BUY
TP: Rs 2,603 | ⮝ 19%

KOTAK MAHINDRA BANK

| Banking | 26 October 2025

Strong business growth with improving asset quality

- **Advances growth stays above system levels; asset quality improving**
- **PPoP in line with estimates while NIMs moderated; credit costs improved on QoQ basis**
- **Maintain BUY with revised TP of Rs 2,603 (vs Rs 2,550), set at 2.5x Sep'27E ABV**

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Business growth remains strong and above system levels: KMB witnessed net advance growth of 15.8% YoY vs system growth of ~10.5%. Credit growth was mainly led by home loans & LAP (+18.1% YoY) and corporate banking (+17.6%), among others. However, its high-yielding credit cards and Micro Finance segments declined 13.9% YoY and 41.4% YoY, respectively. Consequently, share of unsecured retail advances declined to 9.2% (Sep'25) from 11.3% (Sep'24), as the bank remained cautious and tightened its underwriting norms. We expect the bank to report credit/deposit growth at ~16% CAGR over FY25-FY28E.

PPoP in line with estimates, while NIMs moderated: KMB reported PPoP at Rs 52.7bn (+3.3% YoY) and was in line with our estimates. However, PAT declined to Rs 32.5bn (-2.7% YoY) and was 2.1% lower vs estimates; largely due to higher provisions (+43.5% YoY). On a sequential basis, credit cost improved to 0.79% (Q2FY26) vs. 0.93% (Q1FY26), largely led by the credit card and MFI segments. Management stated that credit cost in PL has normalised while MFI peaked in Q1FY26 and CC has plateaued. Further, NIMs declined to 4.54% (-37bps YoY; -11bps QoQ), due to full impact of the 50bps repo rate cut in Jun'25 and falling share of high-yielding unsecured loans. We expect NIMs to gradually improve in 2HFY26, given the deposit repricing and CRR benefits. Return ratio stays healthy with RoA/ RoE of 1.9%/10.4%.

AQ improved: Asset quality (AQ) improved with GNPA ratio of 1.39% (-9bps QoQ), driven by lower slippages of Rs 16.3bn (-10.1% QoQ) and higher w/offs of Rs 11bn (+44.8% QoQ). Management remains cautious and expects credit costs to gradually moderate in H2 and is closely monitoring stress in retail CV and rural segments.

Maintain BUY: KMB is well capitalised with CAR at 22.1% (CET1 at 20.9%) as of Q2FY26 to fund future business growth. We estimate the bank to deliver RoA/RoE at 1.9-2.2%/11.6-13.3% over FY26E- FY28E. We maintain BUY and raise SOTP-based TP to Rs 2,603 (vs Rs 2,550). We roll over the valuation to 2.5x Sep'27E ABV, using the Gordon Growth Model. This includes Rs 700/sh as the value of subsidiaries.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	KMB IN/Rs 2,187
Market cap	US$ 49.5bn
Free float	74%
3M ADV	US$ 83.4mn
52wk high/low	Rs 2,302/Rs 1,679
Promoter/FPI/DII	26%/30%/32%

