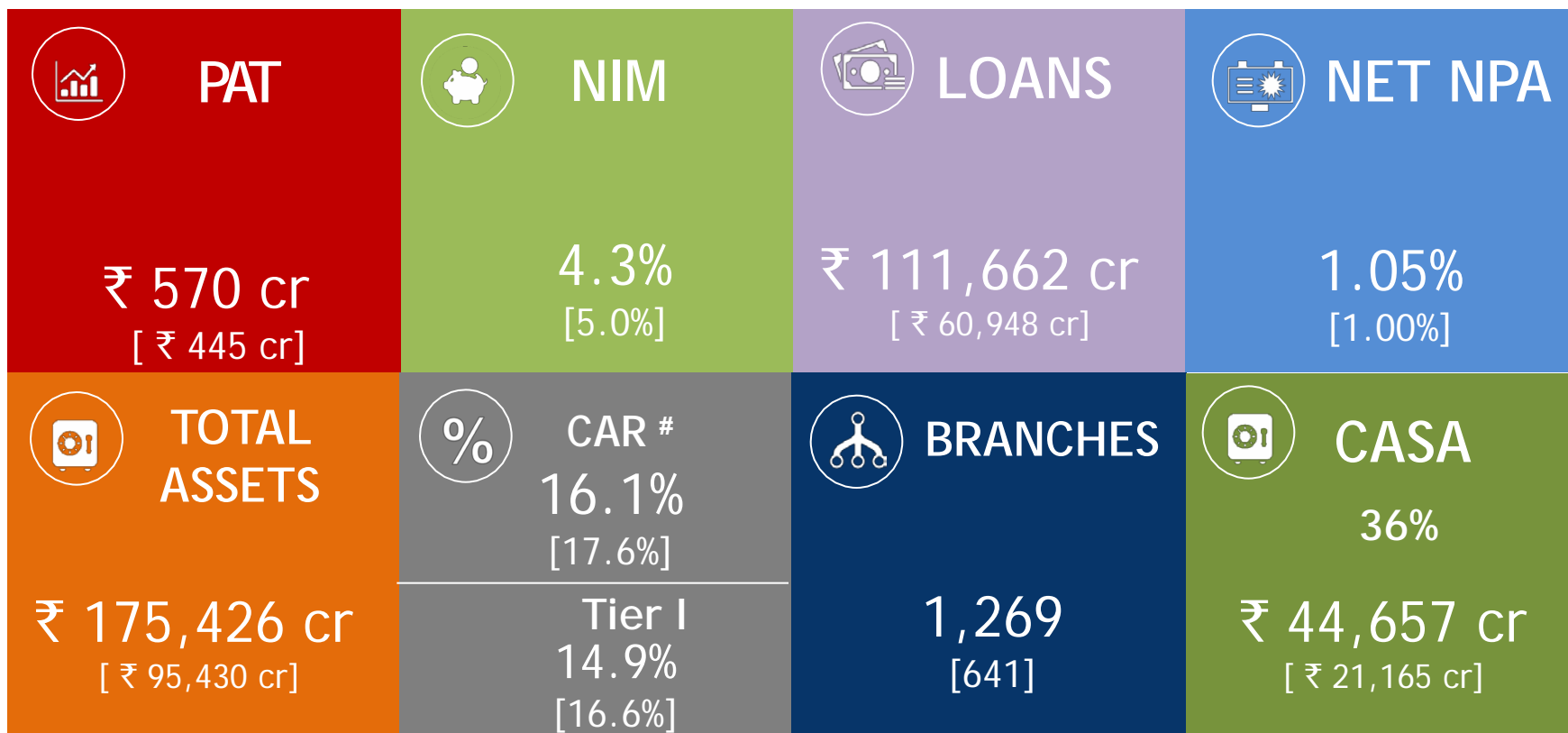


EARNINGS UPDATE Q2FY16

October 30, 2015



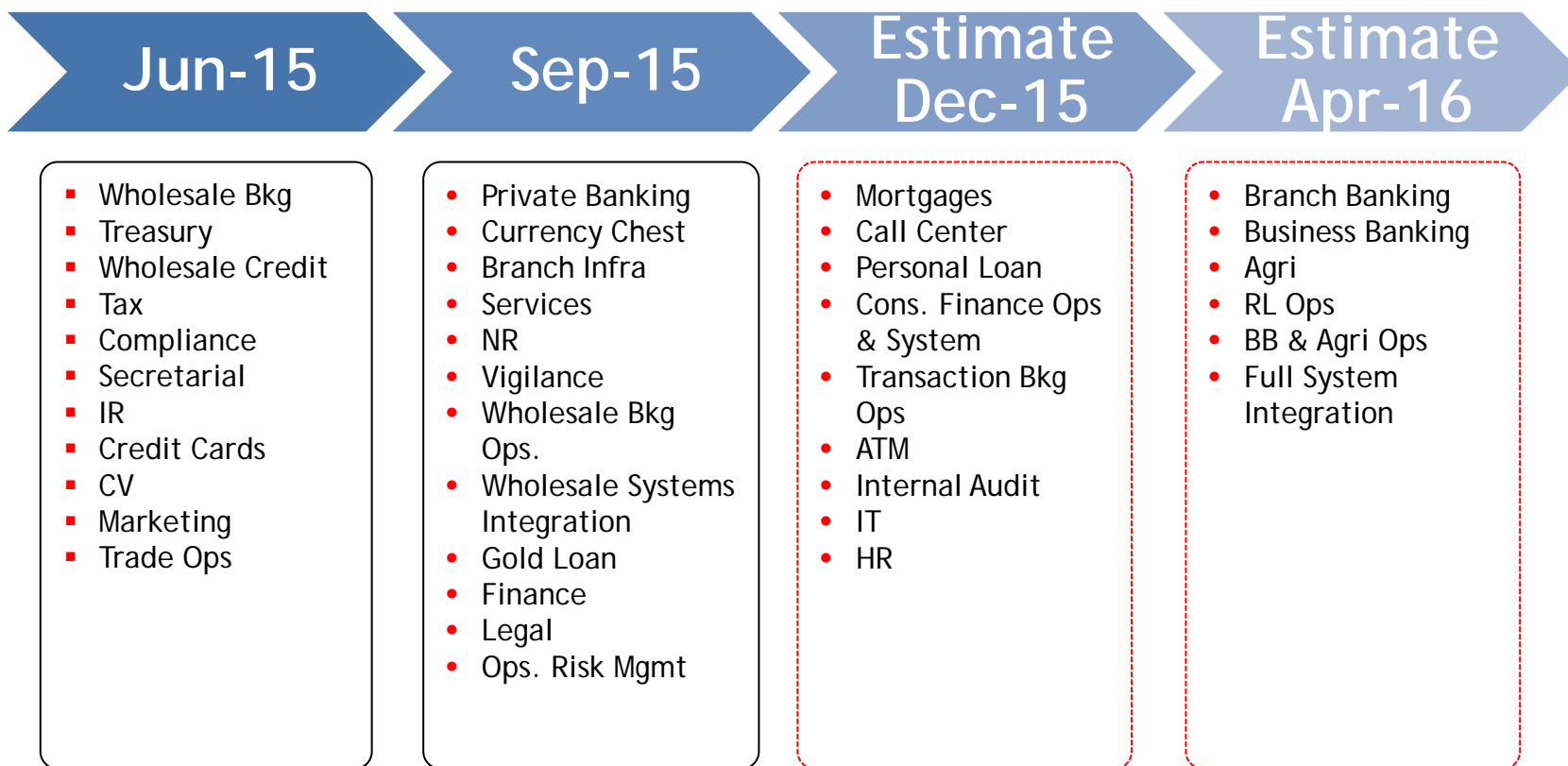
Standalone Highlights Q2FY16



Figures in [brackets] are Q2FY15 numbers

As per Basel III, including unaudited profits. Excluding profit CAR 15.5%, Tier I 14.4% (CAR 16.4% and Tier I 15.5%)

Merger of ING Vysya Bank effective April 1, 2015. Previous periods not comparable



Leveraging integration

- Large scale training initiated for employees of eIVBL
- Commingling of employees at branches initiated
- Various initiatives kicked off to generate cost synergies

