

ANNEXURE-1
**REVIEWED UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED
 DECEMBER 31, 2017.**
(Rs. in crore)

		Quarter ended (Unaudited)			Nine months ended (Unaudited)		Year ended (Audited)
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
1	Interest Earned (a+b+c+d)	1332.24	1317.93	1323.93	3980.71	3890.90	5185.40
a)	Interest/Discount on advances/ bills	1042.52	1009.50	983.58	3001.85	2890.04	3793.56
b)	Income on Investments	272.13	289.20	305.06	893.96	925.94	1271.16
c)	Interest on balances with Reserve Bank of India and other interBank funds	1.59	1.53	0.17	15.09	2.00	29.26
d)	Others	16.00	17.70	35.12	69.81	72.92	91.42
2	Other Income	194.62	247.82	133.59	659.83	497.65	809.34
3	TOTAL INCOME (1+2)	1526.86	1565.75	1457.52	4640.54	4388.55	5994.74
4	Interest expended	880.76	877.69	947.42	2664.57	2752.45	3694.78
5	Operating expenses (i+ii)	324.20	321.82	338.24	978.13	969.57	1304.16
i)	Employees Cost	121.39	124.17	176.75	382.97	478.32	601.03
ii)	Other operating Expenses	202.81	197.65	161.49	595.16	491.25	703.13
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1204.96	1199.51	1285.66	3642.70	3722.02	4998.94
7	Operating Profit before provisions & contingencies (3- 6)	321.90	366.24	171.86	997.84	666.53	995.80
8	Provisions (other than tax) and Contingencies	196.40	225.98	100.60	621.26	367.45	527.85

		Quarter ended (Unaudited)			Nine months ended (Unaudited)		Year ended (Audited)
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
9	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	125.50	140.26	71.26	376.58	299.08	467.95
11	Tax Expense	38.12	46.88	2.74	61.97	-14.81	15.69
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	87.38	93.38	68.52	314.61	313.89	452.26
13	Extraordinary Items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12- 13)	87.38	93.38	68.52	314.61	313.89	452.26
15	Paid up equity share capital Face Value Rs 10/-)	282.62	282.62	282.62	282.62	282.62	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	12.26	12.46	13.19	12.26	13.19	13.30
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	3.09*	3.30*	3.22*	11.13*	15.96*	19.38
	- Diluted EPS	3.09*	3.30*	3.22*	11.13*	15.96*	19.38
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	3.09*	3.30*	3.22*	11.13*	15.96*	19.38
	- Diluted EPS	3.09*	3.30*	3.22*	11.13*	15.96*	19.38
iv)	NPA Ratios as on						

		Quarter ended (Unaudited)			Nine months ended (Unaudited)		Year ended (Audited)
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	Gross NPA	1784.31	1715.70	1560.23	1784.31	1560.23	1581.59
	Net NPA	1262.96	1246.81	1065.66	1262.96	1065.66	974.73
	% of Gross NPA	3.97	4.13	4.30	3.97	4.30	4.21
	% of Net NPA	2.85	3.04	2.99	2.85	2.99	2.64
	Return on Assets	0.53	0.58	0.44	0.65	0.70	0.74

