

Investor Presentation



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Professional 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*

Specialists from various field with **proven pedigree** to execute New-age Bank vision
Lateral onboarding in process for Head of Products, Technology and Wholesale & Commercial Banking

...Guided by Experienced and 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



Srikrishnan H.
MD & CEO



Sekhar Rao
Executive Director



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



Keshav Krishnarao Desai
Independent Director
Managing Partner, Desai Group



Justice A V Chandrashekar
Independent Director
Former Judge, High Court of Karnataka



Uma Shankar
Independent Director
Former ED, Reserve Bank of India



Dr D S Ravindran
Independent Director
Former Principal Secretary, Govt. of Karnataka



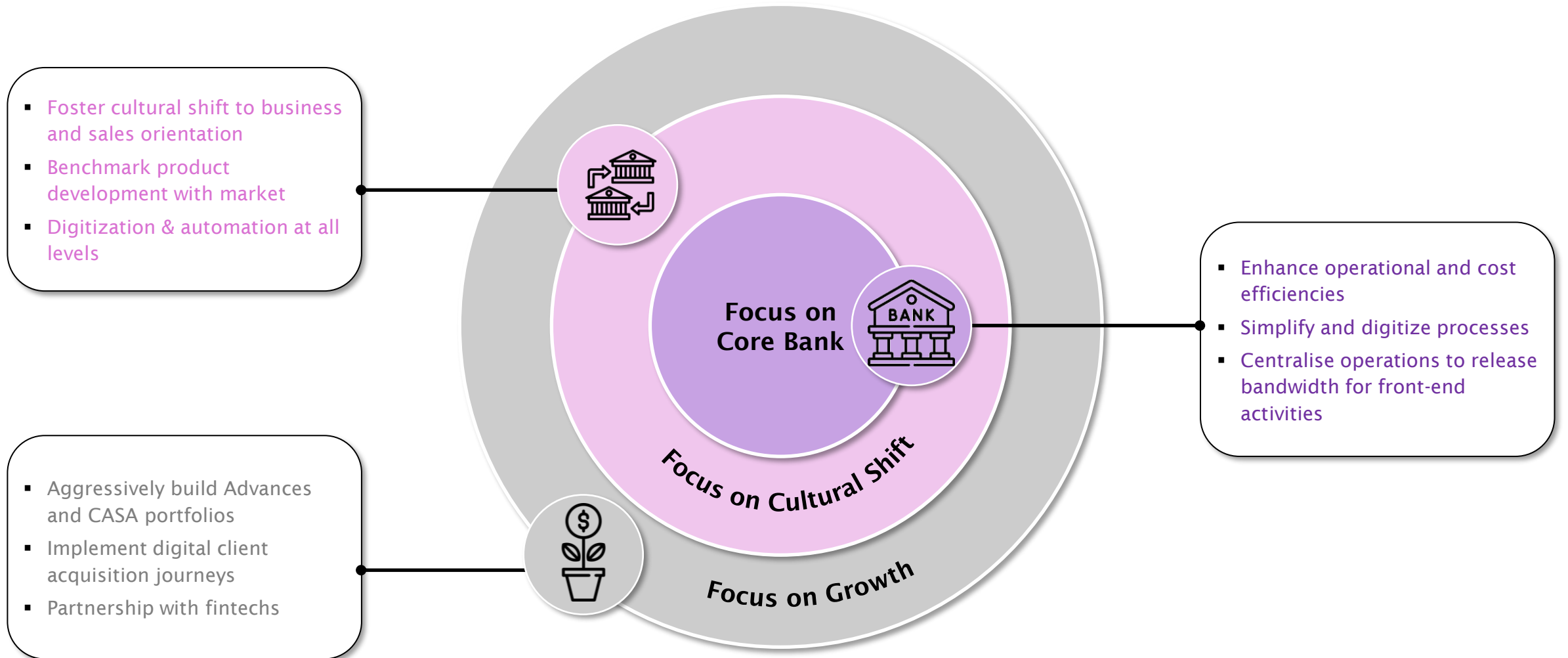
Balakrishna Alse S
Independent Director
Former ED, Oriental Bank of Commerce



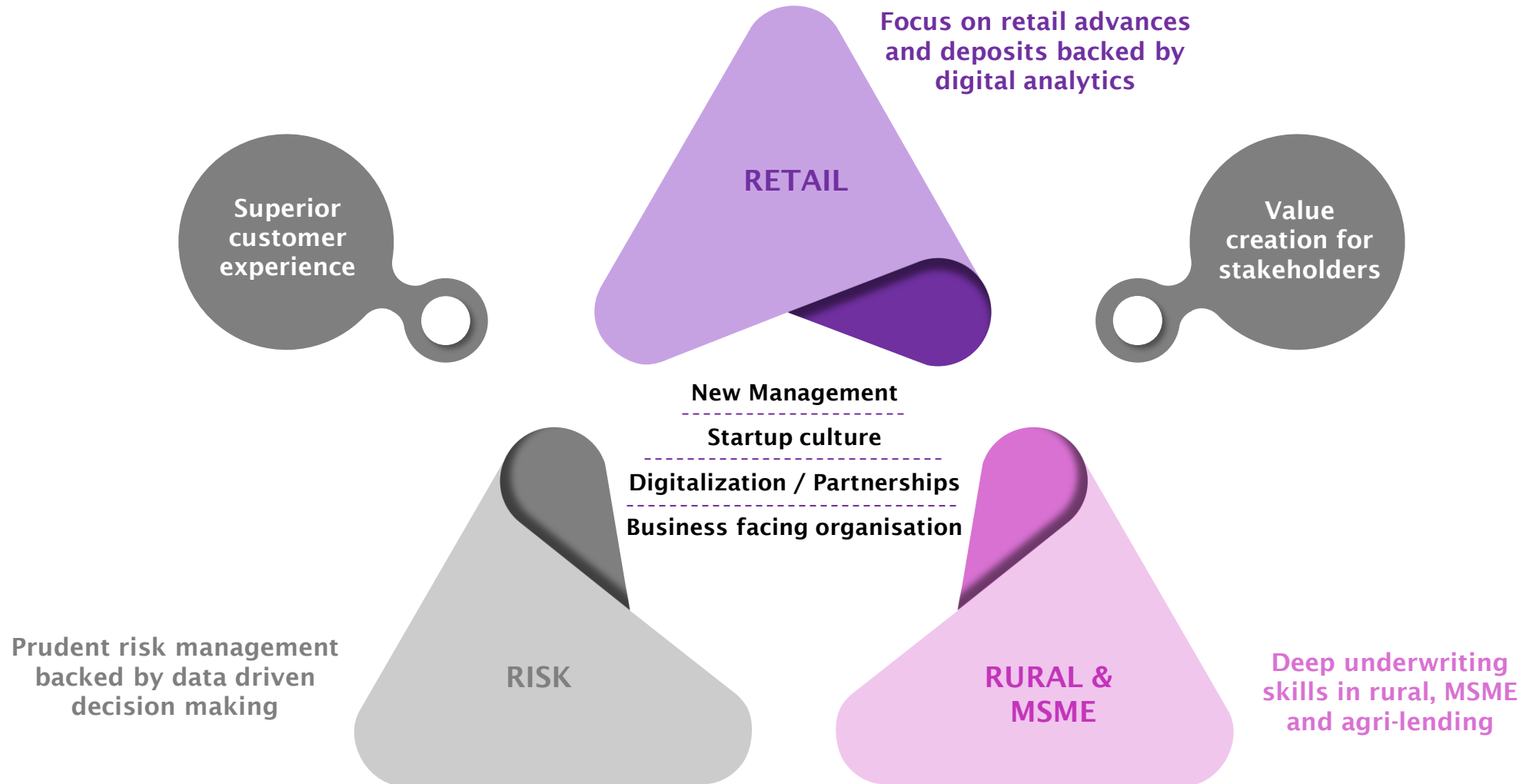
Kalmanje Gururaj Acharya
Independent Director
*Senior Partner, M/s. K G Acharya & Co.;
Former Independent Dir., State Bank of Mysore*



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



Start Up @ 100th Year : Focused on RRR





Strategic Roadmap

“Start Up @ 100th Year”

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



A.

