

BUY
TP: Rs 531 | ▲ 26%
**KOTAK MAHINDRA
BANK**

| Banking

| 27 January 2026

Asset quality improving with strong advances growth

- **PPoP in line with estimates, while NIMs were flat sequentially; credit costs improved on QoQ basis**
- **Advances growth stays above system levels; asset quality improving with improvement in delinquencies in the unsecured retail segments**
- **Maintain BUY with revised TP of Rs 531 (vs Rs 521), set at 2.5x Dec'27E ABV(unchanged)**

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PPoP in line with estimates; NIMs flat sequentially: KMB reported PPoP at Rs 53.8bn (+2.1% QoQ) and was in line with our estimates. While NIMs were flat sequentially at 4.54%, largely supported by a decline in the CoF to 4.54% (-16bps QoQ). Further, PAT increased to Rs 34.5bn (+5.9% YoY) and was 1.4% higher vs our estimates, mainly due to lower provisions (-14.5% QoQ). On a sequential basis, credit cost improved to 0.63% (Q3FY26) vs. 0.79% (Q2FY26), largely due to decline in unsecured business credit cost. Management indicated that the stress in unsecured retail (PLs and MFI) is largely behind, while the stress has plateaued in the credit card segment. KMB expects credit costs to trend lower in the next couple of quarters and remains watchful in the retail CV segment. Return ratio stays healthy with RoA/ RoE of 1.9%/10.7%.

Business growth remains strong and above system levels: KMB witnessed net advance growth of 16.1% YoY and remains above the system growth. Credit growth was mainly led by home loans & LAP (+18.1% YoY) and wholesale banking (+16.9%), among others. However, its high-yielding credit cards and Micro Finance segments declined 12.7% YoY and 30.1% YoY, respectively. Consequently, share of unsecured retail advances decreased to 8.9% (Dec'25) from 10.5% (Dec'24), as the bank remained cautious and tightened underwriting norms. However, the unsecured book grew marginally by 1.2% QoQ to Rs 430bn (Dec'25). We expect the bank to report credit/deposit growth at ~17%/16% CAGR over FY25-FY28E.

AQ improved: AQ improved with GNPA ratio of 1.3% (-9bps QoQ), driven by lower slippages of Rs 16bn (-1.5% QoQ) and elevated w/offs of Rs 9.9bn (-10.2% QoQ). Management stated that the delinquencies in unsecured retail business are improving, though they stay cautious on the retail CV segment.

Maintain BUY: KMB is well capitalised with CAR at 22.6% (CET1 at 21.5%) as of Q3FY26 to fund business growth. We estimate the bank to deliver RoA/RoE at 1.9-2.2%/11.2-13.5% over FY26E- FY28E. We maintain BUY and raise SOTP-based TP to Rs 531 (vs Rs 521). We roll over the valuation to 2.5x Dec'27E ABV (unchanged). This includes Rs 140/sh as the value of subsidiaries.

Key changes

	Target	Rating
	▲	◀ ▶

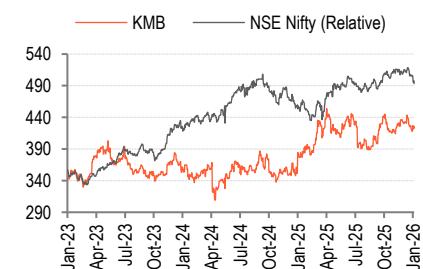
Ticker/Price	KMB IN/Rs 423
Market cap	US\$ 45.9bn
Free float	74%
3M ADV	US\$ 19.6mn
52wk high/low	Rs 460/Rs 373
Promoter/FPI/DII	26%/29%/33%

Source: NSE | Price as of 23 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	2,83,418	3,00,176	3,59,819
NII growth (%)	9.0	5.9	19.9
Adj. net profit (Rs mn)	1,64,501	1,38,803	1,78,584
EPS (Rs)	16.5	14.0	18.0
Consensus EPS (Rs)	16.5	14.3	17.5
P/E (x)	25.6	30.3	23.5
P/BV (x)	3.6	3.2	2.8
ROA (%)	2.5	1.9	2.1
ROE (%)	15.4	11.2	12.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance


Source: NSE



Fig 1 – Quarterly snapshot: Income statement

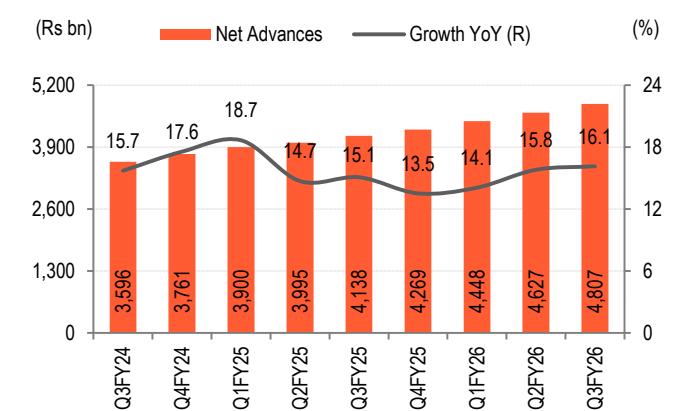
(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	1,03,490	1,04,852	1,06,145	1,06,051	1,08,270	4.6	2.1
Income on investments	27,215	27,434	28,693	26,614	26,232	(3.6)	(1.4)
Int. on bal. with RBI & inter-bank funds & Others	3,572	3,012	3,528	3,829	4,531	26.9	18.3
Interest income	1,34,276	1,35,298	1,38,365	1,36,494	1,39,033	3.5	1.9
Interest expense	62,313	62,462	65,773	63,387	63,387	1.7	0.0
Net interest income	71,963	72,836	72,593	73,107	75,646	5.1	3.5
Growth YoY (%)	9.8	5.4	6.1	4.1	5.1	-	-
Non-interest income	26,228	31,825	30,800	25,892	28,378	8.2	9.6
Growth YoY (%)	14.2	6.9	5.2	(3.5)	8.2	-	-
Total income	98,191	1,04,660	1,03,393	98,999	1,04,024	5.9	5.1
Growth YoY (%)	10.9	5.8	5.8	2.0	5.9	-	-
Staff expenses	19,525	21,063	20,655	19,795	22,458	15.0	13.5
Other operating expenses	26,856	28,876	27,101	26,521	27,768	3.4	4.7
Operating expenses	46,380	49,938	47,756	46,317	50,226	8.3	8.4
Pre-Provisioning Profit (PPoP)	51,810	54,722	55,637	52,683	53,798	5.9	(3.7)
Growth YoY (%)	13.5	0.2	5.9	3.3	3.8	-	-
Provisions	7,941	9,094	12,078	9,474	8,096	1.9	(14.5)
Growth YoY (%)	37.1	244.8	108.8	43.5	1.9	-	-
Exceptional Item	-	-	-	-	-	-	-
PBT	43,869	45,628	43,559	43,209	45,702	4.2	5.8
Tax	10,821	10,111	10,743	10,675	11,241	3.9	5.3
PAT	33,048	35,517	32,817	32,533	34,461	4.3	5.9
Growth YoY (%)	10.0	(14.1)	20.2	(2.7)	4.3	-	-
Per Share							
FV (Rs)	1	1	1	1	1		
EPS (Rs)	3.3	3.6	3.3	3.3	3.5	4.2	5.9
Book Value (Rs)	115.6	117.9	124.2	126.0	131.7	14.0	4.5

Source: Company, BOBCAPS Research

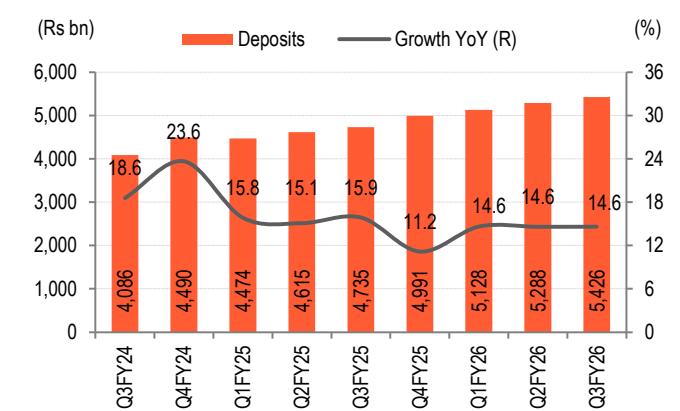
Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Deposits	47,34,970	49,90,551	51,28,380	52,87,760	54,26,380	14.6	2.6
Growth YoY (%)	15.9	11.2	14.6	14.6	14.6	-	-
Advances	41,38,390	42,69,092	44,48,230	46,26,876	48,06,730	16.1	3.9
Growth YoY (%)	15.1	13.5	14.1	15.8	16.1	-	-
Investment	16,38,190	18,19,075	18,22,920	17,29,942	18,71,490	14.2	8.2
Equity	11,48,700	11,72,399	12,34,280	12,52,576	13,09,630	14.0	4.6
Assets	63,70,030	69,36,242	68,90,090	70,69,669	73,04,860	14.7	3.3
Growth YoY (%)	16.3	15.5	13.9	13.4	14.7	-	-
Yield (%)							
Yield on Funds	8.76	8.37	8.23	8.05	7.97	(79bps)	(9bps)
Cost of Funds	5.06	4.78	4.87	4.67	4.52	(54bps)	(15bps)
Spread	3.70	3.58	3.37	3.39	3.45	(25bps)	6bps
Net Interest Margin	4.93	4.97	4.65	4.54	4.54	(39bps)	0bps
Ratios (%)							
Other Income / Net Income	26.7	30.4	29.8	26.2	27.3	57bps	113bps
Cost to Income ratio	47.2	47.7	46.2	46.8	48.3	105bps	150bps
CASA ratio	42.3	43.0	40.9	42.3	41.3	(101bps)	(101bps)
C/D ratio	87.4	85.5	86.7	87.5	88.6	118bps	108bps
Investment to Assets	25.7	26.2	26.5	24.5	25.6	(10bps)	115bps
Assets Quality							
GNPA	62,660	61,340	66,377	64,796	63,198	0.9	(2.5)
NNPA	16,810	13,430	15,309	14,910	14,969	(11.0)	0.4
Provision	45,850	47,910	51,068	49,886	48,230	5.2	(3.3)
GNPA (%)	1.50	1.42	1.48	1.39	1.30	(20bps)	(9bps)
NNPA (%)	0.41	0.31	0.34	0.32	0.31	(10bps)	(1bps)
Provision Coverage Ratio (%)	73.17	78.00	76.94	76.99	76.31	314bps	(67bps)
Others							
Branches	2,068	2,148	2,145	2,198	2,218	150	20
ATMs	3,420	3,295	2,927	2,758	2,749	(671)	(9)