SEGMENT RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31,2017

	Segment wise Results	UNAUDITED					AUDITED
		Quarter Ended			Nine Months Ended		Year ended
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
Particulars	(Rs. in crores)						
1	Segment Revenue						
	(a) Treasury Operations	304.18	386.38	354.41	1135.10	1101.55	1642.55
	(b) Corporate Banking	627.61	505.82	470.72	1625.71	1397.43	1814.36
	(c) Retail Banking	522.42	609.41	587.78	1662.56	1711.85	2281.72
	(d) Other Banking Operations	72.65	64.14	44.61	217.17	177.72	256.11
	Total	1526.86	1565.75	1457.52	4640.54	4388.55	5994.74
2	Segment Results (after Provisions before Tax)						
	(a) Treasury Operations	36.22	95.26	55.44	263.53	222.01	442.87
	(b) Corporate Banking	22.67	-60.39	-146.16	-87.09	-139.27	-246.97
	(c) Retail Banking	71.63	103.35	199.90	204.64	275.34	357.89
	(d) Other Banking Operations	7.41	14.61	-23.24	32.92	-21.89	-36.08
	Total	137.93	152.53	85.94	414.00	336.19	517.71
	Less: Un-allocable Expenditure	12.43	12.27	14.68	37.42	37.11	49.76
	Profit before Tax and exceptional items	125.50	140.26	71.26	376.58	299.08	467.95
3	Capital employed						
	(a) Treasury Operations	1628.17	1733.43	2182.81	1628.17	2182.81	2027.23
	(b) Corporate Banking	1801.69	1603.41	1205.94	1801.69	1205.94	1314.61
	(c) Retail Banking	1724.90	1710.07	1516.69	1724.90	1516.69	1589.10
	(d) Other Banking Operations	104.38	102.97	109.83	104.38	109.83	105.27
	(e) Unallocated	140.52	139.96	67.74	140.52	67.74	106.37
	Total	5399.66	5289.84	5083.01	5399.66	5083.01	5142.58

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

Notes forming part of the Unaudited financial results for the quarter and nine months ended December 31, 2017.

1. The above interim financial results for the Quarter and Nine months ended December 31, 2017 have been reviewed by the Audit Committee of the Board in the meeting held on January 11, 2018 and approved by the Board of Directors in the meeting held on January 12, 2018. 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 un-hedged foreign currency exposure, Income tax, provision for arrears of salary pending negotiation & wage settlement 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 78.50 Crore has been charged to the Profit & Loss account for the nine months ended December 31, 2017 by corresponding reversal of the proportionate debit made earlier to Revenue and Other Reserves. The unamortized amount is Nil.
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/nine months ended December 31, 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: <http://karnatakaBank.info.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.
7. Disclosure about investor complaints for the quarter ended 31 December 2017: Complaints at the beginning of the period Nil; Received during the period 6. Disposed off during the period 6. Unresolved as on December 31, 2017: Nil
8. Corresponding previous period's figures have been regrouped/ rearranged wherever necessary to make them comparable with current period figures.

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

G Naganathan
Membership No. 022456

Place: Mangaluru

Date: 12th January 2018

ANNEXURE 2

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31,2017

(Rs. In crore)

Particulars	Quarter Ended 31.12.2017 (Unaudited)	Quarter Ended 30.09.2017 (Unaudited)	Quarter Ended 31.12.2016 (Unaudited)	Nine months ended 31.12.2017 (Unaudited)	Nine months ended 31.12.2016 (Unaudited)	Year ended 31.03.2017 (Audited)
Total income from operations (net)	1526.86	1565.75	1457.52	4640.54	4388.55	5994.74
Net Profit / (Loss) from ordinary activities after tax	87.38	93.38	68.52	314.61	313.89	452.26
Net Profit / (Loss) for the period after tax (after Extraordinary items)	87.38	93.38	68.52	314.61	313.89	452.26
Equity Share Capital	282.62	282.62	282.62	282.62	282.62	282.62
Reserves (excluding Revaluation Reserve)	----	-----	-----	-----		4436.44
Earnings Per Share (before extraordinary items) (of Rs 10/- each)						
Basic:	3.09*	3.30*	3.22*	11.13*	15.96*	19.38
Diluted	3.09*	3.30*	3.22*	11.13*	15.96*	19.38
Earnings Per Share (After extraordinary items) (of Rs 10/- each)						
Basic	3.09*	3.30*	3.22*	11.13*	15.96*	19.38
Diluted	3.09*	3.30*	3.22*	11.13*	15.96*	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/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

Date: 12th January 2018

Mahabaleshwara M S
MANAGING DIRECTOR & CEO