

# *Earnings Update*

# Consolidated Highlights – Q3FY15

**PAT**

**₹ 717 cr**  
(₹ 591 cr)  
Up 21%

**Networth**

**₹ 21,299 cr**  
(₹ 18,455 cr)

**RoA**

**2.1% (2.0%)**

**Book  
Value**

**(per share)**  
**₹ 276.0**  
(₹ 239.9 )

**NIM**

**4.7% (4.9%)**

**Loans**

**₹ 86,058 cr**  
(₹ 71,041 cr)  
Up 21%

**Total  
Assets**

**₹ 142,784 cr**  
(₹ 117,141 cr)

**Net  
NPA**

**0.83% (0.92%)**

**Announced entry in general insurance business**

*Figures in brackets are Q3FY14 numbers*

# Kotak Bank - Standalone Highlights – Q3FY15

**PAT**

₹ 465 cr  
(₹ 340 cr)  
Up 37%

**RoA**

1.9% (1.6%)

**Loans**

₹ 64,641 cr  
(₹ 53,149 cr)  
Up 22%

**NIM**

4.7%  
(4.8%)

**Net  
NPA**

0.97% (1.10%)

**CAR<sup>#</sup>**

17.7% (19.2%)

**Tier 1**

16.7% (17.9%)

**CASA**

₹ 23,050 cr  
(₹ 16,261 cr)  
Up 42%

**Branches**

661  
(533)

**Announced merger with ING Vysya Bank, awaiting approvals**

*\* As per Basel III, including unaudited profits. Excluding profit CAR 16.0%, Tier I 15.0% (CAR 17.4% and Tier I 16.2%)*

*Figures in brackets are Q3FY14 numbers*

# Consolidated PAT

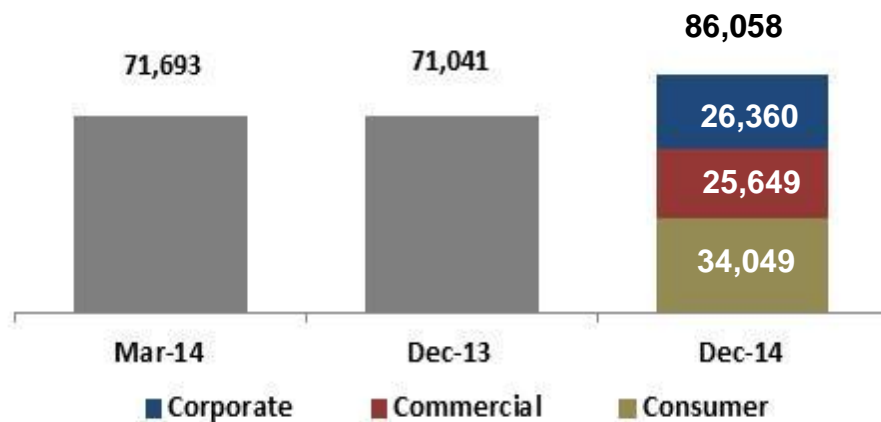
₹ cr	Q2FY15	Q3FY14	Q3FY15	9MFY14	9MFY15	FY14
Kotak Mahindra Bank	445	340	465	1,095	1,339	1,503
Kotak Mahindra Prime	125	123	120	365	365	491
Kotak Mahindra Investments	25	11	24	26	66	42
Kotak Securities	66	46	60	117	193	160
Kotak Mahindra Capital Company	(7)	7	(6)	9	(17)	14
Kotak Mahindra Old Mutual Life Insurance	52	60	51	174	153	239
Kotak Mahindra AMC & Trustee Co	(1)	12	(10)	37	(11)	41
International subsidiaries	13	9	14	1	33	7
Kotak Investment Advisors	4	7	2	13	15	18
<b>Total</b>	<b>722</b>	<b>615</b>	<b>720</b>	<b>1,837</b>	<b>2,136</b>	<b>2,515</b>
Minority Interest, Affiliates, others	(4)	(24)	(3)	(35)	(3)	(50)
<b>Consolidated PAT</b>	<b>718</b>	<b>591</b>	<b>717</b>	<b>1,802</b>	<b>2,133</b>	<b>2,465</b>

# Entity Wise Networth

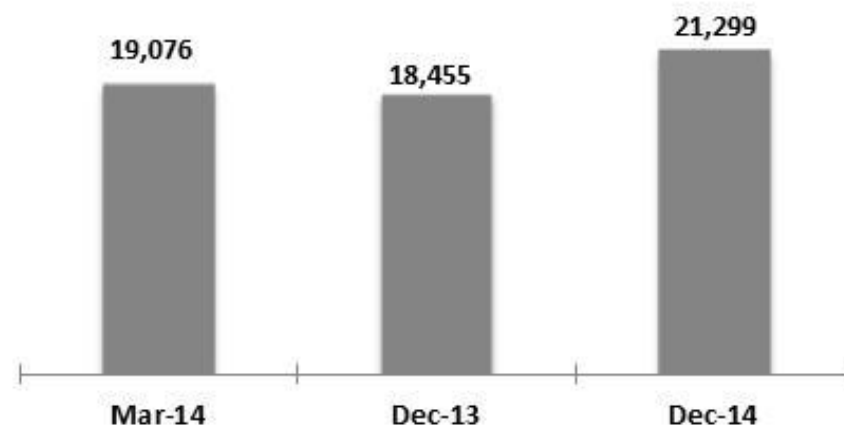
₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014
Kotak Mahindra Bank	12,275	11,896	13,682
Kotak Mahindra Prime	2,843	2,717	3,207
Kotak Mahindra Investments	436	420	577
Kotak Securities	2,094	2,051	2,288
Kotak Mahindra Capital Company	403	397	385
Kotak Mahindra Old Mutual Life Insurance	1,042	977	1,194
Kotak Mahindra AMC & Trustee Co	126	129	115
International Subsidiaries	410	415	466
Kotak Investment Advisors	240	236	256
Other Entities	32	32	32
<b>Total</b>	<b>19,901</b>	<b>19,270</b>	<b>22,202</b>
Add: Associates	549	545	583
Less: Minority, Inter-company and Other Adjustments	(1,374)	(1,360)	(1,486)
<b>Consolidated Networth</b>	<b>19,076</b>	<b>18,455</b>	<b>21,299</b>

