

October 19, 2024

RESULT REPORT Q2 FY25 | Sector: Banks

Kotak Mahindra Bank

KMB still somewhat away from an optimal business model

Our view – Slippages rise and loan growth slows, while dependence on ActivMoney continues

Net Interest Margin – Margin declined sequentially but mainly due to loan mix change and not rise in cost of funds: NIM was at 4.91%, down -11bps QoQ and -31bps YoY. 2Q was the first quarter when the full impact of the RBI embargo was felt. As a consequence, the share of secured assets has gone up in the portfolio. The cost of funds seems to have stabilised. Management cited positive prospective loan mix evolution from RBI embargo removal (once it happens) aiding unsecured retail, traction for rural loans, including CV/CE and a comeback in microfinance.

Asset Quality – Slippages rose on sequential basis driven by stress on unsecured loan segments: Gross NPA additions amounted to Rs 18.75bn for 2QFY25, translating to an annualized slippage ratio of 1.9% for the quarter. Gross NPA additions had amounted to Rs 13.58bn during 1QFY25. 30-35% of the net slippages for the quarter emerged from the credit cards book. There was increased delinquency in micro-credit due to over-leverage and slowdown in the rural economy.

Balance sheet growth – Advances growth slowed on sequential basis while the dependence on ActivMoney continued on the deposit side: The advances for the bank stood at Rs 3,995bn, up by 2.5% QoQ and 14.7% YoY. Unsecured retail segment grew only by 1% QoQ, largely due to embargo on credit cards and to some extent in personal loans. Micro-credit de-grew by -4% and is expected to de-grow in Q3 also. The deposits were at Rs 4,615bn, up by 3.1% QoQ and 15.1% YoY. Saving deposits are up by 5% QoQ, with the bank citing green shoots in this regard. However, the bank has relaunched ActivMoney in Q2 and it grew by 9% QoQ and 41% YoY.

We maintain a relatively cautious ADD on KMB with an unchanged price target of Rs 2150: We value the standalone bank at 2.2x FY26 P/BV for an FY26/27E RoE profile of 13.4%/13.4%. We assign a value of Rs 727 per share to the subsidiaries.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

Result Highlights (See “Our View” above for elaboration and insight)

- **Opex control:** Total cost to income ratio was at 47.5% up 122/99bps QoQ/YoY and the Cost to assets was at 3.0% flat QoQ but down -6bps YoY.
- **Fee income:** Core fee income to average assets was at 1.5%, up/down 2bps/-4bps QoQ/YoY.

Exhibit 1: Result table - Standalone

Particulars (Rs mn)	Q2 FY25	Q1 FY25	% qoq	Q2 FY24	% yoy
Total Interest Income	132,163	127,461	3.7	111,928	18.1
Interest Expense	(61,967)	(59,038)	5.0	(48,962)	26.6
Net Interest Income	70,196	68,424	2.6	62,966	11.5
Fee Income	23,120	22,400	3.2	20,260	14.1
Non-fee Income	3,722	6,890	(46.0)	2,885	29.0
Total Non-Interest Income	26,842	29,290	(8.4)	23,145	16.0
Total Income	97,038	97,714	(0.7)	86,112	12.7
Employee Expense	(19,514)	(18,705)	4.3	(16,346)	19.4
Non-employee Opex	(26,532)	(26,468)	0.2	(23,665)	12.1
Total Operating expenses	(46,046)	(45,173)	1.9	(40,011)	15.1
PPoP	50,993	52,541	(2.9)	46,101	10.6
Provisions	(6,604)	(5,785)	14.2	(3,666)	80.2
Exceptional Items	-	35,199	NA	-	NA
PBT	44,389	81,955	(45.8)	42,436	4.6
Tax	(10,951)	(19,457)	(43.7)	(10,526)	4.0
PAT	33,437	62,498	(46.5)	31,910	4.8

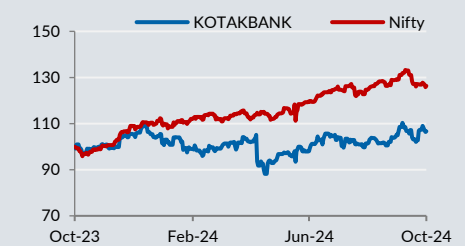
Source: Company, YES Sec-Research

Recommendation	: ADD
Current Price	: Rs 1871
Target Price	: Rs 2150
Potential Return	: +15%