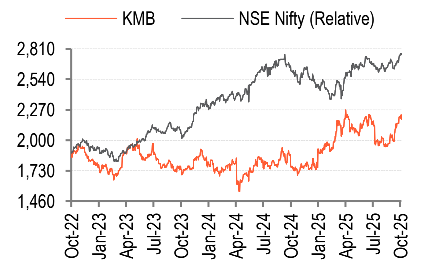
Source: NSE | Price as of 24 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	2,83,418	3,10,474	3,66,073
NII growth (%)	9.0	9.5	17.9
Adj. net profit (Rs mn)	1,64,501	1,43,489	1,77,163
EPS (Rs)	82.7	72.2	89.1
Consensus EPS (Rs)	82.7	73.8	88.1
P/E (x)	26.4	30.3	24.5
P/BV (x)	3.7	3.3	2.9
ROA (%)	2.0	1.9	2.1
ROE (%)	12.1	11.6	12.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ%)
Income Statement							
Interest Income	1,01,327	1,03,490	1,04,852	1,06,145	1,06,051	4.7	(0.1)
Income on investments	27,719	27,215	27,434	28,693	26,614	(4.0)	(7.2)
Int. on bal. with RBI & inter-bank funds & Others	3,116	3,572	3,012	3,528	3,829	22.9	8.5
Interest income	**1,32,163**	**1,34,276**	**1,35,298**	**1,38,365**	**1,36,494**	**3.3**	**(1.4)**
Interest expense	61,967	62,313	62,462	65,773	63,387	2.3	(3.6)
Net interest income	**70,196**	**71,963**	**72,836**	**72,593**	**73,107**	**4.1**	**0.7**
Growth YoY (%)	11.5	9.8	5.4	6.1	4.1	-	-
Non-interest income	**26,842**	**26,228**	**31,825**	**30,800**	**25,892**	**(3.5)**	**(15.9)**
Growth YoY (%)	16.0	14.2	6.9	5.2	(3.5)	-	-
Total income	**97,038**	**98,191**	**1,04,660**	**1,03,393**	**98,999**	**2.0**	**(4.2)**
Growth YoY (%)	12.7	10.9	5.8	5.8	2.0	-	-
Staff expenses	19,514	19,525	21,063	20,655	19,795	1.4	(4.2)
Other operating expenses	26,532	26,856	28,876	27,101	26,521	(0.0)	(2.1)
Operating expenses	**46,046**	**46,380**	**49,938**	**47,756**	**46,317**	**0.6**	**(3.0)**
Pre-Provisioning Profit (PPoP)	**50,993**	**51,810**	**54,722**	**55,637**	**52,683**	**0.2**	**7.4**
Growth YoY (%)	10.6	13.5	0.2	5.9	3.3	-	-
Provisions	6,604	7,941	9,094	12,078	9,474	43.5	(21.6)
Growth YoY (%)	80.2	37.1	244.8	108.8	43.5	-	-
Exceptional Item	-	-	-	-	-		
PBT	**44,389**	**43,869**	**45,628**	**43,559**	**43,209**	**(2.7)**	**(0.8)**
Tax	10,951	10,821	10,111	10,743	10,675	(2.5)	(0.6)
PAT	**33,437**	**33,048**	**35,517**	**32,817**	**32,533**	**(2.7)**	**(0.9)**
Growth YoY (%)	4.8	10.0	(14.1)	20.2	(2.7)	-	-
Per Share							
FV (Rs)	5	5	5	5	5		
EPS (Rs)	17	17	18	17	16	(2.7)	(0.9)
Book Value (Rs)	557	578	590	621	625	12.2	0.7

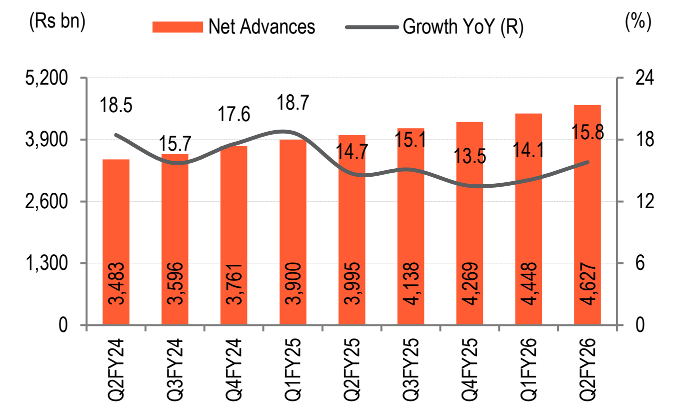
Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ%)
Deposits	**46,14,542**	**47,34,970**	**49,90,551**	**51,28,380**	**52,87,760**	**14.6**	**3.1**
Growth YoY (%)	15.1	15.9	11.2	14.6	14.6	-	-
Advances	**39,95,216**	**41,38,390**	**42,69,092**	**44,48,230**	**46,26,876**	**15.8**	**4.0**
Growth YoY (%)	14.7	15.1	13.5	14.1	15.8	-	-
Investment	17,55,320	16,38,190	18,19,075	18,22,920	17,29,942	(1.4)	(5.1)
Equity	11,07,498	11,48,700	11,72,399	12,34,280	12,42,633	12.2	0.7
Assets	62,32,084	63,70,030	69,36,242	68,90,090	70,69,669	13.4	2.6
Growth YoY (%)	16.9	16.3	15.5	13.9	13.4	-	-
Yield (%)							
Yield on Funds	8.83	8.76	8.37	8.23	8.05	(78bps)	(18bps)
Cost of Funds	5.14	5.06	4.78	4.87	4.67	(47bps)	(20bps)
Spread	3.69	3.70	3.58	3.37	3.39	(30bps)	2bps
Net Interest Margin (calc.)	**4.69**	**4.69**	**4.51**	**4.32**	**4.31**	**(38bps)**	**(0bps)**
Ratios (%)							
Other Income / Net Income	27.7	26.7	30.4	29.8	26.2	(151bps)	(364bps)
Cost to Income ratio	47.5	47.2	47.7	46.2	46.8	(67bps)	60bps
CASA ratio	43.6	42.3	43.0	40.9	39.8	(383bps)	(109bps)
C/D ratio	86.6	87.4	85.5	86.7	87.5	92bps	76bps
Investment to Assets	28.2	25.7	26.2	26.5	24.5	(370bps)	(199bps)
Assets Quality							
GNPA	60,332	62,660	61,340	66,377	64,796	7.4	(2.4)
NNPA	17,238	16,810	13,430	15,309	14,910	(13.5)	(2.6)
Provision	43,093	45,850	47,910	51,068	49,886	15.8	(2.3)
GNPA (%)	1.49	1.50	1.42	1.48	1.39	(10bps)	(9bps)
NNPA (%)	0.43	0.41	0.31	0.34	0.32	(11bps)	(2bps)
Provision Coverage Ratio (%)	71.43	73.17	78.00	76.94	76.99	556bps	5bps
Others							
Branches	2,013	2,068	2,148	2,145	2,198	185	53
ATMs	3,329	3,420	3,295	2,927	2,758	(571)	(169)

