

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

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/HALF YEAR ENDED 30.09.2012**  
**(Rs. in Lakhs)**

		UNAUDITED					AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
<b>1</b>	Interest Earned (a+b+c+d)	<b>94548</b>	89333	76000	<b>183881</b>	144490	<b>310099</b>
a)	Interest/Discount on advances/bills	<b>70426</b>	67146	57751	<b>137572</b>	109256	<b>236191</b>
b)	Income on Investments	<b>23992</b>	21251	17832	<b>45243</b>	34792	<b>73633</b>
c)	Interest on balances with Reserve Bank of India and other inter bank funds	<b>120</b>	21	38	<b>141</b>	48	<b>99</b>
d)	Others	<b>10</b>	915	379	<b>925</b>	394	<b>176</b>
<b>2</b>	Other Income	<b>8689</b>	9533	8033	<b>18222</b>	16432	<b>34628</b>
<b>3</b>	TOTAL INCOME (1+2)	<b>103237</b>	98866	84033	<b>202103</b>	160922	<b>344727</b>
<b>4</b>	Interest expended	<b>71284</b>	67144	57852	<b>138428</b>	111163	<b>236887</b>
<b>5</b>	Operating expenses (i+ii)	<b>16076</b>	14829	14510	<b>30905</b>	27380	<b>56819</b>
i)	Employees Cost	<b>8306</b>	8538	7787	<b>16844</b>	15566	<b>32495</b>
ii)	Other operating Expenses	<b>7770</b>	6291	6723	<b>14061</b>	11814	<b>24324</b>
<b>6</b>	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	<b>87360</b>	81973	72362	<b>169333</b>	138543	<b>293706</b>
<b>7</b>	Operating Profit before provisions & contingencies (3-6)	<b>15877</b>	16893	11671	<b>32770</b>	22379	<b>51021</b>
<b>8</b>	Provisions (other than tax) and Contingencies	<b>2275</b>	5706	4793	<b>7981</b>	10751	<b>22162</b>
<b>9</b>	Exceptional Items	<b>0</b>	0	0	<b>0</b>	0	<b>0</b>
<b>10</b>	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	<b>13602</b>	11187	6878	<b>24789</b>	11628	<b>28859</b>
<b>11</b>	Tax Expense	<b>1883</b>	2844	2770	<b>4727</b>	2542	<b>4252</b>
<b>12</b>	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	<b>11719</b>	8343	4108	<b>20062</b>	9086	<b>24607</b>
<b>13</b>	Extraordinary Items (net of tax expense)	<b>0</b>	0	0	<b>0</b>	0	<b>0</b>
<b>14</b>	Net Profit (+)/Loss (-) for the period (12-13)	<b>11719</b>	8343	4108	<b>20062</b>	9086	<b>24607</b>

		UNAUDITED					AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
15	Paid up equity share capital (Face Value Rs 10/-)	18832	18830	18822	18832	18822	18829
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	---	---	----	----	----	240992
17	Analytical Ratios						
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)						
	Basel I	11.16	11.54	12.01	11.16	12.01	11.95
	Basel II	12.17	12.50	12.85	12.17	12.85	12.84
iii)	Earning per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	6.22*	4.43*	2.18*	10.65*	4.83*	13.07
	- Diluted EPS	6.22*	4.43*	2.18*	10.64*	4.82*	13.06
	Earnings per share (EPS) (Rs) after Extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	6.22*	4.43*	2.18*	10.65*	4.83*	13.07
	- Diluted EPS	6.22*	4.43*	2.18*	10.64*	4.82*	13.06
iv)	NPA Ratios as on date						

		UNAUDITED					AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	Gross NPA	<b>72942</b>	72729	77714	<b>72942</b>	77714	<b>68472</b>
	Net NPA	<b>46431</b>	42976	42170	<b>46431</b>	42170	<b>43520</b>
	% of Gross NPA	<b>3.22</b>	3.31	4.01	<b>3.22</b>	4.01	<b>3.27</b>
	% of Net NPA	<b>2.08</b>	1.99	2.22	<b>2.08</b>	2.22	<b>2.11</b>
	Return on Assets	<b>1.21</b>	0.90	0.50	<b>1.06</b>	0.56	<b>0.73</b>
18	Public Shareholding						
	No of shares	<b>188306672</b>	188294456	188217721	<b>188306672</b>	188217721	<b>188284090</b>
	Percentage of share holding	<b>100%</b>	100%	100%	<b>100%</b>	100%	<b>100%</b>
19	Promoters and Promoter group shareholding						
	a) Pledged /encumbered						
	-Number of shares	NA	NA	NA	NA	NA	<b>NA</b>
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	<b>NA</b>
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA	NA	<b>NA</b>
	b) Non-encumbered						
	-Number of shares	NA	NA	NA	NA	NA	<b>NA</b>
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	<b>NA</b>
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA	NA	<b>NA</b>

