EARNINGS UPDATE Q2FY18

Presentation on financial results for the period ended September 30, 2017

October 25, 2017

Consolidated Highlights Q2FY18

PAT	CAR / Tier I	LOANS	BOOK VALUE PER SHARE
₹ 1,441 cr [₹ 1,202 cr]	CAR 19.2%# [17.3%] Tier I 18.6%# [16.5%]	₹ 187,758 cr [₹ 154,078 cr]	₹ 246.7 [₹ 194.3]

NIM	NETWORTH	NET NPA	TOTAL ASSETS
4.30% [4.46%]	₹ 46,975 cr [₹ 35,690 cr]	1.08% [1.05%]	₹ 304,883 cr [₹ 249,294 cr]

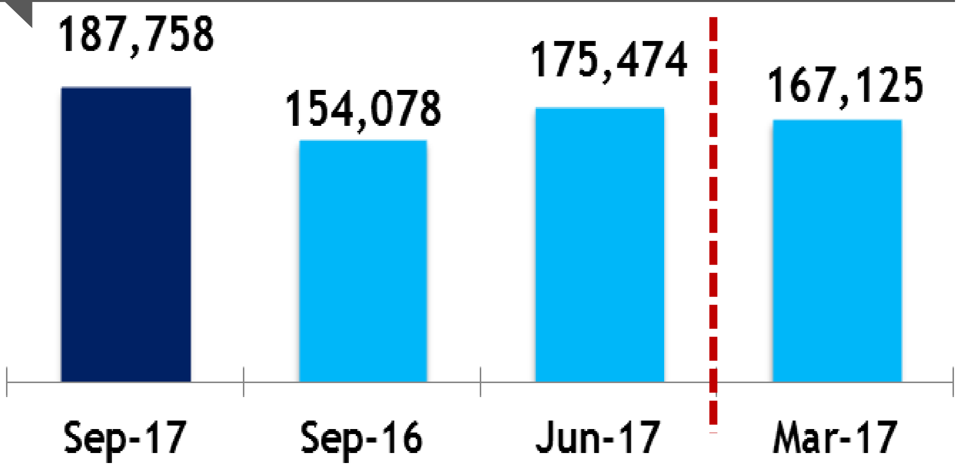
Figures in [brackets] are Q2FY17 numbers

As per Basel III, including unaudited profits. Excluding profits CAR 18.1%, Tier I 17.5% [CAR 16.3% and Tier I 15.4%]

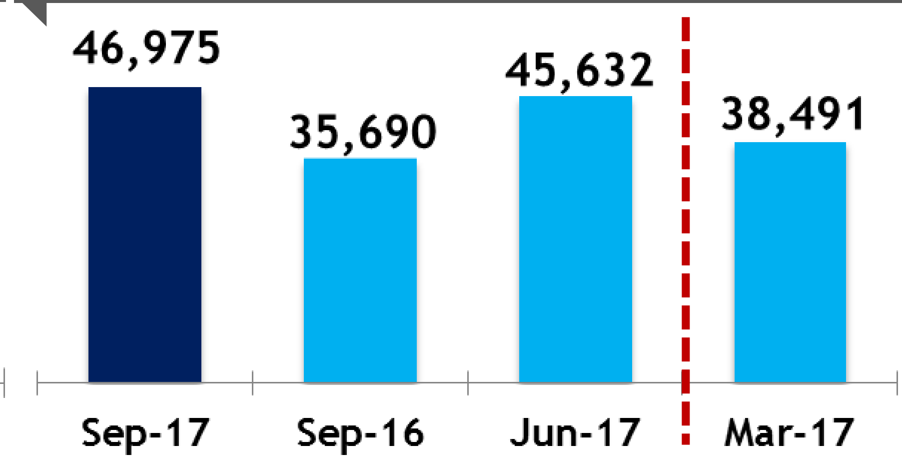
- Acquired 26% stake held by Old Mutual in Kotak Life for ₹ 1,293 cr
- Completed acquisition of BSS Microfinance

Consolidated Key Financials

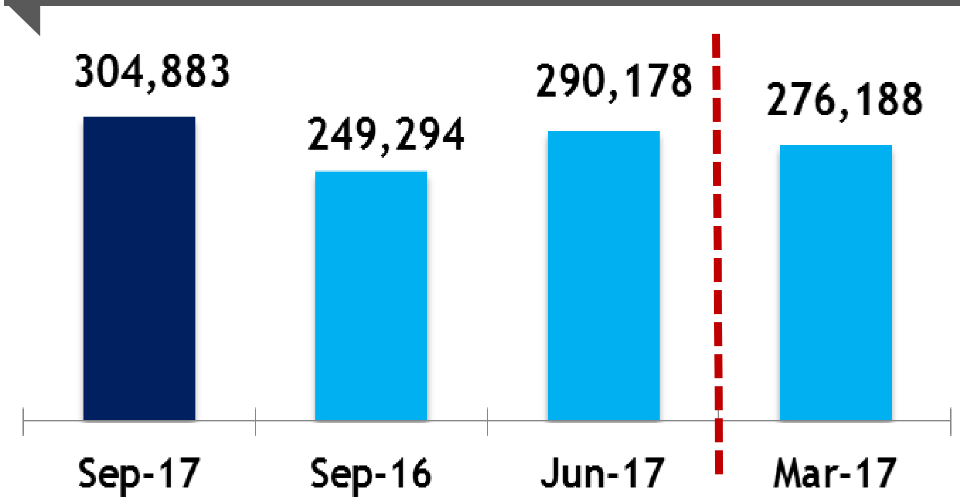
Advances [₹ cr]



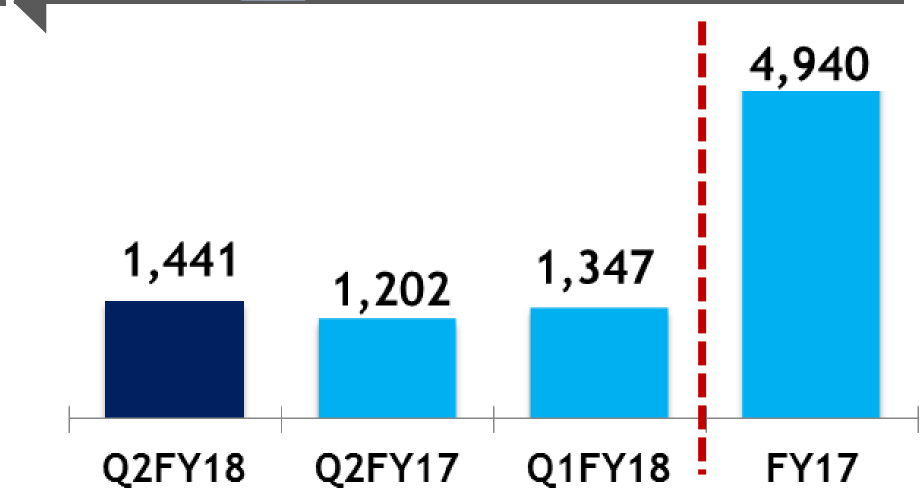
Networth [₹ cr]



