19 July 2026

1QFY27 Results Update | Sector: Financials

Kotak Mahindra Bank

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	KMB IN
Equity Shares (m)	9946
M.Cap.(INRb)/(USDb)	3879 / 40.3
52-Week Range (INR)	453 / 345
1, 6, 12 Rel. Per (%)	-5/-1/-7
12M Avg Val (INR M)	7371

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
NII	300.1	337.9	399.8
OP	220.7	256.8	313.7
NP	140.1	171.7	206.0
Cons. NP	192.9	236.2	284.8
NIM (%)	4.5	4.5	4.6
EPS (INR)	14.1	17.3	20.7
EPS Gr. (%)	8.3	22.5	20.0
ABV. (INR)	132	133	153
Cons. BV. (INR)	182	193	221
Ratios			
RoA (%)	1.9	2.0	2.1
RoE (%)	11.1	12.6	14.0
Cons. RoE (%)	10.6	12.3	13.0
Valuations			
P/BV (X) (Cons.)	2.1	2.0	1.8
P/ABV (X) (Adj)	1.8	1.8	1.5
P/E(X) (Adj)	16.7	13.6	11.4

Shareholding pattern (%)

As Of	Jun-26	Mar-26	Jun-25
Promoter	25.9	25.9	25.9
DII	37.7	36.2	31.3
FII	25.2	26.4	30.7
Others	11.2	11.6	12.2

FII includes depository receipts

CMP: INR390 TP: INR470 (+21%) Buy

Steady quarter; other income, lower provisions drive earnings beat

RoA outlook robust at 2.0-2.1%

- Kotak Mahindra Bank (KMB) posted a standalone 1QFY27 PAT of INR41.2b (5% beat; up 26% YoY/2% QoQ), aided by high other income and lower provisions. Consolidated PAT stood at INR54.8b (up 23% YoY/5% QoQ).
- NII grew 9% YoY/1% QoQ to INR79.3b (in line). Its NIM dipped 14bp QoQ to 4.53% (in line) as the gains from the day count benefit reversed.
- Advances growth was steady at 15.2% YoY/3.3% QoQ to INR5.1t, aided by broad-based growth in BB, SME, and corporate advances and some pick-up in the credit card book. Deposits were up 11.7% YoY/flat QoQ, with the CA book declining 13% QoQ. The CASA ratio declined 300bp QoQ to 40.3%.
- Slippages increased to INR13.2b (up 30% QoQ/down 27% YoY). Credit cost normalised to 0.46% with seasonality in the CV and tractor books. The GNPA/ NNPA ratios were largely flat at 1.18%/0.27%.
- **We marginally raise our earnings estimates by ~2% for FY27/28 and project an RoA/RoE of 2.05%/12.6% in FY27. Reiterate BUY with a TP of INR470 (premised on 2.0x Mar'28E ABV + SoTP of INR155).**

Adjusted NIM flat QoQ; CASA ratio drops to 40.3%

- Standalone PAT stood at INR41.2b (up 25.6% YoY/2.4% QoQ), aided by high other income and lower provisions. Consolidated PAT stood at INR54.8b (up 23% YoY/5% QoQ).
- NII grew 9.2% YoY/0.7% QoQ to INR79.3b (in line). Its NIM dipped 14bp QoQ to 4.53% (in line) as the gains from the day count benefit reversed.
- Other income was up 7.1% QoQ/8.4% YoY (11% beat), aided by dividends from subsidiaries even as there was a treasury loss. Opex rose 7.5% YoY/flat QoQ to INR51.4b (in line). PPoP rose 10% YoY/5% QoQ to INR61.3b (4% beat).
- Loan growth was steady at 15.2% YoY/3.3% QoQ to INR5.1t, aided by growth in SME (2.6% QoQ), corporate (4.8% QoQ), MFI (4.8% QoQ), and credit cards (4% QoQ). However, growth in PL, BL, and CV segments remained subdued, with KMB remaining cautious owing to the impact of macroeconomic stress.
- Deposits were up 11.7% YoY/flat QoQ. CASA deposits were down 6.7% QoQ. As a result, the CASA ratio declined to 40.3% (down 300b QoQ). TD grew 5.3% QoQ/12.7% YoY for the quarter.
- Fresh slippages increased to INR13.2b (up 30% QoQ/down 27% YoY) amid seasonality in CV and tractor finance. The GNPA/NNPA ratios were largely flat at 1.18%/0.27%. PCR declined marginally to 77.8%. SMA-2 loans increased to INR2.5b/5bp of loans. CAR/CET-1 ratios stood at 22.8%/22.4%. Credit costs came in at 0.46% as against 0.39% in 4QFY26 and 0.93% in 1QFY26.
- **Performance of subsidiaries:** Kotak Prime's net earnings grew 30% YoY/48% QoQ; Kotak Life's PAT rose 3% YoY to INR3.4b. For Kotak Securities, reported PAT improved 33% QoQ to INR5.3b. Kotak AMC's PAT increased 22% YoY to INR4.0b.

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) | **Dixit Sankharva** (Dixit.sankharva@motilaloswal.com)
Research Analyst: Akshay Badlani (akshay.badlani@motilaloswal.com) | **Devansh Jani** (Devansh.Jani@motilaloswal.com)

Highlights from the management commentary

- Credit cards and the MFI businesses have also started to grow sequentially.
- Its NIM was steady at 4.53% and has been stable for the last three quarters, adjusting for one-offs in 4Q.
- Kotak 811 delivered 32% YoY growth in SA a/c and now contributes 12.7% of the total savings of KMB.
- Group LCR increased to 143% from 134% in Mar'26. The new LCR guidelines added a 9-10% incremental buffer.
- One-time ECL transition impact is <2% of net worth. Once implemented, the bank expects credit costs to increase 12-15bp on a steady-state basis.

