

KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)

Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2014

₹ crore

Sr No	Particulars	Quarter ended			Half-year ended		Year ended
		Sep-14 (Unaudited)	Jun-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	Mar-14 (Audited)
1	Interest earned (a+b+c+d)	3,268.67	3,135.36	2,982.59	6,404.03	5,959.35	11,985.91
	(a) Interest/discount on advances/bills	2,491.77	2,379.02	2,234.00	4,870.79	4,430.65	9,029.57
	(b) Income on investments	742.87	722.52	712.45	1,465.39	1,462.49	2,841.77
	(c) Interest on balances with RBI & other banks	12.73	15.50	16.80	28.23	36.91	68.55
	(d) Others	21.30	18.32	19.34	39.62	29.30	46.02
2	Other income (a+b+c)	1,651.73	1,871.27	713.39	3,523.00	2,069.61	5,249.72
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	278.14	761.62	(391.96)	1,039.76	(154.48)	398.76
	(b) Premium on Insurance Business	653.13	442.99	594.11	1,096.12	1,066.40	2,649.57
	(c) Other income (see Notes 1,5 & 7)	720.46	666.66	511.24	1,387.12	1,157.69	2,201.39
3	Total income (1+2)	4,920.40	5,006.63	3,695.98	9,927.03	8,028.96	17,235.63
4	Interest expended	1,684.86	1,625.29	1,566.19	3,310.15	3,168.91	6,312.12
5	Operating expenses (a+b+c)	2,099.87	2,322.82	1,160.09	4,422.69	2,785.81	6,919.04
	(a) Employees Cost	575.52	564.01	439.44	1,139.53	933.22	1,915.12
	(b) Policy holders' reserves, surrender expense and claims	875.93	1,179.56	164.79	2,055.49	816.68	2,797.46
	(c) Other operating expenses (Refer Note 2 and 5)	648.42	579.25	555.86	1,227.67	1,035.91	2,206.46
6	Total expenditure (4+5) (excluding provisions and contingencies)	3,784.73	3,948.11	2,726.28	7,732.84	5,954.72	13,231.16
7	Operating Profit before provisions and contingencies (3-6)	1,135.67	1,058.52	969.70	2,194.19	2,074.24	4,004.47
8	Provisions (other than tax) and contingencies (Refer Note 3)	58.22	27.24	86.16	85.46	245.71	308.97
9	Exceptional items	-	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	1,077.45	1,031.28	883.54	2,108.73	1,828.53	3,695.50
11	Tax expense	357.99	334.58	289.53	692.57	593.07	1,183.96
12	Profit from ordinary activities after tax before Minority Interest (10-11)	719.46	696.70	594.01	1,416.16	1,235.46	2,511.54
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Profit from ordinary activities after tax before Minority Interest (12-13)	719.46	696.70	594.01	1,416.16	1,235.46	2,511.54
15	Less: Share of Minority Interest	13.60	12.82	11.33	26.42	29.70	62.17
16	Add: Share in Profit of associates	12.07	14.43	0.25	26.50	4.67	15.62
17	Profit after tax (14-15+16)	717.93	698.31	582.93	1,416.24	1,210.43	2,464.99
18	Paid Up Equity Capital - (Face value of ₹ 5 per share)	385.67	385.23	384.12	385.67	384.12	385.16
19	Group Reserves (excluding Minority Interest)						18,690.85
20	Minority Interest						270.89
21	Analytical Ratios						
	(i) % Capital Adequacy ratio – BASEL III	16.70	18.13	18.10	16.70	18.10	18.87
	(i) Earnings per share (before and after extraordinary items)						
	(a) Basic (not annualized) ₹	9.31	9.06	7.59	18.38	15.88	32.19
	(b) Diluted (not annualized) ₹	9.29	9.05	7.57	18.34	15.83	32.14
	(ii) NPA Ratios						
	(a) Gross NPA	1,305.44	1,211.29	1,118.09	1,305.44	1,118.09	1,177.80
	(b) Net NPA	680.89	627.03	547.42	680.89	547.42	633.81
	(c) % of Gross NPA/ Gross Advances	1.59	1.56	1.63	1.59	1.63	1.63
	(d) % of Net NPA/ Net Advances	0.84	0.81	0.80	0.84	0.80	0.88
	(iii) Return on Assets (average) (not annualised)	0.55	0.56	0.50	1.11	1.05	2.10