Stock data (as on October 18, 2024)

Nifty	24,854
52 Week h/l (Rs)	1942 / 1544
Market cap (Rs/USD mn)	3706038 / 44085
Outstanding Shares (mn)	2,988
6m Avg t/o (Rs mn):	10,867
Div yield (%):	0.1
Bloomberg code:	KMB IN
NSE code:	KOTAKBANK

Stock performance



	1M	3M	1Y
Absolute return	0.0%	2.7%	7.6%

Shareholding pattern (As of Jun'24)

Promoter	25.9%
FII+DII	60.9%
Others	13.2%

Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	2150	2150

Financial Summary

(Rs mn)	FY25E	FY26E	FY27E
NII	302,328	349,893	401,456
PPOP	208,937	246,232	281,728
Net Profit	163,349	161,762	184,717
Growth (%)	18.5	-1.0	14.2
EPS (Rs)	82.2	81.4	92.9
BVPS (Rs)	568	649	741
P/E (x)	13.9	14.1	12.3
P/BV (x)	2.0	1.8	1.5
ROE (%)	15.6	13.4	13.4
ROA (%)	2.5	2.1	2.1
Tier-1 (%)	19.5	19.2	18.9

Δ in earnings estimates

Rs.	FY25E	FY26E	FY27E
EPS (New)	82.2	81.4	92.9
EPS (Old)	82.2*	81.4	92.9
% change	0.0%	0.0%	0.0%

*N.B. Adjusted for exceptional item

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COMPREHENSIVE CON-CALL TAKEAWAYS

Asset quality

- **Slippages**
 - Gross NPA additions amounted to Rs 18.75bn for 2QFY25, translating to an annualized slippage ratio of 1.9% for the quarter. (Gross NPA additions had amounted to Rs 13.58bn during 1QFY25.)
 - 30-35% of the net slippages for the quarter emerged from the credit cards book.
 - **Reason for Higher Slippages**
 - The bank has witnessed increased stressed in credit cards in the older vintage book.
 - There was increased delinquency in micro-credit due to over leverage and slowdown in the rural economy.
- **Recoveries and upgrades**
 - Recoveries and upgrades amounted to Rs 6.81bn for 2QFY25, implying net NPA addition of Rs 11.94bn for the quarter.
 - Recoveries in 2H will reduce net slippages, driven by recoveries from the secured book, including the rural portfolio.
- **Provisions**
 - Provisions were Rs 6.6bn, up by 14.2% QoQ and 80% YoY, translating to calculated annualised credit cost of 67bps.
 - Credit cost on specific provisions was 65bps, up by 10bps QoQ due to higher slippages in unsecured retail book.
 - **Credit cost outlook**
 - Credit cost will stabilize and come down over the next 2-3 quarters.
- **Restructured book**
 - Standard fund-based restructured book outstanding under one time restructuring for MSME is around Rs. 1.33bn and under Covid resolution framework is around Rs. 1.15bn. The total fund-based standard restructured book stood at 0.06% of gross advances.
- **NPA ratios**
 - GNPA ratio stands at 1.5%, up 10bps QoQ but down -23bps YoY while NNPA ratio stands at 0.4%, up 8bps QoQ and 6bps YoY.

Loan growth

- The advances for the bank stood at Rs 3,995bn, up by 2.5% QoQ and 14.7% YoY.
- Total customer assets which comprises of Advances (incl. IBPC & BRDS) and Credit Substitutes was up 18% YoY and 3.3% QoQ.
- **Segmental Aspects**
 - The share of unsecured retail advances in net advances was at 11.3%, down -30bps QoQ due to embargo on credit cards and lower disbursement in micro finance.
 - Within the consumer business, the secured advances have grown by 6% QoQ.
 - Unsecured retail segment grew only by 1% QoQ, largely due to embargo on credit cards and to some extent in personal loans.
 - Micro-credit de-grew by -4% and is expected to de-grow in Q3 also.
 - The CV/CE segment has grown by 3% QoQ and 25.8% YoY where the management expects much better demand for CV segment in H2.

