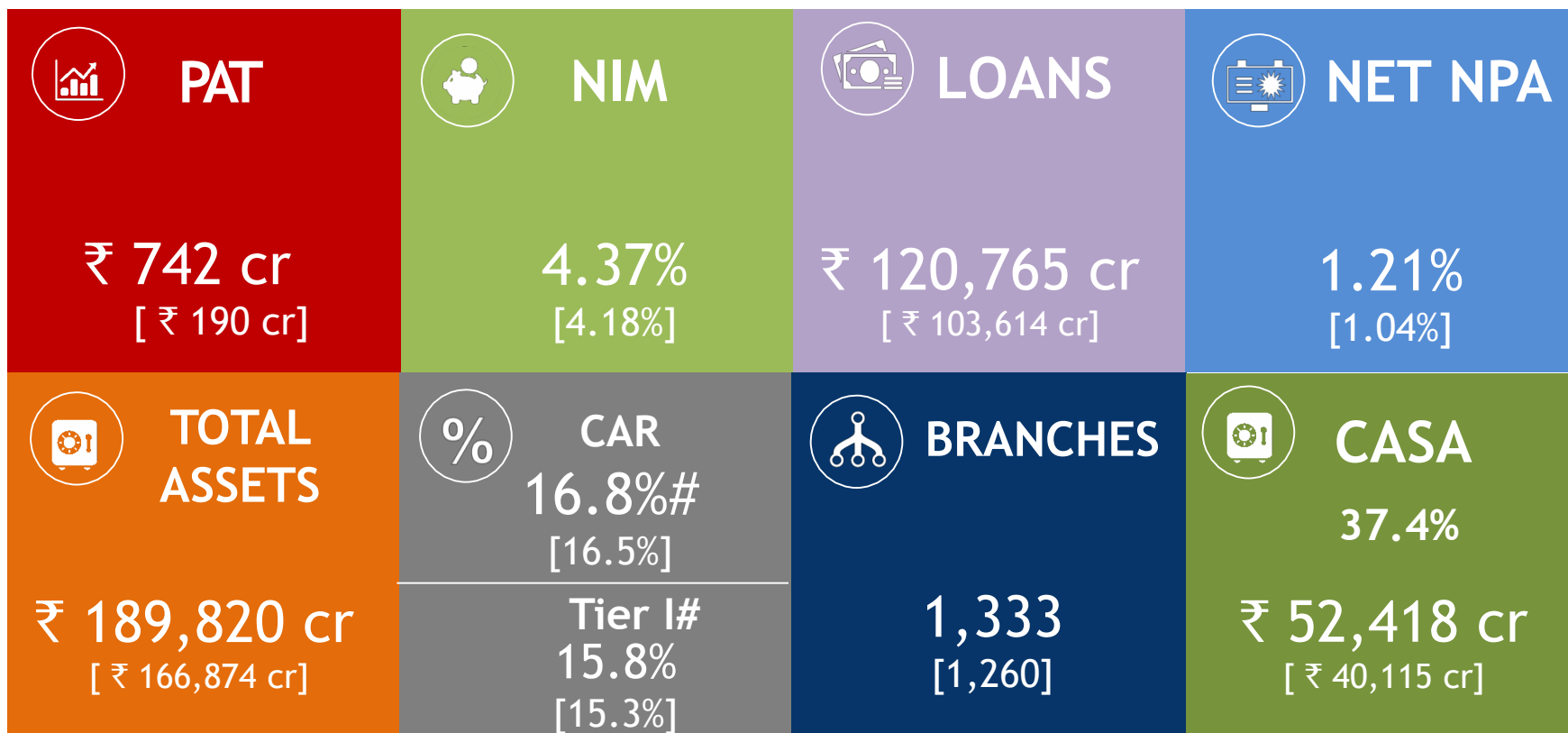


# EARNINGS UPDATE Q1FY17

Presentation on financial results for the quarter ended June 30, 2016

July 21, 2016

# Standalone Highlights Q1FY17



Figures in [brackets] are Q1FY16 numbers

# As per Basel III, including unaudited profits. Excluding profit CAR 16.3%, Tier I 15.3% (CAR 16.4% and Tier I 15.1%)

- Technology integration across all platforms, channels and systems completed as of Jun'16
  - Down-time limited to minimise migration impact
  - Focussed on uniform customer experience across the entire network
- People and Process integration largely completed; 15 months from RBI approval
- Identified combinational synergy levers, on cost and revenue side, have been put into action
- Planned relocation of more than 70 branches primarily in metro cities
- Merged network will help the Bank to leverage business opportunities

# Profit and Loss Account



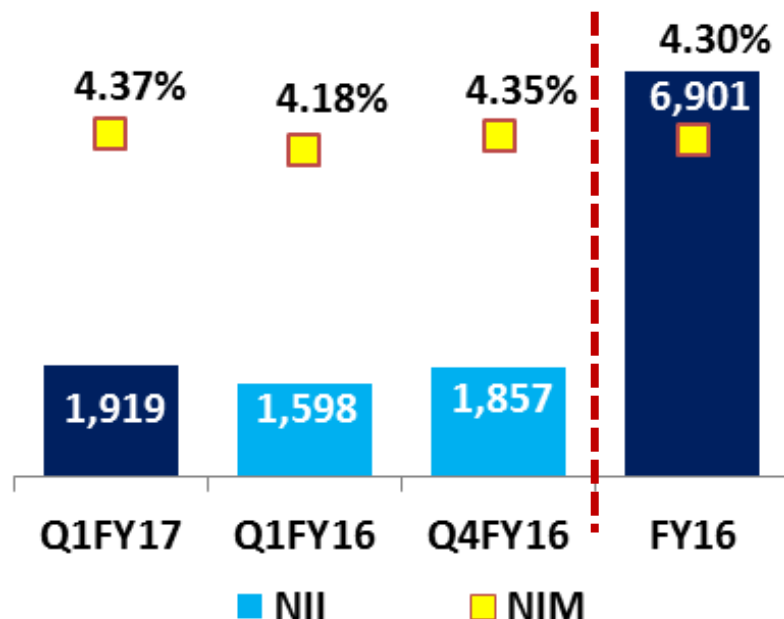
₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
Net Interest Income	1,919	1,598	1,857	6,901
Other Income *	733	593	682	2,612
<b>Net Total Income</b>	<b>2,652</b>	<b>2,191</b>	<b>2,539</b>	<b>9,513</b>
Employee Cost #	667	929	634	2,804
Other Operating Expenses \$	670	665	711	2,668
<b>Operating Expenditure</b>	<b>1,337</b>	<b>1,594</b>	<b>1,345</b>	<b>5,472</b>
<b>Operating Profit</b>	<b>1,315</b>	<b>597</b>	<b>1,194</b>	<b>4,041</b>
Provision On Advances / Receivables (net)	167	269	170	781
Provision On Investments	12	36	30	136
<b>Provision &amp; Contingencies</b>	<b>179</b>	<b>305</b>	<b>200</b>	<b>917</b>
<b>PBT</b>	<b>1,136</b>	<b>292</b>	<b>994</b>	<b>3,124</b>
Provision For Tax	394	102	298	1,034
<b>PAT</b>	<b>742</b>	<b>190</b>	<b>696</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 ₹ 95 cr for FY16

## NII (₹ cr) and NIM



## Asset Quality

- Restructured loans considered standard ₹ 160 cr
  - 0.13% of net advances (0.26% as on Mar-16)
- SMA2 outstanding - ₹ 474 cr
  - 0.39% of net advances (0.13% as on Mar-16)
- During the quarter
  - No CDR participation
  - No transfer to ARC
  - No conversion to off-balance sheet
  - No 5/25 loans
  - No rectification of standard asset

Other Income (₹ cr)	Q1FY17	Q1FY16	Q4FY16	FY16
Fee and Services	564	505	610	2,246
Others *	169	88	72	366
<b>Total</b>	<b>733</b>	<b>593</b>	<b>682</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

