


KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2010

` in lakhs

Sr No	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		Dec-10 (Unaudited)	Dec-09 (Unaudited)	Dec-10 (Unaudited)	Dec-09 (Unaudited)	March-10 (Audited)
1	Interest earned (a+b+c+d)	165,380.29	118,470.06	441,872.57	335,340.52	460,116.01
	(a) Interest/discount on advances/bills	127,760.33	90,440.47	336,525.67	256,763.74	352,637.01
	(b) Income on investments	35,074.65	26,525.33	99,783.79	74,483.60	101,854.83
	(c) Interest on balances with RBI & other banks	976.19	110.14	1,575.42	547.12	690.68
	(d) Others	1,569.12	1,394.12	3,987.69	3,546.06	4,933.49
2	Other income (a+b + c)	101,467.09	120,578.66	351,722.52	368,718.08	538,473.85
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	1,493.27	10,605.07	49,065.99	76,865.50	80,384.77
	(b) Premium on Insurance Business	60,438.09	70,586.66	187,691.55	171,195.50	284,933.73
	(c) Other income (see Notes 1 and 5)	39,535.73	39,386.93	114,964.98	120,657.08	173,155.35
3	Total income (1+2)	266,847.38	239,048.72	793,595.09	704,058.60	998,589.86
4	Interest expended	73,087.20	44,491.57	186,018.71	130,900.62	177,285.75
5	Operating expenses (a+b+c)	134,167.59	133,897.73	438,532.54	405,896.20	579,944.86
	(a) Payments to and provisions for employees	39,671.79	31,226.87	112,182.64	90,103.04	126,095.47
	(b) Policy holders' reserves, surrender expense and claims	53,698.96	66,319.96	209,093.40	214,589.05	311,893.65
	(c) Other operating expenses (see Note 2 and 5)	40,796.84	36,350.90	117,256.50	101,204.11	141,955.74
6	Total expenditure (4+5) (excluding provisions and contingencies)	207,254.79	178,389.30	624,551.25	536,796.82	757,230.61
7	Operating Profit before provisions and contingencies (3-6)	59,592.59	60,659.42	169,043.84	167,261.78	241,359.25
8	Provisions (other than tax) and contingencies (see Note 3)	5,343.49	12,562.80	15,617.09	38,895.70	51,072.82
9	Exceptional items	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	54,249.10	48,096.62	153,426.75	128,366.08	190,286.43
11	Tax expense	16,145.77	14,797.32	47,049.44	38,217.72	57,550.44
12	Profit from Ordinary activities after tax before Minority Interest (10 - 11)	38,103.33	33,299.30	106,377.31	90,148.36	132,735.99
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Profit from ordinary activities after tax before Minority Interest (12 - 13)	38,103.33	33,299.30	106,377.31	90,148.36	132,735.99
15	Less: Share of Minority Interest	613.96	502.46	783.67	644.88	1,799.84
16	Add: Share in Profit of associates	867.19	342.80	1,943.05	(658.53)	(236.10)
17	Profit after tax (14-15+16)	38,356.56	33,139.64	107,536.69	88,844.95	130,700.05
18	Paid Up Equity Capital - (Face Value of ` 5 per share) (See Note 6)	36,815.07	34,769.59	36,815.07	34,769.59	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 6)					
	(a) Basic (not annualized) `	5.22	4.78	15.02	12.82	18.84
	(b) Diluted (not annualized) `	5.19	4.72	14.92	12.68	18.64
	(ii) NPA Ratios					
	(a) Gross NPA	86,370.39	110,864.85	86,370.39	110,864.85	91,667.25
	(b) Net NPA	27,471.95	57,254.08	27,471.95	57,254.08	44,083.72
	(c) % of Gross NPA/ Gross Advances	2.12	3.71	2.12	3.71	3.04
	(d) % of Net NPA/ Net Advances	0.69	1.95	0.69	1.95	1.48
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	1.49	2.81	1.49	2.81	2.16
	(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	0.51	1.46	0.51	1.46	1.14
	(iii) Return on Assets (average) (not annualised)	0.60	0.67	1.69	1.93	2.73

NOTES:

