

# QUARTERLY RESULTS Q3FY12

## Earnings Update

Jan 23, 2012

# FINANCIAL SUMMARY

# Consolidated Highlights (Q3FY12)

## PAT

₹ **463** cr  
(₹ 384 cr)  
Up **21%** yoy

## Loans

₹ **52,847** cr  
(₹ 40,096 cr)  
Up **32%** yoy

## Net

NPA \*  
**0.4%** (0.5%)

## NIM

**4.7%**  
(5.0%)

## CAR\*\*

**17.5%** (20.4%)

(as per Basel II)

## Tier 1 \*\*

**15.6%** (18.2%)

(as per Basel II)

## CASA

₹ **10,615** cr  
(₹ 7,868 cr)

**27.7%** of  
total deposits

\* Excluding acquired stressed assets

\*\* Standalone, includes profits for 9M

Excluding unaudited profits CAR 16.9% (18.7%) & Tier I 15.0% (16.5%)

Figures in brackets are Q3FY11 numbers

# Consolidated Advances and Investments

₹ cr	FY 11	Q2FY12	Q3FY11	Q3FY12
Commercial vehicles & Construction equipments	6,251	7,351	5,548	7,540
Agriculture Finance	4,220	4,248	3,753	4,894
Auto loans	8,550	9,858	7,993	9,771
Mortgage Loans	6,877	7,528	6,626	7,935
Personal loans	1,307	1,501	1,227	1,689
Corporate Banking	10,916	16,379	11,658	16,697
Others	3,121	3,716	3,291	4,320
<b>Total Advances</b>	<b>41,242</b>	<b>50,581</b>	<b>40,096</b>	<b>52,847</b>
Investments/ Treasury Assets *	18,279	18,347	15,769	19,902
<b>Total Advances and Investments</b>	<b>59,521</b>	<b>68,928</b>	<b>55,865</b>	<b>72,749</b>

\* Does not include policy holders' investments

# Consolidated Revenues

₹ cr	FY11	9MFY11	9MFY12	Q2FY12	Q3FY11	Q3FY12
Financing activities	4,551	3,247	4,797	1,587	1,233	1,765
Fee Income*	1,452	1,069	1,022	360	347	338
Premium Income	2,940	1,877	1,795	664	605	631
Treasury & Investments – Others **	1,530	1,101	1,427	461	419	539
Others	239	163	197	41	53	72
<b>Total Revenues**</b>	<b>10,712</b>	<b>7,457</b>	<b>9,237</b>	<b>3,113</b>	<b>2,657</b>	<b>3,344</b>

