

August 19, 2023

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 BSE Scrip Code: 500247, 715026, 958687, 974396, 974682, 974924	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 NSE Symbol: KOTAKBANK, KMBL, KMB26, KMB29, KMB30
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Dear Sirs,

Sub.: Chairman's Speech at the Thirty-Eighth Annual General Meeting of the Members of Kotak Mahindra Bank Limited

Please, find enclosed, copy of the Chairman's Speech delivered to the Members at the Thirty-Eighth Annual General Meeting of the Members of Kotak Mahindra Bank Limited held today, on Saturday, August 19, 2023 through Video Conferencing / Other Audio Visual Means.

The same is also being made available on the Bank's website at <https://www.kotak.com/en/investor-relations/governance/sebi-listing-disclosures.html>

This is for your information and appropriate dissemination.

Thanking you,

Yours faithfully,

Kotak Mahindra Bank Limited**Avan Doomasia**
Company Secretary

CHAIRMAN'S SPEECH - By Prakash Apte

Ladies and Gentlemen,

Kotak Mahindra Bank embarked on a path to change last year and recalibrated its approach to meet the needs of the future. This year, the Bank accelerated the pace of change in its quest to make a demonstrable difference in the chosen areas of customer centricity, technology adoption, digital enablement and talent mix proposition. At Kotak Mahindra Bank, efforts are being accelerated to not only stay in step with India's aspirations, but strive ahead with purpose and commitment. Change heralds both opportunities as well as challenges and so, your Bank is harnessing technology to provide comprehensive offerings across segments and present differentiated propositions to deepen its presence in key segments such as the mass affluent segment and is also redefining customer experience and convenience with a well-defined technology-enabled strategy and also build a future-ready talent pool and empower them to take on the challenges of a new India. We aspire to be the 'go-to' bank for every Indian and are doing all of this with a sense of purpose and urgency. We will 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.

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

Embracing the winds of change, Kotak has emerged as a transformative force within India's financial landscape. Powered by innovation and cutting-edge technology, Kotak has pioneered financial solutions, ushering in an era of convenience and empowerment for its customers.

Economy

As the world economy was beginning to settle for a year of normalization amidst the waning of the Covid 19 pandemic, the global economic outlook turned awry yet again from the impact of the Russia-Ukraine war, just before onset of FY 2022-23. The immediate fallout of the conflict was felt globally, with resurgence of supply disruptions and consequently, a surge in commodity prices. In April 2022, the International Monetary Fund pegged global GDP growth for CY2022 at 3.6%, revising it down to 3.4% in January 2023. To combat the multi-decadal high inflation trends, the global central banks embarked on a synchronized aggressive monetary tightening cycle, threatening the nascent recovery from the Covid 19 disruptions with a slowdown in global growth and potential risks of a recession in various economies.

India started FY 2022-23 on a weaker footing with Q1FY23 real GDP growth surprising on the downside at 13.08% YoY, despite favourable base effects, as compared to expectation of 15.3%. However, real GDP growth at 6.06% was on the upside in Q4FY23, compared to an expectation of 5%, buoyed by investments growth at 8.92% and a sharp improvement in net exports. FY 2022-23 real GDP surprised on the upside at 7.24% against the expectation of 7%. The GDP growth was buoyed by impressive growth in the Service sector which improved to 9.46 % from 8.81% in FY21-22, while Industrial sector growth was more modest at 4.38% compared to 11.62% in FY21-22.

CHAIRMAN'S SPEECH - By Prakash Apte

Union Budget for FY 2023-24 maintained focus on growth while balancing its objective on fiscal consolidation. On capital expenditure and infrastructure, the Government facilitated investment through higher allocation to railways and roadways, tariff protection through high judicious use of customs duties for select sectors, encouraging private sector investment in emerging areas of clean energy and capital support to oil marketing companies.

As regards inflation, barring the brief uptick in February 2023, inflation remained comfortable with the March 2023 print surprising on the downside at 5.66%, led by a favourable base effect and easing food and core inflation. Over the course of FY 2022-23, headline Consumer Price Index inflation remained above the RBI Monetary Policy Committee's upper threshold of 6% for nine months, largely on account of supply disruptions, consequent high commodity prices and adverse weather conditions causing high food inflation.

As RBI embarked on withdrawing the measures introduced during the pandemic, 250bps repo rate hikes were accompanied by tightening liquidity conditions. The banking system liquidity surplus reduced and the widening credit-deposit gap further weighed on the system liquidity and money market rates.

Chosen Areas – The Big Three

This year, Kotak Mahindra Bank accelerated the pace of change in its quest to make a demonstrable difference in the chosen areas of Customer Centricity, Digital prowess and Technology strengths and Talent transformation.

Recognising the transformative power of technology and digitalisation and to remain competitive and agile, your Bank continues to stay at the forefront of innovation. The Bank's aim of improving the efficiency of its processes, strengthening security measures and delivering personalized experiences to its valued customers, drives your Bank to implement the most effective technologies.

Navigating the ever-evolving digital landscape requires the support of a strong and skilled team, making it imperative to develop and retain skilled talent. Your Bank is focused on driving change with a future-ready team capable of taking forward the digital initiatives. Nurturing of the talent pool is prioritised, by creating a conducive work culture which fosters innovation, collaboration and continuous development. The challenge of attrition predominantly is at the junior management level in the areas of sales, service, call centre and collections. In order to manage the same, your Bank is focussing on a number of areas such as ease of working, better engagement, training, benchmarking and technology automation.

