Financials: Banks

Banks	FCNR (B) mobilized (USD b)	Market share of FCNR(B) mobilized
ICICIBC	17.9	13.4%
HSBC	14.5	10.9%
HDFCB	11.5	8.6%
SBIN	10.9	8.2%
AXSB	10.6	8.0%
BOB	8.1	6.1%
CBK	5.8	4.4%
KMB	5.8	4.3%
SCB	5.0	3.8%
IDFCFB	3.6	2.7%
IIB	3.5	2.6%
RBK	3.4	2.6%
PNB	2.7	2.0%
INBK	2.3	1.7%
UNBK	2.3	1.7%
BOI	2.2	1.7%
YES	1.9	1.5%
FB	1.6	1.2%
IOB	1.2	0.9%
CBOI	0.9	0.7%
BOMH	0.8	0.6%
CUBK	0.7	0.5%
AUBANK	0.2	0.2%
DCBB	0.2	0.1%
EQUITASB	0.1	0.1%
KVB	0.1	0.1%

FCNR-B boosts business growth; EPS expansion to follow

Estimate ~16% credit growth for FY27; NIMs to witness broad-based recovery from 4Q

- **Banks garnered USD133b in FCNR(B) inflows, topping Street estimates and supporting 2QFY27 business growth. ICICIBC captured the highest market share (13.4%) in FCNR(B) deposits, while RBK was the highest in terms of deposits mobilized as a % of outstanding deposits at 26%. PSBs mobilized a relatively lower proportion of their FCNR(B) deposits, ranging between 2% and 5% of their outstanding deposit base.**
- **KMB and RBK have the lowest leverage against their FCNR(B) deposits, offering scope for higher earnings accretion through deployment into higher-yielding assets. In contrast, most PSBs, including YES and IDFCFB, have self-leveraged 70–86% of their FCNR(B) deposits. At an aggregate level, leverage against FCNR(B) deposits stood at ~58%.**
- **For banks that disclosed FCNR(B) flows, credit growth (excluding FCNR(B) loans) stood at 18% YoY/4% QoQ in 2QFY27, while deposit growth (excluding FCNR(B) deposits) stood at 12% YoY/2.5% QoQ. At an aggregate level, the effective C/D ratio for these banks, excluding leverage against FCNR(B) deposits, stood at 83.7% (vs the reported C/D ratio of 85.5%). Further excluding CRR/SLR requirements on FCNR(B) deposits, the effective C/D ratio stood at 82.9%.**
- **Private banks witnessed higher NIM moderation, reflecting a larger proportion of deposits mobilized alongside higher leverage. KMB, IDFCFB, and EQUITASB reported significant NIM contraction of 22bp, 38bp, and 55bp, respectively. In contrast, PSBs witnessed a positive impact on margins.**
- **We estimate banks to deliver healthy earnings from 4Q onwards, as surplus liquidity gets deployed and the benefits of rate transmission provide a further boost to revenue growth. PNB, KMB, INBK, and RBK have relatively higher liquidity on their balance sheets compared to peers.**
- **We remain buoyant on systemic credit growth and estimate 16.5% YoY growth for FY27, factoring in huge FCNR(B) inflows. We expect the banking sector earnings to rebound with ~17% CAGR over FY26-28, fueled by ~17% CAGR in NII. Private banks, with an anticipated earnings CAGR of ~22%, are likely to outperform PSU banks, which are expected to report ~11% earnings CAGR. Top ideas: ICICIBC, HDFCB, KMB, AUBANK, and SBIN.**

ICICIBC captures 13% market share; RBK mobilizes the highest deposits as a proportion of its outstanding deposit base

- The RBI's special FCNR(B) window (available from 8th Jun'26 to 31st Aug'26), garnered FCNR(B) deposits of USD133 for a period of 3–5 years. The RBI bore the entire hedging cost, while banks were exempted from CRR and SLR requirements on these deposits, making the window particularly attractive for banks.
- ICICIBC captured the highest market share (13.4%) among FCNR(B) deposits, followed by HSBC/HDFC/SBIN/AXSB at 10.9%/8.6%/8.2%/ 8.0%, respectively. Large and select mid-sized private banks garnered a higher proportion of their overall deposits, ranging from 3% to 26%. RBK garnered the highest proportion at 26%, capturing a 2.6% share of FCNR(B) deposits market, compared to 0.5% share of the overall deposits market. IDFCFB, KMB, and ICICIBC were among the other banks that captured a materially higher share of FCNR(B) deposits, compared to their overall deposits market share.
- PSBs mobilized relatively lower proportion of their overall deposits in the FCNR(B) scheme, ranging from 2% to 5% of the overall deposit base.

