

**ANNEXURE -1**
**REVIEWED FINANCIAL RESULTS FOR THE QUARTER/ HALF YEAR ENDED SEPT 30, 2016**  
**(Rs. in crores)**

		Quarter ended			Half year ended		Year ended
		30.09.2016 Reviewed	30.06.2016 Reviewed	30.09.2015 Reviewed	30.09.2016 Reviewed	30.09.2015 Reviewed	31.03.2016 Audited
<b>1</b>	Interest Earned (a+b+c+d)	<b>1306.37</b>	1260.60	1248.38	<b>2566.97</b>	2477.43	4992.21
a)	Interest/Discount on advances/ bills	<b>979.09</b>	927.37	919.48	<b>1906.46</b>	1847.01	3700.48
b)	Income on Investments	<b>307.95</b>	312.93	302.76	<b>620.88</b>	580.27	1189.90
c)	Interest on balances with Reserve Bank of India and other interbank funds	<b>0.60</b>	1.23	0.67	<b>1.83</b>	1.11	2.60
d)	Others	<b>18.73</b>	19.07	25.47	<b>37.80</b>	49.04	99.23
<b>2</b>	Other Income	<b>189.70</b>	174.36	121.01	<b>364.06</b>	240.13	542.86
<b>3</b>	TOTAL INCOME (1+2)	<b>1496.07</b>	1434.96	1369.39	<b>2931.03</b>	2717.56	5535.07
<b>4</b>	Interest expended	<b>909.12</b>	895.91	941.49	<b>1805.03</b>	1839.22	3689.34
<b>5</b>	Operating expenses (i+ii)	<b>354.20</b>	277.13	258.44	<b>631.33</b>	469.86	991.20
i)	Employees Cost	<b>173.54</b>	128.03	124.86	<b>301.57</b>	225.12	443.02
ii)	Other operating Expenses	<b>180.66</b>	149.10	133.58	<b>329.76</b>	244.74	548.18
<b>6</b>	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	<b>1263.32</b>	1173.04	1199.93	<b>2436.36</b>	2309.08	4680.54
<b>7</b>	Operating Profit before provisions & contingencies (3-6)	<b>232.75</b>	261.92	169.46	<b>494.67</b>	408.48	854.53
<b>8</b>	Provisions (other than tax) and Contingencies	<b>130.55</b>	136.31	35.07	<b>266.86</b>	150.92	326.53
<b>9</b>	Exceptional Items	<b>0</b>	0	0	<b>0</b>	0	0
<b>10</b>	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	<b>102.20</b>	125.61	134.39	<b>227.81</b>	257.56	528.00
<b>11</b>	Tax Expense	<b>-21.62</b>	4.07	32.14	<b>-17.55</b>	45.97	112.71

		Quarter ended			Half year ended		Year ended
		30.09.2016 Reviewed	30.06.2016 Reviewed	30.09.2015 Reviewed	30.09.2016 Reviewed	30.09.2015 Reviewed	31.03.2016 Audited
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	123.82	121.54	102.25	245.36	211.59	415.29
13	Extraordinary Items (net of tax )	0	0	0	0	0	0
14	Net Profit (+)/Loss (-) for the period (12-13)	123.82	121.54	102.25	245.36	211.59	415.29
15	Paid up equity share capital ( Face value Rs 10/-)	188.48	188.47	188.46	188.48	188.46	188.47
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	---	---	----	----	----	3502.12
17	Analytical Ratios						
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)	11.19	11.64	11.70	11.19	11.70	12.03
iii)	Earnings per share (EPS) (Rs) before extraordinary items( Net of Tax Expenses) * Not Annualized.						
	- Basic EPS	6.57*	6.45*	5.43*	13.02*	11.23*	22.04
	- Diluted EPS	6.57*	6.45*	5.43*	13.02*	11.23*	22.03
	Earnings per share (EPS) (Rs) after extraordinary items( Net of Tax Expenses) * Not Annualized.						
	- Basic EPS	6.57*	6.45*	5.43*	13.02*	11.23*	22.04
	- Diluted EPS	6.57*	6.45*	5.43*	13.02*	11.23*	22.03
iv)	NPA Ratios as on date						
	Gross NPA	1344.50	1389.36	1043.67	1344.50	1043.67	1180.40
	Net NPA	961.36	911.23	635.28	961.36	635.28	795.47
	% of Gross NPA	3.64	3.92	3.18	3.64	3.18	3.44
	% of Net NPA	2.63	2.61	1.96	2.63	1.96	2.35
	Return on Assets	0.84	0.85	0.76	0.84	0.80	0.76

