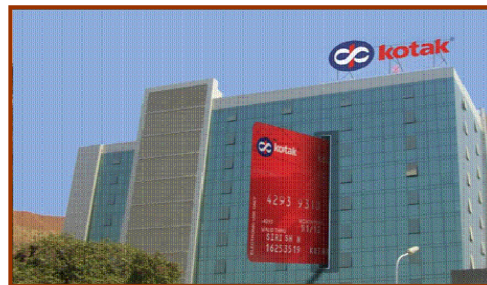




Earnings Update – Q3FY11 Results

January 20, 2011



Performance Highlights

- Consolidated PAT for Q3FY11 up 16% to ₹ 3,836 mn from ₹ 3,314 mn in Q3FY10. (Q2FY11 ₹ 3,641 mn)
- Consolidated PAT for nine months ended December 31, 2010 up 21% to ₹ 10,754 mn from ₹ 8,885 mn in the corresponding period of previous year
- Consolidated advances up 37% to ₹ 401 bn as on December 31, 2010 from ₹ 293 bn as on December 31, 2009. (September 30, 2010 ₹ 375 bn; March 31, 2010 ₹ 297 bn)
- Consolidated NIM[§] Q3FY11 at 5.4%. (Q3FY10 – 6.2%; Q2FY11 – 5.6%; FY10 – 6.1%)
- Consolidated capital adequacy ratio (CAR) including profit for 9MFY11 as per Basel II as on December 31, 2010 is 19.5%. Tier 1 ratio 18.0%. Excluding profit for 9MFY11 the consolidated capital adequacy ratio as per Basel II is 17.6%. Tier 1 ratio 16.1%.
- Bank (Standalone) PAT for Q3FY11 up 32% to ₹ 1,879 mn from ₹ 1,424 mn in Q3FY10. (Q2FY11 ₹ 1,947 mn)
- CASA deposits* as on December 31, 2010 ₹ 78,601 mn up 25% over December 31, 2009 at ₹ 63,043 mn (September 30, 2010 ₹ 77,792 mn; March 31, 2010 ₹ 74,631 mn).
- CASA deposits* comprised 28% of total deposits as on December 31, 2010. (December 31, 2009 – 28%; September 30, 2010 – 29%; March 31, 2010 – 31%).
- Assets managed/ advised by the Group as on December 31, 2010 ₹ 510 bn (December 31, 2009 ₹ 524 bn; September 30, 2010 ₹ 497 bn; March 31, 2010 ₹ 452 bn).
- The group has a network of close to 2,000 branches and franchises across the country servicing close to 8.3 mn customer accounts.

Consolidated Financials

Revenues

₹ million

	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Financing activities	12,776	9,024	11,013	33,648	25,639	35,231
Fee Income*	3,017	3,176	3,213	9,492	9,637	12,837
Premium Income	6,044	7,059	7,263	18,769	17,120	28,493
Treasury	4,139	3,265	3,616	10,873	8,901	12,019
Others	559	500	525	1,670	1,423	3,241
Total Revenues**	26,535	22,844	25,630	74,453	62,719	91,821

*Fee income is net of sub brokerage

**Revenues exclude treasury (policyholders') income

Analytical Ratios

	As on Dec 31, 2010	As on Dec 31, 2009	As on Sept 30, 2010	As on Mar 31, 2010
Networth (₹ mn)	105,024	75,092	100,596	79,109
Book value per share * (₹) – Face value ₹ 5	142.6	108.0	137.2	113.6
Net Interest Margin (%)	5.4% [§]	6.2%	5.6%	6.1%
Return on average Networth (%) (YTD annualised)	15.6%	16.9%	16.0%	18.2%

