

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
KOTAK MAHINDRA BANK LIMITED**

1. We have reviewed the accompanying statement of Standalone Unaudited Financial Results of **KOTAK MAHINDRA BANK LIMITED** ("the Bank") for the Quarter and Half-Year ended 30th September, 2013 ("the Statement"), being submitted by the Bank pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in paragraph 4 below. This Statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry Corporate Affairs) and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

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S.B.Billimoria & Co.

4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in the Statement, from the details furnished by the Registrars. The "Pillar 3 disclosures under Basel III Capital Regulations" disclosed on the Bank's website and in respect of which a link has been provided in the Unaudited Financial Results have not been subjected to our review.

For **S. B. BILLIMORIA & Co.**
Chartered Accountants
(Registration No: 101496W)



Kalpesh J. Mehta
Partner
(Membership No. 48791)

MUMBAI, 24th October, 2013
KJM/RND

KOTAK MAHINDRA BANK LIMITED

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30th SEPTEMBER, 2013

₹ in crore

Sr No	Particulars	Quarter Ended			Half-year Ended		Year Ended
		Sep-13 (Unaudited)	Jun-13 (Unaudited)	Sep-12 (Unaudited)	Sep-13 (Unaudited)	Sep-12 (Unaudited)	Mar-13 (Audited)
1	Interest earned (a+b+c+d)	2,172.33	2,190.01	1,923.70	4,362.34	3,739.53	8,042.49
	(a) Interest/ discount on advances/ bills	1,644.29	1,621.71	1,484.34	3,266.00	2,878.19	6,146.09
	(b) Income on investments	509.56	558.39	428.38	1,067.95	847.21	1,869.83
	(c) Interest on balances with RBI & other banks	7.17	6.84	10.24	14.01	12.44	24.33
	(d) Others	11.31	3.07	0.74	14.38	1.69	2.24
2	Other Income (Refer Note 1)	297.13	462.39	250.80	759.52	491.95	1,160.67
3	Total Income (1+2)	2,469.46	2,652.40	2,174.50	5,121.86	4,231.48	9,203.16
4	Interest expended	1,248.22	1,273.35	1,165.57	2,521.57	2,260.10	4,836.82
5	Operating expenses (a+b)	614.70	600.27	526.72	1,214.97	1,040.79	2,209.73
	(a) Employees Cost	264.65	301.44	242.77	566.09	499.32	1,051.18
	(b) Other Operating expenses	350.05	298.83	283.95	648.88	541.47	1,158.55
6	Total expenditure (4+5) (Excluding provisions & contingencies)	1,862.92	1,873.62	1,692.29	3,736.54	3,300.89	7,046.55
7	Operating Profit (3-6) (Profit before provisions and contingencies)	606.54	778.78	482.21	1,385.32	930.59	2,156.61
8	Provisions (other than tax) and contingencies (Refer Note 2)	72.29	168.86	70.62	241.15	104.76	184.55
9	Exceptional items	-	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	534.25	609.92	411.59	1,144.17	825.83	1,972.06
11	Tax expense	181.71	207.10	131.21	388.81	263.00	611.34
12	Net Profit from Ordinary Activities after tax (10-11)	352.54	402.82	280.38	755.36	562.83	1,360.72
13	Extraordinary items (Net of tax expense)	-	-	-	-	-	-
14	Net Profit for the Period (12-13)	352.54	402.82	280.38	755.36	562.83	1,360.72
15	Paid Up Equity Capital - (Face Value ₹ 5 per share)	384.12	383.63	371.65	384.12	371.65	373.31
16	Reserves excluding revaluation reserves						9,073.65
17	Analytical Ratios						
	(i) % of shares held by Govt. of India	-	-	-	-	-	-
	(ii) % Capital adequacy ratio (Refer Note 3)						
	Basel II	18.23	18.16	15.40	18.23	15.40	16.05
	Basel III	18.15	18.10	NA	18.15	NA	NA
	(iii) Earnings Per Share (EPS) for the period -Not Annualised						
	- Basic ₹	4.59	5.32	3.77	9.91	7.58	18.31
	- Diluted ₹	4.58	5.30	3.75	9.88	7.54	18.24
	(iv) NPA Ratios						
	a) Gross Non-performing assets	1,005.97	995.39	739.87	1,005.97	739.87	758.11
	b) Net Non-performing assets	486.92	495.77	341.07	486.92	341.07	311.41
	c) % of Gross NPA to Gross Advances	1.97	1.95	1.61	1.97	1.61	1.55
	d) % of Net NPA to Net Advances	0.96	0.98	0.75	0.96	0.75	0.64
	(v) Return on Assets %(Average) - Not Annualised	0.43	0.48	0.39	0.91	0.81	1.81
18	Public Shareholding						
	(i) No. of shares	432,561,931	431,570,083	407,625,120	432,561,931	407,625,120	410,927,402
	(ii) % of shareholding	56.31	56.25	54.84	56.31	54.84	55.04
19	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	- Number of shares						
	- Percentage of shares (as a						

