

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 NINE MONTHS ENDED 31ST DECEMBER, 2014

₹ crore

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
1	Interest earned (a+b+c+d)	3,397.82	3,268.67	2,994.25	9,801.85	8,953.60	11,985.91
	(a) Interest/discount on advances/bills	2,594.93	2,491.77	2,293.81	7,465.72	6,724.46	9,029.57
	(b) Income on investments	762.08	742.87	675.09	2,227.47	2,137.58	2,841.77
	(c) Interest on balances with RBI & other banks	19.76	12.73	15.89	47.99	52.80	68.55
	(d) Others	21.05	21.30	9.46	60.67	38.76	46.02
2	Other income (a+b+c)	1,925.64	1,651.73	1,430.25	5,448.64	3,499.86	5,249.72
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	527.56	278.14	323.65	1,567.32	169.17	398.76
	(b) Premium on Insurance Business	656.52	653.13	587.60	1,752.64	1,654.00	2,649.57
	(c) Other income (see Notes 1,5 & 7)	741.56	720.46	519.00	2,128.68	1,676.69	2,201.39
3	Total income (1+2)	5,323.46	4,920.40	4,424.50	15,250.49	12,453.46	17,235.63
4	Interest expended	1,819.05	1,684.86	1,595.01	5,129.20	4,763.92	6,312.12
5	Operating expenses (a+b+c)	2,384.14	2,099.87	1,878.54	6,806.83	4,664.35	6,919.04
	(a) Employees Cost	597.37	575.52	467.56	1,736.90	1,400.78	1,915.12
	(b) Policy holders' reserves, surrender expense and claims	1,093.68	875.93	870.90	3,149.17	1,687.58	2,797.46
	(c) Other operating expenses (Refer Note 2 and 5)	693.09	648.42	540.08	1,920.76	1,575.99	2,206.46
6	Total expenditure (4+5) (excluding provisions and contingencies)	4,203.19	3,784.73	3,473.55	11,936.03	9,428.27	13,231.16
7	Operating Profit before provisions and contingencies (3-6)	1,120.27	1,135.67	950.95	3,314.46	3,025.19	4,004.47
8	Provisions (other than tax) and contingencies (Refer Note 3)	42.18	58.22	63.85	127.64	309.56	308.97
9	Exceptional items	-	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	1,078.09	1,077.45	887.10	3,186.82	2,715.63	3,695.50
11	Tax expense	358.52	357.99	287.32	1,051.09	880.39	1,183.96
12	Profit from ordinary activities after tax before Minority Interest (10-11)	719.57	719.46	599.78	2,135.73	1,835.24	2,511.54
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Profit from ordinary activities after tax before Minority Interest (12-13)	719.57	719.46	599.78	2,135.73	1,835.24	2,511.54
15	Less: Share of Minority Interest	13.28	13.60	15.64	39.70	45.34	62.17
16	Add: Share in Profit of associates	10.32	12.07	7.11	36.82	11.78	15.62
17	Profit after tax (14-15+16)	716.61	717.93	591.25	2,132.85	1,801.68	2,464.99
18	Paid Up Equity Capital - (Face value of ₹ 5 per share)	385.86	385.67	384.56	385.86	384.56	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	16.19	16.70	17.65	16.19	17.65	18.87
	(ii) Earnings per share (before and after extraordinary items)						
	(a) Basic (not annualised) ₹	9.29	9.31	7.69	27.67	23.57	32.19
	(b) Diluted (not annualised) ₹	9.27	9.29	7.67	27.60	23.51	32.14
	(iii) NPA Ratios						
	(a) Gross NPA	1,372.55	1,305.44	1,205.15	1,372.55	1,205.15	1,177.80
	(b) Net NPA	717.99	680.89	653.76	717.99	653.76	633.81
	(c) % of Gross NPA/ Gross Advances	1.58	1.59	1.68	1.58	1.68	1.63
	(d) % of Net NPA/ Net Advances	0.83	0.84	0.92	0.83	0.92	0.88
	(iv) Return on Assets (average) (not annualised)	0.52	0.55	0.51	1.62	1.55	2.10

NOTES:

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

Particulars	Quarter ended			Nine months ended		Year ended
	Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
Commission, fees, exchange, brokerage and others	609.22	650.00	475.98	1,833.94	1,468.52	1,966.00
Profit on sale of investments (other than insurance business)	132.34	70.46	43.02	294.74	208.17	235.39
Total – Other income	741.56	720.46	519.00	2,128.68	1,676.69	2,201.39