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

₹ lakhs

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec-10 (Unaudited)	Dec-09 (Unaudited)	Dec-10 (Unaudited)	Dec-09 (Unaudited)	March-10 (Audited)
Commission, fees, exchange and brokerage	30,174.17	31,756.97	94,920.72	96,373.77	128,366.51
Profit on sale of investments (other than insurance business)	6,675.84	3,569.60	11,765.24	14,246.91	19,710.21
Others	2,685.72	4,060.36	8,279.02	10,036.40	25,078.63
Total – Other income	39,535.73	39,386.93	114,964.98	120,657.08	173,155.35

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

₹ lakhs

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec-10 (Unaudited)	Dec-09 (Unaudited)	Dec-10 (Unaudited)	Dec-09 (Unaudited)	March-10 (Audited)
Brokerage	5,009.93	6,288.10	16,754.33	15,054.80	22,022.24
Depreciation	3,855.47	3,633.54	11,308.75	10,775.84	14,291.97
Rent, taxes and lighting	5,566.25	5,487.78	16,030.42	17,908.59	22,547.57
Others	26,365.19	20,941.48	73,163.00	57,464.88	83,093.96
Total – Other operating expenses	40,796.84	36,350.90	117,256.50	101,204.11	141,955.74

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 ₹ 1,982.55 lakhs for the quarter ended 31st December, 2010 and for nine months ended 31st December, 2010 ₹ 5,152.35 lakhs (for the quarter ended 31st December, 2009 ₹ 1,329.65 lakhs, nine months ended 31st December, 2009 ₹ 5,120.85 lakhs and for the year ended 31st March, 2010 ₹ 6,740.19 lakhs).
6. 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.
7. There has been no change in significant accounting policies during the quarter.
8. 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		Nine Months ended		Year Ended
		Dec-10 (Unaudited)	Dec-09 (Unaudited)	Dec-10 (Unaudited)	Dec-09 (Unaudited)	Mar-10 (Audited)
1	Interest earned (a+b+c+d)	113,540.03	83,241.85	307,092.62	237,486.88	325,562.49
	(a) Interest/ discount on advances/ bills	87,844.17	64,543.33	234,860.68	184,552.76	252,691.10
	(b) Income on investments	24,890.99	18,667.48	70,886.47	52,839.17	72,685.73
	(c) Interest on balances with RBI & other banks	795.87	13.30	1,284.18	53.30	105.70
	(d) Others	9.00	17.74	61.29	41.65	79.96
2	Other Income	16,534.01	13,641.53	44,173.96	37,673.74	62,824.00
3	Total income (1+2)	130,074.04	96,883.38	351,266.58	275,160.62	388,386.49
4	Interest expended	56,391.87	34,576.38	144,742.07	104,276.42	139,747.55
5	Operating expenses (a+b)	42,209.89	29,454.90	110,842.59	84,744.83	118,939.34
	(a) Payments to and Provisions for employees	19,848.82	13,261.42	53,285.13	38,179.92	55,579.04
	(b) Other Operating expenses	22,361.07	16,193.48	57,557.46	46,564.91	63,360.30
6	Total expenditure (4+5)	98,601.76	64,031.28	255,584.66	189,021.25	258,686.89
7	Operating Profit (3-6)	31,472.28	32,852.10	95,681.92	86,139.37	129,699.60
8	Other provisions & contingencies (Refer Note 1)	4,265.84	11,928.38	14,426.10	35,831.99	48,589.24
9	Exceptional items	-	-	-	-	-
10	Profit / Loss from Ordinary Activities before tax (7-8-9)	27,206.44	20,923.72	81,255.82	50,307.38	81,110.36
11	Provision for taxes	8,419.08	6,685.31	24,307.74	14,446.93	24,999.79
12	Net Profit / Loss from Ordinary Activities after tax (10-11)	18,787.36	14,238.41	56,948.08	35,860.45	56,110.57
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit / Loss for the Period (12-13)	18,787.36	14,238.41	56,948.08	35,860.45	56,110.57
15	Paid Up Equity Capital - (Face Value ` . 5 per share) (Refer Note 2)	36,815.07	34,769.59	36,815.07	34,769.59	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)	18.66	17.01	18.66	17.01	18.35
	(iii) Earnings Per Share (EPS) for the period - Not Annualized					
	- Basic ` .	2.56	2.05	7.95	5.18	8.09
	- Diluted ` .	2.54	2.03	7.90	5.12	8.00
	(iv) NPA Ratios					
	a) Gross Non-performing assets	74,420.30	92,823.99	74,420.30	92,823.99	76,733.92
	b) Net Non-performing assets	23,528.33	46,751.57	23,528.33	46,751.57	36,024.57
	c) % of Gross NPA to Gross Advances	2.53	4.25	2.53	4.25	3.62
	d) % of Net NPA to net Advances	0.81	2.18	0.81	2.18	1.73
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	1.66	3.02	1.66	3.02	2.38
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	0.57	1.50	0.57	1.50	1.25
	g) Return on Assets %(Average) – Not Annualized	0.38	0.40	1.26	1.12	1.72
18	Public Shareholding					
	(i) No. of shares	400,511,062	359,701,562	400,511,062	359,701,562	360,477,666
	(ii) % of shareholding	54.39%	51.73%	54.39%	51.73%	51.77%

