

Investor Presentation

Q3FY23

Presentation on financial results for
the period ended 31st December, 2022

21st January, 2023



Consolidated Highlights Q3FY23



PAT

₹ 3,995 cr

₹ 3,403 cr



ROA

2.76%

2.60%



ROE

15.04%

14.81%



Customer Assets*

₹ 377,400 cr

₹ 309,042 cr



CAR#

23.2%

24.5%

CET I#

22.3%

23.6%



Book Value per Eq.
Share

₹ 540

₹ 467

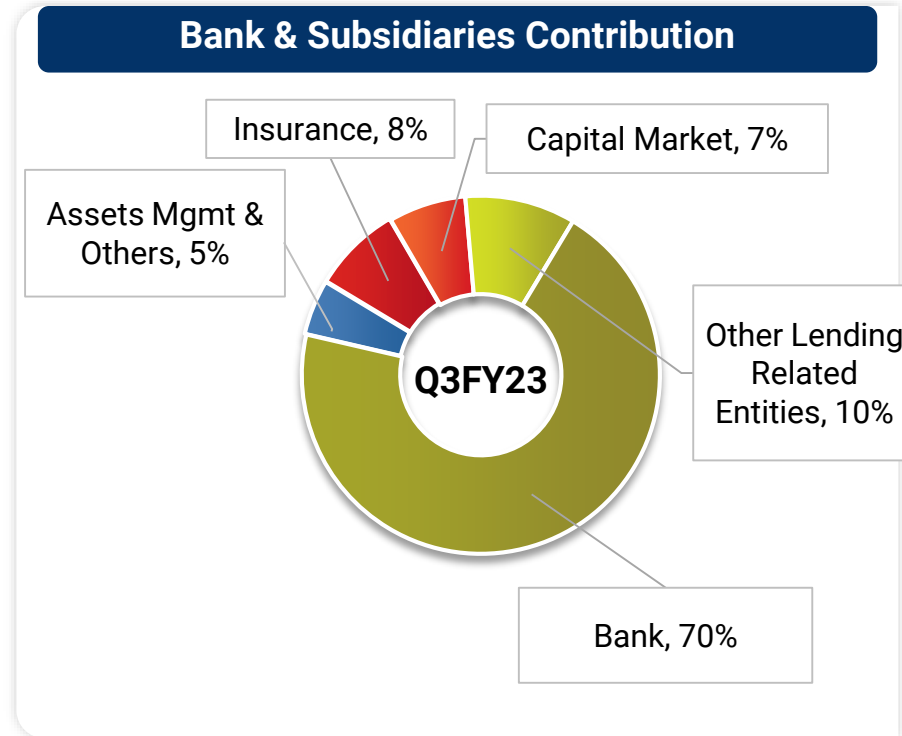
Figures in grey are Q3FY22 numbers

As per Basel III, including unaudited profits. Excluding profits CAR: 21.0%, CET I: 20.1% (31st Dec, 2021: CAR: 22.2%, CET I: 21.3%)

* Customer Assets comprise Advances and Credit Substitutes

Consolidated PAT

₹ cr	Q3FY23	Q3FY22	Q2FY23	FY22
Kotak Mahindra Bank	2,792	2,131	2,581	8,573
Kotak Mahindra Prime	225	254	222	886
Kotak Mahindra Investments	86	111	78	371
Kotak Securities	241	270	224	1,001
Kotak Mahindra Capital	28	103	22	245
Kotak Mahindra Life Ins	330	247	270	425
Kotak Mahindra General Ins	(27)	(17)	(17)	(83)
Kotak AMC and TC	150	149	106	454
International Subs	22	41	5	118
BSS Microfinance	82	26	70	83
Others	37	22	11	92
Bank & Subsidiaries	3,966	3,337	3,571	12,165
Affiliates	36	66	29	158
Inter co. Adjustments	(7)	0	8	(234)
Consolidated PAT	3,995	3,403	3,608	12,089



Entity-wise Capital & Reserves and Surplus

₹ cr	31-Dec-22	31-Dec-21	30-Sep-22
Kotak Mahindra Bank	79,936	69,617	77,076
Kotak Mahindra Prime	8,081	7,182	7,856
Kotak Mahindra Investments	2,715	2,388	2,629
Kotak Securities	6,926	6,039	6,685
Kotak Mahindra Capital	952	873	924
Kotak Mahindra Life Ins	5,122	4,122	4,792
Kotak Mahindra General Ins	396	279	348
Kotak AMC and TC	1,916	1,525	1,765
Kotak Infrastructure Debt Fund	467	441	460
International Subsidiaries	1,722	1,490	1,670
Kotak Investment Advisors	800	744	771
Other Entities	625	375	544
Total	109,658	95,075	105,520
Affiliates	1,314	1,153	1,278
Inter-company and Others	(3,302)	(3,087)	(3,220)
Consolidated Capital & Reserves and Surplus	107,670	93,141	103,578

Standalone Highlights Q3FY23



PAT

₹ 2,792 cr

₹ 2,131 cr



NII

₹ 5,653 cr

₹ 4,334 cr



NIM

5.47%

4.62%



CASA Ratio

53.3%

59.9%



Customer Assets[&]

₹ 339,313 cr

₹ 274,569 cr



Net NPA

0.43%

0.79%



Capital & Reserves

₹ 79,936 cr

₹ 69,617 cr



CAR[#]

21.7%

23.3%

CET I[#]

20.7%

22.2%

Figures in grey are Q3FY22 numbers

As per Basel III, including unaudited profits. Excluding profits CAR: 19.7%, CET I: 18.6% (31st Dec, 2021: CAR: 21.3%, CET I: 20.2%)

