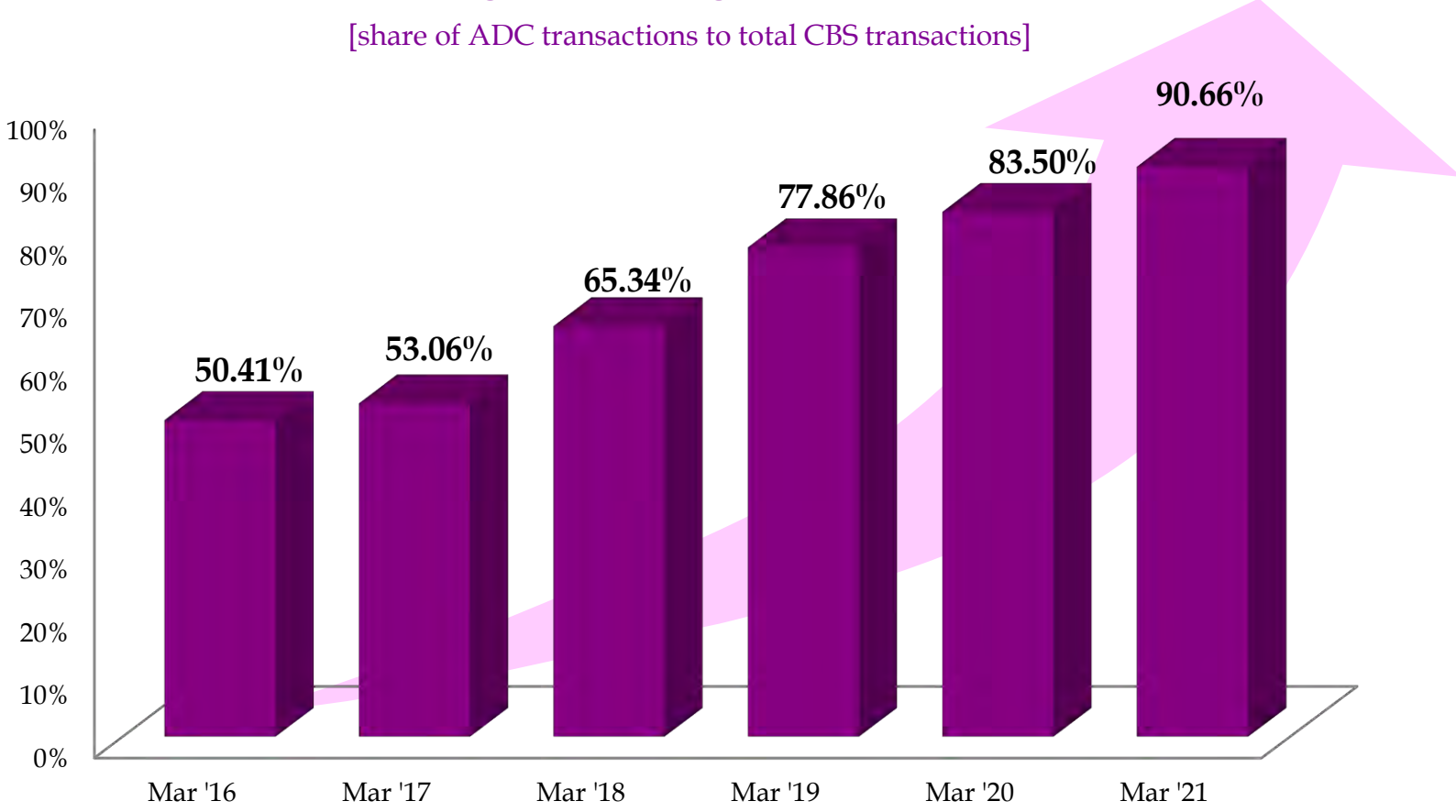


* After considering the bonus shares issued during the FY ended 31.03.2020

Digital capabilities

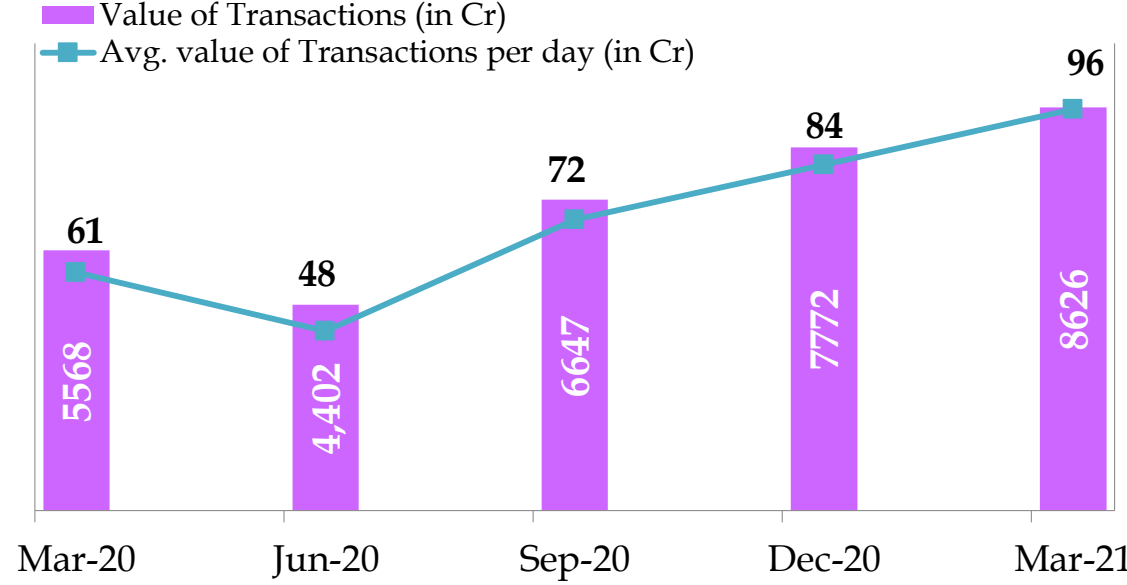
