

Transforming for scale

Investor Presentation Q1FY25

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

20th July, 2024

Key Updates for Q1FY25



Consolidated

- PAT: ₹ 7,448 cr
- ROE: 22.04%
- ROA: 3.87%



Bank

- PAT: ₹ 6,250 cr
- NIM: 5.02%
- CASA Ratio: 43.4%
- Customer Assets: Up 20% YoY
- Avg Deposits: Up 21% YoY
- NNPA: 0.35%



Subsidiaries

- Kotak Securities: YoY growth PAT: 83%; Cash ADV: 100%
- Kotak AMC: YoY growth PAT: 71%; Equity AAUM: 61%



Material Financial Updates

- Profit (net of tax) on divestment of stake in Kotak General Insurance (KGI): ₹ 3,013 cr on consolidated and ₹ 2,730 cr on standalone basis
- RBI's Master Direction on Bank's investment valuation: ₹ 3,414 cr increase in reserves (net of tax) as on 30th June, 2024

Impact of above is included in figures / ratios computed above, as applicable

Kotak's predominance in its businesses



Bank's milestones



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



₹ 3.58 trn
Market Cap as on 30th Jun, 2024



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



Kotak Private- One of the leading private bankers
Serving 58% of India's top 100 families

Subsidiaries highlights



Kotak Securities – Strong Retail & Institutional Broking Business
Overall market share of 11.4% in Q1FY25



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



KMCC – Consistent Leadership in Investment Banking



KAAML – amongst the top Alternate Asset Managers in India

Customer reach



5.1 cr
Bank Customers



5,237 **1,965**
Total Group Bank
Branches*[^] Branches*



3,279
ATM[#]



₹636,311 cr
Group AUM



Rating for Bank, KMP, KMIL, KIDF, KS, KAAML

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



External auditor appointed and scope of audit finalized in consultation with the Regulator



Augmented capacity through onboarding external IT vendors to expedite compliance



Remedial action plan are on track



Constant interaction and update to Regulator on progress

Business & Financial Impact



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



Redeployment of resources to deepen existing relations, improve cross-sell

Divestment of stake in Kotak General Insurance



Zurich highlights

Founded in 1872 (150+ years ago)

Market cap¹: \$78bn

Insurance Revenue and Fees²: ~\$62bn

Presence³: ~60k employees across 200+ countries

Key capabilities:

- Strong Banca partnership experience
- Commercial insurance expertise (**third largest**⁴ **commercial insurer** globally)
- Strong retail experience
- Advanced digitization of customer experience, global investment in data and platforms



Transaction rationale

The alliance brings together Zurich's global insurance leadership and scale with Kotak's local expertise and reach

Zurich Insurance provides both deep distribution experience and class-leading capabilities in **retail & commercial insurance** to bring innovation, know-how and excellent customer experiences to the Indian market



Value creation

Zurich has acquired⁵ **70% stake** in KGI for ~₹5,560 Cr by way of fresh growth capital (~₹1,460 cr) + secondary acquisition from Bank (~₹4,100 cr)

KGI post money valuation : ~ ₹7,940 cr

KMBL's total capital infusion in KGI: ₹875 cr

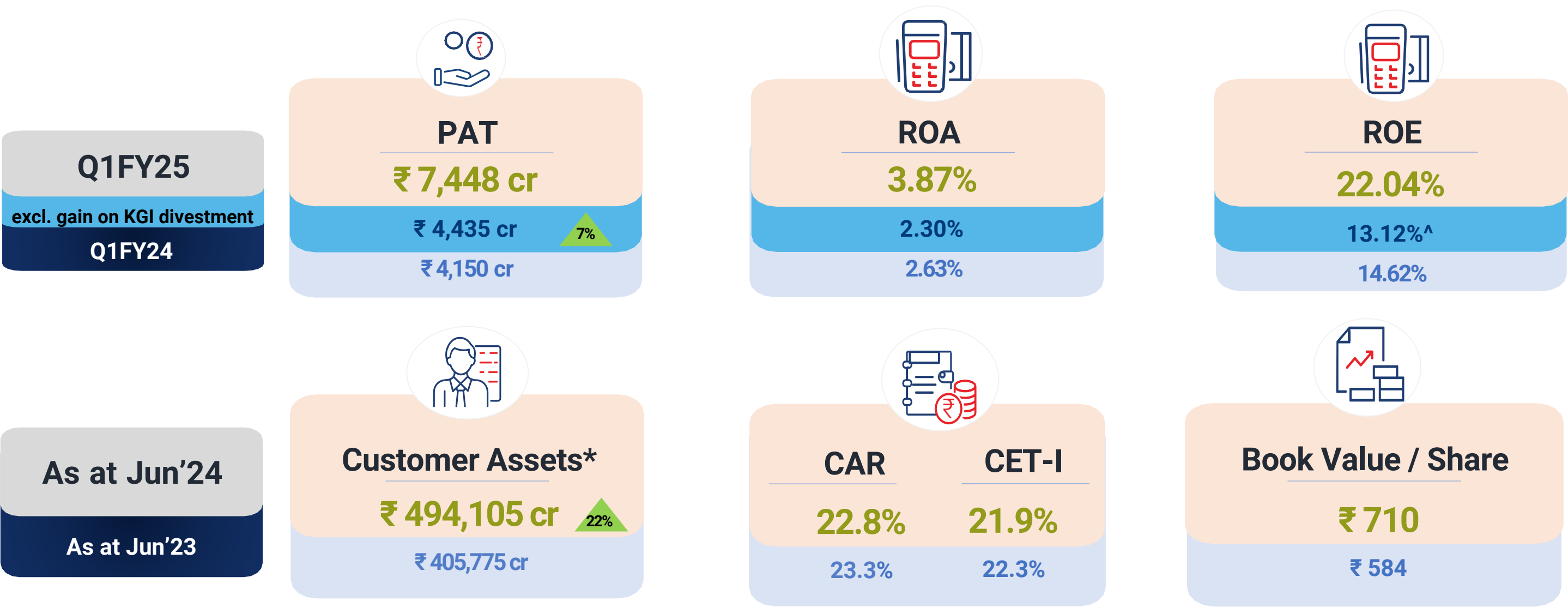
Post this transaction, KMBL holds 30% stake in KGI and will continue to act as corporate agent of KGI for distribution of general insurance products

Zurich's investment represents the single largest investment by a global strategic insurer in an Indian non-life insurer

¹As on July 15, 2024 | ²For the 12-month period ending December 31, 2023. | ³As per the recent media release dated July 1, 2024. | ⁴As per the March 2024 Zurich Investors Intro Pack |

⁵Transaction was completed on June 18, 2024 upon receipt of regulatory approvals and completion of customary conditions precedent

Consolidated Highlights



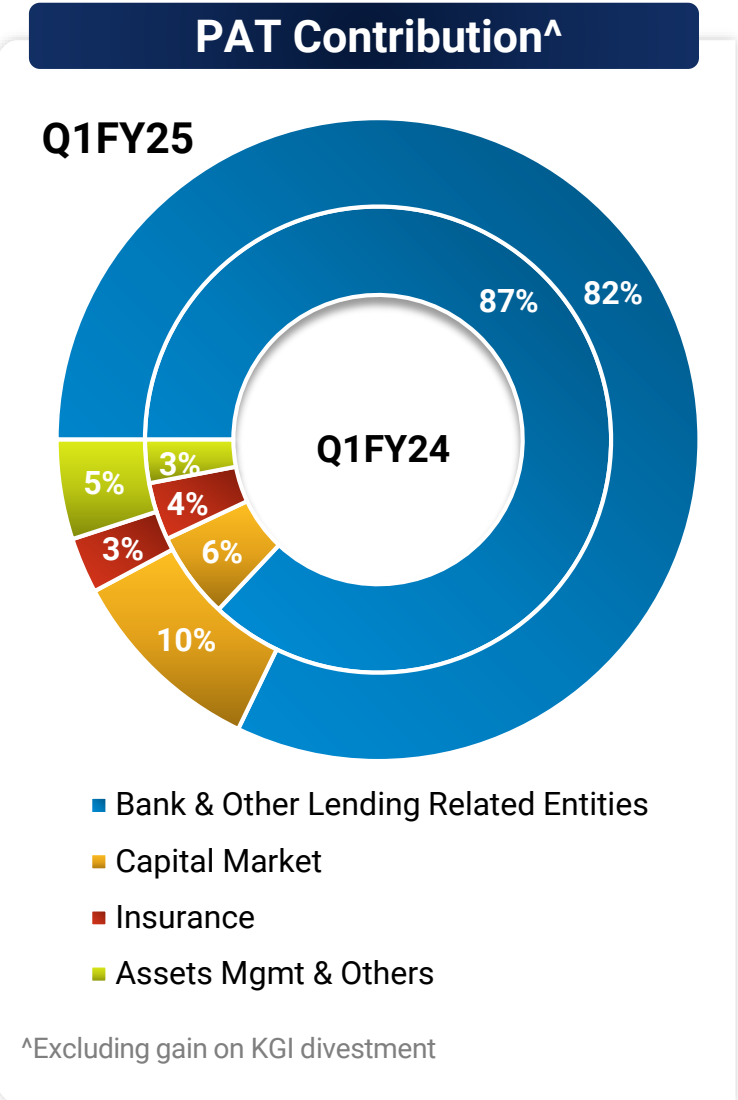
^ROE: 13.44% (after adjusting networth for impact of RBI's Master Direction on Bank's investment valuation and KGI divestment)

