Kotak Mahindra Bank Limited

BASEL III (PILLAR 3) DISCLOSURES (CONSOLIDATED)
As at 30th September, 2014

Scope of Application and Capital Adequacy

Pillar 3 disclosures apply to Kotak Mahindra Bank Limited (KMBL) and its consolidated entities for regulatory purposes, wherein KMBL is the controlling entity in the group.

Basis of Consolidation for capital adequacy

The consolidated capital adequacy is based on consolidated financial statements of Kotak Mahindra Bank and its subsidiaries, prepared in accordance with guidelines for consolidated accounting and other quantitative methods vide circular DBOD.No.BP.BC.72/21.04.018/2001-02 dated 25th February 2003 issued by Reserve Bank of India (RBI). The capital charge is computed as per RBI guidelines for implementation of the New Capital Adequacy Framework (Basel III) released in July 2014.

In accordance with the guidelines issued by RBI, the insurance subsidiary has been excluded from consolidation for the purpose of capital adequacy. The entities which carry on activities of financial nature are considered for consolidation for capital adequacy purpose as stated in the scope for preparing consolidated prudential reports laid down in RBI guidelines. The Bank consolidates all subsidiaries as defined in Accounting Standard -21 (AS-21) *Consolidated Financial Statements* on a line by line basis by adding together like items of assets, liabilities, income and expenses. Further, investments in Associates are consolidated using the equity method of accounting as defined by Accounting Standard – 23 (AS-23) *Accounting for Investments in Associates in Consolidated Financial Statements*. KMBL and its subsidiaries which have been consolidated, constitute the “Group”.

The list of subsidiaries / associates consolidated as per AS-21 along with their treatment in consolidated capital adequacy computation is as under:

Name of the entity	Country of incorporation	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
Kotak Mahindra Prime Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Securities Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra Capital Company Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA

Name of the entity	Country of incorporation	Included under accounting scope of consolidation (yes / no)	Method of consolidation	Included under regulatory scope of consolidation (yes / no)	Method of consolidation	Reasons for consolidation under only one of the scopes of consolidation
Kotak Mahindra Old Mutual Life Insurance Limited	India	Yes	Fully consolidated	No	NA	Deducted from capital for capital adequacy purposes
Kotak Mahindra Investments Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra Asset Management Company Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra Trustee Company Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra (International) Limited	Mauritius	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra (UK) Limited	UK	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra, Inc.	USA	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra Asset Management (Singapore) Pte	Singapore	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Investment Advisors Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra Trusteeship Services Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Forex Brokerage Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra Pension Fund Limited	India	Yes	Fully consolidated	Yes	Fully consolidated	NA
Kotak Mahindra Financial Services Limited	UAE	Yes	Fully consolidated	Yes	Fully consolidated	NA
Infina Finance Private Limited #	India	Yes	Equity method	Yes	NA	Risk weighted for capital adequacy
Phoenix ARC Private Limited #	India	Yes	Equity method	Yes	NA	Risk weighted for capital adequacy
ACE Derivatives and Commodity Exchange Limited #	India	Yes	Equity method	Yes	NA	Risk weighted for capital adequacy

 # consolidated as per Equity Method of accounting prescribed by AS 23 wherein assets and liabilities of the investee company are not consolidated.
GIOFL ceases to be a subsidiary wef 12th May, 2014

There are no entities / subsidiaries which are not considered for consolidation both under the accounting and regulatory scope of consolidation.

List of group entities considered for consolidation

₹ in million

Name of the entity	Principle activity of the entity	Total Equity Shareholders' Fund	Total assets
Kotak Mahindra Prime Limited	Non Banking Finance Company (Specialises in car finance)	30,874.9	200,320.5
Kotak Securities Limited	Securities Broking, depository, distribution of investment products, advisory services	22,280.8	42,011.9
Kotak Mahindra Capital Company Limited	Investment Banking	3,911.5	4,092.0
Kotak Mahindra Investments Limited	Non Banking Finance Company (Providing finance against securities, lending to real estate sector and other corporate loans, investment holding)	5,527.2	25,541.9
Kotak Mahindra Asset Management Company Limited	Asset Management Company for Kotak Mahindra Mutual Fund	736.4	1,009.7
Kotak Mahindra Trustee Company Limited	Trustee company for Kotak Mahindra Mutual Fund	512.3	519.2
Kotak Mahindra (International) Limited	Brokerage and advisory services	3,287.0	7,348.3
Kotak Mahindra (UK) Limited	Brokerage and advisory services	924.7	2,698.0
Kotak Mahindra, Inc.	Brokerage and advisory services	137.0	151.7
Kotak Mahindra Asset Management (Singapore) Pte	Asset Management	-	-
Kotak Investment Advisors Limited	Asset manager of venture capital, private equity and other alternate asset funds	2,533.8	2,621.9
Kotak Mahindra Trusteeship Services Limited	Trusteeship services and trustee of venture capital, private equity and alternate asset funds	61.4	67.3
Kotak Forex Brokerage Limited	Foreign exchange brokerage services	2.3	13.0
Kotak Mahindra Pension Fund Limited	Pension fund management	252.0	256.1
Kotak Mahindra Financial Services Limited	Advising on financial products for Middle East	78.8	121.3
Infina Finance Private Limited	Non Banking Finance Company	11,543.4	11,778.6
Phoenix ARC Private Limited	Asset Reconstruction company	1,642.2	1,977.2
ACE Derivatives and Commodity Exchange Limited	Commodity Exchange	279.5	456.4

Global Investment Opportunities Fund Limited ceased to be a subsidiary wef 12th May, 2014

Capital Deficiencies

As at 30th September, 2014 the Bank and all of its subsidiaries are adequately capitalised. There are no capital deficiencies in consolidated as well as non-consolidated subsidiaries in the Group. The Bank maintains an oversight over its subsidiaries through its representation on their respective Boards and the Management Committee of the Bank is regularly updated.

Investment in Insurance subsidiary

The Group's investment in insurance subsidiary as at 30th September, 2014 is deducted from regulatory capital for capital adequacy purpose under Basel III as give below:

₹ in million

Name of the Entity	Total Equity Shareholders' Fund	% shareholding of the Group	Investment value
Kotak Mahindra Old Mutual Life Insurance Limited	10,418.0	74%	3,776.2

The quantitative impact on regulatory capital of using risk weights on investments versus using the deduction method is given below:

₹ in million

Method	Quantitative Impact
Deduction method	3,776.2
Capital at 9% based on risk weighted assets	339.9

The transfer of regulatory capital and funding within the Group is subject to restrictions imposed by local regulatory requirements. In particular, RBI establishes prudential limits on the level of exposure that the Bank may have to a related entity. There are no restrictions or other major impediments on the transfer of funds within the Group.

Capital Adequacy

In accordance with the guidelines of RBI, the Group has adopted standardised approach for credit risk, basic indicator approach for operational risk and standardised duration approach for market risk for computing capital adequacy.

Basel III Capital regulations are applicable to Banks in India from 1st April, 2013 and will be fully phased in by 31st March, 2019. Detailed guidelines on Basel III Capital Regulations and Guidelines on Composition of Capital Disclosure Requirements are issued by RBI and consolidated under the Master Circular – Basel III Capital Regulations July 2014.

The transitional arrangements for minimum Basel III capital ratios are given below.

Transitional Arrangements						
Minimum capital ratios	Mar 31,2014	March 31,2015	March 31,2016	March 31,2017	March 31,2018	March 31,2019
Minimum Common Equity Tier 1 (CET1)	5.0	5.5	5.5	5.5	5.5	5.5
Maximum Additional Tier 1 capital	1.5	1.5	1.5	1.5	1.5	1.5
Minimum Tier 1 capital	6.5	7.0	7.0	7.0	7.0	7.0
Maximum Tier 2 Capital	2.5	2.0	2.0	2.0	2.0	2.0
Minimum Total Capital*	9.0	9.0	9.0	9.0	9.0	9.0

Capital conservation buffer (CCB)	-	-	0.625	1.25	1.875	2.5
Minimum Total Capital +CCB	9.0	9.0	9.625	10.25	10.875	11.5
Phase-in of all deductions from CET1 (in %) #	40.0	60.0	80.0	100.0	100.0	100.0
# The same transition approach will apply to deductions from Additional Tier 1 and Tier 2 capital.						

Approach to Capital Adequacy Assessment to support business activities

The diversified business activities require the Group to identify, measure, aggregate and manage risks effectively and to allocate capital among its businesses appropriately. The risk management framework lays emphasis on the Group's risk philosophy, proper organisational structure, risk and reward balance and is supported by dedicated monitoring and risk measuring mechanism.