## Bank Segmental PBT

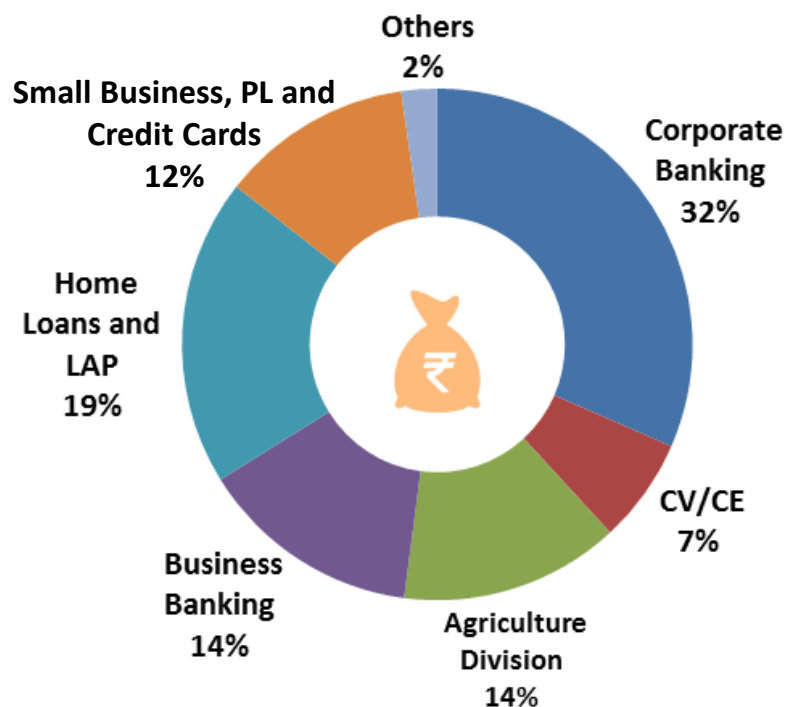
As per RBI (₹ cr)	Q1FY17	Q1FY16	Q4FY16	FY16
Corporate/Wholesale Banking	601	369	585	2,030
Retail Banking	250	12	260	917
Treasury, BMU* & Corporate Centre **	285	(89)	149	177
<b>Total</b>	<b>1,136</b>	<b>292</b>	<b>994</b>	<b>3,124</b>

*\*Balance Sheet Management Unit*

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

# Advances & Investments

30-Jun-16 [₹ 120,765 cr]



## Advances

₹ cr	30-Jun-16	30-Jun-15	31-Mar-16
Corporate Banking	38,067	31,205	34,970
CV/CE	8,005	5,626	7,463
Agriculture Division	16,814	15,268	17,993
Business Banking	16,990	16,522	17,997
Home Loans and LAP	23,479	20,756	23,009
Small Business, PL & Credit Cards	14,684	12,383	14,948
Others	2,726	1,854	2,285
<b>Total Advances</b>	<b>120,765</b>	<b>103,614</b>	<b>118,665</b>

## Advances as per segmental classification

₹ cr	30-Jun-16	30-Jun-15	31-Mar-16
Retail	49,548	45,182	52,583
Corporate	71,217	58,432	66,082
<b>Total Advances</b>	<b>120,765</b>	<b>103,614</b>	<b>118,665</b>
Investments / Treasury Assets	47,545	42,693	51,260
<b>Total Advances and Investments</b>	<b>168,310</b>	<b>146,307</b>	<b>169,925</b>

# Balance Sheet



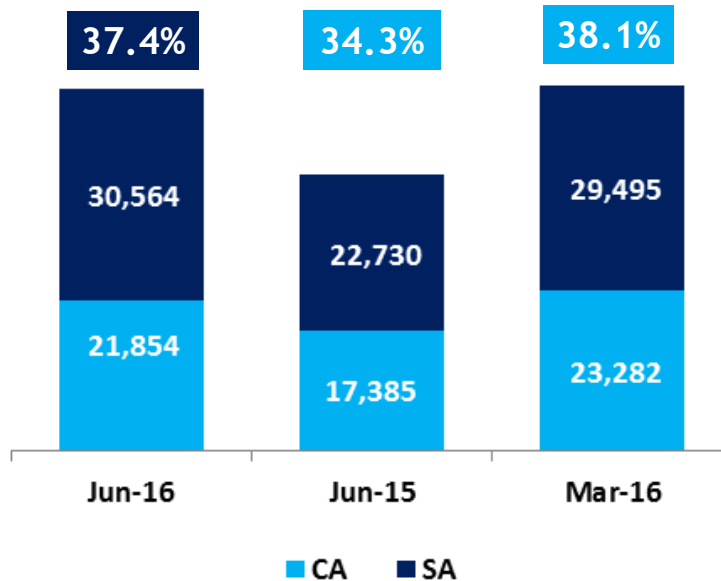
₹ cr	30-Jun-16	30-Jun-15	31-Mar-16
Networth	24,744	21,887	23,959
Deposits	140,028	116,812	138,643
CA	21,854	17,385	23,282
SA	30,564	22,730	29,495
<i>Certificate of Deposit</i>	9,298	11,074	5,639
<i>Term Deposit Others</i>	78,312	65,623	80,227
Borrowings	17,063	21,435	20,975
Other Liabilities and Provisions	7,986	6,740	8,683
<b>Total Liabilities</b>	<b>189,820</b>	<b>166,874</b>	<b>192,260</b>

₹ cr	30-Jun-16	30-Jun-15	31-Mar-16
Cash, Bank and Call	10,527	9,507	10,880
Investments	47,545	42,693	51,260
<i>Government Securities</i>	40,219	35,525	40,761
<i>Others</i>	7,326	7,168	10,499
Advances	120,765	103,614	118,665
Fixed Assets and Other Assets	10,983	11,060	11,455
<b>Total Assets</b>	<b>189,820</b>	<b>166,874</b>	<b>192,260</b>

