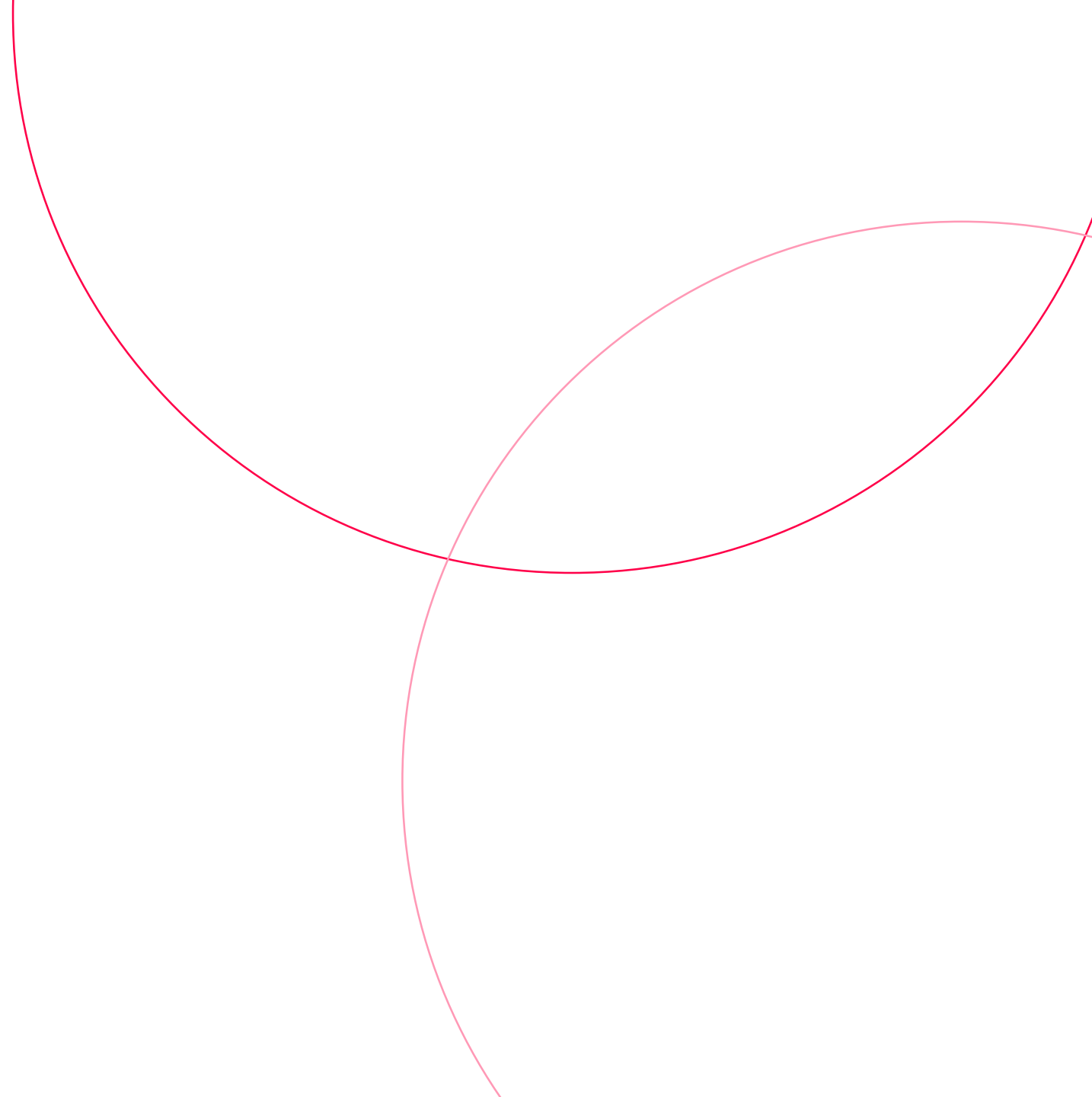




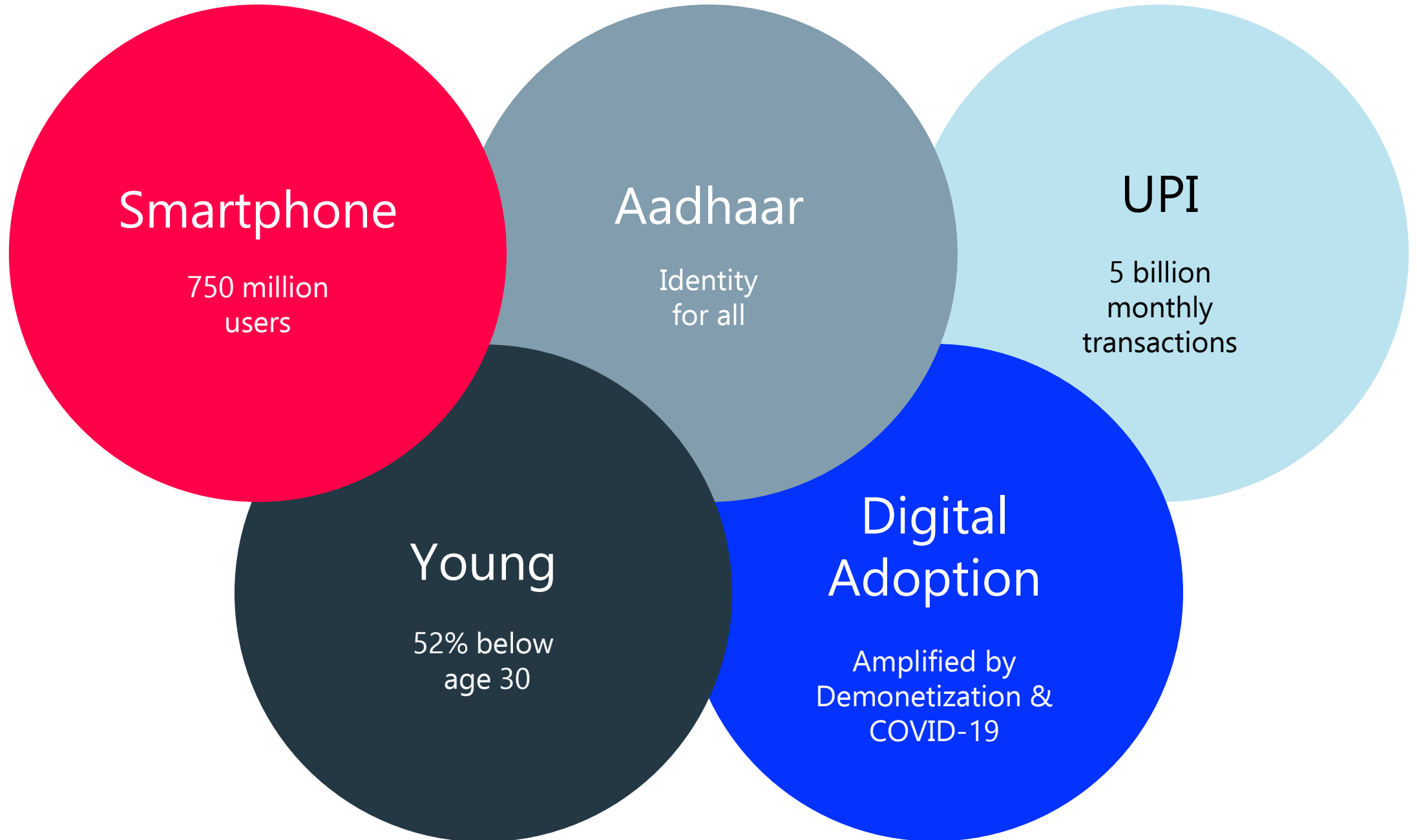
Chapter 01

The 811 Story



India

A Growth Story



Smartphone

750 million
users

Aadhaar

Identity
for all

UPI

5 billion
monthly
transactions

Young

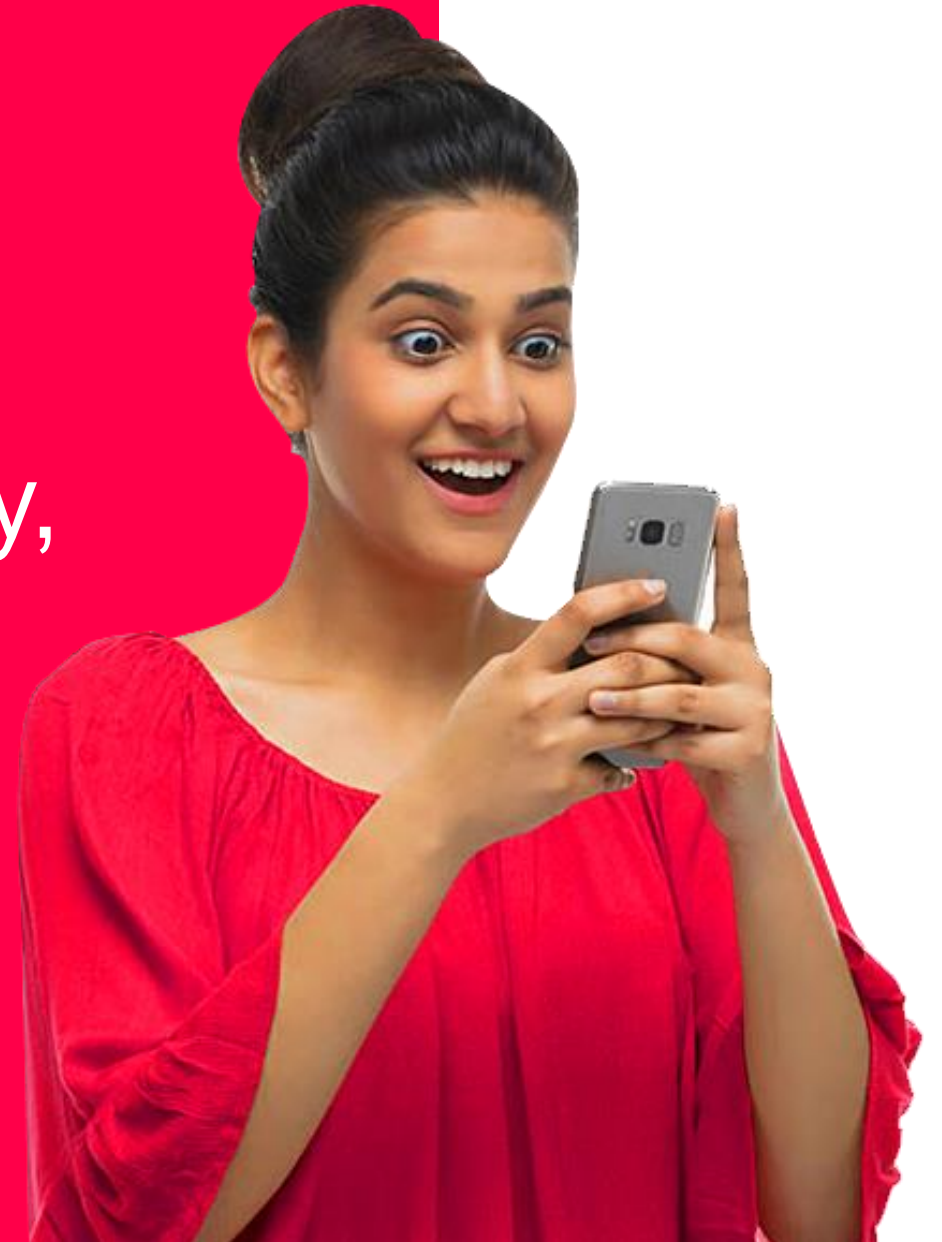
52% below
age 30

Digital
Adoption

Amplified by
Demonetization &
COVID-19

811's Vision

Empower every Indian to access bespoke financial products, delivered digitally, with a world class service experience



2017-2020

Digital
Acquisition
Engine



2021 Onwards

Digital Bank

“Semi-Autonomous”
unit, focused
on exponential
growth



Kotak811 is in
a unique position



Trust, Brand,
Banking Platform &
Distribution



Agile, Nimble,
Digital First &
Ambitious



Empowers 811 with

- Branch
- Operations
- Compliance
- Audit & Finance
- Human Resource
- Risk Management
- Financial Products



• **Team 811**

- Core Product
- Data Science
- Technology
- Cross Sell
- Sales & Call Center
- Process