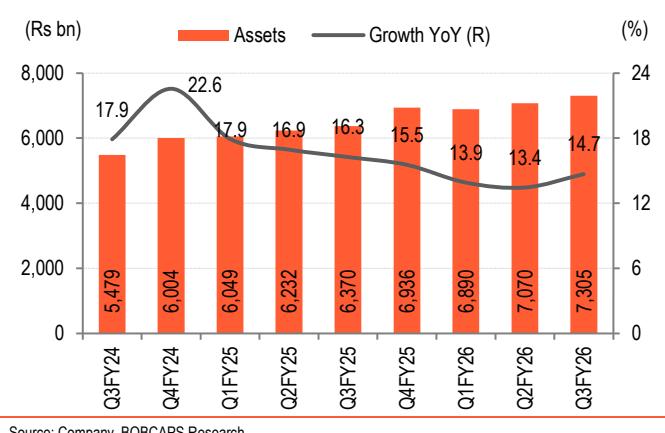
Source: Company, BOBCAPS Research

Fig 3 – Credit growth higher than system levels

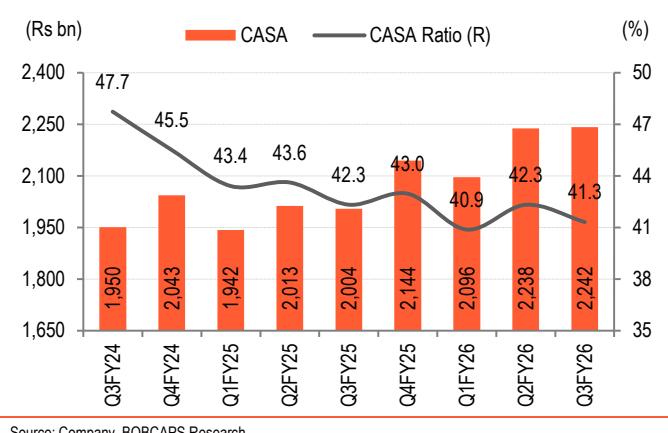
Source: Company, BOBCAPS Research

Fig 4 – Deposits growth was mainly backed by TDs

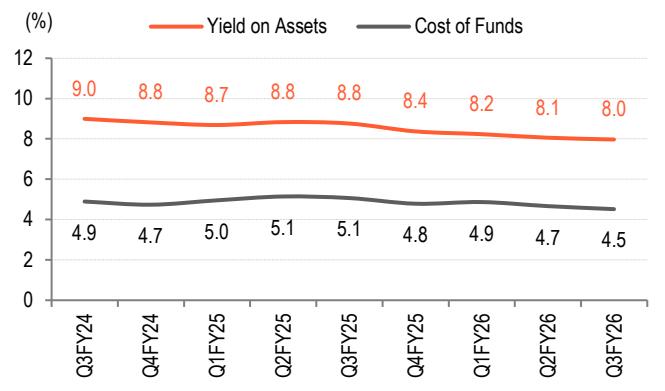
Source: Company, BOBCAPS Research | TDs: Term Deposits

