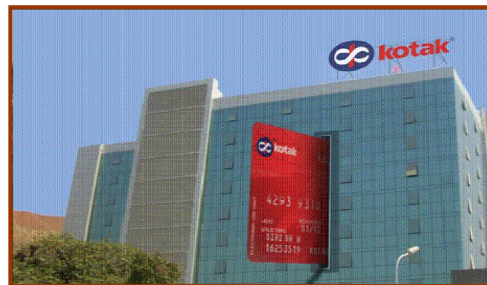




Earnings Update – FY11 Results

May 5, 2011



Performance Highlights

- Consolidated PAT for FY11 up 20% to ₹ 15,667 mn from ₹ 13,070 mn in FY10.
- Consolidated PAT for Q4FY11 ₹ 4,914 mn - up 17% from ₹ 4,186 mn in Q4FY10 and up 28% from ₹ 3,836 mn in Q3FY11.
- Highest PAT in the 25 year history, both for the year and for the quarter.
- Consolidated advances up 39% to ₹ 412 bn as on March 31, 2011 from ₹ 297 bn as on March 31, 2010.
- Consolidated NIM FY11 at 5.6%. (FY10 – 6.1%).
- Consolidated capital adequacy ratio as per Basel II as on March 31, 2011 is 19.5%. Tier 1 ratio 18.1%.
- Bank (Standalone) PAT for FY11 up 46% to ₹ 8,182 mn from ₹ 5,611 mn in FY10.
- Bank (Standalone) PAT for Q4FY11 ₹ 2,487 mn - up 23% from ₹ 2,025 mn in Q4FY10 and up 32% from ₹ 1,879 mn in Q3FY11.
- CASA deposits as on March 31, 2011 ₹ 87,905 mn, comprising 30% of total deposits.
- PAT of Kotak Life for FY11 up 46% to ₹ 1,014 mn from ₹ 692 mn in FY10.
- Total assets managed/ advised by the Group as on March 31, 2011 were ₹ 479 bn (March 31, 2010 – ₹ 452 bn).
- Kotak Mahindra Bank was among the top 25 employers in India as per the Hewitt Best Employers in India study 2011. It is the only BFSI Company included in the top 25 employer category.

Consolidated Financials

Revenues

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Financing activities	13,518	9,592	12,776	47,166	35,231
Fee Income*	3,340	3,199	3,017	12,832	12,837
Premium Income	10,630	11,374	6,044	29,399	28,493
Treasury – Others	4,074	3,118	4,159	14,967	12,019
Others	772	1,818	539	2,422	3,241
Total Revenues**	32,333	29,101	26,535	106,786	91,821

*Fee income is net of sub brokerage.

**exclude treasury (policyholders) income

Analytical Ratios

	As on Mar 31, 2011	As on Dec 31, 2010	As on Mar 31, 2010
Networth (₹ mn)	109,629	105,024	79,109
Book value per share * (₹) – Face value ₹ 5	148.8	142.6	113.6
Net Interest Margin (%)	5.6% ^{\$}	5.6% ^{\$}	6.1%
ROA (excluding policyholders' assets) (%) (Annualised)	3.0%	2.8%	3.3%
Return on average Networth (%) (Annualised)	16.4%	15.6%	18.2%

* Adjusted for split

\$ Normalised

Consolidated Financials

Assets

₹ million

Advances	As on Mar 31, 2011	As on Mar 31, 2010	As on Dec 31, 2010
Commercial vehicles & Construction equipments	62,511	44,142	55,485
Auto loans	85,502	65,418	79,935
Mortgage Loans	68,765	47,650	66,261
Personal loans	13,068	13,540	12,268
Agriculture Finance	42,196	30,886	37,528
Corporate Banking	108,654	71,943	115,940
Others	31,725	23,663	33,547
Total Advances	412,420	297,243	400,964
Investments/ Treasury Assets *	182,791	147,624	157,690
Total Advances and Investments	595,211	444,867	558,654
NPA (excluding acquired stressed assets)			
GNPA	4,686	6,468	6,031
GNPA (%)	1.13%	2.16%	1.49%
NNPA	1,776	3,378	2,040
NNPA %	0.43%	1.14%	0.51%

* Does not include policy holders' investments.

