Earnings Update

Oct 22, 2014

Consolidated Highlights – Q2FY15

PAT
₹ 718 cr
(₹ 583 cr)
Up 23%

Networth
₹ 20,554 cr
(₹ 17,868 cr)

RoA
2.2% (2.0%)

Book Value (per share)
₹ 266.5
(₹ 232.6)

NIM
5.0% (4.9%)

Loans
₹ 81,418 cr
(₹ 68,226 cr)
Up 19%*

Total Assets
₹ 134,401 cr
(₹ 114,631 cr)

Net NPA
0.84% (0.80%)

**** Advances growth excluding CV/CE at 24%***

Figures in brackets are Q2FY14 numbers

Kotak Bank - Standalone Highlights – Q2FY15

PAT
₹ 445 cr
(₹ 353 cr)
Up 26%

RoA
2.0% (1.7%)

Loans
₹ 60,948 cr
(₹ 50,609 cr)
Up 20%*

NIM
5.0%
(4.9%)

Net NPA
1.0% (0.96%)

CAR#
17.6% (19.4%)
Tier 1
16.6% (18.1%)

CASA
₹ 21,165 cr
(₹ 15,393 cr)

Branches
641
(502)

Acquired 15% stake in Multi Commodity Exchange of India Ltd (MCX) for ₹ 459 cr at ₹ 600 per share

**** Advances growth excluding CV/CE at 28%***

 # As per Basel III, including profits. Excluding unaudited profit CAR 16.4%, Tier I 15.5% (CAR 18.1% and Tier I 16.9%)

Figures in brackets are Q2FY14 numbers

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Consolidated PAT

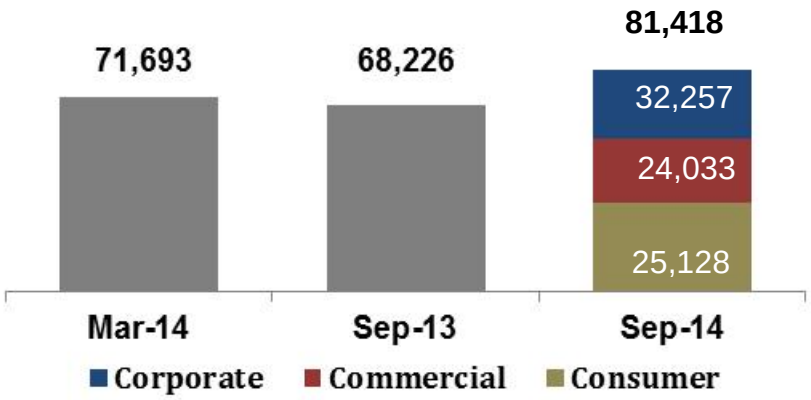
₹ cr	Q1FY15	Q2FY14	Q2FY15	H1FY14	H1FY15	FY14
Kotak Mahindra Bank	430	353	445	756	875	1,503
Kotak Mahindra Prime	120	125	125	242	245	491
Kotak Mahindra Investments	17	11	25	15	42	42
Kotak Securities	68	40	66	71	134	160
Kotak Mahindra Capital Company	(4)	(2)	(7)	2	(11)	14
Kotak Mahindra Old Mutual Life Insurance	49	44	52	115	101	239
Kotak Mahindra AMC & Trustee Co	-	17	(1)	24	(1)	41
International subsidiaries	7	1	13	(9)	20	7
Kotak Investment Advisors	8	4	4	5	12	18
Total	**695**	**593**	**722**	**1,221**	**1,417**	**2,515**
Minority Interest, Affiliates, others	3	(10)	(4)	(11)	(1)	(50)
Consolidated PAT	**698**	**583**	**718**	**1,210**	**1,416**	**2,465**

Entity Wise Networth

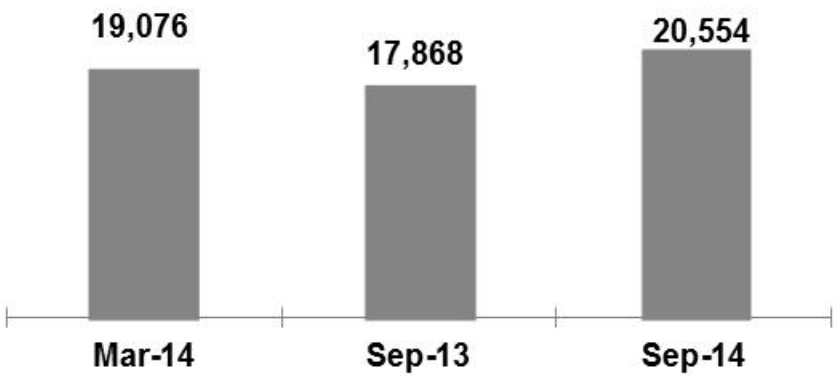
₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014
Kotak Mahindra Bank	12,275	11,553	13,199
Kotak Mahindra Prime	2,843	2,593	3,087
Kotak Mahindra Investments	436	360	553
Kotak Securities	2,094	2,005	2,228
Kotak Mahindra Capital Company	403	391	391
Kotak Mahindra Old Mutual Life Insurance	1,042	917	1,143
Kotak Mahindra AMC & Trustee Co	126	133	125
International Subsidiaries	410	411	443
Kotak Investment Advisors	240	228	253
Other Entities	32	32	32
Total	**19,901**	**18,623**	**21,454**
Add: Associates	549	538	573
Less: Minority, Inter-company and Other Adjustments	(1,374)	(1,293)	(1,473)
Consolidated Networth	**19,076**	**17,868**	**20,554**

Consolidated Key Financials

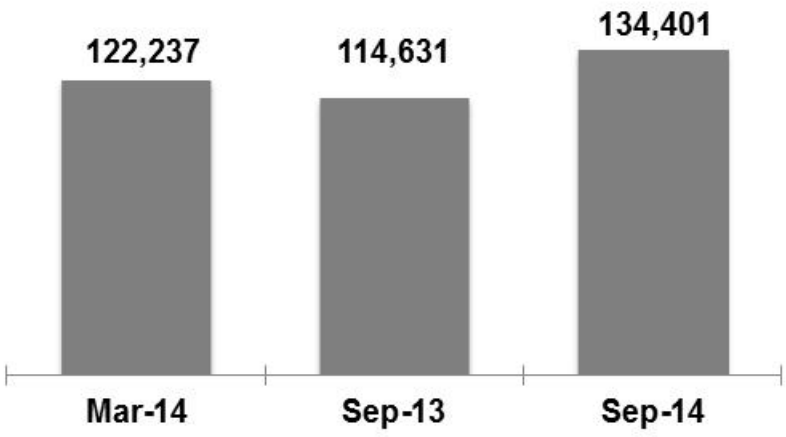
Advances (₹ cr)



