



Kotak Mahindra Bank

27th July 2020

The Manager Corporate Relationship, BSE Limited, 1 st Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	The Manager National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.
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Dear Sir,

Sub: Unaudited Financial Results of Kotak Mahindra Bank Limited standalone and unaudited consolidated financial results for the quarter ended 30th June 2020.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) we enclose the following:

1. Copy of the unaudited standalone financial results of the Bank for the quarter ended 30th June 2020. Also, enclosed are the unaudited consolidated financial results. The said results were approved by the Board of Directors of the Bank at its Meeting held today.
2. Copy of the Limited Review Reports for the quarter ended 30th June 2020 submitted by the statutory auditors of the Bank.
3. Copy of the Earnings Update Presentation and the Press Release;

As required under the Listing Regulations, all the above mentioned documents are also being simultaneously posted on our website www.kotak.com

The Board Meeting commenced at 12 noon and consideration of aforesaid items concluded at 1.30 p.m. The Board Meeting continues for consideration of other items of the business on the agenda.

Yours faithfully,
Kotak Mahindra Bank Limited

B.R. Chandarana
Bina Chandarana
Joint President & Company Secretary

Encl: as above



Kotak Mahindra Bank Ltd.

CIN: L65110MH1985PLC038137

Registered Office:

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Bandra Kurla Complex,

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of Kotak Mahindra Bank Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Kotak Mahindra Bank Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of Kotak Mahindra Bank Limited ('the Bank') for the quarter ended 30 June 2020 ('the Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, except for the disclosures relating to Pillar 3 disclosure as at 30 June 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement, and have not been reviewed by us.
2. The Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the accounting principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Walker Chandiok & Co LLP

Kotak Mahindra Bank Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of Kotak Mahindra Bank Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to Pillar 3 disclosure as at 30 June 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.
5. We draw attention to Note 5 of the accompanying Statement which describes the uncertainties associated due to the outbreak of Novel Coronavirus (COVID-19). In view of these uncertainties, the impact on the Bank's standalone financial results is significantly dependent on the future developments.

Our conclusion is not modified in respect of this matter.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No:001076N/N500013



Murad D. Daruwalla

Partner

Membership No:043334



UDIN No:20043334AAAAAA5081

Place: Mumbai

Date: 27 July 2020



KOTAK MAHINDRA BANK LIMITED (STANDALONE)

Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020

₹ crore

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 2)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
1	Interest earned (a+b+c+d)	6,911.86	6,804.68	6,627.73	26,929.61
	(a) Interest/discount on advances/ bills	4,975.75	5,282.82	5,175.26	20,999.24
	(b) Income on investments	1,489.35	1,300.93	1,277.57	5,257.25
	(c) Interest on balances with RBI & other interbank funds	384.16	154.45	99.05	381.24
	(d) Others	62.60	66.48	75.85	291.88
2	Other income (Refer Note 3)	773.54	1,489.39	1,316.88	5,372.11
3	Total income (1+2)	7,685.40	8,294.07	7,944.61	32,301.72
4	Interest expended	3,188.01	3,245.03	3,466.84	13,429.95
5	Operating expenses (a+b)	1,873.68	2,323.76	2,078.85	8,850.94
	(a) Employee cost	910.88	969.59	901.51	3,877.63
	(b) Other operating expenses	962.80	1,354.17	1,177.34	4,973.31
6	Total expenditure (4+5) (excluding provisions & contingencies)	5,061.69	5,568.79	5,545.69	22,280.89
7	Operating profit (3-6) (Profit before provisions and contingencies)	2,623.71	2,725.28	2,398.92	10,020.83
8	Provisions (other than tax) and contingencies (Refer Note 3 and 4)	962.01	1,047.47	316.76	2,216.16
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	1,661.70	1,677.81	2,082.16	7,804.67
11	Tax expense	417.25	411.21	721.96	1,857.49
12	Net Profit from ordinary activities after tax (10-11)	1,244.45	1,266.60	1,360.20	5,947.18
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit (12-13)	1,244.45	1,266.60	1,360.20	5,947.18
15	Paid up equity share capital - (of Face Value ₹ 5 per share)	989.40	956.52	954.67	956.52
16	Reserves (excluding revaluation reserves)				47,558.78
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	-	-	-	-
	(ii) Capital adequacy ratio - Basel III	21.23	17.89	17.80	17.89
	(iii) Earnings per equity share				
	- Basic (not annualised) ₹	6.43	6.37	7.13	30.88
	- Diluted (not annualised) ₹	6.42	6.36	7.12	30.84
	(iv) NPA Ratios				
	a) Gross NPA	5,619.33	5,026.89	4,613.52	5,026.89
	b) Net NPA	1,777.10	1,557.89	1,524.38	1,557.89
	c) % of Gross NPA to Gross Advances	2.70	2.25	2.19	2.25
	d) % of Net NPA to Net Advances	0.87	0.71	0.73	0.71
	(v) Return on average Assets (%) (not annualised)	0.34	0.38	0.44	1.87





Segment Results

The reportable segments of the Bank as per RBI guidelines are as under:

Segment	Principal activity
Corporate/Wholesale Banking	Wholesale borrowings and lending and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Includes lending, deposit taking and other retail services / products including credit cards.
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities, Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.

Particulars	Quarter ended			Year ended
	30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 2)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
1 Segment Revenue				
a. Corporate/ Wholesale Banking	3,311.54	3,707.88	3,377.86	13,918.46
b. Retail Banking	3,417.49	3,757.21	3,644.29	15,057.84
c. Treasury, BMU and Corporate Centre	1,962.83	1,765.38	1,655.01	6,693.60
d. Other Banking business	-	-	-	-
Sub-total	8,691.86	9,230.47	8,677.16	35,669.90
Less: Inter-segmental revenue	1,006.46	936.40	732.55	3,368.18
Total	7,685.40	8,294.07	7,944.61	32,301.72
2 Segment Results				
a. Corporate/ Wholesale Banking	1,267.48	1,280.46	994.64	4,384.22
b. Retail Banking	358.50	349.56	501.35	1,553.19
c. Treasury, BMU and Corporate Centre	35.72	47.79	586.17	1,867.26
d. Other Banking business	-	-	-	-
Total Profit Before Tax	1,661.70	1,677.81	2,082.16	7,804.67
3 Segment Assets				
a. Corporate / Wholesale Banking	1,44,057.97	153,443.88	134,789.13	153,443.88
b. Retail Banking	2,25,656.13	216,234.38	176,427.63	216,234.38
c. Treasury, BMU and Corporate Centre	1,63,983.26	133,563.77	101,098.88	133,563.77
d. Other Banking business	-	-	-	-
Sub-total	5,33,697.36	503,242.03	412,315.64	503,242.03
Less : Inter-segmental Assets	1,55,880.27	143,307.69	97,428.29	143,307.69
Total	3,77,817.09	359,934.34	314,887.35	359,934.34
Add : Unallocated Assets	461.76	317.34	222.03	317.34
Total Assets as per Balance Sheet	3,78,278.85	360,251.68	315,109.38	360,251.68
4 Segment Liabilities				
a. Corporate / Wholesale Banking	1,31,608.39	137,983.86	122,746.02	137,983.86
b. Retail Banking	2,11,748.01	200,770.56	162,017.39	200,770.56
c. Treasury, BMU and Corporate Centre	1,32,768.60	115,719.99	83,037.17	115,719.99
d. Other Banking business	-	-	-	-
Sub-total	4,76,125.00	454,474.41	367,800.58	454,474.41
Less : Inter-segmental Liabilities	1,55,880.27	143,307.69	97,428.29	143,307.69
Total	3,20,244.73	311,166.72	270,372.29	311,166.72
Add : Unallocated liabilities	324.74	69.66	446.67	69.66
Add : Share Capital and Reserves and surplus	57,709.38	49,015.30	44,290.42	49,015.30
Total Liabilities as per Balance Sheet	3,78,278.85	360,251.68	315,109.38	360,251.68

NOTES:

- The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 27th July, 2020. The results for the quarter ended 30th June, 2020 were subject to limited review by the statutory auditors and there are no modifications in the limited review report.
- The figures for quarter ended 31st March, 2020 are balancing figures between audited financial year ended 31st March, 2020 and the unaudited published figures for nine months ended 31st December, 2019.



3. 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. Provision / (write-back) for mark-to-market depreciation on investments in AFS and HFT categories are considered in Provisions and Contingencies.
4. Provisions and contingencies are net of recoveries made against accounts which have been written off as bad in the previous period / year.

Break up of provisions (other than tax) and contingencies:

Particulars	Quarter ended			₹ crore
	30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 2)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
Provision towards advances / Others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures)	352.88	373.72	272.59	1,476.04
General provision for COVID 19 Deferment cases (net)	616.00	650.00	-	650.00
Provision / (write-back of provisions) for mark-to-market depreciation on investments in AFS and HFT categories (net)	(5.82)	23.68	29.78	60.58
Other Provision / (write back of other provisions) towards investments (net)	(1.05)	0.07	14.39	29.54
Total provisions (other than Tax) and contingencies	962.01	1,047.47	316.76	2,216.16

5. COVID-19, global pandemic, has taken its toll on not just human life, but business and financial markets too, the extent of which is currently unascertainable. Various governments, civil society and many organisations, including the Bank, have introduced a variety of measures to contain the spread of the virus to protect lives and livelihood. Post the lock-down restrictions, which were imposed from 24th March, 2020, the Government announced a phased reopening of certain activities outside specified containment zones, while the lockdown was extended to 30th June, 2020 in such containment zones. Some of the states have taken additional measures like further lockdown, partial/ complete shut down in some districts etc.

The continued slowdown in economic activities has impacted lending business, fee income generation from sale of third party products or usage of debit/ credit cards, collection efficiency etc. This slowdown may impact customer defaults and consequently increase in provisions. There is a high level of uncertainty regarding the time required for life and business to get normal. The extent to which COVID-19 pandemic will impact the Bank's operations and financial results is dependent on the future developments, which are highly uncertain, including among many other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact, whether Government mandated or elected by the Bank.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020 and 17th April, 2020, and clarification issued by RBI through Indian Bankers Association dated 6th May, 2020, the Bank granted moratorium on the payment of installments and/or interest, as applicable, falling due between 1st March, 2020 and 31st May, 2020 to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020. In accordance with the additional Regulatory Package guidelines dated 23rd May, 2020, the Bank granted a second moratorium of up to three months on installments or interest, as applicable, due between 1st June, 2020 and 31st August, 2020. The moratorium period, wherever granted, shall be excluded from the number of day's past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank hold provisions as at 30th June, 2020 on such customers granted moratorium, based on the information available up to a point in time.