Total Assets [₹ cr]

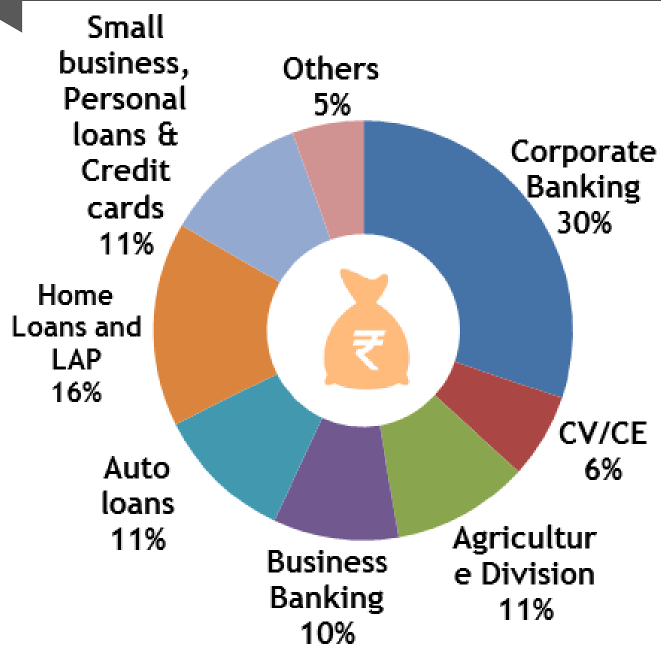


PAT [₹ cr]



Consolidated Customer Assets

30-Sep-17 (₹ 187,758 cr)



Advances

Advances growth: 22% YoY

GNPA: 2.14%,NNPA: 1.08%

Customer Assets

₹ cr	30-Sep-17	30-Sep-16	30-Jun-17
Corporate Banking	56,493	44,243	52,479
CV/CE	12,205	9,167	11,442
Agriculture Division	19,741	17,299	18,563
Business Banking	18,113	17,361	17,527
Auto loans	19,900	17,460	18,488
Home Loans and LAP	29,429	24,437	27,459
Small Business, PL & Credit Cards	20,918	15,880	18,277
Others	10,959	8,231	11,238
Total Advances	**187,758**	**154,078**	**175,474**
Investment Credit Substitutes	8,857	8,067	9,798
Total Customer Assets	**196,615**	**162,145**	**185,272**

Consolidated PAT

₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
Kotak Mahindra Bank	994	813	913	3,411
Kotak Mahindra Prime	150	130	132	515
Kotak Mahindra Investments	55	53	45	196
Kotak Securities	118	96	125	361
Kotak Mahindra Capital	(1)	5	5	46
Kotak Mahindra Old Mutual Life Insurance	100	63	103	303
Kotak AMC and TC	23	7	15	56
International Subsidiaries	28	31	17	86
Others	(2)	(6)	(1)	(23)
Total	**1,465**	**1,192**	**1,354**	**4,951**
Minority Interest	(26)	(16)	(26)	(79)
Affiliates and Others	2	26	19	68
Consolidated PAT	**1,441**	**1,202**	**1,347**	**4,940**

Entity wise Networth

₹ cr	30-Sep-17	30-Sep-16	30-Jun-17	31-Mar-17
Kotak Mahindra Bank	35,206	25,611	34,318	27,616
Kotak Mahindra Prime	4,509	3,962	4,359	4,227
Kotak Mahindra Investments	1,137	933	1,082	1,038
Kotak Securities	3,239	2,791	3,121	2,996
Kotak Mahindra Capital	497	475	499	493
Kotak Mahindra Old Mutual Life Insurance	2,027	1,656	1,927	1,825
Kotak AMC and TC	257	199	233	229
Kotak Infrastructure Debt Fund	316	-	312	309
Kotak Mahindra General Insurance	114	109	121	90
International Subsidiaries	744	671	708	693
Kotak Investment Advisors	332	283	331	277
Other Entities	137	45	46	44
Total	**48,515**	**36,735**	**47,057**	**39,837**
Add: Affiliates	791	706	787	750
Less: Minority, Inter-company and Others	(2,331)	(1,751)	(2,212)	(2,096)
Consolidated Networth	**46,975**	**35,690**	**45,632**	**38,491**

Standalone Highlights Q2FY18

PAT	NIM	LOANS	NET NPA
₹ 994 cr [₹ 813 cr]	4.33% [4.47%]	₹ 152,574 cr [₹ 126,015 cr]	1.26% [1.20%]

TOTAL ASSETS	CAR	BRANCHES	CASA
₹ 236,970 cr [₹ 195,060 cr]	CAR 19.4%# [16.8%] Tier I 18.7%# [15.7%]	1,362 [1,336]	47.8% [39.0%]

Figures in [brackets] are Q2FY17 numbers

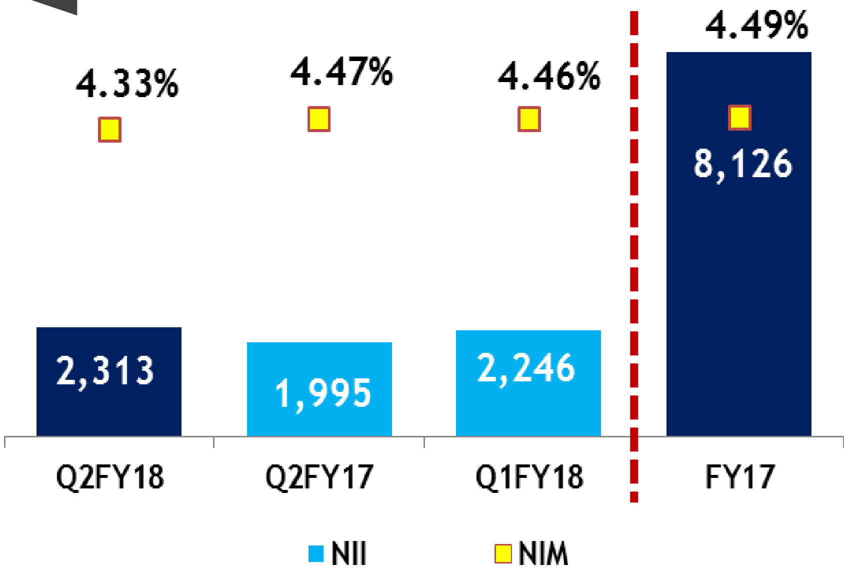
As per Basel III, including unaudited profits. Excluding profits CAR 18.4%, Tier I 17.6% [CAR 15.8% and Tier I 14.7%]