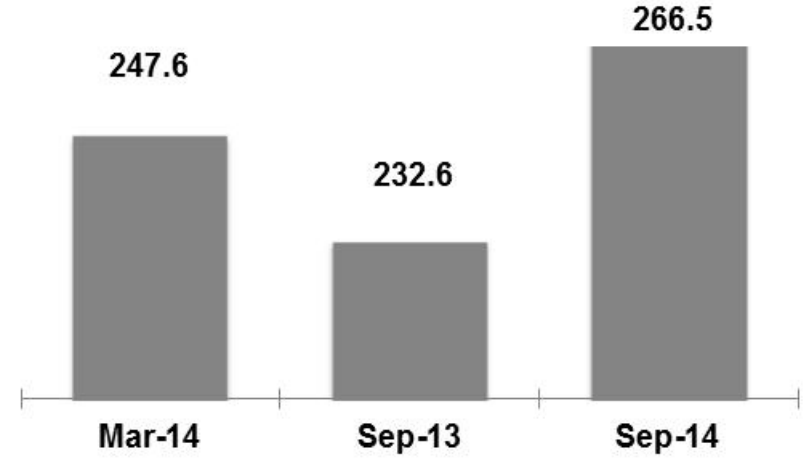
Networth (₹ cr)



Total Assets (₹ cr)



Book Value Per Share (₹)



Consolidated Advances & Investments

₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014	YoY Growth
Corporate Banking	17,319	17,245	24,845	44%
CV/CE	5,441	6,781	5,062	(25%)
Agriculture Division	10,468	7,910	10,137	28%
Business Banking	5,388	5,308	5,655	7%
Auto loans	13,223	13,094	13,893	6%
Home Loans and LAP	12,100	11,307	12,894	14%
Small Business, Personal loans & Credit Cards	4,667	4,131	5,344	29%
Others	3,087	2,450	3,588	46%
Total Advances	**71,693**	**68,226**	**81,418**	**19%**
Investments/ Treasury Assets *	27,788	25,198	30,430	21%
Total Advances and Investments	**99,481**	**93,424**	**111,848**	**20%**

 # Advances growth excluding CV/CE at 24%

** Does not include policy holders' investments*

Bank Profit & Loss

₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
Net Interest Income	1,002	924	1,039	3,720
Other Income	400	297	466	1,400
Net Total Income	**1,402**	**1,221**	**1,505**	**5,120**
Employee Cost	348	265	355	1,159
Other Operating Expenses	388	350	416	1,384
Operating Expenditure	**736**	**615**	**771**	**2,543**
Operating Profit	**666**	**606**	**734**	**2,577**
Provision on advances	73	41	95	256
Recoveries	(7)	(19)	(31)	(109)
Provision on other receivables	(2)	(20)	-	(19)
Provision on investments	(50)	70	(10)	176
Provision & contingencies	**14**	**72**	**54**	**304**
PBT	**652**	**534**	**680**	**2,273**
Provision for Tax	222	181	235	770
PAT	**430**	**353**	**445**	**1,503**

Bank Other Income

₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
Fee and Services	315	212	321	942
Treasury Income *	54	70	85	299
ARD Buyout Income	29	13	48	141
Others	2	2	12	18
Total	**400**	**297**	**466**	**1,400**

* *Does not include provisions*

Bank Segmental Performance

As per RBI ₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
Corporate/Wholesale Banking	291	307	335	1,301
Retail Banking	216	180	210	793
Treasury & BMU *	140	47	135	176
Unallocated Income	5	-	-	3
Total	**652**	**534**	**680**	**2,273**

* *Balance Sheet Management Unit*

Bank Advances & Investments

₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014	YoY Growth
Corporate Banking	14,377	14,759	21,140	43%
CV/CE	5,441	6,781	5,062	(25%)
Agriculture Division	10,468	7,910	10,137	28%
Business Banking	5,388	5,308	5,655	7%
Home Loans and LAP	12,100	11,307	12,894	14%
Small Business, Personal loans & Credit Cards	4,632	4,099	5,301	29%
Others	622	445	759	71%
Total Advances	**53,028**	**50,609**	**60,948**	**20%***

Advances – as per segmental classification

₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014
Retail	23,682	24,785	24,733
Corporate	29,346	25,824	36,215
Total Advances	**53,028**	**50,609**	**60,948**
Investments / Treasury Assets	25,485	22,528	27,227
Total Advances and Investments	**78,513**	**73,137**	**88,175**

**** Advances growth excluding CV/CE at 28%***

Bank Balance Sheet

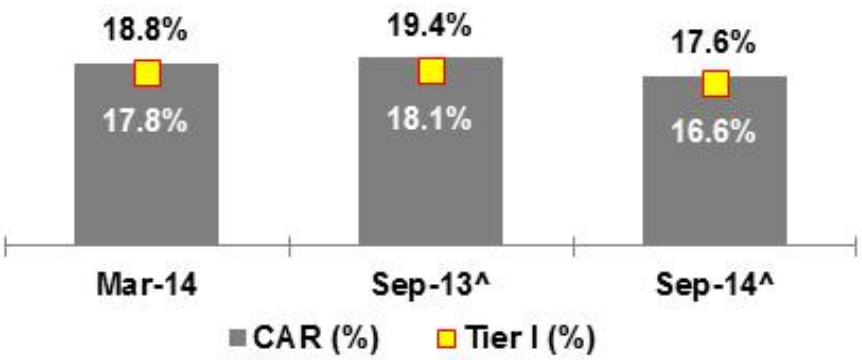
₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014	YoY Growth
Net Worth	12,275	11,553	13,199	14%
Deposits	59,072	52,642	68,103	29%
CA	*8,741*	*7,008*	*9,472*	*35%*
SA	*10,087*	*8,385*	*11,693*	*39%*
Certificate of Deposit	*5,726*	*4,536*	*4,653*	*3%*
Term Deposit Others	*34,518*	*32,713*	*42,285*	*29%*
Borrowings	12,896	14,523	10,554	(27%)
Other Liabilities and Provisions	3,342	3,467	3,574	3%
Total	**87,585**	**82,185**	**95,430**	**16%**

₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014	YoY Growth
Cash, Bank and Call	5,980	5,339	4,226	(21%)
Investments	25,485	22,528	27,227	21%
Government Securities	*17,466*	*16,837*	*19,139*	*14%*
Others	*8,019*	*5,691*	*8,088*	*42%*
Advances	53,028	50,609	60,948	20%
Fixed Assets and Other Assets	3,092	3,709	3,029	(18%)
Total	**87,585**	**82,185**	**95,430**	**16%**

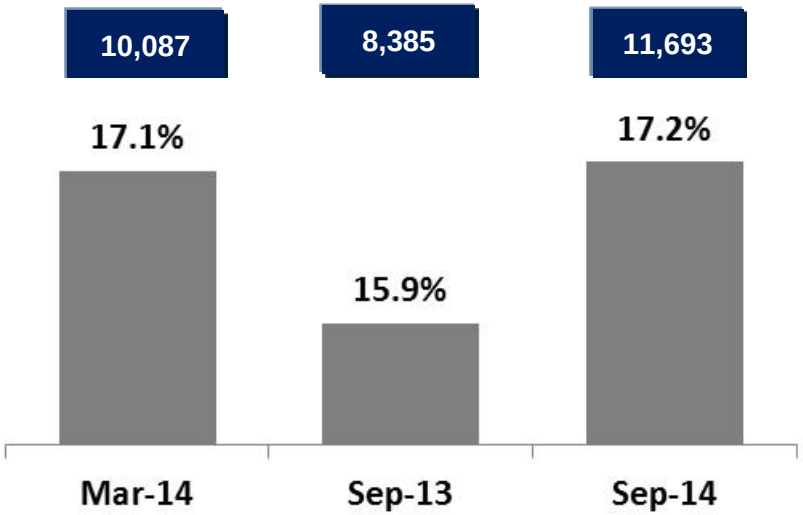
Bank Key Ratios

CAR & Tier I (%) – BASEL III

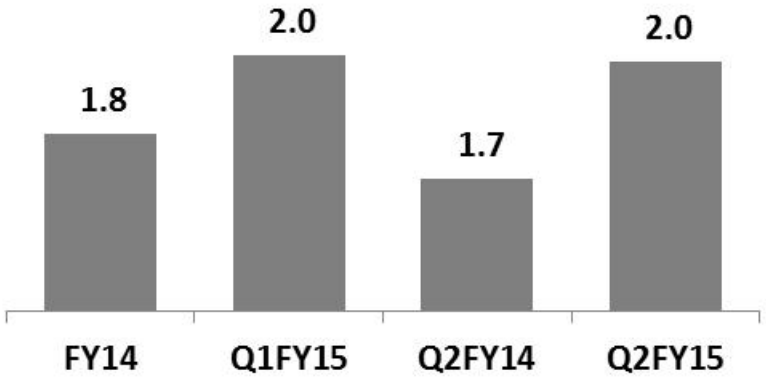
^ *Including unaudited profits*



Savings Account (₹ cr & % of deposits)



RoA (%)



Asset Quality

Restructured loans considered standard

₹ 161.5 cr (0.26%)

No CDR participation

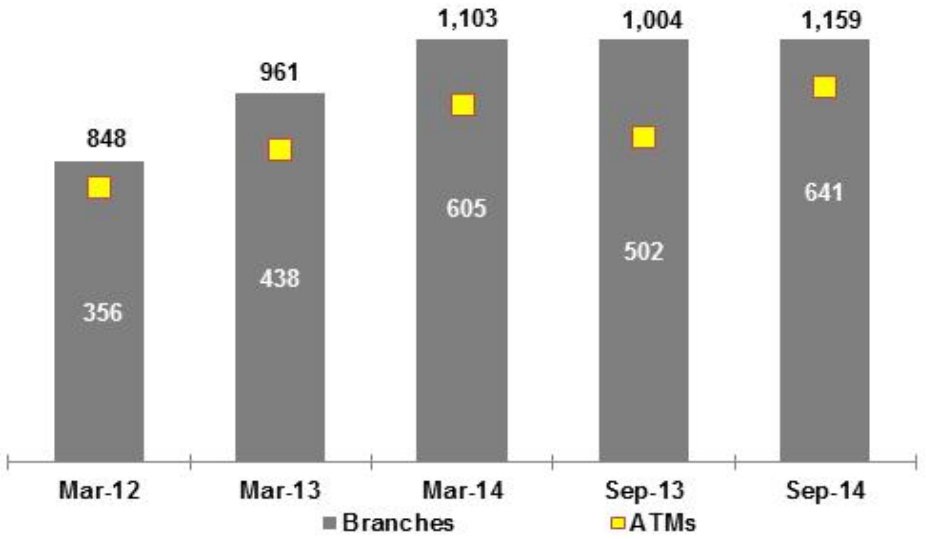
No transfer to ARC

No conversion to off-Balance sheet

Consumer Banking Liabilities

- Plan to reach 1,000 branches by calendar 2016
- TD sweep to total deposit ratio at 8.1% (7.2% as on Sep-13)
- CASA and TDs below ₹ 5 cr constitute 65% of total deposits (63% as on Sep-13)
- TDs below ₹ 1 cr grew 31% yoy
- Added ~ 2.1 lac customer accounts for the quarter
- Digital initiatives: Kaypay, Kotak Jifi, send money via email
- Cost of SA - 5.58%