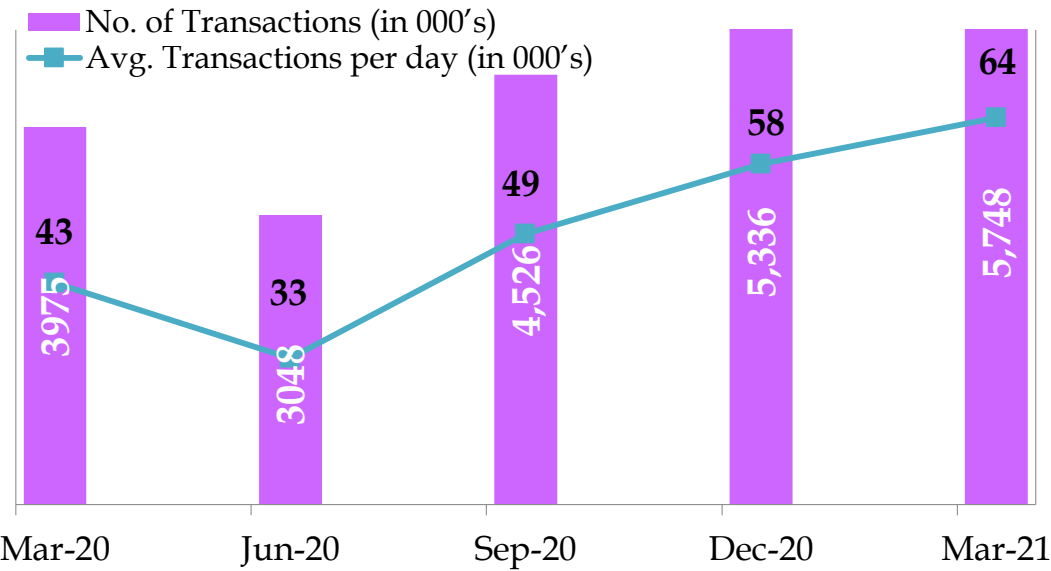
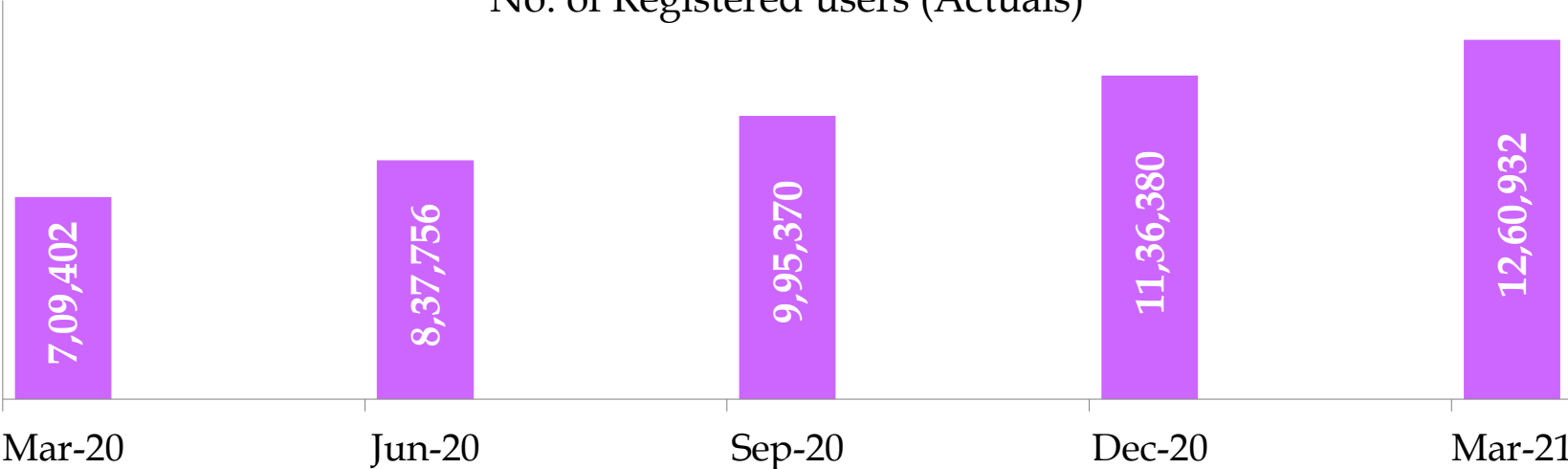
Migration to Digital Channel

[share of ADC transactions to total CBS transactions]