Consolidated Financials

Liabilities

₹ million

	As on Mar 31, 2011	As on Mar 31, 2010	As on Dec 31, 2010
Deposits	273,130	218,192	261,966
Borrowings	220,733	154,481	199,805

Consolidated Financials

Company-wise Profit after Tax

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Kotak Mahindra Bank (Standalone)	2,487.0	2,025.0	1,878.7	8,181.8	5,611.1
Kotak Mahindra Prime	868.6	585.9	936.8	3,178.6	1,664.1
Kotak Securities	361.6	507.8	466.4	1,819.4	2,601.0
Kotak Mahindra Capital Company	300.4	133.3	76.2	518.9	238.6
Kotak Mahindra Old Mutual Life Insurance	712.1	444.2	236.1	1,013.6	692.2
Kotak Mahindra AMC & Trustee Co	35.6	148.1	72.4	173.0	724.6
International subsidiaries	150.2	139	82.0	511.7	803.4
Kotak Investment Advisors	59.1	70.2	54.4	327.1	397.5
Kotak Mahindra Investments	56.9	68.3	27.6	240.0	346.6
Others	(2.0)	(2.0)	(0.5)	(3.0)	(4.9)
Total consolidated profit after tax	5,029.6	4,119.8	3,830.3	15,961.1	13,074.4
Affiliates, minority interest & other adjustments	(115.9)	65.7	5.4	(293.6)	(4.4)
PAT (after minority interest / adjustments)	4,913.8	4,185.5	3,835.7	15,667.4	13,070.0

Bank Performance Highlights

- Bank (Standalone) PAT for FY11 up 46% to ₹ 8,182 mn from ₹ 5,611 mn in FY10.
- Bank (Standalone) PAT for Q4FY11 ₹ 2,487 mn - up 23% from ₹ 2,025 mn in Q4FY10 and up 32% from ₹ 1,879 mn in Q3FY11.
- Net Interest Income (NII) of the Bank (Standalone) for FY11 up 21% yoy to ₹ 22,451 mn vs. ₹ 18,581 mn in FY10.
- NII for Q4FY11 up 18% yoy to ₹ 6,216 mn vs. ₹ 5,260 mn in Q4FY10 (Q3FY11 ₹ 5,715 mn).
- Advances up 41% to ₹ 293 bn as on March 31, 2011 from ₹ 208 bn as on March 31, 2010.
- Retail Banking profit for FY11 ₹ 3,387 mn against ₹ 611 mn in FY10, large contribution from lending activities.
- Corporate Banking profit for FY11 up 41% to ₹ 5,439 mn against ₹ 3,855 mn in FY10.
- CASA deposits comprised 30% of total deposits as on March 31, 2011.
- Capital adequacy ratio of the Bank as per Basel II as on March 31, 2011 is 19.9%. Tier 1 ratio 18.0%.
- As at March 31, 2011, excluding the acquired stressed assets, the gross non performing assets of the Bank stood at ₹ 3,618 mn (1.23% of advances) while the net non performing assets stood at ₹ 1,460 mn (0.5% of advances).
- As at March 31, 2011, the provision coverage ratio is 70.1%.
- As on March 31, 2011, the Bank had 321 full-fledged bank branches (249 branches as on March 31, 2010) across 182 locations and 710 ATMs.
- Kotak Mahindra Bank was awarded Best Private Bank by Euromoney 2011. The Bank also won 16 other awards by Euromoney in various categories.

