PRESS RELEASE

KOTAK MAHINDRA BANK ANNOUNCES RESULTS

Bank PAT for Q3FY16 ₹ 635 cr

Consolidated PAT for Q3FY16 ₹ 945 cr

Mumbai, January 18, 2016 The Board of Directors of Kotak Mahindra Bank ('The Bank' or 'KMBL') took on record the unaudited standalone and consolidated results for Q3FY16 at the Board meeting held in Mumbai today.

The merger of ING Vysya Bank ('eIVBL') with the Bank was effective from April 1, 2015 and accordingly the results for the quarter and nine months ended December 31, 2015 are for the merged entity and not comparable with previous periods.

Kotak Mahindra Bank (Standalone)

Profit After Tax (PAT) for Q3FY16 of ₹ 635 cr

Net Interest Income (NII) for Q3FY16 was ₹ 1,766 cr

Net Interest Margin (NIM) for Q3FY16 stood at 4.3%

Advances as on December 31, 2015 were ₹ 115,345 cr

Deposits as on December 31, 2015 were up to ₹ 130,939 cr. Savings deposits as on December 31, 2015 grew to ₹ 26,579 cr. CASA stood at 35%. Average SA at eIVBL branches grew 31% YoY and in Kotak branches at 41%.

Capital Adequacy Ratio of the Bank including unaudited profits as per Basel III as on December 31, 2015 is 16.2% and Tier I ratio is 15.0%

As on December 31, 2015, the Bank has a network of 1,298 full-fledged branches and 1,987 ATMs having both breadth and depth given the strong geographic complementarity of the merger.

As on December 31, 2015, the Branch footprint was as under

Branches	KMBL (Combined)
West	31%
North	28 %
South	35 %
East	6%
Total	**1,298**

Provision impact, including provision on SRs and credit substitutes, on Q3FY16 results was ₹ 235 cr of which a significant portion was from eIVBL. As on December 31, 2015, GNPA was 2.30% & NNPA was 0.96%.

The Integration process is broadly on schedule and based on the current progress, the Bank expects complete integration by April / May 2016.

Merger benefits in terms of revenue synergies as well as cost efficiencies have started showing traction. Some of the areas where the Bank is seeing revenue synergies flowing are SA growth, insurance cross sell, growth in credit cards, trinity accounts (incl. brokerage accounts) etc. Also, cost benefits are seen in employee & operating costs and in areas like utilisation of eIVBL's currency chests, space rationalization and rental savings, etc.

The Bank continues to believe that comprehensive merger benefits will flow in once the Integration is complete, resulting from significant geographical and product complementarities, fuller customer segment coverage, economies of scale and improved productivity and efficiency.

Consolidated results at a glance

Consolidated PAT for Q3FY16 was ₹ 945 cr

Consolidated Advances up ₹ 141,136 cr as on December 31, 2015

Consolidated NIM for Q3FY16 stood at 4.4%

Consolidated Capital Adequacy Ratio including unaudited profits as per Basel III as on December 31, 2015 is 16.7% and Tier 1 ratio is 15.8%

Total assets managed / advised by the Group as on December 31, 2015 were ₹ 95,735 cr

Consolidated Networth for Q3FY16 was ₹ 32,349 cr

Digital remains an area of focus for the Group. Bank and other subsidiaries like Securities, Life Insurance and Mutual Fund gaining significant traction and market share.

Other major subsidiaries profit after tax are as under:

₹ cr	Q3FY16
Kotak Mahindra Prime	126
Kotak Mahindra Investments	39
Kotak Mahindra Old Mutual Life Insurance	60
Kotak Securities	55

About Kotak Mahindra Group

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received banking license from the Reserve Bank of India (RBI), becoming the first non-banking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd.

Effective April 1, 2015, ING Vysya Bank Ltd. has merged with Kotak Mahindra Bank Ltd. creating a ₹ 2 trillion institution (consolidated). As on December 31, 2015, the merged entity – Kotak Mahindra Bank Ltd, has a significant national footprint of 1,298 branches and 1,987 ATMs spread across 653 locations, affording it the capacity and means to serve even better.

The consolidated net worth of the Group stands at ₹ 323 billion (approx. US$ 4.9 billion) as on December 31, 2015. The Group offers a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, mutual funds, life insurance and investment banking, the Group caters to the diverse financial needs of individuals and the corporate sector. The Group has a wide distribution network through branches and franchisees across India, and international offices in London, New York, Dubai, Abu Dhabi, Mauritius and Singapore.

For more information, please visit the company's website at http://www.kotak.com/

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