



# Karnataka Bank Ltd.

Your Family Bank, Across India.

Regd. & Head Office  
P. B. No.599, Mahaveera Circle  
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Mangalore – 575 002

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CIN : L85110KA1924PLC001128

## TREASURY AND ACCOUNTS DEPARTMENT

### REVIEWED FINANCIAL RESULTS FOR THE QUARTER/ HALF YEAR ENDED SEPTEMBER 30, 2019. (Rs in Crore)

		Quarter ended			Half year ended		Year ended 31.03.2019
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1629.64	1584.37	1452.61	3214.01	2860.25	5905.96
a)	Interest/Discount on advances/ bills	1294.69	1273.31	1152.36	2568.00	2258.15	4698.03
b)	Income on Investments	293.59	282.12	279.33	575.71	549.82	1105.65
c)	Interest on balances with Reserve Bank of India and other interbank funds	20.75	9.10	5.27	29.85	7.29	16.63
d)	Others	20.61	19.84	15.65	40.45	44.99	85.65
2	Other Income	308.76	244.79	201.20	553.55	410.00	1001.96
3	TOTAL INCOME (1+2)	1938.40	1829.16	1653.81	3767.56	3270.25	6907.92
4	Interest expended	1130.92	1089.78	984.90	2220.70	1923.96	4000.84
5	Operating expenses (i+ii)	394.05	389.37	312.58	783.42	621.08	1457.27
i)	Employees Cost	163.17	176.93	110.85	340.10	221.35	605.56
ii)	Other operating Expenses	230.88	212.44	201.73	443.32	399.73	851.71
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1524.97	1479.15	1297.48	3004.12	2545.04	5458.11
7	Operating Profit before provisions & contingencies (3-6)	413.43	350.01	356.33	763.44	725.21	1449.81
8	Provisions (other than tax) and Contingencies	262.40	201.14	193.22	463.54	415.28	842.00
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)	151.03	148.87	163.11	299.90	309.93	607.81
11	Tax Expense	45.12	-26.55	51.25	18.57	34.83	130.57

		Quarter ended			Half year ended		Year ended 31.03.2019
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	105.91	175.42	111.86	281.33	275.10	477.24
13	Extraordinary Items (net of tax )	0.00	0.00	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	105.91	175.42	111.86	281.33	275.10	477.24
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	---	---	---	---	---	5090.45
17	<u>Analytical Ratios</u>						
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III ( % )	12.64	12.70	11.30	12.64	11.30	13.17
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	3.75*	6.21*	3.96*	9.95*	9.73*	16.89
	- Diluted EPS	3.75*	6.19*	3.96*	9.95*	9.73*	16.89
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	3.75*	6.21*	3.96*	9.95*	9.73*	16.89
	- Diluted EPS	3.75*	6.19*	3.96*	9.95*	9.73*	16.89
iv)	NPA Ratios as on date						
	Gross NPA	2594.27	2437.53	2371.62	2594.27	2371.62	2456.38
	Net NPA	1863.11	1759.77	1497.68	1863.11	1497.68	1616.71
	% of Gross NPA	4.78	4.55	4.66	4.78	4.66	4.41
	% of Net NPA	3.48	3.33	3.00	3.48	3.00	2.95
	Return on Assets	0.53	0.88	0.61	0.70	0.76	0.64

**SUMMARY BALANCE SHEET AS AT SEPTEMBER 30, 2019**

(Rs in crore)

	<b>As on 30.09.2019</b>	<b>As on 30.09.2018</b>
<b>CAPITAL AND LIABILITIES</b>		
Capital	282.62	282.62
Reserves and Surplus	5664.75	5300.42
Deposits	70189.65	63884.70
Borrowings	2448.08	2807.52
Other Liabilities and Provisions	1581.09	1213.35
<b>TOTAL</b>	<b>80166.19</b>	<b>73488.61</b>
<b>ASSETS</b>		
Cash and balances with Reserve Bank of India	3470.21	3087.16
Balances with Banks and Money at Call & Short Notice	382.73	201.91
Investments	17934.55	16035.86
Advances	53468.42	49969.61
Fixed Assets	772.72	758.47
Other Assets	4137.56	3435.60
<b>TOTAL</b>	<b>80166.19</b>	<b>73488.61</b>