CAR and CET-I -as per Basel III, including unaudited profits
*Customer Assets comprise Advances (incl. IBPC & BRDS) and Credit Substitutes

Kotak Group PAT



₹ cr	Q1FY25	Q1FY24	Q4FY24	YoY
Kotak Mahindra Bank	3,520	3,452	4,133	2%
Kotak Mahindra Prime	232	218	223	6%
Kotak Mahindra Investments	138	102	129	35%
Kotak Infrastructure Debt Fund	11	11	11	5%
BSS Microfinance	50	95	76	(47%)
Sonata Finance	(13)	-	(14)	-
Bank & Other lending related entities	3,938	3,878	4,558	2%
Kotak Securities	400	219	378	83%
Kotak Mahindra Capital	81	55	97	47%
Capital Market	481	274	475	76%
Kotak Mahindra Life Insurance	174	193	109	(10%)
Kotak Mahindra General Insurance	(21)*	(5)	(58)	-
Insurance	153	188	51	(19%)
Kotak AMC and TC	175	106	150	65%
Kotak Alternate Asset Managers	6	6	4	7%
International Subs	68	32	59	117%
Asset Management	249	144	213	74%
Others	1	1	5	91%
Bank & Subsidiaries	4,822	4,485	5,302	8%
Associates	49*	41	95	19%
Inter co. Adjustments	(436)	(375)	(60)	
Consolidated PAT	4,435	4,150	5,337	7%
PAT on KGI divestment	3,013			
Total PAT	7,448	4,150	5,337	79%

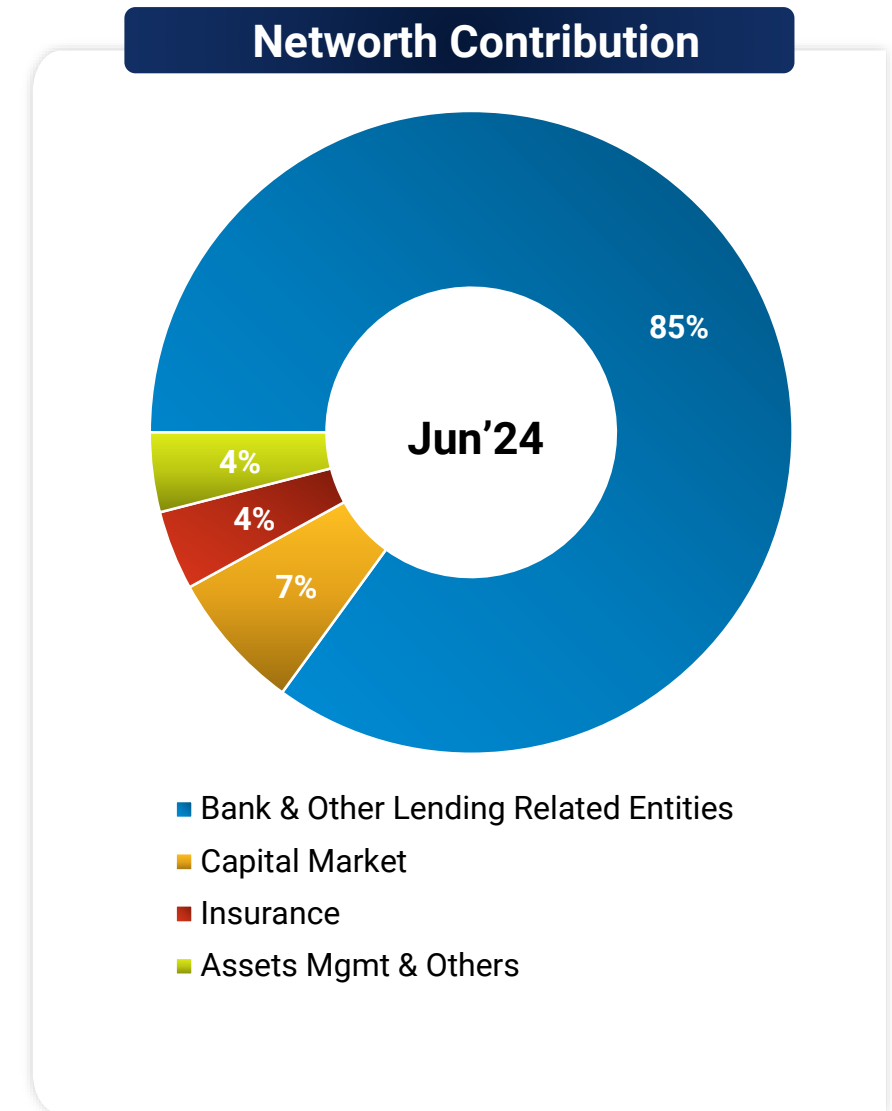


*On 18th June, 2024, Kotak General Insurance has ceased to be a wholly-owned subsidiary and became an associate of the Bank. Share of profits from 18th June, 2024 are included under Associates.

Kotak Group Networth & ROE



₹ cr	PAT Q1FY25	Networth Jun'24	ROE
Kotak Mahindra Bank	6,250	106,308^	
Kotak Mahindra Prime	232	9,384	
Kotak Mahindra Investments	138	3,467	
Kotak Infrastructure Debt Fund	11	531	
BSS Microfinance	50	1,060	
Sonata Finance	(13)	377	
Bank & Other lending related entities	6,668	121,127	23.0%
Kotak Securities	400	8,638	
Kotak Mahindra Capital	81	1,219	
Capital Market	481	9,857	20.0%
Kotak Mahindra Life Insurance	174	5,807	
Kotak Mahindra General Insurance*	(21)	-	
Insurance	153	5,807	10.1%
Kotak AMC and TC	175	2,584	
Kotak Alternate Asset Managers	6	870	
International Subs	68	2,031	
Asset Management	249	5,485	18.4%
Others	1	95	5.9%
Bank & Subsidiaries	7,552	142,371	
Associates	49*	1,880	
Inter co. Adjustments	(153)	(3,086)	
Total	7,448	141,165	22.0%



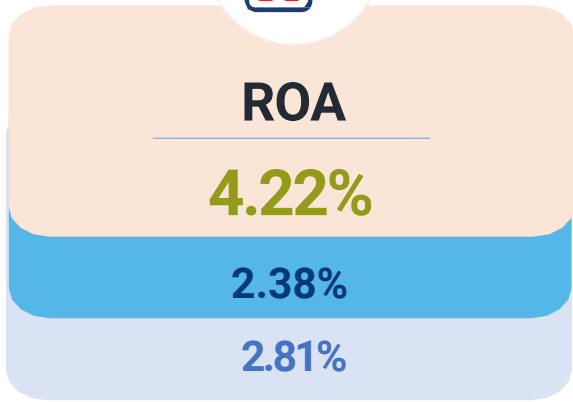
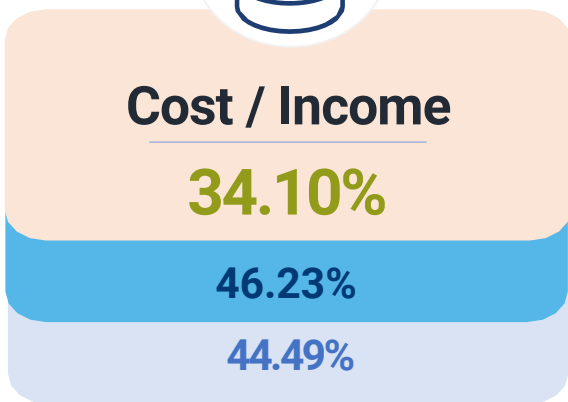
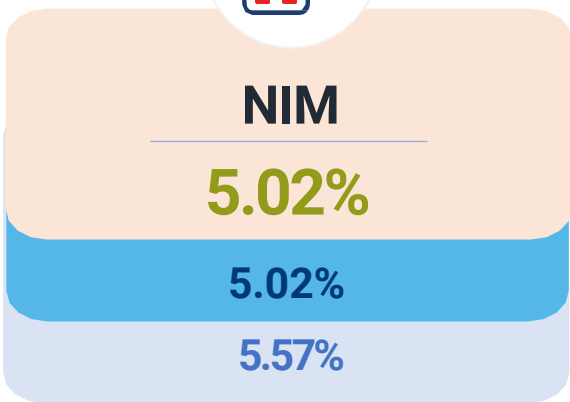
^Including increase in reserves due to RBI's Master Direction on Bank's investment valuation and gain on KGI divestment

*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.

