

**KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)**  
Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2020**  
₹ crore

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>8,280.41</b>	<b>8,337.36</b>	<b>8,331.98</b>	<b>25,039.46</b>	<b>25,040.03</b>	<b>33,474.16</b>
	(a) Interest/discount on advances/bills	5,397.88	5,473.08	6,197.23	16,644.23	18,678.16	24,877.11
	(b) Income on investments	2,410.96	2,419.14	1,831.67	6,894.47	5,458.98	7,327.31
	(c) Interest on balances with RBI & other interbank funds	365.60	334.04	195.60	1,178.53	566.41	827.64
	(d) Others	105.97	111.10	107.48	322.23	336.48	442.10
2	<b>Other income (a+b+c)</b>	<b>6,554.58</b>	<b>5,254.05</b>	<b>5,210.45</b>	<b>15,710.09</b>	<b>13,174.95</b>	<b>16,825.53</b>
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	1,819.33	693.78	532.42	3,895.78	861.69	(1,494.83)
	(b) Premium on Insurance Business	2,712.95	2,468.07	2,723.40	6,427.58	6,641.28	10,566.03
	(c) Other income (Refer Notes 4, 5 & 6)	2,022.30	2,092.20	1,954.63	5,386.73	5,671.98	7,754.33
3	<b>Total income (1+2)</b>	<b>14,834.99</b>	<b>13,591.41</b>	<b>13,542.43</b>	<b>40,749.55</b>	<b>38,214.98</b>	<b>50,299.69</b>
4	Interest expended	3,120.26	3,285.51	3,890.35	10,034.01	12,099.74	15,900.68
5	<b>Operating expenses (a+b+c)</b>	<b>7,585.70</b>	<b>5,918.21</b>	<b>6,290.02</b>	<b>18,644.16</b>	<b>16,071.99</b>	<b>20,419.11</b>
	(a) Employees Cost	1,536.64	1,496.56	1,568.80	4,417.52	4,332.99	5,755.97
	(b) Policy holders' reserves, surrender expense and claims (Refer Note 11)	4,345.03	2,990.08	2,976.00	9,877.23	6,868.42	7,958.18
	(c) Other operating expenses (Refer Note 5 and 7)	1,704.03	1,431.57	1,745.22	4,349.41	4,870.58	6,704.96
6	<b>Total expenditure (4+5) (excluding provisions and contingencies)</b>	<b>10,705.96</b>	<b>9,203.72</b>	<b>10,180.37</b>	<b>28,678.17</b>	<b>28,171.73</b>	<b>36,319.79</b>
7	<b>Operating Profit (3-6) (Profit before provisions and contingencies)</b>	<b>4,129.03</b>	<b>4,387.69</b>	<b>3,362.06</b>	<b>12,071.38</b>	<b>10,043.25</b>	<b>13,979.90</b>
8	Provisions (other than tax) and contingencies (Refer Note 8)	674.03	473.22	472.59	2,266.58	1,295.91	2,558.10
9	Exceptional items	-	-	-	-	-	-
10	<b>Profit from ordinary activities before tax (7-8-9)</b>	<b>3,455.00</b>	<b>3,914.47</b>	<b>2,889.47</b>	<b>9,804.80</b>	<b>8,747.34</b>	<b>11,421.80</b>
11	Tax expense	879.26	981.01	560.14	2,455.16	2,092.08	2,814.72
12	<b>Net Profit from ordinary activities after tax before Minority Interest (10-11)</b>	<b>2,575.74</b>	<b>2,933.46</b>	<b>2,329.33</b>	<b>7,349.64</b>	<b>6,655.26</b>	<b>8,607.08</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit from ordinary activities after tax before Minority Interest (12-13)</b>	<b>2,575.74</b>	<b>2,933.46</b>	<b>2,329.33</b>	<b>7,349.64</b>	<b>6,655.26</b>	<b>8,607.08</b>
15	Less: Share of Minority Interest	-	-	-	-	-	-
16	Add: Share in Profit/(Loss) of associates	25.93	13.16	19.39	51.24	32.92	(13.72)
17	<b>Profit after tax (14-15+16)</b>	<b>2,601.67</b>	<b>2,946.62</b>	<b>2,348.72</b>	<b>7,400.88</b>	<b>6,688.18</b>	<b>8,593.36</b>
18	<b>Paid Up Equity Capital - (Face value of ₹ 5 per share)</b>	<b>990.24</b>	<b>989.60</b>	<b>955.52</b>	<b>990.24</b>	<b>955.52</b>	<b>956.52</b>
19	Group Reserves (excluding Minority Interest and Revaluation reserves)						65,677.60
20	Minority Interest						-
21	<b>Analytical Ratios</b>						
	(i) Capital Adequacy ratio – Basel III (standalone)	21.54	22.05	18.21	21.54	18.21	17.89
	(ii) Earnings per equity share						
	- Basic (not annualised) ₹	13.14	14.89	12.29	37.66	35.02	44.73
	- Diluted (not annualised) ₹	13.14	14.89	12.28	37.64	34.97	44.68

