

# 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](http://www.karnatakabank.com)  
CIN : L85110KA1924PLC001128

January 12, 2021

## SECRETARIAL DEPARTMENT

HO/SEC/210/2020-21

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

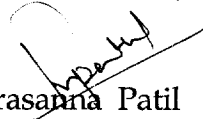
Dear Sir,

Reg: Unaudited standalone & consolidated financial results for the quarter ended 31.12.2020.

Please find enclosed copy of the unaudited standalone & consolidated financial results for the quarter ended 31.12.2020 approved by the Board of Directors at the meeting held today i.e. on 12.01.2021. Also, find enclosed the copy of the limited review report of the Statutory Auditors.

Thank You,

Yours faithfully,



Prasanna Patil

**COMPANY SECRETARY**

# Karnataka Bank Ltd.

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CIN : L85110KA1924PLC001128

## TREASURY AND ACCOUNTS DEPARTMENT

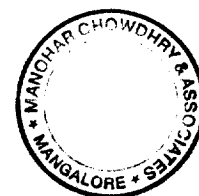
### STANDALONE REVIEWED FINANCIAL RESULTS FOR THE QUARTER/ NINE MONTHS ENDED DECEMBER 31, 2020.

(Rs in Crore)

Sl. No	Particulars	For/As on quarter ended			For/As on nine months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1595.50	1603.71	1621.55	4814.92	4835.56	6474.77
a)	Interest/Discount on advances/ bills	1271.50	1294.01	1271.28	3864.16	3839.28	5155.84
b)	Income on Investments	288.34	273.35	293.60	839.49	869.31	1160.13
c)	Interest on balances with Reserve Bank of India and other interbank funds	6.63	6.36	11.74	21.97	41.59	44.60
d)	Others	29.03	29.99	44.93	89.30	85.38	114.20
2	Other Income	273.12	329.81	372.13	1121.85	854.86	1261.63
3	TOTAL INCOME (1+2)	1868.62	1933.52	1993.68	5936.77	5690.42	7736.40
4	Interest expended	981.45	1028.84	1113.80	3090.88	3334.50	4444.41
5	Operating expenses (i+ii)	449.20	404.25	378.09	1230.45	1090.69	1635.22
i)	Employees Cost	267.25	204.62	186.46	673.52	526.56	897.00
ii)	Other operating Expenses	181.95	199.63	191.63	556.93	564.13	738.22
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1430.65	1433.09	1491.89	4321.33	4425.19	6079.63
7	Operating Profit before provisions & contingencies (3-6)	437.97	500.43	501.79	1615.44	1265.23	1656.77
8	Provisions (other than tax) and Contingencies	214.18	322.13	314.70	1045.38	778.24	1134.74
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)	223.79	178.30	187.09	570.06	486.99	522.03
11	Tax Expense	88.41	58.86	63.95	118.86	82.52	90.25
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	135.38	119.44	123.14	451.20	404.47	431.78



Sl. No	Particulars	For/As on quarter ended			For/As on nine months ended		Year ended 31.03.2020 (Audited)
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	
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)	135.38	119.44	123.14	451.20	404.47	431.78
15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	282.62	310.88	282.62	310.88
16	Reserves excluding revaluation reserves	----	--	---	-----	---	5189.49
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 ( % )	13.83	13.41	12.59	13.83	12.59	12.88
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
	- Diluted EPS	4.35*	3.84*	3.96*	14.50*	13.01*	13.89
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
	- Diluted EPS	4.35*	3.84*	3.96*	14.50*	13.01*	13.89
iv)	NPA Ratios as on date						
	Gross NPA	1706.57	2188.80	2777.46	1706.57	2777.46	2799.93
	Net NPA	923.98	1194.60	2058.04	923.98	2058.04	1755.01
	% of Gross NPA	3.16	3.97	4.99	3.16	4.99	4.82
	% of Net NPA	1.74	2.21	3.75	1.74	3.75	3.08
	Return on Assets *Annualised	0.64*	0.56*	0.60*	0.71*	0.67*	0.53



