

Kotak Mahindra Bank

Estimate change	↑
TP change	↔
Rating change	↔

CMP: INR1,810 TP: INR2,000 (+10%) Neutral

AIF provisions, treasury loss contribute to slight earnings miss

Margins stable QoQ

Bloomberg	KMB IN
Equity Shares (m)	1980
M.Cap.(INRb)/(USDb)	3591.3 / 43.2
52-Week Range (INR)	2064 / 1644
1, 6, 12 Rel. Per (%)	-3/-16/-17
12M Avg Val (INR M)	8480

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
NII	215.5	257.2	291.4
OP	148.5	190.2	214.6
NP	109.4	131.0	148.0
Cons. NP	150.9	178.3	205.3
NIM (%)	5.1	5.2	5.1
EPS (INR)	55.1	65.9	74.5
EPS Gr. (%)	27.5	19.7	12.9
ABV. (INR)	398	459	529
Cons. BV. (INR)	563	651	753

Ratios

Cons. RoE (%)	13.5	13.7	13.7
RoE (%)	14.1	14.7	14.4
RoA (%)	2.4	2.5	2.4

Valuations

P/BV (X) (Cons.)	3.2	2.8	2.4
P/ABV (X) (Adj.)	3.1	2.7	2.3
P/E(X) (Adj.)	22.4	18.7	16.6

*Adjusted for Investment subs

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	25.9	25.9	26.0
DII	21.4	20.0	21.8
FII	39.7	41.0	39.3
Others	12.9	12.9	13.0

FII Includes depository receipts

- Kotak Mahindra Bank (KMB) reported standalone PAT growth of 7.6% YoY to INR30b (11% miss) due to AIF provisions (INR1.9b) and treasury loss. Consolidated PAT stood at ~INR42.7b (7% YoY growth).
- NII grew 16% YoY to INR65.5b (in line; up 4.1% QoQ). NIMs stood stable QoQ at 5.22%. Opex grew 14% YoY to INR42.8b, thereby, resulting in a 19% YoY growth in PPOp at INR45.7b (5% miss).
- Advances grew 16% YoY/3% QoQ to INR3.6t, while deposits grew 19% YoY/2% QoQ, led by term deposits. CASA mix moderated 60bp QoQ to 47.7%.
- Fresh slippages declined 10% QoQ to INR11.7b. GNPA ratio stood largely stable at 1.7%, while Net NPA improved 3bp QoQ to 0.34%. PCR improved 150p QoQ to 80.6%.
- We cut our FY24/FY25 PAT estimates by 3.2%/2.7%. We estimate RoA/RoE at 2.4%/14.4% by FY25E. We **maintain our Neutral stance on the stock with a TP of INR2,000.**

Loan book grew 16% YoY; Asset quality ratios stable

- KMB reported a standalone PAT of INR30b (up 7.6% YoY; 11% miss), due to higher provisions as the bank provided INR1.9b toward AIF exposure. Consol PAT grew 7% YoY to INR42.7b.
- While NII grew 16% YoY (in line), margins stood stable at 5.22%. Other income grew 18% YoY (down 1% QoQ). Treasury loss stood at INR1.7b vs. a treasury gain of INR1.5b in 2QFY24.
- Opex growth was slightly higher than expected at 14% YoY (5% higher than MOSLe) and was driven by an increase in commercial and marketing expenses and employee-related expenses, thus, resulting in a 19% YoY growth in PPOp at INR45.7b (5% miss).
- Loan book grew 16% YoY (up 3% QoQ) led by healthy traction across segments. KMB reported healthy sequential trends in Personal loans, CV/CE and Credit Cards. Deposits grew 19% YoY (up 2% QoQ), led by term loans, which grew 33% YoY (up 3% QoQ), while the CASA mix moderated 60bp QoQ to 47.7%. Mix of unsecured loans increased to 11.6% and the management expects it to rise to mid-teens by FY24-end.
- Fresh slippages declined 10% QoQ to INR11.7b. GNPA ratio stood largely stable at 1.7%, while Net NPA improved 3bp QoQ to 0.34%. PCR improved 150p QoQ to 80.6%. KMB has o/s Covid provisions of INR2.95b.
- SMA-2 advances stood at INR2.1b (6bp of advances), while the outstanding restructured portfolio stood at INR4.6b (13bp of advances).
- **Subs performance:** Kotak Securities reported net earnings growth of 27% YoY, while KIL reported a PAT growth of 83% YoY.

Highlights from the management commentary

- The bank expects RoA to sustain at ~2-2.1% going forward.
- Unsecured retail advances (incl. Retail Micro Finance) as a % of net advances stood at 11.6% as on 3QFY24 vs. 9.3% in 3QFY23 and the portfolio continues to hold well.
- The provision of INR649m in respect of Security Receipts is classified as Non Performing Investments (NPI) during the quarter, which was earlier accounted as Mark-to-Market losses under Other Income. Accordingly, this has no impact on profit after tax.
- LCR stood at 120% for the bank and 127% for the group level in 3QFY24.

