

Kotak Mahindra Bank

Estimate change	↔
TP change	↔
Rating change	↔

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Bloomberg	KMB IN
Equity Shares (m)	1,980
M.Cap.(INRb)/(USD\$)	3626.2 / 45.4
52-Week Range (INR)	2252 / 1627
1, 6, 12 Rel. Per (%)	1/2/1
12M Avg Val (INR M)	6652

Financials & Valuations (INR b)

Y/E MARCH	FY22	FY23E	FY24E
NII	168	199	237
OP	121	137	165
NP	86	94	111
Cons. NP	121	135	161
NIM (%)	4.5	4.6	4.8
EPS (INR)	43.2	47.3	55.8
EPS Gr. (%)	20.9	9.3	18.0
ABV. (INR)	344	388	440
Cons. BV. (INR)	487	554	634
Ratios			
Cons. RoE (%)	12.5	12.3	12.8
RoE (%)	12.7	12.3	12.8
RoA (%)	2.1	2.0	2.1
Valuations			
P/BV (X) (Cons.)	3.7	3.3	2.9
P/ABV (X) (Adj.)	3.6	3.2	2.8
P/E(X) (Adj.)	28.7	26.2	22.2

*Adjusted for Investment subs

Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	26.0	26.0	26.0
DII	16.6	15.5	13.5
FII	40.9	42.1	44.2
Others	16.6	16.5	16.2

FII Includes depository receipts

CMP: INR1,826 TP: INR2,000 (+10%) Neutral

Healthy business growth; well-positioned in a rising rate cycle

Controlled provisioning helps limit treasury losses

- KMB reported an in line 1QFY23, with standalone PAT up 26% YoY to INR20.7b. This was driven by lower provisions, which offset treasury losses, as PPOP declined (13% miss). Consolidated PAT grew 53% YoY to INR27.6b.
- Loan growth remains healthy, with margin witnessing further expansion. The CASA ratio remains robust at 58.1%.
- Asset quality remains strong. Gross slippages increased to INR14.3b, of which INR7.8b got upgraded during 1QFY23 itself. Thus, net slippages stood at INR6.5b, which, along with healthy recoveries and upgrades, enabled a 10bp/2bp QoQ decline in the GNPA/NNPA ratio. KMB reversed INR650m of COVID-related provisions and now has outstanding COVID-related provisions of INR4.8b (0.2% of loans). **We maintain our Neutral rating.**

Healthy asset quality; NIM improved by 14bp QoQ to 4.92%

- KMB reported a standalone PAT of INR20.7b, aided by lower provisions as the bank reversed COVID-related provisions of INR650m. Consolidated PAT stood at INR27.6b (up 53% YoY).
- NII grew 19% YoY (in line), led by loan growth of 3% QoQ and 29% YoY, along with a 14bp QoQ expansion in margin to 4.92%. Other income fell 8% YoY, led by a treasury loss. However, core fees grew a healthy 42% YoY.
- OPEX growth stood higher as the bank continues to invest in building a digitally savvy franchise by hiring in tech and other functions. As a result, PPOP fell 4% YoY (13% miss). However, core PPOP grew 18% YoY.
- Loan book grew 3.3% QoQ and 29% YoY, led by healthy traction across segments. The bank reported healthy sequential trends in Home loans, Personal loans, Business loans, Consumer Durable loans, and Credit Cards. Deposits grew 10% YoY and 2% QoQ, while the CASA mix moderated by 260bp QoQ to 58.1%. CASA and TDs (below INR50m) fell to 88% in 1QFY23 v/s 89% in 4QFY22.
- Gross fresh slippages stood at INR14.3b, of which INR7.8b was upgraded in 1QFY23 itself. Hence, net slippages stood at INR6.5b. The GNPA/NNPA ratio improved by 10bp/2bp QoQ to 2.24%/0.62%, aided by higher recoveries and upgrades of INR12.9b. PCR remains healthy at 72.6%. KMB carries outstanding COVID-related provisions of INR4.8b.
- SMA-2 advances fell further to INR1.59b (v/s INR1.86b in 4QFY22). The outstanding restructured portfolio (under COVID-19 and MSME) stood at INR10.8b (0.39% of advances), with the bank holding an additional provision of INR2.21b (10% higher than the regulatory requirement).
- **The performance of its subsidiaries:** Kotak Prime and Kotak Capital reported a PAT growth of 99% and 21%, while Kotak Securities and Kotak Investments posted an earnings decline of 7% and 11%. Kotak Life reported a PAT of INR2.5b v/s a loss of INR2.4b in 1QFY22.

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Highlights from the management commentary

- Unsecured Retail loans constitute 7.9% of the overall mix v/s 5.6% in 1QFY22. The management continues to focus on growing this book and will look to increase this mix to early mid-teens.
- **Loan mix:** Total floating rate book stands at 69%, with EBLR loans at 50%. The fixed rate book, with a duration of less than one-year, stood at 11%.
- Bounce rates remain better than pre-COVID levels.
- Demand resolution remains healthy and is similar to pre-COVID levels.

