kotak®
Kotak Mahindra Bank

Earnings Update

Oct 25, 2012

Kotak Bank - Standalone Highlights

PAT	Networth	Loans	Restructured Loans- standard
₹ 280 cr (₹ 260 cr)	₹ 8,597 cr (₹ 7,361 cr)	₹ 45,443 cr (₹ 37,349 cr) up **22%** yoy	₹ 8 cr (₹ 31 cr)

Net NPA *	CAR#	CASA	SA
0.73% (0.43%)	**16.4%** (17.8%) Tier 1 **14.9% (15.9%)**	₹ 12,321 cr (₹ 9,356 cr) **Up 32%** yoy	₹ 5,926 cr (₹ 3,564 cr) **Up 66%** yoy

* Excluding acquired stressed assets

\# Including unaudited profits for H1FY13 as per Basel II. CAR & Tier 1 excluding unaudited profits – 15.4% & 13.9% resp

Figures in brackets are Q2FY12 numbers

Consolidated Highlights

PAT ₹ 502 cr (₹ 433 cr)	**Networth** ₹ 13,943 cr (₹ 11,893 cr)	**Loans** ₹ 61,255 cr (₹ 50,581 cr) up **21%** yoy	**Net NPA *** **0.61%** (0.36%)
NIM **4.7%** (4.8%)	**RoA** **2.0%** (2.1%)	**Total Assets** ₹ 102,258 cr (₹ 83,796 cr) up **22%** yoy	**Book Value** ₹ 187.6 per share (₹ 161.0 per share)

Consolidated Assets cross ₹ 1 lakh cr

* Excluding acquired stressed assets

Figures in brackets are Q2FY12 numbers

Consolidated Advances & Investments

₹ cr	Mar 31, 2012	Jun 30, 2012	Sep 30, 2011	Sep 30, 2012
Commercial Vehicles & Construction Equipment	7,798	8,015	7,351	8,183
Agriculture Finance	5,714	6,108	4,248	6,419
Auto Loans	10,600	11,161	9,858	11,748
Mortgage Loans	8,333	8,757	7,528	9,286
Personal Loans	1,868	2,000	1,501	2,141
Business Banking	3,515	3,840	2,798	4,571
Corporate Banking	12,321	14,383	14,745	15,678
Others	2,995	2,785	2,552	3,229
Total Advances	**53,144**	**57,049**	**50,581**	**61,255**
Investments/ Treasury Assets *	23,261	23,219	18,347	23,990
Total Advances and Investments	**76,405**	**80,268**	**68,928**	**85,245**

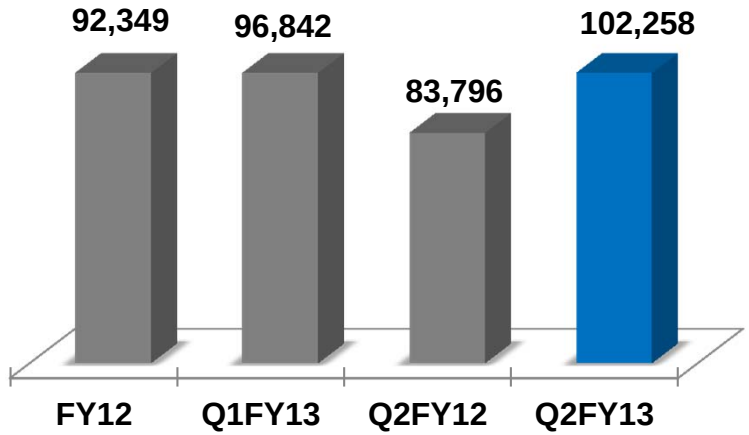
* Does not include policy holders' investments

Consolidated PAT

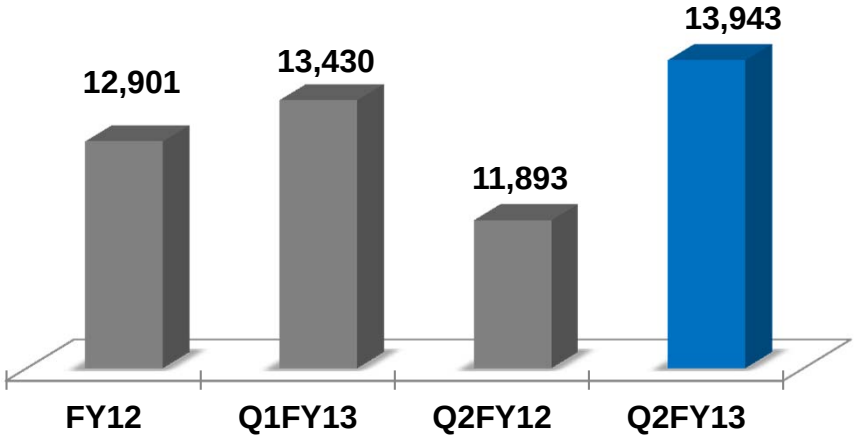
₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Kotak Mahindra Bank	1,085	282	260	280
Kotak Mahindra Prime	385	94	90	114
Kotak Securities	126	23	29	40
Kotak Mahindra Capital Company	6	6	(4)	4
Kotak Mahindra Old Mutual Life Insurance	203	32	53	47
Kotak Mahindra AMC & Trustee Co	22	4	7	(5)
International subsidiaries	(11)	(5)	(7)	8
Kotak Investment Advisors	36	8	8	9
Kotak Mahindra Investments	15	4	3	16
Total	**1,867**	**448**	**439**	**513**
Minority Interest, Equity Affiliates, others	(35)	(5)	(6)	(11)
Consolidated PAT	**1,832**	**443**	**433**	**502**

Consolidated Key Financials

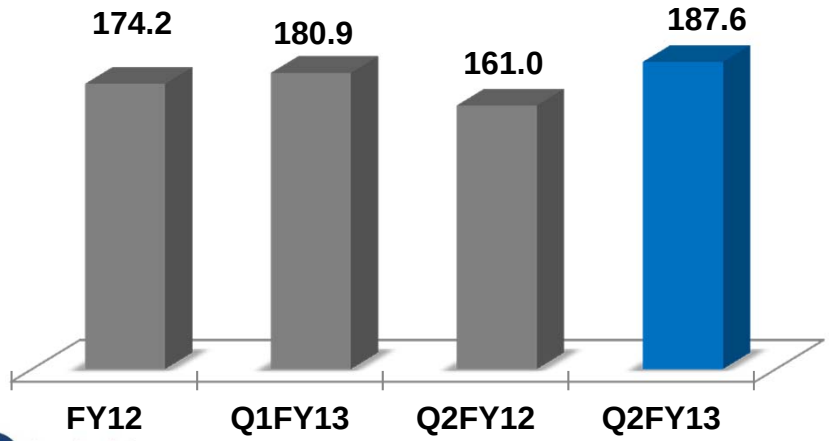
Total Assets (₹ cr)



