

Financials: Banks and Insurance

Result Preview



2QFY22 earnings estimate (INR b)

PAT (INR b)	2Q FY22E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	2.20	-31.7	8.3
AXSB	27.63	64.2	27.9
BANDHAN	3.98	-56.7	6.7
DCBB	0.59	-28.1	75.3
EQUITAS	0.53	-48.9	340.9
FB	3.76	22.1	2.3
HDFCB	88.88	18.3	15.0
ICICIBC	50.41	18.6	9.2
IIB	10.73	61.9	5.7
KMB	18.15	-16.9	10.5
RBK	0.74	-48.9	NM
Private Total	207.59	14.2	17.3
PSU Banks			
BOB	9.79	-41.7	-19.0
INBK	7.97	93.3	-32.6
PNB	10.10	62.8	-1.3
SBIN	66.32	45.0	2.0
UNBK	11.02	113.3	-6.7
PSU Total	105.20	34.8	-5.2
Banks Total	312.80	20.4	8.6
Other Financials			
SBICARD	3.97	92.3	30.2
Life Insurance			
HDFCLIFE	3.42	4.9	13.2
IPRULIFE	1.50	-50.5	NM
SBILIFE	3.43	14.5	53.8
MAXF	1.34	416.2	74.3
Life Total	9.70	1.5	132.7

Earnings momentum gaining traction

Slippage/Restructuring to remain elevated; credit costs to stay in check

- Gradual recovery in business momentum:** The outlook for business recovery has improved since Jun'21, led by an uptick in economic activity and the rising pace of vaccinations. Most sub-segments within Retail and SME are showing healthy signs of revival, with strong demand in the Home, Vehicle, 2W, Tractor, and Small Business segments. On the other hand, CV, MFI, and Unsecured Loans business continue to trail below normalized levels. The Credit Cards business is also seeing strong momentum, with spends higher v/s Mar'21 levels. Conversely, corporate trends remain muted with higher un-utilized limits, and we expect private capex to take time to revive. **We estimate systemic loans to grow 6.6%/11.8% for FY22E/FY23E. We estimate our Banking Coverage Universe to deliver ~8%/20% PPOP/PAT growth in 2QFY22E.**
- Earnings momentum gaining traction:** Our earnings estimates and quarterly projections suggest 2HFY22 is likely to see higher earnings traction. **We note that 57% of the FY22E earnings are likely to be reported over 2HFY22 (v/s 43% over 1HFY22).** Furthermore, this momentum is likely to continue over FY23 – as we project Private/PSU banks to report earnings growth of 31%/42% in FY23E. **Overall, our Banking Coverage Universe is likely to report earnings growth of 35% in FY23E, after reporting strong growth of 41% over FY22E.**
- Slippage/Restructuring to remain elevated though decline QoQ:** We estimate slippages would remain elevated, led by the Retail and SME segment; however, the quantum is likely to moderate, keeping asset quality in check – barring mid-sized banks, which could see marginal deterioration. **Corporate slippages could see an uptick due to the downgrade of SREI Infra which is likely to get offset by the recoveries from DHFL resolution (Refer Exhibit 9 and 10).** Moreover, restructuring is likely to increase, led by the Vehicle and MFI segments, while the Corporate segment would remain resilient. Provisions would remain mixed, with some banks such as IIB and AXSB looking to continue to build up their provision buffers. On the contrary, ICICIBC may further utilize some amount of its buffer as slippage trends subside. Others are likely to maintain their provision buffers given the persisting fear around a potential third wave.
- Private Banks – PPOP growth modest; earnings to post healthy recovery:** We estimate private banks to report PPOP growth of ~9% YoY (3.8% QoQ) and PAT growth of ~14% YoY (17.3% QoQ). Earnings are likely to pick up, led by recovery in business growth / fee income and a gradual reduction in credit costs.
 - Loan growth would pick up,** led by revival in economic activity and the opening up of the economy. Demand going into the festive season and commentary around the FY22 outlook would be key monitorables. Retail and SME segment is likely to show strong recovery; though growth in the Corporate segment is likely to remain soft and recovery within this segment would be another monitorable. **We expect private bank loans to grow 14%/17% over FY22E/FY23E; we estimate ICICIBC to deliver 16.6% YoY loan growth over 2QFY22E and AXSB and KMB to grow ~9% each. HDFCB/IIB reported growth of 15.4%/10.2% YoY (4-5% QoQ) while FB reported growth of 9.7% YoY (3.4% QoQ). RBK is expected to report growth of 3.5% YoY.**

- **Margins to remain in a narrow range**, supported by lower cost of funds. Pick up in loan growth, low cost of funds along with excess liquidity would keep margins in a narrow range. Large banks with strong liability franchises are better placed to tackle margin pressure. **We expect NII growth of ~12% YoY**, with ICICIB coming in at ~20%, IIB at ~13%, HDFCB at ~11.5%, and BANDHAN/AXSB at 8–9%.
- **Deposit traction would remain healthy**, reflecting 9.3% YoY growth for the system, with banks focusing on ramping up retail deposits. Most banks have indicated that rates have bottomed out.
- **We remain watchful of near-term slippage, but optimistic on asset quality over the medium term.** Slippages are likely to remain elevated over 2QFY22, driven by the Retail, SME, and MFI segments – this could keep asset quality under pressure. The restructuring book is also likely to witness an increase. While we remain watchful of slippage over the near term, particularly for mid-sized banks, we remain optimistic on asset quality over the medium term. Overall, we remain watchful of BANDHAN, RBK and DCB.
- **PSBs' performance to improve; opex to increase:** We estimate PSBs to report improved operating performance, supported by modest business growth and a gradual reduction in provisions. Opex is likely to remain elevated on account of the revised guidelines on pension provisions. Slippages from SREI Infra are likely to be offset by recoveries from the DHFL resolution. **PSBs are expected to deliver NII/PPoP growth of ~2%/7% YoY and PAT growth of ~35% YoY.**
- **Small Finance Banks:** We expect AUBANK to report a strong uptick in core PPoP and earnings, led by strong recovery in loan growth (6.7% QoQ) and controlled provisions. EQUITAS is expected to report PPoP/PAT decline of 14%/49% YoY.
- **Life Insurers – Premium growth to pick up; COVID claims to remain elevated:** We expect premium growth to pick up, led by strong recovery in ULIP and robust demand for Annuity/Guaranteed and Credit Life products. Contrarily, supply-side constraints could keep the Protection segment subdued. SBILIFE and IPRU would reflect APE growth of 38–39% YoY and MAXF to see 26% growth. HDFCLIFE would reflect steady growth of 15%. We expect VNB growth of 74% / 38% for SBILIFE/IPRU over 2QFY22E. We further estimate MAXF/HDFCLIFE to report VNB growth of 17% YoY each. COVID claims are likely to remain elevated, on account of delays in reporting, although the impact should be controlled.
- **SBI CARD:** Healthy momentum was seen in credit card spends and new account sourcing over Jul–Aug'21. This strength is likely to persist, aided by the upcoming festive season. Restructuring under RBI RE 2.0 is expected to be far lower as collections have improved, and asset quality should thus remain fairly stable. While we expect credit costs to improve gradually over the next few quarters, margins are likely to remain under pressure due to a low revolve rate.
- **Other monitorables:**
 - **Asset quality outlook and restructuring trends** – Commentary on slippage /restructuring trends, collection efficiency, and provisioning would be the key to assess the overall impact of the 2nd second COVID wave.
 - **Outlook for growth and margins** – Commentary on the growth outlook, amid the festive season, and the outlook for margins would be the key.
 - **Fee income traction / Opex run-rate** – Traction in fee income (given a pickup in the growth environment) and an increase in opex (on high pension provisions) would be other key monitorables.

Our top picks – ICICIB, HDFCB, SBIN, AUBANK and IPRU

ICICIB: Financial Snapshot (INR b)

Y/E March	FY21	FY22E	FY23E
NII	389.9	459.8	546.0
OP	364.0	388.0	465.3
NP	161.9	211.5	268.7
NIM (%)	3.7	3.9	4.0
EPS (INR)	24.2	30.6	38.8
EPS Gr. (%)	97.0	26.4	27.1
ABV/Sh. (INR)	187.3	215.9	254.5
Cons. BV/Sh. INR	227.8	259.4	297.6

Ratios

RoE (%)	12.6	13.7	15.2
RoA (%)	1.4	1.6	1.8

Valuations

P/BV (x) (Cons.)	3.1	2.7	2.4
P/ABV (x)	2.8	2.4	2.1
P/E (x)	21.8	17.2	13.5

*Adj for Investment in subs

HDFCB: Financial Snapshot (INR b)

Y/E March	FY21	FY22E	FY23E
NII	648.8	729.6	878.9
OP	573.6	652.8	795.5
NP	311.2	367.2	445.6
NIM (%)	4.1	4.0	4.2
EPS (INR)	56.6	66.6	80.8
EPS Gr. (%)	17.8	17.7	21.4
BV/Sh. (INR)	369.5	424.8	493.6
ABV/Sh. (INR)	356.8	410.0	475.8

Ratios

RoE (%)	16.6	16.8	17.6
RoA (%)	1.9	2.0	2.0

Valuations

P/E(X)	28.0	23.8	19.6
P/BV (X)	4.3	3.7	3.2
P/ABV (X)	4.4	3.9	3.3

SBIN: Financial Snapshot (INR b)

Y/E March	FY21	FY22E	FY23E
NII	1,107.1	1,201.1	1,382.1
OP	715.5	788.5	934.4
NP	204.1	308.2	412.4
NIM (%)	3.0	2.9	3.0
EPS (INR)	22.9	34.5	46.2
EPS Gr. (%)	40.9	51.0	33.8
ABV (INR)	220.6	252.1	297.6
Cons. BV. INR	294.2	328.8	376.3

Ratios

RoE (%)	9.3	12.6	14.7
RoA (%)	0.5	0.6	0.8

Valuations

P/BV (x) Cons.	1.6	1.4	1.2
P/ABV (x)*	1.2	1.1	0.9
P/E (x)*	11.9	7.9	5.9

*Adj for investment in subs

ICICIB (Buy)

- ICICIB has substantially increased its PCR to ~78% – the highest in the industry – and carries COVID provisions of INR64.5b (~0.9% of loans). Although slippage increased in 1QFY22, led by Retail/SME (similar to peers), we expect it to subside sharply from 2HFY22. ICICIB is well-cushioned, with higher provisions on its balance sheet, and guided for normalization of credit costs from FY22.
- ICICIB continues to see strong growth in retail deposits. It has one of the lowest funding costs among peers, enabling it to underwrite profitable business. The steady mix of (a) a high-yielding book, (b) excess liquidity deployment, and (c) low-cost liability franchise resulted in margin expansion to ~4.0%.
- The retail mix remains healthy with (a) a CASA ratio of ~46%, b) retail contribution to fees of ~78%, and (c) the retail loan mix increasing to ~62%.
- ICICIB appears firmly placed to deliver healthy sustainable growth, led by its focus on core operating performance. We estimate RoA/RoE of 1.8%/15.2% for FY23E. Adjusted for subsidiaries, the standalone bank trades at 2.1x FY23E ABV.

HDFCB (Buy)

- HDFCB has shown robust traction in its corporate book, which has compensated for the softness in retail lending, supporting overall growth; the corporate lending book constitutes 54% of the overall loan book. While the management continues to focus on lending to highly rated corporates, the embargo being lifted from the Credit Cards business would enable healthy revival in retail loans, particularly the Unsecured business.
- We remain watchful of the impact on asset quality, particularly on SME, Agri, and the Unsecured book. Thus, we expect slippage to stay elevated in 2QFY22. The bank holds additional contingency provisions, which would limit the impact on profitability. We estimate credit cost to sustain at ~1.3% for FY22/FY23.
- The strong liability franchise would support margins. Therefore, the bank is well-placed to gain incremental market share on both the asset and liability fronts. We expect RoA/RoE of 2%/17.6% for FY23E. The bank trades at 3.3x FY23E ABV.