NOTES:

1. Details of other income forming part of the Consolidated results are as follows:

Particulars	Quarter ended			Half-year ended		Year ended
	Sep-14 (Unaudited)	Jun-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	Mar-14 (Audited)
Commission, fees, exchange, brokerage and others	650.00	574.72	516.35	1,224.72	992.54	1,966.00
Profit on sale of investments (other than insurance business)	70.46	91.94	(5.11)	162.40	165.15	235.39
Total – Other income	720.46	666.66	511.24	1,387.12	1,157.69	2,201.39

2. Details of other expenditure forming part of Consolidated results are as follows:

Particulars	Quarter ended			Half-year ended		Year ended
	Sep-14 (Unaudited)	Jun-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	Mar-14 (Audited)
Brokerage	83.24	63.50	60.91	146.74	113.65	259.92
Depreciation	58.62	58.22	47.98	116.84	92.58	207.86
Rent, taxes and lighting	95.19	93.81	82.03	189.00	155.74	331.53
Others	411.37	363.72	364.94	775.09	673.94	1,407.15
Total – Other operating expenses	648.42	579.25	555.86	1,227.67	1,035.91	2,206.46

3. Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous periods / year.

Details of Provisions (other than tax) and contingencies forming part of Consolidated results are as follows:

Particulars	Quarter ended			Half-year ended		Year ended
	Sep-14 (Unaudited)	June-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	March-14 (Audited)
Provision on advances (including provision for Unhedged Foreign Currency Exposure)	72.41	78.07	27.86	150.48	169.58	182.05
Provision on other receivables	1.77	(1.73)	(20.25)	0.04	(20.81)	(19.15)
Provision /(Write back of provisions) towards investments (net)	(15.96)	(49.10)	78.55	(65.06)	96.94	146.07
Total – Provisions (other than tax) and contingencies	58.22	27.24	86.16	85.46	245.71	308.97

4. The consolidated financial results are prepared in accordance with Accounting Standard – 21 (AS-21), "Consolidated Financial Statements" and Accounting Standard – 23 (AS-23) "Accounting for investment in associates in consolidated financial statement" specified under the Companies Act, 1965 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
5. Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 11.28 crore for the quarter ended 30th September, 2014 and for half year ended 30th September, 2014 ₹ 24.29 crore (for the quarter ended 30th June, 2014 ₹ 13.01 crore, for the quarter ended 30th September, 2013 ₹ 8.33 crore, half year ended 30th September, 2013 ₹ 15.01 crore, for the year ended 31st March, 2014 ₹ 32.66 crore)
6. In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July, 2013, banks are required to make half yearly Pillar 3 disclosures under Basel III capital requirements with effect from 30th September, 2013. The Bank has made these disclosures which will be available on its website at the following link: http://ir.kotak.com/downloads/pdf/pillar3_disclosures_sep_14.pdf. The disclosures have not been subjected to limited review by the statutory auditors of the Group.
7. Other Income includes non-fund based income such as commission earned from guarantees / letters of credit, financial advisory fees, selling of third party products, earnings from exchange transactions and profit / loss from the sale of securities.
8. There has been no change in significant accounting policies during the quarter and half – year ended 30th September, 2014.
9. Figures for the previous periods / year have been regrouped wherever necessary to conform to current period's presentation.
10. The Summarized Consolidated Balance Sheet of the Bank is given below:

Summarised Balance Sheet	As at 30 th September 2014 (Unaudited)	As at 30 th September 2013 (Unaudited)	As at 31 st March 2014 (Audited)
CAPITAL AND LIABILITIES			
Capital	385.67	384.12	385.16
Reserves and Surplus	20,168.53	17,483.54	18,690.85
Minority Interest	297.32	238.41	270.89
Employees' Stock Options (Grants) Outstanding	6.24	15.81	8.53
Deposits	66,311.42	50,682.60	56,929.75
Borrowings	28,241.06	30,228.38	29,007.14
Policy Holder's Funds	12,165.98	10,037.76	11,014.56
Other Liabilities and Provisions	6,824.90	5,560.65	5,929.76
TOTAL	134,401.12	114,631.27	122,236.64
ASSETS			
Cash and balances with Reserve Bank Of India	3,019.22	2,940.57	2,960.51
Balances with Banks and Money at Call and Short Notice	1,730.82	3,000.13	3,682.60
Investments	42,694.40	35,097.45	38,791.05
Advances	81,418.18	68,225.73	71,692.52
Fixed Assets	1,223.80	1235.56	1,260.67
Other Assets	4,314.70	4,131.83	3,849.29
TOTAL	134,401.12	114,631.27	122,236.64

KOTAK MAHINDRA BANK LIMITED (STANDALONE)

Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2014
₹ crore

Sr No	Particulars	Quarter Ended			Half-year Ended		Year Ended
		Sep-14 (Unaudited)	Jun-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	Mar-14 (Audited)
1	Interest earned (a+b+c+d)	2,352.48	2,286.35	2,172.33	4,638.83	4,362.34	8,767.12
	(a) Interest/ discount on advances/ bills	1,825.78	1,757.71	1,644.29	3,583.49	3,266.00	6,674.82
	(b) Income on investments	521.64	516.95	509.56	1,038.59	1,067.95	2,050.04
	(c) Interest on balances with RBI & other banks	3.26	5.70	7.17	8.96	14.01	27.18
	(d) Others	1.80	5.99	11.31	7.79	14.38	15.08
2	Other Income (Refer Note 1)	466.45	399.76	297.13	866.21	759.52	1,399.71
3	Total income (1+2)	2,818.93	2,686.11	2,469.46	5,505.04	5,121.86	10,166.83
4	Interest expended	1,313.55	1,284.15	1,248.22	2,597.70	2,521.57	5,047.07
5	Operating expenses (a+b)	771.74	736.44	614.70	1,508.18	1,214.97	2,542.61
	(a) Employees Cost	354.52	348.41	264.65	702.93	566.09	1,159.09
	(b) Other Operating expenses	417.22	388.03	350.05	805.25	648.88	1,383.52
6	Total expenditure (4+5) (Excluding Provisions & contingencies)	2,085.29	2,020.59	1,862.92	4,105.88	3,736.54	7,589.68
7	Operating Profit (3-6) (Profit before Provisions and contingencies)	733.64	665.52	606.54	1,399.16	1,385.32	2,577.15
8	Provisions (other than tax expense) and contingencies (Refer Note 2)	53.65	13.99	72.29	67.64	241.15	304.70
9	Exceptional items	-	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	679.99	651.53	534.25	1,331.52	1,144.17	2,272.45
11	Tax expense	235.47	221.73	181.71	457.20	388.81	769.93
12	Net Profit from Ordinary Activities after tax (10-11)	444.52	429.80	352.54	874.32	755.36	1,502.52
13	Extraordinary items (Net of tax expense)	-	-	-	-	-	-
14	Net Profit for the Period (12-13)	444.52	429.80	352.54	874.32	755.36	1,502.52
15	Paid Up Equity Capital - (Face Value ₹ 5 per share)	385.67	385.23	384.12	385.67	384.12	385.16
16	Reserves (excluding revaluation reserves)						11,889.93
17	Analytical Ratios						
	(i) % of shares held by Govt. of India	-	-	-	-	-	-
	(ii) % Capital adequacy ratio - Basel III	16.44	18.50	18.15	16.44	18.15	18.83
	(iii) Earnings Per Share (EPS) for the period -Not Annualised						
	- Basic ₹	5.77	5.58	4.59	11.35	9.91	19.62
	- Diluted ₹	5.75	5.57	4.58	11.32	9.88	19.59
	(iv) NPA Ratios						
	a) Gross Non-performing assets	1,165.40	1,079.02	1,005.97	1,165.40	1,005.97	1,059.44
	b) Net Non-performing assets	611.47	559.54	486.92	611.47	486.92	573.56
	c) % of Gross NPA to Gross Advances	1.89	1.88	1.97	1.89	1.97	1.98
	d) % of Net NPA to Net Advances	1.00	0.98	0.96	1.00	0.96	1.08
	e) Return on Assets %(Average) - Not Annualised	0.49	0.49	0.43	0.99	0.91	1.80
18	Public Shareholding						
	(i) No. of shares	462,238,215	459,770,814	432,561,931	462,238,215	432,561,931	434,629,877
	(ii) % of shareholding	59.93	59.67	56.31	59.93	56.31	56.42
19	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	- Number of shares						
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)						
	- Percentage of shares (as a % of the total share capital of the company)						

