

QUARTERLY RESULTS Q2 FY12

Earnings Update

Oct 25, 2011

FINANCIAL SUMMARY

Consolidated Highlights (Q2 FY12)

PAT

433 ₹cr
(364 ₹cr)
Up **19%** yoy

Loans

50,581 ₹cr
(37,515 ₹cr)
Up **35%** yoy

Net

NPA *
0.4% (0.7%)

NIM

4.8%
(5.2%)

CAR**

17.8% (19.4%)
(as per Basel II)

Tier 1 **

15.9% (17.2%)
(as per Basel II)

AUM

50,467 ₹cr
(49,709 ₹cr)

CASA\$

9,247 ₹cr (7,779 ₹cr)
26% of total deposits

* Excluding acquired stressed assets

** Standalone. Previous period CAR & Tier I do not include profit for H1FY11

\$ Excluding IPO float

Figures in brackets are Q2FY11 numbers

Consolidated Advances & Investments

₹ cr	As on Mar 31, 2011	As on Jun 30, 2011	As on Sep 30, 2010	As on Sep 30, 2011
Commercial vehicles & Construction equipments	6,251	6,771	4,955	7,351
Agriculture Finance	4,220	4,356	3,328	4,248
Auto loans	8,550	8,978	7,847	9,858
Mortgage Loans	6,877	7,077	5,983	7,528
Personal loans	1,307	1,360	1,159	1,501
Corporate Banking	10,916	12,630	11,121	16,379
Others	3,121	3,527	3,122	3,716
Total Advances	41,242	44,699	37,515	50,581
Investments/ Treasury Assets *	18,279	19,422	14,873	18,347
Total Advances and Investments	59,521	64,121	52,388	68,928

* Does not include policy holders' investments

Consolidated Revenues

₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Financing activities	4,551	1,445	1,064	1,587
Fee Income*	1,452	324	359	360
Premium Income	2,940	500	726	664
Treasury – Others **	1,530	427	368	461
Others	239	84	52	41
Total Revenues**	10,712	2,780	2,569	3,113

