

May 11, 2010

| | |
|----------------|--------|
| Rating | BUY |
| Price | Rs745 |
| Target Price | Rs907 |
| Implied Upside | 21.7% |
| Sensex | 17,142 |

(Prices as on May 11, 2010)

Trading Data

| | |
|----------------------------|--------|
| Market Cap. (Rs bn) | 259.4 |
| Shares o/s (m) | 348.1 |
| Free Float | 51.77% |
| 3M Avg. Daily Vol ('000) | 872.7 |
| 3M Avg. Daily Value (Rs m) | 657.8 |

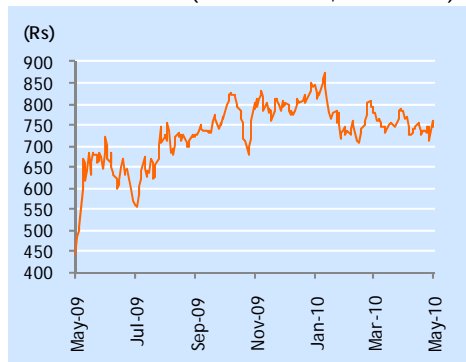
Major Shareholders

| | |
|-----------------|--------|
| Promoters | 48.23% |
| Foreign | 28.56% |
| Domestic Inst. | 4.98% |
| Public & Others | 18.23% |

Stock Performance

| (%) | 1M | 6M | 12M |
|----------|-------|--------|------|
| Absolute | (4.9) | (8.3) | 68.8 |
| Relative | (0.5) | (10.0) | 22.1 |

Price Performance (RIC: KTKM.BO, BB: KMB IN)



Source: Bloomberg

■ **Strong set of numbers, healthy operating performance:** Kotak Bank reported consolidated PAT of Rs4.2bn, up 98.7% YoY and 26.3% QoQ and standalone PAT of Rs2.0bn, up 97.4% YoY and 42.2% QoQ. Consolidated advances grew by 32.1% YoY, but remained largely flattish QoQ. A sharp sequential increase (23.7% QoQ) in agri advances was on account of meeting the year end priority sector targets. However, this was partially set off by a 19.5% QoQ decline in the corporate book. Deposits grew by 52.7% YoY and 7.7% QoQ, CASA ratio improved to 31.2% from 28.4% in Q3FY10. The net interest margin remained above 6% as the bank benefitted due to availability of capital and higher risk adjusted returns. Staff expenses spiked up 31.2% QoQ to make up for the shortfall in the payments of annual incentives. Provisioning expenses remained flat sequentially as the bank has netted off the recoveries from stressed assets against the credit costs. Asset quality improved (GNPAs down 17.2% QoQ) as the bank sold off majority of the stressed assets during the quarter. Provision coverage improved to 53.1% from 49.6% in Q3FY10.

■ **Apart from banking, insurance, auto finance, and investment banking businesses boosted consolidated bottom-line:** The life insurance business recorded a PAT of Rs444m, up 12% YoY but 130% QoQ. Kotak Mahindra Capital Company reported PAT of Rs134m vs Rs2m in Q3FY10 on account of higher numbers of deals closed during the quarter. Kotak Mahindra Prime too posted good set of numbers, with an 18.5% QoQ increase in PAT to Rs586m, as the total AUMs grew by 11.6% QoQ. Kotak Securities recorded a 14.2% QoQ decline in PAT to Rs508m as average daily volumes fell to Rs36bn v/s Rs38bn in Q3FY10 leading to loss in market share. Asset management business recorded a 22% and 43% QoQ decline in the revenues and PAT respectively as the AUMs declined by 16% QoQ.

