

Banks

Jul-Sep'21 Earnings Preview

Uncertainty remains; PSBs to outshine

Limited economic activity and cautious lending in Q2FY22 have kept systemic loan growth muted at 6% while deposit growth continued at 9% YoY. Said that, private banks (coverage universe) will continue to outshine with aggregate 13% growth in 2Q22. For our coverage universe, we expect, 6% YoY NII growth led by 12% YoY growth for private banks and muted growth for PSB's. we expect a steady PPOP growth of 11% YoY with similar trends in Private banks & PSBs. A favorable base, low interest rate benefit on NII & relatively lower provisioning will lead earnings growth of ~30% YoY & 20% QoQ. Collection efficiency, bounce rate, restructuring commentary and future outlook on credit growth are key factors to be watched out for in 2Q22 results.

Q1FY22 ended with relatively poor asset quality due to higher slippages although PCR stood at satisfactory levels of ~ 70% across coverage universe. Asset quality outlook stands uncertain given no dispensation in FY22 (except ECLGS extension), uncertainty of third wave and back to back hit to businesses for last 2 years. We largely build in steady credit costs than quarterly average of Q1FY22 and expect to see substantial drop in H2FY22.

We prefer ICICIBC, HDFCB & IIB as front line picks and Fed Bank amongst mid cap banks.

- **Asset quality begins to show signs of improvement:** We expect asset quality pressures to start receding and accordingly build the same in our estimates, as things improve by H2FY22. Banks have clearly articulated stance to upfront stress in H1FY22 with aggressive provisioning and PCR is expected to be maintained at higher order of 65-70% levels. For coverage universe, aggregate GNPA's are expected to remain flat on sequential basis for Q2FY22.
- **Loan growth still <10%YoY levels; private banks continue to outshine:** Overall lending growth remains at +6% with support from housing & vehicle finance, but largely beneficial from lower base. Credit card spends have increased by 19% in Jul'21 and so will be outstanding books, while other unsecured loans will have slow growth. Corporate growth could be strong for certain banks. For coverage universe, aggregate loan growth is expected to be 3% QoQ/9% YoY. Private banks (coverage universe) will continue to outshine with aggregate 13% growth in 2Q22.
- **Tailwinds continue on funding cost; lower provisioning benefit earnings:** cost of funds will continue to be lower although NII growth will be slower at 6% of coverage universe due to higher liquidity. Gradual improvement in fee and their income will keep PPOP growth at 20% while lower provision requirement will improve earnings materially. PSBs to outshine on earnings front with an expected 6%YoY/ 30%QoQ PAT growth for the quarter

October 6, 2021

Top Picks

ICICI Bank

HDFC Bank

Indusind Bank

Federal Bank

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Q2FY22 Banks Preview

- **Private Banks** – For Private banks we expect a steady growth of 12% YoY & 3% QoQ, as tailwinds from lower cost of funds continue and sequential quarter optically saw high interest reversals & CRR Impact. Although higher liquidity from continued deposit flows and subdued lending will keep NIMs steady. Earnings similar to industry should see sharp improvement of 20-30% YoY on lower provisions, to improve both legacy NPA PCR and higher contingency provisions (which should be not visible in Q2FY22). Loan growth to be better than industry, although rates within private banks have also been differing with large gaps. Bank wise we expect **HDFCB** will continue its 15-18% PAT growth with NIMs remaining in a band of 4.1-4.2%. **Kotak Bank** is likely to be worst impacted from the lot, given conservative approach in lending and very likely high slippages than usual (similar to last two quarters). Bank will continue to keep provisions on higher side especially covering risks on unsecured. **ICICIB** should continue undeterred on its loan growth especially retail and both slippages/provisions should be under much control and remain best of the lot on asset quality metrics. **Axis** should also continue to improve its PCR although asset quality hit is likely to be higher which could keep credit cost at same levels.
- **Public Sector Banks** – On an aggregate basis, NII growth will remain flattish at 3% QoQ. We expect a marginal improvement in NIMs on the back of loan growth of 3-4% QoQ. GNPA's are expected to be stagnant as previous quarter.

Key Rating, Target Price and earning changes

Earnings Changes

- For our coverage universe, we introduce FY24E. We put KMB & IIB 'UNDER REVIEW' and we shall come up with the revised TP shortly.