Kotak811, India's next
banking chapter

“With a few exceptions, the only instances in which mainstream firms have successfully established a timely position in a disruptive technology were those in which the firms’ managers set up an autonomous organization charged with building a new and independent business around the disruptive technology”



Clay Christensen

The Innovator’s Dilemma

In 5 years since
inception

In 5 years

12.3mn

Full KYC
Savings A/C*

As of March'22

* Excluding closed Full KYC Savings A/C

5.3mn

Paid Debit Card
Users



5.3mn

Paid Debit Card
Users



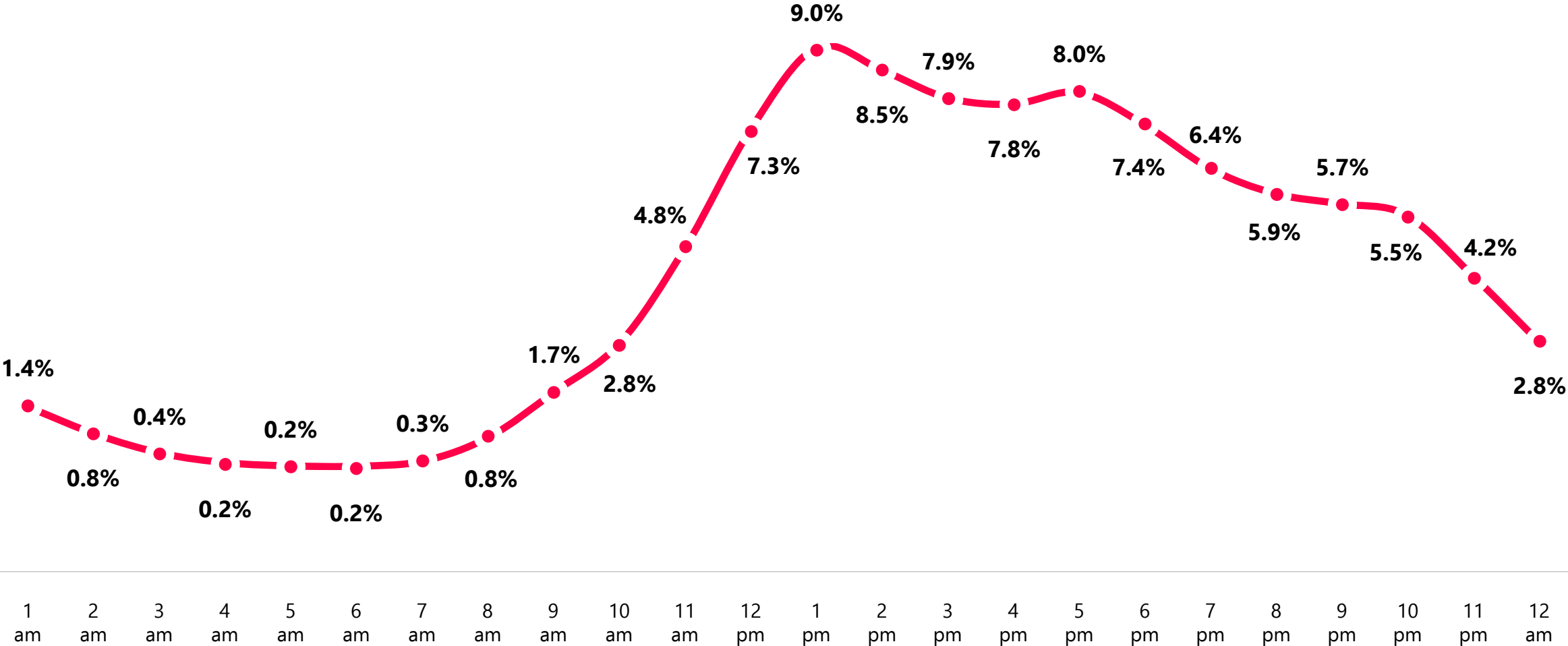
1,000+

Cities & Towns

10,000+ pin-codes & growing

Basis customer's communication address (Cities/pincodes) with >9 customer count

Every 5 seconds, a new Account is opened digitally.
More than 50% of 811 Accounts are opened outside banking hours



For March'22

In Q4 FY'22

By Volume

811's contribution to
Kotak Bank in Q4 FY'22

Full KYC Savings A/C	71%
UPI	70%
Credit Cards	60%
Physical Debit Cards	58%
Trading A/C	57%
Insurance Policies (Non-life)	52%
Recurring Deposit	51%
Personal Loan & Consumer Finance	48%

Kotak811 as a % of India's largest private bank (Q4 FY'22)

New Savings A/Cs

52% (1.25mn vs. 2.4mn)

New Credit Cards

40% (325K vs. 820K)

Full KYC Savings A/C	71%
UPI	70%
Credit Cards	60%
Physical Debit Cards	58%
Trading A/C	57%
Insurance Policies (Non-life)	52%
Recurring Deposit	51%
Personal Loan & Consumer Finance	48%

By Value

811's contribution to
Kotak Bank in Q4 FY'22

Incremental Savings Balances* (AMB)	29%
UPI	58%
Recurring Deposit	34%
Personal Loan & Consumer Finance	32%
Insurance Premium (Non-life)	32%
Debit Card Spends	30%

* Excluding Floating Rate Savings Balances

Kotak811 compared to India's largest listed fintech (Q4 FY'22)

Personal Loan Disbursed

71% (₹5.68bn vs. ₹8.05bn)

Per Debit Card Spends

6x

Incremental Savings Balances* (AMB)	29%
UPI	58%
Recurring Deposit	34%
Personal Loan & Consumer Finance	32%
Insurance Premium (Non-life)	32%
Debit Card Spends	30%

While in
March' 22

In March'22

571K

Acquisition

417K

Full KYC
Savings A/C



116K

Credit
Cards

59K

Insurance Policies
& Trading A/C

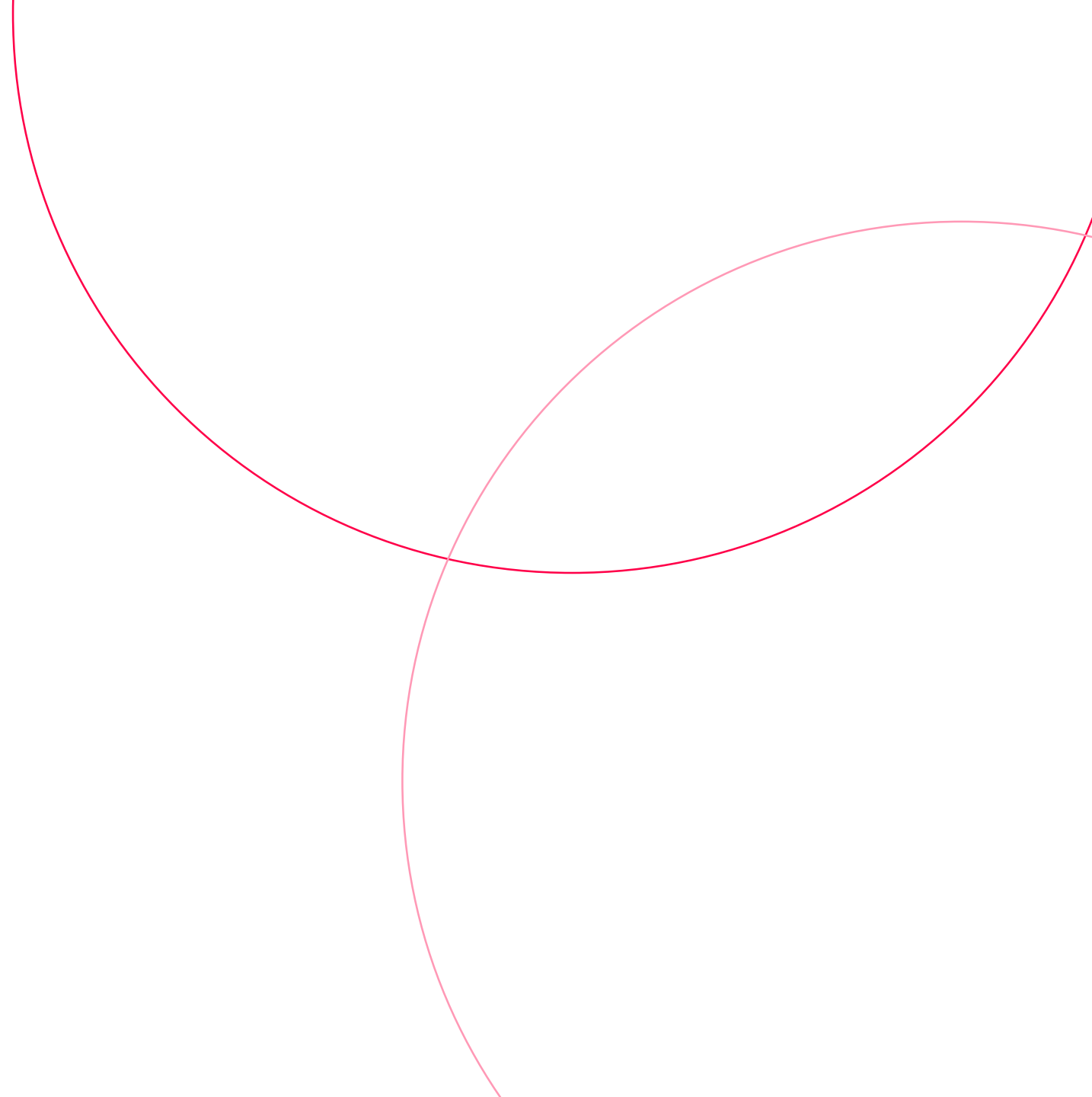
56K

Loans



Chapter 02

User Profile & Key Metrics



811 user ?





Young

56% below age 30

Diverse

38% Salaried, 31% Self-Employed,
20% Students, 11% Others

Value Seeker

15x spending lift on Debit Cards
during festival offers



Credit Hungry

~50% have an unsecured asset

Transaction Heavy

41 monthly transactions per active user

Sachet Products

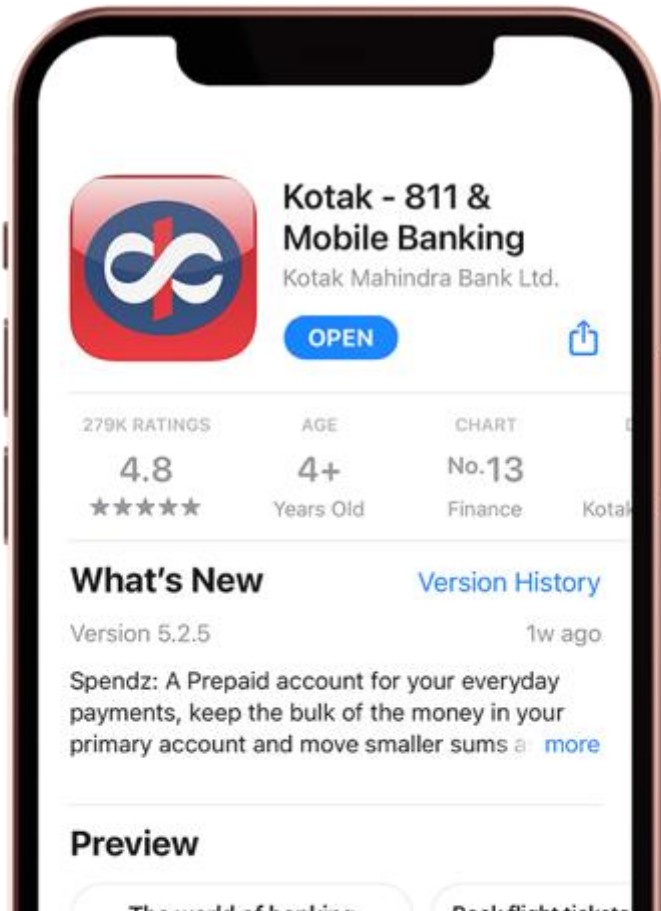
47% Recurring Deposit
below ₹ 500



Small
Ticket

Large
Volume

Mobile App
Engagement
by 811 users



MAU

6.2 mn

Average
Monthly Logins

17

App Stickiness
(DAU/MAU)