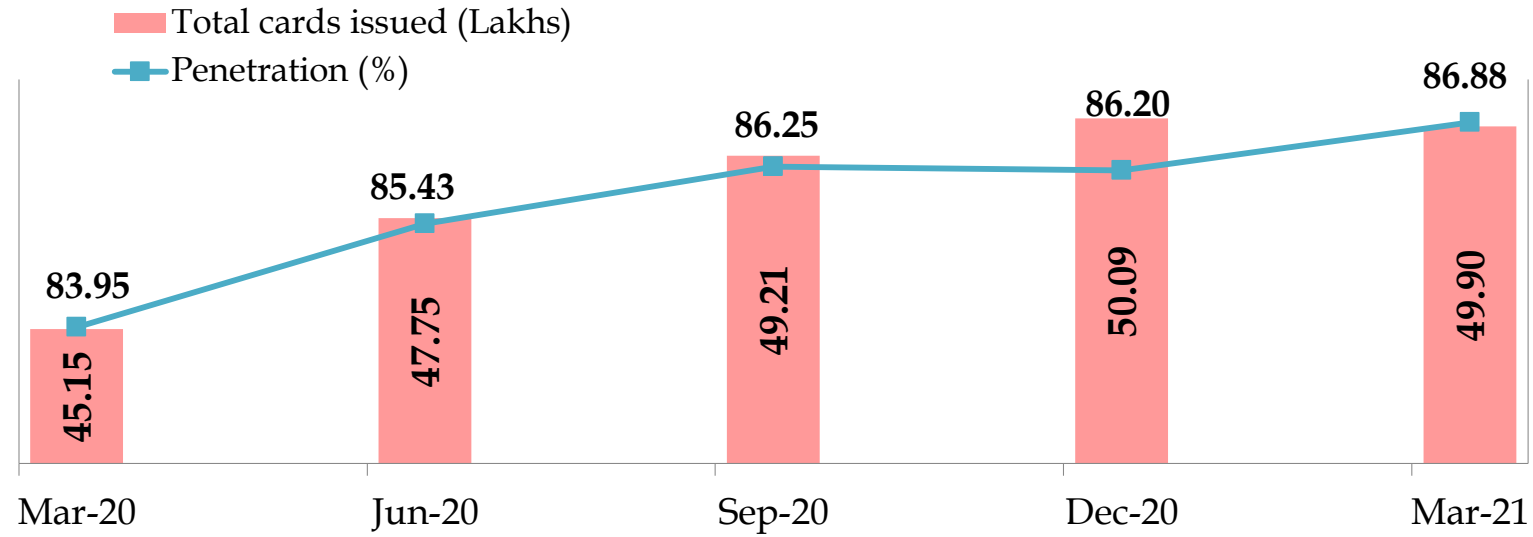
Mobile Banking

No. of Registered users (Actuals)



