

PRESS RELEASE**KOTAK MAHINDRA BANK ANNOUNCES RESULTS**

Consolidated PAT for Q2FY18 ₹ 1,441 cr up 20%

Bank PAT for Q2FY18 ₹ 994 cr up 22%

Mumbai, October 25, 2017: The Board of Directors of Kotak Mahindra Bank ('Kotak Bank') took on record the unaudited standalone and consolidated results for Q2FY18, at the Board meeting held in Mumbai, today

Consolidated results at a glance

PAT for Q2FY18 increased to ₹ 1,441 cr from ₹ 1,202 cr in Q2FY17 up 20%

Advances up 22% to ₹ 187,758 cr as on September 30, 2017 from ₹ 154,078 cr as on September 30, 2016. Customer assets (Advances + Investment Credit Substitutes) stood at ₹ 196,615 cr as on September 30, 2017.

NIM for Q2FY18 stood at 4.30% (Q2FY17 – 4.46%)

Capital adequacy ratio (CAR), including unaudited profits as per Basel III, as on September 30, 2017 is 19.2%. Tier 1 ratio is 18.6%.

Total assets managed / advised by the Group as on September 30, 2017 were up 40% at ₹169,214 cr (₹120,705 cr as on September 30, 2016).

Networth as on September 30, 2017 was ₹ 46,975 cr (₹ 35,690 cr as on September 30, 2016).

In addition to the Bank, major subsidiaries who contributed to profit after tax for Q2FY18 are Kotak Mahindra Prime ₹ 150 cr, Kotak Securities ₹ 118 cr, Kotak Mahindra Old Mutual Life Insurance ₹ 100 cr and Kotak Mahindra Investments ₹ 55 cr.

On receipt of all the requisite approvals, the Bank acquired 26% stake in Kotak Life from Old Mutual plc. for ₹ 1,293 cr on October 13, 2017. Post the transaction, Kotak Life becomes a 100% subsidiary of the Bank. Also, on September 27, 2017, the Bank consummated the transaction of acquisition of BSS Microfinance as a subsidiary of the Bank.

Kotak Mahindra Bank standalone results

Bank PAT for Q2FY18 increased to ₹ 994 cr from ₹ 813 cr in Q2FY17, up by 22%

Net Interest Income (NII) for Q2FY18 up 16% to ₹ 2,313 cr from ₹ 1,995 cr in Q2FY17

Net Interest Margin (NIM) for Q2FY18 at 4.33% as against 4.47% in Q2FY17

Advances as on September 30, 2017 were up 21% to ₹ 152,574 cr (₹126,015 cr as on September 30, 2016). Bank's customer assets (Advances + Investment Credit Substitutes) stood at ₹ 161,057 cr as on September 30, 2017 up by 21%.

Savings deposits grew by 62% to ₹ 53,490 cr as on September 30, 2017 compared to ₹ 33,037 cr as on September 30, 2016. Current Account deposits grew by 17% to ₹ 25,731 cr as on September 30, 2017 compared to ₹ 22,004 cr as on September 30, 2016. CASA ratio as on September 30, 2017 stood at 47.8% compared to 39.0% as on September 30, 2016. Average CASA deposits grew by 42% to ₹ 70,861 cr for Q2FY18. TD Sweep deposits as on September 30, 2017 were 7.0% of the total deposits.

Capital adequacy ratio of the Bank, including unaudited profits as per Basel III, as on September 30, 2017 is 19.4% and Tier I ratio is 18.7%.

As on September 30, 2017, the Bank has a network of 1,362 full-fledged branches and 2,164 ATMs affording it the capacity and means to serve its customers through its wide presence.

As on September 30, 2017, the branch footprint was as under

Zone	
West	31%
North	30%
South	33%
East	6%
Total	1,362

As on September 30, 2017, GNPA was 2.47% & NNPA was 1.26%. As on September 30, 2017, restructured loans considered standard were down to ₹ 65 cr i.e. 0.04% of net advances. As on September 30, 2017, SMA2 outstanding was ₹ 250 cr (0.16% of net advances).

Digital Update

On March 29, 2017, the Bank launched 811 – a completely digital and paperless account opening experience. The Total customers of the Bank are around 10.5 mn as on September 30, 2017.

Digital remains an area of focus for the Group. Bank and other subsidiaries like Securities, Insurance, Mutual Fund and Kotak Prime are gaining significant traction and market share.



Transactions for the Bank on mobile platform grew by 125% in terms of volume in Q2FY18 vis a vis a year ago. During Q2FY18, the share of Recurring Deposits sourced digitally was 77% and that of Term Deposits was 60%. The digital share of salaried personal loans rose to 29% in Q2FY18. During the quarter, the Bank also launched a new customer centric; mobile first website with a view to service customers better. On a YoY basis, total payment gateway transactions for the month of September, 2017 have grown 147% in terms of volume and 68% in terms of value. Online shopping payment gateway transactions from mobile have grown 70% in September 2017.

Kotak Securities mobile transaction ADVs grew 81% in Q2FY18. 75% of the individual policies written by Kotak Life Insurance were sourced through Genie - tablet based end to end sales solution. Further, 89% of the Banca channel sales in Q2FY18 were through Genie. In the case of Kotak General Insurance, more than 25% of new business sourced through digital channels in Q2FY18. We also launched online consumer durable finance loans through fintech tie-ups in Kotak Prime.

About Kotak Mahindra Group

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerate. 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 nonbanking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd.

As on September 30, 2017, Kotak Mahindra Bank Ltd, has a national footprint of 1,362 branches spread across 689 locations and 2,164 ATMs. The consolidated net worth of the Group stands at ₹ 46,975 cr as on September 30, 2017. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The Group has a wide distribution network through branches and franchisees across India, an International Business Unit at GIFT city, Gujarat and international offices in London, New York, Texas, California, Dubai, Abu Dhabi, Mauritius and Singapore.

For more information, please visit the company's website at www.kotak.com

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