The Bank's ultimate goal is to deliver best-in-class customer experiences. Hence, engaging with customers through various channels, understanding their needs and tailoring products accordingly, is what the Bank strives to do.

CHAIRMAN'S SPEECH - By Prakash Apte**Financial Performance**

For FY 2022-23, consolidated profit after tax was Rs. 14,925 crore, which was 23% higher than the previous year. At a standalone level, profit after tax of the Bank for FY 2022-23 was Rs. 10,939 crore compared with Rs. 8,573 crore in FY 2021-22, a growth of 28%.

Net Interest Income for FY 2022-23 increased to ₹ 21,552 crore, from ₹ 16,818 crore in FY 2021-22, up 28% YoY. Net Interest Margin was 5.33% for FY 2022-23. The CASA ratio as at March 31, 2023 stood at 52.8%. As at March 31, 2023, the Bank's Gross NPA stood at 1.78% which was 2.34% a year ago. The Net NPA was as at March 31, 2023, 0.37% as against 0.64% as at March 31, 2021.

Capital Adequacy Ratio of the Bank, as at March 31, 2023 was 21.8% and CET I ratio of 20.6%.

The Group's subsidiaries and associates contributed 27% of the consolidated profit after tax for FY 2022-23, reflecting the diversity of our business model.

ESG and CSR

Your Bank aims to create value for all its stakeholders by incorporating social and environmental considerations in its strategy and operations. The ESG Policy Framework outlines our approach to harmonise its business strategy, processes and disclosures with domestic and international standards and frameworks. We endeavour to enhance value for our stakeholders by integrating social and environmental considerations into our operational and financial decision-making. Taking cognizance of our corporate and fiduciary responsibility, we are embedding ESG aspects across the Bank and its subsidiaries.

Financial inclusion is one of your Bank's key strategic priorities to drive positive economic and societal impact by providing greater financial access to the under-served sections of the society. Your Bank continued on its path of growth momentum with respect to the Microfinance business and grew at more than 100%, while extending the outreach of the business in new locations across 11 states (6 of which were added during the year). The Microfinance business also crossed the 1 million-customer mark during the year. With the rural economy and livelihoods on a path of recovery, leaving the uncertainties of Covid 19 behind, collection efficiency for the business saw a significant improvement with reduction in both delinquency and GNPA levels.

We, understand the criticality of conserving the planet's natural resources for the future generations. As a responsible corporate citizen, we are committed to take proactive steps towards environmental sustainability.

We are working towards transforming the communities we operate in, through impactful Corporate Social Responsibility initiatives. We have forged strong relationships with a wide network of nongovernmental organisations and foundations to collaboratively drive positive change in the communities we serve.

CHAIRMAN'S SPEECH - By Prakash Apte**Awards**

I am also happy to inform you that your Bank was recognised as the Best BFSI Brand 2022-23 at the 6th edition of The Economic Times Best BFSI Brands 2023. It was indeed a proud moment for your Bank to have been certified as 'One of India's Best Employers among Nation-Builders' by the Great Place to Work® Institute, second year in a row. Further, your Bank's Learning A-Fair Platform won Gold for Best Advance in Unique Learning Technology at the Brandon Hall Technology Excellence Awards 2022. Your Bank achieved Gold for FY 2021-22 Integrated Report at the Institute of Chartered Accountants of India (ICAI) Sustainability Report Awards 2021-22.

Apart from this, as in the past years, your Bank and its subsidiaries have won a number of significant awards for its excellence in Product & Services, Brand & Marketing and Information Technology.

Outlook for the Group

At Kotak, we are accelerating our efforts to not only stay in step but strive ahead with purpose and commitment.

In order to embrace the opportunities and address the risks presented by the external environment and realise its vision, your Bank is pursuing nine strategic drivers, viz.:

- (i) Technology at the core
- (ii) Leadership in digital capabilities
- (iii) Customer centricity
- (iv) Expanding access to low-cost liabilities
- (v) Pursue Advances growth
- (vi) Execute with discipline and improving productivity
- (vii) Financial inclusion as an opportunity
- (viii) Building a team of talented, engaged and motivated employees, and
- (ix) pursue inorganic opportunities.

As customers increasingly utilise digital channels to engage and transact with us, your Bank consistently augments its digital capabilities, including the mobile suite, self-service options and digital-driven processes, to provide a multitude of opportunities for its customers to bank conveniently. We also work on blending talent with tools and technology to enable a more productive, informed and empowered employee ecosystem. Your Bank's initiatives to be future-ready are underpinned by its time-tested values of customer centricity, managing risk, strong governance and community engagement. Our strategic drivers are dedicated to delivering the best possible experience for our customers and employees while also driving sustainable performance and delivering long-term shareholder value.



CHAIRMAN'S SPEECH - By Prakash Apte

With that, on behalf of Board of Directors, I would like to thank all the Central and State Governments, regulators, our customers, shareholders and other stakeholders for the continued trust and encouragement, sustained support and timely guidance that we have benefited from.

Lastly, as you are aware, I would be stepping down as the Chairman from the Board of Kotak Mahindra Bank after completion of my current term on December 31, 2023, in compliance with the regulatory requirements. I would like to express my heartfelt gratitude to the shareholders, Board and the Bank for having given me this opportunity to serve as the Chairman of your Bank.

I wish you all good health, happiness and prosperity.

Thank you all.