



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, 2008

Rs in lakhs

Sr No	Particulars	Quarter Ended		Half Year Ended		Year Ended
		Sep-08 (Unaudited)	Sep-07 (Unaudited)	Sep-08 (Unaudited)	Sep-07 (Unaudited)	Mar-08 (Audited)
1	Interest earned (a+b+c+d)	109,289.79	83,849.59	213,480.20	155,182.21	364,838.80
	(a) Interest/discount on advances/bills	88,096.82	60,111.01	169,924.68	112,226.48	260,768.46
	(b) Income on investments	17,998.68	19,945.42	37,039.42	35,653.84	85,879.03
	(c) Interest on balances with RBI & other banks	1,871.46	2,325.66	3,815.55	4,465.49	9,037.14
	(d) Others	1,322.83	1,467.50	2,700.55	2,836.40	9,154.17
2	Other income (a+b)	75,661.84	97,328.86	119,196.15	165,234.48	390,100.32
	a) Profit/(Loss) on sale of investments including revaluation (insurance business)	(5,856.58)	17,111.64	(31,403.62)	27,570.19	15,348.79
	b) Other income (see Notes 2 and 5)	81,518.42	80,217.22	150,599.77	137,664.30	374,751.53
3	Total income (1+2)	184,951.63	181,178.45	332,676.35	320,416.70	754,939.12
4	Interest expended	51,074.24	44,086.18	97,656.80	84,243.61	181,647.70
5	Operating expenses (a+b+c)	102,236.45	97,389.47	176,991.94	172,738.96	396,197.50
	(a) Payments to and Provisions for employees	31,708.98	28,480.70	63,577.00	52,749.59	119,789.20
	(b) Policy holders' reserves, surrender expense and claims	24,385.33	36,874.69	28,842.87	63,374.95	142,438.11
	(c) Other operating expenses (see Note 3 and 5)	46,142.14	32,034.08	84,572.07	56,614.42	133,970.19
6	Total expenditure (4+5) (excluding provisions and contingencies)	153,310.69	141,475.65	274,648.74	256,982.57	577,845.20
7	Operating Profit before Provisions and Contingencies (3-6)	31,640.94	39,702.80	58,027.61	63,434.13	177,093.92
8	Provisions (other than tax) and Contingencies (see Note 1)	6,595.43	5,195.51	9,720.14	8,710.51	36,302.67
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	25,045.51	34,507.29	48,307.47	54,723.62	140,791.25
11	Tax expense (see Note 7)	8,927.48	11,581.68	18,257.26	18,180.18	44,918.61
12	Profit from Ordinary activities after tax before Minority Interest (10 – 11)	16,118.03	22,925.61	30,050.21	36,543.44	95,872.64
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Profit from Ordinary activities after tax before Minority Interest (12 – 13)	16,118.03	22,925.61	30,050.21	36,543.44	95,872.64
15	Less: Share of Minority Interest	132.40	(737.61)	(901.66)	(1,378.77)	(1,868.75)
16	Add: Share in Profit of associates	111.43	482.23	130.10	817.18	1,381.27
17	Profit after tax (14-15+16)	16,097.06	24,145.45	31,081.97	38,739.39	99,122.66
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	34,534.13	32,695.01	34,534.13	32,695.01	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.	4.66	7.39	9.01	11.87	29.62
	(b) Diluted (not annualized) Rs.	4.62	7.30	8.93	11.73	29.18
	(ii) NPA Ratios					
	(a) Gross NPA	68,432.36	45,243.63	68,432.36	45,243.63	56,719.36
	(b) Net NPA	41,596.08	32,127.27	41,596.08	32,127.27	36,266.58
	(c) % of Gross NPA/ Gross Advances	2.82	2.42	2.82	2.42	2.56
	(d) % of Net NPA/ Net Advances	1.73	1.73	1.73	1.73	1.65
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	1.24	0.78	1.24	0.78	0.85
	(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	0.53	0.33	0.53	0.33	0.33
	(iii) Return on Assets (average) (not annualised)	0.41	0.68	0.78	1.15	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		Half Year Ended		Year Ended
	Sep-08 (Unaudited)	Sep-07 (Unaudited)	Sep-08 (Unaudited)	Sep-07 (Unaudited)	Mar-08 (Audited)
Commission, Fees, Exchange and brokerage	29,635.08	45,770.60	58,548.90	74,165.48	167,628.83
Premium on insurance business	51,433.33	25,517.25	90,676.76	45,392.44	166,199.05
Others	450.01	8,929.37	1,374.11	18,106.38	40,923.65
Total – Other income	81,518.42	80,217.22	150,599.77	137,664.30	374,751.53