Exhibit 1: Recommendation for PL coverage universe

Coverage Universe	CMP (Rs)	M Cap (Rs B)	Old Rating	New Rating	Old PT (Rs)	New PT (Rs)	Upside (%)	P/ABV (x)				RoE (%)			
								FY21	FY22E	FY23E	FY24E	FY21	FY22E	FY23E	FY24E
Axis Bank	779	2,389	ACCU	ACCU	860	860	8.4	2.5	2.3	2.0	1.8	7.1	10.9	13.7	15.2
HDFC Bank	1,615	8,942	BUY	BUY	1,870	1,870	13.1	4.5	3.9	3.4	2.9	16.6	16.6	17.2	17.9
ICICI Bank	690	4,781	BUY	BUY	815	819	15.3	3.1	2.7	2.3	2.0	12.6	14.3	15.0	15.9
IndusInd Bank	1,132	876	BUY	UR	1,280	-	15.9	2.1	1.9	1.6	1.4	7.3	12.4	15.0	16.3
Kotak	1,956	3,878	ACCU	UR	1960	-	8.2	5.2	4.5	3.8	3.3	11.4	13.0	13.9	13.9
Federal	84	177	ACCU	ACCU	97	97	7.0	1.3	1.1	0.9	0.8	10.4	11.4	12.4	13.0
South Indian Bank	10	21	HOLD	HOLD	11	11	(21.6)	0.7	0.9	0.5	0.5	1.3	3.4	4.9	5.5
IDFC First Bank	47	292	Reduce	Reduce	45	42	(10.4)	1.7	1.7	1.5	1.5	2.7	0.0	3.7	7.1
Bank of Baroda	82	426	BUY	BUY	105	105	17.0	0.7	0.7	0.6	0.5	0.9	1.1	8.0	9.1
Punjab National Bank	40	439	BUY	BUY	50	50	12.3	0.7	0.7	0.6	0.5	2.9	4.6	9.0	9.0
SBI	457	4,080	BUY	BUY	540	540	11.7	1.1	1.0	0.9	0.8	9.3	12.3	13.5	13.9

Source: Company, PL

ACCU=Accumulate / UR=Under Review

Note – *Kotak & SBI valuation on S'one book

Exhibit 2: Q2FY22 Banks Results Preview – NII & earnings look flat with gradual pickup in economy

Rs Million	NII	YoY	QoQ	PPOP	YoY	QoQ	PAT	YoY	QoQ
HDFC Bank	1,74,737	10.8%	2.7%	1,55,300	12.4%	2.6%	86,987	15.8%	12.5%
ICICI Bank	1,11,038	18.6%	1.5%	93,331	13.0%	4.9%	49,725	17.0%	7.7%
Axis Bank	84,724	15.6%	9.2%	67,512	-2.1%	5.2%	23,367	38.9%	8.2%
Kotak	37,854	-3.3%	-4.0%	28,610	-13.2%	-8.3%	17,279	-20.9%	5.2%
IndusInd	34,734	6.0%	-2.5%	29,010	2.5%	-7.3%	12,369	91.0%	26.9%
SIB	5,237	-21.0%	-3.4%	4,809	16.2%	-6.1%	372	-42.8%	261.1%
Federal	14,589	5.7%	2.9%	10,543	4.7%	-7.1%	4,724	53.6%	28.6%
IDFC First Bank	22,678	36.6%	3.8%	8,369	144.5%	-16.4%	(360)	-135.5%	-94.3%
SBI	2,91,723	3.5%	5.5%	2,02,239	22.9%	6.6%	92,633	102.5%	42.4%
PNB	71,919	-14.3%	-0.5%	61,669	8.7%	1.1%	10,091	62.5%	-1.4%
BOB	77,103	2.7%	-2.3%	55,364	-0.3%	-3.0%	10,967	NA	NA
Total Banks	9,26,337	5.9%	2.8%	7,16,755	11.0%	2.2%	3,08,154	30.4%	20.3%
Total Private Banks	4,85,593	12.0%	2.5%	3,97,483	7.8%	1.0%	1,94,464	16.1%	15.3%
Total Public Banks	4,40,744	0.0%	3.1%	3,19,272	15.3%	3.7%	1,13,691	65.4%	30.1%
Rs Billion	Loans	YoY	QoQ	Margins	YoY	QoQ	Credit Cost	YoY	QoQ
HDFC Bank	11,936	14.9%	4.0%	4.20%	0.10%	0.10%	1.31%	-0.12%	-0.37%
ICICI Bank	7,622	16.8%	3.2%	3.90%	0.33%	0.01%	1.55%	-0.29%	0.00%
Axis Bank	6,395	10.9%	4.0%	3.56%	-0.02%	0.10%	2.26%	-0.92%	-0.04%
Kotak	2,240	9.3%	3.0%	4.45%	-0.07%	-0.15%	0.99%	0.27%	-0.73%
IndusInd	2,170	7.9%	3.0%	4.20%	0.04%	0.14%	2.30%	-1.60%	-1.20%
SIB	560	-12.4%	-1.0%	2.70%	-0.24%	0.15%	3.08%	1.04%	-0.44%
Federal	1,373	11.7%	5.8%	3.14%	0.01%	-0.06%	1.23%	-0.69%	-0.75%
IDFC First Bank	1,012	12.5%	3.0%	4.60%	0.03%	-0.91%	3.50%	2.54%	-4.15%
SBI	24,805	8.1%	2.0%	3.05%	-0.07%	0.13%	1.27%	-0.50%	-0.39%
PNB	6,712	2.8%	1.5%	3.21%	0.00%	0.48%	2.87%	-0.01%	0.04%
BOB	6,751	0.8%	1.0%	3.04%	0.18%	0.00%	2.41%	0.62%	-0.05%
Banks	71,576	9.0%	2.6%	3.64%	0.03%	0.00%	1.72%	-0.10%	-0.47%

