

EARNINGS UPDATE Q4FY24

Presentation on financial results for the
year ended 31st March, 2024

4th May, 2024



Key Updates for Q4FY24

Consolidated

- ✓ **PAT** growth: Q4FY24: 25% (QoQ); 17% (YoY); FY24: 22% (YoY)
- ✓ **RoE**: Q4FY24: 16.85%; FY24: 15.08%
- ✓ **RoA**: Q4FY24: 2.92%; FY24: 2.66%

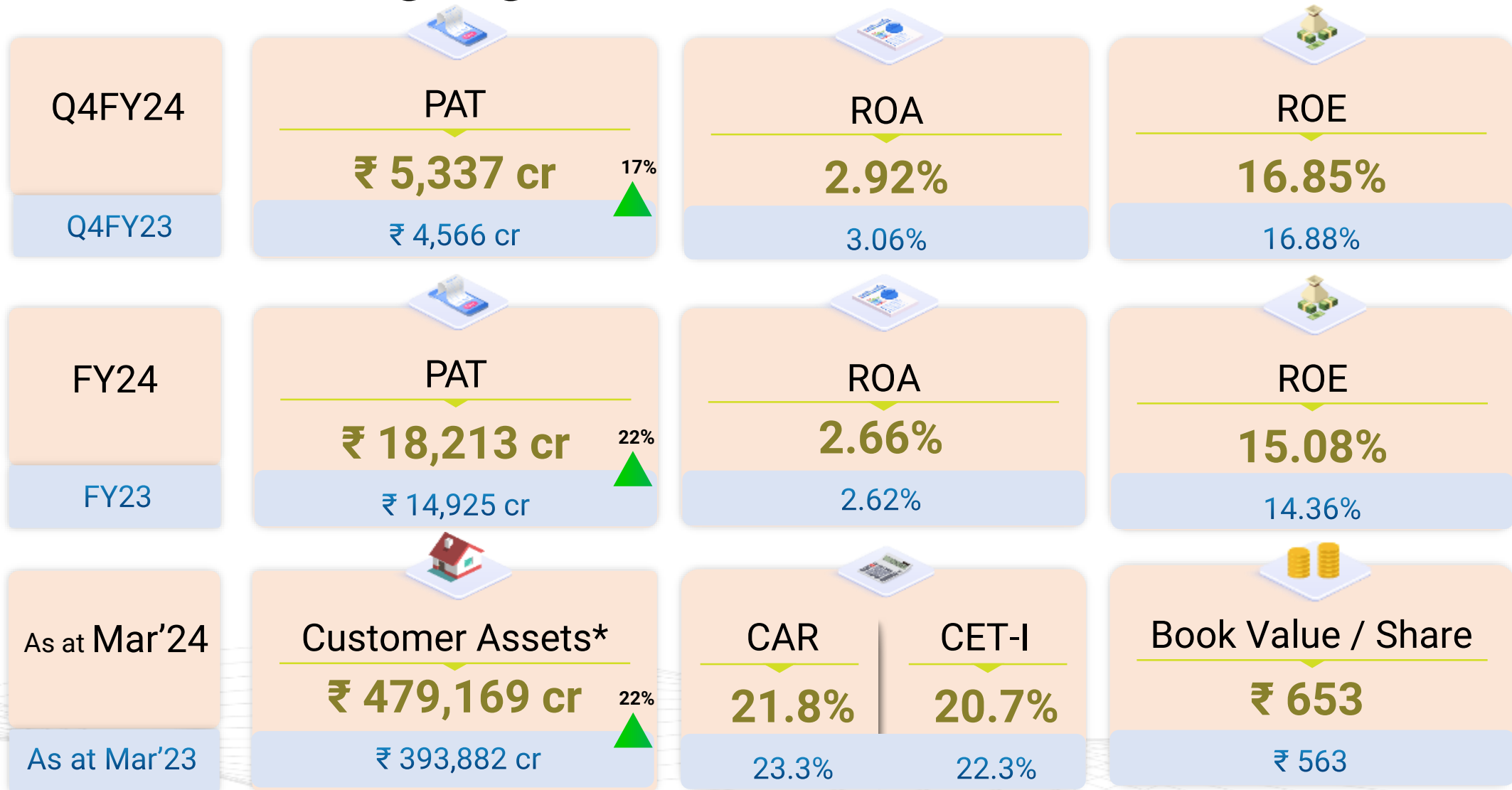
Bank

- ✓ **PAT** growth: Q4FY24: 38% (QoQ); 18% (YoY); FY24: 26% (YoY)
- ✓ **NIM** Q4FY24: 5.28% Q3FY24: 5.22%; FY24: 5.32%, FY23: 5.33%
- ✓ **CASA Ratio**: 45.5%, **CD Ratio**: 83.8%, **NNPA**: 0.34%
- ✓ **AIF provision release** ₹157 cr in Q4FY24 basis RBI circular of 27th March 24
- ✓ **Favourable tax credits**: ₹200 cr in Q4FY24

Subsidiaries

- ✓ **Kotak Securities** - YoY **PAT** growth: 42%, **Cash ADV** growth - 34% on QoQ basis
- ✓ **Kotak AMC** - **AAUM** growth - Equity at 13%; Overall at 9% on QoQ basis
- ✓ **Sonata Finance** acquisition completed and is wholly-owned subsidiary from 28th March 2024