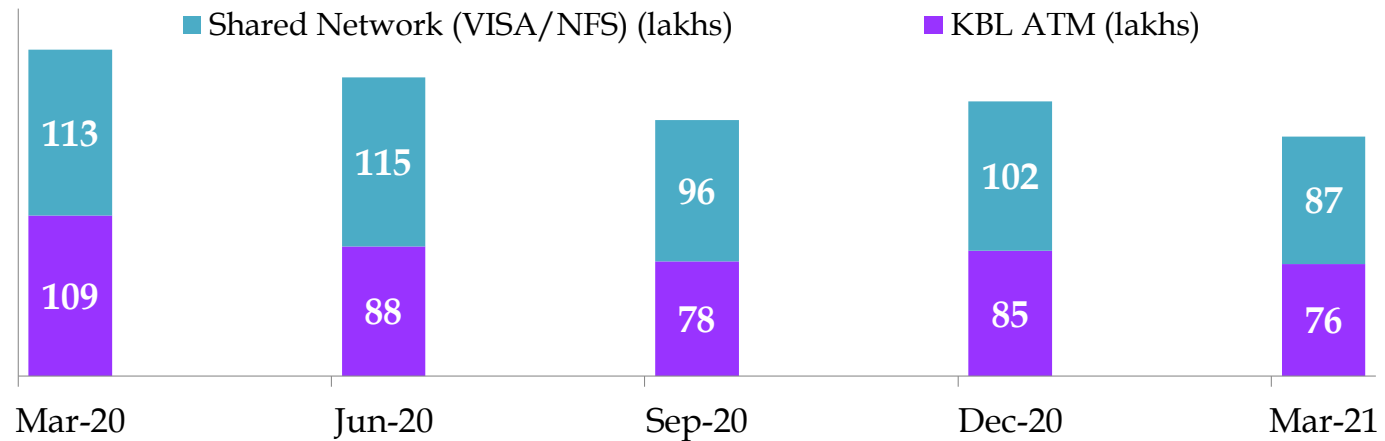
Debit Cards

Debit cards Penetration



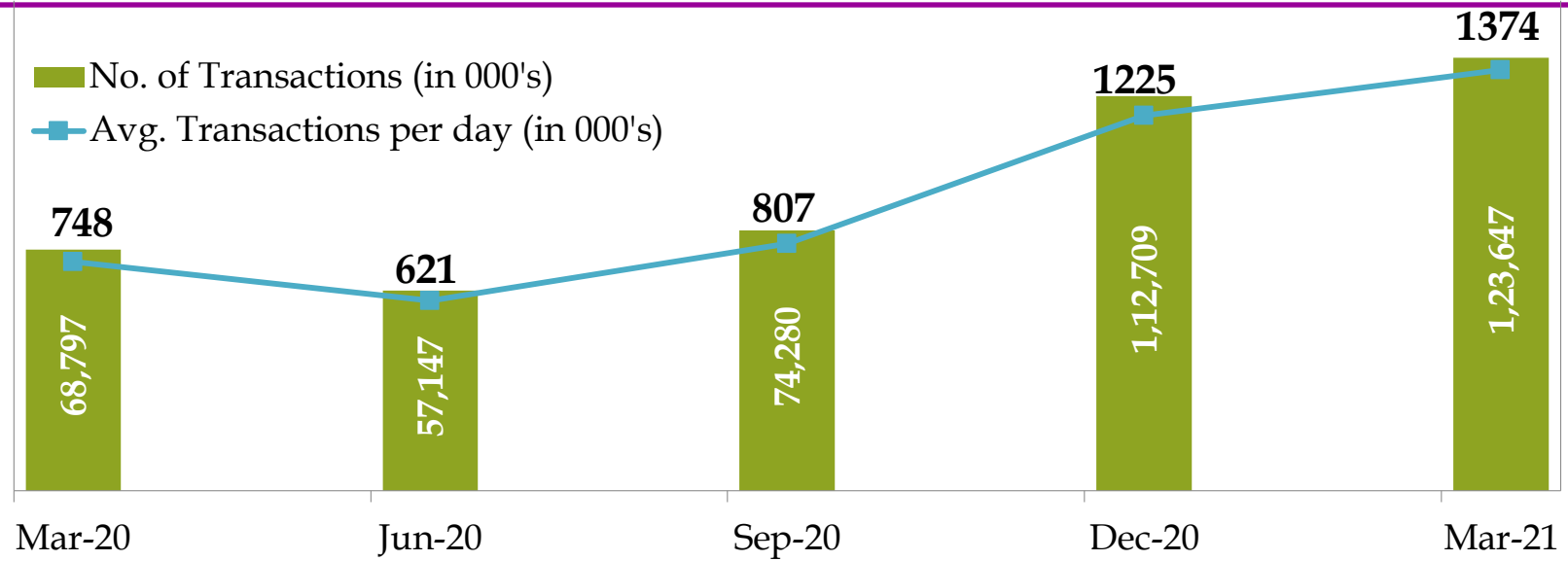
Cards Usage

Total ATM transactions by our Debit Card holders

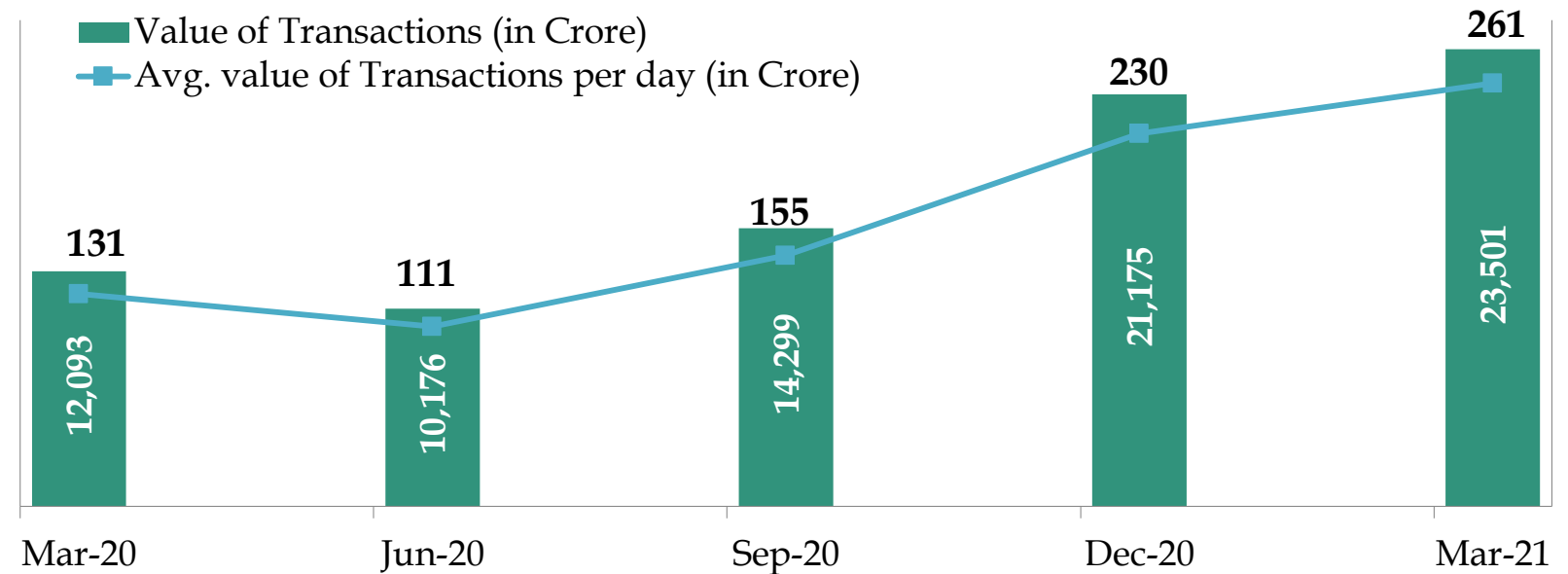


