

July 08, 2026

## Kotak Mahindra Bank Limited: Update on material event

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Infrastructure bonds	10,888.00	10,888.00	[ICRA]AAA (Stable)
<b>Total</b>	<b>10,888.00</b>	<b>10,888.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

#### Material event

Kotak Mahindra Bank Limited (KMBL), vide its stock exchange filing dated June 30, 2026, has intimated that it has executed a business transfer agreement (BTA) with Deutsche Bank Aktiengesellschaft [acting through its branch in India, i.e., Deutsche Bank AG (DBAG)] on the same date for the acquisition of DBAG's retail banking, private banking and wealth management business in India (business undertaking) as a going concern on a slump sale basis, subject to requisite approvals and the fulfilment of conditions specified in the BTA.

KMBL is acquiring advances of ~Rs. 29,000 crore and deposits of ~Rs. 16,000 crore. The purchase consideration will be Rs. 281.7 crore in addition to the net asset position of the business being transferred at closing, both subject to the agreed contractual adjustments. The entire purchase consideration will be discharged only in cash. The advances and deposits to be acquired are equivalent to ~6% of KMBL's net advances and ~3% of its total deposits outstanding as on March 31, 2026.

As per the management, the objective of the acquisition is to gain a well-established customer base and experienced teams to expand KMBL's affluent and small and medium-sized enterprises (SME) banking franchise.

ICRA takes note of the BTA and the rating remains unchanged.

#### Impact of the material event

In ICRA's view, the acquisition will help KMBL further grow its granular assets and liabilities, gain access to an established customer base and experienced teams, while offering cross-selling opportunities over time. However, the bank's ability to retain and expand the incoming employee and customer base will be important to achieve meaningful synergy following the conclusion of the acquisition.

From a capitalisation perspective, the management has estimated an impact of ~84 basis points (bps) on CET I, largely on account of incremental risk-weighted assets (RWAs). Given the CET I stood at 21.3% as on March 31, 2026, despite the one-time impact of the acquisition, ICRA expects the overall capital cushions to remain better than its negative rating trigger of 4%. Moreover, ICRA expects the bank's internal capital generation to continue to be healthy and to support near-to-medium-term growth.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, environmental and social risks, liquidity position and rating sensitivities: [Click here](#)

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">ICRA's Rating Methodology for Banks and Financial Institutions</a>
Parent/Group support	Not applicable
Consolidation/Standalone	To arrive at the rating, ICRA has considered the standalone financials of KMBL. However, in line with ICRA's consolidation approach, the standalone assessment of the bank factors in the ordinary and extraordinary support that it is expected to extend to its subsidiaries. In ICRA's view, KMBL's subsidiaries will largely remain self-sufficient in meeting their capital requirements in the near-to-medium term and the bank will continue to meet the regulatory capital requirements comfortably at the consolidated level.

## About the company

KMBL is the flagship company of the Kotak Group. It commenced operations in 1986 as a bill discounting and leasing non-banking financial company (NBFC), Kotak Mahindra Finance Limited, which was converted into a bank in 2003. Effective April 1, 2015, ING Vysya Bank merged with KMBL. As on March 31, 2026, KMBL had a network of 2,276 branches (excluding GIFT and DIFC) and its net advances stood at Rs. 4,96,009 crore. It reported a profit after tax (PAT) of Rs. 14,008 crore in FY2026 against Rs. 16,450 crore in FY2025.

The Kotak Group is one of India's leading full services financial conglomerates with a significant presence in the securities and investment banking space. The Group is currently growing its banking, asset management and insurance businesses. It derives synergies from its various platforms, given their presence across the financial spectrum. Other than KMBL, the key subsidiaries of the Kotak Group include Kotak Mahindra Prime Limited (car financing; rated [ICRA]AAA (Stable)/[ICRA]A1+), Kotak Securities Limited (retail and institutional broking and portfolio management services; rated [ICRA]AAA (Stable)/[ICRA]A1+), Kotak Mahindra Investments Limited (commercial real estate lending and securities-based lending; rated [ICRA]AAA (Stable)/[ICRA]A1+), Kotak Mahindra Capital Company Limited (investment banking), Kotak Mahindra Life Insurance Company Limited (life insurance), and Kotak Mahindra Asset Management Company Limited (asset management business; rated [ICRA]A1+ for bank facilities for managing redemption of Kotak Mahindra Mutual Fund's schemes). On a consolidated basis, the Kotak Group reported a PAT of Rs. 19,288 crore (Rs. 19,103 crore excluding gains of Rs. 185 crore on sale of stake in Infina Finance Private Limited) in FY2026 compared to Rs. 22,126 crore (Rs. 19,113 crore excluding gains of Rs. 3,013 crore on sale of stake in Zurich Kotak General Insurance Company (India) Limited) in FY2025.

