

Q2 2025

1. Net interest margin trends

- **Narrative:** Management highlighted strategies aimed at enhancing net interest margins, including optimizing the savings account rate and leveraging the Standard Chartered portfolio to increase asset yields.

- **Management's Guidance:**

- Management anticipates that the reduction in the savings account rate will contribute approximately 4 basis points to the net interest margin. Additionally, the integration of the Standard Chartered portfolio along with the expansion of the unsecured book is expected to add a couple of basis points to the average asset yield.

- **Actual Results:**

['Q2', '2025']:

- Reduction in the yield on advances and consequently reduction in NIM for the quarter by about 11 bps to 4.91%.

- **Evaluation:**

- **Expectations Not Met:** Despite management's guidance indicating an expected increase in net interest margin due to strategic measures, the actual results showed a reduction in NIM by 11 basis points, contrary to expectations.

2. Loan book expansion

- **Narrative:** Management has indicated a positive outlook for loan book expansion with a focus on sustaining growth momentum over the near term. They are optimistic about recovery prospects post-festive season and anticipate improvements in credit costs, particularly in portfolios linked to rural regions.

- **Management's Guidance:**

- Management expects the current growth trend in the loan book to continue for the next one to two quarters. There is an expectation of improved recoveries post-Diwali, particularly in sectors tied to rural India, with a consequent reduction in credit costs over the next 3 to 9 months.

- **Actual Results:**

['Q2', '2025']:

- The Bank's customer assets grew to ₹450,000 crore, which is up 18% YoY and 3% QoQ.

- **Evaluation:**

- **Expectations Met:** The management's expectation for loan book growth was aligned with the actual results, as the loan book expanded by 18% YoY and 3% QoQ, indicating sustained growth momentum as anticipated.

3. Fee-based income growth

- **Narrative:** Management highlighted significant growth in alternative assets and private credit funds as key drivers of fee-based income growth. The strategic expansion in discretionary portfolio solutions has contributed to a substantial increase in assets under management (AUM), positioning the company for continued growth in fee-based income.

- **Management's Guidance:**

- The company has seen an 88% growth in commitments for Kotak Alternate Assets, a 153% year-over-year increase in the Kotak Private Credit Fund, and a 40% year-over-year growth in discretionary portfolio solutions. These developments indicate a positive outlook for future fee-based income growth as the total commitments and AUM continue to expand.

- **Actual Results:**

['Q2', '2025']:

- Kotak Alternate Assets secured commitments of US\$352 million in Q2 FY25, representing a growth of 88%. Discretionary Portfolio Solutions under Kotak Optimus and Kotak Iconic added US\$80 million in Q2 FY25, a growth of 40% YoY. Total assets under management grew 37% YoY to Rs.6.8 trillion.

- **Evaluation:**

- **Expectations Met:** The actual results show an 88% growth in commitments for Kotak Alternate Assets, a 40% growth in discretionary portfolio solutions, and a 37% YoY growth in total assets under management, aligning with the management's guidance and positive outlook for fee-based income growth.

4. Profit growth analysis

- **Narrative:** Management is optimistic about the second half of the fiscal year, citing anticipated improvements in sector demand driven by seasonal factors and increased government spending. They foresee these elements contributing positively to the company's performance, particularly in rural and semi-urban markets.

- **Management's Guidance:**

- 1. The company expects a revival of tractor demand in the second half of the fiscal year. 2. There is an expectation of improved cash flow in rural and semi-urban areas, which should lead to better collection efficiencies for tractors in the second half. 3. With the ongoing festival season and anticipated increased government spending, management expects the second half of the fiscal year to see a significant boost in sector demand.

- **Actual Results:**

['Q2', '2025']:

- In Q2 FY25, the Bank ended the quarter with a PAT of ₹3,344 crore, reflecting a year-on-year growth of 5%. The consolidated profit after tax was ₹5,044 crore, which is about 13% YoY up and 14% higher on a QoQ basis. The consolidated ROE stood at 13.88%, and ROA was at 2.53%. Additionally, Kotak Life ended the quarter with a PAT of ₹360 crore as against ₹247 crore same quarter last year, marking a YoY growth of 46%.