# Branches & Deposits

## CASA (₹ cr)

### CASA %



### YoY %

### Avg SA (Qtr)

28,523 35% 21,189 26,799

### Avg CA (Qtr)

18,575 32% 14,021 17,899

## Highlights

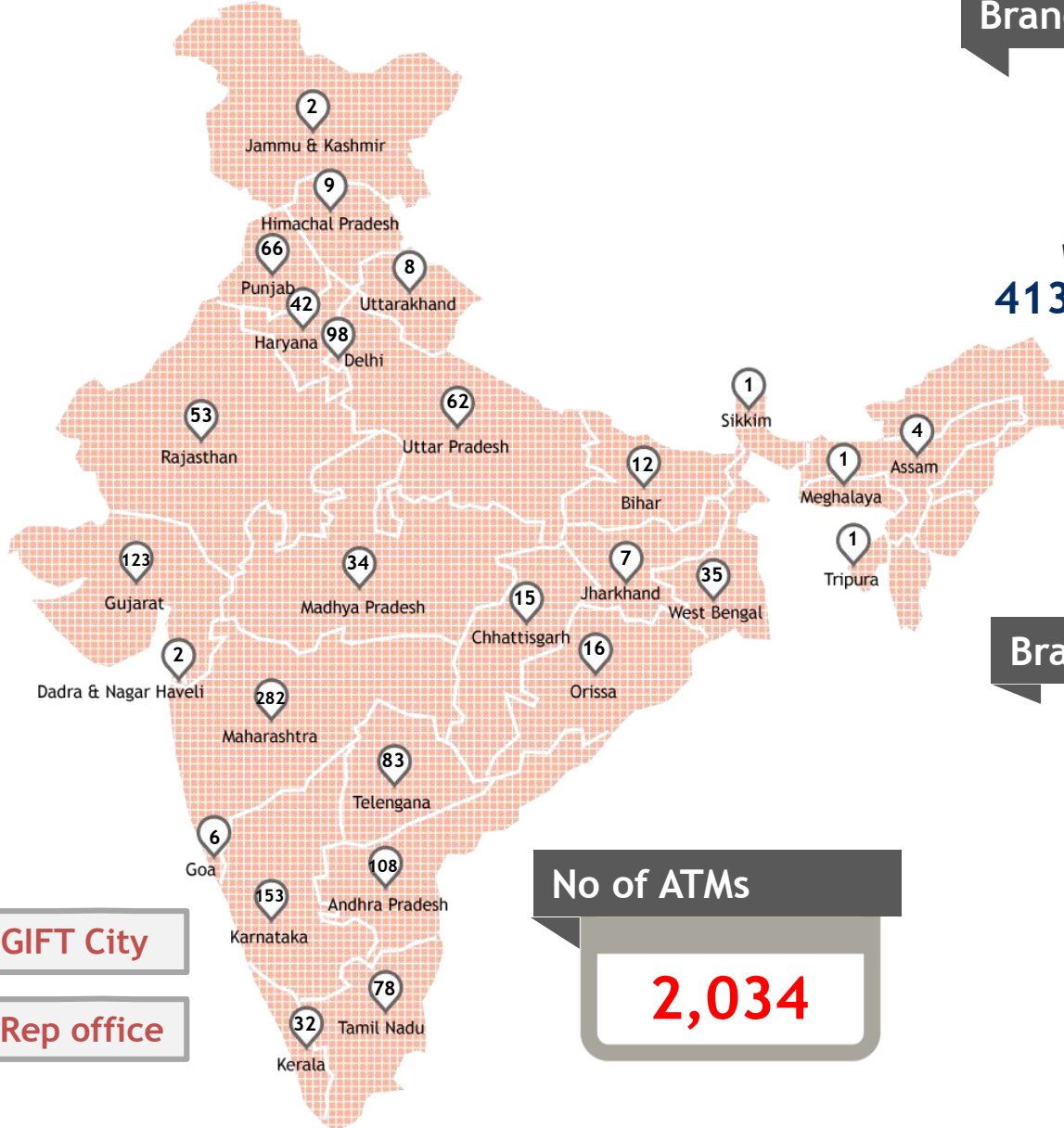
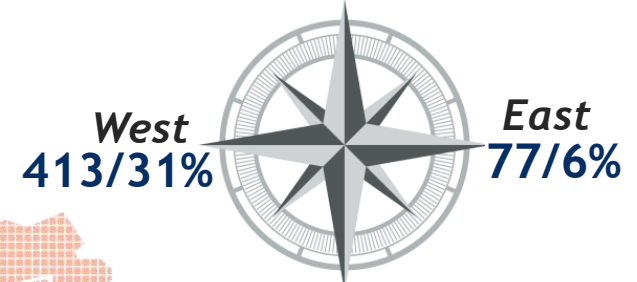
- 1,333 branches as on 30<sup>th</sup> Jun, 2016
- Plan to reach 1,400 branches by CY 2017
- CASA and TDs below ₹ 5 cr constitute 70% of total deposits
- TDs below ₹ 1 cr were ₹ 37,177 cr
- TD Sweep deposits 6.2% of the total deposits
- Cost of SA - 5.51%
- IBU in GIFT city operational

# Geographical Presence



Branches 1,333 [No./%]

**North**  
389/29%



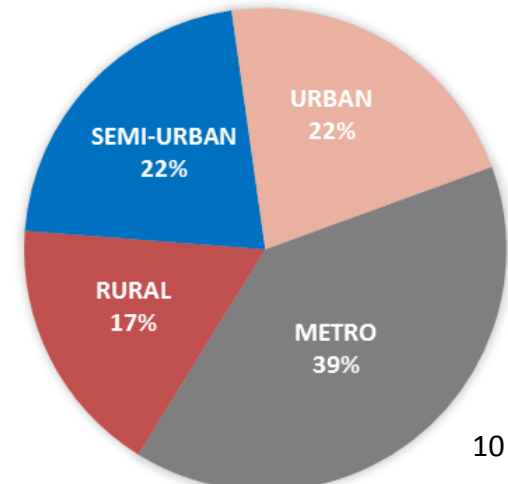
IBU in GIFT City

Dubai Rep office

No of ATMs

**2,034**

Branch Classification



# Being future ready

*A key focus area*

## Delighting the internal and external customers

### Tab Banking



Savings account onboarding process for corporate salary segment

Improve customer experience

Savings A/c Opening TAT reduced significantly

### Instant Pre approved personal Loan



Instant credit & complete paperless process takes < 90 seconds

### Mobile Banking



Mobile Banking Logins have become 2X of Netbanking logins

## Initiatives

### Innovation Lab



Incubation Center for fintech innovation

Design thinking & thought leadership on Innovations

### Acquisition Platforms



NPS Portal & Holiday RD

Bundling of savings account with specialised products

### SME Microsite



SME microsite is now integrated with a Lead management system

# Best in class transaction experience on mobile

*Enhancing our enjoyment with customers*

## Highest rated banking app (4.4) in India

97% of ratings are > 1 (best in category)

Convenience Features added

Integrated with Google Now

special recharge plans, recurring deposit, add beneficiary

Multi CRN enabled on same device

## Ecommerce now integrated in our digital platforms

Launched mStore and eStore on Mobile and Net banking

Focus on Travel categories

Air, Bus and Hotel Bookings offered

Single Click - multifactor Authentication

Fast & Convenient checkout

## Disruptive growth in digital payments

Amongst top 5 banks in mobile transactions  
- Both in volume & value

Mkt share in mobile txns is 5% by value & 4.2% by volume in March 2016 corresponding to 1.4% share of deposits and 1.5% share of advances in India

Mobile responsive payment pages to enhance customer experience

New Password options to Authenticate - MPin & Debit Pin allowed

UPI will be launched by end of this Quarter

## Digital Activity

Monthly transaction on Mobile crossed Rs. 3,000 cr

Share of digital transactions in overall Fund transfer  
~ 60%

Mobile only customer usage showing growing trends  
with ~ 12% customers using Net Banking through  
Mobile

### Mobile Banking Transactions

- Value growth - 153%
- Volume growth - 159%

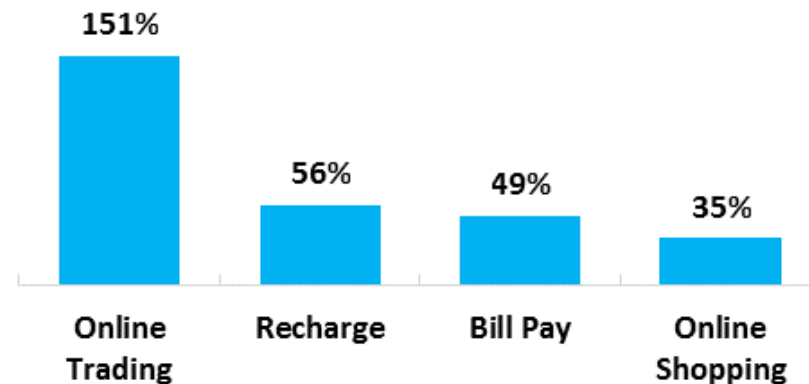
Share of online RD - 63%

- YoY growth of 75%

Share of online TD - 56%

## Digital Payments

Digital Payments YOY growth in absolute  
transaction



### Mobile Payments highlights (YoY)

- Transactions volume growth ~38%
- Transaction Value growth ~68%
- Average transaction size up by 21%

# Digital Update - Subsidiaries



## Kotak Securities

- Mobile transaction volume crossed over ₹ 6,000 cr per month
- No. of trades on mobile app crossed over 4.5 lacs pm
- Brokerage Contribution of Kotak Stock Trader app crossed 10%
- Launch of New version of Keat pro (EXE); Launch of new products
- Social Contact Centre with real-time information flow of FB, Twitter, blog and forum posts
- Instant account opening online through both web and mobile using KRA details