(Con call takeaways continue on the next page)

- With the acquisition of Sonata the Bank is now present in 16 states for micro credit.
- Corporate SME advances grew by 31% YoY and new acquisition of customers in this segment grew by 56% YoY.
- Credit substitutes grew by 18% YoY

Deposits growth

- The deposits were at Rs 4,615bn, up by 3.1% QoQ and 15.1% YoY.
- Average deposits are up by 16% YoY
- **CASA**
 - CASA ratio was at 43.6%, up 20bps QoQ
 - Saving deposits are up by 5% QoQ
 - The bank is seeing green shots in saving deposits.
- **Term Deposits**
 - TD sweep balance grew 41% YoY to Rs 524.11 bn
 - The bank has relaunched ActivMoney in Q2 and it grew by 9% QoQ and 41% YoY.

Net interest margin

- **NIM for the quarter**
 - NIM was at 4.91%, down -11bps QoQ and -31bps YoY.
- **Reason for sequential decline in NIM**
 - **Loan mix**
 - The key reason for decline in NIM on sequential basis was loan mix change.
 - 2Q was the first quarter when the full impact of the RBI embargo was felt.
 - As a consequence, the share of secured assets has gone up in the portfolio.
- **Low yield assets**
 - There was a short-term surge in deposits due to the IPO market and these funds could only be deployed in low-yield assets, negatively impacting NIM by 2 bps.
- **Cost of funds**
 - Cost of funds did not impacted NIM materially during the quarter.
 - The cost of funds seems to have stabilised.
- **Savings account interest rates**
 - The bank has made changes to the savings account interest rate on 17th October for balances below Rs 0.5mn from 3.5% to 3% to align with the rest of the market.
 - The savings account interest rate cut will help margin by about 4 bps.
- **Prospective loan mix aspects**
 - The embargo removal on unsecured retail (once it happens) will help.
 - Rural loans including CV/CE will also aid yield.
 - There will also be a comeback on microfinance (at some point).
 - The purchase of the standard chartered personal loan portfolio will also help NIM by a couple of bps.
- **CD ratio**
 - The credit to deposit ratio stands at 86.6%, down -58bps QoQ.

(Con call takeaways continue on the next page)

- **Loan mix by rate category**
 - The proportion of externally benchmarked loans is 60% of total loan book.
- **Rate cut impact**
 - When rate cuts happen, the deposits will also reprice lower with a lag.

Operating expenses

- **Total opex**
 - Opex, at Rs. 46.05bn, is up 1.9% QoQ and 15.1% YoY.
 - Consequently, cost/income ratio came in at 47.5%, up by 122bps QoQ and 99bps YoY.
- **Staff opex**
 - The staff opex is up by 4.3% QoQ and 19.4% YoY.
- **Non-staff opex**
 - Other opex is up by 0.2% QoQ and 12.1% YoY.

Return ratios

- The quarter had the full impact of the embargos on the bank.
- The RoA of the standalone Bank was 2.2% and RoE was 12.2%.

Capital adequacy

- The total capital ratio amounted to 22.6% at the standalone bank level.
- The CET1 ratio was at 21.5%, up by 20bps QoQ.

On RBI Draft Circular

- On the RBI draft circular on 4th October, the bank is still understanding its implications and has time till 20th November to share its comments with RBI.

Fee Income

- The fee income is up by only 14% YoY due to slowdown in credit card business.

Net Worth

- The consolidated profit does not include the MTM gain of Rs 13.63bn in the quarter which got added in the net worth.
- The consolidated Book value per share is Rs 740, up by 22% YoY.