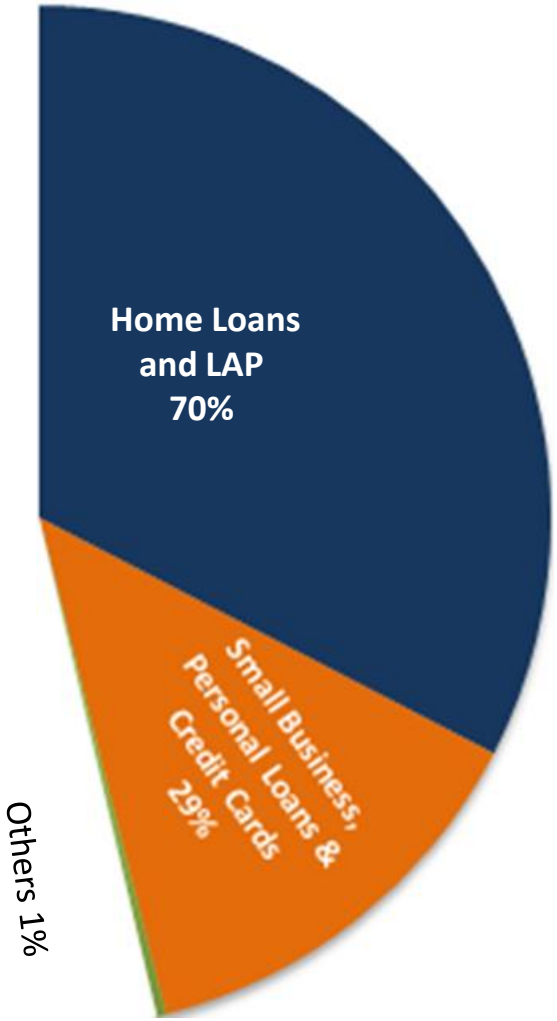
No of Branches / ATM's



CA deposit ₹ cr	7,352	7,650	8,741	7,008	9,472
SA deposit ₹ cr	5,050	7,268	10,087	8,385	11,693
CASA %	32	29	32	29	31

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Consumer Banking Assets – Bank

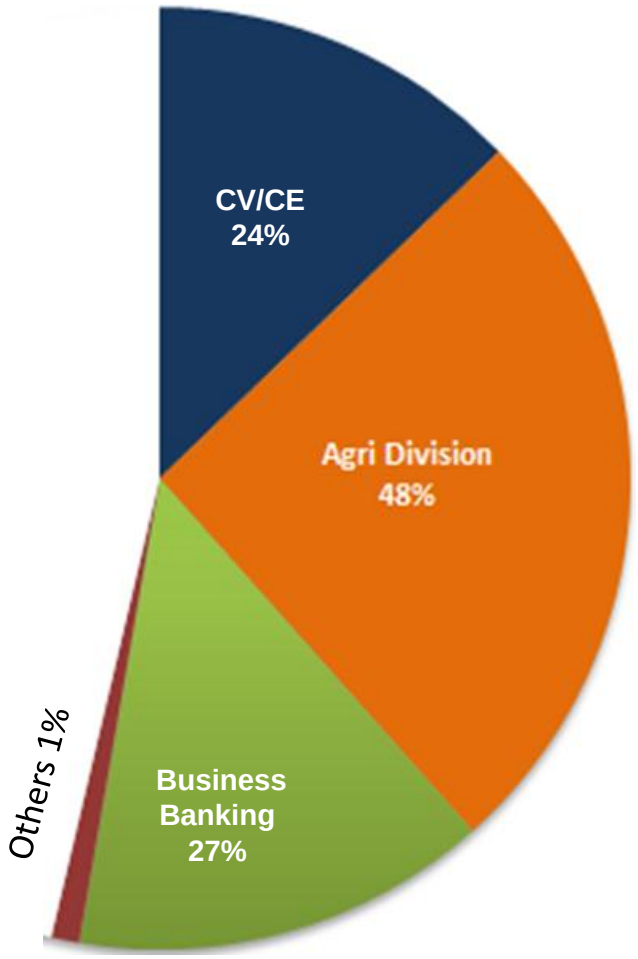


	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014	YoY Growth
Home Loans and LAP	12,100	11,307	12,894	14%
Small Business, Personal loans & Credit Cards	4,632	4,099	5,301	29%
Others	162	149	113	(24%)
Total Consumer Banking	**16,894**	**15,555**	**18,308**	**18%**

- Focus on SENP and cross sell through 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



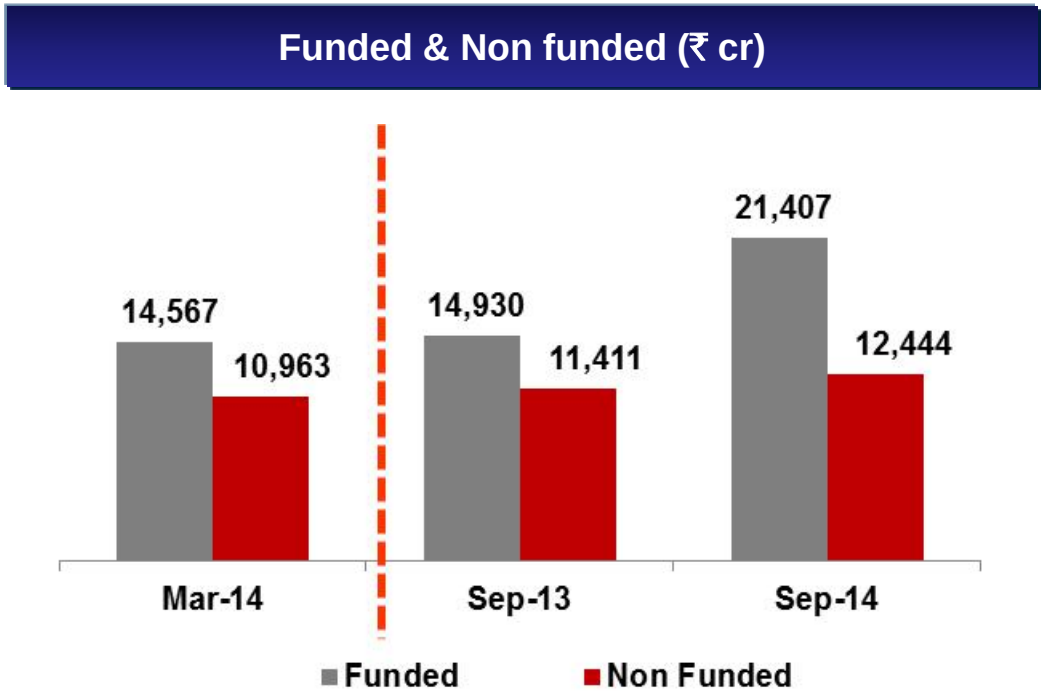
	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014	YoY Growth
CV/CE	5,441	6,781	5,062	(25%)
Agri Division	10,468	7,910	10,137	28%
Business Banking	5,388	5,308	5,655	7%
Others	270	125	379	-
Total Commercial Banking	**21,567**	**20,124**	**21,233**	**6%**

