



KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2009

Rs in lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-08 (Unaudited)	Mar-09 (Unaudited)	Mar-08 (Unaudited)	Mar-09 (Audited)	Mar-08 (Audited)
1	Interest earned (a+b+c+d)	326,211.15	110,445.19	110,424.39	436,656.34	364,838.80
	(a) Interest/discount on advances/bills	261,221.99	89,323.91	78,631.39	350,545.90	260,768.46
	(b) Income on investments	56,027.59	19,930.14	26,191.93	75,957.73	85,879.03
	(c) Interest on balances with RBI & other banks	5,265.70	355.98	2,409.32	5,621.68	9,037.14
	(d) Others	3,695.87	835.16	3,191.75	4,531.03	9,154.17
2	Other income (a+b)	174,939.75	113,321.67	75,826.44	288,261.42	390,100.32
	a) Profit/(Loss) on sale of investments including revaluation (insurance business)	(47,983.30)	(3,829.36)	(43,072.14)	(51,812.66)	15,348.79
	b) Other income (see Notes 2 and 5)	222,923.05	117,151.03	118,898.58	340,074.08	374,751.53
3	Total income (1+2)	501,150.90	223,766.86	186,250.83	724,917.76	754,939.12
4	Interest expended	151,557.05	47,682.42	46,800.87	199,239.47	181,647.70
5	Operating expenses (a+b+c)	261,494.78	129,583.86	90,965.20	391,078.64	396,197.50
	(a) Payments to and Provisions for employees	93,174.03	26,077.02	32,380.88	119,251.05	119,789.20
	(b) Policy holders' reserves, surrender expense and claims	46,853.30	67,093.60	17,334.12	113,946.90	142,438.11
	(c) Other operating expenses (see Note 3 and 5)	121,467.45	36,413.24	41,250.20	157,880.69	133,970.19
6	Total expenditure (4+5) (excluding provisions and contingencies)	413,051.83	177,266.28	137,766.07	590,318.11	577,845.20
7	Operating Profit before Provisions and Contingencies (3-6)	88,099.07	46,500.58	48,484.76	134,599.65	177,093.92
8	Provisions (other than tax) and Contingencies (see Note 1)	19,508.61	13,470.85	14,090.24	32,979.46	36,302.67
9	Exceptional Items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	68,590.46	33,029.73	34,394.52	101,620.19	140,791.25
11	Tax expense (see Note 7)	25,410.82	10,942.16	10,307.14	36,352.98	44,918.61
12	Profit from Ordinary activities after tax before Minority Interest (10 – 11)	43,179.64	22,087.57	24,087.38	65,267.21	95,872.64
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Profit from Ordinary activities after tax before Minority Interest (12 – 13)	43,179.64	22,087.57	24,087.38	65,267.21	95,872.64
15	Less: Share of Minority Interest	(658.52)	1,031.35	70.46	372.83	(1,868.75)
16	Add: Share in Profit of associates	334.00	10.25	(6.88)	344.25	1,381.27
17	Profit after tax (14-15+16)	44,172.16	21,066.47	24,010.04	65,238.63	99,122.66
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	34,547.35	34,566.89	34,467.28	34,566.89	34,467.28
19	Group Reserves (excluding Minority Interest)				617,687.52	547,923.35

20	Minority Interest				6,286.02	5,123.34
21	Analytical Ratios					
	(i) Earnings per Share (before and after extraordinary items)					
	(a) Basic (not annualized) Rs.	12.74	6.10	6.97	18.90	29.62
	(b) Diluted (not annualized) Rs.	12.66	6.09	6.86	18.87	29.18
	(ii) NPA Ratios					
	(a) Gross NPA	89,139.91	83,208.43	56,719.36	83,208.43	56,719.36
	(b) Net NPA	56,141.11	45,430.59	36,266.58	45,430.59	36,266.58
	(c) % of Gross NPA/ Gross Advances	3.68	3.64	2.56	3.64	2.56
	(d) % of Net NPA/ Net Advances	2.35	2.02	1.65	2.02	1.65
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	1.91	2.44	0.85	2.44	0.85
	(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	1.01	1.18	0.33	1.18	0.33
	(iii) Return on Assets (average) (not annualised)	1.09	0.52	0.59	1.61	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 audited results are as follows:

Rs in lakhs

Particulars	Nine Months Ended	Quarter Ended		Year Ended	
	Dec-08 (Unaudited)	Mar-09 (Unaudited)	Mar-08 (Unaudited)	Mar-09 (Audited)	Mar-08 (Audited)
Commission, Fees, Exchange and brokerage	82,166.82	21,239.93	40,716.16	103,406.75	167,628.83
Premium on insurance business	140,937.92	89,771.71	79,775.78	230,709.63	166,199.05
Others	(181.69)	6,139.39	(1,593.36)	5,957.70	40,923.65
Total – Other income	222,923.05	117,151.03	118,898.58	340,074.08	374,751.53

