

BUY
 TP: Rs 2,074 | ▲ 18%

KOTAK MAHINDRA BANK

| Banking

| 20 January 2025

Steady performance, asset quality stable

- **Healthy credit growth-driven broad-based growth; deposits too grew strong, while CASA remain muted**
- **Higher other income and lower opex supported healthy PPOP, in line with our estimates**
- **Anticipating stable asset quality, we revise our growth estimates and, hence, our TP to Rs 2,074 (from Rs 2,040) but maintain BUY**

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Steady QoQ performance: KMB registered healthy business performance despite tough competitive environment with stable asset quality. Advances grew 15% YoY (4% QoQ) to Rs 4,138.4bn. Deposits rose 16% YoY (3% QoQ). Asset quality remained stable with GNPA ratio at 1.5% in Q3FY25. NII came in at par with our estimates at Rs 72bn, up 10% YoY (3% QoQ). Management indicated that the Reserve Bank of India’s (RBI) embargo on onboarding new customers through digital means and addition of new credit card customers had an impact but was in line with its initial estimates. However, the bank did not give a timeline for the removal of the embargo. We expect the bank to clock loan growth at CAGR of ~12% over FY24-FY27E.

Other income declined: Other income fell 2% QoQ (up 14% YoY) while opex was softer sequentially leading to in-line PPOP in Q3FY25. Consequently, C/I ratio was at 47.2% vs. 47.5% in Q2FY25. PPOP rose 14% YoY (2% QoQ).

Robust business growth: Deposits grew 16% YoY with low-cost CASA deposits staying flat QoQ and muted at 3% YoY. Consequently, the CASA ratio was at 42.33% vs. 43.62% in Q2FY25. Healthy credit growth was supported by corporate and business banking (up 4% QoQ and 5% QoQ), home loans (4% QoQ), CVs (up 4% QoQ) and secured book (up 4% QoQ). We broadly maintain credit/deposit growth with PAT growth estimates of 10%/12% for FY26/FY27.

Stable asset quality: GNPA ratio was stable at 1.5% in Q3FY25 with at 73.2% vs. 71.4% in Q2FY25. Credit cost increased by 12bps QoQ to 0.80%.

Maintain BUY: KMB’s business seems to be on track although prevailing tough macro-economic conditions. Further, the asset quality improved. Management indicated that it has made significant progress on the IT front and is addressing concerns on the embargo which would be a key monitorable in the near term. We estimate RoA/RoE at 2.2-2.3%/13-13.2% over FY26E- FY27E and raise our SOTP-based TP to Rs 2,074 (vs Rs 2,040) set at 2.1x Dec’26 ABV using the Gordon Growth Model. This includes Rs 769/sh as the value of subsidiaries.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	KMB IN/Rs 1,759
Market cap	US\$ 40.4bn
Free float	74%
3M ADV	US\$ 78.2mn
52wk high/low	Rs 1,942/Rs 1,544
Promoter/FPI/DII	26%/33%/28%