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

Particulars	Quarter ended			Nine months ended		Year ended
	Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
Brokerage	90.28	83.24	61.13	237.02	174.78	259.92
Depreciation	60.15	58.62	56.39	176.99	148.97	207.86
Rent, taxes and lighting	103.07	95.19	87.44	292.07	243.18	331.53
Others	439.59	411.37	335.12	1,214.68	1,009.06	1,407.15
Total – Other operating expenses	693.09	648.42	540.08	1,920.76	1,575.99	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			Nine months ended		Year ended
	Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
Provision on advances (including provision for Unhedged Foreign Currency Exposure)	96.02	72.41	34.97	246.50	204.55	182.05
Provision on other receivables	1.63	1.77	1.43	1.67	(19.38)	(19.15)
Provision / (Write back of provisions) towards investments (net)	(55.47)	(15.96)	27.45	(120.53)	124.39	146.07
Total – Provisions (other than tax) and contingencies	42.18	58.22	63.85	127.64	309.56	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” 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 ₹ 9.52 crore for the quarter ended 31st December, 2014 and for nine months ended 31st December, 2014 ₹ 33.81 crore (for the quarter ended 30th September, 2014 ₹ 11.28 crore, for the quarter ended 31st December, 2013 ₹ 8.36 crore, nine months ended 31st December, 2013 ₹ 23.37 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 relevant 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_dec_14.pdf. The disclosures have not been subjected to limited review by the statutory auditors of the Bank.
7. Other Income includes non-fund based income such as premium on insurance business, 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 nine months ended 31st December, 2014.
9. Figures for the previous periods / year have been regrouped wherever necessary to conform to current period's presentation.

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 NINE MONTHS ENDED 31ST DECEMBER, 2014
₹ crore

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
1	Interest earned (a+b+c+d)	2,500.10	2,352.48	2,192.30	7,138.93	6,554.64	8,767.12
	(a) Interest/discount on advances/bills	1,922.60	1,825.78	1,701.66	5,506.09	4,967.66	6,674.82
	(b) Income on investments	564.94	521.64	483.89	1,603.53	1,551.84	2,050.04
	(c) Interest on balances with RBI & other banks	11.00	3.26	6.33	19.96	20.34	27.18
	(d) Others	1.56	1.80	0.42	9.35	14.80	15.08
2	Other income (Refer Note 1)	494.10	466.45	299.71	1,360.31	1,059.23	1,399.71
3	Total income (1+2)	2,994.20	2,818.93	2,492.01	8,499.24	7,613.87	10,166.83
4	Interest expended	1,440.66	1,313.55	1,279.56	4,038.36	3,801.13	5,047.07
5	Operating expenses (a+b)	815.97	771.74	627.72	2,324.15	1,842.69	2,542.61
	(a) Employees cost	367.90	354.52	277.34	1,070.83	843.43	1,159.09
	(b) Other operating expenses	448.07	417.22	350.38	1,253.32	999.26	1,383.52
6	Total expenditure (4+5) (excluding provisions & contingencies)	2,256.63	2,085.29	1,907.28	6,362.51	5,643.82	7,589.68
7	Operating profit (3-6) (Profit before provisions and contingencies)	737.57	733.64	584.73	2,136.73	1,970.05	2,577.15
8	Provisions (other than tax) and contingencies (Refer Note 2)	29.92	53.65	69.74	97.56	310.89	304.70
9	Exceptional items	-	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	707.65	679.99	514.99	2,039.17	1,659.16	2,272.45
11	Tax expense	243.13	235.47	175.01	700.33	563.82	769.93
12	Net Profit from ordinary activities after tax (10-11)	464.52	444.52	339.98	1,338.84	1,095.34	1,502.52
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit for the period (12-13)	464.52	444.52	339.98	1,338.84	1,095.34	1,502.52
15	Paid up equity share capital - (of Face Value ₹ 5 per share)	385.86	385.67	384.56	385.86	384.56	385.16
16	Reserves (excluding revaluation reserves)						11,889.93
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	-	-	-	-	-	-
	(ii) Capital adequacy ratio – Basel III	15.96	16.44	17.43	15.96	17.43	18.83
	(iii) Earnings per share (before and after extraordinary items) for the period						
	- Basic (not annualised) ₹	6.02	5.77	4.42	17.37	14.33	19.62
	- Diluted (not annualised) ₹	6.01	5.75	4.41	17.33	14.29	19.59
	(iv) NPA Ratios						
	a) Gross NPA	1,219.86	1,165.40	1,076.18	1,219.86	1,076.18	1,059.44
	b) Net NPA	629.81	611.47	584.52	629.81	584.52	573.56
	c) % of Gross NPA to Gross Advances	1.87	1.89	2.01	1.87	2.01	1.98
	d) % of Net NPA to Net Advances	0.97	1.00	1.10	0.97	1.10	1.08
	(v) Return on Assets (average) – not annualised	0.48	0.49	0.41	1.46	1.32	1.80
18	Public Shareholding						
	(i) No. of shares	462,633,276	462,238,215	433,435,882	462,633,276	433,435,882	434,629,877
	(ii) Percentage of shareholding	59.95	59.93	56.35	59.95	56.35	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						

