

**KARNATAKA BANK LTD HEAD OFFICE, MANGALURU 575002**  
**STANDALONE REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER ENDED JUNE 30, 2021.**  
**(Rs in Crore)**

SI. No	Particulars	For/As on quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1523.50	1417.49	1615.71	6232.41
a)	Interest/Discount on advances/bills	1161.29	1073.13	1298.65	4937.29
b)	Income on Investments	316.68	302.86	277.80	1142.35
c)	Interest on balances with Reserve Bank of India and other interbank funds	15.58	8.01	8.98	29.98
d)	Others	29.95	33.49	30.28	122.79
2	Other Income	235.91	373.21	518.92	1495.07
3	TOTAL INCOME (1+2)	1759.41	1790.70	2134.63	7727.48
4	Interest expended	948.71	958.35	1080.59	4049.23
5	Operating expenses (i+ii)	396.48	448.66	377.00	1679.11
i)	Employees Cost	224.40	239.78	201.65	913.30
ii)	Other operating Expenses	172.08	208.88	175.35	765.81
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1345.19	1407.01	1457.59	5728.34
7	Operating Profit before provisions & contingencies (3-6)	414.22	383.69	677.04	1999.14
8	Provisions (other than tax) and Contingencies	368.08	341.83	509.07	1387.21
9	Exceptional Items	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	46.14	41.86	167.97	611.93
11	Tax Expense	-59.94	10.50	-28.41	129.36
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	106.08	31.36	196.38	482.57
13	Extraordinary Items (net of tax )	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	106.08	31.36	196.38	482.57

Sl. No	Particulars	For/As on quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	310.88	310.88
16	Reserves excluding revaluation reserves	-----	5866.14	-----	5866.14
17	<u>Analytical Ratios</u>				
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III ( % )	14.58	14.85	13.44	14.85
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.40*	1.01*	6.32*	15.48
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.40*	1.01*	6.32*	15.48
iv)	NPA Ratios as on date				
	Gross NPA	2549.06	2588.41	2557.64	2588.41
	Net NPA	1552.95	1642.10	1630.65	1642.10
	% of Gross NPA	4.82	4.91	4.64	4.91
	% of Net NPA	3.00	3.18	3.01	3.18
	Return on Assets *Annualised	0.49	0.15	0.93	0.57

**STANDALONE SEGMENT RESULTS FOR / AS ON QUARTER ENDED JUNE 30, 2021.**  
(Rs in crore)

Segmentwise Results	For / As Quarter Ended			Year Ended
Particulars	30.06.2021	31.03.2021	30.06.2020	31.03.2021
<b>Segment Revenue</b>				
(a) Treasury Operations	363.40	340.63	645.67	1814.17
(b) Corporate Banking	571.58	695.20	703.96	2739.23
(c) Retail Banking	709.94	611.95	666.19	2741.26
(d) Other Banking Operations	114.49	137.90	118.81	427.80
(e) Unallocated	0.00	5.02	0.00	5.02
<b>Income From Operations</b>	<b>1759.41</b>	<b>1790.70</b>	<b>2134.63</b>	<b>7727.48</b>
<b>Segment Results (after Provisions before Tax)</b>				
(a) Treasury Operations	68.34	77.72	390.74	778.23
(b) Corporate Banking	132.11	48.70	132.17	450.64
(c) Retail Banking	226.94	235.21	156.70	813.81
(d) Other Banking Operations	5.49	36.79	13.30	24.95
(e) Unallocated (including Provisions & Contingencies)	-386.74	-356.56	-524.94	-1455.70
<b>Total Profit/(Loss) before tax</b>	<b>46.14</b>	<b>41.86</b>	<b>167.97</b>	<b>611.93</b>
<b>Segment Assets</b>				
(a) Treasury Operations	28021.82	27505.89	23252.22	27505.89
(b) Corporate Banking	25316.12	24527.74	28406.57	24527.74
(c) Retail Banking	27273.98	27628.87	26254.98	27628.87
(d) Other Banking Operations	3940.30	3917.41	3219.50	3917.41
(e) Unallocated	1953.96	2001.43	1994.38	2001.43
<b>Total</b>	<b>86506.18</b>	<b>85581.34</b>	<b>83127.65</b>	<b>85581.34</b>
<b>Segment Liabilities</b>				
(a) Treasury Operations	25658.65	25213.57	21359.77	25213.57
(b) Corporate Banking	23496.45	22764.95	26328.42	22764.95
(c) Retail Banking	25190.71	25521.13	24279.17	25521.13
(d) Other Banking Operations	3622.77	3604.70	2972.05	3604.70
(e) Unallocated	1789.16	1834.63	1832.05	1834.63
<b>Total</b>	<b>79757.74</b>	<b>78938.98</b>	<b>76771.46</b>	<b>78938.98</b>
<b>Capital employed</b>				
(a) Treasury Operations	2363.17	2292.32	1892.45	2292.32
(b) Corporate Banking	1819.67	1762.79	2078.15	1762.79
(c) Retail Banking	2083.27	2107.74	1975.81	2107.74
(d) Other Banking Operations	317.53	312.71	247.45	312.71
(e) Unallocated	164.80	166.80	162.33	166.80
<b>Total</b>	<b>6748.44</b>	<b>6642.36</b>	<b>6356.19</b>	<b>6642.36</b>