Delivering Excellence in Proven Core Competencies Overlaying New Technology Platform

Through tech-driven **Processes, Products & People** targeted at rural 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 Propel Robust Book Growth

Digital First, new-age private sector bank driven by **Fintech Partnerships**

A. Driving Excellence in Proven Core Competencies

Consistent Emphasis on our Strength Areas

Our Legacy

Building on Our Legacy



13 Mn
Happy customers

1 in 40¹
Indians bank
with us

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



37.4%
Share of MSME &
Agri-Loans

46.0%
Branches in Rural &
Semi-Urban Areas

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



45.5%  50.3%
Increase in % of Retail Advances from FY20 to FY23

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



4.2%²
Market share in
Karnataka

22 States
Pan-India
presence

- Wider Geographical Presence
- Cross Selling

Notes: 1. 13 Mn customers out of a 458 Mn bankable population; 2. By share of deposits

Continued Transition Towards Retail

Retail Strategies



“Feet on Street” for liabilities and expanding home loan book



Business Correspondent partnerships to strengthen portfolio



Sector Focus Tie-ups to grow retail reach



Scale-up from 5 Retail Loan Processing Hubs to **8 Retail Loan Processing Hubs**



Increase **Product Penetration** per customer through analytics-enabled cross selling

Key Focus Products



Home Loans



Gold Loans



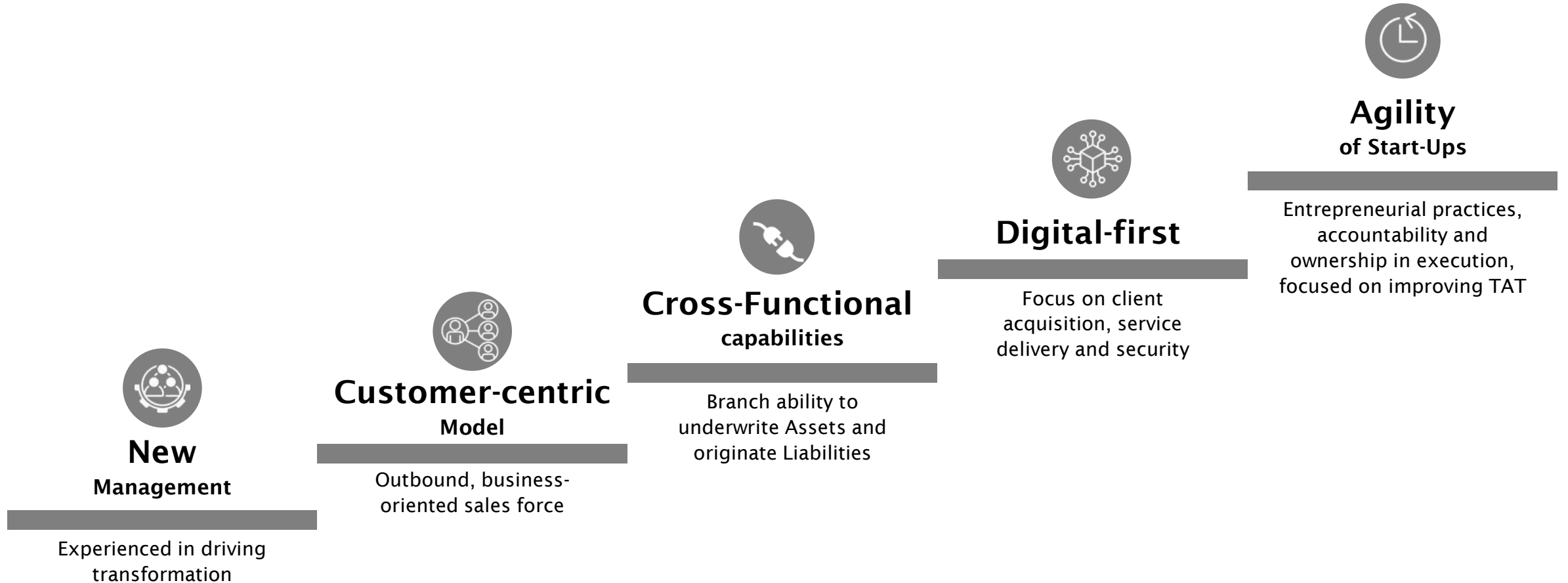
Agri Loans



MSME Loans

B. Creating a Performance Driven Culture








Rebuild Outward-Facing, Business-Centric Teams



Linear organizational structure with an intensified focus on Branch Banking

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' of RBI
-  Integrated on **National Jan Samarth** portal
-  Authorised for **Customs collection**
-  **Direct Tax and GST collection**
(Go live by Sept-23)
-  National Savings Institute (NSI)
(to on-board for savings schemes)
-  **State level Treasury integrations** for collection of revenue
such as Khajane-II (Karnataka), MAHAKOSH (Maharashtra)
-  Central Board of Digital Currency (CBDC)

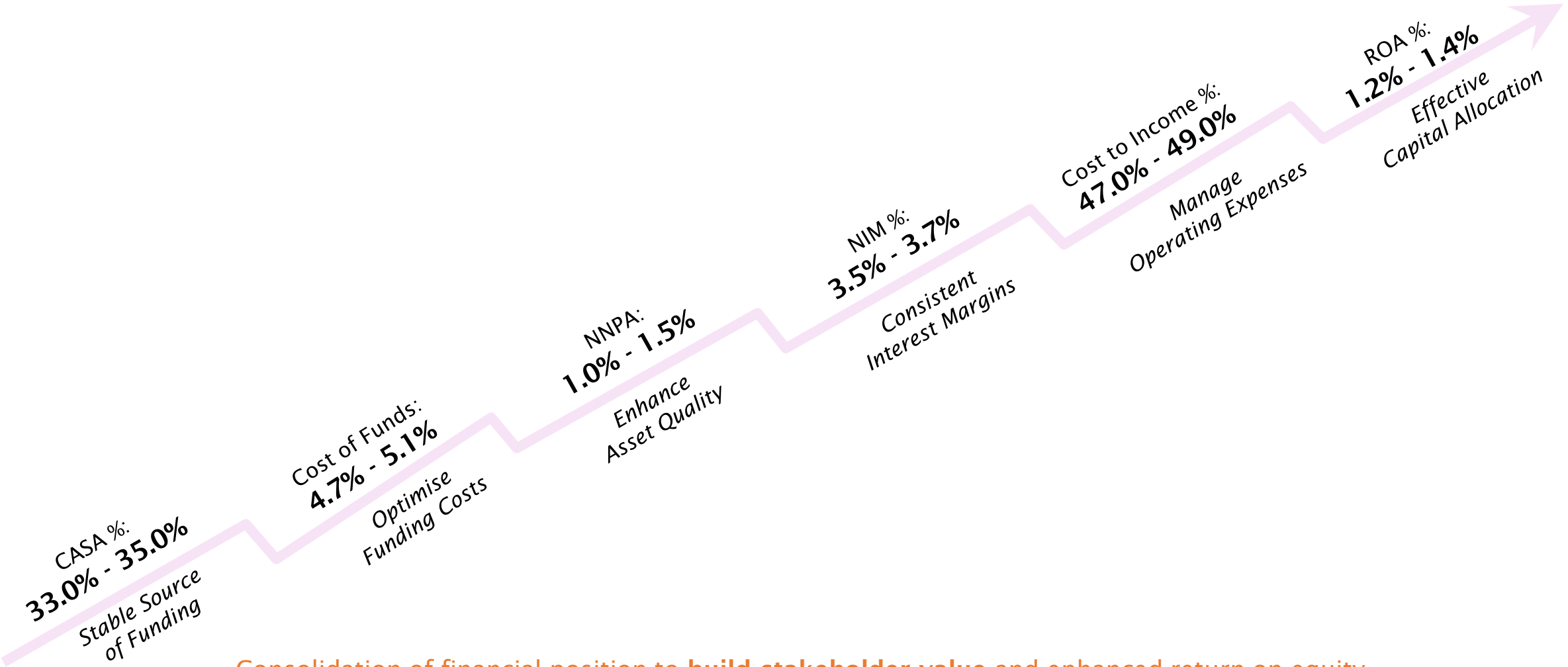


Target to be in the **top**
govt. collections bank in
Karnataka

Focused on tapping government flows to ensure **predictable float**

C. Strengthen Financial Position to Drive Profitability

Targeted Performance Improvement to Boost Returns



Consolidation of financial position to **build stakeholder value** and enhanced return on equity