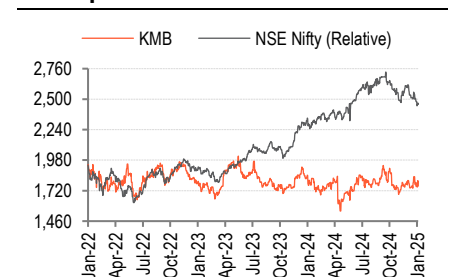
Source: NSE | Price as of 17 Jan 2025

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
NII (Rs mn)	2,59,932	2,94,637	3,38,319
NII growth (%)	20.6	13.4	14.8
Adj. net profit (Rs mn)	1,37,896	1,52,464	1,67,176
EPS (Rs)	69.4	76.7	84.1
Consensus EPS (Rs)	69.3	73.1	80.6
P/E (x)	25.4	22.9	20.9
P/BV (x)	3.6	2.9	2.6
ROA (%)	2.5	2.4	2.3
ROE (%)	15.3	14.2	13.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	QoQ (%)	YoY (%)
Income Statement							
Interest Income	92,099	94,736	97,793	101,327	103,490	2.1	12.4
Income on investments	22,758	24,664	25,922	27,719	27,215	(1.8)	19.6
Int. on bal. with RBI & inter-bank funds & Others	3,134	3,671	3,747	3,116	3,572	14.6	14.0
Interest income	117,990	123,071	127,461	132,163	134,276	1.6	13.8
Interest expense	52,455	53,977	59,038	61,967	62,313	0.6	18.8
Net interest income	65,535	69,094	68,424	70,196	71,963	2.5	9.8
Growth YoY (%)	15.9	13.2	9.8	11.5	9.8	-	-
Non-interest income	22,970	29,783	29,290	26,842	26,228	(2.3)	14.2
Growth YoY (%)	9.4	36.2	9.2	16.0	14.2	-	-
Total income	88,505	98,876	97,714	97,038	98,191	1.2	10.9
Growth YoY (%)	14.2	19.3	9.6	12.7	10.9	-	-
Staff expenses	17,483	18,264	18,705	19,514	19,525	0.1	11.7
Other operating expenses	25,360	25,997	26,468	26,532	26,856	1.2	5.9
Operating expenses	42,843	44,261	45,173	46,046	46,380	0.7	8.3
Pre-Provisioning Profit (PPoP)	45,662	54,616	52,541	50,993	51,810	(2.9)	10.6
Growth YoY (%)	18.6	17.5	6.2	10.6	13.5	-	-
Provisions	5,791	2,637	5,785	6,604	7,941	20.2	37.1
Growth YoY (%)	289.1	78.7	58.8	80.2	37.1	-	-
Exceptional Item	-	-	-	-	-		
PBT	39,871	51,978	46,756	44,389	43,869	(1.2)	10.0
Tax	9,821	10,645	19,457	10,951	10,821	(1.2)	10.2
PAT	30,050	41,333	27,299	33,437	33,048	(1.2)	10.0
Growth YoY (%)	7.6	18.2	(20.9)	4.8	10.0	-	-
Per Share							
FV (Rs)	5	5	5	5	5		
EPS (Rs)	15	21	31	17	17	(1.2)	9.9
Book Value (Rs)	468	487	535	557	583	4.7	24.7

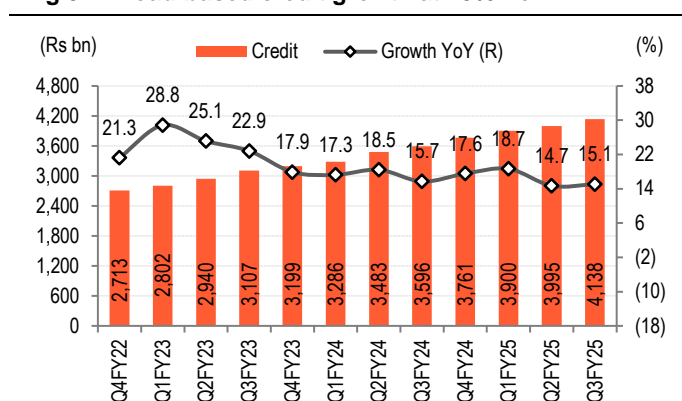
Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	QoQ (%)	YoY (%)
Deposits	40,86,360	44,89,538	44,74,180	46,14,542	47,34,970	2.6	15.9
Growth YoY (%)	18.6	23.6	15.8	15.1	15.9	-	-
Advances	35,95,880	37,60,753	38,99,570	39,95,216	41,38,390	3.6	15.1
Growth YoY (%)	15.7	17.6	18.7	14.7	15.1	-	-
Investment	14,57,510	15,54,038	16,25,780	17,55,320	16,38,190	(6.7)	12.4
Equity	9,29,940	9,67,188	10,63,080	11,18,481	11,59,683	3.7	24.7
Assets	54,79,490	60,03,571	60,49,480	62,32,084	63,70,030	2.2	16.3
Growth YoY (%)	17.9	22.6	17.9	16.9	16.3	-	-
Yield (%)							
Yield on Funds	8.99	8.81	8.69	8.83	8.76	(7bps)	(23bps)
Cost of Funds	4.89	4.74	4.95	5.14	5.06	(8bps)	17bps
Spread	4.10	4.08	3.74	3.69	3.70	1bps	(40bps)
Net Interest Margin (calc.)	4.99	4.95	4.66	4.69	4.69	0bps	(30bps)
Ratios (%)							
Other Income / Net Income	26.0	30.1	30.0	27.7	26.7	(95bps)	76bps
Cost to Income ratio	48.4	44.8	46.2	47.5	47.2	(22bps)	(117bps)
CASA ratio	47.7	45.5	43.4	43.6	42.3	(129bps)	(541bps)
C/D ratio	88.0	83.8	87.2	86.6	87.4	82bps	(60bps)
Investment to Assets	26.6	25.9	26.9	28.2	25.7	(245bps)	(88bps)
Assets Quality							
GNPA	63,017	52,748	54,772	60,332	62,660	3.9	(0.6)
NNPA	12,253	12,706	13,763	17,238	16,810	(2.5)	37.2
Provision	50,764	40,042	41,008	43,093	45,850	6.4	(9.7)
GNPA (%)	1.73	1.39	1.39	1.49	1.50	1bps	(23bps)
NNPA (%)	0.34	0.34	0.35	0.43	0.41	(2bps)	7bps
Provision Coverage Ratio (%)	80.56	75.91	74.87	71.43	73.17	175bps	(738bps)
Others							
Branches	1,869	1,948	1,965	2,013	2,068	55	199
ATMs	3,239	3,291	3,279	3,329	3,420	91	181
Employees	77,937	81,232	81,941	83,942	86,236	2,294	8,298

