

Financials: Banks and Insurance

Result Preview



2QFY23 earnings estimate (INR b)

| PAT (INR b) | 2Q FY23E | YoY (%) | QoQ (%) |
|-------------------------|--------------|--------------|--------------|
| Private Banks | | | |
| AUBANK | 3.2 | 13.2 | 17.7 |
| AXSB | 42.4 | 35.5 | 2.9 |
| BANDHAN | 5.6 | NM | -37.0 |
| DCBB | 1.0 | 55.6 | 4.0 |
| EQUITAS | 1.2 | 187.4 | 22.1 |
| FB | 6.0 | 30.5 | 0.0 |
| HDFCB | 105.4 | 19.3 | 14.6 |
| ICICIBC | 74.7 | 35.5 | 8.2 |
| IIB | 17.9 | 55.9 | 9.6 |
| KMB | 24.2 | 19.1 | 16.8 |
| RBK | 2.0 | NM | 1.2 |
| Private Total | 283.5 | 53.1 | 8.7 |
| PSU Banks | | | |
| BOB | 25.0 | 19.8 | 15.3 |
| CBK | 19.7 | 47.9 | -2.5 |
| INBK | 12.2 | 12.3 | 0.8 |
| PNB | 9.8 | -11.4 | 217.5 |
| SBIN | 102.5 | 34.4 | 68.9 |
| UNBK | 16.9 | 10.5 | 8.2 |
| PSU Total | 186.1 | 26.0 | 39.5 |
| Banks Total | 469.7 | 41.1 | 19.1 |
| Other Financials | | | |
| SBICARD | 5.9 | 71.8 | -5.5 |
| Life Insurance | | | |
| HDFCLIFE | 3.3 | 18.6 | -11.0 |
| IPRULIFE | 2.9 | -33.8 | 89.0 |
| SBILIFE | 3.3 | 32.3 | 24.2 |
| MAXF | 1.0 | 35.8 | 5.9 |
| Life Total | 10.4 | -57.8 | -33.1 |

Earnings progression on track amidst volatile macro

Credit growth + NIMs showing resilience; liabilities gaining focus

- **Credit growth showing significant strength:** Systemic loan is witnessing a continuous revival, with credit growth accelerating to ~16% YoY in Sep'22 (nine-year high), led by continued traction in the Retail and SME segment, while the Corporate segment is also seeing a revival, led by improved working capital requirements. **Home, Vehicle, Unsecured, and Small Business continue to do well, while the demand for CV is also improving.** Credit Cards business is seeing a healthy momentum, with spends remaining strong.
- We believe that deposit growth will be a key focus over the next few quarters, given the RBI's stance on further rate hikes and tightening liquidity. Deposits rates are likely to increase to aid liability accretion and fund credit growth. The rise in cost of deposits would be key to assessing the margin trajectory over FY24.
- While any material change in the demand environment needs to be monitored, given the challenging macro, we **estimate loans to grow by 13%/14% YoY in FY23/FY24. We expect our Banking Coverage Universe to deliver ~41% YoY growth in PAT in 2QFY23, while PPoP to grow at a modest ~13% YoY.**
- **Estimating 29% CAGR in earnings over FY22-24E:** Our estimates indicate steady traction in earnings over FY23/FY24. We **expect Private/PSU Banks to report an earnings growth of ~32%/~34% YoY in FY23.** Our Banking Coverage Universe is likely to report an earnings growth of ~33% YoY in FY23 and 25% in FY24, after posting a growth of ~45% in FY22.
- **Asset quality and credit cost to remain controlled:** We estimate slippages ex of restructuring to remain controlled, which along with healthy recoveries and upgrades, will result in a continuous improvement in asset quality. While the performance of restructured and ECLGS book will be closely monitored, we expect credit cost to remain under control, while the balance sheet strengthens further.

Private Banks – PAT to grow ~53% YoY in 2QFY23

- **We estimate Private Banks to report a PPoP growth of ~13% YoY (+13% QoQ) and PAT growth of ~53% YoY (+8.7% QoQ) in 2QFY23.** Earnings are likely to remain healthy, led by higher business growth, NIM expansion, and a sustained reduction in credit cost.
- **Loan growth is projected to remain strong. We forecast Private Banks loan growth at 18%/19% over FY23/FY24.** We estimate ICICIBC to deliver a loan growth of ~23% YoY over 2QFY23 and KMB/AXSB to grow by ~25%/18%. HDFCB/IIB reported a strong growth of ~23%/~18% YoY.
- **Margins to witness positive bias in near term,** supported by pick up in loans growth and rising interest rates as floating rate loan portfolio gets repriced. However, we remain watchful of a rise in cost of funds to assess the margin impact over the medium term. **We forecast NII growth of ~20% YoY,** with KMB ~28%, AXSB ~23%, ICICIBC ~22%, IIB ~18%, and HDFCB at 16% in 2QFY23.
- **Slippages ex of restructuring to remain controlled.** Slippages ex of restructuring are likely to remain controlled across segments, barring BANDHAN, which can see elevated stress due to the recognition of floods/restructuring/SMA impact. Overall, we expect a continuous improvement in asset quality. The performance of the restructured and ECLGS book will be a key monitorable.

PSBs – Operating performance continues to improve

- We forecast earnings for PSBs to remain healthy, led by pick up in margins and moderation in opex. While we remain watchful of future yields movement, it stood stable over 2QFY23.
- Recovery in loan growth is likely to continue, however, traction in deposits and any increase in cost of funds would be key to assess the margin trajectory. This will be further supported by a sustained reduction in credit cost as the asset quality performance for PSBs remains steady.
- **PSBs are likely to deliver a NII/PPoP growth of 14%/12% YoY (+6.6%/+24.9% QoQ), while PAT will grow by ~26% YoY (+39.5% QoQ) in 2QFY23.**

Small Finance Banks – A quarter of modest performance

- We expect AUBANK to report a modest performance, impacted by continued margin pressure and higher Opex, even as advances are likely to grow 6% QoQ vs 5.6% QoQ in 1QFY23. Provisions would remain controlled, thus, earnings are likely to grow ~13% YoY to INR3.15b in 2QFY23 (23% CAGR over FY22-24E).
- EQUITAS is likely to report a PPO/PAT growth of 40%/187% YoY albeit on a low base of 2QFY22, impacted by the second wave of Covid-19.

Life Insurers – VNB margins to remain healthy

- We expect premium growth to remain healthy (albeit on a low base) on strong demand for Annuity, Guaranteed, and Credit Life products. Protection and ULIP is likely to see a gradual recovery amid a volatile market.
- HDFCLIFE will post an APE growth of 9% YoY, while SBILIFE will see a growth of 4%. MAXF would see a decline of 10% YoY while IPRU will see a decline of 4%.
- We project VNB growth to be in the range of 12-14% YoY for SBILIFE, HDFCLIFE, and IPRU, while MAXF would see a decline of 16%. VNB margin to remain healthy across players.

SBICARD: Spends momentum healthy; rising cost to affect margins

- The momentum in Credit Card spends and new account sourcing is likely to remain healthy over 2QFY23, which will keep fee income robust.
- Asset quality outlook remains robust, which coupled with negligible restructuring book, will aid improvement in credit cost.
- However, margins could witness a slight pressure, owing to a low revolve rate and increasing cost of funds, which could impact the overall profitability. The impact of new RBI guidelines on inactive cards would be a near-term watch.

Other monitorables

- **The performance of the restructured and ECLGS book:** Commentaries on slippages, especially MSME, the performance of the restructured and ECLGS book, and provisioning guidance are key focus areas.
- **Outlook on growth and margins:** Commentaries on the growth outlook, revival in capex, and margin, amid rising interest rates, higher inflation, and a challenging macro, are key monitorables.
- **Deposit traction** to be other key monitorable amidst liquidity tightening and rise in funding cost/bulk deposits mix to meet the demand.
- **Fee income traction and treasury performance:** The traction in fee income and treasury performance due to movement in bond yields are key focus areas.
- **Technological spends and elevated Opex:** Outlook on technological spends and investments in the business could affect normalization in Opex.

Our top picks – ICICIBC, SBIN, IIB, FB, and SBILIFE

ICICIBC: Financial snapshot (INR b)

| Y/E March | FY22 | FY23E | FY24E |
|--------------------|------|-------|-------|
| NII | 475 | 577 | 686 |
| OP | 393 | 464 | 552 |
| NP | 233 | 305 | 361 |
| NIM (%) | 4.0 | 4.2 | 4.3 |
| EPS (INR) | 33.7 | 43.8 | 52.0 |
| EPS Gr. (%) | 39.2 | 30.3 | 18.6 |
| ABV/Sh. (INR) | 223 | 267 | 316 |
| Cons. BV/Sh. (INR) | 262 | 306 | 358 |

Ratios

| | | | |
|---------|------|------|------|
| RoE (%) | 15.0 | 16.8 | 17.0 |
| RoA (%) | 1.8 | 2.0 | 2.1 |

Valuations

| | | | |
|------------------|------|------|------|
| P/BV (x) (Cons.) | 3.2 | 2.8 | 2.4 |
| P/ABV (x) | 3.0 | 2.5 | 2.1 |
| P/E (x) | 20.0 | 15.4 | 12.9 |

*Adjusted for investment in subsidiaries

ICICIBC (Buy)

- ICICIBC has substantially increased its PCR to ~80% as of 1QFY23 – the highest in the industry – and carries COVID-related provisions of INR85b (~0.9% of loans). Slippages have moderated over the past few quarters and we expect these to subside further. ICICIBC is well-cushioned, with higher provisions on its Balance Sheet, and has guided at normalization in credit costs from FY23.
- Steady mix of a high-yielding book such as Retail/Business banking, deployment of excess liquidity, and a low-cost liability franchise is aiding margin expansion, which improved to ~4.1%. Around 70% of its book is floating in nature, with ~43%/6% linked to repo/other EBLR, which will aid margin. We expect margins to remain healthy as growth in the SME and high-yielding Retail segment pick up.
- The bank is becoming a new growth leader in the SME and Retail segments, aided by continued investments in technology and partnerships with new ecosystem players. We expect a 19% loan CAGR over FY22-24 for the bank.
- ICICIBC has room for further re-rating as it continues on its journey to deliver consistent solid return ratios and sustainable growth, led by its focus on core operating performance. We estimate an RoA/RoE of 2.1%/17.0% for FY24. Adjusted for subsidiaries, the standalone bank trades at 2.1x FY24E ABV.

SBIN: Financial snapshot (INR b)

| Y/E March | FY22 | FY23E | FY24E |
|-----------------|-------|-------|-------|
| NII | 1,207 | 1,390 | 1,605 |
| OP | 753 | 816 | 1,014 |
| NP | 317 | 410 | 521 |
| NIM (%) | 2.9 | 3.0 | 3.1 |
| EPS (INR) | 35.5 | 45.9 | 58.4 |
| EPS Gr. (%) | 55.2 | 29.3 | 27.3 |
| ABV (INR) | 256 | 296 | 346 |
| Cons. BV. (INR) | 328 | 377 | 440 |

Ratios

| | | | |
|---------|------|------|------|
| RoE (%) | 13.0 | 15.0 | 16.7 |
| RoA (%) | 0.7 | 0.8 | 0.9 |

Valuations

| | | | |
|----------------|-----|-----|-----|
| P/BV (x) Cons. | 1.6 | 1.4 | 1.2 |
| P/ABV (x)* | 1.2 | 1.1 | 0.9 |
| P/E (x)* | 8.9 | 6.9 | 5.4 |

*Adjusted for investment in subsidiaries

SBIN (Buy)

- SBIN has demonstrated a strong improvement in asset quality, which has been resilient over the past few quarters, aided by improved underwriting and significant mobilization in customer engagement by the recovery team. Fresh slippages moderated to a low of 1%, beating private peers, while PCR improved to 75%. This, coupled with controlled restructuring (1% of loans) and a low SMA book (25bp of loans), will drive a sustained reduction in credit cost to 0.8%.
- Retail growth is likely to remain strong. This, along with a pick-up in the SME and Corporate book (as the un-utilized limit continues to moderate), will support loan growth. Stable margin, deployment of liquidity, and reversal in the rate cycle (as ~75% of loans are floating in nature) will enable a recovery in NII.
- SBIN inarguably has one of the best liability franchises (CASA mix: ~45%). This puts it in a better position to manage funding cost in a rising rate regime. While there could be some increase in the cost of deposits, margin is likely to remain stable.
- SBIN appears well positioned to report a strong uptick in earnings. We estimate a FY24 RoA/RoE of 0.9%/16.7%. Subsidiaries account for ~32% of the total SoTP. Adjusted for subsidiaries, the bank trades at 0.9x FY24E ABV.

IIB: Financial snapshot (INR b)

| Y/E March | FY22 | FY23E | FY24E |
|-------------------|------|-------|-------|
| NII | 150 | 175 | 206 |
| OP | 131 | 147 | 174 |
| NP | 48 | 77 | 95 |
| NIM (%) | 3.9 | 4.1 | 4.2 |
| EPS (INR) | 62.1 | 99.8 | 122.2 |
| EPS Gr. (%) | 55.4 | 60.7 | 22.5 |
| BV/Sh. (INR) | 618 | 707 | 819 |
| ABV/Sh. (INR) | 604 | 695 | 806 |
| Ratios | | | |
| RoE (%) | 10.6 | 15.1 | 16.1 |
| RoA (%) | 1.3 | 1.8 | 1.9 |
| Valuations | | | |
| P/E (x) | 18.6 | 11.6 | 9.5 |
| P/BV (x) | 1.9 | 1.6 | 1.4 |
| P/ABV (x) | 1.9 | 1.7 | 1.4 |

FB: Financial snapshot (INR b)

| Y/E March | FY22 | FY23E | FY24E |
|-------------------|------|-------|-------|
| NII | 59.6 | 68.9 | 83.0 |
| OP | 37.6 | 42.9 | 53.2 |
| NP | 18.9 | 24.5 | 29.5 |
| NIM (%) | 3.2 | 3.3 | 3.4 |
| EPS (INR) | 9.2 | 11.7 | 14.0 |
| EPS Gr. (%) | 15.6 | 26.3 | 20.3 |
| BV/Sh. (INR) | 89.4 | 99.5 | 111.5 |
| ABV/Sh. (INR) | 81.6 | 91.2 | 102.4 |
| Ratios | | | |
| RoE (%) | 10.8 | 12.3 | 13.3 |
| RoA (%) | 0.9 | 1.0 | 1.1 |
| Valuations | | | |
| P/E (x) | 12.6 | 10.0 | 8.3 |
| P/BV (x) | 1.3 | 1.2 | 1.0 |
| P/ABV (x) | 1.4 | 1.3 | 1.1 |

SBILIFE: Financial snapshot (INR b)

| Y/E March | FY22 | FY23E | FY24E |
|--------------------|------|-------|-------|
| Net Premium | 584 | 696 | 850 |
| Sh. PAT | 15.1 | 17.3 | 20.0 |
| NBP gr- unwttd.(%) | 23.4 | 25.0 | 23.0 |
| NBP gr. – APE (%) | 24.9 | 26.3 | 26.9 |
| Premium gr. (%) | 16.9 | 19.5 | 22.1 |
| VNB margin. (%) | 25.9 | 30.1 | 29.7 |
| RoEV (%) | 18.7 | 20.3 | 21.4 |
| Total AUM (INR t) | 2.7 | 3.0 | 3.8 |
| VNB | 37.0 | 53.9 | 67.7 |
| EV per share | 396 | 477 | 579 |
| Valuations | | | |
| P/EV (x) | 3.1 | 2.6 | 2.1 |
| P/EVOP (x) | 18.0 | 14.2 | 11.6 |

IIB (Buy)

- IIB's consistent efforts in strengthening its liability franchise have been yielding results with Retail deposits mix increasing to 41%. LCR ratio too remains healthy at ~124%. We expect IIB to deliver 17% deposit CAGR over FY22-24E, while the bank has suggested increasing the mix of Retail deposits to 45-50%.
- Loan growth is witnessing strong traction across segments with healthy pick up in both Corporate and Retail loans. The focus remains on scaling up its key focus businesses and investing on new growth engines. We estimate loans to grow at 19% CAGR over FY22-24E. Improving business activity and a recovery in its core CV and MFI segments will aid overall portfolio growth.
- Asset quality risks are receding, with a gradual reduction in stress from the MFI and CV book. The restructuring book too moderated to 2.1% of loans, which will keep slippages under control. A healthy PCR of 72% and provisions buffer of 1.2% of loans will result in a moderation in credit cost to 1.3% by FY24.
- We thus expect IIB to deliver 40% earnings CAGR over FY22-24E, leading to RoA/RoE of 1.9%/16.1% in FY24E. IIB currently trades at 1.4x FY24E ABV.