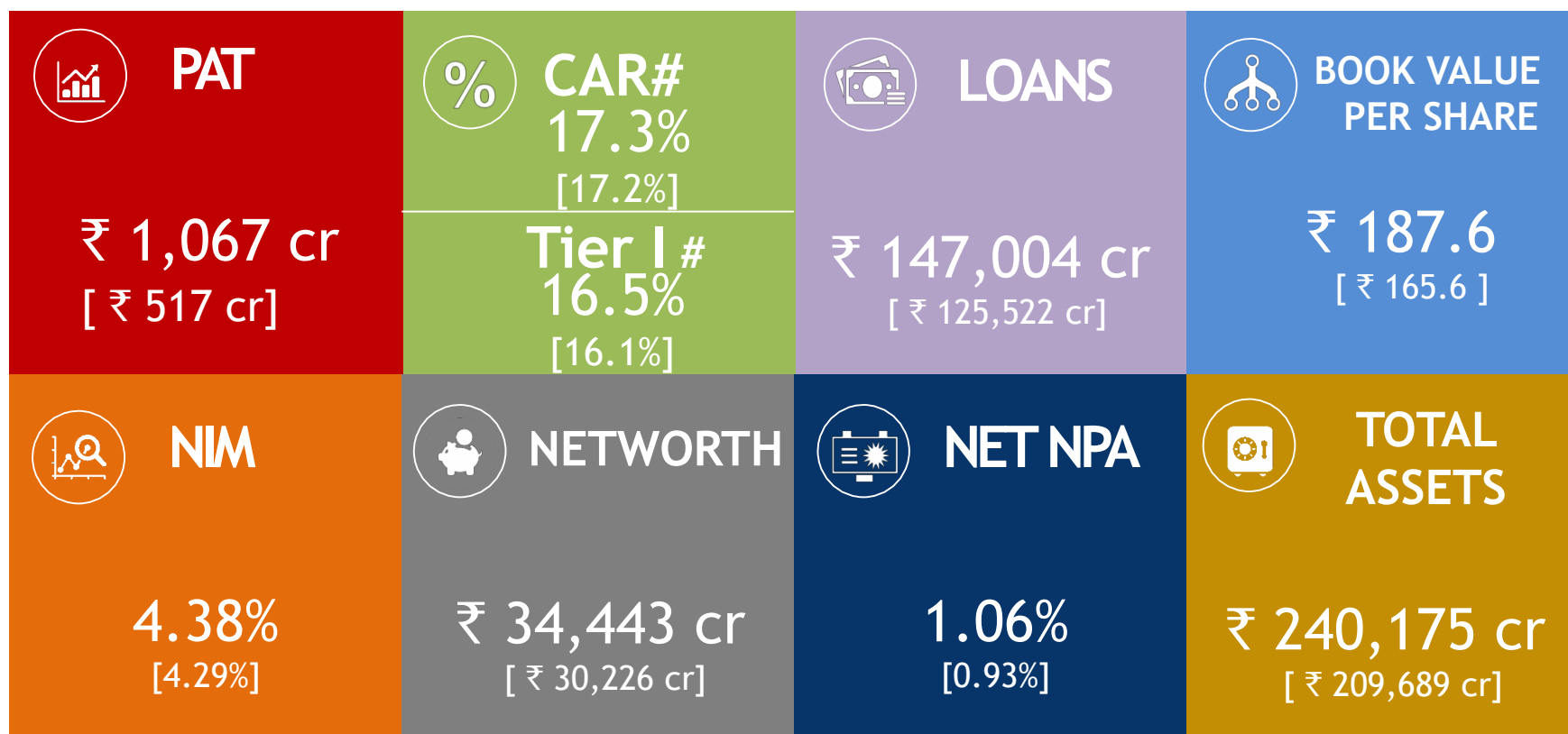


## Kotak Life Insurance

- 35% (Sales in Q1) of business comes through Genie (Tablet based end to end sales solution)
- 15% of renewal premium coming through digital platform
- 49% of switch requests serviced through online customer portal



# Consolidated Highlights Q1FY17



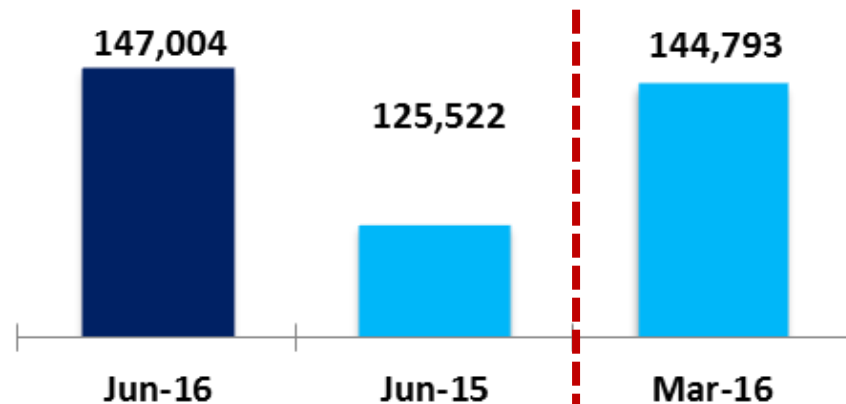
*Figures in [brackets] are Q1FY16 numbers*

# As per Basel III, including unaudited profits. Excluding profit CAR 16.8%, Tier I 16.0% (CAR 16.9% and Tier I 15.8%)

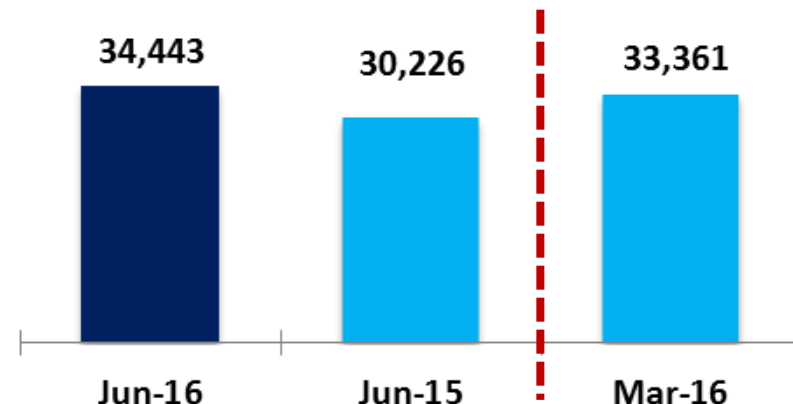
# Consolidated Key Financials



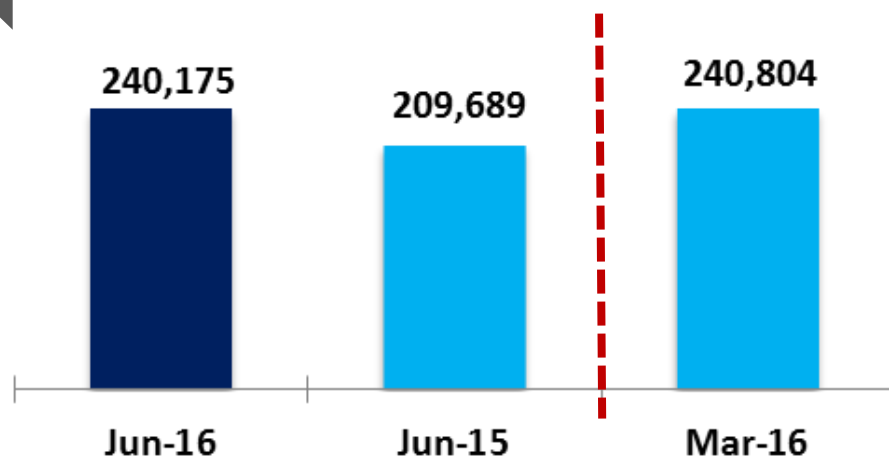
Advances [₹ cr]