- **Evaluation:**

- **Expectations Exceeded:** The actual results show a significant increase in profit after tax and growth in both ROE and ROA, which indicates a more substantial improvement than the anticipated boost in sector demand and improved cash flows, surpassing management's expectations.

5. Asset quality metrics

- **Narrative:** The management has outlined a focused approach towards improving asset quality metrics by addressing legacy issues and enhancing recovery processes. They are optimistic about the impact of their strategic actions, which are expected to materialize over the next few quarters. This includes improved fresh onboarding and a focus on reducing slippages through recoveries in the rural and secured businesses.

- **Management's Guidance:**

- The actions taken will take a few quarters, possibly 2 or 3, to fully manifest their effects. Fresh onboarding processes are expected to improve, with a reduction in pain from older books anticipated over the next 2 or 3 quarters. Slippages in microcredit loans are expected to come under control in a couple of quarters as legacy loans decrease and new underwriting begins. Recoveries from rural and secured businesses are expected in Q3 and Q4, which should reduce slippage

further. The secured book recovery from Q3-Q4 is anticipated to ensure a decrease in slippage as they progress. The company is comfortable maintaining a coverage ratio at about 70% on average.

- Actual Results:

['Q2', '2025']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

6. Credit risk assessment

- Narrative: Management highlighted the ongoing focus on maintaining a balanced approach to credit risk assessment. The strategy involves monitoring and limiting unsecured lending to a specific threshold while anticipating stabilization and eventual reduction in credit costs over the next few quarters. This approach aims to enhance resilience against potential credit risk fluctuations.

- Management's Guidance:

- Management reiterated their objective to keep unsecured lending levels within the mid-teens range. They expect credit costs to stabilize and foresee a decline over the next two to three quarters.

- Actual Results:

['Q2', '2025']:

- Unsecured retail mix reduced to 11.3% due to the embargo on the credit card. Annualised credit cost for Q2FY25, Q2FY24, Q1FY25 is 0.65%, 0.42%, 0.55% respectively.

- Evaluation:

- Expectations Met: Management expected to keep unsecured lending within the mid-teens and anticipated stabilization in credit costs; the actual results showed unsecured retail mix reduced to 11.3% with credit costs stabilizing, aligning with management's guidance.

7. New market entry plans

- Narrative: Management has unveiled strategic initiatives focusing on expanding their service offerings by launching Global Custody Services at GIFT City.

- Management's Guidance:

- Management indicated ongoing efforts to bolster their market position in this area, anticipating a substantive enhancement in service capabilities.

- Actual Results:

['Q2', '2025']:

- We have launched Global Custody Services at GIFT City this quarter.

- Evaluation:

- Insufficient Info: Data not available.

8. Regulatory changes

- Narrative: The management discussed their proactive approach in responding to regulatory changes. They are preparing to engage with the Reserve Bank of India (RBI) by providing feedback on the draft circular. The company is committed to implementing the final regulations once they are issued by the RBI.

- Management's Guidance:

- Management has indicated that they will submit their comments to the RBI by November 20th. They also stated their intent to comply with the final circular once it is released by the RBI.

- Actual Results:

['Q2', '2025']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

Q1 2025

1. Net interest margin trends

- Narrative: Management has discussed adjustments in the savings account rates and strategic portfolio adjustments aimed at improving the net interest margin (NIM). These moves are intended to align the company's offerings with market competition and enhance asset yield.

- Management's Guidance:

- The recent savings account rate cut is expected to improve the NIM by approximately 4 basis points. Additionally, the integration of the Standard Chartered portfolio and an increase in the unsecured book are anticipated to add a couple of basis points to the average yield on assets.

- Actual Results:

['Q2', '2025']:

- Reduction in the yield on advances and consequently reduction in NIM for the quarter by about 11 bps to 4.91%.

['Q1', '2025']:

- Reduction in the NIM for the quarter by about 11 bps to 4.91%. Despite the fall in the margin, it was noted that they remain the leader in the sector with the highest margin.

- Evaluation:

- Expectations Not Met: The management expected an improvement in NIM by a few basis points due to strategic adjustments, but the actual results showed a reduction in NIM by about 11 basis points, indicating that the expectations were not met.

2. Loan book expansion

- Narrative: Management highlighted a strategic focus on improving the onboarding process for microfinance, addressing challenges in the existing loan book, and aiming for stabilization and growth in the near term.

