

Financials: Banks and Insurance

Result Preview



4QFY22 earnings estimate (INR b)

PAT (INR b)	4Q FY22E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	3.17	87.6	4.9
AXSB	40.48	51.2	12.0
BANDHAN	9.49	821.2	10.5
DCBB	0.87	11.9	15.6
EQUITAS	1.04	-8.1	-4.0
FB	5.51	15.3	5.6
HDFCB	96.93	18.4	-6.3
ICICIBC	64.51	46.5	4.2
IIB	14.03	51.5	13.0
KMB	21.98	30.7	3.1
RBK	1.98	163.3	27.1
Private Total	259.99	37.6	1.8
PSU Banks			
BOB	22.22	NM	1.1
CBK	20.23	100.2	34.7
INBK	7.58	-55.6	9.9
PNB	11.60	97.9	3.0
SBIN	107.00	65.9	26.9
UNBK	12.04	-9.5	10.9
PSU Total	180.68	80.0	20.2
Banks Total	440.67	52.3	8.6
Other Financials			
SBICARD	4.48	155.5	16.2
Life Insurance			
HDFCLIFE	3.55	11.7	29.7
IPRULIFE	3.01	371.9	-3.1
SBILIFE	4.80	-9.8	31.9
MAXF	1.62	53.2	41.2
Life Total	12.99	27.3	22.1

Business momentum strong; earnings to gain further traction

Asset quality trends robust; remain watchful of treasury performance

- Credit growth picking-up well:** Systemic loan is showing signs of a revival with credit growth accelerating to ~8.5% YoY as of 11th Mar'22, underpinned by strong disbursements across segments. Disbursement growth across several retail products has surpassed the pre-COVID levels, while the Corporate segment too witnessed a revival with a focus on high-rated corporates primarily for working capital needs. We expect the capex cycle to pick-up during 2HFY23, which will drive further recovery in loan growth over FY23E. **Among the segments – Home, Vehicle, Tractor, Unsecured and Small Business will continue to do well in 4QFY22 while CV and MFI are likely to trail the normalized levels.** Credit Cards business is also seeing healthy momentum with spends remaining strong over 4QFY22. **We estimate: a) systemic loan growth of 9.0%/11.8% YoY for FY22/ FY23, and b) our Banking coverage universe to deliver 7%/52% PPop/PAT growth in 4QFY22, respectively.**
- Earnings to gain further traction:** Our estimates indicate continued traction in earnings over FY22/FY23 even as we expect treasury income to remain modest and near-term opex to remain elevated. Further, this momentum is likely to continue over FY23E as well, as **we project Private and PSU banks to report earnings growth of 30% and 36% in FY23, respectively.** Overall, our Banking coverage universe is anticipated to report earnings growth of 33% in FY23, after posting strong growth of 46% over FY22E.
- Asset quality outlook robust; core credit cost undershooting across banks:** We estimate slippages to remain modest, which along with healthy recoveries and upgrades would result in an overall improvement in asset quality – barring the mid-sized banks that could see stable trends. The Retail and SME segments could experience some slippages; however, the Corporate segment is likely to remain resilient. While the performance of restructured book would be important to assess the credit cost trajectory, we nevertheless estimate credit cost to undershoot across banks, thereby enabling further shore up of contingent / restructured / SR provisions.

Private Banks – PAT to grow at ~38% YoY in 4QFY22

We estimate private banks to report PPop growth of ~10% YoY (~6% QoQ) and PAT growth of ~38% YoY (~2% QoQ) in 4QFY22. Earnings are likely to remain strong, led by healthy business growth/fee income and a sustained reduction in credit cost.