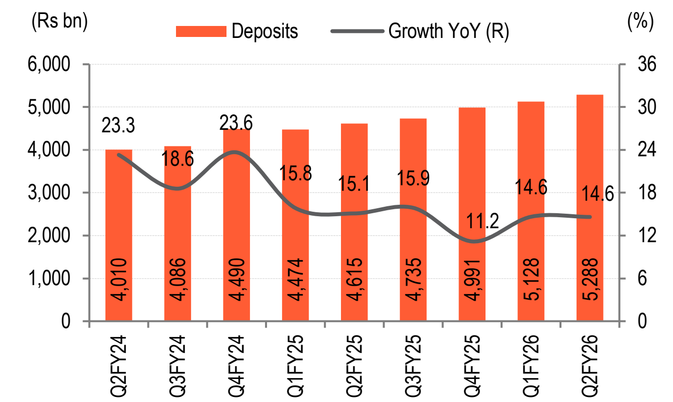
Source: Company, BOBCAPS Research

Fig 3 – Credit growth higher than system levels



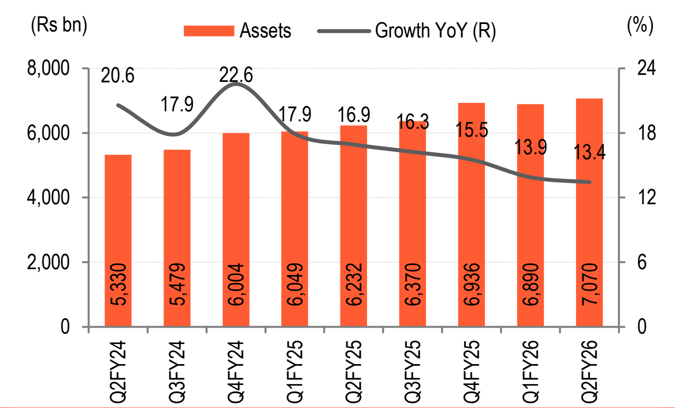
Source: Company, BOBCAPS Research

Fig 4 – Deposits growth was mainly backed by TDs



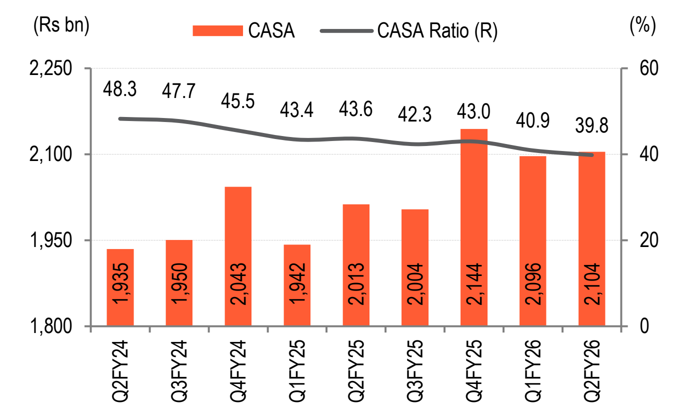
Source: Company, BOBCAPS Research | TDs: Term Deposits