SBIN (Buy)

- SBIN has shown strong improvement in asset quality, with GNPA's declining 43% in the past three years and PCR increasing to 68% (this hovered around the 40s four years ago). Fresh slippage also moderated sharply to 1.2% in FY21 (2.5% in 1QFY22), lower v/s many private peers.
- SBIN appears well-positioned to report a strong uptick in earnings, led by moderation in credit costs, as the bank has strengthened its balance sheet and increased its PCR (incl. TWO) to ~86%. It has PCR of ~86% on corporate NPAs.
- SBIN inarguably has one of the best liability franchises (CASA mix: ~46%). This puts it in a better position to manage yield pressure. Moreover, a low cost of deposits would continue to support margins, to a large extent.
- Subs – SBI MF, SBI Life Insurance, SBI Cards, and SBI Cap – have exhibited robust performances in the last few years, which could result in value unlocking.
- We estimate FY23E RoA/RoE of 0.8%/14.7%. Subs account for ~32% of the total valuation. Adjusted for subs, the standalone bank trades at 0.9x FY23E ABV.

AUBANK: Financial Snapshot (INR b)

Y/E March	FY21	FY22E	FY23E
NII	23.7	30.4	37.7
OP	21.6	18.9	23.9
NP	11.7	9.4	13.2
NIM (%)	5.0	5.3	5.3
EPS (INR)	38.0	30.1	42.1
EPS Gr. (%)	67.9	-20.8	40.0
BV/Sh. (INR)	197.7	227.8	269.9
ABV/Sh. (INR)	184.1	214.6	254.8
Ratios			
RoE (%)	22.3	14.1	16.9
RoA (%)	2.5	1.6	1.8
Valuations			
P/E(X)	31.3	38.7	27.3
P/BV (X)	6.0	5.2	4.4
P/ABV (X)	6.5	5.5	4.6

IPRU: Financial snapshot (INR b)

Y/E March	FY21	FY22E	FY23E
Net Premiums	349.7	412.7	491.4
Sh. PAT	9.6	6.3	10.0
NBP gr- unwttd. %	5.9	33.0	25.0
NBP gr. – APE %	-12.5	30.1	26.2
Premium gr. %	6.9	17.0	19.1
VNB margin. %	25.1	28.2	29.0
RoEV. %	26.5	15.2	16.4
Total AUM (INRt)	2.1	2.6	3.0
VNB	16.2	23.7	30.8
EV per share	202.8	233.6	271.9
Valuations			
P/EV (x)	3.3	2.9	2.5
P/EVOP (x)	27.7	21.5	16.8

AUBANK (Buy)

- AUBANK continues to strengthen its asset book, with retail comprising ~85% of the total AUM. The bank has developed a strong niche in the MSME and Vehicle segments. It is further looking to expand into new product offerings such as Credit Cards, Housing, and Personal Loans, which should continue to aid growth. Overall, we expect AUBANK to deliver a ~27% loan CAGR over FY21–23E.
- It has stepped up its efforts towards building a strong liability franchise, with enhanced focus on growing retail deposits (59% in Jun'21). The CASA ratio has improved to 26%. A rise in the retail deposits mix has resulted in significant improvement in CoF by ~160bp in the past two years, which would aid margins.
- A high mix of the secured book, coupled with strong underwriting and efficient collection management, has enabled AUBANK to report stable asset quality despite various headwinds. Collection efficiency showed higher buoyancy in 1QFY22, and we expect asset quality to remain steady.
- We expect RoA/RoE of 1.8%/17% by FY23E. The stock trades at 4.4x FY23E BV.

IPRU (Buy)

- IPRU continues to focus on a change in the product mix, with a high emphasis on the Non-Linked and Protection segments, with new channel partners further aiding business growth. The share of the banca channel (ex-ICICIBC) has increased to 11% v/s 5% in FY18. Strengthened distribution would enable further diversification and drive an increase in the Non-Linked segment mix, which would aid margins.
- The management reiterated its guidance to double FY19 VNB by FY23, aided by a) the opportunity in the long-term Savings/Protection business and b) improving persistency and cost ratios. The Protection business contributed ~53% to the total VNB in FY21, and the Non-Linked business contributed 29%.
- The company's persistency ratios have improved to among the best in the industry – 13th/61st month persistency improved 360bp/100bp YoY to 85.4%/57.8%. This is largely led by strong renewal trends in the Non-Linked business, with 94% persistency in this segment.
- We estimate IPRU to deliver ~33%/38% CAGR in new business APE/VNB over FY21–23E, led by improving margins (29% by FY23E). This would thus enable an improvement in operating RoEV to ~17%. The stock trades at 2.5x FY23 EV.

Exhibit 1: 2QFY22E earnings estimates

	NII (INR m)			PPOP (INR m)			PAT (INR m)		
	Sep'21	YoY (%)	QoQ (%)	Sep'21	YoY (%)	QoQ (%)	Sep'21	YoY (%)	QoQ (%)
Private Banks									
AU Bank	7,471	33.3	3.2	4,522	-3.0	0.2	2,200	-31.7	8.3
Axis Bank	79,776	8.9	2.8	67,853	-1.6	5.8	27,631	64.2	27.9
Bandhan Bank	20,870	8.5	-1.3	18,491	13.6	-1.2	3,979	-56.7	6.7
DCB Bank	3,261	-2.3	5.6	2,048	-8.9	1.8	592	-28.1	75.3
Equitas Holdings	4,902	6.3	6.3	1,889	-14.0	14.9	526	-48.9	340.9
Federal Bank	14,521	5.2	2.4	10,347	2.8	-8.8	3,756	22.1	2.3
HDFC Bank	175,832	11.5	3.4	158,995	15.1	5.0	88,882	18.3	15.0
ICICI Bank	112,187	19.8	2.6	94,317	14.2	6.0	50,405	18.6	9.2
IndusInd Bank	37,081	13.1	4.1	31,361	10.0	-1.6	10,735	61.9	5.7
Kotak Mahindra Bank	41,067	4.9	4.2	31,830	-3.5	2.0	18,148	-16.9	10.5
RBL Bank	9,876	6.0	1.9	7,938	10.3	-1.7	736	-48.9	NM
Private Banking Sector	506,843	12.0	3.0	429,591	9.1	3.8	207,592	14.2	17.3
PSU Banks									
Bank of Baroda	80,131	6.7	1.5	53,544	-3.6	-6.2	9,786	-41.7	-19.0
Indian Bank	41,796	0.9	4.6	32,575	8.8	-6.2	7,969	93.3	-32.6
Punjab National Bank	74,597	-11.7	3.2	60,571	6.7	-0.7	10,105	62.8	-1.3
State Bank	289,454	2.7	4.7	178,915	8.7	-5.7	66,324	45.0	2.0
Union Bank of India	71,351	13.4	1.7	53,261	12.5	0.4	11,020	113.3	-6.7
PSU Banking Sector	557,329	2.1	3.7	378,867	7.0	-4.2	105,203	34.8	-5.2
Banking Sector	1,064,172	6.6	3.3	808,458	8.1	-0.1	312,795	20.4	8.6
Other Financials									
SBI Cards & Payment	9,654	-4.5	4.4	11,134	-2.3	5.6	3,965	92.3	30.2
Life Insurance									
HDFC Standard life	113,391	12.9	50.4	3,461	6.1	12.8	3,421	4.9	13.2
ICICI Prudential life	99,057	15.6	50.0	1,612	-51.1	-174.7	1,502	-50.5	NM
SBI life	163,636	27.3	96.9	3,457	15.4	48.1	3,431	14.5	53.8
Max Financial Services	55,107	21.6	58.2	NA	NA	NA	1,342	416.2	74.3
Life Insurance	431,191	19.8	66.2	8,529	-10.8	163.0	9,697	1.5	132.7

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

Exhibit 2: Loan growth picks up to 6.7%

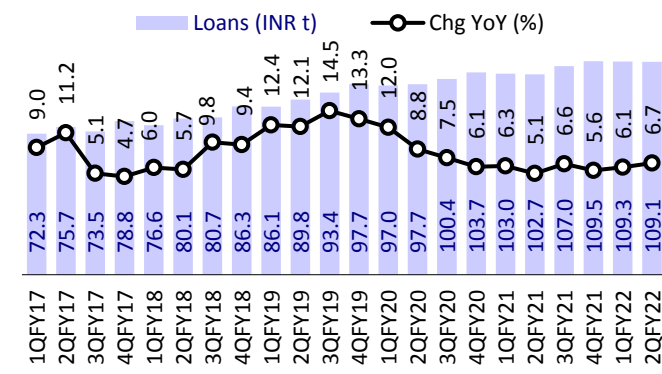


Exhibit 3: Deposit growth modest at 9.3%

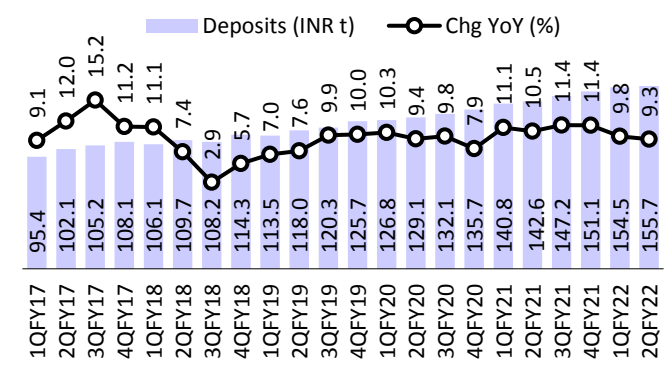


Exhibit 4: Margins to remain in a narrow range, supported by lower cost of funds while excess liquidity remains a drag

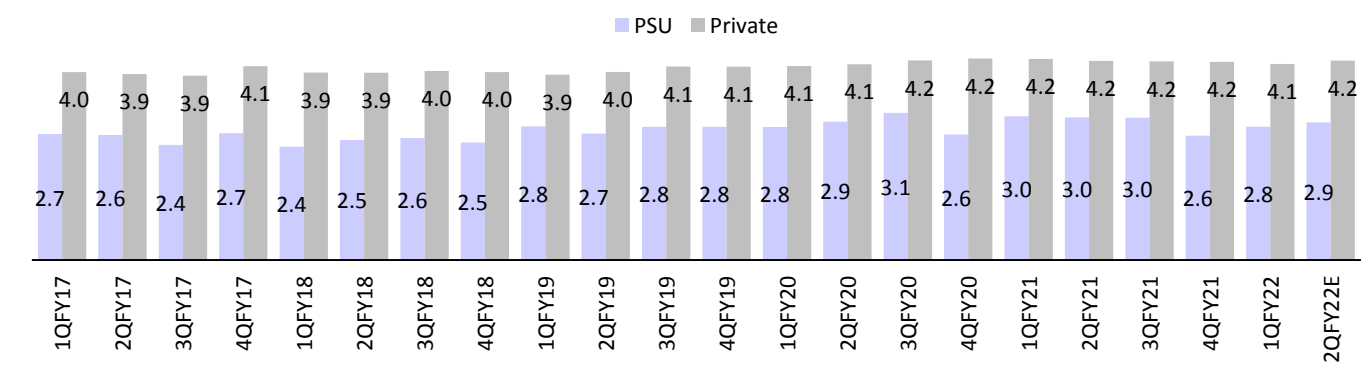


Exhibit 5: Change in estimates across our universe – earnings broadly unchanged over FY22E/FY23E