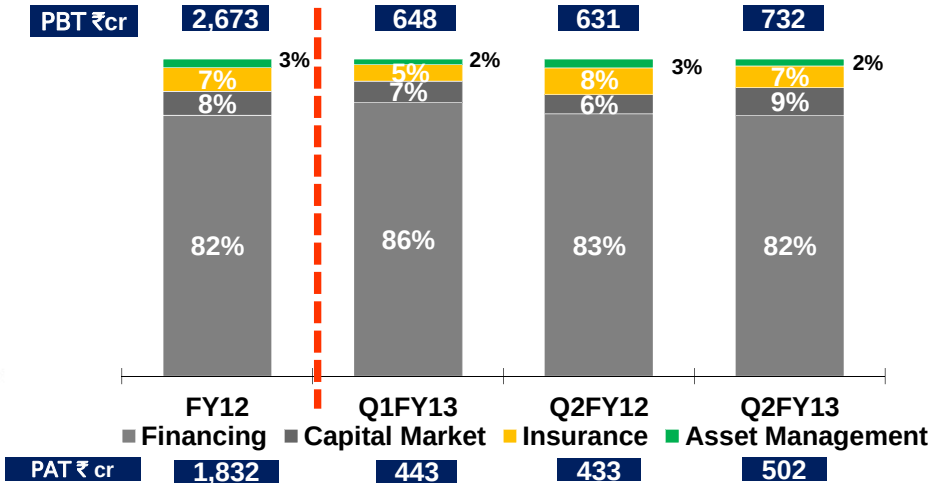
Networth (₹ cr)



Book Value per share (₹)

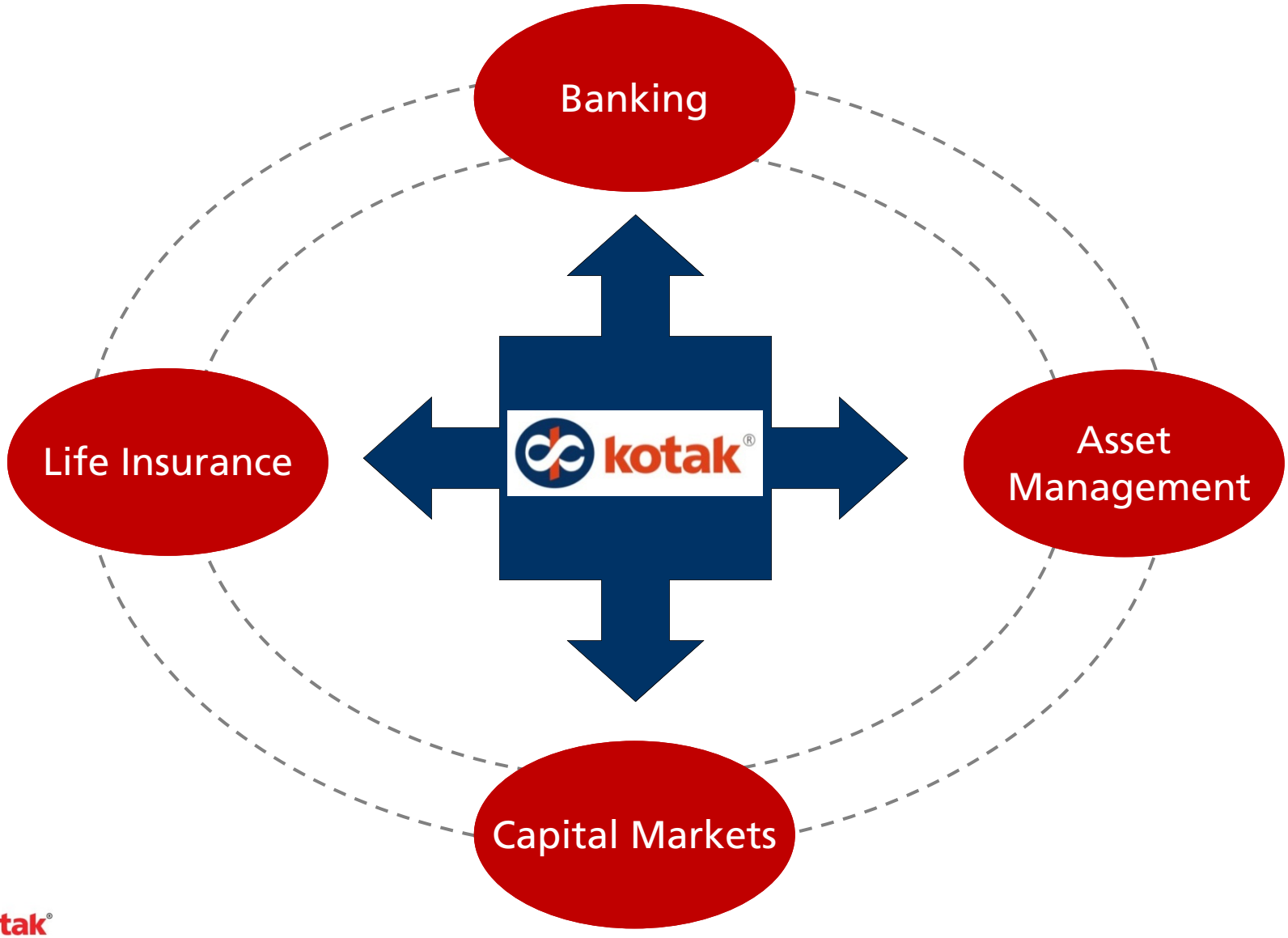


PBT Mix



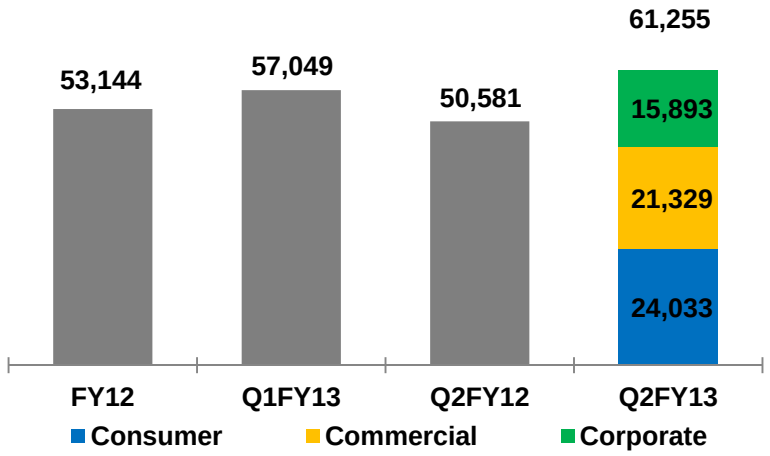
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Integrated Financial Services