The Group has a defined Risk appetite that sets the outer boundaries for risk taking and forms an input to the business and capital planning process. Besides the Bank, key legal entities within the group also have a defined Risk Appetite. Risk appetite forms a key input to the business and capital planning process by linking risk strategy to the business strategy through a set of comprehensive indicators.

The Risk appetite is defined in quantitative terms and approved by the Board. The Risk appetite is also subjected to periodic review, to align with risk perceptions and changing business environment. Performance against the Risk Appetite is monitored every quarter. The framework is operational at the consolidated level as well as for key legal entities thereby ensuring that our aggregate risk exposure is within our desired risk capacity.

The Bank follows a Group Internal Capital Adequacy Assessment Process (ICAAP) that assesses significant risks (Pillar 2), other than Pillar 1 risks, to which the Bank is exposed. As part of this process, the Bank identifies risks and determines the level of capital to cover those risks. The ICAAP framework thus assists in allocating capital in proportion to risks inherent in the business. The ICAAP also involves capital planning to ensure that the Bank is adequately capitalised for the period ahead and to withstand stress conditions.

The Key risks that are assessed are:

- Credit Risk
- Market Risk
- Operational Risk
- Credit Concentration risk
- Underestimation of Credit Risk under Standardised Approach
- Interest Rate Risk in the Banking Book (IRRBB)
- Liquidity Risk

- Settlement Risk
- Reputation risk
- Strategic & Business Risk
- Model Risk
- Compliance Risk
- Group Risk

The Bank supplements capital adequacy computation by performing stress tests, guided by a Board approved stress testing policy. The Bank stress tests its portfolio and projections across a range of historical and hypothetical stress scenarios and assesses the impact on profit and loss and capital levels. Key companies within the Group also perform stress tests relevant to their portfolios.

Capital requirements for various risk categories as at 30th September, 2014

₹ in million

Items	**Amount**
(a) Capital requirements for credit risk	
Portfolios subject to standardised approach	82,158.5
Securitisation exposures	-
(b) Capital requirements for market risk	
Using standardised duration approach	
Interest rate risk	5,977.0
Equity position risk	4,669.1
Foreign exchange risk (including gold)	316.4
(c) Capital requirements for operational risk	
Measured using basic indicator approach	9,448.2

Computed as per Basel III guidelines

Capital Adequacy Ratios	**Consolidated**	**Standalone**
Common Equity Tier I	15.9%	15.5%
Tier I	15.9%	15.5%
Total CRAR	16.7%	16.4%

Credit Risk

Credit risk arises as a result of failure or unwillingness on part of customer or counterparties' to fulfil their contractual obligations. These obligations arise from wholesale, retail advances and off balance sheet items. Credit risks also emanate from investment and trading portfolio by way of issuer risk in debt paper, settlement risk on OTC trades and downgrade risk on non SLR investments and OTC contracts.

Credit risk is managed in the Bank through committees that approve credit and an enterprise wide risk management framework which sets out policies and procedures covering the measurement and management of credit risk.

The Bank's credit policies and process notes articulate the credit risk strategy of the Bank and thereby the approach for credit origination, approval and maintenance. These policies define the Bank's overall credit sanction criteria, including the general terms and conditions. The policies / processes generally address such areas as target markets / customer segmentation, qualitative-quantitative assessment parameters, portfolio mix, prudential exposure ceilings, concentration limits, structure of limits, approval authorities, exception reporting system, prudential accounting and provisioning norms, etc. They take cognisance of prudent and prevalent banking practices, relevant regulatory requirements, nature and complexity of the Bank's activities, market dynamics, etc.

The Bank's credit exposure is primarily categorised into retail and wholesale borrowers. Retail exposure is mostly loans to individuals and small businesses. These may be asset backed or on unsecured basis. Wholesale borrowers are internally categorised as belonging to corporate, mid-markets and financial institutional group. Retail credit lending is largely decentralised and based on predefined parameters and managed through product definition and portfolio monitoring. Wholesale credit exposures are managed through credit appraisal by an independent credit risk team and post sanction monitoring.

Credit risk management processes

The Bank focuses on ensuring that credit risk taking is in line with approved policies, while meeting risk-reward objectives. The Bank expects to achieve its earnings objectives and to satisfy its customers' needs while maintaining a sound portfolio.

The Board has delegated credit approval authority to the Management Committee, Credit Committee and other approval authorities. Credit Committee may further delegate the responsibility as required from time to time. Credit Committee ensures that the credit processes are in compliance with regulatory and internal norms and are enforced across the Bank in a uniform manner.

The Bank's credit process is divided into three stages - pre-sanction, sanction and post -sanction.

At the pre-sanction stage, the independent credit function within respective businesses conduct credit appraisal and assign a credit rating based on internal rating model.

Based on the independent credit risk assessment, appropriate credit decisions are taken by the sanctioning authorities. The Bank has a tiered credit sanction process where credit approvals are reported to the next higher level.

As part of the post sanction process, the credit administration team processes documentation, on the completion of which, credit is disbursed.

In accordance with credit policies, the borrowers are subject to periodic review with updated information on financial position, market position, industry and economic condition and account conduct. The Bank has also implemented an enterprise wide Early Warning Signal (EWS) framework that helps identify signs of credit weakness at an early stage for the Bank to work closely with the borrowers and take suitable remedial actions.

The Bank also constantly reviews its concentration across borrowers, groups, portfolio segments, geography, sectors and ratings. This helps the Bank maintain a well diversified portfolio.

Credit Risk Management Principles

The Bank measures and manages its credit risk based on the following principles:

- The Bank has developed a Basic Customer Acceptance Criteria for appraisal of corporate and mid-market customers. The Retail business is governed by approved product papers in selection of customers.
- The approval of all limits to counterparties should be in line with the corporate credit policy of the Bank. Such approval should generally be within the Bank's portfolio guidelines and credit strategies.
- The credit worthiness of borrowers is regularly reviewed and monitored at least once a year. Customers with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.
- All business units have a credit monitoring function which monitors conduct of the account post disbursement.

Credit Risk measurement systems

Credit Rating is an integral part of the lending decision. The Bank has a two scale internal rating model for wholesale exposures that assigns obligor ratings & facility ratings. The rating model is capable of rating large and emerging corporates, traders, brokers, Non-Banking Finance Companies (NBFCs), real estate clients and service sector clients. Ratings are supported by financial analysis and combined with credit head's judgment to arrive at the final rating for a borrower / counterparty. The Bank uses an 18 point scale to grade borrowers.

The obligor rating provides an estimate of the probability of default of the borrower in the next year. The obligor rating is independent of the type/nature of facilities and collaterals offered. The obligor rating consists of quantitative and qualitative factors and includes assessment of customer's financial position, industry in which the customer operates, business & management risks.

The facility ratings take into account structuring features of specific facilities and the collaterals offered. The facility rating provides an estimate of the loss given default (LGD) for the facility.

The product of the obligor rating (Probability of Default) and Facility rating (LGD) provides an estimate of the expected loss against each facility.

The rating model is being enhanced to give required inputs to estimate Probability of Default (PDs) and Loss Given Default (LGDs) based on the Bank's own experience and is also being strengthened to capture in more granularity, the risk due to unhedged foreign currency exposure of corporates

The Bank has strong governance on the rating models and framework for changes to the model or enhancements and operates under the Board approved Model Risk Policy. The rating model is drawn up in accordance with Basel II framework.

On the retail side, the Bank has processes for risk assessment of retail loan exposures. These are through product notes, processes or policies, that specify entry criteria for loan origination, minimum margins on collaterals, maximum Loan to Value Ratios (LTV) for products, product tenor etc. The Bank is constantly improving the quality of origination through better understanding of its portfolio and improved underwriting standards. Portfolio delinquency trends are monitored periodically.

The Bank has a defined stress testing policy that lays down the framework for stress testing. Credit risk framework covers corporate as well as retail portfolio and the portfolios are stressed on approved scenarios to assess the impact of stress conditions on profitability and capital adequacy. The stress tests are performed periodically and results of these stress tests are placed before the RMC & the Board.

Concentration of credit risk arises when a number of obligors are engaged in similar activities, or operate in the same geographical areas or belong to the same industry. Risk appetite of the Bank mandates a well-diversified portfolio and has quantitative metrics for credit concentration. The Bank operates within Board approved limits in its loan portfolio that cover obligor concentration, group concentration, substantial exposures, sector & industry concentration & unsecured lending. These limits are monitored periodically and reported to senior management. Assessment of credit concentration risk is part of the ICAAP.

The Bank prepares its risk profile on a periodic basis and monitors the level of credit risk (low / moderate / high) and direction of change in credit risk (increasing / decreasing / stable) at the portfolio level on a regular basis. The risk profile is reported to the senior management and the Board.

