

Financials: Banks



4QFY25 earnings estimates (INR b)

PAT	4Q FY25E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	4.7	27.5	-10.5
AXSB	71.9	0.8	14.0
BANDHAN	4.5	722.8	5.4
DCBB	1.6	1.6	4.4
EQUITAS	0.7	-64.6	11.0
FB	9.2	1.5	-3.7
HDFCB	170.3	3.2	1.8
ICICIBC	120.3	12.3	2.0
IDFCFB	2.9	-60.3	-15.2
IIB	-1.4	-106.1	-110.2
KMB	37.8	-8.5	14.4
RBK	0.3	-91.7	-10.8
Private Total	422.8	-3.0	0.6
PSU Banks			
BOB	49.0	0.2	1.3
CBK	41.6	10.8	1.4
INBK	28.5	27.1	0.1
PNB	45.5	51.0	0.8
SBIN	185.6	-10.4	9.9
UNBK	46.0	38.9	-0.1
PSU Total	396.2	4.5	4.8
Banks Total	818.9	0.5	2.6

Muted quarter; rate cuts to keep margins in check

MFI asset quality remains under watch

- Credit growth outlook remains modest:** Systemic credit growth slowed to ~11.1% in 4QFY25 from 16.5% a year ago, amid slower demand in certain secured products, stress in the unsecured segment, and a high CD ratio across the system. With an incremental CD ratio at 87% and an outstanding CD ratio at elevated 80.5%, we expect credit growth to remain tepid at 12% in FY26E.
- Deposit growth at 10.2% in Mar'25; CASA growth remains a challenge:** Deposit growth for the system has been at 10.2% YoY while FY25YTD growth stands closer at 9.9% vs. credit growth of 10.3%. With CASA accretion being a challenge and depositors preferring term deposits (TDs) with higher rates, these factors could push CoF to the higher side and thus could hurt NIMs. With inflation being lower, we foresee two-three rounds of rate cuts in FY26, thus impacting yields especially in 1HFY26.
- NIMs to remain under pressure; CRR cut and MCLR adjustments to provide some relief:** With repo rate cuts already underway, banks' lending yields have begun to decline, while borrowing costs are expected to remain high in 1HFY26 as banks continue mobilizing deposits despite elevated rates. Additionally, data shows a decline in WALR on outstanding loans, indicating transmission of reduction in repo rate. However, the 50bp CRR cut in Dec'24 is expected to provide some relief, and MCLR adjustments by select PSU banks could help to sustain NIMs in the near term.
- Unsecured retail / MFI stress to remain elevated; PSU Banks remain insulated:** In line with the trend seen so far in 9MFY25, our checks suggest that asset quality will remain under stress for most MFI lenders (mainly mid-sized banks). As a result, we expect asset quality stress to remain high for select banks like IIB, RBK, Bandhan, IDFCFB, AU Bank and Equitas, while large private and PSU banks are relatively better placed to navigate the current asset quality cycle.
- Estimate 11.8% PAT CAGR over FY25-27E for our banking coverage universe:** We estimate NII for our banking coverage universe to grow ~3.9% YoY in 4QFY25, while PPOp may fall 0.7% YoY (up 3.5% QoQ). We thus estimate private banks' PAT to decline by 3% YoY and PSU banks to report earnings growth of 4.5% YoY. For MOFSL Banking Universe, we estimate earnings growth of 0.5% YoY in 4QFY25, and a 11.8% CAGR over FY25-27E.

Private Banks: Earnings to decline 3% YoY (5% YoY growth in FY25E)

- For the private banks under our coverage,** we estimate PPOp to decline by 3.9% YoY/1.4% QoQ and PAT to decline by 3% YoY/flat QoQ. We estimate a 14% CAGR in earnings over FY25-27E for private banks.
- We estimate NII to grow 5.0% YoY in 4QFY25.** Among large private banks under our coverage, HDFCB's growth is estimated to be at 5.5% YoY, ICICI at 9.2% YoY, Axis at 5.8% YoY, KMB at 8.0% YoY, and Federal at 9.4% YoY. For IIB, NII is expected to decline sharply by 33.7% YoY as bank factors in the impact from accounting discrepancy in prior period.

- **Opex is likely to follow a normalized trend**, as banks continue to invest in branches and digital capabilities. Other income would be healthy, driven by strong fee income in 4Q and growth in trading income.
- **Overall slippages are expected to remain under control**, although MFI as a segment continues to face asset quality stress and thus incur higher credit cost. We maintain our cautious stance on the credit outlook and expect a higher credit cost for mid-sized banks, especially those with higher exposure to unsecured retail and MFI segment.

PSU Banks: PAT to grow at modest 4.5% YoY (23% YoY growth in FY25E)

- **We estimate PSU banks to report modest earnings growth of 4.5% YoY** (up 4.8% QoQ) amid a slight decline in NIMs, offset by contained opex and a pick-up in other income. NII is likely to see a modest growth of 2.8% YoY as NIM bias remains negative. Accordingly, we estimate PSU banks to report a 9% CAGR in aggregate earnings over FY25-27.
- **Opex is likely to be under control** and should follow a normalized trajectory for PSU banks. Treasury performance is likely to be better QoQ amid a decline in bond yields while the equity markets have been volatile.
- **Asset quality is likely to remain robust:** While 3Q witnessed a rise in the SMA pool for some banks, it is expected to recover without leading to slippages. Consequently, credit costs should remain largely under control. The new revised norms for the sale of government-guaranteed SRs ([link](#)) should release the excess provisions for PSU banks which they can use for potential requirements.

Small Finance Banks: High credit cost to continue

- **AUBANK's 4QFY25 PAT** is likely to decline by 10.5% QoQ (up 27.5% YoY) to INR4.73b amid higher credit cost growing by 14.5% QoQ (amid ongoing stress in the MFI segment). NII is expected to grow by 2.8% QoQ, while NIM is expected to decline marginally. Asset quality is likely to deteriorate following high slippages in the MFI and Card segments.
- **EQUITASB** is estimated to report yet another modest quarter, with PAT likely to decline by 65% YoY (up 11% QoQ), as provision expenses are expected to remain elevated amid slippages from the MFI segment. We estimate advances growth at 18.6% YoY/3.8% QoQ and deposit growth at 18.2% YoY/4.8% QoQ. NIM is expected to decline by 18bp QoQ.

Payments/Fintech: Credit cost to ease; Paytm's Adj. EBITDA to breakeven

- **SBICARDS:** Retail spend growth is likely to remain healthy, while NIMs may see a slightly positive bias. Asset quality stress is likely to witness some improvement enabling a slight decline in credit cost. We thus estimate PAT to increase 47.1% QoQ.
- **PAYTM:** We estimate 1% QoQ growth in GMV in 4QFY25. Revenue from operations is expected to increase by 15% QoQ to INR20.9b, while contribution profit is likely to grow 23% QoQ to INR11.8b. Contribution margin is thus expected to improve to 56.3%. We expect PAYTM to report adjusted EBITDA breakeven in 4QFY25.

Top picks – ICICIB, HDFCB, SBI and AUBANK

ICICIB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	743	808	887
OP	581	667	741
NP	409	466	507
NIM (%)	4.7	4.5	4.3
EPS (INR)	58.4	66.4	72.2
EPS Gr (%)	27.5	13.7	8.8
ABV/Sh (INR)	315	372	434
Cons. BV/Sh (INR)	363	433	513
Ratios			
RoA (%)	2.4	2.3	2.2
RoE (%)	18.9	18.3	17.1
Valuations			
P/BV (x) (Cons)	3.6	3.0	2.6
P/ABV (x)	3.3	2.8	2.4
P/E (x)	22.6	19.9	18.3
Adj P/E (x)*	18.0	15.8	14.6

*Adj for Investment in Subs

HDFCB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	1,085	1,213	1,301
OP	944	992	1,073
NP	608	668	710
NIM (%)	3.4	3.4	3.4
EPS (INR)	80.0	87.9	93.5
EPS Gr. (%)	1.0	9.8	6.4
BV/Sh. (INR)	580	647	720
ABV/Sh. (INR)	555	617	685
Ratios			
RoA (%)	1.8	1.8	1.7
RoE (%)	14.6	14.3	13.7
Valuations			
P/E(X)	23.7	22.8	22.5
P/E(X)*	22.1	20.2	19.0
P/BV (X)	18.5	16.9	15.9
P/ABV (X)*	3.1	2.7	2.5

*Adj for Investment in Subs

ICICIB (BUY)

- ICICIB has showcased remarkable resilience, posting an impressive ~17% CAGR in loans over FY22-24, led by Retail, BB, and SME segments. The bank's strategic use of data analytics to refine customer onboarding and credit evaluation has been a game-changer in sustaining this momentum.
- Asset quality stands tall, led by a solid PCR of ~79% and a reassuring contingency buffer of INR131b (~1% of loans). While unsecured loans (14% of portfolio) have seen an uptick in delinquencies, ICICIB is well-positioned to keep credit costs in check, with a projected normalization at ~40-50bp over FY26-27E.
- NIMs have been under pressure with current NIMs at 4.25%, down from 18bp YoY over the past year. Though the pace of decline has tapered, the bank anticipates near-term stability.
- Deposits grew faster than the systemic growth, driven by advanced digital banking and a strong branch network, though CASA growth struggles, with the ratio standing at 40.5% in 3QFY25 amid high rates.
- Fee income thrives, led by Retail and BB (~78% of total), with tech investments keeping the cost-to-income ratio contained at ~39%.
- ICICIB is set for top performance with robust loan growth, solid asset quality, and leading returns, targeting RoA/RoE of 2.2%/17% by FY27E. The standalone bank trades at 2.2x FY26E ABV, adjusted for subsidiaries.

HDFCB (BUY)

- HDFC Bank is addressing near-term post-merger headwinds, including high CD ratios and high-cost borrowings, by focusing on deposit mobilization and balance sheet rebalancing.
- Loan book expansion is led by Retail and Commercial & Rural Banking segments, now constituting a major share of the portfolio. We expect a loan CAGR of ~11% and a deposit CAGR of ~15% over FY25-27E.
- NIMs are stabilizing at 3.43% (as of 3QFY25). As high-cost borrowings run off and the loan mix shifts toward higher-yielding assets, NIMs are projected to reach ~3.5-3.6% by FY27.
- GNPA/NNPA ratios remain healthy at 1.4%/0.4%, backed by a robust provision buffer of INR262b (1.1% of loans), providing resilience against potential credit risks.
- The bank is enhancing operational efficiency to maintain stable cost ratios while continuing investments. The cost-to-income and cost-to-asset ratios are expected to decline to ~40% and 1.7%, respectively, by FY27.
- With strategic liability management, margin recovery, and disciplined asset quality, HDFC Bank is poised for steady growth. RoA/RoE are projected at 1.8%/14.1% by FY27, with the bank trading at 2.2x FY26E ABV.