* Adjusted for split

§ Normalised

Consolidated Financials

Assets

₹ million

Advances	As on Dec 31, 2010	As on Dec 31, 2009	As on Sept 30, 2010	As on Mar 31, 2010
Commercial vehicles & Construction equipments	50,586	34,246	45,362	36,935
Auto loans	79,935	58,859	78,465	65,418
Mortgage loans	66,261	40,745	59,832	47,650
Personal loans	12,268	14,924	11,593	13,540
Agriculture Finance	37,528	24,973	33,283	30,886
Corporate Banking	115,940	89,346	110,389	71,943
Others	38,445	30,278	36,225	30,870
Total Advances	400,964	293,371	375,149	297,243
Investments/ Treasury Assets *	157,690	133,333	148,729	147,624
Total Advances and Investments	558,654	426,704	523,878	444,867
NPA (excluding acquired stressed assets)				
GNPA	6,031	8,292	6,392	6,468
GNPA (%)	1.49%	2.81%	1.69%	2.16%
NNPA	2,040	4,237	2,585	3,378
NNPA %	0.51%	1.46%	0.69%	1.14%

* Does not include policyholders' investments.

Consolidated Financials

Liabilities

₹ million

	As on Dec 31, 2010	As on Dec 31, 2009	As on Sept 30, 2010	As on Mar 31, 2010
Deposits	261,966	200,830	264,095	218,192
Borrowings	199,805	147,798	173,129	154,481

Consolidated Financials

Company-wise Profit after Tax

₹ million

	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Kotak Mahindra Bank (Standalone)	1,878.7	1,423.8	1,947.0	5,694.8	3,586.0	5,611.1
Kotak Mahindra Prime	936.8	494.4	613.3	2,310.0	1,078.3	1,664.1
Kotak Securities	466.4	591.8	517.4	1,457.8	2,093.2	2,601.0
Kotak Mahindra Capital Company	76.2	15.8	73.1	218.5	105.3	238.6
Kotak Mahindra Old Mutual Life Insurance	236.1	193.3	134.4	301.3	248.0	692.2
Kotak Mahindra AMC & Trustee Co	72.4	228.5	(24.3)	137.4	576.5	724.6
International subsidiaries	82.0	225.6	122.6	361.3	664.5	803.4
Kotak Investment Advisors	54.4	114.6	105.2	268.0	327.4	397.5
Kotak Mahindra Investments	27.6	61.3	79.9	183.1	278.4	346.6
Others	(0.5)	(1.4)	(1.1)	(1.0)	(3.1)	(4.9)
Total consolidated profit after tax	3,830.3	3,347.8	3,567.6	10,931.4	8,954.6	13,074.4
Affiliates, minority interest & other adjustments	5.4	(33.8)	73.4	(177.8)	(70.1)	(4.4)
PAT (after minority interest / adjustments)	3,835.7	3,314.0	3,641.1	10,753.7	8,884.5	13,070.0

Kotak Mahindra Bank Standalone - Performance Highlights

- Bank (Standalone) PAT for Q3FY11 up 32% to ₹ 1,879 mn from ₹ 1,424 mn in Q3FY10. (Q2FY11 ₹ 1,947 mn)
- Net Interest Income (NII) of the Bank (Standalone) for Q3FY11 up 17% yoy to ₹ 5,715 mn vs. ₹ 4,867 mn in Q3FY10. (Q2FY11 ₹ 5,438 mn). NII for YTFY11 up 22% yoy to ₹ 16,235 mn vs. ₹ 13,321 mn in YTFY10. NIM at 5.3% for Q3FY11 (Q3FY10 6.0%; Q2FY11 5.6%)
- Retail Banking profit for Q3FY11 ₹ 838 mn against ₹ 345 mn in Q3FY10, largely due to higher contribution by lending.
- Corporate Banking profit for Q3FY11 up 92% yoy to ₹ 1,311 mn.
- Advances up 35% to ₹ 289 bn as on December 31, 2010 from ₹ 214 bn as on December 31, 2009. (September 30, 2010 ₹ 265 bn; March 31, 2010 ₹ 208 bn).
- Deposits as on December 31, 2010 are ₹ 283 bn (₹ 222 bn as on December 31, 2009; ₹ 283 bn as on September 30, 2010; ₹ 239 bn as on March 31, 2010).
- CASA deposits* comprised 28% of total deposits as on December 31, 2010. (December 31, 2009 – 28%; September 30, 2010 – 29%; March 31, 2010 – 31%).
- Capital adequacy ratio of the Bank including profit for 9MFY11 as per Basel II as on December 31, 2010 is 20.4%. Tier 1 ratio is 18.2%. Excluding profit for 9MFY11 the capital adequacy ratio as per Basel II is 18.7%. Tier 1 ratio 16.5%.
- As on December 31, 2010, the provision coverage ratio is 72%. (September 30, 2010 – 70%)
- As on December 31, 2010, the Bank had 298 bank branches (December 31, 2009 – 245; September 30, 2010 – 267; March 31, 2010 – 249) across 169 locations and 642 ATMs.