Definition and classification of non-performing assets (NPA)

The Bank classifies its advances into performing and non-performing advances in accordance with extant RBI guidelines**.**

An NPA is defined as a loan or an advance where;

- interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan;
- the account remains 'out of order' – in respect of an overdraft/cash credit (OD/CC); and
- the bill remains overdue for more than 90 days in case of bills purchased and discounted.
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment
- An existing NPA account is upgraded to standard category only on collection of all overdues.

In respect of NBFCs, if the overdue is in excess of 180 days, the loan is classified into sub-standard, doubtful, and loss as required by RBI guidelines.

Cheques deposited at quarter end but returned in subsequent month are considered for NPA and provisioning.

Out of Order

An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for a continuous period of 90 days. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of balance sheet or credits are not enough to cover the interest debited during the same period, these accounts should be treated as 'out of order'.

Overdue

Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank.

Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. A sub-standard asset is one, which has remained NPA for a period less than or equal to 12 months. An asset is classified as doubtful if it has remained in the sub-standard category for a period exceeding 12 months. A loss asset is one where loss has been identified by the Bank or internal or external auditors or during RBI inspection but the amount has not been written off fully.

The loans of subsidiaries are classified as non-performing in accordance with the guidelines prescribed by their respective regulators.

Total credit risk exposures as at 30th September, 2014

₹ in million

Overall credit exposure	Fund based	Non-fund based	Total
Total gross credit exposures	820,290.7	125,034.0	945,324.7

Includes all entities considered for Basel III capital adequacy computation

Credit exposure include term loans, working capital facilities (i.e. funded facilities like cash credit, demand loans, temporary limits and non-funded facilities like letter of credits, acceptances and guarantees).

Geographic distribution of exposures as at 30th September, 2014

₹ in million

Exposures	Fund based	Non-fund based	Total
Domestic	820,290.7	124,937.3	945,228.0
Overseas	-	96.7	96.7
Total	**820,290.7**	**125,034.0**	**945,324.7**

Includes all entities considered for Basel III capital adequacy computation

Industry-wise distribution of exposures as at 30th September, 2014

₹ in million

Industry	Fund based	Non-fund based	Total
Auto loans	218,101.4	-	218,101.4
Personal loans	39,685.7	-	39,685.7
Home loans/Loan against property	129,160.9	-	129,160.9
Credit cards	5,094.7	-	5,094.7
Other retails loans	55,074.8	-	55,074.8
Iron and steel	10,998.0	3,789.8	14,787.8
Engineering	22,624.0	13,130.2	35,754.2
Chemical, dyes, paints etc	20,224.8	3,319.2	23,544.0
Fertilisers	2,760.2	5,431.3	8,191.5
Drugs and Pharmaceuticals	16,226.0	2,452.6	18,678.6
Construction including developers	83,681.0	6,252.9	89,933.9
Automobiles	40,464.2	6,656.9	47,121.1
Power	21,646.4	4,802.4	26,448.8
Telecom	9,508.8	4,628.5	14,137.3
Roads and Ports	2,417.9	1,002.5	3,420.4
Other Infrastructure	13,598.2	12,708.3	26,306.5
NBFCs	33,522.7	490.2	34,012.9
Other industries [(i)]	95,501.0	60,369.2	155,870.2
Total	**820,290.7**	**125,034.0**	**945,324.7**

Includes all entities considered for Basel III capital adequacy computation

(i) *Other industries include entities from sectors such as logistics and auxiliary,agri related services wholesale trade, education, hospitality and tourism, retail trade, stock broking, other services etc.*

Exposure to industries (other than retail assets) in excess of 5% of total exposure

₹ in million

Industry	Fund based	Non-fund based	Total
Construction including developers	83,681.0	6,252.9	89,933.9

Residual contractual maturity break-down of assets as at 30th September, 2014

₹ in million

Maturity Pattern	Cash and balances with monetary authority	Balances with other banks	Investments	Advances	Fixed Assets	Other Assets
0 to 14 days	8,031.0	11,987.6	82,939.6	55,301.7	-	6,162.1
15 to 28 days	1,159.6	-	8,751.9	31,455.0	-	2,752.8
29 days to 3 months	4,347.3	-	31,730.0	86,102.2	-	2,427.2
Over 3 months & upto 6 months	3,066.9	2,000.0	21,961.0	64,156.8	-	2,754.3
Over 6 months & upto 1 year	4,009.9	-	36,963.4	95,923.4	-	1,266.6
Over 1 year & upto 3 years	8,283.5	287.1	72,152.1	305,119.5	-	496.7

Maturity Pattern	Cash and balances with monetary authority	Balances with other banks	Investments	Advances	Fixed Assets	Other Assets
Over -3 year & upto 5 years	364.2	0.6	6,267.9	83,761.0	-	140.4
Over 5 years	894.7	0.9	17,096.3	92,213.0	10,983.2	7,666.5
Total	**30,157.1**	**14,276.2**	**277,862.2**	**814,032.6**	**10,983.2**	**23,666.6**

Consolidated figures for lending entities namely Kotak Mahindra Bank Limited, Kotak Mahindra Prime Limited and Kotak Mahindra Investments Limited, other entities are primarily engaged in fee based activities only.

Amount of non-performing loans as at 30th September, 2014

₹ in million

Items	Amount	
	Gross NPA	**Net NPA**
Substandard	6,042.8	4,259.9
Doubtful 1	4,043.1	1,784.3
Doubtful 2	2,137.8	764.7
Doubtful 3	188.1	-
Loss	642.6	-
Total	**13,054.4**	**6,808.9**
NPA Ratio (%)	1.59%	0.84%
Movement of NPAs		
Opening balance as at 1st April, 2014	11,815.7	6,372.1
Additions	4,987.9	2,544.8
Reductions	(3,749.2)	(2,108.0)
Closing balance as at 30th September, 2014	**13,054.4**	**6,808.9**

Includes all entities considered for Basel III capital adequacy computation

Gross NPA ratio is computed as a ratio of gross non-performing loans to gross advances

Net NPA ratio is computed as a ratio of net non-performing loans to net advances

Movement of provisions for NPAs

₹ in million

	Amount
Opening balance as at 1st April, 2014	5,443.6
Provisions made during the year	2,443.1
Write-off/ Write back of excess provisions	(1,641.2)
Closing balance as at 30th September, 2014	**6,245.5**

Amount of Non-performing investments (NPI)

₹ in million

	Amount
Gross NPI as at 30th September, 2014	24.5
Amount of provisions held for NPI	24.5
Net NPI as at 30th September, 2014	-

Movement of provisions for depreciation on investments

₹ in million

	Amount
Opening balance as at 1st April, 2014	28.3
Additional provisions during the year	-
Write off /Write back of provisions during the year*	(3.8)
Closing balance as at 30th September, 2014	24.5

**After considering appreciation in investments*

Credit risk – portfolios subject to the standardised approach

External Ratings

As per the NCAF, the Bank has adopted standardised approach for measurement of credit risk. The risk weights under this approach are based on external ratings of counterparties, the Bank has identified following External Credit Assessment Institutions (ECAIs) as approved rating agencies:

a. Domestic credit rating agencies: CRISIL, ICRA, CARE and India Ratings (erstwhile FITCH India)
b. International rating agencies: S&P, FITCH and Moody's

The Bank assigns risk weight on the basis of long-term and short-term rating of the borrower. The issue/issuer ratings of the ECAI's are considered for the borrowers and the risk weights are then derived on a case by case basis in accordance with the rules laid down by RBI as part of the New Capital Adequacy Framework.

Credit exposures by risk weights as at 30th September, 2014

₹ in million

Exposure category	Fund based	Non-fund based	Total
Below 100% risk weight	307,848.2	63,657.7	371,505.9
100% risk weight	307,429.6	42,391.3	349,820.9
More than 100% risk weight	194,948.6	7,049.9	201,998.5
Deducted	-	-	-
TOTAL	**810,226.4**	**113,098.9**	**923,325.3**

includes all entities considered for Basel III capital adequacy computation, net of risk mitigation as per the standardised approach

Credit Risk Mitigation

The Bank has a credit risk mitigation policy that lists possible credit risk mitigation techniques and associated haircuts as envisaged in RBI guidelines. The objective of this Policy is to enable classification and valuation of credit risk mitigants in a manner that allows regulatory capital adjustment to reflect them. The Policy adopts the Comprehensive Approach, which allows full offset of collateral wherever applicable against exposures, by effectively reducing the exposure amount by the value ascribed to the collateral. The collateral values are suitably adjusted by (appropriate haircuts to take account of possible future fluctuations in their value due to market movements).

The list of eligible financial collaterals recognized by the Bank for risk Mitigation is as follows:

- Cash / Fixed deposits with the Bank
- Gold – including Bullion & Jewelry
- Central & State Government securities
- Kisan Vikas Patra and National Savings Certificates
- Life Insurance policies with a declared surrender value of an insurance company which is regulated by the insurance sector regulator
- Debt securities rated investment grade or better
- Mutual Fund units where investment is in debt instruments

The Bank has taken ₹ 21,999.4 million of eligible financial collateral benefit in the capital computation as at 30th September, 2014.

