



## PRESS RELEASE

### KOTAK MAHINDRA BANK ANNOUNCES RESULTS

**Consolidated PAT for Q2FY07 up 13% YOY to Rs. 94 crore**

**Consolidated advances up 48% YOY**

**Mumbai, October 19, 2006:** The Board of Directors of Kotak Mahindra Bank took on record the unaudited consolidated and stand-alone results for Q2FY07, at a board meeting held in Mumbai, today.

#### Unaudited consolidated results at a glance

	Q2FY07	Q2FY06	Growth	H1FY07	H1FY06	Growth	Rs. crore *FY06
Total income	903.49	619.90	45%	1,680.08	1075.41	56%	2,980.70
NII	220.00	163.26	35%	430.03	300.17	43%	664.91
Other income	469.76	337.02	39%	848.73	548.56	55%	1,669.64
Profit after tax	93.90	83.36	13%	198.33	129.84	53%	342.46
EPS Rs. (diluted)#	2.86	2.69	6%	6.08	4.20	45%	11.01

\* excluding extraordinary items

# non annualised

Consolidated profit after tax (PAT) for Q2FY07 was up 13% YOY to Rs. 93.90 crore. Consolidated PAT for H1FY07 grew by 53% to Rs. 198.33 crore from Rs. 129.84 crore.

Consolidated total income for Q2FY07 was up 45% to Rs. 903.49 crore as compared to Rs. 619.90 crore in Q2FY06.

Consolidated advances were up 48% to Rs. 12,067 crore as on September 30, 2006 (Rs. 8,133 crore as on September 30, 2005) with retail loans comprising 84% of the portfolio. Consolidated NIMs were 5.1% for Q2FY07.

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

Consolidated net NPAs (excluding stressed asset portfolio) as on September 30, 2006 were 0.20% of consolidated net advances (0.32% as on September 30, 2005). Total consolidated net NPAs were 0.44% as on September 30, 2006.

Consolidated book value per share as on September 30, 2006 was Rs. 90 (Rs. 52 as on September 30, 2005).



## **Unaudited Kotak Mahindra Bank stand-alone results**

Profit after tax (PAT) of Kotak Mahindra Bank on a stand-alone basis for Q2FY07 was up 12% YOY to Rs. 34.80 crore. Q2FY06 PAT included an amount of Rs. 11.15 crore received as royalty by the Bank from its subsidiary, which had been discontinued from October 4, 2005. PAT for Q2FY07 is also after considering additional provision of Rs. 4.27 crore on standard assets and a provision of Rs. 2.51 crore on account of liability for employee benefits in accordance with AS 15.

Net Interest Income (NII) of the Bank for Q2FY07 was Rs. 141.28 crore, up 64% from Rs. 86.15 crore in Q2FY06.

The Bank had 78 full-fledged branches (44 branches as on September 30, 2005) across 49 towns and cities as on September 30, 2006. The Bank proposes to have around 110 branches by March 2007 across 65 towns and cities.

As on September 30, 2006, the deposits of the Bank were Rs. 8,194 crore up 49% as compared to Rs. 5,498 crore as on September 30, 2005. CASA deposits comprised 21% of total deposits. The Bank had around 255,000 deposit accounts as on September 30, 2006 (113,000 deposit accounts as on September 30, 2005).

Advances of the Bank grew by 79% YOY to Rs. 8,386 crore as on September 30, 2006.

Capital adequacy ratio of the Bank as on September 30, 2006 was 12.38% (11.16% as on September 30, 2005). Tier 1 ratio was 9.69%.

## **Business highlights**

- Kotak Securities topped the Asiamoney 2006 Brokers Poll as the Best Local Broker. It was also awarded the Best Broker in India by Finance Asia for 2006.
- Kotak Mahindra Asset Management Company was adjudged the best Mutual Fund House in NDTV Business Leadership Award 2006.
- Total assets managed/ advised by the Group as on September 30, 2006 were Rs. 21,050 crore (Rs. 13,070 crore as on September 30, 2005).
- Kotak Life Insurance total premium income grew 165% YOY to Rs. 167.85 crore in Q2FY07.
- The group employee strength was around 8,800 as on September 30, 2006 (around 5,000 employees as on September 30, 2005).



## **ABOUT KOTAK MAHINDRA**

Kotak Mahindra is one of India's leading financial institutions, offering complete financial solutions that encompass every sphere of life. From commercial banking, 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 over Rs. 2,900 crore, employs around 8,800 people in its various businesses and has a distribution network of branches, franchisees, representative offices and satellite offices across 282 cities and towns in India and offices in New York, London, Dubai and Mauritius.

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