



Karnataka Bank Ltd.

Estd : 1924

CIN : L85110KA1924PLC001128

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

Phone : 0824 - 2228222 Fax : 0824-2225588
Website : www.karnatakabank.com
email : info@ktkbank.com

January 11, 2019

SECRETARIAL DEPARTMENT

HO/SEC/530/2018-19

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

The General Manager,
BSE Limited
Corporate Relationship Dept
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI-400 001

Dear Sir,

Reg: The unaudited financial results for the quarter ended 31.12.2018.

Please find enclosed copy of the unaudited financial results for the quarter ended 31.12.2018 taken on record by the Board of Directors at the meeting held on 11.01.2019. A copy of the limited review report of the Statutory Auditors is enclosed.

Thank You,

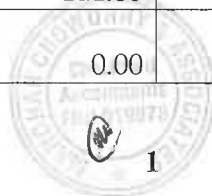
Yours faithfully,


COMPANY SECRETARY

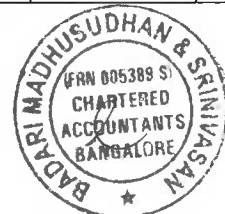
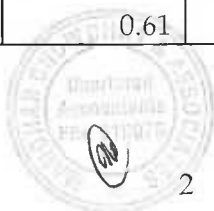
REVIEWED FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2018.

(Rs in Crore)

		Quarter ended 31.12.2018	Quarter ended 30.09.2018	Quarter ended 31.12.2017	Nine months ended 31.12.2018	Nine months ended 31.12.2017	Year ended 31.03.2018
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1514.42	1452.61	1332.24	4374.67	3980.71	5423.75
a)	Interest/Discount on advances/ bills	1214.97	1152.36	1042.52	3473.12	3001.85	4081.93
b)	Income on Investments	276.23	279.33	272.13	826.05	893.96	1161.53
c)	Interest on balances with Reserve Bank of India and other interbank funds	5.73	5.27	1.59	13.02	15.09	15.87
d)	Others	17.49	15.65	16.00	62.48	69.81	164.42
2	Other Income	301.37	201.20	194.62	711.37	659.83	954.34
3	TOTAL INCOME (1+2)	1815.79	1653.81	1526.86	5086.04	4640.54	6378.09
4	Interest expended	1026.47	984.90	880.76	2950.43	2664.57	3566.10
5	Operating expenses (i+ii)	388.95	312.58	324.20	1010.03	978.13	1338.82
i)	Employees Cost	180.76	110.85	121.39	402.11	382.97	524.79
ii)	Other operating Expenses	208.19	201.73	202.81	607.92	595.16	814.03
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1415.42	1297.48	1204.96	3960.46	3642.70	4904.92
7	Operating Profit before provisions & contingencies (3-6)	400.37	356.33	321.90	1125.58	997.84	1473.17
8	Provisions (other than tax) and Contingencies	208.99	193.22	196.40	624.27	621.26	1163.01
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)	191.38	163.11	125.50	501.31	376.58	310.16
11	Tax Expense	50.97	51.25	38.12	85.80	61.97	-15.45
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	140.41	111.86	87.38	415.51	314.61	325.61
13	Extraordinary Items (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00



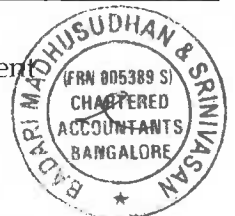
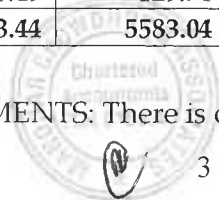
		Quarter ended 31.12.2018 (Reviewed)	Quarter ended 30.09.2018 (Reviewed)	Quarter ended 31.12.2017 (Reviewed)	Nine months ended 31.12.2018 (Reviewed)	Nine months ended 31.12.2017 (Reviewed)	Year ended 31.03.2018 (Audited)
14	Net Profit (+)/Loss (-) for the period (12-13)	140.41	111.86	87.38	415.51	314.61	325.61
15	Paid up equity share capital Face Value Rs 10/-)	282.62	282.62	282.62	282.62	282.62	282.62
16	Reserves excluding revaluation reserves	---	---	---	---	---	4711.32
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 (%)	11.98	11.30	12.26	11.98	12.26	12.04
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	4.97*	3.96*	3.09*	15.72*	11.13*	11.52
	- Diluted EPS	4.97*	3.96*	3.09*	15.72*	11.13*	11.52
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	4.97*	3.96*	3.09*	15.72*	11.13*	11.52
	- Diluted EPS	4.97*	3.96*	3.09*	15.72*	11.13*	11.52
iv)	NPA Ratios as on date						
	Gross NPA	2345.93	2371.62	1784.31	2345.93	1784.31	2376.07
	Net NPA	1560.94	1497.68	1262.96	1560.94	1262.96	1400.51
	% of Gross NPA	4.45	4.66	3.97	4.45	3.97	4.92
	% of Net NPA	3.00	3.00	2.85	3.00	2.85	2.96
	Return on Assets	0.74	0.61	0.53	0.75	0.65	0.49