UPI transactions

BHIM KBL UPI Txns count

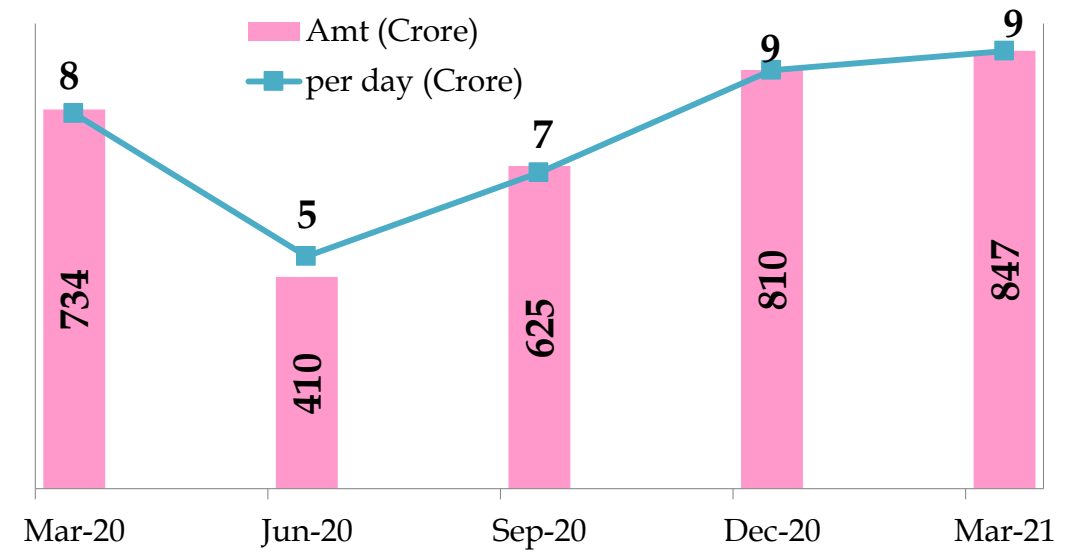
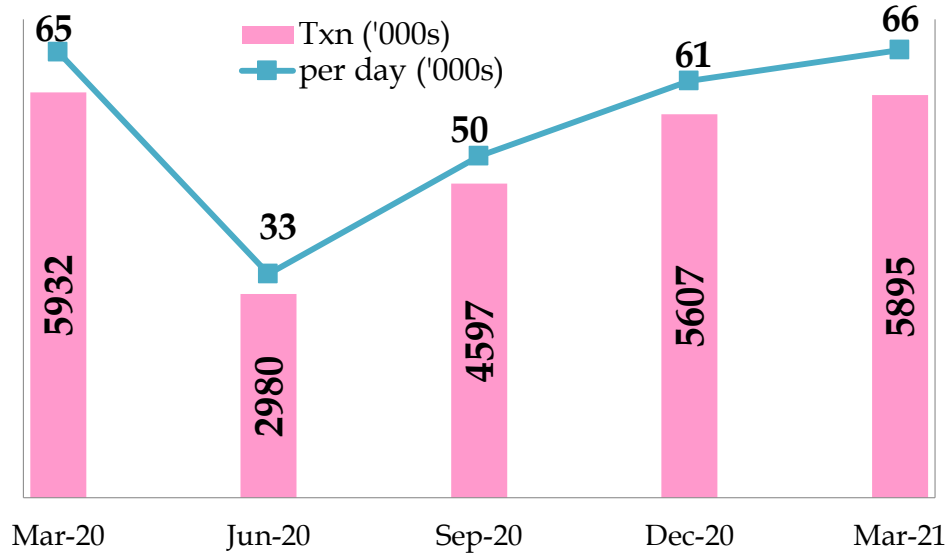


BHIM KBL UPI Txn Value

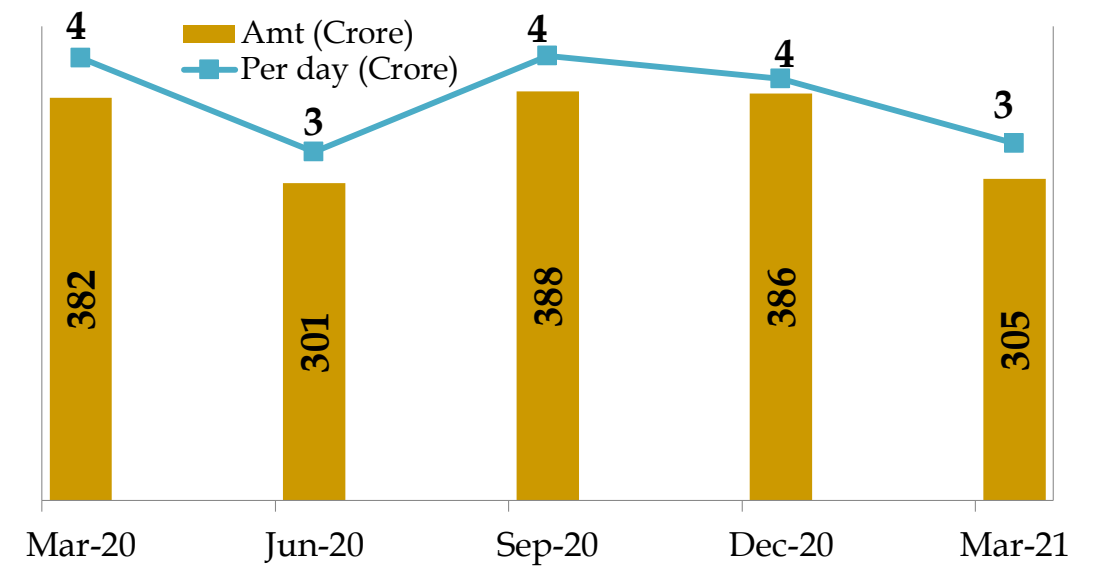
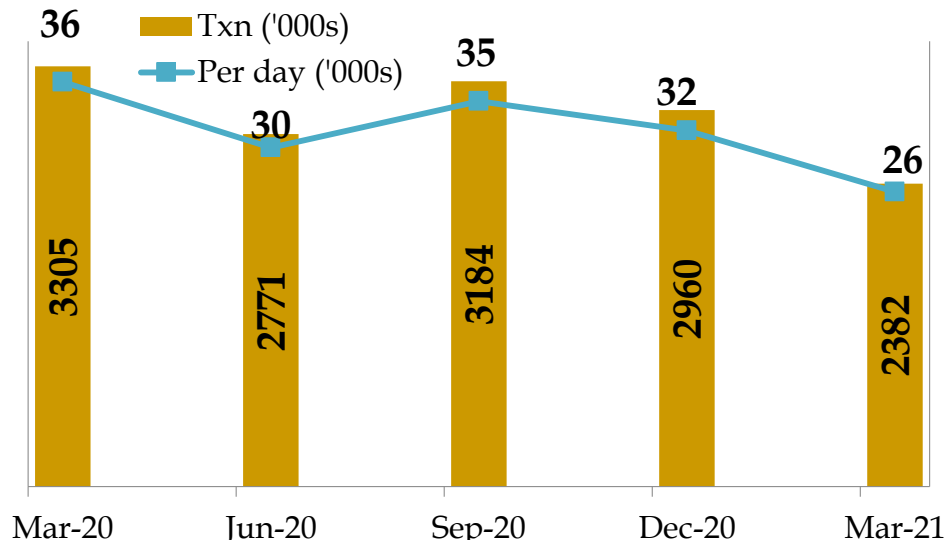


