



PRESS RELEASE

KOTAK MAHINDRA BANK ANNOUNCES Q3 FY05 RESULTS

Bank net profit up to Rs 19.10 crore

Mumbai, January 24, 2005: The Board of Directors of Kotak Mahindra Bank took on record the unaudited consolidated and stand-alone Q3 FY05 results, at a board meeting held in Mumbai, today.

Consolidated results (unaudited)

The consolidated total income for the quarter was up 32% to Rs. 396.91 crore as compared to Rs. 300.60 crore (quarter ended December 31, 2003).

Consolidated fee income (including life insurance premium) increased 41% to Rs 168.37 crore from Rs. 119.52 crore in Q3 FY04.

Consolidated profit after tax (PAT) for the quarter was Rs. 43.43 crore as compared with Rs. 44.28 crore (quarter ended December 31, 2003). The marginal decline in PAT was primarily on account of lower treasury earnings. The group continues to invest in retail branch banking and life insurance businesses.

Consolidated net NPAs as on December 31, 2004 were 0.3% of net advances.

Consolidated book value per share as on December 31, 2004 was Rs. 112.

Announcing the results, ***Uday Kotak, Executive Vice Chairman & Managing Director, Kotak Mahindra Bank*** said, "We see significant opportunities to scale up our businesses going forward. The group is continuing its policy of investing in various businesses to achieve this objective in a productive manner."

Bank stand-alone results (unaudited)

Net Interest Income of Kotak Mahindra Bank on a stand-alone basis was up 48% at Rs. 57.54 crore for the quarter as compared to Rs. 38.84 crore (quarter ended December 31, 2003).

PAT of the Bank for the quarter was Rs. 19.10 crore as compared to Rs. 18.95 crore (quarter ended December 31, 2003).

The retail lending segment showed a 19% growth in profit before tax to Rs. 18.40 crore for the quarter from Rs. 15.46 crore for the corresponding period in the previous year.

Advances of the Bank were up 68% YoY to Rs. 3,095 crore as on December 31, 2004, with retail loans comprising 82% of the portfolio. Commercial vehicles advances crossed Rs 1,500 crore, up 45% YoY.



The Bank had 29 full-fledged branches across 20 cities in India as on December 31, 2004. It plans to have 75 to 100 branches by March 2008 across 30 - 40 cities.

Capital adequacy of the Bank as on December 31, 2004 was 13.73%.

Business highlights

- Kotak Mahindra Bank ranked among the top 10 Banks in India by 'Business Today - KPMG Best Banks 2004' survey.
- Kotak Mahindra was awarded the International Financing Review (IFR) Asia "India Equity House of the Year" award.
- Consolidated advances were up 42% to Rs. 6,225 crore as on December 31, 2004 (Rs. 4,378 crore as on December 31, 2003).
- Equity AUM managed by the group in portfolio management, mutual fund and offshore funds was over Rs. 3,200 crore as on December 31, 2004 (Rs. 1,600 crore as on December 31, 2003).
- AUM of various mutual funds distributed by Kotak Mahindra Bank and Kotak Securities was over Rs. 3,800 crore as on December 31, 2004.
- Kotak Life insurance recorded 104% growth in gross premium income in Q3 FY05 to Rs. 69.51 crore as compared to Rs. 34.10 crore Q3 FY04.

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. 1,700 crore and employs over 4,000 people in its various businesses. With a presence in 74 cities in India and offices in New York, London, Dubai and Mauritius, it services a customer base of over 5,00,000.

Kotak Mahindra has international partnerships with Goldman Sachs (one of the world's largest investment banks and brokerage firms), Ford Credit (one of the world's largest dedicated automobile financiers) and Old Mutual (a large insurance, banking and asset management conglomerate).

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