

**KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)**

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

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30<sup>TH</sup> SEPTEMBER, 2017**  
₹ crore

Sr No	Particulars	Quarter Ended			Half-year Ended		Year Ended
		30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>6,072.85</b>	<b>5,935.15</b>	<b>5,533.65</b>	<b>12,008.00</b>	<b>11,003.38</b>	<b>22,324.21</b>
	(a) Interest/discount on advances/bills	4,451.44	4,335.06	4,140.18	8,786.50	8,197.13	16,619.84
	(b) Income on investments	1,299.45	1,212.88	1,232.44	2,512.33	2,453.43	4,855.36
	(c) Interest on balances with RBI & other interbank funds	197.14	260.75	29.52	457.89	64.02	307.87
	(d) Others	124.82	126.46	131.51	251.28	288.80	541.14
2	<b>Other income (a+b+c)</b>	<b>3,074.18</b>	<b>2,675.48</b>	<b>2,881.30</b>	<b>5,749.66</b>	<b>5,278.45</b>	<b>11,581.23</b>
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	303.78	354.83	539.91	658.61	1,080.72	1,475.16
	(b) Premium on Insurance Business	1,325.25	977.05	1,124.28	2,302.30	1,901.23	5,137.77
	(c) Other income (Refer Notes 3, 4 & 5)	1,445.15	1,343.60	1,217.11	2,788.75	2,296.50	4,968.30
3	<b>Total income (1+2)</b>	<b>9,147.03</b>	<b>8,610.63</b>	<b>8,414.95</b>	<b>17,757.66</b>	<b>16,281.83</b>	<b>33,905.44</b>
4	Interest expended	2,987.59	2,930.64	2,869.44	5,918.23	5,773.44	11,457.51
5	<b>Operating expenses (a+b+c)</b>	<b>3,732.74</b>	<b>3,447.51</b>	<b>3,547.39</b>	<b>7,180.25</b>	<b>6,672.41</b>	<b>14,167.08</b>
	(a) Employees Cost	1,060.35	1,025.52	1,013.77	2,085.87	1,965.23	3,982.31
	(b) Policy holders' reserves, surrender expense and claims	1,450.10	1,223.64	1,549.65	2,673.74	2,801.20	6,020.15
	(c) Other operating expenses (Refer Note 4 and 6)	1,222.29	1,198.35	983.97	2,420.64	1,905.98	4,164.62
6	<b>Total expenditure (4+5) (excluding provisions and contingencies)</b>	<b>6,720.33</b>	<b>6,378.15</b>	<b>6,416.83</b>	<b>13,098.48</b>	<b>12,445.85</b>	<b>25,624.59</b>
7	<b>Operating Profit (3-6) (Profit before provisions and contingencies)</b>	<b>2,426.70</b>	<b>2,232.48</b>	<b>1,998.12</b>	<b>4,659.18</b>	<b>3,835.98</b>	<b>8,280.85</b>
8	Provisions (other than tax) and contingencies (Refer Note 7)	252.86	232.22	217.93	485.08	431.50	948.92
9	Exceptional items	-	-	-	-	-	-
10	<b>Profit from ordinary activities before tax (7-8-9)</b>	<b>2,173.84</b>	<b>2,000.26</b>	<b>1,780.19</b>	<b>4,174.10</b>	<b>3,404.48</b>	<b>7,331.93</b>
11	Tax expense	711.31	663.75	585.23	1,375.06	1,126.72	2,382.85
12	<b>Net Profit from ordinary activities after tax before Minority Interest (10-11)</b>	<b>1,462.53</b>	<b>1,336.51</b>	<b>1,194.96</b>	<b>2,799.04</b>	<b>2,277.76</b>	<b>4,949.08</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit from ordinary activities after tax before Minority Interest (12-13)</b>	<b>1,462.53</b>	<b>1,336.51</b>	<b>1,194.96</b>	<b>2,799.04</b>	<b>2,277.76</b>	<b>4,949.08</b>
15	Less: Share of Minority Interest	25.97	26.70	16.31	52.67	34.87	78.83
16	Add: Share in Profit of associates	4.12	37.01	23.75	41.13	26.61	70.18
17	<b>Profit after tax (14-15+16)</b>	<b>1,440.68</b>	<b>1,346.82</b>	<b>1,202.40</b>	<b>2,787.50</b>	<b>2,269.50</b>	<b>4,940.43</b>
18	<b>Paid Up Equity Capital - (Face value of ₹ 5 per share)</b>	<b>952.00</b>	<b>951.75</b>	<b>918.64</b>	<b>952.00</b>	<b>918.64</b>	<b>920.45</b>
19	Group Reserves (excluding Minority Interest and Revaluation reserves)						37,570.39
20	Minority Interest						474.43
21	<b>Analytical Ratios</b>						
	(i) Capital Adequacy ratio – Basel III (standalone)	18.36	19.21	15.77	18.36	15.77	16.77
	(ii) Earnings per share						
	- Basic (not annualised) ₹	7.57	7.20	6.55	14.77	12.36	26.89
	- Diluted (not annualised) ₹	7.56	7.19	6.54	14.75	12.34	26.86
	(iii) NPA Ratios (unaudited)						