Exhibit 2: Key quarterly balance sheet / business data - Standalone

(Rs mn)	Q2 FY25	Q1 FY25	% qoq	Q2 FY24	% yoy	Q2 FY25*	chg qoq*	chg yoy*
Advances	3,995,220	3,899,570	2.5	3,482,840	14.7	100.0	0bps	0bps
Home Loans & LAP	1,167,150	1,108,500	5.3	991,000	17.8	29.2	79bps	76bps
Consumer Bank WC (Secured)	400,020	375,910	6.4	330,950	20.9	10.0	37bps	51bps
PL, BL and Consumer Durables	208,680	203,170	2.7	178,620	16.8	5.2	1bps	9bps
Credit Cards	144,460	146,440	(1.4)	125,970	14.7	3.6	-14bps	0bps
CV/CE	390,640	379,410	3.0	310,460	25.8	9.8	5bps	86bps
Agriculture Division	269,650	273,240	(1.3)	270,310	(0.2)	6.7	-26bps	-101bps
Tractor Finance	161,910	158,000	2.5	143,760	12.6	4.1	0bps	-8bps
Retail Micro Finance	97,760	103,680	(5.7)	79,870	22.4	2.4	-21bps	15bps
Corporate Banking	928,640	935,810	(0.8)	818,440	13.5	23.2	-75bps	-26bps
SME	321,740	281,860	14.1	245,690	31.0	8.1	83bps	100bps
Others	100,430	93,550	7.4	75,050	33.8	2.5	11bps	36bps
IBPC & BRDS	(195,860)	(160,000)	22.4	(87,280)	124.4	(4.9)	-80bps	-240bps
Deposits	4,614,542	4,474,180	3.1	4,009,629	15.1	100.0	0bps	0bps
CA	712,990	701,440	1.6	688,240	3.6	15.5	-23bps	-171bps
SA	1,299,750	1,240,780	4.8	1,246,550	4.3	28.2	43bps	-292bps
Term	2,601,802	2,531,960	2.8	2,074,839	25.4	56.4	-21bps	464bps
Investments	1,755,320	1,625,780	8.0	1,286,460	36.4	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	30.5	29.4	110bps	27.0	355bps	NA	NA	NA
Borrowings	265,125	294,020	(9.8)	225,144	17.8	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	5.4	6.2	-73bps	5.3	12bps	NA	NA	NA

Source: Company, YES Sec – Research, *Share in total and change in share

Exhibit 3: Key quarterly ratios - Standalone

(%)	Q2 FY25	Q1 FY25	chg qoq	Q2 FY24	chg yoy
Net interest margin	4.91	5.02	-11bps	5.22	-31bps
Cost of SA	4.12	4.12	0bps	4.05	7bps
CASA	43.6	43.4	20bps	48.3	-470bps
Loan to Deposit Ratio	86.6	87.2	-58bps	86.9	-28bps
Non-int. income / Total Income	27.7	30.0	-231bps	26.9	78bps
Fee Income to Avg. Total Assets	1.5	1.5	2bps	1.5	-4bps
Cost to Income	47.5	46.2	122bps	46.5	99bps
Opex to Avg. Total Assets	3.0	3.0	0bps	3.1	-6bps
Credit Cost	0.7	0.6	7bps	0.4	24bps
Annualised Slippage Ratio [^]	1.9	1.4	48bps	1.5	35bps
PCR excl. TWO	71.0	75.0	-400bps	79.1	-810bps
Gross NPA	1.5	1.4	10bps	1.7	-23bps
Net NPA	0.4	0.4	8bps	0.4	6bps
ROA	2.2	4.2	-200bps	2.5	-28bps
ROE	12.2	13.9	-168bps	14.4	-215bps
Capital adequacy ratio	22.6	22.4	21bps	20.0	258bps
Common Equity Tier 1 ratio	21.5	21.3	20bps	19.0	250bps
Capital adequacy ratio*	22.6	22.8	-20bps	21.2	140bps
Common Equity Tier 1 ratio*	21.7	21.9	-20bps	20.3	140bps

Source: Company, YES Sec – Research, * Consolidated figures (Rest are standalone), [^] Annualised Gross NPA addition ratio

Exhibit 4: Subsidiaries PAT

(Rs mn)	Q2 FY25	Q1 FY25	% qoq	Q2 FY24	% yoy
Kotak Mahindra Bank	33,440	35,200	(5.0)	31,910	4.8
Kotak Mahindra Prime	2,690	2,320	15.9	2,080	29.3
Kotak Life Insurance	3,600	1,740	106.9	2,470	45.7
Kotak Securities	4,440	4,000	11.0	3,240	37.0
Kotak Mahindra Capital	900	810	11.1	270	233.3
Kotak Mahindra AMC	1,970	1,750	12.6	1,240	58.9
Kotak Investments	1,410	1,380	2.2	1,260	11.9

Source: Company, YES Sec - Research

Exhibit 5: Quarterly Actuals Vs Estimates - Standalone

Q2FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	70,196	71,024	(1.2)
Pre-Prov. Operating Profit	50,993	53,117	(4.0)
Profit After Tax	33,437	36,739	(9.0)

