

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 31ST DECEMBER, 2017

₹ crore

Sr No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
1	Interest earned (a+b+c+d)	6,390.71	6,072.85	5,666.07	18,398.71	16,669.45	22,324.21
	(a) Interest/discount on advances/bills	4,712.93	4,451.44	4,228.47	13,499.43	12,425.60	16,619.84
	(b) Income on investments	1,284.83	1,299.45	1,239.36	3,797.16	3,692.79	4,855.36
	(c) Interest on balances with RBI & other interbank funds	262.11	197.14	62.68	720.00	126.70	307.87
	(d) Others	130.84	124.82	135.56	382.12	424.36	541.14
2	Other income (a+b+c)	3,722.74	3,074.18	2,003.97	9,472.40	7,282.42	11,581.23
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	489.23	303.78	(340.80)	1,147.84	739.92	1,475.16
	(b) Premium on Insurance Business	1,564.41	1,325.25	1,098.51	3,866.71	2,999.74	5,137.77
	(c) Other income (Refer Notes 3, 4 & 5)	1,669.10	1,445.15	1,246.26	4,457.85	3,542.76	4,968.30
3	Total income (1+2)	10,113.45	9,147.03	7,670.04	27,871.11	23,951.87	33,905.44
4	Interest expended	3,204.81	2,987.59	2,919.02	9,123.04	8,692.46	11,457.51
5	Operating expenses (a+b+c)	4,268.35	3,732.74	2,671.81	11,448.60	9,344.22	14,167.08
	(a) Employees cost	1,089.95	1,060.35	993.61	3,175.82	2,958.84	3,982.31
	(b) Policy holders' reserves, surrender expense and claims	1,855.50	1,450.10	631.29	4,529.24	3,432.49	6,020.15
	(c) Other operating expenses (Refer Note 4 and 6)	1,322.90	1,222.29	1,046.91	3,743.54	2,952.89	4,164.62
6	Total expenditure (4+5) (excluding provisions and contingencies)	7,473.16	6,720.33	5,590.83	20,571.64	18,036.68	25,624.59
7	Operating Profit (3-6) (Profit before provisions and contingencies)	2,640.29	2,426.70	2,079.21	7,299.47	5,915.19	8,280.85
8	Provisions (other than tax) and contingencies (Refer Note 7)	226.29	252.86	217.81	711.37	649.31	948.92
9	Exceptional items	-	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	2,414.00	2,173.84	1,861.40	6,588.10	5,265.88	7,331.93
11	Tax expense	795.94	711.31	611.46	2,171.00	1,738.18	2,382.85
12	Net Profit from ordinary activities after tax before Minority Interest (10-11)	1,618.06	1,462.53	1,249.94	4,417.10	3,527.70	4,949.08
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit from ordinary activities after tax before Minority Interest (12 -13)	1,618.06	1,462.53	1,249.94	4,417.10	3,527.70	4,949.08
15	Less: Share of Minority Interest	3.97	25.97	17.62	56.64	52.49	78.83
16	Add: Share in Profit of associates	10.15	4.12	34.27	51.28	60.88	70.18
17	Profit after tax (14-15+16)	1,624.24	1,440.68	1,266.59	4,411.74	3,536.09	4,940.43
18	Paid Up Equity Capital - (Face value of ₹ 5 per share)	952.35	952.00	919.63	952.35	919.63	920.45
19	Group Reserves (excluding Minority Interest and Revaluation reserves)						37,570.39
20	Minority Interest						474.43

Sr No	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
21	Analytical Ratios						
	(i) Capital Adequacy ratio – Basel III (standalone)	17.09	18.36	15.99	17.09	15.99	16.77
	(ii) Earnings per share						
	- Basic (not annualised) ₹	8.53	7.57	6.89	23.30	19.26	26.89
	- Diluted (not annualised) ₹	8.52	7.56	6.88	23.27	19.23	26.86
	(iii) NPA Ratios (unaudited)						
	(a) Gross NPA	3,979.06	4,065.41	3,367.67	3,979.06	3,367.67	3,803.92
	(b) Net NPA	1,846.86	2,036.13	1,450.43	1,846.86	1,450.43	1,814.23
	(c) % of Gross NPA to Gross Advances	2.01	2.14	2.11	2.01	2.11	2.25
	(d) % of Net NPA to Net Advances	0.94	1.08	0.92	0.94	0.92	1.09
	(iv) Return on average Assets (not annualised) (unaudited)	0.52	0.48	0.50	1.48	1.43	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 financial results have been approved by the Board of Directors at its meeting held on 19th January, 2018. The consolidated results for the quarter and nine months ended 31st December, 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			Nine Months Ended		Year Ended
	31-Dec-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
Commission, fees, exchange, brokerage and others	1,574.18	1,282.96	1,094.77	4,073.52	3,041.63	4,343.26
Profit on sale of investments (other than insurance business)	94.92	162.19	151.49	384.33	501.13	625.04
Total – Other income	1,669.10	1,445.15	1,246.26	4,457.85	3,542.76	4,968.30

- Other Income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 41.85 crore for the quarter ended 31st December, 2017 and for nine months ended 31st December, 2017 ₹ 82.22 crore (for the quarter ended 30th September, 2017 ₹ 20.04 crore, quarter ended 31st December, 2016 ₹ 19.01 crore, nine months ended 31st December, 2016 ₹ 56.53 crore, for the year ended 31st 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.