₹ crore

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
	(iii) NPA Ratios (unaudited)						
	(a) Gross NPA	5,510.55	6,055.01	5,914.92	5,510.55	5,914.92	5,487.66
	(b) Net NPA	1,284.58	1,636.82	2,174.73	1,284.58	2,174.73	1,744.81
	(c) % of Gross NPA to Gross Advances	2.25	2.55	2.33	2.25	2.33	2.16
	(d) % of Net NPA to Net Advances	0.53	0.70	0.87	0.53	0.87	0.70
	(iv) Return on average Assets (not annualised) (unaudited)	0.56	0.64	0.58	1.61	1.67	2.10

#### NOTES:

- 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 Statements" specified under section 133 and relevant provisions of Companies Act, 2013.
- The financial results of the subsidiaries and associates used for preparation of the consolidated financial results are in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under Section 133 and relevant provision of Companies Act, 2013. The financial statements of Indian subsidiaries (excluding insurance companies) and associates are prepared as per Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015.
- The above consolidated results for the quarter and nine months ended 31<sup>st</sup> December, 2020 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 25<sup>th</sup> January, 2021. These results were subjected to limited review by the statutory auditors of the Bank and there are no modifications in the Limited Review Report.
- Details of other income forming part of the consolidated results are as follows:

₹ crore

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
Commission, fees, exchange, brokerage and others	1,893.11	1,873.26	1,828.48	4,919.22	5,236.46	6,876.96
Profit on sale of investments (other than insurance business)	129.19	218.94	126.15	467.51	435.52	877.37
<b>Total – Other income</b>	<b>2,022.30</b>	<b>2,092.20</b>	<b>1,954.63</b>	<b>5,386.73</b>	<b>5,671.98</b>	<b>7,754.33</b>

- Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 26.02 crore for the quarter and ₹ 75.17 crore for the nine months ended 31<sup>st</sup> December, 2020 (for the quarter ended 30<sup>th</sup> September 2020, ₹ 28.58 crore, for the quarter and nine months ended 31<sup>st</sup> December, 2019 ₹ 15.33 crore and ₹ 48.19 crore respectively, for the year ended 31<sup>st</sup> March, 2020 amounting to ₹ 66.04 crore).
- 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.
- Details of other operating expenditure forming part of consolidated results are as follows:

₹ crore

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
Brokerage	156.01	101.29	196.65	310.89	515.26	704.19
Depreciation	115.35	116.67	111.90	345.39	347.96	464.89
Rent, taxes and lighting	195.79	190.97	191.16	577.47	569.47	768.58
Others	1,236.88	1,022.64	1,245.51	3,115.66	3,437.89	4,767.30
<b>Total – Other operating expenses</b>	<b>1,704.03</b>	<b>1,431.57</b>	<b>1,745.22</b>	<b>4,349.41</b>	<b>4,870.58</b>	<b>6,704.96</b>

8. Provisions and contingencies are net of recoveries made against accounts, which have been written off as bad in the previous period / 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
	31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures and accounts not recognized as NPA in accordance with Hon. Supreme Court interim order) (Refer Note 9) (net)	739.43	436.08	480.45	1,659.86	1,224.49	1,663.49
General provision for COVID-19 Deferment cases (net)	-	14.92	-	682.40	-	713.68
Provision/(Write back of provisions) towards investments (net)	(65.40)	22.22	(7.86)	(75.68)	71.42	180.93
<b>Total – Provisions (other than tax) and contingencies</b>	<b>674.03</b>	<b>473.22</b>	<b>472.59</b>	<b>2,266.58</b>	<b>1,295.91</b>	<b>2,558.10</b>

9. The COVID-19 pandemic and the consequent lockdown has taken toll on human life and impacted a whole range of economic activities adversely. The lockdowns have been lifted for activities in a phased manner by various governments at various points in time depending on the situation prevailing in their respective jurisdictions.