Source: Company, PL

Exhibit 3: Margins to remain stable

	1Q22	2Q21	2Q22	YoY	QoQ
HDFC Bank	4.10%	4.10%	4.20%	0.10%	0.10%
ICICI Bank	3.89%	3.57%	3.90%	0.33%	0.01%
Axis Bank	3.46%	3.58%	3.56%	-0.02%	0.10%
Kotak	4.60%	4.52%	4.45%	-0.07%	-0.15%
IndusInd	4.06%	4.16%	4.20%	0.04%	0.14%
Federal	3.20%	3.13%	3.14%	0.01%	-0.06%
IDFC First Bank	5.51%	4.57%	4.60%	0.03%	-0.91%
SIB	2.55%	2.94%	2.70%	-0.24%	0.15%
SBI	2.92%	3.12%	3.05%	-0.07%	0.13%
PNB	2.35%	3.21%	3.21%	0.00%	0.86%
BOB	3.04%	2.86%	3.04%	0.18%	0.00%

Source: Company, PL

Exhibit 4: Provisioning to be lower YoY/QoQ given buffer

	1Q22	2Q21	2Q22	YoY	QoQ
HDFC Bank	1.68%	1.43%	1.31%	-0.12%	-0.37%
ICICI Bank	1.54%	1.84%	1.55%	-0.29%	0.00%
Axis Bank	2.30%	3.18%	2.26%	-0.92%	-0.04%
Kotak	1.72%	0.72%	0.99%	0.27%	-0.73%
IndusInd	3.50%	3.90%	2.30%	-1.60%	-1.20%
Federal	1.98%	1.93%	1.23%	-0.69%	-0.75%
IDFC First Bank	7.65%	0.96%	3.50%	2.54%	-4.15%
SIB	3.52%	2.04%	3.08%	1.04%	-0.44%
SBI	1.65%	1.76%	1.27%	-0.50%	-0.39%
PNB	2.83%	2.88%	2.87%	-0.01%	0.04%
BOB	2.46%	1.79%	2.41%	0.62%	-0.05%

Source: Company, PL

Exhibit 5: Asset quality to improve marginally sequentially

	Q1FY22				Q2FY22E			
	GNPA	NNPA	PCR	Slippage (Rs bn)	GNPA	NNPA	PCR	Slippages (Rs bn)
HDFCB	1.47%	0.48%	68%	71.9	1.44%	0.44%	70%	50.2
ICICIBC	5.15%	1.16%	78%	72.3	5.18%	1.15%	79%	70.1
Axis	3.85%	1.20%	70%	65.2	3.24%	0.71%	79%	18.8
KMB	3.56%	1.28%	65%	15.0	3.25%	1.01%	69%	NA
IIB	2.88%	0.84%	72%	27.6	2.65%	0.65%	76%	22.9
SBI	5.32%	1.77%	68%	162.9	5.83%	2.19%	64%	244.5
BOB	8.86%	3.03%	68%	51.3	8.61%	2.79%	69%	38.2
PNB	14.33%	5.84%	63%	82.4	14.25%	5.90%	62%	81.3
Federal	3.50%	1.23%	66%	6.4	3.15%	0.82%	75%	0.5
IDFCFB	4.61%	2.32%	51%	28.5	4.62%	2.33%	51%	14.0

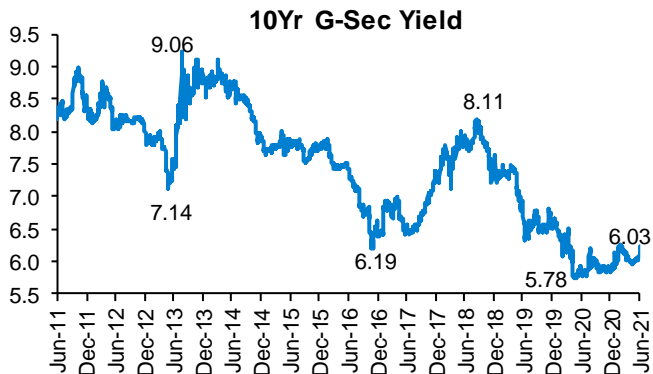
Source: Company, PL

Exhibit 6: PSBs have seen higher pain in MSME than Private. Although, private banks MSME issues have risen

