

Industry  
Bloomberg  
BSE CODE

Financial  
KMB IN  
500247

## Slowdown in the Loan Growth Was Offset By Margin Improvement

RATING	ACCUMULATE
CMP	1618
Price Target	1770
Potential Upside	9%

STOCK INFO	
52wk Range H/L	1734/1209
Mkt Capital (Rs Cr)	307,323
Free float (%)	70%
Avg. Vol 1M (,000)	442
No. of Shares (Cr)	191
Promoters Pledged %	

Fig. in Rs Cr

FINANCIAL	FY19	FY20E	FY21E
NII	11259	13477	15050
PPP	8348	9976	11722
PAT	4865	6393	7575
NIM %	4.1	4.3	4.3
EPS (Rs)	25	33	40
EPS growth (%)	18.93	31.39	18.50
ROE (%)	12.2	14.0	14.5
ROA (%)	0.9	1.9	2.0
BV	222	255	293
P/B (X)	6.0	6.6	5.7
P/E (x)	52.4	50.3	42.5

### 3QFY20 Result Update

- NII growth has declined to 17% on the back of slow down in the advances growth at 10% YoY. NIM stood at 4.69% v/s 4.31% as at 3QFY20. The cost of SA stood at 5.27% v/s 5.67% YoY. The other income has grown at a rate of 39% on the back of strong growth in treasury income. PAT has grown at a rate of 24% on the back of higher operating expenses at 21% YoY.
- Advances growth of 10% YoY was mainly driven by retail segments (like home loan segment by 20% YoY while the agriculture segment grew at the rate of 17% YoY). The growth in the corporate segment slowed down as management thinks the number of suitable corporations is dwindling and the business loan segment is at lower capacity utilization.
- The deposit has grown at the rate of 12%/3% YoY/ QoQ to Rs 239354 Cr. The CASA % stood at 53.7% as of 3QFY20. The CASA & TD below Rs 5 Cr stood at 87%. Average SA balance has grown at 20% YoY while CA has grown at 19% YoY.
- GNPA stood at 2.46%, NNPA stood at 89 bps while PCR stands at 64.4% as of 3QFY20. The addition during the quarter stood at Rs 1,062 Cr. SMA2 outstanding at Rs 274 Cr, 0.13% of net advances. The credit cost for 9MFY20 stood at 67 bps while management continues to maintain credit cost at 60 bps for FY20.
- The conso. Advances have grown at 7.5% as of 3QFY20. The conso. GNPA stood at 2.33% while NNPA stood at 87 bps.
- Kotak Life Insurance PAT increased by 15% YoY. The gross written premium has registered a growth of 44%, with the individual segment growing at 29% to Rs 1564 Cr, for single stood at Rs 229 while for the group it stood at Rs 852 Cr. The 13th Month persistency as on 3QFY20 stood at 88.02%.
- Kotak capital has witnessed strong growth with PAT standing at Rs 40 Cr with AUM witnessing a growth of 29% YoY. The market share stood at 1.6% at 3QFY20 with the market share in the cash segment standing at 9.2%.
- The overall market share of Kotak AMC stood at 6.6% as of 3QFY20. The share of equity AUM stood at 4.8% with a PAT of Rs 91 Cr.
- Kotak Prime has decreased by 7% with an increase in the GNPA to 61 bps as of 3QFY20. The CAR stood at 22.6%.
- Kotak Investment's customer assets have witnessed a decline of 9% with a rise in NNPA to 1.30% as of 3QFY20. CAR stood strong at 25.1%.

### View and Valuation

Management deliberately slows down the growth of the portfolio while restricting itself from having higher exposure to any particular sector. Management has put growth secondary foot and further has downgraded the loan growth guidance to lower teens while the focus remains on maintaining the quality of the portfolio. The margin remains strong on the back of a higher share in the retail segment. We remain cautious on the credit cost front on the back of higher corporate slippages. The subsidiaries' performance has been stellar expect for Kotak Prime & Kotak Investment where growth & asset quality was affected but capital stood strong. We value KOTAKBANK on SOTP based valuation to arrive at target price of Rs 1770 (lending business at 4x FY21e). ACCUMULATE

### Key Risks to our rating and target

- Loan book growth will be the key trackable.
- Delinquency control will be important

