



MEDIA RELEASE

KOTAK MAHINDRA BANK ANNOUNCES RESULTS

Kotak Mahindra Bank Consolidated PAT for Q1FY23 ₹ 2,755 crore, up 53 % yoy

Standalone PAT for Q1FY23 ₹ 2,071 crore, up 26 % yoy

Mumbai, 23rd July, 2022: The Board of Directors of Kotak Mahindra Bank (“the Bank”) approved the standalone and consolidated results for Q1FY23, at the Board meeting held in Mumbai, today.

Consolidated results at a glance

Consolidated PAT for Q1FY23 was ₹ 2,755 crore, up 53% from ₹ 1,806 crore in Q1FY22 (₹ 3,892 crore for Q4FY22).

PAT of Bank and key subsidiaries given below:

PAT (₹ crore)	Q1FY23	Q1FY22
Kotak Mahindra Bank	2,071	1,642
Kotak Mahindra Life Insurance	248	(243)
Kotak Securities	219	236
Kotak Mahindra Prime*	157	79
Kotak Asset Management & Trustee Company	106	107
Kotak Mahindra Investments	63	71
BSS Microfinance	56	7
Kotak Mahindra Capital Company	51	42

*: Kotak Mahindra Prime Q1FY23 PAT is after taking a hit of ₹ 111 crore (pre tax) on account of change in accounting policy with respect to brokerage cost

AUM (Policyholders’) of Kotak Mahindra Life Insurance as on June 30, 2022 grew 15% yoy to ₹ 51,082 crore.

At the consolidated level, the Return on Assets (ROA) (annualized) was 2.04% for Q1FY23 (1.49% for Q1FY22).

Consolidated Capital adequacy ratio as per Basel III as at June 30, 2022 was 23.3% and CET I ratio was 22.4%. (excluding unaudited profits)

Consolidated Capital and Reserves & Surplus as at June 30, 2022 was ₹ 1,00,078 crore (₹ 86,768 crore as at June 30, 2021). The Book Value per Share was ₹ 502 .

Consolidated Customer Assets grew by 28% from ₹ 2,63,995 crore as at June 30, 2021 to ₹ 337,112 crore as at June 30, 2022.

Total assets managed / advised by the Group as at June 30, 2022 were ₹ 378,283 crore up 10% over ₹ 343,708 crore as at June 30, 2021.



The Relationship Value of the customers of Private Banking, Priority Banking and Investment Advisory was ~ ₹ 5,01,000 crore as at June 30, 2022 up 24% from ~ ₹ 404,000 crore as at June 30, 2021.

Kotak Mahindra Bank standalone results

The Bank's PAT for Q1FY23 stood at ₹ 2,071 crore, up 26% from ₹ 1,642 crore in Q1FY22.

Net Interest Income (NII) for Q1FY23 increased to ₹ 4,697 crore, from ₹ 3,942 crore in Q1FY22, up 19%. Net Interest Margin (NIM) was 4.92% for Q1FY23.

Fees and services for Q1FY23 was ₹ 1,656 crore, up 42% YoY.

Operating profit for Q1FY23 was ₹ 2,783 crore (Q1FY22: ₹ 2,890 crore).

Customers as at June 30, 2022 were 34.5 mn (26.8 mn as at June 30, 2021).

Customer Assets, which includes Advances and Credit substitutes, increased by 29% to ₹ 303,629 crore as at June 30, 2022 from ₹ 2,35,340 crore as at June 30, 2021 (₹ 292,481 crore as at March 31, 2022). Advances increased by 29% to ₹ 280,171 crore as at June 30, 2022 from ₹ 217,447 crore as at June 30, 2021 (₹ 2,71,254 crore as at March 31, 2022).

CASA ratio as at June 30, 2022 stood at 58.1%.

Average Current deposits grew to ₹ 55,081 crore for Q1FY23 compared to ₹ 46,341 crore for Q1FY22 up 19%. Average Fixed Rate Savings deposits was ₹ 114,237 crore as at June 30, 2022 up 8% (June 30, 2021 ₹ 105,724 crore). Average Term deposit up 16% from ₹ 112,406 crore for Q1FY22 to ₹ 130,035 crore for Q1FY23.