# Consolidated Key Financials

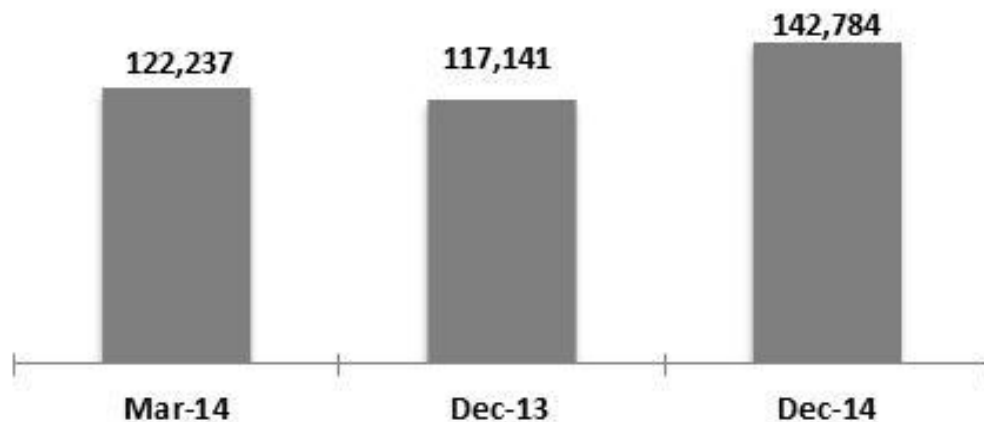
## Advances (₹ cr)



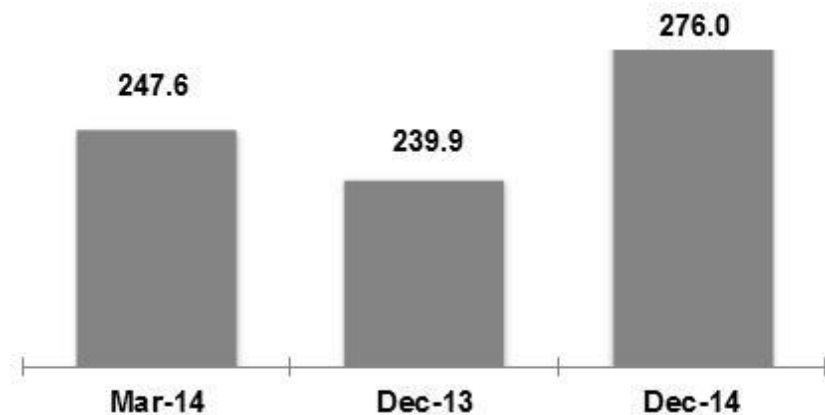
## Networth (₹ cr)



## Total Assets (₹ cr)



## Book Value Per Share (₹)



# Consolidated Advances & Investments

₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014	YoY Growth
Corporate Banking	17,319	19,426	25,933	33%
CV/CE	5,441	6,005	5,027	(16%)
Agriculture Division	10,468	9,023	10,849	20%
Business Banking	5,388	5,246	6,079	16%
Auto loans	13,223	13,022	14,196	9%
Home Loans and LAP	12,100	11,454	13,738	20%
Small Business, Personal loans & Credit Cards	4,667	4,344	5,968	37%
Others	3,087	2,521	4,268	69%
<b>Total Advances</b>	<b>71,693</b>	<b>71,041</b>	<b>86,058</b>	<b>21%</b>
Investments/ Treasury Assets *	27,788	26,129	33,309	27%
<b>Total Advances and Investments</b>	<b>99,481</b>	<b>97,170</b>	<b>119,367</b>	<b>23%</b>

\* Does not include policy holders' investments

# Bank Profit & Loss

₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
Net Interest Income	1,039	913	1,060	3,720
Other Income	466	300	494	1,400
<b>Net Total Income</b>	<b>1,505</b>	<b>1,213</b>	<b>1,554</b>	<b>5,120</b>
Employee Cost	355	277	368	1,159
Other Operating Expenses	416	351	448	1,384
<b>Operating Expenditure</b>	<b>771</b>	<b>628</b>	<b>816</b>	<b>2,543</b>
<b>Operating Profit</b>	<b>734</b>	<b>585</b>	<b>738</b>	<b>2,577</b>
Provision on advances (net)	64	26	84	147
Provision on other receivables	-	1	2	(19)
Provision on investments	(10)	43	(56)	176
<b>Provision &amp; contingencies</b>	<b>54</b>	<b>70</b>	<b>30</b>	<b>304</b>
<b>PBT</b>	<b>680</b>	<b>515</b>	<b>708</b>	<b>2,273</b>
Provision for Tax	235	175	243	770
<b>PAT</b>	<b>445</b>	<b>340</b>	<b>465</b>	<b>1,503</b>

# Bank Other Income

₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
Fee and Services	321	226	328	942
Treasury Income	85	53	118	299
ARD Buyout Income	48	18	46	141
Others	12	3	2	18
<b>Total</b>	<b>466</b>	<b>300</b>	<b>494</b>	<b>1,400</b>

# Bank Segmental Performance

As per RBI ₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
Corporate/Wholesale Banking	335	326	338	1,301
Retail Banking	210	207	240	793
Treasury & BMU *	135	(18)	130	176
Unallocated Income	-	-	-	3
<b>Total</b>	<b>680</b>	<b>515</b>	<b>708</b>	<b>2,273</b>

\* Balance Sheet Management Unit

# Bank Advances & Investments

₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014	YoY Growth
Corporate Banking	14,377	16,621	22,044	33%
CV/CE	5,441	6,005	5,027	(16%)
Agriculture Division	10,468	9,023	10,849	20%
Business Banking	5,388	5,246	6,079	16%
Home Loans and LAP	12,100	11,454	13,738	20%
Small Business, Personal loans & Credit Cards	4,632	4,311	5,929	38%
Others	622	489	975	-
<b>Total Advances</b>	<b>53,028</b>	<b>53,149</b>	<b>64,641</b>	<b>22%</b>