### RESEARCH ANALYST

#### DEEPAK KUMAR

Deepak.kumar@narnolia.com  
+91-22-62701205

#### SWETA PADHI

Shweta.padhi@narnolia.com

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## Healthy Performance

### 3QFY20 Results

### In Line With Our Expectations

Fig. in Rs Cr

FINANCIALS	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY %	QoQ%	FY18	FY19	YoY %
Interest Inc.	6,250	6,402	6,640	6,762	6,736	8%	0%	19,748	23,943	21.2%
Interest Exp.	3,311	3,354	3,467	3,412	3,306	0%	-3%	10,217	12,684	24.2%
NII	2,939	3,048	3,173	3,350	3,430	17%	2%	9,532	11,259	18.1%
Other Income	964	1,270	1,305	1,224	1,341	39%	10%	4,052	4,604	13.6%
Total Income	3,903	4,318	4,478	4,574	4,771	22%	4%	13,584	15,863	16.8%
Ope Exp.	1,965	2,036	2,079	2,065	2,383	21%	15%	6,426	7,515	16.9%
PPP	1,938	2,282	2,399	2,509	2,388	23%	-5%	7,158	8,348	16.6%
Provisions	(32)	171	317	408	444	-1475%	9%	940	962	2.4%
PBT	1,971	2,111	2,082	2,101	1,944	-1%	-7%	6,218	7,386	18.8%
Tax	680	703	722	376	348	-49%	-7%	2,134	2,520	18.1%
Net Profit	1,291	1,408	1,360	1,724	1,596	24%	-7%	4,084	4,865	19%

### Concall Highlights

- Uday Kotak says Darwinian Theory for survival of fittest is playing out in a different sector. Strategies that needed to be enhanced are sharper risk underwriting with focus on particular borrowers (not sector exposure but choosing within the sector & he thinks compass is more important than the speedometer..
- Uday Kotak expects the nominal GDP growth to move to 10-11% going ahead and KOTAK BANK is expected to grow at least 1.5x going ahead. However, in FY20 loan book of KOTAKBANK will grow in the range of 10-15%. Home loan and small business segment has led to growth. Lower sales are leading to lower disbursement in the CV segment.
- There was one-off employee cost hit of Rs 200 Cr linked towards pension obligation benefit scheme of IBA for the employees of ING-Vysya primarily on account of revision in annuity table effective from 1st Oct 2019. The number of employees benefitted around 2000. OPEX cost has led to rise in business related expenses.
- Credit cost stood at 9MFY20 67 bps hovering in the range of historical of 60-70 bps. SMA stood at Rs 247 Cr as at 3QFY20 13 bps vs Rs 344 Cr of the net advances.
- Corporate banking (SME & Corporate), number of corporate which we can be lend to is shrinking with lesser demand of long-term loans. Better corporate is going to cheaper CP market.
- CASA & deposit less than 5 Cr contribute up to 87% of total deposit base.
- Kotak prime & Kotak investment has witnessed a drop in their book but with improvement in the margin with healthy capital adequacy. Passenger car has slowed down which led to slowdown in kotak prime.
- Kotak securities market share have been maintained 9.2% cash segment.
- Life gross return premium has grown 44% while individual premium grown at 29.3%. AUM stood at Rs 32670 Cr 29% YoY growth.
- Domestic mutual fund has grown at 27% YoY 177114 Cr; EQUITY has grown at 31% YoY.
- Cost of saving deposits has reduced to 5.27%.
- Management has not witnessed increase in agri slippages but there was 1-2 chunky slippages in corporate book. There has been rise in delinquency in unsecured credit card and personal loan book of KOTAK BANK.
- Fee income growth has been dragged down by investment distribution income. Mutual fund up fronted commission has turned into annuity.

## Profitability Matrix

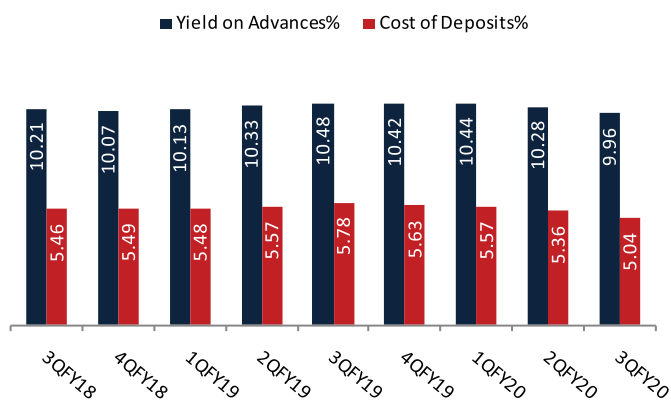
	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY (+/-)	QoQ (+/-)
C/I Ratio %	45.8	46.2	50.3	47.1	46.4	45.2	49.9	-0.39	4.79
Empl. Cost/ Tot. Exp. %	42.0	41.4	42.6	42.1	43.4	44.3	45.8	3.20	1.51
Other Exp/Tot. Exp.%	58.0	58.6	57.4	57.9	56.6	55.7	54.2	-3.20	-1.51
Provision/PPP %	23.1	16.9	(1.7)	7.5	13.2	16.3	18.6	20.26	2.33
Tax Rate %	34.4	34.4	34.5	33.3	34.7	17.9	17.9	-16.58	0.00
Int Exp./Int Inc. (%)	52.9	53.7	53.0	52.4	52.2	50.5	49.1	-3.89	-1.38
Other Inc./Net Inc. %	45.1	44.8	32.8	41.7	41.1	36.6	39.1	6.32	2.56
PAT/ Net Income %	27.4	29.3	33.1	32.6	30.4	37.7	33.5	0.37	-4.25
PAT Growth %	12.3	14.8	22.6	25.2	32.7	51.1	23.6	1.05	-27.43
NII Growth %	15.0	16.3	22.8	18.1	22.8	24.6	16.7	-6.10	-7.87
PPP Growth %	27.4	21.5	6.5	13.1	18.0	19.7	23.2	16.69	3.46

