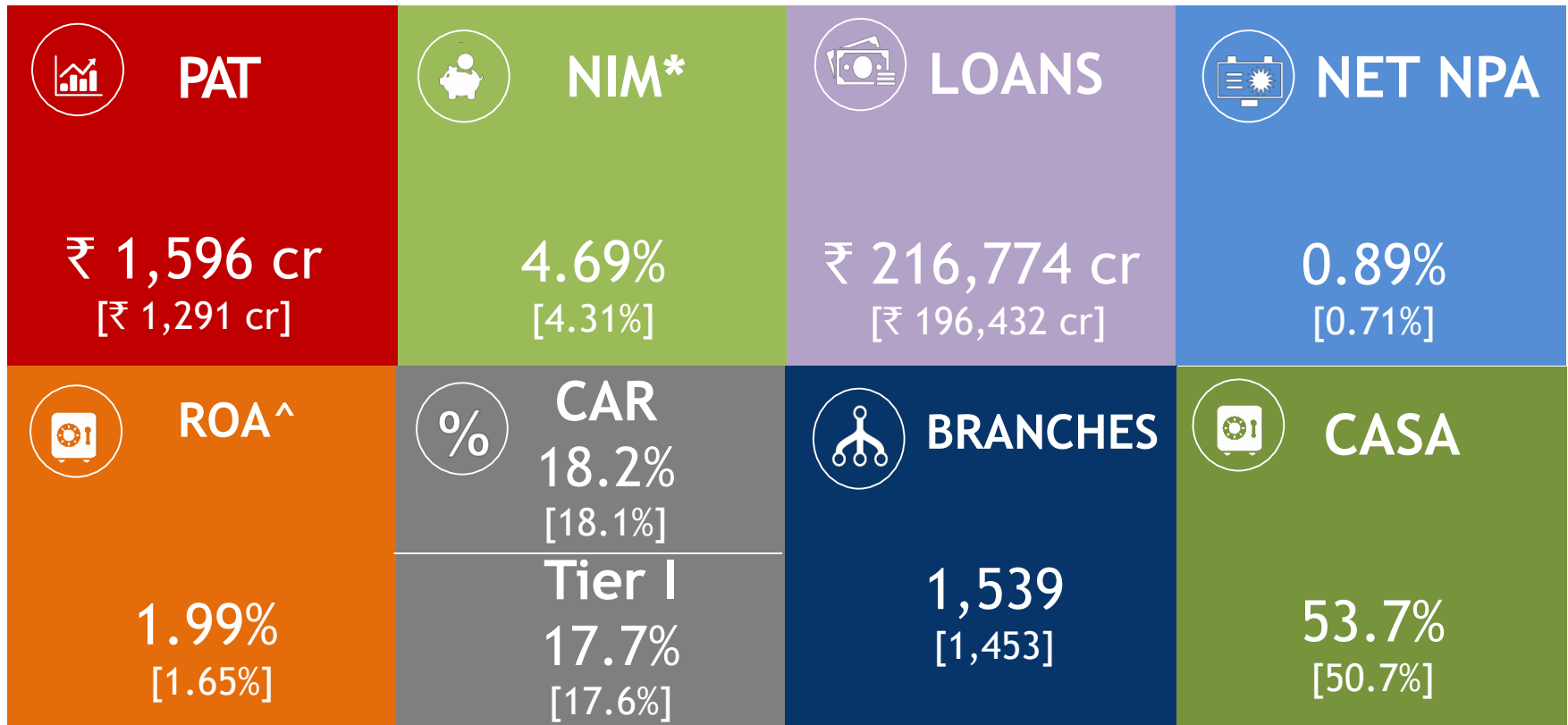


# EARNINGS UPDATE Q3FY20

Presentation on financial results for the period ended December 31, 2019

January 20, 2020

# Standalone Highlights Q3FY20



Figures in [brackets] are Q3FY19 numbers

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

^ YTD, annualised

# Profit and Loss Account

₹ cr	Q3FY20	Q3FY19	Q2FY20	FY19
Net Interest Income	3,430	2,926	3,350	11,206
Other Income	1,341	977	1,224	4,657
<i>Fee and Services</i>	1,136	1,051	1,162	4,287
<i>Others</i>	205	(74)	62	370
<b>Net Total Income</b>	<b>4,771</b>	<b>3,903</b>	<b>4,574</b>	<b>15,863</b>
Employee Cost	1,092*	837	915	3,159
Other Operating Expenses	1,291	1,128	1,150	4,356
<b>Operating Expenditure</b>	<b>2,383</b>	<b>1,965</b>	<b>2,065</b>	<b>7,515</b>
<b>Operating Profit</b>	<b>2,388</b>	<b>1,938</b>	<b>2,509</b>	<b>8,348</b>
Provision On Adv/Receivables (net)	432	255	398	976
Provision On Investments	12	(288)	10	(14)
<b>Provision &amp; Contingencies</b>	<b>444</b>	<b>(33)</b>	<b>408</b>	<b>962</b>
<b>PBT</b>	<b>1,944</b>	<b>1,971</b>	<b>2,101</b>	<b>7,386</b>
Provision For Tax	348	680	377	2,521
<b>PAT</b>	<b>1,596</b>	<b>1,291</b>	<b>1,724</b>	<b>4,865</b>