As at June 30, 2022, COVID related provisions stood at ₹ 482 crore. In accordance with COVID Resolution Framework announced by RBI, the Bank has standard restructured fund-based outstanding of ₹ 379 crore (0.14% of Advances). Under the MSME Resolution Framework, the Bank has standard restructured fund-based outstanding of ₹ 697 crore (0.25% of Advances) as at June 30, 2022.

As at June 30, 2022, GNPA was 2.24% & NNPA was 0.62%. Credit cost on advances for Q1FY23 was 16 bps (annualised) (excluding COVID & restructuring provision/reversal). The provision coverage ratio stood at 72.6%.

Capital adequacy ratio of the Bank, as per Basel III, as at June 30, 2022 was 22.1% and CET I ratio of 21.0% (excluding unaudited profits)



The financial statements of Indian subsidiaries (excluding insurance companies) and associates are prepared as per Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015. The financial statements of subsidiaries located outside India are prepared in accordance with accounting principles generally accepted in their respective countries. However, for the purpose of preparation of the consolidated financial results, the results of subsidiaries and associates are in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under Section 133 and relevant provision of Companies Act, 2013.

About Kotak Mahindra Group

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received banking license from the Reserve Bank of India (RBI), becoming the first non-banking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd (KMBL).

Kotak Mahindra Group (the Group) offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life and general insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The premise of Kotak Mahindra Group's business model is *concentrated India, diversified financial services*. The bold vision that underscores the Group's growth is an inclusive one, with a host of products and services designed to address the needs of the unbanked and insufficiently banked.

Kotak Mahindra Group has a global presence through its subsidiaries in UK, USA, Gulf Region, Singapore and Mauritius with offices in London, New York, Dubai, Abu Dhabi, Singapore and Mauritius respectively. As on 30th June, 2022, Kotak Mahindra Bank Ltd has a national footprint of 1,702 branches and 2,761 ATMs, and branches in GIFT City and DIFC (Dubai).

For more information, please visit the Company's website at <https://www.kotak.com>

For further information, please contact

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

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2022

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 4	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
1	Interest earned (a+b+c+d)	9,164.28	8,838.13	8,042.82	33,740.40
	(a) Interest/discount on advances/bills	6,528.65	6,102.76	5,315.13	22,603.32
	(b) Income on investments	2,236.49	2,337.54	2,395.20	9,595.02
	(c) Interest on balances with RBI & other interbank funds	287.61	246.82	202.29	1,004.38
	(d) Others	111.53	151.01	130.20	537.68
2	Other income (a+b+c)	2,494.66	7,960.08	4,528.79	25,141.28
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	(1,656.54)	(68.96)	901.16	2,122.71
	(b) Premium on Insurance Business	2,344.54	5,431.87	1,690.20	13,339.39
	(c) Other income (Refer Notes 5, 6 & 7)	1,806.66	2,597.17	1,937.43	9,679.18
3	Total income (1+2)	11,658.94	16,798.21	12,571.61	58,881.68
4	Interest expended	3,004.23	2,903.41	2,850.72	11,553.29
5	Operating expenses (a+b+c)	4,960.01	9,205.75	6,342.83	30,609.58
	(a) Employees Cost	1,839.09	1,857.34	1,593.37	7,140.93
	(b) Policy holders' reserves, surrender expense and claims (Refer Note 13)	584.46	4,899.38	3,062.40	15,047.59
	(c) Other operating expenses (Refer Note 6 & 8)	2,536.46	2,449.03	1,687.06	8,421.06
6	Total expenditure (4+5) (excluding provisions and contingencies)	7,964.24	12,109.16	9,193.55	42,162.87
7	Operating profit (3-6) (Profit before provisions and contingencies)	3,694.70	4,689.05	3,378.06	16,718.81
8	Provisions (other than tax) and contingencies (Refer Note 9)	8.80	(398.26)	858.67	770.51
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	3,685.90	5,087.31	2,519.39	15,948.30
11	Tax expense	973.51	1,228.56	724.60	4,016.43
12	Net Profit from ordinary activities after tax before Minority Interest (10-11)	2,712.39	3,858.75	1,794.79	11,931.87
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit after tax before Minority Interest (12-13)	2,712.39	3,858.75	1,794.79	11,931.87
15	Less: Share of Minority Interest	-	-	-	-
16	Add: Share in Profit/(Loss) of associates	43.00	33.07	11.30	157.52
17	Profit after tax (14-15+16)	2,755.39	3,891.82	1,806.09	12,089.39
18	Paid Up Equity Capital (Face value of ₹ 5 per share)	992.72	992.33	991.34	992.33
19	Group Reserves (excluding Minority Interest and Revaluation reserves)				95,641.70
20	Minority Interest				-
21	Analytical Ratios				
	(i) Capital adequacy ratio – Basel III (standalone)	22.15	22.69	23.11	22.69
	(ii) Earnings per equity share				
	- Basic (not annualised) ₹	13.88	19.41	9.11	60.76
	- Diluted (not annualised) ₹	13.88	19.40	9.11	60.73

