



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 2008

Rs in lakhs

Sr No	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		Dec-08 (Unaudited)	Dec-07 (Unaudited)	Dec-08 Unaudited)	Dec-07 (Unaudited)	Mar-08 (Audited)
1	Interest earned (a+b+c+d)	112,730.95	99,232.20	326,211.15	254,414.41	364,838.80
	(a) Interest/discount on advances/bills	91,297.31	69,910.59	261,221.99	182,137.07	260,768.46
	(b) Income on investments	18,988.17	24,033.26	56,027.59	59,687.10	85,879.03
	(c) Interest on balances with RBI & other banks	1,450.15	2,162.33	5,265.70	6,627.82	9,037.14
	(d) Others	995.32	3,126.02	3,695.87	5,962.42	9,154.17
2	Other income (a+b)	55,743.60	149,039.39	174,939.75	314,273.88	390,100.32
	a) Profit/(Loss) on sale of investments including revaluation (insurance business)	(16,579.68)	30,850.74	(47,983.30)	58,420.93	15,348.79
	b) Other income (see Notes 2 and 5)	72,323.28	118,188.65	222,923.05	255,852.95	374,751.53
3	Total income (1+2)	168,474.55	248,271.59	501,150.90	568,688.29	754,939.12
4	Interest expended	53,900.25	50,603.22	151,557.05	134,846.83	181,647.70
5	Operating expenses (a+b+c)	84,502.84	132,493.34	261,494.78	305,232.30	396,197.50
	(a) Payments to and Provisions for employees	29,597.03	34,658.73	93,174.03	87,408.32	119,789.20
	(b) Other operating expenses (see Note 3 and 5)	36,895.38	36,105.57	121,467.45	92,719.99	133,970.19
	(c) Policy holders' reserves, surrender expense and claims	18,010.43	61,729.04	46,853.30	125,103.99	142,438.11
6	Total expenditure (4+5) (excluding provisions and contingencies)	138,403.09	183,096.56	413,051.83	440,079.13	577,845.20
7	Operating Profit before Provisions and Contingencies (3-6)	30,071.46	65,175.03	88,099.07	128,609.16	177,093.92
8	Provisions (other than tax) and Contingencies (see Note 1)	9,788.47	13,501.92	19,508.61	22,212.43	36,302.67
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	20,282.99	51,673.11	68,590.46	106,396.73	140,791.25
11	Provision for Taxes (see Note 7)	7,153.56	16,431.29	25,410.82	34,611.47	44,918.61
12	Profit from Ordinary activities after tax before Minority Interest (10 – 11)	13,129.43	35,241.82	43,179.64	71,785.26	95,872.64
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Profit from Ordinary activities after tax before Minority Interest (12 – 13)	13,129.43	35,241.82	43,179.64	71,785.26	95,872.64
15	Less: Share of Minority Interest	243.14	(560.44)	(658.52)	(1,939.21)	(1,868.75)
16	Add: Share in Profit of associates	203.90	570.97	334.00	1,388.15	1,381.27
17	Profit after tax (14-15+16)	13,090.19	36,373.23	44,172.16	75,112.62	99,122.66
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	34,547.35	34,421.13	34,547.35	34,421.13	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.	3.73	10.65	12.74	22.66	29.62
	(b) Diluted (not annualized) Rs.	3.71	10.48	12.66	22.33	29.18
	(ii) NPA Ratios					
	(a) Gross NPA	89,139.91	53,730.53	89,139.91	53,730.53	56,719.36
	(b) Net NPA	56,141.11	33,265.95	56,141.11	33,265.95	36,266.58
	(c) % of Gross NPA/ Gross Advances	3.68	2.48	3.68	2.48	2.56
	(d) % of Net NPA/ Net Advances	2.35	1.55	2.35	1.55	1.65
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	1.91	0.87	1.91	0.87	0.85
	(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	1.01	0.33	1.01	0.33	0.33
	(iii) Return on Assets (average) (not annualised)	0.33	0.92	1.09	2.18	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		Nine Months Ended		Year Ended
	Dec-08 (Unaudited)	Dec-07 (Unaudited)	Dec-08 (Unaudited)	Dec-07 (Unaudited)	Mar-08 (Audited)
Commission, Fees, Exchange and brokerage	23,617.92	52,747.19	82,166.82	126,912.67	167,628.83
Premium on insurance business	50,261.16	41,030.83	140,937.92	86,423.27	166,199.05
Others	(1,555.80)	24,410.63	(181.69)	42,517.01	40,923.65
Total – Other income	72,323.28	118,188.65	222,923.05	255,852.95	374,751.53

