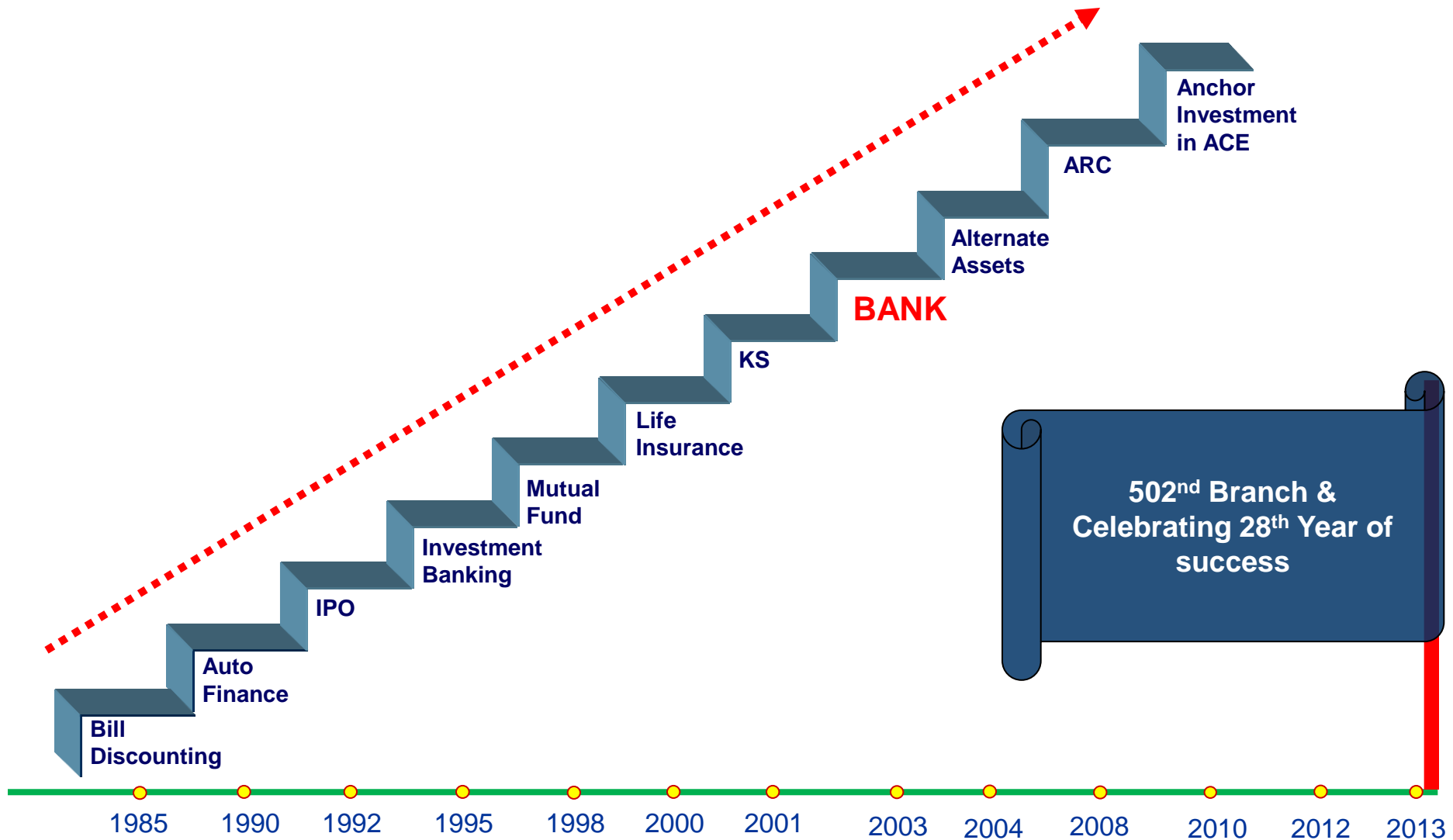


# *Investor Presentation Q2FY14*



Oct 24, 2013

# Journey So Far.....

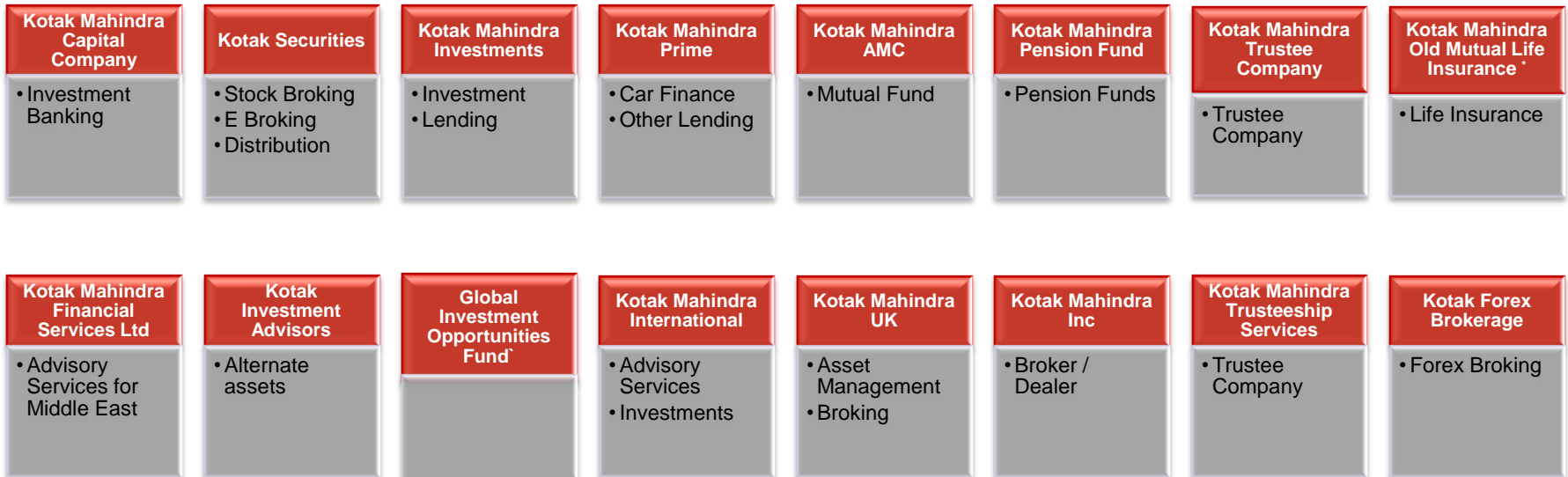


# Group Structure



## Kotak Mahindra Bank

- Commercial Bank & Holding Company

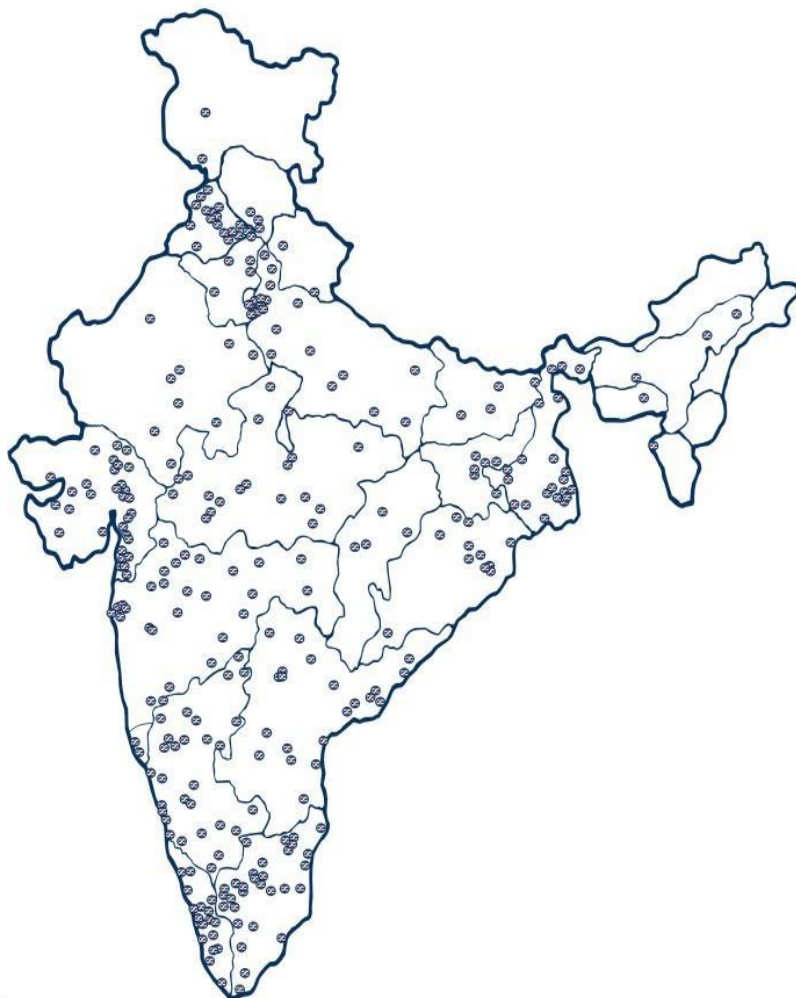


Note:

- All companies are fully owned subsidiaries excepting KM Old Mutual which is held 74%

# Geographical Presence

Wide National Footprint .....



