



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, 2010

₹ in lakhs

Sr No	Particulars	Quarter Ended		Half Year Ended		Year Ended
		Sep-10 (Unaudited)	Sep-09 (Unaudited)	Sep-10 (Unaudited)	Sep-09 (Unaudited)	March-10 (Audited)
1	Interest earned (a+b+c+d)	144,926.57	110,597.33	276,492.28	216,870.46	460,116.01
	(a) Interest/discount on advances/bills	110,137.05	83,286.88	208,765.34	166,323.27	352,637.01
	(b) Income on investments	33,044.79	25,789.79	64,709.14	47,958.27	101,854.83
	(c) Interest on balances with RBI & other banks	409.80	215.66	599.23	436.98	690.68
	(d) Others	1,334.93	1,305.00	2,418.57	2,151.94	4,933.49
2	Other income (a+b + c)	149,169.78	120,593.58	250,255.43	248,139.42	538,473.85
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	37,793.91	24,637.07	47,572.72	66,260.43	80,384.77
	(b) Premium on Insurance Business	72,630.82	57,925.99	127,253.46	100,608.84	284,933.73
	(c) Other income (see Notes 1 and 5)	38,745.05	38,030.52	75,429.25	81,270.15	173,155.35
3	Total income (1+2)	294,096.35	231,190.91	526,747.71	465,009.88	998,589.86
4	Interest expended	60,603.92	42,641.62	112,931.51	86,409.05	177,285.75
5	Operating expenses (a+b+c)	176,643.83	138,277.43	304,364.95	271,998.47	579,944.86
	(a) Payments to and provisions for employees	37,322.37	30,609.91	72,510.85	58,876.17	126,095.47
	(b) Policy holders' reserves, surrender expense and claims	99,278.88	72,198.20	155,394.44	148,269.09	311,893.65
	(c) Other operating expenses (see Note 2 and 5)	40,042.58	35,469.32	76,459.66	64,853.21	141,955.74
6	Total expenditure (4+5) (excluding provisions and contingencies)	237,247.75	180,919.05	417,296.46	358,407.52	757,230.61
7	Operating Profit before provisions and contingencies (3-6)	56,848.60	50,271.86	109,451.25	106,602.36	241,359.25
8	Provisions (other than tax) and contingencies (see Note 3)	4,744.56	7,959.66	10,273.60	26,332.90	51,072.82
9	Exceptional items	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	52,104.04	42,312.20	99,177.65	80,269.46	190,286.43
11	Tax expense	15,797.83	12,720.91	30,903.67	23,420.40	57,550.44
12	Profit from Ordinary activities after tax before Minority Interest (10 – 11)	36,306.21	29,591.29	68,273.98	56,849.06	132,735.99
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Profit from ordinary activities after tax before Minority Interest (12 – 13)	36,306.21	29,591.29	68,273.98	56,849.06	132,735.99
15	Less: Share of Minority Interest	349.37	113.43	169.71	142.42	1,799.84
16	Add: Share in Profit of associates	453.95	498.82	1,075.86	(1,001.33)	(236.10)
17	Profit after tax (14-15+16)	36,410.79	29,976.68	69,180.13	55,705.31	130,700.05
18	Paid Up Equity Capital - (Face Value of ₹ 5 per share) (See Note 7)	36,670.34	34,677.74	36,670.34	34,677.74	34,814.15
19	Group Reserves (excluding Minority Interest)					756,280.26
20	Minority Interest					8,085.86
21	Analytical Ratios					
	(i) Earnings per Share (before and after extraordinary items) (See Note 7)					
	(a) Basic (not annualized) ₹	5.08	4.33	9.79	8.05	18.84
	(b) Diluted (not annualized) ₹	5.04	4.29	9.72	7.97	18.64
	(ii) NPA Ratios					
	(a) Gross NPA	90,432.25	107,156.06	90,432.25	107,156.06	91,667.25
	(b) Net NPA	33,196.85	64,032.21	33,196.85	64,032.21	44,083.72
	(c) % of Gross NPA/ Gross Advances	2.37	3.94	2.37	3.94	3.04
	(d) % of Net NPA/ Net Advances	0.88	2.39	0.88	2.39	1.48
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	1.69	2.93	1.69	2.93	2.16