[&]Customer Assets comprise Advances and Credit Substitutes

Profit and Loss Account

₹ cr	Q3FY23	Q3FY22	Q2FY23	FY22
Net Interest Income	5,653	4,334	5,099	16,818
Other Income	2,100	1,364	1,955	6,354
<i>Fee and Services</i>	1,847	1,496	1,760	5,781
<i>Others</i>	253	(132)	195	573
Net Total Income	7,753	5,698	7,054	23,172
Employee Cost	1,478	1,200	1,415	4,582
Other Operating Expenses	2,425	1,797	2,071	6,539
Operating Expenditure	3,903	2,997	3,486	11,121
Operating Profit	3,850	2,701	3,568	12,051
Provision On Adv/Receivables (net)	187	216	181	1,513
General provision - COVID related	(38)	(279)	(44)	(732)
Provision On Investments	-	(68)	-	(91)
Provision & Contingencies	149	(131)	137	690
PBT	3,701	2,832	3,431	11,361
Provision For Tax	909	701	850	2,788
PAT	2,792	2,131	2,581	8,573

*On fixed income book, net of OIS

Notes for Q3FY23



Trading and MTM hit* Q3FY23: ₹ 51 cr;
(Q3FY22: ₹ 477 cr, Q2FY23: ₹ 63 cr, FY22: ₹ 1,163 cr)



AFS+HFT book as % of Investment book: 68%



Modified duration of AFS +HFT*: 1.1 years

Fees & Services

₹ cr	Q3FY23	Q3FY22	Q2FY23	FY22
Distribution & Syndication Income	286	230	258	1,102
General Banking Fees	1,516	1,221	1,455	4,511
Others	45	45	47	168
Fees and Services	1,847	1,496	1,760	5,781

Asset Quality

₹ cr	31-Dec-22	31-Dec-21	30-Sep-22
GNPA	5,995	6,983	6,210
NNPA	1,345	2,004	1,630
GNPA (%)	1.90%	2.71%	2.08%
NNPA (%)	0.43%	0.79%	0.55%
PCR (excl standard and COVID prov)	77.6%	71.3%	73.7%



Credit cost on advances for Q3FY23 (annualised):
27 bps (incl std prov; excl reversal of COVID & restructuring)
(Q2FY23: 26 bps, Q3FY22: 33 bps)



Slippages for Q3FY23
₹ 748 cr (0.2% of Advances),
(₹ 983 cr Q2FY23),

Of ₹ 748 cr, ₹ 171 cr got upgraded within Q3FY23

- Recoveries and upgrades during the quarter: ₹ 874 cr
- SMA2^ O/s as on 31st Dec, 2022: ₹ 191 cr [30th Sep, 2022: ₹ 119 cr]
- No sale of any loans during the period
- Standard Restructured FB o/s under various frameworks: COVID: ₹ 281 cr; MSME: ₹ 484 cr [0.25% of Advances]
- Total provisions held: ₹ 6,570 cr
 - COVID-19 provision of ₹ 400 cr (₹ 38 cr reversed in Q3FY23)
 - Restructuring provision of ₹ 185 cr, maintaining higher than regulatory requirement

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

Balance Sheet

₹cr	31-Dec-22	31-Dec-21	30-Sep-22
Capital & Reserves and Surplus	79,936	69,617	77,076
Deposits	344,666	305,286	325,203
CA	63,601	57,097	60,162
Fixed rate SA	114,072	117,011	114,351
Floating rate SA	5,906	8,811	8,097
Term Deposits	161,087	122,367	142,593
Of which: TD Sweep	23,891	23,111	23,113
Borrowings	21,528	27,560	18,660
Other Liabilities and Provisions	18,654	15,684	21,056
Total Liabilities	464,784	418,147	441,995

₹cr	31-Dec-22	31-Dec-21	30-Sep-22
Cash, Bank and Call	26,136	46,152	31,510
Investments	112,219	105,844	98,862
Government Securities	79,202	79,776	67,201
Credit Substitutes	28,579	21,634	27,301
Others	4,438	4,434	4,360
Advances	310,734	252,935	294,023
Fixed Assets and Other Assets	15,695	13,216	17,600
Total Assets	464,784	418,147	441,995

Customer Assets

₹ cr	31-Dec-22	31-Dec-21	30-Sep-22	YoY	QoQ
Home Loans & LAP	89,112	68,871	85,843	29%	4%
Consumer Bank WC (Secured)	28,940	24,053	28,181	20%	3%
PL, BL and Consumer Durables	14,542	8,580	13,197	69%	10%
Credit Cards	9,159	4,948	7,903	85%	16%
CV/CE	25,814	20,388	24,604	27%	5%
Agriculture Division	26,128	22,584	25,002	16%	5%
Tractor Finance	12,986	10,129	12,015	28%	8%
Retail Micro Finance	5,338	2,416	4,444	121%	20%
Corporate Bkg	69,987	68,529	65,524	2%	7%
SME	23,154	18,560	22,310	25%	4%
Others	5,574	3,877	5,000	44%	11%
Total Advances	310,734	252,935	294,023	23%	6%
Credit Substitutes	28,579	21,634	27,301	32%	5%
Total Customer Assets	339,313	274,569	321,324	24%	6%