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KMB and RBK stand out with lower leverage; industry average at 58%

- The economics of FCNR(B) are highly sensitive to the leverage assumed by banks. Higher leverage increases the quantum of INR liquidity generated but also raises the incremental funding burden, given thin margins on the leveraged book. KMB and RBK have taken the lowest leverage among banks, limiting the NIM drag and creating scope for accretion if the funds are deployed at higher-yielding assets. Most PSBs, such as YES and IDFCFB, have self-leveraged 70%-86% of FCNR(B) deposits, potentially being more NIM dilutive compared to peers.
- Few banks like AXSB, KMB, IIB, IDFCFB, and EQUITASB explicitly called out the NIM drag from FCNR(B) deposits in 2Q, estimated at 11bp, 12bp, 4bp, 16bp, and 34bp, respectively. This NIM drag is expected to be recovered in 3Q and 4Q as surplus liquidity is deployed.

Effective CD ratio (excluding leverage and SLR/CRR) lower

The loan and deposit growth of banks that disclosed their FCNR(B) inflows during the quarter stands at 20.2% YoY/6.5% QoQ and 15.9% YoY/6.0% QoQ, respectively. Excluding the FCNR(B) deposits and the leverage provided against the same, loan growth remained healthy at 17.7% YoY/4.3% QoQ, with deposit growth at 12.0% YoY/2.5% QoQ. Thus, FCNR(B) inflows have significantly boosted deposit growth across the banking system, improving banks' lending capacity. At an aggregrate level, the effective C/D ratio for these banks, excluding leverage against FCNR(B) deposits, stood at 83.7% (vs the reported C/D ratio of 85.5%. Further, excluding CRR/SLR requirements on FCNR(B) deposits, the effective CD ratio stood at 82.9%.

NIMs contract for private banks; positive impact for PSBs

NIMs for private banks under our coverage declined 9-55bp QoQ, largely reflecting the impact of surplus liquidity on balance sheets, driven by a higher proportion of deposits getting mobilized and greater leverage against these deposits. KMB witnessed the sharpest contraction among large private banks at 22bp, while HDFCB, ICICIBC (adj. NIM), and AXSB reported only a 10bp contraction. IDFCFB and EQUITASB witnessed significant contraction of 38bp and 55bp, respectively, among mid-sized banks. FB witnessed a neutral impact owing to a lower proportion of FCNR(B) deposits mobilized, while RBK witnessed NIM accretion, aided by the full benefit of capital infusion from Emirates NBD. PSBs witnessed a positive impact on NIMs, given the lower proportion of deposits mobilized and the utilization of a large part of these deposits to repay high-cost borrowings.

Deployment of surplus liquidity to drive earnings reflation

While FCNR(B) deposits are likely to remain NIM-dilutive through 3Q, we expect earnings accretion from 4Q onwards as surplus liquidity on balance sheets is progressively deployed into higher-yielding lending assets from the investments and cash book. The shift in balance sheet mix, along with repo-rate hike, is likely to drive earnings boost for the banking sector. Private banks are better placed compared to PSBs, given the higher surplus liquidity from FCNR(B) deposits and higher repo-linked loan book. We built in an NII CAGR of 17% for FY26-FY28 for our banking universe, with private banks expected to grow at 18% and 16%.

Prefer ICICIBC, HDFCB, KMB, AUBANK, and SBIN

- We have raised our credit growth to 17% for FY27, supported by FCNR(B) deposits, broad-based credit growth trends, and positive commentary from bank managements following 2QFY27 results.

