

**FINANCIAL RESULTS FOR THE THREE/ SIX MONTHS ENDED 30TH SEPTEMBER 2010**

(₹ in Lakhs)

Particulars	3 months ended		6 months ended		Year ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Interest earned (a) + (b) + (c) + (d)	57953	46887	111965	93413	193572
(a) Interest/discount on advances/bills	45560	36714	87673	72869	151862
(b) Income on investments	11642	9215	22599	18437	37807
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	751	958	1693	2107	3903
(d) Others	-	-	-	-	-
2. Other Income	4485	6551	8651	12149	20846
3. Total income (1+2)	62438	53438	120616	105562	214418
4. Interest Expended	38221	30367	75497	61650	136743
5. Operating Expenses (i) + (ii)	11737	9685	22199	19834	36618
(i) Employees cost	7738	6335	14485	13165	22632
(ii) Other operating expenses	3999	3350	7714	6669	13986
6. Total expenditure (4) + (5) excluding provisions and contingencies	49958	40052	97696	81484	173361
7. Operating Profit before Provisions and Contingencies (3) - (6)	12480	13386	22920	24078	41057
8. Provisions (other than tax) and Contingencies	681	1646	2351	2689	4326
9. Exceptional Items	-	-	-	-	-
10. Profit from Ordinary Activities before tax (7)-(8)-(9)	11799	11740	20569	21389	36731
11. Tax expense - Current Tax	4289	4482	6697	8898	14295
- Deferred Tax	(190)	20	328	(777)	(940)
- Fringe Benefit Tax	-	(18)	-	-	-
12. Net Profit from Ordinary Activities after tax (10)-(11)	7700	7256	13544	13268	23376
13. Extra ordinary items (Net of Tax Expense)	-	-	-	-	-
14. Net Profit for the period (12+13)	7700	7256	13544	13268	23376
15. Paid-up Equity Share Capital (Face Value ₹ 1)	11301	11301	11301	11301	11301
16. Reserves excluding Revaluation Reserves					135421
17. Analytical Ratios					
i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
ii) Capital Adequacy Ratio (%) a) BASEL I	14.38	16.26	14.38	16.26	14.73
b) BASEL II	15.86	17.86	15.86	17.86	15.39
iii) Earning Per Share (EPS)					
(a) Basic EPS - before and after Extraordinary items (₹)	0.68 *	0.64 *	1.20 *	1.17 *	2.07
(b) Diluted EPS - before and after Extraordinary items (₹)	0.67 *	0.64 *	1.19 *	1.17 *	2.06
iv) NPA Ratios (a) Gross NPA	22773	21291	22773	21291	21100
Net NPA	6711	5643	6711	5643	6157
(b) % of Gross NPA	1.27	1.61	1.27	1.61	1.32
% of Net NPA	0.38	0.43	0.38	0.43	0.39
v) Return on Assets (Annualised)	1.15	1.36	1.03	1.30	1.07
18. Public Shareholding					
- No. of Shares (in Lakhs)	11301	11301	11301	11301	11301
- Percentage of Shareholding	100%	100%	100%	100%	100%
19. Promoters and promoter group Shareholding					
(a) Pledged/ Encumbered					
- Number of shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total shareholding of the promoter and promoter group]	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the Company]	NIL	NIL	NIL	NIL	NIL
(b) Non Encumbered					
- Number of shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total shareholding of the promoter and promoter group]	NIL	NIL	NIL	NIL	NIL
- Percentage of shares [as a % of the total share capital of the Company]	NIL	NIL	NIL	NIL	NIL

\* Not annualised

## Segmentwise Results

(₹ in Lakhs)