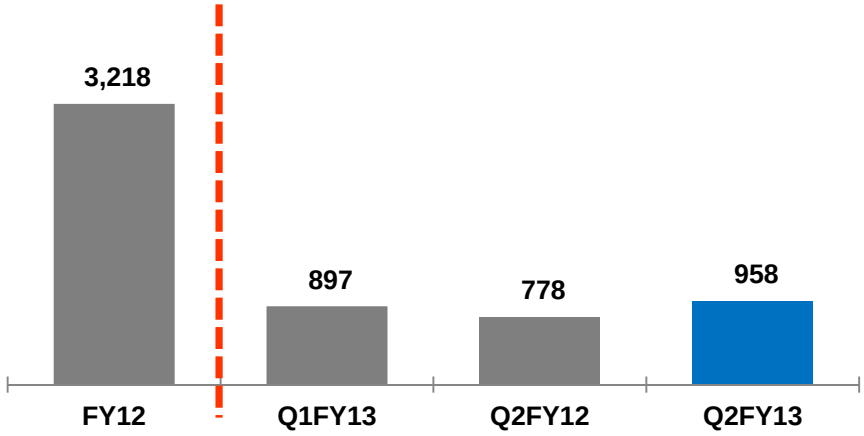


Financing Business

Advances (₹ cr)

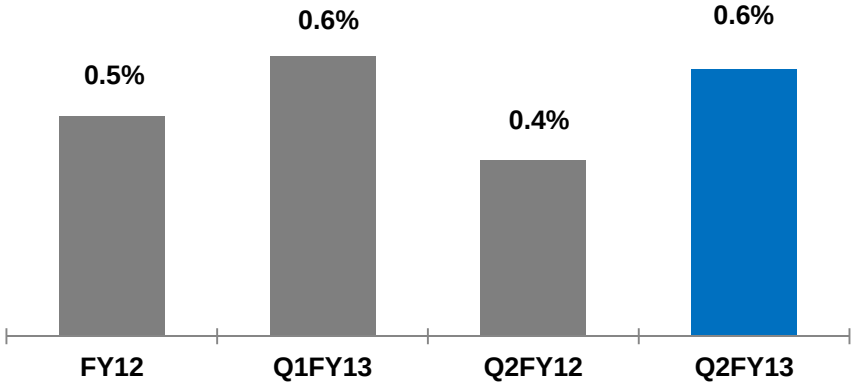


Net Interest Income (₹ cr)

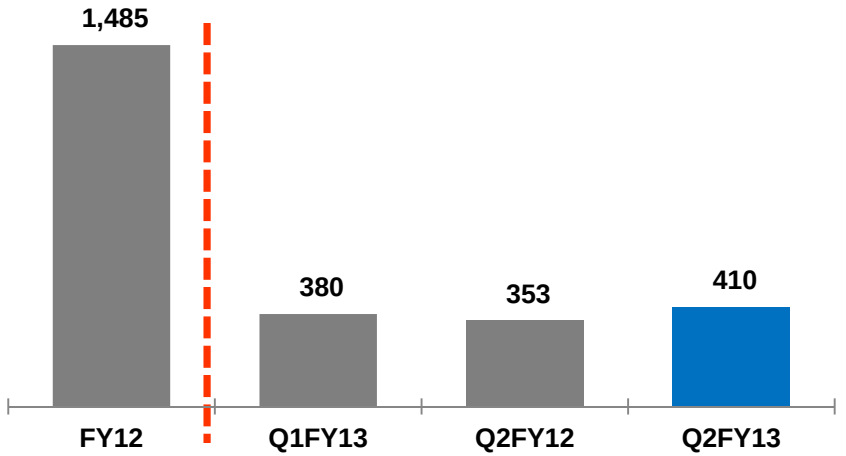


financing entities

Net NPA (%)*



PAT (₹ cr)

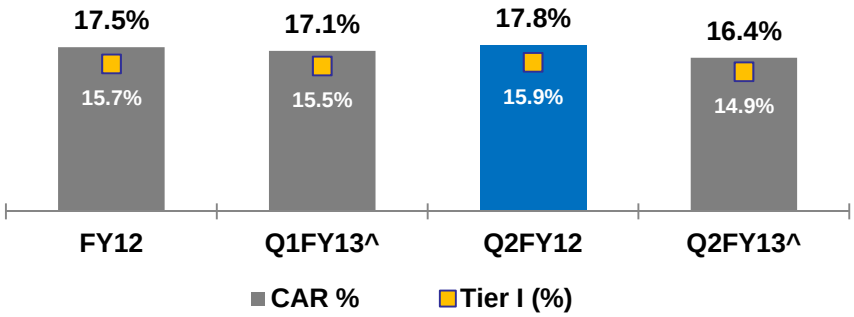


* Excluding acquired stressed assets portfolio

Bank Key Ratios

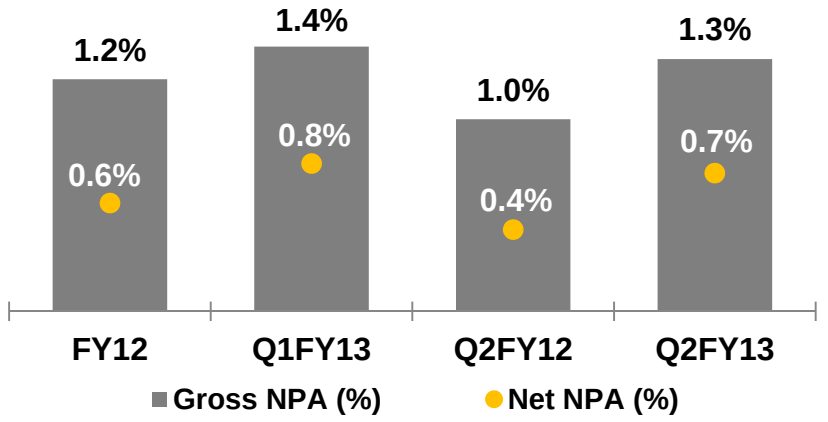
CAR & Tier I (%)

^ including unaudited profits

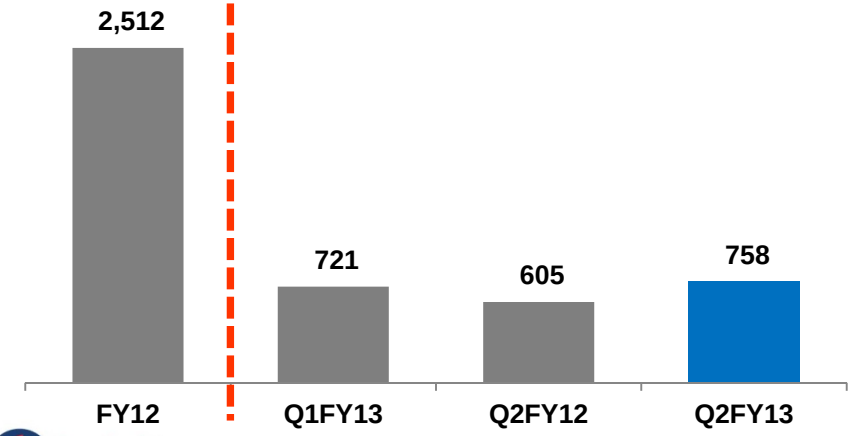


NPA * (%)