**SUMMARY BALANCE SHEET AS ON SEPTEMBER 30, 2016**

(Rs in crore)

	As on	As on
	30.09.2016	30.09.2015
<b>CAPITAL AND LIABILITIES</b>		
Capital	188.48	188.46
Reserves and Surplus	3747.53	3412.23
Deposits	53095.83	48872.02
Borrowings	1026.24	1136.79
Other Liabilities and Provisions	1326.67	1246.00
<b>TOTAL</b>	<b>59384.75</b>	<b>54855.50</b>
<b>ASSETS</b>		
Cash and balances with Reserve Bank of India	2727.47	2501.30
Balances with Banks and Money at Call & Short Notice	77.52	140.03
Investments	16735.86	16394.57
Advances	36610.88	32442.91
Fixed Assets	302.28	298.23
Other Assets	2930.74	3078.46
<b>TOTAL</b>	<b>59384.75</b>	<b>54855.50</b>

**SEGMENT RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30,2016**

	Segment wise Results	UNAUDITED					AUDITED
		Quarter Ended			Half Year Ended		Year ended
	Particulars	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
		<b>(Rs. in crores)</b>					
<b>1</b>	<b>Segment Revenue</b>						
	(a) Treasury Operations	384.12	363.02	329 .01	747.14	627.05	1299.25
	(b) Corporate Banking	446.18	460.29	426.39	906.47	878.79	1745.57
	(c) Retail Banking	611.30	533.01	563.49	1144.31	1091.51	2242.83
	(d) Other Banking Operations	54.47	78.64	50.50	133.11	120.21	247.42
	<b>Total</b>	<b>1496.07</b>	<b>1434.96</b>	1369.39	2931.03	2717.56	5535.07
<b>2</b>	<b>Segment Results (after Provisions before Tax)</b>						
	(a) Treasury Operations	94.25	72.32	14.91	166.57	21.65	67.94
	(b) Corporate Banking	-8.50	24.52	54.04	16.02	107.98	149.33
	(c) Retail Banking	38.95	27.36	97.23	66.31	163.04	379.53
	(d) Other Banking Operations	-11.20	12.55	-21.39	1.35	-17.68	-26.56
	<b>Total</b>	<b>113.50</b>	136.75	144.79	250.25	277.91	570.24
	<b>Less: Un-allocable Expenditure</b>	11.30	11.14	10.40	22.44	20.35	42.24
	<b>Profit before Tax and exceptional items</b>	<b>102.20</b>	<b>125.61</b>	134.39	227.81	257.56	528.00
<b>3</b>	<b>Capital employed</b>						
	(a) Treasury Operations	1432.90	1401.50	1370.02	1432.90	1370.02	1383.24
	(b) Corporate Banking	1069.64	1015.84	938.44	1069.64	938.44	950.11
	(c) Retail Banking	1253.98	1211.11	1085.64	1253.98	1085.64	1167.18
	(d) Other Banking Operations	88.41	97.98	124.28	88.41	124.28	113.11
	(e) Unallocated	91.07	85.71	82.31	91.07	82.31	76.94
	<b>Total</b>	<b>3936.00</b>	<b>3812.14</b>	3600.69	3936.00	3600.69	3690.58