The easing of restrictions has driven a revival in economic activity across sectors. This coupled with lowering spread of infection and the commencement of vaccination program against the virus is a positive development, however, the time required for business to come back to normal fully is still uncertain. COVID-19 has impacted lending business, fee income generation from sale of third party products or usage of debit/ credit cards, collection efficiency etc. This slowdown has impacted customer defaults and consequently increase in provisions. The extent to which COVID-19 pandemic will impact the Bank's operations and financial results is dependent on future developments and hence the Bank continues to closely monitor any new information concerning the severity of the COVID-19 pandemic and any action taken to contain its spread or mitigate its impact.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27<sup>th</sup> March, 2020, 17<sup>th</sup> April, 2020 and 23<sup>rd</sup> May 2020 and clarification issued by RBI through Indian Bankers Association dated 6<sup>th</sup> May, 2020, the Bank and its NBFC subsidiaries granted moratorium on the payment of installments and/or interest, as applicable, falling due between 1<sup>st</sup> March, 2020 and 31<sup>st</sup> August, 2020 to eligible borrowers classified as Standard, even if overdue, as on 29<sup>th</sup> February, 2020. The moratorium period, wherever granted, is excluded from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms.

The Bank and its NBFC subsidiaries hold provisions as at 31<sup>st</sup> December, 2020 against the potential impact of customers impacted by COVID-19 pandemic, which is higher than the regulatory requirements.

In accordance with Resolution Framework for COVID-19 announced by RBI on 6<sup>th</sup> August, 2020, the Bank and its NBFC subsidiaries have implemented a one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The Honourable Supreme Court of India, in multiple writ petitions, vide an interim order dated 3<sup>rd</sup> September, 2020 has directed that accounts which were not declared as NPA till 31<sup>st</sup> August, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank and its NBFC subsidiaries have not classified any borrower account (whether granted moratorium or not) as NPA after 31<sup>st</sup> August, 2020. Had the Bank and its NBFC subsidiaries classified borrower accounts which were more than 90 days overdue as at 31<sup>st</sup> December, 2020 as NPA, the gross NPA ratio and net NPA ratio as at 31<sup>st</sup> December, 2020 would have been 3.31% and 1.32% respectively. As a matter of prudence, the Bank and its NBFC subsidiaries have made additional provisions (including interest accrued) of ₹ 958.43 crore on such advances, including ₹ 813.52 crore for this quarter.

10. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1<sup>st</sup> July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html>. These disclosures have not been subjected to audit or limited review.
11. The change in the valuation of liabilities for life policies in force, lapsed policies that are likely to be revived in future and for policies in respect of which premium has been discontinued but liability exists, for the quarter and nine months ended 31<sup>st</sup> December, 2020 amounting to ₹ 3,155.03 crore and ₹ 6,916.33 crore respectively (for the quarter ended 30<sup>th</sup> September, 2020, ₹ 1,944.79 crore, for the quarter and nine months ended 31<sup>st</sup> December, 2019, ₹ 1,740.22 crore and ₹ 4,095.02 crore respectively, for the year ended 31<sup>st</sup> March, 2020 amounting to ₹ 4,100.96 crore) has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".

12. During the first quarter of the current financial year, the Bank had issued 65,000,000 equity shares of a face value ₹ 5 each at a price of ₹ 1,145 per equity share including a premium of ₹ 1,140 per equity share aggregating to ₹ 7,442.50 crore pursuant to a Qualified Institutional Placement (QIP).

13. Consolidated Segment information is as under:

Segment	Principal activity
Corporate/ Wholesale Banking	Wholesale borrowings and lending and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Includes lending, deposit taking and other retail services/ products including credit cards.
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities, Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.
Vehicle Financing	Retail vehicle finance and wholesale trade finance to auto dealers from its Subsidiary Company
Other Lending Activities	Financing against securities, securitisation and other loans / services from its Subsidiary Companies
Broking	Brokerage income on market transactions done on behalf of clients, interest on delayed payments, distribution of financial products from its Subsidiary Company.
Advisory and Transactional Services	Providing financial advisory and transactional services such as mergers and acquisition advice and equity/ debt issue management services from its Subsidiary Companies
Asset Management	Management of funds and investments on behalf of clients and funds from its Subsidiary Companies
Insurance	Life insurance and General Insurance from its Subsidiary Companies