Sr No	Particulars	Quarter Ended			Half-year Ended		Year Ended
		Sep-14 (Unaudited)	Jun-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	Mar-14 (Audited)
	b) Non-encumbered						
	- Number of Shares	309,096,342	310,696,342	335,681,124	309,096,342	335,681,124	335,681,124
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	40.07	40.33	43.69	40.07	43.69	43.58

Segment Results

The reportable segments of the Bank 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. Corporate Tax is allocated to segment 'Treasury and BMU' for arriving at segmental capital employed.
Retail Banking	Includes lending, deposit taking and other services/ products including credit cards.
Corporate/Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking

₹ crore							
		Quarter Ended			Half-year Ended		Year ended
		Sep-14 (Unaudited)	Jun-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	Mar-14 (Audited)
1	Segment Revenue						
	a. Treasury and BMU	639.08	608.99	743.00	1,248.07	1,545.27	2,721.24
	b. Corporate/ Wholesale Banking	1,080.89	1,014.24	839.38	2,095.13	1,726.67	3,646.86
	c. Retail Banking	1,970.85	1,860.01	1,481.44	3,830.86	3,048.85	6,115.14
	Sub-total	3,690.82	3,483.24	3,063.82	7,174.06	6,320.79	12,483.24
	Less : Inter-segmental revenue	871.89	802.49	594.36	1,674.38	1,201.80	2,319.28
	Add : Unallocated Income	-	5.36	-	5.36	2.87	2.87
	Total	2,818.93	2,686.11	2,469.46	5,505.04	5,121.86	10,166.83
2	Segment Results						
	a. Treasury and BMU	135.15	139.72	47.46	274.87	186.75	175.58
	b. Corporate/ Wholesale Banking	335.15	290.78	306.73	625.93	594.60	1,300.65
	c. Retail Banking	209.69	215.67	180.06	425.36	359.95	793.35
	Sub-total	679.99	646.17	534.25	1,326.16	1,141.30	2,269.58
	Add : Unallocated Income /(expense)	-	5.36	-	5.36	2.87	2.87
	Total Profit Before Tax	679.99	651.53	534.25	1,331.52	1,144.17	2,272.45
3	Capital employed (Segmental Assets less Segmental Liabilities)						
	a. Treasury and BMU	4,014.51	4,125.09	2,853.10	4,014.51	2,853.10	2,531.39
	b. Corporate/ Wholesale Banking	4,152.76	3,817.61	3,811.45	4,152.76	3,811.45	4,517.51
	c. Retail Banking	5,108.26	4,898.56	4,848.15	5,108.26	4,848.15	5,281.55
	Sub-total	13,275.53	12,841.26	11,512.70	13,275.53	11,512.70	12,330.45
	Add : Unallocated	(77.02)	(127.56)	40.67	(77.02)	40.67	(55.36)
	Total Capital Employed	13,198.51	12,713.70	11,553.37	13,198.51	11,553.37	12,275.09

NOTES:

1. Other Income includes non-fund based income such as commission earned from guarantees/letters of credit, financial advisory fees, selling of third party products, earnings from foreign exchange transactions and profit/loss from the sale of securities.
2. Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period/year.