23%

Median App stickiness for
banking apps = 17%

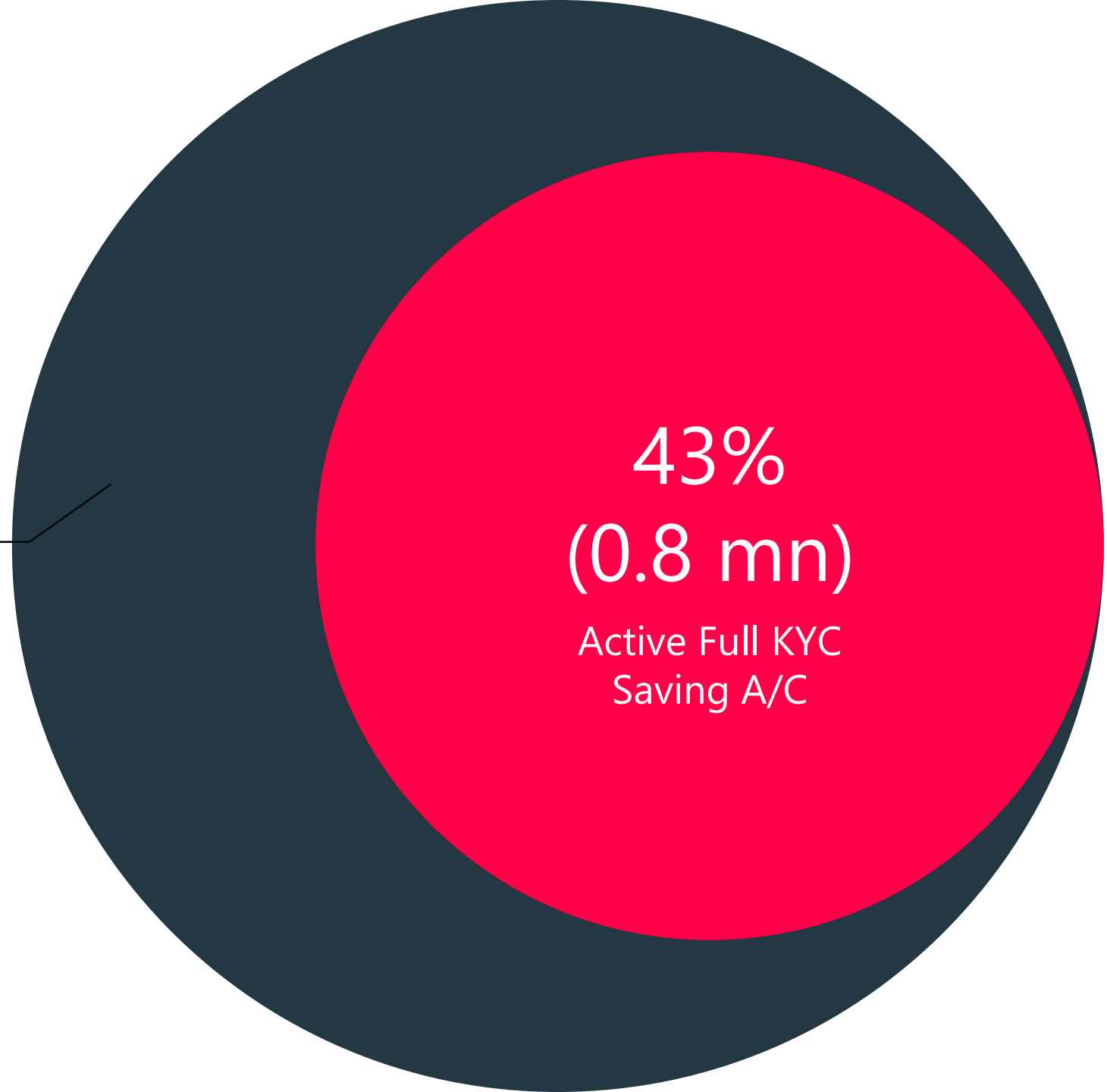
For March'22.
App Stickiness % is basis Appsflyer as of 28th March 2022

How is the customer
behaving?

Customer Cohort
Acquired in FY'18

1.8mn

Full KYC
Saving A/C



43%
(0.8 mn)

Active Full KYC
Saving A/C

Per Active Full KYC Savings A/C (acquired in FY'18)
as of March'22

₹19,500

Average Balance

₹1.6 mn

Annualized Throughput

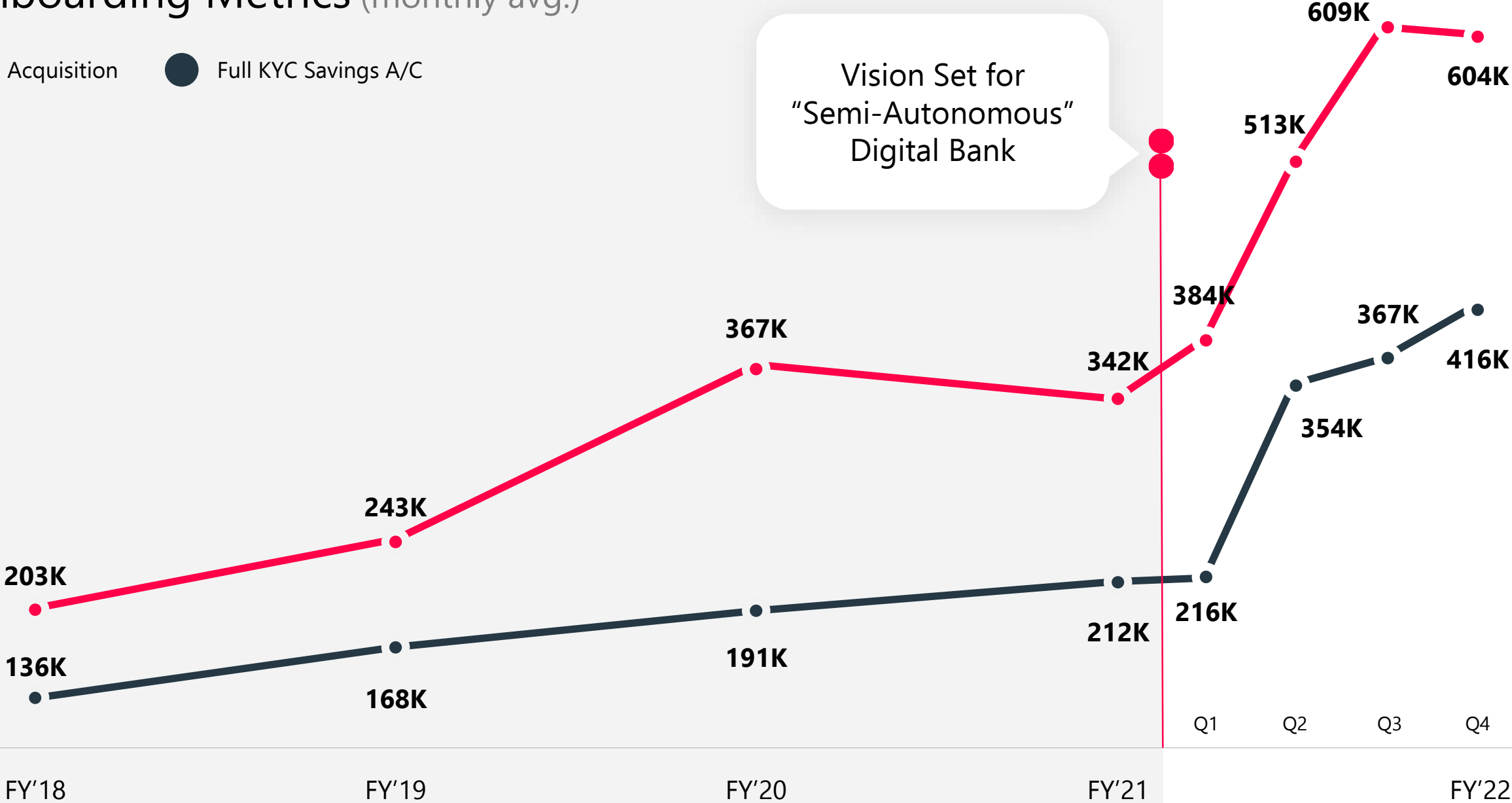
2.4

Product Holding

Kotak811 in numbers

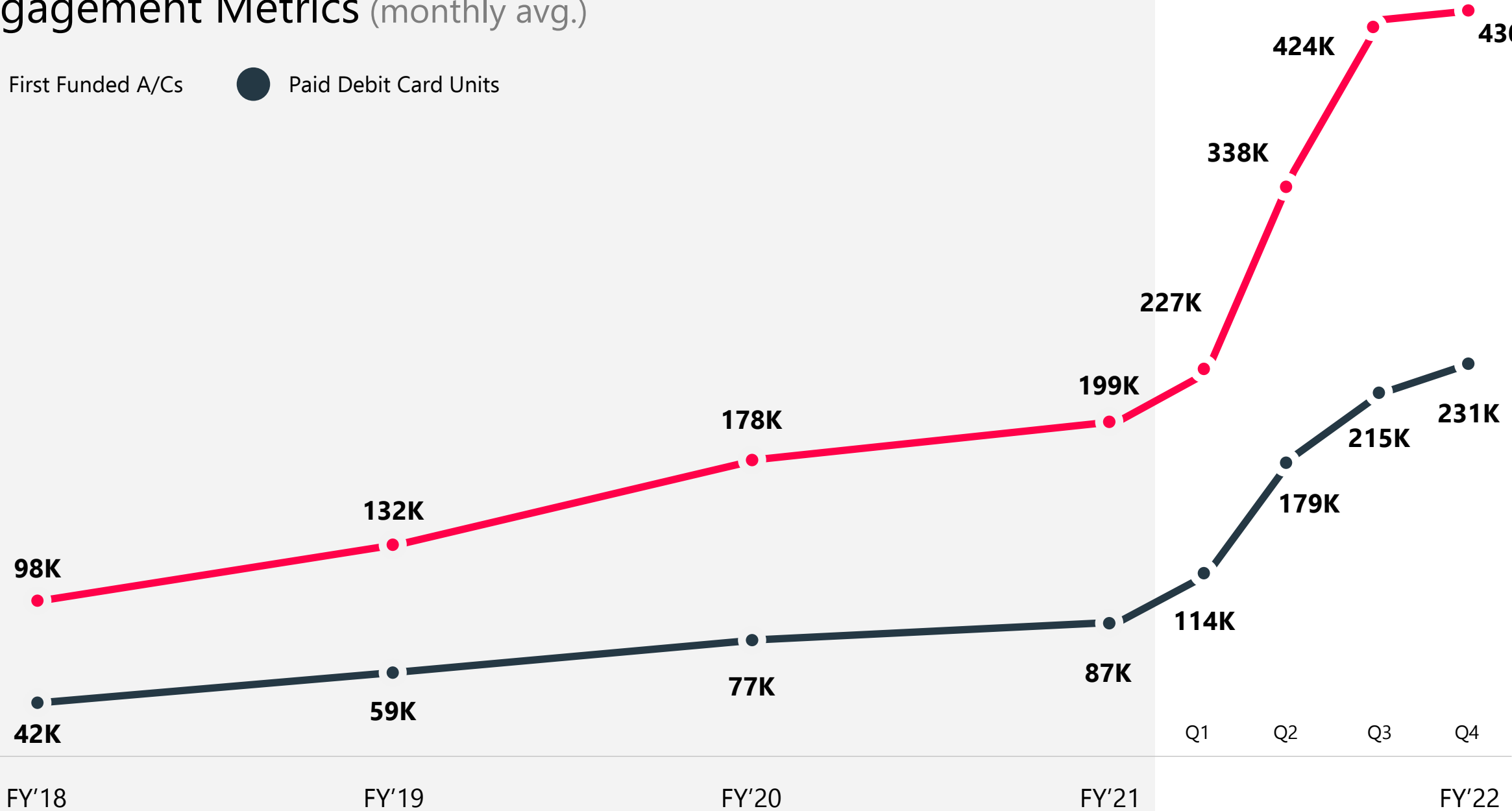
Onboarding Metrics (monthly avg.)

