

KARNATAKA BANK LIMITED : REGD & HEAD OFFICE : MANGALORE-575002
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2011

Rs in Lakhs

		Quarter ended 31.3.2011 (Audited)	Quarter ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)
1	Interest Earned (a+b+c+d)	66307	53356	237084	197597
a)	Interest/Discount on advances/bills	49522	36766	170765	138898
b)	Income on Investments	16255	14582	64222	56601
c)	Interest on balances with Reserve Bank of India and other inter bank funds	11	7	60	58
d)	Others	519	2001	2037	2040
2	Other Income	8234	7373	29176	37871
3	TOTAL INCOME (1+2)	74541	60729	266260	235468
4	Interest expended	45872	41364	175836	170779
5	Operating expenses (i+ii)	19535	10081	54895	38605
i)	Employees Cost	13714	4742	34508	20680
ii)	Other operating expenses	5821	5339	20387	17925
6	TOTAL EXPENDITURE ((4+5) (excluding provisions & Contingencies)	65407	51445	230731	209384
7	Operating Profit before provisions & contingencies (3-6)	9134	9284	35529	26084
8	Provisions (other than tax) and Contingencies	-528	-1583	12035	7108
9	Exceptional Items	0	0	0	0
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	9662	10867	23494	18976
11	Tax Expense	580	3457	3033	2264
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	9082	7410	20461	16712
13	Extraordinary Items (net of tax expense)	0	0	0	0
14	Net Profit (+)/Loss (-) for the period (12-13)	9082	7410	20461	16712
15	Paid up equity share capital (Face Value Rs 10/-)	18820	13399	18820	13399
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	224089	169876
17	Analytical Ratios				

i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)				
	i) Basel –I	12.91	11.85	12.91	11.85
	ii) Basel - II	13.33	12.37	13.33	12.37
iii)	Earning per share (EPS) (Rs)				
	a) Basic EPS	6.76*	5.99*	15.23	13.50
	b) Diluted EPS	6.74*	5.96*	15.20	13.45
	before Extraordinary items (net of Tax expense)				
	b)) Basic EPS	6.76*	5.99*	15.23	13.50
	Diluted EPS	6.74*	5.96*	15.20	13.45
	after Extraordinary items (net of Tax expense)				
	* Not Annualised				
iv)	NPA Ratios as on date				
	a) Gross NPA	70217	54964	70217	54964
	Net NPA	28034	18861	28034	18861
	b) % of Gross NPA	3.97	3.73	3.97	3.73
	% of Net NPA	1.62	1.31	1.62	1.31
	c) Return on Assets-	1.21	1.12	0.72	0.67
18	Public Shareholding				
	-No of Shares	188190652	133976322	188190652	133976322
	-Percentage of Share holding	100%	100%	100%	100%
19	Promoters and Promoter group shareholding				
	a) Pledged /encumbered				
	-Number of shares	NA	NA	NA	NA
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA
	b) Non-encumbered				
	-Number of shares	NA	NA	NA	NA
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA

Notes forming part of audited financial results of the Bank for the year ended March 31, 2011

- The above audited financial results have been approved by the Board of Directors' of the Bank at their meeting held on 23rd May 2011.
- The Board of Directors have recommended a dividend of Rs 3/- per equity share (30%), having regard to the notification No.F No 10/3/2010 BOA dated 11th May 2011 issued by Department of Financial services, Ministry of Finance ,Govt of India .

3. The working results of the Bank for the year ended March 31, 2011 have been arrived at after considering provision for Non performing advances, depreciation on investments, provision for Standard advances and other usual and necessary provisions.

4. In terms of the requirement of the Accounting Standard 15 – Employee Benefits, the entire amount of Rs. 190.71 crore (towards pension of Rs. 151.59 crore and Gratuity of Rs. 39.12 crore) on account of re-opening of pension option and enhancement in gratuity limit is required to be charged to Profit and Loss Account. However, in accordance with the permission accorded by the Reserve Bank of India vide their letter DBOD. No. BP.BC. 15896/ 21.04.018/2010-11 dated 8th April 2011, the bank has debited the profit and Loss account a sum of Rs. 57.26 crore including entire liability towards retired employees on account of pension and Rs. 7.82 crore on account of Gratuity liability. The balance unamortized amount of Rs. 94.33 crore towards pension and Rs. 31.30 crore towards gratuity will be dealt with as per guidelines of the Reserve bank of India.

