

# Karnataka Bank Ltd.

Your Family Bank, Across India

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

Phone : 0824-2228222  
E-Mail : investor.grievance@ktkbank.com  
Website : [www.karnatakabank.com](http://www.karnatakabank.com)  
CIN : L85110KA1924PLC001128

## SECRETARIAL DEPARTMENT

July 27, 2021

HO/SEC/86/2021-22

To:

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

The General Manager  
BSE Limited  
Corporate Relationship Dept.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
MUMBAI-400001

**Scrip Code: KTKBANK**

**Scrip Code: 532652**

Dear Sir/Madam,

**Reg.:**

- 1. Standalone/consolidated unaudited financial results for the quarter ended June 30, 2021.**
- 2. Outcome of the Board Meeting.**

\*\*\*\*\*

**1. Standalone/consolidated unaudited financial results for the quarter ended June 30, 2021:**

In continuation to our earlier intimation dated July 08, 2021, please find enclosed copy of the standalone / consolidated unaudited financial results for the quarter ended June 30, 2021 approved by the Board of Directors at the meeting held today i.e. on July 27, 2021. Also, find enclosed the Limited Review report.

Further, also find enclosed the Press Release in this regard issued by the Bank for your kind information.

**2. Outcome of the Board Meeting:**

In continuation to our earlier intimation dated July 20, 2021, please note the outcome of the meeting of the Board of Directors held today i.e., July 27, 2021 as under:

1. The 97<sup>th</sup> Annual General Meeting of the members of the Bank will be held on September 02, 2021 at 11.00 a.m. which will be conducted by way of Video Conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the extant guidelines / circulars issued by the Ministry of Corporate Affairs (MCA) and SEBI.

Further, stakeholders may also take note of the following dates:



Sl. No.	Particulars	Dates
1.	Cut-off date for the purpose of deciding the eligibility of the shareholders for e-voting	August 20, 2021
2.	Remote e-voting begin date & time	August 27, 2021 (9.00 a.m.)
3.	Remote e-voting end date & time (i.e., e-voting to close at 5.00 p.m. on the date preceding the date of general meeting)	September 01, 2021 (5.00 p.m.)
4.	Annual General Meeting Date(As stated above)	September 02, 2021 (11.00 a.m.)
5.	Record Date for determining the eligibility of the shareholders to receive dividend.	August 20, 2021

2. The Board has *inter-alia* approved inclusion of the following agenda items in the Notice calling the 97<sup>th</sup> Annual General Meeting as enabling resolutions for approval by the members:

- i) Raising further capital through QIP route up to 150,000,000 (fifteen crore or 150 million) equity shares.
- ii) Borrowing power up to ₹6000 crore (over and above the aggregate of the paid up capital of the Bank and free reserves and the securities premium), which *inter-alia* includes raising of capital by way of issue of Debt Securities (i.e., Subordinated Tier 2 Bonds) for augmenting capital funds of the Bank.

For your kind information.

Thank you,  
Yours faithfully,



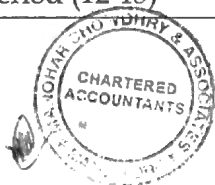
Prasanna Patil  
COMPANY SECRETARY

**KARNATAKA BANK LTD HEAD OFFICE, MANGALURU 575002**

**STANDALONE REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER ENDED  
JUNE 30, 2021.**

(Rs in Crore)

SI. No	Particulars	For/As on quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1523.50	1417.49	1615.71	6232.41
a)	Interest/Discount on advances/bills	1161.29	1073.13	1298.65	4937.29
b)	Income on Investments	316.68	302.86	277.80	1142.35
c)	Interest on balances with Reserve Bank of India and other interbank funds	15.58	8.01	8.98	29.98
d)	Others	29.95	33.49	30.28	122.79
2	Other Income	235.91	373.21	518.92	1495.07
3	TOTAL INCOME (1+2)	1759.41	1790.70	2134.63	7727.48
4	Interest expended	948.71	958.35	1080.59	4049.23
5	Operating expenses (i+ii)	396.48	448.66	377.00	1679.11
i)	Employees Cost	224.40	239.78	201.65	913.30
ii)	Other operating Expenses	172.08	208.88	175.35	765.81
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1345.19	1407.01	1457.59	5728.34
7	Operating Profit before provisions & contingencies (3-6)	414.22	383.69	677.04	1999.14
8	Provisions (other than tax) and Contingencies	368.08	341.83	509.07	1387.21
9	Exceptional Items	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	46.14	41.86	167.97	611.93
11	Tax Expense	-59.94	10.50	-28.41	129.36
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	106.08	31.36	196.38	482.57
13	Extraordinary Items (net of tax )	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	106.08	31.36	196.38	482.57