* Excluding acquired stressed assets portfolio



NII (₹ cr)



Asset Quality

- Restructured assets considered standard (as % of net advances)
  - ❖ Sep 30, 2012- ₹ 8 cr (0.02%)
  - ❖ Jun 30, 2012 - ₹ 12 cr (0.03%)
  - ❖ Sep 30, 2011- ₹ 31cr (0.08%)
- PCR (as per RBI circular) as on Sep 30, 2012 – 64.7%

Bank Profit and Loss

₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Net Interest Income	2,512	721	605	758
Other Income	978	241	213	251
Net Total Income	**3,490**	**962**	**818**	**1,009**
Employee Cost	872	257	215	243
Other Operating Expenses	963	257	223	284
Operating Expenditure	**1,835**	**514**	**438**	**527**
Operating Profit	**1,655**	**448**	**380**	**482**
Provision on advances & receivables *	73	52	16	78
Provision on investments	(18)	(18)	(18)	(7)
Provision & contingencies	**55**	**34**	**(2)**	**71**
PBT	**1,600**	**414**	**382**	**411**
Provision for Tax	515	132	122	131
PAT	**1,085**	**282**	**260**	**280**

** refer the following slide*

NPA / Provisioning – Highlights

- During the quarter, Bank acquired a portfolio of NPAs of less than two years as NPA. Entire amount of such purchase (net of subsequent recovery) amounting to ₹ 42 cr is treated as NPA and fully provided for during the quarter

Other Key Highlights

- In respect of cheques deposited /on hand as at quarter end, any return thereof till 7th of subsequent month is considered for reckoning NPA and provisioning thereon

- In respect of NPAs with exposure less than ₹ 2 cr, accounts other than home loans get fully provided for once overdue for over 180 days and home loans get fully provided for once overdue for over one year

- In respect of NPA accounts with exposure more than ₹ 2 cr, provisioning is based on management estimates subject to minimum provision as required by RBI

- An existing NPA account is upgraded to standard category only on collection of **all** overdues

- An account where assets are repossessed continues as Gross NPA for the full amount without any reduction for value of security repossessed

Bank Segment performance

₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Corporate/Wholesale Banking	997	238	198	296
Retail Banking	566	133	165	121
Treasury & BMU*	35	42	19	(6)
Unallocated Income	2	1	-	-
Total	**1,600**	**414**	**382**	**411**

* Balance Sheet Management Unit

Bank Advances & Investments

₹ cr	Mar 31, 2012	Jun 30, 2012	Sep 30, 2011	Sep 30, 2012
Commercial Vehicles & Construction Equipment	7,798	8,015	7,351	8,183
Agriculture Finance	5,714	6,108	4,248	6,419
Mortgage Loans	8,333	8,757	7,528	9,286
Personal Loans	1,868	1,990	1,500	2,121
Business Banking	3,510	3,837	2,793	4,568
Corporate Banking	10,942	12,841	13,271	13,868
Others	914	770	658	998
Total Advances	**39,079**	**42,318**	**37,349**	**45,443**

Advances – as per segmental classification

₹ cr	Mar 31, 2012	Jun 30, 2012	Sep 30, 2011	Sep 30, 2012
Retail	21,062	21,331	18,550	21,967
Corporate	18,017	20,987	18,799	23,476
Total Advances	**39,079**	**42,318**	**37,349**	**45,443**
Investment / Treasury Assets	21,567	21,184	16,944	22,173
Total Advances and Investments	**60,646**	**63,502**	**54,293**	**67,616**

Bank Balance Sheet

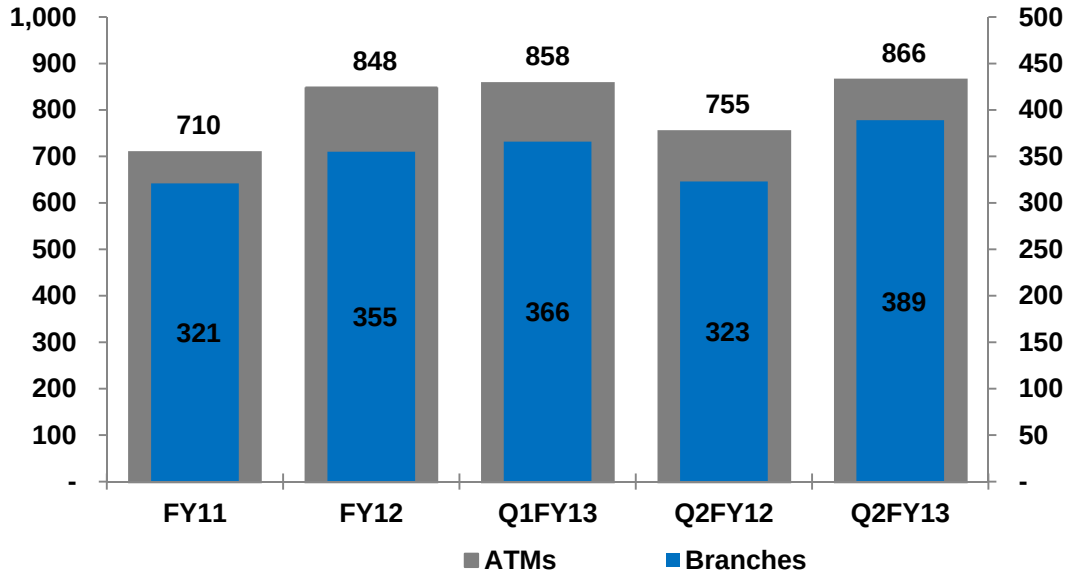
₹ cr	Mar 31, 2012	Jun 30, 2012	Sep 30, 2011	Sep 30, 2012
Net Worth	7,946	8,288	7,361	8,597
Deposits	38,537	41,632	36,390	45,463
CA	*7,352*	*5,514*	*5,792*	*6,395*
SA	*5,050*	*5,540*	*3,564*	*5,926*
TD Sweep	*2,710*	*3,254*	*2,289*	*3,332*
Certificate of Deposit	*3,604*	*5,313*	*7,207*	*7,031*
Term Deposit Others	*19,821*	*22,011*	*17,538*	*22,780*
Borrowings	16,595	16,181	12,772	15,991
Other Liabilities and Provisions	2,588	2,827	2,978	2,843
Total	**65,666**	**68,928**	**59,501**	**72,894**

₹ cr	Mar 31, 2012	Jun 30, 2012	Sep 30, 2011	Sep 30, 2012
Cash, Bank and Call	2,635	2,854	2,917	2,955
Investments	21,567	21,184	16,944	22,173
Government Securities	*16,587*	*16,124*	*13,863*	*16,672*
Other Securities	*4,980*	*5,060*	*3,081*	*5,501*
Advances	39,079	42,318	37,349	45,443
Fixed Assets & Other Assets	2,385	2,572	2,290	2,323
Total	**65,666**	**68,928**	**59,501**	**72,894**

