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ANNEXURE-1
REVIEWED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DEC 31, 2016
(Rs. in crore)

		Quarter ended			Nine months ended		Year ended
		31.12.2016 Reviewed	30.09.2016 Reviewed	31.12.2015 Reviewed	31.12.2016 Reviewed	31.12.2015 Reviewed	31.03.2016 Audited
1	Interest Earned (a+b+c+d)	1323.93	1306.37	1237.11	3890.90	3714.54	4992.21
a)	Interest/Discount on advances/ bills	983.58	979.09	901.80	2890.04	2748.81	3700.48
b)	Income on Investments	305.06	307.95	311.86	925.94	892.13	1189.90
c)	Interest on balances with Reserve Bank of India and other interbank funds	0.17	0.60	0.56	2.00	1.67	2.60
d)	Others	35.12	18.73	22.89	72.92	71.93	99.23
2	Other Income	133.59	189.70	132.72	497.65	372.85	542.86
3	TOTAL INCOME (1+2)	1457.52	1496.07	1369.83	4388.55	4087.39	5535.07
4	Interest expended	947.42	909.12	932.18	2752.45	2771.40	3689.34
5	Operating expenses (i+ii)	338.24	354.20	245.97	969.57	715.83	991.20
i)	Employees Cost	176.75	173.54	112.41	478.32	337.53	443.02
ii)	Other operating Expenses	161.49	180.66	133.56	491.25	378.30	548.18
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1285.66	1263.32	1178.15	3722.02	3487.23	4680.54
7	Operating Profit before provisions & contingencies (3-6)	171.86	232.75	191.68	666.53	600.16	854.53
8	Provisions (other than tax) and Contingencies	100.60	130.55	63.11	367.45	214.03	326.53
9	Exceptional Items	0	0	0	0	0	0

		Quarter ended			Nine months ended		Year ended
		31.12.2016 Reviewed	30.09.2016 Reviewed	31.12.2015 Reviewed	31.12.2016 Reviewed	31.12.2015 Reviewed	31.03.2016 Audited
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	71.26	102.20	128.57	299.08	386.13	528.00
11	Tax Expense	2.74	-21.62	31.66	-14.81	77.63	112.71
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax	68.52	123.82	96.91	313.89	308.50	415.29
13	Extraordinary Items (net of tax)	0	0	0	0	0	0
14	Net Profit (+)/Loss (-) for the period (12-13)	68.52	123.82	96.91	313.89	308.50	415.29
15	Paid up equity share capital (Face value Rs 10/-)	282.62	188.48	188.47	282.62	188.47	188.47
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	----	---	----	---	----	3502.12
17	Analytical Ratios						
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)	13.19	11.19	11.67	13.19	11.67	12.03
iii)	Earnings per share (EPS) (Rs) before extraordinary items(Net of Tax Expenses) * Not Annualized.						
	- Basic EPS	3.22*	6.57*	5.14*	15.96*	16.37*	22.04
	- Diluted EPS	3.22*	6.57*	5.14*	15.96*	16.37*	22.03
	Earnings per share (EPS) (Rs) after extraordinary items(Net of Tax Expenses) * Not Annualized.						
	- Basic EPS	3.22*	6.57*	5.14*	15.96*	16.37*	22.04
	- Diluted EPS	3.22*	6.57*	5.14*	15.96*	16.37*	22.03
iv)	NPA Ratios as on date						

		Quarter ended			Nine months ended		Year ended
		31.12.2016 Reviewed	30.09.2016 Reviewed	31.12.2015 Reviewed	31.12.2016 Reviewed	31.12.2015 Reviewed	31.03.2016 Audited
	Gross NPA	1560.23	1344.50	1186.55	1560.23	1186.55	1180.40
	Net NPA	1065.66	961.36	790.63	1065.66	790.63	795.47
	% of Gross NPA	4.30	3.64	3.56	4.30	3.56	3.44
	% of Net NPA	2.99	2.63	2.41	2.99	2.41	2.35
	Return on Assets	0.44	0.84	0.70	0.70	0.76	0.76

