



**KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)**  
Registered Office: 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2009**

Rs in lakhs

Sr No	Particulars	Quarter Ended		Half Year Ended		Year Ended
		Sep-09 (Unaudited)	Sep-08 (Unaudited)	Sep-09 (Unaudited)	Sep-08 (Unaudited)	Mar-09 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>110,597.33</b>	<b>109,289.79</b>	<b>216,870.46</b>	<b>213,480.20</b>	<b>436,656.34</b>
	(a) Interest/discount on advances/bills	83,286.88	88,096.82	166,323.27	169,924.68	350,545.90
	(b) Income on investments	25,789.79	17,998.68	47,958.27	37,039.42	75,957.73
	(c) Interest on balances with RBI & other banks	215.66	1,871.46	436.98	3,815.55	5,621.68
	(d) Others	1,305.00	1,322.83	2,151.94	2,700.55	4,531.03
2	<b>Other income</b>	<b>120,693.97</b>	<b>75,661.84</b>	<b>248,946.33</b>	<b>119,196.15</b>	<b>288,261.42</b>
	a) Profit/(Loss) on sale of investments including revaluation (insurance business)	24,637.07	(5,856.58)	66,260.43	(31,403.62)	(51,812.66)
	b) Other income (see Notes 2 and 5)	96,056.90	81,518.42	182,685.90	150,599.77	340,074.08
3	<b>Total income (1+2)</b>	<b>231,291.30</b>	<b>184,951.63</b>	<b>465,816.79</b>	<b>332,676.35</b>	<b>724,917.76</b>
4	Interest expended	42,641.62	51,074.24	86,409.05	97,656.80	199,239.47
5	<b>Operating expenses (a+b+c)</b>	<b>138,277.43</b>	<b>102,236.45</b>	<b>271,998.47</b>	<b>176,991.94</b>	<b>391,078.64</b>
	(a) Payments to and Provisions for employees	30,609.91	31,708.98	58,876.17	63,577.00	119,251.05
	(b) Policy holders' reserves, surrender expense and claims	72,198.20	24,385.33	148,269.09	28,842.87	113,946.90
	(c) Other operating expenses (see Note 3 and 5)	35,469.32	46,142.14	64,853.21	84,572.07	157,880.69
6	<b>Total expenditure (4+5) (excluding provisions and contingencies)</b>	<b>180,919.05</b>	<b>153,310.69</b>	<b>358,407.52</b>	<b>274,648.74</b>	<b>590,318.11</b>
7	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>50,372.25</b>	<b>31,640.94</b>	<b>107,409.27</b>	<b>58,027.61</b>	<b>134,599.65</b>
8	Provisions (other than tax) and Contingencies (see Note 1)	8,060.05	6,595.43	27,139.81	9,720.14	32,979.46
9	<b>Exceptional Items</b>	-	-	-	-	-
10	<b>Profit from Ordinary Activities before tax (7-8-9)</b>	<b>42,312.20</b>	<b>25,045.51</b>	<b>80,269.46</b>	<b>48,307.47</b>	<b>101,620.19</b>
11	Tax expense	12,720.91	8,927.48	23,420.40	18,257.26	36,352.98
12	<b>Profit from Ordinary activities after tax before Minority Interest (10 – 11)</b>	<b>29,591.29</b>	<b>16,118.03</b>	<b>56,849.06</b>	<b>30,050.21</b>	<b>65,267.21</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Profit from Ordinary activities after tax before Minority Interest (12 – 13)</b>	<b>29,591.29</b>	<b>16,118.03</b>	<b>56,849.06</b>	<b>30,050.21</b>	<b>65,267.21</b>
15	Less: Share of Minority Interest	113.43	132.40	142.42	(901.66)	372.83
16	Add: Share in Profit of associates	498.82	111.43	(1,001.33)	130.10	344.25
17	<b>Consolidated Profit after tax attributable to the Group (14-15+16)</b>	<b>29,976.68</b>	<b>16,097.06</b>	<b>55,705.31</b>	<b>31,081.97</b>	<b>65,238.63</b>
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	34,677.74	34,534.13	34,677.74	34,534.13	34,566.89
19	Group Reserves (excluding Minority Interest)					617,687.52
20	Minority Interest					6,286.02
21	<b>Analytical Ratios</b>					
	<b>(i) Earnings per Share (before and after extraordinary items)</b>					
	(a) Basic (not annualized) Rs.	8.65	4.66	16.09	9.01	18.90
	(b) Diluted (not annualized) Rs.	8.57	4.62	15.94	8.93	18.87
	<b>(ii) NPA Ratios</b>					
	(a) Gross NPA	107,156.06	66,350.54	107,156.06	66,350.54	79,058.59
	(b) Net NPA	64,032.21	41,596.08	64,032.21	41,596.08	45,430.59
	(c) % of Gross NPA/ Gross Advances	3.94	2.73	3.94	2.73	3.46
	(d) % of Net NPA/ Net Advances	2.39	1.73	2.39	1.73	2.02
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	2.93	1.15	2.93	1.15	2.26
	(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	1.72	0.53	1.72	0.53	1.18
	<b>(iii) Return on Assets (average) (not annualised)</b>	<b>0.65</b>	<b>0.41</b>	<b>1.26</b>	<b>0.78</b>	<b>1.61</b>