■ **Valuations are at bottom cycle RoEs, decent upside possible:** On a consolidated basis, the stock is trading at 11.2x FY12E EPS, 2.2x FY12E BV and 2.3x FY12E ABV (excluding insurance value of Rs87). Incrementally lending business will contribute 60-65% of earnings with no restructuring risk. The IB business, which is lagging in performance, may show a dramatic turnaround in FY11 & FY12, when we will witness many PSU bank FPOs and IPOs from life insurance companies. Consolidated RoEs are likely to improve to 21% by FY12E from 10.7% in FY09 which could re-rate the stock. We have revised our FY11 and FY12 estimates upwards by 5.3% and 4.2% respectively on account of 16.8% and 10.0% revision in standalone bank estimates. Hence, we maintain our 'BUY' rating, with a price target of Rs907 at which it will trade at 3.1x FY12E CABV. Re-emergence of risk aversion in global equities remains the key risk.

| Key financials (Rs m) | FY09 | FY10 | FY11E | FY12E |
|-----------------------|---------------|-------------|-------------|-------------|
| Net interest income | 23,742 | 28,283 | 29,637 | 35,380 |
| <i>Growth (%)</i> | <i>29.6</i> | <i>19.1</i> | <i>4.8</i> | <i>19.4</i> |
| Operating profit | 12,774 | 24,136 | 28,538 | 34,138 |
| PAT | 6,527 | 13,274 | 16,232 | 20,354 |
| EPS (Rs) | 19.1 | 33.6 | 47.0 | 58.9 |
| <i>Growth (%)</i> | <i>(38.4)</i> | <i>76.1</i> | <i>39.9</i> | <i>25.4</i> |
| Net DPS (Rs) | 1.2 | 1.8 | 2.3 | 2.9 |

Source: Company Data; PL Research

| Profitability & valuation | FY09 | FY10 | FY11E | FY12E |
|---------------------------|------|------|-------|-------|
| NIM (%) | 5.4 | 5.3 | 5.2 | 5.0 |
| RoAE (%) | 10.7 | 16.7 | 20.0 | 21.3 |
| RoAA (%) | 1.6 | 2.6 | 2.8 | 2.9 |
| P / BV (x) | 3.5 | 3.1 | 2.6 | 2.2 |
| P / ABV (x) | 3.6 | 3.2 | 2.7 | 2.3 |
| PE (x) | 34.9 | 17.5 | 14.0 | 11.2 |
| Net dividend yield (%) | 0.2 | 0.2 | 0.3 | 0.4 |

Source: Company Data; PL Research

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Q4FY10 Result Overview (Consolidated)

(Rs m)