..... With Multiple Points of Presence

Business	Sep 30, 2013
Banking	502
Car Finance	67
Life Insurance	206
Securities	1,286
Mutual Fund	79
<b>Total</b>	<b>2,140</b>

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

# Kotak Bank - Standalone Highlights

PAT

₹ 353 cr  
(₹ 280 cr)  
up 26% yoy

RoA

1.7% (1.6%)

Loans\*

₹ 50,609 cr  
(₹ 45,443 cr)  
up 11% yoy

NIM

4.9%  
(4.6%)

Net  
NPA

0.96% (0.75%)

CAR#

18.1% (15.4%)

Tier 1

16.9% (13.9%)

CASA

₹ 15,393 cr  
(₹ 12,321 cr)  
up 25% yoy

Restructured  
Loans-  
standard

₹ 45 cr – 0.09%  
(₹ 5 cr)

*Crossed 500 branches and 1,000 ATMs during the quarter*

**\* Loans growth excluding CECV at 18%**

# As per Basel III excluding unaudited profit, previous period Basel II. CAR and Tier I including profit - 19.4% & 18.1%



Figures in brackets are Q2FY13 numbers

# Consolidated Highlights

**PAT**

**₹ 583 cr**  
(₹ 502 cr)  
up 16% yoy

**Networth**

**₹ 17,868 cr**  
(₹ 13,943 cr)

**RoA**

**2.0%** (2.0%)

**Book  
Value**

(per share)  
**₹ 232.6**  
(₹ 187.6)

**NIM**

**4.9%** (4.6%)

**Loans\***

**₹ 68,226 cr**  
(₹ 61,255 cr)  
up 11% yoy

**Total  
Assets**

**₹ 114,631 cr**  
(₹ 102,258 cr)  
up 12% yoy

**Net  
NPA**

**0.80%** (0.63%)

**\* Loans growth excluding CECV at 16%**

*Figures in brackets are Q2FY13 numbers*

# Consolidated PAT

₹ cr	FY03	FY07	FY08	FY09	FY10	FY11	FY12	FY13
Kotak Mahindra Bank	45	141	294	276	561	818	1,085	1,361
Kotak Mahindra Prime	11	57	101	157	166	318	385	431
Kotak Securities	24	256	409	107	260	182	126	114 *
Kotak Mahindra Capital Company	31	68	115	13	24	52	6	17
Kotak Mahindra Old Mutual Life Insurance	(42)	(58)	(72)	14	69	101	203	190
Kotak Mahindra AMC & Trustee Co	3	12	8	16	72	17	22	12
International subsidiaries	-	35	64	24	80	51	(11)	6
Kotak Investment Advisors	(1)	-	13	48	40	33	36	31
Kotak Mahindra Investments	15	27	43	14	35	24	15	33
<b>Total</b>	<b>86</b>	<b>538</b>	<b>975</b>	<b>669</b>	<b>1,307</b>	<b>1,596</b>	<b>1,867</b>	<b>2,195</b>
Minority Interest, Equity Affiliates, others	(13)	-	16	(17)	-	(29)	(35)	(7) *
<b>Consolidated PAT</b>	<b>73</b>	<b>538</b>	<b>991</b>	<b>652</b>	<b>1,307</b>	<b>1,567</b>	<b>1,832</b>	<b>2,188</b>

\* after considering ₹ 30 cr loss on divestment of stake in a fellow subsidiary ; no impact on consolidated profits

# Consolidated PAT – Cont'd

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Kotak Mahindra Bank	1,361	403	280	353
Kotak Mahindra Prime	431	117	114	125
Kotak Securities	114	31	40	40
Kotak Mahindra Capital Company	17	4	4	(2)
Kotak Mahindra Old Mutual Life Insurance	190	71	47	44
Kotak Mahindra AMC & Trustee Co	12	7	(5)	17
International subsidiaries	6	(10)	8	1
Kotak Investment Advisors	31	1	9	4
Kotak Mahindra Investments	33	4	16	11
<b>Total</b>	<b>2,195</b>	<b>628</b>	<b>513</b>	<b>593</b>
Minority Interest, Equity Affiliates, others	(7)	(1)	(11)	(10)
<b>Consolidated PAT</b>	<b>2,188</b>	<b>627</b>	<b>502</b>	<b>583</b>

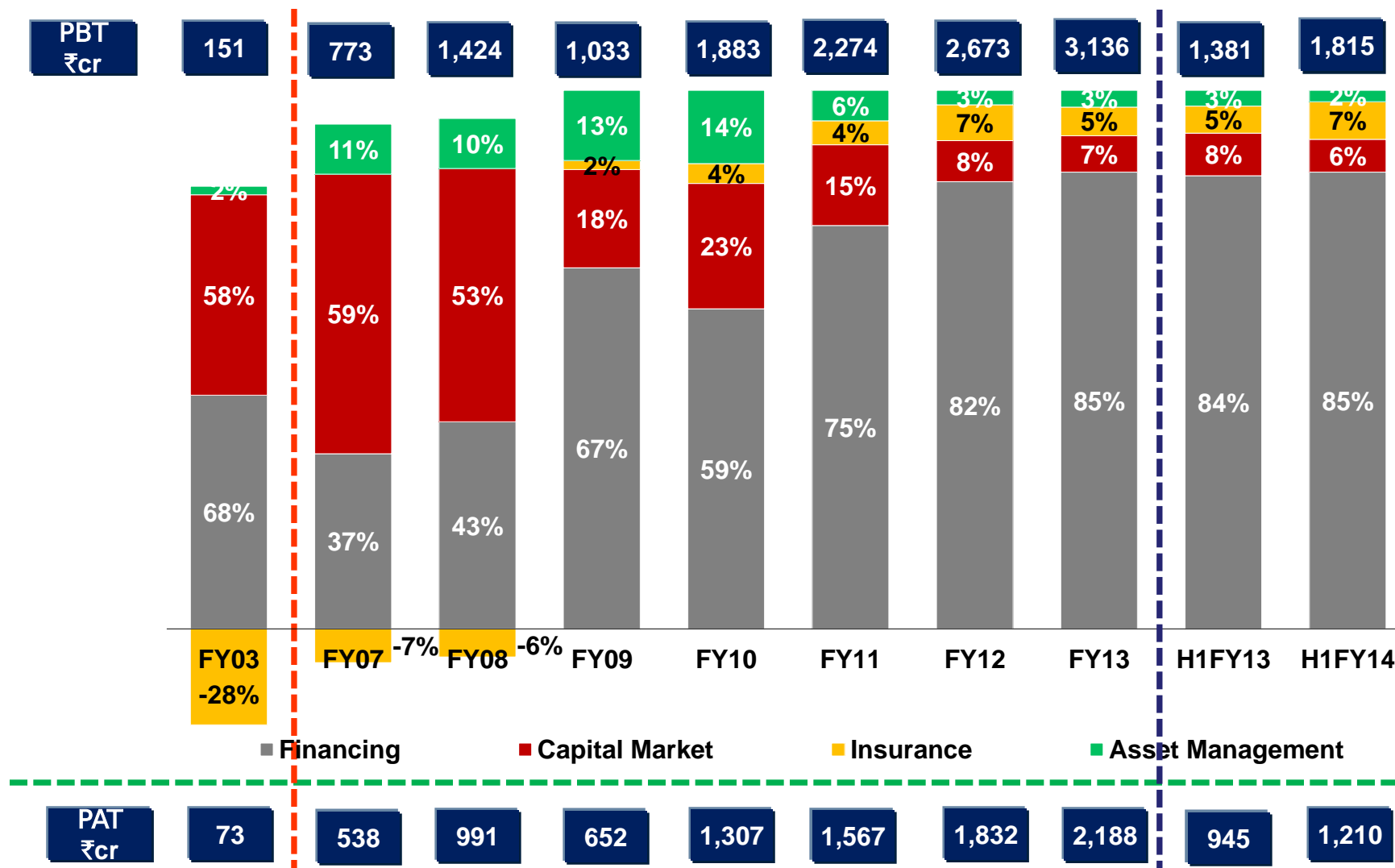


# Entity Wise Networth

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013
Kotak Mahindra Bank	9,447	11,165	8,597	11,553
Kotak Mahindra Prime	2,352	2,469	2,128	2,593
Kotak Securities	1,934	1,965	1,883	2,005
Kotak Mahindra Capital Company	389*	392	505	391
Kotak Mahindra Old Mutual Life Insurance	803	873	692	917
Kotak Mahindra AMC & Trustee Co	108	116	96	133
International subsidiaries	378	388	363	411
Kotak Investment Advisors	223	224	208	228
Kotak Mahindra Investments	304	348	290	360
Other entities	31	33	15	32
<b>Total</b>	<b>15,969</b>	<b>17,973</b>	<b>14,779</b>	<b>18,623</b>
Add: Associates	533	538	522	538
Less: Minority, inter-company and other adjustments	(1,252)	(1,283)	(1,358)	(1,293)
<b>Consolidated Networth</b>	<b>15,250</b>	<b>17,228</b>	<b>13,943</b>	<b>17,868</b>

