



**KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)**

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

**UNAUDITED FINANCIAL RESULTS FOR THE PERIOD APRIL TO JUNE, 2010**

Rs in lakhs

Sr No	Particulars	Quarter Ended		Year Ended
		June-10 (Unaudited)	June-09 (Unaudited)	March-10 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>131,565.71</b>	<b>106,273.13</b>	<b>460,116.01</b>
	(a) Interest/discount on advances/bills	98,628.29	83,036.39	352,637.01
	(b) Income on investments	31,664.35	22,168.48	101,854.83
	(c) Interest on balances with RBI & other banks	189.43	221.32	690.68
	(d) Others	1,083.64	846.94	4,933.49
2	<b>Other income (a+b + c)</b>	<b>101,085.65</b>	<b>127,545.84</b>	<b>538,473.85</b>
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	9,778.81	41,623.36	80,384.77
	(b) Premium on Insurance Business	54,622.64	42,682.85	284,933.73
	(c) Other income (see Notes 1 and 5)	36,684.20	43,239.63	173,155.35
3	<b>Total income (1+2)</b>	<b>232,651.36</b>	<b>233,818.97</b>	<b>998,589.86</b>
4	Interest expended	52,327.59	43,767.43	177,285.75
5	<b>Operating expenses (a+b+c)</b>	<b>127,721.12</b>	<b>133,721.04</b>	<b>579,944.86</b>
	(a) Payments to and provisions for employees	35,188.48	28,266.26	126,095.47
	(b) Policy holders' reserves, surrender expense and claims	56,115.56	76,070.89	311,893.65
	(c) Other operating expenses (see Note 2 and 5)	36,417.08	29,383.89	141,955.74
6	<b>Total expenditure (4+5) (excluding provisions and contingencies)</b>	<b>180,048.71</b>	<b>177,488.47</b>	<b>757,230.61</b>
7	<b>Operating Profit before provisions and contingencies (3-6)</b>	<b>52,602.65</b>	<b>56,330.50</b>	<b>241,359.25</b>
8	Provisions (other than tax) and contingencies (see Note 3)	5,529.04	18,373.24	51,072.82
9	<b>Exceptional items</b>	-	-	-
10	<b>Profit from ordinary activities before tax (7-8-9)</b>	<b>47,073.61</b>	<b>37,957.26</b>	<b>190,286.43</b>
11	Tax expense	15,105.84	10,699.49	57,550.44
12	<b>Profit from Ordinary activities after tax before Minority Interest (10 – 11)</b>	<b>31,967.77</b>	<b>27,257.77</b>	<b>132,735.99</b>
13	Extraordinary items (net of tax expense)	-	-	-
14	<b>Profit from ordinary activities after tax before Minority Interest (12 – 13)</b>	<b>31,967.77</b>	<b>27,257.77</b>	<b>132,735.99</b>
15	Less: Share of Minority Interest	(179.66)	28.99	1,799.84
16	Add: Share in Profit of associates	621.91	(1,500.15)	(236.10)
17	<b>Profit after tax (14-15+16)</b>	<b>32,769.34</b>	<b>25,728.63</b>	<b>130,700.05</b>
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	34,859.44	34,629.83	34,814.15
19	Group Reserves (excluding Minority Interest)			756,280.26
20	Minority Interest			8,085.86
21	<b>Analytical Ratios</b>			
	<b>(i) Earnings per Share (before and after extraordinary items)</b>			
	(a) Basic (not annualized) Rs.	9.41	7.44	37.68
	(b) Diluted (not annualized) Rs.	9.32	7.41	37.28
	<b>(ii) NPA Ratios</b>			
	(a) Gross NPA	93,566.22	103,409.69	91,667.25
	(b) Net NPA	39,301.32	66,791.12	44,083.72
	(c) % of Gross NPA/ Gross Advances	2.79	4.37	3.04
	(d) % of Net NPA/ Net Advances	1.19	2.87	1.48
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	2.02	3.20	2.16
	(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	0.95	2.07	1.14
	(iii) Return on Assets (average) (not annualised)	0.56	0.61	2.73

