



PRESS RELEASE

Consolidated PAT for Q2FY08 up 157% YOY to Rs. 2,415 mn

Mumbai, October 26, 2007: The Board of Directors of Kotak Mahindra Bank took on record unaudited consolidated and stand-alone results for Q2FY08, at a board meeting held in Mumbai, today.

Consolidated results at a glance

	Q2FY08	Q2FY07	Growth	FY07
Total income	18,118	9,035	101%	42,971
Interest Income	8,385	4,337	93%	19,817
Other income	9,733	4,698	107%	23,154
Profit after tax (excl Life insurance)	2,624	1,064	147%	5,814
Profit after tax (incl Life insurance)	2,415	939	157%	5,382
EPS Rs. (diluted)#	7.30	2.86		16.47

non annualised

Consolidated PAT (excl Life Insurance) up 147% to Rs. 2,624 mn in Q2 FY08 from Rs. 1,064 mn in Q2 FY07. Including Life Insurance, consolidated PAT up 157% to Rs. 2,415 mn in Q2 FY08 from Rs. 939 mn in Q2 FY07.

During Q2FY08, consolidated other income increased 107% to Rs. 9,733 mn from Rs. 4,698 mn in Q2FY07.

Consolidated advances up 54% YoY to Rs. 185 bn as on September 30, 2007, with retail and commercial loans comprising 87% of the portfolio. Consolidated NIM for Q2 FY08 at 5.2%.

Consolidated book value per share as on September 30, 2007 was Rs. 111.0 (Rs. 89.7 as on September 30, 2006).

Consolidated Net NPA as at September 30, 2007 excluding stressed asset portfolio is 0.33% (0.20% as on September 30, 2006).

In October 2007, the Bank raised Rs. 16.2 bn (approximately USD 410 million) by allotting 17,000,000 equity shares through a Qualified Institutional Placement (QIP). The QIP issue was priced at Rs. 950 per equity share.

Consolidated book value per share post QIP issue in October 2007, is Rs. 152.2.

Kotak Mahindra Bank stand-alone results

PAT of the Kotak Mahindra Bank on a standalone basis for Q2 FY08 was up 117% to Rs. 754 mn from Rs. 348 mn in Q2 FY07.

Net Interest Income (NII) of the Bank (Standalone) for Q2 FY08 was up 100% YoY to Rs. 2,834 mn from Rs. 1,414 mn in Q2 FY07.



Other income of the Bank for Q2FY08 was up 96% to Rs. 1,223 mn as compared to Rs. 624 mn in Q2FY07.

Bank had 133 full-fledged branches (78 branches as on September 30, 2006) across 92 locations as on September 30, 2007. The Bank targets to reach 200 branches by mid next year.

As on September 30, 2007 deposits of the Bank grew by 76% to Rs. 144 bn (excluding temporary deposits held as collection bankers to IPOs) as compared to Rs. 82 bn (excluding temporary deposits held as collection bankers to IPOs) as on September 30, 2006. CASA deposits (excluding monies held as collection bankers) comprised 26% of total deposits (21% as on September 30, 2006). Total number of deposit accounts was around 533,000 as on September 30, 2007 (255,000 as on September 30, 2006).

Advances of the Bank grew by 53% to Rs. 129 bn as on September 30, 2007 from Rs. 84 bn as on September 30, 2006.

Capital adequacy ratio of the Bank as on September 30, 2007 was 10.9% (12.4% as on September 30, 2006). Tier I ratio was 6.6%. After considering the amount raised through QIP issue in October 2007, capital adequacy ratio of the Bank is over 17% and Tier I is over 13% assuming deployment of these monies in 100% risk assets.

Business highlights

- Kotak Mahindra Capital Company was ranked No. 1 by Bloomberg for the nine months of calendar year 2007 for
 - India Domestic IPOs
 - India Domestic Equity Offerings (IPO, Additional Offerings and QIP)
 - Indian Domestic Equity & Rights Offerings
- Kotak Mahindra Capital Company was ranked No. 3 for the nine months of calendar year 2007 in the M&A Financial Advisory league tables for India Announced deals by Bloomberg.
- Kotak Securities was awarded the leading Equity house in India for 2007 by Thomson Extel Survey Awards for Asia Pacific.
- Kotak Securities clocked average daily volumes of over Rs. 53 bn during Q2FY08 (Rs. 26 bn during Q2FY07).
- Total assets managed/ advised by the Group (including alternate assets) were Rs. 375 bn (Rs. 222 bn as on September 30, 2006).
- Alternate assets (private equity and realty funds) under management by the Group were around Rs. 38 bn.
- Kotak Life Insurance premium income grew 56% to Rs. 2,626 mn in Q2FY08 from Rs. 1,679 mn in Q2FY07.
- The Group employee strength was over 15,300 as on September 30, 2007 (8,800 employees as on September 30, 2006). Added more than 3,000 employees during the quarter.



ABOUT KOTAK MAHINDRA

Kotak Mahindra is one of India's leading financial conglomerates, offering a wide range of financial services that encompass every sphere of life. From commercial banking, to car finance, to stock broking, to mutual funds, to life insurance, to investment banking, the group caters to the financial needs of individuals and corporates.

The group has a net worth of around Rs. 52.3 bn, employs over 15,300 people in its various businesses and has a distribution network of branches, franchisees, representative offices and satellite offices around 340 cities and towns in India and offices in New York, London, Dubai, Mauritius and Singapore.

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