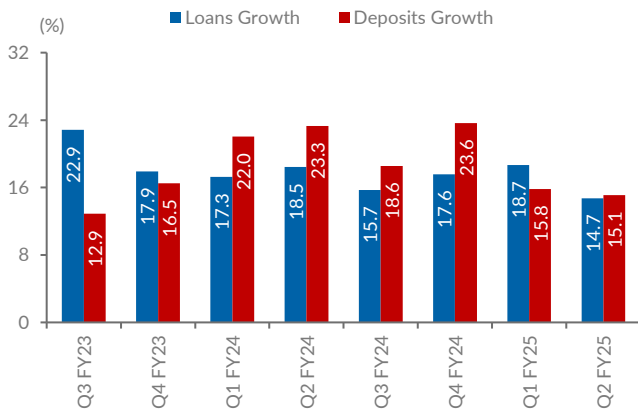
Source: Company, YES Sec - Research

Exhibit 6: Non-Interest Income Break-up

(Rs mn)	Q2 FY25	Q1 FY25	% qoq	Q2 FY24	% yoy
Total Fee Income (A)	23,120	22,400	3.2	20,260	14.1
Distribution and syndication	3,860	3,090	24.9	2,910	32.6
General banking fees	17,840	17,850	(0.1)	16,820	6.1
Others	1,420	1,460	(2.7)	530	167.9
Other Income (B)	3,720	6,890	(46.0)	2,880	29.2
Total Non-Interest Income (A+B)	26,840	29,290	(8.4)	23,140	16.0

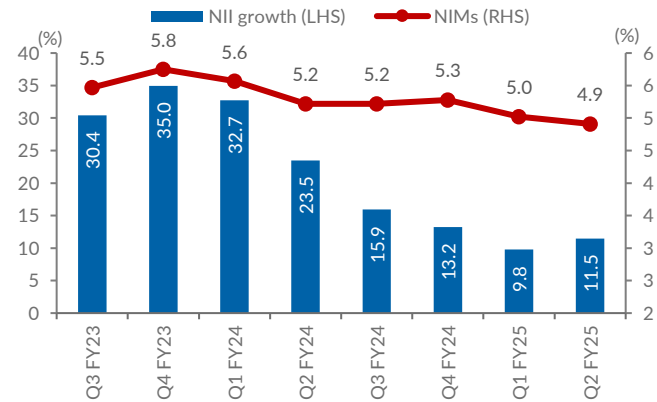
Source: Company, YES Sec - Research

Exhibit 7: Loans and Deposits growth (YoY %)



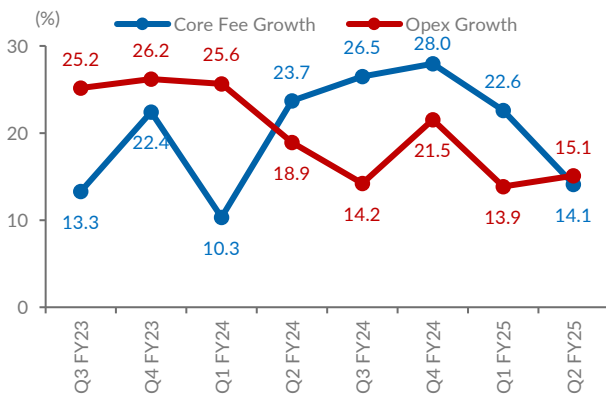
Source: Company, YES Sec - Research

Exhibit 8: NII growth (YoY %) and NIM (%)



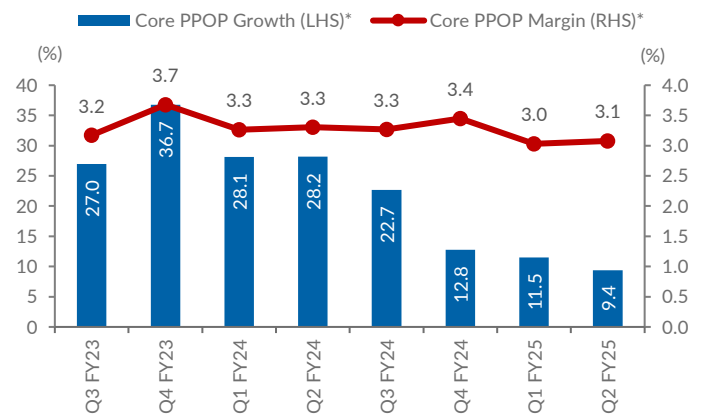
Source: Company, YES Sec - Research

Exhibit 9: Core Fee and Opex growth (YoY %)