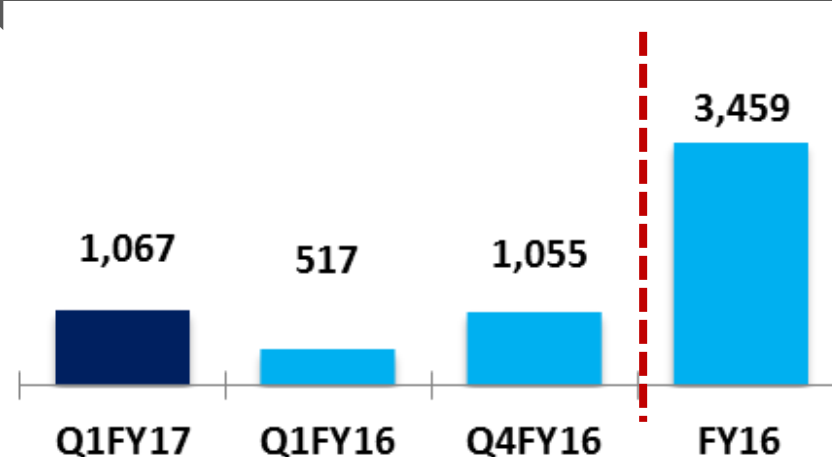
Networth [₹ cr]



Total Assets [₹ cr]

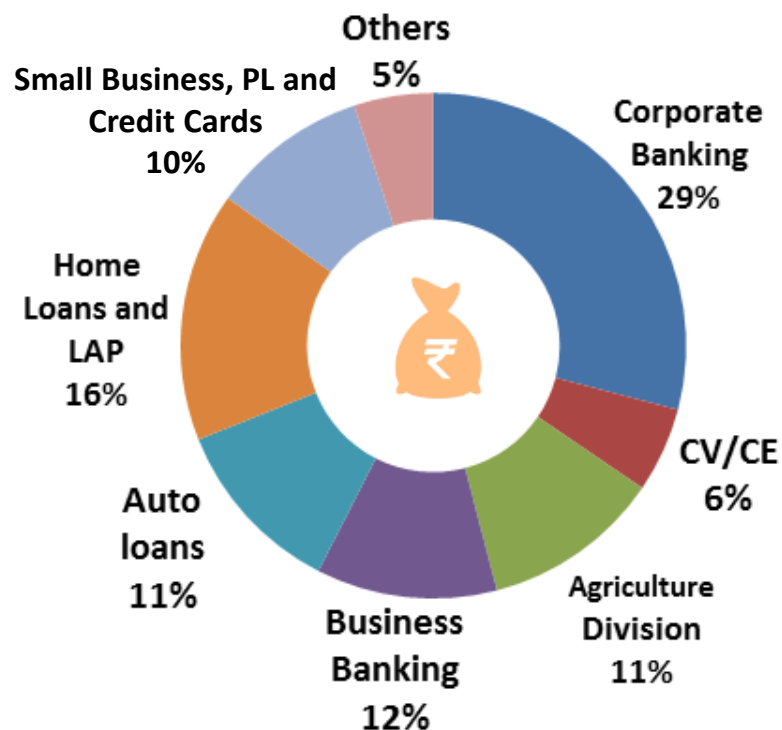


PAT [₹ cr]



# Consolidated Advances & Investments

30-Jun-16 (₹ 147,004 cr)



## Advances & Investments

₹ cr	30-Jun-16	30-Jun-15	31-Mar-16
Corporate Banking	42,732	34,837	39,946
CV/CE	8,005	5,626	7,463
Agriculture Division	16,814	15,268	17,993
Business Banking	16,990	16,522	17,997
Auto loans	16,824	15,039	16,688
Home Loans and LAP	23,479	20,756	23,009
Small Business, PL & Credit Cards	14,701	12,416	14,967
Others	7,459	5,058	6,730
<b>Total Advances</b>	<b>147,004</b>	<b>125,522</b>	<b>144,793</b>
Investments/ Treasury Assets *	52,443	46,899	55,304
<b>Total Advances &amp; Investments</b>	<b>199,447</b>	<b>172,421</b>	<b>200,097</b>

\* Does not include policy holders' investments

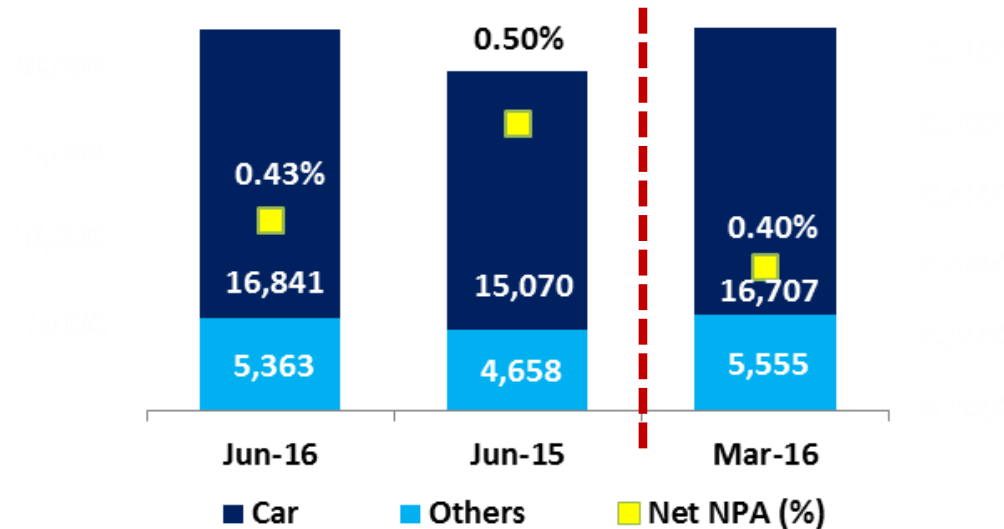
# Consolidated PAT

₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
Kotak Mahindra Bank	742	190	696	2,090
Kotak Mahindra Prime	120	119	130	502
Kotak Mahindra Investments	40	30	50	154
Kotak Mahindra Old Mutual Life Insurance	71	66	77	251
Kotak AMC and TC	19	20	25	72
Kotak Securities	60	67	51	251
Kotak Mahindra Capital	23	3	17	32
International subsidiaries	13	25	22	105
Kotak Investment Advisors	11	-	5	5
Others	(9)	-	(7)	(9)
<b>Total</b>	<b>1,090</b>	<b>520</b>	<b>1,066</b>	<b>3,453</b>
Minority Interest	(19)	(17)	(20)	(65)
Affiliates and Others	(4)	14	9	71
<b>Consolidated PAT</b>	<b>1,067</b>	<b>517</b>	<b>1,055</b>	<b>3,459</b>