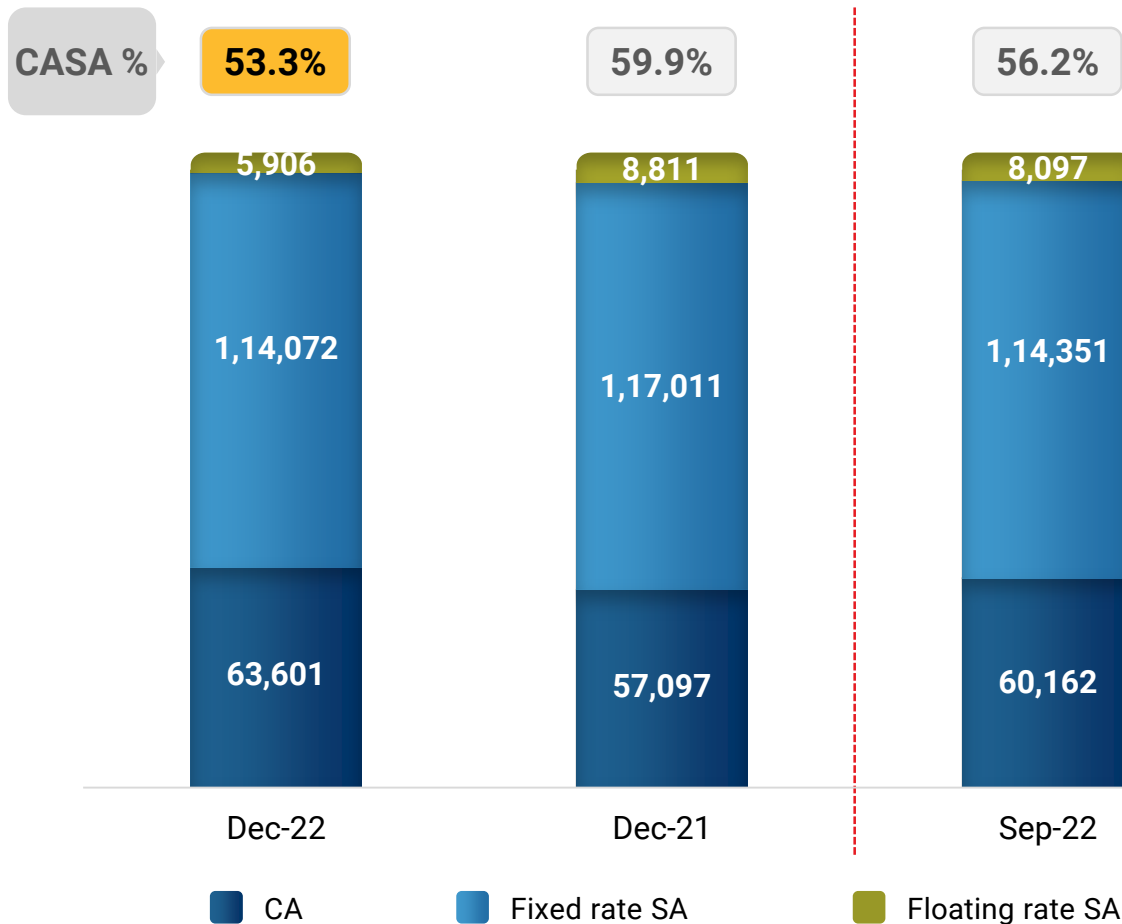
Composition of Advances	31-Dec-22
Floating	69%
EBLR (repo-linked)	55%
MCLR/Base rate/Others	14%
Fixed rate (basis cash flows)	31%
< 1 year	9%
> 1 year	22%

Floating + Fixed rate book < 1 year: 78%

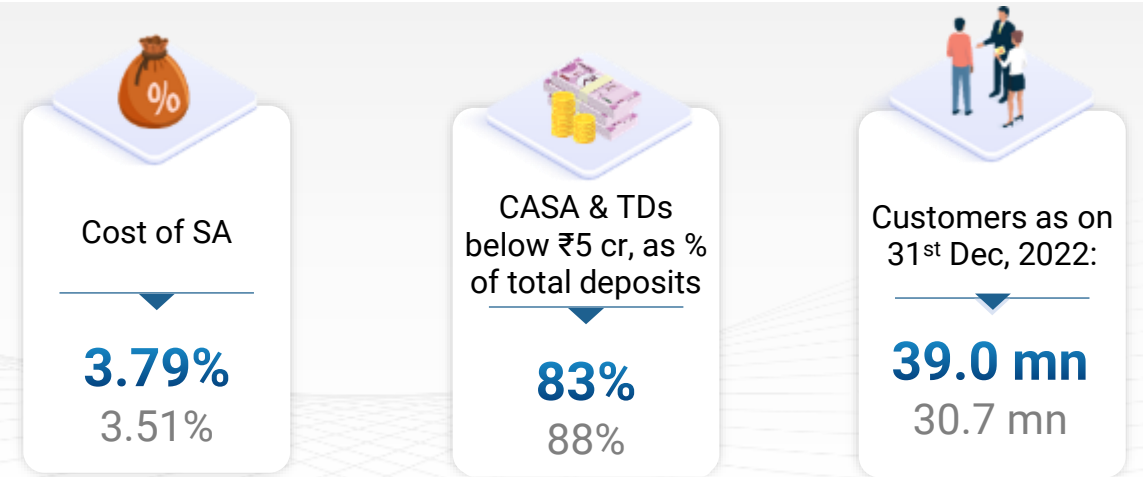
Unsecured retail advances (incl Retail Micro Finance): 9.3% of Advances
(31st Dec, 2021: 6.3%)

Deposit

CASA (₹ cr)



Avg	Q3FY23	YoY %	Q3FY22
Current Account	56,372	10%	51,390
Fixed rate SA	112,145	-1%	113,276
Term Deposit	151,470	22%	124,440





Adoption & Cross-sell

90% RDs and **79%** FDs booked digitally

94% investment a/cs sourced via App & Netbanking

56% of MF/SIPs booked through digital channels

84% Requests are serviced digitally

Payments

1.9X YoY UPI transactions within Mobile App

1.4X YoY UPI acquiring transaction volume

2.6X YoY Pay Your Contact transactions

API Banking

32 new partners made live in Q3FY23

55 public APIs live

1.3x YoY API transaction volume

Journeys

DIY Journey for New to Bank Credit Card customers with real-time checks, Video KYC, Instant card generation

DIY Journey for Existing to Bank & New to Bank Customers for Personal Loans

Dispute raising through WhatsApp and Keya chatbot

Raise and track loan service requests on Mobile Banking

Over 98% of savings account transaction volumes were in digital or non-branch modes in Q3FY23

Kotak Mobile Banking App

SuperApp for all financial needs

Key launches in the app in Q3

1

Revamped
deposits
journey

2

UPI Collect
request on
Home page

3

DIY onboarding
journeys for Non
customer

4

PMJJBY
& PMSBY

5

Insta Life cover

6

Revamped
OneView

4.8

Among the top
rated banking
apps on iOS

4.3

Among the top
rated banking
apps on Android

1.3X

90 day
active Users
YoY

1.9X

Transaction
Volume YoY

1.1X

Transaction
Value YoY



Keya Chatbot

50 SRs / Enquiries live

10.6 Mn FAQ's Handled

1.3X YoY queries handled successfully

WhatsApp Banking

56 Services live

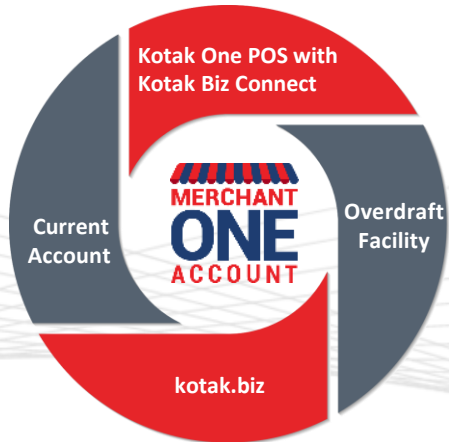
1.1X 90 day active users YoY

3.9X YoY queries handled successfully

Retail Assets

1.4X Unique Customers visiting Loans
Section QoQ

Merchant & Business Banking



Merchant One Account

All In One Current Account for MSMEs

Helps MSMEs store owners to collect payments in all modes, generate bill, create customer database, give offers, track payment, manage inventories, place order and more – all digitally

