

MEDIA RELEASE

KOTAK MAHINDRA BANK ANNOUNCES RESULTS

Bank PAT for FY20 ₹ 5,947 cr up 22.2% YoY

Consolidated PAT for FY20 ₹ 8,593 cr up 19.3% YoY

Mumbai, 13th May, 2020: The Board of Directors of Kotak Mahindra Bank ("Kotak Bank") took on record the audited standalone and consolidated results for Q4FY20 and FY20, at the Board meeting held in Mumbai, today.

Kotak Mahindra Bank standalone results

Net Interest Income (NII) for FY20 increased to ₹ 13,500 cr from ₹ 11,206 cr in FY19 and for Q4FY20 increased to ₹ 3,560 cr from ₹ 3,036 cr in Q4FY19.

Net Interest Margin (NIM) for Q4FY20 at 4.72%.

Bank PAT for FY20 increased to ₹ 5,947 cr from ₹ 4,865 cr in FY19 and for Q4FY20 decreased to ₹ 1,267 cr from ₹ 1,408 cr in Q4FY19.

Advances as on March 31, 2020 were up 7% to ₹ 219,748 cr (₹ 205,695 cr as on March 31, 2019). Bank has made a COVID 19 related general provision of ₹ 650 cr, which is higher than the RBI requirement. Total provisioning towards Advances (including specific, standard and Covid provisions) is higher than the GNPA of the Bank.

CASA ratio as on March 31, 2020 stood at 56.2% compared to 52.5% as on March 31, 2019. Average Savings deposits grew by 21% to ₹ 85,656 cr for FY20 compared to ₹ 70,990 cr for FY19. Average Current Account deposits grew by 17% to ₹ 33,699 cr for FY20 compared to ₹ 28,742 cr for FY19. TD Sweep deposits as on March 31, 2020 were 6.6% of the total deposits.

The Relationship Value of all the customers of Wealth, Priority Banking and Investment Advisory ~ ₹ 270,000 cr as on March 31, 2020.

Capital adequacy ratio of the Bank as per Basel III, as on March 31, 2020 is 17.9% and Tier I ratio is 17.3%.

As on March 31, 2020, the Bank had a national network of 1,600 branches and 2,519 ATMs, and branches in GIFT City and DIFC (Dubai), affording it the capacity and means to serve its customers through its wide presence.

As on March 31, 2020, GNPA was 2.25% & NNPA was 0.71%. As on March 31, 2020, SMA2 outstanding was ₹ 96 cr (0.04% of net advances).

In accordance with RBI Circular, dated April 17, 2020, the Board of Directors of Kotak Bank has not recommended any dividend for FY20.

Consolidated results at a glance

Consolidated PAT for FY20 increased to ₹ 8,593 cr from ₹ 7,204 cr in FY19 and for Q4FY20 decreased to ₹ 1,905 cr from ₹ 2,038 cr in Q4FY19.

For FY20, the Bank's contribution to the PAT was ₹ 5,947 cr. The subsidiaries and associates net contribution was 31% of the consolidated PAT. The contribution of key subsidiaries is given below:

Subsidiaries PAT (₹ cr)	FY20	FY19
Kotak Mahindra Prime	673	599
Kotak Mahindra Investments	270	207
Kotak Securities	550	452
Kotak Mahindra Life Insurance	608	507
Kotak AMC & TC	337	255
International Subsidiaries	119	148

The Embedded Value (IEV methodology) of Kotak Mahindra Life Insurance as on March 31, 2020 was ₹ 8,388 cr. The Value of New Business (VNB) for FY20 was ₹ 643 cr and the New Business (VNB) Margin for FY20 was 28.8%. The 13th month persistency as on YTD February 2020 was 87.8%.

The market share of Kotak Securities in the cash segment was 9.1% for FY20 (FY19 - 9.1%).

COVID 19 related general provision of ₹ 714 cr has been made at the consolidated level, which includes ₹ 650 cr at the Bank level.

Consolidated Capital & Reserves and Surplus as on March 31, 2020 was ₹ 67,134 cr (₹ 58,280 cr as on March 31, 2019). The Book Value per Share was ₹ 348.3.

Consolidated Advances were ₹ 249,879 cr as on March 31, 2020 (₹ 243,462 cr as on March 31, 2019)

Total assets managed / advised by the Group as on March 31, 2020 were ~ ₹ 226,000 cr.

Digital Update

In FY20, ~ 44 lakh 811 accounts were opened. Accounts continue to be opened in April and May 2020, during lockdown. Current run rate in May 2020 is ~ 14,000 accounts per day.

Digital remains an area of focus for the Group. During Q4FY20, the share of Recurring Deposits sourced digitally was ~93% and that of Term Deposits was ~80%. With the implementation of Open Banking, 91 API relationships have been enabled till March 31, 2020.

Kotak Securities mobile transaction total ADVs grew 119% YoY in Q4FY20. 94% of the individual policies sourced in Q4FY20 by Kotak Life Insurance were through Genie - tablet based end to end sales solution. Further, 96% of the Banca channel sales in Q4FY20 were through Genie. Increasing its digital footprint within the bank, more than 60% of Kotak General Insurance business in retail liabilities was sourced digitally.



The financial results of the subsidiaries (excluding insurance companies) and associates used for preparation of the consolidated financial results are in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under Section 133 and relevant provision of Companies Act, 2013. The financial statements of such Indian subsidiaries and associates are prepared as per Indian Accounting Standards in accordance with the Companies (Indian Accounting Standards) Rules, 2015.

About Kotak Mahindra Group

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received banking license from the Reserve Bank of India (RBI), becoming the first non-banking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd (KMBL).

Kotak Mahindra Group (Group) offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life and general insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The premise of Kotak Mahindra Group's business model is *concentrated India, diversified financial services*. The bold vision that underscores the Group's growth is an inclusive one, with a host of products and services designed to address the needs of the unbanked and insufficiently banked.

Kotak Mahindra Group has a global presence through its subsidiaries in UK, USA, Gulf Region, Singapore and Mauritius with offices in London, New York, California, Abu Dhabi, Mauritius and Singapore respectively. As on March 31, 2020, Kotak Mahindra Bank Ltd has a national footprint of 1,600 branches and 2,519 ATMs, and branches in GIFT City and DIFC (Dubai).

For more information, please visit the Company's website at <http://www.kotak.com>

For further information, please contact

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