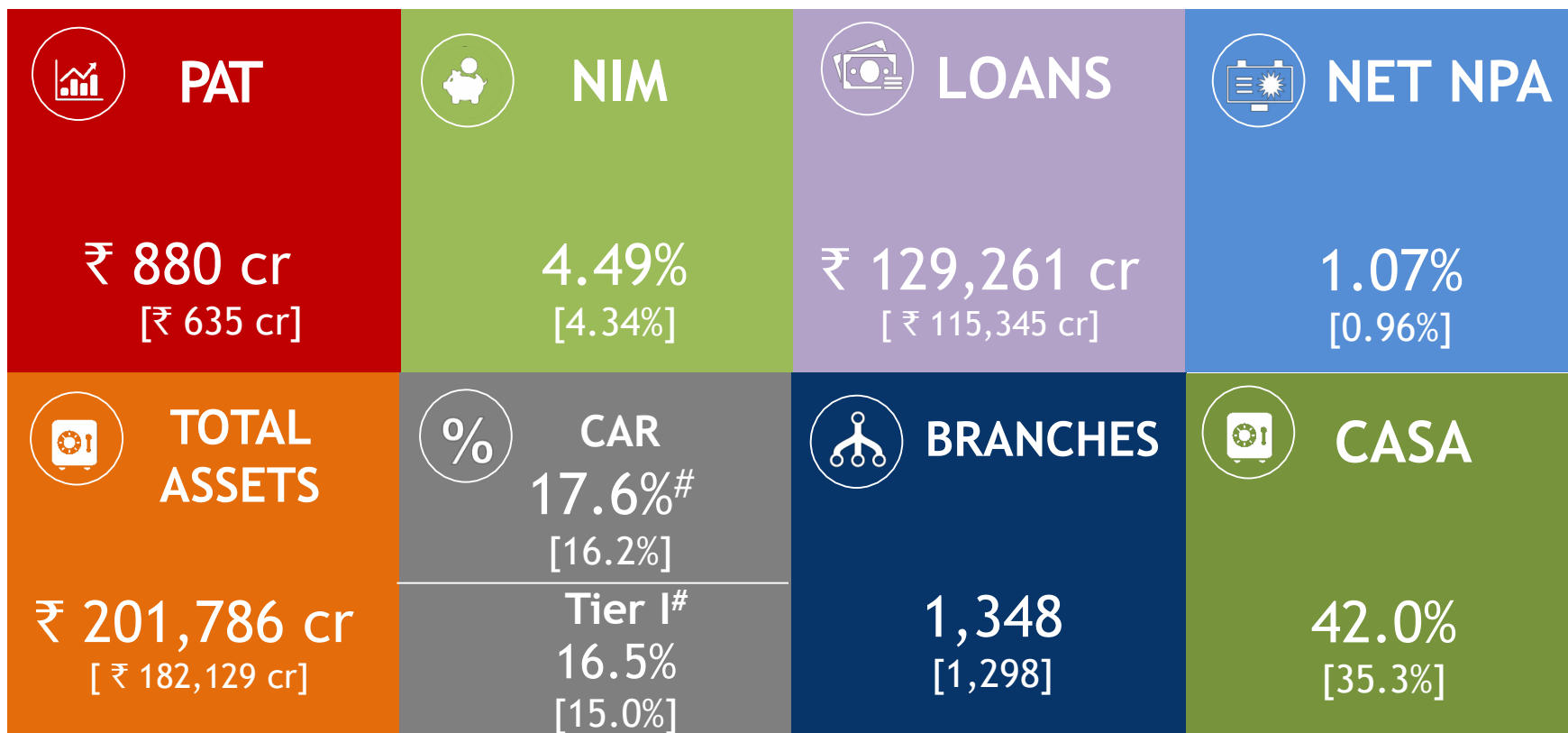


# EARNINGS UPDATE Q3FY17

Presentation on financial results for the period ended December 31, 2016

January 25, 2017

# Standalone Highlights Q3FY17



Figures in [brackets] are Q3FY16 numbers

<sup>#</sup> As per Basel III, including unaudited profits. Excluding profit CAR 16.0%, Tier I 14.9% (CAR 15.2% and Tier I 14.1%)

# Profit and Loss Account

₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
Net Interest Income	2,050	1,766	1,995	6,901
Other Income *	910	722	831	2,612
<b>Net Total Income</b>	<b>2,960</b>	<b>2,488</b>	<b>2,826</b>	<b>9,513</b>
Employee Cost #	697	618	699	2,804
Other Operating Expenses \$	735	665	687	2,668
<b>Operating Expenditure</b>	<b>1,432</b>	<b>1,283</b>	<b>1,386</b>	<b>5,472</b>
<b>Operating Profit</b>	<b>1,528</b>	<b>1,205</b>	<b>1,440</b>	<b>4,041</b>
Provision On Advances / Receivables (net)	137	151	142	781
Provision On Investments**	55	84	56	136
<b>Provision &amp; Contingencies</b>	<b>192</b>	<b>235</b>	<b>198</b>	<b>917</b>
<b>PBT</b>	<b>1,336</b>	<b>970</b>	<b>1,242</b>	<b>3,124</b>
Provision For Tax	456	335	429	1,034
<b>PAT</b>	<b>880</b>	<b>635</b>	<b>813</b>	<b>2,090</b>

\* FY16 includes reversal of income of ₹62 cr on account of a credit event w.r.t. a derivative customer

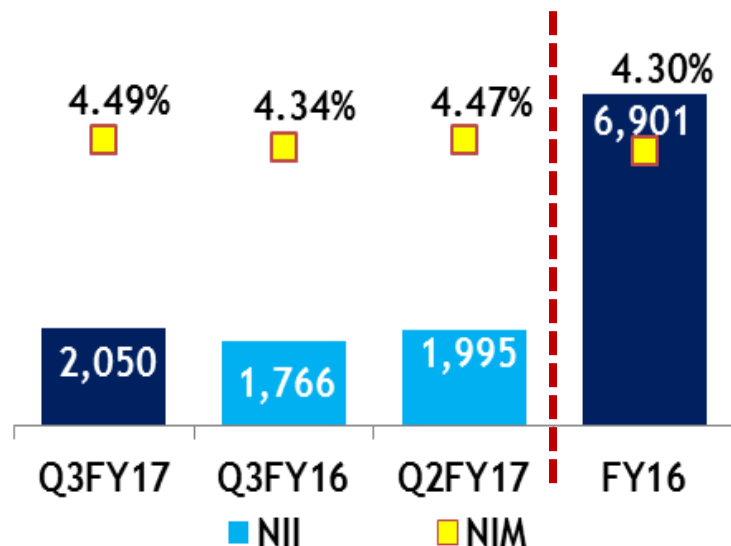
# FY16 includes large one-time retiral benefit expense pertaining to eIVBL

\$ includes merger related expenses of ₹13 cr for Q3FY16 and ₹95 cr for FY16

\*\* Includes provision on security receipts of ₹35 cr for Q3FY17, ₹64 cr for Q3FY16, ₹51 cr for Q2FY17 and ₹85 cr for FY16

# Income and Asset Quality

## NII (₹ cr) and NIM



## Asset Quality

- Restructured loans considered standard ₹ 146 cr
  - 0.11% of net advances (0.12% as on Sep-16)
- SMA2 outstanding - ₹ 242 cr
  - 0.19% of net advances (0.33% as on Sep-16)
- During the quarter
  - No CDR participation
  - No transfer to ARC
  - No conversion to off-balance sheet
  - No 5/25 loans
  - No SDR
  - No rectification of standard asset