Profit and Loss Account

₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
Net Interest Income	2,313	1,995	2,246	8,126
Other Income	954	831	907	3,477
Net Total Income	**3,267**	**2,826**	**3,153**	**11,603**
Employee Cost	723	699	706	2,745
Other Operating Expenses	819	687	851	2,873
Operating Expenditure	**1,542**	**1,386**	**1,557**	**5,618**
Operating Profit	**1,725**	**1,440**	**1,596**	**5,985**
Provision On Advances/Receivables (net)	206	142	193	698
Provision On Investments	11	56	11	139
Provision & Contingencies	**217**	**198**	**204**	**837**
PBT	**1,508**	**1,242**	**1,392**	**5,148**
Provision For Tax	514	429	479	1,737
PAT	**994**	**813**	**913**	**3,411**

Income and Asset Quality

NII (₹ cr) and NIM



Asset Quality

- Restructured loans considered standard ₹ 65 cr; 0.04% of net advances
- SMA2 outstanding - ₹ 250 cr
  - 0.16% of net advances
- GNPA: 2.47%
- NNPA: 1.26%

Other Income (₹ cr)	Q2FY18	Q2FY17	Q1FY18	FY17
Fee and Services	810	630	805	2,677
Others	144	201	102	800
Total	**954**	**831**	**907**	**3,477**

Segment Performance

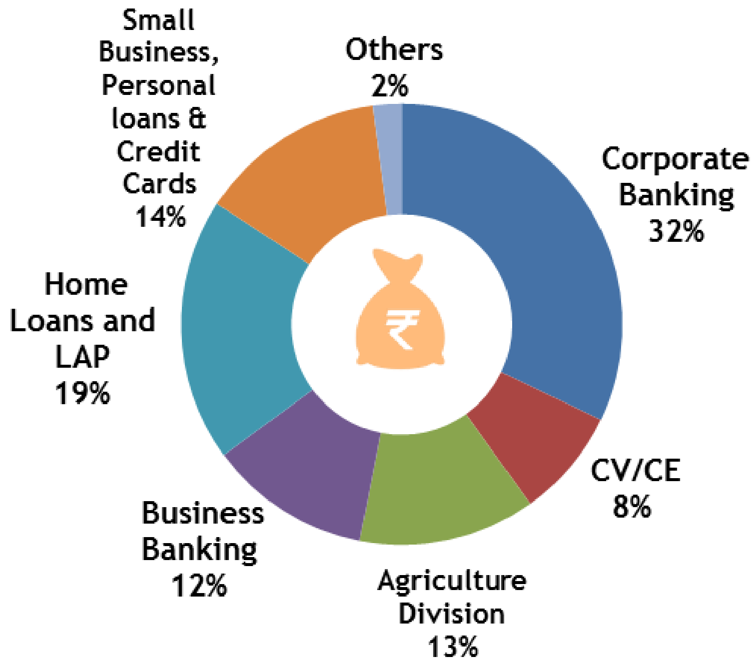
Bank Segmental PBT

As per RBI (₹ cr)	Q2FY18	Q2FY17	Q1FY18	FY17
Corporate/Wholesale Banking	685	621	732	2,695
Retail Banking	341	265	279	1,195
Treasury, BMU* & Corporate Centre	482	356	381	1,258
Total	**1,508**	**1,242**	**1,392**	**5,148**

** Balance Sheet Management Unit*

Customer Assets

30-Sep-17 (₹ 152,574 cr)



Advances

Advances growth: 21% YoY

Customer Assets

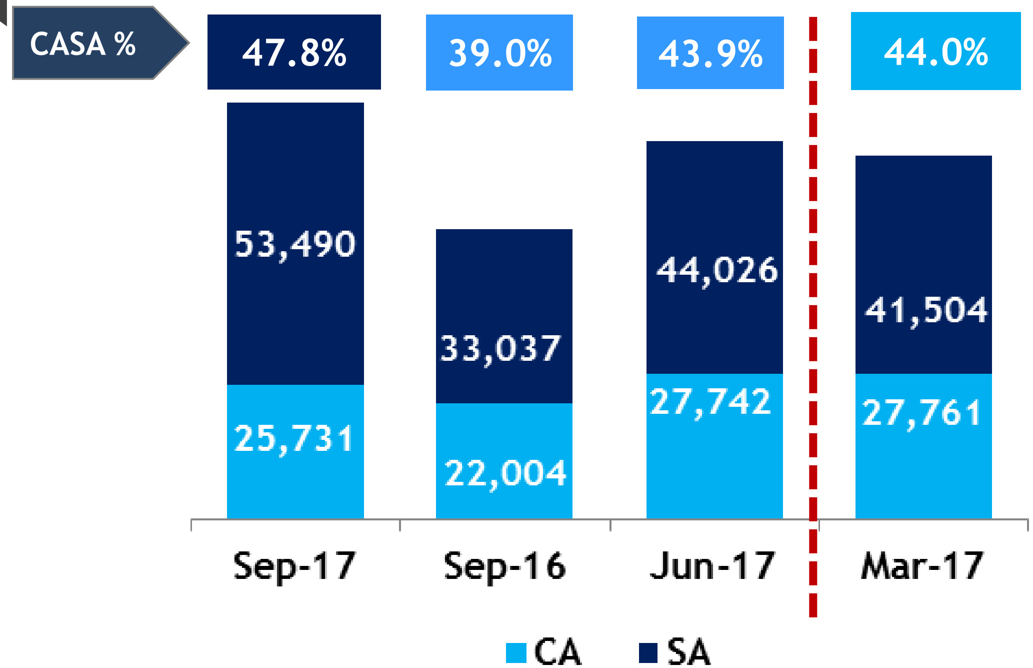
₹ cr	30-Sep-17	30-Sep-16	30-Jun-17
Corporate Banking	48,995	38,738	46,046
CV/CE	12,205	9,167	11,442
Agriculture Division	19,741	17,299	18,563
Business Banking	18,113	17,361	17,527
Home Loans and LAP	29,429	24,437	27,459
Small Business, PL & Credit Cards	20,876	15,865	18,257
Others	3,215	3,149	3,065
Total Advances	**152,574**	**126,015**	**142,359**
Investment Credit Substitutes	8,483	7,370	9,370
Total Customer Assets	**161,057**	**133,385**	**151,729**