STANDALONE SEGMENT RESULTS FOR/ AS ON NINE MONTHS ENDED 31.12.2020

(Rs in crore)

Segment wise Results Particulars	Quarter Ended			Nine months ended		Year Ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
<b>Segment Revenue</b>						
(a) Treasury Operations	388.70	439.17	490.53	1473.54	1171.97	1625.94
(b) Corporate Banking	673.94	666.12	715.57	2044.02	2230.24	3073.11
(c) Retail Banking	725.79	737.33	670.58	2129.31	1965.68	2602.98
(d) Other Banking Operations	80.19	90.90	97.00	289.90	302.53	414.37
(e) Unallocated	0.00	-	20.00	-	20.00	20.00
<b>Income From Operations</b>						
	<b>1868.62</b>	<b>1933.52</b>	<b>1993.68</b>	<b>5936.77</b>	<b>5690.42</b>	<b>7736.40</b>
<b>Segment Results (after Provisions before Tax)</b>						
(a) Treasury Operations	129.39	180.38	221.27	700.51	383.25	574.20
(b) Corporate Banking	151.02	118.74	112.36	401.93	395.32	556.03
(c) Retail Banking	196.57	225.33	156.66	578.61	455.10	451.31
(d) Other Banking Operations	-19.81	-5.31	9.29	-11.83	59.18	118.99
(e) Unallocated (including Provisions & Contingencies)	-233.38	-340.84	-312.49	-1099.16	-805.86	-1178.50
<b>Total Profit/(Loss) before tax</b>	<b>223.79</b>	<b>178.30</b>	<b>187.09</b>	<b>570.06</b>	<b>486.99</b>	<b>522.03</b>
<b>Segment Assets</b>						
(a) Treasury Operations	24845.39	23563.45	22524.38	24845.39	22524.38	20953.25
(b) Corporate Banking	25974.06	27440.71	29616.47	25974.06	29616.47	31237.24
(c) Retail Banking	27620.73	27099.94	25723.40	27620.73	25723.40	26279.46
(d) Other Banking Operations	3532.99	3242.34	2571.88	3532.99	2571.88	3163.29
(e) Unallocated	2076.89	2043.20	1870.43	2076.89	1870.43	1680.25
<b>Total</b>	<b>84050.06</b>	<b>83389.64</b>	<b>82306.56</b>	<b>84050.06</b>	<b>82306.56</b>	<b>83313.49</b>
<b>Segment Liabilities</b>						
(a) Treasury Operations	22758.96	21642.66	20774.42	22758.96	20774.42	19359.49
(b) Corporate Banking	24042.55	25393.39	27469.71	24042.55	27469.71	29073.28
(c) Retail Banking	25487.45	25011.63	23821.62	25487.45	23821.62	24416.51
(d) Other Banking Operations	3248.68	2990.76	2384.06	3248.68	2384.06	2941.31
(e) Unallocated	1901.43	1875.56	1724.07	1901.43	1724.07	1552.45
<b>Total</b>	<b>77439.07</b>	<b>76914.00</b>	<b>76173.88</b>	<b>77439.07</b>	<b>76173.88</b>	<b>77343.04</b>
<b>Capital employed</b>						
(a) Treasury Operations	2086.43	1920.79	1749.96	2086.43	1749.96	1593.76
(b) Corporate Banking	1931.51	2047.32	2146.76	1931.51	2146.76	2163.96
(c) Retail Banking	2133.28	2088.31	1901.78	2133.28	1901.78	1862.95
(d) Other Banking Operations	284.31	251.58	187.82	284.31	187.82	221.98
(e) Unallocated	175.46	167.64	146.36	175.46	146.36	127.80
<b>Total</b>	<b>6610.99</b>	<b>6475.64</b>	<b>6132.68</b>	<b>6610.99</b>	<b>6132.68</b>	<b>5970.45</b>