Other Income (₹ cr)	Q3FY17	Q3FY16	Q2FY17	FY16
Fee and Services	725	573	630	2,246
Others *	185	149	201	366
<b>Total</b>	<b>910</b>	<b>722</b>	<b>831</b>	<b>2,612</b>

\* FY16 includes reversal of income of ₹62 cr on account of a credit event w.r.t. a derivative customer

# Segment Performance

## Bank Segmental PBT

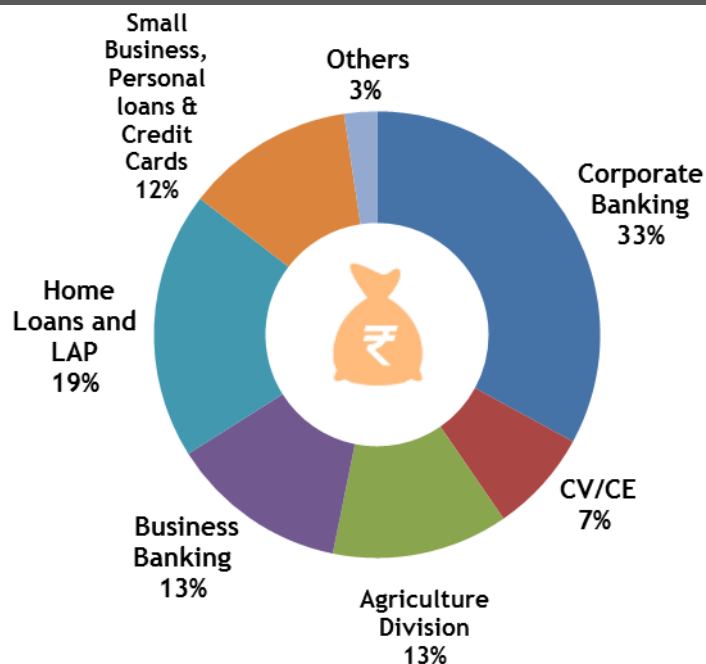
As per RBI (₹ cr)	Q3FY17	Q3FY16	Q2FY17	FY16
Corporate/Wholesale Banking	712	547	621	2,030
Retail Banking	322	318	264	917
Treasury, BMU* & Corporate Centre **	302	105	357	177
<b>Total</b>	<b>1,336</b>	<b>970</b>	<b>1,242</b>	<b>3,124</b>

\* Balance Sheet Management Unit

\*\* Integration costs are part of Treasury, BMU & Corporate Centre

# Advances & Investments

31-Dec-16 (₹ 129,261 cr)



## Advances

₹ cr	31-Dec-16	31-Dec-15	30-Sep-16
Corporate Banking	42,578	34,440	38,737
CV/CE	9,645	6,909	9,167
Agriculture Division	16,519	16,452	17,299
Business Banking	16,628	18,052	17,361
Home Loans and LAP	25,046	22,327	24,437
Small Business, PL & Credit Cards	15,784	14,143	15,865
Others	3,061	3,022	3,149
<b>Total Advances</b>	<b>129,261</b>	<b>115,345</b>	<b>126,015</b>

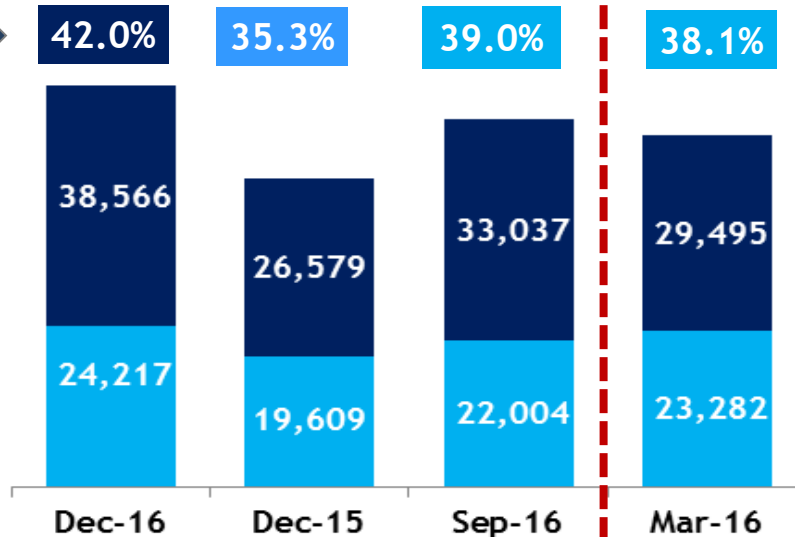
## Advances as per segmental classification

₹ cr	31-Dec-16	31-Dec-15	30-Sep-16
Retail	51,582	48,651	51,387
Corporate	77,679	66,694	74,628
<b>Total Advances</b>	<b>129,261</b>	<b>115,345</b>	<b>126,015</b>
Investments / Treasury Assets	46,550	45,269	48,631
<b>Total Advances and Investments</b>	<b>175,811</b>	<b>160,614</b>	<b>174,646</b>

# Branches & Deposits

## CASA (₹ cr)

### CASA %



■ CA ■ SA

### YoY %

### Avg SA (Qtr)



### Avg CA (Qtr)



## Highlights

- 1,348 branches as on 31<sup>st</sup> Dec, 2016
- Plan to reach 1,400 branches by CY17
- 100+ branches to be relocated/ rationalised in FY17, 24 branches completed in 9MFY17
- CASA and TDs below ₹ 5 cr constitute 76% of total deposits
- TDs below ₹ 1 cr were ₹ 41,135 cr
- TD Sweep deposits 7.3% of the total deposits
- Cost of SA - 5.52%

# Balance Sheet

₹ cr	31-Dec-16	31-Dec-15	30-Sep-16	31-Mar-16
Networth	26,568	23,307	25,611	23,959
Deposits	149,352	130,939	141,045	138,643
CA	24,217	19,609	22,004	23,282
SA	38,566	26,579	33,037	29,495
<i>Term Deposits</i>	86,569	84,751	86,004	85,866
<i>Of which: TD Sweep</i>	10,941	7,556	9,087	6,947
Borrowings	18,160	19,790	19,813	20,975
Other Liabilities and Provisions	7,706	8,093	8,591	8,683
<b>Total Liabilities</b>	<b>201,786</b>	<b>182,129</b>	<b>195,060</b>	<b>192,260</b>

₹ cr	31-Dec-16	31-Dec-15	30-Sep-16	31-Mar-16
Cash, Bank and Call	15,046	9,817	9,344	10,880
Investments	46,550	45,269	48,631	51,260
<i>Government Securities</i>	39,499	39,038	39,810	40,761
<i>Others</i>	7,051	6,231	8,821	10,499
Advances	129,261	115,345	126,015	118,665
Fixed Assets and Other Assets	10,929	11,698	11,070	11,455
<b>Total Assets</b>	<b>201,786</b>	<b>182,129</b>	<b>195,060</b>	<b>192,260</b>



# Geographical Presence



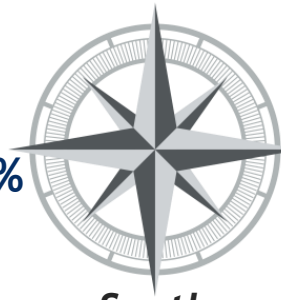
Branches 1,348 [No./%]