Valuation and view

KMB delivered an in line 1QFY23, with healthy loan growth, steady NII, and lower provisions offsetting treasury losses. NIM has inched up further, and the outlook remains buoyant, given the improving asset mix and higher mix of floating loans. Asset quality remains robust, with a further decline in GNPA/NNPA, while the restructured book remains under control ~0.39% of loans. KMB carries additional COVID-related provisions of INR4.8b (0.2% of loans). We fine tune our earnings and estimate KMB to deliver 14% earnings CAGR over FY22-24. **We maintain our Neutral rating with a TP of INR2,000 (3x FY24E ABV and INR588 for its subsidiaries).**

Quarterly performance

(INR m)

Y/E March	FY22				FY23				FY22	FY23E	FY23E 1QE	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Interest Income	39.4	40.2	43.3	45.2	47.0	48.7	50.5	52.6	168.2	198.7	47.0	0%
Change (YoY %)	5.8	3.2	11.8	17.7	19.2	21.1	16.4	16.3	9.6	18.2	19.3	
Other Income	13.5	18.1	13.6	18.3	12.4	17.4	18.0	19.6	63.5	67.4	15.4	-19%
Total Income	52.9	58.3	57.0	63.5	59.4	66.1	68.5	72.1	231.7	266.1	62.4	-5%
Operating Expenses	24.0	27.1	30.0	30.1	31.6	32.0	32.7	32.9	111.2	129.2	30.2	4%
Operating Profit	28.9	31.2	27.0	33.4	27.8	34.0	35.8	39.3	120.5	136.9	32.2	-13%
Change (YoY %)	10.1	-4.4	-7.1	12.7	-3.7	9.0	32.4	17.5	-1.3	13.6	11.3	
Other Provisions	7.0	4.2	-1.3	-3.1	0.2	3.4	4.0	4.8	6.9	12.5	3.6	-94%
Profit before Tax	21.9	27.0	28.3	36.5	27.6	30.6	31.8	34.4	113.6	124.4	28.5	-3%
Tax Provisions	5.4	6.6	7.0	8.8	6.9	7.1	7.3	9.3	27.9	30.6	7.2	-5%
Net Profit	16.4	20.3	21.3	27.7	20.7	23.5	24.5	25.1	85.7	93.8	21.3	-3%
Change (YoY %)	31.9	-7.0	15.0	64.5	26.1	15.5	14.8	-9.2	23.1	9.4	29.9	
Deposits (INR b)	2,866	2,917	3,053	3,117	3,165	3,295	3,421	3,584	3,117	3,584	3,192	-1%
Loans (INR b)	2,174	2,350	2,529	2,713	2,802	2,867	3,022	3,228	2,713	3,228	2,799	0%
Deposit growth (%)	9.6	11.5	15.1	11.3	10.4	12.9	12.1	15.0	11.3	15.0	11.4	-94
Loan growth (%)	6.6	14.7	18.1	21.3	28.8	22.0	19.5	19.0	21.3	19.0	28.7	12
Asset Quality												
Gross NPA (%)	3.6	3.2	2.7	2.3	2.2	2.2	2.2	2.1	2.3	2.1	2.3	-4
Net NPA (%)	1.3	1.1	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	-1
PCR (%)	64.8	67.5	71.3	73.2	72.6	72.0	72.5	73.4	73.2	73.4	73.0	-43

E: MOFSL estimates

Consolidated earnings snapshot

Y/E March	FY21				FY22				FY23
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Kotak Mahindra Bank	12,440	21,840	18,540	16,820	16,420	20,320	21,310	27,670	20,710
Kotak Prime	680	1,330	1,490	1,840	790	2,400	2,540	3,130	1,570
Kotak Securities	1,690	1,990	1,840	2,410	2,360	2,430	2,700	2,520	2,190
KMCC	60	140	380	250	420	580	1,030	420	510
Kotak Life	1,610	1,710	1,670	1,930	(2,430)	1,550	2,470	2,670	2,480
AMC and trustee	710	840	910	1,000	1,070	970	1,490	1,020	1,060
International subsidiaries	540	450	50	500	300	270	410	200	140
KIL	430	740	680	730	710	890	1,110	1,010	630
Others	350	280	170	210	230	130	310	230	440
KMB consolidated	18,510	29,320	25,730	25,690	19,870	29,540	33,370	38,870	29,730
Minority/associate adjustments	20	150	290	200	(1,810)	350	660	40	(2,180)
Consolidated reported PAT for KMB	18,530	29,470	26,020	25,890	18,060	29,890	34,030	38,910	27,550
Contribution of the bank	67%	74%	71%	65%	91%	68%	63%	71%	75%

**Highlights from the management commentary****Balance Sheet and P&L related**

- The bank continues to deliver strong loan growth and will look to grow both loans and deposits at a healthy pace.
- Unsecured Retail loans constitute 7.9% of the overall mix v/s 5.6% in 1QFY22. The management will continue to focus on growing this book and will look to increase this mix to early mid-teens.
- **Loan mix:** Total floating rate book stood at 69%, with EBLR loans at 50%. The fixed rate book, with a duration of less than one-year, stood at 11%.
- OPEX has increased on account of accelerated growth as the bank is investing in the business.
- The Corporate and SME business is witnessing improving signs, with growth likely to pick up as the economy turns and the capex cycle picks up.
- Demand for CV and CE remains healthy and is seeing a pickup. The CV segment is seeing replacement demand, while utilization levels improved across the PV segment. Demand from the Passenger segment is returning to normal levels.
- The bank is comfortable with a CD ratio of ~90% at current levels.
- The bank raised its deposit rates recently. A decision on further rate hikes will be taken in due course.
- The current revolver balances for KMB stand at 30%. The overall mix is similar to that of the industry.
- The bank did not transfer any investment to HTM from the AFS and HFT book.
- Most Credit Card acquisitions are from internal customers, with external sourcing almost negligible.
- Average LCR stood at 120% in 1QFY23.