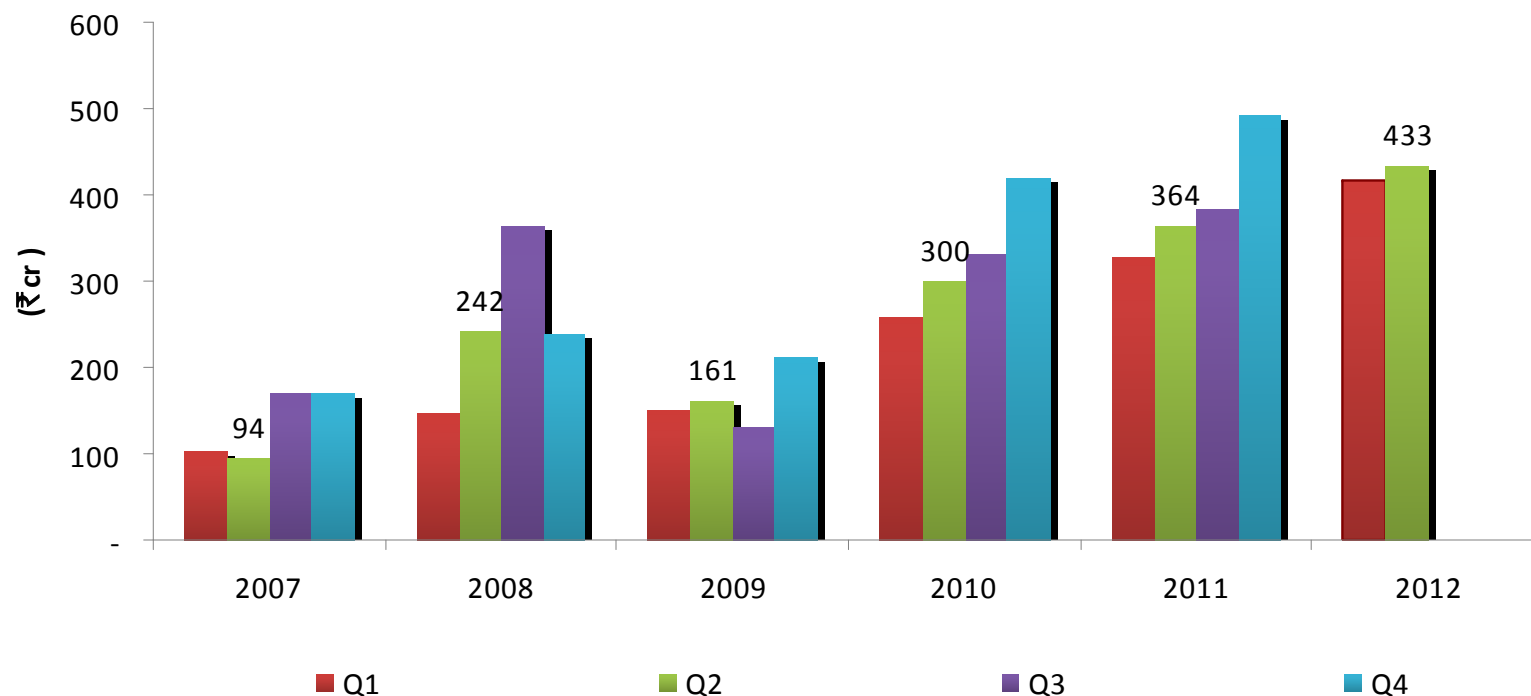
* Fee income is net of sub brokerage

** Excluding treasury (policyholders') income

Consolidated PAT

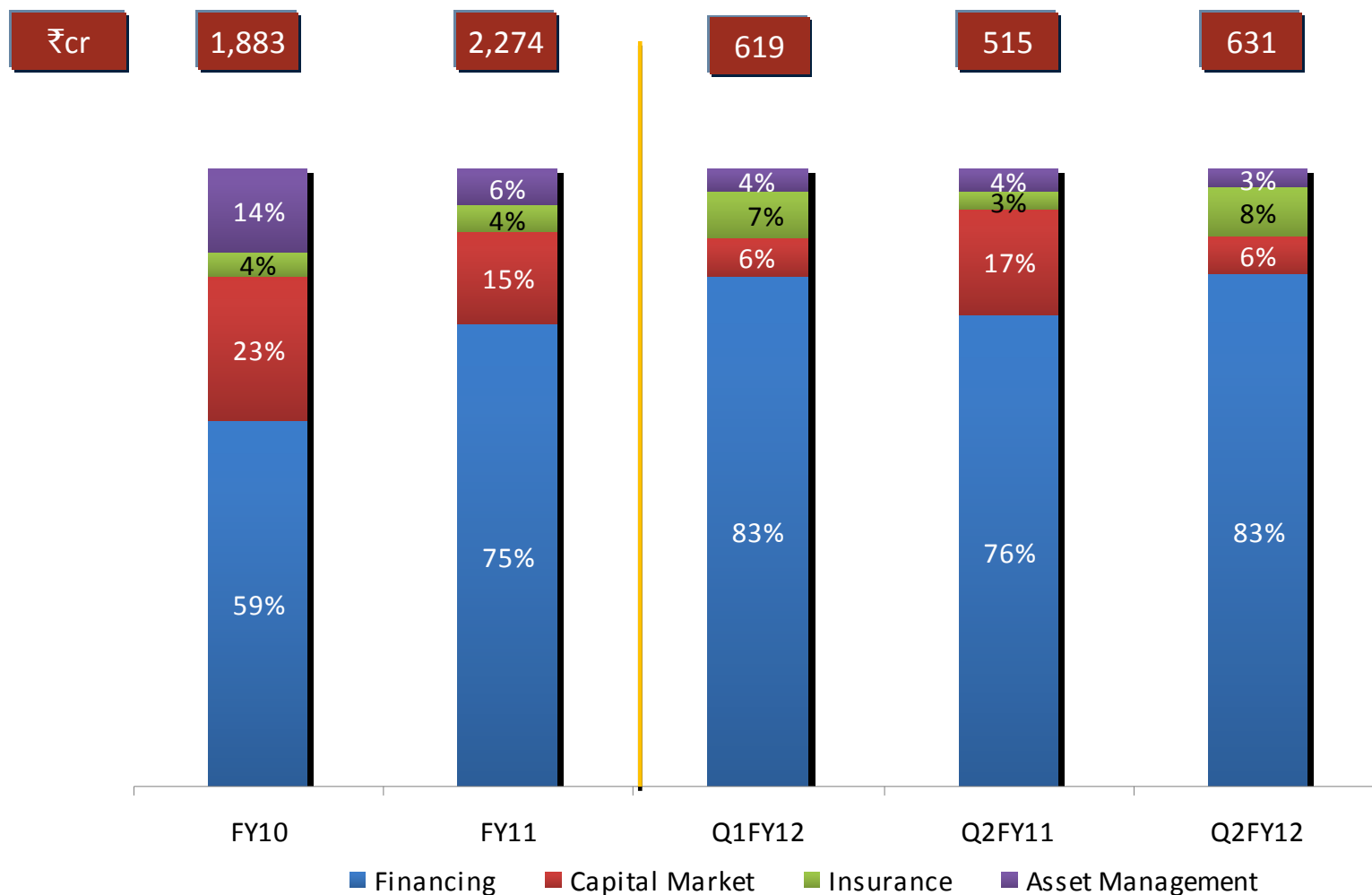
₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Kotak Mahindra Bank	818	252	195	260
Kotak Mahindra Prime	318	94	61	90
Kotak Securities	182	23	52	29
Kotak Mahindra Capital Company	52	1	7	(4)
Kotak Mahindra Old Mutual Life Insurance	101	46	13	53
Kotak Mahindra AMC & Trustee Co	17	9	(2)	7
International subsidiaries	51	(3)	12	(7)
Kotak Investment Advisors	33	11	11	8
Kotak Mahindra Investments	24	3	8	3
Total	1,596	436	357	439
Minority Interest, Equity Affiliates, others	(29)	(20)	7	(6)
Consolidated PAT	1,567	416	364	433

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	
Q4	170	240	211	419	491	

Consolidated Profit (PBT) Mix



Consolidated Key Financials

₹ cr	As on Mar 31, 2011	As on Jun 30, 2011	As on Sep 30, 2010	As on Sep 30, 2011
Deposit	27,313	29,397	26,409	34,473
Borrowings	22,073	24,620	17,313	24,314
Advances	41,242	44,699	37,515	50,581
Total Assets	73,681	78,542	67,149	83,796
Networth	10,963	11,406	10,060	11,893
AUM	47,850	51,661	49,709	50,467

Consolidated Key Ratios

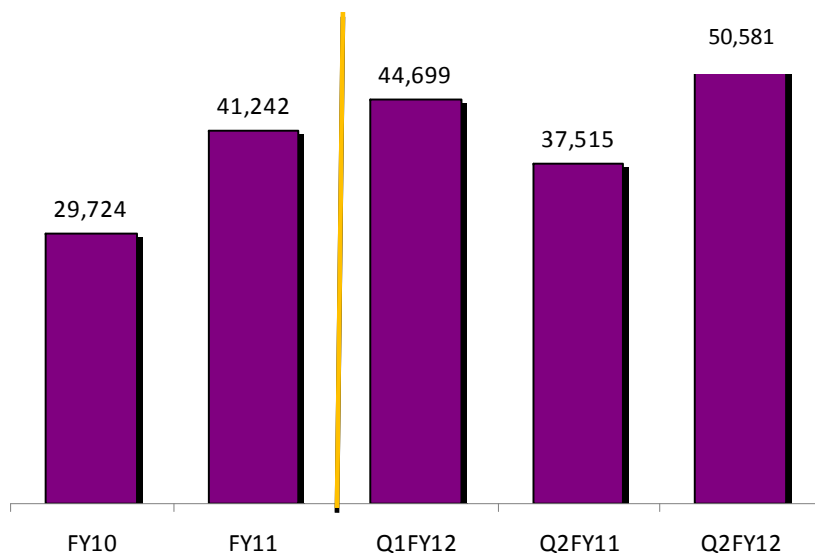
	FY11	Q1FY12	Q2FY11	Q2FY12
Return on average Assets (%,annualised)	2.39	2.19	2.26	2.13
Book value per share (₹)	148.8	154.6	137.2	161.0
NIM (%, YTD annualised)	5.2	5.0	5.2	4.8
RoE (%, annualised)	16.4	14.9	15.8	14.9
Gross NPA (₹ cr) *	469	479	639	471
Gross NPA (%) *	1.1	1.1	1.7	0.9
Net NPA (₹ cr) *	178	184	259	182
Net NPA (%)*	0.4	0.4	0.7	0.4