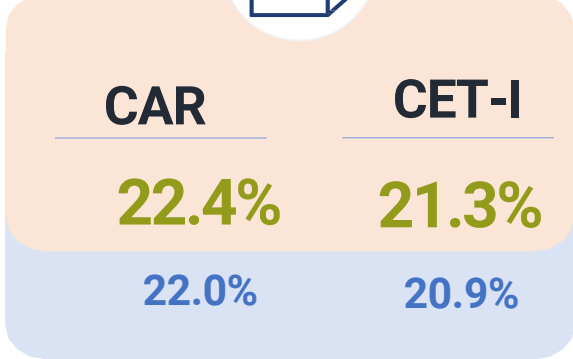
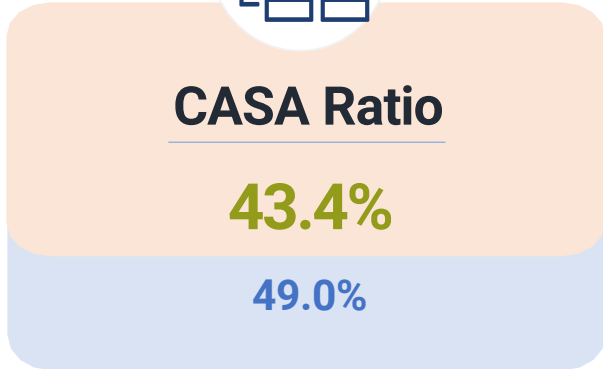
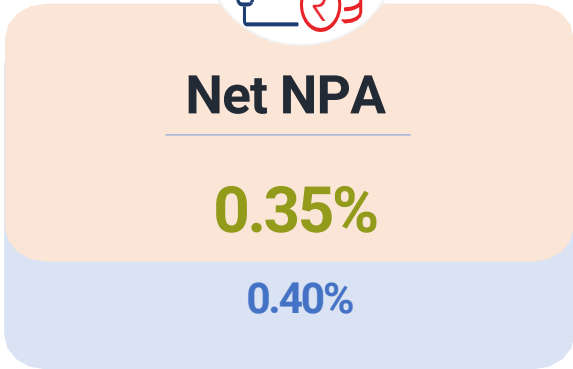
Bank Highlights



Q1FY25
excl. gain on KGI divestment
Q1FY24



As at Jun'24
As at Jun'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	Q1FY25	Q1FY24	Q4FY24	YoY	FY24
Net Interest Income	6,842	6,234	6,909	10%	25,993
Other Income	2,929	2,683	2,979	9%	10,273
<i>Fee and Services</i>	2,240	1,827	2,467	23%	8,464
<i>Trading and MTM income*</i>	105	240	138	-56%	360
<i>Others</i>	584	616	374	-5%	1,449
Net Total Income	9,771	8,917	9,888	10%	36,266
Employee Cost	1,870	1,647	1,826	14%	6,856
Other Operating Expenses	2,647	2,320	2,600	14%	9,823
Operating Expenditure	4,517	3,967	4,426	14%	16,679
Operating Profit	5,254	4,950	5,462	6%	19,587
Prov. on Adv/Receivables (net)	578	365	439	58%	1,495
Prov. on AIF / other Investments	-	-	(175)	-	78
Provision & Contingencies	578	365	264	58%	1,573
PBT	4,676	4,585	5,198	2%	18,014
Provision For Tax	1,156	1,133	1,065	2%	4,232
PAT	3,520	3,452	4,133	2%	13,782
ROE	13.91%^	16.34%	17.54%	-	15.34%
PAT on KGI divestment	2,730	-	-	-	-
Total PAT	6,250	3,452	4,133	81%	13,782

Notes



Q4FY24 PBT includes:

- Interest on income tax refunds: ₹142 cr
- Reversal of AIF provision ₹ 157 cr

Q4FY24 PAT includes tax credits: ₹200 cr

-Total one off credits in Q4FY24 PAT: ₹ 426 cr

Fees & services

₹ cr	Q1FY25	Q1FY24	Q4FY24	FY24
Distribution	309	193	641	1,437
General Banking Fees	1,785	1,516	1,715	6,642
Others	146	118	111	385
Total	2,240	1,827	2,467	8,464

^ROE: 14.35% (after adjusting networth for impact of RBI's Master Direction on investment valuation and KGI divestment)

*On fixed income, net of OIS/FRA

Balance Sheet



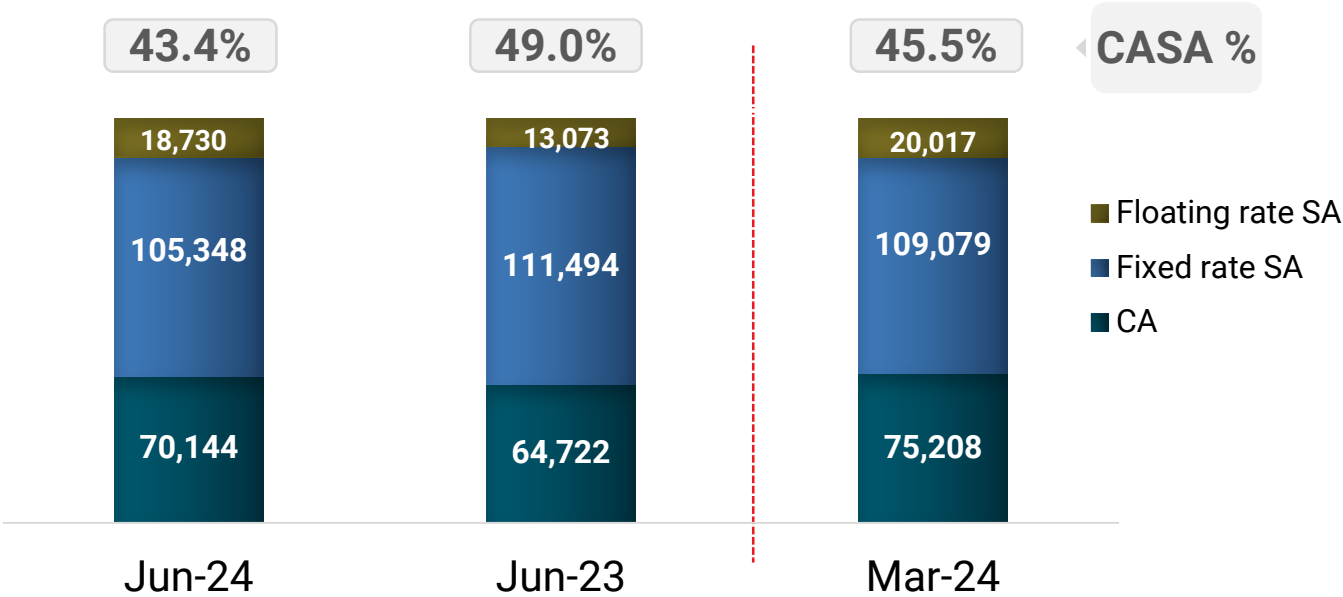
₹ cr	30-Jun-24	30-Jun-23	31-Mar-24
Capital & Reserves and Surplus	106,308	87,011	96,639
Deposits	447,418	386,254	448,954
<i>of which, CASA</i>	194,222	189,289	204,304
Borrowings	29,402	20,378	28,368
Other Liabilities and Provisions	21,820	19,348	26,396
Total Liabilities	604,948	512,991	600,357

₹ cr	30-Jun-24	30-Jun-23	31-Mar-24
Cash, Bank and Call	37,161	44,136	52,788
Investments	162,578	123,873	155,404
Net Advances	389,957	328,582	376,075
Fixed & Other Assets	15,252	16,400	16,090
Total Assets	604,948	512,991	600,357