5. During the year, pursuant to the Rights issue in the ratio of 2:5, the bank allotted 5,37,68,615 Equity shares of Rs. 10/- each at a premium of Rs. 75/- per share aggregating to Rs. 457.03 crore. In accordance with the provisions of section 78(2) (c) of the Company's Act 1956 and as provided under the Letter of Offer dated February 18,2011 the expenses incurred in this connection, aggregating to Rs 3.15 crore have been charged off to the share premium account. These proceeds net of expenses have been utilized as per the objects for which they have been raised as per Letter of offer.

6. Non performing loan provisioning coverage ratio is 60.08% as on 31.03.2011.

7. The bank has changed its estimate with effect from October 1, 2010 relating to charging off of provisions for Non-performing advances at rates higher than that prescribed by the Reserve Bank of India to the rates prescribed under the prudential norms of Reserve bank of India from time to time. Due to this change, the net profit after tax for the year is higher by Rs. 26.36 crore.

8. The business of the Bank has been classified into 4 segments i.e.(a) Treasury operations (b) Corporate / Wholesale Banking (c) Retail Banking and (d) Other Banking Operations. Since the Bank does not have any overseas branch, reporting under geographic segment does not arise. Segment assets have been identified and segment liabilities have been allocated on the basis of segment assets. The segment results are annexed.

9. Status of the shareholders complaints is as under:

Complaints pending at the beginning of the quarter	Complaints received during the quarter	Complaints redressed during the quarter	Complaints pending at the end of the quarter
NIL	205	205	Nil

10. Previous year's figures have been regrouped /rearranged wherever necessary to conform to the current year's classifications.

By order of the Board

Place: Mangalore

Date: 23rd May 2011

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

SUMMARY BALANCE SHEET AS ON 31ST MARCH 2011

Rs in lakhs

	As on 31.03.2011	As on 31.03.2010
CAPITAL AND LIABILITIES		
Capital	18820	13399
Reserves and Surplus	224089	169876
Deposits	2733645	2373065
Borrowings	108633	69164
Other Liabilities and Provisions	84114	76653
TOTAL	3169301	2702157
ASSETS		
Cash and balances with Reserve Bank of India	193981	174310
Balances with Banks and Money at Call & Short Notice	4625	6245
Investments	1150634	999205
Advances	1734807	1443568
Fixed Assets	14553	14807
Other Assets	70701	64022
TOTAL	3169301	2702157
Contingent Liabilities	903580	1011924
Bills for Collection	96290	103224

	Segmentwise Results	3 months ended		Year ended	
		31.03.2011 Audited	31.03.2010 Audited	31.03.2011 Audited	31.03.2010 Audited
1	Segment Revenue				
	(a) Treasury Operations	19156	18570	75151	80829
	(b) Corporate Banking	20386	17420	89030	66129
	(c) Retail Banking	33494	23288	96322	83941
	(d) Other Banking Operations	1505	1451	5757	4569
	Total	74541	60729	266260	235468
2	Segment Results (after Provisions before Tax)				
	(a) Treasury Operations	-4767	-1559	-16581	-7768
	(b) Corporate Banking	-2088	-255	4329	-5135
	(c) Retail Banking	15991	12044	33445	30314
	(d) Other Banking Operations	1120	1225	4600	3788
	Total	10256	11455	25793	21199
	Less: Unallocable Expenditure	594	588	2299	2223
	Profit before Tax	9662	10867	23494	18976

3	Capital employed (Segment assets - Segment Liabilities)				
	(a) Treasury Operations	110778	85826	110778	85826
	(b) Corporate Banking	75548	59464	75548	59464
	(c) Retail Banking	56602	37934	56602	37934
	(d) Other Banking Operations	-19	51	-19	51
	Total	242909	183275	242909	183275

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