## Advances – as per segmental classification

₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014
Retail	23,682	24,237	26,317
Corporate	29,346	28,912	38,324
<b>Total Advances</b>	<b>53,028</b>	<b>53,149</b>	<b>64,641</b>
Investments / Treasury Assets	25,485	23,615	30,160
<b>Total Advances and Investments</b>	<b>78,513</b>	<b>76,764</b>	<b>94,801</b>

# Bank Balance Sheet

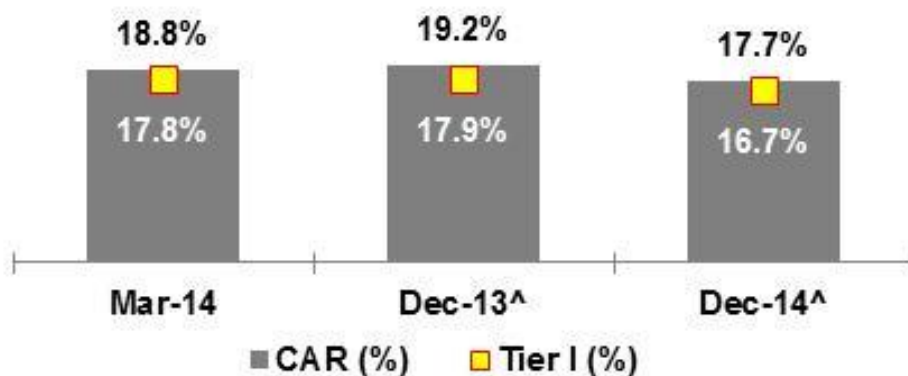
₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014	YoY Growth
Net Worth	12,275	11,896	13,682	15%
Deposits	59,072	54,671	73,066	34%
CA	8,741	7,155	10,696	49%
SA	10,087	9,106	12,354	36%
Certificate of Deposit	5,726	5,958	5,206	(13%)
Term Deposit Others	34,518	32,452	44,810	38%
Borrowings	12,896	13,673	11,145	(18%)
Other Liabilities and Provisions	3,342	4,057	4,342	7%
<b>Total</b>	<b>87,585</b>	<b>84,297</b>	<b>102,235</b>	<b>21%</b>

₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014	YoY Growth
Cash, Bank and Call	5,980	4,128	4,366	6%
Investments	25,485	23,615	30,160	28%
Government Securities	17,466	17,228	23,267	35%
Others	8,019	6,387	6,893	8%
Advances	53,028	53,149	64,641	22%
Fixed Assets and Other Assets	3,092	3,405	3,068	(10%)
<b>Total</b>	<b>87,585</b>	<b>84,297</b>	<b>102,235</b>	<b>21%</b>

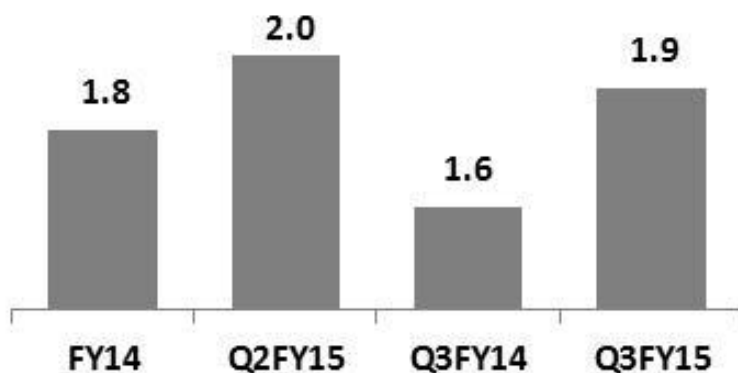
# Bank Key Ratios

## CAR & Tier I (%) – BASEL III

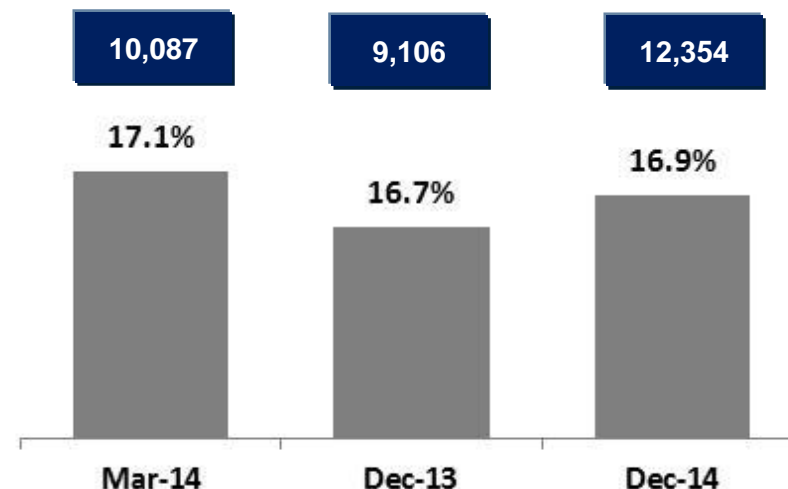
^ Including unaudited profits



## RoA (%)



## Savings Account (₹ cr & % of deposits)



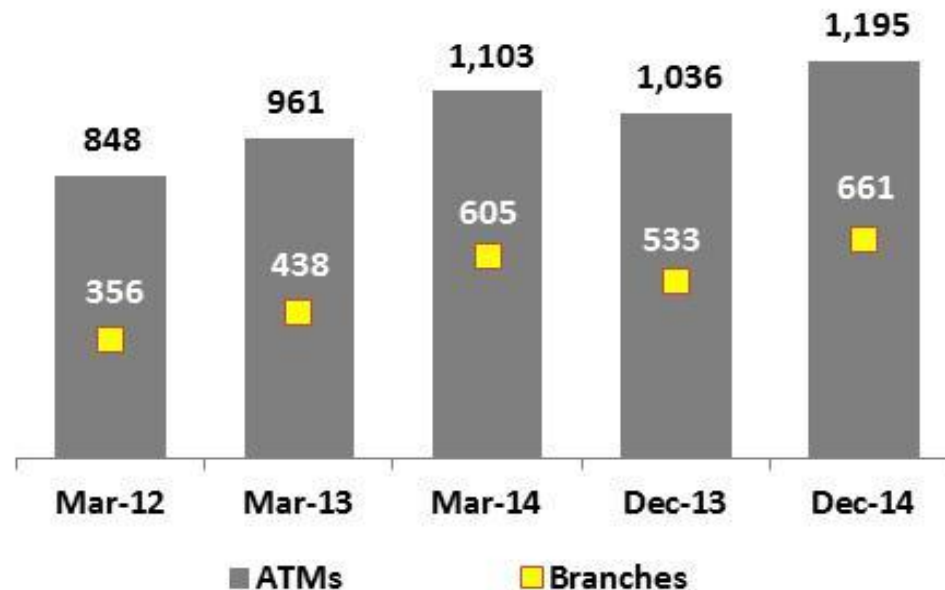
## Asset Quality

Restructured loans considered standard  
 ₹ 159.1 cr (0.25%)  
 No CDR participation  
 No transfer to ARC  
 No conversion to off-Balance sheet

