

**BUY**

TP: Rs 2,550 | ▲ 20%

**KOTAK MAHINDRA  
BANK**

| Banking

| 28 July 2025

## Business growth remains healthy with steady asset quality

- Credit growth continues to be above system levels; asset quality remains steady
- Profitability impacted by higher provisions; NIMs stay under pressure
- Maintain BUY with revised TP of Rs 2,550 (vs Rs 2,520), set at 2.4x Jun'27E ABV

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**Business growth above system levels:** Despite a tough competitive environment, KMB witnessed a gross advance growth of 13.1% YoY vs system growth of 9.5%. Credit growth was mainly led by home loans & LAP (+18.7% YoY), corporate banking (+9.9%) and consumer (+18% YoY). However, its high-yielding credit cards and Micro Finance segments declined 11.7% YoY and 43.3% YoY, respectively. Consequently, share of unsecured retail advances (including retail microcredit) declined to 9.7% (Jun'25) from 11.6% (Jun'24), as the bank tightened its underwriting norms, especially for unsecured business. Management expects the share of retail unsecured book to be contained at 15%. We expect the bank to report credit/deposit growth at ~16% CAGR over FY25-FY28E.

**Profitability impacted by higher provisions; NIMs remain under pressure:** KMB reported PPoP at Rs 55.6bn (+1.7% QoQ) — 1.2% higher vs estimates. However, PAT declined to Rs 32.8bn (-7.6% QoQ) and was 6.9% lower than our estimates, largely due to higher provisions (+32.8% QoQ). High credit cost was largely due to the MFI segment. Management expects MFI credit cost to be peaked out in Q1FY26 and likely decline in the coming quarters. Further, NIMs declined to 4.65% (-32bps QoQ) due to a) lower yield on advances on account of repo rate cuts b) falling share of high-yielding unsecured loans c) reversal of benefit due to interest calculation on number of days count in Q1 vs Q4. Return ratios stay healthy with RoA/ RoE of 1.9%/10.9%.

**AQ remains steady:** AQ remains steady with GNPA ratio of 1.48% (+6bps QoQ). Slippages increased to Rs 18.1bn (+21.8% QoQ) due to MFI, stress in retail CV and seasonal impact in the rural segment. Hence, KMB remains cautious in the retail CV space.

**Maintain BUY:** With the removal of RBI's embargo, KMB's business growth is expected to improve (given its cross-sell opportunities). We estimate the bank to deliver RoA/RoE at 2.1-2.2%/12.6-13.4% over FY26E- FY28E. We raise our SOTP-based TP to Rs 2,550 (vs Rs 2,520) and roll over valuation to 2.4x Jun'27E ABV using the Gordon Growth Model. This includes Rs 702/sh as the value of subsidiaries.

## Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	KMB IN/Rs 2,125
Market cap	US\$ 48.8bn
Free float	74%
3M ADV	US\$ 88.5mn
52wk high/low	Rs 2,302/Rs 1,679
Promoter/FPI/DII	26%/32%/30%

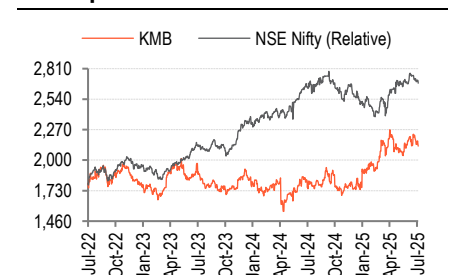
Source: NSE | Price as of 25 Jul 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	2,83,418	3,12,477	3,70,713
NII growth (%)	9.0	10.3	18.6
Adj. net profit (Rs mn)	1,64,501	1,56,915	1,88,171
EPS (Rs)	82.8	78.9	94.7
Consensus EPS (Rs)	82.8	77.8	90.5
P/E (x)	25.7	26.9	22.4
P/BV (x)	3.6	3.2	2.8
ROA (%)	2.0	2.1	2.2
ROE (%)	12.1	12.6	13.3

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly snapshot: Income statement**

