



KOTAK MAHINDRA ANNOUNCES Q2 FY05 RESULTS
Bank net profit up 4% to Rs. 21 crore
(Mumbai, October 28, 2004)

The Board of Directors of Kotak Mahindra Bank took on record the unaudited consolidated and stand-alone Q2 FY05 results, at a board meeting held in Mumbai, today.

Consolidated results

The consolidated total income for the quarter was up 22% to Rs. 317.74 crore as compared to Rs. 259.40 crore (quarter ended September 30, 2003).

Proportion of fee income and insurance premium to total income increased to 38% for Q2 FY05 compared to 29% in Q2FY04.

Consolidated Net Interest Income (NII) was up 29% to Rs. 110.75 crore as against Rs. 85.85 crore (quarter ended September 30, 2003).

Consolidated profit before tax (PBT) for the quarter was Rs. 60.67 crore as compared to Rs. 75.41 crore (quarter ended September 30, 2003). This fall in PBT was primarily due to lower treasury earnings. The consolidated treasury (equity/equity related and debt) PBT for Q2 FY05 was Rs. 3.91 crore as compared to Rs. 32.91 crore in Q2 FY04. The group has fixed income treasury operations in the Bank and Kotak Mahindra Capital Company, which is a primary dealer.

Consolidated profit after tax for the quarter was Rs. 32.50 crore as compared to Rs. 38.94 crore (quarter ended September 30, 2003).

Announcing the results, Uday Kotak, Executive Vice Chairman & Managing Director, Kotak Mahindra Bank said, "This quarter has seen robust growth in our lending activities. We continue to invest in our branch banking network and life insurance business."

Bank stand-alone results (unaudited)

NII of Kotak Mahindra Bank, on a stand-alone basis, was up 50% at Rs. 54.74 crore for the quarter as compared to Rs. 36.51 crore (quarter ended September 30, 2003).

The profit before tax for the quarter was Rs. 29.35 crore as compared to Rs. 30.06 crore (quarter ended September 30, 2003). The retail lending segment showed a profit before tax of Rs. 18.90 crore for the quarter as compared to Rs. 14.44 crore for the corresponding period in the previous year, a growth of 31%. During the quarter ended September 30, 2004, the treasury segment of the Bank had a loss of Rs. 3.50 crore as compared to profit before tax of Rs 11.65 crore (quarter ended September 30, 2003).

The profit after tax of the Bank for the quarter was up 4% at Rs. 20.65 crore as against Rs. 19.84 crore (quarter ended September 30, 2003).

Total advances of the Bank stood at Rs. 2,708 crore as on September 30, 2004, up 75% from Rs. 1,551 crore as on September 30, 2003.



The Bank currently operates 23 full-fledged branches across 16 cities in India and plans to have 75 to 100 branches by March 2008 across 30 - 40 cities.

Consolidated financial highlights

- Consolidated advances were up 48% to Rs. 5,573 crore as on September 30, 2004 (Rs. 3,768 crore as on September 30, 2003).
- Consolidated net NPAs as on September 30, 2004 were 0.3% of net advances.
- Consolidated book value per share as on September 30, 2004 was Rs. 108.

Business highlights

- Assets Under Management (AUM) of Kotak Mutual Fund stood at Rs. 5,518 crore as on September 30, 2004.
- Equity AUM managed by the group in the mutual fund, portfolio management and offshore funds was around Rs. 2,500 crore as on September 30, 2004 (Rs. 1,100 crore as on September 30, 2003).
- AUM of various mutual funds distributed by Kotak Mahindra Bank and Kotak Securities was over Rs. 4,500 crore as on September 30, 2004.
- Kotak Life insurance recorded 130% growth in gross premium income in Q2 FY05 to Rs. 47.70 crore, as compared to Rs. 20.68 crore in Q2 FY04.
- Launched a private equity fund with a target corpus of Rs. 400-450 crore.