Offers on non-banking needs of SMEs

Curated offers across categories like Business Management and Marketing, Enterprise Resource Planning, Taxation and legal, Supply Chain and Logistics, etc

Business Banking Key Metrics

8.5x customers digitally availed BL YoY

1.7x Digital Sourcing of CA QoQ

Supply Chain Finance solution for MSMEs

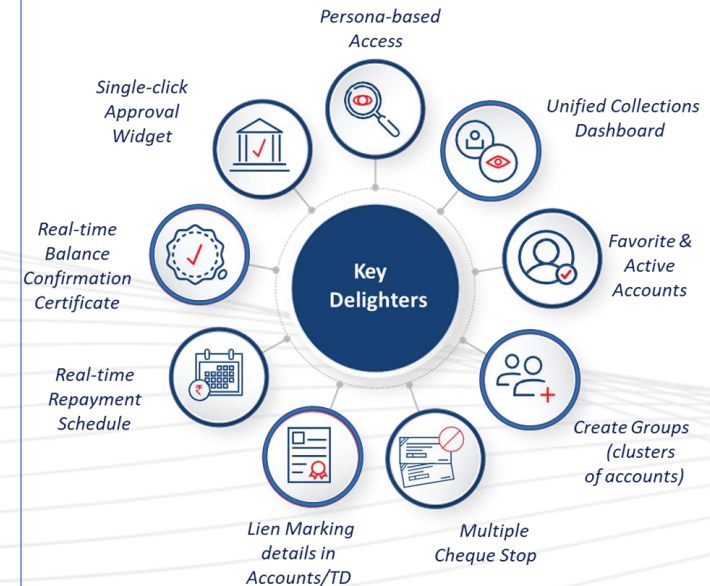


Key Features

Buy-now pay-later (BNPL) services to distributors and retailers on Actyv.ai's platform

- Addresses critical pain point of SMEs - working capital on demand
- API based, real-time funding
- Automated disbursements

FYN – Now also live on Account Services & Collections



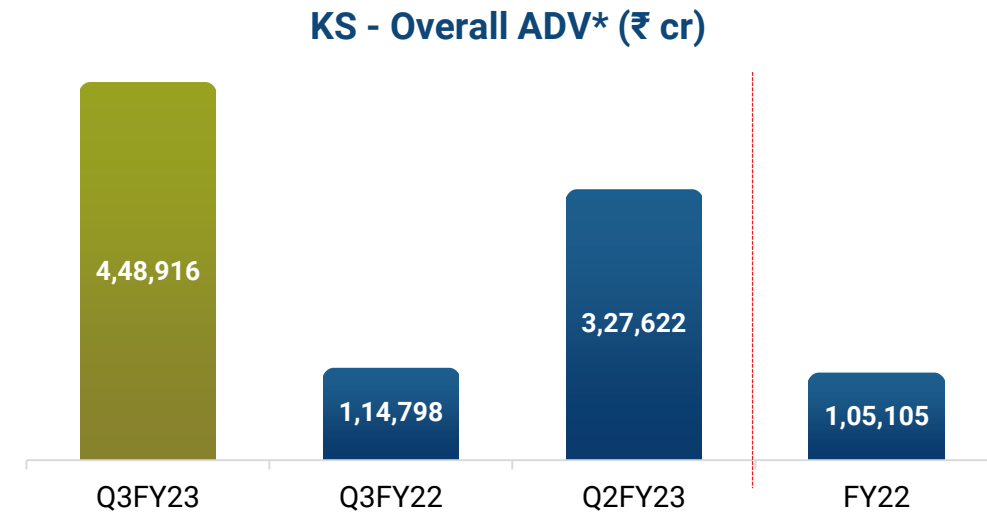
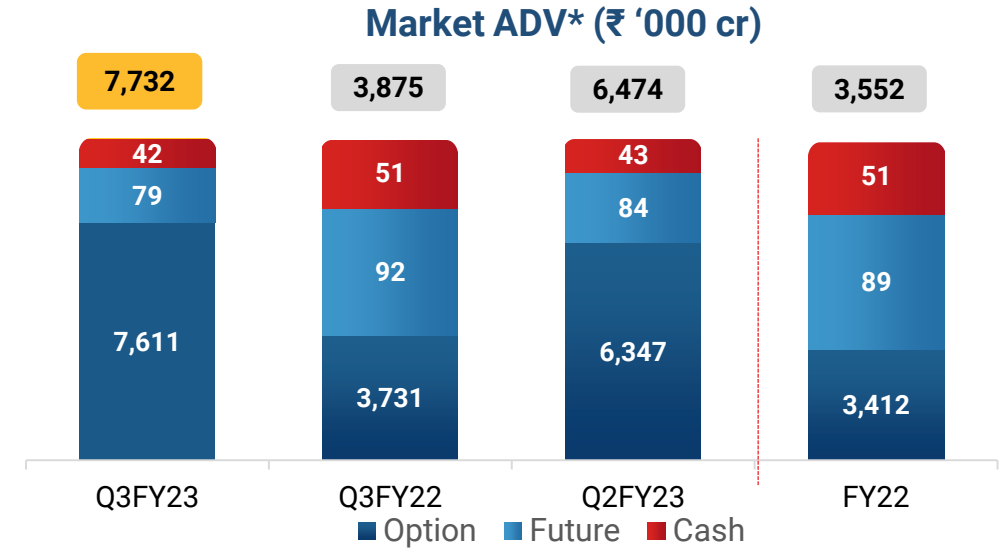
Transaction Banking-Key Launches