North  
395/29%

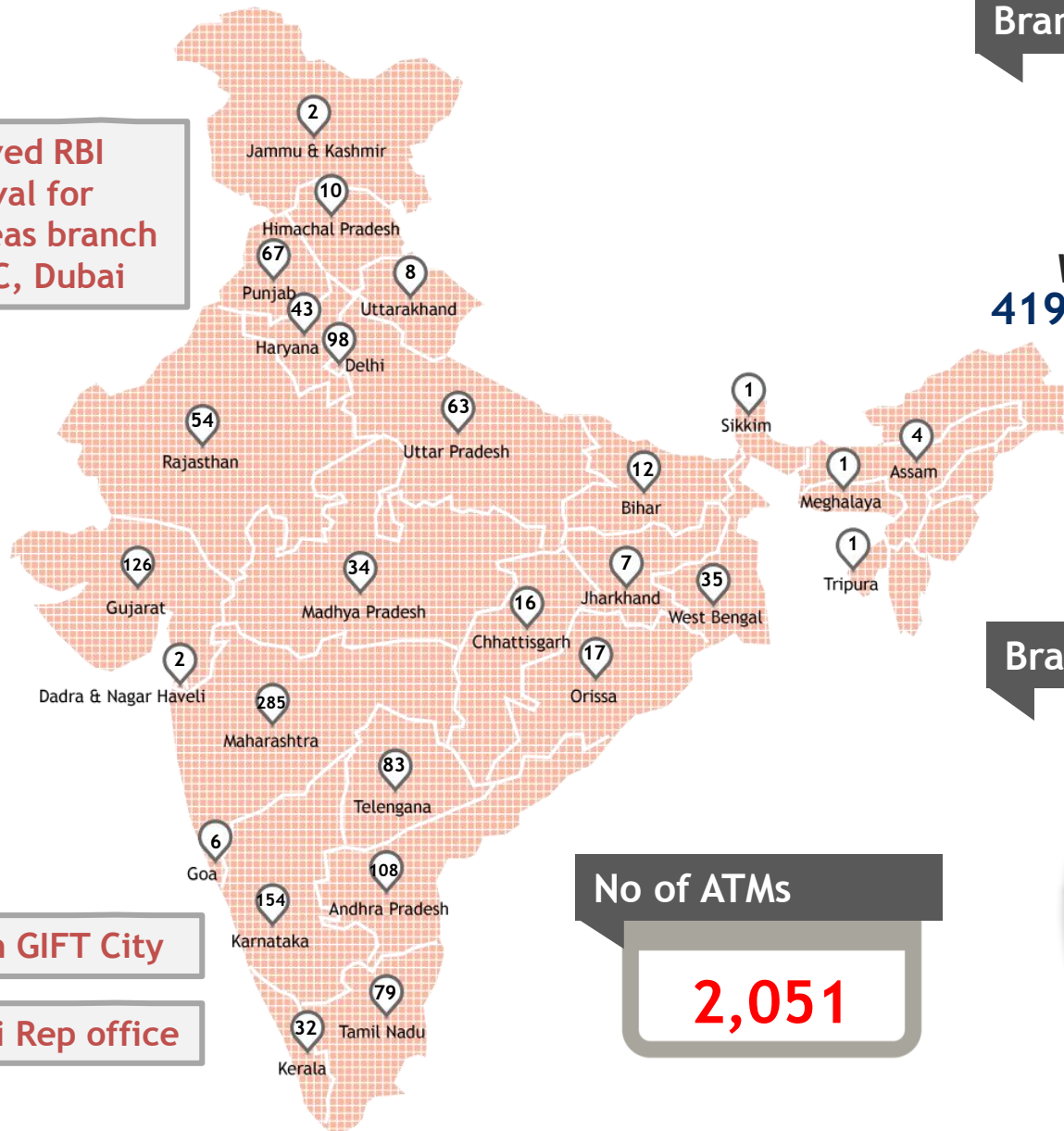
West  
419/31%

East  
78/6%

South  
456/34%



Received RBI  
approval for  
overseas branch  
in DIFC, Dubai



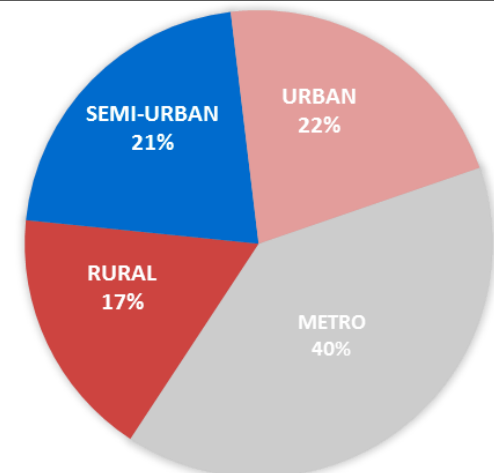
IBU in GIFT City

Dubai Rep office

No of ATMs

2,051

Branch Classification



# The Demonetization Effect - Significant increase in Payment Channels

## Mobile Banking



**108%**  
Growth in  
Mobile First  
Time Login\*

## Net Banking



**52%**  
Growth in  
Net First  
Time Login\*

## Debit Card Customers



**86%**  
Growth in  
Unique  
Active  
Cards

**183%**  
Growth in 90 day  
dormant  
activation cards

No. of  
Transactions  
Growth %

Value  
Growth %

Debit  
Card

188

140

Credit  
Card

48

31

Mobile  
Banking

50

52

Internet  
Banking

29

27

**Cheque Book issuance up 2.8x**

\* Comparison of Daily Avg. Nos. in Dec'16 over Oct'16

# Mobile App - The Best In Class Experience



Highest rated banking app (4.4) in India

Source: Google Play Store

## MOBILE BANKING GROWTH

24%  
Value  
(QoQ)

119%  
Value  
(YoY)

32%  
Volume  
(QoQ)

161%  
Volume  
(YoY)

>55%

Recurring Deposit  
sourced digitally

>60%

Term Deposit sourced  
digitally

15%

Digital Share of  
Salaried Personal  
Loan



49.7 % of Bank  
Active are  
Digitally Active



Mobile Banking  
usage more  
than 3x Net  
Banking



51% of Mobile  
banking  
customers  
bank ONLY on  
Mobile App.



Instant Online In  
Principle Home Loan  
Approval/Eligibility



- Personal Loan in 72  
hours  
- Healthy growth in  
sourcing digitally

Digital contribution in overall sourcing - one of the highest in the Industry

# Lifestyle made easy with Mobile App & Payments



Book your  
Movie  
Tickets



Kaypay -  
Pay  
Through  
UPI

**kaypay**  
Powered by **kotak**



Pay with  
ease to  
600+  
merchant

## Payments highlights (YoY)

Rs.4800  
Cr

Monthly transactions on Mobile crossed  
(Dec'16)

94%

Payment Gateway Transactions  
Value growth

88%

Payment Gateway transactions  
growth

45%

Payment Gateway transactions  
from Mobile

75k

Downloads For Kaypay in 1<sup>st</sup> month  
itself



Pay with BHIM/USSD

## Kotak Securities



Mobile volumes continued to be good & touched a peak of Rs. 8,300 cr during Q3FY17



Brokerage Contribution of Kotak Stock Trader app to overall online business - 17.61 % & to overall K-Sec - 10.12%