| Y/e March | Q4FY10 | Q4FY09 | YoY gr. (%) | Q3FY10 | FY10 | FY09 | YoY gr. (%) |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Interest Income | 12,478 | 11,045 | 13.0 | 11,847 | 46,012 | 43,666 | 5.4 |
| Interest on Advances | 9,587 | 8,932 | 7.3 | 9,044 | 35,264 | 35,055 | 0.6 |
| Income on investments | 2,737 | 1,993 | 37.3 | 2,653 | 10,185 | 7,596 | 34.1 |
| Bal with RBI & others | 153 | 119 | 7.3 | 150 | 562 | 1,015 | 0.6 |
| Interest Expended | 4,639 | 4,768 | (2.7) | 4,449 | 17,729 | 19,924 | (11.0) |
| Net Interest Income | 7,839 | 6,276 | 24.9 | 7,398 | 28,283 | 23,742 | 19.1 |
| Non-Interest Income | 16,976 | 11,277 | 50.5 | 12,224 | 53,847 | 28,140 | 91.4 |
| Treasury | 546 | 13 | - | 520 | 1,971 | (1,487) | - |
| CEB | 3,199 | 2,124 | 50.6 | 3,176 | 12,837 | 10,341 | 24.1 |
| Insurance premium | 11,374 | 8,977 | 26.7 | 7,059 | 28,493 | 23,071 | 23.5 |
| Other Income (includes ins. revln.) | 1,856 | 162 | - | 1,938 | 12,320 | (5,123) | - |
| Net total Income | 24,815 | 17,553 | 41.4 | 19,622 | 82,130 | 51,881 | 58.3 |
| Operating Expenses | 17,405 | 12,958 | 34.3 | 13,390 | 57,994 | 39,108 | 48.3 |
| Employee | 3,599 | 2,608 | 38.0 | 3,123 | 12,610 | 11,925 | 5.7 |
| Policy holders reserves | 9,730 | 6,709 | | 6,632 | 31,189 | 11,395 | |
| Other operating expenses | 4,075 | 3,641 | 11.9 | 3,635 | 14,196 | 15,788 | (10.1) |
| Operating profit | 7,410 | 4,595 | 61.3 | 6,232 | 24,136 | 12,774 | 89.0 |
| Provisions | 1,218 | 1,292 | (5.7) | 1,423 | 5,107 | 2,612 | 95.6 |
| Profit before tax | 6,192 | 3,303 | 87.5 | 4,810 | 19,029 | 10,162 | 87.3 |
| Tax | 1,933 | 1,094 | 76.7 | 1,480 | 5,755 | 3,635 | 58.3 |
| Net Profit after tax (before minority int) | 4,259 | 2,209 | 92.8 | 3,330 | 13,274 | 6,527 | 103.4 |
| Net Profit after tax (after minority int) | 4,186 | 2,107 | 98.7 | 3,314 | 13,070 | 6,524 | 100.3 |
| Asset Quality | | | | | | | |
| Gross NPA's | 9,167 | 8,914 | 2.8 | 10,716 | 9,167 | 8,914 | 2.8 |
| <i>Gross NPA's % of advances</i> | <i>3.04</i> | <i>3.68</i> | | <i>3.94</i> | <i>3.04</i> | <i>3.68</i> | |
| Net NPA's | 4,408 | 5,614 | (21.5) | 6,403 | 4,408 | 5,614 | (21.5) |
| <i>Net NPA's % of advances</i> | <i>1.48</i> | <i>2.35</i> | | <i>2.39</i> | <i>1.48</i> | <i>2.35</i> | |
| Provision Coverage | 51.9 | 37.0 | | 40.2 | 51.9 | 37.0 | |
| <i>Gross NPA's % - excluding stressed assets</i> | <i>2.16</i> | <i>1.80</i> | | <i>2.93</i> | <i>2.16</i> | <i>1.80</i> | |
| Capital Adequacy (%) | | | | | | | |
| <i>CAR</i> | <i>19.3</i> | <i>22.5</i> | | <i>20.5</i> | <i>19.3</i> | <i>22.5</i> | |
| <i>Tier 1</i> | <i>17.3</i> | <i>20.0</i> | | <i>18.3</i> | <i>17.3</i> | <i>20.0</i> | |
| NIM - reported (%) | | | | | | | |
| | <i>6.30</i> | <i>6.00</i> | | <i>6.30</i> | <i>6.30</i> | <i>6.10</i> | |
| Balance Sheet Items | | | | | | | |
| Deposits | 218,192 | 138,218 | 57.9 | 200,839 | 218,192 | 138,218 | 57.9 |
| Advances | 297,242 | 224,976 | 32.1 | 293,371 | 297,242 | 224,976 | 32.1 |
| Investments | 132,000 | 96,622 | 36.6 | 127,161 | 132,000 | 96,622 | 36.6 |
| Total Assets | 429,242 | 321,598 | 33.5 | 420,532 | 429,242 | 321,598 | 33.5 |



Q4FY10 Result Overview (Standalone)