6. During the quarter ended 30th June 2020, the Bank has issued 65,000,000 equity shares of a face value ₹ 5 each at a price of ₹ 1,145 per equity share including a premium of ₹ 1,140 per equity share aggregating to ₹ 7,442.50 crore pursuant to a Qualified Institutional Placement (QIP).
7. During the quarter, the Bank has granted 50,100 options under employee stock option scheme. Stock options aggregating to 766,039 were exercised and allotted during the quarter and 7,819,081 stock options were outstanding with employees of the Bank and its subsidiaries as at 30th June, 2020.





8. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html>. These disclosures have not been subjected to audit or limited review.
9. There has been no change in significant accounting policies during the quarter ended 30th June, 2020 as compared to those followed for the year ended 31st March, 2020.
10. Figures for the previous period's/year have been regrouped/reclassified wherever necessary to conform to current period's/year's presentation.

Mumbai, 27th July, 2020

By order of the Board of Directors
For Kotak Mahindra Bank Limited

DIPAK Digitally signed
by DIPAK GUPTA
GUPTA Date: 2020.07.27
13:31:45 +05'30'

Dipak Gupta
Joint Managing Director



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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Kotak Mahindra Bank Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Kotak Mahindra Bank Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results ('the Statement') of Kotak Mahindra Bank Limited ('the Holding Company' or 'the Bank'), its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the quarter ended 30 June 2020, being submitted by the Bank pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30 June 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us.
2. This Statement, which is the responsibility of the Bank's management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the accounting principles laid down in Accounting Standard 25, Interim Financial Reporting ('AS 25'), prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time ('the RBI guidelines'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Chartered Accountants
Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

Kotak Mahindra Bank Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Kotak Mahindra Bank Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review/audit reports of the other auditors, referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in AS 25, prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, except for the disclosures relating to consolidated Pillar 3 disclosure as at 30 June 2020, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us, or that it contains any material misstatement.
5. We draw attention to Note 10 of the accompanying Statement which describes the uncertainties associated due to the outbreak of Novel Coronavirus (COVID-19). In view of the uncertainties, the impact on the Bank's consolidated financial results is significantly dependent on the future developments.

Our conclusion is not modified in respect of this matter.

6. We did not review the interim financial results of 4 subsidiaries, included in the Statement, whose financial information reflects total revenues of ₹ 4,384.28 crores and total net profit after tax of ₹ 441.20 crores for the quarter ended 30 June 2020, as considered in the Statement. These interim financial results have been reviewed/audited by other auditors whose review/audit reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review/audit reports of such other auditors, and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

7. The Statement includes the interim financial information of 15 subsidiaries, which have not been reviewed by their auditors, and whose interim financial information reflect total revenues of ₹ 427.74 crores and net profit after tax of ₹ 165.39 crores for the quarter ended 30 June 2020, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 12.15 crores for the quarter ended 30 June 2020, as considered in the Statement, in respect of 3 associates, based on their interim financial information which have not been reviewed/audited by their auditors, and have been furnished to us by the management. Our conclusion on the Statement, in so far as it relates to the aforesaid subsidiaries and associates, are based solely on such unaudited/unreviewed financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter.



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Walker Chandiok & Co LLP

Kotak Mahindra Bank Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Kotak Mahindra Bank Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

8. The actuarial valuation of liabilities of Kotak Mahindra Life Insurance Company Limited, ('KLIFE') for life insurance policies in force and for policies in respect of which premium has been discontinued but liability exists as at 30 June 2020, has been duly certified by the Appointed Actuary of KLIFE and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authorities of India ('IRDAI') and the Institute of Actuaries of India in concurrence with IRDAI. The joint auditors of KLIFE, in forming their opinion on valuation of aforesaid liabilities, have relied on the certificate issued by KLIFE's Appointed Actuary, as stated in the 'Other matter' paragraph of their auditor's report dated 22 July 2020.

Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Murad D. Daruwalla

Partner

Membership No:043334



UDIN No:20043334AAAAAB7378

Place: Mumbai

Date: 27 July 2020

Walker Chandiook & Co LLP

Kotak Mahindra Bank Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Kotak Mahindra Bank Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1

List of entities included in the Statement

Domestic Subsidiaries

Kotak Mahindra Prime Limited
Kotak Mahindra Investments Limited
Kotak Securities Limited
Kotak Mahindra Capital Company Limited
Kotak Mahindra Life Insurance Company Limited
Kotak Mahindra General Insurance Company Limited
Kotak Mahindra Asset Management Company Limited
Kotak Mahindra Trustee Company Limited
Kotak Mahindra Pension Fund Limited
Kotak Investment Advisors Limited
Kotak Mahindra Trusteeship Services Limited
Kotak Infrastructure Debt Fund Limited
IVY Product Intermediaries Limited
BSS Microfinance Limited

International Subsidiaries

Kotak Mahindra (UK) Limited
Kotak Mahindra (International) Limited
Kotak Mahindra Inc.
Kotak Mahindra Financial Services Limited
Kotak Mahindra Asset Management (Singapore) Pte. Limited

Associate Companies

Infina Finance Private Limited
Phoenix ARC Private Limited
ECA Trading Services Limited



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KOTAK MAHINDRA BANK LIMITED (CONSOLIDATED)
Registered Office: 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

Sr No	Particulars	Quarter Ended			₹ crore
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 4	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
1	Interest earned (a+b+c+d)	8,421.69	8,434.13	8,289.30	33,474.16
	(a) Interest/discount on advances/bills	5,773.27	6,198.95	6,196.62	24,877.11
	(b) Income on investments	2,064.37	1,868.33	1,763.17	7,327.31
	(c) Interest on balances with RBI & other interbank funds	478.89	261.23	217.90	827.64
	(d) Others	105.16	105.62	111.61	442.10
2	Other income (a+b+c)	3,901.46	3,650.58	3,840.26	16,825.53
	(a) Profit/(Loss) on sale of investments including revaluation (insurance business)	1,382.67	(2,356.52)	256.47	(1,494.83)
	(b) Premium on Insurance Business	1,246.56	3,924.75	1,674.38	10,566.03
	(c) Other income (Refer Notes 5, 6 and 7)	1,272.23	2,082.35	1,909.41	7,754.33
3	Total income (1+2)	12,323.15	12,084.71	12,129.56	50,299.69
4	Interest expended	3,628.24	3,800.94	4,155.07	15,900.68
5	Operating expenses (a+b+c)	5,140.25	4,347.12	4,711.11	20,419.11
	(a) Employees cost	1,384.32	1,422.98	1,368.01	5,755.97
	(b) Policy holders' reserves, surrender expense and claims (Refer note 12)	2,542.12	1,089.76	1,793.81	7,958.18
	(c) Other operating expenses (Refer Note 6 and 8)	1,213.81	1,834.38	1,549.29	6,704.96
6	Total expenditure (4+5) (excluding provisions and contingencies)	8,768.49	8,148.06	8,866.18	36,319.79
7	Operating Profit (3-6) (Profit before provisions and contingencies)	3,554.66	3,936.65	3,263.38	13,979.90
8	Provisions (other than tax) and Contingencies (Refer Note 9)	1,119.33	1,262.19	350.22	2,558.10
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7-8-9)	2,435.33	2,674.46	2,913.16	11,421.80
11	Tax expense	594.89	722.64	986.31	2,814.72
12	Net Profit from ordinary activities after tax before Minority Interest (10-11)	1,840.44	1,951.82	1,926.85	8,607.08
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit from ordinary activities after tax before Minority Interest (12-13)	1,840.44	1,951.82	1,926.85	8,607.08
15	Less: Share of Minority Interest	-	-	-	-
16	Add: Share in profit/(loss) of associates	12.15	(46.64)	5.36	(13.72)
17	Profit after tax (14-15+16)	1,852.59	1,905.18	1,932.21	8,593.36
18	Paid up equity share capital - (Face value of ₹ 5 per share)	989.40	956.52	954.67	956.52
19	Group Reserves (excluding Minority Interest and revaluation reserves)				65,677.60
20	Minority Interest	-	-	-	-
21	Analytical Ratios				
	(i) Capital adequacy ratio - Basel III (standalone)	21.23	17.89	17.80	17.89



Sr No	Particulars	Quarter Ended			Year Ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 4	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
	(ii) Earnings per equity share				
	- Basic (not annualised) ₹	9.57	9.71	10.12	44.73
	- Diluted (not annualised) ₹	9.56	9.70	10.11	44.68
	(iii) NPA Ratios (unaudited)				
	(a) Gross NPA	6,292.55	5,487.66	5,020.64	5,487.66
	(b) Net NPA	2,065.28	1,744.81	1,732.83	1,744.81
	(c) % of Gross NPA to Gross Advances	2.67	2.16	2.02	2.16
	(d) % of Net NPA to Net Advances	0.89	0.70	0.71	0.70
	(iv) Return on average Assets (%) (not annualised)	0.41	0.45	0.49	2.10

NOTES:

- The consolidated financial results are prepared in accordance with Accounting Standard - 21 (AS-21) "Consolidated Financial Statements" and Accounting Standard - 23 (AS-23) "Accounting for investment in associates in Consolidated Financial Statement" specified under section 133 and relevant provision of Companies Act, 2013.
- 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.
- The above consolidated results for the quarter ended 30th June, 2020 were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 27th July, 2020. These results were subjected to limited review by the statutory auditors of the Bank and there are no modifications in the Limited Review Report.
- The figures for quarter ended 31st March, 2020 are the balancing figures between audited published figures for financial year ended 31st March, 2020 and the unaudited published figures for nine months ended 31st December, 2019.
- Details of other income forming part of the consolidated results are as follows:

Particulars	Quarter Ended			Year Ended
	30-Jun-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 4	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
Commission, fees, exchange, brokerage and others	1,152.85	1,640.50	1,759.82	6,876.96
Profit on sale of investments (other than insurance business)	119.38	441.85	149.59	877.37
Total - Other income	1,272.23	2,082.35	1,909.41	7,754.33

- Other income in the consolidated results for the reporting periods is net of sub-brokerage paid in the broking subsidiary amounting to ₹ 20.57 crore for the quarter ended 30th June, 2020 (for the quarter ended 31st March, 2020 ₹ 17.85 crore, for quarter ended 30th June, 2019 ₹ 19.86 crore and for the year ended 31st March, 2020 ₹ 66.04 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.