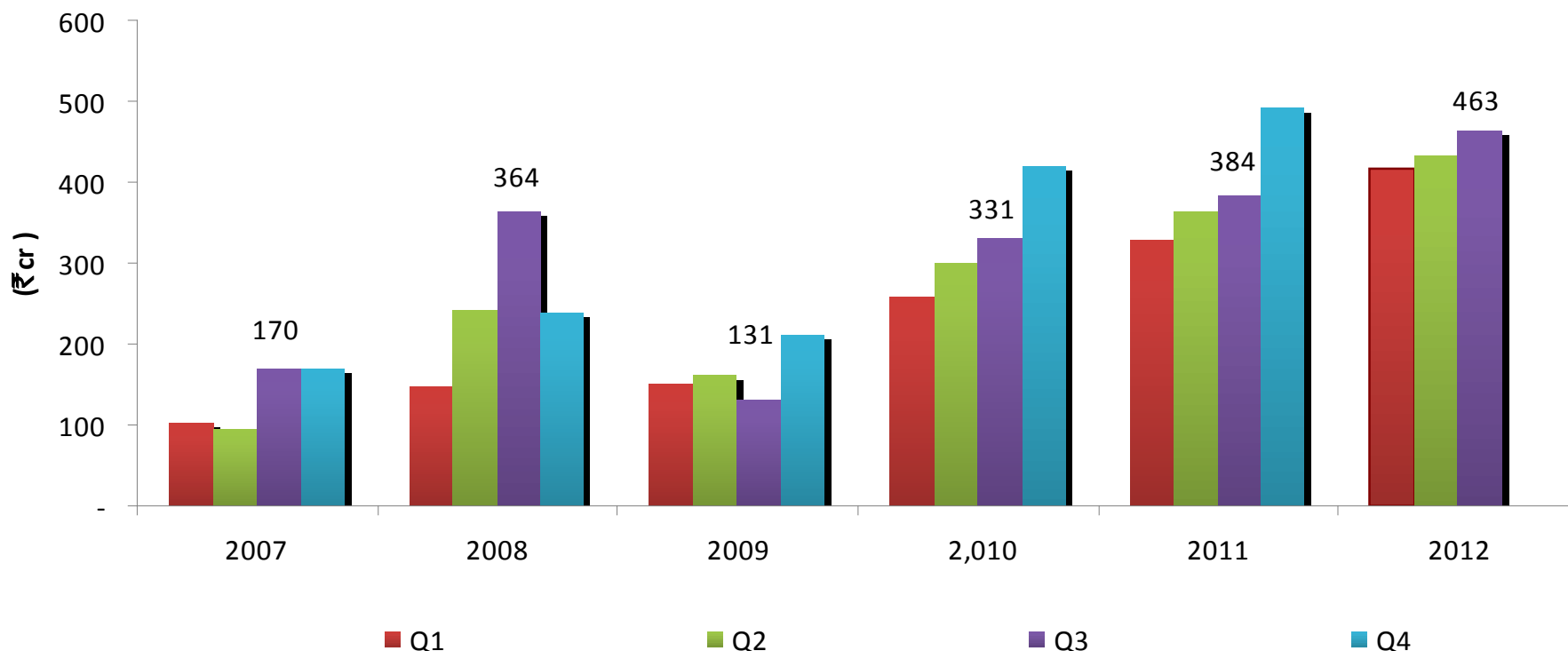
\* Fee income is net of sub brokerage

\*\* Excluding treasury (policyholders') income

# Consolidated PAT

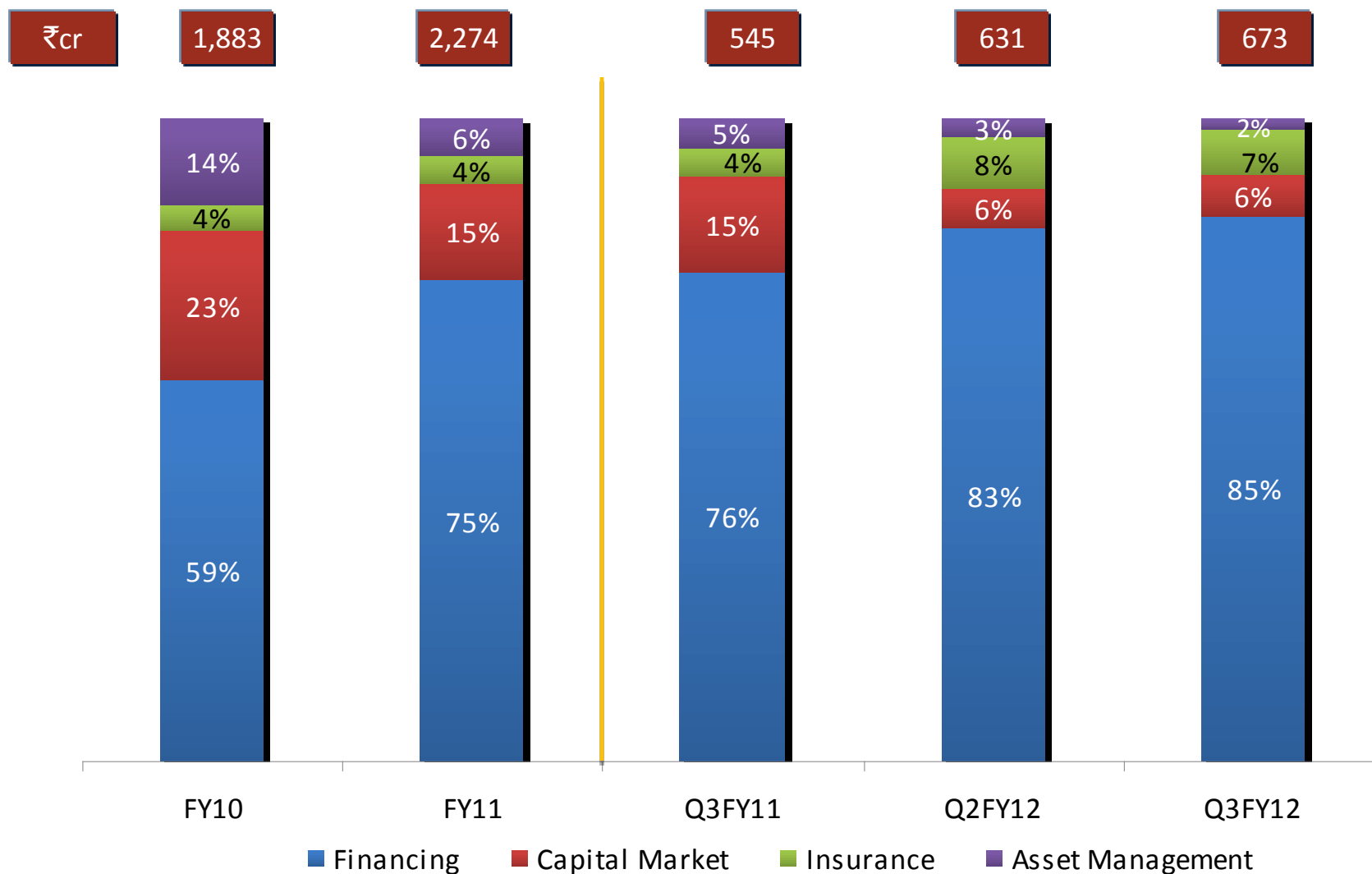
₹ cr	FY11	9MFY11	9MFY12	Q2FY12	Q3FY11	Q3FY12
Kotak Mahindra Bank	818	570	788	260	188	276
Kotak Mahindra Prime	318	231	288	90	94	104
Kotak Securities	182	146	76	29	47	24
Kotak Mahindra Capital Company	52	22	1	(4)	8	4
Kotak Mahindra Old Mutual Life Insurance	101	30	146	53	24	47
Kotak Mahindra AMC & Trustee Co	17	14	19	7	7	3
International subsidiaries	51	36	(14)	(7)	8	(4)
Kotak Investment Advisors	33	27	26	8	6	7
Kotak Mahindra Investments	24	18	9	3	3	3
<b>Total</b>	<b>1,596</b>	<b>1,093</b>	<b>1,339</b>	<b>439</b>	<b>383</b>	<b>464</b>
Minority Interest, Equity Affiliates, others	(29)	(18)	(28)	(6)	1	(1)
<b>Consolidated PAT</b>	<b>1,567</b>	<b>1,075</b>	<b>1,311</b>	<b>433</b>	<b>384</b>	<b>463</b>

# Consolidated PAT – Quarterly Trend



₹ cr	2007	2008	2009	2010	2011	2012
Q1	104	146	150	257	328	416
Q2	94	242	161	300	364	433
Q3	170	364	131	331	384	463
Q4	170	240	211	419	491	

# Consolidated Profit (PBT) Mix





# Consolidated Key Financials

₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
Deposit	27,313	34,473	26,197	36,212
Borrowings	22,073	24,314	19,980	26,939
Advances	41,242	50,581	40,096	52,847
Total Assets	73,681	83,796	70,020	88,514
Networth	10,963	11,893	10,502	12,416

# Consolidated Key Ratios

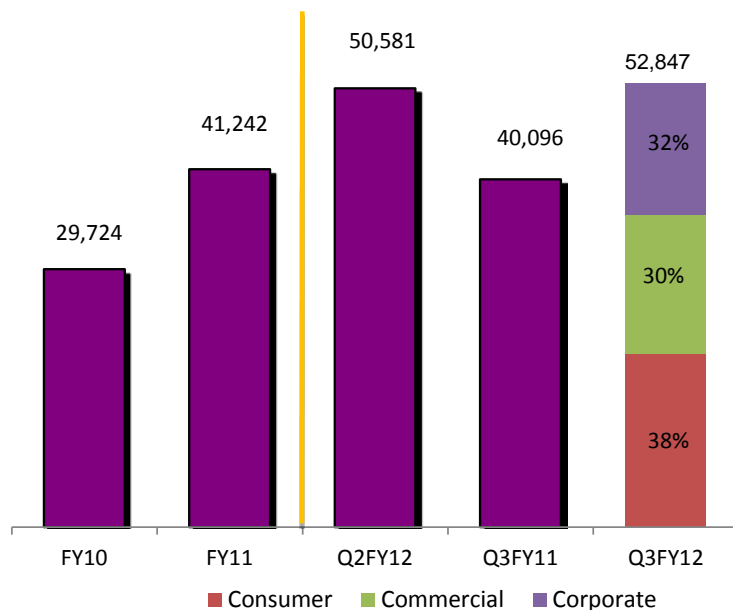
	FY11	Q2FY12	Q3FY11	Q3FY12
Return on average Assets (%)	2.4	2.1	2.4	2.2
Book value per share (₹)	148.8	161.0	142.6	167.9
NIM (%)	5.2	4.8	5.0	4.7
RoE (%)	16.4	14.9	14.8	15.1
Gross NPA (₹ cr) *	469	471	603	504
Gross NPA (%) *	1.1	0.9	1.5	1.0
Net NPA (₹ cr) *	178	182	204	218
Net NPA (%)*	0.4	0.4	0.5	0.4