● Acquisition ● Full KYC Savings A/C



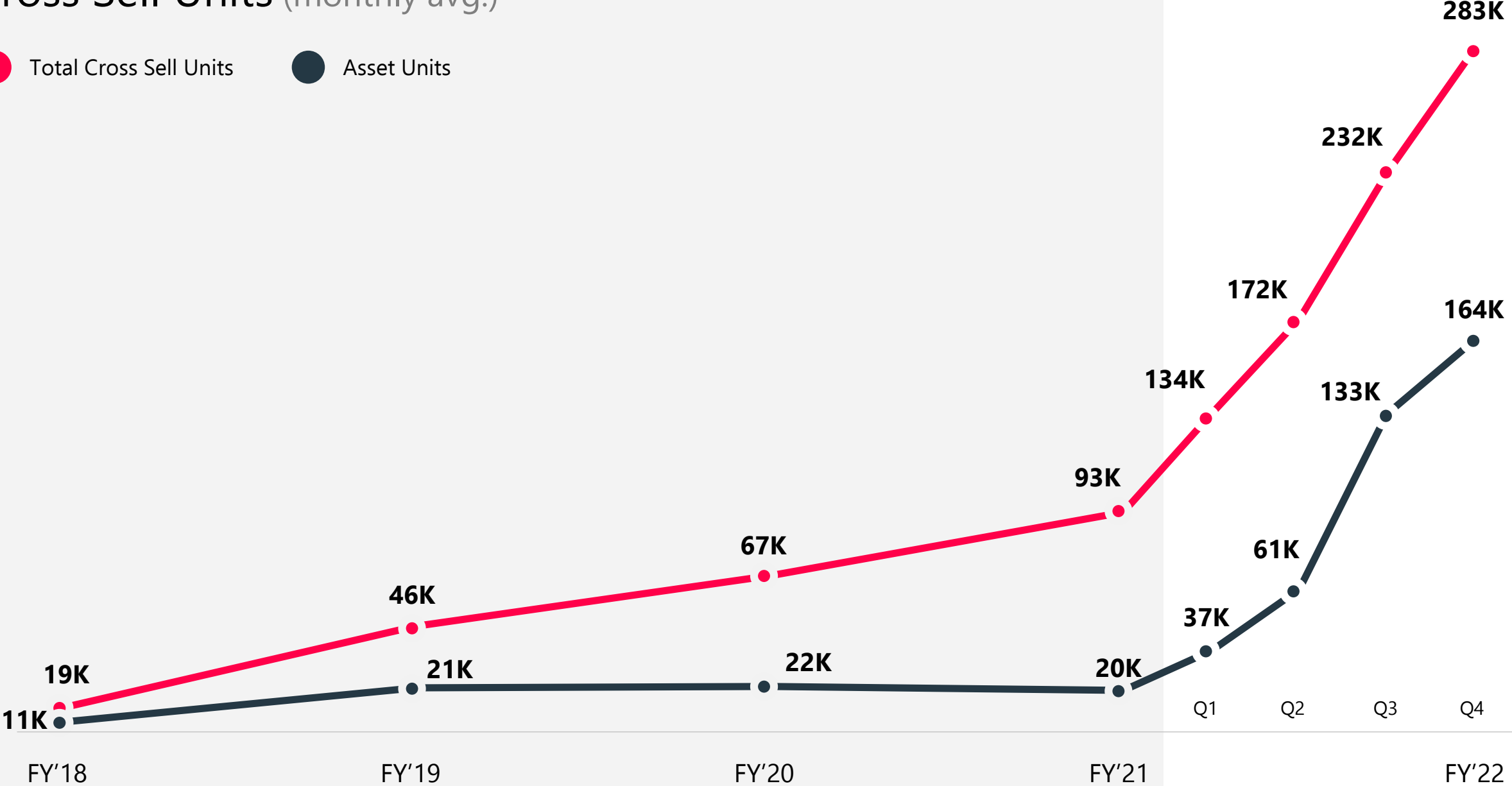
Engagement Metrics (monthly avg.)

● First Funded A/Cs ● Paid Debit Card Units



Cross Sell Units (monthly avg.)

● Total Cross Sell Units ● Asset Units

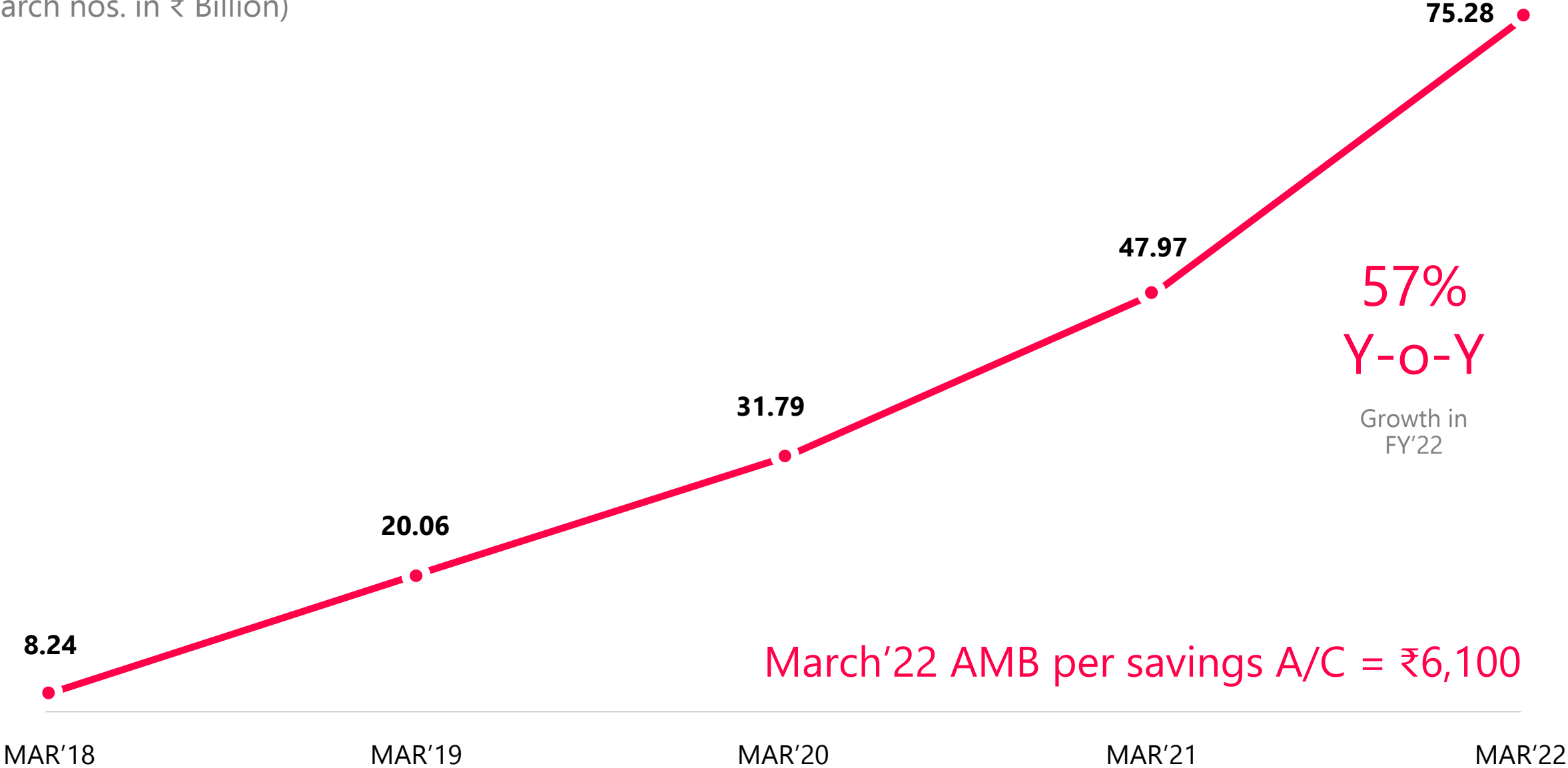


FY'18 number is average of Q4 FY'18 only

Saving Balances & Throughput

Savings A/C Book Value – AMB

(March nos. in ₹ Billion)

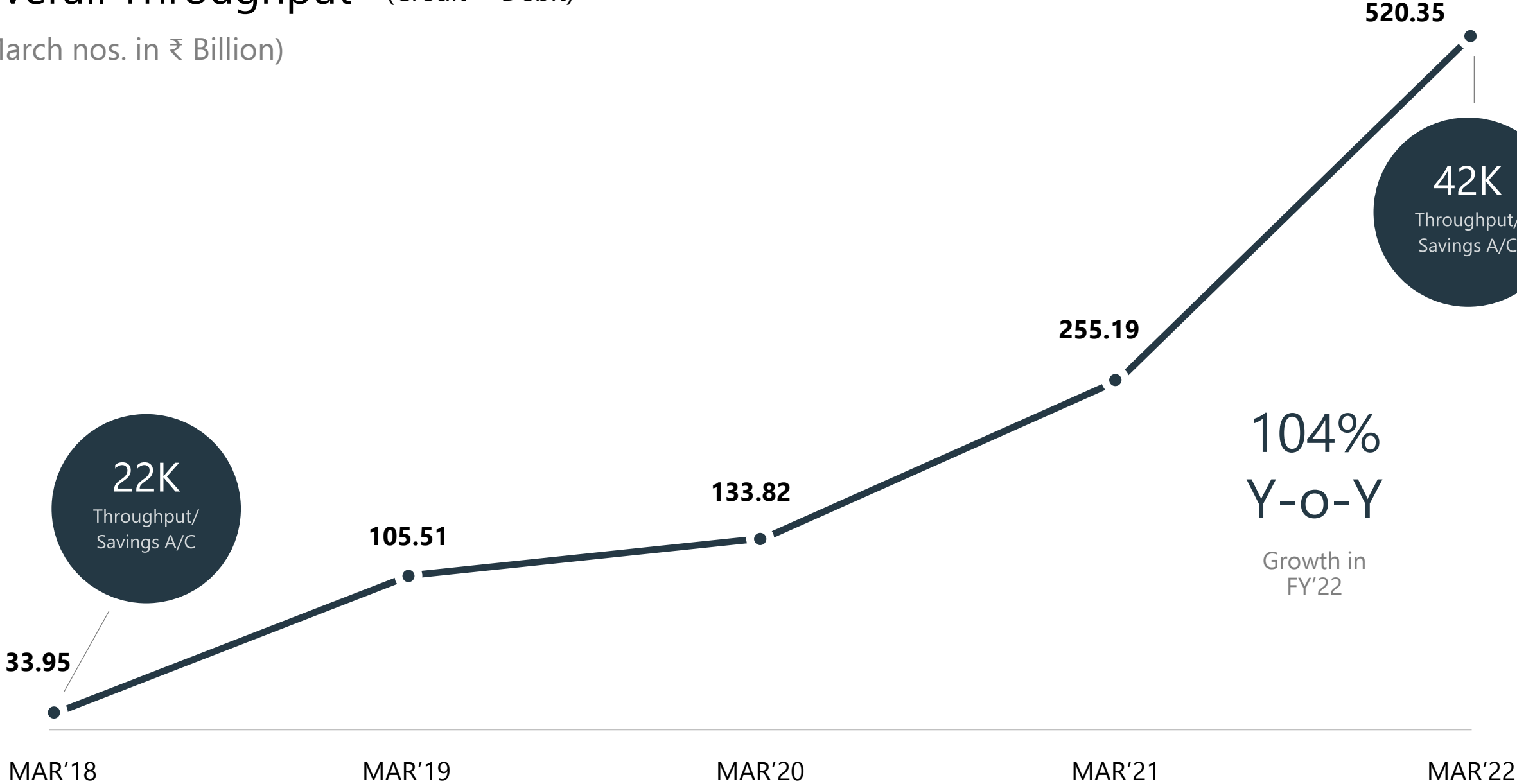


March'22 AMB per savings A/C = ₹6,100

From FY23 high-value managed customers will be transferred to respective programs

Overall Throughput (Credit + Debit)

(March nos. in ₹ Billion)



Increased engagement in FY'22

57%
Y-O-Y

Growth in
Savings Balances

104%
Y-O-Y

Growth in Throughput
(Debit + Credit)