Valuation and view: Reiterate BUY with a TP of INR470

KMB reported a steady quarter, marked by controlled slippages and credit costs, along with stable NIMs. KMB's NIM is expected to inch up with a gradual pickup in unsecured and commercial asset classes. The unsecured portfolio has largely attained stability, and the bank expects credit costs to remain well contained going forward. While overall advances growth remained steady, corporate lending picked up meaningfully, with the bank taking advantage of better spreads and volatility in treasury markets. Management has aimed to exceed system growth through a combination of both organic and inorganic credit expansion. KMB reiterated its guidance of delivering loan growth at ~1.5-2.0x nominal GDP, supported by steady traction in retail and unsecured segments. On the regulatory front, the bank highlighted that the transition to ECL would have a limited impact of less than 2% on net worth, with a marginal uptick in expected credit costs, reinforcing visibility on asset quality. **We marginally raise our earnings estimates by ~2% for FY27/28 and project an RoA/RoE of 2.05%/12.6% in FY27. Reiterate BUY with a TP of INR470 (premised on 2.0x Mar'28E ABV + SoTP of INR155).**

Quarterly Performance (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	V/s
	1Q	2Q	3Q	4Q	1QA	2QE	3QE	4QE			1QE	Our Est
Net Interest Income	**72.6**	**73.1**	**75.6**	**78.8**	**79.3**	**82.4**	**86.0**	**90.3**	**300.1**	**337.9**	**79.9**	**-1%**
% Change (Y-o-Y)	6.1	4.1	5.1	8.1	9.2	12.6	13.7	14.6	5.9	12.6	10.1	
Other Income	30.8	25.9	28.4	31.2	33.4	32.3	32.9	33.9	116.2	132.5	29.9	12%
Total Income	**103.4**	**99.0**	**104.0**	**109.9**	**112.7**	**114.7**	**118.9**	**124.2**	**416.3**	**470.4**	**109.9**	**3%**
Operating Expenses	47.8	46.3	50.2	51.4	51.4	52.8	54.1	55.5	195.7	213.6	50.8	1%
Operating Profit	**55.6**	**52.7**	**53.8**	**58.6**	**61.3**	**61.9**	**64.8**	**68.7**	**220.7**	**256.8**	**59.0**	**4%**
% Change (Y-o-Y)	5.9	3.3	3.8	7.0	10.2	17.5	20.5	17.4	5.0	16.4	6.1	
Provisions	12.1	9.5	8.1	5.2	6.7	7.2	7.4	7.8	34.8	29.1	7.0	-5%
Profit before Tax	**43.6**	**43.2**	**45.7**	**53.4**	**54.6**	**54.7**	**57.4**	**60.9**	**185.9**	**227.7**	**52.0**	**5%**
Tax	10.7	10.7	11.2	13.1	13.4	13.5	14.1	15.0	45.8	56.0	12.8	5%
Net Profit	**32.8**	**32.5**	**34.5**	**40.3**	**41.2**	**41.3**	**43.3**	**45.9**	**140.1**	**171.7**	**39.2**	**5%**
% Change (Y-o-Y)	-6.8	-2.7	4.3	13.4	25.6	26.8	25.7	14.0	8.3	22.6	19.5	
Operating Parameters												
Deposits (INRb)	5,128	5,288	5,426	5,725	5,728	6,086	6,322	6,629	5,725	6,629	5,889	
Loans (INRb)	4,448	4,627	4,807	4,960	5,122	5,333	5,548	5,788	4,960	5,788	5,134	
Deposit growth (%)	14.6	14.6	14.6	14.7	11.7	15.1	16.5	15.8	14.7	15.8	14.8	
Loan growth (%)	14.1	15.8	16.1	16.2	15.2	15.3	15.4	16.7	16.2	16.7	15.4	
Asset Quality												
Gross NPA (%)	1.48	1.39	1.30	1.20	1.18	1.10	1.05	1.00	1.20	1.00	1.15	
Net NPA (%)	0.34	0.32	0.31	0.25	0.27	0.24	0.23	0.22	0.25	0.22	0.25	
PCR (%)	76.9	77.0	76.3	79.0	77.8	78.2	77.9	78.0	79.0	78.0	78.7	

Quarterly snapshot

	FY26				FY27	Change (%)	
Profit and Loss (INRb)	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Net Interest Income	72.6	73.1	75.6	78.8	79.3	9.2	0.7
Other Income	30.8	25.9	28.4	31.2	33.4	8.4	7.1
Total Income	103.4	99.0	104.0	109.9	112.7	9.0	2.5
Operating Expenses	47.8	46.3	50.2	51.4	51.4	7.5	0.0
Employee	20.7	19.8	22.5	20.6	22.1	7.0	7.3
Others	27.1	26.5	27.8	30.8	29.2	7.9	-4.9
Operating Profits	55.6	52.7	53.8	58.6	61.3	10.2	4.7
Core PPoP	53.7	54.0	53.8	58.0	61.9	15.3	6.7
Provisions	12.1	9.5	8.1	5.2	6.7	-44.7	29.4
PBT	43.6	43.2	45.7	53.4	54.6	25.4	2.3
Taxes	10.7	10.7	11.2	13.1	13.4	24.8	2.1
PAT	32.8	32.5	34.5	40.3	41.2	25.6	2.4
Balance Sheet (INR b)							
Loans	4,448	4,627	4,807	4,960	5,122	15.2	3.3
Deposits	5,128	5,288	5,426	5,725	5,728	11.7	0.1
CASA Deposits	2,096	2,238	2,242	2,477	2,310	10.2	-6.7
-Savings	1,279	1,339	1,383	1,461	1,427	11.6	-2.3
-Current	817	899	859	1,016	883	8.1	-13.1
Loan Mix (%)							
Retail	46.2	55.6	55.4	45.7	44.4	-179	-124
- HL	28.7	28.8	28.9	29.4	28.6	-11	-75
- PL, BL and CD	5.3	5.1	5.0	5.0	4.8	-46	-14
Business banking/SME	22.8	7.8	7.9	23.9	23.8	110	0
Agri	3.9	8.9	9.2	3.9	3.8	-14	-15
Corporate	23.0	22.8	22.6	22.6	23.1	11	48
Others	2.9	3.7	3.8	2.8	3.7	78	89
Asset Quality (INR b)							
GNPA	66.4	64.8	63.2	60.2	61.2	-7.8	1.7
NNPA	15.3	14.9	15.0	12.6	13.6	-11.3	7.5
Slippages	18.1	16.3	16.1	10.2	13.2	-27.1	29.8
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY (bp)**	**QoQ (bp)**
GNPA	1.5	1.4	1.3	1.2	1.2	-30	-2
NNPA	0.3	0.3	0.3	0.3	0.3	-7	2
Slippage	1.7	1.5	1.4	0.9	1.0	-69	17
PCR (Exc TWO)	76.9	77.0	76.3	79.0	77.8	89	-120
Credit Cost	1.2	0.9	0.7	0.4	0.6	-60	11
Business Ratios (%)							
CASA	40.9	42.3	41.3	43.3	40.3	-60	-300
Loan / Deposit	86.7	87.5	88.6	86.6	89.4	269	278
Cost to Income	46.2	46.8	48.3	46.7	45.6	-61	-115
Cost to Assets	3.0	2.8	2.9	2.8	2.8	-15	2
Other income/Total Income	29.8	26.2	27.3	28.4	29.6	-16	128
Tax Rate	24.7	24.7	24.6	24.6	24.5	-13	-5
Capitalisation Ratios (%)							
Tier-1 (inc profit)	21.8	20.9	21.5	21.3	22.4	60	110
- CET 1 (inc profit)	21.8	20.9	21.5	21.3	22.4	60	110
CAR (inc profit)	23.0	22.1	22.6	22.4	22.8	-20	40
LCR	138.4	132.2	134.8	134.4	143.0	464	860
Profitability Ratios (%)							
Yield on loans	10.2	9.8	9.7	9.5	9.4	-75	-12
Yield On Investments	6.7	6.1	6.0	6.1	5.7	-94	-34
Yield on Funds	9.4	9.0	8.9	8.9	8.7	-68	-18
Cost of funds	5.0	4.7	4.5	4.5	4.5	-55	1
Margins	4.7	4.5	4.5	4.7	4.5	-12	-14
Other Details							
Branches	2,154	2,198	2,218	2,276	2,301	147	25
ATM	2,927	2,758	2,749	2,727	2,734	-193	7