**SUMMARISED CASH FLOW STATEMENT**

Rs in Crore

Particulars	<b>Half year ended 30.09.2019</b>	<b>Half year ended 30.09.2018</b>
	(Unaudited)	(Unaudited)
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>	1017.28	-2128.17
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	-27.41	-23.15
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	-746.68	1839.38
<b>Net increase/ (decrease) in Cash &amp; cash equivalents (A+B+C)</b>	<b>243.19</b>	<b>-311.94</b>
<b>Cash &amp; cash equivalents as at beginning of the period (opening)</b>	3609.75	3601.01
<b>Cash &amp; cash equivalents as at end of the period (closing)</b>	<b>3852.94</b>	<b>3289.07</b>

**SEGMENT RESULTS FOR THE QUARTER/ HALF YEAR ENDED 30.09.2019 (Rs in crore)**

Segment wise Results	UNAUDITED					AUDITED
	Quarter Ended			Half Year Ended		Year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
Particulars	(Rs. in crores)					
<b>1 Segment Revenue</b>						
(a) Treasury Operations	359.82	321.62	298.35	681.44	582.52	1307.60
(b) Corporate Banking	755.25	791.55	686.17	1546.80	1313.52	2840.48
(c) Retail Banking	698.20	602.45	584.92	1300.65	1173.96	2356.29
(d) Other Banking Operations	125.13	113.54	84.37	238.67	186.99	386.34
(e) Unallocated	0.00	0.00	0.00	0.00	13.26	17.21
<b>Total</b>	<b>1938.40</b>	<b>1829.16</b>	<b>1653.81</b>	<b>3767.56</b>	<b>3270.25</b>	<b>6907.92</b>
<b>2 Segment Results (after Provisions before Tax)</b>						
(a) Treasury Operations	89.03	72.95	54.51	161.98	102.43	343.72
(b) Corporate Banking	122.63	157.84	140.19	280.47	257.01	520.60
(c) Retail Banking	169.79	106.20	158.87	275.99	333.82	535.79
(d) Other Banking Operations	47.16	27.67	15.98	74.83	45.04	86.64
(e) Unallocated (including provisions & contingencies)	-277.58	-215.79	-206.44	-493.37	-428.37	-878.94
<b>Total Profit/ Loss before tax</b>	<b>151.03</b>	<b>148.87</b>	<b>163.11</b>	<b>299.90</b>	<b>309.93</b>	<b>607.81</b>
<b>3 Segment Assets</b>						
(a) Treasury Operations	22274.64	22279.66	19876.06	22274.64	19876.06	20241.60
(b) Corporate Banking	28970.68	29081.29	27885.70	28970.68	27885.70	31349.71
(c) Retail Banking	24972.29	24237.12	22728.46	24972.29	22728.46	23912.21
(d) Other Banking Operations	2039.33	1507.90	1389.29	2039.33	1389.29	1516.43
(e) Unallocated	1909.25	1843.44	1609.10	1909.25	1609.10	2025.81
<b>Total</b>	<b>80166.19</b>	<b>78949.41</b>	<b>73488.61</b>	<b>80166.19</b>	<b>73488.61</b>	<b>79045.76</b>
<b>Segment Liabilities</b>						
(a) Treasury Operations	20547.41	20521.11	18286.25	20547.41	18286.25	18695.78
(b) Corporate Banking	26885.91	26953.87	25853.70	26885.91	25853.70	29103.22
(c) Retail Banking	23131.17	22415.18	20995.31	23131.17	20995.31	22179.19
(d) Other Banking Operations	1894.22	1401.75	1290.92	1894.22	1290.92	1412.54
(e) Unallocated	1760.11	1696.90	1479.39	1760.11	1479.39	1869.85
<b>Total</b>	<b>74218.82</b>	<b>72988.81</b>	<b>67905.57</b>	<b>74218.82</b>	<b>67905.57</b>	<b>73260.58</b>
<b>Capital employed (Segment Assets-Segment Liabilities)</b>						
(a) Treasury Operations	1727.23	1758.55	1589.81	1727.23	1589.81	1545.82
(b) Corporate Banking	2084.76	2127.41	2032.00	2084.76	2032.00	2246.49
(c) Retail Banking	1841.12	1821.95	1733.15	1841.12	1733.15	1733.02
(d) Other Banking Operations	145.12	106.15	98.37	145.12	98.37	103.89
(e) Unallocated	149.14	146.54	129.71	149.14	129.71	155.96
<b>Total</b>	<b>5947.37</b>	<b>5960.60</b>	<b>5583.04</b>	<b>5947.37</b>	<b>5583.04</b>	<b>5785.18</b>

