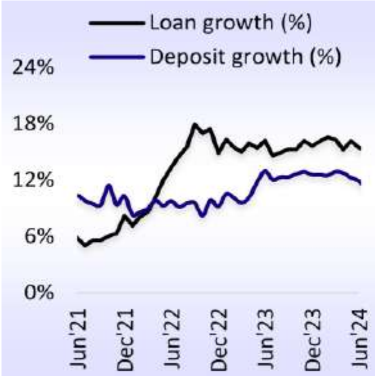
Financials

System loan growth stood at ~15% YoY



Change in Loan growth estimates (bp)

Loan Growth	Change (bp)	
Banks	FY25	FY26
HDFCB	-360	-180
ICICIBC	-50	-20
AXSB	-299	-131
KMB	-	-
IIB	-101	2
Federal	-	-
IDFCFB	-195	-3
Bandhan	41	-41
RBK	-48	8
DCBB	-20	-37
AU SFB*	-55	-163
Equitasb	-32	-46
Total - PVBs	**-216**	**-95**
SBIN	-130	-40
BoB	-280	-230
CBK	-60	-59
PNB	-30	-29
UNBK	-	-
INBK	-70	-130
Total - PSBs	**-112**	**-68**
Total Banks	**-157**	**-80**

* AU SFB number incl. of Fincare SFB merger

Credit growth – Applying the brakes!

After a healthy growth performance over FY22-24, systemic loan growth is likely to moderate in FY25E, led by continued moderation in unsecured retail and slower corporate credit off-take. The elevated CD ratio for the system is further limiting banks' ability to pursue credit growth. While the gap between deposit and credit growth has narrowed from the peak of 8.8% in Nov'22 to 3.5% currently, the high incremental LDR and continued regulatory watch on both LDR and LCR will drive further moderation in loan growth. We have already cut our credit growth estimates for private banks/public sector banks (PSBs) by 210bp/112bp for FY25 and estimate systemic growth to moderate to 12.5% in FY25. We estimate the differential between credit and deposit growth to narrow down to <100bp over the year. We thus project the pace of market share loss for PSBs to decline significantly, as their growth rate remains largely unchanged owing to comfortable LCR and CD ratios.

We remain vigilant about margins and the delinquency cycle in unsecured loans and factor in a marginal increase in credit cost for private banks and SBIN. For our coverage universe, we anticipate banks to achieve decent earnings growth of 15% in both FY25E and FY26E. For private banks, we expect YoY growth of 11% in FY25E and 16% in FY26E. For PSBs, we estimate growth of 19% in FY25E and 14% in FY26E. Robust balance sheets, strong contingency buffers and reasonable sector valuations keep us positive on the sector, though the headwinds are likely to persist in the near term. Our preferred picks are ICICIBC, HDFCB and SBIN.

Growth moderation across banks; estimate FY25 credit growth of 12.5%

During 1QFY25, we noticed a common trend of slower deposit growth, which in turn has kept credit growth under pressure for many banks. Most banks, especially private ones, have lowered their credit growth guidance, while PSBs have largely maintained their guidance. Consequently, we have trimmed our overall figures, due to a reduced loan growth outlook. Most of the banks under our coverage see reduction in loan growth estimates to the tune of +41bp to -360bp for FY25E and +8bp to -230bp for FY26E. Among our coverage, we lowered loan growth estimates for PVBs by 210bp/95bp for FY25/FY26 and 112bp/68bp for PSBs. We estimate systemic loans to grow ~12.5% in FY25 and 13.3% in FY26.

PSBs: Pace of market share loss has decelerated sharply

From the data presented in Exhibit 4, we observe that PSBs have outperformed PVBs, with recovery trends showing significant improvement. Private banks' market share gains have decelerated from 300-350bp annually to average 50-70bp, reflecting the healthy growth recovery at PSBs. Private banks are expected to further witness moderation in credit growth (led by HDFCB, AXSB) owing to compulsions around CD ratio, which will further limit their market share gains over PSBs.

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The growth differential between private and PSBs has narrowed significantly, given that PSBs are overcoming challenges like PCA framework (11 banks under PCA vs. 5 years ago) and asset quality issues, while the comfortable liquidity position and a controlled CD ratio are further enabling healthy growth. We expect PSBs to maintain a market share of 56-57% by FY26.

Retail and Services sectors are key growth drivers; unsecured retail growth has moderated sharply across banks

The retail and services sectors remain the key drivers of loan growth, with the segments growing at 16.6% and 17.4% YoY (excluding HDFCB), respectively. This strong growth, combined with steady growth in agriculture, has boosted overall credit growth, despite slower growth in the industrial sector. The share of retail in total systemic credit has risen from 27-28% to 33% over the past four years. Although retail growth remains healthy, a slowdown in unsecured retail loans has slightly moderated overall retail credit growth. Retail credit, as a percentage of total credit, is still relatively low and has scope to expand as the economy becomes more formalized. The share of retail in overall credit is expected to increase to 35% by FY26E.

Systemic CD ratio remains elevated; estimate further convergence between credit and deposit growth

Despite regulatory efforts to reduce the high credit-deposit (CD) ratio, banks have continued to grow credit even as deposit growth has slowed. The CD ratio remains elevated at 79.1%, indicating banks' need to focus more on increasing their deposit base. Banks are expected to face tighter competition in deposit rates and may slow credit growth to manage the high CD ratio. The gap between credit and deposits narrowed to 3.5% in Aug’24 from the peak of 8.8% in Nov’22. We estimate the gap between credit and deposit growth to further narrow to <100bp by FY25 end, mainly led by growth deceleration in private banks.

Incremental CD ratio remains elevated; PSBs’ even higher on incremental LDR

Despite inadequate deposit mobilization, credit growth has kept pace, thereby leading to a high incremental CD ratio. The incremental CD ratio reached 113% in FY24, mainly led by PSBs as most of them operated on an incremental CD ratio of >100%. PSBs have benefited from this trend as their outstanding CD ratios have remained lower, providing more room to expand. Among banks, PSBs have more flexibility to maintain a higher incremental LDR compared to PVBs. With the CD ratio already high and limited options to squeeze SLR and LCR to fund credit growth, banks are likely to shift their focus to increasing deposits. However, the emphasis on deposit growth could lead to higher funding costs, potentially impacting the banks' margin trajectories.

Financialization of Savings: Deposits lagging behind MF, insurance AUM

The growth in systemic deposits has been consistently trailing the steady rise in other financial asset classes. There is a noticeable shift toward alternative investment instruments, given accretive returns. The number of unique investors has increased ~3x, indicating the increasing shift in savings away from traditional

bank deposits. This trend is mainly driven by a growing middle class, rising incomes, and an increasing young population in India.
While safety is a key factor for bank deposits, their lower returns have led investors to explore other options. Since Covid, there has been a noticeable shift in savings patterns, with more investments moving from bank deposits to mutual funds, equities, and insurance. Strong equity market performance has driven a significant shift of deposits into equity investments, while the insurance sector also gained traction due to increasing awareness and better tax-adjusted returns in the hands of customers.