8. Details of other operating expenses forming part of consolidated results are as follows:

Particulars	Quarter Ended			₹ crore
	30-Jun-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 4	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
Brokerage	53.59	188.93	146.73	704.19
Depreciation	113.37	116.93	118.53	464.89
Rent, taxes and lighting	190.71	199.11	190.15	768.58
Others	856.14	1,329.41	1,093.88	4,767.30
Total	1,213.81	1,834.38	1,549.29	6,704.96

9. Provisions and contingencies are net of recoveries made against accounts, which have been written off as bad in the previous period / year. Details of provisions (other than tax) and contingencies forming part of consolidated results are as follows:

Particulars	Quarter Ended			₹ crore
	30-Jun-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 4	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
Provision towards advances / others (including provisions for exposures to entities with Unhedged Foreign Currency Exposures) (net)	484.35	439.00	299.53	1,663.49
General provision for COVID-19 Deferment cases (net) (Refer note 10)	667.48	713.68	-	713.68
Provision / (Write back of provisions) towards investments (net)	(32.50)	109.51	50.69	180.93
Total – provisions (other than tax) and contingencies	1,119.33	1,262.19	350.22	2,558.10

10. COVID-19, global pandemic, has taken its toll on not just human life, but business and financial markets too, the extent of which is currently unascertainable. Various governments, civil society and many organisations, including the Bank, have introduced a variety of measures to contain the spread of the virus to protect lives and livelihood. Post the lock-down restrictions, which were imposed from 24th March, 2020, the Government announced a phased reopening of certain activities outside specified containment zones, while the lockdown was extended to 30th June, 2020 in such containment zones. Some of the states have taken additional measures like further lockdown, partial/ complete shut down in some districts etc.

The continued slowdown in economic activities has impacted lending business, fee income generation from sale of third party products or usage of debit/ credit cards, collection efficiency etc. This slowdown may impact customer defaults and consequently increase in provisions at the group level. There is a high level of uncertainty regarding the time required for life and business to get normal. The extent to which COVID-19 pandemic will impact the Bank's operations and financial results is dependent on the future developments, which are highly uncertain, including among many other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact, whether Government mandated or elected by the Bank.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020 and 17th April, 2020, and clarification issued by RBI through Indian Bankers Association dated 6th May, 2020, the Bank and its NBFC subsidiaries granted moratorium on the payment of installments and/or interest, as applicable, falling due between 1st March, 2020 and 31st May, 2020 to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020. In accordance with the additional Regulatory Package guidelines dated 23rd May, 2020, the Bank and its NBFC subsidiaries granted a second moratorium of up to three months on installments or interest, as applicable, due between 1st June, 2020 and 31st August, 2020. The moratorium period, wherever granted, shall be excluded from the number of day's past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank and its NBFC subsidiaries hold



provisions as at 30th June, 2020 on such customers granted moratorium, based on the information available up to a point in time.

11. RBI circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated 1st July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated 31st March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards-Amendments', requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link: <https://www.kotak.com/en/investor-relations/financial-results/regulatory-disclosure.html>. These disclosures have not been subjected to audit or limited review.
12. The change in the valuation of liabilities for life policies in force, lapsed policies that are likely to be revived in future and for policies in respect of which premium has been discontinued but liability exists, for the quarter ended 30th June, 2020 amounting to ₹ 1,816.51 crore (for the quarter ended 31st March, 2020, ₹ 5.94 crore, for the quarter ended 30th June, 2019, ₹ 1,053.77 crore and for the year ended 31st March, 2020 ₹ 4,100.96 crore) has been included in "Policy holders' reserves, surrender expense and claims" under "Operating Expenses".
13. During the quarter ended 30th June 2020, the Bank has issued 65,000,000 equity shares of a face value ₹ 5 each at a price of ₹ 1,145 per equity share including a premium of ₹ 1,140 per equity share aggregating to ₹ 7,442.50 crore pursuant to a Qualified Institutional Placement (QIP).
14. Consolidated Segment Information is as under:

Sr. No	Particulars	Quarter Ended			Year Ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 4	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
1	Segment Revenues:				
	Treasury, BMU and Corporate Centre	2,080.85	1,935.98	1,728.68	7,184.98
	Retail Banking	3,417.49	3,757.21	3,644.29	15,057.84
	Corporate / Wholesale Banking	3,311.54	3,707.88	3,377.86	13,918.46
	Vehicle Financing	475.05	560.28	604.44	2,334.43
	Other Lending Activities	374.22	464.35	531.86	1,974.16
	Broking (Refer Note 6)	402.19	378.78	339.52	1,393.27
	Advisory and Transactional Services	66.80	73.18	134.61	417.78
	Asset Management	231.36	314.07	259.03	1,121.48
	Insurance	3,175.75	2,083.58	2,404.20	11,063.09
	Sub-total	13,535.25	13,275.31	13,024.49	54,465.49
	Less: Inter-segment revenues	(1,212.10)	(1,190.60)	(894.93)	(4,165.80)
	Total Income	12,323.15	12,084.71	12,129.56	50,299.69
2	Segment Results:				
	Treasury, BMU and Corporate Centre	180.39	177.96	648.74	2,283.73
	Retail Banking	358.50	349.56	501.35	1,553.19
	Corporate / Wholesale Banking	1,267.48	1,280.46	994.64	4,384.22
	Vehicle Financing	(18.72)	63.70	124.26	444.01
	Other Lending Activities	95.84	171.30	159.93	651.93
	Broking	163.24	169.68	105.43	509.32
	Advisory and Transactional Services	4.24	(6.60)	82.94	168.69
	Asset Management	162.34	159.72	142.24	615.37
	Insurance	222.02	308.68	153.63	811.34
	Total Profit before tax, minority interest and associates	2,435.33	2,674.46	2,913.16	11,421.80
	Provision for tax	594.89	722.64	986.31	2,814.72
	Net Profit before share of Associates and Minority	1,840.44	1,951.82	1,926.85	8,607.08



Sr. No	Particulars	Quarter Ended			Year Ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) Refer Note 4	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
3	Segment Assets:				
	Treasury, BMU and Corporate Centre	166,460.40	137,136.12	102,719.70	137,136.12
	Retail Banking	225,656.13	216,234.38	176,427.63	216,234.38
	Corporate / Wholesale Banking	144,057.97	153,443.88	134,789.13	153,443.88
	Vehicle Financing	16,681.77	19,505.92	21,286.99	19,505.92
	Other Lending Activities	13,897.40	15,340.95	19,295.18	15,340.95
	Broking	5,855.58	5,753.97	5,516.23	5,753.97
	Advisory and Transactional Services	263.91	319.06	258.11	319.06
	Asset Management	3,380.02	2,975.43	2,794.83	2,975.43
	Insurance	39,065.23	37,133.30	32,803.12	37,133.30
	Sub-total	615,318.41	587,843.01	495,890.92	587,843.01
	Less: Inter-segment assets	(158,204.47)	(145,997.82)	(98,428.20)	(145,997.82)
	Total	457,113.94	441,845.19	397,462.72	441,845.19
	Add: Unallocated Assets	1,504.03	1,327.52	1,202.46	1,327.52
	Total Assets as per Balance Sheet	458,617.97	443,172.71	398,665.18	443,172.71
4	Segment Liabilities:				
	Treasury, BMU and Corporate Centre	138,061.68	122,215.01	91,642.79	122,215.01
	Retail Banking	211,748.01	200,770.56	162,017.39	200,770.56
	Corporate / Wholesale Banking	131,608.39	137,983.86	122,746.02	137,983.86
	Vehicle Financing	10,360.15	14,185.38	16,454.03	14,185.38
	Other Lending Activities	6,893.55	7,610.77	7,921.26	7,610.77
	Broking	4,977.22	4,860.90	4,576.66	4,860.90
	Advisory and Transactional Services	57.51	74.52	81.70	74.52
	Asset Management	836.48	576.71	932.24	576.71
	Insurance	35,251.51	33,526.74	29,919.00	33,526.74
	Sub-total	539,794.50	521,804.45	436,291.09	521,804.45
	Less: Inter-segment liabilities	(158,204.47)	(145,997.82)	(98,428.20)	(145,997.82)
	Total	381,590.03	375,806.63	337,862.89	375,806.63
	Add: Unallocated liabilities	585.33	231.96	571.41	231.96
	Add: Share Capital, Reserves & Surplus & Minority Interest	76,442.61	67,134.12	60,230.88	67,134.12
	Total Capital and Liabilities as per Balance Sheet	458,617.97	443,172.71	398,665.18	443,172.71

15. There has been no change in the significant accounting policies during the quarter ended 30th June, 2020 as compared to those followed for the year ended 31st March, 2020.

16. Figures for the previous periods / years have been regrouped wherever necessary to conform to current period's / year's presentation.

By order of the Board of Directors
For Kotak Mahindra Bank Limited

DIPAK GUPTA Digitally signed
by DIPAK GUPTA
Date: 2020.07.27
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Dipak Gupta
Joint Managing Director

Mumbai, 27th July, 2020



MEDIA RELEASE

KOTAK MAHINDRA BANK ANNOUNCES RESULTS

Kotak Mahindra Bank Standalone PAT for Q1FY21 ₹ 1,244 crore

Kotak Mahindra Bank Consolidated PAT for Q1FY21 ₹ 1,853 crore

Mumbai, 27th July, 2020: The Board of Directors of Kotak Mahindra Bank ("Kotak Bank") took on record the unaudited standalone and consolidated results for Q1FY21, at the Board meeting held in Mumbai, today.

Kotak Mahindra Bank standalone results

Net Interest Income (NII) for Q1FY21 increased to ₹ 3,724 crore from ₹ 3,161 crore in Q1FY20 up 17.8 %. Net Interest Margin (NIM) for Q1FY21 was at 4.4%.

Bank PAT for Q1FY21 was ₹ 1,244 crore (₹ 1,360 crore in Q1FY20).

CASA ratio as on June 30, 2020 stood at 56.7% compared to 50.7% as on June 30, 2019.

Average Savings deposits crossed ₹ 1 lac crore, growing by 34% to ₹ 105,673 crore for Q1FY21 compared to ₹ 78,654 crore for Q1FY20. Average Current Account deposits grew by 10% to ₹ 36,066 crore for Q1FY21 compared to ₹ 32,679 crore for Q1FY20.

CASA and TDs below ₹ 5 crore as on June 30, 2020, constitute 90% of total deposits (82% as on June 30, 2019). TD Sweep deposits as on June 30, 2020 were 7.2% of the total deposits.

Customer Assets, which includes Advances and Credit substitutes, were ₹ 216,819 crore as on June 30, 2020 (₹ 217,446 as on June 30, 2019). Advances as on June 30, 2020 were at ₹ 203,998 crore (₹ 208,030 crore as on June 30, 2019).

The Bank has made an additional COVID 19 related general provision of ₹ 616 crore in Q1FY21. COVID related provisions as at June 30, 2020 stand at ₹ 1,266 crore (0.62% of net advances). Total provisioning towards Advances (including specific, standard and Covid provisions) is higher than the GNPA of the Bank.

Capital adequacy ratio of the Bank as per Basel III, as on June 30, 2020 is 21.2% and Tier I ratio is 20.6%. During the quarter, the Bank raised ₹ 7,442 crore through a QIP issuance of 6.5 crore equity shares.

As on June 30, 2020, the Bank had a national network of 1,600 branches and 2,516 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 June 30, 2020, GNPA was 2.70% & NNPA was 0.87%. As on June 30, 2020, SMA2 outstanding was ₹ 96 crore (0.05% of net advances).

Consolidated results at a glance

Consolidated PAT for Q1FY21 was ₹ 1,853 crore (₹ 1,932 crore in Q1FY20).