Kotak Mahindra Bank – Standalone

₹ million

Revenues	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Treasury & BMU*	3,896	3,070	3,367	10,504	8,205	11,262
Corporate/Wholesale Banking	4,154	2,607	3,789	11,092	7,313	11,564
Retail Banking	8,263	6,288	7,175	22,093	19,256	25,580
Sub-total	16,313	11,965	14,331	43,688	34,774	48,407
<i>Unallocated income & inter-segment revenue</i>	(3,306)	(2,277)	(2,791)	(8,561)	(7,258)	(9,568)
Total	13,007	9,688	11,540	35,127	27,516	38,839

₹ million

Segmental PBT	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Treasury & BMU*	573	1,063	552	1,984	2,655	3,675
Corporate/Wholesale Banking	1,311	684	1,382	3,742	2,280	3,855
Retail Banking	838	345	876	2,398	96	611
Lending	1,817	1,061	1,608	4,882	2,421	3,775
Branch banking	(818)	(357)	(574)	(1,968)	(1,329)	(1,890)
Credit cards	(161)	(358)	(158)	(516)	(996)	(1,274)
Sub-total	2,721	2,092	2,810	8,123	5,031	8,140
<i>Unallocated income & inter-segment revenue</i>	-	-	3	3	-	(29)
Total	2,721	2,092	2,813	8,126	5,031	8,111

* Balance Sheet Management Unit

Kotak Mahindra Bank – Standalone
Assets

₹ million

	As on Dec 31, 2010	As on Dec 31, 2009	As on Sept 30, 2010	As on Mar 31, 2010
Advances – Product wise				
Commercial vehicles & Construction equipments	50,586	34,246	45,362	36,935
Mortgage loans	66,261	40,201	59,832	47,116
Agriculture Finance	37,528	24,973	33,283	30,886
Corporate Banking	104,074	84,764	98,831	64,761
Personal loans	12,214	14,363	11,470	13,150
Others	18,185	15,511	16,288	14,902
Total Advances	288,850	214,057	265,066	207,751
Advances – as per segmental classification				
Retail	154,468	121,190	146,199	132,912
Corporate	133,758	91,600	118,094	73,645
Others	623	1,267	773	1,194
Total Advances	288,850	214,057	265,066	207,751
Investment / Treasury Assets	142,867	127,078	139,352	140,750
Total Advances and Investments	431,712	341,135	404,418	348,501
NPA (excluding acquired stressed assets)				
GNPA	4,844	6,496	4,869	4,983
GNPA (%)	1.66%	3.02%	1.82%	2.38%
NNPA	1,645	3,187	1,796	2,572
NNPA %	0.57%	1.50%	0.68%	1.25%

