

KARNATAKA BANK LTD HEAD OFFICE MANGALURU 575002

ANNEXURE-1

REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017.

(Rs. in crore)

		Quarter ended 30.06.2017	Quarter ended 31.3.2017	Quarter ended 30.06.2016	Year ended 31.03.2017
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1330.54	1294.50	1260.60	5185.40
a)	Interest/Discount on advances/ bills	949.83	903.52	927.37	3793.56
b)	Income on Investments	332.63	350.18	311.56	1271.16
c)	Interest on balances with Reserve Bank of India and other interBank funds	11.97	22.30	2.60	29.26
d)	Others	36.11	18.50	19.07	91.42
2	Other Income	217.39	311.69	174.36	809.34
3	TOTAL INCOME (1+2)	1547.93	1606.19	1434.96	5994.74
4	Interest expended	906.12	942.33	895.91	3694.78
5	Operating expenses (i+ii)	332.11	334.59	277.13	1304.16
i)	Employees Cost	137.41	122.71	128.03	601.03
ii)	Other operating Expenses	194.70	211.88	149.10	703.13
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1238.23	1276.92	1173.04	4998.94
7	Operating Profit before provisions & contingencies (3-6)	309.70	329.27	261.92	995.80
8	Provisions (other than tax) and Contingencies	198.88	160.40	136.31	527.85
9	Exceptional Items	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	110.82	168.87	125.61	467.95
11	Tax Expense	-23.03	30.50	4.07	15.69
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	133.85	138.37	121.54	452.26
13	Extraordinary Items (net of tax expense)	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	133.85	138.37	121.54	452.26
15	Paid up equity share capital Face Value Rs 10/-)	282.62	282.62	188.47	282.62
16	Reserves excluding revaluation reserves	---	4436.44	---	4436.44
17	Analytical Ratios				
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil

		Quarter ended 30.06.2017	Quarter ended 31.3.2017	Quarter ended 30.06.2016	Year ended 31.03.2017
ii)	Capital Adequacy Ratio (%)				
	Basel III	13.02	13.30	11.64	13.30
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized				
	- Basic EPS	4.74*	4.90*	5.76*	19.38
	- Diluted EPS	4.74*	4.90*	5.76*	19.38
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized				
	- Basic EPS	4.74*	4.90*	5.76*	19.38
	- Diluted EPS	4.74*	4.90*	5.76*	19.38
iv)	NPA Ratios as on date				
	Gross NPA	1690.87	1581.59	1389.36	1581.59
	Net NPA	1229.84	974.73	911.23	974.73
	% of Gross NPA	4.34	4.21	3.92	4.21
	% of Net NPA	3.20	2.64	2.61	2.64
	Return on Assets	0.83	0.85	0.85	0.74

	Particulars	Quarter ended 30.06.2017 (Reviewed)	Quarter ended 31.03.2017 (Audited)	Quarter end 30.06.2016 (Reviewed)	Year ended 31.03.2017 (Audited)
1	Segment Revenue				
	(a) Treasury Operations	444.54	541.00	363.02	1642.55
	(b) Corporate Banking	492.28	416.93	460.29	1814.36
	(c) Retail Banking	530.73	569.87	533.01	2281.72
	(d) Other Banking Operations	80.39	78.39	78.64	256.11
	Total	1547.94	1606.19	1434.96	5994.74
2	Segment Results (after Provisions before Tax)				
	(a) Treasury Operations	132.05	220.86	72.32	442.87
	(b) Corporate Banking	-49.37	-63.27	24.52	-56.12
	(c) Retail Banking	29.96	36.27	27.36	165.19
	(d) Other Banking Operations	10.90	-12.34	12.55	-34.23
	Total	123.54	181.52	136.75	517.71
	Less: Un-allocable Expenditure	12.72	12.64	11.14	49.76
	Profit before Tax and exceptional item	110.82	168.88	125.61	467.95
3	Capital employed				
	(a) Treasury Operations	1918.76	2027.23	1401.50	2027.23
	(b) Corporate Banking	1476.86	1314.61	1015.84	1314.61
	(c) Retail Banking	1680.33	1589.10	1211.11	1589.10
	(d) Other Banking Operations	102.55	105.27	97.98	105.27
	(e) Unallocated	129.29	106.37	85.71	106.37
	Total	5307.79	5142.58	3812.14	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 ended June 30, 2017.

1. The above interim financial results for the Quarter ended June 30, 2017 have been reviewed by the Audit Committee of the Board in the meeting held on July 15, 2017 and approved by the Board of Directors in the meeting held on July 15, 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, Bank had spread over the shortfall of Rs. 75.08 crore in the sale of the financial assets during the FY 2015-16 to Securitisation Companies/Reconstruction Companies, over a period of eight quarters, out of which Rs 53.90 Crore had been amortized up to March 31, 2017 leaving an unamortized sum of Rs 21.18 Crore. Further, out of the total shortfall of Rs.94.12 crore, on account of financial assets sold during FY 2016-17 to Securitisation Companies/Reconstruction Companies, which was permitted to be amortized over a period of four quarters , the Bank had amortized a sum of Rs. 36.80 crore up to March 31, 2017, leaving an unamortized sum of Rs 57.32 crore. The aggregate unamortized amount of Rs 78.50 Crore had been drawn down from Revenue Reserve during the year ended March 31, 2017.

During the quarter ended June 30, 2017, the Bank has charged an amount of Rs 31.35 Crore to the Profit and Loss Account by credit to Revenue Reserve and the balance will be amortised in the subsequent quarters.

5. Interest on Reverse Repo transactions which were hitherto included under the head “Interest earned on Investments” is now included under the head “Interest earned on Balances with Reserve Bank of India and InterBank 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 ended June 30, 2017 or the previous period.
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 26; Disposed off during the period 26; Unresolved as on June 30, 2017: Nil.

8. Corresponding previous periods figures have been regrouped/ rearranged wherever necessary to make them comparable with current period figures.

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

Mahabaleshwara M S
Managing Director & C.E.O

For Abarna & Ananthan
Chartered Accountants
Firm Regn No 000003S

For Kamath & Rau
Chartered Accountants
Firm Regn. No. 001689S

Abarna Bhaskar
Membership No. 025145

Srinivas S Kamath
Membership No. 201716

Place: Mangaluru
Date: 15th July 2017

ANNEXURE 2

REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30,2017

			(Rs. In crore)
Particulars	Quarter ended 30.6.2017	Year ended 31.03.2017	Quarter ended 30.6.2016
Total income from operations (net)	1547.94	5994.74	1434.95
Net Profit / (Loss) from ordinary activities after tax	133.85	452.26	121.54
Net Profit / (Loss) for the period after tax (after Extraordinary items)	133.85	452.26	121.54
Equity Share Capital	282.62	282.62	188.47
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:	4.74*	19.38	5.76*
Diluted	4.74*	19.38	5.76*
Earnings Per Share (After extraordinary items) (of Rs 10/- each)			
Basic	4.74*	19.38	5.76*
Diluted	4.74*	19.38	5.76*

*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 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: 15th July 2017

Mahabaleshwara M S
MANAGING DIRECTOR & CEO