* Excluding acquired stressed assets

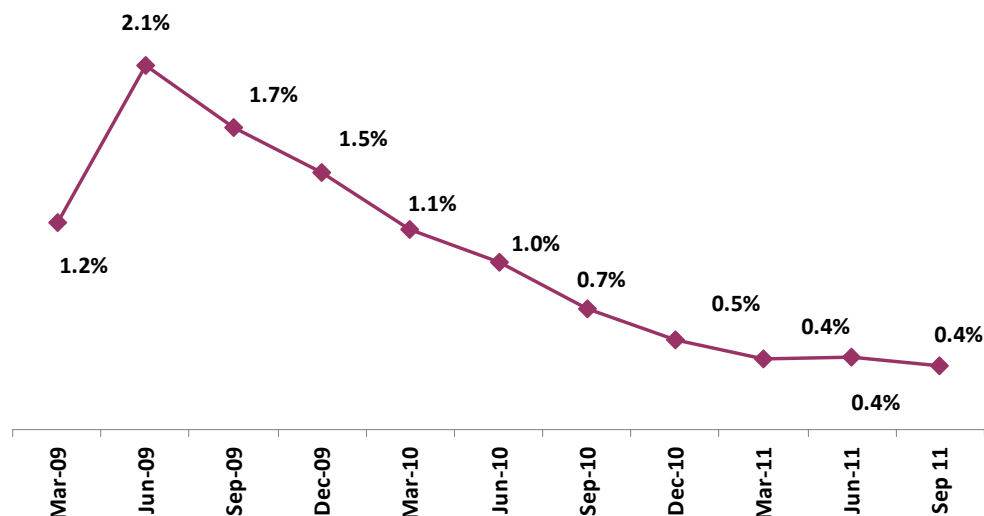
BUSINESS OVERVIEW

Financing Business

Advances ₹ cr



Net NPA



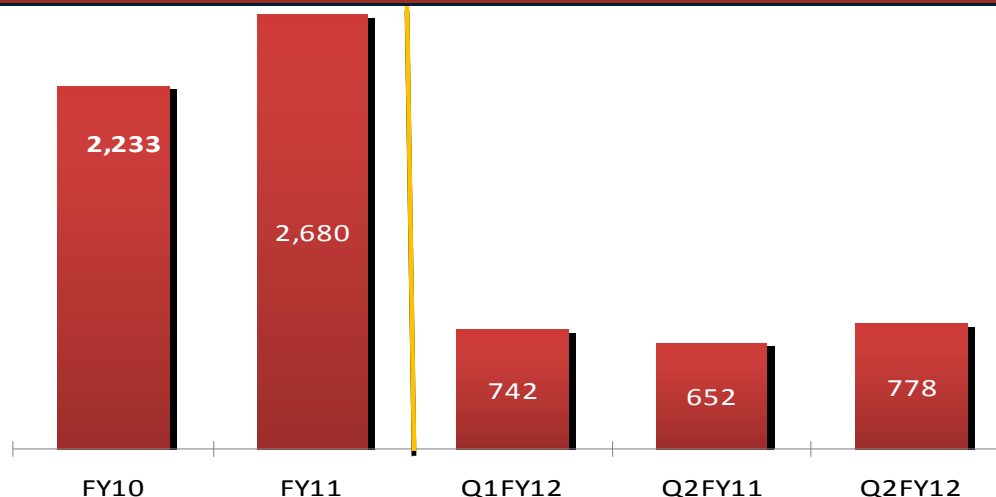
excl acquired stressed assets portfolio

Asset Quality

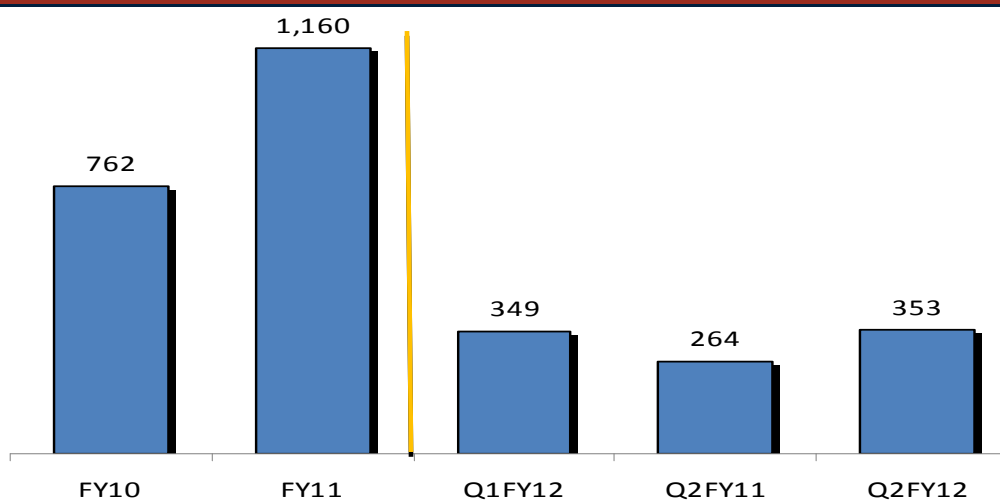
- Gross restructured loans
 - Sep 2010 - ₹ 130 cr
 - Jun 2011 - ₹ 81 cr
 - Sep 2011 - ₹ 72 cr
- The Bank has not participated in any CDR at present

Financing Business

Net Interest Income ₹ cr



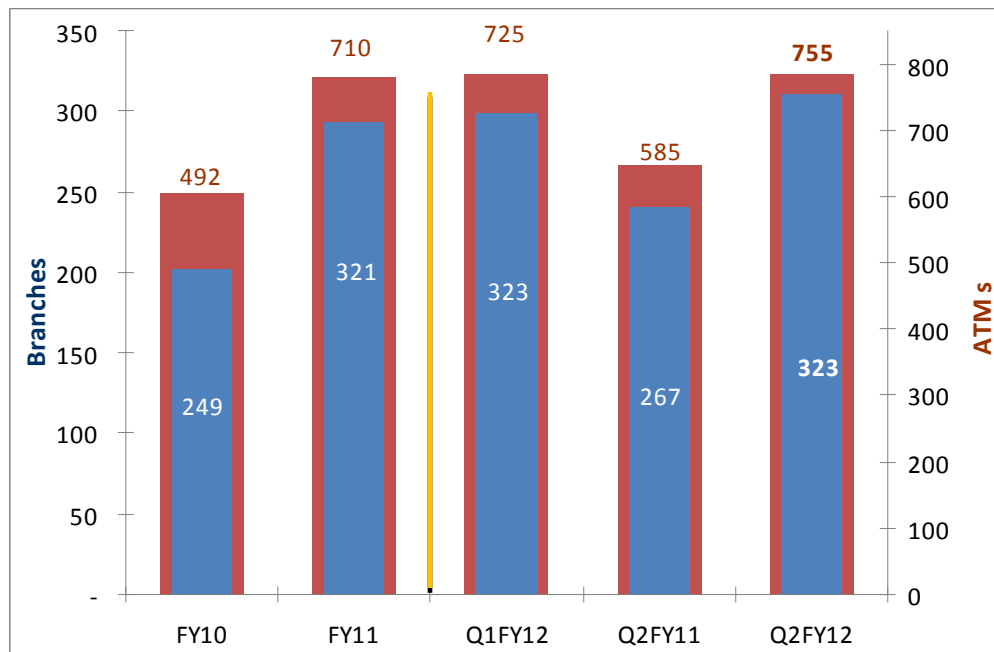
PAT ₹ cr



Consumer Banking - Liabilities

- 500 Branches in CY13
- Increased cross sell of asset products
- Added more than 1 lac customer accounts
- Focus on affluent segment