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
1	<b>Segment Revenues:</b>						
	Treasury, BMU and Corporate Centre	2,454.85	2,642.81	1,819.05	7,178.51	5,249.00	7,184.98
	Retail Banking	3,577.44	3,566.08	3,835.43	10,561.01	11,300.63	15,057.84
	Corporate / Wholesale Banking	3,230.95	3,229.74	3,458.25	9,772.23	10,210.58	13,918.46
	Vehicle Financing	499.17	489.80	574.25	1,464.02	1,774.15	2,334.43
	Other Lending Activities	348.53	374.38	467.69	1,097.13	1,509.81	1,974.16
	Broking (Refer Note 5)	431.71	428.74	342.26	1,262.64	1,014.49	1,393.27
	Advisory and Transactional Services	123.24	91.96	136.99	282.00	344.60	417.78
	Asset Management	297.03	270.66	272.26	799.05	807.41	1,121.48
	Insurance	5,129.60	3,747.28	3,754.43	12,052.63	8,979.51	11,063.09
	<b>Sub-total</b>	<b>16,092.52</b>	<b>14,841.45</b>	<b>14,660.61</b>	<b>44,469.22</b>	<b>41,190.18</b>	<b>54,465.49</b>
	Less: inter-segment revenues	(1,257.53)	(1,250.04)	(1,118.18)	(3,719.67)	(2,975.20)	(4,165.80)
	<b>Total Income</b>	<b>14,834.99</b>	<b>13,591.41</b>	<b>13,542.43</b>	<b>40,749.55</b>	<b>38,214.98</b>	<b>50,299.69</b>
2	<b>Segment Results:</b>						
	Treasury, BMU and Corporate Centre	1,222.01	1,175.98	751.24	2,578.38	2,105.77	2,283.73
	Retail Banking	(151.21)	447.18	257.21	654.47	1,203.63	1,553.19
	Corporate / Wholesale Banking	1,562.22	1,462.66	1,051.10	4,292.36	3,103.76	4,384.22
	Vehicle Financing	68.73	55.12	133.33	105.13	380.31	444.01
	Other Lending Activities	145.54	150.37	157.60	391.75	480.63	651.93
	Broking	186.41	193.65	117.21	543.30	339.64	509.32
	Advisory and Transactional Services	55.31	20.99	73.09	80.54	175.29	168.69
	Asset Management	143.29	173.22	161.29	478.85	455.65	615.37
	Insurance	222.70	235.30	187.40	680.02	502.66	811.34
	<b>Total Profit before tax, minority interest and associates</b>	<b>3,455.00</b>	<b>3,914.47</b>	<b>2,889.47</b>	<b>9,804.80</b>	<b>8,747.34</b>	<b>11,421.80</b>
	Provision for tax	879.26	981.01	560.14	2,455.16	2,092.08	2,814.72
	<b>Net Profit before share of Associates and Minority</b>	<b>2,575.74</b>	<b>2,933.46</b>	<b>2,329.33</b>	<b>7,349.64</b>	<b>6,655.26</b>	<b>8,607.08</b>
3	<b>Segment Assets:</b>						
	Treasury, BMU and Corporate Centre	167,490.04	159,786.00	103,457.33	167,490.04	103,457.33	137,136.12
	Retail Banking	235,768.44	231,146.15	203,655.02	235,768.44	203,655.02	216,234.38
	Corporate / Wholesale Banking	156,010.68	148,856.91	142,816.79	156,010.68	142,816.79	153,443.88
	Vehicle Financing	16,452.84	17,127.33	19,626.63	16,452.84	19,626.63	19,505.92
	Other Lending Activities	12,950.92	13,782.26	16,791.34	12,950.92	16,791.34	15,340.95
	Broking	6,679.51	5,303.07	5,724.11	6,679.51	5,724.11	5,753.97
	Advisory and Transactional Services	263.86	272.39	360.99	263.86	360.99	319.06
	Asset Management	3,224.68	3,262.41	3,373.07	3,224.68	3,373.07	2,975.43
	Insurance	44,984.34	41,350.69	36,749.73	44,984.34	36,749.73	37,133.30
	<b>Sub-total</b>	<b>643,825.31</b>	<b>620,887.21</b>	<b>532,555.01</b>	<b>643,825.31</b>	<b>532,555.01</b>	<b>587,843.01</b>
	Less: inter-segment assets	(168,236.36)	(165,138.97)	(125,956.88)	(168,236.36)	(125,956.88)	(145,997.82)
	<b>Total</b>	<b>475,588.95</b>	<b>455,748.24</b>	<b>406,598.13</b>	<b>475,588.95</b>	<b>406,598.13</b>	<b>441,845.19</b>
	Add: Unallocated Assets	1,703.93	1,534.87	1,217.76	1,703.93	1,217.76	1,327.52
	<b>Total Assets as per Balance Sheet</b>	<b>477,292.88</b>	<b>457,283.11</b>	<b>407,815.89</b>	<b>477,292.88</b>	<b>407,815.89</b>	<b>443,172.71</b>