D. Digitalization Propelling Robust Book Growth

Moving Towards a Digital-First Bank



Mobile Banking and Digital Transactions

Higher Mobile Banking and Digital Transactions

Digital Transactions

90.0%
FY21 → 93.5%
FY23

Regd. Mobile Banking Users

1.2 Mn
FY21 → 2.9 Mn
FY23

Runner up
Best Fintech Adoption
Small Bank Category
2022

From Indian Banks'
Association (IBA)



Lending

% of Digital Underwriting on Overall Sanctions

Personal Loan : 100%

Car Loans : 79%

Home Loans : 75%

MSME Loans : 70%



BHIM-UPI

BHIM-UPI Transactions

UPI Transaction Value (INR Cr.)

60,914
FY21 → 163,639
FY23

Avg. UPI Transactions/day

22.6L
Q4 FY22 → 32.0L
Q4 FY23

Winner
Prathista Puraskar
Digidhan Awards
2022

From MeitY: for highest %
in BHIM-UPI transactions in
pvt. sector bank category

D. Digitalization Propelling Robust Book Growth

Foundation in place to Drive Next Leg of Digital Innovation

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

- 40,000 sq. ft. super built-up area
- 370+ work-stations
- Consolidate all technology and digital operations under **One Roof**

- **Partnerships** with new age 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**)

- Pioneer in "Finacle CBS" amongst 1st Generation Private Banks
- **ISO 27001:2013 Certified** Information Security Management System

D. Digitalization Propelling Robust Book Growth

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



Co-branded Credit Cards

Exploring partnerships with new age technology service provider



Co-Lending

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



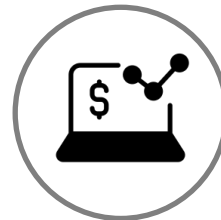
General, Health and Life Insurance

Bajaj Allianz, Universal Sampo, PNB Metlife, Bharti Axa, LIC



AMFI-Registered Mutual Fund Distributor

Empaneled with 8 AMCs



Demat Services and Trading Accounts

Tie-up with two online trading platforms



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





Key Highlights over 5 Years

	Mar'18	Mar'23		Mar'18	Mar'23
 Total Assets	INR 70,374 Cr	INR 99,057 Cr	 NIM %	3.1%	3.7%
 Total Deposits	INR 62,871 Cr	INR 87,368 Cr	 Cost to Income %	47.6%	47.1%
 CASA Ratio	27.9%	33.0%	 GNPA/NNPA	4.9%/ 3.0%	3.7%/ 1.7%
 Cost of Funds	6.1%	4.7%	 Return on Equity	6.1%	15.4%
 CRAR	12.0%	17.5%	 Return on Asset	0.5%	1.2%

Product & Services for Everyone



Retail and Personal Banking

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

Services



Simple & smarter digital loans



Centralised 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's)



Rural godown loans



Farm machinery/ vehicle loans

A Trusted Brand Identity



Karnataka Bank

11:59

With Karnataka Bank
E-lobby facility
You can:

- Deposit/ Withdraw Cash
- Update Passbook through Pass book printing Kiosk
- Deposit cheque through Cheque Deposit Machine(CDM)

#BankFromWhereYouAre



Karnataka Bank Ltd.
ATM Cum Shopping Card
KISAN CARD

5087 27XX XXXX XXXX
5087

VALID THRU 11/17
CARDHOLDER NAME

RuPay
DEBIT



FASTag

Karnataka Bank
FASTag

fastag-login.com



KBL SAMRIDDHI
Bouquet of financial products for the elite



Advertisement showing a collection of various Karnataka Bank credit and debit cards, including RuPay and Platinum cards.



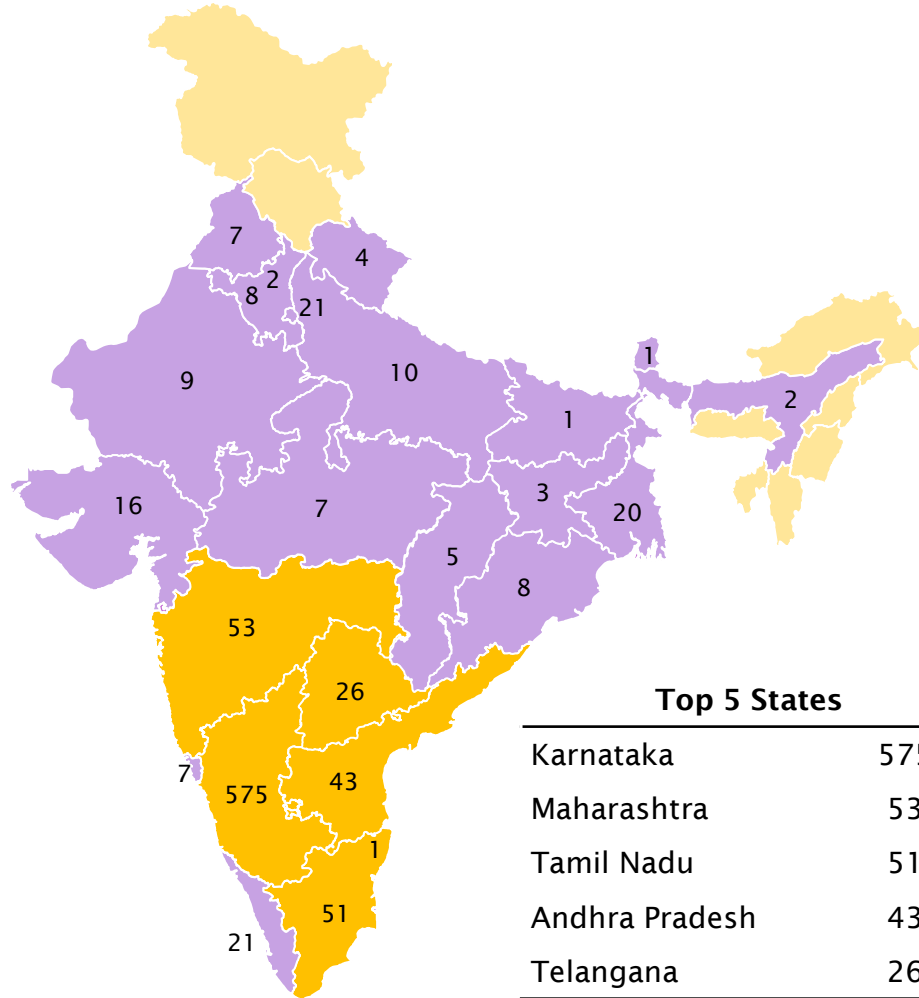
Karnataka Bank
Your Family Bank. Across India.