## Margin Performance

MARGIN %	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY (+/-)	QoQ (+/-)
Yield on Advances	10.1	10.3	10.5	10.4	10.4	10.3	10.0	-0.51	-0.31
Yield on Total Assets	9.2	9.1	9.5	9.2	9.3	9.3	9.0	-0.54	-0.31
Cost Of Funds	5.3	5.4	5.6	5.5	5.4	5.3	5.0	-0.62	-0.28
Cost Of Deposits	5.5	5.6	5.8	5.6	5.6	5.4	5.0	-0.74	-0.32
NIM	4.3	4.2	4.3	4.5	4.5	4.6	4.7	0.36	0.08

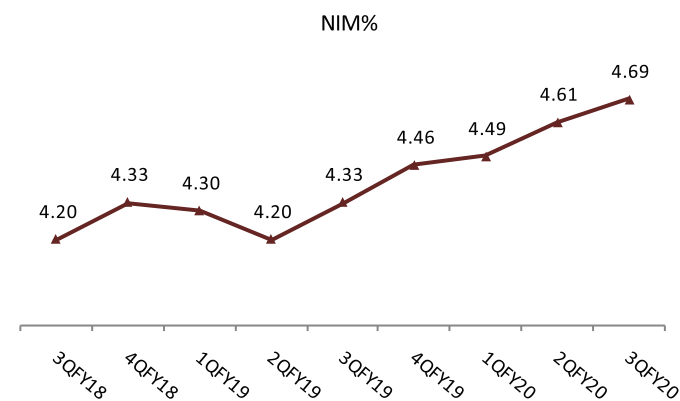
## Exhibit: Yield and Cost

Stable Spreads



## Exhibit: Net Interest Margin

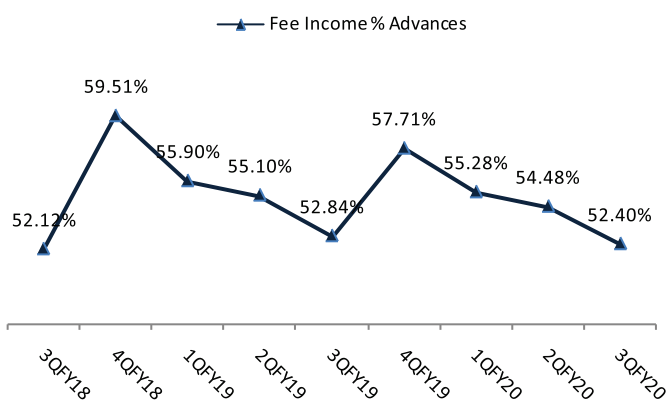
NIM on improving trend.



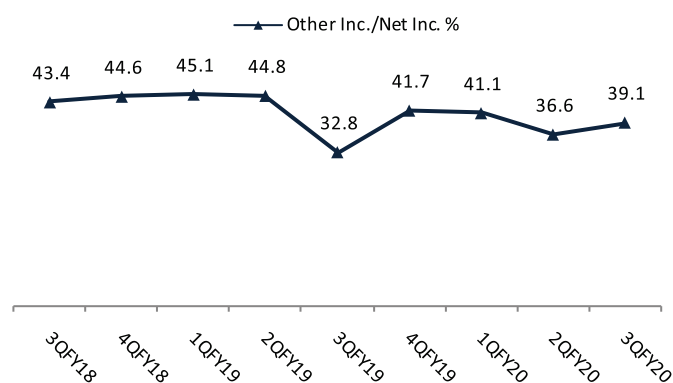
## Advances Break Up

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Corp. & Bus. Bankng %	43	41	43	41	41	39	39	39	38
CV/CE %	8	9	9	9	9	10	10	9	9
Agriculture Division %	13	14	12	12	12	13	12	13	13
Home Loan & LAP %	19	19	19	20	20	20	20	21	21
Small Bus., PL & CC %	14	15	15	16	16	16	16	16	16
Others %	2	2	2	2	2	2	2	2	2