As per segmental classification

₹ cr	30-Sep-17	30-Sep-16	30-Jun-17
Retail	61,178	51,387	56,528
Corporate	91,396	74,628	85,831
Total Advances	**152,574**	**126,015**	**142,359**
Investment Credit Substitutes	8,483	7,370	9,370
Total Customer Assets	**161,057**	**133,385**	**151,729**

Branches & Deposits

CASA (₹ cr)



	Sep-17	YoY %	Sep-16	Jun-17	Mar-17
Avg SA (Qtr)	48,127	57%	30,678	40,932	38,628
Avg CA (Qtr)	22,734	18%	19,273	21,520	21,637

Highlights

- 1,362 branches as on 30th Sep, 2017
- Plan to reach around 1,400 branches by FY18
- CASA and TDs below ₹ 5 cr constitute 77% of total deposits
- TDs below ₹ 1 cr were ₹ 41,157 cr
- TD Sweep deposits 7.0% of the total deposits
- Cost of SA for Q2FY18 – 5.57%

Balance Sheet

₹ cr	30-Sep-17	30-Sep-16	30-Jun-17	31-Mar-17
Networth	35,206	25,611	34,318	27,616
Deposits	165,671	141,045	163,518	157,426
CA	*25,731*	*22,004*	*27,742*	*27,761*
SA	*53,490*	*33,037*	*44,026*	*41,504*
Term Deposits	*86,450*	*86,004*	*91,750*	*88,161*
Of which: TD Sweep	*11,559*	*9,087*	*11,126*	*10,079*
Borrowings	25,923	19,813	19,696	21,095
Other Liabilities and Provisions	10,170	8,591	8,853	8,453
Total Liabilities	**236,970**	**195,060**	**226,385**	**214,590**

₹ cr	30-Sep-17	30-Sep-16	30-Jun-17	31-Mar-17
Cash, Bank and Call	20,823	9,344	19,859	22,572
Investments	52,796	48,631	52,251	45,074
Government Securities	*41,922*	*39,810*	*40,980*	*36,190*
Others	*10,874*	*8,821*	*11,271*	*8,884*
Advances	152,574	126,015	142,359	136,082
Fixed Assets and Other Assets	10,777	11,070	11,916	10,862
Total Assets	**236,970**	**195,060**	**226,385**	**214,590**

Digital – Best In Class Experience

Mobile Banking app rated 4.5 on Google Play Store

New Website – *Customer Centric; Mobile-first*

MOBILE BANKING GROWTH

96% Value (YoY)

125% Volume (YoY)

Sept 17

Q2FY18

77% → Recurring Deposit sourced digitally

60% → Fixed Deposit sourced digitally

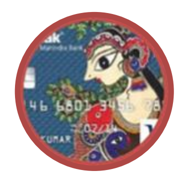
29% → Digital Share of Salaried Personal Loan

Mobile Banking login more than 5X of Net Banking

58% of Bank Active are Digitally Active

66% of Mobile banking customers bank ONLY on Mobile App.

Personal loans thru Digital growth - 178% (YoY)



Credit Card growth - YoY 2.8X for paperless card acquisition

Launched online Consumer durable loans thru fintech Tie-ups in KMP

Lifestyle made easy with Payments

811 – Account Opening through MB

UPI

Scan & Pay

Payments highlights

- **147%** Monthly transactions on Mobile Volume Growth (Sept'17 v/s Sept'16)
- **68%** Payment Gateway transactions Value growth (Sept'17 v/s Sept'16)
- **20%** Payment Gateway volume growth (Sept'17 v/s Sept'16)
- **70%** Online Shopping Payment Gateway transactions from Mobile growth(Sept '17 v/s Sept'16)

Among first bank to launch UPI QR code

Transformation

Service Requests

- Real-time Instant Processing
- Omni Channel Approach
- Biometric Authentication @ Branches

Robotics Process Automation

- 90%+ reduction in Turnaround time for major processes and less human intervention
- Eliminates manual risk and provides volume processing and scalability

3 Digital Branches Launched

- 90%+ Cash / Cheque Deposit transactions moved to self fulfilment mode
- Higher Mobile Banking Adoption and Positive Voice Of Customer

The 811 Customer

45%
Of 811 Customers are Salaried employees

91%
Customers are between 18-40 yrs of age

63%
Of 811 Customers come from top 20 Cities

Around 10.5Mn
Total customers of the Bank

Digital Update – Subsidiaries

Kotak Securities

81%

Growth in Mobile average daily volumes over Q2FY17

Launched New Margin Trading facility across all platforms

Launched products for mobile app like Chat to Trade, Non-convertible debentures, Sovereign Gold Bonds

Kotak Life Insurance

75%

Individual Policies sourced in Q2FY18 through Genie (Tablet based end to end sales solution)

89%

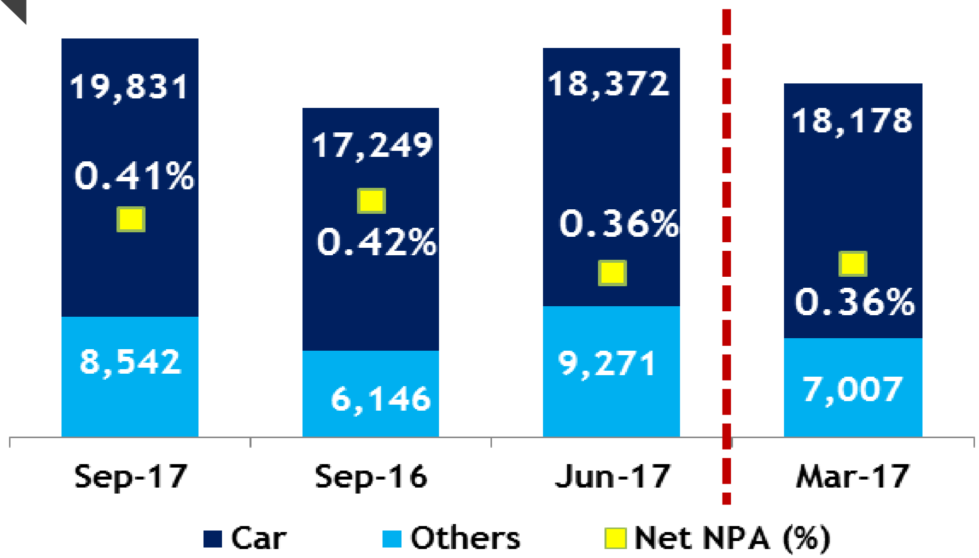
Business (sales in Q2) comes through Genie for BANCA channel

