

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 ENDED 30th JUNE, 2018

₹ crore

Sr No	Particulars	Quarter Ended			Year Ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
1	Interest earned (a+b+c+d)	6,903.37	6,732.37	5,935.15	25,131.08
	(a) Interest/discount on advances/bills	5,113.13	4,881.43	4,335.06	18,380.86
	(b) Income on investments	1,503.92	1,461.09	1,212.88	5,258.25
	(c) Interest on balances with RBI & other interbank funds	166.56	246.80	260.75	966.80
	(d) Others	119.76	143.05	126.46	525.17
2	Other income (a+b+c)	3,000.19	4,141.75	2,669.41	13,592.59
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	48.94	(462.64)	354.83	685.20
	(b) Premium on Insurance Business	1,201.51	2,800.37	977.05	6,667.08
	(c) Other income (Refer Notes 3, 4 & 5)	1,749.74	1,804.02	1,337.53	6,240.31
3	Total income (1+2)	9,903.56	10,874.12	8,604.56	38,723.67
4	Interest expended	3,498.65	3,343.81	2,930.64	12,466.85
5	Operating expenses (a+b+c)	3,590.01	4,646.81	3,441.44	16,073.85
	(a) Employees cost	1,103.53	1,205.08	1,025.52	4,380.90
	(b) Policy holders' reserves, surrender expense and claims	1,106.42	2,003.93	1,223.64	6,533.17
	(c) Other operating expenses (Refer Note 4 and 6)	1,380.06	1,437.80	1,192.28	5,159.78
6	Total expenditure (4+5) (excluding provisions and contingencies)	7,088.66	7,990.62	6,372.08	28,540.70
7	Operating Profit (3-6) (Profit before provisions and contingencies)	2,814.90	2,883.50	2,232.48	10,182.97
8	Provisions (other than tax) and contingencies (Refer Note 7)	498.98	313.37	232.22	1,024.74
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	2,315.92	2,570.13	2,000.26	9,158.23
11	Tax expense	771.35	840.09	663.75	3,011.09
12	Net Profit from ordinary activities after tax before Minority Interest (10-11)	1,544.57	1,730.04	1,336.51	6,147.14
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit from ordinary activities after tax before Minority Interest (12 -13)	1,544.57	1,730.04	1,336.51	6,147.14
15	Less: Share of Minority Interest	-	0.03	26.70	56.67
16	Add: Share in profit of associates	29.91	59.23	37.01	110.50
17	Profit after tax (14-15+16)	1,574.48	1,789.24	1,346.82	6,200.97
18	Paid up equity share capital - (Face value of ₹ 5 per share)	953.07	952.82	951.75	952.82
19	Group Reserves (excluding Minority Interest and revaluation reserves)				49,533.24
20	Minority Interest				-
21	Analytical Ratios				
	(i) Capital adequacy ratio – Basel III (standalone)	17.76	18.22	19.21	18.22
	(ii) Earnings per share				

₹ crore

Sr No	Particulars	Quarter Ended			Year Ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
	- Basic (not annualised) ₹	8.26	9.39	7.20	32.70
	- Diluted (not annualised) ₹	8.25	9.38	7.19	32.66
	(iii) NPA Ratios (unaudited)				
	(a) Gross NPA	4,163.65	4,071.04	3,973.74	4,071.04
	(b) Net NPA	1,637.24	1,768.60	1,881.47	1,768.60
	(c) % of Gross NPA to Gross Advances	1.93	1.95	2.24	1.95
	(d) % of Net NPA to Net Advances	0.77	0.86	1.07	0.86
	(iv) Return on average Assets (not annualised) (unaudited)	0.46	0.54	0.48	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 Statement" specified under section 133 and relevant provision 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 19th July, 2018. The consolidated results for the quarter ended 30th June, 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			Year Ended
	30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
Commission, fees, exchange, brokerage and others	1,585.29	1,640.83	1,210.31	5,692.79
Profit on sale of investments (other than insurance business)	164.45	163.19	127.22	547.52
Total – Other income	1,749.74	1,804.02	1,337.53	6,240.31

- Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 17.28 crore for the quarter ended 30th June, 2018 (for the quarter ended 31st March, 2018 ₹ 19.54 crore, quarter ended 30th June, 2017 ₹ 20.33 crore, for the year ended 31st March, 2018 ₹ 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.