UPI BHIM

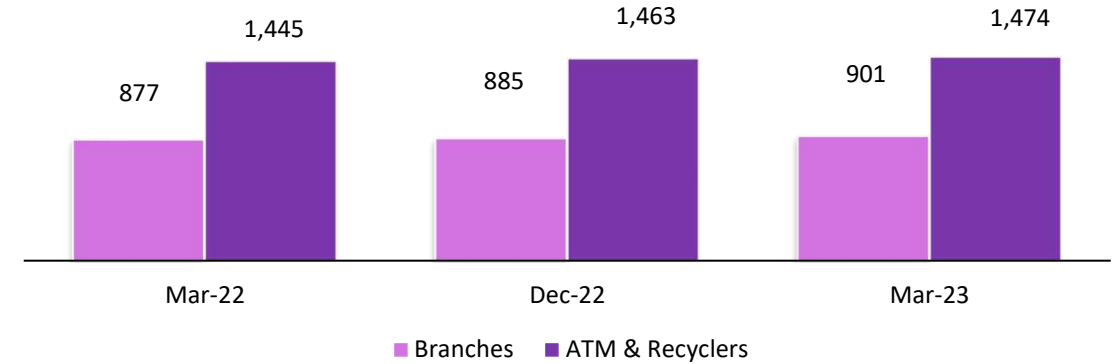
BHIM • • • PAY •

Strong Geographical Footprint

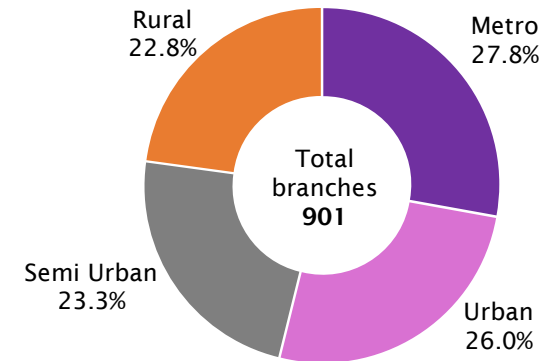
A Trusted Brand Identity



Steady Growth in Locations Served



Presence Across All Tiers



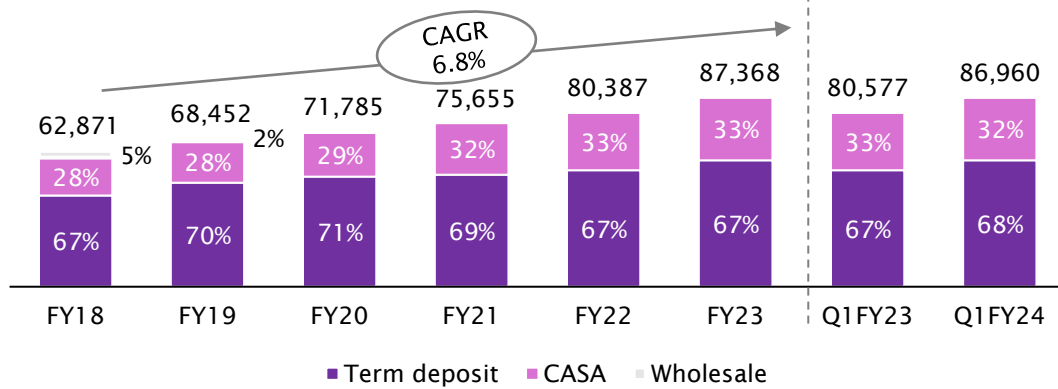
Financial Highlights



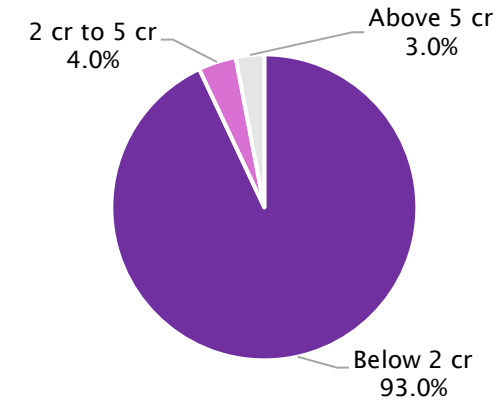
Karnataka Bank at a Glance

Particulars	Q1FY24	Q1FY23	Growth Y-o-Y	FY23	FY22	Growth Y-o-Y
Total Assets	99,120	94,084	5.4% ▲	99,058	91,584	8.2% ▲
Advances/(% Retail Advances)	61,489/(50.6%)	58,359/(49.9%)	5.4% ▲	59,952/(51.5%)	56,783/(52.2%)	5.6% ▲
Deposits	86,960	80,577	7.9% ▲	87,368	80,387	8.7% ▲
Retail Deposits	58,964	54,148	8.9% ▲	58,561	53,887	8.7% ▲
CASA Ratio	32.19%	32.80%	61 bps ▼	32.97%	32.97%	-No change- ↔
Gross NPA	3.68%	4.03%	35 bps ▼	3.74%	3.90%	16 bps ▼
Net NPA	1.43%	2.16%	73 bps ▼	1.70%	2.42%	72 bps ▼
PCR	83.47%	76.77%	670 bps ▲	80.86%	73.47%	739 bps ▲
ROE	17.70%	6.39%	1131 bps ▲	15.42%	7.41%	801 bps ▲
ROA	1.47%	0.49%	98 bps ▲	1.21%	0.56%	65 bps ▲
NIM %	3.68%	3.33%	35 bps ▲	3.70%	3.18%	52 bps ▲
CRAR	17.00%	15.51%	149 bps ▲	17.45%	15.66%	179 bps ▲
Tier-1 Capital	13.80%	12.53%	127 bps ▲	14.18%	12.65%	153 bps ▲

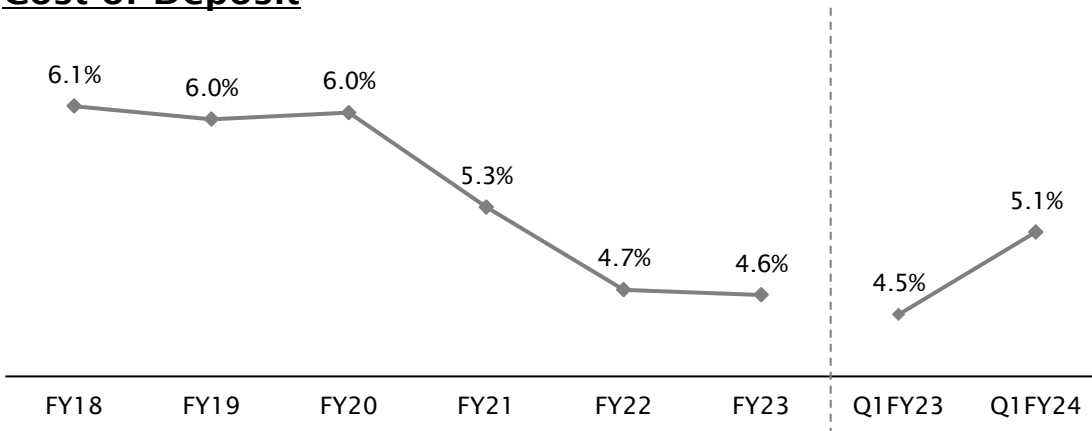
Deposit Profile (in INR Cr)



