F-1304 (H.O.)

Karnataka Bank Ltd.

Estd : 1924

Head Office
P.B. No. 599, Mahaveera Circle
Kankanady, MANGALORE - 575 002

Phone : 0824 - 2228222
Grams : Abhyuday Fax : 0824-2225588
email : info@ktkbank.com

18.05.2012

SECRETARIAL DEPARTMENT

HO/SEC/ 109 /2012-13

The Executive Director,
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI - 400 051

Dear Sir,

Sub: Audited financial results for the year ended March 31, 2012.

Please find enclosed the copy of the audited financial results for the year ended 31.03.2012 taken on record by the Board of Directors at the meeting held on 18.05.2012. The Board has recommended dividend @ Rs.3.5/- per share for the above period.

Thank you,

Yours faithfully,

COMPANY SECRETARY

KARNATAKA BANK LTD : REGD OFFICE MANGALORE 5750002

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2012

Rs in Lakhs

		Quarter ended 31.3.2012 (Audited	Quarter ended 31.12.2011 (Reviewed)	Quarter ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)	Year ended 31.03.2011 (Audited)
1	Interest Earned (a+b+c+d)	86828	79765	66307	311288	237084
a)	Interest/Discount on advances/bills	66625	61294	49522	237380	170765
b)	Income on Investments	20405	18436	16255	73633	64222
c)	Interest on balances with Reserve Bank of India and other inter bank funds	35	16	11	99	60
d)	Others	-237	19	519	176	2037
2	Other Income	8705	8507	8234	33439	29176
3	TOTAL INCOME (1+2)	95533	88272	74541	344727	266260
4	Interest expended	64653	61071	45872	236887	175836
5	Operating expenses (i+ii)	12645	16794	19535	56819	54895
i)	Employees Cost	5397	11532	13714	32495	34508
ii)	Other operating expenses	7248	5262	5821	24324	20387
6	TOTAL EXPENDITURE ((4+5) (excluding provisions & Contingencies)	77298	77865	65407	293706	230731
7	Operating Profit before provisions & contingencies (3-6)	18235	10407	9134	51021	35529
8	Provisions (other than tax) and Contingencies	7572	3839	-528	22162	12035
9	Exceptional Items	0	0	0	0	0
10	Profit (+)/Loss (-) from Ordinary Activities before tax (7-8-9)	10663	6568	9662	28859	23494
11	Tax Expense	2347	-637	580	4252	3033
12	Net Profit (+)/Loss (-) from Ordinary activities after Tax (10-11)	8316	7205	9082	24607	20461
13	Extraordinary Items (net of tax expense)	0	0	0	0	0
14	Net Profit (+)/Loss (-) for the period (12-13)	8316	7205	9082	24607	20461
15	Paid up equity share capital (Face Value Rs 10/-)	18829	18827	18820	18829	18820
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	-	240992	224089

17	Analytical Ratios					
i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii)	Capital Adequacy Ratio (%)					
	i) Basel –I	11.95	11.81	12.91	11.95	12.91
	ii) Basel - II	12.84	12.46	13.33	12.84	13.33
iii)	Earning per share (EPS) (Rs)					
	a) Basic EPS	4.42*	3.83*	6.76*	13.07	15.23 ($)
	b) Diluted EPS	4.41*	3.82*	6.74*	13.06	15.20 ($)
	before Extraordinary items (net of Tax expense)					
	b)) Basic EPS	4.42*	3.83*	6.76*	13.07	15.23 ($)
	Diluted EPS	4.41*	3.82*	6.74*	13.06	15.20 ($)
	after Extraordinary items (net of Tax expense)					
	* Not Annualised					
	($) The figures denote the weighted average earning per share for the year ended 31.03.2011. Basic/Diluted EPS for the year ended 31.3.2011 was Rs 10.87/ Rs 10.85 respectively when computed based on Equity capital as at 31.3.2011					
iv)	NPA Ratios as on date					
	a) Gross NPA	68472	80108	70217	68472	70217
	Net NPA	43520	43879	28034	43520	28034
	b) % of Gross NPA	3.27	4.00	3.97	3.27	3.97
	% of Net NPA	2.11	2.23	1.62	2.11	1.62
	c) Return on Assets-	0.94	0.85	1.21	0.73	0.72
18	Public Shareholding					
	-No of Shares	188284090	188264526	188190652	188284090	188190652
	-Percentage of Share holding	100%	100%	100%	100%	100%
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	NA	NA	NA	NA	NA
	-Number of shares					
	- 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

