

KARNATAKA BANK LIMITED

Regd. Office: Mangalore – 575002

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31.12.2011

(Rs. in Lakhs)

		Un-audited					Audited 31.03.2011
		31.12.2011	Quarter ended 30.9.2011	31.12.2010	Nine months ended 31.12.2011	31.12.2010	
1	Interest Earned (a+b+c+d)	79765	76016	60066	224460	170777	237084
a)	Interest/Discount on advances/bills	61294	57767	43214	170755	121243	170765
b)	Income on Investments	18436	17832	16217	53228	47967	64222
c)	Interest on balances with Reserve Bank of India and other inter bank funds	16	38	11	64	49	60
d)	Others	19	379	624	413	1518	2037
2	Other Income	8507	8017	6779	24734	20942	29176
3	Total Income (1+2)	88272	84033	66845	249194	191719	266260
4	Interest expended	61071	57852	44172	172234	129964	175836
5	Operating expenses (i+ii)	16794	14510	11389	44174	35360	54895
i)	Employees Cost	11532	7787	6779	27098	20794	34508
ii)	Other operating Expenses	5262	6723	4610	17076	14566	20387
6	Total Expenditure ((4+5) excluding provisions & Contingencies)	77865	72362	55561	216408	165324	230731
7	Operating Profit before provisions & contingencies (3-6)	10407	11671	11284	32786	26395	35529
8	Provisions (other than tax) and Contingencies	3839	4793	5380	14590	12563	12035
9	Exceptional Items	0	0	0	0	0	0
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	6568	6878	5904	18196	13832	23494
11	Tax Expense	-637	2770	2045	1905	2453	3033
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	7205	4108	3859	16291	11379	20461
13	Extraordinary Items (net of tax expense)	0	0	0	0	0	0
14	Net Profit (+)/Loss (-) for the period (12-1)	7205	4108	3859	16291	11379	20461
15	Paid up equity share capital (Face Value Rs 10/-)	18827	18822	13442	18827	13442	18820
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	-	-	224089
17	Analytical Ratios						

		Un-audited					Audited
		Quarter ended		31.12.2010	Nine months ended		31.03.2011
		31.12.2011	30.9.2011		31.12.2011	31.12.2010	
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)						
	Basel I	11.81	12.01	10.71	11.81	10.71	12.91
	Basel II	12.46	12.85	11.37	12.46	11.37	13.33
iii)	Earning per share (EPS) (Rs) before Extraordinary items (net of Tax expense) * Not Annualized						
	- Basic EPS	3.83*	2.18*	2.88*	8.66*	8.48*	15.23
	- Diluted EPS before Extra	3.82*	2.18*	2.87*	8.64*	8.46*	15.20
	Earnings per share (EPS) (Rs) after Extraordinary items (net of Tax expense) *Not Annualized						
	- Basic EPS	3.83*	2.18*	2.88*	8.66*	8.48*	15.23
	- Diluted EPS before Extra	3.82*	2.18*	2.87*	8.64*	8.46*	15.20
iv)	NPA Ratios as on date						
	Gross NPA	80108	77714	63791	80108	63791	70217
	Net NPA	43879	42170	19122	43879	19122	28034
	% of Gross NPA	4.00	4.01	3.83	4.00	3.83	3.97
	% of Net NPA	2.23	2.22	1.18	2.23	1.18	1.62
	Return on Assets	0.85	0.50	0.54	0.66	0.54	0.72
18	Public Shareholding						
	No of shares	188264526	188217721	134406767	188264526	134406767	188190652
	Percentage of share holding	100%	100%	100%	100%	100%	100%
19	Promoters and Promoter group shareholding						
	a) Pledged /encumbered						
	-Number of shares	NA	NA	NA	NA	NA	NA
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	NA
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA	NA	NA
	b) Non-encumbered						
	-Number of shares	NA	NA	NA	NA	NA	NA
	- Percentage of shares(as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	NA
	-Percentage of shares (as a % of the total share capital of the company.	NA	NA	NA	NA	NA	NA

SEGMENT RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31.12.2011

(Rs. in Lakhs)

	Un-audited					Audited
	Quarter ended			Nine months ended		
	31.12.2011	30.9.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
Segment Revenue						
Treasury	21398	20864	18879	61827	55995	75151
Corporate /Wholesale Banking	30530	28640	25732	87074	68644	89030
Retail Banking	34369	33077	20991	94745	62828	96322
Other Banking Operations	1965	1452	1243	5548	4252	5757
Total	88272	84033	66845	249194	191719	266260
Segment Results						
Treasury	-8355	-8166	-4835	-24308	-11814	-16581
Corporate /Wholesale Banking	2331	1395	5332	6203	7143	4329
Retail Banking	11568	12801	6270	33252	18028	33445
Other Banking Operations	1567	1377	1042	4644	3480	4600
Total	7111	7407	7809	19791	16837	25793
Less: Un-allocable expenses	543	529	605	1595	1705	2299
Profit before tax	6568	6878	7204	18196	15132	23494
Capital Employed (Segment Assets - Segment Liabilities)						
(a)Treasury Operations	111935	108941	86776	111935	86776	110883
(b)Corporate Banking	82321	80775	61683	82321	61683	75551
(c)Retail Banking	64965	62273	47361	64965	47361	56721
(d) Other Banking Operations	34	40	29	34	29	45
Total	259255	252029	195849	259255	195849	243200
Part B - Geographic Segments	There is only one segment i.e. Domestic segment					

**Notes forming part of the un-audited financial results for the quarter/ Nine Months ended
31.12.2011**

1. The above interim financial results have been reviewed by the Audit Committee of the Board in their meeting held on 20th January, 2012 and approved by the Board of Directors in their meeting held on 21st January, 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 31st 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 Nine months ended 31st December 2011, a sum of Rs.2355.75 Lakhs towards proportionate share of the unamortized liability of Pension and Gratuity as of 31st March 2011, which was permitted by the Reserve Bank of India to be amortized over a period of four years commencing from 1st 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 -NIL Received during the period 51, Disposed off during the period 51, unresolved as on 31st December, 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: 21st Jan 2012