For MSME below Rs250mn exposure	PSBs					Private Banks				
	ODPD	SMA-0	SMA-1	SMA-2	NPA	ODPD	SMA-0	SMA-1	SMA-2	NPA
Mar-20	65.0	6.9	5.7	4.2	18.2	88.6	4.4	1.9	0.7	4.3
Jun-20	63.3	18.2	2.2	2.6	13.7	88.6	7.0	0.9	0.6	2.9
Sep-20	65.9	13.4	3.2	2.6	14.9	87.9	8.1	0.9	0.6	2.6
Dec-20	65.7	7.8	5.6	7.8	13.1	88.1	4.8	2.6	2.4	2.0
Mar-21	60.7	10.6	9.2	3.6	15.9	89.6	3.7	2.4	0.8	3.6

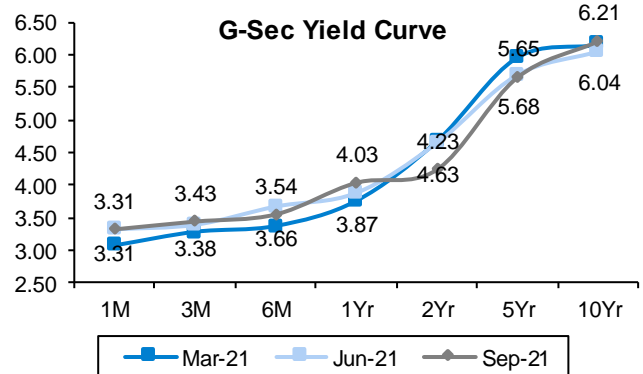
Source: RBI, PL

Exhibit 7: G-Sec yield have been steady



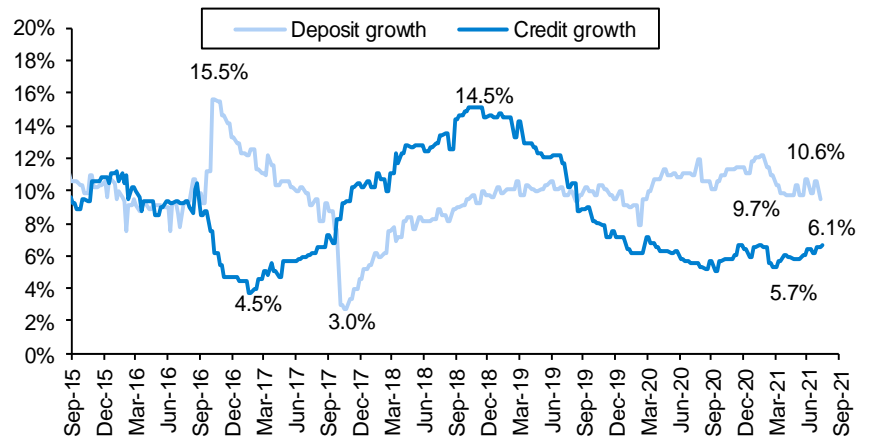
Source: Bloomberg, PL

Exhibit 8: Short-term curve moving up, long term flattening



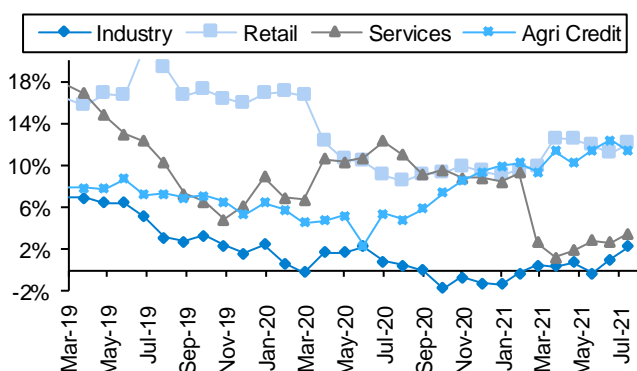
Source: Bloomberg, PL

Exhibit 9: Credit growth hovering ~6%; deposits have been strong



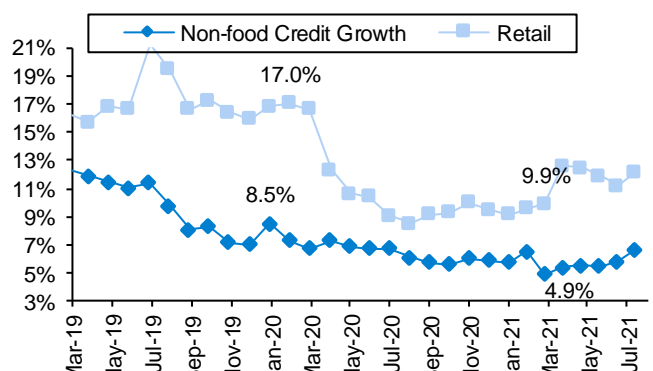
Source: RBI, PL

Exhibit 10: Slight uptick in Industry, others remain flat



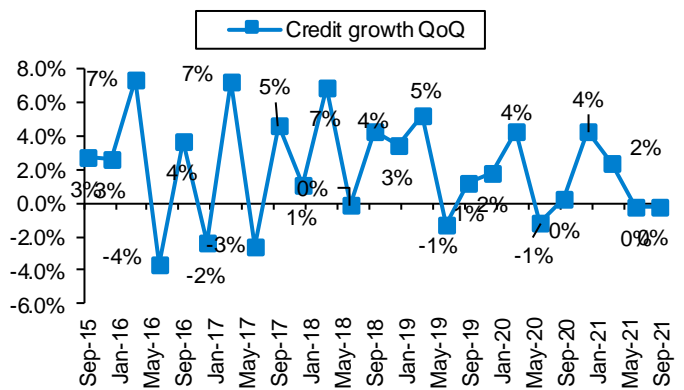
Source: Company, PL

Exhibit 11: Retail continues to see pickup