POS & ECOM transactions

POS Transactions



ECOM Transactions



KBL-Vikaas - Bank's Transformation Journey

DCoE : Accelerating Digital & Transformation Outcomes:



Adoption : Accelerating Xpress Digital Portfolio :

- ✓ Home Loan : 72% of fresh sanctions, 9% more v/s Q3 63%
- ✓ Car Loan : 75% of fresh sanctions, 2% more v/s Q3 73%
- ✓ Cash Loan : Perfect 100. All fresh sanctions done digitally
- ✓ MSME Loan : 42% of fresh sanctions.



Risk Reduction : Improving Asset Quality (> Cibil V3 701 Score portfolio):

- ✓ > 77% New Digital Sanction (Low & Medium Risk) v/s 67% Manual Portfolio

Experience driven by Net Promoter Score (NPS=42) & Improving CSAT :

Digi Sanction CSAT Score (Max of 5)

Xpress Loan Products	December 2020	March 2021	
Xpress Home	4.20	4.28	↑
Xpress Car	4.43	4.33	↔
Xpress Cash	4.32	4.41	↑
Xpress MSME	-	4.02	

Digital Leads through SEM & SEO: Enabling reach digitally:

- ✓ 2490+ Xpress Cross Leads generated from Self Journeys in Q4
- ✓ 625 Verified Leads from KBL Utsav Retail Loan SEM Campaign in Q4

Comprehensive Digital Products :

- ✓ Xpress Retail : Home / Car / Cash
- ✓ Xpress MSME : OD / CV / TL / MM / BQL
- ✓ Customer Onboarding : Xpress SB Accounts
- ✓ DhIRA (Digi-human Interactive Relationship Assistant - AI Driven)
- ✓ ABCD (Annual Branch Customer Dashboard)

Strong foundation of digital capabilities and enablers

Internet Banking



Mobile Banking



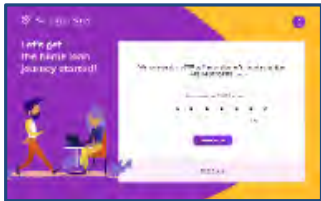
KBL BHIM UPI



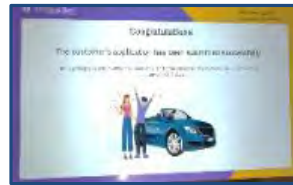
KBL- mPassBook



Xpress Home Loan



Xpress Car Loan



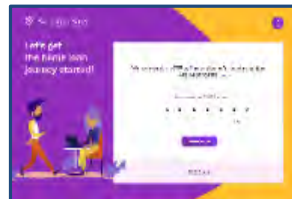
Xpress Cash Loan



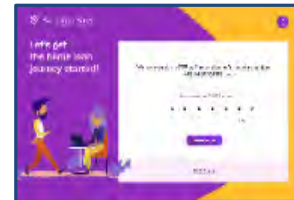
Xpress MSME



Term loan



CV loan



... Achievement

- Best in class Adoption rates
 - 75%+ adoption in March'21 for both car and home loans
 - 55%+ adoption in March'21 for MSME

Comprehensive MSME schemes
OD/CV/TL/BQL/MM Digitized

160% Growth in Mobile banking App Users

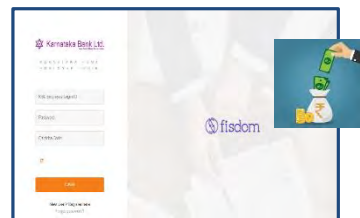
AI-NLP based Virtual Assistant
Piloted in 3 Branches



Xpress SB



Digital MF



DhIRA



ABCD / XeD



Smart Trade



Sustainability driven by Digital Tools

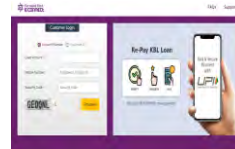
Sales and Other management tools



Lead Management System



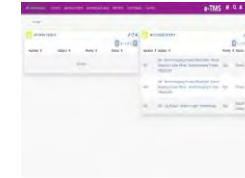
Collection activities



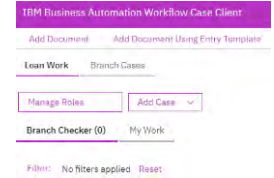
E-Connect Loan Payment Portal



NPA Management tool

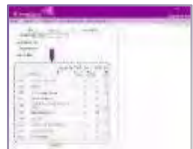


e -Ticket Management System

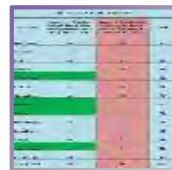


Document Management System

Performance management and review tools



Allocation of roles and KRAs



Daily tracking of huddle



Digital calling tool
Lead calling status tracking



Automated Business review tool

- 15 Business Dashboards are implemented.
- 5 Dashboards are in progress.