FB (Buy)

- Asset quality ratios have improved, led by healthy recoveries and upgrades and moderation in slippages. CE stood healthy ~95% in 1QFY23, with no big-ticket account (over INR1b) on its watch-list. While we remain watchful of stress from the SME and Agri segment and a high restructuring book, we nevertheless expect slippages/credit costs to moderate to 1.3%/0.7% in FY24.
- CASA and retail TD constitute over 94% of total deposits. The bank has a lower cost of funds advantage v/s other mid-sized banks. This, along with a focus on cross-selling liability products to Corporate clients to garner salary accounts and a pick-up in loan growth, is likely to support margin.
- FB has been taking a cautious approach towards building its loan mix to higher-rated Corporates and secured Retail loans. The mix of Retail loans improved to ~32% as of 1QFY23 (from 28.4% in FY19). We expect loan growth to remain healthy, resulting in a further improvement in its overall operating performance.
- We expect an RoA/RoE of 1.1%/13.3% by FY24. FB currently trades at 1.1x FY24E ABV.

SBILIFE (Buy)

- SBILIFE is seeing strong traction in premium growth across segments, with Individual WRP delivering a robust 29% growth over FY23 till date – much higher than the industry and other listed peers. Both the agency and banca channels are contributing to growth. We estimate a 27% APE CAGR over FY22-24, led by continued momentum in Non-PAR Savings and Protection products.
- The share of ULIP is likely to pick up while trends in Protection and Non-PAR segments are likely to remain healthy. This will continue to support VNB margin.
- Persistency ratios are likely to remain healthy across cohorts, while cost ratios may increase moderately on a revival in business growth. However, cost leadership is likely to continue.
- We estimate 35% VNB CAGR over FY22-24, with operating RoEV to sustain ~22% by FY24. We forecast margins to remain steady at ~30% over FY22-24. SBILIFE currently trades at 2.1x FY24E EV.

Exhibit 1: 2QFY23 earnings estimates

| | CMP | | NII (INR m) | | | Op. profit (INR m) | | | Net profit (INR m) | | |
|------------------------|-------|---------|------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|
| | (INR) | Rating | Sep'22 | Variance YoY (%) | Variance QoQ (%) | Sep'22 | Variance YoY (%) | Variance QoQ (%) | Sep'22 | Variance YoY (%) | Variance QoQ (%) |
| Financials | | | | | | | | | | | |
| AU Small Finance | 594 | Buy | 10,248 | 36.1 | 5.0 | 4,826 | 23.0 | 22.5 | 3,153 | 13.2 | 17.7 |
| Axis Bank | 723 | Buy | 97,440 | 23.3 | 3.8 | 68,047 | 14.8 | 15.6 | 42,442 | 35.5 | 2.9 |
| Bandhan Bank | 259 | Neutral | 22,819 | 17.9 | -9.2 | 18,253 | 15.2 | 0.3 | 5,587 | NM | -37.0 |
| DCB Bank | 100 | Neutral | 4,050 | 25.3 | 8.3 | 2,228 | 27.2 | 34.1 | 1,010 | 55.6 | 4.0 |
| Equitas Holdings | 99 | Buy | 6,025 | 24.5 | 3.8 | 2,782 | 39.8 | 3.7 | 1,184 | 187.4 | 22.1 |
| Federal Bank | 116 | Buy | 16,869 | 14.0 | 5.1 | 10,359 | 13.6 | 6.4 | 6,006 | 30.5 | 0.0 |
| HDFC Bank | 1,413 | Buy | 204,415 | 15.6 | 4.9 | 176,492 | 11.7 | 14.8 | 105,355 | 19.3 | 14.6 |
| ICICI Bank | 848 | Buy | 142,626 | 22.0 | 8.0 | 113,965 | 14.9 | 10.5 | 74,685 | 35.5 | 8.2 |
| IndusInd Bank | 1,156 | Buy | 43,254 | 18.2 | 4.9 | 35,652 | 10.8 | 3.9 | 17,882 | 55.9 | 9.6 |
| Kotak Mahindra Bank | 1,784 | Neutral | 51,560 | 28.2 | 9.8 | 36,239 | 16.1 | 30.2 | 24,192 | 19.1 | 16.8 |
| RBL Bank | 111 | Buy | 10,950 | 19.6 | 6.5 | 5,505 | -20.3 | 4.0 | 2,035 | NM | 1.2 |
| Banks – Private | | | 610,256 | 20.0 | 5.3 | 474,347 | 13.1 | 13.1 | 283,532 | 53.1 | 8.7 |
| Bank of Baroda | 128 | Buy | 92,404 | 22.1 | 4.5 | 58,032 | 2.4 | 28.2 | 25,008 | 19.8 | 15.3 |
| Canara Bank | 222 | Buy | 72,169 | 15.0 | 6.4 | 64,529 | 15.2 | -2.3 | 19,706 | 47.9 | -2.5 |
| Indian Bank | 189 | Buy | 47,376 | 16.0 | 4.5 | 36,157 | 10.4 | 1.4 | 12,228 | 12.3 | 0.8 |
| Punjab National Bank | 35 | Neutral | 81,346 | 28.0 | 7.8 | 57,307 | 42.5 | 6.5 | 9,793 | -11.4 | 217.5 |
| State Bank of India | 520 | Buy | 336,316 | 7.8 | 7.8 | 203,801 | 12.7 | 59.8 | 102,517 | 34.4 | 68.9 |
| Union Bank | 43 | Buy | 78,712 | 15.3 | 3.8 | 58,320 | -4.0 | 7.1 | 16,869 | 10.5 | 8.2 |
| Banks – PSU | | | 708,323 | 13.7 | 6.6 | 478,146 | 11.9 | 24.9 | 186,121 | 26.0 | 39.5 |
| Total Banks | | | 1,318,579 | 16.6 | 6.0 | 952,492 | 12.5 | 18.8 | 469,653 | 41.1 | 19.1 |
| HDFC Life Insurance | 519 | Neutral | 131,633 | 15.0 | 42.0 | 3,303 | 19.7 | -9.8 | 3,251 | 18.6 | -11.0 |
| ICICI Prudential Life | 510 | Buy | 105,523 | 13.6 | 53.3 | 3,136 | -33.9 | 101.4 | 2,943 | -33.8 | 89.0 |
| SBI Life Insurance | 1,238 | Buy | 181,542 | 23.8 | 64.5 | 3,312 | 31.5 | 23.8 | 3,264 | 32.3 | 24.2 |
| Max Financial | 753 | Buy | 58,943 | 10.6 | 43.7 | NM | NM | NM | 964 | 35.8 | 5.9 |
| Life Insurance | | | 477,641 | -67.1 | -63.2 | 9,751 | -59.5 | -77.9 | 10,422 | -57.8 | -33.1 |
| SBI Cards | 880 | Buy | 10,714 | 16.6 | -0.7 | 12,457 | 17.7 | -3.5 | 5,926 | 71.8 | -5.5 |

Note: For Life Insurance - NII represents net premium income, PPOP represents the shareholder's PBT, and PAT represents the shareholder's profits

Exhibit 2: Loan growth has recovered strongly to 16.2%

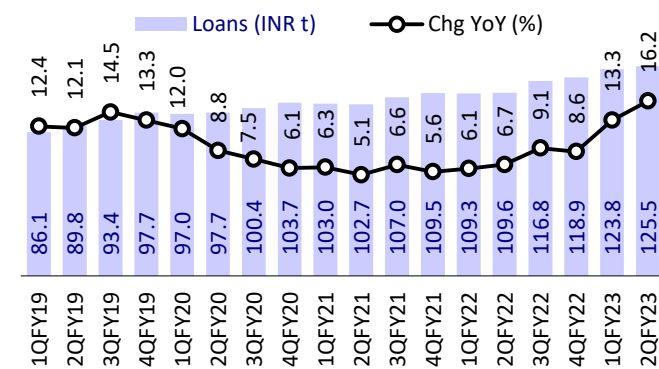


Exhibit 3: Deposit growth modest at 9.5%

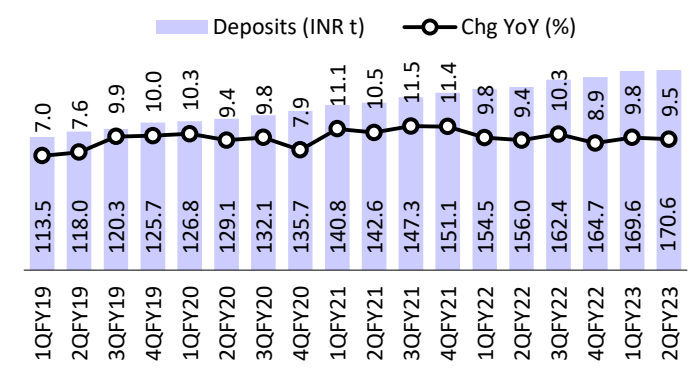


Exhibit 4: Margins to exhibit a positive bias, supported by rising interest rate and healthy pick up in business growth

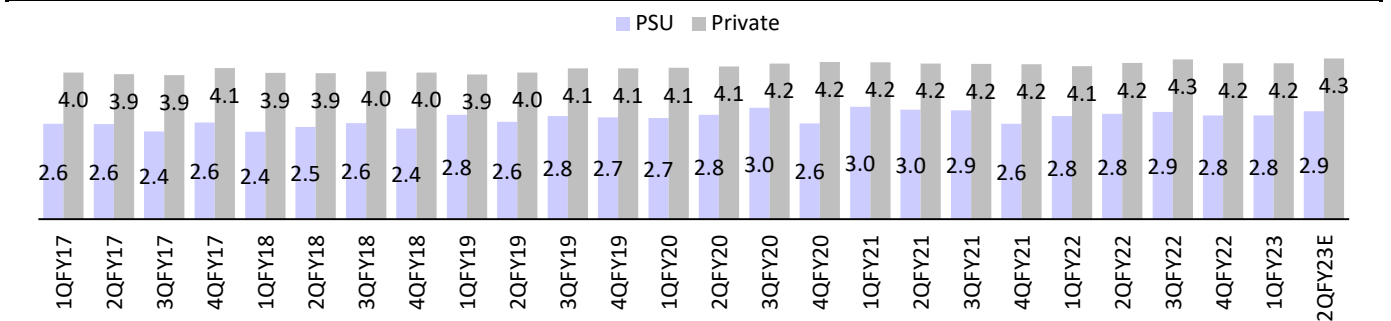


Exhibit 5: Earnings progression on track; raising aggregate earnings by 2%/1% implying ~29% CAGR over FY22-24E

| PAT (INR b) | Old estimates | | Revised estimates | | Change (%) | |
|----------------------------|----------------|----------------|-------------------|----------------|-------------|--------------|
| | FY23E | FY24E | FY23E | FY24E | FY23E | FY24E |
| Private Banks | | | | | | |
| AXSB | 177.8 | 218.2 | 181.8 | 221.6 | 2.2% | 1.6% |
| BANDHAN | 44.0 | 59.3 | 38.3 | 56.0 | -12.9% | -5.4% |
| DCBB | 4.3 | 5.7 | 4.4 | 5.6 | 4.2% | -1.3% |
| HDFCB | 440.7 | 530.3 | 440.1 | 523.9 | -0.1% | -1.2% |
| ICICIBC | 296.6 | 361.9 | 304.7 | 361.5 | 2.8% | -0.1% |
| IIB | 77.1 | 92.4 | 77.3 | 94.7 | 0.2% | 2.4% |
| KMB | 93.8 | 110.7 | 97.7 | 113.5 | 4.2% | 2.5% |
| FB | 24.3 | 30.2 | 24.5 | 29.5 | 0.7% | -2.5% |
| RBK | 8.0 | 11.8 | 8.7 | 12.4 | 8.8% | 4.6% |
| AUBANK | 13.8 | 17.9 | 13.8 | 17.2 | 0.3% | -3.6% |
| EQUITAS | 5.0 | 7.4 | 4.9 | 7.5 | -2.6% | 2.1% |
| Total Private Banks | 1,185.3 | 1,445.7 | 1,196.3 | 1,443.4 | 0.9% | -0.2% |
| YoY growth | 31.2% | 22.0% | 32.4% | 20.7% | | |
| PSU Banks | | | | | | |
| BOB | 100.6 | 138.5 | 103.8 | 140.1 | 3.3% | 1.1% |
| CBK | 84.9 | 109.0 | 87.1 | 111.5 | 2.6% | 2.3% |
| INBK | 53.2 | 66.2 | 52.3 | 65.8 | -1.7% | -0.5% |
| PNB | 40.4 | 60.3 | 43.7 | 67.1 | 8.0% | 11.3% |
| SBIN | 399.8 | 528.0 | 409.6 | 521.3 | 2.4% | -1.3% |
| UNBK | 62.6 | 89.4 | 69.6 | 103.5 | 11.1% | 15.7% |
| Total PSU Bank | 741.4 | 991.5 | 766.0 | 1,009.3 | 3.3% | 1.8% |
| YoY growth | 29.5% | 33.7% | 33.8% | 31.8% | | |
| Total for Banks | 1,926.7 | 2,437.1 | 1,962.3 | 2,452.7 | 1.8% | 0.6% |
| YoY growth | 30.5% | 26.5% | 32.9% | 25.0% | | |
| Other Financials | | | | | | |
| SBICARD | 26.3 | 37.3 | 23.8 | 33.6 | -9.5% | -9.9% |

Source: MOFSL, Company

Large Banks continue to carry additional provision buffers

Exhibit 6: Snapshot of additional provision buffers as on 1QFY23

| As of 1QFY23 | Loans (INR b) | COVID/contingent provisions | Floating/additional provisions | Total provisions | As a percentage of loans (%) |
|--------------|---------------|-----------------------------|--------------------------------|------------------|------------------------------|
| AXSB* | 7,011 | 50.1 | 68.2 | 118.3 | 1.7 |
| DCBB | 298 | 0.7 | - | 0.7 | 0.2 |
| HDFCB** | 13,951 | 96.3 | 14.5 | 110.8 | 0.8 |
| ICICIBC | 8,956 | 85.0 | - | 85.0 | 0.9 |
| IIB*** | 2,480 | 30.0 | - | 30.0 | 1.2 |
| IDFCFIRST | 1,326 | 0.9 | - | 0.9 | 0.1 |
| KMB | 2,802 | 4.8 | - | 4.8 | 0.2 |
| AUBANK | 487 | 1.4 | - | 1.4 | 0.3 |

*AXSB holds total provisions of INR118b, including standard and additional, other than NPA

**Floating provisions for HDFCB stands at INR14.51b

***For IIB, floating provisions (INR0.7b) are included in the PCR

Source: MOFSL, Company

Restructuring book remains controlled for large banks, but it is relatively higher for mid-sized banks

