



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, 2008

Rs. lakhs

Sr No	Particulars	Quarter Ended		Year Ended
		June-08 (Unaudited)	June-07 (Unaudited)	March-08 (Audited)
1	Interest earned (a+b+c+d)	104,190.41	71,332.62	364,838.80
	(a) Interest/discount on advances/bills	81,827.86	52,115.47	260,768.46
	(b) Income on investments	19,040.74	15,708.42	85,879.03
	(c) Interest on balances with RBI & other banks	1,944.09	2,139.83	9,037.14
	(d) Others	1,377.72	1,368.90	9,154.17
2	Other income (a+b)	44,534.31	67,905.63	390,100.32
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	(25,547.04)	10,458.55	15,348.79
	(b) Other income (see Notes 2 and 5)	70,081.35	57,447.08	374,751.53
3	Total income (1+2)	148,724.72	139,238.25	754,939.12
4	Interest expended	46,582.56	40,157.43	181,647.70
5	Operating expenses (a+b+c)	74,755.49	75,349.49	396,197.50
	(a) Payments to and Provisions for employees	31,868.02	24,268.89	119,789.20
	(b) Policy holders' reserves, surrender expense and claims	4,457.54	26,500.26	142,438.11
	(c) Other operating expenses (see Note 3 and 5)	38,429.93	24,580.34	133,970.19
6	Total expenditure (4+5) (excluding provisions and contingencies)	121,338.05	115,506.92	577,845.20
7	Operating Profit before Provisions and Contingencies (3-6)	27,386.67	23,731.33	177,093.92
8	Provisions (other than tax) and Contingencies (see Note 1)	4,124.71	3,515.00	36,302.67
9	Exceptional Items	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	23,261.96	20,216.33	140,791.25
11	Provision for Tax (see Note 7)	9,329.78	6,598.50	44,918.61
12	Profit from Ordinary activities after tax before Minority Interest (10 – 11)	13,932.18	13,617.83	95,872.64
13	Extraordinary items (net of tax expense)	-	-	-
14	Profit from Ordinary activities after tax before Minority Interest (12 – 13)	13,932.18	13,617.83	95,872.64
15	Less: Share of Minority Interest	(1,034.06)	(641.16)	(1,868.75)
16	Add: Share in Profit of associates	18.67	334.95	1,381.27
17	Profit after tax (14-15+16)	14,984.91	14,593.94	99,122.66
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	34,504.77	32,642.81	34,467.28
19	Group Reserves (excluding Minority Interest)			547,923.35
20	Minority Interest			5,123.34
21	Analytical Ratios			
	(i) Earnings per Share (before and after extraordinary items)			
	(a) Basic (not annualized) Rs.	4.35	4.47	29.62
	(b) Diluted (not annualized) Rs.	4.29	4.43	29.18
	(ii) NPA Ratios			
	(a) Gross NPA	65,398.10	43,002.19	56,719.36
	(b) Net NPA	40,520.10	32,513.67	36,266.58
	(c) % of Gross NPA/ Gross Advances	2.79	2.59	2.56
	(d) % of Net NPA/ Net Advances	1.75	1.97	1.65
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	1.15	0.68	0.85

(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	0.47	0.29	0.33
(iii) Return on Assets (average) (not annualised)	0.37	0.48	2.87

NOTES:

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

Particulars	Quarter Ended		Rs. lakhs
	June-08 (Unaudited)	June-07 (Unaudited)	Year Ended March-08 (Audited)
	Commission, Fees, Exchange and brokerage	28,913.82	28,394.88
Premium on insurance business	39,243.43	19,875.19	166,199.05
Profit/(Loss) on sale of investments including revaluation (other than insurance business)	(7,320.23)	3,876.55	18,601.89
Others	9,244.33	5,300.46	22,321.76
Total – Other income	70,081.35	57,447.08	374,751.53

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

Particulars	Quarter Ended		Rs. lakhs
	June-08 (Unaudited)	June-07 (Unaudited)	Year Ended March-08 (Audited)
	Brokerage	6,537.76	4,540.45
Depreciation	2,928.08	2,062.97	9,866.71
Rent, taxes and lighting	5,158.69	2,809.51	15,053.68
Others	23,805.40	15,167.41	83,561.88
Total – Other operating expenses	38,429.93	24,580.34	133,970.19