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

**Notes forming part of the reviewed Standalone financial results for the period ended June 30, 2021.**

1. The above Standalone interim financial results for the period ended June 30, 2021 have been reviewed by the Audit Committee of the Board at the meeting held on July 26, 2021 and approved by the Board of Directors at the meeting held on July 27, 2021. 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. The report thereon is unmodified.
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, 2021.
3. The above Standalone 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 unhedged foreign currency exposure, Income Tax and other contingencies on estimated/ proportionate basis and are subject to adjustments at the year end.
4. Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recovery in written-off accounts etc.
5. The continued impact of COVID-19 pandemic as well as the renewed restrictions on business and individual activities due to regional lockdowns across the country, has affected the global economy including India. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic may continue to impact the Bank's operations and asset quality is dependent on the ongoing as well as future developments, which are highly uncertain.

In accordance with the COVID 19 regulatory package announced by RBI from time to time providing relief to the borrowers, the Bank as per approved board policy offered relief to all eligible borrowers and necessary provision has been made for the same.

Further as a matter of prudence the bank has made additional provisions towards stressed accounts.

6. In accordance with RBI notification dated April 7, 2021, the Bank is required to refund/ adjust 'interest on interest' to borrowers. . Accordingly the Bank has refunded Rs 25.43 crore to the eligible customers out of which a sum of Rs 15 crore was provided as on March 31, 2021 and balance of Rs 10.43 crore has been charged to the Profit and Loss account during the current quarter.
7. Details of resolution plan implemented under the resolution framework for COVID 19- related Stress as per RBI circular August 6, 2020 are given below.

Type of Borrower	(A) No. of borrowers where resolution plan has been implemented under this window	(B) Exposure to borrowers mentioned at (A) before implementation of the plan	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the Resolution
Personal loans	654	331.06	----	----	54.42
Corporate persons	10	479.59	9.99	8.00	66.66
<i>Of which MSMEs</i>	----	----	----	----	----
Others	8	50.55	----	----	9.42
Total	672	861.20	9.99	8.00	130.50

8. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework-2.0: Resolution of COVID -19 related stress of Individuals and Small Business", the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under.

(Rs in crore)

No. of Accounts	44
Aggregate Exposure as on June 30, 2021	17.66

9. As per the amended Section 115BAA of the Income Tax Act 1961, domestic companies, have a non-reversible option to pay corporate tax at reduced rates subject to certain conditions. The Bank has continued to provide for current taxes and deferred taxes at the prevalent rate of taxes without exercising the option.
10. Provision coverage ratio as at June 30, 2021 stood at 72.24% (67.93% as at June 30, 2020).
11. The Reserve Bank of India vide its letter dated ENFD.DECB.No.S173/02.02.005/2021-22 dated July 6, 2021 has imposed a penalty of Rs 1.00 crore for non-adherence to RBI guidelines on 'Bank finance to Non-Banking Companies'.
12. KBL Services Ltd, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21, 2020 and the certificate of commencement of business was filed on August 26, 2020. The company has commenced its operations on March 30, 2021. The consolidated financial results incorporating the reviewed financial of the wholly owned non-financial subsidiary for the quarter ended June 30, 2021 have been furnished separately.
13. 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 website 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.
14. Disclosure about investor complaints for the period ended June 30, 2021: Complaints at the Beginning of the period Nil; Received during the period 4; Disposed off during the period 4 ; Unresolved as on June 30, 2021 Nil.