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

**Notes forming part of the un-audited financial results for the quarter and half year ended Sept 30, 2016**

1. The above interim financial results for the half year ended Sept 30, 2016 have been reviewed by the Audit Committee of the Board in their meeting held on November 8, 2016 and approved by the Board of Directors in their meetings held on November 9, 2016. 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 Listing Agreement with the Stock Exchanges
2. For the preparation of these financial results, the Bank has followed the same accounting policies and generally accepted practices adopted for the preparation of audited financial statements for the year ended March 31, 2016.
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 and Leave encashment 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 term of RBI guidelines, Banks can spread over any shortfall, if the sale value of the financial assets sold to SC/RCs is lower than NBV, over a period of eight/four quarters. Accordingly Bank has spread the shortfall of Rs. 75.08 crore over a period of 8 quarters during FY 2015-16, out of which Rs. 35.12 crore has been amortized up to Sept 30, 2016 leaving an unamortized sum of Rs. 39.96 crore. Further, out of the total shortfall of Rs.26.52 crore on account of financial assets sold to SC/RCs during FY2016-17, the bank has amortized a sum of Rs.6.63 crore up to Sept 30, 2016, leaving an unamortized sum of Rs.19.89 crore. Aggregate unamortized amount as on Sept 30, 2016 is Rs. 59.85 crore.
5. During the quarter ended September 30, 2016, the Bank has recognized Deferred Tax Asset (DTA) which includes Rs.47.68 crore in respect of the provision on such standard assets which inter alia include Restructured Standard assets and other advances that have been allowed to be classified as standard assets by RBI.
6. In terms of RBI circular DBR No BP.BC 1/21.06.201/2015-16 dated 1st July 2015 banks are required to make Pillar III disclosures under Basel III Capital Regulations. The Bank has made these disclosures which are available on our web site at the following link: <http://karnatakabank.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.

7. During the half year ended Sept 30, 2016 the bank had allotted 13060 equity shares pursuant to the exercise of stock options by certain employees.
8. Disclosure about investor complaints: Complaints at the beginning of the period Nil; Received during the period 13; Disposed off during the period 13; Unresolved as on Sept 30, 2016: Nil.
9. Corresponding previous period figures have been regrouped/ rearranged wherever necessary to make them comparable with current period figures.

P Jayarama Bhat  
Managing Director & C.E.O

For Abarna & Ananthan  
Chartered Accountants  
Firm Regn No 000003S

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

(C S Gopalakrishna)  
Membership No. 014706

(Parineeth Rau)  
Membership No. 222039

Place: Mangaluru  
Date: 09.11.2016

## ANNEXURE 2

## REVIEWED FINANCIAL RESULTS FOR THE QUARTER /HALF YEAR ENDED SEPTEMBER 30,2016

						Rs. In crore)
Particulars	Quarter Ended 30.09.2016 (Reviewed)	Quarter Ended 30.06.2016 (Reviewed)	Quarter Ended 30.09.2015 (Reviewed)	Half year ended 30.9.2016 (Reviewed)	Half year ended 30.09.2015 (Reviewed)	Year ended 31.03.2016 (Audited)
Total income from operations (net)	1496.07	1434.96	1369.39	2931.03	2717.56	5535.07
Net Profit / (Loss) from ordinary activities after tax	123.82	121.54	102.25	245.36	211.59	415.29
Net Profit / (Loss) for the period after tax (after Extraordinary items)	123.82	121.54	102.25	245.36	211.59	415.29
Equity Share Capital	188.48	188.47	188.46	188.48	188.46	188.47
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)	3502.12	3502.12	3200.60	3502.12	3200.60	3502.12
Earnings Per Share (before extraordinary items) (of Rs 10/- each)						
Basic:	6.57*	6.45*	5.43*	13.02*	11.23*	22.04
Diluted	6.57*	6.45*	5.43*	13.02*	11.23*	22.03
Earnings Per Share (After extraordinary items) (of Rs 10/- each)						
Basic	6.57*	6.45*	5.43*	13.02*	11.23*	22.04
Diluted	6.57*	6.45*	5.43*	13.02*	11.23*	22.03

\*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/Half yearly Financial Results is available on the Stock Exchange websites. BSE: <http://www.bseindia.com>, NSE: <http://www.nseindia.com>, Bank website: <http://www.karnatakabank.com/index.jsp>

For and on behalf of Board of Directors

Place: Mangaluru

Date: 09.11.2016

P. Jayarama Bhat

MANAGING DIRECTOR & CEO