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Kankanady  
Mangaluru – 575 002

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E-Mail : Comsec@ktkbank.com  
Website : [www.karnatakabank.com](http://www.karnatakabank.com)  
CIN : L85110KA1924PLC001128

**SECRETARIAL DEPARTMENT**

23.01.2024

HO: SEC:301:2023-24

To:

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

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

Madam/Dear Sir,

**Sub: Unaudited Standalone & Consolidated Financial Results for the quarter and nine months ended December 31, 2023****Ref: Our letter ref. HO:SEC:291:2023-24 dated 12.01.2024**

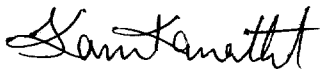
In continuation to our aforesaid intimation dated 12.01.2024, and pursuant to Regulations 30, 33, 52 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the unaudited standalone & consolidated financial results for the quarter and nine months ended December 31, 2023 approved by the Board of Directors at its meeting held today i.e., on January 23, 2024. The Limited Review Report is also enclosed.

1. The Limited Review Report of the Statutory Auditors contains unmodified opinion.
2. The Security Cover Certificate as on 31.12.2023 on non-convertible debt securities in terms of Regulation 54(3) of SEBI (LODR) Regulations, 2015 is enclosed.
3. The utilisation certificate and statement of Material Deviation for the quarter ended 31.12.2023 as per Regulations 32(1), 52(7) and 52(7A) of SEBI (LODR) Regulations, 2015 is enclosed herewith.

The Board Meeting commenced at 10.00 AM and concluded at 03.45 PM.

This is for your information and dissemination.

Yours faithfully,



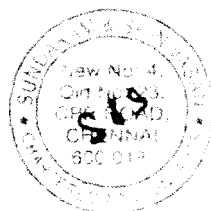
**Sham K**  
**Company Secretary &**  
**Compliance Officer**

**KARNATAKA BANK LIMITED, HEAD OFFICE, MANGALURU -575002**  
CIN : L85110KA1924PLC001128

**STANDALONE UNAUDITED FINANCIAL RESULTS FOR/AS ON  
QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

(₹ in Crore)

SI. No	Particulars	For /As on Quarter ended			For /As on nine months ended		Year ended
		31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest Earned (a+b+c+d)	2,112.61	2,026.59	1,850.80	6,097.94	5,250.93	7,220.23
a)	Interest/Discount on advances/bills	1,656.85	1,596.48	1,447.13	4,792.11	4,077.66	5,584.91
b)	Income on Investments	383.49	370.90	357.52	1,116.69	1,050.62	1,422.35
c)	Interest on balances with Reserve Bank of India and other interbank funds	4.43	6.89	0.19	17.40	1.38	1.58
d)	Others	67.84	52.32	45.96	171.74	121.27	211.39
2	Other Income	326.08	249.59	204.51	899.51	597.34	992.58
3	TOTAL INCOME (1+2)	2,438.69	2,276.18	2,055.31	6,997.45	5,848.27	8,212.81
4	Interest expended	1,285.01	1,204.18	1,016.04	3,633.25	2,925.88	4,035.13
5	Operating expenses (i+ii)	613.48	549.85	507.40	1,700.68	1,399.92	1,969.45
i)	Employees Cost	336.31	307.15	284.56	936.04	725.41	1,069.19
ii)	Other operating expenses	277.17	242.70	222.84	764.64	674.51	900.26
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1,898.49	1,754.03	1,523.44	5,333.93	4,325.80	6,004.58
7	Operating Profit before provisions & contingencies (3-6)	540.20	522.15	531.87	1,663.52	1,522.47	2,208.23
8	Provisions (other than tax) and Contingencies	144.41	119.87	164.87	415.85	513.93	767.19
9	Exceptional Items	-	-	-	-	-	-
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	395.79	402.28	367.00	1,247.67	1,008.54	1,441.04
11	Tax Expense	64.71	72.02	66.32	215.63	182.05	260.80
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	331.08	330.26	300.68	1,032.04	826.49	1,180.24
13	Extraordinary Items (net of tax )	-	-	-	-	-	-
14	Net Profit (+)/Loss (-) for the period (12-13)	331.08	330.26	300.68	1,032.04	826.49	1,180.24
15	Paid up equity share capital (Face Value Rs 10/-)	346.76	312.87	311.95	346.76	311.95	312.35
16	Reserves excluding revaluation reserves						7,390.57

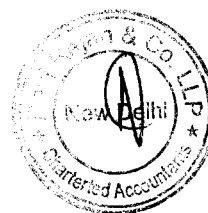
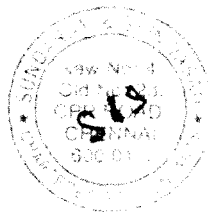


Sl. No	Particulars	For/As on Quarter ended			For/As on nine months ended		Year ended
		31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
17	<b>Analytical Ratios</b>						
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III	15.88	16.20	15.13	15.88	15.13	17.45
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	9.79*	10.56*	9.65*	32.14*	26.54*	37.88
	- Diluted EPS	9.74*	10.50*	9.60*	31.98*	26.41*	37.66
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	9.79*	10.56*	9.65*	32.14*	26.54*	37.88
	- Diluted EPS	9.74*	10.50*	9.60*	31.98*	26.41*	37.66
iv)	NPA Ratios as on date						
	Gross NPA	2,536.72	2,324.19	2,085.73	2,536.72	2,085.73	2,292.91
	Net NPA	1,060.06	888.94	1,040.88	1,060.06	1,040.88	1,021.27
	% of Gross NPA	3.64	3.47	3.28	3.64	3.28	3.74
	% of Net NPA	1.55	1.36	1.66	1.55	1.66	1.70
v)	Return on Assets (Annualised)	1.21	1.27	1.21	1.32	1.14	1.21
vi)	Net worth <sup>1</sup>	9,380.70	8,253.88	7,345.55	9,380.70	7,345.55	7,702.92
vii)	Outstanding redeemable preference shares	Nil	Nil	Nil	Nil	Nil	Nil
viii)	Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
ix)	Debt-equity ratio <sup>2</sup> (times)	0.09	0.15	0.18	0.09	0.18	0.18
x)	Total debts to Total assets <sup>3</sup> (%)	5.03	5.03	5.06	5.03	5.06	1.58
xi)	Net Interest Margin	3.46	3.58	3.81	3.57	3.63	3.70

1. Networth is calculated as per guidelines under RBI Master Circular on Exposure Norms

2. Debt (excluding deposit) represents borrowings with residual maturity of more than one year and Equity represents total of share capital and reserves less proposed dividend.

3. Total debts represent total borrowings of the bank and total assets is as per the balance sheet.



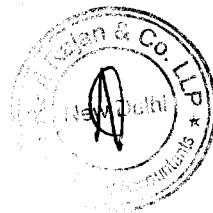
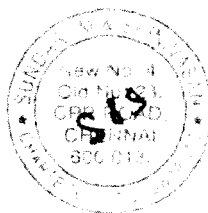
**STANDALONE SEGMENT RESULTS FOR/AS ON  
QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

(₹. in Crore)