Revenue Synergy

- SA growth has boosted, impact of 6% visible in eIVBL network
 - 23% YoY growth in average balances in eIVBL branches
- Overall customer acquisition has gained momentum
 - Combined bank adding ~ 100,000 customers a month
- Recruitment to drive acquisition & product x-sell through eIVBL branches
 - Traction in Consumer Asset & Insurance x-sell
- Launched special focus on CA; Initiatives launched for both NTB and Deepening

Cost Synergy

- Identification & consolidation of overlapping Branches & ATMs has been initiated
 - Pilot Launched. Opportunity to relocate about 75 branches
- People synergy including opportunities within group, being explored
- Rationalization of general & administrative expenses is in progress
- Consolidation and re-negotiation of vendor contracts
 - Services, ATM management, IT vendors
- Space rationalization
 - Shifting & consolidation of Non branch business from rented to owned premises underway
 - Non core premises being disposed

Provisions and costs arising post merger



Stressed Book

- Bad Bank formed in Q1FY16 (~6% of funded and non funded book of eIVBL) under experienced asset reconstruction team
- Most of the stressed assets being managed by this team
- At Q1FY16, we estimated additional provision of 0.5% of combined book for balance three quarters of FY16
- Impact on Q2FY16 results of ₹ 238 cr (₹ 305 cr in Q1FY16) of which a significant portion is from eIVBL
 - Q2FY16 includes a reversal of income of ₹ 62 cr on account of a credit event w.r.t. a derivative customer

Other Merger Related Expenses

- Integration cost of ₹ 12 cr in Q2FY16, ₹ 63 cr for Q1FY16 and ₹ 54 cr for FY15
- ~ ₹ 30 cr for Q2FY16 - additional interest up to 6% on savings accounts of eIVBL

Profit and Loss Q2FY16



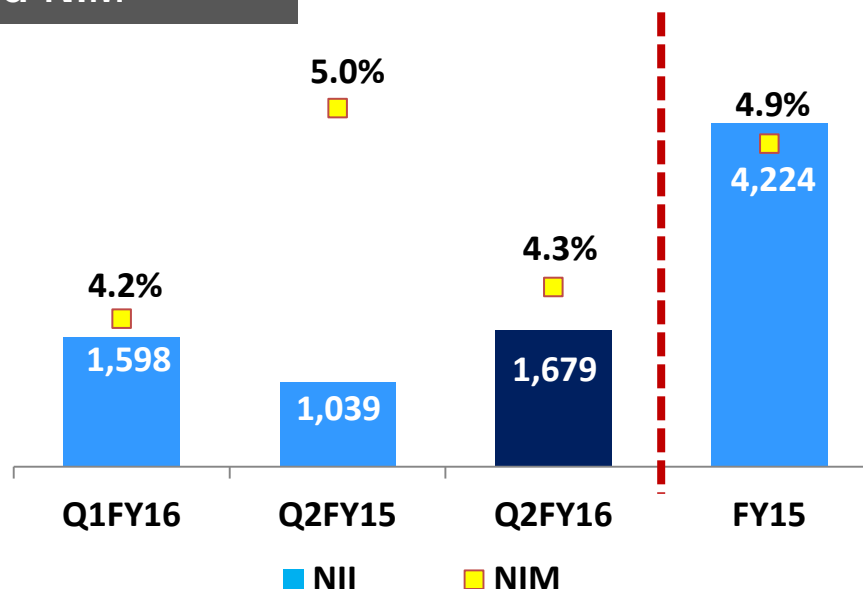
₹ cr	Q1FY16	Q2FY15	Q2FY16	FY15
Net Interest Income	1,598	1,039	1,679	4,224
Other Income	593	466	616	2,028
Net Total Income	2,191	1,505	2,295	6,252
Employee Cost*	929	355	623	1,450
Other Operating Expenses#	665	416	627	1,805
Operating Expenditure	1,594	771	1,250	3,255
Operating Profit	597	734	1,045	2,997
Provision On Advances (net)	266	64	189	275
Provision On Other Receivables	3	-	1	-
Provision On Investments	36	(10)	(14)	(111)
Provision & Contingencies	305	54	176	164
PBT	292	680	869	2,833
Provision For Tax	102	235	299	967
PAT	190	445	570	1,866

*Q1FY16 Includes large one-time retiral benefit expense pertaining to eIVBL

#Includes merger related expenses of ₹ 12 cr for Q2FY16, ₹ 63 cr for Q1FY16 and ₹ 54 cr for FY15

Income Q2FY16

NII (₹ cr) and NIM



Other Income (₹ cr)	Q1FY16	Q2FY15	Q2FY16	FY15
Fee and Services	418	321	457	1,353
Treasury Income	138	85	91	421
ARD Buyout Income	36	48	65	239
Others	1	12	3	15
Total	593	466	616	2,028

Bank Segmental PBT

As per RBI (₹ cr)	Q1FY16	Q2FY15	Q2FY16	FY15
Corporate/Wholesale Banking	369	335	530	1,402
Retail Banking #	12	210	328	957
Treasury, BMU* & Corporate Centre **	(89)	135	11	468
Unallocated Income	-	-	-	6
Total	292	680	869	2,833

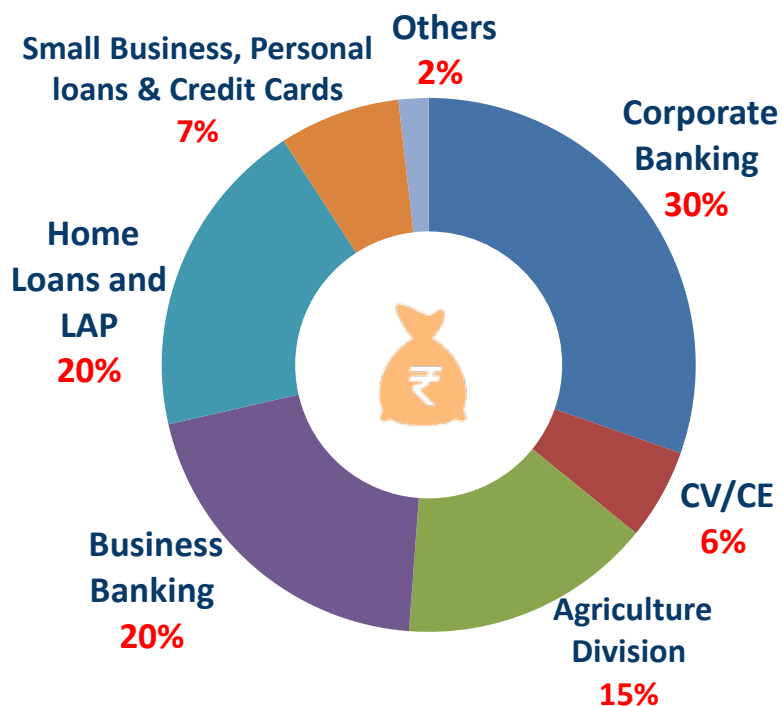
Q1FY16 included retiral benefit expenses of eIVBL. A large part of the same was in retail banking

*Balance Sheet Management Unit

** integration costs are part of Treasury, BMU & Corporate Centre

Advances & Investments

30-Sep-15 [₹ 111,662 cr]



₹ cr	31-Mar-15	30-Sep-14	30-Sep-15
Corporate Banking	20,299	21,140	33,909
CV/CE	5,204	5,062	6,123
Agriculture Division	12,106	10,137	17,112
Business Banking	6,422	5,655	22,616
Home Loans and LAP	14,709	12,894	21,697
Small Business, Personal loans & Credit Cards	6,263	5,301	8,171
Others	1,158	759	2,034
Total Advances	66,161	60,948	111,662

Advances as per Segmental Classification

₹ cr	31-Mar-15	30-Sep-14	30-Sep-15
Retail	29,113	24,733	48,339
Corporate	37,048	36,215	63,323
Total Advances	66,161	60,948	111,662
Investments / Treasury Assets	28,659	26,049	42,571
Total Advances and Investments	94,820	86,997	154,233

