

BUSINESS OVERVIEW

■ *Our Growth Propellers<sup>1</sup>*



**Consumer Banking**

Kotak Mahindra Bank Limited

Provides a bouquet of products and services such as deposits, lending solutions and transaction services for retail customers, small businesses, NRIs, retail institutions, government departments and entities backed by convenient, innovative and digital-first solutions.

**Products and services**

Savings and Current Accounts, Term Deposits, Home Loans and Loans Against Property, Personal Loans, Consumer Finance, Business Banking, Credit Cards, Priority Banking, Small Business Loans, Working Capital to SME segment, Rural Housing, Business Loans and FASTags.

**Key highlights**

- Pursued a strategy to gain market share in secured and unsecured businesses by growing it at a higher pace.
- Launched real-time Working Capital Finance for MSMEs registered on the Government of India's e-Marketplace, Sahay.
- Continued focus on growing low-cost CASA deposit and building the Term Deposit book through product initiatives (e.g. ActivMoney Savings Account, Kotak Crème, Everyday Account, NationBuilders Salary Account).
- Focus on acquiring customers digitally through Kotak811 continues to grow.
- Started leveraging technology in enhancing customer experience

┌ **26%** ▲

Growth in Consumer Assets Book

┌ **65%** ▲

Growth in Unsecured Loan Book

┌ Crossed

**₹ 10K cr**

Credit Cards Outstanding Book

┌ **40%** ▲

Growth in Term Deposits

┌ **82%**

CASA and TDs below 5 cr as a percentage of Total Deposits



**Commercial Banking**

Kotak Mahindra Bank Limited

Plays a significant role in financing deep into 'Bharat' and meeting Financial Inclusion goals.

**Products and services**

Tractor & Farmer Loans, Commercial Vehicle and Construction Equipment Loans, Loans to Small & Medium Enterprises (Agri Value Chain, Logistics and EPC segments), Microfinance and Suvridha Loans to women borrowers under JLG through Business Correspondents and Gold Loans to Individuals and Small Businesses.

**Key highlights**

- Healthy disbursement growth across businesses led to higher YoY market share in Commercial Vehicle, Tractor and Microfinance businesses.
- Improvement in Collection Efficiency – now at pre-pandemic levels – leading to lower delinquency and GNPA levels.

┌ **22%** ▲

Growth in Commercial Banking Loan Book\*

┌ **10.8%**

Market Share<sup>^</sup> and 4.2 lakh customers spread over 550 districts in Tractor and Farm Equipment



**Wholesale Banking**

Kotak Mahindra Bank Limited

Caters to a wide range of corporate customer segments, including large Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, new-age companies, small and medium enterprises and real estate developers.

**Products and services**

Offers a portfolio of products and services, including working capital finance, medium-term finance, structured financing solutions, foreign exchange services, trade finance, other transaction banking services, debt capital markets and treasury services.

**Key highlights**

- Focus on risk-return metrics, such as Risk-Adjusted Return on Capital (RaRoC) at a transaction level, has ensured that parameters like RoE have been maintained in a range-bound manner even in the face of rapidly changing market conditions.
- Another year of growth in advances offered to customers in the SME and priority sectors.
- Continued to deepen our relationships with top-tier corporates and achieved a higher share of wallets from these clients, including current account, deposits and other liability products, on account of our integrated corporate and investment banking approach.
- Went live with 'Kotak fyn', a holistic digital platform exclusively for business banking and corporate clients. The new integrated portal offers Kotak Bank customers comprehensive digital banking and value-added services across all products, including trade and services, account services and collections.
- Multiple tech and digital projects went live across various products and segments.

┌ Another year of low credit costs and attractive RoE despite a sharp increase in policy rates during the year

┌ Continued to stay on growth path in non-credit income streams, such as fees, current account and foreign exchange

┌ Growth momentum continues on the asset side as well with robust growth of acceptable credit across customer segments



**Custodial Services**

Kotak Mahindra Bank Limited

One of India's largest home-grown custodians in offshore space and a leading provider of custody, clearing and fund accounting services.

**Products and services**

Caters to both domestic and overseas asset managers mainly from jurisdictions such as the Middle East, North America, Europe, United Kingdom, Mauritius, and the Far East region.