E-KYC through AADHAR launched

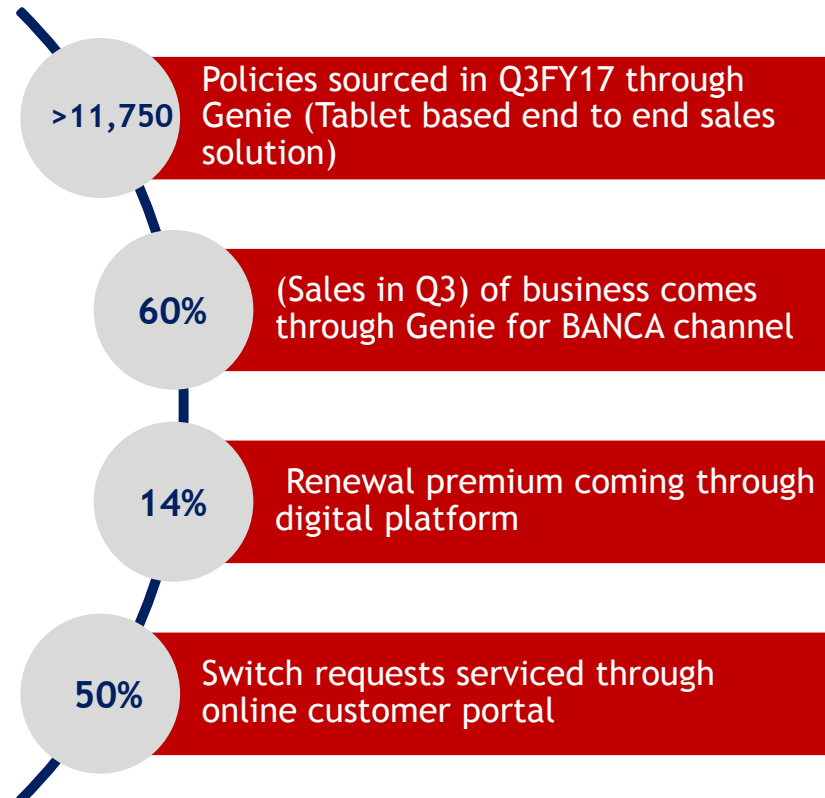


New version of mobile app launched with new features & UI like Trailing Stoploss, Bracket Order, Portfolio Tracker, TradeSmart Trends, Live TV

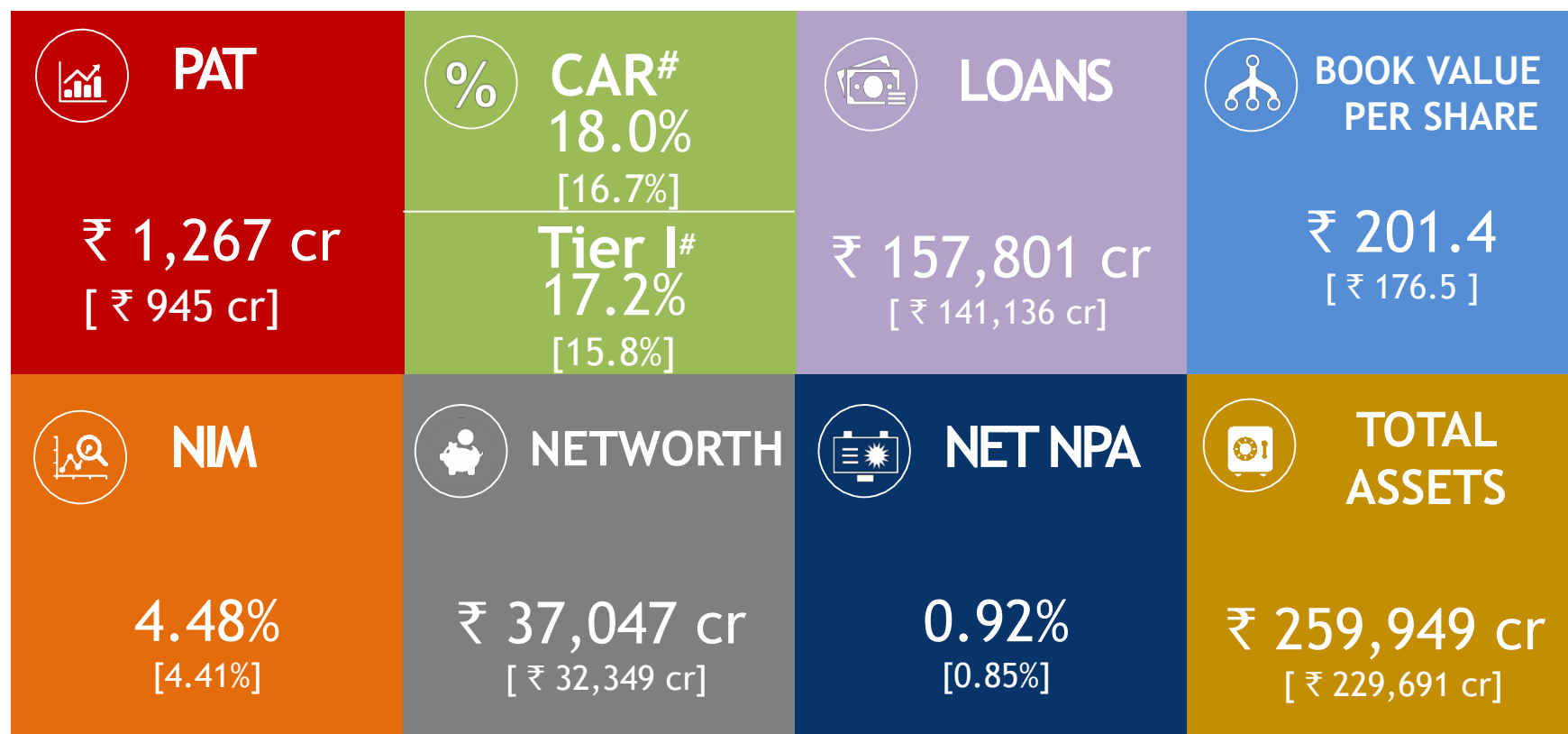


TradeSmart terminal launched for internal closed user group & for customers, before Jan end

## Kotak Life Insurance



# Consolidated Highlights Q3FY17



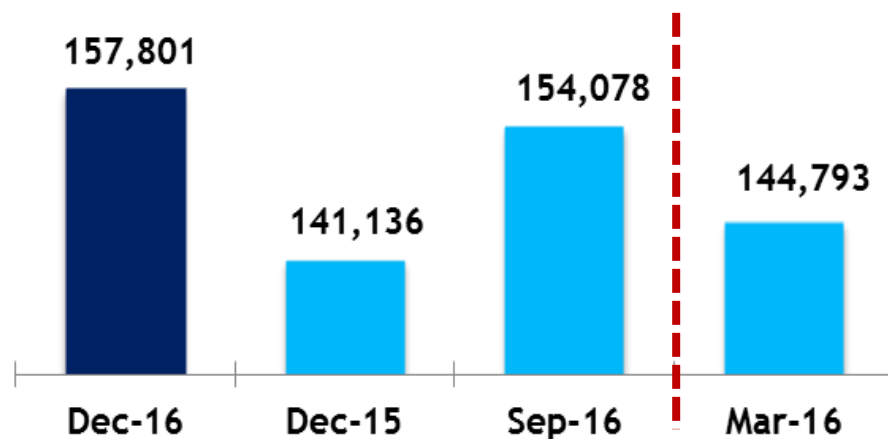
*Figures in [brackets] are Q3FY16 numbers*

