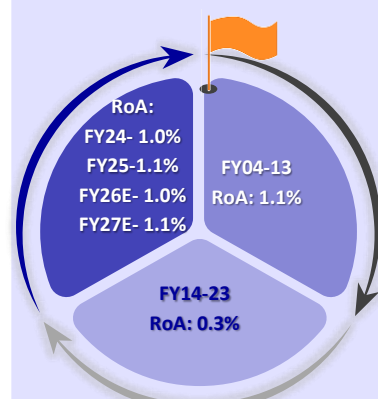
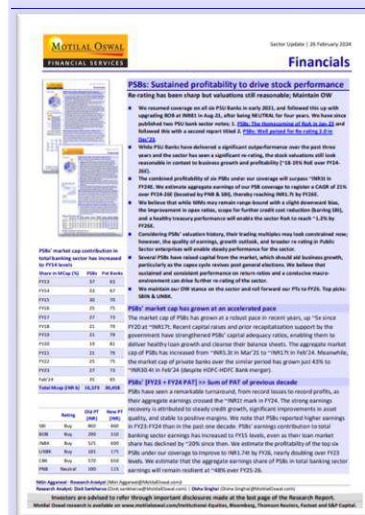


RoA journey (%)



Financials: PSBs — Sustained profitability to drive stock performance



PSU Banks: Resetting to a new normal in profitability

PSBs to sustain 1% RoA; valuations remain inexpensive

- During Jan'23-Feb'24, we published three sector notes on PSU banks (PSBs), arguing that the recovery in RoA to 1% is not a one-off event but more like a homecoming for PSBs. Now, in recent years, PSBs have sustained healthy RoA, and we believe that with margins recovering in 2HFY26 and asset quality remaining stable, they are well poised to deliver steady returns in the coming years.
- In this note, we further explore if PSBs have transformed fundamentally and deserve to be viewed differently given their sustained profitability and growth trajectory.
- PSB sector profitability has reached a record high at INR1.5t and RoA has surpassed 1%. We estimate a 14% CAGR in aggregate earnings of our PSB coverage over FY26-28E.
- While NIM pressure may weigh on the near-term outlook, rising fee income, a gradual moderation in cost ratios, and healthy coverage levels (PCR ~79%) will help to keep RoA stable at 1.0-1.1%.
- Stronger deposit franchises, conservative CD ratios, and steady traction in Retail, Agri and MSME (RAM) segments have enabled PSBs to regain credit momentum, with PSBs outpacing private banks in FY25 loan growth for the first time in the past 15 years (12% vs. 10%).
- PSBs' market cap has jumped nearly 5x since FY20, yet they continue to trade at reasonable valuations even as sector RoE remains stable at 18-19% and RoA at ~1%.
- With their strong balance sheets, healthy asset quality, and improving efficiency, we see scope for a gradual but meaningful re-rating for PSBs. Our preferred ideas are SBIN and PNB. Among mid-size names, we prefer INBK given its superior return ratios.

PSBs well poised to sustain RoA at ~1%

Once considered aspirational, PSBs have achieved a structural turnaround, with sector RoA reaching ~1.1% in FY25, supported by improved underwriting, cost control, and robust recoveries. Aggregate PSB profits have surged to INR1.5t in FY25, with their share in banking profits rebounding to 48%. While private banks continue to lead in RoA (1.7-1.8%), top PSBs now deliver comparable or superior RoE (~18%), aided by higher leverage. Despite near-term headwinds from margin pressure, modest growth, and ECL implementation down the road, we expect PSBs to sustain RoA at ~1% and deliver ~14% earnings CAGR over FY26-28E.

Healthy liquidity, funding profile to support stable credit growth

PSBs have historically maintained a robust deposit franchise and a comfortable liquidity position, as reflected in their healthy LCR and controlled CD ratio. Despite a gradual erosion in market share, PSBs still command over 62% of system deposits, anchored by their extensive branch presence and strong depositor trust. This has enabled most PSBs to maintain controlled CD ratios, while healthy LCR (130-145% range) further reinforces balance sheet position. This allows PSBs to fund loan growth without aggressively chasing high-cost deposits, giving them a funding advantage across liquidity and rate cycles and ensuring stable 11-12% YoY credit growth.

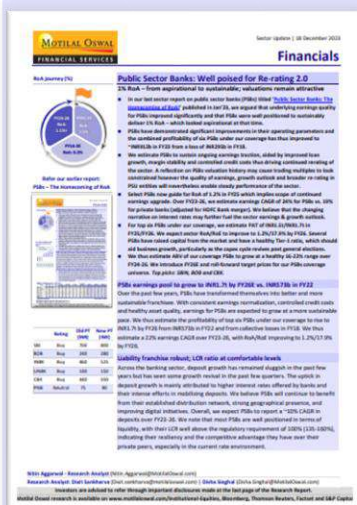
Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.sankharva@motilaloswal.com) | **Disha Singhal** (Disha.Singhal@MotilalOswal.com)

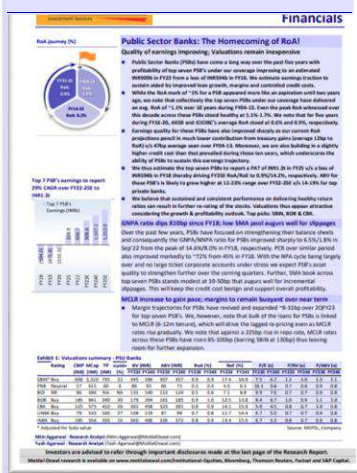
Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

PSBs: Well poised for rerating 2.0; 1% RoA – from aspirational to sustainable; valuations remain attractive



FINANCIALS: Public Sector Banks: The Homecoming of RoA!



PSBs' credit market share to decline at milder pace vs. 200bp annual fall

PSBs have reversed a decade-long trend of market share erosion, regaining ~40bp in FY25 to ~58%. This was supported by healthy credit growth, backed by robust asset quality, strong capital buffers, and ample liquidity that allowed them to sustain steady credit flow, while private peers faced CD ratio constraints. In FY25, PSBs outpaced private banks in loan growth for the first time in 15 years (12% vs. 10%), driven by momentum in retail and MSME segments and relative insulation from stress in unsecured loans. With low-cost deposits, digital investments, and a recovery in consumption demand, we believe PSBs are well placed to deliver 10-12% loan CAGR in FY26E, and unlike the sharp 200bp annual decline over FY11-21, their market share is now expected to decline only marginally over FY26-28E.

Navigating NIM pressures with strategic rebalancing; pace of fall to ease

We expect PSBs to face further margin pressure in 2QFY26 due to the repricing of repo-linked loans. However, proactive liability management through the repricing of bulk deposits and certificate of deposits (CDs) at lower rates and replacing high-cost CDs with granular retail deposits will mitigate margin impact. We believe NIMs are likely to broadly stabilize by 3QFY26 and recover thereafter, supporting healthy NII growth over FY27-28E. Alongside, PSBs are cautiously rebalancing their asset mix toward higher-yielding RAM loans. With a low Credit deposit ratio, rising fee income, and prudent use of loan syndication and sell-downs, PSBs are well-positioned to absorb short-term NIM compression while sustaining healthy credit growth and profitability.

Bond gains provide crucial earnings support; mix in other income rises to 22-40%

Amid the sharp decline in NII, treasury gains have become a key offsetting lever for PSBs, driven by the rally in G-sec bonds following a sharp drop in yields. In 1QFY26, treasury gains accounted for 22-40% of total other income for PSBs, the highest in the past four years, with SBIN, Bank of Baroda (BOB), and CBK reporting the largest contributions of 31-40%. However, treasury gains are expected to moderate in the coming quarters as bond yields remain range-bound, while healthy systemic liquidity and the upcoming CRR cut reduce the need for repeated OMOs.

Cost ratios to improve gradually, thereby supporting RoA

PSBs have traditionally operated with high cost-to-income ratios of 48-55% due to elevated employee expenses (55-66% of total costs), making them less efficient than private peers (~35-45%). However, operating leverage is now improving as revenue growth strengthens, fee income scales up, and headcount remains largely stable. Digital adoption, branch rationalization, workforce optimization, and the government's PLI scheme are supporting efficiency gains, helping revenue outpace the cost increase. As a result, C/I ratios are expected to gradually decline, narrowing the efficiency gap and supporting stable RoA.

Robust asset quality with best-in-class PCR ratios

PSBs have undergone a remarkable balance sheet transformation, moving from double-digit NPAs to best-in-class asset quality. PCR has risen sharply from 45% in FY18 to ~79% in FY25, while GNPA ratio has declined from 14.6% to 2.8%, bringing

net NPA ratio down to 0.5%, comparable with private banks. Slippages have dropped from ~7.9% in FY18 to ~0.7% in FY25 and are expected to stay below 1% through FY27-28E, highlighting the resilience of PSBs' asset quality vs. private peers (~1.8-1.9% slippages). Credit costs have improved significantly but are expected to rise gradually due to slower recoveries and ECL transition, though the healthy PCR provides a cushion. Contained SMA books, disciplined underwriting and strong governance provide visibility on stable asset quality, while stronger capital positions and cleaner balance sheets make PSBs far more resilient, mitigating the depth of cyclicity in earnings and asset quality compared with past downturns.

Capital adequacy has improved sharply; internal accruals to fund growth

Over the past five years, PSBs have strengthened their CET-1 ratios from 9.4%-11.8% in FY20 to 11.0%-15.3% by 1QFY26, supported by strong internal accruals and capital raises from the market. This capital cushion, combined with robust profitability, improved asset quality, and disciplined underwriting, has enabled steady credit growth while containing risks. Several PSBs like SBIN, Punjab National Bank (PNB), CBK, and Union Bank (UNBK) have successfully tapped equity markets, driving CRAR to a healthy range of 15-18% across our coverage banks. Most PSBs now have a public float of over 25%, though select banks will still need to reduce government holdings to meet minimum promoter shareholding norms.

Valuation and view: RoA outlook steady; should PSBs be looked at from a different lens?

PSBs have seen a strong re-rating over the past five years, shedding their legacy image of lenders with poorer underwriting capabilities to competitive players delivering consistent value to stakeholders. Their aggregate market capitalization has surged by nearly 5x since FY20. Despite healthy RoE of ~18% and sustainable RoA of 1%+, most coverage PSBs trade at reasonable valuations of 0.8-1x forward P/B and 5-7x FY27E EPS. While near-term earnings may face margin pressures, structural improvements in asset quality, capital strength, digital adoption, and operating efficiency offer visibility on sustaining this RoA. PSBs are well positioned to benefit from any capex recovery, though near-term growth will continue to be funded by RAM assets. Stronger capital positions, cleaner balance sheets, and prudent provisioning make PSBs more resilient and limit cyclicity in earnings and asset quality relative to past cycles. **Top picks: SBIN and PNB. INBK stands out among mid-sized banks. We remain Neutral on BOB and UNBK.**

Exhibit 1: PSBs: Valuation summary

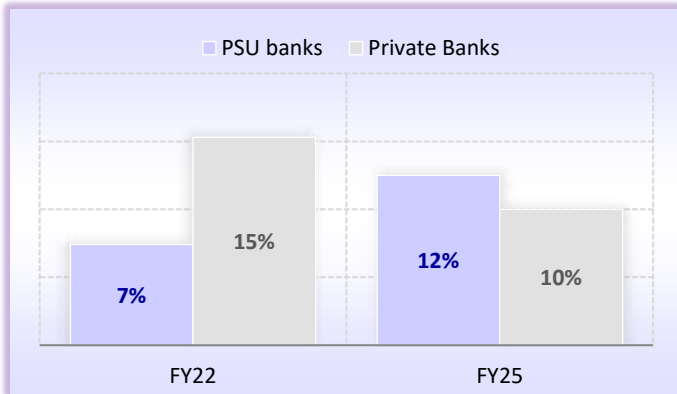
Val summary	Rating	CMP	Mkt. Cap	TP	Upside	EPS (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)		P/ABV (x)	
		(INR)	(INRb)	(INR)	(%)	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
PSU Banks																	
SBIN*	Buy	866	7,893	1,000	15	79.1	87.0	1.0	1.0	15.8	15.3	7.9	7.2	1.6	1.4	1.2	1.1
PNB	Buy	111	1,299	130	17	13.5	18.0	0.8	1.0	12.4	14.8	8.2	6.2	0.9	0.8	1.0	0.9
BOB	Neutral	255	1,300	275	8	36.2	41.7	1.0	1.0	14.2	14.9	7.0	6.1	0.9	0.8	1.0	0.9
CBK	Buy	123	1,078	140	14	20.7	22.1	1.1	1.0	18.9	18.2	5.9	5.5	1.0	0.9	1.1	1.0
UNBK	Neutral	139	1,059	155	12	21.7	24.7	1.1	1.1	14.6	14.8	6.4	5.6	0.9	0.8	0.9	0.8
INBK	Buy	708	949	800	13	87.9	94.9	1.3	1.3	17.7	16.9	8.1	7.5	1.3	1.1	1.3	1.2

*adj for subsidiaries

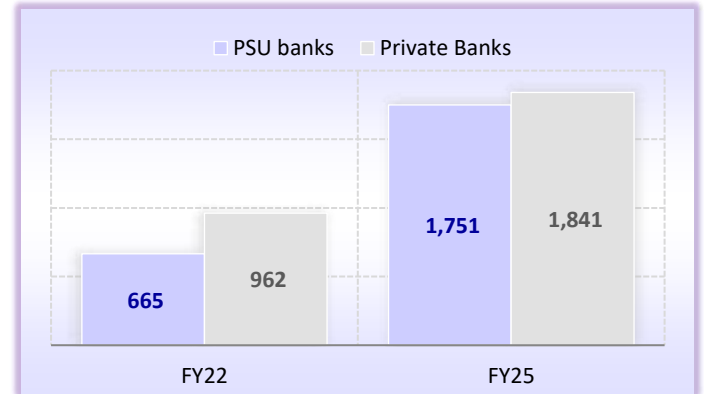
Source: Company, MOFSL

STORY IN CHARTS- PSBs vs. Private Banks

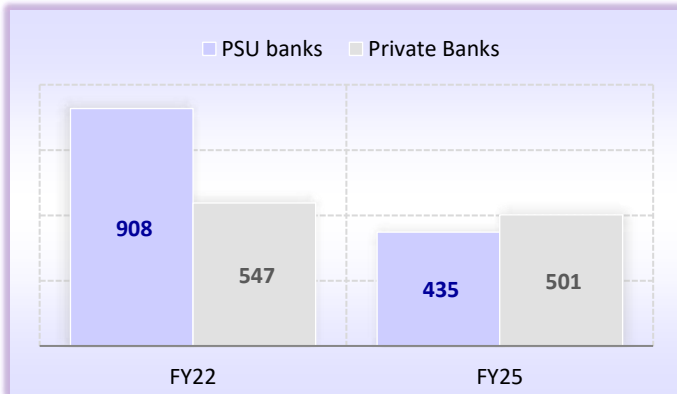
In advances, PSBs outpaced private banks with 12% YoY growth vs. 10% for private bank in FY25



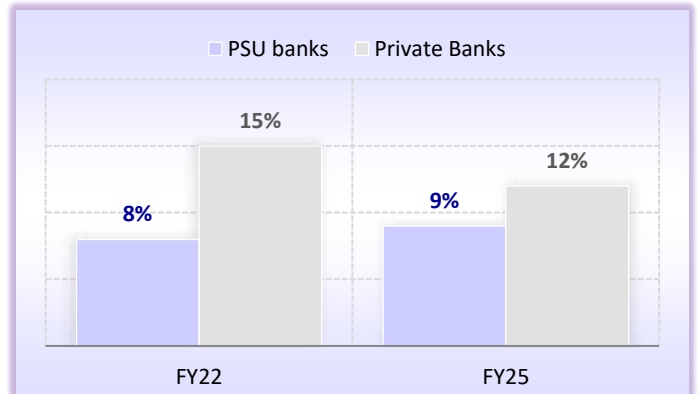
Profit of PSBs grew 2.6x from FY22 to INR1.7t in FY25, broadly matching private banks' INR1.84t



Provisions of PSBs stood at INR435b in FY25 vs. INR501b for private banks

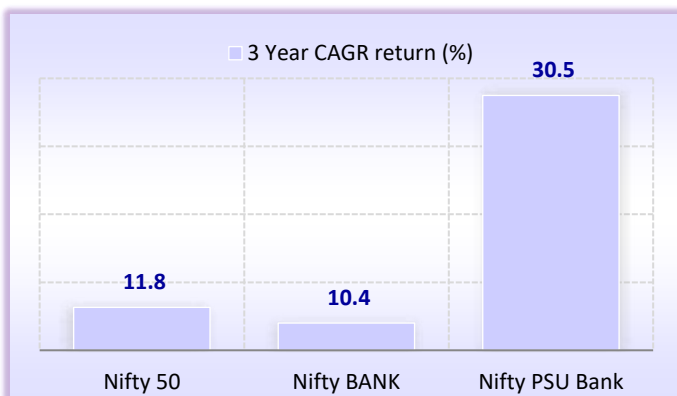


Deposits of PSBs grew 9% in FY25 vs. 12% growth for private banks

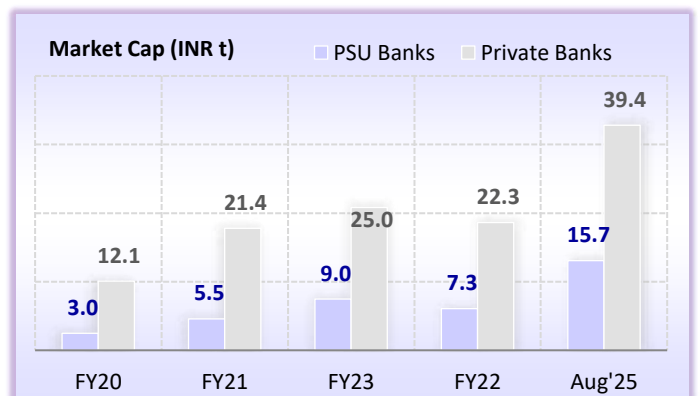


*compared for banks under MOFSL coverage

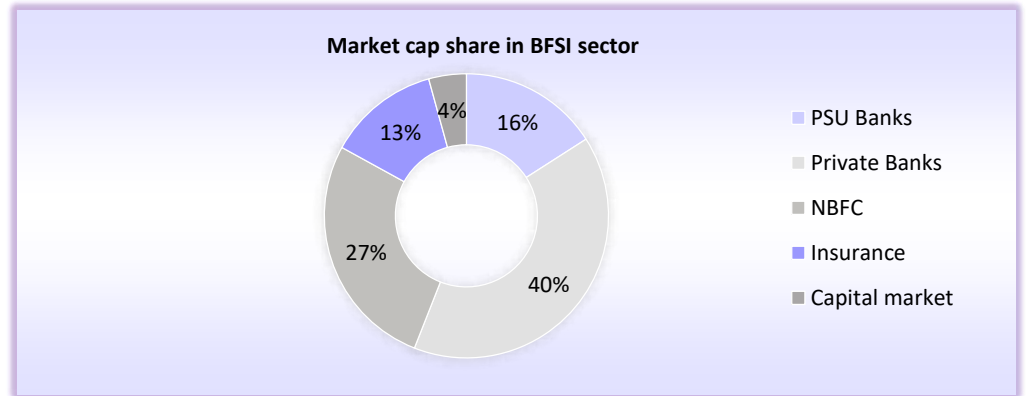
PSBs outperformed Nifty-50/Nifty Bank in past three years, though in past three months, Nifty PSU has posted 0.6% returns



Aggregate PSB market cap has grown at a faster rate vs. private banks since FY20



BFSI sector market cap stands at ~INR98t with PSBs accounting for 16% of total



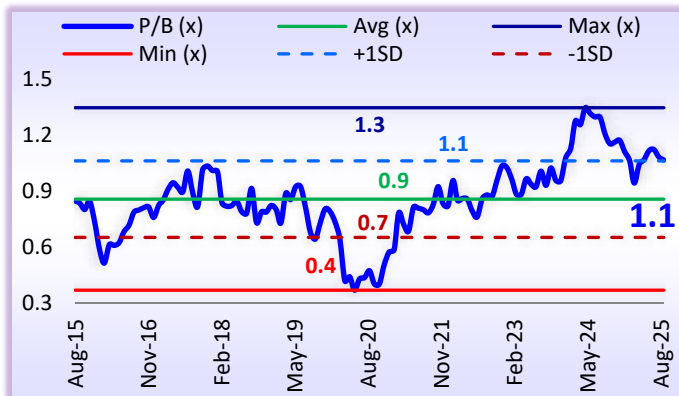
Source: MOFSL, Company

PSBs' market cap contribution in banking sector has risen to 30% from 19% in FY20 despite HDFCB-HDFC merger

Market Cap (INRb)	FY05	FY10	FY15	FY20	FY21	FY22	FY23	FY24	FY25	Sep'25
PSBs	815	2,636	3,512	2,890	5,516	7,286	8,962	16,124	14,360	16,458
Pvt Banks	678	3,054	7,990	12,064	21,375	22,333	24,958	31,020	35,661	37,683
Total	1,493	5,690	11,502	14,954	26,891	29,619	33,920	47,144	50,021	54,142
Share in M. Cap	FY05	FY10	FY15	FY20	FY21	FY22	FY23	FY24	FY25	Aug'25
PSBs	55%	46%	31%	19%	21%	25%	26%	34%	29%	30%
Pvt Banks	45%	54%	69%	81%	79%	75%	74%	66%	71%	70%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

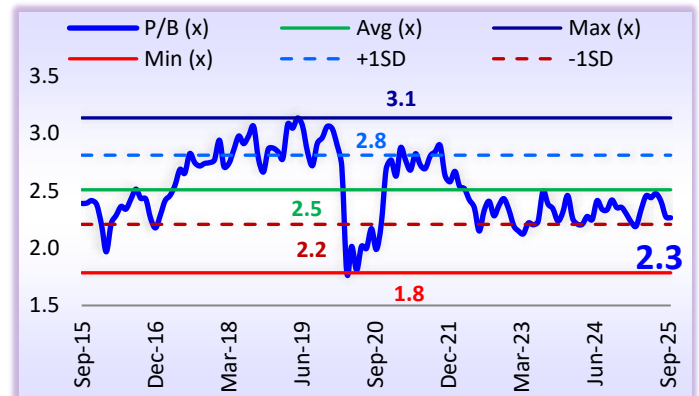
Source: MOFSL, Company

PSBs 1-yr forward P/BV trades at a premium to their long period average



Source: MOFSL, BBG

Private Banks 1-yr forward P/BV trade closer to average levels



Source: MOFSL, BBG

PSBs well poised to sustain steady operating performance

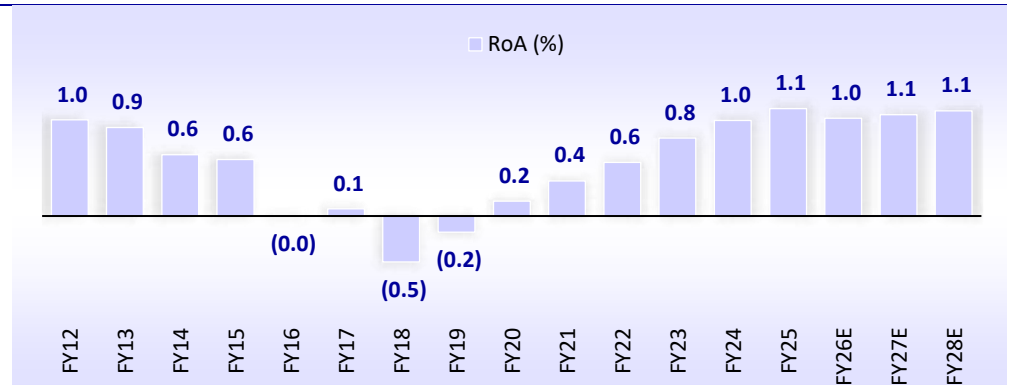
Estimate RoA to stabilize at ~1.1% over FY26-28E

Until a few years ago, a 1% RoA for PSBs was considered an aspirational milestone. However, with their consistent growth backed by improved underwriting and cost control, PSBs have delivered a remarkable turnaround over the last few years, with sector RoA reaching ~1.1% in FY25. In FY25, our PSB universe posted a record net profit of INR1.5t vs. an aggregate loss of INR295b in FY18. Their share in total banking profits has rebounded to 48% from negligible levels during the peak of the NPA crisis.