Number of Branches & ATMs



CASA deposits*₹ cr

7,463

8,791

8,254

7,779

9,247

CASA %

31

30

27

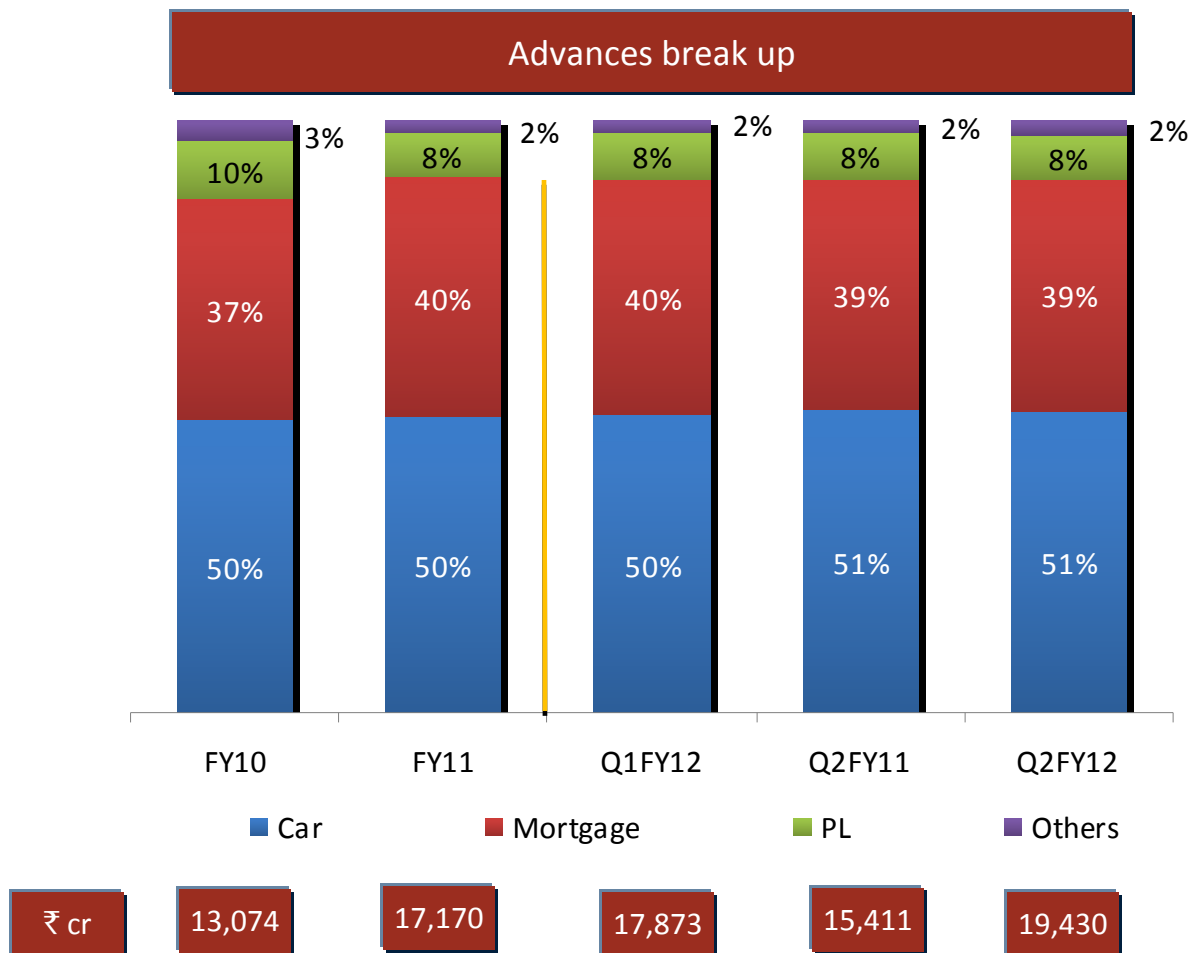
29

26

* Excl IPO float

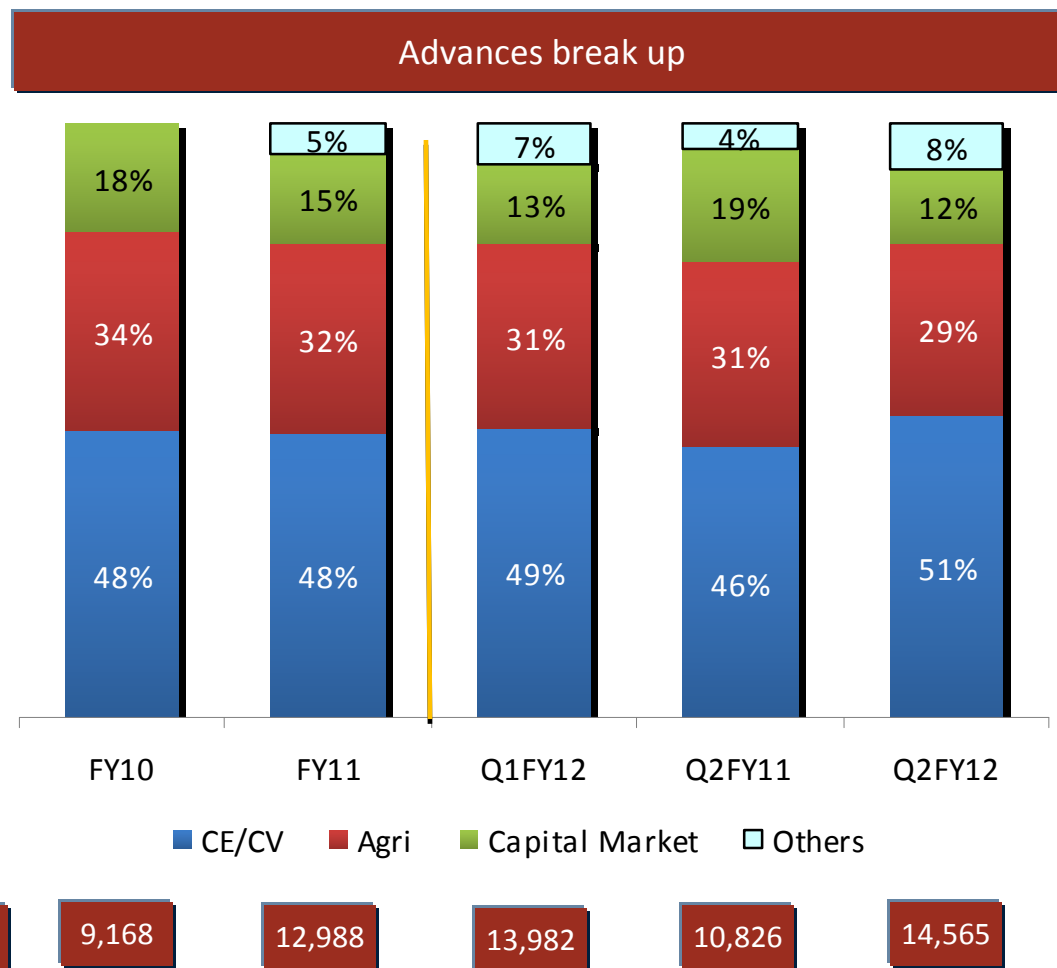
Consumer Financing

- Continue focus on Auto Sector
- Focus on SENP
- Mortgage – healthy growth over the years; present in 14 cities
- Selectively growing personal loans



