

Transforming for scale

Investor Presentation Q2FY25

Presentation on financial results for the
Period ended 30th September, 2024

19th October, 2024

Key Updates for Q2FY25



Consolidated

- PAT: ₹ 5,044 cr, Up 13% YoY | 14% QoQ
- ROE: 13.88%
- ROA: 2.53%
- Book value / share : ₹ 740



Bank

- PAT: ₹ 3,344 cr
- NIM: 4.91%
- CASA Ratio: 43.6%
- Customer Assets: Up 18% YoY
- Avg Deposits: Up 16% YoY
- NNPA: 0.43%



Subsidiaries

- Kotak AMC: YoY growth PAT: 60%; Equity AAUM: 63%
- Kotak Securities: YoY growth PAT: 37%; Cash ADV: 58%

Kotak's predominance in its businesses



Bank's milestones



#4 Private Sector Bank in India
(Balance sheet size as at Jun'24)



₹ 3.69 trn
Market Cap as on 30th Sep, 2024



Amongst the leading Financier for Tractors, CV & CE
amongst banks in India



Kotak Private- One of the leading private bankers
Manages wealth for 58%[#] of India's top 100 families

Subsidiaries highlights



Kotak Securities – Strong Retail & Institutional Broking Business
Overall market share of 11.6% in Q2FY25



Kotak AMC – 5th Largest Fund House in the Country
QAAUM as on 30th Sep, 2024



Kotak Mahindra Capital – Consistent Leadership in Investment Banking



Kotak Alternate Asset Managers amongst the top Alternate Asset Managers in India**

Customer reach



5.2 cr
Bank Customers



5,343
Total Group Branches^{*^}

2,013
Bank Branches*



3,329
ATM[§]



₹680,838 cr
Group AUM



Rating for Bank, Kotak Mahindra Prime, Kotak Mahindra Investments, Kotak Infrastructure Development Fund, Kotak Securities, Kotak Alternate Asset Managers**

Consolidated Highlights

Q2FY25

Q2FY24



PAT

₹ 5,044 cr

13%

₹ 4,461 cr



ROA

2.53%

2.68%



ROE

13.88%

14.99%

As at Sep'24

As at Sep'23



Customer Assets*

₹ 510,598 cr

19%

₹ 428,404 cr



CAR

22.6%

22.9%

CET-I

21.7%

21.9%



Book Value / Share

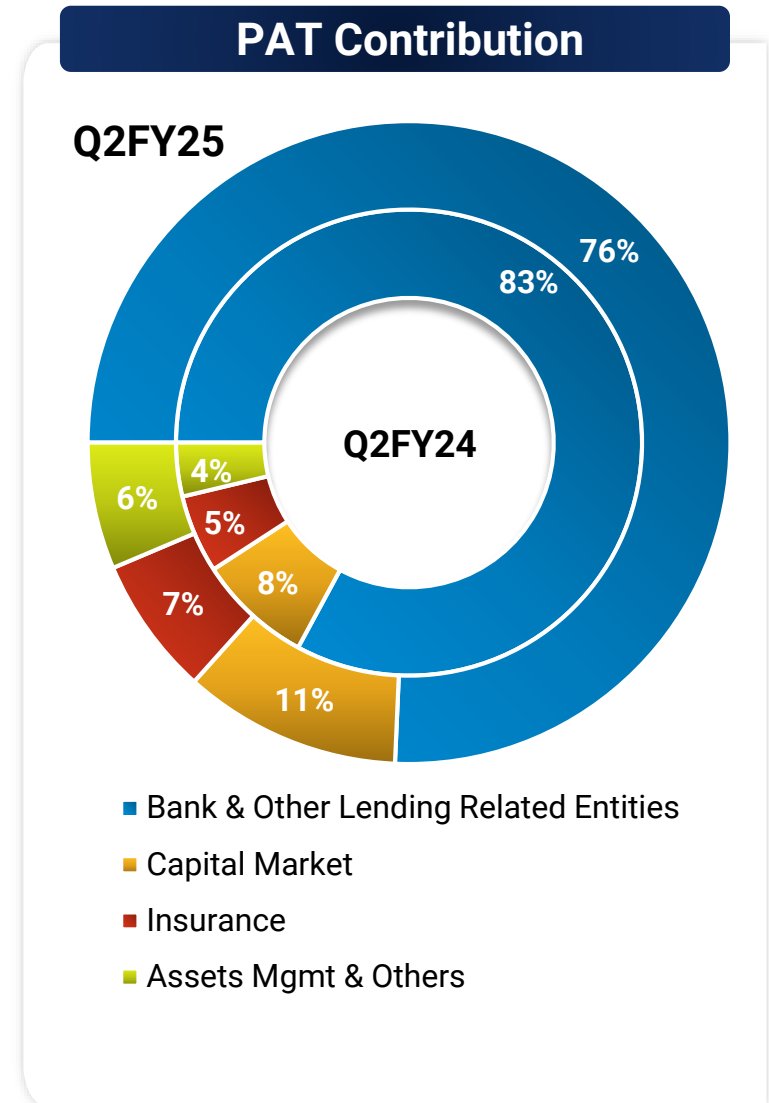
₹ 740

₹ 605

CAR and CET-I - as per Basel III, including unaudited profits

*Customer Assets comprise Advances (incl. IBPC & BRDS) and Credit Substitutes

₹ cr	Q2FY25	Q2FY24	Q1FY25	YoY
Kotak Mahindra Bank	3,344	3,191	3,520	5%
Kotak Mahindra Prime	269	208	232	29%
Kotak Mahindra Investments	141	126	138	11%
Kotak Infrastructure Debt Fund	16	11	11	48%
BSS Microfinance	16	108	50	(85%)
Sonata Finance	10	-	(13)	-
Bank & Other lending related entities	3,796	3,644	3,938	4%
Kotak Securities	444	324	400	37%
Kotak Mahindra Capital	90	27	81	226%
Capital Market	534	351	481	52%
Kotak Mahindra Life Insurance	360	247	174	46%
Kotak Mahindra General Insurance	-	(7)	(21)*	-
Insurance	360	240	153	50%
Kotak AMC and TC	197	124	175	60%
Kotak Alternate Asset Managers	22	22	6	(1%)
International Subs	76	41	68	84%
Asset Management	296	187	249	58%
Others	1	1	1	71%
Bank & Subsidiaries	4,986	4,423	4,822	13%
Associates	46	38	49*	21%
Inter co. Adjustments	12	(0)	(436)	-
Consolidated PAT	5,044	4,461	4,435	13%
PAT on KGI divestment	-	-	3,013	-
Total PAT	5,044	4,461	7,448	-



*On 18th June, 2024, Kotak General Insurance has ceased to be a wholly-owned subsidiary and became an associate of the Bank. Share of profits from 18th June, 2024 are included under Associates.