For Q1FY21, the Bank's contribution to the PAT was ₹ 1,244 crore. The subsidiaries & associates net contribution was 33% of the consolidated PAT.

The contribution of key subsidiaries is given below:

Subsidiaries PAT (₹ crore)	Q1FY21	Q1FY20
Kotak Securities	169	110
Kotak Mahindra Life Insurance	161	134
Kotak Mahindra Prime	68	153
Kotak Mahindra Investments	43	63
Kotak AMC & TC	71	73
International Subsidiaries	54	29

AUM (Policyholders') of Kotak Mahindra Life Insurance as on June 30, 2020 grew 17.4% YoY to ₹ 34,223 crore.

The Relationship Value of all the customers of Wealth, Priority Banking and Investment Advisory ~ ₹ 282,000 crore as on June 30, 2020.

Additional COVID 19 related general provision of ₹ 667 crore has been made at the consolidated level in Q1FY21, which includes ₹ 616 crore at the Bank level. Total provisions for COVID19 at the group stand at ₹ 1,381 crore as at June 30, 2020.

Consolidated Capital & Reserves and Surplus as on June 30, 2020 was ₹ 76,443 crore (₹ 60,231 crore as on June 30, 2019). The Book Value per Share was ₹ 383.8.

Consolidated Customer Assets, including Advances and Credit Substitutes, were ₹ 245,167 crore as on June 30, 2020 (₹ 255,084 crore as on June 30, 2019)

Total assets managed / advised by the Group as on June 30, 2020 were ~ ₹ 260,000 crore.

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.

Covid

At the onset of the lockdown due to the covid pandemic, the Bank's priorities were the safety of its employees and continuity of customer service. The Bank continued to remain operational through the quarter, with branches and large offices operating at partial capacity, following all necessary safety protocols. The Bank's business continuity plan, backed by its digital infrastructure, together with digital channels, ensured operations remained functional and uninterrupted services were provided to its customers throughout the period.

The Kotak Group is actively playing a role in helping kickstart the economy, by implementing ECLGS. The Kotak Group sees an opportunity to also grow its customer franchise in non-credit risk areas of business – advisory, insurance, securities, wealth management and asset management.



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.

As on 30th June, 2020, the consolidated net worth stands at ₹ 75,943 crore.

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 30th June, 2020, Kotak Mahindra Bank Ltd has a national footprint of 1,600 branches and 2,516 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

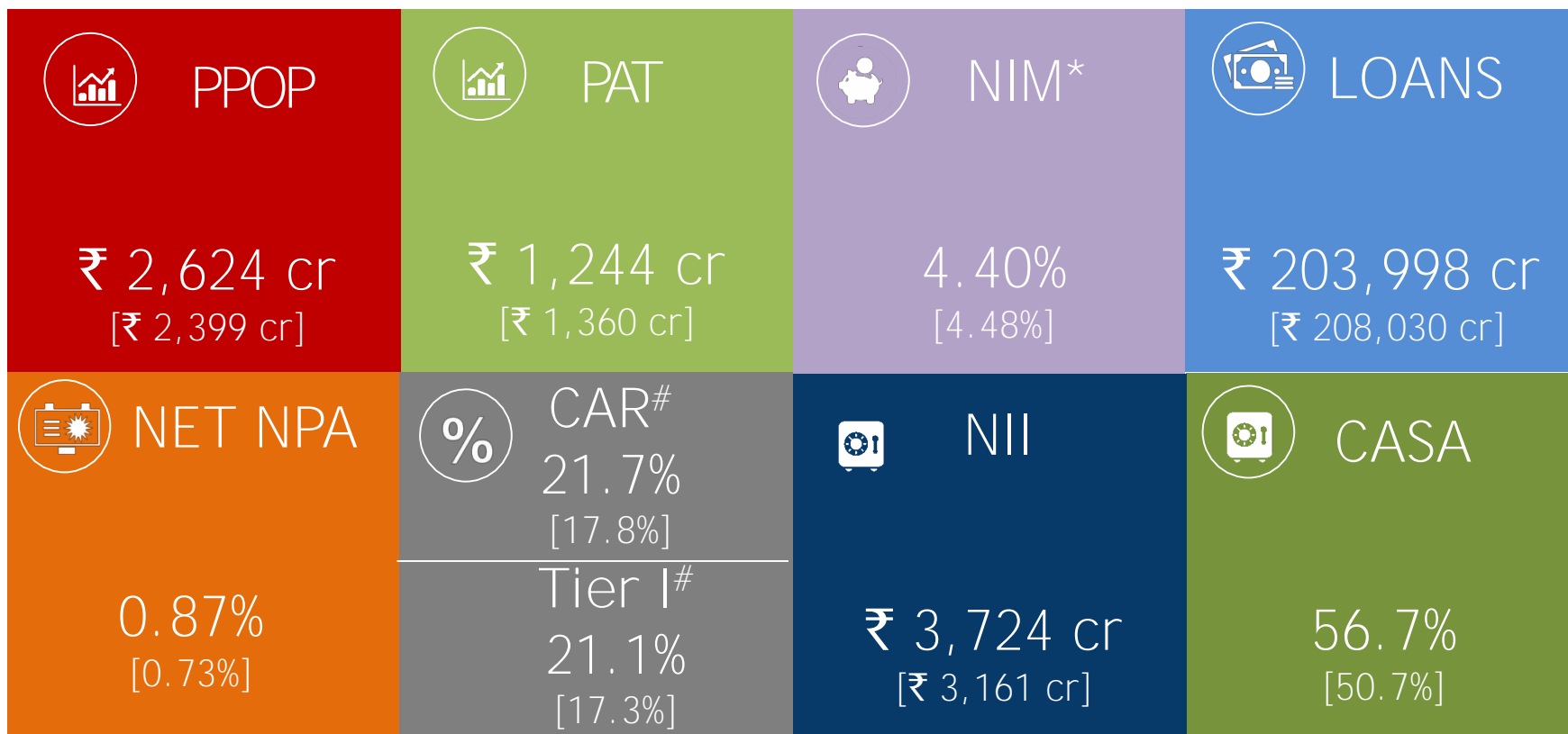
Rohit Rao Kotak Mahindra Bank Phone: +91-22-61660001 Rohit.Rao@kotak.com	Phiroza Choksi Kotak Mahindra Bank Phone: +91-22-61660001 Phiroza.Choksi@kotak.com	Lalita Tiwari Fortuna PR Mobile: +91 9930252484 Lalita@fortunapr.com	Rakesh Sharma Fortuna PR Mobile: +91 9833537679 Rakesh@fortunapr.com
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EARNINGS UPDATE Q1FY21

Presentation on financial results for the period ended 30th June, 2020

27th July, 2020

Standalone Highlights Q1FY21



Figures in [brackets] are Q1FY20 numbers

*Doesn't include dividend income and interest on income-tax refund

As per Basel III, including unaudited profits. Excluding profits CAR: 21.2%, Tier I: 20.6%

Profit and Loss Account

₹ cr	Q1FY21	Q1FY20	Q4FY20	FY20
Net Interest Income	3,724	3,161	3,560	13,500
Other Income	774	1,317	1,489	5,372
<i>Fee and Services</i>	776	1,162	1,270	4,731
<i>Others</i>	(2)	155	219	641
Net Total Income	4,497	4,478	5,049	18,872
Employee Cost	911	902	970	3,878
Other Operating Expenses	963	1,177	1,354	4,973
Operating Expenditure	1,874	2,079	2,324	8,851
Operating Profit	2,624	2,399	2,725	10,021
Provision On Adv/Receivables (net)	353	273	373	1,476
General provision - COVID related	616	-	650	650
Provision On Investments	(7)	44	24	90
Provision & Contingencies	962	317	1,047	2,216
PBT	1,662	2,082	1,678	7,805
Provision For Tax	418	722	411	1,858
PAT	1,244	1,360	1,267	5,947

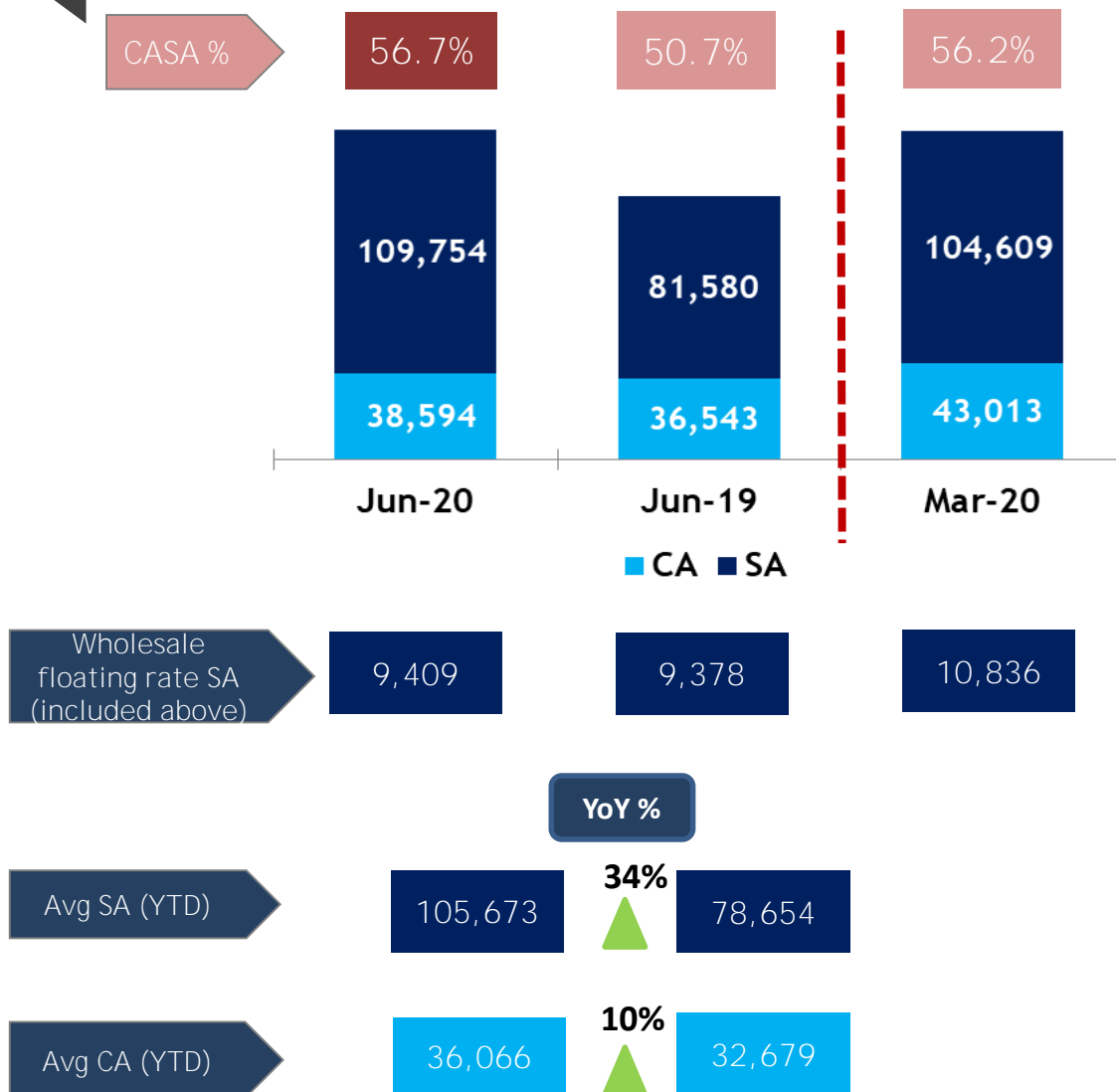
Fees & Services

₹ cr	Q1FY21	Q1FY20	Q4FY20	FY20
Distribution & Syndication Income	144	114	234	590
General Banking Fees	607	1,018	1,007	4,021
Others	25	30	29	120
Fees and Services	776	1,162	1,270	4,731