SBI: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	1,599	1,669	1,825
OP	867	1,068	1,180
NP	611	708	751
NIM (%)	3.1	2.9	2.9
EPS (INR)	68.4	79.3	84.1
EPS Gr. (%)	21.6	15.9	6.0
ABV (INR)	365	431	498
Cons. BV (INR)	448	522	616

Ratios

RoA (%)	1.0	1.1	1.0
RoE (%)	18.8	18.7	17.2

Valuations

P/BV (x) (Cons.)	1.7	1.5	1.2
P/ABV (x)*	1.4	1.2	1.0
P/E (x)	10.2	8.7	7.9
P/E (x)*	7.6	6.5	6.2

*Adj for Investment in Subs

AU SFB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	51.6	80.0	98.9
PPoP	24.4	44.9	54.3
PAT	15.3	20.7	26.6
NIM (%)	5.2	6.1	5.9
EPS (INR)	23.0	29.4	35.7
EPS Gr. (%)	4.3	27.9	21.6
BV/Sh. (INR)	187	221	255
ABV/Sh. (INR)	183	212	246

Ratios

RoE (%)	1.5	1.6	1.6
RoA (%)	13.1	14.4	15.0

Valuations

P/E(X)	23.1	18.0	14.8
P/BV (X)	2.8	2.4	2.1
P/ABV (X)	2.9	2.5	2.2

SBI (BUY)

- SBIN sustained strong loan growth of ~13.8% YoY in 3QFY25, driven by steady retail expansion (~36% of the portfolio) and robust corporate and SME segment performance. A healthy credit pipeline of INR6.3t positions SBIN for 14-15% growth, maintaining its lead over systemic credit expansion.
- Asset quality remains stable, with GNPA/NNPA ratios at 2.07%/0.53% in 3QFY25 and a strong PCR of ~75% (92% including write-offs). Disciplined underwriting and sustained recoveries are expected to keep credit costs benign at ~40-50bp over FY26-27E, reinforcing a resilient asset quality outlook.
- Deposits grew 9.8% YoY in 3QFY25, with a comfortable domestic CD ratio of ~68.9%. The bank remains well-positioned for ~11% deposit CAGR over FY25-27E, with a continued focus on granular retail deposits.
- NIMs were steady at 3.01% in 3QFY25, supported by a high proportion (~40%) of the loan book linked to MCLR, shielding SBIN from rate cuts. Ongoing digitalization and branch rationalization have boosted operational efficiency, with the C/I ratio set to improve to ~49.1% by FY27E.
- SBIN remains well-positioned for sustainable growth, underpinned by strong credit expansion, controlled asset quality risks, and accelerating digital transformation. We project a 9% earnings CAGR over FY25-27E, with RoA/RoE expected at 1.06%/16.8% by FY27E. The standalone bank currently trades at 1.0x FY26E ABV.

AU SFB (BUY)

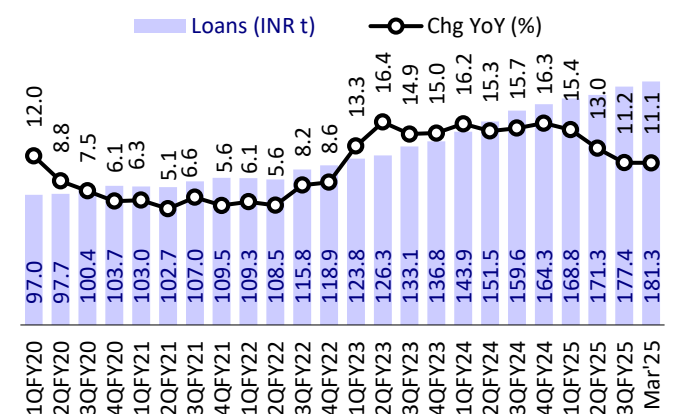
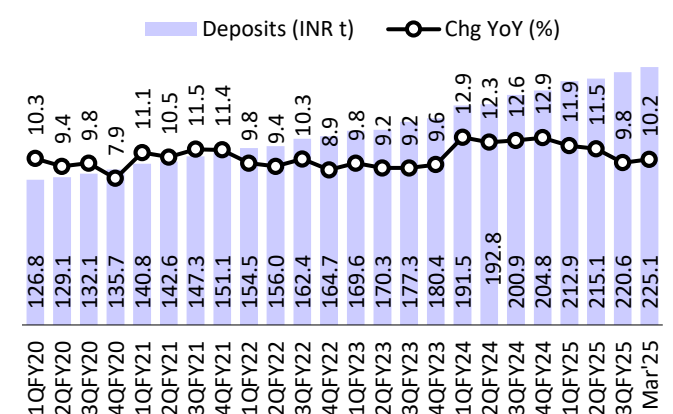
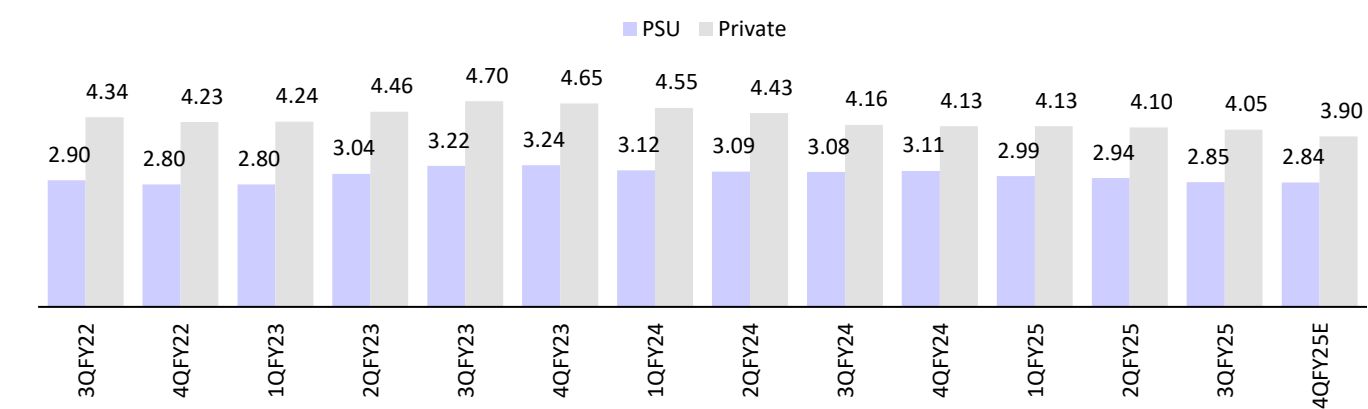
- AUBANK has guided for ~20% loan growth in the near term, led by steady 23-24% growth in the secured portfolio while its MFI business remains under stress. The merger of Fincare and AUBANK's secured retail franchise is seen as a key driver of product and geographic expansion. We, thus, estimate a ~24% CAGR in loans over FY25-27E, primarily led by the secured portfolio.
- AUBANK's branch banking strategy focuses on driving growth in the Top-20 cities (contributing major portion of deposits). The bank plans to open 70-80 new branches in these cities. The bank remains focused on optimizing CASA growth, increasing the proportion of stable deposits, and maintaining a stable LDR.
- While the unsecured book (MFI + Cards) is undergoing stress, asset quality in the secured book remains resilient. We expect MFI stress to recede from 1QFY26, which will reduce credit costs from 2HFY26 onward. Alongside, the fixed rate nature of the loan book will enable AU to report steady margins as the funding cost begins to ease (benefitting from reduction in repo rates).
- The transition to a universal bank will also support healthy growth and enhance market positioning. The gradual improvements in C/I Ratio, trending below 55% over the next two years, should further support RoA recovery toward 1.7% by FY27E. We project a 30% earnings CAGR over FY25-27E, with RoA/RoE expected at 1.7%/16.9% by FY27E. The bank currently trades at 2.2x FY26E ABV.

Exhibit 1: Banks: Summary of 4QFY25 earnings estimates

	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
		Mar'25	YoY (%)	QoQ (%)	Mar'25	YoY (%)	QoQ (%)	Mar'25	YoY (%)	QoQ (%)
Financials										
AU Small Finance	Buy	20,791	55.5	2.8	12,030	81.1	-0.2	4,728	27.5	-10.5
Axis Bank	Neutral	1,38,466	5.8	1.8	1,12,001	6.3	6.3	71,873	0.8	14.0
Bandhan Bank	Neutral	28,066	-2.1	-0.8	17,120	-6.9	-15.3	4,494	722.8	5.4
DCB Bank	Buy	5,651	11.3	4.1	2,847	21.8	5.0	1,581	1.6	4.4
Equitas Small Finance	Buy	8,211	4.5	0.3	3,284	-12.4	-1.3	736	-64.6	11.0
Federal Bank	Buy	24,006	9.4	-1.3	14,689	32.3	-6.4	9,199	1.5	-3.7
HDFC Bank	Buy	3,06,688	5.5	0.1	2,55,681	-12.7	2.3	1,70,342	3.2	1.8
ICICI Bank	Buy	2,08,537	9.2	2.4	1,70,628	13.5	1.0	1,20,264	12.3	2.0
IDFC First Bank	Neutral	49,976	11.8	1.9	17,516	5.3	-0.4	2,878	-60.3	-15.2
IndusInd Bank	Neutral	35,647	-33.7	-31.8	13,159	-67.8	-63.5	-1,430	-106.1	-110.2
Kotak Mahindra Bank	Buy	74,588	8.0	3.6	56,489	3.4	9.0	37,800	-8.5	14.4
RBL Bank	Neutral	15,673	-2.0	-1.1	8,353	-5.8	-16.2	291	-91.7	-10.8
Banks – Private		9,16,299	5.0	-0.6	6,83,797	-3.9	-1.4	4,22,758	-3.0	0.6
Bank of Baroda	Neutral	1,16,590	-1.1	2.1	83,898	3.5	9.5	48,986	0.2	1.3
Canara Bank	Buy	94,253	-1.6	3.0	76,867	4.1	-1.9	41,618	10.8	1.4
Indian Bank	Buy	65,424	8.8	2.0	48,048	11.6	1.2	28,550	27.1	0.1
Punjab National Bank	Buy	1,15,027	11.0	4.3	72,785	13.4	9.9	45,462	51.0	0.8
State Bank of India	Buy	4,27,391	2.6	3.1	2,75,194	-4.3	16.9	1,85,551	-10.4	9.9
Union Bank	Buy	94,541	0.2	2.3	76,576	17.2	2.2	45,990	38.9	-0.1
Banks – PSU		9,13,227	2.8	3.0	6,33,368	3.0	9.4	3,96,156	4.5	4.8
Total Banks		18,29,526	3.9	1.1	13,17,165	-0.7	3.5	8,18,914	0.5	2.6
SBI Cards	Neutral	15,903	12.4	1.3	19,054	4.0	4.1	5,637	-14.9	47.1
PAYTM	Neutral	20,977	-7.5	14.8	1,582	NA	NA	-1,124	NA	NA

Exhibit 2: Our aggregate earnings estimates stay broadly unchanged; Estimate 11.8% earnings CAGR over FY25-27

INR b	Old Estimates			Revised Estimates			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Private Banks									
AXSB	261.0	277.2	321.8	264.4	284.5	330.6	1.3%	2.6%	2.8%
BANDHAN	32.8	35.2	41.4	28.8	35.7	41.5	-12.4%	1.5%	0.1%
DCBB	6.0	7.5	9.6	6.0	7.4	9.5	-0.8%	-1.1%	-1.0%
HDFCB	668.1	711.8	821.4	667.7	710.5	816.1	-0.1%	-0.2%	-0.6%
ICICIBC	465.8	503.9	576.3	466.2	507.0	584.7	0.1%	0.6%	1.5%
IDFCFB	15.8	32.2	49.1	15.1	29.3	48.8	-4.8%	-8.9%	-0.6%
IIB	49.4	77.1	94.7	47.6	63.3	80.9	-3.5%	-18.0%	-14.6%
KMB	142.9	159.7	190.2	139.5	152.8	180.4	-2.4%	-4.3%	-5.1%
FB	40.6	46.4	57.6	39.4	44.1	55.6	-3.0%	-5.0%	-3.5%
RBK	7.2	12.4	19.5	6.6	12.2	19.3	-8.4%	-1.8%	-0.8%
AUBANK	21.0	27.9	36.2	20.7	26.6	35.1	-1.1%	-4.6%	-3.0%
EQUITASB	2.0	6.6	10.4	1.8	6.2	9.9	-11.1%	-6.4%	-4.3%
Total Pvt	1,712.6	1,897.9	2,228.1	1,703.7	1,879.6	2,212.5	-0.5%	-1.0%	-0.7%
- YoY growth	5.5%	10.8%	17.4%	5.0%	10.3%	17.7%			
PSU Banks									
BOB	191.9	195.1	218.4	194.3	202.7	228.9	1.2%	3.9%	4.9%
CBK	160.4	170.6	187.4	161.9	178.3	196.5	0.9%	4.5%	4.9%
INBK	103.3	112.0	122.9	108.2	112.6	124.6	4.7%	0.5%	1.4%
PNB	167.1	190.5	214.4	166.1	193.1	219.8	-0.6%	1.4%	2.5%
SBIN	712.0	750.5	840.1	708.1	750.6	840.4	-0.5%	0.0%	0.0%
UNBK	171.0	174.1	186.0	176.0	184.2	200.6	2.9%	5.8%	7.8%
Total PSU	1,505.7	1,592.7	1,769.2	1,514.6	1,621.5	1,810.9	0.6%	1.8%	2.4%
- YoY growth	22.0%	5.8%	11.1%	22.8%	7.1%	11.7%			
Total Banks	3,218.3	3,490.6	3,997.3	3,218.3	3,501.1	4,023.4	0.0%	0.3%	0.7%
- YoY growth	12.7%	8.5%	14.5%	12.7%	8.8%	14.9%			