Where available, the Bank also makes use of credit mitigation by way of guarantees / letters of credit provided by other eligible guarantors / banks as per RBI guidelines. Where eligible guarantees are used towards credit mitigation, the Bank follows a substitution approach and applies the risk weight of the guarantor in lieu of the obligor risk weight.

The highest share of Financial Collaterals considered for Credit Risk Mitigation, is by way Cash/FD's and thus there is not much risk concentration envisaged on account of these mitigants.

₹ in million

Type of Credit exposure	**Eligible financial collateral after haircut**	**Covered by Guarantees/Credit derivatives**
Total Exposure	21,999.4	1,857.1

Exposure management measures

The Corporate Credit policy of the Bank defines the exposure management measures. Exposure includes credit exposure (funded and non-funded credit limits), investment exposure (including underwriting and similar commitments) and derivatives exposure which includes MTM and Potential Future exposure as per current exposure method.

The Bank operates within Board approved limits in its loan portfolio. Key portfolio limits include:

- Single borrower limits
- Exposure to borrower groups
- Substantial exposure limits
- Limits on capital market exposure
- Limits on real estate exposure
- Limits on exposure to NBFCs
- Industry exposure limits
- Limits on unsecured lending

Performance against these limits are monitored periodically and reported to the appropriate authorities.

The Corporate Credit Policy stipulates review of unhedged forex exposure as part of every credit appraisal for sanction of facilities to a borrower.

To manage credit risk exposure on treasury contracts, the Bank operates within approved limits on Countries, Inter Bank counterparties and corporates.

Securitisation

a. Securitisation objectives and policies

Securitisation of assets is undertaken with the following objectives:

- **Meeting credit needs of borrowers –** Due to various constraints such as single party and group exposure norms, paucity of capital, internal sectoral exposure norms, etc, at times the Group is unable to meet the entire credit requirements of the borrowers. Securitisation helps overcoming such constraints and meet customer's credit needs.
- **Assistance in management of asset-liability mismatches** – With traditional on balance sheet borrowing and lending, the maturity of assets tends be much longer than that of the liabilities. Securitisation effectively makes Group's assets more liquid providing scope to more flexibly manage maturity mismatches.
- **Reduction of credit risk, interest rate and liquidity risk** – Through Securitisation, the Group can transfer credit, interest rate and liquidity risks to third parties.
- **Freeing up of capital and Improvement in return on capital -** Securitisation removes assets from the Group's balance sheet and hence frees up capital for other uses. It also improves return on capital.
- **Contingency plan –** Securitisation of retail asset portfolio is considered as an important element of the contingency funding plan of the Group.

b. The major risks inherent in securitisation/loan assignment transactions are given below:

- **Credit Risk**
  Investors in a securitisation transaction may bear a loss in the event of shortfall in credit enhancement provided. Where credit enhancement is provided in the form of a corporate guarantee, the investor is exposed to risk of a downgrade in the rating of the corporate guarantee provider. In case of loan assignment transactions, the assignee bears the loss arising from defaults/delinquencies by the underlying obligors.

- **Market Risk:**
  - Liquidity Risk
    This is the risk arising on account of absence of a secondary market for asset backed securities, which provides exit options to the investor/participant.

- Interest Rate Risk
  Fluctuation in interest rates impact the valuation of securitisation and may lead to mark to market losses.

- Prepayment Risk
  Prepayments in the securitised /assigned pool result in early amortisation and loss of future interest (reinvestment risk) to the investor.

Role played by the Group in the securitisation process:

- **Structurer:** The Bank scans the market to identify potential investors and structures the transaction to meet their requirements in compliance with the extant guidelines.
- **Collection and paying agent:** The SPV may appoint the concerned entity in the Bank as the collection and paying Agent. In such cases, the Bank collects the amounts due from the underlying obligors on the due dates and remits the same into the account of the SPV.

c. Summary of Group's accounting policies for securitisation activities

In terms of RBI guidelines the Group sells assets to SPV only on cash basis and the sale consideration is received not later than the transfer of the asset to the SPV. Any loss arising on account of the sale is accounted immediately and reflected in the profit and loss account for the period during which the sale is affected and any profit/premium arising on account of sale is amortised over the life of the securities issued or to be issued by the SPV.

In case the securitised assets qualify for derecognition from the books of the Group, the entire expenses incurred on the transaction e.g. legal fees, etc., is expensed at the time of the transaction and is not deferred. Where the securitised assets do not qualify for derecognition the sale consideration received is treated as a secured borrowing.

d. Rating of the securitisation transactions:

The Group uses the ratings provided by external credit rating agencies viz. CRISIL, India Ratings (erstwhile FITCH India), ICRA and CARE for the securitization of corporate loans and retail pools.

e. Breakup of the exposure securitised by the Group during the year and subject to securitization framework:

A. Banking Book

There are no outstanding under the securitization exposures as at 30th September, 2014. No securitization activities were undertaken by the Group during the half year ended 30th September, 2014.

B. Trading Book

Breakup of the exposure securitised by the Group during the year and subject to securitization framework:

₹ in million

Sr. No.	Type of Securitisation	Amount
1.	Aggregate amount of exposures securitized by the Group for which the Group has retained some exposures and which is subject to the market risk approach	NIL

Aggregate amount of securitisation exposures retained or purchased and outstanding as at 30th September, 2014 is given below:

₹ in million

S No.	Exposure type	On Balance Sheet Amount	Off Balance Sheet Amount
1	Total amount of exposures retained	-	-
2	Securities purchased		
	Micro finance (unsecured)	-	-
3	Liquidity facility	-	-
4	Credit commitments (cash collateral)	-	-
5	Other commitments	-	-

Risk-weight wise and bucket wise details of the securitization exposures on the basis of book value

₹in million

Exposure type	Amount	Capital charge
Below 100% risk weight	-	-
100% risk weight	-	
More than 100% risk weight	-	-
Deductions		
-Entirely from Tier I capital	-	-
-Credit enhancing I/Os deducted from total capital	-	-
- Credit enhancement (cash collateral)	-	-

Includes all entities considered for Basel III capital adequacy computation

Market Risk in Trading Book

Market risk management policy

Market Risk is the risk that earning or capital will be affected by adverse changes in market risk factors, namely interest rates, foreign exchange rates, volatilities, credit spreads, commodity and equity prices.

The capital market risk management policies and procedures are based on the product traded.

For Regulatory capital purposes, the Group calculates its Market Risk Capital as per the Calculation Rules under the Standardized Measurement Method (SMM).

Market Risk Management encompasses the following imperatives:

- Managing Interest Rate Risk in Trading & Banking Books
- Managing Currency & other Trading Book Risks
- Proper Valuation & Measurement
- Compliance with regulatory & Board guidelines
- Oversight over the operation and execution of market transactions

Market Risk for the Bank and each of its major subsidiaries is managed in accordance with policies approved by the respective Boards or ALCO. These policies ensure that transactions in Debt, Capital, Foreign Exchange, Derivatives & other markets are conducted in accordance with sound & acceptable business practices and are as per the extant regulatory guidelines & laws governing transactions.

The policies are reviewed regularly to incorporate changes in regulatory guidelines and business and economic environment.

Structure and organization of the Market Risk Management functions

The Group's Risk Management Architecture is overseen by the Board of Directors. The Board of Directors defines Risk Appetite and approves appropriate policies to manage risks. The Asset Liability Management Committee (ALCO) oversees the Market Risks in the Trading Book and the Banking Book.

Risk limits are monitored and utilizations are reported by the Market Risk Management unit. Market Risk Management unit is independent of the dealing function and the settlements function and reports directly to the Group Chief Risk Officer. The unit is responsible for identifying and escalating any limit excesses on a timely basis. This unit ensures that all market risks are identified, assessed, monitored and reported – for management decision making.

The Group uses a comprehensive range of quantitative tools and metrics for monitoring and managing risks. The Group continually assesses the appropriateness and the reliability of the quantitative tools and metrics in the light of the changing risk environment.

The limit-framework is comprehensive and effectively controls market risk. Limits on sensitivity measures like PV01, Duration, Delta, Gamma, Vega etc. and other limits like loss-limits, value-limits, gap-limits, deal-size limits, holding-period limits constitute the limit-framework

Value at Risk

Value-at-Risk (VaR) is used to quantify the potential price-risk in the portfolio. Value-at-Risk (VaR) is a statistical measure that estimates, at a certain confidence level, the potential decline in the value of a position (or portfolio) under normal market conditions - assuming a holding period.