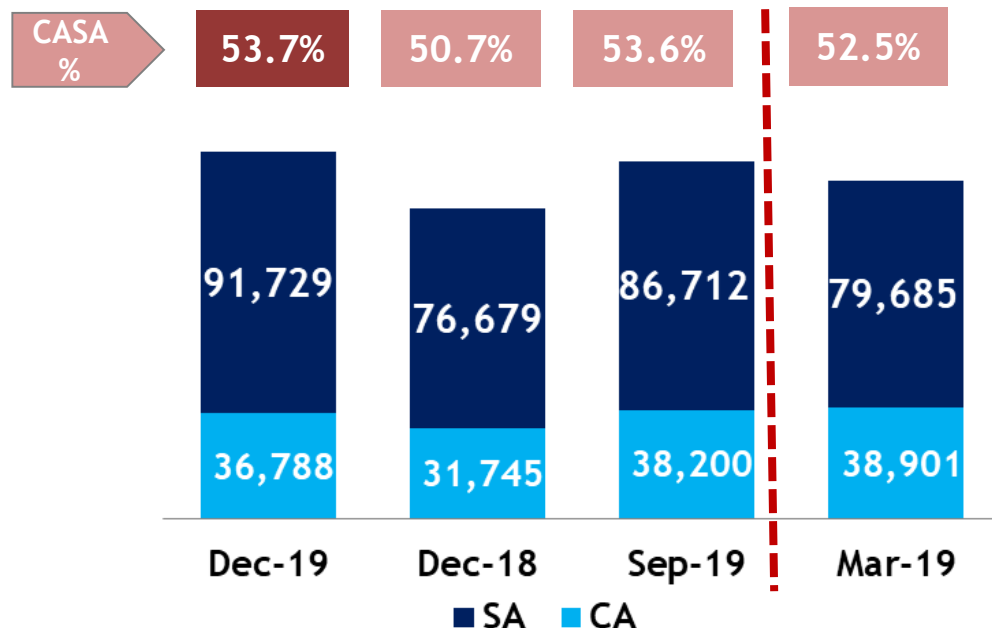
\* Includes non-recurring charge towards Pension obligation of ~ ₹ 200 crore mainly due to Annuity rate, DA, etc.

# Fees & Services

₹ cr	Q3FY20	Q3FY19	Q2FY20	FY19
Distribution & Syndication Income	128	138	115	689
General Banking Fees	978	890	1,017	3,508
Others	30	23	30	90
<b>Fees and Services</b>	<b>1,136</b>	<b>1,051</b>	<b>1,162</b>	<b>4,287</b>

# Deposits

## CASA (₹ cr)



### YoY %

#### Avg SA (YTD)

83,049

20%  
▲

69,256

#### Avg CA (YTD)

33,258

19%  
▲

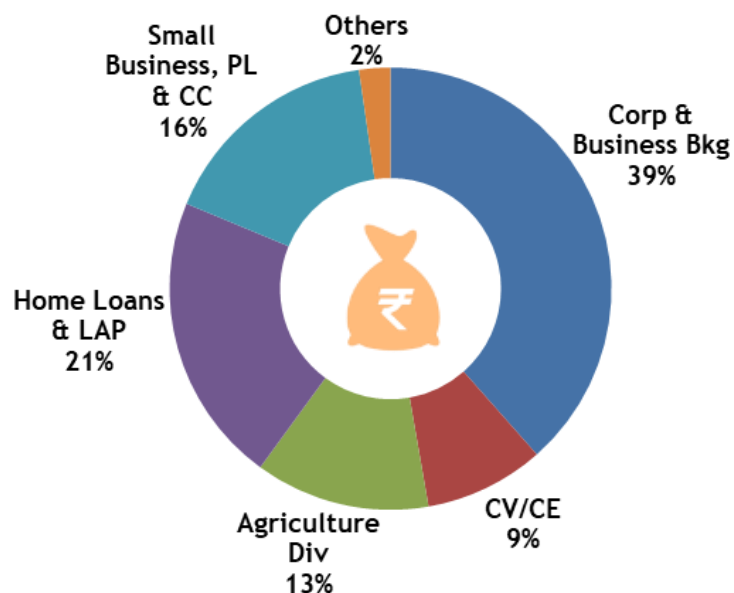
28,026

## Highlights

- CASA and TDs below ₹ 5 cr constitute 87% (PY: 80%) of total deposits
- TDs below ₹ 1 cr were ₹ 64,294 cr (PY: ₹ 53,620 cr)
- TD Sweep: 7.4% (PY: 6.7%) of total deposits
- Cost of SA for Q3FY20: 5.27% (Q3FY19: 5.67%)
- 1,539 branches as on 31<sup>st</sup> Dec, 2019

# Advances

31-Dec-19 (₹ 216,774 cr)



## Advances

₹ cr	31-Dec-19	31-Dec-18	30-Sep-19
Corp & Business Bkg	83,423	80,984	82,374
CV/CE	18,993	17,999	19,688
Agriculture Division	27,736	23,742	27,068
Home Loans & LAP	46,031	38,305	44,371
Small Business, PL & CC	35,636	31,085	34,852
Others	4,955	4,317	4,946
<b>Total Advances</b>	<b>216,774</b>	<b>196,432</b>	<b>213,299</b>

# Asset Quality



## Asset Quality

₹ cr	31-Dec-19	31-Dec-18	30-Sep-19
GNPA	5,413	4,129	5,034
NNPA	1,925	1,397	1,811
GNPA (%)	2.46%	2.07%	2.32%
NNPA (%)	0.89%	0.71%	0.85%
PCR (excl technical w/off)	64.4%	66.2%	64.0%

\* Gross additions to NPA during Q3FY20: ₹ 1,062 crore

- Credit Cost on advances (incl. standard provisions & UFCE) 9MFY20: 67 bps (annualised)
- SMA2 outstanding - ₹ 274 cr, 0.13% of net advances (PY: ₹ 344 cr, 0.18% of net advances)

# Specific Sectors Exposure

## Specific Sectors as per Basel III

Outstanding* (₹ cr)	31-Dec-19	%	31-Dec-18	%	30-Sep-19	%
NBFCs	11,756	4.2%	11,782	4.5%	10,964	4.0%
:Of which HFC	4,311	1.5%	3,278	1.3%	3,563	1.3%
CRE (excl LRD)	5,844	2.1%	4,055	1.6%	5,609	2.0%
LRD	4,521	1.6%	4,206	1.6%	4,296	1.6%
<b>Total</b>	<b>279,040</b>		<b>259,782</b>		<b>276,402</b>	

