

**KARNATAKA BANK LTD. HEAD OFFICE MANGALURU 575002**

**ANNEXURE-1**

**REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019.**

**(Rs in Cr)**

		Quarter ended			Year ended 31.03.2019
		30.06.2019	31.03.2019	30.06.2018	
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
<b>1</b>	Interest Earned (a+b+c+d)	<b>1584.37</b>	1531.29	1407.64	<b>5905.96</b>
a)	Interest/Discount on advances/ bills	<b>1273.31</b>	1224.91	1105.79	<b>4698.03</b>
b)	Income on Investments	<b>282.12</b>	279.60	270.49	<b>1105.65</b>
c)	Interest on balances with Reserve Bank of India and other interbank funds	<b>9.10</b>	3.61	2.02	<b>16.63</b>
d)	Others	<b>19.84</b>	23.17	29.34	<b>85.65</b>
<b>2</b>	Other Income	<b>244.79</b>	290.59	208.80	<b>1001.96</b>
<b>3</b>	TOTAL INCOME (1+2)	<b>1829.16</b>	1821.88	1616.44	<b>6907.92</b>
<b>4</b>	Interest expended	<b>1089.78</b>	1050.41	939.06	<b>4000.84</b>
<b>5</b>	Operating expenses (i+ii)	<b>389.37</b>	447.24	308.50	<b>1457.27</b>
i)	Employees Cost	<b>176.93</b>	203.45	110.50	<b>605.56</b>
ii)	Other operating Expenses	<b>212.44</b>	243.79	198.00	<b>851.71</b>
<b>6</b>	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	<b>1479.15</b>	1497.65	1247.56	<b>5458.11</b>
<b>7</b>	Operating Profit before provisions & contingencies (3-6)	<b>350.01</b>	324.23	368.88	<b>1449.81</b>
<b>8</b>	Provisions (other than tax) and Contingencies	<b>201.14</b>	217.73	222.06	<b>842.00</b>
<b>9</b>	Exceptional Items	<b>0.00</b>	0.00	0.00	<b>0.00</b>
<b>10</b>	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	<b>148.87</b>	106.50	146.82	<b>607.81</b>
<b>11</b>	Tax Expense	<b>-26.55</b>	44.77	-16.42	<b>130.57</b>
<b>12</b>	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	<b>175.42</b>	61.73	163.24	<b>477.24</b>
<b>13</b>	Extraordinary Items (net of tax )	<b>0.00</b>	0.00	0.00	<b>0.00</b>
<b>14</b>	Net Profit (+)/Loss (-) for the period (12-13)	<b>175.42</b>	61.73	163.24	<b>477.24</b>
<b>15</b>	Paid up equity share capital Face Value Rs 10/-)	<b>282.62</b>	282.62	282.62	282.62
<b>16</b>	Reserves excluding revaluation reserves	<b>---</b>	5090.45	----	<b>5090.45</b>

		Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
17	<u>Analytical Ratios</u>				
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III ( % )	12.70	13.17	11.60	13.17
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized				
	- Basic EPS	6.21*	2.18*	5.78*	16.89
	- Diluted EPS	6.19*	2.18*	5.78*	16.89
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized				
	- Basic EPS	6.21*	2.18*	5.78*	16.89
	- Diluted EPS	6.19*	2.18*	5.78*	16.89
iv)	NPA Ratios as on date				
	Gross NPA	2437.53	2456.38	2296.53	2456.38
	Net NPA	1759.77	1616.71	1395.97	1616.71
	% of Gross NPA	4.55	4.41	4.72	4.41
	% of Net NPA	3.33	2.95	2.92	2.95
	Return on Assets	0.88	0.32	0.91	0.64

SEGMENT RESULTS FOR THE QUARTER ENDED 30.06.2019

Rs in crores

Segment-wise Results	Quarter ended			Year ended
Particulars	30.06.2019 Reviewed	31.03.2019 Audited	30.06.2018 Reviewed	31.03.2019 Audited
<b>Segment Revenue</b>				
(a) Treasury Operations	321.62	331.35	284.17	1307.60
(b) Corporate Banking	791.55	773.53	627.35	2840.48
(c) Retail Banking	602.45	602.83	589.04	2356.29
(d) Other Banking Operations	113.54	110.22	102.62	386.34
(e) Unallocated	0.00	3.95	13.26	17.21
<b>Income from operations</b>	<b>1829.16</b>	<b>1821.88</b>	<b>1616.44</b>	<b>6907.92</b>
<b>Segment Results (after Provisions before Tax)</b>				
(a) Treasury Operations	94.31	88.53	29.31	293.06
(b) Corporate Banking	35.81	-8.89	-17.71	28.36
(c) Retail Banking	6.60	2.85	106.06	235.84
(d) Other Banking Operations	26.80	34.02	29.02	87.48
(e) unallocated	-14.65	-10.01	0.14	-36.93
<b>Total profit/(loss) before tax</b>	<b>148.87</b>	<b>106.50</b>	<b>146.82</b>	<b>607.81</b>
<b>Segment Assets</b>				
(a) Treasury Operations	22279.66	20241.60	19557.40	20241.60
(b) Corporate Banking	29081.29	31349.71	26401.62	31349.71
(c) Retail Banking	24237.12	23912.21	21956.99	23912.21
(d) Other Banking Operations	1507.90	1516.43	1257.25	1516.43
(e) Unallocated	1843.44	2025.81	1429.92	2025.81
<b>Total</b>	<b>78949.41</b>	<b>79045.76</b>	<b>70603.18</b>	<b>79045.76</b>
<b>Segment Liabilities</b>				
(a) Treasury Operations	20521.11	18695.78	17946.08	18695.78
(b) Corporate Banking	26953.87	29103.22	24369.33	29103.22
(c) Retail Banking	22415.18	22179.19	20236.57	22179.19
(d) Other Banking Operations	1401.75	1412.54	1166.60	1412.54
(e) Unallocated	1696.90	1869.85	1311.21	1869.85
<b>Total</b>	<b>72988.81</b>	<b>73260.58</b>	<b>65029.79</b>	<b>73260.58</b>
<b>Capital employed</b>				
(a) Treasury Operations	1758.55	1545.82	1611.32	1545.82
(b) Corporate Banking	2127.41	2246.49	2032.29	2246.49
(c) Retail Banking	1821.95	1733.02	1720.42	1733.02
(d) Other Banking Operations	106.15	103.89	90.65	103.89
(e) Unallocated	146.54	155.96	118.71	155.96
<b>Total</b>	<b>5960.60</b>	<b>5785.18</b>	<b>5573.39</b>	<b>5785.18</b>

