

**KARNATAKA BANK LTD , REGD & HEAD OFFICE , MAHAVEERA CIRCLE MANGALURU 575002
ANNEXURE-1**

REVIEWED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED SEPTEMBER, 2017.

(Rs. in crore)

		Quarter ended (Unaudited)			Half year ended (Unaudited)		Year ended (Audited)
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
1	Interest Earned (a+b+c+d)	1317.93	1330.54	1306.37	2648.47	2566.97	5185.40
a)	Interest/Discount on advances/ bills	1009.50	949.83	979.09	1959.33	1906.46	3793.56
b)	Income on Investments	289.20	332.63	306.58	621.83	618.14	1271.16
c)	Interest on balances with Reserve Bank of India and other interBank funds	1.53	11.97	1.97	13.50	4.57	29.26
d)	Others	17.70	36.11	18.73	53.81	37.80	91.42
2	Other Income	247.82	217.39	189.70	465.21	364.06	809.34
3	TOTAL INCOME (1+2)	1565.75	1547.93	1496.07	3113.68	2931.03	5994.74
4	Interest expended	877.69	906.12	909.12	1783.81	1805.03	3694.78
5	Operating expenses (i+ii)	321.82	332.11	354.20	653.93	631.33	1304.16
i)	Employees Cost	124.17	137.41	173.54	261.58	301.57	601.03
ii)	Other operating Expenses	197.65	194.70	180.66	392.35	329.76	703.13
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1199.51	1238.23	1263.32	2437.74	2436.36	4998.94
7	Operating Profit before provisions & contingencies (3-6)	366.24	309.70	232.75	675.94	494.67	995.80
8	Provisions (other than tax) and Contingencies	225.98	198.88	130.55	424.86	266.86	527.85
9	Exceptional Items	0.00	0.00	0	0.00	0	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	140.26	110.82	102.20	251.08	227.81	467.95
11	Tax Expense	46.88	-23.03	-21.62	23.85	-17.55	15.69
12	Net Profit (+)/Loss (-) from Ordinary	93.38	133.85	123.82	227.23	245.36	452.26

		Quarter ended (Unaudited)			Half year ended (Unaudited)		Year ended (Audited)
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
	activities after Tax (10-11)						
13	Extraordinary Items (net of tax expense)	0.00	0.00	0	0.00	0	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	93.38	133.85	123.82	227.23	245.36	452.26
15	Paid up equity share capital Face Value Rs 10/-)	282.62	282.62	188.48	282.62	188.48	282.62
16	Reserves excluding revaluation reserves	----	---	---		----	4436.44
17	Analytical Ratios						
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)						
	Basel III	12.46	13.02	11.19	12.46	11.19	13.30
iii)	Earnings per share (EPS) (Rs) before						
	- Basic EPS	3.30*	4.74*	5.87*	8.04*	11.63*	19.38
	- Diluted EPS	3.30*	4.74*	5.87*	8.04*	11.63*	19.38
	Earnings per share (EPS) (Rs) after						
	- Basic EPS	3.30*	4.74*	5.87*	8.04*	11.63*	19.38
	- Diluted EPS	3.30*	4.74*	5.87*	8.04*	11.63*	19.38
iv)	NPA Ratios as on						
	Gross NPA	1715.70	1690.87	1344.50	1715.70	1344.50	1581.59
	Net NPA	1246.81	1229.84	961.36	1246.81	961.36	974.73
	% of Gross NPA	4.13	4.34	3.64	4.13	3.64	4.21
	% of Net NPA	3.04	3.20	2.63	3.04	2.63	2.64
	Return on Assets	0.58	0.83	0.84	0.71	0.84	0.74

SUMMARY BALANCE SHEET AS ON SEPTEMBER 30, 2017

(Rs in crore)

	As on	As on
	30.09.2017	30.09.2016
CAPITAL AND LIABILITIES		
Capital	282.62	188.48
Reserves and Surplus	5007.21	3747.53
Deposits	56558.45	53095.83
Borrowings	1051.13	1026.24
Other Liabilities and Provisions	1574.37	1326.67
TOTAL	64473.78	59384.75
ASSETS		
Cash and balances with Reserve Bank of India	2779.09	2727.47
Balances with Banks and Money at Call & Short Notice	131.32	77.52
Investments	16734.05	16735.86
Advances	41127.04	36610.88
Fixed Assets	718.41	302.28
Other Assets	2983.87	2930.74
TOTAL	64473.78	59384.75

