

**KARNATAKA BANK LIMITED**  
**Regd. Office: Mangalore – 575002**

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30.09.2011**

**(Rs. in lakhs)**

		UNAUDITED				AUDITED
		Quarter ended		Half year ended		Year Ended
		30.09.2011	30.09.2010	30.09.2011	30.09.2010	31.03.2011
<b>1</b>	Interest Earned (a+b+c+d)	<b>76016</b>	56917	<b>144695</b>	110711	237084
a)	Interest/Discount on advances/bills	<b>57767</b>	39661	<b>109461</b>	78029	170765
b)	Income on Investments	<b>17832</b>	16431	<b>34792</b>	31750	64222
c)	Interest on balances with Reserve Bank of India and other inter bank funds	<b>38</b>	11	<b>48</b>	38	60
d)	Others	<b>379</b>	814	<b>394</b>	894	2037
<b>2</b>	Other Income	<b>8017</b>	6627	<b>16227</b>	14163	29176
<b>3</b>	<b>TOTAL INCOME (1+2)</b>	<b>84033</b>	63544	<b>160922</b>	124874	266260
<b>4</b>	Interest expended	<b>57852</b>	43275	<b>111163</b>	85792	175836
<b>5</b>	Operating expenses (i+ii)	<b>14510</b>	12711	<b>27380</b>	23971	54895
i)	Employees Cost	<b>7787</b>	7173	<b>15566</b>	14015	34508
ii)	Other operating Expenses	<b>6723</b>	5538	<b>11814</b>	9956	20387
<b>6</b>	<b>TOTAL EXPENDITURE ((4+5) excluding provisions &amp; Contingencies)</b>	<b>72362</b>	55986	<b>138543</b>	109763	230731
<b>7</b>	<b>Operating Profit before provisions &amp; contingencies (3-6)</b>	<b>11671</b>	7558	<b>22379</b>	15111	35529
<b>8</b>	Provisions (other than tax) and Contingencies	<b>4793</b>	5768	<b>10751</b>	7183	12035
<b>9</b>	Exceptional Items	<b>0</b>	0	<b>0</b>	0	0
<b>10</b>	<b>Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>6878</b>	1790	<b>11628</b>	7928	23494
<b>11</b>	Tax Expense	<b>2770</b>	-1082	<b>2542</b>	408	3033
<b>12</b>	<b>Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)</b>	<b>4108</b>	2872	<b>9086</b>	7520	20461
<b>13</b>	Extraordinary Items (net of tax expense)	<b>0</b>	0	<b>0</b>	0	0
<b>14</b>	<b>Net Profit (+)/Loss (-) for the period (12-13)</b>	<b>4108</b>	2872	<b>9086</b>	7520	20461

		UNAUDITED				AUDITED
		Quarter ended		Half year ended		Year Ended
		30.09.2011	30.09.2010	30.09.2011	30.09.2010	31.03.2011
15	Paid up equity share capital (Face Value Rs 10/-)	18822	13421	18822	13421	18820
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	-	224089
17	Analytical Ratios					
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)					
	Basel I	12.01	11.41	12.01	11.41	12.91
	Basel II	12.85	11.71	12.85	11.71	13.33
iii)	Earning per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized					
	- Basic EPS	2.18*	2.14*	4.83*	5.61*	15.23
	- Diluted EPS before Extra	2.18*	2.14*	4.82*	5.61*	15.20
	Earnings per share (EPS) (Rs) after Extraordinary items (net of Tax expense) *Not Annualized					
	- Basic EPS	2.18*	2.14*	4.83*	5.61*	15.23
	- Diluted EPS before Extra	2.18*	2.14*	4.82*	5.61*	15.20
iv)	NPA Ratios as on date					
	Gross NPA	77714	58738	77714	58738	70217
	Net NPA	42170	17274	42170	17274	28034
	% of Gross NPA	4.01	3.66	4.01	3.66	3.97
	% of Net NPA	2.22	1.11	2.22	1.11	1.62
	Return on Assets	0.50	0.40	0.56	0.54	0.72
18	Public Shareholding					
	No of shares	188217721	134199212	188217721	134199212	188190652
	Percentage of share holding	100%	100%	100%	100%	100%

		UNAUDITED				AUDITED
		Quarter ended		Half year ended		Year Ended
		30.09.2011	30.09.2010	30.09.2011	30.09.2010	31.03.2011
19	Promoters and Promoter group shareholding					
	a) Pledged /encumbered					
	-Number of shares	NA	NA	NA	NA	NA
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA	NA
	b) Non-encumbered					
	-Number of shares	NA	NA	NA	NA	NA
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA	NA

