



PRESS RELEASE

KOTAK MAHINDRA BANK ANNOUNCES RESULTS FOR Q1FY06

Consolidated net profit for Q1FY06 up 51% to Rs. 46.5 crore

Mumbai, July 26, 2005: The Board of Directors of Kotak Mahindra Bank took on record the unaudited (consolidated and stand-alone) Q1FY06 results, at a board meeting held in Mumbai, today.

Consolidated results

Consolidated profit after tax (PAT) for the Q1 FY06 was up 51% to Rs. 46.5 crore as compared to Rs. 30.7 crore (quarter ended June 30, 2004).

Consolidated total income for the quarter was up 62% to Rs. 455.5 crore as compared to Rs. 280.9 crore (quarter ended June 30, 2004).

During Q1FY06, consolidated fee income (including life insurance premium) increased 101% to Rs. 196.7 crore from Rs. 97.9 crore in Q1FY05. Significant contributors to the growth in revenues were the securities broking business and premium income from life insurance business.

Consolidated advances were up 61% to Rs. 7,721 crore as on June 30, 2005 (Rs. 4,792 crore as on June 30, 2004) with retail loans comprising 88% of the portfolio.

Consolidated book value per share as on June 30, 2005 was Rs. 123 (Rs 106 as on June 30, 2004).

Announcing the results, **Uday Kotak, Executive Vice Chairman & Managing Director, Kotak Mahindra Bank** said, "We continue to invest in growth as we build a well rounded financial institution."

Bank stand-alone results

Net Interest Income (NII) of Kotak Mahindra Bank on a stand-alone basis for Q1FY06 was Rs. 69.3 crore, up 51% from Rs. 45.9 crore in Q1FY05.

Profit before tax for the quarter was Rs. 30.7 crore (Rs. 30.6 crore in Q1FY05).

The Bank had 42 full-fledged branches across 25 cities in India as on June 30, 2005 (20 branches as on June 30, 2004). It plans to have 65 - 70 branches by March 2006 and 90 - 100 branches by March 2007 across 45 - 50 towns and cities.

As on June 30, 2005, the deposits of the Bank grew by 71% to Rs. 4,882 crore as compared to Rs. 2,850 crore as on June 30, 2004. The Bank had around 86,300 deposit accounts as on June 30, 2005 (28,000 deposit accounts as on June 30, 2004).



Advances of the Bank grew by 89% YoY to Rs 4,356 crore as on June 30, 2005,

Capital adequacy ratio of the Bank as on June 30, 2005 was 12.52%.

Business highlights

- Kotak Investment Banking was awarded the 'Best Equity House' India by Euromoney for 2005.
- Kotak Securities was awarded the 'Best Broker' in India by FinanceAsia for 2005.
- Kotak Securities clocked average daily volumes of over Rs. 1,400 crore during Q1 FY06 (around Rs. 750 crore during Q1 FY05).
- Equity Assets Under Management (AUM) managed by the group in the mutual fund, portfolio management and offshore funds was around Rs. 4,300 crore as on June 30, 2005 (around Rs. 2,100 crore as on June 30, 2004).
- In July 2005, the new fund offer from Kotak Mahindra Mutual Fund for Kotak Contra scheme garnered around Rs 640 crore from about 74,000 investors from 103 locations.
- Premium income of Kotak Life Insurance grew 109% during Q1FY06 to Rs 59.2 crore.

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 around Rs. 1,900 crore, employs over 4,800 people in its various businesses and has a presence in 82 cities in India and offices in New York, London, Dubai and Mauritius.

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