Notes forming part of audited financial results of the Bank for the year ended March 31, 2012

1. The above audited financial results have been reviewed by the audit committee on 17th May 2012 and approved by the Board of Directors' of the Bank at their meeting held on 18th May 2012.

2. The Board of Directors have recommended a dividend of Rs 3.50 per equity share (35%).

3. The working results of the Bank for the year ended March 31, 2012 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 The above results for the year ended 31st March 2012 have been prepared following the same accounting policy as those followed in the annual financial statements for the year ended 31st March, 2011

5. As permitted 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 during the year, debited its Profit & Loss account a sum of Rs. 23.58 crore towards pension and Rs. 7.83 crore towards Gratuity on proportionate basis and the balance of Rs. 70.75 crore and Rs.23.48 crore towards Pension and gratuity respectively, will be dealt with as per the guidelines of the Reserve bank of India

6. 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.

7. The figures for the quarter ended 31st March 2012 and the corresponding quarter ended in the previous year as reported in the financial statements are the balancing figures between the audited figures in respect of the full financial year and the reviewed year to date figures upto the end of the third quarter of the relevant financial year

8. 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	14	14	Nil

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

By order of the Board

P Jayarama Bhat

Managing Director & C.E.O.

Place: Mangalore

Date: 18th May 2012

SUMMARY BALANCE SHEET AS ON 31ST MARCH 2012

Rs in lakhs

	As on 31.03.2012	As on 31.03.2011
CAPITAL AND LIABILITIES		
Capital	18829	18820
Reserves and Surplus	240992	224089
Deposits	3160833	2733645
Borrowings	114707	108633
Other Liabilities and Provisions	96796	84114
TOTAL	**3632157**	**3169301**
ASSETS		
Cash and balances with Reserve Bank of India	170475	193981
Balances with Banks and Money at Call & Short Notice	16082	4625
Investments	1284123	1150634
Advances	2072070	1734807
Fixed Assets	15223	14553
Other Assets	74184	70701
TOTAL	**3632157**	**3169301**

SEGMENT RESULTS FOR THE QUARTER/YEAR ENDED 31.03.2012

	Segmentwise Results / Particulars	3 Months ended 31.03.2012 Audited	3 Months ended 31.12.2011 Reviewed	3 Months ended 31.03.2011 Audited	Year ended 31.03.2012 Audited	Year ended 31.03.2011 Audited
		(Rs. in Lakhs)				
1	**Segment Revenue**					
	(a) Treasury Operations	22573	21398	19156	84400	75151
	(b) Corporate Banking	30539	30530	20386	117613	89030
	(c) Retail Banking	40792	34369	33494	135537	96322
	(d) Other Banking Operations	1629	1975	1505	7177	5757
	Total	**95533**	88272	74541	**344727**	266260
2	**Segment Results (after Provisions before Tax)**					
	(a) Treasury Operations	-5487	-8355	-4767	-29795	-16581
	(b) Corporate Banking	-3484	2331	-2088	2719	4329
	(c) Retail Banking	18907	11568	15991	52159	33445
	(d) Other Banking Operations	1323	1567	1120	5967	4600
	Total	**11259**	7111	10256	**31050**	25793
	Less: Unallocable Expenditure	596	543	594	2191	2299
	Profit before Tax	**10663**	6568	9662	**28859**	23494
3	**Capital employed**					
	(a) Treasury Operations	115407	111454	110083	115407	110083
	(b) Corporate Banking	76404	82648	75180	76404	75180
	(c) Retail Banking	66792	63963	56447	66792	56447
	(d) Other Banking Operations	50	35	45	50	45
	(e) Unallocated	1168	1155	1154	1168	1154
	Total	**259821**	**259255**	**242909**	**259821**	**242909**

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