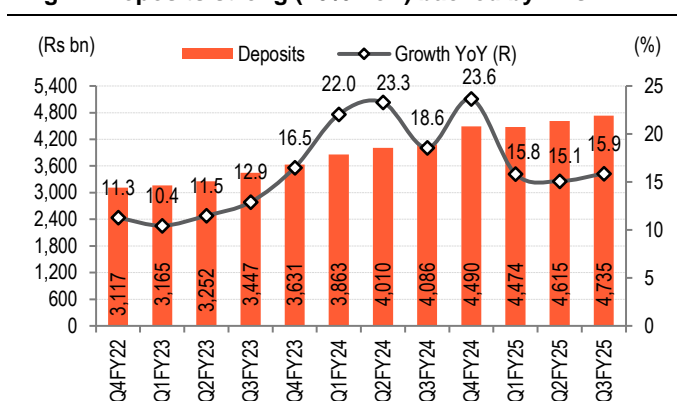
Source: Company, BOBCAPS Research

Fig 3 – Broad-based credit growth at 15% YoY



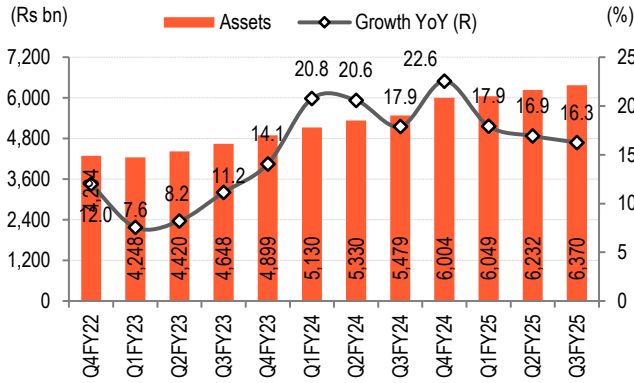
Source: Company, BOBCAPS Research

Fig 4 – Deposits strong (16% YoY) backed by TDs



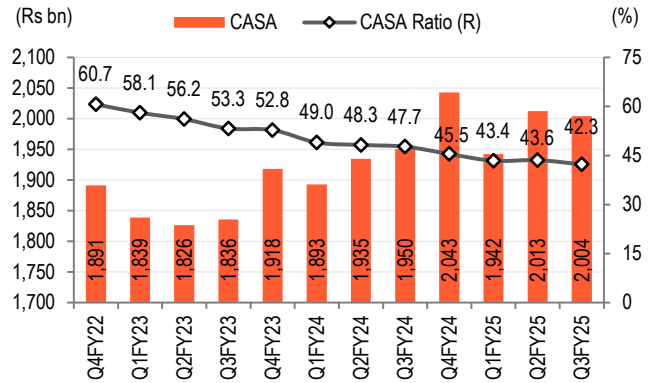
Source: Company, BOBCAPS Research | TDs: Term Deposits