Fig 5 – Asset base growing steadily



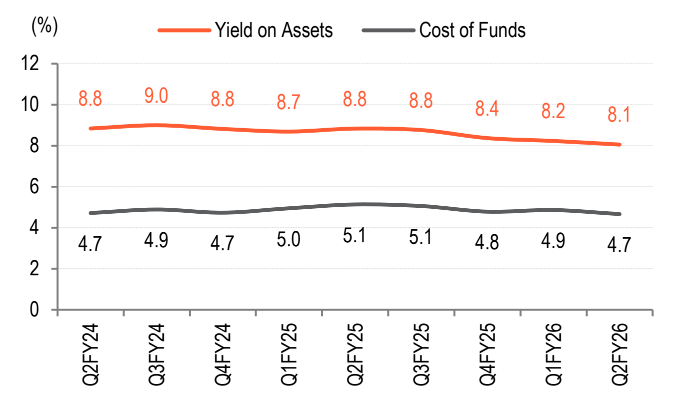
Source: Company, BOBCAPS Research

Fig 6 – CASA ratio moderated on QoQ basis



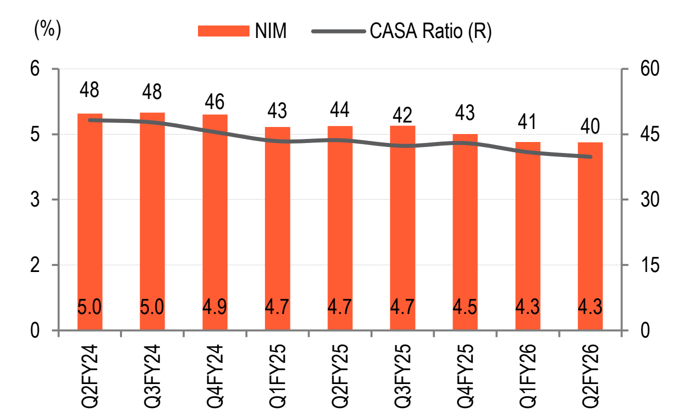
Source: Company, BOBCAPS Research

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



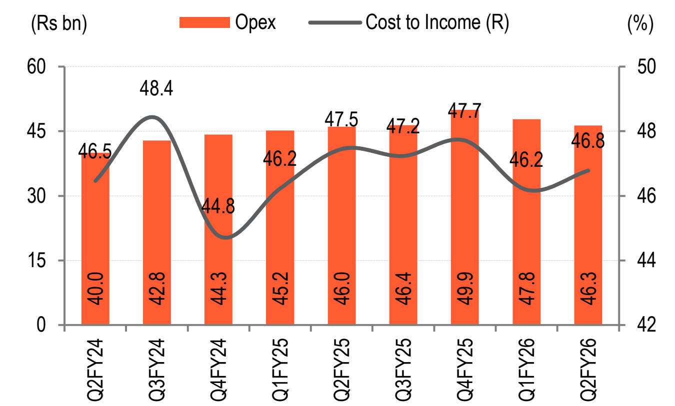
Source: Company, BOBCAPS Research

Fig 8 – NIMs remain under pressure



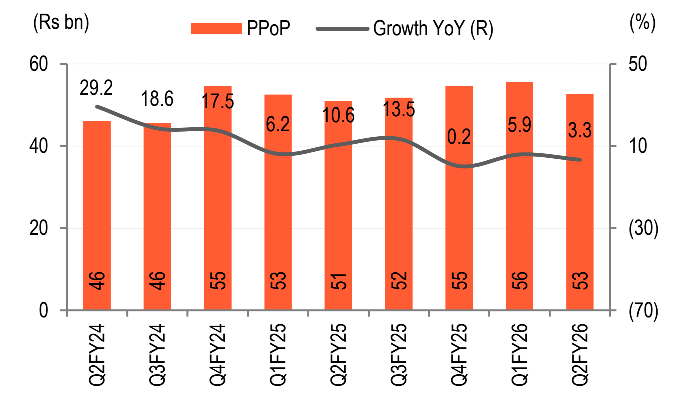
Source: Company, BOBCAPS Research

Fig 9 – C/I ratio increased QoQ



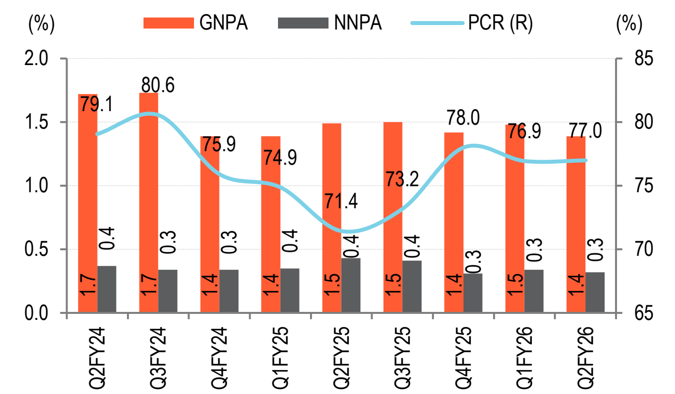
Source: Company, BOBCAPS Research

Fig 10 – PPOP grows 3% YoY



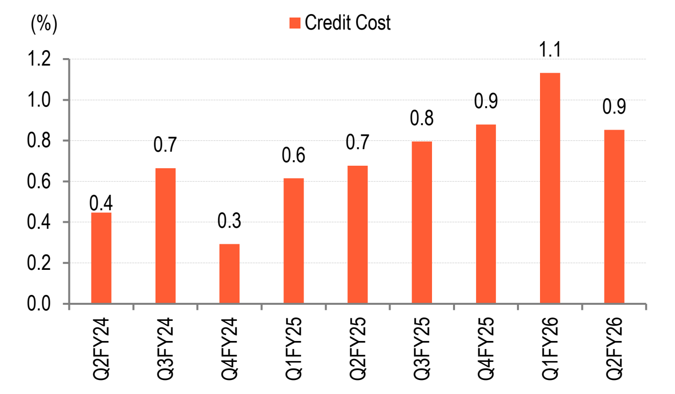
Source: Company, BOBCAPS Research

Fig 11 – Asset quality improved



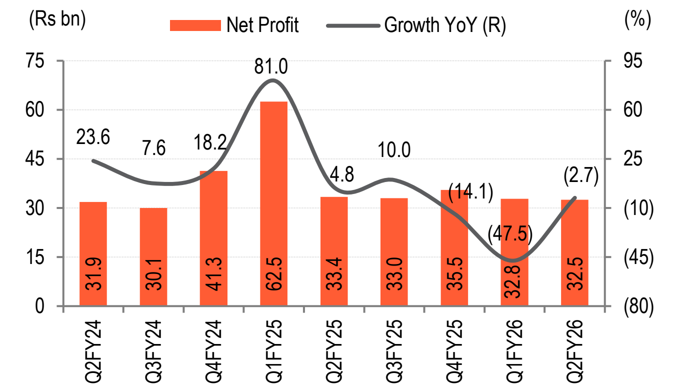
Source: Company, BOBCAPS Research

Fig 12 – Credit cost declined on QoQ basis



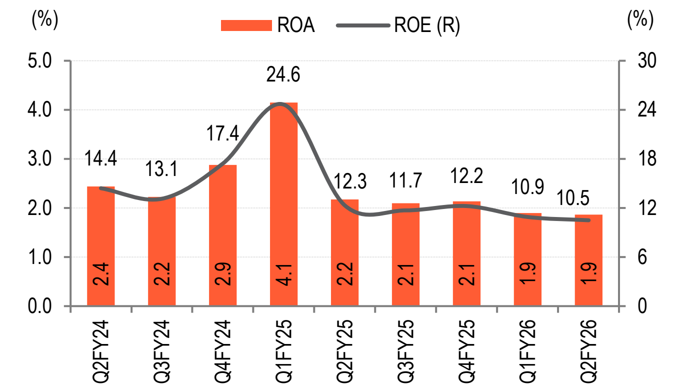
Source: Company, BOBCAPS Research

Fig 13 – PAT declined marginally on higher provisions



Source: Company, BOBCAPS Research

Fig 14 – Return ratios remain steady



Source: Company, BOBCAPS Research

Earnings Call Highlights

Advances and deposits growth

- Management plans to grow advances at 1.5-2.0x times of the nominal GDP growth.
- KMB reported healthy traction in advances amid challenging macro conditions during Q2FY26, by growing 16% YoY. Home loans and LAP grew 18% YoY (5% QoQ), business banking 20% YoY (8% QoQ). Consumer banking also supported growth by growing 16% YoY (5% QoQ). Contribution of retail unsecured segment as % of net advances declined to 9.2% vs 11.3% in Sep'24.
- The bank is focusing on affluent, SME, digital retail (Kotak811), and institutional clients, driving growth through secured lending while gradually rebuilding the unsecured portfolio.