- Management's Guidance:

- Management anticipates that improvements in microfinance onboarding will mitigate current issues, with the expectation that some of the existing challenges in the older loan book will resolve over the next 2 to 3 quarters.

- Actual Results:

['Q1', '2025']:

- In Q1 2025, the Bank's customer assets grew to **■**4,50,000 crore, which is up 18% YoY and 3% QoQ. The Consumer Bank advances were primarily led by secured businesses, which grew 6% QoQ. The credit substitute book actually grew 32% YoY this quarter.

['Q2', '2025']:

- The Bank's customer assets grew by 18% to **■**4,50,000 crore YoY and 3% QoQ basis.

- Evaluation:

- Expectations Exceeded: The actual results show an 18% YoY growth in customer assets and significant growth in secured businesses, indicating that the strategic focus on improving microfinance onboarding and addressing loan book challenges has not only stabilized but exceeded management's expectations within the anticipated timeframe.

3. Fee-based income growth

- Narrative: Management highlighted significant growth in Kotak's alternative asset and credit fund segments, indicating strong momentum in fee-based income streams. They emphasized the strategic importance of expanding their asset under management (AUM) through both organic growth and targeted initiatives in discretionary portfolio solutions.

- Management's Guidance:

- Management expects continued robust growth in fee-based income, driven by substantial increases in commitments and assets under management in their alternative assets and private credit fund segments.

- Actual Results:

['Q1', '2025']:

- In Q1 FY25, the fees and services income at Kotak grew by 23% year-on-year, amounting to **■**2,240 crores.

['Q2', '2025']:

- Our fees and services at the Bank grew 14% YoY in the current year.

- Evaluation:

- Expectations Met: Management anticipated robust growth in fee-based income, and the actual results showed a significant year-on-year increase in fees and services income, aligning with the guidance.

4. Profit growth analysis

- Narrative: Management is optimistic about the potential for profit growth driven by expected improvements in demand and operational efficiencies in the second half of the year. They highlighted a strategic focus on enhancing collection efficiencies and cash flow in key market segments, particularly in rural and semi-urban areas.

- Management's Guidance:

- Management anticipates a revival of tractor demand in the second half of the year, coupled with improved cash flow and collection efficiencies in rural and semi-urban areas.

- Actual Results:

['Q1', '2025']:

- In Q1FY25, Kotak Mahindra Bank reported a Profit After Tax (PAT) of **■** 6,250 crore with a YoY growth of 81% and a consolidated PAT of **■** 7,448 crore. The ROE was recorded at 22.04%.

['Q2', '2025']:

- The Bank ended the quarter with a Profit After Tax (PAT) of **■**3,344 crore, showing a year-on-year growth of 5%.

- Evaluation:

- Expectations Exceeded: The actual results showed a significant 81% YoY growth in PAT for Q1FY25, which surpassed the management's optimistic guidance of profit growth driven by demand improvements and operational efficiencies.

5. Asset quality metrics

- Narrative: Management has focused on improving asset quality metrics by emphasizing recoveries from rural and secured business segments. This strategic focus is aimed at reducing slippages in the upcoming quarters.

- Management's Guidance:

- Management is optimistic about achieving recoveries from rural and secured businesses in the third and fourth quarters, which is expected to contribute to a reduction in slippages.

- Actual Results:

['Q2', '2025']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

6. Process automation initiatives

- Narrative: Management highlighted ongoing efforts to enhance operational efficiency through process automation initiatives. The focus is on implementing actions that will streamline operations and reduce costs over time.

- Management's Guidance:

- Management indicated that the effects of these automation initiatives would become evident over the next two to three quarters as the implemented actions start to play out.

- Actual Results:

['Q1', '2025']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

7. New market entry plans

- **Narrative:** Management has initiated strategic measures to broaden its market strategy by launching new services. This quarter, the company introduced Global Custody Services at GIFT City, which is indicative of their efforts to expand their market presence and service offerings.

- **Management's Guidance:**

- Management expects that the introduction of Global Custody Services at GIFT City will strengthen their position in the market, although specific quantitative impacts have not been detailed.

- **Actual Results:**

['Q2', '2025']:

- We have launched Global Custody Services at GIFT City this quarter.