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

₹ crore

Particulars	Quarter Ended			Year Ended
	30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
Brokerage	128.47	213.61	131.28	664.23
Depreciation	108.82	100.40	93.62	383.43
Rent, taxes and lighting	168.37	170.51	161.37	647.57
Others	974.40	953.28	806.01	3,464.55
Total – Other operating expenses	1,380.06	1,437.80	1,192.28	5,159.78

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			Year Ended
	30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (net)	272.49	182.69	221.90	815.85
Provision / (Write back of provisions) towards investments (net)	226.49	130.68	10.32	208.89
Total – provisions (other than tax) and contingencies	498.98	313.37	232.22	1,024.74

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: <http://ir.kotak.com/financials/regulatory-disclosure-section>. 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 30th June 2018 amounting to ₹ 403.47 crores (quarter ended 30th June 2017 amounting to ₹ 564.09 crores, for the quarter and year ended 31st March, 2018 amounting to ₹ 1,019.95 crore and ₹ 3,593.36 crore respectively) has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".
10. The figures for quarter ended 31st March, 2018 are the balancing figures between audited financial year ended 31st March, 2018 and the unaudited published figures for nine months ended 31st December, 2017.
11. There has been no change in any significant accounting policies during the quarter ended 30th June, 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, 19th July, 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 ENDED 30th JUNE, 2018