**Key highlights**

- The business saw increased activity in Domestic flows in PMS and Domestic AIFs while witnessing some outflows in the foreign custody segment.
- Digital initiatives include the Industry-first launch of Insta Demat for PMS Custody, along with various other Technical and Web module upgrades.

┌ Having a substantial market share of the custody business across AIF III

▲ YoY | \*Includes Microfinance loan book | ^Tractor and Mechanization Association (TMA) website | <sup>1</sup>GRI 2-6

BUSINESS OVERVIEW



Private Banking

Kotak Mahindra Bank Limited

Offers a comprehensive and holistic platform covering a gamut of financial services for UHNI and HNI clients comprising of entrepreneurs, business families and professionals.

Products and services

Strives to be the trusted partner for its client families for all their diverse wealth creation and preservation needs.

Offers a comprehensive platform covering a wide proposition of products and services through product partners and internal group companies.

In addition to comprehensive financial solutions that go beyond investments, the division provides banking and credit, consolidated reporting, referral for estate planning services, family office services and various other products and services to its Private Banking clients.

Key highlights

Focused on technological initiatives to enhance productivity and customer experience, coupled with improving cost efficiencies and reducing TAT, both with internal and external stakeholders via assisted and DIY solutions, Low Code Workflow Solutions and Robotics etc.

Launched ‘Réserve’, a new Savings programme for an elevated banking experience.

Continued to build on the theme ‘Live Your Purpose’ through unique client engagements throughout the year.

Provided unique product offerings through referral tie-ups (both internal and external) strengthening the existing position in the alternative space.

Dedicated service vertical and teams depending on the vintage and experience of the personnel in service, to focus on the three business segments viz UHNI, HNI and Professionals

Empowered the service team to deliver faster TAT and smoother client requirement execution by ensuring controls and high delivery standards with counterparties, resulting in improved Relationship NPS.

51%

of India’s top-100 families managed by Kotak Private Banking

(Source: Forbes India Rich List 2021)



Asset Reconstruction Division

Kotak Mahindra Bank Limited

Looks at potential turnaround cases and structured funding opportunities basis genuine borrower profile backed by commensurate cash lows and collaterals. Also considers opportunities in the corporate, SME and retail stressed assets space basis strong resolutions infrastructure.

Products and services

Amongst very few banks that provides vital financing required to revive stressed companies back to mainstream banking. Also provides effective options to other lending institutions to exist their stressed assets by offering to buy the same.

Key highlights

Clocked the highest-ever profitability in FY 2022-23.

Resolutions of stressed accounts has gathered momentum because of judiciary and enforcement authorities functioning without much break post COVID. However, as the economy still continues to be exposed to global crisis because of war, rising commodity prices and inflation we continue to monitor impact and adopt various measures empathetically and diligently to resolve the stressed and bad accounts with compassion.

12

Buyout Transactions



Car and Two-wheeler Loans

Kotak Mahindra Prime Limited

Caters to retail customers and dealers in the passenger vehicle and two-wheeler segments. Also caters to retail customers in the loan-against-property segment.

Products and services

Offers consumer loans for the entire range of passenger cars, multi-utility vehicles, pre-owned cars and two-wheelers. Provides complete financing solutions through a single window to car and two-wheeler dealers for their working capital and infrastructure set-up requirements in the form of inventory funding and term loans.

In addition, the Company offers Loan Against Property to its customers.

Key highlights

Launched key digital initiatives:

- Self-service module on WhatsApp for its existing retail customers to enhance customer experience.
- Introduced new loan origination system for the retail car finance business to improve credit decisioning and customer credit delivery experience.

Continued geographical expansion with car and two-wheeler finance businesses.