(Rs m)

| Y/e March | Q4FY10 | Q4FY09 | YoY gr. (%) | Q3FY10 | FY10 | FY09 | YoY gr. (%) |
|---|--------------|--------------|-------------|--------------|---------------|---------------|--------------|
| Interest Income | 8,808 | 8,030 | 9.7 | 8,324 | 32,556 | 30,651 | 6.2 |
| Interest on Advances | 6,814 | 6,563 | 3.8 | 6,454 | 25,269 | 24,937 | 1.3 |
| Income on investments | 1,985 | 1,462 | 35.7 | 1,867 | 7,269 | 5,584 | 30.2 |
| Bal with RBI & others | 9 | 5 | 3.8 | 3 | 19 | 130 | 1.3 |
| Interest Expense | 3,547 | 3,850 | (7.9) | 3,458 | 13,975 | 15,466 | (9.6) |
| Net Interest Income | 5,260 | 4,180 | 25.8 | 4,867 | 18,581 | 15,185 | 22.4 |
| Non-Interest Income | 2,515 | 1,167 | 115.5 | 1,448 | 6,282 | 2,736 | 129.6 |
| Net total Income | 7,775 | 5,347 | 45.4 | 6,314 | 24,864 | 17,922 | 38.7 |
| Operating Expenses | 3,419 | 2,766 | 23.6 | 2,945 | 11,894 | 11,964 | (0.6) |
| Employee | 1,740 | 1,205 | 44.4 | 1,326 | 5,558 | 5,568 | (0.2) |
| Other operating expenses | 1,680 | 1,561 | 7.6 | 1,619 | 6,336 | 6,396 | (0.9) |
| Operating profit | 4,356 | 2,581 | 68.8 | 3,369 | 12,970 | 5,957 | 117.7 |
| Core operating profits | 3,293 | 1,905 | 72.8 | 2,306 | 11,470 | 4,957 | 131.4 |
| Provisions | 1,276 | 979 | 30.3 | 1,277 | 4,859 | 1,679 | 186.3 |
| Profit before tax | 3,080 | 1,602 | 92.3 | 2,092 | 8,111 | 4,261 | 90.4 |
| Tax | 1,055 | 576 | 83.2 | 669 | 2,500 | 1,499 | 66.7 |
| Net Profit after tax | 2,025 | 1,026 | 97.4 | 1,424 | 5,611 | 2,761 | 103.2 |
| Asset Quality | | | | | | | |
| Gross NPA's | 7,673 | 6,892 | 11.3 | 9,282 | 7,673 | 6,892 | 11.3 |
| <i>Gross NPA's % of customer assets</i> | <i>3.62</i> | <i>4.07</i> | | <i>4.25</i> | <i>3.62</i> | <i>4.07</i> | |
| Net NPA's | 3,602 | 3,968 | (9.2) | 4,675 | 3,602 | 3,968 | (9.2) |
| <i>Net NPA's % of customer assets</i> | <i>1.72</i> | <i>2.39</i> | | <i>2.18</i> | <i>1.72</i> | <i>2.39</i> | |
| Provision Coverage | 53.1 | 42.4 | | 49.6 | 53.1 | 42.4 | |
| Capital Adequacy (%) | | | | | | | |
| <i>CAR</i> | <i>18.4</i> | <i>20.0</i> | | <i>18.3</i> | <i>18.4</i> | <i>20.0</i> | |
| <i>Tier 1</i> | <i>15.4</i> | <i>16.0</i> | | <i>16.1</i> | <i>15.4</i> | <i>16.0</i> | |
| Yield Measurement ratios (%) | | | | | | | |
| <i>NIM - calculated</i> | <i>5.76</i> | <i>6.14</i> | | <i>5.94</i> | <i>5.62</i> | <i>5.69</i> | |
| <i>Cost to Income</i> | <i>43.98</i> | <i>51.73</i> | | <i>46.65</i> | <i>47.84</i> | <i>67.93</i> | |
| Balance Sheet Items | | | | | | | |
| Deposits | 238,865 | 156,440 | 52.7 | 221,864 | 238,865 | 156,440 | 52.7 |
| CASA | 74,631 | 51,191 | 45.8 | 63,052 | 74,631 | 51,191 | 45.8 |
| <i>CASA (%)</i> | <i>31.2</i> | <i>32.7</i> | | <i>28.4</i> | <i>31.2</i> | <i>32.7</i> | |
| Advances | 207,751 | 166,253 | 25.0 | 214,057 | 207,751 | 166,253 | 25.0 |
| Investments | 125,127 | 91,102 | 37.3 | 120,906 | 125,127 | 91,102 | 37.3 |
| Total Assets | 374,363 | 287,119 | 30.4 | 355,960 | 374,363 | 287,119 | 30.4 |