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

Particulars	Quarter Ended		Half Year Ended		Year Ended
	Sep-08 (Unaudited)	Sep-07 (Unaudited)	Sep-08 (Unaudited)	Sep-07 (Unaudited)	Mar-08 (Audited)
Brokerage	9,540.86	5,079.06	16,078.62	9,619.51	25,487.92
Depreciation	3,169.99	2,298.24	6,098.07	4,361.21	9,866.71
Rent, taxes and lighting	5,389.38	3,583.25	10,548.07	6,392.76	15,053.68
Others	28,041.91	21,073.53	51,847.31	36,240.94	83,561.88
Total – Other operating expenses	46,142.14	32,034.08	84,572.07	56,614.42	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. 1,518.15 lakhs for the quarter ended 30th September, 2008 and for half year ended 30th September, 2008 Rs. 2,607.84 lakhs (for the quarter ended 30th September, 2007 Rs. 3,904.21 lakhs, half year ended 30th September, 2007 Rs. 5,145.34 lakhs and for the year ended 31st March, 2008 Rs. 12,907.63 lakhs).

- 6 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 the Accounting Standard- 1, 'Disclosure of Accounting Policies'. Had the previous accounting policy been followed the profit before tax for the quarter ended 30th September, 2008 would have been lower by Rs. 1,274.30 lakhs net and for the half year ended 30th September, 2008 by Rs. 3,499.60 lakhs net.
- 7 Provision for taxes (net of deferred tax) for the quarter ended 30th September, 2008, include Fringe Benefit Tax provision amounting to Rs. 355.14 lakhs and for half year ended 30th September, 2008 Rs. 723.12 lakhs (for the quarter ended 30th September, 2007 Rs. 309.83 lakhs and half year ended 30th September, 2007 Rs. 567.92 lakhs and for the year ended 31st March, 2008 Rs. 1,259.50 lakhs).
- 8 Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.
- 9 These results have not been subjected to a limited review by the statutory auditors of the Bank.
- 10 The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 31st October, 2008.



KOTAK MAHINDRA BANK LIMITED (STANDALONE)

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

Rs in lakhs

Sr. No.	Particulars	Quarter Ended		Half-Year Ended		Year ended
		Sep-08 (Unaudited)	Sep-07 (Unaudited)	Sep-08 (Unaudited)	Sep-07 (Unaudited)	Mar-08 (Audited)
1	Interest earned (a+b+c+d)	74,612.82	59,181.61	145,859.59	108,904.44	253,536.43
a	Interest/ discount on advances/ bills	61,382.84	42,252.27	117,826.94	78,808.17	180,204.79
b	Income on investments	12,620.16	16,049.00	27,131.18	28,539.24	70,831.20
c	Interest on balances with RBI & other banks	584.87	761.89	834.95	1,142.14	1,804.06
d	Others	24.95	118.45	66.52	414.89	696.38
2	Other Income	6,064.41	12,234.78	13,377.02	21,957.24	46,346.33
3	Total income (1+2)	80,677.23	71,416.39	159,236.61	130,861.68	299,882.76
4	Interest expended	38,059.22	30,841.77	74,059.29	60,146.13	130,956.34
5	Operating expenses (a+b)	31,369.20	25,933.39	62,570.16	46,531.14	101,937.38
	(a) Payments to and Provisions for employees	14,131.36	12,483.31	29,337.57	23,260.74	48,394.89
	(b) Other Operating expenses	17,237.84	13,450.08	33,232.59	23,270.40	53,542.49
6	Total expenditure (4+5)	69,428.42	56,775.16	136,629.45	106,677.27	232,893.72
7	Operating Profit (3-6)	11,248.81	14,641.23	22,607.16	24,184.41	66,989.04
8	Other provisions & contingencies	3,781.46	3,814.15	6,951.31	6,689.53	27,210.99
9	Exceptional items	-	-	-	-	-
10	Profit / Loss from Ordinary Activities before tax (7-8-9)	7,467.35	10,827.08	15,655.85	17,494.88	39,778.05
11	Provision for taxes	2,680.82	3,289.00	5,416.16	5,189.00	10,384.77
12	Net Profit / Loss from Ordinary Activities after tax (10-11)	4,786.53	7,538.08	10,239.69	12,305.88	29,393.28
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit / Loss for the Period (12-13)	4,786.53	7,538.08	10,239.69	12,305.88	29,393.28
15	Paid Up Equity Capital - (Face Value Rs. 10 per share)	34,534.13	32,695.01	34,534.13	32,695.01	34,467.28
16	Reserves excluding revaluation reserves					319,082.21
17	Analytical Ratios					
	(i) % of shares held by Govt. of India	-	-	-	-	-
	(ii) % Capital adequacy ratio	17.22%	10.94%	17.22%	10.94%	18.65%
	(iii) Earnings Per Share (EPS) for the period - Not annualised					
	- Basic Rs.	1.39	2.31	2.97	3.77	8.78
	- Diluted Rs.	1.37	2.28	2.94	3.73	8.65
	(iv) NPA Ratios					
	a) Gross Non-performing assets	54,494.92	34,975.60	54,494.92	34,975.60	45,307.90
	b) Net Non-performing assets	32,886.08	23,779.70	32,886.08	23,779.70	27,615.67
	c) % of Gross NPA to Gross Advances	3.16%	2.70%	3.16%	2.70%	2.88%