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

₹ crore

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31-Dec-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
Brokerage	175.09	159.74	112.95	472.18	307.36	485.72
Depreciation	94.63	94.78	93.08	283.03	270.67	362.21
Rent, taxes and lighting	156.15	159.54	151.45	477.06	459.81	616.29
Others	897.03	808.23	689.43	2,511.27	1,915.05	2,700.40
Total – Other operating expenses	1,322.90	1,222.29	1,046.91	3,743.54	2,952.89	4,164.62

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-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (Net)	189.03	222.23	153.54	633.16	509.91	797.39
Provision / (Write back of provisions) towards investments (net)	37.26	30.63	64.27	78.21	139.40	151.53
Total – Provisions (other than tax) and contingencies	226.29	252.86	217.81	711.37	649.31	948.92

8. 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.
9. On 13th October, 2017, Kotak Mahindra Bank Limited has acquired the entire 26% equity stake held by Old Mutual Plc. in Kotak Mahindra Life Insurance Limited (formerly known as Kotak Mahindra Old Mutual Life Insurance Limited) for a consideration of ₹ 1,292.70 crore. Kotak Mahindra Group now holds 100% of the equity shareholding of Kotak Mahindra Life Insurance Limited.
10. 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 and nine months ended 31st December, 2017 amounting to ₹ 1,185.86 crore and ₹ 2,573.41 crore respectively (for the quarter ended 30th September, 2017 ₹ 823.47 crore) has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".
11. There has been no change to significant accounting policies during the quarter and nine months ended 31st December, 2017.



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, 19th January, 2018

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 AND NINE MONTHS ENDED
31st DECEMBER, 2017**

₹ crore

Sr No	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
1	Interest earned (a+b+c+d)	5,009.20	4,760.14	4,467.61	14,425.12	13,266.93	17,698.93
	(a) Interest/discount on advances/ bills	3,765.88	3,559.47	3,403.06	10,803.50	10,034.48	13,402.10
	(b) Income on investments	960.78	973.40	937.86	2,819.97	2,832.88	3,681.04
	(c) Interest on balances with RBI & other interbank funds	207.23	149.09	31.80	571.59	79.74	218.32
	(d) Others	75.31	78.18	94.89	230.06	319.83	397.47
2	Other income (Refer Note 2)	1,039.82	953.88	910.22	2,900.58	2,474.51	3,477.16
3	Total income (1+2)	6,049.02	5,714.02	5,377.83	17,325.70	15,741.44	21,176.09
4	Interest expended	2,615.48	2,447.48	2,417.29	7,473.19	7,302.15	9,572.78
5	Operating expenses (a+b)	1,613.49	1,541.73	1,432.84	4,712.29	4,156.48	5,618.50
	(a) Employee cost	734.21	722.96	697.40	2,163.33	2,064.03	2,744.64
	(b) Other operating expenses	879.28	818.77	735.44	2,548.96	2,092.45	2,873.86
6	Total expenditure (4+5) (excluding provisions & contingencies)	4,228.97	3,989.21	3,850.13	12,185.48	11,458.63	15,191.28
7	Operating profit (3-6) (Profit before provisions and contingencies)	1,820.05	1,724.81	1,527.70	5,140.22	4,282.81	5,984.81
8	Provisions (other than tax) and contingencies (Refer Note 3)	212.77	216.53	192.10	633.04	569.37	836.74
9	Exceptional items	-	-	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	1,607.28	1,508.28	1,335.60	4,507.18	3,713.44	5,148.07
11	Tax expense	554.07	513.97	455.84	1,546.93	1,278.42	1,736.57
12	Net Profit from ordinary activities after tax (10-11)	1,053.21	994.31	879.76	2,960.25	2,435.02	3,411.50
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-
14	Net Profit (12-13)	1,053.21	994.31	879.76	2,960.25	2,435.02	3,411.50
15	Paid up equity share capital - (of Face Value ₹ 5 per share)	952.35	952.00	919.63	952.35	919.63	920.45
16	Reserves (excluding revaluation reserves)						26,695.62
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	-	-	-	-	-	-
	(ii) Capital adequacy ratio - Basel III	17.09	18.36	15.99	17.09	15.99	16.77
	(iii) Earnings per share						
	- Basic (not annualised) ₹	5.53	5.22	4.79	15.64	13.26	18.57
	- Diluted (not annualised) ₹	5.52	5.22	4.78	15.61	13.24	18.55
	(iv) NPA Ratios						
	a) Gross NPA	3,714.99	3,814.17	3,177.88	3,714.99	3,177.88	3,578.61
	b) Net NPA	1,727.96	1,918.83	1,379.07	1,727.96	1,379.07	1,718.07
	c) % of Gross NPA to Gross Advances	2.31	2.47	2.42	2.31	2.42	2.59
	d) % of Net NPA to Net Advances	1.09	1.26	1.07	1.09	1.07	1.26
	(v) Return on Assets (average) - not annualised	0.44	0.44	0.44	1.30	1.25	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.