Fig 5 – Asset base growing steadily

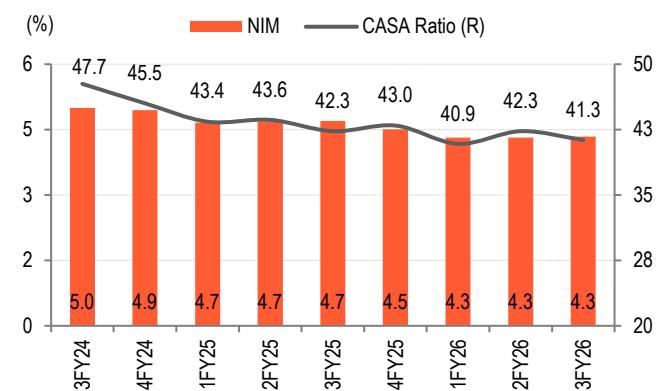
Source: Company, BOBCAPS Research

Fig 6 – CASA ratio moderated on QoQ basis

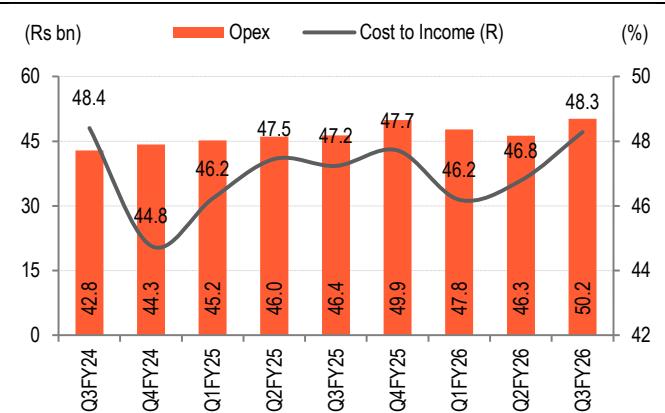
Source: Company, BOBCAPS Research

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

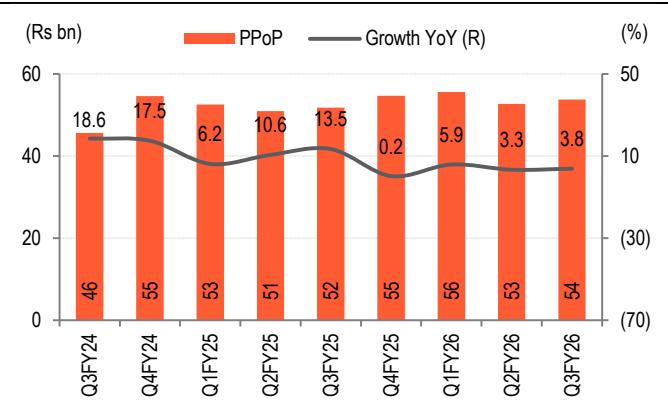
Source: Company, BOBCAPS Research

Fig 8 – ...however NIM remains stable QoQ aided by lower CoF

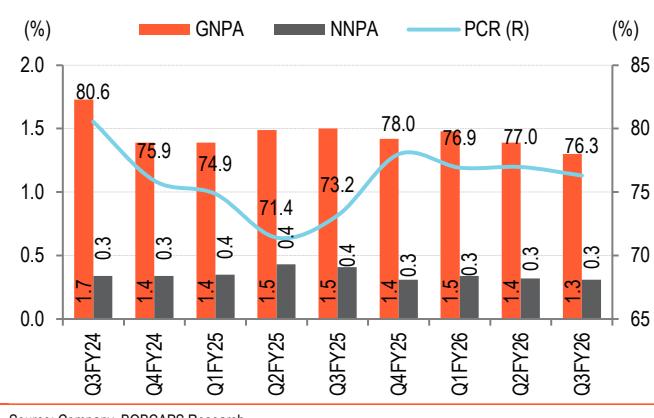
Source: Company, BOBCAPS Research

Fig 9 – C/I ratio increased QoQ

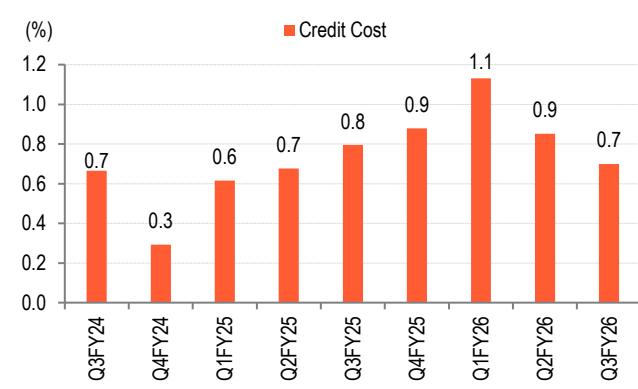
Source: Company, BOBCAPS Research

Fig 10 – PPOP grows 3.8% YoY

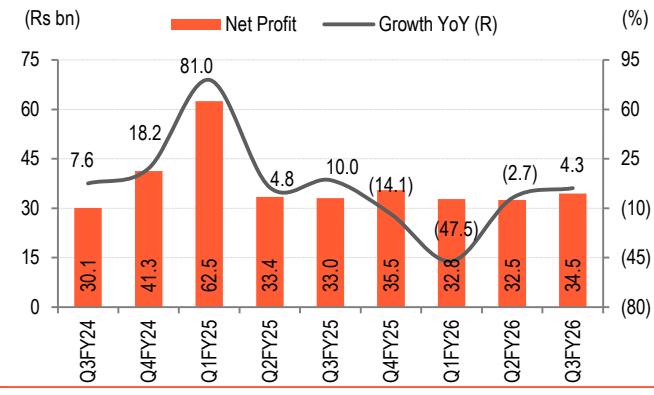
Source: Company, BOBCAPS Research

Fig 11 – Asset quality improved

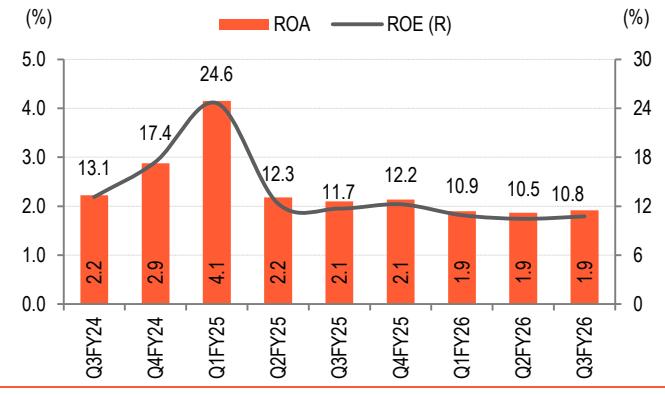
Source: Company, BOBCAPS Research

Fig 12 – Credit cost declined on QoQ basis

Source: Company, BOBCAPS Research

Fig 13 – PAT grew 4.3% YoY

Source: Company, BOBCAPS Research

Fig 14 – Return ratios remain steady

Source: Company, BOBCAPS Research

Earnings Call Highlights

Advances and deposits growth

- Management's core philosophy is to drive **"scale for relevance"** rather than merely size, aiming for advances growth in the range of **1.5 to 2x nominal GDP growth**.
- KMB reported strong traction in advances amid challenging macro conditions during Q3FY26, by growing 16% YoY. Home loans and LAP grew 18% YoY (5% QoQ), business banking 21% YoY (5% QoQ). Consumer banking supported growth by growing 16% YoY (4% QoQ). Contribution of retail unsecured segment as % of net advances declined to 8.9% vs 10.5% in Dec'24.
- In **consumer banking**, management highlighted home loans as an **anchor product** to deepen affluent customer relationships and drive cross-sell across deposits, insurance, and other fee products.
- Management flagged **stress in retail CV**, following which underwriting has been tightened materially, leading to lower disbursements in this segment.
- On **unsecured retail**, management maintained that growth is being pursued **gradually and responsibly**, with organic personal loans now driving the portfolio.

- **Standard Chartered personal loan portfolio** continued to run down; however, management expects **personal loan growth to resume** as organic disbursements scale up.
- **MFI disbursements** and portfolio performance are **expected to improve gradually** post BSS–Sonata integration.