Value-at-Risk is computed for each type of market risk factor i.e. interest rate, foreign currency, equity etc. The VaR model is based on Historical Simulation and a Confidence level of 99%. The VaR model is periodically validated through a process of Back-testing. Metrics like Stressed Value-at-Risk are used to supplement VaR. Stress testing & Scenario Analysis are periodically performed to measure the exposure of the Bank to extreme, but plausible market movements.

Stress Testing

The Group periodically stresses the portfolio to highlight the potential risks that may arise due to events that are rare but plausible. The Group conducts various tests like the impact of shock to one risk factor, extreme events that may change various risk factors simultaneously and worst case scenario that captures the potential damaging shift in various market risk factors. During the year, the Group was within the internal and regulatory capital ratios after applying the stress scenarios. The stress test results and the subsequent capital requirements are placed before the RMC & the Board.

Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due without adversely affecting its financial condition. Liquidity is also Group's capacity to fund increase in assets and has the potential to constrain growth through depletion of resources available for lending and investment.

Asset Liability Management Committee (ALCO) of the Bank defines its liquidity risk strategy and risk tolerances. Balance Sheet Management Unit (BMU) of the Bank is responsible for managing liquidity under the liquidity risk management framework. The Bank actively manages its liquidity risk covering both market funding risk and market liquidity risk.

The Bank maintains a diversified funding profile with emphasis on building retail franchise to increase customer deposits. The Bank ensures that there is sufficient liquidity headroom available, including liquid assets, at all times to manage any contingency.

The Bank dynamically manages the daily queue of payments, forecasting the quantum and timing of cash flows, prioritizing critical payment transactions, assessing the drawing power of intraday liquidity facilities, etc. Considering the inter-dependencies that exist among systems, which may lead to liquidity dislocations that cascade quickly across many systems, especially banks, ALCO has set internal limits for inter-bank liability (IBL), call money borrowing and lending limits.

Liquidity risk is assessed from both structural and dynamic perspective and the Bank uses various approaches like Stock approach, cash flow approach & stress test approach to assess liquidity risk.

The Bank uses structural liquidity gap analysis to measure cash flow mismatches at different time bands and manage net funding requirements. The cash flows are bucketed in different time bands based on the residual maturity of the cash flows or the projected behavior of assets, liabilities and off-balance sheet items. There are regulatory and ALCO approved tolerance limits for liquidity gaps. Bank also manages its liquidity on a dynamic basis to supplement the liquidity gap analysis by capturing net cash outflow or inflows for business units considering their business projection for the next 3 months. The Bank also assesses liquidity using stock approach by computing ratios to measure the extent of stability of funds, liquidity, concentration, etc.

The Board-approved Contingency Liquidity Plan (CLP) is another key element of the Bank's Liquidity measurement and management framework. CLP articulates the management action plan to be adopted in case of liquidity crises. The Bank has established and actively uses ratio-based Early Warning Indicators (EWI) framework for tracking impending liquidity stresses. Control & Response Teams are designated. Potential contingency liquidity sources are identified.

The Bank follows scenario based approach for Liquidity Stress Testing. These scenarios & assumptions are employed to evaluate the impact of stress on the existing liquidity position of the Bank. Market Liquidity Risk is considered through haircuts to sell liquid assets considering instrument type, expected change in interest rate in liquidity crisis, etc. Bank also assess the impact on P&L in utilizing liquidity mitigates (e.g. selling liquid assets, marginal standby facility, refinance head rooms, etc.) with appropriate haircuts and increased cost of funding.

The Bank has been assessing the liquidity under stress conditions using Basel III Liquidity Ratio i.e. liquidity coverage ratio (LCR) and net stable funding ratio (NSFR). These measures have been incorporated as part of Bank's risk appetite definitions and thresholds. LCR methodology and minimum threshold has been aligned as per recently published RBI guidelines on Basel III Framework on Liquidity Standards.

Hedging and risk mitigation

The Bank has defined limits on the positions that can be taken and all the business groups are required to adhere to the same. The hedging transactions are periodically assessed for hedged effectiveness in accordance with the applicable guidelines.

Market risk capital charge

₹ in million

Risk category	**Capital charge**
Interest rate risk	5,977.0
Equity position risk	4,669.1
Foreign exchange risk	316.4
Total capital required	**10,962.5**

Includes all entities considered for Basel III capital adequacy computation

Operational Risk Management (ORM)

The Group has well defined operational risk management objectives, strategies and governance structures. The Bank has a comprehensive ORM Framework that covers all activities and governance structure that helps manage operational risk effectively. Through implementation of the Operational Risk Framework and related policies, businesses are able to adopt a structured approach to identify, assess and monitor Operational Risk exposures, design appropriate mitigation strategies, and provide timely and effective reporting to Risk

Committee & the Board. The Operational risk framework is supported by policies and processes that help business manage operational risk within approved tolerances, on behalf of its stakeholders.

On the basis of the Enterprise wide Risk Management policy, operational risk policies are prepared for the Bank. These policies outline the ORM governance structure, key risk assessment, risk monitoring and risk mitigating activities. The policy applies to all business lines within the Bank.

Most Group entities, including the Bank, have Risk Management Committees to manage operational risks. Separate sub committees also exist in a few entities to screen all potential new mandates for profitability and to ensure that compliance, legal and reputational issues are addressed before accepting any mandate. Hence, depending upon the size of the group entity, the operational risk governance structure is adequate to manage material operational risks.

Senior Management in all group entities is actively involved in the management of operational risk and implementation of the respective ORM Frameworks / policies. Group entities manage operational risk through internal control departments, which vary in sophistication depending upon the business needs.

The internal control framework ensures that process related operational risks are minimized by way of regular monitoring and audits. The Group internal audit team, following RBI's risk based audit methodology, and the group compliance department provide sound platform for operational risk management along with risk management unit.

The following are some of the key techniques applied by Bank and / or group companies to manage operational risks -

- The Bank has built into its operational process segregation of duties, clear reporting structures, well defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks.

- New Product & activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal. All concerned departments coordinate and discuss key operational risk issues involving people, process, technology, external factors, etc. so as to minimize them or ensure adequate controls over them. In subsidiaries, internal controls unit reviews the product notes in consultation with the respective departments, including compliance and legal.

- The Operational risk team performs detailed risk analysis and root cause analyses on operational risk events, reported by business units, to identify inherent areas of risk and suggest suitable risk mitigating actions which are monitored for resolution. The Bank wide unusual event reporting and capture system forms the basis for this analysis. The Operational risk team also proactively scans information on external events occurring in the industry to ensure that the Bank can respond suitably to similar incidents.

- The Bank has in place a 'Risks and Controls Self Assessment' programme for formally assessing operational risks and related controls to mitigate these risks. The self assessments are performed by individual business units and functions. As part of the annual Risks and Controls Self Assessment ("RCSA") process, areas with high risk potential are highlighted and business unit / function either proposes mitigating measures to resolve the issue or provides a rationale for why the risk is acceptable.

- The Bank continuously takes various steps to increase the overall level of operational risk awareness amongst staff at all levels using various tools like trainings, workshops, risk assessment exercise and process related compliance certification / testing, etc. Operational risk profile reports for business divisions are reviewed and discussed with the department's senior management. This enables the Bank to detect changes to the units risk profile at an early stage and take necessary corrective actions. The Bank believes that this process helps build a strong risk management culture and increased level of risk awareness amongst work force.

- The Group level IT Security Committee provides direction for mitigating the operational risk in IT security. There is group wide IT security programme (ARISTI) to ensure complete data security and integrity.

- Disaster recovery and Business Continuity Plans (BCP) have been established for significant businesses to ensure continuity of operations and minimal disruption to customer services. These plans are periodically tested and reviewed to ensure their effectiveness to mitigate unforeseen risks arising out of disruptions.

- In the larger group entities, Risk Containment Unit has been setup within Business Units, which identifies and monitors risk on an ongoing basis including sample checks and control testing.

- Risk transfer via insurance is a key strategy to mitigate operational risk exposure at the Bank. The Operational Risk team helps assess the quantum of insurance cover required and aligns it to the Bank's current and projected operational risk exposures.

Approaches for computation of operational risk capital

In accordance with the guidelines issued by RBI, the Bank has adopted the "Basic Indicator Approach" for calculation of operational risk capital for capital adequacy purposes.

As per these guidelines, the capital for operational risk is based on a single indicator: income. The Capital charge associated with operational risk is calculated as 15% of average positive annual gross income of the previous three years. The Group's operational risk capital charge using basic indicator approach is ₹ 9,448.2 million as at 30th September, 2014.

At an appropriate time, the Group also plans to adopt the AMA approach for maintaining operational risk capital. Under this approach, operational risk capital is computed on a VaR methodology by evaluating risks on the basis of their likelihood (probability) and the financial consequence (severity) of such an event.