Liabilities

₹ million

	As on Dec 31, 2010	As on Dec 31, 2009	As on Sept 30, 2010	As on Mar 31, 2010
CASA (excluding IPO float)	78,601	63,043	77,792	74,631
CASA	78,682	63,043	90,179	74,631
Term Deposit	143,843	112,838	145,362	120,373
Certificate of Deposit	60,355	45,974	47,329	43,860
Total Deposits (including IPO float)	282,880	221,855	282,870	238,865
Total Borrowings	97,030	80,040	80,774	77,029

Key Subsidiaries – Highlights

Kotak Mahindra Prime (KMP) – car finance, other lending

₹ million

	Q3FY11 (3 months)	Q3FY10 (3 months)	Q2FY11 (3 months)	YTFY11 (9 months)	YTFY10 (9 months)	FY10 (12 months)
Total income	3,840	2,546	3,158	9,996	7,186	9,921
Profit before tax	1,417	767	956	3,525	1,680	2,589
Profit after tax	937	494	613	2,310	1,078	1,664

- Total advances as on December 31, 2010 up 40% yoy to ₹ 104,394 mn (December 31, 2009 ₹ 74,702 mn; September 30, 2010 ₹ 100,293 mn; March 31, 2010 ₹ 83,110 mn).
 - Auto advances as on December 31, 2010 up 36% yoy to ₹ 79,489 mn (December 31, 2009 ₹ 58,444 mn; September 30, 2010 ₹ 77,969 mn; March 31, 2010 ₹ 64,673 mn).
- Net NPA of KMP as on December 31, 2010 at ₹ 392 mn (December 31, 2009 ₹ 1,050 mn; September 30, 2010 ₹ 782 mn; March 31, 2010 ₹ 806 mn).
- Car business net NPA ratio 0.23% as on December 31, 2010 (December 31, 2009 0.45%; September 30, 2010 0.27%, March 31, 2010 0.36%).

Kotak Securities – stock broking

₹ million

	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Total income	1,957	1,927	1,980	5,681	6,506	8,379
Profit before tax	709	909	774	2,156	3,197	4,039
Profit after tax	466	592	517	1,458	2,093	2,601

- Kotak Securities clocked average daily volumes of around ₹ 46 bn during 9MFY11 compared to around ₹ 40 bn during 9MFY10.
- Kotak Securities accounted for 3.7% of total average daily market volumes for 9MFY11.
- Kotak Securities has a network of over 1,358 offices (own & franchisees) across 448 cities and towns and services more than 633,000 secondary market customers.

Kotak Mahindra Capital Company (KMCC) – investment banking

₹ million

	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Total income	306	189	335	980	632	1,014
Profit before tax	97	18	110	305	154	346
Profit after tax	76	16	73	218	105	239

Kotak Investment Banking was Book Running Lead manager in the following Initial Public Offers:

- Coal India – ₹ 152 bn; Prestige Estates Projects – ₹ 12 bn; Oberoi Realty – ₹ 10 bn

Kotak Investment Banking was the Lead manager to the following Bond issuances:

- SBI Lower Tier II - ₹ 10 bn; IDFC Infrastructure Bond Tranche 1 - ₹ 5 bn

Kotak Investment Banking acted as:

- Exclusive financial advisor to Ispat Industries for strategic stake sale to JSW Steel through a preferential issue of shares, US\$ 480 mn
- Manager to the buyback offer by Piramal Healthcare Limited via tender offer route, US\$ 551 mn
- Manager to the Open Offer for Patni Computer Systems by iGate Corporation, US\$ 300 mn
- Manager to the delisting offer by promoter group of Nirma Limited, US\$ 174 mn
- Advisor to M&M for acquisition of ~5.5% in Tech Mahindra Limited from BT Telecommunication plc, US\$ 101 mn

Kotak was named Best Investment Bank for Equity Finance in India in the Euromoney Real Estate Poll – 2010.