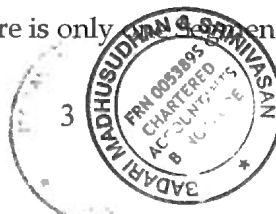
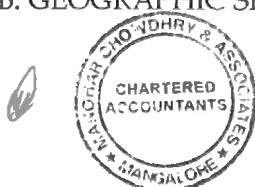
Sl. No	Particulars	For/As on quarter ended			Year ended 31.03.2021
		30.06.2021	31.03.2021	30.06.2020	
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	310.88	310.88
16	Reserves excluding revaluation reserves	---	5866.14	---	5866.14
17	<u>Analytical Ratios</u>				
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III ( % )	14.58	14.85	13.44	14.85
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.40*	1.01*	6.32*	15.48
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.40*	1.01*	6.32*	15.48
iv)	NPA Ratios as on date				
	Gross NPA	2549.06	2588.41	2557.64	2588.41
	Net NPA	1552.95	1642.10	1630.65	1642.10
	% of Gross NPA	4.82	4.91	4.64	4.91
	% of Net NPA	3.00	3.18	3.01	3.18
	Return on Assets *Annualised	0.49	0.15	0.93	0.57



**STANDALONE SEGMENT RESULTS FOR / AS ON QUARTER ENDED JUNE 30, 2021.**  
(Rs in crore)

Segmentwise Results	For / As Quarter Ended			Year Ended
	30.06.2021	31.03.2021	30.06.2020	31.03.2021
<b>Particulars</b>				
<b>Segment Revenue</b>				
(a) Treasury Operations	363.40	340.63	645.67	1814.17
(b) Corporate Banking	571.58	695.20	703.96	2739.23
(c) Retail Banking	709.94	611.95	666.19	2741.26
(d) Other Banking Operations	114.49	137.90	118.81	427.80
(e) Unallocated	0.00	5.02	0.00	5.02
<b>Income From Operations</b>	<b>1759.41</b>	<b>1790.70</b>	<b>2134.63</b>	<b>7727.48</b>
<b>Segment Results (after Provisions before Tax)</b>				
(a) Treasury Operations	68.34	77.72	390.74	778.23
(b) Corporate Banking	132.11	48.70	132.17	450.64
(c) Retail Banking	226.94	235.21	156.70	813.81
(d) Other Banking Operations	5.49	36.79	13.30	24.95
(e) Unallocated (including Provisions & Contingencies)	-386.74	-356.56	-524.94	-1455.70
<b>Total Profit/(Loss) before tax</b>	<b>46.14</b>	<b>41.86</b>	<b>167.97</b>	<b>611.93</b>
<b>Segment Assets</b>				
(a) Treasury Operations	28021.82	27505.89	23252.22	27505.89
(b) Corporate Banking	25316.12	24527.74	28406.57	24527.74
(c) Retail Banking	27273.98	27628.87	26254.98	27628.87
(d) Other Banking Operations	3940.30	3917.41	3219.50	3917.41
(e) Unallocated	1953.96	2001.43	1994.38	2001.43
<b>Total</b>	<b>86506.18</b>	<b>85581.34</b>	<b>83127.65</b>	<b>85581.34</b>
<b>Segment Liabilities</b>				
(a) Treasury Operations	25658.65	25213.57	21359.77	25213.57
(b) Corporate Banking	23496.45	22764.95	26328.42	22764.95
(c) Retail Banking	25190.71	25521.13	24279.17	25521.13
(d) Other Banking Operations	3622.77	3604.70	2972.05	3604.70
(e) Unallocated	1789.16	1834.63	1832.05	1834.63
<b>Total</b>	<b>79757.74</b>	<b>78938.98</b>	<b>76771.46</b>	<b>78938.98</b>
<b>Capital employed</b>				
(a) Treasury Operations	2363.17	2292.32	1892.45	2292.32
(b) Corporate Banking	1819.67	1762.79	2078.15	1762.79
(c) Retail Banking	2083.27	2107.74	1975.81	2107.74
(d) Other Banking Operations	317.53	312.71	247.45	312.71
(e) Unallocated	164.80	166.80	162.33	166.80
<b>Total</b>	<b>6748.44</b>	<b>6642.36</b>	<b>6356.19</b>	<b>6642.36</b>

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



Notes forming part of the reviewed Standalone financial results for the period ended June 30, 2021.

