

Research Report

Kotak Mahindra Bank Limited



Prepared By-

ANUJ SHARMA

EQUITY RESEARCH ANALYST

About

Kotak Mahindra Bank is a diversified financial services group providing a wide range of banking and financial services including Retail Banking, Treasury and Corporate Banking, Investment Banking, Stock Broking, Vehicle Finance, Advisory services, Asset Management, Life Insurance and General Insurance. The company ranks 4th in both deposit and gross advances market share. Its securities broking business held an 11.8% market share in FY24, while the asset management business had a 6.5% market share.

Business Segments FY26

- 1) Insurance (~24%)
- 2) Retail Banking (30%)
- 3) Corporate & Wholesale Banking (21%)
- 4) Treasury (~11%)
- 5) Vehicle Financing (4%)
- 6) Broking (4%)
- 7) Asset Management (3%)
- 8) Advisory and Other lendings (3%)

Branch Network

As of Q3 FY26, the bank operates 2,218 branches, 2749 ATMs, and 10 currency chests in India vs ~1,700 branches and ~2,700 ATMs in FY23.

Metro: 46%

Urban: 22%

Rural: 18%

Semi Urban: 15%

Synopsis of Financials

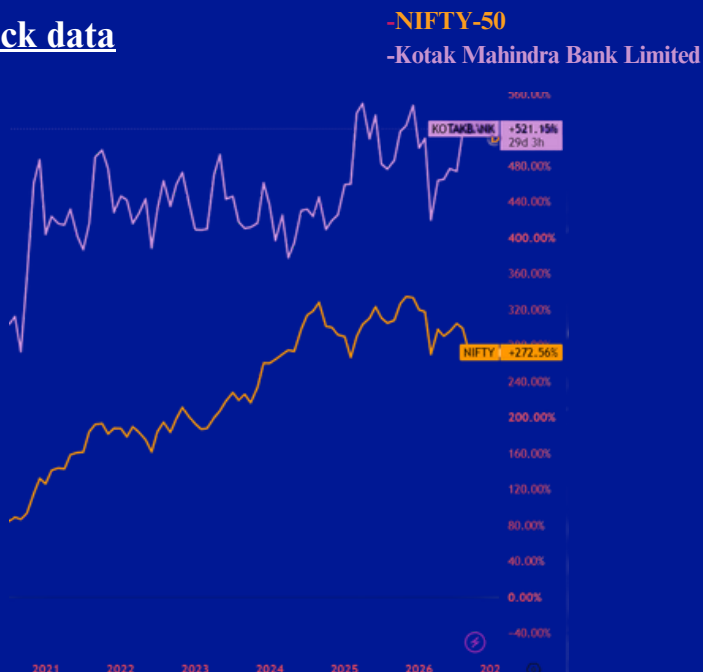
Q1FY27: Consolidated performance:

- Consolidated PAT: INR 5,480 crore (+23% YoY; +5% QoQ). Subsidiaries contributed 33% of consolidated PAT (INR 2,022 crore, +20% YoY).
- Standalone bank PAT: INR 4,123 crore (+26% YoY); PBT INR 5,463 crore (+25% YoY).

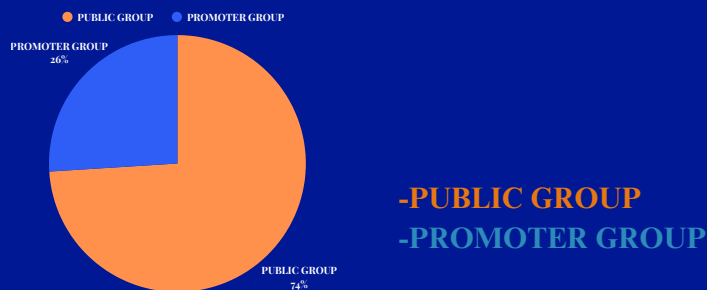
Stock data (as 1st October 2026)

Nifty Price	: 22,465.00
52 week High (in Rs.)	: 453.20
52 week Low (in Rs.)	: 345.50
Market Cap. (in Crore)	: 4,20,347.72
NSE Code	: INE237A01036

Stock data



Shareholding Pattern (June 2026)