SEGMENT RESULTS FOR THE QUARTER/NINE MONTH ENDED 31.12.2018

Segment wise Results	UNAUDITED					AUDITED
	Quarter Ended			Nine Months Ended		Year ended
Particulars	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	(Rs. in crores)					
1 Segment Revenue						
(a) Treasury Operations	393.73	298.35	304.18	976.25	1115.46	1404.18
(b) Corporate Banking	753.43	686.17	627.61	2066.95	1625.71	2174.98
(c) Retail Banking	579.50	584.92	522.42	1753.46	1662.56	2367.95
(d) Other Banking Operations	89.13	84.37	72.65	276.12	217.17	332.57
(e) Unallocated	-	-	-	13.26	19.64	98.41
Total	1815.79	1653.81	1526.86	5086.04	4640.54	6378.09
2 Segment Results (after Provisions before Tax)						
(a) Treasury Operations	144.91	30.31	36.22	204.53	243.89	267.76
(b) Corporate Banking	25.22	29.74	22.67	37.26	-87.09	-449.42
(c) Retail Banking	26.76	100.18	71.63	232.99	204.64	392.65
(d) Other Banking Operations	8.32	16.12	7.41	53.46	32.92	50.82
(e) Unallocated	- 13.83	-13.24	-12.43	-26.93	-17.78	48.35
Total Profit / Loss before tax	191.38	163.11	125.50	501.31	376.58	310.16
3 Segment Assets						
(a) Treasury Operations	19457.70	19876.06	18889.92	19457.70	18889.92	19451.00
(b) Corporate Banking	29609.81	27885.70	23712.26	29609.81	23712.26	25888.90
(c) Retail Banking	23070.07	22728.46	20997.16	23070.07	20997.16	21662.73
(d) Other Banking Operations	1543.48	1389.29	1284.63	1543.48	1284.63	1360.32
(e) Unallocated	1653.27	1609.10	1618.09	1653.27	1618.09	2010.73
Total	75334.33	73488.61	66502.06	75334.33	66502.06	70373.68
Segment Liabilities						
(a) Treasury Operations	17898.84	18286.25	17276.55	17898.84	17276.55	17892.70
(b) Corporate Banking	27444.03	25853.70	21929.15	27444.03	21929.15	23948.50
(c) Retail Banking	21315.79	20995.31	19293.71	21315.79	19293.71	20015.57
(d) Other Banking Operations	1432.45	1290.92	1181.27	1432.45	1181.27	1258.38
(e) Unallocated	1519.78	1479.39	1478.83	1519.78	1478.83	1848.38
Total	69610.89	67905.57	61159.51	69610.89	61159.51	64963.53
Capital employed (Segment Assets-Segment Liabilities)						
(a) Treasury Operations	1558.86	1589.81	1613.37	1558.86	1613.37	1558.30
(b) Corporate Banking	2165.78	2032.00	1783.11	2165.78	1783.11	1940.40
(c) Retail Banking	1754.28	1733.15	1703.45	1754.28	1703.45	1647.16
(d) Other Banking Operations	111.03	98.37	103.36	111.03	103.36	101.94
(e) Unallocated	133.49	129.71	139.26	133.49	139.26	162.35
Total	5723.44	5583.04	5342.55	5723.44	5342.55	5410.15

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




Notes forming part of the unaudited financial results for the period ended December 31, 2018.

1. The above interim financial results for the quarter and nine months ended December 31, 2018 have been reviewed by the Audit Committee of the Board at the meeting held on January 10, 2019 and approved by the Board of Directors at the meeting held on January 11, 2019. The same has been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the SEBI (LODR) Regulations, 2015.
2. In the preparation of these financial results, the Bank has followed the same accounting policies and generally accepted practices adopted in the preparation of audited financial statements for the year ended March 31, 2018.
3. The above interim financial results have been arrived at after considering the provision for loan losses and depreciation on Investments, Provision for employees' retirement benefits like pension, gratuity, leave encashment and unused sick leave as per actuarial valuations, Provision for exposure to entities with un-hedged foreign currency exposure, Income tax, Provision for arrears of salary pending negotiation & wage settlement and Other contingencies on estimated and proportionate basis and ~~are~~ subject to adjustments at the year end.
4. Reserve Bank of India vide RBI/2017-18/200 DBR.No. BP.BC.113/21.04.048/2017-18 dated June 15, 2018, granted Banks, the option to spread provisioning for their mark to market (MTM) losses on all the investments held under AFS and HFT categories for the quarter ended June 30, 2018 equally over up to four quarters, commencing with the quarter ended June 30, 2018. In accordance to the above stated circular, for the quarter ended December 31,2018, Bank has provided an amount of Rs 13.41 Crores and deferred an amount of Rs 13.41 Crores to be accounted for the quarter ended 31st March 2019.
5. Provision coverage ratio as at December 31, 2018 stood at 57.20 %.(49.13% as at December 31, 2017)