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

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec-08 (Unaudited)	Dec-07 (Unaudited)	Dec-08 (Unaudited)	Dec-07 (Unaudited)	Mar-08 (Audited)
Brokerage	6,407.08	6,379.55	22,485.70	15,999.06	25,487.92
Depreciation	3,486.29	2,550.96	9,584.36	6,912.17	9,866.71
Rent, taxes and lighting	5,678.21	4,282.53	16,226.28	10,675.29	15,053.68
Others	21,323.80	22,892.53	73,171.11	59,133.47	83,561.88
Total – Other operating expenses	36,895.38	36,105.57	121,467.45	92,719.99	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.



- 5 Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to Rs. 856.47 lakhs for the quarter ended 31st December, 2008 and for nine months ended 31st December, 2008 Rs. 3,464.31 lakhs (for the quarter ended 31st December, 2007 Rs. 3,369.21 lakhs, nine months ended 31st December, 2007 Rs. 8,514.54 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. The net mark to mark loss on capital market derivatives are provided for and the net mark to market 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 after tax for the quarter ended 31st December, 2008 would have been higher by Rs. 1,176.83 lakhs net and for the nine months ended 31st December, 2008 lower by Rs. 1,133.25 lakhs net.
- 7 Provision for taxes (net of deferred tax) for the quarter ended 31st December, 2008, include Fringe Benefit Tax provision amounting to Rs. 318.78 lakhs and for nine months ended 31st December, 2008 Rs. 1,041.90 lakhs (for the quarter ended 31st December, 2007 Rs. 372.26 lakhs and nine months ended 31st December, 2007 Rs. 940.18 lakhs and for the year ended 31st March, 2008 Rs. 1,259.50 lakhs).
- 8 Consolidated Capital adequacy ratio as on December 31, 2008 was 19.8% and 20.2% as on March 31, 2008.
- 9 Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.
- 10 These results have not been subjected to a limited review by the statutory auditors of the Bank.
- 11 The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 22nd January, 2009.



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		Nine Months Ended		Year Ended
		Dec-08 (Unaudited)	Dec-07 (Unaudited)	Dec-08 (Unaudited)	Dec-07 (Unaudited)	Mar-08 (Audited)
1	Interest earned (a+b+c+d)	80,351.90	68,265.10	226,211.49	177,169.54	253,536.43
a	Interest/ discount on advances/ bills	65,914.25	47,388.64	183,741.19	126,196.81	180,204.79
b	Income on investments	14,084.82	20,345.37	41,216.00	48,884.61	70,831.20
c	Interest on balances with RBI & other banks	324.37	373.60	1,159.32	1,515.74	1,804.06
d	Others	28.46	157.49	94.98	572.38	696.38
2	Other Income	10,903.01	20,453.86	24,280.03	42,411.10	46,346.33
3	Total income (1+2)	91,254.91	88,718.96	250,491.52	219,580.64	299,882.76
4	Interest expended	42,096.88	33,521.33	116,156.17	93,667.46	130,956.34
5	Operating expenses (a+b)	29,412.48	29,300.34	91,982.64	75,831.48	101,937.38
	(a) Payments to and Provisions for employees	14,300.06	14,751.46	43,637.63	38,012.20	48,394.89
	(b) Other Operating expenses	15,112.42	14,548.88	48,345.01	37,819.28	53,542.49
6	Total expenditure (4+5)	71,509.36	62,821.67	208,138.81	169,498.94	232,893.72
7	Operating Profit (3-6)	19,745.55	25,897.29	42,352.71	50,081.70	66,989.04
8	Other provisions & contingencies	8,812.76	11,772.34	15,764.07	18,461.87	27,210.99
9	Exceptional items					
10	Profit / Loss from Ordinary Activities before tax (7-8-9)	10,932.79	14,124.95	26,588.64	31,619.83	39,778.05
11	Provision for taxes	3,820.04	3,958.28	9,236.20	9,147.28	10,384.77
12	Net Profit / Loss from Ordinary Activities after tax (10-11)	7,112.75	10,166.67	17,352.44	22,472.55	29,393.28
13	Extraordinary items (net of tax expense)					
14	Net Profit / Loss for the Period (12-13)	7,112.75	10,166.67	17,352.44	22,472.55	29,393.28
15	Paid Up Equity Capital - (Face Value Rs. 10 per share)	34,547.35	34,421.13	34,547.35	34,421.13	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	17.01	18.40	17.01	18.40	18.65
	(iii) Earnings Per Share (EPS) for the period					
	- Basic Rs.	2.06	2.98	5.03	6.78	8.78
	- Diluted Rs.	2.05	2.93	5.00	6.68	8.65
	(iv) NPA Ratios					
	a) Gross Non-performing assets	73,161.81	42,671.90	73,161.81	42,671.90	45,307.90
	b) Net Non-performing assets	47,007.30	24,515.40	47,007.30	24,515.40	27,615.67
	c) % of Gross NPA to Gross Advances	4.08	2.88	4.08	2.88	2.88