1. The above Standalone interim financial results for the period ended June 30, 2021 have been reviewed by the Audit Committee of the Board at the meeting held on July 26, 2021 and approved by the Board of Directors at the meeting held on July 27, 2021. The same has been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the SEBI (LODR) Regulations, 2015. The report thereon is unmodified.
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, 2021.
3. The above Standalone 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 unhedged foreign currency exposure, Income Tax and other contingencies on estimated/ proportionate basis and are subject to adjustments at the year end.
4. Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recovery in written-off accounts etc.
5. The continued impact of COVID-19 pandemic as well as the renewed restrictions on business and individual activities due to regional lockdowns across the country, has affected the global economy including India. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic may continue to impact the Bank's operations and asset quality is dependent on the ongoing as well as future developments, which are highly uncertain.

In accordance with the COVID 19 regulatory package announced by RBI from time to time providing relief to the borrowers, the Bank as per approved board policy offered relief to all eligible borrowers and necessary provision has been made for the same.

Further as a matter of prudence the bank has made additional provisions towards stressed accounts.



6. In accordance with RBI notification dated April 7, 2021, the Bank is required to refund/ adjust 'interest on interest' to borrowers. Accordingly the Bank has refunded Rs 25.43 crore to the eligible customers out of which a sum of Rs 15 crore was provided as on March 31, 2021 and balance of Rs 10.43 crore has been charged to the Profit and Loss account during the current quarter.

7. Details of resolution plan implemented under the resolution framework for COVID 19- related Stress as per RBI circular August 6, 2020 are given below.

Type of Borrower	(A) No. of borrowers where resolution plan has been implemented under this window	(B) Exposure to borrowers mentioned at (A) before implementation of the plan	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the Resolution
Personal loans	654	331.06	---	---	54.42
Corporate persons	10	479.59	9.99	8.00	66.66
Of which MSMEs	---	---	---	---	---
Others	8	50.55	---	---	9.42
Total	672	861.20	9.99	8.00	130.50

8. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework-2.0: Resolution of COVID -19 related stress of Individuals and Small Business", the number of borrower accounts where modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under.

(Rs in crore)

No. of Accounts	44
Aggregate Exposure as on June 30, 2021	17.66

9 As per the amended Section 115BAA of the Income Tax Act 1961, domestic companies, have a non-reversible option to pay corporate tax at reduced rates



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subject to certain conditions. The Bank has continued to provide for current taxes and deferred taxes at the prevalent rate of taxes without exercising the option.

10. Provision coverage ratio as at June 30, 2021 stood at 72.24% (67.93% as at June 30, 2020).
11. The Reserve Bank of India vide its letter dated ENFD.DECB.No.S173/02.02.005/2021-22 dated July 6, 2021 has imposed a penalty of Rs 1.00 crore for non-adherence to RBI guidelines on 'Bank finance to Non-Banking Companies'.
12. KBL Services Ltd, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21, 2020 and the certificate of commencement of business was filed on August 26, 2020. The company has commenced its operations on March 30, 2021 . The consolidated financial results incorporating the reviewed financial of the wholly owned non-financial subsidiary for the quarter ended June 30, 2021 have been furnished separately.
13. In terms of RBI circular DBR No BP.BC 1/21.06.201/2015-16 dated July 1, 2015, Pillar III disclosures under Basel III Capital Regulations have been made available on our website at the following link: <http://karnatakaBank.info.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.
14. Disclosure about investor complaints for the period ended June 30, 2021: Complaints at the Beginning of the period Nil; Received during the period 4; Disposed off during the period 4 ; Unresolved as on June 30, 2021 Nil.



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15. Figures for the corresponding previous periods have been regrouped/ classified wherever considered necessary. The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the financial year 2020-21 and the published year to date figures up to December 31, 2020.

For and on behalf of Board of Directors



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



Place: Mangaluru

Date: 27<sup>th</sup> July 2021

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



(T V Sudarshan)  
Partner  
M. No. 019108



Place: Mangaluru

Date: 27<sup>th</sup> July 2021

<b>KARNATAKA BANK LTD</b>				
<b>STANDALONE REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER ENDED JUNE 30, 2021</b>				
(Rs. in Crore)				
Particulars	Quarter ended 30.06.2021 (Reviewed)	Quarter ended 31.03.2021 (Audited)	Quarter ended 30.06.2020 (Reviewed)	Year ended 31.03.2021 (Audited)
Total income from operations (net)	1759.41	1790.70	2134.63	7727.48
Net Profit / (Loss) from ordinary activities after tax	106.08	31.36	196.38	482.57
Net Profit / (Loss) for the period after tax (after Extraordinary items)	106.08	31.36	196.38	482.57
Equity Share Capital	310.88	310.88	310.88	310.88
Reserves (excluding Revaluation Reserve) as shown in the Balance Sheet of previous year	-----	5866.14	-----	5866.14
Earnings Per Share (before extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.40*	1.01*	6.32*	15.48
Earnings Per Share (After extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.40*	1.01*	6.32*	15.48
*Not annualized				
<p>Note: The above is an extract of the detailed format of period ended results for June 30, 2021 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the results for June 30, 2021 is available on the Stock Exchange websites. BSE: <a href="http://www.bseindia.com">http://www.bseindia.com</a>, NSE: <a href="http://www.nseindia.com">http://www.nseindia.com</a>, Bank website: <a href="https://www.karnatakaBank.com/index.jsp">https://www.karnatakaBank.com/index.jsp</a></p>				