# As per Basel III, including unaudited profits. Excluding profit CAR 16.4%, Tier I 15.5% (CAR 15.5% and Tier I 14.6%)

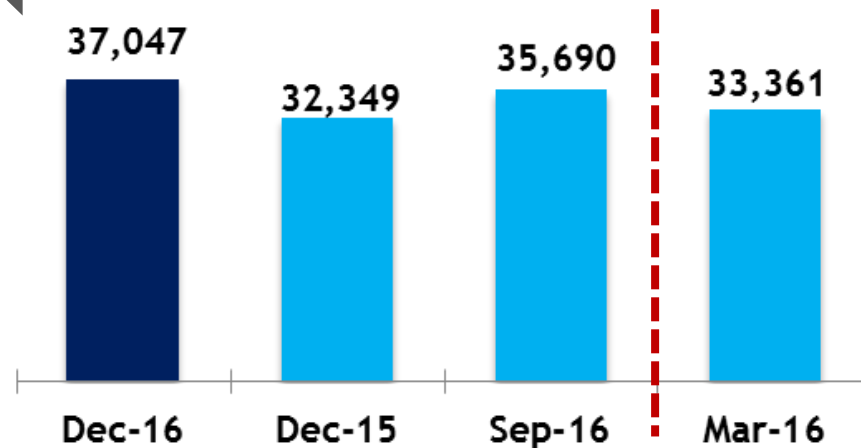
# Consolidated Key Financials



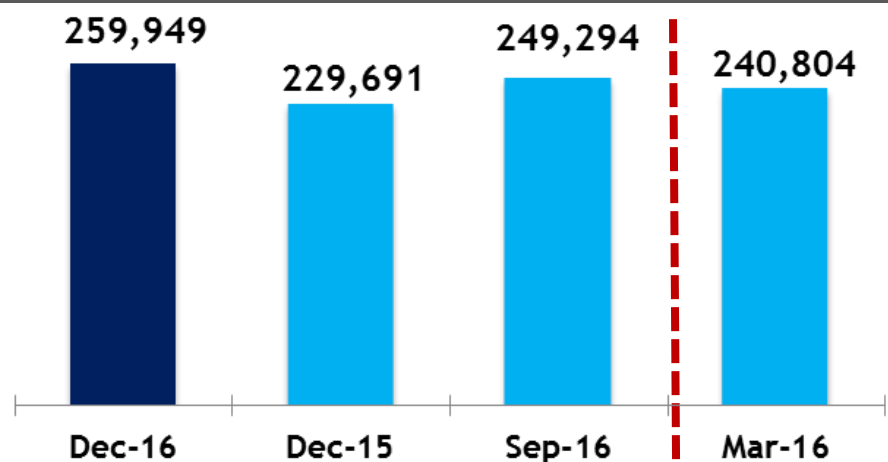
Advances [₹ cr]



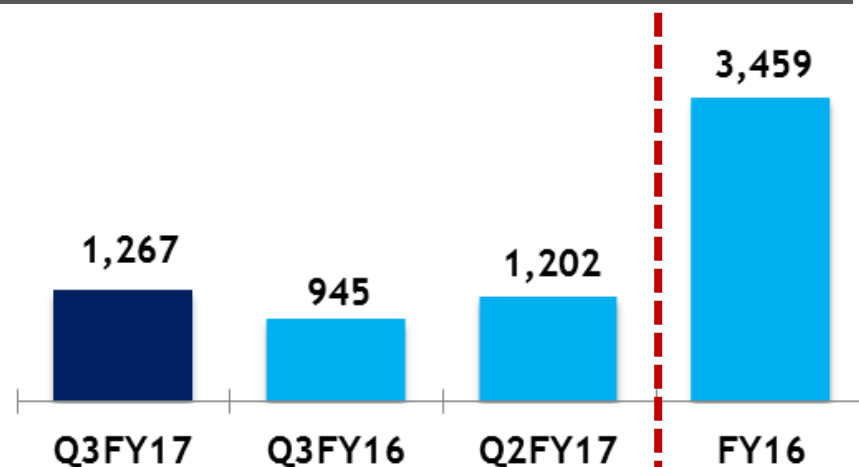
Networth [₹ cr]



Total Assets [₹ cr]



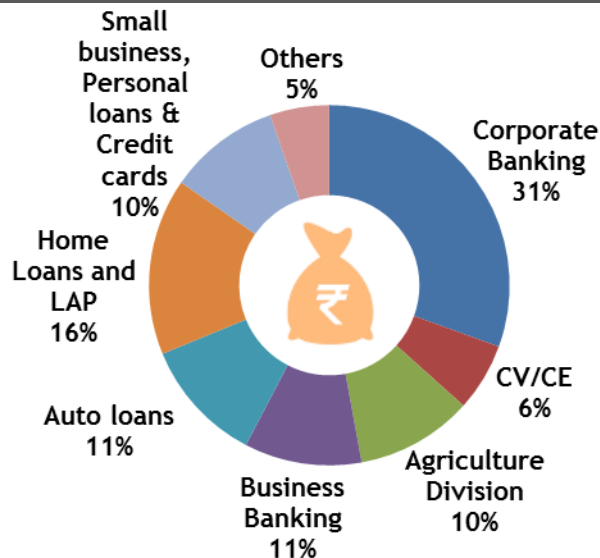
PAT [₹ cr]





# Consolidated Advances & Investments

31-Dec-16 (₹ 157,801 cr)



## Advances & Investments

₹ cr	31-Dec-16	31-Dec-15	30-Sep-16
Corporate Banking	48,186	39,189	44,243
CV/CE	9,645	6,909	9,167
Agriculture Division	16,519	16,452	17,299
Business Banking	16,628	18,052	17,361
Auto loans	17,567	16,410	17,460
Home Loans and LAP	25,046	22,327	24,437
Small Business, PL & Credit Cards	15,797	14,165	15,880
Others	8,413	7,632	8,231
<b>Total Advances</b>	<b>157,801</b>	<b>141,136</b>	<b>154,078</b>
Investments/ Treasury Assets *	53,156	49,496	53,012
<b>Total Advances &amp; Investments</b>	<b>210,957</b>	<b>190,632</b>	<b>207,090</b>

\* Does not include policy holders' investments



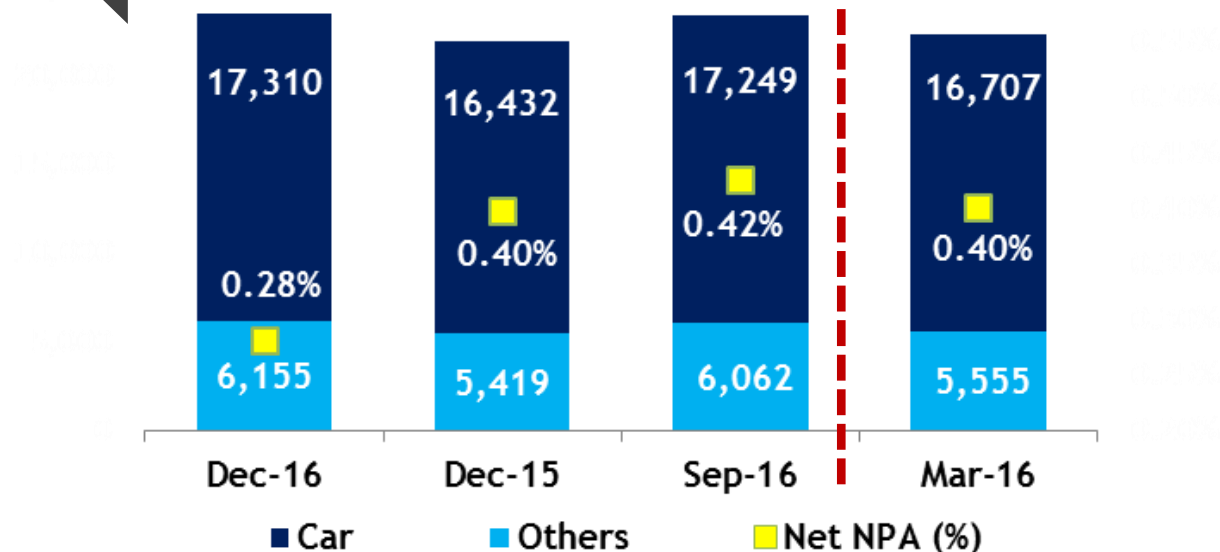
# Consolidated PAT

₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
Kotak Mahindra Bank	880	635	813	2,090
Kotak Mahindra Prime	133	126	130	502
Kotak Mahindra Investments	48	39	53	154
Kotak Mahindra Old Mutual Life Insurance	68	60	63	251
Kotak AMC and TC	16	4	7	72
Kotak Securities	85	55	96	251
Kotak Mahindra Capital	7	6	5	32
International Subsidiaries	22	26	31	105
Others	(9)	(2)	(6)	(4)
<b>Total</b>	<b>1,250</b>	<b>949</b>	<b>1,192</b>	<b>3,453</b>
Minority Interest	(18)	(15)	(16)	(65)
Affiliates and Others	35	11	26	71
<b>Consolidated PAT</b>	<b>1,267</b>	<b>945</b>	<b>1,202</b>	<b>3,459</b>