39%▲

Growth in Retail Auto Loan Disbursement

BUSINESS OVERVIEW

<div></div> <div><b>Lending NBFC</b> Kotak Mahindra Investments Limited</div>	<p>Lends to real estate and other sectors, provides structured financing and holds strategic investments.</p>	<p><b>Products and services</b></p> <p>Lends to developers across the entire spectrum—residential, commercial and retail. The team offers a trusted and dedicated platform with expertise in complex transactions, thereby help broadening access to capital.</p> <p><b>Key highlights</b></p> <p>Strong YoY growth in total customer assets of 35%.</p> <p>Leveraged our deep knowledge in real estate to refocus the portfolio towards the residential sector (tilted to 80% of sector exposure as on 31<sup>st</sup> March, 2023). This helped in maintaining good margin. Real Estate customer assets grew by 18% in spite of large repayment.</p> <p>Strong growth in corporate loan book (up 60% YoY), given our focus on acquisition finance, education (largely K-12) loans and securitised pools.</p> <p><b>0.5%</b> Net NPA on Customer Assets (0.5% as of 31<sup>st</sup> March, 2022)</p>
<div></div> <div><b>Infrastructure Financing</b> Kotak Infrastructure Debt Fund</div>	<p>Provides long-term finance to operational infrastructure projects and forges relationships with multiple infrastructure developers.</p>	<p><b>Products and services</b></p> <p>Long-term finance</p> <p><b>Key highlights</b></p> <p>Customer assets have grown 58% YoY.</p> <p>Continued to be judicious about credit underwriting and selection of customers.</p> <p>Nil delinquency in entire book, indicating the quality of the book built.</p> <p><b>₹ 981 cr</b> Customer Assets</p>
<div></div> <div><b>Stock Broking (Retail)</b> Kotak Securities Limited</div>	<p>Offers services to retail and institutional investors across the Indian Capital market.</p>	<p><b>Products and services</b></p> <p>A wide array of services including Investment and trading in equities, derivatives (equities, commodities, currency) and mutual funds. Also provides research services, margin trading facilities, depository services and third-party products like insurance.</p> <p><b>Key highlights</b></p> <p>NEO Platform contributed 56% of derivatives market volume in March 2023.</p> <p>As part of the organisation's strategy to invest in and partner with Startups – we acquired all the assets of FundExpert Fintech and made investments in fin-techs BankSathi and Multipl.</p> <p>Registered 423% (YoY) growth in the trading volume through Kotak Securities Mobile apps.</p> <p><b>10.5%</b> Market share in Cash<sup>1</sup></p> <p><b>5.5%</b> Market share in Equity Derivatives<sup>1</sup></p>

<sup>1</sup>Retail and institutional market share after excluding BSE derivative and proprietary segments

<div></div> <div><b>Institutional Equities</b> Kotak Securities Limited</div>	<p>Leading institutional broker in India, catering to both global and domestic institutional equity investors.</p>	<p><b>Products and services</b></p> <p>Comprehensive offerings include top-ranked Equity Research, Trade Execution in cash equities and equity derivatives and Corporate Access. In addition, it executes equity capital market transactions such as IPOs/QIPs/OFS/block.</p> <p><b>Key highlights</b></p> <p>Executed 37 equity capital market transactions.</p> <p>232 stocks under Research Coverage, representing 77% of market capitalisation.</p> <p><b>82</b> New Institutional Investors (global and local) added</p>
<div></div> <div><b>Investment Banking</b> Kotak Mahindra Capital Company Limited</div>	<p>Leading investment banking firm with leadership across capital market and advisory products.</p>	<p><b>Products and services</b></p> <p>Capital markets and advisory services.</p> <p><b>Key highlights</b></p> <p>Successfully completed 29 Equity Capital Markets (ECM) transactions amounting to 76,915 crore in FY 2022-23.</p> <p>Continued to be the Banker of Choice for IPOs such as Delhivery, LIC, Global Health, Five-star, Rainbow Hospitals and dominated large sell-downs in Max Healthcare, Macrotech Developers, Zee Entertainment, Embassy REIT, among others.</p> <p>Advised on 18 domestic and cross-border M&amp;A transactions with an aggregate value* of USD 61.4 billion.</p> <p><b>#1</b> Ranking in IPOs with 7 out of 10 IPOs with issue size of over 1,000 crore executed with an 89% market share</p> <p><b>51%</b> Market share across ECM Transactions</p>

\*Aggregate deal value does not include the transactions where value is not disclosed.



BUSINESS OVERVIEW



Life Insurance

Kotak Mahindra Life Insurance Company Limited

With a customer-first approach, the Company offers enhanced propositions across the value chain - from policy purchase to servicing to claim or maturity settlement.

Products and services

Complete range of life insurance solutions across various life stage needs of customer through its multi-channel distribution network, including the digital channels.