Key focus areas

Upto

2020

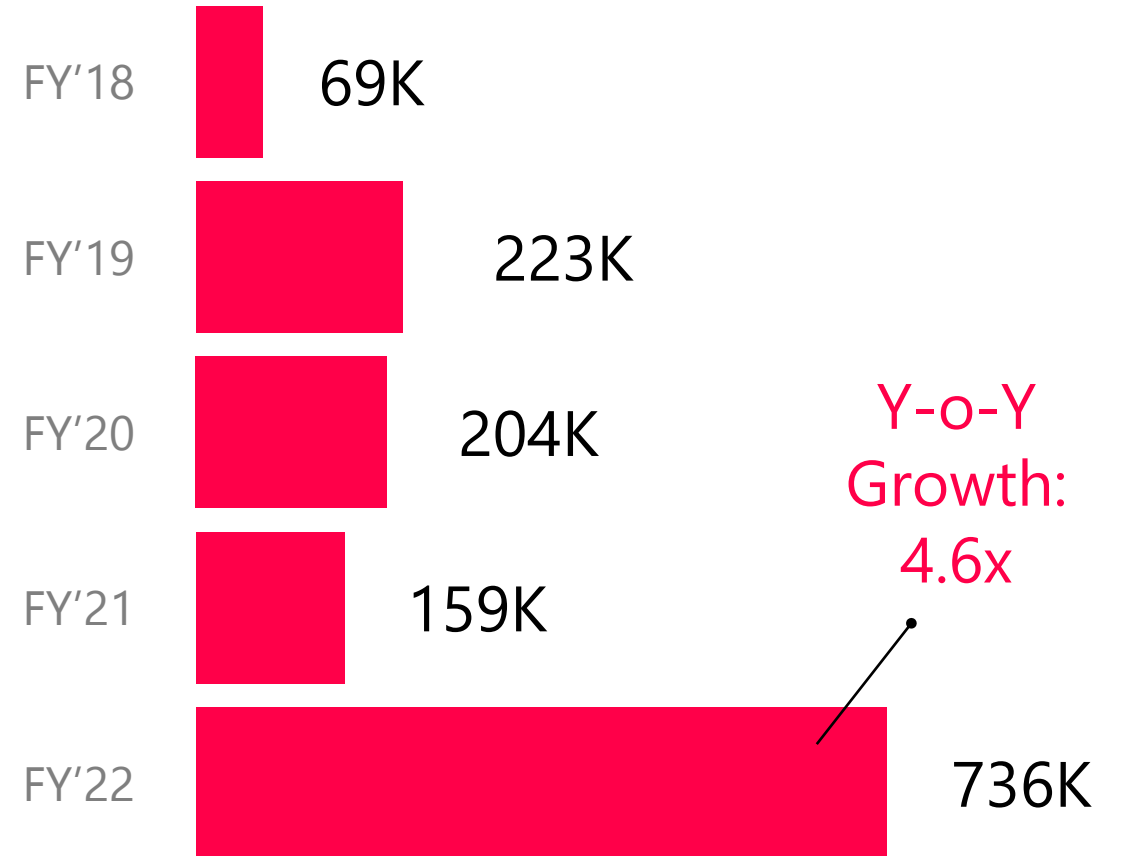
Focused acquisition
& fulfillment

From

2021

Mobilising
engagement &
cross-sell

Credit Cards



Credit Cards Portfolio – Q4 FY'22

30d Purchase
Active

51%

50%

Annualised
Spends

82K

161K

E-com
%

59%

*54%

Revolve %

27%

25%

Net NPA %

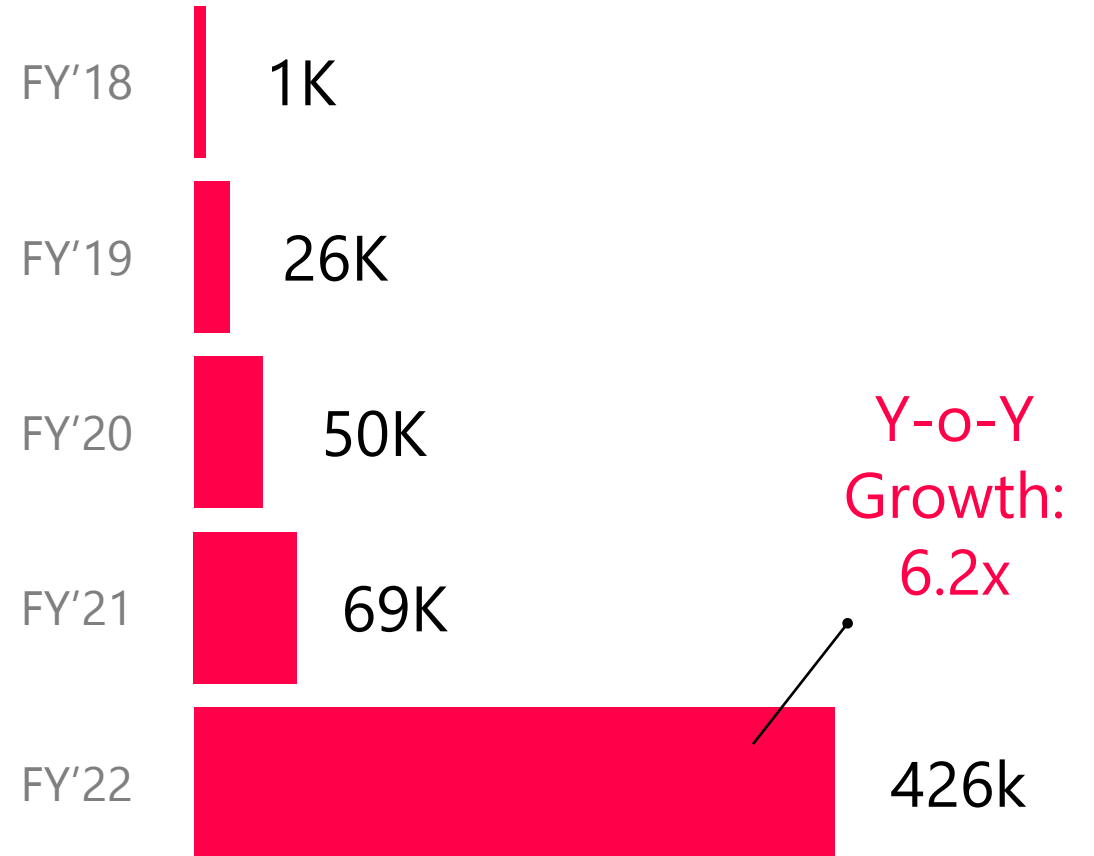
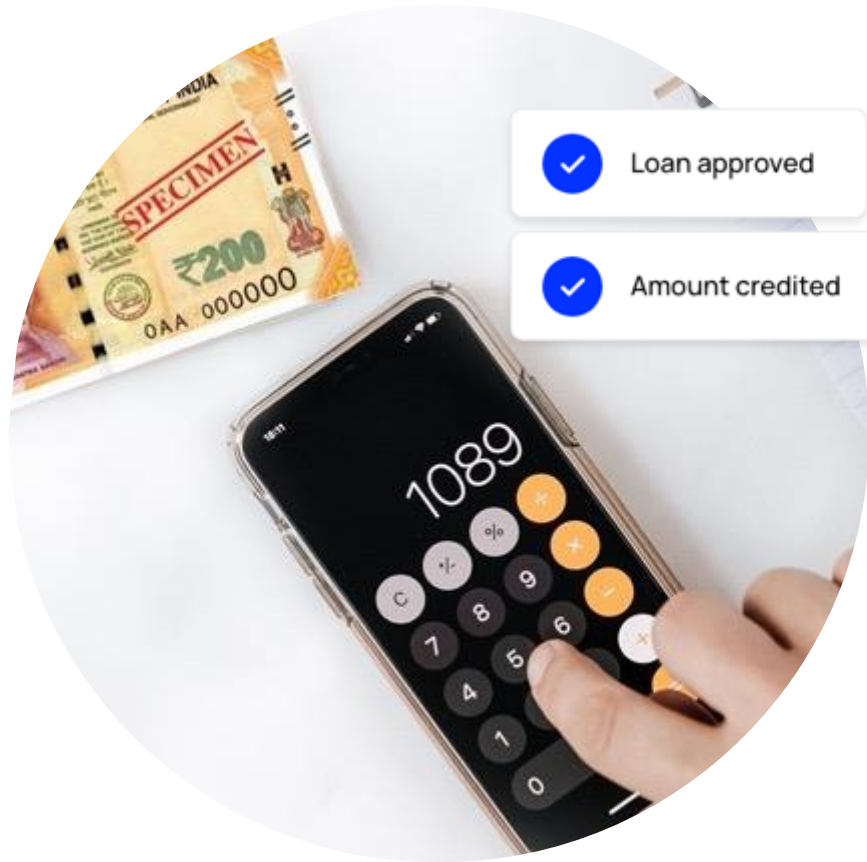
0.99%

0.78%

● Leading listed cards player

*Full year number for FY'22

Asset – Personal Loan & Consumer Finance



FY'18 number is sum of Q4 FY'18 only

Asset Growth

Multiple cohorts identified to drive asset cross sell in last 12 months

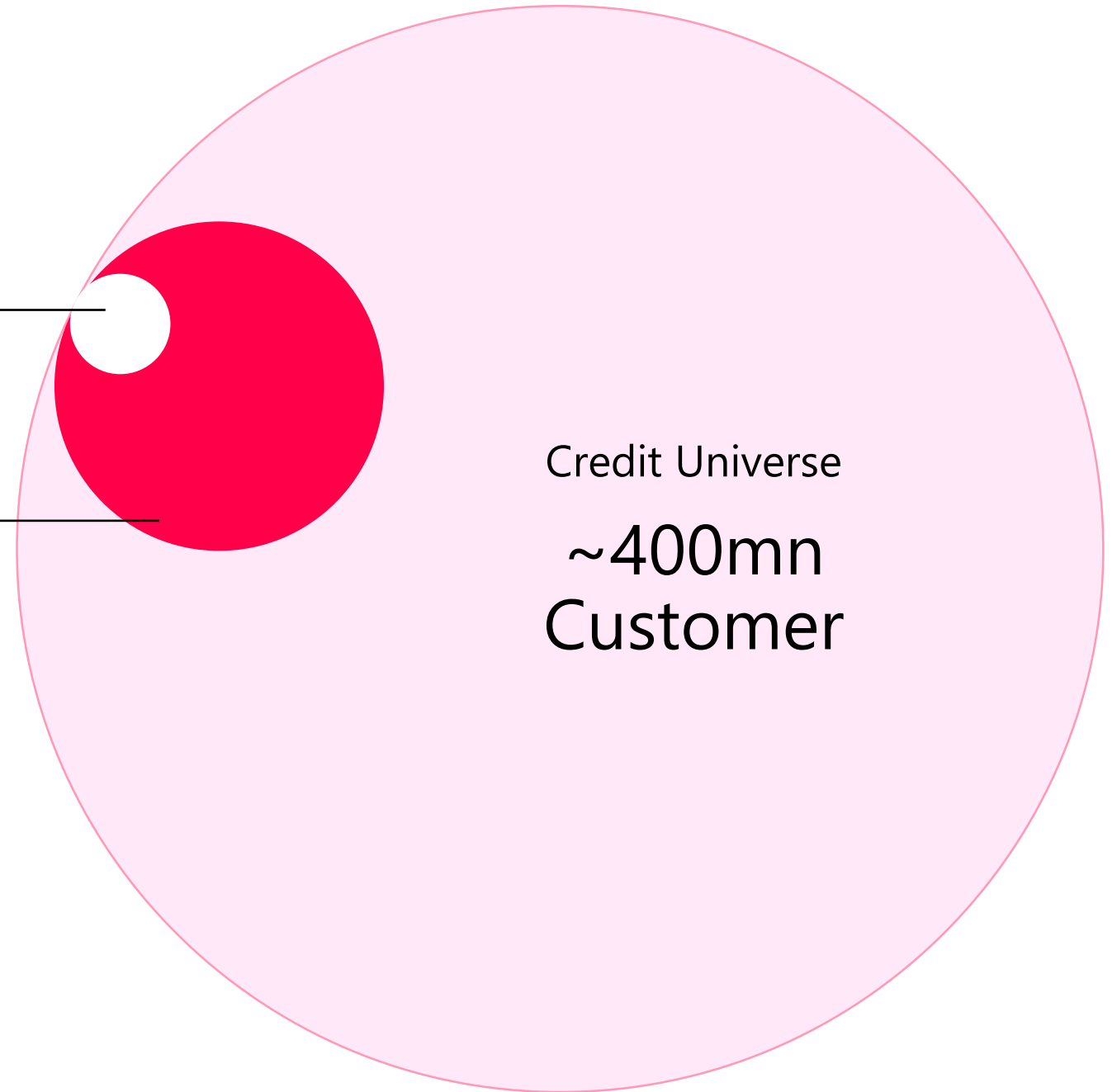
	Mar'21		Mar'22
Full KYC Savings A/C	8.3mn	↗ 1.5x	12.3mn
Pre-Approved Offers	1.1mn	↗ 4x	4.3mn
Asset Cross-Sell Units (CC / PL / CF)	0.23mn	↗ 5x	1.16mn