CD issuances rise amid tight liquidity to fund credit growth

Banks have significantly increased their issuance of certificates of deposit (CDs) at elevated interest rates to meet year-end and quarter-end targets and support credit growth. Accordingly, CDs raised as a percentage of the total outstanding increased steadily to 79% in Mar'24, the highest since the rate hike started. During 1Q, the seasonally weak quarter, the peak CD rates dropped to a low of 7.3%, though banks continued to mobilize resources via CDs. We note that CD issuances have increased by 6.6 times from FY21 to FY24, indicating strong growth in this funding method. The sustained high levels of CD issuance reflects the challenges that banks are facing in mobilizing adequate quantum of retail deposits to fund business growth. This trend highlights banks' strategic focus on expanding their loan portfolios, even at the expense of higher funding costs and narrower margins.

Our view: Maintain preference for ICICIBC, HDFCB and SBIN

After 1QFY25 earnings, we have lowered our growth estimates for many banks. We estimate a 12.5% CAGR in loans over FY24-26E. We remain vigilant about margins and the delinquency cycle in unsecured loans and factor in a marginal increase in credit cost for private banks and SBIN. For our coverage universe, we anticipate banks to achieve a decent earnings growth of 15% in both FY25E and FY26E. For PVBs, we expect YoY growth of 11% in FY25E and 16% in FY26E. For PSBs, we estimate growth of 19% in FY25E and 14% in FY26E. Robust balance sheets, strong contingency buffers and reasonable sector valuations keep us positive on the sector, though the headwinds are likely to persist in the near term. Our preferred picks are ICICIBC, HDFCB and SBIN.

Growth moderation across banks; estimate FY25 credit growth at 12.5%

- During 1QFY25, many banks reported modest trends in deposit growth, which is directly affecting the ability of banks to pursue credit growth.
- Few private banks have reduced their credit growth forecasts, while PSBs have largely maintained the growth outlook.
- Overall loan growth estimates were adjusted to the tune of +41bp to -360bp for FY25 and +8bp to -230bp for FY26. Among our coverage, we trimmed loan growth estimates for PVBs by 210bp/95bp for FY25/FY26 and 112bp/68bp for PSBs.
- We estimate systemic loans to grow ~12.5% in FY25 and 13.3% in FY26.

Exhibit 1: Changes in Loan growth in 1QFY25

Loan Growth (%)	Old		Revised		Change (bp)	
Banks	**FY25**	**FY26**	**FY25**	**FY26**	**FY25**	**FY26**
HDFCB	12.6	13.0	9.0	11.2	-360	-180
ICICIBC	17.5	17.7	17.0	17.5	-50	-20
AXSB	15.0	14.8	12.0	13.5	-299	-131
KMB	16.0	17.0	16.0	17.0	-	-
IIB	17.0	17.0	16.0	17.0	-101	2
Federal	17.8	17.7	17.8	17.7	-	-
IDFCFB	23.0	22.0	21.0	22.0	-195	-3
Bandhan	16.0	17.0	16.4	16.6	41	-41
RBK	19.4	18.9	18.9	19.0	-48	8
DCBB	-1.6	19.3	-1.8	19.0	-20	-37
AU SFB*	40.5	24.9	40.0	23.2	-55	-163
Equitasb	23.2	24.3	22.9	23.9	-32	-46
Total - PVBs	**15.3**	**15.6**	**13.2**	**14.6**	**-210**	**-95**
SBIN	14.1	13.6	12.8	13.2	-130	-40
BoB	13.3	13.3	10.5	11.0	-280	-230
CBK	12.0	11.8	11.4	11.2	-60	-59
PNB	12.0	11.7	11.7	11.4	-30	-29
UNBK	12.0	12.0	12.0	12.0	-	-
INBK	12.2	12.3	11.5	11.0	-70	-130
Total - PSBs	**13.2**	**12.9**	**12.0**	**12.2**	**-112**	**-68**
Total Banks	**14.1**	**14.1**	**12.5**	**13.3**	**-155**	**-80**

* AU SFB number incl. of Fincare SFB merger, Source: MOFSL

PSBs: Pace of market share loss has decelerated sharply

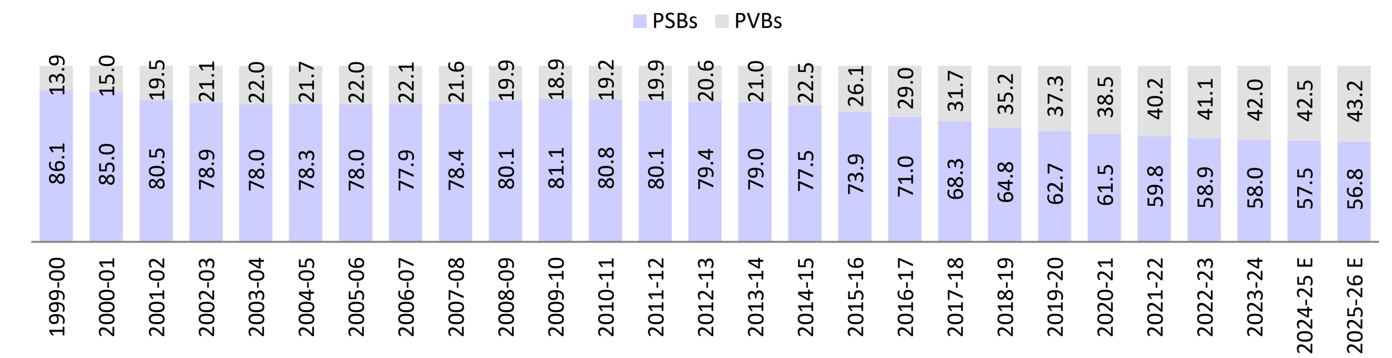
- Private banks' market share gains have decelerated from 300-350bp annually to average 50-70bp, reflecting the healthy growth recovery at PSBs.
- Private banks are expected to further witness moderation in credit growth (led by HDFCB, AXSB) owing to compulsions around the CD ratio, which will further limit their market share gains over PSBs.
- We note that the growth differential between private banks and PSBs has narrowed significantly, partly due to PSBs overcoming challenges like the PCA framework and asset quality issues, while comfortable liquidity position and controlled CD ratio are further enabling healthy growth.
- We expect PSBs to maintain a market share of 56-57% by FY26.

