

THE KARNATAKA BANK LIMITED

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UNAUDITED QUARTERLY FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 30.06.2006

in INR crore

		UNAUDITED		AUDITED
		Quarter ended		Year ended
		30.06.2006	30.06.2005	31.03.2006
1	Interest Earned (a+b+c+d)	292.16	240.64	1018.04
a)	Interest/Discount on advances/bills	174.88	142.38	614.70
b)	Income on Investments	109.33	89.16	372.25
c)	Interest on balances with Reserve Bank of India and other inter bank funds	7.82	9.10	31.06
d)	Others	0.13	0.00	0.03
2	Other Income	44.88	47.74	166.80
A	TOTAL INCOME (1+2)	337.04	288.38	1184.84
3	Interest expended	190.43	149.87	652.07
4	Operating expenses (e+f)	52.03	50.57	204.48
e)	Payments to and provisions for employees	30.15	30.08	116.14
f)	Other operating expenses	21.88	20.49	88.34
B	TOTAL EXPENDITURE (3+4) (Excluding provisions & Contingencies)	242.46	200.44	856.55
C	OPERATING PROFIT (A-B)(Profit before provisions & contingencies)	94.58	87.94	328.29
D	Other Provisions & Contingencies	33.13	23.00	59.20
E	Provisions for taxes	20.42	23.25	93.06

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F	NET PROFIT (C-D-E)	41.03	41.69	176.03
5	Paid up equity share capital	121.27	121.25	121.27
6	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	-	-	989.86
7	Analytical Ratios			
i)	Percentage of shares held by Government of India	Nil	Nil	Nil
ii)	Capital Adequacy Ratio(%)	11.28	13.83	11.78
iii)	Earning per share (Rs)	3.38*	3.44*	14.52

Notes: 1.The Board of Directors have taken the above financial results for the quarter ended 30th June 2006 on record at their meeting held on 29th July 2006.

2. The above results have been arrived at after considering usual and necessary provisions as per RBI guidelines and provision on an estimated basis for Leave Encashment, Gratuity, Pension etc.

3.The Bank has identified two-business segments viz Treasury and Other Banking Operations and the Geographic Segments consist of the Domestic Segment, as the Bank does not have any foreign branch. The segment results are annexed.

4. 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	28	26	2*

SEGMENTWISE RESULTS

PART A: BUSINESS SEGMENTS:

For the period ended 30.06.2006

Business Segments	Rs in crore							
	Treasury			Other Banking Operations			T	
	Three Months ended		Year ended	Three Months ended		Year ended	Three Months ended	
	(Unaudited)		(Audited)	(Unaudited)		(Audited)	(Unaudited)	
	30.06.06	30.06.05	31.03.06	30.06.06	30.06.05	31.03.06	30.06.06	30.06.05
Particulars								

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Revenue	40.92	62.29	219.80	296.12	226.09	965.04	337.04	
Result	-18.04	14.66	11.50	85.63	57.27	284.12	67.59	
Unallocated expenses							6.14	
Profit before tax							61.45	
Income tax							20.42	
Extraordinary Profit/Loss							0.00	
Net profit							41.03	
Other information								
Segments Assets	2225.48	2057.61	2616.02	12401.24	9738.37	12194.97	14626.72	11
Unallocated Assets		-			-		301.59	
Total Assets		-			-		14928.31	12
Segments Liabilities	2155.78	1972.95	2546.32	12308.79	9691.78	12102.48	14464.57	11
Unallocated Liabilities							463.74	
Total Liabilities							14928.31	12

PART B: GEOGRAPHIC SEGMENTS:

There is only one Segment i.e. Domestic Segment.