# Consumer Banking Liabilities



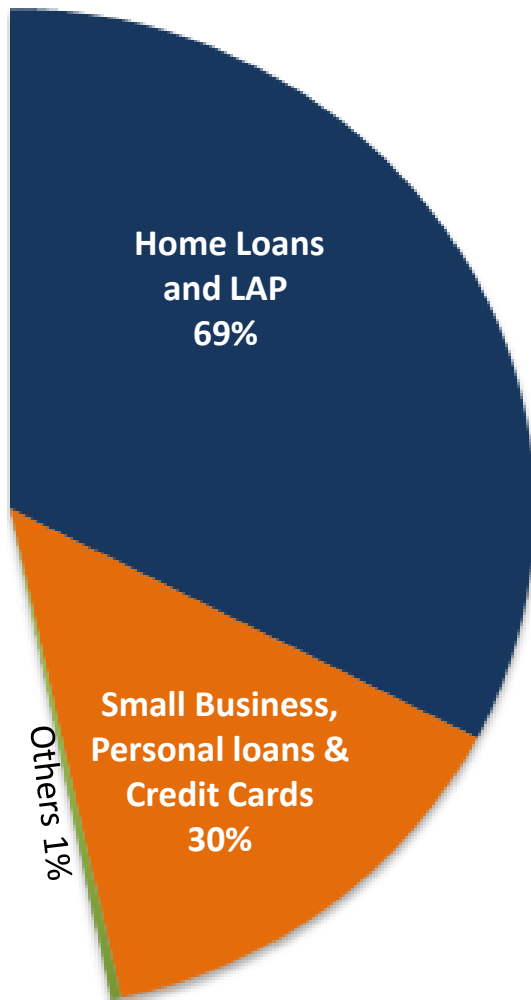
## No of Branches / ATM's



- CA grew 49% yoy and SA grew 36% yoy
- TD sweep to total deposit ratio at 7.7% (8.0% as on Dec-13)
- CASA and TDs below ₹ 5 cr constitute 65% of total deposits (64% as on Dec-13)
- TDs below ₹ 1 cr grew 33% yoy
- Added ~ 2.0 lac customer accounts for the quarter
- Digital initiatives: Kaypay, Kotak Jifi, Mail Money
- Cost of SA – 5.47%

	Mar-12	Mar-13	Mar-14	Dec-13	Dec-14
CA deposit ₹ cr	7,352	7,650	8,741	7,155	10,696
SA deposit ₹ cr	5,050	7,268	10,087	9,106	12,354
CASA %	32	29	32	30	32

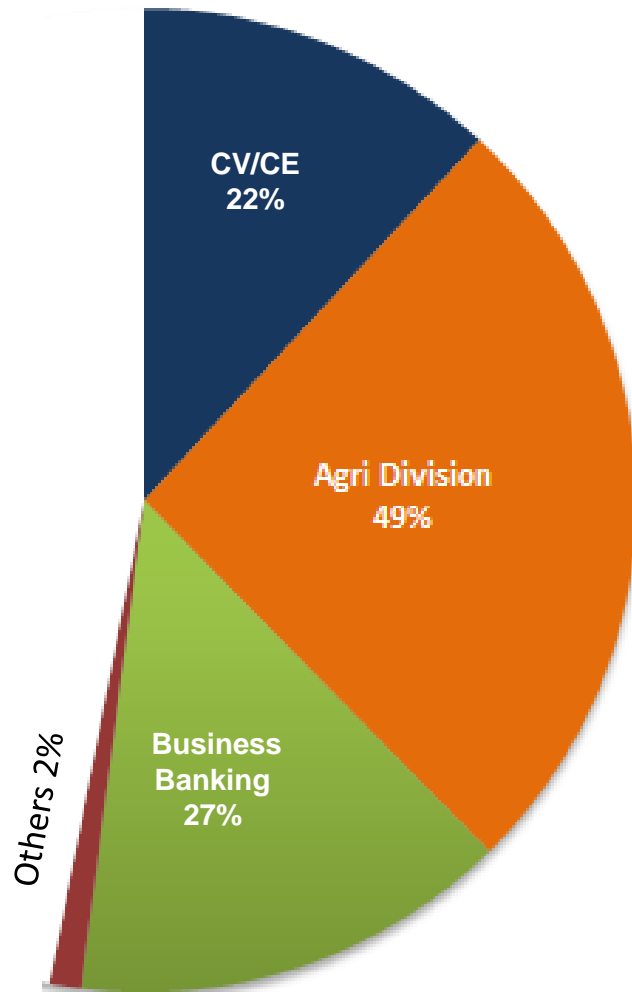
# Consumer Banking Assets – Bank



₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014	YoY Growth
Home Loans and LAP	12,100	11,454	13,738	20%
Small Business, Personal loans & Credit Cards	4,632	4,311	5,929	38%
Others	162	130	130	-
<b>Total Consumer Banking</b>	<b>16,894</b>	<b>15,895</b>	<b>19,797</b>	<b>25%</b>

- ❑ Focus on SENP and cross sell through bank branch
- ❑ Drive growth in mortgages, small business and personal loans
- ❑ Focus on profitable growth with low delinquency