**NOTES:**

1. Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous year/s.
2. Details of other income forming part of the Consolidated unaudited results are as follows:

Particulars	Quarter Ended		Half Year Ended		Rs in lakhs
	Sep-09 (Unaudited)	Sep-08 (Unaudited)	Sep-09 (Unaudited)	Sep-08 (Unaudited)	Year Ended Mar-09 (Audited)
	Commission, Fees, Exchange and brokerage	34,631.47	29,635.08	64,616.80	58,548.90
Premium on insurance business	57,925.99	51,433.33	100,608.84	90,676.76	230,709.63
Profit on sale of investments incl. revaluation (other than insurance business)	1,130.29	1,426.64	11,484.22	(5,893.59)	(8,011.18)
Others	2,369.15	(976.63)	5,976.04	7,267.70	13,968.88
<b>Total – Other income</b>	<b>96,056.90</b>	<b>81,518.42</b>	<b>182,685.90</b>	<b>150,599.77</b>	<b>340,074.08</b>

3. Details of other expenditure forming part of Consolidated ununaudited results are as follows:

Particulars	Quarter Ended		Half Year Ended		Rs in lakhs
	Sep-09 (Unaudited)	Sep-08 (Unaudited)	Sep-09 (Unaudited)	Sep-08 (Unaudited)	Year Ended Mar-09 (Audited)
	Brokerage	4,972.68	9,540.86	8,766.70	16,078.62
Depreciation	3,822.24	3,169.99	7,142.30	6,098.07	12,593.23
Rent, taxes and lighting	6,655.42	5,389.38	12,420.81	10,548.07	22,085.27
Others	20,018.98	28,041.91	36,523.40	51,847.31	94,957.53
<b>Total – Other operating expenses</b>	<b>35,469.32</b>	<b>46,142.14</b>	<b>64,853.21</b>	<b>84,572.07</b>	<b>157,880.69</b>

4. The consolidated financial results are prepared in accordance with Accounting Standard – 21, “Consolidated Financial Statements” and (AS) -23 “Accounting for investment in associates in consolidated financial statement” notified under the Companies (Accounting Standard) Rules, 2006.
5. Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to Rs. 2,270.44 lakhs for the quarter ended 30th September, 2009 and for half year ended 30th September, 2009 Rs. 3,791.20 lakhs (for the quarter ended 30th September, 2008 Rs. 1,518.15 lakhs, half year ended 30th September, 2008 Rs. 2,607.84 lakhs and for the year ended 31st March, 2009 Rs. 3,772.46 lakhs).
6. There has been no change in significant accounting policies during the quarter.
7. Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.



