

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	KMB IN
Equity Shares (m)	1980
M.Cap.(INRb)/(USD\$)	3502 / 43.2
52-Week Range (INR)	1997 / 1630
1, 6, 12 Rel. Per (%)	-3/-12/-8
12M Avg Val (INR M)	5709

Financials & Valuations (INR b)

Y/E MARCH	FY23E	FY24E	FY25E
NII	215.2	243.3	282.8
OP	145.2	168.0	201.7
NP	105.1	119.4	137.7
Cons. NP	146.6	169.5	198.5
NIM (%)	5.0	4.9	4.9
EPS (INR)	53.0	60.1	69.4
EPS Gr. (%)	22.6	13.5	15.4
ABV. (INR)	393	450	514
Cons. BV. (INR)	560	644	742

Ratios

Cons. RoE (%)	13.2	13.2	13.4
RoE (%)	13.6	13.6	13.7
RoA (%)	2.3	2.3	2.2

Valuations

P/BV (X) (Cons.)	3.1	2.7	2.4
P/ABV (X) (Adj.)	3.1	2.7	2.3
P/E(X) (Adj.)	22.8	20.1	17.4

*Adjusted for Investment subs

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	26.0	26.0	26.0
DII	21.6	17.3	15.3
FII	39.3	40.6	42.6
Others	13.2	16.2	16.1

FII Includes depository receipts

CMP: INR1,763 TP: INR2,000 (+13%) Neutral

Business growth robust; margins continue to scale new highs

Asset quality remains healthy

- KMB reported strong earnings in 3QFY23. Standalone PAT rose 31% YoY to INR27.9b (5% beat), driven by healthy NII and controlled provisions as PPOp grew 43% YoY. Consolidated PAT grew 17% YoY to INR40.0b.
- Loan growth remained strong, with margin further expanding by 30bp QoQ to 5.47%. The CASA ratio, though, moderated 290bp QoQ to 53.3%.
- Gross slippages moderated to INR7.5b, of which INR1.7b were upgraded in 3QFY23. Healthy recoveries and upgrades led to an 18bp/12bp QoQ decline in the GNPA/NNPA ratios. KMB reversed INR376m of Covid-related provisions; outstanding Covid-related provisions now stand at INR4.0b (13bp of loans). **We maintain our Neutral rating.**

Unsecured loan mix rises to 9.3%; NIM improves by 30bp QoQ to 5.47%

- KMB reported a standalone PAT of INR27.9b (+31% YoY; 5% beat), aided by healthy NII and controlled provisions as the bank reversed Covid-related provisions of INR376m. Consolidated PAT stood at INR40.0b (up 17% YoY).
- NII grew 30% YoY (5% beat), led by healthy loan growth of 6% QoQ and margin expansion of 30bp QoQ to 5.47%. Other income grew 54% YoY, aided by treasury gains. Core fee income grew by a healthy 24% YoY.
- OPEX growth was higher as the bank continued to invest in building a digitally savvy franchise by hiring in tech and other functions. However, PPOp grew 43% YoY, while core PPOP grew 36% YoY. For 9MFY23, NII/PPOp/PAT grew 26%/17%/28% YoY to INR154b/INR102b/INR74b.
- Loan book grew strongly by 5.7% QoQ (+23% YoY), led by healthy traction across segments. KMB reported healthy sequential trends in Home loans, Personal loans, Business loans, Consumer Durable loans, Credit Cards and Corporate loans. Deposits grew 13% YoY (+6% QoQ), while the CASA mix moderated by 290bp QoQ to 53.3%. CASA and TDs (below INR50m) fell to 83% in 3QFY23 from 86% in 2QFY23. The mix of unsecured loans increased sharply to 9.3% and management suggested raising this further to the mid-teens by the end of FY24.
- Gross slippages moderated to INR7.5b, of which INR1.7b were upgraded in 3QFY23. The GNPA/NNPA ratios improved 18bp/12bp QoQ to 1.9%/0.43%, aided by higher recoveries and upgrades of INR8.7b. PCR improved to 77.6%. KMB carries outstanding Covid-related provisions of INR4b.
- SMA-2 advances increased to INR1.91b (v/s INR1.19b in 2QFY23). The outstanding restructured portfolio stood at INR7.7b (0.25% of advances), with the bank holding an additional provision of INR1.85b.
- **Subsidiaries performance:** Kotak Prime and Kotak Capital reported a net earnings decline of 11% and 73% YoY, respectively. Kotak Securities and Kotak Investments posted an earnings decline of 11% and 23%, respectively. Kotak Life reported earnings growth of 34% YoY to INR3.3b. Sequentially, all subsidiaries posted healthy earnings growth in 3QFY23.

Highlights from the management commentary

- The unsecured loan mix stood at 9.3% of total assets, which is likely to increase to the mid-teens in the next four-five quarters (by FY24).
- Focus remains on building a granular deposit and liability franchise. The bank targets salary accounts to increase granularity.
- The bank will continue to make investments in building a digitally savvy franchise for a couple of quarters. The aim is to invest in technology and hire people.
- Margins could rise further, driven by repo rate hikes along with re-pricing of MCLR book. However, the quantum of expansion is likely to be modest.