Exhibit 7: Snapshot of restructuring book across banks

| INR b | Restructured book | | | | | |
|---------|-------------------|--------|--------|--------|--------|--------|
| | Absolute | Mar'21 | Sep'21 | Dec'21 | Mar'22 | Jun'22 |
| AXSB | 34.0 | 0.30% | 0.66% | 0.63% | 0.52% | 0.45% |
| BANDHAN | 58.3 | 0.76% | 11.18% | 8.22% | 5.77% | 6.42% |
| DCBB | 18.2 | 4.26% | 6.80% | 6.81% | 6.42% | 6.09% |
| HDFCB | 107.5 | 0.57% | 1.50% | 1.40% | 1.14% | 0.76% |
| ICICIB | 73.8 | 0.54% | 1.27% | 1.19% | 1.00% | 0.80% |
| IIB | 52.1 | 1.80% | 3.60% | 3.30% | 2.60% | 2.10% |
| KMB | 10.8 | 0.19% | 0.54% | 0.54% | 0.44% | 0.39% |
| FB | 33.7 | 1.07% | 2.49% | 2.45% | 2.44% | 2.22% |
| RBK | 17.4 | 1.58% | 3.66% | 3.44% | 3.27% | 2.89% |
| AUBANK | 10.4 | 1.85% | 3.60% | 3.10% | 2.50% | 2.10% |
| BOB | 196.7 | 1.34% | 2.95% | 2.65% | 2.44% | 2.46% |
| SBIN | 287.9 | 0.73% | 1.24% | 1.20% | 1.13% | 1.02% |
| INBK | 165.8 | 1.64% | 5.85% | 5.09% | 4.73% | 4.17% |
| PNB | 147.0 | NA | 2.60% | 2.76% | 2.36% | 1.98% |
| UNBK | 212.4 | 1.10% | 3.69% | 3.32% | 2.99% | 2.92% |
| BOI | 104.1 | NA | 3.61% | 2.97% | 2.63% | 2.35% |
| CBK | 180.0 | NA | 2.85% | 2.78% | 2.77% | 2.41% |

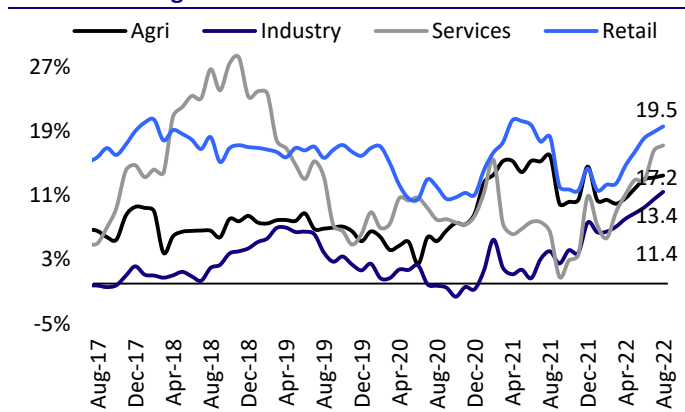
Source: MOFSL, Company

Exhibit 8: SMA book across banks as of 1QFY23

| SMA (bp of loans) | SMA 0 | SMA 1 | SMA 2 |
|-------------------|-------|-------|-------|
| BOB | NA | 48bp | |
| BOI | NA | 20bp | 31bp |
| CBK | 72bp | 19bp | 38bp |
| INBK | NA | 40bp | 21bp |
| PNB | NA | NA | 26bp |
| SBIN | NA | 18bp | 6bp |
| UNBK | 33bp | 6bp | 14bp |
| BANDHAN | 470bp | 240bp | 560bp |
| KMB | NA | NA | 6bp |

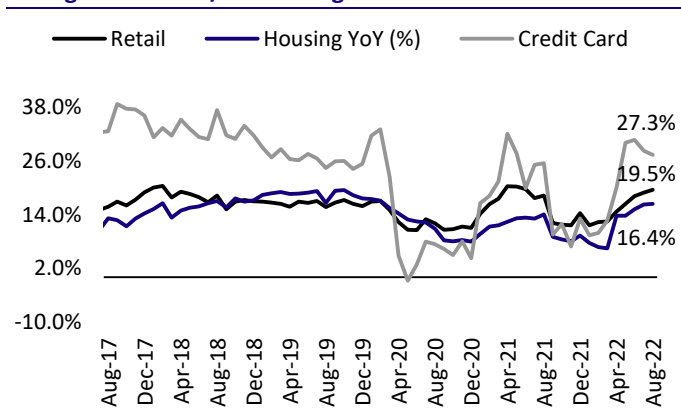
Source: MOFSL, Company

Exhibit 9: Retail loan growth improves to 19.5%; Retail mix at 31.6% in Aug'22



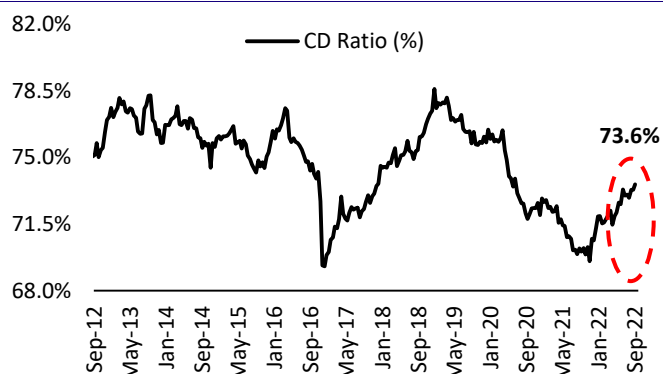
Source: MOFSL, RBI

Exhibit 10: Credit Card growth ~27% YoY; Housing/Vehicle loan growth ~16%/20% in Aug'22



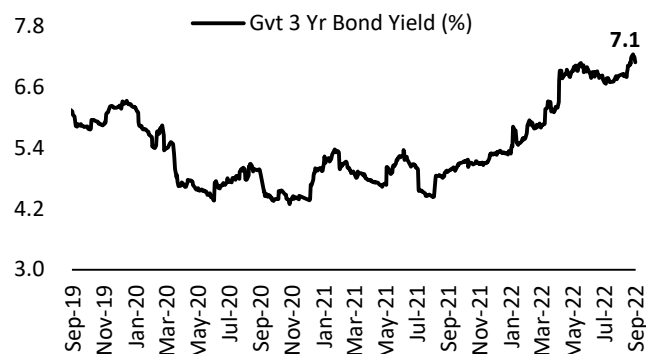
Source: MOFSL, RBI

Exhibit 11: CD ratio picks up to 73.6% as of 9th Sep'22; expect it to improve gradually



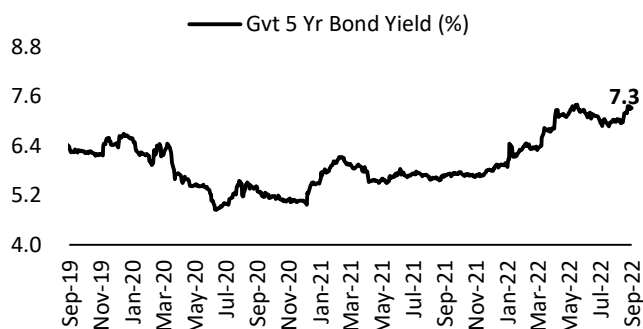
Source: MOFSL, RBI

Exhibit 12: Three-year G-Sec yield increases 14bp over 2QFY23 to its current ~7.1%



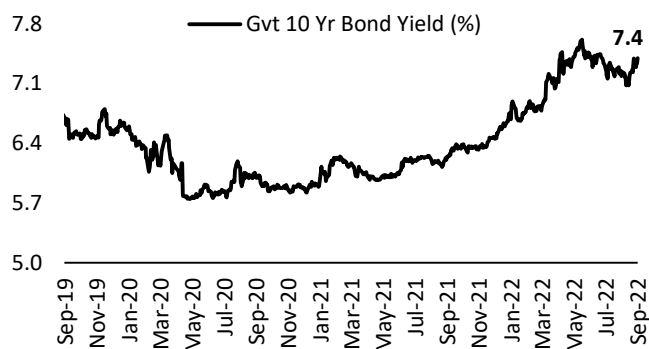
Source: MOFSL, BBG

Exhibit 13: Five-year G-Sec yield increases by 6bp in 2QFY23 to its current ~7.3%



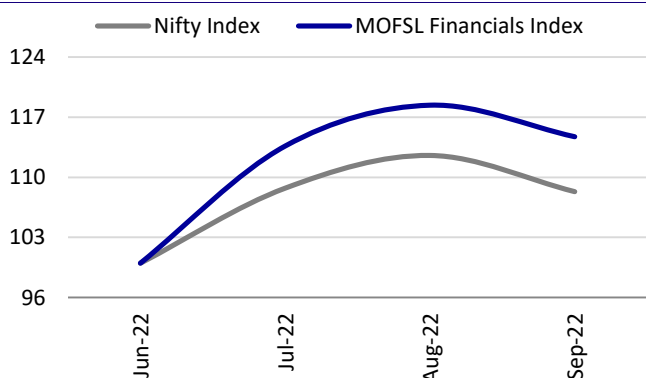
Source: MOFSL, BBG

Exhibit 14: 10-year G-Sec yield moderates by 5bp in 2QFY23 to its current ~7.4%



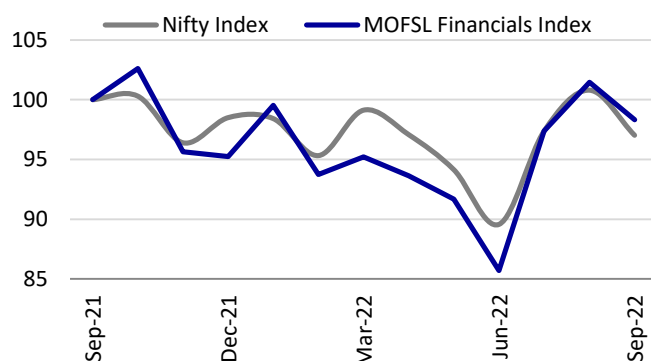
Source: MOFSL, BBG

Exhibit 15: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 16: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 17: Valuation summary

| | CMP | | EPS (INR) | | | PE (x) | | | PB (x) | | | ROE (%) | | |
|----------------------|-------|---------|-----------|-------|-------|--------|-------|-------|--------|-------|-------|---------|-------|-------|
| Company Name | (INR) | Reco | FY22 | FY23E | FY24E | FY22 | FY23E | FY24E | FY22 | FY23E | FY24E | FY22 | FY23E | FY24E |
| Financials | | | | | | | | | | | | | | |
| Banks-Private | | | | | | 23.4 | 17.7 | 14.7 | 3.1 | 2.7 | 2.3 | 13.3 | 15.4 | 16.0 |
| AU Bank | 594 | Buy | 18.0 | 21.4 | 25.9 | 33.0 | 27.8 | 22.9 | 5.0 | 3.6 | 3.1 | 16.6 | 15.1 | 14.7 |
| Axis Bank | 723 | Buy | 42.5 | 59.2 | 72.2 | 17.0 | 12.2 | 10.0 | 1.9 | 1.8 | 1.6 | 12.0 | 15.4 | 16.9 |
| Bandhan Bank | 259 | Neutral | 0.8 | 23.8 | 34.8 | 332.0 | 10.9 | 7.5 | 2.4 | 2.0 | 1.7 | 0.7 | 20.2 | 24.6 |
| DCB Bank | 100 | Neutral | 9.2 | 14.3 | 18.0 | 10.8 | 7.0 | 5.6 | 0.8 | 0.7 | 0.6 | 7.8 | 11.0 | 12.5 |
| Equitas Holdings | 99 | Buy | 8.2 | 14.2 | 22.0 | 12.1 | 7.0 | 4.5 | 0.8 | 0.7 | 0.7 | 7.3 | 11.0 | 15.4 |
| Federal Bank | 116 | Buy | 9.2 | 11.7 | 14.0 | 12.6 | 10.0 | 8.3 | 1.3 | 1.2 | 1.0 | 10.8 | 12.3 | 13.3 |
| HDFC Bank | 1,413 | Buy | 66.8 | 79.4 | 94.5 | 21.1 | 17.8 | 15.0 | 3.3 | 2.8 | 2.4 | 16.7 | 17.0 | 17.3 |
| ICICI Bank | 848 | Buy | 33.7 | 43.8 | 52.0 | 25.2 | 19.3 | 16.3 | 3.5 | 3.0 | 2.5 | 15.0 | 16.8 | 17.0 |
| IndusInd Bank | 1,156 | Buy | 62.1 | 99.8 | 122.2 | 18.6 | 11.6 | 9.5 | 1.9 | 1.6 | 1.4 | 10.6 | 15.1 | 16.1 |
| Kotak Mahindra Bank | 1,784 | Neutral | 60.9 | 70.1 | 82.4 | 29.3 | 25.5 | 21.7 | 3.7 | 3.2 | 2.8 | 12.7 | 12.7 | 13.0 |
| RBL Bank | 111 | Buy | -1.2 | 14.6 | 20.7 | -89.1 | 7.6 | 5.4 | 0.5 | 0.5 | 0.5 | -0.6 | 6.7 | 9.0 |
| SBI Cards | 880 | Buy | 17.2 | 25.2 | 35.7 | 51.3 | 34.8 | 24.7 | 10.7 | 8.3 | 6.3 | 23.0 | 26.9 | 29.2 |
| Banks-PSU | | | | | | 10.9 | 8.1 | 6.1 | 1.0 | 0.9 | 0.8 | 9.5 | 11.6 | 13.7 |
| Bank of Baroda | 128 | Buy | 14.0 | 20.1 | 27.1 | 9.1 | 6.4 | 4.7 | 0.8 | 0.7 | 0.6 | 8.5 | 11.5 | 13.8 |
| Canara Bank | 222 | Buy | 32.8 | 48.0 | 61.5 | 6.8 | 4.6 | 3.6 | 0.7 | 0.6 | 0.5 | 9.1 | 12.4 | 14.0 |
| Indian Bank | 189 | Buy | 33.2 | 42.0 | 52.8 | 5.7 | 4.5 | 3.6 | 0.6 | 0.5 | 0.5 | 11.2 | 13.2 | 14.7 |
| Punjab National Bank | 35 | Neutral | 3.2 | 4.0 | 6.1 | 11.0 | 8.9 | 5.8 | 0.4 | 0.4 | 0.4 | 3.7 | 4.5 | 6.6 |
| State Bank | 520 | Buy | 39.6 | 51.7 | 66.5 | 13.1 | 10.1 | 7.8 | 1.6 | 1.4 | 1.2 | 13.0 | 15.0 | 16.7 |
| Union Bank | 43 | Buy | 7.9 | 10.2 | 15.1 | 5.5 | 4.2 | 2.8 | 0.4 | 0.4 | 0.4 | 8.3 | 10.2 | 13.9 |
| Insurance | | | | | | 100.0 | 58.3 | 42.7 | 12.7 | 10.6 | 8.9 | 12.7 | 18.3 | 20.8 |
| HDFC Life | 519 | Neutral | 5.7 | 6.7 | 7.7 | 90.9 | 77.5 | 67.3 | 3.3 | 2.8 | 2.4 | 23.8 | 17.3 | 18.1 |
| ICICI Lombard | 1,127 | Buy | 25.9 | 32.2 | 40.8 | 43.5 | 35.0 | 27.6 | 6.1 | 5.4 | 4.8 | 15.4 | 16.4 | 18.5 |
| ICICI Pru Life | 510 | Buy | 5.3 | 6.9 | 8.2 | 97.1 | 73.8 | 61.9 | 2.3 | 2.0 | 1.7 | 8.7 | 14.4 | 16.8 |
| Life Insurance Corp. | 621 | Buy | 6.5 | 11.4 | 17.3 | 95.2 | 54.2 | 35.9 | 0.7 | 0.7 | 0.6 | NM | 10.2 | 12.0 |
| Max Financial | 753 | Buy | 8.1 | 10.2 | 10.5 | 92.7 | 74.1 | 71.7 | 2.3 | 1.9 | 1.6 | 19.8 | 19.5 | 20.0 |
| SBI Life | 1,238 | Buy | 15.1 | 17.3 | 20.0 | 82.2 | 71.6 | 61.8 | 3.1 | 2.6 | 2.1 | 18.7 | 20.3 | 21.4 |
| Star Health | 703 | Buy | -18.1 | 11.8 | 18.2 | -38.9 | 59.8 | 38.6 | 8.8 | 5.8 | 5.0 | -25.7 | 11.7 | 14.0 |

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: INR594 | TP: INR680 (+14%)
EPS CHANGE (%): FY23|24: +0.3|-3.6

- Expect margin to compress to ~5.8%.
- Expect business growth to see a healthy traction.
- CoF and C/I ratio are expected to remain high.
- Asset quality and movement in restructuring to be key monitorables.