Source: Company, MOFSL

Consolidated earnings snapshot (INR m)

Y/E March	FY25			FY26				FY27
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Kotak Bank	33,440	33,050	35,520	32,820	32,530	34,460	40,270	41,230
Kotak Prime	2,690	2,180	2,970	2,720	2,460	2,500	2,400	3,540
Kotak Securities	4,440	4,480	3,480	4,650	3,450	4,310	4,000	5,330
KMCC	900	940	960	890	600	980	1,030	890
Kotak Life	3,600	1,640	730	3,270	490	1,620	900	3,360
AMC & Trustee	1,970	2,400	3,640	3,260	2,580	3,150	1,840	3,990
Intl. subs	760	470	640	420	480	450	200	290
KIL	1,410	1,070	1,160	1,070	1,200	870	1,150	1,130
Others	650	(80)	240	570	990	650	630	1,690
Kotak Consol.	**49,860**	**46,150**	**49,340**	**49,670**	**44,780**	**48,990**	**52,420**	**61,450**
Minority/associate adjustments	580	860	(10)	(4,950)	(100)	250	(40)	(6,650)
Kotak Cons. Reported PAT	**50,440**	**47,010**	**49,330**	**44,720**	**44,680**	**49,240**	**52,380**	**54,800**
Contribution of the bank to total profits	66%	70%	72%	73%	73%	70%	77%	75%

Source: Company, MOFSL

Highlights from the management commentary

Opening remarks

- KMB calibrated growth in low-RoE businesses and the businesses potentially hit by geopolitical crises.
- Taken advantage of better spreads in the corporate segment and volatility in treasury markets.
- SME and institutional businesses have been the major growth drivers.
- Credit cards and the MFI business have also started to witness sequential growth.
- NIM was steady at 4.53% and has been stable for the last three quarters, adjusting for one-offs in 4Q.
- Geopolitical challenges hit capital markets, especially IB and IE.
- The operating environment remained dynamic; FCNR(B) deposits and the ECLGS scheme provided some relief.

Advances

- KMB's 1Q growth was driven by the corporate and SME segments; MFI and credit card business witnessed a sequential pick-up.
- Gold loan has continued to gain traction and remains a key scalable product for the bank.
- PL, BL, and CD books grew 5%, with the Standard Chartered PL book still running down. Excluding the same, PL growth remains in double digits.
- CC book has been strategically re-stacked and has now witnessed 4% QoQ growth in spending.
- MFI book is largely covered under the CGFMU scheme and is performing well.
- Tractor finance book grew 11% YoY. KMB remains watchful of any adverse Impact of El Niño and shall continue to maintain market share in this segment.
- SME business now forms 24% of the bank's advances and continues to be capital efficient.
- GIFT City continues to scale both trade and non-trade loans.
- CV and CE make up 9% of total advances. Both businesses were seasonally weaker compared to the previous quarter, while continuing to see improvement in collections.

- A combination of organic and inorganic loans shall deliver credit growth above the system.
- Credit substitutes – A large part of growth has come from short-term instruments. CP was providing higher yields compared to bank loans. The bank does not have the PSL cost at the end of the quarter.
- PL sourcing – As a product, the focus is significantly on internal sourcing. PL O/D is a good product for the affluent segment and is gaining traction.

Deposits

- HNI – private banking + solitaire continues to deliver strong outcomes. The bank's relationship value stands at INR12.7t (vs 10.8t Jun-26), serving 78.2k families.
- Kotak 811 delivered 32% YoY in SA a/c and now contributes 12.7% of the total savings of KMB.
- More emphasis on average balances v/s end period balances in case of deposits.
- FCNR (B) Deposits – Encouraging start, should have a much better picture in the next month or so.
- The floating rate SA balance has gone down by 18% YoY.

Yields, Costs, and NIM

- KMB's NIM has been steady at 4.53% for the last three quarters, excluding the day count impact in 4Q.
- Fee income from corporate bank grew 27% YoY and contributed 20% of total fee income.
- The margin dip commentary last quarter was more from the industry perspective rather than KMB-specific.
- CoF was stable at 4.46% despite the rate hike in TD/wholesale deposits.

Other income and Opex

- Staff cost higher owing to annual increments and the reversal of the 4Q benefit in retirement costs arising from movement in discount rates.
- The trading gain on the fixed income book for 4QFY26 was reversed in 1QFY27 with adverse market movements.
- The bank continues to invest in technology, with investments in tech being 13% of total opex.
- Dividend from subsidiaries was included in 1Q; 4Q included higher insurance distribution income.
- FX surged this quarter, and DCM maintained its strong momentum.

Asset Quality and Credit Costs

- Credit cost 46bp compared to 39bp last quarter and 93b in 1QFY26.
- Increase in credit costs and slippages was owing to the seasonal impact of CV and tractor finance books.
- KMB is comfortable w.r.t the current asset quality metrics after unsecured stress was cleaned up.
- Have been more cautious in unsecured BL owing to macro stress.
- One-time ECL impact is <2% of net worth. Once implemented, management expects credit costs to increase 12-15bp on a steady-state basis.

Deutsche Bank Acquisition

- Acquisition comprised INR290b in assets, INR160b in deposits, and INR105b in wealth AUM.
- It is expected to be RoE-accretive, and the transaction is expected to close in Sep'27.
- However, it could consume some of the excess capital.

Others

- Dormant and inactive customers led to a reduced customer count.
- Lending in the ECLGS program was INR 30bn as of 1QFY27.
- Group LCR 143% from 134% in Mar-26. New LCR has added a 9-10% incremental buffer. Standalone 1Q LCR stood at 134%.
- Initial focus to cross-sell personal loans rather than credit cards. Secured credit cards have been doing well for the 811 customer segment.
- Yield on investments also has a number of days concept; thus, 4QFY26 was higher than 1QFY27.