Digital strategy

- The management continues to invest in technology and launch new digital initiatives to increase customer engagement and acquisition.

Asset quality related

- Gross slippages were higher due to the order on OD accounts, which saw monthly volatility. However, the same got upgraded in 1QFY23 itself, and hence net slippages remain under control.

- Bounce rates remain better than pre-COVID levels.
- Demand resolution remains healthy and similar to pre-COVID levels.
- Credit cost, excluding reversal of COVID-related provisions, remains well under control at 16bp of loans (annualized).

Subsidiaries

- **Kotak Prime:** There was a one-time hit of ~INR1b on PAT due to the change in its accounting policy.
- **Kotak Life:** Premium growth saw healthy trends, with strong sequential trends in its Credit Term product.

Corporate and Business Banking constitutes 31.1% of the overall book

Loan book up 3.3% QoQ and 28.8% YoY, strong traction across segments

- Loan book grew 3.3% QoQ and 28.8% YoY, led by strong traction across segments, barring Corporate and Business Banking, which stood flat QoQ. The CV and CE book grew 3.4% QoQ and 20.2% YoY.
- Within Retail, Home loans and LAP grew a robust 6.4% QoQ and 46% YoY and the Credit Card book rose 22.4% QoQ and 77.2% YoY. Personal loans, Small Business, and Consumer Durables grew 15.3% QoQ and 77% YoY. The Agri book grew flat QoQ and 25.8% YoY to INR393b.
- Personal loans, Credit Cards, and Small Business loans constituted 16% of overall loans v/s 14.5% in 1QFY22. Home loans constituted 29% of the total book.

Average fixed SA/CA balance up 8%/19% YoY

The CASA ratio remains robust ~58.1%

- SA deposits grew 5.7% YoY and 1.9% QoQ to ~INR1.27t. CA deposits grew 8.8% YoY (down 11.8% QoQ) to INR571b. SA deposits, as a proportion of overall deposits, increased to 40.1% v/s 41.9% in 1QFY22.
- Average fixed SA balance grew 8% YoY to INR114k. The weighted average SA rate stood at 3.59% in 1QFY23 v/s 3.73% in 1QFY22.
- TD grew 16.2% YoY and 8.2% QoQ to INR1.3t. TD sweeps constituted 7.4% of total deposits.
- CASA and Retail TDs constituted 88% of total deposits v/s 92% in 1QFY22.

Asset quality improves; PCR healthy at 72.6%; SMA-2 book at 6bp

- Absolute GNPA/NNPA stood broadly stable at INR63.8b/INR17.5b. Fresh slippages stood at INR14.35b. However, INR7.81 got upgraded in 1QFY23 itself. Net slippages stood at INR6.54b, while recoveries and upgrades stood a healthy INR12.95b. As a result, the GNPA/NNPA ratio moderated by 10bp/2bp QoQ to 2.24%/0.62%. PCR moderated slightly to 72.6%.
- The bank reversed INR650m of COVID-related provisions in 1QFY23 and carries total provisions of INR4.82b (0.2% of loans). Total provisions, including specific, standard, UFCE, and COVID-related stood at INR65.3b.
- SMA 2 outstanding fell to INR1.59b, corresponding to 6bp on advances. Total restructuring stood at INR10.8b (0.39% of loans) v/s INR12.1b (0.44% of loans) in 4QFY22.

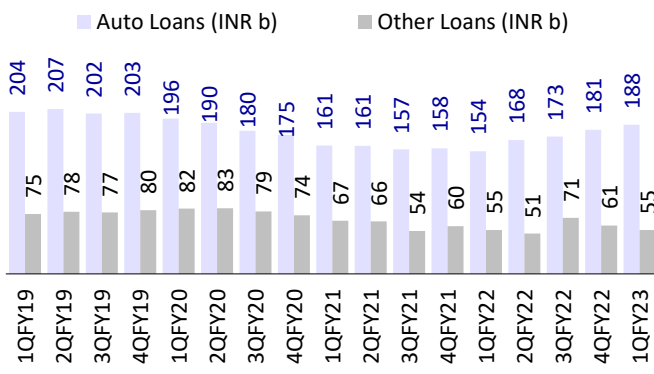
Equity AUM comprises 50.8% of overall AUM v/s 50.2% in 4QFY22

Healthy performance across all subsidiaries

- PAT for the Securities business stood healthy at INR2.2b (down 7% YoY and 13% QoQ).
- Market share in Kotak Securities improved to ~4.3%.