Sr No	Particulars	Quarter Ended			Half-year Ended		Year Ended
		Sep-13 (Unaudited)	Jun-13 (Unaudited)	Sep-12 (Unaudited)	Sep-13 (Unaudited)	Sep-12 (Unaudited)	Mar-13 (Audited)
	% of the total shareholding of promoter and promoter group)						
	- Percentage of shares (as a % of the total share capital of the company)						
	b) Non-encumbered						
	- Number of Shares	335,681,124	335,681,124	335,682,374	335,681,124	335,682,374	335,681,624
	- 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)	43.69	43.75	45.16	43.69	45.16	44.96

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.
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

₹ in crore							
		Quarter Ended			Half-year Ended		Year ended
		Sep-13 (Unaudited)	Jun-13 (Unaudited)	Sep-12 (Unaudited)	Sep-13 (Unaudited)	Sep-12 (Unaudited)	Mar-13 (Audited)
1	Segment Revenue						
	a. Treasury and BMU	743.00	802.27	554.59	1,545.27	1,130.97	2,522.97
	b. Corporate/ Wholesale Banking	839.38	887.29	828.77	1,726.67	1,560.26	3,445.72
	c. Retail Banking	1,481.44	1,567.41	1,456.15	3,048.85	2,813.45	5,906.18
	Sub-total	3,063.82	3,256.97	2,839.51	6,320.79	5,504.68	11,874.87
	Less : Inter-segmental revenue	594.36	607.44	665.55	1,201.80	1,274.44	2,672.95
	Add : Unallocated Income	-	2.87	0.54	2.87	1.24	1.24
	Total	2,469.46	2,652.40	2,174.50	5,121.86	4,231.48	9,203.16
2	Segment Results						
	a. Treasury and BMU	47.46	139.29	(5.91)	186.75	36.52	145.51
	b. Corporate/ Wholesale Banking	306.73	287.87	295.51	594.60	533.47	1,211.49
	c. Retail Banking	180.06	179.89	121.45	359.95	254.60	613.82
	Sub-total	534.25	607.05	411.05	1,141.30	824.59	1,970.82
	Add : Unallocated Income/(expense)	-	2.87	0.54	2.87	1.24	1.24
	Total Profit Before Tax	534.25	609.92	411.59	1,144.17	825.83	1,972.06
3	Capital employed (Segmental Assets less Segmental Liabilities)						
	a. Treasury and BMU	2,853.10	3,029.90	920.36	2,853.10	920.36	725.18
	b. Corporate/ Wholesale Banking	3,811.45	3,504.72	3,243.97	3,811.45	3,243.97	3,738.10
	c. Retail Banking	4,848.15	4,668.09	4,319.73	4,848.15	4,319.73	4,862.83
	Sub-total	11,512.70	11,202.71	8,484.06	11,512.70	8,484.06	9,326.11
	Add : Unallocated	40.67	(37.36)	113.33	40.67	113.33	120.85
	Total Capital Employed	11,553.37	11,165.35	8,597.39	11,553.37	8,597.39	9,446.96

