

Karnataka Bank Ltd.

Your Family Bank, Across India

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

Phone : 0824-2228222 Fax: 0824-2225588
E-Mail : investor.grievance@ktkbank.com
Website : www.karnatakabank.com
CIN : L85110KA1924PLC001128

SECRETARIAL DEPARTMENT

May 26, 2021

HO:SEC: 43 :2021-22

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,C-1, Block G
Bandra-Kurla Complex
Bandra (E), Mumbai - 400051
Script Code: KTKBANK

The General Manager
BSE Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001
Stock Code: 532652

Dear Sir/Madam,

Reg: The audited financial results for the year ended March 31, 2021.

Please find enclosed copy of the standalone/consolidated audited financial results for the year ended March 31, 2021 approved by the Board of Directors at the meeting held today i.e. on 26.05.2021. The Board has recommended dividend @ ₹ 1.80 per share for the above period. Also, find enclosed the Auditors report.

Further, in terms of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have given an unmodified opinion on the Audited Standalone and Consolidated Financial Results for the year ended March 31, 2021 and a declaration to that effect by the Management is attached herewith.

Thank You,
Yours faithfully,


Prasanna Patil
COMPANY SECRETARY

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TREASURY AND ACCOUNTS DEPARTMENT

Ref.: HO/TR & ACC/OR 318 /2021-22

Date: May 26th, 2021

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,C-1, Block G
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BSE Limited
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Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001
Stock Code: 532652

Dear Sir/Madam,

Reg: Declaration pursuant to Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Pursuant to Regulation 33(3) (d) of SEBI Listing Regulations, we hereby confirm and declare that the Joint Central Statutory Auditors of the Bank, M/s Badari, Madhusudhan & Srinivasan, (Firm Registration No.005389S) and M/s Manohar Chowdhry & Associates, (Firm Registration No.001997S) have given an unmodified opinion on the Audited Financial Results of the Bank (both Standalone and Consolidated) for the financial year ended March 31, 2021 as approved by the Board at its Meeting held today i.e., May 26, 2021.

Thank You,
Yours faithfully,



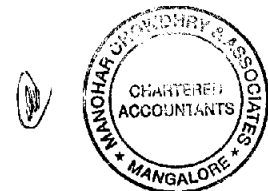
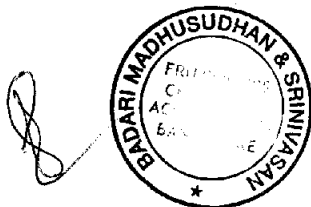
Muralidhar Krishna Rao
Chief Financial Officer (CFO)



TREASURY AND ACCOUNTS DEPARTMENT
**STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/PERIOD ENDED
 MARCH 31st, 2021.**

(Rs in Crore)

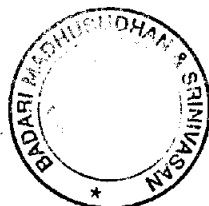
Sl. No	Particulars	For/As on Quarter ended			For/As on Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
1	Interest Earned (a+b+c+d)	1417.49	1595.50	1639.21	6232.41	6474.77
a)	Interest/Discount on advances/ bills	1073.13	1271.50	1316.56	4937.29	5155.84
b)	Income on Investments	302.86	288.34	290.82	1142.35	1160.13
c)	Interest on balances with Reserve Bank of India and other interbank funds	8.01	6.63	3.01	29.98	44.60
d)	Others	33.49	29.03	28.82	122.79	114.20
2	Other Income	373.21	273.12	406.73	1495.07	1261.63
3	TOTAL INCOME (1+2)	1790.70	1868.62	2045.94	7727.48	7736.40
4	Interest expended	958.35	981.45	1109.91	4049.23	4444.41
5	Operating expenses (i+ii)	448.66	449.20	544.49	1679.11	1635.22
i)	Employees Cost	239.78	267.25	370.44	913.30	897.00
ii)	Other operating Expenses	208.88	181.95	174.05	765.81	738.22
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1407.01	1430.65	1654.40	5728.34	6079.63
7	Operating Profit before provisions & contingencies (3-6)	383.69	437.97	391.54	1999.14	1656.77
8	Provisions (other than tax) and Contingencies	341.83	214.18	356.50	1387.21	1134.74
9	Exceptional Items	0.00	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	41.86	223.79	35.04	611.93	522.03
11	Tax Expense	10.50	88.41	7.73	129.36	90.25



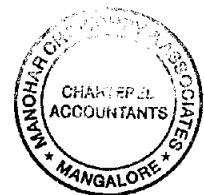
Sl. No	Particulars	For/As on Quarter ended			For/As on Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	31.36	135.38	27.31	482.57	431.78
13	Extraordinary Items (net of tax)	0.00	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	31.36	135.38	27.31	482.57	431.78
15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	310.88	310.88	310.88
16	Reserves excluding revaluation reserves	5866.14	---	5189.49	5866.14	5189.49
17	Analytical Ratios					
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III (%)	14.85	13.83	12.88	14.85	12.88
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized					
	- Basic EPS	1.01*	4.35*	0.88*	15.52	13.89
	- Diluted EPS	1.01*	4.35*	0.88*	15.48	13.89
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized					
	- Basic EPS	1.01*	4.35*	0.88*	15.52	13.89
	- Diluted EPS	1.01*	4.35*	0.88*	15.48	13.89
iv)	NPA Ratios as on date					
	Gross NPA	2588.41	1706.57	2799.93	2588.41	2799.93
	Net NPA	1642.10	923.98	1755.01	1642.10	1755.01
	% of Gross NPA	4.91	3.16	4.82	4.91	4.82
	% of Net NPA	3.18	1.74	3.08	3.18	3.08
	Return on Assets(Annualised)	0.15	0.64	0.13	0.57	0.53



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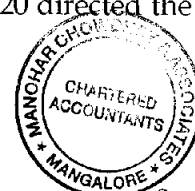


**NOTES FORMING PART OF THE STANDALONE AUDITED FINANCIAL RESULTS FOR
THE QUARTER AND YEAR ENDED MARCH 31st, 2021**

1. The above financial results for the quarter/ year ended March 31st, 2021 have been approved by the Board of Directors at its meeting held on May 26th, 2021. The same has been audited by the Statutory Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, who have issued an unmodified opinion on the same.
2. In 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 31st, 2020.
3. The standalone working results of the Bank for the quarter and year ended March 31st, 2021 have been arrived at after considering the provisions on the basis of extant guidelines / directives issued by Reserve Bank of India on Advances, exposure to entities with Un-Hedged Foreign Currency Exposure, Non Performing Investments etc, and Depreciation on Investments & Fixed Assets and , provision for employees' retirement benefits like pension, gratuity, leave encashment and unused sick leave as per actuarial valuations, Income Tax and other usual and necessary provisions on estimates.
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 from advances written-off accounts etc
5. During the year ended March 31st, 2021, the Bank has sold securities from HTM category exceeding 5% of the book value of investments held in HTM category at the beginning of the year. The book value of HTM investments sold during the year ended March 31st, 2021 was Rs 11304.87crore (excluding OMO sale worth Rs 1941.83 crore). The market value of investments held under HTM category as at March 31st, 2021 was Rs 16581.84 crore and was lower than the book value as on that date by Rs 274.62 crore.
6. The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

The RBI had announced various Covid-19 regulatory measures ('COVID-19 Regulatory packages') on asset classification and provisioning. The Bank, in accordance with the Board approved policy, had offered moratorium on repayment of loan installments and/or deferment of interest, as applicable, falling due between Mar 1st, 2020 and August 31st, 2020 ('moratorium period') to eligible borrowers classified as standard, even if overdue, as on February 29th,2020, without considering the same as restructuring. Further, in respect of such accounts that were granted moratorium, the asset classification remained at a standstill during the moratorium period.