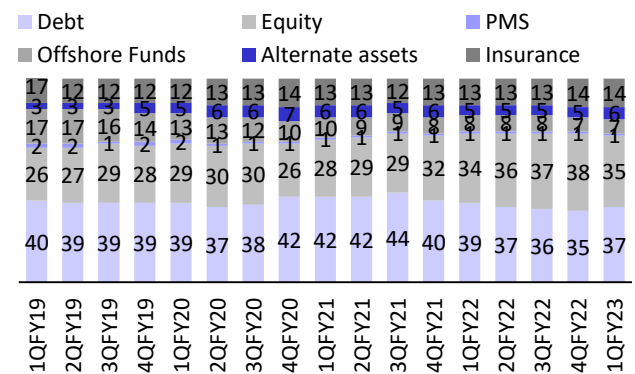
- Kotak Prime reported a PAT of INR1.57b (up 99% YoY, but down 50% QoQ) – impacted by a change in its accounting policy, which resulted in INR1b in additional cost. NNPA moderated to 1.5% v/s 1.7% in Mar'22. Loans grew 16% YoY and flat QoQ.
- PAT in the Asset Management business stood at INR1.1b (flat YoY), while average AUM rose 15% YoY (flat QoQ), led by an improvement in equity AUM (up 33% YoY and flat QoQ), constituting 50.8% of total AUM.
- Profitability in the Life Insurance business remains healthy as Kotak Life reported a PAT of INR2.48b. Premium income grew 36% YoY (down 58% QoQ), while the solvency ratio stood at 272%.