# Entity Wise Network

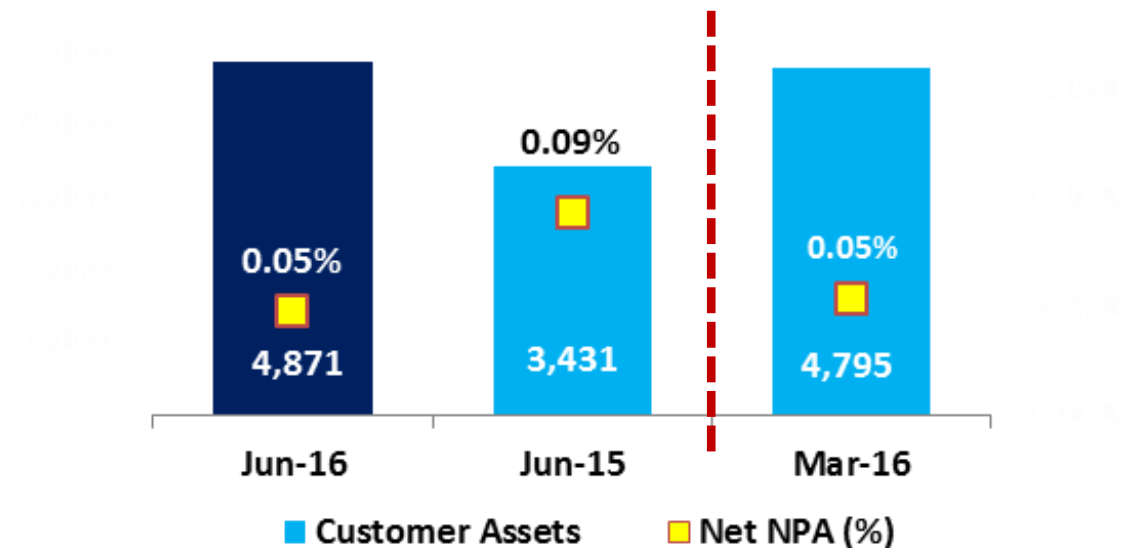
₹ cr	30-Jun-16	30-Jun-15	31-Mar-16
Kotak Mahindra Bank	24,744	21,887	23,959
Kotak Mahindra Prime	3,832	3,469	3,852
Kotak Mahindra Investments	881	717	841
Kotak Mahindra Old Mutual Life Insurance	1,593	1,337	1,521
Kotak AMC and TC	192	121	173
Kotak Securities	2,694	2,451	2,635
Kotak Mahindra Capital	470	418	447
Kotak Mahindra General Insurance	115	1	125
International subsidiaries	649	514	624
Kotak Investment Advisors	282	267	271
Other Entities	43	44	42
<b>Total</b>	<b>35,495</b>	<b>31,226</b>	<b>34,490</b>
Add: Affiliates	683	601	679
Less: Minority, Inter-company and Other Adjustments	(1,735)	(1,601)	(1,808)
<b>Consolidated Network</b>	<b>34,443</b>	<b>30,226</b>	<b>33,361</b>

## Customer Assets (₹ cr) & NNPA (%)



₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
NII	242	235	247	967
Other Income	52	42	57	210
Total Income	293	277	304	1,177
Profit Before Tax	183	183	201	773
Profit After Tax	120	119	130	502
CAR (%)				18.2
ROA (%) - annualised				2.3

## Customer Assets (₹ cr) & NNPA (%)

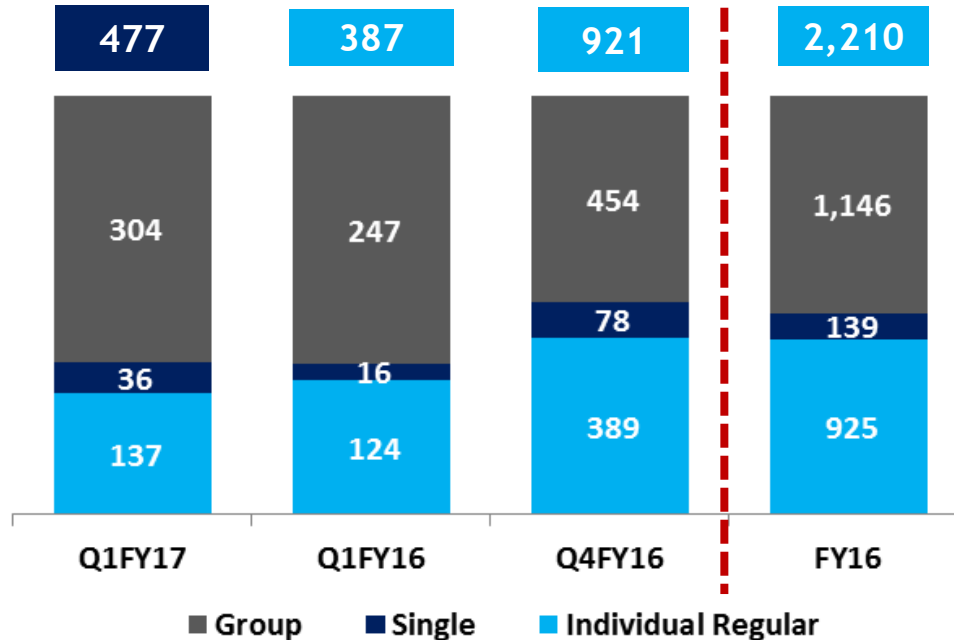


₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
NII	67	48	71	251
Other Income	5	8	14	29
Total Income	72	56	85	280
Profit Before Tax	61	46	75	236
Profit After Tax	40	30	50	154
CAR (%)				18.2
ROA (%) - annualised				3.4

# Kotak Mahindra Old Mutual Life Insurance



## New Business Premium (₹ cr)

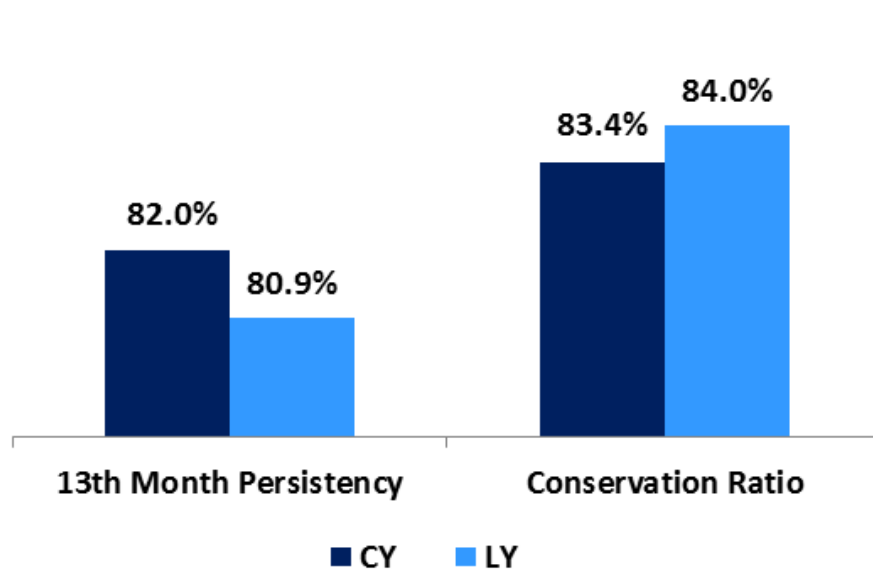


## Highlights

- Group business grew by 23% YoY
- Sum assured increased by 21% YoY
- Number of lives covered grew by 39% YoY
- Investment Performance of 100% of Equity Funds in Quartile 1 on five years basis

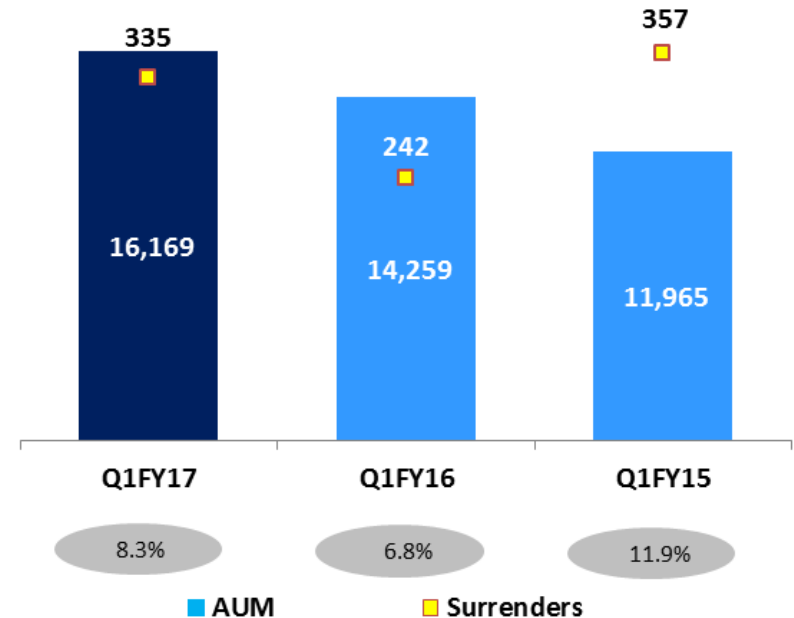
₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
Capital	562	562	562	562
Total Premium	788	637	1,651	3,972
Profit After Tax	71	66	77	251
Solvency Ratio (%)	3.13	3.21	3.11	3.11