SEGMENT RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31,2016

	Segment wise Results	UNAUDITED					AUDITED
		Quarter Ended			Nine months Ended		Year ended
		31.12.2016 Reviewed	30.09.2016 Reviewed	31.12.2015 Reviewed	31.12.2016 Reviewed	31.12.2015 Reviewed	31.03.2016 Audited
		(Rs. in Crore)					
1	Segment Revenue						
	(a) Treasury Operations	354.41	384.12	341.20	1101.55	968.25	1299.25
	(b) Corporate Banking	470.72	466.42	441.03	1397.43	1319.82	1745.57
	(c) Retail Banking	587.78	591.06	536.68	1711.85	1628.19	2242.83
	(d) Other Banking Operations	44.61	54.47	50.92	177.72	171.13	247.42
	Total	1457.52	1496.07	1369.83	4388.55	4087.39	5535.07
2	Segment Results (after Provisions before Tax)						
	(a) Treasury Operations	55.44	94.25	45.80	222.01	67.44	67.94
	(b) Corporate Banking	0.26	-15.37	34.29	7.15	142.28	134.83
	(c) Retail Banking	53.48	45.82	71.71	128.92	231.82	394.03
	(d) Other Banking Operations	-23.24	-11.20	-12.35	-21.89	-24.18	-26.56
	Total	85.94	113.50	139.45	336.19	417.36	570.24
	Less: Un-allocable Expenditure	14.68	11.30	10.88	37.12	31.23	42.24
	Profit before Tax and exceptional items	71.26	102.20	128.57	299.07	386.13	528.00
3	Capital employed						
	(a) Treasury Operations	2182.81	1432.90	1432.32	2182.81	1432.32	1384.74
	(b) Corporate Banking	1205.94	1026.42	967.77	1205.94	967.77	933.17
	(c) Retail Banking	1516.69	1297.20	1140.42	1516.69	1140.42	1182.50
	(d) Other Banking Operations	109.83	88.41	121.52	109.83	121.52	113.23

(e) Unallocated	67.74	91.07	35.57	67.74	35.57	76.94
Total	5083.01	3936.00	3697.60	5083.01	3697.60	3690.58

PART B: GEOGRAPHIC SEGMENTS: There is only one Segment i.e. Domestic Segment

Notes forming part of the reviewed financial results for the quarter and Nine months ended Dec 31, 2016

1. The above interim financial results for the Nine months ended Dec 31, 2016 have been reviewed by the Audit Committee of the Board in their meeting held on January 23, 2017 and approved by the Board of Directors in their meetings held on January 23, 2017. The same has been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the Listing Agreement with the Stock Exchanges.
2. For the preparation of these financial results, the Bank has followed the same accounting policies and generally accepted practices adopted for the preparation of audited financial statements for the year ended March 31, 2016.
3. The above interim financial results have been arrived at after considering the provision for loan losses and Depreciation on Investments as per RBI Guidelines. Provision for employees' retirement benefits like pension, gratuity and Leave encashment has been made as per Actuarial valuations. Provision for exposure to entity with the un-hedged foreign currency exposure, Income tax and other contingencies are on estimated and proportionate basis and are subject to adjustments at the year end.
4. In term of RBI guidelines, Banks can spread over any shortfall, if the sale value of the financial assets sold to SC/RCS is lower than NBV, over a period of eight/four quarters. Accordingly Bank has spread the shortfall of Rs. 75.08 crore over a period of 8 quarters during FY 2015-16, out of which Rs. 44.52 crore has been amortized up to Dec 31,, 2016 leaving an unamortized sum of Rs. 30.56 crore. Further, out of the total shortfall of Rs.26.52 crore on account of financial assets sold to SC/RCS during FY2016-17, the bank has amortized a sum of Rs.13.26 crore up to Dec 31, 2016, leaving an unamortized sum of Rs.13.26 crore. Aggregate unamortized amount as on Dec 31, 2016 is Rs. 43.82 crore.