		Quarter ended			Nine months ended		Year ended
		31-Dec-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
₹ crore							
1	Segment Revenue						
	a. Corporate/ Wholesale Banking	2,315.35	2,177.03	2,130.96	6,636.17	6,145.35	8,330.52
	b. Retail Banking	2,884.31	2,771.40	2,648.43	8,368.71	7,590.90	10,274.57
	c. Treasury, BMU and Corporate Centre	1,429.27	1,401.69	1,264.59	4,161.60	3,805.30	5,063.21
	Sub-total	6,628.93	6,350.12	6,043.98	19,166.48	17,541.55	23,668.30
	Less: Inter-segmental revenue	579.91	636.10	666.15	1,840.78	1,800.11	2,492.21
	Total	6,049.02	5,714.02	5,377.83	17,325.70	15,741.44	21,176.09
2	Segment Results						
	a. Corporate/ Wholesale Banking	783.71	685.13	729.22	2,200.87	1,951.34	2,694.81
	b. Retail Banking	391.66	340.86	322.09	1,011.05	836.90	1,194.72
	c. Treasury, BMU and Corporate Centre	431.91	482.29	284.29	1,295.26	925.20	1,258.54
	Total Profit Before Tax	1,607.28	1,508.28	1,335.60	4,507.18	3,713.44	5,148.07
3	Segment Assets						
	a. Corporate / Wholesale Banking	94,468.35	92,283.32	77,954.57	94,468.35	77,954.57	81,612.15
	b. Retail Banking	133,232.60	129,371.44	122,114.38	133,232.60	122,114.38	122,665.94
	c. Treasury, BMU and Corporate Centre	86,559.02	81,138.55	68,705.13	86,559.02	68,705.13	75,727.48
	d. Other Banking business	-	-	-	-	-	-
	Sub-total	314,259.97	302,793.31	268,774.08	314,259.97	268,774.08	280,005.57
	Less : Inter-segmental Assets	65,846.82	66,077.60	67,224.73	65,846.82	67,224.73	65,663.21
	Total	248,413.15	236,715.71	201,549.35	248,413.15	201,549.35	214,342.36
	Add : Unallocated Assets	232.58	253.83	236.54	232.58	236.54	247.60
	Total Assets as per Balance Sheet	248,645.73	236,969.54	201,785.89	248,645.73	201,785.89	214,589.96
4	Segment Liabilities						
	a. Corporate / Wholesale Banking	83,734.00	82,328.64	68,268.36	83,734.00	68,268.36	71,189.88
	b. Retail Banking	123,153.44	119,683.97	113,877.40	123,153.44	113,877.40	114,071.16
	c. Treasury, BMU and Corporate Centre	71,296.80	65,745.24	60,294.69	71,296.80	60,294.69	67,352.79
	d. Other Banking business	-	-	-	-	-	-
	Sub-total	278,184.24	267,757.85	242,440.45	278,184.24	242,440.45	252,613.83
	Less : Inter-segmental Liabilities	65,846.82	66,077.60	67,224.73	65,846.82	67,224.73	65,663.21
	Total	212,337.42	201,680.25	175,215.72	212,337.42	175,215.72	186,950.62
	Add : Unallocated liabilities	11.23	83.28	2.44	11.23	2.44	23.27
	Add : Share Capital & Reserves & surplus	36,297.08	35,206.01	26,567.73	36,297.08	26,567.73	27,616.07
	Total Liabilities as per Balance Sheet	248,645.73	236,969.54	201,785.89	248,645.73	201,785.89	214,589.96

NOTES:

- The above financial results have been approved by the Board of Directors at its meeting held on 19th January, 2018. The results for the quarter and nine months ended 31st December, 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.
- 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.

3. 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:

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-17 (Unaudited)	30-Sep-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Dec-17 (Unaudited)	31-Dec-16 (Unaudited)	31-Mar-17 (Audited)
Provision towards advances / Others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures)	169.78	205.48	136.95	568.10	445.58	697.50
Provision / (write back of provisions) towards investments (net)	42.99	11.05	55.15	64.94	123.79	139.24
Total provisions (other than Tax) and contingencies	212.77	216.53	192.10	633.04	569.37	836.74

4. During the quarter, the Bank has granted 16,800 options under employee stock option scheme. Stock options aggregating to 699,478 were exercised during the quarter and 10,716,219 stock options were outstanding with employees of the Bank and its subsidiaries as at 31st December, 2017.
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. There has been no change to significant accounting policies during the quarter and nine months ended 31st December, 2017.
7. 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, 19th January, 2018

Dipak Gupta
 Joint Managing Director