**SUMMARY BALANCE SHEET AS ON 30<sup>th</sup> SEPTEMBER 2011**

(Rs in lakhs)

	<b>As on 30.09.2011</b>	<b>As on 30.09.2010</b>
<b>CAPITAL AND LIABILITIES</b>		
Capital	18823	13421
Reserves and Surplus	233207	177590
Deposits	2884936	2504531
Borrowings	112231	91725
Other Liabilities and Provisions	81429	72722
<b>TOTAL</b>	<b>3330626</b>	<b>2859989</b>
<b>ASSETS</b>		
Cash and balances with Reserve Bank of India	176697	177483
Balances with Banks and Money at Call & Short Notice	8583	4075
Investments	1152791	1043504
Advances	1906700	1568307
Fixed Assets	14554	14608
Other Assets	71301	52012
<b>TOTAL</b>	<b>3330626</b>	<b>2859989</b>
<b>Contingent Liabilities</b>	<b>1214383</b>	<b>928660</b>
<b>Bills for collection</b>	<b>148231</b>	<b>124449</b>

**SEGMENT RESULTS FOR THE QUARTER/HALF YEAR ENDED 30.09.2011**

(Rs in Lakhs)

<b>Business Segments</b>	<b>3 months ended 30.09.2011</b>	<b>3 months ended 30.09.2010</b>	<b>6 months ended 30.09.2011</b>	<b>6 months ended 30.09.2010</b>	<b>12 Months 31.03.2011 (Audited)</b>
<b>Segment Revenue</b>					
Treasury	20864	18805	40429	37116	75151
Corporate /Wholesale Banking	28640	21985	56544	42912	89030
Retail Banking	33077	21529	60376	41837	96322
Other Banking Operations	1452	1225	3573	3009	5757
<b>Total</b>	<b>84033</b>	<b>63544</b>	<b>160922</b>	<b>124874</b>	<b>266260</b>
<b>Segment Results</b>					
Treasury	-8166	-4902	-15953	-6979	-16581
Corporate /Wholesale Banking	1395	564	3872	1811	4329
Retail Banking	12801	5712	21684	11758	33445
Other Banking Operations	1377	965	3077	2438	4600
<b>Total</b>	<b>7407</b>	<b>2339</b>	<b>12680</b>	<b>9028</b>	<b>25793</b>
Unallocable expenses	529	549	1052	1100	2299
Profit before tax	6878	1790	11628	7928	23494
<b>Capital Employed(Segment Assets-Segment Liabilities)</b>					
(a)Treasury Operations	109089	86871	109089	86871	110778
(b)Corporate Banking	80634	60381	80634	60381	75548
(c)Retail Banking	62411	43725	62411	43725	56602
(d) Other Banking Operations	-104	37	-104	37	-19
<b>Total</b>	<b>252030</b>	<b>191014</b>	<b>252030</b>	<b>191014</b>	<b>242909</b>
<b>Part B - Geographic Segments</b>			-	-	-
There is only one segment i.e. Domestic segment					

**Notes forming part of the un-audited financial results for the quarter/half year ended  
30.09.2011**

1. The above interim financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their meeting held on 31<sup>st</sup> October 2011. The same has been subjected to limited review by the Statutory Central Auditors of the Bank;
2. To the extent applicable to the interim financial reporting, the Bank has consistently followed the same accounting policies and generally accepted practices adopted for the preparation of audited financial statements for the year ended 31<sup>st</sup> March, 2011;
3. The above interim financial results have been arrived at after considering the provision for loan losses and depreciation on investment as per RBI guidelines. Provision for employees' retirement benefits like pension, gratuity etc., provision for income tax and other contingencies for the current period have been made on an estimated and proportionate basis, which are subject to year end adjustments, if any.
4. The Bank has amortized during the half year ended 30<sup>th</sup> September 2011 a sum of Rs. 1570.50 lakhs towards proportionate share of the unamortized liability of Pension and Gratuity as of 31<sup>st</sup> March 2011, which was permitted by the Reserve Bank of India to be amortized over a period of four years commencing from 1<sup>st</sup> April, 2011;
5. The Bank's operations have been categorized under identified four business segment viz, Treasury, Corporate and wholesale banking, Retail Banking, and Other Banking Operations. The Geographic Segment consists of the Domestic Segment only as the Bank does not have any foreign branch.
6. Disclosure about investor complaints: Complaints at the beginning of the period- 1, Received during the period-97, Disposed off during the period-98, unresolved as on 30.9.2011- NIL;
7. Corresponding previous period figures have been regrouped/ rearranged wherever necessary.

**By order of the Board**

**P Jayarama Bhat  
Managing Director & C.E.O**

Place: Mangalore

Date: 31<sup>st</sup> Oct 2011