**NOTES:**

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

Particulars	Quarter Ended		Year Ended
	June-10 (Unaudited)	June-09 (Unaudited)	March-10 (Audited)
Commission, fees, exchange and brokerage	31,558.47	29,985.33	128,366.51
Profit on sale of investments (other than insurance business)	9.17	9,647.41	19,710.21
Others	5,116.56	3,606.89	25,078.63
<b>Total – Other income</b>	<b>36,684.20</b>	<b>43,239.63</b>	<b>173,155.35</b>

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

Particulars	Quarter Ended		Year Ended
	June-10 (Unaudited)	June-09 (Unaudited)	March-10 (Audited)
Brokerage	5,158.59	3,794.02	22,022.24
Depreciation	3,669.82	3,320.06	14,291.97
Rent, taxes and lighting	5,016.63	5,765.39	22,547.57
Others	22,572.04	16,504.42	83,093.96
<b>Total – Other operating expenses</b>	<b>36,417.08</b>	<b>29,383.89</b>	<b>141,955.74</b>

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 Rs. 1,266.36 lakhs for the quarter ended 30<sup>th</sup> June, 2010 (Rs. 1,520.76 lakhs for the quarter ended 30<sup>th</sup> June, 2009), for year ended 31<sup>st</sup> March, 2010 Rs. 6,740.19 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	Quarter Ended		Year Ended
		Jun-10 (Unaudited)	Jun-09 (Unaudited)	Mar-10 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>92,080.34</b>	<b>76,730.23</b>	<b>325,562.49</b>
	(a) Interest/ discount on advances/ bills	69,402.48	60,973.56	252,691.10
	(b) Income on investments	22,547.93	15,718.70	72,685.73
	(c) Interest on balances with RBI & other banks	124.83	20.42	105.70
	(d) Others	5.10	17.55	79.96
2	<b>Other Income</b>	<b>13,707.29</b>	<b>12,663.12</b>	<b>62,824.00</b>
3	<b>Total income (1+2)</b>	<b>105,787.63</b>	<b>89,393.35</b>	<b>388,386.49</b>
4	<b>Interest expended</b>	41,261.02	35,832.13	139,747.55
5	<b>Operating expenses (a+b)</b>	<b>32,992.42</b>	<b>25,161.63</b>	<b>118,939.34</b>
	(a) Payments to and Provisions for employees	16,561.97	12,120.11	55,579.04
	(b) Other Operating expenses	16,430.45	13,041.52	63,360.30
6	<b>Total expenditure (4+5)</b>	<b>74,253.44</b>	<b>60,993.76</b>	<b>258,686.89</b>
7	<b>Operating Profit (3-6)</b>	<b>31,534.19</b>	<b>28,399.59</b>	<b>129,699.60</b>
8	Other provisions & contingencies (Refer Note 1)	5,609.48	15,711.94	48,589.24
9	Exceptional items	-	-	-
10	<b>Profit / Loss from Ordinary Activities before tax (7-8-9)</b>	<b>25,924.71</b>	<b>12,687.65</b>	<b>81,110.36</b>
11	Provision for taxes	7,234.38	3,656.54	24,999.79
12	<b>Net Profit / Loss from Ordinary Activities after tax (10-11)</b>	<b>18,690.33</b>	<b>9,031.11</b>	<b>56,110.57</b>
13	Extraordinary items (net of tax expense)	-	-	-
14	<b>Net Profit / Loss for the Period (12-13)</b>	<b>18,690.33</b>	<b>9,031.11</b>	<b>56,110.57</b>
15	<b>Paid Up Equity Capital - (Face Value Rs. 10 per share)</b>	34,859.44	34,629.83	34,814.15
16	<b>Reserves excluding revaluation reserves</b>			413,697.35
17	<b>Analytical Ratios</b>			
	(i) % of shares held by Govt. of India	NA	NA	NA
	(ii) % Capital adequacy ratio ( Basel II )	16.79	18.57	18.35
	(iii) Earnings Per Share (EPS) for the period			
	- Basic Rs.	5.37	2.61	16.18
	- Diluted Rs.	5.31	2.60	16.00
	(iv) NPA Ratios			
	a) Gross Non-performing assets	77,819.22	81,958.38	76,733.92
	b) Net Non-performing assets	30,816.43	52,910.20	36,024.57
	c) % of Gross NPA to Gross Advances	3.29	4.68	3.62
	d) % of Net NPA to net Advances	1.33	3.07	1.73
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	2.20	3.09	2.38
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	0.99	1.98	1.25
	g) Return on Assets %(Average) – Not Annualized	0.45	0.30	1.72
18	<b>Public Shareholding</b>			
	(i) No. of shares	180,682,624	178,445,597	180,229,702
	(ii) % of shareholding	51.83	51.54	51.77
19	Promoters and promoter group Shareholding			
	a) Pledged/Encumbered			
	- Number of shares	50,000	50,000	50,000
	- Percentage of shares (as a % of the total shareholding of			