# Entity wise Network

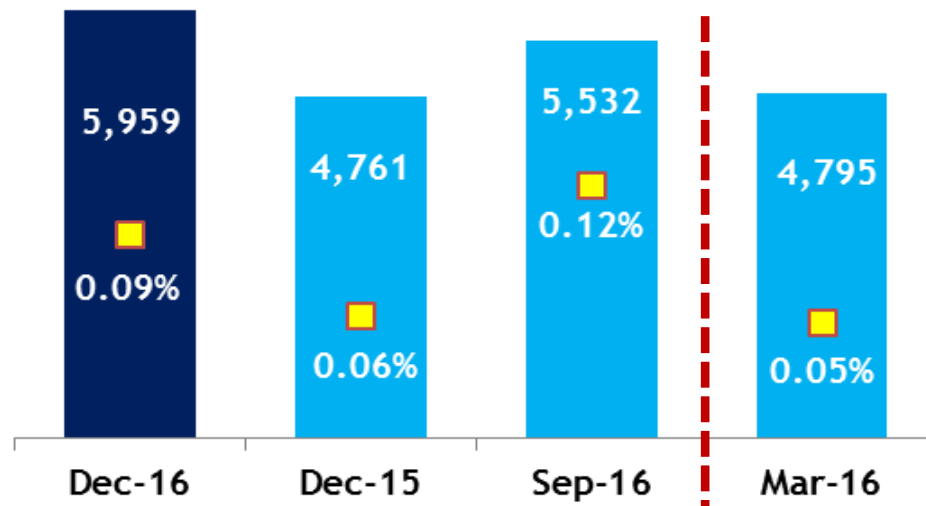
₹ cr	31-Dec-16	31-Dec-15	30-Sep-16	31-Mar-16
Kotak Mahindra Bank	26,568	23,307	25,611	23,959
Kotak Mahindra Prime	4,094	3,721	3,962	3,852
Kotak Mahindra Investments	981	791	933	841
Kotak Mahindra Old Mutual Life Insurance	1,723	1,445	1,656	1,521
Kotak AMC and TC	215	149	199	173
Kotak Securities	2,875	2,583	2,791	2,635
Kotak Mahindra Capital	482	431	475	447
Kotak Mahindra General Insurance	101	131	109	125
International Subsidiaries	705	602	671	624
Kotak Investment Advisors	280	266	283	271
Other Entities	352	47	45	42
<b>Total</b>	<b>38,376</b>	<b>33,473</b>	<b>36,735</b>	<b>34,490</b>
Add: Affiliates	741	660	706	679
Less: Minority, Inter-company and Other Adjustments	(2,070)	(1,784)	(1,751)	(1,808)
<b>Consolidated Network</b>	<b>37,047</b>	<b>32,349</b>	<b>35,690</b>	<b>33,361</b>

## Customer Assets (₹ cr) & NNPA (%)



₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
NII	263	247	247	967
Other Income	47	50	61	210
Total Income	310	297	308	1,177
Profit Before Tax	203	193	198	773
Profit After Tax	133	126	130	502
CAR (%)				18.2
ROA (%) - annualised				2.3

## Customer Assets (₹ cr) & NNPA (%)



■ Customer Assets

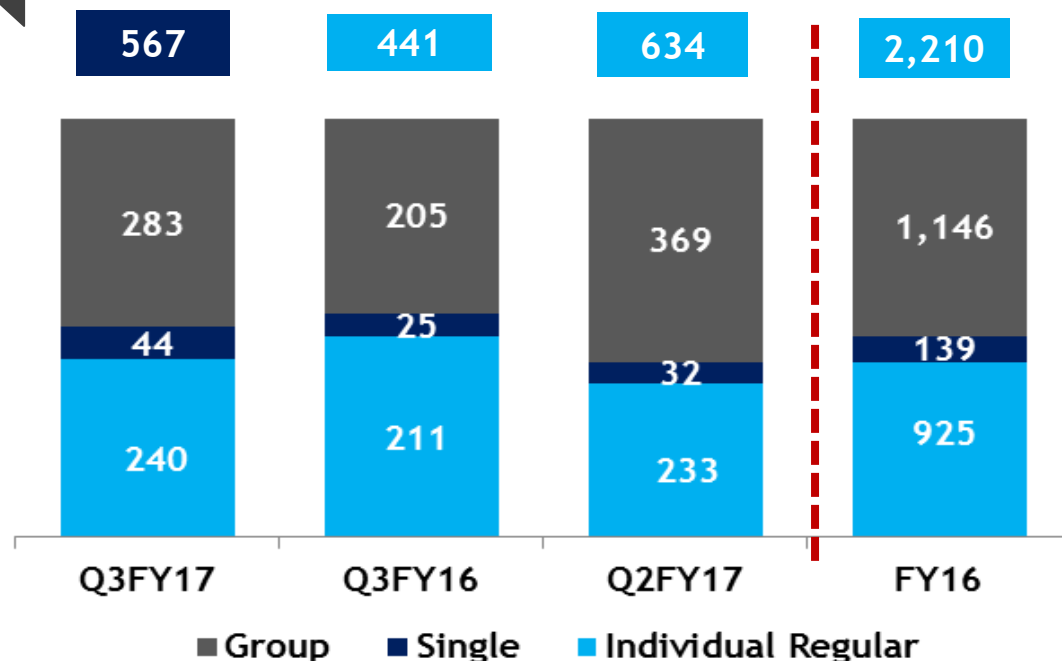
■ Net NPA (%)

₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
NII	74	70	72	251
Other Income	11	3	21	29
Total Income	85	73	93	280
Profit Before Tax	71	60	76	236
Profit After Tax	48	39	53	154
CAR (%)				18.2
ROA (%) - annualised				3.4