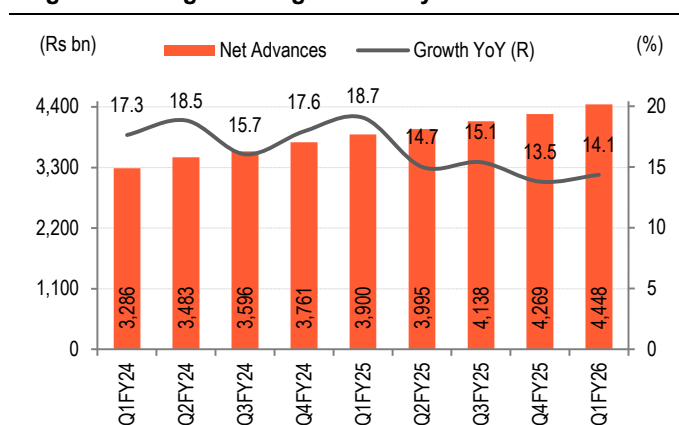
(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
<b>Income Statement</b>							
Interest Income	97,793	1,01,327	1,03,490	1,04,852	1,06,145	1.2	8.5
Income on investments	25,922	27,719	27,215	27,434	28,693	4.6	10.7
Int. on bal. with RBI & inter-bank funds & Others	3,747	3,116	3,572	3,012	3,528	17.1	(5.8)
<b>Interest income</b>	<b>1,27,461</b>	<b>1,32,163</b>	<b>1,34,276</b>	<b>1,35,298</b>	<b>1,38,365</b>	<b>2.3</b>	<b>8.6</b>
Interest expense	59,038	61,967	62,313	62,462	65,773	5.3	11.4
<b>Net interest income</b>	<b>68,424</b>	<b>70,196</b>	<b>71,963</b>	<b>72,836</b>	<b>72,593</b>	<b>(0.3)</b>	<b>6.1</b>
Growth YoY (%)	9.8	11.5	9.8	5.4	6.1	-	-
<b>Non-interest income</b>	<b>29,290</b>	<b>26,842</b>	<b>26,228</b>	<b>31,825</b>	<b>30,800</b>	<b>(3.2)</b>	<b>5.2</b>
Growth YoY (%)	9.2	16.0	14.2	6.9	5.2	-	-
<b>Total income</b>	<b>97,714</b>	<b>97,038</b>	<b>98,191</b>	<b>1,04,660</b>	<b>1,03,393</b>	<b>(1.2)</b>	<b>5.8</b>
Growth YoY (%)	9.6	12.7	10.9	5.8	5.8	-	-
Staff expenses	18,705	19,514	19,525	21,063	20,655	(1.9)	10.4
Other operating expenses	26,468	26,532	26,856	28,876	27,101	(6.1)	2.4
<b>Operating expenses</b>	<b>45,173</b>	<b>46,046</b>	<b>46,380</b>	<b>49,938</b>	<b>47,756</b>	<b>(4.4)</b>	<b>5.7</b>
<b>Pre-Provisioning Profit (PPoP)</b>	<b>52,541</b>	<b>50,993</b>	<b>51,810</b>	<b>54,722</b>	<b>55,637</b>	<b>7.3</b>	<b>13.5</b>
Growth YoY (%)	6.2	10.6	13.5	0.2	5.9	-	-
Provisions	5,785	6,604	7,941	9,094	12,078	32.8	108.8
Growth YoY (%)	58.8	80.2	37.1	244.8	108.8	-	-
Exceptional Item	-	-	-	-	-		
<b>PBT</b>	<b>46,756</b>	<b>44,389</b>	<b>43,869</b>	<b>45,628</b>	<b>43,559</b>	<b>(4.5)</b>	<b>(6.8)</b>
Tax	19,457	10,951	10,821	10,111	10,743	6.2	(44.8)
<b>PAT</b>	<b>27,299</b>	<b>33,437</b>	<b>33,048</b>	<b>35,517</b>	<b>32,817</b>	<b>(7.6)</b>	<b>20.2</b>
Growth YoY (%)	(20.9)	4.8	10.0	(14.1)	20.2	-	-
<b>Per Share</b>							
FV (Rs)	5	5	5	5	5		
EPS (Rs)	31	17	17	18	17	(7.6)	(47.5)
Book Value (Rs)	535	557	578	590	621	5.3	16.1

Source: Company, BOBCAPS Research

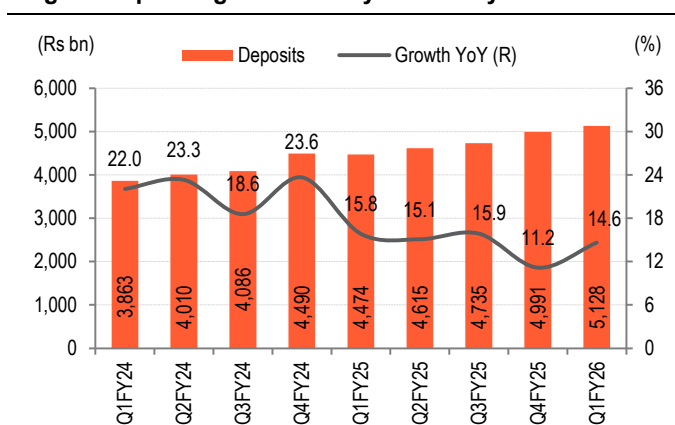
**Fig 2 – Quarterly snapshot: Balance sheet & other metrics**

