Earnings Update

Oct 24, 2013

Consolidated Highlights

PAT
₹ 583 cr
(₹ 502 cr)
up **16%** yoy

Networth
₹ 17,868 cr
(₹ 13,943 cr)

RoA
2.0% (2.0%)

Book Value (per share)
₹ 232.6
(₹ 187.6)

NIM
4.9% (4.6%)

Loans*
₹ 68,226 cr
(₹ 61,255 cr)
up **11%** yoy

Total Assets
₹ 114,631 cr
(₹ 102,258 cr)
up **12%** yoy

Net NPA
0.80% (0.63%)

**** Loans growth excluding CECV at 16%***
Figures in brackets are Q2FY13 numbers

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Kotak Bank - Standalone Highlights

PAT
₹ 353 cr
(₹ 280 cr)
up 26% yoy

RoA
1.7% (1.6%)

Loans*
₹ 50,609 cr
(₹ 45,443 cr)
up **11%** yoy

NIM
4.9%
(4.6%)

Net NPA
0.96% (0.75%)

CAR#
18.1% (15.4%)
Tier 1
16.9% (13.9%)

CASA
₹ 15,393 cr
(₹ 12,321 cr)
up **25%** yoy

Restructured Loans- standard
₹ 45 cr – 0.09%
(₹ 5 cr)

Crossed 500 branches and 1,000 ATMs during the quarter

**** Loans growth excluding CECV at 18%***

 # As per Basel III excluding unaudited profit, previous period Basel II. CAR and Tier I including profit - 19.4% & 18.1%

Figures in brackets are Q2FY13 numbers

Bank Profit & Loss

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14	YoY Growth
Net Interest Income	3,206	917	758	924	22%
Other Income	1,161	462	251	297	18%
Net Total Income	**4,367**	**1,379**	**1,009**	**1,221**	**21%**
Employee Cost	1,051	301	243	265	9%
Other Operating Expenses	1,159	299	284	350	23%
Operating Expenditure	**2,210**	**600**	**527**	**615**	**17%**
Operating Profit	**2,157**	**779**	**482**	**606**	**26%**
Provision on advances	205	134	79	22	-
Provision on other receivables	1	-	(1)	(20)	-
Provision on investments	(21)	35	(7)	70	-
Provision & contingencies	**185**	**169**	**71**	**72**	**2%**
PBT	**1,972**	**610**	**411**	**534**	**30%**
Provision for Tax	611	207	131	181	39%
PAT	**1,361**	**403**	**280**	**353**	**26%**

Bank Other Income

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Fee and Services	799	229	190	212
Treasury Income	226	164	29	70
ARD Buyout Income	118	62	29	13
Others	18	7	3	2
Total	**1,161**	**462**	**251**	**297**

MTM on Investments

MTM accounting as per RBI circular

- One time option given to banks to transfer SLR investments from AFS / HFT to HTM at valuation date of 15th July, 2013
- Bank did not transfer any security to HTM category as permitted by the circular
- The Bank's total HTM securities at 30th September, 2013 were 11.36% of net demand and time liabilities (NDTL)
- Banks permitted to amortise MTM losses equally over the financial year
- The Bank has amortised MTM loss on HFT/AFS portfolio aggregating to ₹ 263.65 cr equally over 3 quarters, ₹ 87.88 cr depreciation recognised till 30th September, 2013
- Had the Bank transferred all SLR security from AFS / HFT category to HTM category, the net depreciation as at 30th September, 2013 would have been ₹ 46.50 cr instead of ₹ 263.65 cr before considering distribution during the financial year
- The duration of Bank's investment book as on 30th September, 2013 is 2.17

Bank Segmental Performance

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Corporate/Wholesale Banking	1,211	288	296	307
Retail Banking	614	180	121	180
Treasury & BMU*	146	139	(6)	47
Unallocated Income	1	3	-	-
Total	**1,972**	**610**	**411**	**534**

* *Balance Sheet Management Unit*

Bank Advances & Investments

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Corporate Banking	12,291	14,849	13,868	14,759	6%
Commercial Vehicles & Construction Equipment	7,805	7,508	8,183	6,781	(17%)
Agriculture Division	8,356	7,841	6,419	7,910	23%
Business Banking	5,216	5,186	4,568	5,308	16%
Mortgage Loans	10,727	11,030	9,632	11,307	17%
Small Business & Personal Loans	2,897	2,940	1,937	3,082	59%
Others	1,177	1,185	836	1,462	75%
Total Advances	**48,469**	**50,539**	**45,443**	**50,609**	**11%***

**** Advances growth excluding CECV 18%***

Advances – as per segmental classification

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Retail	24,428	24,430	21,967	24,785	13%
Corporate	24,041	26,109	23,476	25,824	10%
Total Advances	**48,469**	**50,539**	**45,443**	**50,609**	**11%**
Investment / Treasury Assets	28,873	27,802	22,173	22,528	2%
Total Advances and Investments	**77,342**	**78,341**	**67,616**	**73,137**	**8%**

Bank Balance Sheet

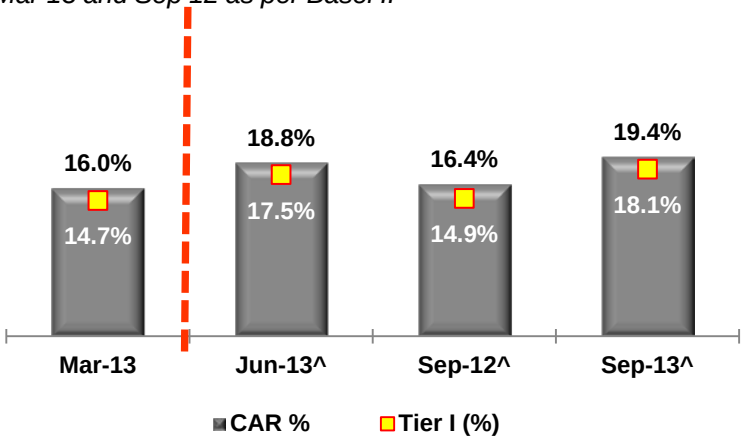
₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Net Worth	9,447	11,165	8,597	11,553	34%
Deposits	51,029	52,454	45,463	52,642	16%
CA	7,650	*7,075*	*6,395*	*7,008*	*10%*
SA	7,268	*8,057*	*5,926*	*8,385*	*42%*
Certificate of Deposit	*8,172*	*7,789*	*7,031*	*4,536*	*(35%)*
Term Deposit Others	27,939	*29,533*	*26,111*	*32,713*	*25%*
Borrowings	20,411	17,900	15,991	14,523	(9%)
Other Liabilities and Provisions	2,807	3,336	2,843	3,467	22%
Total	**83,694**	**84,855**	**72,894**	**82,185**	**13%**