Valuation and view

KMB delivered a mixed quarter with a miss in earnings due to high provisions (AIF exposure); however, NIMs remained stable at 5.2% QoQ. Asset quality remained stable with slippages declining sequentially. KMB carries additional Covid-related provisions of ~INR2.95b. The bank continues to guide for steady growth trend and aims to improve the mix of unsecured loans to mid-teens, expressing confidence in the quality of the underlying portfolio. We cut our FY24/FY25 PAT estimates by 3.2%/2.7% and estimate bank to deliver RoA/RoE of 2.4%/14.4% by FY25. We **maintain our Neutral stance on the stock with a TP of INR2,000 (2.5x Sep'25E ABV).**

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Interest Income	47.0	51.0	56.5	61.0	62.3	63.0	65.5	66.4	215.5	257.2	65.1	1%
% Change (Y-o-Y)	19.2	26.8	30.4	35.0	32.7	23.5	15.9	8.8	28.1	19.4	15.2	
Other Income	12.4	18.3	19.5	21.9	26.8	23.1	23.0	24.8	70.8	97.7	24.1	-5%
Total Income	59.4	69.3	76.0	82.9	89.2	86.1	88.5	91.2	286.3	355.0	89.2	-1%
Operating Expenses	31.6	33.6	37.5	36.4	39.7	40.0	42.8	42.2	137.9	164.7	40.9	5%
Operating Profit	27.8	35.7	38.5	46.5	49.5	46.1	45.7	49.0	148.5	190.2	48.3	-5%
% Change (Y-o-Y)	-3.7	14.3	42.5	39.1	77.8	29.2	18.6	5.4	23.2	28.1	25.5	
Provisions	0.2	1.4	1.5	1.5	3.6	3.7	5.8	3.2	4.6	16.3	3.8	53%
Profit before Tax	27.6	34.3	37.0	45.0	45.9	42.4	39.9	45.8	143.9	174.0	44.5	-10%
Tax	6.9	8.5	9.1	10.0	11.3	10.5	9.8	11.3	34.5	43.0	11.0	-10%
Net Profit	20.7	25.8	27.9	35.0	34.5	31.9	30.1	34.5	109.4	131.0	33.6	-11%
% Change (Y-o-Y)	26.1	27.0	31.0	26.3	66.7	23.6	7.6	-1.2	27.6	19.8	20.3	
Deposits (INRb)	3,165	3,252	3,447	3,631	3,863	4,010	4,086	4,234	3,631	4,234	4,149	
Loans (INRb)	2,802	2,940	3,107	3,199	3,286	3,483	3,596	3,726	3,199	3,726	3,622	
Deposit growth (%)	10.4	11.5	12.9	16.5	22.0	23.3	18.6	16.6	16.5	16.6	20.4	
Loan growth (%)	28.8	25.1	22.9	17.9	17.3	18.5	15.7	16.5	17.9	16.5	16.6	
Asset Quality												
Gross NPA (%)	2.24	2.08	1.90	1.78	1.77	1.72	1.73	1.66	1.78	1.66	1.63	
Net NPA (%)	0.62	0.55	0.43	0.37	0.40	0.37	0.34	0.32	0.37	0.32	0.34	
PCR (%)	72.6	73.7	77.6	79.3	78.0	79.1	80.6	80.7	79.3	80.7	79.4	

E: MOFSL Estimates

Consolidated earnings snapshot (INR m)

Y/E March	FY23				FY24		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Kotak Bank	20,710	25,810	27,920	34,960	34,520	31,910	30,050
Kotak Prime	1,570	2,220	2,250	2,240	2,180	2,080	2,390
Kotak Securities	2,190	2,240	2,410	1,820	2,190	3,240	3,060
KMCC	510	220	280	480	550	270	350
Kotak Life	2,480	2,700	3,300	2,050	1,930	2,470	1,400
AMC & Trustee	1,060	1,060	1,500	1,920	1,060	1,240	1,460
Intl. subs	140	50	220	360	320	410	570
KIL	630	780	860	1,000	1,020	1,260	1,570
Others	440	630	920	490	1,070	1,350	1,220
Kotak Consol	29,730	35,710	39,660	45,320	44,840	44,230	42,070
Minority/associate adjustments	(2,180)	370	290	340	(3,340)	380	580
Kotak Cons. Reported PAT	27,550	36,080	39,950	45,660	41,500	44,610	42,650
Contribution of bank in total profits	75%	72%	70%	77%	83%	72%	70%

**Highlights from the management commentary****Balance sheet and P&L**

- Opex grew 14% YoY, primarily due to higher employee-related expenses (majorly due to retiral cost) in 3QFY24 and also because of commercial and marketing expenses.
- Consolidated PAT grew 6.1% YoY to INR42b as on 3QFY24 vs. INR39.5b as on 3QFY23.
- Provision of INR649m with respect to Security Receipts is classified as Non Performing Investments (NPI) during the quarter, which was earlier accounted as Mark-to-Market losses under 'Other Income'. Accordingly, this has no impact on profit after tax.
- AFS+HFT book as a % of investment book stood at 81% and modified duration is 1.1 years.
- Unsecured book accounts for 11.6% of the total advances as on 3QFY24.
- Total customers of the bank as on 3QFY24 stood at 48m vs 39m in 3QFY23.
- 3QFY24 results include INR1.4b provision (post tax) on applicable Alternate Investment Fund (AIF) investments pursuant to RBI's circular.
- AIF investments totaling INR1.9b, with downstream exposure to debtor companies of the bank, has been fully provided. As of 3QFY24, the bank's funded o/s to such companies stands at INR650m.
- The bank has no investments in subordinated units with priority distribution.
- LCR stood at 120% for the bank and 127% for the group level in 3QFY24.
- 56-58% of the book are repo linked. If the repo rate falls, the deposits are likely to be repriced.
- Over 76% of CA-OD transaction volumes and over 98% of savings account transaction volume occurred through digital channels.
- Deposits have picked up, driven by ActivMoney product launched by KMB 6 months ago. CASA ratio stood at 47.7% in 3QFY24 vs 48.3% in 2QFY24.
- Unsecured retail advances (incl. Retail Micro Finance) as a % of net advances stood at 11.6% as on 3QFY24 vs. 9.3% in 3QFY23 and the portfolio continues to hold well.
- CV disbursements have grown 30% YoY and the Collection Efficiency continues to be stable for this book.