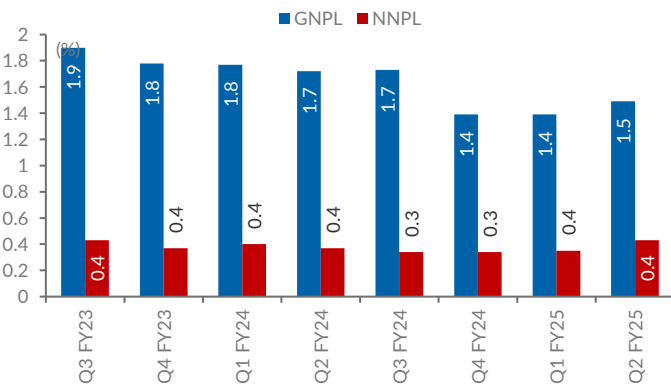
Source: Company, YES Sec - Research

Exhibit 10: Core PPOP growth (YoY %) and Core PPOP margin (%)



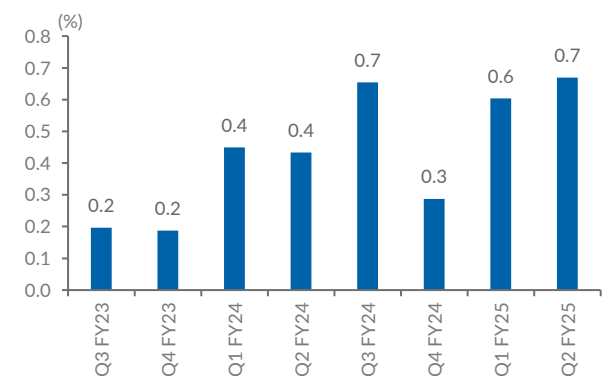
Source: Company, YES Sec - Research, * Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

Exhibit 11: Gross NPA and Net NPA (%)



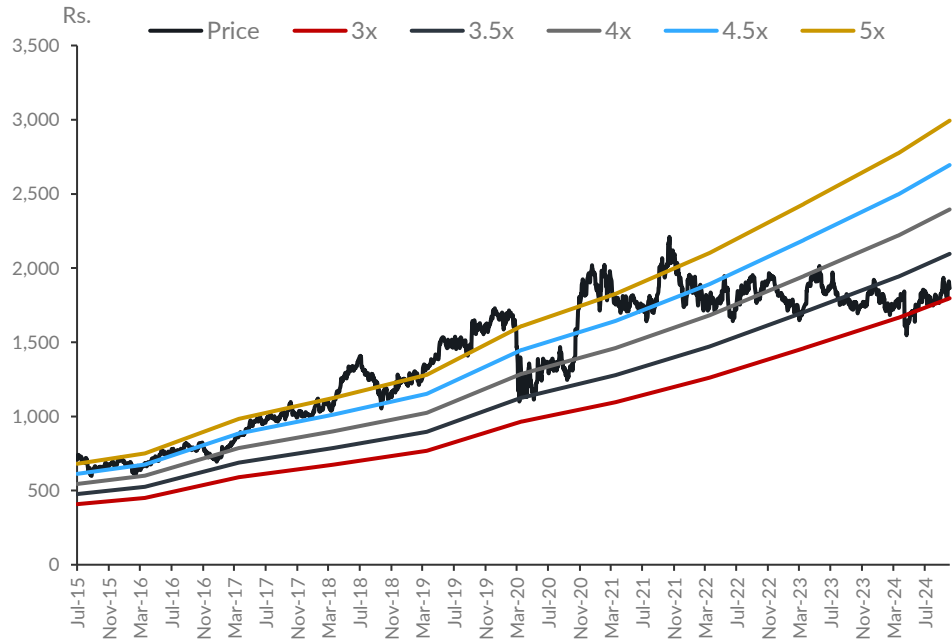
Source: Company, YES Sec - Research

Exhibit 12: Provisions/Average Advances (%)