## 13<sup>th</sup> Month Persistency\* & Conservation Ratio



\* The 13<sup>th</sup> Month persistency is after a time lag of 45 days from quarter end, accordingly the current number is of FY16

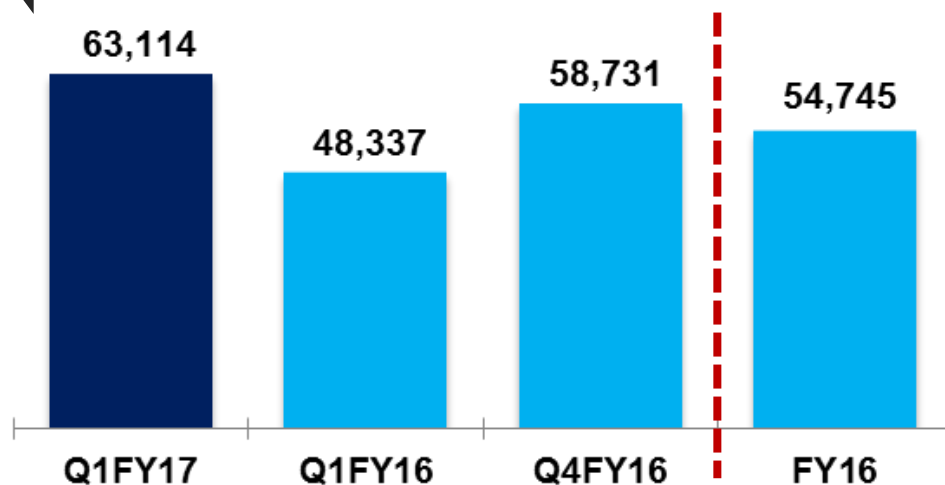
## AUM and Surrenders (₹ cr)



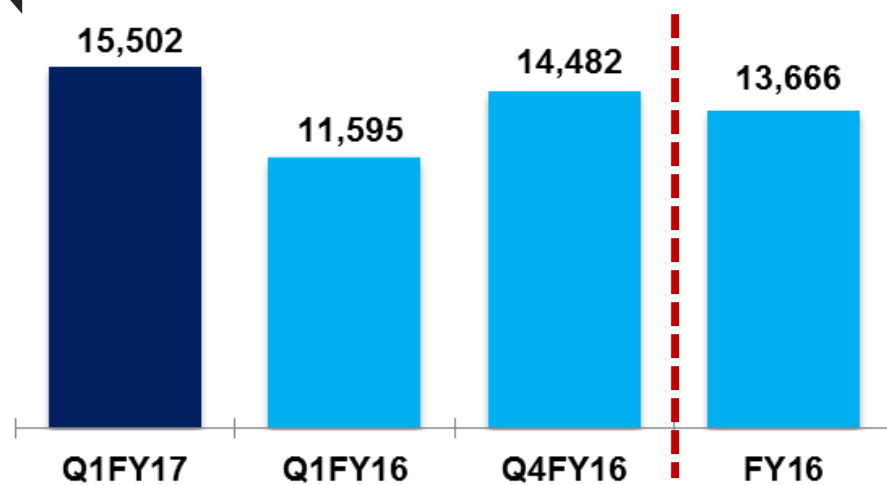
- KLI has shown improvement in 13<sup>th</sup> month persistency
- Policyholders' AUM increased at a CAGR (Q1FY15-Q1FY17) of ~16%
- Claims settlement ratio at 98.8%

# Kotak Mahindra AMC & Trustee Co

Average Assets Under Management (₹cr) - Overall



Average Assets Under Management (₹cr) - Equity

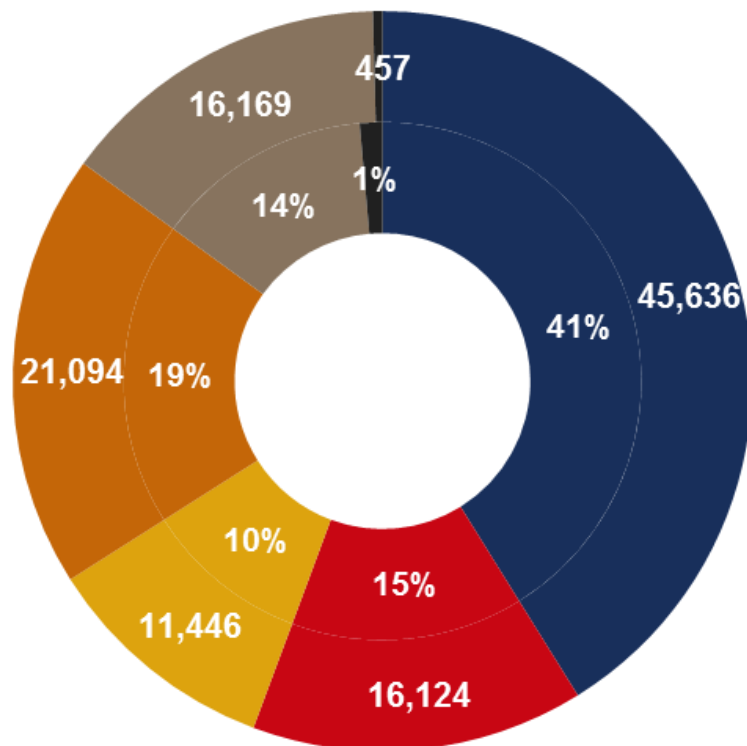


₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
Profit Before Tax	29	21	32	90
Profit After Tax	19	20	25	72

## Highlights

- Pure Equity closing Market share at 2.49% as on Jun-16 vs 2.37% as on Mar-16
- Market share of net sales in Pure Equity Category 6.48% for Q1FY17 vs 4.17% for Q4FY16
- PMS AUM increased to ₹ 274 cr in Jun-16 from ₹ 148 cr in Mar-16

## Jun 30, 2016

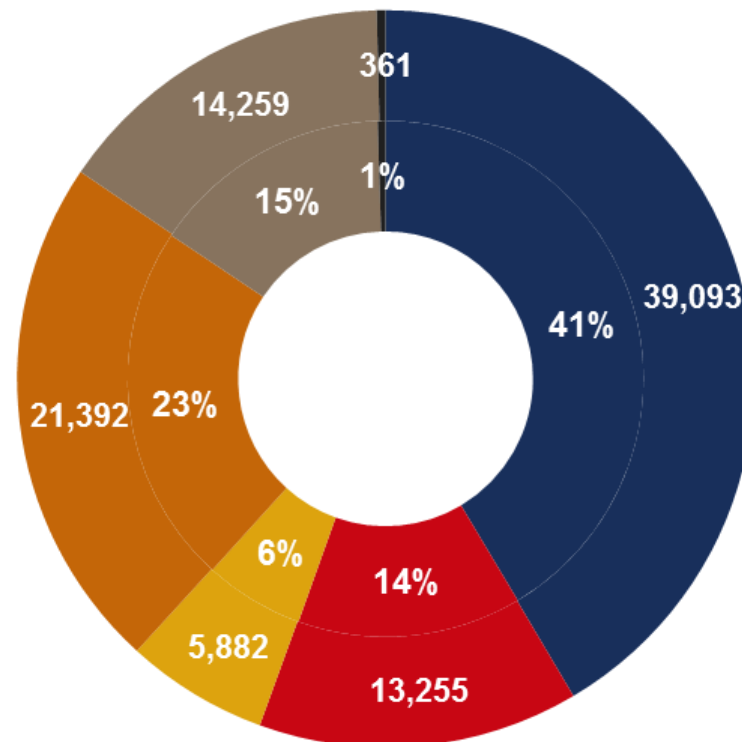


■ Domestic MF Debt ■ Domestic MF Equity ■ Alternate Asset  
■ Offshore Funds ■ Insurance ■ PMS