- Continued focus and growth in Agri finance
- Refocus on heavy commercial vehicles by gradual increase in month on month disbursals

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Wholesale Banking - Bank

- Complete range of financial products in offer for diverse corporates
  - Large and midmarket, PSUs, MNCs, financial market players
- Focus on franchise establishment with large corporates and deepening mid market segment
- Built-out corporate franchise
  - through improved client coverage, product innovation & leveraging technology
- Enhancing value for customer as well as optimizing risk return for the bank
- Focus on transaction banking, trade book, Fx and structured finance business
- Drive to achieve product synergies and increase wallet share



Kotak Mahindra Prime

₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
NII	216	220	227	880
Other income	51	45	51	181
Total Income	267	265	278	1,061
Profit before tax	183	191	190	752
Profit after tax	**120**	**125**	**125**	**491**

₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014
Customer Assets	17,948	17,697	18,819
Car Advances	13,273	13,136	13,946
Disbursement (Car) – For the quarter	1,582	1,435	1,834
Net NPA	56	51	64
Net NPA (%)	0.3	0.3	0.3
CAR (%)	17.7	16.4	17.7
ROA (%) - annualised	2.6	2.6	2.5

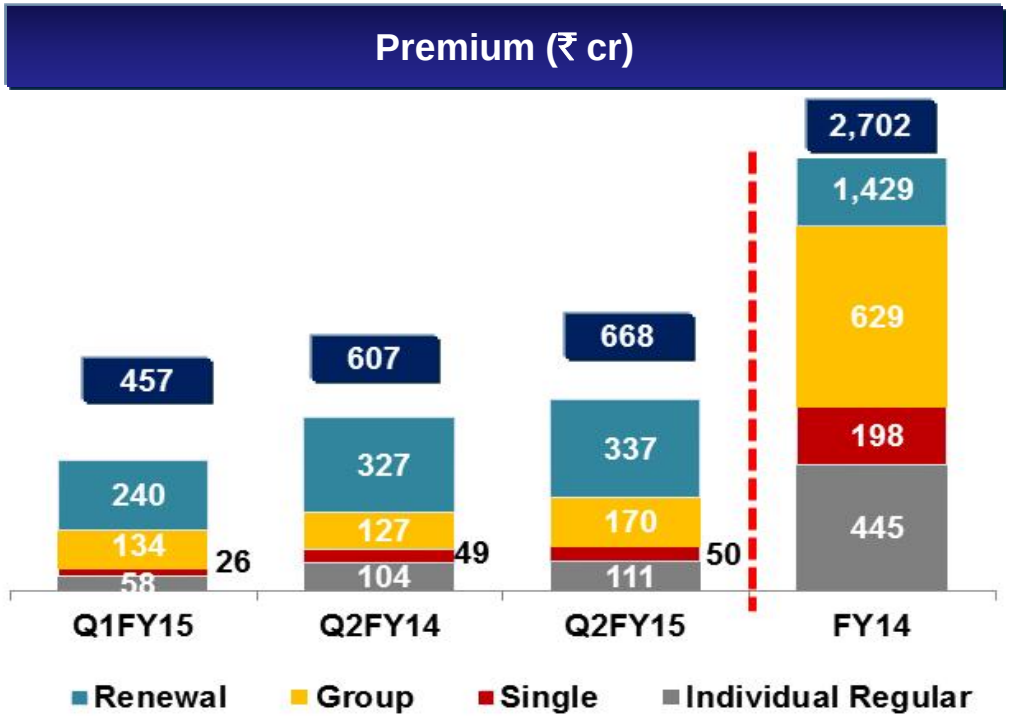
Kotak Mahindra Investment

₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
NII	30	20	39	78
Other income	6	1	8	10
Total Income	36	21	47	88
Profit before tax	26	18	38	64
Profit after tax	**17**	**11**	**25**	**42**

₹ cr	Mar 31, 2014	Sep 30, 2013	Sep 30, 2014
Customer Assets	1,555	741	2,359
Net NPA	7	15	6
Net NPA (%)	0.5	2.0	0.2
CAR (%)	26.3	42.4	22.7
ROA (%) - annualised	3.6%	5.0%	3.9%

Kotak Mahindra Life Insurance

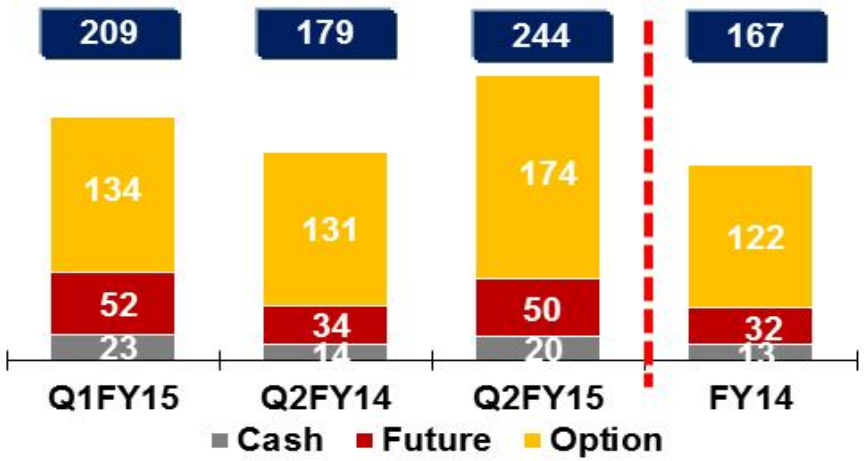
- Individual Business grew by 7%
- Agency's Regular Business grew by 21%
- On APE (Single @ 1/10th) Basis, Share of Kotak Bank for FY14 is at 28% (PY – 25%)
- Inforce Sum Assured has increased 24% from ₹ 2,361 bn to ₹ 2,926 bn