The Honorable Supreme Court of India in writ petition by Gajendra Sharma Vs Union of India & Anr and other connected matters had vide its interim order dated September 3rd, 2020 directed the



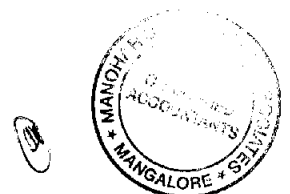
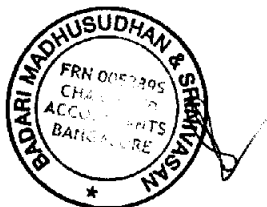
banks that borrower accounts which were not declared NPA till August 31st, 2020 shall not be declared NPA, till further orders, pending disposal of the cases by the Hon'ble Supreme Court. The Bank had made contingency provision of Rs 147.99 Crores as at December 31st, 2020 for such borrower accounts not classified as non-performing. Pursuant to the Supreme Court's final order dated March 23rd, 2021, and the related RBI notification issued on April 7th, 2021, the Bank has classified these borrower accounts as per extant RBI instructions/ IRAC Norms and utilized the above contingency provision towards provision for these accounts. .

Apart from the provisions as required under IRAC norms, the Bank has made accelerated provision during the current financial year ended March 31st 2021 for Non- performing and stress advances as a matter of prudence.

The continued impact of COVID-19 and pandemic fears, 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 (including the current second wave) 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.

- 7 In accordance with RBI notification dated April 7th, 2021, the Bank is required to refund/ adjust 'interest on interest' charged to borrowers during the moratorium period as per the methodology for calculation of such interest on interest circulated by the Indian Banks' Association. The Bank is in the process of implementing the said methodology and calculation of the interest relief due to eligible customers. Pending this, as of March 31st, 2021, the Bank has provided towards estimated interest relief of Rs 15 Crore and reduced the same from the interest income.
- 8 In accordance with RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17th, 2020 on COVID'19 Regulatory Package, the Bank was required to make provision at 10% of outstanding advances in respect of borrower accounts where asset classification benefit has been taken as per the RBI Guidelines. The details are as under-

Particulars	Rs in crore
Respective amounts in SMA / overdue categories where the moratorium/ deferment was extended (as on 31.03.2020)	3881.68
Respective amount where asset classification benefit is extended (net of NPAs) (as on 31.03.2021)	Nil
Provisions held as on 31.03.2021	147.97
Provisions adjusted against slippages (NPA & Restructuring)	147.97
Residual provisions as on 31.03.2021	Nil



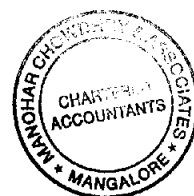
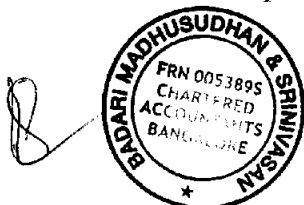
- 9 On August 6th, 2020, the RBI issued guidelines on 'Resolution Framework for Covid-19 related Stress' which enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while permitting classifying such exposures as Standard, subject to specified conditions. Details of resolution plan implemented under the Resolution Framework for Covid-19 related stress as per RBI circular dated August 6th, 2020 are given below-

Type of Borrower	(A) Number of borrowers where resolution plan has been implemented under this window	(B) Exposure to borrowers mentioned at (A) before implementation of the plan (Rs in crores)	(C) of (B), aggregate amount of debt that was converted into other securities (Rs in crores)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (Rs in crores)	(E) Increase in provisions on account of the implementation of the Resolution (Rs in crores)
Personal loans	667	335.29	0.00	0.00	43.76
Corporate persons	7	113.53	0.00	0.00	11.79
Of which MSMEs	0	0.00	0.00	0.00	0.00
Others	9	51.20	0.00	0.00	5.15
Total	683	500.02	0.00	0.00	60.70

- 10 The disclosures as required under RBI Circular DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17th,2020 with respect to the number of accounts and the amount involved in those accounts where the resolution period was extended is given below for the year ended as on March 31st, 2021-

Particulars	As on 31.03.2021
No. of accounts in which Resolution Period was extended	1
Amount involved (Fund based outstanding) (Rs in Crores)	101.20

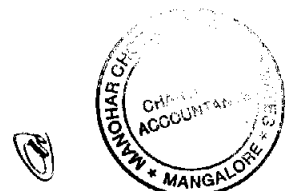
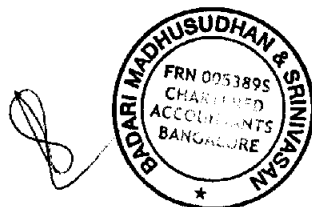
As a matter of prudence, the Bank has made provision to the full extent of Rs 101.20 crores.



11 In accordance with RBI Circular No. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.4.048/2019-20 dated 11.02.2020 and RBI/2020-21/17 DOR .No BP.BC.BC/4/21.04.048/2020-21 dated 06.08.2020, on 'Relief for MSME borrowers either exempted or registered under Goods & Service Tax (GST)', the details of MSME restructured accounts from 01.01.2019 to 31.03.2021 are as under-