Subsidiary performance

- Subsidiary business contributing 33% of total consolidated profit.
- 20% YoY PAT growth was partly aided by the reversal of MTM towards the end of 4QFY26 on capital markets-linked investments.
- Capital market business was muted owing to FII outflow and geopolitical uncertainties.
- Kotak Prime's PAT grew 30% YoY. Customer asset growth was healthy at 11% YoY.
- Kotak Securities' PAT was up 14% YoY. Cash and derivative market share improved. Interest income also benefited from growth in the MTF book with a 14% market share.
- Kotak AMC witnessed 16% YoY growth in AUM to 6.1t.
- Kotak Alternate assets saw PAT up by 112% YoY, driven by gains from exits during the quarter.
- Kotak Life Insurance witnessed GWP growing at 28% YoY. Retail sum assured growth was strong at 57% YoY.

Story in charts

Exhibit 1: Advances/deposits grew 15%/12% YoY

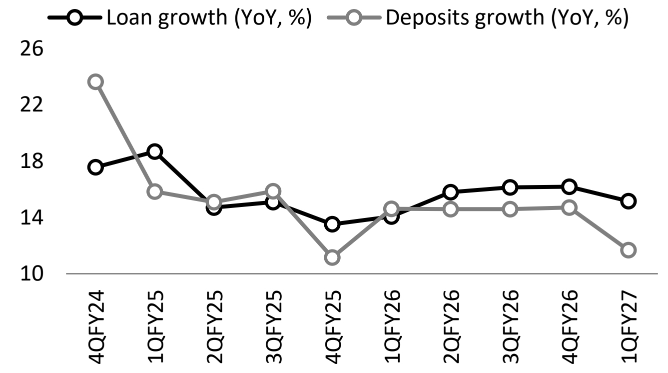


Exhibit 2: Retail + SME loan mix stood at 68.3% in 1QFY27

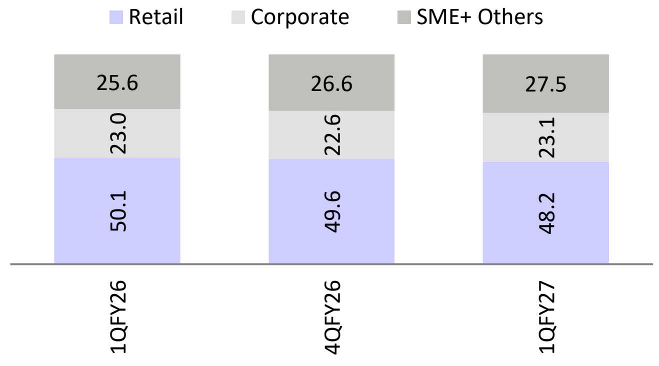


Exhibit 3: NIM dipped 14bp QoQ to 4.53% (adj NIM flat)