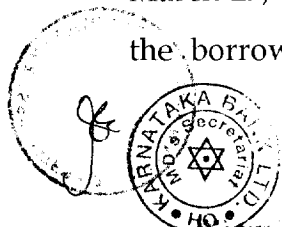
PART B: GEOGRAPHIC SEGMENTS: There is only one Segment i.e. Domestic Segment



**Notes forming part of the unaudited Standalone financial results for the period ended December 31, 2020**

1. The above Standalone interim financial results for the nine months ended December 31, 2020 have been reviewed by the Audit Committee of the Board at the meeting held on January 11, 2021 and approved by the Board of Directors at the meeting held on January 12, 2021. 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, 2020.
3. The above Standalone interim financial results have been arrived at after considering the provision for loan losses and depreciation on investments, provision for arrears of salary , 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. The outbreak of COVID-19 pandemic continues to spread across the globe and India resulting in significant volatility in the global and Indian economy. The extent to which the COVID-19 pandemic will impact the Bank's result will depend on future development which are highly uncertain including among other things any new information concerning the severity of the new strains of the COVID-19 pandemic and action to contain its spread or mitigate impact including further stimulus and regulatory packages, if any.

In accordance with the 'COVID-19 Regulatory packages' announced by the RBI on March 27, 2020 , April 17,2020 and May 23, 2020, with regard to providing relief to the borrowers in terms of standstill clause for asset classification on account of

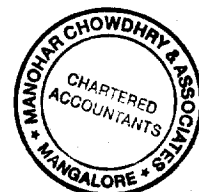
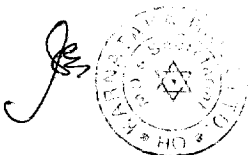


COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan installments and/or deferment of interest due between March 1, 2020 to August 31, 2020 including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring.


In accordance with RBI guidelines, the Bank is required to make provision @10% of outstanding advances in respect of such borrower accounts where asset classification benefit has been taken as per RBI guidelines. Accordingly, the bank was holding COVID 19 provision of Rs 97.99 crore as on September 30, 2020. Further the Bank has as a prudent measure made an additional adhoc provision of Rs 50.00 crore during the quarter ended December 31, 2020. Thus the aggregate provision against the likely impact of COVID 19 including RBI mandated provision as on 31st December, 2020 is Rs 147.99 crore .

The Honourable Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & Anr vide its interim order dated 3/9/2020 has directed Banks that the accounts which were not declared NPA till 31.08.2020 shall not be declared NPA till further orders, pending disposal of the case by the Supreme Court. Pursuant to the order, the Bank has not classified any borrowal account which has not been declared as NPA as at 31.08.2020 as per the RBI Prudential norms on Income Recognition, Asset classification, provisioning and other related matters as Non-Performing Asset (NPA) after 31.8.2020.

5. 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 1, 2019 subject to certain conditions. The Bank has continued to provide for current taxes and deferred taxes as per existing provisions and is in the process of evaluating the option of adopting the new tax regime.
6. Provision coverage ratio as at December 31, 2020 stood at 80.51% (59.34% as at December 31, 2019).



7. KBL Services Ltd, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21, 2020 and the certificate of commencement of business was filed on August 26, 2020. The subsidiary Company is yet to commence its commercial operations. The consolidated financial results incorporating the reviewed financial of the wholly owned non-financial subsidiary for the period ended December 31, 2020 have been furnished separately.
8. 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 website at the following link: <http://karnatakaBank.info.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.
9. Disclosure about investor complaints for the nine months ended December 31, 2020: Complaints at the Beginning of the period Nil; Received during the period 8; Disposed off during the period 8 ; Unresolved as on December 31, 2020 Nil.
10. 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.I.O.

for Manohar Chowdhry & Associates  
 Chartered Accountants  
 Firm Regn. No. 0015975

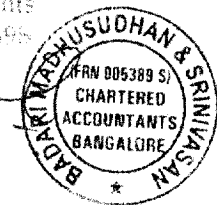
  
 Abiraj Mohan Bhatt  
 Partner  
 M. No. 05911



Date: Bangalore  
 Date: 23 January 2021

for Badari, Madhusudhan & Srinivasan  
 Chartered Accountants  
 Firm Regn. No. 053895