Balance Sheet



₹ cr	31-Mar-15	30-Jun-15	30-Sep-14	30-Sep-15
Networth	14,141	21,887	13,199	22,606
Deposits	74,860	116,812	68,103	123,211
CA	13,181	17,385	9,472	20,322
SA	14,036	22,730	11,693	24,335
<i>Certificate of Deposit</i>	3,785	11,074	4,653	8,987
<i>Term Deposit Others</i>	43,858	65,623	42,285	69,567
Borrowings	12,150	21,435	10,554	21,873
Other Liabilities and Provisions	4,861	6,740	3,574	7,736
Total Liabilities	106,012	166,874	95,430	175,426

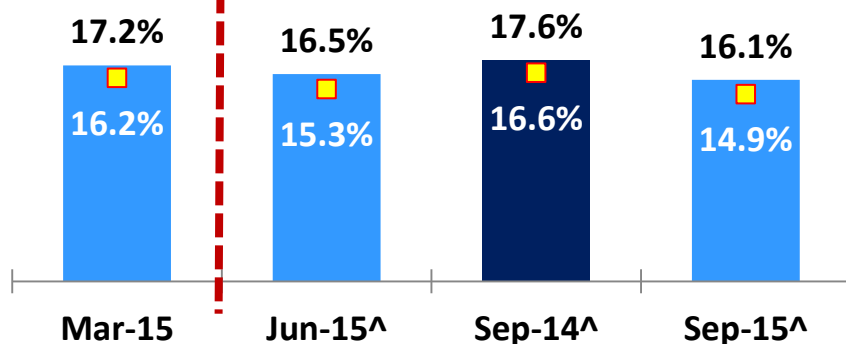
₹ cr	31-Mar-15	30-Jun-15	30-Sep-14	30-Sep-15
Cash, Bank and Call	6,262	9,507	4,226	9,498
Investments	28,659	42,693	26,049	42,571
<i>Government Securities</i>	22,882	35,525	19,139	36,358
<i>Others</i>	5,777	7,168	6,910	6,213
Advances	66,161	103,614	60,948	111,662
Fixed Assets and Other Assets	4,930	11,060	4,207	11,695
Total Assets	106,012	166,874	95,430	175,426

Key Ratios

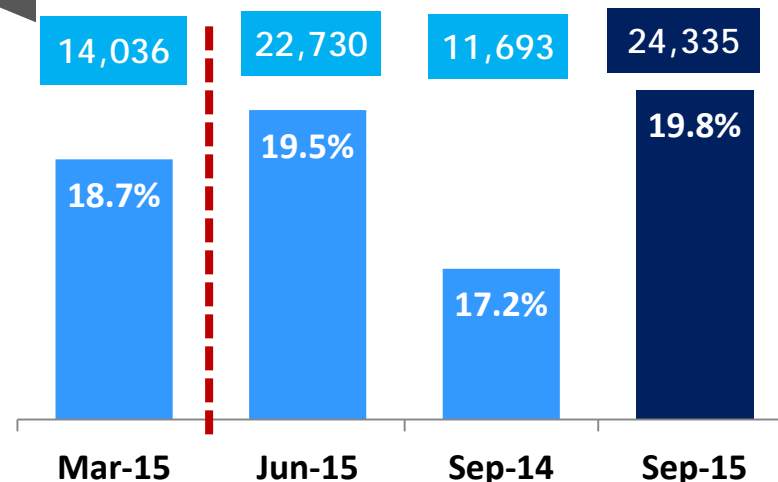
CAR & Tier I (%)

^ including unaudited profits

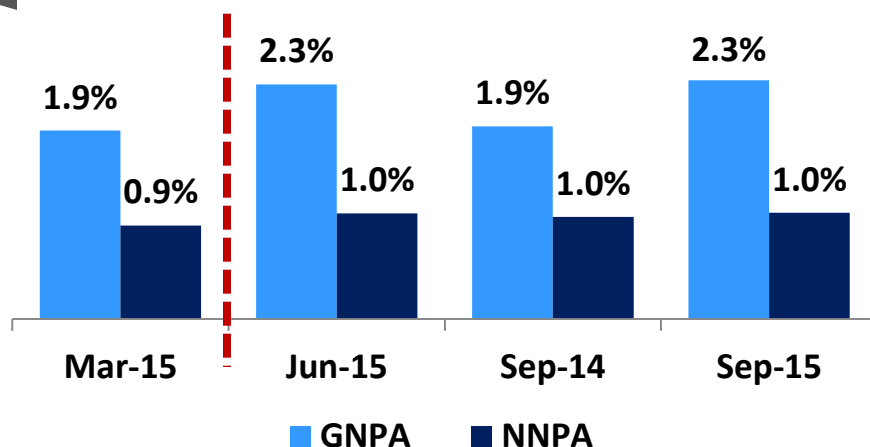
■ CAR (%) ■ Tier I (%)



Savings Account (₹ cr & % of deposits)



GNPA and NNPA (%)



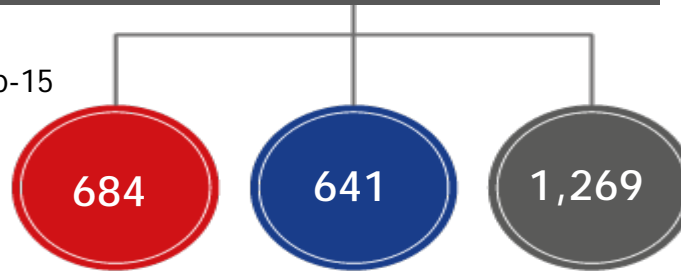
Asset Quality

- Restructured loans considered standard ₹ 403 cr (0.4%) of which ₹ 256 cr from eIVBL portfolio
- In this quarter
 - No CDR participation
 - No transfer to ARC
 - No conversion to off-balance sheet
 - No 5/25 loans
 - No rectification

Branches & Deposits

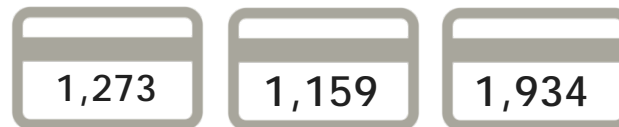
No of Branches

Mar-15 Sep-14 Sep-15



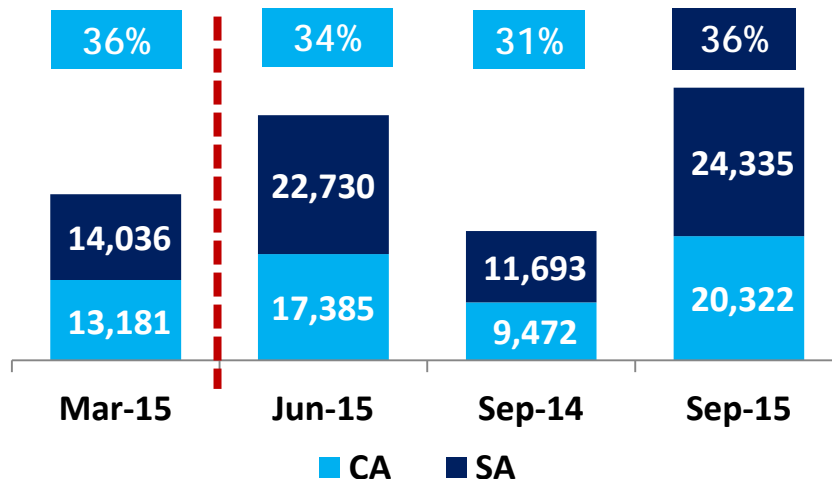
No of ATMs

Mar-15 Sep-14 Sep-15



CASA (₹ cr)

CASA %



Highlights

- Plan to reach 1400 branches by March 2017
- CASA and TDs below ₹ 5 cr constitute 72% of total deposits (65% as on Sep-14)
- TDs below ₹ 1 cr were ₹ 34,105 cr (₹ 16,983 cr as on Sep-14)
- Added ~ 2.8 lac customer accounts for the quarter
- TD sweep were ₹ 6,629 cr (₹ 5,502 cr as on Sep-14)
- Cost of SA - 5.48%

Digital Focus @ Kotak



Mobility

Top rated mobile app with > 80 features in Mobile banking Bill pymts, TD, RD, MF & Fund Transfers
Simplified registration process