₹ crore

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 4	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
	(iii) NPA Ratios (unaudited)				
	(a) Gross NPA	7,223.54	7,334.05	8,998.55	7,334.05
	(b) Net NPA	2,143.06	2,148.72	3,294.86	2,148.72
	(c) % of Gross NPA to Gross Advances	2.27	2.37	3.58	2.37
	(d) % of Net NPA to Net Advances	0.69	0.71	1.34	0.71
	(iv) Return on average Assets (%) (not annualised)	0.51	0.72	0.37	2.36

NOTES:

- The consolidated financial results are prepared in accordance with Accounting Standard – 21 (AS-21) “Consolidated Financial Statements” and Accounting Standard – 23 (AS-23) “Accounting for investment in associates in Consolidated Financial Statements” specified under section 133 and relevant provisions of Companies Act, 2013.
- The financial statements of Indian subsidiaries (excluding insurance companies) and associates are prepared as per Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015. The financial statements of subsidiaries located outside India are prepared in accordance with accounting principles generally accepted in their respective countries. However, for the purpose of preparation of the consolidated financial results, the results of subsidiaries and associates are prepared in accordance with Generally Accepted Accounting Principles in India (‘GAAP’) specified under Section 133 and relevant provision of Companies Act, 2013.
- The above consolidated financial results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 23rd July, 2022. The results for the quarter ended 30th June, 2022 were subjected to limited review by the joint statutory auditors (Walker Chandiook & Co LLP, Chartered Accountants and Price Waterhouse LLP, Chartered Accountants) of the Bank and there are no modifications in their Limited Review Report. The results for quarter ended 30th June, 2021 were subjected to limited review by Walker Chandiook & Co LLP, Chartered Accountants.
- The figures for the quarter ended 31st March, 2022 are the balancing figures between audited figures in respect of full financial year ended 31st March, 2022 and unaudited published year to date figures for nine months ended 31st December, 2021.
- Details of other income forming part of the consolidated results are as follows:

₹ crore

Particulars	Quarter ended			Year ended
	30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 4	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
Commission, fees, exchange, brokerage and others (net)	2,802.71	2,841.74	2,100.67	10,136.02
Profit/(Loss) on sale and provisions/(write-back) of mark-to-market depreciation on investments (other than insurance business)	(996.05)	(244.57)	(163.24)	(456.84)
Total – Other income	1,806.66	2,597.17	1,937.43	9,679.18

- Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 37.84 crore for the quarter ended 30th June, 2022 (₹ 52.85 crore for the quarter ended 31st March, 2022, ₹ 34.97 crore for the quarter ended 30th June, 2021 and ₹ 168.19 crore for the year ended 31st March, 2022).
- Other income includes non-fund based income such as commission earned from guarantees / letters of credit, financial advisory fees, selling of third party products, earnings from foreign exchange transactions, profit / (loss) from the sale of securities and provision / (write-back) of mark-to-market depreciation on investments (other than insurance business).