['Q1', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

8. Regulatory changes

- **Narrative:** Management provided insights into the ongoing regulatory changes affecting the banking sector. They emphasized their proactive approach in assessing and responding to new regulations and guidelines set forth by the Reserve Bank of India (RBI). The company is committed to aligning its operations with the regulatory framework to ensure compliance and sustain its market position.

- **Management's Guidance:**

- The management indicated that they have a deadline until November 20th to submit their comments to the RBI regarding the proposed regulations. Following this, they will proceed with implementing the final circular as required once it is issued by the RBI.

- **Actual Results:**

['Q2', '2025']:

- This quarter we saw the RBI issue a draft circular on 4th of October

['Q1', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

Q4 2024

1. Loan book expansion

- **Narrative:** Management has expressed a commitment to expanding the loan book significantly in the coming fiscal year, indicating a strong focus on growth in this area.

- **Management's Guidance:**

- Management plans to increase the loan book by 20% over the next fiscal year.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

['Q4', '2024']:

- The bank's loan book grew by 15% year-on-year, which is below the management's guidance of a 20% increase.

['Q1', '2025']:

- Data Not Available

- **Evaluation:**

- **Expectations Not Met: The bank's loan book grew by 15% year-on-year, which is below the management's guidance of a 20% increase.**

2. Cost optimization strategies

- **Narrative:** Management is focused on enhancing operational efficiency and implementing cost optimization strategies. These efforts are aimed at improving the company's cost-to-income ratio, thereby ensuring more effective resource allocation and increasing profitability.

- **Management's Guidance:**

- Management has set a target to achieve a cost-to-income ratio below 40% by the end of FY25.

- **Actual Results:**

['Q2', '2025']:

- Operating costs are stable at 2% QoQ growth.

['Q4', '2024']:

- Operating Expenses for FY24: ■619 crore; FY23 Q4: ■216 crore; FY24 Q4: ■263 crore; FY23 Q3: ■268 crore; FY24: ■886 crore

['Q1', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

3. Asset quality metrics

- **Narrative:** The management emphasized its commitment to maintaining a robust asset quality framework. This involves strategic risk management practices aimed at keeping non-performing assets (NPA) under control, thus ensuring the financial stability and integrity of the company's asset portfolio.

- **Management's Guidance:**

- Management has set a target to maintain an NPA ratio of less than 2% for the coming year.

- **Actual Results:**

['Q1', '2025']:

- NNPA for Q1FY25 is 1,358 with a percentage of 0.35%, which is well below the management guidance of maintaining an NPA ratio of less than 2%.

['Q2', '2025']:

- Data Not Available

['Q4', '2024']:

- Gross NPA at 31st March was 1.39% and net NPA is 0.34%, same as last quarter and actually reduced from 0.37% last year.

- Evaluation:

- **Expectations Exceeded:** The management's guidance was to maintain an NPA ratio of less than 2%, and the actual results showed a significantly lower NPA percentage of 0.35% in Q1FY25, indicating that expectations were exceeded.

4. Geographic expansion plans

- **Narrative:** Management has outlined plans to expand the company's reach by increasing its physical presence nationally.

- Management's Guidance:

- The company plans to open 100 new branches across the country by December 2024.

- Actual Results:

['Q2', '2025']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

Q3 2024

1. Net interest margin trends

- **Narrative:** The management highlighted their focus on maintaining a consistent net interest margin in the upcoming quarters. They emphasized stability in the net interest margin as a key strategic priority to ensure robust financial health and sustainable growth.

- Management's Guidance:

- Management indicated that they are targeting a consistent net interest margin in the 5 plus range, demonstrating their commitment to sustaining strong profitability metrics over the next quarters.

- Actual Results:

['Q1', '2025']:

- [Bank] NIM: 5.02%

['Q4', '2024']:

- NIM Q4FY24: 5.28% Q3FY24: 5.22%; FY24: 5.32%, FY23: 5.33%

['Q2', '2025']:

- In Q2 '2025, the Net Interest Margin (NIM) was reported at 4.91%, which is below the management's guidance of maintaining a consistent NIM in the 5%+ range.

['Q3', '2024']:

- The net interest margin experienced a 35 bps decline, with 20 bps attributed to spread impact and 15 bps previously identified as one-off which has now been managed.

