



**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 2007**

*Rs Million*

Sr No	Particulars	Quarter Ended		Nine Months Ended		Year Ended
		Dec-07 (Unaudited)	Dec-06 (Unaudited)	Dec-07 (Unaudited)	Dec-06 (Unaudited)	Mar-07 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>9,923.22</b>	<b>5,278.30</b>	<b>25,441.44</b>	<b>13,592.31</b>	<b>19,817.26</b>
	(a) Interest/discount on advances/bills	6,984.57	3,922.97	18,192.60	10,200.32	14,811.71
	(b) Income on investments	2,403.33	1,095.64	5,968.71	2,735.01	4,055.21
	(c) Interest on balances with RBI & other banks	216.23	136.11	662.78	335.81	489.41
	(d) Others	319.09	123.58	617.35	321.17	460.93
2	Other income (see Notes 2 and 5)	14,903.94	6,627.65	31,427.39	15,114.45	23,153.93
3	<b>Total income (1+2)</b>	<b>24,827.16</b>	<b>11,905.95</b>	<b>56,868.83</b>	<b>28,706.76</b>	<b>42,971.19</b>
4	Interest expended	<b>5,060.32</b>	<b>2,667.35</b>	<b>13,484.68</b>	<b>6,679.48</b>	<b>9,764.27</b>
5	<b>Operating expenses (a+b)</b>	<b>13,249.33</b>	<b>6,324.20</b>	<b>30,523.23</b>	<b>15,592.33</b>	<b>23,873.50</b>
	(a) Payments to and Provisions for employees	3,465.87	1,931.57	8,740.83	4,923.98	6,880.85
	(b) Other operating expenses (see Note 3 and 5)	9,783.46	4,392.63	21,782.40	10,668.35	16,992.65
6	<b>Total expenditure (4+5) (excluding provisions and contingencies)</b>	<b>18,309.65</b>	<b>8,991.55</b>	<b>44,007.91</b>	<b>22,271.81</b>	<b>33,637.77</b>
7	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>6,517.51</b>	<b>2,914.40</b>	<b>12,860.92</b>	<b>6,434.95</b>	<b>9,333.42</b>
8	Provisions (other than tax) and Contingencies (see Note 1)	1,350.19	513.04	2,221.24	948.03	1,546.50
9	<b>Exceptional Items</b>	-	-	-	-	-
10	<b>Profit from Ordinary Activities before tax (7-8-9)</b>	<b>5,167.32</b>	<b>2,401.36</b>	<b>10,639.68</b>	<b>5,486.92</b>	<b>7,786.92</b>
11	Tax expense (see Note 6)	1,643.13	772.37	3,461.15	1,884.66	2,542.12
12	<b>Profit from Ordinary activities after tax before Minority Interest (10 – 11)</b>	<b>3,524.19</b>	<b>1,628.99</b>	<b>7,178.53</b>	<b>3,602.26</b>	<b>5,244.80</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Profit from Ordinary activities after tax before Minority Interest (12 – 13)</b>	<b>3,524.19</b>	<b>1,628.99</b>	<b>7,178.53</b>	<b>3,602.26</b>	<b>5,244.80</b>

15	Less: Share of Minority Interest	(56.04)	(45.72)	(193.92)	32.92	6.64
16	Add: Share in Profit of associates	57.10	21.06	138.82	109.78	144.26
17	<b>Profit after tax (14-15+16)</b>	<b>3,637.33</b>	<b>1,695.77</b>	<b>7,511.27</b>	<b>3,679.12</b>	<b>5,382.42</b>
18	Paid Up Equity Capital - (Face Value of Rs. 10 per share)	3,442.11	3,259.34	3,442.11	3,259.34	3,261.56
19	Group Reserves (excluding Minority Interest)					29,068.04
20	Minority Interest					305.32
21	<b>Analytical Ratios</b>					
	<b>(i) Earnings per Share (before and after extraordinary items)</b>					
	(a) Basic (not annualized) Rs.	10.65	5.21	22.66	11.37	16.60
	(b) Diluted (not annualized) Rs.	10.48	5.16	22.33	11.27	16.47
	<b>(ii) NPA Ratios</b>					
	(a) Gross NPA	5,373.05	3,997.32	5,373.05	3,997.32	3,772.32
	(b) Net NPA	3,326.60	3,153.75	3,326.60	3,153.75	2,968.61
	(c) % of Gross NPA/ Gross Advances	2.48	2.90	2.48	2.90	2.41
	(d) % of Net NPA/ Net Advances	1.55	2.30	1.55	2.30	1.91
	(e) % of Gross NPA/ Gross Advances (excluding NPAs acquired from other banks/ NBFCs)	0.87	0.60	0.87	0.60	0.46
	(f) % of Net NPA/ Net Advances (excluding NPAs acquired from other banks/ NBFCs)	0.33	0.22	0.33	0.22	0.17
	<b>(iii) Return on Assets (average) (not annualised)</b>	0.92	0.74	2.18	1.72	2.31