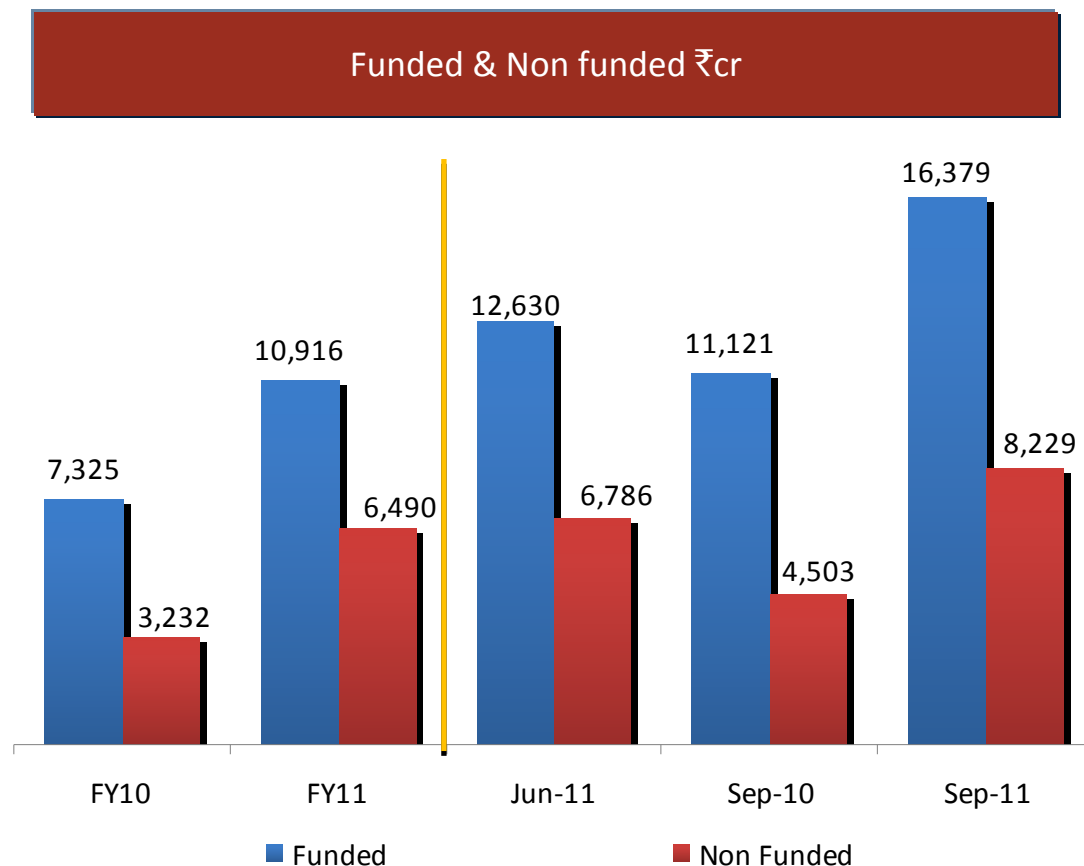
Commercial Financing

- Renewed growth in CE/CV
- Priority sector target met consistently
- Limited exposure to MFI, 0.04% of consol advances



Wholesale Financing

- Focus on quality end of credit curve
- Continued focus on Trade Finance & 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	Q1FY12	Q2FY11	Q2FY12
Net Interest Income	2,097	568	512	605
Other Income	781	229	171	213
Net Total Income	2,878	797	683	818
Employee Cost	751	206	169	215
Other Operating Expenses	802	204	188	222
Operating Expenditure	1,553	410	356	437
Operating Profit	1,325	386	327	380
Provision & contingencies	137	22	46	(2)
PBT	1,188	364	281	382
Provision for Tax	370	112	86	122
PAT	818	252	195	260

Bank Segment Performance

Segmental PBT ₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Corporate/Wholesale Banking	544	238	138	198
Retail Banking	339	135	88	165
Treasury & BMU*	305	(9)	55	19
Total	1,188	364	281	382

* Balance Sheet Management Unit

Bank Advances & Investments

Advances ₹ Cr	As on Mar 31, 2011	As on Jun 30, 2011	As on Sep 30, 2010	As on Sep 30, 2011
Commercial vehicles & Construction equipments	6,251	6,771	4,955	7,351
Agriculture Finance	4,220	4,356	3,328	4,248
Mortgage loans	6,877	7,077	5,983	7,528
Personal loans	1,305	1,359	1,147	1,500
Corporate Banking	9,417	11,214	10,026	14,900
Others	1,259	1,562	1,068	1,822
Total Advances	29,329	32,339	26,507	37,349
Advances – as per segmental classification				
Retail	17,672	17,906	14,620	18,550
Corporate	11,657	14,433	11,887	18,799
Total Advances	29,329	32,339	26,507	37,349
Investment / Treasury Assets	17,122	17,925	13,935	16,944
Total Advances and Investments	46,451	50,264	40,442	54,293

Bank Balance Sheet

₹ Cr	As on Mar 31, 2011	As on Jun 30, 2011	As on Sep 30, 2010	As on Sep 30, 2011
Net Worth	6,796	7,077	6,328	7,361
Deposits	29,261	31,047	28,287	36,390
CA	5,460	4,947	5,875	5,792
SA	3,331	3,307	3,143	3,564
Term Deposit	15,388	16,819	14,536	19,827
Certificate of Deposit	5,082	5,974	4,733	7,207
Borrowings	11,724	13,863	8,077	12,771
Other Liabilities and Provisions	3,070	3,086	3,293	2,978
Total	50,851	55,073	45,985	59,501

₹ Cr	As on Mar 31, 2011	As on Jun 30, 2011	As on Sep 30, 2010	As on Sep 30, 2011
Cash, Bank and Call	2,471	2,842	3,204	2,917
Investments	17,121	17,925	13,935	16,944
<i>Government Securities</i>	<i>13,198</i>	<i>14,331</i>	<i>11,464</i>	<i>13,862</i>
<i>Other Securities</i>	<i>3,923</i>	<i>3,594</i>	<i>2,471</i>	<i>3,082</i>
Advances	29,329	32,339	26,507	37,349
Fixed Assets & Other Assets	1,928	1,967	2,339	2,290
Total	50,851	55,073	45,985	59,501

Bank Key Ratios

	FY11	Q1FY12	Q2FY11	Q2FY12
CAR %	19.9	18.2 \$	19.4 \$	17.8
Tier I (%)	18.0	16.1 \$	17.2 \$	15.9
Gross NPA (₹ cr) *	362	377	487	378
Gross NPA (%) *	1.2	1.2	1.8	1.0
Net NPA (₹ cr) *	146	157	180	161
Net NPA (%) *	0.5	0.5	0.7	0.4
RoA (%) - Annualised	1.8	1.9	1.8	1.8