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-13 (Unaudited)	Jun-13 (Unaudited)	Sep-12 (Unaudited)	Sep-13 (Unaudited)	Sep-12 (Unaudited)	Mar-13 (Audited)
Provision towards Advances	22.47	134.29	79.27	156.76	130.49	204.44
Provision /(Write Back of provisions) towards Investments	69.98	35.20	(7.40)	105.18	(25.67)	(21.09)
Others	(20.16)	(0.63)	(1.25)	(20.79)	(0.06)	1.20
Total Provisions (other than Tax) and Contingencies	72.29	168.86	70.62	241.15	104.76	184.55

3. In terms of RBI circular DBOD.No.BP.BC.88/21.06.201/2012-13 dated 28th March, 2013, banks have been advised to disclose capital ratios computed under Basel III Capital Regulations from the quarter ended 30th June, 2013. Accordingly, corresponding details for previous year/period are not applicable.
4. During the quarter, the Bank has granted Nil options under employee stock option scheme. Stock options aggregating to 991,848 were exercised during the quarter and 7,618,221 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th September, 2013.
5. The Bank had three outstanding shareholder complaints as at 30th June, 2013, which was subsequently resolved. During the quarter, the Bank received six complaints from shareholders out of which one complaint was pending as on 30th September, 2013, which was subsequently resolved.
6. RBI vide circular DBOD.BP.BC.No.41/21.04.141/2013-14 dated 23rd August, 2013 on "Investment portfolio of banks - Classification, Valuation and Provisioning", as a one-time measure permitted banks to transfer SLR securities from Available For Sale (AFS)/Held For Trading (HFT) category to Held To Maturity (HTM) category at valuation rates prevailing on 15th July, 2013.

The Bank has not transferred any SLR security from AFS/HFT category to HTM category during the quarter. The Bank's total HTM securities at 30th September, 2013 were 11.36% of net demand and time liabilities (NDTL).

As permitted under the same circular, the Bank has opted to distribute the net depreciation on the AFS and HFT portfolios in equal installments during the financial year 2013-2014. Accordingly, of the net depreciation of ₹ 263.65 crore as at 30th September, 2013, the Bank has recognised depreciation of ₹ 87.88 crore till 30th September, 2013.

Had the Bank transferred all such SLR securities from AFS/HFT category to HTM category, the net depreciation instead of ₹ 263.65 crore above would have been ₹ 46.50 crore before considering distribution during the financial year.

7. 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_13.pdf. The disclosures have not been subjected to limited review by the statutory auditors of the Bank.
8. There has been no change in any significant accounting policies during the quarter and half-year ended 30th September, 2013.
9. The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 24th October, 2013. The results for the quarter and half-year ended 30th September, 2013 are subjected to limited review by the Statutory Auditors of the Bank.
10. Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation.

Agree

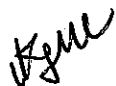
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11. The Summarised Balance Sheet of the Bank (Standalone) is given below:

Summarised Balance Sheet	₹ in crore		
	As at 30 th September 2013 (Unaudited)	As at 30 th September 2012 (Unaudited)	As at 31 st March 2013 (Audited)
CAPITAL AND LIABILITIES			
Capital	384.12	371.65	373.31
Reserves and Surplus	11,169.25	8,225.74	9,073.65
Employees' Stock Options (Grants) Outstanding	15.80	31.88	17.53
Deposits	52,641.48	45,463.32	51,028.77
Borrowings	14,522.88	15,991.00	20,410.62
Other Liabilities and Provisions	3,451.38	2,810.72	2,789.81
TOTAL	82,184.91	72,894.31	83,693.69
ASSETS			
Cash and balances with Reserve Bank Of India	2,930.36	2,730.18	2,207.90
Balances with Banks and Money at Call and Short Notice	2,409.16	224.88	1,481.26
Investments	22,527.68	22,172.96	28,873.43
Advances	50,608.66	45,442.82	48,468.98
Fixed Assets	1,089.77	444.84	464.42
Other Assets	2,619.28	1,878.63	2,197.70
TOTAL	82,184.91	72,894.31	83,693.69

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


Dipak Gupta
Joint Managing Director



Mumbai, 24th October, 2013