- While FCNR(B) deposit mobilization has dragged NIMs in the near term, it is expected to remain earnings-accretive for banks over the medium term as surplus liquidity is deployed alongside the benefit of non-maintenance of SLR and CRR.
- We have raised our FY27 credit growth estimates to 16.5% for our banking coverage universe, driven by strong FCNR(B) mobilization, with PSBs expected to grow at 18% YoY and private banks at 14% YoY.
- We expect the banking sector's earnings to rebound with ~17% CAGR over FY26-28, fueled by ~17% CAGR in NII. Private banks, with an anticipated earnings CAGR of ~22%, are likely to outperform PSU banks, which are expected to have an earnings CAGR of ~11%. **Our top ideas are ICICIBC, HDFCB, KMB, AUBANK, and SBIN.**

Exhibit 1: Total forex inflows under swap facility introduced by the RBI

USD (mn)	17-Jul-26	31-Jun-26	13-Aug-26	21-Aug-26	31-Aug-26
FCNR (B) Deposits	17,406	36,725	52,300	65,397	1,32,980
OFCB	1,970	2,575	2,805	4,860	5,320
ECB	1,342	1,516	1,741	2,591	5,296
Total	**20,718**	**40,816**	**56,846**	**72,848**	**1,43,596**

Source: RBI, MOFSL

Private banks and foreign banks captured the larger part of FCNR(B) flows, while PSBs captured a relatively lower share.

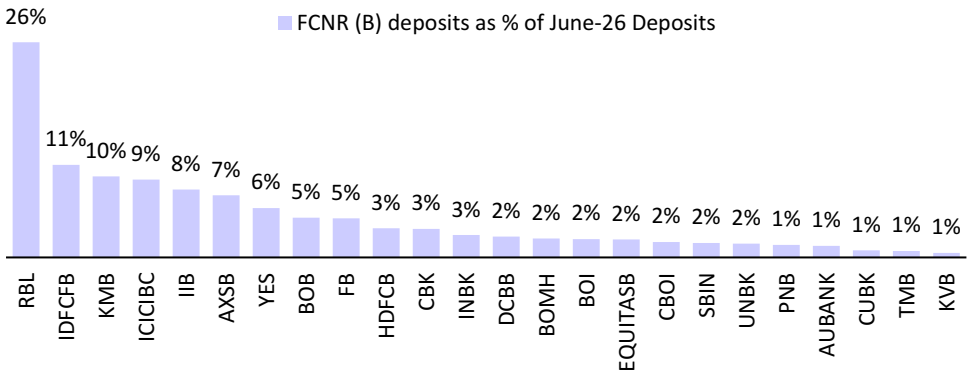
Exhibit 2: Bank-wise FCNR(B) deposits mobilized – ICICIBC grabbing the highest share

Banks	FCNR (B) mobilized (INR b)	FCNR (B) mobilized (USD b)	Market share of FCNR(B) mobilized
ICICIBC	1,702	17.9	13.4%
HSBC	1,378	14.5	10.9%
HDFCB	1,103	11.5	8.6%
SBIN	1,021	10.9	8.2%
AXSB	1,018	10.6	8.0%
BOB	773	8.1	6.1%
CBK	550	5.8	4.4%
KMB	553	5.8	4.3%
SCB	474	5.0	3.8%
IDFCFB	344	3.6	2.7%
IIB	336	3.5	2.6%
RBK	320	3.4	2.6%
PNB	256	2.7	2.0%
INBK	225	2.3	1.7%
UNBK	214	2.3	1.7%
BOI	210	2.2	1.7%
YES	186	1.9	1.5%
FB	149	1.6	1.2%
IOB	114	1.2	0.9%
CBOI	88	0.9	0.7%
BOMH	78	0.8	0.6%
CUBK	66	0.7	0.5%
AUBANK	22	0.2	0.2%
DCBB	18	0.2	0.1%
EQUITASB	10	0.1	0.1%
KVB	7	0.1	0.1%
TMB	5	0.1	0.0%
SIB	0	0.0	0.0%
Total reported SCBs	**11,221**	**118**	
Total Industry		**133**	
Coverage		**88.4%**	

Source: Company, MOFSL

RBK garnered the highest proportion of FCNR(B) deposits as a % of its deposit base, supported by its partnership with Emirates NBD.