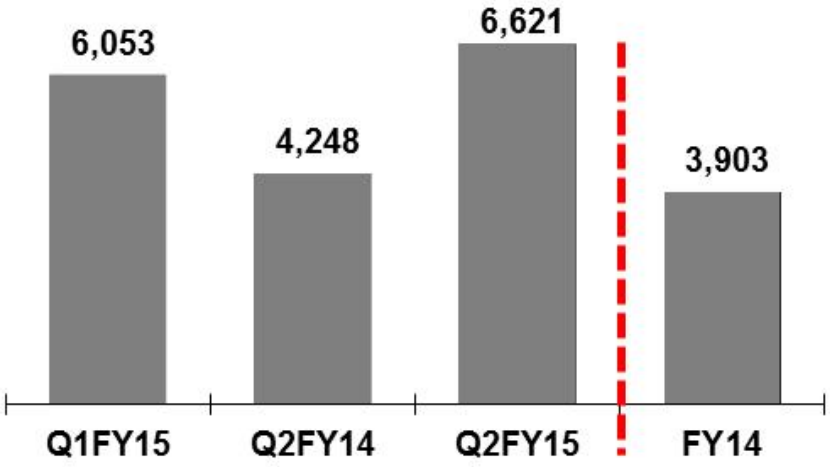
₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
Capital	562	562	562	562
Solvency ratio (%)	3.06	3.12	2.98	3.02
PAT	**49**	**44**	**52**	**239**

Kotak Securities

Market ADV (₹ '000 cr)



ADV (₹ cr) - KS



₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
Total income	223	152	224	627
Profit before tax	103	60	100	234
Profit after tax	**68**	**40**	**66**	**160**
Market Share* (%)	2.9	2.4	2.7	2.3

**excluding BSE Derivative segment*

Kotak Securities services more than 9.9 lac secondary market customers through 1,164 branches and franchises

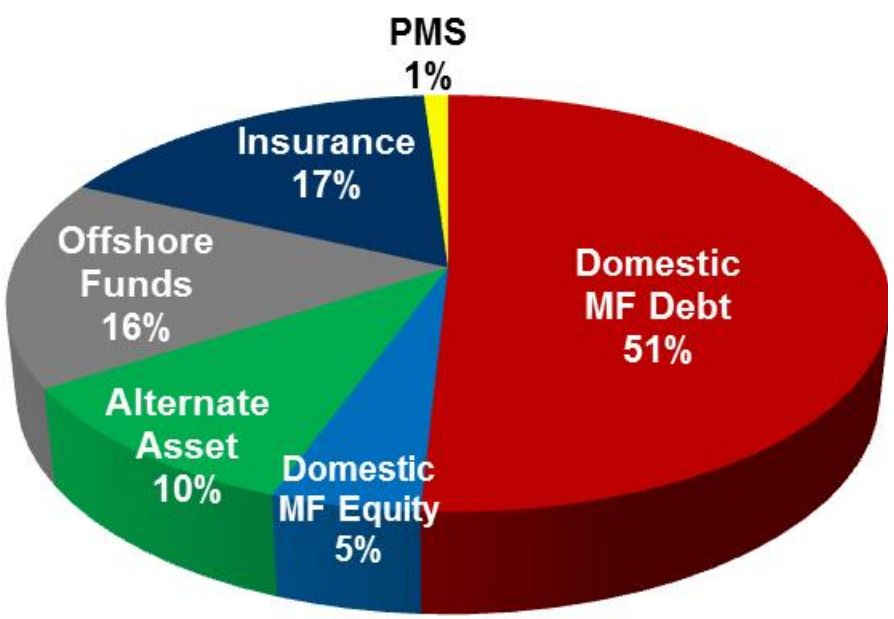
Kotak Mahindra Capital Co.

Client (Equity)	Transactions	Size (₹ cr)
Capital Market Deals		
IDFC	Qualified Institutions Placement (QIP)	1,000
CUB	Qualified Institutions Placement (QIP)	350
M&A Deals		
Apax Partners	Exclusive Financial Advisor to Apax Partners for investment in Cholamandalam Investment & Finance Company Ltd	500
kotak Kotak Mahindra Bank	Exclusive Financial Advisor to Kotak Mahindra Bank Ltd for the acquisition of 15% stake in Multi Commodity Exchange of India Ltd (MCX)	459
STYROLUTION	Manager to Open Offer for Styrolution ABS (India) Limited	220
Cipla	Fairness Opinion for the acquisition by Medispray Laboratories, (a 100% subsidiary of Cipla) of two manufacturing units of Okasa Pvt. Ltd. and Okasa Pharma Pvt. Ltd.	~101
BAUSCH + LOMB	Exclusive Financial Advisor to Bausch & Lomb Eyecare India Ltd for the sale of Ophthalmology Portfolio to Ipca Laboratories Ltd	Undisclosed
Mastek	Financial Advisor for the demerger of insurance and services business of Mastek Ltd	NA

₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
Total income	12	12	11	84
Profit before tax	(6)	(3)	(7)	18
Profit after tax	**(4)**	**(2)**	**(7)**	**14**