Valuation and view

KMB delivered a strong quarter, with healthy loan growth, strong NII, and controlled provisions. NIM has expanded further, and the outlook remains buoyant, given the improving asset mix and a higher mix of floating loans. Asset quality remains robust, with a further decline in GNPA/NNPA, while the restructured book remains under control at ~0.25% of loans. KMB carries additional Covid-related provisions of INR4.0b (13bp of loans). We slightly increase our earnings estimates and expect KMB to deliver a 17% earnings CAGR over FY22-25. **Maintain Neutral rating with a TP of INR2,000 (3.0x Sep'24E ABV and INR555 for its subsidiaries).**

Quarterly performance**(INR m)**

Y/E March	FY22				FY23E				FY22	FY23E	FY23E	V/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY22	FY23E	3QE	
Net Interest Income	39.4	40.2	43.3	45.2	47.0	51.0	56.5	60.7	168.2	215.2	53.9	5
% Change (Y-o-Y)	5.8	3.2	11.8	17.7	19.2	26.8	30.4	34.3	9.6	28.0	24.3	
Other Income	13.5	18.1	13.6	18.3	12.4	19.5	21.0	22.0	63.5	75.0	20.1	4
Total Income	52.9	58.3	57.0	63.5	59.4	70.5	77.5	82.7	231.7	290.2	74.0	5
Operating Expenses	24.0	27.1	30.0	30.1	31.6	34.9	39.0	39.5	111.2	145.0	36.2	8
Operating Profit	28.9	31.2	27.0	33.4	27.8	35.7	38.5	43.2	120.5	145.2	37.8	2
% Change (Y-o-Y)	10.1	-4.4	-7.1	12.7	-3.7	14.3	42.5	29.3	2.5	20.5	39.9	
Other Provisions	7.0	4.2	-1.3	-3.1	0.2	1.4	1.5	2.6	6.9	5.7	2.7	-45
Profit before Tax	21.9	27.0	28.3	36.5	27.6	34.3	37.0	40.5	113.6	139.4	35.1	5
Tax Provisions	5.4	6.6	7.0	8.8	6.9	8.5	9.1	9.8	27.9	34.3	8.5	7
Net Profit	16.4	20.3	21.3	27.7	20.7	25.8	27.9	30.7	85.7	105.1	26.6	5
% Change (Y-o-Y)	31.9	-7.0	15.0	64.5	26.1	27.0	31.0	11.0	23.1	22.7	24.7	
Deposits (INRb)	2,866	2,917	3,053	3,117	3,165	3,252	3,447	3,584	3,117	3,584	3,379	0
Loans (INRb)	2,174	2,349	2,529	2,713	2,802	2,940	3,107	3,282	2,713	3,282	3,090	0
Deposit growth (%)	9.6	11.5	15.1	11.3	10.4	11.5	12.9	15.0	11.3	15.0	10.7	223
Loan growth (%)	6.6	14.7	18.1	21.3	28.8	25.1	22.9	21.0	21.3	21.0	22.1	70
Asset Quality												
Gross NPA (%)	3.6	3.2	2.7	2.3	2.2	2.1	1.9	1.8	2.3	1.8	2.0	-13
Net NPA (%)	1.3	1.1	0.8	0.6	0.6	0.6	0.4	0.4	0.6	0.4	0.6	-12
PCR (%)	64.8	67.5	71.3	73.2	72.6	73.7	77.6	77.5	73.2	77.5	73.2	437

E: MOFSL estimates

Consolidated earnings snapshot

Y/E March	FY21				FY22				FY23		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Kotak Bank	12,440	21,840	18,540	16,820	16,420	20,320	21,310	27,670	20,710	25,810	27,920
Kotak Prime	680	1,330	1,490	1,840	790	2,400	2,540	3,130	1,570	2,220	2,250
Kotak Securities	1,690	1,990	1,840	2,410	2,360	2,430	2,700	2,520	2,190	2,240	2,410
KMCC	60	140	380	250	420	580	1,030	420	510	220	280
Kotak Life	1,610	1,710	1,670	1,930	(2,430)	1,550	2,470	2,670	2,480	2,700	3,300
AMC & Trustee	710	840	910	1,000	1,070	970	1,490	1,020	1,060	1,060	1,500
Intl. subs	540	450	50	500	300	270	410	200	140	50	220
KIL	430	740	680	730	710	890	1,110	1,010	630	780	860
Others	350	280	170	210	230	130	310	230	440	640	920
Kotak Consol	18,510	29,320	25,730	25,690	19,870	29,540	33,370	38,870	29,730	35,720	39,660
Minority/associate adj.	20	150	290	200	(1,810)	350	660	40	(2,180)	370	290
Kotak Cons. Reported PAT	18,530	29,470	26,020	25,890	18,060	29,890	34,030	38,910	27,550	36,090	39,950
Contribution of bank	67%	74%	71%	65%	91%	68%	63%	71%	75%	72%	70%