Billpay reminders via Google Now

Bharat banking App – Internet-free multilingual app with 25 Banking transactions incl. small-value Fund Transfer

Digital Acquisition

Recommendations based online acquisition for Savings, Currents A/cs & Personal Loan



New site for sourcing NPS customers

eKYC- Customer can complete online application using Aadhaar based authentication

Big Data & Analytics



Actionable Predictive Analysis thru UNICA

Implementation for campaign & life cycle Management

Social



Kotak Jifi & Jifi Saver accounts – Worlds first digital & social bank account

Hashtag Banking on Twitter – Global first, Social Rewards

First bank to introduce Social commerce (movies and book)

Payment



P2P Payments - Kaypay: World's largest Bank agnostic, real time, P2P platform; Mail & Message money; PFM section on Net Banking; First Bank to Launch – Online Payment Authentication using Mobile PIN & Debit Card PIN along with Net Banking with mobile responsive payment pages

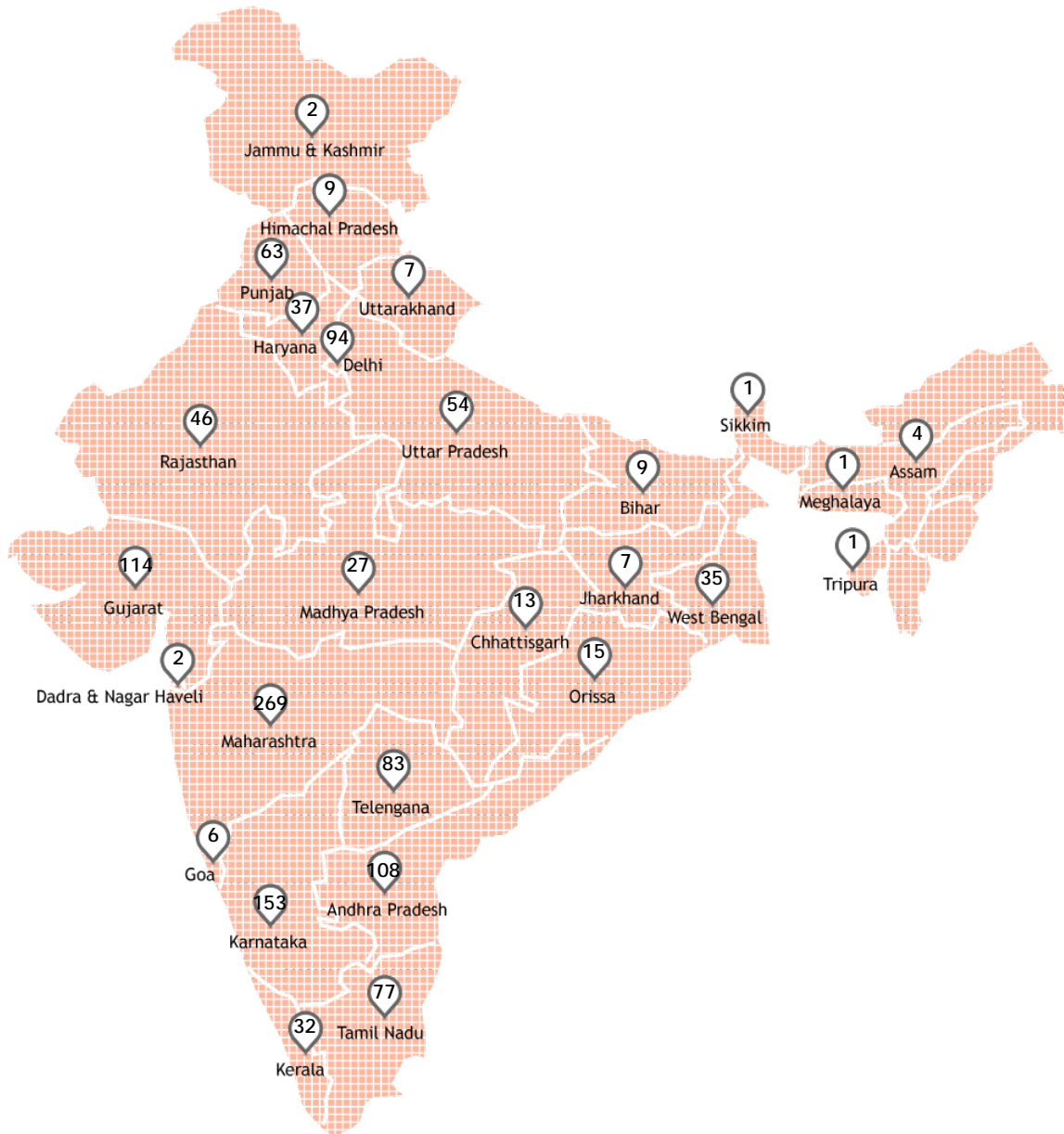
mStore in App for customer convenience–Flight & Hotel booking

Mobile Payments: Dual strategy - 1. Owned Payment App, 2. Cobranded partnership

Highlights

- 8% (Jul-15) share in value of mobile banking transactions; while share of industry advances & deposits is 1.6% & 1.3% resp (Jun-15) - RBI data
- Ranked at No. 5 with highest growth of 81% from Apr-15 to Jul-15 in terms of value of mobile banking transactions across all banks
- Instant PL thru Net Banking
- 50% of TDs are booked Online
- Tab Account Opening gone live for Corp Sal customers
- Over 50% YoY growth in Online Payment
- One of highest rated banking App in India (4.4)
- Kotak Bharat- first multilingual/ no data connectivity App
- Privy league website launched
- Local pages for Branch / ATM for better search results

Geographical Presence



Branches 1,269 [No./%]