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Cash, Bank and Call	3,689	3,278	2,955	5,339	81%
Investments	28,873	27,802	22,173	22,528	2%
Government Securities	21,562	*19,757*	16,672	*16,837*	*1%*
Others	7,311	*8,045*	5,501	*5,691*	*3%*
Advances	48,469	50,539	45,443	50,609	11%
Fixed Assets and Other Assets	2,663	3,236	2,323	3,709	60%
Total	**83,694**	**84,855**	**72,894**	**82,185**	**13%**

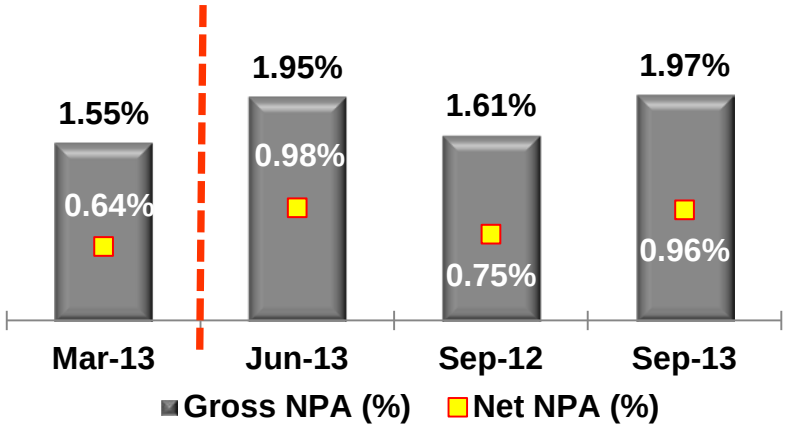
Bank Key Ratios

CAR & Tier I (%) – Basel III

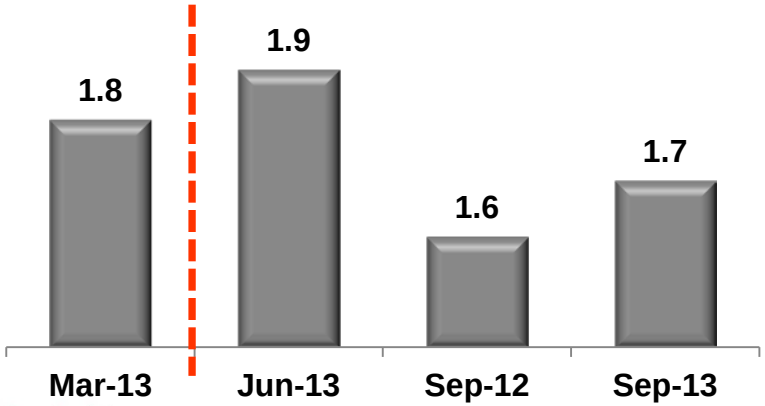
^ *including unaudited profits*
For Mar 13 and Sep 12 as per Basel II



NPA (%)



RoA (%)



Asset Quality

Restructured loans considered standard
₹ 45 cr (0.09%)