\*Loans, non-SLR investments, bank balances, current exposure and non-fund



# Balance Sheet

₹ cr	31-Dec-19	31-Dec-18	30-Sep-19
Capital & Reserves and Surplus	47,606	41,426	45,912
Deposits	239,354	213,804	233,071
CA	36,788	31,745	38,200
SA	91,729	76,679	86,712
<i>Term Deposits</i>	110,837	105,380	108,159
<i>Of which: TD Sweep</i>	17,656	14,423	16,548
Borrowings	26,465	29,129	26,665
Other Liabilities and Provisions	10,056	9,839	11,242
<b>Total Liabilities</b>	<b>323,481</b>	<b>294,198</b>	<b>316,890</b>

₹ cr	31-Dec-19	31-Dec-18	30-Sep-19
Cash, Bank and Call	19,090	13,817	17,780
Investments	76,601	73,588	74,331
<i>Government Securities</i>	62,814	61,478	60,969
<i>Others</i>	13,787	12,110	13,362
Advances	216,774	196,432	213,299
Fixed Assets and Other Assets	11,016	10,361	11,480
<b>Total Assets</b>	<b>323,481</b>	<b>294,198</b>	<b>316,890</b>



## New Features

### Q3FY20 (volumes)

**92%**

- Recurring Deposit sourced digitally

**76%**

- Fixed Deposit sourced digitally

**79%**

- Mobile Banking growth YoY\*



- New Insurance section on Mobile  
Customers can now apply for insurance products



- Apply for Payday loan on mobile  
Customers can avail a pre-approved payday loan up to 50% of their salary



- Now apply for Fastag through your Mobile App

**35%**

- YoY growth in monthly active users on Mobile Banking

**82%**

- Mobile banking customers are using only mobile app as their Digital Channel

**21X**

- Logins on mobile banking compared to Net Banking

**~2.4 Mn**

- Monthly unique users for Keya chatbot in Q3

## Key Highlights



**1.82X** growth of volumes over Q3FY19



**~34X** growth of registered UPI merchant base in Q3FY20 v/s Q3FY19

**10X** growth of UPI transactions acquired in Q3FY20 v/s Q3FY19



**1.43X** GMV Growth for KayMall in Q3FY20 v/s Q3FY19 (mCommerce & eCommerce)



**36%** Contribution through Digital in Q3FY20 for Salaried Personal Loans

## Key Trends



Open Banking has enabled **60** API relationships



Consumer UPI P2M (Person to Merchant) Checkouts have grown **4.2X** in Q3FY20 over Q3FY19



% Share of P2M Merchant checkout transactions have grown **2X** to **41%** of UPI transactions versus Q3FY19



**~1.3X** YoY increase for Salaried Home Loans disbursals

# Digital Update - Subsidiaries



## Kotak Securities



**72%** growth  
YoY in Online  
Total ADV



**27%** growth  
YoY in Mobile  
Cash ADV



**126%**  
growth YoY in  
Mobile Total  
ADV



## Kotak Life Insurance

**95%**

Individual Policies sourced in Q3FY20 through Genie (Tablet based end to end sales solution)

**95%**

Business (sales in Q3FY20) comes through Genie for BANCA channel

**99%**

Applications shared via digital medium in Q3FY20 (On-board advisors provided with Mobility solution digitally)

**98%**

Active Life Advisors till YTD Dec 19 uses Smart sell (Pre Marketing, engagement and productivity app)