Sr. No.	Particulars	Quarter Ended		Half-Year Ended		Year ended
		Sep-08 (Unaudited)	Sep-07 (Unaudited)	Sep-08 (Unaudited)	Sep-07 (Unaudited)	Mar-08 (Audited)
	d) % of Net NPA to net Advances	1.93%	1.85%	1.93%	1.85%	1.78%
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	1.43%	0.96%	1.43%	0.96%	0.99%
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	0.63%	0.39%	0.63%	0.39%	0.38%
	g) Return on Assets (Average) – Not Annualized	0.18%	0.29%	0.39%	0.52%	1.10%
18	Public Shareholding					
	(i) No. of shares	164,186,068	143,217,887	164,186,068	143,217,887	160,969,300
	(ii) % of shareholding	47.55%	43.81%	47.55%	43.81%	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 half-year and quarter ended 30th September, 2008 & 30th September, 2007 and year ended 31st March, 2008 are as given below:

Rs in lakhs

	Quarter ended		Half year ended		Year ended
	30 th September, 2008	30 th September, 2007	30 th September, 2008	30 th September, 2007	31 st March, 2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue					
a. Treasury	20,789.81	19,531.59	38,100.62	38,859.04	74,364.89
b. Corporate/ Wholesale Banking	19,381.44	20,876.32	43,607.28	35,717.35	95,498.73
c. Retail Banking:					
(i) Lending	49,834.99	34,325.34	95,164.28	64,738.10	145,865.31
(ii) Branch banking	19,277.96	15,622.88	36,418.88	28,126.52	64,508.80
(iii) Credit Cards	394.94	-	680.38	-	0.02
Sub-total	69,507.89	49,948.22	132,263.54	92,864.62	210,374.13
d. Other Banking business	-	549.73	-	911.65	911.70