Consolidated Highlights FY24

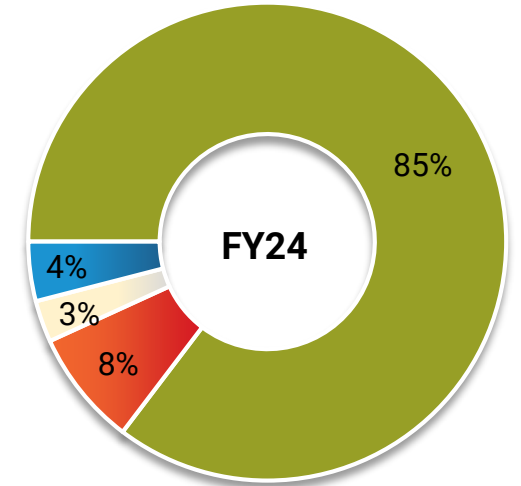


* Customer Assets comprise Advances (incl. IBPC & BRDS) and Credit Substitutes

Kotak Group PAT

₹ cr	Q4FY24	Q4FY23	Q3FY24	FY24	FY23	YoY
Kotak Mahindra Bank	4,133	3,496	3,005	13,782	10,939	26%
Kotak Mahindra Prime	223	224	239	888	829	7%
Kotak Mahindra Investments	129	100	157	514	326	58%
Kotak Infrastructure Debt Fund	11	8	11	44	29	56%
BSS Microfinance	76	89	104	383	297	29%
Sonata Finance	(14)	-	-	(14)	-	
Bank & Other lending related entities	4,558	3,917	3,516	15,597	12,420	26%
Kotak Securities	378	182	306	1,226	865	42%
Kotak Mahindra Capital	97	49	35	215	150	44%
Capital Market	475	231	341	1,441	1,015	42%
Kotak Mahindra Life Insurance	109	205	140	689	1,053	(35%)
Kotak Mahindra General Insurance	(58)	(55)	(20)	(89)	(117)	
Insurance	51	150	120	600	936	(36%)
Kotak AMC and TC	150	192	146	525	555	(5%)
Kotak Alternate Asset Managers	4	6	26	59	42	39%
International Subs	59	36	57	189	76	147%
Asset Management	213	234	229	773	673	15%
Others	5	0	1	6	(2)	32%
Bank & Subsidiaries	5,302	4,532	4,207	18,417	15,042	22%
Affiliates	95	37	62	236	145	63%
Inter co. Adjustments	(60)	(3)	(4)	(440)	(262)	-
Consolidated PAT	5,337	4,566	4,265	18,213	14,925	22%

PAT Contribution

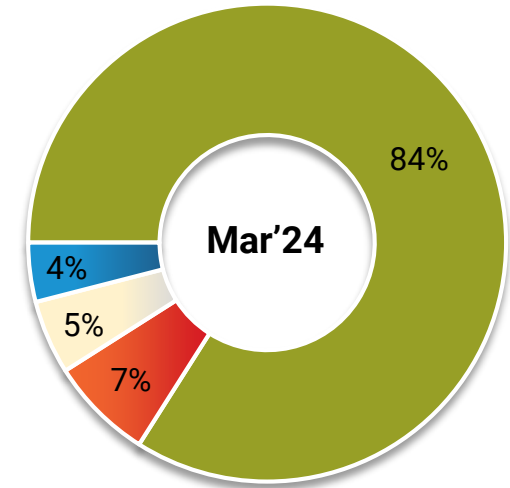


- Bank & other lending related entities
- Capital Market
- Insurance
- Assets Mgmt & Others

Kotak Group Networth & ROE

₹ cr	PAT FY24	Networth Mar'24	ROE
Kotak Mahindra Bank	13,782	96,639	
Kotak Mahindra Prime	888	9,177	
Kotak Mahindra Investments	514	3,329	
Kotak Infrastructure Debt Fund	44	520	
BSS Microfinance	383	1,010	
Sonata Finance	(14)	389	
Bank & Other lending related entities	15,597	111,064	15.1%
Kotak Securities	1,226	8,286	
Kotak Mahindra Capital	215	1,181	
Capital Market	1,441	9,467	16.6%
Kotak Mahindra Life Insurance	689	5,863	
Kotak Mahindra General Insurance	(89)	447	
Insurance	600	6,310	10.0%
Kotak AMC and TC	525	2,521	
Kotak Alternate Asset Managers	59	865	
International Subs	189	1,962	
Asset Management	773	5,348	15.6%
Others	6	94	6.7%
Bank & Subsidiaries	18,417	132,283	
Affiliates	236	1,587	
Inter co. Adjustments	(440)	(3,978)	
Total	18,213	129,892	15.1%

Networth Contribution



- Bank & other lending related entities
- Capital Market
- Insurance
- Assets Mgmt & Others

Standalone Highlights FY24



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

Profit and Loss Account

₹ cr	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Net Interest Income	6,909	6,103	6,554	25,993	21,552
Other Income	2,979	2,186	2,297	10,273	7,083
<i>Fee and Services</i>	2,467	1,928	2,144	8,464	6,790
<i>Trading and MTM income*</i>	138	(1)	(168)	360	(973)
<i>Others</i>	374	259	321	1,449	1,266
Net Total Income	9,888	8,289	8,851	36,266	28,635
Employee Cost	1,826	1,455	1,749	6,856	5,520
Other Operating Expenses	2,600	2,187	2,536	9,823	8,267
Operating Expenditure	4,426	3,642	4,285	16,679	13,787
Operating Profit	5,462	4,647	4,566	19,587	14,848
Prov. on Adv/Receivables (net)	439	169	324	1,495	478
Prov. on AIF Investments	(157)	-	190	33	-
Prov. on Investments	(18)	(22)	65 [#]	45	(21)
Provision & Contingencies	264	147	579	1,573	457
PBT	5,198	4,500	3,987	18,014	14,391
Provision For Tax	1,065	1,004	982	4,232	3,452
PAT	4,133	3,496	3,005	13,782	10,939
ROE	17.54%	17.41%	13.10%	15.34%	14.15%

*On fixed income, net of OIS/FRA

[#]In respect of SRs classified as NPI during Q3FY24, corresponding MTM loss reversed

Previous periods figures regrouped / reclassified to conform to current period's presentation.