# Kotak Mahindra Old Mutual Life Insurance



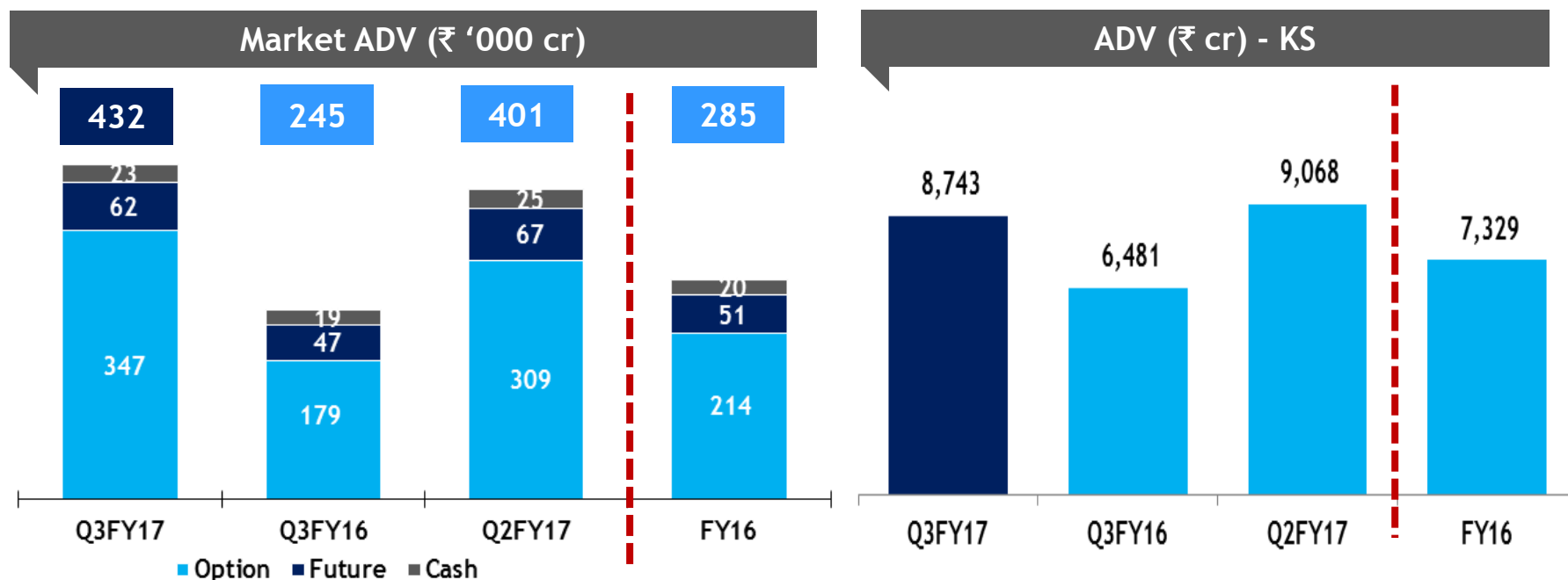
## New Business Premium (₹ cr)



## Highlights

- Sum assured increased by 20% YoY
- Lives covered grew by 37% YoY
- Investment Performance of 100% of Equity Funds in Quartile 1 on one, three and five year basis
- Conservation ratio improved to 84.8%
- Policyholders' AUM increased at a CAGR (Q3FY15-Q3FY17) of ~15%
- Claims settlement ratio at 98.5% (FY16)

₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
Capital	562	562	562	562
Total Premium	1,090	842	1,129	3,972
Profit After Tax	68	60	63	251
Solvency Ratio (%)	3.06	3.20	3.04	3.11



₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
Total Income	287	228	294	975
Profit Before Tax	125	83	144	381
Profit After Tax	85	55	96	251
Market Share * (%) (YTD)	2.2	2.7	2.3	2.6

\*excluding BSE Derivative segment

# Kotak Mahindra Capital Company



## Advisory



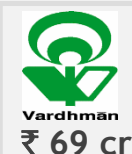
Divestment of 3.9% stake by SBI in SBI Life Insurance Company Limited to KKR and Temasek



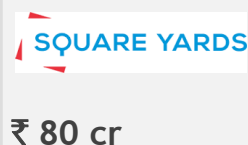
Divestment of 49% stake by Bharat Forge Limited in Alstom Bharat Forge Private Limited to GE



Buyback of equity shares by Hexaware Limited via tender offer route



Buyback of equity shares by Vardhman Acrylics Limited via tender offer route



Equity investment by Reliance Equity Advisors (the PE arm of Reliance ADA Group) in Square DotCom Private Limited (Square Yards)

## Equity



Initial Public Offering (IPO) of PNB Housing Finance Limited



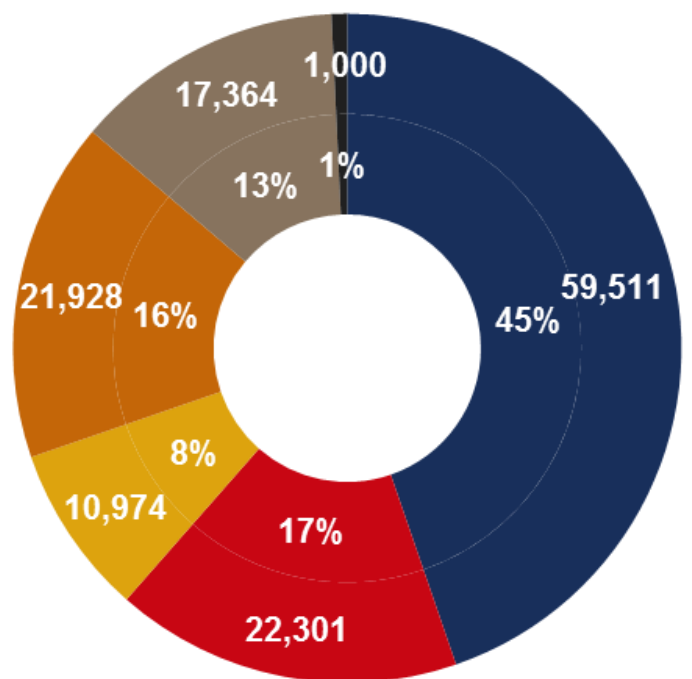
Initial Public Offering (IPO) of Laurus Labs Limited



Initial Public Offering (IPO) of Varun Beverages Limited

₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
Total Income	26	28	25	114
Profit Before Tax	9	8	6	46
Profit After Tax	7	6	5	32

## Dec 31, 2016

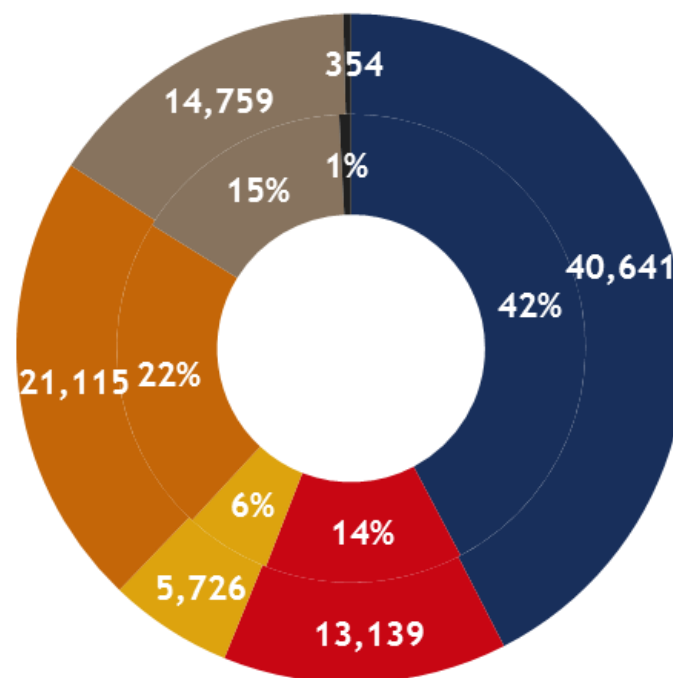


■ Domestic MF Debt
 ■ Domestic MF Equity
 ■ Offshore Funds
 ■ Insurance
 ■ Alternate Asset
 ■ PMS