CONFERENCE
CALL

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

- The banks will remain focused on growing its assets.
- The bank's strategy for FY24:
 - Growth while managing risk is the core strategy.
 - Continue to invest in building a digitally savvy franchise for a couple of quarters. The target is to invest in technology and hire people.
 - The unsecured loans mix stands at 9.3% of total assets, which is likely to increase to the mid-teens in the next four-five quarters (by FY24).
- The focus remains on building a granular deposit and liability franchise. The bank targets to chase salary accounts to increase the granularity.
- The floating rate book stands at 69% of loans, while 9% of the fixed rate book matures in less than one year.
- The CV segment is witnessing strong disbursement trends (2x of industry) and the bus segment has seen a strong demand. KMB has gained market share across all vehicle categories.
- The Construction Equipment segment has also seen a strong recovery. Collections have been stable. The bank will continue to increase its share in this segment.
- The MFI business has doubled YoY and has reached the 1mn customer mark. There is high demand in Rural India and the bank has added Gujarat, Rajasthan and UP in its distribution.
- Agri traders have seen growth. The cash flow is quite comfortable; hence, the credit cost is falling due to timely repayments.
- New account acquisitions in current accounts have witnessed a strong growth of 25% over 9MFY23.
- Margins could rise further, driven by repo rate hikes, along with the re-pricing of MCLR book. However, the quantum of expansion is likely to be modest.
- The bank is planning to add ~140 branches in the next financial year.
- Operating leverage is likely to start accruing from the next fiscal year.
- The revolve rate stands at 30-32%, which is significantly below the pre-Covid levels (early 40s).
- As of 3QFY23, the bank has 39mn customers as compared to 30.7m in 3QFY22.

- The bank continues to focus on SME, structured lending, infrastructure lending and securitization financing.
- The bank aims to provide an end-to-end digital journey for its customers to maintain high retention. About 90% of the RDs and 79% of the FDs are booked digitally.
- SA growth was affected in 3QFY23 by the movement of high-ticket customers from savings account to other investment avenues offering higher short term returns.
- Employee count is at 73,000 for the bank and 0.1m for the group.

Asset quality

- Collection efficiency across segments continues to improve and remains in line or higher than the pre-Covid levels.
- Collection efficiency has improved in vehicle finance, MFI and other businesses, which were not performing well earlier.
- Bounce rates remain better compared to the pre-Covid levels.

Others

- The focus remains on increasing AUM of alternate assets, with a target to be among the top players. It plans to invest 15% of the group's capital in this business and expects AUM to cross USD5bn in the next two quarters.

Loan book up ~6% QoQ and 23% YoY, strong traction across segments

- The loan book grew ~6% QoQ and 23% YoY, led by strong traction across segments. Corporate and Business Banking grew 6% QoQ, while the CV and CE book grew 4.9% QoQ and 26.6% YoY.
- Within Retail, Home loans and LAP grew 4% QoQ and 29% YoY and the Credit Card book rose 16% QoQ and 85% YoY. Personal loans, Small Business, and Consumer Durables grew 10.2% QoQ and 70% YoY. The Agri book grew 7.2% QoQ and 26.5% YoY to INR444b.
- Personal loans, Credit Cards, and Small Business loans accounted for 16.9% of overall loans v/s 14.9% in 3QFY22. Home loans made up 29% of total book.

The CASA ratio moderates to 53.3%

- SA deposits declined 5% YoY and 2% QoQ to ~INR1.2t. CA deposits grew 11.4% YoY (+5.7% QoQ) to INR636b. SA deposits, as a proportion of overall deposits, moderated to 34.8% v/s 37.7% in 2QFY23.
- The average fixed SA balance declined 1% YoY to INR112k. The weighted average SA rate stood at 3.79% in 3QFY23 v/s 3.51% in 3QFY22.
- TD grew 32% YoY and 13% QoQ to INR1.6t.
- CASA and Retail TDs accounted for 83% of total deposits v/s 88% in 2QFY23.

Asset quality improves; PCR healthy at 77.6%; SMA-2 book at 6bp

- Absolute GNPA/NNPA ratios declined 3%/18% QoQ to INR59.9b/INR13.4b. Fresh slippages moderated to INR7.5b (INR1.7b upgraded in 3QFY23). Recoveries and upgrades were healthy at INR8.7b. As a result, the GNPA/NNPA ratios moderated by 18bp/12bp QoQ to 1.90%/0.43%. PCR improved to 77.6%.

Corporate and Business Banking constitutes ~30% of the overall book

Average fixed SA/CA balance up -1%/10% YoY

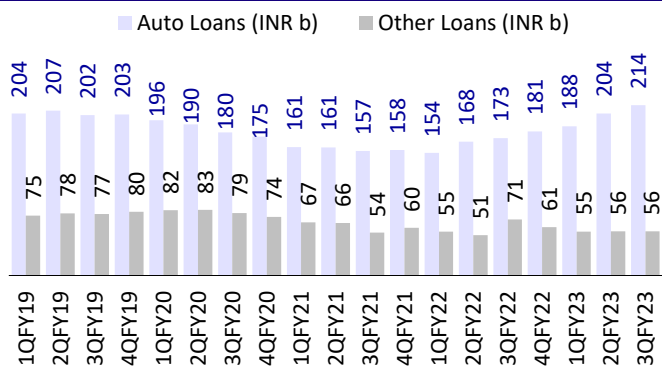
- The bank reversed INR376m of Covid-related provisions in 3QFY23 and carries total provisions of INR4.0b (13bp of loans). Total provisions, including specific, standard, UFCE and Covid-related, stood at INR65.7b.
- SMA 2 outstanding increased to INR1.91b, corresponding to 6bp on advances. Total restructuring stood at INR7.7b (0.25% of loans) v/s INR9.9b (0.34% of loans) in 2QFY23.