Deposits

CASA (₹ cr)

Highlights



CASA & TDs below ₹ 5 cr, as % of total deposits

90% [82%]

TDs below ₹ 1 cr

₹ 67,643 cr
[₹ 60,003 cr]

TD Sweep, as % of total deposits

7.2% [7.0%]

Cost of SA

4.22% [5.51%]

Average SA deposits crossed ₹ 1 lakh cr

CDs

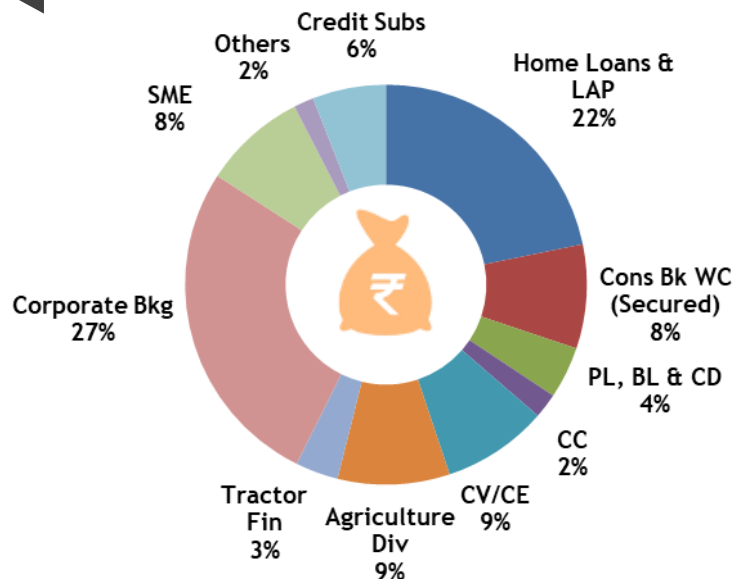
₹ 2,545 cr
69% YoY ↓

Branch count stood at 1,600 (excl. GIFT & DIFC) as on 30th Jun, 2020

Figures in [brackets] are Q1FY20 numbers

Customer Assets

30-Jun-20 (₹ 216,819 cr)



Customer Assets

₹ cr	30-Jun-20	30-Jun-19	31-Mar-20
Home Loans & LAP	47,168	43,571	48,516
Consumer Bank WC (Secured)	18,240	19,173	19,839
PL, BL and Consumer Durables	9,088	9,357	9,754
Credit Cards	4,343	4,549	4,701
CV/CE	18,442	19,910	19,253
Agriculture Division	19,548	19,462	21,188
Tractor Finance	7,503	6,524	7,569
Corporate Bkg	58,119	58,495	64,564
SME	18,048	22,923	20,291
Others	3,499	4,066	4,073
Total Advances	203,998	208,030	219,748
Credit Substitutes	12,821	9,416	9,222
Total Customer Assets	216,819	217,446	228,970

Specific Sectors Exposure

Specific Sectors as per Basel III

Outstanding* (₹ cr)	30-Jun-20	%	30-Jun-19	%	31-Mar-20	%
NBFCs	12,304	4.5%	11,466	4.2%	11,294	4.0%
: Of which HFC	4,921	1.8%	3,715	1.4%	4,548	1.6%
CRE (excl LRD)	6,106	2.2%	4,468	1.6%	6,251	2.2%
LRD	4,400	1.6%	4,417	1.6%	4,457	1.6%
Total including above	272,772		274,254		285,585	

**Above outstanding includes Loans, non-SLR investments, bank balances, current exposure and non-fund*

ECLGS

- Participated in ECLG Scheme
- Disbursals till 30th Jun, 2020: ~ ₹ 550 cr
- Disbursals till 23rd Jul, 2020: ~ ₹ 4,000 cr

Asset Quality



Asset Quality

₹ cr	30-Jun-20	30-Jun-19	31-Mar-20
GNPA	5,619	4,614	5,027
NNPA	1,777	1,524	1,558
GNPA (%)	2.70%	2.19%	2.25%
NNPA (%)	0.87%	0.73%	0.71%
PCR (excl standard and COVID provision)*	68.4%	67.0%	69.0%
Slippages for the quarter	796	751	491

* excl technical write-off

Total provisioning towards advances (including specific, standard, COVID provisions) higher than the GNPA of the Bank

SMA2 outstanding - ₹ 96 cr, 0.05% of net advances (PY: ₹ 332 cr, 0.16% of net advances)

- Moratorium 2 @ 9.65% of loan book at 30th Jun, 2020. This included 9.15% from Moratorium 1
- ~ 80% of moratorium 2 book is secured
- COVID provisioning as on 30th June, 2020: ₹ 1,266 cr

Balance Sheet



₹ cr	30-Jun-20	30-Jun-19	31-Mar-20
Capital & Reserves and Surplus	57,709	44,290	49,015
Deposits	261,524	232,931	262,821
CA	38,594	36,543	43,013
SA	109,754	81,580	104,609
Term Deposits	113,176	114,808	115,199
Of which: TD Sweep	18,884	16,375	17,467
Borrowings	47,920	27,242	37,993
Other Liabilities and Provisions	11,126	10,646	10,423
Total Liabilities	378,279	315,109	360,252

₹ cr	30-Jun-20	30-Jun-19	31-Mar-20
Cash, Bank and Call	59,543	18,839	53,292
Investments	102,693	77,259	75,052
Government Securities	84,571	64,532	61,906
Credit Substitutes	12,821	9,416	9,222
Others	5,301	3,311	3,924
Advances	203,998	208,030	219,748
Fixed Assets and Other Assets	12,045	10,981	12,160
Total Assets	378,279	315,109	360,252

Raised ₹ 7,442 cr through QIP issue

Average LCR > 150%

COVID Impact and Response



COVID-19 has adversely impacted near term growth outlook globally as well as domestically. RBI, ratings agencies, economists, banks have projected GDP de-growth in FY21

Business continuity

- **The Bank's** priorities have been the safety of its employees, and continuity of customer service
- Most branches and large offices have been operating at partial capacity, following all safety protocols
- Employees, wherever possible, have been encouraged to work from home; most of them are doing so even today
- The Bank has ensured uninterrupted service and customer support via digital channels
 - New 811 accounts continued to be opened throughout Q1FY21
 - 97% of recurring deposits and 87% of fixed deposits were sourced digitally during Q1FY21
 - First bank to launch a zero-contact, completely digital video KYC account opening process

Impact on business

- The economic slowdown and lockdowns have had a consequent impact on certain business areas including new loan origination and collections, and could also result in a rise in credit costs
- The Bank continues to leverage technology and maintains focus on costs and productivity, to minimize such impact
- **The Bank operationalized the RBI's regulatory package for COVID-19** and implemented the Government of India's ECLG Scheme

Capital adequacy

- During the quarter, the Bank raised ₹ 7,442 cr via QIP
- **The Bank's capital adequacy ratio at 21.2% as on 30th June, 2020**

Community support

- The Bank has made contributions to national and state level funds, and also donated food packets, masks, face shields, PPEs to doctors, nurses and policemen on COVID-19 duty
- Via a partnership with Campaign Gratitude, Kotak customers can make direct contributions towards COVID-19 causes, matched by CSR donations from the Bank

Q1FY21

~97%

- Recurring Deposit sourced digitally

~87%

- Fixed Deposit sourced digitally

~61%

- Mobile Banking growth YoY*^ (Volume)

~31%

- YoY^ growth in monthly active users on Mobile Banking

~85%

- Mobile banking customers are ONLY on mobile app (Jun 20)

~24X

- Logins on mobile banking compared to Net Banking (Jun 20)

~5X

- YoY^ growth in Monthly Service Requests via Keya Chatbot (Jun20)



New Features



- Sovereign Gold Bond
Customers can apply to buy SGB on Mobile App



- Keya Chatbot
 - Ability to reschedule delivery of packages
 - Live chat for Privy customers
 - Added skills for New Products (Video KYC, Payday Loan, NRI related)
 - Used crowd sourcing to increase knowledge base by 105%



- Video KYC
First bank to launch a zero-contact, completely digital video KYC account opening process

* (RBI Report) Mobile Banking Transaction includes UPI transactions from other app where debit account is Kotak account

^ Jun 20 vs Jun 19

Key Highlights



1.7X growth of consumer volumes in Q1FY21 over Q1FY20



21X growth of registered UPI merchant base as at end of Q1FY21 v/s Q1FY20

~8X growth of UPI transactions acquired in Q1FY21 v/s Q1FY20



KayMall

- In-App/Online **Grocery Shopping** launched for customers during the COVID-19 lockdown
- Grocery contributed to 26% of total KayMall volume in Q1

Key Trends



Open Banking has enabled new **10** API relationships in Q1 FY21 with **~11.6X** transaction growth in Q1FY21 over Q1FY20



Consumer UPI P2M (Peer to Merchant) Checkouts have grown **~2.2X** in Q1FY21 over Q1FY20



% Share of P2M Merchant checkout transactions have grown **1.3X** i.e. **44%** of UPI transactions in Q1FY21 over **34%** of UPI transactions in Q1FY20

Initiatives to address Covid-19



- Donation to PM Cares Fund was launched on Website, Net and Mobile Banking
 - Launched a seamless process for direct fund transfer on Digital Channels
- Online application form for Installment moratorium with OTP based authentication
- A new website section to educate customer about changes in banking operations & awareness campaigns for digital banking and Safe Banking
- Role of automation in managing service volume volatility
 - To handle processing of MSME loans, multiple BOTS were institutionalized within a day



eSign: Eco-friendly & completely paperless documentation.

For unsecured SME loan documents signing, both at Bank's and at the customer's end.