\*post buy back of shares of fellow subsidiary for ₹ 123 cr

# Consolidated Profit (PBT) Mix



# Bank Profit & Loss

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14	YoY Growth
Net Interest Income	3,206	917	758	924	22%
Other Income	1,161	462	251	297	18%
<b>Net Total Income</b>	<b>4,367</b>	<b>1,379</b>	<b>1,009</b>	<b>1,221</b>	<b>21%</b>
Employee Cost	1,051	301	243	265	9%
Other Operating Expenses	1,159	299	284	350	23%
<b>Operating Expenditure</b>	<b>2,210</b>	<b>600</b>	<b>527</b>	<b>615</b>	<b>17%</b>
<b>Operating Profit</b>	<b>2,157</b>	<b>779</b>	<b>482</b>	<b>606</b>	<b>26%</b>
Provision on advances	205	134	79	22	-
Provision on other receivables	1	-	(1)	(20)	-
Provision on investments	(21)	35	(7)	70	-
<b>Provision &amp; contingencies</b>	<b>185</b>	<b>169</b>	<b>71</b>	<b>72</b>	<b>2%</b>
<b>PBT</b>	<b>1,972</b>	<b>610</b>	<b>411</b>	<b>534</b>	<b>30%</b>
Provision for Tax	611	207	131	181	39%
<b>PAT</b>	<b>1,361</b>	<b>403</b>	<b>280</b>	<b>353</b>	<b>26%</b>

# Bank Other Income

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Fee and Services	799	229	190	212
Treasury Income	226	164	29	70
ARD Buyout Income	118	62	29	13
Others	18	7	3	2
<b>Total</b>	<b>1,161</b>	<b>462</b>	<b>251</b>	<b>297</b>

# MTM on Investments

## MTM accounting as per RBI circular

- ☐ One time option given to banks to transfer SLR investments from AFS / HFT to HTM at valuation date of 15<sup>th</sup> July, 2013
- ☐ Bank did not transfer any security to HTM category as permitted by the circular
- ☐ The Bank's total HTM securities at 30<sup>th</sup> September, 2013 were 11.36% of net demand and time liabilities (NDTL)
- ☐ Banks permitted to amortise MTM losses equally over the financial year
- ☐ The Bank has amortised MTM loss on HFT/AFS portfolio aggregating to ₹ 263.65 cr equally over 3 quarters, ₹ 87.88 cr depreciation recognised till 30<sup>th</sup> September, 2013
- ☐ Had the Bank transferred all SLR security from AFS / HFT category to HTM category, the net depreciation as at 30<sup>th</sup> September, 2013 would have been ₹ 46.50 cr instead of ₹ 263.65 cr before considering distribution during the financial year
- ☐ The duration of Bank's investment book as on 30<sup>th</sup> September, 2013 is 2.17

# Bank Segmental Performance

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Corporate/Wholesale Banking	1,211	288	296	307
Retail Banking	614	180	121	180
Treasury & BMU*	146	139	(6)	47
Unallocated Income	1	3	-	-
<b>Total</b>	<b>1,972</b>	<b>610</b>	<b>411</b>	<b>534</b>

\* Balance Sheet Management Unit

# Bank Advances & Investments

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Corporate Banking	12,291	14,849	13,868	14,759	6%
Commercial Vehicles & Construction Equipment	7,805	7,508	8,183	6,781	(17%)
Agriculture Division	8,356	7,841	6,419	7,910	23%
Business Banking	5,216	5,186	4,568	5,308	16%
Mortgage Loans	10,727	11,030	9,632	11,307	17%
Small Business & Personal Loans	2,897	2,940	1,937	3,082	59%
Others	1,177	1,185	836	1,462	75%
<b>Total Advances</b>	<b>48,469</b>	<b>50,539</b>	<b>45,443</b>	<b>50,609</b>	<b>11%*</b>

*\* Advances growth excluding CECV 18%*

## Advances – as per segmental classification

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Retail	24,428	24,430	21,967	24,785	13%
Corporate	24,041	26,109	23,476	25,824	10%
<b>Total Advances</b>	<b>48,469</b>	<b>50,539</b>	<b>45,443</b>	<b>50,609</b>	<b>11%</b>
Investment / Treasury Assets	28,873	27,802	22,173	22,528	2%
<b>Total Advances and Investments</b>	<b>77,342</b>	<b>78,341</b>	<b>67,616</b>	<b>73,137</b>	<b>8%</b>

# Bank Balance Sheet

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Net Worth	9,447	11,165	8,597	11,553	34%
Deposits	51,029	52,454	45,463	52,642	16%
CA	7,650	7,075	6,395	7,008	10%
SA	7,268	8,057	5,926	8,385	42%
Certificate of Deposit	8,172	7,789	7,031	4,536	(35%)
Term Deposit Others	27,939	29,533	26,111	32,713	25%
Borrowings	20,411	17,900	15,991	14,523	(9%)
Other Liabilities and Provisions	2,807	3,336	2,843	3,467	22%
<b>Total</b>	<b>83,694</b>	<b>84,855</b>	<b>72,894</b>	<b>82,185</b>	<b>13%</b>

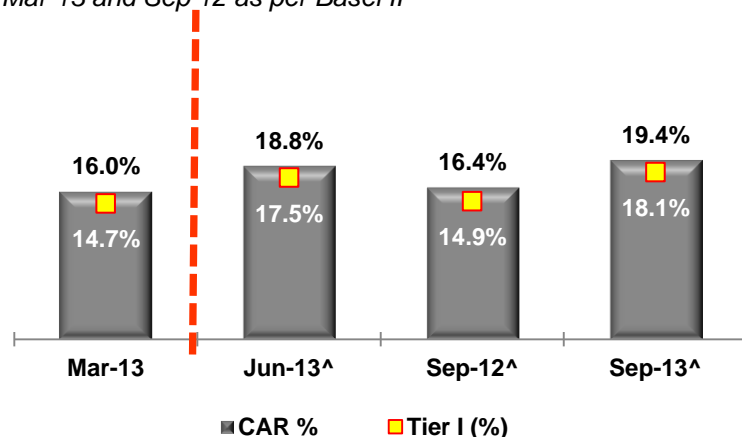
₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Cash, Bank and Call	3,689	3,278	2,955	5,339	81%
Investments	28,873	27,802	22,173	22,528	2%
Government Securities	21,562	19,757	16,672	16,837	1%
Others	7,311	8,045	5,501	5,691	3%
Advances	48,469	50,539	45,443	50,609	11%
Fixed Assets and Other Assets	2,663	3,236	2,323	3,709	60%
<b>Total</b>	<b>83,694</b>	<b>84,855</b>	<b>72,894</b>	<b>82,185</b>	<b>13%</b>



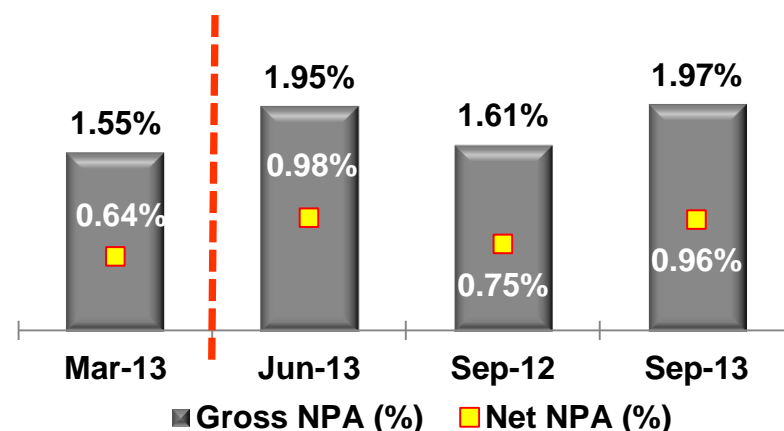
# Bank Key Ratios

## CAR & Tier I (%) – Basel III

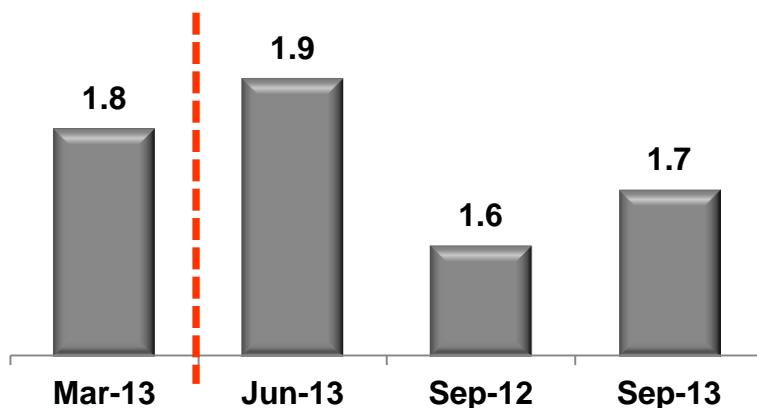
^ including unaudited profits  
For Mar 13 and Sep 12 as per Basel II



## NPA (%)



## RoA (%)



## Asset Quality

Restructured loans considered standard  
₹ 45 cr (0.09%)