For and on behalf of Board of Directors





Place: Mangaluru

Date: 27<sup>th</sup> July 2021

**Mahabaleshwara M S**  
**MANAGING DIRECTOR & CEO**

**Manohar Chowdhry & Associates**

Chartered Accountants

102, MICASA, Bejai Main Road

Mangaluru 575 004

Tel: 0824 - 2210883

Email: [muralimohan@mca.co.in](mailto:muralimohan@mca.co.in)

**Badari, Madhusudhan & Srinivasan**

Chartered Accountants

Kantha Court, Lalbagh Road

Bengaluru-560027

Tel: 080-22277714, 41142536

Email: [bmscas@gmail.com](mailto:bmscas@gmail.com)

**Independent Auditor's Limited Review Report on the unaudited Standalone financial results for the quarter/three months ended 30<sup>th</sup> June 2021 pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

**The Board of Directors**

**The Karnataka Bank Limited**

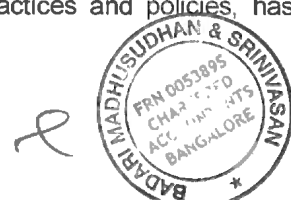
1. We have reviewed the accompanying statement of unaudited standalone financial results of **The Karnataka Bank Limited** ("the Bank") for the quarter/three months ended 30<sup>th</sup> June 2021 ("the Statement"), being prepared and submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended except for the disclosures relating to "Pillar 3 under Basel III Capital Regulations, Leverage Ratio and Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement, which have not been reviewed by us. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principle laid down in Accounting Standard 25, Interim Financial Reporting ("AS 25"), prescribed under section 133 of the Companies act, 2013, read with Rule 7 of the Companies (Accounts) Rule. 2014 (as amended), the relevant provision 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. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. In the conduct of our Review we have relied on the review reports in respect of non-performing assets received from the Concurrent Auditors' of 129 branches. These review reports cover 60.90 percent of the advance's portfolio of the Bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies, has not



disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

6. We draw attention to Note No.5 of the accompanying statement of unaudited financial results which describes the uncertainties due to outbreak of novel coronavirus (COVID 19). In view of these uncertainties, the impact on the Bank's financial statements is dependent on future developments.

Our conclusion is not modified in respect of these matters.

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



**(Murali Mohan Bhat)**

**Partner**

**M. No. 203592**

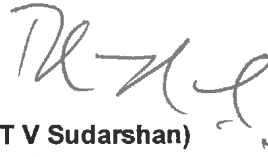
**UDIN: 21203592AAAADM2000**

**Place: Mangaluru**

**Date: 27<sup>th</sup> July 2021**



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



**(T V Sudarshan)**

**Partner**

**M. No. 019108**

**UDIN: 21019108AAAACC9046**

**Place: Mangalore**

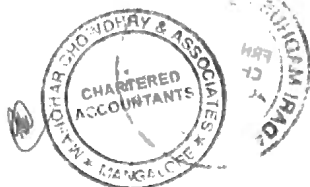
**Date: 27<sup>th</sup> July 2021**



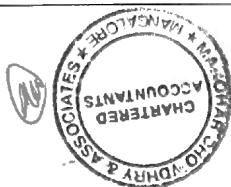
**CONSOLIDATED REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER ENDED  
JUNE 30, 2021.**

(Rs in Crore)

SI. No	Particulars	For/As on quarter ended			Year ended 31.03.2021
		30.06.2021	31.03.2021	30.06.2020	
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
1	Interest Earned (a+b+c+d)	1523.50	1417.49	1615.71	6232.41
a)	Interest/Discount on advances/bills	1161.29	1073.13	1298.65	4937.29
b)	Income on Investments	316.68	302.86	277.80	1142.35
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2	Other Income	235.88	373.21	518.92	1495.07
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i)	Employees Cost	224.54	239.78	201.65	913.31
ii)	Other operating Expenses	172.09	208.88	175.35	765.92
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	1345.34	1407.01	1457.59	5728.45
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9	Exceptional Items	0.00	0.00	0.00	0.00
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	45.96	41.86	167.97	611.82
11	Tax Expense	-59.95	10.50	-28.41	129.36