361/28% North

West
391/31%



East
64/5%

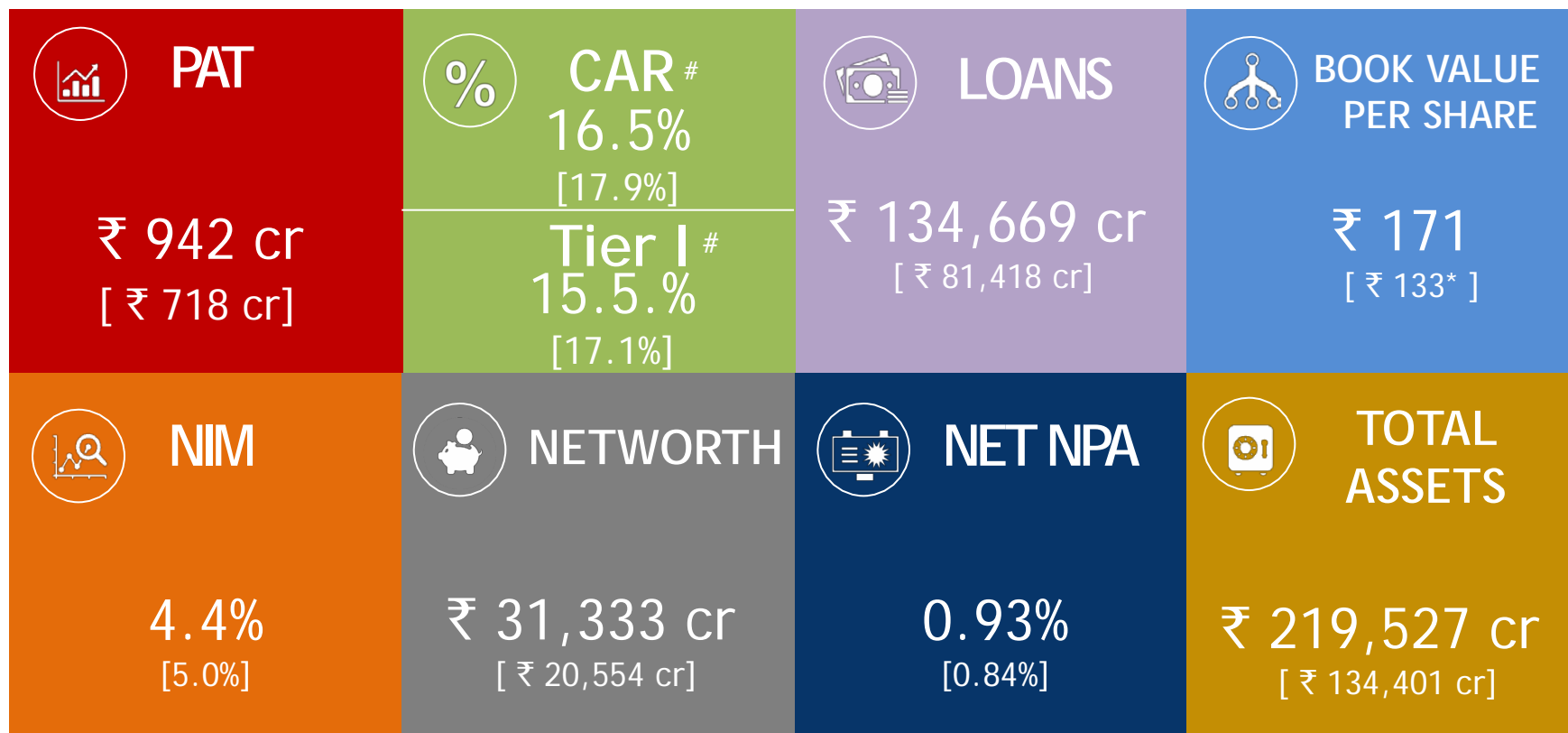
South 453/36%

No of ATMs

1,934

Bank has a Rep office in Dubai

Consolidated Highlights Q2FY16



Figures in [brackets] are Q2FY15 numbers

As per Basel III, including unaudited profits. Excluding profit CAR 15.7%, Tier I 14.8% (CAR 16.7% and Tier I 15.9%)

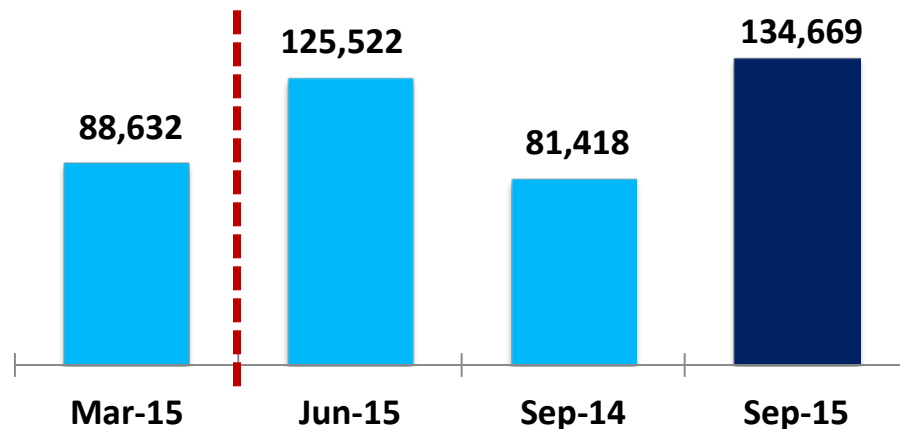
* Adjusted for bonus issue

Merger of ING Vysya Bank effective April 1, 2015. Previous periods not comparable

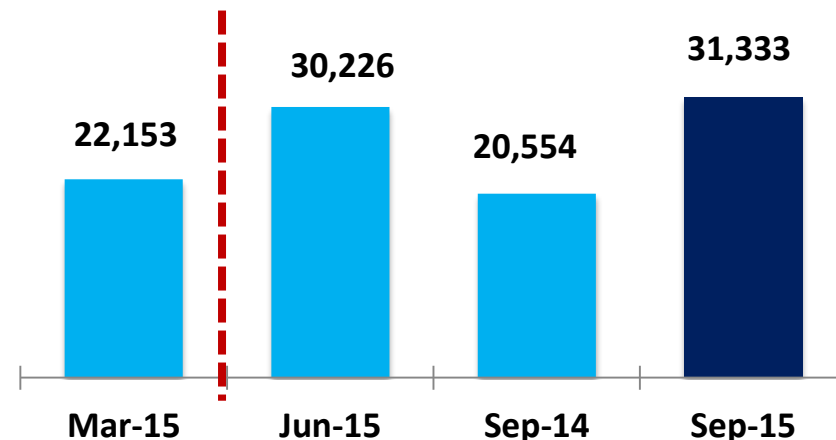
Consolidated Key Financials



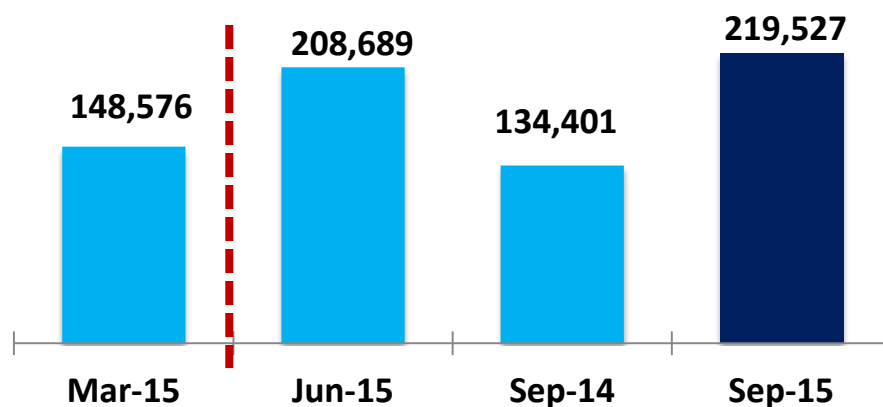
Advances [₹ cr]



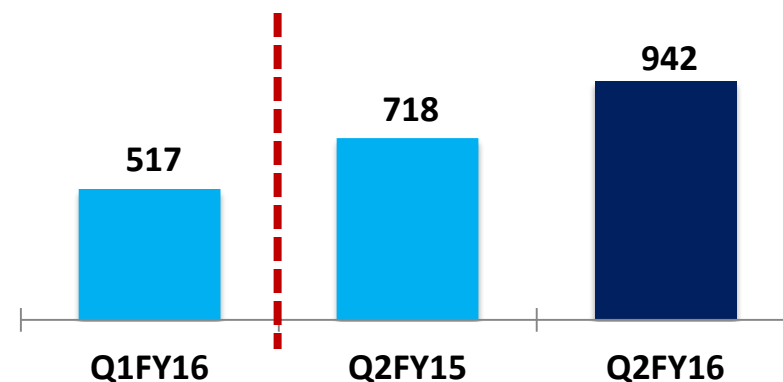
Networth [₹ cr]



Total Assets [₹ cr]



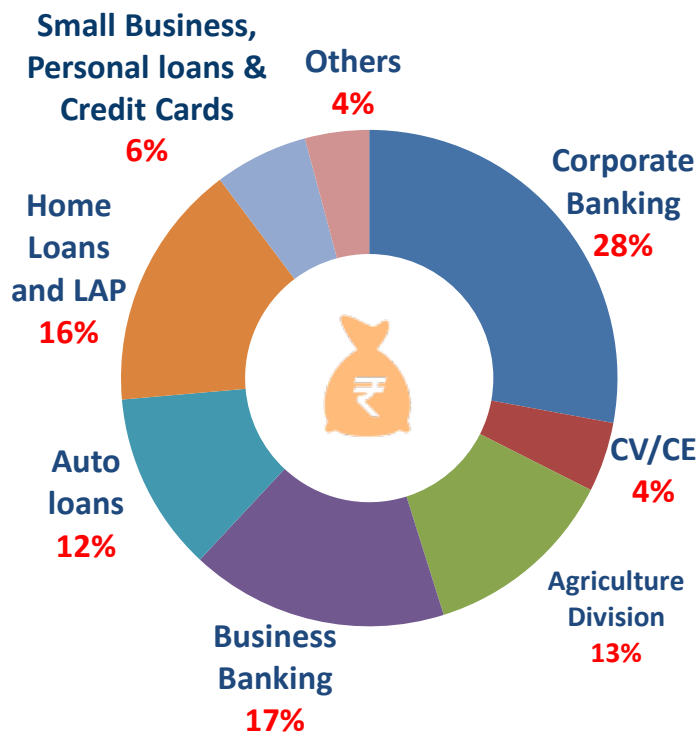
PAT [₹ cr]