# Commercial Banking Assets – Bank

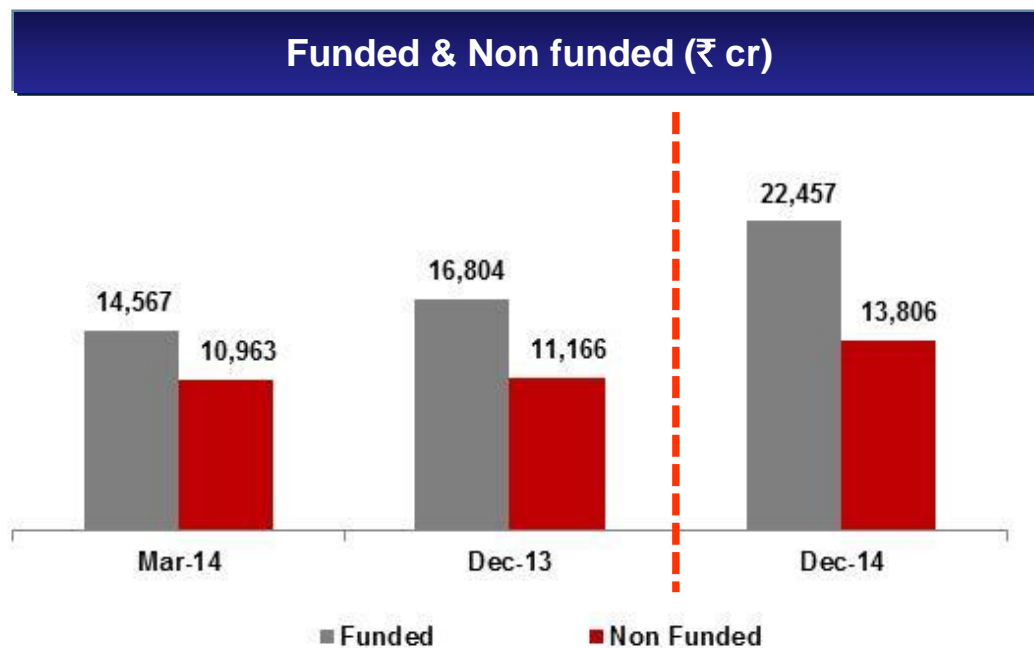


₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014	YoY Growth
CV/CE	5,441	6,005	5,027	(16%)
Agri Division	10,468	9,023	10,849	20%
Business Banking	5,388	5,246	6,079	16%
Others	270	176	432	-
<b>Total Commercial Banking</b>	<b>21,567</b>	<b>20,450</b>	<b>22,387</b>	<b>9%</b>

- ❑ High focus on Business Banking
- ❑ Seeing some growth in heavy commercial vehicles through month on month increase in disbursements

# Wholesale Banking - Bank

- ❑ Significant growth in corporate loans particularly in working capital related businesses
- ❑ Complete range of financial products in offer for diverse corporates
  - Large and midmarket, PSUs, MNCs, financial market players
- ❑ Focus on transaction banking, trade book, Fx and structured finance business
- ❑ Drive to achieve product synergies and increase wallet share



# Kotak Mahindra Prime

₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
NII	227	215	220	880
Other income	51	45	48	181
Total Income	278	260	268	1,061
Profit before tax	190	190	183	752
<b>Profit after tax</b>	<b>125</b>	<b>123</b>	<b>120</b>	<b>491</b>

₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014
Customer Assets	17,948	17,500	19,073
Car Advances	13,273	13,066	14,234
Disbursement (Car) – For the quarter	1,582	1,509	1,891
Net NPA	56	63	83
Net NPA (%)	0.3	0.4	0.4
CAR (%)	17.7	17.1	17.3
ROA (%) - annualised	2.6	2.6	2.3

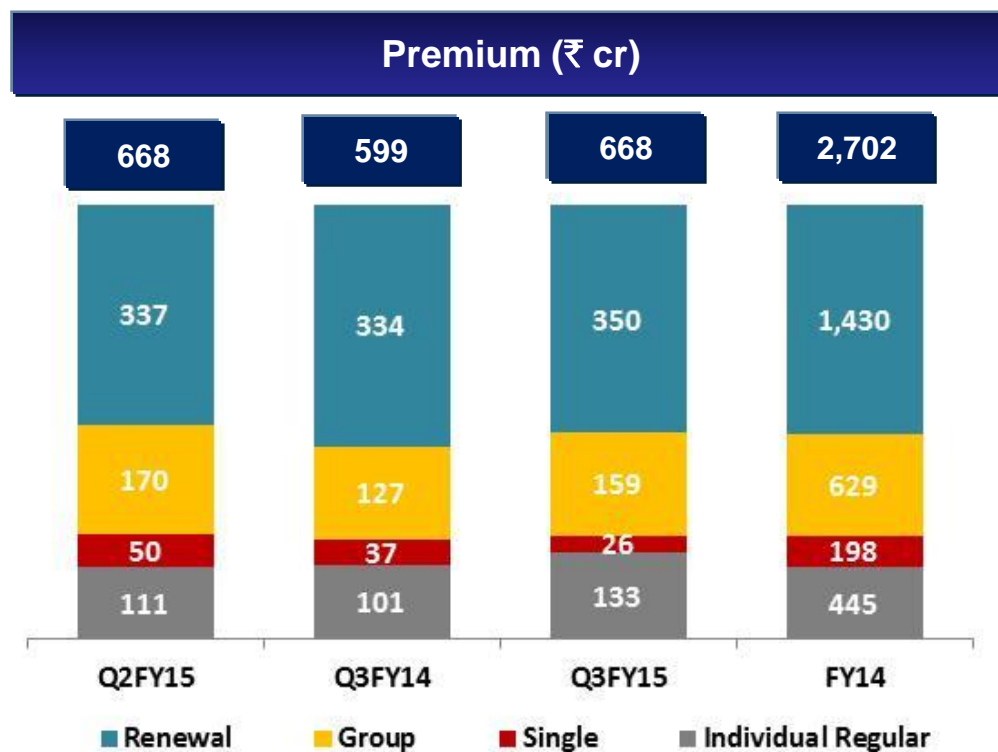
# Kotak Mahindra Investment

₹ cr	Q2Y15	Q3FY14	Q3FY15	FY14
NII	39	19	44	78
Other income	8	4	3	10
Total Income	47	23	47	88
Profit before tax	38	16	37	64
<b>Profit after tax</b>	<b>25</b>	<b>11</b>	<b>24</b>	<b>42</b>

