



Acceler@ting
change

Welcome to Kotak Mahindra Bank

We expect more from ourselves than what others expect of us. This is what helps us create a rewarding and delightful experience for all our stakeholders while remaining responsible and open to new ideas. Always.

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerates. Kotak endeavours to provide a holistic perspective of its business, strategy, governance, risk management, financial, and sustainability performance through this Integrated Report.

Key highlights of FY 2022-23

₹ **52.8%**

Current Account and Savings Account (CASA) Deposits (Bank Standalone)

₹ **5.4%***

Consolidated Net Interest Margin (NIM)

₹ **14,925 cr**

Consolidated Net Profit

About the Report.

Kotak Mahindra Bank Limited ('We' or 'the Bank' or 'Kotak Mahindra Bank') and our subsidiaries (hereby collectively referred to as 'Kotak Mahindra Group' or 'Kotak' or 'We')¹ are pleased to present our third Integrated Annual Report (Report) for the period starting from 1st April, 2022 to 31st March, 2023. We at Kotak ensure that our efforts towards business growth, environmental stewardship and social development are published on an annual basis².

Our Integrated Annual Report strives to provide our readers with comprehensive disclosures on our financial and non-financial performance as well as value creation imperatives across our businesses and subsidiaries. Our Report narrates in detail the manner in which environment, social and governance aspects are embedded in the functioning of our businesses, with an emphasis on our strategy, governance, risks and prospects to provide insightful information about our activities and performance. The quantitative and qualitative information concerning our progress and initiatives is presented in this Report, through the material topics identified during the financial year (i.e. FY 2022-23).

Reporting Principles

The Integrated Annual Report has been developed as per the applicable regulatory requirements and the disclosure requirements detailed by the voluntary reporting standards and frameworks. This Report has been prepared in accordance with the National Guidelines on Responsible Business Conduct (NGRBC) and meets the requirements stated in the Business Responsibility and Sustainability Reporting (BRSR) format stipulated by the Securities and Exchange Board of India (SEBI). Furthermore, the contents of the Report are in alignment with the principles and guidance provided by the International Integrated Reporting Council's Integrated Reporting <IR> framework and with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. The Report also highlights our alignment with the United Nations' Sustainable Development Goals (SDGs).

The financial and statutory information has been presented as per the requirements specified by the following regulations and standards:

- ▶ The Companies Act, 2013 (including the rules made thereunder)
- ▶ The Indian Accounting Standards notified under section 133 of the Companies Act, 2013 and General Accepted Accounting Principles prevailing in India
- ▶ The SEBI's (Listing Obligations and Disclosure Requirements) Regulations, 2015
- ▶ The Banking Regulation Act, 1949 and other relevant Reserve Bank of India (RBI) regulations
- ▶ Insurance Regulatory and Development Authority of India (IRDAI) guidelines

In addition to this, the actions undertaken by the Bank to orient its climate risk framework according to the recommendations defined by the Task Force on Climate-Related Financial Disclosures (TCFD) are disclosed.

Reporting Boundary for ESG disclosures³

The boundary for BRSR disclosure is the Bank and the same is explicitly mentioned in the BRSR section of this Report. The ESG disclosures provided in this Integrated Annual Report cover details of our Group's national and international footprint including office premises, branch and ATM network. We have expanded our boundary to include all the subsidiaries within the Group. In the last year's Integrated Annual Report, fourteen of our subsidiaries were included in the boundary and they are: Kotak Infrastructure Debt Fund Limited, Kotak Mahindra Prime Limited, Kotak Mahindra Investments Limited, Kotak Mahindra Trusteeship Services Limited, Kotak Mahindra Pension Fund Limited, Kotak Mahindra Capital Company Limited, Kotak Securities Limited, Kotak Mahindra Life Insurance Company Limited, Kotak Mahindra General Insurance Company Limited, Kotak Investment Advisors Limited, Kotak Mahindra Asset Management Company Limited, Kotak Mahindra Trustee Company Limited, IVY Product Intermediaries Limited and BSS Microfinance Limited. For FY 2022-23, we have covered the remaining subsidiaries namely: Kotak Mahindra (UK) Limited, Kotak Mahindra (International) Limited, Kotak Mahindra Inc. (USA),