- Construction Equipment book grew 38% YoY and the Collection Efficiency for this book also continues to be stable with the bank expecting 4QFY24 growth momentum to remain healthy.
- MFI book disbursements grew 66% YoY, serving a customer base of 1.8m unique borrowers.
- Agriculture SME side growth was muted and the management expects this to increase going forward.
- Overall, the risk matrix is stable in unsecured advances and is appropriately priced; however, there is some observed risk on the credit card side, which is also taken care of by the bank.
- Unsecured advances grew 40% YoY and 9% QoQ. Delinquencies in both secured and unsecured business banking remains stable.
- NIM stood stable at 5.22% in 3QFY24, with a 3-4bp differential attributed to the CRR impact addressed in the previous quarter with the major reason for stable NIMs being change in the mix of advances.
- Overall, funded asset grew 7.7% QoQ, including credit substitutes.
- Among various segments, mid-market and the SME segment grew robust. A majority of mid corporate book is working capital intensive. However, some pricing-related challenges can be seen in the SME side.
- The bank has seen some challenges in deal closure, therefore income was subdued this quarter.
- KMB has been successful in migrating all CMS customers to the new CMS platform.
- Cost of term deposits stood at 6.5-6.7%. SA account deposit starts to see some positive growth.
- CD ratio stood at 88% in 3QFY24, however, the bank's industry-leading tier-1 ratio, consisting entirely of equity, remains a positive factor.
- The bank expects RoA to sustain at ~2-2.1% going forward.
- There has been no recent change in the PSL framework. The bank largely fulfills the PSL requirements, with only a slight shortfall in one category.
- While the majority of unsecured loans have fixed rates, there is a potential 20-30bp increase in rates for unsecured personal loans. The bank has adjusted prices for loans to NBFCs where needed.
- The bank has guided for the unsecured mix to be around mid-teens.
- About 85-89% of cards are issued to existing bank customers. For the lower-end cards with reduced limits, the bank has rationalized their sourcing, resulting in a decline in card issuance in November.
- The bank is comfortable with its liquidity condition and is fairly balanced in its investment; therefore, it has been able to maintain its LCR.

Asset Quality

- NNPA ratio improved 3bp to 0.34% with GNPA ratio remaining stable at 1.7% in 3QFY24.
- PCR improved 150bp QoQ to 80.6% in 3QFY24.
- The bank reported slippages amounting to INR11.8b as on 3QFY24, while upgrades stood at INR2.9b.
- SMA 2 book stood at INR2.1b as on 3QFY24.
- The bank reported a credit cost of 40bp in 3QFY24 (incl. standard provision, excluding the reversal of Covid & restructuring).

- The bank holds outstanding Covid provisions of INR2.95b.

Subsidiaries

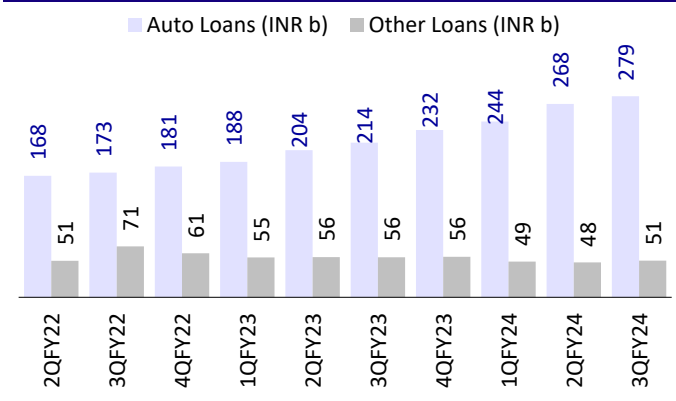
- Kotak Securities reported a PAT of INR3.1b in 3QFY24 with its market share increasing to 10.3% in 3QFY24 vs. 5.8% in 3QFY23.
- Self-trading customers accounted for 65% of cash market volume and 99% of derivatives market volume of Kotak Securities.
- Kotak General Insurance had an agreement with Zurich Insurance for the company to take majority stake (51%) and increase that to 70% over the coming years.
- Kotak prime reported a PAT of INR2.4b in 3QFY24 with the vehicle book growing by 30% YoY.
- Kotak AMC reported a PAT of INR1.5b in 3QFY24 with a 32% YoY increase in Equity-AUM.
- With an AUM of USD3.9b, Kotak Funds – India Midcap Fund continues to be the largest India focused offshore funds (actively managed with daily liquidity).