No of borrowers restructured	Amount as on 31.03.2021 (Rs in Crores)
243	511.96

- 12 During the previous year ended March 31st, 2020, the Bank had recognized exposure in respect of 11 entities with outstanding balance of Rs 252.49 crores as fraud and provided in, accordance with the RBI Circular dated April 18, 2016, by debiting Rs. 63.12 Crores to Profit & Loss Account and Rs 189.37 crores to 'Revenue Reserve' under 'Reserves and Surplus', as an adjusting event as specified in AS-4 : "Events occurring after the Balance sheet date". In accordance with the said RBI Circular Rs 189.37 crores debited to Reserves & surplus should be reversed by debiting to Profit and Loss Account in the ensuing three quarters in the financial year 2020-21. Accordingly, the entire amount of Rs 189.37 Crores has been charged to the Profit & loss account and reversed to reserves & surplus in the first quarter ended June 30th, 2020 itself.
- 13 The Bank has recognized net Deferred Tax Assets as on March 31st, 2021 aggregating to Rs 425.74 Crores (PY Rs 440.81 Crores) on timing differences pertaining to surplus provision for doubtful advances, Provision for Standard Advances, Leave Encashment, Special Reserve etc in accordance with Accounting Standard - 22 on "Taxes and Income" issued by the Institute of Chartered Accountants of India.
- 14 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 effective from April 1st, 2019 subject to certain conditions. The Bank has not yet preferred this option and has continued to provide for current taxes and deferred taxes as per prevalent rates of tax.
- 15 The provision coverage ratio as at March 31st, 2021 stood at 70.05% as against 64.70% as on March 31st, 2020.
- 16 In terms of RBI Circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22nd, 2021, banks may pay dividend on equity shares from the profits for the financial year ended March 31st, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend payout ratio prescribed in paragraph 4 of the said circular. Duly complying with the above guidelines, the Board of Directors of the Bank have proposed a dividend of Rs 1.80 per Equity share of Rs 10/- each for the year ended March 31st 2021 (Previous year Rs. NIL), subject to the approval of the members at the ensuing Annual General Meeting.



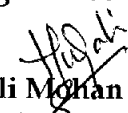
In terms of Accounting Standard (AS) 4 Contingencies and Events occurring after the Balance sheet date" the Bank has not appropriated proposed dividend aggregating to Rs. 55.96 crore from the Profit and loss account for the year ended March 31st, 2021. However, the effect of the proposed dividend has been reckoned in determining capital funds in the computation of Capital adequacy ratio as on March 31st, 2021.

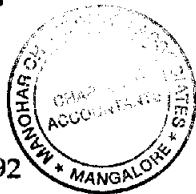
- 17 KBL Services Ltd, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21st, 2020 and the certificate of commencement of business was filed on August 26th, 2020. The subsidiary Company formally started its operations on March 30th, 2021. The consolidated financial results incorporating the reviewed financial of the wholly owned non-financial subsidiary for the period ended March 31st, 2021 have been furnished separately.
- 18 In accordance with RBI guidelines on 'Basel III Capital Regulations' read with the RBI Circular dated July 1st, 2015, and "Prudential Guidelines on Capital Adequacy and Liquidity Standards, the Pillar 3 disclosure as at March 31st, 2021 including leverage ratio and liquidity coverage ratio is accessible on the Bank's web site at the following link: <https://karnatakabank.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to audit by the Statutory Central Auditors.
- 19 Disclosure about investor complaints: Complaints at the beginning of the period Nil ; Received during the period 27; Disposed off during the period 27; Unresolved as on March 31st, 2021: Nil.
- 20 The figures for the last quarter of the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the end of the third quarter of the respective financial year.
- 21 Previous period/year figures have been re-grouped/ re-classified wherever necessary to conform to current period classification.


Mahabaleshwara MS
Managing Director & C.E.O



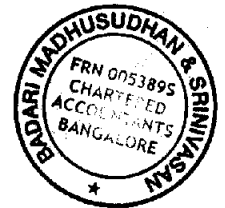
For Manohar Chowdhry & Associates
Chartered Accountants
Firm Regn No 001997S


Murali Mohan Bhat
Membership No. 203592



For Badari Madhusudhan & Srinivasan
Chartered Accountants
Firm Regn. No. 005389S


S Rajendiran
Membership No. 021883



Place: Mangaluru
Date: May 26th 2021

STANDALONE SEGMENT RESULTS FOR / AS ON YEAR ENDED March 31st, 2021

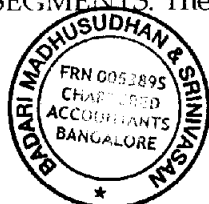
(Rs in crore)

Segment wise Results Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
Segment Revenue					
(a) Treasury Operations	340.63	388.70	453.97	1814.17	1625.94
(b) Corporate Banking	695.20	673.94	842.87	2739.23	3073.11
(c) Retail Banking	611.95	725.79	637.30	2741.26	2602.98
(d) Other Banking Operations	137.90	80.19	111.80	427.80	414.37
(e) Unallocated	5.02	-	-	5.02	20.00
Income From Operations	1790.70	1868.62	2045.94	7727.48	7736.40
Segment Results (after Provisions before Tax)					
(a) Treasury Operations	77.72	129.39	190.95	778.23	574.20
(b) Corporate Banking	48.70	151.02	161.94	450.64	556.03
(c) Retail Banking	235.21	196.57	27.93	813.81	451.31
(d) Other Banking Operations	36.79	-19.81	26.86	24.95	118.99
(e) Unallocated (including Provisions & Contingencies)	-356.56	-233.38	-372.64	-1455.70	-1178.50
Total Profit/(Loss) before tax	41.86	223.79	35.04	611.93	522.03
Segment Assets					
(a) Treasury Operations	27505.89	24845.39	20953.25	27505.89	20953.25
(b) Corporate Banking	24527.74	25974.06	31237.24	24527.74	31237.24
(c) Retail Banking	27628.87	27620.73	26279.46	27628.87	26279.46
(d) Other Banking Operations	3917.41	3532.99	3163.29	3917.41	3163.29
(e) Unallocated	2001.43	2076.89	1680.25	2001.43	1680.25
Total	85581.34	84050.06	83313.49	85581.34	83313.49
Segment Liabilities					
(a) Treasury Operations	25213.57	22758.96	19359.49	25213.57	19359.49
(b) Corporate Banking	22764.95	24042.55	29073.28	22764.95	29073.28
(c) Retail Banking	25521.13	25487.45	24416.51	25521.13	24416.51
(d) Other Banking Operations	3604.70	3248.68	2941.31	3604.70	2941.31
(e) Unallocated	1834.63	1901.43	1552.45	1834.63	1552.45
Total	78938.98	77439.07	77343.04	78938.98	77343.04
Capital employed					
(a) Treasury Operations	2292.32	2086.43	1593.76	2292.32	1593.76
(b) Corporate Banking	1762.79	1931.51	2163.96	1762.79	2163.96
(c) Retail Banking	2107.74	2133.28	1862.95	2107.74	1862.95
(d) Other Banking Operations	312.71	284.31	221.98	312.71	221.98
(e) Unallocated	166.80	175.46	127.80	166.80	127.80
Total	6642.36	6610.99	5970.45	6642.36	5970.45

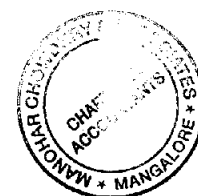
PART B: GEOGRAPHIC SEGMENTS: There is only one Segment i.e. Domestic Segment



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SUMMARY BALANCE SHEET AS ON MARCH 31st, 2021

(Rs in crores)

