

**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 NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2018**

₹ crore

Sr No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-18 (Unaudited)	30-Sep-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Mar-18 (Audited)
1	<b>Interest earned (a+b+c+d)</b>	<b>7,744.58</b>	<b>7,311.12</b>	<b>6,390.71</b>	<b>21,959.07</b>	<b>18,398.71</b>	<b>25,131.08</b>
	(a) Interest/discount on advances/bills	5,740.67	5,435.56	4,712.93	16,289.36	13,499.43	18,380.86
	(b) Income on investments	1,680.59	1,596.02	1,284.83	4,780.53	3,797.16	5,258.25
	(c) Interest on balances with RBI & other interbank funds	208.30	162.91	262.11	537.77	720.00	966.80
	(d) Others	115.02	116.63	130.84	351.41	382.12	525.17
2	<b>Other income (a+b+c)</b>	<b>3,602.81</b>	<b>3,517.96</b>	<b>3,713.88</b>	<b>10,120.96</b>	<b>9,450.84</b>	<b>13,592.59</b>
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	239.42	(39.98)	489.23	248.38	1,147.84	685.20
	(b) Premium on Insurance Business	1,885.10	1,752.54	1,564.41	4,839.15	3,866.71	6,667.08
	(c) Other income (Refer Notes 3, 4 & 5)	1,478.29	1,805.40	1,660.24	5,033.43	4,436.29	6,240.31
3	<b>Total income (1+2)</b>	<b>11,347.39</b>	<b>10,829.08</b>	<b>10,104.59</b>	<b>32,080.03</b>	<b>27,849.55</b>	<b>38,723.67</b>
4	Interest expended	3,940.53	3,772.76	3,204.81	11,211.94	9,123.04	12,466.85
5	<b>Operating expenses (a+b+c)</b>	<b>4,698.50</b>	<b>4,146.70</b>	<b>4,259.49</b>	<b>12,435.21</b>	<b>11,427.04</b>	<b>16,073.85</b>
	(a) Employees Cost	1,255.68	1,139.30	1,089.95	3,498.51	3,175.82	4,380.90
	(b) Policy holders' reserves, surrender expense and claims	1,908.41	1,507.20	1,855.50	4,522.03	4,529.24	6,533.17
	(c) Other operating expenses (Refer Note 4 and 6)	1,534.41	1,500.20	1,314.04	4,414.67	3,721.98	5,159.78
6	<b>Total expenditure (4+5) (excluding provisions and contingencies)</b>	<b>8,639.03</b>	<b>7,919.46</b>	<b>7,464.30</b>	<b>23,647.15</b>	<b>20,550.08</b>	<b>28,540.70</b>
7	<b>Operating Profit (3-6)</b> (Profit before provisions and contingencies)	<b>2,708.36</b>	<b>2,909.62</b>	<b>2,640.29</b>	<b>8,432.88</b>	<b>7,299.47</b>	<b>10,182.97</b>
8	Provisions (other than tax) and contingencies (Refer Note 7)	(10.94)	359.71	226.29	847.75	711.37	1,024.74
9	Exceptional items	-	-	-	-	-	-
10	<b>Profit from ordinary activities before tax (7-8-9)</b>	<b>2,719.30</b>	<b>2,549.91</b>	<b>2,414.00</b>	<b>7,585.13</b>	<b>6,588.10</b>	<b>9,158.23</b>
11	Tax expense	896.51	835.79	795.94	2,503.65	2,171.00	3,011.09
12	<b>Net Profit from ordinary activities after tax before Minority Interest (10-11)</b>	<b>1,822.79</b>	<b>1,714.12</b>	<b>1,618.06</b>	<b>5,081.48</b>	<b>4,417.10</b>	<b>6,147.14</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	<b>Net Profit from ordinary activities after tax before Minority Interest (12-13)</b>	<b>1,822.79</b>	<b>1,714.12</b>	<b>1,618.06</b>	<b>5,081.48</b>	<b>4,417.10</b>	<b>6,147.14</b>
15	Less: Share of Minority Interest	-	-	3.97	-	56.64	56.67
16	Add: Share in Profit of associates	21.22	33.25	10.15	84.38	51.28	110.50
17	<b>Profit after tax (14-15+16)</b>	<b>1,844.01</b>	<b>1,747.37</b>	<b>1,624.24</b>	<b>5,165.86</b>	<b>4,411.74</b>	<b>6,200.97</b>
18	<b>Paid Up Equity Capital - (Face value of ₹ 5 per share)</b>	<b>953.77</b>	<b>953.50</b>	<b>952.35</b>	<b>953.77</b>	<b>952.35</b>	<b>952.82</b>
19	Group Reserves (excluding Minority Interest and Revaluation reserves)						49,533.24
20	Minority Interest						-