15. Figures for the corresponding previous periods have been regrouped/ classified wherever considered necessary. The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the financial year 2020-21 and the published year to date figures up to December 31, 2020.

For and on behalf of Board of Directors

Mahabaleshwara M S  
Managing Director & C.E.O

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

for Badari, Madhusudhan & Srinivasan  
Chartered Accountants  
Firm Regn. No. 05389S

(Murali Mohan Bhat)  
Partner  
M. No. 203592  
Place: Mangaluru  
Date: 27<sup>th</sup> July 2021

(T V Sudarshan)  
Partner  
M. No. 019108  
Place: Mangaluru  
Date: 27<sup>th</sup> July 2021

**KARNATAKA BANK LTD**

**STANDALONE REVIEWED FINANCIAL RESULTS FOR/ AS ON QUARTER ENDED JUNE 30, 2021**

(Rs. in Crore)

Particulars	Quarter ended 30.06.2021 (Reviewed)	Quarter ended 31.03.2021 (Audited)	Quarter ended 30.06.2020 (Reviewed)	Year ended 31.03.2021 (Audited)
Total income from operations (net)	1759.41	1790.70	2134.63	7727.48
Net Profit / (Loss) from ordinary activities after tax	106.08	31.36	196.38	482.57
Net Profit / (Loss) for the period after tax (after Extraordinary items)	106.08	31.36	196.38	482.57
Equity Share Capital	310.88	310.88	310.88	310.88
Reserves (excluding Revaluation Reserve) as shown in the Balance Sheet of previous year	-----	5866.14	-----	5866.14
Earnings Per Share (before extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.40*	1.01*	6.32*	15.48
Earnings Per Share (After extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.40*	1.01*	6.32*	15.48

\*Not annualized

Note: The above is an extract of the detailed format of period ended results for June 30, 2021 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the results for June 30, 2021 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: 27<sup>th</sup> July 2021

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



**Manohar Chowdhry & Associates**

Chartered Accountants  
102, MICASA, Bejai Main Road  
Mangaluru 575 004  
Tel: 0824 - 2210883  
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 Limited Review Report on the unaudited Standalone financial results for the quarter/three months ended 30<sup>th</sup> June 2021 pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

1. We have reviewed the accompanying statement of unaudited standalone financial results of **The Karnataka Bank Limited** ("the Bank") for the quarter/three months ended 30<sup>th</sup> June 2021 ("the Statement"), being prepared and submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations, Leverage Ratio and Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement, which have not been reviewed by us. This Statement is the responsibility of the Bank'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.
2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principle laid down in Accounting Standard 25, Interim Financial Reporting ("AS 25"), prescribed under section 133 of the Companies act, 2013, read with Rule 7 of the Companies (Accounts) Rule. 2014 (as amended), the relevant provision of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI") from time to time ("the RBI guidelines"), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 Bank 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.
4. In the conduct of our Review we have relied on the review reports in respect of non-performing assets received from the Concurrent Auditors' of 129 branches. These review reports cover 60.90 percent of the advance's 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.
5. 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 the

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.

6. We draw attention to Note No.5 of the accompanying statement of unaudited financial results which describes the uncertainties due to outbreak of novel coronavirus (COVID 19). In view of these uncertainties, the impact on the Bank's financial statements is dependent on future developments.

Our conclusion is not modified in respect of these matters.