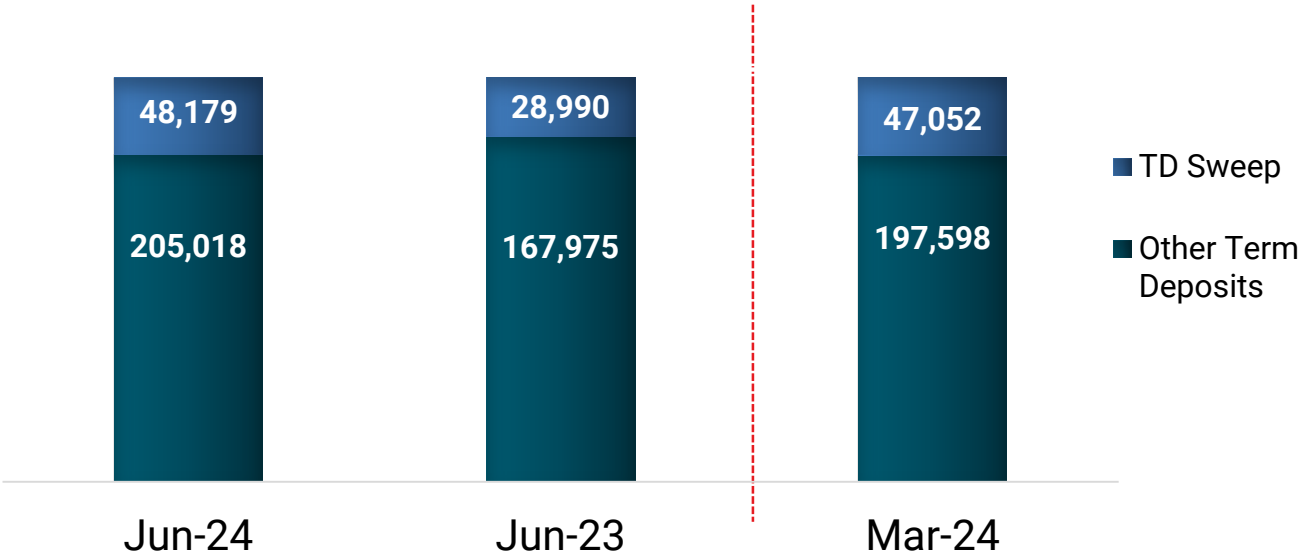
Deposits



CASA (EOP) (₹ cr)



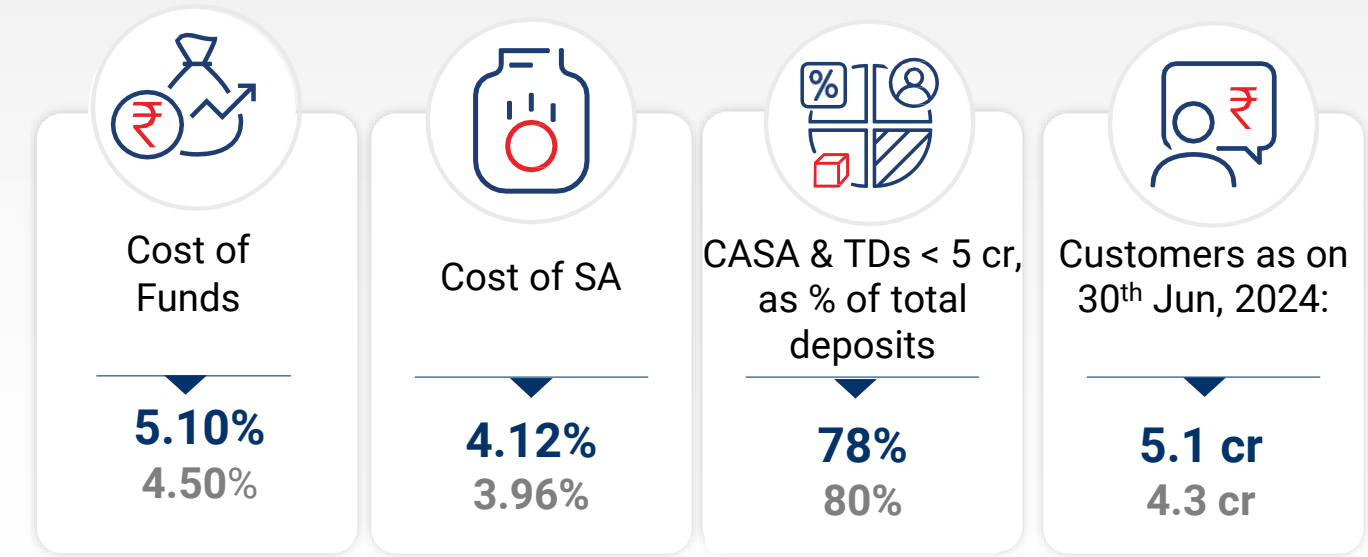
Term Deposits (EOP) (₹ cr)



Averages	Q1FY25	YoY %	Q1FY24
Total Deposits	435,603	21%	361,295
Current Account	62,200	5%	59,431
Savings Account	122,105	2%	119,817
Term Deposit	251,298	38%	182,047



QoQ Average deposit growth: 7%

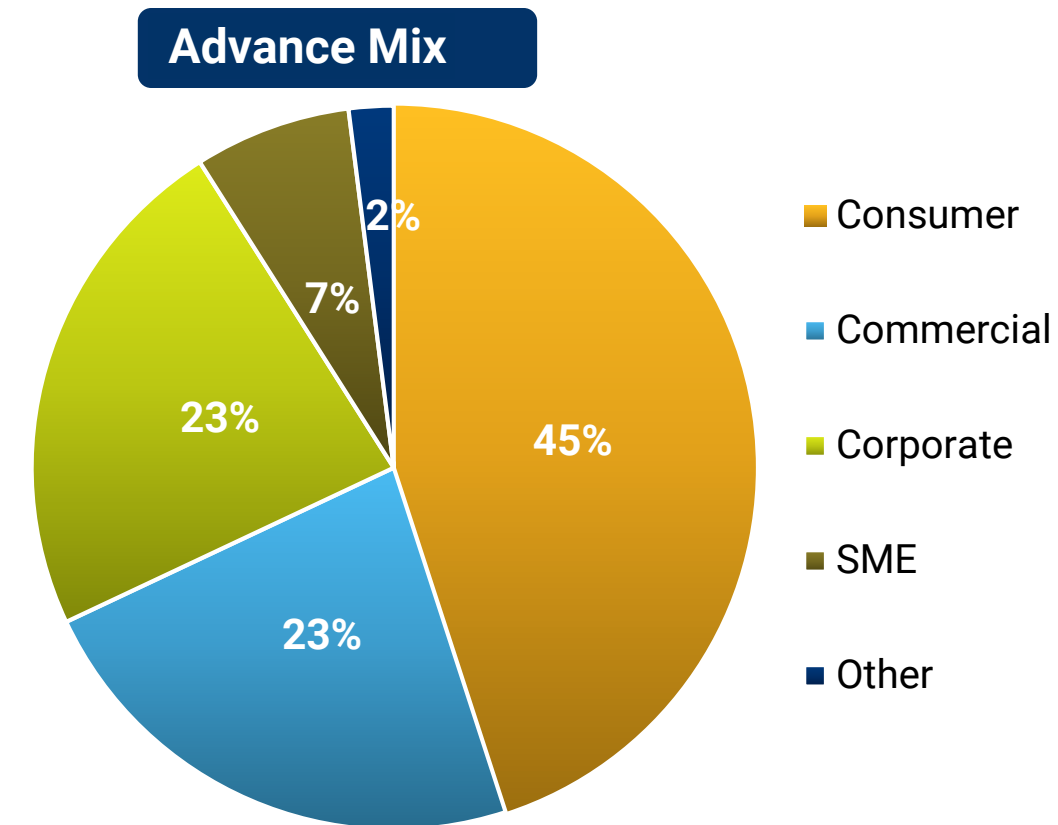


Figures in grey are Jun'23 numbers, as applicable

Customer Assets



₹ cr	30-Jun-24	30-Jun-23	31-Mar-24	YoY	QoQ
Home Loans & LAP	110,850	95,147	1,06,726	17%	4%
Business Banking	37,591	29,906	35,997	26%	4%
PL, BL and Consumer Durables	20,317	16,692	20,049	22%	1%
Credit Cards	14,644	11,360	14,505	29%	1%
Consumer	183,402	153,105	177,277	20%	3%
CV/CE	37,941	28,530	36,833	33%	3%
Agriculture Division	27,324	26,487	27,850	3%	(2%)
Tractor Finance	15,800	13,916	15,802	14%	0%
Retail Microcredit	10,368	6,963	9,983	49%	4%
Commercial	91,433	75,896	90,468	20%	1%
Corporate	93,581	77,569	87,310	21%	7%
SME	28,186	23,312	27,247	21%	3%
Others	9,355	7,149	9,427	31%	(1%)
Advances (A)	405,957	337,031	391,729	20%	4%
Credit Substitutes (B)	29,870	25,173	31,595	19%	(5%)
Customer Assets (A + B)	435,827	362,204	423,324	20%	3%
IBPC & BRDS (C)	16,000	8,448	15,654		
Net Advances (A - C)	389,957	328,582	376,075	19%	4%



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

30th June, 2024: 11.6%

31st March, 2024: 11.8%

₹ cr	Q1FY25	Q1FY24	Q4FY24
Opening GNPA	5,275	5,768	6,302
Fresh Slippages	1,358	1,205	1,305
Upgradations & Recoveries	586	692	772
Write-offs	570	372	1,560
Closing GNPA	5,477	5,909	5,275
Credit cost (annualised) (%)*	0.55%	0.46%	0.42%

₹ cr	30-Jun-24	30-Jun-23	31-Mar-24
GNPA (%)	1.39%	1.77%	1.39%
NNPA (%)	0.35%	0.40%	0.34%
PCR (%)	75%	78%	76%
GNPA	5,477	5,909	5,275
NNPA	1,376	1,302	1,271
Total provisions (incl. specific)	6,037	6,516	5,903