## Exhibit: Fee Income/Advances %



## Exhibit: Other Income/ Total Income %



## Liability Mix

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Deposit	180826	192643	189744	205830	213804	225880	232931	233071	239354
Growth YoY	21.1%	22.4%	16.0%	24.2%	18.2%	17.3%	22.8%	13.2%	12.0%
Growth QoQ	9.1%	6.5%	-1.5%	8.5%	3.9%	5.6%	3.1%	0.1%	3.0%
CASA (Cr)	84386	97775	95363	103402	108424	118586	118123	124912	128517
CASA Growth YoY	7.1%	16.2%	3.6%	19.7%	22.4%	20.6%	23.9%	20.8%	18.5%
CASA Growth QoQ	0.8%	24.4%	-10.9%	7.1%	3.1%	22.5%	-0.4%	5.7%	2.9%
CASA %	46.7%	50.8%	50.3%	50.2%	50.7%	52.5%	50.7%	53.6%	53.7%
CA %	14.3%	16.7%	15.1%	15.0%	14.8%	17.2%	15.7%	16.4%	15.4%
SA %	32.3%	34.0%	35.1%	35.3%	35.9%	35.3%	35.0%	37.2%	38.3%
CD %	88.0%	88.1%	93.2%	89.9%	91.9%	91.1%	89.3%	91.5%	90.6%

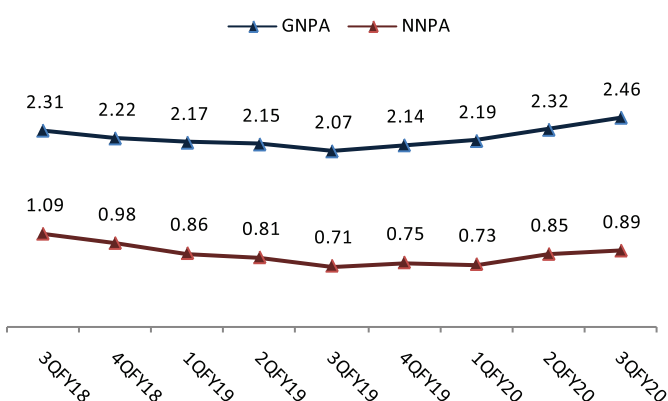
## Asset Quality

Fig. in Rs Cr

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	3,899	4,033	4,129	4,468	4,614	5,034	5,413	31%	8%
GNPA %	2.17	2.15	2.07	2.14	2.19	2.32	2.46	0.39	0.14
NNPA (Rs in Cr)	1,527	1,501	1,397	1,544	1,524	1,811	1,925	38%	6%
NNPA %	0.86	0.81	0.71	0.75	0.73	0.85	0.89	0.18	0.04
SMA (Cr)	189	165	344	138	332	408	274	-948%	-33%
PCR %	61	63	66	65	67	64	64	-1.73	0.41