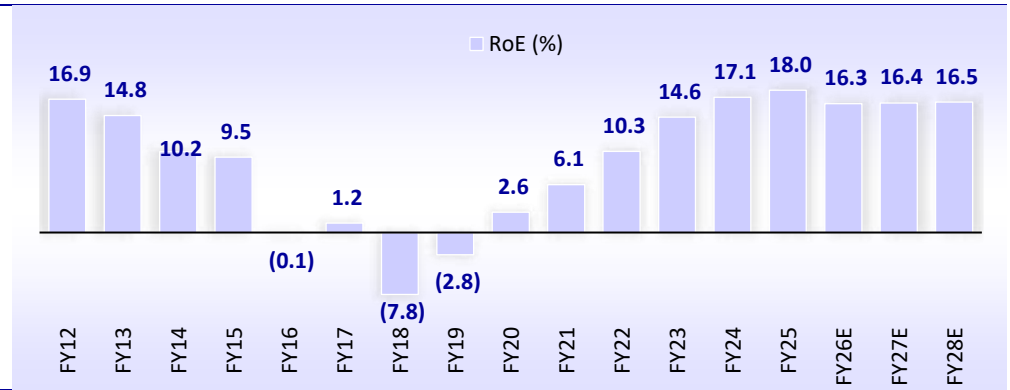
- While private banks still lead in RoA (1.7-1.8% vs. ~1.0-1.1% for PSBs) due to better fee income, margins, and efficiency, top PSBs have matched them or are better in RoE (~18-19%), aided by improved recoveries and higher leverage.
- In the near term, earnings moderation may continue due to margin pressure, modest business growth, and normalization of credit costs, along with potential implementation of ECL guidelines. We, nevertheless, estimate PSBs to deliver ~1-1.1% RoA in the coming years.
- Healthier balance sheets, stronger capital positions, and a stable profitability outlook continue to form the key investment arguments for the sector. We estimate an earnings CAGR of 14% for the top six PSBs under our coverage over FY26-28E.

Exhibit 2: Estimate RoA to remain at ~1.1% by FY28E

PSBs have delivered a remarkable turnaround, with RoA reaching ~1.1% in FY25, driven by robust credit growth, stable margins, controlled credit costs, and improved operating efficiencies



Calculated based on six PSBs under our coverage | Source: MOFSL, Company

Exhibit 3: Estimate RoE to remain at ~16.5% by FY28


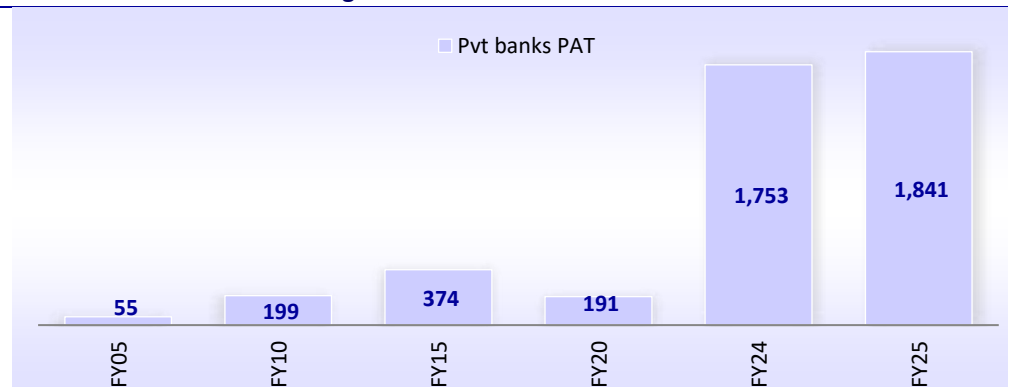
Calculated based on six PSBs under our coverage Source: MOFSL, Company

PSBs' earnings are expected to gain pace from FY27E as deposit re-pricing happens and the worst of margin compression gets over

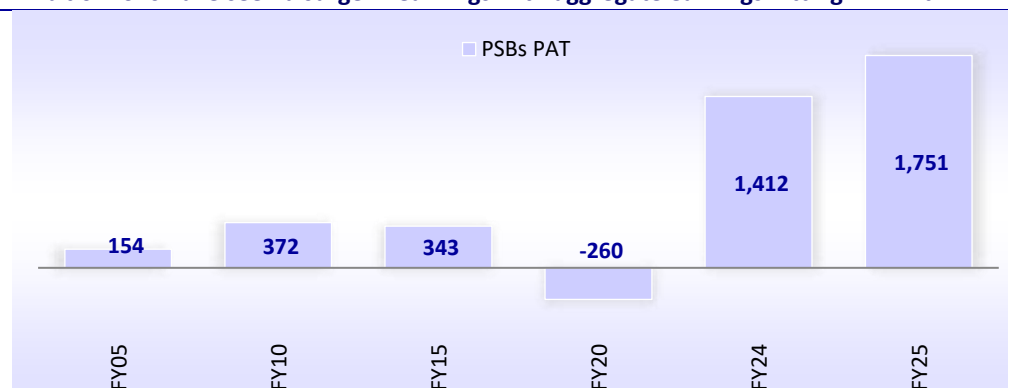
We estimate 14% CAGR in PSB earnings over FY26-28E

Exhibit 4: PSBs to report ~14% earnings CAGR over FY26-28E as margin pressure eases


Calculated based on six PSBs under our coverage Source: MOFSL, Company

Exhibit 5: Private banks' earnings have risen 10x from the lows of FY20 to INR1.84t in FY25


Source: MOFSL, RBI

Exhibit 6: PSBs have seen a surge in earnings with aggregate earnings hitting INR1.7t


Source: MOFSL, RBI

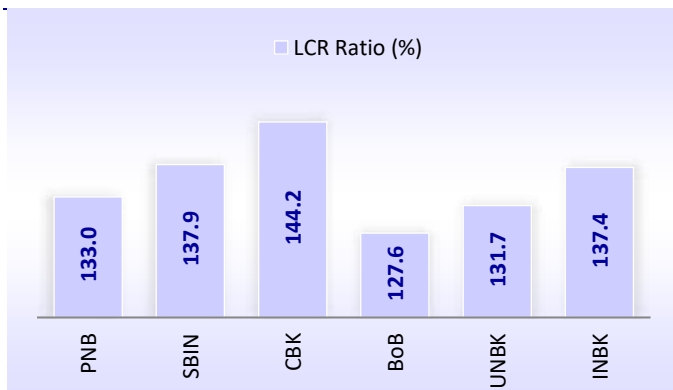
PSBs' PAT contribution in total banking sector PAT has increased to FY15 levels at ~49%.

Healthy liquidity, funding profile to help sustain credit growth

PSBs' credit market share to decline at a milder pace

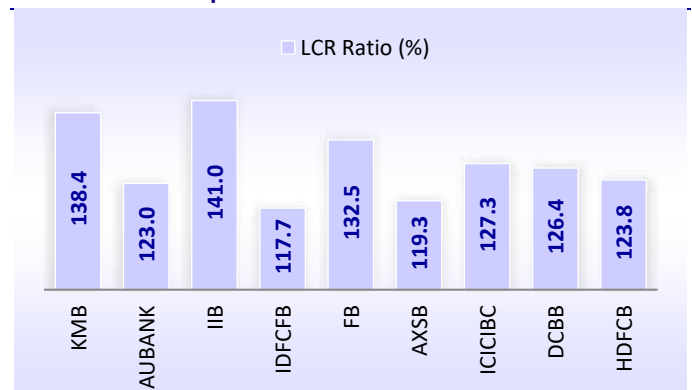
- PSBs have historically maintained a robust deposit franchise and comfortable liquidity positions as reflected in their healthy LCR and controlled CD ratio. Despite a gradual erosion in market share, PSBs still command over 62% of system deposits, anchored by their extensive physical presence and strong depositor trust.
- This has enabled most PSBs to maintain CD ratios in the 70-78% range, well below the private banks' levels. Their LCRs, often in the 130-145% range, further reinforce a comfortable balance sheet position.
- These buffers allow PSBs to fund loan growth without aggressively chasing high-cost deposits, giving them a funding advantage across liquidity and rate cycles and supporting stable loan growth going forward.
- After years of losing ground, PSBs have stabilized their credit market share at ~58% (gaining ~40bp credit market share in FY25, for the first time in past one decade), supported by stronger asset quality, robust capital buffers, and ample liquidity. This enables them to maintain steady credit flow compared to private peers, some of whom were constrained by high CD ratios.
- Thus, in FY25, PSBs outpaced private banks in loan growth for the first time in 15 years, delivering 12% YoY growth vs. 10% for private banks.
- PSBs are gaining traction in retail and MSME segments and are relatively insulated from rising delinquencies in unsecured loans and MFIs. This, coupled with a pickup in consumption activity aided by reduced GST & direct tax rates, low-cost deposits, and ongoing digital and operational investments, positions them well to sustain healthy credit growth in the coming years.
- We believe that while systemic loan growth may remain modest in FY26, PSBs overall are well poised to deliver a CAGR of 10-12% in loans over the year.
- We, thus, estimate PSBs' credit market share to decline at a slower pace over FY26-28E unlike an average annual decline of 200bp witnessed over FY11-21.

Exhibit 7: LCR ratio of PSBs remains comfortable



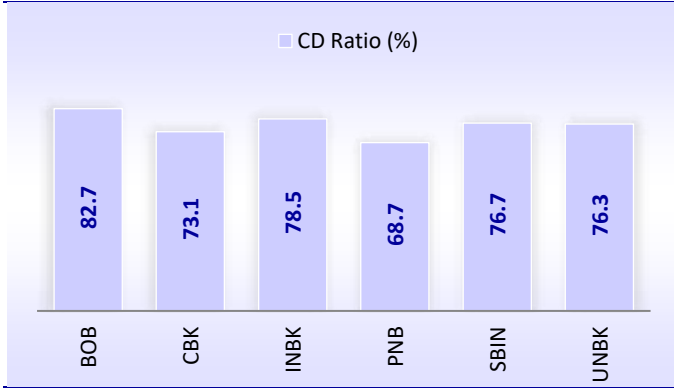
Source: MOFSL, Company

Exhibit 8: LCR for private banks is between 118% and 141%



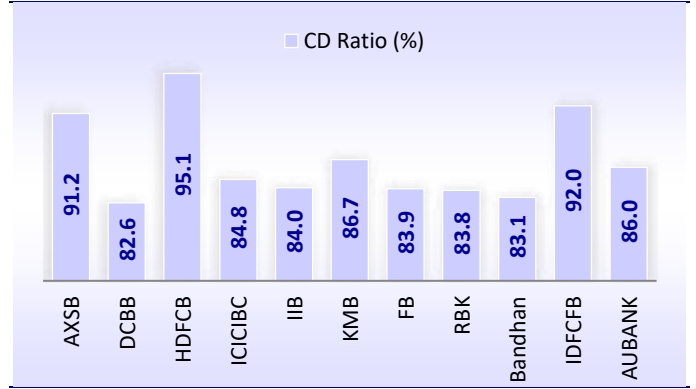
Source: MOFSL, Company

Exhibit 9: PSBs – CD ratio remains under control



Source: MOFSL, Company

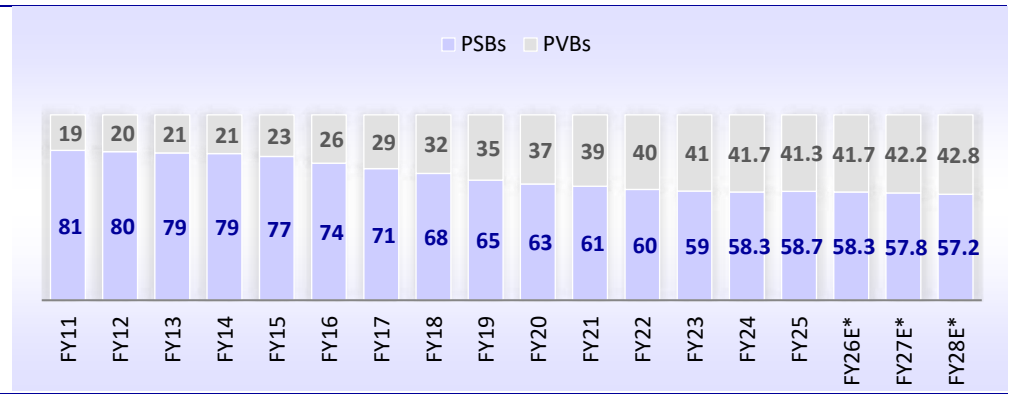
Exhibit 10: Private banks have much higher CD ratio



Source: MOFSL, Company

PSBs gained marginal credit market share in FY25, though their aggregate credit share declined by 20% over FY11-21.

Exhibit 11: PSBs' credit market share has fallen by 130bp over FY22-25 vs. ~200bp annual decline over FY11-21; Estimate market share to decline at a moderate pace going further

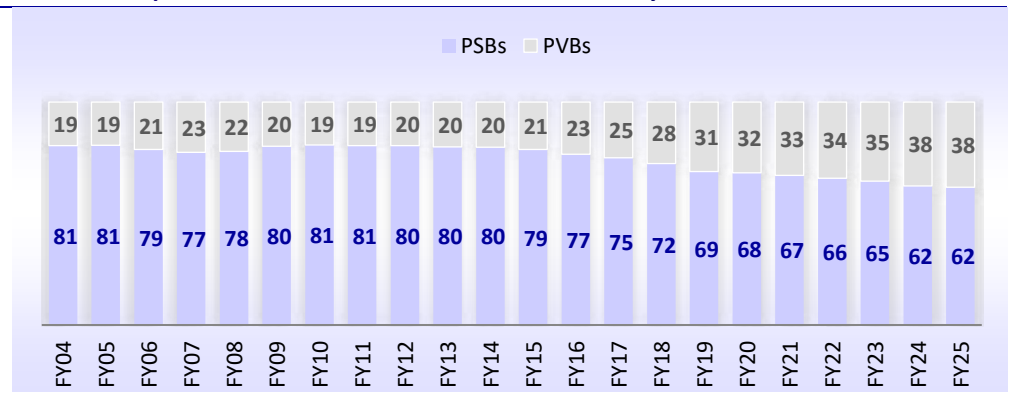


*based on MOFSL coverage, adjusted for HDFC merger | Source: MOFSL, Company

Comparatively, the deposit market share of PSBs declined by 14% over FY11-21.

PSBs lost 5% deposit share over FY21-FY25 as they focused on liquidity deployment, though the pace of moderation has now reduced significantly.

Exhibit 12: Deposit market share of PSBs has come down by 14% over FY11-21; now at 62%

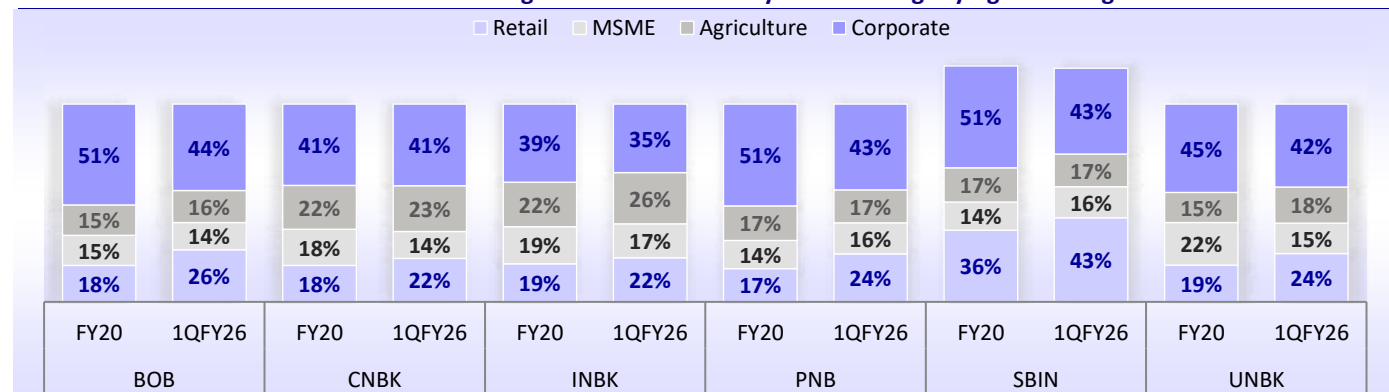


Source: MOFSL, Company

Exhibit 13: PSBs' advances growth in FY25 was higher than private banks' for the first time in past 15 years

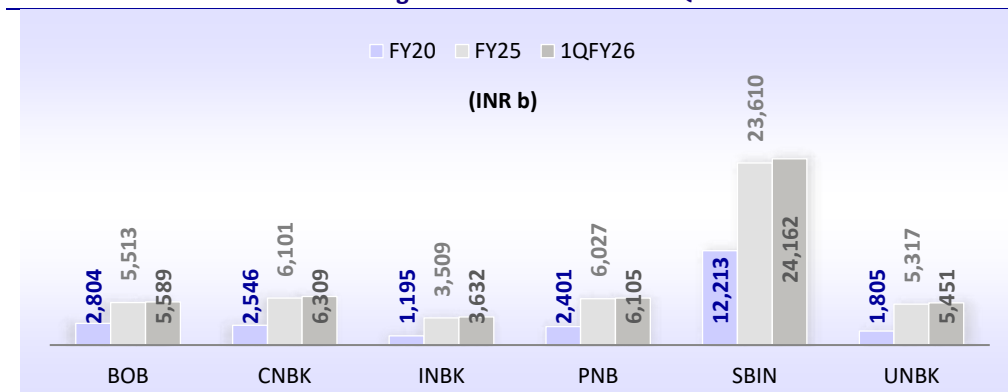
Bank Credit	SCBs (INRt)	Growth YoY (%)	PSBs (INRt)	Growth YoY (%)	PVBs (INRt)	Growth YoY (%)
FY11	40.8	21.8	30.5	21.5	7.3	23.9
FY12	48.0	17.9	35.6	16.7	8.9	22.1
FY13	55.3	15.0	40.7	14.3	10.5	18.9
FY14	62.8	13.7	46.0	12.9	12.2	15.9
FY15	68.8	9.5	49.3	7.2	14.3	17.4
FY16	75.2	9.4	51.3	4.0	18.1	26.5
FY17	79.2	5.3	52.0	1.5	21.3	17.3
FY18	87.7	10.7	55.4	6.5	25.7	20.7
FY19	99.0	12.9	59.2	6.8	32.2	25.5
FY20	105.2	6.3	60.7	2.5	36.1	12.2
FY21	110.8	5.3	62.6	3.2	39.2	8.5
FY22	122.6	10.7	67.2	7.4	45.2	15.3
FY23	142.0	15.8	77.1	14.6	53.7	18.7
FY24	163.0	14.8	87.6	13.6	62.5	16.5
FY25	181.7	11.5	98.2	12.2	69.1	10.5

Nos adjusted for HDFC merger, Source: Company, MOFSL

Exhibit 14: Trend in loan mix of PSBs: RAM segment mix has steadily increased signifying de-risking of loan book


*based on MOFSL coverage universe

MOFSL, Company

Exhibit 15: RAM advances for PSBs grew 2-3x from FY20 to 1QFY26


Source: MOFSL, Company

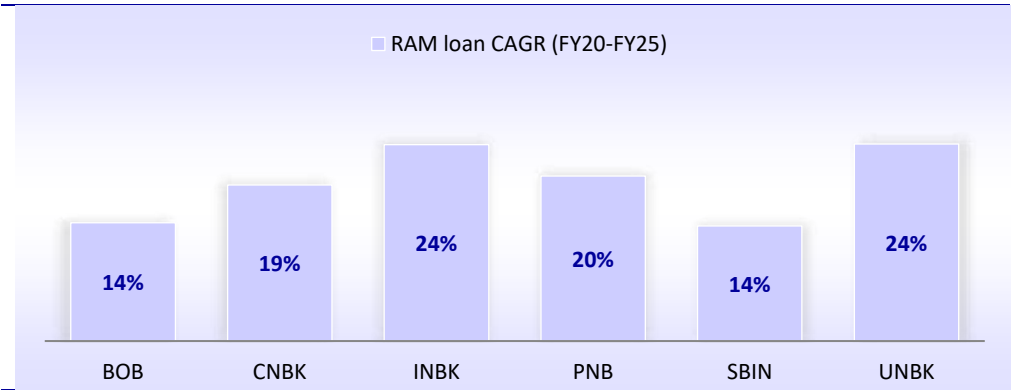
PSBs have witnessed strong growth in RAM loans, with INBK and UNBK leading with ~24% CAGR over FY20-25, while SBIN and BOB lagged with ~14% CAGR.