- Loan growth is projected to remain strong** driven by the Retail and SME segments, while Corporate segment growth would be supported by working capital requirement and a decline in unutilized credit. Within Retail, we expect the unsecured segment to witness strong traction. **We forecast private bank loans to grow 15%/17% over FY22/FY23, respectively.** We estimate ICICIBC to deliver 16% YoY loan growth over 4QFY22 and KMB / AXSB to grow ~20%/15% YoY, respectively. HDFCB/IIB reported growth of ~21%/~13% YoY, respectively.
- Margins would hover in a narrow range,** supported by lower cost of funds. The deployment of excess liquidity and pick-up in loan growth would help maintain a steady trend in margins, even as the overall rate environment has started inching up. **We forecast NII growth of ~19% YoY,** with ICICIBC at ~24%, AXSB at ~23%, KMB at ~20%, and IIB/HDFCB at 13% each in 4QFY22.

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

Yash Aggarwal - Research Analyst (Yash.Agarwal@MotilalOswal.com)

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

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

- **We predict slippages to remain modest and we are optimistic on asset quality.** Slippages are likely to remain modest over 4QFY22 across segments, barring the MFI business, which could see some tail stress. This would result in an overall improvement in asset quality. The performance of restructured book would be a key monitorable. While we remain watchful of the asset quality for mid-sized banks, we are optimistic on the overall asset quality over the medium term.

PSBs – performance to show continued traction; asset quality improving

We forecast PSBs to experience continued traction in their operating performances, supported by recovery in business growth and a sustained reduction in provisions even as opex could remain slightly elevated and treasury performance muted. Slippages would continue to subside, which along with healthy recoveries would reinforce the asset quality performance. **PSBs are likely to deliver NII/PPoP growth of 23%/5% YoY (4%/9% QoQ), respectively, while PAT would grow strongly at ~80% YoY (+20% QoQ) in 4QFY22.**

Small Finance Banks – AUBANK to deliver yet another robust performance

- We expect AUBANK to report a strong uptick in operating performance and earnings, propelled by strong recovery in loan growth (AUM growth of 27% YoY), NII growth and controlled provisions.
- EQUITAS is likely to report PPOp/PAT decline of 7%/8% YoY, respectively.

Life Insurers – premium growth modest; VNB margins to carry a positive bias

We expect premium growth to remain modest on slower ULIP growth; to be offset by robust demand for Annuity/Guaranteed and Credit Life products. Protection demand is likely to remain subdued, albeit could see improving trends. SBILIFE/ HDFCB would post APE growth of 8%/4% YoY, while MAXF/IPRU would see a decline of 4%/6%, respectively, in 4QFY22E. We project VNB growth to remain in a modest range of 3-8% across all players. However, VNB margins are likely to see a sequential expansion.

SBICARD: Spends growth robust; asset quality woes nearing end

The momentum in credit card spends and new account sourcing is likely to remain healthy over 4QFY22E, which will keep the interest and fee income strong. Restructuring under RBI RE is anticipated to moderate, and asset quality should thus improve further. While we expect credit costs to improve gradually over the next few quarters, margins are likely to remain under pressure owing to a low revolve rate; however, a gradual uptick is expected. The RBI's review of MDR charges on spends would continue to remain a key overhang.

Other monitorables

- **Performance of restructured book and impact on asset quality** – Commentaries on the slippages, performance of the restructured book, collection efficiency, and provisioning guidance.
- **Outlook for growth and margins** – Commentaries on the growth outlook, capex revival, and the margin outlook.
- **Fee income traction / Treasury performance** – The traction in fee income and treasury performance due to a rise in bond yields.
- **Technological spends and elevated opex** - Outlook on technological spends and investments in the business that could affect the normalization in opex.