PAT (INR b)	Old estimates		Revised estimates		Change (%)	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Private Banks						
AXSB	138.1	186.7	135.6	186.1	-1.8%	-0.3%
BANDHAN	25.1	52.3	25.5	51.1	1.6%	-2.3%
DCBB	2.9	4.2	2.9	4.2	0.0%	0.0%
HDFCB	364.9	437.3	367.2	445.6	0.6%	1.9%
ICICIBC	212.7	269.6	211.5	268.7	-0.6%	-0.3%
IIB	50.2	72.9	46.3	70.2	-7.8%	-3.7%
KMB	76.7	93.4	76.1	92.9	-0.8%	-0.6%
FB	19.1	26.2	17.5	23.5	-8.1%	-10.4%
RBK	2.7	15.7	0.4	13.0	-83.9%	-17.2%
AUBANK	9.6	13.8	9.6	13.6	-0.3%	-1.4%
EQUITAS	2.9	5.4	2.2	4.9	-24.4%	-9.3%
Total Private Banks	904.9	1,177.7	894.8	1,173.8	-1.1%	-0.3%
YoY growth	29.5%	30.1%	28.0%	31.2%		
PSU Banks						
BOB	57.1	87.8	48.8	83.1	-14.4%	-5.3%
INBK	42.9	59.8	41.4	59.8	-3.3%	0.0%
PNB	55.7	87.5	53.6	86.0	-3.8%	-1.8%
SBIN	320.8	412.0	308.2	412.4	-3.9%	0.1%
UNBK	50.4	75.6	53.9	77.2	7.0%	2.2%
Total PSU Bank	526.8	722.7	505.9	718.5	-4.0%	-0.6%
YoY growth	80.6%	37.2%	73.4%	42.0%		
Total for Banks	1,431.7	1,900.4	1,400.8	1,892.3	-2.2%	-0.4%
YoY growth	44.5%	32.7%	41.4%	35.1%		
Other Financials						
SBICARD	16.6	27.6	17.0	26.2	2.4%	-5.4%

Source: MOFSL, Company

Large banks continue to carry additional provision buffers

Exhibit 6: Snapshot of additional provision buffers as of 1QFY22

As of 1QFY22	Loans (INR b)	COVID/Contingent provisions	Floating/Additional Provisions	Total Provisions	As a percentage of loans (%)
AXSB*	6,149	50.1	74.1	124.3	2.0
BANDHAN	748	-	3.2	3.2	0.4
DCBB	255	1.1	-	1.1	0.4
HDFCB**	11,477	66.0	14.5	80.5	0.7
ICICIBC	7,386	64.3	-	64.3	0.9
IIB***	2,107	20.5	1.5	22.0	1.0
IDFCFIRST	1,086	7.3	-	7.3	0.7
KMB	2,175	12.8	-	12.8	0.6
FB	1,298	-	-	-	0.0
RBK	565	2.4	-	2.4	0.4
AUBANK	340	1.9	-	1.9	0.6
EQUITAS	167	-	-	-	0.0
SBIN	24,319	90.7	-	90.7	0.4
SBICARD	230	2.6	-	2.6	1.1

*AXSB holds total provisions of INR124.3b, including standard and additional, other than NPA

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

***For IIB, counter-cyclical provisions (INR7.6b) and floating provisions (INR0.7b) is included in PCR

Source: MOFSL, Company

Restructuring book remains in check at sub-1% for large banks; it is relatively higher for mid-sized banks

Exhibit 7: Snapshot of restructuring book across banks

INR b	Restructured Book			
	Absolute	Dec'20	Mar'21	Jun'21
AXSB	29.1	0.42%	0.30%	0.44%
BANDHAN	52.8	NA	0.76%	7.06%
DCBB	13.7	2.70%	4.26%	5.39%
HDFCB	91.8	0.50%	0.57%	0.80%
ICICIBC	48.6	0.40%	0.54%	0.66%
IIB	56.9	0.60%	1.80%	2.70%
KMB	5.5	0.28%	0.19%	0.25%
FB	24.1	0.90%	1.07%	1.86%
RBK	11.5	1.00%	1.58%	2.03%
AUBANK	12.7	0.80%	1.85%	3.73%
BOB	215.8	1.40%	1.34%	3.23%
SBIN	202.3	0.77%	0.73%	0.83%
INBK	98.4	1.62%	1.64%	2.70%
PNB	133.9	1.82%	NA	2.02%
UNBK	156.3	0.56%	1.10%	2.70%
BOI	112.6	2.54%	NA	3.04%
CBK	183.2	1.62%	NA	2.82%

Source: MOFSL, Company

Exhibit 8: SMA book across banks as of 1QFY22

SMA (% of loans)	SMA 0	SMA 1	SMA 2
BoB	NA	2.7%	
BoI	0.8%	0.7%	1.2%
CBK	1.4%	0.6%	1.1%
INBK	NA	4.5%	2.4%
PNB	NA	0.9%	1.7%
SBIN	NA	0.3%	0.1%
UNBK	NA	NA	1.7%
BANDHAN	8.5%	10.1%	2.4%
KMB	NA	NA	0.2%

Source: MOFSL, Company

Exhibit 9: Exposure to DHFL and recovery thereafter

Banks (INR b)	Amount admitted	Recovery*
State Bank of India	72.68	31.70
Bank of India	41.26	17.99
Canara Bank	37.51	16.36
Union Bank of India	35.52	15.49
Punjab National Bank	29.38	12.81
Bank of Baroda	20.21	8.81
Indian Bank	14.10	6.15
Central Bank of India	10.79	4.71
IDBI Bank Limited	9.99	4.36
Punjab & Sind Bank	7.58	3.31
Indian Overseas Bank	6.73	2.94
Bank of Maharashtra	5.97	2.60
UCO Bank	5.20	2.27
HDFC Bank Ltd	3.62	1.58
Federal Bank	1.87	0.81
Karnataka Bank Ltd	1.71	0.75
Kotak Mahindra Bank	1.70	0.74
South Indian Bank	1.16	0.50
Debenture holders	454.44	198.18
Public Deposits	53.75	23.44
National Housing Bank	24.37	10.63
Others	31.30	13.65
Total Financial Creditor's	870.83	379.77
Operational Creditor's	1.62	0.71
Workmen & Employee	0.02	0.01
Total Claims	872.48	380.49
Recovery Rate		43.6%

*Recoveries includes Cash plus NCDs

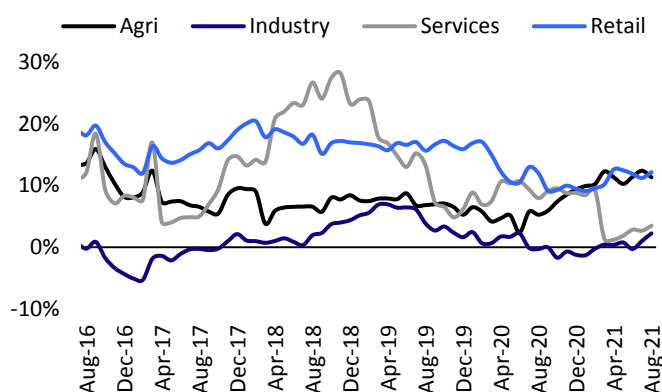
Source: MOFSL, Company

Exhibit 10: Exposure to SREI Infra

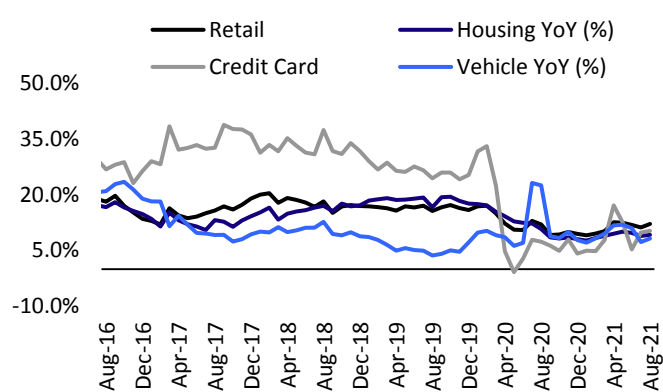
Exposure	INRm
UCO	20,000
INBK	20,000
SBIN	20,000
CBK	12,000
AXSB	8,000
ICICIBC	8,000

Refer News article: [One](#) / [Two](#) / [Three](#)

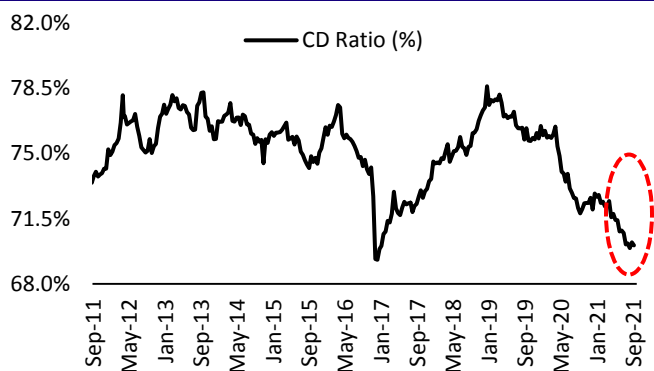
Source: MOFSL, Media Articles

Exhibit 11: Retail loan growth modest at 12.1%; retail mix stands at 30% in Aug'21

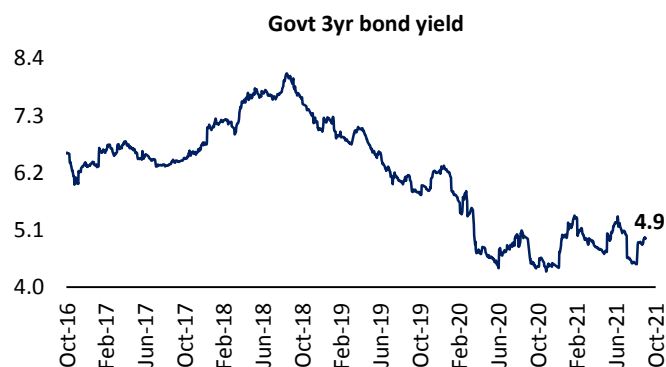
Source: MOFSL, RBI

Exhibit 12: Housing/Vehicle growth stands at ~9%/8% YoY; credit card growth picks up to ~10.3% in Aug'21

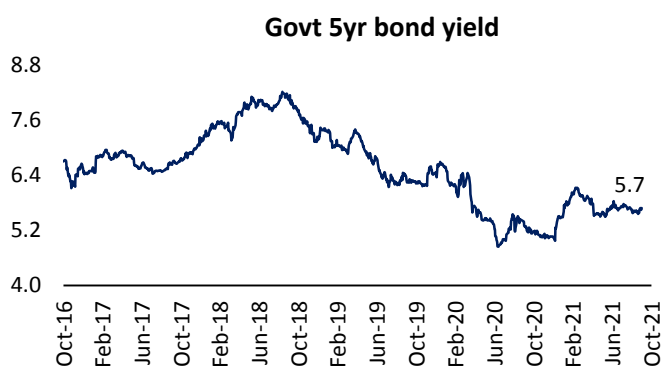
Source: MOFSL, RBI

Exhibit 13: CD ratio at decadal lows of ~70% (barring demonetization)

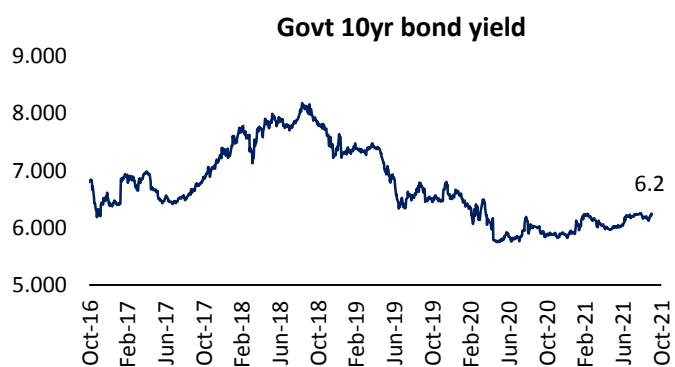
Source: MOFSL, RBI

Exhibit 14: Three-year G-Sec yield declines 30bp over 2QFY22; currently stands at 4.9%