- Floating Rate Deposits
- Corporate Loan Origination System
- UPI Third Party Validation Solution

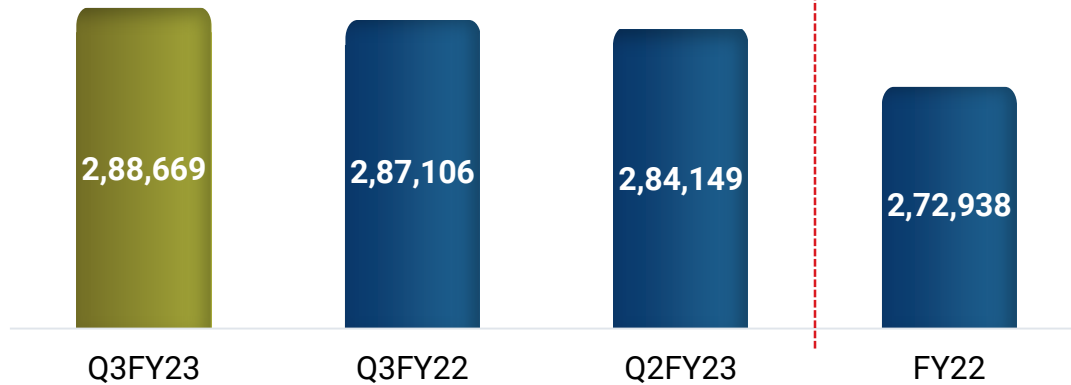
₹ cr	Q3FY23	Q3FY22	Q2FY23	FY22
Total Income	646	656	631	2,502
Profit Before Tax	319	359	298	1,334
Profit After Tax	241	270	224	1,001
Market Share Cash* (%)	10.1	10.4	11.2	10.6
Overall Market Share* (%)	5.8	3.0	5.1	3.0

1,447 branches, franchises and referral co-ordinators

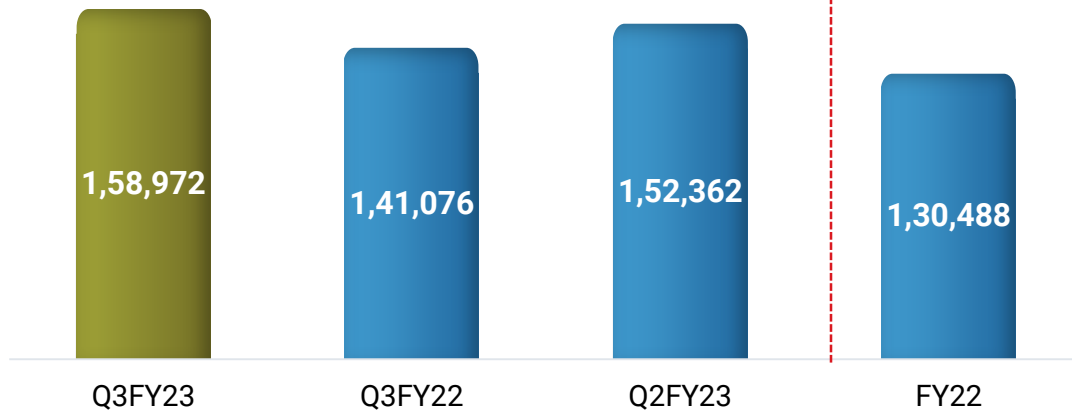
*excluding BSE Derivative & Proprietary Segments



Average Assets Under Management (₹ cr) - Overall



Average Assets Under Management (₹ cr) - Equity



₹ cr	Q3FY23	Q3FY22	Q2FY23	FY22
Profit Before Tax	192	192	143	601
Profit After Tax	150	149	106	454

Notes

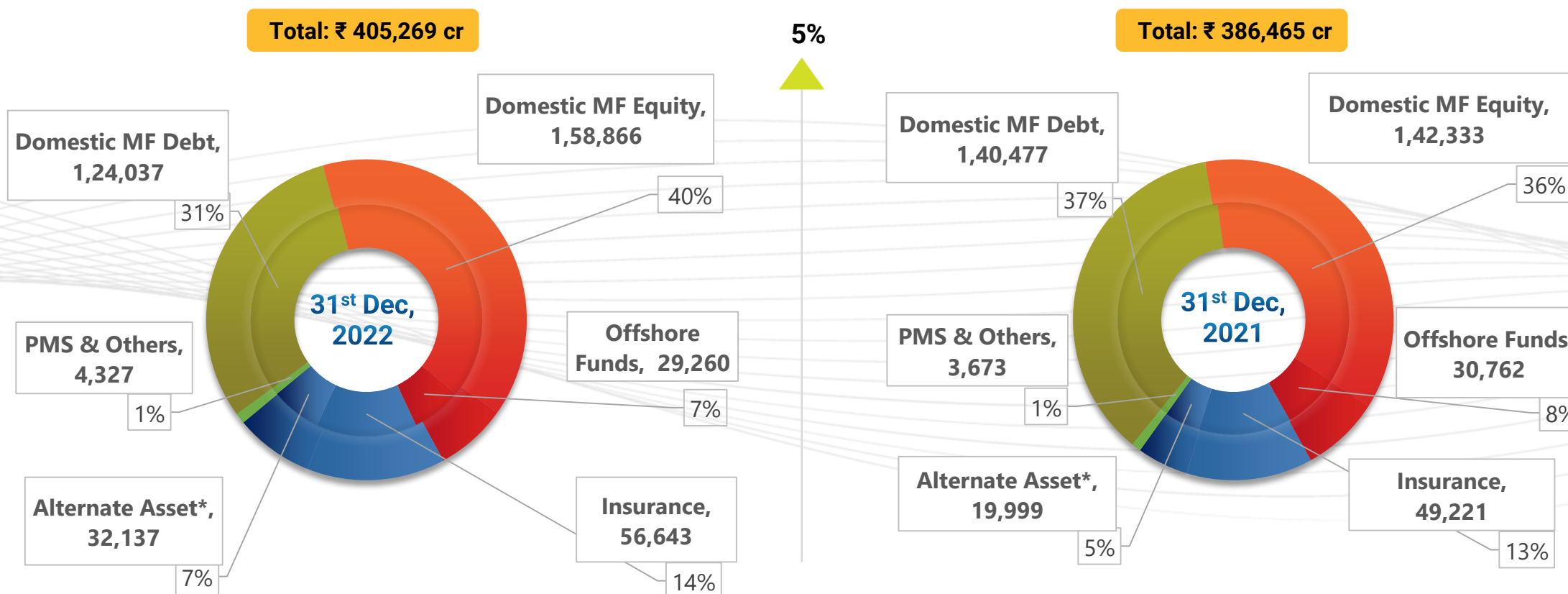
Investment profit (pre tax)
₹ 37 cr in Q3 FY23
(₹ 43 cr in Q3 FY22)