Fig 5 – Asset growth at 16% YoY



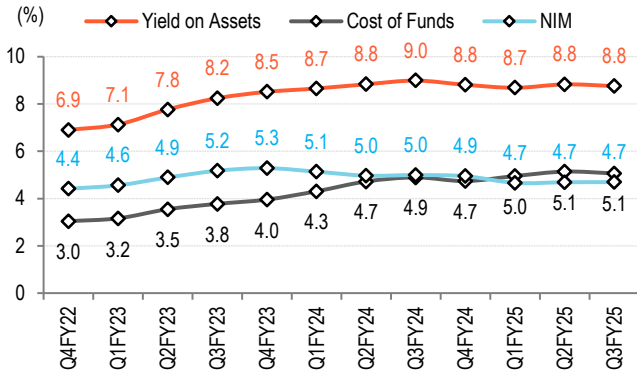
Source: Company, BOBCAPS Research

Fig 6 – Decline in CASA due to subdued CASA mobilisation



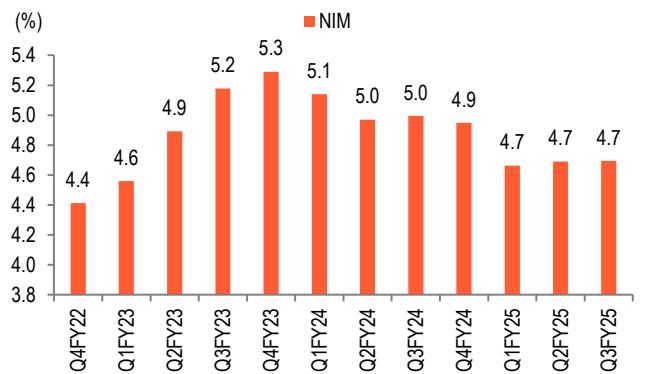
Source: Company, BOBCAPS Research

Fig 7 – NIM (calc.) and CoF steady



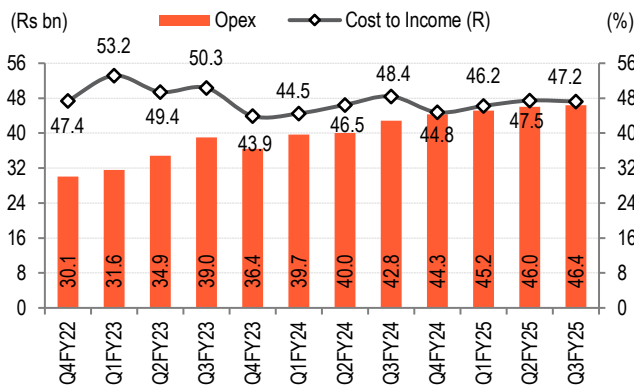
Source: Company, BOBCAPS Research

Fig 8 – NIM likely to remain flat with upward biased



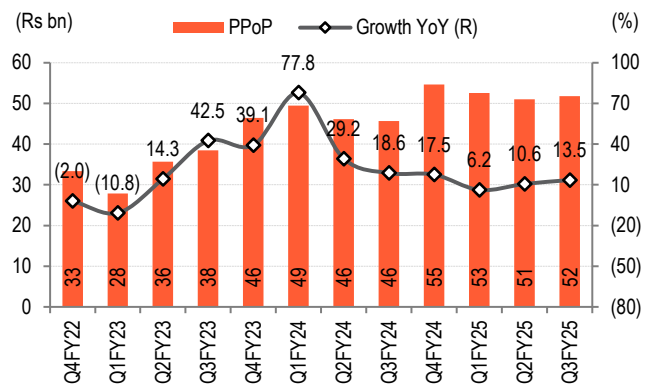
Source: Company, BOBCAPS Research

Fig 9 – C/I ratio declined; likely to remain elevated over FY25E



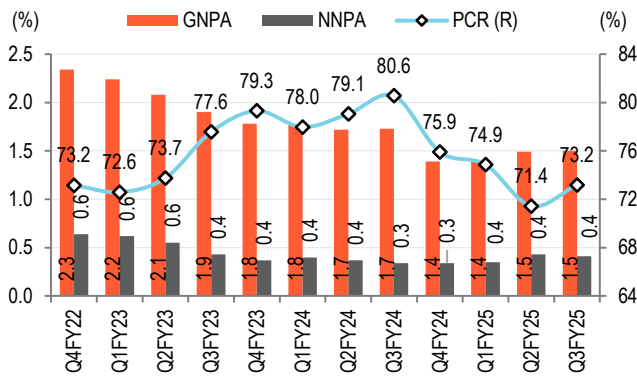
Source: Company, BOBCAPS Research

Fig 10 – PPOP growth improved QoQ



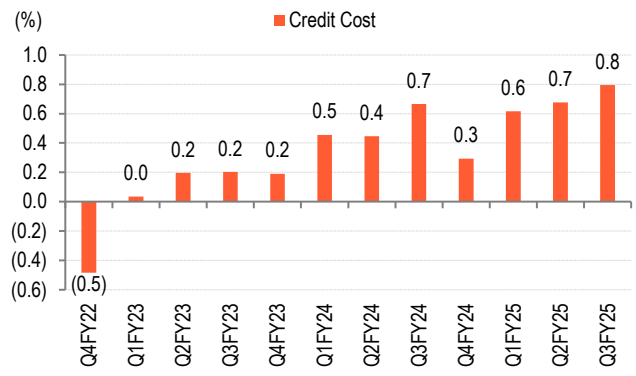
Source: Company, BOBCAPS Research

Fig 11 – Asset quality remained flat



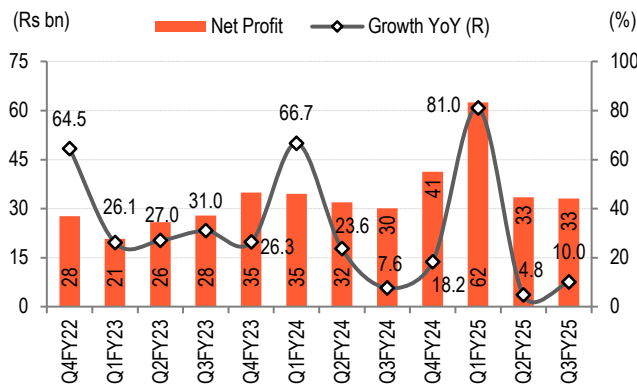
Source: Company, BOBCAPS Research

Fig 12 – Credit cost elevated QoQ



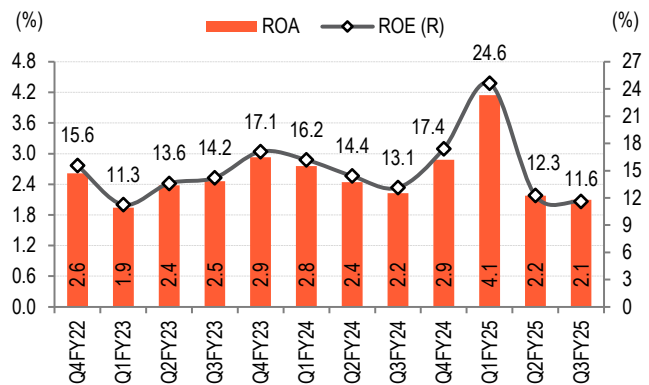
Source: Company, BOBCAPS Research

Fig 13 – PAT growth trend



Source: Company, BOBCAPS Research

Fig 14 – Return ratios saw a marginal dip QoQ



Source: Company, BOBCAPS Research

Earnings call highlights

On RBI embargo

- KMB indicated that the bank has made significant progress on the IT front and has been addressing RBI concerns on improving customer service. Management also indicated that while the embargo had an impact on its financials, the assumptions of the impact were in line with management’s initial estimates.
- In Apr’24, the RBI had placed severe business restrictions on the bank because of serious lapses in its information technology system. The regulator barred the bank from onboarding any new customers through digital channels and stopped the addition of new credit card customers.

On growth

- KMB’s focus is on risk-calibrated business growth against gross volume boost to improve overall performance.
- NIMs were stable at 4.93% in Q3FY25.

Asset quality

- Management believed stress/delinquencies in the PL and credit cards portfolio has been plateauing and may decline in the coming quarters.
- However, for the microfinance portfolio, management continues to be watchful going forward.