Source: MOFSL, BBG

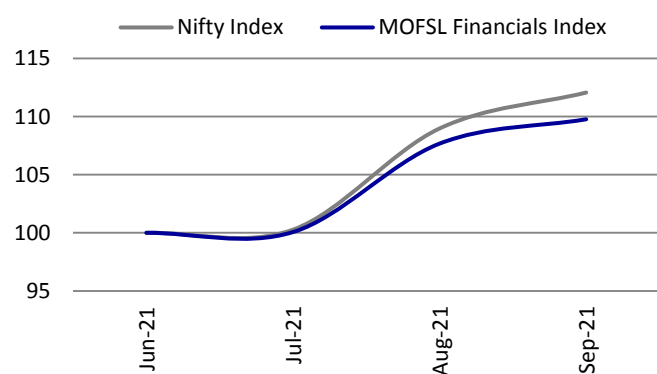
Exhibit 15: Five-year G-Sec yield broadly stable over 2QFY22; currently stands at 5.7%

Source: MOFSL, BBG

Exhibit 16: 10-year G-Sec yield increases 17bp over 2QFY22; currently stands at ~6.2%

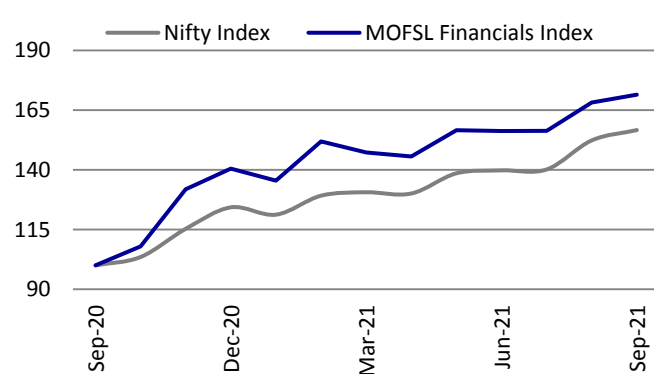
Source: MOFSL, BBG

Exhibit 17: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 18: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 19: Valuation summary

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
Financials														
Banks-Private						28.1	24.3	18.6	3.3	3.2	2.8	11.7	13.3	15.2
AU Small Finance	1,189	Buy	38.0	30.7	43.6	32.3	38.7	27.3	6.2	5.2	4.4	22.3	14.4	17.4
Axis Bank	779	Buy	22.4	44.3	60.7	31.2	17.6	12.8	2.1	2.1	1.8	7.1	12.6	15.2
Bandhan Bank	295	Neutral	13.7	15.8	31.7	24.7	18.6	9.3	3.1	2.5	2.1	13.5	14.0	24.3
DCB Bank	91	Neutral	10.8	9.2	13.6	9.5	9.8	6.6	0.9	0.7	0.7	10.0	7.8	10.6
Equitas Holdings	123	Buy	11.2	6.5	14.4	7.8	19.0	8.6	0.9	1.2	1.1	12.5	6.4	13.2
Federal Bank	85	Buy	8.0	8.6	11.2	9.5	9.9	7.6	0.9	1.0	0.9	10.4	10.4	12.6
HDFC Bank	1,585	Buy	56.6	66.6	80.8	26.4	23.8	19.6	4.0	3.7	3.2	16.6	16.8	17.6
ICICI Bank	700	Buy	24.2	30.6	38.8	24.0	22.9	18.0	2.8	2.9	2.5	12.6	13.7	15.2
IndusInd Bank	1,120	Buy	38.7	59.9	90.8	24.7	18.7	12.3	1.7	1.8	1.6	7.3	10.3	14.1
Kotak Mahindra Bank	1,992	Neutral	50.4	55.0	67.0	34.8	36.2	29.7	4.1	4.2	3.7	12.5	11.4	12.4
RBL Bank	194	Buy	8.5	0.7	21.8	24.4	270.8	8.9	1.0	0.9	0.8	4.4	0.3	9.9
SBI Cards	1,072	Buy	10.5	18.1	27.8	88.7	59.2	38.5	13.9	12.9	9.9	16.9	24.1	29.0
South Indian Bank	10	Buy	0.3	0.5	0.0	26.1	20.9	279.8	0.3	0.4	0.4	1.1	1.8	0.1
Banks-PSU						14.0	10.2	7.2	0.8	1.0	0.9	5.9	9.3	11.8
Bank of Baroda	84	Buy	1.6	9.4	16.1	46.3	8.9	5.3	0.5	0.6	0.5	1.1	6.2	9.8
Indian Bank	143	Buy	26.6	34.9	48.0	4.4	4.1	3.0	0.4	0.4	0.4	9.8	11.7	14.6
Punjab National Bank	41	Neutral	1.9	5.1	8.2	19.0	8.0	5.0	0.4	0.5	0.4	2.3	5.7	8.6
State Bank	463	Buy	25.1	37.5	50.4	14.5	12.3	9.2	1.2	1.4	1.2	9.3	12.6	14.7
Union Bank	38	Buy	4.5	8.4	12.1	7.5	4.5	3.1	0.4	0.4	0.3	5.1	8.7	11.5
Insurance						75.0	95.5	76.4	10.3	11.8	10.7	13.8	12.4	14.0
HDFC Life Insur.	727	Neutral	6.7	7.2	8.5	103.4	101.4	85.4	5.3	4.8	4.1	28.9	15.4	17.8
ICICI Pru Life	676	Buy	6.7	4.4	7.0	66.6	155.3	96.6	2.2	2.9	2.5	26.5	15.2	16.4
Max Financial	1,017	Buy	11.0	14.1	18.0	78.2	71.9	56.5	3.1	3.1	2.6	18.6	18.7	20.0
SBI Life Insurance	1,230	Buy	14.6	15.2	17.6	60.5	80.9	70.1	2.4	2.9	2.5	27.0	16.7	16.9

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

AU Small Finance Bank

Buy
CMP: INR1,189 | TP: INR1,400 (+18%)
EPS CHANGE (%): FY22|23: -0.3|-1.4

- Margins to witness an increase to ~5.7%
- Business growth to witness healthy pickup QoQ
- CoF and C/I ratio are other key monitorables
- Asset quality, CE, movement in SMA book – key monitorables; credit costs to stay elevated

Quarterly performance

(INR m)

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	5,159	5,606	6,331	6,558	7,240	7,471	7,563	8,097	23,654	30,371
% Change (Y-o-Y)	30.4	24.1	24.9	18.2	40.4	33.3	19.5	23.5	23.9	28.4
Other Income	2,258	2,857	6,634	2,766	1,842	1,981	2,500	3,112	14,515	9,435
Total Income	7,416	8,463	12,965	9,325	9,082	9,452	10,063	11,208	38,170	39,806
Operating Expenses	2,961	3,800	4,237	5,587	4,570	4,930	5,271	5,901	16,584	20,672
Operating Profit	4,456	4,663	8,728	3,738	4,513	4,522	4,792	5,308	21,586	19,134
% Change (Y-o-Y)	53.2	67.9	179.0	18.4	1.3	-3.0	-45.1	42.0	80.3	-11.4
Provisions	1,813	574	2,836	1,778	1,766	1,581	1,518	1,460	7,001	6,325
Profit before Tax	2,643	4,089	5,892	1,960	2,747	2,941	3,274	3,848	14,585	12,809
Tax Provisions	635	870	1,102	271	715	741	825	947	2,878	3,228
Net Profit	2,008	3,219	4,790	1,690	2,032	2,200	2,449	2,901	11,707	9,581
% Change (Y-o-Y)	5.5	87.2	151.9	38.1	1.2	-31.7	-48.9	71.7	73.5	-18.2
Operating Parameters										
Deposit (INR b)	267.3	269.8	297.1	359.8	370.1	390.0	420.2	460.5	359.8	460.5
Loan (INR b)	262.5	272.3	302.9	346.1	339.6	362.2	395.2	435.4	346.1	435.4
Deposit Growth (%)	34.7	21.8	24.5	37.5	38.5	44.6	41.5	28.0	37.5	28.0
Loan Growth (%)	13.6	9.8	14.0	28.2	29.4	33.0	30.5	25.8	28.2	25.8
Asset Quality										
GNPA (%)	1.7	1.5	1.0	4.3	4.3	4.2	4.0	3.8	4.3	3.8
NNPA (%)	0.6	0.5	0.2	2.2	2.3	2.1	1.9	1.7	2.2	1.7
PCR (%)	63.5	71.0	76.0	49.7	48.8	51.0	54.0	55.6	49.7	55.6

Axis Bank

Buy
CMP: INR779 | TP: INR925 (+19%)
EPS CHANGE (%): FY22|23: -1.8|-0.3

- Credit costs to remain elevated; slippage – a key monitorable to assess the impact on asset quality
- Restructuring / BB & below pool to remain under watch
- Margins to remain stable at ~3.5%
- Business growth to pick up QoQ

Quarterly performance

(INR b)

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	69.9	73.3	73.7	75.5	77.6	79.8	83.4	86.2	292.4	327.0
% Change (Y-o-Y)	19.5	20.1	14.3	11.0	11.1	8.9	13.1	14.1	16.0	11.8
Other Income	25.9	38.1	37.8	46.7	35.9	39.2	44.4	51.1	148.4	170.6
Total Income	95.7	111.3	111.5	122.2	113.5	119.0	127.7	137.3	440.8	497.6
Operating Expenses	37.3	42.4	50.5	53.6	49.3	51.2	53.5	55.7	183.8	209.7
Operating Profit	58.4	69.0	61.0	68.6	64.2	67.9	74.3	81.6	257.0	287.9
% Change (Y-o-Y)	-0.8	15.9	6.1	17.3	9.8	-1.6	21.8	18.9	9.7	12.0
Provisions	44.2	45.8	46.0	32.9	35.3	30.9	23.5	16.9	169.0	106.6
Profit before Tax	14.3	23.2	14.9	35.7	28.8	36.9	50.8	64.7	88.1	181.3
Tax	3.2	6.3	3.7	8.9	7.2	9.3	12.8	16.3	22.2	45.7
Net Profit	11.1	16.8	11.2	26.8	21.6	27.6	38.0	48.4	65.9	135.6
% Change (Y-o-Y)	-18.8	NM	-36.4	NM	94.2	64.2	240.4	80.6	304.9	105.8
Operating Parameters										
Deposit (INR t)	6.2	6.4	6.5	7.0	7.1	7.3	7.5	8.0	7.1	8.0
Loan (INR t)	5.5	5.8	5.8	6.1	6.1	6.3	6.6	7.0	6.2	7.0
Deposit Growth (%)	13.9	8.8	10.6	9.0	16.0	14.5	14.9	14.0	10.5	12.5
Loan Growth (%)	10.4	10.5	5.9	7.5	12.0	9.3	13.0	14.3	9.2	12.6
Asset Quality										
Gross NPA (%)	4.7	4.2	3.4	3.7	3.9	4.0	3.9	3.7	3.9	3.7
Net NPA (%)	1.2	1.0	0.7	1.1	1.2	1.2	1.2	1.1	1.1	1.1
PCR (%)	74.8	77.2	79.0	72.4	69.8	70.0	71.0	70.4	72.4	70.4

Bandhan Bank**Neutral****CMP: INR295 | TP: INR330 (+12%)****EPS CHANGE (%): FY22|23: +1.6|-2.3**

- NIMs to expand to ~8.7%
- Credit costs to stay elevated; slippage to remain high
- Business growth to see steady pickup
- Commentary around CE / SMA book – key monitorables