Sr No	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		Dec-08 (Unaudited)	Dec-07 (Unaudited)	Dec-08 (Unaudited)	Dec-07 (Unaudited)	Mar-08 (Audited)
	d) % of Net NPA to net Advances	2.66	1.08	2.66	1.08	1.78
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	2.14	1.68	2.14	1.68	0.99
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	1.22	0.39	1.22	0.39	0.38
	g) Return on Assets (Average) – Not Annualized	0.26	0.38	0.65	0.92	1.10
18	Public Shareholding					
	(i) No. of shares	164,391,859	160,493,295	164,391,859	160,493,295	160,969,300
	(ii) % of shareholding	47.59	46.64	47.59	46.64	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 Nine Months ended and quarter ended 31st December, 2008 & 31st December, 2007 and year ended 31st March, 2008 are as given below:

Rs in lakhs

		Quarter ended		Nine Months Ended		Year ended
		31 st December, 2008	31 st December, 2007	31 st December, 2008	31 st December, 2007	31 st March, 2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue					
	a. Treasury	28,751.70	22,039.21	66,852.32	60,898.25	74,364.89
	b. Corporate/ Wholesale Banking	22,465.49	33,229.53	66,072.76	68,946.86	95,498.73
	c. Retail Banking:					
	(i) Lending	48,813.36	38,221.21	143,977.64	102,959.31	145,865.31
	(ii) Branch banking	21,084.69	17,075.17	57,503.57	45,201.69	64,508.80