No CDR participation

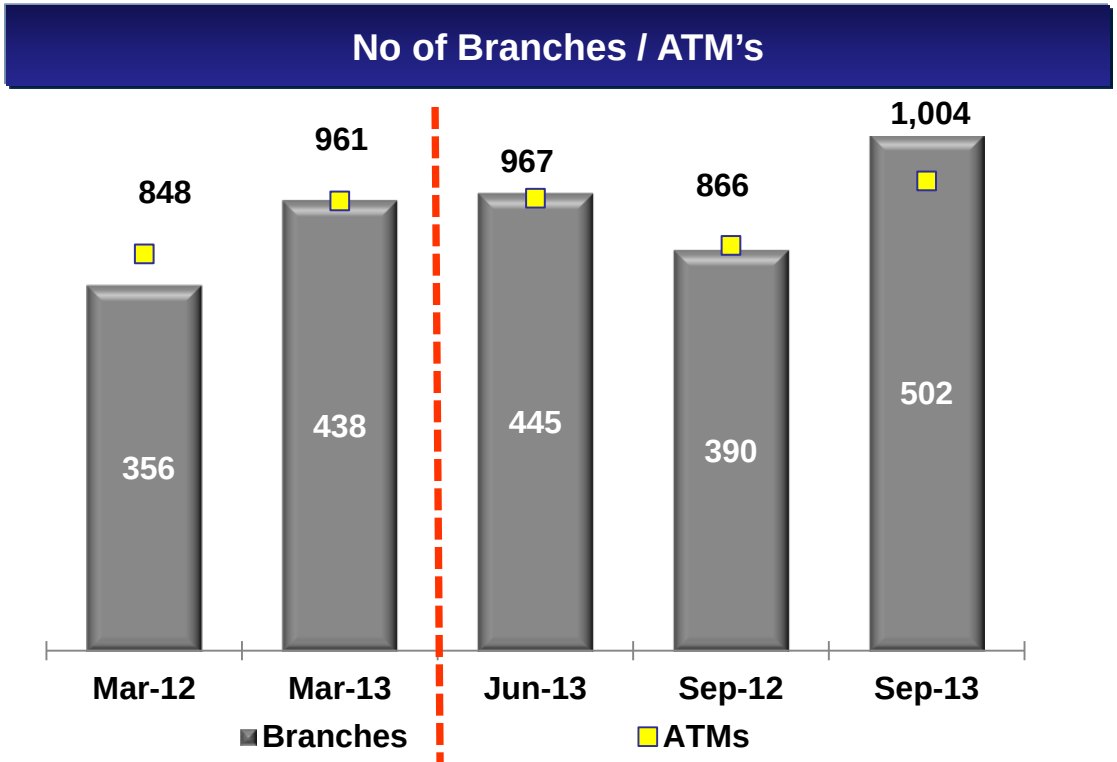
No transfer to ARC

No conversion to off-Balance sheet

Consumer Banking Liabilities

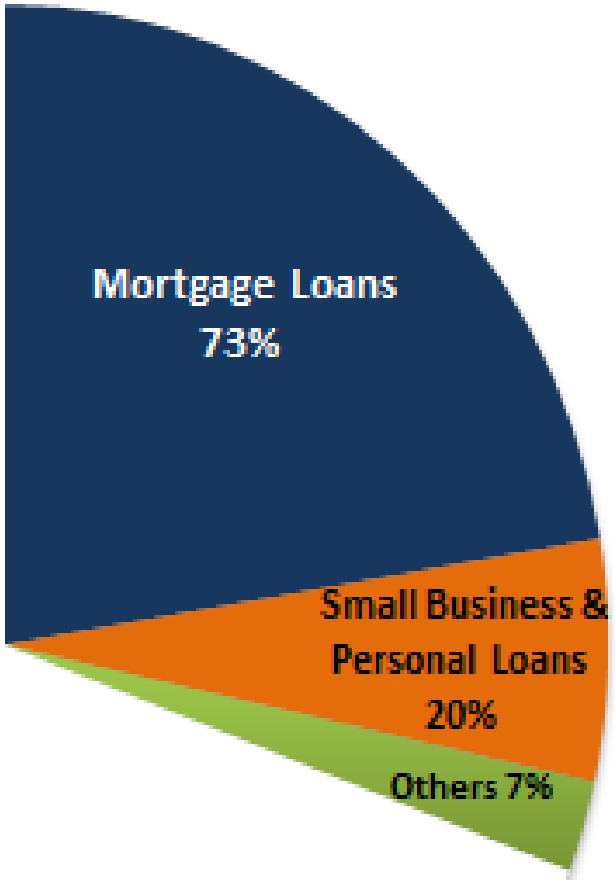
Crossed 500 branches and 1,000 ATMs during the quarter

- Plan to reach 600 branches by March 14
- Plan to double branches within three years
- Savings balances increased 42% yoy
- Added ~ 1.7 lac customer accounts for the quarter
- TD sweep to total deposit ratio at 7.2%
- CASA and TDs below ₹ 5 cr constitute 63% of total deposits
- Focus on digital



	Mar-12	Mar-13	Jun-13	Sep-12	Sep-13
CA deposit ₹ cr	7,352	7,650	7,075	6,395	7,008
SA deposit ₹ cr	5,050	7,268	8,057	5,926	8,385
CASA %	32	29	29	27	29

Consumer Banking Assets – Bank



	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Mortgage Loans	74%	74%	78%	73%	17%
Small Business & Personal Loans	20%	20%	16%	20%	59%
Others	6%	6%	6%	7%	70%
Total Consumer Banking	**14,551**	**14,899**	**12,257**	**15,556**	**27%**

- Focus on SENP and cross sell to bank branch
- Mortgages growth in select territories
- Selective growth in small business and personal loans
- Profitable growth with low delinquencies

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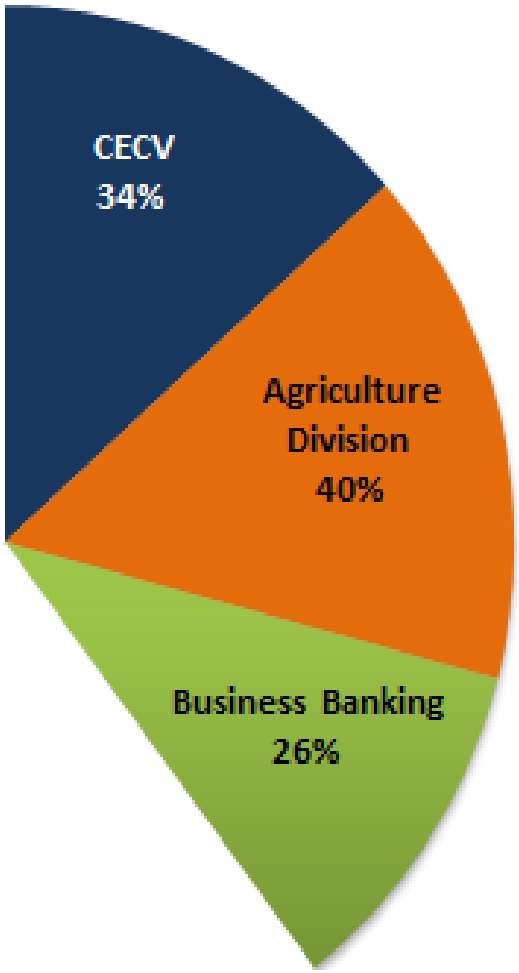
Commercial Banking Assets – Bank



	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
CECV	37%	37%	43%	34%	(17%)
Agri Division	39%	38%	33%	39%	23%
Business Banking	24%	25%	24%	27%	16%
Total Commercial Banking	**21,452**	**20,627**	**19,195**	**20,124**	**5%**

- Focus on Bharat continued with rollout of rural branches
- Focus and growth in tractor finance
- CECV continue to be cautious