6. In terms of RBI circular DBR No BP.BC 1/21.06.201/2015-16 dated July 1, 2015, Pillar III disclosures under Basel III Capital Regulations have been made available on our web site at the following link: <http://karnatakaBank.info.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.
7. Disclosure about investor complaints for the period ended 31 December 2018: Complaints at the beginning of the period Nil; Received during the period 50. Disposed off during the period 49. Unresolved as on December 31,2018: 1
8. During the period under review, Bank has raised Rs 400 Crores under Tier-II capital , by issue of Basel-III compliant Subordinated debt instruments, on private placement.
9. Corresponding previous period figures have been regrouped/ rearranged wherever necessary to make them comparable with the current period figures.



Mahabaleshwara M S

Managing Director & C.E.O



For Manohar Chowdhry & Associates

Chartered Accountants

Firm Regn No. 001997S


Murali Mohan Bhat

Partner

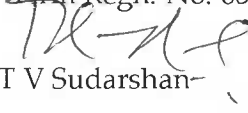
M No. 203592



For Badari Madhusudhan & Srinivasan

Chartered Accountants

Firm Regn. No. 05389S


T V Sudarshan

Partner

M No. 19108



Place: Mangaluru

Date: 11th January 2019

KARNATAKA BANK LTD

REVIEWED FINANCIAL RESULTS FOR THE QUARTER /NINE MONTHS ENDED DECEMBER 31, 2018 (Rs. In crore)

Particulars	Quarter Ended 31.12.2018 (Reviewed)	Quarter Ended 30.09.2018 (Reviewed)	Quarter Ended 31.12.2017 (Reviewed)	Nine months ended 31.12.2018 (Reviewed)	Nine months ended 31.12.2017 (Reviewed)	Year ended 31.03.2018 (Audited)
Total income from operations (net)	1815.79	1653.81	1526.86	5086.04	4640.54	6378.09
Net Profit / (Loss) from ordinary activities after tax	140.41	111.86	87.38	415.51	314.61	325.61
Net Profit / (Loss) for the period after tax (after Extraordinary items)	140.41	111.86	87.38	415.51	314.61	325.61
Equity Share Capital	282.62	282.62	282.62	282.62	282.62	282.62
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)	----	----	----	----	----	4711.32
Earnings Per Share (before extraordinary items) (of Rs 10/- each)						
Basic:	4.97*	3.96*	3.09*	15.72*	11.13*	11.52
Diluted	4.97*	3.96*	3.09*	15.72*	11.13*	11.52
Earnings Per Share (After extraordinary items) (of Rs 10/- each)						
Basic:	4.97*	3.96*	3.09*	15.72*	11.13*	11.52
Diluted	4.97*	3.96*	3.09*	15.72*	11.13*	11.52

*Not annualized

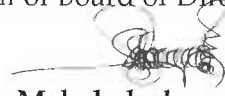
Note: The above is an extract of the detailed format of period ended Results filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the period ended Financial Results is available on the Stock Exchange websites. BSE: <http://www.bseindia.com>, NSE: <http://www.nseindia.com>, Bank website: <http://www.karnatakaBank.com/index.jsp>

For and on behalf of Board of Directors

Place: Mangaluru

Date: 11th January 2019





Mahabaleshwara M S

MANAGING DIRECTOR & CEO

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

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

Limited Review Report on the Interim Financial Results


Review report to the Board of Directors of The Karnataka Bank Ltd

1. We have reviewed the accompanying statement of Unaudited Financial Results of **The Karnataka Bank Limited** ("The Bank") for the quarter and nine months period ended 31st December, 2018 ("the Statement") being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 aforesaid Statement have not been reviewed by us. The preparation and fair presentation of the 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 the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (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 Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to the 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. Without qualifying our conclusion, we draw attention to Note No. 4 regarding exercise of the option by the Bank for spreading the provision for Mark to Market (MTM) losses for the quarter ended June 30, 2018, over four quarters resulting in carry forward of unamortized MTM losses of Rs 13.41 crore as at December 31, 2018 for amortization in the remaining quarter of the current financial year.




4. Based on our review conducted as mentioned in Paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Accounting Standards along with other accounting principles generally accepted in India in so far as they apply to the Banking Companies and guidelines issued by the Reserve Bank of India from time to time, 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.

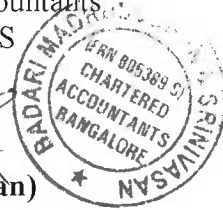
For Manohar Chowdhry & Associates
Chartered Accountants
FR No. 001997S


(Murali Mohan Bhat)
Partner
M. No. 203592



For Badari, Madhusudhan & Srinivasan
Chartered Accountants
FRNo. 005389S


(T V Sudarshan)
Partner
M. No. 019108



Place: Mangalore
Date: 11.01.2019