Break up of provisions (Other than tax) and contingencies:

Particulars	Quarter Ended			Half-year ended		Year Ended
	Sep-14 (Unaudited)	Jun-14 (Unaudited)	Sep-13 (Unaudited)	Sep-14 (Unaudited)	Sep-13 (Unaudited)	Mar-14 (Audited)
Provision towards Advances (including Provisions for Exposures to entities with Unhedged Foreign Currency Exposures)	63.86	65.72	22.47	129.58	156.76	147.25
Provision /(Write Back of provisions) towards Investments (net)	(10.21)	(50.00)	69.98	(60.21)	105.18	176.61
Others	0.00	(1.73)	(20.16)	(1.73)	(20.79)	(19.16)
Total Provisions (other than Tax) and Contingencies	53.65	13.99	72.29	67.64	241.15	304.70

3. During the quarter, the Bank has granted Nil options under employee stock option scheme. Stock options aggregating to 867,401 were exercised during the quarter and 5,184,292 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th September, 2014.
4. The Bank had one outstanding shareholder complaints as at 30th June, 2014, which was subsequently resolved. During the quarter, the Bank received nine complaints from shareholders out of which one complaint was pending as on 30th September, 2014, which was subsequently resolved.
5. In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated 1st July, 2013, banks are required to make half yearly Pillar 3 disclosures under Basel III capital requirements with effect from 30th September, 2013. The Bank has made these disclosures which will be available on its website at the following link: http://ir.kotak.com/downloads/pdf/pillar3_disclosures_sep_14.pdf. The disclosures have not been subjected to limited review by the statutory auditors of the Bank.
6. During the quarter, the Bank has acquired 15% equity stake in Multi Commodity Exchange of India Ltd for a consideration of ₹ 459 crore at ₹ 600 per share.
7. There has been no change in any significant accounting policies during the quarter and half-year ended 30th September, 2014.
8. The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 22nd October, 2014. The results for the quarter and half-year ended 30th September, 2014 are subjected to limited review by the Statutory Auditors of the Bank.
9. Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation.

10. The Summarised Balance Sheet of the Bank (Standalone) is given below:

	₹ crore		
Summarised Balance Sheet	As at 30th September 2014 (Unaudited)	As at 30th September 2013 (Unaudited)	As at 31st March 2014 (Audited)
CAPITAL AND LIABILITIES			
Capital	385.67	384.12	385.16
Reserves and Surplus	12,812.84	11,169.25	11,889.93
Employees' Stock Options (Grants) Outstanding	6.24	15.80	8.53
Deposits	68,102.59	52,641.48	59,072.33
Borrowings	10,553.99	14,522.88	12,895.57
Other Liabilities and Provisions	3,568.90	3,451.38	3,333.82
TOTAL	95,430.23	82,184.91	87,585.34
ASSETS			
Cash and balances with Reserve Bank Of India	3,007.21	2,930.36	2,948.23
Balances with Banks and Money at Call and Short Notice	1,218.60	2,409.16	3,031.66
Investments	27,226.80	22,527.68	25,484.55
Advances	60,947.74	50,608.66	53,027.63
Fixed Assets	1,070.36	1,089.77	1,106.94
Other Assets	1,959.52	2,619.28	1,986.33
TOTAL	95,430.23	82,184.91	87,585.34

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

Dipak Gupta
Joint Managing Director

Mumbai, 22nd October, 2014