Equity(Ex ETF & Arb)
AAUM Market share
6.40% in Q3FY23
(Q3FY22: 6.14%)

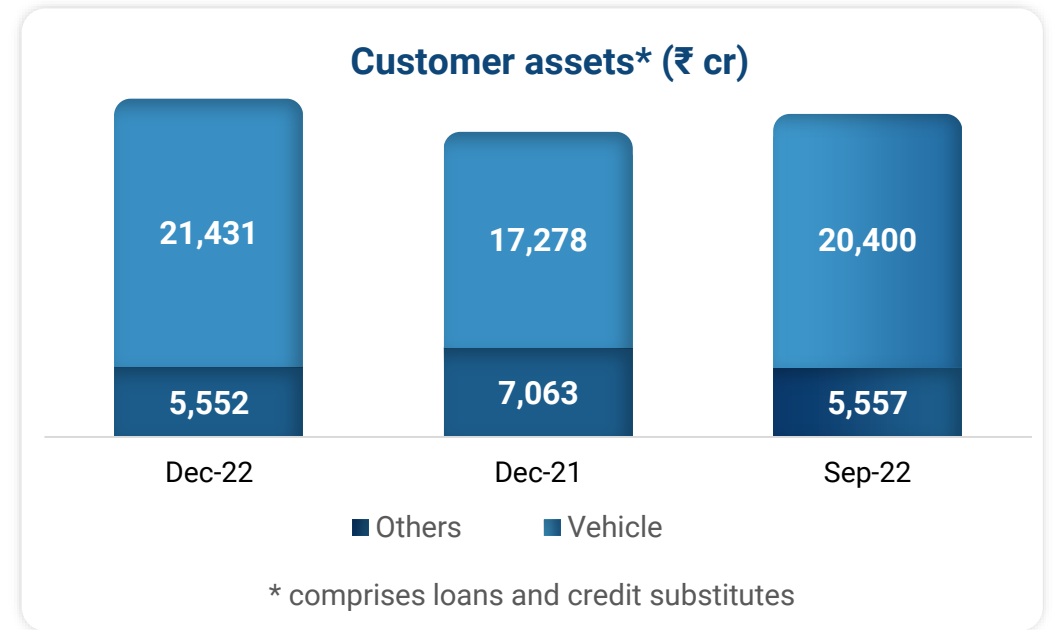
Individual MAAUM
Mix- 55%

Monthly SIP Inflows
for Dec'22: ₹ 8.2 bn,
up 19% YoY

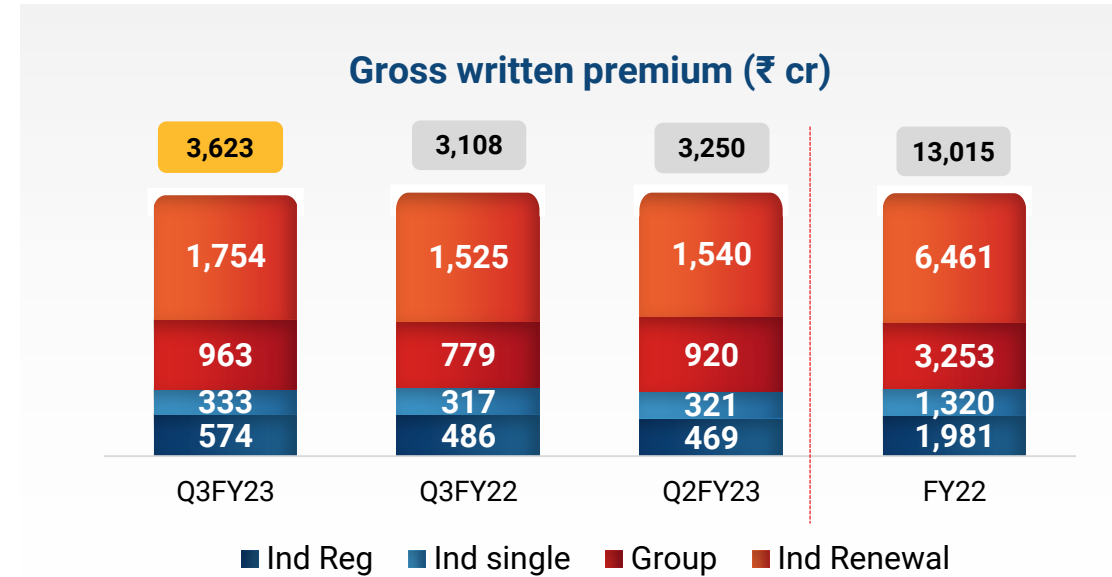
Assets Under Management



₹ cr	Q3FY23	Q3FY22	Q2FY23	FY22
NII	420	375	421	1,457
Other Income	105	119	83	331
NII and Other Income	525	494	504	1,789
Profit Before Tax	302	337	298	1,180
Profit After Tax	225	254	222	886
NNPA (%)	1.1%	2.1%	1.3%	1.7%
CAR (%) (incl unaudited profits)	29.2%	28.8%	30.1%	30.1%
ROA (%) - annualised	3.0%	3.9%	3.2%	3.4%



₹ cr	Q3FY23	Q3FY22	Q2FY23	FY22
Capital	562	562	562	562
Other Reserves and Surplus	4,560	3,560	4,230	3,827
Total Premium	3,623	3,108	3,250	13,015
Profit After Tax (Shareholders')	330	247	270	425
Solvency Ratio (x)	2.88	2.66	2.79	2.73



Gross written premium Q3FY23 grew 16.6% YoY

Individual APE NB premium for Q3FY23 grew 17.3% (Private industry growth of 15.6%)

Overall protection premium for Q3FY23 grew 40.8% YoY.