Particulars	3 months ended		6 months ended		Year ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>I. Segment Revenue</b>					
a) Treasury	13525	14379	26801	27956	51720
b) Corporate/ Wholesale Banking	20905	14877	39544	28486	62123
c) Retail Banking	27041	23590	52585	48044	98021
d) Other Banking Operations	967	592	1686	1076	2554
Total	62438	53438	120616	105562	214418
Less : Inter segment Revenue	-	-	-	-	-
Net Income from Operations	62438	53438	120616	105562	214418
<b>2. Segment Results</b>					
Profit(+)/Loss (-) before tax and after interest from each segment					
a) Treasury	825	3782	250	7104	4186
b) Corporate/ Wholesale Banking	2624	2337	4268	3809	5598
c) Retail Banking	8068	6638	15178	12102	28130
d) Other Banking Operations	782	483	1373	874	2117
Total	12299	13240	21069	23889	40031
Less: unallocated expenditure	500	1500	500	2500	3300
<b>Profit Before Tax</b>	11799	11740	20569	21389	36731
<b>3. Capital Employed</b>					
a) Treasury	710978	592176	710978	592176	715561
b) Corporate/ Wholesale Banking	890169	545810	890169	545810	733370
c) Retail Banking	881620	760179	881620	760179	848922
d) Other Banking Operations	-	-	-	-	-
Total	2482767	1898165	2482767	1898165	2297853

Notes:

1. Statement of Assets and Liabilities as on 30th September 2010 is given below:

(₹ in Lakhs)

	As at		
	30.09.2010	30.09.2009	31.03.2010
	Reviewed	Not Reviewed	Audited
<b>CAPITAL AND LIABILITIES</b>			
Capital	11301	11301	11301
Employees Stock Option Outstanding	134	-	57
Reserves and Surplus	150715	132368	137171
Deposits	2506036	1968818	2301152
Borrowings	26592	35741	33096
Other Liabilities and Provisions	63821	59947	70627
<b>Total</b>	2758599	2208175	2553404
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	170655	134106	139095
Balances with Banks and money at call & short notice	53408	132629	59672
Investments	710978	592176	715561
Advances	1771789	1305990	1582292
Fixed Assets	16687	13710	15254
Other Assets	35082	29564	41530
<b>Total</b>	2758599	2208175	2553404

2. The above financial statements for the three/ six months ended 30th September 2010 reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on 21<sup>st</sup> October 2010 and subjected to limited review by Statutory Central Auditors.

3. The financial results have been arrived at after providing for Standard/Non performing assets as per RBI norms, Taxes and other necessary provisions.

4. Pursuant to the approval of the Shareholders at the 82nd Annual General Meeting held on 14th July 2010, the face value of the equity shares of the Bank was sub-divided from ₹ 10 each into 10(Ten) Equity Shares of ₹ 1 each with effect from 25th September 2010. Accordingly, the number of shares and the Earnings Per Share of the previous periods have been restated to make the same comparable.

5. The liability towards retirement benefits arising on account of wage settlement in respect of pension and gratuity and also on account of second option for pension/ enhancement in the ceiling limit of gratuity, estimated by the management at ₹ 147.38 Crore as on 31st March 2011 has been amortised over a period of 3 years commencing from the current financial year. Consequently, during the current quarter an amount of ₹ 17.63 Crore has been charged to Profit & Loss Account and included under Employees' Cost. The Limited Review Report submitted by the Statutory Central Auditors contains a modification with regard to the said matter. The aforesaid method of absorption/ amortisation over a period of 3 years is subject to issuance of relevant guidelines/ approval by the regulatory authorities.

6. The demand raised by Income Tax Department in respect of disputed tax liability of ₹ 68.14 Crore on account of bad debts written off by the bank (excluding certain errors apparent from records to be rectified by the Income Tax Department) pursuant to reversal of earlier decision of Division Bench of the Kerala High Court by the Full Bench, has been treated as contingent liability since the decisions of both Division Bench and Full Bench have been challenged before the Supreme Court by the Department and the Bank respectively. The additional tax impact pursuant to the above decision in respect of various assessment years pending for disposal estimated at ₹ 17 Crore, has also been treated as contingent liability.

7. Details of Investor complaints received and disposed off:

Complaints at the beginning of the quarter	Received during the quarter	Redressed during the quarter	Unresolved as on 30.09.2010
0	46	46	0

8. Previous period's/year's figures have been regrouped, wherever necessary to conform to the current period's classification.

By order of the Board

Alapuzha  
21st October 2010

DR. V. A. JOSEPH  
(Managing Director & C E O)