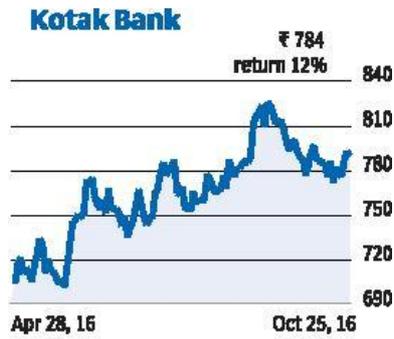


Kotak Bank Q2 net up 43%

Our Bureau



Thanks to robust growth in net interest income, other income

Mumbai, October 25:

Kotak Mahindra Bank reported a robust 43 per cent growth in net profit for the second quarter, on the back of a steady rise in net interest income and sharp rise in other income.

The net profit rose to ₹813 crore from ₹570 crore in the corresponding year-ago quarter. Net interest income (interest earned less interest expended) climbed 19 per cent to ₹1,995 crore.

Other income grew 35 per cent to ₹831 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.

Asset quality

Asset quality remained good with net non-performing assets moving up marginally to 1.20 per cent of assets compared to 1.05 per cent in the corresponding quarter of the previous fiscal.

According to the segmented results, half the pre-tax profits of the bank came from corporate/wholesale banking, a fifth from retail, and treasury contributing to the rest.

The bank's net interest margin was strong at 4.47 per cent, compared with 4.30 per cent in the year-ago period. Loans grew to ₹1.20-lakh crore as against ₹1.11-lakh crore earlier. The bank's CASA ratio (proportion of current and savings account to total deposits) rose to 39 per cent or about ₹55,041 crore.

(This article was published on October 25, 2016)

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