Merger of ING Vysya Bank effective April 1, 2015. Previous periods not comparable

Consolidated Advances & Investments

30-Sep-15 (₹ 134,669 cr)



₹ cr	31-Mar-15	30-Sep-14	30-Sep-15
Corporate Banking	24,546	24,845	37,569
CV/CE	5,204	5,062	6,123
Agriculture Division	12,106	10,137	17,112
Business Banking	6,422	5,655	22,616
Auto loans	14,691	13,893	15,726
Home Loans and LAP	14,709	12,894	21,697
Small Business, PL & Credit Cards	6,298	5,344	8,199
Others	4,656	3,588	5,627
Total Advances	88,632	81,418	134,669
Investments/ Treasury Assets *	31,910	29,252	46,064
Total Advances & Investments	120,542	110,670	180,733

* Does not include policy holders' investments

Consolidated PAT



₹ cr	Q1FY16	Q2FY15	Q2FY16	H1FY15	H1FY16	FY15
Kotak Mahindra Bank	190	445	570	875	759	1,866
Kotak Life Insurance	66	52	48	101	114	229
Kotak AMC and TC	20	(1)	23	(1)	43	(29)
Kotak Securities	67	66	78	134	145	290
Kotak Mahindra Capital	3	(7)	7	(11)	10	12
Kotak Mahindra Prime	119	125	127	245	246	507
Kotak Mahindra Investments	30	25	36	42	65	106
International subsidiaries	25	13	32	20	57	51
Kotak Investment Advisors	-	4	-	12	1	26
Others	-	-	(2)	-	(2)	-
Total	520	722	919	1,417	1,438	3,058
Minority Interest, Affiliates and Others	(3)	(4)	23	(1)	20	(13)
Consolidated PAT	517	718	942	1,416	1,458	3,045

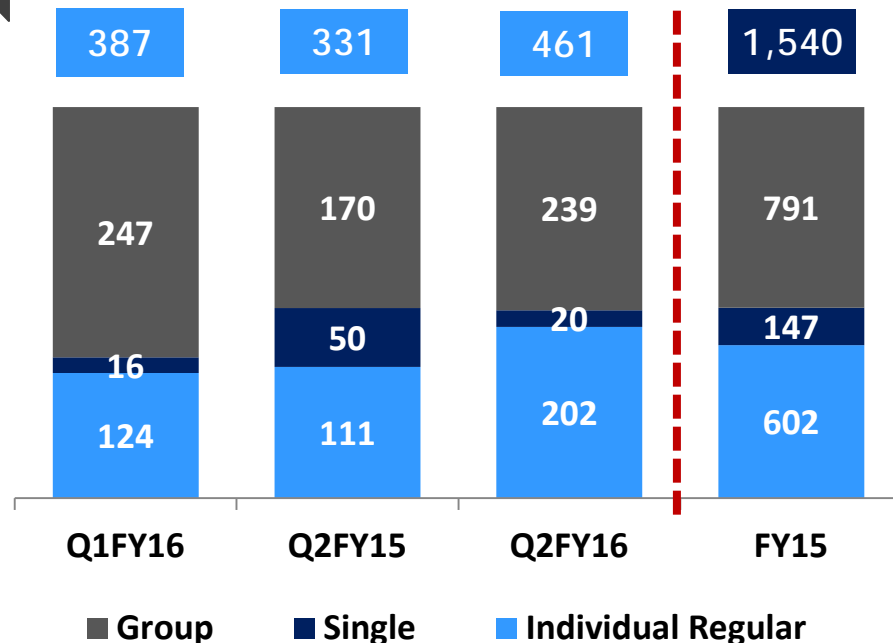
Merger of ING Vysya Bank effective April 1, 2015. Previous periods not comparable

Entity Wise Network

₹ cr	31-Mar-15	30-Jun-15	30-Sep-14	30-Sep-15
Kotak Mahindra Bank	14,141	21,887	13,199	22,606
Kotak Life Insurance	1,291	1,337	1,143	1,385
Kotak AMC and TC	102	121	125	144
Kotak Securities	2,384	2,451	2,228	2,529
Kotak Mahindra Capital	415	418	391	425
Kotak Mahindra Prime	3,350	3,469	3,087	3,596
Kotak Mahindra Investments	617	717	553	753
Kotak Mahindra General Insurance	1	1	-	132
International subsidiaries	480	514	443	571
Kotak Investment Advisors	266	267	253	267
Other Entities	31	44	32	45
Total	23,078	31,226	21,454	32,453
Add: Associates	586	601	573	638
Less: Minority, Inter-company and Other Adjustments	(1,511)	(1,601)	(1,473)	(1,758)
Consolidated Network	22,153	30,226	20,554	31,333

Merger of ING Vysya Bank effective April 1, 2015. Previous periods not comparable

New Business Premium (₹ cr)

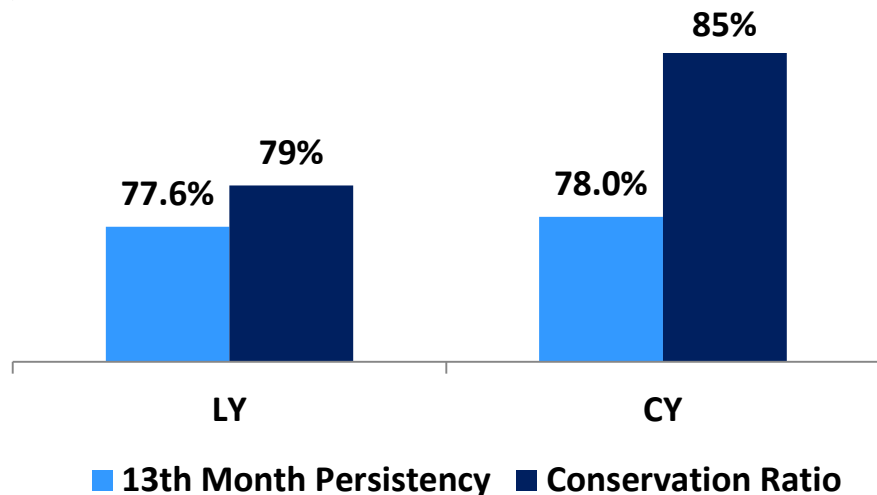


Highlights

- Individual regular business grew by 93% against private insurance industry growth of 15%
- Group business grew by 60%
- On APE basis, Kotak Bank share for Q2FY16 is 48% (PY - 33%) for first year individual premium
- Sum assured increased 29% yoy

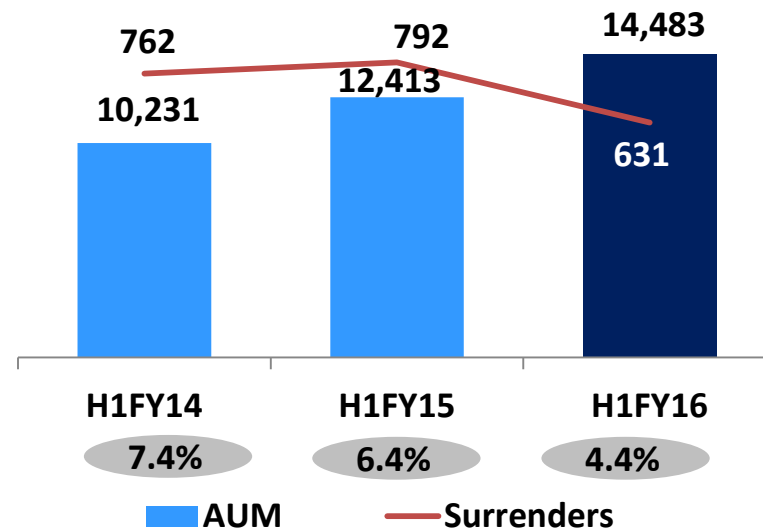
₹ cr	Q1FY16	Q2FY15	Q2FY16	FY15
Capital	562	562	562	562
Total Premium	637	668	842	3,038
Profit After Tax	66	52	48	229
Persistency Ratio (%)	79	84	86	89
Solvency Ratio (%)	3.21	2.98	3.16	3.13