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
<b>Deposits</b>	<b>44,74,180</b>	<b>46,14,542</b>	<b>47,34,970</b>	<b>49,90,551</b>	<b>51,28,380</b>	<b>2.8</b>	<b>14.6</b>
Growth YoY (%)	15.8	15.1	15.9	11.2	14.6	-	-
<b>Advances</b>	<b>38,99,570</b>	<b>39,95,216</b>	<b>41,38,390</b>	<b>42,69,092</b>	<b>44,48,230</b>	<b>4.2</b>	<b>14.1</b>
Growth YoY (%)	18.7	14.7	15.1	13.5	14.1	-	-
Investment	16,25,780	17,55,320	16,38,190	18,19,075	18,22,920	0.2	12.1
Equity	10,63,080	11,07,498	11,48,700	11,72,399	12,34,280	5.3	16.1
Assets	60,49,480	62,32,084	63,70,030	69,36,242	68,90,090	(0.7)	13.9
Growth YoY (%)	17.9	16.9	16.3	15.5	13.9	-	-
<b>Yield (%)</b>							
Yield on Funds	8.69	8.83	8.76	8.37	8.23	(14bps)	(45bps)
Cost of Funds	4.95	5.14	5.06	4.78	4.87	8bps	(8bps)
Spread	3.74	3.69	3.70	3.58	3.37	(22bps)	(37bps)
<b>Net Interest Margin (calc.)</b>	<b>4.66</b>	<b>4.69</b>	<b>4.69</b>	<b>4.51</b>	<b>4.32</b>	<b>(19bps)</b>	<b>(34bps)</b>
<b>Ratios (%)</b>							
Other Income / Net Income	30.0	27.7	26.7	30.4	29.8	(62bps)	(19bps)
Cost to Income ratio	46.2	47.5	47.2	47.7	46.2	(153bps)	(4bps)
CASA ratio	43.4	43.6	42.3	43.0	40.9	(209bps)	(253bps)
C/D ratio	87.2	86.6	87.4	85.5	86.7	119bps	(42bps)
Investment to Assets	26.9	28.2	25.7	26.2	26.5	23bps	(42bps)
<b>Assets Quality</b>							
GNPA	54,772	60,332	62,660	61,340	66,377	8.2	21.2
NNPA	13,763	17,238	16,810	13,430	15,309	14.0	11.2
Provision	41,008	43,093	45,850	47,910	51,068	6.6	24.5
GNPA (%)	1.39	1.49	1.50	1.42	1.48	6bps	9bps
NNPA (%)	0.35	0.43	0.41	0.31	0.34	3bps	(1bps)
Provision Coverage Ratio (%)	74.87	71.43	73.17	78.00	76.94	(106bps)	206bps
<b>Others</b>							
Branches	1,965	2,013	2,068	2,148	2,145	(3)	180
ATMs	3,279	3,329	3,420	3,295	2,927	(368)	(352)