Quarterly performance**(INR m)**

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	18,115	19,231	20,717	17,570	21,141	20,870	23,139	25,590	75,634	90,739
% Change (YoY)	15.0	25.8	34.5	4.6	16.7	8.5	11.7	45.6	19.6	20.0
Other Income	3,868	3,818	5,533	7,873	5,334	5,575	5,973	8,006	21,091	24,887
Total Income	21,983	23,049	26,250	25,443	26,474	26,445	29,111	33,596	96,724	115,626
Operating Expenses	6,141	6,773	7,109	8,148	7,763	7,953	8,313	8,700	28,172	32,730
Operating Profit	15,842	16,275	19,141	17,295	18,711	18,491	20,798	24,896	68,553	82,896
% Change (YoY)	16.9	24.5	51.4	13.7	18.1	13.6	8.7	44.0	25.9	20.9
Other Provisions	8,491	3,945	10,687	15,943	13,749	13,171	12,196	9,667	39,066	48,783
Profit Before Tax	7,351	12,330	8,454	1,352	4,962	5,320	8,602	15,229	29,487	34,114
Tax	1,853	3,130	2,128	321	1,231	1,341	2,168	3,857	7,432	8,597
Net Profit	5,498	9,200	6,326	1,030	3,731	3,979	6,435	11,372	22,055	25,517
% Change (YoY)	-31.6	-5.3	-13.5	-80.1	-32.1	-56.7	1.7	1,003.8	-27.1	15.7
Operating Parameters										
Deposits (INR b)	606	661	712	780	773	806	853	912	780	912
Loans (INR b)	697	733	768	816	748	772	820	890	816	890
Deposit Growth (%)	38.7	34.4	29.6	36.6	27.6	21.9	19.8	17.0	36.6	17.0
Loan Growth (%)	68.1	22.6	26.7	22.5	7.2	5.3	6.8	9.1	22.5	9.1
Asset Quality										
Gross NPA (%)	1.4	1.2	1.1	6.8	8.2	7.9	8.0	8.0	6.8	8.0
Net NPA (%)	0.5	0.4	0.3	3.5	3.3	3.1	3.0	2.7	3.5	2.7
PCR (%)	66.6	70.0	76.6	50.3	61.8	63.0	64.7	66.4	50.3	66.4

Bank of Baroda**Buy****CMP: INR84 | TP: INR100 (+19%)****EPS CHANGE (%): FY22|23: -14.4|-5.3**

- Elevated credit costs to keep earnings under pressure
- Opex trajectory, given the rise in pension costs, to be key
- Slippage to remain elevated, keeping asset quality under pressure
- Movement in watchlist / stressed pool – key monitorable

Quarterly performance**(INR b)**

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	68.2	75.1	74.8	71.1	78.9	80.1	82.4	85.6	288.1	327.1
% Change (YoY)	4.9	6.8	4.9	4.5	15.8	6.7	10.2	20.4	4.9	13.5
Other Income	18.2	28.0	29.0	48.5	29.7	30.6	32.5	34.6	123.6	127.4
Total Income	86.3	103.1	103.7	119.6	108.6	110.7	114.9	120.2	411.7	454.4
Operating Expenses	45.9	47.6	53.0	56.9	51.5	57.2	59.2	60.7	205.4	228.6
Operating Profit	40.4	55.5	50.7	62.7	57.1	53.5	55.7	59.5	206.3	225.8
% Change (YoY)	-5.5	4.0	2.2	27.3	41.2	-3.6	9.9	-5.0	9.2	9.5
Provisions	53.5	30.0	34.3	35.9	41.1	40.5	40.1	38.8	150.7	160.6
Profit before Tax	-13.1	25.5	16.3	26.8	16.0	13.1	15.5	20.7	55.6	65.3
Tax	-4.4	8.7	5.7	37.3	3.9	3.3	3.9	5.4	47.3	16.4
Net Profit	-8.6	16.8	10.6	-10.5	12.1	9.8	11.6	15.3	8.3	48.8
% Change (YoY)	-221.7	127.9	NM	NM	NM	-41.7	9.6	NM	51.8	488.8
Operating Parameters										
Deposit (INR b)	9,345	9,543	9,546	9,670	9,313	9,554	9,767	10,057	9,670	10,057
Loan (INR b)	6,867	6,699	6,987	7,063	6,684	6,872	7,127	7,275	7,063	7,275
Deposit Growth (%)	4.3	6.7	6.5	2.2	(0.3)	0.1	2.3	4.0	2.2	4.0
Loan Growth (%)	8.4	5.1	6.8	2.3	(2.7)	2.6	2.0	3.0	2.3	3.0
Asset Quality										
Gross NPA (%)	9.4	9.1	8.5	8.9	8.9	8.6	8.4	8.1	8.9	8.1
Net NPA (%)	2.8	2.5	2.4	3.1	3.0	2.9	2.8	2.8	3.1	2.8
PCR (%)	71.9	74.4	73.6	67.3	67.9	68.5	68.0	67.9	67.3	67.9

DCB Bank

Neutral

CMP: INR91 | TP: INR100 (+10%)

EPS CHANGE (%): FY22|23: +0.0|+0.0

- Credit costs to remain high on potential stress in SME/LAP
- Expect slippage to rise, which could keep asset quality under pressure; restructuring book to be key
- C/I ratio may remain under pressure
- NIM compression / Loan growth – key monitorable

Quarterly performance

(INR m)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	3,067	3,339	3,348	3,112	3,087	3,261	3,463	3,663	12,866	13,474
% Change (Y-o-Y)	0.6	6.6	3.6	-3.9	0.6	-2.3	3.4	17.7	1.7	4.7
Other Income	776	925	1,545	1,339	1,202	1,088	1,272	1,436	4,585	4,998
Total Income	3,843	4,264	4,893	4,451	4,289	4,349	4,734	5,099	17,451	18,471
Operating Expenses	1,932	2,016	2,119	2,399	2,277	2,301	2,391	2,472	8,466	9,441
Operating Profit	1,911	2,248	2,773	2,052	2,012	2,048	2,343	2,628	8,985	9,031
% Change (Y-o-Y)	14.8	21.8	46.0	-3.2	5.3	-8.9	-15.5	28.0	19.3	0.5
Provisions	837	1,131	1,477	1,012	1,555	1,256	1,188	1,192	4,457	5,192
Profit before Tax	1,075	1,117	1,296	1,040	457	791	1,156	1,435	4,528	3,839
Tax	281	294	334	261	119	199	291	358	1,170	967
Net Profit	794	823	962	779	338	592	865	1,077	3,358	2,871
% Change (Y-o-Y)	-2.1	-10.0	-0.5	13.3	-57.5	-28.1	-10.1	38.3	-0.6	-14.5
Operating Parameters										
Deposit (INR b)	294.3	287.7	288.6	297.0	306.0	310.4	315.8	323.8	297.0	323.8
Loan (INR b)	250.6	248.8	253.0	259.6	255.0	259.6	267.6	280.4	259.6	280.4
Deposit Growth (%)	2.2	-2.0	-2.9	-2.2	4.0	7.9	9.4	9.0	-2.2	9.0
Loan Growth (%)	4.2	0.3	-0.5	2.4	1.7	4.3	5.8	8.0	2.4	8.0
Asset Quality										
Gross NPA (%)	2.4	2.3	2.0	4.1	4.9	5.2	5.4	5.4	4.1	5.4
Net NPA (%)	1.0	0.8	0.6	2.3	2.8	2.9	2.9	2.9	2.3	2.9
PCR (%)	60.0	64.1	70.2	45.2	43.3	45.0	46.5	47.6	45.2	47.6

Equitas Holdings

Buy

CMP: INR123 | TP: INR160 (+30%)

EPS CHANGE (%): FY22|23: -24.4|-9.3

- NIMs to remain stable at ~8%
- Watchful of asset quality in MSME book; focus to remain on CE and restructuring book
- Elevated credit costs to impact earnings
- Business growth to pick up; management commentary would be key

Quarterly performance

(INR m)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	4,043	4,613	4,839	4,486	4,610	4,902	5,246	5,497	17,980	20,256
% Change (YoY)	19.9	31.6	26.1	5.8	14.0	6.3	8.4	22.6	20.2	12.7
Other Income	297	637	1,463	1,784	1,036	1,144	1,239	1,347	4,181	4,766
Total Income	4,339	5,249	6,302	6,270	5,647	6,046	6,485	6,844	22,160	25,022
Operating Expenses	2,919	3,053	3,551	3,771	4,002	4,157	4,274	4,328	13,294	16,760
Operating Profit	1,420	2,197	2,750	2,498	1,644	1,889	2,212	2,517	8,866	8,262
% Change (YoY)	18.8	67.5	73.6	32.6	15.8	-14.0	-19.6	0.7	48.4	-6.8
Provisions	683	839	1,261	970	1,502	1,186	1,137	1,118	3,753	4,943
Profit before Tax	737	1,358	1,490	1,529	142	703	1,075	1,399	5,113	3,319
Tax	160	328	383	400	23	177	271	364	1,270	835
Net Profit	577	1,030	1,107	1,129	119	526	804	1,034	3,842	2,483
% Change (YoY)	1.1	108.1	17.6	162.4	-79.3	-48.9	-27.4	-8.4	57.7	-35.4
Operating Parameters										
AUM (INR b)	156	167	174	180	178	187	199	216	180	216
Deposits (INR b)	118	129	159	164	171	178	189	203	164	203
Loans (INR b)	144	159	168	168	167	171	181	195	168	195
AUM Growth (%)	27	26	19	17	15	11	15	20	17	20
Deposit Growth (%)	29	29	51	52	45	38	19	24	52	24
Loan Growth (%)	20	23	23	23	16	7	7	16	23	16
Asset Quality										
Gross NPA (%)	2.9	2.5	2.3	3.7	4.8	5.0	4.8	4.7	3.7	4.7
Net NPA (%)	1.5	1.0	0.7	1.6	2.4	2.5	2.3	2.2	1.6	2.2
PCR (%)	48.8	50.2	66.2	58.6	51.2	52.0	53.0	54.7	58.6	54.7

Federal Bank**Buy****CMP: INR85 | TP: INR110 (+29%)****EPS CHANGE (%): FY22|23: -8.1|-10.4**

- Business growth to remain modest
- Asset quality and loans under restructuring – key monitorables
- Credit costs to remain high on exposure to SMEs
- NIMs to remain under pressure at ~3.1%

Quarterly performance**(INR m)**

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	12,964	13,799	14,370	14,204	14,184	14,521	15,059	15,993	55,337	59,756
% Change (YoY)	12.3	22.8	24.4	16.8	9.4	5.2	4.8	12.6	19.0	8.0
Other Income	4,884	5,093	4,818	4,654	6,502	5,554	5,301	5,593	19,449	22,950
Total Income	17,848	18,892	19,189	18,858	20,686	20,075	20,360	21,586	74,786	82,706
Operating Expenses	8,524	8,827	9,560	10,007	9,334	9,727	10,292	10,897	36,917	40,250
Operating Profit	9,324	10,065	9,629	8,851	11,352	10,347	10,068	10,689	37,869	42,456
% Change (YoY)	19.1	40.0	29.5	-7.7	21.8	2.8	4.6	20.8	18.2	12.1
Provisions	3,946	5,921	4,206	2,423	6,418	5,339	3,813	3,497	16,496	19,067
Profit before Tax	5,378	4,145	5,423	6,428	4,934	5,009	6,255	7,193	21,373	23,389
Tax	1,370	1,069	1,382	1,650	1,261	1,252	1,564	1,771	5,470	5,847
Net Profit	4,008	3,076	4,041	4,778	3,673	3,756	4,691	5,422	15,903	17,542
% Change (YoY)	4.3	-26.2	-8.3	58.6	-8.4	22.1	16.1	13.5	3.1	10.3
Operating Parameters										
Deposit (INR b)	1,549	1,567	1,617	1,726	1,694	1,720	1,821	1,916	1,726	1,916
Loan (INR b)	1,213	1,229	1,255	1,319	1,298	1,350	1,361	1,424	1,319	1,424
Deposit Growth (%)	16.9	12.3	11.8	13.4	9.3	9.7	12.7	11.0	13.4	11.0
Loan Growth (%)	8.3	6.1	5.3	7.9	7.0	9.7	8.4	8.0	7.9	8.0
Asset Quality										
Gross NPA (%)	3.0	2.8	2.7	3.4	3.5	3.7	3.7	3.8	3.4	3.8
Net NPA (%)	1.2	1.0	0.6	1.2	1.2	1.3	1.4	1.3	1.2	1.3
PCR (%)	59.6	65.7	78.2	65.9	65.7	65.0	64.0	66.8	65.9	66.8