Exhibit 2: Movement in advances market share

Advances (INR b)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	Mkt Share FY24
Pvt banks								
Axis Bank	5,714	6,144	7,079	8,453	9,651	10,809	12,268	6.1
DCB Bank	253	257	291	344	409	485	577	0.3
HDFC Bank	9,937	11,328	13,688	16,006	19,549	21,785	24,819	12.3
ICICI Bank	6,453	7,337	8,590	10,196	11,844	13,858	16,283	7.4
IndusInd Bank	2,068	2,126	2,391	2,899	3,433	4,017	4,699	2.2
KMB	2,197	2,237	2,713	3,199	3,761	4,362	5,104	2.4
Yes Bank	1,714	1,669	1,811	2,033	2,278	2,597	2,960	1.4
Federal	1,223	1,319	1,449	1,744	2,094	2,467	2,903	1.3
J&K Bank	644	668	704	823	938	1,069	1,208	0.6
RBL Bank	580	586	600	702	840	999	1,189	0.5
SIB	644	581	600	698	781	890	1,006	0.5
IDFC First	856	1,006	1,179	1,518	1,946	2,355	2,873	1.2
Pvt banks Share	**31.1**	**32.2**	**34.6**	**35.5**	**36.2**	**36.6**	**37.3**	**36.2**
PSU Banks								
Bank of Baroda	6,901	7,063	7,772	9,410	10,658	11,777	13,072	6.7
Bank of India	3,689	3,657	4,208	4,859	5,631	6,262	6,920	3.5
Canara Bank	4,322	6,390	7,036	8,307	9,316	10,378	11,541	5.9
Indian Bank	1,979	3,627	3,892	4,493	5,149	5,741	6,373	3.2
PNB	4,718	6,742	7,282	8,308	9,344	10,438	11,627	5.9
SBI	23,253	24,495	27,340	31,993	37,040	41,781	47,296	23.3
Union Bank	3,150	5,910	6,610	7,618	8,708	9,753	10,923	5.5
PSU Banks	**46.3**	**52.9**	**53.9**	**54.8**	**54.0**	**53.5**	**52.9**	**54.0**

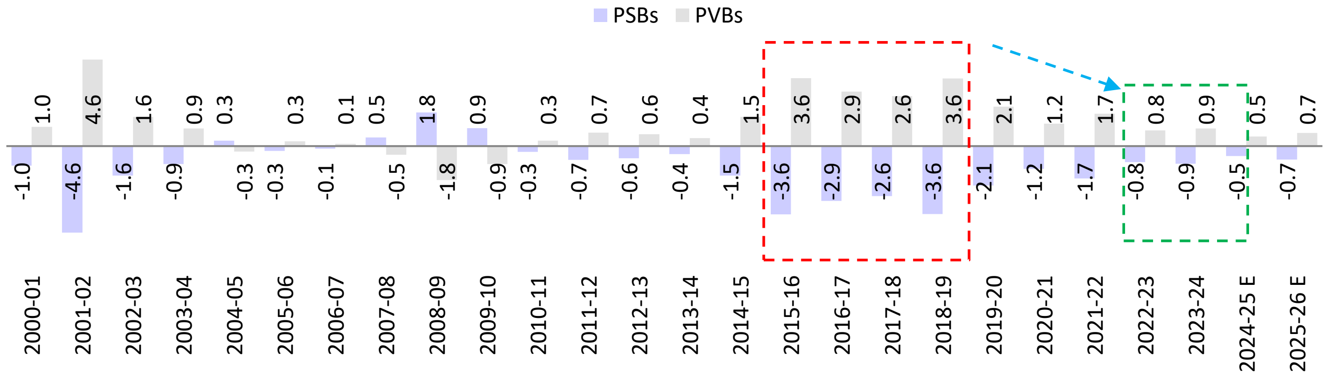
Source: MOFSL

Exhibit 3: Movement in advances market share for PSBs and PVBs



Source: MOFSL , RBI

Exhibit 4: Movement in market share gains and losses across PVBs and PSBs



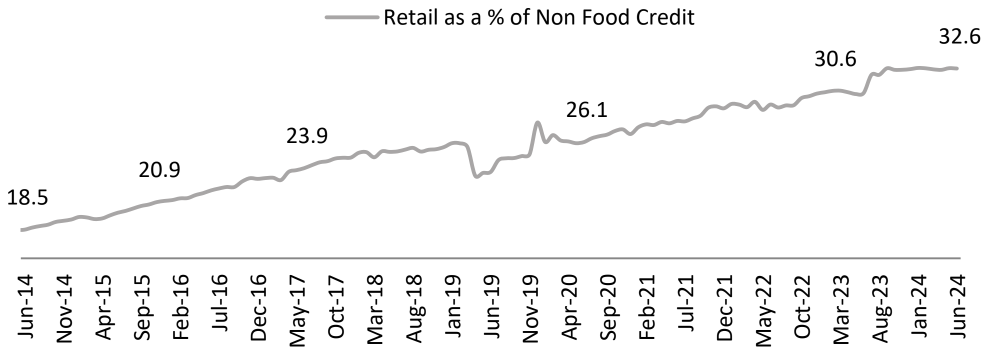
Source: MOFSL , RBI

Retail and Services sectors are key growth drivers; unsecured retail growth has moderated sharply across banks

- The retail and services sectors are leading loan growth, with 16.6% and 17.4% YoY growth (excluding HDFCB), respectively. This strong growth, combined with steady growth in agriculture, has boosted overall credit growth, despite slower growth in the industrial sector.
- The share of retail in total systemic credit has risen from 27-28% to 33% over the past four years.
- Although retail growth remains healthy, a slowdown in unsecured retail loans has slightly moderated overall retail credit growth.
- Retail credit, as a percentage of total credit, is still relatively low and has further scope to expand as the economy becomes more formalized.
- The share of retail in overall credit is expected to increase to 35% by FY26E.