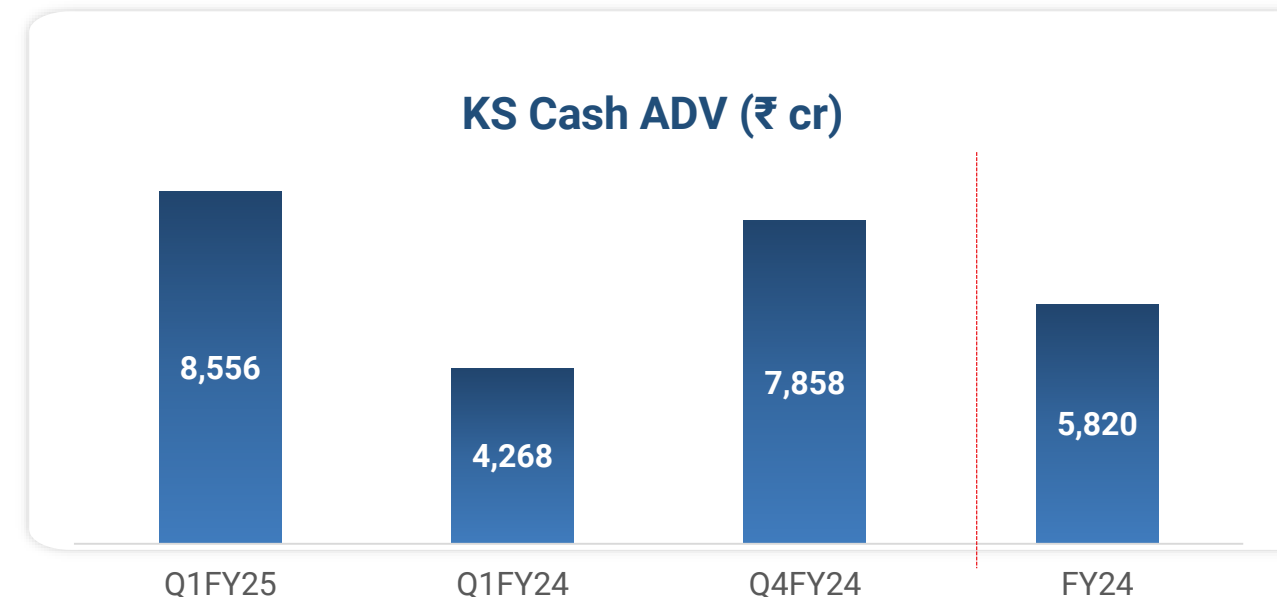
- SMA-2^ as on 30th June 2024: ₹ 232 cr, (as on 31st March, 2024: ₹ 199 cr)
- Fresh slippages of Q1FY25 upgraded within the same quarter: ₹ 250 cr (Q1FY24: ₹ 288 cr)
- Standard Restructured FB o/s under various frameworks: COVID: ₹ 138 cr; MSME: ₹ 179 cr [0.08% of Net Advances]
- No sale of NPA during the period

*Credit cost on specific provisions

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

₹ cr	Q1FY25	Q1FY24	Q4FY24	FY24
Total Income	1,298	805	1,216	3,982
Profit After Tax	400	219	378	1,226
Market Share Cash* (%)	10.1	10.5	10.2	10.2
Derivative Market Share* (%)	12.1	13.1	12.0	12.6
Overall Market Share*(%)	11.4	12.2	11.4	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.

Other Highlights

- Revamped **Demat account opening journey**, creating a seamless flow for users; will enable to boost acquisition conversion rates
- Revamped **NEO mobile app homepage** featuring dedicated sections for Stocks, F&O & MF; enhancing customer experience
- Witnessed significant adoption on **new NEO Mutual Fund platform** (March'24); new MF SIPs grew 2.5X QoQ

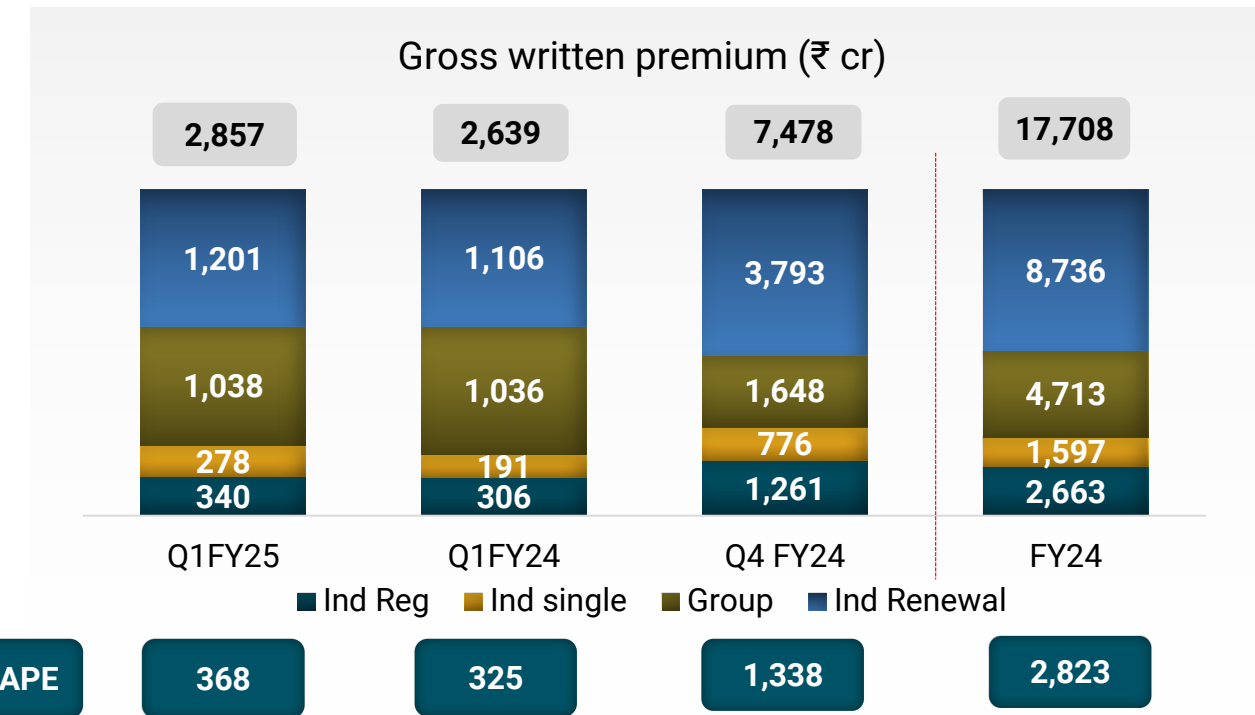
109%

Growth YoY in
Mobile Trading
ADV[#]

148%

Growth YoY in
Internet Trading
ADV[#]

₹ cr	Q1 FY25	Q1 FY24	Q4 FY24	FY24
Capital	562	562	562	562
Other Reserves and Surplus	5,245	4,806	5,301	5,301
Total Premium	2,857	2,639	7,478	17,708
Profit After Tax (Shareholders')	174	193	109	689
Solvency Ratio (x)	2.48	2.68	2.56	2.56



Gross written premium Q1FY25 grew 8.3 % YoY



Individual APE NB premium for Q1FY25 grew 13.2%

Q1FY25 Share of Traditional Product mix at 67.8% of regular premium



Overall protection premium for Q1FY25, at 43.1% of Individual new business and Group premium.