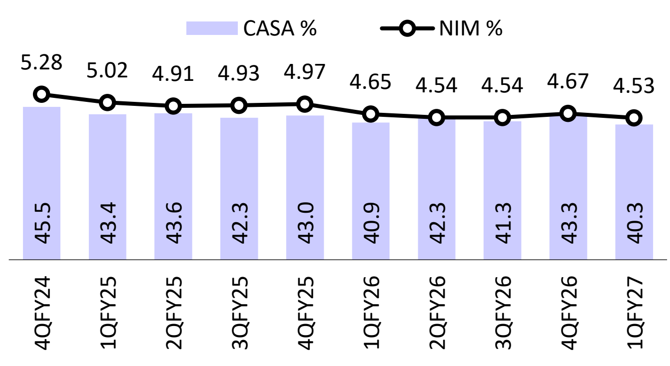


Exhibit 4: Yields decline to 9.42%/CoF flat at 4.45% in 1QFY27

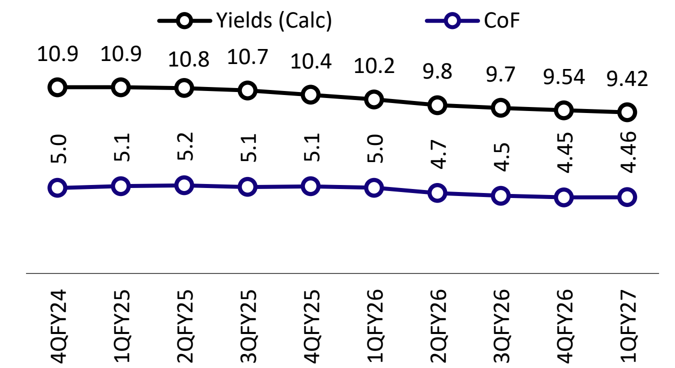


Exhibit 5: C/I ratio declined 115bp QoQ to 45.6%

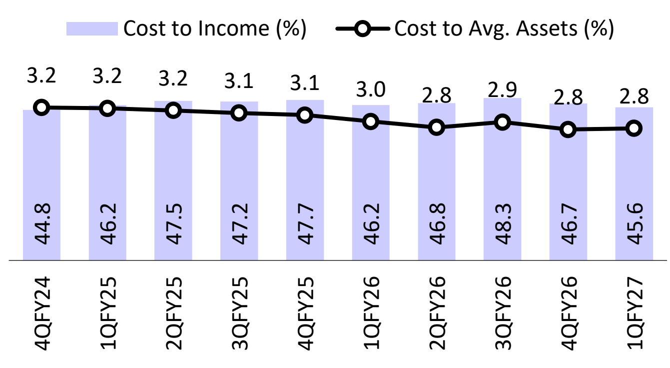


Exhibit 6: C/D ratio rose to 89.4% from 86.6% in 1QFY27

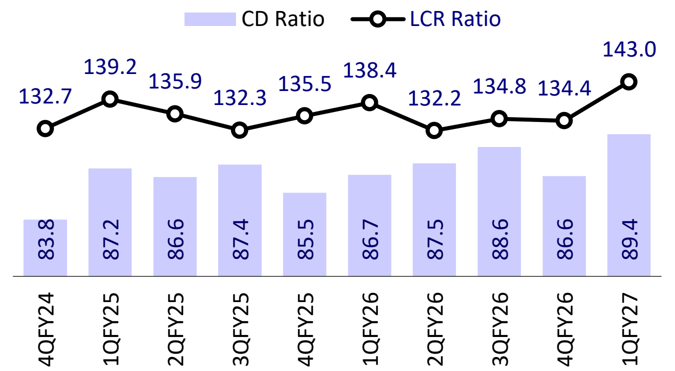


Exhibit 7: Slippages rose to INR13.2b; credit costs at 0.6%

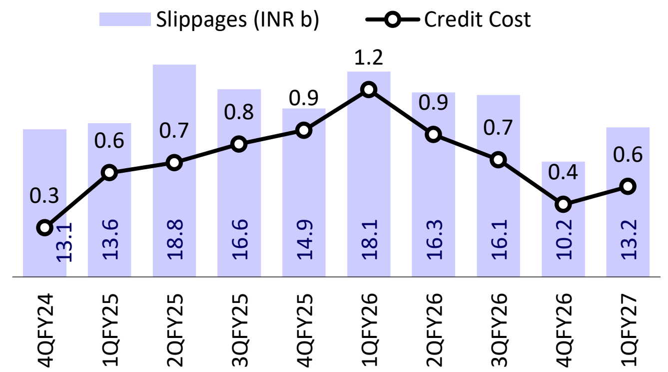
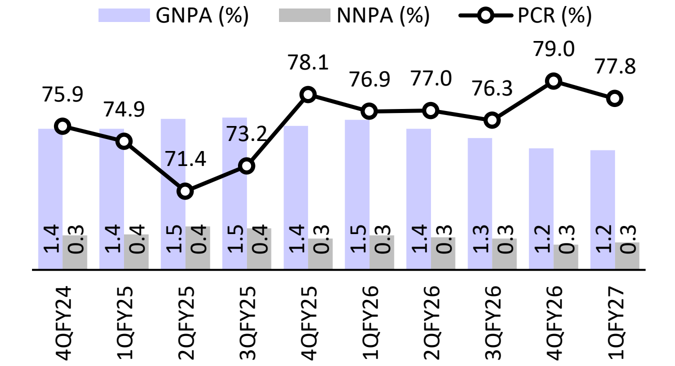