₹ crore

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
1	Interest earned (a+b+c+d)	5,479.70	5,323.37	4,655.78	19,748.49
	(a) Interest/discount on advances/ bills	4,168.18	3,924.45	3,478.15	14,727.95
	(b) Income on investments	1,141.88	1,113.03	885.79	3,933.00
	(c) Interest on balances with RBI & other interbank funds	92.48	183.70	215.27	755.29
	(d) Others	77.16	102.19	76.57	332.25
2	Other income (Refer Note 2)	1,164.59	1,151.63	906.88	4,052.21
3	Total income (1+2)	6,644.29	6,475.00	5,562.66	23,800.70
4	Interest expended	2,896.80	2,743.62	2,410.23	10,216.81
5	Operating expenses (a+b)	1,714.96	1,713.43	1,557.07	6,425.72
	(a) Employee cost	720.42	766.44	706.16	2,929.77
	(b) Other operating expenses	994.54	946.99	850.91	3,495.95
6	Total expenditure (4+5) (excluding provisions & contingencies)	4,611.76	4,457.05	3,967.30	16,642.53
7	Operating profit (3-6) (Profit before provisions and contingencies)	2,032.53	2,017.95	1,595.36	7,158.17
8	Provisions (other than tax) and contingencies (Refer Note 3)	469.63	306.91	203.74	939.95
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	1,562.90	1,711.04	1,391.62	6,218.22
11	Tax expense	537.96	586.99	478.89	2,133.92
12	Net Profit from ordinary activities after tax (10-11)	1,024.94	1,124.05	912.73	4,084.30
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit (12-13)	1,024.94	1,124.05	912.73	4,084.30
15	Paid up equity share capital - (of Face Value ₹ 5 per share)	953.07	952.82	951.75	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	17.76	18.22	19.21	18.22
	(iii) Earnings per share				
	- Basic (not annualised) ₹	5.38	5.90	4.88	21.54
	- Diluted (not annualised) ₹	5.37	5.89	4.87	21.51
	(iv) NPA Ratios				
	a) Gross NPA	3,899.45	3,825.38	3,726.62	3,825.38
	b) Net NPA	1,527.14	1,665.05	1,777.93	1,665.05
	c) % of Gross NPA to Gross Advances	2.17	2.22	2.58	2.22
	d) % of Net NPA to Net Advances	0.86	0.98	1.25	0.98
	(v) Return on Assets (average) - not annualised	0.39	0.43	0.42	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			Year ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
1	Segment Revenue				
	a. Corporate/ Wholesale Banking	2,480.70	2,425.15	2,143.79	9,061.32
	b. Retail Banking	3,230.18	3,068.90	2,713.00	11,437.61
	c. Treasury, BMU and Corporate Centre	1,537.10	1,568.66	1,330.64	5,730.26
	Sub-total	7,247.98	7,062.71	6,187.43	26,229.19
	Less: Inter-segmental revenue	603.69	587.71	624.77	2,428.49
	Total	6,644.29	6,475.00	5,562.66	23,800.70
2	Segment Results				
	a. Corporate/ Wholesale Banking	644.55	783.58	732.03	2,984.45
	b. Retail Banking	543.38	499.65	278.53	1,510.71
	c. Treasury, BMU and Corporate Centre	374.97	427.81	381.06	1,723.06
	Total Profit Before Tax	1,562.90	1,711.04	1,391.62	6,218.22
3	Segment Assets				
	a. Corporate / Wholesale Banking	106,521.93	100,506.20	85,414.24	100,506.20
	b. Retail Banking	149,694.33	143,303.89	126,263.71	143,303.89
	c. Treasury, BMU and Corporate Centre	89,426.05	91,500.50	82,207.04	91,500.50
	d. Other Banking business	-	-	-	-
	Sub-total	345,642.31	335,310.59	293,884.99	335,310.59
	Less : Inter-segmental Assets	74,375.99	70,571.48	67,752.96	70,571.48
	Total	271,266.32	264,739.11	226,132.03	264,739.11
	Add : Unallocated Assets	222.97	194.28	253.18	194.28
	Total Assets as per Balance Sheet	271,489.29	264,933.39	226,385.21	264,933.39
4	Segment Liabilities				
	a. Corporate / Wholesale Banking	96,539.31	88,984.44	76,146.83	88,984.44
	b. Retail Banking	137,549.28	132,725.09	116,917.08	132,725.09
	c. Treasury, BMU and Corporate Centre	73,024.67	76,300.61	66,552.22	76,300.61
	d. Other Banking business	-	-	-	-
	Sub-total	307,113.26	298,010.14	259,616.13	298,010.14
	Less : Inter-segmental Liabilities	74,375.99	70,571.48	67,752.96	70,571.48
	Total	232,737.27	227,438.66	191,863.17	227,438.66
	Add : Unallocated liabilities	213.70	13.08	204.06	13.08
	Add : Share Capital & Reserves & surplus	38,538.32	37,481.65	34,317.98	37,481.65
	Total Liabilities as per Balance Sheet	271,489.29	264,933.39	226,385.21	264,933.39

NOTES:

- The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 19th July, 2018. The results for the quarter ended 30th June, 2018 were 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.

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			Year ended
	30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
Provision towards advances / Others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures)	260.04	174.94	192.83	743.04
Provision / (write back of provisions) towards investments (net)	209.59	131.97	10.91	196.91
Total provisions (other than Tax) and contingencies	469.63	306.91	203.74	939.95

4. During the quarter, the Bank has granted 4,074,350 options under employee stock option scheme. Stock options aggregating to 483,377 were exercised during the quarter and 12,915,924 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th June, 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. RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated 2nd April, 2018 and DBR.No.BP.BC.113/21.04.048/2017-18 dated 15th June, 2018 grants banks option to spread provisioning for mark to market losses on investments held in AFS and HFT for the quarters ended 31st December, 2017, 31st March, 2018 and 30th June, 2018. The circular states that the provisioning for each of these quarters may be spread equally over up to four quarters, commencing with the quarter in which the loss was incurred. The Bank has recognised the entire net mark-to-market loss on investments in the respective quarters and has not availed of the said option.
7. The figures for quarter ended 31st March, 2018 are the balancing figures between audited financial year ended 31st March, 2018 and the unaudited published figures for nine months ended 31st December, 2017.
8. There has been no change in significant accounting policies during the quarter ended 30th June, 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, 19th July, 2018

Dipak Gupta
Joint Managing Director