Sl. No	Segment-wise Results Particulars	For/As on Quarter ended			For/As on nine months ended		Year ended
		31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>						
a)	Treasury Operations	432.48	375.07	309.30	1,234.19	864.30	1,276.83
b)	Corporate Banking	910.49	816.75	753.50	2,510.30	2,113.06	2,936.88
c)	Retail Banking	1,035.99	1,030.59	934.32	3,051.53	2,674.70	3,653.01
	- Digital Banking	0.05	0.02	-	0.10	-	0.01
	- Other Retail Banking	1,035.94	1,030.57	934.32	3,051.43	2,674.70	3,653.00
d)	Other Banking Operations	48.07	50.70	48.57	182.59	179.21	281.76
e)	Unallocated	11.66	3.07	9.62	18.84	17.00	64.33
	<b>Income From Operations</b>	<b>2,438.69</b>	<b>2,276.18</b>	<b>2,055.31</b>	<b>6,997.45</b>	<b>5,848.27</b>	<b>8,212.81</b>
<b>2</b>	<b>Segment Results (after Provisions before Tax)</b>						
a)	Treasury Operations	50.74	19.45	0.25	142.17	(38.54)	176.62
b)	Corporate Banking	279.63	231.13	260.10	733.35	733.71	946.34
c)	Retail Banking	221.21	285.14	286.97	806.25	869.70	1,065.09
	- Digital Banking	(0.12)	(0.12)	(0.35)	(0.36)	(0.35)	(0.64)
	- Other Retail Banking	221.33	285.26	287.32	806.61	870.05	1,052.69
d)	Other Banking Operations	(6.51)	1.05	(6.73)	16.09	8.77	42.25
e)	Unallocated (including Provisions & Contingencies)	(149.28)	(134.49)	(173.59)	(450.19)	(565.10)	(789.26)
	<b>Total Profit/(Loss) before tax</b>	<b>395.79</b>	<b>402.28</b>	<b>367.00</b>	<b>1,247.67</b>	<b>1,008.54</b>	<b>1,441.04</b>
<b>3</b>	<b>Segment Assets</b>						
a)	Treasury Operations	30,209.67	31,213.63	28,413.43	30,209.67	28,413.43	29,846.76
b)	Corporate Banking	35,944.22	33,552.13	32,602.58	35,944.22	32,602.58	29,886.99
c)	Retail Banking	40,116.41	37,437.38	35,158.28	40,116.41	35,158.28	35,564.32
	- Digital Banking	6.23	5.38	2.45	6.23	2.45	3.74
	- Other Retail Banking	40,110.18	37,432.00	35,155.83	40,110.18	35,155.83	35,560.58
d)	Other Banking Operations	17.40	8.49	16.98	17.40	16.98	10.10
e)	Unallocated	3,702.27	3,644.63	3,380.98	3,702.27	3,380.98	3,750.17
	<b>Total</b>	<b>1,09,989.97</b>	<b>1,05,856.26</b>	<b>99,572.25</b>	<b>1,09,989.97</b>	<b>99,572.25</b>	<b>99,058.34</b>
<b>4</b>	<b>Segment Liabilities</b>						
a)	Treasury Operations	27,343.23	28,450.97	26,171.44	27,343.23	26,171.44	27,387.34
b)	Corporate Banking	32,845.78	30,932.44	30,073.30	32,845.78	30,073.30	27,441.73
c)	Retail Banking	36,525.15	34,361.89	32,316.82	36,525.15	32,316.82	32,549.58
	- Digital Banking	6.59	5.62	2.80	6.59	2.80	4.38
	- Other Retail Banking	36,518.56	34,356.27	32,314.02	36,518.56	32,314.02	32,545.20
d)	Other Banking Operations	15.74	7.74	15.63	15.74	15.63	9.28
e)	Unallocated	3,373.14	3,341.73	3,137.68	3,373.14	3,137.68	3,457.06
	<b>Total</b>	<b>1,00,103.04</b>	<b>97,094.77</b>	<b>91,714.87</b>	<b>1,00,103.04</b>	<b>91,714.87</b>	<b>90,844.99</b>
<b>5</b>	<b>Capital employed</b>	<b>9,886.93</b>	<b>8,761.49</b>	<b>7,857.38</b>	<b>9,886.93</b>	<b>7,857.38</b>	<b>8,213.35</b>

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

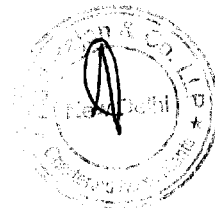
As per the RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment reporting', 'Digital Banking' has been identified as a Sub-segment under Retail Banking by the Reserve Bank of India (RBI). As on December 31, 2023, the Bank has two DBUs and the segment information disclosed above is related to the said DBUs



**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR/AS ON  
QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

(₹ in Crore)

Sl. No	Particulars	For/As on Quarter ended			For/As on nine months ended		Year ended 31-03-2023
		31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest Earned (a+b+c+d)	2,112.61	2,026.59	1,850.79	6,097.94	5,250.92	7,220.23
a)	Interest/Discount on advances/ bills	1,656.85	1,596.48	1,447.13	4,792.11	4,077.66	5,584.91
b)	Income on Investments	383.49	370.90	357.52	1,116.69	1,050.62	1,422.35
c)	Interest on balances with Reserve Bank of India and other interbank funds	4.43	6.89	0.19	17.40	1.38	1.58
d)	Others	67.84	52.32	45.95	171.74	121.26	211.39
2	Other Income	326.07	249.64	204.52	899.56	597.35	992.58
3	TOTAL INCOME (1+2)	2,438.68	2,276.23	2,055.31	6,997.50	5,848.27	8,212.81
4	Interest expended	1,285.00	1,204.18	1,016.04	3,633.24	2,925.88	4,035.12
5	Operating expenses (i+ii)	613.34	549.92	507.45	1,700.59	1,400.26	1,970.02
i)	Employees Cost	339.22	308.74	285.57	942.03	728.14	1,073.46
ii)	Other operating Expenses	274.12	241.18	221.88	758.56	672.12	896.56
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1,898.34	1,754.10	1,523.49	5,333.83	4,326.14	6,005.14
7	Operating Profit before provisions & contingencies (3-6)	540.34	522.13	531.82	1,663.67	1,522.13	2,207.67
8	Provisions (other than tax) and Contingencies	144.42	119.87	164.87	415.86	513.93	767.19
9	Exceptional Items	-	-	-	-	-	-
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	395.92	402.26	366.95	1,247.81	1,008.20	1,440.48
11	Tax Expense	64.71	72.02	66.32	215.63	182.05	260.80
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	331.21	330.24	300.63	1,032.18	826.15	1,179.68
13	Extraordinary Items (net of tax)	-	-	-	-	-	-
14	Net Profit (+)/Loss (-) for the period (12-13)	331.21	330.24	300.63	1,032.18	826.15	1,179.68
15	Paid up equity share capital (Face Value Rs 10/-)	346.76	312.87	311.95	346.76	311.95	312.35
16	Reserves excluding revaluation reserves						7,389.27



Sl. No	Particulars	For/As on Quarter ended			For/As on nine months ended		Year ended 31-03-2023
		31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
17	<b>Analytical Ratios</b>						
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III	15.88	16.20	15.13	15.88	15.13	17.45
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	9.79*	10.56*	9.65*	32.15*	26.53*	37.87
	- Diluted EPS	9.75*	10.50*	9.60*	31.98*	26.40*	37.64
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	9.79*	10.56*	9.65*	32.15*	26.53*	37.87
	- Diluted EPS	9.75*	10.50*	9.60*	31.98*	26.40*	37.64
iv)	NPA Ratios as on date						
	Gross NPA	2,536.72	2,324.19	2,085.73	2,536.72	2,085.73	2,292.91
	Net NPA	1,060.06	888.94	1,040.88	1,060.06	1,040.88	1,021.27
	% of Gross NPA	3.64	3.47	3.28	3.64	3.28	3.74
	% of Net NPA	1.55	1.36	1.66	1.55	1.66	1.70
(v)	Return on Assets (Annualised)	1.21	1.27	1.21	1.32	1.14	1.21
(vi)	Net worth <sup>1</sup>	9,379.54	8,252.59	7,344.48	9,379.54	7,344.48	7,701.62
(vii)	Outstanding redeemable preference shares	Nil	Nil	Nil	Nil	Nil	Nil
(viii)	Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
(ix)	Debt-equity ratio <sup>2</sup> (times)	0.09	0.15	0.18	0.09	0.18	0.18
(x)	Total debts to Total assets <sup>3</sup> (%)	5.03	5.03	5.06	5.03	5.06	1.58
(xi)	Net Interest Margin	3.46	3.58	3.81	3.57	3.63	3.70

1. Networth is calculated as per guidelines under RBI Master Circular on Exposure Norms

2. Debt (excluding deposit) represents borrowings with residual maturity of more than one year and Equity represents total of share capital and reserves less proposed dividend.