Cross-Sell units are full year numbers

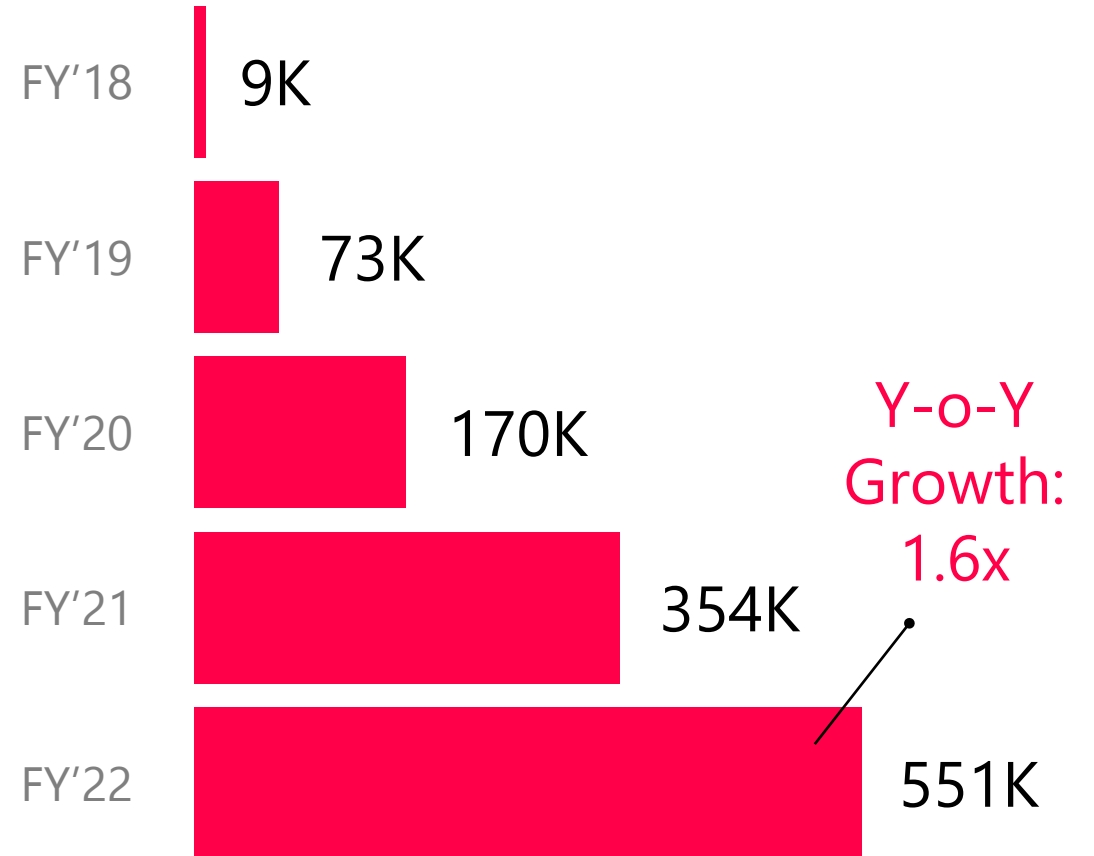
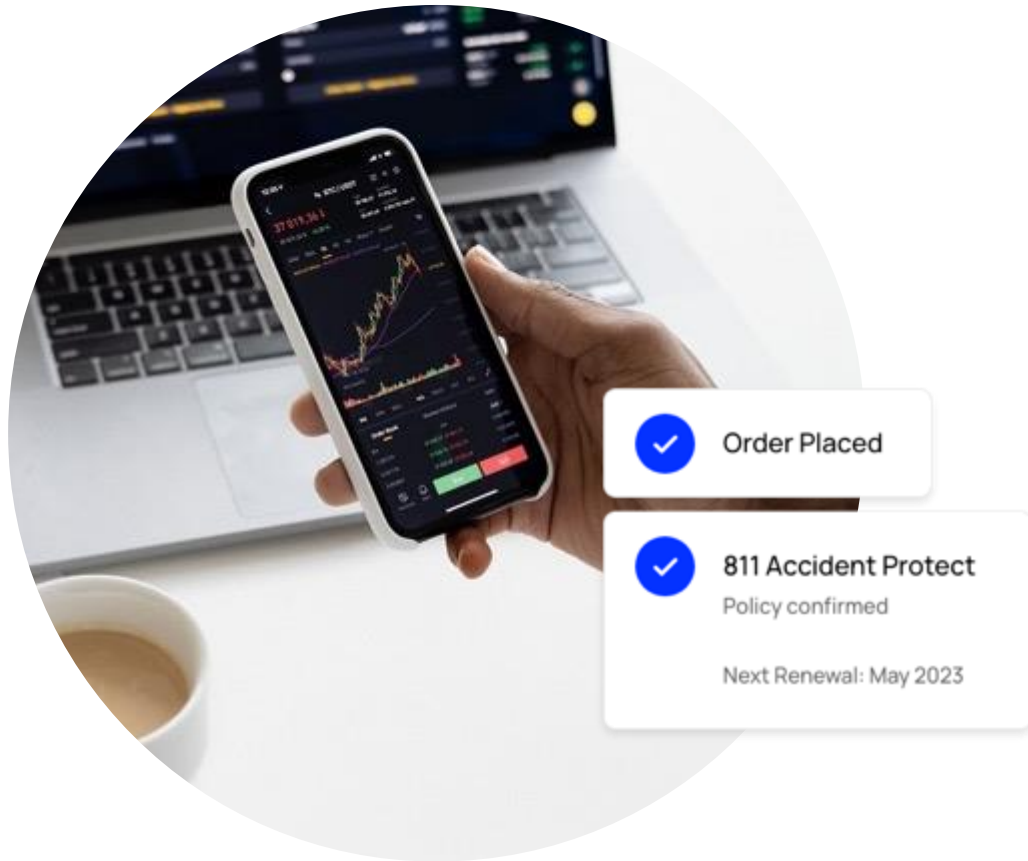
Asset Opportunity

1.2mn Asset
Cross Sell in FY'22 (CC, PL, CF)

Within 811, 6mn customer
with asset product



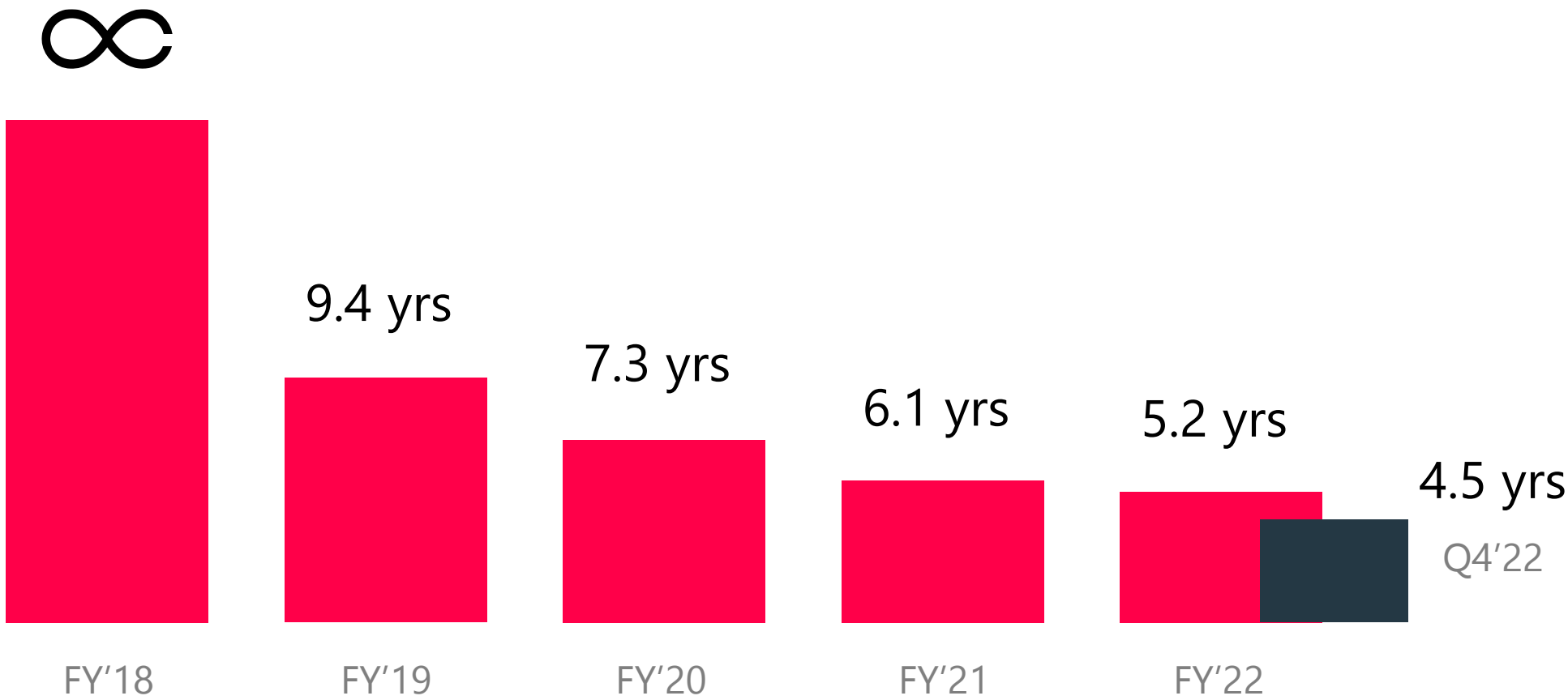
Insurance Policies & Trading Accounts



FY'18 number is sum of Q4 FY'18 only

Unit Economics

Breakeven per Full KYC Savings A/C has been improving despite rapid scale up



Note: Revised distribution income considered for Credit Cards & Personal Loans to reflect fair transfer pricing. Distribution income from cross-sell by non-811 channels to 811 customers also considered. One-time cost is for Acquisition for the period mentioned. Operating Income is from all Full KYC Savings A/C for the period mentioned.

Q4'22 Unit Economics

Q4'22		Per Full KYC Savings A/C
Total One-time Cost		~ ₹860
Operating Income	↗ 46% YoY	~ ₹190
Net of operating costs		

4.5 yrs

Fully costed breakeven



Cost is all inclusive – Physical, Digital, Marketing, Technology & others



On cross sell, 811 gets distribution fee. Manufacturing revenue in other parts of the Bank & Group

Note: Revised distribution income considered for Credit Cards & Personal Loans to reflect fair transfer pricing. Distribution income from cross-sell by non-811 channels to 811 customers also considered. One-time cost is for Acquisition for the period mentioned. Operating Income is from all Full KYC Savings A/C for the period mentioned.