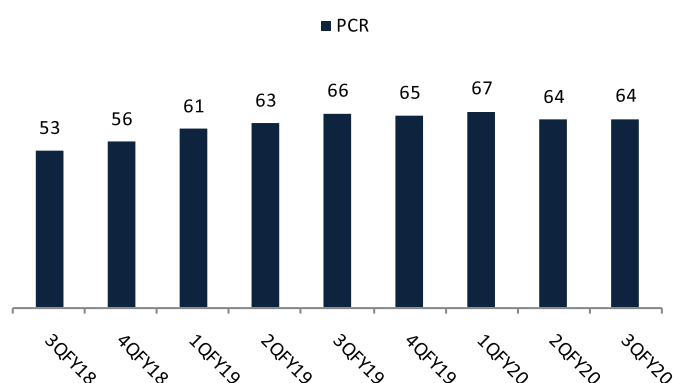
## Exhibit: Asset Quality

Assets quality has deteriorated sequentially

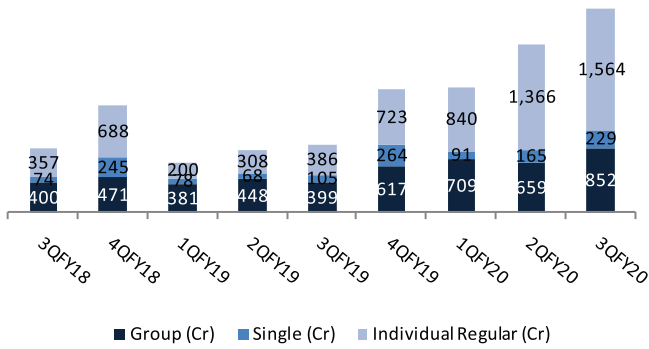


## Exhibit: Provisions

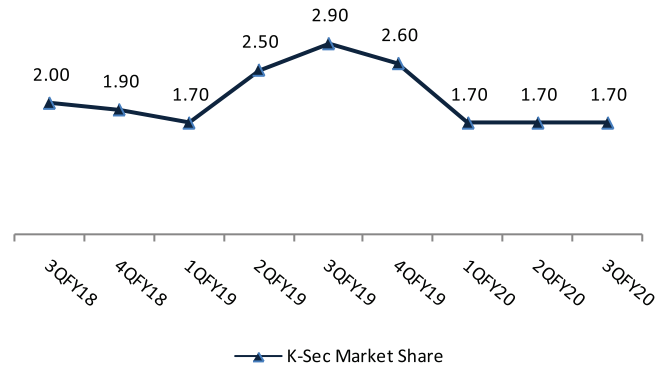
PCR has Remained Steady



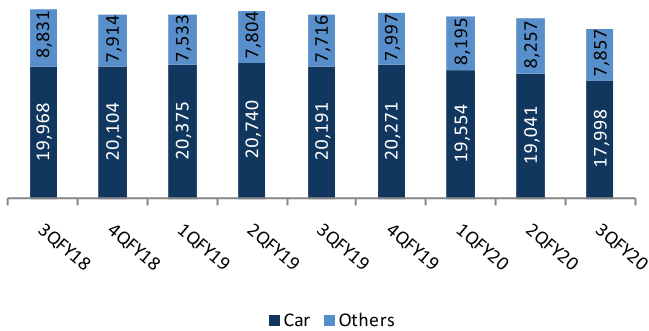
### Exhibit: Kotak Life Insurance New Business Premium



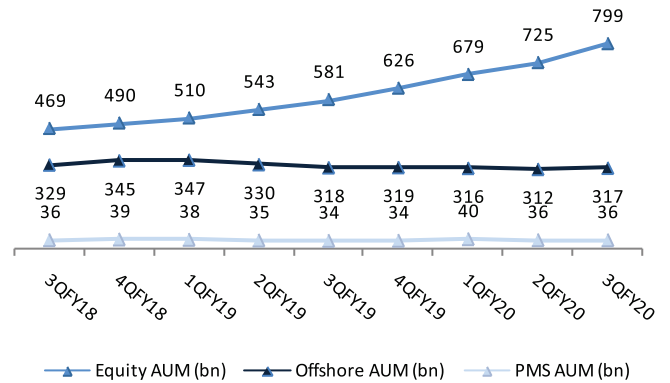
### Exhibit: Kotak Securities Market Share%



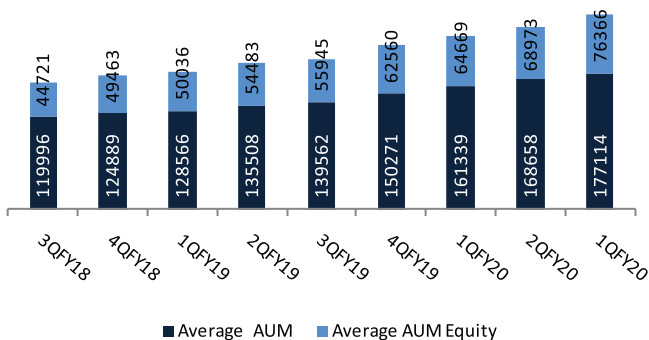
### Exhibit: Kotak Mahindra Prime



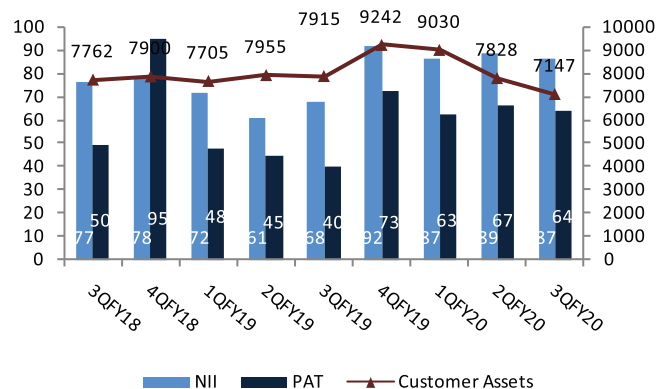
### Exhibit: Kotak Mahindra Capital Company