- 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.
- Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to Rs. 1,089.68 lakhs for the quarter ended 30th June, 2008 (Rs. 1,241.13 lakhs for the quarter ended 30th June, 2007), for year ended 31st March, 2008 Rs. 12,907.63 lakhs
- From April 1, 2008, the group has changed its accounting policy in relation to structured liabilities. The derivative embedded in the structured liabilities is separately valued at each reporting date. All the outstanding derivatives contracts on the balance sheet date are marked to market. The resulting net losses are provided for and the net gains are ignored keeping in view the principle of prudence as enunciated in Accounting Standard- 1, ‘Disclosure of Accounting Policies’. Had the previous accounting policy been followed the profit before tax for the period ended 30th June, 2008 would have been lower by Rs. 2,225.30 lakhs (net).
- Provision for taxes includes Fringe Benefit Tax provision amounting to Rs.367.98 lakhs for the quarter ended 30th June, 2008 (Rs.258.09 lakhs for the quarter ended 30th June, 2007) and Rs. 1,259.50 lakhs for the year ended 31st March, 2008
- Figures for the previous period/ year have been regrouped wherever necessary to conform to current period’s presentation.
- The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 28th July, 2008.



KOTAK MAHINDRA BANK LIMITED (STANDALONE)

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

Rs. lakhs

Sr. No.	Particulars	Quarter Ended		Year ended
		June-08 (Unaudited)	June-07 (Unaudited)	March-08 (Audited)
1	Interest earned (a+b+c+d)	71,246.77	49,722.83	253,536.43
	(a) Interest/ discount on advances/ bills	56,444.10	36,555.90	180,204.79
	(b) Income on investments	14,511.02	12,490.24	70,831.20
	(c) Interest on balances with RBI & other banks	250.08	380.25	1,804.06
	(d) Others	41.57	296.44	696.38
2	Other Income	8,312.61	9,722.46	46,346.33
3	Total income (1+2)	79,559.38	59,445.29	299,882.76
4	Interest expended	36,000.07	29,304.36	130,956.34
5	Operating Expenses (i)+(ii)	31,200.96	20,597.75	101,937.38
	(i) Employees cost	15,206.21	10,777.43	48,394.89
	(ii) Other Operating expenses	15,994.75	9,820.32	53,542.49
6	Total expenditure (4+5) excluding provisions and contingencies	67,201.03	49,902.11	232,893.72
7	Operating Profit before provisions and contingencies (3-6)	12,358.35	9,543.18	66,989.04
8	Provisions (other than tax) & Contingencies	4,169.85	2,875.38	27,210.99
9	Exceptional Items	-	-	-
10	Profit / Loss from Ordinary Activities before tax (7-8-9)	8,188.50	6,667.80	39,778.05
11	Provision for taxes	2,735.34	1,900.00	10,384.77
12	Net Profit / Loss from Ordinary Activities after tax (10-11)	5,453.16	4,767.80	29,393.28
13	Extraordinary items (net of tax expense)	-	-	-
14	Net Profit / Loss for the Period (12-13)	5,453.16	4,767.80	29,393.28
15	Paid Up Equity Capital - (Face Value Rs. 10 per share)	34,504.77	32,642.81	34,467.28
16	Reserves excluding revaluation reserves			319,082.20
17	Analytical Ratios			
	(i) % of shares held by Govt. of India	-	-	-
	(ii) % Capital adequacy ratio	18.58%	11.33%	18.65%
	(iii) Earnings Per Share (EPS) for the period			
	- Basic Rs.	1.58	1.46	8.78
	- Diluted Rs.	1.56	1.45	8.65
	(iv) NPA Ratios			
	a) Gross Non-performing assets	52,659.43	33,002.58	45,307.90
	b) Net Non-performing assets	31,637.34	24,226.37	27,615.67
	c) % of Gross NPA to Gross Advances	3.17%	2.82%	2.88%
	d) % of Net NPA to net Advances	1.93%	2.09%	1.78%
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	1.34%	0.81%	0.99%
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	0.57%	0.33%	0.38%
	g) Return on Assets (Average) – Not Annualized	0.21%	0.22%	1.10%
18	Public Shareholding			
	(i) No. of shares	161,642,329	142,401,150	160,969,300
	(ii) % of shareholding	46.85%	43.63%	46.71%