3. Total debts represent total borrowings of the bank and total assets is as per the balance sheet.

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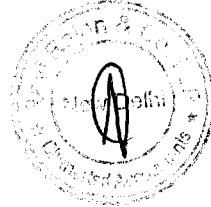
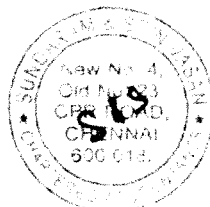
**CONSOLIDATED SEGMENT RESULTS FOR/AS ON  
QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

(₹ in Crore)

Sl. No	Segment-wise Results Particulars	For /As on Quarter ended			For /As on nine months ended		Year ended
		31-12-2023	30-09-2023	31-12-2022	31-12-2023	31-12-2022	31-03-2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>						
a)	Treasury Operations	432.48	375.07	309.30	1,234.19	864.30	1,276.83
b)	Corporate Banking	910.49	816.75	753.50	2,510.30	2,113.06	2,936.88
c)	Retail Banking	1,035.99	1,030.59	872.21	3,051.53	2,612.59	3,653.01
	- Digital Banking	0.05	0.02	-	0.10	-	0.01
	- Other Retail Banking	1,035.94	1,030.57	872.21	3,051.43	2,612.59	3,653.00
d)	Other Banking Operations	48.06	50.75	110.68	182.64	241.32	281.76
e)	Unallocated	11.66	3.07	9.62	18.84	17.00	64.33
	<b>Income From Operations</b>	<b>2,438.68</b>	<b>2,276.23</b>	<b>2,055.31</b>	<b>6,997.50</b>	<b>5,848.27</b>	<b>8,212.81</b>
<b>2</b>	<b>Segment Results (after Provisions before Tax)</b>						
a)	Treasury Operations	50.76	19.45	0.25	142.19	(38.57)	20.98
b)	Corporate Banking	279.68	231.13	260.09	733.41	733.59	1,012.62
c)	Retail Banking	221.27	285.13	238.50	806.31	821.09	1,147.54
	- Digital Banking	(0.12)	(0.12)	(0.35)	(0.36)	(0.35)	(0.64)
	- Other Retail Banking	221.39	285.25	238.85	806.67	821.44	1,148.18
d)	Other Banking Operations	(6.51)	1.06	41.71	16.13	57.21	48.63
e)	Unallocated (including Provisions & Contingencies)	(149.28)	(134.51)	(173.60)	(450.23)	(565.12)	(789.29)
	<b>Total Profit/(Loss) before tax</b>	<b>395.92</b>	<b>402.26</b>	<b>366.95</b>	<b>1,247.81</b>	<b>1,008.20</b>	<b>1,440.48</b>
<b>3</b>	<b>Segment Assets</b>						
a)	Treasury Operations	30,207.92	31,211.88	28,411.93	30,207.92	28,411.93	29,845.26
b)	Corporate Banking	35,944.22	33,552.13	32,602.58	35,944.22	32,602.58	29,886.99
c)	Retail Banking	40,116.41	37,437.38	35,158.68	40,116.41	35,158.68	35,564.32
	- Digital Banking	6.23	5.38	2.45	6.23	2.45	3.74
	- Other Retail Banking	40,110.18	37,432.00	35,156.23	40,110.18	35,156.23	35,560.58
d)	Other Banking Operations	17.40	8.49	16.98	17.40	16.98	10.10
e)	Unallocated	3,702.63	3,645.05	3,380.82	3,702.63	3,380.82	3,750.45
	<b>Total</b>	<b>1,09,988.58</b>	<b>1,05,854.93</b>	<b>99,570.99</b>	<b>1,09,988.58</b>	<b>99,570.99</b>	<b>99,057.12</b>
<b>4</b>	<b>Segment Liabilities</b>						
a)	Treasury Operations	27,341.93	28,449.72	26,170.34	27,341.93	26,170.34	27,386.33
b)	Corporate Banking	32,846.11	30,932.81	30,073.62	32,846.11	30,073.62	27,442.09
c)	Retail Banking	36,525.53	34,362.30	32,317.54	36,525.53	32,317.54	32,550.01
	- Digital Banking	6.59	5.62	2.80	6.59	2.80	4.38
	- Other Retail Banking	36,518.94	34,356.68	32,314.74	36,518.94	32,314.74	32,545.63
d)	Other Banking Operations	15.74	7.74	15.63	15.74	15.63	9.28
e)	Unallocated	3,373.50	3,342.15	3,137.57	3,373.50	3,137.57	3,457.36
	<b>Total</b>	<b>1,00,102.81</b>	<b>97,094.72</b>	<b>91,714.70</b>	<b>1,00,102.81</b>	<b>91,714.70</b>	<b>90,845.07</b>
<b>5</b>	<b>Capital employed</b>	<b>9,885.77</b>	<b>8,760.21</b>	<b>7,856.29</b>	<b>9,885.77</b>	<b>7,856.29</b>	<b>8,212.05</b>

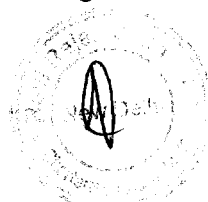
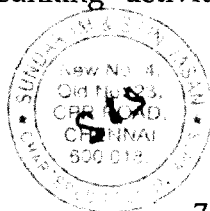
PART B: GEOGRAPHIC SEGMENTS: There is only one Segment i.e. Domestic Segment

As per the RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022, on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment reporting', 'Digital Banking' has been identified as a Sub-segment under Retail Banking by the Reserve Bank of India (RBI). As on December 31, 2023, the Bank has two DBUs and the segment information disclosed above is related to the said DBUs

**NOTES FORMING PART OF THE UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023.**

1. The above Unaudited Standalone and Consolidated Financial Results for the quarter/ nine months ended December 31, 2023 have been reviewed by the Audit Committee of the Board at its meeting held on January 22, 2024 and approved by the Board of Directors at its meeting held on January 23, 2024. The same has been subjected to limited review by the Joint Statutory Auditors of the Bank who have issued an unmodified conclusion on the same.
2. These Unaudited Standalone and Consolidated Financial Results have been prepared in accordance with the Accounting Standard 25 - Interim Financial Reporting ("AS 25") and Accounting Standard 21 - Consolidated Financial Statements ("AS 21") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by Reserve Bank of India ("RBI"), from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI LODR').
3. The Unaudited Consolidated Financial Results comprise of the Unaudited Financial Results of the Bank and its only wholly owned subsidiary -KBL Services Ltd.
4. The Bank has applied accounting policies in the preparation of these Standalone and Consolidated Financial Results consistent with those followed in the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2023. Any circular/ direction issued by the RBI is implemented prospectively when it becomes applicable, unless otherwise specifically required under those circulars/directions.
5. The above Unaudited Standalone and Consolidated Financial Results have been arrived at after considering the provisions on the basis of extant guidelines / directives issued by the RBI on Advances, Restructured Accounts, Non-Performing Assets, exposure to entities with Un-Hedged Foreign Currency Exposure, Non Performing Investments etc., and Depreciation on Fixed Assets and Provision for employees' retirement benefits like pension, gratuity, leave encashment and unused sick leave as per actuarial valuations, Income Tax, Deferred Tax and other usual and necessary provisions on estimated basis.
6. 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), profit/ loss on revaluation of investments, recovery in written-off accounts etc.