	(iii) Credit Cards	1,273.61	-	1,953.99	-	0.02
	Sub-total	71,171.66	55,296.38	203,435.20	148,161.00	210,374.13
	d. Other Banking business	-	-	-	911.65	911.70
	Sub-total	122,388.85	110,565.12	336,360.28	278,917.76	381,149.45
	Less : Inter-segmental revenue	31,133.94	21,941.63	85,877.01	59,724.98	81,744.16
	Add : Unallocated Income	-	95.47	8.25	387.86	477.47
	Total	91,254.91	88,718.96	250,491.52	219,580.64	299,882.76
2	Segment Results					
	a. Treasury	6,756.95	2,298.25	8,081.00	7,707.44	(582.57)
	b. Corporate/ Wholesale Banking	3,988.30	14,195.29	16,474.69	24,173.93	33,362.92
	c. Retail Banking:	-	-	-	-	-
	(i) Lending	6,982.77	2,707.05	25,374.91	12,618.44	21,662.84
	(ii) Branch banking	(5,324.63)	(5,171.11)	(18,474.92)	(13,559.41)	(14,668.30)
	(iii) Credit Cards	(1,470.60)	-	(4,875.29)	-	(765.91)
	Sub-total	187.54	(2,464.06)	2,024.70	(940.97)	6,228.63
	d. Other Banking business	-	-	-	291.57	291.60
	Sub-total	10,932.79	14,029.48	26,580.39	31,231.97	39,300.58
	Add : Unallocated Income	-	95.47	8.25	387.86	477.47
	Total Profit Before Tax	10,932.79	14,124.95	26,588.64	31,619.83	39,778.05
3	Segment Assets					
	a. Treasury	1,037,162.71	1,047,665.31	1,037,162.71	1,047,665.31	1,183,461.05
	b. Corporate/ Wholesale Banking	721,561.62	786,352.59	721,561.62	786,352.59	821,633.05
	c. Retail Banking:					
	(i) Lending	1,203,885.77	1,058,168.42	1,203,885.77	1,058,168.42	1,158,068.02
	(ii) Branch banking	867,343.17	709,324.92	867,343.17	709,324.92	799,651.11
	(iii) Credit Cards	19,502.21	-	19,502.21	-	28.22
	Sub-total	2,090,731.15	1,767,493.34	2,090,731.15	1,767,493.34	1,957,747.35
	d. Other Banking business	-	-	-	-	-
	Sub-total	3,849,455.48	3,601,511.24	3,849,455.48	3,601,511.24	3,962,841.45
	Less: Inter-segmental Assets	976,197.58	1,017,987.54	976,197.58	1,017,987.54	1,145,792.42
	Total	2,873,257.90	2,583,523.70	2,873,257.90	2,583,523.70	2,817,049.03
4	Segment Liabilities					
	a. Treasury	913,245.93	900,975.61	913,245.93	900,975.61	1,046,265.80
	b. Corporate/ Wholesale Banking	551,642.28	643,264.25	551,642.28	643,264.25	665,997.26
	c. Retail Banking:					
	(i) Lending	1,132,646.18	993,040.79	1,132,646.18	993,040.79	1,088,125.37
	(ii) Branch banking	885,818.09	722,884.32	885,818.09	722,884.32	814,242.62
	(iii) Credit Cards	1,966.20	-	1,966.20	-	-
	Sub-total	2,020,430.47	1,715,925.11	2,020,430.47	1,715,925.11	1,902,367.99
	d. Other Banking business	-	-	-	-	-
	Sub-total	3,485,318.68	3,260,164.97	3,485,318.68	3,260,164.97	3,614,631.05
	Less: Inter-segmental Liabilities	976,197.58	1,017,987.54	976,197.58	1,017,987.54	1,145,792.42
	Total	2,509,121.10	2,242,177.43	2,509,121.10	2,242,177.43	2,468,838.63
5	Unallocated Assets net of Liabilities					
		9,231.48	7,730.77	9,231.48	7,730.77	5,341.36

1 During the quarter, the Bank has granted NIL options under employee stock option scheme. 132,291 options were exercised by the employees during the quarter and the stock options outstanding with employees of the Bank and its subsidiaries as at 31st December, 2008 are 10,693,824.



- 2 Provision for taxes (net of deferred tax) includes fringe benefit tax provision amounting to Rs.130 lakhs for the quarter ended 31st December, 2008 (Rs. 138 lakhs for the quarter ended 31st December, 2007) and Rs.550 lakhs for the year ended 31stMarch, 2008.
- 3 Status of shareholder complaints received during the quarter ended 31st December, 2008:

Total complaints pending as at 30 th September, 2008	NIL
Total complaints received during the quarter ended 31 st December, 2008	22
Total complaints resolved during the quarter ended 31 st December, 2008	21
Total complaints pending as at 31 st December, 2008	01

- 4 Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/ year.
- 5 Figures for the previous period/year have been regrouped wherever necessary to conform to current period's presentation.
- 6 These results for the quarter ended 31st December 2008 have been subjected to a "Limited Review" by the Statutory Auditors of the Bank.
- 7 The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 22nd January, 2009.

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

Dipak Gupta
Executive Director

Mumbai, 22nd January,2009