No CDR participation

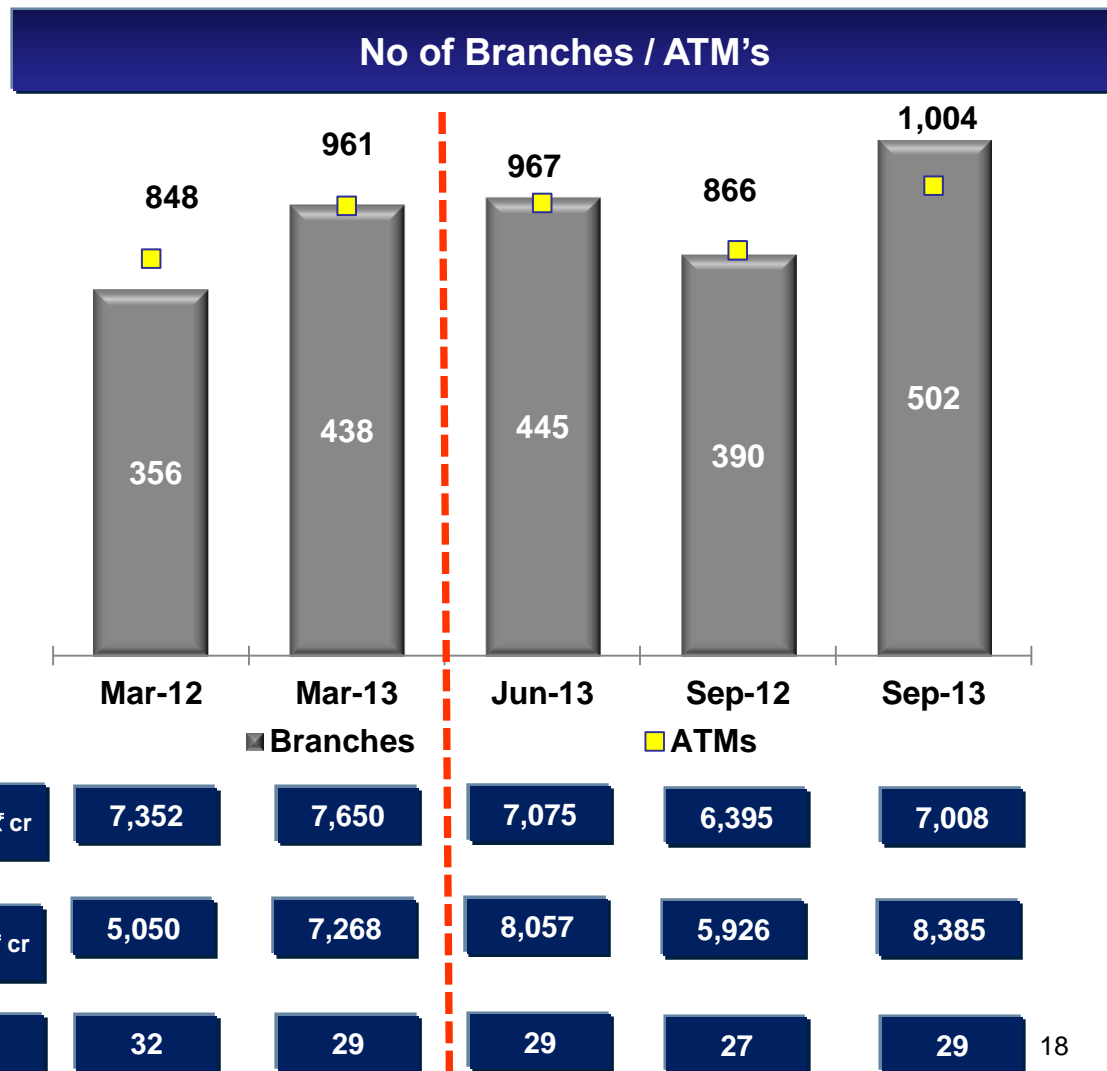
No transfer to ARC

No conversion to off-Balance sheet

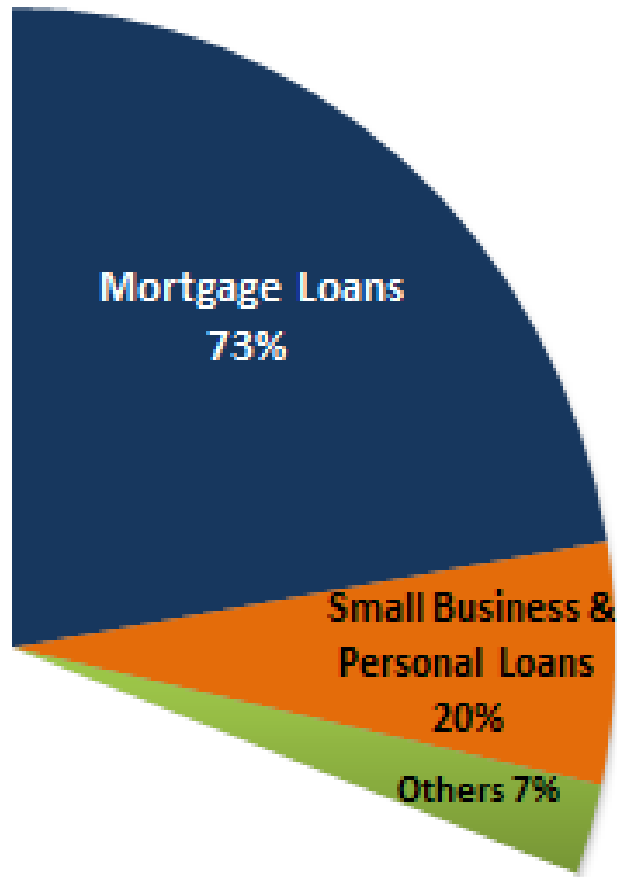
# Consumer Banking Liabilities

*Crossed 500 branches and 1,000 ATMs during the quarter*

- ☐ Plan to reach 600 branches by March 14
- ☐ Plan to double branches within three years
- ☐ Savings balances increased 42% yoy
- ☐ Added ~ 1.7 lac customer accounts for the quarter
- ☐ TD sweep to total deposit ratio at 7.2%
- ☐ CASA and TDs below ₹ 5 cr constitute 63% of total deposits
- ☐ Focus on digital



# Consumer Banking Assets – Bank

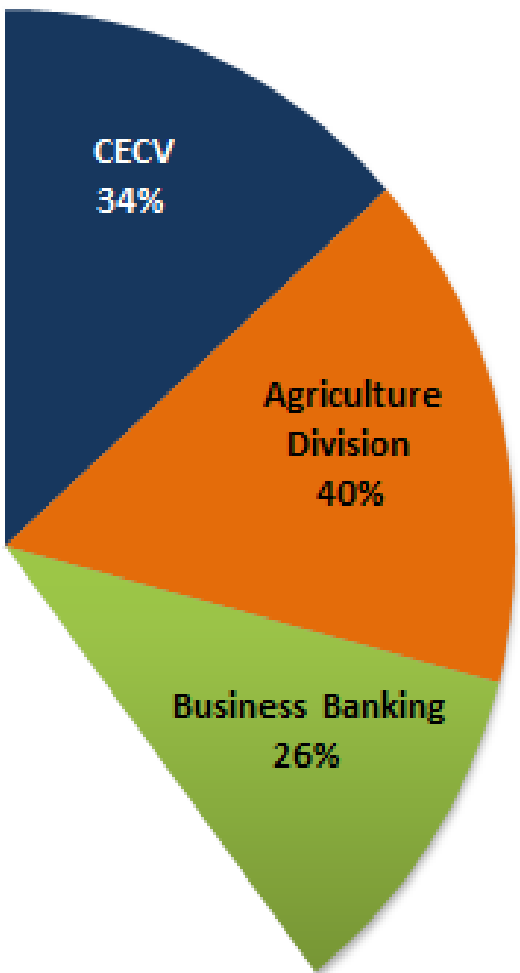


	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Mortgage Loans	74%	74%	78%	73%	17%
Small Business & Personal Loans	20%	20%	16%	20%	59%
Others	6%	6%	6%	7%	70%
<b>Total Consumer Banking</b>	<b>14,551</b>	<b>14,899</b>	<b>12,257</b>	<b>15,556</b>	<b>27%</b>

- ❑ Focus on SENP and cross sell to bank branch
- ❑ Mortgages growth in select territories
- ❑ Selective growth in small business and personal loans
- ❑ Profitable growth with low delinquencies



# Commercial Banking Assets – Bank



	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
CECV	37%	37%	43%	34%	(17%)
Agri Division	39%	38%	33%	39%	23%
Business Banking	24%	25%	24%	27%	16%
Total Commercial Banking	21,452	20,627	19,195	20,124	5%

- ❑ Focus on Bharat continued with rollout of rural branches
- ❑ Focus and growth in tractor finance
- ❑ CECV continue to be cautious

# Wholesale Banking - Bank

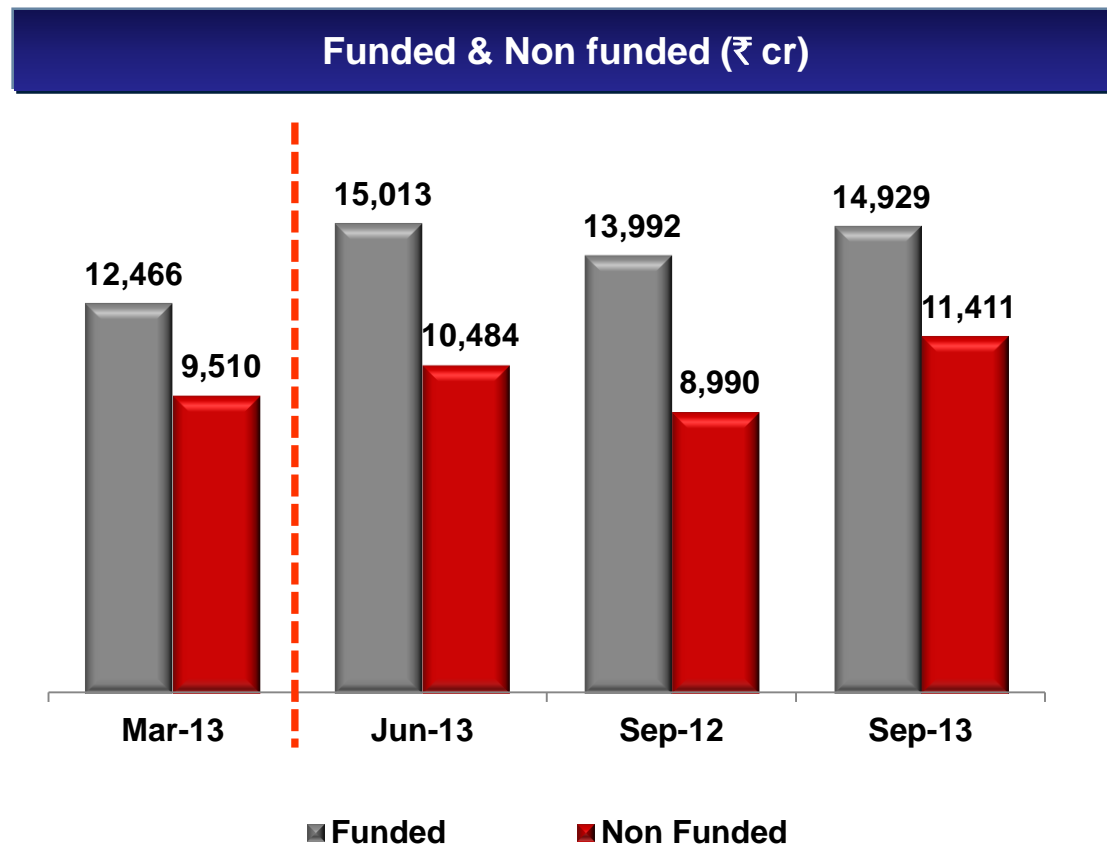
## ❑ Increased presence in large corporate groups

