

KOTAK MAHINDRA BANK LIMITED (STANDALONE)

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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2018

₹ crore

Sr No	Particulars	Quarter ended			Half-year ended		Year ended
		30-Sep-18 (Unaudited)	30-Jun-18 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-17 (Unaudited)	31-Mar-18 (Audited)
1	Interest earned (a+b+c+d)	5,810.90	5,479.70	4,760.14	11,290.60	9,415.92	19,748.49
	(a) Interest/discount on advances/bills	4,459.20	4,168.18	3,559.47	8,627.38	7,037.62	14,727.95
	(b) Income on investments	1,196.77	1,141.88	973.40	2,338.65	1,859.19	3,933.00
	(c) Interest on balances with RBI & other interbank funds	80.02	92.48	149.09	172.50	364.36	755.29
	(d) Others	74.91	77.16	78.18	152.07	154.75	332.25
2	Other income (Refer Note 2)	1,205.27	1,164.59	953.88	2,369.86	1,860.76	4,052.21
3	Total income (1+2)	7,016.17	6,644.29	5,714.02	13,660.46	11,276.68	23,800.70
4	Interest expended	3,121.80	2,896.80	2,447.48	6,018.60	4,857.71	10,216.81
5	Operating expenses (a+b)	1,799.40	1,714.96	1,541.73	3,514.36	3,098.80	6,425.72
	(a) Employee cost	745.24	720.42	722.96	1,465.66	1,429.12	2,929.77
	(b) Other operating expenses	1,054.16	994.54	818.77	2,048.70	1,669.68	3,495.95
6	Total expenditure (4+5) (excluding provisions & contingencies)	4,921.20	4,611.76	3,989.21	9,532.96	7,956.51	16,642.53
7	Operating profit (3-6) (Profit before provisions and contingencies)	2,094.97	2,032.53	1,724.81	4,127.50	3,320.17	7,158.17
8	Provisions (other than tax) and contingencies (Refer Note 3)	353.80	469.63	216.53	823.43	420.27	939.95
9	Exceptional items	-	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	1,741.17	1,562.90	1,508.28	3,304.07	2,899.90	6,218.22
11	Tax expense	599.52	537.96	513.97	1,137.48	992.86	2,133.92
12	Net Profit from ordinary activities after tax (10-11)	1,141.65	1,024.94	994.31	2,166.59	1,907.04	4,084.30
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit (12-13)	1,141.65	1,024.94	994.31	2,166.59	1,907.04	4,084.30
15	Paid up equity share capital - (of Face Value ₹ 5 per share)	953.50	953.07	952.00	953.50	952.00	952.82
16	Reserves (excluding revaluation reserves)						36,528.83
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	-	-	-	-	-	-
	(ii) Capital adequacy ratio - Basel III	17.04	17.76	18.36	17.04	18.36	18.22
	(iii) Earnings per equity share						
	- Basic (not annualised) ₹	5.99	5.38	5.22	11.37	10.10	21.54
	- Diluted (not annualised) ₹	5.98	5.37	5.22	11.35	10.09	21.51
	(iv) NPA Ratios						
	a) Gross NPA	4,033.07	3,899.45	3,814.17	4,033.07	3,814.17	3,825.38
	b) Net NPA	1,500.76	1,527.14	1,918.83	1,500.76	1,918.83	1,665.05
	c) % of Gross NPA to Gross Advances	2.15	2.17	2.47	2.15	2.47	2.22
	d) % of Net NPA to Net Advances	0.81	0.86	1.26	0.81	1.26	0.98
	(v) Return on Assets (average) - not annualised	0.41	0.39	0.44	0.80	0.86	1.73