Equity AUM comprises 59.3% of overall AUM vs. 56% in 2QFY24

Mixed performance across subsidiaries

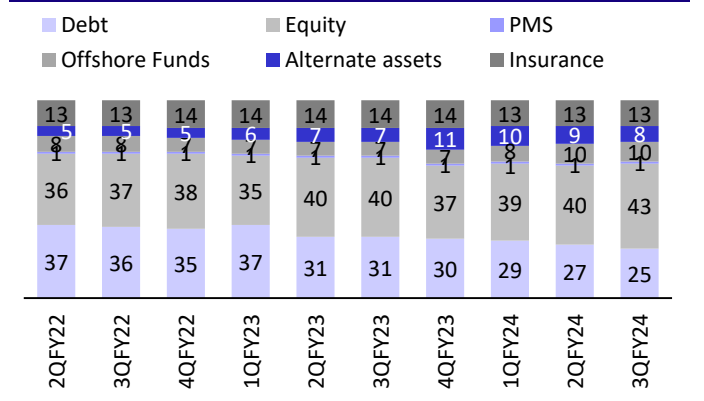
- PAT for the Securities business grew 27% YoY to INR3.0b (down 5.6% QoQ).
- Market share of Kotak Securities improved sharply to ~10.3%.
- Kotak Prime reported PAT of INR2.4b (up 14.9% QoQ). NNPA remained stable at 0.8%. Auto loans grew 30% YoY and 4% QoQ.
- PAT in the Asset Management business grew 17% QoQ to INR1.5b (down 2.7% YoY), while average AUM rose 5.2% QoQ (22.6% YoY), led by an increase in equity AUM (up 32% YoY and 11% QoQ), constituting 59% of total AUM.
- Kotak Life reported PAT of INR1.4b (57% YoY decline). Premium income grew 9.7% YoY (up 9.9% QoQ), while the solvency ratio stood at 2.7%.

Exhibit 1: Kotak Prime | Auto loans up 4% QoQ and 30% YoY



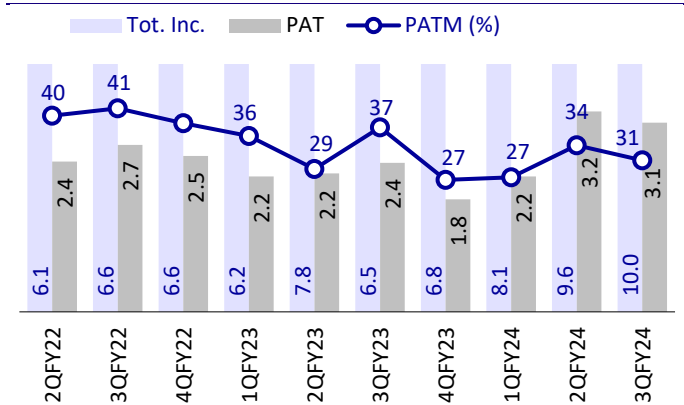
Source: MOFSL, Company

Exhibit 2: Domestic Mutual fund grew 8.3% QoQ (up 28% YoY)



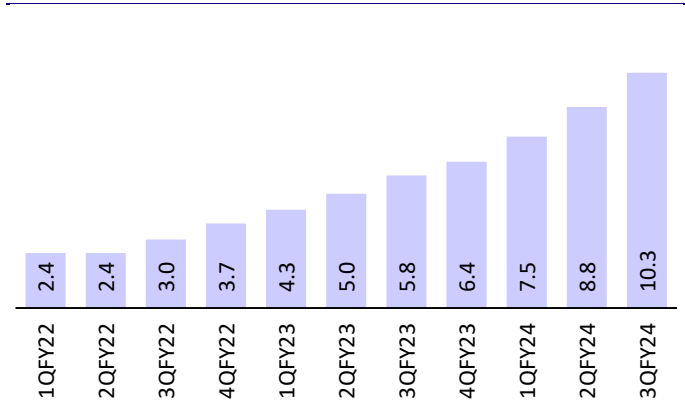
Source: MOFSL, Company

Exhibit 3: Kotak Securities' PAT grew 27% YoY to INR3.1b



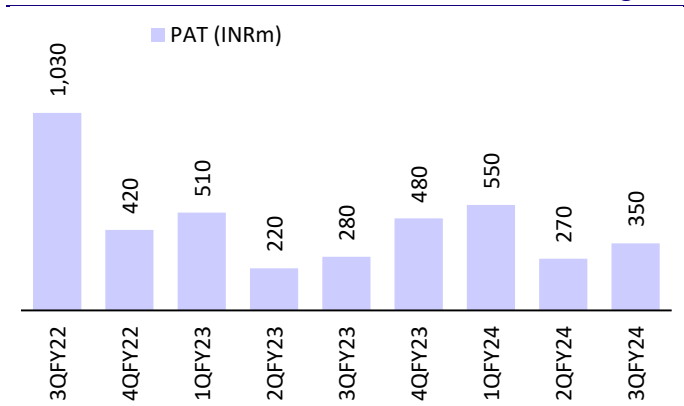
Source: MOFSL, Company

Exhibit 4: Market share for Kotak Securities expands to 10.3%



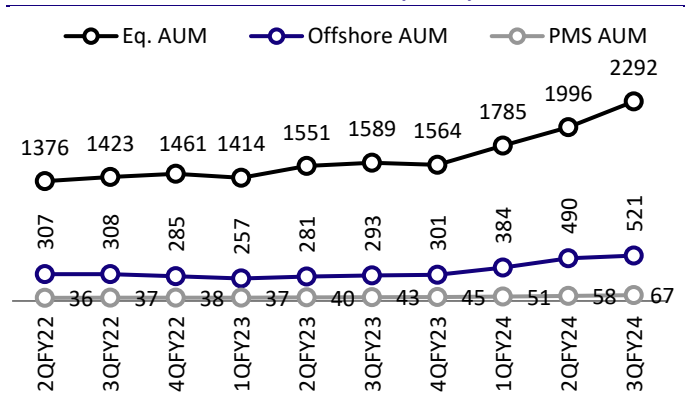
Source: MOFSL, Company

Exhibit 5: PAT stands at INR350m in Investment Banking



Source: MOFSL, Company

Exhibit 6: AUM mix for Kotak AMC (INR b)