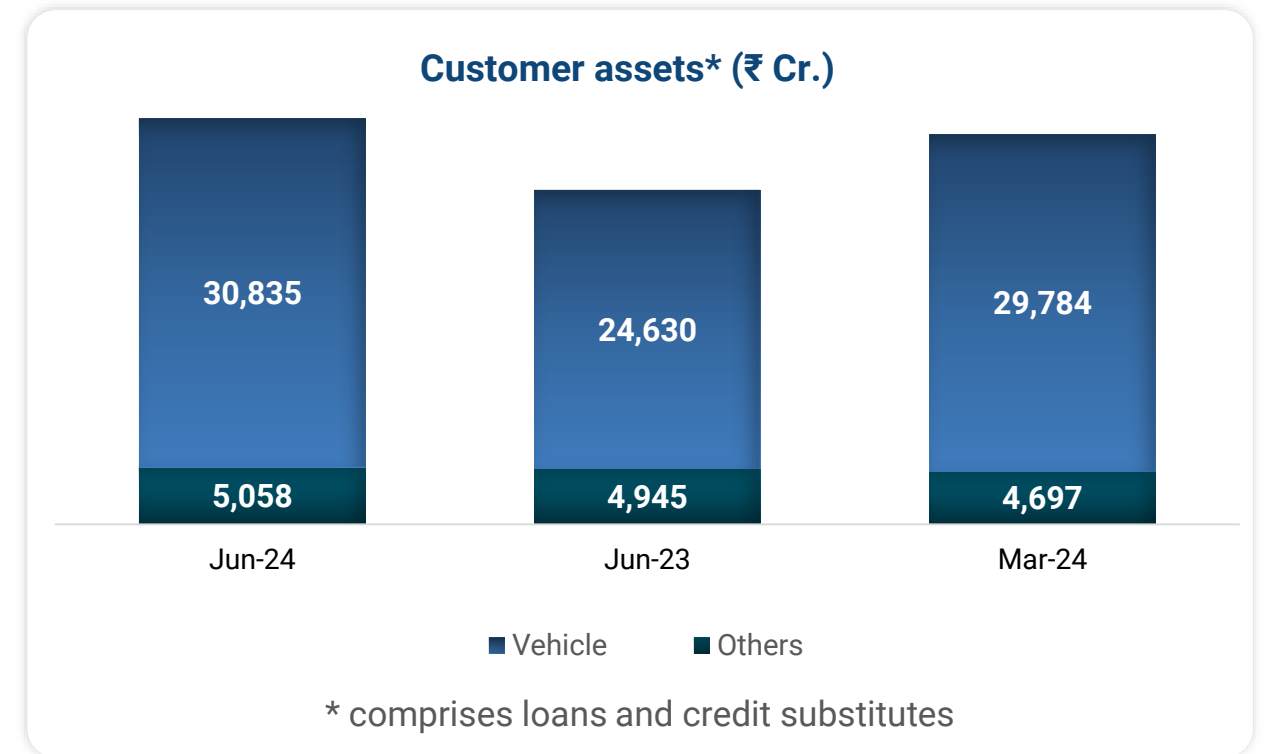
AUM (Policyholders') as on 30th Jun, ₹ 78,542 cr, growth 26.2 % YoY



Q1FY25 PAT has been impacted by higher distribution cost

₹ cr	Q1 FY25	Q1 FY24	Q4 FY24	FY24
NII	503	443	493	1,870
Other Income	153	107	126	500
Total Income	656	550	619	2,370
Operating Expenses	270	223	268	1,000
Provisions (Net)	77	35	54	182
Profit After Tax	232	218	223	888
NNPA (%)	0.9%	0.9%	0.8%	0.8%
CAR (%)	24.6%*	27.2%*	25.2%	25.2%
ROA (%) – Annualised	2.4%	2.7%	2.4%	2.5%

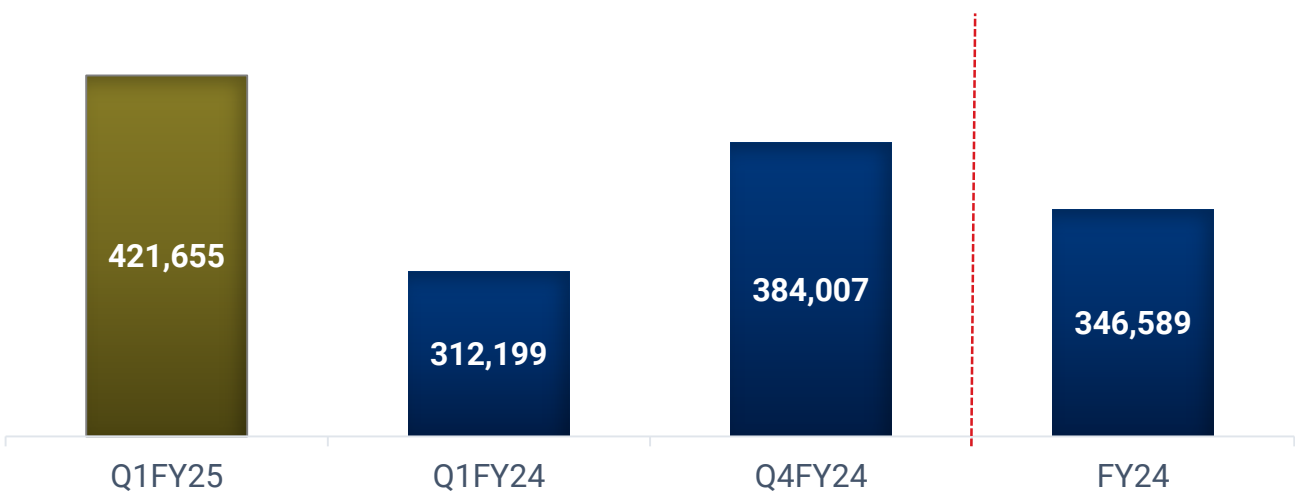
*including unaudited profits



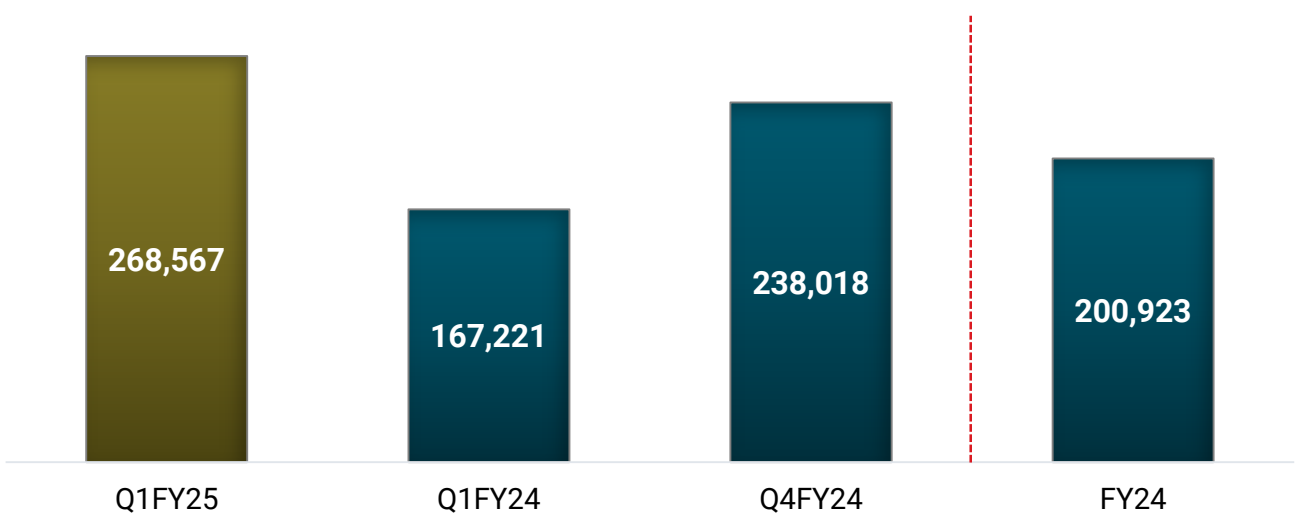
YoY growth:

- Car finance (including dealer finance): **24%**
- Two Wheeler finance: **30%**

Average Assets Under Management (₹ cr) - Overall



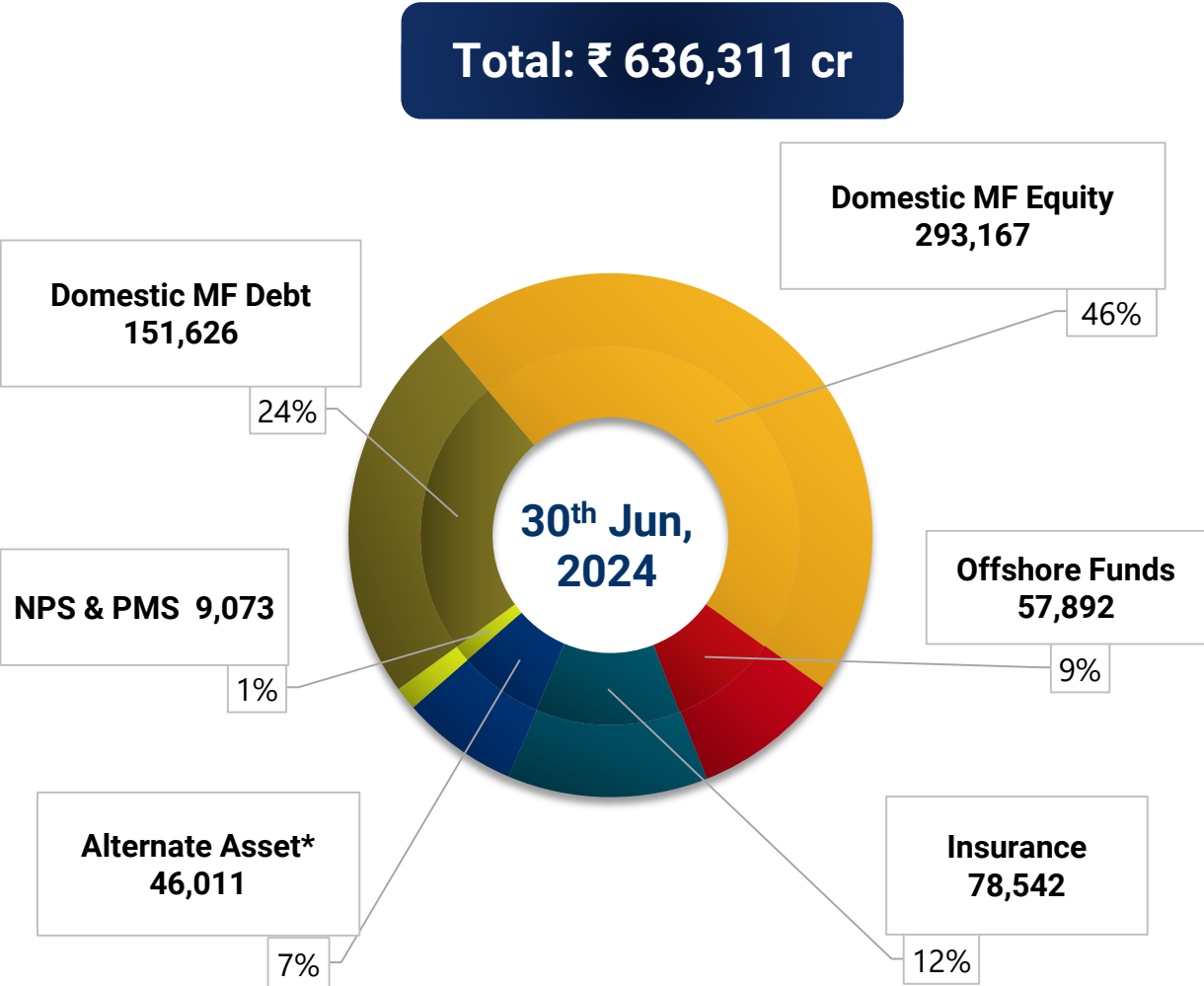
Average Assets Under Management (₹ cr) - Equity