**KOTAK MAHINDRA BANK LIMITED (STANDALONE)**

Registered Office: 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021

Sr No	Particulars	Rs in lakhs				
		Quarter Ended		Half-Year ended		Year Ended
		Sep-09 (Unaudited)	Sep-08 (Unaudited)	Sep-09 (Unaudited)	Sep-08 (Unaudited)	Mar-09 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>77,514.80</b>	<b>74,612.82</b>	<b>154,245.03</b>	<b>145,859.59</b>	<b>306,514.40</b>
	(a) Interest/ discount on advances/ bills	59,035.87	61,382.84	120,009.43	117,826.94	249,372.58
	(b) Income on investments	18,452.99	12,620.16	34,171.69	27,131.18	55,840.38
	(c) Interest on balances with RBI & other banks	19.58	584.87	40.00	834.95	1,172.35
	(d) Others	6.36	24.95	23.91	66.52	129.09
2	<b>Other Income</b>	<b>10,904.19</b>	<b>6,064.41</b>	<b>23,597.09</b>	<b>13,377.02</b>	<b>35,786.26</b>
3	<b>Total income (1+2)</b>	<b>88,418.99</b>	<b>80,677.23</b>	<b>177,842.12</b>	<b>159,236.61</b>	<b>342,300.66</b>
4	<b>Interest expended</b>	<b>33,867.91</b>	<b>38,059.22</b>	<b>69,700.04</b>	<b>74,059.29</b>	<b>154,659.75</b>
5	<b>Operating expenses (a+b)</b>	<b>30,128.30</b>	<b>31,369.20</b>	<b>55,289.93</b>	<b>62,570.16</b>	<b>119,642.29</b>
	(a) Payments to and Provisions for employees	12,798.39	14,131.36	24,918.50	29,337.57	55,683.48
	(b) Other Operating expenses	17,329.91	17,237.84	30,371.43	33,232.59	63,958.81
6	<b>Total expenditure (4+5) ) (excluding provisions and contingencies)</b>	<b>63,996.21</b>	<b>69,428.42</b>	<b>124,989.97</b>	<b>136,629.45</b>	<b>274,302.04</b>
7	<b>Operating Profit (3-6)</b>	<b>24,422.78</b>	<b>11,248.81</b>	<b>52,852.15</b>	<b>22,607.16</b>	<b>67,998.62</b>
8	Other provisions & contingencies (Refer Note 1)	7,726.77	3,781.46	23,468.49	6,951.31	25,392.88
9	Exceptional items	-	-	-	-	-
10	<b>Profit / Loss from Ordinary Activities before tax (7-8-9)</b>	<b>16,696.01</b>	<b>7,467.35</b>	<b>29,383.66</b>	<b>15,655.85</b>	<b>42,605.74</b>
11	Provision for taxes	4,105.08	2,680.82	7,761.62	5,416.16	14,996.02
12	<b>Net Profit / Loss from Ordinary Activities after tax (10-11)</b>	<b>12,590.93</b>	<b>4,786.53</b>	<b>21,622.04</b>	<b>10,239.69</b>	<b>27,609.72</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Net Profit / Loss for the Period (12-13)</b>	<b>12,590.93</b>	<b>4,786.53</b>	<b>21,622.04</b>	<b>10,239.69</b>	<b>27,609.72</b>
15	<b>Paid Up Equity Capital - (Face Value Rs. 10 per share)</b>	<b>34,677.74</b>	<b>34,534.13</b>	<b>34,677.74</b>	<b>34,534.13</b>	<b>34,566.89</b>
16	<b>Reserves excluding revaluation reserves</b>					346,794.90
17	<b>Analytical Ratios</b>					
	(i) % of shares held by Govt. of India	-	-	-	-	-
	(ii) % Capital adequacy ratio (Refer Note 3)	17.72	17.22	17.72	17.22	20.01
	(iii) Earnings Per Share (EPS) for the period					
	- Basic Rs.	3.63	1.39	6.24	2.97	8.00
	- Diluted Rs.	3.60	1.37	6.19	2.94	7.99
	(iv) NPA Ratios					
	a) Gross Non-performing assets	86,753.38	52,412.82	86,753.38	52,412.82	68,920.68
	b) Net Non-performing assets	51,572.64	32,886.08	51,572.64	32,886.08	39,684.20
	c) % of Gross NPA to Gross Advances	4.33	3.04	4.33	3.04	4.07
	d) % of Net NPA to net Advances	2.62	1.93	2.62	1.93	2.39
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	2.97	1.30	2.97	1.30	2.46
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	1.71	0.63	1.71	0.63	1.26
	g) Return on Assets %(Average) – Not Annualized	0.42	0.18	0.72	0.39	1.03



Sr No	Particulars	Quarter Ended		Half-Year ended		Year Ended
		Sep-09 (Unaudited)	Sep-08 (Unaudited)	Sep-09 (Unaudited)	Sep-08 (Unaudited)	Mar-09 (Audited)
18	<b>Public Shareholding</b>					
	(i) No. of shares	178,924,704	164,186,068	178,924,704	164,186,068	164,556,059
	(ii) % of shareholding	51.60	47.55	51.60	47.55	47.62
19	Promoters and promoter group Shareholding	50,000	N.A.	50,000	N.A.	50,000
	a) Pledged/Encumbered	0.03%		0.03%		0.03%
	- Number of shares					
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.01%		0.01%		0.01%
	- Percentage of shares (as a % of the total share capital of the company)					
	b) Non-encumbered	167,793,544		167,793,544		181,053,669
	- Number of Shares					
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.97%		99.97%		99.97%
	- Percentage of shares (as a % of the total share capital of the company)	48.39%		48.39%		52.38%