Exhibit 1: Kotak Prime | Auto loans up 4% QoQ and 22% YoY



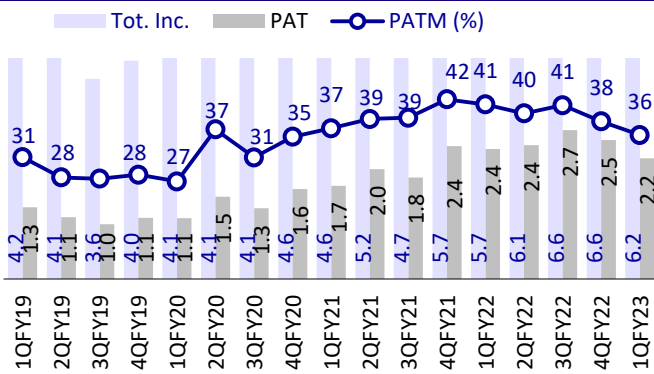
Source: MOFSL, Company

Exhibit 2: Domestic AUM up 9% YoY



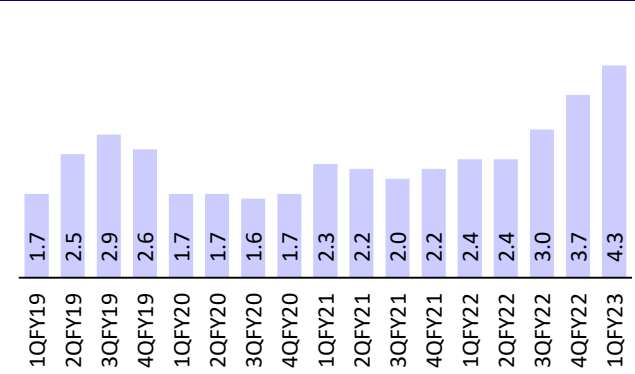
Source: MOFSL, Company

Exhibit 3: Kotak Securities' PAT falls 7.2% YoY to INR2.2b



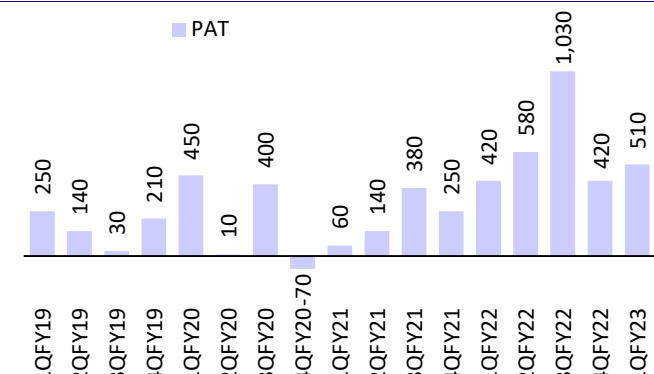
Source: MOFSL, Company

Exhibit 4: Market share for Kotak Securities expands to 4.3%



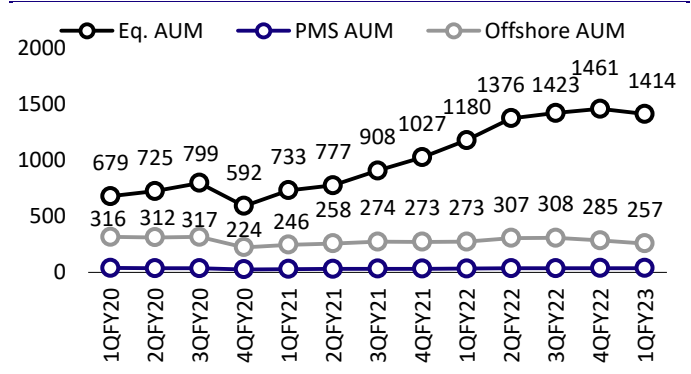
Source: MOFSL, Company

Exhibit 5: PAT stood at INR510m in Investment Banking



Source: MOFSL, Company

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



Source: MOFSL, Company

Valuation and view

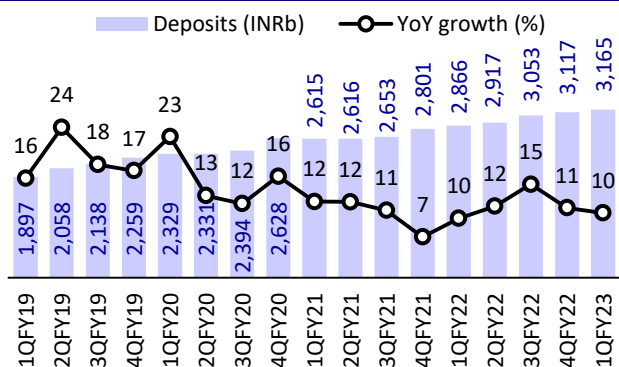
- Loan growth has picked up sharply over the past few quarters, led by a healthy traction across segments. Home loans, Credit Cards, and Personal loans saw robust traction, while the CV, CE, and Agri business recorded a strong sequential growth. A strong liability franchise will improve the bank's competitive position and aid asset growth as the management has guided at a shift in focus on maintaining strong traction. We expect KMB's loan book to grow at 18% CAGR over FY22-24.
- The bank continues to strengthen its liability franchise, with a CASA ratio (58.1% – the highest among its peers) remaining robust. This has enabled KMB to reduce its CoF and achieve a competitive position (lower cost of deposits v/s large Banks). This is likely to support margin over the medium-term.
- On the asset quality front, the GNPA/NNPA ratio moderated to 2.24%/0.62% v/s 2.34%/0.64% as of Mar'22. The restructured book moderated further and stands controlled at 39bp of total loans. We expect the asset quality ratio to remain broadly stable and estimate credit cost at 35-45bp over FY22-24.
- The bank has healthy capitalization levels, with a Tier I of 21%, 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.
- **Maintain Neutral with a TP of INR2,000 per share:** KMB delivered an in line 1QFY23, with healthy loan growth, steady NII, and lower provisions offsetting treasury losses. NIM has inched up further, and the outlook remains buoyant, given the improving asset mix and higher mix of floating loans. Asset quality remains robust, with a further decline in GNPA/NNPA, while the restructured book remains under control ~0.39% of loans. KMB carries additional COVID-related provisions of INR4.8b (0.2% of loans). We fine tune our earnings and estimate KMB to deliver 14% earnings CAGR over FY22-24. **We maintain our Neutral rating with a TP of INR2,000 (3x FY24E ABV and INR588 for its subsidiaries).**

Exhibit 7: FY24E SoTP-based pricing

	Value (INR b)	Value (USD b)	INR per share	As a percentage to total	Rationale
Lending Business	3,215	40.2	1,620	81	
Kotak Mahindra Bank	2,802	35.0	1,412	71	3x FY24E net worth
Kotak Prime (Car and other loans)	304	3.8	153	8	3x FY24E net worth
Kotak Investment Company (LAS)	109	1.4	55	3	3x FY24E net worth
Asset Management Business	305	3.8	154	8	6% of FY24E AUMs
Domestic Mutual Fund	264	3.3	133	7	
Alternative Assets	16	0.2	8	0	
Offshore Funds	25	0.3	12	1	
Capital Market-related Business	334	4.2	168	8	
Kotak Securities	288	3.6	145	7	20x FY24E PAT
Kotak Investment Banking (KMCC)	46	0.6	23	1	3x FY24E net worth
Kotak Life Insurance	406	5.1	204	10	2.8x FY24E EV
Subsidiaries value at a 20% discount	1,167	14.6	588	29	
Target value (Post a 20% holding discount)	3,968	49.6	2,000	100	
- Contribution of subsidiaries/associates to total PT			29%		