Source: MOFSL, Company

Valuation and view

- Loan book grew 16% YoY (up 3% QoQ) led by healthy traction across segments. KMB reported healthy sequential trends in Personal loans, CV/CE, and Credit Cards. Deposits grew 19% YoY (up 2% QoQ), led by term loans, which grew 33% YoY (up 3% QoQ), while the CASA mix moderated 60bp QoQ to 47.7%. We expect advances to report 17% CAGR over FY24-26E.
- Fresh slippages declined 10% QoQ to INR11.7b. GNPA ratio stood largely stable at 1.7%, while Net NPA improved 3bp QoQ to 0.34%. PCR improved 150p QoQ to 80.6%. KMB has o/s provisions of INR2.95b.
- SMA-2 advances stood at INR2.1b (6bp of advances), while the outstanding restructured portfolio stood at INR4.6b (13bp of advances).
- The bank has healthy capitalization levels with Tier I of 20.1%, which is likely to provide growth opportunities and help manage stress. The capital-light nature of KMB's Capital Market and Asset Management businesses can provide a further boost to the bank's RoE as these businesses scale up further.
- **Retain Neutral with a TP of INR2,000:** KMB delivered a mixed quarter with miss in earnings due to high provisions (AIF exposure) though NIMs remained stable at 5.2% QoQ. Asset quality remained stable with slippages declining sequentially. KMB carries additional Covid-related provisions of ~INR2.95b. The bank continues to guide for steady growth trend and aims to improve the mix of unsecured loans to mid-teens, expressing confidence in the quality of the

underlying portfolio. We cut our FY24/FY25 PAT estimates by 3.2%/2.7% and estimate bank to deliver RoA/RoE of 2.4%/14.4% by FY25. We maintain our Neutral stance on the stock with a TP of INR2,000 (2.5x Sep'25E ABV).

Exhibit 7: We have cut our Standalone PAT estimates for FY24/FY25 by 3.2%/2.7%

INR b	Old Est.		Revised Est.		Change (%)/bps	
	FY24	FY25	FY24	FY25	FY24	FY25
Net Interest Income	257.0	292.4	257.2	291.4	0.1	-0.3
Other Income	99.9	117.8	97.7	115.3	-2.1	-2.1
Total Income	356.8	410.2	355.0	406.7	-0.5	-0.8
Operating Expenses	162.3	189.3	164.7	192.1	1.5	1.5
Operating Profits	194.5	220.9	190.2	214.6	-2.2	-2.8
Provisions	15.0	19.3	16.3	18.4	8.5	-4.8
PBT	179.5	201.6	174.0	196.2	-3.1	-2.7
Tax	44.2	49.6	43.0	48.3	-2.7	-2.7
Standalone PAT	135.4	152.0	131.0	148.0	-3.2	-2.7
Loans	3,749	4,386	3,726	4,360	-0.6	-0.6
Deposits	4,270	5,017	4,234	4,975	-0.9	-0.9
Margins (%)	5.21	5.07	5.23	5.07	2	1
SA RoA (%)	2.55	2.44	2.47	2.40	(7)	(5)
Core RoE (%)	15.1	14.7	14.7	14.4	(45)	(30)
EPS	92.0	105.4	89.7	103.3	-2.4	-2.0
BV	484.5	559.2	482.2	555.0	-0.5	-0.8
Consol BV	653.6	757.5	651.3	753.2	-0.3	-0.6

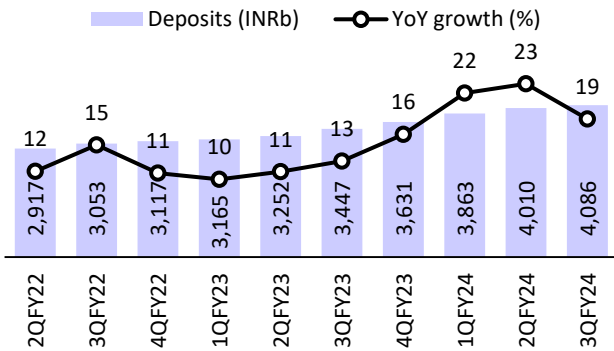
Source: MOFSL, Company

Exhibit 8: SoTP-based pricing

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	3,203	38.4	1,612	81	
Kotak Mahindra Bank	2,833	34.0	1,426	71	2.5x Sep'25E Network
Kotak Prime (Car and other loans)	272	3.3	137	7	2.5x Sep'25E Network
Kotak Investment Company (LAS)	98	1.2	49	2	2.5x Sep'25E Network
Asset Management Business	300	3.6	151	8	5% of Sep'25E AUMs
Domestic Mutual Fund	240	2.9	121	6	
Alternative Assets	36	0.4	18	1	
Offshore Funds	24	0.3	12	1	
Capital Markets related Business	280	3.4	141	7	
Kotak Securities	243	2.9	122	6	18x Sep'25E PAT
Kotak Investment Banking (KMCC)	38	0.5	19	1	2.5x Sep'25E Network
Kotak Life Insurance	475	5.7	239	12	2.5x Sep'25E EV
Subs value @ 20% discount	1,140	13.7	574	29	
Target Value (Post 20% holding discount)	3,973	47.7	2,000	100	
- contribution of subs/associates to total PT			29%		