Exhibit 8: GNPA/NNPA ratios were flat at 1.2%/0.3%



Source: MOFSL, Company

Source: MOFSL, Company

Subsidiaries' performances and consolidated earnings snapshot

Exhibit 9: Kotak Prime: Auto loans up 6.4% YoY/1.2% QoQ

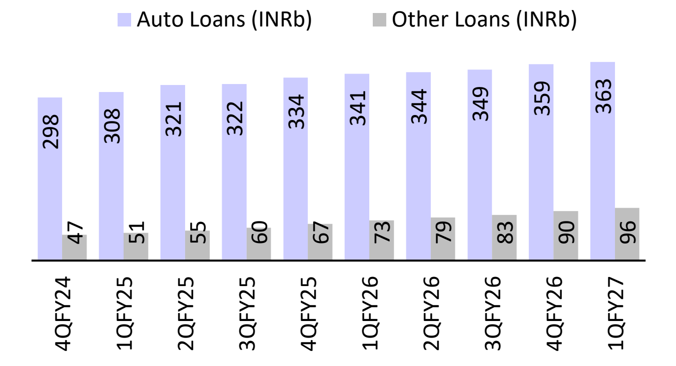


Exhibit 10: Kotak Prime: PAT improved to INR3.5b in 1QFY27

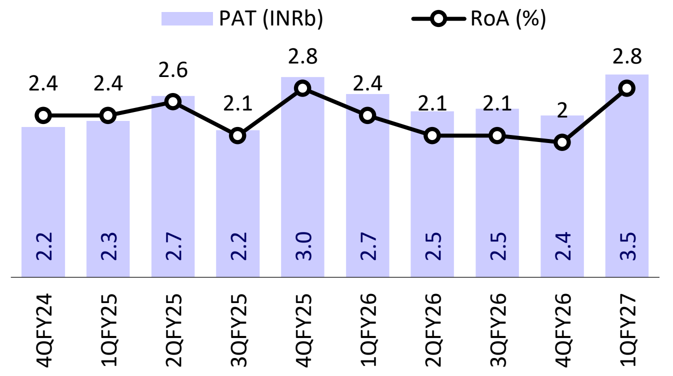


Exhibit 11: Kotak Securities: PAT rose 33% QoQ to INR5.3b

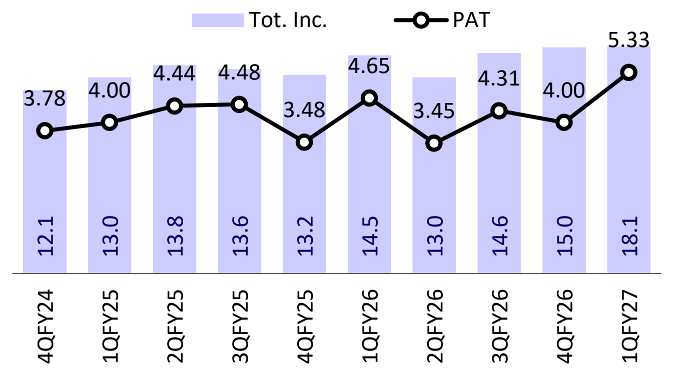


Exhibit 12: Investment Banking: PAT dipped to INR890m

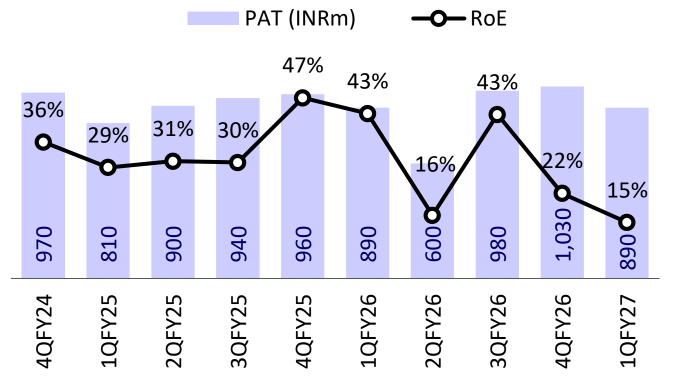


Exhibit 13: Kotak Life Insurance: PAT grew to INR3.4b

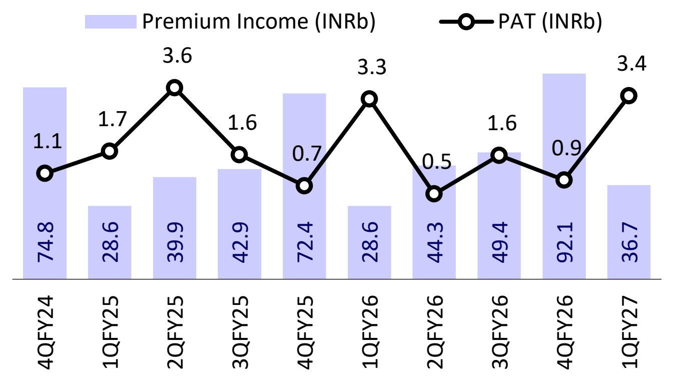


Exhibit 14: Kotak AMC: PAT increased to INR4b

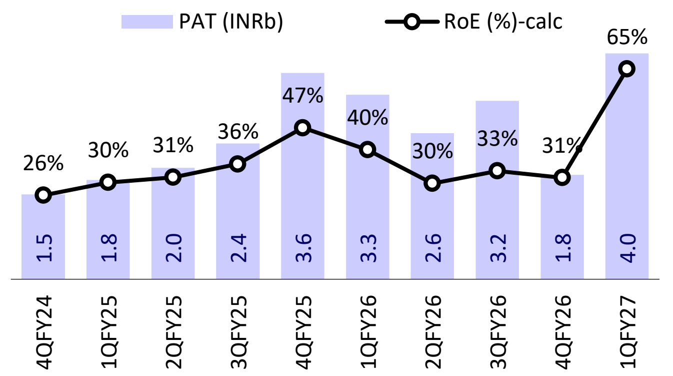
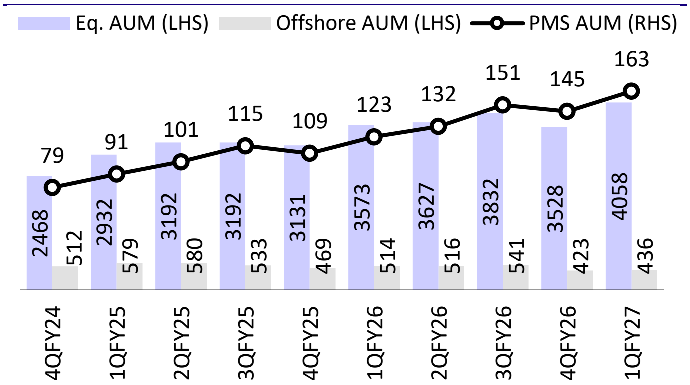


Exhibit 15: Kotak AMC: AUM mix (INR b)



Source: MOFSL, Company

Exhibit 16: KMB: Consol. PAT details

KMB Group: Qtrly. Performance	4Q FY26	4Q FY25	YoY	3Q FY26	QoQ
Kotak Bank	41.2	32.8	25.6	40.3	2.4
Kotak Prime	3.5	2.7	30.1	2.4	47.5
Kotak Securities	5.3	4.7	14.6	4.0	33.3
KMCC	0.9	0.9	-	1.0	(13.6)
Kotak Life	3.4	3.3	2.8	0.9	273.3
AMC & Trustee	4.0	3.3	22.4	1.8	116.8
Intl. subs	0.3	0.4	(31.0)	0.2	45.0
KIL	1.1	1.1	5.6	1.2	(1.7)
Kotak Consol	**61.5**	**49.7**	**23.7**	**52.4**	**17.2**
Minority adjustments	-6.7	-5.0	34.3	0.0	NA
Consol PAT (after MI)	**54.8**	**44.7**	**22.5**	**52.4**	**4.6**

Source: MOFSL, Company

Valuation and view

- KMB reported a steady quarter, marked by controlled slippages and credit costs, along with stable NIMs. KMB's NIM is expected to inch up with a gradual pickup in unsecured and commercial asset classes.
- The unsecured portfolio has largely attained stability, and the bank expects credit costs to remain well contained going forward. While overall advances growth remained steady, corporate lending picked up meaningfully, with the bank taking advantage of better spreads and volatility in treasury markets.
- Management has aimed to exceed system growth through a combination of both organic and inorganic credit expansion. KMB reiterated its guidance of delivering loan growth at ~1.5-2.0x nominal GDP, supported by steady traction in retail and unsecured segments.
- On the regulatory front, the bank highlighted that the transition to ECL would have a limited impact of less than 2% on net worth, with a marginal uptick in expected credit costs, reinforcing visibility on asset quality.
- **We marginally raise our earnings estimates by ~2% for FY27/28 and project an RoA/RoE of 2.05%/12.6% in FY27. Reiterate BUY with a TP of INR470 (premised on 2.0x Mar'28E ABV + SoTP of INR155).**

Exhibit 17: We marginally raise our earnings estimates and expect KMB to deliver an FY27E RoA/RoE of 2.05%/12.6%

INR b	Old Est.		Revised Est.		Change (%)/bps	
	FY27	FY28	FY27	FY28	FY27	FY28
Net Interest Income	337.3	402.1	337.9	399.8	0.2	-0.6
Other Income	129.0	146.4	132.5	151.7	2.7	3.6
Total Income	**466.3**	**548.6**	**470.4**	**551.5**	**0.9**	**0.5**
Operating Expenses	213.6	237.8	213.6	237.8	0.0	0.0
Operating Profits	**252.7**	**310.7**	**256.8**	**313.7**	**1.6**	**1.0**
Provisions	29.6	40.2	29.1	40.5	-1.8	0.8
PBT	**223.1**	**270.5**	**227.7**	**273.2**	**2.1**	**1.0**
Tax	54.9	66.6	56.0	67.2	2.1	1.0
Standalone PAT	**168.2**	**204.0**	**171.7**	**206.0**	**2.1**	**1.0**
Loans	5,788	6,772	5,788	6,720	0.0	-0.8
Deposits	6,640	7,663	6,629	7,604	-0.2	-0.8
Margins (%)	**4.47**	**4.61**	**4.48**	**4.60**	**1**	**(2)**
RoA (%)	**2.01**	**2.12**	**2.05**	**2.15**	**4**	**3**
Core RoE (%)	**12.4**	**13.9**	**12.6**	**14.0**	**24**	**9**
EPS	**16.9**	**20.5**	**17.3**	**20.7**	**2.1**	**1.0**
BV	**137.5**	**157.6**	**137.8**	**158.2**	**0.3**	**0.4**
Consol BV	**192.5**	**220.6**	**192.8**	**221.2**	**0.2**	**0.3**