Healthy performance across all subsidiaries

Equity AUM comprises 55.1% of overall AUM v/s 53.6% in 2QFY23

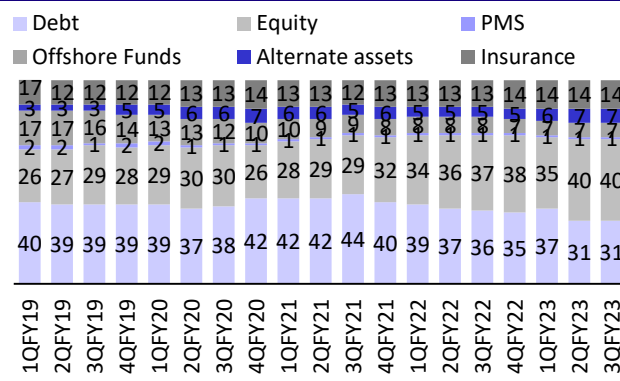
- PAT for the Securities business was healthy at INR2.4b (down 11% YoY and up 8% QoQ).
- Market share of Kotak Securities improved sharply to ~5.8%.
- Kotak Prime reported a PAT of INR2.5b (-11% YoY, flat QoQ). NNPA moderated to 1.1% v/s 1.3% in 2QFY23. Loans grew 11% YoY and 4% QoQ.
- PAT in the Asset Management business stood at INR1.5b (+42% QoQ), while average AUM rose 2% QoQ (flat YoY), led by an improvement in equity AUM (up 13% YoY and 4% QoQ), constituting 55.1% of total AUM.
- Profitability in the Life Insurance business remained healthy as Kotak Life reported a PAT of INR3.3b (+34% YoY). Premium income grew 17% YoY (+11% QoQ), while the solvency ratio stood at 288%.