Notes for Q4FY24



AIF provision released basis RBI circular of 27th March 24: ₹157cr in Q4FY24 out of ₹190 cr provision made in Q3FY24



Interest on income tax refunds: ₹142 cr & tax credits: ₹200 cr in Q4FY24



AFS+HFT book as % of Investment book: 79%

Fees & services

₹ cr	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Distribution & Syndication Income	704	418	369	1,624	1,224
General Banking Fees	1,715	1,465	1,728	6,642	5,387
Others	48	45	47	198	179
Total	2,467	1,928	2,144	8,464	6,790

Asset Quality

₹ cr	31-Mar-24	31-Mar-23	31-Dec-23
GNPA	5,275	5,768	6,302
NNPA	1,271	1,193	1,225
GNPA (%)	1.39%	1.78%	1.73%
NNPA (%)	0.34%	0.37%	0.34%
PCR	75.9%	79.3%	80.6%



SMA2[^] as on
31st Mar 2024: ₹ 199 cr
 [31st Mar 2023: ₹ 204 cr]



Slippages for Q4FY24
 ₹ 1,305 cr (0.3% of Net Advances),
 (₹ 823 cr – Q4FY23),
 Of this, ₹ 236 cr upgraded within
 Q4FY24 (₹ 218 cr – Q4FY23)

- Recoveries and upgrades during the quarter: ₹ 772 cr
- Retail unsecured loans (fully provided) written off during the quarter: ₹ 1,455 cr
- Credit cost on net advances (incl. standard provision excluding reversal of COVID & restructuring) is 50 bps annualised for Q4FY24
- Standard Restructured FB o/s under various frameworks: COVID: ₹ 154 cr; MSME: ₹ 229 cr [0.10% of Net Advances]
- Total provisions towards advances: ₹ 5,903 cr
- No sale of any loans during the period

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

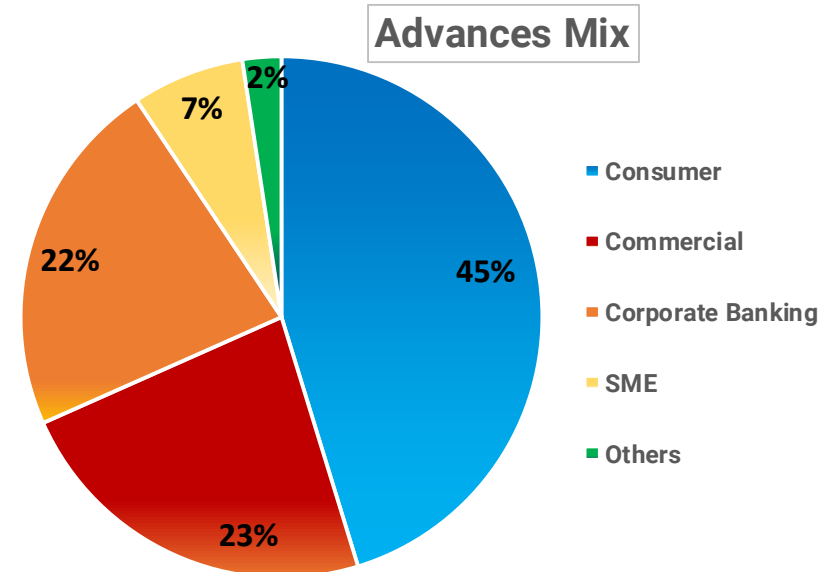
Balance Sheet

₹ cr	31-Mar-24	31-Mar-23	31-Dec-23
Capital & Reserves and Surplus	96,639	83,460	92,994
Deposits	448,954	363,096	408,636
CASA	204,304	191,815	195,049
Term Deposits	244,650	171,281	213,587
Borrowings	28,368	23,416	25,840
Other Liabilities and Provisions	26,396	19,890	20,479
Total Liabilities	600,357	489,862	547,949

₹ cr	31-Mar-24	31-Mar-23	31-Dec-23
Cash, Bank and Call	52,788	32,542	27,509
Investments	155,404	121,404	145,751
Advances (net)	376,075	319,861	359,588
Fixed & Other Assets	16,090	16,055	15,101
Total Assets	600,357	489,862	547,949

Customer Assets

₹ cr	31-Mar-24	31-Mar-23	31-Dec-23	YoY	QoQ
Home Loans & LAP	1,06,726	92,731	102,234	15%	4%
Consumer Bank WC (Secured)	35,997	29,389	33,790	22%	7%
PL, BL and Consumer Durables	20,049	15,773	19,310	27%	4%
Credit Cards	14,505	10,090	13,882	44%	4%
Consumer	177,277	147,983	169,216	20%	5%
CV/CE	36,833	27,792	33,757	33%	9%
Agriculture Division	27,850	27,528	27,461	1%	1%
Tractor Finance	15,802	13,909	15,156	14%	4%
Retail Micro Finance	9,983	6,225	8,509	60%	17%
Commercial	90,468	75,454	84,883	20%	7%
Corporate Banking	87,310	72,405	84,246	21%	4%
SME	27,247	23,108	25,816	18%	6%
Others	9,427	6,593	8,303	43%	14%
Advances (A)	391,729	325,543	372,464	20%	5%
Credit Substitutes (B)	31,595	27,109	28,295	17%	12%
Customer Assets (A + B)	423,324	352,652	400,759	20%	6%
IBPC & BRDS (C)	15,654	5,682	12,876		
Net Advances (A - C)	376,075	319,861	359,588	18%	5%