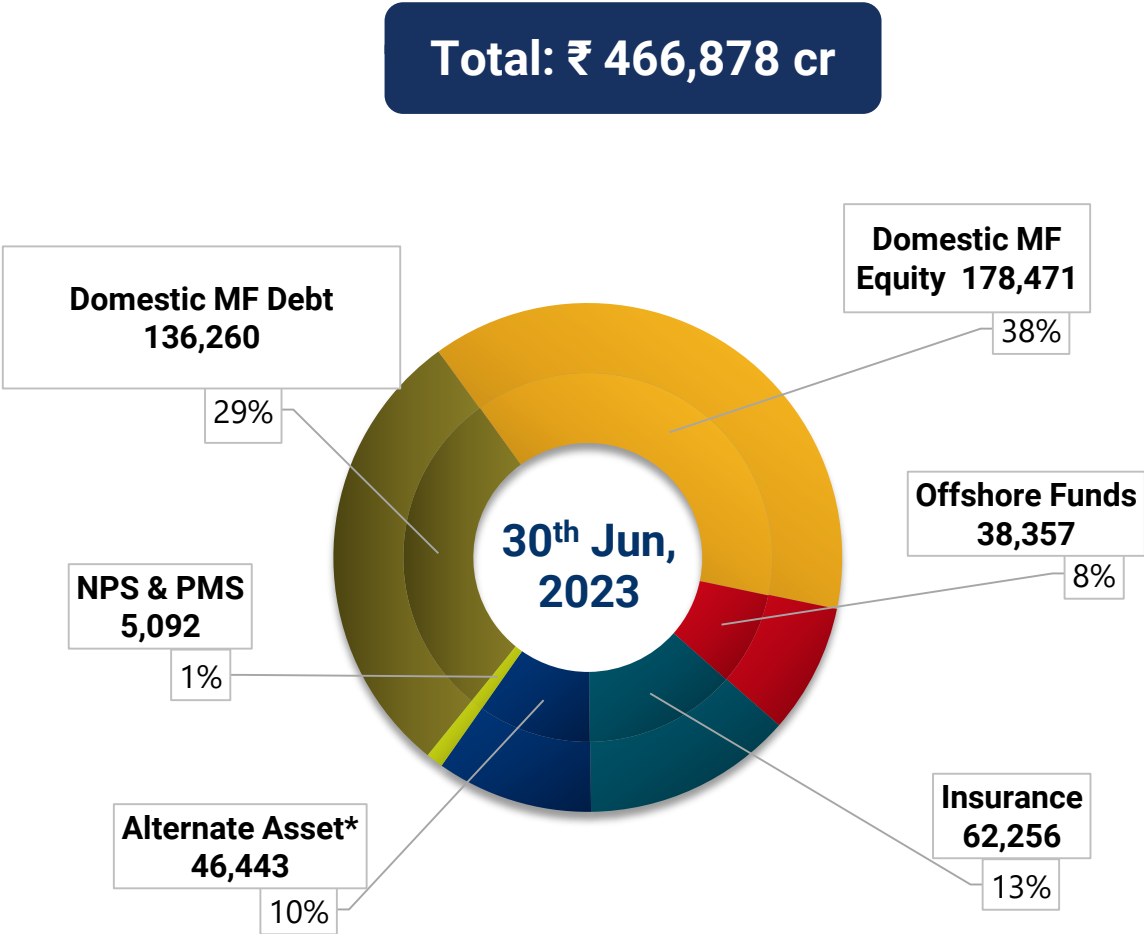
₹ cr	Q1FY25	Q1FY24	Q4FY24	FY24
Profit After Tax	175	106	150	525

Other Highlights

- Launched equity NFO 'Kotak Special Opportunities Fund' in Jun-24: Amount collected ₹ 2,237 cr
- Proportion of Individual MAAUM: 59%
- Monthly SIP Inflows for Jun'24: ₹ 1,305 cr, up 37% YoY
- Equity(Ex ETF & Arb) AAUM Market share 6.55% in Q1FY25 (Q1FY24: 6.43%)



36%



*Include undrawn commitments, wherever applicable.

Geographical presence



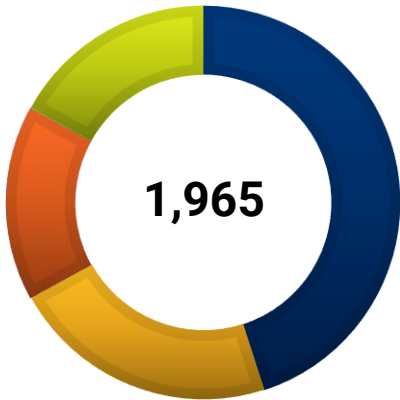
Group Branches distributed across various geographies

Network in India	Branches
Kotak Bank*	1,965
Kotak Mahindra Prime	154
Kotak Life Insurance	293
Kotak Securities [#]	1,245
Kotak AMC	101
BSS Microfinance	869
Sonata Finance	610
Total	5,237

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

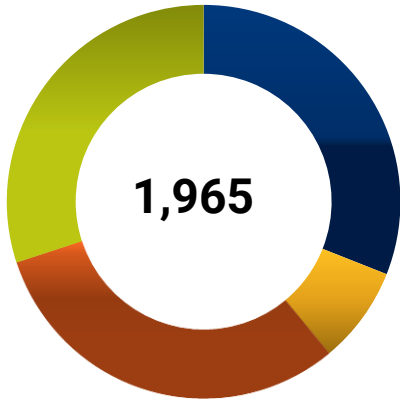
Bank Branch* Classification (No. | %)

Metro	896 45%
Urban	430 22%
Semi Urban	311 16%
Rural	328 17%



Bank Branch* Distribution (No. | %)

North	609 31%
East	165 8%
West	609 31%
South	582 30%



No. of ATMs[^]