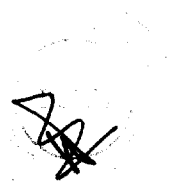
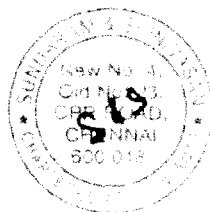
7. During the quarter ended December 31, 2023, the Bank has made provision of ₹ 61.74 crore (₹ 137.86 crore during the nine months ended December 31, 2023) on estimated basis for wage arrears pending final settlement of 12<sup>th</sup> Bipartite Settlement of wage revision due from November 1, 2022. Thus, total provision held for wage arrears as on December 31, 2023 aggregated to ₹ 201.30 crore.
8. Details of loan transferred/ acquired during the quarter and nine months ended December 31, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:
  - a) The Bank has not transferred any stressed loan (Special Mention Account) and any loan not in default.
  - b) Details of non-performing Assets (NPAs) transferred during the quarter/ nine months ended December 31, 2023.

**(₹ in Crore, except for number of accounts and Tenor in years)**

Particulars	To ARC	To permitted transferees	To other transferees
No of accounts	1	-	-
Aggregate principal outstanding of loan transferred	87.88	-	-
Weighted average residual tenor of the loans transferred	0	-	-
Net book value of loans transferred (at the time of transfer) <sup>#</sup>	0	-	-
Aggregate consideration	39.12	-	-

<sup>#</sup> technically written off account

- c) The Bank has neither acquired any stressed loan nor any loan not in default through assignment during the quarter/ nine months ended December 31, 2023.
- d) The Bank has not acquired any Security Receipts (SR) issued by Asset Reconstruction Companies (ARCs) during the quarter/ nine months ended December 31, 2023.

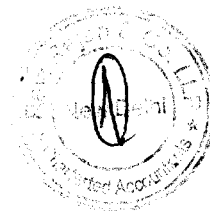
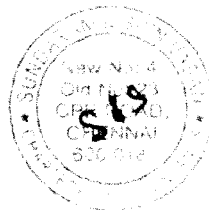



9. The distribution of the Security Receipts (SR's) held by Bank across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on December 31, 2023. **(₹ in Crore)**

Recovery Rating Band	Book Cost
RR1	8.73
RR2	-
RR3	114.68
RR4	30.64
RR5	26.06
Rating Withdrawn	90.38
<b>TOTAL</b>	<b>270.49*</b>

\* Provision held there against ₹ 270.49 crore

10. Provision Coverage Ratio as at December 31, 2023, stood at 80.75% (80.21% as at December 31, 2022).
11. On October 26, 2023, the Bank has allotted 334,00,132 equity shares of ₹ 10/- each for cash pursuant to a Preferential Issue as per the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 at a price of ₹ 239.52 per share aggregating to ₹ 800 crore (including share premium).
12. On November 16, 2023, the Bank has exercised call option for redemption of Basel III compliant Tier II Bonds (Series No. V and ISIN: INE614B08039) of ₹ 400 Crore.
13. During the quarter ended December 31, 2023, the Bank has allotted 4,90,964 equity shares (10,05,170 equity shares during the nine months ended December 31, 2023) of face value of ₹ 10/- each, pursuant to the exercise of Employee Stock Options Scheme.
14. In accordance with RBI guidelines, consolidated Pillar 3 disclosures including Leverage Ratio, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) under the Basel III Capital Regulations have been made available on our website at following link: <https://karnatakabank.com/regulatory-disclosures>. These disclosures have not been subjected to limited review by the Joint Statutory Auditors of the Bank.
15. The ratios and other information which are to be disclosed as per Regulation 52(4) of the SEBI LODR have been disclosed to the extent considered applicable.

16. Status of Investor Complaints received during the nine months ended December 31, 2023 :

Particulars	Complaints un-resolved at the beginning of the period	Complaints received during the period	Complaints resolved during the period	Complaints un-resolved at the end of the period
Quarter end	-	1	1	-
Nine months end	-	3	3	-

17. Previous period's figures/ ratios have been regrouped/ reclassified, wherever necessary to conform to current period's classification and presentation.

For and on behalf of Board of Directors

**Srikrishnan H**

**Managing Director & CEO**

**DIN: 00318563**

**Place: Mangaluru**

**Date: January 23, 2024**

**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**  
3<sup>rd</sup> Floor, Pro-1 Business Centre,  
Senapati Bapat Road,  
Pune – 411 016

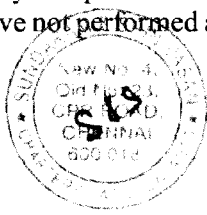
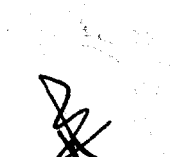
**Sundaram & Srinivasan**  
**Chartered Accountants**  
23, C P Ramaswamy Road,  
Alwarpet,  
Chennai – 600 018

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**  
505-A, Fifth Floor, Rectangle-1,  
District Centre, Saket,  
New Delhi - 110017

**Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of the Karnataka Bank Limited, pursuant to Regulation 33 and Regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter and Nine Months Period ended December 31, 2023**

**Review Report to  
The Board of Directors  
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 and nine months period ended December 31, 2023 (the "Statement"), being prepared and submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Regulations"), except for the disclosures relating to Pillar 3 disclosures as at December 31, 2023 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under the 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 aforesaid Statement and have not been reviewed by us.
2. The Statement is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 'Interim Financial Reporting' ('AS-25'), as prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (the "RBI") from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India and is in compliance with the SEBI Regulations. 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 Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditors 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 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.



**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**

**Sundaram & Srinivasan**  
**Chartered Accountants**

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**

4. In the conduct of our review, we have relied on the certificates in respect of non-performing assets from concurrent auditors of 134 branches to the Bank management. These certificates cover 59.71 percent of the advances portfolio of the Bank.
5. Based on our review conducted as stated above and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the Statement of Unaudited Standalone Financial Results, prepared in accordance with the aforesaid Accounting Standards and other recognized accounting practices, policies and principles generally accepted in India in so far as they apply to banks, and circulars and guidelines issued by the RBI from time to time, has not disclosed the information required to be disclosed in terms of the SEBI Regulations, 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 RBI in respect of Income Recognition, Asset Classification, Provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosures as at December 31, 2023 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under the 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.

Other Matters

6. The review of unaudited standalone financial results of the Bank for the quarter and nine months period ended December 31, 2022 and audit of annual standalone financial results for the year ended March 31, 2023 were conducted by Kalyaniwalla & Mistry LLP, Chartered Accountants and Sundaram & Srinivasan, Chartered Accountants, the joint statutory auditors of the Bank who had expressed unmodified conclusion / opinion, as the case may be, on those financial results vide their limited review report dated February 2, 2023 and audit report dated May 26, 2023. Accordingly, Ravi Rajan & Co. LLP, Chartered Accountants, do not express any conclusions / opinion, as the case may be, on the figures reported in the Statement for the quarter and nine months period ended December 31, 2022, and year ended March 31, 2023.

**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**

Firm Regn. No. 104607W/W100166



Anil A. Kulkarni  
Partner

Membership No.047576

Date: January 23, 2024

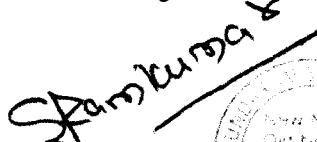
Place: Mangaluru

UDIN:

24047576BKBJDO1445

**Sundaram & Srinivasan**  
**Chartered Accountants**

Firm Regn. No. 004207S



S Ramkumar  
Partner

Membership No. 238820

Date: January 23, 2024

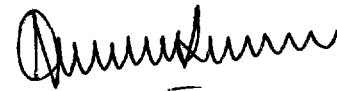
Place: Chennai

UDIN:

24238820BKERHV4990

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**

Firm Regn. No. 009073N/N500320



Sumit Kumar  
Partner

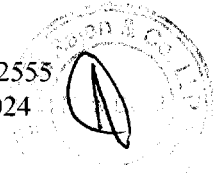
Membership No. 512555

Date: January 23, 2024

Place: Mangaluru

UDIN:

24512555BKFTOC9369



**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**  
3<sup>rd</sup> Floor, Pro-1 Business Centre,  
Senapati Bapat Road,  
Pune – 411 016