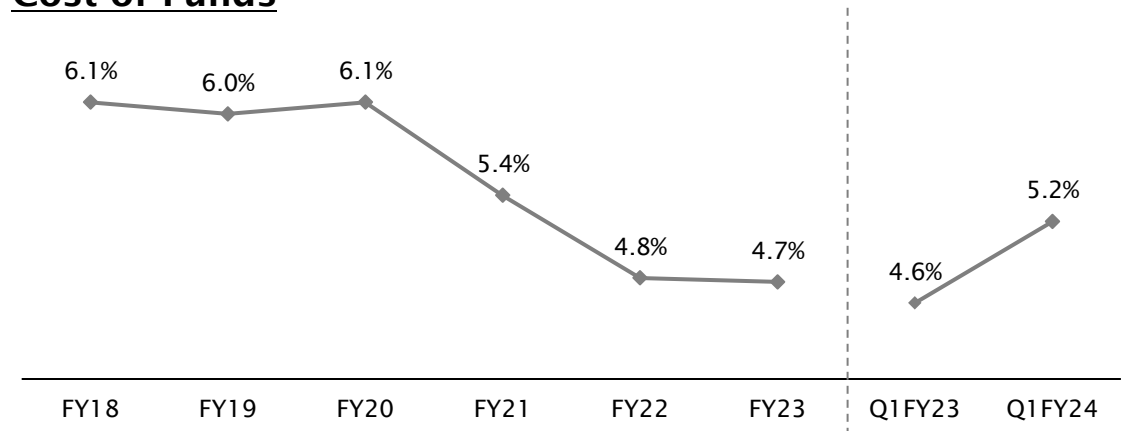
Retail Term Deposit Breakup (Jun-23)



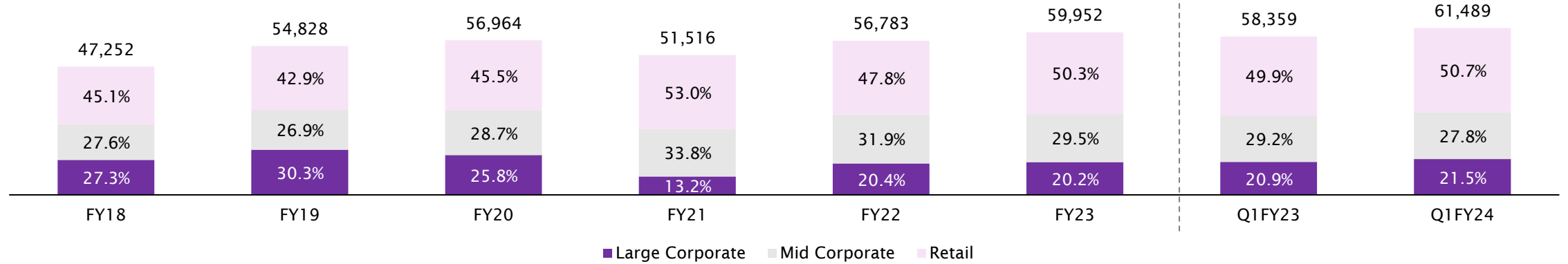
Cost of Deposit



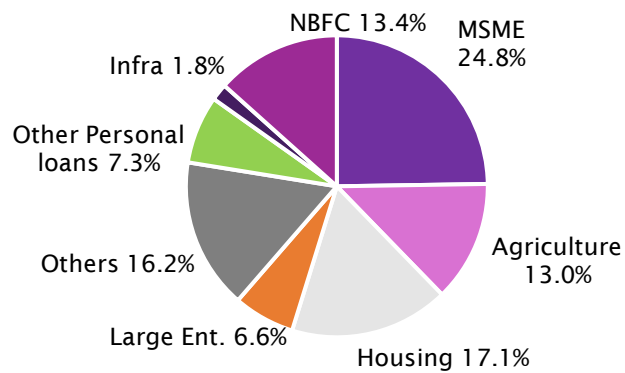
Cost of Funds



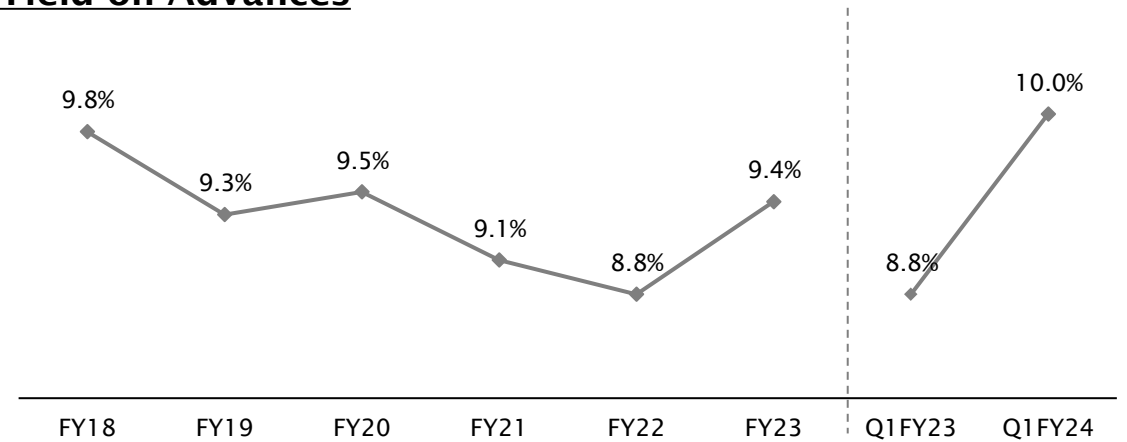
Advances Profile (in INR Cr)



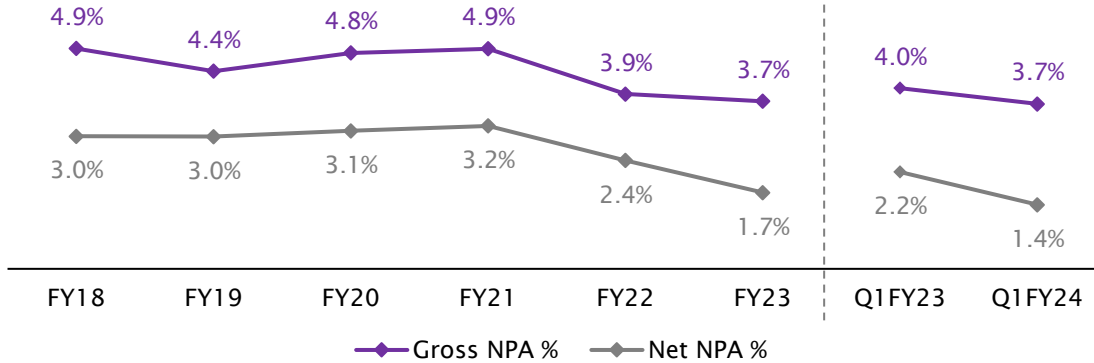
Sectoral Loan Exposure (Jun-23)