3,279

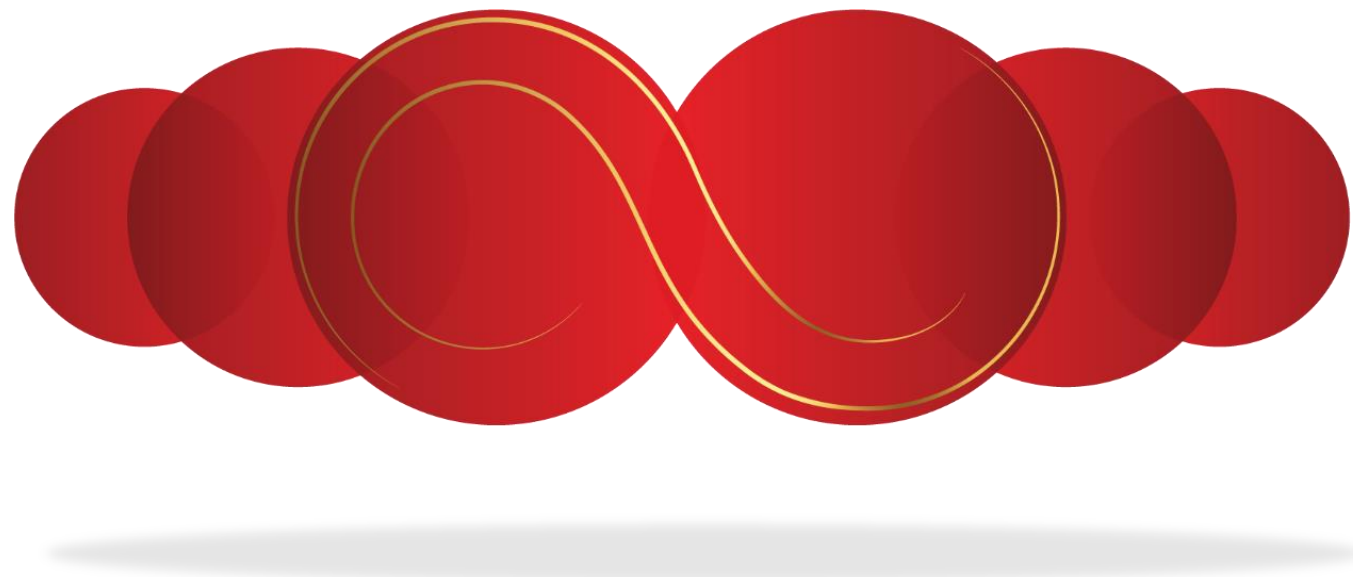


No. of Currency Chests

10

Bank Branch* presence as on 30th June, 2023 : 1,702 and 31st March, 2024 : 1,948

*Does not include branches in DIFC (Dubai) & GIFT City (Gujarat) | [#]Kotak Securities network includes branches & franchises | [^]including cash recyclers



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.

Colleagues: Our Greatest Asset

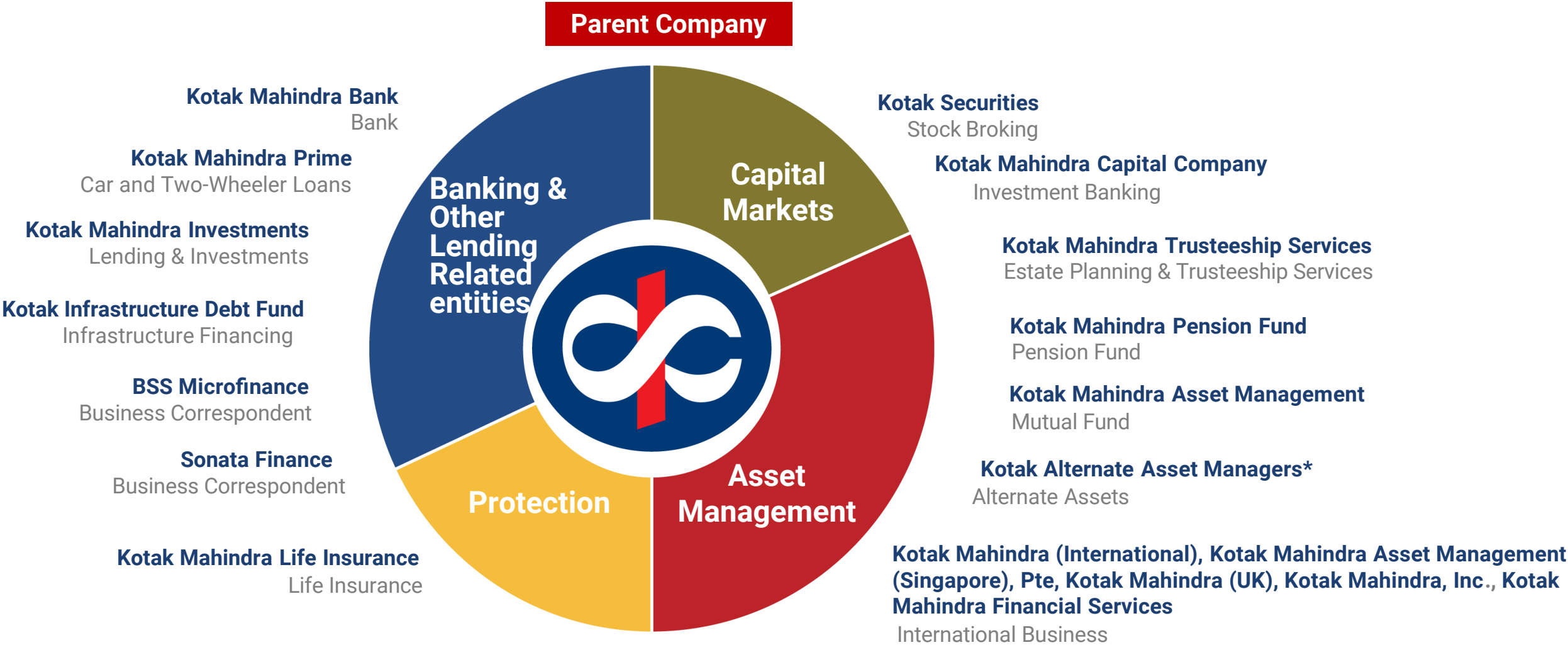
Committed colleagues who are aligned with the Company's purpose will deliver for the customers.



Company: Building Sustainable Value

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

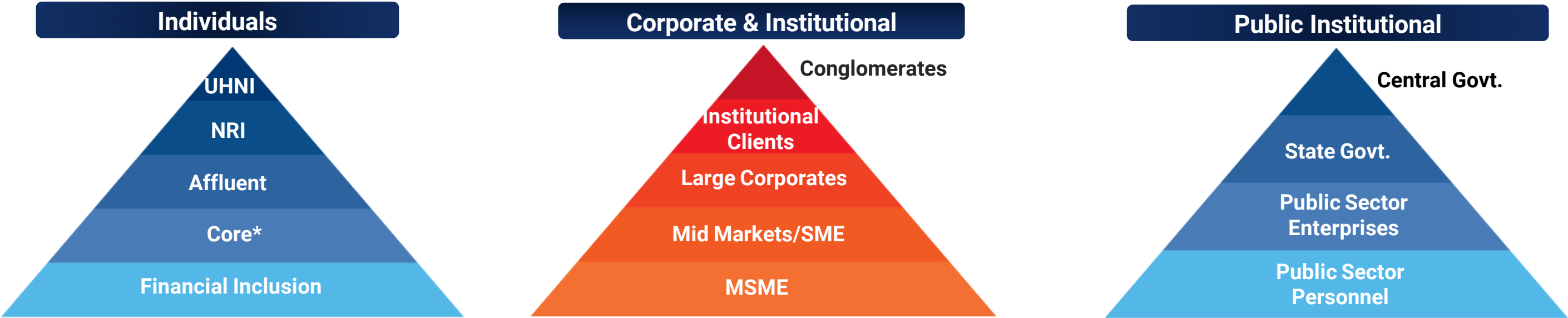
Kotak's unique financial conglomerate structure



All subsidiaries are 100% owned beneficially by the Bank

**formerly known as Kotak Investment Advisors Ltd*

Delivering value to our customers through the power of 'One Kotak'



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

Consumer Banking	Commercial Banking	Wholesale Banking	Other Financial Services
<div>Branch Banking</div> <div>Kotak811</div> <div>Home loans & LAP</div> <div>Personal Loans</div> <div>Consumer Finance</div> <div>Credit Cards</div> <div>Priority Banking</div> <div>Small Business Loans</div> <div>Working Capital</div> <div>NRI Banking</div> <div>Rural Housing & Business Loans</div> <div>Forex Cards</div> <div>FASTag</div> <div>Loan against Shares</div>	<div>Agriculture Finance</div> <div>Commercial Vehicles</div> <div>Construction Equipment</div> <div>Tractor Finance</div> <div>Microcredit</div> <div>Gold Loans</div>	<div>Corporate Loans</div> <div>Trade Finance</div> <div>Business Banking</div> <div>Commercial Real-Estate</div> <div>Forex/ Treasury</div> <div>Cash Management</div> <div>Custody Business</div> <div>Off-shore Lending</div>	<div>Private Banking</div> <div>Car and 2W Loans</div> <div>Mutual Funds</div> <div>Alternate Assets</div> <div>Off-shore Funds</div> <div>Life Insurance</div> <div>General Insurance</div> <div>Investment Banking / DCM Broking</div> <div>Infra Debt Finance</div> <div>Asset Reconstruction</div>

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
—33 Years—
Deputy Managing
Director



Devang Gheewalla
—20 Years—
Group CFO



Paul Parambi
—33 Years—
Group Chief Risk
Officer



Milind Nagnur
—2 Years—
CTO & Chief
Operating Officer



Virat Diwanji
—21 Years—
Consumer Banking



Manish Kothari
—29 Years—
Commercial
Banking



Paritosh Kashyap
—30 Years—
Wholesale Banking



Oisharya Das
—30 Years—
Private Banking



Jaideep Hansraj
—31 Years—
One Kotak



Ramesh Srinivasan
—29 Years—
Investment Banking



Nilesh Shah
—10 Years—
Asset Management



S Srinivasan
—32 Years—
Alternate Assets

68 members in Kotak Leadership Team (incl. above)
with an average tenure of ~20 years with the Group

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