- Key growth areas include home loans, SME financing, credit cards, and microfinance, supported by digital expansion and relationship-driven propositions. Management remains cautious on the retail CV and construction equipment segments, given the elevated stress and weak demand.

- Deposits grew 14.6% YoY, led by healthy growth in Retail TD (25.4% YoY) to 49.3% of total deposits, while CASA ratio falls 109bps QoQ to 39.8%.
- CD ratio stood at 87.5% vs 86.7% in Q1FY26 and 86.6% in Q2FY25.

Profitability

- NII grew 1% QoQ to Rs 73.1bn vs Rs 72.6bn in Q1FY26. NIMs were impacted by 11bps QoQ and stood at 4.54% in Q2FY26.
- NIM declined mainly due to the full impact of the 50bps repo rate cut (yield compression), higher share of lower-yielding secured assets like home and corporate loans and decline in the share of high-yielding unsecured book.
- Margin pressure was partly offset by a lower cost of funds (CoF) from savings rate cuts and term deposit repricing. Management expects a gradual NIM recovery in H2FY26, aided by continued deposit repricing and CRR benefits, assuming no further policy rate cuts.
- Technology related costs were 12-14% of total operating expenses.

Asset quality and growth

- Slippages stood at Rs 16.3bn (1.5% annualised) in Q2FY26 vs Rs 18.1bn (1.7% annualised) in Q1FY26.
- SMA-2 was Rs 3.9bn as of Sep'25 vs Rs 3.4bn in the last quarter.
- PCR remains steady at 77% (Sep'25) vs 77% (Jun'25).
- Credit cost improved to 0.79% in Q2FY26 (from 0.93% in Q1FY26) and is expected to moderate further. PL and MFI segments show normalisation. Credit Card is stabilising, while the retail CV segment remains under stress with a potential near-term uptick.
- The bank is likely to gradually rebuild retail unsecured book with focus on asset quality; secured asset growth will not be compromised to alter the mix.