Segment Results

From the year ended 31st March, 2008, the Bank has adopted RBI's revised guidelines issued in April 2007 on segment reporting in terms of which the reportable segments are as under:

Segment	Principal activity
Treasury	Money market, forex market, derivatives, investments and primary dealership of government securities.
Retail Banking	Includes: (1) Commercial vehicle finance, personal loans, home loans, agriculture finance, credit cards and other loans/services which fulfil the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Basel Committee on Banking Supervision document "International Convergence of Capital Measurement and Capital Standards : A Revised Framework". (2) Retail borrowings covering savings and current accounts and Branch Banking network and services including distribution of financial products.
Corporate/Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking
Other Banking business	Management of Venture capital and private equity fund (upto 30 th Sept., 2007)

Summary of the operating segments of the Bank for the quarter ended 30th June, 2008 & 30th June, 2007 and year ended 31st March, 2008 are as given below:

Rs. lakhs

	Quarter ended 30 th June, 2008 (Unaudited)	Quarter ended 30 th June, 2007 (Unaudited)	Year ended 31 st March, 2008 (Audited)
1. Segment Revenue			
a. Treasury	18,310.81	19,327.45	74,364.89
b. Corporate/ Wholesale Banking	24,225.83	14,841.04	95,498.73
c. Retail Banking:			
(i) Lending	45,614.73	30,412.76	145,865.33
(ii) Branch banking	17,140.92	12,503.64	64,508.80
Sub-total	62,755.65	42,916.40	210,374.13
d. Other Banking business	-	361.92	911.70
Sub-total	105,292.29	77,446.81	381,149.45
Less : Inter-segmental revenue	25,732.91	18,209.26	81,744.16
Add : Unallocated Income	-	207.74	477.47
Total	79,559.38	59,445.29	299,882.76
2. Segment Results			
a. Treasury	275.58	2,777.90	(582.57)
b. Corporate/ Wholesale Banking	7,021.70	3,269.05	33,362.92
c. Retail Banking:			
(i) Lending	8,070.01	4,166.10	20,896.93
(ii) Branch banking	(7,178.79)	(3,872.19)	(14,668.30)
Sub-total	891.22	293.91	6,228.63
d. Other Banking business	-	119.20	291.60
Sub-total	8,188.50	6,460.06	39,300.58
Add : Unallocated Income	-	207.74	477.47
Total Profit Before Tax	8,188.50	6,667.80	39,778.05
3. Segment Assets			
a. Treasury	943,372.49	959,584.81	1,183,461.05
b. Corporate/ Wholesale Banking	900,473.54	724,847.24	821,633.05
c. Retail Banking:			
(i) Lending	1,205,719.81	862,387.92	1,158,096.24

	(ii) Branch banking	823,018.05	595,696.38	799,651.11
	Sub-total	2,028,737.86	1,458,084.30	1,957,747.35
	d. Other Banking business	-	11.69	-
	Sub-total	3,872,583.89	3,142,528.04	3,962,841.45
	Less: Inter-segmental Assets	1,204,903.55	968,686.66	1,145,792.42
	Total	2,667,680.34	2,173,841.38	2,817,049.03
4.	Segment Liabilities			
	a. Treasury	815,113.14	930,208.17	1,046,265.80
	b. Corporate/ Wholesale Banking	738,030.60	620,668.33	665,997.26
	c. Retail Banking:			
	(i) Lending	1,133,550.39	825,077.36	1,088,125.37
	(ii) Branch banking	830,196.84	599,851.50	814,242.62
	Sub-total	1,963,747.23	1,424,928.86	1,902,367.99
	d. Other Banking business	-	-	-
	Sub-total	3,516,890.97	2,975,805.36	3,614,631.05
	Less: Inter-segmental Liabilities	1,204,903.55	968,686.66	1,145,792.42
	Total	2,311,987.42	2,007,118.70	2,468,838.63
5.	Unallocated Assets net of Liabilities	4,348.22	1,790.17	5,341.36