Quarterly performance

(INR m)

| | FY22 | | | | FY23 | | | | FY22 | FY23E |
|-----------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q* | 2Q* | 3Q* | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 7,240 | 7,531 | 8,204 | 9,366 | 9,760 | 10,248 | 10,799 | 11,541 | 32,341 | 42,347 |
| % Change (Y-o-Y) | 40.4 | 34.3 | 29.6 | 42.8 | 34.8 | 36.1 | 31.6 | 23.2 | 36.7 | 30.9 |
| Other Income | 2,148 | 1,919 | 2,756 | 3,114 | 1,592 | 2,372 | 3,112 | 3,656 | 9,937 | 10,732 |
| Total Income | 9,388 | 9,451 | 10,961 | 12,479 | 11,352 | 12,620 | 13,911 | 15,197 | 42,278 | 53,079 |
| Operating Expenses | 4,570 | 5,526 | 6,376 | 7,656 | 7,411 | 7,794 | 8,146 | 8,593 | 24,128 | 31,943 |
| Operating Profit | 4,818 | 3,925 | 4,584 | 4,823 | 3,941 | 4,826 | 5,765 | 6,604 | 18,150 | 21,136 |
| % Change (Y-o-Y) | 8.1 | -11.1 | -48.8 | 40.1 | -18.2 | 23.0 | 25.8 | 36.9 | -14.7 | 16.4 |
| Provisions | 2,072 | 46 | 560 | 932 | 384 | 610 | 770 | 890 | 3,610 | 2,654 |
| Profit before Tax | 2,747 | 3,878 | 4,025 | 3,891 | 3,557 | 4,215 | 4,996 | 5,714 | 14,541 | 18,482 |
| Tax Provisions | 715 | 1,093 | 1,004 | 430 | 878 | 1,062 | 1,259 | 1,458 | 3,242 | 4,657 |
| Net Profit | 2,032 | 2,785 | 3,020 | 3,461 | 2,679 | 3,153 | 3,737 | 4,256 | 11,298 | 13,825 |
| % Change (Y-o-Y) | 1.2 | -13.5 | -36.9 | 104.8 | 31.8 | 13.2 | 23.7 | 23.0 | -3.5 | 22.4 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 370.1 | 390.3 | 442.8 | 525.8 | 546.3 | 571.6 | 617.3 | 678.3 | 525.8 | 678.3 |
| Loan (INR b) | 339.6 | 358.5 | 401.8 | 461.0 | 486.5 | 515.9 | 556.7 | 601.7 | 461.0 | 601.7 |
| Deposit Growth (%) | 38.5 | 44.7 | 49.0 | 46.2 | 47.6 | 46.4 | 39.4 | 29.0 | 46.2 | 29.0 |
| Loan Growth (%) | 29.4 | 31.6 | 32.6 | 33.2 | 43.3 | 43.9 | 38.5 | 30.5 | 33.2 | 30.5 |
| Asset Quality | | | | | | | | | | |
| GNPA (%) | 4.3 | 3.2 | 2.6 | 2.0 | 2.0 | 2.0 | 1.9 | 1.9 | 2.0 | 1.9 |
| NNPA (%) | 2.3 | 1.7 | 1.3 | 0.5 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| PCR (%) | 48.8 | 48.6 | 50.8 | 75.0 | 71.7 | 72.0 | 72.5 | 73.2 | 75.0 | 73.2 |

*YoY growth is not comparable due to gain from the Aavas stake sale

Axis Bank

Buy
CMP: INR723 | TP: INR875 (+21%)
EPS CHANGE (%): FY23|24: +2.2|+1.6

- Expect credit costs to remain steady. Slippages to be key.
- Restructuring and BB & below pool to remain a key focus area.
- Margin to witness expansion. Cost ratio another key.
- Expect business growth to see a healthy traction.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 77.6 | 79.0 | 86.5 | 88.2 | 93.8 | 97.4 | 105.6 | 112.5 | 331.3 | 409.4 |
| % Change (Y-o-Y) | 11.1 | 7.8 | 17.4 | 16.7 | 20.9 | 23.3 | 22.1 | 27.6 | 13.3 | 23.6 |
| Other Income | 33.6 | 38.0 | 38.4 | 42.2 | 30.0 | 38.7 | 42.5 | 48.6 | 152.2 | 159.8 |
| Total Income | 111.2 | 117.0 | 124.9 | 130.4 | 123.8 | 136.1 | 148.1 | 161.1 | 483.5 | 569.2 |
| Operating Expenses | 49.3 | 57.7 | 63.3 | 65.8 | 65.0 | 68.1 | 70.8 | 74.0 | 236.1 | 277.8 |
| Operating Profit | 61.9 | 59.3 | 61.6 | 64.7 | 58.9 | 68.0 | 77.3 | 87.2 | 247.4 | 291.4 |
| % Change (Y-o-Y) | 5.9 | -11.0 | 17.4 | 12.7 | -4.8 | 14.8 | 25.4 | 34.8 | 7.0 | 17.8 |
| Provisions | 33.0 | 17.4 | 13.3 | 9.9 | 3.6 | 11.3 | 15.0 | 18.4 | 73.6 | 48.3 |
| Profit before Tax | 28.8 | 41.9 | 48.3 | 54.8 | 55.3 | 56.7 | 62.3 | 68.7 | 173.8 | 243.1 |
| Tax | 7.2 | 10.6 | 12.1 | 13.6 | 14.0 | 14.3 | 15.7 | 17.2 | 43.6 | 61.3 |
| Net Profit | 21.6 | 31.3 | 36.1 | 41.2 | 41.3 | 42.4 | 46.6 | 51.5 | 130.3 | 181.8 |
| % Change (Y-o-Y) | 94.2 | 86.2 | 223.7 | 53.8 | 91.0 | 35.5 | 29.0 | 25.1 | 97.7 | 39.6 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR t) | 7.1 | 7.4 | 7.7 | 8.2 | 8.0 | 8.3 | 8.8 | 9.3 | 8.2 | 9.3 |
| Loan (INR t) | 6.1 | 6.2 | 6.6 | 7.1 | 7.0 | 7.3 | 7.7 | 8.2 | 7.1 | 8.2 |
| Deposit Growth (%) | 16.0 | 18.1 | 20.3 | 17.7 | 12.6 | 12.4 | 13.7 | 13.5 | 17.7 | 13.5 |
| Loan Growth (%) | 12.0 | 10.1 | 16.7 | 15.2 | 14.0 | 18.1 | 16.0 | 15.5 | 15.2 | 15.5 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 3.9 | 3.5 | 3.2 | 2.8 | 2.8 | 2.7 | 2.5 | 2.4 | 3.0 | 2.4 |
| Net NPA (%) | 1.2 | 1.1 | 0.9 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.8 | 0.6 |
| PCR (%) | 69.8 | 70.2 | 72.0 | 74.7 | 77.3 | 77.0 | 76.5 | 76.8 | 74.3 | 76.8 |

Bandhan Bank**Neutral****CMP: INR259 | TP: INR320 (+23%)****EPS CHANGE (%): FY23|24: -12.9|-5.4**

- Expect NIM to witness compression to ~7.3%.
- We stay watchful of credit costs and slippages, especially from the SMA and restructuring book, which could stay elevated.
- Expect business growth to see a pick up.
- Commentaries around CE, Restructuring and SMA book are key monitorables.

Quarterly performance**(INR b)**

| Y/E March | FY22 | | | | FY23E | | | | FY22 | FY23E |
|-----------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 21.1 | 19.4 | 21.2 | 25.4 | 25.1 | 22.8 | 25.3 | 25.9 | 87.1 | 99.2 |
| % Change (YoY) | 16.7 | 0.6 | 2.6 | 44.6 | 18.9 | 17.9 | 19.1 | 2.2 | 15.2 | 13.9 |
| Other Income | 6.2 | 5.3 | 7.1 | 9.6 | 3.3 | 6.1 | 8.1 | 10.4 | 28.2 | 27.9 |
| Total Income | 27.3 | 24.6 | 28.4 | 35.0 | 28.4 | 29.0 | 33.4 | 36.3 | 115.4 | 127.2 |
| Operating Expenses | 7.7 | 8.8 | 8.9 | 9.8 | 10.2 | 10.7 | 10.9 | 11.3 | 35.2 | 43.2 |
| Operating Profit | 19.6 | 15.8 | 19.5 | 25.2 | 18.2 | 18.3 | 22.5 | 25.0 | 80.1 | 84.0 |
| % Change (YoY) | 23.5 | -1.7 | 1.4 | 53.5 | -7.0 | 15.2 | 15.2 | -0.8 | 18.4 | 4.8 |
| Provisions | 14.6 | 56.1 | 8.1 | 0.0 | 6.4 | 10.8 | 8.5 | 7.0 | 78.8 | 32.8 |
| Profit Before Tax | 5.0 | -40.3 | 11.4 | 25.2 | 11.8 | 7.5 | 14.0 | 18.0 | 1.3 | 51.2 |
| Tax | 1.2 | -10.2 | 2.9 | 6.1 | 2.9 | 1.9 | 3.5 | 4.6 | 0.0 | 12.9 |
| Net Profit | 3.7 | -30.1 | 8.6 | 19.0 | 8.9 | 5.6 | 10.4 | 13.4 | 1.3 | 38.3 |
| % Change (YoY) | -32.1 | NM | 35.8 | NM | 137.6 | NM | 21.5 | -29.6 | -94.3 | NM |
| Operating Parameters | | | | | | | | | | |
| Deposits (INR b) | 773 | 819 | 845 | 963 | 931 | 960 | 1,055 | 1,146 | 963 | 1,146 |
| Loans (INR b) | 748 | 745 | 803 | 940 | 909 | 931 | 1,025 | 1,110 | 940 | 1,110 |
| Deposit Growth (%) | 27.6 | 23.8 | 18.7 | 23.5 | 20.3 | 17.2 | 24.8 | 19.0 | 23.5 | 19.0 |
| Loan Growth (%) | 7.2 | 1.6 | 4.6 | 15.1 | 21.6 | 25.0 | 27.6 | 18.1 | 15.1 | 18.1 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 8.2 | 10.8 | 10.8 | 6.5 | 7.3 | 7.7 | 6.7 | 6.1 | 6.5 | 6.1 |
| Net NPA (%) | 3.3 | 3.0 | 3.0 | 1.7 | 1.9 | 2.8 | 2.4 | 2.2 | 1.7 | 2.2 |
| PCR (%) | 61.8 | 74.1 | 74.4 | 75.5 | 74.9 | 65.0 | 66.0 | 66.2 | 75.5 | 66.2 |

Bank of Baroda**Buy****CMP: INR128 | TP: INR150 (+17%)****EPS CHANGE (%): FY23|24: +3.3|+1.1**

- Expect earnings and business growth to see a healthy traction.
- Opex trajectory, particularly employee costs, is a key focus area. Expect credit costs to remain stable.
- Expect slippages to moderate and asset quality to stay steady.
- Movement in its watch-list and stressed pool are key monitorables.

Quarterly performance**(INR b)**

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 78.9 | 75.7 | 85.5 | 86.1 | 88.4 | 92.4 | 94.6 | 97.2 | 326.2 | 372.6 |
| % Change (YoY) | 15.8 | 2.1 | 14.4 | 21.2 | 12.0 | 22.1 | 10.7 | 12.8 | 13.2 | 14.2 |
| Other Income | 28.6 | 35.8 | 25.2 | 25.2 | 11.8 | 22.0 | 23.7 | 33.2 | 114.8 | 90.7 |
| Total Income | 107.5 | 111.5 | 110.7 | 111.3 | 100.2 | 114.4 | 118.3 | 130.3 | 441.1 | 463.3 |
| Operating Expenses | 51.5 | 54.8 | 55.9 | 55.0 | 54.9 | 56.4 | 57.6 | 59.5 | 217.2 | 228.4 |
| Operating Profit | 56.0 | 56.7 | 54.8 | 56.4 | 45.3 | 58.0 | 60.8 | 70.8 | 223.9 | 234.9 |
| % Change (YoY) | 38.6 | 5.8 | 7.9 | -9.6 | -19.2 | 2.4 | 10.8 | 25.7 | 5.6 | 4.9 |
| Provisions | 40.1 | 27.5 | 25.1 | 37.4 | 16.8 | 24.6 | 26.2 | 28.8 | 130.0 | 96.5 |
| Profit before Tax | 16.0 | 29.2 | 29.8 | 19.0 | 28.4 | 33.4 | 34.5 | 42.1 | 93.9 | 138.4 |
| Tax | 3.9 | 8.3 | 7.8 | 1.2 | 6.7 | 8.4 | 8.7 | 10.7 | 21.1 | 34.6 |
| Net Profit | 12.1 | 20.9 | 22.0 | 17.8 | 21.7 | 25.0 | 25.8 | 31.3 | 72.7 | 103.8 |
| % Change (YoY) | NM | 24.4 | 107.1 | NM | 79.4 | 19.8 | 17.5 | 76.1 | 777.3 | 42.8 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 9,313 | 9,595 | 9,780 | 10,459 | 10,327 | 10,577 | 10,894 | 11,296 | 10,459 | 11,296 |
| Loan (INR b) | 6,684 | 6,938 | 7,322 | 7,772 | 7,996 | 8,238 | 8,443 | 8,704 | 7,772 | 8,704 |
| Deposit Growth (%) | (0.3) | 0.5 | 2.5 | 8.2 | 10.9 | 10.2 | 11.4 | 8.0 | 8.2 | 8.0 |
| Loan Growth (%) | (2.7) | 3.6 | 4.8 | 10.0 | 19.6 | 18.7 | 15.3 | 12.0 | 10.0 | 12.0 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 8.9 | 8.1 | 7.3 | 6.6 | 6.3 | 6.0 | 5.7 | 5.4 | 6.6 | 5.4 |
| Net NPA (%) | 3.0 | 2.8 | 2.3 | 1.7 | 1.6 | 1.5 | 1.4 | 1.4 | 1.7 | 1.4 |
| PCR (%) | 67.9 | 67.1 | 70.6 | 75.3 | 75.9 | 76.0 | 76.2 | 75.7 | 75.3 | 75.7 |

Canara Bank

Buy

CMP: INR222 | TP: INR300 (+35%)