- Management reiterated focus on **granular and sustainable deposit growth**, consciously moving away from bulky or institutional deposits toward a stronger **CASA-led franchise**.
- **Deposits grew 14.6% YoY**, led by healthy growth in **Retail TD (20% YoY)** to 48.1% of total deposits, while CASA ratio falls 101bps QoQ to 41.3%.
- In **affluent banking**, management highlighted **Kotak Solitaire** as a key driver of quality acquisition and deeper relationships, leading to higher deposit balances and increased investment flows such as SIPs.
- **Kotak811** remains a key digital acquisition engine, helping scale low-cost retail deposits; the recently launched **811 Super Savings** account is focused on customer cash flows rather than average balance maintenance.
- **Current account balances grew 14.7% YoY**, driven by higher engagement with self-employed customers and the **One Kotak** approach that integrates CMS and payment flows.
- CD ratio stood at 88.6% vs 87.5% in Q2FY26 and 87.4% in Q3FY25.

Profitability

- NII grew 3% QoQ to Rs 75.6bn vs Rs 73.1bn in Q2FY26. **NIMs stood at 4.54%** in Q3FY26 and were flat QoQ.
- While yield on floating-rate advances was impacted by the previous repo rate cuts, this was offset by a **decline in the cost of funds to 4.54% (-16bps QoQ)**, driven by granular low-cost deposit growth and the repricing of maturing term deposits.
- Management also highlighted the technical **“February Kicker”**, where interest on advances accrues for more days than interest paid on deposits, as a temporary positive for margins.
- From Q1FY27 onwards, management expects NIMs to stabilise, as benefits from repricing and CRR cuts to normalise and deposit costs bottom out.
- **Cost-to-income ratio** stood at **48.3%**; excluding the one-time **Rs 960mn pre-tax new labour code provision**, it would have been **47.4%**.
- The bank reiterated its **cost-to-asset target of 2.5–2.6%**, with automation and digitisation enabling balance sheet growth without proportionate headcount additions.
- Fee and services income grew 8% YoY and 6% QoQ, driven by FX, debt capital markets, and distribution, with early “green shoots” from One Kotak cross-selling.

- On the draft **ECL framework**, management estimates an impact of **<2% of post-tax net worth**, which they do not see as material.