KBL - VIKAAS: Impact on Key Parameters

	March '21	March '20	March '19	March '18
PCR	70.05%	64.70%	58.45%	54.56%
PCR for NPAs of Rs 25 cr & above	93.78%	75.25%	70.30%	60.57%
CRAR	14.85%	12.88%	13.54%	12.04%
Operating Profit (in crore)	1,999.14	1,656.77	1,449.81	1,473.17
Turnover per Branch (in crore)	148.42	151.83	147.46	137.65
Turnover per Employee (in crore)	15.12	15.14	14.90	13.46
Operating Profit per Employee (in lakh)	23.74	19.48	17.52	18.00
GNPA - Amount (in crore)	2,588.41	2,799.93	2,456.38	2,376.07
- %	4.91%	4.82%	4.41%	4.92%
NNPA - Amount (in crore)	1,642.10	1,755.01	1,616.71	1,400.51
- %	3.18%	3.08%	2.95%	2.96%
NIM	2.91%	2.84%	2.93%	3.18%
ROA	0.57%	0.53%	0.64%	0.49%
ROE	7.65%	7.35%	8.53%	6.17%

KBL - VIKAAS: Impact on Key Parameters

	March '21	March '20	March '19	March '18
CASA	31.49%	28.91%	28.06%	27.98%
Digital transactions	90.66%	83.50%	77.86%	65.34%
Retail: Mid Corporate: Large Corporate (%)	53 : 34 : 13	45 : 29 : 26	43 : 27 : 30	45 : 28 : 27
Digital underwriting of:				
Home loans	71%	32%	-	-
Car loans	71%	-	-	-
MSME loans (OD+TL)	26%	-	-	-
MSME loans (Micromitra+BQL)	73%	-	-	-
Salary loans	100%	-	-	-
Book value of shares (Rs.)	213.67	192.06	204.71	191.44
Networth	6,642.36	5,970.45	5,785.18	5,410.15

Business Strategy



Corporate Goal for 2021-22

Business Turnover

₹ 1,42,500 crore

Road Ahead →

01
Digitization journey for many more retail loan products

02
Digital opening of CASA accounts in Web Portal

03
Customer onboarding through V-CIP

04
Enhancement of existing Mobile Banking & Internet Banking features

05
Implementation of Data Analytics

06
Construction of an iconic building 'KBL Centenary Tower'

07
On-boarding 2nd vendor for Contact Centre activities

08
Risk Management Dept to be covered under 'QMSS-ISO 9001'

09
Further strengthening of sales verticals

10
Setting up of ACOE (Analytical Centre of Excellence)

Roadmap - Upcoming Digital Lanes

Xpress Journey



- KBL Xpress SB Account Self Journey (Aadhar based e-KYC, Quick Self A/C's & VCIP)
- Retail/Mortgage Loan Digitisation of New Products (Mortgage OD / Contractor Mitra etc)
- End to End Digi Journey Enhancements (Valuation, Legal & BIR Automation, eNASH across)
- KBL Xpress Current Account digital Journey
- Brach Automation & Customer Analytics Systems - ABCD and XPAWS

Digital Marketing



- Marketing Customer Relationship Management (CRM) & Campaign Automation
- Implementation tool for Market Research & Tracking of Brand Salience
- Website & MB Analytics accelerated through SEO & SEM

New Initiatives



- ACoE (Analytics Centre of Excellence) incubation - Platform & Right Skills
- Fintech Acceleration - Agri Tech, Neo Bank, DSA-BSA, TPP Platform, Virtual Cards, BNPL
- CEDIR: Central Ext Directory of Identity Records for Reliability, Lower Cost & Uniformity
- DhIRA on-Xpress Journeys as Virtual Assistant for customer ease and better conversions
- Digital Contactability Enhancement Methods for better service delivery to customers
- Insta MB (Restricted Rights MB Registration for all new A/C) and InApp A/C's & Re-KYC

Business Strategy

CASA deposits

- ❑ Focusing on customer onboarding to increase CASA as well as cross selling
- ❑ RSE approach to CASA marketing.
- ❑ SB account opening through TAB banking, Web portal.

Minimum space maximum business.

Credit augmentation

- ❑ Focusing on MSME sector
- ❑ Focusing on mid-corporate & retail sectors
- ❑ Flow based lending and an exclusive personal loan product.

NPA & Stressed Assets management

- ❑ Minimizing slippages and improving recovery management.
- ❑ A comprehensive collection mechanism.