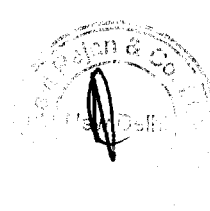
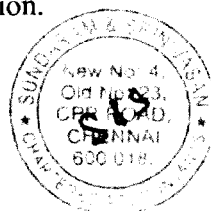
**Sundaram & Srinivasan**  
**Chartered Accountants**  
23, C P Ramaswamy Road,  
Alwarpet,  
Chennai – 600 018

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**  
505-A, Fifth Floor, Rectangle-1,  
District Centre, Saket,  
New Delhi - 110017

**Independent Auditors' Limited Review Report on Unaudited Consolidated Financial Results of the Karnataka Bank Limited, pursuant to regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarter and Nine Months Period ended December 31, 2023**

**Review Report to  
The Board of Directors  
The Karnataka Bank Limited**

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of The Karnataka Bank Limited (the “the Holding Company” or “the Bank”) and its subsidiary, namely KBL Services Limited (the Holding Company and its subsidiary together referred to as “the Group”) for the quarter and nine months period ended December 31, 2023 (the “Statement”), being prepared and submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Regulations”), except for the disclosures relating to Pillar 3 disclosures as at December 31, 2023 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under the Basel III Capital Regulations as have been disclosed on the Bank’s website and in respect of which a link have been provided in the aforesaid Statement and have not been reviewed by us.
2. The Statement is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard - 25 'Interim Financial Reporting' ('AS-25'), as prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (the “RBI”) from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India and is in compliance with the SEBI Regulations. 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 Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditors 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 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.



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

4. Based on our review conducted as stated above and procedures performed as stated in paragraph 3 above and upon consideration of the review report of the other auditor referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the Statement of Unaudited Consolidated Financial Results, prepared in accordance with the aforesaid Accounting Standards and other recognized accounting practices, policies and principles generally accepted in India in so far as they apply to banks, and circulars and guidelines issued by the RBI from time to time, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI Regulations, 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 RBI in respect of Income Recognition, Asset Classification, Provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosures as at December 31, 2023 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under the 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.

5. Other Matters

- a. We did not review the interim financial results of a subsidiary namely KBL Services Limited, included in the Statement, whose financial information reflects total revenues of ₹ 3.21 crore and ₹ 6.56 crore (before consolidation adjustments) for the quarter and nine months period ended December 31, 2023, respectively, and total net profit after tax of ₹ 0.13 crore and ₹ 0.14 crore (before consolidation adjustments) for the quarter and nine months period ended December 31, 2023, as considered in the Statement. These interim financial results have been reviewed by the other auditor whose review report has been furnished to us by the management, and our conclusions in so far as it relates to the amounts and the disclosures included in respect of this subsidiary is based solely on the review report of such other auditor, and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.



**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**

**Sundaram & Srinivasan**  
**Chartered Accountants**

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**

- b. The review of unaudited consolidated financial results of the Bank for the quarter and nine months period ended December 31, 2022 and audit of annual consolidated financial results for the year ended March 31, 2023 were conducted by Kalyaniwalla & Mistry LLP, Chartered Accountants and Sundaram & Srinivasan, Chartered Accountants, the joint statutory auditors of the Bank who had expressed unmodified conclusion / opinion, as the case may be, on those financial results vide their limited review report dated February 2, 2023 and audit report dated May 26, 2023. Accordingly, Ravi Rajan & Co. LLP, Chartered Accountants, do not express any conclusions / opinion, as the case may be, on the figures reported in the Statement for the quarter and nine months period ended December 31, 2022 and year ended March 31, 2023.

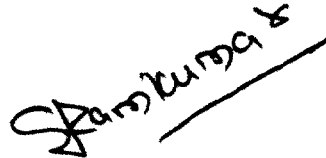
**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**  
Firm Regn. No. 104607W/W100166

**Sundaram & Srinivasan**  
**Chartered Accountants**  
Firm Regn. No. 004207S

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**  
Firm Regn. No. 009073N/N500320



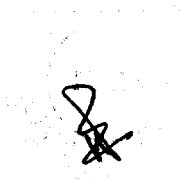
Anil A. Kulkarni  
Partner  
Membership No.047576  
Date: January 23, 2024  
Place: Mangaluru  
UDIN:  
24047576BKBJDP7707



S Ramkumar  
Partner  
Membership No. 238820  
Date: January 23, 2024  
Place: Chennai  
UDIN:  
24238820BKERHW1125



Sumit Kumar  
Partner  
Membership No. 512555  
Date: January 23, 2024  
Place: Mangaluru  
UDIN:  
24512555BKFTOD2113





**FINANCE AND ACCOUNTS DEPARTMENT**

Disclosure in terms of Regulation 52(4) [Chapter V] of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 for the quarter/ nine months ended December 31, 2023.

		(Rs in crore)			
Sl. No.	Particulars	Standalone		Consolidated	
		As on/ for the quarter ended 31.12.2023	As on/ for the nine months ended 31.12.2023	As on/ for the quarter ended 31.12.2023	As on/ for the nine months ended 31.12.2023
1.	Debt-Equity Ratio <sup>1</sup> (times)	0.09	0.09	0.09	0.09
2.	Debt Service Coverage Ratio	NA			
3.	Interest Service Coverage Ratio	NA			
4.	Outstanding Redeemable Preference Shares (quantity and value)	Nil	Nil	Nil	Nil
5.	Capital Redemption Reserve/Debenture Redemption Reserve	NA			
6.	Net worth <sup>2</sup>	9,380.70	9,380.70	9,379.54	9,379.54
7.	Net Profit After Tax (Rs. in crore)	331.08	1,032.04	331.21	1,032.18
8.	Earnings Per Share*				
	Basic :	9.79*	32.14*	9.79*	32.15*
	Diluted :	9.74*	31.98*	9.75*	31.98*
9.	Current Ratio	NA			
10.	Long Term Debt To Working Capital	NA			
11.	Bad Debts to Account Receivable Ratio	NA			
12.	Current Liability Ratio	NA			
13.	Total Debts to Total Assets <sup>3</sup>	5.03	5.03	5.03	5.03
14.	Debtors Turnover	NA			
15.	Inventory Turnover	NA			
16.	Operating Margin (%)	22.15	23.77	22.16	23.78
17.	Net profit Margin (%)	13.58	14.75	13.58	14.75
<b>Sector Specific equivalent ratios, as applicable</b>					
18.	Provision Coverage Ratio (%)	80.75	80.75	80.75	80.75
19.	Gross Non-Performing Assets (GNPA) (%)	3.64	3.64	3.64	3.64

20.	Net Non-Performing Asset (NNPA) (%)	1.55	1.55	1.55	1.55
21.	Capital Risk Adequacy Ratio (CRAR) (%)	15.88	15.88	15.88	15.88
22.	Net Interest Margin (NIM) (%)	3.46	3.57	3.46	3.57

<sup>1</sup> Debt (excluding deposit) represents borrowings with residual maturity of more than one year and Equity represents total of share capital and reserves less proposed dividend.

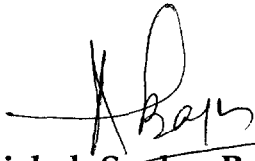
<sup>2</sup> Net Worth is calculated as per guidelines under RBI Master Circular on Exposure Norms.

<sup>3</sup> Total debts represent total borrowings of the bank and total assets is as per the balance sheet.

\*Not Annualized

NA represents not applicable to the Bank.

**For Karnataka Bank Limited**



**Abhishek Sankar Bagchi**  
Chief Financial Officer

**Kalyaniwalla & Mistry LLP**  
**Chartered Accountants**  
3<sup>rd</sup> Floor, Pro-1 Business Centre,  
Senapati Bapat Road,  
Pune – 411 016

**Sundaram & Srinivasan**  
**Chartered Accountants**  
23, C P Ramaswamy Road,  
Alwarpet,  
Chennai – 600 018

**Ravi Rajan & Co. LLP**  
**Chartered Accountants**  
505-A, Fifth Floor, Rectangle-1,  
District Centre, Saket,  
New Delhi – 110017


To  
The Board of Directors  
The Karnataka Bank Limited  
Mangaluru.