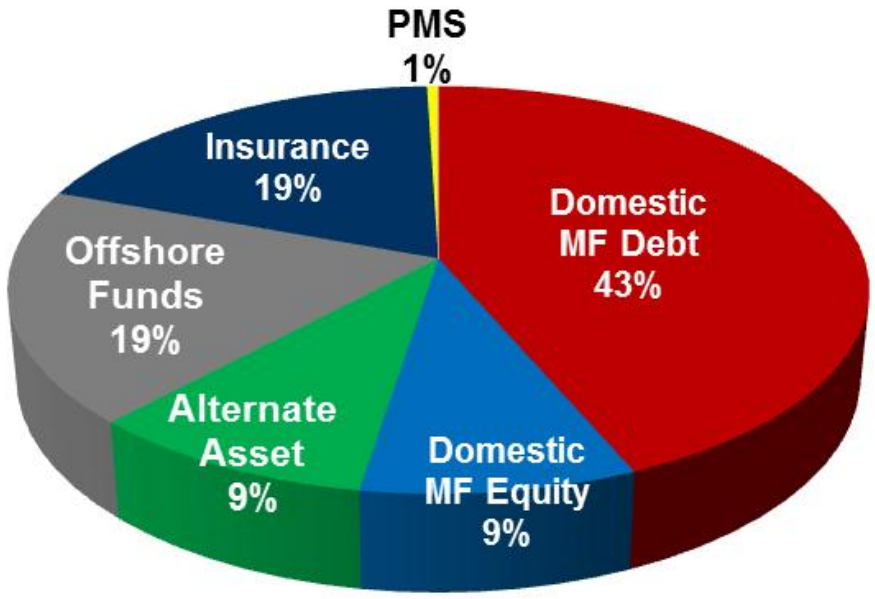
Asset Under Management

AUM ₹ 60,450 cr



Sep 30, 2013

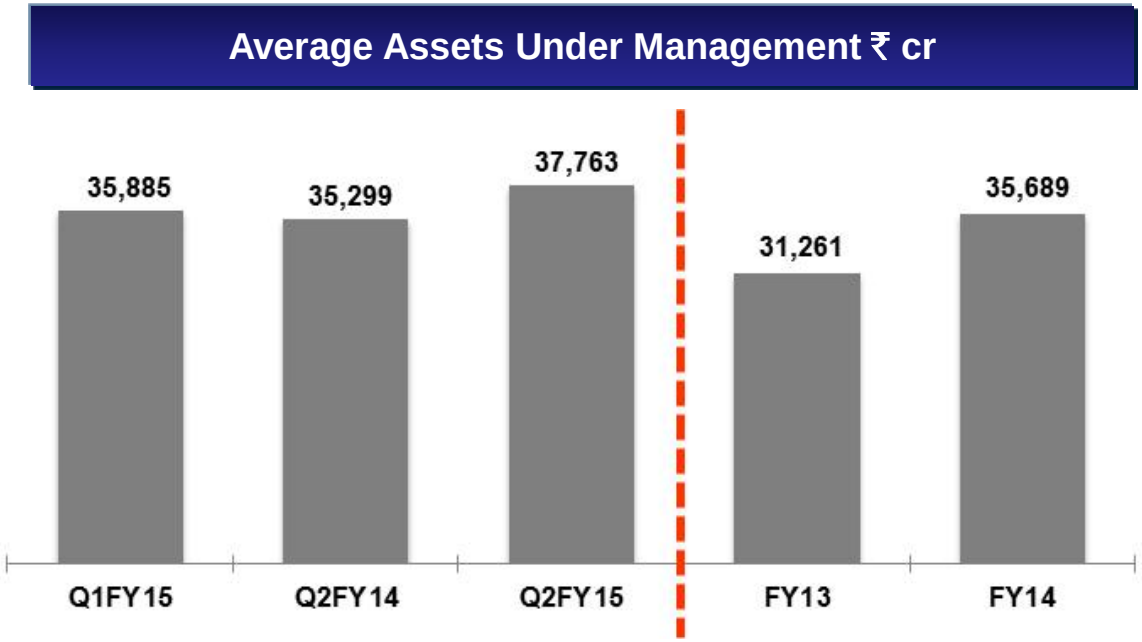
AUM ₹ 65,657 cr



Sep 30, 2014

Kotak Mahindra AMC and Trustee Co.

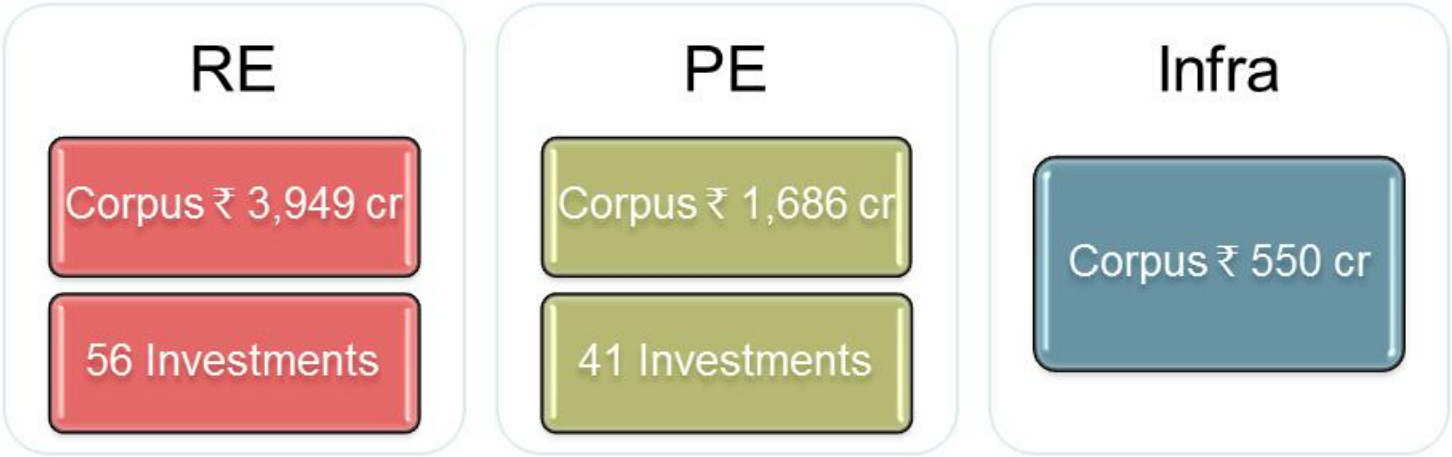
- Agreed to acquire schemes of PineBridge Mutual Fund – AUM ₹ 660 cr



₹ cr #	Q1FY15	Q2FY14	Q2FY15	FY14
Total income	29	51	36	177
Profit before tax	-	26	-	60
Profit after tax	**-**	**17**	**(1)**	**41**
Average AUM (₹ bn)	359	353	378	357
Average AUM - Equity (₹ bn)	39	29	52	31

 # AMC & Trustee Co

Kotak Investment Advisors



Total Corpus ₹ 6,185 cr

₹ cr	Q1FY15	Q2FY14	Q2FY15	FY14
Total income	22	20	19	83
Profit before tax	9	7	6	25
Profit after tax	**8**	**4**	**4**	**18**

Bank Awards and Recognition

Received in FY15

Kotak Wealth Management won the Best Private Bank – India by FinanceAsia Country Awards 2014

Kotak Jifi won the following awards at the Indian Digital Media Awards 2014:

- Gold Award for Best Innovation – World's first socially powered bank account
- Gold Award for Best App developed – World's first banking application using Twitter