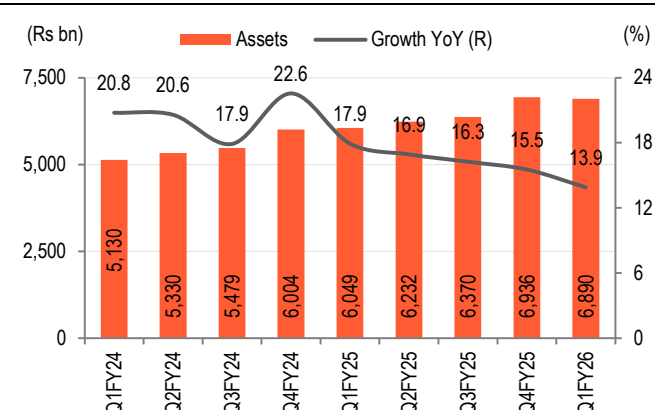
Source: Company, BOBCAPS Research

**Fig 3 – Credit growth higher than system level**

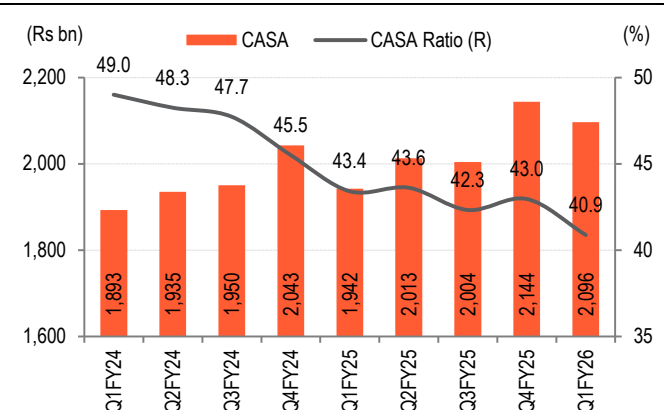
Source: Company, BOBCAPS Research

**Fig 4 – Deposits growth mainly backed by TD**

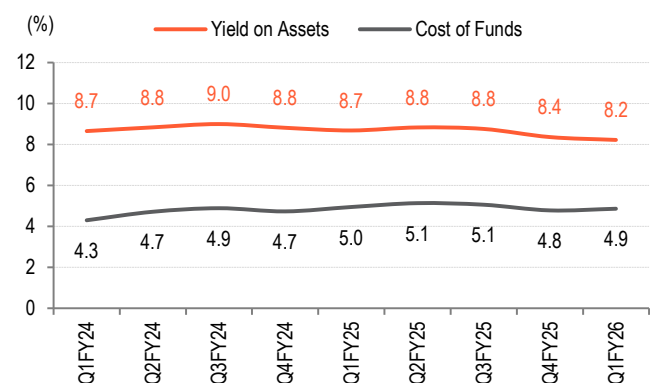
Source: Company, BOBCAPS Research | TDs: Term Deposits