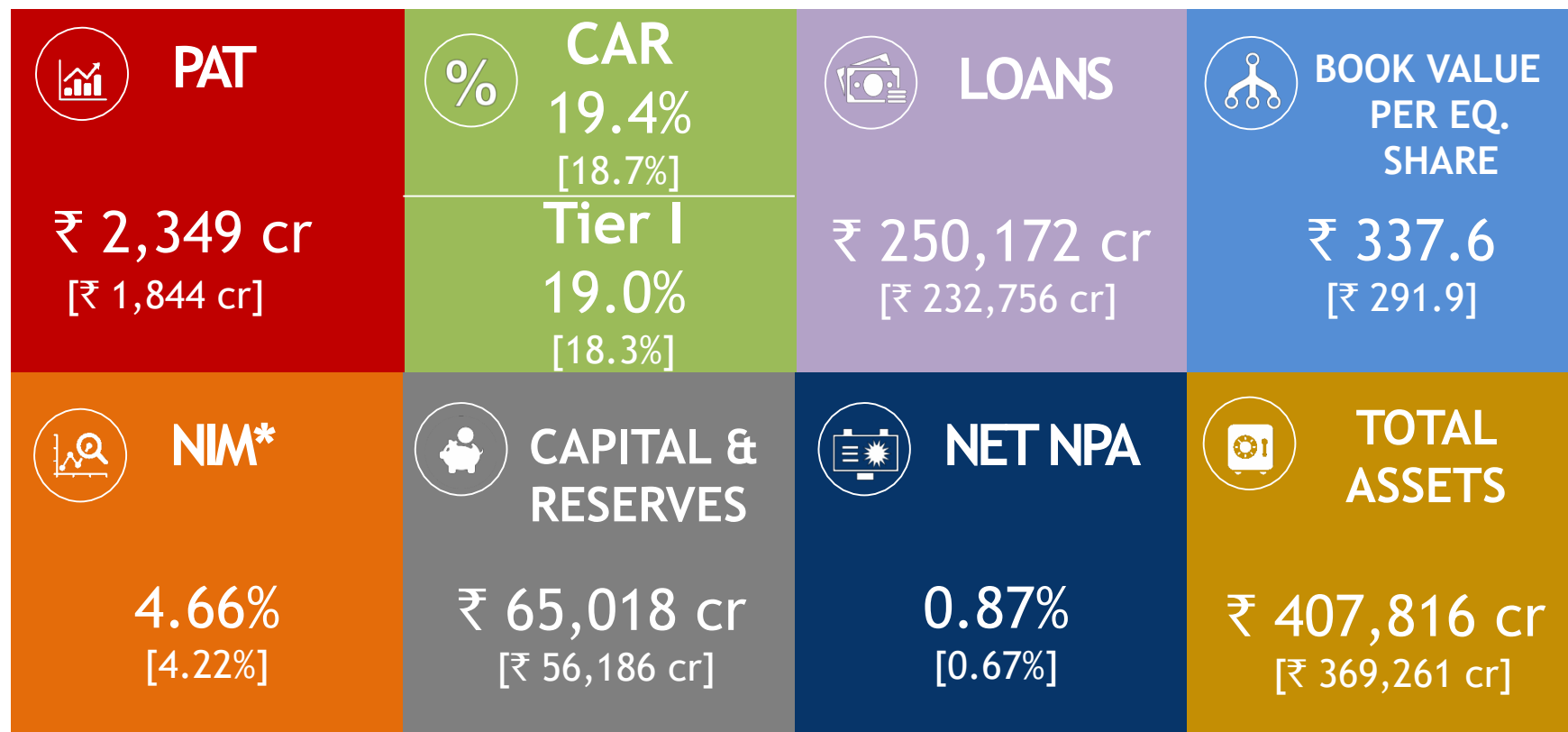


## Kotak General Insurance

Digital channels saw an overall growth of **86%** compared to last quarter

Digital Policies through Kotak Bank branches stood at **52%** with the launch of BPOS (digital issuance application)

# Consolidated Highlights Q3FY20



Figures in [brackets] are Q3FY19 numbers

\* 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	Q3FY20	Q3FY19	Q2FY20	FY19
Kotak Mahindra Bank	1,596	1,291	1,724	4,865
Kotak Mahindra Prime	187	139	172	599
Kotak Mahindra Investments	64	40	67	207
Kotak Securities	128	99	149	452
Kotak Mahindra Capital	40	3	1	63
Kotak Mahindra Life Insurance	166	125	144	507
Kotak AMC and TC	91	76	85	255
International Subsidiaries	26	37	34	148
Others	30	11	22	67
<b>Total</b>	<b>2,328</b>	<b>1,821</b>	<b>2,398</b>	<b>7,163</b>
Affiliates and Others	21	23	9	41
<b>Consolidated PAT</b>	<b>2,349</b>	<b>1,844</b>	<b>2,407</b>	<b>7,204</b>

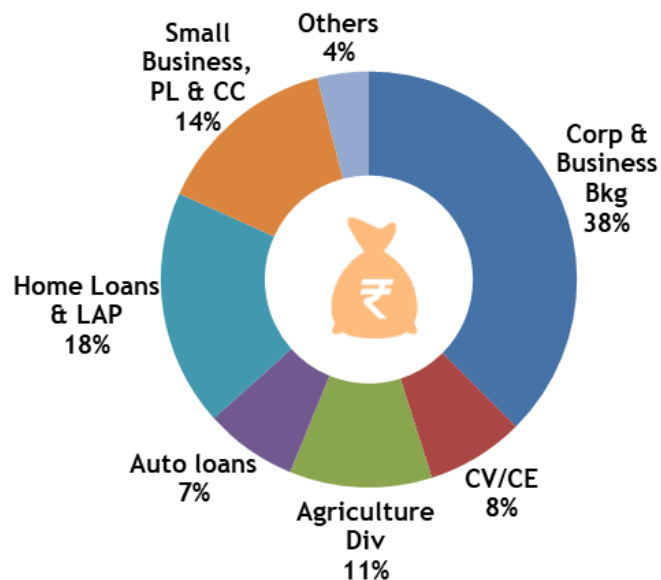
# Entity wise Capital & Reserves and Surplus



₹ cr	31-Dec-19	31-Dec-18	30-Sep-19
Kotak Mahindra Bank	47,606	41,426	45,912
Kotak Mahindra Prime	5,927	5,251	5,740
Kotak Mahindra Investments	1,783	1,516	1,719
Kotak Securities	4,366	3,867	4,238
Kotak Mahindra Capital	629	551	589
Kotak Mahindra Life Insurance	3,189	2,607	3,023
Kotak AMC and TC	799	508	708
Kotak Infrastructure Debt Fund	373	342	364
Kotak Mahindra General Insurance	174	116	183
International Subsidiaries	1,131	987	1,097
Kotak Investment Advisors	364	355	353
Other Entities	269	199	250
<b>Total</b>	<b>66,610</b>	<b>57,725</b>	<b>64,176</b>
Affiliates	968	942	949
Inter-company and Others	(2,560)	(2,481)	(2,562)
<b>Consolidated Capital &amp; Reserves and Surplus</b>	<b>65,018</b>	<b>56,186</b>	<b>62,563</b>

# Consolidated Advances

31-Dec-19 (₹ 250,172 cr)