Exhibit 3: FCNR(B) deposits as a % of Jun'26 deposits



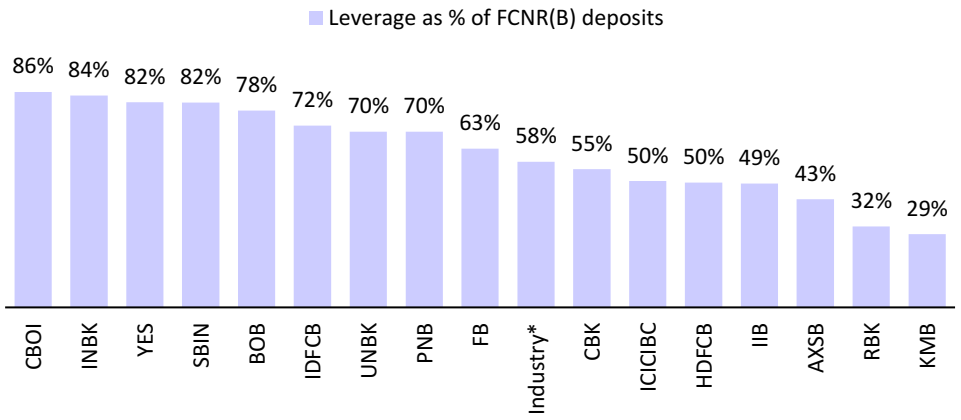
Source: Company, MOFSL

Exhibit 4: RBK, ICICIBC, AXSB, and KMB garnered significantly higher FCNR(B) deposits compared to deposit market share

Banks	FCNR(B) Deposits Market Share (A)	Deposit Market Share as on Sep'26 (B)	Delta (A-B)
ICICIBC	13.5%	7.2%	623
AXSB	8.0%	5.1%	287
KMB	4.3%	2.3%	205
RBK	2.6%	0.6%	201
IDFCB	2.7%	1.2%	148
IIB	2.6%	1.5%	113
CUBK	0.5%	0.3%	22
YES	1.5%	1.2%	21
FB	1.2%	1.2%	-3
BOB	6.1%	6.1%	-7
EQUITASB	0.1%	0.2%	-10
DCBB	0.1%	0.3%	-12
TMB	0.0%	0.2%	-21
KVB	0.1%	0.5%	-40
AUBANK	0.2%	0.6%	-43
SIB	0.0%	0.5%	-48
IOB	0.9%	1.4%	-53
BANDHAN	0.0%	0.6%	-61
BOMH	0.6%	1.3%	-71
CBOI	0.7%	1.8%	-109
INBK	1.7%	3.1%	-135
CBK	4.4%	6.0%	-162
BOI	1.7%	3.7%	-200
UNBK	1.7%	4.6%	-295
HDFCB	8.6%	11.7%	-307
PNB	2.0%	6.3%	-423
SBIN	8.2%	22.1%	-1391

Source: RBI, MOFSL

Exhibit 5: Leverage as a proportion of FCNR(B) deposits high for PSBs, YES, and IDFCFB



Source: Company, MOFSL; Note: The industry is an aggregate of banks that have disclosed FCNR(B) flows

Exhibit 6: Business growth of banks with and without FCNR(B) deposits and leverage against the same