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

**For Badari, Madhusudan & Srinivasan**  
**Chartered Accountants**  
**Firm Reg. No. 005389S**

**(Murali Mohan Bhat)**  
**Partner**  
**M. No. 203592**  
**UDIN: 21203592AAAADM2000**  
**Place: Mangaluru**  
**Date: 27<sup>th</sup> July 2021**

**(T V Sudarshan)**  
**Partner**  
**M. No. 019108**  
**UDIN: 21019108AAAACC9046**  
**Place: Mangalore**  
**Date: 27<sup>th</sup> July 2021**

**CONSOLIDATED REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER ENDED  
JUNE 30, 2021.**

(Rs in Crore)

SI. No	Particulars	For/As on quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1523.50	1417.49	1615.71	6232.41
a)	Interest/Discount on advances/bills	1161.29	1073.13	1298.65	4937.29
b)	Income on Investments	316.68	302.86	277.80	1142.35
c)	Interest on balances with Reserve Bank of India and other interbank funds	15.58	8.01	8.98	29.98
d)	Others	29.95	33.49	30.28	122.79
2	Other Income	235.88	373.21	518.92	1495.07
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5	Operating expenses (i+ii)	396.63	448.66	377.00	1679.23
i)	Employees Cost	224.54	239.78	201.65	913.31
ii)	Other operating Expenses	172.09	208.88	175.35	765.92
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1345.34	1407.01	1457.59	5728.45
7	Operating Profit before provisions & contingencies (3-6)	414.04	383.69	677.04	1999.03
8	Provisions (other than tax) and Contingencies	368.08	341.83	509.07	1387.21
9	Exceptional Items	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	45.96	41.86	167.97	611.82
11	Tax Expense	-59.95	10.50	-28.41	129.36
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	105.91	31.36	196.38	482.46
13	Extraordinary Items (net of tax )	0.00	0.00	0.00	0.00

Sl. No	Particulars	For/As on quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
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15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	310.88	310.88
16	Reserves excluding revaluation reserves	-----	5866.14	-----	5866.14
17	<u>Analytical Ratios</u>				
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III ( % )	14.58	14.85	13.44	14.85
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.39*	1.01*	6.32*	15.47
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.39*	1.01*	6.32*	15.47
iv)	NPA Ratios as on date				
	Gross NPA	2549.06	2588.41	2557.64	2588.41
	Net NPA	1552.95	1642.10	1630.65	1642.10
	% of Gross NPA	4.82	4.91	4.64	4.91
	% of Net NPA	3.00	3.18	3.01	3.18
	Return on Assets *Annualised	0.49	0.15	0.93	0.57

CONSOLIDATED REVIEWED SEGMENT RESULTS FOR / AS ON QUARTER ENDED  
JUNE 30, 2021

(Rs in crore)

Segmentwise Results	For / As Quarter Ended			Year Ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
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<b>Segment Revenue</b>				
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(e) Unallocated	0.00	5.02	0.00	5.02
<b>Income From Operations</b>	<b>1759.38</b>	<b>1790.70</b>	<b>2134.63</b>	<b>7727.48</b>
<b>Segment Results (after Provisions before Tax)</b>				
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(b) Corporate Banking	132.04	48.70	132.17	450.58
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(e) Unallocated (including Provisions & Contingencies)	-386.75	-356.54	-524.94	-1455.70
<b>Total Profit/(Loss) before tax</b>	<b>45.96</b>	<b>41.86</b>	<b>167.97</b>	<b>611.82</b>
<b>Segment Assets</b>				
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(c) Retail Banking	27273.99	27628.87	26254.98	27628.87
(d) Other Banking Operations	3940.31	3917.42	3219.50	3917.42
(e) Unallocated	1953.98	2001.44	1994.38	2001.44
<b>Total</b>	<b>86505.73</b>	<b>85580.86</b>	<b>83127.65</b>	<b>85580.86</b>
<b>Segment Liabilities</b>				
(a) Treasury Operations	25658.28	25213.14	21359.77	25213.14
(b) Corporate Banking	23496.55	22764.97	26328.42	22764.97
(c) Retail Banking	25190.80	25521.16	24279.17	25521.16
(d) Other Banking Operations	3622.77	3604.71	2972.05	3604.71
(e) Unallocated	1789.18	1834.64	1832.05	1834.64
<b>Total</b>	<b>79757.58</b>	<b>78938.62</b>	<b>76771.46</b>	<b>78938.62</b>
<b>Capital employed</b>				
(a) Treasury Operations	2363.04	2292.25	1892.45	2292.25
(b) Corporate Banking	1819.58	1762.77	2078.15	1762.77
(c) Retail Banking	2083.19	2107.71	1975.81	2107.71
(d) Other Banking Operations	317.54	312.71	247.45	312.71
(e) Unallocated	164.80	166.80	162.33	166.80
<b>Total</b>	<b>6748.15</b>	<b>6642.24</b>	<b>6356.19</b>	<b>6642.24</b>