Exhibit 1: Kotak Prime | Auto loans up 5% QoQ and 24% YoY



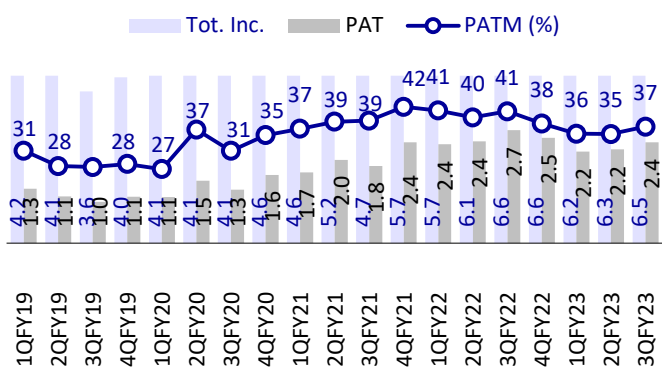
Source: MOFSL, Company

Exhibit 2: Domestic AUM up 5% YoY



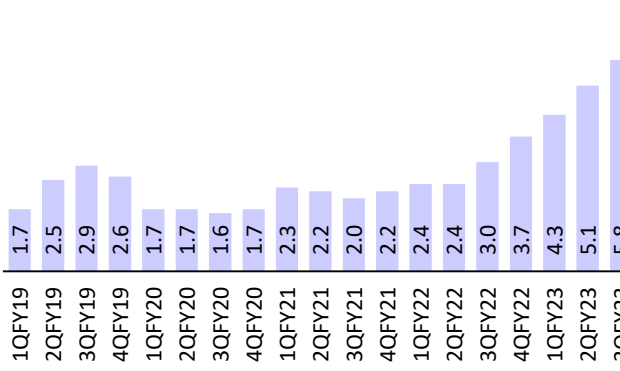
Source: MOFSL, Company

Exhibit 3: Kotak Securities' PAT falls 11% YoY to INR2.4b



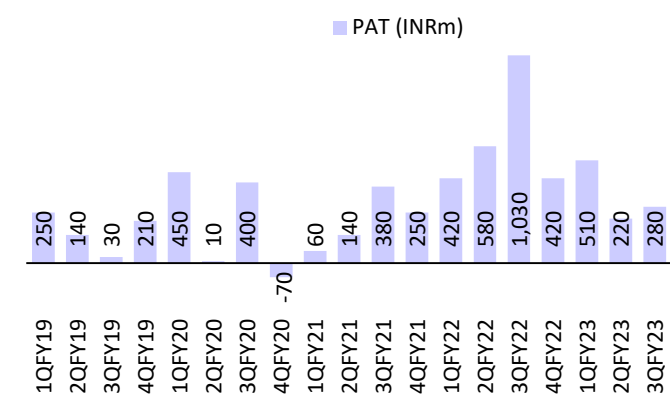
Source: MOFSL, Company

Exhibit 4: Market share for Kotak Securities expands to 5.8%



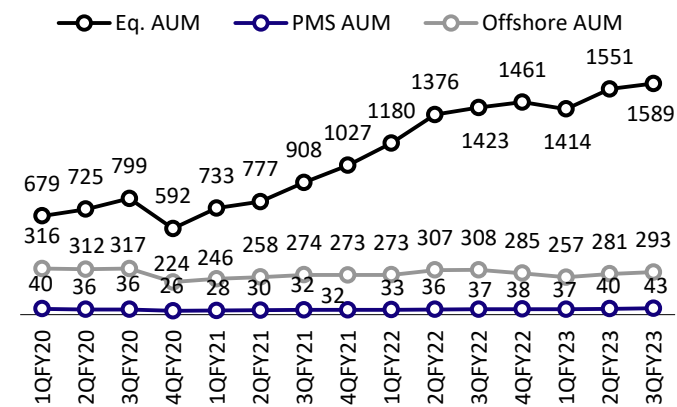
Source: MOFSL, Company

Exhibit 5: PAT stood at INR280m in Investment Banking



Source: MOFSL, Company

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



Source: MOFSL, Company

Valuation and view

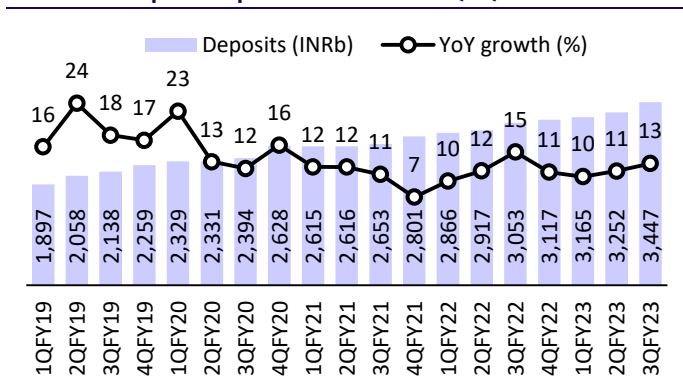
- Loan growth has picked up sharply over the past few quarters, led by a healthy traction across segments. Home loans, Credit Cards, and Personal loans saw robust traction, while the CV, CE, and Agri business recorded a strong sequential growth. A strong liability franchise will improve the bank’s competitive position and aid asset growth, as the management plans to focus on maintaining strong traction. We expect KMB to post a 19% CAGR in loan book over FY22-25.
- The bank continues to strengthen its liability franchise with a robust CASA ratio (53.3% – the highest among its peers). 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 ratios moderated to 1.9%/0.43% from 2.08%/0.55% as of Sep’22. The restructured book moderated further to 25bp of total loans. We expect the asset quality ratio to remain broadly stable and we estimate credit costs at 20-40bp over FY22-25.
- The bank has healthy capitalization levels with Tier I of ~19%, 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:** KMB delivered a strong quarter, with healthy loan growth, strong NII, and controlled provisions. NIM has expanded further, and the outlook remains buoyant, given the improving asset mix and a higher mix of floating loans. Asset quality remains robust, with a further decline in GNPA/NNPA, while the restructured book remains under control at ~0.25% of loans. KMB carries additional Covid-related provisions of INR4.0b (13bp of loans). We slightly increase our earnings estimates and expect KMB to deliver a 17% earnings CAGR over FY22-25. **Maintain Neutral rating with a TP of INR2,000 (3.0x Sep’24E ABV and INR555 for its subsidiaries).**

Exhibit 7: Sep'24E SoTP-based pricing

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	3,285	40.6	1,655	83	
Kotak Mahindra Bank	2,868	35.4	1,445	72	3.0x Sep'24E Network
Kotak Prime (Car and other loans)	306	3.8	154	8	3.0x Sep'24E Network
Kotak Investment Company (LAS)	112	1.4	56	3	3.0x Sep'24E Network
Asset Management Business	238	2.9	120	6	5% of Sep'24E AUMs
Domestic Mutual Fund	200	2.5	101	5	
Alternative Assets	15	0.2	8	0	
Offshore Funds	23	0.3	11	1	
Capital Markets related Business	332	4.1	167	8	
Kotak Securities	281	3.5	141	7	18x Sep'24E PAT
Kotak Investment Banking (KMCC)	51	0.6	26	1	3x Sep'24E Network
Kotak Life Insurance	390	4.8	197	10	2.5x Sep'24E EV
Subs value @ 20% discount	1,102	13.6	555	28	
Target Value (Post 20% holding discount)	3,970	49.0	2,000	100	
- contribution of subs/associates to total PT			28%		