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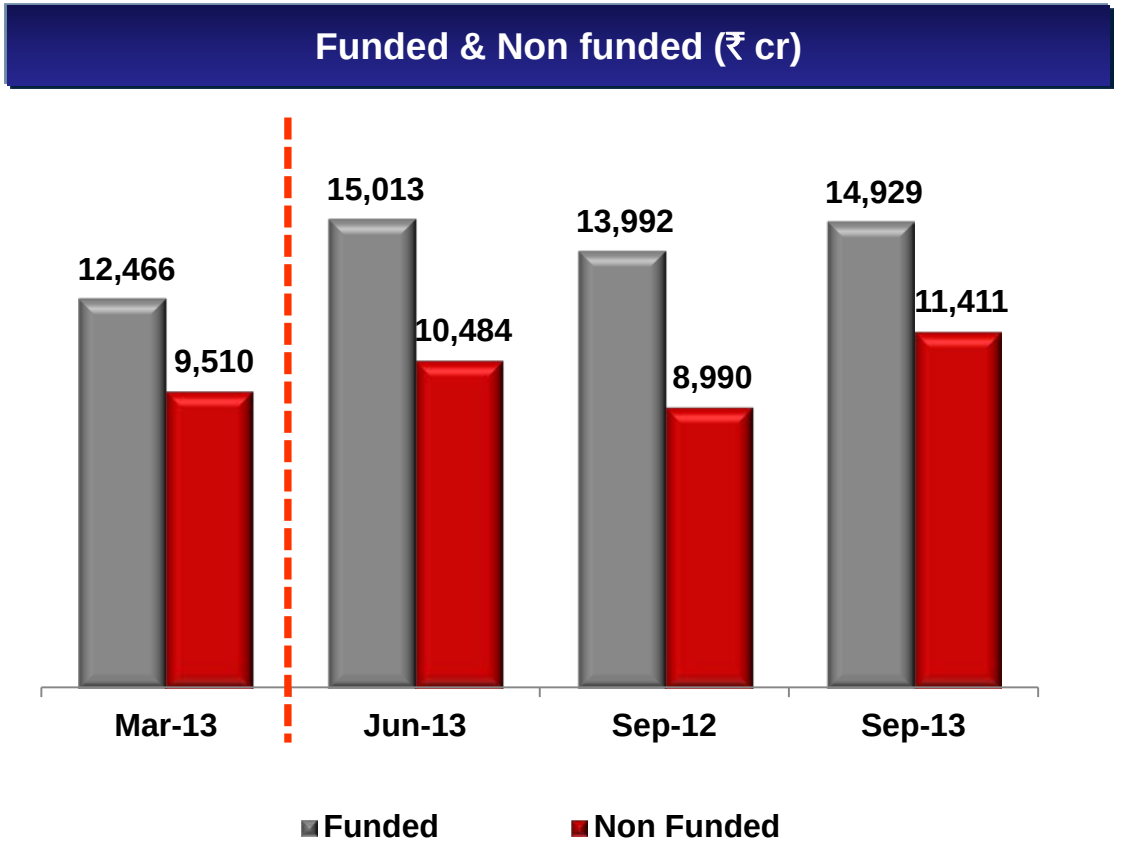
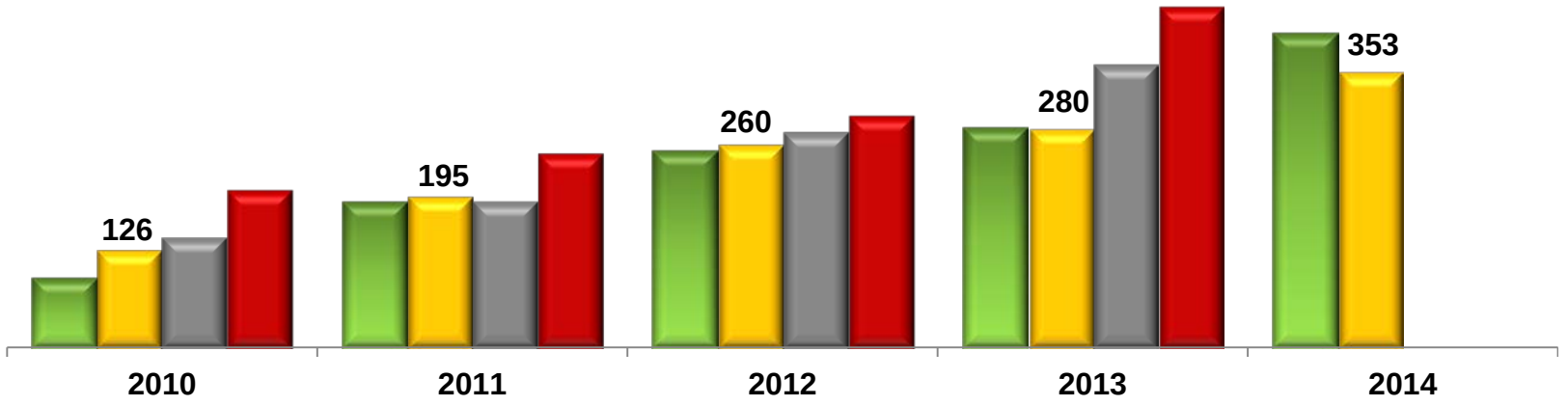
Wholesale Banking - Bank

- **Increased presence in large corporate groups**
  - Largely medium term finance & working capital
  - Stable growth in Trade Credits & Export Finance
  - Traction in supply chain financing
- **Traction in Transaction Banking services**
  - Customized solutions for optimizing working capital
  - Robust technology platforms & consistent innovation
  - Focused coverage to enhance FX flow business
- **Continued to deepen franchise across all customer segments**

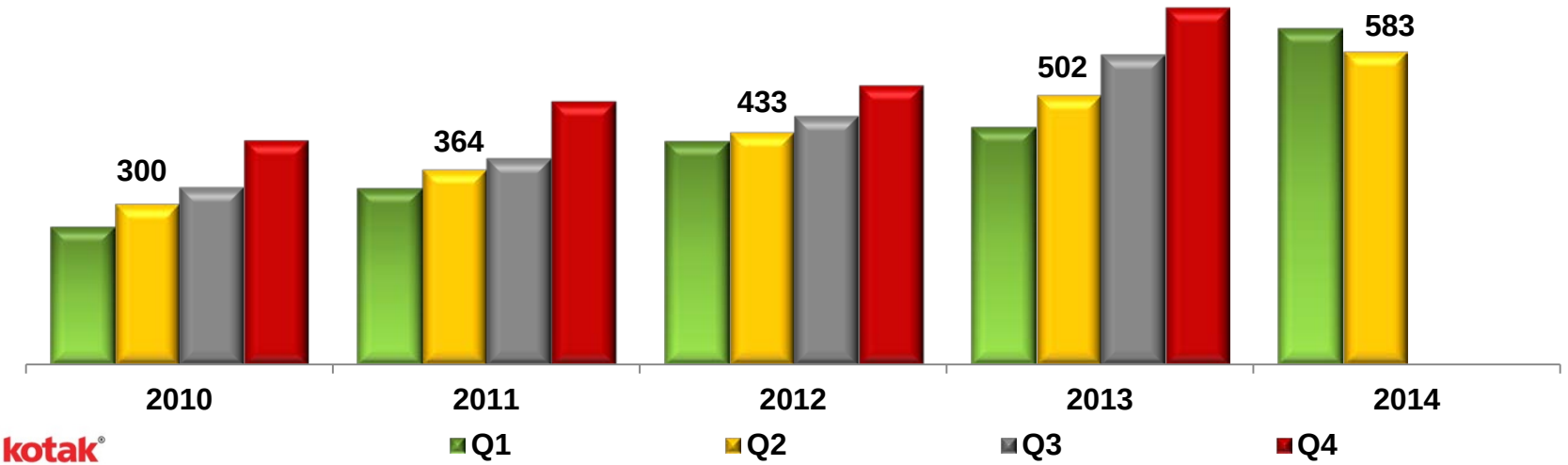


PAT - Quarterly Trend

Bank (₹ cr)



Consolidated (₹ cr)



Consolidated PAT

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Kotak Mahindra Bank	1,361	403	280	353
Kotak Mahindra Prime	431	117	114	125
Kotak Securities	114	31	40	40
Kotak Mahindra Capital Company	17	4	4	(2)
Kotak Mahindra Old Mutual Life Insurance	190	71	47	44
Kotak Mahindra AMC & Trustee Co	12	7	(5)	17
International subsidiaries	6	(10)	8	1
Kotak Investment Advisors	31	1	9	4
Kotak Mahindra Investments	33	4	16	11
Total	**2,195**	**628**	**513**	**593**
Minority Interest, Equity Affiliates, others	(7)	(1)	(11)	(10)
Consolidated PAT	**2,188**	**627**	**502**	**583**