- Largely medium term finance & working capital
- Stable growth in Trade Credits & Export Finance
- Traction in supply chain financing

## ❑ Traction in Transaction Banking services

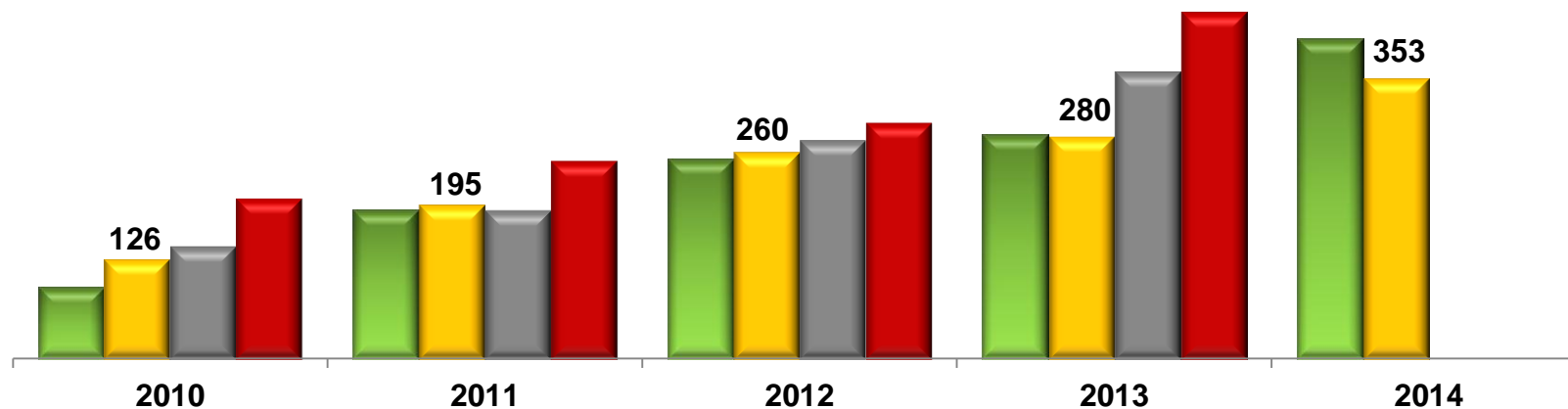
- Customized solutions for optimizing working capital
- Robust technology platforms & consistent innovation
- Focused coverage to enhance FX flow business

## ❑ Continued to deepen franchise across all customer segments

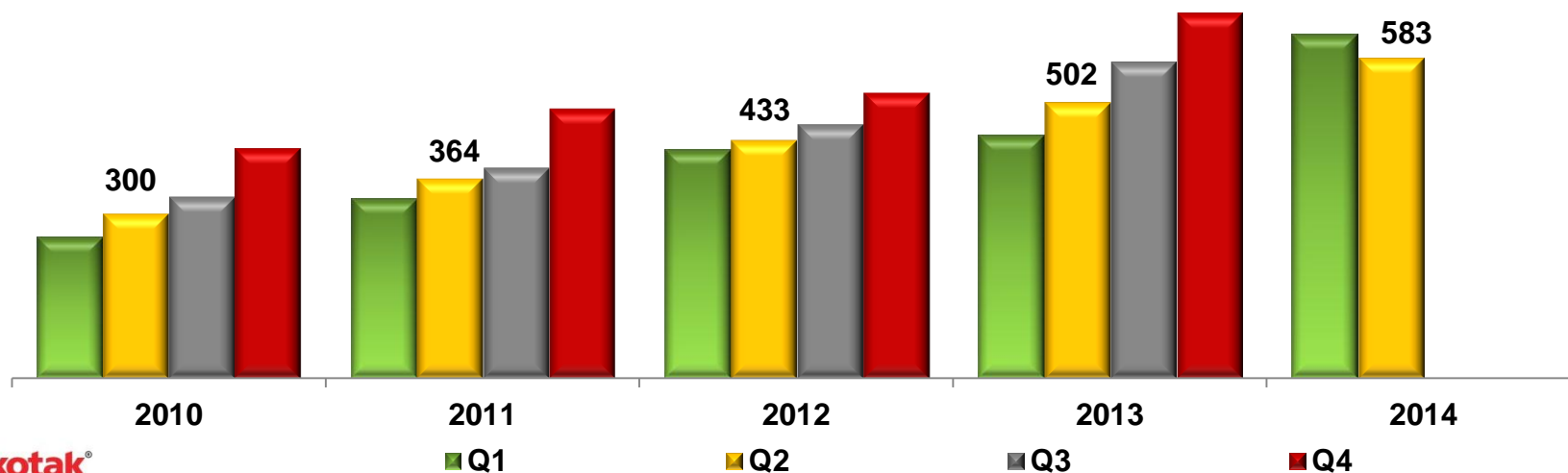


# PAT - Quarterly Trend

Bank (₹ cr)

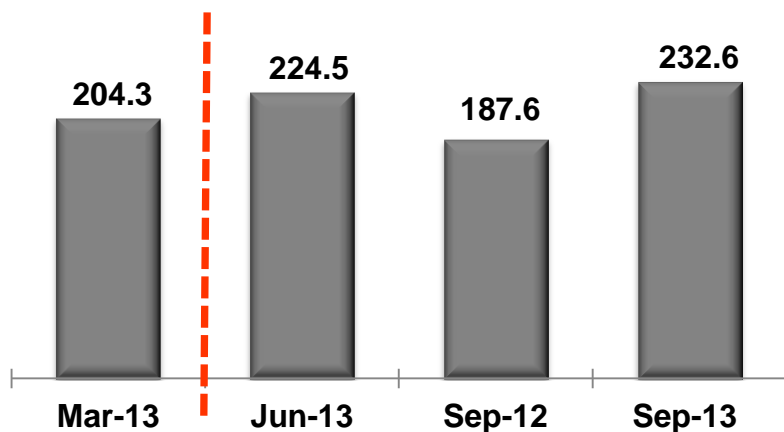


Consolidated (₹ cr)

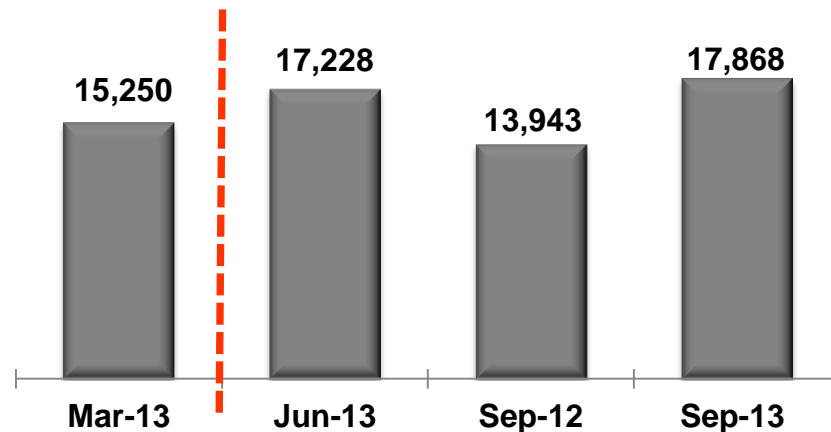


# Consolidated Key Financials

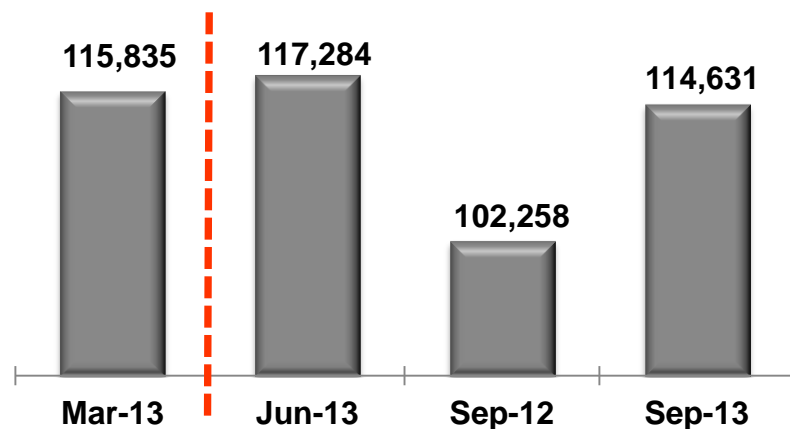
Book Value Per Share (₹)