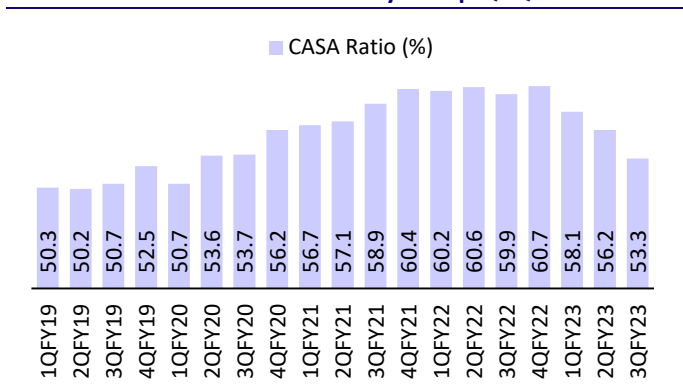
Story in charts

Exhibit 8: Deposits up 13% YoY and 6% QoQ at INR3.4t



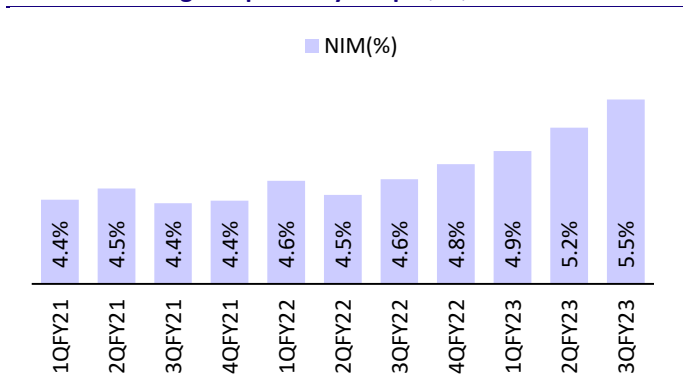
Source: MOFSL, Company

Exhibit 9: CASA ratio moderates by 290bp QoQ to 53.3%



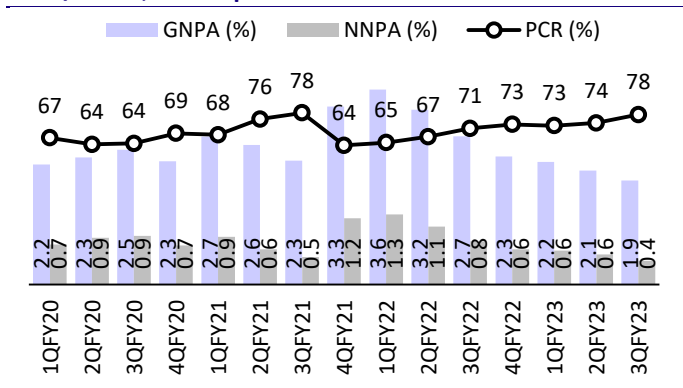
Source: MOFSL, Company

Exhibit 10: Margin expands by 30bp QoQ to 5.47%



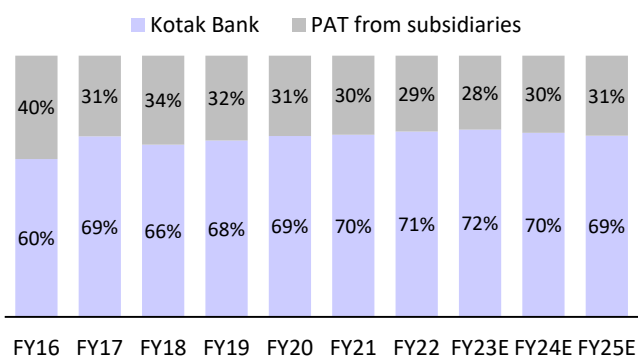
Source: MOFSL, Company

Exhibit 11: GNPA/NNPA moderate by 18bp/12bp QoQ to 1.9%/0.43%; PCR improves to ~78%