\$ excl. unaudited profits

* Excluding acquired stressed assets portfolio

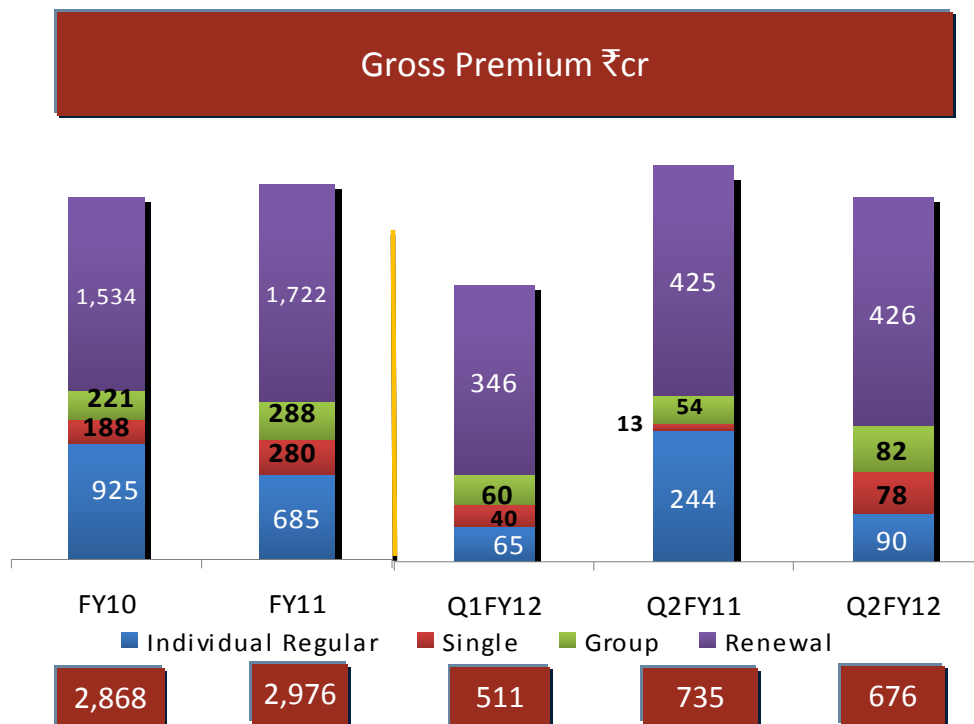
Kotak Mahindra Prime

₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Total income	1,365	396	316	424
Profit before tax	482	141	96	134
Profit after tax	318	94	61	90

₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Total Advances	11,145	11,569	10,029	12,547
Car Advances	8,489	8,938	7,797	9,821
Net NPA	31	27	78	22
Net NPA (%)	0.3	0.2	0.8	0.2
CAR (%)	15.5	16.0	13.4	15.9
ROA (%) - annualised	3.1	3.1	2.5	2.8

Life Insurance

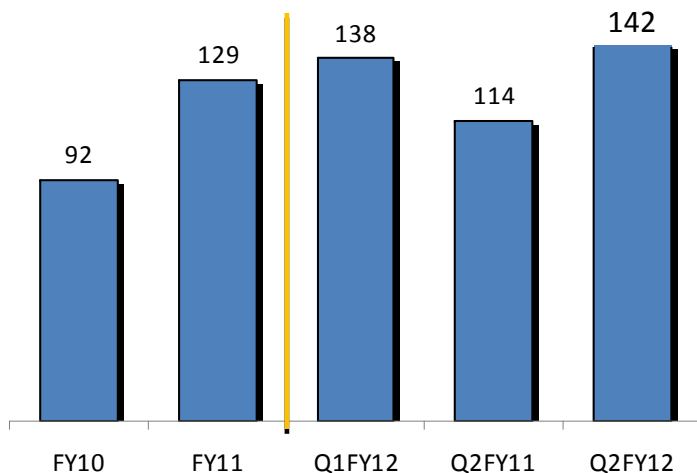
- Capital efficiency among the highest in the industry
- Adjusting with the new product mix
- FY12 as another year of consolidation; conservatism has helped so far



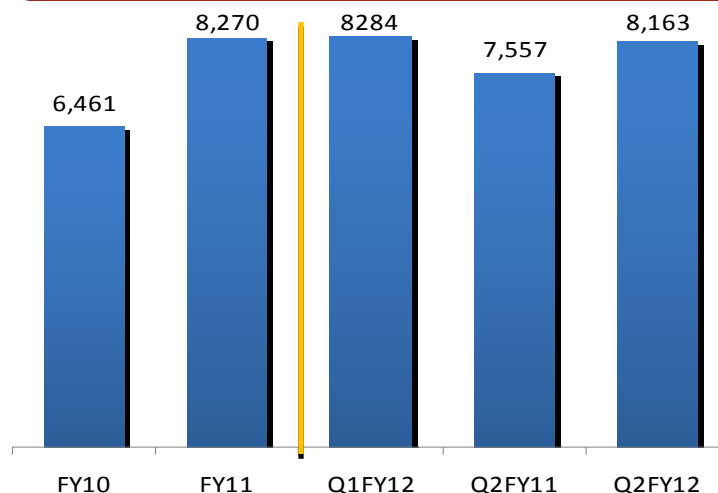
	FY11	Q1FY12	Q2FY11	Q2FY12
Capital (₹ cr)	562	562	562	562
Solvency ratio	2.67	2.85	2.69	3.04
Individual Regular	685	65	244	90
Single	280	40	13	78
Group	288	60	54	82
Renewal	1,722	346	425	426
Total	2,976	511	735	676