Consumer Banking - Liabilities

- 500 Branches in CY13
- Increased cross sell of asset products
- Positive impact of savings account interest deregulation
  - o savings balances increased 66% yoy
- Added around 1.4 lac customer accounts for the quarter
- TD sweep to total deposit ratio at 7.3%
- Focus on affluent segment

No of Branches and ATMs

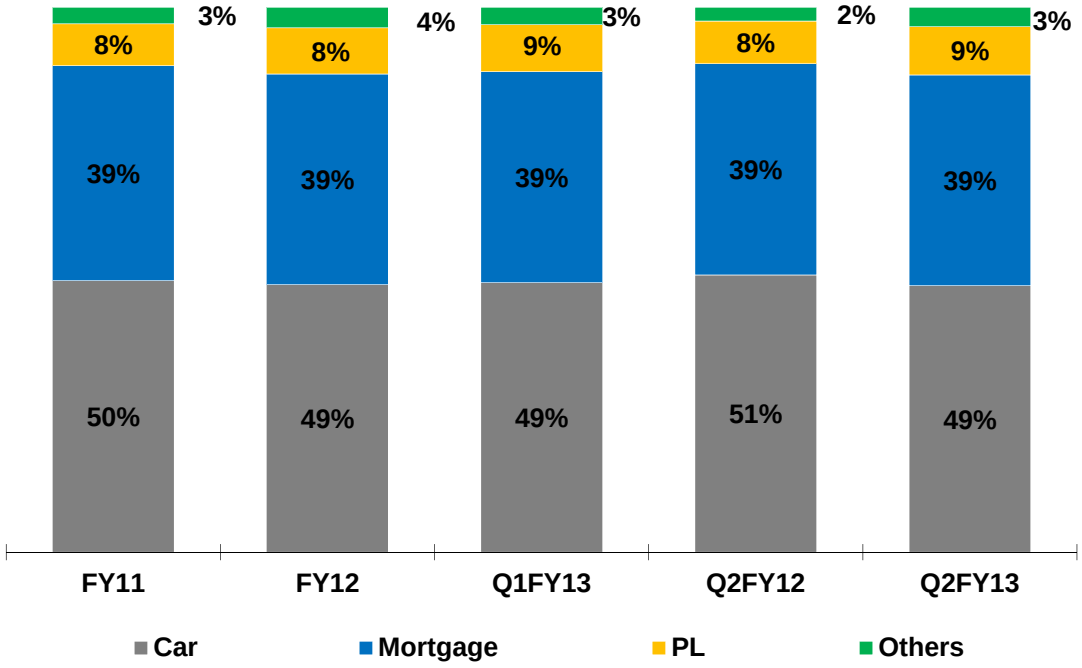


CA deposit ₹ cr	5,460	7,352	5,514	5,792	6,395
SA deposit ₹ cr	3,331	5,050	5,540	3,564	5,926
CASA %	30	32	27	26	27
TD Sweep deposit ₹ cr	1,897	2,710	3,254	2,289	3,332

Consumer Banking - Assets

- Focus on SENP and cross sell to bank branch
- Continued focus on Auto Sector
- Mortgages growth in select territories
- Selective growth in personal loans
- Continued low delinquencies

Advances break up

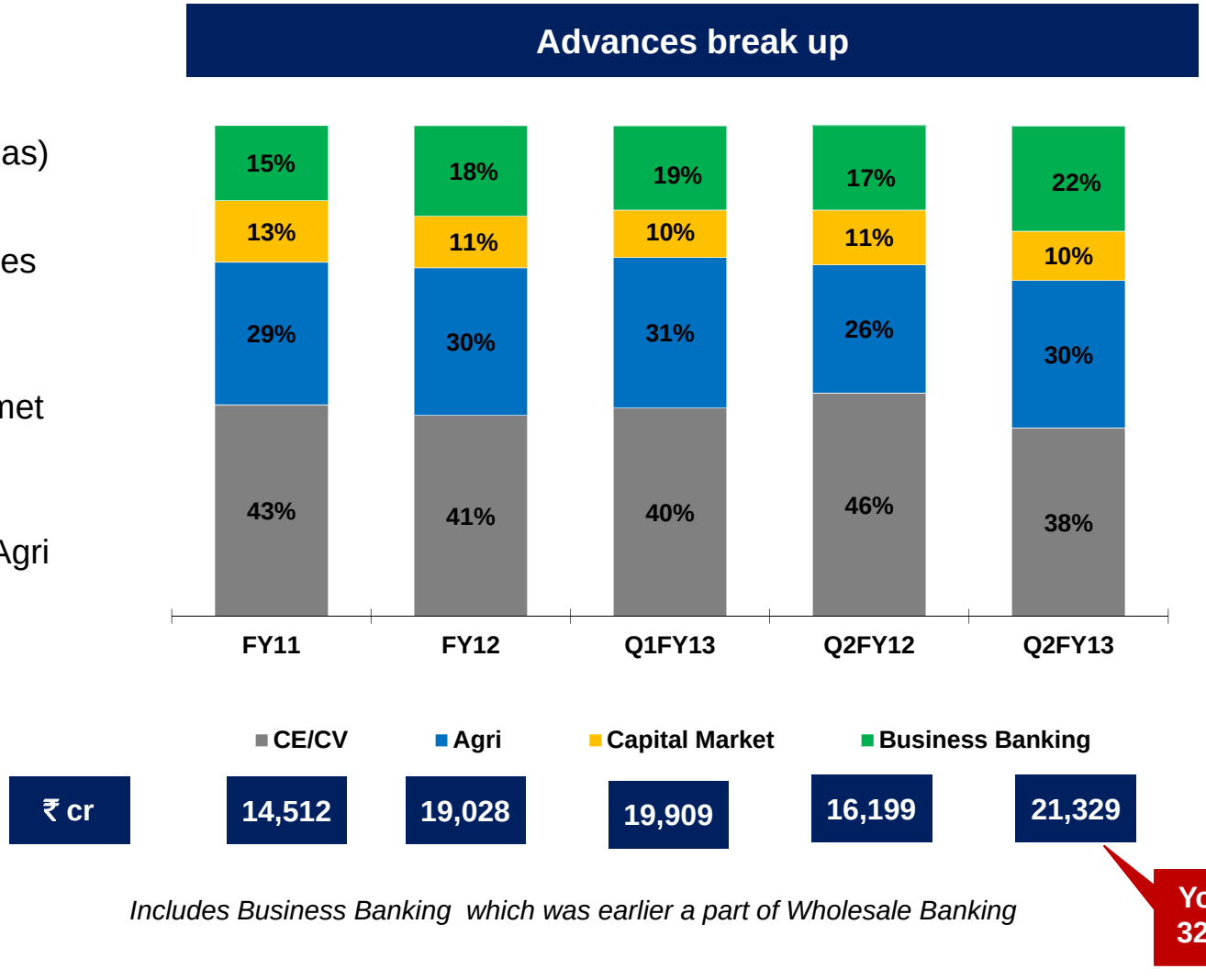


₹ cr	17,170	21,608	22,590	19,430	24,033

YoY 24%

Commercial Banking

- Focus on Bharat
  (semi urban / rural areas)
- Asset focused branches in rural areas
- Priority sector target met consistently
- Consistent growth in Agri