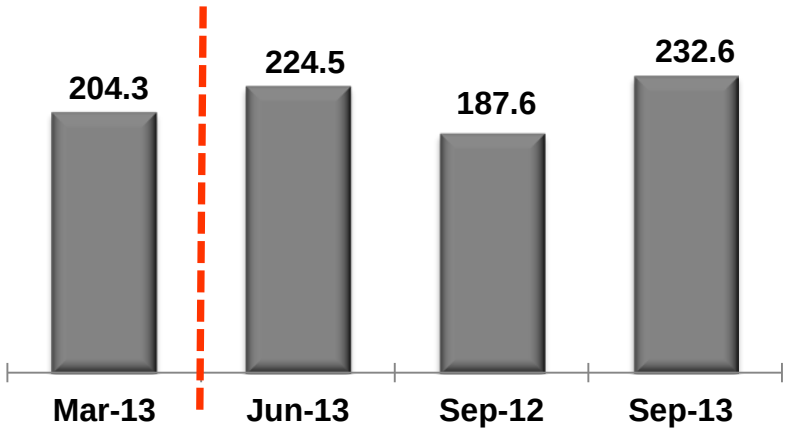
Entity Wise Networth

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013
Kotak Mahindra Bank	9,447	11,165	8,597	11,553
Kotak Mahindra Prime	2,352	2,469	2,128	2,593
Kotak Securities	1,934	1,965	1,883	2,005
Kotak Mahindra Capital Company	389*	392	505	391
Kotak Mahindra Old Mutual Life Insurance	803	873	692	917
Kotak Mahindra AMC & Trustee Co	108	116	96	133
International subsidiaries	378	388	363	411
Kotak Investment Advisors	223	224	208	228
Kotak Mahindra Investments	304	348	290	360
Other entities	31	33	15	32
Total	**15,969**	**17,973**	**14,779**	**18,623**
Add: Associates	533	538	522	538
Less: Minority, inter-company and other adjustments	(1,252)	(1,283)	(1,358)	(1,293)
Consolidated Networth	**15,250**	**17,228**	**13,943**	**17,868**

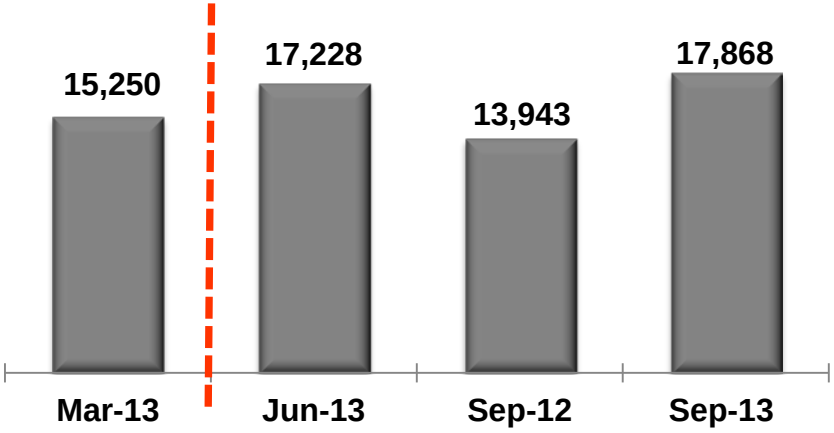
**post buy back of shares of fellow subsidiary for ₹ 123 cr*

Consolidated Key Financials

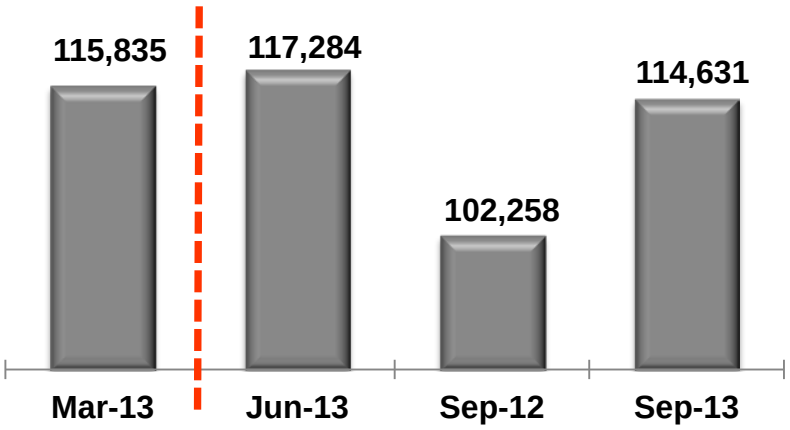
Book Value Per Share (₹)



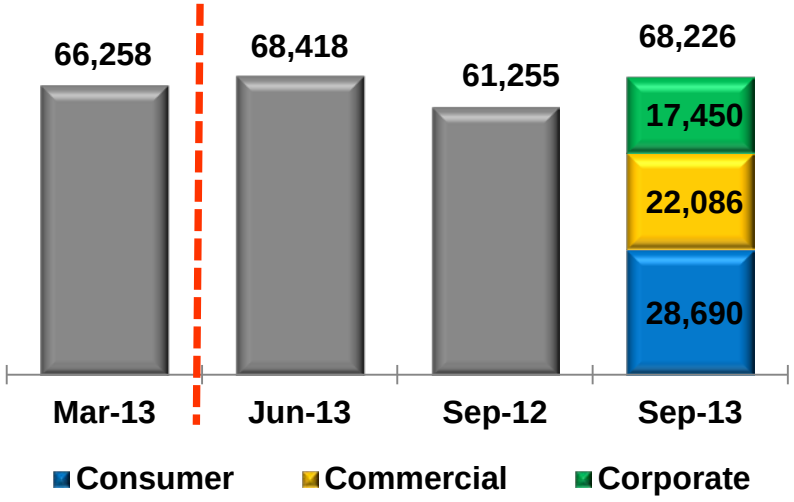
Networth (₹ cr)



Total Assets (₹ cr)



Advances (₹ cr)



Consolidated Advances & Investments

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Corporate Banking	14,535	17,202	15,678	17,245	10%
Commercial Vehicles & Construction Equipment	7,805	7,508	8,183	6,781	(17%)
Agriculture Division	8,356	7,841	6,419	7,910	23%
Business Banking	5,217	5,188	4,571	5,308	16%
Auto Loans	12,750	13,020	11,748	13,094	11%
Mortgage Loans	10,727	11,030	9,632	11,307	17%
Small Business & Personal Loans	2,924	2,971	1,957	3,114	59%
Others	3,944	3,658	3,067	3,467	13%
Total Advances	**66,258**	**68,418**	**61,255**	**68,226**	**11%#**
Investments/ Treasury Assets *	31,340	30,265	23,990	25,198	5%
Total Advances and Investments	**97,598**	**98,683**	**85,245**	**93,424**	**10%**