Financial Summary

Particular	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
Revenue -	33,740	42,151	56,237	65,669	69,781
Sales Growth %	2.80%	24.93%	33.42%	16.77%	6.26%
Interest	11,553	14,411	22,567	28,271	29,620
Expenses +	31,069	33,485	47,052	48,894	54,524
Financing Profit	-8,882	-5,746	-13,382	-11,496	-14,362
Financing Margin %	-26%	-14%	-24%	-18%	-21%
Net Profit +	12,089	14,925	18,213	22,126	19,288
EPS in Rs	12.18	15.03	18.32	22.26	19.39
Dividend Payout %	2%	2%	2%	2%	3%

Quarterly Results

Particular	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Revenue -	16,772	17,248	17,199	17,507	17,827	18,355
YOY Sales Growth %	10.66%	8.91%	4.70%	5.25%	6.29%	6.41%
Interest	7,157	7,527	7,333	7,384	7,376	7,703
Expenses -	13,666	13,123	11,606	13,933	13,656	14,857
Employee Cost %	19.30%	18.03%	17.91%	19.62%	18.73%	17.98%
Financing Profit	-4,051	-3,402	-1,740	-3,811	-3,205	-4,205
Financing Margin %	-24%	-20%	-10%	-22%	-18%	-23%
Other Income -	10,402	9,456	7,703	10,344	10,648	11,714
Other income normal	10,402	9,456	7,703	10,344	10,280	11,714
Depreciation	0	0	0	0	0	0
Profit before tax	6,351	6,053	5,963	6,533	7,443	7,509
Tax %	23%	27%	25%	25%	27%	27%
Net Profit +	4,933	4,472	4,468	4,924	5,423	5,480

Source: Screener

Key Ratios

(₹ in crore)

PARTICULARS	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
KEY FINANCIAL INDICATORS					
Net Interest Margin ("NIM")**	4.69%	5.36%	5.31%	4.97%	4.63%
Return on Assets ("RoA")	2.36%	2.62%	2.66%	2.36%#	2.06%^
Return on Equity ("RoE")	13.42%	14.36%	15.08%	13.12%#	11.28%^
Gross NPA Ratio	2.37%	1.76%	1.38%	1.45%	1.23%
Net NPA Ratio	0.71%	0.41%	0.36%	0.36%	0.31%
Capital Adequacy Ratio	23.68%	23.25%	21.82%	23.31%	22.97%
CET 1	22.70%	22.27%	20.72%	22.34%	22.08%
Basic Earnings Per Share ("EPS")## (₹)	12.15	14.99	18.29	22.26 ^{##}	19.40
Book Value Per Share## (₹)	97.38	112.51	130.68	158.33	182.09
MARKET RELATED RATIOS					
Market Price Per Share## (₹)	350.77	346.57	357.10	434.24	353.40
Market Capitalisation	348,080	344,240	354,943	431,683	351,508
Price to Book Ratio	3.60	3.08	2.73	2.74	1.94
Price to Earnings Ratio	28.87	23.12	19.52	19.51	18.22

Yearly Results

Particulars	March 2022	March 2023	March2024	March2025	March2026
Equity Capital	992	993	994	994	995
Reserves	95,673	1,10,821	1,28,978	1,56,495	1,80,231
Deposits	3,10,087	3,61,273	4,45,269	4,94,707	5,66,940
Borrowing	55,648	57,534	75,106	97,622	95,394
Other Liabilities	84,097	89,809	1,17,321	1,29,995	1,59,793
Total Liabilities	5,46,498	6,20,430	7,67,667	8,79,814	10,03,353
Fixed Assets +	2,723	3,075	3,510	3,759	3,801
CWIP	0	0	0	0	0
Investments	1,64,529	1,95,338	2,46,446	2,84,255	2,90,633
Other Assets +	3,79,245	4,22,017	5,17,711	5,91,801	7,08,919
Total Assets	5,46,498	6,20,430	7,67,667	8,79,814	10,03,353