**Independent Auditor's Certificate on Security Cover and compliance with covenants pursuant to Regulation 54 read with clause (d) of sub-regulation (1) of Regulation 56 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) for submission to Debenture Trustees**

1. This certificate is issued in accordance with the terms of our engagement letter dated September 18, 2023, with The Karnataka Bank Limited ('the Bank').
2. We, the Joint Statutory Auditors of the Bank, have been requested by the Bank to examine the accompanying 'Annexure 1 – Security Cover Certificate and Annexure 2 – Compliance with the Financial Covenants criteria' ('The Annexures') containing details of listed non-convertible debt securities ('NCDs') of the Bank outstanding as at 31 December 2023, security cover maintained against such securities, the covenants criteria as per the terms of the Information Memorandum or Debenture Trust Deed and the Bank's compliance with such covenants' ('the Statement') which has been prepared by the Bank from the books of account and other relevant records and documents maintained by the Bank, pursuant to the requirement of Regulation 54 read with Clause (d) of sub-regulation (1) of Regulation 56 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the SEBI LODR Regulations') and Master Circular no. SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 issued by the Securities and Exchange Board of India ('the Circular'). The Statement has been initialled for identification purposes only.

**Management Responsibility**

3. The preparation of the Annexures, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the Management of the Bank. This responsibility includes identification of covenants, the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for compliance with all the relevant requirements of the SEBI LODR Regulations, the debenture trust deed and the Circular for the purpose of furnishing this Statement and for providing all relevant information to the Debenture Trustees.

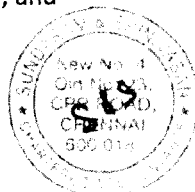


### **Auditor's Responsibility**

5. Pursuant to requirements of the SEBI LODR Regulations and the circular, our responsibility is to provide a limited assurance on whether the Annexures as attached containing details of security cover in respect of Listed NCDs of the Bank outstanding for the Period ended and as at 31 December 2023 is in agreement with unaudited books of account, other relevant records, documents maintained and the Bank during the period ended 31 December 2023 has complied in all material aspects, with the covenants in respect of Non-Convertible Debentures of the Bank outstanding as at 31 December 2023.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements, issued by the ICAI.
8. Our scope of work did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Bank taken as a whole. We have not performed an audit, the objective of which would be the expression of an audit opinion for the purpose of this report. Accordingly, we do not express such opinion.
9. Accordingly, we have performed the following procedures in relation to the Statement:
  - a. Obtained the unaudited standalone financial information and consolidated financial information of the Bank as at and for the period ended 31 December 2023.
  - b. Traced the amounts in the Annexures, in relation to the computation of Security cover, to the unaudited standalone financial information and consolidated financial information of the Bank as at and for the period ended 31 December 2023.
  - c. Verified the details of covenants criteria for the listed NCDs from the debenture trust deeds.
  - d. Obtained other information, reports, documents / records as relevant for the purpose.
  - e. Performed necessary inquiries with the Management and obtained necessary representations.

### **Conclusion**

10. Based on the procedures performed as referred to in paragraph 9 above and according to the information and explanations provided to us by the Management of the Bank, nothing has come to our attention that causes us to believe that:
  - a. the statement as attached in the Annexure 1 – Security Cover Certificate and Annexure 2 – Compliance with the Covenants criteria in respect of listed NCDs of the Bank outstanding as of 31 December 2023, is, in all material respects, not in agreement with the unaudited books of accounts and other relevant records and documents maintained by the Bank for the period ended and as at 31 December 2023, and



- b. the Bank, during the period ended 31 December 2023, has not complied, in all material respects, with the covenants in respect of the listed NCDs of the Bank outstanding as at 31 December 2023.

**Restriction on distribution or use**

11. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the SEBI Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as the Joint Statutory Auditors of the Bank or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as Joint Statutory Auditors of the Bank.
12. The certificate is addressed to and provided to the Board of Directors of the Bank solely for the purpose of enabling it to comply with the requirements of the SEBI Regulations, and therefore, this certificate should not be used, referred to or distributed for any other purpose to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

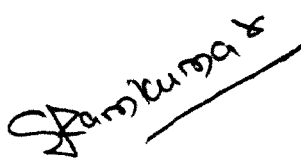
**Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Regn.No.104607W/W100166

**Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No. 004207S

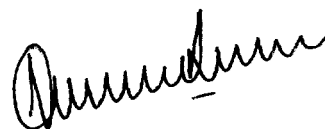
**Ravi Rajan & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 009073N/N500320



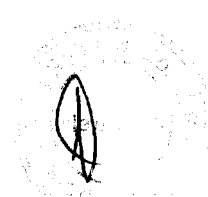
Anil A. Kulkarni  
Partner  
Membership No.047576  
Date: January 23, 2024  
Place: Mangaluru  
UDIN:  
24047576BKBJDQ2900  
Certificate No: KBL/JSA/2023-24/027



S Ramkumar  
Partner  
Membership No. 238820  
Date: January 23, 2024  
Place: Chennai  
UDIN:  
24238820BKERHX3797



Sumit Kumar  
Partner  
Membership No. 512555  
Date: January 23, 2024  
Place: Mangaluru  
UDIN:  
24512555BKFTOE6025



**FINANCE & ACCOUNTS DEPARTMENT**
**Disclosure in Terms of Regulation 54(3) of SEBI (LODR)**
**Statement of Security Cover**

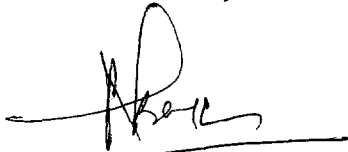
The Karnataka Bank Ltd. had earlier issued “Tier 2 Subordinated Unsecured Non-Convertible Bonds” in the nature of Debentures in accordance with the extent Reserve Bank of India (RBI) Guidelines (i.e. Master Circular – Prudential Guidelines on Capital Adequacy and Market Discipline- New Capital Adequacy Framework (NCAF) dated July 2, 2012 read with Master Circular – Basel III Capital Regulations dated July 1, 2015) which are listed on the NSE Debt Segment. The Non-Convertible Bonds issued in the nature of debentures are unsecured by the very nature of the instrument and hence the Security cover is Nil as per the terms of the Information Memorandum or Debenture Trust Deed. The details of the Debt Securities issued are as under:

**ISIN-wise details:**

Sl. No.	ISIN	Facility	Type of charge	Sanctioned amount (Rs. Cr)	Outstanding amount as on 31.12.2023 (Rs. Cr)	Cover required	Security required
1.	INE614B08047	Unsecured Non-Convertible Debt Instruments in the nature of Debentures	Unsecured	320.00	320.00	Nil	Nil
2.	INE614B08054			300.00	300.00	Nil	Nil
<b>Grand Total</b>				<b>620.00</b>	<b>620.00</b>		

Details in terms SEBI circular- SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated July 6, 2023 is enclosed as Annexure 1.

ISIN: INE614B08039 of Rs.400crore was redeemed on 16.11.2023 upon exercising the call option.



**Abhishek Sankar Bagchi**  
**CHIEF FINANCIAL OFFICER**



ANNEXURE I



# Karnataka Bank Ltd.

Your Family Bank, Across India.

Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in Column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank	Total Value(=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/No	Book Value	Book Value								
<b>ASSETS</b>														
Property, Plant and Equipment														
Capital Work-in- Progress														
Right of Use Assets														
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														
Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
<b>Total</b>														
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains														
Other debt sharing pari-passu charge with above debt														
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														

NIL

NIL

not to be filled

## ANNEXURE I



# Karnataka Bank Ltd.

Your Family Bank, Across India.

Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in Column F)	Debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank	Total Value(=K+L+M+N)		
		Book Value	Book Value	Yes/No	Book Value	Book Value								
Trade payables														
Lease Liabilities														
Provisions														
Others														
<b>Total</b>														
<b>Cover on Book Value</b>														
<b>Cover on Market Value<sup>ix</sup></b>														
		Exclusive Security Cover Ratio	NIL		Pari-Passu Security Cover Ratio		<b>NIL</b>							

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O.

Abhishek Sankar Bagchi  
CHIEF FINANCIAL OFFICER





# Karnataka Bank Ltd.

Your Family Bank, Across India

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

Phone : 0824-2228182  
E-Mail : comsec@ktkbank.com  
Website : www.karnatakabank.com  
CIN : L85110KA1924PLC001128

## SECRETARIAL DEPARTMENT

### Annexure

**List of Covenants in terms of the Debenture Trust Deed dated 13.11.2018, 28.03.2019 and 30.03.2022**

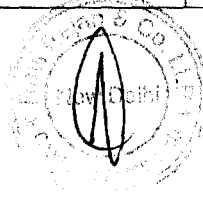
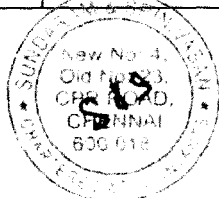
**Series V\* and VI:**

Nature of Covenant	Description of the Covenant	Compliance/ Remarks for the quarter ended 31.12.2023
Additional Covenants	Delay in listing	Not applicable as bonds are already listed.
	Refusal of listing	Not applicable as bonds are already listed.

\*Bonds issued under Series V were redeemed on 16.11.2023 upon exercising the Call Option  
As per the Terms of the Issue, there are no other covenants.

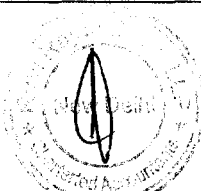
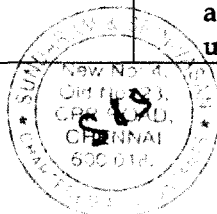
**Series VII- Compliance to the covenants as per Terms of Issue is provided hereunder:**

Page No. of the IM	Nature of Covenant	Description of the Covenant	Compliance/ Remarks
68	Additional Covenants	Delay in listing	Not applicable as bonds are already listed.
		Refusal of listing	Not applicable as bonds are already listed.
69	All Covenants of the Issue a) Information covenants	1) Submission of unaudited financial statements to trustees	Unaudited financial statements for the respective quarters were submitted to the debenture trustees soon after submission to the stock exchanges.
		2) Bank Should furnish all information (including rating letter, rating rationale, latest profile of the Bank etc.)	No such development during Q3FY24.
		4) Intimation to trustees in case of change in directors/ management	During the quarter ended 31.12.2023, there were no change in the Directors of the Bank.
	b) Restrictive payment	If permitted under applicable law, including RBI Guidelines, the Bank shall not declare any dividend on its share capital or pay interest on loans/quasi equity from promoters, associate companies and/or strategic	No such event.

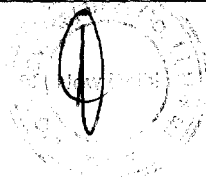
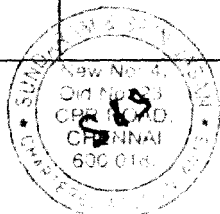


*[Handwritten signature]*

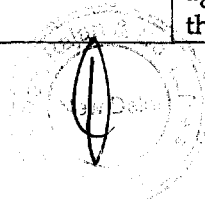
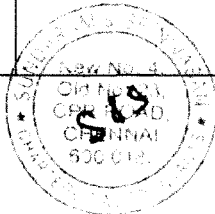
Page No. of the IM	Nature of Covenant	Description of the Covenant	Compliance/ Remarks
		investors (any such payment, a "Restricted Payment") upon occurrence of any of the following events: (i) if the Bank fails to meet its obligations to pay interest and/or instalments and/or other monies due to the Bondholders or met its Obligations or any such payments which shall have become due and as long as it is in such Default; or (ii) if an Event of Default has occurred and is continuing; or (iii) if such Restricted Payments are not permitted under Applicable Laws. The compliance with the Restricted Payment conditions shall be certified by the Trustee to the Bank declare any dividend on its share capital or pay interest on loans / quasi equity from promoters, associate companies and/or strategic investors.	
	2) Material Adverse Effect	The Bank shall notify the Bondholders and the Trustee of any Material Adverse Effect in relation to the Bank (and the steps, if any, being taken to remedy it) promptly upon occurrence of the same.	No such event.
	3) Default	The Bank shall promptly notify the Trustee and the Bondholders in writing of the occurrence of an Event of Default and provide any further information with respect thereto as the Trustee or the Bondholders may require	NIL
	4) Litigation	The Bank shall promptly give written notice to the Trustee and Bondholders of details of all litigation, arbitration or administrative proceedings materially affecting the Bank.	NIL
	5) Certification requirement on bonds	The Bank shall provide: (i) a certificate from a statutory auditor certifying the end use of Issue amounts and	The certificate on end use was submitted to the Debenture Trustee on 15.06.2022.



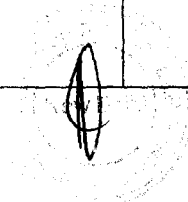
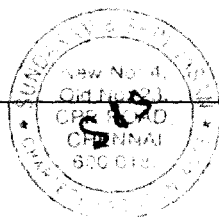
Page No. of the IM	Nature of Covenant	Description of the Covenant	Compliance/ Remarks
		<p>stating that the end use of Issue amounts by the Bank is in compliance with the permitted end uses in the Deed, to the Trustee and the Bondholders; and</p> <p>(ii) a quarterly report to the Bond Trustee within 45 (forty- five) days from the end of the relevant quarter and on a quarterly basis in each year, reports certified by an independent chartered accountant, to the Trustee, certifying and containing the following:</p> <p>a. updated list of names and address of all Bondholders and the number of Bonds held by each Bondholder;</p> <p>b. compliance of the Bank with respect to the use of the proceeds raised through the issue of the Bonds;</p> <p>c. details of interest due but unpaid and reasons for the same; and</p> <p>d. the number and nature of grievances received from the Bondholders and resolved by the Bank.</p>	<p>Quarterly report for the respective quarters were submitted to the debenture trustees soon after submission to the stock exchanges.</p>
70		7) Half yearly/Quarterly financial statements as per 52(4) of SEBI LODR Regulations	Will be submitted, to the extent applicable, along with unaudited financial results for Q3FY24 on 23.01.2024.
		8) Submission of audited financial statements	Bank has submitted its audited financial statements for the financial year 2022-2023 to the stock exchanges and to the Debenture Trustees on 26-05-2023.
		9) winding up notice	Not Applicable
	General Covenants	1) Corporate Existence	Bank is public limited company incorporated under the Companies Act 1913 and holds CIN: L85110KA1924PLC001128



Page No. of the IM	Nature of Covenant	Description of the Covenant	Compliance/ Remarks
		2) Valid Binding Obligations: The Bank ensure that the Transaction Documents shall at all times constitute legal, valid, binding obligations of the Bank enforceable against it in accordance with its terms, except to the extent that enforcement Date of the Placement Memorandum may be limited by applicable bankruptcy, insolvency or other laws of general application affecting creditor's rights or the application of equitable principles.	Transaction documents are valid as on date.
71		3) No Violation: The Bank ensure that the execution, delivery and performance by the Bank of the Transaction Documents and the compliance by it with the terms and provisions therefor do not and will not conflict with or be inconsistent with or result in any breach of the any of the terms, covenants, conditions or law	No such instance.
		4) Amalgamation/merger/ De merger	Bank has not entered into any amalgamation, merger or demerger during the reporting period.
		5) Inspection/Review: Bank has allowed any officer or employee of the trustee on the asset and particulars of the bank as and when it is required by law	Bonds are unsecured, Hence not applicable.
		6) Stamp Duty and Taxes	Bank has paid all the applicable stamp duty and taxes related to bonds from time to time.
71		7) Compliance with Applicable Law and SEBI regulations	Bank has complied with all applicable laws including all provisions of the Debenture Trustee Regulations as amended from time to time and SEBI Regulations relating to the debt securities, the debt listing agreement entered into with the Exchanges and the