EPS CHANGE (%): FY23|24: +2.6|+2.3

- Expect business growth to remain steady.
- Credit costs to stay elevated. Restructuring book a key monitorable.
- Expect asset quality and slippages to moderate.
- Expect margin to expand to ~2.8%. Treasury performance to remain modest.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 61.6 | 62.7 | 69.4 | 70.1 | 67.8 | 72.2 | 76.9 | 81.3 | 263.8 | 298.2 |
| % Change (Y-o-Y) | 1.0 | -0.5 | 14.1 | 24.9 | 10.2 | 15.0 | 10.8 | 16.0 | 9.5 | 13.0 |
| Other Income | 41.6 | 42.7 | 36.1 | 44.6 | 51.8 | 44.2 | 44.3 | 44.5 | 165.0 | 184.8 |
| Total Income | 103.2 | 105.4 | 105.6 | 114.7 | 119.6 | 116.3 | 121.3 | 125.8 | 428.8 | 483.0 |
| Operating Expenses | 48.3 | 49.4 | 47.5 | 52.7 | 53.5 | 51.8 | 52.4 | 53.7 | 184.4 | 211.4 |
| Operating Profit | 54.8 | 56.0 | 58.0 | 62.0 | 66.1 | 64.5 | 68.9 | 72.1 | 244.4 | 271.6 |
| % Change (Y-o-Y) | 27.9 | 21.9 | 10.2 | 18.8 | 20.5 | 15.2 | 18.7 | 16.3 | 24.2 | 11.1 |
| Other Provisions | 34.6 | 33.6 | 22.4 | 37.1 | 36.9 | 35.1 | 34.8 | 34.7 | 141.3 | 141.6 |
| Exceptional Item | NA | NA | 0.0 | NA | NA | NA | NA | NA | 13.5 | NA |
| Profit before Tax | 20.2 | 22.4 | 35.6 | 24.9 | 29.2 | 29.4 | 34.0 | 37.4 | 89.6 | 130.0 |
| Tax | 8.4 | 9.1 | 7.0 | 8.3 | 8.9 | 9.7 | 11.6 | 12.7 | 32.8 | 42.9 |
| Net Profit | 11.8 | 13.3 | 28.6 | 16.7 | 20.2 | 19.7 | 22.5 | 24.7 | 56.8 | 87.1 |
| % Change (Y-o-Y) | 189.8 | 199.9 | 310.5 | 64.8 | 71.7 | 47.9 | -21.4 | 48.2 | 122.0 | 53.3 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 10,218 | 10,325 | 10,434 | 10,864 | 11,181 | 11,407 | 11,625 | 11,951 | 10,864 | 11,951 |
| Loan (INR b) | 6,485 | 6,496 | 6,922 | 7,036 | 7,469 | 7,666 | 7,824 | 8,021 | 7,036 | 8,021 |
| Deposit Growth (%) | 12.3 | 8.8 | 7.2 | 7.5 | 9.4 | 10.5 | 11.4 | 10.0 | 7.5 | 10.0 |
| Loan Growth (%) | 5.1 | 5.4 | 9.1 | 10.1 | 15.2 | 18.0 | 13.0 | 14.0 | 10.1 | 14.0 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 8.5 | 8.4 | 7.8 | 7.5 | 7.0 | 6.5 | 6.3 | 6.1 | 7.5 | 6.1 |
| Net NPA (%) | 3.5 | 3.2 | 2.9 | 2.7 | 2.5 | 2.3 | 2.2 | 2.0 | 2.7 | 2.0 |
| PCR (%) | 61.5 | 63.9 | 65.2 | 66.5 | 66.2 | 66.5 | 67.2 | 68.2 | 65.9 | 68.2 |

DCB Bank

Neutral

CMP: INR100 | TP: INR100 (+0%)

EPS CHANGE (%): FY23|24: +4.2|-1.3

- Expect credit costs to remain steady on potential stress in the SME/LAP segment.
- The C/I ratio may remain under pressure.
- Expect asset quality to witness an improvement QoQ. The performance of the restructuring book will be a key focus area.
- NIM expansion and loan growth would be closely monitored.

Quarterly performance

(INR m)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 3,087 | 3,233 | 3,450 | 3,805 | 3,740 | 4,050 | 4,267 | 4,611 | 13,575 | 16,667 |
| % Change (Y-o-Y) | 0.6 | -3.2 | 3.1 | 22.3 | 21.1 | 25.3 | 23.7 | 21.2 | 5.5 | 22.8 |
| Other Income | 1,212 | 977 | 1,183 | 1,148 | 924 | 1,096 | 1,312 | 1,414 | 4,520 | 4,746 |
| Total Income | 4,299 | 4,211 | 4,634 | 4,953 | 4,664 | 5,146 | 5,579 | 6,025 | 18,095 | 21,413 |
| Operating Expenses | 2,277 | 2,459 | 2,645 | 2,744 | 3,002 | 2,917 | 2,973 | 3,001 | 10,126 | 11,894 |
| Operating Profit | 2,022 | 1,751 | 1,988 | 2,208 | 1,661 | 2,228 | 2,606 | 3,024 | 7,970 | 9,519 |
| % Change (Y-o-Y) | 5.8 | -17.8 | -28.8 | 9.8 | -17.8 | 27.2 | 31.0 | 36.9 | -10.0 | 19.4 |
| Provisions | 1,565 | 863 | 970 | 676 | 350 | 876 | 986 | 1,322 | 4,074 | 3,533 |
| Profit before Tax | 457 | 888 | 1,019 | 1,532 | 1,311 | 1,352 | 1,620 | 1,702 | 3,895 | 5,985 |
| Tax | 119 | 239 | 265 | 398 | 340 | 342 | 413 | 449 | 1,020 | 1,544 |
| Net Profit | 338 | 649 | 754 | 1,134 | 971 | 1,010 | 1,207 | 1,253 | 2,875 | 4,441 |
| % Change (Y-o-Y) | -57.5 | -21.1 | -21.7 | 45.6 | 187.8 | 55.6 | 60.1 | 10.4 | -14.4 | 54.5 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 306.0 | 317.7 | 322.3 | 346.9 | 350.8 | 362.1 | 372.7 | 393.8 | 346.9 | 393.8 |
| Loan (INR b) | 252.9 | 268.5 | 276.6 | 291.0 | 298.1 | 311.3 | 319.5 | 337.5 | 291.0 | 337.5 |
| Deposit Growth (%) | 4.0 | 10.4 | 11.7 | 16.8 | 14.6 | 14.0 | 15.6 | 13.5 | 16.8 | 13.5 |
| Loan Growth (%) | 0.9 | 7.9 | 9.3 | 13.0 | 17.9 | 15.9 | 15.5 | 16.0 | 13.0 | 16.0 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 4.9 | 4.7 | 4.8 | 4.3 | 4.2 | 4.0 | 3.9 | 3.6 | 4.3 | 3.6 |
| Net NPA (%) | 2.8 | 2.6 | 2.6 | 2.0 | 1.8 | 1.8 | 1.7 | 1.5 | 2.0 | 1.5 |
| PCR (%) | 43.3 | 45.0 | 48.0 | 55.6 | 57.8 | 57.0 | 57.5 | 58.2 | 55.6 | 58.2 |

Equitas Holdings

Buy

CMP: INR99 | TP: INR130 (+31%)

EPS CHANGE (%): FY23|24: -2.6|+2.1

- Expect NIM to moderate to ~9.0%.
- Focus to remain on movement in asset quality in the MSME book, CE and the restructuring book.
- Expect elevated credit costs to keep earnings growth modest.
- Expect a pick-up in business growth. Management commentary will be a key monitorable.

Quarterly performance

(INR m)

| Y/E March | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 4,610 | 4,838 | 5,411 | 5,525 | 5,806 | 6,025 | 6,397 | 6,567 | 20,385 | 24,800 |
| % Change (YoY) | 14.0 | 4.9 | 11.8 | 23.2 | 25.9 | 24.5 | 18.2 | 18.9 | 13.4 | 21.7 |
| Other Income | 1,036 | 1,521 | 1,339 | 1,481 | 1,332 | 1,497 | 1,665 | 1,742 | 5,376 | 6,236 |
| Total Income | 5,646 | 6,359 | 6,749 | 7,006 | 7,138 | 7,522 | 8,062 | 8,309 | 25,761 | 31,035 |
| Operating Expenses | 4,002 | 4,370 | 4,502 | 4,167 | 4,456 | 4,740 | 5,135 | 5,419 | 17,041 | 19,750 |
| Operating Profit | 1,644 | 1,989 | 2,247 | 2,839 | 2,682 | 2,782 | 2,927 | 2,890 | 8,719 | 11,286 |
| % Change (YoY) | 15.8 | -5.5 | -20.7 | 13.6 | 63.1 | 39.8 | 30.3 | 1.8 | -1.7 | 29.4 |
| Provisions | 1,501 | 1,421 | 784 | 1,232 | 1,416 | 1,199 | 1,256 | 924 | 4,938 | 4,795 |
| Profit before Tax | 142 | 568 | 1,463 | 1,607 | 1,266 | 1,583 | 1,671 | 1,966 | 3,781 | 6,490 |
| Tax | 23 | 156 | 382 | 412 | 296 | 399 | 421 | 517 | 974 | 1,634 |
| Net Profit | 119 | 412 | 1,081 | 1,195 | 970 | 1,184 | 1,250 | 1,449 | 2,807 | 4,857 |
| % Change (YoY) | -79.3 | -60.0 | -2.3 | 5.9 | 713.4 | 187.4 | 15.6 | 21.3 | -26.9 | 73.0 |
| Operating Parameters | | | | | | | | | | |
| AUM (INR b) | 178 | 190 | 197 | 206 | 217 | 224 | 237 | 257 | 206 | 247 |
| Deposits (INR b) | 171 | 181 | 179 | 190 | 204 | 215 | 225 | 241 | 190 | 241 |
| Loans (INR b) | 167 | 178 | 183 | 194 | 205 | 214 | 225 | 242 | 194 | 242 |
| AUM Growth (%) | 15 | 13 | 13 | 15 | 22 | 18 | 20 | 25 | 15 | 20 |
| Deposit Growth (%) | 45 | 40 | 13 | 16 | 19 | 19 | 26 | 27 | 16 | 27 |
| Loan Growth (%) | 16 | 12 | 9 | 15 | 22 | 20 | 23 | 25 | 15 | 25 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 4.8 | 4.8 | 4.6 | 4.2 | 4.1 | 4.0 | 3.9 | 3.9 | 37.1 | 3.9 |
| Net NPA (%) | 2.4 | 2.5 | 2.5 | 2.5 | 2.2 | 2.1 | 2.0 | 1.9 | 2.5 | 1.9 |
| PCR (%) | 51.2 | 50.1 | 46.8 | 42.7 | 48.5 | 48.0 | 49.6 | 52.5 | 42.7 | 52.5 |

Federal Bank

Buy

CMP: INR116 | TP: INR145 (+25%)

EPS CHANGE (%): FY23|24: +0.7|-2.5

- Expect business growth to see a gradual recovery.
- Asset quality and loans under restructuring are key monitorables.
- Expect credit costs to stay steady on exposure to SMEs.
- Expect NIM to improve slightly to ~3.3%. Watchful of commentary on cost of funds going ahead.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 14.2 | 14.8 | 15.4 | 15.3 | 16.0 | 16.9 | 17.6 | 18.4 | 59.6 | 68.9 |
| % Change (YoY) | 9.4 | 7.2 | 7.1 | 7.4 | 13.1 | 14.0 | 14.1 | 20.5 | 7.7 | 15.5 |
| Other Income | 6.5 | 4.9 | 4.8 | 4.7 | 4.5 | 4.7 | 5.0 | 5.4 | 20.9 | 19.6 |
| Total Income | 20.7 | 19.7 | 20.2 | 19.9 | 20.6 | 21.6 | 22.6 | 23.8 | 80.5 | 88.5 |
| Operating Expenses | 9.3 | 10.6 | 11.1 | 11.9 | 10.8 | 11.2 | 11.5 | 12.1 | 42.9 | 45.6 |
| Operating Profit | 11.3 | 9.1 | 9.1 | 8.0 | 9.7 | 10.4 | 11.1 | 11.7 | 37.6 | 42.9 |
| % Change (YoY) | 21.5 | -3.6 | -4.4 | -11.0 | -14.1 | 13.6 | 21.1 | 46.7 | -1.1 | 14.1 |
| Provisions | 6.4 | 2.9 | 2.1 | 0.8 | 1.7 | 2.3 | 2.7 | 3.3 | 12.2 | 10.0 |
| Profit before Tax | 4.9 | 6.2 | 7.0 | 7.2 | 8.1 | 8.1 | 8.3 | 8.4 | 25.4 | 32.9 |
| Tax | 1.3 | 1.6 | 1.8 | 1.8 | 2.1 | 2.1 | 2.1 | 2.1 | 6.5 | 8.4 |
| Net Profit | 3.7 | 4.6 | 5.2 | 5.4 | 6.0 | 6.0 | 6.2 | 6.3 | 18.9 | 24.5 |
| % Change (YoY) | -8.4 | 49.6 | 29.1 | 13.1 | 63.5 | 30.5 | 18.8 | 16.2 | 18.8 | 29.6 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 1,694 | 1,720 | 1,754 | 1,817 | 1,834 | 1,891 | 1,972 | 2,080 | 1,817 | 2,080 |
| Loan (INR b) | 1,298 | 1,344 | 1,407 | 1,449 | 1,517 | 1,611 | 1,645 | 1,717 | 1,449 | 1,717 |
| Deposit Growth (%) | 9.3 | 9.7 | 8.5 | 5.2 | 8.2 | 10.0 | 12.4 | 14.5 | 5.2 | 14.5 |
| Loan Growth (%) | 7.0 | 9.4 | 12.1 | 9.9 | 16.9 | 19.9 | 16.9 | 18.5 | 9.9 | 18.5 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 3.5 | 3.2 | 3.1 | 2.8 | 2.7 | 2.5 | 2.5 | 2.4 | 2.8 | 2.4 |
| Net NPA (%) | 1.2 | 1.1 | 1.1 | 1.0 | 0.9 | 0.9 | 0.9 | 0.8 | 1.0 | 0.8 |
| PCR (%) | 65.7 | 66.2 | 66.6 | 66.3 | 65.8 | 66.8 | 66.0 | 66.2 | 66.3 | 66.2 |

HDFC Bank

Buy

CMP: INR1,413 | TP: INR1,800 (+27%)

EPS CHANGE (%): FY23|24: -0.1|-1.2

- Expect business growth to see continuous traction.
- Asset quality in Agri/Unsecured book and slippages to be the other key monitorables.
- Margin expansion will be an important metric.
- Commentary around Credit Cards, traction in fee income, and the merger with HDFC are key monitorables.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 170.1 | 176.8 | 184.4 | 188.7 | 194.8 | 204.4 | 219.2 | 233.3 | 720.1 | 851.7 |
| % Change (Y-o-Y) | 8.6 | 12.1 | 13.0 | 10.2 | 14.5 | 15.6 | 18.9 | 23.6 | 11.0 | 18.3 |
| Other Income | 62.9 | 74.0 | 81.8 | 76.4 | 63.9 | 84.8 | 90.9 | 96.8 | 295.1 | 336.4 |
| Total Income | 233.0 | 250.9 | 266.3 | 265.1 | 258.7 | 289.2 | 310.1 | 330.1 | 1,015.2 | 1,188.1 |
| Operating Expenses | 81.6 | 92.8 | 98.5 | 101.5 | 105.0 | 112.7 | 117.3 | 125.0 | 374.4 | 460.0 |
| Operating Profit | 151.4 | 158.1 | 167.8 | 163.6 | 153.7 | 176.5 | 192.8 | 205.1 | 640.8 | 728.1 |
| % Change (Y-o-Y) | 18.0 | 14.4 | 10.5 | 5.3 | 1.5 | 11.7 | 14.9 | 25.4 | 11.7 | 13.6 |
| Provisions | 48.3 | 39.2 | 29.9 | 33.1 | 31.9 | 35.4 | 32.3 | 39.5 | 150.6 | 139.0 |
| Profit before Tax | 103.1 | 118.8 | 137.8 | 130.4 | 121.8 | 141.1 | 160.6 | 165.6 | 490.2 | 589.1 |
| Tax | 25.8 | 30.5 | 34.4 | 29.9 | 29.8 | 35.8 | 37.6 | 45.8 | 120.5 | 149.1 |
| Net Profit | 77.3 | 88.3 | 103.4 | 100.6 | 92.0 | 105.4 | 123.0 | 119.8 | 369.6 | 440.1 |
| % Change (Y-o-Y) | 16.1 | 17.6 | 18.1 | 22.8 | 19.0 | 19.3 | 18.9 | 19.2 | 18.8 | 19.1 |
| Operating Parameters | | | | | | | | | | |
| Deposit | 13,458 | 14,063 | 14,459 | 15,592 | 16,048 | 16,735 | 17,315 | 18,243 | 15,592 | 18,243 |
| Loan | 11,477 | 11,988 | 12,609 | 13,688 | 13,951 | 14,800 | 15,093 | 16,029 | 13,688 | 16,029 |
| Deposit Growth (%) | 13.2 | 14.4 | 13.8 | 16.8 | 19.2 | 19.0 | 19.8 | 17.0 | 16.8 | 17.0 |
| Loan Growth (%) | 14.4 | 15.5 | 16.5 | 20.8 | 21.6 | 23.5 | 19.7 | 17.1 | 20.8 | 17.1 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 1.5 | 1.4 | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 | 1.3 |
| Net NPA (%) | 0.5 | 0.4 | 0.4 | 0.3 | 0.4 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 |
| PCR (%) | 67.9 | 70.9 | 70.8 | 72.7 | 72.9 | 73.0 | 72.4 | 72.4 | 72.7 | 72.4 |