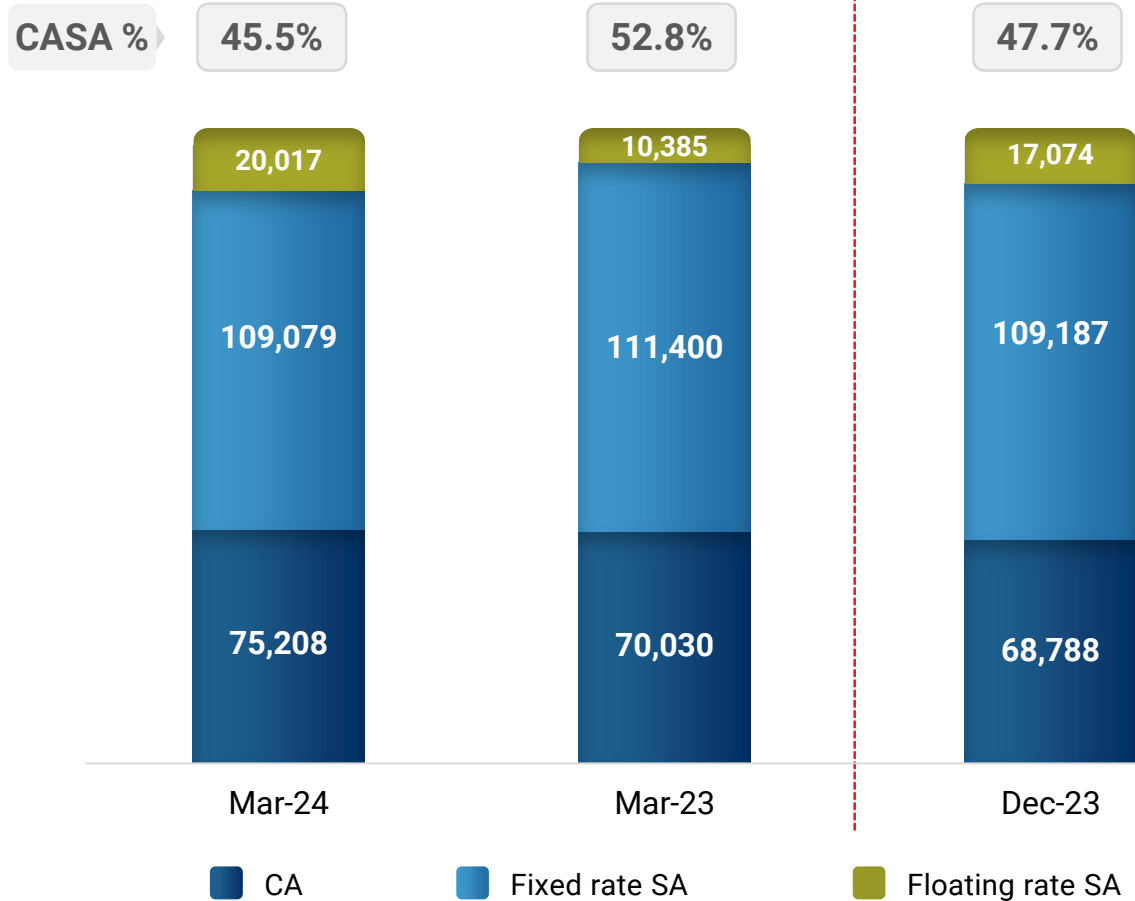
Unsecured retail advances (incl. Retail Micro Finance) as a % of Net Advances:

31st Mar 2024: 11.8%

31st Mar 2023: 10.0%

Deposits

CASA (EOP) (₹ cr)



Average	Q4FY24	YoY %	Q4FY23
Current Account	60,160	3%	58,415
Savings Account	123,457	5%	117,824
Term Deposit	224,703	35%	166,644

ActivMoney

TD Sweep at ₹ 47,052 cr
YoY growth: 102%



Cost of SA

4.13%
3.84%



CASA & TDs < 5 cr,
as % of total
deposits

79%
82%



Customers as on
31st Mar, 2024:

5.0 cr
4.1 cr

Figures in grey are Mar'23 numbers, as applicable

Order and Impact assessment

- Reserve Bank of India ("RBI") order of 24th April 2024, directs the Bank to cease and desist (i) onboarding new customers through the Bank's online and mobile banking channels and (ii) 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

Way forward and action plan

- We are totally committed to working with all our regulators to achieve the required technology standards
- Bank will step-up investments to fortify its IT systems. The focus is on:
 - Accelerate execution of the comprehensive plan for core banking resilience
 - Demonstrate sustainable compliance to Baseline Cyber Security Framework for Banks
 - Continue to strengthen digital payment security controls

Business impact analysis

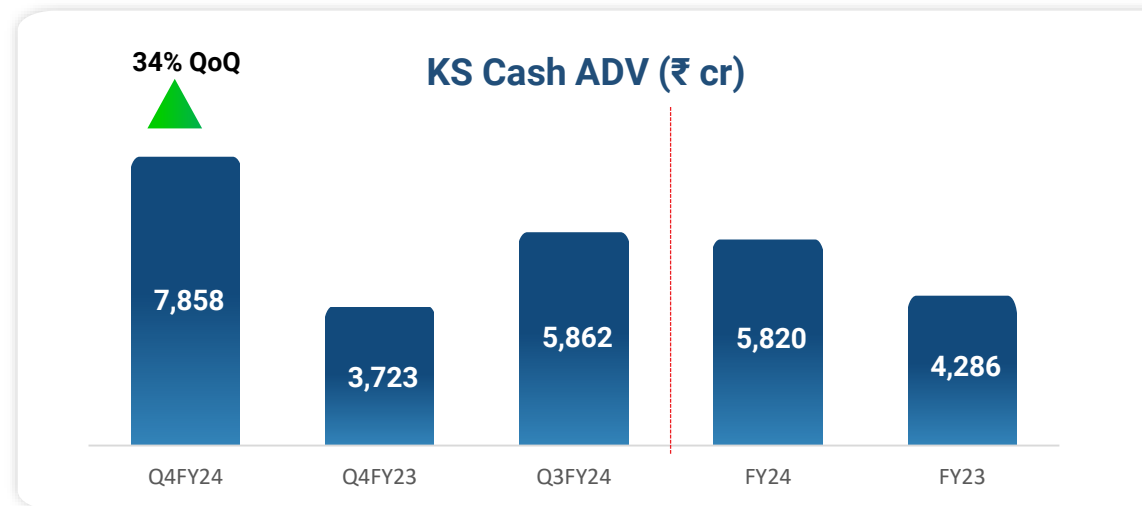
- The Bank has assessed impact of above restrictions on:
 - Franchise and customers
 - Directly impacted businesses
 - Primarily new credit cards and customer acquisition through 811
 - Potential financial impact
- Bank is looking to redeploy resources to minimize the business impact
- The Bank believes that these directions will not materially impact its overall business.

₹ cr	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Total Income	1,214	682	999	3,982	2,986
Profit After Tax	378	182	306	1,226	865
Market Share Cash* (%)	10.2	10.4	10.3	10.2	10.5
Derivative Market Share* (%)	12.0	10.0	12.4	12.6	9.2
Overall Market Share*(%)	11.4	10.1	11.6	11.8	9.6

1,196 branches & franchises

*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.