## Key financial indicators (standalone)

Kotak Mahindra Bank Limited	FY2025	FY2026
Total income*	43,027	41,515
Profit after tax	16,450 <sup>^</sup>	14,008
Total assets (Rs. lakh crore)	6.94	7.83
CET I	21.1%	21.3%
CRAR	22.2%	22.4%
PAT / ATA	2.5% <sup>^</sup>	1.9%
Gross NPAs	1.4%	1.2%
Net NPAs	0.3%	0.25%

Source: KMBL, ICRA Research; All calculations and ratios as per ICRA's calculations, including those in the table above; Amount in Rs. crore unless mentioned otherwise

\*Total income = Net interest income + Non-interest income; <sup>^</sup>Including one-time gain on ZKGI divestment – excluding this, PAT would have been Rs. 13,720 crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

**Rating history for past three years**

Instrument	Type	Amount rated (Rs. crore)	Current (FY2027)		Chronology of rating history for the past 3 years						
			FY2027	FY2027		FY2026		FY2025		FY2024	
			July 08, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Infrastructure bonds	Long term	10,888	[ICRA]AAA (Stable)	June 05, 2026	[ICRA]AAA (Stable)	June 05, 2025	[ICRA]AAA (Stable)	June 06, 2024	[ICRA]AAA (Stable)	June 20, 2023	[ICRA]AAA (Stable)
Infrastructure bonds	Long term	-	-	June 05, 2026	[ICRA]AAA (Stable); withdrawn	June 05, 2025	[ICRA]AAA (Stable)	June 06, 2024	[ICRA]AAA (Stable)	June 20, 2023	[ICRA]AAA (Stable)
								May 03, 2024	[ICRA]AAA (Stable)		

**Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026**

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. no.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) )	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. no.	Activity name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Infrastructure bonds	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

### Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
INE237A08957	Infrastructure bonds	Dec 01, 2022	7.63%	Dec 01, 2029	1,500	[ICRA]AAA (Stable)
INE237A08965	Infrastructure bonds	Mar 20, 2023	7.85%	Mar 20, 2030	300	[ICRA]AAA (Stable)
INE237A08973	Infrastructure bonds	Jun 23, 2023	7.55%	Jun 24, 2030	1,895	[ICRA]AAA (Stable)
INE237A08981	Infrastructure bonds	Feb 14, 2024	7.60%	Feb 14, 2031	1,000	[ICRA]AAA (Stable)
Unplaced	Infrastructure bonds		Yet to be placed		6,193	[ICRA]AAA (Stable)

Source: KMBL

### Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach*
Kotak Mahindra Prime Limited	100.00%	Full consolidation
Kotak Mahindra Investments Limited <sup>§</sup>	100.00%	Full consolidation
Kotak Securities Limited	100.00%	Full consolidation
Kotak Mahindra Capital Company Limited	100.00%	Full consolidation
Kotak Mahindra Life Insurance Company Limited	100.00%	Full consolidation
Kotak Mahindra Asset Management Company Limited	100.00%	Full consolidation
Kotak Mahindra Trustee Company Limited	100.00%	Full consolidation
Kotak Mahindra (International) Limited	100.00%	Full consolidation
Kotak Mahindra (UK) Limited	100.00%	Full consolidation
Kotak Mahindra INC	100.00%	Full consolidation
Kotak Alternate Asset Managers Limited (erstwhile known as Kotak Investment Advisors Limited)	100.00%	Full consolidation
Kotak Mahindra Trusteeship Services Limited	100.00%	Full consolidation
Kotak Infrastructure Debt Fund Limited	100.00%	Full consolidation
Kotak Mahindra Pension Fund Limited	100.00%	Full consolidation
Kotak Mahindra Financial Services Limited	100.00%	Full consolidation
Kotak Mahindra Asset Management (Singapore) PTE Limited	100.00%	Full consolidation
IVY Product Intermediaries Limited	100.00%	Full consolidation
BSS Sonata Microcredit (formerly known as BSS Microfinance Limited) <sup>^</sup>	100.00%	Full consolidation
Phoenix ARC Private Limited	49.90%	Full consolidation
Zurich Kotak General Insurance (India) Limited	30.00%	Full consolidation

Source: KMBL; \*This refers to the policy followed by ICRA while rating the bank and not the accounting policy followed by the bank

The consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 – Consolidated Financial Statements and the investments in associates are accounted for under the equity method in accordance with Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements

<sup>§</sup>On March 24, 2026, in compliance with the provisions of the Reserve Bank of India (RBI), the business activities of Kotak Mahindra Investments Limited (KMIL), a wholly-owned subsidiary of KMBL, will be conducted departmentally within the bank on and from April 1, 2026. Accordingly, KMIL shall not sanction any new loans from April 1, 2026 while continuing to service its existing facilities and honour its obligations under facility agreements executed on or before March 31, 2026

<sup>^</sup>W.e.f. October 11, 2025, Sonata Finance Private Limited merged with BSS Microfinance Limited

## ANALYST CONTACTS

**Mr. Karthik Srinivasan**

+91 22 6114 3444

[karthiks@icraindia.com](mailto:karthiks@icraindia.com)

**Mr. Anil Gupta**

+91 124 4545 314

[anilg@icraindia.com](mailto:anilg@icraindia.com)

**Mr. Sachin Sachdeva**

+91 124 4545 307

[sachin.sachdeva@icraindia.com](mailto:sachin.sachdeva@icraindia.com)

**Ms. Nikita Garg**

+91 22 6114 3465

[nikita.garg@icraindia.com](mailto:nikita.garg@icraindia.com)

**Mr. Kuldeep Hange**

+91 22 6114 3449

[kuldeep.hange@icraindia.com](mailto:kuldeep.hange@icraindia.com)

## RELATIONSHIP CONTACT

**Mr. L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited

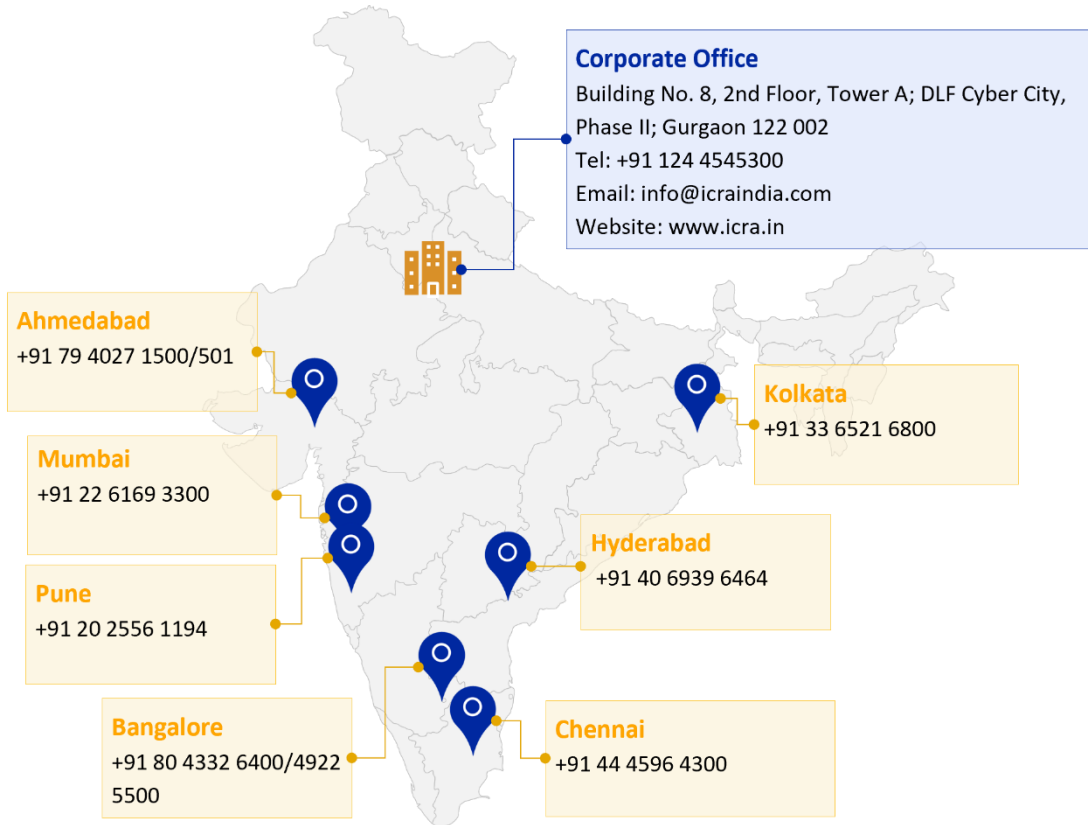


### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.