Kotak Mahindra Asset Management (Singapore) Pte. Limited and Kotak Mahindra Financial Services Limited.⁴ The boundary for BRSR disclosure is the Bank and the same is explicitly mentioned in the BRSR section of this Report. The boundary for the specific disclosures made are clearly mentioned in the notes of relevant sections in this Report. ESG disclosures are published on an annual basis and the latest disclosure report was released for FY 2021-22.

For this Report, no restatements have been made as was the case in the previous two years' reports⁵. A precautionary approach is adopted at the Group for risk management and lending decisions to mitigate any adverse impacts on the environment.

Assurance for ESG disclosures⁶

Our Group strives to ensure that high quality of information is disclosed in this Report by undergoing a robust assurance process, leveraging our internal expertise as well as external assurance. A limited assurance on certain agreed/ identified sustainability indicators in this Report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the International Standards on Assurance Engagements (ISAE) 3000 (revised), International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, Assurance Engagements Other than Audits or Reviews of Historical Financial Information and AA1000 Assurance Standard (AA1000AS v3). The subject matter, criteria, procedures performed, and limited assurance conclusion are presented in the assurance report attached at the end of this Report.

Feedback

For any suggestions, views and perspectives you may have about this Report, kindly reach out to us at investor.relations@kotak.com⁷.

Acknowledgement

Some photographs were contributed by our employee Devdatta Bhattacharya.

¹GRI 2-1 | ²GRI 2-3 | ³GRI 2-3 | ⁴GRI 2-2 | ⁵GRI 2-4 | ⁶GRI 2-5 | ⁷GRI 2-3 | *excluding dividend and interest on income tax refunds



Acceler@ting change

Kotak embarked on a path to change last year as we recalibrated our approach to meet the needs of the future. This year, we accelerated the pace of change in our quest to make a demonstrable difference in our chosen areas. There is visible progress across customer centricity, technology adoption, digital enablement and our talent mix proposition.

As a new India emerges driven by her people's aspiration and determination to progress, we at Kotak are accelerating our efforts to not only stay in step but strive ahead with purpose and commitment.

Change heralds both opportunities and challenges. To make the most of it, one needs both scale and agility. On the one hand, we are harnessing technology to provide comprehensive offerings across segments and present differentiated propositions to deepen our presence in key segments (e.g., the mass affluent segment). On the other hand, we are redefining customer experience and convenience with a well-defined technology-enabled strategy. We are also building a future-ready talent pool and empowering them to take on the challenges of a new India. We aspire to be the 'go-to' bank for every Indian and we are doing all of this with a sense of purpose and urgency.

In the process, we continue to zealously guard the quality of our balance sheet, which provides a springboard for our growth in the years ahead. This will drive the Bank and its subsidiaries to deliver robust risk-adjusted returns to shareholders and sustained value to all stakeholders.

We continue to remain true to our core DNA of driving differentiation and trust, and building a franchise that is recognised for its promise and potential.

What's inside.

Who We Are

Introduction to our Group along with brief overview of our esteemed Board of Directors.

- ▶ About Us 02
- ▶ Board of Directors 04



Year in Review

A brief overview of our businesses and financial performance alongside our MD & CEO's reflections on our performance.

- ▶ Message from Uday Kotak 06
- ▶ Business Overview 10
- ▶ Key Performance Indicators 20
- ▶ Acceler@ting change 22
- ▶ Kotak811 32



Value Creation Strategy

A glimpse of our business strategy that incorporates our ESG considerations, along with a snapshot of the sustainability outcomes for our stakeholders.