Others

- KMB's excess capital provides flexibility in any adverse situations and takes advantage of any inorganic opportunity.
- With effect from 11th October, 2025, Sonata Finance Private Limited merged with BSS Microfinance Limited.

Subsidiaries

- **Kotak Securities:** PAT came in at Rs 3.45bn (-22% YoY/-26% QoQ). Market share increased to 13.1% vs 12.8% in Q1FY26 and 11.6% in Q2FY25.
- **Kotak AMC:** AAUM was up 20% YoY to Rs 5,670bn. Equity AAUM grew 17% YoY to Rs 3,601bn, with a 6.41% market share.
- **Kotak Prime:** PAT stood at Rs 2.5bn vs Rs 2.7bn in Q1FY26. NNPA was at 1.2%, which increased from 1% in Q1FY26.

Fig 15 – Loan book distribution

Segment (Rs bn)	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Corporate Banking	929	1,028	1,092	18	6
SME	322	348	372	16	7
Commercial Vehicles	391	430	437	12	2
Agriculture Finance	270	252	243	(10)	(3)
Tractor finance	162	179	184	14	3
Home loans & LAP	1,167	1,315	1,379	18	5
Consumer Bank WC (Secured)	400	445	478	20	8
PL, BL and Consumer Durables	209	244	243	16	(0)
Credit Cards	144	129	124	(14)	(4)
Others	100	161	179	78	11
Micro Finance	98	59	57	(41)	(3)
Advances	4,191	4,590	4,789	14	4
Credit substitutes	310	340	305	(2)	(10)
Total customer assets	4,501	4,930	5,094	13	3

Source: Company, BOBCAPS Research

Fig 16 – Loan book distribution (%)

Segment	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Corporate Banking	20.6	20.9	21.4	3.9	2.8
SME	7.1	7.1	7.3	2.1	3.5
Commercial Vehicles	8.7	8.7	8.6	(1.2)	(1.6)
Agriculture Finance	6.0	5.1	4.8	(20.3)	(6.5)
Tractor finance	3.6	3.6	3.6	0.6	(0.2)
Home loans & LAP	25.9	26.7	27.1	4.4	1.4
Consumer Bank WC (Secured)	8.9	9.0	9.4	5.6	4.1
PL, BL and Consumer Durables	4.6	4.9	4.8	2.8	(3.6)
Credit Cards	3.2	2.6	2.4	(23.9)	(6.8)
Others	2.2	3.3	3.5	57.2	7.1
Micro Finance	2.2	1.2	1.1	(48.3)	(5.8)
Advances	93.1	93.1	94.0	1.0	1.0
Credit substitutes	6.9	6.9	6.0	(13.0)	(13.3)
Total customer assets	100.0	100.0	100.0	0.0	0.0

Source: Company, BOBCAPS Research

Valuation Methodology

KMB is well capitalised with CAR at 22.1% (CET1 at 20.9%) as of Q2FY26 to fund future business growth. We estimate the bank to deliver RoA/RoE at 1.9-2.2%/11.6-13.3% over FY26E- FY28E. We maintain BUY and raise our SOTP-based TP to Rs 2,603 (vs Rs 2,550). We roll over the valuation to 2.5x Sep'27E ABV using the Gordon Growth Model. This includes Rs 700/sh as the value of subsidiaries.

Fig 17 – Actual vs Estimates

Key Parameters (Rs mn)	Q2FY26A	Q2FY26E	Change (%)
Loan	46,26,876	46,25,520	0.0
Deposits	52,87,760	52,87,760	0.0
Assets	70,69,669	71,21,310	(0.7)
NII	73,107	73,198	(0.1)
PPOP	52,683	52,934	(0.5)
Provision	9,474	8,620	9.9
PAT	32,533	33,235	(2.1)

Source: Company, BOBCAPS Research

Fig 18 – Revised estimates

	New			Old			Change (%)		
Key Parameters (Rs mn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	49,30,801	57,49,314	67,15,199	49,30,801	57,49,314	67,15,199	0.0	0.0	0.0
Deposits	57,49,115	66,91,970	78,02,837	57,49,115	66,91,970	78,02,837	0.0	0.0	0.0
Assets	79,50,722	90,85,033	1,04,71,173	79,50,722	90,85,033	1,04,71,173	0.0	0.0	0.0
NII	3,10,474	3,66,073	4,27,807	3,12,477	3,70,713	4,32,574	(0.6)	(1.3)	(1.1)
PPOP	2,22,503	2,69,140	3,17,451	2,38,930	2,80,537	3,21,517	(6.9)	(4.1)	(1.3)
Provision	32,200	34,176	37,394	30,820	30,972	34,277	4.5	10.3	9.1
PAT	1,43,489	1,77,163	2,11,164	1,56,915	1,88,171	2,16,578	(8.6)	(5.9)	(2.5)
ABV (Rs)	652	738	840	659	750	855	(1.0)	(1.6)	(1.7)