Retail share as % of overall Non-Food credit has reached ~33% from ~19% in Jun'14

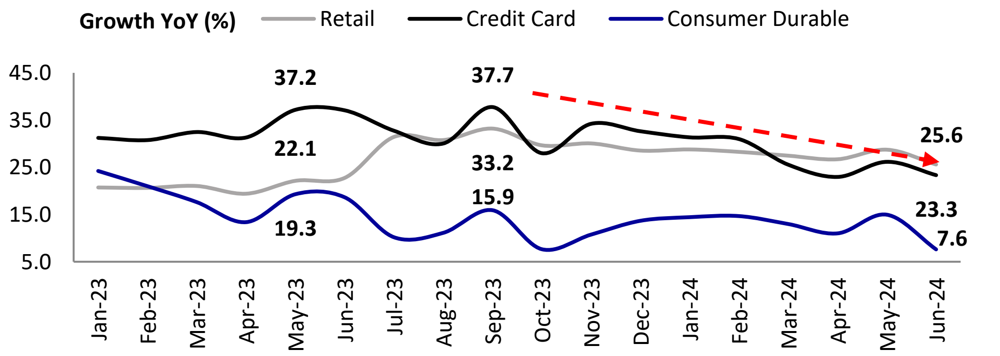
Exhibit 5: Retail as a % of Non-Food Credit has increased by 76% in 10 years to ~33%



Source: MOFSL, RBI

Growth in CC and CD loans has moderated as lenders have now become risk averse

Exhibit 6: Credit card and CD growth come off recently



Note – Growth Nos. includes HDFCB, Source: MOFSL, RBI

Exhibit 7: Personal loan growth has slowed down recently…

Personal Loan Growth (%)	1QFY25	1QFY24	1QFY23
HDFC Bank	5.2	19.5	22.8
ICICI Bank	24.9	38.6	38.2
Axis Bank	29.4	21.0	9.2
Kotak	21.7	42.5	78.5
SBI	11.2	19.8	32.4
BoB	39.2	82.9	147.1

Source: MOFSL, Company

Exhibit 8: …and so has the growth in credit cards

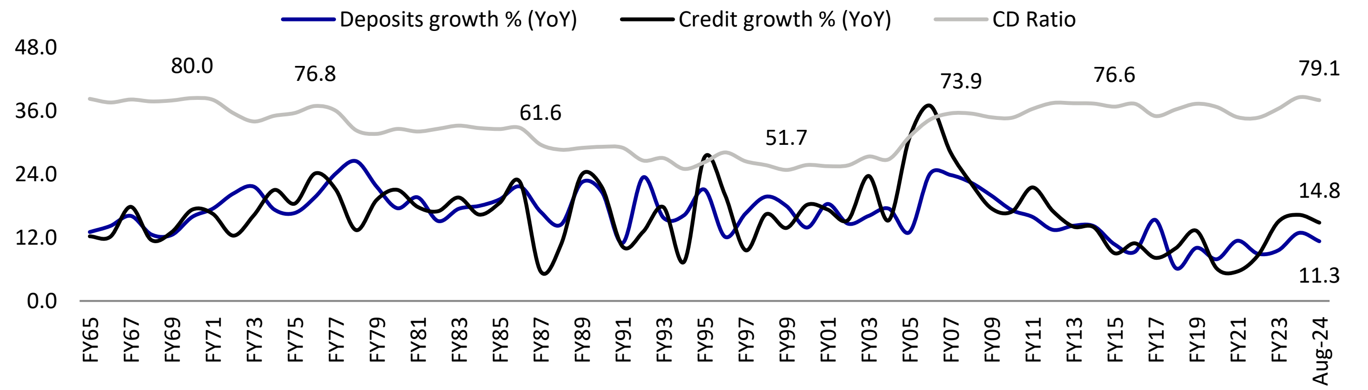
Credit Card Growth (%)	1QFY25	1QFY24	1QFY23
HDFC Bank	14.3	12.8	27.0
ICICI Bank	31.3	45.4	63.3
Axis Bank	22.4	92.5	9.0
Kotak	28.9	66.6	77.2
SBI Cards	21.5	30.3	39.2

Source: MOFSL, Company

Systemic CD ratio remains elevated; estimate further convergence between credit and deposit growth

- Despite regulatory efforts to reduce the CD ratio, banks have continued to grow credit even as deposit growth has slowed.
- The CD ratio remains elevated at 79.1%, indicating banks' need to focus more on increasing their deposit base.
- Banks are expected to face tighter competition on deposit rates and may slow credit growth to manage the high CD ratio.
- The gap between credit and deposits narrowed to 3.5% in Aug'24 from the peak of 8.8% in Nov'22. We estimate the gap between credit and deposit growth to further narrow down to <100bp by FY25 end, mainly led by growth deceleration from private banks.

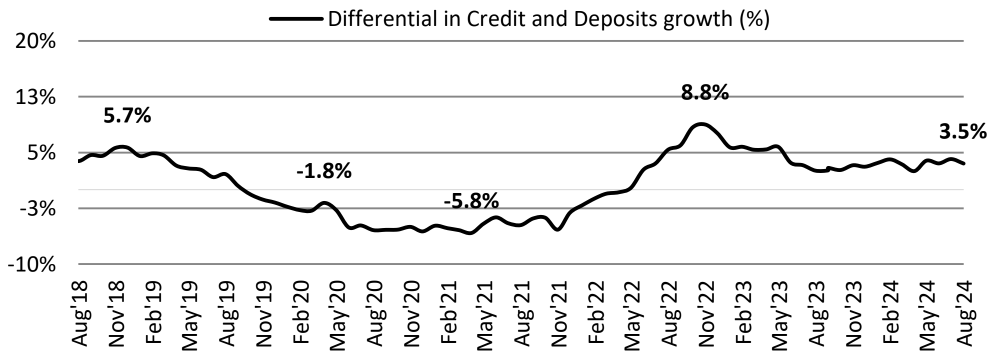
Exhibit 9: Credit growth at a healthy pace, while deposits are lagging, resulting into all-time high CD ratio



Source: MOFSL, RBI

Differential between credit and deposits growth stood at 3.5%

Exhibit 10: Differential in credit and deposit growth (%)



Source: MOFSL, RBI

Incremental CD ratio remains high; PSBs' even higher on incremental LDR

- Despite inadequate deposit mobilization, credit growth has kept pace, thereby leading to a high incremental credit-deposit (CD) ratio.
- The incremental CD ratio reached 113% in FY24, mainly led by PSBs as most of them operated on an incremental CD ratio of >100%.
- PSBs have benefited from this trend as their outstanding CD ratios have remained lower, providing more room to expand.
- Among banks, PSBs have more flexibility to maintain a higher incremental LDR compared to PVBs.
- With the CD ratio already high and limited options to squeeze SLR and LCR to fund credit growth, banks are likely to shift their focus to garnering deposits.
- However, the emphasis on deposit growth could lead to higher funding costs, potentially impacting the banks' margin trajectories.