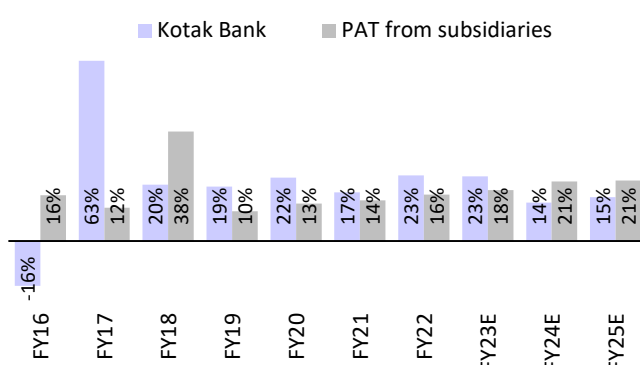
Source: MOFSL, Company

Exhibit 12: Trend in PAT composition



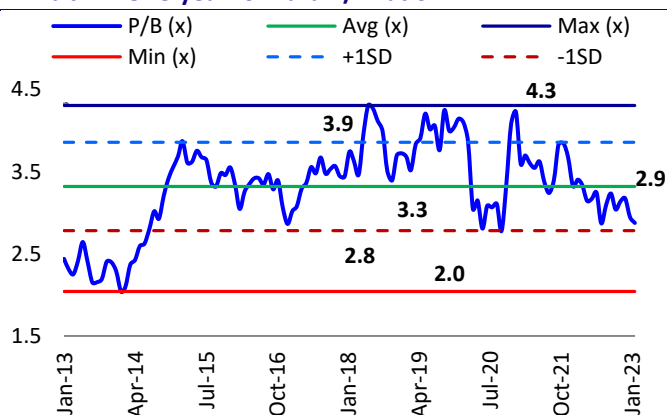
Source: MOFSL, Company

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



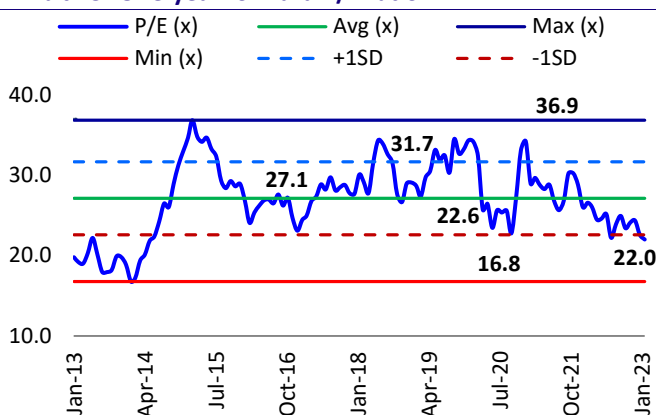
Source: MOFSL, Company

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 FY25 RoA/RoE of 2.2%/13.7%

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Interest Income	8.24	8.28	8.01	7.22	6.65	7.78	8.02	7.96
Interest Expense	4.26	4.40	3.99	3.09	2.51	3.08	3.40	3.36
Net Interest Income	3.98	3.88	4.02	4.13	4.14	4.70	4.62	4.60
Fee income	1.60	1.59	1.45	1.39	1.79	1.72	1.82	1.90
Trading and others	0.09	0.02	0.14	-0.05	-0.23	-0.08	-0.09	-0.10
Non-Interest income	1.69	1.61	1.60	1.35	1.56	1.64	1.72	1.80
Total Income	5.67	5.50	5.61	5.47	5.70	6.33	6.34	6.40
Operating Expenses	2.68	2.60	2.63	2.31	2.74	3.17	3.15	3.12
Employee cost	1.23	1.10	1.16	1.01	1.14	1.30	1.29	1.27
Others	1.45	1.50	1.47	1.30	1.60	1.87	1.86	1.85
Operating Profits	2.99	2.89	2.98	3.16	2.96	3.17	3.19	3.28
Core operating Profits	2.90	2.87	2.84	3.21	3.19	3.25	3.28	3.38
Provisions	0.39	0.33	0.66	0.66	0.17	0.13	0.18	0.31
NPA	0.26	0.29	0.42	0.49	0.27	0.10	0.16	0.28
Others	0.13	0.04	0.24	0.17	-0.10	0.03	0.03	0.03
PBT	2.59	2.56	2.32	2.50	2.80	3.04	3.01	2.97
Tax	0.89	0.87	0.55	0.63	0.69	0.75	0.74	0.73
RoA	1.70	1.69	1.77	1.87	2.11	2.30	2.27	2.24
Leverage (x)	7.4	7.2	7.3	6.6	6.0	5.9	5.9	6.1
RoE	12.5	12.1	12.9	12.4	12.7	13.6	13.6	13.7

Financials and valuations

Income Statement						(INR b)		
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Interest Income	197.5	238.9	269.3	268.4	270.4	356.3	422.2	489.3
Interest Expense	102.2	126.8	134.3	115.0	102.2	141.1	179.0	206.5
Net Interest Income	95.3	112.1	135.0	153.4	168.2	215.2	243.3	282.8
Growth (%)	17.3	17.6	20.5	13.6	9.6	28.0	13.0	16.3
Non-Interest Income	40.5	46.6	53.7	50.1	63.5	75.0	90.7	110.7
Total Income	135.8	158.6	188.7	203.5	231.7	290.2	334.0	393.5
Growth (%)	17.1	16.8	19.0	7.8	13.9	25.2	15.1	17.8
Operating Expenses	64.3	75.1	88.5	85.8	111.2	145.0	166.0	191.7
Pre Provision Profits	71.6	83.5	100.2	117.6	120.5	145.2	168.0	201.7
Growth (%)	19.6	16.6	20.0	17.4	2.5	20.5	15.7	20.1
Core Operating Profits	69.5	82.8	95.4	119.4	129.9	148.9	172.8	208.1
Growth (%)	25.3	19.2	15.2	25.2	8.7	14.7	16.0	20.4
Provisions (exc. tax)	9.4	9.6	22.2	24.6	6.9	5.7	9.6	19.0
PBT	62.2	73.9	78.0	93.0	113.6	139.4	158.3	182.7
Tax	21.3	25.2	18.6	23.4	27.9	34.3	38.9	44.9
Tax Rate (%)	34.3	34.1	23.8	25.1	24.5	24.6	24.6	24.6
PAT	40.8	48.7	59.5	69.6	85.7	105.1	119.4	137.7
Growth (%)	19.7	19.1	22.2	17.1	23.1	22.7	13.5	15.4
Consolidated PAT	62.0	72.0	85.9	99.9	120.9	146.6	169.5	198.5
Growth (%)	25.5	16.2	19.3	16.3	21.0	21.3	15.6	17.1

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	9.5	9.5	9.6	9.9	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	5.0
Reserves & Surplus	365.3	414.5	475.6	622.4	710.0	812.3	928.7	1,063.0
Net Worth	374.8	429.0	490.2	637.3	724.9	827.2	943.6	1,077.9
Deposits	1,926.4	2,258.8	2,628.2	2,801.0	3,116.8	3,584.4	4,193.7	4,948.6
Growth (%)	22.4	17.3	16.4	6.6	11.3	15.0	17.0	18.0
of which CASA Deposits	977.7	1,185.9	1,476.2	1,693.1	1,891.3	1,863.9	2,247.8	2,682.1
Growth (%)	41.2	21.3	24.5	14.7	11.7	-1.5	20.6	19.3
Borrowings	251.5	322.5	379.9	236.5	259.7	236.4	283.6	333.3
Other Liabilities & Prov.	96.5	111.4	104.2	159.9	192.9	219.9	244.1	273.4
Total Liabilities	2,649.3	3,121.7	3,602.5	3,834.7	4,294.3	4,867.9	5,665.0	6,633.2
Current Assets	196.2	246.8	532.9	396.3	429.2	309.5	344.8	412.0
Investments	645.6	711.9	750.5	1,051.0	1,005.8	1,086.3	1,216.6	1,393.0
Growth (%)	43.2	10.3	5.4	40.0	-4.3	8.0	12.0	14.5
Loans	1,697.2	2,056.9	2,197.5	2,236.7	2,712.5	3,282.2	3,905.8	4,608.8
Growth (%)	24.7	21.2	6.8	1.8	21.3	21.0	19.0	18.0
Fixed Assets	15.3	16.5	16.2	15.4	16.4	18.1	19.3	20.7
Other Assets	95.1	89.6	105.4	135.4	130.3	171.9	178.5	198.6
Total Assets	2,649.3	3,121.7	3,602.5	3,834.7	4,294.3	4,867.9	5,665.0	6,633.2