**SUMMARY BALANCE SHEET AS ON 30<sup>th</sup> SEPTEMBER 2012**

(Rs in lakhs)

	<b>As on 30.09.2012</b>	<b>As on 30.09.2011</b>
<b>CAPITAL AND LIABILITIES</b>		
Capital	18832	18823
Reserves and Surplus	261061	233207
Deposits	3396831	2884936
Borrowings	146807	112231
Other Liabilities and Provisions	89202	81429
<b>TOTAL</b>	<b>3912733</b>	<b>3330626</b>
<b>ASSETS</b>		
Cash and balances with Reserve Bank of India	172628	176697
Balances with Banks and Money at Call & Short Notice	18307	8583
Investments	1404167	1152791
Advances	2239526	1906700
Fixed Assets	15598	14554
Other Assets	62507	71301
<b>TOTAL</b>	<b>3912733</b>	<b>3330626</b>

**SEGMENT RESULTS FOR THE QUARTER /HALF YEAR ENDED 30.09.2012**

	Segmentwise Results	3 Months ended			6 Months ended		Year ended
		30.09.2012 Reviewed	30.06.2012 Reviewed	30.09.2011 Reviewed	30.09.2012 Reviewed	30.09.2011 Reviewed	Audited 31.03.2012
		<b>(Rs. in lakhs)</b>					
<b>1</b>	<b>Segment Revenue</b>						
	(a) Treasury Operations	26043	24693	20864	50736	40429	84400
	(b) Corporate Banking	32182	32790	28640	64971	56544	117613
	(c) Retail Banking	42236	38609	33077	80846	60376	135537
	(d) Other Banking Operations	2776	2774	1452	5550	3573	7177
	<b>Total</b>	<b>103237</b>	<b>98866</b>	<b>84033</b>	<b>202103</b>	<b>160922</b>	<b>344727</b>
<b>2</b>	<b>Segment Results (after Provisions before Tax)</b>						
	(a) Treasury Operations	-3325	-4380	-8166	-7705	-15953	-29795
	(b) Corporate Banking	2449	1075	1395	3524	3872	2719
	(c) Retail Banking	12671	13306	12801	25977	21684	52159
	(d) Other Banking Operations	2388	1745	1377	4133	3077	5967
	<b>Total</b>	<b>14183</b>	<b>11746</b>	<b>7407</b>	<b>25929</b>	<b>12680</b>	<b>31050</b>
	<b>Less: Unallocable Expenditure</b>	581	559	529	1140	1052	2191
	<b>Profit before Tax</b>	<b>13602</b>	<b>11187</b>	<b>6878</b>	<b>24789</b>	<b>11628</b>	<b>28859</b>
<b>3</b>	<b>Capital employed</b>						
	(a) Treasury Operations	124261	117220	108462	124261	108462	115407
	(b) Corporate Banking	77264	77012	80394	77264	80394	76404
	(c) Retail Banking	77138	72707	61987	77138	61987	66792
	(d) Other Banking Operations	37	41	41	37	41	50
	(e) Unallocated	1193	1188	1146	1193	1146	1168
	<b>Total</b>	<b>279893</b>	<b>268168</b>	<b>252030</b>	<b>279893</b>	<b>252030</b>	<b>259821</b>

## **Notes forming part of the un-audited financial results for the quarter/half year ended 30.09.2012**

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 meetings held on 17.10.2012. 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, 2012;
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. As permitted by the Reserve Bank of India vide their letter DBOD. No. BP. BC. 15896/21.04.018/2010-11 dated 8<sup>th</sup> April, 2011 the Bank has during the half year ended Sept 2012 debited its Profit & Loss Account 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 and the balance of the unamortized portion will be dealt with as per the guidelines of the Reserve Bank of India.
5. 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.
6. Disclosure about investor complaints: Complaints at the beginning of the period –NIL; Received during the period – 31; Disposed off during the period – 31; Unresolved as on 30.09.2012 - NIL
7. Corresponding previous period figures have been regrouped/ rearranged wherever necessary to make them comparable with current period figures.

**By order of the Board**

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

Place: Mangalore  
Date: 17.10.2012