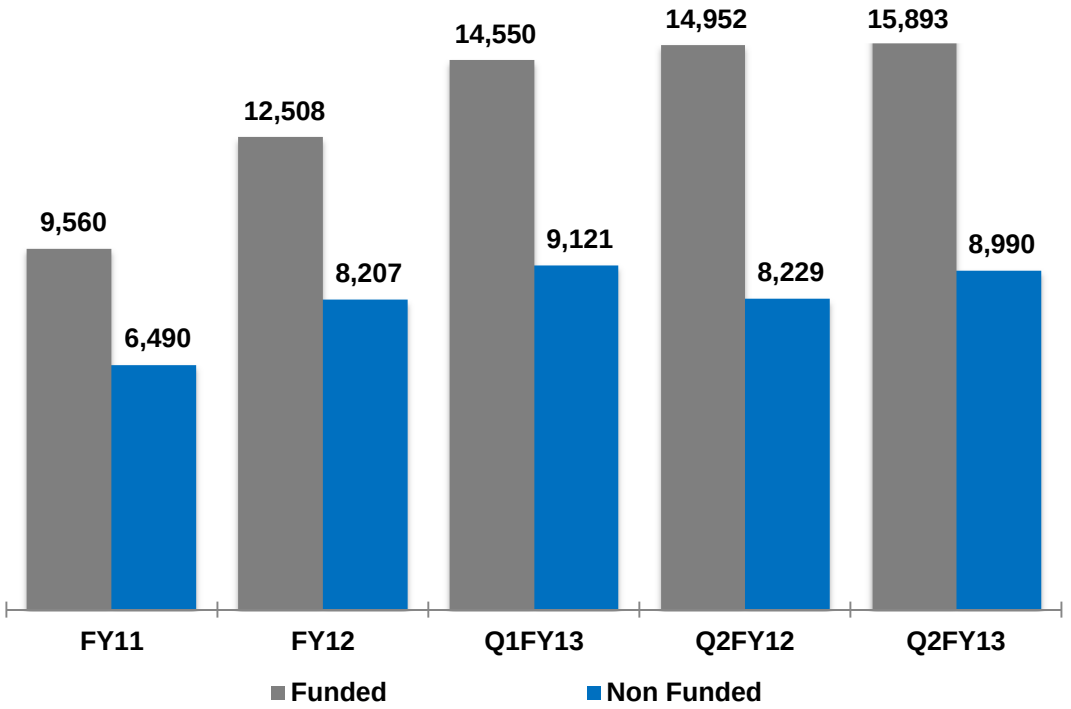


Includes Business Banking which was earlier a part of Wholesale Banking

Wholesale Banking

- Largely Working Capital
- Continued focus on Transaction Banking
  - Vendor Financing, CMS and Operative Accounts
  - Focus on FX flows with increased treasury coverage
  - Custody & Transaction services
- Continued to deepen franchise across all customer segments
- Focus on Govt. business

Funded & Non funded (₹ cr)



Excludes Business Banking which is now part of Commercial Banking

Kotak Mahindra Prime

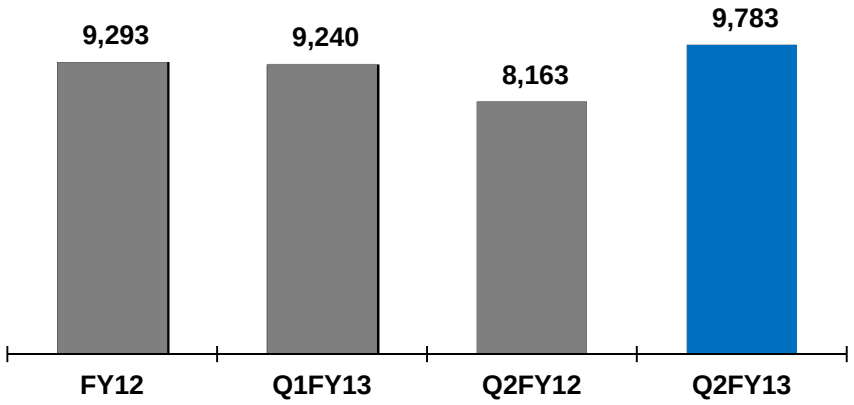
₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Total income	1,805	510	430	551
Profit before tax	570	139	134	170
Profit after tax	**385**	**94**	**90**	**114**

₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Total Advances	13,386	14,114	12,547	15,173
Car Advances	10,577	11,154	9,821	11,756
Net NPA*	22	21	22	30
Net NPA* (%)	0.2%	0.1%	0.2%	0.2%
CAR (%)	16.3%	15.9%	15.9%	15.8%
ROA (%)- annualised	2.9%	2.4%	2.8%	2.8%

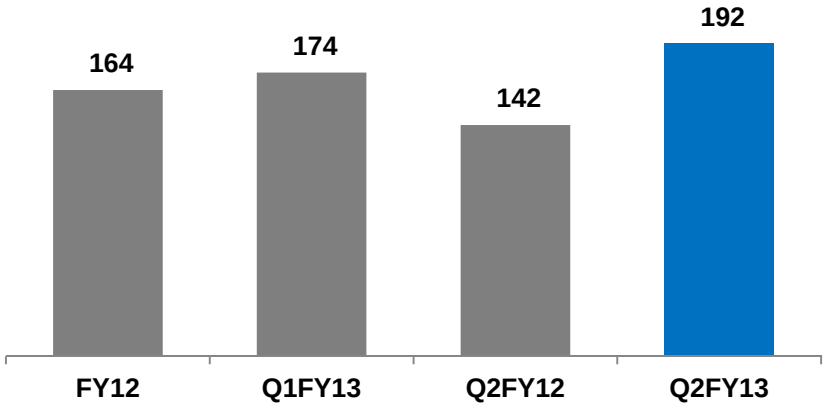
* Excluding acquired stressed assets portfolio

Kotak Mahindra Life Insurance

Policyholders' AUM (₹ cr)