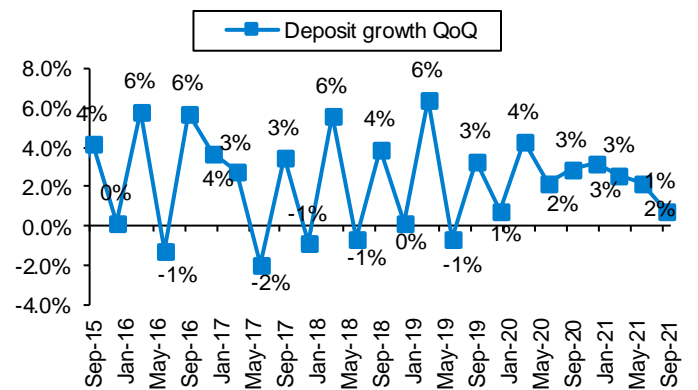
Source: Company, PL

Exhibit 12: Credit growth remains muted



Source: RBI, PL

Exhibit 13: Deposits growth also sees contraction



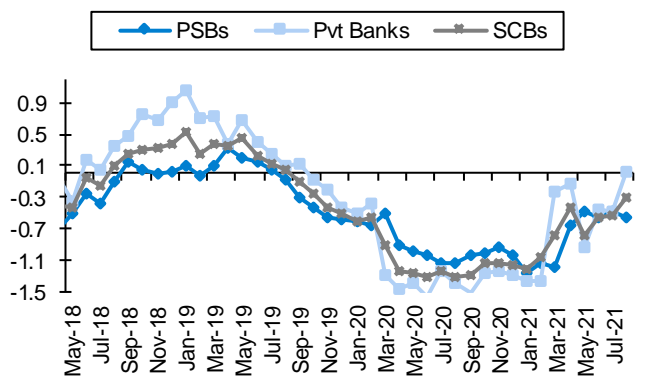
Source: RBI, PL

Exhibit 14: Few banks tinker rates lower QoQ, mainly Pvt banks

Banks MCLR Profile	MCLR 1YR			% Change	
	Mar-21	Jun-21	Sep-21	3Months	6Months
HDFC Bank	7.20%	7.20%	7.20%	0.00%	0.00%
Axis Bank	7.40%	7.35%	7.35%	0.00%	-0.05%
ICICI Bank	7.30%	7.30%	7.25%	-0.05%	-0.05%
KMB	7.30%	7.25%	7.20%	-0.05%	-0.10%
IndusInd Bank	8.60%	8.60%	8.45%	-0.15%	-0.15%
Yes Bank	8.45%	8.45%	8.45%	0.00%	0.00%
SBI	7.00%	7.00%	7.00%	0.00%	0.00%
Bank of Baroda	7.40%	7.40%	7.35%	-0.05%	-0.05%
Punjab National Bank	7.35%	7.30%	7.30%	0.00%	-0.05%
Federal	7.90%	8.00%	8.10%	0.10%	0.20%
South Indian Bank	7.90%	8.30%	8.20%	-0.10%	0.30%
PSBs – Median	7.33%	7.30%	7.30%	0.00%	-0.03%
Pvt – Median	8.40%	8.30%	8.23%	-0.07%	-0.17%