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

ICICIB: Financial Snapshot (INR b)

Y/E March	FY22E	FY23E	FY24E
NII	477	560	663
OP	397	471	564
NP	228	279	344
NIM (%)	4.0	4.1	4.2
EPS (INR)	32.9	40.3	49.7
EPS Gr. (%)	36.1	22.4	23.3
ABV/Sh. (INR)	221	258	304
Cons. BV/Sh. INR	259	298	344
Ratios			
RoE (%)	14.7	15.6	16.5
RoA (%)	1.7	1.9	2.0
Valuations			
P/BV (x) (Cons.)	2.9	2.5	2.2
P/ABV (x)	2.4	2.1	1.8
P/E (x)	16.2	13.2	10.7

*Adj for Investment in subs

ICICIB (BUY)

- ICICIB has substantially increased its PCR to ~80% as on 3QFY22 – the highest in the industry – and carries COVID-related provisions of INR64.3b (~0.8% of loans). Slippages have moderated over the past few quarters and we expect these to subside further sharply. ICICIB is well-cushioned, with higher provisions on its balance sheet and has guided for the normalization of credit costs from FY23 onwards.
- 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, has resulted in a margin expansion to ~4.1% in 3QFY22.
- ICICIB is becoming a new growth leader in the SME and Retail segments aided by continued investments in technology and partnerships with new ecosystem players. Overall, we expect a loan CAGR of 18% over FY22-24 for the bank.
- ICICIB appears firmly placed to deliver healthy sustainable growth, led by its focus on core operating performance. We estimate an RoA/RoE of 2.0%/16.5% for FY24E, respectively. Adjusted for subsidiaries, the standalone bank currently trades at 1.8x FY24E ABV.

SBIN: Financial Snapshot (INR b)

Y/E March	FY22E	FY23E	FY24E
NII	1,213	1,348	1,510
OP	768	879	1,010
NP	333	434	529
NIM (%)	3.0	3.0	3.0
EPS (INR)	37.3	48.6	59.3
EPS Gr. (%)	63.0	30.4	22.0
ABV (INR)	261	310	369
Cons. BV. INR	332	381	443
Ratios			
RoE (%)	13.5	15.3	16.0
RoA (%)	0.7	0.8	0.9
Valuations			
P/BV (x) Cons.	1.5	1.3	1.2
P/ABV (x)*	1.2	1.0	0.8
P/E (x)*	8.1	6.2	5.1

*Adj for investment in subs

SBIN (BUY)

- SBIN continues to strengthen its balance sheet and improve its return ratios. The management's focus has been on building a granular, high-quality loan portfolio, while maintaining a strong focus on underwriting, which has aided a sustained turnaround in its operating performance.
- Asset quality has been resilient over the recent past, boosted by improved underwriting and significant mobilization in customer engagement by the recovery team. PCR has improved to 71% as on 3QFY22 (89% in the Corporate book). This, coupled with controlled restructuring (1.2%) and a low SMA book (0.2%), will drive a sustained reduction in credit costs (below its long-term average).
- SBIN inarguably has one of the best liability franchises (CASA mix: ~46% as on 3QFY22). This puts it in a better position to manage yield pressure. Moreover, the low cost of deposits would continue to support margins, to a large extent.
- Subsidiaries – 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 FY24E RoA/RoE of 0.9%/16.0%, respectively. Subsidiaries account for ~31% of the total SOTP. Adjusted for the subsidiaries, the standalone bank currently trades at 0.8x FY24E ABV.

HDFCB: Financial Snapshot (INR b)

Y/E March	FY22E	FY23E	FY24E
NII	725	860	1,020
OP	649	765	902
NP	366	441	521
NIM (%)	4.0	4.1	4.2
EPS (INR)	66.4	79.9	94.6
EPS Gr. (%)	17.3	20.4	18.3
BV/Sh. (INR)	425	492	575
ABV/Sh. (INR)	411	476	557
Ratios			
RoE (%)	16.7	17.4	17.7
RoA (%)	2.0	2.0	2.1
Valuations			
P/E(X)	25.0	20.7	17.5
P/BV (X)	3.9	3.4	2.9
P/ABV (X)	4.0	3.5	3.0

AUBANK: Financial Snapshot (INR b)