(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	0.69	1.72	0.69	1.72	1.14
(iii) Return on Assets (average) (not annualised)	0.59	0.65	1.13	1.26	2.73

NOTES:

1. Details of other income forming part of the Consolidated unaudited results are as follows:

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sep-10 (Unaudited)	Sep-09 (Unaudited)	Sep-10 (Unaudited)	Sep-09 (Unaudited)	March-10 (Audited)
Commission, fees, exchange and brokerage	32,126.08	34,631.47	64,746.55	64,616.80	128,366.51
Profit on sale of investments (other than insurance business)	5,080.23	1,029.90	5,089.40	10,677.31	19,710.21
Others	1,538.74	2,369.15	5,593.30	5,976.04	25,078.63
Total – Other income	38,745.05	38,030.52	75,429.25	81,270.15	173,155.35

₹ in lakhs

2. Details of other expenditure forming part of Consolidated unaudited results are as follows:

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sep-10 (Unaudited)	Sep-09 (Unaudited)	Sep-10 (Unaudited)	Sep-09 (Unaudited)	March-10 (Audited)
Brokerage	6,585.81	4,972.68	11,744.40	8,766.70	22,022.24
Depreciation	3,783.46	3,822.24	7,453.28	7,142.30	14,291.97
Rent, taxes and lighting	5,447.54	6,655.42	10,464.17	12,420.81	22,547.57
Others	24,225.77	20,018.98	46,797.81	36,523.40	83,093.96
Total – Other operating expenses	40,042.58	35,469.32	76,459.66	64,853.21	141,955.74

₹ in lakhs

3. Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous year/s.
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 “ issued by The Institute of Chartered Accountants of India.
5. Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 1,903.44 lakhs for the quarter ended 30th September, 2010 and for half year ended 30th September, 2010 ₹ 3,169.79 lakhs (for the quarter ended 30th September, 2009 ₹ 2,270.44 lakhs, half year ended 30th September, 2009 ₹ 3,791.20 lakhs and for the year ended 31st March, 2010 ₹ 6,740.19 lakhs).
6. In August 2010, the Bank allotted 1,64,00,000 equity shares of ₹10/- each at a premium of ₹ 823/- per equity share for a total consideration of ₹ 136,612 lakhs on preferential basis to Sumitomo Mitsui Banking Corporation.
7. Each equity share of the Bank having face value of ₹ 10 fully paid-up was sub-divided into two equity shares of the face value of ₹ 5 each fully paid-up in September 2010. Accordingly, the number of shares in the previous periods has been restated to make them comparable. In accordance with Accounting Standard 20 “Earnings Per Share”, the Bank has given effect to the sub-division of shares in computing the earnings per share for the previous periods.
8. There has been no change in significant accounting policies during the quarter.
9. Figures for the previous periods/ 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