- With respect to the current economic environment, the bank opined that there is heightened volatility and there are signs of economic slowdown.
- Slippages stood at Rs 16.6bn (1.7% annualised) in Q3FY25 vs. Rs 18.8bn (2% annualised) in Q2FY25.

NII and NIM

- NII grew 10% YoY (3% QoQ) led by strong advances growth.
- Reported NIM remains stable at 4.93% vs. 4.91% in Q2FY25.

Subsidiaries

- Kotak Securities:** PAT came in at Rs 4.5bn, up 46% YoY, compared to Rs 4.4bn in Q2FY25 and Rs 3.1bn in Q3FY24. Its market share declined to 11.5% vs. 11.6% in Q2FY25 vs. 11.6% in Q3FY24.
- Kotak AMC:** AAUM was up 29% YoY to Rs 6.9tn. Equity AAUM grew 51% YoY to Rs 3.2tn, with market share of 6.5%.
- Kotak Prime:** PAT stood at Rs 2.2bn vs. Rs 2.7bn in Q2FY25. NNPA was at 1.0% vs. 0.9% in Q2FY25 vs. 0.8% in Q3FY24.

Fig 15 – Loan book distribution

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Corporate Banking	7,75,690	8,18,440	8,42,460	8,73,100	9,35,810	9,28,640	9,66,490
SME	2,33,120	2,45,690	2,58,160	2,72,470	2,81,860	3,21,740	3,37,380
Commercial Vehicles	2,85,260	3,10,460	3,37,510	3,68,330	3,79,410	3,90,640	4,07,560
Agriculture Finance	2,65,130	2,70,310	2,75,120	2,78,500	2,73,240	2,69,650	2,75,640
Tractor finance	1,39,160	1,43,760	1,51,560	1,58,020	1,58,000	1,61,910	1,70,000
Home loans & LAP	9,51,470	9,91,000	10,22,340	10,67,260	11,08,500	11,67,150	12,17,000
Consumer Bank WC (Secured)	2,99,060	3,30,950	3,37,900	3,59,970	3,75,910	4,00,020	4,16,870
PL, BL and Consumer Durables	1,66,920	1,78,620	1,93,100	2,00,490	2,03,170	2,08,680	2,12,980
Credit Cards	1,13,600	1,25,970	1,38,820	1,45,050	1,46,440	1,44,460	1,41,170
Others	71,270	75,050	82,570	94,270	93,550	1,00,430	1,06,520
Micro Finance	69,630	79,870	85,100	99,830	1,03,680	97,760	82,250
Loan	33,70,310	35,70,120	37,24,640	39,17,290	40,59,570	41,91,080	43,33,860
Credit substitutes	2,51,730	2,34,000	2,82,950	3,15,950	2,98,700	3,09,560	2,60,500
Total customer assets	36,22,040	38,04,120	40,07,590	42,33,240	43,58,270	45,00,640	45,94,360

Source: Company, BOBCAPS Research

Fig 16 – Loan book distribution (%)