Sl. No	Particulars	For/As on quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	105.91	31.36	196.38	482.46
13	Extraordinary Items (net of tax )	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss (-) for the period (12-13)	105.91	31.36	196.38	482.46
15	Paid up equity share capital (Face Value Rs 10/-)	310.88	310.88	310.88	310.88
16	Reserves excluding revaluation reserves	-----	5866.14	-----	5866.14
17	<u>Analytical Ratios</u>				
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%) -Basel III ( % )	14.58	14.85	13.44	14.85
iii)	Earnings per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.39*	1.01*	6.32*	15.47
	Earnings per share (EPS) (Rs) after extraordinary items (net of Tax expense) *Not Annualized				
	- Basic EPS	3.41*	1.01*	6.32*	15.52
	- Diluted EPS	3.39*	1.01*	6.32*	15.47
iv)	NPA Ratios as on date				
	Gross NPA	2549.06	2588.41	2557.64	2588.41
	Net NPA	1552.95	1642.10	1630.65	1642.10
	% of Gross NPA	4.82	4.91	4.64	4.91
	% of Net NPA	3.00	3.18	3.01	3.18
	Return on Assets *Annualised	0.49	0.15	0.93	0.57



**CONSOLIDATED REVIEWED SEGMENT RESULTS FOR/ AS ON QUARTER ENDED  
JUNE 30, 2021**

(Rs in crore)

Segmentwise Results	For / As Quarter Ended			Year Ended
Particulars	30.06.2021	31.03.2021	30.06.2020	31.03.2021
<b>Segment Revenue</b>				
(a) Treasury Operations	363.40	340.63	645.67	1814.17
(b) Corporate Banking	571.58	695.20	703.96	2739.23
(c) Retail Banking	709.94	611.95	666.19	2741.26
(d) Other Banking Operations	114.46	137.90	118.81	427.80
(e) Unallocated	0.00	5.02	0.00	5.02
<b>Income From Operations</b>	<b>1759.38</b>	<b>1790.70</b>	<b>2134.63</b>	<b>7727.48</b>
<b>Segment Results (after Provisions before Tax)</b>				
(a) Treasury Operations	68.34	77.72	390.74	778.23
(b) Corporate Banking	132.04	48.70	132.17	450.58
(c) Retail Banking	226.86	235.21	156.70	813.77
(d) Other Banking Operations	5.47	36.77	13.30	24.94
(e) Unallocated (including Provisions & Contingencies)	-386.75	-356.54	-524.94	-1455.70
<b>Total Profit/(Loss) before tax</b>	<b>45.96</b>	<b>41.86</b>	<b>167.97</b>	<b>611.82</b>
<b>Segment Assets</b>				
(a) Treasury Operations	28021.32	27505.39	23252.22	27505.39
(b) Corporate Banking	25316.13	24527.74	28406.57	24527.74
(c) Retail Banking	27273.99	27628.87	26254.98	27628.87
(d) Other Banking Operations	3940.31	3917.42	3219.50	3917.42
(e) Unallocated	1953.98	2001.44	1994.38	2001.44
<b>Total</b>	<b>86505.73</b>	<b>85580.86</b>	<b>83127.65</b>	<b>85580.86</b>
<b>Segment Liabilities</b>				
(a) Treasury Operations	25658.28	25213.14	21359.77	25213.14
(b) Corporate Banking	23496.55	22764.97	26328.42	22764.97
(c) Retail Banking	25190.80	25521.16	24279.17	25521.16
(d) Other Banking Operations	3622.77	3604.71	2972.05	3604.71
(e) Unallocated	1789.18	1834.64	1832.05	1834.64
<b>Total</b>	<b>79757.58</b>	<b>78938.62</b>	<b>76771.46</b>	<b>78938.62</b>
<b>Capital employed</b>				
(a) Treasury Operations	2363.04	2292.25	1892.45	2292.25
(b) Corporate Banking	1819.58	1762.77	2078.15	1762.77
(c) Retail Banking	2083.19	2107.71	1975.81	2107.71
(d) Other Banking Operations	317.54	312.71	247.45	312.71
(e) Unallocated	164.80	166.80	162.33	166.80
<b>Total</b>	<b>6748.15</b>	<b>6642.24</b>	<b>6356.19</b>	<b>6642.24</b>

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



**Notes forming part of the reviewed Consolidated financial results for the quarter ended June 30, 2021**

1. The above Consolidated financial results for the period ended June 30, 2021 have been reviewed by the Audit Committee of the Board at the meeting held on July 26, 2021 and approved by the Board of Directors at the meeting held on July 27, 2021. The same has been subjected to limited review by the Statutory Central Auditors of the Bank in line with the guidelines issued by the Reserve Bank of India and as per the SEBI (LODR) Regulations, 2015. The report thereon is unmodified.

