

**Kotak Mahindra Bank consolidated net profit
grows by 36% in Q3 and 79% in nine months of FY 03-04**
(Mumbai, January 27, 2004)

Kotak Mahindra Bank announced the consolidated unaudited Q3 results for FY 03-04, at a board meeting held in Mumbai, today.

	Rs. crore		
	Q3 FY 03-04	Q3 FY 02-03	Growth %
Total income	303.09	203.53	48.9%
Profit before tax	84.04	65.09	29.1%
Profit after tax	44.28	32.43	36.5%
EPS diluted (Rs.)	7.37	5.48	34.5%

Consolidated profit after tax for the quarter was up by 36% at Rs. 44.28 crore as against Rs. 32.43 crore in the corresponding quarter during the previous year (quarter ended December 31, 2002).

Consolidated total income was higher by 49% at Rs. 303.09 crore for the quarter ended December 31, 2003 (Rs. 203.53 crore for quarter ended December 31, 2002).

Announcing the results, Uday Kotak, Executive Vice Chairman and Managing Director, Kotak Mahindra Bank said, "With personalized investment advice as the core Banking proposition, Kotak Mahindra Bank and the group are moving towards the vision of creating wealth for its investors. The significant increase of fee based income this quarter is a validation of our objective to meet the needs of the changing mindset of the Indian investor".

Proportion of fee based income to total income increased to 39% this quarter compared to 18% in the corresponding quarter during the previous year (for quarter ended December 31, 2002). Significant contributors to the growth in revenues were the securities broking business and premium income from life insurance business.

For Kotak Mahindra Bank (on a stand-alone basis) the profit after tax was up 68% at Rs. 18.95 crore against Rs. 11.29 crore for the corresponding quarter in the previous year (for quarter ended December 31, 2002). Total income at Rs. 95.67 crore was higher by 63% against Rs. 58.52 crore during the corresponding quarter in the previous year (for quarter ended December 31, 2002).

Consolidated Financial Highlights

- Consolidated total advances portfolio grew by 44% during the nine months of FY04 to Rs. 4,377 crore. Portfolio of passenger cars crossed the Rs 2,000 crore mark whereas commercial vehicles crossed the Rs 1,000 crore mark.
- Consolidated net NPAs as on December 31, 2003 were at Rs. 11.7 crore constituting 0.27% of net advances.
- Consolidated book value per share as on December 31, 2003 was Rs. 200.
- Consolidated earnings per share (diluted) for nine months of FY04 was Rs. 18.71 (non-annualised) as against Rs. 10.83 for corresponding nine months period in FY03. Consolidated earnings per share (diluted) for FY03 was Rs. 12.38.

Business Highlights

- Kotak Mahindra Bank opened 4 branches during Q3 and 2 additional branches in January 2004. The Bank currently operates with 14 full-fledged branches across 10 cities. It plans to open 4 additional full-fledged branches in the current quarter i.e. Q4 FY04 and set-up a total of 18 full-fledged branches by March 2004.
- Robust growth in IPO business. Kotak Investment Banking lead managed IPOs of Indraprastha Gas and TV Today Network during the quarter, both of which were oversubscribed over 35 times. The Maruti IPO was adjudged "deal of the year" by IFR Asia and Finance Asia.
- Strong IPO pipeline - ONGC, IBP, Dredging Corporation, IPCL and Patni Computers.
- Securities broking business continued to grow; clocked average daily volumes of over Rs. 900 crore during Q3FY04 as compared to Rs. 600 crore during Q2FY04.
- Assets Under Management (AUM) in Kotak Mahindra Mutual Fund crossed Rs 5,000 crore.
- Equity AUM in the group in the mutual fund, portfolio management and offshore funds were over Rs 2,000 crore.
- Mutual fund AUM distributed by Kotak Mahindra Bank and Kotak Securities stood at over Rs. 3,300 crore.
- IPO of Kotak Global India Fund launched in December 2003 and closed in January 2004 garnered over Rs. 360 crore.