Benefits to the Bank

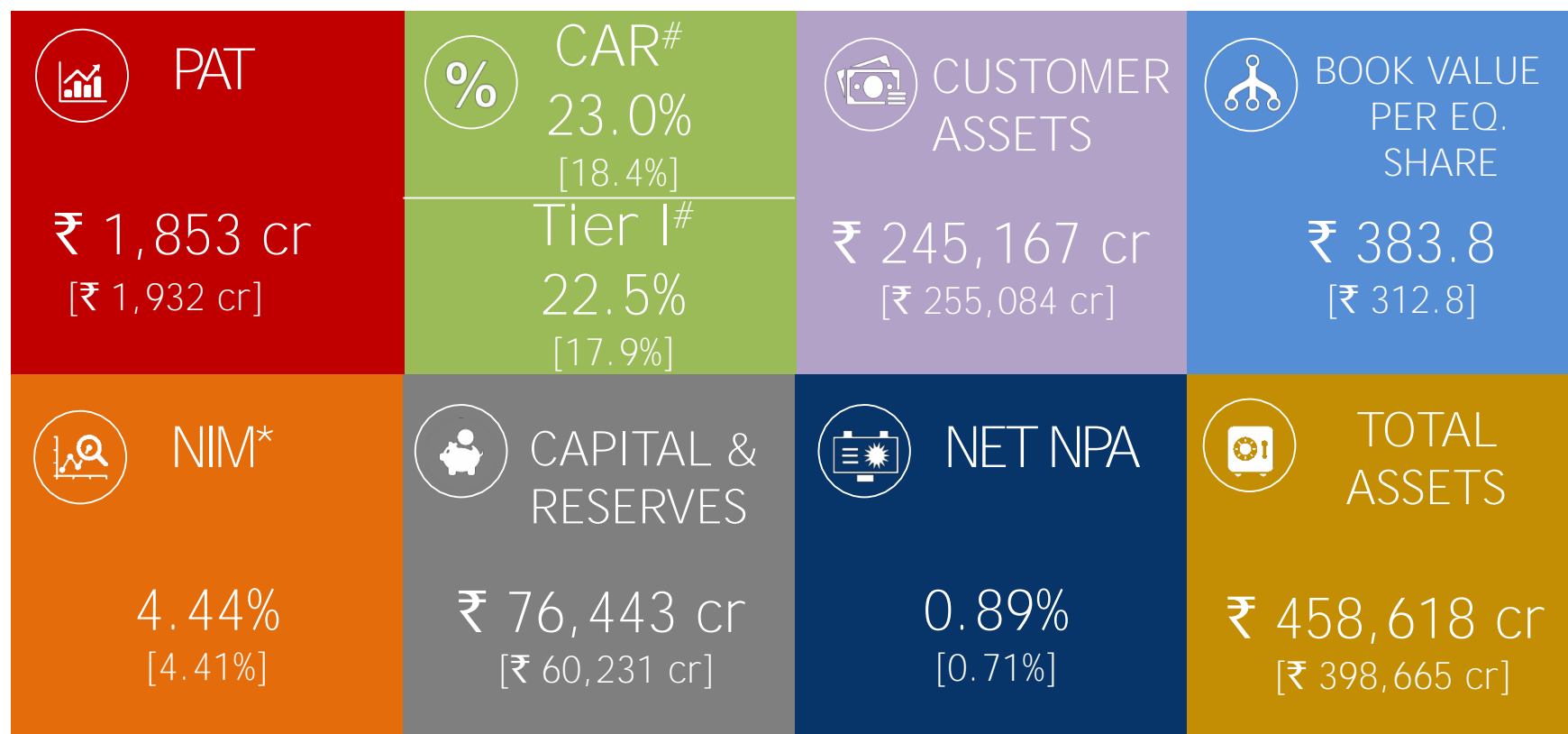
- Removes need for physical presence
- Eliminates cost of printing, scanning, overnight delivery, travel
- Eliminates risk of forgery
- Shorter Turn Around Time

Benefits to the customers



- Customer can eSign from anywhere in the world
- Eliminates need to take a printout, sign, scan and courier documents

Consolidated Highlights Q1FY21



Figures in [brackets] are Q1FY20 numbers

[#] As per Basel III, including unaudited profits. Excluding profits CAR: 22.5%, Tier I: 21.9%

* **Doesn't include dividend income and** interest on income-tax refund

Financial results have been prepared under Indian Generally Accepted Accounting Principles

Consolidated PAT



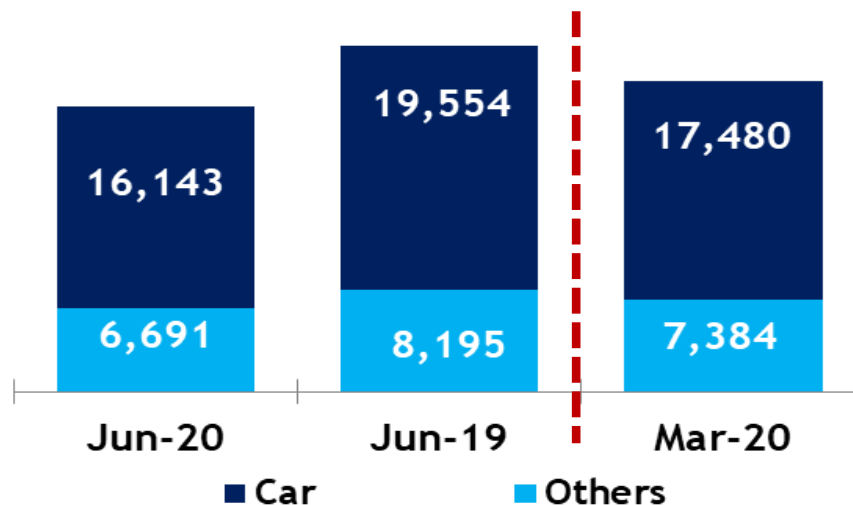
₹ cr	Q1FY21	Q1FY20	Q4FY20	FY20
Kotak Mahindra Bank	1,244	1,360	1,267	5,947
Kotak Mahindra Prime	68	153	161	673
Kotak Mahindra Investments	43	63	77	270
Kotak Securities	169	110	163	550
Kotak Mahindra Capital	6	45	(7)	79
Kotak Mahindra Life Insurance	161	134	165	608
Kotak Mahindra General Insurance	13	(2)	(9)	(28)
Kotak AMC and TC	71	73	88	337
International Subsidiaries	54	29	30	119
Others	22	19	16	106
Total	1,851	1,984	1,951	8,661
Affiliates and Others	2	(52)	(46)	(68)
Consolidated PAT	1,853	1,932	1,905	8,593

Entity wise Capital & Reserves and Surplus



₹ cr	30-Jun-20	30-Jun-19	31-Mar-20
Kotak Mahindra Bank	57,709	44,290	49,015
Kotak Mahindra Prime	6,157	5,568	6,088
Kotak Mahindra Investments	1,902	1,652	1,860
Kotak Securities	4,698	4,089	4,529
Kotak Mahindra Capital	628	588	622
Kotak Mahindra Life Insurance	3,515	2,879	3,354
Kotak AMC and TC	957	623	886
Kotak Infrastructure Debt Fund	391	356	383
Kotak Mahindra General Insurance	177	146	165
International Subsidiaries	1,281	1,035	1,230
Kotak Investment Advisors	372	351	365
Other Entities	283	231	275
Total	78,070	61,808	68,772
Affiliates	954	941	942
Inter-company and Others	(2,581)	(2,518)	(2,580)
Consolidated Capital & Reserves and Surplus	76,443	60,231	67,134

Customer Assets* (₹ cr)

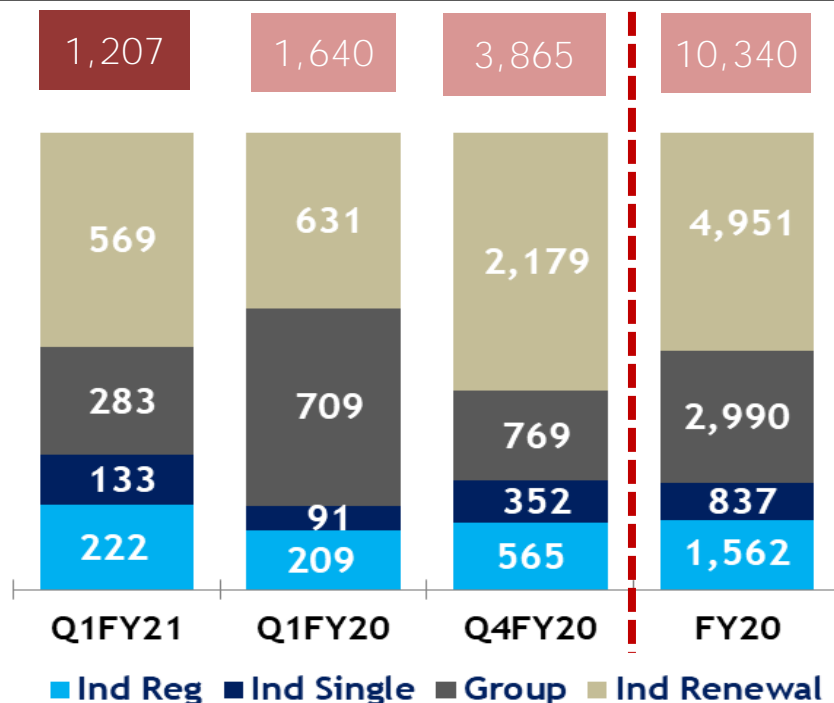


₹ cr	Q1FY21	Q1FY20	Q4FY20	FY20
NII	300	299	313	1,229
Other Income	12	63	99	291
NII and Other Income	312	362	412	1,520
Profit Before Tax	93	235	203	923
Profit After Tax	68	153	161	673
NNPA (%)	1.07			
CAR (incl unaudited profits) (%)	26.2			
ROA (%) - annualised	1.0			

* Includes loans and credit substitutes

COVID provision ₹ 38 crore during Q1FY21 (Q4FY20: ₹ 50 cr)

Gross Written Premium (₹ cr)



Highlights

- Individual APE NB premium grew 8% YoY against industry de-growth of 18%
- Renewal premium is affected by extension of grace period and lockdowns
- Individual Protection share to APE grew from 6.2% in Q1FY20 to 9.3% in Q1FY21
- Group business is affected by lower corporate activity
- AUM (Policyholders')** as on 30th June, 2020: ₹ 34,223 cr, growth 17.4% YoY
- PAT growth of 20.7% YoY

₹ cr	Q1FY21	Q1FY20	Q4FY20	FY20
Capital	562	562	562	562
Other Reserves and Surplus	2,952	2,317	2,791	2,791
Total Premium	1,207	1,640	3,865	10,340
Profit After Tax (Shareholders')	161	134	165	608
Solvency Ratio (x)	3.00	3.02	2.90	2.90



Empowering Distribution

Digital Pre-Sales & Sales

Over **6 lac** activity nudges for sales on CRM

Boost, an agent engagement app, connected **10,000+** life advisors within 2 months of launch