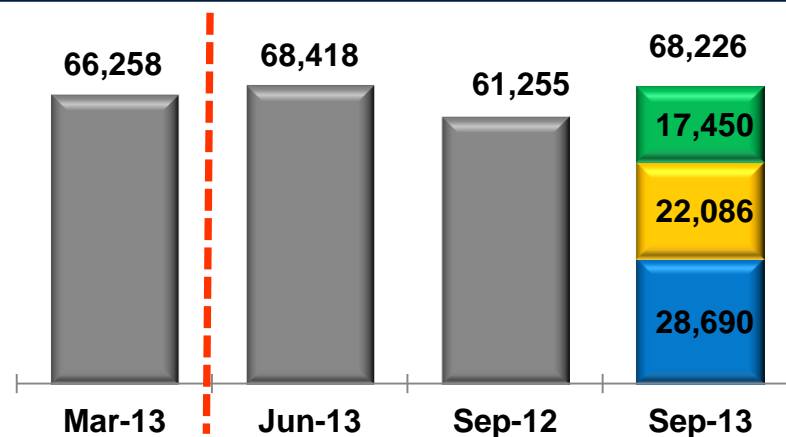
Networth (₹ cr)



Total Assets (₹ cr)



Advances (₹ cr)



■ Consumer ■ Commercial ■ Corporate

# Consolidated Advances & Investments

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013	YoY Growth
Corporate Banking	14,535	17,202	15,678	17,245	10%
Commercial Vehicles & Construction Equipment	7,805	7,508	8,183	6,781	(17%)
Agriculture Division	8,356	7,841	6,419	7,910	23%
Business Banking	5,217	5,188	4,571	5,308	16%
Auto Loans	12,750	13,020	11,748	13,094	11%
Mortgage Loans	10,727	11,030	9,632	11,307	17%
Small Business & Personal Loans	2,924	2,971	1,957	3,114	59%
Others	3,944	3,658	3,067	3,467	13%
<b>Total Advances</b>	<b>66,258</b>	<b>68,418</b>	<b>61,255</b>	<b>68,226</b>	<b>11%#</b>
Investments/ Treasury Assets *	31,340	30,265	23,990	25,198	5%
<b>Total Advances and Investments</b>	<b>97,598</b>	<b>98,683</b>	<b>85,245</b>	<b>93,424</b>	<b>10%</b>

**# Advances growth excluding CECV at 16%**



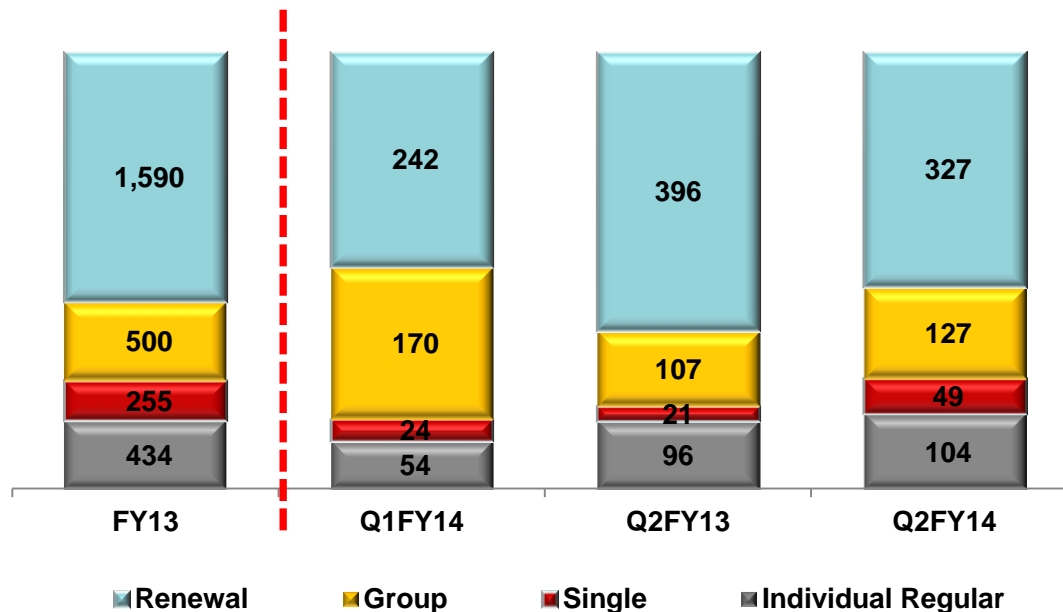
# Kotak Mahindra Prime

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
NII	727	205	176	220
Other income	186	48	49	45
Total Income	913	253	225	265
Profit before tax	641	179	170	191
<b>Profit after tax</b>	<b>431</b>	<b>117</b>	<b>114</b>	<b>125</b>

₹ cr	Mar 31, 2013	June 30, 2013	Sep 30, 2012	Sep 30, 2013
Total Advances	17,022	17,093	15,173	16,952
Car Advances	12,777	13,055	11,756	13,136
Net NPA	36	31	30	51
Net NPA (%)	0.2	0.2	0.2	0.3
CAR (%)	15.4	16.0	15.8	16.4
ROA (%) - annualised	2.6	2.5	2.8	2.6

# Kotak Mahindra Life Insurance

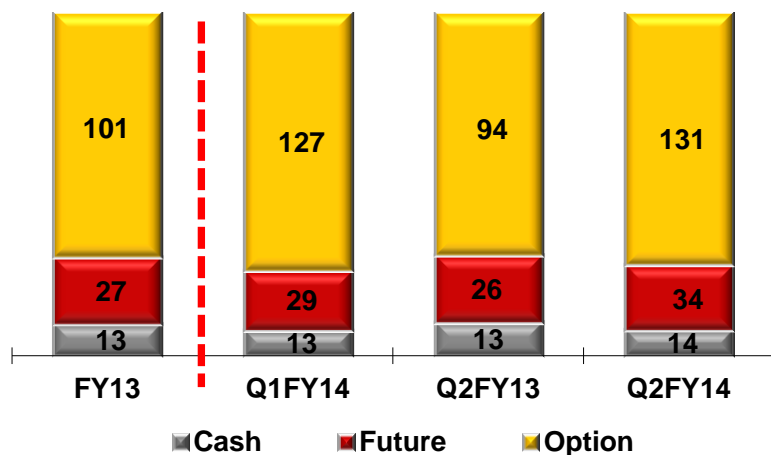
- ❑ Healthy solvency ratio
- ❑ Agency Business grew by 48% on regular premium during H1
- ❑ Share of Kotak bank for H1 stable at around 25% ( PY – 23%)
- ❑ Protection Share maintained at 35% of total New Business
- ❑ NB Sum Assured during H1 grew by 33% from ₹563 bn to ₹749 bn



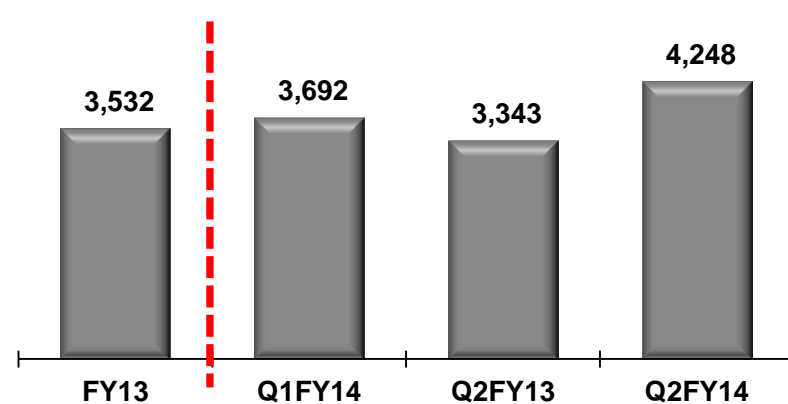
	FY13	Q1FY14	Q2FY13	Q2FY14
Capital (₹ cr)	562	562	562	562
Solvency ratio (%)	2.93	3.11	2.90	3.12
PAT	190	71	47	44

# Kotak Securities

Market ADV (₹ '000 cr)



ADV (₹ cr) - KS











₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	599	147	155	152
Profit before tax	189	48	59	60
Profit after tax	114	31	40	40
Market Share* (%)	2.5	2.2	2.5	2.4

\*excluding BSE Derivative segment

Kotak Securities services around 8.8 lac secondary market customers through 1,286 branches and franchises

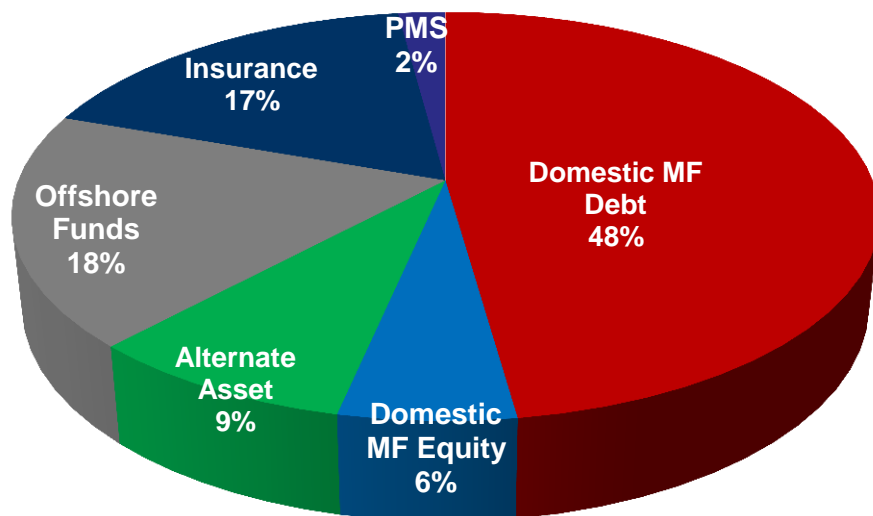
# Kotak Mahindra Capital Co.