2. The Consolidated Financial results of the Group comprise the financial results of The Karnataka Bank Ltd and its wholly owned subsidiary KBL Services Ltd.

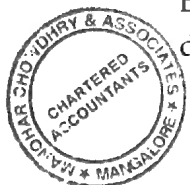
The paid-up equity capital of KBL Services Limited is Rs.50.00 lakhs comprising of 5,00,000 equity shares of Rs.10 each fully paid up. KBL Services Ltd, a wholly owned non-financial subsidiary of the Bank was incorporated on June 21<sup>st</sup>, 2020 and the certificate of commencement of business was filed on August 26<sup>th</sup>, 2020. The company commenced its operations on March 30, 2021.

3. In the preparation of these financial results, the Bank has followed the same accounting policies and generally accepted practices adopted in the preparation of audited financial statements for the year ended March 31, 2021.

4. The above Consolidated 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 unhedged foreign currency exposure, Income Tax and other contingencies on estimated/ proportionate basis and are subject to adjustments at the year end.

5. Other income includes fees earned from providing services to customers, commission from non-fund based banking activities, earnings from foreign exchange and derivative transactions, selling of third-party products, profit on sale of investments (net), recovery in written-off accounts etc.

6. The continued impact of COVID-19 pandemic as well as the renewed restrictions on business and individual activities due to regional lockdowns across the country, has affected the global economy including India. The slowdown may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic may continue to impact the Bank's operations and asset quality is dependent on the ongoing as well as future developments, which are highly uncertain.





In accordance with the COVID 19 regulatory package announced by RBI from time to time providing relief to the borrowers, the Bank as per approved board policy offered relief to all eligible borrowers and necessary provision has been made for the same.

Further as a matter of prudence the bank has made additional provisions towards stressed accounts.

7. In accordance with RBI notification dated April 7, 2021, the Bank is required to refund/ adjust 'interest on interest' to borrowers. Accordingly the Bank has refunded Rs 25.43 crore to the eligible customers out of which a sum of Rs 15 crore was provided as on March 31, 2021 and balance of Rs 10.43 crore has been charged to the Profit and Loss account during the current quarter.
8. Details of resolution plan implemented under the resolution framework for COVID 19- related Stress as per RBI circular August 6, 2020 are given below.

Type of Borrower	(A) No. of borrowers where resolution plan has been implemented under this window	(B) Exposure to borrowers mentioned at (A) before implementation of the plan	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the Resolution
Personal loans	654	331.06	---	---	54.42
Corporate persons	10	479.59	9.99	8.00	66.66
Of which MSMEs	---	---	---	---	---
Others	8	50.55	---	---	9.42
Total	672	861.20	9.99	8.00	130.50

9. In accordance with the RBI Cir. No. DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework-2.0: Resolution of COVID -19 related stress of Individuals and Small Business", the number of borrower accounts where

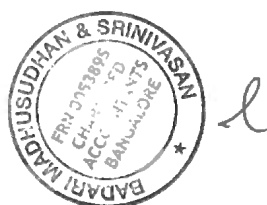
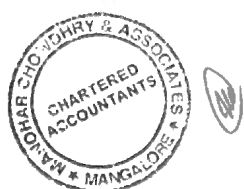


modifications were sanctioned and implemented and the aggregate exposure to such borrowers are as under.

(Rs in crore)


No. of Accounts	44
Aggregate Exposure as on June 30, 2021	17.66

10. As per the amended Section 115BAA of the Income Tax Act 1961, domestic companies, have a non-reversible option to pay corporate tax at reduced rates subject to certain conditions. The Bank has continued to provide for current taxes and deferred taxes at the prevalent rate of taxes without exercising the option.
11. Provision coverage ratio as at June 30, 2021 stood at 72.24% (67.93% as at June 30, 2020).
12. The Reserve Bank of India vide its letter dated ENFD.DECB.No.S173/02.02.005/2021-22 dated July 6, 2021 has imposed a penalty of Rs 1.00 crore for non-adherence to RBI guidelines on 'Bank finance to Non-Banking Companies'
13. In terms of RBI circular DBR No BP.BC 1/21.06.201/2015-16 dated July 1, 2015, Pillar III disclosures under Basel III Capital Regulations have been made available on our website at the following link: <http://karnatakaBank.info.com/ktk/BaselDisclosures.jsp#>. These disclosures have not been subjected to limited review by the Statutory Central Auditors.
14. Disclosure about investor complaints for the period ended June 30, 2021: Complaints at the Beginning of the period Nil; Received during the period 4; Disposed off during the period 4 ; Unresolved as on June 30, 2021 Nil.