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

**Notes forming part of the unaudited financial results for the half year ended September 30, 2019**

1. The above interim financial results for the half year ended September 30, 2019 have been reviewed by the Audit Committee of the Board at the meeting held on October 14, 2019 and approved by the Board of Directors at the meeting held on October 15, 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 arrears of salary pending negotiation & wage settlement, 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 and proportionate basis and are subject to adjustments at the year end.
4. Provision coverage ratio as at September 30, 2019 stood at 59.19 % (57.49% as at September 30, 2018).
5. The capital adequacy ratio is computed on the basis of the RBI guidelines applicable on the relevant reporting dates and ratio for the corresponding previous period is not adjusted to consider the impact of subsequent changes, if any, in the guidelines.
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 half year ended September 30, 2019**  
Complaints at the Beginning of the period Nil; Received during the period 13;  
Disposed off during the period 13; Unresolved as on September 30, 2019 Nil.
8. 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: 15<sup>th</sup> October 2019

<b>KARNATAKA BANK LTD</b>						
<b>REVIEWED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED SEPTEMBER 30, 2019</b>						
(Rs. in crore)						
Particulars	Quarter Ended 30.09.2019 (Reviewed)	Quarter Ended 30.06.2019 (Reviewed)	Quarter Ended 30.09.2018 (Reviewed)	Half year ended 30.9.2019 (Reviewed)	Half year ended 30.9.2018 (Reviewed)	Year ended 31.03.2019 (Audited)
Total income from operations (net)	1938.40	1829.16	1653.81	3767.56	3270.25	6907.92
Net Profit / (Loss) from ordinary activities after tax	105.91	175.42	111.86	281.33	275.10	477.24
Net Profit / (Loss) for the period after tax (after Extraordinary items)	105.91	175.42	111.86	281.33	275.10	477.24
Equity Share Capital	282.62	282.62	282.62	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:	3.75*	6.21*	3.96*	9.95*	9.73*	16.89
Diluted:	3.75*	6.19*	3.96*	9.95*	9.73*	16.89
Earnings Per Share (After extraordinary items) (of Rs 10/- each)						
Basic:	3.75*	6.21*	3.96*	9.95*	9.73*	16.89
Diluted:	3.75*	6.19*	3.96*	9.95*	9.73*	16.89
*Not annualized						
Note: The above is an extract of the detailed format of half year 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 half year 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: 15<sup>th</sup> October 2019

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

**Manohar Chowdhry & Associates**  
Chartered Accountants,  
102, MICASA, Bejai Main Road  
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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**

1. We have reviewed the accompanying statement of unaudited financial results of The Karnataka Bank Limited ("the Bank") for the quarter and half year ended 30<sup>th</sup> September 2019 ("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. 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.

3. In the conduct of our Review we have relied on the review reports in respect of non performing assets received from concurrent auditors of 114 branches. These review reports cover 61 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.

4. 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.

5. The figures related to cash flow statement for the comparative period ended 30<sup>th</sup> September 2018 is neither audited nor reviewed.

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

**for Badari, Madhusudhan & Srinivasan**  
**Chartered Accountants**  
**Firm Reg. No. 005389S**

**(Murali Mohan Bhat)**  
**Partner**  
**M. No. 203592**  
UDIN: 19203592AAAACC8762

**(T.V. Sudarshan)**  
**Partner**  
**M. No. 019108**  
UDIN: 19019108AAAABE7487

**Place:** Mangaluru

**Date:** 15<sup>th</sup> October 2019