Interest Rate Risk in the Banking Book (IRRBB)

The impact of adverse movements in interest rates on Group financials is referred to as interest rate risk. Although, the very nature of the financial intermediation business makes the Group susceptible to interest rate risk, excessive risk could potentially pose a significant threat to the Group's earnings and capital.

Interest rate risk results from both trading book and banking book. The impact of interest rate risk on trading book is actively measured through a variety of risk metrics like PV01, option greeks and VaR. The Group's tolerance with respect to its exposure to market risk in the trading book is articulated through various risk limits and monitored through different MIS reports. The Group also provides for capital for exposure to market risk in the trading book.

In the context of banking book, interest rate risk arises through mismatches in re-pricing of interest rate sensitive assets (RSA), rate sensitive liabilities (RSL) and rate sensitive off-balance sheet items. As interest rate risk can impact both net interest income (NII) and value of capital, it is assessed and managed from both earning and economic perspective.

ALCO is the guiding body for management of IRRBB in the Bank and sets the overall policy and risk limits. Balance Sheet Management Unit (BMU), which is part of the treasury, is entrusted with the responsibility of IRRBB. ALM Risk unit, which is a part of risk management team independently measures and monitors the interest rate risk and provide its assessment to ALCO and BMU for further analysis and decision making. BMU analyses the risks inherent in the balance sheet and accordingly works out appropriate strategies including hedging in consultation with ALCO to mitigate the risk. As a policy, no interest rate risk is retained within the business units other than treasury and it is transferred from business units to BMU using Funds Transfer Pricing (FTP). FTP rates are reviewed by the ALCO in its meetings periodically and are calibrated considering the markets, business needs and overall balance sheet plans.

Earning at Risk (EaR) is a short term interest rate risk measure which assesses the change in NII by estimating the impact on interest income from rate sensitive assets and interest expense on rate sensitive liabilities including off-balance sheet items. The Bank has set limit for change in NIM for given change in interest rates to manage the re-pricing gaps. Basis the overall NIM limit, re-pricing gap limits are also set for various re-pricing time bands.

Group uses Economic Value of Equity (EVE), which is a long term risk measure to assess the change in value of equity due to change in economic value of asset and liabilities. The duration gap approach is used to determine the sensitivity of EVE. Modified duration is computed for all assets, liabilities (excluding equity capital) and rate sensitive derivatives to assess the Leveraged Duration Gap / Duration of Equity. Leveraged Duration gap is computed including and excluding trading book and are subject to interest rate shocks to assess the impact on EVE. Group has incorporated change in EVE as percentage of Tier I capital in its risk appetite definition and set a threshold for it for a given change in interest rate.

Details of increase (decline) in earnings and economic value for upward and downward rate shocks based on Balance Sheet as at 30th September, 2014 are given below:

- Earnings Perspective
  Impact on earnings of 100 bps parallel shift in yield curve ₹ 1,601.9 million

- Economic Value Perspective {Market Value of Equity (MVE)}

Impact on MVE of 100 bps adverse parallel shift in yield curve	₹ 2,372.3 million
Impact as a percentage of Tier I Capital	1.31%

Exposures Related to Counterparty Credit Risk

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before final settlement of the transaction's cash flows. An economic loss would occur if the transaction or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement in underlying market factors.

Capital is maintained on the exposure to CCR as per regulatory guidelines on Capital adequacy computation. The exposure is calculated using Current Exposure Method.

CCR limits for interbank counterparties are set on the basis of an internal model that considers parameters like net worth of the Group, Net NPA %, Credit Deposit Ratio. CCR limits for other counterparties are set on the basis of their internal ratings, Loan Equivalent Ratio and business requirement of the counterparty. These CCR limits are approved by the appropriate sanctioning authorities under the respective credit policies.

The Board-approved Investment Policy sets the broad framework for the management of Counterparty Credit Risk. The Board-approved Customer Appropriate Policy sets the framework to evaluate the Suitability of the customer and Appropriateness of the derivative to the client's hedging requirements. The MTM on client exposures are monitored on a daily basis. The Bank computes Loan Equivalent Ratio (LER) and reviews it periodically to evaluate the risk arising out of customer contracts. The Group does not recognize bilateral netting for capital computation.

₹ in million

	Currency Derivatives	**Interest Rate Swaps**
Notional	236,686.1	110,679.2
Credit Exposure	10,872.2	1,711.8

Detailed Capital Disclosures Template

DF-11 : Composition of Capital (₹ in million)			Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	62,921.5		A=a 1+a2
2	Retained earnings	93,592.8		B=b 1-b2
3	Accumulated other comprehensive income (and other reserves)	29,688.5		c
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		
	Public sector capital injections grandfathered until January 1, 2018	-		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		
6	Common Equity Tier 1 capital before regulatory adjustments	186,202.8		
Common Equity Tier 1 capital : regulatory adjustments				
7	Prudential valuation adjustments	69.4		
8	Goodwill (net of related tax liability)	16.3	24.4	D=d 1+d2
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	156.4	234.6	e
10	Deferred tax assets	784.4	1,176.6	f
11	Cash-flow hedge reserve	-		
12	Shortfall of provisions to expected losses	-		
13	Securitisation gain on sale	-		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-		
15	Defined-benefit pension fund net assets	-		
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	-		
17	Reciprocal cross-holdings in common equity	-		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-		
20	Mortgage servicing rights (amount above 10% threshold)	-		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		
22	Amount exceeding the 15% threshold	- -		
23	of which : significant investments in the common stock of financial entities	-		
24	of which : mortgage servicing rights	-		
25	of which : deferred tax assets arising from temporary differences			

DF-11 : Composition of Capital (₹ in million)			Amounts Subject to Pre-Basel III Treatment	Ref No.
		-		
26	National specific regulatory adjustments (26a+26b+26c+26d)	-		
26a	of which : Investments in the equity capital of unconsolidated insurance subsidiaries	1,510.5	1,132.9	g
26b	of which : Investments in the equity capital of unconsolidated non-financial subsidiaries	-		
26c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-		
26d	of which : Unamortised pension funds expenditures	-		
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	-		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	2,568.5		
28	**Total regulatory adjustments to Common equity Tier 1**	5,105.5		
29	**Common Equity Tier 1 capital (CET1)**	181,097.3		
Additional Tier 1 capital : instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	-		
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-		
32	of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-		
35	of which : instruments issued by subsidiaries subject to phase out	-		
36	**Additional Tier 1 capital before regulatory adjustments**	-		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	-		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
41	National specific regulatory adjustments (41a+41b)	-		

DF-11 : Composition of Capital (₹ in million)			Amounts Subject to Pre-Basel III Treatment	Ref No.
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : deferred tax assets arising from temporary differences	1,176.6		
	of which : goodwill on consolidation and included in associates	24.4		
	of which : Investments in the equity capital of unconsolidated insurance subsidiaries	1,132.9		
	of which : Intangibles other than mortgage-servicing rights (net of related tax liability)	234.6		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		
43	**Total regulatory adjustments to Additional Tier 1 capital**	2,568.5		
44	**Additional Tier 1 capital (AT1)**	(2,568.5)		
44a	Additional Tier 1 capital reckoned for capital adequacy	-		
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)**	181,097.3		
	Tier 2 capital : instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-		
47	Directly issued capital instruments subject to phase out from Tier 2	6,057.1		h
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	882.6		i
49	of which : instruments issued by subsidiaries subject to phase out	882.6		
50	Provisions	3,391.2		J=j1 +j2
51	**Tier 2 capital before regulatory adjustments**	10,330.9		
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-		
53	Reciprocal cross-holdings in Tier 2 instruments	-		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-		
56	National specific regulatory adjustments (56a+56b)	1,132.8		
56a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	1,132.8		g
56b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-		

DF-11 : Composition of Capital (₹ in million)			Amounts Subject to Pre-Basel III Treatment	Ref No.
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-		
	of which : [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	-		
57	**Total regulatory adjustments to Tier 2 capital**	1,132.8		
58	**Tier 2 capital (T2)**	9,198.1		
58a	Tier 2 capital reckoned for capital adequacy	9,198.1		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	-		
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	9,198.1		
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	190,295.4		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	-		
60	**Total risk weighted assets (60a + 60b + 60c)**	1,139,657.2		
60a	of which : total credit risk weighted assets	912,872.2		
60b	of which : total market risk weighted assets	121,805.5		
60c	of which : total operational risk weighted assets	104,979.5		
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.89%		
62	Tier 1 (as a percentage of risk weighted assets)	15.89%		
63	Total capital (as a percentage of risk weighted assets)	16.70%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	5.00%		
65	of which : capital conservation buffer requirement	-		
66	of which : bank specific countercyclical buffer requirement	-		
67	of which : G-SIB buffer requirement	-		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-		
National minima (if different from Basel III)				
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital of other financial entities	1,415.6		
73	Significant investments in the common stock of financial entities	11,023.2		
74	Mortgage servicing rights (net of related tax liability)	-		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-		