ICICI Bank

Buy

CMP: INR848 | TP: INR1,050 (+24%)

EPS CHANGE (%): FY23|24: +2.8|-0.1

- Expect loan growth to see healthy traction and margin to witness expansion to 4.1%.
- Expect credit costs to remain stable and slippages to moderate.
- Commentary on asset quality is a key monitorable.
- Traction in credit card and overall business to be key.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 109.4 | 116.9 | 122.4 | 126.0 | 132.1 | 142.6 | 149.6 | 153.2 | 474.7 | 577.4 |
| % Change (YoY) | 17.8 | 24.8 | 23.4 | 20.8 | 20.8 | 22.0 | 22.2 | 21.5 | 21.7 | 21.7 |
| Other Income | 40.0 | 48.0 | 49.9 | 47.4 | 46.7 | 49.4 | 53.9 | 57.5 | 185.2 | 207.4 |
| Total Income | 149.3 | 164.9 | 172.2 | 173.4 | 178.8 | 192.0 | 203.5 | 210.6 | 659.8 | 784.8 |
| Operating Expenses | 60.4 | 65.7 | 70.7 | 70.5 | 75.7 | 78.0 | 81.9 | 85.5 | 267.3 | 321.1 |
| Operating Profit | 88.9 | 99.1 | 101.5 | 102.9 | 103.1 | 114.0 | 121.6 | 125.1 | 392.5 | 463.8 |
| % Change (YoY) | -17.5 | 20.0 | 15.1 | 20.5 | 15.9 | 14.9 | 19.8 | 21.5 | 7.8 | 18.2 |
| Provisions | 28.5 | 27.1 | 20.1 | 10.7 | 11.4 | 15.7 | 17.6 | 18.1 | 86.4 | 62.8 |
| Profit before Tax | 60.4 | 72.0 | 81.4 | 92.2 | 91.7 | 98.3 | 104.0 | 107.0 | 306.1 | 401.0 |
| Tax | 14.3 | 16.9 | 19.5 | 22.1 | 22.6 | 23.6 | 25.0 | 25.1 | 72.7 | 96.2 |
| Net Profit | 46.2 | 55.1 | 61.9 | 70.2 | 69.0 | 74.7 | 79.1 | 81.9 | 233.4 | 304.7 |
| % Change (YoY) | 77.6 | 29.6 | 25.4 | 59.4 | 49.6 | 35.5 | 27.6 | 16.8 | 44.1 | 30.6 |
| Operating Parameters | | | | | | | | | | |
| Deposit | 9,262 | 9,774 | 10,175 | 10,646 | 10,503 | 10,959 | 11,669 | 12,296 | 10,646 | 12,296 |
| Loan | 7,386 | 7,649 | 8,140 | 8,590 | 8,956 | 9,406 | 9,855 | 10,222 | 8,590 | 10,222 |
| Deposit Growth (%) | 15.5 | 17.3 | 16.4 | 14.2 | 13.4 | 12.1 | 14.7 | 15.5 | 14.2 | 15.5 |
| Loan Growth (%) | 17.0 | 17.2 | 16.4 | 17.1 | 21.3 | 23.0 | 21.1 | 19.0 | 17.1 | 19.0 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 5.2 | 4.8 | 4.1 | 3.6 | 3.4 | 3.2 | 2.9 | 2.7 | 3.6 | 2.7 |
| Net NPA (%) | 1.2 | 1.0 | 0.9 | 0.8 | 0.7 | 0.7 | 0.6 | 0.5 | 0.8 | 0.5 |
| PCR (%) | 78.4 | 80.3 | 80.2 | 79.5 | 79.9 | 80.1 | 80.3 | 80.7 | 79.2 | 80.7 |

IndusInd Bank

Buy

CMP: INR1,156 | TP: INR1,450 (+25%)

EPS CHANGE (%): FY23|24: +0.2|+2.4

- Expect loan growth to see a healthy pickup while deposit traction would be closely monitored.
- Expect margin to remain stable ~4.2%.
- Expect asset quality to remain under watch. MFI slippages and restructuring book to be key monitorables.
- Credit costs to witness a gradual moderation as the focus remains on maintaining higher PCR.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 35.6 | 36.6 | 37.9 | 39.9 | 41.3 | 43.3 | 45.0 | 45.6 | 150.0 | 175.1 |
| % Change (YoY) | 7.7 | 11.6 | 11.4 | 12.7 | 15.8 | 18.2 | 18.6 | 14.4 | 10.9 | 16.7 |
| Other Income | 17.2 | 18.4 | 18.8 | 19.0 | 19.3 | 20.1 | 20.7 | 21.3 | 74.1 | 81.5 |
| Total Income | 52.9 | 55.0 | 56.7 | 58.9 | 60.6 | 63.4 | 65.7 | 66.9 | 224.1 | 256.6 |
| Operating Expenses | 21.7 | 22.8 | 23.6 | 25.1 | 26.3 | 27.7 | 27.9 | 28.1 | 93.1 | 110.1 |
| Operating Profit | 31.2 | 32.2 | 33.1 | 33.8 | 34.3 | 35.7 | 37.8 | 38.8 | 131.0 | 146.5 |
| % Change (YoY) | 6.6 | 12.9 | 11.8 | 8.0 | 9.9 | 10.8 | 14.2 | 14.7 | 10.3 | 11.9 |
| Provisions | 17.8 | 17.0 | 16.5 | 14.6 | 12.5 | 11.7 | 10.4 | 8.5 | 66.6 | 43.2 |
| Profit before Tax | 13.4 | 15.2 | 16.6 | 19.2 | 21.8 | 23.9 | 27.4 | 30.2 | 64.3 | 103.3 |
| Tax | 3.3 | 3.7 | 4.2 | 5.2 | 5.5 | 6.0 | 6.9 | 7.6 | 16.3 | 26.0 |
| Net Profit | 10.2 | 11.5 | 12.4 | 14.0 | 16.3 | 17.9 | 20.5 | 22.6 | 48.0 | 77.3 |
| % Change (YoY) | 99.1 | 72.9 | 49.5 | 51.2 | 60.5 | 55.9 | 64.9 | 61.5 | 64.0 | 60.8 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 2,672 | 2,753 | 2,845 | 2,933 | 3,027 | 3,158 | 3,263 | 3,418 | 2,933 | 3,418 |
| Loan (INR b) | 2,107 | 2,208 | 2,286 | 2,391 | 2,480 | 2,596 | 2,682 | 2,833 | 2,391 | 2,833 |
| Deposit Growth (%) | 26.5 | 20.8 | 19.0 | 14.6 | 13.3 | 14.6 | 14.7 | 16.5 | 14.6 | 16.5 |
| Loan Growth (%) | 6.4 | 9.7 | 10.4 | 12.4 | 17.7 | 17.6 | 17.3 | 18.5 | 12.4 | 18.5 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 2.9 | 2.8 | 2.5 | 2.3 | 2.4 | 2.2 | 2.1 | 1.8 | 2.3 | 1.8 |
| Net NPA (%) | 0.8 | 0.8 | 0.7 | 0.6 | 0.7 | 0.6 | 0.6 | 0.5 | 0.6 | 0.5 |
| PCR (%) | 71.6 | 71.6 | 71.7 | 72.3 | 72.0 | 73.0 | 73.0 | 73.4 | 72.3 | 73.4 |

Indian Bank

Buy

CMP: INR189 | TP: INR230 (+22%)

EPS CHANGE (%): FY23|24: -1.7|-0.5

- Expect loan growth to remain modest.
- Stress in the SME and restructuring book are key monitorables.
- Expect margin to improve to ~3.2%. Treasury performance to remain modest.
- Expect asset quality to remain stable and credit costs to be steady.

Quarterly performance

(INR b)

| Y/E March | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 39.9 | 40.8 | 44.0 | 42.6 | 45.3 | 47.4 | 49.1 | 50.8 | 167.3 | 192.6 |
| % Change (YoY) | 3.1 | -1.5 | 1.9 | 27.6 | 13.5 | 16.0 | 11.7 | 19.3 | 6.8 | 15.1 |
| Other Income | 18.2 | 19.7 | 15.6 | 15.7 | 16.0 | 17.5 | 18.9 | 20.2 | 69.2 | 72.6 |
| Total Income | 58.1 | 60.5 | 59.5 | 58.3 | 61.4 | 64.9 | 68.0 | 70.9 | 236.4 | 265.2 |
| Operating Expenses | 24.0 | 27.7 | 26.6 | 30.9 | 25.7 | 28.7 | 29.4 | 31.5 | 109.3 | 115.3 |
| Operating Profit | 34.2 | 32.8 | 32.9 | 27.4 | 35.6 | 36.2 | 38.6 | 39.5 | 127.2 | 149.9 |
| % Change (YoY) | 24.1 | 11.3 | 15.5 | 14.8 | 4.3 | 10.4 | 17.3 | 44.2 | 16.0 | 17.8 |
| Other Provisions | 25.6 | 25.5 | 24.9 | 19.1 | 22.2 | 22.6 | 23.7 | 23.3 | 95.1 | 91.8 |
| Profit before Tax | 8.6 | 7.3 | 7.9 | 8.2 | 13.5 | 13.6 | 14.9 | 16.2 | 32.0 | 58.1 |
| Tax | -3.2 | -3.6 | 1.1 | -1.6 | 1.3 | 1.4 | 1.5 | 1.6 | -7.4 | 5.8 |
| Net Profit | 11.8 | 10.9 | 6.9 | 9.8 | 12.1 | 12.2 | 13.4 | 14.5 | 39.4 | 52.3 |
| % Change (YoY) | 220.0 | 164.2 | 34.1 | -42.4 | 2.7 | 12.3 | 94.5 | 47.6 | 31.3 | 32.6 |
| Operating Parameters | | | | | | | | | | |
| Deposits (INR b) | 5,401 | 5,515 | 5,626 | 5,936 | 5,843 | 5,981 | 6,159 | 6,381 | 5,936 | 6,381 |
| Loans (INR b) | 3,644 | 3,604 | 3,743 | 3,892 | 3,994 | 4,076 | 4,174 | 4,301 | 3,892 | 4,301 |
| Deposit Growth (%) | 10.4 | 9.9 | 7.9 | 10.3 | 8.2 | 8.4 | 9.5 | 7.5 | 10.3 | 7.5 |
| Loan Growth (%) | 7.3 | 6.1 | 3.2 | 7.3 | 9.6 | 13.1 | 11.5 | 10.5 | 7.3 | 10.5 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 9.7 | 9.6 | 9.1 | 8.5 | 8.1 | 7.8 | 7.5 | 7.2 | 8.5 | 7.2 |
| Net NPA (%) | 3.5 | 3.3 | 2.7 | 2.3 | 2.1 | 2.0 | 1.9 | 1.8 | 2.3 | 1.8 |
| PCR (%) | 66.5 | 68.1 | 72.2 | 74.9 | 75.5 | 75.7 | 75.9 | 76.5 | 74.9 | 76.5 |

Kotak Mahindra Bank**Neutral****CMP: INR1,784 | TP: INR2,000 (+12%)****EPS CHANGE (%): FY23 | 24: +4.2 | +2.5**

- Expect loan growth to see a strong traction. Traction in unsecured loans to be seen.
- Commentaries around stress in the SME book and other unsecured loans are key monitorables.
- Expect liability franchise to remain strong and margins to expand to 5%.
- Expect asset quality and credit costs to exhibit steady trends.

Quarterly performance

| Y/E March | FY22 | | | | FY23E | | | | (INR b) | |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | FY22 | FY23E |
| Net Interest Income | 39.4 | 40.2 | 43.3 | 45.2 | 47.0 | 51.6 | 53.6 | 55.7 | 168.2 | 207.9 |
| % Change (Y-o-Y) | 5.8 | 3.2 | 11.8 | 17.7 | 19.2 | 28.2 | 23.8 | 23.3 | 9.6 | 23.6 |
| Other Income | 13.5 | 18.1 | 13.6 | 18.3 | 12.4 | 17.8 | 18.7 | 21.0 | 63.5 | 69.9 |
| Total Income | 52.9 | 58.3 | 57.0 | 63.5 | 59.4 | 69.4 | 72.3 | 76.7 | 231.7 | 277.8 |
| Operating Expenses | 24.0 | 27.1 | 30.0 | 30.1 | 31.6 | 33.1 | 33.9 | 35.0 | 111.2 | 133.6 |
| Operating Profit | 28.9 | 31.2 | 27.0 | 33.4 | 27.8 | 36.2 | 38.4 | 41.7 | 120.5 | 144.2 |
| % Change (Y-o-Y) | 10.1 | -4.4 | -7.1 | 12.7 | -3.7 | 16.1 | 42.0 | 24.9 | 2.5 | 19.6 |
| Other Provisions | 7.0 | 4.2 | -1.3 | -3.1 | 0.2 | 4.1 | 4.6 | 5.5 | 6.9 | 14.5 |
| Profit before Tax | 21.9 | 27.0 | 28.3 | 36.5 | 27.6 | 32.1 | 33.7 | 36.2 | 113.6 | 129.6 |
| Tax Provisions | 5.4 | 6.6 | 7.0 | 8.8 | 6.9 | 7.9 | 8.2 | 8.9 | 27.9 | 31.9 |
| Net Profit | 16.4 | 20.3 | 21.3 | 27.7 | 20.7 | 24.2 | 25.5 | 27.4 | 85.7 | 97.7 |
| % Change (Y-o-Y) | 31.9 | -7.0 | 15.0 | 64.5 | 26.1 | 19.1 | 19.6 | -1.1 | 23.1 | 14.0 |
| Deposits (INRb) | 2,866 | 2,917 | 3,053 | 3,117 | 3,165 | 3,257 | 3,397 | 3,584 | 3,117 | 3,584 |
| Loans (INRb) | 2,174 | 2,350 | 2,529 | 2,713 | 2,802 | 2,930 | 3,092 | 3,255 | 2,713 | 3,255 |
| Deposit growth (%) | 9.6 | 11.5 | 15.1 | 11.3 | 10.4 | 11.7 | 11.3 | 15.0 | 11.3 | 15.0 |
| Loan growth (%) | 6.6 | 14.7 | 18.1 | 21.3 | 28.8 | 24.7 | 22.3 | 20.0 | 21.3 | 20.0 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 3.6 | 3.2 | 2.7 | 2.3 | 2.2 | 2.2 | 2.2 | 2.1 | 2.3 | 2.1 |
| Net NPA (%) | 1.3 | 1.1 | 0.8 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| PCR (%) | 64.8 | 67.5 | 71.3 | 73.2 | 72.6 | 72.0 | 73.2 | 74.2 | 73.2 | 74.2 |

Punjab National Bank**Neutral****CMP: INR35 | TP: INR35 (-1%)****EPS CHANGE (%): FY23 | 24: +8.0 | +11.3**

- Expect loan growth to remain modest.
- SMA, slippages, and restructuring book are key monitorables.
- Expect margin to remain stable ~2.8%.
- Expect asset quality to remain under pressure.