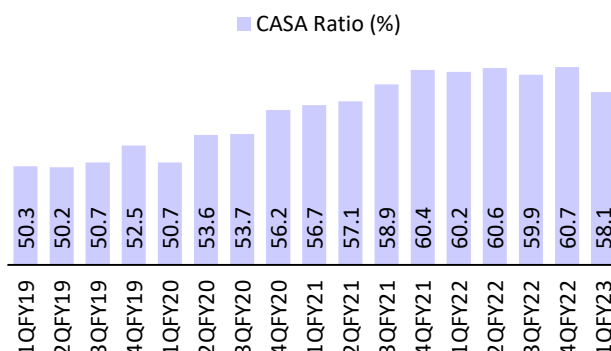
Story in charts

Exhibit 8: Deposits up 10.4% YoY and 1.5% QoQ to INR3.1t



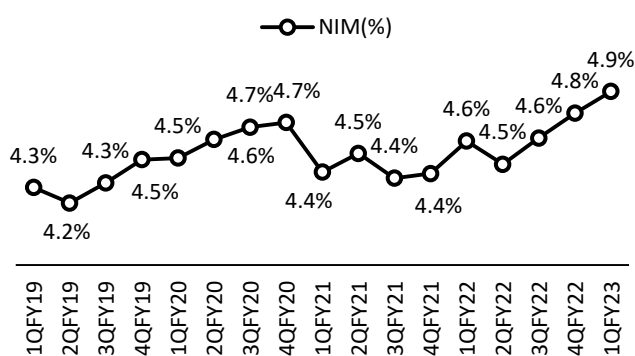
Source: MOFSL, Company

Exhibit 9: CASA ratio moderates by 260bp QoQ to 58.1%



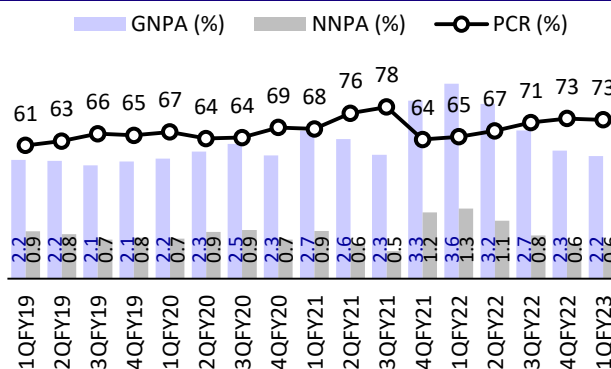
Source: MOFSL, Company

Exhibit 10: Margin expands by 14bp QoQ to 4.92%



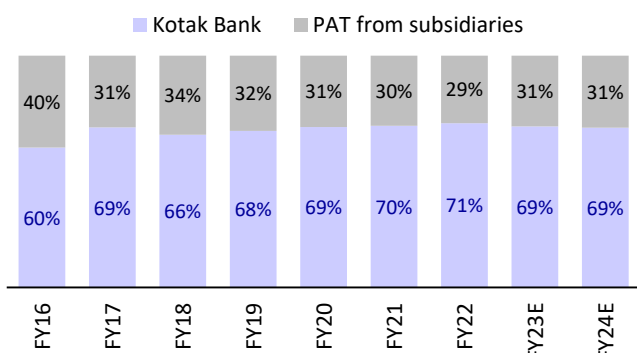
Source: MOFSL, Company

Exhibit 11: GNPA/NNPA moderates by 10bp/2bp QoQ to 2.24%/0.62%; PCR healthy at 72.6%



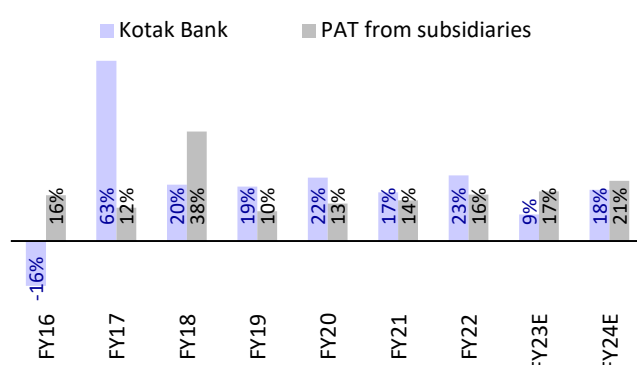
Source: MOFSL, Company

Exhibit 12: Trend in PAT composition



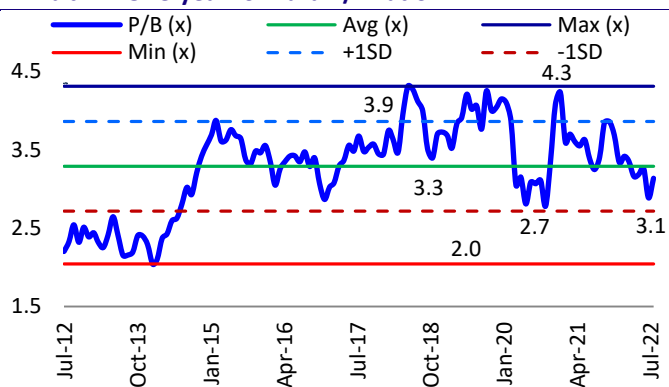
Source: MOFSL, Company

Exhibit 13: Growth in standalone PAT v/s that of subsidiaries



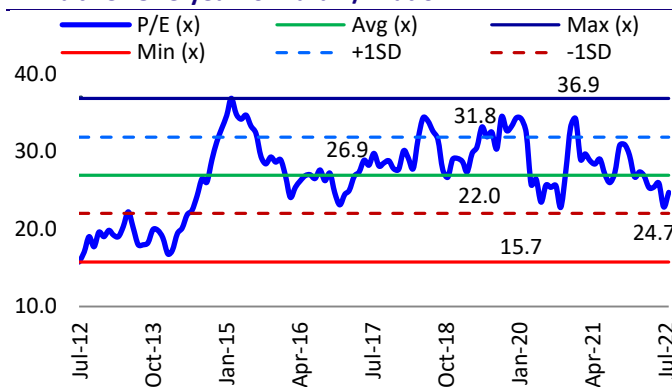
Source: MOFSL, Company

Exhibit 14: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 15: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 16: DuPont Analysis: Expect KMB to deliver a FY24 RoA/RoE of 2.1%/12.7%