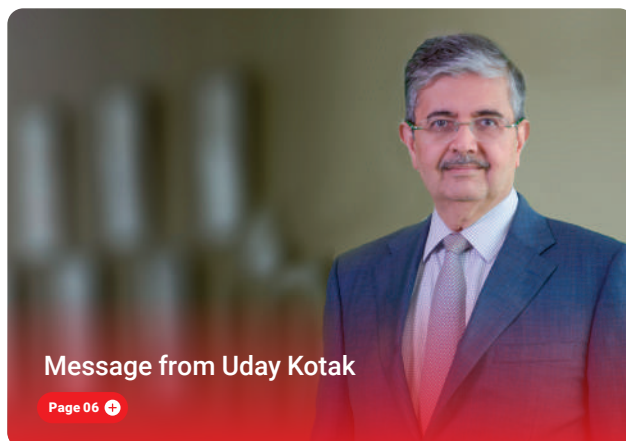
- ▶ Value Creation Model 34
- ▶ Strategy 36
- ▶ Managing Risks and Uncertainties 42
- ▶ Stakeholder Engagement and Materiality Assessment 46



Sustainability at Kotak

An in-depth look at our efforts toward contributing to stakeholder outcomes along with our initiatives to strengthen our governance.

- ▶ Sustainability at Kotak 50
- ▶ Managing Our Environmental Footprint 56
- ▶ Empowering Our Employees 62
- ▶ Supporting Communities 70
- ▶ Generating Value for Our Customers 76
- ▶ Ethics and Governance 80



Message from Uday Kotak

Page 06 +



Strategy

Page 36 +



Read the report or download it from
www.kotak.com



You can reach by writing to us
investor.relations@kotak.com

Rewards and Recognition

A glimpse of the recognitions we received during the year that showcases our commitment to achieve business excellence.

- ▶ Awards and Accolades 84



Financial Performance

An overview of the financial performance of the Group.

FINANCIAL HIGHLIGHTS

- ▶ Consolidated and Standalone 90

FINANCIAL STATEMENTS

- ▶ Independent Auditor's Report on Consolidated Financial Statements 93
- ▶ Consolidated Financial Statements 104
- ▶ Financial Information of Subsidiaries and Basel III (Pillar 3) Disclosures 148
- ▶ Independent Auditor's Report on Standalone Financial Statements 150
- ▶ Standalone Financial Statements 156

STATUTORY REPORTS

- ▶ Directors' Report 227
- ▶ Report on Corporate Governance 263
- ▶ Management's Discussion and Analysis 301
- ▶ Business Responsibility and Sustainability Report (BRSR) 335

ANNEXURES

- ▶ ESG Data Tables 364
- ▶ GRI Index 372
- ▶ TCFD Index 376
- ▶ Assurance Statement 379

ABOUT US

■ Driving Responsible Growth.

Embracing the winds of change, Kotak has emerged as a transformative force within India's financial landscape. Over the years, we have successfully navigated evolving market dynamics, consistently adapting offerings to meet the needs of a dynamic clientele. Powered by innovation and cutting-edge technology, we pioneer financial solutions, ushering in an era of convenience and empowerment. Further, we are embracing sustainability and ESG practices to drive transformative progress and create sustainable value for our stakeholders.

KOTAK UNIVERSE[^]

Kotak is one of India's leading diversified and integrated financial services conglomerates, providing a wide range of financial solutions, covering banking (consumer, commercial and corporate), credit and financing, asset management, alternate assets, life and general insurance, stock broking, investment banking, private banking, microfinance and asset reconstruction across customer and geographic segments within India.

As a Group, Kotak also operates in overseas markets through international subsidiaries and branches in key geographies. In line with our relentless focus on customers, technology and talent, the Bank is accelerating change, thus driving sustainable growth across businesses and customer segments.