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

₹ crore

Particulars	Quarter ended			Year ended
	30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 4	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
Brokerage (Refer Note 14)	338.26	317.53	97.90	862.11
Depreciation	135.17	130.66	112.47	480.35
Rent, taxes and lighting	222.71	202.25	194.50	808.88
Others	1,840.32	1,798.59	1,282.19	6,269.72
Total – Other operating expenses	2,536.46	2,449.03	1,687.06	8,421.06

9. Provisions and contingencies are net of recoveries made against accounts, which have been written off in the previous period / year. Details of Provisions (other than tax) and contingencies forming part of consolidated results are as follows:

₹ crore

Particulars	Quarter ended			Year ended
	30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 4	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (net)	73.61	161.80	881.07	1,686.41
General provision / (Write back) for COVID-19 Deferment cases (net)	(66.62)	(519.15)	-	(835.49)
Other provision / (Write back of provisions) towards investments (net)	1.81	(40.91)	(22.40)	(80.41)
Total – Provisions (other than tax) and contingencies	8.80	(398.26)	858.67	770.51

10. COVID-19, a global pandemic, affected the world economy over last two years. The revival of economic activity improved in financial year 2022 supported by relaxation of restrictions due to administration of the COVID vaccines to a large population in the country. The extent to which COVID-19 pandemic will impact the Bank and its subsidiaries' results going forward will depend on ongoing as well as future developments including the nature and severity of COVID-19.

The Bank and its subsidiaries held an aggregate COVID-19 related provision of ₹ 560.59 crore as of 31st March, 2022. Based on the improved outlook, the Bank and its subsidiaries have reversed provisions amounting to ₹ 66.62 crore during the quarter ended 30th June, 2022 (Nil during the quarter ended 30th June, 2021 and ₹ 519.15 crore during the quarter ended 31st March, 2022). On a prudent basis, the Bank and its subsidiaries continue to hold provision of ₹ 493.97 crore as at 30th June, 2022 against the potential impact of COVID-19.

11. For the quarter ended 30th June, 2021, COVID-19 resulted in significant number of death claims in the life insurance subsidiary which along with extra mortality related provisioning as computed by the Company's Appointed Actuary had resulted in a net loss on shareholders' account of ₹ 243.43 crore.
12. In accordance with the RBI guidelines, Banks are required to make consolidated Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html>. These disclosures have not been subjected to audit or limited review.
13. The change in the valuation of liabilities for life policies in force, lapsed policies that are likely to be revived in future and for policies in respect of which premium has been discontinued but liability exists, for the quarter ended 30th June, 2022 amounting to ₹ (709.21) crore (₹ 2,690.90 crore for the quarter ended 31st March, 2022, ₹ 1,893.19 crore for the quarter ended 30th June, 2021 and ₹ 8,654.73 crore for the year ended 31st March, 2022), has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".
14. Kotak Mahindra Prime Limited, a subsidiary of the Bank, for the purpose of consolidation, followed a policy of charging acquisition cost for vehicle loans based on internal rate of return of the contract. The subsidiary has changed its accounting policy w.e.f 1st April, 2022, to charging such acquisition cost for vehicle loans in the period in which they are incurred. Due to this change in policy, the brokerage cost for the quarter ended 30th June, 2022 is higher by ₹ 101.49 crore (including the unamortised brokerage cost of ₹ 93.83 as at 31st March, 2022). Accordingly, the profit before tax and after tax for the quarter ended 30th June, 2022 is lower by ₹ 101.49 crore and ₹ 82.80 crore respectively.