Banks	Deposits	YoY (%)	QoQ	Deposits ex FCNR (B) (cal.)	YoY (Ex)	QoQ (Ex)	Advances	YoY	QoQ	Advances Ex. leverage provided (cal.)	YoY (Ex)	QoQ (Ex)
HDFCB	33,274	18.8	4.9	32,171	14.8	1.5	31,956	16.4	5.2	31,408	14.4	3.4
ICICIBC	20,499	27.1	11.8	18,797	17.0	3.1	18,316	30.0	12.3	17,460	24.1	7.3
AXSB	14,521	20.7	5.8	14,083	17.0	2.6	13,737	23.0	8.9	13,300	19.1	5.4
KMB	6,515	23.2	13.7	5,961	12.7	4.1	5,773	24.8	12.7	5,612	21.3	9.6
IIB	4,288	10.1	3.4	3,952	1.4	-4.7	3,631	11.4	11.3	3,465	6.3	6.2
FB	3,427	18.6	7.1	3,278	13.4	2.4	2,982	21.9	7.5	2,888	18.0	4.1
AUBANK	1,705	28.6	8.1	1,683	27.0	6.7	1,485	28.4	7.1	1,485	22.2	7.1
EQUITASB	525	19.0	7.2	514	16.7	5.0	468	28.6	4.5	468	28.6	4.5
RBL	1,563	33.9	25.2	1,243	28.1	-0.4	1,423	41.6	22.4	1,320	31.3	13.6
IDFCFB	3,486	25.9	11.8	3,142	13.5	0.7	3,356	28.8	12.7	3,108	19.2	4.3
BANDHAN	1,727	9.2	4.7	1,727	9.2	4.7	1,546	10.4	-0.6	1,546	10.4	-0.6
DCBB	768	18.6	3.2	750	15.8	0.7	641	21.1	7.0	641	21.1	7.0
YES	3,540	19.5	12.5	3,354	13.2	6.4	3,095	23.7	8.6	2,943	17.6	3.2
CUBK	839	20.7	5.7	832	19.8	4.9	717	26.6	7.3	717	26.6	7.3
KVB	1,281	16.0	4.5	1,274	15.3	4.0	1,110	20.4	6.6	1,110	20.4	6.6
SIB	1,373	18.7	9.1	1,373	18.7	9.1	1,084	20.2	4.9	1,084	20.2	4.9
TMB	695	25.5	8.0	691	24.6	7.2	604	29.7	5.9	604	29.7	5.9
SBIN	62,779	12.3	4.5	61,746	10.4	2.8	51,543	18.2	3.3	51,534	18.2	3.2
BOB	17,454	16.4	6.8	16,682	11.2	2.1	14,910	18.5	6.8	14,305	13.7	2.5
CBK	16,973	13.1	5.3	16,423	9.5	1.9	13,608	20.4	6.5	13,305	17.7	4.1
PNB	17,772	9.9	3.0	17,517	8.3	1.6	13,105	15.6	5.6	12,926	14.0	4.1
UNBK	13,195	6.9	2.8	12,981	5.1	1.1	11,327	19.4	5.6	11,178	17.9	4.2
INBK	8,740	12.5	3.5	8,516	9.6	0.8	7,114	17.5	5.7	6,924	14.4	2.9
CBOI	5,085	14.4	6.2	4,997	12.4	4.3	3,731	30.4	7.6	3,655	27.8	5.4
BOMH	3,764	21.5	9.3	3,686	19.0	7.0	3,256	30.2	7.9	3,203	28.0	6.1
BOI	10,375	21.6	8.3	10,165	19.1	6.1	8,450	21.5	7.3	8,240	18.4	4.7
Total	**2,56,164**	**15.9**	**6.0**	**2,47,537**	**12.0**	**2.5**	**2,18,969**	**20.2**	**6.5**	**2,14,429**	**17.7**	**4.3**

Source: Company, MOFSL

Exhibit 7: NIMs contracted for private banks, while PSBs witnessed an NIM uptick

NIM (%)	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	QoQ change (bp)	YoY change (bp)
AXSB	3.80	3.73	3.64	3.62	3.46	3.36	-10	-37
DCBB	3.20	3.23	3.27	3.39	3.35	3.25	-10	2
HDFCB	3.35	3.27	3.35	3.38	3.26	3.16	-10	-11
ICICIBC	4.34	4.30	4.30	4.32	4.36	4.18	-18	-12
IIB	3.46	3.32	3.52	3.39	3.57	3.23	-34	-9
KMB	4.65	4.54	4.54	4.67	4.53	4.31	-22	-23
FB	2.94	3.06	3.18	3.74	3.33	3.32	-1	26
RBK	4.50	4.51	4.63	4.41	4.13	4.61	48	10
BANDHAN	6.40	5.80	5.90	6.20	6.20	6.10	-10	30
AUBANK	5.40	5.50	5.70	5.96	5.90	5.81	-9	31
IDFCFB	5.71	5.59	5.76	5.93	5.96	5.58	-38	-1
EQUITASB	6.37	6.34	6.75	7.36	7.24	6.69	-55	35
BOB	2.91	2.96	2.79	2.89	2.77	2.74	-3	-22
CBK	2.55	2.50	2.45	2.54	2.52	2.55	3	5
INBK	3.23	3.23	3.28	3.23	3.29	3.31	2	8
PNB	2.70	2.60	2.52	2.47	2.50	2.58	8	-2
SBIN	2.90	2.97	2.98	2.81	2.86	2.94	8	-3
UNBK	2.76	2.67	2.76	2.64	2.80	2.86	6	19