Kotak General Insurance

More than 25% of new business sourced through digital channels

Kotak Mahindra Prime

Customer Assets* (₹ cr) & NNPA (%)

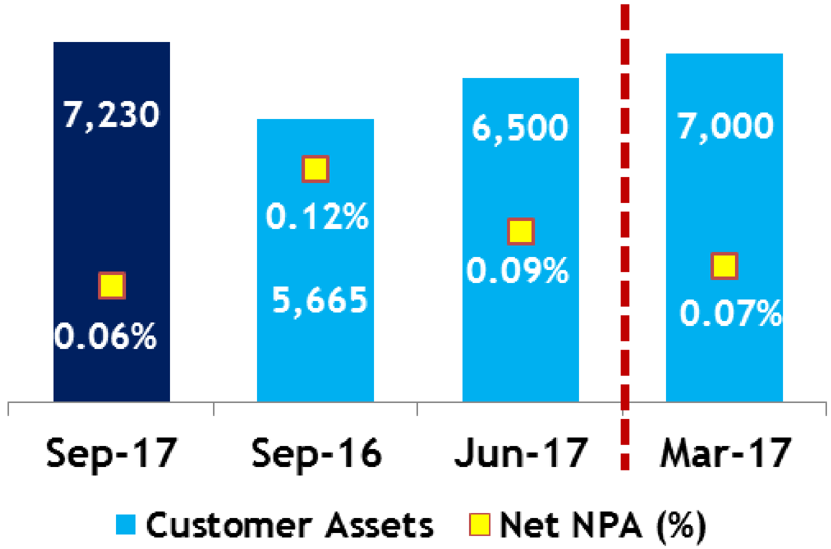


₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
NII	276	247	272	1,017
Other Income	64	61	57	225
NII and Other Income	**340**	**308**	**329**	**1,242**
Profit Before Tax	229	198	203	788
Profit After Tax	**150**	**130**	**132**	**515**
CAR (%)				17.2
ROA (%) - annualised				2.0

* Includes loans and credit substitutes

Kotak Mahindra Investments

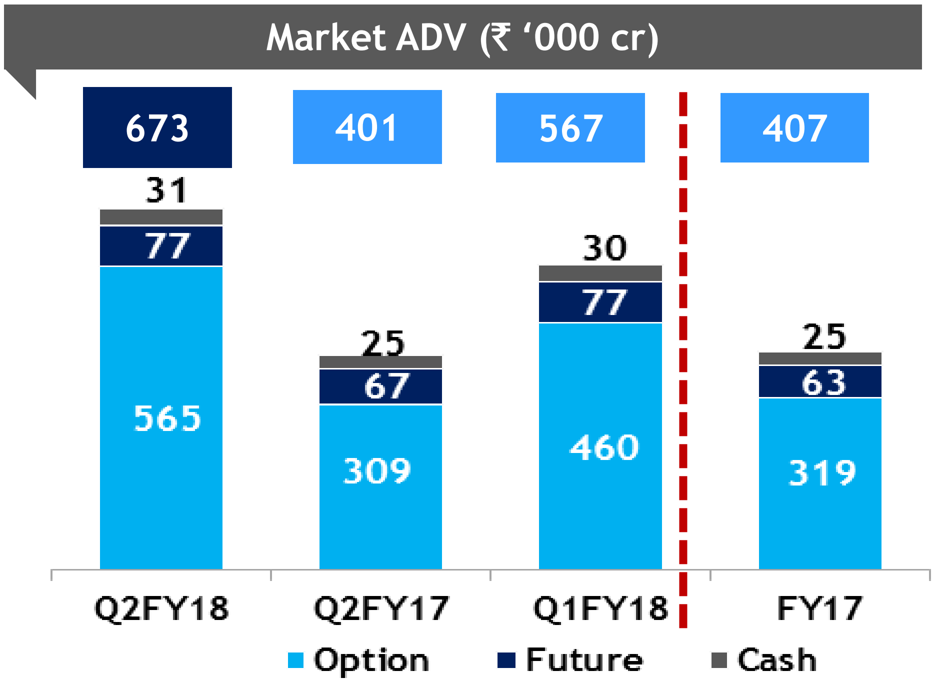
Customer Assets* (₹ cr) & NNPA (%)

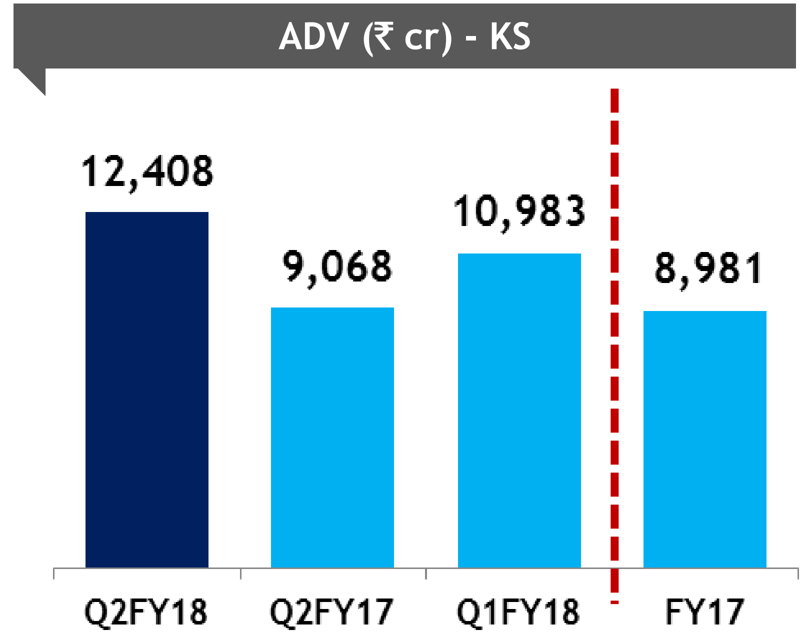


₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
NII	76	63	73	270
Other Income	24	31	7	81
NII and Other Income	**100**	**94**	**80**	**351**
Profit Before Tax	84	76	69	290
Profit After Tax	**55**	**53**	**45**	**196**
CAR (%)				16.8
ROA (%) - annualised				3.1