Exhibit 11: Incremental CD ratio is high for private banks…

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
AU SFB*	96.8	71.4	58.6	82.7	95.8
Axis Bank	113.9	115.0	108.6	98.4	100.7
Bandhan	47.4	93.0	119.5	60.4	94.6
Federal Bank	81.2	72.2	81.2	89.3	85.7
HDFC Bank*	71.5	170.5	195.4	178.1	181.9
ICICI Bank	86.0	84.0	85.5	71.0	88.3
IDFC First	84.8	79.2	80.3	68.3	63.7
IndusInd Bank	121.4	125.7	124.8	110.1	90.5
Kotak Mahindra Bank	69.4	71.6	76.4	65.5	100.3
RBL Bank	199.6	129.0	120.6	74.0	86.6

* including the merger, Source: MOFSL, Company

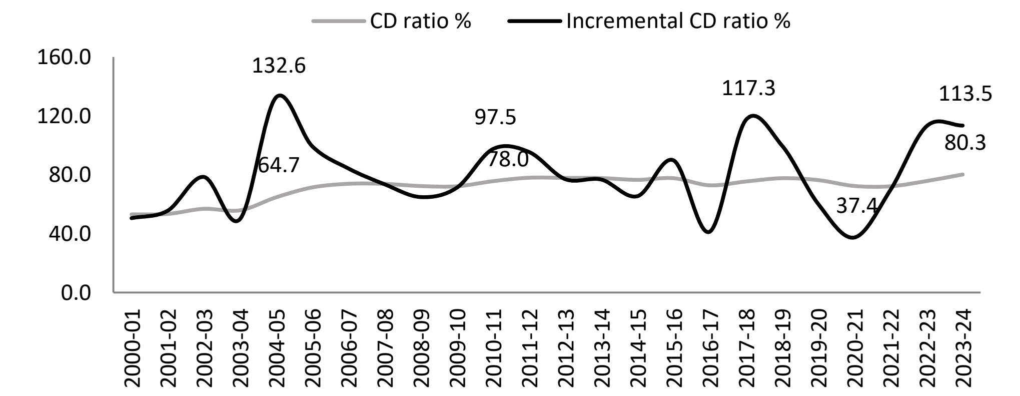
Exhibit 12: …and for PSBs

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Bank of Baroda	98.0	101.2	139.3	101.2	78.9
Canara Bank	145.5	105.7	104.8	75.8	63.9
Indian Bank	146.3	112.7	93.8	98.1	108.1
Punjab National Bank	75.1	100.1	102.6	117.0	109.0
State Bank of India	86.5	78.9	84.1	102.5	138.8
Union Bank	69.5	80.7	98.3	104.9	112.5

Source: MOFSL, Company

Incremental CD ratio remains elevated at 113% for the industry as on FY24

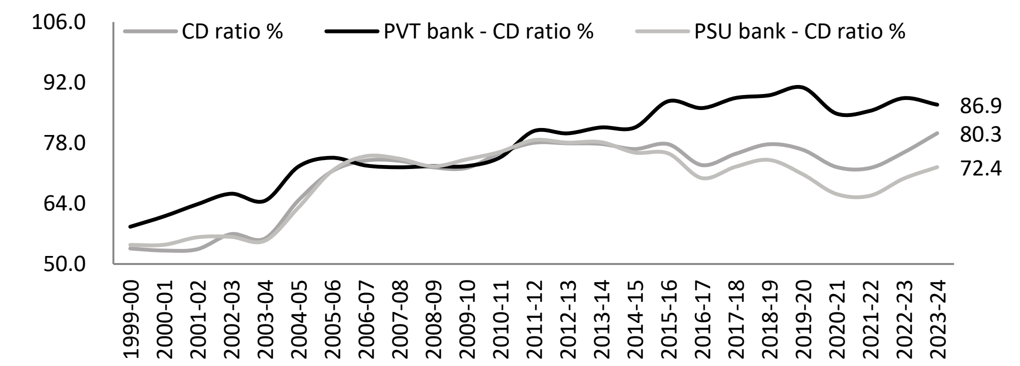
Exhibit 13: Trend in CD ratio over the long term



Source: MOFSL, RBI

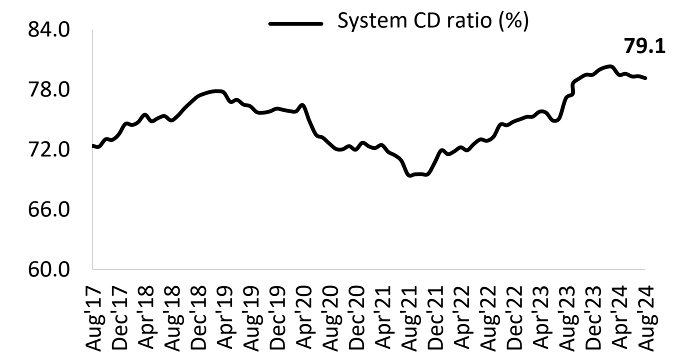
PSBs have reported a significant increase in CD ratio over the past few years

Exhibit 14: CD ratio of private banks much ahead of PSU banks



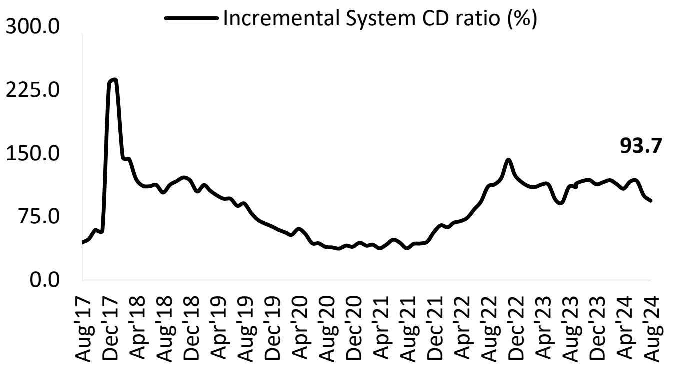
2024 data is adjusted for the HDFC merger, Source: MOFSL, RBI

Exhibit 15: System CD ratio stood at 79.1% as on Aug'24



Source: MOFSL, RBI

Exhibit 16: Incremental System CD ratio stood at 93.7% as on Aug'24

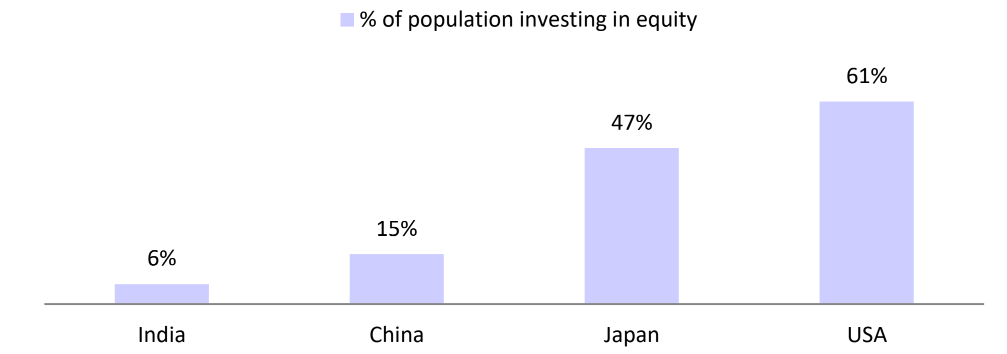


Source: MOFSL, Company

Financialization of Savings: Deposits lagging behind MF, insurance AUMs

- The growth in systemic deposits has been consistently trailing the steady rise in other financial asset classes. There's a noticeable shift toward alternative investment instruments, driven by accretive returns.
- The number of unique investors has increased ~3x, indicating the increasing shift in savings away from traditional bank deposits.
- This trend is mainly driven by a growing middle class, rising incomes, and an increasing young population in India.
- While safety is a key factor for bank deposits, their lower returns have led investors to explore other options. Since Covid, there has been a noticeable shift in savings patterns, with more investments moving from bank deposits to mutual funds, equities, and insurance.
- Strong equity market performance has driven a significant shift of deposits into equity investments, while the insurance sector also gained traction due to increasing awareness and better tax-adjusted returns in the hands of customers.