  
 P.V. Sudarshan  
 Partner  
 M. No. 05911



Date: Bangalore  
 Date: 23 January 2021

**STANDALONE REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER/NINE MONTHS ENDED  
DECEMBER 31, 2020**

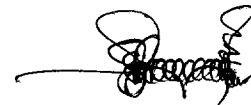
(Rs. In crore)

Particulars	Quarter ended 31.12.2020 (Reviewed)	Quarter ended 30.09.2020 (Reviewed)	Quarter ended 31.12.2019 (Reviewed)	Nine months ended 31.12.2020 (Reviewed)	Nine months ended 31.12.2019 (Reviewed)	Year ended 31.03.2020 (Audited)
Total income from operations (net)	1868.62	1933.52	1993.68	5936.77	5690.42	7736.40
Net Profit / (Loss) from ordinary activities after tax	135.38	119.44	123.14	451.20	404.47	431.78
Net Profit / (Loss) for the period after tax (after Extraordinary items)	135.38	119.44	123.14	451.20	404.47	431.78
Equity Share Capital	310.88	310.88	282.62	310.88	282.62	310.88
Reserves (excluding Revaluation Reserve) as shown in the Balance Sheet of previous year	---	---	---	---	---	5189.49
Earnings Per Share (before extraordinary items) (of Rs 10/- each)						
Basic:	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
Diluted:	4.35*	3.84*	3.96*	14.50*	13.01*	13.89
Earnings Per Share (After extraordinary items) (of Rs 10/- each)						
Basic:	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
Diluted:	4.35*	3.84*	3.96*	14.50*	13.01*	13.89

\*Not annualized

Note: The above is an extract of the detailed format of nine months ended results for December 31, 2020 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the results for December 31, 2020 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: 12<sup>th</sup> January 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

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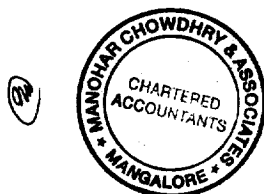
**Independent Auditor's Limited Review Report on the unaudited Standalone financial results for the quarter/nine months ended 31st December 2020 pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To The Board of Directors of The Karnataka Bank Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **The Karnataka Bank Limited** ("the Bank") for the quarter/nine months ended 31st December 2020 ("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 the Concurrent Auditors' of 128 branches. These review reports cover 61.80 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. We draw attention to Note No.4 of the accompanying statement of unaudited financial results which describes the uncertainties due to outbreak of novel coronavirus (COVID 19) and the relevant RBI guidelines and Supreme Court interim order on marking of accounts as NPA. In view of these uncertainties, the impact on the Bank's financial statements is dependent on future developments.


Our conclusion is not modified in respect of these matters.

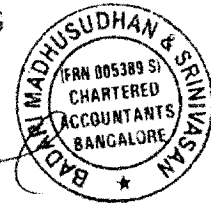
For Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Reg. No. 001997S

  
(Murali Mohan Bhat)  
Partner  
M. No. 203592  
UDIN: 21203592AAAAAD8670  
Place: Mangaluru  
Date: 12<sup>th</sup> January 2021



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

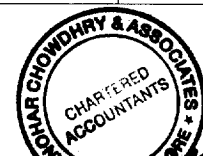
  
(T V Sudarshan)  
Partner  
M. No. 019108  
UDIN: 21019108AAAAAA9102  
Place: Bangalore  
Date: 12<sup>th</sup> January 2021



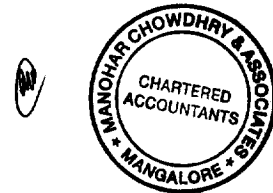
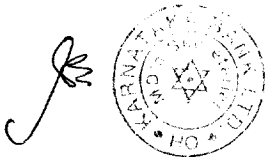
**CONSOLIDATED REVIEWED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS  
ENDED DECEMBER 31, 2020.**