Asset quality and growth

- Management highlighted a **broad-based improvement in asset quality**, with **GNPA improving to 1.30% (vs 1.39% QoQ)** and **NNPA at 0.31%**.
- Credit costs declined sharply to 63 bps**, continuing the downtrend seen since Q1, driven by tighter underwriting, better portfolio seasoning, and improved collections.
- Management indicated that stress in unsecured retail (PLs and MFI) is largely behind the bank.
- Retail CV remains a watch-out**, with underwriting tightened and disbursements scaled back due to emerging stress.
- SMA-2 was Rs 2.8bn as of Dec'25 vs Rs 3.9bn in the last quarter.
- PCR remains steady at 76% (Dec'25) vs 77% (Sep'25).

Others

- Anup Saha has been appointed as the **Whole-Time Director (designate)** for a 3Y period. He has **32+ years of experience** across retail finance, analytics, risk, and operations, and will oversee the **Consumer Bank, data analytics, and marketing** functions. Prior to KMB, Mr. Saha was associated with Bajaj Finance Limited as the Managing Director & CEO (from April 2025 until his resignation in July 2025).
- Board of Directors approved raising funds by the way of issuance of Unsecured, Redeemable, Non-Convertible Debentures, on a private placement basis, for an amount up to Rs 150bn, in one or more tranches / series, during FY27, subject to the approval of the members of the Bank and any other approvals as may be necessary.

Subsidiaries

- Kotak Securities:** PAT came in at Rs 4.31bn (+41% YoY; +25% QoQ). Market share increased to 13.5% vs 13.1% in Q2FY26 and 11.5% in Q3FY25.
- Kotak AMC:** AAUM was up 19% YoY to Rs 5,882bn. Equity AAUM grew 19% YoY to Rs 3,761bn, with a 6.39% market share.
- Kotak Prime:** PAT stood at Rs 2.5bn vs Rs 2.46bn in Q2FY26. NNPA was at 1.1%, which improved from 1.2% in Q2FY26.

Fig 15 – Loan book distribution

Segment (Rs bn)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Corporate Banking	966	1,092	1,128	16.7	3.2
SME	337	372	396	17.4	6.5
Commercial Vehicles	408	437	445	9.2	1.9
Agriculture Finance	276	243	263	(4.4)	8.3
Tractor finance	170	184	194	14.2	5.3
Home loans & LAP	1,217	1,379	1,442	18.5	4.5
Consumer Bank WC (Secured)	417	478	503	20.7	5.2
PL, BL and Consumer Durables	213	243	249	17.0	2.7
Credit Cards	141	124	123	(12.7)	(1.0)
Others	107	179	189	77.5	5.8
Micro Finance	82	57	57	(30.6)	(0.3)
Advances	4,334	4,789	4,990	15.1	4.2
Credit substitutes	261	305	304	16.9	(0.2)
Total customer assets	4,594	5,094	5,295	15.2	3.9

Source: Company, BOBCAPS Research

Fig 16 – Loan book distribution (%)

Segment	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Corporate Banking	21.0	21.4	21.3	1.3	(0.7)
SME	7.3	7.3	7.5	1.9	2.5
Commercial Vehicles	8.9	8.6	8.4	(5.2)	(1.9)
Agriculture Finance	6.0	4.8	5.0	(17.1)	4.2
Tractor finance	3.7	3.6	3.7	(0.9)	1.3
Home loans & LAP	26.5	27.1	27.2	2.8	0.6
Consumer Bank WC (Secured)	9.1	9.4	9.5	4.7	1.2
PL, BL and Consumer Durables	4.6	4.8	4.7	1.6	(1.2)
Credit Cards	3.1	2.4	2.3	(24.3)	(4.7)
Others	2.3	3.5	3.6	54.0	1.8
Micro Finance	1.8	1.1	1.1	(39.8)	(4.1)
Advances	94.3	94.0	94.3	(0.1)	0.3
Credit substitutes	5.7	6.0	5.7	1.4	(3.9)
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 22.6% (CET1 at 21.5%) as of Q3FY26 to fund business growth. We estimate the bank to deliver RoA/RoE at 1.9-2.2%/11.2-13.5% over FY26E- FY28E. We maintain BUY and raise SOTP-based TP to Rs 531 (vs Rs 521). We roll over the valuation to 2.5x Dec'27E ABV (unchanged) using the Gordon Growth Model. This includes Rs 140/sh as the value of subsidiaries.

Fig 17 – Actual vs Estimates

Key Parameters (Rs mn)	Q3FY26A	Q3FY26E	Change (%)
Loan	48,06,730	48,02,290	0.1
Deposits	54,26,380	54,26,380	(0.0)
Assets	73,04,860	72,67,569	0.5
NII	75,646	74,139	2.0
PPOP	53,798	53,737	0.1
Provision	8,096	8,604	(5.9)
PAT	34,461	33,985	1.4