Segment (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Corporate Banking	21.4	21.5	21.0	20.6	21.5	20.6	21.0
SME	6.4	6.5	6.4	6.4	6.5	7.1	7.3
Commercial Vehicles	7.9	8.2	8.4	8.7	8.7	8.7	8.9
Agriculture Finance	7.3	7.1	6.9	6.6	6.3	6.0	6.0
Tractor finance	3.8	3.8	3.8	3.7	3.6	3.6	3.7
Home loans & LAP	26.3	26.1	25.5	25.2	25.4	25.9	26.5
Consumer Bank WC (Secured)	8.3	8.7	8.4	8.5	8.6	8.9	9.1
PL, BL and Consumer Durables	4.6	4.7	4.8	4.7	4.7	4.6	4.6
Credit Cards	3.1	3.3	3.5	3.4	3.4	3.2	3.1
Others	2.0	2.0	2.1	2.2	2.1	2.2	2.3
Micro Finance	1.9	2.1	2.1	2.4	2.4	2.2	1.8
Loan	93.1	93.8	92.9	92.5	93.1	93.1	94.3
Credit substitutes	6.9	6.2	7.1	7.5	6.9	6.9	5.7
Total customer assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, BOBCAPS Research

Fig 17 – Loan book growth YoY

Segment (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Corporate Banking	16.4	17.7	20.4	20.6	20.6	13.5	14.7
SME	13.6	16.0	11.5	23.0	20.9	31.0	30.7
Commercial Vehicles	22.7	26.2	30.7	32.6	33.0	25.8	20.8
Agriculture Finance	7.8	8.1	5.3	1.1	3.1	(0.2)	0.2
Tractor finance	26.3	19.7	16.7	13.6	13.5	12.6	12.2
Home loans & LAP	17.5	15.4	14.7	15.1	16.5	17.8	19.0
Consumer Bank WC (Secured)	12.9	20.8	16.8	18.6	25.7	20.9	23.4
PL, BL and Consumer Durables	43.7	35.3	32.8	27.1	21.7	16.8	10.3
Credit Cards	66.6	59.4	51.6	43.8	28.9	14.7	1.7
Others	55.0	50.1	48.1	43.2	31.3	33.8	29.0
Micro Finance	90.8	79.8	59.4	60.4	48.9	22.4	(3.3)
Loan	20.3	20.6	19.9	20.3	20.5	17.4	16.4
Credit substitutes	7.3	(14.3)	(1.0)	16.5	18.7	32.3	(7.9)
Total customer assets	19.3	17.6	18.1	20.0	20.3	18.3	14.6

Source: Company, BOBCAPS Research

Fig 18 – Loan book growth QoQ

Segment (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Corporate Banking	7.1	5.5	2.9	3.6	7.2	(0.8)	4.1
SME	5.2	5.4	5.1	5.5	3.4	14.1	4.9
Commercial Vehicles	2.7	8.8	8.7	9.1	3.0	3.0	4.3
Agriculture Finance	(3.8)	2.0	1.8	1.2	(1.9)	(1.3)	2.2
Tractor finance	0.1	3.3	5.4	4.3	0.0	2.5	5.0
Home loans & LAP	2.6	4.2	3.2	4.4	3.9	5.3	4.3
Consumer Bank WC (Secured)	(1.4)	10.7	2.1	6.5	4.4	6.4	4.2
PL, BL and Consumer Durables	5.8	7.0	8.1	3.8	1.3	2.7	2.1
Credit Cards	12.6	10.9	10.2	4.5	1.0	(1.4)	(2.3)
Others	8.3	5.3	10.0	14.2	(0.8)	7.4	6.1
Micro Finance	11.9	14.7	6.5	17.3	3.9	(5.7)	(15.9)
Loan	3.5	5.9	4.3	5.2	3.6	3.2	3.4
Credit substitutes	(7.1)	(7.0)	20.9	11.7	(5.5)	3.6	(15.8)
Total customer assets	2.7	5.0	5.3	5.6	3.0	3.3	2.1

Source: Company, BOBCAPS Research

Valuation methodology

KMB delivered strong credit and deposits growth, 15% YoY and 16% YoY respectively in Q3FY25. Deposits growth was impacted by lower CASA deposits with CASA ratio of 42.33% vs. 43.62% in Q2FY25. Considering the current business environment we maintain broadly our credit/deposit growth estimates.

KMB is well capitalised with CAR at 23.4% (CET1 at 22.5%) as of Q3FY25 to fund future asset growth. We expect the overall return ratio to remain healthy at 2.2% over FY25 and 13% over FY26.