5. In terms of RBI circular DBR No BP.BC 1/21.06.201/2015-16 dated July 1, 2015 banks are required to make Pillar III disclosures under Basel III Capital Regulations. The Bank has made these disclosures which are available on our web site at the following link: <http://karnatakabank.com/ktk/BaselDisclosures.jsp> These disclosures have not been subjected to limited review by the Statutory Central Auditors.
6. There are no stock Options outstanding as the Employee Stock Options scheme of the Bank has come to an end on October 21, 2016.
7. During the quarter ended December 31, 2016, the bank has issued 9, 42, 35,441 equity shares of Rs 10 each at a price of Rs 70 per share including the premium of Rs 60 per share in the ratio of 1:2 (ie ONE equity share for every TWO equity shares held as on the record date i.e October 25, 2016) aggregating Rs 659.65 crore. After keeping in abeyance entitlements to the extent of 98575 shares, the Board has allotted 9, 41, 36,866 equity shares on December 8, 2016.
8. During the quarter ended December 31, 2016 the land and building of the bank were revalued to reflect the present market value based on the reports of external independent valuers and approved by the Board of Directors and Rs.423.53 crore being the net increase in value thereof have been credited to Revaluation Reserve Account. On account of this additional depreciation of Rs. 2.11 crore has been included in depreciation of the period. In accordance with RBI circular DBR.No.BP.BC.83/21.06.201/2015-16 on Basel III capital regulations dated March 1, 2016, revaluation reserve has been considered in Core Equity Tier- I capital at a discount of 55%.
9. Disclosure about investor complaints: Complaints at the beginning of the period Nil; Received during the period 69; Disposed off during the period 68; Unresolved as on Dec 31, 2016: 1.
10. Corresponding previous period figures have been regrouped/ rearranged wherever necessary to make them comparable with current period figures.

[Analysis of Financial Results December 2016 Click here](#)

P Jayarama Bhat

Managing Director & C.E.O

For Abarna & Ananthan

Chartered Accountants

Firm Regn No 000003S

For Kamath & Rau

Chartered Accountants

Firm Regn. No. 001689S

(Abarna Bhaskar)

Membership No. 025145

Place: Mangaluru

Date: 23rd January 2017

(Parineeth Rau)

Membership No. 222039

ANNEXURE 2			
REVIEWED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2016			
	(Rs in Crore)		
Particulars	Quarter ended 31.12.2016	Nine months ended 31.12.2016	Quarter ended 31.12.2015
Total income from operations (net)	1457.52	4388.55	1369.83
Net Profit / (Loss) from ordinary activities after tax	68.52	313.89	96.91
Net Profit / (Loss) for the period after tax (after Extraordinary items)	68.52	313.89	96.91
Equity Share Capital	282.62	282.62	188.47
Reserves excluding Revaluation Reserve (as shown in the Balance Sheet of previous year)	3502.12	3502.12	3200.60
Earnings Per Share (before extraordinary items) (of Rs 10/- each)			
Basic :	3.22*	15.96*	5.14*
Diluted:	3.22*	15.96*	5.14*
Earnings Per Share (after extraordinary items) (of Rs 10/- each)			
Basic :	3.22*	15.96*	5.14*
Diluted :	3.22*	15.96*	5.14*
*Not annualized			
Note: The above is an extract of the detailed format of Quarterly Results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Nine Months Financial Results is available on the Stock Exchange websites. BSE: http://www.bseindia.com , NSE: http://www.nseindia.com , Bank website: https://www.karnatakabank.com/index.jsp			

For and on behalf of Board of Directors

Place: Mangaluru

P. Jayarama Bhat

Date: 23rd January 2017.

MANAGING DIRECTOR & CEO