



KOTAK MAHINDRA ANNOUNCES Q1FY05 RESULTS

Bank net profit up 14% to Rs. 22 crore
Consolidated net profit up 6% to Rs. 31 crore

Mumbai, July 26, 2004: The Board of Directors of Kotak Mahindra Bank took on record the unaudited consolidated Q1FY05 results, at a board meeting held in Mumbai, today.

Consolidated results

	Q1FY05 (unaudited)	Q1FY04 (unaudited)	Growth%	Rs. crore FY04 (audited)
Total income	283.08	212.72	33%	1,165.47
Operating profit	61.28	59.17	4%	340.69
Profit after tax	30.70	29.02	6%	174.16
EPS diluted (Rs.)	5.10	4.89	4%	29.00

The consolidated total income for the quarter was up 33% to Rs 283.08 crore as compared to Rs 212.72 crore (quarter ended June 30, 2003).

Proportion of fee income and insurance premium to total income increased to 35% for Q1FY05 compared to 21% in Q1FY04. Significant contributors to the growth in revenues were the stock broking business and the premium income from life insurance business.

Consolidated operating profit for the quarter was up 4% to Rs 61.28 crore as compared to Rs 59.17 crore (quarter ended June 30, 2003).

Consolidated profit after tax for the quarter was up 6% at Rs. 30.70 crore as compared to Rs. 29.02 crore (quarter ended June 30, 2003).

Announcing the results, Uday Kotak, Executive Vice Chairman & Managing Director, Kotak Mahindra Bank said, "The quarter witnessed numerous developments in the country, which have impacted financial markets. We believe that the progressive outlook of the Government will see an investor friendly environment, which in turn will positively impact our businesses as well."

Bank stand-alone results (unaudited)

The profit after tax of Kotak Mahindra Bank, on a stand-alone basis, for the quarter was up 14% at Rs. 22.06 crore as against Rs. 19.34 crore (quarter ended June 30, 2003).

Net interest income (NII) of the Bank at Rs. 45.94 crore for the quarter was up 60% as compared to Rs. 28.71 crore (quarter ended June 30, 2003). Operating profit



increased by 16% to Rs. 32.59 crore as against Rs. 28.05 crore (quarter ended June 30, 2003).

Total advances of the Bank stood at Rs. 2,301 crore as on June 30, 2004, up 70% from Rs. 1,351 crore as on June 30, 2003. Total deposits of the Bank increased by 55% to Rs. 2,850 crore as on June 30, 2004 as compared to Rs. 1,838 crore as on June 30, 2003.

Capital Adequacy Ratio of the Bank as on June 30, 2004 was 14.69%. The Bank currently operates 20 full-fledged branches across 14 cities in India.

Consolidated financial highlights

- Consolidated advances were Rs. 4,792 crore as on June 30, 2004 (Rs. 3,436 crore as on June 30, 2003).
- Consolidated net NPAs as on June 30, 2004 were 0.2% of net advances.
- Consolidated book value per share as on June 30, 2004 was Rs. 213.
- Consolidated earnings per share (diluted) for Q1FY05 was Rs. 5.10 as against Rs. 4.89 for Q1FY04.

Business highlights

- Kotak Investment Banking won the three prestigious awards for second year in running - "Best Investment Bank" in India by FinanceAsia, "Best Equity House" in India by Euromoney and "Best Domestic Equity House" in India by Asiamoney. It also topped the M&A league tables for the first half of calendar 2004 in terms of value of deals announced (Source: Bloomberg – India targets).
- Kotak Securities was awarded "Best Equity House" in India by FinanceAsia.
- Assets Under Management (AUM) of Kotak Mutual Fund stood at Rs. 5,651 crore as on June 30, 2004. In July 2004, it successfully launched the IPO of Kotak Equity FOF (Fund of Fund) scheme with collections of around Rs. 187 crore.
- Equity AUM managed by the group in the mutual fund, portfolio management and offshore funds was over Rs. 2,100 crore as on June 30, 2004.
- AUM of various mutual funds distributed by Kotak Mahindra Bank and Kotak Securities was around Rs. 4,200 crore as on June 30, 2004.
- Kotak Life insurance recorded 106% growth in gross premium income in Q1FY05 to Rs. 28.3 crore as compared to Rs. 13.7 crore Q1FY04.