Exhibit 3: Loan growth has eased to 11.1%

Exhibit 4: Deposit growth broadly stable at 10.2%

Exhibit 5: Estimate NIMs to exhibit a slight downward bias


Source: MOFSL, Company

Exhibit 6: NIMs to decline for most banks, barring ICICI Bank

NIM (%)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E
AXSB	4.10	4.11	4.01	4.06	4.05	3.99	3.93	3.92
HDFCB	4.10	3.40	3.40	3.44	3.47	3.46	3.43	3.40
ICICIB	4.78	4.53	4.43	4.40	4.36	4.27	4.25	4.28
IDFCFB	6.33	6.32	6.42	6.35	6.22	6.18	6.04	5.95
IIB	4.29	4.29	4.29	4.26	4.25	4.08	3.93	3.78
KMB	5.57	5.22	5.22	5.28	5.02	4.91	4.93	4.92
FB	3.20	3.22	3.19	3.21	3.16	3.12	3.11	3.04
BoB	3.27	3.07	3.10	3.27	3.18	3.10	2.94	2.90
CBK	3.05	3.00	3.03	3.07	2.90	2.86	2.71	2.68
PNB	3.08	3.11	3.15	3.10	3.07	2.92	2.93	2.93
SBIN	3.33	3.29	3.22	3.30	3.22	3.14	3.01	2.98
UNBK	3.13	3.18	3.08	3.09	3.05	2.90	2.91	2.86
INBK	3.61	3.52	3.49	3.52	3.53	3.49	3.57	3.49
AUBANK	5.72	5.50	5.50	5.10	6.00	6.05	5.90	5.80
RBK	5.53	5.54	5.52	5.45	5.67	5.04	4.90	4.77
BANDHAN	7.30	7.20	7.20	7.60	7.60	7.40	6.90	6.73
DCBB	3.83	3.69	3.48	3.62	3.39	3.27	3.30	3.27

Source: MOFSL, Company

Exhibit 7: Snapshot of additional provision buffers as of 3QFY25

Large banks continue to carry healthy contingency buffers

As on 3QFY25	Loans (INR b)	COVID/contingent provisions	Floating/additional provisions	Total provisions	As a percentage of loans (%)
AXSB	10,146	120		120	1.2
HDFCB	25,182	135	124	259	1.0
ICICIBC	13,144	131	-	131	1.0
IIB	3,669	13.3	-	13.3	0.4
AUBANK	996	0.2	0.4	0.6	0.1

Source: MOFSL, Company

Exhibit 8: AXSB, FB, KMB, ICICIBC, and HDFCB have higher EBLR/Repo-linked loans; PSBs have higher linkage to MCLR (%)

Indian Bank has taken a 10bp hike in its repo-linked book from 1st Apr'25

Loans Mix (%) - 3QFY25	MCLR	EBLR	Repo linked	Others (fixed, base rate, and foreign currency-floating)
AUBANK	28		10	62
AXSB	11	4	54	31
CBK*	48	41		11
FB	10		51	39
HDFCB	25		45	30
ICICIBC	16	1	52	31
INBK	57		37	5
KMB*	13	60	-	27
PNB	32	16	41	11
RBL***	7	35	58	
SBIN**	36	27		34
BOB*	47	33		20
Equitas			20	80

*as on 1QFY25 **as on 4QFY24; Source: MOFSL, Company

Exhibit 9: Slippages are expected to remain elevated for select banks (MFI exposed Banks) in 4QFY25E

Slippage Ratio (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E
Canara Bank	1.7%	1.5%	1.6%	1.6%	1.6%	1.0%	1.0%	1.2%
DCB	4.2%	4.6%	4.8%	3.4%	3.8%	3.8%	3.6%	3.8%
Equitas	3.6%	4.1%	4.8%	4.7%	5.2%	6.5%	7.3%	6.1%
Federal	1.2%	0.8%	1.1%	0.8%	0.8%	0.8%	0.9%	0.8%
HDFC Bank	1.5%	1.6%	1.4%	1.4%	1.5%	1.3%	1.4%	1.3%
PNB	1.2%	0.9%	0.8%	1.0%	0.8%	0.9%	0.7%	0.9%
RBL	3.3%	3.1%	3.6%	3.5%	3.6%	5.0%	6.1%	4.9%
Union Bank	1.8%	1.4%	1.3%	1.6%	1.1%	2.5%	0.9%	0.9%
ICICI	2.2%	1.8%	2.1%	1.9%	2.2%	1.7%	2.0%	1.9%
IDFC First			3.4%	3.1%	3.6%	4.1%	4.3%	4.2%
IIB	2.0%	2.0%	2.4%	1.8%	1.9%	2.1%	2.5%	2.2%
Indian	1.7%	1.8%	1.4%	1.1%	1.7%	1.1%	0.8%	0.8%
KMB	1.6%	1.6%	1.4%	1.4%	1.4%	2.0%	1.7%	1.7%
Axis	2.3%	1.8%	1.9%	1.6%	2.2%	2.0%	2.3%	1.8%
AUSFB	2.3%	2.4%	2.6%	1.8%	2.8%	3.7%	3.8%	5.7%
Bandhan	8.2%	5.5%	5.5%	3.6%	3.2%	3.9%	5.5%	4.7%
BOB	1.1%	1.9%	1.0%	1.1%	1.1%	1.1%	0.9%	1.1%
SBI	1.1%	0.6%	0.7%	0.5%	1.1%	0.6%	0.5%	0.4%

Source: MOFSL, Company

Exhibit 10: Restructured book across banks have moderated over the past few quarters (INR b)

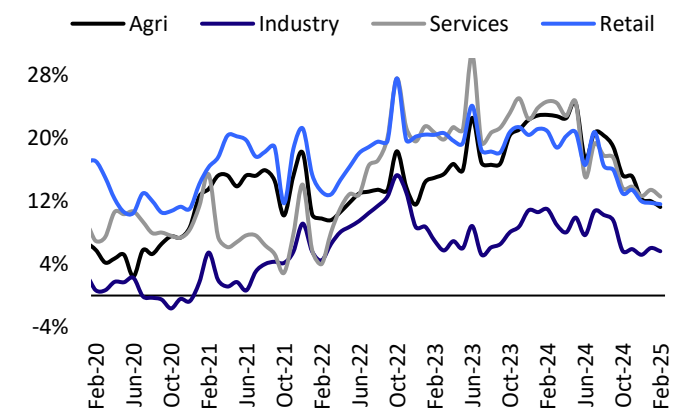
	Absolute	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24
AXSB	12.7	0.30	0.22	0.21	0.20	0.18	0.16	0.14	0.13	0.12
BANDHAN	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
DCBB	8.6	4.94	4.51	3.97	3.40	3.00	2.62	2.34	2.07	1.81
HDFCB	NA	0.42	0.31	NA	0.22	NA	NA	NA	NA	NA
ICICIBC	21.1	0.50	0.40	NA	0.32	0.29	0.26	0.22	0.20	0.16
IIB	6.6	1.25	0.84	0.66	0.54	0.48	0.40	0.34	0.29	0.18
KMB	2.3	0.25	0.22	0.19	0.15	0.13	0.10	0.08	0.06	0.05
FB	15.6	1.81	1.62	1.40	1.30	1.10	0.97	0.83	0.71	0.68
RBK	2.9	1.67	1.21	1.05	0.89	0.63	0.51	0.44	0.38	0.32
AUBANK	3.0	1.40	1.20	1.00	0.80	0.70	0.60	0.40	0.40	0.30
BOB	NA	1.87	1.5	1.31	NA	1.0	NA	NA	NA	NA
SBIN	137.1	0.85	0.8	0.69	0.62	0.54	0.47	0.38	0.38	0.34
INBK	66.8	3.37	2.51	2.19	2.12	1.93	1.67	1.51	1.34	1.23
PNB	NA	1.54	1.32	NA	NA	NA	NA	NA	NA	NA
UNBK	102.5	2.38	2.20	2.00	1.71	1.57	1.48	1.30	1.21	1.08
CBK	NA	1.75	NA	NA	NA	NA	NA	NA	NA	NA

Source: MOFSL, Company

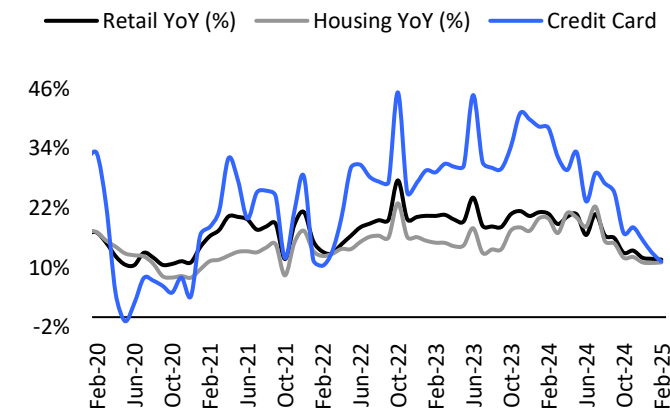
Exhibit 11: SMA mix across banks as of 3QFY25

SMA (bp of loans)	SMA 0	SMA 1	SMA 2
BOB	NA	49bp	
CBK	6bp	37bp	71bp
INBK	NA	50bp	92bp
PNB	NA	NA	14bp
SBIN	NA	5bp	19bp
UNBK	13bp	10bp	60bp
BANDHAN	140bp	120bp	120bp
KMB	NA	NA	5bp

Source: MOFSL, Company

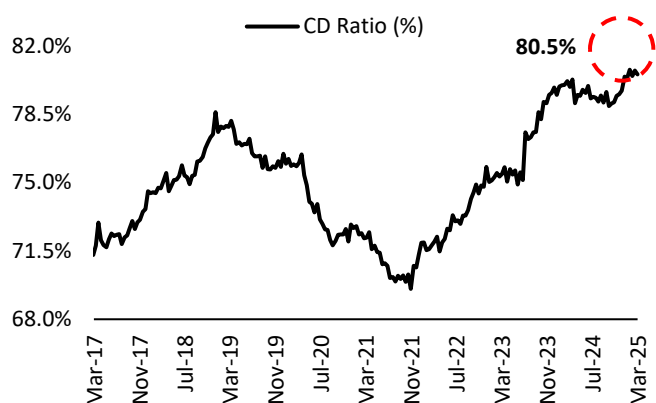
Exhibit 12: Retail loan growth moderated to 11.6% YoY; retail loan mix stood flat at 34%


Source: MOFSL, RBI

Exhibit 13: Credit cards growth declined to 11% YoY; Housing/Retail loan growth fell to 11%/12% YoY in Feb'25