(Rs in Crore)

Sl. No	Particulars	For/As on quarter ended			For/As on nine months ended		Year ended
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		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1595.50	1603.71	1621.55	4814.92	4835.56	6474.77
a)	Interest/Discount on advances/ bills	1271.50	1294.01	1271.28	3864.16	3839.28	5155.84
b)	Income on Investments	288.34	273.35	293.60	839.49	869.31	1160.13
c)	Interest on balances with Reserve Bank of India and other interbank funds	6.63	6.36	11.74	21.97	41.59	44.60
d)	Others	29.03	29.99	44.93	89.30	85.38	114.20
2	Other Income	273.12	329.81	372.13	1121.85	854.86	1261.63
3	TOTAL INCOME (1+2)	1868.62	1933.52	1993.68	5936.77	5690.42	7736.40
4	Interest expended	981.45	1028.84	1113.80	3090.88	3334.50	4444.41
5	Operating expenses (i+ii)	449.21	404.34	378.09	1230.55	1090.69	1635.22
i)	Employees Cost	267.25	204.62	186.46	673.52	526.56	897.00
ii)	Other operating Expenses	181.96	199.72	191.63	557.03	564.13	738.22
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1430.66	1433.18	1491.89	4321.43	4425.19	6079.63
7	Operating Profit before provisions & contingencies (3-6)	437.96	500.34	501.79	1615.34	1265.23	1656.77
8	Provisions (other than tax) and Contingencies	214.18	322.13	314.70	1045.38	778.24	1134.74
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)	223.78	178.21	187.09	569.96	486.99	522.03
11	Tax Expense	88.41	58.86	63.95	118.86	82.52	90.25
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	135.37	119.35	123.14	451.10	404.47	431.78
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)	135.37	119.35	123.14	451.10	404.47	431.78
15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	282.62	310.88	282.62	310.88

Sl. No	Particulars	For/As on quarter ended			For/As on nine months ended		Year ended 31.03.2020
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	
16	Reserves excluding revaluation reserves	---	--	---	---	---	5189.49
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 ( % )	13.83	13.41	12.59	13.83	12.59	12.88
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
	- Diluted EPS	4.35*	3.84*	3.96*	14.50*	13.01*	13.89
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
	- Diluted EPS	4.35*	3.84*	3.96*	14.50*	13.01*	13.89
iv)	NPA Ratios as on date						
	Gross NPA	1706.57	2188.80	2777.46	1706.57	2777.46	2799.93
	Net NPA	923.98	1194.60	2058.04	923.98	2058.04	1755.01
	% of Gross NPA	3.16	3.97	4.99	3.16	4.99	4.82
	% of Net NPA	1.74	2.21	3.75	1.74	3.75	3.08
	Return on Assets *Annualised	0.64*	0.56*	0.60*	0.71*	0.67*	0.53

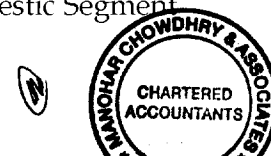


CONSOLIDATED SEGMENT RESULTS FOR/ AS ON NINE MONTHS ENDED 31.12.2020

(Rs in crore)