Trend in performance of Kotak Mahindra Bank and its key subsidiaries

(Rs m)

| Particulars | Q2FY09 | Q3FY09 | Q4FY09 | Q1FY10 | Q2FY10 | Q3FY10 | Q4FY10 |
|--------------------------------|---|---------------|-------------|-------------|--------------|--------------|-------------|
| Kotak Bank (Standalone) | | | | | | | |
| NII | 3,655 | 3,826 | 4,180 | 4,090 | 4,365 | 4,867 | 5,260 |
| <i>% y-o-y growth</i> | <i>29.0</i> | <i>10.1</i> | <i>7.0</i> | <i>16.0</i> | <i>19.4</i> | <i>27.2</i> | <i>25.8</i> |
| PAT | 479 | 711 | 1,026 | 903 | 1,259 | 1,424 | 2,025 |
| <i>% y-o-y growth</i> | <i>(36.5)</i> | <i>(30.0)</i> | <i>48.2</i> | <i>65.6</i> | <i>163.0</i> | <i>100.2</i> | <i>97.4</i> |
| Remarks | Strong operating performance and lower credit costs boosted bottom-line | | | | | | |

| | | | | | | | |
|-----------------------------|---|---------------|-------------|---------------|--------------|-------------|-------------|
| Kotak Mahindra Prime | | | | | | | |
| Revenues | 2,540 | 2,361 | 2,546 | 2,239 | 2,401 | 2,546 | 2,735 |
| <i>% y-o-y growth</i> | <i>66.0</i> | <i>(13.4)</i> | <i>22.9</i> | <i>(5.7)</i> | <i>(5.5)</i> | <i>7.8</i> | <i>7.4</i> |
| PAT | 354 | 333 | 470 | 189 | 395 | 494 | 586 |
| <i>% y-o-y growth</i> | <i>83.9</i> | <i>(10.9)</i> | <i>55.1</i> | <i>(54.2)</i> | <i>11.6</i> | <i>48.5</i> | <i>24.7</i> |
| Advances - Auto (Rs bn) | 50 | 48 | 48 | 49 | 55 | 60 | 65 |
| Advances - Others (Rs bn) | 14 | 11 | 10 | 9 | 13 | 14 | 18 |
| Remarks | Healthy sequential increase in revenues and PAT driven by good QoQ growth in advances | | | | | | |

| | | | | | | | |
|---|--|-------------|-------------|------------|---------------|--------------|-------------|
| Kotak Mahindra Old Mutual Life Insurance | | | | | | | |
| Gross Premium | 5,255 | 5,116 | 9,059 | 4,334 | 5,859 | 7,116 | 11,371 |
| <i>% y-o-y growth</i> | <i>100.1</i> | <i>22.4</i> | <i>12.5</i> | <i>8.3</i> | <i>11.5</i> | <i>39.1</i> | <i>25.5</i> |
| PAT | 51 | 94 | 397 | 11 | 44 | 193 | 444 |
| <i>% y-o-y growth</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>(13.7)</i> | <i>105.6</i> | <i>11.8</i> |
| Remarks | Profitability in life insurance biz maintained with highest profit recorded in past seven quarters | | | | | | |

| | | | | | | | |
|---------------------------------------|---|----------------|----------------|---------------|---------------|----------------|----------------|
| Kotak Mahindra Capital Company | | | | | | | |
| Revenues | 326 | 144 | 90 | 221 | 222 | 189 | 382 |
| <i>% y-o-y growth</i> | <i>(67.1)</i> | <i>(76.5)</i> | <i>(87.5)</i> | <i>(47.1)</i> | <i>(31.9)</i> | <i>31.3</i> | <i>324.4</i> |
| PAT | 89 | (19) | (38) | 48 | 41 | 2 | 134 |
| <i>% y-o-y growth</i> | <i>(81.9)</i> | <i>(108.8)</i> | <i>(115.0)</i> | <i>(49.7)</i> | <i>(53.9)</i> | <i>(108.3)</i> | <i>(452.6)</i> |
| Remarks | Steep sequential increase in revenues and PAT as the company closed several deals in last quarter | | | | | | |