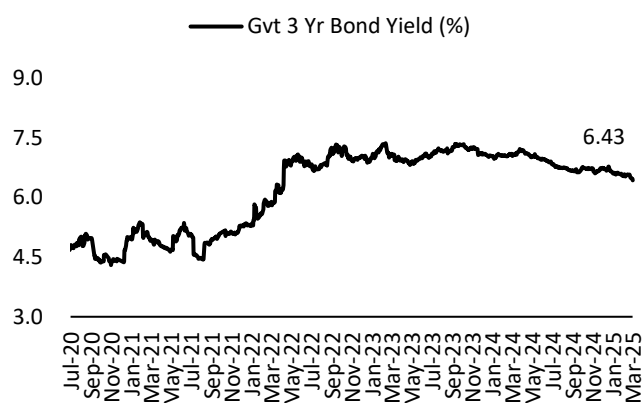
Source: MOFSL, RBI

Exhibit 14: CD ratio at all-time high at 80.5% as of Mar'25



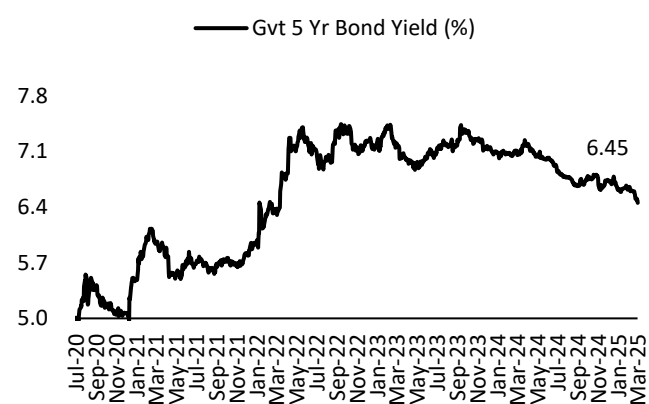
Source: MOFSL, RBI

Exhibit 15: Three-year G-Sec yield stood at 6.43% in Mar'25



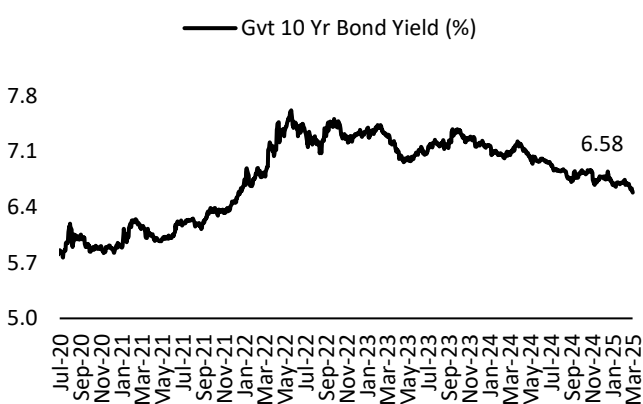
Source: MOFSL, BBG

Exhibit 16: Five-year G-Sec yield moderated to 6.45% in Mar'25



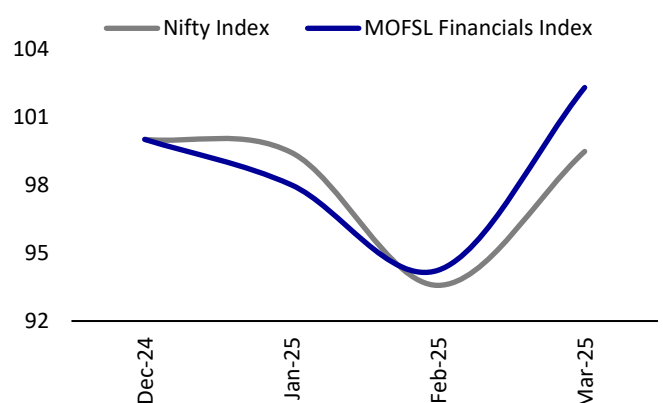
Source: MOFSL, BBG

Exhibit 17: 10-year G-Sec yield stood at 6.58% in Mar'25



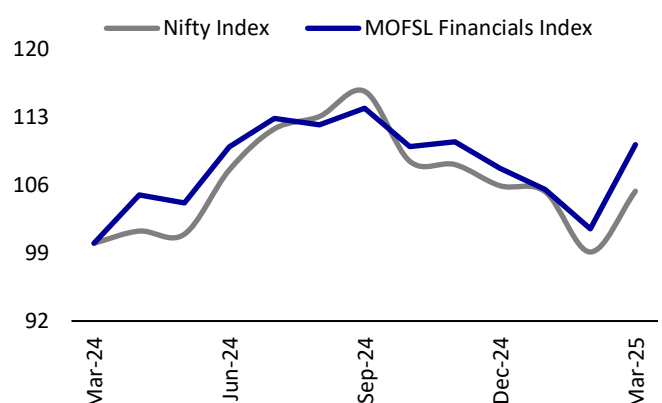
Source: MOFSL, BBG

Exhibit 18: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 19: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 20: Valuation summary

Company	CMP (INR)	Rating	EPS (INR)			P/E (x)			P/B (x)			RoE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Financials														
Banks-Private														
ICICIBC	1,318	Buy	66.3	71.7	82.0	15.8	14.6	12.8	2.7	2.3	2.0	18.3	17.0	16.8
HDFCB	1,767	Buy	87.9	93.7	108.1	16.8	15.8	13.7	2.3	2.1	1.8	14.3	13.7	14.2
AXSB	1,085	Neutral	84.6	89.8	104.2	11.4	10.8	9.3	1.7	1.5	1.3	16.0	14.6	14.7
BANDHAN	149	Neutral	20.4	21.9	25.7	7.3	6.8	5.8	1.0	0.9	0.8	14.4	14.0	14.8
KMB	2,145	Buy	71.9	80.3	95.7	20.3	18.2	15.3	2.6	2.3	2.0	13.8	13.5	14.0
IIB	683	Neutral	63.4	99.1	121.7	10.8	6.9	5.6	0.8	0.7	0.7	7.6	11.1	12.3
FB	192	Buy	16.7	19.0	23.7	11.5	10.1	8.1	1.4	1.3	1.1	13.1	13.3	14.6
DCBB	114	Buy	19.2	23.9	30.7	5.9	4.8	3.7	0.7	0.6	0.5	11.9	13.3	14.9
IDFCFB	57	Neutral	2.2	4.4	6.7	26.0	13.0	8.5	1.1	1.0	0.9	4.5	8.1	11.2
EQUITASB	57	Buy	1.8	5.8	9.1	32.1	9.7	6.2	1.1	1.0	0.9	3.4	10.6	15.0
AUBANK	530	Buy	29.7	37.4	48.5	17.8	14.2	10.9	2.4	2.1	1.7	14.5	15.7	17.3
RBK	177	Neutral	11.8	20.5	32.1	14.9	8.6	5.5	0.7	0.7	0.6	4.8	7.9	11.6
Banks-PSU														
SBIN	772	Buy	79.8	84.1	94.1	6.5	6.2	5.5	1.1	1.0	0.8	18.8	17.2	16.8
PNB	96	Buy	14.9	16.6	18.7	6.5	5.8	5.2	0.9	0.8	0.7	15.3	14.9	14.9
BOB	229	Neutral	37.1	37.7	42.2	6.2	6.1	5.4	1.0	0.8	0.8	16.7	15.0	15.0
CBK	90	Buy	17.7	18.8	20.7	5.1	4.8	4.4	0.9	0.8	0.7	19.0	17.7	17.5
UNBK	125	Buy	22.4	22.8	24.4	5.6	5.5	5.1	0.9	0.8	0.7	17.4	15.5	14.7
INBK	531	Buy	79.3	84.0	92.3	6.7	6.3	5.8	1.1	1.0	0.9	18.8	17.3	16.6
Fintech and payments														
PAYTM	801	Neutral	-3	3	18	-253.6	297.1	45.0	3.9	4.0	3.9	-1.7	1.5	7.9
SBICARD	862	Neutral	21	30	40	41.7	28.6	21.7	5.9	5.0	4.1	15.0	19.3	21.3

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

AU Small Finance Bank

Buy
CMP: INR530 | TP: INR700 (+32%)
EPS CHANGE (%): FY25|26|27: -1.1|-4.6|-3.0

- Expect margins to see moderation
- Expect business growth to remain strong
- Credit cost and Cost ratios to remain elevated
- Asset quality ratios to see a slight deterioration

Quarterly Performance

	FY24				FY25E				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY24	FY25E
Net Interest Income	12.5	12.5	13.2	13.4	19.2	19.7	20.2	20.8	51.6	80.0
% Change (Y-o-Y)	27.7	15.3	14.9	10.2	54.1	58.1	52.7	55.5	16.5	55.1
Other Income	3.2	4.1	4.5	5.6	5.1	6.4	6.2	6.8	17.5	24.4
Total Income	15.6	16.6	17.7	18.9	24.3	26.1	26.4	27.6	69.0	104.4
Operating Expenses	10.2	10.3	11.2	12.3	14.8	14.8	14.4	15.5	44.6	59.5
Operating Profit	5.5	6.3	6.6	6.6	9.5	11.3	12.0	12.0	24.4	44.9
% Change (Y-o-Y)	38.6	26.0	18.2	16.3	74.3	80.0	83.4	81.1	20.7	84.2
Provisions	0.3	1.0	1.6	1.3	2.8	3.7	5.0	5.7	4.4	17.3
Exceptional item	-	-	-	0.8	-	-	-	-	-	-
Profit before Tax	5.1	5.3	5.0	4.5	6.7	7.6	7.0	6.3	20.0	27.6
Tax	1.3	1.3	1.2	0.8	1.7	1.9	1.7	1.6	4.6	6.8
Net Profit	3.9	4.0	3.8	3.7	5.0	5.7	5.3	4.7	15.3	20.7
% Change (Y-o-Y)	44.4	17.3	(4.5)	(12.7)	29.9	42.1	40.8	27.5	7.5	35.2

Operating Parameters

Deposit (INR b)	693.2	757.4	801.2	871.8	972.9	1,096.9	1,122.6	1,191.5	871.8	1,191.5
Loan (INR b)	628.6	641.7	667.4	731.6	896.5	948.4	995.6	1,066.5	731.6	1,066.5
Deposit Growth (%)	26.9	29.8	31.1	25.7	40.4	44.8	40.1	36.7	25.7	36.7
Loan Growth (%)	29.2	24.0	20.0	25.2	42.6	47.8	49.2	45.8	25.2	45.8

Asset Quality

GNPA (%)	1.8	1.9	2.0	1.7	1.8	2.0	2.3	2.5	1.7	2.5
NNPA (%)	0.6	0.6	0.7	0.6	0.6	0.8	0.9	0.9	0.5	0.9
PCR (%)	69.0	69.1	66.0	67.6	65.1	62.8	61.2	62.2	64.3	62.2

Axis Bank

Neutral
CMP: INR1,085 | TP: INR1,175 (+8%)
EPS CHANGE (%): FY25|26|27: 1.3|2.6|2.8

- Expect margins to remain flat in 4Q
- Credit cost expected to decline
- Expect other income to be better, and hence lower cost ratios
- Asset quality ratios to see a flat trend

Quarterly Performance

	FY24				FY25E				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY24	FY25E
Net Interest Income	119.6	123.1	125.3	130.9	134.5	134.8	136.1	138.5	498.9	543.8
% Change (Y-o-Y)	27.4	18.9	9.4	11.5	12.5	9.5	8.6	5.8	16.2	9.0
Other Income	50.9	50.3	55.5	67.7	57.8	67.2	59.7	68.8	224.4	253.6
Total Income	170.5	173.5	180.9	198.5	192.3	202.1	195.8	207.3	723.4	797.4
Operating Expenses	82.3	87.2	89.5	93.2	91.3	94.9	90.4	95.3	352.1	371.9
Operating Profit	88.1	86.3	91.4	105.4	101.1	107.1	105.3	112.0	371.2	425.5
% Change (Y-o-Y)	49.7	11.9	-1.5	14.9	14.7	24.1	15.2	6.3	16.8	14.6
Provisions	10.3	8.1	10.3	11.9	20.4	22.0	21.6	15.9	40.6	79.9
Profit before Tax	77.8	78.2	81.1	93.5	80.7	85.1	83.8	96.1	330.6	345.7
Tax	19.8	19.5	20.4	22.2	20.3	15.9	20.7	24.3	82.0	81.2
Net Profits	58.0	58.6	60.7	71.3	60.3	69.2	63.0	71.9	248.6	264.4
% Change (Y-o-Y)	40.5	10.0	3.7	7.6	4.1	18.0	3.8	0.8	15.2	6.4

Operating Parameters

Deposit (INR t)	9.4	9.6	10.0	10.7	10.6	10.9	11.0	11.6	10.7	11.6
Loan (INR t)	8.6	9.0	9.3	9.7	9.8	10.0	10.1	10.6	9.7	10.6
Deposit Growth (%)	17.2	17.9	18.5	12.9	12.8	13.7	9.1	8.1	12.9	8.1
Loan Growth (%)	22.4	22.8	22.3	14.2	14.2	11.4	8.8	9.7	14.2	9.7