Segment wise Results	Quarter Ended			Nine months ended		Year Ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
<b>Particulars</b>						
<b>Segment Revenue</b>						
(a) Treasury Operations	388.70	439.17	490.53	1473.54	1171.97	1625.94
(b) Corporate Banking	673.94	666.12	715.57	2044.02	2230.24	3073.11
(c) Retail Banking	725.79	737.33	670.58	2129.31	1965.68	2602.98
(d) Other Banking Operations	80.19	90.90	97.00	289.90	302.53	414.37
(e) Unallocated	0.00	-	20.00	-	20.00	20.00
<b>Income From Operations</b>	<b>1868.62</b>	<b>1933.52</b>	<b>1993.68</b>	<b>5936.77</b>	<b>5690.42</b>	<b>7736.40</b>
<b>Segment Results (after Provisions before Tax)</b>						
(a) Treasury Operations	129.48	180.29	221.27	700.51	383.25	574.20
(b) Corporate Banking	150.97	118.74	112.36	401.88	395.32	556.03
(c) Retail Banking	196.53	225.33	156.66	578.56	455.10	451.31
(d) Other Banking Operations	-19.82	-5.31	9.29	-11.83	59.18	118.99
(e) Unallocated (including Provisions & Contingencies)	-233.38	-340.84	-312.49	-1099.16	-805.86	-1178.50
<b>Total Profit/(Loss) before tax</b>	<b>223.78</b>	<b>178.21</b>	<b>187.09</b>	<b>569.96</b>	<b>486.99</b>	<b>522.03</b>
<b>Segment Assets</b>						
(a) Treasury Operations	24844.89	23562.95	22524.38	24844.89	22524.38	20953.25
(b) Corporate Banking	25974.07	27440.71	29616.47	25974.07	29616.47	31237.24
(c) Retail Banking	27620.73	27099.94	25723.40	27620.73	25723.40	26279.46
(d) Other Banking Operations	3532.99	3242.34	2571.88	3532.99	2571.88	3163.29
(e) Unallocated	2076.89	2043.20	1870.43	2076.89	1870.43	1680.25
<b>Total</b>	<b>84049.57</b>	<b>83389.14</b>	<b>82306.56</b>	<b>84049.57</b>	<b>82306.56</b>	<b>83313.49</b>
<b>Segment Liabilities</b>						
(a) Treasury Operations	22758.52	21642.25	20774.42	22758.52	20774.42	19359.49
(b) Corporate Banking	24042.57	25393.39	27469.71	24042.57	27469.71	29073.28
(c) Retail Banking	25487.46	25011.63	23821.62	25487.46	23821.62	24416.51
(d) Other Banking Operations	3248.69	2990.76	2384.06	3248.69	2384.06	2941.31
(e) Unallocated	1901.44	1875.56	1724.07	1901.44	1724.07	1552.45
<b>Total</b>	<b>77438.68</b>	<b>76913.59</b>	<b>76173.88</b>	<b>77438.68</b>	<b>76173.88</b>	<b>77343.04</b>
<b>Capital employed</b>						
(a) Treasury Operations	2086.37	1920.70	1749.96	2086.37	1749.96	1593.76
(b) Corporate Banking	1931.50	2047.32	2146.76	1931.50	2146.76	2163.96
(c) Retail Banking	2133.27	2088.31	1901.78	2133.27	1901.78	1862.95
(d) Other Banking Operations	284.30	251.58	187.82	284.30	187.82	221.98
(e) Unallocated	175.45	167.64	146.36	175.45	146.36	127.80
<b>Total</b>	<b>6610.89</b>	<b>6475.55</b>	<b>6132.68</b>	<b>6610.89</b>	<b>6132.68</b>	<b>5970.45</b>

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

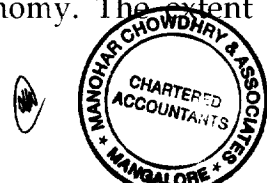


**Notes forming part of the Unaudited Consolidated financial results for the period ended December 31, 2020**

1. The above Consolidated financial results for the nine months ended December 31, 2020 have been reviewed by the Audit Committee of the Board at the meeting held on January 11, 2021 and approved by the Board of Directors at the meeting held on January 12, 2021. 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. The Consolidated Financial results of the Group comprise the financial results of The Karnataka Bank Ltd and its wholly owned subsidiary KBL Services Ltd.

KBL Services Limited is a wholly owned subsidiary of Karnataka Bank Ltd with Paid up equity share capital of Rs.50.00 lakhs with 5,00,000 equity shares of Rs.10 each fully paid up. The reporting quarter ended December 31, 2020 is the second quarter of the subsidiary as the Company commenced its business with effect from 26-8-2020. However, the company is yet to be operationalized 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. Being the first year after incorporation of the Company, previous year / period figures is not applicable.