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

Rs in lakhs

Particulars	Nine Months Ended	Quarter Ended		Year Ended	
	Dec-08 (Unaudited)	Mar-09 (Unaudited)	Mar-08 (Unaudited)	Mar-09 (Audited)	Mar-08 (Audited)
Brokerage	22,485.70	5,758.96	9,488.86	28,244.66	25,487.92
Depreciation	9,584.36	3,008.87	2,954.54	12,593.23	9,866.71
Rent, taxes and lighting	16,226.28	5,858.99	4,378.39	22,085.27	15,053.68
Others	73,171.11	21,786.42	24,428.41	94,957.53	83,561.88
Total – Other operating expenses	121,467.45	36,413.24	41,250.20	157,880.69	133,970.19



- 4 The consolidated financial results are prepared in accordance with Accounting Standard – 21, “Consolidated Financial Statements “ and Accounting Standard -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 amounting to Rs. 909.58 lakhs for the quarter ended 31st March, 2009 and for year ended 31st March, 2009 Rs. 3,772.46 lakhs (for the quarter ended 31st March, 2008 Rs. 4,393.09 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 March, 2009 would have been lower by Rs. 579.59 lakhs net and for the year ended 31st March, 2009 lower by Rs. 1,327.65 lakhs net.
- 7 Provision for taxes (net of deferred tax) for the quarter ended 31st March, 2009, include Fringe Benefit Tax provision amounting to Rs. 156.44 lakhs and for year ended 31st March, 2009 Rs. 1,198.34 lakhs (for the quarter ended 31st March, 2008 Rs. 319.32 lakhs and for the year ended 31st March, 2008 Rs. 1,259.50 lakhs).
- 8 Consolidated Capital Adequacy ratio as per BASEL I as on 31st March, 2009 is 22.8% and 20.2% as on 31st March, 2008.
- 9 Figures for the previous period/ year have been regrouped wherever necessary to conform to current period’s presentation.
- 10 The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 12th May, 2009.



KOTAK MAHINDRA BANK LIMITED (STANDALONE)

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

Rs in lakhs

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-08 (Unaudited)	Mar-09 (Unaudited)	Mar-08 (Unaudited)	Mar-09 (Audited)	Mar-08 (Audited)
1	Interest earned (a+b+c+d)	226,211.49	80,302.91	76,366.89	306,514.40	253,536.43
a	Interest/ discount on advances/ bills	183,741.19	65,631.39	54,007.98	249,372.58	180,204.79
b	Income on investments	41,216.00	14,624.38	21,946.59	55,840.38	70,831.20
c	Interest on balances with RBI & other banks	1,159.32	13.03	288.32	1,172.35	1,804.06
d	Others	94.98	34.11	124.00	129.09	696.38
2	Other Income	24,280.03	11,506.23	3,935.22	35,786.26	46,346.33
3	Total income (1+2)	250,491.52	91,809.14	80,302.11	342,300.66	299,882.76
4	Interest expended	116,156.17	38,503.58	37,288.88	154,659.75	130,956.34
5	Operating expenses (a+b)	91,982.64	27,659.65	26,105.90	119,642.29	101,937.38
	(a) Payments to and Provisions for employees	43,637.63	12,045.85	10,382.69	55,683.48	48,394.89
	(b) Other Operating expenses	48,345.01	15,613.80	15,723.21	63,958.81	53,542.49
6	Total expenditure (4+5)	208,138.81	66,163.23	63,394.78	274,302.04	232,893.72
7	Operating Profit (3-6)	42,352.71	25,645.91	16,907.33	67,998.62	66,989.04
8	Other provisions & contingencies	15,764.07	9,628.81	8,749.12	25,392.88	27,210.99
9	Exceptional items	-	-	-	-	-
10	Profit / Loss from Ordinary Activities before tax (7-8-9)	26,588.64	16,017.10	8,158.21	42,605.74	39,778.05
11	Provision for taxes	9,236.20	5,759.82	1,237.49	14,996.02	10,384.77
12	Net Profit / Loss from Ordinary Activities after tax (10-11)	17,352.44	10,257.28	6,920.72	27,609.72	29,393.28
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit / Loss for the Period (12-13)	17,352.44	10,257.28	6,920.72	27,609.72	29,393.28
15	Paid Up Equity Capital - (Face Value Rs. 10 per share)	34,547.35	34,566.89	34,467.28	34,566.89	34,467.28
16	Reserves excluding revaluation reserves				346,794.90	319,082.21
17	Analytical Ratios					
	(i) % of shares held by Govt. of India	-	-	-	-	-
	(ii) % Capital adequacy ratio (under Basel I)	17.01	19.86	18.65	19.86	18.65
	(iii) Earnings Per Share (EPS) for the period					
	- Basic Rs.	5.03	2.97	2.01	8.00	8.78
	- Diluted Rs.	5.00	2.96	1.98	7.99	8.65
	(iv) NPA Ratios					
	a) Gross Non-performing assets	73,161.81	73,071.09	45,307.90	73,071.09	45,307.90