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	8.24	8.28	8.01	7.22	6.65	7.39	7.67
Interest Expense	4.26	4.40	3.99	3.09	2.51	3.08	3.21
Net Interest Income	3.98	3.88	4.02	4.13	4.14	4.31	4.46
Fee income	1.60	1.59	1.45	1.39	1.49	1.44	1.48
Trading and others	0.09	0.02	0.14	0.07	0.07	0.02	0.03
Non-Interest income	1.69	1.61	1.60	1.47	1.56	1.46	1.51
Total Income	5.67	5.50	5.61	5.59	5.70	5.77	5.97
Operating Expenses	2.68	2.60	2.63	2.31	2.74	2.80	2.87
Employee cost	1.23	1.10	1.16	1.01	1.13	1.15	1.17
Others	1.45	1.50	1.47	1.30	1.61	1.65	1.70
Operating Profit	2.99	2.89	2.98	3.28	2.96	2.97	3.10
Core operating Profit	2.90	2.87	2.84	3.21	2.90	2.94	3.07
Provisions	0.39	0.33	0.66	0.78	0.17	0.27	0.33
NPA	0.26	0.29	0.42	0.49	0.17	0.23	0.30
Others	0.13	0.04	0.24	0.29	0.00	0.05	0.04
PBT	2.59	2.56	2.32	2.50	2.80	2.70	2.76
Tax	0.89	0.87	0.55	0.63	0.69	0.66	0.68
RoA	1.70	1.69	1.77	1.87	2.11	2.03	2.08
Leverage (x)	7.4	7.2	7.3	6.6	6.0	6.0	6.1
RoE	12.5	12.1	12.9	12.4	12.6	12.2	12.7

Financials and valuations

Income Statement							(INR b)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	
Interest Income	197.5	238.9	269.3	268.4	270.4	340.6	407.1	
Interest Expense	102.2	126.8	134.3	115.0	102.2	141.9	170.4	
Net Interest Income	95.3	112.1	135.0	153.4	168.2	198.7	236.7	
Growth (%)	17.3	17.6	20.5	13.6	9.6	18.2	19.1	
Non-Interest Income	40.5	46.6	53.7	54.6	63.5	67.4	80.2	
Total Income	135.8	158.6	188.7	208.0	231.7	266.1	316.9	
Growth (%)	17.1	16.8	19.0	10.2	11.4	14.8	19.1	
Operating Expenses	64.3	75.1	88.5	85.8	111.2	129.2	152.4	
Pre Provision Profit	71.6	83.5	100.2	122.1	120.5	136.9	164.5	
Growth (%)	19.6	16.6	20.0	21.9	-1.3	13.6	20.2	
Core Operating Profit	69.5	82.8	95.4	119.4	117.7	135.8	163.1	
Growth (%)	25.3	19.2	15.2	25.2	-1.4	15.3	20.1	
Provisions (excl. tax)	9.4	9.6	22.2	29.1	6.9	12.5	17.8	
PBT	62.2	73.9	78.0	93.0	113.6	124.4	146.8	
Tax	21.3	25.2	18.6	23.4	27.9	30.6	36.1	
Tax Rate (%)	34.3	34.1	23.8	25.1	24.5	24.6	24.6	
PAT	40.8	48.7	59.5	69.6	85.7	93.8	110.7	
Growth (%)	19.7	19.1	22.2	17.1	23.1	9.4	18.0	
Consolidated PAT	62.0	72.0	85.9	99.9	120.9	135.1	160.7	
Growth (%)	25.5	16.2	19.3	16.3	21.0	11.7	19.0	

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	9.5	9.5	9.6	9.9	9.9	9.9	9.9
Preference Share Capital	0.0	5.0	5.0	5.0	5.0	5.0	5.0
Reserves and Surplus	365.3	414.5	475.6	622.4	710.0	800.9	908.1
Net Worth	374.8	429.0	490.2	637.3	724.9	815.8	923.0
<i>Of which Equity Net worth</i>	<i>374.8</i>	<i>424.0</i>	<i>485.2</i>	<i>632.3</i>	<i>719.9</i>	<i>810.8</i>	<i>918.0</i>
Deposits	1,926.4	2,258.8	2,628.2	2,801.0	3,116.8	3,584.4	4,175.8
Growth (%)	22.4	17.3	16.4	6.6	11.3	15.0	16.5
of which CASA Deposits	977.7	1,185.9	1,476.2	1,693.1	1,891.3	2,096.9	2,480.4
Growth (%)	41.2	21.3	24.5	14.7	11.7	10.9	18.3
Borrowings	251.5	322.5	379.9	236.5	259.7	318.8	366.7
Other Liabilities and Prov.	96.5	111.4	104.2	160.1	192.9	208.3	225.0
Total Liabilities	2,649.3	3,121.7	3,602.5	3,834.9	4,294.3	4,927.3	5,690.5
Current Assets	196.2	246.8	532.9	396.3	429.2	417.6	449.7
Investments	645.6	711.9	750.5	1,051.0	1,005.8	1,113.4	1,258.2
Growth (%)	43.2	10.3	5.4	40.0	-4.3	10.7	13.0
Loans	1,697.2	2,056.9	2,197.5	2,236.9	2,712.5	3,227.9	3,808.9
Growth (%)	24.7	21.2	6.8	1.8	21.3	19.0	18.0
Fixed Assets	15.3	16.5	16.2	15.4	16.4	17.6	18.8
Other Assets	95.1	89.6	105.4	135.4	130.3	150.8	154.9
Total Assets	2,649.3	3,121.7	3,602.5	3,834.9	4,294.3	4,927.3	5,690.5