Kotak Group Networth & ROE



₹ cr	PAT Q2FY25	Networth Sep'24	ROE
Kotak Mahindra Bank	3,344	110,646 [^]	
Kotak Mahindra Prime	269	9,653	
Kotak Mahindra Investments	141	3,608	
Kotak Infrastructure Debt Fund	16	547	
BSS Microfinance	16	1,076	
Sonata Finance	10	387	
Bank & Other lending related entities	3,796	125,916	12.2%
Kotak Securities	444	9,083	
Kotak Mahindra Capital	90	1,308	
Capital Market	534	10,391	20.9%
Kotak Mahindra Life Insurance	360	6,167	
Insurance	360	6,167	23.8%
Kotak AMC and TC	197	2,781	
Kotak Alternate Asset Managers	22	893	
International Subs	76	2,118	
Asset Management	296	5,791	20.8%
Others	1	96	3.9%
Bank & Subsidiaries	4,986	148,362	
Associates	46	1,682	
Inter co. Adjustments	12	(2,830)	
Total	5,044	147,214	13.9%*

CET-I

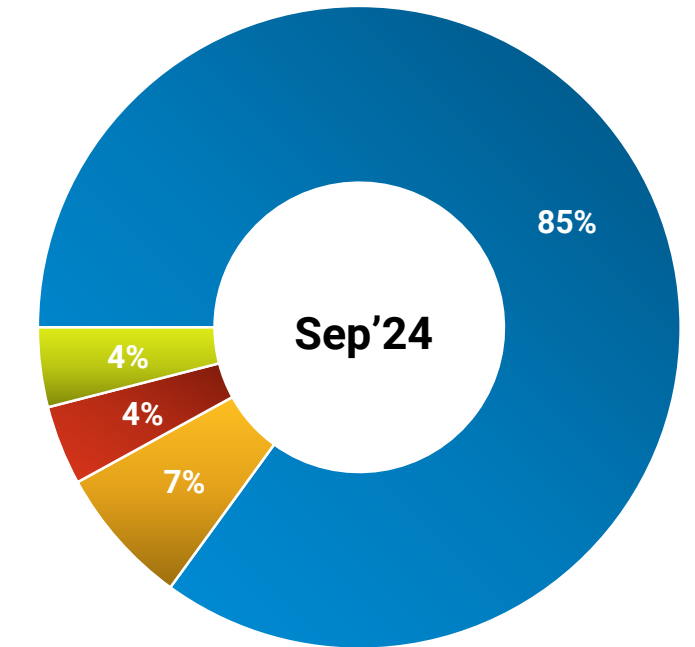
21.5%

23.7%

29.2%

52.8%

Networth Contribution



- Bank & Other Lending Related Entities
- Capital Market
- Insurance
- Assets Mgmt & Others

[^]Including increase in reserves due to RBI's Master Direction on Bank's investment valuation (₹ 4,777 cr) and gain on KGI divestment (₹ 2,730 cr)



***ROE- Q2FY25: 14.28%**
(after adjusting networth change due to RBI's Master Direction on investment valuation)

Bank Highlights



Q2FY25

Q2FY24



PAT

₹ 3,344 cr

₹ 3,191 cr

5%



NIM

4.91%

5.22%



Cost / Income

47.5%

46.5%



ROA

2.17%

2.45%



Customer Assets*

₹ 450,064 cr

₹ 380,412 cr

18%



Net NPA

0.43%

0.37%



CASA Ratio

43.6%

48.3%



CAR

22.6%

21.7%

CET-I

21.5%

20.6%

As at Sep'24

As at Sep'23

CAR and CET-I -as per Basel III, including unaudited profits.

*Customer Assets comprise Advances (incl. IBPC & BRDS) and Credit Substitutes.

Profit and Loss Account



₹ cr	Q2FY25	Q2FY24	Q1FY25	YoY	FY24
Net Interest Income	7,020	6,297	6,842	11%	25,993
Other Income	2,684	2,314	2,929	16%	10,273
<i>Fee and Services</i>	2,312	2,026	2,240	14%	8,464
<i>Trading and MTM income*</i>	91	149	105	-39%	360
<i>Others</i>	281	139	584	102%	1,449
Net Total Income	9,704	8,611	9,771	13%	36,266
Employee Cost	1,952	1,635	1,870	19%	6,856
Other Operating Expenses	2,653	2,366	2,647	12%	9,823
Operating Expenditure	4,605	4,001	4,517	15%	16,679
Operating Profit	5,099	4,610	5,254	11%	19,587
Prov. on Adv/Receivables (net)	669	366	578	83%	1,495
Prov. on AIF / other Investments	(9)	-	-	-	78
Provision & Contingencies	660	366	578	80%	1,573
PBT	4,439	4,244	4,676	5%	18,014
Provision For Tax	1,095	1,053	1,156	4%	4,232
PAT	3,344	3,191	3,520	5%	13,782
ROE	12.23%^	14.38%	13.91%^	-	15.34%
PAT on KGI divestment	-	-	2,730	-	-
Total PAT	3,344	3,191	6,250	-	13,782

^ROE Q2FY25: 12.71%, Q1FY25: 14.15% (after adjusting networth change due to RBI's Master Direction on investment valuation)

*On fixed income, net of OIS/FRA

Notes



Q1FY25 includes dividend income from subsidiaries: ₹380 cr

Fees & services

₹ cr	Q2FY25	Q2FY24	Q1FY25	FY24
Distribution	386	257	309	1,437
General Banking Fees	1,784	1,682	1,785	6,642
Others	142	87	146	385
Total	2,312	2,026	2,240	8,464

Balance Sheet



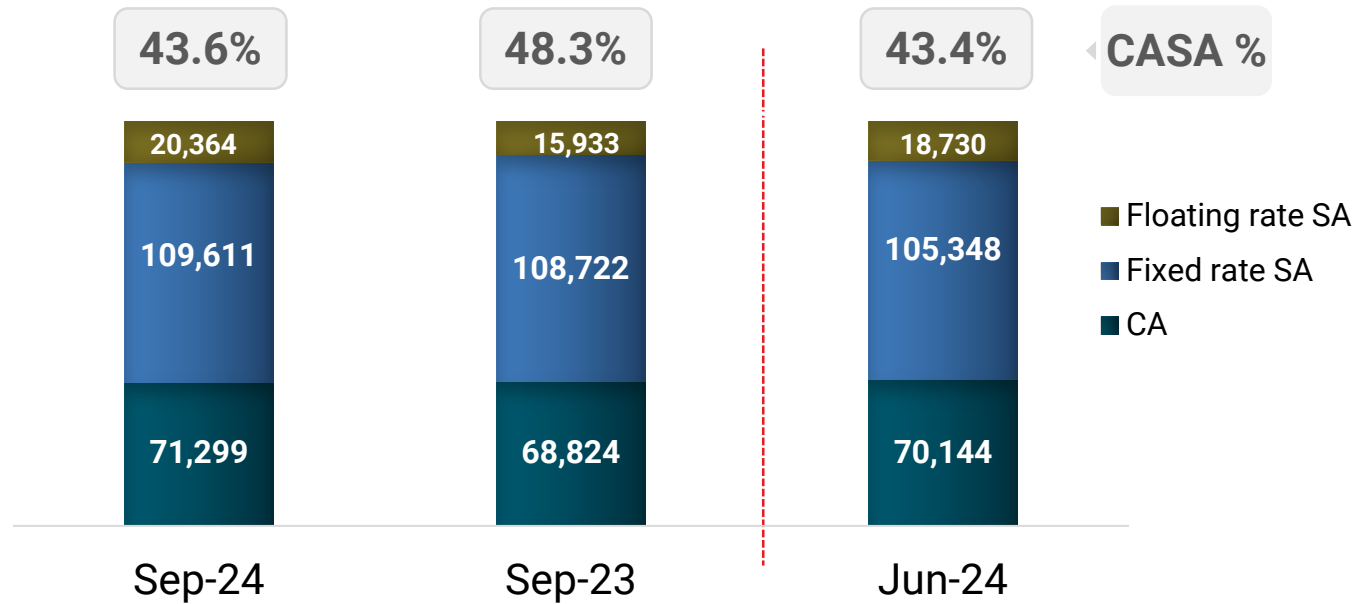
₹ cr	30-Sep-24	30-Sep-23	30-Jun-24
Capital & Reserves and Surplus	110,646	89,956	106,308
Deposits	461,454	400,963	447,418
<i>of which, CASA</i>	201,275	193,479	194,222
Borrowings	26,512	22,515	29,402
Other Liabilities and Provisions	24,596	19,529	21,820
Total Liabilities	623,208	532,963	604,948
CASA Ratio	43.6%	48.3%	43.4%