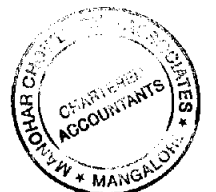
	As on 31.03.2021	As on 31.03.2020
CAPITAL AND LIABILITIES		
Capital	310.88	310.88
Reserves and Surplus	6331.48	5659.57
Deposits	75654.86	71785.15
Borrowings	1764.88	4065.12
Other Liabilities and Provisions	1519.24	1492.77
TOTAL	85581.34	83313.49
ASSETS		
Cash and balances with Reserve Bank of India	4866.15	2756.05
Balances with Banks and Money at Call & Short Notice	449.42	163.44
Investments	21635.18	17545.34
Advances	51693.70	56964.27
Fixed Assets	837.85	826.42
Other Assets	6099.04	5057.97
TOTAL	85581.34	83313.49



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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2021

(Rs in Crore)

		Year Ended March 31 2021	Year Ended March 31 2020
A	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit after Tax and Extra Ordinary Items	482.57	431.78
	<u>Add:</u>		
	<u>Adjustments for :</u>		
	Provision for Tax	129.36	90.25
	(Profit)/Loss on sale Fixed Assets	1.88	0.71
	Depreciation on Fixed Assets including Lease Adjustment charges	73.52	63.76
	Provisions and Contingencies	1387.21	1134.74
	Amortisation of premium on Held to Maturity Investments	125.32	76.05
	Loss on sale to SC/RC amortised during the year	0	0
	Write-off of Fixed Assets	0.07	0
	Operating Profit Before Working Capital Changes	2199.94	1797.29
	Adjustment for :		
	i) (Increase)/Decrease in Advances & Other Assets	4653.53	-3608.74
	ii) (Increase)/Decrease in Investments	-4311.18	-1431.41
	iii) Increase/(Decrease) in Deposits, Borrowings & Other Liabilities	971.42	3367.74
	iv) Change in Revenue Reserve	189.37	-1672.41
	Cash Generated from Operations	3703.07	124.88
	Less: Direct taxes paid	334.31	214.48
	Net Cash Flow from Operating Activities (A)	3368.76	-89.60
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Purchase of Fixed Assets	-87.61	-57.53
	Sale of Fixed Assets	0.71	1.48
	Investment in Wholly Owned Subsidiary – KBL Services Ltd	-0.50	-
	Net Cash used in Investing Activities (B)	-87.40	-56.05
	TOTAL (A+B)	3281.36	-145.65
C	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	Proceeds from issue of share capital (net of expenses)	-0.02	0.01
	Proceeds from long term borrowings	-885.26	-425.38
	Dividend paid (Including Tax on Dividend)	0	-119.24
	Net Cash Generated from Financing Activities (C)	-885.28	-544.61
	Net Increase in Cash & Cash Equivalents (A+B+C)	2396.08	-690.26
	Cash & Cash Equivalents as at the beginning of the year	2919.49	3609.75
	Cash & Cash Equivalents as at the end of the year	5315.57	2919.49

Note:

1. The Cash Flow Statement has been prepared under the Indirect Method and figures of the previous year have been re-grouped wherever necessary.
2. Cash and Cash Equivalents comprise of Cash on Hand, Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice.

For and on behalf of Board of Directors



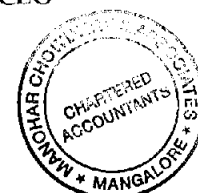
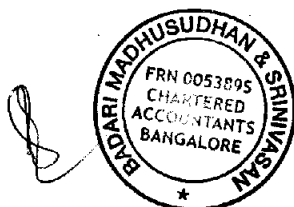
Mahabaleshwara M S

MANAGING DIRECTOR & CEO



Place: Mangaluru

Date: May 26th, 2021



ANNEXURE -2

AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31st, 2021

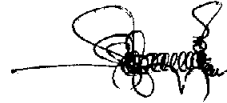
(Rs in crores)

Particulars	Quarter Ended 31.03.2021	Quarter Ended 31.12.2020	Quarter Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Total income from operations (net)	1790.70	1868.62	2045.94	7727.48	7736.40
Net Profit / (Loss) from ordinary activities after tax	31.36	135.38	27.31	482.57	431.78
Net Profit / (Loss) for the period after tax (after Extraordinary items)	31.36	135.38	27.31	482.57	431.78
Equity Share Capital	310.88	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	5189.49
Earnings Per Share (Before extraordinary items) (of Rs 10/- each)					
Basic:	1.01*	4.35*	0.88*	15.52	13.89
Diluted:	1.01*	4.35*	0.88*	15.48	13.89
Earnings Per Share (After extraordinary items) (of Rs 10/- each)					
Basic:	1.01*	4.35*	0.88*	15.52	13.89
Diluted:	1.01*	4.35*	0.88*	15.48	13.89

*Not annualized

Note: The above is an extract of the detailed format of period 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 period 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: May 26th, 2021

Manohar Chowdhry & Associates

Chartered Accountants
102, MICASA, Bejai Main Road
Mangaluru 575 004
Tel: 0824 - 2210883
Email: muralimohan@mca.co.in

Badari, Madhusudhan & Srinivasan

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

Independent Auditors' Report on the Financial Results of the Karnataka Bank Ltd., pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

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

Report on the audit of the standalone financial results**Opinion**

1.01 We have audited the accompanying annual Financial Results of **The Karnataka Bank Limited** ("The Bank") for the quarter and year ended 31st March 2021 attached herewith, being submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") except for the disclosures relating to Pillar 3 disclosure as at 31st March 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 Financial Results and have not been audited by us.

1.02 In our opinion and to the best of our information and according to the explanations given to us, these Financial Results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, Reserve Bank of India guidelines and other accounting principles generally accepted in India of the net profit and other financial information for the quarter and year ended 31st March 2021.

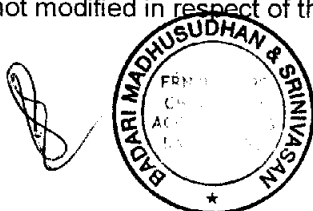
Basis for Opinion

2.01 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act") issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

3.01 We draw attention to Note No. 6 of the accompanying financial statements 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 significantly dependent on future developments.

3.02 Our opinion is not modified in respect of this matter.



Board of Directors' Responsibility for the Financial Results

4.01 These annual Financial Results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results up to the end of the third quarter. The Bank's Board of Directors are responsible for the preparation of these Financial Results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 under the Act read with relevant rules issued thereunder in so far as they apply to Banks, 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 and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act/Banking Regulations Act, 1949 for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

4.02 In preparing the Financial Results, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

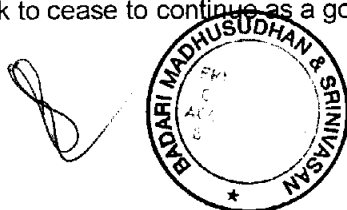
4.03 The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Results

5.01 Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

5.02 As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control
- Evaluate appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors'
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

5.02 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

5.03 We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

6.01 We did not audit the financial statements/information of 762 Branches/Offices included in the financial statements of the Bank whose financial statements/financial information cover 57% of total advances, 65% of non-performing assets, 71% of deposits as on 31st March 2021 and 42% of revenue for the year ended 31st March 2021. The financial statements/information of these Branches/Offices have been audited by the Branch Auditors' whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures pertaining to such Branches/Offices is based solely on the report of the Branch/Office Auditors'.