Digital integration completed with **11** digital ecosystem partners

Digital Fulfillment

95% Individual policies in Q1FY21 through Genie (need analysis & sourcing app)

98% Sourcing in Banca through Genie

Enhancing Customer Experience

Whatsapp servicing launched for customers, **15k** MAU

11k MAU on KAYA, customer chatbot

38k MAU on online customer portal, focused on servicing and queries

Over **2 lac** Online renewals in Q1FY21

Enhancing Employee Experience

Employee Experience Improved

A comprehensive mobile-based employee app in view of Covid-situation, covering performance mgt, compensation, travel, training, expense mgt, health insurance



Kotak General Insurance

Digital channels contributed to more than 35% of business in Q1FY21

The Bank sources close to 50% business digitally through BPoS, end to end issuance system

94% Digital payments in Q1FY21



Kotak Securities

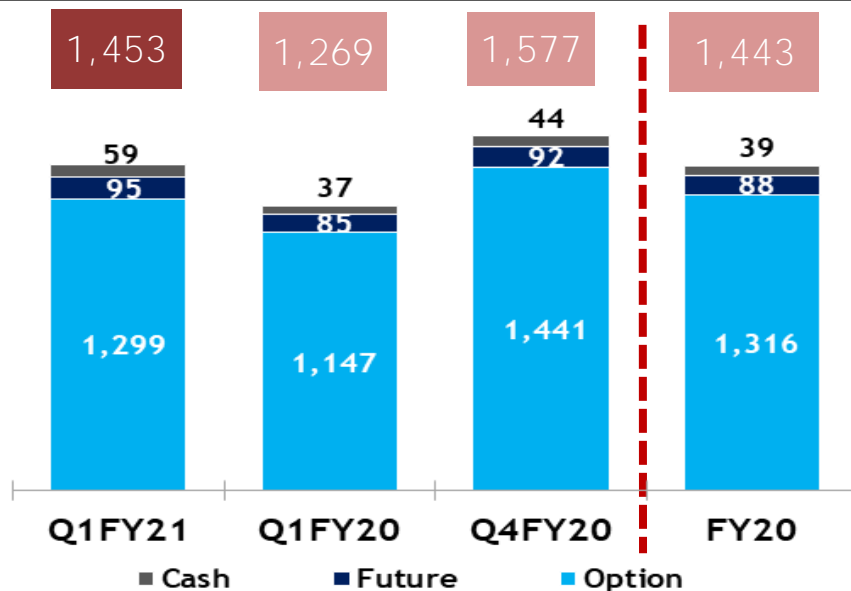


21%
growth YoY
in Online
Total ADV

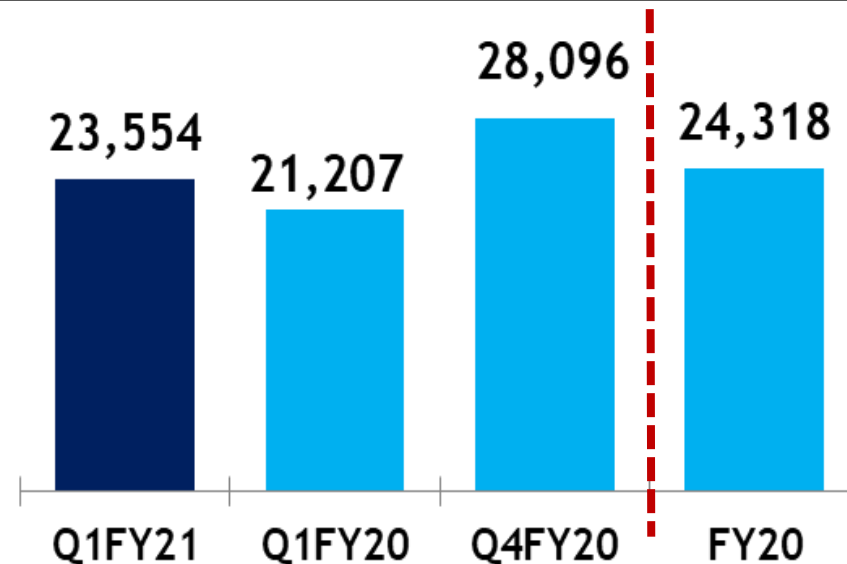


79%
growth YoY in
Mobile Total
ADV

Market ADV (₹ '000 cr)



ADV (₹ cr) - KS



Kotak Securities (₹ cr)	Q1FY21	Q1FY20	Q4FY20	FY20
Total Income	459	411	463	1,690
Profit Before Tax	225	168	218	738
Profit After Tax	169	110	163	550
Market Share* (%)	1.6			

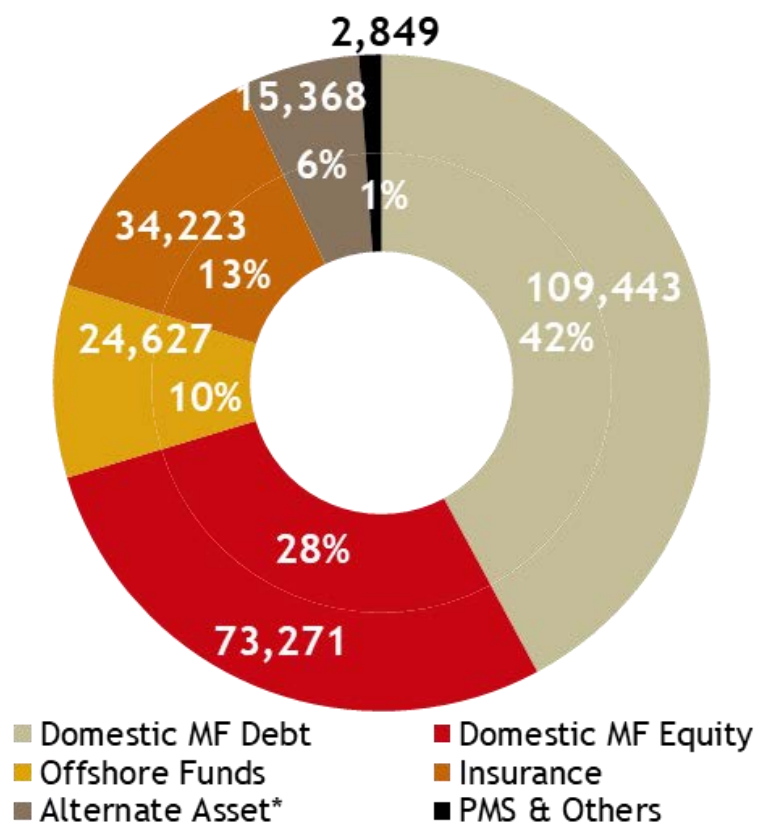
*excluding BSE Derivative segment

Market Share in Cash Segment Q1FY21 - 7.6% (Q1FY20 - 10.0%)

1,282 branches, franchises and referral co-ordinators

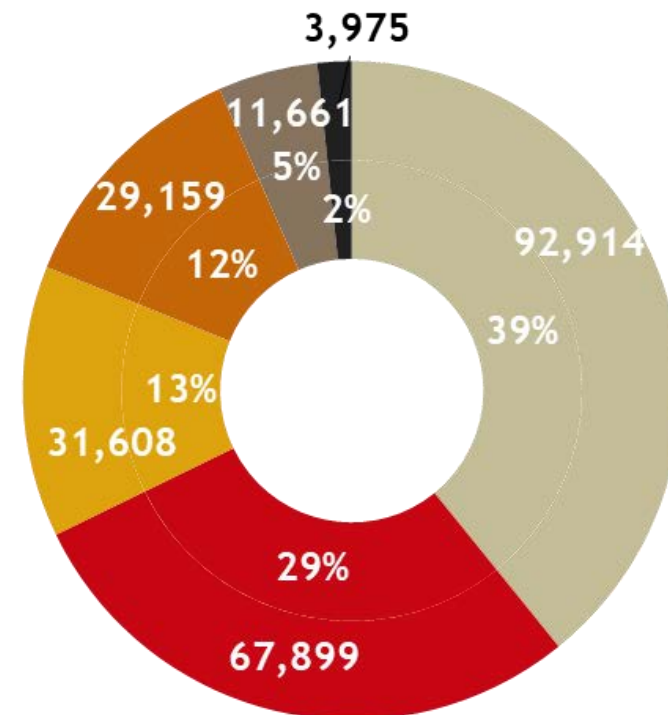
AUM & RV

30th Jun, 2020



AUM ₹ 259,781 cr

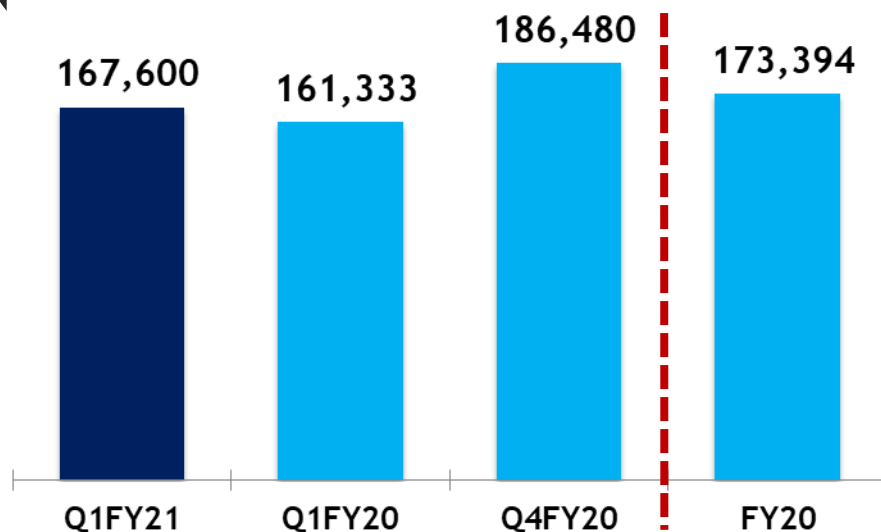
30th Jun, 2019



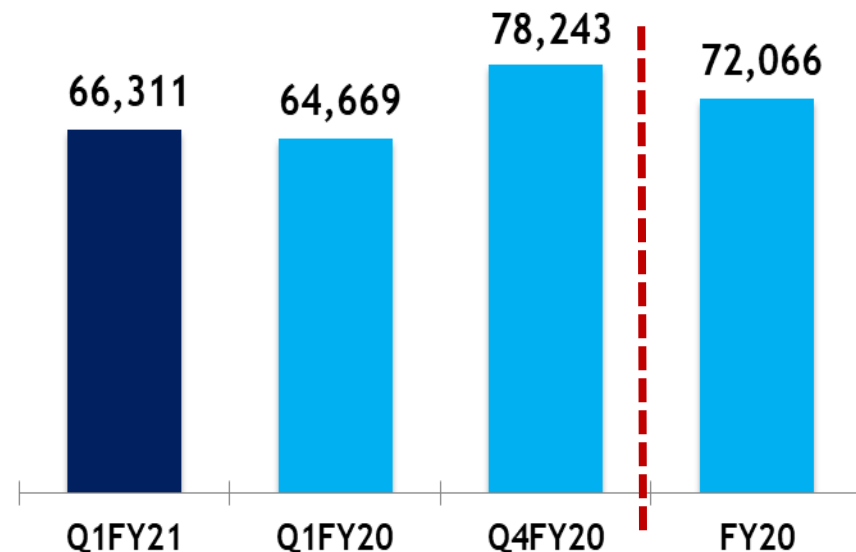
AUM ₹ 237,216 cr

Relationship Value of Wealth + Priority + Investment Advisory as on
30th Jun, 2020 ~ ₹ 282,000 cr