₹ cr	30-Sep-24	30-Sep-23	30-Jun-24
Cash, Bank and Call	32,588	39,941	37,161
Investments	175,532	128,646	162,578
Net Advances	399,522	348,284	389,957
Fixed & Other Assets	15,566	16,092	15,252
Total Assets	623,208	532,963	604,948
CD Ratio	86.6%	86.9%	87.2%

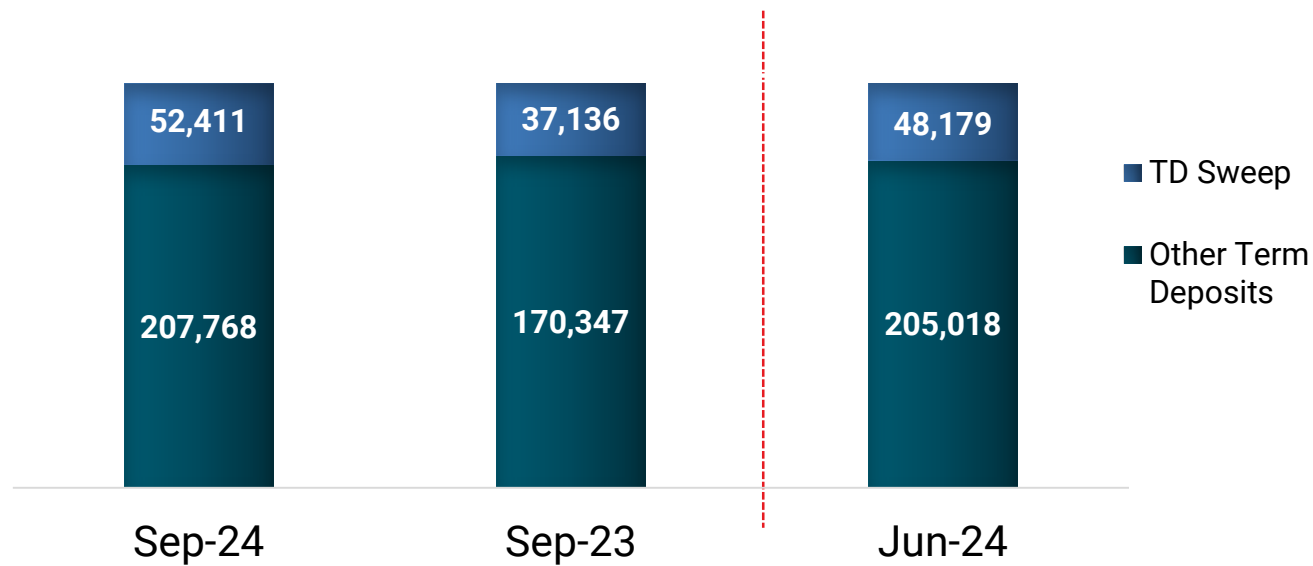
Deposits



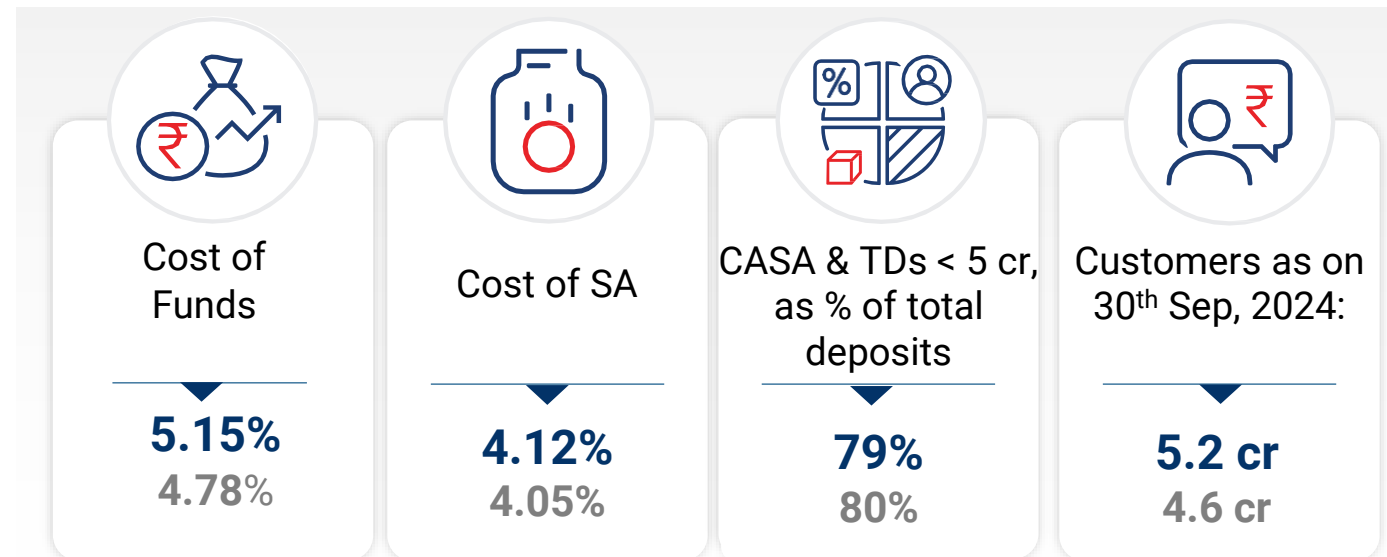
CASA (EOP) (₹ cr)



Term Deposits (EOP) (₹ cr)



Averages	Q2FY25	YoY %	Q2FY24
Total Deposits	446,110	16%	385,950
Current Account	61,853	6%	58,351
Savings Account	124,823	2%	121,967
Term Deposit	259,434	26%	205,632