6.02 The annual financial results include the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

6.03 Our opinion is not modified in respect of the above matters

For Manohar Chowdhry & Associates
Chartered Accountants
FR No. 001997S


(Murali Mohan Bhat)
Partner

M. No. 203592

UDIN: 21203592 AAAACLH916



For Badari, Madhusudhan & Srinivasan
Chartered Accountants
FR No. 005389S


(S. Rajendiran)
Partner

M. No. 021883

UDIN: 21001883 AAAAAD4340



Place: Mangalore

Date: 26.05.2021

**CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED
MARCH 31st, 2021**

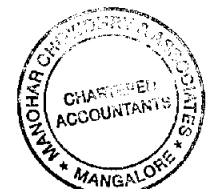
(Rs. in Crore)

		Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
1	Interest Earned (a+b+c+d)	1417.49	1595.50	1639.21	6232.41	6474.77
a)	Interest/Discount on advances/ bills	1073.13	1271.50	1316.56	4937.29	5155.84
b)	Income on Investments	302.86	288.34	290.82	1142.35	1160.13
c)	Interest on balances with Reserve Bank of India and other interbank funds	8.01	6.63	3.01	29.98	44.60
d)	Others	33.49	29.03	28.82	122.79	114.20
2	Other Income	373.21	273.12	406.73	1495.07	1261.63
3	TOTAL INCOME (1+2)	1790.70	1868.62	2045.94	7727.48	7736.40
4	Interest expended	958.35	981.45	1109.91	4049.22	4444.41
5	Operating expenses (i+ii)	448.66	449.21	544.49	1679.23	1635.22
i)	Employees Cost	239.78	267.25	370.44	913.31	897.00
ii)	Other operating Expenses	208.88	181.96	174.05	765.92	738.22
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1407.01	1430.66	1654.40	5728.45	6079.63
7	Operating Profit before provisions & contingencies (3-6)	383.69	437.96	391.54	1999.03	1656.77
8	Provisions (other than tax) and Contingencies	341.83	214.18	356.50	1387.21	1134.74
9	Exceptional Items	0.00	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	41.86	223.78	35.04	611.82	522.03
11	Tax Expense	10.50	88.41	7.73	129.36	90.25
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	31.36	135.37	27.31	482.46	431.78
13	Extraordinary Items (net of tax)	0.00	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	31.36	135.37	27.31	482.46	431.78



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		Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	310.88	310.88	310.88
16	Reserves excluding revaluation reserves	5866.14	---	5189.49	5866.14	5189.49
17	Analytical Ratios					
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III (%)	14.85	13.83	12.88	14.85	12.88
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized					
	- Basic EPS	1.01*	4.35*	0.88*	15.52	13.89
	- Diluted EPS	1.01*	4.35*	0.88*	15.47	13.89
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized					
	- Basic EPS	1.01*	4.35*	0.88*	15.52	13.89
	- Diluted EPS	1.01*	4.35*	0.88*	15.47	13.89
iv)	NPA Ratios					
	Gross NPAS	2588.41	1706.57	2799.93	2588.41	2799.93
	Net NPAS	1642.10	923.98	1755.01	1642.10	1755.01
	% of Gross NPA	4.91	3.16	4.82	4.91	4.82
	% of Net NPA	3.18	1.74	3.08	3.18	3.08
	Return on Assets (Annualised)	0.15	0.64	0.13	0.57	0.53



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**NOTES FORMING PART OF THE CONSOLIDATED AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED MARCH 31st, 2021**

1. The above Consolidated financial results for the year ended March 31st, 2021 have been reviewed by the Audit Committee of the Board at the meeting held on May 25th, 2021 and approved by the Board of Directors at the meeting held on May 26th, 2021. The same has been audited 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, who have issued an unmodified opinion on the same.
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 21st, 2020 and the certificate of commencement of business was filed on August 26th, 2020. The subsidiary Company formerly started its operations on March 30th, 2021 and there were no transactions other than receipt of subscription money, accounting of preliminary and other expenses and investment of surplus amount in the term deposits.

3. The above Consolidated financial results for the quarter and year ended March 31st, 2021 have been arrived at after considering the provisions on the basis of extant guidelines / directives issued by Reserve Bank of India on Advances, exposure to entities with Un-Hedged Foreign Currency Exposure, Non Performing Investments etc, and Depreciation on Investments & Fixed Assets and , provision for employees' retirement benefits like pension, gratuity, leave encashment and unused sick leave as per actuarial valuations, Income Tax and other usual and necessary provisions on estimates.
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 from advances written-off accounts etc.
5. During the year ended March 31st, 2021, the Bank has sold securities from HTM category exceeding 5% of the book value of investments held in HTM category at the beginning of the year. The book value of HTM investments sold during the year ended March 31st, 2021 was Rs 11304.87crore (excluding OMO sale worth Rs 1941.83 crore). The market value of investments held under HTM category as at March 31st, 2021 was Rs 16581.84 crore and was lower than the book value as on that date by Rs 274.62 crore.
6. The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.



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The RBI had announced various Covid-19 regulatory measures ('COVID-19 Regulatory packages') on asset classification and provisioning. The Bank, in accordance with the Board approved policy, had offered moratorium on repayment of loan installments and/or deferment of interest, as applicable, falling due between March 1st, 2020 and August 31th, 2020 ('moratorium period') to eligible borrowers classified as standard, even if overdue, as on February 29th, 2020, without considering the same as restructuring. Further, in respect of such accounts that were granted moratorium, the asset classification remained at a standstill during the moratorium period.

The Honorable Supreme Court of India in writ petition by Gajendra Sharma Vs Union of India & Anr and other connected matters had vide its interim order dated September 3rd, 2020 directed the banks that borrower accounts which were not declared NPA till August 31st, 2020 shall not be declared NPA, till further orders, pending disposal of the cases by the Hon'ble Supreme Court. The Bank had made contingency provision of Rs 147.99 Crores as at December 31st, 2020 for such borrower accounts not classified as non-performing. Pursuant to the Supreme Court's final order dated March 23rd, 2021, and the related RBI notification issued on April 7th, 2021, the Bank has classified these borrower accounts as per extant RBI instructions/ IRAC Norms and utilized the above contingency provision towards provision for these accounts. .

Apart from the provisions as required under IRAC norms, the Bank has made accelerated provision during the current financial year ended March 31st 2021 for Non- performing and stress advances as a matter of prudence.

The continued impact of COVID-19 and pandemic fears, 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 (including the current second wave) 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.