\* Excluding acquired stressed assets

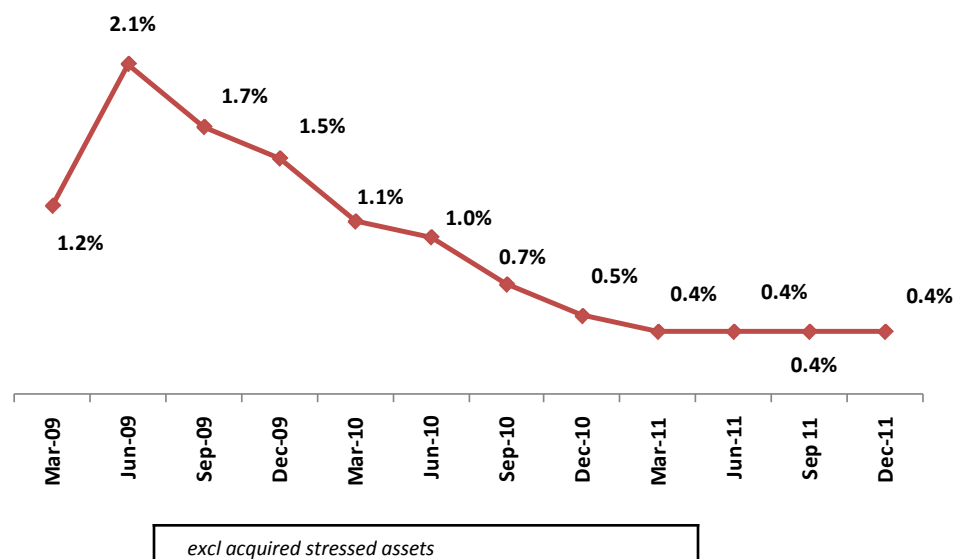
# BUSINESS OVERVIEW

# Financing Business

Advances ₹ cr



Net NPA

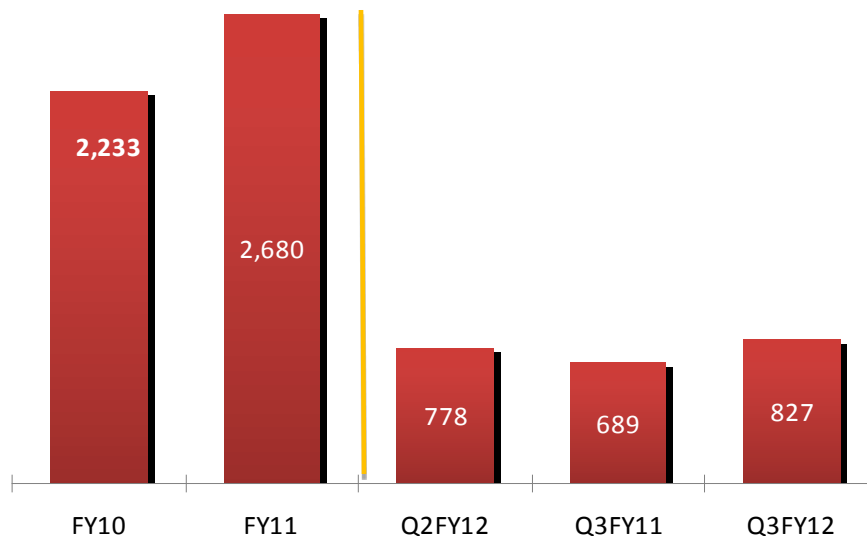


Asset Quality

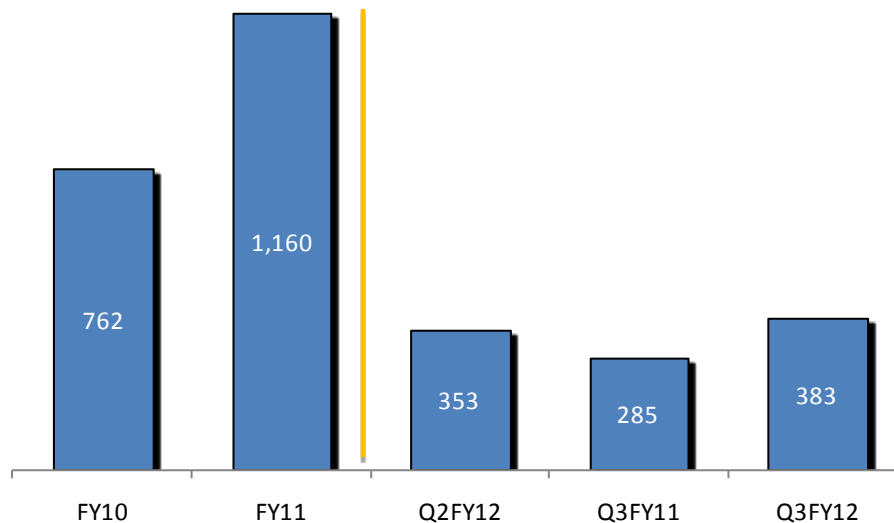
- Gross restructured loans
  - Dec 2010 - ₹ 114 cr
  - Sep 2011 - ₹ 72 cr
  - Dec 2011 - ₹ 63 cr