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

**Notes forming part of the reviewed Consolidated financial results for the quarter ended June 30, 2021**

1. The above Consolidated financial results for the period ended June 30, 2021 have been reviewed by the Audit Committee of the Board at the meeting held on July 26, 2021 and approved by the Board of Directors at the meeting held on July 27, 2021. 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. The report thereon is unmodified.
2. The Consolidated Financial results of the Group comprise the financial results of The Karnataka Bank Ltd and its wholly owned subsidiary KBL Services Ltd.  
  
The paid-up equity capital of KBL Services Limited is Rs.50.00 lakhs comprising of 5,00,000 equity shares of Rs.10 each fully paid up. KBL Services Ltd, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21<sup>st</sup>, 2020 and the certificate of commencement of business was filed on August 26<sup>th</sup>, 2020. The company commenced its operations on March 30, 2021.
3. 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, 2021.
4. The above Consolidated 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 unhedged foreign currency exposure, Income Tax and other contingencies on estimated/ proportionate basis and are subject to adjustments at the year end.
5. Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recovery in written-off accounts etc.
6. The continued impact of COVID-19 pandemic as well as the renewed restrictions on business and individual activities due to regional lockdowns across the country, has affected the global economy including India. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic may continue to impact the

Bank's operations and asset quality is dependent on the ongoing as well as future developments, which are highly uncertain.

In accordance with the COVID 19 regulatory package announced by RBI from time to time providing relief to the borrowers, the Bank as per approved board policy offered relief to all eligible borrowers and necessary provision has been made for the same.

Further as a matter of prudence the bank has made additional provisions towards stressed accounts.

7. In accordance with RBI notification dated April 7, 2021, the Bank is required to refund/ adjust 'interest on interest' to borrowers. . Accordingly the Bank has refunded Rs 25.43 crore to the eligible customers out of which a sum of Rs 15 crore was provided as on March 31, 2021 and balance of Rs 10.43 crore has been charged to the Profit and Loss account during the current quarter.

8. Details of resolution plan implemented under the resolution framework for COVID 19- related Stress as per RBI circular August 6, 2020 are given below.

Type of Borrower	(A) No. of borrowers where resolution plan has been implemented under this window	(B) Exposure to borrowers mentioned at (A) before implementation of the plan	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the Resolution
Personal loans	654	331.06	----	----	54.42
Corporate persons	10	479.59	9.99	8.00	66.66
<i>Of which MSMEs</i>	----	----	----	----	----
Others	8	50.55	----	----	9.42
Total	672	861.20	9.99	8.00	130.50

9. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on “Resolution Framework-2.0: Resolution of COVID -19 related stress of Individuals and Small Business”, the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under.

(Rs in crore)

No. of Accounts	44
Aggregate Exposure as on June 30, 2021	17.66

10. As per the amended Section 115BAA of the Income Tax Act 1961, domestic companies, have a non-reversible option to pay corporate tax at reduced rates subject to certain conditions. The Bank has continued to provide for current taxes and deferred taxes at the prevalent rate of taxes without exercising the option.
11. Provision coverage ratio as at June 30, 2021 stood at 72.24% (67.93% as at June 30, 2020).
12. The Reserve Bank of India vide its letter dated ENFD.DECB.No.S173/02.02.005/2021-22 dated July 6, 2021 has imposed a penalty of Rs 1.00 crore for non-adherence to RBI guidelines on ‘Bank finance to Non-Banking Companies’
13. 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 website 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.
14. Disclosure about investor complaints for the period ended June 30, 2021: Complaints at the Beginning of the period Nil; Received during the period 4; Disposed off during the period 4 ; Unresolved as on June 30, 2021 Nil.



15. Figures for the corresponding previous periods have been regrouped/ classified wherever considered necessary. The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the financial year 2020-21 and the published year to date figures up to December 31, 2020.