	Sub-total	109,679.14	90,905.86	213,971.44	168,352.66	381,149.45
	Less : Inter-segmental revenue	29,010.16	19,574.11	54,743.08	37,783.37	81,744.16
	Add : Unallocated Income	8.25	84.64	8.25	292.39	477.47
	Total	80,677.23	71,416.39	159,236.61	130,861.68	299,882.76
2.	Segment Results					
	a. Treasury	1,048.47	2,631.30	1,324.05	5,409.20	(582.57)
	b. Corporate/ Wholesale Banking	5,464.69	6,709.59	12,486.39	9,978.63	33,362.92
	c. Retail Banking:	-				
	(i) Lending	9,087.65	5,745.30	18,392.14	9,911.39	21,662.84
	(ii) Branch banking	(5,971.50)	(4,516.12)	(13,150.29)	(8,388.30)	(14,668.30)
	(iii) Credit Cards	(2,170.21)	-	(3,404.69)	-	(765.91)
	Sub-total	945.94	1,229.18	1,837.16	1,523.09	6,228.63
	d. Other Banking business	-	172.37	-	291.57	291.60
	Sub-total	7,459.10	10,742.44	15,647.60	17,202.49	39,300.58
	Add : Unallocated Income	8.25	84.64	8.25	292.39	477.47
	Total Profit Before Tax	7,467.35	10,827.08	15,655.85	17,494.88	39,778.05
3.	Segment Assets					
	a. Treasury	908,355.65	1,429,110.64	908,355.65	1,429,110.64	1,183,461.05
	b. Corporate/ Wholesale Banking	798,653.48	1,231,822.66	798,653.48	1,231,822.66	821,633.05
	c. Retail Banking:					
	(i) Lending	1,244,915.40	926,834.34	1,244,915.40	926,834.34	1,158,068.02
	(ii) Branch banking	860,234.39	734,370.50	860,234.39	734,370.50	799,651.11
	(iii) Credit Cards	10,035.43	-	10,035.43	-	28.22
	Sub-total	2,115,185.22	1,661,204.84	2,115,185.22	1,661,204.84	1,957,747.35
	d. Other Banking business	-	278.39	-	278.39	-
	Sub-total	3,822,194.35	4,322,416.53	3,822,194.35	4,322,416.53	3,962,841.45
	Less: Inter-segmental Assets	1,110,764.45	1,558,452.25	1,110,764.45	1,558,452.25	1,145,792.42
	Total	2,711,429.90	2,763,964.28	2,711,429.90	2,763,964.28	2,817,049.03
4.	Segment Liabilities					
	a. Treasury	785,452.32	1,403,539.30	785,452.32	1,403,539.30	1,046,265.80
	b. Corporate/ Wholesale Banking	631,715.58	1,111,877.66	631,715.58	1,111,877.66	665,997.26
	c. Retail Banking:					
	(i) Lending	1,172,665.59	892,170.31	1,172,665.59	892,170.31	1,088,125.37
	(ii) Branch banking	873,384.68	742,758.80	873,384.68	742,758.80	814,242.62
	(iii) Credit Cards	2,228.66	-	2,228.66	-	-
	Sub-total	2,048,278.93	1,634,929.11	2,048,278.93	1,634,929.11	1,902,367.99
	d. Other Banking business	-	-	-	-	-
	Sub-total	3,465,446.83	4,150,346.07	3,465,446.83	4,150,346.07	3,614,631.05
	Less: Inter-segmental Liabilities	1,110,764.45	1,558,452.25	1,110,764.45	1,558,452.25	1,145,792.42
	Total	2,354,682.38	2,591,893.82	2,354,682.38	2,591,893.82	2,468,838.63
5.	Unallocated Assets net of Liabilities	9,090.56	5,191.63	9,090.56	5,191.63	5,341.36

In order to facilitate comparison, given below is the summary of the operating segments of the Bank for the half-year ended and quarter ended 30th September, 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 half-year ended and quarter ended 30th September, 2007 & year ended 31st March, 2008 are given below:

	Quarter ended		Half-year ended		Year ended
	30 th September, 2008	30 th September, 2007	30 th September, 2008	30 th September, 2007	31 st March, 2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue					
a. Lending	55,496.36	37,899.75	110,198.22	70,928.47	174,347.24
b. Corporate Banking	14,115.01	17,301.91	29,253.72	29,526.98	67,016.82
c. Treasury & Investments	20,789.81	19,531.59	38,100.62	38,859.04	74,364.89
d. Retail Liabilities	19,277.96	15,622.88	36,418.88	28,126.52	64,508.80
e. Venture Fund Management	-	549.73	-	911.65	911.70
Sub-total	109,679.14	90,905.86	213,971.44	168,352.66	381,149.45
Less: Inter-segmental revenue	29,010.16	19,574.11	54,743.08	37,783.37	81,744.16
Add: Unallocated Income	8.25	84.64	8.25	292.39	477.47
Total	80,677.23	71,416.39	159,236.61	130,861.68	299,882.76
2. Segment Results					
a. Lending	8,011.39	6,024.49	20,035.18	10,356.88	33,995.36
b. Corporate Banking	4,370.74	6,430.40	7,438.66	9,533.14	20,264.49
c. Treasury & Investments	1,048.47	2,631.30	1,324.05	5,409.20	(582.57)
d. Retail Liabilities	(5,971.50)	(4,516.12)	(13,150.29)	(8,388.30)	(14,668.30)
f. Venture Fund Management	-	172.37	-	291.57	291.60
Total	7,459.10	10,742.44	15,647.60	17,202.49	39,300.58
Add: Unallocated Income	8.25	84.64	8.25	292.39	477.47
Total Profit Before Tax	7,467.35	10,827.08	15,655.85	17,494.88	39,778.05
3. Segment Assets					
a. Lending	1,428,529.40	1,022,264.81	1,428,529.40	1,022,264.81	1,325,413.43
b. Corporate Banking	625,074.91	1,136,392.19	625,074.91	1,136,392.19	654,315.86
c. Treasury & Investments	908,355.65	1,429,110.64	908,355.65	1,429,110.64	1,183,461.05
d. Retail Liabilities	860,234.39	734,370.50	860,234.39	734,370.50	799,651.11
e. Venture Fund Management	-	278.39	-	278.39	-
Sub-total	3,822,194.35	4,322,416.53	3,822,194.35	4,322,416.53	3,962,841.45
Less: Inter-segmental Assets	1,110,764.45	1,558,452.25	1,110,764.45	1,558,452.25	1,145,792.42
Total	2,711,429.90	2,763,964.28	2,711,429.90	2,763,964.28	2,817,049.03
4. Segment Liabilities					
a. Lending	1,190,561.76	907,188.93	1,190,561.76	907,188.93	1,101,893.44
b. Corporate Banking	616,048.07	1,096,859.04	616,048.07	1,096,859.04	652,229.19
c. Treasury & Investments	785,452.32	1,403,539.30	785,452.32	1,403,539.30	1,046,265.80
d. Retail Liabilities	873,384.68	742,758.80	873,384.68	742,758.80	814,242.62
e. Venture Fund Management	-	0.00	-	0.00	-
Sub-total	3,465,446.83	4,150,346.07	3,465,446.83	4,150,346.07	3,614,631.05
Less: Inter-segmental	1,110,764.45	1,558,452.25	1,110,764.45	1,558,452.25	1,145,792.42



	Liabilities					
	Total	2,354,682.38	2,591,893.82	2,354,682.38	2,591,893.82	2,468,838.63
5.	Unallocated Assets net of Liabilities	9,090.56	5,191.63	9,090.56	5,191.63	5,341.36

- 1 During the quarter, the Bank has granted NIL options under employee stock option scheme. 293,530 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 September, 2008 are 11,007,565.
- 2 Provision for taxes includes fringe benefit tax provision amounting to Rs.160 lakhs for the quarter ended 30th September, 2008 (Rs. 138 lakhs for the quarter ended 30thSeptember, 2007) and Rs.550 lakhs for the year ended 31st March, 2008.
- 3 Status of shareholder complaints received during the quarter ended 30th September, 2008:

Total complaints pending as at 30 th June, 2008	NIL
Total complaints received during the quarter ended 30 th September, 2008	35
Total complaints resolved during the quarter ended 30 th September, 2008	35
Total complaints pending as at 30 th September, 2008	NIL

- 4 During the quarter, the Bank has subscribed to the rights issue of equity shares of its subsidiary, Kotak Mahindra Old Mutual Life Insurance Limited (Kotak Life) amounting to Rs. 1,530.87 lakhs. The total investment made by the Bank in Kotak Life as on 30th September, 2008 is Rs. 26,024.80 lakhs.
- 5 Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/ year.
- 6 There are no significant changes in the accounting policies during the quarter.
- 7 Figures for the previous period/year have been regrouped wherever necessary to conform to current period's presentation.
- 8 These results for the quarter ended 30th September 2008 have been subjected to a "Limited Review" by the Statutory Auditors of the Bank.
- 9 The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 31st October, 2008.

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

Dipak Gupta
Executive Director

Mumbai, 31st October,2008