- Evaluation:

- **Expectations Not Met:** The management aimed to maintain a consistent net interest margin in the 5%+ range, but in Q2 2025, the NIM fell to 4.91%, below their target, indicating that expectations were not met.

2. Profit growth analysis

- **Narrative:** Management has consistently aligned the company's growth trajectory with the nominal GDP growth, aiming for a multiplier effect of 1.75 to 2 times the GDP growth rate during periods of expansion. Currently, the company is in a growth phase, indicating a strategic focus on capitalizing on market opportunities to enhance profitability.

- Management's Guidance:

- Management expects to achieve a revenue growth of 10% for the fiscal year 2024.

- Actual Results:

['Q2', '2025']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q3', '2024']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

3. Fee-based income growth

- **Narrative:** Management emphasized a strategic focus on increasing fee-based income by leveraging their existing customer base and enhancing product offerings. This approach is aimed at capitalizing on the company's strengths in the market and optimizing cross-selling opportunities.

- Management's Guidance:

- Management expects the strategic initiatives to result in a notable increase in fee-based income, projecting a moderate growth rate over the upcoming quarters as the new offerings gain traction in the market.

- **Actual Results:**

['Q4', '2024']:

- Data Not Available

['Q1', '2025']:

- Our fees and services at the Bank grew 14% YoY in the current year.

['Q2', '2025']:

- Our fees and services at the Bank grew 14% YoY in the current year.

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- **Expectations Exceeded:** The management projected moderate growth in fee-based income, and the actual results showed a 14% YoY growth, which suggests a notable increase that likely surpassed the moderate expectations initially set by the management.

4. Asset quality metrics

- **Narrative:** During the earnings call, management highlighted their commitment to maintaining robust asset quality metrics. They emphasized the importance of prudent provisioning and the ongoing management of non-performing assets to ensure stability and resilience in the company's financial health. This strategic focus is aimed at safeguarding the company's balance sheet and ensuring long-term sustainability in a challenging market environment.

- **Management's Guidance:**

- The management disclosed that, for the current quarter, they have reduced provisions by INR26 crore, yet are maintaining a significant provision buffer of INR295 crore. This approach reflects a cautious stance in managing potential future asset quality challenges.

- **Actual Results:**

['Q1', '2025']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

['Q3', '2024']:

- 1f4cd8ad69947610d935bbde83958432 --> Jaimin Bhatt [Out of that 321 which you talked about, 295 is still being carried.]

['Q4', '2024']:

- Data Not Available

- **Evaluation:**

- **Expectations Met:** Management maintained a significant provision buffer of INR295 crore as stated, aligning with their guidance to prudently manage asset quality challenges.

5. Cost optimization strategies

- **Narrative:** Management highlighted their focus on cost optimization strategies to enhance operational efficiency. The primary approach involves targeted measures to reduce operational costs, aiming for a leaner cost structure without compromising service quality.

- **Management's Guidance:**

- Management expects to achieve a 5% reduction in operational costs within the next six months.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

['Q3', '2024']:

- Data Not Available

['Q4', '2024']:

- Operating cost increased by 21% compared to last year.

['Q1', '2025']:

- Data Not Available

- **Evaluation:**

- **Expectations Not Met:** Management aimed for a 5% reduction in operational costs, but Q4 2024 results showed a 21% increase in operating costs compared to the previous year, indicating that the cost optimization strategies did not achieve the desired outcome.

6. Competitive positioning

- **Narrative:** Management discussed their ambition to expand market share, setting clear targets and timelines to reinforce the company's competitive position.

- **Management's Guidance:**

- Management aims to increase market share by 3% over the next two quarters.

- **Actual Results:**

['Q1', '2025']:

- Overall Market Share percentage for Q1FY25 is 12.2%, up from 11.4% in Q1FY24 and Q4FY24. Market Share Cash percentage for Q1FY25 is 10.5%, up from 10.1% in Q1FY24 and 10.2% in Q4FY24. Derivative Market Share percentage for Q1FY25 is 13.1%, up from 12.1% in Q1FY24 and 12.0% in Q4FY24.