Overall, PSBs' RAM book nearly doubled and posted 17% CAGR over FY20-25, further rising to INR51.2t in 1QFY26. Among banks, SBIN remains the largest player with INR24.2t RAM book, followed by CBK and PNB, reflecting scale-driven dominance in the segment

PSBs have seen a steady decline in CASA ratios as depositors shifted toward term deposits amid high TD rates

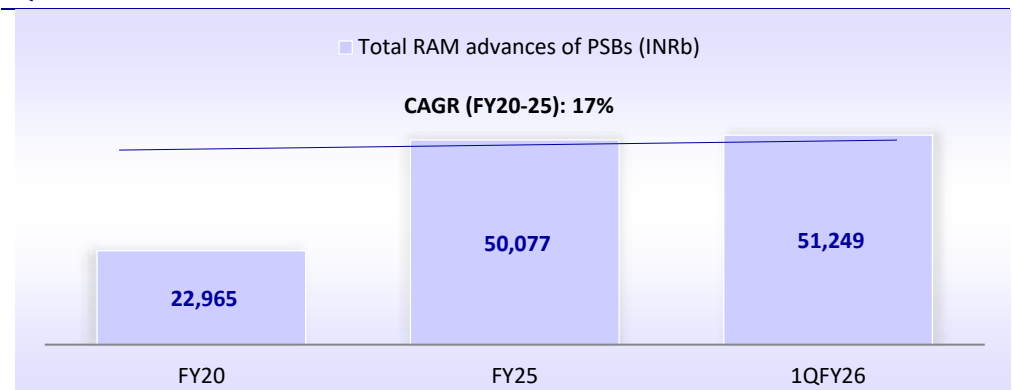
While the rates have started to ease, maintaining CASA will not be easy as the bulk of flows are still happening on TD side

Exhibit 16: Strongest RAM loan growth for INBK and UNBK (24% CAGR over FY20-25)



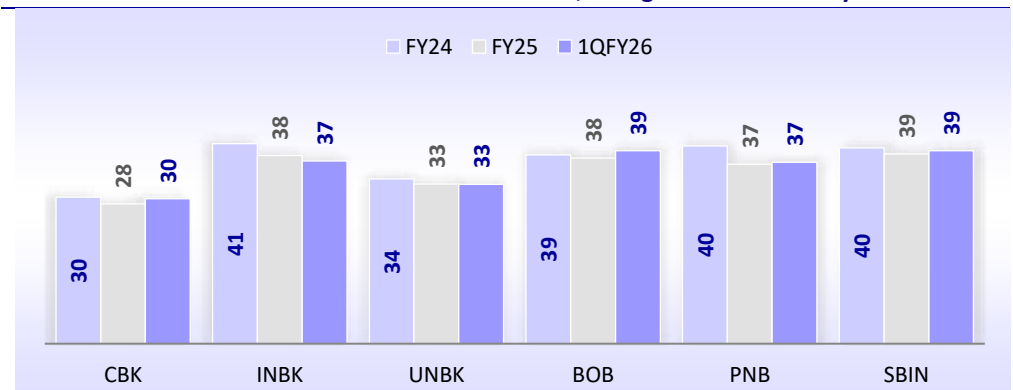
Source: MOFSL, Company

Exhibit 17: PSBs' RAM advances more than doubled from INR23t in FY20 to INR51t in 1QFY26



Source: MOFSL, Company

Exhibit 18: CASA mix for most banks has moderated, though remains healthy



Source: MOFSL, Company

Navigating NIM pressure with strategic rebalancing

Bond gains provide earnings support; mix in other income rises to 22-40%

- We expect pressure on margins for PSBs in 1HFY26 due to the repricing of repo-linked loans. However, PSBs are proactively managing liability costs by repricing bulk deposits and CDs at lower rates. Several PSBs are also unwinding the mix of high-cost CDs and replacing them with granular retail deposits, which is helping them limit margin pressure. We thus estimate NIMs for PSBs to broadly stabilize in 3Q and start recovering thereafter, translating into healthy earnings growth over FY27-28E.
- At the same time, PSBs are cautiously rebalancing their asset mix toward higher-yielding Retail and MSME loans. With a low CD ratio, rising fee income, and a prudent use of loan syndication and sell-downs, PSBs remain well-placed to absorb short-term NIM compression while sustaining healthy credit growth and protecting profitability. Accordingly, they are likely to sustain RoA at ~1%.
- Amid the revenue crunch (NII declining sharply), treasury gains have emerged as a key offsetting lever for PSBs, driven by the rally in G-sec bonds following a sharp reduction in G-sec yields.
- During 1QFY26, the mix of treasury gains in total other income has increased to 22-40% for PSBs, the highest in the past four years, with SBIN, BOB, and CBK reporting the highest treasury gains, contributing 31-40% to total other income.
- However, we expect treasury gains to moderate in the coming quarters as bond yields move in a narrow range, while healthy systemic liquidity and upcoming CRR cut implementation will obviate the need for repeated OMOs.

Exhibit 19: NIMs have declined in recent quarters as PSBs passed on repo rate cuts to borrowers on T+1 basis

NIM (%)	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E
BOB	3.10	3.27	3.18	3.10	2.94	2.98	2.91	2.82
CBK	3.03	3.07	2.90	2.86	2.71	2.73	2.55	2.45
INBK	3.49	3.52	3.53	3.49	3.57	3.48	3.35	3.22
PNB	3.15	3.10	3.07	2.92	2.93	2.81	2.70	2.61
SBIN	3.22	3.30	3.22	3.14	3.01	3.00	2.90	2.82
UNBK	3.08	3.09	3.05	2.90	2.91	2.87	2.76	2.63

Source: MOFSL, Company

Exhibit 20: NIMs have declined sharply for both PSBs and private banks

NIM (%)	4Q23	1Q26	YoY Change (bp)	QoQ Change (bp)	NIMs decline from peak (4Q23 vs 1Q26)
AXSB	4.22	3.8	-25	-17	-42
FB	3.36	2.94	-22	-18	-42
HDFCB	4.1	3.35	-12	-19	-75
ICICIBC	4.9	4.34	-2	-7	-56
IDFCFB	6.41	5.71	-51	-24	-70
IIB	4.28	3.46	-79	121	-82
KMB	5.75	4.65	-37	-32	-110
BOB	3.53	2.91	-27	-7	-62
CBK	3.07	2.55	-35	-18	-52
INBK	3.59	3.35	-18	-13	-24
PNB	3.24	2.7	-37	-11	-54
SBIN	3.6	2.9	-32	-10	-70
UNBK	2.98	2.76	-29	-11	-22

NIMs have declined in line with falling repo rates, with both PSBs and private banks experiencing a drop of over 50bp from the peak.

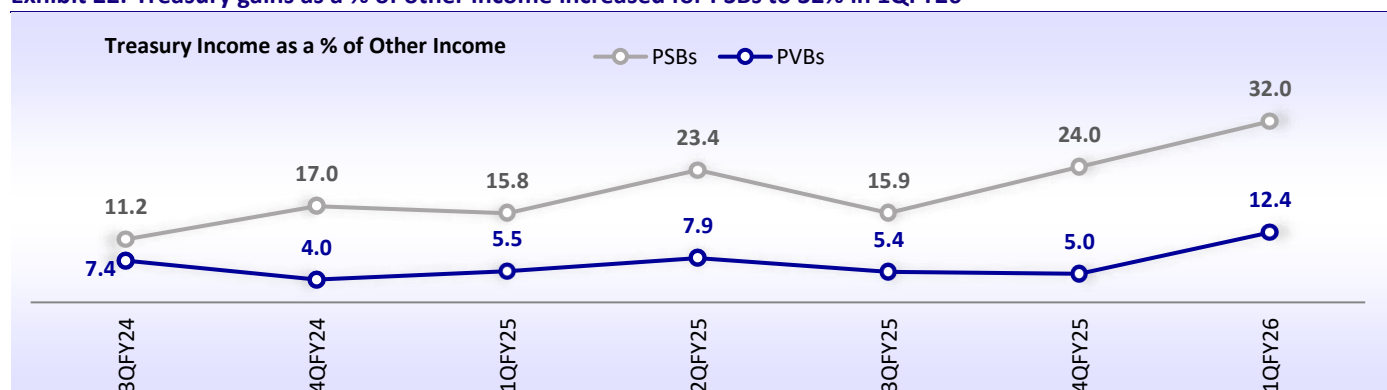
Source: MOFSL, company

Exhibit 21: MCLR loan mix stands at 30-52% across PSBs, much higher than private peers

Loans Mix (%) - 1QFY26	MCLR	EBLR	Repo Linked	Others (Fixed, base rate, foreign currency-floating)
AUBANK	30		6	64
AXSB	9	4	59	28
Equitas		10		90
FB	9		48	43
HDFCB*	25		45	30
ICICIBC	15		1	31
KMB		60		40
RBL	5		47	48
BOB	46	34		20
CBK	45		55	
INBK	52	40		8
PNB	30		15	8
SBIN	31	30		39

*As of 3QFY25

Source: MOFSL, Company

Exhibit 22: Treasury gains as a % of other income increased for PSBs to 32% in 1QFY26


Source: MOFSL, Company

Exhibit 23: Treasury gains have significantly compensated for NII pressure in 1QFY26

QoQ decline/ increase (INR b)	1QFY26		
	Decline in NII	Increase in Treasury	Net impact on P&L
BOB	-0.6	6.3	5.7
CBK	-4.3	9.1	4.7
INBK	-0.3	1.9	1.6
PNB	-1.8	6.9	5.1
SBIN	-17.0	-5.5	-22.6
UNBK	-4.0	-2.3	-6.3
PSBs Total	-28.1	16.4	-11.7

Source: MOFSL, Company

Exhibit 24: Several PSBs have cut SA rates to limit margin compression

Name of Banks	Slabs	Apr-25	Sep-25	Difference
SBIN	❖ < 10 crore	2.70%	2.50%	-0.20%
	❖ 10 crore or more	3.00%	2.50%	-0.50%
PNB	❖ < 10 Lakhs	2.70%	2.50%	-0.20%
	❖ 10 lakhs to < 100 crore	2.75%	2.50%	-0.25%
	❖ 100 crore & above	3.00%	2.70%	-0.30%
BOB	❖ < 50 lakhs	2.75%	2.50%	-0.25%
	❖ 50 lakhs to < 100 crore	3.00%	2.75%	-0.25%
	❖ 100 crore to < 1000 crore	4.10%	3.50%	-0.60%
	❖ 1000 crore and above	4.50%	4.75%	0.25%
INBK	❖ < 10 lakhs	2.75%	2.75%	0.00%
	❖ 10 lakhs to < 200 crore	2.80%	2.80%	0.00%
	❖ 200 crore & above	2.90%	2.90%	0.00%
UNBK	❖ < 50 lakhs	2.75%	2.50%	-0.25%
	❖ 50 lakhs to < 100 crore	2.90%	3.00%	0.10%
	❖ 100 crore to < 1000 crore	3.40%	4.25%	0.85%
	❖ 1000 crore and above	4.20%	4.75%	0.55%
CBK	❖ < 50 lakhs	2.70%	2.55%	-0.15%
	❖ 50 lakhs to < 100 crore	3.05%	2.55%	-0.50%
	❖ 100 crore to < 1000 crore	3.40%	3.40%	0.00%
	❖ 1000 crore and above	4.00%	4.00%	0.00%

Source: MOFSL, Company

Treasury gains have well compensated the impact of lower NII caused by margin compression

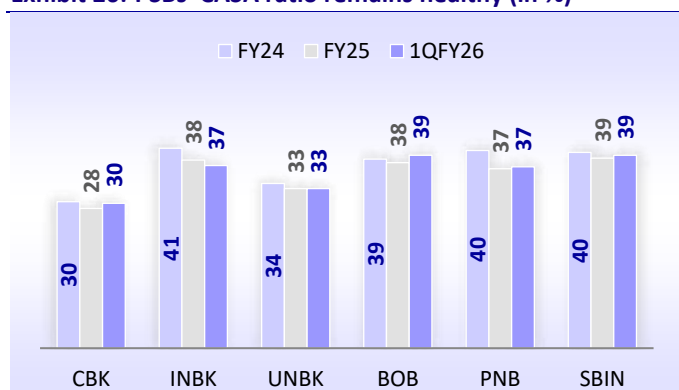
Most PSBs have cut their savings rates in the range of 20-60bp

Exhibit 25: PSBs — Changes in TD rates since Apr'25

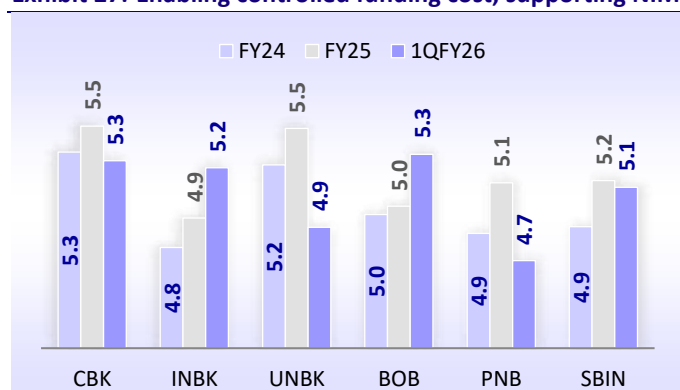
Name of Bank	Slabs	Apr-25	Sep-25	Difference
SBIN	❖ 0 to < 90 days	5.50%	5.05%	-0.45%
	❖ 90 days to < 1 year	6.50%	6.05%	-0.45%
	❖ 1 year to < 5 years	7.00%	6.45%	-0.55%
	❖ more than 5 year	6.50%	6.05%	-0.45%
PNB	❖ 0 to < 90 days	4.50%	4.50%	0.00%
	❖ 90 days to < 1 year	6.80%	5.60%	-1.20%
	❖ 1 year to < 5 years	7.25%	6.40%	-0.85%
	❖ more than 5 year	6.50%	6.00%	-0.50%
BOB	❖ 0 to < 90 days	5.50%	5.00%	-0.50%
	❖ 90 days to < 1 year	6.50%	6.00%	-0.50%
	❖ 1 year to < 5 years	7.30%	6.50%	-0.80%
	❖ more than 5 year	6.50%	6.00%	-0.50%
UNBK	❖ 0 to < 90 days	4.50%	4.40%	-0.10%
	❖ 90 days to < 1 year	6.35%	6.15%	-0.20%
	❖ 1 year to < 5 years	7.30%	6.60%	-0.70%
	❖ more than 5 year	6.50%	6.40%	-0.10%
INBK	❖ 0 to < 90 days	3.25%	3.25%	0.00%
	❖ 90 days to < 1 year	4.75%	4.75%	0.00%
	❖ 1 year to < 5 years	7.15%	6.50%	-0.65%
	❖ more than 5 year	6.25%	6.00%	-0.25%
CBK	❖ 0 to < 90 days	4.25%	4.25%	0.00%
	❖ 90 days to < 1 year	6.00%	5.75%	-0.25%
	❖ 1 year to < 5 years	8.30%	6.25%	-2.05%
	❖ more than 5 year	6.25%	6.25%	0.00%

TD rates have declined by 10bp to 120bp for most banks across maturities, which will translate into lower funding costs in the coming quarters

Source: MOFSL, Company

Exhibit 26: PSBs' CASA ratio remains healthy (in %)


Source: MOFSL, Company

Exhibit 27: Enabling controlled funding cost, supporting NIM


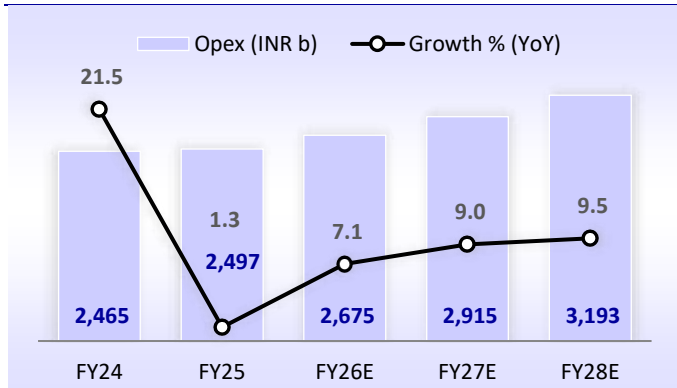
Source: MOFSL, Company

Can cost ratios improve gradually?

Operating leverage and controlled expansion rate to improve cost ratios

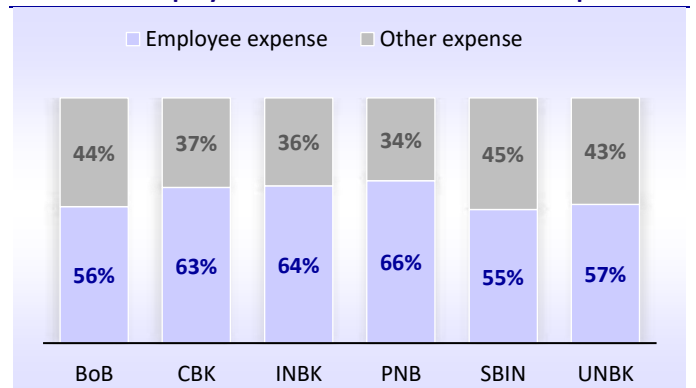
- PSBs have historically operated with high cost-to-income (C/I) ratios in the range of 47-50%+, largely due to high employee expenses, which form 55-66% of total costs. This has kept them structurally less efficient than private peers, whose C/I ratio is ~35-45%.
- However, operating leverage is now beginning to kick in as revenue growth strengthens and fee-based income scales up. With headcount largely stable, digital adoption accelerating, and branch networks being rationalized post-merger, incremental income is expected to outpace cost growth.
- At the same time, PSBs continue to manage employee-related costs effectively despite rising retirement expenses, which have been pressured by aggressive wage negotiations under the IBA framework. Workforce rationalization through branch consolidation, higher retirements, and the use of technology has kept overall headcount stagnant or even reduced in some banks.
- Additionally, the government's performance-linked incentive (PLI) scheme, introduced in 2021, has further encouraged efficiency and productivity improvements, with new hiring being directed toward digital, retail, and SME-focused roles.
- As a result, C/I ratios are likely to gradually decline, even if they remain higher than private peers. Narrowing this efficiency gap through productivity gains and tech-driven improvements will be key to sustaining RoA and reinforcing the operational turnaround.