Source: MOFSL, Company

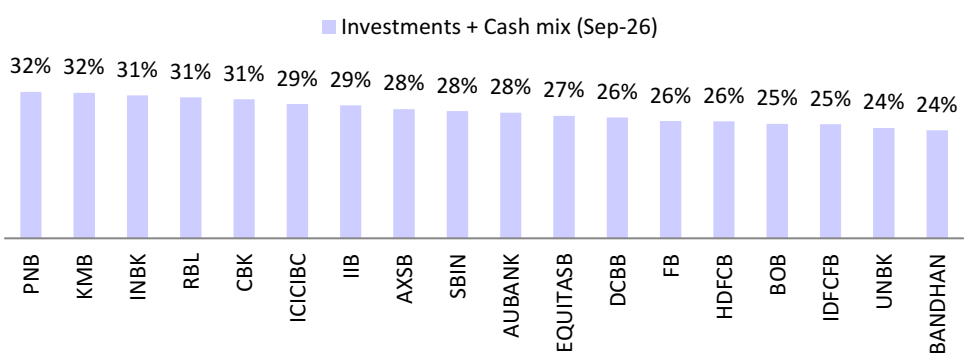
Exhibit 8: Bank-wise LCR rose for a few banks with surplus liquidity

NIM (%)	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	QoQ change (bp)	YoY change (bp)
AXSB	119.3	119.0	116.4	117.0	119.0	119.2	19	15
DCB	126.4	123.2	133.8	122.6	130.1	134.2	409	1,098
HDFCB	123.8	119.7	116.0	114.0	115.0	113.0	-200	-672
ICICIBC	127.3	125.4	125.0	126.0	122.2	123.8	160	-165
IIB	141.3	132.1	121.9	118.0	127.0	127.0	-	-508
KMB	138.4	132.2	134.8	134.4	143.8	137.4	-636	524
FB	132.5	129.9	123.9	119.9	117.2	119.8	261	-1,010
RBK	151.6	127.0	125.0	130.2	132.9	148.0	1,506	2,102
BANDHAN	200.1	168.3	161.1	136.3	134.2	136.4	223	-3,187
AUBANK	123.0	119.0	118.0	119.0	119.0	116.0	-300	-300
IDFCFB	117.7	115.0	115.2	114.0	116.0	125.0	900	998
EQUITASB	179.6	170.9	137.0	138.5	143.0	183.0	4,003	1,214
CBK	144.2	132.3	126.1	116.9	115.3	115.0	-25	-1,730
INBK	137.4	129.4	127.2	123.0	127.2	116.0	-1,118	-1,337
PNB	147.7	141.7	130.2	125.8	141.4	141.5	12	-20
SBIN	137.9	143.1	137.8	124.3	126.1	140.7	1,465	-238
UNBK	131.7	127.3	123.6	113.8	121.3	120.0	-130	-733

Source: MOFSL, Company

Banks are currently holding surplus liquidity on their balance sheets.

Exhibit 9: Investments + Cash as % of total assets high for PNB, KMB, INBK, and RBL



Source: Company, MOFSL

Effective CD ratio, excluding

Exhibit 10: C/D ratio excluding the FCNR(B) impact would have been more elevated

Banks	Reported C/D ratio	Effective C/D ratio (1)**	Effective C/D ratio (2)**
HDFCB	96.0	94.4	93.6
ICICIBC	89.4	85.2	83.3
AXSB	94.6	91.6	90.0
KMB	88.6	86.1	84.2
IIB	84.7	80.8	79.0
FB	87.0	84.3	83.3
AUBANK	87.1	87.1	86.8
EQUITASB	89.1	89.1	88.6
RBK	91.1	84.5	79.8
IDFCFB	96.3	89.1	86.9
DCBB	83.5	83.5	82.9
YES	87.4	83.1	81.9
CUBK	85.5	85.5	85.3
KVB	86.6	86.6	86.5
SIB	79.0	79.0	79.0
TMB	86.9	86.9	86.7
SBIN	82.1	82.1	81.7
BOB	85.4	82.0	80.9
CBK	80.2	78.4	77.6
PNB	73.7	72.7	72.4
UNBK	85.8	84.7	84.3
INBK	81.4	79.2	78.6
CBOI	73.4	71.9	71.5
BOMH	86.5	85.1	84.6
BOI	81.4	79.4	79.0
Total	**85.5**	**83.7**	**82.9**

Source: Company, MOFSL; **Note: CD ratio 1 excludes leverage on FCNR(B) deposits; CD ratio 2 excludes leverage and CRR and SLR on FCNR(B) deposits

Exhibit 11: MOFSL banking coverage: Expect credit growth of 16.5% in FY27 for our coverage universe, with private banks to grow at 19.2% YoY and PSBs at 14.6% YoY