**Fig 5 – Asset base growing steadily**

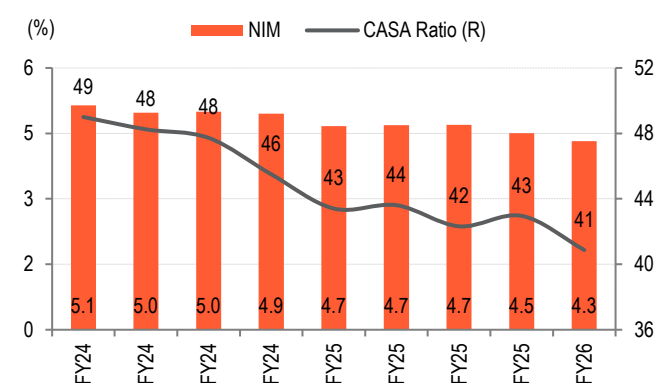
Source: Company, BOBCAPS Research

**Fig 6 – CASA ratio moderated on QoQ basis**

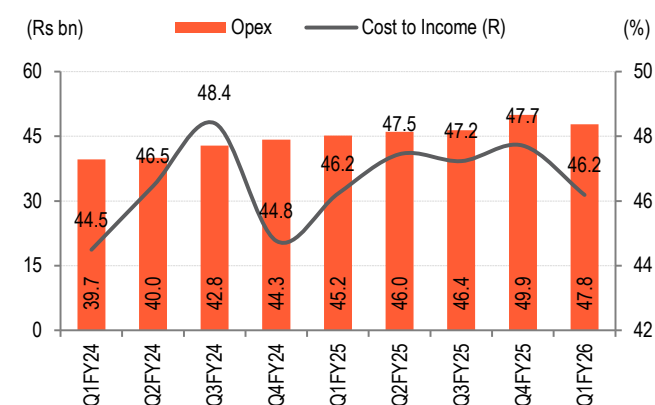
Source: Company, BOBCAPS Research

**Fig 7 – Yield falls due to decline in unsecured segments and repo rate cuts**

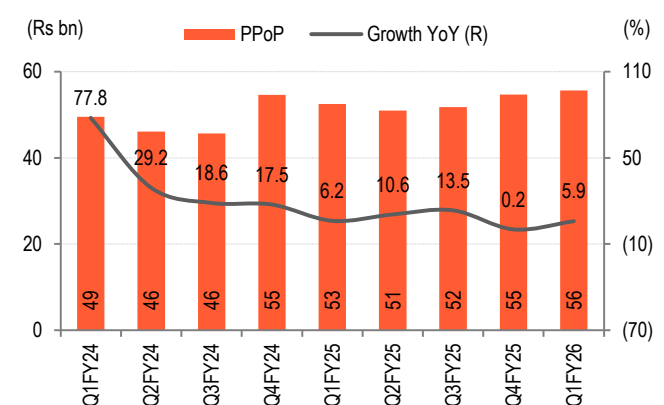
Source: Company, BOBCAPS Research

**Fig 8 – NIMs remain under pressure**

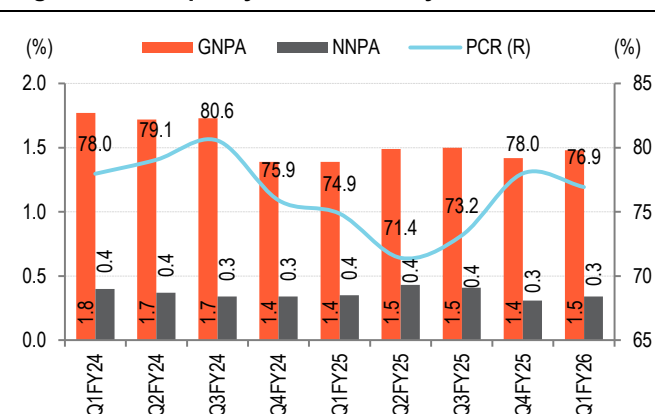
Source: Company, BOBCAPS Research

**Fig 9 – C/I ratio improved**

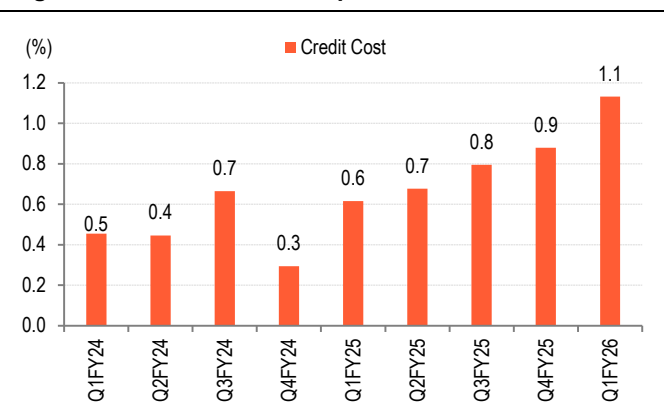
Source: Company, BOBCAPS Research

**Fig 10 – PPOP grows 6% YoY**

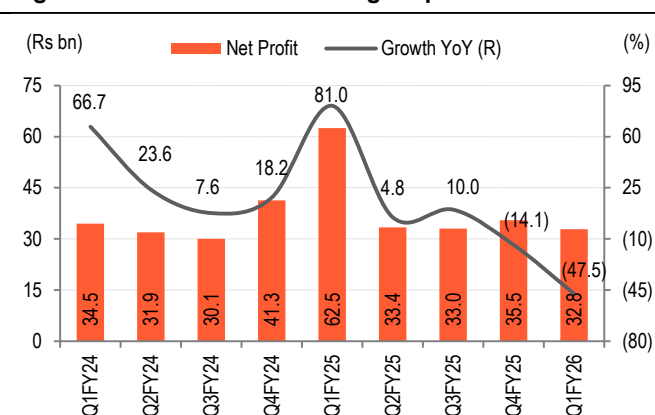
Source: Company, BOBCAPS Research

**Fig 11 – Asset quality remains steady**

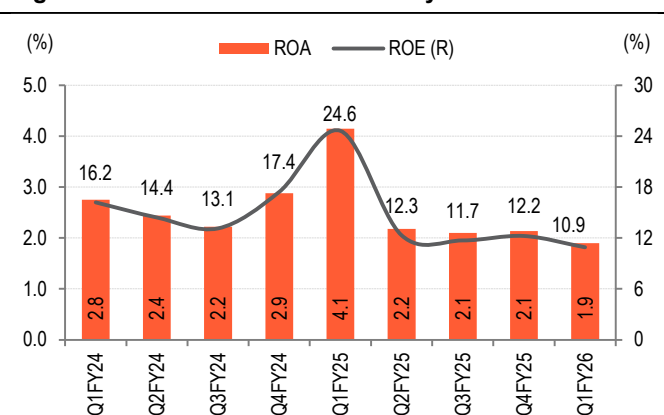
Source: Company, BOBCAPS Research

**Fig 12 – Credit cost inches up**

Source: Company, BOBCAPS Research

**Fig 13 – PAT declined due to higher provisions**

Source: Company, BOBCAPS Research

**Fig 14 – Return ratios remains steady**

Source: Company, BOBCAPS Research

## Earnings call highlights

### Advances and deposits growth intact

- Management plans to grow advances at 1.5-2.0x times of the nominal GDP growth.
- KMB reported a healthy traction in advances amid challenging macro conditions during Q1FY26, by growing 13% YoY vs Industry 9.5%. Home loans and LAP grew 19% YoY (4% QoQ), business banking 18% YoY (4% QoQ). Consumer banking also supported growth by growing 16% YoY (3% QoQ). Contribution of retail unsecured segment as % of net advances declined to 9.7% vs 11.6% in Jun'24.
- Management stated the focus to be on growing credit card segment aggressively in the retail unsecured segment and launched Solitaire (affluent segment) & IndiGo co-branded cards.
- Deposits grew 14.6% YoY, led by healthy growth in Retail TD (+19.1% YoY) to 47.6% of total deposits. While the CASA ratio falls 209bps QoQ to 40.9%.
- CD ratio stood at 86.7% vs 85.5% in Q4FY25 and 87.2% in Q1FY25.

### Profitability

- NII remained flat at Rs 72.6bn vs Rs 72.8bn in Q4FY25. NIMs were impacted by 32bps QoQ and stood at 4.65% in Q1FY26.
- Margins declined due to a) lower yield given repo rate cuts (~60% floating rate book) b) lower share of high-yielding unsecured loans (9.7% in Jun'25 from 10.5% in Jun'24 c) reversal of benefit due to interest calculation on number of days count in Q1 vs Q4. Margin pressure partially offset by rate cuts in TD (25-50bps) and SA (50bps), leading to lower CoF.