Other Highlights

- ❑ Launched **Neo Mutual Fund platform**: Simplifying user journeys for greater accessibility and convenience
- ❑ Launched **IPO module**: Enhanced order journey and faster processing of IPO applications
- ❑ Launched **InstaTrade**: Quick trading feature with Charts, Option Chain, Positions, Orders and P&L – all on one screen
- ❑ Launched **Trade free Pro Plan**: Offering one of the best pricing plan in the industry for MTF (Margin Trading Facility)
- ❑ Kotak Securities' **NEO platform** with enhanced trading experience has now positioned the firm for strong growth. For Q4FY24, NEO accounted for:
 - **86%** of all accounts opened
 - **86%** of total executed orders
 - **60%** of traded customers

96%

Growth YoY in Mobile Trading ADV#

98%

Growth YoY in Internet Trading ADV#

₹ cr	FY24
Indian Embedded Value (IEV)*	15,242
Value of New Business (VNB) *	1,053
VNB Margin (%)*	28.5%

Highlights



Embedded value grew by 21.8%.



Gross written premium FY24 has grown by 15.6% YoY.



Individual Conservation ratio : 88.09% FY24 (PY 86.8%)



Share of protection premium as percentage of total New Business premium : 32.7%



Claims settlement ratio Individual – 98.29% Group - 99.23%

Individual New Business Product Mix#	FY24
Participating Products	29.6%
Non-Participating Products	33.3%
ULIP	27.7%
Annuity Products (Non participating)	9.5%

Channel Mix (Individual)#	FY24
Bancassurance	50.2%
Agency & Others	49.8%

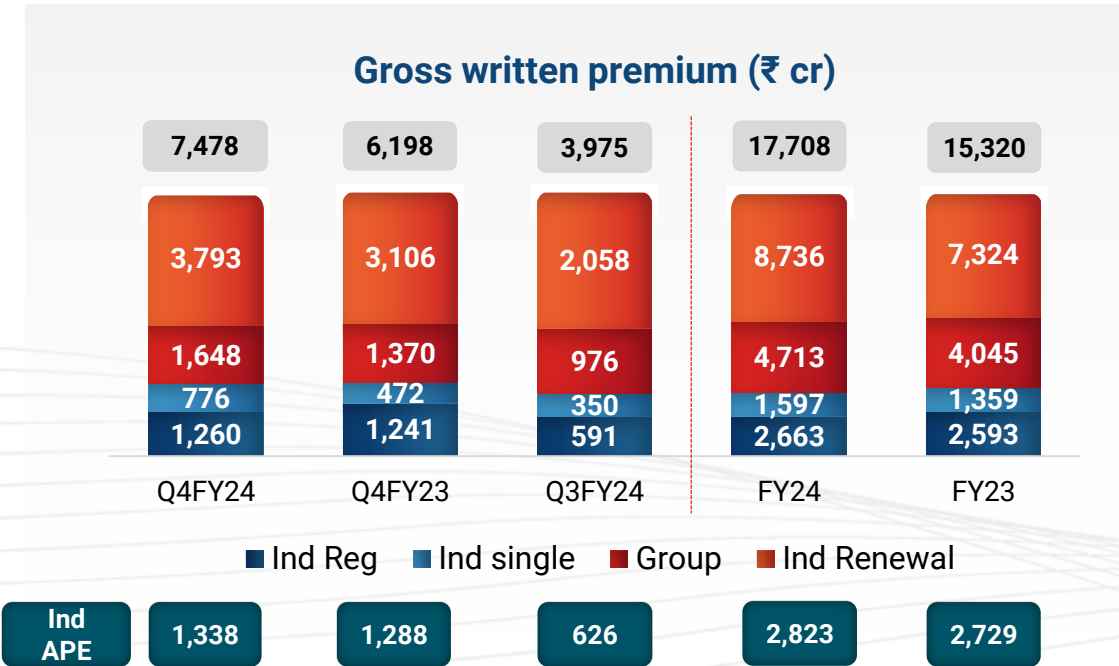
Persistency ~	Feb 24
For 13 th month	86.6%
For 25 th month	75.8%
For 37 th month	66.3%
For 49 th month	64.9%
For 61 st month	54.2%

*Computed based on the principles prescribed by APS10. The methodology, assumptions and results have been reviewed by Willis Towers Watson Actuarial Advisory LLP

#Based on Individual New Business Premium APE : Annualised Regular Premium + 1/10th Single Premium

~For Individual business, excluding single premium and fully paid up policies

₹ cr	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Capital	562	562	562	562	562
Other Reserves and Surplus	5,301	4,765	5,192	5,301	4,765
Total Premium	7,478	6,189	3,975	17,708	15,320
Profit After Tax (Shareholders')	109	205	140	689	1,053
Solvency Ratio (x)	2.56	2.83	2.66	2.56	2.83



Other Highlights

- **Faster Issuance** of non-medical policies: **37%** policies issued in 3 hrs & **68%** in 24 hrs
- Usage of **Advanced Data analytics** for **persistence management** by leveraging predictive modeling & customer segmentation
- **100% of claims processed** on dedicated portals with ETE tracking from intimation to payment (Individual: IndiClaim & Group: Express Portal)

Gross written premium Q4FY24 grew 20.8 % YoY

Individual APE NB premium for Q4FY24 grew 3.9% (Private industry growth of 2.4%)