Advances (INRb)	Loan book				YoY	YoY	YoY	YoY
	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Pvt banks								
AXSB	10,408	12,336	14,729	17,159	7.8	18.5	19.4	16.5
BANDHAN	1,320	1,501	1,711	1,987	9	13.7	14.0	16.1
DCBB	510	600	710	841	24.7	17.6	18.3	18.5
HDFCB	26,196	29,372	33,719	38,911	5.4	12.1	14.8	15.4
ICICIBC	13,418	15,539	19,237	22,604	13.3	15.8	23.8	17.5
IDFCFB	2,331	2,804	3,544	4,246	19.8	20.3	26.4	19.8
IIB	3,450	3,159	3,768	4,386	0.5	-8.4	19.3	16.4
KMB	4,269	4,960	6,185	7,299	13.5	16.2	24.7	18
FB	2,348	2,646	3,149	3,690	12.1	12.7	19.0	17.2
RBK	926	1,142	1,462	1,828	10.3	23.3	28.0	25
AUBANK	1,071	1,343	1,680	2,091	46.4	25.4	25.1	24.5
EQUITASB	362	428	509	607	16.9	18.1	18.9	19.4
Pvt Banks YoY (%)					**9.1**	**13.8**	**19.2**	**16.9**
PSU Banks								
BOB	12,096	14,091	16,233	18,343	13.5	16.5	15.2	13.0
CBK	10,492	12,200	14,116	15,908	12.6	12.6	15.7	12.7
INBK	5,711	6,549	7,505	8,496	10.9	14.7	14.6	13.2
PNB	10,775	12,253	13,907	15,645	15.3	13.7	13.5	12.5
SBIN	41,633	48,779	55,803	63,337	12.4	17.2	14.4	13.5
UNBK	9,535	10,533	12,081	13,591	9.5	10.5	14.7	12.5
PSU Banks YoY (%)					**12.5**	**15.3**	**14.6**	**13.1**
Total Banks YoY (%)					**11**	**14.7**	**16.5**	**14.7**

Source: Company, MOFSL

Exhibit 12: Estimate earnings CAGR of 16.7% over FY26-28, with PVBs at ~21.8% and PSBs at ~11.0% CAGR, against the BBG consensus estimates of 20.4% and 9.9%

INR b	Earnings Estimates				Growth YoY (%)			Consensus YoY%	
	FY25	FY26	FY27E	FY28E	FY26E	FY27E	FY28E	FY27E	FY28E
Private Banks									
AXSB	263.7	244.6	299.7	380.9	-7	22.5	27.1	23.1	21.0
BANDHAN	27.5	12.2	25.7	31.9	-55	109.7	24.3	109.7	22.7
DCBB	6.2	7.3	9.8	12.0	19	34.0	22.9	27.6	20.7
HDFCB	673.5	746.7	821.5	929.2	11	10.0	13.1	9.1	16.3
ICICIBC	472.3	501.5	613.6	736.2	6	22.4	20.0	19.9	17.7
IDFCFB	15.2	16.4	45.0	60.8	7	174.9	35.1	164.3	38.0
IIB	25.8	8.9	44.5	70.9	-65	400.5	59.3	413.5	37.1
KMB	164.5	140.1	179.4	215.9	8	28.1	20.3	24.3	18.7
FB	40.5	40.5	55.1	67.3	2	35.8	22.2	33.5	22.0
RBK	7.0	8.2	22.5	39.1	18	173.6	73.5	149.0	54.5
AUBANK	21.1	26.4	36.8	47.3	25	39.5	28.4	34.8	25.3
EQUITASB	1.5	1.0	8.3	10.5	-30	709.6	25.7	684.4	26.3
Total Pvt	**1,718.6**	**1,753.8**	**2,161.9**	**2,601.9**	**4.2**	**23.3**	**20.4**	**21.6**	**19.2**
PSU Banks									
BOB	195.8	200.2	204.7	236.1	2	2.3	15.3	-1.7	17.5
CBK	170.3	191.9	212.2	232.0	13	10.6	9.3	4.5	9.1
INBK	109.2	121.6	143.7	165.0	11	18.2	14.8	14.1	11.7
PNB	166.3	169.0	219.0	251.4	2	29.6	14.8	23.0	2.9
SBIN	709.0	800.3	870.0	933.9	13	8.7	7.3	9.8	11.3
UNBK	179.9	187.0	217.0	239.0	4	16.1	10.1	12.5	4.6
Total PSU	**1,530.4**	**1,670.0**	**1,866.6**	**2,057.4**	**9.1**	**11.8**	**10.2**	**9.8**	**10.0**
Total Banks	**3,249.0**	**3,424.4**	**4,028.5**	**4,659.3**	**6.6**	**17.7**	**15.7**	**15.8**	**15.0**