Source: Company, YES Sec - Research

Exhibit 13: 1-year rolling P/BV band



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

Exhibit 14: 1-yr rolling P/BV vis-a-vis the mean and standard deviations



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

ANNUAL FINANCIALS

Exhibit 15: Balance sheet

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Total cash & equivalents	325,423	527,884	697,996	809,675	821,820
Investments	1,214,037	1,554,038	1,797,496	2,078,899	2,404,397
Advances	3,198,612	3,760,753	4,362,473	5,060,469	5,870,144
Fixed assets	19,203	21,553	25,864	31,036	37,244
Other assets	141,349	139,343	167,212	200,654	240,785
Total assets	4,898,625	6,003,570	7,051,040	8,180,733	9,374,390
Net worth	835,202	967,188	1,129,046	1,289,317	1,472,543
Deposits	3,630,961	4,489,537	5,241,688	6,114,183	7,126,276
Borrowings	234,163	283,681	313,767	348,667	389,151
Other liabilities	198,299	263,164	366,539	428,567	386,420
Total liabilities incl. Equity	4,898,625	6,003,570	7,051,040	8,180,733	9,374,390

Source: Company, YES Sec - Research, Standalone figures

Exhibit 16: Income statement

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest income	342,509	457,989	547,505	637,177	735,347
Interest expense	(126,989)	(198,057)	(245,177)	(287,285)	(333,891)
Net interest income	215,519	259,932	302,328	349,893	401,456
Non-interest income	70,831	102,731	104,337	120,945	140,253
Total income	286,350	362,663	406,665	470,837	541,709
Operating expenses	(137,870)	(166,788)	(197,729)	(224,605)	(259,981)
PPoP	148,480	195,875	208,937	246,232	281,728
Provisions	(4,570)	(15,737)	(26,336)	(30,550)	(35,438)
Profit before tax	143,910	180,137	217,799	215,682	246,289
Taxes	(34,517)	(42,321)	(54,450)	(53,921)	(61,572)
Net profit	109,393	137,816	163,349	161,762	184,717

Source: Company, YES Sec - Research, Standalone figures

Exhibit 17: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest income	7.5	8.4	8.4	8.4	8.4
Interest expense	-2.8	-3.6	-3.8	-3.8	-3.8
Net interest income	4.7	4.8	4.6	4.6	4.6
Non-interest income	1.5	1.9	1.6	1.6	1.6
Total income	6.2	6.7	6.2	6.2	6.2
Operating expenses	-3.0	-3.1	-3.0	-2.9	-3.0
PPoP	3.2	3.6	3.2	3.2	3.2
Provisions	-0.1	-0.3	-0.4	-0.4	-0.4
Profit before tax	3.1	3.3	3.3	2.8	2.8
Taxes	-0.8	-0.8	-0.8	-0.7	-0.7
Net profit	2.4	2.5	2.5	2.1	2.1

Source: Company, YES Sec – Research, Standalone figures

Exhibit 18: Sum of the Parts (SOTP) - Subsidiaries

Subsidiary	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple (Implied / Assigned)	Stake (%)	Stake value (Rs mn)	Per share (Rs)
Kotak Life Insurance	457,260	EV	152,420	3.0	100%	457,260	230.0
Kotak Prime	236,435	BV	118,217	2.0	100%	236,435	118.9
Kotak Securities	210,492	BV	84,197	2.5	100%	210,492	105.9
Kotak Capital	43,000	PAT	2,150	20	100%	43,000	21.6
Kotak AMC	473,610	AAUM	4,736,100	10%	100%	473,610	238.2
Kotak General	79,430	GWP	15,984	5.0	30%	23,829	12.0
Value of Subsidiaries						1,444,626	727

Source: Company, YES Sec – Research

Exhibit 19: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Interest Income	302,328	349,893	401,456	302,328	349,893	401,456	0.0	0.0	0.0
Pre-Prov. Operating Profit	208,937	246,232	281,728	208,937	246,232	281,728	0.0	0.0	0.0
Profit after tax	163,349	161,762	184,717	136,950	161,762	184,717	19.3	0.0	0.0