### Asset quality and growth

- Slippages stood at Rs 18.1bn (1.7% annualised) in Q1FY26 vs Rs 14.9bn (1.5% annualised) in Q4FY25.
- SMA 2 (fund-based O/S for borrowers with exposure > Rs 5crore) was Rs 3.4bn (0.08% of net loans), as of Jun'25 vs Rs 1.2bn (0.03%) last quarter.
- PCR remains steady at 77% (Jun'25) vs 78% (Mar'25).
- Management stated that credit costs in the personal loan portfolio stabilised from Q4FY25, credit card delinquencies have plateaued, while stress in the MFI portfolio has peaked. Secured book sustains performance with negligible stress.

### Subsidiaries

- **Kotak Securities:** PAT came in at Rs 4.6bn, up 16% YoY vs Rs 3.5bn in Q4FY25 and Rs 4bn in Q1FY25. Market share increased to 12.8% vs 12% in Q4FY25 vs 11.5% in Q1FY25.
- **Kotak AMC:** AAUM was up 25% YoY to Rs 5,258bn. Equity AAUM grew 24% YoY to Rs 3,326bn, with a 6.37% market share.
- **Kotak Prime:** PAT stood at Rs 2.7bn vs Rs 3bn in Q4FY25. NNPA was at 1.0% flat sequentially vs 0.9% in Q1FY25.

**Fig 15 – Loan book distribution**

Segment (Rs bn)	Q1FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Corporate Banking	936	928	1,028	9.9	10.8
SME	282	358	348	23.4	(2.7)
Commercial Vehicles	379	430	430	13.3	(0.1)
Agriculture Finance	226	242	252	11.5	4.2
Tractor finance	152	177	179	17.2	0.9
Home loans & LAP	1,109	1,270	1,315	18.7	3.6
Consumer Bank WC (Secured)	376	428	445	18.3	3.9
PL, BL and Consumer Durables	203	248	244	19.9	(1.8)
Credit Cards	146	134	129	(11.7)	(3.7)
Others	146	162	161	10.2	(0.1)
Micro Finance	104	67	59	(43.3)	(12.2)
Advances	4,060	4,443	4,590	13.1	3.3
Credit substitutes	299	335	340	13.9	1.4
Total customer assets	4,358	4,779	4,930	13.1	3.2

Source: Company, BOBCAPS Research

**Fig 16 – Loan book distribution (%)**

Segment	Q1FY25	Q4FY25	Q1FY26	YoY (bps)	QoQ (bps)
Corporate Banking	21.5	19.4	20.9	(2.9)	7.4
SME	6.5	7.5	7.1	9.1	(5.7)
Commercial Vehicles	8.7	9.0	8.7	0.1	(3.1)
Agriculture Finance	5.2	5.1	5.1	(1.4)	1.0
Tractor finance	3.5	3.7	3.6	3.6	(2.1)
Home loans & LAP	25.4	26.6	26.7	4.9	0.4
Consumer Bank WC (Secured)	8.6	9.0	9.0	4.6	0.7
PL, BL and Consumer Durables	4.7	5.2	4.9	6.0	(4.8)
Credit Cards	3.4	2.8	2.6	(22.0)	(6.6)
Others	3.4	3.4	3.3	(2.6)	(3.1)
Micro Finance	2.4	1.4	1.2	(49.8)	(14.9)
Advances	93.1	93.0	93.1	(0.1)	0.1
Credit substitutes	6.9	7.0	6.9	0.7	(1.7)
Total customer assets	100.0	100.0	100.0	0.0	0.0

Source: Company, BOBCAPS Research

## Valuation methodology

With removal of RBI's embargo, KMB's business growth is expected to improve given its cross-sell opportunities. KMB is well capitalised with CAR at 23% (CET1 at 21.8%) as of Q1FY26 to fund future business growth. We estimate the bank to deliver RoA/RoE at 2.1-2.2%/12.6-13.3% over FY26E- FY27E and raise our SOTP-based TP to Rs 2,550 (vs Rs 2,520) and roll over valuation to 2.4x Jun'27E ABV using the Gordon Growth Model. This includes Rs 702/sh as the value of subsidiaries.

**Fig 17 – Actual vs Estimates**

Key Parameters (Rs mn)	Q1FY26A	Q1FY26E	Change (%)
Loan	44,48,230	44,47,300	0.0
Deposits	51,28,380	51,28,380	(0.0)
Assets	68,90,090	72,08,206	(4.4)
NII	72,593	73,951	(1.8)
PPOP	55,637	54,978	1.2
Provision	12,078	8,063	49.8
PAT	32,817	35,233	(6.9)

Source: Company, BOBCAPS Research

**Fig 18 – Key operational assumptions**

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	13.5	15.5	16.6	16.8
Net Interest Income Growth	9.0	10.3	18.6	16.7
PPoP Growth	7.2	13.7	17.4	14.6
PAT Growth	19.4	(4.6)	19.9	15.1
NIM	4.5	4.3	4.5	4.6
GNPA	1.4	1.4	1.3	1.3
CAR	22.2	20.1	19.1	18.8

