

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH, 2014

₹ crore

Sr No	Particulars	Quarter Ended			Year Ended	
		Mar-14 (Unaudited)	Dec-13 (Unaudited)	Mar-13 (Unaudited)	Mar-14 (Audited)	Mar-13 (Audited)
1	Interest earned (a+b+c+d)	3,032.31	2,994.25	2,946.79	11,985.91	10,837.87
	(a) Interest/discount on advances/bills	2,305.11	2,293.81	2,226.26	9,029.57	8,219.70
	(b) Income on investments	704.19	675.09	684.95	2,841.77	2,478.73
	(c) Interest on balances with RBI & other banks	15.75	15.89	24.89	68.55	100.26
	(d) Others	7.26	9.46	10.69	46.02	39.18
2	Other income (a+b+c)	1,749.86	1,430.25	1,441.80	5,249.72	5,075.23
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	229.59	323.65	(215.85)	398.76	429.00
	(b) Premium on Insurance Business	995.57	587.60	1,089.37	2,649.57	2,722.62
	(c) Other income (see Notes 1,5 & 9)	524.70	519.00	568.28	2,201.39	1,923.61
3	Total income (1+2)	4,782.17	4,424.50	4,388.59	17,235.63	15,913.10
4	Interest expended	1,548.20	1,595.01	1,626.26	6,312.12	6,024.49
5	Operating expenses (a+b+c)	2,254.69	1,878.54	1,773.34	6,919.04	6,561.27
	(a) Employees Cost	514.34	467.56	480.39	1,915.12	1,773.51
	(b) Policy holders' reserves, surrender expense and claims	1,109.88	870.90	743.66	2,797.46	2,848.01
	(c) Other operating expenses (Refer Note 2 and 5)	630.47	540.08	549.29	2,206.46	1,939.75
6	Total expenditure (4+5) (excluding provisions and contingencies)	3,802.89	3,473.55	3,399.60	13,231.16	12,585.76
7	Operating Profit before provisions and contingencies (3-6)	979.28	950.95	988.99	4,004.47	3,327.34
8	Provisions (other than tax) and contingencies (Refer Note 3 & 7)	(0.59)	63.85	43.61	308.97	183.18
9	Exceptional items	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	979.87	887.10	945.38	3,695.50	3,144.16
11	Tax expense (Refer Note 8)	303.57	287.32	271.37	1,183.96	939.95
12	Profit from ordinary activities after tax before Minority Interest (10-11)	676.30	599.78	674.01	2,511.54	2,204.21
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Profit from ordinary activities after tax before Minority Interest (12-13)	676.30	599.78	674.01	2,511.54	2,204.21
15	Less: Share of Minority Interest	16.83	15.64	14.96	62.17	49.33
16	Add: Share in Profit of associates	3.84	7.11	6.55	15.62	33.58
17	Profit after tax (14-15+16)	663.31	591.25	665.60	2,464.99	2,188.46
18	Paid Up Equity Capital - (Face value of ₹ 5 per share)	385.16	384.56	373.31	385.16	373.31
19	Group Reserves (excluding Minority Interest)				18,690.85	14,876.49
20	Minority Interest				270.89	208.72
21	Analytical Ratios					
	(i) Earnings per share (before and after extraordinary items)					
	(a) Basic (not annualised) ₹	8.62	7.69	8.93	32.19	29.44
	(b) Diluted (not annualised) ₹	8.60	7.67	8.90	32.14	29.33
	(ii) NPA Ratios					
	(a) Gross NPA	1,177.80	1,205.15	848.36	1,177.80	848.36
	(b) Net NPA	633.81	653.76	361.22	633.81	361.22
	(c) % of Gross NPA/ Gross Advances	1.63	1.68	1.27	1.63	1.27
	(d) % of Net NPA/ Net Advances	0.88	0.92	0.55	0.88	0.55
	(iii) Return on Assets (average) (not annualised)	0.55	0.51	0.58	2.10	2.10

NOTES:

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

₹ crore

Particulars	Quarter Ended			Year Ended	
	Mar-14 (Unaudited)	Dec-13 (Unaudited)	Mar-13 (Unaudited)	Mar-14 (Audited)	Mar-13 (Audited)
Commission, fees, exchange, brokerage and others	497.48	475.98	488.67	1,966.00	1,719.51
Profit on sale of investments (other than insurance business)	27.22	43.02	79.61	235.39	204.10
Total – Other income	524.70	519.00	568.28	2,201.39	1,923.61