Page No. of the IM	Nature of Covenant	Description of the Covenant	Compliance/ Remarks
			Disclosure Document and the Transaction Documents.
		8) Management Control	There is no change in management control.
		9) Delisting	Not applicable
		10) Clear Market/Favorable Provisions:  Without the prior written consent of the Trustee (acting on behalf of the Majority Bondholders) the Bank has not issued any primary securities till 3 (three) months from the Deemed Date of Allotment) at more favorable terms than the terms stated herein.	Complied with.
	Environmental and Social Covenant	Environmental or Social Claim current, or to its knowledge, pending or threatened;	NIL
79	Additional Covenants	Events of Default and Remedies	In relation to the issued bonds, Bank has not defaulted in any of the following: a) in payment of the principal amount of the Bonds on the due date. b) in the payment of the interest which ought to have been paid in accordance with the terms of the Issue. c) Any indebtedness of the Bank for borrowed monies.
80		Obligations of The Bank: Following obligation with the Trustees and bondholders are carried out by the Bank at all times during the tenure of the Bonds shall furnish to the Trustee, the following particulars:  a) Quarterly report to the Trustee:	Submitted



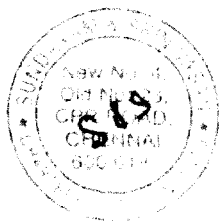
Page No. of the IM	Nature of Covenant	Description of the Covenant	Compliance/ Remarks
		b) Updated list of the names and address of the Debenture Holders. c) Provide details of the interest due but unpaid and reasons thereof. d) Provide the number and nature of grievances received from the Debenture Holders, resolved e) Comply with all Applicable Law in relation to the Bonds f) Submit any such information as may be required by the Trustee, from time to time. g) Inform the Trustee about any material change in nature and conduct of business by the Bank in MOA	Submitted.  Submitted Nil report.  Submitted.  Complied with.  Complied with.  No such change.

Submitted for your kind information.

Yours faithfully,

For The Karnataka Bank Limited,

  
 Sham K  
 Company Secretary &  
 Compliance Officer



**SECRETARIAL DEPARTMENT**

23.01.2024

HO/SEC/300/2023-24

The Manager  
 Listing Department  
**National Stock Exchange of India Limited**  
 Exchange Plaza,C-1, Block G  
 Bandra-Kurla Complex, Bandra (E)  
 Mumbai-400 051  
 Script Code: **KTKBANK**

The General Manager  
**BSE Limited**  
 Corporate Relationship Dept.  
 Phiroze Jeejeebhoy Towers  
 Dalal Street  
 Mumbai-400 001  
 Script Code: **532652**

Madam/Dear Sir,

**Sub: Disclosure in terms of Regulations 32 (1) & 52 (7) of SEBI (LODR) Regulations, 2015 - Statement of Deviation or Variation for the Quarter ended December 31, 2023**

With reference to disclosure to be made under Regulations 32 (1) & 52(7) of the SEBI (LODR) Regulations, 2015, we wish to inform that the Bank has not raised BASEL III compliant, unsecured debt instruments in the nature of Debentures during the quarter ended December 31, 2023. However, the Bank issued equity share capital by way of allotment of shares pursuant to exercise of vested ESOPs and allotment of 3,34,00,132 equity shares on a preferential basis.

The details of the capital instruments raised in the earlier quarters for capital adequacy purposes in terms of RBI's Master Circular-Basel III Capital Regulations dated July 1, 2015 read with Master Circular-Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) dated July 1, 2015, which are listed on NSE-Debt Segment and outstanding as on December 31, 2023 with the status of utilisation are as under:

Instrument ISIN	Issue Amount (Rs.crore)	Date of Issue	Rate of interest	Whether fully utilised	Whether the purpose for which the funds were raised has been achieved?
Series V - INE614B08039 *	400.00	16.11.2018	12.00% p.a.	Yes	Yes-funds were raised for capital adequacy purpose and the purpose has been achieved.
Series VI- INE614B08047	320.00	18.02.2019	12.00% p.a.		
Series VII- INE614B08054	300.00	30.03.2022	10.70% p.a.		

\*Bonds issued under Series V (ISIN: INE614B08039) were redeemed on 16.11.2023 upon exercising the Call Option

Further, information as required under SEBI Circular No. CIR/CFD/CMD1/162/2019 dated December 24, 2019 and SEBI/HO/DDHS/ DDHS\_Div1/P/CIR/2022/0000000103 dated 29.07.2022 is enclosed in the Annexure.

Yours faithfully,



Sham K

**Company Secretary &  
Compliance Officer**



**Annexure-1**  
**Statement of Deviation/Variation in Utilization of Funds Raised**  
**(As per Regulation 32(1) of SEBI (LODR) Regulations, 2015)**

**A. Statement of deviation/ variation in use of Issue proceeds: NIL**

Particulars				Remarks		
Name of listed entity				The Karnataka Bank Limited		
Mode of fund raising				Preferential issue of Equity Shares		
Type of instrument				Equity Shares		
Date of raising funds				26.10.2023		
Amount raised				Rs. 799.99 Crores (including premium of Rs 766.59 crores)		
Report filed for quarter ended				31.12.2023		
Is there a deviation/ variation in use of funds raised?				NIL		
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?				Not Applicable		
If yes, details of the approval so required?				Not Applicable		
Date of approval				Not Applicable		
Explanation for the deviation/ variation				Not Applicable		
Comments of the audit committee after review				Not Applicable		
Comments of the auditors, if any				Not Applicable		
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:						
Original object	Modified object, if any	Original allocation	Modified allocation, if any	Fund Utilized	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
Not Applicable						
Deviation could mean:						
a. Deviation in the objects or purposes for which the funds have been raised.						
b. Deviation in the amount of funds actually utilized as against what was originally disclosed.						
Name of signatory: Sham K						
Designation: <b>Company Secretary &amp; Compliance Officer</b>						
Date: 23.01.2024						

*Sham K*

**Annexure-2**  
**Statement of Deviation/Variation in Utilization of Funds Raised**  
**(As per Regulation 52(7) of SEBI (LODR) Regulations, 2015)**


**B. Statement of utilization of issue proceeds:**

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised (Rs. in crore)	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Karnataka Bank Limited	INE614B08039*	Private Placement	Basel III compliant Tier 2 Bonds	16.11.2018	400.00	Yes	No	NA	Nil
	18.02.2019			320.00					
	30.03.2022			300.00					

\*Bonds issued under Series V (ISIN: INE614B08039) were redeemed on 16.11.2023 upon exercising the Call Option

**C. Statement of deviation/ variation in use of Issue proceeds: NIL**

Particulars	Remarks
Name of listed entity	The Karnataka Bank Limited
Mode of fund raising	Not Applicable
Type of instrument	
Date of raising funds	
Amount raised	
Report filed for quarter ended	
Is there a deviation/ variation in use of funds raised?	31.12.2023
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable
If yes, details of the approval so required?	
Date of approval	
Explanation for the deviation/ variation	
Comments of the audit committee after review	

Particulars					Remarks	
Comments of the auditors, if any						
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:						
Original object	Modified object, if any	Original allocation	Modified allocation, if any	Fund Utilized	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
Not Applicable						
Deviation could mean: a. Deviation in the objects or purposes for which the funds have been raised. b. Deviation in the amount of funds actually utilized as against what was originally disclosed.						
						
Name of signatory: Sham K Designation: <b>Company Secretary &amp; Compliance Officer</b> Date: 23.01.2024						