**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:

Rs. Million

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec-07 (Unaudited)	Dec-06 (Unaudited)	Dec-07 (Unaudited)	Dec-06 (Unaudited)	Mar-07 (Audited)
Commission, Fees, Exchange and brokerage	5,274.72	3,153.71	12,691.27	7,557.59	10,562.40
Premium on insurance business	4,103.08	2,092.91	8,642.33	4,923.29	9,504.61
Profit on sale of investments incl. revaluation (insurance business)	3,085.07	581.57	5,842.09	856.51	553.30
Profit on sale of investments incl. revaluation (other than insurance business)	1,560.46	460.25	2,245.61	828.54	1,131.67
Others	880.61	339.21	2,006.09	948.52	1,401.95
<b>Total – Other income</b>	<b>14,903.94</b>	<b>6,627.65</b>	<b>31,427.39</b>	<b>15,114.45</b>	<b>23,153.93</b>

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

Rs. Million

Particulars	Quarter Ended		Nine Months Ended		Year Ended
	Dec-07 (Unaudited)	Dec-06 (Unaudited)	Dec-07 (Unaudited)	Dec-06 (Unaudited)	Mar-07 (Audited)
Policy holders' reserves, surrender expense and claims	6,172.90	2,183.29	12,510.40	4,738.05	8,101.95
Brokerage	637.96	432.96	1,599.91	1,157.72	1,757.96
Depreciation	255.10	182.50	691.22	524.36	736.84
Rent, taxes and lighting	428.25	207.32	1,067.53	582.18	821.56
Others	2,289.25	1,386.56	5,913.34	3,666.04	5,574.34
<b>Total – Other operating expenses</b>	<b>9,783.46</b>	<b>4,392.63</b>	<b>21,782.40</b>	<b>10,668.35</b>	<b>16,992.65</b>

- 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. 336.92 million for the quarter ended 31<sup>st</sup> December, 2007 and for nine months ended 31<sup>st</sup> December, 2007 Rs. 851.45 million (for the quarter ended 31<sup>st</sup> December, 2006 Rs. 145.86 million; nine months ended 31<sup>st</sup> December, 2006 Rs. 405.71 million and for the year ended 31<sup>st</sup> March, 2007 Rs. 583.46 million).
- Provision for taxes (net of deferred tax) for the quarter ended 31<sup>st</sup> December, 2007, includes Fringe Benefit Tax provision amounting to Rs. 37.23 million and for nine months ended 31<sup>st</sup> December, 2007 Rs. 94.02 million (for the quarter ended 31<sup>st</sup> December, 2006 Rs. 25.80 million and nine months ended 31<sup>st</sup> December, 2006 Rs. 63.07 million and for the year ended 31<sup>st</sup> March, 2007 Rs. 84.60 million).
- 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 21<sup>st</sup> January, 2008.



**KOTAK MAHINDRA BANK LIMITED (STANDALONE)**

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**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 2007**

Rs. Million

Sr. No.	Particulars	Quarter Ended		Nine Months Ended		Year ended
		DEC-07	DEC-06	DEC-07	DEC-06	MAR-07
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Interest earned (a)+(b)+(c)+(d)</b>	<b>6,826.51</b>	<b>3,571.03</b>	<b>17,716.95</b>	<b>8,945.65</b>	<b>13,191.05</b>
	(a) Interest/ discount on advances/ bills	4,732.37	2,662.58	12,598.57	6,842.21	10,037.87
	(b) Income on investments	2,034.54	797.99	4,888.46	1,876.55	2,808.36
	(c) Interest on balances with RBI & other banks	37.36	107.39	151.57	218.02	331.22
	(d) Others	22.24	3.07	78.35	8.87	13.60
2	<b>Other Income</b>	<b>2,045.39</b>	<b>954.29</b>	<b>4,241.12</b>	<b>2,221.26</b>	<b>3,186.54</b>
3	<b>Total Income (1+2)</b>	<b>8,871.90</b>	<b>4,525.32</b>	<b>21,958.07</b>	<b>11,166.91</b>	<b>16,377.59</b>
4	Interest Expended	3,352.13	1,857.39	9,366.75	4,703.57	6,992.40
5	<b>Operating Expenses (i)+(ii)</b>	<b>2,930.04</b>	<b>1,574.86</b>	<b>7,583.15</b>	<b>4,164.59</b>	<b>6,127.07</b>
	(i) Employees cost	1,475.15	742.49	3,801.22	1,925.17	2,696.97
	(ii) Other Operating expenses	1,454.89	832.37	3,781.93	2,239.42	3,430.10
6	<b>Total expenditure (4+5) (excluding provisions and contingencies)</b>	<b>6,282.17</b>	<b>3,432.25</b>	<b>16,949.90</b>	<b>8,868.16</b>	<b>13,119.47</b>
7	<b>Operating Profit before provisions and contingencies (3-6)</b>	<b>2,589.73</b>	<b>1,093.07</b>	<b>5,008.17</b>	<b>2,298.75</b>	<b>3,258.12</b>
8	Provisions (other than tax) & Contingencies	1,177.24	400.36	1,846.19	721.68	1,225.66
9	Exceptional Items	-	-	-	-	-
10	<b>Profit / Loss from Ordinary Activities before tax (7-8-9)</b>	<b>1,412.49</b>	<b>692.71</b>	<b>3,161.98</b>	<b>1,577.07</b>	<b>2,032.46</b>
11	Tax Expense	395.83	238.70	914.73	536.00	618.80
12	<b>Net Profit / Loss from Ordinary Activities after tax (10-11)</b>	<b>1,016.66</b>	<b>454.01</b>	<b>2,247.25</b>	<b>1,041.07</b>	<b>1,413.66</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Net Profit / Loss for the Period (12-13)</b>	<b>1,016.66</b>	<b>454.01</b>	<b>2,247.25</b>	<b>1,041.07</b>	<b>1,413.66</b>