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		31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
4	<b>Segment Liabilities:</b>						
	Treasury, BMU and Corporate Centre	137,905.07	130,969.26	90,028.24	137,905.07	90,028.24	122,215.01
	Retail Banking	221,565.27	216,791.27	188,542.28	221,565.27	188,542.28	200,770.56
	Corporate / Wholesale Banking	140,547.20	134,952.40	128,655.32	140,547.20	128,655.32	137,983.86
	Vehicle Financing	9,825.69	10,501.13	14,214.30	9,825.69	14,214.30	14,185.38
	Other Lending Activities	5,662.78	6,750.70	7,654.56	5,662.78	7,654.56	7,610.77
	Broking	5,825.14	4,400.43	4,805.02	5,825.14	4,805.02	4,860.90
	Advisory and Transactional Services	75.98	76.79	98.35	75.98	98.35	74.52
	Asset Management	468.16	587.59	1,189.43	468.16	1,189.43	576.71
	Insurance	40,724.64	37,315.25	33,424.94	40,724.64	33,424.94	33,526.74
	<b>Sub-total</b>	<b>562,599.93</b>	<b>542,344.82</b>	<b>468,612.44</b>	<b>562,599.93</b>	<b>468,612.44</b>	<b>521,804.45</b>
	Less: inter-segment liabilities	(168,236.36)	(165,138.97)	(125,956.88)	(168,236.36)	(125,956.88)	(145,997.82)
	<b>Total</b>	<b>394,363.57</b>	<b>377,205.85</b>	<b>342,655.56</b>	<b>394,363.57</b>	<b>342,655.56</b>	<b>375,806.63</b>
	Add: Unallocated liabilities	812.83	688.45	142.65	812.83	142.65	231.96
	Add: Share Capital, Reserves & Surplus & Minority Interest	82,116.48	79,388.81	65,017.68	82,116.48	65,017.68	67,134.12
	<b>Total Capital and Liabilities as per Balance Sheet</b>	<b>477,292.88</b>	<b>457,283.11</b>	<b>407,815.89</b>	<b>477,292.88</b>	<b>407,815.89</b>	<b>443,172.71</b>

14. There has been no change in the significant accounting policies during the quarter and nine months ended 31<sup>st</sup> December, 2020 as compared to those followed for the year ended 31<sup>st</sup> March, 2020.