Sr No	Particulars	Nine Months Ended	Quarter Ended		Year Ended	
		Dec-08 (Unaudited)	Mar-09 (Unaudited)	Mar-08 (Unaudited)	Mar-09 (Audited)	Mar-08 (Audited)
	b) Net Non-performing assets	47,007.30	39,684.20	27,615.67	39,684.20	27,615.67
	c) % of Gross NPA to Gross Advances	4.08	4.31	2.88	4.31	2.88
	d) % of Net NPA to net Advances	2.66	2.39	1.78	2.39	1.78
	e) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	2.14	2.70	0.99	2.70	0.99
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	1.22	1.26	0.38	1.26	0.38
	g) Return on Assets (Average) – Not Annualized	0.65	0.38	0.21	1.03	1.10
18	Public Shareholding					
	(i) No. of shares	164,391,859	164,556,059	160,969,300	164,556,059	160,969,300
	(ii) % of shareholding	47.59	47.62	46.71	47.62	46.71
19	Promoters and promoter group Shareholding **					
	a) Pledged/Encumbered					
	- Number of shares	NA	50,000	NA	50,000	NA
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	0.03%	-	0.03%	-
	- Percentage of shares (as a % of the total share capital of the company)	-	0.01%	-	0.01%	-
	b) Non-encumbered					
	- Number of Shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	181,053,669	-	181,053,669	-
	- Percentage of shares (as a % of the total share capital of the company)	-	99.97%	-	99.97%	-
	- Percentage of shares (as a % of the total share capital of the company)	-	52.38%	-	52.38%	-

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 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 Commercial vehicle finance, personal loans, home loans, agriculture finance, other loans/services & exposures which fulfill the four criteria's for retail exposures laid down in Basel Committee on Banking Supervision document "International Convergence of Capital



	Measurement and Capital Standards : A Revised Framework": II Branch Banking Retail borrowings covering savings, current, term deposit accounts and Branch Banking network / services including distribution of financial products. III Credit Cards Receivables / loans relating to credit card business
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 31st December, 2008, Quarter ended and Year ended 31st March, 2009 & 31st March, 2008 are as given below:

		Rs in lakhs				
		Nine Month ended	Quarter Ended		Year ended	
		31 st December, 2008	31 st March, 2009	31 st March, 2008	31 st March, 2009	31 st March, 2008
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Segment Revenue					
	a. Treasury and BMU	66,852.32	24,892.23	13,466.68	91,744.55	74,364.89
	b. Corporate/ Wholesale Banking	66,072.76	22,720.45	28,870.86	88,793.21	95,498.73
	c. Retail Banking:					
	(i) Lending	143,977.64	48,939.02	42,906.02	192,916.66	145,865.31
	(ii) Branch banking	57,503.57	20,967.51	19,307.11	78,471.08	64,508.80
	(iii) Credit Cards	1,953.99	1,877.32	-	3,831.31	0.02
	Sub-total	203,435.20	71,783.85	62,213.13	275,219.05	210,374.13
	d. Other Banking business	-	-	-	-	911.70
	Sub-total	336,360.28	119,396.53	104,550.67	455,756.81	381,149.45
	Less : Inter-segmental revenue	85,877.01	27,594.08	24,338.17	113,471.09	81,744.16
	Add : Unallocated Income	8.25	6.69	89.61	14.94	477.47
	Total	250,491.52	91,809.14	80,302.11	342,300.66	299,882.76
2	Segment Results					
	a. Treasury and BMU	8,081.00	4,847.58	(8,289.95)	12,928.58	(582.57)
	b. Corporate/ Wholesale Banking	16,474.69	6,059.63	9,188.94	22,534.32	33,362.92
	c. Retail Banking:					
	(i) Lending	25,374.91	11,266.87	8,278.50	36,641.78	21,662.84
	(ii) Branch banking	(18,474.92)	(4,058.78)	(1,108.89)	(22,533.70)	(14,668.30)
	(iii) Credit Cards	(4,875.29)	(2,104.89)	-	(6,980.18)	(765.91)
	Sub-total	2,024.70	5,103.20	7,169.61	7,127.90	6,228.63
	d. Other Banking business	-	-	-	-	291.60
	Sub-total	26,580.39	16,010.41	8,068.60	42,590.80	39,300.58
	Add : Unallocated Income	8.25	6.69	89.61	14.94	477.47
	Total Profit Before Tax	26,588.64	16,017.10	8,158.21	42,605.74	39,778.05
3	Segment Assets					
	a. Treasury and BMU	1,037,162.71	1,093,220.22	1,183,461.05	1,093,220.22	1,183,461.05
	b. Corporate/ Wholesale Banking	721,561.62	772,055.05	821,633.05	772,055.05	821,633.05
	c. Retail Banking:					
	(i) Lending	1,203,885.77	1,221,629.90	1,158,068.02	1,221,629.90	1,158,068.02