Q4FY24 Share of Individual Non par at 41.8% in regular premium

Overall Group Premium for Q4FY24 has grown by 20.3 % YoY

AUM (Policyholders') as on 31st Mar, ₹ 74,322 cr, growth 25.6 % YoY

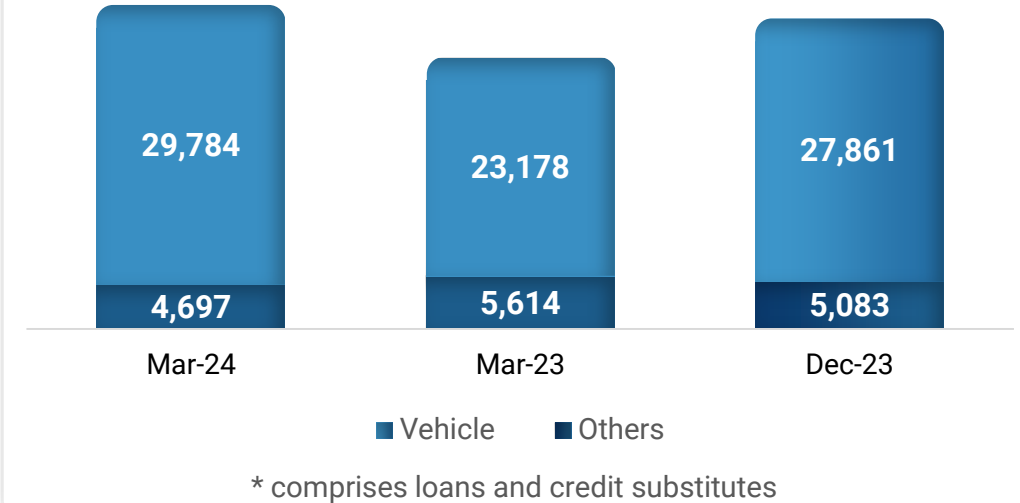
Q4FY24 PAT has been impacted by

- Higher Distribution cost &
- New business strain on Non Par products

₹ cr	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
NII	493	425	474	1,870	1,646
Other Income	126	100	159	500	361
Total Income	619	525	633	2,370	2,007
Operating Expenses	268	216	263	1,000	886
Provisions (Net)	54	9	50	182	11
Profit After Tax	223	224	239	888	829
NNPA (%)	0.8%	0.9%	0.8%	0.8%	0.9%
CAR (%)	25.2%	28.4%	25.1%*	25.2%	28.4%
ROA (%) - annualised	2.4%	2.9%	2.6%	2.5%	2.8%

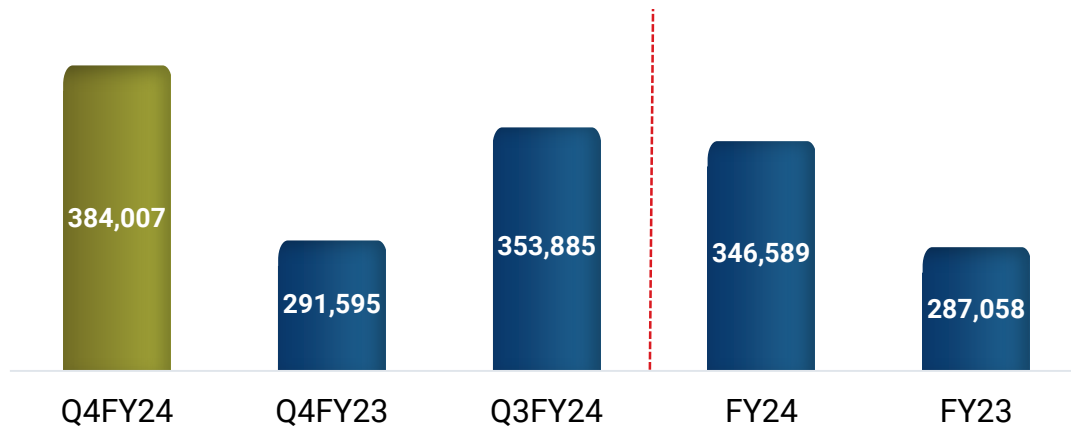
*including unaudited profits

Customer assets* (₹ cr)

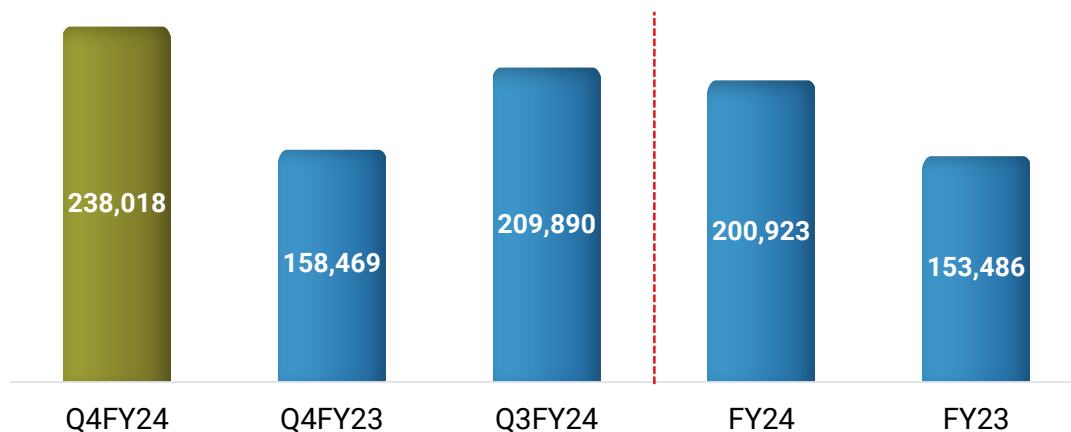


FY23 Provisions (Net) were lower due to higher recoveries in NPA accounts.

Average Assets Under Management (₹ cr) - Overall



Average Assets Under Management (₹ cr) - Equity



₹ cr	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Profit After Tax	150	192	146	525	555

Notes

Investment profit (pre tax) (₹ cr):
FY24 - 13 (Q4: Nil, Q3: 13)
FY23 - 130 (Q4: 93)

Equity(Ex ETF & Arb) AAUM
Market share 6.50% in Q4FY24
(Q4FY23: 6.47%)