['Q2', '2025']:

- Overall Market Share for Q2FY25 is 12.2%

['Q4', '2024']:

- Market share in Q4FY24 was reported at 6.50%, with specific details showing a cash market share of 10.3% and an overall market share of 10.1%. This indicates a slight increase from Q4FY23, where the market share was 6.47% and 11.8% respectively, but does not meet the 3% increase target over the two quarters.

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- **Expectations Not Met:** Management aimed for a 3% increase in market share over two quarters, but the actual market share in Q2FY25 remained at 12.2%, failing to meet the target increase from Q4FY24.

7. Geographic expansion plans

- **Narrative:** Management is focused on expanding Kotak's market presence by targeting entry into three new regions, reflecting a strategic push to enhance geographic reach.

- **Management's Guidance:**

- Management outlined their goal to expand their market presence in three new regions by the end of the next year.

- **Actual Results:**

['Q2', '2025']:

- Footprint in 16 states with 27 lakh customers

['Q3', '2024']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

8. New market entry plans

- **Narrative:** Management has outlined plans for expanding into new markets, with implementation targeted for the third quarter of the next year. This strategic move is aimed at strengthening the company's market presence and driving growth.

- **Management's Guidance:**

- The expansion into new markets is planned for Q3 next year.

- **Actual Results:**

['Q1', '2025']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

['Q3', '2024']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

Q1 2024

1. Net interest margin trends

- **Narrative:** The management discussed the impact of interest rate changes on the net interest margin (NIM) and indicated that the full effect of such changes would be realized over the coming quarters. This suggests an active monitoring and adjustment strategy to maintain or potentially enhance the NIM based on prevailing interest rates.

- **Management's Guidance:**

- Management anticipates that if the current interest rates persist, the pricing adjustments will be largely completed after the next quarter, indicating a stabilization in net interest margins thereafter.

- **Actual Results:**

['Q1', '2025']:

- Reduction in the NIM for the quarter by about 11 bps to 4.91%.

['Q4', '2024']:

- NIM Q4FY24: 5.28% Q3FY24: 5.22%; FY24: 5.32%, FY23: 5.33%

['Q1', '2024']:

- The net interest margin (NIM) for Q1 FY24 was reported at 5.57%, which shows an increase from 4.92% in the same quarter last year.

['Q3', '2024']:

- Kunal Shah [35 bps decline, 20 bps was spread]

- **Evaluation:**

- **Expectations Not Met:** Management anticipated stabilization or potential enhancement in NIM post-pricing adjustments, but actual results showed a reduction in NIM by 11 bps in Q1 2025, indicating that the expected stabilization did not occur.

2. Fee-based income growth

- **Narrative:** Management highlighted the strong performance of their innovative product, 'ActivMoney', which is significantly contributing to the company's fee-based income growth. This product has been described as bold and disruptive in the market, showcasing its potential to drive future financial gains.

- **Management's Guidance:**

- Management anticipates that 'ActivMoney' will continue to grow significantly, with expectations of nearly 100% growth on an annualized basis, bolstering the company's overall fee-based income.

- **Actual Results:**

['Q4', '2024']:

- Data Not Available

['Q1', '2025']:

- We relaunched "ActivMoney", we saw a strong growth this quarter of 9% QoQ and 41% YoY.

['Q1', '2024']:

- Q1 also saw fees and services grow by 20% to INR 1,827 crore this quarter.

['Q3', '2024']:

- Data Not Available

- Evaluation:

- Expectations Not Met: Management anticipated nearly 100% growth on an annualized basis for 'ActivMoney', but the actual results showed a 41% YoY growth, falling short of the expected growth rate.

3. Loan book expansion

- Narrative: The management of Kotak has demonstrated a strategic focus on expanding their loan book as part of their broader revenue growth and financial strategy. They have articulated a clear goal to leverage economic growth metrics to drive their loan book expansion, indicating confidence in achieving these targets through alignment with nominal GDP growth rates.

- Management's Guidance:

- Management expects the loan book to grow by 15% in the next fiscal year. Management is aiming to maintain loan growth at about 1.5 to 2 times the nominal GDP growth for the full year, expressing confidence in achieving this range.

- Actual Results:

['Q1', '2025']:

- Data Not Available

['Q1', '2024']:

- In Q1 2024, the advances grew at a healthy pace of 26% Y-o-Y. Before taking account of IBPCs and BRDS, advances grew 19% Y-o-Y and closed at INR 3,37,000 crore.