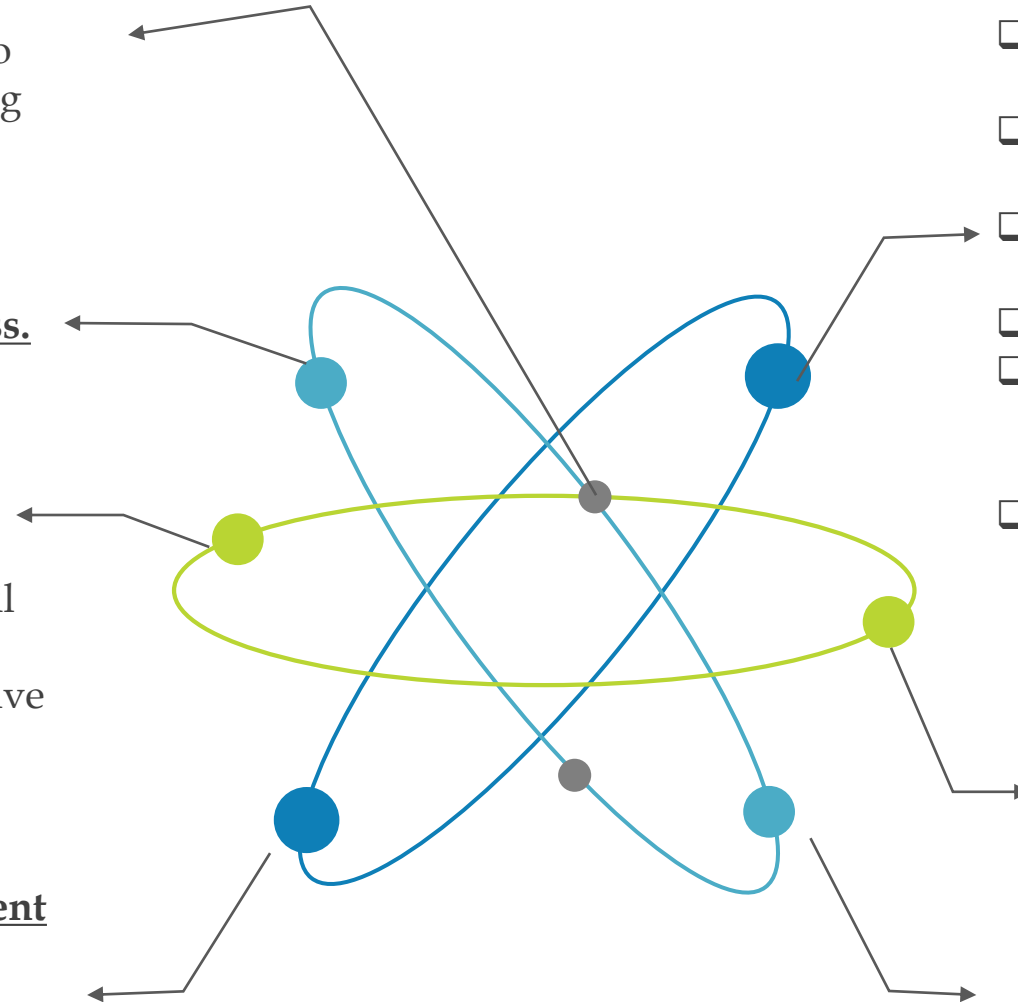
Digital Banking initiatives

- ❑ Focusing on digital marketing of Bank's products & services
- ❑ Digital loan sanctions for HL, PL, Auto loans & other retail loans
- ❑ Value addition to Bank's existing Mobile Banking & Internet Banking channel
- ❑ Installation of self service kiosks
- ❑ Comprehensive IT and Digital Strategy - Requirement of critical applications and IT infrastructure
- ❑ Focusing on ABCD, a 360° review of customer data.

Para banking activities

encompassing Insurance & Mutual Funds.

Partnered with efficient call center handling companies for handling service calls for better customer service and handling sales and collection calls for marketing and credit monitoring.



Corporate Social Responsibility



Barricading & Garden - Developed & Maintained by Karnataka Bank @ NH 66 from KPT Circle to Mahaveera Circle.

Courtesy: National Highways Authority of India, Mangaluru.



Financial assistance to install two cardiac ventilators at Rangadorai Memorial Hospital, Bengaluru.

Board of Directors



P Jayarama Bhat
Non Executive Chairman



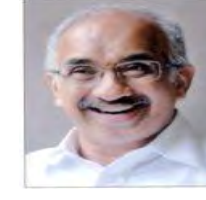
Mahabaleshwara M S
Managing Director & CEO



Rammohan Rao Belle
Bengaluru
Former MD & CEO, SBI Gen.
Insu. Co. Ltd



Keshav Krishnarao Desai
Hubballi
Businessman



D. Surendra Kumar,
Shri Kshethra Dharmastala,
Dakshina Kannada
Educationist



Mrs Mythily Ramesh,
Bengaluru
IT Professional and Co-Founder &
CEO of NextWealth



B R Ashok
Chartered Accountant
Partner in M/s. MSKC & Associates,
Chartered Accountant, Chennai



Justice A V Chandrashekar
Bengaluru
Former Judge, High Court of Karnataka
and former Judicial Member, Karnataka
State Administrative Tribunal



Pradeep Kumar Panja
Bengaluru
Former MD (Corporate Banking),
SBI



Mrs Uma Shankar,
Bengaluru
Former ED, RBI



Mr D S Ravindran,
Bengaluru
Former Principal Secretary to the
Government Khajane-2, Finance Dept,
Govt of Karnataka.



Mr Balakrishna Alse,
Mangaluru
Former ED, OBC



Thank You

WE EXPRESS OUR
HEARTFELT GRATITUDE
TO ALL OUR STAKE
HOLDERS FOR THEIR
TRUST & SUPPORT AND
SOLICIT THEIR
CONTINUED PATRONAGE,
AS WE CONTINUE OUR
JOURNEY WITH RENEWED
DEDICATION &
COMMITMENT TO MAKE
OUR BELOVED
KARNATAKA BANK
"A DIGITAL BANK OF THE
FUTURE".

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