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
	company)						
	b) Non-encumbered						
	- Number of Shares	309,096,342	309,096,342	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)	40.05	40.07	43.65	40.05	43.65	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			Nine months ended		Year ended
		Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
1	Segment Revenue						
	a. Treasury and BMU	694.10	639.08	602.93	1,942.17	2,148.20	2,721.24
	b. Corporate/ Wholesale Banking	1,150.20	1,080.89	925.90	3,245.33	2,652.57	3,646.86
	c. Retail Banking	2,111.94	1,970.85	1,538.71	5,942.80	4,587.56	6,115.14
	Sub-total	3,956.24	3,690.82	3,067.54	11,130.30	9,388.33	12,483.24
	Less: Inter-segmental revenue	962.04	871.89	575.53	2,636.42	1,777.33	2,319.28
	Add: Unallocated Income	-	-	-	5.36	2.87	2.87
	Total	2,994.20	2,818.93	2,492.01	8,499.24	7,613.87	10,166.83
2	Segment Results						
	a. Treasury and BMU	129.68	135.15	(18.46)	404.55	168.29	175.58
	b. Corporate/ Wholesale Banking	337.77	335.15	326.53	963.70	921.12	1,300.65
	c. Retail Banking	240.20	209.69	206.92	665.56	566.88	793.35
	Sub-total	707.65	679.99	514.99	2,033.81	1,656.29	2,269.58
	Add: Unallocated Income / (expense)	-	-	-	5.36	2.87	2.87
	Total Profit Before Tax	707.65	679.99	514.99	2,039.17	1,659.16	2,272.45
3	Capital employed (Segmental Assets less Segmental Liabilities)						
	a. Treasury and BMU	3,880.66	4,014.51	2,667.67	3,880.66	2,667.67	2,531.39
	b. Corporate/ Wholesale Banking	4,490.53	4,152.76	4,137.98	4,490.53	4,137.98	4,517.51
	c. Retail Banking	5,348.44	5,108.26	5,055.07	5,348.44	5,055.07	5,281.55
	Sub-total	13,719.63	13,275.53	11,860.72	13,719.63	11,860.72	12,330.45
	Add: Unallocated	(37.75)	(77.02)	35.60	(37.75)	35.60	(55.36)
	Total Capital Employed	13,681.88	13,198.51	11,896.32	13,681.88	11,896.32	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			Nine months ended		Year ended
	Dec-14 (Unaudited)	Sep-14 (Unaudited)	Dec-13 (Unaudited)	Dec-14 (Unaudited)	Dec-13 (Unaudited)	Mar-14 (Audited)
Provision towards advances (including Provisions for Exposures to entities with Unhedged Foreign Currency Exposures)	84.53	63.86	25.44	214.11	182.20	147.25
Provision / (write Back of provisions) towards Investments (net)	(56.14)	(10.21)	43.43	(116.36)	148.61	176.61
Others	1.53	0.00	0.87	(0.19)	(19.92)	(19.16)
Total provisions (other than Tax) and contingencies	29.92	53.65	69.74	97.56	310.89	304.70

3. During the quarter, the Bank has granted 27,000 options under employee stock option scheme. Stock options aggregating to 395,061 were exercised during the quarter and 4,779,448 stock options were outstanding with employees of the Bank and its subsidiaries as at 31st December, 2014.
4. The Bank had one outstanding shareholder complaint as at 30th September, 2014, which was subsequently resolved. During the quarter, the Bank received twelve complaints from shareholders out of which four complaints were pending as on 31st December, 2014, which were 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 relevant 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_dec_14.pdf. The disclosures have not been subjected to limited review by the statutory auditors of the Bank.
6. The Board of Directors of Kotak Mahindra Bank Ltd ("Kotak") and the Board of Directors of ING Vysya Bank Ltd ("ING Vysya") at their respective meetings held on 20th November, 2014 have approved an amalgamation of ING Vysya with Kotak in the ratio of 725 shares of Kotak for every 1,000 shares of ING Vysya. Subsequently, the shareholders of Kotak and ING Vysya have approved the scheme of amalgamation at their respective Extra Ordinary General Meetings held on 7th January, 2015. The amalgamation is subject to the approval of the Reserve Bank of India (the "RBI") under the Banking Regulation Act, the Competition Commission of India and such other regulatory approvals as may be required. The amalgamation would be effective from 1st April, 2015 or such other date as may be fixed mutually by ING Vysya and Kotak and sanctioned by the RBI.
7. During the Quarter, the Bank has received approval from the RBI to form a subsidiary to enter the General Insurance business. The Bank had earlier received an in-principle approval from Insurance Regulatory and Development Authority (IRDA) for incorporation of a General Insurance company. The Company has since been incorporated and would now be required to apply and complete the registration process with IRDA to act as a General Insurance Company.
8. There has been no change in any significant accounting policies during the quarter and nine months ended 31st December, 2014.
9. The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 20th January, 2015. The results for the quarter and nine months ended 31st December, 2014 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.

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

Dipak Gupta
Joint Managing Director

Mumbai, 20th January, 2015