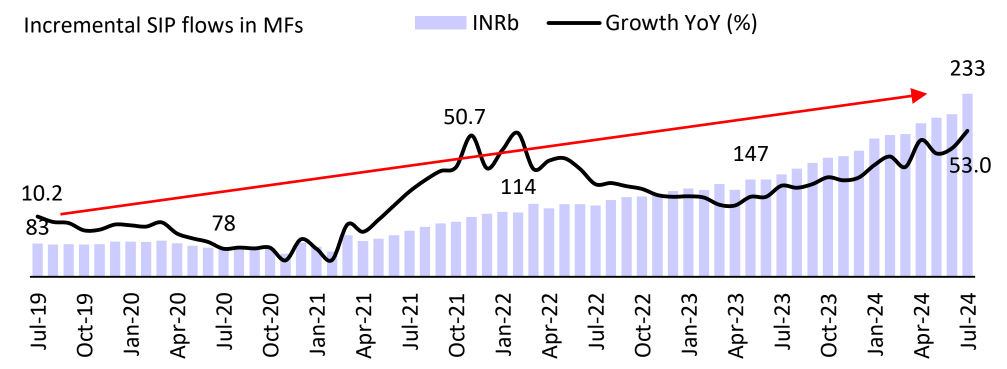
Exhibit 17: India has significant under-penetration vs. other developed/under-developing countries



Source: MOFSL, Gallup, Media Sources

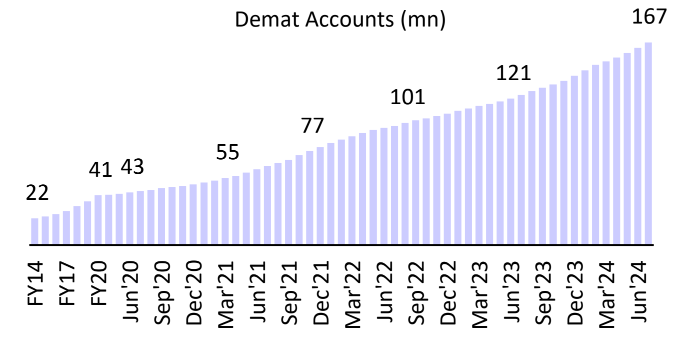
Exhibit 18: Incremental SIP flow has been strong in recent months

SIP flow in MFs has grown ~3X in past five years



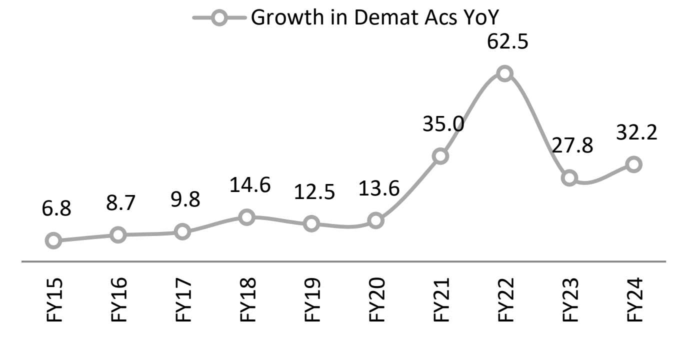
Source: MOFSL, AMFI

Exhibit 19: Total number of demat A/Cs have grown ~4.0X since FY20...



Source: MOFSL, CDSL, NSDL

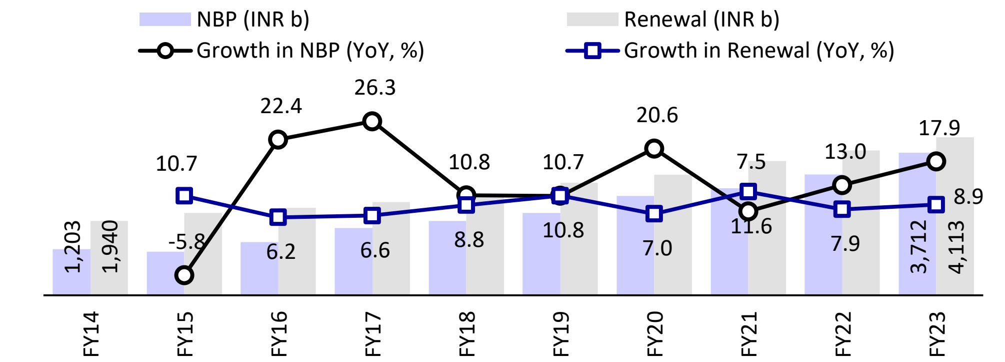
Exhibit 20: ...reflected in the growth of the Demat A/Cs



Source: MOFSL, CDSL, NSDL

NBP and Renewal premium have been strong in recently

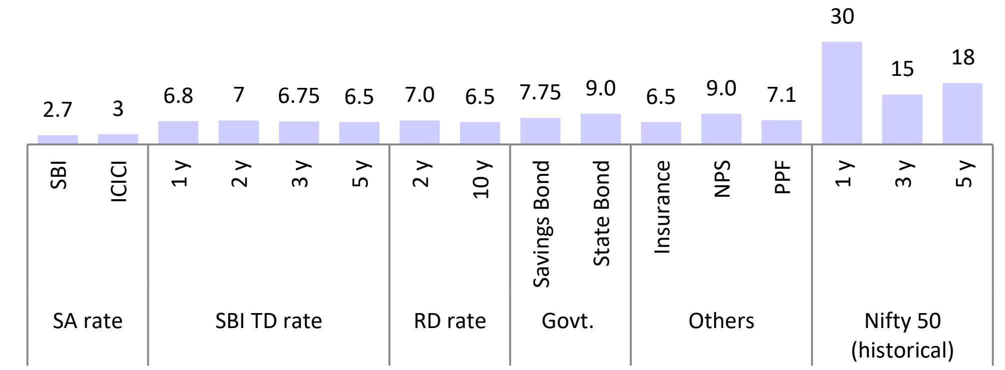
Exhibit 21: Premium flow has been strong in recent years