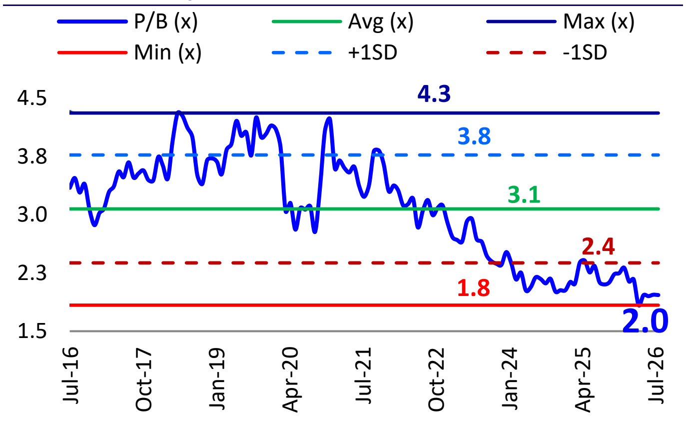
Source: MOFSL, Company

Exhibit 18: KMB – SoTP valuation based on Mar'28E

	Stake (%)	Attributed Value (INR b)	Value (USD B)	INR per share	% to total	Rationale
Lending Business		**3,566**	**37.0**	**359**	**76**	
Kotak Mahindra Bank		3,132	32.5	315	67	2.0x Mar'28E NW
Kotak Prime (Car and other loans)	100	331	3.4	33	7	2.0x Mar'28E NW
Kotak Investment Company (LAS)	100	103	1.1	10	2	2.0x Mar'28E NW
Asset Management Business		**493**	**5.1**	**50**	**11**	5.5% of Mar'28E AUMs
Domestic Mutual Fund	100	433	4.5	44	9	
Alternative Assets	100	30	0.3	3	1	
Offshore Funds	100	30	0.3	3	1	
Capital Markets-related Business		**473**	**4.9**	**48**	**10**	
Kotak Securities	100	379	3.9	38	8	16x Mar'28E PAT
Kotak Investment Banking (KMCC)	100	95	1.0	10	2	2.0x Mar'28E NW
Kotak Life Insurance	100	**507**	**5.3**	**51**	**11**	2.0x Mar'28E EV
MCX	3	**21**	**0.2**	**2**	**0.5**	Based on CMP
Subs value @ 20% discount		**1,526**	**15.8**	**155**	**33**	
Target Value (Post 20% holding discount)		**4,658**	**48.4**	**470**	**100**	
- contribution of subs/associates to total PT					**33%**	

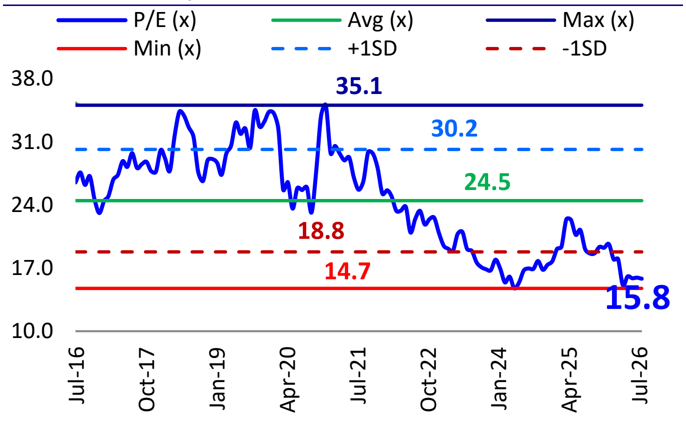
Source: Company, MOFSL

Exhibit 19: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 20: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 21: DuPont Analysis – We estimate KMB to report an FY28 RoA/RoE of 2.15%/14.0%

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	7.45	8.40	8.18	7.53	7.56	7.64
Interest Expense	2.76	3.63	3.80	3.46	3.53	3.47
Net Interest Income	**4.69**	**4.77**	**4.38**	**4.06**	**4.03**	**4.17**
Fee income	1.75	1.72	1.07	1.64	1.65	1.66
Trading and others	-0.21	0.17	0.70	-0.06	-0.07	-0.08
Non-interest income	1.54	1.88	1.76	1.57	1.58	1.58
Total Income	**6.23**	**6.65**	**6.15**	**5.64**	**5.62**	**5.75**
Operating Expenses	3.00	3.06	2.90	2.65	2.55	2.48
Employee cost	1.21	1.26	1.22	1.14	1.11	1.08
Others	1.79	1.80	1.67	1.51	1.44	1.39
Operating Profits	**3.23**	**3.59**	**3.25**	**2.99**	**3.07**	**3.27**
Core Operating Profits	**3.44**	**3.42**	**2.55**	**3.05**	**3.14**	**3.35**
Provisions	0.10	0.29	0.45	0.47	0.35	0.42
NPA	0.11	0.27	0.40	0.43	0.32	0.39
Others	-0.01	0.02	0.06	0.04	0.03	0.03
PBT	**3.13**	**3.30**	**2.79**	**2.52**	**2.72**	**2.85**
Tax	0.75	0.78	0.79	0.62	0.67	0.70
RoA	**2.38**	**2.53**	**2.00**	**1.90**	**2.05**	**2.15**
Leverage (x)	5.9	6.0	6.0	5.8	6.1	6.5
RoE	**14.0**	**15.3**	**12.1**	**11.1**	**12.6**	**14.0**

Source: Company, MOFSL

Financials and valuations

Income Statement

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	342.5	458.0	529.2	555.6	633.2	733.1
Interest Expense	127.0	198.1	245.8	255.5	295.3	333.2
Net Interest Income	**215.5**	**259.9**	**283.4**	**300.1**	**337.9**	**399.8**
-growth (%)	28.1	20.6	9.0	5.9	12.6	18.3
Non-Interest Income	70.8	102.7	114.2	116.2	132.5	151.7
Total Income	**286.3**	**362.7**	**397.6**	**416.3**	**470.4**	**551.5**
-growth (%)	25.6	26.7	9.6	4.7	13.0	17.2
Operating Expenses	137.9	166.8	187.5	195.7	213.6	237.8
Pre Provision Profits	**148.5**	**195.9**	**210.1**	**220.7**	**256.8**	**313.7**
-growth (%)	23.2	31.9	7.2	5.0	16.4	22.2
Core PPoP	**158.2**	**186.7**	**165.0**	**225.2**	**262.6**	**321.3**
-growth (%)	21.9	18.0	-11.6	36.4	16.6	22.3
Provisions	4.6	15.7	29.4	34.8	29.1	40.5
PBT	**143.9**	**180.1**	**180.6**	**185.9**	**227.7**	**273.2**
Tax	34.5	42.3	51.3	45.8	56.0	67.2
Tax Rate (%)	24.0	23.5	28.4	24.6	24.6	24.6
PAT	**109.4**	**137.8**	**129.3**	**140.1**	**171.7**	**206.0**
-growth (%)	27.6	26.0	-6.2	8.3	22.6	20.0
Adjusted PAT	**109.4**	**137.8**	**129.3**	**140.1**	**171.7**	**206.0**
Change (%)	27.6	26.0	-6.2	8.3	22.6	20.0
Consolidated PAT	**149.3**	**182.1**	**221.3**	**192.9**	**236.2**	**284.8**
-growth (%)	27.3	22.0	21.5	-12.8	22.5	20.6