Source: Company, BOBCAPS Research

**Fig 19 – SOTP valuation summary**

Business	Valuation	Holdings (%)	Value (Rs/sh)
Kotak Bank	2.4x Jun'27E ABV	100	1,848
Kotak Life	2.3x FY27E EV	100	269
Kotak Prime	1.8x FY27E BV	100	137
Kotak AMC	5% FY27 AAUM	100	171
Kotak Securities	15x FY27 PAT	100	161
Others		100	88
Holding Co. Discount	15%		(124)
<b>Total</b>			<b>2,550</b>

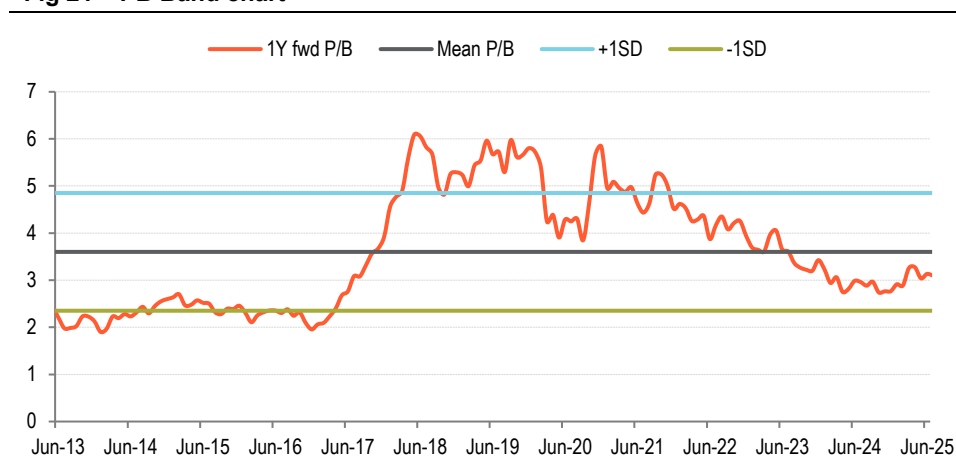
Source: Company, BOBCAPS Research



**Fig 20 – Valuation assumptions**

Gordon growth model	(%)
Return on Equity (RoE)	14.7
Cost of Equity (Ke)	11.4
Growth (Period 1)	13.3
Growth (Long Term)	7.1
Initial High Growth Period (years)	10.0
Dividend Payout (Period 1)	10.0
Dividend Payout (Long Term)	52.0
Factor 1	1.1
Factor 2	15.4
Justified P/BV	2.4

Source: BOBCAPS Research

**Fig 21 – PB Band chart**

Source: Company, BOBCAPS Research

## Key risks

Key downside risks to our estimates:

- Reversal in credit cycle, which can lead to higher-than-anticipated deterioration in asset quality and thus, weaker profitability owing to higher provisions
- Inability to manage CoF, that may drag the bank's NIMs as well as the overall profitability.

## Glossary

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

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	2,59,932	2,83,418	3,12,477	3,70,713	4,32,574
NII growth (%)	20.6	9.0	10.3	18.6	16.7
Non-interest income	1,02,731	1,14,185	1,41,426	1,49,063	1,56,450
Total income	3,62,663	3,97,603	4,53,903	5,19,776	5,89,024
Operating expenses	1,66,788	1,87,537	2,14,973	2,39,239	2,67,507
PPOP	1,95,875	2,10,066	2,38,930	2,80,537	3,21,517
PPOP growth (%)	31.9	7.2	13.7	17.4	14.6
Provisions	15,737	29,424	30,820	30,972	34,277
PBT	1,80,137	2,15,841	2,08,111	2,49,564	2,87,239
Tax	42,321	51,340	51,195	61,393	70,661
Reported net profit	1,37,816	1,64,501	1,56,915	1,88,171	2,16,578
Adjustments	0	0	0	0	0
Adjusted net profit	1,37,816	1,64,501	1,56,915	1,88,171	2,16,578

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	9,940	9,941	9,940	9,940	9,940
Reserves & surplus	9,57,248	11,62,458	13,15,137	14,98,039	17,08,445
Net worth	9,67,188	11,72,399	13,25,076	15,07,979	17,18,385
Deposits	44,89,537	49,90,551	57,49,115	66,91,970	78,02,837
Borrowings	2,83,681	4,84,428	5,47,403	6,02,144	6,64,164
Other liab. & provisions	2,63,164	2,88,865	3,29,127	2,82,941	2,85,787
Total liab. & equities	60,03,570	69,36,243	79,50,722	90,85,033	1,04,71,173
Cash & bank balance	5,27,884	6,57,792	7,30,297	7,71,347	8,98,678
Investments	15,54,038	18,19,075	20,89,441	23,44,384	26,00,584
Advances	37,60,753	42,69,092	49,30,801	57,49,314	67,15,199
Fixed & Other assets	1,60,896	1,90,284	2,00,182	2,19,988	2,56,712
Total assets	60,03,570	69,36,242	79,50,722	90,85,033	1,04,71,173
Deposit growth (%)	23.6	11.2	15.2	16.4	16.6
Advances growth (%)	17.6	13.5	15.5	16.6	16.8