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

₹ crore

Particulars	Quarter Ended			Year Ended	
	Mar-14 (Unaudited)	Dec-13 (Unaudited)	Mar-13 (Unaudited)	Mar-14 (Audited)	Mar-13 (Audited)
Brokerage	85.14	61.13	78.39	259.92	262.97
Depreciation	58.89	56.39	44.49	207.86	179.03
Rent, taxes and lighting	88.35	87.44	70.96	331.53	273.82
Others	398.09	335.12	355.45	1,407.15	1,223.93
Total – Other operating expenses	630.47	540.08	549.29	2,206.46	1,939.75

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:

₹ crore

Particulars	Quarter Ended			Year Ended	
	Mar-14 (Unaudited)	Dec-13 (Unaudited)	Mar-13 (Unaudited)	Mar-14 (Audited)	Mar-13 (Audited)
Provision on advances	(22.50)	34.97	29.39	182.05	215.88
Provision on other receivables	0.23	1.43	3.17	(19.15)	1.20
Provision / (Write back of provisions) towards investments	21.68	27.45	11.05	146.07	(33.90)
Total – Provisions (other than tax) and contingencies	(0.59)	63.85	43.61	308.97	183.18

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" notified under the Companies (Accounting Standard) Rules, 2006 "as amended".

5. Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 9.29 crore for the quarter ended 31st March, 2014 and for the year ended 31st March, 2014 ₹ 32.66 crore (for the quarter ended 31st December, 2013 ₹ 8.36 crore, for the quarter ended 31st March, 2013 ₹ 12.34 crore, for the year ended 31st March, 2013 ₹ 37.17 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_mar_14.pdf. The disclosures have not been audited by the statutory auditors of the group.

7. 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, provided the transfer happened before 30th September, 2013.

The Bank has not transferred any SLR security from AFS/HFT category to HTM category. The Bank's SLR securities in HTM category as at 31st March, 2014 were 11.43 % 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 over the last three quarters during the financial year 2013-2014. Accordingly, the Bank has recognised ₹ 43.78 crore and ₹ 175.08 crore in the Profit and Loss Account for the quarter and year ended 31st March, 2014 respectively.

8. In accordance with RBI communication RBI/2013-14/412 DBOD. No.BP.BC.77/21.04.018/2013-14 dated 20th December, 2013 on Deferred Tax Liability (DTL) on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961, the Bank has reduced ₹ 31.18 crore from general reserves towards DTL on special reserves created till year ended 31st March, 2013.

Further Tax expenses charged to the Profit and Loss Account includes provision for deferred tax of ₹ 2.38 crore for the quarter and ₹ 9.52 crore for the year ended 31st March, 2014, on Special Reserve to be created under Section 36(1) (viii) of the Income Tax Act, 1961.

9. 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.
10. There has been no change in significant accounting policies during the quarter and year ended 31st March, 2014.
11. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the current financial year.
12. Figures for the previous periods / year have been regrouped wherever necessary to conform to current period's presentation.
13. The Summarised Consolidated Balance Sheet of the Bank is given below:

₹ crore		
Summarised Balance Sheet	As at 31st March 2014 (Audited)	As at 31st March 2013 (Audited)
CAPITAL AND LIABILITIES		
Capital	385.16	373.30
Reserves and Surplus	18,690.85	14,876.49
Minority Interest	270.89	208.72
Employees' Stock Options (Grants) Outstanding	8.53	17.53
Deposits	56,929.75	49,389.14
Borrowings	29,007.14	36,171.96
Policy Holder's Funds	11,014.56	10,077.28
Other Liabilities and Provisions	5,929.76	4,720.24
TOTAL	122,236.64	115,834.66
ASSETS		
Cash and balances with Reserve Bank Of India	2,960.51	2,220.76
Balances with Banks and Money at Call and Short Notice	3,682.60	2,297.49
Investments	38,791.05	40,907.24
Advances	71,692.52	66,257.65
Fixed Assets	1,260.67	616.48
Other Assets	3,849.29	3,535.04
TOTAL	122,236.64	115,834.66

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 YEAR ENDED 31ST MARCH, 2014