Source: Company, BOBCAPS Research

Fig 19 – Key operational assumptions

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	13.5	15.5	16.6	16.8
Net Interest Income Growth	9.0	9.5	17.9	16.9
PPoP Growth	7.2	5.9	21.0	18.0
PAT Growth	19.4	(12.8)	23.5	19.2
NIM	4.5	4.3	4.4	4.5
GNPA	1.4	1.4	1.3	1.2
CAR	22.3	19.9	18.8	18.5

Source: Company, BOBCAPS Research

Fig 20 – SOTP valuation summary

Business	Valuation	Holdings (%)	Value (Rs/sh)
Kotak Bank	2.5x Sep'27E ABV	100	1,902
Kotak Life	2x FY27E EV	100	234
Kotak Prime	2.1x FY27E BV	100	161
Kotak AMC	6% FY27 AAUM	100	205
Kotak Securities	15x FY27 PAT	100	141
Others		100	83
Holding Co. Discount	15%		(124)
Total			**2,603**

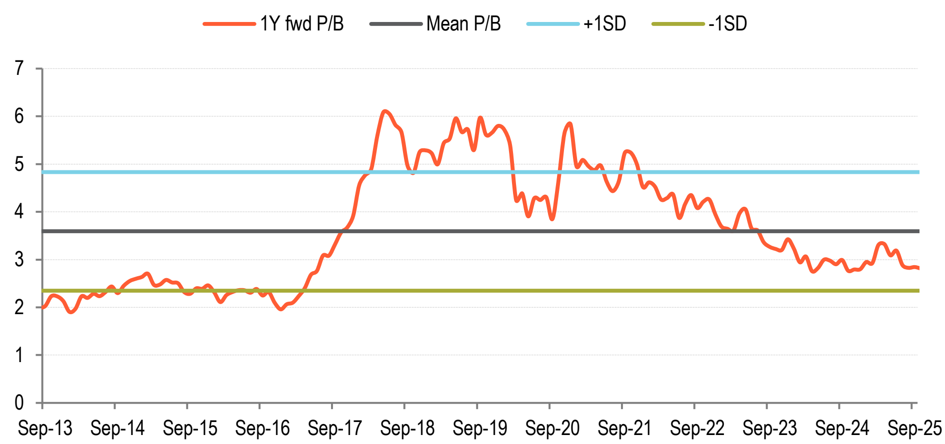
Source: Company, BOBCAPS Research

Fig 21 – Valuation assumptions

Gordon growth model	(%)
Return on Equity (RoE)	14.3
Cost of Equity (Ke)	11.0
Growth (Period 1)	12.9
Growth (Long Term)	6.9
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	16.1
Justified P/BV	2.5