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	69.3	82.8	78.9	94.7	108.9
Dividend per share	2.0	2.5	2.1	2.7	3.1
Book value per share	486.5	589.8	666.6	758.6	864.4

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	30.6	25.7	26.9	22.4	19.5
P/BV	4.4	3.6	3.2	2.8	2.5
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4.8	4.4	4.2	4.4	4.4
Non-interest income	1.9	1.8	1.9	1.8	1.6
Operating expenses	3.1	2.9	2.9	2.8	2.7
Pre-provisioning profit	3.6	3.2	3.2	3.3	3.3
Provisions	0.3	0.5	0.4	0.4	0.4
PBT	3.3	2.8	2.8	2.9	2.9
Tax	0.8	0.8	0.7	0.7	0.7
ROA	2.5	2.0	2.1	2.2	2.2
Leverage (x)	0.1	0.1	0.1	0.1	0.1
ROE	15.3	12.1	12.6	13.3	13.4

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Net interest income	20.6	9.0	10.3	18.6	16.7
Pre-provisioning profit	31.9	7.2	13.7	17.4	14.6
EPS	25.9	19.4	(4.6)	19.9	15.1
<b>Profitability &amp; Return ratios (%)</b>					
Net interest margin	4.9	4.5	4.3	4.5	4.6
Fees / Avg. assets	0.5	0.4	0.5	0.4	0.4
Cost-Income	46.0	47.2	47.4	46.0	45.4
ROE	15.3	12.1	12.6	13.3	13.4
ROA	2.5	2.0	2.1	2.2	2.2
<b>Asset quality (%)</b>					
GNPA	1.4	1.4	1.4	1.3	1.3
NNPA	0.3	0.3	0.3	0.3	0.3
Slippage ratio	1.6	1.7	1.6	1.5	1.5
Credit cost	0.5	0.7	0.7	0.6	0.6
Provision coverage	75.7	77.9	77.8	77.8	77.8
<b>Ratios (%)</b>					
Credit-Deposit	83.8	85.5	85.8	85.9	86.1
Investment-Deposit	34.6	36.5	36.3	35.0	33.3
CAR	20.6	22.2	20.1	19.1	18.8
Tier-1	19.3	21.1	18.8	18.0	17.8

Source: Company, BOBCAPS Research

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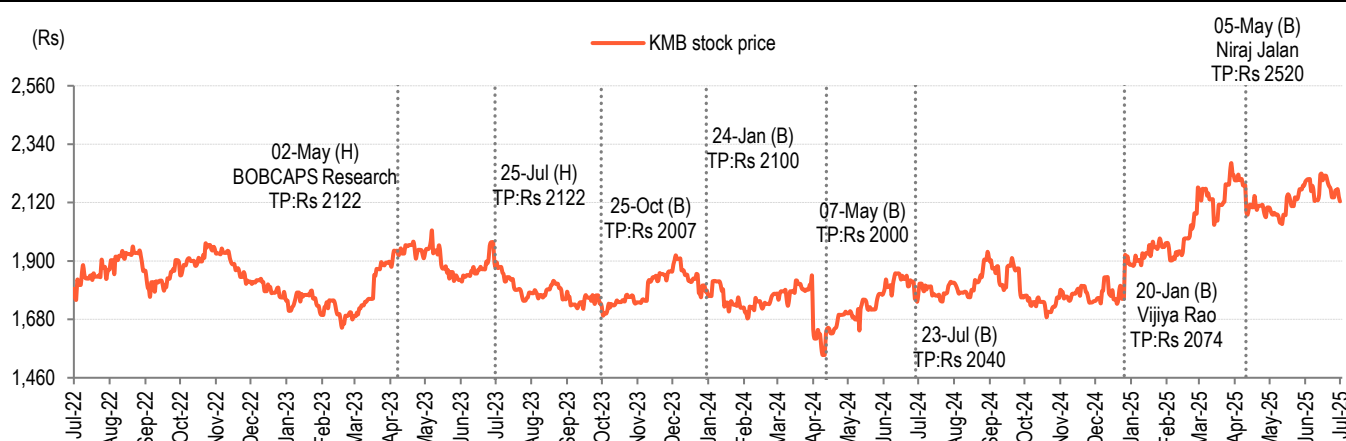
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