Life Insurance

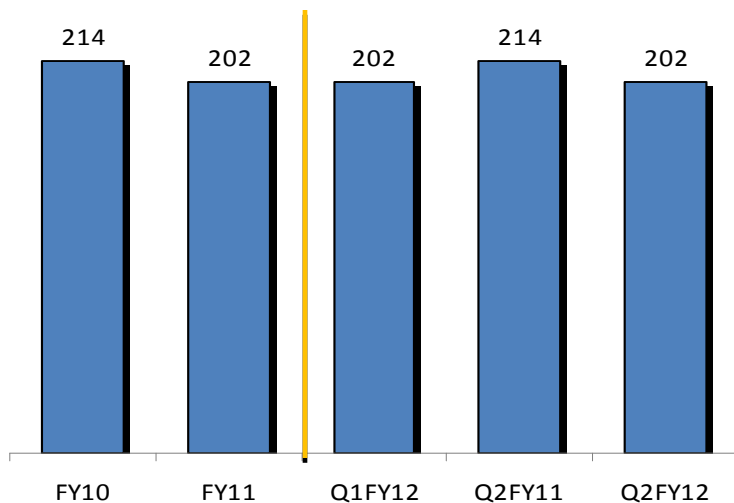
Sum Assured ₹ 000 cr



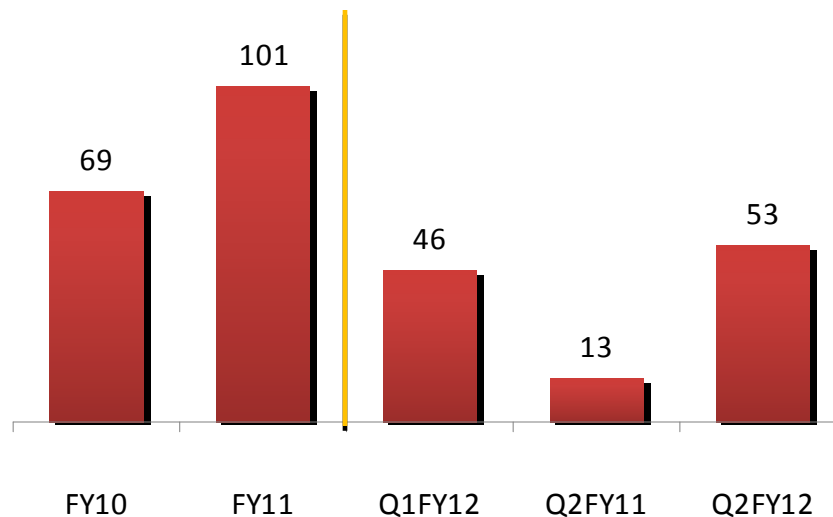
AUM ₹ cr



Number of Branches

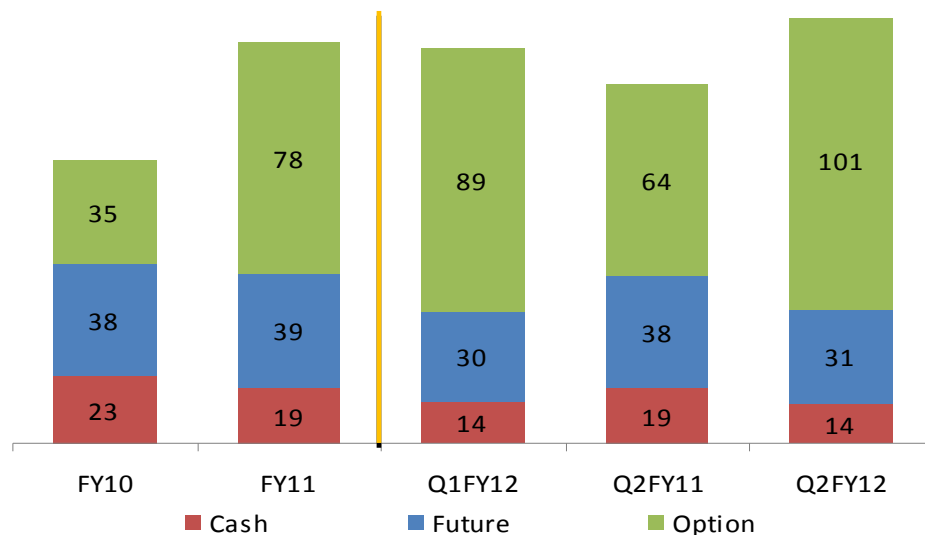


PAT ₹ cr

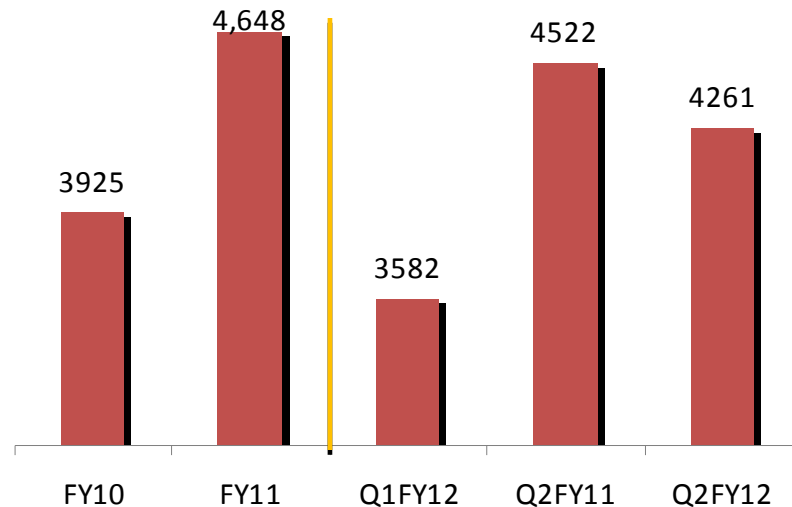


Kotak Securities

Market ADV (₹ 000 cr)











ADV ₹ cr (KS)



₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Total income	738	145	198	152
Profit before tax	272	36	77	44
Profit after tax	182	23	52	29
Market Share (%)	3.4	2.7	3.7	2.9

Kotak Securities services > 7,08,000 secondary market customers thru 1,429 branches & franchises.

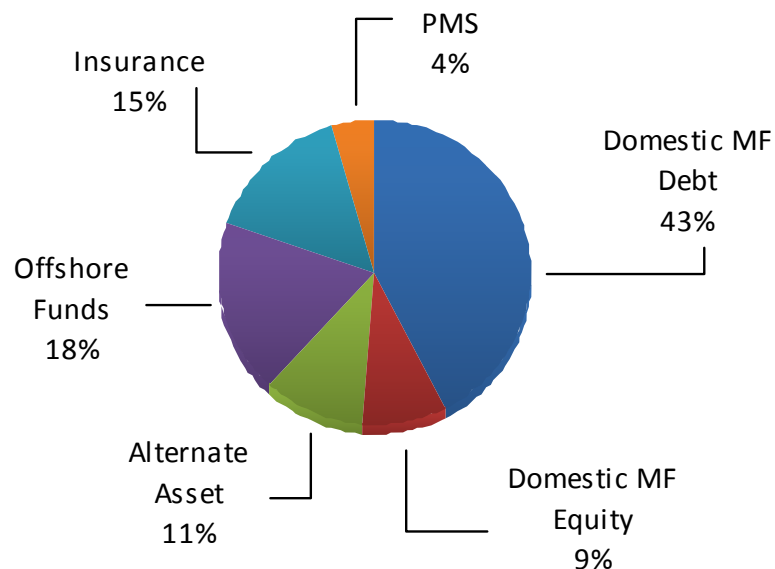
Kotak Mahindra Capital

Client	Transaction	Size (USD mn)
 Muthoot Finance <small>A Muthoot M George Enterprise Since 1887</small>	Initial Public Offering	204
 FUTUREVENTURES <small>POWERING ENTREPRENEURSHIP</small>	Initial Public Offering	169
 MAGMA KKR <small>Investing in the smallest dream</small>	Growth equity investment by KKR & IFC	97
 KOKUYO Camlin	Joint Venture between Kokuyo and Camlin Limited	91
 RPM	Open offer for Kemrock Industries and Exports Limited by RPM International Inc.	45
 DR. REDDY'S	Joint venture with FUJIFILM for developing, manufacturing and promoting generic drugs in Japan	ND
 Tyco Electronics	Open Offer for ADC India Communications Limited by Tyco Electronics Limited.	ND
 Orient Paper & Industries Limited	Demerger of Cement Division	ND

₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Total income	154	23	30	13
Profit before tax	70	2	11	(5)
Profit after tax	52	1	7	(4)