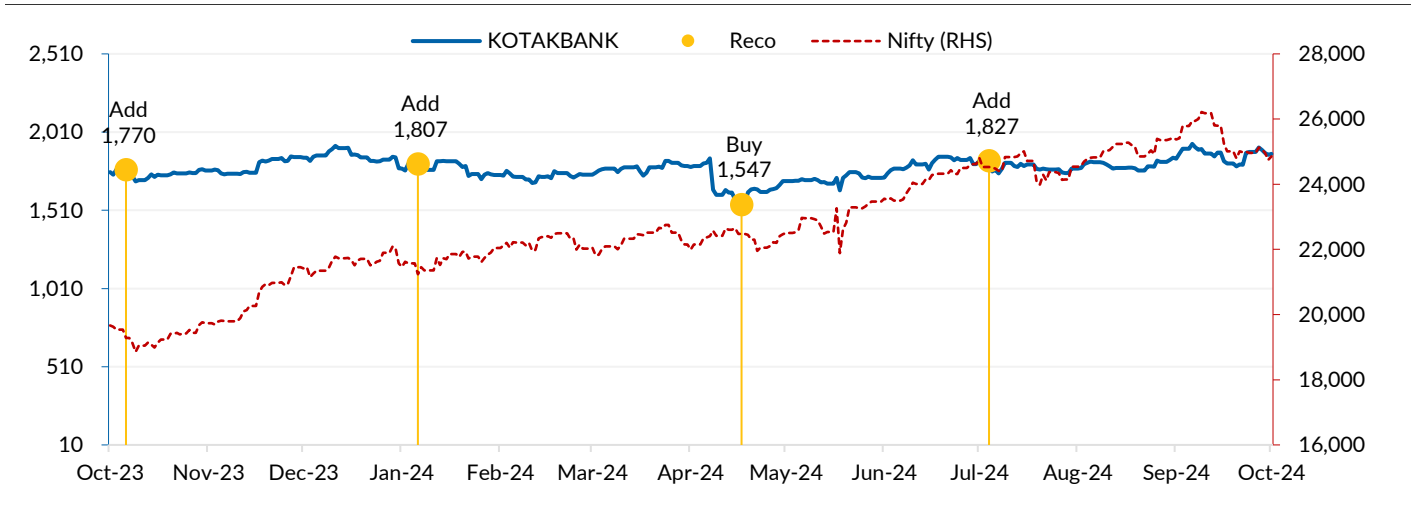
Source: Company, YES Sec – Research, Standalone figures

Exhibit 20: Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25E	FY26E	FY27E
Growth matrix (%)					
Net interest income	28.1	20.6	16.3	15.7	14.7
PPoP	23.2	31.9	6.7	17.9	14.4
Net profit	27.6	26.0	18.5	-1.0	14.2
Loans	17.9	17.6	16.0	16.0	16.0
Deposits	16.5	23.6	16.8	16.6	16.6
Profitability Ratios (%)					
Net interest margin	5.3	5.3	5.2	5.1	5.1
Return on Average Equity	14.0	15.3	15.6	13.4	13.4
Return on Average Assets	2.4	2.5	2.5	2.1	2.1
Per share figures (Rs)					
EPS	55.1	69.3	82.2	81.4	92.9
BVPS	420	487	568	649	741
ABVPS	414	480	553	627	712
Valuation multiples					
P/E	21	17	14	14	12
P/BV	2.7	2.4	2.0	1.8	1.5
P/ABV	2.8	2.4	2.1	1.8	1.6
NIM internals (%)					
Yield on loans	9.1	10.2	10.3	10.3	10.3
Cost of deposits	3.5	4.5	4.7	4.7	4.7
Loan-deposit ratio	88.1	83.8	83.2	82.8	82.4
CASA ratio	52.8	45.5	43.0	43.0	43.0
Opex control (%)					
Cost/Income ratio	48.1	46.0	48.6	47.7	48.0
Cost to average assets	3.0	3.1	3.0	2.9	3.0
Capital adequacy (%)					
Tier 1 capital ratio	20.8	19.3	19.5	19.2	18.9
Asset quality (%)					
Gross slippage ratio	1.3	1.4	1.4	1.4	1.4
Gross NPL ratio	1.8	1.4	1.8	2.0	2.1
Credit cost	0.2	0.4	0.6	0.6	0.6
Net NPL ratio	0.4	0.3	0.7	0.9	1.0

Source: Company, YES Sec – Research, Standalone figures; Valuations are the implied value of standalone entity net of subsidiaries

Recommendation Tracker



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