15. Consolidated Segment information is as under:

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

₹ crore

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 4	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
1	Segment Revenues:				
	Treasury, BMU and Corporate Centre	1,398.70	2,057.59	2,200.88	8,925.02
	Retail Banking	4,240.92	4,130.00	3,477.30	15,262.93
	Corporate / Wholesale Banking	3,517.69	3,633.78	3,166.64	13,583.44
	Vehicle Financing	582.08	566.54	421.56	2,004.04
	Other Lending Activities	316.94	374.93	334.75	1,476.30
	Broking (Refer Note 6)	586.57	679.68	531.78	2,426.64
	Advisory and Transactional Services	173.47	174.19	108.47	657.89
	Asset Management	355.18	365.02	324.82	1,492.34
	Insurance	1,460.96	6,055.23	3,254.34	18,180.68
	Sub-total	12,632.51	18,036.96	13,820.54	64,009.28
	Less: inter-segment revenues	(973.57)	(1,238.75)	(1,248.93)	(5,127.60)
	Total Income	11,658.94	16,798.21	12,571.61	58,881.68
2	Segment Results:				
	Treasury, BMU and Corporate Centre	700.95	1,280.36	940.94	4,516.45
	Retail Banking	567.10	648.31	(42.25)	846.21
	Corporate / Wholesale Banking	1,395.65	1,797.99	1,267.58	6,379.46
	Vehicle Financing	117.91	288.30	(19.39)	630.01
	Other Lending Activities	127.67	215.13	150.41	763.56
	Broking	213.17	283.89	244.28	1,082.52
	Advisory and Transactional Services	111.96	108.08	37.15	375.73
	Asset Management	158.90	185.26	203.94	840.81
	Insurance	292.59	279.99	(263.27)	513.55
	Total Profit before tax, minority interest and associates	3,685.90	5,087.31	2,519.39	15,948.30
	Provision for tax	973.51	1,228.56	724.60	4,016.43
	Net Profit before share of Associates and Minority	2,712.39	3,858.75	1,794.79	11,931.87

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 4	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
3	Segment Assets:				
	Treasury, BMU and Corporate Centre	124,249.71	143,527.02	165,454.69	143,527.02
	Retail Banking	281,507.77	269,857.05	255,162.64	269,857.05
	Corporate / Wholesale Banking	197,950.21	188,132.89	158,252.29	188,132.89
	Vehicle Financing	19,449.67	18,463.33	15,487.17	18,463.33
	Other Lending Activities	13,121.11	15,370.87	13,144.82	15,370.87
	Broking	10,833.96	13,959.09	9,931.80	13,959.09
	Advisory and Transactional Services	476.16	375.31	326.64	375.31
	Asset Management	4,758.96	4,544.45	4,229.05	4,544.45
	Insurance	57,898.09	58,662.31	50,302.71	58,662.31
	Sub-total	710,245.64	712,892.32	672,291.81	712,892.32
	Less: inter-segment assets	(175,274.86)	(167,856.71)	(182,657.17)	(167,856.71)
	Total	534,970.78	545,035.61	489,634.64	545,035.61
	Add: Unallocated Assets	1,459.14	1,462.30	1,745.38	1,462.30
	Total Assets as per Balance Sheet	536,429.92	546,497.91	491,380.02	546,497.91
4	Segment Liabilities:				
	Treasury, BMU and Corporate Centre	87,766.35	109,023.20	132,212.29	109,023.20
	Retail Banking	261,408.57	253,410.95	239,605.40	253,410.95
	Corporate / Wholesale Banking	182,723.42	169,595.03	144,834.39	169,595.03
	Vehicle Financing	10,966.00	10,662.01	8,370.62	10,662.01
	Other Lending Activities	5,383.93	6,652.31	5,354.44	6,652.31
	Broking	9,030.74	12,839.45	9,059.52	12,839.45
	Advisory and Transactional Services	116.63	100.99	102.65	100.99
	Asset Management	609.93	515.77	691.35	515.77
	Insurance	52,639.12	53,707.45	46,185.50	53,707.45
	Sub-total	610,644.69	616,507.16	586,416.16	616,507.16
	Less: inter-segment liabilities	(175,274.86)	(167,856.71)	(182,657.17)	(167,856.71)
	Total	435,369.83	448,650.45	403,758.99	448,650.45
	Add: Unallocated liabilities	981.86	713.43	853.32	713.43
	Add: Share Capital, Reserves & Surplus & Minority Interest	100,078.23	97,134.03	86,767.71	97,134.03
	Total Capital and Liabilities as per Balance Sheet	536,429.92	546,497.91	491,380.02	546,497.91

RBI vide its circular dated 7th April, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The proposed DBUs of the Bank have not yet commenced operations. As advised by Indian Banks' Association (IBA) vide its communication dated 20th July, 2022, reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank from September, 2022 quarter.