₹ crore

Sr No	Particulars	Quarter ended			Year ended	
		Mar-14 (Audited)	Dec-13 (Unaudited)	Mar-13 (Audited)	Mar-14 (Audited)	Mar-13 (Audited)
1	Interest earned (a+b+c+d)	2,212.48	2,192.30	2,208.38	8,767.12	8,042.49
	(a) Interest/ discount on advances/ bills	1,707.16	1,701.66	1,670.41	6,674.82	6,146.09
	(b) Income on investments	498.20	483.89	530.99	2,050.04	1,869.83
	(c) Interest on balances with RBI and other banks	6.84	6.33	6.66	27.18	24.33
	(d) Others	0.28	0.42	0.32	15.08	2.24
2	Other Income (Refer Note 1)	340.48	299.71	363.85	1,399.71	1,160.67
3	Total income (1+2)	2,552.96	2,492.01	2,572.23	10,166.83	9,203.16
4	Interest expended	1,245.94	1,279.56	1,304.98	5,047.07	4,836.82
5	Operating expenses (a+b)	699.92	627.72	613.85	2,542.61	2,209.73
	(a) Employees Cost	315.66	277.34	288.26	1,159.09	1,051.18
	(b) Other Operating expenses	384.26	350.38	325.59	1,383.52	1,158.55
6	Total expenditure (4+5) (Excluding provisions & contingencies)	1,945.86	1,907.28	1,918.83	7,589.68	7,046.55
7	Operating Profit (3-6) (Profit before Provisions and contingencies)	607.10	584.73	653.40	2,577.15	2,156.61
8	Provisions (other than Tax expense) and contingencies (Refer Note 2)	(6.19)	69.74	37.43	304.70	184.55
9	Exceptional items	-	-	-	-	-
10	Profit from Ordinary Activities before tax (7-8-9)	613.29	514.99	615.97	2,272.45	1,972.06
11	Tax expense (Refer Note 3)	206.11	175.01	179.76	769.93	611.34
12	Net Profit from Ordinary Activities after tax (10-11)	407.18	339.98	436.21	1,502.52	1,360.72
13	Extraordinary items (Net of Tax expense)	-	-	-	-	-
14	Net Profit for the Period (12-13)	407.18	339.98	436.21	1,502.52	1,360.72
15	Paid Up Equity Capital - (Face Value ₹ 5 per share)	385.16	384.56	373.31	385.16	373.31
16	Reserves (excluding Revaluation reserves)				11,889.93	9,073.65
17	Analytical Ratios					
	(i) % of shares held by Govt. of India	-	-	-	-	-
	(ii) % Capital adequacy ratio (Refer Note 4)					
	Basel II	19.01	17.50	16.05	19.01	16.05
	Basel III	18.83	17.43	NA	18.83	NA
	(iii) Earnings Per Share (EPS) for the period -Not Annualised					
	- Basic ₹	5.29	4.42	5.85	19.62	18.31
	- Diluted ₹	5.28	4.41	5.83	19.59	18.24
	(iv) NPA Ratios					
	a) Gross Non-performing assets	1,059.44	1,076.18	758.11	1,059.44	758.11
	b) Net Non-performing assets	573.56	584.52	311.41	573.56	311.41
	c) % of Gross NPA to Gross Advances	1.98	2.01	1.55	1.98	1.55
	d) % of Net NPA to Net Advances	1.08	1.10	0.64	1.08	0.64
	(v) Return on Assets %(Average) – Not Annualised	0.48	0.41	0.53	1.80	1.81
18	Public Shareholding					
	(i) No. of shares	434,629,877	433,435,882	410,927,402	434,629,877	410,927,402
	(ii) % of shareholding	56.42	56.35	55.04	56.42	55.04
19	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					

Sr No	Particulars	Quarter ended			Year ended	
		Mar-14 (Audited)	Dec-13 (Unaudited)	Mar-13 (Audited)	Mar-14 (Audited)	Mar-13 (Audited)
	- 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)					
	b) Non-encumbered					
	- Number of Shares	335,681,124	335,681,124	335,681,624	335,681,124	335,681,624
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	43.58	43.65	44.96	43.58	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. 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			Year ended	
		Mar-14 (Audited)	Dec-13 (Unaudited)	Mar-13 (Audited)	Mar-14 (Audited)	Mar-13 (Audited)
1	Segment Revenue					
	a. Treasury and BMU	573.04	602.93	706.17	2,721.24	2,522.97
	b. Corporate/ Wholesale Banking	994.29	925.90	958.89	3,646.86	3,445.72
	c. Retail Banking	1,527.58	1,538.71	1,590.30	6,115.14	5,906.18
	Sub-total	3,094.91	3,067.54	3,255.36	12,483.24	11,874.87
	Less : Inter-segmental revenue	541.95	575.53	683.13	2,319.28	2,672.95
	Add : Unallocated Income	-	-	-	2.87	1.24
	Total	2,552.96	2,492.01	2,572.23	10,166.83	9,203.16
2	Segment Results					
	a. Treasury and BMU	7.29	(18.46)	62.44	175.58	145.51
	b. Corporate/ Wholesale Banking	379.53	326.53	352.71	1,300.65	1,211.49
	c. Retail Banking	226.47	206.92	200.82	793.35	613.82
	Sub-total	613.29	514.99	615.97	2,269.58	1,970.82
	Add : Unallocated Income /(expense)	-	-	-	2.87	1.24
	Total Profit Before Tax	613.29	514.99	615.97	2,272.45	1,972.06
3	Capital employed (Segmental Assets less Segmental Liabilities)					
	a. Treasury and BMU	2,531.39	2,667.67	725.18	2,531.39	725.18
	b. Corporate/ Wholesale Banking	4,517.51	4,137.98	3,738.10	4,517.51	3,738.10
	c. Retail Banking	5,281.55	5,055.07	4,862.83	5,281.55	4,862.83
	Sub-total	12,330.45	11,860.72	9,326.11	12,330.45	9,326.11
	Add : Unallocated	(55.36)	35.60	120.85	(55.36)	120.85
	Total Capital Employed	12,275.09	11,896.32	9,446.96	12,275.09	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			Year ended	
	Mar-14 (Audited)	Dec-13 (Unaudited)	Mar-13 (Audited)	Mar-14 (Audited)	Mar-13 (Audited)
Provision towards Advances	(34.94)	25.44	32.81	147.25	204.44
Provision / (Write Back of provisions) towards Investments	28.00	43.43	1.46	176.61	(21.09)
Others	0.75	0.87	3.16	(19.16)	1.20
Total Provisions (other than Tax) and Contingencies	(6.19)	69.74	37.43	304.70	184.55