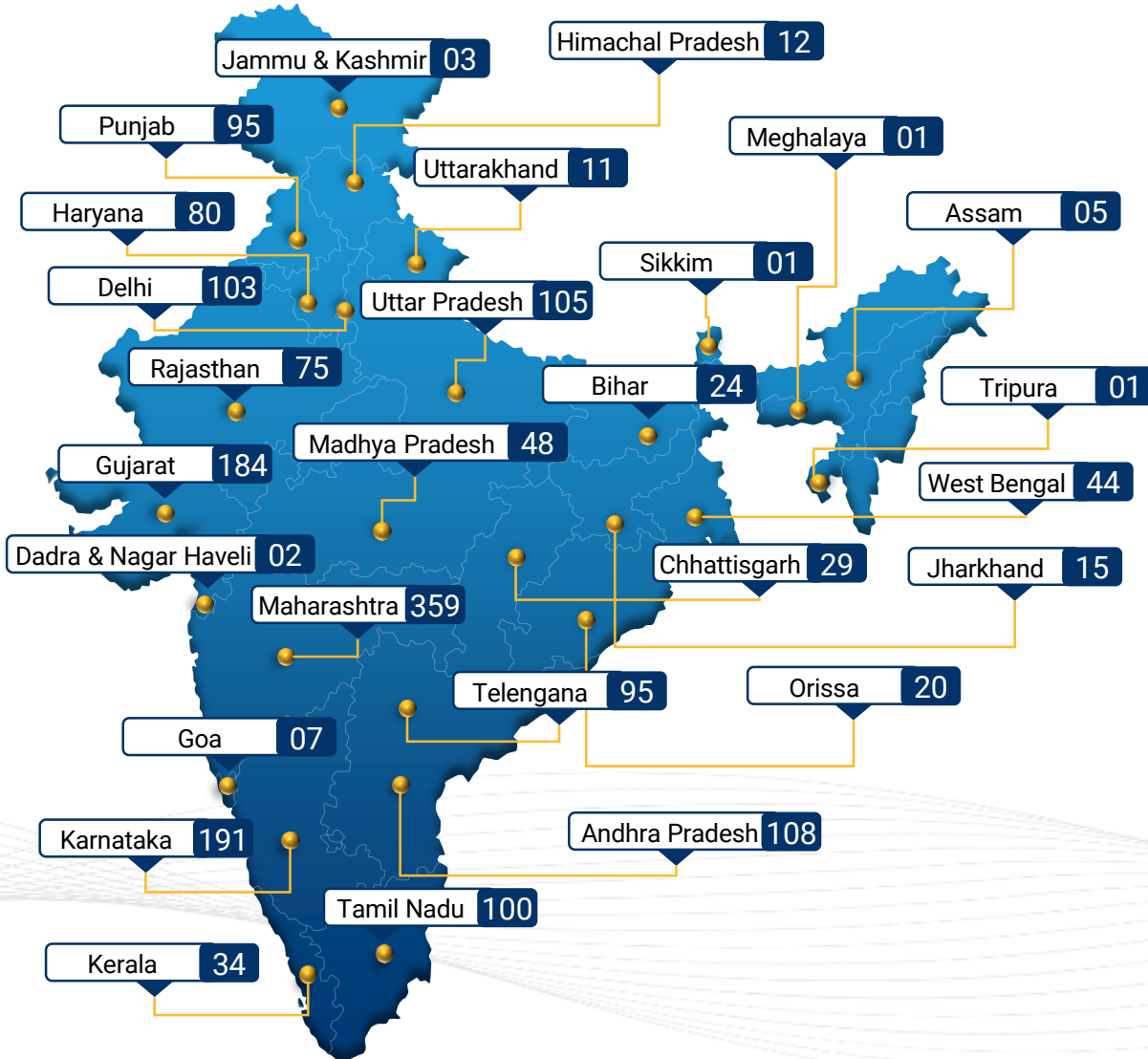
AUM (Policyholders') as on 31st Dec, ₹ 56,643 cr, growth 15.1% YoY.

Death claims at pre Covid level. Death Claims net of reinsurance Q3FY23 amounted to ₹ 329 cr (Q3FY22: ₹ 366 cr)

Number of active lives# grew by 28.8% from 3.4 cr as on Dec 31, 2021 to 4.4 cr as on Dec 31, 2022

Geographical presence

Branches distributed across various geographies



Branches
1,752* [No. / %]

West
552 / 32%

North
532 / 30%

South
528 / 30%

East
140 / 8%



**Branch
Classification**

Metro
45%

Urban
21%

Semi Urban
18%

Rural
16%



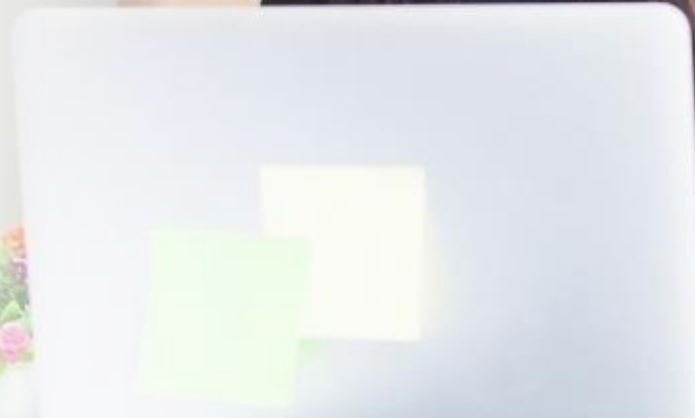
No. of ATMs#

2,814

* Does not include branches in DIFC, Dubai & GIFT city, Gujarat

including cash recyclers

GROUP PROFILE



The Journey So far...