Kotak's consolidated asset base stood at ₹ 6.2 trillion as of 31st March, 2023, with a market capitalisation of ₹ 3.4 trillion.¹

₹ 6,20,430 cr

Total assets

₹ 4,20,880 cr

Assets under management

₹ 3,61,273 cr

Total deposits

₹ 3,59,107 cr

Total advances

₹ 1,39,359 cr*

Total investments

5,82,000+

Shareholders base

41.2 mn

Number of customers of the Bank

1,00,000+

Full-time employees

[^]All numbers are on a consolidated basis except wherever stated | ¹GRI 201-1 | *Excludes Policyholders' investments



Creating seamless customer experiences across platforms

DIGITAL ECOSYSTEM

We have designed our digital universe to complement our physical infrastructure and create a seamless experience between the two ecosystems, driving efficiency and enhancing customer experience.

Our services are available on various digital channels, such as websites, mobile apps, WhatsApp, chatbots, voice bots and kiosks. To provide ease of access, information and short videos are made available in English, Hindi and other vernacular languages. Bots are deployed to automate services, go paperless and deliver customer responses faster.

Digital universe

28.3 mn

Debit cards in force

4.9 mn

Credit cards in force

2X[^]

Growth in transaction volume on mobile app

98%+

Savings account transaction volumes were in digital or non-branch modes in FY 2022-23



PHYSICAL FOOTPRINT²

Our pan-India distribution network comprising branches and franchisees enables us to reach out to a large customer base. We also have an international banking unit in Gujarat International Finance Tec-City (GIFT City), a bank branch in the Dubai International Financial Centre (DIFC), and international offices in New York, London, Mauritius, Dubai, Singapore and Abu Dhabi.

1,780[^]

Bank branches

834

Bank pan-India operating locations

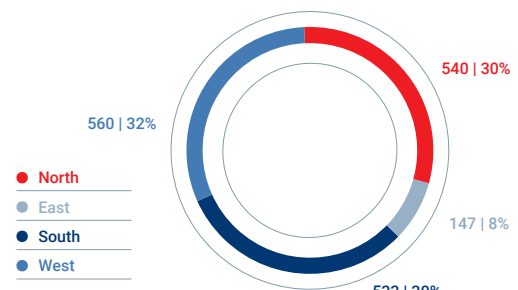
2,963^{^^}

ATMs

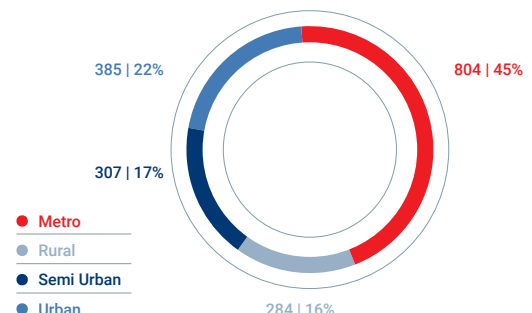
4,417^{^#}

Group branch network in India

Bank branch distribution



Bank branch classification



Group Branch Network in India



133



289



1,443[#]



95



25



652

[^] YoY | [^] Does not include branches in GIFT City (Gujarat) and DIFC (Dubai) | ^{^^} Including cash recyclers | [#] Kotak Securities network includes branches, franchisees and referral co-ordinators | ² GRI 102-4, GRI 102-6, GRI 102-7

BOARD OF DIRECTORS

Guardians of Your Trust.



Standing Left to Right

Uday Khanna
Independent Director

Uday Shankar
Independent Director

Ashok Gulati
Independent Director

C S Rajan
Independent Director

Sitting Left to Right

Ashu Suyash
Independent Director

Uday Kotak
Managing Director & CEO



Dipak Gupta
Joint Managing Director

KVS Manian
Whole-time Director

Amit Desai
Non-Executive Director

C. Jayaram
Non-Executive Director

Prakash Apte
Non-Executive Chairman
(Independent)

Shanti Ekambaram
Whole-time Director

MESSAGE FROM UDAY KOTAK

 **Future
Ready.**

"I look at Kotak as a constant
confluence of river waters,
collaborating to build a sustainable
ocean, aspiring to live in perpetuity."

Uday Kotak
Managing Director & CEO