DF-11 : Composition of Capital (₹ in million)			Amounts Subject to Pre-Basel III Treatment	Ref No.
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	3,391.2		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	11,410.9		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-		
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)				
80	*Current cap on CET1 instruments subject to phase out arrangements*	-		
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-		
82	*Current cap on AT1 instruments subject to phase out arrangements*	-		
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	-		
84	*Current cap on T2 instruments subject to phase out arrangements*	*6,939.7*		
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	*3,597.1*		

Notes to the template

Row No. of the template	Particular		(₹ in million)
10	Deferred tax assets associated with accumulated losses		-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability		1,961.0
	Total as indicated in row 10		1,961.0
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank		
	of which : Increase in Common Equity Tier 1 capital		2,643.4
	of which : Increase in Additional Tier 1 capital		-
	of which : Increase in Tier 2 capital		1,132.8
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :		
	(i)	Increase in Common Equity Tier 1 capital	-
	(ii)	Increase in risk weighted assets	-
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)		-
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b		-
50	Eligible Provisions included in Tier 2 capital		3,391.2
	Eligible Revaluation Reserves included in Tier 2 capital		-
	Total of row 50		3,391.2
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)		-

As at 30th September, 2014

		DF-12 : Composition of Capital- Reconciliation Requirements (₹ in million)	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
A	**Capital & Liabilities**			
	i.	Paid-up Capital	3,856.7	3,856.7
		Reserves & Surplus	201,685.2	196,961.0
		Employees' Stock Options (Grants) Outstanding	62.4	62.4
		Minority Interest	2,973.2	-
		Total Capital	**208,577.5**	**200,880.1**
		Policy Holders Funds	121,659.8	**-**
	ii.	**Deposits**	**663,114.2**	**663,232.0**
		of which : Deposits from banks	18,116.8	18,116.8
		of which : Customer deposits	644,997.4	645,115.2
		of which : Other deposits (pl. specify)	-	-
	iii.	**Borrowings**	**282,410.7**	**282,710.6**
		of which : From RBI	21,563.5	21,563.5
		of which : From banks	102,730.7	102,730.7
		of which : From other institutions & agencies	147,329.7	147,629.6
		of which : Others (Sub Debt/ Upper Tier II Bonds)	10,786.8	10,786.8
		of which : Capital instruments	-	-
	iv.	Other liabilities & provisions	68,249.0	63,425.5
	Total		**1,344,011.2**	**1,210,248.2**
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	30,192.2	30,158.3
		Balance with banks and money at call and short notice	17,308.2	16,338.2
	ii.	Investments :	**426,944.0**	**298,152.1**
		of which : Government securities	225,778.2	191,388.7
		of which : Other approved securities	-	-
		of which : Shares	60,850.5	8,730.0
		of which : Debentures & Bonds	91,048.5	52,620.1
		of which : Subsidiaries / Joint Ventures / Associates	6,757.2	10,492.3
		of which : Others (Commercial Papers, Mutual Funds etc.)	42,509.6	34,921.0
	iii.	Loans and advances	**814,181.8**	**814,045.2**
		of which : Loans and advances to banks	-	-
		of which : Loans and advances to customers	814,181.8	814,045.2
	iv.	Fixed assets	12,238.0	11,926.1
	v.	Other assets	43,112.8	39,594.1
		of which : Goodwill and intangible assets	-	-
		of which : Deferred tax assets	1,961.0	1,961.0
	vi.	Goodwill on consolidation	34.2	34.2
	vii.	Debit balance in Profit & Loss account	-	-
Total Assets			**1,344,011.2**	**1,210,248.2**

As at 30th September, 2014

		DF-12 : Composition of Capital- Reconciliation Requirements (₹ in million)	**Balance sheet as in financial statements**	**Balance sheet under regulatory scope of consolidation**	**Ref No**
A	**Capital & Liabilities**				
	i.	Paid-up Capital	3,856.7	3,856.7	a1
		Reserves & Surplus	201,685.2	196,961.0	
		of which :			
		Balance in Profit and Loss Account	111,377.6	107,019.5	b1
		of which : current period profits not reckoned for capital adequacy purpose	14,162.4	13,426.7	b2
		of which : balance in profit and loss relating to insurance subsidiary and associate not considered for regulatory consolidation	4,724.2	-	
		Securities Premium	59,449.9	59,064.8	a2
		Foreign Currency Translation Reserve	1,169.2	1,188.2	
		Investment Reserve	-	-	j1
		Other Reserves and Surplus	29,688.5	29,688.5	c
		Minority Interest	2,973.2	-	
		of which : considered in capital	-	-	
		Employees' Stock Options (Grants) Outstanding	62.4	62.4	
		Total Capital	**208,577.5**	**200,880.1**	
	ii.	**Deposits**	**663,114.2**	**663,232.0**	
		of which : Deposits from banks	18,116.8	18,116.8	
		of which : Customer deposits	644,997.4	645,115.2	
		of which : Other deposits (pl. specify)	-	-	
	iii.	**Borrowings**	**282,410.7**	**282,710.6**	
		of which : From RBI	21,563.5	21,563.5	
		of which : From banks	102,730.7	102,730.7	
		of which : From other institutions & agencies	147,329.7	147,629.6	
		of which : Capital instruments	10,786.8	10,786.8	
		of which :			
		Eligible AT1 capital	-	-	
		Eligible T2 capital issued by Bank	8,958.8	8,958.8	h
		Eligible T2 capital issued by subsidiary	1,828.0	1,828.0	i
	iv.	Policyholders' Reserves	121,659.8	-	
	v.	**Other liabilities & provisions**	**68,249.0**	**63,425.5**	
		of which : DTLs related to goodwill	-	-	
		of which : DTLs related to intangible assets	-	-	
		of which : provision against standard assets	3,391.1	3,391.1	j2
		Total	**1,344,011.2**	**1,210,248.2**	

DF-12 : Composition of Capital- Reconciliation Requirements (₹ in million)			Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref No
B	**Assets**				
	i.	Cash and balances with Reserve Bank of India	30,192.2	30,158.3	
		Balance with banks and money at call and short notice	17,308.2	16,338.2	
	ii.	**Investments :**	**426,944.0**	**298,152.1**	
		of which : Government securities	225,778.2	**191,388.7**	
		of which : Other approved securities	-	-	
		of which : Shares	60,850.5	8,730.0	
		of which : Debentures & Bonds	91,048.5	52,620.1	
		of which : Subsidiaries / Joint Ventures / Associates	6,757.2	10,492.3	
		of which: investment in unconsolidated insurance subsidiary	-	3,776.2	g
		of which: goodwill included as part of carrying amount (net)	*17.4*	*6.5*	d1
		of which : Others (Commercial Papers, Mutual Funds etc.)	42,509.6	34,921.0	
	iii.	**Loans and advances**	**814,181.8**	**814,045.2**	
		of which : Loans and advances to banks	-	-	
		of which : Loans and advances to customers	814,181.8	814,045.2	
	iv.	**Fixed assets**	**12,238.0**	**11,926.1**	
		of which: Intangibles	535.3	391.0	e
	v.	**Other assets**	**43,112.8**	**39,594.1**	
		of which : Deferred tax assets	1,961.0	1,961.0	f
	vi.	**Goodwill on consolidation**	**34.2**	**34.2**	d2
Total Assets			**1,344,011.2**	**1,210,248.2**	

Kotak Mahindra Bank - Main features of regulatory capital instruments – Ordinary Shares

1	Issuer	Kotak Mahindra Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A01028
3	Governing law(s) of the instrument	Indian Law
	Regulatory treatment	
4	Transitional Basel III rules	NA
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo / group / group & solo	Group & solo
7	Instrument type	Ordinary Shares
8	Amount recognised in regulatory capital (₹ in million, as of most recent reporting date)	₹ 3,856.7 million
9	Par value of instrument	₹ 3,856.7 million
10	Accounting classification	Equity Share Capital
11	Original date of issuance	Various dates, refer table below
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	
	Coupons / dividends	NA
17	Fixed or floating dividend / coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Represents the most subordinated claim in liquidation
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA

Find the detailed terms and conditions of the issue here: http://ir.kotak.com/downloads/pdf/kmbl_moa_aoa.pdf

Capital issuances post conversion into Bank

Share capital as on 31st March, 2003 was ₹ 592.1 million (118.4 million* equity shares)

Date of issue	Nature of issue	Number of shares million	Amount ₹ million
April, 2006	GDR	30.0 *	4,500.5
October, 2007	QIP	34.0*	16,150.0
August, 2010	Preferential issue	32.8*	13,661.2
April, 2013	Preferential issue	20.0	12,960.0