Key highlights

Gross New Business Premium (NBP) grew strongly by 24.8% YoY, while Gross Written Premium (GWP) saw a healthy growth of 17.7% YoY.

Indian Embedded Value (IEV) stood at 12,511 crore as of 31<sup>st</sup> March, 2023, up by 17.2% YoY<sup>^^</sup>.

Assets Under Management (AUM) (Policy Holders) as of 31<sup>st</sup> March, 2023 stood at 59,151 crore, up 14.2% YoY.

Overall Protection premium grew 42.8% YoY; Protection share 38.5% of Gross New Business Premium (FY 2021-22 - 32.9%).

Launched 17 product initiatives during the year across retail and group business (11 in FY 2021-22).

36 new branches opened.

3.4X Digital business growth from D2C (Direct-to-Customer) and digital partnerships.

38.8%

Value of New Business (VNB) Margin<sup>^^</sup>

53.4%▲

Growth in VNB at 1,373 cr<sup>^^</sup>

29.1%▲

Growth in Individual New Business Premium APE vs private industry growth of 24.2%\*

4.6 cr ▲

Number of Active Lives as of 31<sup>st</sup> March, 2023, up 24.9% (YoY)<sup>#</sup>

98.25%

Individual Claim Settlement Ratio

99.60%

Group Claim Settlement Ratio



General Insurance

Kotak Mahindra General Insurance Company Limited

Caters to the growing non-life insurance needs of individual customers and businesses.

Products and services

Provides motor, health, home and commercial insurance, with a strong focus on digital for ease of doing business.

Key highlights

Improved the product mix with stronger focus on retail health business.

– Health portfolio recorded a strong growth of 75% YoY.

– Overall product mix stands well-diversified, with 45% Motor, 43% Health and 12% Commercial.

In line with our philosophy of positive customer experience and customer centricity, our Net promoter Score (NPS) stands at +37, up from +27 in the previous year.

Expanded our product basket, eight new products were launched to cater to different consumer segments, including 'Kotak Meter', a 'pay as you drive' product which offers cashback on insurance premium during renewal, making it very pocket friendly. Also launched an innovative health insurance product in association with GOQii, which incentivises customers for being physically active.

Overall digital business grew by more than 100%.

52%▲

Growth in Gross Written Premium (GWP) reflecting healthy growth across all channels



Mutual Fund

Kotak Mahindra Asset Management Company Limited

Serves investor requirements across active as well as passive funds on an ongoing basis, focusing on the local as well as offshore markets across Debt, Equity and Commodities segments for retail and institutional investors. Offers schemes that cater to investors with varying risk-return profiles.

Focus on ESG Investing as India's first signatory to the United Nations Principle of Responsible Investing (UNPRI).

Products and services

Diversified product portfolio across a wide range of equity, debt, exchange-traded funds (ETFs), index funds and overseas funds.

Key highlights

Kotak MultiCap fund collected highest-ever NFO of 3,532 crore amongst all Kotak MF schemes.

22% YoY increase in cumulative SIP count.

17% YoY growth in the number of unique investors.

Focus on training – more than 350+ distributor training events conducted covering 17,800+ participants.

5<sup>th</sup>

Largest fund house in the country in terms of QAAUM\* as of 31<sup>st</sup> March, 2023

7.09%

Market share in QAAUM\*

<sup>^^</sup> Computed based on the principles prescribed by APS10. The methodology, assumptions and results have been reviewed by Willis Towers Watson Actuarial Advisory LLP | ▲ YoY | \* Individual New Business Premium APE: Regular Premium + 1/10<sup>th</sup> Single Premium | # Source - Internal core Policy Administration System as of 31<sup>st</sup> March, 2023

▲ YoY | \*Quarterly Average Assets under Management

BUSINESS OVERVIEW



Pension Fund

Kotak Mahindra Pension Fund Limited

Authorised as a pension fund management company under the National Pension System (NPS). Managing nine schemes across asset classes.

Products and services

Pension fund management

Key highlights

Among top two best-performing equity funds in the industry (NPS Tier 1) in 1, 3, 5, 7 and 10-year periods as of 31<sup>st</sup> March, 2023.  
Among the top two best-performing government securities funds in the industry (NPS Tier 1) in 10-year period as of 31<sup>st</sup> March, 2023.

