PRESS RELEASE

KOTAK MAHINDRA BANK ANNOUNCES RESULTS

Bank PAT for Q2FY14 ₹ 353 cr up 26%

Consolidated PAT for Q2FY14 ₹ 583 cr up 16%

Mumbai, October 24, 2013: The Board of Directors of Kotak Mahindra Bank ('The Bank') took on record the unaudited standalone and consolidated results for Q2FY14, at the board meeting held in Mumbai, today.

Kotak Mahindra Bank standalone results

Bank PAT for Q2 FY14 increased to ₹ 353 cr from ₹ 280 cr in Q2 FY13 up by 26%

Net Interest Income (NII) for Q2 FY14 up 22% to ₹ 924 cr from ₹ 758 cr in Q2 FY13.

Advances as on September 30, 2013 were up 11% YoY to ₹ 50,609 cr (₹ 45,443 cr as on September 30, 2012). The Bank is cautiously slowing down on CECV lending. Without considering CECV, the growth in advances was 18% YoY.

Restructured loans considered standard as on September 30, 2013 ₹ 45 cr - 0.09% of net advances

Savings deposits as on September 30, 2013 grew by 42% to ₹ 8,385 cr from ₹ 5,926 cr as on September 30, 2012. CASA ratio was 29%.

As on (%)	Sept 30, 2013	Sept 30, 2012	Mar 31, 2013
CRAR*	19.4	16.4	16.0
Tier I*	18.1	14.9	14.7
NIM	4.9	4.6	4.6
ROA	1.7	1.6	1.8

* including unaudited profits. As per Basel III for September 30, 2013

Segmental results breakup:

Segmental PBT - ₹ cr	Q2 FY14	Q2 FY13	Q1 FY14	FY13
Corporate / Wholesale Banking	307	296	288	1,211
Retail Banking	180	121	180	614
Treasury & BMU	47	(6)	139	146
Unallocated income	-	-	3	1
Total	**534**	**411**	**610**	**1,972**

Bank crossed 500 branches and 1,000 ATMs during the quarter. As on September 30, 2013 the Bank had 502 full-fledged branches (390 branches as on September 30, 2012) across 298 locations and 1,004 ATMs.

MTM on Investments

RBI vide circular dated August 23, 2013, as a one-time measure permitted banks to transfer SLR securities from AFS/HFT category to HTM category at valuation rates prevailing on July 15, 2013.

The Bank has not transferred any SLR security from AFS/HFT category to HTM category in terms of the said circular. The Bank's total HTM securities at September 30, 2013 were 11.4% of 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 2013-14. Accordingly, of the net depreciation of ₹ 264 cr as at September 30, 2013, the Bank has recognised depreciation of ₹ 88 cr till September 30, 2013.

Had the Bank transferred all SLR securities from AFS/HFT category to HTM category, the net depreciation instead of ₹ 264 cr above would have been ₹ 47 cr before considering distribution during the financial year.

Kotak Mahindra Bank Consolidated results

Consolidated PAT for Q2 FY14 increased to ₹ 583 cr from ₹ 502 cr in Q2 FY13 up by 16%

Consolidated advances up 11% to ₹ 68,226 cr as on September 30, 2013 from ₹ 61,255 cr as on September 30, 2012. Without considering CECV, the growth in advances was 16% YoY.

Consolidated NIM for Q2 FY14 stood at 4.9% (Q2 FY13 – 4.6%)

Consolidated capital adequacy ratio (CAR) including profits as per Basel III as on September 30, 2013 is 19.3%. Tier 1 ratio is 18.3%.

Total assets managed / advised by the Group as on September 30, 2013 are ₹ 60,450 cr (September 30, 2012 ₹ 55,850 cr).

Some of the key consolidated ratios are as under:

As on	Sept 30, 2013	Sept 30, 2012	Mar 31, 2013
Networth (₹ cr)	17,868	13,943	15,250
Book value per share (₹) – Face value ₹ 5	232.6	187.6	204.3
Net Interest Margin (YTD, annualized)	4.9%	4.7%	4.7%

Details of the entity wise profit after tax are as under:

₹ cr	Q2FY14	Q2FY13	Q1 FY14	FY13
Kotak Mahindra Bank (Standalone)	353	280	403	1,361
Kotak Mahindra Prime	125	114	117	431
Kotak Securities	40	40	31	114
Kotak Mahindra Capital Company	(2)	4	4	17
Kotak Mahindra Old Mutual Life Insurance	44	47	71	190
Kotak Mahindra AMC & Trustee Co	17	(5)	7	12
International subsidiaries	1	8	(10)	6
Kotak Investment Advisors	4	9	1	31
Kotak Mahindra Investments	11	16	4	33
Total consolidated profit after tax	**593**	**513**	**628**	**2,195**
Affiliates, minority interest & other adjustments	(10)	(11)	(1)	(7)
PAT (after minority interest / adjustments)	**583**	**502**	**627**	**2,188**

About Kotak Mahindra group

Established in 1985, the Kotak Mahindra group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received a banking license from the Reserve Bank of India (RBI). With this, KMFL became the first non-banking finance company in India to become a bank – Kotak Mahindra Bank Limited.

The consolidated balance sheet of Kotak Mahindra group is over ₹ 1.14 lakh cr and the consolidated net worth of the Group stands at ₹ 17,868 cr (approx US$ 2.9 billion) as on September 30, 2013. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The Group has a wide distribution network through branches and franchisees across India, and international offices in London, New York, Dubai, Abu Dhabi, Mauritius and Singapore. For more information, please visit the company's website at http://www.kotak.com/

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