Trend in performance of Kotak Mahindra Bank and its key subsidiaries

(Rs m)

| Particulars | Q2FY09 | Q3FY09 | Q4FY09 | Q1FY10 | Q2FY10 | Q3FY10 | Q4FY10 |
|-------------------------------|---|---------------|---------------|-------------|-------------|-------------|--------------|
| Kotak Securities | | | | | | | |
| Revenues | 2,178 | 1,045 | 1,952 | 2,234 | 2,345 | 1,927 | 1,872 |
| <i>% y-o-y growth</i> | <i>(30.2)</i> | <i>(75.2)</i> | <i>(48.9)</i> | <i>10.4</i> | <i>7.7</i> | <i>84.4</i> | <i>(4.1)</i> |
| PAT | 410 | 40 | 180 | 743 | 759 | 592 | 508 |
| <i>% y-o-y growth</i> | <i>(58.6)</i> | <i>(97.3)</i> | <i>(82.2)</i> | <i>70.8</i> | <i>85.1</i> | <i>-</i> | <i>182.2</i> |
| Average Daily Volumes (Rs bn) | 39 | 35 | 26 | 41 | 41 | 38 | 36 |
| <i>Market Share (%)</i> | <i>5.7</i> | <i>5.5</i> | <i>5.3</i> | <i>4.5</i> | <i>4.4</i> | <i>4.2</i> | <i>4.1</i> |
| Remarks | Kotak continued to lose market share and cumulative market share stood at 4.1%. ADVs decline by 5.3% QoQ. Cash market volumes (for overall equity markets) dipped 10.2% QoQ in Q4FY10, which has put pressure on profitability of all market players. | | | | | | |

| | | | | | | | |
|--|--|-------------|----------------|-------------|--------------|--------------|-------------|
| Kotak Mahindra Asset Management Company | | | | | | | |
| Revenues | 212 | 258 | 273 | 373 | 481 | 507 | 395 |
| <i>% y-o-y growth</i> | <i>16.9</i> | <i>36.0</i> | <i>68.5</i> | <i>79.3</i> | <i>126.9</i> | <i>96.5</i> | <i>55.5</i> |
| PAT | 7 | 60 | 82 | 153 | 195 | 229 | 130 |
| <i>% y-o-y growth</i> | <i>(80.7)</i> | <i>78.6</i> | <i>(428.0)</i> | <i>-</i> | <i>-</i> | <i>281.7</i> | <i>83.1</i> |
| AUM (Rs bn) | 182 | 139 | 159 | 256 | 362 | 414 | 348 |
| - Equity | 35 | 28 | 26 | 43 | 54 | 54 | 49 |
| - Debt | 147 | 111 | 133 | 213 | 308 | 360 | 299 |
| Remarks | Most of the AUM gains in last quarter got reversed affecting the topline as well as bottomline | | | | | | |