Client	Transactions during Q2FY14	Size (₹ cr)
 <b>Godrej   PROPERTIES</b>	Rights Issue	700
 <b>bajaj Corp Ltd.</b>	Offer for Sale (OFS)	335
 <b>HINDUSTAN COPPER LIMITED</b> <small>A GOVERNMENT OF INDIA ENTERPRISE</small>	Offer for Sale (OFS)	260
 <b>OBEROI REALTY</b>	Offer for Sale (OFS)	191
 <b>Camlin KOKUYO</b>	Rights Issue	110
 <b>हिन्दुस्तान Hindustan Media Ventures</b>	Offer for Sale (OFS)	23
 <b>Vijai Electricals Ltd.</b>	Divestment of a major portion of Vijai Electricals' T&D business to Toshiba Corporation (Japan)	NA
 <b>The Great Eastern Shipping Co. Ltd.</b>	Buyback Offer by Great Eastern Shipping Co. Ltd	279

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	83	22	20	12
Profit before tax	24	5	6	(3)
Profit after tax	17	4	4	(2)

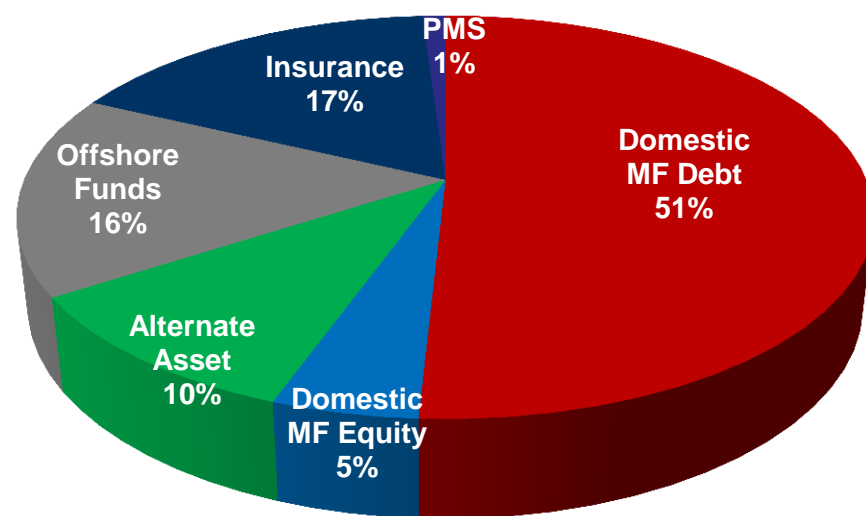
# Asset Under Management

AUM ₹ 55,850 cr



Sep 30, 2012

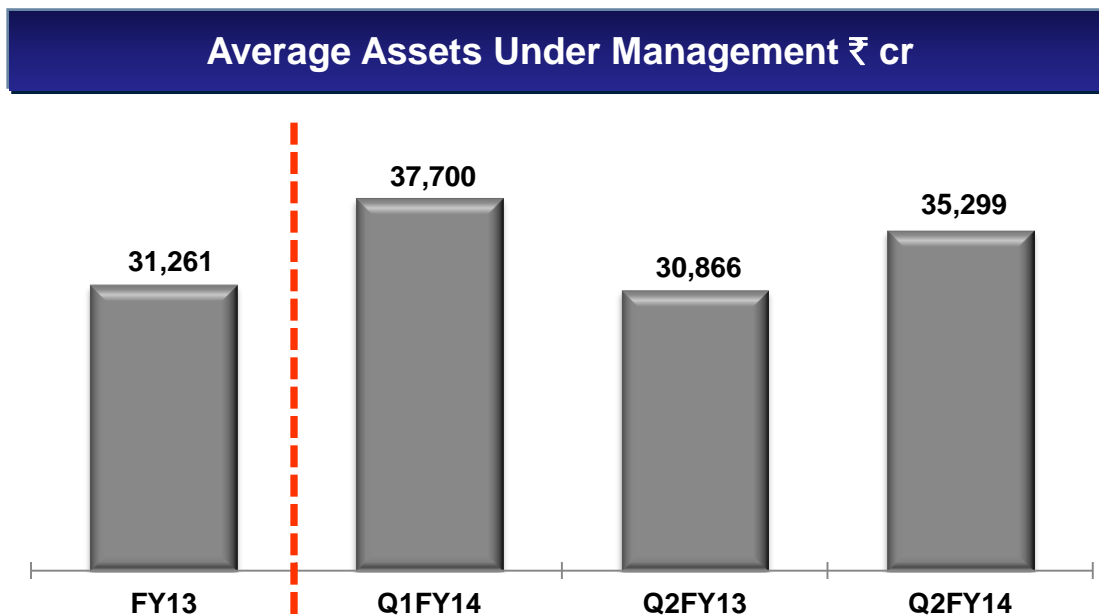
AUM ₹ 60,450 cr



Sep 30, 2013

# Kotak Mahindra AMC and Trustee Co.

- ❑ AAUM grew by 14% against industry rate of 8% in Q2
- ❑ Equity flows positive against negative for industry during H1
- ❑ AAUM mix in favour of the long term debt contributed to the revenue growth
- ❑ Focus on Investor awareness programs



₹ cr #	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	129	37	23	51
Profit before tax	14	11	(5)	26
<b>Profit after tax</b>	<b>12</b>	<b>7</b>	<b>(5)</b>	<b>17</b>
Average AUM (₹ bn)	313	377	309	353
Average AUM - Equity (₹ bn)	31	30	31	29

# Kotak Investment Advisors

## Realty Fund

- ❑ Corpus – ₹ 3,838 cr
- ❑ 55 Investments

## Private Equity Fund

- ❑ Corpus – ₹ 1,867 cr
- ❑ 39 Investments

## Infra Fund

- ❑ Corpus – ₹ 557 cr

₹ cr	FY13	Q1FY14	Q2FY13	Q2FY14
Total income	85	22	22	20
Profit before tax	43	1	12	7
Profit after tax	31	1	9	4

# Bank Awards and Recognition

Kotak Mahindra Bank's Board has been adjudged as one of the '**Best Managed Board**' in the Aon Hewitt-Mint study of 2012

**Best Private Bank** by Finance Asia Country Awards for Achievement 2013

Kotak Mahindra Bank has made it once again in the list of the prestigious **Forbes Asia's Fab 50 Companies** in 2012 for the 3<sup>rd</sup> consecutive year (2010-12)

## **Kotak Wealth Management**

Best Private Bank, India by World Finance Banking Awards, 2012

Outstanding Private Bank, South Asia - Private Banker International Global Wealth Awards 2012

## **Winner in multiple categories by Euromoney Private Banking Survey 2013:**

- Private Banking Services Overall, Globally – Among Top 25
- Private Banking Services Overall, Asia – Among Top 10
- Second Best Family Office Services Provider, Asia
- Best Private Banking Services Overall - India
- Best Family Office Services Provider, India

Kotak Mahindra Bank won the Silver Shield at the '**ICAI Awards for Excellence in Financial Reporting**' for the year 2011-12 under the Category II: Private Sector Banks (including Co-operative Banks & Foreign Banks)

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



# Bank Awards and Recognition

Kotak Mahindra Bank's 6% campaign featuring Subbu won the **Silver Effie - a prestigious advertising effectiveness award** in the financial services category

**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 won the **Asian E-payment Awards** for the following categories at the Asian Leadership Awards –

- Best E-Payment Bank Award
- Best Online Payment Platform Award
- E-Payment Market Leadership award

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

Kotak Mahindra Bank's NRI Banking won the following 2 awards at the **Banking & Payments Asia Trailblazer Awards 2013**

- Click2Remit: Winner in Product Excellence, in the P2P Product Category
- Privy League for NRIs: Winner in Service Excellence, in the Mass Affluent Banking Category

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

Kotak Mahindra Bank received the award for **Innovative Use of Data Storage** at the 'India Innovation Award 2013' by CNBC TV18 from Hon'ble Minister of State for IT and Communication Mr. Milind Murli Deora

Won the **Celent Model Bank Award** for its core banking implementation in the category of Infrastructure & Architecture

Asian Bankers Technology Award for **Best Self-Service Banking Project** for 2012

**Green IT Enterprise Award 2013** – Top 10 Large Enterprise category – Presented by CIO and Schneider Electric

# Awards and Recognition



## Euromoney Awards for Excellence

**Best M&A House in India  
2013**



**Best Investment Manager in India**

## Asiamoney Brokers Poll 2012

### Best Local Brokerage

Among all domestic and foreign brokerages,  
ranked:

- #2 for Best Overall Country Research
- #2 for Best Execution
- #2 for Most Independent Research Brokerage
- #3 for Best in Sales Trading



