KARNATAKA BANK LTD, REGD & HEAD OFFICE : MANGALORE 575002

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2011

(Rs. in lakhs)

		UNAUDITED		AUDITED
		Quarter ended		Year Ended
		30.06.2011	30.06.2010	31.03.2011
1	Interest Earned (a+b+c+d)	68679	53794	237084
a)	Interest/Discount on advances/bills	51694	38368	170765
b)	Income on Investments	16960	15319	64222
c)	Interest on balances with Reserve Bank of India and other inter bank funds	10	27	60
d)	Others	15	80	2037
2	Other Income	8210	7536	29176
3	TOTAL INCOME (1+2)	76889	61330	266260
4	Interest expended	53311	42517	175836
5	Operating expenses (i+ii)	12870	11260	54895
i)	Employees Cost	7779	6842	34508
ii)	Other operating expenses	5091	4418	20387
6	TOTAL EXPENDITURE ((4+5) excluding provisions & Contingencies)	66181	53777	230731
7	Operating Profit before provisions & contingencies (3-6)	10708	7553	35529
8	Provisions (other than tax) and Contingencies	5958	1415	12035
9	Exceptional Items	0	0	0
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	4750	6138	23494
11	Net Tax Expense	-228	1490	3033
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	4978	4648	20461

		UNAUDITED		AUDITED
		Quarter ended		Year Ended
13	Extraordinary Items (net of tax expense)	0	0	0
14	Net Profit (+)/Loss (-) for the period (12-13)	4978	4648	20461
15	Paid up equity share capital (Face Value Rs 10/-)	18822	13403	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
ii)	Capital Adequacy Ratio (%) i) Basel –I ii) Basel - II	 12.38 13.05	 12.01 12.31	 12.91 13.33
iii)	Earning per share (EPS) (Rs) a) Basic EPS b) Diluted EPS before Extraordinary items (net of Tax expense) b)) Basic EPS Diluted EPS after Extraordinary items (net of Tax expense) * Not Annualized	 2.64* 2.64* 2.64* 2.64*	 3.47* 3.46* 3.47* 3.46*	 15.23 15.20 15.23 15.20
iv)	NPA Ratios as on date a) Gross NPA Net NPA b) % of Gross NPA % of Net NPA c) Return on Assets-	 67732 33796 3.68 1.87 0.62	 56826 17233 3.84 1.20 0.68	 70217 28034 3.97 1.62 0.72
18	Public Shareholding -No of Shares -Percentage of Share holding	188205757 100%	134022972 100%	188190652 100%

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

Notes forming part of the un-audited quarterly financial results for the quarter ended 30.06.2011

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 30th July 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 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 basis, which are subject to adjustments, if any.

4. The Bank has amortized during the quarter ended 30th June 2011 a sum of Rs. 785.25 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. The Segment results are annexed.

6. Status of shareholder 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	73	72	1

7. Corresponding previous period figures have been regrouped/ rearranged wherever necessary.

By order of the Board

Place: Mangalore
Date: 30 July 2011

P Jayarama Bhat
Managing Director & C.E.O

Segmentwise Results for the quarter ended 30.06.2011 Rs in Lakhs

Rs in lakhs

Business Segments	3 months ended		year ended
	30.06.2011 Reviewed	**30.06.2010 Reviewed**	**Audited 31.03.2011**
Segment Revenue			
Treasury	19565	18311	75151
Corporate /Wholesale Banking	27904	20927	89030
Retail Banking	27299	20308	96322
Other Banking Operations	2121	1784	5757
Total	**76889**	**61330**	**266260**
Segment Results			
Treasury	-7788	450	-16581
Corporate /Wholesale Banking	2477	-275	4329
Retail Banking	8883	5042	33445
Other Banking Operations	1700	1472	4600
Total	**5272**	**6689**	**25793**
Unallocable expenses	522	**551**	**2299**
Profit before tax	**4750**	**6138**	**23494**
Capital Employed			
(a)Treasury Operations	108619	88995	110778
(b)Corporate Banking	80756	57892	75548
(c)Retail Banking	58585	41084	56602
(d) Other Banking Operations	-55	35	-19
Total	**247905**	**188006**	**242909**
Part B - Geographic Segments			
There is only one segment i.e. Domestic segmment			