['Q3', '2024']:

- Jaimin Bhatt: Third quarter loans grew 3.3%.

['Q4', '2024']:

- The bank's loan book grew by 15% year-on-year.

- Evaluation:

- Expectations Met: The management's guidance for a 15% loan book growth was achieved, as the actual results for Q4 2024 show a 15% year-on-year growth, aligning with their stated objectives.

4. Profit growth analysis

- Narrative: The management has expressed confidence in achieving revenue growth, suggesting a positive outlook for the company's financial performance in the current fiscal year. The discussion reflects a focus on maintaining a trajectory that ensures surpassing a key financial threshold, which indicates robust financial planning and anticipated growth.

- Management's Guidance:

- The management has indicated that they expect to achieve revenue growth that will position them north of five percent for the current year. This projection underscores their confidence in the company's strategic initiatives and market conditions.

- Actual Results:

['Q1', '2025']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

['Q1', '2024']:

- Data Not Available

['Q3', '2024']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

5. Cost optimization strategies

- Narrative: Management has emphasized their focus on cost optimization strategies, aiming to improve operational efficiency. They have set clear targets to enhance cost management practices, which are expected to significantly impact the company's financial performance.

- Management's Guidance:

- Management has set a target to reduce the cost-to-income ratio to 40% by the end of FY25.

- Actual Results:

['Q3', '2024']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q1', '2024']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

6. Process automation initiatives

- Narrative: Management has emphasized their commitment to operational efficiency through process automation initiatives. They have provided regular updates on their 811 program, indicating consistent efforts to integrate automation and improve operational workflows. This approach is aimed at enhancing overall efficiency and cost-effectiveness over the long term.

- Management's Guidance:

- Management has indicated plans to continue their annual updates on the 811 initiative, which involves detailed reviews and likely adjustments to automation processes. This regular assessment is expected to further operational efficiency in the upcoming years.

- Actual Results:

['Q3', '2024']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q4', '2024']:

- Data Not Available

['Q1', '2024']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

7. Geographic expansion plans

- **Narrative:** Management articulated plans to expand the company's footprint by increasing its branch network, indicating a strategic focus on geographic growth.

- Management's Guidance:

- Management plans to open 50 new branches over the next 18 months.

- Actual Results:

['Q3', '2024']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q1', '2024']:

- Data Not Available

['Q4', '2024']:

- 6d48dad28f3a1b58f9628a89cb2bf10c --> [1,196 branches & franchises] 8495f4353d31e3f04638e34bc6b987ee --> [Pan-India reach of over 4,570 retail distribution points]

- Evaluation:

- Insufficient Info: Data not available.

8. New market entry plans

- **Narrative:** Management discussed the introduction of a new mid-corporate segment as part of its market strategy, with a dedicated focus on acquiring new clients and expanding their franchise among mid-sized corporates. This move is aimed at tapping into the growth potential of this segment.

- Management's Guidance:

- Management anticipates that the new mid-corporate segment will grow faster due to the dedicated efforts and resources allocated to it, as evidenced by the healthy growth observed in Q1.

- Actual Results:

['Q1', '2025']:

- Data Not Available

['Q1', '2024']:

- Effective 1st April this year, we have also carved out a separate segment called mid-corporate segment.

['Q4', '2024']:

- Data Not Available

['Q3', '2024']:

- Data Not Available

- Evaluation:

- Insufficient Info: Data not available.

9. Economic conditions impact

- **Narrative:** Management highlighted the current account deficit being at 1% of GDP for the present year, reflecting on the economic conditions impacting the company's strategic considerations.

- Management's Guidance:

- The expected continuation of the current account deficit at 1% of GDP is anticipated to influence the company's financial strategies and operational focus for the current year.

- Actual Results:

['Q3', '2024']:

- Data Not Available

['Q1', '2025']:

- Data Not Available

['Q1', '2024']:

- Our current account deficit at 1% of GDP, that's what it looks like for the current year.

['Q4', '2024']:

- Data Not Available

- Evaluation:

- **Expectations Met:** The management's guidance expected the current account deficit to remain at 1% of GDP, which aligned with the actual result reported for Q1 2024, confirming that expectations were met.