 # Advances growth excluding CECV at 16%

** Does not include policy holders' investments*

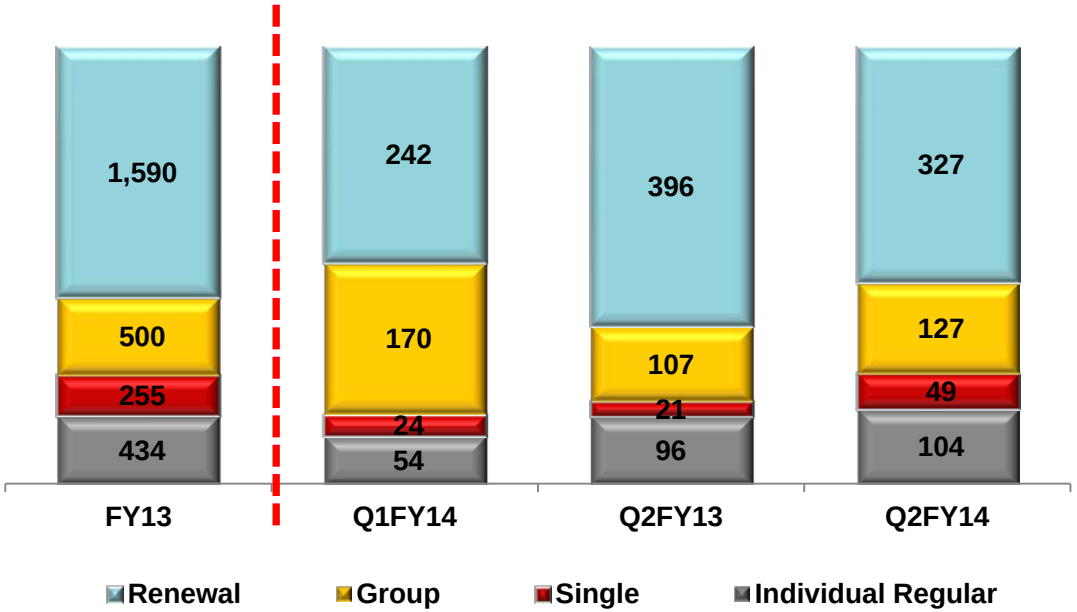
Kotak Mahindra Prime

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
NII	727	205	176	220
Other income	186	48	49	45
Total Income	913	253	225	265
Profit before tax	641	179	170	191
Profit after tax	**431**	**117**	**114**	**125**

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013
Total Advances	17,022	17,093	15,173	16,952
Car Advances	12,777	13,055	11,756	13,136
Net NPA	36	31	30	51
Net NPA (%)	0.2	0.2	0.2	0.3
CAR (%)	15.4	16.0	15.8	16.4
ROA (%) - annualised	2.6	2.5	2.8	2.6

Kotak Mahindra Life Insurance

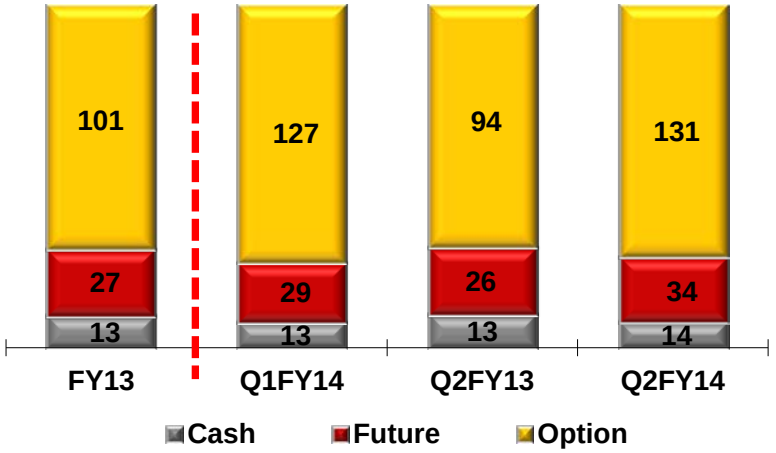
- Healthy solvency ratio
- Agency Business grew by 48% on regular premium during H1
- Share of Kotak bank for H1 stable at around 25% (PY – 23%)
- Protection Share maintained at 35% of total New Business
- NB Sum Assured during H1 grew by 33% from ₹563 bn to ₹749 bn



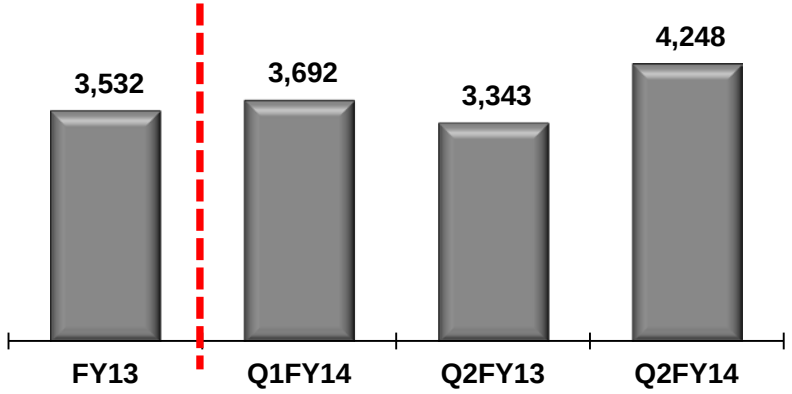
	FY13	Q1FY14	Q2FY13	Q2FY14
Capital (₹ cr)	562	562	562	562
Solvency ratio (%)	2.93	3.11	2.90	3.12
PAT	**190**	**71**	**47**	**44**

Kotak Securities

Market ADV (₹ '000 cr)



ADV (₹ cr) - KS



₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	599	147	155	152
Profit before tax	189	48	59	60
Profit after tax	**114**	**31**	**40**	**40**
Market Share* (%)	2.5	2.2	2.5	2.4

**excluding BSE Derivative segment*

Kotak Securities services around 8.8 lac secondary market customers through 1,286 branches and franchises

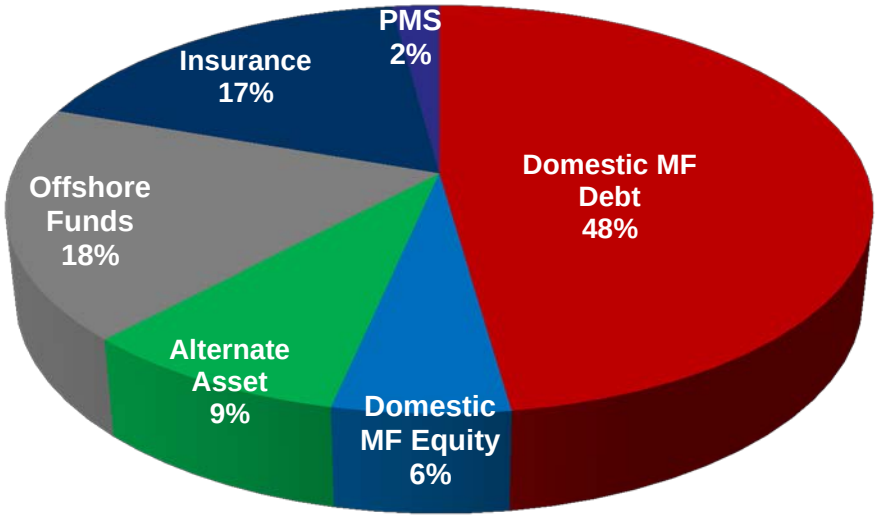
Kotak Mahindra Capital Co.