For and on behalf of Board of Directors

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

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

**(Murali Mohan Bhat)**  
**Partner**  
**M. No. 203592**

**Place: Mangaluru**  
**Date: 27<sup>th</sup> July 2021**

for **Badari, Madhusudhan & Srinivasan**  
**Chartered Accountants**  
**Firm Regn. No. 05389S**

**(T V Sudarshan)**  
**Partner**  
**M. No. 019108**

**Place: Bangalore**  
**Date: 27<sup>th</sup> July 2021**

<b>KARNATAKA BANK LTD</b>				
<b>CONSOLIDATED REVIEWED FINANCIAL RESULTS FOR/ AS ON QUARTER ENDED JUNE 30, 2021</b>				
(Rs. in Crore)				
<b>Particulars</b>	<b>Quarter ended 30.06.2021 (Reviewed)</b>	<b>Quarter ended 31.03.2021 (Audited)</b>	<b>Quarter ended 30.06.2020 (Reviewed)</b>	<b>Year ended 31.03.2021 (Audited)</b>
Total income from operations (net)	1759.38	1790.70	2134.63	7727.48
Net Profit / (Loss) from ordinary activities after tax	105.91	31.36	196.38	482.46
Net Profit / (Loss) for the period after tax (after Extraordinary items)	105.91	31.36	196.38	482.46
Equity Share Capital	310.88	310.88	310.88	310.88
Reserves (excluding Revaluation Reserve) as shown in the Balance Sheet of previous year	-----	5866.14	-----	5866.14
Earnings Per Share (before extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.39*	1.01*	6.32*	15.47
Earnings Per Share (After extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.39*	1.01*	6.32*	15.47
*Not annualized				
<p>Note: The above is an extract of the detailed format of period ended results for June 30, 2021 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the results for June 30, 2021 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></p>				

For and on behalf of Board of Directors

**Place: Mangaluru**  
**Date: 27<sup>th</sup> July 2021**

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

**Manohar Chowdhry & Associates**

Chartered Accountants  
102, MICASA, Bejai Main Road  
Mangaluru 575 004  
Tel: 0824 - 2210883  
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 Consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **The Karnataka Bank Limited** ("the Bank / Parent / Holding Co.") and its Subsidiaries (the Parent and its Subsidiaries together referred to as "the Group"), for the quarter and three months ended 30<sup>th</sup> June 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

4. The Statement includes the results of the following entities:
- i. The Karnataka Bank Ltd (Parent/Holding Company)
  - ii. KBL Services Limited (Subsidiary)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30/06/2021 including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

6. We draw your attention to Note No.6 of the accompanying statement of unaudited consolidated financial results which describes the uncertainties due to outbreak of novel coronavirus (COVID 19). In view of these uncertainties, the impact on the Bank's financial statements is dependent on future developments.

Our conclusion is not modified in respect of these matters.

7. We did not review the interim financial statements /financial information/ financial results of one Subsidiary included in the Group, whose results reflect total assets of Rs. 0.2264 crores as at 30/06/2021 and total revenues of Rs.0.0025 crore and total net profit / (loss) after tax of Rs. (0.1769) crores for the quarter and three months ended 30/06/2021 respectively as considered in the respective standalone unaudited/ audited interim financial statements/ financial information/ financial results of the entities included in the Group. The interim financial statements/ financial information / financial results of the Subsidiary has been reviewed by the other auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this Subsidiary is based solely on the report of such other auditors and the procedures performed by us as stated in paragraph 3 above

Our conclusion on the Statement is not modified in respect of the above matter

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

**For Badari, Madhusudan & Srinivasan**  
**Chartered Accountants**  
**Firm Reg. No. 005389S**

**(Murali Mohan Bhat)**  
**Partner**  
**M. No. 203592**  
**UDIN: 21203592AAAADN5343**  
**Place: Mangaluru**  
**Date: 27<sup>th</sup> July 2021**

**(T V Sudarshan)**  
**Partner**  
**M. No. 019108**  
**UDIN: 21019108AAAACD8157**  
**Place: Mangalore**  
**Date: 27<sup>th</sup> July 2021**