16. There has been no change in the significant accounting policies during the quarter ended 30th June, 2022 as compared to those followed for the year ended 31st March, 2022 other than those mentioned in Note 14 above.

17. Figures for the previous periods / year have been regrouped / reclassified wherever necessary to conform to current period's presentation.

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

Mumbai, 23rd July, 2022

Dipak Gupta
Joint Managing Director

KOTAK MAHINDRA BANK LIMITED (STANDALONE)

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2022

₹ crore

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) (Refer Note 2)	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
1	Interest earned (a+b+c+d)	7,338.49	7,065.94	6,479.78	27,038.82
	(a) Interest/discount on advances/ bills	5,656.76	5,222.99	4,581.10	19,378.69
	(b) Income on investments	1,441.91	1,591.55	1,698.41	6,689.26
	(c) Interest on balances with RBI & other interbank funds	192.10	170.81	139.81	723.42
	(d) Others	47.72	80.59	60.46	247.45
2	Other income (Refer Note 3)	1,243.76	1,826.32	1,351.78	6,354.35
3	Total income (1+2)	8,582.25	8,892.26	7,831.56	33,393.17
4	Interest expended	2,641.45	2,544.54	2,538.13	10,220.91
5	Operating expenses (a+b)	3,157.54	3,007.82	2,403.62	11,121.39
	(a) Employee cost (Refer Note 4)	1,172.84	1,122.80	1,082.30	4,582.35
	(b) Other operating expenses	1,984.70	1,885.02	1,321.32	6,539.04
6	Total expenditure (4+5) (excluding provisions & contingencies)	5,798.99	5,552.36	4,941.75	21,342.30
7	Operating profit (3-6) (Profit before provisions and contingencies)	2,783.26	3,339.90	2,889.81	12,050.87
8	Provisions (other than tax) and contingencies (Refer Note 5)	23.59	(306.21)	703.52	689.56
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	2,759.67	3,646.11	2,186.29	11,361.31
11	Tax expense	688.52	878.71	544.37	2,788.62
12	Net Profit from ordinary activities after tax (10-11)	2,071.15	2,767.40	1,641.92	8,572.69
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit (12-13)	2,071.15	2,767.40	1,641.92	8,572.69
15	Paid up equity share capital – (of Face Value ₹ 5 per share)	992.72	992.33	991.34	992.33
16	Reserves (excluding revaluation reserves)				70,964.14
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	-	-	-	-
	(ii) Capital adequacy ratio - Basel III	22.15	22.69	23.11	22.69
	(iii) Earnings per equity share				
	- Basic (not annualised) ₹	10.43	13.74	8.28	43.02
	- Diluted (not annualised) ₹	10.43	13.74	8.28	43.01
	(iv) NPA Ratios				
	a) Gross NPA	6,378.57	6,469.74	7,931.77	6,469.74
	b) Net NPA	1,749.33	1,736.71	2,792.29	1,736.71
	c) % of Gross NPA to Gross Advances	2.24	2.34	3.56	2.34
	d) % of Net NPA to Net Advances	0.62	0.64	1.28	0.64
	(v) Return on average Assets (%) not annualised	0.50	0.67	0.43	2.13
	(vi) Debt-Equity ratio (Refer Note 8.a)	0.21	0.36	0.45	0.36
	(vii) Total Debts to Total Assets (%) (Refer Note 8.a)	3.62	6.05	7.40	6.05
	(viii) Net worth (Refer Note 8.a)	74,058.50	71,849.64	64,736.59	71,849.64
	(ix) Outstanding redeemable preference shares (quantity and value)	-	-	-	-
	(x) Capital redemption reserve/ debenture redemption reserve	-	-	-	-