Q4'22 Unit Economics

Q4'22

Per Full KYC
Savings A/C

Total One-time Cost

~ ₹860

Operating Income

↗ 46% YoY

~ ₹190

Net of operating costs

4.5 yrs

Fully costed breakeven



Branch Banking customer
breakeven ~5 years



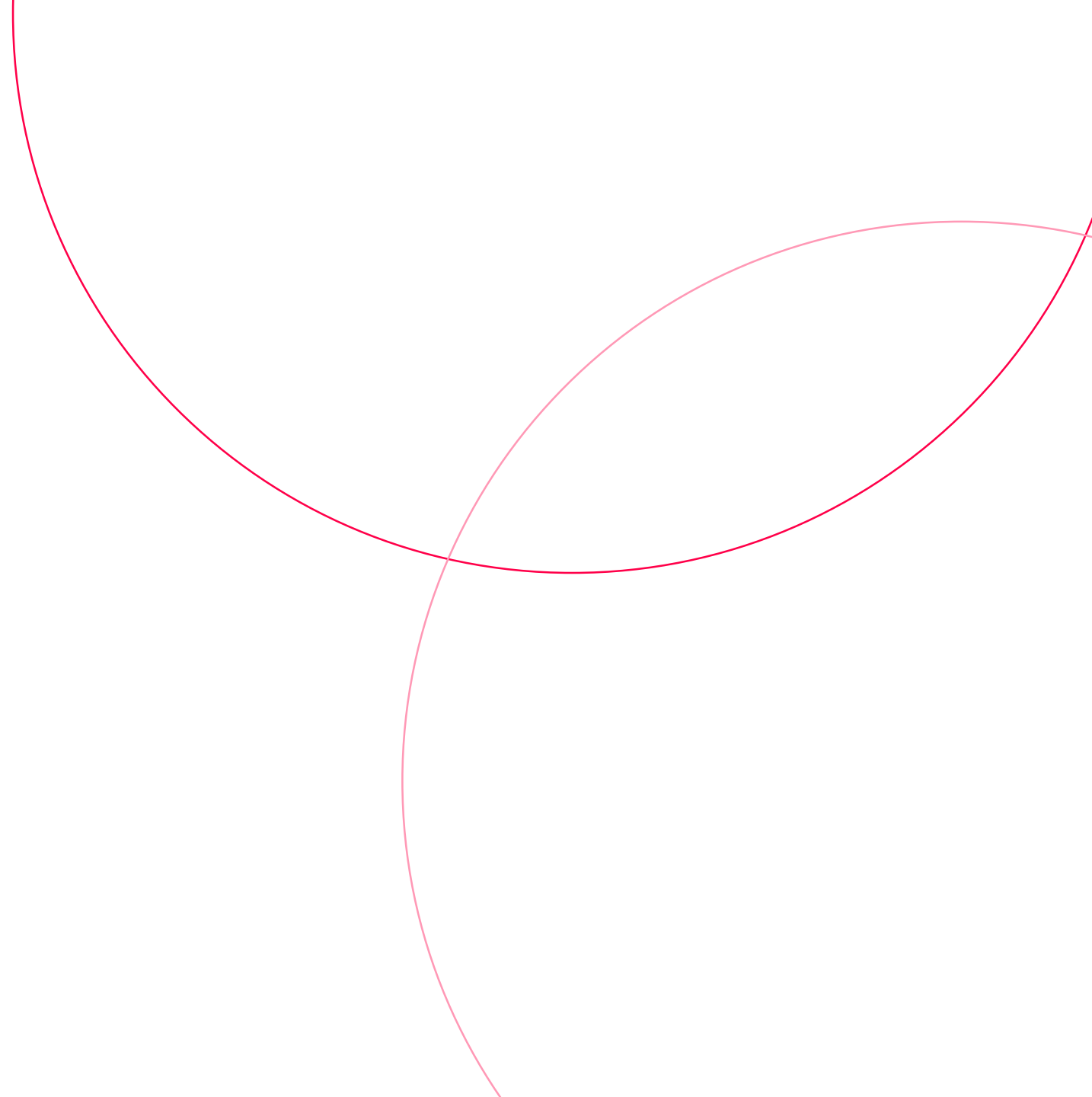
In rising interest rate scenario
breakeven periods come down

Note: Revised distribution income considered for Credit Cards & Personal Loans to reflect fair transfer pricing. Distribution income from cross-sell by non-811 channels to 811 customers also considered. One-time cost is for Acquisition for the period mentioned. Operating Income is from all Full KYC Savings A/C for the period mentioned.



Chapter 03

Engines for Kotak811

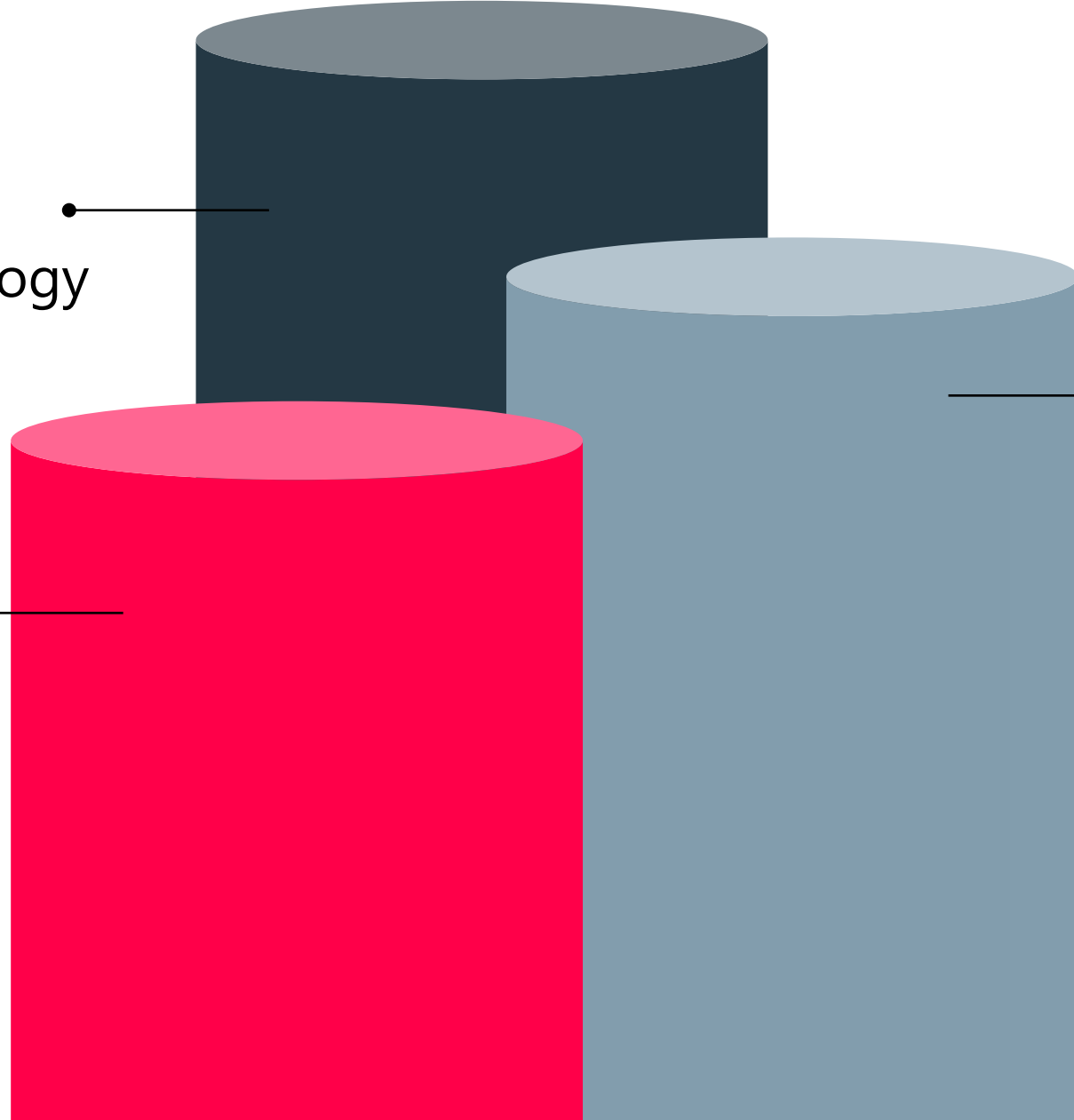


Engines for Kotak811

Agile
Technology

Customer
Obsession

Data
Science



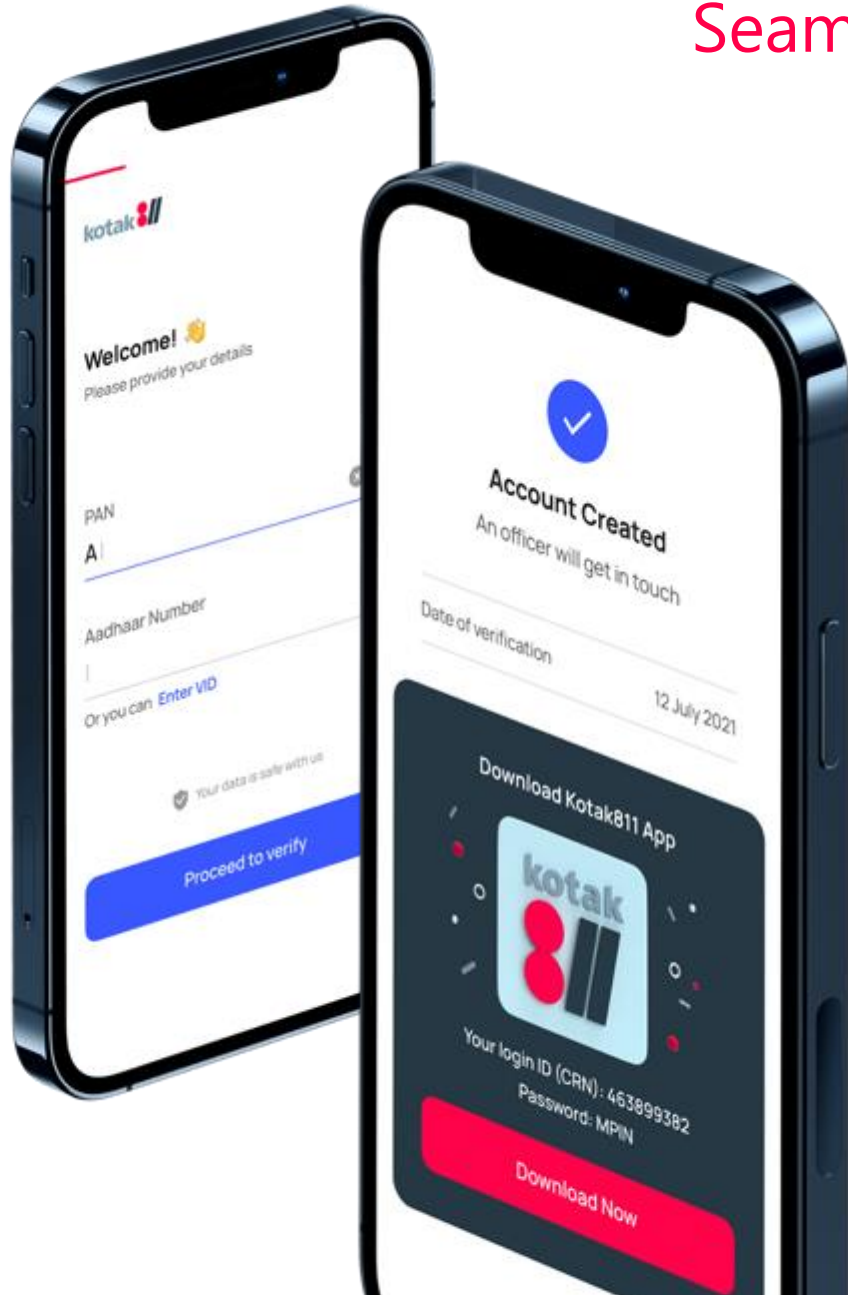
Customer Obsession

Customer Focus
is great.
Customer
Obsession is
even better.