Sr No	Particulars	Quarter Ended		Nine Months ended		Year Ended
		Dec-10 (Unaudited)	Dec-09 (Unaudited)	Dec-10 (Unaudited)	Dec-09 (Unaudited)	Mar-10 (Audited)
19	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	100,000	100,000	100,000	100,000	100,000
	- 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					
	- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	335,690,268	335,590,288	335,690,268	335,590,288	335,705,288
	- Percentage of shares (as a % of the total share capital of the company)	99.97%	99.97%	99.97%	99.97%	99.97%
		45.59%	48.26%	45.59%	48.26%	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		Nine Months Ended		Year ended	
	31 st Dec 2010	31 st Dec 2009	31 st Dec 2010	31 st Dec 2009	31 st March 2010	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1 Segment Revenue						
a. Treasury and BMU	38,957.90	30,701.87	105,037.23	82,054.14	112,623.27	
b. Corporate/ Wholesale Banking	41,539.40	26,063.47	110,916.20	73,126.71	115,638.57	
c. Retail Banking	82,632.12	62,883.32	220,928.83	192,561.01	255,804.39	
Sub-total	163,129.42	119,648.66	436,882.26	347,741.86	484,066.23	
Less : Inter-segmental revenue	33,055.38	22,765.28	85,641.46	72,581.24	95,688.36	
Add : Unallocated Income	-	-	25.78	-	8.62	
Total	130,074.04	96,883.38	351,266.58	275,160.62	388,386.49	
2 Segment Results						
a. Treasury and BMU	5,725.73	10,631.11	19,836.84	26,549.63	36,745.57	
b. Corporate/ Wholesale Banking	13,105.64	6,839.70	37,418.23	22,799.00	38,546.09	
c. Retail Banking	8,375.07	3,452.91	23,974.97	958.75	6,105.97	
Sub-total	27,206.44	20,923.72	81,230.04	50,307.38	81,397.63	
Add : Unallocated Income /(expense)	-	-	25.78	-	(287.27)	
Total Profit Before Tax	27,206.44	20,923.72	81,255.82	50,307.38	81,110.36	

		Quarter Ended		Nine Months Ended		Year ended
		31 st Dec 2010	31 st Dec 2009	31 st Dec 2010	31 st Dec 2009	31 st March 2010
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
3	Capital employed (Segmental Assets less Segmental Liabilities)					
	a. Treasury and BMU	187,014.86	154,020.73	187,014.86	154,020.73	153,434.08
	b. Corporate/ Wholesale Banking	165,824.27	101,018.96	165,824.27	101,018.96	114,222.77
	c. Retail Banking	284,864.22	159,089.51	284,864.22	159,089.51	166,780.01
	Sub-total	637,703.35	414,129.20	637,703.35	414,129.20	434,436.86
	Add: Unallocated	20,054.78	14,958.18	20,054.78	14,958.18	14,074.64
	Total Capital Employed	657,758.13	429,087.38	657,758.13	429,087.38	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.
- 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 "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 granted 8,56,000 options under employee stock option scheme. Stock options aggregating to 28,94,626 were exercised during the quarter and 1,42,79,514 stock options were outstanding with employees of the Bank and its subsidiaries as at 31st December, 2010.
- The Bank had one outstanding shareholder complaint as at 30th September, 2010 which has subsequently been resolved. During the quarter the Bank received 7 complaints from shareholders out of which 1 compliant was pending as at 31st December 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 31st December, 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, 20th January, 2011