Asset Quality

Gross NPA (%)	2.0	1.7	1.6	1.4	1.5	1.4	1.5	1.5	1.5	1.5
Net NPA (%)	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.4
PCR (%)	79.6	79.5	77.8	78.5	78.1	76.6	76.2	76.0	78.5	76.0

Bandhan Bank Neutral

CMP: INR149 | TP: INR170 (+14%)
EPS CHANGE (%): FY25|26|27: -12.4|1.5|0.1

- Expect NIM to witness a decline in 4Q
- Expect business growth to be healthy in 4Q
- Asset quality likely to be under pressure
- Cost ratios are likely to stay elevated

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	24.9	24.4	25.3	28.7	30.1	29.5	28.3	28.1	103.3	115.9
% Change (YoY)	-0.9	11.4	21.4	16.0	20.7	20.7	12.1	-2.1	11.5	12.2
Other Income	3.9	5.4	5.5	6.9	5.3	5.9	11.0	8.2	21.6	30.4
Total Income	28.8	29.8	30.7	35.6	35.3	35.4	39.3	36.3	124.9	146.3
Operating Expenses	13.1	14.0	14.2	17.2	15.9	16.9	19.0	19.2	58.5	71.0
Operating Profit	15.6	15.8	16.6	18.4	19.4	18.6	20.2	17.1	66.4	75.3
% Change (YoY)	-14.2	2.0	-13.9	2.4	24.2	17.2	22.1	-6.9	-6.4	13.4
Provisions	6.0	6.4	6.8	17.7	5.2	6.1	13.8	10.8	37.0	35.9
Profit Before Tax	9.6	9.5	9.7	0.6	14.2	12.5	6.5	6.3	29.4	39.4
Tax	2.4	2.3	2.4	0.1	3.5	3.1	2.2	1.8	7.1	10.6
Net Profit	7.2	7.2	7.3	0.5	10.6	9.4	4.3	4.5	22.3	28.8
% Change (YoY)	-18.7	244.6	152.2	-93.2	47.5	30.0	-41.8	722.8	1.6	29.0
Operating Parameters										
Deposits (INR b)	1,085	1,121	1,174	1,352	1,332	1,425	1,410	1,503	1,352	1,503
Loans (INR b)	982	1,020	1,102	1,211	1,216	1,261	1,274	1,349	1,211	1,349
Deposit Growth (%)	16.6	12.8	14.8	25.1	22.8	27.2	20.1	11.2	25.1	11.2
Loan Growth (%)	8.0	13.1	19.6	15.6	23.8	23.6	15.6	11.4	15.6	11.4
Asset Quality										
Gross NPA (%)	6.8	7.3	7.0	3.8	4.2	4.7	4.7	4.6	3.8	4.6
Net NPA (%)	2.2	2.3	2.2	1.1	1.2	1.3	1.3	1.4	1.1	1.4
PCR (%)	69.2	70.0	70.0	71.8	73.7	73.5	73.5	71.7	71.8	71.7

Bank of Baroda Neutral

CMP: INR229 | TP: INR250 (+9%)
EPS CHANGE (%): FY25|26|27: 1.2|3.9|4.9

- Expect cost ratios to remain under control
- Margins to see a moderation
- Expect asset quality to improve marginally; credit costs to increase marginally
- Business growth likely to be healthy in 4Q

Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	110.0	108.3	111.0	117.9	116.0	116.2	114.2	116.6	447.2	463.0
% Change (YoY)	24.4	6.4	2.6	2.3	5.5	7.3	2.8	-1.1	8.1	3.5
Other Income	33.2	41.7	28.1	41.9	24.9	51.8	37.7	45.7	145.0	160.0
Total Income	143.2	150.0	139.1	159.8	140.9	168.0	151.9	162.2	592.2	623.0
Operating Expenses	64.9	69.8	69.0	78.8	69.3	73.3	75.2	78.3	282.5	296.1
Operating Profit	78.2	80.2	70.2	81.1	71.6	94.8	76.6	83.9	309.7	326.9
% Change (YoY)	72.8	33.0	-14.8	0.4	-8.5	18.2	9.3	3.5	15.3	5.6
Provisions	19.5	21.6	6.7	13.0	10.1	23.4	10.8	15.0	60.8	59.3
Profit before Tax	58.8	58.6	63.5	68.0	61.5	71.4	65.8	68.9	248.9	267.7
Tax	18.1	16.1	17.7	19.2	16.9	19.0	17.4	19.9	71.0	73.3
Net Profit	40.7	42.5	45.8	48.9	44.6	52.4	48.4	49.0	177.9	194.3
% Change (YoY)	87.7	28.4	18.9	2.3	9.5	23.2	5.6	0.2	26.1	9.2
Operating Parameters										
Deposit (INR b)	11,999	12,496	12,453	13,270	13,070	13,635	13,925	14,570	13,270	14,570
Loan (INR b)	9,635	9,980	10,241	10,658	10,479	11,212	11,513	11,947	10,658	11,947
Deposit Growth (%)	16.2	14.6	8.3	10.2	8.9	9.1	11.8	9.8	10.2	9.8
Loan Growth (%)	20.5	19.3	15.0	13.3	8.8	12.3	12.4	12.1	13.3	12.1
Asset Quality										
Gross NPA (%)	3.5	3.3	3.1	2.9	2.9	2.5	2.4	2.3	2.9	2.3
Net NPA (%)	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.5	0.7	0.5
PCR (%)	78.5	77.6	77.7	77.3	76.6	76.3	76.0	76.9	76.2	76.9

Canara Bank

Buy
CMP: INR90 | TP: INR115 (+28%)
EPS CHANGE (%): FY25|26|27: 0.9|4.5|4.9

- Expect margins to see a slight decline
- Asset quality to continue to see improvement
- Advances and deposit growth to be modest
- Expect cost to remain broadly under control

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	86.7	89.0	94.2	95.8	91.7	93.2	91.5	94.3	365.7	370.6
% Change (Y-o-Y)	27.7	19.8	9.5	11.2	5.8	4.6	-2.9	-1.6	16.3	1.3
Other Income	48.2	46.3	43.0	52.2	53.2	49.8	58.0	57.1	189.7	218.1
Total Income	134.8	135.4	137.1	148.0	144.9	143.0	149.5	151.3	555.3	588.7
Operating Expenses	58.8	59.2	69.1	74.1	68.7	66.4	71.1	74.5	261.2	280.7
Operating Profit	76.0	76.2	68.1	73.9	76.2	76.5	78.4	76.9	294.1	307.9
% Change (Y-o-Y)	15.1	10.3	-2.1	1.9	0.2	0.5	15.2	4.1	6.1	4.7
Other Provisions	27.2	26.1	19.0	24.8	22.8	22.5	24.0	21.6	97.1	91.0
Profit before Tax	48.9	50.1	49.1	49.1	53.3	54.0	54.4	55.2	197.0	217.0
Tax	13.5	14.0	12.5	11.5	14.3	13.9	13.3	13.6	51.5	55.1
Net Profit	35.3	36.1	36.6	37.6	39.1	40.1	41.0	41.6	145.5	161.9
% Change (Y-o-Y)	74.8	42.8	26.9	18.3	10.5	11.3	12.3	10.8	37.3	11.2

Operating Parameters

Deposit (INR b)	11,925	12,322	12,629	13,124	13,352	13,473	13,695	14,147	13,124	14,147
Loan (INR b)	8,551	8,923	9,206	9,316	9,464	9,840	10,237	10,453	9,316	10,453
Deposit Growth (%)	6.6	8.7	8.5	11.3	12.0	9.3	8.4	7.8	11.3	7.8
Loan Growth (%)	14.5	13.2	12.8	12.2	10.7	10.3	11.2	12.2	12.2	12.2

Asset Quality

Gross NPA (%)	5.2	4.8	4.4	4.2	4.1	3.7	3.3	3.2	4.2	3.2
Net NPA (%)	1.6	1.4	1.3	1.3	1.2	1.0	0.9	0.8	1.3	0.8
PCR (%)	70.6	71.4	70.8	70.9	71.0	74.1	74.1	74.5	70.8	74.5

DCB Bank

Buy
CMP: INR114 | TP: INR150 (+32%)
EPS CHANGE (%): FY25|26|27: -0.8|-1.1|-1.0

- Expect business growth to be robust
- Expect cost ratios to remain elevated
- Asset quality to witness an improvement
- Margin to decline marginally in 4Q

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4QE		
Net Interest Income	4.71	4.76	4.74	5.07	4.97	5.09	5.43	5.65	19.28	21.14
% Change (Y-o-Y)	25.88	15.72	6.27	4.43	5.49	7.03	14.53	11.35	12.28	9.64
Other Income	1.07	1.07	1.24	1.36	1.43	2.05	1.84	1.89	4.74	7.21
Total Income	5.78	5.83	5.98	6.44	6.40	7.14	7.27	7.54	24.02	28.35
Operating Expenses	3.69	3.73	3.86	4.10	4.34	4.59	4.56	4.70	15.38	18.18
Operating Profit	2.09	2.11	2.12	2.34	2.05	2.55	2.71	2.85	8.64	10.16
% Change (Y-o-Y)	25.61	15.32	8.96	(4.19)	(1.58)	21.19	28.18	21.81	9.88	17.57
Provisions	0.38	0.40	0.41	0.24	0.28	0.46	0.67	0.71	1.42	2.13
Profit before Tax	1.71	1.71	1.71	2.10	1.77	2.10	2.04	2.13	7.22	8.04
Tax	0.44	0.44	0.44	0.54	0.46	0.54	0.52	0.55	1.86	2.07
Net Profit	1.27	1.27	1.27	1.56	1.31	1.55	1.51	1.58	5.36	5.96
% Change (Y-o-Y)	30.7	12.9	11.2	9.5	3.5	22.6	19.6	1.6	15.1	11.27

Operating Parameters

Deposit (INR b)	430.1	455.0	471.2	493.5	516.9	545.3	566.8	595.7	493.5	595.7
Loan (INR b)	354.7	372.8	389.5	409.2	421.8	444.7	477.8	502.6	409.2	502.6
Deposit Growth (%)	22.6	23.1	19.3	19.7	20.2	19.9	20.3	20.7	19.7	20.7
Loan Growth (%)	19.0	19.1	18.2	19.0	18.9	19.3	22.7	22.8	19.0	22.8

Asset Quality

Gross NPA (%)	3.26	3.36	3.43	3.23	3.33	3.29	3.11	3.01	3.25	3.01
Net NPA (%)	1.19	1.28	1.22	1.11	1.18	1.17	1.18	1.15	1.11	1.15
PCR (%)	64.1	62.8	65.1	66.4	65.2	65.2	62.9	62.5	66.4	62.5

Equitas Small Finance Bank

Buy
CMP: INR57 | TP: INR70 (+23%)
EPS CHANGE (%): FY25|26|27: -11.1|-6.4|-4.3

- Expect margins to decline in 4Q
- Expect credit cost and cost ratios to remain elevated
- Asset quality likely to deteriorate in 4Q
- Business momentum in 4Q a key monitorable