# Financing Business

Net Interest Income ₹ cr

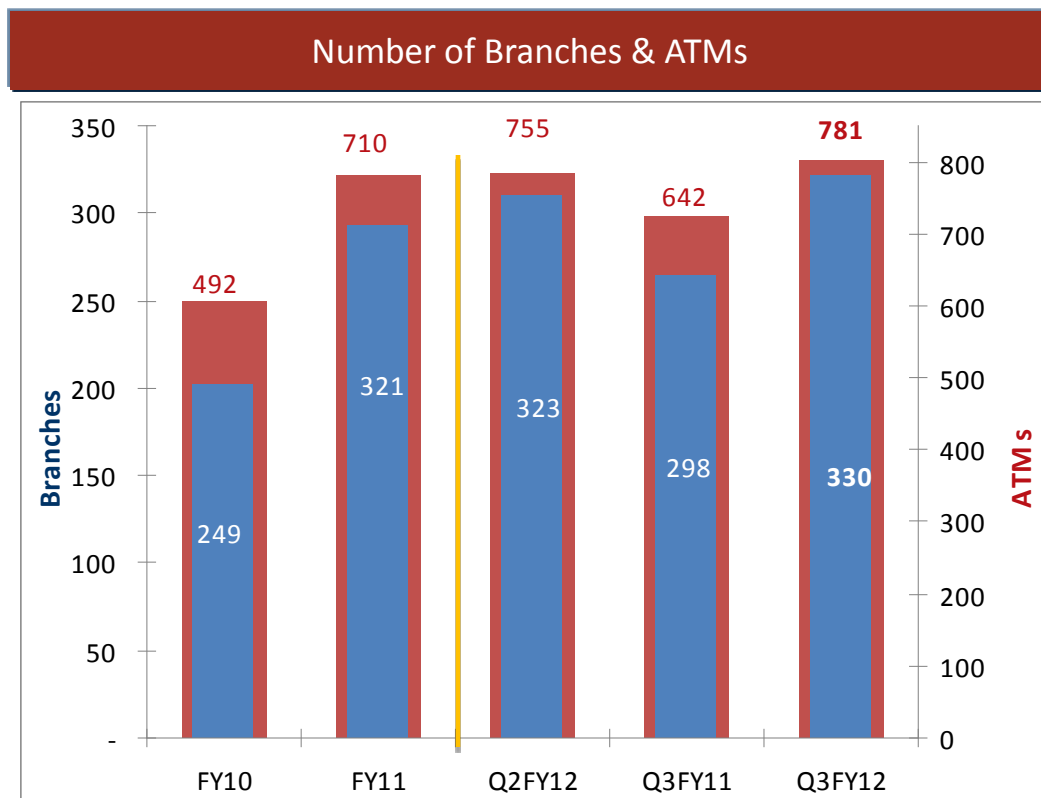


PAT ₹ cr



# Consumer Banking - Liabilities

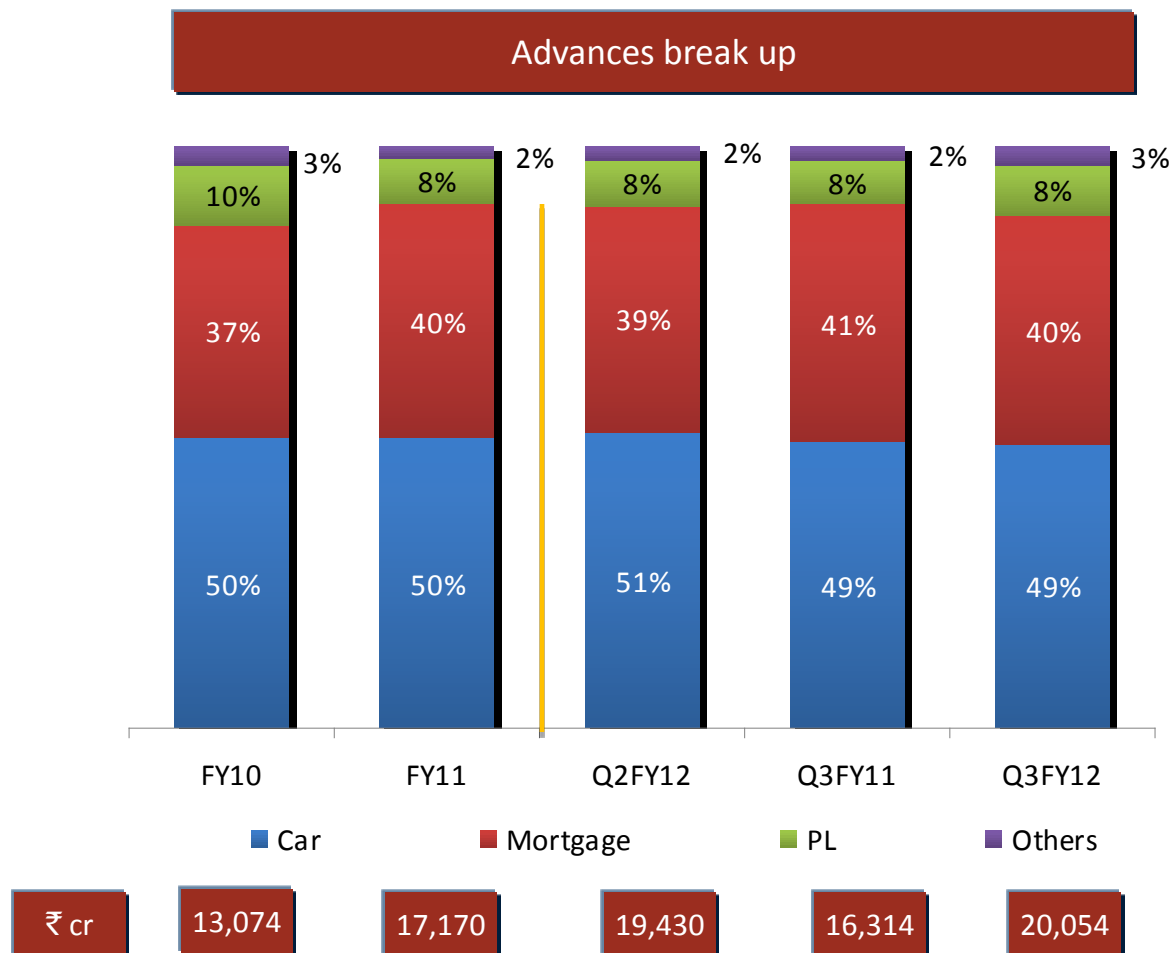
- Positive impact on
  - savings balances
  - number of savings accounts
  - customer acquisition
- Added over 1.5 lac customers
- TD sweep to total deposit ratio is 6.7%



CASA deposit ₹ cr	7,463	8,791	9,355	7,868	10,615
CASA %	31	30	26	28	28

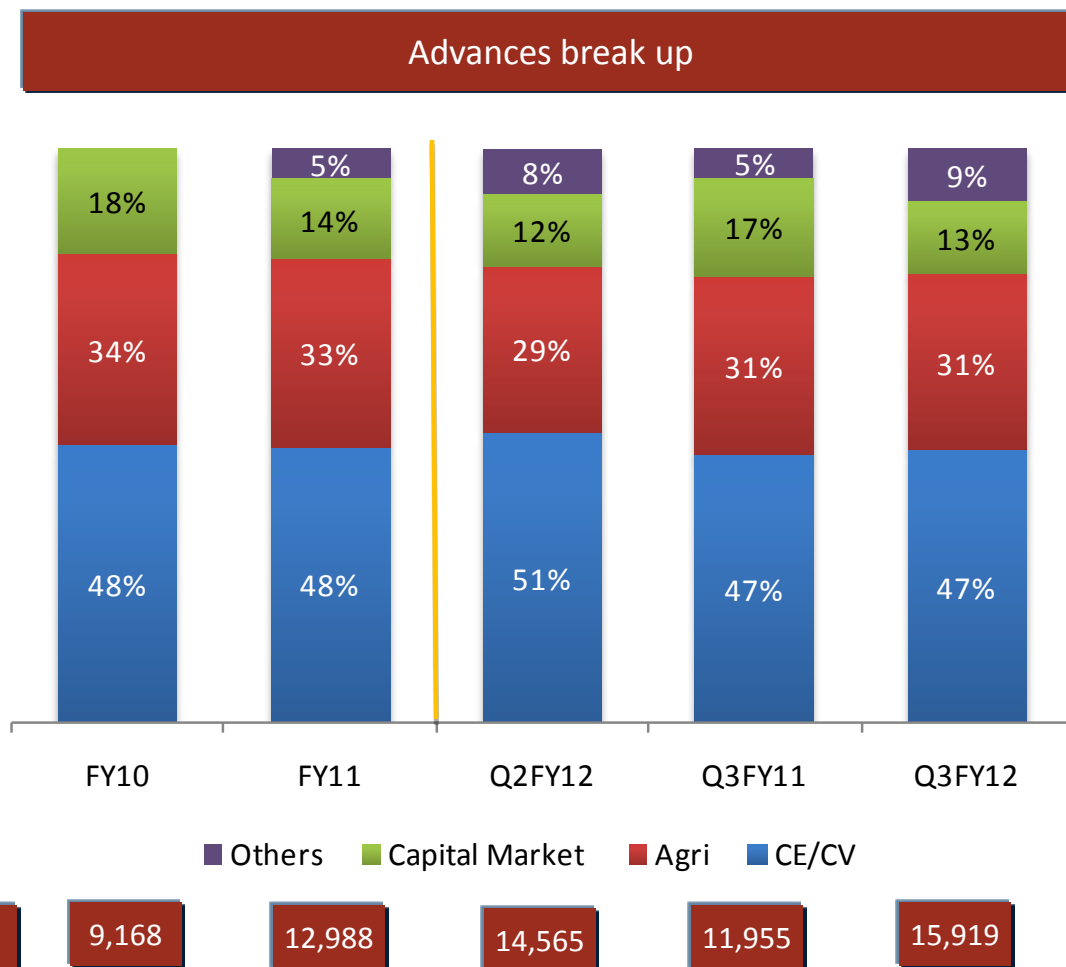
# Consumer Financing

- Mortgages growth in select territories
- Selective growth in personal loans
- Focus on SENP
- Continued low delinquencies