* Includes loans and credit substitutes

Kotak Securities





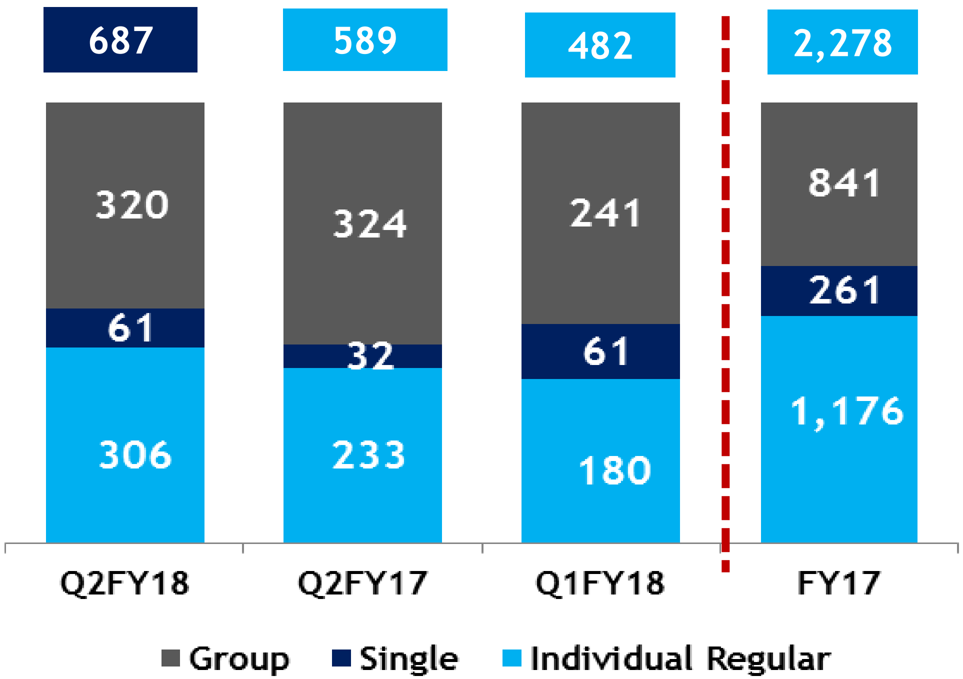
₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
Total Income	351	294	365	1,184
Profit Before Tax	177	144	187	543
Profit After Tax	**118**	**96**	**125**	**361**
Market Share * (%) (YTD)	1.9	2.3	1.9	2.2

**excluding BSE Derivative segment*

~ 1.5 million secondary market customers serviced thru' 1,454 branches, franchises and referral co-ordinators

Kotak Mahindra Old Mutual Life Insurance

New Business Premium (₹ cr)



Highlights

- Individual Regular NBP grew at 31% YoY
- Individual renewal premium grew 26.7% YoY
- Investment Performance of 100% Equity Funds in Quartile 1 on three and five year basis
- H1FY18 conservation ratio of 86.8%
- Sum assured increased by 22% YoY
- Claims settlement ratio FY17: 99.5%

₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
Capital	562	562	562	562
Other Reserves and Surplus	1,465	1,093	1,365	1,263
Total Premium	1,308	1,129	972	5,140
Profit After Tax	**100**	**63**	**103**	**303**
Solvency Ratio (x)	3.08	3.04	3.04	3.00

Kotak Mahindra Capital Company

Advisory

Infosys — ₹ 13,000 cr
Buyback of equity shares via tender offer route

acko — Undisclosed
Financial Advisor for Series A fund raise

Equity

SBI Life Insurance — ₹ 8,389 cr
Initial Public Offering

Bajaj Finance — ₹ 4,500 cr
Qualified Institutional Placement

SIS (Security and Intelligence Services (India) Limited) — ₹ 780 cr
Initial Public Offering

Deals completed in Q3

GIC Re — ₹ 11,400 cr
Initial Public Offering

apollo — ₹ 1,500 cr
Qualified Institutional Placement

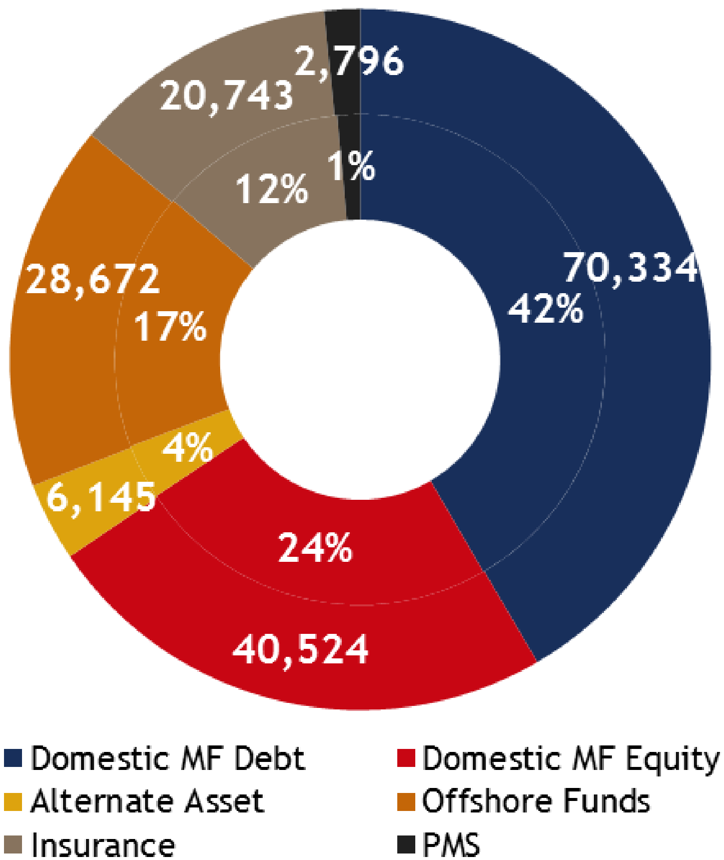
Godrej agrovet — ₹ 1,157 cr
Initial Public Offering

IEX (Indian Energy Exchange) — ₹ 1,000 cr
Initial Public Offering

₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
Total Income	15	25	27	136
Profit Before Tax	(2)	6	8	61
Profit After Tax	**(1)**	**5**	**5**	**46**