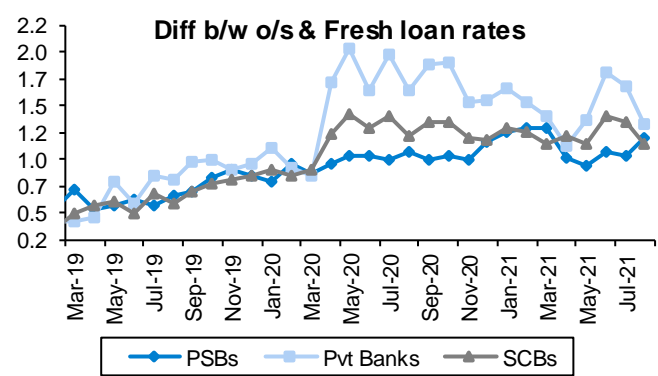
Source: Company, PL

Exhibit 15: Pvt Banks rates remain flat for fresh loans



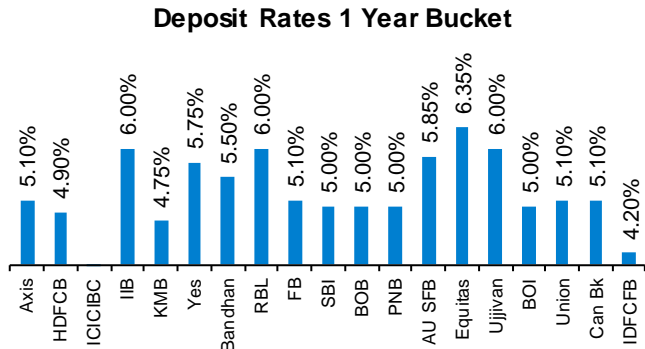
Source: Company, PL

Exhibit 16: Pvt Bank see gap reduce in fresh & o/s loans



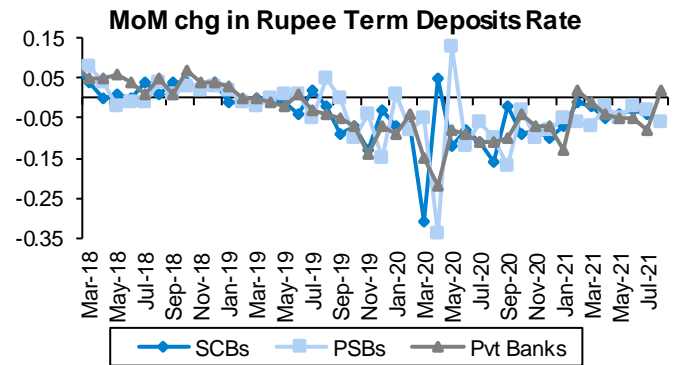
Source: RBI, PL

Exhibit 17: Deposit rates have been steady



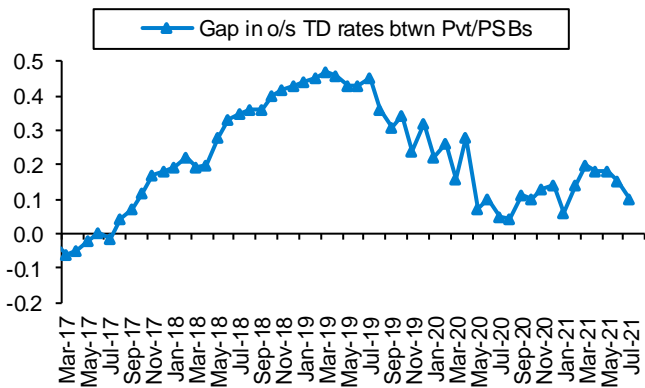
Source: Company, PL

Exhibit 18: Industry continues to see flat in deposit cost



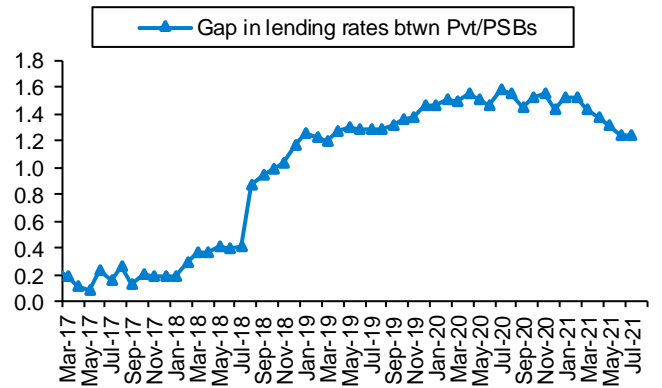
Source: Company, PL

Exhibit 19: Pvt/PSBs TD rates continue to drop



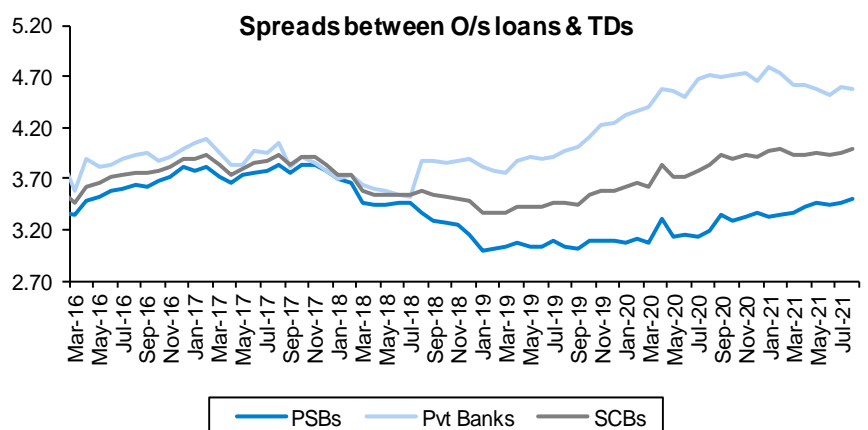
Source: RBI, PL

Exhibit 20: Gap in lending rates for Pvt/PSB steady



Source: RBI, PL

Exhibit 21: Pvt banks maintain spreads; interestingly picking for PSBs



Source: RBI, PL

Exhibit 22: Q2FY22 Result Preview (Private Banks)