### Segment Results

The reportable segments of the bank are as under:

Segment	Principal activity
Treasury and BMU	Money market, forex market, derivatives, investments and primary dealership of government securities and Balance Sheet Management Unit (BMU) responsible for Asset Liability Management.
Retail Banking	Includes lending, deposit taking and other services/ products including credit cards.
Corporate/Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking

Rs in lakhs						
		Quarter Ended		Half-Year Ended		Year ended
		Sep-09 (Unaudited)	Sep-08 (Unaudited)	Sep-09 (Unaudited)	Sep-08 (Unaudited)	31 <sup>st</sup> March, 2009 (Audited)
1	<b>Segment Revenue</b>					
	a. Treasury and BMU	25,644.41	20,789.81	50,917.15	38,100.62	91,744.55
	b. Corporate/ Wholesale Banking	24,405.16	19,381.44	47,063.24	43,607.28	88,793.21
	c. Retail Banking	62,287.12	69,507.89	129,677.69	132,263.54	275,219.05
	Sub-total	<b>112,336.69</b>	<b>109,679.14</b>	<b>227,658.08</b>	<b>213,971.44</b>	<b>455,756.81</b>
	Less : Inter-segmental revenue	23,917.70	29,010.16	49,815.96	54,743.08	113,471.09
	Add : Unallocated Income	-	8.25	-	8.25	14.94
	<b>Total</b>	<b>88,418.99</b>	<b>80,677.23</b>	<b>177,842.12</b>	<b>159,236.61</b>	<b>342,300.66</b>
2	<b>Segment Results</b>					
	a. Treasury and BMU	7,065.86	1,048.47	15,918.52	1,324.05	12,928.58
	b. Corporate/ Wholesale Banking	10,260.69	5,464.69	15,959.30	12,486.39	22,534.32
	c. Retail Banking	(630.54)	945.94	(2,494.16)	1,837.16	7,127.90
	Sub-total	<b>16,696.01</b>	<b>7,459.10</b>	<b>29,383.66</b>	<b>15,647.60</b>	<b>42,590.80</b>
	Add : Unallocated Income	-	8.25	-	8.25	14.94
	<b>Total Profit Before Tax</b>	<b>16,696.01</b>	<b>7,467.35</b>	<b>29,383.66</b>	<b>15,655.85</b>	<b>42,605.74</b>
3	<b>Capital employed (Segmental Assets less Segmental Liabilities)</b>					
	a. Treasury and BMU	149,310.32	122,903.33	149,310.32	122,903.33	124,493.33
	b. Corporate/ Wholesale Banking	95,640.53	89,941.87	95,640.53	89,941.87	98,696.41
	c. Retail Banking	154,175.34	143,902.32	154,175.34	143,902.32	152,686.44
	d. Unallocated	10,134.34	9,090.56	10,134.34	9,090.56	5,485.61
	Sub-total	<b>409,260.53</b>	<b>365,838.08</b>	<b>409,260.53</b>	<b>365,838.08</b>	<b>381,361.79</b>



**NOTES:**

- 1 Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/ year.
- 2 During the quarter, the Bank has granted 70,500 options under employee stock option scheme. Stock options aggregating to 479,107 were exercised during the quarter and 10,567,999 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th September, 2009.
- 3 The Bank has adopted Basel II framework as of 31st March 2009. Accordingly the Capital Adequacy Ratio (CAR) as at 30th September, 2009 and as at 31st March, 2009 is as per Basel II framework and as at 30th September, 2008 is as per the Basel I framework.
- 4 In accordance with RBI guidelines under reference DBOD.No.BP.BC.46/21.04.048/2009-10 dated September 24, 2009, gross advances and gross NPAs exclude interest not collected in respect of NPA accounts.
- 5 The Bank had no outstanding shareholder complaints as at 30th June, 2009. During the quarter the Bank received 16 complaints from shareholders. All shareholder complaints have been resolved and there are no pending complaints as at 30th September, 2009.
- 6 Figures for the previous period/year have been regrouped wherever necessary to conform to current period's presentation.
- 7 There has been no change in significant accounting policies during the quarter.
- 8 The results for the quarter ended 30th September 2009 have been subjected to a "limited review" by the statutory auditors of the bank.

By order of the Board of Directors  
**For Kotak Mahindra Bank Limited**

**Dipak Gupta**  
**Executive Director**

**Mumbai, 27<sup>th</sup> October, 2009**