₹ cr	Mar 31, 2014	Dec 31, 2013	Dec 31, 2014
Customer Assets	1,555	1,174	3,020
Net NPA	7	11	5
Net NPA (%)	0.5	1.0	0.2
CAR (%)	26.3	32.4	18.6
ROA (%) - annualised	3.6%	4.0%	3.3%

# Kotak Mahindra Life Insurance

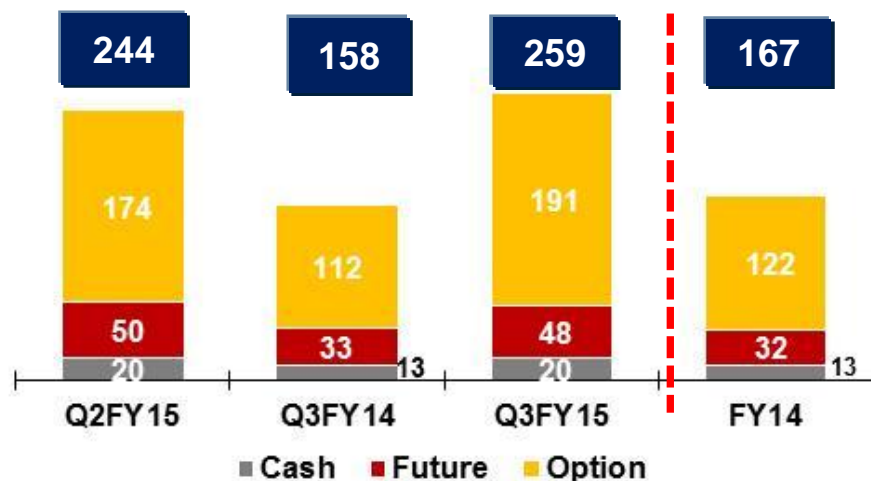
- ❑ Individual Business grew by 17%
- ❑ Agency's Regular Business grew by 33%
- ❑ On APE (Single @ 1/10<sup>th</sup>) Basis, Share of Kotak Bank for 9MFY15 is at 29% ( PY – 28%)
- ❑ Inforce Sum Assured has increased 25% from ₹ 2,458 bn to ₹ 3,072 bn



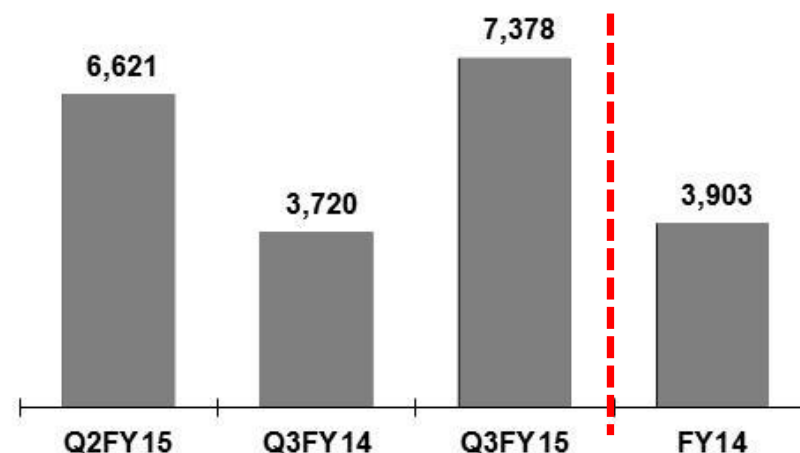
₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
Capital	562	562	562	562
Solvency ratio (%)	2.98	3.16	2.95	3.02
PAT	52	60	51	239

# Kotak Securities

Market ADV (₹ '000 cr)



ADV (₹ cr) - KS



₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
Total income	224	168	223	627
Profit before tax	100	71	91	234
Profit after tax	66	46	60	160
Market Share* (%)	2.7	2.3	2.8	2.3





\*excluding BSE Derivative segment

Kotak Securities services more than 1 million secondary market customers through 1,160 branches and franchises

# Kotak Mahindra Capital Co.

Client (M&A)	Announced Transactions	Size (₹ cr)
 <b>kotak</b> Kotak Mahindra Bank	Merger of ING Vysya Bank Limited with Kotak Mahindra Bank Limited	15,044*
 <b>GIC</b>	Open Offer for Nirlon Limited by Reco Berry Private Limited, an affiliate of GIC, Singapore's sovereign wealth fund	568
 <b>BRAUN</b> SHARING EXPERTISE	Delisting Offer for Ahlcon Parenterals (India) Limited by B Braun Singapore Pte Ltd	95

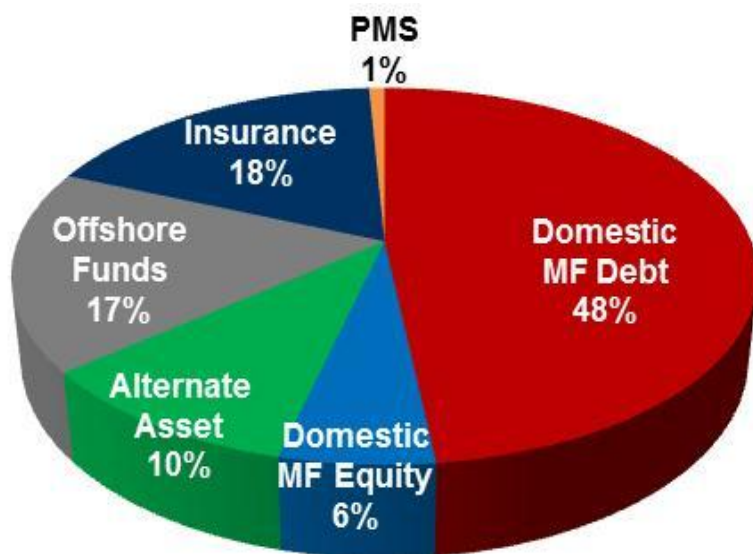
\* Source: Bloomberg (Transaction size computed based on swap ratio and 20-day average share price prior to the date of announcement of Kotak Mahindra Bank Limited)