HDFC Bank**Buy****CMP: INR1,585 | TP: INR1,850 (+17%)****EPS CHANGE (%): FY22|23: 0.6|+1.9**

- Business growth to pick up QoQ
- Asset quality in agri/unsecured book, slippage due to second wave – key monitorables
- Margins to remain broadly stable at ~4.1%
- Commentary around credit cards and fee income traction – key monitorable

Quarterly performance**(INR b)**

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	156.7	157.8	163.2	171.2	170.1	175.8	185.5	198.1	648.8	729.6
% Change (Y-o-Y)	17.8	16.7	15.1	12.6	8.6	11.5	13.7	15.7	15.5	12.5
Other Income	40.8	60.9	74.4	75.9	62.9	72.9	80.8	85.9	252.0	302.5
Total Income	197.4	218.7	237.6	247.1	233.0	248.7	266.3	284.0	900.8	1,032.1
Operating Expenses	69.1	80.6	85.7	91.8	81.6	89.7	98.4	105.7	327.2	375.4
Operating Profit	128.3	138.1	151.9	155.3	151.4	159.0	168.0	178.3	573.6	656.6
% Change (Y-o-Y)	15.1	18.1	17.3	19.9	18.0	15.1	10.6	14.8	17.7	14.5
Provisions	38.9	37.0	34.1	46.9	48.3	40.8	32.2	44.7	157.0	166.0
Profit before Tax	89.4	101.1	117.7	108.4	103.1	118.2	135.7	133.6	416.6	490.7
Tax	22.8	26.0	30.1	26.5	25.8	29.3	33.6	34.8	105.4	123.5
Net Profit	66.6	75.1	87.6	81.9	77.3	88.9	102.1	98.8	311.2	367.2
% Change (Y-o-Y)	19.6	18.4	18.1	18.2	16.1	18.3	16.6	20.7	18.5	18.0
Operating Parameters										
Deposit	11,894	12,293	12,711	13,351	13,458	14,060	14,632	15,487	13,351	15,487
Loan	10,033	10,383	10,823	11,328	11,477	11,985	12,263	13,028	11,328	13,028
Deposit Growth (%)	24.6	20.3	19.1	16.3	13.2	14.4	15.1	16.0	16.3	16.0
Loan Growth (%)	20.9	15.8	15.6	14.0	14.4	15.4	13.3	15.0	14.0	15.0
Asset Quality										
Gross NPA (%)	1.4	1.1	0.8	1.3	1.5	1.5	1.5	1.4	1.3	1.4
Net NPA (%)	0.3	0.2	0.1	0.4	0.5	0.4	0.5	0.4	0.4	0.4
PCR (%)	76.2	84.5	88.5	69.8	67.9	71.0	70.0	71.0	69.8	71.0

ICICI Bank

Buy

CMP: INR700 | TP: INR835 (+19%)

EPS CHANGE (%): FY22|23: -0.6|-0.3

- Loan growth to witness steady pickup; margins stable at ~3.9%
- Credit costs to remain high; slippage would be key
- Commentary on asset quality a key monitorable
- Movement in stressed loans to remain key monitorable

Quarterly performance

(INR b)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	92.8	93.7	99.1	104.3	109.4	112.2	116.3	121.9	389.9	459.8
% Change (YoY)	19.9	16.2	16.0	16.9	17.8	19.8	17.4	16.9	17.2	17.9
Other Income	61.4	40.3	46.9	41.1	40.0	43.6	46.9	49.8	189.7	180.2
Total Income	154.2	133.9	146.0	145.4	149.3	155.8	163.2	171.7	579.6	640.0
Operating Expenses	46.5	51.3	57.8	60.0	60.4	61.5	63.0	67.1	215.6	252.0
Operating Profit	107.8	82.6	88.2	85.4	88.9	94.3	100.2	104.6	364.0	388.0
% Change (YoY)	71.4	20.2	16.8	15.6	-17.5	14.2	13.6	22.5	29.5	6.6
Provisions	75.9	30.0	27.4	28.8	28.5	28.0	26.9	26.4	162.1	109.8
Profit before Tax	31.8	52.7	60.8	56.6	60.4	66.3	73.3	78.2	201.8	278.2
Tax	5.8	10.1	11.4	12.5	14.3	15.9	17.6	19.0	39.9	66.8
Net Profit	26.0	42.5	49.4	44.0	46.2	50.4	55.7	59.2	161.9	211.5
% Change (YoY)	36.2	549.1	19.1	260.5	77.6	18.6	12.8	34.5	104.2	30.6
Operating Parameters										
Deposit	8,016	8,329	8,743	9,325	9,262	9,698	10,220	10,817	9,325	10,817
Loan	6,312	6,526	6,990	7,337	7,386	7,612	7,998	8,438	7,337	8,438
Deposit Growth (%)	21.3	19.6	22.1	21.0	15.5	16.4	16.9	16.0	21.0	16.0
Loan Growth (%)	6.5	6.4	10.0	13.7	17.0	16.6	14.4	15.0	13.7	15.0
Asset Quality										
Gross NPA (%)	6.1	5.2	4.4	5.0	5.6	5.5	5.2	4.9	5.0	4.9
Net NPA (%)	1.2	1.0	0.6	1.1	1.2	1.3	1.3	1.2	1.1	1.2
PCR (%)	78.5	81.6	86.1	77.8	78.4	77.0	77.0	77.3	77.7	77.3

IndusInd Bank

Buy

CMP: INR1,120 | TP: INR1,280 (+14%)

EPS CHANGE (%): FY22|23: -7.8|-3.7

- Loan/Deposit growth to witness steady pickup QoQ
- Asset quality to remain under watch, led by higher strain on MFI business; restructuring book to be key
- Margins to remain stable at ~4.1%
- Credit costs to stay elevated as the focus remains on maintaining higher PCR

Quarterly performance

(INR m)

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	33,092	32,780	34,061	35,346	35,637	37,081	39,398	42,387	135,279	154,503
% Change (YoY)	16.4	12.7	10.8	9.4	7.7	13.1	15.7	19.9	12.2	14.2
Other Income	15,204	15,543	16,458	17,804	17,881	16,968	17,845	19,451	65,586	72,145
Total Income	48,296	48,323	50,519	53,150	53,518	54,049	57,243	61,837	200,865	226,647
Operating Expenses	19,019	19,803	20,883	21,863	21,663	22,688	24,284	25,899	83,598	94,534
Operating Profit	29,277	28,520	29,636	31,287	31,855	31,361	32,959	35,939	117,267	132,114
% Change (YoY)	13.0	8.7	7.5	9.5	8.8	10.0	11.2	14.9	8.9	12.7
Provisions	22,589	19,644	18,535	18,657	18,440	17,010	17,178	17,544	79,425	70,172
Profit before Tax	6,689	8,875	11,100	12,630	13,415	14,351	15,781	18,395	37,841	61,942
Tax	1,585	2,245	2,797	3,369	3,254	3,617	3,977	4,762	9,478	15,609
Net Profit	5,103	6,631	8,304	9,261	10,161	10,735	11,804	13,633	28,364	46,333
% Change (YoY)	-64.4	-52.7	-36.6	193.8	99.1	61.9	42.2	47.2	-35.8	63.4
Operating Parameters										
Deposit (INR b)	2,113	2,279	2,391	2,559	2,672	2,755	2,861	3,023	2,562	3,023
Loan (INR b)	1,981	2,012	2,071	2,126	2,107	2,218	2,264	2,402	2,126	2,402
Deposit Growth (%)	5.3	10.0	10.3	26.7	26.5	20.9	19.6	18.2	26.8	18.0
Loan Growth (%)	2.4	2.1	-0.1	2.8	6.4	10.2	9.3	13.0	2.8	13.0
Asset Quality										
Gross NPA (%)	2.5	2.2	1.7	2.7	2.9	2.9	2.8	2.7	2.7	2.7
Net NPA (%)	0.9	0.5	0.2	0.7	0.8	0.8	0.7	0.7	0.7	0.7
PCR (%)	66.6	76.7	87.3	74.5	71.6	72.5	73.5	75.3	74.5	75.3

Indian Bank

Buy

CMP: INR143 | TP: INR175 (+23%)

EPS CHANGE (%): FY22|23: -3.3|+0.0

- Loan growth to witness an uptick
- Margins to remain stable at ~2.9%; opex to be key
- Stress in SME and restructuring book – a key monitorable
- Asset quality to remain stable; slippage to remain elevated

Quarterly performance

(INR m)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	38,743	41,440	43,133	33,343	39,942	41,796	45,279	47,134	156,659	174,152
% Change (YoY)	117.0	122.4	120.6	66.5	3.1	0.9	5.0	41.4	106.0	11.2
Other Income	13,268	16,117	13,968	17,439	18,766	18,493	15,933	17,936	60,793	71,127
Total Income	52,010	57,558	57,101	50,783	58,708	60,290	61,212	65,070	217,452	245,279
Operating Expenses	24,477	27,608	26,111	25,299	23,990	27,714	27,388	29,591	103,496	108,683
Operating Profit	27,533	29,949	30,990	25,484	34,718	32,575	33,824	35,479	113,956	136,596
% Change (YoY)	100.4	99.4	61.5	49.6	26.1	8.8	9.1	39.2	75.4	19.9
Other Provisions	21,391	22,841	23,144	17,525	26,145	21,922	18,674	14,451	84,901	81,192
Profit before Tax	6,142	7,108	7,846	7,959	8,573	10,653	15,150	21,028	29,056	55,404
Tax	2,450	2,986	2,704	-9,130	-3,244	2,685	5,605	8,916	-991	13,962
Net Profit	3,693	4,123	5,143	17,088	11,817	7,969	9,544	12,112	30,047	41,442
% Change (YoY)	1.1	15.0	108.1	-884.8	220.0	93.3	85.6	-29.1	298.8	37.9
Operating Parameters										
Deposits (INR b)	4,891	5,020	5,212	5,381	5,401	5,530	5,712	5,919	5,381	5,919
Loans (INR b)	3,395	3,397	3,628	3,640	3,644	3,725	3,838	3,968	3,640	3,968
Deposit Growth (%)	102.6	98.3	102.3	106.8	10.4	10.2	9.6	10.0	106.8	10.0
Loan Growth (%)	91.2	81.8	95.9	83.9	7.3	9.7	5.8	9.0	83.9	9.0
Asset Quality										
Gross NPA (%)	10.9	9.9	9.0	9.9	9.7	9.8	9.7	9.6	9.9	9.6
Net NPA (%)	3.8	3.0	2.4	3.4	3.5	3.5	3.4	3.3	3.4	3.3
PCR (%)	68.1	72.2	75.8	68.1	66.5	67.0	67.0	67.6	68.1	67.6

Kotak Mahindra Bank

Neutral

CMP: INR1,992 | TP: INR1,900 (-5%)

EPS CHANGE (%): FY22|23: -0.8|-0.6

- Loan growth to see pickup, led by home loans
- Liability franchise to remain strong; lower cost of funds to result in stable margins (~4.6%)
- Commentary around stress in SME book and other unsecured loans; credit costs to remain controlled
- Asset quality to remain stable, with GNPA at ~3.5%