Exhibit 28: Opex growth is expected to remain under control



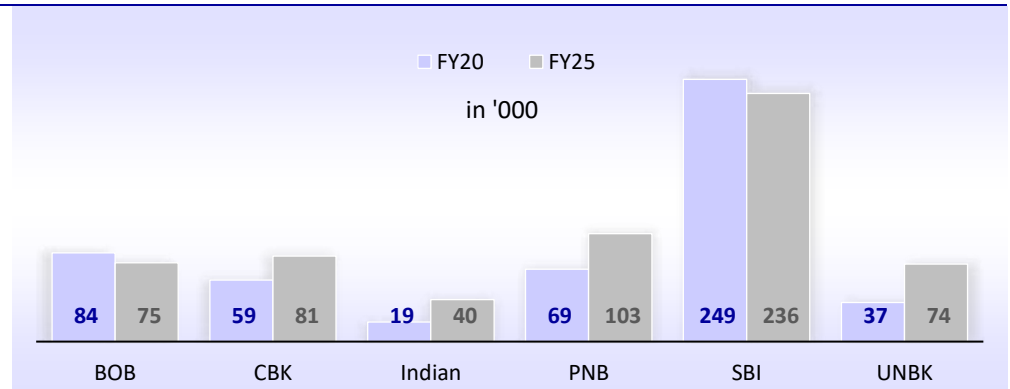
Calculated based on six PSBs under MOFSL coverage
| Source: MOFSL, Company

Exhibit 29: Employee costs form 55-66% of total expenses



Source: MOFSL, Company

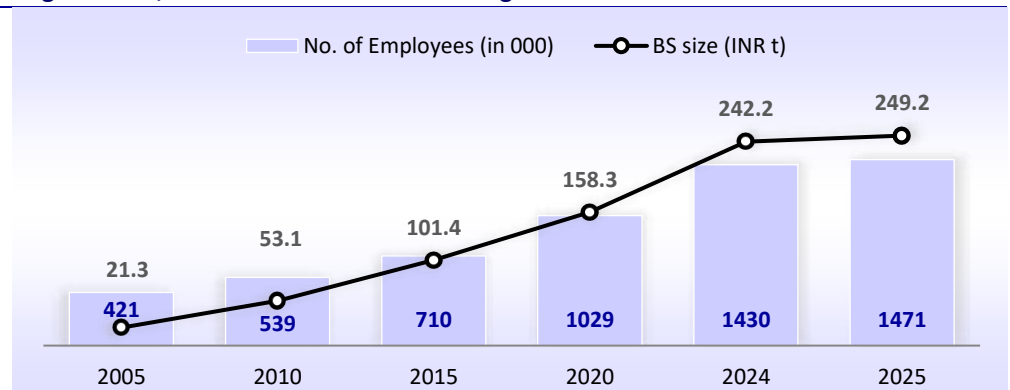
Exhibit 30: Employee count for PSBs remained under control; SBIN and BOB have reduced its headcount from FY20 to FY25



*excl. HDFC merger

Source: MOFSL, RBI

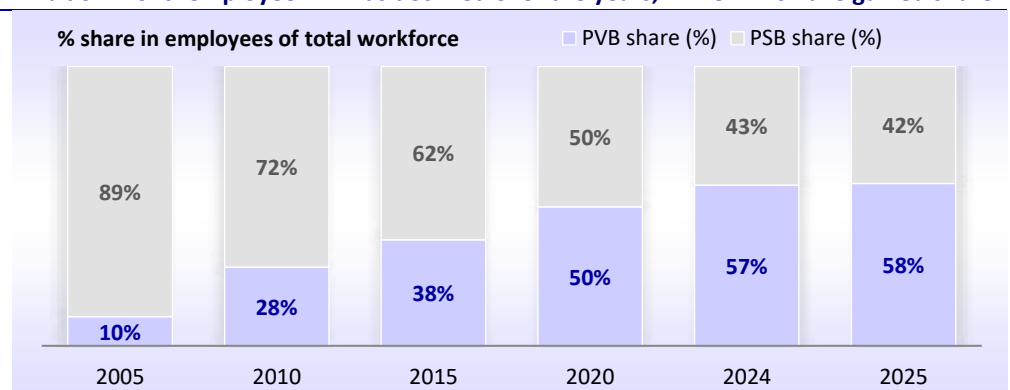
Exhibit 31: Over the past two decades, the number of employees for the banking sector has grown ~3x, while their balance sheet has grown >10x



*excl. HDFC merger

Source: MOFSL, RBI

Exhibit 32: PSBs' employee mix has declined over the years, while PVBs have gained share



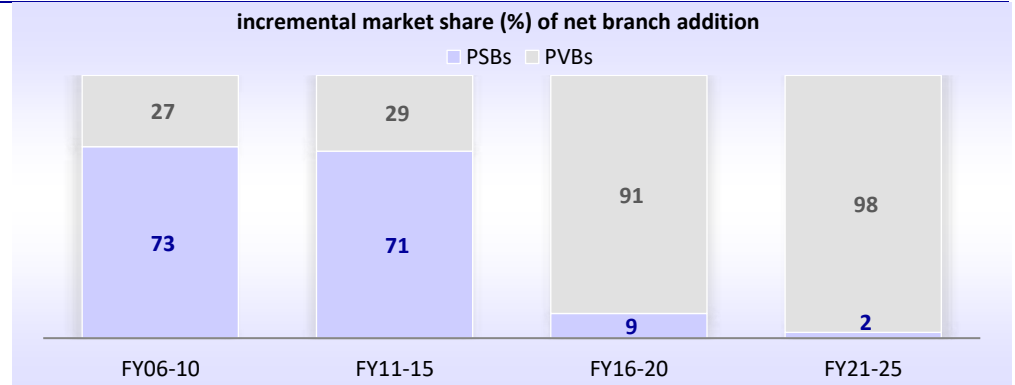
*MOFSL coverage including Yes Bank

Source: MOFSL, Company

Workforce rationalization through branch consolidation, higher retirements, and the use of technology has kept overall headcount stagnant or even reduced in some PSBs

Exhibit 33: Net branch addition share has also tilted toward private banks in recent years

PSBs' net branch additions have reduced significantly, with FY21-25 marking a steep drop in incremental share to just 2%.

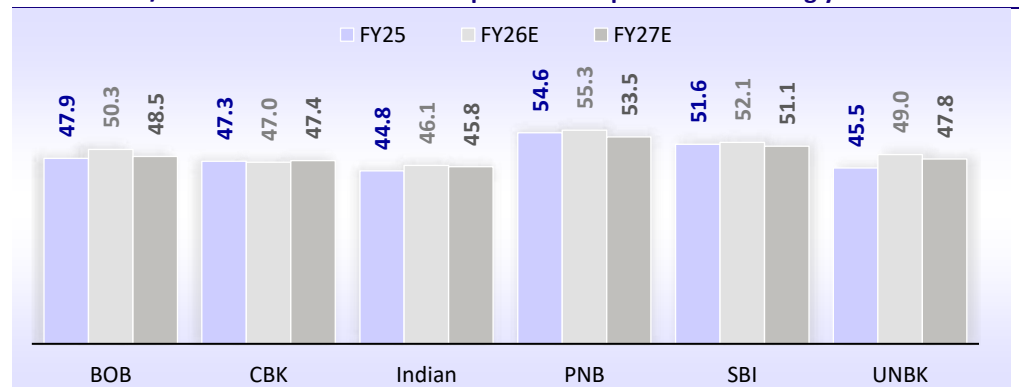


Source: MOFSL, RBI

Exhibit 34: C/I ratios for most PSBs are expected to improve over coming years

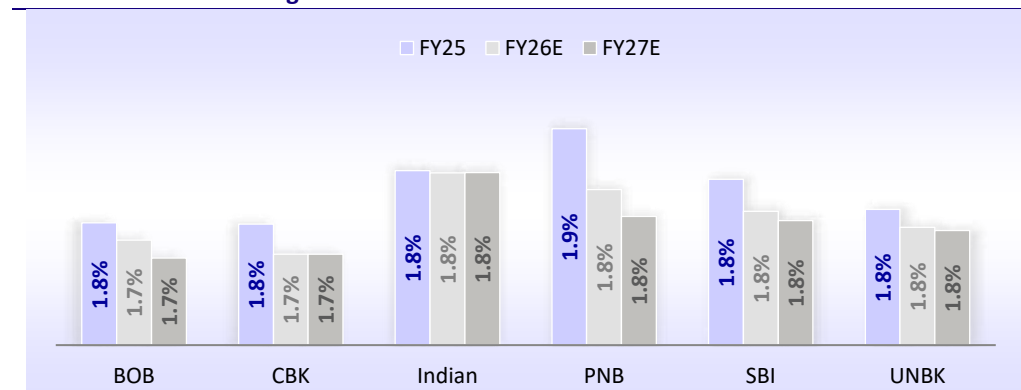
PSBs' C/I ratios are typically higher due to high employee expenses.

They are expected to gradually improve as operating leverage kicks in



Source: MOFSL, Company

Exhibit 35: Cost-to-average asset ratio remains low across PSBs



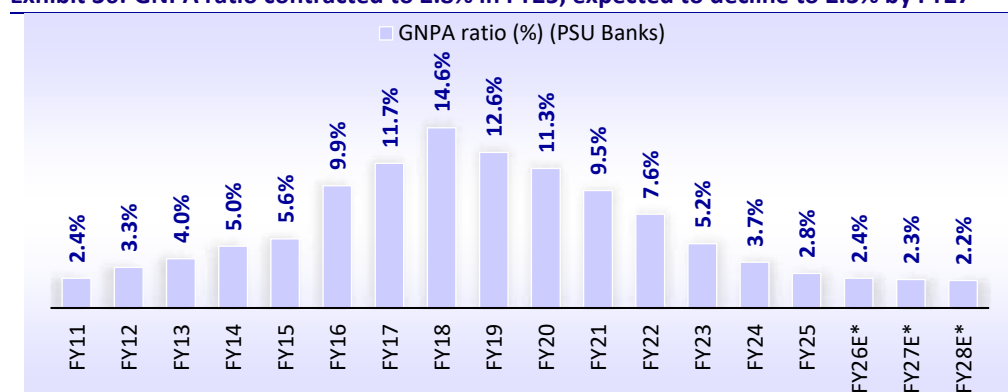
Source: MOFSL, Company

Robust asset quality; PCR stands ahead of private peers

Aggregate slippages for PSBs are lower than those of private banks

- PSBs have seen a remarkable balance sheet transformation, led by the clean-up exercise initiated by the RBI in 2015 via the Asset Quality Review (AQR), recovering from a mountain of bad loans to achieving the best-in-class asset quality. One of the most compelling indicators of this turnaround is the steady improvement in PCR, which has risen sharply from 45% in FY18 to ~79% in FY25, surpassing most private banks.
- A high PCR, coupled with a sharp decline in GNPA from a peak of 14.6% in FY18 to 2.8% in FY25, reflects a disciplined approach to risk management and improved underwriting standards. As a result, net NPA have also declined sharply to 0.5% in FY25, putting PSBs at par with private banks, an extraordinary convergence considering the double-digit net NPAs that most PSBs struggled with just a few years ago.
- Slippage ratio for PSBs, which had peaked at ~7.9% in FY18, has improved significantly to ~0.7% by FY25 and is expected to remain below 1% over FY27-28E. In contrast, private banks' slippages have moderated more gradually and are high at ~1.8-1.9%, highlighting PSBs' stronger asset quality turnaround and resilience in maintaining robust asset quality.
- The credit cost range for PSBs has thus improved to 40-50 bps during FY25 vs. an average credit cost of 3% witnessed during FY17-19. However, this is expected to rise at a calibrated pace as the pace of legacy recovery slows. ECL transition will further drive some uptick in provisioning, though the impact will be largely manageable given healthy PCR across banks.
- The benign SMA book and contained slippages signal limited incremental stress, thus providing visibility on stable asset quality. With improved underwriting, higher accountability, and strong and transparent governance, we believe that PSBs are well positioned to navigate through a downturn now, should one come in the future.
- Stronger capital positions, cleaner balance sheets and prudent provisioning make PSBs far more resilient, and we thus believe that cyclicalities in earnings and asset quality will not be as severe now compared to previous downtrends.

Exhibit 36: GNPA ratio contracted to 2.8% in FY25; expected to decline to 2.3% by FY27

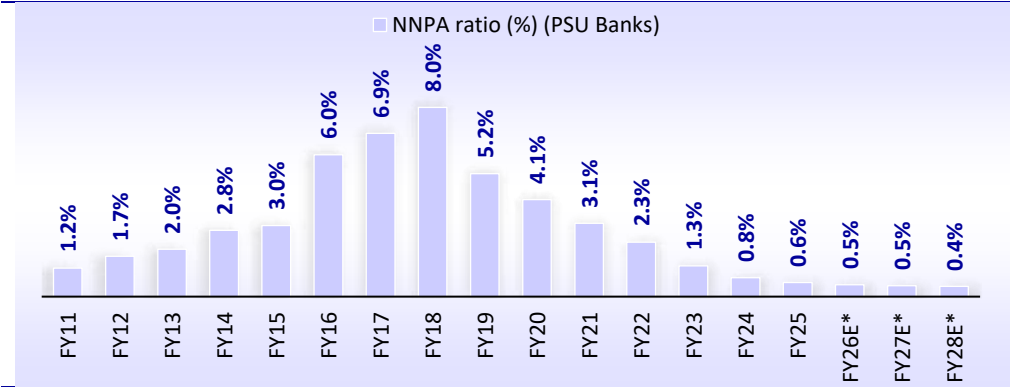


*on basis of six PSBs banks under our coverage. Source: MOFSL, Company

Asset quality trends have been improving for PSBs.

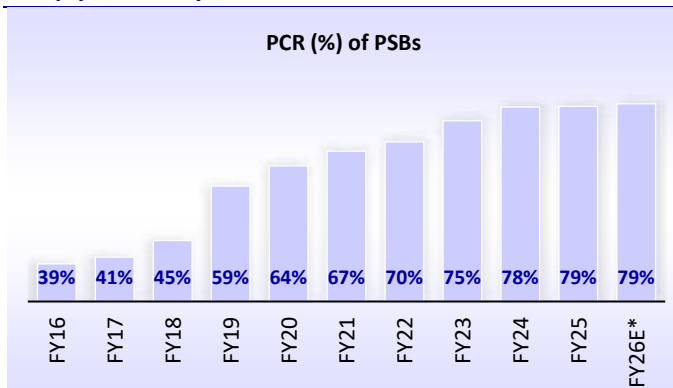
GNPA has reduced from a peak of 14.6% in FY18 to 2.8% in FY25, reflecting a disciplined approach to provisioning and risk management.

Exhibit 37: NNPA ratio has declined to 0.6% in FY25; expected to decline to 0.5% by FY27E



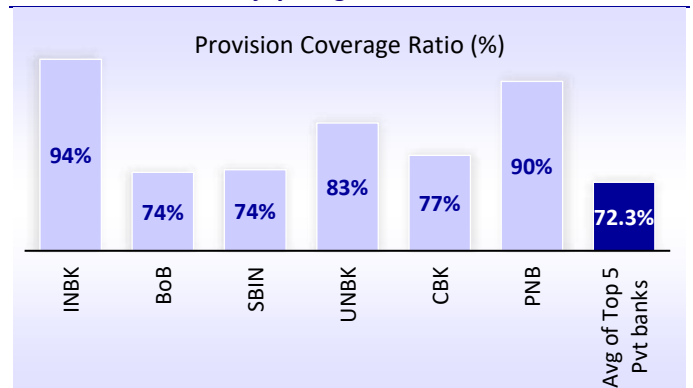
*on basis of six PSBs under our coverage | Source: MOFSL, Company

Exhibit 38: Provision coverage ratio for PSBs has improved sharply over the years to ~79% in FY25



Source: MOFSL, Company

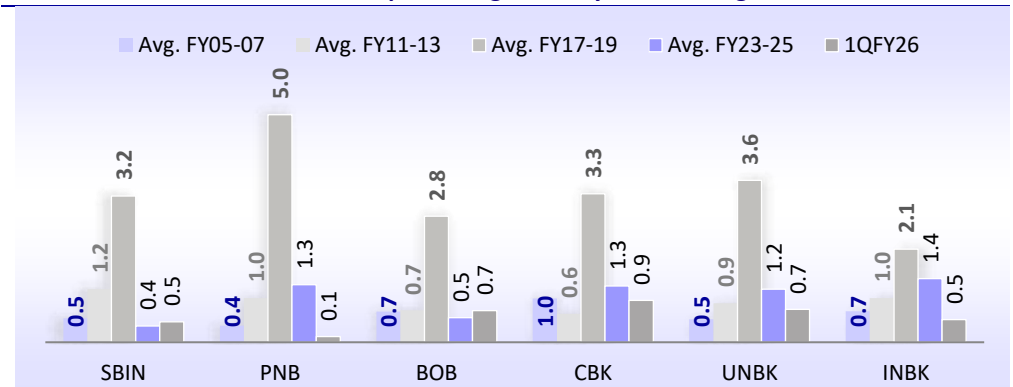
Exhibit 39: Top 6 PSBs' PCR vs. average of top 5 private banks – Most PSBs enjoy a higher PCR



Source: MOFSL, Company

Exhibit 40: PSBs: Credit cost has improved significantly from the highs of FY17-19

The average credit cost for PSBs was ~3% during FY17-19, which has now improved significantly to 40-50bp



Source: MOFSL, Company

Exhibit 41: Annualized slippage rate across PSBs has improved steadily

Slippage ratio has improved for all PSBs and is better than private banks

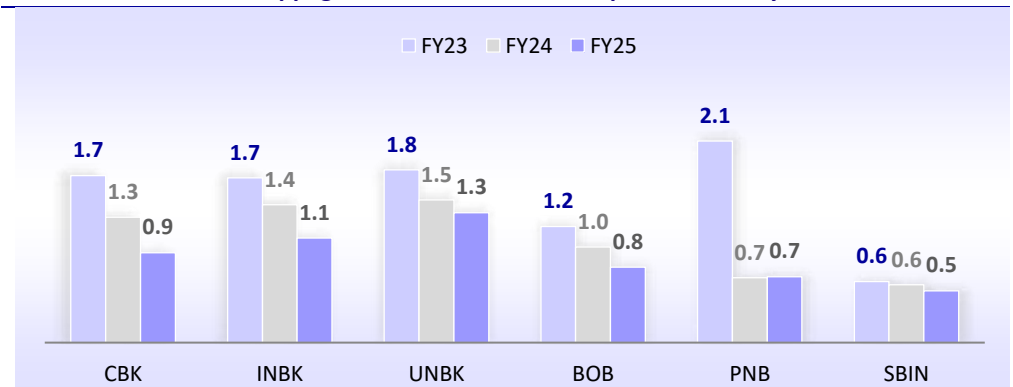


Exhibit 42: Slippage rate for private banks is now higher than that of PSBs

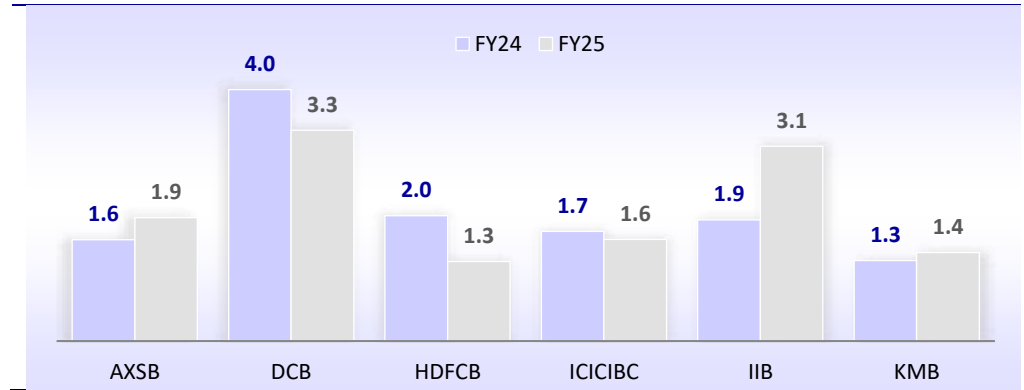
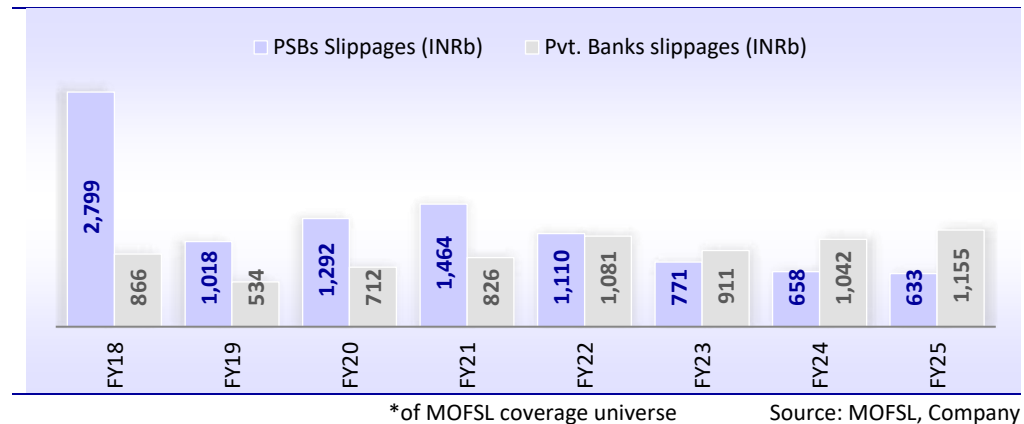


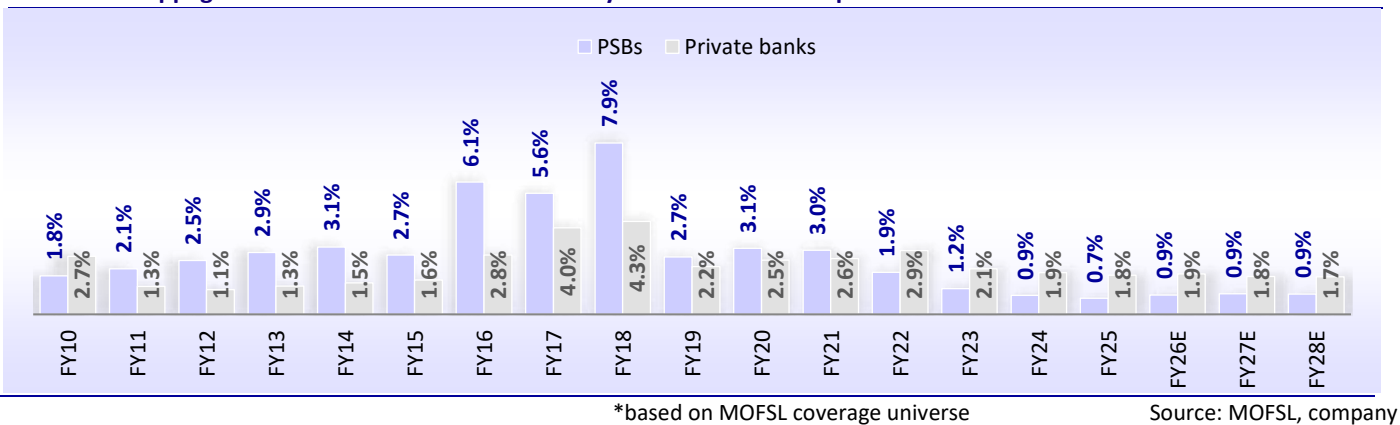
Exhibit 43: PSBs' slippages have significantly improved from INR2.8t in FY18 to INR633b in FY25