Ability to Identify and Capitalize on Opportunities



1985

Bill Discount



1990

Auto Finance



1991

Investment
Banking



1992

IPO



1998

Mutual Funds



2000

Life Insurance*



2001

Securities



2003

BANK



2022

Cherry



2022

Kotak Fyn



2020

Digital Video
KYC



2019

First
International
Branch



2017

Microfinance
Digital Bank - 811
Kotak IDF



2014

ING Vysya Merger
General Insurance



2008

ARC



2004

Alternate
Assets



Rating for Bank, KMP, KMIL, KS, KIAL

* License to commence was in 2001

Kotak - Diversified and integrated financial services



Commercial Bank & Parent Company



Note: All subsidiaries are 100% owned beneficially by the Bank

Present Across the Entire Value Chain

Platform with Wide Product Portfolio



Wholesale Banking

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



Commercial Banking

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



Consumer Banking

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



Other Financial Services

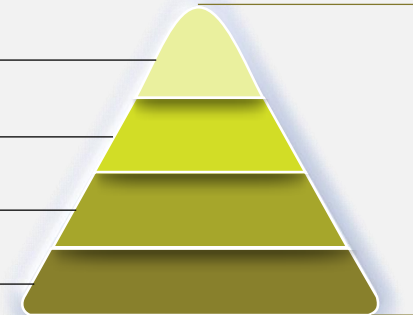
- Private Banking
- Car and 2W Loans
- Mutual Funds
- Alternate Assets
- Off-shore Funds
- Life Insurance
- General Insurance
- Investment Banking / DCM
- Broking
- Infra Debt Finance
- Asset Reconstruction

Deposits across all customer segments

Wide Customer Coverage

Corporate & Institutional

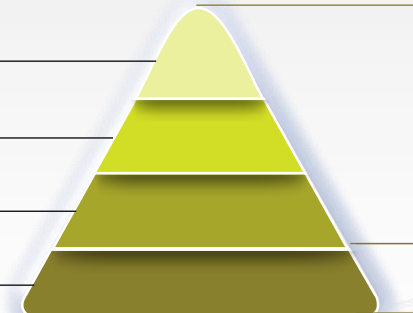
Very Large
Large
Emerging Corporates
SME



- Investment Banking
- Corporate banking products
- Transaction banking
- Fund and Fee based products
- Salary accounts

Individuals

HNI
Affluent
Mass Affluent
Mass



- Private/ Priority Banking
- Commercial banking
- Consumer loans
- Mutual fund
- Insurance

- Kotak811
- Microfinance

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

Our Strengths



An integrated financial services conglomerate with a diversified business model

Balance Sheet, Market & Knowledge driven businesses that provide access to multiple growth avenues and hedge against downturns

Broad product spectrum helps meet customers' diverse requirements, enhancing overall experience

Healthy asset quality & prudent risk management capabilities

Focus on 'Return of Capital' along with return on capital

Comprehensive Enterprise Risk Management framework

Digital & technological capabilities

Best in class digital processes and experience

Customer centric approach to build positive, long term and engaging relationship

Strong cybersecurity and data protection framework

Ability to identify and capitalize on opportunities

Culture of innovation that helps capitalize on profitable business opportunities, create niche and differentiated business segments

Talented, engaged and motivated employees

Strong brand and leadership across businesses

Strong position across various segments

Numerous industry awards and accolades

Strong governance culture and an experienced management team

11/ 13 Group Management Council ('GMC') members with 20+ years with the Group - helped create various businesses since inception

68 members* in the 'Kotak Leadership Team' (incl. GMC) – strong succession pipeline for senior leadership positions

Our Strategy



Keeping Technology at the Core

Investing in technology (both infrastructure and applications), with a dual objective – 'run the Bank' and 'change the Bank'



Leadership in digital capabilities

Continue journey on best in class digital processes and interface at speed



Customer Centricity

Keep customer at the core of the business in order to provide a positive experience and build long term relationships



Expanding Access to Low Cost Liabilities



Pursuing Advances Growth

Ensuring right asset quality additions at risk adjusted pricing and appropriate risk management



Executing with Discipline and Improving Productivity

Focus on Efficiency, Productivity and Capital



Approaching financial inclusion as an opportunity



Building a team of talented, engaged and motivated employees in an agile structure



Leveraging strong corporate standing to pursue inorganic opportunities

The Path of Leadership



Strong Capital Position

Capital adequacy amongst the highest in the Indian banking sector

Provides the basis for growth



Multiple Growth Engines

A stable annuity flow driven business model balancing volatility inherent in capital market-linked revenues

Leveraging world-class infrastructure and technology to drive cost-efficiencies

Leverage "India asset class strength" to tap global individual and institutional investors



Risks Management

Extensive on-the-ground presence and superior sponsor / CXO relationships

Deep, longstanding relationships with a substantial share of corporate India



Attract & Retain Talent

High degree of stability within the Kotak leadership team, with an average tenure of 20+ years with the Group

Preferred Employer status in the Financial Services



Cross Sell Opportunities

Robust bank platform and retail distribution network

Pan-India reach of over 4,200* retail distribution points of the Group

Platform for improving funding from low-cost liabilities

Strong Bancassurance model with good cross-sell ratio, ability to mine customer base

Strong and Committed Leadership Team



Senior Leadership Team with Long Vintage



Dipak Gupta

31 Years

Joint Managing Director



KVS Manian WTD

28 Years

Whole-time Director



Shanti Ekambaram

32 Years

Whole-time Director



Virat Diwanji

19 Years

Consumer Banking



Jaimin Bhatt

28 Years

Group CFO



Paul Parambi

31 Years

Chief Risk Officer



TV Sudhakar

10 Years

Chief Compliance Officer



Oisharya Das

29 Years

Private Banking



Ramesh Srinivasan

28 Years

Investment Banking



Nilesh Shah

8 Years

Asset Management



Jaideep Hansraj

30 Years

Retail Brokerage



Srin Srinivasan

30 Years

Investment Advisory

68 members in Kotak Leadership Team (incl. above and MD & CEO) with an average tenure of 20+ years with the Group

Number of years represent completed years with Kotak, as on 31st December, 2022

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