Quarterly performance

(INR m)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	37,239	39,132	38,756	38,428	39,417	41,067	42,744	44,394	153,396	167,622
% Change (Y-o-Y)	17.4	16.8	13.0	8.0	5.8	4.9	10.3	15.5	13.6	9.3
Other Income	7,735	14,520	12,852	19,495	15,830	15,388	15,832	16,276	54,592	63,327
Total Income	44,974	53,652	51,608	57,923	55,247	56,456	58,575	60,671	207,988	230,948
Operating Expenses	18,737	20,678	22,579	23,849	24,036	24,626	25,100	25,594	85,841	99,356
Operating Profit	26,237	32,975	29,029	34,075	31,211	31,830	33,476	35,076	122,147	131,592
% Change (Y-o-Y)	9.4	31.4	21.6	25.0	19.0	-3.5	15.3	2.9	21.9	7.7
Other Provisions	9,620	3,686	4,186	11,794	9,348	7,900	7,155	5,409	29,117	29,812
Profit before Tax	16,617	29,289	24,843	22,281	21,863	23,930	26,321	29,667	93,030	101,780
Tax Provisions	4,173	7,444	6,308	5,457	5,444	5,781	6,475	7,949	23,382	25,649
Net Profit	12,445	21,845	18,535	16,824	16,419	18,148	19,846	21,718	69,648	76,131
% Change (Y-o-Y)	-8.5	26.7	16.1	32.8	31.9	-16.9	7.1	29.1	17.1	9.3
Operating Parameters										
Deposits (INR b)	2,615	2,616	2,653	2,801	2,866	2,913	2,983	3,081	2,801	3,081
Loans (INR b)	2,040	2,048	2,141	2,237	2,175	2,237	2,326	2,461	2,237	2,461
Deposit growth (%)	12.3	12.2	10.8	6.6	9.6	11.4	12.4	10.0	6.6	10.0
Loan growth (%)	-1.9	-4.0	-1.2	1.8	6.6	9.2	8.7	10.0	1.8	10.0
Asset Quality										
Gross NPA (%)	2.7	2.6	2.3	3.3	3.6	3.5	3.4	3.3	3.3	3.3
Net NPA (%)	0.9	0.6	0.5	1.2	1.3	1.2	1.2	1.1	1.2	1.1
PCR (%)	68.4	75.6	78.4	63.6	64.8	65.5	66.0	66.8	63.6	66.8

Punjab National Bank**Neutral****CMP: INR41 | TP: INR45 (+9%)****EPS CHANGE (%): FY22|23: -3.8|-1.8**

- Loan growth to witness an uptick
- Margins to remain stable at ~2.8%; opex to be key
- SMA and restructuring books – key monitorables
- Asset quality to remain stable; slippage to moderate QoQ

Quarterly performance**(INR b)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	67.8	84.4	83.1	69.4	72.3	74.6	78.0	80.9	304.8	305.7
% Change (YoY)	63.8	98.1	90.9	48.3	6.6	-11.7	-6.2	16.6	74.8he	0.3
Other Income	36.5	24.4	29.7	37.4	35.9	37.2	35.7	39.9	128.1	148.6
Total Income	104.4	108.9	112.9	106.8	108.2	111.8	113.6	120.8	432.9	454.3
Operating Expenses	51.6	52.1	49.0	50.5	47.2	51.2	52.8	54.3	203.1	205.5
Operating Profit	52.8	56.7	63.9	56.3	61.0	60.6	60.8	66.4	229.8	248.8
% Change (YoY)	51.7	59.3	69.8	43.3	15.5	6.7	-4.9	17.9	55.9	8.3
Other Provisions	46.9	47.0	54.3	46.9	46.8	45.5	40.1	36.1	195.0	168.5
Profit before Tax	5.9	9.8	9.6	9.5	14.2	15.1	20.7	30.3	34.8	80.3
Tax	2.9	3.6	4.5	3.6	4.0	5.0	6.8	11.0	14.6	26.7
Net Profit	3.1	6.2	5.1	5.9	10.2	10.1	13.9	19.4	20.2	53.6
% Change (YoY)	-69.7	22.4	NM	NM	231.8	62.8	174.1	230.2	501.3	165.0
Operating Parameters										
Deposits	10,749	10,697	10,822	11,063	10,976	11,146	11,368	11,616	11,063	11,616
Loans	6,562	6,527	6,605	6,742	6,613	6,759	6,911	7,079	6,742	7,079
Deposit Growth (%)	59.8	53.7	52.7	57.2	2.1	4.2	5.0	5.0	57.2	5.0
Loan Growth (%)	55.6	52.5	55.2	42.9	0.8	3.6	4.6	5.0	42.9	5.0
Asset Quality										
Gross NPA (%)	14.1	13.4	13.0	14.1	14.3	14.1	13.7	13.1	14.1	13.1
Net NPA (%)	5.4	4.8	4.0	5.7	5.8	5.7	5.6	5.2	5.8	5.2
PCR (%)	65.3	67.9	71.8	63.1	62.9	63.0	63.0	63.9	62.4	63.9

RBL Bank**Buy****CMP: INR194 | TP: INR235 (+21%)****EPS CHANGE (%): FY22|23: -83.9|-17.2**

- Business growth to pick up; margins stable at 4.4%
- Credit costs to remain elevated over the near term
- Asset quality to remain under pressure on exposure to MFI / Credit Cards; CE remains key
- Growth in deposits and liquidity positioning – key monitorable

Quarterly performance**(INR m)**

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	10,413	9,321	9,082	9,061	9,695	9,876	10,537	11,214	37,876	41,322
% Change (Y-o-Y)	27.4	7.3	-1.6	-11.3	-6.9	6.0	16.0	23.8	4.4	9.1
Other Income	3,333	4,562	5,799	6,884	6,947	7,116	7,318	7,429	20,578	28,810
Total Income	13,746	13,883	14,880	15,945	16,642	16,992	17,855	18,644	58,454	70,132
Operating Expenses	6,849	6,685	6,832	7,179	8,567	9,054	9,109	9,720	27,546	36,451
Operating Profit	6,897	7,198	8,048	8,765	8,075	7,938	8,746	8,923	30,908	33,681
% Change (Y-o-Y)	14.5	13.2	12.3	16.6	17.1	10.3	8.7	1.8	13.9	9.0
Other Provisions	5,002	5,256	6,098	7,663	14,257	6,953	6,490	5,411	24,017	33,110
Profit before Tax	1,896	1,942	1,951	1,103	-6,182	985	2,256	3,513	6,891	571
Tax Provisions	483	500	480	349	-1,588	248	569	915	1,813	144
Net Profit	1,412	1,442	1,471	754	-4,595	736	1,688	2,598	5,078	428
% Change (Y-o-Y)	-47.1	165.4	110.2	-34.1	-425.4	-48.9	14.8	244.8	0.4	-91.6
Operating Parameters										
Deposit (INR b)	617.4	645.1	671.8	731.2	744.7	766.3	795.6	848.2	731.2	848.2
Loan (INR b)	566.8	561.6	564.4	586.2	565.3	581.5	602.6	633.1	586.2	633.1
Deposit Growth (%)	1.5	2.7	6.8	26.5	20.6	18.8	18.4	16.0	26.5	16.0
Loan Growth (%)	-0.3	-4.0	-5.4	1.0	-0.3	3.5	6.8	8.0	1.0	8.0
Asset Quality										
Gross NPA (%)	3.5	3.3	1.8	4.3	5.0	5.6	5.8	6.0	4.3	6.0
Net NPA (%)	1.7	1.4	0.7	2.1	2.0	2.6	2.6	2.2	2.1	2.2
PCR (%)	53.2	59.4	61.7	52.3	60.9	55.0	57.0	63.9	52.3	63.9

State Bank of India

Buy

CMP: INR463 | TP: INR600 (+30%)

EPS CHANGE (%): FY22|23: -3.9|+0.1

- Credit costs to remain high to keep balance sheet resilient
- Business growth to pick up QoQ
- Restructuring book and impact on asset quality to be key
- Margins to remain stable at ~3%; traction in fee income and opex trajectory – monitorables

Quarterly performance									(INR b)	
Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	266.4	281.8	288.2	270.7	276.4	289.5	306.9	328.3	1,107.1	1,201.1
% Change (YoY)	16.1	14.6	3.7	18.9	3.7	2.7	6.5	21.3	12.9	8.5
Other Income	95.0	85.3	92.5	162.3	118.0	103.3	106.6	139.6	435.0	467.6
Total Income	361.4	367.1	380.7	432.9	394.4	392.8	413.5	468.0	1,542.1	1,668.6
Operating Expenses	180.8	202.5	207.3	235.9	204.7	213.9	220.0	241.6	826.5	880.1
Operating Profit	180.6	164.6	173.3	197.0	189.7	178.9	193.4	226.4	715.5	788.5
% Change (YoY)	36.3	-9.6	-4.9	6.7	5.1	8.7	11.6	14.9	5.0	10.2
Other Provisions	125.0	101.2	103.4	110.5	100.5	89.3	87.4	94.8	440.1	372.0
Profit before Tax	55.6	63.4	69.9	86.5	89.2	89.6	106.0	131.6	275.4	416.5
Tax Provisions	13.7	17.7	17.9	22.0	24.2	23.3	27.6	33.2	71.3	108.3
Net Profit	41.9	45.7	52.0	64.5	65.0	66.3	78.5	98.4	204.1	308.2
% Change (YoY)	81.2	51.9	-6.9	80.1	55.3	45.0	51.0	52.5	40.9	51.0
Operating Parameters										
Deposits (INR t)	34.2	34.7	35.4	36.8	37.2	37.9	39.0	40.5	36.8	40.5
Loans (INR t)	23.0	22.9	23.7	24.5	24.3	24.8	25.4	26.2	24.5	26.2
Deposit Growth (%)	16.0	14.4	13.6	13.6	8.8	9.3	10.4	10.0	13.6	10.0
Loan Growth (%)	7.7	6.9	7.6	5.3	5.8	8.3	7.4	7.0	5.3	7.0
Asset Quality										
Gross NPA (%)	5.4	5.3	4.8	5.0	5.3	5.2	5.0	4.7	5.0	4.7
Net NPA (%)	1.9	1.6	1.2	1.5	1.8	1.8	1.7	1.5	1.5	1.5
PCR (%)	67.1	71.0	75.2	70.9	67.9	67.5	68.0	68.3	70.9	68.3

Union Bank of India

Buy

CMP: INR38 | TP: INR55 (+46%)

EPS CHANGE (%): FY22|23: +7.0|+2.2

- Loan growth to witness an uptick
- SMA and restructuring books – key monitorables
- Margins to remain stable at ~3.1%; opex to be key
- Asset quality to remain stable; slippage to moderate QoQ

Quarterly performance									(INR m)	
	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	64,032	62,929	65,895	54,029	70,135	71,351	73,390	76,353	246,884	291,228
% Change (YoY)	154.3	116.6	110.2	87.7	9.5	13.4	11.4	41.3	115.9	18.0
Other Income	14,625	23,079	30,155	45,509	29,009	31,589	29,752	32,088	113,369	122,438
Total Income	78,657	86,008	96,050	99,538	99,143	102,940	103,142	108,441	360,253	413,666
Operating Expenses	38,316	38,661	42,944	47,739	46,115	49,679	47,753	49,006	167,660	192,553
Operating Profit	40,341	47,347	53,106	51,799	53,028	53,261	55,389	59,435	192,593	221,113
% Change (YoY)	113.9	111.3	121.1	95.3	31.4	12.5	4.3	14.7	109.8	14.8
Provisions	35,558	41,439	52,559	39,043	35,238	36,690	34,730	33,381	168,599	140,038
Profit before Tax	4,783	5,908	547	12,756	17,790	16,571	20,659	26,054	23,994	81,075
Tax	1,456	742	-6,721	-542	5,980	5,551	6,921	8,708	-5,066	27,160
Net Profit	3,327	5,166	7,268	13,298	11,810	11,020	13,738	17,347	29,060	53,915
% Change (YoY)	48.3	-143.3	26.5	-153.1	254.9	113.3	89.0	30.4	-200.3	85.5
Operating Parameters										
Deposit (INR b)	8,925	8,861	8,824	9,238	9,085	9,293	9,515	9,792	9,238	9,792
Loan (INR b)	5,817	5,790	5,829	5,910	5,846	5,963	6,105	6,264	5,910	6,264
Deposit Growth (%)	107.6	100.1	98.3	105.0	1.8	4.9	7.8	6.0	105.0	6.0
Loan Growth (%)	98.0	94.4	89.5	87.6	0.5	3.0	4.7	6.0	87.6	6.0
Asset Quality										
Gross NPA (%)	15.0	14.7	13.5	13.7	13.6	13.4	13.2	12.9	13.7	12.9
Net NPA (%)	5.0	4.1	3.3	4.6	4.7	4.6	4.4	4.5	4.7	4.5
PCR (%)	70.3	75.1	78.3	69.6	68.7	69.0	69.5	68.5	69.2	68.5