Source: MOFSL, Company

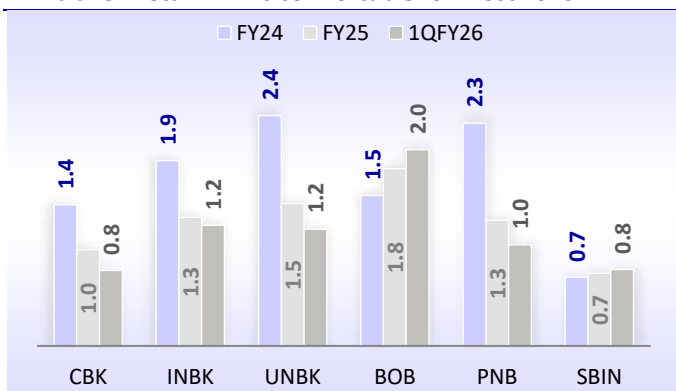
Slippages for PSBs have improved notably, whereas private banks' slippages have increased over FY18-25

Exhibit 44: Slippage ratio for PSBs remains consistently better than that of private banks



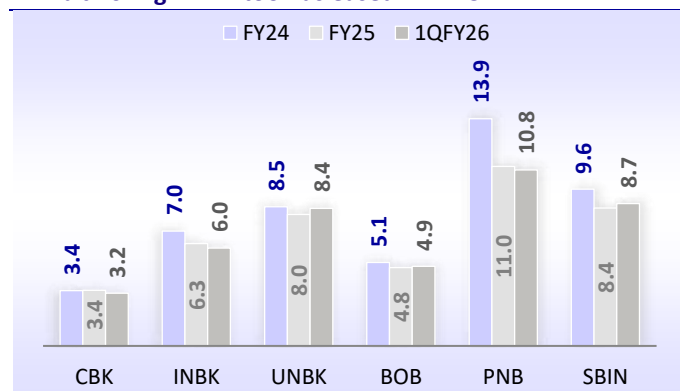
Source: MOFSL, company

Exhibit 45: Retail NPA is comfortable for most PSBs



Source: MOFSL, Company

Exhibit 46: Agri NPA too has eased in FY25



Source: MOFSL, Company

Recoveries from TWO pool to remain healthy until FY27E

Benign SMA book augurs well for asset quality

- The asset quality of PSBs has improved steadily, supported by healthy underwriting and continued recovery from the TWO pool. Recoveries from several large legacy NPAs such as Bhushan Steel, Essar, and IL&FS-linked exposures have already been realized, reducing the stock of high-value stressed assets, though the AUCA/TWO pool still stands elevated at 2.6-5% of assets, providing a strong recovery buffer going forward.
- Recoveries from the written-off pool, which provide significant support to profitability, are expected to moderate but remain healthy until FY27E (until FY28E for PNB).
- Healthy upgrades, contained SMA book, and improved underwriting should drive further improvement in asset quality ratios and keep credit costs benign for PSBs.

SMA book remains benign for most PSBs at ~15-50bp, signaling limited incremental stress and providing visibility on stable asset quality going forward

Exhibit 47: SMA mix across banks as of 1QFY26

SMA (bp of loans)	SMA 0	SMA 1	SMA 2
BOB	NA	40bp	
CBK	13bp	4bp	63bp
INBK	NA	20bp	78bp
PNB	NA	NA	15bp
SBIN	NA	7bp	5bp
UNBK	17bp	8bp	29bp

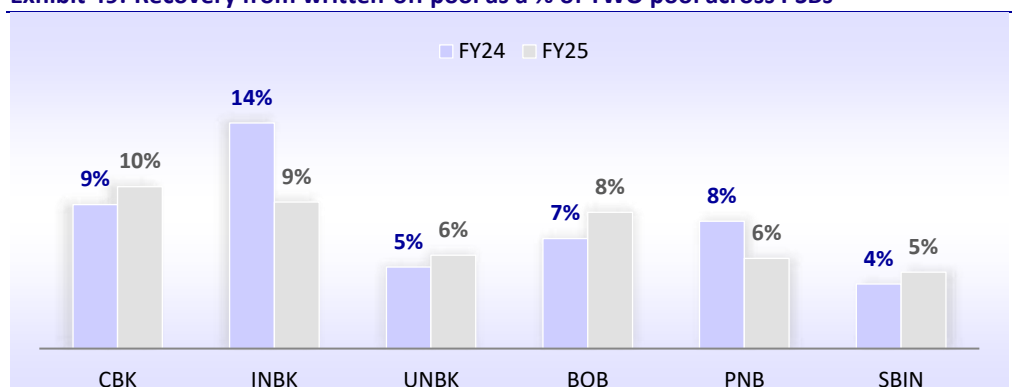
Source: MOFSL, Company

Exhibit 48: Trend in restructured portfolio across PSBs

INR b	Restructured books									
	Absolute	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25
SBIN*	129.2	0.69	0.62	0.54	0.47	0.38	0.38	0.34	0.31	NA
INBK	45.6	2.19	2.12	1.93	1.67	1.51	1.34	1.23	0.85	0.78
UNBK	86.1	2.00	1.71	1.57	1.48	1.30	1.21	1.08	0.91	0.88

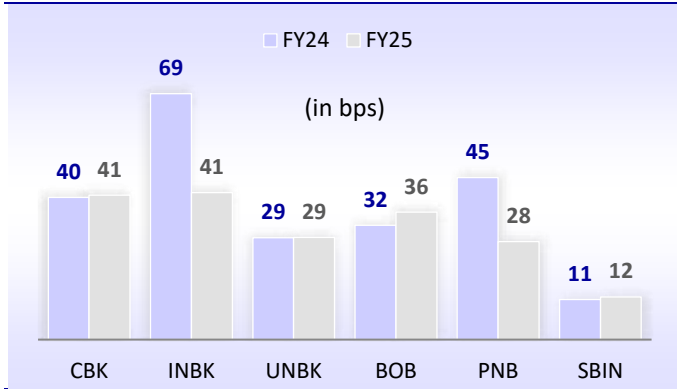
*as on 4QFY25 Source: MOFSL, Company

Exhibit 49: Recovery from written-off pool as a % of TWO pool across PSBs



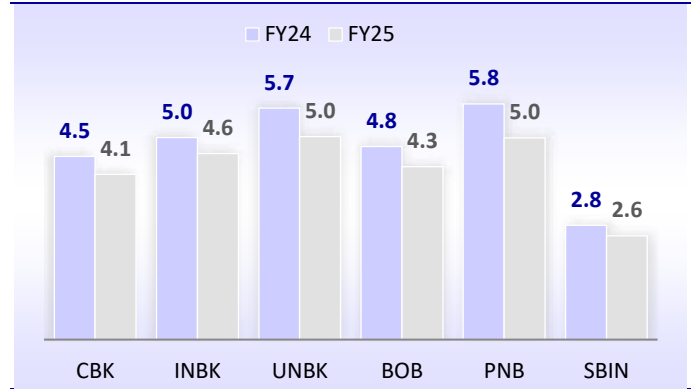
Source: MOFSL, Company

Exhibit 50: Recovery from TWO pool as a % of total asset



Source: MOFSL, Company

Exhibit 51: TWO pool as a % of total assets remained elevated for most PSBs



Source: MOFSL, Company

Capitalization levels healthy; becoming self-sustaining growth engines

PSBs set to lower Government holding with public float likely to cross 25% by 2026

- Over the past five years, PSBs have significantly strengthened their CET-1 ratios, rising from 9.4%-11.8% in FY20 to 11%-15.3% by 1QFY26, driven by strong internal accruals and capital raises from the market.
- This capital cushion, complemented by robust profitability, improved asset quality, and disciplined underwriting, has enabled steady credit growth for PSBs while containing risks.
- While earlier capital infusions under the 4R (Recognition, Resolution, Recapitalization, and Reforms) helped repair their balance sheets, the focus has now shifted to becoming self-sustained institutions with all-round progress.
- Leading PSBs like SBIN, PNB, CBK and UNBK have successfully tapped equity markets via QIPs to raise capital and bolster CET-1 ratio to ensure long-term sustainable growth. This has enabled steady improvement in CAR across PSBs, which is now healthy at 15-18% for our six coverage PSBs.
- All our coverage PSBs now have a public float of >25%, while select PSBs still need to dilute government holding by Aug'26 to comply with minimum promoter shareholding norms.

Exhibit 52: Capital positions of PSBs have improved significantly; many PSBs have successfully raised capital from markets

PSBs	CET-I (%)				Tier-1 (%)				CRAR (%)			
	FY20	FY23	FY25	1QFY26	FY20	FY23	FY25	1QFY26	FY20	FY23	FY25	1QFY26
SBIN	9.8	10.3	10.8	11.1	11.2	12.1	12.1	12.5	13.3	14.7	14.3	14.6
BOB	9.4	12.2	13.8	14.1	11.3	14.0	14.8	15.2	13.9	16.2	17.2	17.6
CBK	9.4	11.6	12.0	12.3	10.2	13.8	14.4	14.6	13.7	16.7	16.3	16.5
INBK	11.8	12.9	15.4	15.3	12.5	13.5	15.9	15.7	14.6	16.5	17.9	17.8
PNB	11.0	11.2	12.4	13.0	11.9	12.7	14.1	14.6	14.1	15.5	17.1	17.5
UNBK	9.4	12.4	15.0	15.3	10.7	13.9	16.2	16.6	12.7	16.0	18.0	18.3

Source: MOFSL, Company

Exhibit 53: Trend in government shareholding across banks

MOFSL coverage universe	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Jun'25
BOB	64.0	64.0	64.0	64.0	64.0	64.0
Canara	69.3	62.9	62.9	62.9	62.9	62.9
Indian	88.1	79.9	79.9	73.8	73.8	73.8
PNB	76.9	73.2	73.2	73.2	70.1	70.1
SBIN	56.9	56.9	56.9	56.9	56.9	56.9
Union	89.1	83.5	83.5	74.8	74.8	74.8
Non-rated banks	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25	Jun'25
BOI	89.1	81.4	81.4	73.4	73.4	73.4
BOM	93.3	91.0	91.0	86.5	79.6	79.6
CBOI	89.8	93.1	93.1	93.1	9.3	89.3
IOB	95.8	96.4	96.4	96.4	94.6	94.6
P&SB	97.1	98.3	98.3	98.3	93.9	93.9
UCO	94.4	95.4	95.4	95.4	91.0	91.0

Sources: MOFSL, Company

PSBs are now able to independently raise equity capital from the market and are not reliant on government

Valuation & view: Resetting to new profitability normal

PSU Bank Index has delivered 22%/6% returns in past 6mths/12mths

PSBs have undergone a powerful re-rating over the past five years, shedding their legacy image of lenders saddled with bad loans and operational inefficiency to emerge as competitive financial players that are creating consistent value for their stakeholders, aided by improved financial performance and profitability profiles. The aggregate market capitalization of PSBs has surged nearly 5x since FY20. We note that the PSU Bank Index has outperformed the Nifty Bank and Nifty-50 over the past 12 months (1%/8%) and six months (9%/11%).

- Despite healthy performance, PSBs continue to trade at reasonable valuations, as most of our coverage PSBs trade at 0.8-1x forward P/B and 5-7x on FY27E EPS. This is despite PSBs delivering steady profitability with RoE of 18-19% and sustainable RoA of 1%+.
 - Near-term earnings growth may remain soft due to margin pressure and modest business growth; however, the structural improvements in asset quality, capital strength, digital adoption, and operating efficiency have fundamentally reshaped the sector.
 - Legacy concerns around governance, transparency and state ownership are increasingly losing relevance as PSBs demonstrate improved execution, stronger balance sheets, and more sustainable earnings performance, reflecting in rising investor confidence.
 - Several PSBs have raised capital from the market and are thus well poised to benefit from any revival in corporate demand, further aided by lower GST and direct tax rates. RAM segments remain the key growth driver, and we expect PSBs to maintain steady growth, backed by healthy margins as the asset mix continues to improve, while funding costs recede.
 - We believe PSBs are well placed for steady performance as valuations appear reasonable despite healthy earnings and growth outlook and improving operational efficiency at these banks.
 - Stronger capital positions, cleaner balance sheets and prudent provisioning level make PSBs far more resilient. We believe that cyclicity in earnings and asset quality will not be as severe now compared to previous downtrends, and this needs to be reflected in valuation multiples.
- Our preferred ideas are SBIN and PNB Among mid-size names, we prefer INBK given its superior return ratios. We have downgraded BOB and UNBK to Neutral in prior quarters.**

Exhibit 54: PSBs' 1-yr forward P/BV trades at a premium to their long-period average

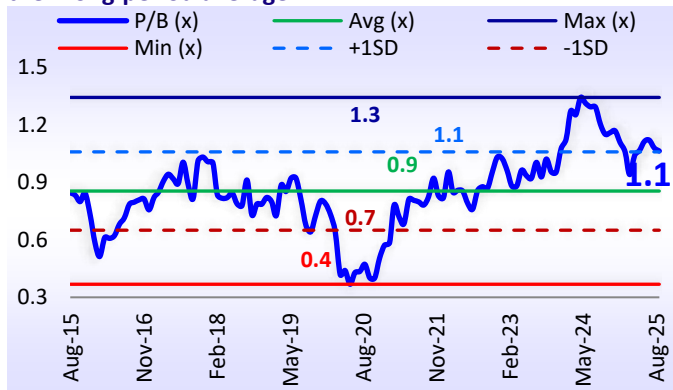


Exhibit 55: Private banks' 1-yr forward P/BV trades closer to average levels

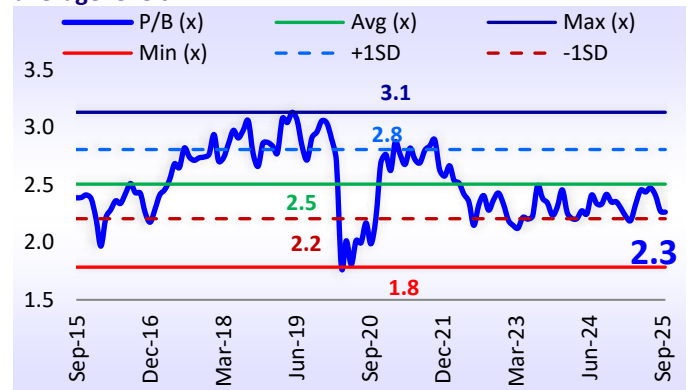


Exhibit 56: BOB: 1-yr forward P/BV trades at 0.8x

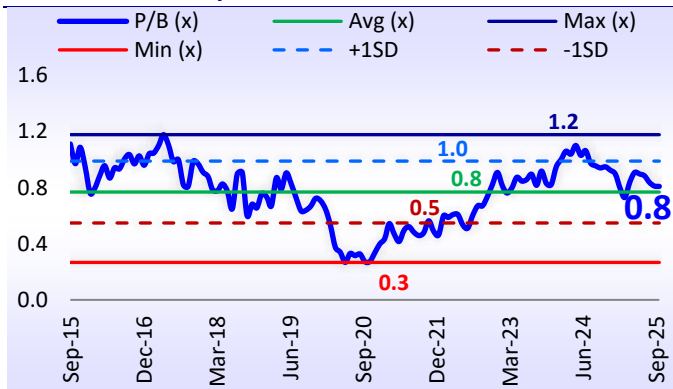


Exhibit 57: CBK: 1-yr forward P/BV trades at 0.9x

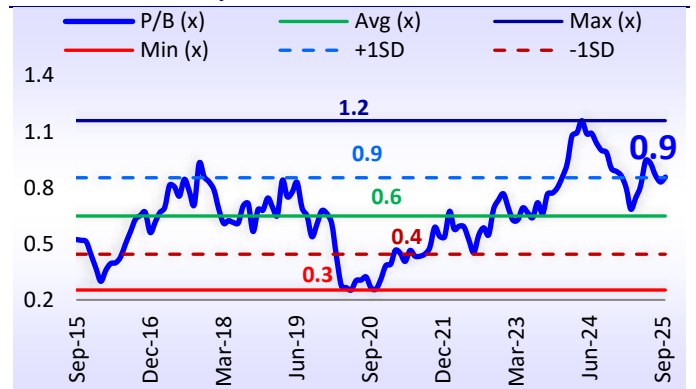


Exhibit 58: INBK: 1-yr forward P/BV trades at 1.2x

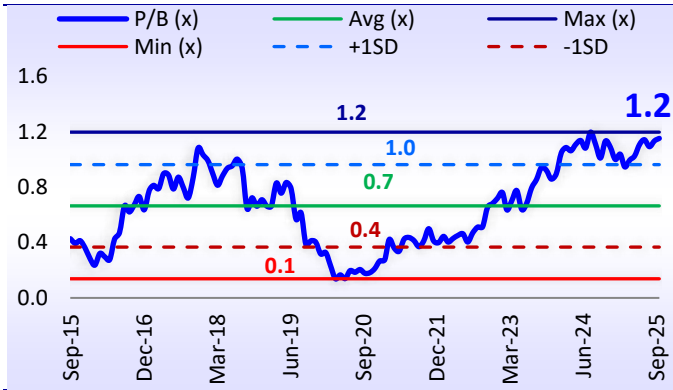


Exhibit 59: PNB: 1-yr forward P/BV trades at 0.8x

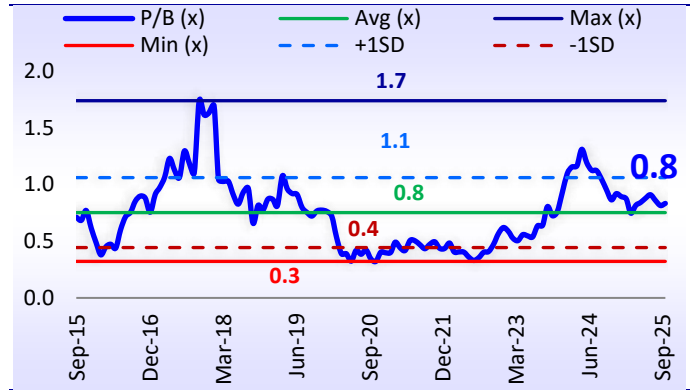


Exhibit 60: SBIN: 1-yr forward P/BV trades at 1.2x (consol)