15. Figures for the corresponding previous periods have been regrouped/ classified wherever considered necessary. The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the financial year 2020-21 and the published year to date figures up to December 31, 2020.

For and on behalf of Board of Directors

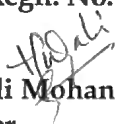


Mahabaleshwara M S

Managing Director & C.E.O



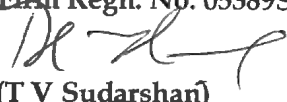
for Manohar Chowdhry & Associates  
Chartered Accountants  
Firm Regn. No. 001997S



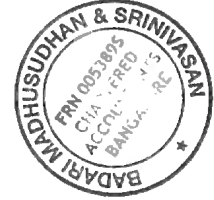
(Murali Mohan Bhat)  
Partner  
M. No. 203592



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



(T V Sudarshan)  
Partner  
M. No. 019108



Place: Mangaluru

Date: 27<sup>th</sup> July 2021

Place: Bangalore

Date: 27<sup>th</sup> July 2021

<b>KARNATAKA BANK LTD</b>				
<b>CONSOLIDATED REVIEWED FINANCIAL RESULTS FOR / AS ON QUARTER ENDED JUNE 30, 2021</b>				
(Rs. in Crore)				
Particulars	Quarter ended 30.06.2021 (Reviewed)	Quarter ended 31.03.2021 (Audited)	Quarter ended 30.06.2020 (Reviewed)	Year ended 31.03.2021 (Audited)
Total income from operations (net)	1759.38	1790.70	2134.63	7727.48
Net Profit / (Loss) from ordinary activities after tax	105.91	31.36	196.38	482.46
Net Profit / (Loss) for the period after tax (after Extraordinary items)	105.91	31.36	196.38	482.46
Equity Share Capital	310.88	310.88	310.88	310.88
Reserves (excluding Revaluation Reserve) as shown in the Balance Sheet of previous year	---	5866.14	---	5866.14
Earnings Per Share (before extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.39*	1.01*	6.32*	15.47
Earnings Per Share (After extraordinary items) (of Rs 10/- each)				
Basic:	3.41*	1.01*	6.32*	15.52
Diluted:	3.39*	1.01*	6.32*	15.47
*Not annualized				
<p>Note: The above is an extract of the detailed format of period ended results for June 30, 2021 filed with the Stock Exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the results for June 30, 2021 is available on the Stock Exchange websites.  BSE: <a href="http://www.bseindia.com">http://www.bseindia.com</a>, NSE: <a href="http://www.nseindia.com">http://www.nseindia.com</a>, Bank website: <a href="https://www.karnatakaBank.com/index.jsp">https://www.karnatakaBank.com/index.jsp</a></p>				

For and on behalf of Board of Directors




Mahabaleshwara M S

MANAGING DIRECTOR & CEO

Place: Mangaluru

Date: 27<sup>th</sup> July 2021

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

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

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

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **The Karnataka Bank Limited** ("the Bank / Parent / Holding Co.") and its Subsidiaries (the Parent and its Subsidiaries together referred to as "the Group"), for the quarter and three months ended 30<sup>th</sup> June 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, except for the disclosures relating to consolidated Pillar 3 disclosure including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the branch auditors and other auditors referred to in



paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30/06/2021 including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.

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

Our conclusion is not modified in respect of these matters.

7. We did not review the interim financial statements /financial information/ financial results of one Subsidiary included in the Group, whose results reflect total assets of Rs. 0.2264 crores as at 30/06/2021 and total revenues of Rs.0.0025 crore and total net profit / (loss) after tax of Rs. (0.1769) crores for the quarter and three months ended 30/06/2021 respectively as considered in the respective standalone unaudited/ audited interim financial statements/ financial information/ financial results of the entities included in the Group. The interim financial statements/ financial information / financial results of the Subsidiary has been reviewed by the other auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this Subsidiary is based solely on the report of such other auditors and the procedures performed by us as stated in paragraph 3 above

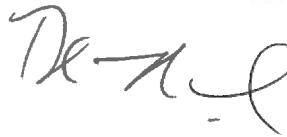
Our conclusion on the Statement is not modified in respect of the above matter

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

  
**(Murali Mohan Bhat)**  
**Partner**  
**M. No. 203592**  
**UDIN: 21203592AAAADN5343**  
**Place: Mangaluru**  
**Date: 27<sup>th</sup> July 2021**



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

  
**(T V Sudarshan)**  
**Partner**  
**M. No. 019108**  
**UDIN: 21019108AAAACD8157**  
**Place: Mangalore**  
**Date: 27<sup>th</sup> July 2021**





Regd. & Head Office  
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Kankanady  
Mangaluru – 575 002