7. In accordance with RBI notification dated April 7th, 2021, the Bank is required to refund/ adjust 'interest on interest' charged to borrowers during the moratorium period as per the methodology for calculation of such interest on interest circulated by the Indian Banks' Association. The Bank is in the process of implementing the said methodology and calculation of the interest relief due to eligible customers. Pending this, as of March 31st, 2021, the Bank has provided towards estimated interest relief of Rs 15 Crore and reduced the same from the interest income.
8. In accordance with RBI Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17th, 2020 on COVID'19 Regulatory Package, the Bank was required to make provision at 10% of outstanding advances in respect of borrower accounts where asset classification benefit has been taken as per the RBI Guidelines. The details are as under-



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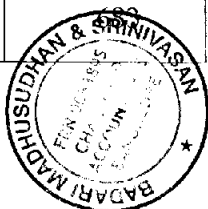
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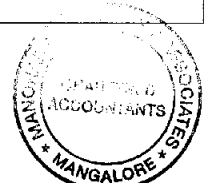
Particulars	Rs in crore
Respective amounts in SMA / overdue categories where the moratorium/ deferment was extended (as on 31.03.2020)	3881.68
Respective amount where asset classification benefit is extended (net of NPAs) (as on 31.03.2021)	Nil
Provisions held as on 31.03.2021	147.97
Provisions adjusted against slippages (NPA & Restructuring)	147.97
Residual provisions as on 31.03.2021	Nil

9. On August 6th, 2020, the RBI issued guidelines on 'Resolution Framework for Covid-19 related Stress' which enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while permitting classifying such exposures as Standard, subject to specified conditions. Details of resolution plan implemented under the Resolution Framework for Covid-19 related stress as per RBI circular dated August 6th, 2020 are given below-

Type of Borrower	(A) Number of borrowers where resolution plan has been implemented under this window	(B) Exposure to borrowers mentioned at (A) before implementation of the plan (Rs in crores)	(C) of (B), aggregate amount of debt that was converted into other securities (Rs in crores)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (Rs in crores)	(E) Increase in provisions on account of the implementation of the Resolution (Rs in crores)
Personal loans	667	335.29	0.00	0.00	43.76
Corporate persons	7	113.53	0.00	0.00	11.79
Of which MSMEs	0	0.00	0.00	0.00	0.00
Others	9	51.20	0.00	0.00	5.15
Total		500.02	0.00	0.00	60.70



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10. The disclosures as required under RBI Circular DOR.No.BP.BC.62/21.04.048/2019-20 dated April 17th,2020 with respect to the number of accounts and the amount involved in those accounts where the resolution period was extended is given below for the year ended as on March 31st, 2021-

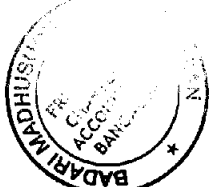
Particulars	As on 31.03.2021
No. of accounts in which Resolution Period was extended	1
Amount involved (Fund based outstanding) (Rs in Crores)	101.20

As a matter of prudence, the Bank has made provision to the full extent of Rs 101.20 crores.

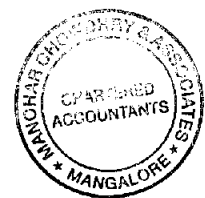
11. In accordance with RBI Circular No. DBR.No.BP.BC.18/21.04.048/2018-19 dated 01.01.2019, DOR.No.BP.BC.34/21.4.048/2019-20 dated 11.02.2020 and RBI/2020-21/17 DOR .No BP.BC.BC/4/21.04.048/2020-21 dated 06.08.2020, on 'Relief for MSME borrowers either exempted or registered under Goods & Service Tax (GST)', the details of MSME restructured accounts from 01.01.2019 to 31.03.2021 are as under-

No of borrowers restructured	Amount as on 31.03.2021 (Rs in Crores)
243	511.96

12. During the previous year ended March 31st, 2020, the Bank had recognized exposure in respect of 11 entities with outstanding balance of Rs 252.49 crores as fraud and provided in, accordance with the RBI Circular dated April 18th, 2016, by debiting Rs. 63.12 Crores to Profit & Loss Account and Rs 189.37 crores to 'Revenue Reserve' under 'Reserves and Surplus', as an adjusting event as specified in AS-4: "Events occurring after the Balance sheet date". In accordance with the said RBI Circular Rs 189.37 crores debited to Reserves & surplus should be reversed by debiting to Profit and Loss Account in the ensuing three quarters in the financial year 2020-21. Accordingly, the entire amount of Rs 189.37 Crores has been charged to the Profit & loss account and reversed to reserves & surplus in the first quarter ended June 30th, 2020 itself.
13. The Bank has recognized net Deferred Tax Assets as on March 31st, 2021 aggregating to Rs 425.74 Crores (PY Rs 440.81 Crores) on timing differences pertaining to surplus provision for doubtful advances, Provision for Standard Advances, Leave Encashment, Special Reserve etc in accordance with Accounting Standard - 22 on "Taxes and Income" issued by the Institute of Chartered Accountants of India.
14. 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 effective from April 1st, 2019 subject to certain conditions. The Bank has not yet preferred this option and has continued to provide for current taxes and deferred taxes as per prevalent rates of tax.



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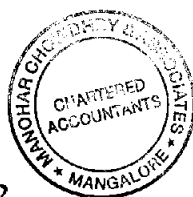
15. The provision coverage ratio as at March 31st, 2021 stood at 70.05% as against 64.70% as on March 31st, 2020.
16. In terms of RBI Circular DOR.ACC.REC.7/21.02.067/2021-22 dated April 22nd, 2021, banks may pay dividend on equity shares from the profits for the financial year ended March 31st, 2021, subject to the quantum of dividend being not more than fifty percent of the amount determined as per the dividend payout ratio prescribed in paragraph 4 of the said circular. Duly complying with the above guidelines, the Board of Directors of the Bank have proposed a dividend of Rs 1.80 per Equity share of Rs 10/- each for the year ended March 31st, 2021 (Previous year Rs. NIL), subject to the approval of the members at the ensuing Annual General Meeting.
- In terms of Accounting Standard (AS) 4 Contingencies and Events occurring after the Balance sheet date" the Bank has not appropriated proposed dividend aggregating to Rs. 55.96 crore from the Profit and loss account for the year ended March 31st, 2021. However, the effect of the proposed dividend has been reckoned in determining capital funds in the computation of Capital adequacy ratio as on March 31st, 2021.
17. In accordance with RBI guidelines on 'Basel III Capital Regulations' read with the RBI Circular dated July 1st, 2015, and "Prudential Guidelines on Capital Adequacy and Liquidity Standards, the Pillar 3 disclosure as at March 31st, 2021 including leverage ratio and liquidity coverage ratio is accessible on the Bank's web site at the following link: <https://karnatakabank.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to audit by the Statutory Central Auditors.
18. Disclosure about investor complaints: Complaints at the beginning of the period Nil ; Received during the period 27; Disposed off during the period 27; Unresolved as on March, 31st, 2021: Nil.
19. The figures for the last quarter of the current year and for the previous year are the balancing figures between the audited figures in respect of the full financial year and the unaudited published year to date figures up to the end of the third quarter of the respective financial year.
20. Previous period figures have been re-grouped/ re-classified where necessary to conform to current period classification. This being the first year of preparation of the consolidated financial statements consequent to the incorporation of the wholly owned subsidiary on June 21st, 2020, figures of the quarter/year ended March 31st, 2020 are on standalone basis.


