

January 23, 2023



Current Price: ₹ 1763.25

STOCK DATA

BSE Code	500247
NSE Symbol	KOTAKBANK
Reuters	KTKM.BO
Bloomberg	KMB IN

VALUE PARAMETERS

52 W H/L(Rs)	1997.00/1630.00
Mkt. Cap.(Rs Cr)	350196.53
Latest Equity(Subscribed)	993.04
Latest Reserve (cons.)	102084.83
Latest EPS (cons.) -Unit Curr.	68.77
Latest P/E Ratio -cons	25.64
Latest Bookvalue (cons.) -Unit Curr.	519
Latest P/BV - cons	3.40
Dividend Yield -%	0.06
Face Value	5.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/12/2022
Foreign	42.70
Institutions	20.12
Non Promoter Corp. Hold.	1.80
Promoters	25.95
Public & Others	9.43

Consolidated Financials Results

In Cr.

	Qtr Ended Dec. 22	Qtr Ended Dec. 21	VAR %
Interest Earned	11011.29	8626.41	30
Interest Expended	3804.03	2918.94	31
Net Interest Income	7207.26	5707.47	30
Other Income	7470.17	5542.73	54
Net Total Income	14677.43	11250.20	36
Operating Expenses	9306.11	6964.63	30
Operating Profits	5371.32	4285.57	43
Provisions & Contingencies	147.14	-125.15	-213
Profit Before Tax	5224.18	4410.72	31
Provision for Tax	1265.04	1073.10	30
PAT Before Minority Interest	3959.14	3337.62	31
Share in profits of associates	35.91	65.12	
PAT	3995.05	3402.74	
EPS*(Rs)	20.10	17.15	

Q3FY23, Strong loan growth, margins and asset quality, beats estimates

On consolidated front, the bank has reported 17% growth in the Net Profit to Rs 3995.05 crore for the quarter ended December 2022, up from Rs 3402.74 crore in the quarter ended December 2021. NII increased 26% to Rs 7207.26 crore, while other income moved up 35% to Rs 7470.17 crore. The operating profit improved 25% to Rs 5371.32 crore in the quarter ended December 2022. Provisions and contingencies increased Rs 147.14 crore, while the effective tax rate was lower at 24.22% in Q3FY2023, compared with 24.3% in Q3FY2022.

on a standalone basis, reported robust 31% growth in Net Profit to Rs 2791.88 crore in the quarter ended December 2022 (Q3FY2023) over the corresponding quarter of last year. The bank has exhibited healthy improvement in asset quality, while further improved its net interest margins (NIMs) in Q3FY2023. NIMs of the bank have improved to 5.47% in Q3FY2023 compared with 5.17% in the previous quarter and 4.62% in the corresponding quarter last year. The cost-to-income rate has been nearly stable at 50.34% in Q3FY2023 from 49.42% in the previous quarter and improved from 52.60% in the corresponding quarter last year. The credit cost (NPA provisions as an annualized percentage of loans) was well contained at 0.19% in Q3FY2023. The loan growth of the bank has remained strong at 23% at end December 2022. The business growth of the bank improved 17% at end December 2022.

Asset quality improves: The bank has improved the asset quality on consolidated as well as standalone basis, in the quarter ended December 2022.

- On standalone basis, GNPA ratio has improved to 1.90% and NNPA ratio to 0.43% at end December 2022.
- The SMA-2 category loans of the bank rose to Rs 191 crore at end December 2022 from Rs 119 crore a quarter ago, while declined from Rs 298 crore a year ago.
- The restructured loan book of the bank has declined to Rs 765 crore or 0.25% of loan book end December 2022 from Rs 994 crore or 0.34% end September 2022.
- The bank held provisions of Rs 6570 crore end December 2022.

Consolidated Asset Quality Indicators: Kotak Mahindra Bank

In Cr.