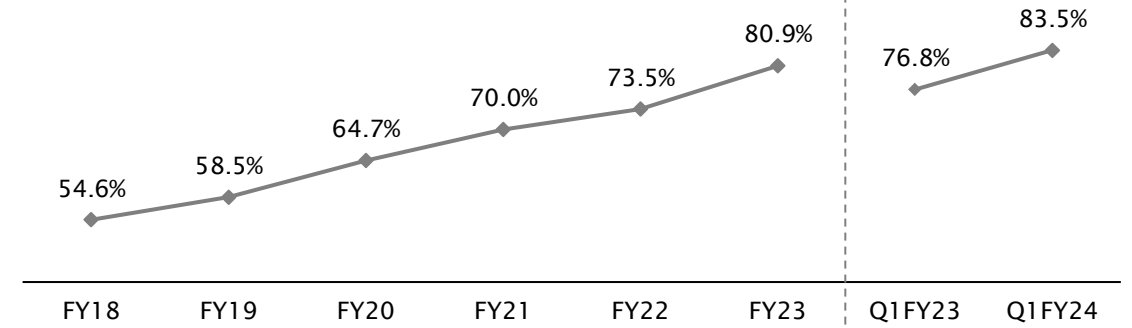
Yield on Advances



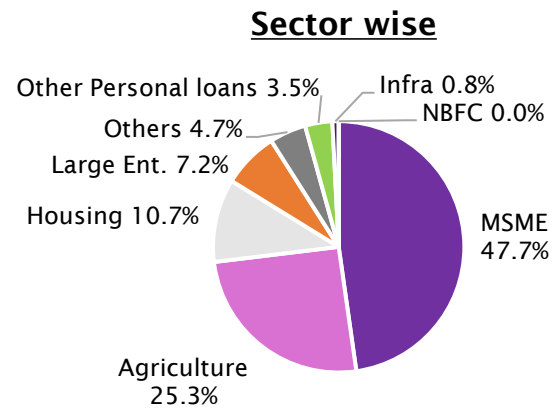
GNPA & NNPA



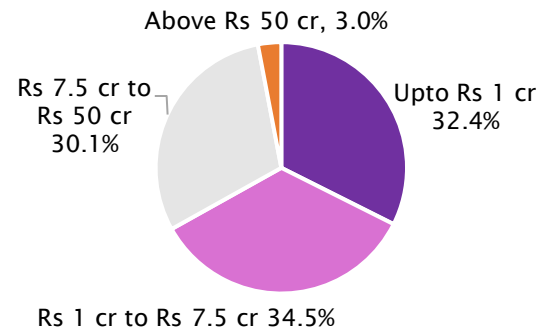
Provision Coverage (PCR) %



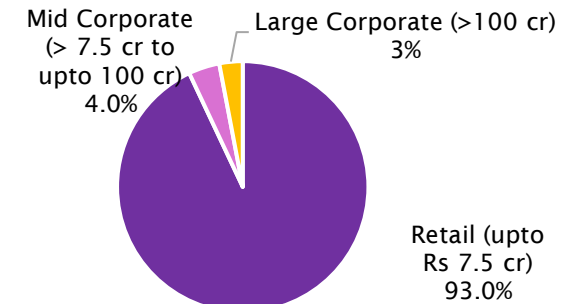
GNPA Breakup (Jun-23)



Size wise



Credit Portfolio wise



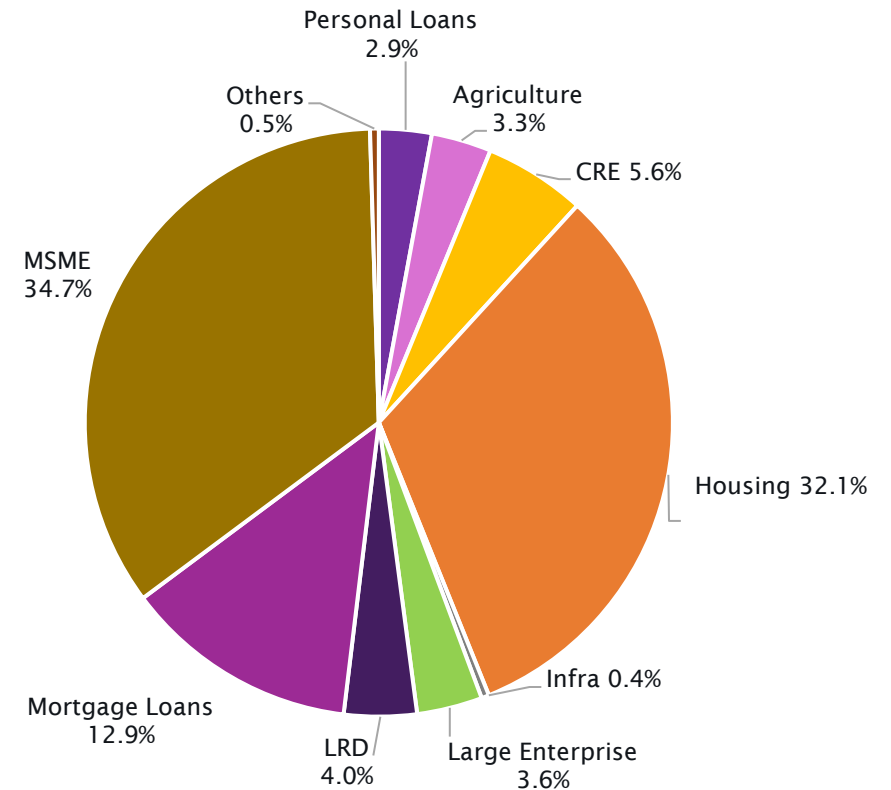
GNPA as on 30 June 2023: INR 2,316 Cr

Restructured Portfolio

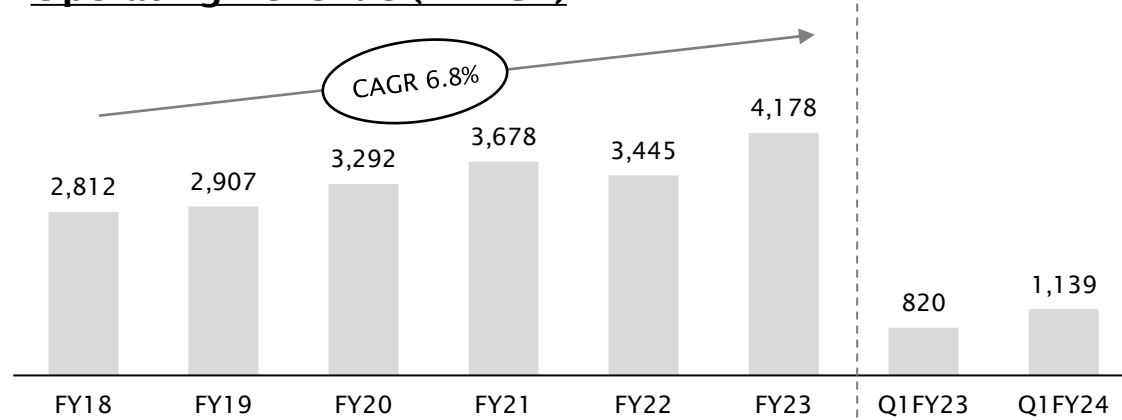
Standard Restructured Portfolio – Movement

Particulars (INR cr)	Q1 FY24
Opening balance	2,571
Fresh restructuring during the period	76
Increase in balance in the existing restructured accounts	57
Upgrade of NPA to Standard category	55
Total - A	2,759
Reductions in opening balance	170
Downgrades to NPA during the period	56
Write-offs during the period	0
Total - B	226
Total Standard Restructured Portfolio (A-B)	2,533

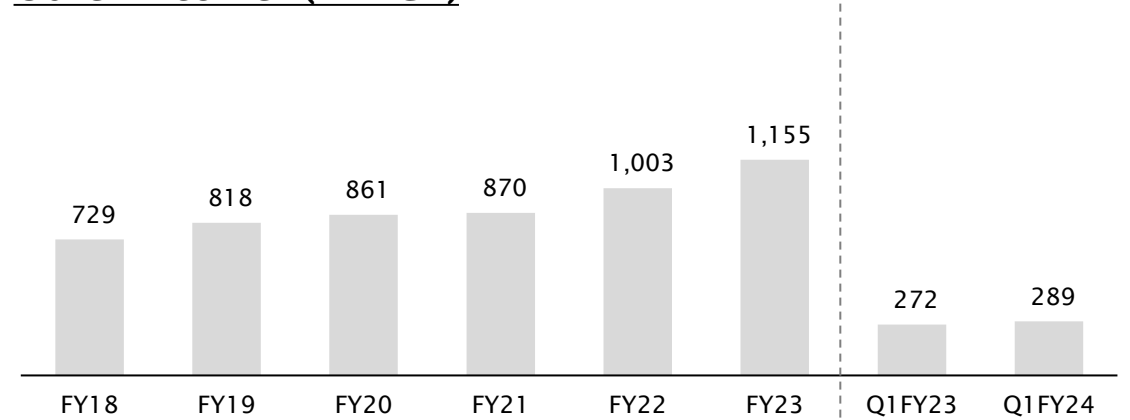
Standard Restructured Portfolio – Break-up