Company Name	Q2FY22E	Q2FY21	YoY chg.	Q1FY22	QoQ chg.	Remark	
Axis Bank	NII (Rs mn)	84,724	73,261	15.6	77,603	9.2	We expect NII growth of 16% YoY but better QoQ at 9% supported by lower cost of funds & better collection efficiencies. Provisions should be lower YoY but remain similar sequentially on conservatism Most metrics to remain steady on core basis
	PPOP (Rs mn)	67,512	68,976	(2.1)	64,160	5.2	
	Provisions (Rs mn)	36,062	45,807	(21.3)	35,320	2.1	
	PAT (Rs mn)	23,367	16,827	38.9	21,602	8.2	
	Loans (Rs bn)	6,395	5,764	10.9	6,149	4.0	
	Margin (%)	3.56	3.58	(2)	3.46	10	
	GNPA (%)	3.24	4.18	(94)	3.85	(61)	
	Credit Cost (%)	2.26	3.18	(92)	2.30	(4)	
HDFC Bank	NII (Rs mn)	1,74,737	1,57,764	10.8	1,70,090	2.7	We expect a NII growth of 10% YoY with PPOP holding up at 12% (lower interest expense) Provisions to remain steady on QoQ basis, with PCR remaining strong at 70%. Unsecured growth will again take back seat and focus on secured assets. Wholesale will continue to drive growth.
	PPOP (Rs mn)	1,55,300	1,38,138	12.4	1,51,371	2.6	
	Provisions (Rs mn)	39,053	37,035	5.4	48,308	(19.2)	
	PAT (Rs mn)	86,987	75,131	15.8	77,297	12.5	
	Loans (Rs bn)	11,936	10,383	14.9	11,477	4.0	
	Margin (%)	4.20	4.10	10	4.10	10	
	GNPA (%)	1.44	1.08	36	1.47	(3)	
	Credit Cost (%)	1.31	1.43	(12)	1.68	(37)	
ICICI Bank	NII (Rs mn)	1,11,038	93,661	18.6	1,09,358	1.5	Earnings to remain steady on lower cost of funds, while core PPOP to grow at 13% YoY. Margins to remain steady on QoQ basis but NII to hold up at 18% Asset quality trends should not be too different from trends
	PPOP (Rs mn)	93,331	82,611	13.0	88,944	4.9	
	Provisions (Rs mn)	29,441	29,953	(1.7)	28,517	3.2	
	PAT (Rs mn)	49,725	42,513	17.0	46,160	7.7	
	Loans (Rs bn)	7,622	6,526	16.8	7,386	3.2	
	Margin (%)	3.90	3.57	33	3.89	1	
	GNPA (%)	5.18	5.17	1	5.15	3	
	Credit Cost (%)	1.55	1.84	(29)	1.54	0	
IndusInd Bank	NII (Rs mn)	34,734	32,780	6.0	35,637	(2.5)	We expect steady earnings driven by base effect and lower provisioning as bank is covered with good PCR of +70%. Collection efficiencies have seen uptick, hence better recovery prospects. Loan growth to improve, deposits growth steady. NIMs to improve marginally.
	PPOP (Rs mn)	29,010	28,310	2.5	31,306	(7.3)	
	Provisions (Rs mn)	12,480	19,644	(36.5)	18,440	(32.3)	
	PAT (Rs mn)	12,369	6,475	91.0	9,750	26.9	
	Loans (Rs bn)	2,170	2,012	7.9	2,107	3.0	
	Margin (%)	4.20	4.16	4	4.06	14	
	GNPA (%)	2.65	2.21	44	2.88	(23)	
	Credit Cost (%)	2.30	3.90	(160)	3.50	(120)	
Kotak Mahindra Bank	NII (Rs mn)	37,854	39,132	(3.3)	39,417	(4.0)	NII momentum expected to be slow on conservatism in loan growth, while funding cost tailwind should help. Bank could see drop in credit cost with PCR at near to 70%. CASA to remain at +60%.
	PPOP (Rs mn)	28,610	32,975	(13.2)	31,211	(8.3)	
	Provisions (Rs mn)	5,518	3,686	49.7	9,348	(41.0)	
	PAT (Rs mn)	17,279	21,845	(20.9)	16,419	5.2	
	Loans (Rs bn)	2,240	2,048	9.3	2,175	3.0	
	Margin (%)	4.45	4.52	(7)	4.60	(15)	
	GNPA (%)	3.25	2.55	70	3.56	(31)	
	Credit Cost (%)	0.99	0.72	27	1.72	(73)	
IDFC First Bank	NII (Rs mn)	22,678	16,597	36.6	21,848	3.8	NII should be strong at 36% YoY led by lowered rates by 100-150bps on SA and lending growth on retail remains robust. We expect slippages will continue to remain elevated and so will credit cost.
	PPOP (Rs mn)	8,369	3,423	144.5	10,012	(16.4)	
	Provisions (Rs mn)	8,856	2,158	310.3	18,786	(52.9)	
	PAT (Rs mn)	(360)	1,014	(135.5)	(6,300)	(94.3)	
	Loans (Rs bn)	1,012	900	12.5	983	3.0	
	Margin (%)	4.60	4.57	3	5.51	(91)	
	GNPA (%)	4.62	1.62	300	4.61	1	
	Credit Cost (%)	3.50	0.96	254	7.65	(415)	