2012: Best Investment Bank in India  
(Seventh year in a row)

2012: Best Equity House  
(Third year in a row)

## BSE IPF – D&B Equity Broking Awards for 2012

Fastest growing Equity Broking House  
(Large Size Firms category)



**Best Broker in  
India 2012**



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



**ACQ Global  
Awards 2012**

**Investment Bank of the  
Year in India**



2012: Best Domestic Investment Bank  
(Sixth year in a row)

KIE analysts **ranked #1 in financial services**; #3 in the media sector in the Wall Street Journal survey of Asia's best analysts – 2012



# Kotak Uniqueness

## The 5<sup>th</sup> Largest Bank by Market Capitalisation

### Integrated Financial Services Business Model

- ∞ Mature businesses across most financial services products
- ∞ Leading positions across Retail Banking, Private Banking, Insurance, Investment Banking, Institutional Brokerage and Asset Management,

### Robust Financials & Track Record of Value Creation

- ∞ Strong capital base: Bank's Capital Adequacy Ratio\* at 18.1% as on Sep 30, 2013
- ∞ Strong on-ground relationships key contributor to achieve low risk and high return
- ∞ Consistent stock performance & return to investors – Now part of NSE S&P CNX Nifty Index
- ∞ Record of successful partnerships & alliances across businesses (e.g. Old Mutual, Ford Motor Credit, Goldman Sachs)

### Ability to Identify and Exploit Opportunities

- ∞ Ability to take advantage of opportunities and build profitable business models
- ∞ Ability to gauge warning signals and take early decisions
- ∞ Stay focused on businesses with a long term vision

### Strong Governance Culture & Talent Pool

- ∞ Recognised as amongst India's most trusted financial services brands and the best employers
- ∞ Strong Sponsor commitment & Group reputation
- ∞ Stable leadership team – majority of whom have been with the Group for over 15 years
- ∞ Ability to spot opportunities and trends ahead of time (e.g. car finance, asset reconstruction, retail brokerage, domestic private banking)

# The Path of Leadership

<b>Strong Capital Position</b>	<ul style="list-style-type: none"><li>∞ Capital adequacy amongst the highest in the Indian banking sector</li><li>∞ Provides the basis for growth</li></ul>
<b>Aggressive Pursuit of Cross Sell Opportunities</b>	<ul style="list-style-type: none"><li>∞ Robust bank platform and retail distribution network</li><li>∞ Pan-India reach of over 2,100 retail distribution points across Banking, Broking, Mutual Fund and Insurance</li><li>∞ Provides a platform for improving funding from low-cost liabilities – as can be seen in the improving low cost deposit balance</li><li>∞ Strong Bancassurance model with good cross-sell ratio, ability to mine customer base</li></ul>
<b>Manage Risks beyond “Modeling”</b>	<ul style="list-style-type: none"><li>∞ Extensive on-the-ground presence and superior sponsor / CXO relationships</li><li>∞ Deep, longstanding relationships with a substantial share of corporate India</li></ul>
<b>Multiple Growth Engines</b>	<ul style="list-style-type: none"><li>∞ Continue to evolve a stable annuity flow driven business model – balancing volatility inherent in capital market-linked revenues</li><li>∞ Leveraging world-class infrastructure and technology to drive cost-efficiencies</li><li>∞ Leverage “India asset class strength” to tap global investors – individual as well as institutional</li></ul>
<b>Attract &amp; Retain Talent</b>	<ul style="list-style-type: none"><li>∞ High degree of stability within the management team, many of whom have been with the Group for over fifteen years</li><li>∞ Preferred Employer status in the Financial Services sector allows us to attract the best people</li></ul>

# Talent...Professional Entrepreneurs at work



## C. Jayaram

- ❑ Joined Kotak in 1990; **First charge** | Vice President, Kotak Mahindra Finance
- ❑ **Current charge** | Joint Managing Director, Kotak Mahindra Bank
- ❑ **On being a professional entrepreneur** | When I joined Kotak, I didn't really foresee that I would be running a business for the Group. As it turns out, I have been involved with building more than four businesses. Each one has presented its own set of challenges and opportunities. I can't think of too many companies which offer their people this kind of a canvas.



## Dipak Gupta

- ❑ Joined Kotak in 1992; **First charge** | Senior Manager, Kotak Mahindra Finance
- ❑ **Current charge** | Joint Managing Director, Kotak Mahindra Bank
- ❑ **On being a professional entrepreneur** | I used to be an engineer and then a consultant. My first job at Kotak was to look after the Lease and Hire Purchase business. We built one of the largest leasing businesses in the country. When Ford Credit came to India around 1995-96, we entered into a joint venture with them and it was very interesting discussing, debating and negotiating with them. I went on to become the head of that joint venture. Running different businesses while still being in the same fold gives you the twin benefit of a deeper perspective and wider all-round growth.



## Gaurang Shah

- ❑ Joined Kotak in 1996; **First charge** | Chief Operating Officer, Kotak Mahindra Primus;
- ❑ **Current charge** | President – Asset Management and Life Insurance
- ❑ **On being a professional entrepreneur** | I came from a corporate finance background and joined Kotak's Car Finance business. That was in 1996. I was totally new to retail finance. In 1999, I took over as Executive Director of Car Finance and by 2002, we had built one of India's most profitable car finance companies. In 2002, I took over as head of Retail Assets and we added Home Loans, Subprime Lending in automobile financing and agricultural finance to our retail portfolio. In 2004, I moved into Life Insurance with my knowledge of insurance restricted to a single policy that I owned.

# Talent...Professional Entrepreneurs at work

## Jaimin Bhatt



- ❑ Joined Kotak in 1995; **First charge** | Proprietary Investments
- ❑ **Current charge** | President & Group CFO
- ❑ **On being a professional entrepreneur** | My initial work at Kotak was in the area of Proprietary Investments, where I worked with Narayan (S.A.). Around the time of the Ford JV, I was invited to be on the team structuring the JV and that was very exciting. I moved to the Investment Bank and handled M&A. I was involved in a number of exciting transactions. Thereafter my role grew into larger operational role at the Investment Bank and also included doing structuring work for the Group. What stands out for me is the freedom and sense of responsibility that one gets and this, in turn, instills a lot of self-confidence. As you grow and inculcate the same sense of self-confidence in those around you, it becomes a part of the culture.

## K.V.S. Manian



- ❑ Joined Kotak in 1995; **First charge** | Compliance, Kotak Mahindra Capital Company;
- ❑ **Current charge** | President – Consumer Banking covering all liabilities and assets, Kotak Mahindra Bank
- ❑ **On being a professional entrepreneur** | After two years in Investment Banking, I moved into Corporate Finance. I was instrumental in turning around and building the Retail Asset Finance Division (including the early stages of the Commercial Vehicle and Personal Loans Businesses). When the Group restructured its business in preparation for the conversion to a bank, I managed the team working on viability, decision making and structuring of the banking business as a project. I now oversee the Personal customer segment comprising of the Home Finance Division, the Consumer Services Group, Credit Cards and the Auto Finance Business, in addition to the Branch Banking and Retail Liabilities business. It's been a diverse set of responsibilities and looking back, I realize that I had no prior experience in any of the functions.

## Mohan Shenoi



- ❑ Joined Kotak in 2002;
- ❑ **Current charge** | President – Group Treasury and Global Markets, Kotak Mahindra Bank
- ❑ **On being a professional entrepreneur** | Very few in the banking industry have the experience of starting a new bank. I had this rare privilege of associating with two banks right from their inception. The first was ICICI Bank and the second is Kotak Mahindra Bank. I was instrumental in setting up and managing the treasury in both banks. At Kotak, Treasury is one of the important contributors to the revenues of the Bank. Over a 29-year banking career, I have worked in branch banking, credit, recoveries, strategic planning and retail banking (apart from treasury). The environment at Kotak allows me to leverage this diversity of experience to the fullest.

# Talent...Professional Entrepreneurs at work



## Narayan S.A.

- ❑ Joined Kotak in 1992; **First charge** | Associate Vice President, Kotak Mahindra Finance (Operations);
- ❑ **Current charge** | President – Commercial Banking and Capital Markets, Kotak Mahindra Bank
- ❑ **On being a professional entrepreneur** | In 1996, broking was largely seen as in institutional business. I believed that retail broking was an opportunity waiting to happen and took up the challenge of going retail. I always wanted to be an entrepreneur and Kotak gave me an opportunity to build a business that any entrepreneur would be proud of.



## Shanti Ekambaram

- ❑ Joined Kotak 1991; **First charge** | Senior Manager – Bill Discounting
- ❑ **Current charge** | President – Wholesale Banking, Kotak Mahindra Bank
- ❑ **On being a professional entrepreneur** | I joined Kotak from a foreign bank. Since financial services was still a new area I was apprehensive but here was a company that seemed young and hungry. In the back of my mind, I knew I could always go back to a MNC if things didn't work out. That was 16 years ago and I'm still here and raring to go. I have run the Bill Discounting business, serviced FIIs and started the M&A desk. When we entered into a strategic alliance with Goldman Sachs, I moved to look after that business and we dominated the GDR and private placement markets. I subsequently moved into the domestic Investment Banking business to develop corporate relationships, then head Fixed Income. In 1998, I took over as the CEO of the Investment Bank and we went on to top the league tables. In 2003 when the bank project was launched I was given the opportunity to build the wholesale bank. I don't think any MNC would give me so many opportunities for learning and growth.



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