13th Month Persistency* & Conservation Ratio



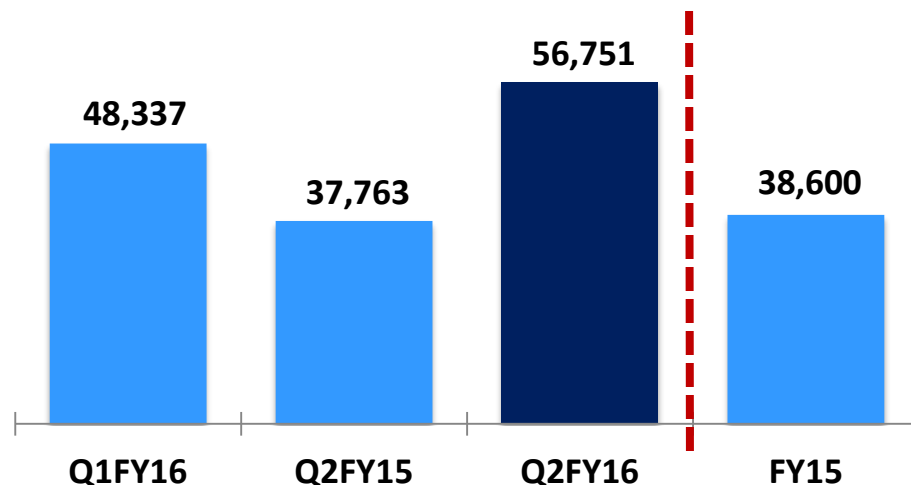
* The 13th Month persistency is after a time lag of 45 days from quarter end, accordingly the current number is of Q1FY16

Surrenders and AUM (₹ cr)



- KLI has shown improvement in Conservation ratio and persistency
- Policyholders' AUM increased at a CAGR (H1FY14-H1FY16) of ~19%
- The claims settlement ratio of KLI for 2014-15 stood at 98.4%, which is one of the best amongst the private players
- Number of lives covered grew by 42% YoY
- Number of policies sourced through E-Insurance about 2% of total policies sourced in H1FY16
- Investment Performance of 100% of Equity Funds in Quartile 1

Average Assets Under Management (₹cr)

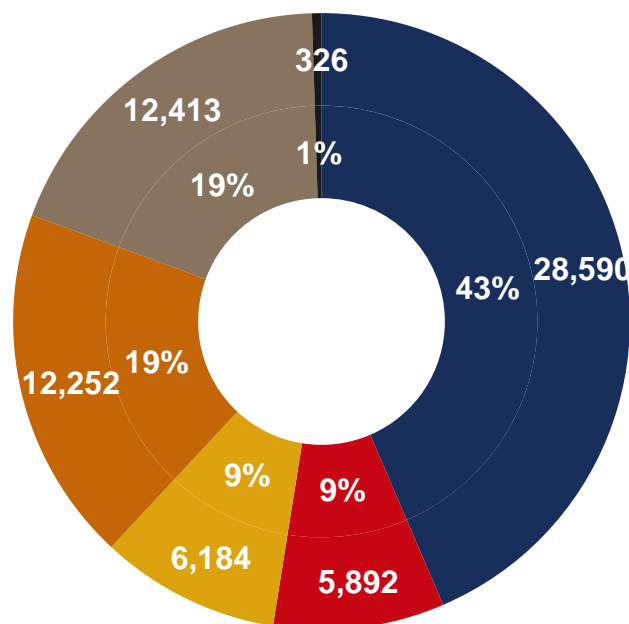


Highlights

- Closing equity market share in Sep-15 at 3.35% up from 2.59% in Mar 15
- 80% of equity AUM in Quartile 1
- 15% growth in overall AAUM in Q2FY16 vs Q1FY16 against an industry AAUM growth of 7%

₹ cr	Q1FY16	Q2FY15	Q2FY16	FY15
Total Income	54	36	59	137
Profit Before Tax	21	-	24	(25)
Profit After Tax	20	(1)	23	(29)
Average AUM (₹ bn)	483	378	568	386
Average AUM - Equity (₹ bn)	116	52	139	62

Sep 30, 2014

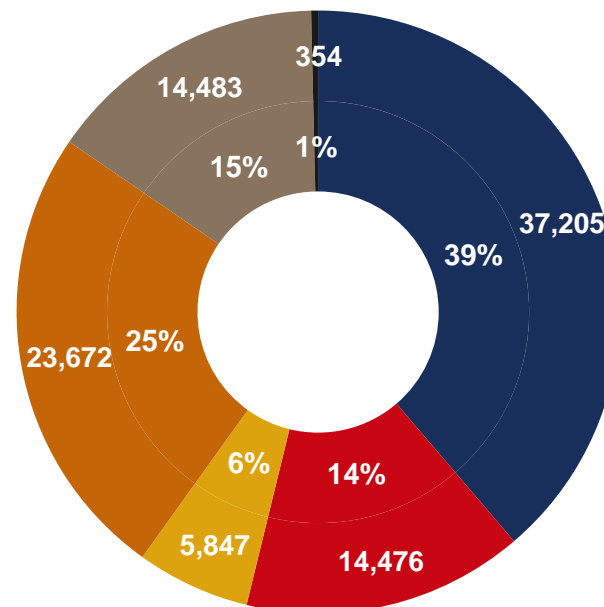


- Domestic MF Debt
- Domestic MF Equity
- Alternate Asset
- Offshore Funds
- Insurance
- PMS



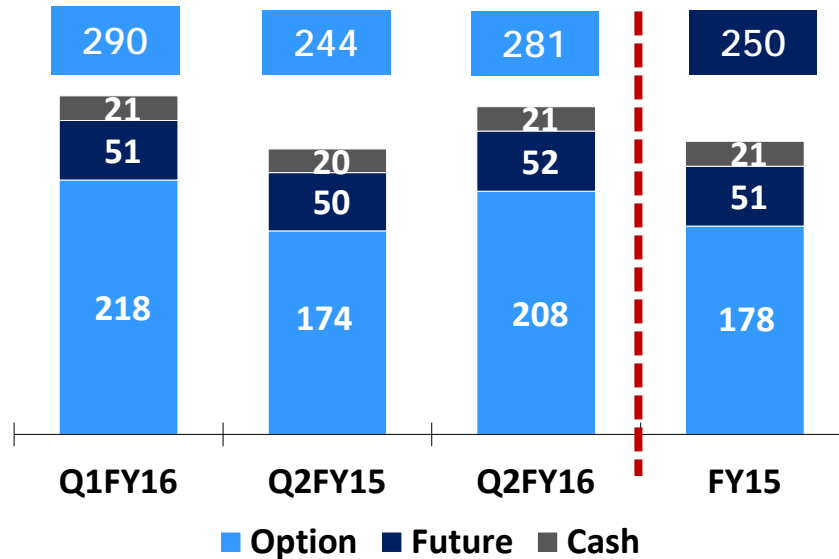
AUM ₹ 65,657 cr

Sep 30, 2015

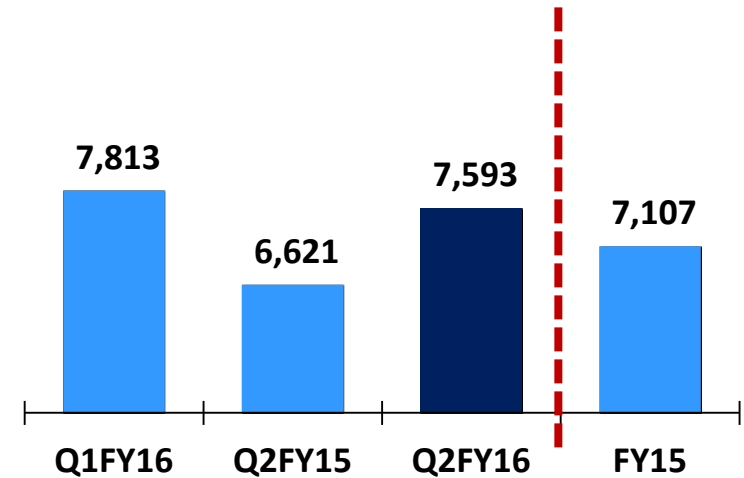


AUM ₹ 96,037 cr

Market ADV (₹ '000 cr)