### Exhibit: Kotak Mahindra AMC & Trustee Co.



### Exhibit: Kotak Mahindra Investments



## PAT of Subsidiaries

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Kotak Mahindra Bank	1,053	1,124	1,025	1,142	1,291	1,408	1,360	1,724	1,596
Kotak Mahindra Prime	148	160	139	157	139	164	153	172	187
Kotak Mahindra Investments	50	95	48	45	40	73	63	67	64
Kotak Securities	154	134	130	112	99	111	110	149	128
Kotak Mahindra Capital	36	25	25	14	3	21	45	1	40
Kotak Mahindra Life Insurance	97	114	117	127	125	138	134	144	166
Kotak AMC and TC	38	39	51	52	76	75	73	85	91
International Sub.	32	38	33	47	37	32	29	34	26
Others	12	2	28	13	11	15	17	22	30
<b>Total</b>	<b>1,621</b>	<b>1,731</b>	<b>1,596</b>	<b>1,709</b>	<b>1,821</b>	<b>2,037</b>	<b>1,984</b>	<b>2,398</b>	<b>2,328</b>
Minority Interest	(4)	-	-	-	-	-	-	-	-
Affiliates and Others	8	58	(22)	38	23	1	(52)	9	21
<b>Total</b>	<b>1,625</b>	<b>1,789</b>	<b>1,574</b>	<b>1,747</b>	<b>1,844</b>	<b>2,038</b>	<b>1,932</b>	<b>2,407</b>	<b>2,349</b>

## Equity

	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20
Kotak Mahindra Bank	36,297	37,482	38,538	40,103	41,426	42,898	44,290	45,912	47,606
Kotak Mahindra Prime	4,657	4,816	4,955	5,112	5,251	5,416	5,568	5,740	5,927
Kotak Mahindra Invstmnt	1,187	1,382	1,431	1,476	1,516	1,590	1,652	1,719	1,783
Kotak Securities	3,393	3,527	3,656	3,768	3,867	3,979	4,089	4,238	4,366
Kotak Mahindra Capital	533	559	534	548	551	572	588	589	629
Kotak Mahindra Life Insurance	2,124	2,238	2,355	2,482	2,607	2,745	2,879	3,023	3,189
Kotak AMC and TC	295	333	379	432	508	583	623	708	799
Kotak Infra. Debt Fund	320	324	329	337	342	349	356	364	373
Kotak Mah. Gen. Ins.	108	98	135	126	116	108	146	183	174
Internatnl Subsi.	760	813	887	987	987	1,009	1,035	1,097	1,131
Kotak Invesmnt Advisors	336	338	355	354	355	355	351	353	364
Other Entities	147	154	169	185	199	213	231	250	269
Affiliates/Associates	801	858	888	921	942	942	941	949	968
Minority, Inter-co	(2,337)	(2,436)	(2,487)	(2,482)	(2,481)	(2,479)	(2,518)	(2,562)	(2,560)
<b>Consolidated Network</b>	<b>48,621</b>	<b>50,486</b>	<b>52,124</b>	<b>54,349</b>	<b>56,186</b>	<b>58,280</b>	<b>60,231</b>	<b>62,563</b>	<b>65,018</b>

## Valuation Matrix

Entity	Holding %	Price/Share	Rationale
Kotak Mahindra Prime Limited	100	142	4x on FY21e BV
Kotak Mahindra Investments Limited	100	44	4x on FY21e BV
BSS Microfinance Limited	100	5	4x on FY21e BV
Kotak Securities Limited	100	82	25x times FY21e PAT
Kotak Mahindra Capital Company Limited	100	8	20x times FY21e PAT
Kotak Mahindra Life Insurance Ltd.	100	269	4.5x times FY21e EV
Kotak Mahindra Assets Management Company Ltd.	100	184	0.15x times FY21e AUM
International Subsidiaries	100	13	15x times FY21e PAT
<b>Total Value of Subsidiary</b>		<b>746</b>	
Less: Holding Co Discount		20%	
<b>Value after Holdco. Discount</b>		<b>597</b>	
Bank Standalone		1,173	4x on FY21e BV
<b>Target</b>		<b>1,770</b>	