Sr No	Particulars	Quarter Ended			Half-year Ended		Year Ended
		30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)
	(a) Gross NPA	4,065.41	3,973.74	3,395.48	4,065.41	3,395.48	3,803.92
	(b) Net NPA	2,036.13	1,881.47	1,622.15	2,036.13	1,622.15	1,814.23
	(c) % of Gross NPA to Gross Advances	2.14	2.24	2.18	2.14	2.18	2.25
	(d) % of Net NPA to Net Advances	1.08	1.07	1.05	1.08	1.05	1.09
	(iv) Return on average Assets (not annualised) (unaudited)	0.48	0.48	0.49	0.96	0.93	1.95

**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 of the Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
- The above results were reviewed at the meeting of the Audit Committee and approved at the meeting of the Board of Directors held on 25<sup>th</sup> October, 2017. The consolidated results for the quarter and half year ended 30<sup>th</sup> September, 2017 have been subjected to limited review by the statutory auditors, S.R. Batliboi & Co. LLP, Chartered Accountants and there are no qualifications in the limited review report.
- Details of other income forming part of the consolidated results are as follows:

Particulars	Quarter Ended			Half-year Ended		Year Ended
	30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)
Commission, fees, exchange, brokerage and others	1,282.96	1,216.38	1,004.20	2,499.34	1,946.86	4,343.26
Profit on sale of investments (other than insurance business)	162.19	127.22	212.91	289.41	349.64	625.04
<b>Total – Other income</b>	<b>1,445.15</b>	<b>1,343.60</b>	<b>1,217.11</b>	<b>2,788.75</b>	<b>2,296.50</b>	<b>4,968.30</b>

- Other Income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 20.04 crore for the quarter ended 30<sup>th</sup> September, 2017 and for half-year ended 30<sup>th</sup> September, 2017 ₹ 40.37 crore (for the quarter ended 30<sup>th</sup> June, 2017 ₹ 20.33 crore, quarter ended 30<sup>th</sup> September, 2016 ₹ 21.00 crore, half-year ended 30<sup>th</sup> September, 2016 ₹ 37.52 crore, for the year ended 31<sup>st</sup> March, 2017 ₹ 78.33 crore).
- Other Income includes non-fund based income such as commission earned from guarantees / letters of credit, financial advisory fees, selling of third party products, earnings from foreign exchange transactions and profit / loss from the sale of securities.
- Details of other expenditure forming part of consolidated results are as follows:

Particulars	Quarter Ended			Half-year Ended		Year Ended
	30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)
Brokerage	159.74	137.35	109.85	297.09	194.41	485.72
Depreciation	94.78	93.62	91.72	188.40	177.59	362.21
Rent, taxes and lighting	159.54	161.37	154.03	320.91	308.36	616.29
Others	808.23	806.01	628.37	1,614.24	1,225.62	2,700.40
<b>Total – Other operating expenses</b>	<b>1,222.29</b>	<b>1,198.35</b>	<b>983.97</b>	<b>2,420.64</b>	<b>1,905.98</b>	<b>4,164.62</b>

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

follows:

Particulars	Quarter Ended			Half-year Ended		Year Ended
	30-Sep-17 (Unaudited)	30-Jun-17 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)	31-Mar-17 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (Net)	222.23	221.90	164.44	444.13	356.37	797.39
Provision /(Write back of provisions) towards investments (net)	30.63	10.32	53.49	40.95	75.13	151.53
<b>Total – Provisions (other than tax) and contingencies</b>	<b>252.86</b>	<b>232.22</b>	<b>217.93</b>	<b>485.08</b>	<b>431.50</b>	<b>948.92</b>

8. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1<sup>st</sup> July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31<sup>st</sup> March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html>. These disclosures have not been subjected to audit or limited review.
9. On 13<sup>th</sup> October, 2017, Kotak Mahindra Bank Limited ("the Bank") has acquired the entire 26% equity stake held by Old Mutual Plc. in Kotak Mahindra Old Mutual Life Insurance Limited ("Kotak Life") for a consideration of ₹ 1,292.70 crore. Kotak Mahindra Group now holds 100% of the equity shareholding of Kotak Life.
10. On 27<sup>th</sup> September, 2017, the Bank acquired 99.49% of BSS Microfinance Private Limited ("BSS"). BSS has been consolidated from that date.
11. The change in the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, for the quarter ended 30<sup>th</sup> September, 2017 amounting to ₹ 823.47 crore and for half-year ended 30<sup>th</sup> September, 2017 ₹ 1,387.56 crore (for the quarter ended 30<sup>th</sup> June, 2017 ₹ 564.09 crore) has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".
12. There has been no change to significant accounting policies during the quarter and half year ended 30<sup>th</sup> September, 2017.
13. The summarised consolidated Balance Sheet of the Bank is given below:

Summarised Balance Sheet	₹ crore		
	As at 30 <sup>th</sup> September 2017 (Unaudited)	As at 30 <sup>th</sup> September 2016 (Unaudited)	As at 31 <sup>th</sup> March 2017 (Audited)
<b>CAPITAL AND LIABILITIES</b>			
Capital	952.00	918.64	920.45
Reserves and Surplus	46,022.88	34,771.31	37,570.39
Minority Interest	527.56	430.47	474.43
Employees' Stock Options (Grants) Outstanding	1.79	2.10	1.87
Deposits	164,413.20	1,38,731.80	155,540.00
Borrowings	57,733.00	44,871.61	49,689.91
Policyholder's Funds	20,194.99	16,811.32	18,792.88
Other Liabilities and Provisions	15,037.97	12,756.65	13,197.63
<b>TOTAL</b>	<b>304,883.39</b>	<b>2,49,293.90</b>	<b>276,187.56</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank Of India	8,314.02	6,631.63	7,512.23
Balances with Banks and Money at Call and Short Notice	15,945.55	4,343.93	18,076.32
Investments	78,008.89	69,535.77	68,461.54
Advances	187,757.78	1,54,078.15	167,124.91
Fixed Assets	1,728.49	1,725.03	1,755.20
Other Assets	13,128.66	12,979.39	13,257.36
<b>TOTAL</b>	<b>304,883.39</b>	<b>2,49,293.90</b>	<b>276,187.56</b>

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

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

**Mumbai, 25<sup>th</sup> October, 2017**

**Dipak Gupta**  
Joint Managing Director