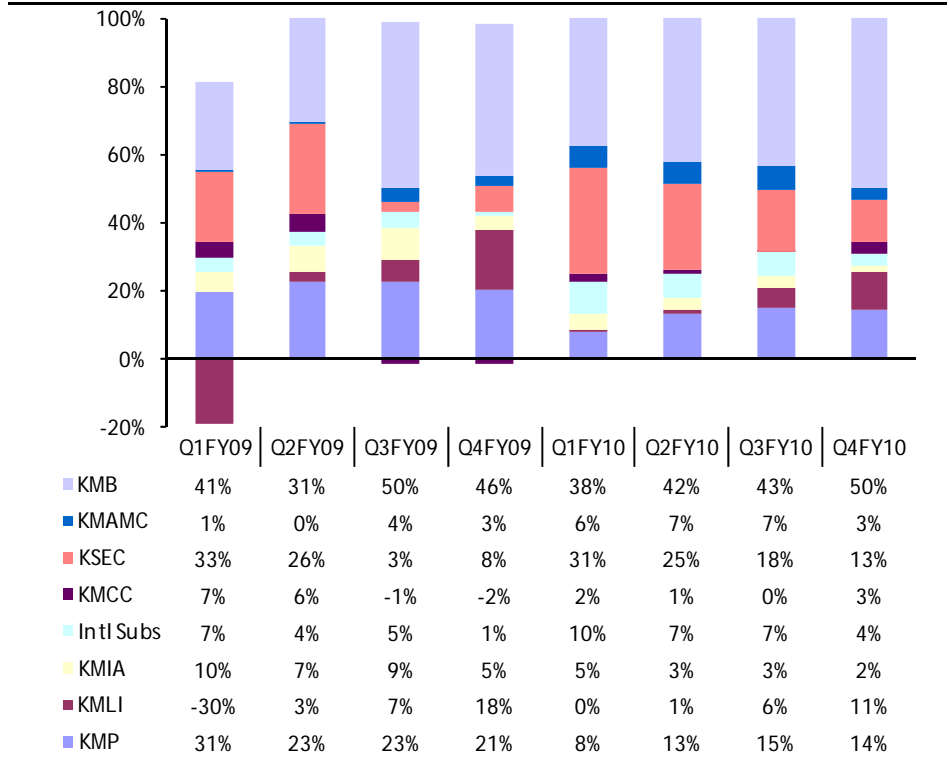
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|---|--|--------------|-------------|--------------|---------------|---------------|---------------|
| Kotak Investment Advisors Limited (KIAL) | | | | | | | |
| Revenues | 272 | 295 | 299 | 255 | 247 | 245 | 244 |
| <i>% y-o-y growth</i> | <i>-</i> | <i>86.7</i> | <i>39.7</i> | <i>(9.6)</i> | <i>(9.2)</i> | <i>(16.9)</i> | <i>(18.4)</i> |
| PAT | 116 | 133 | 102 | 118 | 95 | 115 | 71 |
| <i>% y-o-y growth</i> | <i>-</i> | <i>144.0</i> | <i>32.5</i> | <i>(9.5)</i> | <i>(18.1)</i> | <i>(13.8)</i> | <i>(30.4)</i> |
| Commitments (Rs bn) | 59 | 62 | 66 | 55 | 55 | 55 | 55 |
| Remarks | The real estate commitments have remained stagnant at Rs55bn for almost a year now | | | | | | |

| | | | | | | | |
|-----------------------------------|---|---------------|---------------|---------------|--------------|--------------|--------------|
| International Subsidiaries | | | | | | | |
| AUM (Rs bn) | 1.5 | 1.3 | 1.1 | 1.6 | 1.8 | 1.6 | 1.6 |
| <i>% y-o-y growth</i> | <i>(31.8)</i> | <i>(62.9)</i> | <i>(47.6)</i> | <i>(11.1)</i> | <i>20.0</i> | <i>23.1</i> | <i>45.5</i> |
| PAT | 62 | 74 | 19 | 231 | 208 | 226 | 153 |
| <i>% y-o-y growth</i> | <i>4.4</i> | <i>(78.0)</i> | <i>(89.3)</i> | <i>159.3</i> | <i>235.5</i> | <i>204.9</i> | <i>705.3</i> |
| Remarks | International subsidiaries continue to make healthy contribution to the consolidated bottomline | | | | | | |

Proportion of the lending business to consolidated profits increased from 46% in Q1FY10 to 64% in Q4FY10.