## Financial Details

### Balance Sheet

Fig. in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Share Capital</b>	<b>385</b>	<b>386</b>	<b>917</b>	<b>920</b>	<b>953</b>	<b>1454</b>	<b>1454</b>	<b>1454</b>
Equity Capital	385	386	917	920	953	1454	1454	1454
Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	11898	13758	23045	26697	36531	41446	47655	55024
<b>Networth</b>	<b>12275</b>	<b>14141</b>	<b>23959</b>	<b>27616</b>	<b>37482</b>	<b>42398</b>	<b>48608</b>	<b>55977</b>
Deposits	59072	74860	138643	157426	192643	225880	255976	301062
Change (%)	16	27	85	14	22	17	13	18
CASA Deposits	18828	27217	52777	69265	97775	118586	139507	165584
Change (%)	26	45	94	31	41	21	18	19
Borrowings	12896	12150	20975	21095	25154	32248	27876	32244
Other Liabilities & Provisions	3334	4858	8679	8451	9652	11143	12386	12544
<b>Total Liabilities</b>	<b>87585</b>	<b>106012</b>	<b>192260</b>	<b>214590</b>	<b>264933</b>	<b>312172</b>	<b>345347</b>	<b>402329</b>
Cash & Bank	5980	6262	10880	22572	19620	24676	24914	32983
Investments	25485	30421	51260	45074	64562	71189	79352	93329
Change (%)	-12	19	69	-12	43	10	11	18
Advances	53028	66161	118665	136082	169718	205695	230378	264935
Change (%)	9	25	79	15	25	21	12	15
Fixed Assets	1107	1207	1552	1538	1527	1652	1817	1998
Other Assets	1986	1961	9903	9324	9506	8961	8886	9083
<b>Total Assets</b>	<b>87585</b>	<b>106012</b>	<b>192260</b>	<b>214590</b>	<b>264933</b>	<b>312172</b>	<b>345347</b>	<b>402329</b>

### Income Statement

Fig. in Rs Cr

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	8,767	9,720	16,384	17,699	19,748	23,943	27,065	30,111
Interest expended	5,047	5,496	9,484	9,573	10,217	12,684	13,589	15,061
<b>Net Interest Income</b>	<b>3,720</b>	<b>4,224</b>	<b>6,900</b>	<b>8,126</b>	<b>9,532</b>	<b>11,259</b>	<b>13,477</b>	<b>15,050</b>
Change (%)	16	14	63	18	17	18	20	12
Other Income	1,400	2,028	2,612	3,477	4,052	4,604	5,184	5,693
Change (%)	21	45	29	33	17	14	13	10
Core Fee Income	943	1,353	1,851	2,676	3,454	4,233	4,669	5,393
Total Net Income	5,120	6,252	9,513	11,603	13,584	15,863	18,660	20,742
Operating Expenses	2,543	3,255	5,472	5,619	6,426	7,515	8,685	9,020
Change (%)	15	28	68	3	14	17	16	4
Employee Expenses	1,159	1,450	2,804	2,745	2,930	3,159	3,847	3,888
<b>Pre-provisioning Profit</b>	<b>2,577</b>	<b>2,997</b>	<b>4,041</b>	<b>5,985</b>	<b>7,158</b>	<b>8,348</b>	<b>9,976</b>	<b>11,722</b>
Change (%)	20	16	35	48	20	17	19	18
Provisions	305	165	917	837	940	962	1,560	1,595
Change (%)	65	(46)	458	(9)	12	2	62	2
PBT	2,272	2,833	3,124	5,148	6,218	7,386	8,416	10,127
Tax	770	967	1,034	1,737	2,134	2,520	2,023	2,552
<b>Profit After Tax</b>	<b>1,503</b>	<b>1,866</b>	<b>2,090</b>	<b>3,412</b>	<b>4,084</b>	<b>4,865</b>	<b>6,393</b>	<b>7,575</b>
Change (%)	10	24	12	63	20	19	31	18

## Financial Details

### Key Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Balance Sheet Metrics</b>								
Loan Growth (%)	9	25	79	15	25	21	12	15
Deposit Growth (%)	16	27	85	14	22	17	13	18
C/D Ratio (%)	89.8	88.4	85.6	86.4	88.1	91.1	90.0	88.0
CASA (%)	31.9	36.4	38.1	44.0	50.8	52.5	54.5	55.0
Investment/Deposit (%)	43.1	40.6	37.0	28.6	33.5	31.5	31.0	31.0
CRAR (%)	18.8	17.2	16.3	16.8	18.2	17.5	18.2	17.9
Tier 1 (%)	17.8	16.2	15.3	15.9	17.6	16.9	17.5	17.3
Tier 2 (%)	1.0	1.0	1.0	0.9	0.6	0.6	0.7	0.6

<b>Assets Quality Metrics</b>								
Gross NPA (Rs)	1,059	1,237	2,838	3,579	3,825	4,468	5,845	6,879
Gross NPA (%)	2.8	2.8	2.8	2.3	2.4	2.4	2.4	2.4
Net NPA(Rs)	574	609	1,262	1,718	1,665	1,544	2,138	2,134
Net NPA (%)	1.1	0.9	1.1	1.3	1.0	0.8	0.9	0.8
Provision Coverage (%)	46	51	56	52	56	65	63	69
Provision/Average Advances (%)	0.6	0.3	1.0	0.7	0.6	0.5	0.7	0.6