Assume coverage of KMB and maintain BUY: KMB's business seems to be on track although tough micro economic conditions prevail. The asset quality too improved. Management indicated that it has made significant progress on the IT front and is addressing concerns on the RBI's embargo which would be a key monitorable in the near term. We estimate RoA/RoE at 2.2-2.3%/13-13.2% over FY26E-FY27E and raise our SOTP-based TP to Rs 2,074 (vs Rs 2,040) set at 2.1x Dec'26 ABV using the GGM. This includes Rs 769/sh as the value of subsidiaries

Fig 19 – Key operational assumptions

(%)	FY24A	FY25E	FY26E	FY27E
Advances Growth	17.6	16.0	16.5	16.9
Net Interest Income Growth	20.6	13.4	14.8	16.2
PPoP Growth	31.9	15.4	12.5	12.2
PAT Growth	26.1	10.5	9.7	11.6
NIM	4.9	4.7	4.7	4.7
GNPA	1.4	1.5	1.4	1.4
CAR	20.6	21.7	21.1	20.7

Source: Company, BOBCAPS Research

Fig 20 – SOTP valuation summary

Business	Valuation	Holdings (%)	Value (Rs/sh)
Kotak Bank	2.1x FY26E ABV	100	1,438
Kotak Life	2.3x FY26E EV	100	231
Kotak Prime	1.8x FY26E BV	100	124
Kotak AMC	5% FY26 AAUM	100	142
Kotak Securities	15x FY26 PAT	100	145
Others		100	63
Holding Co. Discount	10%		(71)
Total			2,074

Source: Company, BOBCAPS Research

Fig 21 – Valuation assumptions

Gordon growth model	(%)
Return on Equity (RoE)	15.9
Cost of Equity (Ke)	12.8
Growth (Period 1)	14.3
Growth (Long Term)	7.6
Initial High Growth Period (years)	10.0
Dividend Payout (Period 1)	10.0
Dividend Payout (Long Term)	52.0
Factor 1	1.1
Factor 2	12.2
Justified P/BV	2.1

Source: BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- reversal in credit cycle, which can lead to higher-than-anticipated deterioration in asset quality and, thus, weaker profitability owing to higher provisions, and
- inability to manage cost of funds, which may drag the bank's NIM as well as overall profitability.

Glossary

Glossary of Abbreviations			
AFS	Available For Sale	ICRR	Incremental Cash Reserve Ratio
AUCA	Advance Under Collection Account	LAP	Loans against Property
ARC	Asset Reconstruction Company	LCR	Liquidity Coverage Ratio
BRDS	Bills Rediscounting Scheme	MCLR	Marginal Cost of Funds-based Lending Rate
CASA	Current Account and Savings Account	MTM	Mark to Market
CAR	Capital Adequacy Ratio	NII	Net Interest Income
CET1	Common Equity Tier 1	NIM	Net Interest Margin
CD	Credit-Deposit Ratio	NNPA	Net Non-Performing Assets
C/I	Cost-Income Ratio	PCR	Provision Coverage Ratio
CRB	Commercial and Rural Banking	PPOP	Pre-Provision Operating Profit
EBLR	External Benchmark-based Lending Rate	PSU	Public Sector Unit
ECL	Expected Credit Loss	RWA	Risk-weighted Assets
GNPA	Gross Non-Performing Assets	SLR	Statutory Liquidity Ratio
HFT	Held for Trading	SMA	Special Mention Account
IBPC	Interbank Participation Certificate	SME	Small and Medium-sized Enterprises

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	2,15,519	2,59,932	2,94,637	3,38,319	3,93,039
NilI growth (%)	28.1	20.6	13.4	14.8	16.2
Non-interest income	70,831	1,02,731	1,18,630	1,38,569	1,61,701
Total income	2,86,350	3,62,663	4,13,268	4,76,888	5,54,740
Operating expenses	1,37,870	1,66,788	1,87,307	2,22,585	2,69,307
PPOP	1,48,480	1,95,875	2,25,961	2,54,303	2,85,433
PPOP growth (%)	23.2	31.9	15.4	12.5	12.2
Provisions	4,570	15,657	26,705	32,584	38,031
PBT	1,43,910	1,80,218	1,99,256	2,21,719	2,47,402
Tax	34,517	42,321	46,792	54,543	60,861
Reported net profit	1,09,393	1,37,896	1,52,464	1,67,176	1,86,541
Adjustments	0	0	0	0	0
Adjusted net profit	1,09,393	1,37,896	1,52,464	1,67,176	1,86,541

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity capital	14,933	9,940	9,941	9,940	9,940
Reserves & surplus	8,20,270	9,57,248	11,75,476	13,42,652	15,29,193
Net worth	8,35,202	9,67,188	11,85,417	13,52,591	15,39,133
Deposits	36,30,961	44,89,537	52,07,864	60,67,161	70,98,578
Borrowings	2,34,163	2,83,681	3,17,723	3,55,849	4,02,110
Other liab. & provisions	1,98,299	2,63,164	1,08,128	2,25,507	2,34,789
Total liab. & equities	48,98,625	60,03,570	68,19,131	80,01,109	92,74,609
Cash & bank balance	3,25,423	5,27,884	4,83,222	5,58,114	6,51,704
Investments	12,14,037	15,54,038	17,94,598	21,50,747	24,36,647
Advances	31,98,612	37,60,753	43,62,473	50,82,281	59,41,187
Fixed & Other assets	1,60,552	1,60,896	1,78,837	2,09,966	2,45,071
Total assets	48,98,625	60,03,570	68,19,130	80,01,109	92,74,609
Deposit growth (%)	16.5	23.6	16.0	16.5	17.0
Advances growth (%)	17.9	17.6	16.0	16.5	16.9