₹ in lakhs

Sr No	Particulars	Quarter Ended		Half-Year ended		Year Ended
		Sep-10 (Unaudited)	Sep-09 (Unaudited)	Sep-10 (Unaudited)	Sep-09 (Unaudited)	Mar-10 (Audited)
1	Interest earned (a+b+c+d)	101,472.25	77,514.80	193,552.59	154,245.03	325,562.49
	(a) Interest/ discount on advances/ bills	77,614.03	59,035.87	147,016.51	120,009.43	252,691.10
	(b) Income on investments	23,447.55	18,452.99	45,995.48	34,171.69	72,685.73
	(c) Interest on balances with RBI & other banks	363.48	19.58	488.31	40.00	105.70
	(d) Others	47.19	6.36	52.29	23.91	79.96
2	Other Income	13,932.66	11,369.09	27,639.95	24,032.21	62,824.00
3	Total income (1+2)	115,404.91	88,883.89	221,192.54	178,277.24	388,386.49
4	Interest expended	47,089.18	33,867.91	88,350.20	69,700.04	139,747.55
5	Operating expenses (a+b)	35,640.28	30,128.30	68,632.70	55,289.93	118,939.34
	(a) Payments to and Provisions for employees	16,874.34	12,798.39	33,436.31	24,918.50	55,579.04
	(b) Other Operating expenses	18,765.94	17,329.91	35,196.39	30,371.43	63,360.30
6	Total expenditure (4+5)	82,729.46	63,996.21	156,982.90	124,989.97	258,686.89
7	Operating Profit (3-6)	32,675.45	24,887.68	64,209.64	53,287.27	129,699.60
8	Other provisions & contingencies (Refer Note 1)	4,550.78	8,191.67	10,160.26	23,903.61	48,589.24
9	Exceptional items	-	-	-	-	-
10	Profit / Loss from Ordinary Activities before tax (7-8-9)	28,124.67	16,696.01	54,049.38	29,383.66	81,110.36
11	Provision for taxes	8,654.28	4,105.08	15,888.66	7,761.62	24,999.79
12	Net Profit / Loss from Ordinary Activities after tax (10-11)	19,470.39	12,590.93	38,160.72	21,622.04	56,110.57
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit / Loss for the Period (12-13)	19,470.39	12,590.93	38,160.72	21,622.04	56,110.57
15	Paid Up Equity Capital - (Face Value ₹ 5 per share) (Refer note 2 & 3)	36,670.34	34,677.74	36,670.34	34,677.74	34,814.15
16	Reserves excluding revaluation reserves					413,697.35
17	Analytical Ratios					
	(i) % of shares held by Govt. of India					
	(ii) % Capital adequacy ratio (Basel II)	19.43	17.72	19.43	17.72	18.35
	(iii) Earnings Per Share (EPS) for the period					
	- Basic ₹	2.72	1.82	5.40	3.12	8.09
	- Diluted ₹	2.70	1.80	5.36	3.10	8.00
	(iv) NPA Ratios					
	a) Gross Non-performing assets	75,113.88	86,753.38	75,113.88	86,753.38	76,733.92
	b) Net Non-performing assets	25,301.11	51,572.64	25,301.11	51,572.64	36,024.57
	c) % of Gross NPA to Gross Advances	2.78	4.33	2.78	4.33	3.62
	d) % of Net NPA to net Advances	0.95	2.62	0.95	2.62	1.73
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	1.82	2.97	1.82	2.97	2.38
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	0.68	1.71	0.68	1.71	1.25
	g) Return on Assets %(Average) – Not Annualized	0.44	0.42	0.89	0.72	1.72
18	Public Shareholding					
	(i) No. of shares	397,595,174	357,849,408	397,595,174	357,849,408	360,459,404
	(ii) % of shareholding	54.21%	51.60%	54.21%	51.60%	51.77%

Sr No	Particulars	Quarter Ended		Half-Year ended		Year Ended
		Sep-10 (Unaudited)	Sep-09 (Unaudited)	Sep-10 (Unaudited)	Sep-09 (Unaudited)	Mar-10 (Audited)
19	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered	100,000	100,000	100,000	100,000	100,000
	- Number of shares					
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.03%	0.03%	0.03%	0.03%	0.03%
	- Percentage of shares (as a% of the total share capital of the company)	0.01%	0.01%	0.01%	0.01%	0.01%
	b) Non-encumbered					
	- Number of Shares	335,693,268	335,587,088	335,693,268	335,587,088	335,705,288
	- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	99.97%	99.97%	99.97%	99.97%	99.97%
	- Percentage of shares (as a % of the total share capital of the company)	45.77%	48.39%	45.77%	48.39%	48.21%

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

₹ in lakhs

		Quarter Ended		Half-Year Ended		Year ended
		30 th Sept 2010 (Unaudited)	30 th Sept 2009 (Unaudited)	30 th Sept 2010 (Unaudited)	30 th Sept 2009 (Unaudited)	31 st March 2010 (Audited)
1	Segment Revenue					
	a. Treasury and BMU	33,671.91	26,109.31	66,079.33	51,352.27	112,623.27
	b. Corporate/ Wholesale Banking	37,888.55	24,405.16	69,376.79	47,063.24	115,638.57
	c. Retail Banking	71,750.07	62,287.12	138,296.72	129,677.69	255,804.39
	Sub-total	143,310.53	112,801.59	273,752.84	228,093.20	484,066.23
	Less : Inter-segmental revenue	27,931.40	23,917.70	52,586.08	49,815.96	95,688.36
	Add : Unallocated Income	25.78	-	25.78	-	8.62
	Total	115,404.91	88,883.89	221,192.54	178,277.24	388,386.49
2	Segment Results					
	a. Treasury and BMU	5,520.39	7,065.86	14,111.11	15,918.52	36,745.57
	b. Corporate/ Wholesale Banking	13,822.31	10,260.69	24,312.59	15,959.30	38,546.09
	c. Retail Banking	8,756.19	(630.54)	15,599.90	(2,494.16)	6,105.97
	Sub-total	28,098.89	16,696.01	54,023.60	29,383.66	81,397.63
	Add : Unallocated Income /(expense)	25.78	-	25.78	-	(287.27)
	Total Profit Before Tax	28,124.67	16,696.01	54,049.38	29,383.66	81,110.36
3	Capital employed (Segmental Assets less Segmental Liabilities)					
	a. Treasury and BMU	207,372.55	149,310.32	207,372.55	149,310.32	153,434.08
	b. Corporate/ Wholesale Banking	152,249.96	95,640.53	152,249.96	95,640.53	114,222.77
	c. Retail Banking	254,067.65	154,175.34	254,067.65	154,175.34	166,780.01