<b>Margin Metrics</b>								
Yield On Advances (%)	13.2	12.5	13.5	10.5	9.6	9.8	9.7	9.5
Yield On Investment (%)	7.5	7.9	8.5	7.6	7.2	7.2	7.1	6.8
Yield on Earning Assets (%)	10.7	10.6	11.6	9.2	8.7	8.7	8.7	8.6
Cost Of Deposits (%)	6.9	6.8	7.4	5.6	5.1	5.3	5.0	4.8
Cost Of Funds (%)	6.8	6.7	7.4	5.5	5.0	5.2	4.9	4.8
Spread (%)	3.8	3.9	4.2	3.7	3.7	3.5	3.8	3.8
NIM (%)	4.5	4.6	4.9	4.2	4.2	4.1	4.3	4.3

<b>Profitability &amp; Efficiency Metrics</b>								
Int. Expense/Int.Income (%)	57.6	56.5	57.9	54.1	51.7	53.0	50.2	50.0
Fee Income/NII (%)	25.3	32.0	26.8	32.9	36.2	37.6	34.6	35.8
Cost to Income (%)	49.7	52.1	57.5	48.4	47.3	47.4	46.5	43.5
Cost on Average Assets (%)	3.0	3.4	3.7	2.8	2.7	2.6	2.6	2.4
Tax Rate (%)	33.9	34.1	33.1	33.7	34.3	34.1	24.0	25.2

<b>Valuation Ratio Metrics</b>								
EPS (Rs)	9.8	12.1	11.4	18.5	21.4	25.5	33.5	39.7
Change (%)	7.0	23.9	(5.7)	62.7	15.7	19	31.4	18.5
ROAE (%)	13.8	14.1	11.0	13.2	12.5	12.2	14.0	14.5
ROAA (%)	0.5	0.5	0.5	0.8	0.8	0.9	1.9	2.0
Dividend Payout (%)	4.1	3.7	4.4	3.2	3.3	3.1	2.4	2.3
Dividend yield (%)	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Book Value (Rs)	79.7	91.5	130.6	150.0	196.7	222.1	254.7	293.3
Change (%)	26	15	43	15	31	13	15	15
P/B (X)	4.9	7.2	5.2	5.8	5.3	6.0	6.6	5.7
P/E (X)	39.9	54.4	59.8	47.1	48.9	52.4	50.3	42.5



## Financial Details

### Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest Income	10.2	10.0	11.0	8.7	8.2	8.3	8.2	8.1
Interest expended	5.9	5.7	6.4	4.7	4.3	4.4	4.1	4.0
<b>Net Interest Income</b>	<b>4.3</b>	<b>4.4</b>	<b>4.6</b>	<b>4.0</b>	<b>4.0</b>	<b>3.9</b>	<b>4.1</b>	<b>4.0</b>
Non-Fund Based Income	1.6	2.1	1.8	1.7	1.7	1.6	1.6	1.5
Core Fee Income	1.1	1.4	1.2	1.3	1.4	1.5	1.4	1.4
Trading and Other Income	0.5	0.7	0.5	0.4	0.2	0.1	0.2	0.1
Core Operating Income	5.4	5.8	5.9	5.3	5.4	5.4	5.5	5.5
<b>Total Income</b>	<b>6.0</b>	<b>6.5</b>	<b>6.4</b>	<b>5.7</b>	<b>5.7</b>	<b>5.5</b>	<b>5.7</b>	<b>5.5</b>
Total Operating Expenses	3.0	3.4	3.7	2.8	2.7	2.6	2.6	2.4
Employee Expenses	1.4	1.5	1.9	1.3	1.2	1.1	1.2	1.0
Other Expenses	1.6	1.9	1.8	1.4	1.5	1.5	1.5	1.4
<b>Operating Profit</b>	<b>3.0</b>	<b>3.1</b>	<b>2.7</b>	<b>2.9</b>	<b>3.0</b>	<b>2.9</b>	<b>3.0</b>	<b>3.1</b>
Provisions	0.4	0.2	0.6	0.4	0.4	0.3	0.5	0.4
Others	-	-	-	-	-	-	-	-
PBT	2.7	2.9	2.1	2.5	2.6	2.6	2.6	2.7
Tax	0.9	1.0	0.7	0.9	0.9	0.9	0.6	0.7
<b>PAT/RoAA</b>	<b>1.8</b>	<b>1.9</b>	<b>1.4</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.9</b>	<b>2.0</b>
Equity Multiplier (x)	7.9	7.3	7.8	7.9	7.4	7.2	7.2	7.1
<b>ROAE</b>	<b>13.8</b>	<b>14.1</b>	<b>11.0</b>	<b>13.2</b>	<b>12.5</b>	<b>12.2</b>	<b>14.0</b>	<b>14.5</b>

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Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkagarwal@narnolia.com](mailto:mkagarwal@narnolia.com), Contact No.:033-40541700.

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