# Commercial Financing

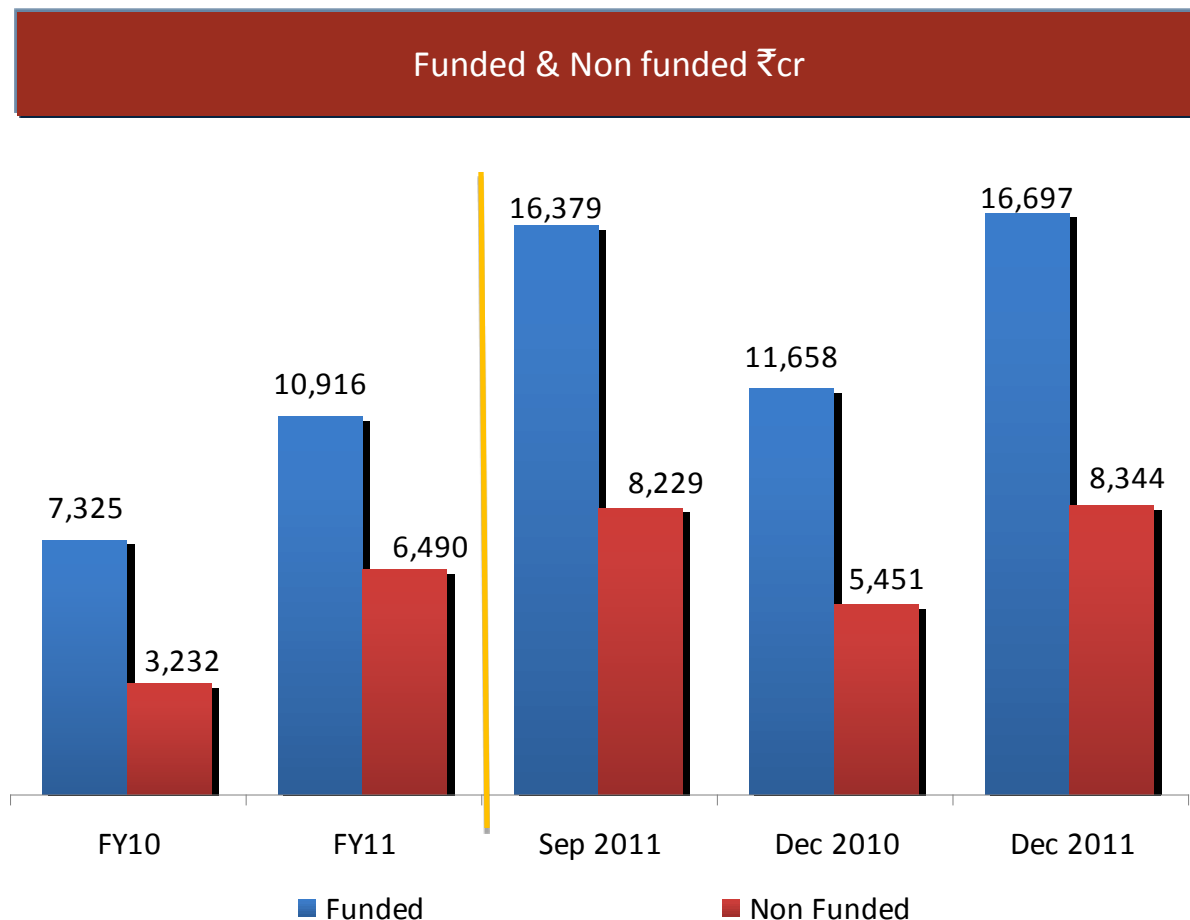
- Continued Growth
- Focus on Bharat  
(semi urban / rural areas)
- Gold loans launched selectively





# Wholesale Financing

- Largely Working Capital
- Focus on quality end of credit curve
- Continued focus on Trade Finance and Transaction Banking
  - Vendor Financing, CMS and Operative Accounts.
  - Focus on FX flows with increased treasury coverage
- Continued to deepen franchise in large Corporates



# Bank – Profit and Loss

₹cr	FY11	9MFY11	9MFY12	Q2FY12	Q3FY11	Q3FY12
Net Interest Income	2,097	1,532	1,825	605	537	651
Other Income	781	533	723	213	200	282
<b>Net Total Income</b>	<b>2,878</b>	<b>2,065</b>	<b>2,548</b>	<b>818</b>	<b>737</b>	<b>933</b>
Employee Cost	751	533	647	215	199	226
Other Operating Expenses	802	575	691	222	223	264
<b>Operating Expenditure</b>	<b>1,553</b>	<b>1,108</b>	<b>1,338</b>	<b>437</b>	<b>422</b>	<b>490</b>
<b>Operating Profit</b>	<b>1,325</b>	<b>957</b>	<b>1,210</b>	<b>380</b>	<b>315</b>	<b>444</b>
Provision & contingencies	137	144	51	(2)	43	31
<b>PBT</b>	<b>1,188</b>	<b>813</b>	<b>1,159</b>	<b>382</b>	<b>272</b>	<b>413</b>
Provision for Tax	370	243	371	122	84	137
<b>PAT</b>	<b>818</b>	<b>570</b>	<b>788</b>	<b>260</b>	<b>188</b>	<b>276</b>

# Bank Segment Performance

Segmental PBT (₹cr)	FY11	9MFY11	9MFY12	Q2FY12	Q3FY11	Q3FY12
Corporate/Wholesale Banking	544	374	701	198	131	265
Retail Banking	339	240	445	165	84	145
Treasury & BMU*	305	199	13	19	57	3
<b>Total</b>	<b>1,188</b>	<b>813</b>	<b>1,159</b>	<b>382</b>	<b>272</b>	<b>413</b>

\* Balance Sheet Management Unit

# Bank Advances

Advances (₹ cr)	FY11	Q2FY12	Q3FY11	Q3FY12
Commercial vehicles & Construction equipments	6,251	7,351	5,548	7,540
Agriculture Finance	4,220	4,248	3,753	4,894
Mortgage loans	6,877	7,528	6,626	7,935
Personal loans	1,305	1,501	1,221	1,689
Corporate Banking	9,417	14,900	10,522	15,492
Others	1,259	1,823	1,215	2,220
<b>Total Advances</b>	<b>29,329</b>	<b>37,349</b>	<b>28,885</b>	<b>39,772</b>
Advances – as per segmental classification				
Retail	17,672	18,550	15,447	19,133
Corporate	11,657	18,799	13,438	20,639
<b>Total Advances</b>	<b>29,329</b>	<b>37,349</b>	<b>28,885</b>	<b>39,772</b>

# Bank Balance Sheet

₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
<b>Net Worth</b>	<b>6,796</b>	<b>7,361</b>	<b>6,578</b>	<b>7,670</b>
<b>Deposits</b>	<b>29,261</b>	<b>36,390</b>	<b>28,288</b>	<b>38,385</b>
CA	5,460	5,792	4,655	6,189
SA	3,331	3,564	3,213	4,426
Term Deposit	15,388	19,828	14,385	21,841
Certificate of Deposit	5,082	7,207	6,035	5,929
<b>Borrowings</b>	<b>11,724</b>	<b>12,771</b>	<b>9,703</b>	<b>15,242</b>
<b>Other Liabilities and Provisions</b>	<b>3,070</b>	<b>2,978</b>	<b>3,478</b>	<b>2,876</b>
<b>Total</b>	<b>50,851</b>	<b>59,501</b>	<b>48,048</b>	<b>64,173</b>
₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
Cash, Bank and Call	2,471	2,917	2,898	3,430
Investments	17,122	16,944	14,287	18,438
<i>Government Securities</i>	<i>13,198</i>	<i>13,862</i>	<i>11,978</i>	<i>15,360</i>
<i>Other Securities</i>	<i>3,923</i>	<i>3,082</i>	<i>2,309</i>	<i>3,078</i>
Advances	29,329	37,349	28,885	39,772
Fixed Assets & Other Assets	1,928	2,290	1,977	2,532
<b>Total</b>	<b>50,851</b>	<b>59,501</b>	<b>48,048</b>	<b>64,173</b>