Source: NPS Trust website

28%▲

Growth of Assets Under Management (AUM)



Alternate Assets

Kotak Investment Advisors Limited

Diversified multi-asset investment manager providing private capital to Indian companies since 2005 across different verticals.

Products and services

Manages/advises funds across six verticals: Private Equity, Real Estate, Infrastructure, Special Situations, Data Centre and Investment Advisory, all led by independent investment teams. Kotak Cherry, a 100% digital investment platform for retail investors, offers one-stop solution for all investments across Mutual Funds, Mutual Fund Baskets, Stocks, Stock Baskets and Bonds.

Key highlights

Announced a first close at 10,248 crore for Kotak Strategic Situations Fund, which focuses on providing strategic solution capital across growth and value companies. This is the follow on fund to Kotak Special Situations Fund I, a 7,151 crore fund, which has now been fully deployed across 14 portfolio companies.  
Kotak Realty Funds (KRF) has raised 4,411 crore to invest in office assets in India. The fund's maiden transaction is an investment of 1,600 crore in Embassy Real Estate Investment Trusts.  
Announced the first close of a Real estate Opportunistic Fund with capital commitments of 4,411 crore. The fund concluded an investment of 1,100 crore in Bharat Hotels and has also deployed capital in 3 other portfolio companies.  
Set up a dedicated fund to focus on building data centres, the backbone of digital infrastructure in India. The fund has achieved a first close at 3,755 crore with commitments from a sovereign wealth fund.  
Kotak Private Equity team continues to focus on proprietary investments in early stage healthcare and life sciences ventures.  
Kotak Infrastructure Investment Fund announced a first close with commitments of 5,328 crore to invest in operating infrastructure projects by providing senior secured credit.  
Kotak Private Credit Fund was launched with a target corpus of 2,000 crore to focus on the performing credit space by providing debt to growth oriented companies.

USD 8.8 bn

Funds raised/managed/ advised as of 31<sup>st</sup> March, 2023



International Business

Kotak Mahindra (UK) Limited | Kotak Mahindra (International) Limited | Kotak Mahindra Inc. | Kotak Mahindra Asset Management (Singapore) Pte. Limited | Kotak Mahindra Financial Services Limited

Provides financial services through offices in Singapore, London, New York, Dubai, Abu Dhabi and Mauritius.

Products and services

Offerings include India bound Asset Management, Investment Advisory and Alternate Assets; India bound Institutional Equities and Prime Brokerage; Global Bond Trading and Proprietary Investments and International Wealth Management for private clients.

Key highlights

Secured new institutional mandates from marquee investors exceeding USD 100 million.  
Gross mobilisation in excess of USD 900 million across different asset categories indicating renewed interest in India.  
Committed to promoting sustainable and responsible investment, incorporating ESG considerations into all of its funds and mandates, two of which are named ESG Funds with specific E&S exclusions.

USD 3.8 bn

Assets managed/advised



Microfinance

Kotak Mahindra Bank Limited and BSS Microfinance Limited

Focus on directly reaching retail microfinance borrowers through wholly owned subsidiary, BSS Microfinance, and through business correspondents. Caters primarily to women customers engaged in allied agri, micro enterprises and various income generating activities.

Products and services

Offers a bouquet of products that are designed to cater to the evolving needs of the customers through their life cycles. Our products cater both to retail microfinance customers and wholesale NBFC-MFIs & retail focussed NBFCs:

- For retail microfinance customers the Bank offers loan products designed to augment income generation and improvement in life quality. The Bank reaches out to customers through its wholly owned subsidiary, BSS Microfinance and its appointed Business Correspondents.
- Making available credit limits to MFIs and retail focused NBFCs for on-lending.
- Investing in securitised papers for loans originated by MFIs.

Key highlights

Directly funded over 14 lakh women customers through small-ticket unsecured loans for micro-enterprises and allied agri activities.  
Retail microfinance loan book crossed 6,000 crore.  
Provided credit facilities to 40 MFIs and retail-focused NBFCs, enabling them to on-lend to similar customer segments.  
Undertook CSR initiatives such as integrated livestock development programme and improved classroom infrastructure of 40 government schools across five states, benefiting poor households in rural communities.

Over 100%▲

Growth in Retail Microfinance Loan Book

652

Branches of BSS Microfinance cater to rural and semi-urban markets