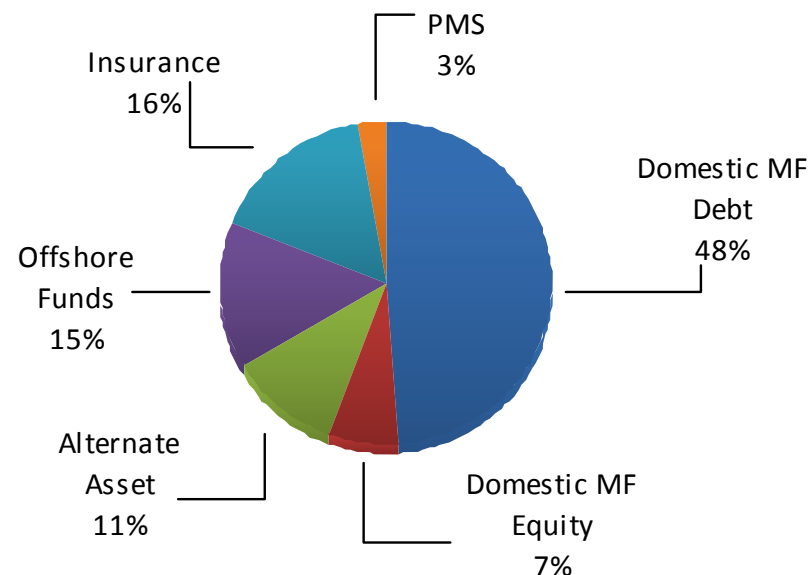
Asset Management

₹ 49,709 cr



Sep 30, 2010

₹ 50,467 cr

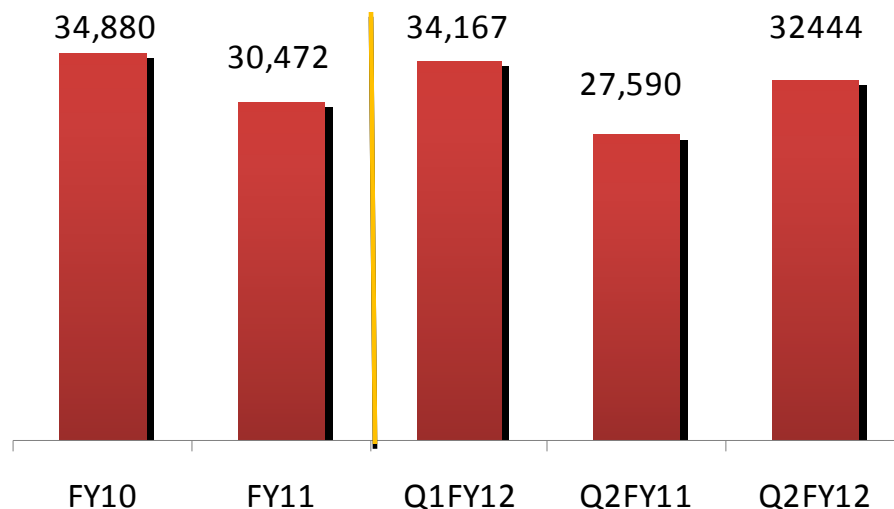


Sep 30, 2011

Kotak Mahindra AMC & Trustee Company

- Close to 9.8 lac folios
- 84 Branches

Average Assets Under Management ₹cr



₹ Cr	FY11	Q1FY12	Q2FY11	Q2FY12
Total income	119	37	19	33
Profit before tax	25	13	(4)	10
Profit after tax	17	9	(2)	7
Average AUM (₹ bn)	305	342	276	324
Average AUM - Equity (₹ bn)	44	37	46	35

Kotak Investment Advisors

Realty Funds

- Corpus advised / managed – ₹ 3,404cr
- 42 Investments; 8 full exits, 10 partial exits

Private Equity Funds

- Corpus advised / managed – ₹ 2,065 cr
- 32 Investments; 3 full exits, 1 partial exits

₹ cr	FY11	Q1FY12	Q2FY11	Q2FY12
Total income	96	25	24	24
Profit before tax	49	15	15	13
Profit after tax	33	11	11	8

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



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



Ranked #2 in India for companies with “Best Corporate Governance Practices” – IR Global Rankings 2010



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



“The ingenious 100” Award by IDG India’s CIO Magazine for Storage Virtualization & Ingenious Technology Solutions



Best Local Cash Management Bank Asia Money 2011 and 2010



Best Private Bank by Finance Asia Country



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’



Best Debt Fund House of the year 2009 Outlook Money NDTV Profit Awards 2009 & 2010

 **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 Broker in India 2010

ASIAMONEY

Best Local Brokerage 2010

 **kotak**® Investment Banking



2010: Best Domestic Investment Bank
(Fifth year in a row)

 **kotak**® Investment Banking



2010: Best Investment Bank in India

 **kotak**® Investment Banking

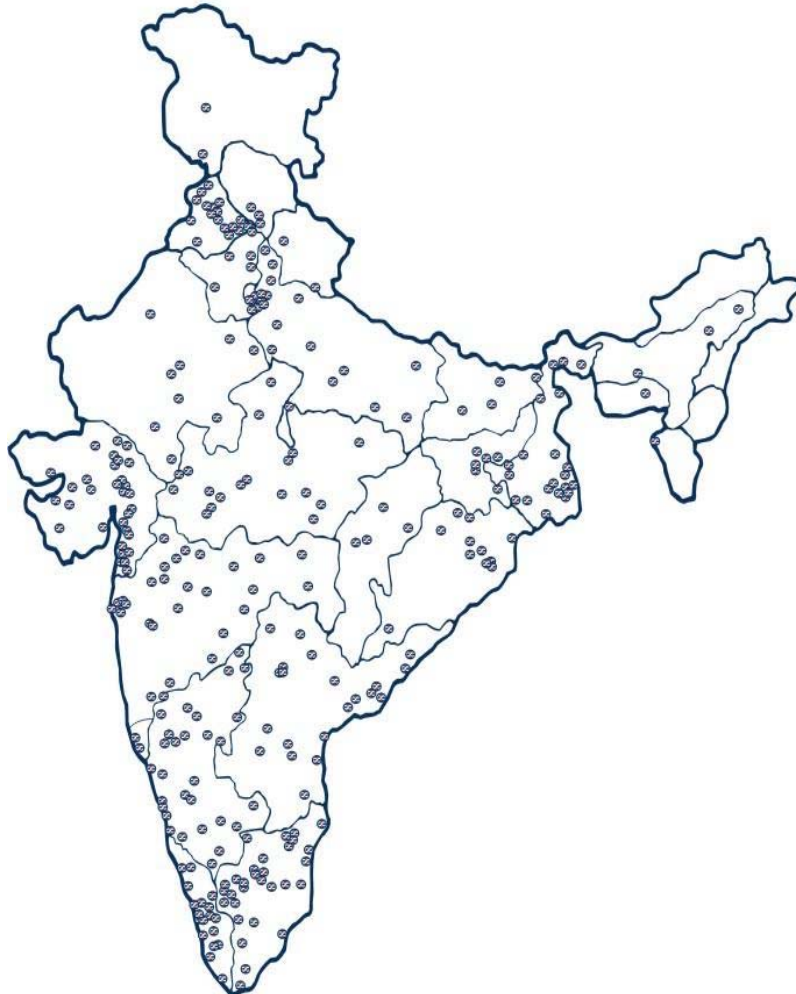


2011: Best Bank for Equity Finance in India
(Real Estate)

(Second year in a row)

Geographical Presence

Wide National Footprint ...



.. With Multiple Points of Presence

Business	Branches (Sep, 11)
Banking	323
Car Finance	69
Life Insurance	202
Securities	1,429
Mutual Fund	84
Total	2,107

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

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