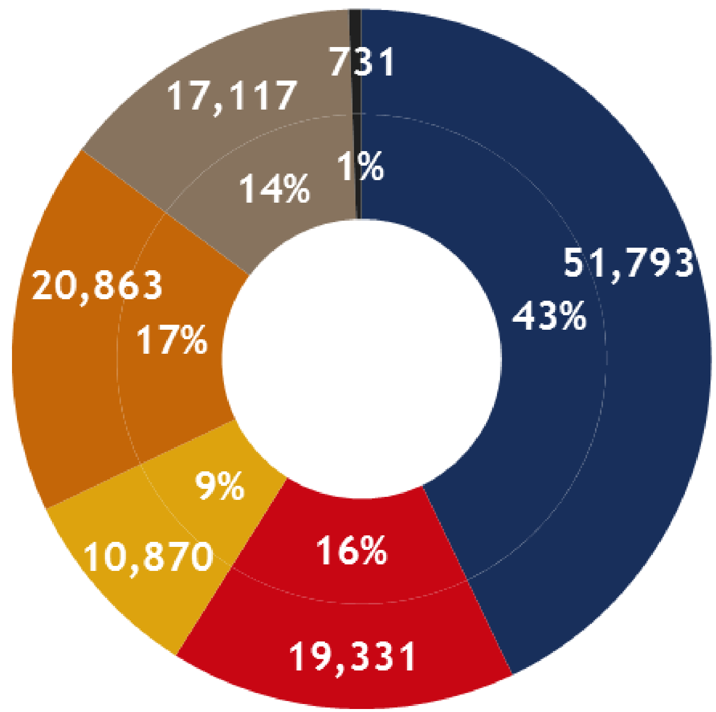
Assets Under Management

Sep 30, 2017



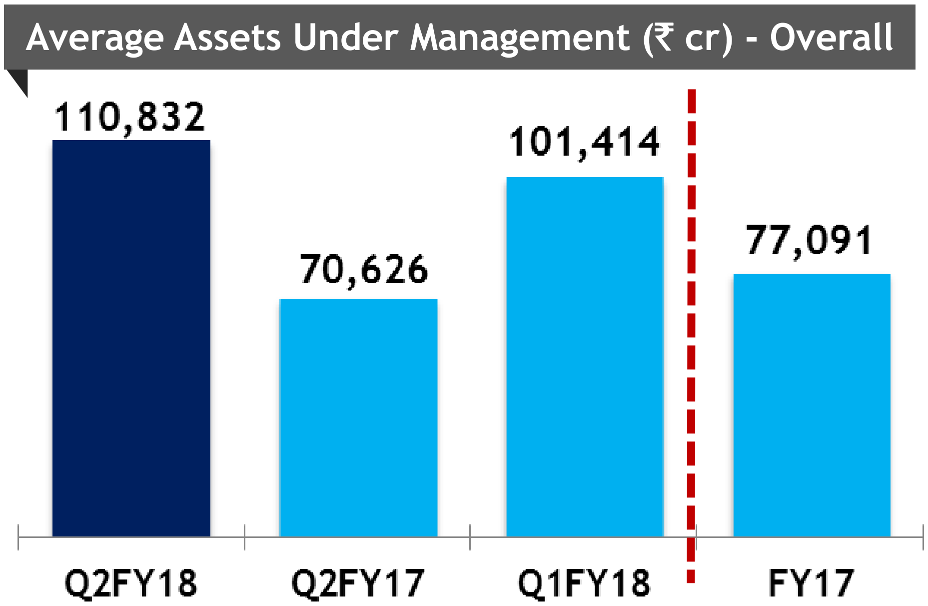
AUM ₹ 169,214 cr

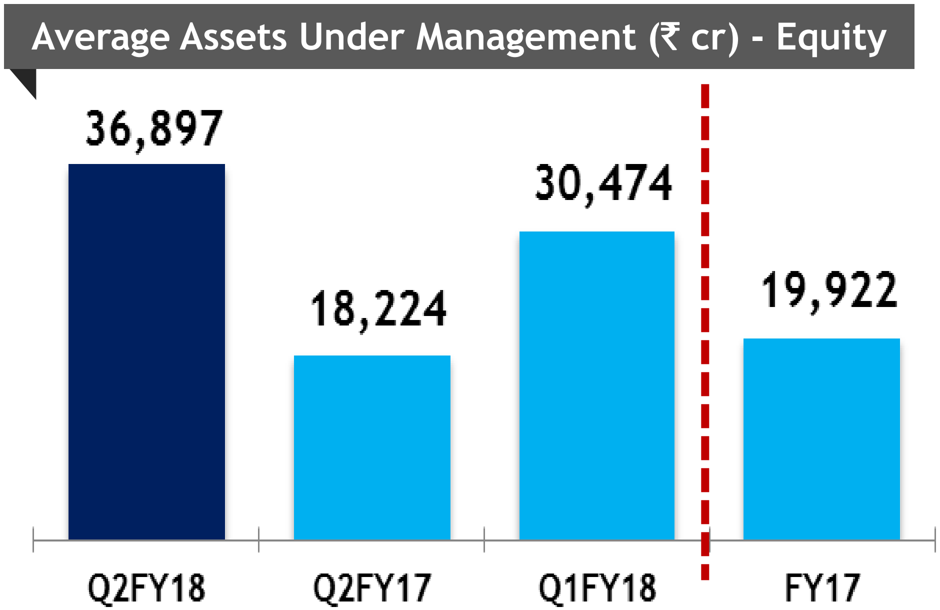
Sep 30, 2016



AUM ₹ 120,705 cr

Kotak Mahindra AMC & Trustee Co.