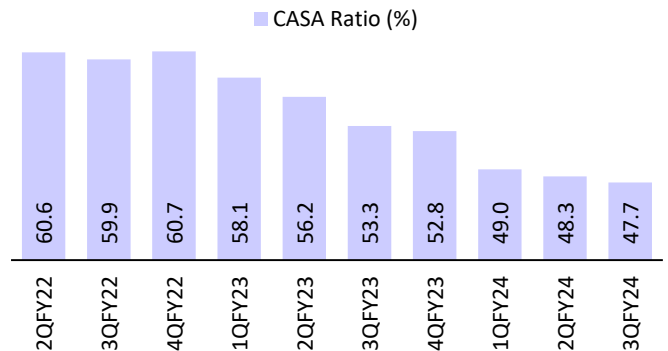
Story in charts

Exhibit 9: Deposits up 19% YoY and 2% QoQ to INR4.1t



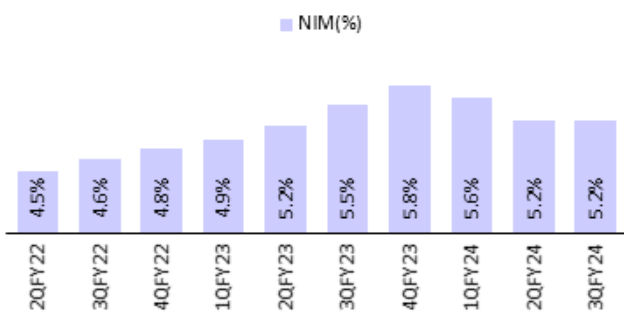
Source: MOFSL, Company

Exhibit 10: CASA ratio moderates 60bp QoQ to 47.7%



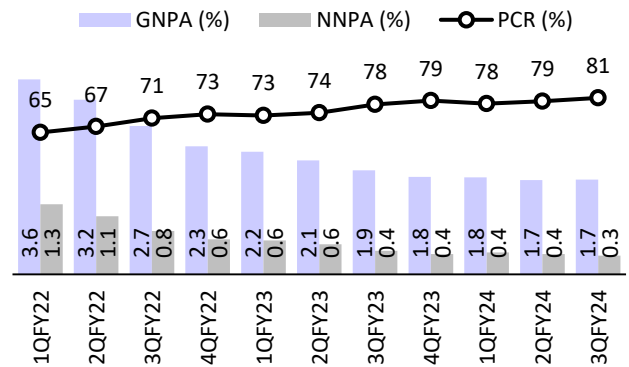
Source: MOFSL, Company

Exhibit 11: Margin remained stable at 5.2%



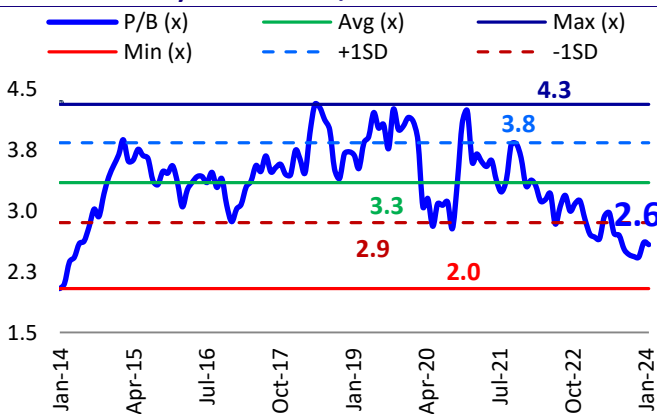
Source: MOFSL, Company

Exhibit 12: GNPA/NNPA improved to 1.7%/0.3%



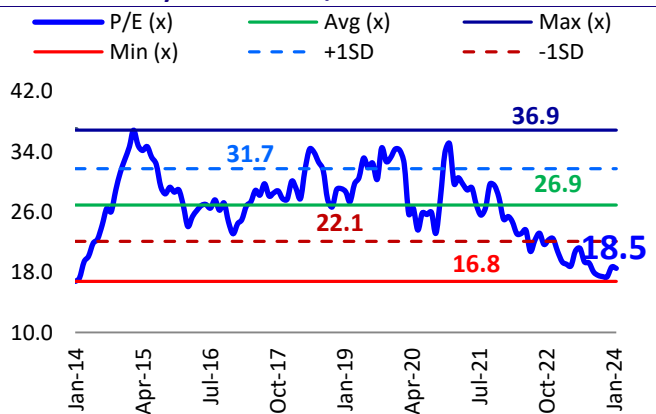
Source: MOFSL, Company

Exhibit 13: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 14: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 15: DuPont Analysis – Expect KMB to report FY25E RoA/RoE of 2.4%/14.4%