In order to facilitate comparison, given below is the summary of the operating segments of the Bank for the quarter ended 30th June, 2008 in accordance with Accounting Standard 17 (AS-17) on Segment Reporting issued by the Institute of Chartered Accountants of India & the comparative numbers for the quarter ended 30th June, 2007 & year ended 31st March, 2008 are given below:

Rs. Lakhs

		Quarter ended 30 th June, 2008 (Unaudited)	Quarter ended 30 th June, 2007 (Unaudited)	Year ended 31 st March, 2008 (Audited)
1.	Segment Revenue			
	a. Lending	54,701.86	33,028.72	174,347.24
	b. Corporate Banking	15,138.70	12,225.08	67,016.82
	c. Treasury & Investments	18,310.81	19,327.45	74,364.89
	d. Retail Liabilities	17,140.92	12,503.64	64,508.80
	e. Venture Fund Management	-	361.92	911.70
	Sub-total	105,292.29	77,446.81	381,149.45
	Less: Inter-segmental revenue	25,732.91	18,209.26	81,744.16
	Add: Unallocated Income	-	207.74	477.47
	Total	79,559.38	59,445.29	299,882.76
2.	Segment Results			
	a. Lending	12,023.79	4,332.39	33,995.36
	b. Corporate Banking	3,067.92	3,102.75	20,264.49
	c. Treasury & Investments	275.58	2,777.90	(582.57)
	d. Retail Liabilities	(7,178.79)	(3,872.18)	(14,668.30)
	f. Venture Fund Management	-	119.20	291.60
	Total	8,188.50	6,460.06	39,300.58
	Add: Unallocated Income	-	207.74	477.47
	Total Profit Before Tax	8,188.50	6,667.80	39,778.05
3.	Segment Assets			
	a. Lending	1,380,155.68	948,280.33	1,325,413.43
	b. Corporate Banking	726,037.67	638,954.83	654,315.86
	c. Treasury & Investments	943,372.49	959,584.81	1,183,461.05
	d. Retail Liabilities	823,018.05	595,696.38	799,651.11
	e. Venture Fund Management	-	11.69	-
	Sub-total	3,872,583.89	3,142,528.04	3,962,841.45
	Less: Inter-segmental Assets	1,204,903.55	968,686.66	1,145,792.42
	Total	2,667,680.34	2,173,841.38	2,817,049.03
4.	Segment Liabilities			

a. Lending	1,152,103.35	839,328.51	1,101,893.44
b. Corporate Banking	719,477.64	606,417.18	652,229.19
c. Treasury & Investments	815,113.14	930,208.17	1,046,265.80
d. Retail Liabilities	830,196.84	599,851.50	814,242.62
e. Venture Fund Management	-	-	-
Sub-total	3,516,890.97	2,975,805.36	3,614,631.05
Less: Inter-segmental Liabilities	1,204,903.55	968,686.66	1,145,792.42
Total	2,311,987.42	2,007,118.70	2,468,838.63
5. Unallocated Assets net of Liabilities	4,348.22	1790.17	5,341.36

Notes

- During the quarter, the Bank has granted 24,89,550 options under employee stock option scheme. 374,879 options were exercised by the employees during the quarter and the stock options outstanding with employees of the Bank and its subsidiaries as at 30th June, 2008 are - 117,06,145. The options granted to the Executive Directors of the Bank are subject to the approval of the Reserve Bank of India.
- Provision for taxes includes fringe benefit tax provision amounting to Rs.140 lakhs for the quarter ended 30th June, 2008 (Rs. 94 lakhs for the quarter ended 30th June, 2007) and Rs.550 lakhs for the year ended 31st March, 2008.

- Status of shareholder complaints received during the quarter ended 30th June, 2008:

Total complaints pending as at 31 st March, 2008	NIL
Total complaints received during the quarter ended 30 th June, 2008	23
Total complaints resolved during the quarter ended 30 th June, 2008	23
Total complaints pending as at 30 th June, 2008	NIL

- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/ year.
- Figures for the previous period/year have been regrouped wherever necessary to conform to current period's presentation.
- These results for the quarter ended 30th June 2008 have been subjected to a "Limited Review" by the Statutory Auditors of the Bank.
- The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 28th July, 2008.

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

Dipak Gupta
Executive Director

Mumbai, 28th July, 2008