Source: Company, BOBCAPS Research

Fig 18 – Revised estimates

Key Parameters (Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	49,66,863	57,91,362	67,64,311	49,30,801	57,49,314	67,15,199	0.7	0.7	0.7
Deposits	57,13,619	66,39,225	77,28,058	57,49,115	66,91,970	78,02,837	(0.6)	(0.8)	(1.0)
Assets	78,66,551	90,38,281	1,04,14,903	79,50,722	90,85,033	1,04,71,173	(1.1)	(0.5)	(0.5)
NII	3,00,176	3,59,819	4,23,454	3,10,474	3,66,073	4,27,807	(3.3)	(1.7)	(1.0)
PPOP	2,21,937	2,74,952	3,25,954	2,22,503	2,69,140	3,17,451	(0.3)	2.2	2.7
Provision	37,848	38,103	43,317	32,200	34,176	37,394	17.5	11.5	15.8
PAT	1,38,803	1,78,584	2,13,108	1,43,489	1,77,163	2,11,164	(3.3)	0.8	0.9
ABV (Rs)	130	147	168	130	148	168	(0.5)	(0.3)	(0.1)

Source: Company, BOBCAPS Research

Fig 19 – Key operational assumptions

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	13.5	16.3	16.6	16.8
Net Interest Income Growth	9.0	5.9	19.9	17.7
PPoP Growth	7.2	5.7	23.9	18.5
PAT Growth	19.4	(15.6)	28.7	19.3
NIM	4.5	4.2	4.4	4.5
GNPA	1.4	1.2	1.2	1.1
CAR	22.3	21.8	20.2	19.9

Source: Company, BOBCAPS Research

Fig 20 – SOTP valuation summary

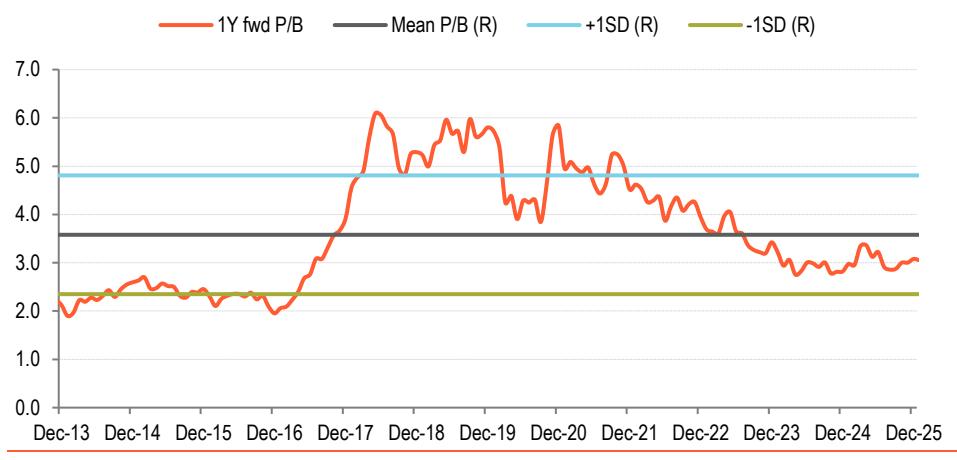
Business	Valuation	Holdings (%)	Value (Rs/sh)
Kotak Bank	2.5x Dec'27E ABV	100	391
Kotak Life	2x FY27E EV	100	47
Kotak Prime	2.1x FY27E BV	100	32
Kotak AMC	6% FY27 AAUM	100	41
Kotak Securities	15x FY27 PAT	100	28
Others		100	17
Holding Co. Discount	15%		(25)
Total			531

Source: Company, BOBCAPS Research

Fig 21 – Valuation assumptions

Gordon growth model	(%)
Return on Equity (RoE)	14.2
Cost of Equity (Ke)	10.9
Growth (Period 1)	12.8
Growth (Long Term)	6.8
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	3,00,176	3,59,819	4,23,454
NII growth (%)	20.6	9.0	5.9	19.9	17.7
Non-interest income	1,02,731	1,14,412	1,19,948	1,39,254	1,55,625
Total income	3,62,663	3,97,830	4,20,124	4,99,073	5,79,080
Operating expenses	1,66,788	1,87,764	1,98,187	2,24,121	2,53,126
PPOP	1,95,875	2,10,066	2,21,937	2,74,952	3,25,954
PPOP growth (%)	31.9	7.2	5.7	23.9	18.5
Provisions	15,737	29,424	37,848	38,103	43,317
PBT	1,80,137	2,15,841	1,84,089	2,36,849	2,82,637
Tax	42,321	51,340	45,286	58,265	69,529
Reported net profit	1,37,816	1,64,501	1,38,803	1,78,584	2,13,108
Adjustments	0	0	0	0	0
Adjusted net profit	1,37,816	1,64,501	1,38,803	1,78,584	2,13,108