Phone : 0824-2228325 Fax: 0824-2225587  
E-Mail : pr@ktkbank.com  
Website : www.karnatakabank.com  
CIN : L85110KA1924PLC001128

**BRANCH BANKING & DIGITAL CHANNELS DEPARTMENT**

**PRESS RELEASE**

**Date: 27-07-2021**

**KARNATAKA BANK Q1 NET PROFIT AT Rs 106.08 CRORES.**

Karnataka Bank has posted a Net Profit of Rs 106.08 crores, during Q1 of FY 22 as against Rs 31.36 crores recorded during the sequential previous quarter i.e Q4 FY 21. Hence, Sequentially on a quarter on quarter basis it was higher by 238.26% over the 4<sup>th</sup> quarter ended March - 21. However, on year on year basis the profit declined by 45.98%, mainly on account of decreased treasury income.

In the virtual Meeting of the Board of Directors held today at Bank's Head Quarters Mangaluru, the Board has approved the financial results for the quarter ended June 30, 2021.

The operating profit of the Bank was at Rs 414.22 crore as on 30-06-2021 as against Rs 383.69 crore of Q4 of FY 21 and the Net Interest Income was at Rs 574.79 crore for the quarter ended 30-06-2021 as against Rs 459.14 crore for Q4 FY 21.

Further, as on 30-06-2021 the business turnover of the Bank has touched Rs 1,28,005.99 crore, with deposits of Rs 76,214.78 crore and advances of Rs 51,791.21 crore.

Gross NPAs declined to 4.82% as at 30-06-2021, compared to 4.91% in the sequential previous quarter i.e Q4 of FY 21. GNPA's in absolute terms declined to Rs 2,549.06 crore during Q1 of FY 22 from Rs 2,588.41 crore (Q4 of FY 21) and Rs 2,557.64 crore (Q1 of FY 21). Similarly Net NPAs [NNPAs] also declined to 3.00 % from 3.18%. In absolute terms NNPAs declined to Rs 1,552.95 crore during Q1 of FY 22, from Rs 1,642.10 crore (Q4 of FY 21) and Rs 1,630.65 crore (Q1 of FY 21).

The Capital Adequacy Ratio of the Bank has further improved to 14.58% as compared to 13.44 % as on 30-06-2020.


Commenting on the Q1 results of the Bank, Shri Mahabaleshwara M. S., Managing Director & CEO of the Bank, said that “In spite of the hardships posed by the second wave of COVID 19 pandemic, Bank has been able to continue its satisfactory performance during the first quarter of the current year also. Significant improvement in asset quality as evidenced by the decline in GNPA’s to 4.82 % from 4.91% and net NPA’s to 3.00% from 3.18 % as at 31-03-2021, coupled with improved NII, NIM, PCR etc are testimony for the successful handling of the impact of the pandemic. The reduction in net profit on year on year basis is mainly on account of decline in treasury gains, which is dependent on the yield movements. Compared to the sequential previous quarter (Q4 of FY 21) the advances have shown marginal increase and is expected to consolidate further during the second quarter of the current year. Hence, the core business is expected to do well going forward, besides further improving the asset quality. Further, in today’s Board, we have also deliberated about capital augmentation through QIP and the process would be taken forward after the due approval of the shareholders”



## PERFORMANCE HIGHLIGHTS

(Rupees in Crores)

Parameters	Q1 FY22	Q4 FY21	% change/ Variation	Q1 FY21	YoY % change/ Variation
Net Profit	106.08	31.36	238.27	196.38	-45.98
Operating Profit	414.22	383.69	7.96	677.04	-38.82
Total Income	1,759.41	1,790.70	-1.75	2,134.63	-17.58
Net Interest Income	574.79	459.14	25.19	535.12	7.41
Other Income	235.91	373.21	- 36.79	518.92	- 54.54
Net Interest Margin (%)	2.98%	2.41%	+ 57 bps	2.89%	+ 9 bps
Return on Assets (%)	0.49%	0.15%	+ 34 bps	0.93%	- 44 bps
Gross NPA %	4.82%	4.91%	- 9 bps	4.64%	+ 18 bps
CRAR (%) Basel III	14.58%	14.85%	- 27 bps	13.44%	+ 114 bps
CD Ratio (%)	67.95%	68.33%	- 38 bps	75.44%	- 749 bps
Deposits	76,214.78	75,654.86	0.74	71,853.98	6.07
Advances	51,791.21	51,693.70	0.19	54,209.50	- 4.46
Business Turnover	1,28,005.99	1,27,348.56	0.52	1,26,063.48	1.54



**Srinivas Deshpande**  
**ASSISTANT GENERAL MANAGER**