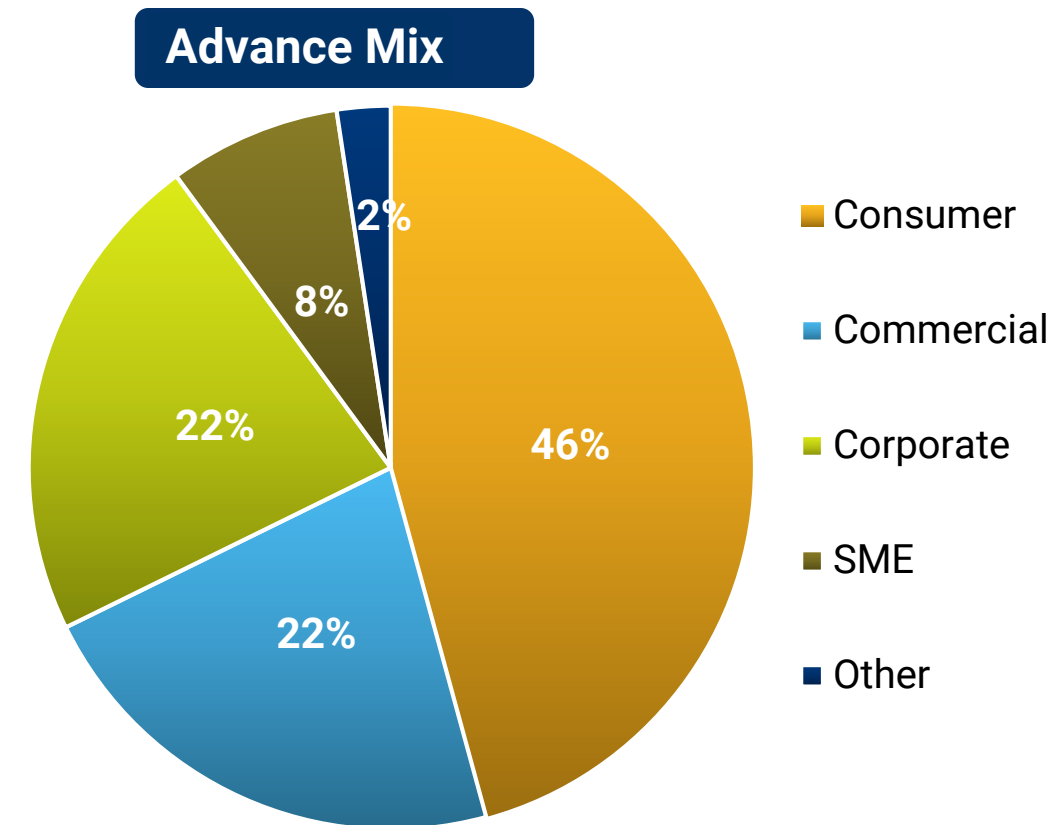


Figures in grey are Sep'23 numbers, as applicable

Customer Assets



₹ cr	30-Sep-24	30-Sep-23	30-Jun-24	YoY	QoQ
Home Loans & LAP	116,715	99,100	110,850	18%	5%
Business Banking	40,002	33,095	37,591	21%	6%
PL, BL and Consumer Durables	20,868	17,862	20,317	17%	3%
Credit Cards	14,446	12,597	14,644	15%	-1%
Consumer	192,031	162,654	183,402	18%	5%
CV/CE	39,064	31,055	37,941	26%	3%
Agriculture Division	26,965	26,929	27,324	0%	-1%
Tractor Finance	16,191	14,376	15,800	13%	2%
Retail Microcredit	9,776	8,052	10,368	21%	-6%
Commercial	91,996	80,412	91,433	14%	1%
Corporate	92,864	81,844	93,581	13%	-1%
SME	32,174	24,569	28,186	31%	14%
Others	10,043	7,533	9,355	33%	7%
Advances (A)	419,108	357,012	405,957	17%	3%
Credit Substitutes (B)	30,956	23,400	29,870	32%	4%
Customer Assets (A + B)	450,064	380,412	435,827	18%	3%
IBPC & BRDS (C)	19,586	8,728	16,000		
Net Advances (A - C)	399,522	348,284	389,957	15%	2%



Unsecured retail advances (incl. Retail Microcredit) as a % of Net Advances:

30th September, 2024: 11.3%

30th June, 2024: 11.6%

₹ cr	Q2FY25	Q2FY24	Q1FY25
Opening GNPA	5,477	5,909	5,275
Fresh Slippages	1,875	1,314	1,358
Upgradations & Recoveries	681	942	586
Write-offs	638	194	570
Closing GNPA	6,033	6,087	5,477
Credit cost (annualised) (%)*	0.65%	0.42%	0.55%

₹ cr	30-Sep-24	30-Sep-23	30-Jun-24
GNPA (%)	1.49%	1.72%	1.39%
NNPA (%)	0.43%	0.37%	0.35%
PCR (%)	71%	79%	75%
GNPA	6,033	6,087	5,477
NNPA	1,724	1,275	1,376
Total provisions (incl. specific)	6,266	6,721	6,037

- SMA-2[^] as on 30th September 2024: ₹ 176 cr, (as on 30th June 2024: ₹ 232 cr)
- Fresh slippages of Q2FY25 upgraded within the same quarter: ₹ 246 cr (Q1FY25: ₹ 250 cr)
- Standard Restructured FB o/s under various frameworks: COVID: ₹ 115 cr; MSME: ₹ 133 cr [0.06% of Net Advances]

*Credit cost on specific provisions

[^] Fund based outstanding for borrowers with exposure > ₹ 5 Cr.

Update on RBI Supervisory Action

Order and Impact assessment

Reserve Bank of India (“RBI”) order of 24th April 2024, directs the Bank to cease and desist:



Onboarding new customers through the Bank’s online and mobile banking channels



Issuing fresh Credit Cards.

The order does not impact:



Servicing and cross-sell of products (excl. new Credit Cards) to the existing customer base through all channels



On-boarding of new customers through other than online/mobile banking channels

Update on action taken



Bank has made notable progress on core banking resilience, business continuity action plan, cyber security and digital payments frameworks



External auditor fully engaged in validating items actioned upon by the bank



Constant interaction and update to Regulator on progress

Business & Financial Impact



Potential financial impact continues to be in line with the initial estimate



Redirecting resources to deepen existing relationships and improving cross-sell



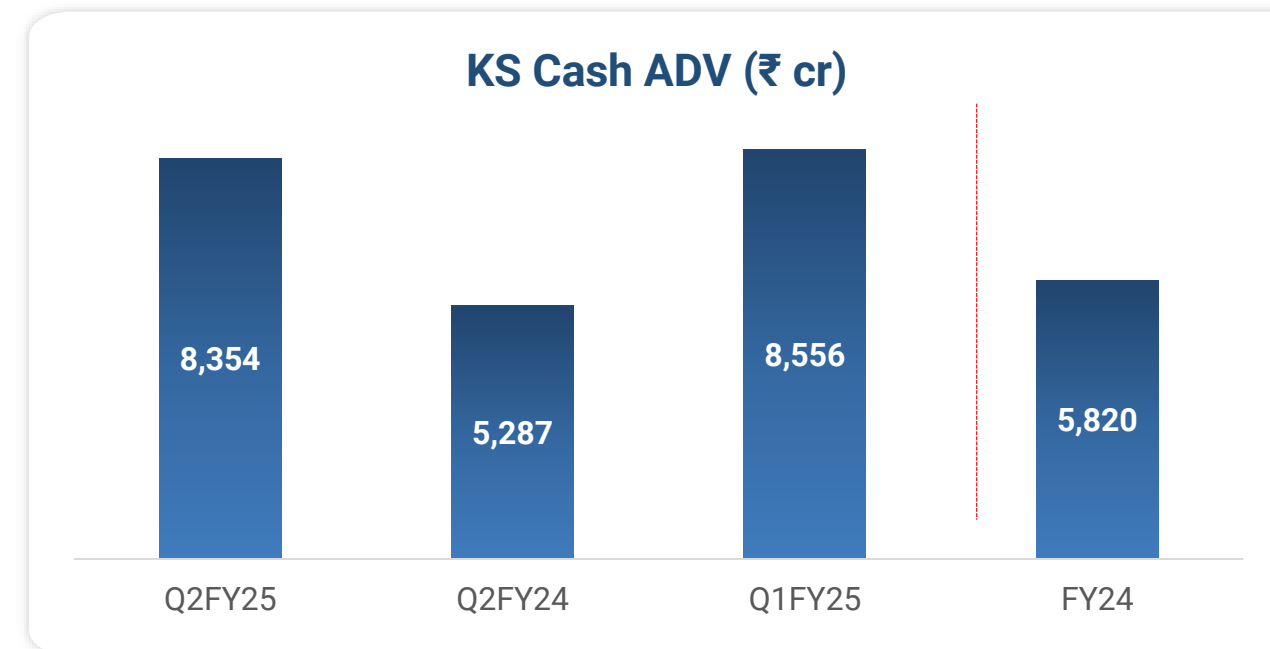
Key Technology Initiatives:

- Improving resiliency
- Enriching the Mobile Banking App, 811 App, Fyn App (Corporate & Business Banking App), Neo App (Trading & Investment App) and Cherry App (Wealth Management App)
- Automating front-line processes
- Enhancing customer journey automation

₹ cr	Q2FY25	Q2FY24	Q1FY25	FY24
Total Income	1,380	962	1,298	3,982
Profit After Tax	444	324	400	1,226
Market Share Cash* (%)	9.3	10.0	10.1	10.2
Derivative Market Share* (%)	13.0	13.3	12.3	12.6
Overall Market Share*(%)	11.6	12.2	11.5	11.8

* excluding Proprietary Segments

Market share is computed based on the revised disclosures by NSE from April'23, accordingly previous period numbers are recomputed. Derivative Market share is based on notional turnover for equity futures and premium turnover for equity options segment.



Key Highlights- Kotak NEO

- Kotak NEO is one of **highest-rated trading and investment apps** with a 4.6 rating on Apple store and a 4.4 rating on the Play store
- Witnessed a growth of **56% QoQ in accounts opened digitally**, driven by improved native account opening journey on Neo app
- Introduced a dedicated **MTF research** section, featuring stocks specifically curated & recommended by our in-house research
- Launched **Advanced Basket Order** feature tailored for sophisticated derivative traders
- Witnessed a significant adoption on the **new NEO Mutual Fund platform**; new MF orders grew **3.7X** YoY
- Total orders have experienced remarkable growth, boasting a **96% YoY** increase, mainly driven by **Kotak Neo** platform