	Quarter Ended		Half-Year Ended		Year ended
	30 th Sept 2010	30 th Sept 2009	30 th Sept 2010	30 th Sept 2009	31 st March 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Sub-total	613,690.16	399,126.19	613,690.16	399,126.19	434,436.86
Add: Unallocated	19,153.30	10,134.34	19,153.30	10,134.34	14,074.64
Total Capital Employed	632,843.46	409,260.53	632,843.46	409,260.53	448,511.50

Notes

- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/ year.
- In August 2010, the Bank allotted 1,64,00,000 equity shares of ₹ 10/- each at a premium of ₹ 823/- per equity share for a total consideration of ₹ 1,366.12 crores on preferential basis to Sumitomo Mitsui Banking Corporation.
- Each equity share of the Bank having face value of ₹ 10 fully paid-up was sub-divided into two equity shares of the face value of ₹ 5 each fully paid-up in September 2010. Accordingly the number of shares in the previous periods have been restated to make them comparable. In accordance with Accounting Standard 20 on Earnings Per Share, the Bank has given effect to the sub-division of shares in computing the earnings per share for the previous periods.
- During the quarter, the Bank has not granted any options under employee stock option scheme. Stock options aggregating to 34,17,906 (Post Split) were exercised during the quarter and 1,64,68,520 (Post Split) stock options were outstanding with employees of the Bank and its subsidiaries as at 30th September, 2010.
- The Bank had no outstanding shareholder complaints as at 30th June, 2010. During the quarter, the Bank received 14 complaints from shareholders out of which 1 compliant was pending as at 30th September, 2010, which has subsequently been resolved.
- Figures for the previous period/year have been regrouped wherever necessary to conform to current period's presentation.
- There has been no change in significant accounting policies during the quarter.
- The results for the quarter ended 30th September, 2010 have been subjected to a "limited review" by the statutory auditors of the Bank.
- The summarized Balance Sheet of the Bank (standalone) is given below:

Summarised Balance Sheet	₹ in lakhs		
	As at 30 th September 2010	As at 30 th September 2009	As at 31 st March 2010
CAPITAL AND LIABILITIES			
Capital	36,670.34	34,677.74	34,814.15
Reserves and Surplus	596,173.12	374,582.79	413,697.35
Employees' Stock Options (Grants) Outstanding	3,500.18	8,177.25	5,480.17
Deposits	2,828,696.64	1,891,520.50	2,388,646.71
Borrowings	807,738.84	920,579.73	7,70,288.69
Other Liabilities and Provisions	325,756.73	269,916.20	286,941.95
TOTAL	4,598,535.85	3,499,454.21	3,899,869.02
ASSETS			

Summarised Balance Sheet	As at 30th September 2010	As at 30th September 2009	As at 31st March 2010
Cash and balances with Reserve Bank Of India	205,243.43	138,425.58	208,567.26
Balances with Banks and Money at Call and Short Notice	115,172.39	24,124.87	21,459.15
Investments	1,393,519.58	1,121,682.75	1,407,503.61
Advances	2,650,663.64	1,970,431.34	2,077,505.42
Fixed Assets	40,459.23	42,461.05	42,764.92
Other Assets	193,477.58	202,328.62	142,068.66
TOTAL	4,598,535.85	3,499,454.21	3,899,869.02

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

Dipak Gupta
Executive Director

Mumbai, 20th October, 2010