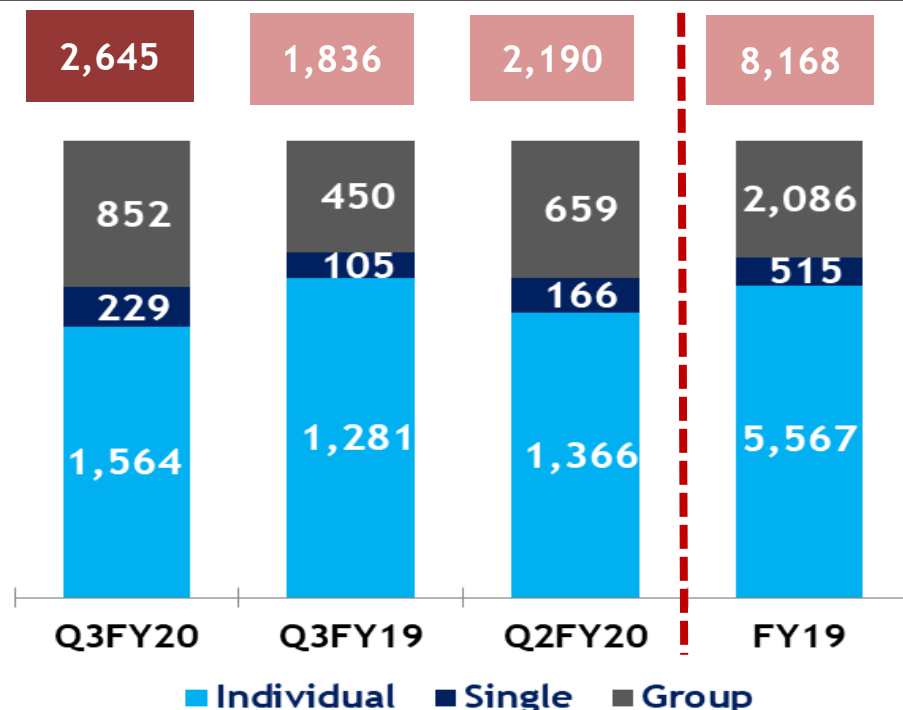


## Consolidated Advances

₹ cr	31-Dec-19	31-Dec-18	30-Sep-19
Corp & Business Bkg	93,775	90,367	93,113
CV/CE	18,993	17,999	19,688
Agriculture Division	27,736	23,742	27,068
Auto loans	18,008	20,225	19,055
Home Loans & LAP	46,031	38,305	44,371
Small Business, PL & CC	35,636	31,093	34,852
Others	9,993	11,025	10,593
<b>Total Advances</b>	<b>250,172</b>	<b>232,756</b>	<b>248,740</b>



## Gross Written Premium (₹ cr)



## Highlights

- Gross Written Premium growth 44.0% YoY
- Individual Premium growth 29.3% YoY
- Group Premium growth 89% YoY
- AUM (Policyholders') as on Dec 31, 2019: ₹ 32,670 cr, growth of 29.0% YoY
- 13<sup>th</sup> Month persistency as on Sep 30, 2019: 88.02% (as on Sep 30, 2018: 86.83%)

₹ cr	Q3FY20	Q3FY19	Q2FY20	FY19
Capital	562	562	562	562
Other Reserves and Surplus	2,627	2,045	2,461	2,183
Total Premium	2,645	1,836	2,190	8,168
Profit After Tax (Shareholders')	166	125	144	507
Solvency Ratio (x)	3.04	3.10	3.06	3.02

# Kotak Mahindra Capital Company



## Equity



**BAJAJ FINANCE LIMITED**  
# Qualified Institutional Placements

₹ 8,500 cr



**UJJIVAN SMALL FINANCE BANK LIMITED**  
# Initial Public Offering

₹ 746 cr



**PVR LIMITED**  
# Qualified Institutional Placements

₹ 500 cr

## Advisory



~₹ 42,000 cr

Buy side Advisory to ArcelorMittal for India's Largest IBC Recovery of Essar Steel



₹ 1,350 cr

Advised Aakash Education on a significant minority stake sale to Blackstone



Undisclosed

Sale of secondary stake in FabIndia



Undisclosed

Fairness Opinion on demerger of TCL Cables from Torrent Power

Kotak Securities (₹ cr)	Q3FY20	Q3FY19	Q2FY20	FY19
Total Income	409	363	407	1,582
Profit Before Tax	171	149	181	680
<b>Profit After Tax</b>	<b>128</b>	<b>99</b>	<b>149</b>	<b>452</b>
Market Share* (%) (YTD)	1.6	2.9	1.7	2.6

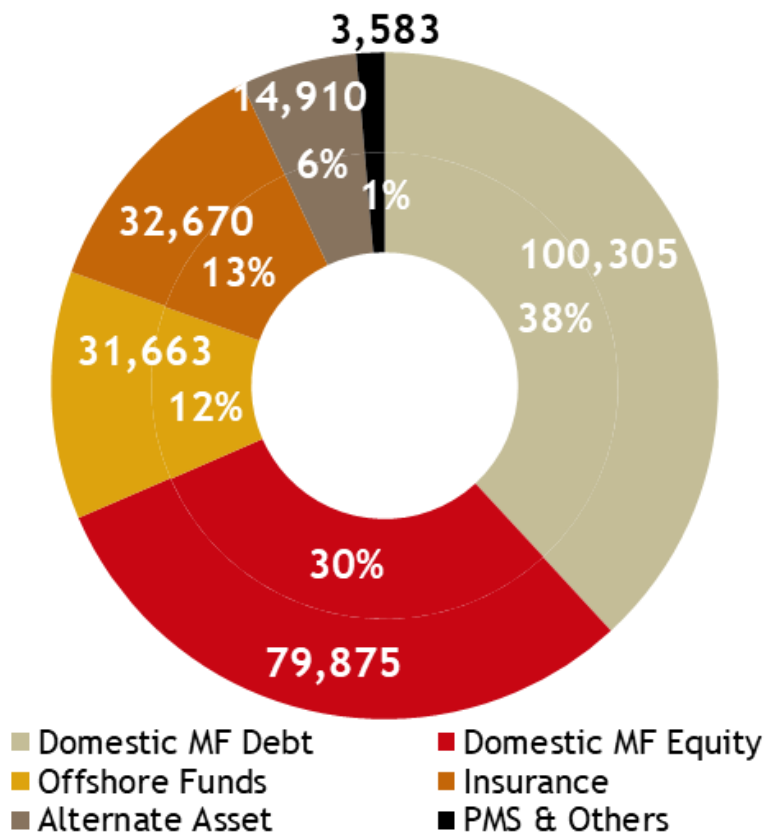
\*excluding BSE Derivative segment

**Market Share in Cash Segment 9MFY20 - 9.2% (9MFY19 - 8.8%)**

1,539 branches, franchises and referral co-ordinators

KMCC - (₹ cr)	Q3FY20	Q3FY19	Q2FY20	FY19
Total Income	89	23	24	176
Profit Before Tax	53	3	(1)	93
<b>Profit After Tax</b>	<b>40</b>	<b>3</b>	<b>1</b>	<b>63</b>