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Rs. Million

Sr. No.	Particulars	Quarter Ended		Nine Months Ended		Year ended
		DEC-07	DEC-06	DEC-07	DEC-06	MAR-07
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
15	Paid Up Equity Capital - (Face Value Rs. 10 per share)	3,442.11	3,259.34	3,442.11	3,259.34	3,261.56
16	Reserves excluding revaluation reserves					13,073.43
17	Analytical Ratios					
	(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio	18.40%	11.59%	18.40%	11.59%	13.46%
	(iii) Earnings Per Share (EPS) for the period / year (before and after extraordinary items)					
	- Basic	2.98	1.39	6.78	3.22	4.36
	- Diluted	2.93	1.38	6.68	3.19	4.33
	(iv) NPA Ratios					
	a) Gross Non-performing assets	4,267.19	3,034.14	4,267.19	3,034.14	2,821.29
	b) Net Non-performing assets	2,451.54	2,344.93	2,451.54	2,344.93	2,168.03
	c) % of Gross NPA to Gross Advances (including NPAs acquired from other banks and NBFCs)	2.88	3.18	2.88	3.18	2.57
	d) % of Gross NPA to Gross Advances (excluding NPAs acquired from other banks and NBFCs)	1.08	0.71	1.08	0.71	0.52
	e) % of Net NPA to net Advances (including NPAs acquired from other banks and NBFCs)	1.68	2.47	1.68	2.47	1.98
	f) % of Net NPA to net Advances (excluding NPAs acquired from other banks and NBFCs)	0.39	0.23	0.39	0.23	0.18
	g) Return on Assets (Average) – Not Annualized	0.38%	0.29%	0.92%	0.76%	0.94%
18	Public Shareholding					
	(i) No. of shares	163,071,518	144,701,166	163,071,518	144,701,166	144,851,266
	(ii) % of shareholding	47.38%	44.40%	47.38%	44.40%	44.41%