Gibson Biddle



Seamless On-boarding



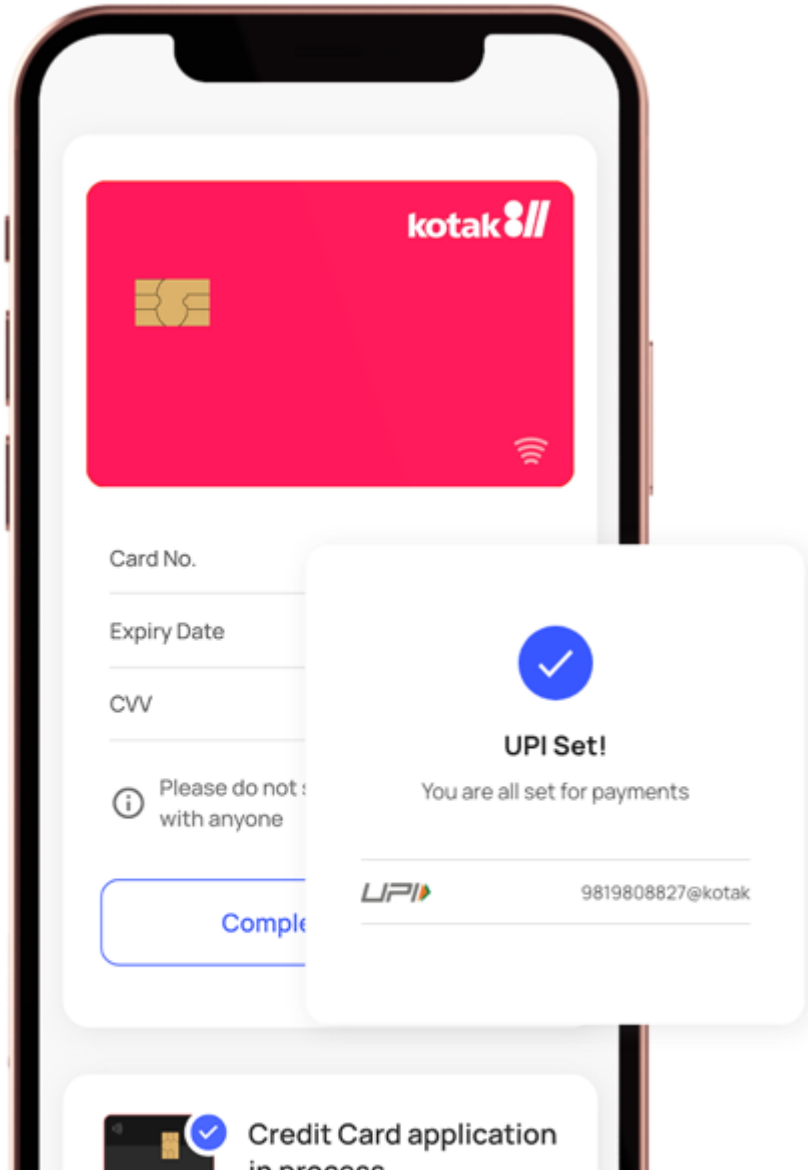
Get instant account

3 mins

KYC via video call

5 mins

Account Set Instantly



Instant set-up

UPI

Self help via
WhatsApp

Vernacular

On the fly

Credit Card

Service via branches,
call centre etc.

Personal Touch

Agile Technology

811 looks at banking with a software engineering lens



FROM . . .

Vendor Managed

On-prem solutions

Monoliths

Tightly coupled applications

Longer Cycles

Linear build, test, release

. . . TO

Cloud Native Solutions

Owned by in-house engineering team

Modular

API based micro-services solutions

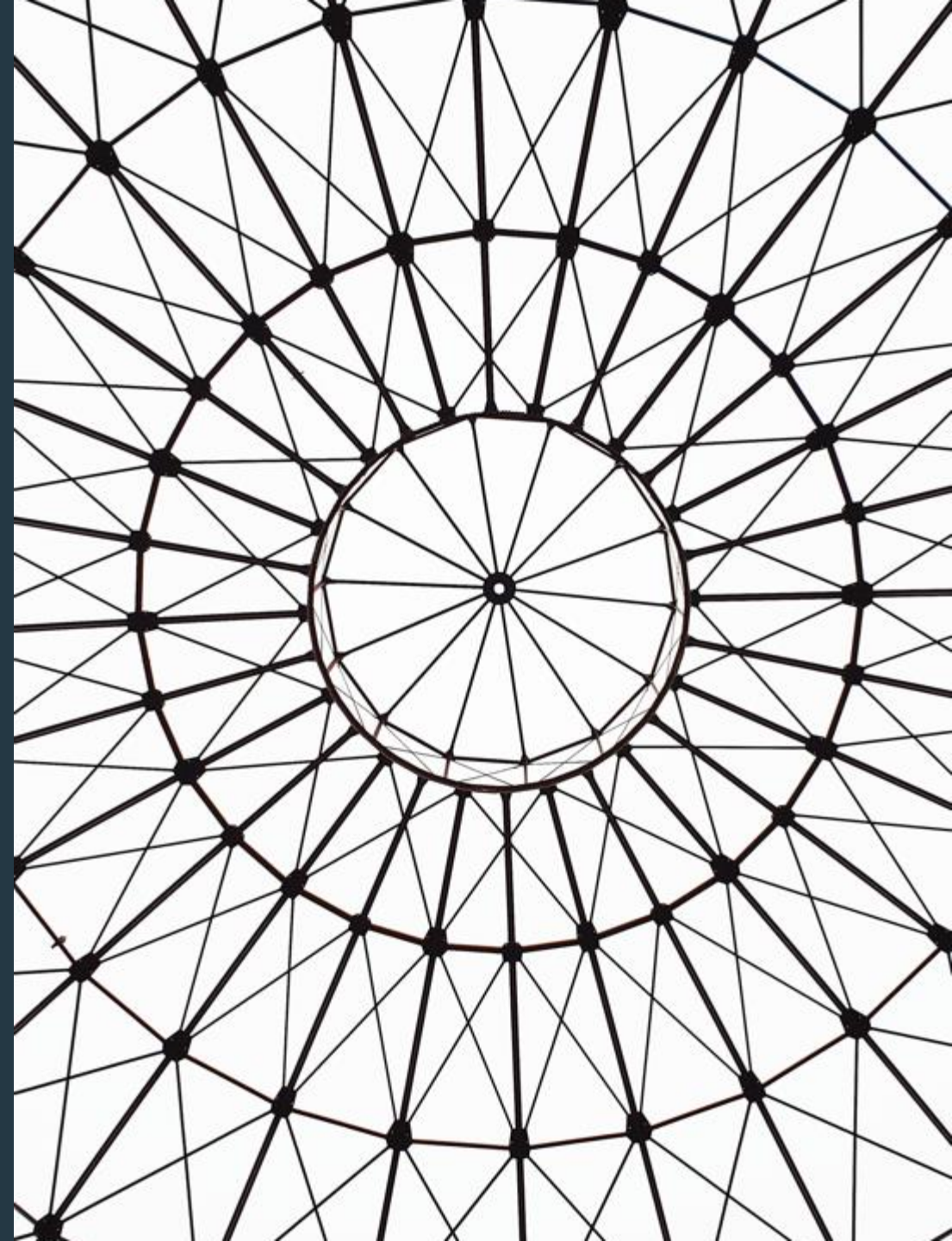
Devops  Deploy

Incremental faster releases

Data Science

Without big data analytics, companies are blind and deaf

Geoffrey Moore



Customer Insight Stack

◇ Customer

◇ Service

◇ Platform

Customer Layer

Product Holding

Demographics

Bureau Insights

A/C Transactions

Customer Insight Stack

◇ Customer

◇ Service

◇ Platform

Service Layer

Service Request

Call Center

Customer Complaints

Customer Insight Stack

◇ Customer

◇ Service

◇ Platform

Platform Layer

Pre-login Behaviour

Mobile App

Bot Interaction

Campaign Response

Customer Data Platform for 360° view



Real-time
Transaction
Analysis



AI / ML Based
Risk Profiling

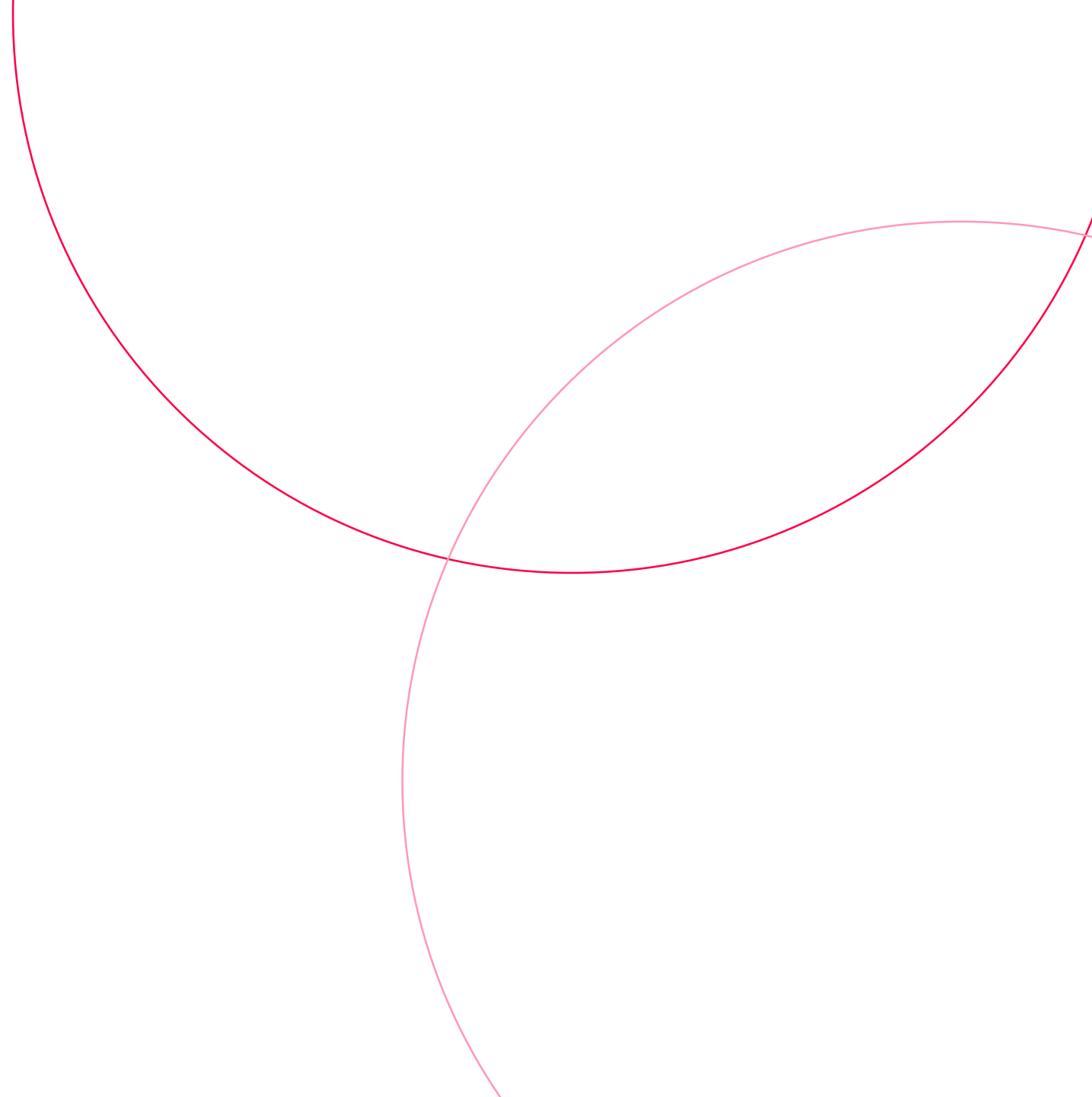


Personalised
Offerings



Chapter 04

Team



Young, Agile & Ambitious

~50%

Of today's 811 team are in engineering, data science, product & design



32.8 Yrs

Average age of the team of 104



Aditya, 36
Product & Portfolio



Amlan, 42
Engineering



Siddharth, 34
Strategy & Finance



Raghuvveer, 31
Data Science



Kushal, 37
Investment & Insurance



Ashita, 38
Assets



Ranjit, 43
Technology



Ritesh, 36
Product Design



Susmita, 38

HR



Moumita, 43

Service, Process & Risk



Srikrishna, 42

Digital Acquisition



Dushyant, 41

Channel



Tarun, 39

Contact Center



Shraddha, 44

Marketing (Consultant)



Jay, 32

Co-Head



Manish, 47

Business Head

In summary



Full Stack Digital Bank within Kotak

- 12.3 million users, ~50% Y-o-Y growth
- Agility and youth matched with experience and expertise

Technology & Data at our Core

- Rebuilding tech stack layer-by-layer
- ~50% of 811 Team are new-age skillsets

Valuable & Sticky Customers

- 4 year old customer cohort shows better average metrics than overall base

Strong Unit Economics Compounding at Scale

- 4.5 years breakeven and reducing
- 5 year learning curve so far

“I’ve missed more than 9,000 shots in my career. I’ve lost almost 300 games. 26 times, I’ve been trusted to take the game winning shot and missed. I’ve failed over and over and over again in my life, and that is why I succeed”



Michael Jordan

Basketball Player – Chicago Bulls

Kotak811, digital banking
for a billion Indians

Thank you!



References

Media update for 5 billion UPI transaction and 750 million smartphone users

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