



Press Release

Kotak Mahindra Group and KBC Financial Products announce co-operation on Foreign Currency Convertible Bonds (FCCBs) issuance by Indian corporates

Mumbai, July 25, 2007 – In line with the Kotak Mahindra Group's strategy of forming alliances with global partners to grow cross-border opportunities for our clients we are pleased to announce that Kotak Mahindra Group and KBC Financial Products (KBC FP) have entered in to a co-operation agreement to manage Foreign Currency Convertible Bonds (FCCBs) issuance for Indian corporates. Kotak Mahindra and KBC FP will leverage on each other's origination and distribution strengths to assist Indian corporates raise FCCBs in international markets.

Commenting on the co-operation, Ms Falguni Nayar, MD of Kotak Investment Banking said that *"We are delighted to announce this co-operation with KBC on the FCCB product. We see FCCBs as one of the core avenues of financing for our corporate clients and the co-operation with KBC FP will enhance our ability to execute FCCB mandates."*

'We are very pleased to work with Kotak Mahindra in the Indian FCCB market. The combination of Kotak Mahindra's strong corporate relationships and KBC FP's global expertise in equity-linked products formulates a unique and powerful execution platform' said Darren Carter, Managing Director of KBC FP.

About Kotak Mahindra

Kotak Mahindra is one of India's leading financial conglomerates, offering wide range of financial services that encompass every sphere of life. From commercial banking, to car finance, 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.34 billion, employs over 12,300 people in its various businesses and has a distribution network of branches, franchisees, representative offices and satellite offices across 320 cities and towns in India and offices in New York, London, Dubai, Mauritius and Singapore.

About KBC

KBC Financial Products (KBC FP) is a wholly-owned subsidiary of KBC Bank NV. KBC FP is a market leading specialist in equity, credit and fund-linked securities

including convertible bonds with a strategic focus on technology. Currently, the group employs more than 700 employees based in London, New York, Tokyo and Hong Kong.

KBC Group is one of the leading financial groups in Europe. A multi-channel bancassurance group, it caters to retail and private banking customers, small and medium-sized enterprises and is also active in asset management. KBC occupies leading positions in its two home markets of Belgium and Central and Eastern Europe and has an extensive private banking network operating under the European Private Bankers concept.

KBC Group is listed on Euronext Brussels (ticker symbol 'KBC') and the Luxembourg Stock Exchange. With a market capitalisation of approximately 36 billion euros, KBC employs around 50 000 people and serves ca. 11 million customers.

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