3. 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, 2020.
4. The above Consolidated interim financial results have been arrived at after considering the provision for loan losses and depreciation on investments, provision for arrears of salary , 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.
5. The outbreak of COVID-19 pandemic continues to spread across the globe and India resulting in significant volatility in the global and Indian economy. The extent to



which the COVID-19 pandemic will impact the Bank's result will depend on future development which are highly uncertain including among other things any new information concerning the severity of the new strains of the COVID-19 pandemic and action to contain its spread or mitigate impact including further stimulus and regulatory packages, if any.

In accordance with the 'COVID-19 Regulatory packages' announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, with regard to providing relief to the borrowers in terms of standstill clause for asset classification on account of COVID-19 pandemic whose accounts were standard as on February 29, 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan installments and/or deferment of interest due between March 1, 2020 to August 31, 2020 including relaxation in certain parameters, to all eligible borrowers, without considering the same as restructuring.


In accordance with RBI guidelines, the Bank is required to make provision @10% of outstanding advances in respect of such borrower accounts where asset classification benefit has been taken as per RBI guidelines. Accordingly, the bank was holding COVID 19 provision of Rs 97.99 crore as on September 30, 2020. Further the Bank has as a prudent measure made an additional adhoc provision of Rs 50.00 crore during the quarter ended December 31, 2020. Thus the aggregate provision against the likely impact of COVID 19 including RBI mandated provision as on 31st December, 2020 is Rs 147.99 crore .

The Honourable Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & Anr vide its interim order dated 3/9/2020 has directed Banks that the accounts which were not declared NPA till 31.08.2020 shall not be declared NPA till further orders, pending disposal of the case by the Supreme Court. Pursuant to the order, the Bank has not classified any borrower account which has not been declared as NPA as at 31.08.2020 as per the RBI Prudential norms on Income Recognition, Asset classification, provisioning and other related matters as Non-Performing Asset (NPA) after 31.8.2020.



- 6 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 1, 2019 subject to certain conditions. The Bank has continued to provide for current taxes and deferred taxes as per existing provisions and is in the process of evaluating the option of adopting the new tax regime.
- 7 Provision coverage ratio as at December 31, 2020 stood at 80.51% (59.34% as at December 31, 2019).
- 8 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 website at the following link: <http://karnatakaBank.info.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.
- 9 Disclosure about investor complaints for the nine months ended December 31, 2020: Complaints at the Beginning of the period Nil; Received during the period 8; Disposed off during the period 8 ; Unresolved as on December 31, 2020 Nil.
- 10 Corresponding previous period figures have been regrouped /rearranged wherever necessary to make them comparable with the current period figures.

For and on behalf of Board of Directors

  
Mahabaleshwara MS

Managing Director & C.F.O

for Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Regn. No. 0019975

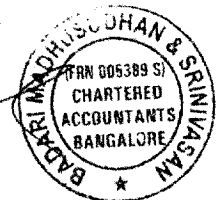
  
(Manohar Mohan Chait)  
Partner  
M. No. 21792



For: Manohar Chait  
Date: 15/01/2021

for Badari, Madhusudhan & Srinivasan  
Chartered Accountants  
Firm Regn. No. 057895

  
(B.A. Suddishan)  
Partner  
M. No. 11805



For: B. Suddishan  
Date: 15/01/2021



**CONSOLIDATED REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER/NINE MONTHS ENDED  
DECEMBER 31, 2020**

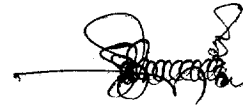
(Rs. In crore)