Proportion of Individual MAAUM - 60%

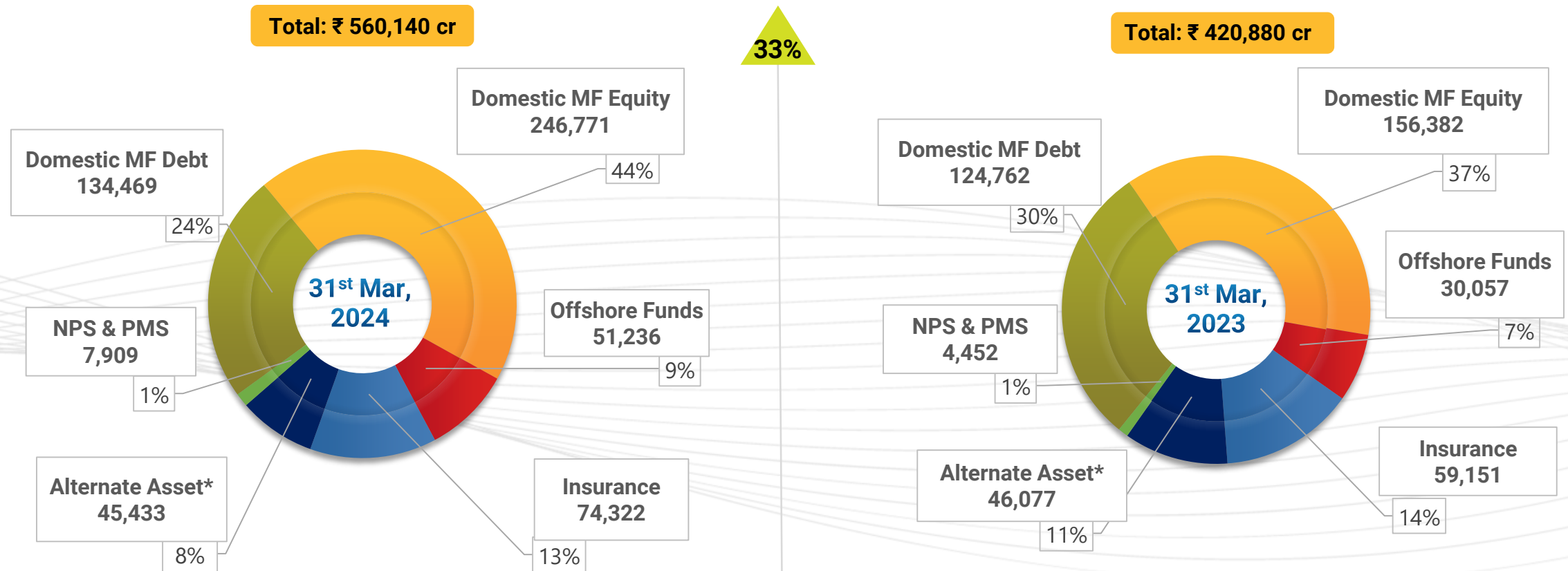
Monthly SIP Inflows for Mar'24:
₹ 1,125 cr, up 23% YoY

Other Highlights

Streamlining & simplification of our transaction user journeys in FY2023-24 led to a:

- 24% YoY and 22% YoY growth in the Online Investors and Distributor User's base respectively
- 47% YoY increase in AUM from online investors
- 23% YoY increase in Distributor Initiated Transactions on our Business Hub (Distributor Portal)

Assets Under Management



*Include undrawn commitments, wherever applicable.

Comprehensive platform covering 6 different asset classes

Total capital raised since inception

USD 9.4 bn

Real Estate

USD 3,344 mn

Strategic Situations

USD 2,870 mn

Private Equity*

USD 1,677 m

Infrastructure

USD 752 mn

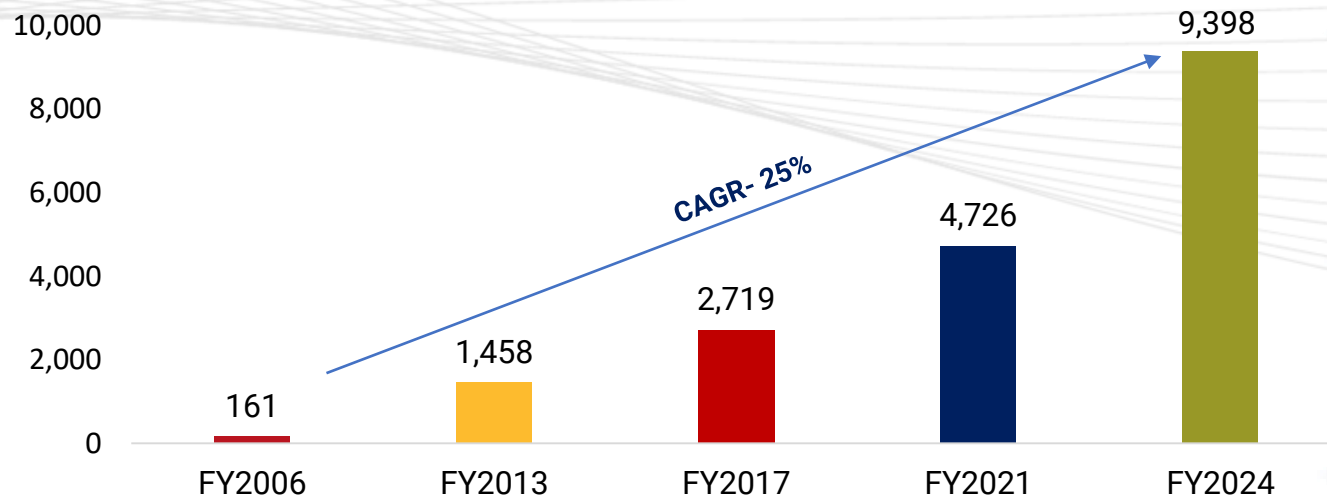
Data Center

USD 590 mn

Private Credit

USD 165 mn

Total Capital raised - Since inception (USD mn)



Key Business Updates




Kotak Strategic Situations Fund II has received new capital commitment of USD 150 mn from a global pension fund in Q4FY24

Discretionary portfolio solutions (Kotak Optimus and Kotak Iconic) manage ~ USD 584 mn[#] as of 31st March, 2024

Kotak Private Credit Fund, focused on providing debt to growth oriented companies with established business models has raised ~ USD 165 mn as of 31st March, 2024

ESG at Kotak Mahindra Bank

Board level CSR and ESG committee constituting both the Board Chair and the MD & CEO, has oversight of the Bank's ESG strategy and performance