₹ crore

Sr No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-18 (Unaudited)	30-Sep-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Mar-18 (Audited)
21	<b>Analytical Ratios</b>						
	(i) Capital Adequacy ratio – Basel III (standalone)	16.52	17.04	17.09	16.52	17.09	18.22
	(ii) Earnings per equity share						
	- Basic (not annualised) ₹	9.67	9.17	8.53	27.10	23.30	32.70
	- Diluted (not annualised) ₹	9.66	9.15	8.52	27.06	23.27	32.66
	(iii) NPA Ratios (unaudited)						
	(a) Gross NPA	4,458.10	4,302.17	3,979.06	4,458.10	3,979.06	4,071.04
	(b) Net NPA	1,554.19	1,617.66	1,846.86	1,554.19	1,846.86	1,768.60
	(c) % of Gross NPA to Gross Advances	1.89	1.91	2.01	1.89	2.01	1.95
	(d) % of Net NPA to Net Advances	0.67	0.73	0.94	0.67	0.94	0.86
	(iv) Return on average Assets (not annualised) (unaudited)	0.50	0.49	0.52	1.46	1.48	2.03

**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 above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 21<sup>st</sup> January, 2019. The consolidated results for the quarter and nine months ended 31<sup>st</sup> December, 2018 were subject to limited review by the statutory auditors and there are no qualifications in the limited review report.
- Details of other income forming part of the consolidated results are as follows:

₹ crore

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-18 (Unaudited)	30-Sep-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Mar-18 (Audited)
Commission, fees, exchange, brokerage and others	1,480.11	1,638.11	1,565.32	4,703.51	4,051.96	5,692.79
Profit on sale of investments (other than insurance business)	(1.82)	167.29	94.92	329.92	384.33	547.52
<b>Total – Other income</b>	<b>1,478.29</b>	<b>1,805.40</b>	<b>1,660.24</b>	<b>5,033.43</b>	<b>4,436.29</b>	<b>6,240.31</b>

- Other Income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 20.81 crore for the quarter and ₹ 59.88 crore for the nine months ended 31<sup>st</sup> December, 2018 (for the quarter ended 30<sup>th</sup> September 2018, ₹ 21.79 crore, for the quarter and nine months ended 31<sup>st</sup> December, 2017, ₹ 29.73 crore and ₹ 70.10 crore respectively, for the year ended 31<sup>st</sup> March, 2018 amounting to ₹ 89.64 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. Provision / (write-back) for mark-to-market depreciation on investments are considered in Provisions and Contingencies.

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

₹ crore

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-18 (Unaudited)	30-Sep-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Mar-18 (Audited)
Brokerage	181.04	194.13	166.23	533.45	450.62	664.23
Depreciation	116.16	115.79	94.63	340.77	283.03	383.43
Rent, taxes and lighting	176.45	174.32	156.15	519.14	477.06	647.57
Others	1,060.76	1,015.96	897.03	3,021.31	2,511.27	3,464.55
<b>Total – Other operating expenses</b>	<b>1,534.41</b>	<b>1,500.20</b>	<b>1,314.04</b>	<b>4,414.67</b>	<b>3,721.98</b>	<b>5,159.78</b>

7. 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:

₹ crore

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-18 (Unaudited)	30-Sep-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-18 (Unaudited)	31-Dec-17 (Unaudited)	31-Mar-18 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (Net)	280.34	241.91	189.03	794.74	633.16	815.85
Provision /(Write back of provisions) for mark-to-market depreciation and other provisions on investments (net)	(291.28)	117.80	37.26	53.01	78.21	208.89
<b>Total – Provisions (other than tax) and contingencies</b>	<b>(10.94)</b>	<b>359.71</b>	<b>226.29</b>	<b>847.75</b>	<b>711.37</b>	<b>1,024.74</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. 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 31<sup>st</sup> December, 2018 amounting to ₹ 1,232.28 crore and for nine months ended 31<sup>st</sup> December, 2018 ₹ 2,193.80 crore (for the quarter ended 30<sup>th</sup> September 2018, ₹ 557.94 crore, for the quarter and nine months ended 31<sup>st</sup> December, 2017, ₹ 1,185.86 crore and ₹ 2,573.41 crore respectively, for the year ended 31<sup>st</sup> March, 2018 amounting to ₹ 3,593.36 crore) has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".
10. There has been no change to significant accounting policies during the quarter and nine months ended 31<sup>st</sup> December, 2018.

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, 21<sup>st</sup> January, 2019**

**Dipak Gupta**  
Joint Managing Director