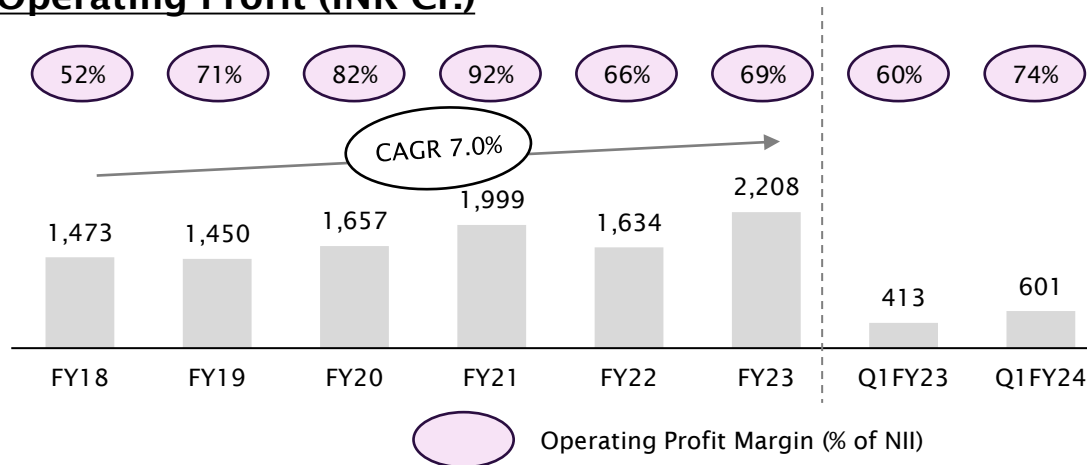
Operating Revenue (INR Cr.)



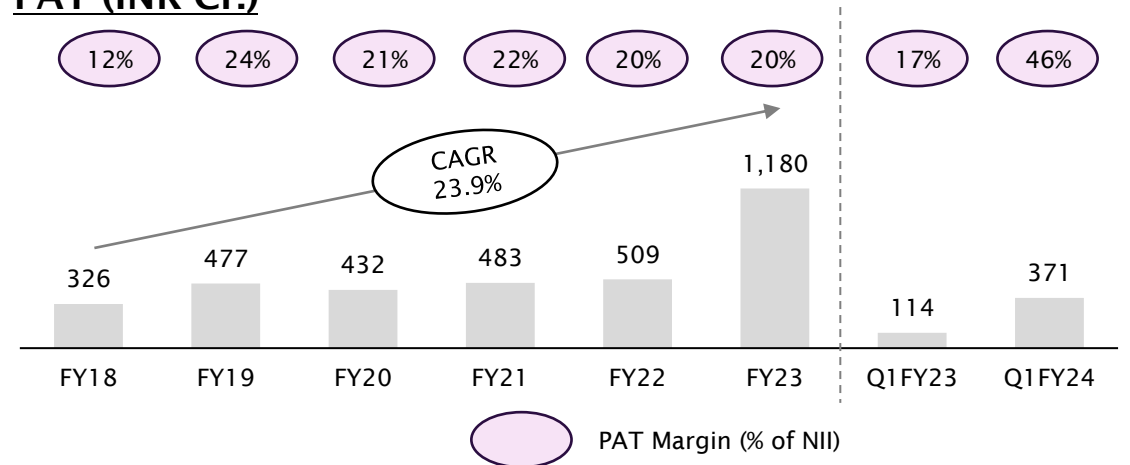
Other Income¹ (INR Cr.)



Operating Profit (INR Cr.)

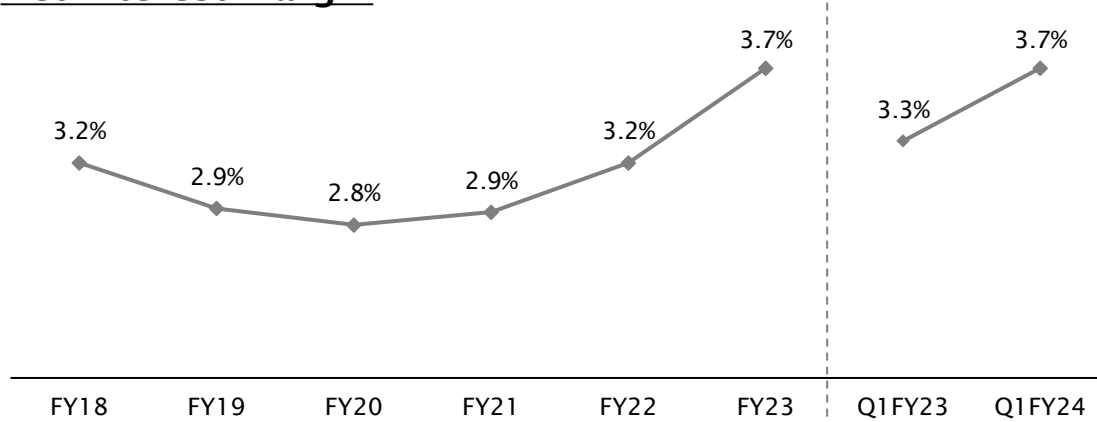


PAT (INR Cr.)