**KOTAK MAHINDRA BANK LIMITED (STANDALONE)**

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**Segment Results**

Rs. Million

Sr No	Particulars	Quarter Ended		Nine Months Ended		Year ended
		DEC-07	DEC-06	DEC-07	DEC-06	MAR-07
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Segment Revenue</b>					
	Lending	5,127.57	2,371.28	12,220.42	5,960.03	9,164.40
	Corporate Banking	2,017.50	1,053.22	4,970.20	2,693.79	3,741.87
	Treasury and Investments	2,203.93	1,175.00	6,089.83	2,819.45	4,084.85
	Retail Liabilities	1,707.52	1,047.91	4,520.17	2,527.89	3,621.71
	Venture Fund Management	-	38.14	91.17	133.01	178.37
	<b>Total</b>	<b>11,056.52</b>	<b>5,685.55</b>	<b>27,891.79</b>	<b>14,134.17</b>	<b>20,791.20</b>
	Less: Inter segment revenue	2,194.17	1,160.23	5,972.51	2,967.26	4,413.87
	Add: Unallocable revenue	9.55	-	38.79	-	0.26
	<b>Total Revenue</b>	<b>8,871.90</b>	<b>4,525.32</b>	<b>21,958.07</b>	<b>11,166.91</b>	<b>16,377.59</b>
2	<b>Segment Results</b>					
	Lending	1,162.71	191.27	2,198.40	647.89	1,124.05
	Corporate Banking	527.52	426.00	1,480.83	822.88	1,016.54
	Treasury and Investments	229.82	139.04	770.74	249.02	236.05
	Retail Liabilities	(517.11)	(82.58)	(1,355.94)	(204.08)	(423.26)
	Venture Fund Management	-	18.98	29.16	61.36	78.82
	<b>Total</b>	<b>1,402.94</b>	<b>692.71</b>	<b>3,123.19</b>	<b>1,577.07</b>	<b>2,032.20</b>
	Add: Unallocable revenue	9.55	-	38.79	-	0.26
	<b>Profit Before Tax</b>	<b>1,412.49</b>	<b>692.71</b>	<b>3,161.98</b>	<b>1,577.07</b>	<b>2,032.46</b>
3	<b>Segment Assets</b>					
	Lending	116,157.47	75,114.94	116,157.47	75,114.94	86,884.75
	Corporate Banking	68,294.63	40,332.99	68,294.63	40,332.99	44,333.17
	Treasury and Investments	104,766.53	63,550.68	104,766.53	63,550.68	93,213.33
	Retail Liabilities	70,932.49	44,980.30	70,932.49	44,980.30	48,816.22
	Venture Fund Management	-	-	-	-	77.19
	<b>Total</b>	<b>360,151.12</b>	<b>223,978.91</b>	<b>360,151.12</b>	<b>223,978.91</b>	<b>273,324.66</b>
	Less: Inter segment assets	101,798.75	63,128.51	101,798.75	63,128.51	74,873.91
	<b>Total Assets</b>	<b>258,352.37</b>	<b>160,850.40</b>	<b>258,352.37</b>	<b>160,850.40</b>	<b>198,450.75</b>
4	<b>Segment Liabilities</b>					
	Lending	100,826.71	67,120.72	100,826.71	67,120.72	78,418.58
	Corporate Banking	62,803.79	37,150.11	62,803.79	37,150.11	40,956.63
	Treasury and Investments	90,097.57	60,985.59	90,097.57	60,985.59	88,492.59
	Retail Liabilities	72,288.43	44,950.60	72,288.43	44,950.60	49,264.42
	Venture Fund Management	-	-	-	-	6.32
	<b>Total</b>	<b>326,016.50</b>	<b>210,207.02</b>	<b>326,016.50</b>	<b>210,207.02</b>	<b>257,138.54</b>
	Less: Inter segment liabilities	101,798.75	63,128.51	101,798.75	63,128.51	74,873.91
	<b>Total Liabilities</b>	<b>224,217.75</b>	<b>147,078.51</b>	<b>224,217.75</b>	<b>147,078.51</b>	<b>182,264.63</b>
5	<b>Unallocated Assets/(Liabilities) - (net)</b>	773.08	264.66	773.08	264.66	148.87

**Note on segment information**

The reportable primary segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India (ICAI).

**Notes**

- 1 During the quarter, the Bank has not granted any options under employee stock options scheme. 261,285 options were exercised by the employees and the stock options outstanding with employee of the bank and its subsidiaries as at 31<sup>st</sup> December, 2007 are 10,360,442.
- 2 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 259.20 million. The total investment made by the Bank in Kotak Life as on 31<sup>st</sup> December, 2007 is Rs 2,332.76 million.
- 3 Provision for taxes (net of deferred tax) for the nine months ended 31<sup>st</sup> December, 2007 includes fringe benefit tax provision amounting to Rs. 40.00 million (Rs. 25.00 million for the nine months ended 31<sup>st</sup> December, 2006).
- 4 Status of shareholder complaints received during the quarter ended 31<sup>st</sup> December, 2007:

Total complaints pending as at 30 <sup>th</sup> September 2007	NIL
Total complaints received during the quarter ended 31 <sup>st</sup> December 2007	28
Total complaints resolved during the quarter ended 31 <sup>st</sup> December 2007	28
Total complaints pending as at 31 <sup>st</sup> December 2007	NIL

- 5 Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/year.
- 6 The Bank raised Rs. 16,150.00 million on October 15, 2007 consequent to the issue and allotment of 17,000,000 equity shares to Qualified Institutional Buyers at Rs.950 /- per share. The aforesaid issue was in accordance with Chapter XIII-A of the SEBI DIP guidelines.
- 7 With effect from October 1, 2007, the investment management function in the Bank for Venture Capital Fund has been assigned to Kotak Investment Advisors Limited (KIAL) (erstwhile Kotak Mahindra Securities Limited) which is 100% beneficially owned by Bank.
- 8 Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's presentation.
- 9 These results for the quarter ended 31st December, 2007, have 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 21<sup>st</sup> January, 2008.

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

**Dipak Gupta**  
*Executive Director*

**Mumbai, 21<sup>st</sup> January, 2008**