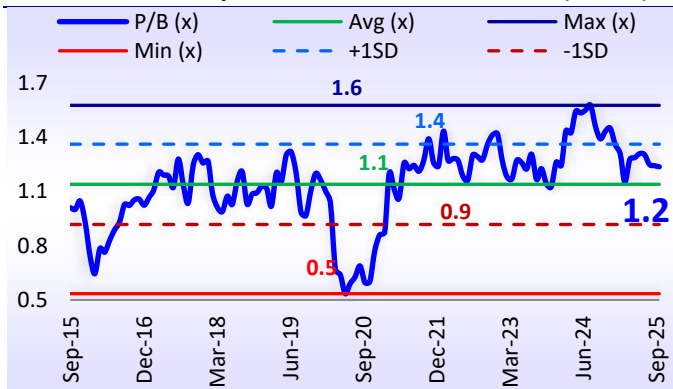


Exhibit 61: UNBK: 1-yr forward P/BV trades at 0.7x

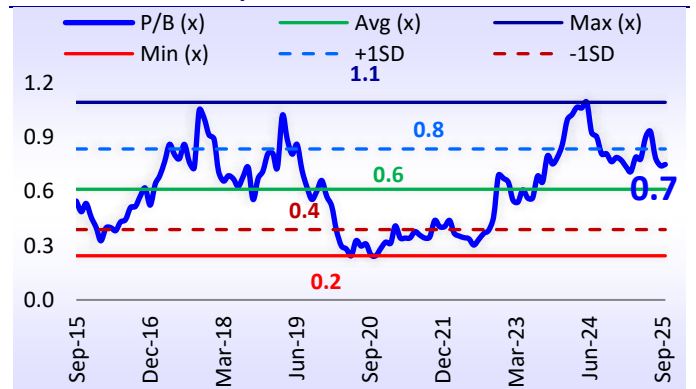


Exhibit 62: Price performance across BFSI stocks

Company Name	Price Perf (%)				CAGR (%)		
	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Nifty 50	0.6	11.5	6.5	-1.3	11.8	16.9	12.4
Nifty BANK	-2.6	13.6	5.9	5.5	10.4	19.4	12.6
Nifty PSU Bank	0.6	22.5	12.7	6.4	30.5	37.4	9.0
Nifty Private Bank	-4.1	11.0	3.5	2.6	8.6	16.6	11.4
Nifty Financials	-1.6	12.1	4.3	9.2	12.4	19.0	14.4
Private Banks	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
RBL Bank Ltd	21.4	73.6	56.0	26.7	28.4	8.2	
City Union Bank Ltd	3.4	35.8	28.4	21.8	3.2	8.6	10.1
South Indian Bank Ltd	-3.0	21.0	25.5	16.3	53.8	34.5	5.5
HDFC Bank Ltd	-0.9	12.6	5.4	15.6	8.8	12.3	14.3
Karur Vysya Bank Ltd	4.3	30.2	20.0	14.4	49.5	46.9	12.8
CSB Bank Ltd	-6.0	31.2	21.0	12.5	17.5	10.1	
ICICI Bank Ltd	-1.6	12.7	4.0	12.0	15.6	30.5	19.1
Kotak Mahindra Bank Ltd	-7.0	-0.2	-8.9	8.2	0.9	8.3	12.1
Federal Bank Ltd	-4.9	10.2	1.9	7.0	17.9	30.5	12.5
IDBI Bank Ltd	-4.9	27.7	19.4	5.4	28.4	19.5	5.2
DCB Bank Ltd	-13.5	20.9	12.7	5.2	6.5	8.1	-0.2
IDFC First Bank Ltd	2.1	32.4	31.6	-0.6	12.4	18.4	
Tamilnad Mercantile Bank Ltd	-5.3	5.2	5.1	-8.9			
Axis Bank Ltd	-9.7	8.3	-0.7	-9.0	11.0	19.6	8.6
Yes Bank Ltd	2.5	29.6	24.0	-10.7	6.0	7.5	-17.4
Bandhan Bank Ltd	-6.5	17.3	13.5	-15.7	-16.8	-11.8	
Dhanlaxmi Bank Ltd	-16.5	7.8	-14.9	-18.6	35.7	18.7	1.7
Karnataka Bank Ltd	-13.4	4.5	2.0	-19.6	33.1	32.5	7.5
IndusInd Bank Ltd	-9.6	9.6	15.5	-48.0	-12.9	4.2	-1.5
PSBs	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Indian Bank	10.9	40.4	28.1	33.3	49.7	62.2	18.7
Union Bank of India	-11.6	17.1	5.4	12.5	43.4	35.9	-2.2
Bank of India	-3.2	26.5	11.0	7.2	31.3	20.1	-1.1
Canara Bank	-3.7	35.1	25.2	7.1	31.1	40.7	8.2
State Bank of India	1.9	13.6	6.5	4.3	14.0	32.3	13.6
Bank of Baroda	-1.0	17.7	4.3	0.5	19.7	39.0	2.8
Punjab National Bank	-0.5	23.7	11.8	-1.1	38.9	26.1	-2.2
Jammu and Kashmir Bank Ltd	-5.4	10.0	10.0	-4.2	46.0	41.8	1.0
Bank of Maharashtra	0.0	16.3	16.7	-7.9	41.9	33.9	4.6
Indian Overseas Bank	2.5	-6.1	1.4	-31.4	27.5	31.1	1.6
Central Bank of India	-5.5	-13.1	-15.1	-38.0	20.8	17.1	-7.1
UCO Bank	-8.0	-18.2	-18.2	-39.8	32.9	17.5	-3.4
Punjab & Sind Bank	-8.0	-25.1	-32.5	-46.5	21.5	19.2	-1.9
Small Finance Banks	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Ujjivan Small Finance Bank Ltd	-3.2	32.8	36.1	11.1	22.7	6.4	
AU Small Finance Bank Ltd	-8.9	39.9	32.8	-1.5	2.4	16.1	
Capital SFB	-3.9	14.6	13.4	-3.7			
Jana SFB	-7.7	11.0	14.9	-17.7			
Suryoday Small Finance Bank Ltd	-14.5	26.2	25.8	-32.8	3.4		
Equitas Small Finance Bank Ltd	-21.9	-7.1	-1.2	-33.8	4.3		
ESAF	-10.2	7.7	19.1	-40.9			
Utkarsh SFB	-11.7	-2.5	-2.1	-55.0			
Payments & Fintech	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Paytm***	37.4	75.2	57.0	84.7	18.6		
SBICARD	-14.8	2.2	-3.1	6.4	-3.5	0.1	
PB Fintech	-3.3	28.7	13.8	-0.2	53.0		
Fino Payments Bank Ltd	5.2	21.1	22.8	-30.3	2.7		
Life Insurance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
MAXF**	5.3	50.2	38.9	38.7	26.5	21.7	14.7
HDFCLIFE**	2.6	22.4	12.8	8.3	10.2	5.1	
SBILIFE**	2.7	28.8	17.2	-3.3	11.6	16.0	
LICI**	-7.3	17.5	9.4	-15.2	10.3		
IPRULIFE**	-5.2	9.9	6.1	-20.8	0.5	6.4	
General Insurance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
ICICI Lombard	-2.0	11.9	3.9	-12.2	14.5	7.5	

Star Health	-3.4	24.7	23.3	-28.3	-16.6		
Capital Market	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Anand Rathi	45.4	79.7	55.3	52.3	108.2		
HDFC AMC	15.5	54.3	44.8	32.5	41.8	19.7	
Nippon India AMC	11.5	56.7	42.0	22.2	40.3	24.6	
Prudent corporate advisory	0.1	43.5	20.2	19.0	60.0		
Aditya Birla AMC	8.1	39.9	33.3	12.5	19.7		
CDSL	-6.5	41.0	26.0	11.5	30.1	47.1	
Kfin	-7.6	20.0	7.2	10.4			
UTI AMC	7.3	42.7	27.5	5.8	18.1		
IIFL Wealth	-2.3	24.9	12.1	-4.6	34.9	34.0	
Angel One	-26.0	13.8	-3.5	-7.4	11.9		
Nuvama Wealth	-13.4	21.1	3.2	-8.7			
Exchanges	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
BSE	-20.2	64.2	20.3	129.8	112.8	106.3	
MCX	2.1	60.6	44.3	45.4	82.1	37.6	23.2
Housing Finance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
India Shelter	-1.0		6.0	15.8			
HomeFirst	5.6	30.4	28.5	15.4	14.0		
Aptus Housing Finance	4.9	12.0	14.0	3.8	-0.7		
Aavas	-12.0	-11.5	-22.9	-10.7	-11.4	4.0	
CanFin	-7.3	22.6	10.3	-18.7	4.0	13.5	16.3
LIC HF	-6.2	8.3	0.6	-19.4	9.0	13.9	2.8
PNB HF	-25.5	1.3	-8.0	-26.8	38.1	25.4	
Repco	-10.1	20.4	12.4	-30.6	13.9	15.9	-5.5
Vehicle Finance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Cholamandalam	-5.7	2.8	-1.8	-5.3	23.2	46.1	28.2
Indostar	-21.2	4.9	-13.8	-8.4	12.8	0.2	
Shriram Finance	-7.2	-2.6	-5.5	-8.8	32.7	37.0	13.7
MMFS	-1.4	2.8	-1.8	-16.2	7.2	16.3	6.7
Gold Finance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Muthoot	13.3	31.1	21.5	45.7	40.4	20.7	33.4
Manappuram	6.0	39.1	23.4	39.6	39.6	12.8	29.7
Diversified	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
LTFH	24.7	66.9	52.8	34.3	42.7	31.9	14.7
ABCL	19.5	78.4	56.9	31.7	34.7	33.1	
BAF	3.7	14.5	8.6	30.8	10.1	22.3	34.4
Fedbank Financial Services	31.9	76.0	84.0	28.8			
MAS Financial	7.1	28.1	28.0	12.6	5.9	3.1	
Poonawalla	3.9	55.3	25.4	10.7	13.2	64.9	17.5
Bajaj Finserv	0.4	11.9	1.4	9.8	5.9	27.1	27.5
PIEL	-8.1	17.6	7.2	-1.0	1.3	7.8	9.0
IIFL Finance	-7.6	40.5	34.3	-9.6	10.4	37.7	18.0
Jio Finance	4.9	37.7	36.5	-11.2			
PFC	-3.9	0.8	-3.6	-21.1	62.9	40.2	16.4
REC	-7.7	-7.0	-12.8	-34.7	52.3	36.0	15.0
NBFC - MFIs	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
CreditAccess	8.1	39.1	35.2	2.7	7.2	12.7	
Muthoot MicroFin	21.9		36.2	-26.7			
Fusion Micro	-8.7	26.3	31.5	-40.0			
Spandana Sphoorty	-0.9	10.2	17.7	-54.1	-22.9	-13.7	
Ratings agencies	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Care Ratings	-12.4	40.9	46.5	60.3	46.1	32.7	3.4
CRISIL	-9.3	14.3	19.9	7.2	16.2	22.9	10.6
ICRA	-4.9	17.9	15.0	-3.9	19.2	18.1	4.5
MSME	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
SBFC Finance	-4.9	26.8	20.3	26.1			
Five Star Business Finance	-32.3	-18.2	-26.6	-28.4			
Others	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Medi Assist	3.4	17.9	12.9	-23.0			

Source: Company; MOFSL

Exhibit 63: BFSI valuation matrix

Val summary	Rating	CMP (INR)	Mkt. Cap (INRb)	TP (INR)	Upside (%)	EPS (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)		P/ABV (x)	
						FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Private Banks																	
ICICI*CB*	Buy	1,395	9,982	1,670	20	73.9	84.2	2.3	2.3	17.0	16.7	15.2	13.4	3.0	2.6	2.5	2.2
HDFCB*	Buy	959	14,750	1,150	20	47.0	56.3	1.8	1.9	13.7	14.8	17.4	14.5	2.7	2.4	2.4	2.1
AXSB*	Neutral	1,171	3,548	1,250	7	80.5	101.3	1.5	1.6	13.1	14.6	12.8	10.2	1.8	1.6	1.7	1.4
BANDHAN	Neutral	162	263	185	14	16.4	22.8	1.3	1.6	10.6	13.9	9.9	7.1	1.0	0.9	1.1	1.0
KMB*	Buy	2,053	4,019	2,400	17	74.3	89.5	1.9	2.0	11.7	12.8	17.4	14.4	3.3	2.9	2.1	1.9
IIB	Neutral	755	572	830	10	40.6	57.1	0.6	0.7	4.8	6.4	18.6	13.2	0.9	0.8	0.9	0.9
FB	Buy	196	478	235	20	15.9	20.3	1.0	1.2	11.1	12.7	12.3	9.7	1.3	1.2	1.4	1.2
DCBB	Buy	128	41	160	25	22.7	31.7	0.8	1.0	12.5	15.5	5.6	4.0	0.7	0.6	0.7	0.6
IDFCFB	Neutral	71	520	80	13	3.3	5.5	0.7	1.0	6.2	9.6	21.1	12.7	1.3	1.2	1.3	1.2
EQUITASB	Buy	57	65	70	23	0.4	6.2	0.1	1.1	0.8	11.5	131.9	9.2	1.1	1.0	1.2	1.0
AUBANK	Buy	732	526	875	20	35.6	48.1	1.5	1.7	14.5	16.8	20.6	15.2	2.8	2.4	2.9	2.4
RBK	Buy	269	164	290	8	17.1	31.3	0.7	1.1	6.5	11.4	15.8	8.6	1.0	0.9	1.0	1.0
PSBs																	
SBIN*	Buy	866	7,893	1,000	15	79.1	87.0	1.0	1.0	15.8	15.3	7.9	7.2	1.6	1.4	1.2	1.1
PNB	Buy	111	1,299	130	17	13.5	18.0	0.8	1.0	12.4	14.8	8.2	6.2	0.9	0.8	1.0	0.9
BOB	Neutral	255	1,300	275	8	36.2	41.7	1.0	1.0	14.2	14.9	7.0	6.1	0.9	0.8	1.0	0.9
CBK	Buy	123	1,078	140	14	20.7	22.1	1.1	1.0	18.9	18.2	5.9	5.5	1.0	0.9	1.1	1.0
UNBK	Neutral	139	1,059	155	12	21.7	24.7	1.1	1.1	14.6	14.8	6.4	5.6	0.9	0.8	0.9	0.8
INBK	Buy	708	949	800	13	87.9	94.9	1.3	1.3	17.7	16.9	8.1	7.5	1.3	1.1	1.3	1.2
Payments & Fintech																	
SBI Cards	Neutral	870	828	950	9	28	38	3.5	4.5	16.6	20.7	31.3	22.9	5.2	4.3	5.3	4.4
						EPS (INR)		PAT (INRb)		RoA (%)		RoE (%)		P/E (x)		P/Sales (x)	
One 97 Comm.	Neutral	1,184	753	1,025	-13	6	15	3.9	9.9	1.7	3.9	2.6	6.4	193.7	80.1	9.2	7.8
NBFC (lending)					Upside	EPS (INR)		Credit cost (%)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
Housing Finance																	
LIC Housing Fin	Neutral	582	321	650	12	96.7	103.7	0.2	0.2	1.6	1.6	13.9	13.4	6.0	5.6	0.8	0.7
PNB Housing	Buy	890	231	980	10	88.6	102.1	-0.2	0.2	2.5	2.5	12.8	13.2	10.0	8.7	1.2	1.1
Bajaj Housing	Neutral	113	938	120	7	3.0	3.8	0.2	0.2	2.2	2.3	11.9	13.2	37.1	29.6	4.2	3.7
AAVAS Financiers	Neutral	1,659	131	1,900	15	82.5	100.5	0.2	0.2	3.2	3.4	13.9	14.7	20.1	16.5	2.6	2.3
Home First Fin.	Buy	1,265	130	1,600	27	51.2	64.6	0.3	0.3	3.9	4.0	15.6	14.6	24.7	19.6	3.1	2.7
Can Fin Homes	Neutral	780	104	900	15	71.1	77.5	0.1	0.1	2.2	2.1	17.4	16.5	11.0	10.1	1.8	1.6
Repco Home Fin	Neutral	370	23	430	16	69.4	73.1	0.0	0.2	2.8	2.7	12.3	11.6	5.3	5.1	0.6	0.6
Vehicle Finance																	
Chola. Inv & Fin.	Buy	1,625	1,367	1,670	3	62.1	78.7	1.5	1.4	2.4	2.6	19.6	19.8	26.2	20.6	4.5	3.7
M & M Financial	Buy	283	393	310	10	19.1	24.8	1.6	1.4	1.9	2.2	11.9	13.3	14.8	11.4	1.6	1.4
Shriram Finance	Buy	630	1,184	780	24	49.9	59.9	1.9	2.0	3.0	3.2	15.6	16.4	12.6	10.5	1.8	1.6
IndoStar Capital	Buy	267	36	330	23	51.2	19.8	5.1	1.1	6.5	2.2	17.2	5.3	5.2	13.5	0.7	0.7
Gold Finance																	
Muthoot Finance	Neutral	3,051	1,225	2,790	-9	195.3	213.7	0.3	0.3	5.6	5.2	24.7	22.3	15.6	14.3	3.5	2.9
Manappuram Finance	Neutral	294	249	280	-5	10.7	19.5	2.8	1.3	2.0	3.5	7.1	11.5	27.3	15.0	1.7	1.6
Microfinance																	
CreditAccess	Buy	1,355	216	1,500	11	56.7	106.1	5.7	2.9	3.1	4.9	12.2	19.5	23.9	12.8	2.8	2.3
Fusion Finance	Neutral	192	31	170	-12	-3.0	17.8	5.4	3.0	-0.5	3.7	-2.1	12.3	-64.7	10.8	1.6	1.2
Spandana Sphoorty	Buy	259	18	280	8	-104.9	13.7	10.2	2.5	-10.9	1.6	-36.3	5.6	-2.5	18.8	1.1	1.0

NBFC-lending	Rating	CMP	Mkt. Cap	TP	Upside	EPS (INR)		Credit cost (%)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
		(INR)	(INRb)	(INR)	(%)	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Diversified																	
Bajaj Finance	Neutral	1,026	6,367	1,000	-2	33.0	42.4	1.7	1.7	4.0	4.1	19.5	21.0	31.0	24.2	5.6	4.7
Poonawalla Fincorp	Buy	483	375	520	8	9.6	22.4	2.0	1.7	1.8	2.8	8.3	16.1	50.5	21.6	3.7	3.2
Aditya Birla Cap	Buy	292	762	340	16	15.0	19.1			0.0	0.0	12.2	13.9	19.4	15.3	2.3	2.0
L&T Finance	Buy	246	615	260	5	12.5	16.5	2.2	2.1	2.4	2.7	11.6	13.9	19.8	14.9	2.2	2.0
Piramal Enterp.	Neutral	1,125	253	1,315	17	63.7	105.4	1.7	1.4	1.4	1.9	5.2	8.1	17.7	10.7	0.9	0.8
MAS Financial	Buy	315	57	400	27	20.1	25.9	1.2	1.3	2.8	2.9	13.5	15.2	15.7	12.2	2.0	1.7
IIFL Finance	Buy	451	191	550	22	38.8	55.0	2.2	1.7	2.5	3.0	12.5	15.6	11.6	8.2	1.4	1.2
HDB Financial	Neutral	774	642	860	11	31.8	42.5	2.2	2.0	2.2	2.5	14.3	15.5	24.3	18.2	3.1	2.6
Power Financiers																	
PFC	Buy	412	1,361	490	19	59.4	61.1	-0.1	0.2	3.3	3.0	20.0	18.1	6.9	6.7	1.3	1.1
REC	Buy	387	1,018	460	19	68.4	72.9	-0.1	0.2	2.8	2.6	21.4	19.6	5.7	5.3	1.1	1.0
MSME																	
Five-Star Business	Buy	525	153	800	52	38.6	46.5	1.2	0.7	7.1	7.0	16.6	17.0	13.6	11.3	2.1	1.8
Non-lending					Upside	EPS (INR)		VNB Margins (%)		RoEV (%)		P/E (x)		P/EOVOP		P/EOV (x)	
					(%)	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Life Insurance																	
HDFC Life Insur.	Buy	774	1,694	910	18	8.4	9.8	25.6	25.5	16.7	16.3	92.4	78.9	18.3	15.6	3.0	2.6
ICICI Pru Life	Buy	601	882	780	30	9.9	11.1	24.5	25.0	12.9	13.2	60.9	54.0	31.9	27.0	1.6	1.4
SBI Life Insurance	Buy	1,820	1,861	2,140	18	24.1	29.9	27.8	28.5	15.1	16.3	75.4	60.9	15.7	13.5	2.6	2.2
Max Financial Life Insurance Corp.	Neutral	1,583	537	1,750	11	9.4	17.6	24.0	25.0	29.2	19.4	168.0	90.1	22.6	18.1	2.7	2.3
	Buy	898	5,721	1,080	20	76.1	82.5	17.6	18.0	6.8	11.7	11.8	10.9	6.8	7.3	0.7	0.7
General Insurance					Upside	EPS (INR)		Claims Ratio (%)		Combined Ratio (%)		RoE (%)		P/E (x)		P/BV (x)	
Star Health	Buy	450	264	520	16	13.4	17.9	69.5	69.0	100	99	10.6	12.6	33.7	25.2	3.4	3.0
Niva Bupa Health	Buy	82	151	101	23	0.6	1.8	64.8	63.3	102	99	3.2	8.1	135.0	45.7	3.9	3.6
ICICI Lombard	Buy	1,894	935	2,400	27	62.7	71.9	69.9	69.6	102	101	20.0	19.7	30.2	26.3	5.6	4.8
Broking and Exchanges						EPS (INR)		EBITDA margins (%)		PAT (INRb)		RoE (%)		P/E (x)		P/BV (x)	
Angel One	Buy	2,228	201	3,100	39	99.6	146.7	34.8	41.1	9	13	15.2	20.0	22.4	15.2	3.0	2.6
BSE	Neutral	2,122	862	2,600	23	49.9	57.8	64.6	64.9	20	23	33.9	30.2	42.5	36.7	14.4	11.1
MCX	Neutral	8,037	409	8,300	3	167.2	197.7	65.1	66.1	9	10	43.2	46.7	48.1	40.7	19.9	18.1
Wealth Management																	
Anand Rathi Wealth	Neutral	2,966	247	2,100	-29	46.1	59.2	44.8	46.7	4	5	46.5	41.8	64.3	50.1	25.3	18.0
Nuvama Wealth	Buy	6,217	220	8,750	41	308.4	366.5	60.9	61.5	11	13	29.3	30.4	20.2	17.0	5.5	4.8
360 ONE WAM	Buy	1,027	415	1,450	41	32.3	37.1	49.4	50.3	13	16	17.1	17.1	31.8	27.6	5.1	4.2
Prudent Corp.	Neutral	2,805	116	2,600	-7	54.3	68.1	22.9	23.1	2	3	29.3	28.5	51.7	41.2	66.9	52.2
Intermediaries																	
Cams Services	Buy	3,986	195	4,900	23	98.6	116.4	45.1	46.1	5	6	39.8	40.0	40.4	34.2	14.9	12.7
KFin Technologies	Neutral	1,080	184	1,200	11	21.4	26.8	42.6	44.1	4	5	27.0	29.7	50.4	40.3	12.9	11.2
CDSL	Neutral	1,547	323	1,400	-9	23.8	28.9	53.9	54.6	5	6	26.4	28.3	65.1	53.6	16.2	14.3
AMCs					Upside	EPS (INR)		MF Yields (Bps)		PAT (INRb)		RoE (%)		P/E (x)		P/AUM	
Aditya Birla AMC	Buy	810	233	1,050	30	36.2	39.8	41.5	40.5	10.4	11.5	26.3	26.1	22.4	20.3	197.9	171.7
HDFC AMC	Buy	5,883	1,254	6,400	9	133.9	152.4	46.1	45.1	28.6	32.5	33.7	35.2	43.9	38.6	681.8	585.6
Nippon Life AMC	Buy	836	530	930	11	24.0	27.2	38.9	37.6	15.1	17.1	35.6	39.6	34.8	30.7	130.8	109.1
UTI AMC	Buy	1,391	178	1,650	19	69.7	80.8	33.4	32.6	8.9	10.3	16.8	18.4	19.9	17.2	369.6	313.8