Note: NBP – New business Premium, Source: MOFSL, IRDAI

Tax adjusted returns on bank's SA, TD and RD stand lower vs. other financial products

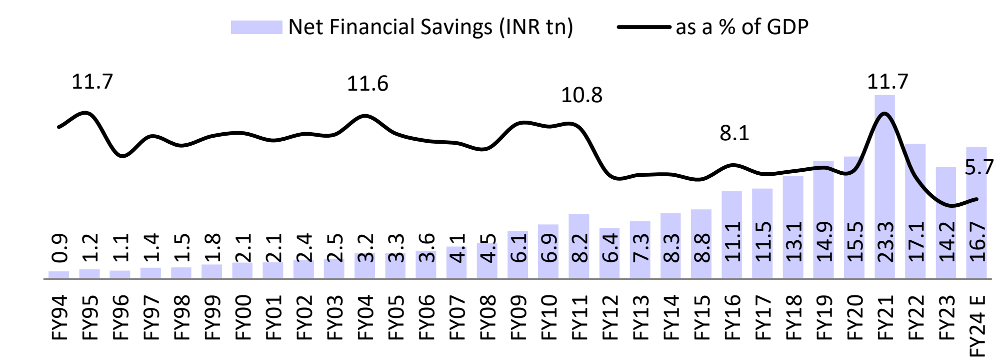
Exhibit 22: Lower rates offered by banks are contributing to slower growth in deposits



Nifty Returns as on 29th Aug 2024, Source: MOFSL, MOSPI

Net financial savings as % of GDP have declined to 5.7% of the GDP, a multi-decade low

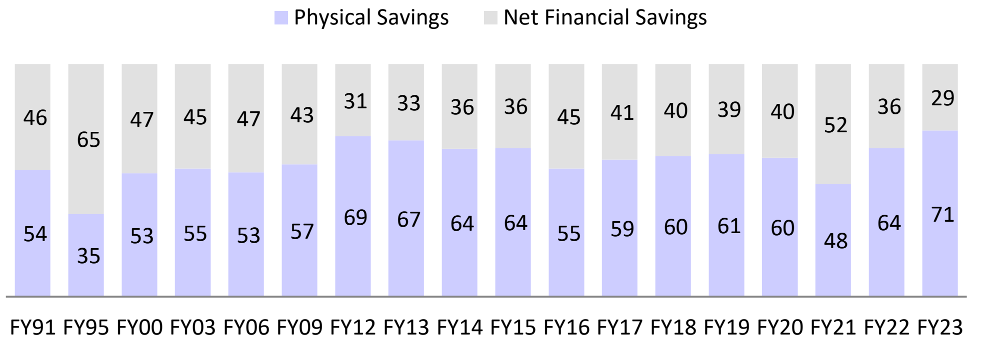
Exhibit 23: Net Financial Savings at a 3-decade low, at 5.7% of the GDP



Source: MOFSL, MOSPI

Exhibit 24: Share of physical savings has increased, while that of Financial savings has decreased vs. the historical trend

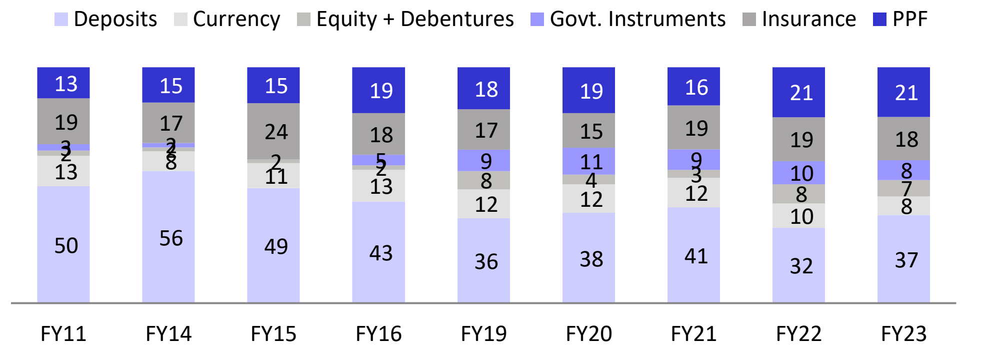
Mix of financial savings has decreased vs. the usual trend of 35-45% during 2010-20's



Source: MOFSL, MOSPI

Exhibit 25: Share of deposits in the overall household assets has reduced over the years

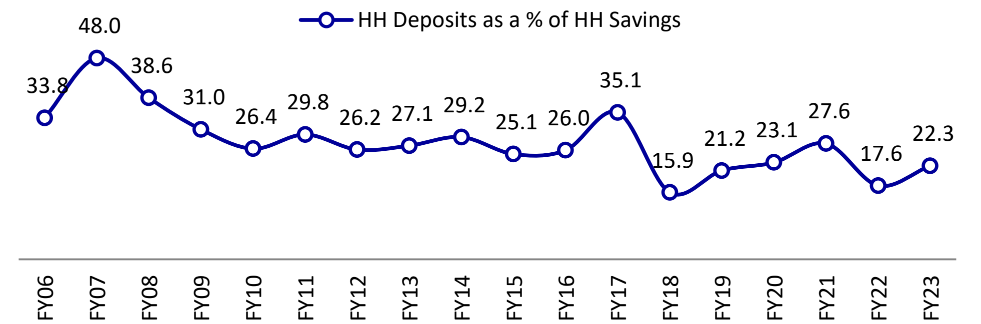
Deposit share in overall savings has reduced over the years