Asset Quality

Y/E March	FY18	FY19	FY20	FY20	FY22	FY23E	FY24E
GNPA	38.3	44.7	50.3	74.3	64.7	67.7	74.1
NNPA	16.7	15.4	15.6	27.1	17.4	18.0	19.5
GNPA Ratio (%)	2.23	2.14	2.25	3.25	2.34	2.07	1.92
NNPA Ratio (%)	0.98	0.75	0.71	1.21	0.64	0.56	0.51
Slippage Ratio (%)	1.00	0.89	1.38	2.19	1.40	1.30	1.20
Credit Cost (%)	0.41	0.45	0.66	0.82	0.28	0.35	0.45
PCR (Excl. Tech. write-off) (%)	56.5	65.4	69.0	63.6	73.2	73.4	73.7

Financials and valuations

Y/E March	FY18	FY19	FY20	FY20	FY22	FY23E	FY24E
Yield and Cost Ratios (%)							
Avg. Yield on Earning Assets	9.0	8.9	8.6	7.7	7.2	8.0	8.2
Avg. Yield on loans	9.6	9.8	9.9	8.4	7.8	8.8	9.0
Avg. Yield on Investments	7.5	7.6	7.6	7.9	6.8	7.0	7.2
Avg. Cost on Int. Bear. Liab.	5.2	5.3	4.8	3.8	3.2	3.9	4.0
Avg. Cost of Deposits	5.1	5.3	4.9	3.7	3.7	3.8	4.0
Interest Spread	4.5	4.5	4.9	4.7	4.2	5.0	5.0
Net Interest Margin	4.3	4.2	4.3	4.4	4.5	4.6	4.8
Capitalization Ratios (%)							
CAR	18.4	17.9	17.9	22.3	22.7	21.7	21.0
Tier I	17.8	17.4	17.3	21.4	21.7	20.8	20.1
Tier II	0.6	0.5	0.6	0.9	1.0	0.9	0.9
Asset-Liability Profile (%)							
Loans/Deposit Ratio	88.1	91.1	83.6	79.9	87.0	90.1	91.2
CASA Ratio	50.8	52.5	56.2	60.4	60.7	58.5	59.4
Cost/Assets ratio	2.4	2.4	2.5	2.2	2.6	2.6	2.7
Cost/Total Income ratio	47.3	47.4	46.9	41.3	48.0	48.6	48.1
Cost/Core Income ratio	48.1	47.6	48.1	41.8	48.6	48.8	48.3
Int. Expense/Int. Income ratio	51.7	53.1	49.9	42.8	37.8	41.7	41.9
Fee Income/Total Income ratio	28.3	28.9	25.9	24.9	26.2	24.9	24.8
Non-Int. Inc./Total Income ratio	29.8	29.4	28.5	26.2	27.4	25.3	25.3
Emp. Cost/Total Expenses ratio	45.9	42.4	44.2	43.9	41.2	41.1	40.8
Investment/Deposit Ratio	33.5	31.5	28.6	37.5	32.3	31.1	30.1
Profitability Ratios and Valuation							
RoE (%)	12.5	12.2	13.1	12.5	12.7	12.3	12.8
RoA (%)	1.7	1.7	1.8	1.9	2.1	2.0	2.1
Consolidated RoE (%)	12.3	12.4	12.8	11.8	12.5	12.3	12.8
Consolidated RoA (%)	2.0	2.0	2.1	2.2	2.4	2.4	2.5
RoRWA (%)	1.5	1.6	1.9	2.0	2.0	1.9	1.9
Consolidated BV (INR)	264.9	302.7	348.3	425.6	487.1	554.0	633.5
Growth (%)	26.7	14.3	15.1	22.2	14.5	13.7	14.4
Price-to-Consolidated BV (x)	6.9	6.0	5.2	4.3	3.7	3.3	2.9
Standalone Adjusted BV (INR)	177.6	203.2	234.2	296.2	343.9	388.1	439.8
Growth (%)	28.0	14.4	15.3	26.4	16.1	12.9	13.3
Price-to-ABV (x)	7.0	6.1	5.3	4.2	3.6	3.2	2.8
Standalone EPS (INR)	21.8	25.5	31.1	35.8	43.2	47.3	55.8
Growth (%)	17.4	17.0	22.0	14.9	20.9	9.3	18.0
Price-to-Earnings (x)	56.8	48.6	39.8	34.6	28.7	26.2	22.2

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NEUTRAL	< - 10 % to 15%
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