Synopsis Quarter Results

Concall Notes - Jul-2026: Key Highlights

Q1FY27: Consolidated performance and what drove it

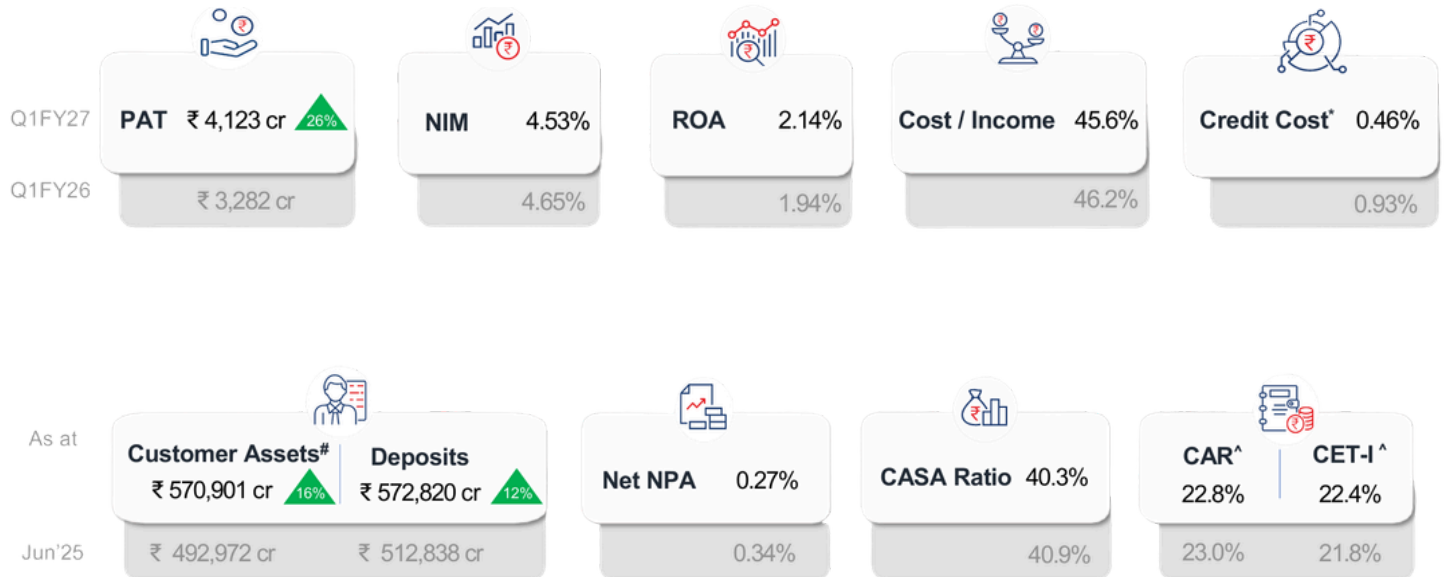
- Consolidated PAT: INR 5,480 crore (+23% YoY; +5% QoQ). Subsidiaries contributed 33% of consolidated PAT (INR 2,022 crore, +20% YoY).
- Standalone bank PAT: INR 4,123 crore (+26% YoY); PBT INR 5,463 crore (+25% YoY).
- Management reiterated an explicitly conservative growth philosophy: “responsible and profitable growth and not just growth for growth’s sake”, prioritizing “stability, profitability and efficiency” and calibrating growth in low-ROE and geopolitically exposed areas, while exploiting “better spreads in the Corporate segment and volatility in the treasury markets.”
- **Key profitability drivers (bank):**
 - NII +9% YoY, fee income +11% YoY
 - Cost discipline/efficiency: costs +8% YoY; cost/total assets improved to 2.66% (from 2.83%)
 - Credit normalization: credit cost 46 bps (vs 93 bps in Q1FY26; 39 bps in Q4)
 - ROA improved to 2.14% (from 1.94%)
- Margins stable (despite reported QoQ noise): NIM 4.53%, with CFO clarifying the Q4 day-count anomaly (reported 4.67%; adjusted 4.54%) and stating Q2–Q4–Q1 are effectively 4.53–4.54.