We expect the lending business to contribute 60-65% to bank's consolidated bottom-line going forward.

Trend in consolidated PAT contribution by various subsidiaries



Source: Company Data, PL Research

Sum of the parts valuation

| Subsidiaries | Basis | (Rs bn) | | Multiple | Value (Rs bn) | | (Rs / Share) | | % of SOTP | |
|-----------------------------------|----------|---------|-------|----------|---------------|-------|--------------|-------|-----------|-------|
| | | FY11E | FY12E | | FY10E | FY11E | FY12E | FY11E | FY12E | FY11E |
| Kotak Securities - KS | Earnings | 3.6 | 4.5 | 15.0 | 53.3 | 67.0 | 154 | 194 | 21% | 21% |
| KMCC - KMCC | Earnings | 0.5 | 0.7 | 12.0 | 5.5 | 8.5 | 16 | 24 | 2% | 3% |
| Kotak AMC - KAMC | AUMs | 278.4 | 417.6 | 0.1 | 16.7 | 25.1 | 48 | 72 | 7% | 8% |
| Pvt Equity - KMIA | AUMs | 71.5 | 78.7 | 0.1 | 5.7 | 6.3 | 17 | 18 | 2% | 2% |
| Kotak Prime - KMP | ABV | 10.2 | 12.8 | 2.6 | 26.4 | 33.4 | 76 | 97 | 10% | 11% |
| Investments - KMI | ABV | 2.6 | 3.1 | 1.0 | 2.6 | 3.1 | 7 | 9 | 1% | 1% |
| International - KMIntl+Inc | Earnings | 0.6 | 0.7 | 15.0 | 8.4 | 10.3 | 24 | 30 | 3% | 3% |
| Kotak UK - Kotak UK | Earnings | 0.4 | 0.5 | 15.0 | 6.2 | 8.2 | 18 | 24 | 2% | 3% |
| Kotak OM Life - KM Life* | NBAP | 2.4 | 3.0 | 16.0 | 28.6 | 35.3 | 70 | 87 | 10% | 10% |
| Value of subsidiaries per share * | | | | | | | 431 | 555 | | |
| KM Bank | ABV ** | 45.0 | 52.5 | 2.3 | 104.5 | 121.9 | 302 | 353 | 41% | 39% |
| SOTP - target price | | | | | | | 734 | 907 | 100% | 100% |

Source: PL Research

* post 15% holding company discount for its life insurance venture

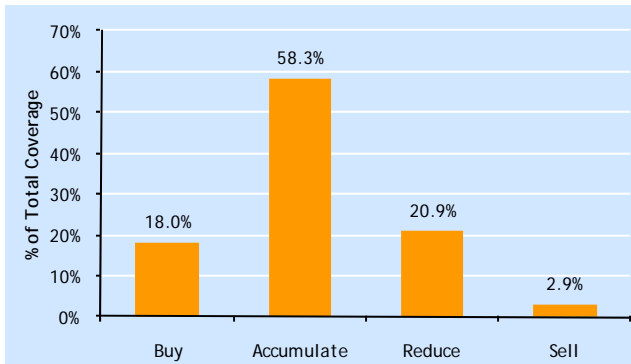
** ABV - reduced by Rs 12 per share for investments in subsidiaries and outstanding NNPA's

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Rating Distribution of Research Coverage



PL's Recommendation Nomenclature

| | | | |
|-----------------------|--|--------------------------|--|
| BUY | : Over 15% Outperformance to Sensex over 12-months | Accumulate | : Outperformance to Sensex over 12-months |
| Reduce | : Underperformance to Sensex over 12-months | Sell | : Over 15% underperformance to Sensex over 12-months |
| Trading Buy | : Over 10% absolute upside in 1-month | Trading Sell | : Over 10% absolute decline in 1-month |
| Not Rated (NR) | : No specific call on the stock | Under Review (UR) | : Rating likely to change shortly |

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