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	8.28	8.01	7.22	6.65	7.45	8.47	8.39	8.32
Interest Expense	4.40	3.99	3.09	2.51	2.76	3.62	3.67	3.58
Net Interest Income	3.88	4.02	4.13	4.14	4.69	4.86	4.72	4.74
Fee income	1.59	1.45	1.39	1.70	1.75	2.08	2.14	2.17
Trading and others	0.02	0.14	-0.05	-0.23	-0.21	-0.24	-0.27	-0.30
Non Interest income	1.61	1.60	1.35	1.47	1.54	1.85	1.87	1.87
Total Income	5.50	5.61	5.47	5.61	6.23	6.70	6.59	6.61
Operating Expenses	2.60	2.63	2.31	2.65	3.00	3.11	3.11	3.12
Employee cost	1.10	1.16	1.01	1.14	1.21	1.24	1.22	1.21
Others	1.50	1.47	1.30	1.51	1.79	1.87	1.89	1.91
Operating Profits	2.89	2.98	3.16	2.96	3.23	3.59	3.48	3.49
Core operating Profits	2.87	2.84	3.21	3.19	3.44	3.83	3.74	3.79
Provisions	0.33	0.66	0.66	0.17	0.10	0.31	0.30	0.34
NPA	0.29	0.42	0.49	0.27	0.11	0.27	0.27	0.31
Others	0.04	0.24	0.17	-0.10	-0.01	0.03	0.03	0.03
PBT	2.56	2.32	2.50	2.80	3.13	3.28	3.18	3.15
Tax	0.87	0.55	0.63	0.69	0.75	0.81	0.78	0.77
RoA	1.69	1.77	1.87	2.11	2.38	2.47	2.40	2.37
Leverage (x)	7.2	7.3	6.6	6.0	5.9	5.9	6.0	6.1
RoE	12.1	12.9	12.4	12.6	14.0	14.6	14.3	14.4

Financials and valuations

Income Statement						(INRb)		
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	238.9	269.3	268.4	270.4	342.5	448.9	518.1	599.8
Interest Expense	126.8	134.3	115.0	102.2	127.0	191.7	226.7	258.2
Net Interest Income	112.1	135.0	153.4	168.2	215.5	257.2	291.4	341.6
Growth (%)	17.6	20.5	13.6	9.6	28.1	19.4	13.3	17.2
Non Interest Income	46.6	53.7	50.1	59.9	70.8	97.7	115.3	134.9
Total Income	158.6	188.7	203.5	228.0	286.3	355.0	406.7	476.6
Growth (%)	16.8	19.0	7.8	12.1	25.6	24.0	14.6	17.2
Operating Expenses	75.1	88.5	85.8	107.5	137.9	164.7	192.1	224.9
Pre Provision Profits	83.5	100.2	117.6	120.5	148.5	190.2	214.6	251.7
Growth (%)	16.6	20.0	17.4	2.5	23.2	28.1	12.8	17.3
Core PPOp	82.8	95.4	119.4	129.9	158.2	202.9	231.1	273.2
Growth (%)	19.2	15.2	25.2	8.7	21.9	28.2	13.9	18.2
Provisions	9.6	22.2	24.6	6.9	4.6	16.3	18.4	24.6
PBT	73.9	78.0	93.0	113.6	143.9	174.0	196.2	227.1
Tax	25.2	18.6	23.4	27.9	34.5	43.0	48.3	55.9
Tax Rate (%)	34.1	23.8	25.1	24.5	24.0	24.7	24.6	24.6
PAT	48.7	59.5	69.6	85.7	109.4	131.0	148.0	171.3
Growth (%)	19.1	22.2	17.1	23.1	27.6	19.8	12.9	15.7
Consolidated PAT	72.0	85.9	99.9	117.2	150.9	178.3	205.3	241.0
Growth (%)	16.2	19.3	16.3	17.3	28.7	18.2	15.2	17.4

Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	9.5	9.6	9.9	9.9	9.9	9.9	9.9	9.9
Preference Share Capital	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Reserves & Surplus	414.5	475.6	622.4	710.0	820.3	948.1	1,092.6	1,260.3
Net Worth	429.0	490.2	637.3	724.9	835.2	963.0	1,107.5	1,275.3
- Equity Networth	424.0	485.2	632.3	719.9	830.2	958.0	1,102.5	1,270.3
Deposits	2,258.8	2,628.2	2,801.0	3,116.8	3,631.0	4,233.7	4,974.6	5,845.2
Growth (%)	17.3	16.4	6.6	11.3	16.5	16.6	17.5	17.5
- CASA Dep	1,185.9	1,476.2	1,693.1	1,891.3	1,918.2	1,998.3	2,323.1	2,753.1
Growth (%)	21.3	24.5	14.7	11.7	1.4	4.2	16.3	18.5
Borrowings	322.5	379.9	236.5	259.7	234.2	279.8	325.3	375.8
Other Liabilities & Prov.	111.4	104.2	159.9	192.9	198.3	220.1	246.5	276.1
Total Liabilities	3,121.7	3,602.5	3,834.7	4,294.3	4,898.6	5,696.7	6,653.9	7,772.3
Current Assets	246.8	532.9	396.3	429.2	325.4	343.0	397.5	466.6
Investments	711.9	750.5	1,051.0	1,005.8	1,214.0	1,414.4	1,640.6	1,903.2
Growth (%)	10.3	5.4	40.0	-4.3	20.7	16.5	16.0	16.0
Loans	2,056.9	2,197.5	2,236.7	2,712.5	3,198.6	3,726.4	4,359.9	5,114.1
Growth (%)	21.2	6.8	1.8	21.3	17.9	16.5	17.0	17.3
Fixed Assets	16.5	16.2	15.4	16.4	19.2	20.5	22.0	23.5
Other Assets	89.6	105.4	135.4	130.3	141.3	192.3	233.9	265.0
Total Assets	3,121.7	3,602.5	3,834.7	4,294.3	4,898.6	5,696.7	6,653.9	7,772.3