Environment [^]	Social [^]	Governance	Ratings & Awards
<p>Sustainable finance</p> <ul style="list-style-type: none"> Board approved sustainable finance framework in FY2023- 24 Rs. 6,000+ Cr Green Portfolio as of 31st March, 2024* ESG risk assessment policy for select corporate exposures <p>Resource efficiency and renewable energy</p> <ul style="list-style-type: none"> 9 LEED-certified premises Replacement of grid electricity with renewable energy at corporate offices <p>Community and environment</p> <ul style="list-style-type: none"> Pond Rejuvenation covering 144 acres to enhance water holding capacity Native biodiversity restoration projects in Indore and Mumbai 	<p>Diversity</p> <ul style="list-style-type: none"> 26% Gender diversity; aspiration to have women represent at least a third of workforce Equal and fair remuneration <p>Financial inclusion</p> <ul style="list-style-type: none"> 1.9 mn women empowered through microfinance business till March'24 <p>CSR for nation building</p> <ul style="list-style-type: none"> Partnerships with IIT Kanpur and IISc Bangalore for nurturing sustainability, AI and ML talent Supporting Pullela Gopichand Academy to groom world-class sporting talent 	<p>Highly qualified Board</p> <ul style="list-style-type: none"> 60% independence** of the Board <p>Cybersecurity mechanism</p> <ul style="list-style-type: none"> Cybersecurity Operations are ISO 27001:2013 certified <p>Value chain engagement</p> <ul style="list-style-type: none"> Code of Conduct for service providers is integrated in service agreements 	<p>MSCI  # \$</p> <p>Constituent of MSCI ACWI ESG Leaders Index</p> <p>Part of the Nifty100 ESG index #</p> <p> # \$</p> <p>As of 2024, Kotak received an MSCI ESG Rating of AA</p> <p> #</p> <p>ESG Score: 81/100; Ranked 4/73 in BFSI sector</p> <p>Gold Category (Service Sector): ICAI's Sustainability Reporting Leadership Awards 2022-23</p>

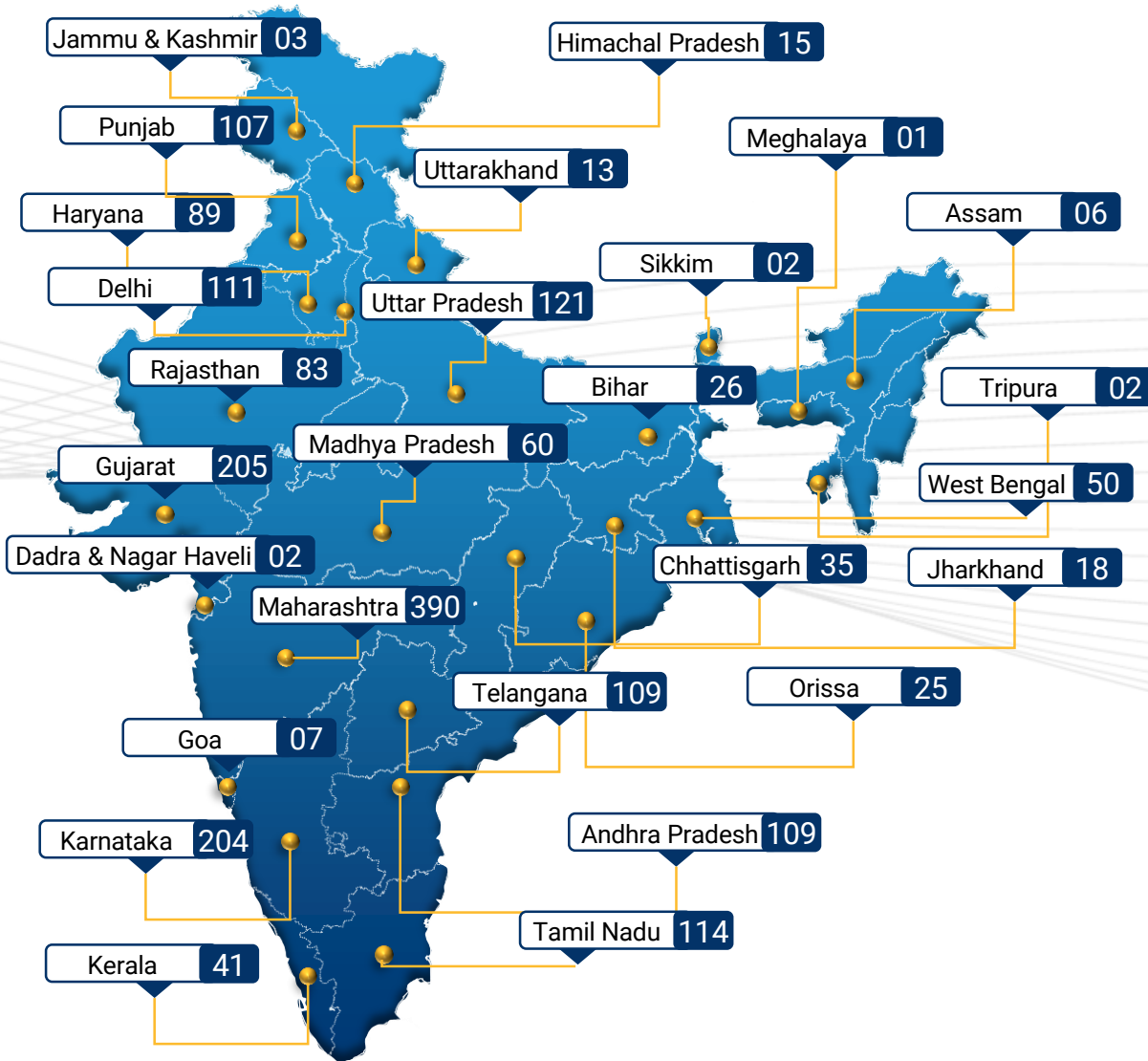
[^]Indicated Performance is for FY2022-23 for the Bank, unless stated otherwise | *Covers renewable energy and sustainable water & waste management, based on unaudited assets industry mapping |

** as on 01st May, 2024 | #Index & Ratings data is as of 02nd May, 2024

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Geographical presence - Bank

Bank Branches distributed across various geographies



Branches
1,948* [No./%]

West
604 / 31%

North
603 / 31%

South
577 / 30%

East
164 / 8%



Branch Classification

Metro
45%

Urban
22%

Rural
17%

Semi Urban
16%



No. of ATMs#

3,291



No. of Currency Chests

11

* Does not include branches in DIFC (Dubai) & GIFT city (Gujarat) | # including cash recyclers

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