 Mahabaleshwara M S
 Managing Director & C.E.O

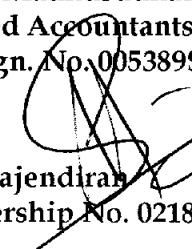


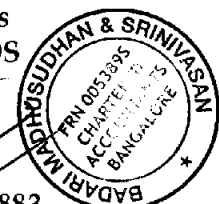
For Manohar Chowdhry & Associates
 Chartered Accountants
 Firm Regn No 001997S


 Murali Mohan Bhat
 Membership No. 203592



For Badari Madhusudhan & Srinivasan
 Chartered Accountants
 Firm Regn. No. 005389S


 S Rajendiran
 Membership No. 021883



Place: Mangaluru
 Date: May 26th, 2021

CONSOLIDATED SEGMENT RESULTS FOR THE QUARTER/YEAR ENDED March 31st, 2021

(Rs in crores)

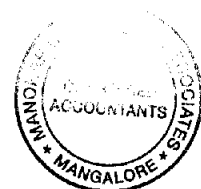
Segment wise Results Particulars	Quarter Ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
Segment Revenue					
(a) Treasury Operations	340.63	388.70	453.97	1814.17	1625.94
(b) Corporate Banking	695.20	673.94	842.87	2739.23	3073.11
(c) Retail Banking	611.95	725.79	637.30	2741.26	2602.98
(d) Other Banking Operations	137.90	80.19	111.80	427.80	414.37
(e) Unallocated	5.02	-	-	5.02	20.00
Income From Operations	1790.70	1868.62	2045.94	7727.48	7736.40
Segment Results (after Provisions before Tax)					
(a) Treasury Operations	77.72	129.39	190.95	778.23	574.20
(b) Corporate Banking	48.70	151.02	161.94	450.58	556.03
(c) Retail Banking	235.21	196.57	27.93	813.77	451.31
(d) Other Banking Operations	36.77	-19.82	26.86	24.94	118.99
(e) Unallocated (including Provisions & Contingencies)	-356.54	-233.38	-372.64	-1455.70	-1178.50
Total Profit/(Loss) before tax	41.86	223.78	35.04	611.82	522.03
Segment Assets					
(a) Treasury Operations	27505.39	24845.39	20953.25	27505.39	20953.25
(b) Corporate Banking	24527.74	25974.06	31237.24	24527.74	31237.24
(c) Retail Banking	27628.87	27620.73	26279.46	27628.87	26279.46
(d) Other Banking Operations	3917.42	3532.99	3163.29	3917.42	3163.29
(e) Unallocated	2001.44	2076.89	1680.25	2001.44	1680.25
Total	85580.86	84050.06	83313.49	85580.86	83313.49
Segment Liabilities					
(a) Treasury Operations	25213.14	22758.96	19359.49	25213.14	19359.49
(b) Corporate Banking	22764.97	24042.55	29073.28	22764.97	29073.28
(c) Retail Banking	25521.16	25487.45	24416.51	25521.16	24416.51
(d) Other Banking Operations	3604.71	3248.68	2941.31	3604.71	2941.31
(e) Unallocated	1834.64	1901.43	1552.45	1834.64	1552.45
Total	78938.62	77439.07	77343.04	78938.62	77343.04
Capital employed					
(a) Treasury Operations	2292.25	2086.43	1593.76	2292.25	1593.76
(b) Corporate Banking	1762.77	1931.51	2163.96	1762.77	2163.96
(c) Retail Banking	2107.71	2133.28	1862.95	2107.71	1862.95
(d) Other Banking Operations	312.71	284.31	221.98	312.71	221.98
(e) Unallocated	166.80	175.46	127.80	166.80	127.80
Total	6642.24	6610.99	5970.45	6642.24	5970.45

For the above segment reporting, the reportable segments identified are Treasury, Corporate Banking, Retail Banking and Other Banking Operations in compliance with the RBI Guidelines.

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



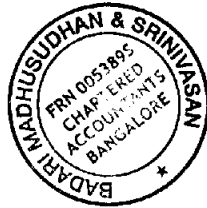
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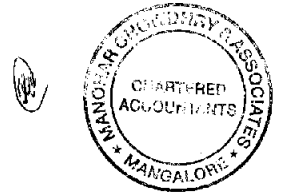
SUMMARISED CONSOLIDATED BALANCE SHEET AS ON MARCH 31st, 2021

(Rs in crores)

	As on 31.03.2021	As on 31.03.2020
CAPITAL AND LIABILITIES		
Capital	310.88	310.88
Reserves and Surplus	6331.36	5659.57
Deposits	75654.49	71785.15
Borrowings	1764.88	4065.12
Other Liabilities and Provisions	1519.25	1492.77
TOTAL	85580.86	83313.49
ASSETS		
Cash and balances with Reserve Bank of India	4866.15	2756.05
Balances with Banks and Money at Call & Short Notice	449.42	163.44
Investments	21634.68	17545.34
Advances	51693.70	56964.27
Fixed Assets	837.86	826.42
Other Assets	6099.05	5057.97
TOTAL	85580.86	83313.49



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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2021

Rs in Crore)

	Year Ended March 31 2021	Year Ended March 31 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Tax and Extra Ordinary Items	482.46	431.78
Add:		
Adjustments for :		
Provision for Tax	129.36	90.25
(Profit)/Loss on sale Fixed Assets	1.88	0.71
Depreciation on Fixed Assets including Lease Adjustment charges	73.52	63.76
Provisions and Contingencies	1387.22	1134.74
Amortisation of premium on Held to Maturity Investments	125.32	76.05
Loss on sale to SC/RC amortised during the year	0	0
Write-off of Fixed Assets	0.07	0
Operating Profit Before Working Capital Changes	2199.83	1797.29
Adjustment for :		
i) (Increase)/Decrease in Advances & Other Assets	4653.51	-3608.74
ii) (Increase)/Decrease in Investments	-4311.18	-1431.41
iii) Increase/(Decrease) in Deposits, Borrowings & Other Liabilities	971.05	3367.74
iv) Change in Revenue Reserve	189.37	-1672.41
Cash Generated from Operations	3702.58	124.88
Less: Direct taxes paid	334.31	214.48
Net Cash Flow from Operating Activities (A)	3368.27	-89.60
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-87.62	-57.53
Sale of Fixed Assets	0.71	1.48
Investment in Wholly Owned Subsidiary – KBL Services Ltd	-0.50	-
Net Cash used in Investing Activities (B)	-87.41	-56.05
TOTAL (A+B)	3280.86	-145.65
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (net of expenses)	0.47	0.01
Proceeds from long term borrowings	-885.25	-425.38
Dividend paid (Including Tax on Dividend)	0	-119.24
Net Cash Generated from Financing Activities (C)	-884.78	-544.61
Net Increase in Cash & Cash Equivalents (A+B+C)	2396.08	-690.26
Cash & Cash Equivalents as at the beginning of the year	2919.49	3609.75
Cash & Cash Equivalents as at the end of the year	5315.57	2919.49

Note:

- The Cash Flow Statement has been prepared under the Indirect Method and figures of the previous year have been re-grouped wherever necessary.
- Cash and Cash Equivalents comprise of Cash on Hand, Balances with Reserve Bank of India, Balances with Banks and Money at Call and Short Notice.