Segment Results

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

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

	Particulars	Quarter ended			Year ended
		30-Jun-22 (Unaudited)	31-Mar-22 (Audited) (Refer Note 2)	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
1	Segment Revenue				
	a. Corporate/ Wholesale Banking	3,517.69	3,633.78	3,166.64	13,583.44
	b. Retail Banking	4,240.92	4,130.00	3,477.30	15,262.93
	c. Treasury, BMU and Corporate Centre	1,496.96	1,951.57	2,206.52	8,479.37
	d. Other Banking business	-	-	-	-
	Sub-total	9,255.57	9,715.35	8,850.46	37,325.74
	Less: Inter-segmental revenue	673.32	823.09	1,018.90	3,932.57
	Total	8,582.25	8,892.26	7,831.56	33,393.17
2	Segment Results				
	a. Corporate/ Wholesale Banking	1,395.65	1,797.99	1,267.58	6,379.46
	b. Retail Banking	567.10	648.31	(42.25)	846.21
	c. Treasury, BMU and Corporate Centre	796.92	1,199.81	960.96	4,135.64
	d. Other Banking business	-	-	-	-
	Total Profit Before Tax	2,759.67	3,646.11	2,186.29	11,361.31
3	Segment Assets				
	a. Corporate / Wholesale Banking	197,950.21	188,132.89	158,252.29	188,132.89
	b. Retail Banking	281,507.77	269,857.05	255,162.64	269,857.05
	c. Treasury, BMU and Corporate Centre	118,477.35	136,339.52	161,386.60	136,339.52
	d. Other Banking business	-	-	-	-
	Sub-total	597,935.33	594,329.46	574,801.53	594,329.46
	Less : Inter-segmental Assets	173,553.82	165,312.01	180,521.31	165,312.01
	Total	424,381.51	429,017.45	394,280.22	429,017.45
	Add : Unallocated Assets	386.48	410.95	590.72	410.95
	Total Assets as per Balance Sheet	424,767.99	429,428.40	394,870.94	429,428.40
4	Segment Liabilities				
	a. Corporate / Wholesale Banking	182,723.42	169,595.03	144,834.39	169,595.03
	b. Retail Banking	261,408.57	253,410.95	239,605.40	253,410.95
	c. Treasury, BMU and Corporate Centre	79,039.91	98,943.19	125,025.98	98,943.19
	d. Other Banking business	-	-	-	-
	Sub-total	523,171.90	521,949.17	509,465.77	521,949.17
	Less : Inter-segmental Liabilities	173,553.82	165,312.01	180,521.31	165,312.01
	Total	349,618.08	356,637.16	328,944.46	356,637.16
	Add : Unallocated liabilities	497.70	334.77	454.66	334.77
	Add : Share Capital & Reserves & surplus	74,652.21	72,456.47	65,471.82	72,456.47
	Total Capital and Liabilities as per Balance Sheet	424,767.99	429,428.40	394,870.94	429,428.40

RBI vide its circular dated 7th April, 2022 on establishment of Digital Banking Units (DBUs), has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. The proposed DBUs of the Bank have not yet commenced operations. As advised by Indian Banks' Association (IBA) vide its communication dated 20th July, 2022, reporting of Digital Banking as a separate sub-segment of Retail Banking Segment will be implemented by the Bank from September, 2022 quarter.

NOTES:

- The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 23rd July, 2022. The results for the quarter ended 30th June, 2022 were subject to limited review by the joint statutory auditors (Walker Chandiok & Co LLP, Chartered Accountants and Price Waterhouse LLP, Chartered Accountants) and there are no modifications in the limited review report. The results for the quarter ended 30th June, 2021 were reviewed by Walker Chandiok & Co LLP, Chartered Accountants.
- The figures for the quarter ended 31st March, 2022 are the balancing figures between audited published figures for financial year ended 31st March, 2022 and the unaudited published figures for nine months ended 31st December, 2021.
- Other Income includes non-fund based income such as commission earned from guarantees / letters of credit, financial advisory fees, selling of third party products, earnings from foreign exchange transactions, profit/(loss) from the sale of securities and provision / (write-back) of mark-to-market depreciation on investments in AFS and HFT categories.
- During the quarter, the Bank has granted 1,270,080 options under employee stock option scheme. Stock options aggregating to 772,544 were exercised during the quarter and 4,702,095 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th June, 2022.
- Provisions and contingencies are net of recoveries made against accounts which have been written off in the previous period / year.