Source: Company, MOFSL

Exhibit 13: Banks: Valuation matrix

Val summary	Rating	CMP (INR)	Mkt. Cap (INRb)	TP (INR)	Upside (%)	RoA (%)			RoE (%)			P/E (x)			P/ABV (x)		
						FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Private Banks																	
ICICIBC*	Buy	1,585	10,937	1,750	10	2.2	2.3	2.4	16.1	17.1	17.6	18.8	15.4	12.8	3.1	2.6	2.2
HDFCB*	Buy	796	12,078	925	16	1.8	1.8	1.7	14.2	13.9	14.1	13.8	12.6	11.1	1.9	1.7	1.5
AXSB*	Neutral	1,311	4,088	1,475	13	1.4	1.5	1.6	12.7	13.6	15.1	14.8	12.1	9.5	1.9	1.6	1.4
BANDHAN	Neutral	168	266	175	4	0.6	1.1	1.2	4.9	9.8	11.4	22.2	10.6	8.5	1.1	1.0	1.0
KMB*	Buy	480	4,774	500	4	1.9	2.1	2.1	11.1	12.5	13.2	23.1	18.0	15.0	2.5	2.2	1.9
IIB	Neutral	890	703	1,050	18	0.2	0.8	1.1	1.4	6.6	9.8	78.0	15.6	9.8	1.1	1.0	0.9
FB	Buy	344	831	385	12	1.1	1.3	1.4	11.2	12.4	12.7	20.8	16.2	14.0	2.3	1.9	1.7
DCBB	Buy	211	67	245	16	0.9	1.0	1.1	12.7	14.8	15.8	9.3	6.9	5.6	1.1	1.0	0.8
IDFCFB	Buy	78	665	100	29	0.4	1.0	1.1	3.9	9.2	11.4	37.8	14.8	11.0	1.5	1.4	1.2
EQUITASB	Buy	56	64	75	34	0.2	1.3	1.3	1.7	13.0	14.8	62.1	7.7	6.1	1.1	1.0	0.9
AUBANK	Buy	928	699	1,275	37	1.5	1.7	1.8	14.4	17.2	18.5	26.2	18.9	14.7	3.6	3.1	2.6
RBK	Buy	377	586	485	29	0.5	1.1	1.5	5.2	7.3	8.5	28.3	25.9	14.9	1.4	1.3	1.2
PSU Banks																	
SBIN*	Buy	1,041	9,385	1,225	18	1.1	1.1	1.0	17.3	16.0	15.2	8.6	8.1	7.5	1.4	1.2	1.1
PNB*	Buy	132	1,445	140	6	0.9	1.0	1.1	13.5	15.5	15.7	9.0	6.9	6.0	1.1	1.0	0.8
BOB	Neutral	260	1,293	270	4	1.1	1.0	1.0	14.7	13.7	14.6	6.7	6.6	5.7	1.0	0.9	0.8
CBK	Buy	128	1,118	160	25	1.1	1.1	1.0	19.1	18.9	18.9	6.1	5.5	5.0	1.0	0.9	0.8
UNBK	Neutral	197	1,422	200	2	1.2	1.3	1.3	16.3	16.5	15.8	8.0	6.9	6.3	1.2	1.1	0.9
INBK	Buy	933	1,208	1,025	10	1.3	1.4	1.4	18.1	18.8	18.7	10.3	8.7	7.6	1.7	1.5	1.3
Payments & Fintech																	
SBI Cards	Neutral	588	560	625	6	3.3	4.3	4.5	14.7	18.0	18.4	25.8	18.1	15.0	3.7	3.1	2.6
						PAT (INRb)			RoA (%)			RoE (%)			P/Sales (x)		
One 97 Comm.	Neutral	1,785	1,142	1,850	4	5.5	10.4	26.5	3.3	4.2	10.1	4.8	6.4	15.4	13.5	10.8	7.7
Pine Labs	Buy	162	187	235	45	1.1	2.3	5.6	0.9	1.7	3.7	2.4	3.8	8.9	6.6	5.3	4.2

*Adjusted for subsidiaries; Source: Company, MOFSL

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