*Adjusted for subsidiaries

Financials and valuations- BOB

Income Statement

	(INRb)					
Y/E March (INR b)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	895.9	1,126.1	1,214.4	1,306.6	1,479.5	1,676.1
Interest Expense	482.3	678.8	757.8	838.3	925.7	1,031.1
Net Interest Income	413.6	447.2	456.6	468.3	553.8	645.0
- Growth (%)	26.8	8.1	2.1	2.6	18.3	16.5
Non Interest Income	100.3	145.0	166.5	181.5	183.3	203.4
Total Income	513.8	592.2	623.1	649.7	737.1	848.5
- Growth (%)	16.5	15.2	5.2	4.3	13.4	15.1
Operating Expenses	245.2	282.5	298.7	326.6	357.3	391.7
Pre Provision Profits	268.6	309.7	324.3	323.1	379.8	456.8
- Growth (%)	20.0	15.3	4.7	-0.4	17.5	20.3
Core PPoP	258.0	294.7	301.7	312.5	370.6	448.9
- Growth (%)	31.2	14.2	2.4	3.6	18.6	21.1
Provisions	71.4	60.8	59.8	71.5	90.6	106.4
PBT	197.3	248.9	264.5	251.6	289.1	350.4
Tax	56.2	71.0	68.7	64.4	73.4	89.0
Tax Rate (%)	28.5	28.5	26.0	25.6	25.4	25.4
PAT	141.1	177.9	195.8	187.2	215.7	261.4
- Growth (%)	94.0	26.1	10.1	-4.4	15.2	21.2

Balance Sheet

Y/E March (INR b)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	10.4	10.4	10.4	10.4	10.4	10.4
Reserves & Surplus	971.9	1,111.9	1,358.9	1,450.7	1,611.6	1,810.1
Net Worth	982.2	1,122.2	1,369.3	1,461.1	1,622.0	1,820.4
Deposits	12,036.9	13,351.4	14,720.3	16,310.1	18,397.8	20,863.2
- Growth (%)	15.1	10.9	10.3	10.8	12.8	13.4
- CASA Dep	4,751.0	5,143.7	5,566.7	5,675.9	6,420.8	7,281.2
- Growth (%)	9.6	8.3	8.2	2.0	13.1	13.4
Borrowings	1,019.1	944.0	1,237.2	1,222.6	1,319.6	1,429.1
Other Liabilities & Prov.	547.4	440.3	485.7	524.6	582.3	646.3
Total Liabilities	14,585.6	15,858.0	17,812.5	19,518.4	21,921.7	24,759.0
Current Assets	957.0	951.2	1,258.5	1,164.2	1,271.8	1,442.3
Investments	3,624.9	3,698.2	3,854.0	4,320.3	4,817.2	5,380.8
- Growth (%)	14.8	2.0	4.2	12.1	11.5	11.7
Loans	9,410.0	10,657.8	12,095.6	13,450.3	15,252.6	17,357.5
- Growth (%)	21.1	13.3	13.5	11.2	13.4	13.8
Fixed Assets	87.1	79.1	123.8	91.6	98.9	106.8
Other Assets	506.7	471.6	480.7	492.0	481.2	471.6
Total Assets	14,585.6	15,858.0	17,812.5	19,518.4	21,921.7	24,759.0

Asset Quality

GNPA (INR b)	367.6	318.3	278.3	280.7	307.0	336.5
NNPA (INR b)	85.5	75.8	74.9	68.5	64.0	61.1
Slippages (INR b)	111.5	104.0	93.1	144.3	172.2	189.1
GNPA Ratio (%)	3.8	2.9	2.3	2.1	2.0	1.9
NNPA Ratio (%)	0.9	0.7	0.6	0.5	0.4	0.4
Slippage Ratio (%)	1.2	1.0	0.8	1.1	1.2	1.2
Credit Cost (%)	0.5	0.7	0.5	0.5	0.6	0.6
PCR (Excl Tech. write off) (%)	76.7	76.2	73.1	75.6	79.1	81.9

E: MOFSL Estimates

Financials and valuations- BOB

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	6.9	7.7	7.5	7.2	7.3	7.4
Avg. Yield on loans	7.5	8.5	8.2	7.8	8.0	8.0
Avg. Yield on Investments	6.6	6.9	7.0	6.9	6.8	6.8
Avg. Cost-Int. Bear. Liab.	3.9	5.0	5.0	5.0	5.0	4.9
Avg. Cost of Deposits	3.7	4.7	4.8	5.0	4.9	4.8
Interest Spread	2.9	2.7	2.5	2.2	2.4	2.5
Net Interest Margin	3.2	3.1	2.8	2.6	2.8	2.8
Capitalisation Ratios (%)						
CAR	16.2	16.3	17.2	15.7	14.7	13.9
Tier I	14.0	14.1	14.8	13.5	12.7	12.1
-CET-1	12.2	12.5	13.8	12.6	11.9	11.3
Tier II	2.3	2.2	2.4	2.2	2.0	1.8
Business Ratios (%)						
Loans/Deposit Ratio	78.2	79.8	82.2	82.5	82.9	83.2
CASA Ratio	39.5	38.5	37.8	34.8	34.9	34.9
Cost/Assets	1.7	1.8	1.7	1.7	1.6	1.6
Cost/Total Income	47.7	47.7	47.9	50.3	48.5	46.2
Cost/Core Income	48.7	48.9	49.8	51.1	49.1	46.6
Int. Expense/Int.Income	53.8	60.3	62.4	64.2	62.6	61.5
Fee Income/Total Income	17.4	22.0	23.1	26.3	23.6	23.0
Non Int. Inc./Total Income	19.5	24.5	26.7	27.9	24.9	24.0
Empl. Cost/Total Expense	54.5	56.0	55.6	55.7	56.0	55.7
Efficiency Ratios (INRm)						
Employee per branch (in nos)	9.5	9.2	8.9	8.9	8.9	8.9
Staff cost per employee	1.7	2.1	2.2	2.4	2.6	2.8
CASA per branch (INR m)	576.6	624.0	660.8	667.1	747.2	838.9
Deposits per branch (INR m)	1,460.8	1,619.7	1,747.4	1,917.0	2,140.9	2,403.8
Busins per Emp. (INR m)	274.5	317.9	357.5	392.8	439.8	494.6
Profit per Emp. (INR m)	1.8	2.4	2.6	2.5	2.8	3.4

Profitability Ratios and Valuation

RoE	16.5	17.8	16.7	14.2	14.9	16.1
RoA	1.0	1.2	1.2	1.0	1.0	1.1
RoRWA	2.0	2.3	2.3	1.9	1.9	2.1
Book Value (INR)	183	211	254	272	303	342
- Growth (%)	15.8	15.2	20.3	7.0	11.4	12.6
Price-BV (x)	1.4	1.2	1.0	0.9	0.8	0.7
Adjusted BV (INR)	165	194	235	252	283	320
Price-ABV (x)	1.5	1.3	1.1	1.0	0.9	0.8
EPS (INR)	27.3	34.4	37.8	36.2	41.7	50.5
- Growth (%)	94.0	26.1	10.1	-4.4	15.2	21.2
Price-Earnings (x)	9.4	7.4	6.7	7.1	6.1	5.1
Dividend Per Share (INR)	5.5	7.6	8.3	9.2	10.5	12.1
Dividend Yield (%)	2.2	3.0	3.3	3.6	4.1	4.8

E: MOFSL Estimates

Financials and valuations- Canara Bank

Income Statement						(INR b)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	844.2	1,086.9	1,197.6	1,280.2	1,390.1	1,532.8
Interest Expense	529.9	721.2	826.8	897.4	952.0	1,040.5
Net Interest Income	314.4	365.7	370.7	382.8	438.0	492.3
- growth (%)	19.1	16.3	1.4	3.3	14.4	12.4
Non Interest Income	187.6	189.7	224.5	264.9	262.3	288.5
Total Income	502.0	555.3	595.2	647.7	700.3	780.8
- growth (%)	17.1	10.6	7.2	8.8	8.1	11.5
Operating Expenses	224.8	261.2	281.3	304.2	332.2	365.0
Pre Provision Profits	277.2	294.1	313.9	343.6	368.1	415.8
- growth (%)	13.4	6.1	6.7	9.4	7.1	13.0
Core PPOp	258.2	277.9	287.2	321.2	342.4	386.2
- growth (%)	18.2	7.6	3.4	11.8	6.6	12.8
Provisions	135.4	97.1	87.6	92.4	98.8	111.0
Exceptional Item	NA	NA	NA	NA	NA	NA
PBT	141.7	197.0	226.3	251.1	269.3	304.8
Tax	35.7	51.5	56.0	63.8	68.4	77.4
Tax Rate (%)	25.2	26.1	24.7	25.4	25.4	25.4
PAT	106.0	145.5	170.3	187.3	200.9	227.4
- growth (%)	86.7	37.3	17.0	10.0	7.2	13.2

Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	18.1	18.1	18.1	18.1	18.1	18.1
Reserves & Surplus	717.9	851.4	980.9	1,095.0	1,209.8	1,299.5
Net Worth	736.1	869.5	999.0	1,113.2	1,227.9	1,317.6
Deposits	11,792.2	13,123.7	14,568.8	15,821.8	17,293.2	18,970.6
- growth (%)	8.5	11.3	11.0	8.6	9.3	9.7
- CASA Deposits	3,665.8	3,924.1	4,150.5	4,414.3	4,911.3	5,387.7
- growth (%)	-0.6	7.0	5.8	6.4	11.3	9.7
Borrowings	580.9	575.9	896.7	997.8	1,088.9	1,181.3
Other Liabilities & Prov.	348.2	346.3	364.0	407.7	456.6	511.4
Total Liabilities	13,457.3	14,915.4	16,828.5	18,340.4	20,066.6	21,980.9
Current Assets	1,414.2	1,507.6	2,053.4	1,917.4	1,948.5	1,995.0
Investments	3,190.4	3,574.5	3,803.4	4,183.8	4,547.8	4,945.7
- growth (%)	13.1	12.0	6.4	10.0	8.7	8.7
Loans	8,306.7	9,316.1	10,491.6	11,645.6	12,926.6	14,361.5
- growth (%)	18.1	12.2	12.6	11.0	11.0	11.1
Fixed Assets	102.3	122.3	102.2	137.4	147.0	157.3
Other Assets	443.7	394.9	378.0	456.2	496.7	521.4
Total Assets	13,457.3	14,915.4	16,828.5	18,340.4	20,066.6	21,980.9

Asset Quality						
GNPA (INR b)	461.6	406.0	315.3	322.0	346.8	378.6
NNPA (INR b)	143.9	118.6	73.8	73.3	80.0	88.1
Slippages (INR b)	119.8	106.3	85.4	132.8	153.6	170.6
GNPA Ratio (%)	5.4	4.2	2.9	2.7	2.6	2.6
NNPA Ratio (%)	1.7	1.3	0.7	0.6	0.6	0.6
Slippage Ratio (%)	1.7	1.3	0.9	1.2	1.5	2.2
Credit Cost (%)	1.3	1.0	1.0	0.8	0.8	0.8
PCR (Excl Tech. write off) (%)	68.8	70.8	76.6	77.3	76.9	76.7

E: MOFSL Estimates

Financials and valuations- Canara Bank

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	6.9	8.0	7.8	7.5	7.5	7.5
Avg. Yield on loans	8.0	8.9	8.9	8.6	8.5	8.5
Avg. Yield on Investments	6.6	6.8	6.8	7.0	6.9	6.8
Avg. Cost-Int. Bear. Liab.	4.3	5.3	5.5	5.5	5.4	5.4
Avg. Cost of Deposits	4.3	5.3	5.5	5.5	5.4	5.4
Interest Spread	2.6	2.6	2.3	2.0	2.1	2.2
Net Interest Margin	2.56	2.68	2.41	2.25	2.36	2.42
Capitalisation Ratios (%)						
CAR	16.7	16.3	16.3	17.0	16.7	18.1
- Tier I	13.8	14.0	14.4	13.8	13.4	14.3
- CET-1	11.6	11.7	12.0	11.4	11.2	12.3
- Tier II	2.9	2.3	2.0	3.2	3.3	3.8
Business Ratios (%)						
Loans/Deposit Ratio	70.4	71.0	72.0	73.6	74.7	75.7
Investment/Deposit Ratio	27.1	27.2	26.1	26.4	26.3	26.1
CASA Ratio	31.1	29.9	28.5	27.9	28.4	28.4
Cost/Assets	1.7	1.8	1.7	1.7	1.7	1.7
Cost/Total Income	44.8	47.0	47.3	47.0	47.4	46.7
Cost/Core Income	46.5	48.5	49.5	48.6	49.2	48.6
Int. Expense/Int.Income	62.8	66.4	69.0	70.1	68.5	67.9
Fee Income/Net Income	33.6	31.2	33.2	37.4	33.8	33.2
Non Int. Inc./Net Income	37.4	34.2	37.7	40.9	37.5	37.0
Empl. Cost/Op. Exps.	61.1	62.9	63.5	63.4	63.3	62.9
Efficiency Ratios (%)						
Employee per branch (in nos)	8.8	8.6	8.3	8.8	8.9	9.0
Staff cost per employee (INR m)	1.6	2.0	2.2	2.2	2.4	2.6
CASA/Branch (INRm)	377.7	408.6	421.4	450.6	496.3	539.1
Deposit/Branch (INRm)	1,214.9	1,366.5	1,479.2	1,615.0	1,747.7	1,898.3
Business per Employee (INR m)	236.5	271.5	308.4	319.5	344.6	372.6
Profit per Employee (INR m)	1.2	1.8	2.1	2.2	2.3	2.5

Profitability and Valuation

RoE	17.1	20.2	19.9	18.9	18.2	18.8
RoA	0.8	1.0	1.1	1.1	1.0	1.1
RoRWA	1.9	2.2	2.3	2.1	2.1	2.3
Book Value (INR)	77	90	106	119	131	141
- growth (%)	13.1	17.9	17.6	11.8	10.6	7.5
Price-BV (x)	1.6	1.4	1.2	1.0	0.9	0.9
Adjusted BV (INR)	64	80	99	111	123	132
Price-ABV (x)	1.9	1.5	1.2	1.1	1.0	0.9
EPS (INR)	11.7	16.0	18.8	20.7	22.1	25.1
- growth (%)	78.1	37.3	17.0	10.0	7.2	13.2
Price-Earnings (x)	10.5	7.7	6.6	6.0	5.6	4.9
Dividend Per Share (INR)	2.4	3.2	4.0	5.9	9.5	15.2
Dividend Yield (%)	2.0	2.6	3.3	4.8	7.7	12.3

E: MOFSL Estimates

Financials and valuations- Indian Bank

Income Statement

(INRb)

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	449.4	556.1	620.0	649.1	699.3	763.9
Interest Expense	247.2	323.4	368.3	389.2	412.0	444.2
Net Interest Income	202.3	232.7	251.8	259.9	287.3	319.7
- growth (%)	20.9	15.1	8.2	3.2	10.5	11.3
Non Interest Income	71.4	78.7	92.2	104.2	111.5	122.7
Total Income	273.7	311.4	344.0	364.2	398.9	442.4
- growth (%)	15.8	13.8	10.5	5.9	9.5	10.9
Operating Expenses	121.0	143.0	154.0	167.9	182.8	200.5
PPoP	152.7	168.4	190.0	196.2	216.0	241.8
- growth (%)	20.1	10.3	12.8	3.3	10.1	12.0
Core PPoP	149.8	155.3	179.5	177.4	193.4	214.7
- growth (%)	31.0	3.7	15.6	-1.2	9.0	11.0
Provisions	93.6	58.9	42.1	37.9	45.1	53.5
PBT	59.1	109.5	147.9	158.4	170.9	188.3
Tax	6.3	28.9	38.7	39.9	43.1	47.5
Tax Rate (%)	10.7	26.4	26.2	25.2	25.2	25.2
PAT	52.8	80.6	109.2	118.5	127.8	140.8
- growth (%)	33.9	52.7	35.4	8.5	7.9	10.2

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	12	13	13	13	13	13
Equity Share Capital	12.5	13.5	13.5	13.5	13.5	13.5
Reserves & Surplus	467.3	570.4	679.6	753.3	852.7	960.0
Net Worth	479.7	583.9	693.1	766.8	866.2	973.5
Deposits	6,211.7	6,880.0	7,371.5	7,998.1	8,694.0	9,511.2
- growth (%)	4.6	10.8	7.1	8.5	8.7	9.4
- CASA Dep	2,608.1	2,804.9	2,828.5	3,079.3	3,468.9	3,871.1
- growth (%)	5.2	7.5	0.8	8.9	12.7	11.6
Borrowings	220.7	231.3	415.1	403.0	454.2	562.8
Other Liabilities & Prov.	192.9	231.0	254.4	292.6	333.5	380.2
Total Liabilities	7,105.0	7,926.2	8,734.1	9,460.5	10,347.8	11,427.7
Current Assets	501.3	421.1	548.7	554.5	553.5	599.4
Investments	1,859.9	2,125.5	2,253.0	2,399.5	2,610.6	2,879.5
- growth (%)	6.5	14.3	6.0	6.5	8.8	10.3
Loans	4,493.0	5,148.9	5,710.7	6,264.7	6,916.2	7,649.3
- growth (%)	15.4	14.6	10.9	9.7	10.4	10.6
Fixed Assets	74.6	75.2	88.3	92.7	98.2	104.1
Other Assets	176.2	155.5	133.4	149.2	169.3	195.3
Total Assets	7,105.0	7,926.2	8,734.1	9,460.5	10,347.8	11,427.7
Asset Quality	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR b)	281.8	211.1	211.1	182.8	192.4	205.2
NNPA (INR b)	40.4	22.2	22.2	10.7	11.9	13.4
GNPA Ratio (%)	6.0	4.0	4.0	2.8	2.7	2.6
NNPA Ratio (%)	0.9	0.4	0.4	0.2	0.2	0.2
Slippage Ratio(%)	1.7	1.4	1.1	1.1	1.2	1.2
Credit Cost (%)	2.2	1.2	0.8	0.6	0.7	0.7
PCR (Excl Tech. write off)	85.7	89.5	89.5	94.2	93.8	93.4

E: MOFSL Estimates

Financials and valuations- Indian Bank

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield- on Earning Assets	6.8	7.6	7.7	7.3	7.2	7.2
Avg. Yield on loans	7.6	8.4	8.3	8.0	7.9	7.9
Avg. Yield on Investments	6.5	6.8	7.0	6.9	6.8	6.7
Avg. Cost of Int. Bear. Liab.	3.9	4.8	4.9	4.8	4.7	4.6
Avg. Cost of Deposits	3.8	4.7	4.9	4.9	4.8	4.7
Interest Spread	2.8	2.9	2.7	2.5	2.6	2.6
Net Interest Margin	3.0	3.2	3.1	2.9	3.0	3.0
Capitalisation Ratios (%)						
CAR	16.5	16.4	17.9	16.4	16.3	16.0
Tier I	13.5	14.0	15.9	14.6	14.7	14.6
- CET-1	12.9	13.5	15.4	14.1	14.3	14.2
Tier II	3.0	2.4	2.1	1.7	1.5	1.4
Business Ratios (%)						
Loans/Deposit Ratio	72.3	74.8	77.5	78.3	79.6	80.4
CASA Ratio	42.0	40.8	38.4	38.5	39.9	40.7
Cost/Assets	1.7	1.8	1.8	1.8	1.8	1.8
Cost/Total Income	44.2	45.9	44.8	46.1	45.8	45.3
Cost/Core income	44.7	47.9	46.2	48.6	48.6	48.3
Int. Expense/Int.Income	55.0	58.2	59.4	60.0	58.9	58.2
Fee Income/Total Income	25.0	21.1	23.8	23.5	22.3	21.6
Non Int. Inc./Total Income	26.1	25.3	26.8	28.6	28.0	27.7
Empl. Cost/Total Expense	62.2	64.8	64.2	64.2	63.9	63.8
Efficiency Ratios (INRm)						
Employee per branch (in nos)	7.0	6.9	6.8	6.9	6.9	6.9
Staff cost per employee (INR m)	1.8	2.3	2.5	2.6	2.7	2.9
CASA per branch (INRm)	450.7	479.4	479.0	505.8	558.6	611.2
Deposits per branch (INRm)	1,073.4	1,175.9	1,248.4	1,313.7	1,400.0	1,501.6
Business per Employee (INR m)	262.5	298.8	326.5	340.6	365.5	393.9
Proft per Employee (INR m)	1.3	2.0	2.7	2.8	3.0	3.2

Profitability Ratios and Valuation

RoE	13.3	17.1	18.9	17.7	16.9	16.4
RoA	0.8	1.1	1.3	1.3	1.3	1.3
RoRWA	1.6	2.0	2.7	2.4	2.3	2.2
Book Value (INR)	358	409	490	545	619	698
- growth (%)	10.7	14.2	19.8	11.2	13.5	12.9
Price-BV (x)	2.0	1.7	1.4	1.3	1.1	1.0
Adjusted BV (INR)	334	396	477	537	610	689
Price-ABV (x)	2.1	1.8	1.5	1.3	1.2	1.0
EPS (INR)	42.4	62.2	81.1	87.9	94.9	104.6
- growth (%)	27.7	46.7	30.3	8.5	7.9	10.2
Price-Earnings (x)	16.7	11.4	8.7	8.1	7.5	6.8
Dividend Per Share (INR)	0.0	12.0	16.3	18.0	21.2	25.1
Dividend Yield (%)	0.0	1.7	2.3	2.5	3.0	3.5