SBI Cards and Payment Services

Buy

CMP: INR1,072 | TP: INR1,200 (+12%)

EPS CHANGE (%): FY22|23: +2.4|-5.4

- Credit costs to witness gradual moderation
- Restructuring book and impact on asset quality to be key
- Traction in credit card spends to be key assessment metric
- Impact of restructuring on margins – key monitorable

Quarterly performance

(INR m)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	11,375	10,112	9,071	8,284	9,244	9,654	10,212	10,781	38,843	39,892
% Change (Y-o-Y)	52.2	20.0	-3.1	-18.3	-18.7	-4.5	12.6	30.1	9.7	2.7
Other Income	7,808	12,373	13,717	13,961	12,975	13,814	14,793	15,977	47,859	57,559
Total Income	19,183	22,486	22,788	22,245	22,219	23,468	25,005	26,759	86,702	97,451
Operating Expenses	9,047	11,086	13,477	12,854	11,680	12,334	13,902	14,348	47,079	52,263
Operating Profit	10,136	11,399	9,311	9,391	10,540	11,134	11,103	12,411	39,623	45,188
% Change (Y-o-Y)	9.1	37.2	-3.0	-1.2	4.0	-2.3	19.2	32.2	8.0	14.0
Provisions	4,853	8,617	6,483	7,047	6,437	5,826	5,221	4,924	26,386	22,408
Profit before Tax	5,283	2,782	2,829	2,344	4,103	5,308	5,882	7,487	13,237	22,780
Tax	1,350	720	732	590	1,057	1,343	1,482	1,859	3,392	5,741
Net Profit	3,933	2,061	2,097	1,754	3,046	3,965	4,400	5,629	9,845	17,040
% Change (Y-o-Y)	13.8	-45.9	-51.8	110.0	-22.5	92.3	109.9	220.9	-20.9	73.1
Operating Parameters										
Loan (INR b)	219.2	219.3	237.0	234.6	230.4	239.9	255.7	269.8	234.6	269.8
Loan Growth (%)	7.2	-1.6	-1.0	2.8	5.1	9.4	7.9	15.0	2.8	15.0
Asset Quality										
Gross NPA (%)	1.4	4.3	1.6	5.0	3.9	3.9	3.7	3.6	5.0	3.6
Net NPA (%)	0.4	1.5	0.6	1.2	0.9	1.0	1.0	1.2	1.1	1.2
PCR (%)	68.3	65.6	65.6	77.9	78.2	75.0	73.0	67.6	77.9	67.6

HDFC Life Insurance

Neutral

CMP: INR727 | TP: INR750 (+3%)

EPS CHANGE (%): FY22|23: +0.0|+0.0

- New business premium to see healthy uptick on strong trends in Annuity/PAR
- VNB growth to remain healthy, margins to remain stable
- Expense ratio to remain stable; RoEV to stay modest
- COVID-related claims – a key monitorable

Quarterly performance (INR m)

Policy holder's A/c (INR m)	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net premium income	57,218	100,454	94,870	128,680	75,385	113,391	111,577	153,211	381,223	453,563
Growth (%)	-11.3%	34.8%	20.8%	23.0%	31.7%	12.9%	17.6%	19.1%	18.3%	19.0%
Renewal premium	32,391	43,104	45,770	63,504	38,893	53,838	52,976	69,643	184,769	215,350
Growth (%)	24.1%	20.8%	21.5%	14.9%	20.1%	24.9%	15.7%	9.7%	19.4%	16.6%
PAT	4,511	3,261	2,650	3,179	3,024	3,421	3,824	4,233	13,601	14,502
Growth (%)	6.2%	5.6%	5.9%	2.0%	-33.0%	4.9%	44.3%	33.2%	5.0%	6.6%
Key metrics (INR b)										
New business APE	12.0	21.4	21.6	28.8	15.6	24.6	24.2	34.3	81.8	98.5
Growth (%)	-29.9	21.2	18.3	36.5	30.3	15.3	12.3	19.0	14.2	20.3
VNB	2.9	5.5	5.7	7.8	4.1	6.4	6.5	9.1	21.9	26.1
Growth (%)	-42.8	22.1	26.7	51.8	40.2	17.0	13.9	17.6	13.9	19.5
AUM	1,400	1,506	1,656	1,738	1,813	1,898	2,012	2,194	1,738	2,194
Growth (%)	8.0	15.0	21.4	36.6	29.5	26.0	21.5	26.2	36.6	26.2
Key Ratios (%)										
VNB Margins (%)	24.3	25.6	26.4	27.0	26.2	26.0	26.8	26.6	26.1	26.5
Solvency ratio (%)	190.0	203.0	202.0	201.0	203.0	200.0	196.0	192.2	201.0	192.2

ICICI Prudential Life Insurance

Buy
CMP: INR676 | TP: INR780 (+15%)
EPS CHANGE (%): FY22|23: -35.2|-12.0

- New business premiums to see uptick, supported by new banca relationships
- Expense ratio to remain stable; COVID claims a key monitorable
- VNB margin to see moderation, but remain healthy
- Growth in Non-Linked Savings business to remain healthy

Quarterly performance (INR m)

Policy holder's A/c (INR m)	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net premium income	55,511	85,722	89,708	118,793	66,019	99,057	111,440	136,224	349,734	412,739
Growth (%)	-10.6%	6.3%	10.3%	13.4%	18.9%	15.6%	24.2%	14.7%	6.4%	18.0%
Renewal premium	41,398	57,742	56,801	69,126	41,375	58,157	65,427	77,363	225,068	242,322
Growth (%)	2.4%	10.2%	8.7%	7.4%	-0.1%	0.7%	15.2%	11.9%	7.5%	7.7%
PAT	2,876	3,032	3,056	638	-1,857	1,502	3,047	3,639	9,601	6,252
Growth (%)	0.9%	0.5%	1.0%	-64.5%	-164.6%	-50.5%	-0.3%	470.6%	-10.2%	-34.9%

Key metrics (INR b)

New Business APE	8.2	14.7	16.7	25.1	12.2	20.2	22.7	30.5	59.9	84.1
Growth (%)	-44.0	-22.9	-18.3	27.1	48.1	37.7	36.3	21.8	-15.7	40.3
VNB	2.0	4.0	4.3	5.9	3.6	5.5	6.0	8.5	16.2	23.7
Growth (%)	-35.0	0.2	0.5	25.7	78.1	38.4	41.1	44.1	1.3	46.0
AUM	1,700	1,815	2,049	2,142	2,232	2,349	2,453	2,557	2,142	2,557
Growth (%)	3.6	9.7	19.1	40.0	31.3	29.5	19.7	19.4	40.0	19.4

Key Ratios (%)

VNB Margins (%)	24.4	27.4	25.7	23.6	29.4	27.5	26.6	27.9	25.1	28.2
Solvency ratio (%)	205	206	226	217	194	201	199	196	217	196

SBI Life Insurance

Buy
CMP: INR1,230 | TP: INR1,400 (+14%)
EPS CHANGE (%): FY22|23: -3.7|-0.3

- New business premiums to see strong pickup
- Continues to maintain cost leadership; rise in COVID claims a key monitorable
- Margins to see healthy pickup; VNB growth to remain robust
- Protection mix to improve; Non-PAR to remain healthy

Quarterly performance (INR b)

Policy holder's A/c (INR b)	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net premium income	75.9	128.6	137.7	155.6	83.1	163.6	166.6	181.7	497.7	595.0
Growth (%)	14%	27%	18%	31%	10%	27%	21%	17%	23%	20%
Renewal income	45.8	71.5	84.4	94.6	50.3	87.3	97.7	113.6	296.3	348.9
Growth (%)	30%	28%	24%	16%	10%	22%	16%	20%	23%	18%
PAT	3.9	3.0	2.3	5.3	2.2	3.4	3.7	5.9	14.6	15.2
Growth (%)	5%	131%	-40%	0%	-43%	14%	59%	10%	2%	4%

Key metrics (INR b)

New Business APE	12.7	27.1	35.0	39.7	16.2	37.7	38.7	45.9	113.7	138.4
Growth (%)	-31.7	-3.6	3.6	47.6	27.6	39.3	10.7	15.6	8.2	21.7
VNB	2.6	5.4	7.6	11.0	3.9	9.4	9.7	11.5	26.6	34.5
Growth (%)	-21.2	3.8	22.6	103.7	50.0	73.8	28.0	4.4	19.8	29.7
AUM	1,754	1,864	2,095	2,209	2,316	2,320	2,385	2,467	2,209	2,467
Growth (%)	19.3	20.4	27.6	37.7	32.1	24.5	13.8	11.7	37.7	11.7

Key Ratios (%)

VNB margins (%)	20.1	20.3	21.9	27.7	24.1	24.9	25.1	25.0	23.2	24.9
Solvency ratio (%)	239.0	245.0	234.0	215.0	215.0	210.0	207.0	201.0	214.7	201.0

Max Financial Services

Buy

CMP: INR1,017 | TP: INR1,250 (+23%)

EPS CHANGE (%): FY22|23: +0.0|+0.0

- New business premiums to remain modest
- Proprietary channel to continue to exhibit healthy recovery; rise in COVID claims a key monitorable
- VNB margins to improve; VNB growth to remain healthy
- Non-PAR growth to remain healthy; ULIP to post recovery

Quarterly performance (INR m)

Policy holder's A/c (INR m)	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross prem. income	27,510	45,330	46,280	71,060	34,840	55,107	56,231	78,747	190,180	224,925
Growth (%)	3.8%	19.9%	19.3%	21.0%	26.6%	21.6%	21.5%	10.8%	17.5%	18.3%
Renewal premium	18,520	29,370	28,800	45,230	22,440	35,038	35,753	49,780	121,920	143,010
Growth (%)	6.4%	22.3%	16.3%	13.6%	21.2%	19.3%	24.1%	10.1%	15.0%	17.3%
PAT	1,710	260	2,200	1,060	770	1,342	1,617	2,372	5,230	6,101
Growth (%)	151.5%	-69.8%	42.9%	-54.2%	-55.0%	416.2%	-26.5%	123.8%	-3.0%	16.6%
Key metrics (INR m)										
New Business APE	6,610	11,540	12,250	19,170	8,750	14,524	14,820	21,462	49,570	59,282
Growth (%)	-3.5	10.4	21.3	36.1	32.4	25.9	21.0	12.0	17.0	19.6
VNB	1,130	3,250	3,500	4,610	1,720	3,805	3,942	5,392	12,490	14,859
Growth (%)	-15.7	41.3	65.1	43.6	52.2	17.1	12.6	17.0	39.2	19.0
AUM (INR b)	730	780	850	904	937	1,007	1,053	1,091	904	1,091
Growth (%)	14.1	20.0	23.9	32.0	28.4	29.1	23.9	20.6	32.0	20.6
Key Ratios (%)										
VNB Margins (%)	17.1	28.2	28.6	24.0	19.7	26.2	26.6	25.1	25.2	24.9
Solvency ratio (%)	212.0	207.0	208.0	196.0	197.0	199.0	195.0	196.3	196.0	196.3

NOTES

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 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. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) 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. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.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") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 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
- received compensation/other benefits from the subject company in the past 12 months
- 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.

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.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com.CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.: 022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.