Quarterly performance

| Y/E March | FY22 | | | | FY23E | | | | (INR b) | |
|-----------------------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | FY22 | FY23E |
| Net Interest Income | 72.3 | 63.5 | 78.0 | 73.0 | 75.4 | 81.3 | 84.6 | 86.6 | 286.9 | 328.0 |
| % Change (YoY) | 6.7 | -24.9 | -6.5 | 5.3 | 4.3 | 28.0 | 8.5 | 18.6 | -6.1 | 14.3 |
| Other Income | 38.9 | 32.8 | 27.0 | 24.5 | 25.4 | 27.1 | 29.9 | 31.0 | 123.2 | 113.3 |
| Total Income | 111.2 | 96.3 | 105.0 | 97.5 | 100.8 | 108.4 | 114.5 | 117.6 | 410.1 | 441.4 |
| Operating Expenses | 47.2 | 56.1 | 54.3 | 44.9 | 47.0 | 51.1 | 55.4 | 59.5 | 202.5 | 213.0 |
| Operating Profit | 64.0 | 40.2 | 50.8 | 52.6 | 53.8 | 57.3 | 59.2 | 58.1 | 207.6 | 228.3 |
| % Change (YoY) | 21.2 | -27.1 | -17.2 | -6.6 | -15.9 | 42.5 | 16.5 | 10.3 | -6.3 | 10.0 |
| Other Provisions | 49.8 | 32.6 | 33.5 | 48.5 | 47.9 | 44.4 | 41.5 | 37.0 | 164.5 | 170.9 |
| Profit before Tax | 14.2 | 7.6 | 17.2 | 4.1 | 5.9 | 12.9 | 17.6 | 21.0 | 43.2 | 57.5 |
| Tax | 4.0 | -3.5 | 6.0 | 2.1 | 2.8 | 3.1 | 4.2 | 3.7 | 8.6 | 13.8 |
| Net Profit | 10.2 | 11.1 | 11.3 | 2.0 | 3.1 | 9.8 | 13.4 | 17.4 | 34.6 | 43.7 |
| % Change (YoY) | 231.8 | 78.0 | 122.7 | -65.6 | -69.9 | -11.4 | 19.0 | 762.8 | 71.0 | 26.3 |
| Operating Parameters | | | | | | | | | | |
| Deposits | 10,976 | 11,154 | 11,273 | 11,462 | 11,367 | 11,531 | 11,772 | 12,150 | 11,462 | 12,150 |
| Loans | 6,613 | 6,732 | 6,928 | 7,282 | 7,426 | 7,529 | 7,684 | 7,901 | 7,282 | 7,901 |
| Deposit Growth (%) | 2.1 | 4.3 | 4.2 | 3.6 | 3.6 | 3.4 | 4.4 | 6.0 | 3.6 | 6.0 |
| Loan Growth (%) | 0.8 | 3.2 | 4.9 | 8.0 | 12.3 | 11.8 | 10.9 | 8.5 | 8.0 | 8.5 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 14.3 | 13.6 | 12.9 | 11.8 | 11.3 | 10.9 | 10.4 | 10.1 | 11.8 | 10.1 |
| Net NPA (%) | 5.8 | 5.5 | 4.9 | 4.8 | 4.3 | 4.2 | 3.9 | 3.8 | 4.9 | 3.8 |
| PCR (%) | 62.9 | 63.2 | 65.2 | 62.2 | 64.8 | 64.5 | 64.6 | 64.4 | 61.5 | 64.4 |

RBL Bank**Buy****CMP: INR111 | TP: INR150 (+35%)****EPS CHANGE (%): FY23 | 24: +8.8 | +4.6**

- Expect business growth to see an uptick. Margin likely to remain stable at 4.4%.
- Expect credit costs to see a gradual moderation.
- Expect asset quality to witness a gradual improvement. We remain watchful on its exposure to MFI/Credit Cards.
- Guidance on future outlook will be a key monitorable.

Quarterly performance**(INR m)**

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 9,695 | 9,155 | 10,104 | 11,313 | 10,277 | 10,950 | 11,261 | 11,845 | 40,267 | 44,333 |
| % Change (Y-o-Y) | -6.9 | -1.8 | 11.3 | 24.9 | 6.0 | 19.6 | 11.4 | 4.7 | 6.3 | 10.1 |
| Other Income | 6,534 | 5,929 | 5,830 | 5,114 | 6,136 | 6,004 | 6,401 | 6,269 | 23,405 | 24,810 |
| Total Income | 16,229 | 15,083 | 15,934 | 16,427 | 16,413 | 16,954 | 17,662 | 18,114 | 63,673 | 69,143 |
| Operating Expenses | 8,567 | 8,174 | 9,626 | 9,853 | 11,122 | 11,449 | 11,572 | 11,416 | 36,220 | 45,560 |
| Operating Profit | 7,661 | 6,910 | 6,308 | 6,574 | 5,291 | 5,505 | 6,089 | 6,698 | 27,453 | 23,583 |
| % Change (Y-o-Y) | 11.1 | 1.4 | -21.2 | -10.8 | -30.9 | -20.3 | -3.5 | 1.9 | -5.9 | -14.1 |
| Provisions | 13,844 | 6,515 | 4,239 | 4,007 | 2,530 | 2,784 | 3,153 | 3,430 | 28,604 | 11,896 |
| Profit before Tax | -6,182 | 395 | 2,069 | 2,568 | 2,761 | 2,721 | 2,937 | 3,268 | -1,151 | 11,687 |
| Tax | -1,588 | 87 | 508 | 589 | 750 | 686 | 740 | 766 | -404 | 2,942 |
| Net Profit | -4,595 | 308 | 1,561 | 1,978 | 2,012 | 2,035 | 2,197 | 2,502 | -747 | 8,745 |
| % Change (Y-o-Y) | NM | -78.6 | 6.1 | 162.6 | NM | NM | 40.7 | 26.5 | NM | NM |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 744.7 | 755.9 | 736.4 | 790.1 | 792.2 | 813.8 | 837.5 | 869.1 | 790.1 | 869.1 |
| Loan (INR b) | 565.3 | 560.1 | 581.4 | 600.2 | 602.7 | 618.7 | 646.4 | 684.2 | 600.2 | 684.2 |
| Deposit Growth (%) | 20.6 | 17.2 | 9.6 | 8.0 | 6.4 | 7.7 | 13.7 | 10.0 | 8.0 | 10.0 |
| Loan Growth (%) | -0.3 | -0.3 | 3.0 | 2.4 | 6.6 | 10.5 | 11.2 | 14.0 | 2.4 | 14.0 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 5.0 | 5.4 | 4.8 | 4.4 | 4.1 | 3.8 | 3.6 | 3.4 | 4.4 | 3.4 |
| Net NPA (%) | 2.0 | 2.1 | 1.9 | 1.3 | 1.2 | 1.1 | 1.0 | 1.2 | 1.3 | 1.2 |
| PCR (%) | 60.9 | 61.7 | 62.9 | 70.4 | 72.5 | 72.0 | 72.3 | 66.3 | 70.4 | 66.3 |

State Bank of India**Buy****CMP: INR520 | TP: INR625 (+20%)****EPS CHANGE (%): FY23 | 24: +2.4 | -1.3**

- Expect credit costs to remain modest.
- Expect loan growth to see a healthy traction and remain healthy.
- Expect asset quality to continue to see a steady improvement
- Expect margin to improve to ~3.1%. Opex, fee income, and increase in cost of deposits to be key monitorables.

Quarterly performance**(INR b)**

| Y/E March | FY22 | | | | FY23E | | | | FY22 | FY23E |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 276.4 | 311.8 | 306.9 | 312.0 | 312.0 | 336.3 | 359.9 | 381.5 | 1,207.1 | 1,389.7 |
| % Change (YoY) | 3.7 | 10.7 | 6.5 | 15.3 | 12.9 | 7.8 | 17.3 | 22.3 | 9.0 | 15.1 |
| Other Income | 118.0 | 82.1 | 86.7 | 118.8 | 23.1 | 89.5 | 91.8 | 128.2 | 405.6 | 332.6 |
| Total Income | 394.4 | 393.9 | 393.6 | 430.8 | 335.1 | 425.8 | 451.7 | 509.7 | 1,612.7 | 1,722.4 |
| Operating Expenses | 204.7 | 213.1 | 208.4 | 233.6 | 207.6 | 222.0 | 226.5 | 250.0 | 859.8 | 906.1 |
| Operating Profit | 189.7 | 180.8 | 185.2 | 197.2 | 127.5 | 203.8 | 225.2 | 259.7 | 752.9 | 816.3 |
| % Change (YoY) | 5.1 | 9.8 | 6.9 | 0.1 | -32.8 | 12.7 | 21.6 | 31.7 | 5.2 | 8.4 |
| Provisions | 100.5 | 1.9 | 69.7 | 72.4 | 43.9 | 64.3 | 71.5 | 75.5 | 244.5 | 255.2 |
| Exception items | NA | 74.2 | NA | NA | NA | NA | NA | NA | 74.2 | NA |
| Profit before Tax | 89.2 | 104.7 | 115.5 | 124.8 | 83.6 | 139.5 | 153.8 | 184.2 | 434.2 | 561.0 |
| Tax Provisions | 24.2 | 28.5 | 31.2 | 33.7 | 22.9 | 37.0 | 40.7 | 50.8 | 117.5 | 151.5 |
| Net Profit | 65.0 | 76.3 | 84.3 | 91.1 | 60.7 | 102.5 | 113.0 | 133.3 | 316.8 | 409.6 |
| % Change (YoY) | 55.3 | 66.7 | 62.3 | 41.3 | -6.7 | 34.4 | 34.0 | 46.3 | 55.2 | 29.3 |
| Operating Parameters | | | | | | | | | | |
| Deposits (INR t) | 37.2 | 38.1 | 38.5 | 40.5 | 40.5 | 41.4 | 42.7 | 44.2 | 40.5 | 44.2 |
| Loans (INR t) | 24.3 | 24.4 | 25.8 | 27.3 | 28.2 | 29.1 | 29.9 | 31.0 | 27.3 | 31.0 |
| Deposit Growth (%) | 8.8 | 9.8 | 8.8 | 10.1 | 8.7 | 8.7 | 11.0 | 9.0 | 10.1 | 9.0 |
| Loan Growth (%) | 5.8 | 6.5 | 8.9 | 11.6 | 15.8 | 19.0 | 15.9 | 13.5 | 11.6 | 13.5 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 5.3 | 4.9 | 4.5 | 4.0 | 3.9 | 3.8 | 3.6 | 3.4 | 4.0 | 3.4 |
| Net NPA (%) | 1.8 | 1.5 | 1.3 | 1.0 | 1.0 | 1.0 | 0.9 | 0.8 | 1.0 | 0.8 |
| PCR (%) | 67.9 | 70.1 | 71.2 | 75.0 | 75.1 | 75.3 | 75.5 | 75.8 | 75.0 | 75.8 |

Union Bank of India

Buy

CMP: INR43 | TP: INR55 (+27%)

EPS CHANGE (%): FY23|24: +11.1|+15.7

- Expect loan growth to witness steady traction.
- Expect margin to improve slightly to 3.1%. Opex and treasury performance to remain modest.
- SMA and restructuring book are key monitorables.
- Expect steady improvement in asset quality.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|-------|--------|-------|--------|--------|--------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 70.1 | 68.3 | 71.7 | 67.7 | 75.8 | 78.7 | 81.7 | 85.4 | 277.9 | 321.7 |
| % Change (YoY) | 9.5 | 8.5 | 8.9 | 25.3 | 8.1 | 15.3 | 13.9 | 26.2 | 12.5 | 15.8 |
| Other Income | 27.8 | 39.8 | 25.2 | 32.4 | 28.2 | 28.6 | 29.2 | 31.8 | 125.2 | 117.7 |
| Total Income | 97.9 | 108.1 | 97.0 | 100.1 | 104.0 | 107.3 | 110.9 | 117.2 | 403.1 | 439.4 |
| Operating Expenses | 46.1 | 47.3 | 46.0 | 44.9 | 49.5 | 49.0 | 49.8 | 50.9 | 184.4 | 199.2 |
| Operating Profit | 51.8 | 60.7 | 51.0 | 55.2 | 54.5 | 58.3 | 61.1 | 66.3 | 218.7 | 240.2 |
| % Change (YoY) | 28.4 | 25.7 | -3.2 | 11.3 | 5.1 | -4.0 | 19.9 | 20.1 | 11.2 | 9.8 |
| Provisions | 34.0 | 37.2 | 25.5 | 36.2 | 32.8 | 32.4 | 32.0 | 36.1 | 132.9 | 133.2 |
| Profit before Tax | 17.8 | 23.5 | 25.5 | 19.0 | 21.7 | 26.0 | 29.1 | 30.3 | 85.8 | 107.0 |
| Tax | 6.0 | 8.2 | 14.6 | 4.6 | 6.1 | 9.1 | 11.4 | 10.9 | 33.5 | 37.5 |
| Net Profit | 11.8 | 15.3 | 10.9 | 14.4 | 15.6 | 16.9 | 17.8 | 19.3 | 52.3 | 69.6 |
| % Change (YoY) | 254.9 | 195.4 | 49.3 | 8.3 | 32.0 | 10.5 | 63.7 | 34.3 | 80.0 | 32.9 |
| Operating Parameters | | | | | | | | | | |
| Deposit (INR b) | 9,085 | 9,140 | 9,375 | 10,324 | 9,928 | 10,212 | 10,621 | 11,067 | 10,324 | 11,067 |
| Loan (INR b) | 5,846 | 5,810 | 6,168 | 6,610 | 6,764 | 6,957 | 7,096 | 7,304 | 6,610 | 7,304 |
| Deposit Growth (%) | 1.8 | 3.2 | 6.2 | 11.8 | 9.3 | 11.7 | 13.3 | 7.2 | 11.8 | 7.2 |
| Loan Growth (%) | 0.5 | 0.3 | 5.8 | 11.8 | 15.7 | 19.7 | 15.0 | 10.5 | 11.8 | 10.5 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 13.6 | 12.6 | 11.6 | 11.1 | 10.2 | 9.7 | 9.2 | 9.0 | 11.1 | 9.0 |
| Net NPA (%) | 4.7 | 4.6 | 4.1 | 3.7 | 3.3 | 3.1 | 3.0 | 2.9 | 3.8 | 2.9 |
| PCR (%) | 68.7 | 66.6 | 67.5 | 69.5 | 69.9 | 70.0 | 69.5 | 70.3 | 68.7 | 70.3 |

SBI Cards and Payment Services

Buy

CMP: INR880 | TP: INR1,100 (+25%)

EPS CHANGE (%): FY23|24: -9.5|-9.9

- Expect credit costs to remain steady.
- Expect asset quality to moderate.
- Impact of new RBI guidelines to be closely monitored.
- Pressure on margin and revolver book to be another key monitorable.