	Nine Month ended	Quarter Ended		Year ended	
		31 st December, 2008	31 st March, 2009	31 st March, 2008	31 st March, 2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
(ii) Branch banking	867,343.17	949,240.40	799,651.11	949,240.40	799,651.11
(iii) Credit Cards	19,502.21	24,449.02	28.22	24,449.02	28.22
Sub-total	2,090,731.15	2,195,319.32	1,957,747.35	2,195,319.32	1,957,747.35
d. Other Banking business	-	-	-	-	-
Sub-total	3,849,455.48	4,060,594.59	3,962,841.45	4,060,594.59	3,962,841.45
Less: Inter-segmental Assets	976,197.58	1,207,116.77	1,145,792.42	1,207,116.77	1,145,792.42
Total	2,873,257.90	2,853,477.82	2,817,049.03	2,853,477.82	2,817,049.03
4 Segment Liabilities					
a. Treasury and BMU	913,245.93	968,726.89	1,046,265.80	968,726.89	1,046,265.80
b. Corporate/ Wholesale Banking	551,642.28	604,387.37	665,997.26	604,387.37	665,997.26
c. Retail Banking:					
(i) Lending	1,132,646.18	1,137,863.85	1,088,125.37	1,137,863.85	1,088,125.37
(ii) Branch banking	885,818.09	971,774.10	814,242.62	971,774.10	814,242.62
(iii) Credit Cards	1,966.20	1,966.20	-	1,966.20	-
Sub-total	2,020,430.47	2,111,604.15	1,902,367.99	2,111,604.15	1,902,367.99
d. Other Banking business	-	-	-	-	-
Sub-total	3,485,318.68	3,684,718.41	3,614,631.05	3,684,718.41	3,614,631.05
Less: Inter-segmental Liabilities	976,197.58	1,207,116.77	1,145,792.42	1,207,116.77	1,145,792.42
Total	2,509,121.10	2,477,601.64	2,468,838.63	2,477,601.64	2,468,838.63
5 Unallocated Assets net of Liabilities	9,231.48	5,485.61	5,341.36	5,485.61	5,341.36

Notes

- During the quarter, the Bank has granted 20.42 lakh options including 1.10 lakh options granted to directors which are subject to regulatory approval. 1.95 lakh 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 March, 2009 are 118.57 lakh.
- Provision for taxes (net of deferred tax) includes fringe benefit tax provision amounting to Rs.140 lakhs for the quarter ended 31st March, 2009 (Rs.150 lakhs for the quarter ended 31st March, 2008) and Rs.570 lakhs for the year ended 31st March, 2009 (Rs.550 Lakhs for the year ended 31st March 2008).
- The Bank has adopted Basel II framework as of 31st March 2009 and the Capital Adequacy Ratio (CAR) computed as per Basel II guidelines is 20.01% as against regulatory minimum of 10%. Tier I CAR is 16.13% as on 31st March 2009.
- The Bank had one outstanding complaint as at 31st December 2008. During the quarter the Bank received 20 complaints from shareholders. All complaints have been resolved and there are no pending complaints as at 31st March, 2009.
- Loans restructured and considered as standard as at 31st March, 2009 were Rs 5,587 lakhs
- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/ year.



- 7 Figures for the previous period/year have been regrouped wherever necessary to conform to current period's presentation.
- 8 The Bank has declared a dividend of Rs. 0.75 per share (previous year Rs. 0.75 per share) for the year ended 31st March, 2009. The Bank is obliged to pay dividend to these shareholders whose names are appearing in the register of members as on the book closure date. The dividend will be paid after the approval of shareholders at the Annual General Meeting.
- 9 The above results were taken on record at the Audit Committee meeting and at the meeting of the Board of Directors held on 12th May, 2009.

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

Dipak Gupta
Executive Director

Mumbai, 12th May, 2009