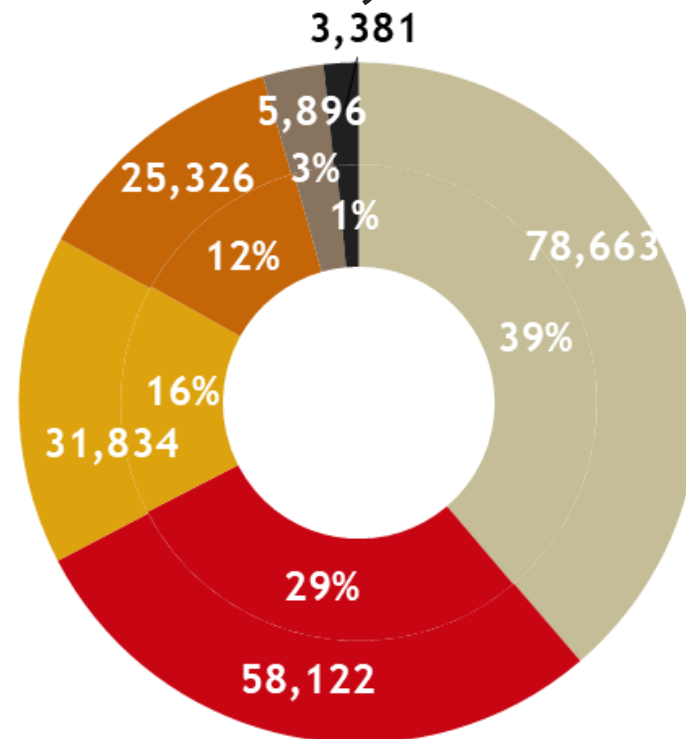
## Dec 31, 2019



**AUM ₹ 263,006 cr**



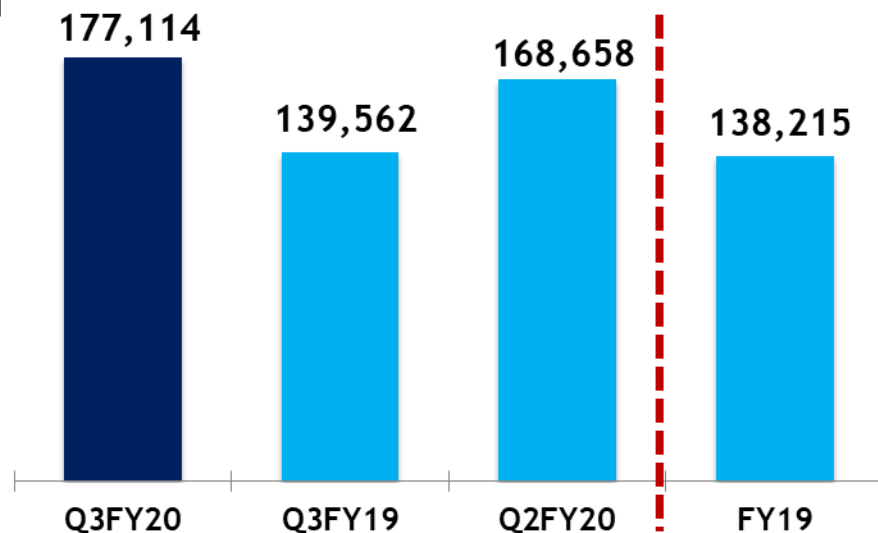
## Dec 31, 2018



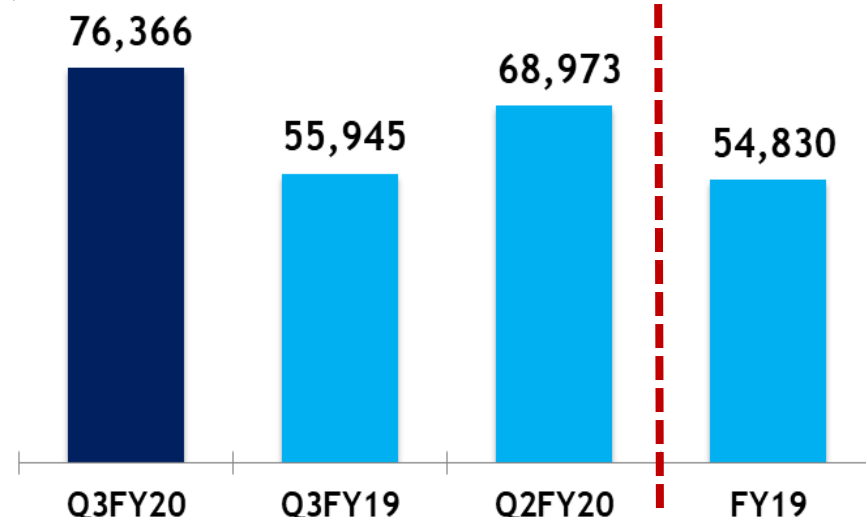
**AUM ₹ 203,222 cr**

**Relationship Value of Wealth + Priority as on Dec 31, 2019 ~ ₹ 306,000 cr**  
 (PY: ~₹ 260,000 cr)

Average Assets Under Management (₹ cr) - Overall



Average Assets Under Management (₹ cr) - Equity

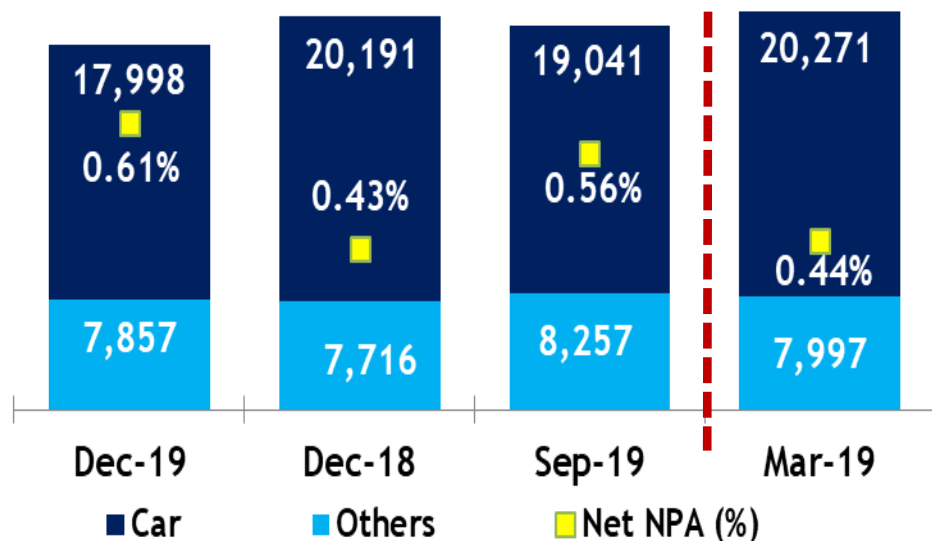


₹ cr	Q3FY20	Q3FY19	Q2FY20	FY19
Profit Before Tax	122	115	104	388
Profit After Tax	91	76	85	255