Sr No	Particulars	Quarter Ended		Year Ended
		Jun-10 (Unaudited)	Jun-09 (Unaudited)	Mar-10 (Audited)
	promoter and promoter group	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%
	b) Non-encumbered			
	- Number of Shares	167,852,644	167,793,544	167,852,644
	- 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)	48.16%	48.45%	48.22%

### 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		Year ended
		30 <sup>th</sup> June 2010 (Unaudited)	30 <sup>th</sup> June 2009 (Unaudited)	31 <sup>st</sup> March 2010 (Audited)
<b>1</b>	<b>Segment Revenue</b>			
	a. Treasury and BMU	32,407.42	25,242.96	112,623.27
	b. Corporate/ Wholesale Banking	31,488.25	22,658.08	115,638.57
	c. Retail Banking	66,546.64	67,390.57	255,804.39
	Sub-total	<b>130,442.31</b>	<b>115,291.61</b>	<b>484,066.23</b>
	Less : Inter-segmental revenue	24,654.68	25,898.26	95,688.36
	Add : Unallocated Income	-	-	8.62
	<b>Total</b>	<b>105,787.63</b>	<b>89,393.35</b>	<b>388,386.49</b>
<b>2</b>	<b>Segment Results</b>			
	a. Treasury and BMU	8,590.72	8,852.67	36,745.57
	b. Corporate/ Wholesale Banking	10,490.28	5,698.61	38,546.09
	c. Retail Banking	6,843.71	(1,863.63)	6,105.97
	Sub-total	<b>25,924.71</b>	<b>12,687.65</b>	<b>81,397.63</b>
	Add : Unallocated Income /(expense)	-	-	(287.27)
	<b>Total Profit Before Tax</b>	<b>25,924.71</b>	<b>12,687.65</b>	<b>81,110.36</b>
<b>3</b>	<b>Capital employed (Segmental Assets less Segmental Liabilities)</b>			
	a. Treasury and BMU	73,988.07	147,730.22	153,434.08
	b. Corporate/ Wholesale Banking	141,275.25	86,502.28	114,222.77
	c. Retail Banking	242,463.85	153,683.43	166,780.01
	d. Unallocated	11,586.83	5,619.29	14,074.64
	<b>Sub-total</b>	<b>469,314.00</b>	<b>393,535.22</b>	<b>448,511.50</b>

### Notes

- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/ year.
- During the quarter, the Bank has granted 1,946,620 options under employee stock option scheme. Stock options aggregating to 452,922 were exercised during the quarter and 10,234,007 stock options were outstanding with employees of the Bank and its subsidiaries as at 30<sup>th</sup> June, 2010.
- The Bank had no outstanding shareholder complaints as at 31<sup>st</sup> March, 2010. During the quarter the Bank received 14 complaints from shareholders. All shareholder complaints have been resolved and there are no pending complaints as at 30<sup>th</sup> June, 2010.
- The Bank has entered into an agreement with Sumitomo Mitsui Banking Corporation, Japan ("SMBC"), for a preferential issue of 1.64 crore shares at Rs. 833 per share which amounts to approximately 4.5% stake on a post-issue basis for Rs. 1,366 crore. The proposed preferential issue is subject to shareholder and other necessary regulatory approvals.



5. Figures for the previous period/year have been regrouped wherever necessary to conform to current period's presentation.
6. There has been no change in significant accounting policies during the quarter.
7. The results for the quarter ended 30<sup>th</sup> June 2010 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, 21<sup>st</sup> July, 2010**