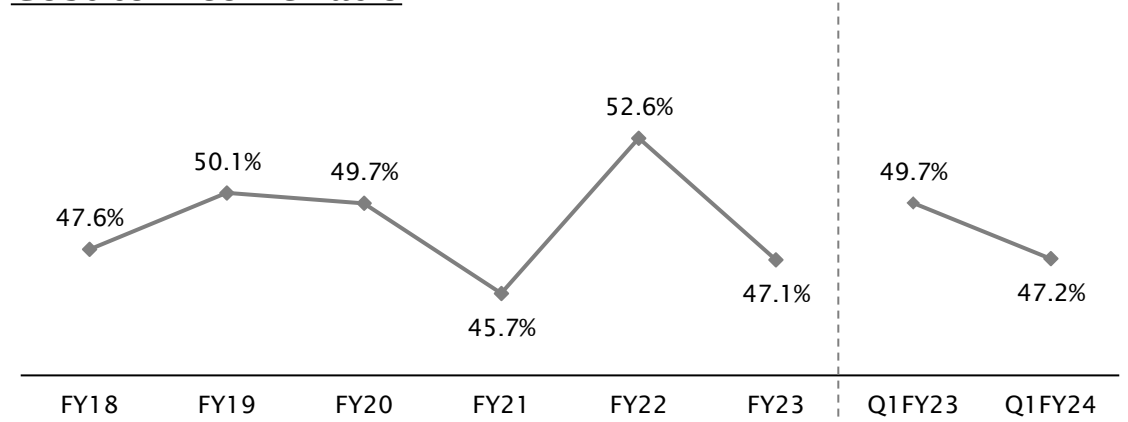


Notes: 1. Other Income, excluding Treasury Profits

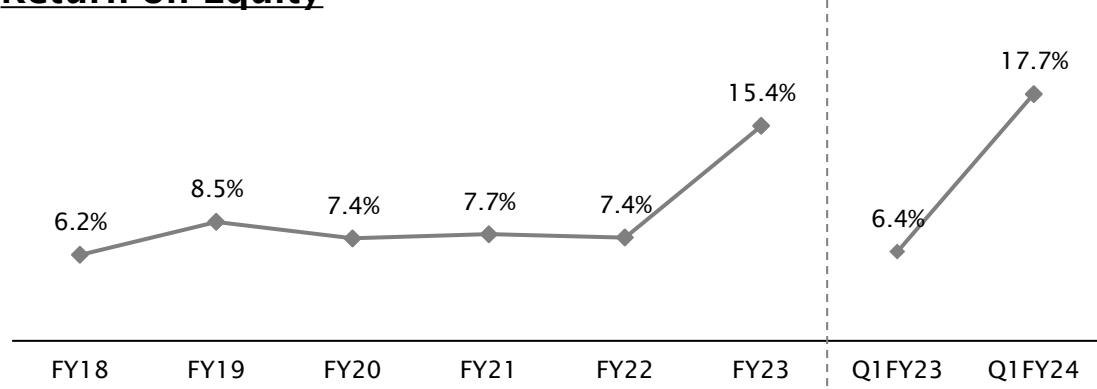
Net Interest Margin



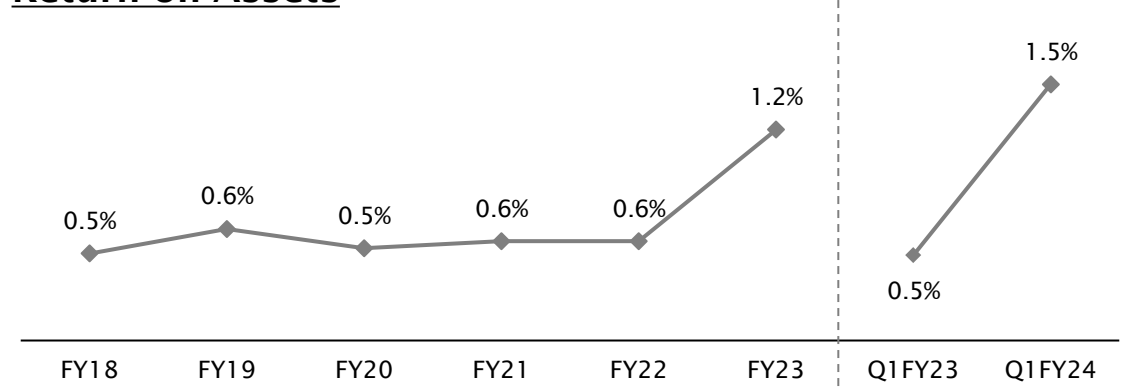
Cost to Income ratio



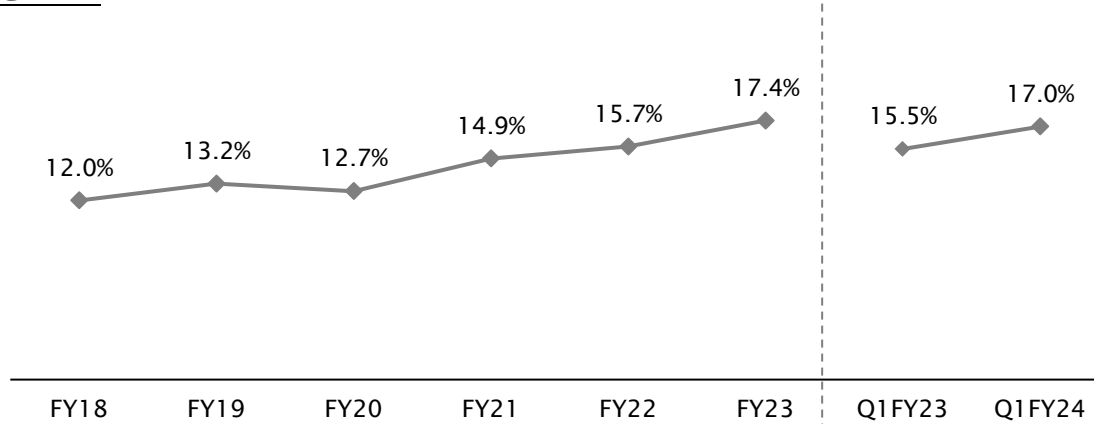
Return on Equity



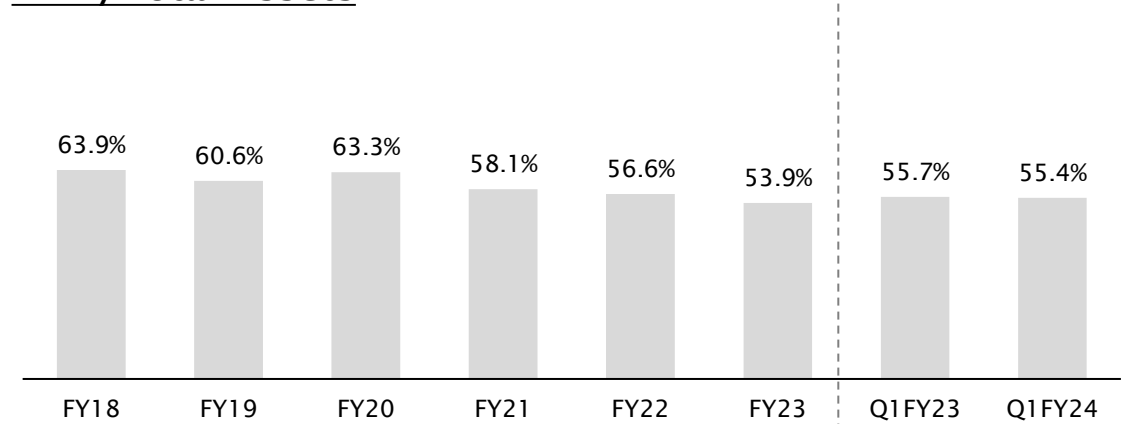
Return on Assets



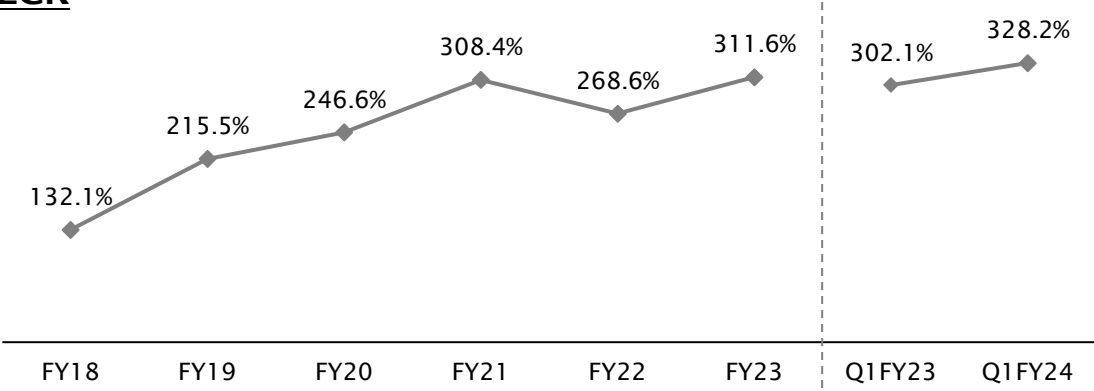
CRAR



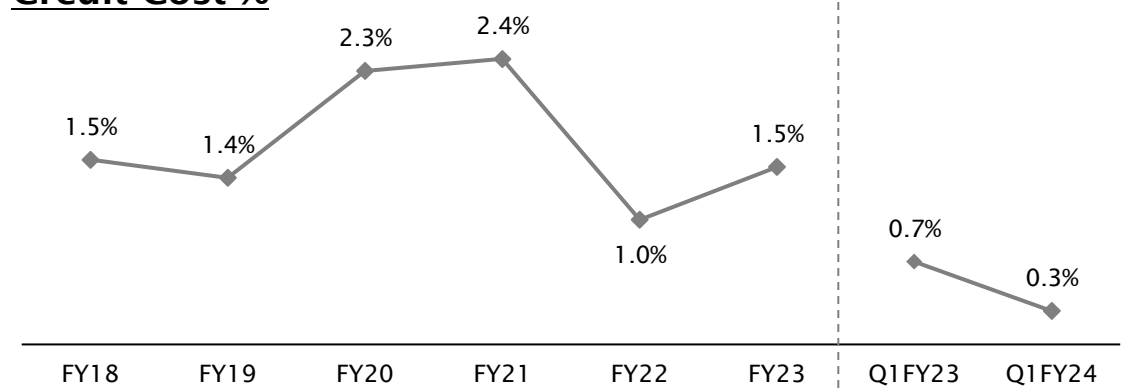
RWA/Total Assets



LCR



Credit Cost %



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