Client (Equity)	Transactions	Size (₹ cr)
 <b>सेल SAIL</b>	Offers for Sale (OFS)	1,720
 <b>CESC</b> LIMITED	Qualified Institutional Placements (QIP)	491
 <b>bajaj</b> Corp Ltd.	Block Deal	324
 <b>ASTRAL</b> where INNOVATION flows	Qualified Institutional Placements (QIP)	241

₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
Total income	11	26	13	84
Profit before tax	(7)	8	(6)	18
Profit after tax	(7)	7	(6)	14

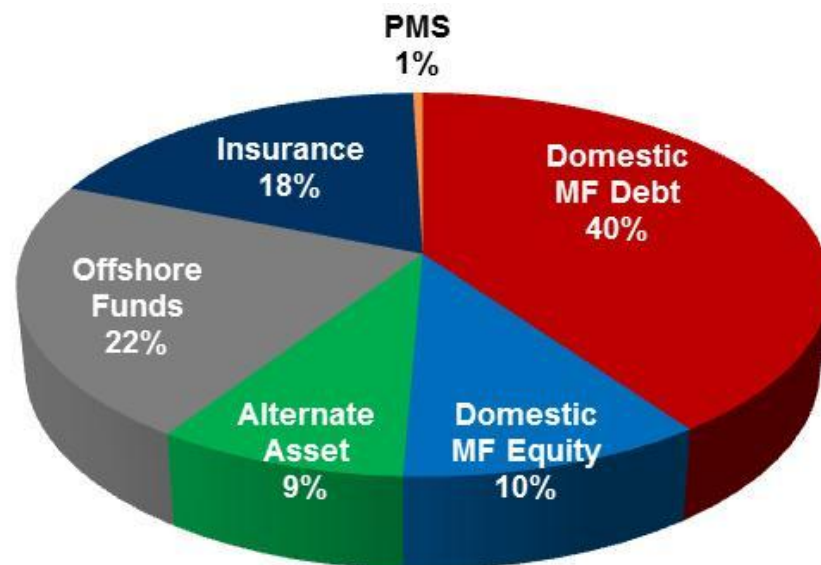
# Asset Under Management

AUM ₹ 59,909 cr



Dec 31, 2013

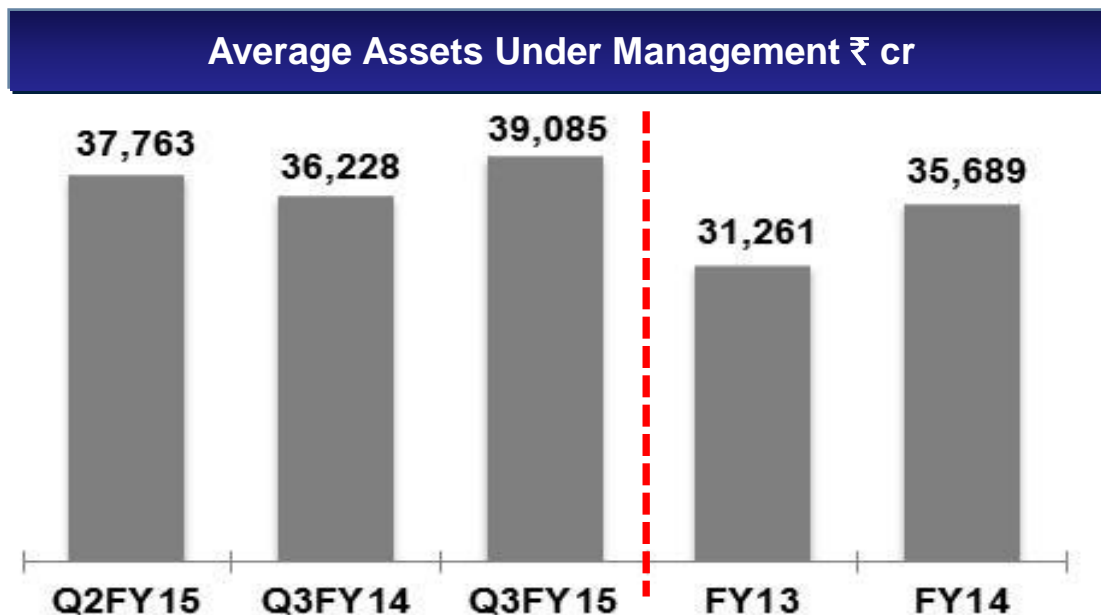
AUM ₹ 71,404 cr



Dec 31, 2014

# Kotak Mahindra AMC and Trustee Co.

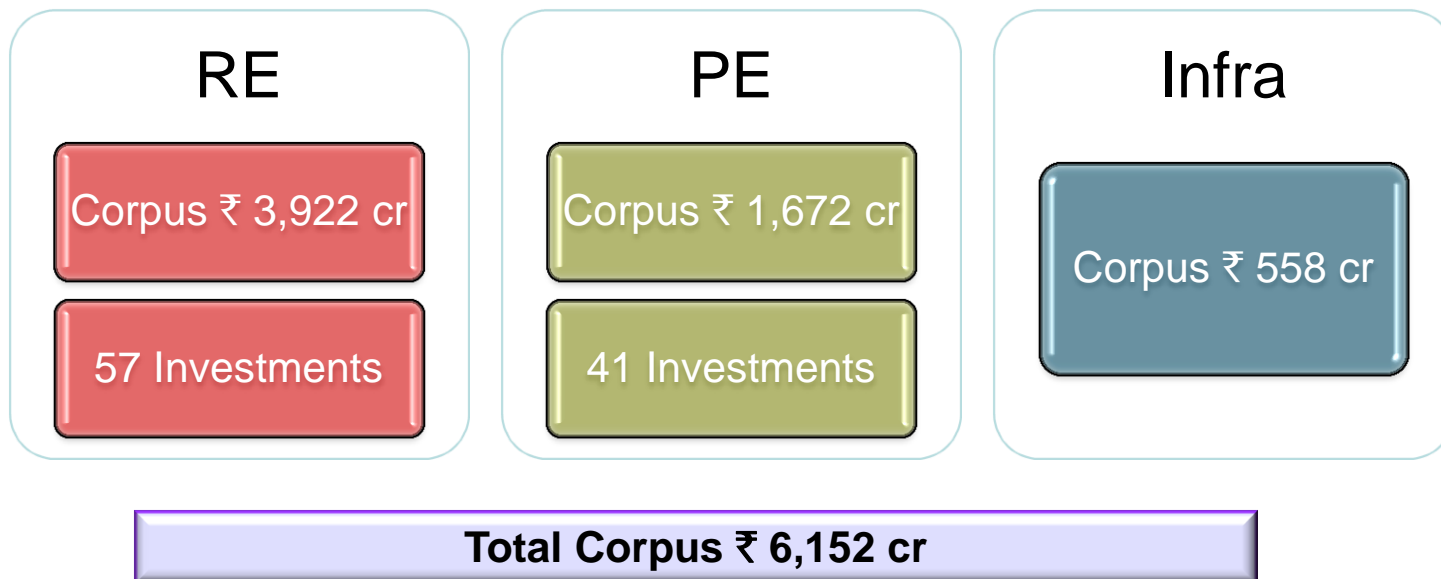
- ❑ Equity flows better than current market share.
- ❑ The drop in profits is largely on account of the upfront commissions on fresh asset acquisitions