Company Name	Q2FY22E	Q2FY21	YoY chg.	Q1FY22	QoQ chg.	Remark
Federal	NII (Rs mn)	14,589	13,799	5.7	14,184	2.9
	PPOP (Rs mn)	10,543	10,065	4.7	11,352	(7.1)
	Provisions (Rs mn)	4,230	5,921	(28.6)	6,418	(34.1)
	PAT (Rs mn)	4,724	3,076	53.6	3,673	28.6
	Loans (Rs bn)	1,373	1,229	11.7	1,298	5.8
	Margin (%)	3.14	3.13	1	3.20	(6)
	GNPA (%)	3.15	2.84	31	3.5	(35)
	Credit Cost (%)	1.23	1.93	(69)	1.98	(75)
South Indian Bank	NII (Rs mn)	5,237	6,631	(21.0)	5,420	(3.4)
	PPOP (Rs mn)	4,809	4,140	16.2	5,121	(6.1)
	Provisions (Rs mn)	4,312	3,264	32.1	4,980	(13.4)
	PAT (Rs mn)	372	651	NA	103	261.1
	Loans (Rs bn)	560	639	(12.4)	565	(1.0)
	Margin (%)	2.70	2.94	(24)	2.55	15
	GNPA (%)	8.71	4.87	384	8.02	69
	Credit Cost (%)	3.08	2.04	104	3.52	(44)

Source: Company, PL

Exhibit 23: Q2FY22 Result Preview (PSU Banks)

Company Name	Q2FY22E	Q2FY21	YoY chg.	Q1FY22	QoQ chg.	Remark
Bank of Baroda	NII (Rs mn)	77,103	75,075	2.7	78,917	(2.3)
	PPOP (Rs mn)	55,364	55,518	(0.3)	57,074	(3.0)
	Provisions (Rs mn)	40,709	30,016	35.6	41,120	(1.0)
	PAT (Rs mn)	10,967	16,786	(34.7)	12,086	(9.3)
	Loans (Rs bn)	6,751	6,699	0.8	6,684	1.0
	Margin (%)	3.04	2.86	18	3.04	-
	GNPA (%)	8.61	9.14	(53)	8.86	(25)
	Credit Cost (%)	2.87	2.88	(1)	2.83	4
Punjab National Bank	NII (Rs mn)	71,919	83,932	(14.3)	72,266	(0.5)
	PPOP (Rs mn)	61,669	56,749	8.7	60,987	1.1
	Provisions (Rs mn)	48,184	46,962	2.6	46,781	3.0
	PAT (Rs mn)	10,091	6,208	NA	10,235	(1.4)
	Loans (Rs bn)	6,712	6,527	2.8	6,613	1.5
	Margin (%)	3.21	3.21	-	2.73	48
	GNPA (%)	14.25	13.43	82	14.33	(8)
	Credit Cost (%)	2.87	2.88	(1)	2.83	4
State Bank of India	NII (Rs mn)	2,91,723	2,81,815	3.5	2,76,384	5.5
	PPOP (Rs mn)	2,02,239	1,64,598	22.9	1,89,748	6.6
	Provisions (Rs mn)	78,447	1,01,183	(22.5)	1,00,520	(22.0)
	PAT (Rs mn)	92,633	45,742	102.5	65,040	42.4
	Loans (Rs bn)	24,805	22,939	8.1	24,319	2.0
	Margin (%)	3.05	3.12	(7)	2.92	13
	GNPA (%)	5.83	5.28	55	5.32	51
	Credit Cost (%)	1.27	1.76	(50)	1.65	(39)

Source: Company, PL



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Buy	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
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