3. In accordance with RBI communication RBI/2013-14/412 DBOD. No.BP.BC.77/21.04.018/2013-14 dated 20th December, 2013 on Deferred Tax Liability (DTL) on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961, the Bank has reduced ₹ 31.18 crore from General Reserves towards DTL on Special Reserves created till year ended 31st March, 2013.

Further, Tax expenses charged to the Profit and Loss Account includes provision for deferred tax of ₹ 2.38 crore for the quarter and ₹ 9.52 crore for the year ended 31st March, 2014, on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961.

4. 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.
5. During the quarter, the Bank has granted NIL options under employee stock option scheme. Stock options aggregating to 1,193,995 were exercised during the quarter and 5,353,670 stock options were outstanding with employees of the Bank and its subsidiaries as at 31st March, 2014.
6. The Bank had one outstanding shareholder complaint as at 31st December, 2013, which was subsequently resolved. During the quarter, the Bank received four complaints from shareholders out of which two complaints were pending as on 31st March, 2014, which were subsequently resolved.
7. The Bank has declared a dividend of ₹ 0.80 per share having face value ₹ 5 for the year ended 31st March, 2014 (Previous Year ₹ 0.70 per share having face value ₹ 5). The Bank is obliged to pay dividend to those 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.
8. 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, provided the transfer happened before 30th September, 2013.

The Bank has not transferred any SLR security from AFS/HFT category to HTM category. The Bank's SLR securities in HTM category as at 31st March, 2014 were 11.43 % 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 over the last three quarters during the financial year 2013-2014. Accordingly, the Bank has recognised ₹ 43.78 crore and ₹ 175.08 crore in the Profit and Loss Account for the quarter and year ended 31st March, 2014 respectively.

9. 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_mar_14.pdf. The disclosures have not been audited by the statutory auditors of the Bank.
10. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to the third quarter of the current financial year.
11. There has been no change in any significant accounting policies during the quarter and year ended 31st March, 2014.

12. The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 30th April, 2014. The results for the year ended 31st March, 2014 are subjected to audit by the Statutory Auditors of the Bank.
13. Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation.
14. The summarised Balance Sheet of the Bank (Standalone) is given below:

₹ crore		
Summarised Balance Sheet	As at 31st March 2014	As at 31st March 2013
	(Audited)	(Audited)
CAPITAL AND LIABILITIES		
Capital	385.16	373.31
Reserves and Surplus	11,889.93	9,073.65
Employees' Stock Options (Grants) Outstanding	8.53	17.53
Deposits	59,072.33	51,028.77
Borrowings	12,895.57	20,410.62
Other Liabilities and Provisions	3,333.82	2,789.81
TOTAL	87,585.34	83,693.69
ASSETS		
Cash and balances with Reserve Bank Of India	2,948.23	2,207.90
Balances with Banks and Money at Call and Short Notice	3,031.66	1,481.26
Investments	25,484.55	28,873.43
Advances	53,027.63	48,468.98
Fixed Assets	1,106.94	464.42
Other Assets	1,986.33	2,197.70
TOTAL	87,585.34	83,693.69

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

Dipak Gupta
Joint Managing Director

Mumbai, 30th April, 2014