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	12.5	13.6	14.3	14.4	15.0	15.5	16.1	17.4	54.9	64.0
Interest Expense	5.1	5.9	6.4	6.6	7.0	7.5	7.9	9.2	24.1	31.6
Net Interest Income	7.4	7.7	7.9	7.9	8.0	8.0	8.2	8.2	30.8	32.4
% Change (YoY)	28.0	25.6	21.3	11.2	7.9	4.8	4.2	4.5	21.0	5.3
Other Income	1.7	1.8	2.1	2.4	2.1	2.4	2.4	2.7	8.0	9.5
Total Income	9.1	9.5	9.9	10.3	10.1	10.4	10.6	10.9	38.8	42.0
Operating Expenses	6.0	6.2	6.3	6.5	6.7	6.9	7.2	7.6	25.0	28.4
Operating Profit	3.1	3.3	3.6	3.7	3.4	3.5	3.3	3.3	13.8	13.5
% Change (YoY)	16.4	36.3	29.1	-3.0	9.1	5.9	-7.6	-12.4	17.1	-1.9
Provisions	0.6	0.6	0.8	1.1	3.0	3.3	2.4	2.4	3.1	11.1
Profit before Tax	2.5	2.7	2.8	2.7	0.4	0.2	0.9	0.9	10.6	2.4
Tax	0.6	0.7	0.7	0.6	0.1	0.1	0.2	0.2	2.6	0.6
Net Profit	1.9	2.0	2.0	2.1	0.3	0.1	0.7	0.7	8.0	1.8
% Change (YoY)	97.1	70.2	18.7	9.3	-86.5	-93.5	-67.2	-64.6	39.3	-77.7
Operating Parameters										
AUM	296	312	328	343	349	361	373	407	343	407
Deposits	277	308	324	361	375	399	407	427	361	427
Loans	275	288	292	310	319	340	354	367	310	367
AUM Growth (%)	36.5	37.1	31.6	23.2	17.8	15.4	13.9	18.6	23.2	18.6
Deposit Growth (%)	35.9	41.9	38.4	42.3	35.4	29.2	25.8	18.2	42.3	18.2
Loan Growth (%)	34.4	31.7	25.5	20.0	16.0	18.1	21.1	18.6	20.0	18.6
Asset Quality										
Gross NPA (%)	2.75	2.27	2.53	2.61	2.73	2.95	2.97	3.02	2.61	3.02
Net NPA (%)	1.18	0.97	1.13	1.17	0.83	0.97	0.96	0.96	1.17	0.96
PCR (%)	57.8	57.7	56.0	56.1	70.3	67.7	68.3	68.8	56.1	68.8

Federal Bank

Buy
CMP: INR192 | TP: INR225 (+17%)
EPS CHANGE (%): FY25|26|27: -3.0|-5.0|-3.5

- Business growth to recover after a dip in 3Q
- Margins to further decline in 4Q
- Expect cost ratios to remain broadly under control
- Asset quality ratios to see an improvement

Quarterly Performance

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	19.2	20.6	21.2	22.0	22.9	23.7	24.3	24.0	82.9	94.9
% Change (YoY)	19.6	16.7	8.5	15.0	19.5	15.1	14.5	9.4	14.7	14.4
Other Income	7.3	7.3	8.6	7.5	9.2	9.6	9.2	9.1	30.8	37.1
Total Income	26.5	27.9	29.9	29.5	32.1	33.3	33.5	33.1	113.7	132.0
Operating Expenses	13.5	14.6	15.5	18.4	17.1	17.7	17.8	18.4	62.0	70.9
Operating Profit	13.0	13.2	14.4	11.1	15.0	15.7	15.7	14.7	51.7	61.0
% Change (YoY)	33.8	9.3	12.8	-16.8	15.2	18.2	9.2	32.3	7.9	18.0
Provisions	1.6	0.4	0.9	-0.9	1.4	1.6	2.9	2.4	2.0	8.4
Profit before Tax	11.5	12.8	13.5	12.0	13.6	14.1	12.8	12.3	49.8	52.7
Tax	2.9	3.3	3.4	3.0	3.5	3.5	3.2	3.1	12.6	13.3
Net Profit	8.5	9.5	10.1	9.1	10.1	10.6	9.6	9.2	37.2	39.4
% Change (YoY)	42.1	35.5	25.3	0.4	18.2	10.8	-5.1	1.5	23.6	5.9
Operating Parameters										
Deposit (INR b)	2,225	2,329	2,396	2,525	2,661	2,691	2,664	2,758	2,525	2,758
Loan (INR b)	1,835	1,928	1,992	2,094	2,208	2,303	2,304	2,370	2,094	2,370
Deposit Growth (%)	21.3	23.1	19.0	18.3	19.6	15.6	11.2	9.2	18.3	9.2
Loan Growth (%)	21.0	19.6	18.4	20.0	20.3	19.4	15.7	13.2	20.0	13.2
Asset Quality										
Gross NPA (%)	2.4	2.3	2.3	2.1	2.1	2.1	2.0	1.9	2.1	1.9
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.7	0.5
PCR (%)	71.3	72.3	72.3	72.3	71.9	72.9	75.2	75.8	69.6	75.8

HDFC Bank

Buy
CMP: INR1,767 | TP: INR2,100 (+19%)
EPS CHANGE (%): FY25|26|27: -0.1|-0.2|-0.6

- Expect cost ratios to remain under control
- Margins to see a mild decline
- Asset quality is likely to improve
- Expect CD ratio to reduce; guidance for credit growth a key monitorable

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	236.0	273.9	284.7	290.8	298.4	301.1	306.5	306.7	1,085.3	1,212.7
% Change (Y-o-Y)	21.1	30.3	23.9	24.5	26.4	10.0	7.7	5.5	25.0	11.7
Other Income	92.3	107.1	111.4	181.7	106.7	114.8	114.5	124.4	492.4	460.4
Total Income	328.3	380.9	396.1	472.4	405.1	416.0	421.1	431.0	1,577.7	1,673.1
Operating Expenses	140.6	154.0	159.6	179.7	166.2	168.9	171.1	175.4	633.9	681.5
Operating Profit	187.7	226.9	236.5	292.7	238.8	247.1	250.0	255.7	943.9	991.6
% Change (Y-o-Y)	22.2	30.5	24.3	57.2	27.2	8.9	5.7	-12.7	34.1	5.1
Provisions	28.6	29.0	42.2	135.1	26.0	27.0	31.5	32.0	234.9	116.5
Profit before Tax	159.1	197.9	194.3	157.6	212.8	220.1	218.5	223.7	709.0	875.0
Tax	39.6	38.1	30.6	-7.5	51.1	51.8	51.1	53.4	100.8	207.4
Net Profit	119.5	159.8	163.7	165.1	161.7	168.2	167.4	170.3	608.1	667.7
% Change (Y-o-Y)	30.0	50.6	33.5	37.1	35.3	5.3	2.2	3.2	37.9	9.8
Operating Parameters										
Deposit	19,131	21,729	22,140	23,798	23,791	25,001	25,638	27,273	23,798	27,273
Loan	16,157	23,312	24,461	24,849	24,635	24,951	25,182	25,793	24,849	25,793
Deposit Growth (%)	19.2	29.8	27.7	26.4	24.4	15.1	15.8	14.6	26.4	14.6
Loan Growth (%)	15.8	57.5	62.3	55.2	52.5	7.0	3.0	3.8	55.2	3.8
Asset Quality										
Gross NPA (%)	1.2	1.3	1.3	1.2	1.3	1.4	1.4	1.4	1.2	1.4
Net NPA (%)	0.3	0.4	0.3	0.3	0.4	0.4	0.5	0.4	0.3	0.4
PCR (%)	74.9	74.4	75.3	74.0	71.2	69.9	67.8	68.0	74.0	68.0

ICICI Bank

Buy
CMP: INR1318 | TP: INR1,600 (+21%)
EPS CHANGE (%): FY25|26|27: 0.1|0.6|1.5

- Expect business growth to remain healthy
- Expect further improvement in asset quality
- Margins to witness an improvement in 4Q
- Credit cost to decline, while cost ratios to be steady

Quarterly Performance

(INR b)

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	182.3	183.1	186.8	190.9	195.5	200.5	203.7	208.5	743.1	808.3
% Change (YoY)	38.0	23.8	13.4	8.1	7.3	9.5	9.1	9.2	19.6	8.8
Other Income	54.4	57.8	61.0	56.5	70.0	71.8	70.7	69.2	229.6	281.7
Total Income	236.6	240.8	247.8	247.4	265.5	272.2	274.4	277.7	972.6	1,089.9
Operating Expenses	95.2	98.6	100.5	97.0	105.3	105.0	105.5	107.1	391.3	422.9
Operating Profit	141.4	142.3	147.2	150.4	160.2	167.2	168.9	170.6	581.3	667.0
% Change (YoY)	37.2	21.8	10.9	8.8	13.3	17.5	14.7	13.5	18.4	14.7
Provisions	12.9	5.8	10.5	7.2	13.3	12.3	12.3	9.1	36.4	47.0
Profit before Tax	128.5	136.5	136.7	143.2	146.9	154.9	156.6	161.6	544.9	620.0
Tax	32.0	33.9	34.0	36.1	36.3	37.4	38.7	41.3	136.0	153.8
Net Profit	96.5	102.6	102.7	107.1	110.6	117.5	117.9	120.3	408.9	466.2
% Change (YoY)	39.7	35.8	23.6	17.4	14.6	14.5	14.8	12.3	28.2	14.0
Operating Parameters										
Deposit	12,387	12,947	13,323	14,128	14,261	14,978	15,203	15,866	14,128	15,866
Loan	10,576	11,105	11,538	11,844	12,232	12,772	13,144	13,597	11,844	13,597
Deposit Growth (%)	17.9	18.8	18.7	19.6	15.1	15.7	14.1	12.3	19.6	12.3
Loan Growth (%)	18.1	18.3	18.5	16.2	15.7	15.0	13.9	14.8	16.2	14.8
Asset Quality										
Gross NPA (%)	2.8	2.5	2.3	2.2	2.2	2.0	2.0	1.8	2.3	1.8
Net NPA (%)	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4
PCR (%)	83.1	83.1	81.3	80.8	80.2	79.0	78.7	78.9	80.3	78.9

IDFC First Bank Neutral

CMP: INR57 | TP: INR65 (14%)
EPS CHANGE (%): FY25|26|27: -4.8|-8.9|-0.6

- Expect business growth to remain healthy
- Cost ratios likely to remain elevated

- Asset quality ratio to deteriorate slightly
- Margins expected to see a decline

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	37.5	39.5	42.9	44.7	46.9	47.9	49.0	50.0	164.5	193.8
% Change (Y-o-Y)	36.1	31.6	30.5	24.2	25.4	21.2	14.4	11.8	30.2	17.8
Other Income	14.1	14.3	15.2	16.4	16.2	17.3	17.8	18.0	60.0	69.3
Total Income	51.6	53.8	58.0	61.1	63.1	65.2	66.8	68.0	224.5	263.1
Operating Expenses	36.6	38.7	42.4	44.5	44.3	45.5	49.2	50.5	162.2	189.5
Operating Profit	15.0	15.1	15.6	16.6	18.8	19.6	17.6	17.5	62.4	73.5
% Change (Y-o-Y)	59.0	29.2	23.9	6.8	25.5	29.9	12.6	5.3	26.5	17.9
Provisions	4.8	5.3	6.5	7.2	9.9	17.3	13.4	13.8	23.8	54.4
Profit before Tax	10.2	9.8	9.1	9.4	8.9	2.3	4.2	3.8	38.6	19.1
Tax	2.6	2.3	1.9	2.2	2.1	0.3	0.8	0.9	9.0	4.1
Net Profit	7.7	7.5	7.2	7.2	6.8	2.0	3.4	2.9	29.6	15.1
% Change (Y-o-Y)	61.3	35.2	18.4	-9.8	-11.0	-73.3	-52.6	-60.3	21.3	-49.0

Operating Parameters

Deposit (INR b)	1,544	1,712	1,825	2,006	2,097	2,236	2,369	2,501	2,006	2,501
Deposit Growth (%)	36.2	38.7	37.2	38.7	35.8	30.6	29.8	24.7	38.7	24.7
Loan (INR b)	1,674	1,781	1,855	1,946	2,026	2,151	2,231	2,343	1,946	2,343
Loan Growth (%)	26.3	27.0	27.3	24.4	21.0	20.7	20.3	20.4	28.2	20.4

Asset Quality

Gross NPA (%)	2.2	2.1	2.0	1.9	1.9	1.9	1.9	2.0	1.9	2.0
Net NPA (%)	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.6	0.6	0.6
PCR (%)	68.1	68.2	66.9	68.8	69.4	75.3	73.6	72.4	68.8	72.4

IndusInd Bank Neutral

CMP: INR683 | TP: INR850 (+24%)
EPS CHANGE (%): FY25|26|27: -3.5|-18.0|-14.6

- Expect business growth to be modest
- Expect margins to remain under pressure

- Expect asset quality to continue to see a decline
- Credit costs likely to be elevated; Recognition of accounting discrepancy to result in a loss in 4Q