Source: BOBCAPS Research

Fig 22 – 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			
AFS	Available For Sale	**ICRR**	Incremental Cash Reserve Ratio
AUCA	Advance Under Collection Account	**LAP**	Loans against Property
ARC	Asset Reconstruction Company	**LCR**	Liquidity Coverage Ratio
BRDS	Bills Rediscounting Scheme	**MCLR**	Marginal Cost of Funds-based Lending Rate
CASA	Current Account and Savings Account	**MTM**	Mark to Market
CAR	Capital Adequacy Ratio	**NII**	Net Interest Income
CET1	Common Equity Tier 1	**NIM**	Net Interest Margin
CD	Credit-Deposit Ratio	**NNPA**	Net Non-Performing Assets
C/I	Cost-Income Ratio	**PCR**	Provision Coverage Ratio
CRB	Commercial and Rural Banking	**PPOP**	Pre-Provision Operating Profit
EBLR	External Benchmark-based Lending Rate	**PSU**	Public Sector Unit
ECL	Expected Credit Loss	**RWA**	Risk-weighted Assets
GNPA	Gross Non-Performing Assets	**SLR**	Statutory Liquidity Ratio
HFT	Held for Trading	**SMA**	Special Mention Account
IBPC	Interbank Participation Certificate	**SME**	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**	**3,10,474**	**3,66,073**	**4,27,807**
NII growth (%)	20.6	9.0	9.5	17.9	16.9
Non-interest income	1,02,731	1,14,412	1,26,539	1,42,249	1,56,450
Total income	3,62,663	3,97,830	4,37,013	5,08,321	5,84,257
Operating expenses	1,66,788	1,87,764	2,14,510	2,39,181	2,66,805
PPOP	1,95,875	2,10,066	2,22,503	2,69,140	3,17,451
PPOP growth (%)	31.9	7.2	5.9	21.0	18.0
Provisions	15,737	29,424	32,200	34,176	37,394
PBT	1,80,137	2,15,841	1,90,304	2,34,964	2,80,058
Tax	42,321	51,340	46,815	57,801	68,894
Reported net profit	**1,37,816**	**1,64,501**	**1,43,489**	**1,77,163**	**2,11,164**
Adjustments	0	0	0	0	0
Adjusted net profit	**1,37,816**	**1,64,501**	**1,43,489**	**1,77,163**	**2,11,164**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	14,940	14,941	9,941	9,941	9,941
Reserves & surplus	9,57,248	11,62,458	13,02,073	14,74,275	16,79,420
Net worth	9,72,188	11,77,399	13,12,014	14,84,216	16,89,361
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	6,02,143	6,64,164
Other liab. & provisions	2,63,164	2,88,864	3,42,190	3,06,704	3,14,811
Total liab. & equities	**60,08,570**	**69,41,242**	**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	18,19,074	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	82.7	72.2	89.1	106.2
Dividend per share	2.0	2.5	1.9	2.5	3.0
Book value per share	486.5	589.7	659.9	746.5	849.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	31.5	26.4	30.3	24.5	20.6
P/BV	4.5	3.7	3.3	2.9	2.6
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	4.3	4.4
Non-interest income	1.9	1.8	1.7	1.7	1.6
Operating expenses	3.1	2.9	2.9	2.8	2.7
Pre-provisioning profit	3.6	3.2	3.0	3.2	3.2
Provisions	0.3	0.5	0.4	0.4	0.4
PBT	3.3	2.8	2.6	2.8	2.9
Tax	0.8	0.8	0.6	0.7	0.7
ROA	2.5	2.0	1.9	2.1	2.2
Leverage (x)	0.1	0.1	0.1	0.1	0.1
ROE	15.3	12.1	11.6	12.7	13.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	20.6	9.0	9.5	17.9	16.9
Pre-provisioning profit	31.9	7.2	5.9	21.0	18.0
EPS	25.9	19.3	(12.8)	23.5	19.2
Profitability & Return ratios (%)					
Net interest margin	4.9	4.5	4.3	4.4	4.5
Fees / Avg. assets	0.5	0.4	0.4	0.4	0.4
Cost-Income	46.0	47.2	49.1	47.1	45.7
ROE	15.3	12.1	11.6	12.7	13.3
ROA	2.5	2.0	1.9	2.1	2.2
Asset quality (%)					
GNPA	1.4	1.4	1.4	1.3	1.2
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
Ratios (%)					
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	22.3	19.9	18.8	18.5
Tier-1	19.3	21.1	18.6	17.7	17.5

Source: Company, BOBCAPS Research

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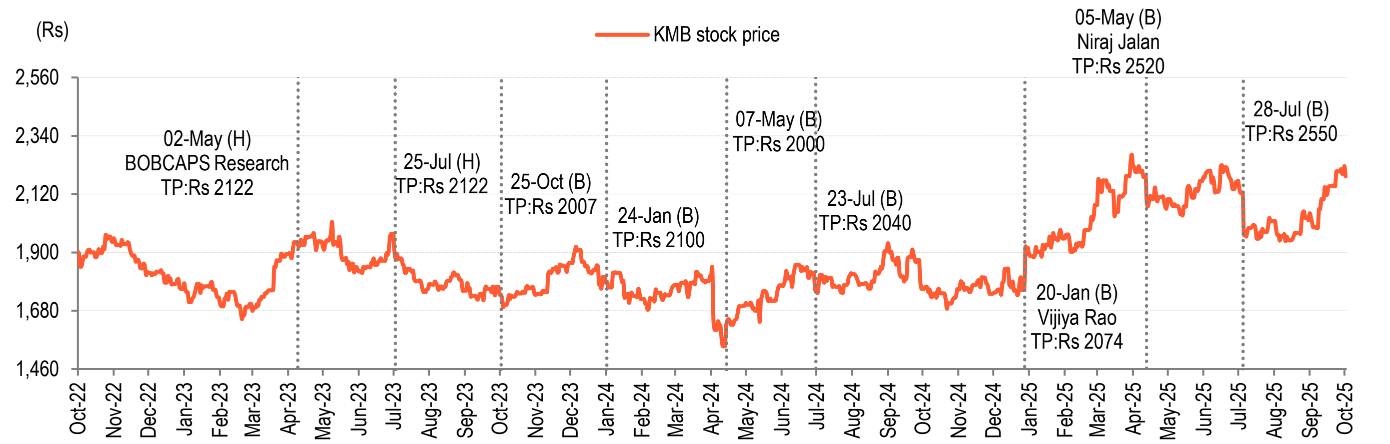

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