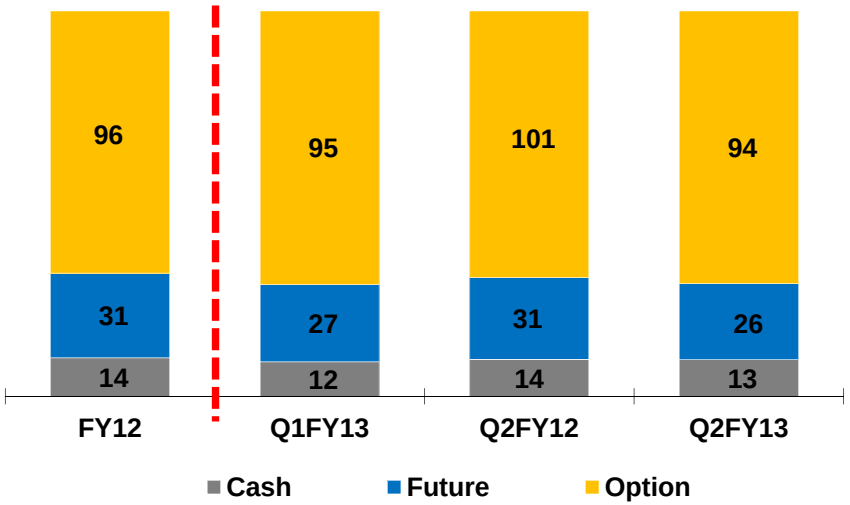
Sum Assured (₹ '000 cr)



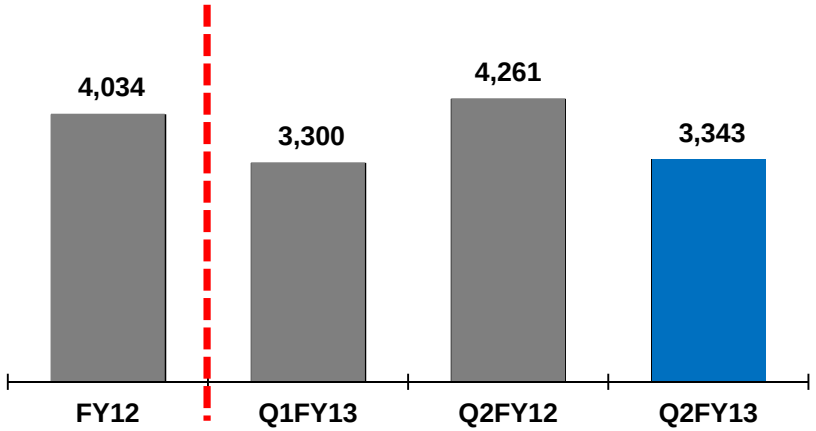
	FY12	Q1FY13	Q2FY12	Q2FY13
Capital (₹ cr)	562	562	562	562
Solvency ratio (%)	3.06	2.97	3.04	2.90
PAT	**203**	**32**	**53**	**47**
Individual Regular	436	58	90	96
Single	374	17	78	21
Group	354	63	82	107
Renewal	1,773	319	426	396
Total	**2,937**	**457**	**676**	**620**

Kotak Securities

Market ADV (₹ '000 cr)



ADV (₹ cr) - KS



₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Total income	610	132	152	155
Profit before tax	191	35	44	59
Profit after tax	**126**	**23**	**29**	**40**
Market Share (%)	2.9	2.5	2.9	2.5

Kotak Securities services around 7.9 lac secondary market customers through 1,346 branches and franchises

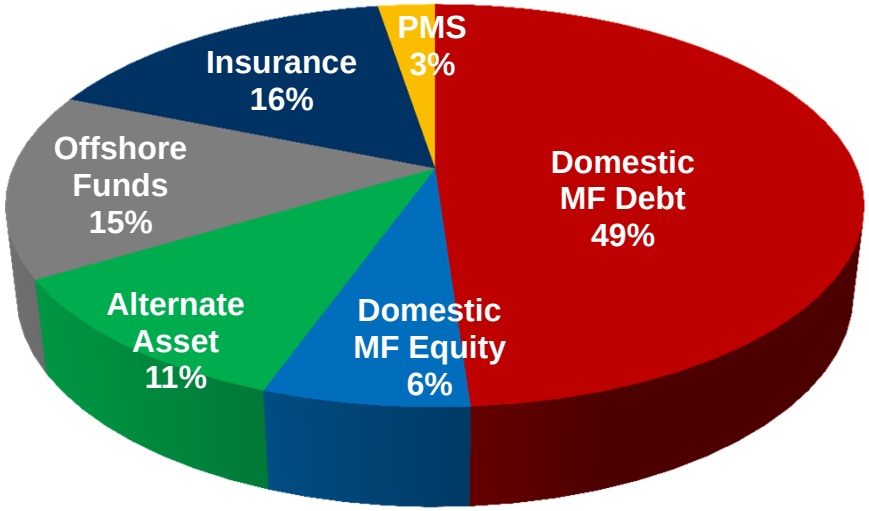
Kotak Mahindra Capital Co.

Client	Deals - Q2FY13	Size (₹ cr)
APM TERMINALS Lifting Global Trade. Gujarat Pipavav Port Limited	Qualified Institutional Placement (QIP) + Preferential Allotment	350
Godrej | GODREJ INDUSTRIES	Institutional Placement Programme (IPP)	371
tm Tech Mahindra	Acquisition of Hutchison Global Services by Tech Mahindra	~487
SOLVAY	Open Offer for Sunshield Chemicals Ltd by Rhodia Amines Chemicals Pte. Ltd and Solvay S. A.	10
SHRIRAM Commercial Vehicle Finance GETS YOU GOING	Public Issue of Secured Non Convertible Debentures	600

₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Total income	79	23	13	20
Profit before tax	9	8	(5)	6
Profit after tax	**6**	**6**	**(4)**	**4**