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	9,940	9,941	9,946	9,946	9,946
Reserves & surplus	9,57,248	11,62,458	12,96,185	14,69,411	16,76,766
Net worth	9,67,188	11,72,399	13,06,130	14,79,357	16,86,711
Deposits	44,89,537	49,90,551	57,13,619	66,39,225	77,28,058
Borrowings	2,83,681	4,84,428	3,47,903	4,10,526	4,88,525
Other liab. & provisions	2,63,164	2,88,864	4,98,899	5,09,173	5,11,608
Total liab. & equities	60,03,570	69,36,242	78,66,551	90,38,281	1,04,14,903
Cash & bank balance	5,27,884	6,57,792	6,42,250	7,41,171	8,62,037
Investments	15,54,038	18,19,074	20,27,432	22,61,695	25,18,945
Advances	37,60,753	42,69,092	49,66,863	57,91,362	67,64,311
Fixed & Other assets	1,60,896	1,90,284	2,30,006	2,44,053	2,69,610
Total assets	60,03,570	69,36,242	78,66,551	90,38,281	1,04,14,903
Deposit growth (%)	23.6	11.2	14.5	16.2	16.4
Advances growth (%)	17.6	13.5	16.3	16.6	16.8

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	13.9	16.5	14.0	18.0	21.4
Dividend per share	0.4	0.5	0.5	0.5	0.6
Book value per share	97.3	117.9	131.3	148.7	169.6

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	30.5	25.6	30.3	23.5	19.7
P/BV	4.3	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	4.1	4.3	4.4
Non-interest income	1.9	1.8	1.6	1.6	1.6
Operating expenses	3.1	2.9	2.7	2.7	2.6
Pre-provisioning profit	3.6	3.2	3.0	3.3	3.4
Provisions	0.3	0.5	0.5	0.5	0.4
PBT	3.3	3.3	2.5	2.8	2.9
Tax	0.8	0.8	0.6	0.7	0.7
ROA	2.5	2.5	1.9	2.1	2.2
Leverage (x)	0.1	0.1	0.1	0.1	0.1
ROE	15.3	15.4	11.2	12.8	13.5

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	20.6	9.0	5.9	19.9	17.7
Pre-provisioning profit	31.9	7.2	5.7	23.9	18.5
EPS	25.9	19.3	(15.7)	28.7	19.3
Profitability & Return ratios (%)					
Net interest margin	4.9	4.5	4.2	4.4	4.5
Fees / Avg. assets	0.5	0.4	0.4	0.4	0.4
Cost-Income	46.0	47.2	47.2	44.9	43.7
ROE	15.3	15.4	11.2	12.8	13.5
ROA	2.5	2.5	1.9	2.1	2.2
Asset quality (%)					
GNPA	1.4	1.4	1.2	1.2	1.1
NNPA	0.3	0.3	0.3	0.3	0.3
Slippage ratio	1.6	1.7	1.5	1.5	1.4
Credit cost	0.5	0.7	0.8	0.7	0.7
Provision coverage	75.7	77.9	76.8	76.8	76.8
Ratios (%)					
Credit-Deposit	83.8	85.5	86.9	87.2	87.5
Investment-Deposit	34.6	36.5	35.5	34.1	32.6
CAR	20.6	22.3	21.8	20.2	19.9
Tier-1	19.3	21.1	21.0	19.4	19.2

Source: Company, BOBCAPS Research

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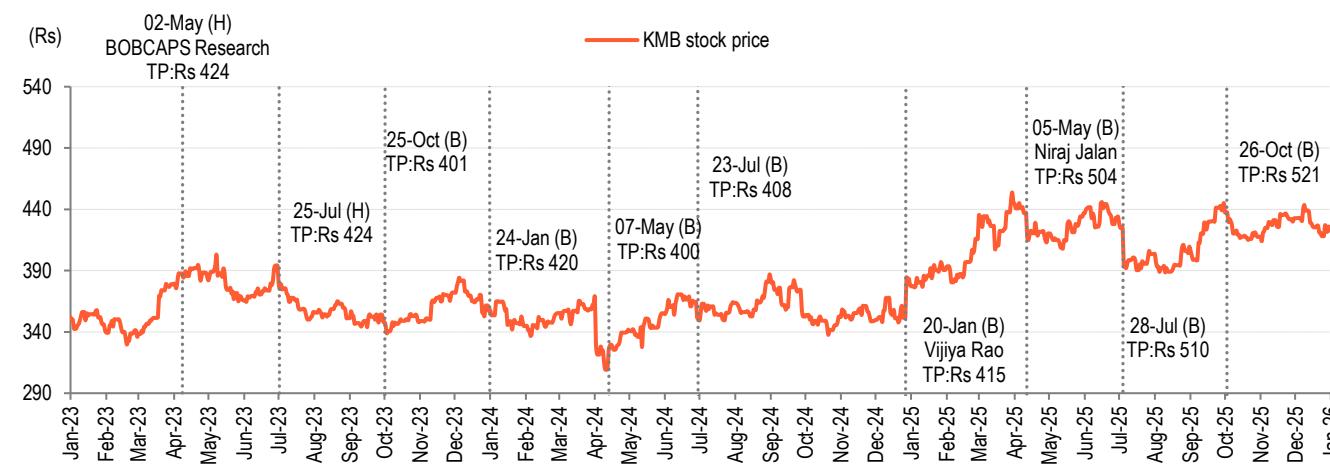
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