Source: MOFSL, MOSPI

Exhibit 26: Household deposits as % of household savings

HH deposits as a % of HH savings have reduced over the recent years

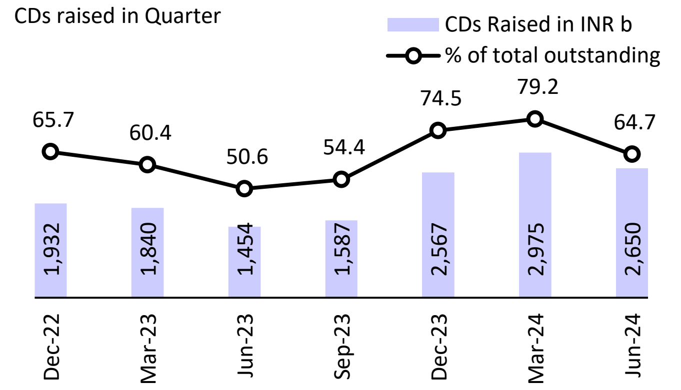


Source: MOFSL, MOSPI

CD issuances rise amid tight liquidity to fund credit growth

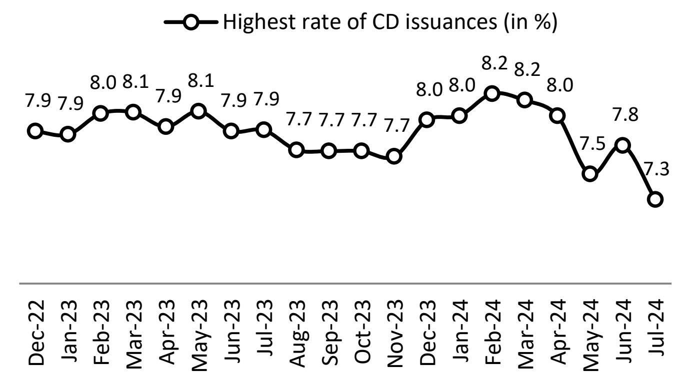
- Banks have significantly ramped up their issuance of certificates of deposits (CDs) at high interest rates to meet year-end and quarter-end targets and support credit growth.
- Accordingly, CDs raised as a percentage of the total outstanding have increased steadily to 79% in Mar'24, the highest since the period rate hike started.
- During 1Q, the seasonally weak quarter, the peak CD rates have dropped to a low of 7.3%, though banks continue to mobilize resources via CDs. We note that CD issuances have increased by 6.6 times from FY21 to FY24, indicating strong growth in this funding method.
- The sustained high levels of CD issuance reflects the challenges that banks are facing in mobilizing adequate quantum of retail deposits to fund business growth.
- This trend highlights banks' strategic focus on expanding their loan portfolios, even at the expense of higher funding costs and narrower margins.

Exhibit 27: CD issuance has been rising after the hike in repo rates



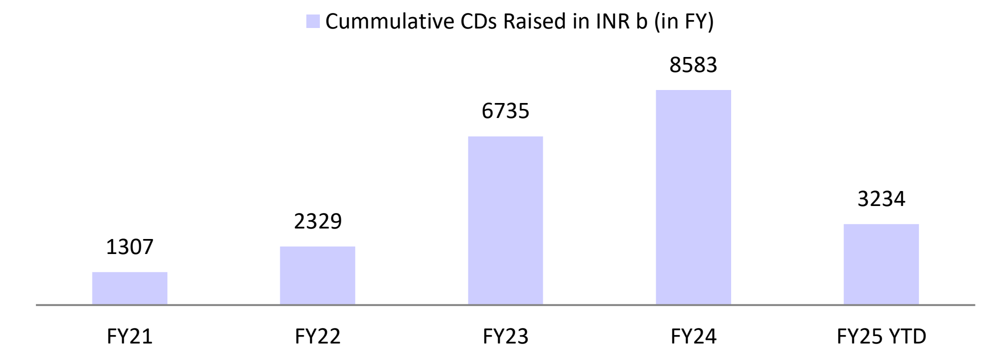
Source: MOFSL, RBI

Exhibit 28: The rate of CD issuances has been constantly on the rise, especially during the quarter end



Source: MOFSL RBI

Exhibit 29: CD issuances are on a rise, after the repo rate hikes



Source: MOFSL, RBI

Exhibit 30: Valuation Summary

	Rating	CMP (INR)	MCap (INRb)	TP (INR)	Upside (%)	RoA (%) FY24	RoA (%) FY25E	RoA (%) FY26E	RoE (%) FY24	RoE (%) FY25E	RoE (%) FY26E	P/E (x) FY24	P/E (x) FY25E	P/E (x) FY26E	P/ABV (x) FY24	P/ABV (x) FY25E	P/ABV (x) FY26E
Private Banks																	
ICICIBC*	Buy	1,222	8,531	1,400	15	2.4	2.2	2.2	18.9	17.7	17.3	17.0	15.5	13.6	3.1	2.7	2.3
HDFCB*	Buy	1,639	12,466	1,850	13	1.8	1.8	1.9	14.6	14.6	14.9	17.3	15.4	13.5	2.5	2.2	2.0
AXSB*	Neutral	1,175	3,628	1,175	0	1.8	1.7	1.7	18.0	16.3	16.2	13.2	12.5	10.9	2.3	2.0	1.7
BANDHAN	Neutral	194	313	220	13	1.3	2.2	2.2	10.8	18.6	18.9	14.0	7.4	6.4	1.5	1.4	1.2
KMB*	Neutral	1,778	3,534	1,800	1	2.5	2.3	2.3	15.3	14.2	14.3	17.3	16.2	14.0	2.6	2.3	2.0
IIB	Buy	1,417	1,104	1,700	20	1.8	1.7	1.8	15.3	14.2	15.4	12.3	11.6	9.4	1.8	1.6	1.4
FB	Buy	196	477	230	17	1.3	1.3	1.3	14.7	13.7	14.5	12.0	11.2	9.4	1.7	1.5	1.4
DCBB	Buy	122	38	175	44	0.9	0.9	0.9	11.9	12.1	13.3	7.1	6.2	5.1	0.8	0.7	0.7
IDFCFB	Neutral	73	518	83	13	1.1	1.0	1.1	10.2	9.4	12.0	17.0	16.3	11.5	1.7	1.5	1.4
EQUITASB	Buy	81	92	110	37	2.0	1.4	1.9	14.4	11.4	16.3	11.3	12.9	8.0	1.6	1.5	1.3
AUBANK	Buy	641	429	735	15	1.5	1.7	1.7	13.1	14.6	15.5	27.9	20.8	16.5	3.5	2.8	2.4
RBK	Neutral	227	137	270	19	0.9	1.0	1.1	8.2	9.3	11.5	11.7	9.6	7.3	1.0	0.9	0.8
PSU Banks																	
SBIN*	Buy	815	7,269	1,015	25	1.0	1.1	1.1	18.8	18.8	18.2	8.4	7.2	6.4	1.6	1.3	1.1
PNB	Neutral	116	1,272	135	17	0.5	0.9	1.0	8.7	13.6	14.5	15.4	9.0	7.5	1.4	1.2	1.1
BOB	Buy	250	1,294	290	16	1.2	1.2	1.2	17.8	16.9	16.8	7.3	6.7	5.9	1.3	1.1	1.0
CBK	Buy	110	1,000	133	21	1.0	1.1	1.1	20.2	19.5	19.3	6.9	6.1	5.3	1.4	1.2	1.0
UNBK	Buy	123	941	165	34	1.0	1.1	1.1	16.7	16.2	16.1	6.5	5.9	5.3	1.1	0.9	0.8
INBK	Buy	564	702	670	19	1.1	1.2	1.3	17.1	18.0	17.7	9.1	7.5	6.6	1.4	1.2	1.1

* Adjusted for Subsidiaries Source: MOFSL, Bloomberg, Company

N O T E S

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
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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