Kotak Mahindra Old Mutual Life Insurance (KLI) - Life insurance

₹ million

	Q3FY11 (3 months)	Q3FY10 (3 months)	Q2FY11 (3 months)	YTDFY11 (9 months)	YTDFY10 (9 months)	FY10 (12 months)
First year	1,581	2,868	2,686	6,181	6,381	10,838
Renewal	4,214	3,721	4,245	11,762	10,120	15,340
Single	313	528	417	1,090	808	2,502
Gross premium income	6,108	7,116	7,348	19,033	17,309	28,680
Individual	5,582	6,714	6,812	17,352	16,337	26,467
Group	527	402	536	1,681	972	2,213
Profit/ (Loss)	236	193	134	301	248	692

	As on Dec 31, 2010	As on Dec 31, 2009	As on Sept 30, 2010	As on Mar 31, 2010
AUM (₹ bn)	78	57	76	65
Sum assured - Individual – (₹ bn)	409	318	384	344
Sum assured - Group – (₹ bn)	815	515	751	571
Solvency ratio	2.61	3.05	2.69	2.80
Individual policies – nos	1,114,664	1,003,927	1,110,038	1,081,268
Group policies – nos	707	626	702	656
Branches	203	214	214	214
Cities covered	152	152	152	152

Kotak Mahindra Asset Management Company and Trustee Company – asset management

₹ million

	Q3FY11 (3 months)	Q3FY10 (3 months)	Q2FY11 (3 months)	YTDFY11 (9 months)	YTDFY10 (9 months)	FY10 (12 months)
Total income (AMC)	239	507	166	780	1,360	1,755
Profit before tax (AMC)	82	314	(63)	125	793	991
Profit after tax (AMC)	56	209	(40)	90	525	655
Total income (Trustee Company)	25	33	26	79	85	114
Profit before tax (Trustee Company)	24	30	24	71	78	105
Profit after tax (Trustee Company)	17	20	16	48	51	69
Average AUM (₹ bn)	276	402	276	299	341	348
Average AUM - Equity (₹ bn)	40	49	43	42	43	49

- KMAMC has 82 branches servicing approximately 1 mn investors.

International Subsidiaries

₹ million

	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Total Income	349	440	362	1,035	1,249	1,591
Profit before tax	70	243	133	395	745	875
Profit after tax	82	226	123	361	664	803

- As on December 31, 2010 assets managed / advised by international subsidiaries were USD 2 bn

Kotak Investment Advisors Limited (KIAL) – alternate assets management/advisor

₹ million

	Q3FY11	Q3FY10	Q2FY11	YTDFY11	YTDFY10	FY10
	(3 months)	(3 months)	(3 months)	(9 months)	(9 months)	(12 months)
Total Income	231	245	221	700	747	991
Profit before tax	88	160	149	395	482	598
Profit after tax	54	115	105	268	327	398

- KIAL manages / advises private equity and realty funds with commitments aggregating to ₹ 53 bn.

Safe Harbor

This document contains certain forward- looking statements based on current expectations of Kotak Mahindra management. Actual results may vary significantly from the forward- looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Kotak Mahindra Group as well as its ability to implement the strategy. Kotak Mahindra does not undertake to update these statements.

This document does not constitute an offer or recommendation to buy or sell any securities of Kotak Mahindra Bank or any of its subsidiaries and associate companies. This document also does not constitute an offer or recommendation to buy or sell any financial products offered by Kotak Mahindra, including but not limited to units of its mutual fund and life insurance policies.

All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors. and forces affecting the securities market. The performance of the sponsor, Kotak Mahindra Bank Limited, has no bearing on the expected performance of Kotak Mahindra Mutual Fund or any schemes there under.

Figures for the previous period/ year have been regrouped wherever necessary to conform to current period's / year's presentation. Totals in some columns/ rows may not agree due to rounding off.

Contact**Jaimin Bhatt / R Sundarraman**

Kotak Mahindra Bank Limited

Tel: +91 22 6672 6000

Fax: +91 22 6672 6430

E-mail: investor.relations@kotak.com