SEGMENT RESULTS FOR THE QUARTER/HALF YEAR ENDED 30.09.2017

	Segment wise Results	UNAUDITED					AUDITED
		Quarter Ended			Half Year Ended		Year ended
	Particulars	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		(Rs. in crores)					
1	Segment Revenue						
	(a) Treasury Operations	386.38	444.54	384.12	830.92	747.14	1642.55
	(b) Corporate Banking	505.82	492.28	446.18	998.10	906.47	1814.36
	(c) Retail Banking	609.41	530.73	611.30	1140.14	1144.31	2281.72
	(d) Other Banking Operations	64.14	80.38	54.47	144.52	133.11	256.11
	Total	1565.75	1547.93	1496.07	3113.68	2931.03	5994.74
2	Segment Results (after Provisions before Tax)						
	(a) Treasury Operations	95.26	132.05	94.25	227.31	166.57	442.87
	(b) Corporate Banking	-121.56	-49.37	-106.58	-170.93	- 82.06	-246.97
	(c) Retail Banking	164.22	29.96	137.03	194.18	164.39	357.89
	(d) Other Banking Operations	14.61	10.90	-11.20	25.51	1.35	-36.08
	Total	152.53	123.54	113.50	276.07	250.25	517.71
	Less: Un-allocable Expenditure	12.27	12.72	11.30	24.99	22.44	49.76
	Profit before Tax and exceptional items	140.26	110.82	102.20	251.08	227.81	467.95
3	Capital employed						
	(a) Treasury Operations	1733.43	1918.76	1432.90	1733.43	1432.90	2027.23
	(b) Corporate Banking	1603.41	1476.86	1069.64	1603.41	1069.64	1314.61
	(c) Retail Banking	1710.07	1680.33	1253.98	1710.07	1253.98	1589.10
	(d) Other Banking Operations	102.97	102.55	88.41	102.97	88.41	105.27
	(e) Unallocated	139.96	129.29	91.07	139.96	91.07	106.37
	Total	5289.84	5307.79	3936.00	5289.84	3936.00	5142.58

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

Notes forming part of the reviewed financial results for the quarter/half year ended September 30, 2017.

1. The above interim financial results for the Quarter/half year ended September 30, 2017 have been reviewed by the Audit Committee of the Board in the meeting held on October 12, 2017 and approved by the Board of Directors in the meeting held on October 13, 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 SEBI (LODR) Regulations, 2015.
2. For the preparation of these financial results, the Bank has followed the same accounting policies and generally accepted practices adopted in the preparation of audited financial statements for the year ended March 31, 2017.
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, leave encashment and unused sick leave 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 guidelines, the Bank had opted to spread the net shortfall on account of sale of assets to Reconstruction companies during the financial year 2015-16 and 2016-17 over a period of 8/ 4 quarters and consequently a sum of Rs 56.07 Crore has been charged to the Profit & Loss account for the half year ended September 30, 2017 by corresponding reversal of the proportionate debit made earlier to Revenue and other reserves. The unamortized amount of Rs 22.43 Crore will be amortised in the subsequent quarters.
5. Interest on Reverse Repo transactions which until 31st March 2017 was included under the head "Interest earned on Investments" is now included under the head "Interest earned on Balances with Reserve Bank of India and Inter Bank funds" pursuant to RBI guidelines. Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above regrouping / reclassification has no impact on the profit of the Bank for the quarter/half year ended September 30, 2017 or the previous periods.

6. In terms of RBI circular DBR No BP.BC 1/21.06.201/2015-16 dated July 1, 2015, Pillar III disclosures under Basel III Capital Regulations have been made available on our web site at the following link: <https://www.karnatakaBank.com/ktk/BaselDisclosures.jsp>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.
7. Disclosure about investor complaints: Complaints at the beginning of the period Nil; Received during the period -23. Disposed off during the period- 23. Unresolved as on September 30, 2017: Nil
8. Corresponding previous period's figures have been regrouped/ rearranged wherever necessary to make them comparable with current period figures.

[Analysis of Financial Results September 2017 Click here](#)

Mahabaleshwara M S
Managing Director & C.E.O

For Abarna & Ananthan
Chartered Accountants
Firm Regn No 000003S

For R K Kumar & Co
Chartered Accountants
Firm Regn. No. 001595S

Abarna Bhaskar
Membership No. 025145

B R Ashok
Membership No. 023313

Place: Mangaluru

Date: 13th October 2017

ANNEXURE 2

REVIEWED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED SEPTEMBER, 2017.

						(Rs. In crore)
Particulars	Quarter Ended 30.09.2017 (Unaudited)	Quarter Ended 30.06.2017 (Unaudited)	Quarter Ended 30.09.2016 (Unaudited)	Half year ended 30.9.2017 (Unaudited)	Half year ended 30.09.2016 (Unaudited)	Year ended 31.03.2017 (Audited)
Total income from operations (net)	1565.75	1547.93	1496.07	3113.68	2931.03	5994.74
Net Profit / (Loss) from ordinary activities after tax	93.38	133.85	123.82	227.23	245.36	452.26
Net Profit / (Loss) for the period after tax (after Extraordinary items)	93.38	133.85	123.82	227.23	245.36	452.26
Equity Share Capital	282.62	282.62	188.48	282.62	188.48	282.62
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)	-----	-----	-----	-----	-----	4436.44
Earnings Per Share (before extraordinary items) (of Rs 10/- each)						
Basic:	3.30*	4.74*	5.87*	8.04*	11.63*	19.38
Diluted	3.30*	4.74*	5.87*	8.04*	11.63*	19.38
Earnings Per Share (After extraordinary items) (of Rs 10/- each)						
Basic	3.30*	4.74*	5.87*	8.04*	11.63*	19.38
Diluted	3.30*	4.74*	5.87*	8.04*	11.63*	19.38

*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/Half yearly 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>

For and on behalf of Board of Directors

Place: Mangaluru

Date: 13th October 2017

Mahabaleshwara M S
MANAGING DIRECTOR & CEO