Particulars	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Qtr Ended	Variation		
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21	QoQ	YTD	YoY
Gross NPA (Rs Crore)	6730	6966.34	7223.54	7334.05	7993.34	-3	-8	-16
Net NPA (Rs Crore)	1667.71	1975.44	2143.06	2148.72	2496.75	-16	-22	-33
% Gross NPA	1.91	2.09	2.27	2.37	2.75	-18bps	-46bps	-84bps
% Net NPA	0.48	0.6	0.69	0.71	0.87	-12bps	-23bps	-39bps
% CRAR - Basel III	19.66	21.24	23.30	23.7	21.29	-158bps	-404bps	-163bps

Variation in basis points for figures given in percentages and % for Rs crore

- Capital Adequacy ratio under Basel III including profits stood at 21.70% end December 2022.

Business Highlights:

Standalone Business Highlights

The business level of the bank increased 17% yoy to Rs 655400 crore at end December 2022. The deposits moved up 13% to Rs 344666 crore, while advances increased 23% to Rs 310734 crore at end December 2022. The credit-deposit ratio eased to 90.16% at end December 2022 from 90.41% a quarter ago.

Segment wise, Corp & Business banking recorded loan growth of 2% to Rs 69987 crore, CV/CE 15% to Rs 25814 crore, Agriculture Division 16% to Rs 26128 crore, Tractor Finance 28% to Rs 12986 crore, Home Loans & LAP 29% to Rs 89112 crore, Consumer Bank WC (Secured) 20% to Rs 28940 crore, PL, BL and Consumer Durables 69% to Rs 14542 crore, Credit Cards 85% to Rs 9159 crore and SME 25% to Rs 23154 crore end December 2022 over December 2021.

The CASA deposits ratio eased to 53.26% at end December 2022 from 56.15% a quarter ago and 59.92% a year ago. The cost of saving account deposits was stable at 3.79% at end December 2022.

The bank has added 42 branches and 12 ATMs in the quarter ended December 2022. The branch and ATMs network of the bank stood at 1752 branches and 2814 ATMs at end December 2022.

Book Value per share of the bank stood at Rs 402.8 per share at end December 2022. Adjusted book value (net of NNPA and 10% of restructured advances) stood at Rs 395.6 per share at end December 2022.

Consolidated Business Highlights

Consolidated customer assets increased 22% to Rs 377400 crore at end December 2022.

Book Value per share stood at Rs 542.1 per share at end December 2022, while adjusted book value (net of NNPA) stood at Rs 533.7 per share at end December 2022.

Consolidated Quarterly Performance:

On the consolidated front, the bank has reported 17% increase in the net profit at Rs 3995.05 crore, with the NII growth of 26% to Rs 7207.26 crore in the quarter ended December 2022. Non-interest income increased 35% to Rs 7470.17 crore and net total income moved up 30% to Rs 14677.43 crore in the quarter ended December 2022. The expense ratio was higher at 63.4%, while the tax rate was lower at 24.2% in the quarter ended December 2022.

Kotak Prime has reported 6% yoy improvement in the net total income at Rs 525 crore for

Q3FY2023, while net profits declined 11% to Rs 225 crore. Total customer asset moved up 11% yoy to Rs 26983 crore at end December 2022. Car advances constituting 79.4% of the total customer assets increased 24% to Rs 21431 crore. Asset quality has improved with %NNPA moderating to 1.10% at end December 2022 from 2.10% at end December 2021.

Kotak Mahindra Life Insurance has reported 17% increase in the gross premium collection to Rs 3623 crore in Q3FY2023. PAT increased 34% to Rs 330 crore in Q3FY2023. Solvency ratio increased to 2.88% in Q3FY2023 against 2.66% in Q3FY2022.

Kotak Securities has reported PAT at Rs 241 crore in Q3FY2023, exhibiting 11% decline from Rs 270 crore in Q3FY2022. Total income fell 2% to Rs 646 crore. Market share rose to 5.8% at end December 2022 from 5.1% a quarter ago and 3.0% a year ago.

Kotak Mahindra Capital has reported a net profit of Rs 28 crore, against Rs 103 crore in the corresponding quarter last year. AUM increased 5% to Rs 405269 crore at end December 2022 over December 2021.

Kotak Mahindra AMC and Trustee Co reported 1% rise in Average AUM at Rs 288669 crore in the quarter ended December 2022. The net profit of the company gained 1% to Rs 150 crore in Q3FY2023.

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