15. 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**

**Mumbai, 25<sup>th</sup> January, 2021**

**Dipak Gupta**  
Joint Managing Director

**KOTAK MAHINDRA BANK LIMITED (STANDALONE)**

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

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>st</sup> DECEMBER, 2020**

₹ crore

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>6,790.54</b>	<b>6,836.05</b>	<b>6,735.60</b>	<b>20,538.45</b>	<b>20,124.93</b>	<b>26,929.61</b>
	(a) Interest/discount on advances/bills	4,636.56	4,710.78	5,252.84	14,323.09	15,716.42	20,999.24
	(b) Income on investments	1,797.09	1,803.90	1,322.96	5,090.34	3,956.32	5,257.25
	(c) Interest on balances with RBI & other interbank funds	297.59	259.95	87.47	941.70	226.79	381.24
	(d) Others	59.30	61.42	72.33	183.32	225.40	291.88
2	<b>Other income (Refer Note 2)</b>	<b>1,334.38</b>	<b>1,452.03</b>	<b>1,341.43</b>	<b>3,559.95</b>	<b>3,882.72</b>	<b>5,372.11</b>
3	<b>Total income (1+2)</b>	<b>8,124.92</b>	<b>8,288.08</b>	<b>8,077.03</b>	<b>24,098.40</b>	<b>24,007.65</b>	<b>32,301.72</b>
4	Interest expended	2,783.72	2,922.84	3,306.07	8,894.57	10,184.92	13,429.95
5	<b>Operating expenses (a+b)</b>	<b>2,257.86</b>	<b>2,067.75</b>	<b>2,382.89</b>	<b>6,199.29</b>	<b>6,527.18</b>	<b>8,850.94</b>
	(a) Employee cost	959.28	990.07	1,091.52	2,860.23	2,908.04	3,877.63
	(b) Other operating expenses	1,298.58	1,077.68	1,291.37	3,339.06	3,619.14	4,973.31
6	<b>Total expenditure (4+5) (excluding provisions &amp; contingencies)</b>	<b>5,041.58</b>	<b>4,990.59</b>	<b>5,688.96</b>	<b>15,093.86</b>	<b>16,712.10</b>	<b>22,280.89</b>
7	<b>Operating profit (3-6) (Profit before provisions and contingencies)</b>	<b>3,083.34</b>	<b>3,297.49</b>	<b>2,388.07</b>	<b>9,004.54</b>	<b>7,295.55</b>	<b>10,020.83</b>
8	Provisions (other than tax) and contingencies (Refer Note 2 and 3)	599.03	368.59	444.00	1,929.63	1,168.69	2,216.16
9	Exceptional items	-	-	-	-	-	-
10	<b>Profit from ordinary activities before tax (7-8-9)</b>	<b>2,484.31</b>	<b>2,928.90</b>	<b>1,944.07</b>	<b>7,074.91</b>	<b>6,126.86</b>	<b>7,804.67</b>
11	Tax expense	630.77	744.42	348.17	1,792.44	1,446.28	1,857.49
12	<b>Net Profit from ordinary activities after tax (10-11)</b>	<b>1,853.54</b>	<b>2,184.48</b>	<b>1,595.90</b>	<b>5,282.47</b>	<b>4,680.58</b>	<b>5,947.18</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit (12-13)</b>	<b>1,853.54</b>	<b>2,184.48</b>	<b>1,595.90</b>	<b>5,282.47</b>	<b>4,680.58</b>	<b>5,947.18</b>
15	<b>Paid up equity share capital - (of Face Value ₹ 5 per share)</b>	<b>990.24</b>	<b>989.60</b>	<b>955.52</b>	<b>990.24</b>	<b>955.52</b>	<b>956.52</b>
16	<b>Reserves (excluding revaluation reserves)</b>						<b>47,558.78</b>
17	<b>Analytical Ratios</b>						
	(i) Percentage of shares held by Government of India		-	-	-	-	-
	(ii) Capital adequacy ratio - Basel III	21.54	22.05	18.21	21.54	18.21	17.89
	(iii) Earnings per equity share						
	- Basic (not annualised) ₹	9.36	11.04	8.35	26.88	24.51	30.88
	- Diluted (not annualised) ₹	9.36	11.04	8.34	26.87	24.47	30.84
	(iv) NPA Ratios						
	a) Gross NPA	4,928.04	5,335.95	5,413.20	4,928.04	5,413.20	5,026.89
	b) Net NPA	1,064.02	1,303.78	1,925.08	1,064.02	1,925.08	1,557.89
	c) % of Gross NPA to Gross Advances	2.26	2.55	2.46	2.26	2.46	2.25
	d) % of Net NPA to Net Advances	0.50	0.64	0.89	0.50	0.89	0.71
	(v) Return on average Assets (%) not annualised	0.49	0.59	0.50	1.42	1.50	1.87



## Segment Results

The reportable segments of the Bank as per RBI guidelines are as under:

Segment	Principal activity
Corporate/Wholesale Banking	Wholesale borrowings and lending and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Includes lending, deposit taking and other retail services/ products including credit cards.
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities, Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.