**AUM ₹ 133,078 cr**

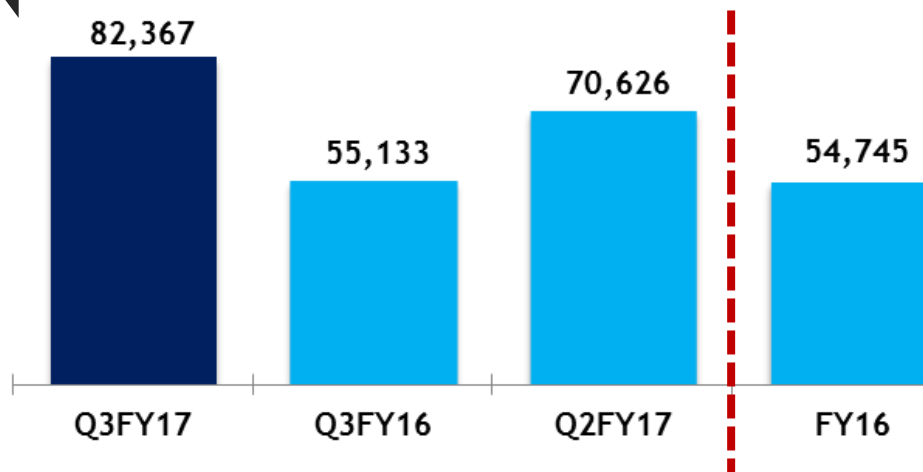
## Dec 31, 2015



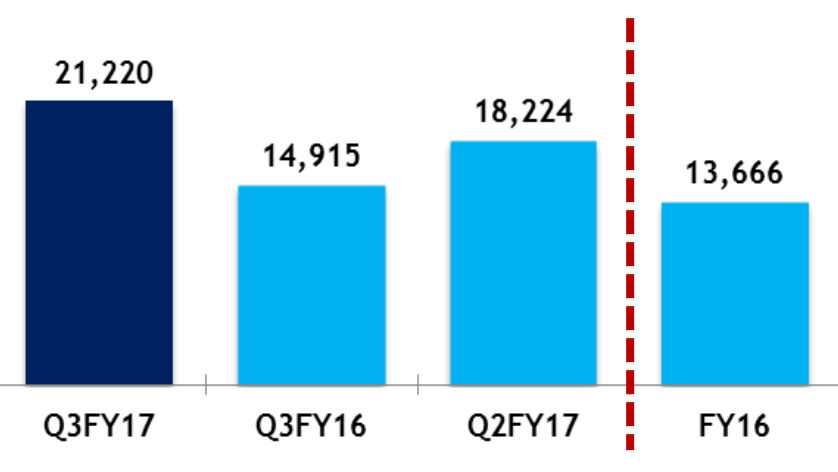
**AUM ₹ 95,735 cr**



Average Assets Under Management (₹cr) - Overall



Average Assets Under Management (₹cr) - Equity



₹ cr	Q3FY17	Q3FY16	Q2FY17	FY16
Profit Before Tax	24	13	11	90
Profit After Tax	16	4	7	72

## Highlights

- Overall AAUM ranking moved to No. 7 in Q3, from No. 8 in Q2
- Overall Market share rose to 4.85% in Q3 from 4.37% in Q2
- PMS AUM grew 56% QoQ

# Bank Awards & Recognition



**Ms. Shanti Ekambaram**  
One of the 50 Most Powerful  
Women in the country  
Fortune India

**Company with Great Managers**  
The Great Managers Award 2016  
by People Business & Tol

**Best Private Bank India**  
FinanceAsia Country Awards  
2016

**Best Private Bank India**  
Global Private Banking Awards  
2016

**Best Private Bank in India**  
Euromoney Awards for  
Excellence, Asia 2015

**Best Retail Growth  
Performance**  
Dun & Bradstreet Awards 2015

**Best Cash Management Bank**  
Asian Banker Transaction  
Banking Awards 2016 (India)

**AsiaMoney Cash Management  
Poll 2016**

- Best Local Cash Management  
Bank in Indian mid-cap  
space

**DataQuest Business  
Technology Award 2015**  
DataQuest Magazine

**Most Future Ready Bank**  
in Business Today-KPMG's  
Best Bank Study 2015

**Best Medium Sized Bank**  
in the Business World  
Best Bank Survey 2014-15

**Finnoviti Award 2016**  
for Bharat Banking App  
Banking Frontier's magazine

**Custody Business adjudged  
Market Outperformer**  
Domestic Market Survey  
2015-16

**VMWare IT Excellence  
Award**

**Dell EMC Transformation  
Award**

BSE recognised Kotak  
Mahindra Bank as  
One of the top 3  
Performers in Primary  
Market Segment (Debt  
Public Issue Bids - Banks)  
(FY15-16)

**Market Outperformer  
Best in Technology**  
Global Custodian India  
Domestic Survey 2015

**Company of the Year 2016**  
The Economic Times Awards  
for Corporate Excellence

**Mr. Uday Kotak**

**Businessman of The Year  
2016 - Business India**

**AIMA - JRD Tata Corporate  
Leadership Award 2015**  
AIMA's 2<sup>nd</sup> National  
Leadership Conclave

**Best Transformational  
Leader Award 2015**  
Asian Centre for Corporate  
Governance & Sustainability  
in 2016

**Business Leader of the year**  
ET Awards 2015

**Entrepreneur of the Year**  
Forbes India Leadership  
Awards 2015

# Awards and Recognition



## The Asset Triple A Country Awards 2016, India

- Best Equity House
- Best IPO, QIP
- Best M&A Deal



## Best Broker in India FinanceAsia Country Awards for Achievement 2015

- ## BSE recognised K-Sec (FY 15-16)
- Top 5 in Equity Retail Segment, Equity Institutional Segment
  - Top 3 in OFS Segment



## Business World Award Excellence in L&D for 2016

## IPO Dealmaker of the Year Businessworld PwC I-Banking Survey 2016

## Best Domestic Equity House Asiamoney - 2016

## SKOCH BSE Aspiring Nation Award 2015

## Securities Advisory Firm of the Year in India Corporate Intl Global Awards - 2016, 2014, 2012

## Best Domestic Investment Bank and Best Domestic Equity House over the last 20 years FinanceAsia Platinum Awards - 20 Years of Excellence

## NSDL Star Performer Awards, 2016 #1 in New Accounts opened (Non-Bank category)

## Institutional Investor's 2016

- #1 in All-India Research Team
- #1 in All-India Sales Team

## Asiamoney Brokers Poll 2015

- #1 in Overall Research for India
- #2 in Execution for India
- #3 for Most Independent Research Brokerage
- India's Best Local Brokerage - 11<sup>th</sup> year in a row



## Best new ETF and ETF Manager of the Year -India ETFI - ETF & Indexing Awards 2016 by Asia Asset Management - Hong Kong

## I - invest (London) in 2016 ETF Awards

- Best Asia - Focused ETF Manager
- Best Open-Ended Gold ETF (Since inception): Kotak Gold ETF

# Disclaimer

This presentation is for information purposes only and does not constitute an offer, solicitation or advertisement with respect to the purchase or sale of any security of Kotak Mahindra Bank Limited (the “Bank”) and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. No offering of securities of the Bank will be made except by means of a statutory offering document containing detailed information about the Bank.

This presentation is not a complete description of the Bank. Certain statements in the presentation contain words or phrases that are forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Any opinion, estimate or projection herein constitutes a judgment as of the date of this presentation, and there can be no assurance that future results or events will be consistent with any such opinion, estimate or projection. The information in this presentation is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the Bank. We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date of this presentation or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

All information contained in this presentation has been prepared solely by the Bank. No information contained herein has been independently verified by anyone else. No representation or warranty (express or implied) of any nature is made nor is any responsibility or liability of any kind accepted with respect to the truthfulness, completeness or accuracy of any information, projection, representation or warranty (expressed or implied) or omissions in this presentation. Neither the Bank nor anyone else accepts any liability whatsoever for any loss, howsoever, arising from any use or reliance on this presentation or its contents or otherwise arising in connection therewith. This presentation may not be used, reproduced, copied, distributed, shared, or disseminated in any other manner.

The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

Figures for the previous period/ year have been regrouped wherever necessary to conform to current period’s / year’s presentation. Totals in some columns/ rows may not agree due to rounding off.

## Contact

Jaimin Bhatt / Nimesh Kampani

Kotak Mahindra Bank Limited

Tel: +91 22 61660000

E-mail: [investor.relations@kotak.com](mailto:investor.relations@kotak.com)