Particulars	Quarter ended 31.12.2020 (Reviewed)	Quarter ended 30.09.2020 (Reviewed)	Quarter ended 31.12.2019 (Reviewed)	Nine months ended 31.12.2020 (Reviewed)	Nine months ended 31.12.2019 (Reviewed)	Year ended 31.03.2020 (Audited)
Total income from operations (net)	1868.62	1933.52	1993.68	5936.77	5690.42	7736.40
Net Profit / (Loss) from ordinary activities after tax	135.37	119.35	123.14	451.10	404.47	431.78
Net Profit / (Loss) for the period after tax (after Extraordinary items)	135.37	119.35	123.14	451.10	404.47	431.78
Equity Share Capital	310.88	310.88	282.62	310.88	282.62	310.88
Reserves (excluding Revaluation Reserve) as shown in the Balance Sheet of previous year	----	----	----	----	----	5189.49
Earnings Per Share (before extraordinary items) (of Rs 10/- each)						
Basic:	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
Diluted:	4.35*	3.84*	3.96*	14.50*	13.01*	13.89
Earnings Per Share (After extraordinary items) (of Rs 10/- each)						
Basic:	4.35*	3.84*	3.96*	14.51*	13.01*	13.89
Diluted:	4.35*	3.84*	3.96*	14.50*	13.01*	13.89

\*Not annualized

Note: The above is an extract of the detailed format of nine months ended results for December 31, 2020 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the results for December 31, 2020 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: 12<sup>th</sup> January 2021

**Manohar Chowdhry & Associates**  
Chartered Accountants  
102, MICASA, Bejai Main Road  
Mangaluru 575 004  
Tel: 0824 - 2210883  
Email: [muralimohan@mca.co.in](mailto:muralimohan@mca.co.in)

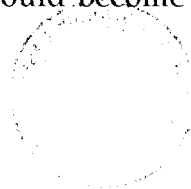
**Badari, Madhusudhan & Srinivasan**  
Chartered Accountants  
Kantha Court, Lalbagh Road  
Bengaluru-560027  
Tel: 080-22277714, 41142536  
Email: [bmscas@gmail.com](mailto:bmscas@gmail.com)

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**Independent Auditor's Review Report On Consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **The Karnataka Bank Limited** ("the Bank") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and nine months ended 31<sup>st</sup> December 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure 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 Statement and have not been reviewed by us.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013/43, 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. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant



matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable

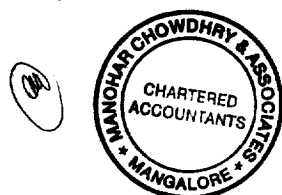
4. The Statement includes the results of the following entities:
- i. The Karnataka Bank Ltd (Parent/Holding Company)
  - ii. KBL Services Limited (Subsidiary)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 31<sup>st</sup> December 2020 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 Statement and have not been reviewed by us, or that it contains any material misstatement.

6. We draw attention to Note No.5 of the accompanying statement of unaudited consolidated financial results which describes the uncertainties due to outbreak of novel coronavirus (COVID 19) and the relevant RBI guidelines and Supreme Court interim order on marking of accounts as NPA. In view of these uncertainties, the impact on the Bank's financial statements is dependent on future developments.


Our conclusion is not modified in respect of these matters.

7. We did not review the interim financial statements / financial information/ financial results of one subsidiary included in the Group, whose results reflect total assets of Rs. 0.40 crores as at 31<sup>st</sup> December 2020 and total revenues of Rs.0.0048 crore and total net profit / (loss) after tax of Rs.(0.0063) crore for the quarter and total net profit / (loss) after tax of Rs (0.10) crores for the nine months ended 31<sup>st</sup> December 2020 respectively as considered in the respective standalone unaudited/ audited interim financial statements/ financial information/ financial results of the entities included in the Group. The interim financial statements/ financial information / financial results of the subsidiary has been reviewed by the other auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of such other auditors and the procedures performed by us as stated in paragraph 3 above




Our conclusion on the Statement is not modified in respect of the above matter

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

  
(Murali Mohan Bhat)  
Partner  
M. No. 203592  
UDIN: 21203592AAAAAC7066  
Place: Mangaluru  
Date: 12<sup>th</sup> January 2021



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

  
(T V Sudarshan)  
Partner  
M. No. 019108

UDIN: 21019108AAAAAB7612  
Place: Bangalore  
Date: 12<sup>th</sup> January 2021