E: MOFSL Estimates

Financials and valuations- PNB

Income Statement

	(INR b)					
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	851.4	1,069.0	1,217.6	1,322.6	1,449.8	1,605.9
Interest Expense	506.5	668.2	789.8	883.5	938.1	1,017.3
Net Interest Income	344.9	400.8	427.8	439.1	511.7	588.6
- Growth (%)	20.2	16.2	6.7	2.6	16.5	15.0
Non Interest Income	121.4	133.8	163.1	190.8	194.6	214.1
Total Income	466.3	534.7	590.9	629.9	706.3	802.7
- Growth (%)	13.7	14.7	10.5	6.6	12.1	13.6
Operating Expenses	241.1	285.4	322.6	348.4	377.9	413.9
Pre Provision Profits	225.3	249.3	268.3	281.5	328.4	388.8
- Growth (%)	8.5	10.7	7.6	4.9	16.6	18.4
Core PPOp	236.7	242.4	229.1	271.7	316.6	374.6
- Growth (%)	32.8	2.4	-5.5	18.6	16.5	18.3
Provisions (excl tax)	182.4	117.4	16.7	26.9	50.7	71.3
PBT	42.9	131.9	251.6	254.7	277.7	317.5
Tax	17.8	49.5	85.3	99.3	70.5	80.6
Tax Rate (%)	41.5	37.5	33.9	39.0	25.4	25.4
PAT	25.1	82.4	166.3	155.3	207.2	236.9
- Growth (%)	-27.5	228.8	101.7	-6.6	33.4	14.3

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	22	22	23	23	23	23
Equity Share Capital	22.0	22.0	23.0	23.0	23.0	23.0
Reserves & Surplus	976.5	1,042.7	1,250.6	1,377.6	1,540.3	1,719.3
Net Worth	998.6	1,064.8	1,273.6	1,400.6	1,563.3	1,742.3
Deposits	12,811.6	13,697.1	15,666.2	17,436.5	19,441.7	21,716.4
- Growth (%)	11.8	6.9	14.4	11.3	11.5	11.7
of which CASA Dep	5,380.2	5,525.0	5,735.4	6,346.9	7,387.9	8,643.1
- Growth (%)	0.8	2.7	3.8	10.7	16.4	17.0
Borrowings	512.9	504.3	837.8	751.2	778.8	809.0
Other Liabilities & Prov.	295.2	352.2	404.1	464.7	534.4	614.6
Total Liabilities	14,618.3	15,618.4	18,181.7	20,053.0	22,318.2	24,882.3
Current Assets	1,551.1	1,291.0	1,487.2	1,455.0	1,617.6	1,802.0
Investments	3,960.0	4,203.2	4,973.1	5,420.7	5,854.3	6,322.7
- Growth (%)	6.4	6.1	18.3	9.0	8.0	8.0
Loans	8,308.3	9,344.3	10,774.7	12,132.4	13,685.3	15,464.4
- Growth (%)	14.1	12.5	15.3	12.6	12.8	13.0
Fixed Assets	120.5	123.2	130.5	138.4	146.7	155.5
Other Assets	678.4	656.6	816.1	906.5	1,014.3	1,137.7
Total Assets	14,618.3	15,618.4	18,181.7	20,053.0	22,318.2	24,882.3

Asset Quality	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA	773.3	563.4	440.8	389.6	382.3	394.3
NNPA	225.9	68.0	42.9	37.7	38.6	27.5
Slippages	160.3	58.3	67.6	103.1	129.1	145.7
GNPA Ratio	8.7	5.7	4.0	3.1	2.7	2.5
NNPA Ratio	2.7	0.7	0.4	0.3	0.3	0.2
Slippage Ratio	2.1	0.7	0.7	0.9	1.0	1.0
Credit Cost	2.34	1.33	0.17	0.20	0.35	0.44
PCR (Excl Tech. write off)	70.8	87.9	90.3	90.3	89.9	93.0

E: MOFSL Estimates

Financials and valuations- PNB

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield- on Earning Assets	6.5	7.5	7.6	7.3	7.2	7.2
Avg. Yield on loans	7.4	8.6	8.6	8.3	8.1	8.1
Avg. Yield on Investments	6.7	6.9	6.8	6.8	6.7	6.6
Avg. Cost of Int. Bear. Liab.	4.0	4.9	5.1	5.1	4.9	4.8
Avg. Cost of Deposits	3.9	4.7	5.0	4.9	4.7	4.6
Interest Spread	2.5	2.6	2.4	2.2	2.3	2.4
Net Interest Margin	2.6	2.8	2.7	2.4	2.6	2.6
Capitalisation Ratios (%)						
CAR	15.5	16.0	17.1	16.0	14.7	13.6
Tier I	12.7	13.2	14.1	13.0	12.1	11.2
CET-1	11.2	11.1	12.4	10.8	10.1	9.3
Tier II	2.8	2.8	3.0	3.0	2.6	2.4
Business Ratios (%)						
Loans/Deposit Ratio	64.8	68.2	68.8	69.6	70.4	71.2
CASA Ratio	42.0	40.3	36.6	36.4	38.0	39.8
Cost/Assets	1.6	1.8	1.8	1.7	1.7	1.7
Cost/Total Income	51.7	53.4	54.6	55.3	53.5	51.6
Cost/Core income	2.0	-4.5	-0.8	-3.8	-3.4	-3.1
Int. Expense/Int.Income	59.5	62.5	64.9	66.8	64.7	63.3
Fee Income/Total Income	28.5	23.7	21.0	28.7	25.9	24.9
Non Int. Inc./Total Income	26.0	25.0	27.6	30.3	27.6	26.7
Empl. Cost/Total Expense	61.4	64.8	66.2	66.2	66.5	66.2
Efficiency Ratios (INRm)						
Employee per branch (in nos)	10.3	10.1	10.1	10.1	10.1	10.1
Staff cost per employee	1.4	1.8	2.1	2.2	2.3	2.5
CASA per branch	534.0	545.1	562.9	602.4	687.5	788.5
Deposits per branch	1,271.5	1,351.3	1,537.6	1,655.0	1,809.2	1,981.2
Business per Employee	202.8	225.1	257.3	277.8	305.1	335.7
Profit per Employee	0.2	0.8	1.6	1.5	1.9	2.1

Valuation ratios

RoE	2.8	8.7	15.3	12.4	14.8	15.1
RoA	0.2	0.5	1.0	0.8	1.0	1.0
RoRWA	0.4	1.2	2.1	1.7	2.1	2.1
Book Value (INR)	86	93	107	118	132	148
- Growth (%)	3.9	7.0	15.4	10.3	12.0	11.8
Price-BV (x)	1.3	1.2	1.0	0.9	0.8	0.8
Adjusted BV (INR)	68	84	101	112	126	142
Price-ABV (x)	1.6	1.3	1.1	1.0	0.9	0.8
EPS (INR)	2.3	7.5	14.8	13.5	18.0	20.6
Price-Earnings (x)	48.7	14.8	7.5	8.2	6.2	5.4
Dividend Per Share (INR)	0.7	1.5	2.9	3.0	3.9	5.1
Dividend Yield (%)	0.6	1.4	2.6	2.7	3.5	4.6

E: MOFSL Estimates

Financials and valuations- SBIN

Income Statement

	(INRb)					
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	3,321.0	4,151.3	4,624.9	4,875.3	5,300.0	5,956.3
Interest Expense	1,872.6	2,552.5	2,955.2	3,139.1	3,308.6	3,692.6
Net Interest Income	1,448.4	1,598.8	1,669.7	1,736.2	1,991.4	2,263.7
- Growth (%)	20.0	10.4	4.4	4.0	14.7	13.7
Non Interest Income	366.2	516.8	616.8	663.1	676.4	737.2
Total Income	1,814.6	2,115.6	2,286.5	2,399.3	2,667.7	3,000.9
- Growth (%)	12.5	16.6	8.1	4.9	11.2	12.5
Operating Expenses	977.4	1,248.6	1,180.7	1,251.2	1,363.4	1,492.3
Pre Provision Profits	837.1	867.0	1,105.8	1,148.1	1,304.4	1,508.6
- Growth (%)	23.3	3.6	27.5	3.8	13.6	15.7
Core Provision Profits	850.7	748.6	1,001.9	1,023.4	1,154.7	1,329.0
- Growth (%)	31.6	-12.0	33.8	2.1	12.8	15.1
Provisions (excl tax)	165.1	49.1	153.1	186.9	229.6	275.1
Exceptional Items (Exp)	NA	0.0	NA	NA	NA	NA
PBT	672.1	817.8	952.7	961.2	1,074.7	1,233.5
Tax	169.7	207.1	243.7	243.2	271.9	312.1
Tax Rate (%)	25.3	25.3	25.6	25.3	25.3	25.3
PAT	502.3	610.8	709.0	718.0	802.8	921.5
- Growth (%)	58.6	21.6	16.1	1.3	11.8	14.8
Cons. PAT post MI	556.5	670.9	775.6	811.2	933.4	1,104.2
- Growth (%)	57.3	20.6	15.6	4.6	15.1	18.3

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	9	9	9	9	9	9
Reserves & Surplus	3,267	3,764	4,403	5,210	5,847	6,602
Net Worth	3,276	3,772	4,412	5,219	5,856	6,611
Deposits	44,238	49,161	53,822	59,096	65,124	71,962
- Growth (%)	9.2	11.1	9.5	9.8	10.2	10.5
of which CASA Dep	18,874	19,614	20,839	23,107	26,115	29,289
- Growth (%)	4.7	3.9	6.2	10.9	13.0	12.2
Borrowings	4,931	5,976	5,636	5,589	6,154	6,789
Other Liab. & Prov.	2,725	2,888	2,891	3,065	3,279	3,509
Total Liabilities	55,170	61,797	66,761	72,969	80,413	88,871
Current Assets	3,079	3,108	3,402	3,529	3,734	4,030
Investments	15,704	16,713	16,906	17,751	18,958	20,247
- Growth (%)	6.0	6.4	1.2	5.0	6.8	6.8
Loans	31,993	37,040	41,633	46,546	52,271	58,805
- Growth (%)	17.0	15.8	12.4	11.8	12.3	12.5
Fixed Assets	424	426	441	460	480	501
Other Assets	3,971	4,510	4,378	4,684	4,970	5,288
Total Assets	55,170	61,797	66,761	72,969	80,413	88,871

Asset Quality

GNPA (INR b)	909	843	769	787	867	968
NNPA (INR b)	215	211	197	196	222	242
Slippages (INR m)	184	203	208	265	316	361
GNPA Ratio (%)	2.78	2.2	1.8	1.7	1.6	1.6
NNPA Ratio (%)	0.67	0.6	0.5	0.4	0.4	0.4
Slippage Ratio (%)	0.6	0.6	0.5	0.6	0.6	0.7
Credit Cost (%)	0.6	0.1	0.4	0.4	0.4	0.5
PCR (Excl Tech. W/O)	76.2	74.8	74.2	75.1	74.4	75.0

E: MOFSL Estimates

Financials and valuations- SBIN

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	7.2	8.1	8.1	7.8	7.7	7.8
Avg. Yield on loans	7.5	8.4	8.4	8.1	7.9	8.0
Avg. Yield on Investments	6.4	6.8	7.0	6.9	6.8	6.9
Avg. Cost-Int. Bear. Liab.	4.0	4.9	5.2	5.1	4.9	4.9
Avg. Cost of Deposits	3.8	4.7	5.0	4.8	4.6	4.7
Interest Spread	3.2	3.2	2.9	2.7	2.8	2.9
Net Interest Margin	3.2	3.1	2.9	2.8	2.9	3.0
Capitalization Ratios (%)						
CAR	14.7	14.3	14.3	14.9	14.8	14.7
Tier I	12.1	11.9	12.1	12.7	12.8	12.9
-CET-1	10.3	10.4	10.8	12.0	12.1	12.1
Tier II	2.6	2.4	2.2	2.2	2.0	1.8
Business Ratios (%)						
Loans/Deposit Ratio	72.3	75.3	77.4	78.8	80.3	81.7
CASA Ratio	42.7	39.9	38.7	39.1	40.1	40.7
Cost/Assets	1.8	2.0	1.8	1.7	1.7	1.7
Cost/Total Income	53.9	59.0	51.6	52.1	51.1	49.7
Cost/Core Income	53.5	62.5	54.1	55.0	54.1	52.9
Int. Expense./Int. Income	56.4	61.5	63.9	64.4	62.4	62.0
Fee Income/Total Income	20.9	18.8	22.4	22.4	19.7	18.6
Non Int. Inc./Total Income	20.2	24.4	27.0	27.6	25.4	24.6
Empl. Cost/Total Expense	58.6	62.7	54.5	54.5	54.5	54.6
Efficiency Ratios (INRm)						
Employee per branch (in nos)	10.4	10.2	10.2	10.0	9.7	9.5
Staff cost per employee	2.4	3.4	2.7	2.8	3.0	3.2
CASA per branch	842.4	870.1	908.5	959.4	1,032.7	1,103.0
Deposits per branch	1,974.5	2,180.9	2,346.5	2,453.8	2,575.3	2,710.2
Business per Employee	323.2	371.1	404.1	437.9	476.8	520.5
Net profit per Employee	21.3	26.3	30.0	29.8	32.6	36.7

Profitability Ratios and Valuation

RoE	18.1	18.8	18.6	15.8	15.3	15.5
RoA	1.0	1.0	1.1	1.0	1.0	1.1
RoRWA	1.7	1.8	1.8	1.6	1.6	1.6
Consolidated RoE	16.2	16.7	16.6	15.3	15.6	15.8
Consolidated RoA	1.0	1.1	1.1	1.0	1.1	1.1
Book Value (INR)	350	406	477	549	618	700
- Growth (%)	16.9	15.9	17.7	15.0	12.6	13.2
Price-BV (x)	1.8	1.5	1.3	1.1	1.0	0.9
Consol BV (INR)	385	448	529	604	705	824
- Growth (%)	17.4	16.3	18.1	14.3	16.6	17.0
Price-Consol BV (x)	2.2	1.9	1.6	1.4	1.2	1.1
Adjusted BV (INR)	311	365.4	437.2	511.4	579.6	661.0
Price-ABV (x)	2.0	1.7	1.4	1.2	1.1	1.0
EPS (INR)	56.3	68.4	79.4	79.1	87.0	99.8
- Growth (%)	58.6	21.6	16.1	-0.4	10.0	14.8
Price-Earnings (x)	11.2	9.2	7.9	7.9	7.2	6.3
Consol EPS (INR)	62.4	75.2	86.9	89.4	101.1	119.6
- Growth (%)	57.3	20.6	15.6	2.8	13.1	18.3
Price-Consol EPS (x)	13.9	11.5	10.0	9.7	8.6	7.2
Dividend Per Share (INR)	11.3	13.7	15.9	17.7	18.0	18.0
Dividend Yield (%)	1.3	1.6	1.8	2.0	2.1	2.1

E: MOFSL Estimates

Financials and valuations- Union bank

Income Statement

	(INRb)					
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	807.4	997.8	1,077.3	1,090.3	1,181.4	1,289.5
Interest Expense	479.8	632.1	705.1	713.0	752.6	804.1
Net Interest Income	327.7	365.7	372.1	377.4	428.7	485.4
- growth (%)	17.9	11.6	1.8	1.4	13.6	13.2
Non Interest Income	146.3	160.8	198.1	188.2	201.4	221.5
Total Income	474.0	526.5	570.3	565.6	630.1	706.9
- growth (%)	17.6	11.1	8.3	-0.8	11.4	12.2
Operating Expenses	219.3	244.4	259.4	276.9	301.4	329.9
Pre Provision Profits	254.7	282.1	310.9	288.7	328.7	377.1
- growth (%)	16.4	10.8	10.2	-7.1	13.8	14.7
Core PPP	243.8	262.8	278.1	261.4	296.5	338.1
- growth (%)	31.3	7.8	5.8	-6.0	13.4	14.1
Provisions (excl tax)	133.3	67.8	76.1	67.7	76.2	92.8
PBT	121.4	214.3	234.8	221.0	252.5	284.3
Tax	37.0	77.8	54.9	55.7	63.6	71.6
Tax Rate (%)	30.5	36.3	23.4	25.2	25.2	25.2
PAT	84.3	136.5	179.9	165.3	188.8	212.6
- growth (%)	61.2	61.8	31.8	-8.1	14.2	12.6

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	68.3	76.3	76.3	76.3	76.3	76.3
Reserves & Surplus	715.0	893.4	1,053.4	1,173.6	1,328.1	1,506.4
Net Worth	783.3	969.7	1,129.8	1,250.0	1,404.5	1,582.7
Deposits	11,177.2	12,215.3	13,097.5	14,158.4	15,475.1	16,945.3
- growth (%)	8.3	9.3	7.2	8.1	9.3	9.5
- CASA Dep	3,940.6	4,101.3	4,263.3	4,856.3	5,308.0	5,812.2
- growth (%)	4.5	4.1	3.9	13.9	9.3	9.5
Borrowings	431.4	269.5	273.4	351.1	362.3	374.4
Other Liabilities & Prov.	415.6	465.1	497.9	557.6	624.6	699.5
Total Liabilities	12,807.5	13,919.6	14,998.6	16,317.1	17,866.5	19,601.9
Current Assets	1,121.5	1,193.0	1,313.3	1,349.4	1,425.4	1,524.1
Investments	3,393.0	3,379.0	3,543.8	3,862.8	4,214.3	4,593.6
- growth (%)	-2.6	-0.4	4.9	9.0	9.1	9.0
Loans	7,618.5	8,707.8	9,535.1	10,488.6	11,579.5	12,818.5
- growth (%)	15.3	14.3	9.5	10.0	10.4	10.7
Fixed Assets	88.3	92.2	97.8	101.7	106.8	112.1
Other Assets	586.3	547.5	508.5	514.6	540.6	553.7
Total Assets	12,807.5	13,919.6	14,998.6	16,317.1	17,866.5	19,601.9

Asset Quality

GNPA	609.9	431.0	353.5	341.7	346.8	361.5
NNPA	133.6	93.1	61.3	59.6	65.8	68.1
Slippages	125.2	118.8	120.7	140.2	158.9	170.8
GNPA Ratio (%)	7.53	4.76	3.60	3.17	2.92	2.76
NNPA Ratio (%)	1.75	1.07	0.64	0.57	0.57	0.53
Slippage Ratio (%)	1.76	1.45	1.32	1.40	1.44	1.40
Credit Cost (%)	1.87	0.83	0.83	0.65	0.66	0.73
PCR (Excl Tech. write off) (%)	78.1	78.4	82.6	82.6	81.0	81.2

E: MOFSL Estimates

Financials and valuations- Union bank

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	6.9	7.9	7.8	7.2	7.2	7.1
Avg. Yield on loans	8.0	8.8	8.7	8.1	8.0	8.0
Avg. Yield on Investments	6.3	6.7	6.8	6.7	6.6	6.6
Avg. Cost-Int. Bear. Liab.	4.3	5.2	5.5	5.1	5.0	4.9
Avg. Cost of Deposits	4.1	5.0	5.2	5.1	4.9	4.8
Interest Spread	2.6	2.6	2.3	2.1	2.2	2.3
Net Interest Margin	2.8	2.9	2.7	2.5	2.6	2.7
Capitalisation Ratios (%)						
CAR	16.0	17.0	18.0	17.4	17.2	17.1
Tier I	13.9	15.0	16.3	15.6	15.7	15.7
CET-1	12.4	13.7	15.0	14.2	14.2	14.3
Tier II	2.1	2.0	1.8	1.8	1.6	1.4
Business and Efficiency Ratios (%)						
Loans/Deposit Ratio	68.2	71.3	72.8	74.1	74.8	75.6
CASA Ratio	35.3	33.6	32.6	34.3	34.3	34.3
Cost/Assets	1.7	1.8	1.7	1.7	1.7	1.7
Cost/Total Income	46.3	46.4	45.5	49.0	47.8	46.7
Cost/ Core Income	-2.1	-1.3	-0.8	-1.0	-1.0	-0.9
Int. Expense/Int.Income	59.4	63.3	65.5	65.4	63.7	62.4
Fee Income/Total Income	28.6	26.9	29.0	28.4	26.9	25.8
Non Int. Inc.Total Income	30.9	30.5	34.7	33.3	32.0	31.3
Empl. Cost/Total Expense	56.5	58.8	56.6	57.2	57.3	57.2
Efficiency Ratios (%)						
Employee per branch (in nos)	8.8	9.0	8.6	9.0	9.0	9.0
Staff cost per employee (INR m)	1.6	1.9	2.0	2.0	2.2	2.4
CASA per branch (INR m)	459.4	484.6	494.5	562.5	608.7	659.9
Deposits per branch (INR m)	1,303.2	1,443.2	1,519.3	1,639.9	1,774.6	1,924.0
Business per Employee (INR m)	248.6	275.8	306.3	318.5	346.1	377.0
Profit per Employee (INR m)	1.1	1.8	2.4	2.1	2.4	2.7
Profitability Ratios and Valuation (%)						
RoE	12.2	16.7	18.1	14.6	14.8	14.8
RoA	0.7	1.0	1.2	1.1	1.1	1.1
RoRWA	1.4	2.0	2.5	2.0	2.1	2.1
Book Value (INR)	110	123	144	160	180	203
- growth (%)	10.3	12.1	17.2	10.9	12.7	13.0
Price-BV (x)	1.3	1.1	1.0	0.9	0.8	0.7
Adjusted BV (INR)	94	112	136	152	171	194
Price-ABV (x)	1.5	1.2	1.0	0.9	0.8	0.7
EPS (INR)	12.3	18.9	23.6	21.7	24.7	27.9
- growth (%)	56.1	52.9	24.9	-8.1	14.2	12.6
Price-Earnings (x)	11.3	7.4	5.9	6.4	5.6	5.0
Dividend Per Share (INR)	3.0	3.6	4.8	4.5	4.5	4.5
Dividend Yield (%)	2.2	2.6	3.4	3.2	3.2	3.2

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: No.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months

- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.