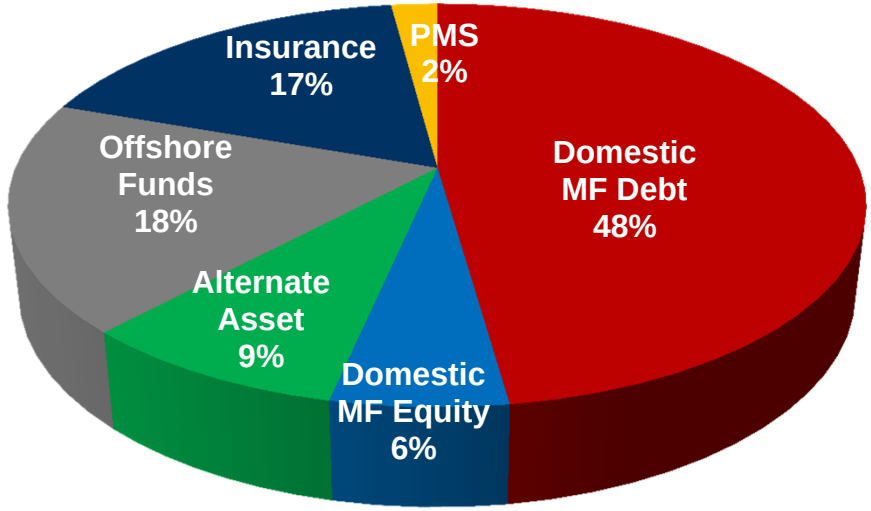
Asset Under Management

AUM ₹ 50,467 cr



Sep 30, 2011

AUM ₹ 55,850 cr

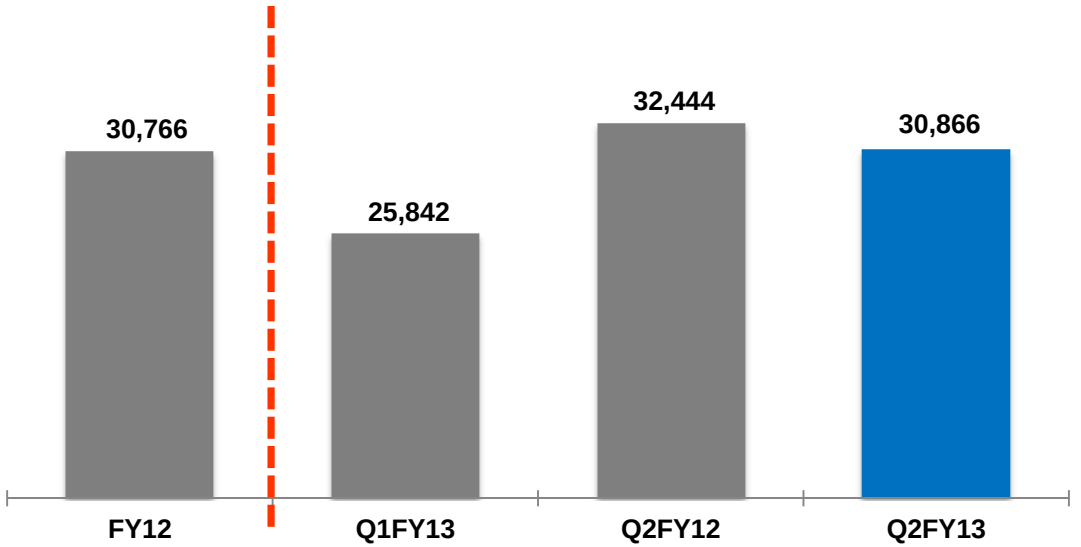


Sep 30, 2012

Kotak Mahindra AMC and Trustee Co.

- Over 9 lac folios
- 79 Branches
- 4 Kotak Equity Funds in quartile 1 of top performing equity funds

Average Assets Under Management ₹ cr



₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Total income	125	28	33	23
Profit before tax	31	4	10	(5)
Profit after tax	**22**	**4**	**7**	**(5)**

Numbers in table are for KMAMC & KMTC combined

Kotak Investment Advisors

Realty Fund	Private Equity Fund
▪ Corpus advised / managed – ₹ 2,772 cr ▪ 49 Investments	▪ Corpus advised / managed – ₹ 2,025 cr ▪ 35 Investments

Propose to launch Infrastructure fund with SMBC and Brookfield

₹ cr	FY12	Q1FY13	Q2FY12	Q2FY13
Total income	97	22	24	22
Profit before tax	52	11	13	12
Profit after tax	**36**	**8**	**8**	**9**

Bank Awards & Recognition

Best Private Bank by Finance Asia Country Awards 2012

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 has made it once again in the list of the prestigious Forbes Asia's Fab 50 Companies in 2012

Ranked # 1 in 7 categories including range of investment products / advisory services by Euromoney

Ranked #2 in India for companies with "Best Corporate Governance Practices" –
IR Global Rankings 2010 & 2011.
Ranked among Top 5 in India by IR Global as " Best Ranked IR website in India"

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

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



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



The New Indian Express Group conferred Mr. Uday Kotak with the Runner-Up award for 'Best Banker – Growth and Expansion' at The Sunday Standard FINWIZ 2012 Best Bankers' Awards 2012

Awards & Recognition

kotak Realty Fund

EUROMONEY REAL ESTATE AWARDS 2012

Best Investment Manager in India

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)

kotak® Investment Banking

ASIAMONEY

2011: Best Domestic Equity House
(Fourth year in a row)

ACHIEVEMENT AWARDS FinanceAsia 2008

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

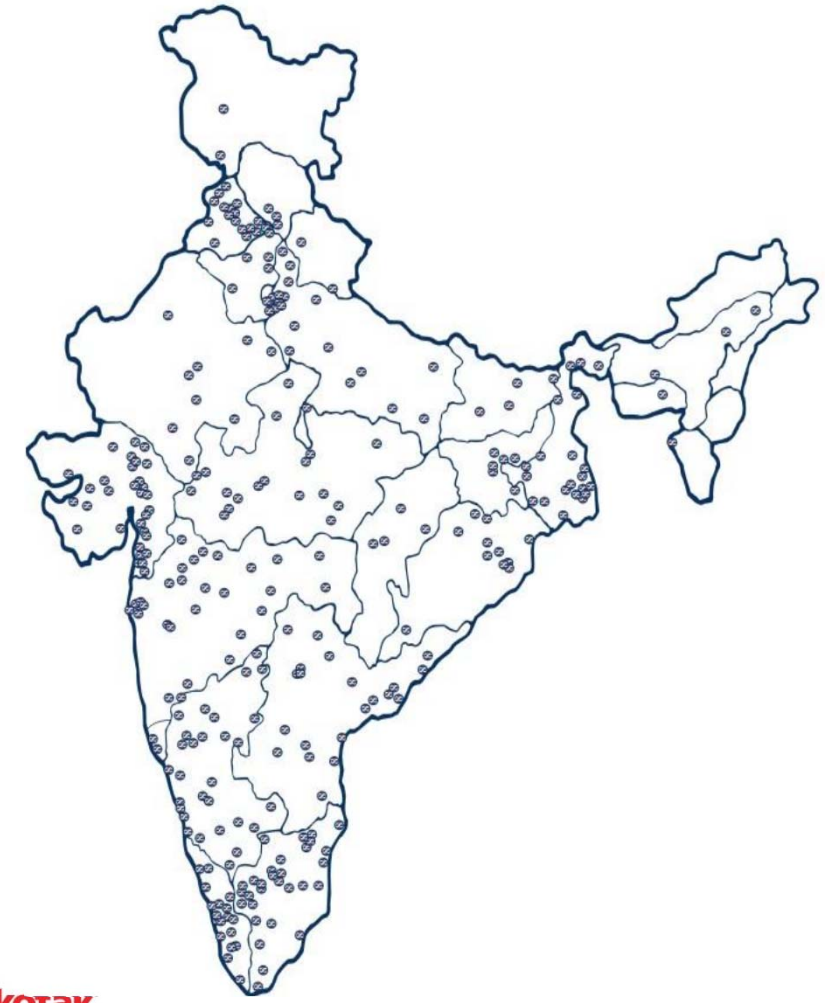
kotak® Investment Banking

AAA THE Asset

2011: Best Domestic Investment Bank
(Fifth year in a row)

Geographical Presence

Wide National Footprint …..



….. With Multiple Points of Presence

Business	Sep 30, 2012
Banking	389
Car Finance	68
Life Insurance	199
Securities	1,346
Mutual Fund	79
Total	**2,081**

International offices situated in London, New York, California, Dubai, Abu Dhabi, Bahrain, Mauritius & Singapore

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