Asset Quality

Y/E MARCH	FY18	FY19	FY20	FY20	FY22	FY23E	FY24E	FY25E
GNPA	38.3	44.7	50.3	74.3	64.7	58.6	63.0	72.0
NNPA	16.7	15.4	15.6	27.1	17.4	13.2	13.8	15.2
GNPA Ratio (%)	2.23	2.14	2.25	3.25	2.34	1.76	1.59	1.54
NNPA Ratio (%)	0.98	0.75	0.71	1.21	0.64	0.40	0.35	0.33
Slippage Ratio (%)	1.00	0.89	1.38	2.19	1.55	1.20	1.10	1.10
Credit Cost (%)	0.41	0.45	0.66	0.82	0.45	0.15	0.23	0.40
PCR (Excl. Tech. write off) (%)	56.5	65.4	69.0	63.6	73.2	77.5	78.1	78.9

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY20	FY22	FY23E	FY24E	FY24E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	9.0	8.9	8.6	7.7	7.2	8.4	8.6	8.5
Avg. Yield on loans	9.6	9.8	9.9	8.4	7.8	9.3	9.4	9.2
Avg. Yield on Investments	7.5	7.6	7.6	7.9	6.8	7.0	7.2	7.2
Avg. Cost-Int. Bear. Liab.	5.2	5.3	4.8	3.8	3.2	3.9	4.3	4.2
Avg. Cost of Deposits	5.1	5.3	4.9	3.7	3.1	3.9	4.3	4.2
Interest Spread	4.5	4.5	4.9	4.7	4.7	5.4	5.0	5.0
Net Interest Margin	4.3	4.2	4.3	4.4	4.5	5.0	4.9	4.9

Capitalisation Ratios (%)

CAR	18.4	17.9	19.8	23.5	23.7	24.0	23.1	22.4
Tier I	17.8	17.4	19.2	22.6	22.8	23.1	22.2	21.5
Tier II	0.6	0.5	0.6	0.9	0.9	0.9	0.9	0.9

Asset-Liability Profile (%)

Loans/Deposit Ratio	88.1	91.1	83.6	79.9	87.0	91.6	93.1	93.1
CASA Ratio	50.8	52.5	56.2	60.4	60.7	52.0	53.6	54.2
Cost/Assets	2.4	2.4	2.5	2.2	2.6	3.0	2.9	2.9
Cost/Total Income	47.3	47.4	46.9	42.2	48.0	50.0	49.7	48.7
Cost/Core Income	48.1	47.6	48.1	41.8	46.1	49.3	49.0	48.0
Int. Expense/Int. Income	51.7	53.1	49.9	42.8	37.8	39.6	42.4	42.2
Fee Income/Total Income	28.3	28.9	25.9	25.5	31.5	27.1	28.6	29.7
Non Int. Inc./Total Income	29.8	29.4	28.5	24.6	27.4	25.8	27.2	28.1
Emp. Cost/Total Expenses	45.9	42.4	44.2	43.9	41.5	41.0	40.9	40.7
Investment/Deposit Ratio	33.5	31.5	28.6	37.5	32.3	30.3	29.0	28.2

Profitability Ratios and Valuation

RoE (%)	12.5	12.2	13.1	12.5	12.7	13.6	13.6	13.7
RoA (%)	1.7	1.7	1.8	1.9	2.1	2.3	2.3	2.2
Consolidated ROE (%)	12.3	12.4	12.8	11.8	12.5	13.2	13.2	13.4
Consolidated ROA (%)	2.0	2.0	2.1	2.2	2.4	2.6	2.6	2.6
RoRWA (%)	1.5	1.6	1.9	2.0	2.2	2.3	2.2	2.2
Consolidated BV (INR)	265	303	348	426	487	560	644	742
Growth (%)	26.7	14.3	15.1	22.2	14.5	14.9	15.0	15.3
Price-Consol BV (x)	6.7	5.8	5.1	4.1	3.6	3.1	2.7	2.4
Standalone Adjusted BV (INR)	178	203	234	296	342	393	450	514
Growth (%)	28.0	14.4	15.3	26.4	15.3	15.2	14.4	14.3
Price-ABV (x)	6.8	5.9	5.2	4.1	3.5	3.1	2.7	2.3
Standalone EPS (INR)	21.8	25.5	31.1	35.8	43.2	53.0	60.1	69.4
Growth (%)	17.4	17.0	22.0	14.9	20.9	22.6	13.5	15.4
Price-Earnings (x)	55.4	47.4	38.8	33.8	27.9	22.8	20.1	17.4

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisers Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has received compensation for investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however, the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; 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.:022-71881085.

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; 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.