** adjusted for split of equity shares from ₹10 fully paid up to ₹5 fully paid up*

Kotak Mahindra Bank - Main features of regulatory capital instruments – Subordinated debt

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	25800	INE237A09070	INE237A09088
3	Governing law(s) of the instrument	Laws of England	Indian law	Indian law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II loans	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	1,979.8	116.5	95.7
9	Par value of instrument (₹ in million)	USD 45 million (₹ 2,817.2million)	1.00	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	22-Mar-07	1-Jun-05	2-Jun-05
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	15-Jun-22	1-Jun-15	2-Jun-15
14	Issuer call subject to prior supervisory approval	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	22-May-17 and redemption at par	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	6 monthly floating	Fixed	Fixed
18	Coupon rate and any related index	6 month LIBOR +155 bps till June 15, 2017. Thereafter till maturity 6 month LIBOR+255 bps	7.85%	7.70%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Step up of 100 bps from 11th year	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No

31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Payment shall be subordinated in right of payment to the prior payment in full of all other creditors, except those liabilities which rank equally or junior to the IFC Bonds, including claims of investors eligible for inclusion in Tier I Capital	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A09096	INE237A08767	INE237A08783
3	Governing law(s) of the instrument	Indian law	Indian law	Indian law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	70.4	48.0	9.6
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	29-Sep-05	3-Oct-05	25-Oct-05
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	29-Sep-15	3-Oct-15	25-Oct-15
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	7.50%	7.50%	7.50%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A09104	INE237A08742	INE237A08791
3	Governing law(s) of the instrument	Indian law	Indian law	Indian law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	86.4	71.5	64.0
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	19-Jun-06	19-Jun-06	14-Nov-06
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	19-Jun-16	19-Jun-16	14-Apr-17
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	8.90%	8.90%	9.10%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A09112	INE237A08809	INE237A09120
3	Governing law(s) of the instrument	Indian law	Indian law	Indian law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	64.0	13.4	32.0
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	14-Nov-06	20-Nov-06	20-Nov-06
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	14-Apr-17	20-Apr-17	20-Apr-17
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	9.10%	9.10%	9.10%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A08817	INE237A08825	INE237A09138
3	Governing law(s) of the instrument	Indian law	Indian law	Indian law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	320.0	28.8	32.0
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	6-Dec-06	25-Jan-07	25-Jan-07
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	6-May-17	25-Apr-17	25-Apr-17
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	9.00%	9.50%	9.50%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A08833	INE237A08841	INE237A09146
3	Governing law(s) of the instrument	Indian law	Indian law	Indian law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	45.4	14.7	6.4
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	6-Feb-07	21-Feb-07	21-Feb-07
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	6-May-17	21-May-17	21-May-17
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	9.50%	9.50%	9.50%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A08858	INE237A08866	INE237A09153
3	Governing law(s) of the instrument	Indian law	Indian law	Indian law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	384.0	86.4	200.0
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	16-Mar-07	9-Jul-07	9-Jul-07
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	16-May-17	9-May-18	9-May-18
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10.15%	10.25%	10.25%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A08890	INE237A08874
3	Governing law(s) of the instrument	Indian law	Indian law
	Regulatory treatment		
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	1,200.0	248.0
9	Par value of instrument (₹ in million)	1.0	1.0
10	Accounting classification	Liability	Liability
11	Original date of issuance	7-Apr-11	30-Aug-07
12	Perpetual or dated	Dated	Dated
13	Original maturity date	7-Apr-21	30-Aug-22
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	Not Applicable	30-Aug-17 and redemption at par
16	Subsequent call dates, if applicable	NA	NA
	Coupons / dividends		
17	Fixed or floating dividend / coupon	Fixed	Fixed
18	Coupon rate and any related index	9.31%	9.95%
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	Yes-50 bps Over coupon rate after 30-Aug-17
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	No
31	If write-down, write-down trigger(s)	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Bank Limited	Kotak Mahindra Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE237A09161	INE237A08882
3	Governing law(s) of the instrument	Indian law	Indian law
	Regulatory treatment		
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	40.0	800.0
9	Par value of instrument (₹ in million)	1.0	1.0
10	Accounting classification	Liability	Liability
11	Original date of issuance	30-Aug-07	7-Sep-07
12	Perpetual or dated	Dated	Dated
13	Original maturity date	30-Aug-22	7-Sep-22
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	30-Aug-17 and redemption at par	07-Sep-17 and redemption at par
16	Subsequent call dates, if applicable	NA	NA
	Coupons / dividends		
17	Fixed or floating dividend / coupon	Fixed	Fixed
18	Coupon rate and any related index	9.95%	10.30%
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Yes-50 bps Over coupon rate after 30-Aug-17	Yes-50 bps Over coupon rate after 30-Aug-17
22	Noncumulative or cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-Convertible	Non-Convertible
24	If convertible, conversion trigger(s)	NA	NA
25	If convertible, fully or partially	NA	NA
26	If convertible, conversion rate	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA
30	Write-down feature	No	No
31	If write-down, write-down trigger(s)	NA	NA
32	If write-down, full or partial	NA	NA
33	If write-down, permanent or temporary	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other Creditors of the Bank	All depositors and other Creditors of the Bank
36	Non-compliant transitioned features	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features

Find the detailed terms and conditions of the issues here:
http://ir.kotak.com/downloads/pdf/bank_subdebt_termsandconditions.pdf

Kotak Mahindra Prime - Main features of regulatory capital instruments – Subordinated debt

1	Issuer	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE916D08CI7	INE916D08CJ5	INE916D09024
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	80.5	31.6	34.1
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	23-Oct-07	7-Feb-08	7-Feb-08
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	23-Apr-18	7-Aug-18	7-Aug-18
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	11.10%	10.00%	10.00%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors	All other creditors	All other creditors
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE916D08CK3	INE916D09032	INE916D08CL1
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	160.8	14.1	28.1
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	15-May-08	23-Jun-08	23-Jun-08
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	15-Nov-18	23-Dec-18	23-Dec-18
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10.40%	10.70%	10.70%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors	All other creditors	All other creditors
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE916D09040	INE916D08CM9	INE916D09057
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	16.9	36.0	35.1
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	30-Jun-08	30-Jun-08 & 14-Jul-08	31-May-10
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	31-Dec-18	23-Dec-18	30-Nov-20
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	11.00%	11.00%	10.10%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors	All other creditors	All other creditors
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE916D08CX6	INE916D09065	INE916D08DK1
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	140.5	19.7	14.1
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	31-May-2010 & 29-Jun-2010	30-Aug-10	30-Aug-10
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	30-Nov-20	30-Aug-17	30-Aug-17
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10.10%	9.50%	9.50%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors	All other creditors	All other creditors
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.	Kotak Mahindra Prime Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE916D08DM7	INE916D08DN5	INE916D08DO3
3	Governing law(s) of the instrument	Indian Law	Indian Law	Indian Law
	Regulatory treatment			
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo	Group & Solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments	Tier 2 Debt instruments	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	21.1	130.8	84.3
9	Par value of instrument (₹ in million)	1.0	1.0	1.0
10	Accounting classification	Liability	Liability	Liability
11	Original date of issuance	31-May-11	31-May-11 & 16-Jun-11	30-Jun-11
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	22-Dec-17	22-Jun-21	30-Jun-21
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA
	Coupons / dividends			
17	Fixed or floating dividend / coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	10.70%	10.80%	10.80%
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors	All other creditors	All other creditors
36	Non-compliant transitioned features	Yes	Yes	Yes
37	If yes, specify non-compliant features	No loss absorption features	No loss absorption features	No loss absorption features

1	Issuer	Kotak Mahindra Prime Ltd.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE916D08DP0
3	Governing law(s) of the instrument	Indian Law
	Regulatory treatment	
4	Transitional Basel III rules	Sub-ordinated Tier II Bonds
5	Post-transitional Basel III rules	Ineligible
6	Eligible at solo / group / group & solo	Group & Solo
7	Instrument type	Tier 2 Debt instruments
8	Amount recognised in regulatory capital (₹ in million, as of 30th September, 2014)	35.1
9	Par value of instrument (₹ in million)	1.0
10	Accounting classification	Liability
11	Original date of issuance	30-Jun-11
12	Perpetual or dated	Dated
13	Original maturity date	30-Jun-21
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	
17	Fixed or floating dividend / coupon	Fixed
18	Coupon rate and any related index	10.80%
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All other creditors
36	Non-compliant transitioned features	Yes
37	If yes, specify non-compliant features	No loss absorption features

Find the detailed terms and conditions of the issues here:
http://ir.kotak.com/downloads/pdf/kmp_subdebt_termsandconditions.pdf