(INRb)

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	9.9	9.9	9.9	9.9	9.9	9.9
Reserves & Surplus	820.3	957.2	1,162.5	1,343.2	1,360.9	1,563.3
Net Worth	**835.2**	**967.2**	**1,172.4**	**1,353.1**	**1,370.8**	**1,573.2**
- Equity Net Worth	*830.2*	*967.2*	*1,172.4*	*1,353.1*	*1,370.8*	*1,573.2*
Deposits	**3,631.0**	**4,489.5**	**4,990.6**	**5,724.6**	**6,629.0**	**7,603.5**
-growth (%)	16.5	23.6	11.2	14.7	15.8	14.7
- CASA Dep	**1,918.2**	**2,043.0**	**2,144.2**	**2,477.2**	**2,810.7**	**3,292.3**
-growth (%)	1.4	6.5	4.9	15.5	13.5	17.1
Borrowings	234.2	283.7	484.4	324.8	395.4	457.6
Other Liabilities & Prov.	198.3	263.2	288.9	427.6	525.9	641.7
Total Liabilities	**4,898.6**	**6,003.6**	**6,936.2**	**7,830.0**	**8,921.2**	**10,276.0**
Current Assets	325.4	527.9	657.8	840.9	821.9	894.8
Investments	**1,214.0**	**1,554.0**	**1,819.1**	**1,725.4**	**1,979.0**	**2,275.8**
-growth (%)	20.7	28.0	17.1	-5.2	14.7	15.0
Loans	**3,198.6**	**3,760.8**	**4,269.1**	**4,960.1**	**5,788.4**	**6,720.4**
-growth (%)	17.9	17.6	13.5	16.2	16.7	16.1
Fixed Assets	19.2	21.6	23.6	23.9	28.4	33.3
Other Assets	141.3	139.3	166.7	279.8	303.6	351.7
Total Assets	**4,898.6**	**6,003.6**	**6,936.2**	**7,830.0**	**8,921.2**	**10,276.0**

Asset Quality

Y/E MARCH	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA	57.7	52.7	61.3	60.2	58.2	65.9
NNPA	11.9	12.7	13.4	12.6	12.8	14.8
GNPA Ratio (%)	1.78	1.39	1.42	1.20	1.00	0.97
NNPA Ratio (%)	0.37	0.34	0.31	0.25	0.22	0.22
Slippage Ratio (%)	1.20	1.27	1.39	1.15	1.24	1.24
Credit Cost (%)	0.17	0.43	0.64	0.69	0.50	0.60
PCR (Excl Tech. write off) (%)	79.3	75.9	78.1	79.0	78.0	77.6

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	**8.0**	**9.1**	**9.0**	**8.3**	**8.4**	**8.4**
Avg. Yield on loans	9.1	10.2	10.1	9.3	9.3	9.3
Avg. Yield on Investments	6.1	6.7	6.7	6.6	6.7	6.7
Avg. Cost-Int. Bear. Liab.	**3.5**	**4.6**	**4.8**	**4.4**	**4.5**	**4.4**
Avg. Cost of Deposits	3.5	4.5	4.8	4.4	4.4	4.4
Interest Spread	**5.6**	**5.7**	**5.4**	**4.9**	**4.8**	**4.9**
Net Interest Margin	**5.1**	**5.2**	**4.8**	**4.5**	**4.5**	**4.6**
Capitalisation Ratios (%)						
CAR	21.8	20.5	22.3	22.4	21.7	21.2
CET-1	20.6	19.2	21.1	21.3	20.6	20.2
Tier I	20.6	19.2	21.1	21.3	20.6	20.2
Tier II	1.2	1.3	1.2	1.1	1.1	1.0
Business Ratios (%)						
Loans/Deposit Ratio	88.1	83.8	85.5	86.6	87.3	88.4
CASA Ratio	52.8	45.5	43.0	43.3	42.4	43.3
Cost/Assets	2.8	2.8	2.7	2.5	2.4	2.3
Cost/Total Income	48.1	46.0	47.2	47.0	45.4	43.1
Cost/Core Income	46.6	47.2	53.2	46.5	44.9	42.5
Int. Expense/Int.Income	37.1	43.2	46.4	46.0	46.6	45.5
Fee Income/Total Income	28.1	25.8	17.4	29.0	29.4	28.9
Non Int. Inc./Total Income	24.7	28.3	28.7	27.9	28.2	27.5
Empl. Cost/Total Expenses	40.2	41.3	42.2	42.9	43.5	43.8
Efficiency Ratios (INRm)						
Employee per branch (in nos)	37.3	40.0	35.1	32.5	33.5	34.4
Staff cost per employee (INR m)	0.8	0.9	1.1	1.1	1.2	1.2
CASA per branch	1,078	1,049	998	1,088	1,187	1,337
Deposits per branch	2,040	2,305	2,323	2,515	2,801	3,089
Business per Employee	103	106	123	144	157	169
Profit per Employee	1.6	1.8	1.7	1.9	2.2	2.4
Profitability Ratios and Valuation						
RoE (%)	14.1	15.3	12.1	11.1	12.6	14.0
RoA (%)	2.4	2.5	2.0	1.9	2.0	2.1
Consolidated ROE (%)	13.3	14.0	14.1	10.6	12.3	13.0
Consolidated ROA (%)	2.6	2.6	2.7	2.0	2.3	2.4
RoRWA (%)	2.9	3.0	2.5	2.3	2.5	2.5
Book Value (INR)	84	97	118	136	138	158
-growth (%)	15.2	16.4	21.2	15.4	1.3	14.8
Price-BV (x)	2.8	2.4	2.0	1.7	1.7	1.5
Adjusted BV (INR)	80	92	114	132	133	153
-growth (%)	16.4	16.3	22.9	16.0	1.0	14.8
Price-ABV (x)	2.9	2.5	2.0	1.8	1.7	1.5
EPS (INR)	11.0	13.9	13.0	14.1	17.3	20.7
-growth (%)	27.5	25.9	-6.2	8.3	22.5	20.0
Price-Earnings (x)	21.0	16.7	17.8	16.5	13.4	11.2
Consolidated EPS (INR)	15.0	18.3	22.3	19.4	23.7	28.6
Change (%)	27.2	21.9	21.5	-12.9	22.5	20.6
Price-Consolidated Earnings (x)	26.0	21.3	17.6	20.1	16.5	13.6
Dividend Per Share (INR)	0.3	0.3	0.4	0.5	0.4	0.4
Dividend Yield (%)	0.1	0.0	0.0	0.1	0.1	0.1

E: MOFSL Estimates

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.
Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.
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