

REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016.
(Rs. in crore)

		Quarter ended 30.06.2016	Quarter ended 31.3.2016	Quarter ended 30.06.2015	Year ended 31.03.2016
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1260.60	1277.67	1229.05	4992.21
a)	Interest/Discount on advances/ bills	927.37	951.67	927.53	3700.48
b)	Income on Investments	312.93	297.77	277.52	1189.90
c)	Interest on balances with Reserve Bank of India and other interbank funds	1.23	0.93	0.44	2.60
d)	Others	19.07	27.30	23.56	99.23
2	Other Income	174.36	170.01	119.12	542.86
3	TOTAL INCOME (1+2)	1434.96	1447.68	1348.17	5535.07
4	Interest expended	895.91	917.94	897.73	3689.34
5	Operating expenses (i+ii)	277.13	275.37	211.42	991.20
i)	Employees Cost	128.03	105.49	100.26	443.02
ii)	Other operating Expenses	149.10	169.88	111.16	548.18
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1173.04	1193.31	1109.15	4680.54
7	Operating Profit before provisions & contingencies (3-6)	261.92	254.37	239.02	854.53
8	Provisions (other than tax) and Contingencies	136.31	112.50	115.85	326.53
9	Exceptional Items	0	0	0	0
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	125.61	141.87	123.17	528.00
11	Tax Expense	4.07	35.08	13.83	112.71
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	121.54	106.79	109.34	415.29
13	Extraordinary Items (net of tax expense)	0	0	0	0

		Quarter ended 30.06.2016	Quarter ended 31.3.2016	Quarter ended 30.06.2015	Year ended 31.03.2016
14	Net Profit (+)/Loss (-) for the period (12-13)	121.54	106.79	109.34	415.29
15	Paid up equity share capital Face Value Rs 10/-)	188.47	188.47	188.46	188.47
16	Reserves excluding revaluation reserves	---	3502.12	-----	3502.12
17	Analytical Ratios				
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)				
	Basel III	11.64	12.03	12.07	12.03
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized				
	- Basic EPS	6.45*	5.67*	5.80*	22.04
	- Diluted EPS	6.45*	5.67*	5.80*	22.03
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized				
	- Basic EPS	6.45*	5.67*	5.80*	22.04
	- Diluted EPS	6.45*	5.67*	5.80*	22.03
iv)	NPA Ratios as on date				
	Gross NPA	1389.36	1180.40	1033.96	1180.40
	Net NPA	911.23	795.47	638.74	795.47
	% of Gross NPA	3.92	3.44	3.26	3.44
	% of Net NPA	2.61	2.35	2.05	2.35
	Return on Assets	0.85	0.76	0.84	0.76

SEGMENT RESULTS FOR THE QUARTER ENDED 30.06.2016

(Rs in crore)

	Particulars	Quarter ended 30.06.2016 (Reviewed)	Quarter ended 31.03.2016 (Audited)	Quarter end 30.06.2015 (Reviewed)	Year ended 31.03.2016 (Audited)
1	Segment Revenue				
	(a) Treasury Operations	363.02	331.00	298.04	1299.25
	(b) Corporate Banking	460.29	425.75	452.40	1745.57
	(c) Retail Banking	533.01	614.64	528.02	2242.83
	(d) Other Banking Operations	78.64	76.29	69.71	247.42
	Total	1434.96	1447.68	1348.17	5535.07
2	Segment Results (after Provisions before Tax)				
	(a) Treasury Operations	72.32	0.50	6.74	67.94
	(b) Corporate Banking	24.52	9.81	55.47	149.33
	(c) Retail Banking	27.36	136.53	64.39	379.53
	(d) Other Banking Operations	12.55	6.03	6.52	(26.56)
	Total	136.75	152.87	133.12	570.24
	Less: Un-allocable Expenditure	11.14	11.00	9.95	42.24
	Profit before Tax and exceptional item	125.61	141.87	123.17	528.00
3	Capital employed				
	(a) Treasury Operations	1401.50	1383.24	1350.60	1383.24
	(b) Corporate Banking	1015.84	950.11	922.64	950.11
	(c) Retail Banking	1211.11	1167.18	1081.18	1167.18
	(d) Other Banking Operations	97.98	113.11	122.72	113.11
	(e) Unallocated	85.71	76.94	21.27	76.94
	Total	3812.14	3690.58	3498.41	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 ended June 30, 2016.

1. The above interim financial results for the quarter ended June 30, 2016 have been reviewed by the Audit Committee of the Board meeting held on July 28, 2016 and approved by the Board of Directors in their meetings held on July 29, 2016. 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 terms of RBI Circular DBR.No.BP.BC.94/21.04.048/2014-15 dated 21st May 2015, in respect of assets sold to SC/ RCs , the shortfall arrived at by deducting the sale consideration and the provision held as on the date of the sale from the outstanding amount, is to be amortized over 2 years. Accordingly for the sales that were concluded during the previous financial year, the Bank has charged to the Profit and Loss account an amount of Rs 16.36 Crore during the year ended March 31, 2016 on proportionate basis and un-amortized balance carried over as at March 31, 2016 was Rs.58.72 Crores . Out of the said amount of Rs. 58.72 crore the bank has amortized a sum of Rs.9.38 crore during the quarter ended June 30, 2016 and the balance un-amortized portion as at June 30, 2016 is Rs.49.34 crore.

5. In terms of RBI circular DBR No BP.BC 1/21.06.201/2015-16 dated 1st July 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. Pursuant to RBI Circular DBR.BP.BC.No 31/21.04.018/2015-16 dated July 16, 2015, Bank classified deposits placed with NABARD/SIDBI/NHB for meeting shortfall in priority Sector Lending targets, under "Other Assets" which were hitherto included under "Investments". Similarly, interest income from such deposits has been classified under the head "Interest Income- Others", which was hitherto included under "Interest Income-Investments" Figures for the previous periods have also been regrouped to conform to current period classification. The above change in classification has no impact on the profit for the quarter ended June 30, 2016 or the previous year.

7. During the quarter ended June 30, 2016 the bank had allotted 2402 equity shares pursuant to the exercise of stock options by certain employees.

8. Disclosure about investor complaints: Complaints at the beginning of the period Nil; Received during the period 7; Disposed off during the period 7; Unresolved as on June 30, 2016: Nil.

9. Corresponding previous period figures have been regrouped/ rearranged wherever necessary to make them comparable with current period figures.

Analysis of Financial Results June 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

(C S Gopalakrishna)
Membership No. 014706

(Parineeth Rau)
Membership No. 222039

Place: Mangaluru
Date: 29.07.2016