For and on behalf of Board of Directors



Mahabaleshwara M S

MANAGING DIRECTOR & CEO

Place: Mangaluru

Date: May 26th, 2021



ANNEXURE -2

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED MARCH 31st, 2021
(Rs in crores)

Particulars	Quarter Ended 31.03.2021	Quarter Ended 31.12.2020	Quarter Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Total income from operations (net)	1790.70	1868.62	2045.94	7727.48	7736.40
Net Profit / (Loss) from ordinary activities after tax	31.36	135.37	27.31	482.46	431.78
Net Profit / (Loss) for the period after tax (after Extraordinary items)	31.36	135.37	27.31	482.46	431.78
Equity Share Capital	310.88	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	5189.49
Earnings Per Share (Before extraordinary items) (of Rs 10/- each)					
Basic:	1.01*	4.35*	0.88*	15.52	13.89
Diluted:	1.01*	4.35*	0.88*	15.47	13.89
Earnings Per Share (After extraordinary items) (of Rs 10/- each)					
Basic:	1.01*	4.35*	0.88*	15.52	13.89
Diluted:	1.01*	4.35*	0.88*	15.47	13.89

*Not annualized

Note: The above is an extract of the detailed format of period 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 period 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: May 26th, 2021

Manohar Chowdhry & Associates

Chartered Accountants
102, MICASA, Bejai Main Road
Mangaluru 575 004
Tel: 0824 - 2210883
Email: muralimohan@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 report on Audited Consolidated Financial results of The
Karnataka Bank Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations
and Disclosure Requirements) Regulations, 2015**

To
The Board of Directors
The Karnataka Bank Ltd

Report on the audit of the consolidated financial results**Opinion**

1.01 We have audited the accompanying Statement of Consolidated Financial Results of The Karnataka Bank Ltd ("the Bank"), its subsidiary (the parent and its subsidiary together referred to as 'the Group') for the year ended 31st March 2021 ('Consolidated Financial Results'), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), except for the disclosures relating to Pillar 3 disclosure as at 31st March 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 Financial Results and have not been audited by us.

1.02 In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of the other auditors on separate audited financial statements of the subsidiary these consolidated Financial Results:

- include the annual audited financial results of the following entities;
 - a. The Karnataka Bank Ltd (Parent Bank)
 - b. KBL Services Limited (Subsidiary)
- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the consolidated net profit and other financial information of the Group for the quarter ended 31st March 2021 as well as of the consolidated net profit and other financial information of the Group for the year ended 31st March 2021.

Basis for Opinion

2.01 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of Matter

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

3.02 Our opinion is not modified in respect of this matter.

Board of Directors responsibilities for the consolidated financial results

4.01 These Consolidated Financial Results have been prepared on the basis of the audited consolidated annual financial statements and reviewed quarterly consolidated unaudited Financial Results up to the end of the quarter ended 31st December 2020. The Parent Bank's Board of Directors are responsible for the preparation of these Consolidated Financial Results that give a true and fair view of the consolidated net profit for the quarter ended 31st March 2021 as well as of the consolidated net profit for the year ended 31st March 2021 and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under section 133 of the Act, 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 and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors, of the entities included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Parent Bank, as aforesaid.

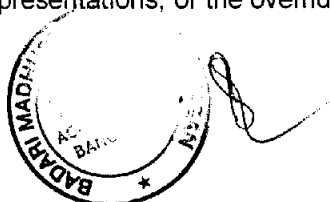
4.02 In preparing the consolidated Financial Results, the respective Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

4.03 The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

5.01 Our objectives are to obtain reasonable assurance about whether the consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Bank has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated Financial Results, including the disclosures, and whether the consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

5.02 We communicate with those charged with governance of the Bank and such other entities included in the consolidated results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

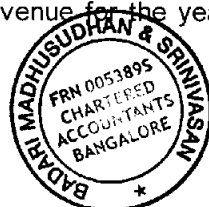
5.03 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5.04 We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

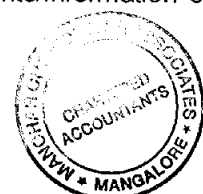
6.01 The audit of the financial statements/ information of one subsidiary, whose financial statements reflect total assets of Rs. 39.40 lakhs as at 31st March 2021, total revenues of Rs. 0.96 lakhs and total net loss after tax of Rs. 11.06 lakhs for the year ended 31st March 2021, and net cash inflow amounting to Rs 36.68 lakhs for the year ended on that date, as considered in the Consolidated Financial Results have been audited by another Auditor whose report has been furnished to us by the management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of its subsidiary is based solely on their reports and the procedures performed by us are as stated in section above.

6.02 We did not audit the financial statements/information of 762 Branches/Offices included in the financial statements of the Parent / Holding Company whose financial statements/financial information cover 57% of total advances, 65% of non-performing assets, 71% of deposits as on 31st March 2021 and 42% of revenue for the year ended 31st March 2021. The financial statements/information of



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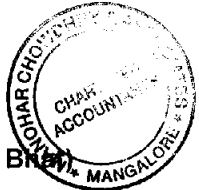


these Branches/Offices have been audited by the Branch Auditors' whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures pertaining to such Branches/Offices is based solely on the report of the Branch/Office Auditors'


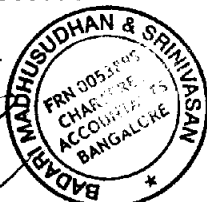
6.03 The consolidated Financial Results includes the results for the quarter ended 31st March 2021, being the derived balancing figures between the Consolidated Financial Results in respect of the full financial year ended 31st March 2021 and the published consolidated unaudited year to date figures up to the nine months ended 31st December 2020, of the current financial year, which have only been reviewed and not subjected to audit by us.

6.04 Our opinion on the consolidated financial results is not modified in respect of the above matters.

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



(Murali Mohan Bhat)
Partner
M. No. 203592
UDIN: 21203592 AA AACM4709

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



(S. Rajendran)
Partner
M. No. 021883
UDIN: 21021883A AAAAF4462

Place: Mangaluru
Date: 26th May 2021