Deposits / funding

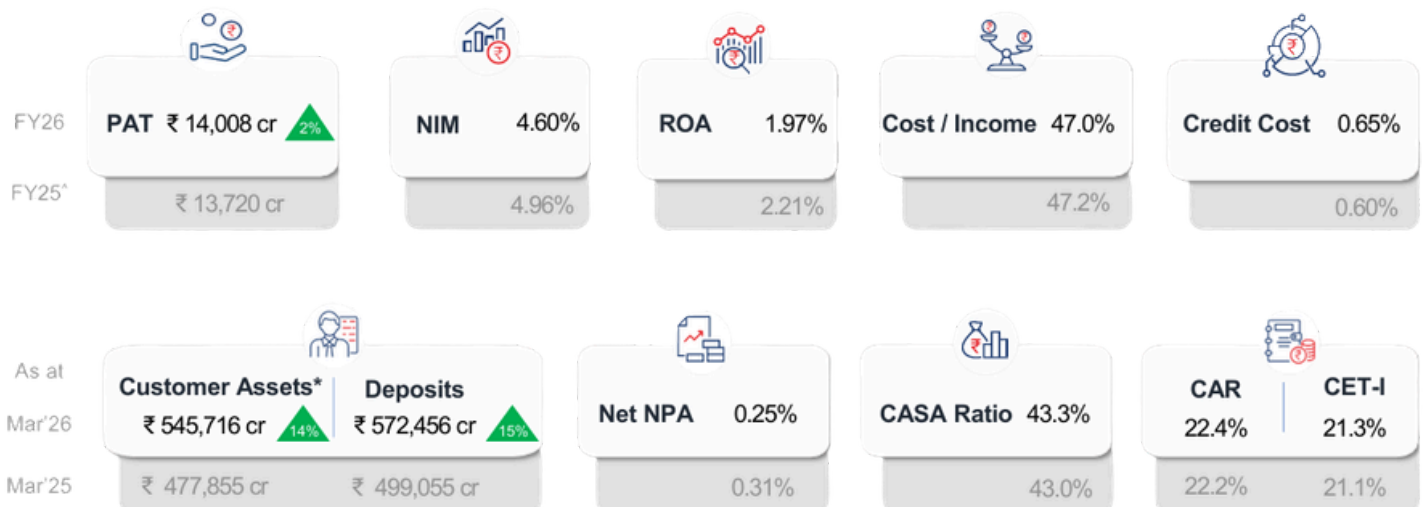
- Deposits: EOP +12% YoY; average deposits +14% YoY (+4% QoQ).
- Mix highlights (average balances):
 - CA +15% YoY
 - Fixed-rate SA +16% YoY
 - TD +14% YoY
 - Explained drag: floating-rate SA declined 18% YoY, which reconciles why total average deposits growth is lower than some components.