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

**tNotes forming part of the unaudited financial results for the period/quarter ended June 30, 2019**

1. The above interim financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee of the Board at the meeting held on July 11, 2019 and approved by the Board of Directors at the meeting held on July 12, 2019. 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. In 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, 2019.
3. The above interim financial results have been arrived at after considering the provision for loan losses and depreciation on Investments, Provision for employees' retirement benefits like pension, gratuity, leave encashment and unused sick leave as per actuarial valuations, Provision for exposure to entities with un-hedged foreign currency exposure, Income tax, Provision for arrears of salary pending negotiation & wage settlement and Other contingencies on estimated and proportionate basis and are subject to adjustments at the year end.
4. Provision coverage ratio as at June 30, 2019 stood at 58.08 %. (57.21% as at June 30, 2018)
5. 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.

6. Disclosure about investor complaints for the period ended June 30, 2019 :  
Complaints at the beginning of the period Nil; Received during the period 2.  
Disposed off during the period 2. Unresolved as on June 30, 2019 : Nil.
7. Corresponding previous period figures have been regrouped/ rearranged wherever necessary to make them comparable with the current period figures.

Mahabaleshwara M S  
**Managing Director & C.E.O**

For Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Regn No. 001997S

For Badari Madusudhan & Srinivasan  
Chartered Accountants  
Firm Regn. No. 05389S

Murali Mohan Bhat  
Partner  
M No. 203592

T V Sudarshan  
Partner  
M No. 19108

Place: Mangaluru  
Date: 12<sup>th</sup> July 2019

ANNEXURE 2			
REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019			
			(Rs. In crore)
Particulars	Quarter ended 30.6.2019 (Reviewed)	Year ended 31.03.2019 (Audited)	Quarter ended 30.6.2018 (Reviewed)
Total income from operations (net)	1829.16	6907.92	1616.44
Net Profit / (Loss) from ordinary activities after tax	175.42	477.24	163.24
Net Profit / (Loss) for the period after tax (after Extraordinary items)	175.42	477.24	163.24
Equity Share Capital	282.62	282.62	282.62
Reserves (excluding Revaluation Reserve) as shown in the Balance Sheet of previous year	-----	5090.45	-----
Earnings Per Share (before extraordinary items) (of Rs 10/- each)			
Basic:	6.21*	16.89	5.78*
Diluted	6.19*	16.89	5.78*
Earnings Per Share (After extraordinary items) (of Rs 10/- each)			
Basic	6.21*	16.89	5.78*
Diluted	6.19*	16.89	5.78*
*Not annualized			
Note: The above is an extract of the detailed format of period ended Results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the period ended Financial Results is available on the Stock Exchange websites. BSE: <a href="http://www.bseindia.com">http://www.bseindia.com</a> , NSE: <a href="http://www.nseindia.com">http://www.nseindia.com</a> , Bank website: <a href="https://www.karnatakaBank.com/index.jsp">https://www.karnatakaBank.com/index.jsp</a>			

For and on behalf of Board of Directors

Place: Mangaluru  
Date: 12<sup>th</sup> July 2019

**Mahabaleshwara M S**  
**MANAGING DIRECTOR & CEO**

**Manohar Chowdhry & Associates**

Chartered Accountants,  
102,MICASA,  
Bejai Main Road  
Mangaluru 575 004  
Tel: 0824 - 2988383  
Email: [muralimohan@mca.co.in](mailto:muralimohan@mca.co.in)

**Badari, Madhusudhan &  
Srinivasan**

Chartered Accountants,  
Kantha Court,  
Lalbagh Road  
Bengaluru-560027  
Tel: 080-22277714,41142536  
Email: [bmscas@gmail.com](mailto:bmscas@gmail.com)

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**Independent Auditor's Review Report on Review of Interim financial Results**

**To The Board of Directors of The Karnataka Bank Limited**

We have reviewed the accompanying statement of unaudited financial results of The Karnataka Bank Limited ("the Bank") for the quarter ended 30<sup>th</sup> June 2019 ("the statement"), excluding the Pillar 3 disclosures, leverage ratio and liquidity coverage ratio under Basel III Capital Regulations disclosed on the Bank's website and in respect of which a link has been provided in the statement, being prepared and submitted by the Bank pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

In the conduct of our Review we have relied on the review reports in respect of non-performing assets received from concurrent auditors of 132 branches. These review reports cover 67 percent of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the bank.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

**For Manohar Chowdhry & Associates**

Chartered Accountants  
Firm Regn No. 001997S

**For Badari, Madhusudhan & Srinivasan**

Chartered Accountants  
Firm Regn. Nos. 005389S

**Murali Mohan Bhat**

Partner  
M No. 203592

**T.V.Sudarshan**

Partner  
M No.019108

Place : Mangaluru  
Date : 12<sup>th</sup> July 2019