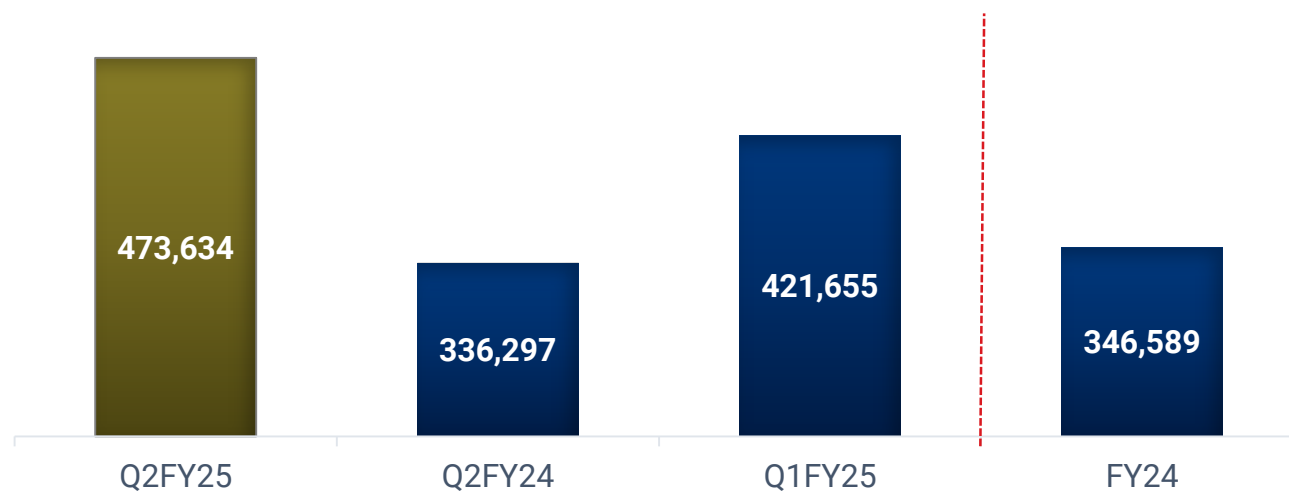
75%

Growth YoY in
Mobile Trading
ADV#

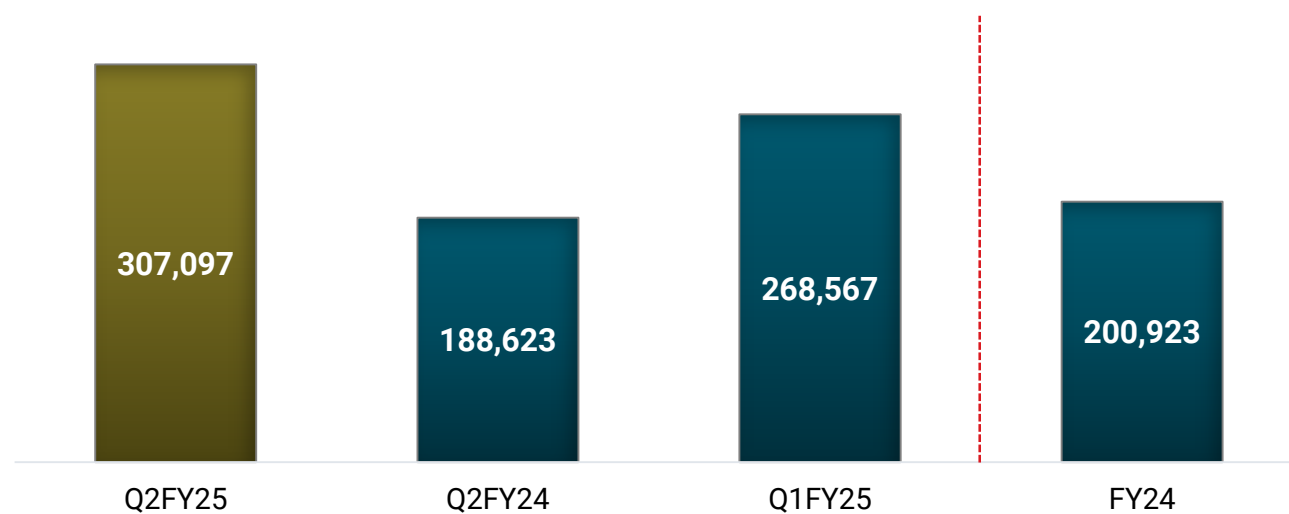
106%

Growth YoY in
Internet Trading
ADV#

Average Assets Under Management (₹ cr) - Overall



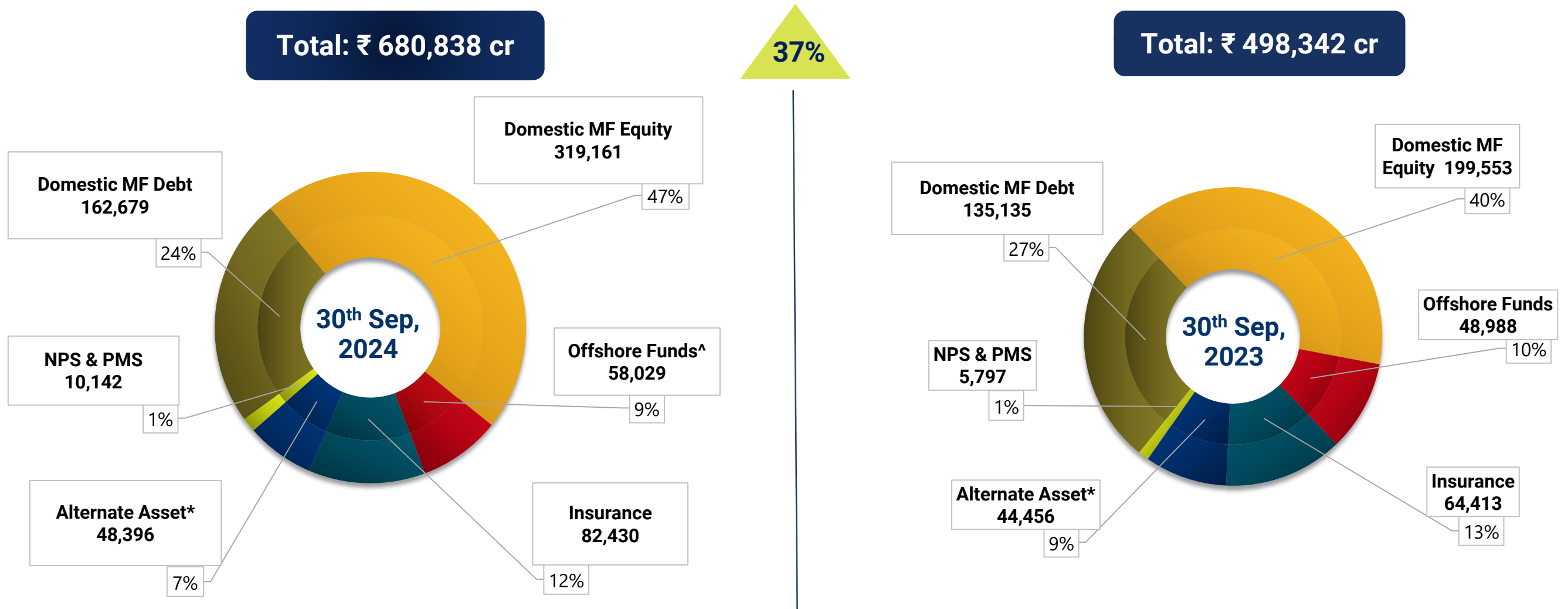
Average Assets Under Management (₹ cr) - Equity



₹ cr	Q2FY25	Q2FY24	Q1FY25	FY24
Profit After Tax	197	124	175	525

Other Highlights

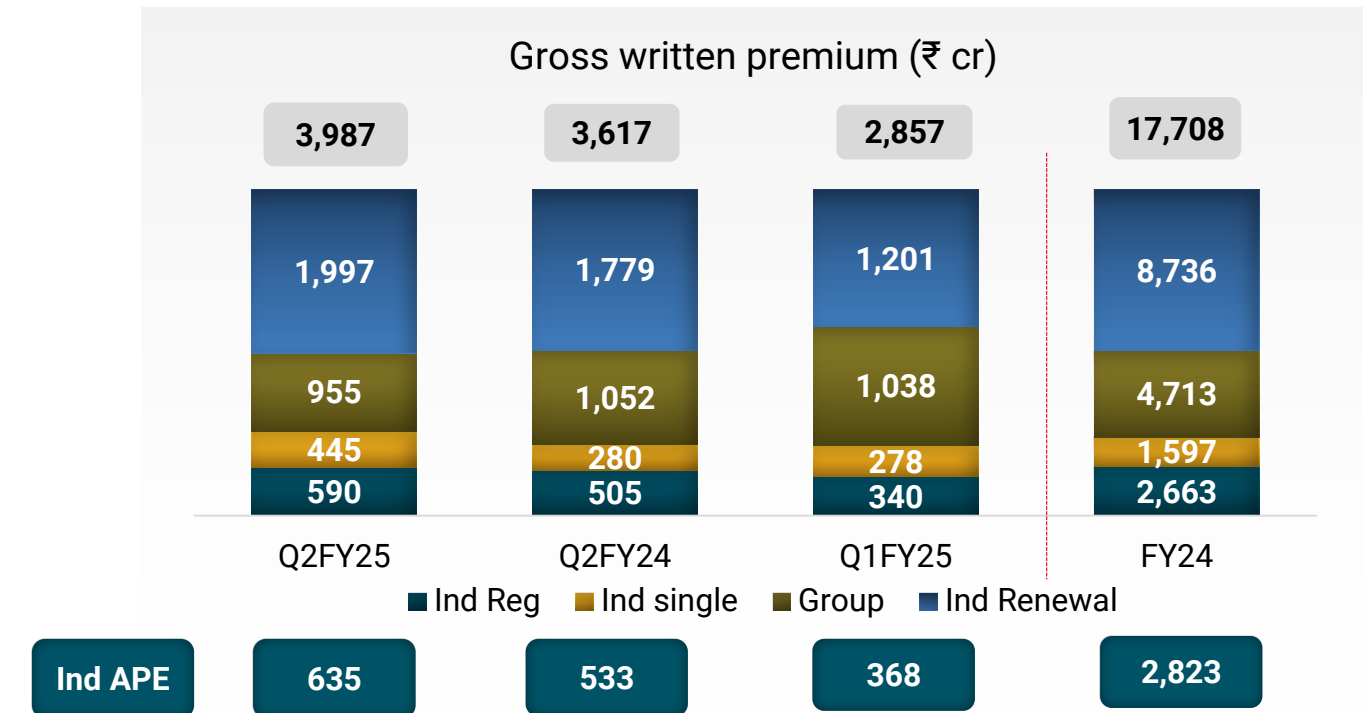
- Proportion of Individual MAAUM: 59%
- Monthly SIP Inflows for Sep'24: ₹ 1,764 cr, up 23% YoY
- Equity(Ex ETF & Arb) AAUM Market share 6.49% in Q2FY25




*Kotak Alternate Assets has secured commitments totalling USD 10 bn since its inception
 ^With an AUM of over USD 4.4 bn, Kotak Funds – India Midcap Fund is one of the largest#
 India focused offshore funds (actively managed with daily liquidity).