Segment Results

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

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

₹ crore							
	Quarter ended			Half-year ended		Year ended	
	30-Sep-18 (Unaudited)	30-Jun-18 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-17 (Unaudited)	31-Mar-18 (Audited)	
1 Segment Revenue							
a. Corporate/ Wholesale Banking	2,704.46	2,480.70	2,177.03	5,185.16	4,320.82	9,061.32	
b. Retail Banking	3,453.18	3,230.18	2,771.40	6,683.36	5,484.40	11,437.61	
c. Treasury, BMU and Corporate Centre	1,517.89	1,537.10	1,401.69	3,054.99	2,732.33	5,730.26	
Sub-total	7,675.53	7,247.98	6,350.12	14,923.51	12,537.55	26,229.19	
Less: Inter-segmental revenue	659.36	603.69	636.10	1,263.05	1,260.87	2,428.49	
Total	7,016.17	6,644.29	5,714.02	13,660.46	11,276.68	23,800.70	
2 Segment Results							
a. Corporate/ Wholesale Banking	796.55	644.55	685.13	1,441.10	1,417.16	2,984.45	
b. Retail Banking	519.73	543.38	340.86	1,063.11	619.39	1,510.71	
c. Treasury, BMU and Corporate Centre	424.89	374.97	482.29	799.86	863.35	1,723.06	
Total Profit Before Tax	1,741.17	1,562.90	1,508.28	3,304.07	2,899.90	6,218.22	
3 Segment Assets							
a. Corporate / Wholesale Banking	108,555.23	106,521.93	92,283.32	108,555.23	92,283.32	100,506.20	
b. Retail Banking	159,180.84	149,694.33	129,371.44	159,180.84	129,371.44	143,303.89	
c. Treasury, BMU and Corporate Centre	100,318.85	89,426.05	81,138.55	100,318.85	81,138.55	91,500.50	
d. Other Banking business	-	-	-	-	-	-	
Sub-total	368,054.92	345,642.31	302,793.31	368,054.92	302,793.31	335,310.59	
Less : Inter-segmental Assets	79,441.77	74,375.99	66,077.60	79,441.77	66,077.60	70,571.48	
Total	288,613.15	271,266.32	236,715.71	288,613.15	236,715.71	264,739.11	
Add : Unallocated Assets	222.97	222.97	253.83	222.97	253.83	194.28	
Total Assets as per Balance Sheet	288,836.12	271,489.29	236,969.54	288,836.12	236,969.54	264,933.39	
4 Segment Liabilities							
a. Corporate / Wholesale Banking	97,762.26	96,539.31	82,328.64	97,762.26	82,328.64	88,984.44	
b. Retail Banking	146,516.07	137,549.28	119,683.97	146,516.07	119,683.97	132,725.09	
c. Treasury, BMU and Corporate Centre	83,762.10	73,024.67	65,745.24	83,762.10	65,745.24	76,300.61	
d. Other Banking business	-	-	-	-	-	-	
Sub-total	328,040.43	307,113.26	267,757.85	328,040.43	267,757.85	298,010.14	
Less : Inter-segmental Liabilities	79,441.77	74,375.99	66,077.60	79,441.77	66,077.60	70,571.48	
Total	248,598.66	232,737.27	201,680.25	248,598.66	201,680.25	227,438.66	
Add : Unallocated liabilities	134.03	213.70	83.28	134.03	83.28	13.08	
Add : Share Capital & Reserves & surplus	40,103.43	38,538.32	35,206.01	40,103.43	35,206.01	37,481.65	
Total Liabilities as per Balance Sheet	288,836.12	271,489.29	236,969.54	288,836.12	236,969.54	264,933.39	

NOTES:

- The above results were reviewed at the meeting of the Audit Committee and approved at the meeting of the Board of Directors held on 24th October, 2018. The results for the quarter and half year ended 30th September, 2018 have been subject to limited review by the statutory auditors and there are no qualifications in the limited review report.
- 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.
- Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period / year.

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

₹ crore

Particulars	Quarter ended			Half-year ended		Year ended
	30-Sep-18 (Unaudited)	30-Jun-18 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-18 (Unaudited)	30-Sep-17 (Unaudited)	31-Mar-18 (Audited)
Provision towards advances / Others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures)	221.31	260.04	205.48	481.35	398.31	743.04
Provision / (write back of provisions) towards investments (net)	132.49	209.59	11.05	342.08	21.96	196.91
Total provisions (other than Tax) and contingencies	353.80	469.63	216.53	823.43	420.27	939.95

4. During the quarter, the Bank has granted NIL options under employee stock option scheme. Stock options aggregating to 872,247 were exercised during the quarter and 11,945,407 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th September, 2018.
5. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st 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.
6. The Bank has allotted on 2nd August, 2018 8.10% Perpetual Non-Convertible Preference Shares (PNCPS) to eligible investors at the issue price of ₹ 5 per PNCPS aggregating to ₹ 500 crore, resulting in increase in paid up capital of the Bank to the said extent.
7. The Summarised Balance Sheet of the Bank (Standalone) is given below:

₹ crore

Summarised Balance Sheet	As at 30 th September 2018 (Unaudited)	As at 30 th September 2017 (Unaudited)	As at 31 st March 2018 (Audited)
CAPITAL AND LIABILITIES			
Capital	1,453.50	952.00	952.82
Reserves and Surplus	38,649.93	34,254.01	36,528.83
Employees' Stock Options (Grants) Outstanding	2.70	1.79	2.17
Deposits	205,829.83	165,670.91	192,643.27
Borrowings	32,583.54	25,922.87	25,154.15
Other Liabilities and Provisions	10,316.62	10,167.96	9,652.15
TOTAL	288,836.12	236,969.54	264,933.39
ASSETS			
Cash and balances with Reserve Bank of India	9,283.91	8,297.45	8,908.51
Balances with Banks and Money at Call and Short Notice	15,314.39	12,525.36	10,711.60
Investments	67,915.02	52,796.45	64,562.35
Advances	184,940.31	152,574.11	169,717.92
Fixed Assets	1,598.05	1,519.27	1,527.16
Other Assets	9,784.44	9,256.90	9,505.85
TOTAL	288,836.12	236,969.54	264,933.39

8. There has been no change to significant accounting policies during the quarter and half year ended 30th September, 2018.

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

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

Mumbai, 24th October, 2018

Dipak Gupta
Joint Managing Director