Client	Transactions during Q2FY14	Size (₹ cr)
Godrej PROPERTIES	Rights Issue	700
bajaj Corp Ltd.	Offer for Sale (OFS)	335
HINDUSTAN COPPER LIMITED	Offer for Sale (OFS)	260
OBEROI REALTY	Offer for Sale (OFS)	191
Camlin KOKUYO	Rights Issue	110
हिन्दुस्तान Hindustan Media Ventures	Offer for Sale (OFS)	23
Vijai Electricals Ltd.	Divestment of a major portion of Vijai Electricals' T&D business to Toshiba Corporation (Japan)	1,252
The Great Eastern Shipping Co. Ltd.	Buyback Offer by Great Eastern Shipping Co. Ltd	279

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	83	22	20	12
Profit before tax	24	5	6	(3)
Profit after tax	**17**	**4**	**4**	**(2)**

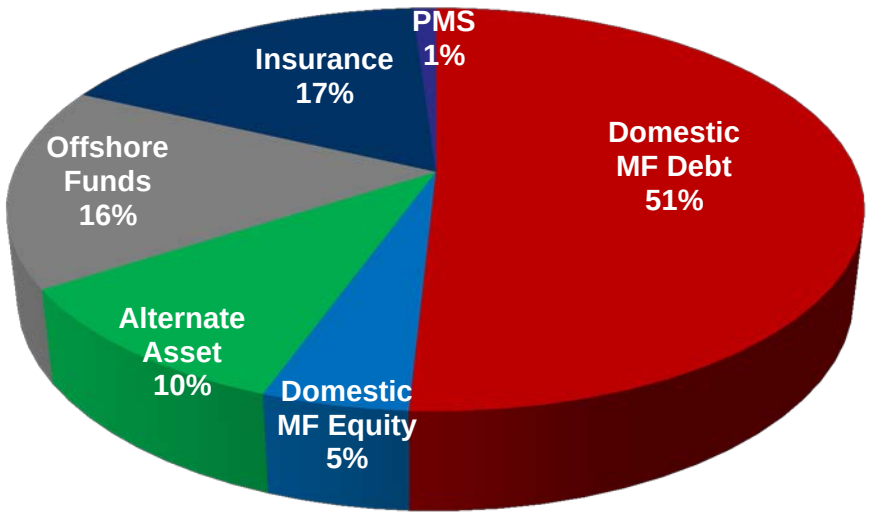
Asset Under Management

AUM ₹ 55,850 cr



Sep 30, 2012

AUM ₹ 60,450 cr

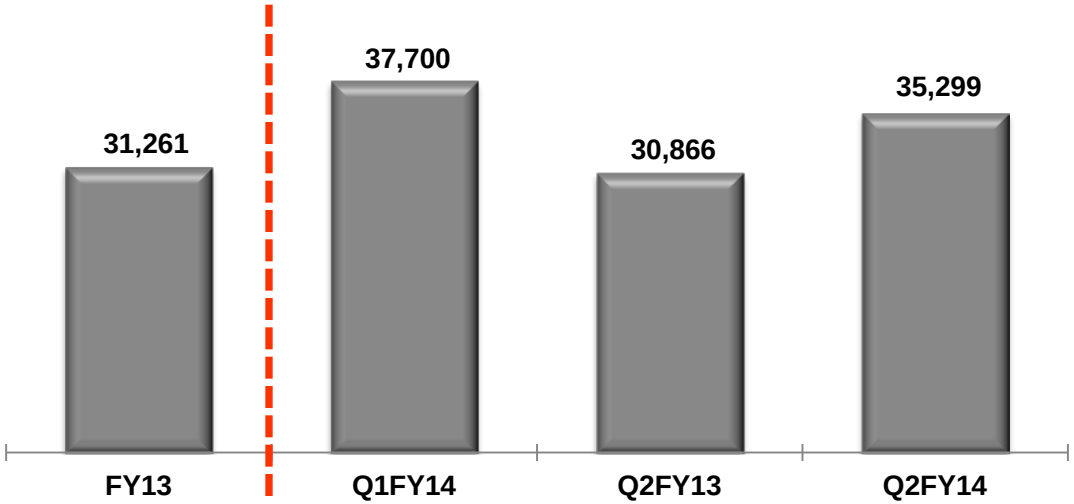


Sep 30, 2013

Kotak Mahindra AMC and Trustee Co.

- AAUM grew by 14% against industry rate of 8% in Q2
- Equity flows positive against negative for industry during H1
- AAUM mix in favour of the long term debt contributed to the revenue growth
- Focus on Investor awareness programs

Average Assets Under Management ₹ cr



₹ cr #	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	129	37	23	51
Profit before tax	14	11	(5)	26
Profit after tax	**12**	**7**	**(5)**	**17**
Average AUM (₹ bn)	313	377	309	353
Average AUM - Equity (₹ bn)	31	30	31	29

 # AMC & Trustee Co

Kotak Investment Advisors

Realty Fund

- Corpus – ₹ 3,838 cr
- 55 Investments

Private Equity Fund

- Corpus – ₹ 1,867 cr
- 39 Investments

Infra Fund

- Corpus – ₹ 557 cr

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	85	22	22	20
Profit before tax	43	1	12	7
Profit after tax	**31**	**1**	**9**	**4**

Bank Awards and Recognition

Kotak Mahindra Bank's Board has been adjudged as one of the '**Best Managed Board**' in the Aon Hewitt-Mint study of 2012

Best Private Bank by Finance Asia Country Awards for Achievement 2013

Kotak Mahindra Bank has made it once again in the list of the prestigious **Forbes Asia's Fab 50 Companies** in 2012 for the 3rd consecutive year (2010-12)

Kotak Wealth Management

Best Private Bank, India by World Finance Banking Awards, 2012

Outstanding Private Bank, South Asia - Private Banker International Global Wealth Awards 2012

Winner in multiple categories by Euromoney Private Banking Survey 2013:

- Private Banking Services Overall, Globally – Among Top 25
- Private Banking Services Overall, Asia – Among Top 10
- Second Best Family Office Services Provider, Asia
- Best Private Banking Services Overall - India
- Best Family Office Services Provider, India

Kotak Mahindra Bank won the Silver Shield at the '**ICAI Awards for Excellence in Financial Reporting'** for the year 2011-12 under the Category II: Private Sector Banks (including Co-operative Banks & Foreign Banks)

Kotak Mahindra Bank has been rated amongst the **Top 10 in Top Companies for Leaders to work**, in Asia Pacific in a Study conducted by RBL Group, Aon Hewitt and Fortune in 2011

Bank Awards and Recognition

Kotak Mahindra Bank's 6% campaign featuring Subbu won the **Silver Effie - a prestigious advertising effectiveness award** in the financial services category

Best Local Cash Management Bank In India, as voted by corporates for Small companies (turnover < US$ 100 Mn) by Asiamoney in 2012

Kotak Mahindra Bank won the **Asian E-payment Awards** for the following categories at the Asian Leadership Awards –

- Best E-Payment Bank Award
- Best Online Payment Platform Award
- E-Payment Market Leadership award

Kotak Mahindra Bank has been rated amongst the **Top 25 Best Employers in India** for 3 consecutive studies conducted since 2007 by Aon Hewitt

Kotak Mahindra Bank's NRI Banking won the following 2 awards at the **Banking & Payments Asia Trailblazer Awards 2013**

- Click2Remit: Winner in Product Excellence, in the P2P Product Category
- Privy League for NRIs: Winner in Service Excellence, in the Mass Affluent Banking Category

Awarded Gold in the "**Best Local Trade Bank in India**" category of Trade and Forfaiting Review Awards 2012

Kotak Mahindra Bank received the award for **Innovative Use of Data Storage** at the 'India Innovation Award 2013' by CNBC TV18 from Hon'ble Minister of State for IT and Communication Mr. Milind Murli Deora

Won the **Celent Model Bank Award** for its core banking implementation in the category of Infrastructure & Architecture

Asian Bankers Technology Award for **Best Self-Service Banking Project** for 2012

Green IT Enterprise Award 2013 – Top 10 Large Enterprise category – Presented by CIO and Schneider Electric

Awards and Recognition

kotak® Investment Banking

Euromoney Awards for Excellence

Best M&A House in India 2013

kotak Realty Fund

EUROMONEY REAL ESTATE AWARDS 2012

Best Investment Manager in India

Asiamoney Brokers Poll 2012

Best Local Brokerage

Among all domestic and foreign brokerages, ranked:

#2 for Best Overall Country Research
#2 for Best Execution
#2 for Most Independent Research Brokerage
#3 for Best in Sales Trading

kotak® Investment Banking

FinanceAsia COUNTRY AWARDS FOR ACHIEVEMENT

2012:Best Investment Bank in India
(Seventh year in a row)

2012: Best Equity House
(Third year in a row)

BSE IPF – D&B Equity Broking Awards for 2012

Fastest growing Equity Broking House
(Large Size Firms category)

FinanceAsia COUNTRY AWARDS FOR ACHIEVEMENT

Best Broker in India 2012

kotak® Investment Banking

Corporate INTL Global Awards 2012 Winner

Securities Advisory Firm of the Year in India

kotak® Investment Banking

ACQ Global Awards 2012

Investment Bank of the Year in India

kotak® Investment Banking

AAA THE Asset

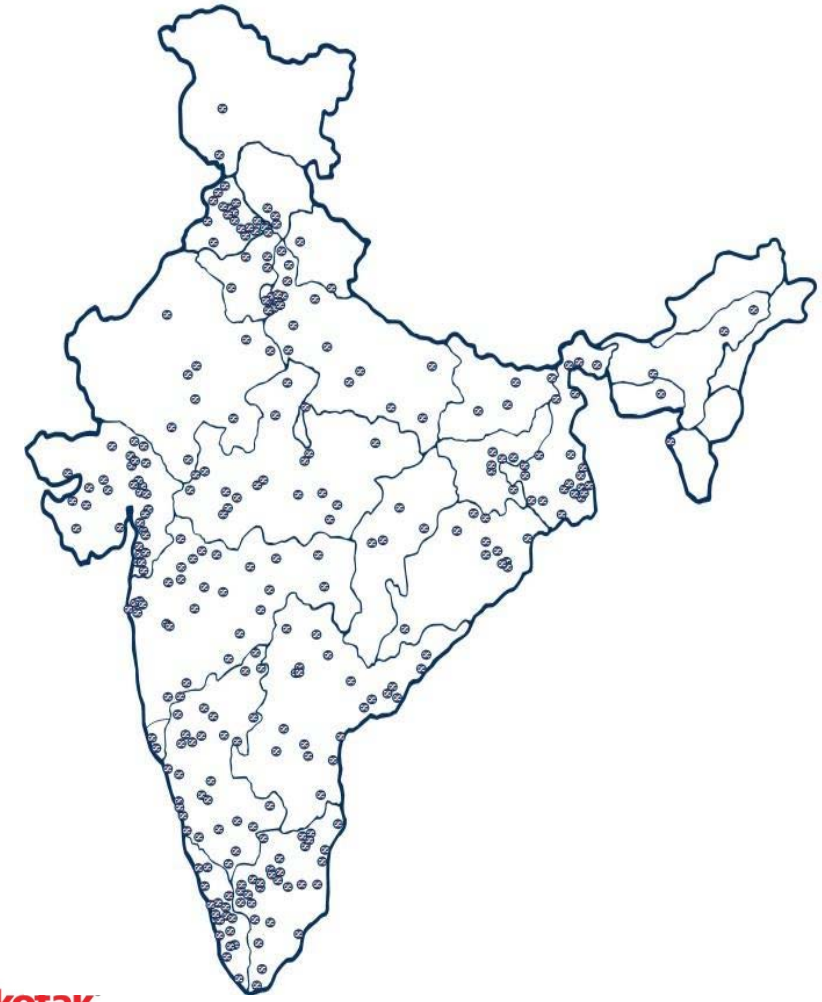
2012: Best Domestic Investment Bank

(Sixth year in a row)

KIE analysts **ranked #1 in financial services**; #3 in the media sector in the Wall Street Journal survey of Asia's best analysts – 2012

Geographical Presence

Wide National Footprint …..



….. With Multiple Points of Presence

Business	Sep 30, 2013
Banking	502
Car Finance	67
Life Insurance	206
Securities	1,286
Mutual Fund	79
Total	**2,140**

International offices situated in Abu Dhabi, Dubai, London, Mauritius, New York and Singapore

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