*Include undrawn commitments, wherever applicable. | #Source: Bloomberg

₹ cr	Q2FY25	Q2FY24	Q1FY25	FY24
Capital	562	562	562	562
Other Reserves and Surplus	5,463	5,053	5,245	5,301
Total Premium	3,987	3,617	2,857	17,708
Profit After Tax (Shareholders')	360	247	174	689
Solvency Ratio (x)	2.57	2.70	2.48	2.56





Gross written premium Q2FY25 has grown by 10.2% YoY




Individual APE NB premium for Q2FY25 grew 19.0%

Q2FY25 Share of Traditional Product mix at 72.8% of regular premium



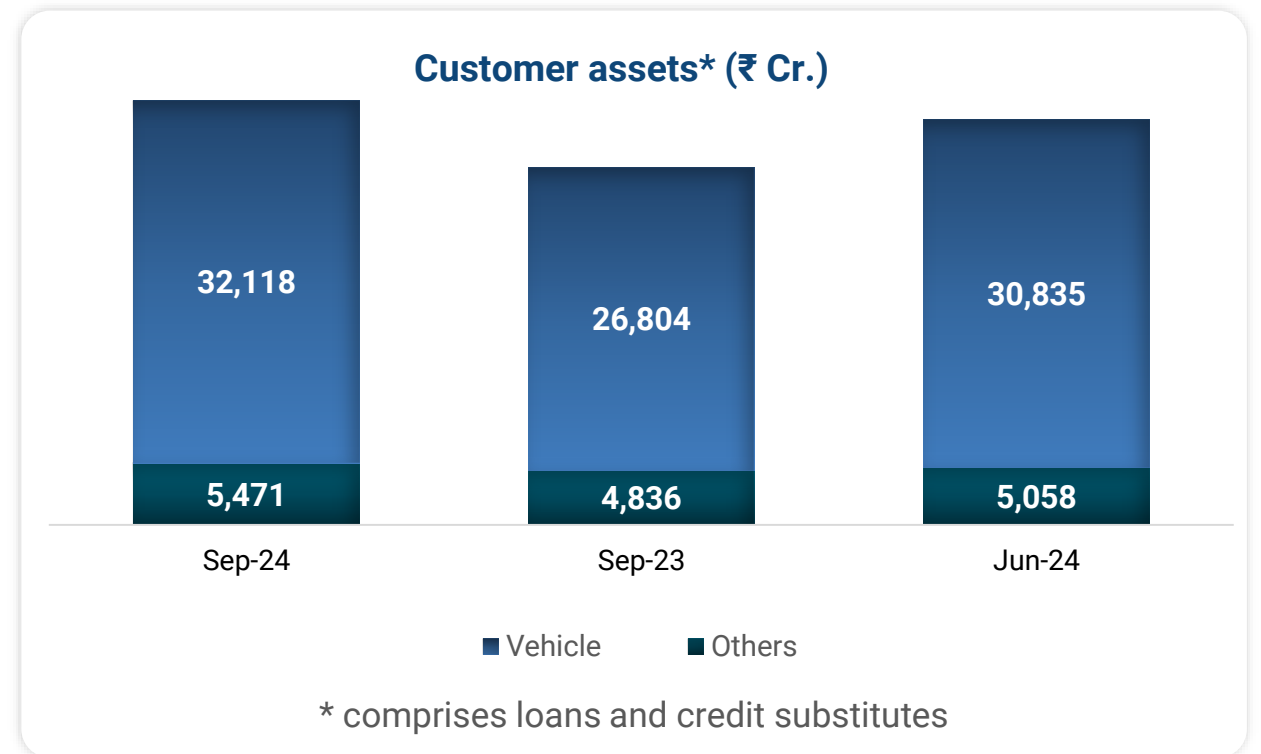
Overall protection premium for Q2FY25 at 35.2% of Individual new business and Group premium.



AUM (Policyholders') as on 30th Sep, ₹ 82,430 cr, growth 28.0 % YoY

₹ cr	Q2FY25	Q2FY24	Q1FY25	FY24
NII	520	460	503	1,870
Other Income	209	108	153	500
Total Income	729	568	656	2,370
Operating Expenses	283	246	270	1,000
Provisions (Net)	88	44	77	182
Profit After Tax	269	208	232	888
NNPA (%)	0.9%	0.8%	0.9%	0.8%
CAR (%)	24.2%*	26.6%*	24.6%*	25.2%
ROA (%) – Annualised	2.6%	2.4%	2.4%	2.5%

*including unaudited profits



YoY growth in Car finance (including dealer finance): **19%**

Geographical presence



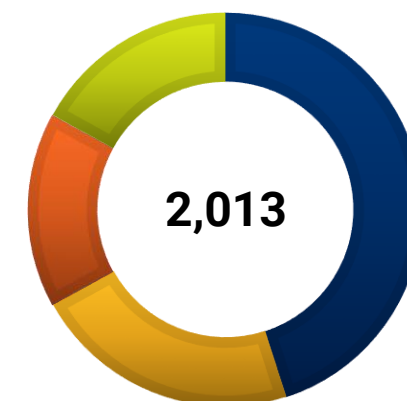
Group Branches distributed across various geographies

Network in India	Branches
Kotak Bank*	2,013
Kotak Mahindra Prime	156
Kotak Life Insurance	306
Kotak Securities [#]	1,267
Kotak AMC	102
Kotak Trusteeship Services	4
BSS Microfinance	877
Sonata Finance	618
Total	5,343

International offices in New York, London, Mauritius, Dubai, Singapore and Abu Dhabi.

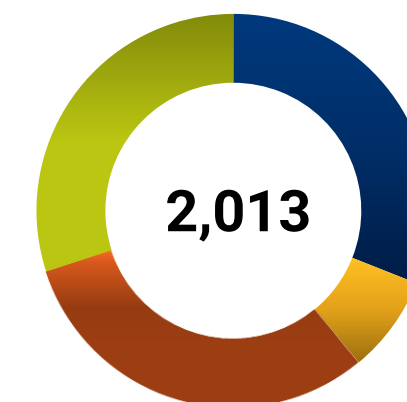
Bank Branch* Classification (No. | %)

Metro	919 46%
Urban	444 22%
Semi Urban	313 15%
Rural	337 17%



Bank Branch* Distribution (No. | %)

North	629 31%
East	170 8%
West	620 31%
South	594 30%



No. of ATMs[^]

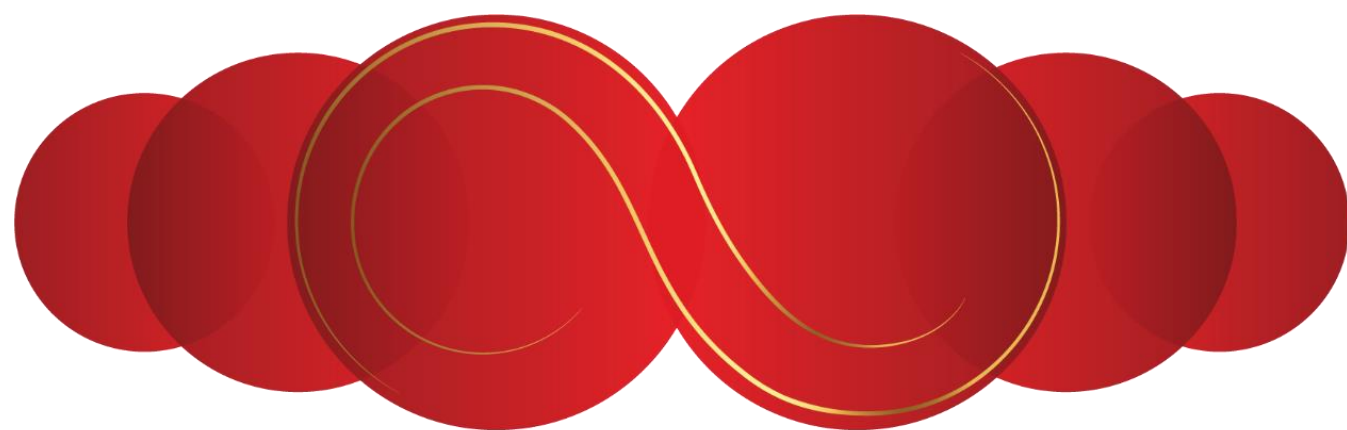
3,329



No. of Currency Chests

11

Bank Branch* presence as on 30th Sept, 2023 : 1,850 and 30th Jun, 2024 : 1,965



Strategy to transform for scale

Our Enablers

Creating value for our stakeholders



Customers: The Heart of Our Business

Getting it right by our customers by understanding their needs and building appropriate propositions for them and thus being the right partner to them. This will help us scale our business and expand market share.