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
EPS	55.1	69.4	76.7	84.1	93.8
Dividend per share	1.5	2.0	2.3	2.5	2.8
Book value per share	417.9	486.5	596.3	680.4	774.2

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
P/E	31.9	25.4	22.9	20.9	18.7
P/BV	4.2	3.6	2.9	2.6	2.3
Dividend yield (%)	0.1	0.1	0.1	0.1	0.2

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	5.2	4.8	4.6	4.6	4.6
Non-interest income	1.7	1.9	1.9	1.9	1.9
Operating expenses	3.1	3.1	2.9	3.0	3.1
Pre-provisioning profit	3.8	3.6	3.5	3.4	3.3
Provisions	0.1	0.3	0.4	0.4	0.4
PBT	3.7	3.3	3.1	3.0	2.9
Tax	0.8	0.8	0.7	0.7	0.7
ROA	2.8	2.5	2.4	2.3	2.2
Leverage (x)	0.1	0.1	0.1	0.1	0.1
ROE	17.8	15.3	14.2	13.2	12.9

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Net interest income	28.1	20.6	13.4	14.8	16.2
Pre-provisioning profit	23.2	31.9	15.4	12.5	12.2
EPS	50.5	26.0	10.6	9.6	11.6
Profitability & Return ratios (%)					
Net interest margin	4.3	4.9	4.9	4.7	4.7
Fees / Avg. assets	0.4	0.5	0.5	0.5	0.5
Cost-Income	48.1	46.0	45.3	46.7	48.5
ROE	17.8	15.3	14.2	13.2	12.9
ROA	2.8	2.5	2.4	2.3	2.2
Asset quality (%)					
GNPA	1.8	1.4	1.5	1.4	1.4
NNPA	0.4	0.3	0.4	0.4	0.3
Slippage ratio	1.5	1.6	1.8	1.5	1.5
Credit cost	0.2	0.5	0.7	0.7	0.7
Provision coverage	79.0	75.7	71.7	74.7	74.7
Ratios (%)					
Credit-Deposit	88.1	83.8	83.8	83.8	83.7
Investment-Deposit	33.4	34.6	34.5	35.4	34.3
CAR	21.8	20.6	21.7	21.1	20.7
Tier-1	20.8	19.3	20.6	20.1	19.7

Source: Company, BOBCAPS Research

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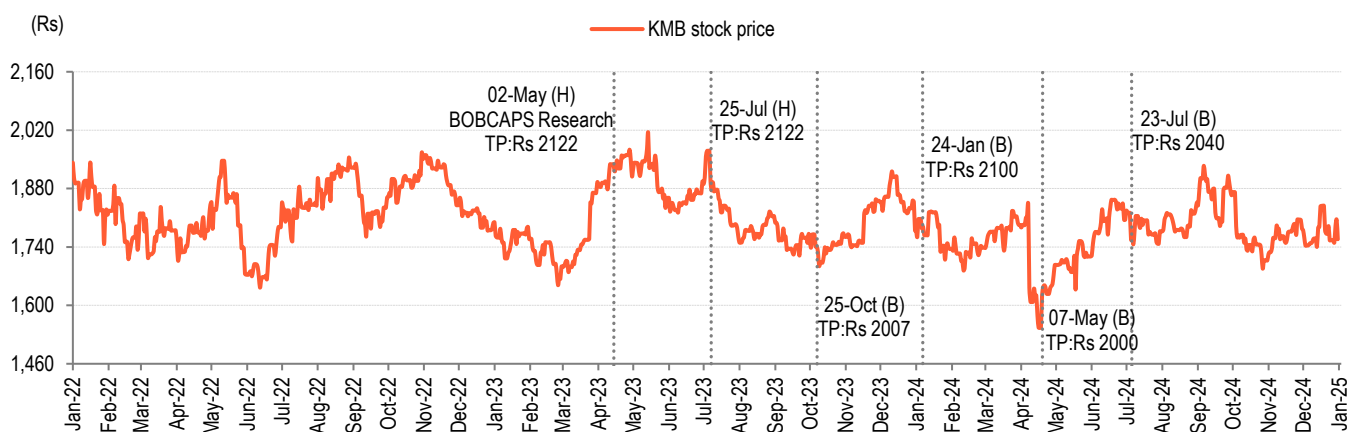
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