## Highlights

- Overall Ranking on AAUM improved to 6<sup>th</sup> in Q3FY20 (Q3FY19: 7<sup>th</sup>)
- Overall Market share on AAUM rose to 6.6% in Q3FY20 (Q3FY19: 5.9%)
- Equity AAUM market share rose to 4.8% in Q3FY20 (Q3FY19: 4.1%)
- Launched equity NFO 'Kotak Pioneer Fund' in Oct-19; Amount collected ₹ 661 cr

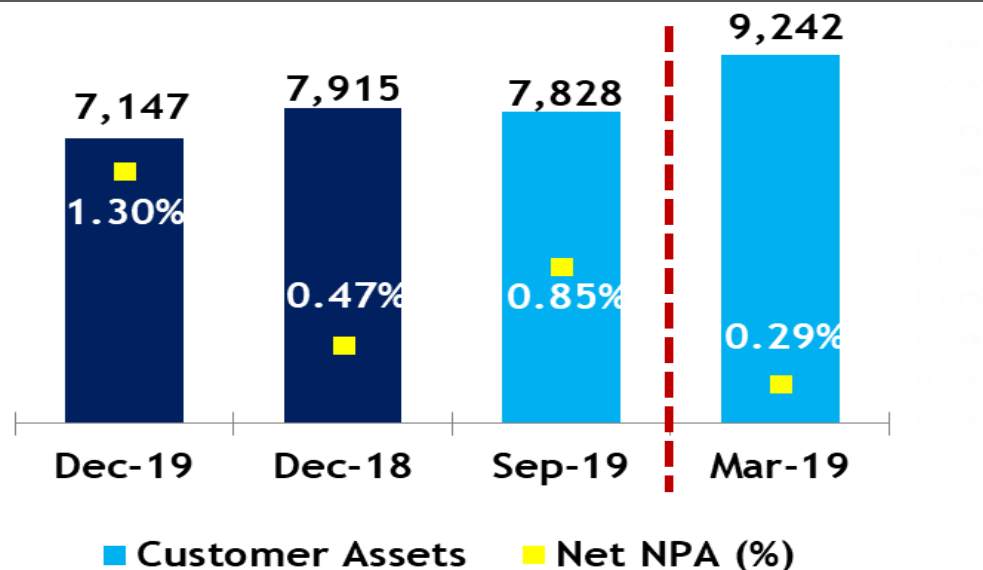
## Customer Assets\* (₹ cr) & NNPA (%)



₹ cr	Q3FY20	Q3FY19	Q2FY20	FY19
NII	312	274	305	1,104
Other Income	65	56	64	288
<b>NII and Other Income</b>	<b>377</b>	<b>330</b>	<b>369</b>	<b>1,392</b>
Profit Before Tax	250	213	234	905
<b>Profit After Tax</b>	<b>187</b>	<b>139</b>	<b>172</b>	<b>599</b>
CAR (%) (incl unaudited profits)	22.6			
ROA (%) - annualised	2.6			

\* Includes loans and credit substitutes

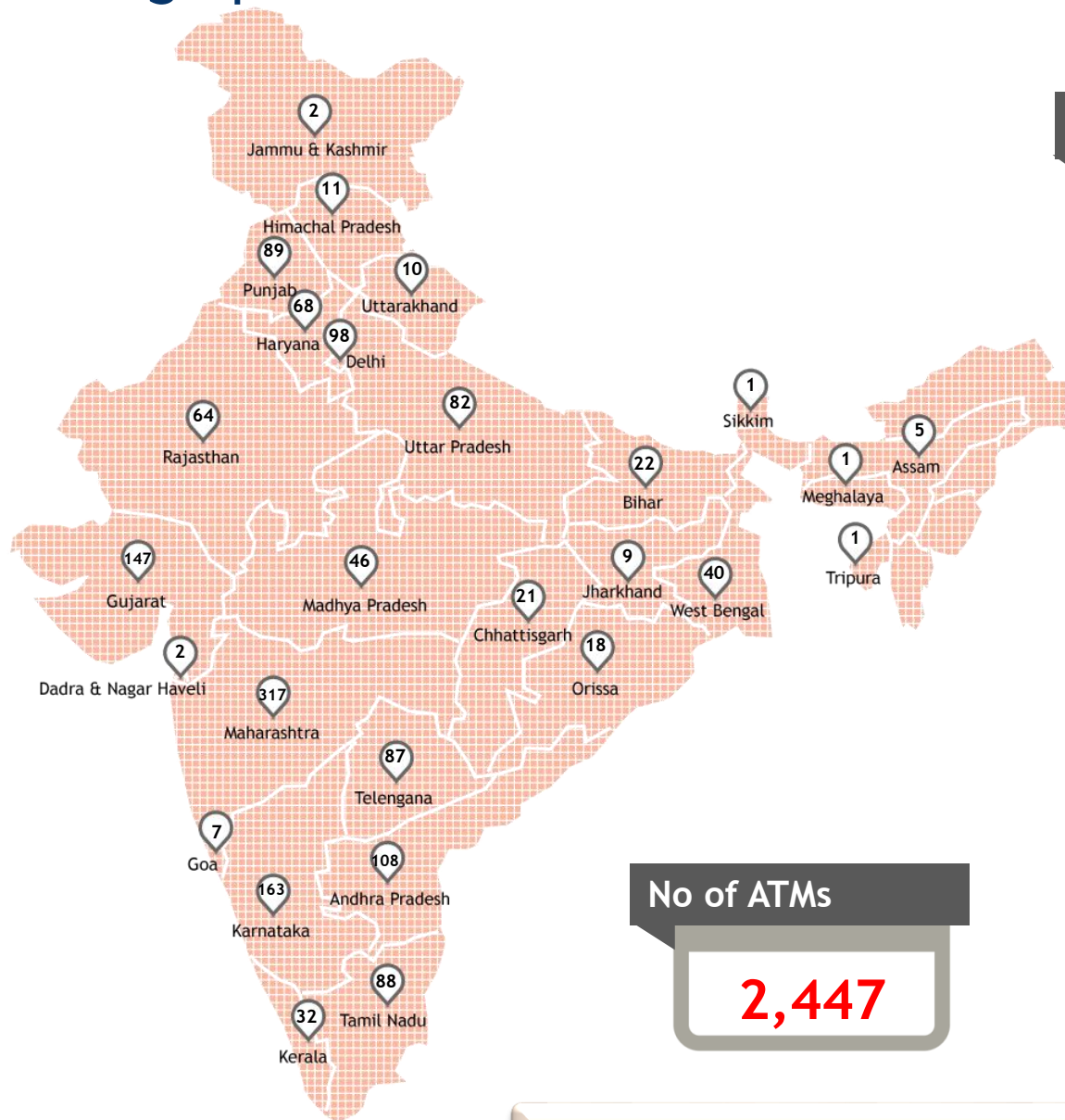
## Customer Assets\* (₹ cr) & NNPA (%)