Community: Thriving Together

The key outcome we pursue in this are responsible and sustainable growth. Our efforts in this regard will reflect in the value of the brand.



Company: Building Sustainable Value

To build a great company that shareholders can be proud of - an institution that delivers sustainable and consistent financial returns.

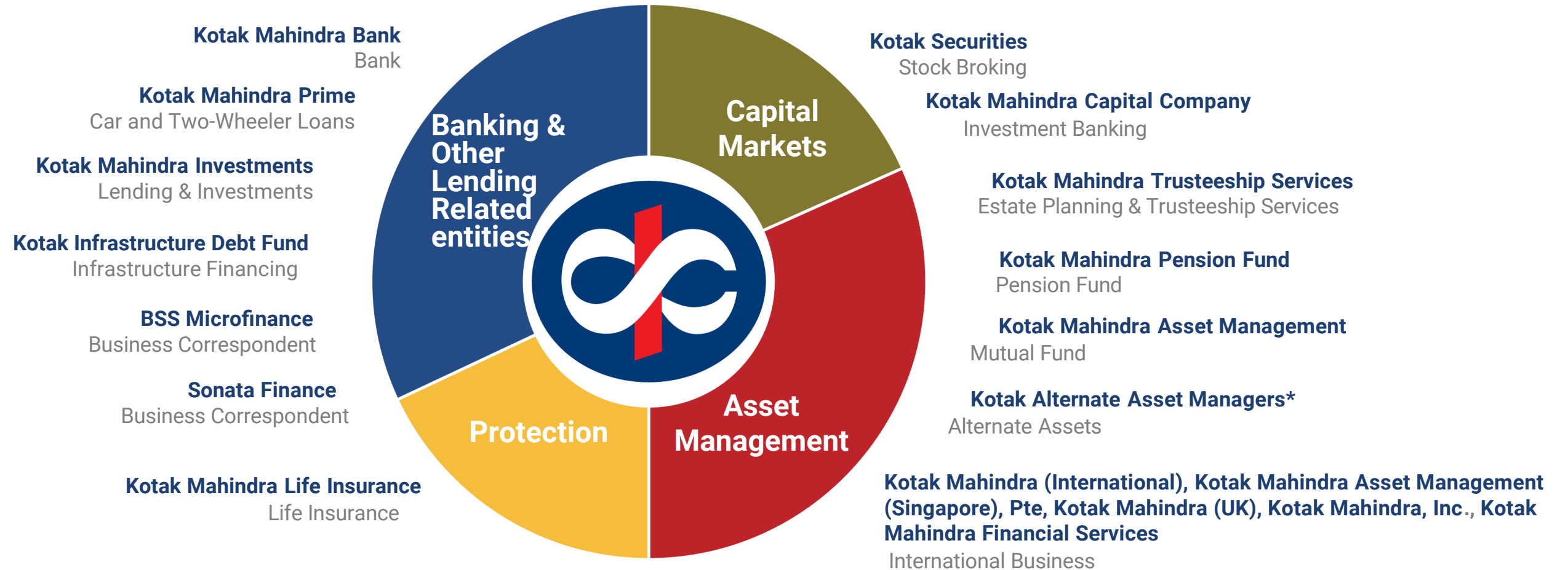
Colleagues: Our Greatest Asset

Committed colleagues who are aligned with the Company's purpose will deliver for the customers.

Kotak's unique financial conglomerate structure

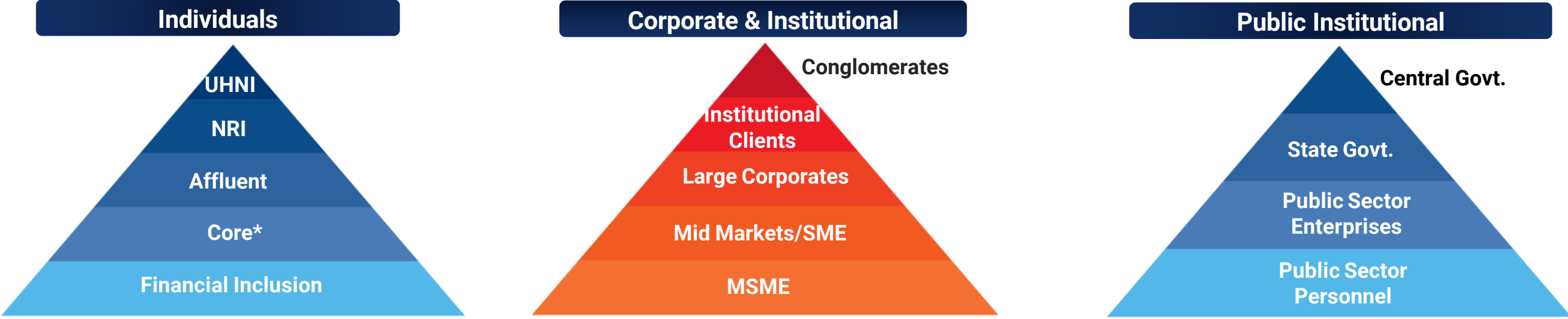


Parent Company



All subsidiaries are 100% owned beneficially by the Bank

*formerly known as Kotak Investment Advisors Ltd



Customer segments are served by appropriate product propositions created across our diversified businesses

Consumer Banking

- Branch Banking
- Kotak811
- Home loans & LAP
- Personal Loans
- Consumer Finance
- Credit Cards
- Priority Banking
- Small Business Loans
- Working Capital
- NRI Banking
- Rural Housing & Business Loans
- Forex Cards
- FASTag
- Loan against Shares

Commercial Banking

- Agriculture Finance
- Commercial Vehicles
- Construction Equipment
- Tractor Finance
- Microcredit
- Gold Loans

Wholesale Banking

- Corporate Loans
- Trade Finance
- Business Banking
- Commercial
- Real-Estate
- Forex/ Treasury
- Cash Management
- Custody Business
- Off-shore Lending

Other Financial Services

- Private Banking
- Car and 2W Loans
- Mutual Funds
- Alternate Assets
- Off-shore Funds
- Life Insurance
- General Insurance
- Investment Banking / DCM Broking
- Infra Debt Finance
- Asset Reconstruction

Organisation structure and culture drives cross-sell and customer cross-buying across various products

**largely serviced through our Kotak811 proposition*

Strong and committed leadership team



Ashok Vaswani
—
<1 Year
Managing
Director & CEO



Shanti Ekambaram
—
34 Years
Deputy Managing
Director



Jaideep Hansraj
—
31 Years
Whole Time Director
Designate



Devang Gheewalla
—
20 Years
Group CFO



Paul Parambi
—
33 Years
Group Chief Risk
Officer



Milind Nagnur
—
2 Years
CTO & Chief
Operating Officer



Manish Kothari
—
29 Years
Commercial Banking



Paritosh Kashyap
—
30 Years
Wholesale Banking



Oisharya Das
—
30 Years
Private Banking



Ramesh Srinivasan
—
29 Years
Investment Banking



Nilesh Shah
—
10 Years
Asset Management



S Srinivasan
—
32 Years
Alternate Assets

73 members in Kotak Leadership Team (incl. above)
with an average tenure of ~19 years with the Group

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