Break up of provisions (other than tax) and contingencies:

Particulars	Quarter ended			Year ended
	30-Jun-22 (Unaudited)	31-Mar-22 (Audited) Refer Note 2	30-Jun-21 (Unaudited)	31-Mar-22 (Audited)
Provision towards advances / Others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (net)	88.50	186.71	725.36	1,512.93
General provision/(write back) for COVID 19 Deferment cases (net)	(65.00)	(453.00)	-	(732.00)
Other Provision / (write back of other provisions) towards investments (net)	0.09	(39.92)	(21.84)	(91.37)
Total provisions (other than Tax) and contingencies	23.59	(306.21)	703.52	689.56

- COVID-19, a global pandemic, affected the world economy over last two years. The revival of economic activity improved in financial year 2022 supported by relaxation of restrictions due to administration of the COVID vaccines to a large population in the country. The extent to which COVID-19 pandemic will impact the Bank results will depend on ongoing as well as future developments including the nature and severity of COVID-19.

The Bank held an aggregate COVID-19 related provision of ₹ 547 crore as of 31st March, 2022. Based on the improved outlook, the Bank have reversed provisions amounting to ₹ 65 crore during the quarter ended 30th June, 2022 (NIL during the quarter ended 30th June, 2021 and ₹ 453 crore during the quarter ended 31st March, 2022). On a prudent basis, the Bank continue to hold provision of ₹ 482 crore as at 30th June, 2022 against the potential impact of COVID-19.

- In accordance with the RBI guidelines, Banks are required to make consolidated Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html>. These disclosures have not been subjected to audit or limited review.
- Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Methodology for computation of the ratios is as follows:

Debt-Equity ratio	Represents the ratio of Borrowings/Sum of Capital and Reserves and Surplus
Total Debts to Total Assets (%)	Represents Borrowings/Total Assets
Net worth	Calculated as per the Master Circular - Exposure Norms issued by the RBI.

- Basis nature of the Bank's business, the ratio's considered to be not applicable are Current Ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors' turnover, Inventory turnover, Operating margin % and Net profit margin %.

9. Details of loans transferred/acquired during the quarter ended 30th June, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated 24th September, 2021 are given below:

- (i) The Bank has not transferred any Loans not in default, Special Mention Account (SMA) and Non-performing Assets (NPAs).
- (ii) The Bank has not acquired any loans not in default and Special Mention Account (SMA).
- (iii) Details of Non-performing Assets (NPAs) acquired:

₹ crore except tenor

Particulars	From lenders listed in Clause 3 of the Circular dated 24 th September, 2022		
	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years)
Portfolio acquired	83.55	6.05	0.32

(iv) Details of recovery ratings assigned to Security Receipts as at 30th June, 2022:

Recovery Rating [^]	Anticipated Recovery as per Recovery Rating	Carrying Value* (₹ crore)
NR1/R1+/RR1+	>150%	26.36
NR2/R1/RR1	100% - 150%	345.68
NR3/R2/RR2	75% - 100%	40.29
NR4/R3/RR3	50% - 75%	141.28
NR5/R4/RR4	25%-50%	-
NR6/R5/RR5	0% - 25%	11.72
Yet to be rated**	-	269.33
Unrated	-	0.04
Total		834.70

[^] - Recovery Rating is as assigned by various external rating agencies

* - Net of provisions.

** - Recent purchases whose statutory period not yet elapsed.

10. There has been no change to significant accounting policies during the quarter ended 30th June, 2022 as compared to those followed for the year ended 31st March, 2022.

11. Figures for the previous periods / year have been regrouped wherever necessary to conform to current period's presentation.

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

Dipak Gupta
Joint Managing Director

Mumbai, 23rd July, 2022