Kotak Mahindra Bank – Standalone

₹ million

Revenues	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Treasury & BMU*	4,135	3,057	3,896	14,639	11,262
Corporate/Wholesale Banking	4,947	4,251	4,154	16,039	11,564
Retail Banking	9,036	6,324	8,263	31,129	25,580
Sub-total	18,118	13,632	16,313	61,806	48,407
<i>Unallocated income & inter-segment revenue</i>	(3,878)	(2,310)	(3,306)	(12,440)	(9,568)
Total	14,239	11,323	13,007	49,366	38,839

₹ million

Segmental PBT	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Treasury & BMU*	1,065	1,019	573	3,048	3,675
Corporate/Wholesale Banking	1,697	1,575	1,311	5,439	3,855
Retail Banking	990	515	838	3,387	611
Lending	1,768	1,354	1,817	6,650	3,775
Branch banking	(664)	(561)	(818)	(2,633)	(1,890)
Credit cards	(114)	(278)	(161)	(630)	(1,274)
Sub-total	3,751	3,109	2,721	11,874	8,140
<i>Unallocated income & inter-segment revenue</i>	-	(29)	-	3	(29)
Total	3,751	3,080	2,721	11,877	8,111

* Balance Sheet Management Unit

Kotak Mahindra Bank – Standalone

Assets

₹ million

	As on Mar 31, 2011	As on Mar 31, 2010	As on Dec 31, 2010
Advances			
Commercial vehicles & Construction equipments	62,511	44,142	55,485
Mortgage loans	68,765	47,116	66,261
Agriculture Finance	42,196	30,886	37,528
Corporate Banking	92,960	64,761	104,074
Personal loans	13,050	13,150	12,214
Others	13,812	7,695	13,287
Total Advances	293,293	207,751	288,850
Advances – as per segmental classification			
Retail	176,724	132,912	170,943
Corporate	115,906	73,645	117,284
Others	663	1,194	623
Total Advances	293,293	207,751	288,850
Investment / Treasury Assets	171,214	140,750	142,867
Total Advances and Investments	464,507	348,501	431,717
NPA (excluding acquired stressed assets)			
GNPA	3,618	4,983	4,844
GNPA (%)	1.23%	2.38%	1.66%
NNPA	1,460	2,572	1,645
NNPA %	0.50%	1.25%	0.57%

Liabilities

₹ million

	As on Mar 31, 2011	As on Mar 31, 2010	As on Dec 31, 2010
CASA	87,905	74,631	78,682
Term Deposit	153,889	120,373	143,843
Certificate of Deposit	50,816	43,860	60,355
Total Deposits	292,610	238,865	282,880
Total Borrowings	117,239	77,029	97,030

Key Subsidiaries – Highlights

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

₹ million

	Q4 FY11 (3 months)	Q4 FY10 (3 months)	Q3 FY11 (3 months)	FY11 (12 months)	FY10 (12 months)
Total income	3,651	2,735	3,840	13,648	9,921
Profit before tax	1,294	909	1,417	4,819	2,589
Profit after tax	869	586	937	3,179	1,664

- Total advances as on March 31, 2011 are ₹ 111,450 mn (March 31, 2010 is ₹ 83,110 mn, December 31, 2010 ₹ 104,394 mn).
 - Of above Car advances as on March 31, 2011 are ₹ 84,892 mn (March 31, 2010 is ₹ 64,673 mn, December 31, 2010 ₹ 79,489).
- Net NPA as on March 31, 2011 are ₹ 313 mn (March 31, 2010 is ₹ 806 mn, December 31, 2010 ₹ 392 mn).
- Car business net NPA ratio 0.27% as on March 31, 2011 (March 31, 2010 0.37%, December 31, 2010 0.23%).