ADV (₹ cr) - KS



₹ cr	Q1FY16	Q2FY15	Q2FY16	FY15
Total Income	250	224	270	960
Profit Before Tax	102	100	120	441
Profit After Tax	67	66	78	290
Market Share * (%)	2.7	2.7	2.7	2.8

*excluding BSE Derivative segment

Kotak Securities services more than 1.1 million secondary market customers through 1,185 branches & franchises

Advisory



₹ 876 cr

Divestment of controlling interest in National Collateral Management Services to Fairfax



₹ 402 cr

Acquisition of controlling interest in Astec Lifesciences by Godrej Agrovet (including Open Offer)



₹ 60 cr

Investment in Parag Milk Foods Pvt. Ltd by IDFC S.P.I.C.E. Fund

Equity



Qualified Institutional Placement (QIP of NCD + Warrants)

₹ 5,435 cr* Warrants + ₹ 5,000 cr NCDs

* Assuming full conversion of warrants



₹ 9,396 cr

Offer for Sale (OFS)



₹ 273 cr

Initial Public Offering (IPO)



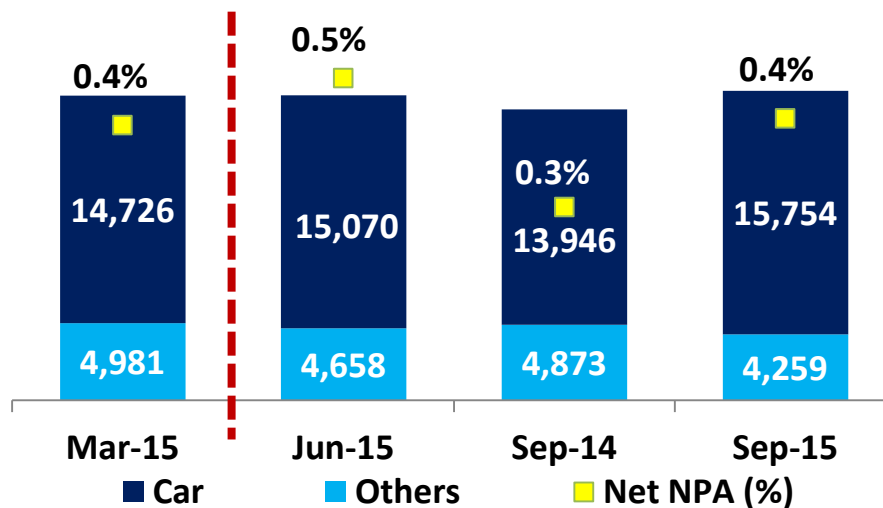
Sadbhav Infrastructure Project Ltd.

₹ 492 cr

Initial Public Offering (IPO)

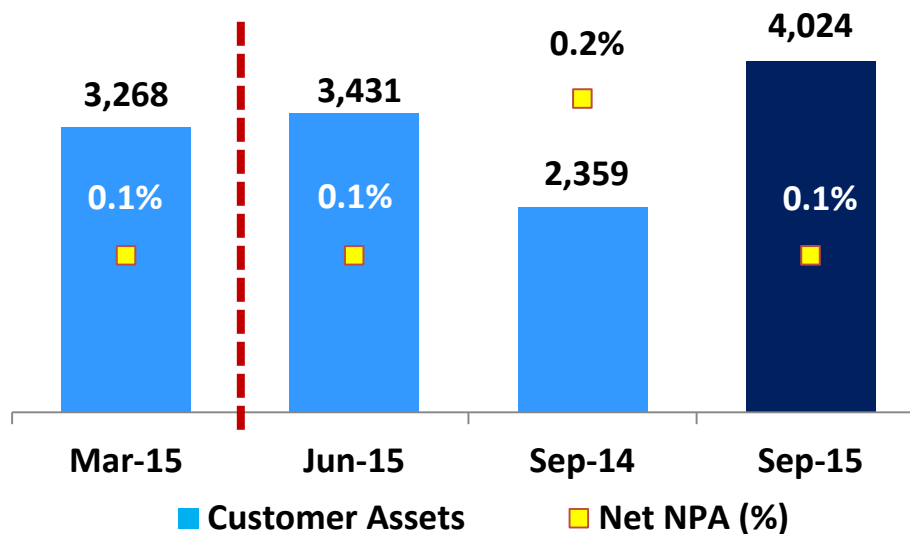
₹ cr	Q1FY16	Q2FY15	Q2FY16	FY15
Total Income	21	11	29	89
Profit Before Tax	3	(7)	12	16
Profit After Tax	3	(7)	7	12

Customer Assets (₹cr) & NPA (%)



₹ cr	Q1FY16	Q2FY15	Q2FY16	FY15
NII	235	227	237	915
Other Income	42	51	61	206
Total Income	277	278	298	1,121
Profit Before Tax	183	190	195	774
Profit After Tax	119	125	127	507
CAR (%)				18.3
ROA (%) - annualised				2.5

Customer Assets (₹cr) & NPA (%)



₹ cr	Q1FY16	Q2FY15	Q2FY16	FY15
NII	48	39	63	164
Other Income	8	8	5	37
Total Income	56	47	68	201
Profit Before Tax	46	38	55	158
Profit After Tax	30	25	36	106
CAR (%)				18.3
ROA (%) - annualised				5.0

Bank Awards & Recognition



- **Best Bank in India**
Euromoney Awards for Excellence, Asia 2015
- **Best Private Bank India**
FinanceAsia Country Awards 2015
- **Best Retail Growth Performance**
Dun & Bradstreet Awards 2015
- **Most Imminent Bank 2014**
by Outlook Money
- **AsiaMoney Cash Management Poll 2015**
 - **Best Local Cash Management Bank in India** (7th year in a row) For SME
 - **Best Overall Domestic Cash Management Services** Small, Medium & large Size Corporates
 - **Best Overall Cross-Border Cash Management Services** Small & Large Size Corporates

- **DataQuest Business Technology Award 2015**
DataQuest Magazine
- **Bank of the year-2015**
12th India International Gold Convention in the Emerging Nominated Agency-Bullion category
- **Shanti Ekambaram Most Powerful Women 2015**
Business Today

- **Excellence in Security under 'Security in Bank' category** at Data Security Council of India Excellence Awards 2014
- **#2 best midsize Bank** in the BW-PWC Best Bank Survey 2014
- **#3 fastest growing midsize Bank** in the BW-PWC Best Bank Survey 2014



- **Mr. Uday Kotak Business Leader of the year**
ET Awards 2015
- **Entrepreneur of the Year**
Forbes India Leadership Awards 2015
- **Ernst & Young World Entrepreneur Of The Year India Award 2014**
- **IR Global Ranking** - one of the top 5 Best Ranked Companies for Corporate Governance Practices

Awards and Recognition



○ Best Domestic Equity House
Asiamoney - 2015

○ SKOCH BSE Aspiring
Nation Award 2015

○ Best Investment Bank in India,
FinanceAsia Country Awards for
Achievement 2014

○ Best Domestic Investment
Bank - The Asset Triple A
Country Awards 2014

○ Securities Advisory Firm of the
Year in India - CorporateINTL
Global Awards 2014

○ Best ECM House in India
FinanceAsia Country Awards
for Achievement 2014



○ Best Brokerage House - India -
The Asset Triple A Country
Awards 2014

○ Ranked #1 on a weighted formula
basis in Institutional
Investor's 2014 All-India Research
Team

○ Asiamoney Brokers Poll 2014

- Ranked #2 for Most Independent Research Brokerage among all domestic and foreign brokerages
- Ranked #2 for Best Overall Country Research among all domestic and foreign brokerages
- Ranked #2 for Best Execution among all domestic and foreign brokerages



○ Best Broker in India
FinanceAsia Country Awards for
Achievement 2015

○ Best SEO for Website, India
Digital Media Awards (IDMA) 2015

○ Best SEO for Website
Silver Award at DMAI 2015

○ NSDL Star Performers Award 2014
Top Performer in New Accounts Opened
(Non-Bank Category)

○ Kotak Mahindra Asset Management
Awarded ETF Manager of the Year (India)
under Country
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