Highlights

Highlights - Q1FY27

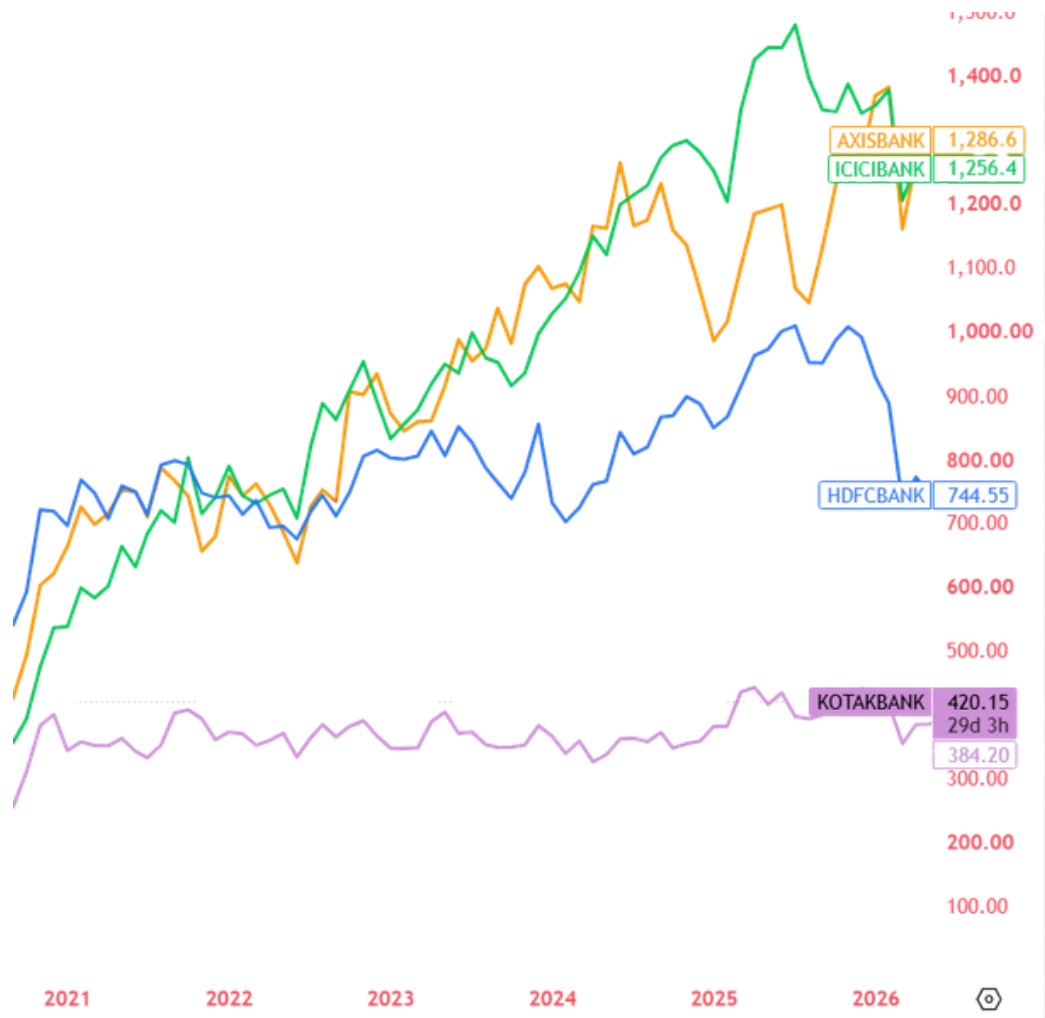


Highlights - FY26



Peer Comparison

Peer Stock Performance (2021-2026) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Kotak Mah. Bank	420.00	21.13	422635.76	0.16	5480.46	22.55	18354.57	6.41	6.98
HDFC Bank	718.30	14.07	1107517.86	1.80	20382.69	18.37	90575.33	3.67	7.02
ICICI Bank	1325.30	16.98	951399.29	0.92	16276.22	13.88	52240.85	6.44	7.18
Axis Bank	1235.20	13.80	384602.98	0.08	7670.37	22.24	35541.96	9.87	6.24

Source: Screener

Final Outlook

KOTAKBANK: HOLD | LTP: 420.00

Summary

Kotak Mahindra Bank continues to have a strong and diversified banking franchise, supported by growing deposits, a large branch network and multiple financial-services businesses. Q1 FY27 showed meaningful improvement, with consolidated PAT growing 23%, standalone bank PAT growing 26%, ROA improving to 2.14% and credit costs declining significantly. However, FY26 witnessed slower revenue growth and a decline in annual net profit and EPS. The stock also trades at a higher P/E compared with major private-sector banking peers.

Recent Performance – Q1 FY27

Kotak Mahindra Bank delivered a positive Q1 FY27 performance:

- Consolidated PAT: ₹5,480 Cr, up 23% YoY and 5% QoQ
- Standalone Bank PAT: ₹4,123 Cr, up 26% YoY
- PBT: ₹5,463 Cr, up 25% YoY
- NII: increased 9% YoY
- Fee income: increased 11% YoY
- ROA: improved to 2.14% from 1.94%
- NIM: remained stable at around 4.53%
- Credit cost: improved to 46 bps from 93 bps in Q1 FY26.

What is driving the improvement?

The main factors were:

1. Growth in Net Interest Income
2. Higher fee income
3. Better cost efficiency
4. Lower credit costs
5. Improvement in return on assets

Management is also focusing on responsible and profitable growth, rather than simply pursuing higher growth.

Kotak Mahindra Bank remains a strong and diversified financial services franchise with a large deposit base, growing branch network and improving profitability in Q1 FY27. Lower credit costs, stable NIM, better ROA and strong deposit growth are positive indicators.

Disclaimer: The information provided on this blog is for general informational purposes only and is not intended as financial advice. While we aim to provide accurate information, please conduct your own research before making any investment decisions. This content is for informational purposes only and should not be construed as financial advice. Always consult with a financial advisor before investing.

This blog may contain links to external websites for your convenience. We do not endorse the content or views expressed in these external sites and are not responsible for their accuracy or reliability.

By using this blog, you acknowledge that you have read and understood this disclaimer and agree to its terms.