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	48.7	50.8	53.0	53.8	54.1	53.5	52.3	35.6	206.2	195.5
% Change (YoY)	18.0	18.0	17.8	15.1	11.1	5.3	-1.3	-33.7	17.2	-5.2
Other Income	22.1	22.8	24.0	25.1	24.4	21.8	23.6	18.1	94.0	87.9
Total Income	70.8	73.6	76.9	78.8	78.5	75.3	75.8	53.8	300.1	283.4
Operating Expenses	32.5	34.5	36.5	38.0	39.0	39.3	39.8	40.6	141.5	158.7
Operating Profit	38.3	39.1	40.4	40.8	39.5	36.0	36.0	13.2	158.6	124.7
% Change (YoY)	11.7	10.3	9.7	8.6	3.1	-7.9	-10.9	-67.8	10.0	-21.4
Provisions	9.9	9.7	9.7	9.5	10.5	18.2	17.4	18.7	38.8	64.9
Profit before Tax	28.4	29.3	30.7	31.3	29.0	17.8	18.6	-5.6	119.8	59.8
Tax	7.2	7.3	7.7	7.8	7.3	4.5	4.5	-4.1	30.0	12.2
Net Profit	21.2	22.0	23.0	23.5	21.7	13.3	14.0	-1.4	89.8	47.6
% Change (YoY)	30.3	22.0	17.2	15.0	2.2	-39.5	-39.1	-106.1	20.6	-47.0

Operating Parameters

Deposit (INR b)	3,470	3,595	3,688	3,846	3,985	4,124	4,094	4,188	3,846	4,188
Loan (INR b)	3,013	3,155	3,271	3,433	3,479	3,572	3,669	3,749	3,433	3,749
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.8	14.7	11.0	8.9	14.4	8.9
Loan Growth (%)	21.5	21.3	19.9	18.4	15.5	13.2	12.2	9.2	18.4	9.2

Asset Quality

Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	2.1	2.3	2.4	1.9	2.4
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.6	0.8
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.1	70.2	68.7	69.5	68.7

Indian Bank

Buy
CMP: INR531 | TP: INR670 (+26%)
EPS CHANGE (%): FY25|26|27: 4.7|0.6|1.4

- Expect cost ratios to remain broadly under control
- Expect NIMs to witness a decline in 4Q
- Earnings business growth to remain healthy
- Expect asset quality ratios to further improve

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	57.0	57.4	58.1	60.2	61.8	61.9	64.1	65.4	232.7	253.3
% Change (YoY)	25.8	22.5	5.7	9.2	8.3	7.9	10.3	8.8	15.1	8.8
Other Income	17.1	19.9	19.0	22.6	19.1	24.2	21.5	24.1	78.7	88.9
Total Income	74.1	77.3	77.2	82.8	80.8	86.2	85.7	89.5	311.4	342.2
Operating Expenses	32.8	34.3	36.2	39.7	35.8	38.9	38.2	41.5	143.0	154.3
Operating Profit	41.3	43.0	41.0	43.0	45.0	47.3	47.5	48.0	168.4	187.8
% Change (YoY)	16.0	18.6	0.9	7.2	8.9	9.9	15.9	11.6	10.3	11.5
Provisions	17.4	15.5	13.5	12.5	12.6	11.0	10.6	9.1	58.9	43.2
Profit before Tax	23.9	27.5	27.5	30.6	32.4	36.3	36.9	39.0	109.5	144.6
Tax	6.9	7.6	6.3	8.1	8.4	9.2	8.4	10.4	28.9	36.4
Net Profit	17.1	19.9	21.2	22.5	24.0	27.1	28.5	28.5	80.6	108.2
% Change (YoY)	40.8	62.2	51.8	55.3	40.6	36.2	34.6	27.1	52.7	34.2
Operating Parameters										
Deposits (INR b)	6,215	6,408	6,542	6,880	6,812	6,931	7,023	7,368	6,880	7,368
Loans (INR b)	4,564	4,706	4,896	5,149	5,208	5,329	5,421	5,674	5,149	5,674
Deposit Growth (%)	6.4	8.8	9.6	10.8	9.6	8.2	7.4	7.1	10.8	7.1
Loan Growth (%)	13.6	14.2	12.3	14.6	14.1	13.2	10.7	10.2	14.6	10.2
Asset Quality										
Gross NPA (%)	5.5	5.0	4.5	4.0	3.8	3.5	3.3	3.1	4.0	3.1
Net NPA (%)	0.7	0.6	0.5	0.4	0.4	0.3	0.2	0.2	0.4	0.2
PCR (%)	87.8	88.5	88.7	89.5	90.0	92.5	93.8	93.8	89.5	93.8

Kotak Mahindra Bank

Buy
CMP: INR2,145 | TP: INR2,200 (+3%)
EPS CHANGE (%): FY25|26|27: -2.4|-4.3|-5.1

- Expect cost ratios to be broadly stable
- Margins to be broadly stable
- Asset quality to witness a moderation
- Business growth to be healthy; guidance will be a key monitorable

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	62.3	63.0	65.5	69.1	68.4	70.2	72.0	74.6	259.9	285.2
% Change (Y-o-Y)	32.7	23.5	15.9	13.2	9.8	11.5	9.8	8.0	20.6	9.7
Other Income	26.8	23.1	23.0	29.8	29.3	26.8	26.2	30.0	102.7	112.4
Total Income	89.2	86.1	88.5	98.9	97.7	97.0	98.2	104.6	362.7	397.6
Operating Expenses	39.7	40.0	42.8	44.3	45.2	46.0	46.4	48.1	166.8	185.7
Operating Profit	49.5	46.1	45.7	54.6	52.5	51.0	51.8	56.5	195.9	211.8
% Change (Y-o-Y)	77.8	29.2	18.6	17.5	6.2	10.6	13.5	3.4	31.9	8.1
Provisions	3.6	3.7	5.8	2.6	5.8	6.6	7.9	7.5	15.7	27.8
Profit before Tax	45.9	42.4	39.9	52.0	46.8	44.4	43.9	49.0	180.1	184.0
Tax	11.3	10.5	9.8	10.6	11.6	11.0	10.8	11.2	42.3	44.5
Net Profit	34.5	31.9	30.1	41.3	35.2	33.4	33.0	37.8	137.8	139.5
% Change (Y-o-Y)	66.7	23.6	7.6	18.2	2.0	4.8	10.0	-8.5	26.0	1.2
Exceptional item					27.3					27.3
PAT including exceptionals	34.5	31.9	30.1	41.3	62.5	33.4	33.0	37.8	137.8	166.8
% Change (Y-o-Y)	66.7	23.6	7.6	18.2	2.0	4.8	10.0	-8.5	26.0	21.0
Deposits (INRb)	3,863	4,010	4,086	4,490	4,474	4,615	4,735	5,010	4,490	5,010
Loans (INRb)	3,286	3,483	3,596	3,761	3,900	3,995	4,138	4,325	3,761	4,325
Deposit growth (%)	22.0	23.3	18.6	23.6	15.8	15.1	15.9	11.6	23.6	11.6
Loan growth (%)	17.3	18.5	15.7	17.6	18.7	14.7	15.1	15.0	17.6	15.0
Asset Quality										
Gross NPA (%)	1.77	1.72	1.73	1.39	1.39	1.49	1.50	1.48	1.39	1.48
Net NPA (%)	0.40	0.37	0.34	0.34	0.35	0.43	0.41	0.37	0.34	0.37
PCR (%)	78.0	79.1	80.6	75.9	74.9	71.4	73.2	75.3	75.9	75.3

Punjab National Bank

Buy
CMP: INR96 | TP: INR125 (+30%)
EPS CHANGE (%): FY25|26|27: -0.6|1.4|2.5

- Expect margins to remain stable
- Expect asset quality to improve; credit cost to remain contained
- Opex to remain broadly stable
- Business growth/RoA trajectory to remain the key monitorables

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	95.0	99.2	102.9	103.6	104.8	105.2	110.3	115.0	400.8	435.3
% Change (YoY)	26.0	20.0	12.1	9.1	10.2	6.0	7.2	11.0	16.2	8.6
Other Income	34.3	30.3	26.7	42.5	36.1	45.7	34.1	39.3	133.8	155.2
Total Income	129.4	129.5	129.7	146.1	140.9	150.9	144.4	154.3	534.7	590.5
Operating Expenses	69.7	67.3	66.4	82.0	75.0	82.4	78.2	81.6	285.4	317.2
Operating Profit	59.7	62.2	63.3	64.2	65.8	68.5	66.2	72.8	249.3	273.3
% Change (YoY)	10.9	11.7	10.8	9.4	10.3	10.2	4.6	13.4	10.7	9.6
Provisions	39.7	34.4	27.4	15.9	13.1	2.9	-2.9	2.7	117.4	15.8
Profit before Tax	20.0	27.7	35.9	48.3	52.7	65.7	69.1	70.1	131.9	257.5
Tax	7.5	10.2	13.7	18.2	20.2	22.6	24.0	24.6	49.5	91.4
Net Profit	12.6	17.6	22.2	30.1	32.5	43.0	45.1	45.5	82.4	166.1
% Change (YoY)	307.0	327.0	253.5	159.8	159.0	145.1	102.8	51.0	228.8	101.5
Operating Parameters										
Deposits	12,979	13,099	13,235	13,697	14,082	14,583	15,297	15,642	13,697	15,642
Loans	8,637	8,899	9,164	9,344	9,840	10,196	10,700	10,914	9,344	10,914
Deposit Growth (%)	14.2	9.8	9.3	6.9	8.5	11.3	15.6	14.2	6.9	14.2
Loan Growth (%)	16.3	15.1	14.5	12.5	13.9	14.6	16.8	16.8	12.5	16.8
Asset Quality										
Gross NPA (%)	7.7	7.0	6.2	5.7	5.0	4.5	4.1	3.9	5.7	3.9
Net NPA (%)	2.0	1.5	1.0	0.7	0.6	0.5	0.4	0.4	0.7	0.4
PCR (%)	75.8	80.0	85.4	87.9	88.4	90.2	90.2	90.1	87.9	90.1

RBL Bank

Neutral
CMP: INR177 | TP: INR180 (+2%)
EPS CHANGE (%): FY25|26|27: -8.4|-1.8|-0.8

- Earnings impacted by higher credit cost
- Cost ratios likely to remain elevated
- Expect asset quality ratios to remain under pressure
- Margin and credit cost likely to remain under pressure

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	14.2	14.7	15.5	16.0	17.0	16.1	15.9	15.7	60.4	64.7
% Change (Y-o-Y)	19.6	25.6	21.1	17.9	19.5	9.5	2.5	-2.0	20.9	7.0
Other Income	6.9	7.0	7.8	8.8	8.1	9.3	10.7	9.8	30.4	37.8
Total Income	21.1	21.8	23.2	24.8	25.1	25.4	26.6	25.4	90.9	102.5
Operating Expenses	14.6	14.5	15.6	15.9	16.5	16.3	16.6	17.1	60.6	66.5
Operating Profit	6.5	7.3	7.7	8.9	8.6	9.1	10.0	8.4	30.3	36.0
% Change (Y-o-Y)	22.4	42.7	34.9	49.4	32.7	24.5	30.2	-5.8	37.6	18.8
Provisions	2.7	6.4	4.6	4.1	3.7	6.2	11.9	7.9	17.7	29.6
Profit before Tax	3.8	0.9	3.1	4.7	4.9	2.9	-1.9	0.4	12.6	6.4
Tax	0.9	-2.0	0.7	1.2	1.2	0.7	-2.2	0.2	0.9	-0.2
Net Profit	2.9	2.9	2.3	3.5	3.7	2.2	0.3	0.3	11.7	6.6
% Change (Y-o-Y)	43.2	45.9	11.5	30.1	29.0	-24.3	-86.0	-91.7	32.3	-43.9
Operating Parameters										
Deposit	856.4	897.8	927.5	1,034.9	1,013.5	1,079.6	1,067.5	1,113.6	1,034.9	1,113.6
Loan	730.9	763.2	799.5	839.9	867.0	878.8	904.1	934.8	839.9	934.8
Deposit Growth (%)	8.1	13.1	13.5	21.9	18.4	20.2	15.1	7.6	21.9	7.6
Loan Growth (%)	21.3	21.3	19.9	19.6	18.6	15.1	13.1	11.3	19.6	11.3
Asset Quality										
Gross NPA (%)	3.2	3.1	3.1	2.7	2.7	2.9	2.9	3.0	2.7	3.0
Net NPA (%)	1.0	0.8	0.8	0.7	0.7	0.8	0.5	0.5	0.7	0.5
PCR (%)	69.6	75.6	75.1	72.7	73.1	73.0	82.2	82.5	72.7	82.5