# Bank Key Ratios

	FY11	Q2FY12	Q3FY11	Q3FY12
CAR % \$	19.9	17.8	20.4	17.5
Tier I (%) \$	18.0	15.9	18.2	15.6
Gross NPA (₹ cr)	362	378	484	439
Gross NPA (%) *	1.2	1.0	1.7	1.1
Net NPA (₹ cr) *	146	161	164	196
Net NPA (%) *	0.5	0.4	0.6	0.5
RoA (%)	1.8	1.8	1.5	1.8

\$ Includes profits for 9M  
Excluding unaudited profits , CAR 16.9% (18.7%) & Tier I 15.0% (16.5%)  
\* Excluding acquired stressed assets portfolio

# Kotak Mahindra Prime

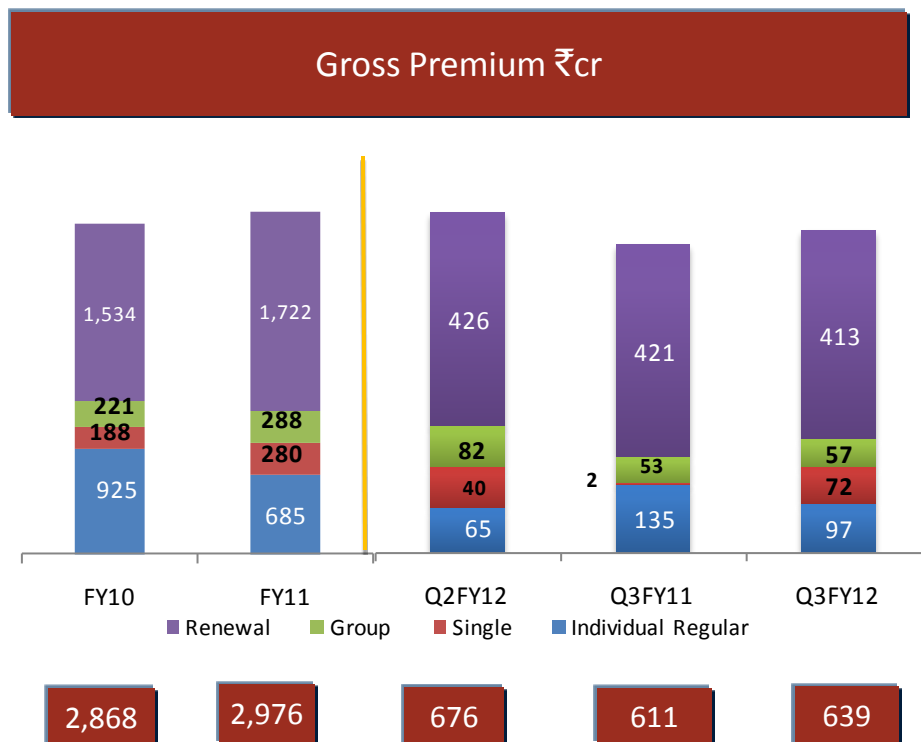
₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
Total income	1,365	424	384	474
Profit before tax	482	134	142	152
Profit after tax	318	90	94	104

₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
Total Advances	11,145	12,547	10,369	12,379
Car Advances	8,489	9,821	7,949	9,737
Net NPA*	30	22	39	23
Net NPA (%)*	0.3	0.2	0.3	0.2
CAR (%)	15.5	15.9	13.4	16.8
ROA (%)	3.1	2.8	3.5	3.0

\*Excluding acquired stressed assets

# Life Insurance

- High capital efficiency
- Product Mix reflects companies focus on Longer tenure products .
- Protection business has shown an increase

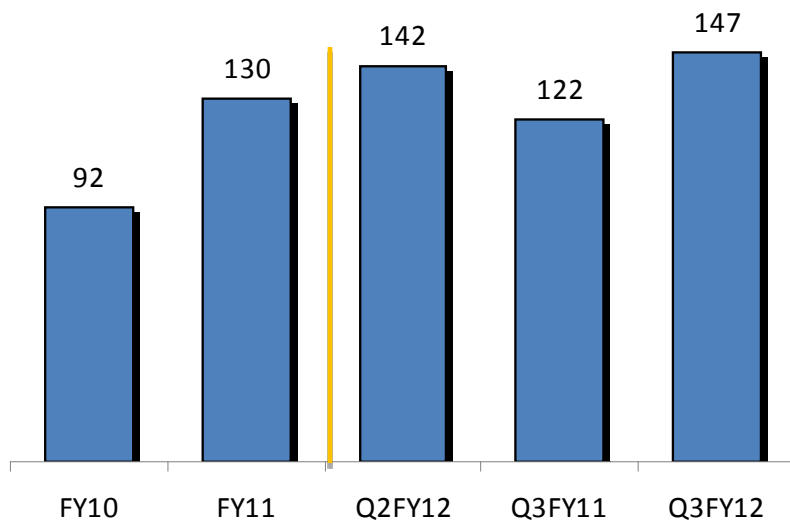


₹ cr	FY10	FY11	Q2FY12	Q3FY11	Q3FY12
Capital	562	562	562	562	562
Solvency ratio	2.80	2.67	3.04	2.61	3.06
Individual Regular	925	685	90	135	97
Single	188	280	78	2	72
Group	221	288	82	53	57
Renewal	1,534	1,722	426	421	413
<b>Total</b>	<b>2,868</b>	<b>2,976</b>	<b>676</b>	<b>611</b>	<b>639</b>