		₹ crore					
	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Mar-20 (Audited)
1	<b>Segment Revenue</b>						
	a. Corporate/ Wholesale Banking	3,230.95	3,229.74	3,458.25	9,772.23	10,210.58	13,918.46
	b. Retail Banking	3,577.44	3,566.08	3,835.43	10,561.01	11,300.63	15,057.84
	c. Treasury, BMU and Corporate Centre	2,350.09	2,516.01	1,699.73	6,828.93	4,928.22	6,693.60
	d. Other Banking business	-	-	-	-	-	-
	Sub-total	<b>9,158.48</b>	<b>9,311.83</b>	<b>8,993.41</b>	<b>27,162.17</b>	<b>26,439.43</b>	<b>35,669.90</b>
	Less: Inter-segmental revenue	1,033.56	1,023.75	916.38	3,063.77	2,431.78	3,368.18
	<b>Total</b>	<b>8,124.92</b>	<b>8,288.08</b>	<b>8,077.03</b>	<b>24,098.40</b>	<b>24,007.65</b>	<b>32,301.72</b>
2	<b>Segment Results</b>						
	a. Corporate/ Wholesale Banking	1,562.22	1,462.66	1,051.10	4,292.36	3,103.76	4,384.22
	b. Retail Banking	(151.21)	447.18	257.21	654.47	1,203.63	1,553.19
	c. Treasury, BMU and Corporate Centre	1,073.30	1,019.06	635.76	2,128.08	1,819.47	1,867.26
	d. Other Banking business	-	-	-	-	-	-
	<b>Total Profit Before Tax</b>	<b>2,484.31</b>	<b>2,928.90</b>	<b>1,944.07</b>	<b>7,074.91</b>	<b>6,126.86</b>	<b>7,804.67</b>
3	<b>Segment Assets</b>						
	a. Corporate/ Wholesale Banking	156,010.68	148,856.91	142,816.79	156,010.68	142,816.79	153,443.88
	b. Retail Banking	235,768.44	231,146.15	203,655.02	235,768.44	203,655.02	216,234.38
	c. Treasury, BMU and Corporate Centre	162,441.94	157,602.49	101,149.57	162,441.94	101,149.57	133,563.77
	d. Other Banking business	-	-	-	-	-	-
	Sub-total	<b>554,221.06</b>	<b>537,605.55</b>	<b>447,621.38</b>	<b>554,221.06</b>	<b>447,621.38</b>	<b>503,242.03</b>
	Less : Inter-segmental Assets	165,823.50	163,315.07	124,386.66	165,823.50	124,386.66	143,307.69
	<b>Total</b>	<b>388,397.56</b>	<b>374,290.48</b>	<b>323,234.72</b>	<b>388,397.56</b>	<b>323,234.72</b>	<b>359,934.34</b>
	Add : Unallocated Assets	628.13	474.62	246.27	628.13	246.27	317.34
	<b>Total Assets as per Balance Sheet</b>	<b>389,025.69</b>	<b>374,765.10</b>	<b>323,480.99</b>	<b>389,025.69</b>	<b>323,480.99</b>	<b>360,251.68</b>
4	<b>Segment Liabilities</b>						
	a. Corporate/ Wholesale Banking	140,547.20	134,952.40	128,655.32	140,547.20	128,655.32	137,983.86
	b. Retail Banking	221,565.27	216,791.27	188,542.28	221,565.27	188,542.28	200,770.56
	c. Treasury, BMU and Corporate Centre	130,284.19	126,008.45	82,949.09	130,284.19	82,949.09	115,719.99
	d. Other Banking business	-	-	-	-	-	-
	Sub-total	<b>492,396.66</b>	<b>477,752.12</b>	<b>400,146.69</b>	<b>492,396.66</b>	<b>400,146.69</b>	<b>454,474.41</b>
	Less : Inter-segmental Liabilities	165,823.50	163,315.07	124,386.66	165,823.50	124,386.66	143,307.69
	<b>Total</b>	<b>326,573.16</b>	<b>314,437.05</b>	<b>275,760.03</b>	<b>326,573.16</b>	<b>275,760.03</b>	<b>311,166.72</b>
	Add : Unallocated liabilities	538.50	405.16	115.05	538.50	115.05	69.66
	Add : Share Capital & Reserves & surplus	61,914.03	59,922.89	47,605.91	61,914.03	47,605.91	49,015.30
	<b>Total Liabilities as per Balance Sheet</b>	<b>389,025.69</b>	<b>374,765.10</b>	<b>323,480.99</b>	<b>389,025.69</b>	<b>323,480.99</b>	<b>360,251.68</b>