State Bank of India

Buy
CMP: INR772 | TP: INR925 (+20%)
EPS CHANGE (%): FY25|26|27: -0.2|-0.1

- Expect advances growth to be healthy in 4Q
- Expect cost ratios to decline
- Asset quality expected to improve
- Margin expected to see a mild decline

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	389.0	395.0	398.2	416.6	411.3	416.2	414.5	427.4	1,598.8	1,669.3
% Change (YoY)	24.7	12.3	4.6	3.1	5.7	5.4	4.1	2.6	10.4	4.4
Other Income	120.6	107.9	114.6	173.7	111.6	152.7	110.4	147.3	516.8	522.0
Total Income	509.7	502.9	512.7	590.2	522.9	568.9	524.9	574.6	2,115.6	2,191.3
Operating Expenses	256.7	308.7	309.4	302.8	258.4	276.0	289.4	299.5	1,248.6	1,123.2
Operating Profit	253.0	194.2	203.4	287.5	264.5	292.9	235.5	275.2	867.0	1,068.1
% Change (YoY)	98.4	-8.1	-19.4	16.8	4.6	50.9	15.8	-4.3	3.6	23.2
Provisions	25.0	1.2	6.9	16.1	34.5	45.1	9.1	29.7	49.1	118.4
Exceptional items (exp)	0.0	0.0	71.0	0.0	0.0	0.0	0.0	0.0	71.0	0.0
Profit before Tax	228.0	193.0	125.5	271.4	230.0	247.9	226.4	245.5	746.8	949.7
Tax Provisions	59.1	49.7	33.8	64.4	59.6	64.6	57.5	59.9	207.1	241.6
Net Profit	168.8	143.3	91.6	207.0	170.4	183.3	168.9	185.6	539.8	708.1
% Change (YoY)	178.2	8.0	-35.5	24.0	0.9	27.9	84.3	-10.4	7.5	31.2
Adj. Net profit	168.8	143.3	144.0	207.0	170.4	183.3	168.9	185.6	610.8	
Operating Parameters										
Deposits (INR t)	45.3	46.9	47.6	49.2	49.0	51.2	52.3	53.7	49.2	53.7
Loans (INR t)	32.4	33.5	35.2	37.0	37.5	38.6	40.0	41.9	37.0	41.9
Deposit Growth (%)	12.0	11.9	13.0	11.1	8.2	9.1	9.8	9.2	11.1	9.2
Loan Growth (%)	14.9	13.3	15.1	15.8	15.9	15.3	13.8	13.1	15.8	13.1
Asset Quality										
Gross NPA (%)	2.76	2.55	2.42	2.24	2.21	2.13	2.07	1.96	2.24	1.96
Net NPA (%)	0.71	0.64	0.64	0.57	0.57	0.53	0.53	0.50	0.57	0.50
PCR (%)	74.8	75.4	74.2	75.0	74.4	75.7	74.7	74.9	74.8	74.9

Union Bank of India

Buy
CMP: INR125 | TP: INR135 (+8%)
EPS CHANGE (%): FY25|26|27: 2.9|5.8|7.8

- Expect cost ratios to remain broadly stable
- SMA and restructuring books are the key monitorables
- Margins expected to see a mild decline
- Expect improvement in asset quality

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	88.4	91.3	91.7	94.4	94.1	90.5	92.4	94.5	365.7	371.5
% Change (YoY)	16.6	9.9	6.3	14.4	6.5	-0.9	0.8	0.2	11.6	1.6
Other Income	39.0	37.0	37.7	47.1	45.1	53.3	44.2	47.2	160.8	189.7
Total Income	127.4	128.2	129.4	141.4	139.2	143.8	136.6	141.7	526.5	561.3
Operating Expenses	55.6	56.0	56.6	76.1	61.4	62.6	61.7	65.2	244.4	250.8
Operating Profit	71.8	72.2	72.8	65.3	77.9	81.1	74.9	76.6	282.1	310.5
% Change (YoY)	31.8	9.8	9.9	-4.3	8.4	12.4	2.9	17.2	10.8	10.1
Provisions	20.1	17.7	17.5	12.6	27.6	17.1	16.0	15.4	67.8	76.1
Profit before Tax	51.7	54.5	55.3	52.7	50.3	64.0	58.9	61.1	214.3	234.4
Tax	19.4	19.4	19.4	19.6	13.5	16.8	12.9	15.2	77.8	58.4
Net Profit	32.4	35.1	35.9	33.1	36.8	47.2	46.0	46.0	136.5	176.0
% Change (YoY)	107.7	90.0	59.9	19.0	13.7	34.4	28.2	38.9	61.8	29.0
Operating Parameters										
Deposit (INR b)	11,281	11,376	11,725	12,215	12,242	12,419	12,166	12,667	12,215	12,667
Loan (INR b)	7,705	8,036	8,621	8,708	8,787	8,971	9,202	9,500	8,708	9,500
Deposit Growth (%)	13.6	9.0	10.1	9.3	8.5	9.2	3.8	3.7	9.3	3.7
Loan Growth (%)	13.9	10.5	14.0	14.3	14.0	11.6	6.7	9.1	14.3	9.1
Asset Quality										
Gross NPA (%)	7.3	6.4	4.8	4.8	4.5	4.4	3.9	3.7	4.8	3.7
Net NPA (%)	1.6	1.3	1.1	1.0	0.9	1.0	0.8	0.8	1.1	0.8
PCR (%)	79.8	80.7	78.4	79.1	80.9	78.4	79.3	79.0	78.4	79.0

SBI Cards and Payment Services

Neutral
CMP: INR862 | TP: INR830 (-7%)
EPS CHANGE (%): FY25|26|27: -1.0|1.8|3.3

- Cost ratios expected to remain stable in 4Q
- Spending growth to see a mild revival
- Asset quality to see a mild improvement
- Revolver mix/margin outlook are key monitorables

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	12.3	13.0	13.9	14.1	14.8	15.0	15.7	15.9	51.5	61.4
% Change (Y-o-Y)	14.3	16.1	21.2	21.4	19.7	15.8	13.2	12.4	17.0	19.2
Other Income	22.4	23.2	26.6	23.4	22.4	22.7	23.7	23.9	97.4	92.7
Total Income	34.8	36.2	40.5	37.5	37.2	37.7	39.4	39.8	148.9	154.1
Operating Expenses	19.6	20.7	24.3	19.2	18.2	20.1	21.1	20.8	83.7	80.1
Operating Profit	15.2	15.5	16.2	18.3	19.0	17.6	18.3	19.1	65.2	73.9
% Change (Y-o-Y)	17.3	23.9	33.1	28.2	25.4	13.3	13.0	4.0	25.6	13.4
Provisions	7.2	7.4	8.8	9.4	11.0	12.1	13.1	11.5	32.9	47.8
Profit before Tax	8.0	8.1	7.4	8.9	8.0	5.5	5.2	7.5	32.3	26.2
Tax	2.0	2.1	1.9	2.3	2.0	1.4	1.3	1.9	8.2	6.7
Net Profit	5.9	6.0	5.5	6.6	5.9	4.0	3.8	5.6	24.1	19.5
% Change (Y-o-Y)	-5.4	14.7	7.8	11.0	0.2	-32.9	-30.2	-14.9	6.6	-19.2

Operating Parameters

Loan (INRb)	418.1	435.6	471.6	490.8	508.1	536.0	528.1	552.6	490.8	552.6
Loan Growth (%)	30.3	19.3	26.3	24.7	21.5	23.0	12.0	12.6	24.7	12.6

Asset Quality

Gross NPA (%)	2.4	2.4	2.6	2.8	3.1	3.3	3.2	3.1	2.8	3.1
Net NPA (%)	0.9	0.9	1.0	1.0	1.1	1.2	1.2	1.1	1.0	1.1
PCR (%)	63.8	64.1	64.1	64.9	64.4	64.4	64.4	64.6	64.9	64.6

Paytm

Neutral
CMP: INR 801 | TP: INR870 (+9%)
Revenue from Ops. CHANGE (%): FY25|26|27: -0.9|-0.2|-0.2

- Expect operating profitability to improve amid reduction in depreciation cost
- Expect disbursements and GMV to increase sequentially
- Expect total revenue growth to improve
- UPI incentive and EBITDA guidance to be a key monitorable

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Payment Services to Consumers	5.5	5.8	6.0	4.4	0.8	0.9	0.9	2.2	21.7	4.9
Payment Services to Merchants	8.4	9.2	10.8	11.2	8.0	8.6	9.1	10.1	39.6	35.7
Financial Services and Others	5.2	5.7	6.1	3.0	2.8	3.8	5.0	5.5	20.0	17.1
Payment and Financial Services	19.2	20.7	22.9	18.6	11.6	13.2	15.1	17.8	81.3	57.7
% Change (Y-o-Y)	42.4	36.1	43.0	-3.0	-39.3	-36.2	-34.2	-4.1	27.4	-29.0
Commerce and Cloud Services	4.1	4.2	5.1	4.0	3.2	3.0	2.7	2.9	17.4	11.8
Revenue from Operations	23.4	25.2	28.5	22.7	15.0	16.6	18.3	21.0	99.8	70.9
% Change (Y-o-Y)	39.3	31.6	38.2	-2.9	-35.9	-34.1	-35.9	-7.5	24.9	-29.0
Direct Expenses	10.4	10.9	13.3	9.8	7.5	7.7	8.7	9.2	44.4	33.0
Contribution Profit	13.0	14.3	15.2	12.9	7.5	8.9	9.6	11.8	55.4	37.9
% Change (Y-o-Y)	79.3	69.2	45.1	0.4	-42.1	-37.3	-36.9	-8.3	42.0	-31.6
Indirect Expenses	12.2	12.7	13.0	11.9	13.0	10.8	10.0	10.2	49.8	44.0
Adjusted EBITDA	0.8	1.5	2.2	1.0	-5.5	-1.9	-0.4	1.6	5.6	-6.1
EBITDA	-2.9	-2.3	-1.6	-2.2	-7.9	-4.0	-2.2	-1.4	-9.1	-15.6
PAT	-3.6	-2.9	-2.2	-5.5	-8.4	-4.2	-2.1	-1.1	-14.1	-2.3
% Change (Y-o-Y)	-44.5	-49.9	-43.9	227.1	134.7	45.5	-5.5	-79.6	-20.6	-83.6
Adj. PAT	-3.6	-2.9	-2.2	-3.2	-8.4	9.3	-2.1	-1.1		

Operating Parameters

GMV (INRt)	4.1	4.5	5.1	4.7	4.3	4.5	5.0	5.1	18.3	18.8
Disbursements (INR b)	148.5	162.1	155.4	58.0	50.1	52.8	55.8	77.0	523.7	235.7
GMV Growth (%)	36.8	41.5	47.4	29.6	5.2	-0.7	-1.2	8.3	38.4	3.0

Profitability

Contribution Margin (%)	55.7	56.6	53.3	56.8	50.3	53.9	52.5	56.3	55.5	53.5
Adjusted EBITDA Margin (%)	3.6	6.1	7.7	4.5	-36.4	-11.2	-2.2	7.5	5.6	-8.7
EBITDA Margin (%)	-12.5	-9.2	-5.5	-9.9	-52.8	-24.3	-12.2	-6.7	-9.1	-22.0

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SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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