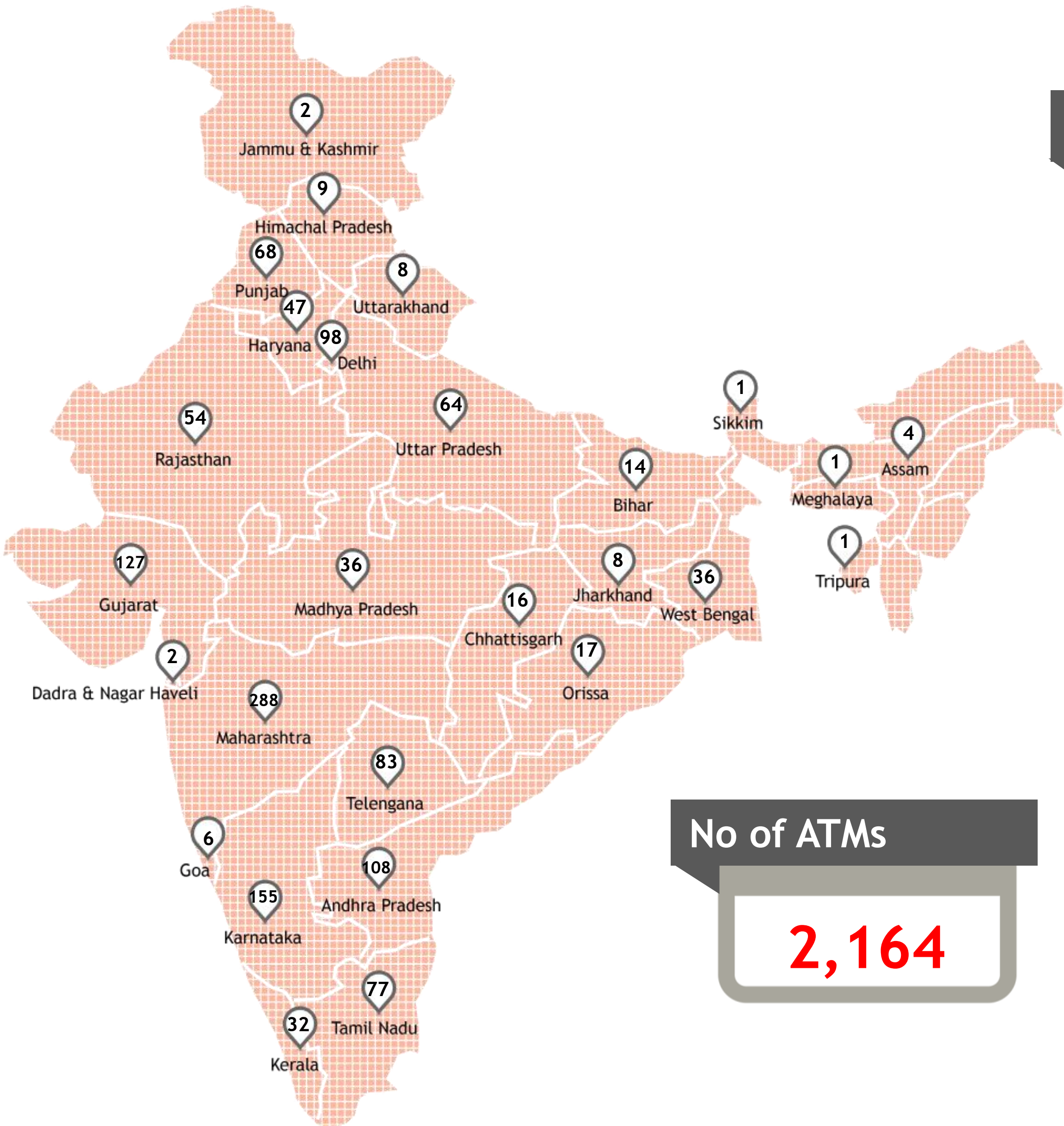


₹ cr	Q2FY18	Q2FY17	Q1FY18	FY17
Profit Before Tax	34	11	21	84
Profit After Tax	**23**	**7**	**15**	**56**

Highlights

- Equity (incl arbitrage) ranking improved to 8th in Q2FY18 (Q1FY18: 9th)
- Kotak overall AAUM grew 57% YoY compared to Industry growth of 30%
- PMS AUM grew 4x YoY

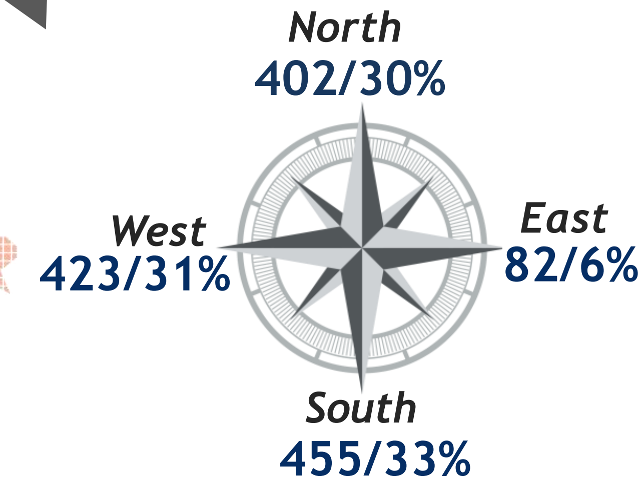
Geographical Presence



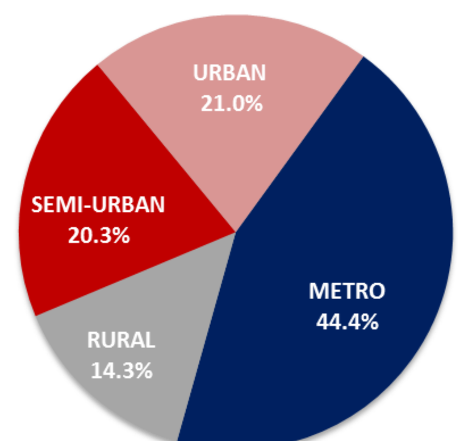
No of ATMs

2,164

Branches 1,362 [No./%]



Branch Classification



Bank Awards & Recognition

Best Corporate & Investment Bank for India
Asiamoney Best Bank Awards 2017 - India

Fastest Growing Midsized Bank 2017
Business Today-Money Today Financial Awards

Best Growing Mid-Size Bank
Businessworld Magna Best Banks Awards 2017

Best Savings Bank Product
FE India's Best Banks Award 2015-16

National Payments Excellence Awards 2016 by NPCI:
Best Mid-Sized Bank for excellent performance in:
- Cheque Truncation System
- IMPS

Company with Great Managers
The Great Managers Award 2016 by People Business & ToI

AsiaMoney Cash Management Poll 2016
- Best Local Bank in Indian mid-cap space

D&B Banking Awards 2017
Best Digital Bank (Online Transaction) Award

Best Cash Management Bank
Asian Banker Transaction Banking Awards 2017,2016 (India)

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

Best Private Bank India
Global Private Banking Awards 2016

Best Private Bank India
FinanceAsia Country Awards 2016

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

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

Mr. Narayan SA recognized as CA Business Leader
Banking at ICAI Awards 2016

Mr. G Murlidhar recognized as CA Business Leader
Banking at ICAI Awards 2016

Ms. Shanti Ekambaram recognized as one of the Most Powerful Women in Business
Business Today

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

Mr. Uday Kotak

Business Leader
Lakshmipat Singhania IIM Lucknow National Leadership Awards 2017

Businessman of The Year 2016 - Business India

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

kotak Investment Banking

Most Innovative Bank
Asia Pacific award by The Banker Magazine

Securities Advisory Firm of the Year in India
Corporate Intl Global Awards – 2017, 2016, 2014, 2012

The Asset Triple A Country Awards 2016, India
- Best Equity House
- Best IPO, QIP
- Best M&A Deal

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

Best Domestic Equity House
Asiamoney – 2016

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

kotak Kotak Securities

Best Campaign Management Award (Gold Medal) for the *Agar Magar Jigar* campaign
DMAsia 2017

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

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

kotak Life Insurance

Business World Award
Excellence in L&D for 2016

kotak Asset Management

Special award for Innovative Approach to Investor Awareness
Outlook Money

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

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