Asset Quality

Y/E MARCH	FY19	FY20	FY20	FY22	FY23	FY24E	FY25E	FY25E
GNPA	44.7	50.3	74.3	64.7	57.7	62.8	66.4	75.4
NNPA	15.4	15.6	27.1	17.4	11.9	12.1	12.9	14.0
GNPA Ratio (%)	2.14	2.25	3.25	2.34	1.78	1.66	1.51	1.46
NNPA Ratio (%)	0.75	0.71	1.21	0.64	0.37	0.32	0.30	0.27
Slippage Ratio (%)	0.89	1.38	2.19	1.55	1.20	1.13	1.10	1.10
Credit Cost (%)	0.45	0.66	0.82	0.45	0.17	0.42	0.41	0.47
PCR (Excl Tech. write off) (%)	65.4	69.0	63.6	73.2	79.3	80.7	80.6	81.4

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY20	FY22	FY23	FY24E	FY25E	FY26E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	8.9	8.6	7.7	7.2	8.0	9.1	9.0	8.9
Avg. Yield on loans	9.8	9.9	8.4	7.8	9.1	10.4	10.2	10.0
Avg. Yield on Investments	7.6	7.6	7.9	6.8	6.1	6.5	6.7	6.8
Avg. Cost-Int. Bear. Liab.	5.3	4.8	3.8	3.2	3.5	4.6	4.6	4.5
Avg. Cost of Deposits	5.3	4.9	3.7	3.1	3.5	4.6	4.7	4.5
Interest Spread	4.5	4.9	4.7	4.7	5.6	5.8	5.5	5.5
Net Interest Margin	4.2	4.3	4.4	4.5	5.1	5.2	5.1	5.1

Capitalisation Ratios (%)

CAR	17.9	19.8	23.5	23.7	21.8	20.8	20.2	19.3
CET-1			22.5	21.5	20.6			
Tier I	17.4	19.2	22.6	22.8	20.6	20.1	19.5	18.6
Tier II	0.5	0.6	0.9	0.9	1.2	0.7	0.7	0.7

Asset-Liability Profile (%)

Loans/Deposit Ratio	91.1	83.6	79.9	87.0	88.1	88.0	87.6	87.5
CASA Ratio	52.5	56.2	60.4	60.7	52.8	47.2	46.7	47.1
Cost/Assets	2.4	2.5	2.2	2.5	2.8	2.9	2.9	2.9
Cost/Total Income	47.4	46.9	42.2	47.2	48.1	46.4	47.2	47.2
Cost/Core Income	47.6	48.1	41.8	45.3	46.6	44.8	45.4	45.1
Int. Expense/Int.Income	53.1	49.9	42.8	37.8	37.1	42.7	43.8	43.0
Fee Income/Total Income	28.9	25.9	25.5	30.3	28.1	31.1	32.4	32.8
Non Int. Inc./Total Income	29.4	28.5	24.6	26.2	24.7	27.5	28.4	28.3
Empl. Cost/Total Expenses	42.4	44.2	43.9	42.9	40.2	39.7	39.2	38.8
Business per Employee (INR m)			97.4	87.7	102.7	118.6	137.7	160.0
Proft per Employee (INR m)			1.3	1.3	1.6	2.0	2.2	2.5
Investment/Deposit Ratio	31.5	28.6	37.5	32.3	33.4	33.4	33.0	32.6
G-Sec/Investment Ratio	81.6	82.5	81.2	74.7	74.0	74.0	74.0	74.0

Profitability Ratios and Valuation

RoE (%)	12.2	13.1	12.5	12.7	14.1	14.7	14.4	14.4
RoA (%)	1.7	1.8	1.9	2.1	2.4	2.5	2.4	2.4
Consolidated ROE (%)	12.4	12.8	11.8	12.1	13.5	13.7	13.7	13.9
Consolidated ROA (%)	2.0	2.1	2.2	2.3	2.6	2.8	2.8	2.7
RoRWA (%)	1.6	1.9	2.0	2.2	2.4	2.4	2.3	2.2
Standalone BV (INR)	222	254	319	363	418	482	555	639
Growth (%)	12.9	14.2	25.8	13.7	15.2	15.4	15.1	15.2
Price-BV (x)	5.6	4.9	3.9	3.4	3.0	2.6	2.2	1.9
Standalone Adjusted BV (INR)	203	234	296	342	398	459	529	609
Growth (%)	14.4	15.3	26.4	15.3	16.4	15.5	15.1	15.2
Price-ABV (x)	6.1	5.3	4.2	3.6	3.1	2.7	2.3	2.0
Standalone EPS (INR)	25.5	31.1	35.8	43.2	55.1	65.9	74.5	86.2
Growth (%)	17.0	22.0	14.9	20.9	27.5	19.7	12.9	15.7
Price-Earnings (x)	48.5	39.7	34.6	28.6	22.4	18.7	16.6	14.3
Dividend Per Share (INR)	1.0	1.2	0.2	1.1	1.3	1.5	1.8	1.8
Dividend Yield (%)	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1

E: MOFSL Estimates

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

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

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 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.