



Karnataka Bank Ltd.

Your Family Bank. Across India.

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

Phone : 0824-2228182 Fax: 0824-2225587
E-Mail : comsec@ktkbank.com
Website : www.karnatakabank.com
CIN : I 85110KA1924PI C001128

October 15, 2019

SECRETARIAL DEPARTMENT

HO/SEC/ 288 /2019-20

1. The Manager

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra (E)
MUMBAI-400 051
Scrip Code: KTKBANK

2. The General Manager

BSE Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI-400 001
Scrip Code: 532652

Dear Sir,

Reg: The unaudited financial results for the quarter & half year ended 30.09.2019.

Please find enclosed copy of the unaudited financial results for the quarter and half year ended 30.09.2019 taken on record by the Board of Directors at the meeting held on 15.10.2019. A copy of the limited review report of the Statutory Auditors is enclosed.

We also enclose press release on the financial results for aforesaid period.

Thank You,
Yours faithfully,

Prasanna Patil
Company Secretary

Karnataka Bank Ltd.

Your Family Bank, Across India

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

Phone : 0824-2228222 Fax: 0824-2225589
E-Mail : accts@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

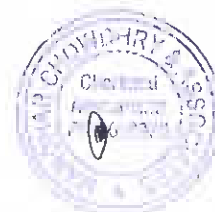
TREASURY AND ACCOUNTS DEPARTMENT

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 (Audited)
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	
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)

	As on 30.09.2019	As on 30.09.2018
CAPITAL AND LIABILITIES		
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
TOTAL	80166.19	73488.61
ASSETS		
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
TOTAL	80166.19	73488.61

SUMMARISED CASH FLOW STATEMENT

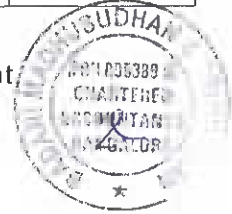
Rs in Crore

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

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)					
1 Segment Revenue						
(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
Total	1938.40	1829.16	1653.81	3767.56	3270.25	6907.92
2 Segment Results (after Provisions before Tax)						
(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
Total Profit / Loss before tax	151.03	148.87	163.11	299.90	309.93	607.81
3 Segment Assets						
(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
Total	80166.19	78949.41	73488.61	80166.19	73488.61	79045.76
Segment Liabilities						
(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
Total	74218.82	72988.81	67905.57	74218.82	67905.57	73260.58
Capital employed (Segment Assets-Segment Liabilities)						
(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
Total	5947.37	5960.60	5583.04	5947.37	5583.04	5785.18

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/Kik/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.



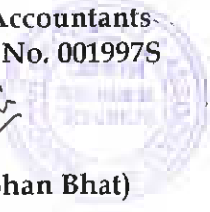
Mahabaleshwara M S
Managing Director & C.E.O




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



(Murali Mohan Bhat)
Partner
M. No. 203592



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



(T.V. Sudarshan)
Partner
M. No. 19108



Place: Mangaluru

Date: 15th October 2019

KARNATAKA BANK LTD						
REVIEWED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED SEPTEMBER 30,2019						
(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: 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



Mahabaleshwara M S

MANAGING DIRECTOR & CEO



Place: Mangaluru

Date: 15th October 2019



Manohar Chowdhry & Associates
Chartered Accountants,
102, MICASA, Bejai Main Road
Mangaluru 575 004
Tel: 0824 - 2988383
Email: murali:mohan@mca.co.in


Badari, Madhusudhan & Srinivasan
Chartered Accountants,
Kantha Court, Lalbagh Road
Bengaluru-560027
Tel: 080-22277714,41142536
Email: bmscas@gmail.com

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

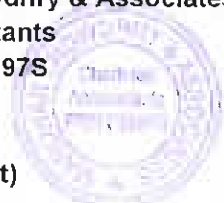
To The Board of Directors of The Karnataka Bank Limited

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 30th 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 30th September 2018 is neither audited nor reviewed.


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


(Murali Mohan Bhat)
Partner
M. No. 203592

UDIN: 19203592AAAACC8762



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


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

UDIN: 19019108AAAABE7487



Place: Mangaluru

Date: 15th October 2019

OR/2275/19-20

BRANCH BANKING & DIGITAL CHANNELS DEPARTMENT

PRESS RELEASE

October 15, 2019

**KARNATAKA BANK RECORDS FIRST HALF YEAR NET PROFIT OF
RS. 281.33 CRORES.**

Karnataka Bank has recorded net profit of Rs. 281.33 crores for the half year ended 30-09-2019 as compared to Rs. 275.10 crores as on 30-09-2018, registering a growth of 2.26%. However, Bank has posted a Net Profit of Rs. 105.91 crores for Q2 of the current financial year 2019-20 compared to Rs. 111.86 crores during Q2 of 2018-19.

In the Meeting of the Board of Directors held today here in Mangaluru, the Board has approved the financial results for the quarter and half year ended September 30, 2019.

The Bank has clocked a total business of Rs. 1,23,658.07 crores as on 30-09-2019, registering a y-o-y growth of 8.61%. Deposits of the Bank rose to Rs. 70,189.65 crores registering a y-o-y growth of 9.87%. Advances rose to Rs. 53,468.42 crores registering a y-o-y growth of 7.00%. Bank has achieved a CD Ratio of 76.18%.

“Even though the external business environment is not found very conducive for business. Bank has been able to post a satisfactory performance by focusing on operational efficiency. As a result, during the current quarter the operating profit has grown at 16.02% and the fee based income at 38.68%. The low cost CASA funds constituted 27.41% of the deposits.

Going forward, Bank will focus more on CASA augmentation, credit growth with special focus on retail and mid corporates, asset quality by concentrating on timely recovery and by preventing further slippages. Thus Bank is optimistic of growth prospectus in the days to come with its customer centric approach”, said Shri Mahabaleshwara M S, Managing Director & CEO, of the Bank.

PERFORMANCE HIGHLIGHTS

[Rupees in Crore]

Parameters	Half Year Ended			Quarter Ended		
	30-09-2019	30-09-2018	Variation [%]	30-09-2019	30-09-2018	Variation [%]
Net Profit	281.33	275.10	2.27%	105.91	111.86	-5.32%
Operating Profit	763.44	725.21	5.27%	413.43	356.33	16.02%
Net Interest Income	993.31	936.29	6.09%	498.72	467.71	6.63%
Fee based Income	490.06	396.82	23.50%	269.44	194.27	38.69%
Advances	53,468.42	49,970.00	7.00%	53,468.42	49,970.00	7.00%
Deposits	70,189.65	63,885.00	9.87%	70,189.65	63,885.00	9.87%
CD Ratio	76.18	78.22%	-204 bps	76.18	78.22%	-204 bps
Business Turnover	1,23,658.07	1,13,854.00	8.61%	1,23,658.07	1,13,854.00	8.61%
Gross NPA [GNPA] per cent	4.78%	4.66%	12 bps	4.78%	4.66%	12 bps
Net NPA [NNPA] per cent	3.48%	3.00%	48 bps	3.48%	3.00%	48 bps
Return on Asset	0.70%	0.76%	-6 bps	0.53%	0.61%	-8 bps
Return on Equity	9.59%	10.01%	-42 bps	7.12%	8.02%	-90 bps
Net Interest Margin	2.80%	2.95%	-15 bps	2.82%	2.91%	-9 bps



Srinivas Deshpande
ASSISTANT GENERAL MANAGER