Average Assets Under Management (₹ cr) - Overall



Average Assets Under Management (₹ cr) - Equity

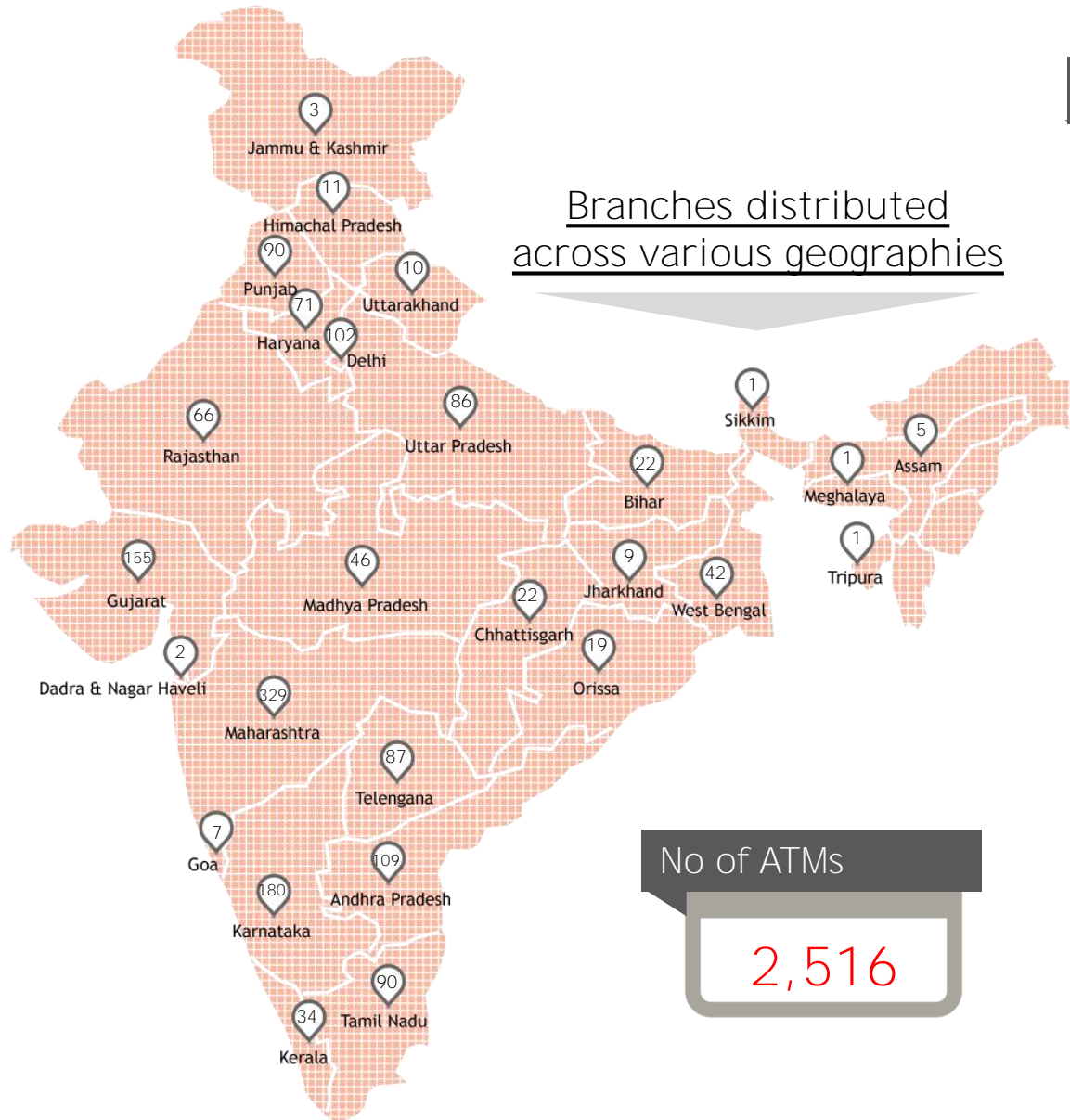


₹ cr	Q1FY21	Q1FY20	Q4FY20	FY20
Profit Before Tax	95	111	117	454
Profit After Tax	71	73	88	337

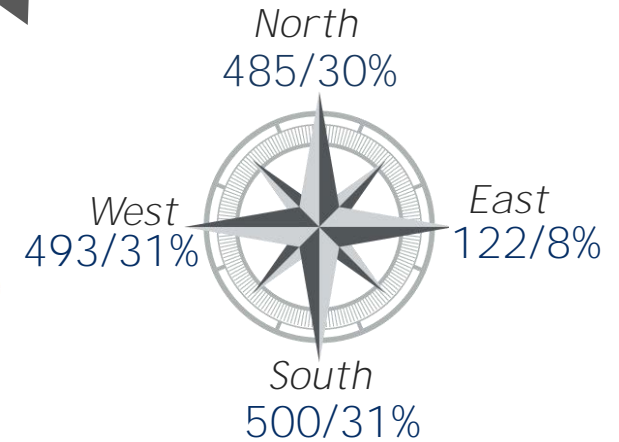
Highlights

- Overall Market share on AAUM rose to 6.8% in Q1FY21 (Q1FY20: 6.3%)
- Equity AAUM market share rose to 4.9% in Q1FY21 (Q1FY20: 4.4%)

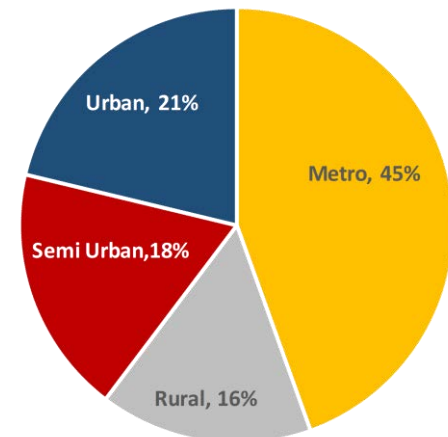
Geographical Presence



Branches 1,600* [No./%]



Branch Classification



No of ATMs

2,516

* Does not include branches in DIFC, Dubai & GIFT city, Gujarat

Bank Awards & Recognition



- AsiaMoney Best Bank Awards, 2020
Best Corporate and Investment Bank
- AsiaMoney Best Bank Awards, 2020
Best Corporate and Investment Bank
- India Digital Awards, 2020
Best use of Bots - WhatsApp Banking
- Best Tech Awards 2020 :
AI/ Machine Learning category for KEYA (AI powered Voicebot & Chatbot)
- The Asset Triple A Treasury, Trade, SSC and Risk Management Awards 2020
Best Payment and Collection Solution (India)
- Innovators 2020:
C2B platform (Cash Management) and Digital Vendor Financing solution (Trade Finance)

- India Banking Summit & Awards 2019
 - Best product Innovator of the year for Whatsapp Banking
 - Best Customer Service Provider of the Year
- DX Summit & Awards
Best Practice in Digital Transformation 2019 for Project Velocity
- Published by The legal 500 GC Powerlist Indian Teams 2019
- India Fintech Awards (IFTA) 2019
Most Innovative Bank of the year
- **FE India's Best Bank Awards**
Best Savings Bank Product
- DMAI International Echo :
811 #IndiaInvited Campaign
- The League of American Communications Professionals 2019 spotlight awards
Annual report titled - **'Courage of Conviction. Constancy of change'** - Bronze

- **Banker's Choice Awards**
 - Best Cash Mgt Bank
 - Best Supplier Relationship Mgt
 - Best E-commerce Initiative, Application or Programme: **"Kotak ALLPAY"**
- Indian Marketing Awards 2019:
 - 811 #IndiaInvited
 - Best Use of Integrated Marketing Campaign
 - 811 #BenchofUnity
 - **Gold in category 'Use of Consumer Insight'**
- Magna Awards 2019 by Business world
 - Best Mid- Size Bank
 - Fastest growing Mid size Bank
- Ms. Shanti Ekambaram
 - The 50 most powerful women by Fortune India
 - The Most powerful Women in Business 2019
Business Today
 - 13th ICAI Awards
CA Business Leader Award



Mr. Uday Kotak

- Lifetime Achievement Award
Magna Awards 2019 by Businessworld
- CEO of the Year Award
CNBC-Awaaz CEO Awards 2018
- Global Leadership Award
USIBC Global Leadership Award
- Banker of the Year
Businessworld Magna Awards 2018
- Best CEO in Banking sector
Business Today Best CEO Awards 2019
- Mr. Jaimin Bhatt
 - CFO Award
For Sustained Excellence Over a Decade

Awards and Recognition



○ FinanceAsia Country Awards 2020
Best Private Bank (India)

○ Asiamoney Asia Private Banking Awards 2020
- Best Domestic Private Bank (India)
- Best for HNW (India)
- Best for Investment Research (India)

○ PWM Wealth Tech Award 2020
Best Private Bank for Digital Customer Experience, Asia

○ Finance Asia Achievement Awards
Best India Deal - Embassy Office REIT \$690 million

○ Global Finance
Best Private Bank for New customer segments globally

○ Global Finance 2020 Private Bank Awards honouree



○ 2019 Finance Asia Country Awards
Best Broker

○ Gold at ACEF for Email marketing & successful of technology

○ Asiamoney Brokers poll
Ranked first in India in 2019

○ Asiamoney Brokers poll
Best for overall research (India) in 2019



○ VCCircle Awards 2020 Winner
Fund Raiser of the Year - Private Equity (KIAL)



○ Thomson Reuters Lipper India 2019 fund Awards - India Fund Award for Kotak Equity Arbitrage Fund Regular Plan-Growth Option (5 yrs & 10 yrs)

○ Best Value Creator Fund Debt : Business Today - Money Today Financial Awards 2018-2019
Corporate Bond Fund

○ 2019 CIO100 Award



○ FinanceAsia Country Awards 2020
Best Investment Bank (India)

○ The Asset Triple A Country Awards 2019
- Best Equity Advisor, India
- Best M&A advisor
- Best IPO, India Embassy Office parks REIT US\$688mn IPO
- Best QIP, India for Godrej Properties US\$302 mn QIP
- Best rights issue, India, for Vodafone Idea's US\$3.6 bn rights issue

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