**NOTES:**

1. The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 25<sup>th</sup> January, 2021. The results for the quarter and nine months ended 31<sup>st</sup> December, 2020 were subject to limited review by the statutory auditors and there are no modifications in the limited review report.
2. 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. Provision / (write-back) for mark-to-market depreciation on investments in AFS and HFT categories are considered in Provisions and Contingencies.
3. 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		₹ crore
	31-Dec-20 (Unaudited)	30-Sep-20 (Unaudited)	31-Dec-19 (Unaudited)	31-Dec-20 (Unaudited)	31-Dec-19 (Unaudited)	Year ended 31-Mar-20 (Audited)
Provision towards advances / Others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures and accounts not recognized as NPA in accordance with Hon. Supreme Court interim order) (Refer Note 4) (net)	640.65	332.72	432.02	1,326.25	1,102.32	1,476.04
General provision for COVID 19 Deferment cases (net)	-	13.00	-	629.00	-	650.00
Provision / (write-back of provisions) for mark-to-market depreciation on investments in AFS and HFT categories (net)	(5.27)	18.50	6.07	7.41	36.90	60.58
Other Provision / (write back of other provisions) towards investments (net)	(36.35)	4.37	5.91	(33.03)	29.47	29.54
<b>Total provisions (other than Tax) and contingencies</b>	<b>599.03</b>	<b>368.59</b>	<b>444.00</b>	<b>1,929.63</b>	<b>1,168.69</b>	<b>2,216.16</b>

4. The Covid 19 pandemic and consequent lockdown has taken toll on human life and impacted a whole range of economic activities adversely. The lockdowns have been lifted for activities in a phased manner by various governments at various points in time depending on the situation prevailing in their respective jurisdictions.

The easing of restrictions has driven a revival in economic activity across sectors. This coupled with lowering spread of infection and the commencement of vaccination program against the virus is a positive development, however, the time required for business to come back to normal fully is still uncertain. Covid 19 has impacted lending business, fee income generation from sale of third party products or usage of debit/ credit cards, collection efficiency etc. This slowdown has impacted customer defaults and consequently increase in provisions. The extent to which COVID 19 pandemic will impact the Bank's operations and financial results is dependent on the future developments and hence the Bank continues to closely monitor any new information concerning the severity of the COVID-19 pandemic and any action taken to contain its spread or mitigate its impact.

In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated 27<sup>th</sup> March, 2020 and 17<sup>th</sup> April, 2020, and 23<sup>rd</sup> May, 2020 and clarification issued by RBI through Indian Bankers Association dated 6<sup>th</sup> May, 2020, the Bank granted moratorium on the payment of installments and/or interest, as applicable, falling due between 1<sup>st</sup> March, 2020 and 31<sup>st</sup> August, 2020 to eligible borrowers classified as Standard, even if overdue, as on 29<sup>th</sup> February, 2020. The moratorium period, wherever granted, is excluded from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms.

The Bank holds provisions as at 31<sup>st</sup> December, 2020 against the potential impact of customers impacted by COVID 19 pandemic, which is higher than the regulatory requirements.



In accordance with Resolution Framework for COVID-19 announced by RBI on August 6, 2020, the Bank has implemented a one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The Honourable Supreme Court of India in multiple writ petitions, vide an interim order dated 3<sup>rd</sup> September, 2020 has directed that accounts which were not declared as NPA till 31<sup>st</sup> August, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Bank has not classified any borrower account (whether granted moratorium or not) as NPA after 31<sup>st</sup> August, 2020. Had the Bank classified borrower accounts, which were more than 90 days overdue at 31st December 2020 as NPA, the Bank's gross NPA ratio and net NPA ratio as at 31st December, 2020 would have been 3.27% and 1.24% respectively. As a matter of prudence, the Bank has made additional provisions (including interest accrued) as at 31st December 2020 of ₹ 814 crore on such advances including ₹ 722 crore for this quarter.

5. During the first quarter of the current financial year, the Bank had issued 65,000,000 equity shares of a face value ₹ 5 each at a price of ₹ 1,145 per equity share including a premium of ₹ 1,140 per equity share aggregating to ₹ 7,442.50 crore pursuant to a Qualified Institutional Placement (QIP).
6. During the quarter, the Bank has granted Nil options under employee stock option scheme. Stock options aggregating to 1,270,912 were exercised during the quarter and 7,593,225 stock options were outstanding with employees of the Bank and its subsidiaries as at 31<sup>st</sup> December, 2020.
7. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1<sup>st</sup> July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html>. These disclosures have not been subjected to audit or limited review.
8. There has been no change to significant accounting policies during the quarter and nine months ended 31<sup>st</sup> December, 2020.
9. 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**

**Mumbai, 25<sup>th</sup> January, 2021**

**Dipak Gupta**  
Joint Managing Director