Kotak Jifi won the following awards at Campaign India Digital Crest Awards:

- Platinum for Innovation – World's first Twitter Enabled Banking Product
- Gold for Best Usage of Viral Marketing
- Gold for Best Usage of Social Media
- Gold for Best Usage of Digital Marketing
- Gold for Best Digital Strategy

Kotak adjudged as the 9th most valuable brand in India in the BrandZ's 50 most valuable Indian brands ranking

Kotak Mahindra Bank won the Best Local Cash Management Bank in India (6th year in a row) in the Asiamoney Cash Management Poll 2014 (For small and medium enterprises)

Bank Awards and Recognition

Received in FY14

Best Medium Sized Bank of the Year Award by Businessworld
Best Bank - Emerging Banks at Outlook Money Awards 2013
IR Global Ranking – one of the top 5 Best Ranked Companies for Corporate Governance Practices
Kotak Junior ad, adjudged the Best Banking Ad Worldwide 2013, by Bank Innovation, a leading global blog on Banking
EMC Transformers Award – 2013 for Innovative implementation of storage technologies in the Bank
The Kotak Mahindra Annual Report 2012 – 2013 won the following awards: LACP Vision Awards, USA • Bronze Award – Best report in Banking category • Top 10 – Among the top 10 Indian reports ARC Awards • Gold Award - Traditional Annual Report: Banking and financial services • Honors Award – Interactive Annual Report: Banking and financial services (Asia/South Pacific)
Green IT Enterprise Award 2013 by CIO Forum and Schneider Electric for various power saving techniques implemented in Data Center. Kotak Mahindra Bank was amongst the Top 10 in the 'Top 10 Large Enterprises' category
Asian Banker's IT Award in Best Self Service category for Courtesy Callback feature

Awards and Recognition

kotak Investment Banking

CorporateINTL GLOBAL AWARDS WINNER 2014

Securities Advisory Firm of the Year in India

kotak Realty Fund

EUROMONEY REAL ESTATE AWARDS 2012

Best Investment Manager in India

Asiamoney Brokers Poll 2013

Best Local Brokerage
Eighth year in a row

Among all domestic and foreign brokerages,ranked:
#1 for Most Independent Research Brokerage
#2 for Best Overall Country Research
#2 for Best Analyst
#3 for Best Overall Sales Services

kotak Investment Banking

FinanceAsia COUNTRY AWARDS FOR ACHIEVEMENT

2014:Best Investment Bank in India
2014: Best Equity House

D&B
Equity Broking Awards for 2013

Best Equity Broking House
Depository Participant of the year

Asset Country Awards for 2013
Best Brokerage House

kotak Kotak Securities

FinanceAsia COUNTRY AWARDS FOR ACHIEVEMENT

Best Broker in India 2014

kotak Investment Banking

Best Domestic Equity House by Asiamoney – 2014

kotak Kotak Securities

Broker of the Year in India

The Asian Banker Financial Markets Awards 2014

kotak Investment Banking

The Asset

2013: Best Domestic Investment Bank
(Eighth year in a row)

kotak Investment Banking

Euromoney Awards for Excellence Best M&A House in India 2013

kotak Life Insurance

A JOINT VENTURE WITH OLD MUTUAL

Businessworld Survey of India's Most Respected Companies 2013

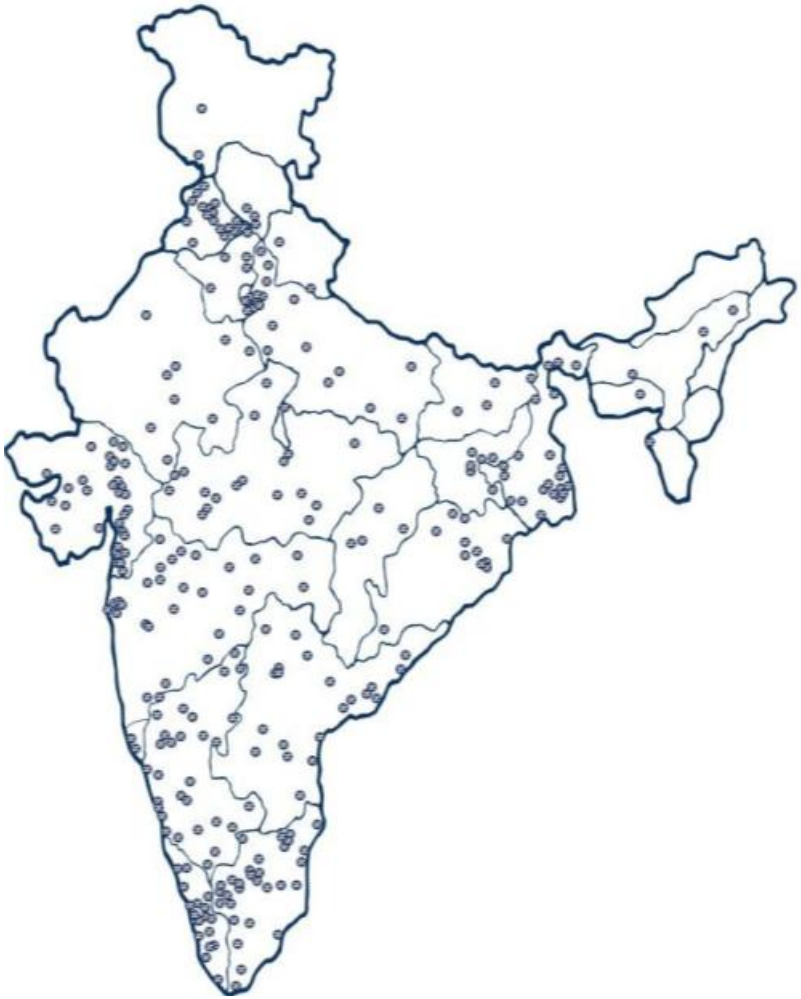
8th most respected company in India's BFS & Insurance space

kotak Kotak Securities

NSDL Star Performers Award 2013
Top Performer in New Accounts Opened (Non-Bank Category)

Geographical Presence

Wide National Footprint …..



….. With Multiple Points of Presence

Business	Sep 30, 2014
Banking	641
Car Finance	74
Life Insurance	210
Securities	1,164
Mutual Fund	79
Total	**2,168**

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

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