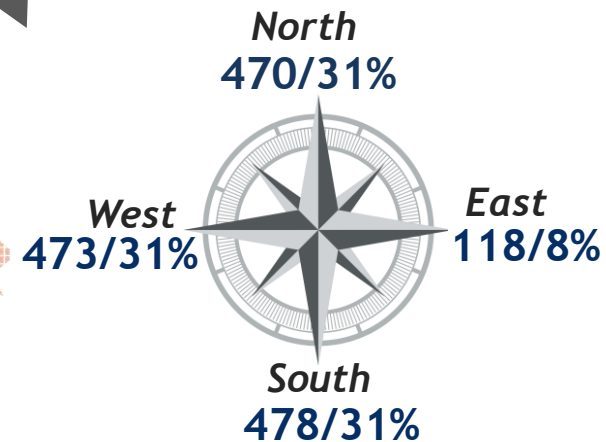
₹ cr	Q3FY20	Q3FY19	Q2FY20	FY19
NII	87	66	89	290
Other Income	22	12	23	97
<b>NII and Other Income</b>	<b>109</b>	<b>78</b>	<b>112</b>	<b>387</b>
Profit Before Tax	84	61	87	316
<b>Profit After Tax</b>	<b>64</b>	<b>40</b>	<b>67</b>	<b>207</b>
CAR (%) (incl unaudited profits)	25.1			
ROA (%) - annualised	2.9			

\* Includes loans and credit substitutes

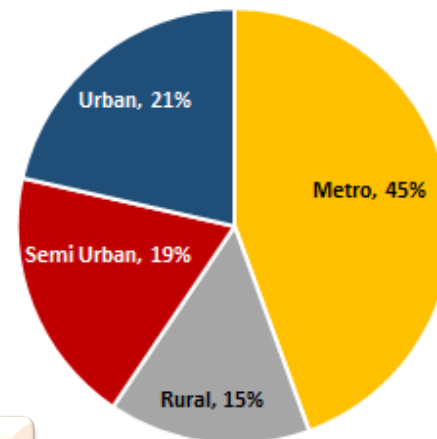
# Geographical Presence



Branches 1,539 [No./%]



Branch Classification



No of ATMs

**2,447**

*1<sup>st</sup> International Branch in DIFC, Dubai*



# Bank Awards & Recognition



## Magna Awards 2019 by Business world

- Best Mid- Size Bank
- Fastest growing Mid size Bank

## Best Domestic Bank AsiaMoney Best bank Awards 2019

## The Asian Banker Transaction Banking Awards, 2019:

- Best Cash Management Bank
- Best Productivity, Efficiency and Automation Initiative, Application or Programme - Kotak Bank 'Smart Collect'

## Indian Marketing Awards 2019:

- 811 #IndialInvited
- Best Use of Integrated Marketing Campaign
- 811 #BenchofUnity
- Gold in category 'Use of Consumer Insight'

## Global Customer Engagement Awards 2019 - Gold Awards :

- Digital Marketing category
- #NoOneLikeMom Campaign video

## 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

## Best Technical innovation Indian Banking Summit & Awards 2018

## 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"

## The Asset Country Awards 2019 Best Bank, Domestic

## The Asset Triple A Country Awards 2018 Best Bank, Domestic

## The Asset Triple A Awards 2018:

- Best in Treasury and Working Capital- NBFCs, Public Sector
- Best Liquidity Management Solution

## Ms. Shanti Ekambaram

## The 50 most powerful women by Fortune India

## The Most powerful Women in Business 2019 Business Today

## Mr. Jaimin Bhatt

## CFO Award For Sustained Excellence Over a Decade



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

# Awards and Recognition



## Euromoney Private Banking and Wealth Management Survey, 2019 Ranked #1

- Best Private Banking Services Overall
- Net worth Specific Services (Ultra HNI, HNI, Super affluent clients)
- Family Office Services
- Research and Asset Allocation Advice
- Philanthropic Advice

## PWM/ The Banker Global Private Banking Awards Best Private Bank, India

## Ranked #1 in Asian Private Banker's 2018 India Onshore Aum League Table Best Performing Private Bank, India

## 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

## Early adopter of Analytics Machine conference 2018

## Asiamoney Best Bank Awards 2018 (India)

- Best for Overall Country Research (Brokers Poll 2018)
- Best Local Brokerage (Brokers Poll 2018)
- Best Analyst - 6 Awards
- Best Strategist
- Best Economist

## Best Brokerage, India The Asset Triple A Country Awards, 2018

## Asiamoney Brokers poll Ranked first in India in 2019

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



## 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



## Best Securities Houses in Asia Awards Best securities house in India in Asiamoney's 2019

## 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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