₹ cr #	Q2FY15	Q3FY14	Q3FY15	FY14
Total income	36	47	32	177
Profit before tax	-	18	(9)	60
<b>Profit after tax</b>	<b>(1)</b>	<b>12</b>	<b>(10)</b>	<b>41</b>
Average AUM (₹ bn)	378	362	391	357
Average AUM - Equity (₹ bn)	52	30	67	31

# AMC & Trustee Co

# Kotak Investment Advisors



₹ cr	Q2FY15	Q3FY14	Q3FY15	FY14
Total income	19	23	15	83
Profit before tax	6	12	2	25
Profit after tax	4	7	2	18

# Bank Awards and Recognition

## Received in FY15

Best Bank in 2014 by Business India

#2 best midsize bank in the BW-PWC Best Bank Survey 2014

#3 fastest growing midsize bank in the BW-PWC Best Bank Survey 2014

Excellence in Security under 'Security in Bank' category at Data Security Council of India Excellence Awards 2014

EMC Transformers award for innovative use of storage technology by implementation of three way disaster recovery solution

Special Award for Innovation (IMPS) at National Payments Excellence Award 2014

Kotak Jifi named Best new product and service at Efma Accenture Innovation Awards 2014

Uday Kotak recognised as Banker of the Year 2014 by Businessworld

# 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



**Securities Advisory  
Firm of the Year in India**



**Best Brokerage House - India - The  
Asset Triple A Country Awards 2014**



**Asiamoney Brokers Poll 2014**

**Best Local Brokerage  
Ninth year in a row**

Among all domestic and foreign brokerages, ranked:  
#2 for Most Independent Research Brokerage  
#2 for Best Overall Country Research  
#2 for Best Execution



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



**Best Broker in  
India 2014**



**Best Domestic Equity House  
by Asiamoney – 2014**



**Broker of the Year in India**

**The Asian Banker Financial  
Markets Awards 2014**



2014: Best Domestic Investment Bank  
(Ninth year in a row)



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



**Businessworld Survey of India's Most  
Respected Companies 2013**

8<sup>th</sup> most respected company in India's  
BFS & Insurance space



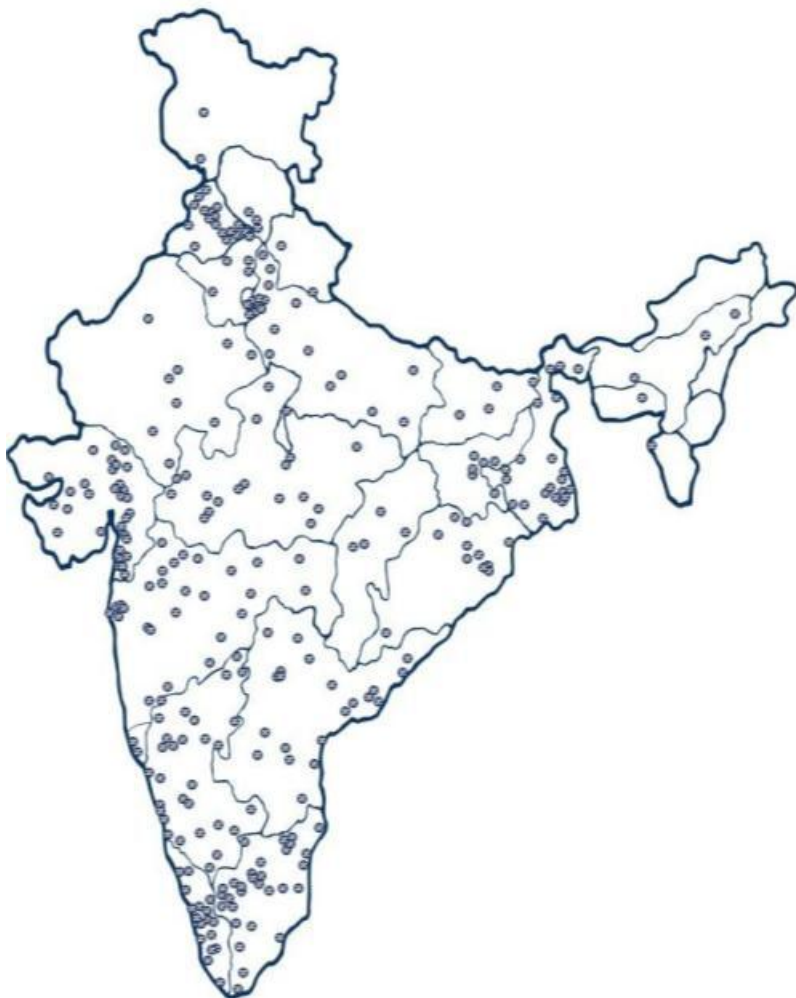
**NSDL Star Performers Award  
2014**

Top Performer in New Accounts  
Opened (Non-Bank Category)



# Geographical Presence

## Wide National Footprint .....



## ..... With Multiple Points of Presence

Business	Dec 31, 2014
Banking	661
Car Finance	76
Life Insurance	209
Securities	1,160
Mutual Fund	79
<b>Total</b>	<b>2,185</b>

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

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