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

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
First year	2,389	4,457	1,581	8,570	10,838
Renewal	5,462	5,220	4,214	17,224	15,340
Single	2,871	1,694	313	3,962	2,502
Gross premium income	10,721	11,371	6,108	29,755	28,680
Individual	9,525	10,130	5,582	26,877	26,467
Group	1,196	1,241	527	2,878	2,213
Profit/ (Loss)	712	444	236	1,014	692

	As on Mar 31, 2011	As on Mar 31, 2010	As on Dec 31, 2010
AUM (₹ bn)	83	65	78
Sum assured - Individual – (₹ bn)	446	344	409
Sum assured - Group – (₹ bn)	854	571	815
Solvency ratio	2.67	2.80	2.61
Individual policies – nos	1,150,037	1,081,268	1,114,664
Group policies – nos	727	656	707
Branches	202	214	203
Cities covered	152	152	152

Kotak Mahindra Capital Company (KMCC) – investment banking

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Total income	603	394	301	1,543	991
Profit before tax	397	192	97	702	346
Profit after tax	300	134	76	519	239

Kotak Investment Banking was Book Running Lead Manager in the following issuances

- State Bank of India Lower Tier II bonds IPO – ₹ 55 bn; Tata Steel FPO – ₹ 35 bn; Mahindra and Mahindra Financial Services QIP – ₹ 4 bn; IDFC Infrastructure Bonds IPO – ₹ 8 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\$ 2.6 bn
- 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\$ 303 mn
- Manager to the delisting offer by promoter group of Nirma Limited, US\$ 174 mn
- Private Placement of 12.5% stake by Monnet Power Co to Blackstone Capital Partners (Mauritius) Limited, US\$ 60 mn
- Manager to the Open Offer for Religare Enterprises Ltd. by RHC Financial Private Limited
- Manager to the Open Offer for ADC India Communications Limited by Tyco Electronics Limited
- Transaction Advisor and provider of Fairness Opinion for demerger of the agri and performance chemicals business from Jubilant Organosys Limited

During the year, Kotak Investment Banking received a number of prestigious awards including:

- Best Investment Bank in India by FinanceAsia – 2010; Best Domestic Equity House by Asiamoney – 2010; Best Equity House in India by FinanceAsia – 2010; Best Bank for Equity Finance in India in the Euromoney Real Estate Poll – 2010; Best Investment Bank in India by Global Finance – 2010; Best Domestic Investment Bank by Asset Asian Awards - 2010

Kotak Securities – stock broking

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Total income	1,694	1,872	1,957	7,376	8,379
Profit before tax	559	841	709	2,716	4,039
Profit after tax	362	508	466	1,819	2,601

- Kotak Securities clocked average daily volumes of around ₹ 46 bn during FY11 compared to around ₹ 39 bn during FY10.
- Kotak Securities accounted for 3.4% of total average daily market volumes for FY11.
- Kotak Securities has a network of over 1,413 offices (own & franchisees) across 454 cities and towns and services more than 661,000 secondary market customers.

Kotak Mahindra Asset Management Company and Trustee Company – asset management

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Total income (AMC)	301	395	239	1,081	1,755
Profit before tax (AMC)	22	198	82	147	991
Profit after tax (AMC)	16	130	56	106	655
Total income (Trustee Company)	29	29	25	108	114
Profit before tax (Trustee Company)	28	27	24	99	105
Profit after tax (Trustee Company)	19	18	17	67	69
Average AUM (₹ bn)	323	373	276	305	348
Average AUM - Equity (₹ bn)	38	50	40	44	49

- KMAMC has 82 branches and approximately 1 mn folios.

International Subsidiaries

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Total Income	356	344	349	1,391	1,591
Profit before tax	149	130	70	544	875
Profit after tax	150	139	82	512	803

- As on March 31, 2011 assets managed / advised by international subsidiaries were USD 2 bn.

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

₹ million

	Q4 FY11	Q4 FY10	Q3 FY11	FY11	FY10
	(3 months)	(3 months)	(3 months)	(12 months)	(12 months)
Total Income	261	244	231	961	991
Profit before tax	97	116	88	492	598
Profit after tax	59	71	54	327	398

- KIAL manages / advises private equity and realty funds with commitments aggregating to ₹ 50 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.

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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.

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