**AUM ₹ 110,926 cr**

## Jun 30, 2015



**AUM ₹ 94,242 cr**

- Set up for a focused approach to investing in the Indian Private Equity, Real Estate, Infrastructure, Special Situations & Listed Strategies space
- Advises / manages an AUM of ₹ 11,446 cr with dedicated, independent and experienced investment teams

## Real Estate

- AUM - ₹ 5,128 cr
- 59 investments - 7 funds
- Pioneered the Residential Debt strategy

## Private Equity

- AUM - ₹ 1,859 cr
- 41 investments - 6 funds
- Amongst the most experienced team
- Several marquee transactions

## Infrastructure

- AUM ₹ 601 cr
- Experienced team
- Focused sectors

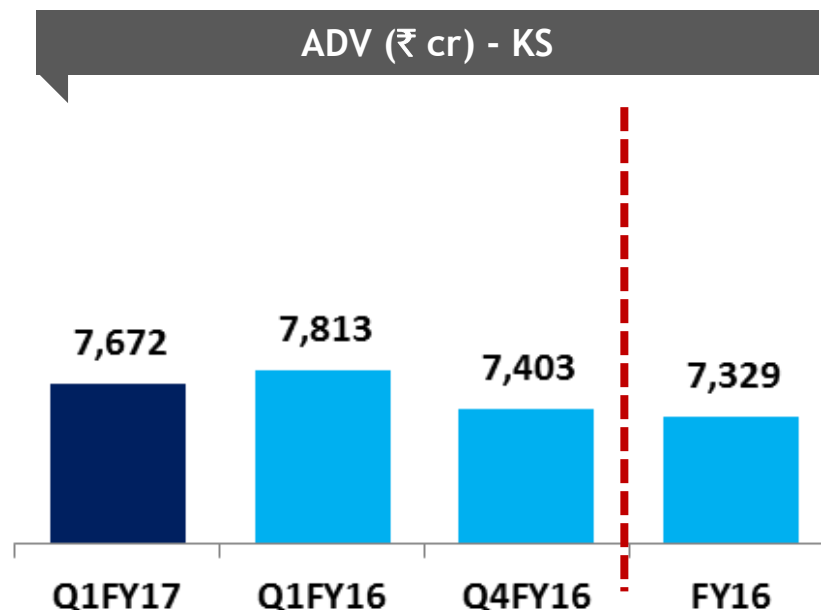
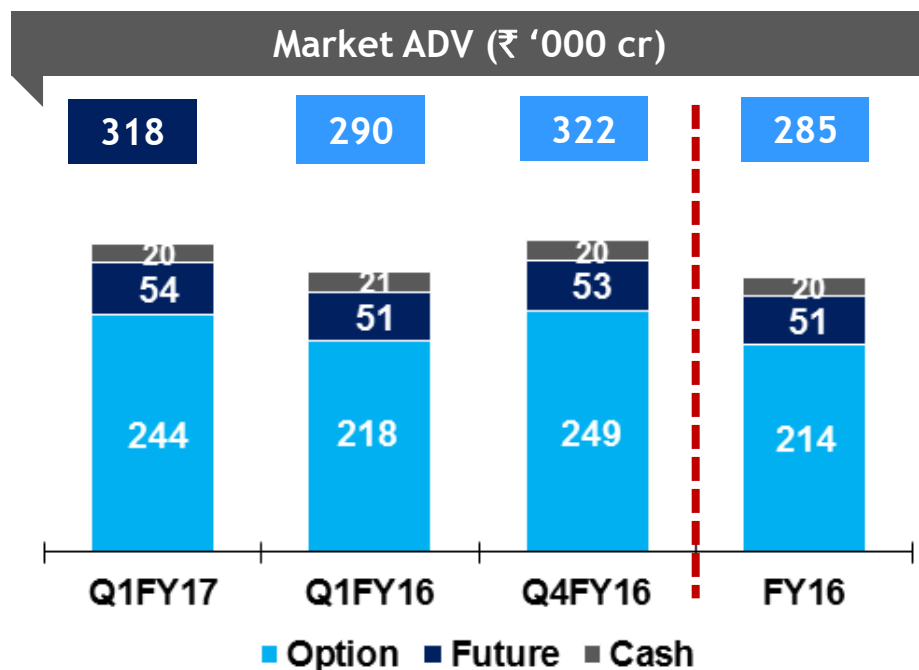
## Special Situations

- AUM - ₹ 3,039 cr
- Focused on Stressed assets

## Listed Strategies

- AUM - ₹ 819 cr
- Focused on Listed equities

₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
Total Income	30	16	44	88
Profit Before Tax	11	1	7	7
Profit After Tax	11	1	5	5



₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
Total Income	238	250	225	975
Profit Before Tax	92	102	75	381
Profit After Tax	60	67	51	251
Market Share * (%)	2.4	2.7	2.3	2.6

\*excluding BSE Derivative segment

Kotak Securities services > 1.2 million secondary market customers through 1,229 branches & franchises

## Advisory



Manager to the Buyback Offer

₹ 2,000 cr



Placement of 15.7% of AU Financiers to domestic investors

₹ 751 cr



Sale of 23% stake in Tata AIA Life Insurance Company Limited by Tata Sons to AIA Group

Undisclosed



Fairness Opinion for the acquisition of Solar and Wind Energy undertakings from Torrent Solargen Limited to Torrent Power



Undisclosed

Series A fund raise from Omidyar Network and JSW Group's Family Office

## Equity



Initial Public Offering (IPO) of Mahanagar Gas Limited

₹ 1,039 cr



Initial Public Offering (IPO) of Ujjivan Financial Services Limited

₹ 883 cr



Initial Public Offering (IPO) of Parag Milk Foods Limited

₹ 751cr

₹ cr	Q1FY17	Q1FY16	Q4FY16	FY16
Total Income	52	21	36	114
Profit Before Tax	31	3	24	46
Profit After Tax	23	3	17	32

# Bank Awards & Recognition



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

○ **Best Private Bank India**  
FinanceAsia Country Awards  
2015

○ **Best Private Bank India**  
Global Private Banking Awards  
2015

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

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

○ **AsiaMoney Cash Management  
Poll 2015**

- **Best Local Cash  
Management Bank in India**  
(7<sup>th</sup> year in a row)  
For SME
- **Best Overall Domestic Cash  
Management Services**  
Small, Medium & large Size  
Corporates
- **Best Overall Cross-Border  
Cash Management Services**  
Small & Large Size  
Corporates

○ **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

○ **Excellent Performance  
in CTS & IMPS**  
(Small bank Category)  
NPCI's National  
Payments Excellence  
Awards 2015

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

○ • **Category Outperformer**  
• **Market Outperformer**  
• **Global Outperformer**  
by Global Custodian  
2015 Survey of Agent Banks  
in Emerging Markets (India)



○ **Mr. Uday Kotak**  
**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

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

○ **Ms. Shanti Ekambaram**  
**Most Powerful Women 2015**  
Business Today

○ **Mr. Jaimin Bhatt**  
**ICAI Award 2015**  
CA CFO Under banking

# Awards and Recognition



○ **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



○ **Best Broker in India**  
FinanceAsia Country Awards  
for Achievement 2015

○ **Best SEO for Website, India**  
Digital Media Awards (IDMA) 2015

○ **Best SEO for Website**  
Silver Award at DMAI 2015



○ **Ranked #1 Institutional Investor's**  
**2015 All-India Research Team**

○ **Ranked #2 Institutional Investor's**  
**2015 All-India Sales Team**

○ **Asiamoney Brokers Poll 2015**

- Ranked #1 in Overall Research for India
- Ranked #1 in Execution for India
- Ranked #2 for Most Independent Research Brokerage



○ **ETF Manager of the Year (India)**  
ETFI Asia -ETF & Indexing Awards 2015

○ **Best new ETF India and ETF Manager of  
the Year (India)**  
Asia Asset Management ETF & Indexing  
Awards 2016

○ **Kotak Nifty ETF and Kotak Select Focus  
Fund ranked as the #1 Mutual Fund**  
CRISIL for December 2015

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)**