Quarterly performance

(INR b)

| | FY22 | | | | FY23E | | | | FY22 | FY23E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| Net Interest Income | 9.2 | 9.2 | 10.0 | 10.0 | 10.8 | 10.7 | 11.4 | 11.9 | 37.9 | 44.7 |
| % Change (Y-o-Y) | -18.7 | -9.1 | 9.9 | 20.6 | 16.7 | 16.6 | 14.0 | 18.8 | -2.3 | 17.9 |
| Other Income | 13.0 | 15.2 | 18.7 | 17.5 | 18.8 | 20.2 | 19.7 | 20.4 | 64.8 | 79.0 |
| Total Income | 22.2 | 24.4 | 28.6 | 27.5 | 29.5 | 30.9 | 31.0 | 32.2 | 102.7 | 123.7 |
| Operating Expenses | 11.7 | 13.8 | 17.2 | 15.8 | 16.6 | 18.5 | 17.8 | 19.0 | 58.5 | 71.9 |
| Operating Profit | 10.5 | 10.6 | 11.4 | 11.7 | 12.9 | 12.5 | 13.2 | 13.3 | 44.3 | 51.8 |
| % Change (Y-o-Y) | 4.0 | -7.2 | 22.9 | 24.8 | 22.5 | 17.7 | 15.4 | 13.1 | 11.8 | 17.0 |
| Provisions | 6.4 | 5.9 | 6.3 | 3.9 | 4.5 | 4.5 | 5.4 | 5.4 | 22.6 | 19.8 |
| Profit before Tax | 4.1 | 4.6 | 5.2 | 7.8 | 8.4 | 8.0 | 7.8 | 7.8 | 21.7 | 32.0 |
| Tax | 1.1 | 1.2 | 1.3 | 2.0 | 2.1 | 2.0 | 2.0 | 2.0 | 5.6 | 8.2 |
| Net Profit | 3.0 | 3.4 | 3.9 | 5.8 | 6.3 | 5.9 | 5.8 | 5.9 | 16.2 | 23.8 |
| % Change (Y-o-Y) | -22.5 | 67.3 | 84.0 | 231.1 | 105.8 | 71.8 | 50.8 | 1.1 | 64.2 | 47.3 |
| Operating Parameters | | | | | | | | | | |
| Loan (INRb) | 230.4 | 253.9 | 279.7 | 301.9 | 320.8 | 333.6 | 358.0 | 392.4 | 301.9 | 392.4 |
| Loan Growth (%) | 5.1 | 15.8 | 18.0 | 28.7 | 39.2 | 31.4 | 28.0 | 30.0 | 28.7 | 30.0 |
| Asset Quality | | | | | | | | | | |
| Gross NPA (%) | 3.9 | 3.4 | 2.4 | 2.2 | 2.2 | 2.1 | 2.1 | 2.1 | 2.2 | 2.1 |
| Net NPA (%) | 0.9 | 0.9 | 0.8 | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 | 0.8 | 0.7 |
| PCR (%) | 78.2 | 73.7 | 65.9 | 65.3 | 65.1 | 68.2 | 67.5 | 67.7 | 65.3 | 67.7 |

HDFC Life**Neutral****CMP: INR519 | TP: INR600 (+16%)****EPS CHANGE (%): FY23|24: -0.3|+0.6**

- New business premium to see a healthy growth. Expect strong trends in Annuity/PAR.
- Expect expense ratio to see an uptick – in line with a pick-up in business growth. Expect RoEV to stay healthy.
- Expect VNB growth to remain modest and margin to expand.
- Improvement in persistency ratio is another monitorable.

Quarterly performance (INR b)

| Policy holder's A/c | FY22 | | | | FY23E | | | | FY22 | FY23E |
|-----------------------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| First year premium | 12.9 | 20.8 | 21.2 | 25.7 | 15.6 | 23.3 | 27.1 | 36.3 | 80.5 | 102.3 |
| Growth (%) | 25.8% | 24.0% | 19.4% | 7.8% | 21.0% | 12.2% | 28.1% | 40.9% | 17.4% | 27.0% |
| Renewal premium | 38.9 | 50.3 | 55.4 | 73.4 | 46.2 | 62.4 | 68.8 | 82.4 | 218.1 | 259.8 |
| Growth (%) | 20.1% | 16.8% | 21.1% | 15.6% | 18.8% | 23.9% | 24.2% | 12.2% | 18.0% | 19.1% |
| Single premium | 24.8 | 45.2 | 46.0 | 45.1 | 32.2 | 46.2 | 51.0 | 63.1 | 161.0 | 192.4 |
| Growth (%) | 54.9% | 7.7% | 40.2% | 8.0% | 29.8% | 2.2% | 11.0% | 40.0% | 21.5% | 19.5% |
| Gross premium income | 76.6 | 116.3 | 122.5 | 144.2 | 94.0 | 131.9 | 146.9 | 181.7 | 459.6 | 554.5 |
| Growth (%) | 30.6% | 14.2% | 27.3% | 11.7% | 22.7% | 13.4% | 19.9% | 26.0% | 19.1% | 20.6% |
| PAT | 3.0 | 2.7 | 2.7 | 3.6 | 3.7 | 3.3 | 3.3 | 4.2 | 12.1 | 14.2 |
| Growth (%) | -33.0% | -15.9% | 3.3% | 12.4% | 20.8% | 18.6% | 19.3% | 18.3% | -11.2% | 17.4% |
| Key metrics (INRb) | | | | | | | | | | |
| New business APE | 15.6 | 25.5 | 26.0 | 30.5 | 19.0 | 27.9 | 32.2 | 42.3 | 96.6 | 121.5 |
| Growth (%) | 30.3 | 19.4 | 20.4 | 5.8 | 22.0 | 9.5 | 24.0 | 38.8 | 18.1 | 25.7 |
| VNB | 4.1 | 6.8 | 6.9 | 9.0 | 5.1 | 7.6 | 8.9 | 12.1 | 26.7 | 33.6 |
| Growth (%) | 40.2 | 23.9 | 21.8 | 15.2 | 25.0 | 12.5 | 27.6 | 34.7 | 22.4 | 25.8 |
| AUM (INR b) | 1,813 | 1,912 | 1,947 | 2,042 | 2,001 | 2,101 | 2,235 | 2,339 | 2,042 | 2,339 |
| Growth (%) | 29.5 | 27.0 | 17.6 | 17.4 | 10.4 | 9.9 | 14.8 | 14.6 | 17.4 | 14.6 |
| Key Ratios (%) | | | | | | | | | | |
| VNB Margins (%) | 26.2 | 26.6 | 26.7 | 29.4 | 26.8 | 27.3 | 27.5 | 28.5 | 27.4 | 27.7 |
| Solvency ratio (%) | 203.0 | 190.0 | 190.0 | 176.0 | 178.0 | 205.0 | 203.0 | 200.4 | 175.6 | 200.4 |

ICICI Prudential Life**Buy****CMP: INR510 | TP: INR630 (+24%)****EPS CHANGE (%): FY23|24: +6.6|+6.6**

- New business premiums to remain modest.
- Expect expense ratio to move in line with a pick-up in business growth.
- Expect VNB growth to remain modest and margin to remain healthy.
- Expect growth in the Non-Linked Savings business to remain healthy and a recovery in the Protection business.

Quarterly performance (INR b)

| Policy holder's A/c | FY22 | | | | FY23E | | | | FY22 | FY23E |
|---------------------------|-------------|-------------|-------------|--------------|-------------|-------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| First year premium | 8.8 | 15.6 | 15.5 | 19.8 | 10.4 | 17.6 | 18.1 | 21.6 | 59.7 | 67.7 |
| Growth (%) | 40.3% | 33.1% | 13.7% | -2.4% | 18.0% | 13.0% | 16.8% | 9.2% | 15.0% | 13.5% |
| Renewal premium | 41.4 | 55.7 | 54.4 | 68.0 | 38.9 | 53.9 | 62.2 | 77.9 | 219.6 | 232.9 |
| Growth (%) | -0.1% | -3.5% | -4.1% | -1.6% | -5.9% | -3.3% | 14.2% | 14.5% | -2.4% | 6.1% |
| Single premium | 18.5 | 24.1 | 23.5 | 29.3 | 23.3 | 27.3 | 30.8 | 33.9 | 95.4 | 115.2 |
| Growth (%) | 89.1% | 34.4% | 11.4% | -7.3% | 25.9% | 13.3% | 30.8% | 15.8% | 18.6% | 20.8% |
| Gross premium | 68.7 | 95.3 | 93.4 | 117.1 | 72.6 | 98.7 | 111.0 | 133.4 | 374.6 | 415.8 |
| Growth (%) | 19.5% | 9.2% | 2.1% | -3.2% | 5.7% | 3.6% | 18.8% | 13.9% | 4.8% | 11.0% |
| PAT | -1.9 | 4.4 | 3.1 | 1.8 | 1.6 | 2.9 | 3.2 | 2.2 | 7.5 | 9.9 |
| Growth (%) | NM | 46.6% | 1.7% | 189.5% | NM | -33.8% | 2.1% | 21.7% | -21.5% | 31.5% |
| Key metrics (INRb) | | | | | | | | | | |
| New Business APE | 12.2 | 19.8 | 19.3 | 26.1 | 15.2 | 18.9 | 21.1 | 31.9 | 77.3 | 87.1 |
| Growth (%) | 48.1 | 34.9 | 15.8 | 4.0 | 24.7 | -4.4 | 9.6 | 22.2 | 19.7 | 12.7 |
| VNB | 3.6 | 5.2 | 5.2 | 7.8 | 4.7 | 5.7 | 6.4 | 9.8 | 21.7 | 26.7 |
| Growth (%) | 78.1 | 28.4 | 20.3 | 31.1 | 31.6 | 11.6 | 24.0 | 26.9 | 33.5 | 23.2 |
| AUM | 2,232 | 2,371 | 2,376 | 2,405 | 2,301 | 2,409 | 2,512 | 2,619 | 2,405 | 2,619 |
| Growth (%) | 31.3 | 30.6 | 16.0 | 12.3 | 3.1 | 1.6 | 5.7 | 8.9 | 12.3 | 8.9 |
| Key Ratios (%) | | | | | | | | | | |
| VNB Margins (%) | 29.4 | 26.0 | 26.7 | 29.7 | 31.0 | 30.4 | 30.2 | 30.8 | 28.0 | 30.6 |
| Solvency ratio (%) | 194 | 200 | 202 | 205 | 204 | 200 | 198 | 195 | 205 | 195 |

SBI Life**Buy****CMP: INR1,238 | TP: INR1,500 (+21%)****EPS CHANGE (%): FY23|24: -3.2|-2.8**

- New business premiums to see healthy trends.
- Expect margin to expand YoY though moderate sequentially. VNB growth to remain robust.
- Cost leadership to continue
- Expect protection mix to improve and Non-PAR to remain healthy while ULIP to see an uptick

Quarterly performance (INR b)

| Policy holder's A/c | FY22 | | | | FY23E | | | | FY22 | FY23E |
|-----------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| First year premium | 14.0 | 36.1 | 40.7 | 38.5 | 25.7 | 36.9 | 48.3 | 53.0 | 129.4 | 163.9 |
| Growth (%) | 29% | 56% | 24% | 5% | 83% | 2% | 19% | 37% | 25% | 27% |
| Renewal premium | 50.3 | 77.8 | 96.5 | 108.4 | 57.6 | 101.7 | 108.7 | 115.8 | 333.0 | 383.8 |
| Growth (%) | 10% | 9% | 14% | 15% | 14% | 31% | 13% | 7% | 12% | 15% |
| Single premium | 19.4 | 33.3 | 44.3 | 28.1 | 30.2 | 45.5 | 45.5 | 33.1 | 125.2 | 154.3 |
| Growth (%) | -2% | -8% | 105% | 0% | 56% | 37% | 3% | 18% | 22% | 23% |
| Gross premium income | 83.8 | 147.2 | 181.6 | 175.1 | 113.5 | 184.1 | 202.6 | 201.9 | 587.6 | 702.0 |
| Growth (%) | 10% | 12% | 31% | 10% | 35% | 25% | 12% | 15% | 17% | 19% |
| PAT | 2.2 | 2.5 | 3.6 | 6.7 | 2.6 | 3.3 | 4.4 | 7.0 | 15.1 | 17.3 |
| Growth (%) | -43% | -18% | 56% | 26% | 18% | 32% | 21% | 4% | 3% | 15% |
| Key metrics (INRb) | | | | | | | | | | |
| New Business APE | 16.2 | 39.7 | 45.7 | 41.3 | 29.0 | 41.4 | 52.9 | 56.0 | 141.9 | 179.3 |
| Growth (%) | 27.6 | 46.5 | 30.6 | 4.0 | 79.0 | 4.3 | 15.8 | 35.6 | 24.9 | 26.3 |
| VNB | 3.8 | 10.4 | 11.7 | 11.1 | 8.8 | 11.9 | 15.7 | 17.6 | 37.0 | 53.9 |
| Growth (%) | 46.2 | 92.6 | 53.9 | 0.9 | 131.6 | 14.3 | 33.8 | 58.3 | 39.1 | 45.7 |
| AUM | 2,316 | 2,442 | 2,569 | 2,674 | 2,624 | 2,762 | 2,893 | 3,039 | 2,674 | 3,039 |
| Growth (%) | 32.1 | 31.0 | 22.6 | 21.1 | 13.3 | 13.1 | 12.6 | 13.7 | 21.1 | 13.7 |
| Key Ratios (%) | | | | | | | | | | |
| VNB margins (%) | 23.7 | 26.2 | 25.6 | 26.8 | 30.4 | 28.7 | 29.6 | 31.4 | 25.9 | 30.1 |
| Solvency ratio (%) | 215.0 | 212.0 | 209.0 | 205.0 | 221.0 | 215.0 | 210.0 | 204.8 | 204.8 | 204.8 |

Max Financial**Buy****CMP: INR753 | TP: INR950 (+26%)****EPS CHANGE (%): FY23|24: +8.4|+1.7**

- Premium growth to remain under pressure, commentary on revival in NBP growth to be key.
- Expect VNB growth and margin to witness sequential expansion though lower on YoY basis.
- Expect the proprietary channel to exhibit healthy trends, while banca channel will continue to witness pressure.
- Expect Non-PAR growth to remain healthy and ULIP to see some pick up

Quarterly performance (INR b)

| Policy holder's A/c | FY22 | | | | FY23E | | | | FY22 | FY23E |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | |
| First Year premium | 8.0 | 12.3 | 15.4 | 17.4 | 9.2 | 10.8 | 15.8 | 22.7 | 53.2 | 58.4 |
| Growth (%) | 29.5% | 8.9% | 28.7% | -7.6% | 14.2% | -12.1% | 2.3% | 30.1% | 10.0% | 9.9% |
| Renewal premium | 22.4 | 34.6 | 34.2 | 53.8 | 26.2 | 40.4 | 44.4 | 53.5 | 145.1 | 164.6 |
| Growth (%) | 21.2% | 17.9% | 18.8% | 19.0% | 16.7% | 16.8% | 29.8% | -0.6% | 19.0% | 13.4% |
| Single premium | 4.4 | 6.4 | 6.3 | 8.8 | 5.7 | 7.7 | 7.9 | 8.8 | 25.9 | 30.1 |
| Growth (%) | 56.5% | 37.4% | 15.3% | 25.5% | 30.1% | 19.9% | 25.3% | 0.4% | 29.8% | 16.3% |
| Gross premium | 34.8 | 53.3 | 56.0 | 80.0 | 41.0 | 58.9 | 68.2 | 85.0 | 224.1 | 253.1 |
| Growth (%) | 26.6% | 17.6% | 21.0% | 12.6% | 17.8% | 10.6% | 21.7% | 6.2% | 17.9% | 12.9% |
| PAT | 0.8 | 0.7 | 1.2 | 1.5 | 0.9 | 1.0 | 1.1 | 1.4 | 3.9 | 4.4 |
| Growth (%) | -44.2% | 163.0% | -54.4% | 45.3% | 18.2% | 35.8% | -4.0% | -8.9% | -26.1% | 13.3% |
| Key metrics (INRb) | | | | | | | | | | |
| New Business APE | 8.8 | 12.8 | 15.9 | 18.4 | 10.1 | 11.6 | 16.6 | 23.2 | 55.8 | 61.4 |
| Growth (%) | 32.4 | 11.2 | 30.0 | -4.2 | 15.3 | -9.8 | 4.0 | 26.4 | 12.5 | 10.2 |
| VNB | 1.7 | 3.7 | 4.0 | 5.9 | 2.1 | 3.1 | 4.4 | 6.8 | 15.3 | 16.5 |
| Growth (%) | 52.2 | 15.1 | 13.1 | 27.1 | 23.8 | -15.9 | 11.7 | 16.2 | 22.3 | 8.1 |
| AUM (INRb) | 937 | 1,001 | 1,025 | 1,075 | 1,071 | 1,135 | 1,185 | 1,245 | 1,075 | 1,245 |
| Growth (%) | 28.4 | 28.7 | 20.6 | 18.9 | 14.3 | 13.4 | 15.7 | 15.8 | 18.9 | 15.8 |
| Key Ratios (%) | | | | | | | | | | |
| VNB Margins (%) | 19.7 | 29.2 | 24.9 | 31.9 | 21.1 | 27.2 | 26.7 | 29.3 | 27.4 | 26.9 |
| Solvency ratio (%) | 197.0 | 211.0 | 207.0 | 201.0 | 196.0 | 194.0 | 192.0 | 189.5 | 201.0 | 189.5 |

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|----------------------------------|--|
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