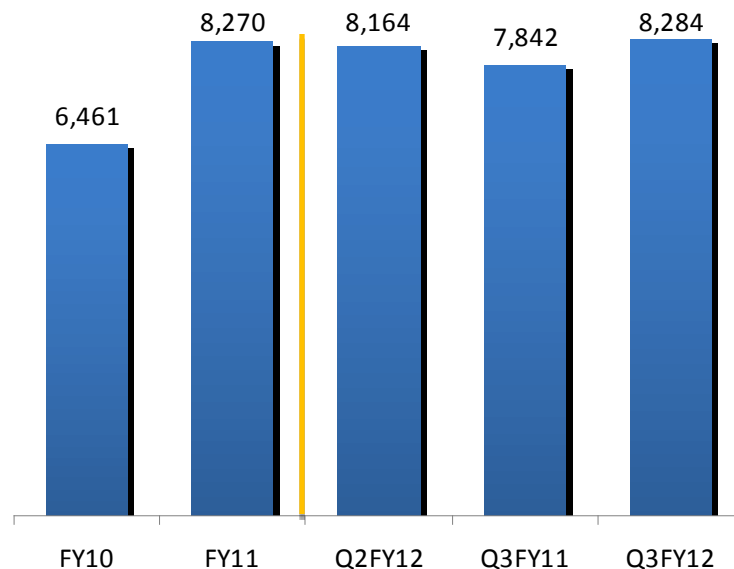


# Life Insurance

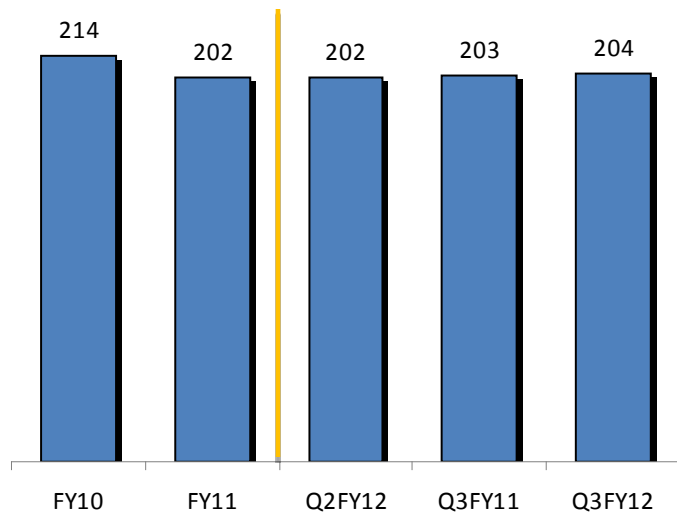
Sum Assured ₹ 000 cr



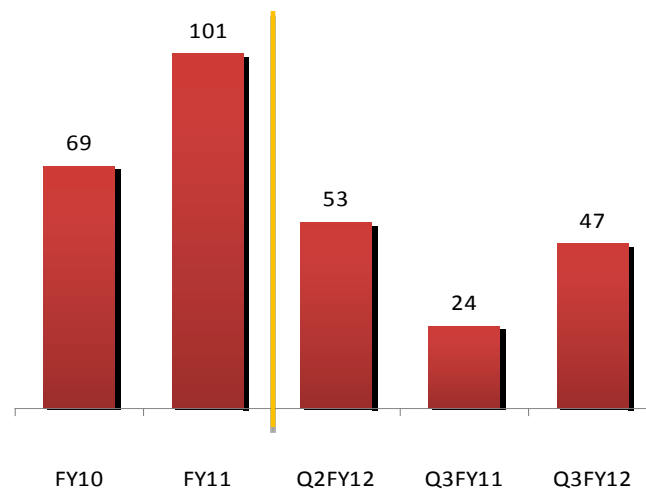
AUM ₹ cr



Number of Branches

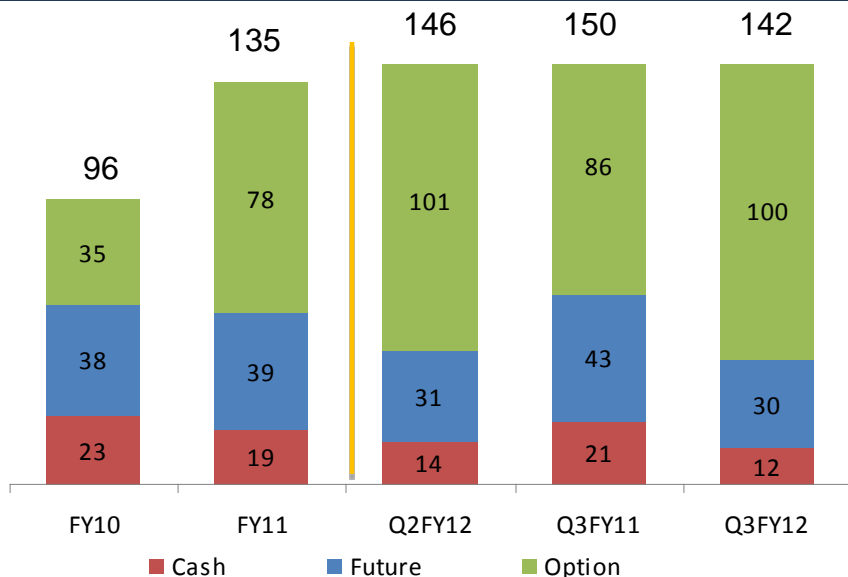


PAT ₹ cr

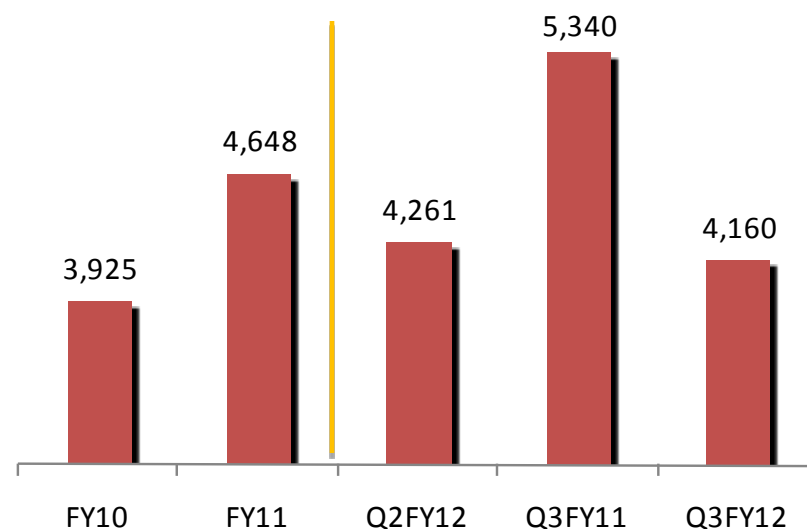


# Kotak Securities

Market ADV ( ₹ 000 cr)










ADV ₹ cr (KS)



₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
Total income	738	152	196	134
Profit before tax	272	44	71	37
Profit after tax	182	29	47	24
Market Share (%)	3.4	2.9	3.6	2.9

Kotak Securities services > 730,317 secondary market customers thru 1,416 branches & franchises.

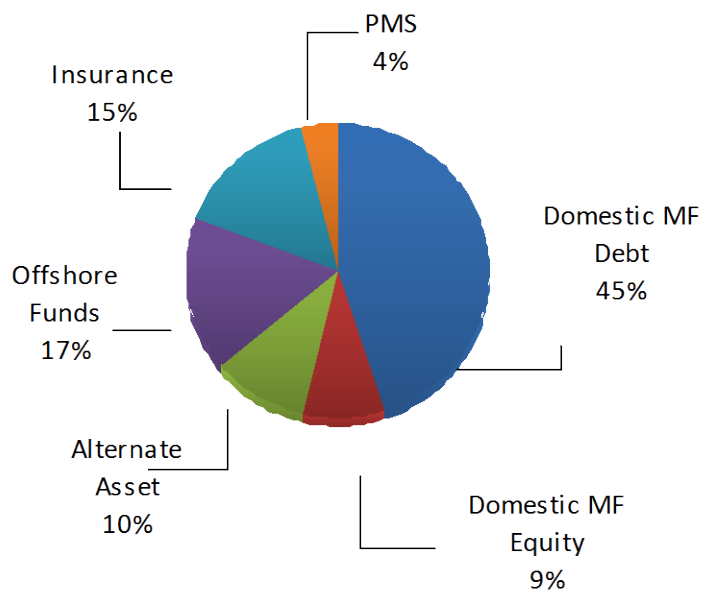
# Kotak Mahindra Capital

Client	Transaction	Size (USD mn)
	Lead Manager to Long Term Infrastructure Bond – Tranch1 issue	97
	Investment by Actis Private Equity	71
	Open offer for INEOA ABS (India) Ltd. by Styrolution (Jersey) Ltd.	36
	Acquisition of 100% stake in BS Ispat Ltd by Oriental Iron Casting Ltd	ND
	Offer to voluntarily delist shares of Patni Computer Systems Ltd.	ND
	Lead Manager to Tax Free Bond issue	ND
	Advisors to Sumitomo Corporation and Isuzu Motors Limited for business and capital alliance for the Indian automobile manufacturing business in SML Isuzu Limited	ND

₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
Total income	154	13	30	22
Profit before tax	70	(5)	10	6
Profit after tax	52	(4)	8	4

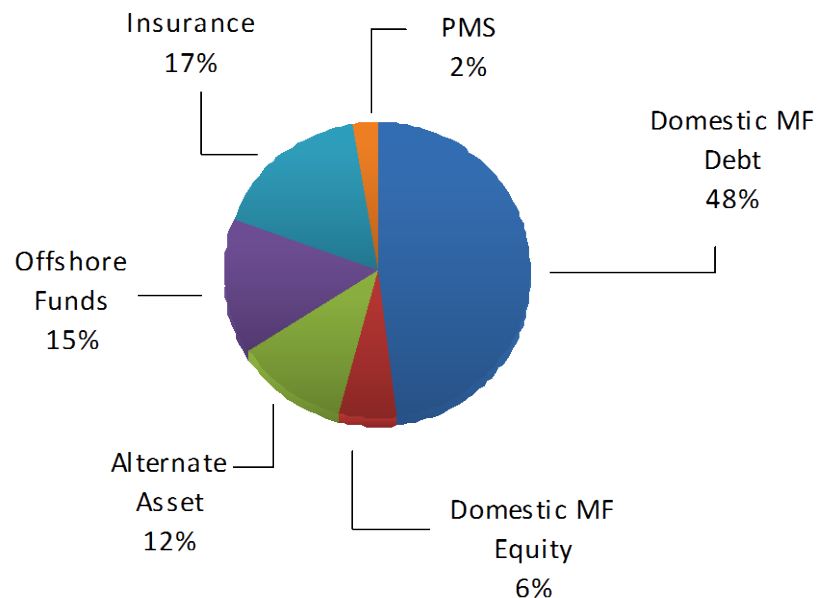
# Asset Management

₹ 51,018 cr



Dec 31, 2010

₹ 48,669 cr



Dec 31, 2011

# Kotak Investment Advisors

## Realty Funds

- Corpus advised / managed –  
₹ 3,530 cr
- 48 Investments; 9 full exits, 9 partial exits

## Private Equity Funds

- Corpus advised / managed –  
₹ 2,098 cr
- 33 Investments; 3 full exits, 1 partial exit

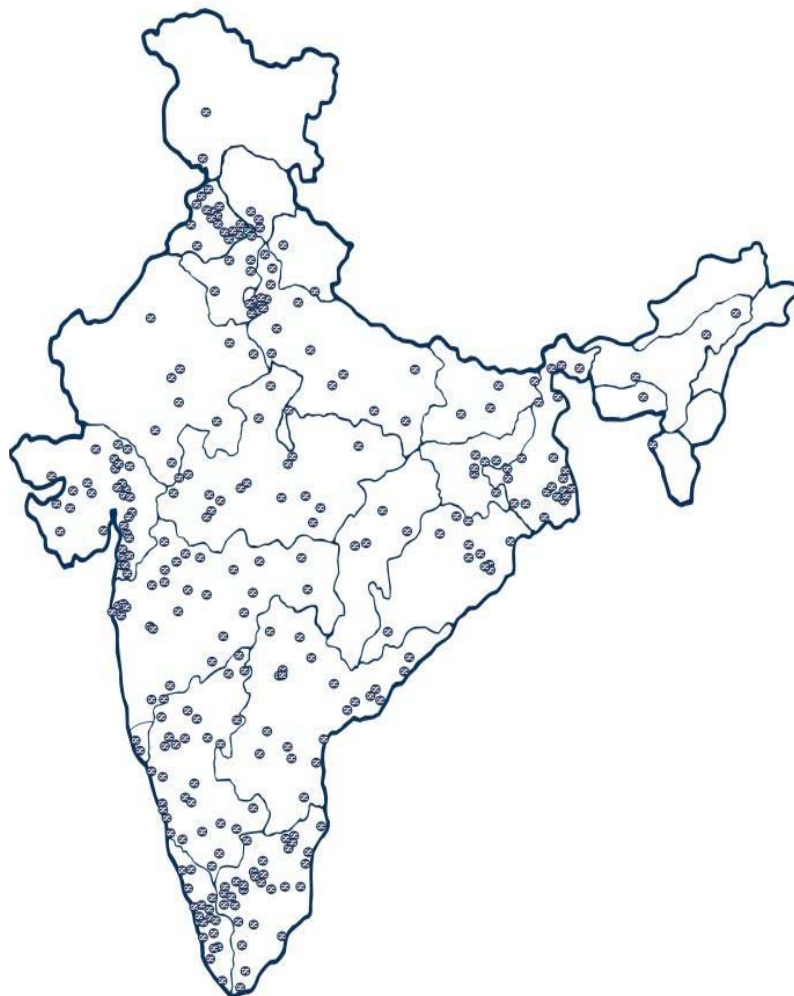
Domestic realty funds raised during FY12 - committed corpus ₹ 509 cr

Propose to launch Infrastructure fund with SMBC and Brookfield

₹ cr	FY11	Q2FY12	Q3FY11	Q3FY12
Total income	96	24	23	23
Profit before tax	49	13	9	11
Profit after tax	33	8	6	7

# Geographical Presence

Wide National Footprint ...



.. With Multiple Points of Presence

Business	Branches (Dec, 11)
Banking	330
Car Finance	68
Life Insurance	204
Securities	1,416
Mutual Fund	83
<b>Total</b>	<b>2,101</b>

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

# Bank Awards & Recognition



Ranked # 10 in Asia Pacific Top 20 Companies for Leaders list, 2011



Mr. Uday Kotak was awarded “Financial Leadership Award” at NDTV Profit's Business Leadership Awards



Awarded Hewitt Best Employers in India 2011 & 2009; only Bank to be in top 25



Awarded Silver Shield for financial reporting by ICAI for March 2011 Annual Report in the category of private banks.



Awarded among Top 5 in India by IR Global as “ Best Ranked IR website in India”



Ranked #2 in India for companies with “Best Corporate Governance Practices” – IR Global Rankings 2011 and Ranked #2 worldwide in Financial services

# Bank Awards & Recognition



Kotak Bank Annual Report 2010-11 was awarded Platinum - “Best among Banking, APAC” and Gold in the “Most Creative Report, APAC” in the LACP Vision Awards, USA



Awarded Bronze in the “Best Local Trade Bank in India” category of Trade and Forfaiting Review Awards 2011



Ranked # 1 in 17 categories including range of investment products / advisory services by Euromoney



Best Private Bank by Finance Asia Country



Best Local Cash Management Bank Asia Money 2011 and 2010



Best Companies to work for 2010 & 2009 by Great places to work Institute India



# Awards & Recognition



Lipper Fund Award 2011 for Kotak Bond Regular –  
‘Best Fund over 10 years Bond Indian Rupee’

 **kotak**® Investment Banking



2011: Best Investment Bank in India  
*(Sixth year in a row)*

2011: Best Equity House  
*(Second year in a row)*

 **kotak**® Investment Banking

**ASIAMONEY**

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



**Best Domestic  
Investment Bank  
2011**

**ASIAMONEY**

**Best Equity House in  
India  
2011**



**Best Investment Bank in  
India 2011  
Best Equity House in  
India 2011**

 **kotak**® Investment Banking

**EUROMONEY**  
*Award for Excellence*

2011: Best Bank for Equity Finance in  
India (Real Estate)

*(Second year in a row)*

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