Y/E March	FY22E	FY23E	FY24E
NII	31.9	41.6	52.4
OP	18.4	24.3	31.5
NP	11.0	14.7	19.3
NIM (%)	5.5	5.6	5.5
EPS (INR)	35.3	47.0	61.8
EPS Gr. (%)	-7.2	33.2	31.5
BV/Sh. (INR)	233	280	342
ABV/Sh. (INR)	225	271	330
Ratios			
RoE (%)	16.4	18.3	19.9
RoA (%)	1.9	2.0	2.0
Valuations			
P/E(X)	37.1	27.9	21.2
P/BV (X)	5.6	4.7	3.8
P/ABV (X)	5.8	4.8	4.0

SBILIFE: Financial snapshot (INR b)

Y/E March	FY22E	FY23E	FY24E
Net Premiums	585	711	869
Sh. PAT	13.1	16.0	17.9
NBP gr- unwttd. %	23.5	26.0	24.0
NBP gr. – APE %	26.3	27.0	26.0
Premium gr. %	17.3	21.6	22.3
VNB margin. %	26.0	26.1	26.4
RoEV. %	17.4	18.1	18.6
Total AUM (INRt)	2.6	3.2	3.8
VNB	37.2	47.6	60.6
EV per share	427	505	599
Valuations			
P/EV (x)	2.6	2.2	1.9
P/EVOP (x)	18.8	15.5	12.8

HDFCB (BUY)

- HDFCB has been delivering a healthy growth in advances, driven by strong sequential trends in Retail loans. The growth has also been fueled by Commercial and Rural Banking, while Wholesale advances have seen modest trends. We expect a strong uptick and thus estimate loans to report a 17% CAGR over FY22-24, propelled by focused lending to highly rated corporates and a healthy revival in retail loans, particularly the unsecured business.
- Asset quality remains robust with credit costs undershooting the long-term trend. HDFCB is thus increasing the contingency buffers prudently, which provide comfort and limit the adverse impact on profitability. We estimate credit costs to sustain at ~1.1-1.2% over FY23-24.
- A strong liability franchise along with a pick-up in retail loan growth, primarily the unsecured segment, would support margins. We estimate HDFCB to report an RoA/ RoE of 2.1%/17.7% in FY24, respectively. HDFCB currently trades at 3.0x FY24E ABV.

AUBANK (BUY)

- The management's focus is on scaling up its key business lines of Vehicle Loans / MSME Loans. It further aims to expand the new segments of Housing Loans, Gold Loans, Consumer Durable Financing, and Credit Cards, which should boost growth. Overall, we project a 29% CAGR in loan growth over FY22-24.
- AUBANK has stepped up its efforts towards building a strong liability franchise, with enhanced focus on growing retail deposits (70%). The CASA ratio too has improved to 39% as on 3QFY22 and is likely to grow further as customer vintage improves. A rise in the retail deposit mix has resulted in significant improvement in CoF, which would continue to support 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 and we forecast asset quality to remain steady.
- We expect an RoA/RoE of 2.0%/19.9% by FY24E, respectively. AUBANK currently trades at 3.8x FY24E BV.

SBILIFE (BUY)

- SBILIFE has witnessed a strong traction in premium growth across segments, with individual WRP delivering a growth of 38% over FY22YTD – much higher than the industry and other listed peers. Both the agency and banca channels are contributing to growth. We estimate a 26% APE CAGR over FY22-24, led by continued momentum in Non-PAR Savings and Protection products.
- The share of ULIP has picked up and is showing improving trends. The management, however, has started focusing more on the Protection/Non-PAR segments. This would continue to underpin VNB margin expansion.
- Persistency ratios are holding up well across cohorts, while cost ratios may increase moderately on revival in business growth. However, cost leadership is likely to continue.
- We estimate a 28% VNB CAGR over FY22-24, with operating RoEV to sustain at ~19% by FY24E. We further forecast margins to remain steady at ~26% over FY22-24. SBILIFE currently trades at 1.9x FY24E EV.

Exhibit 1: 4QFY22 earnings estimates

	CMP		NII (INR M)			OP. PROFITS (INR M)			NET PROFIT (INR M)		
	(INR)	RECO	Mar-22	Var % YoY	Var % QoQ	Mar-22	Var % YoY	Var % QoQ	Mar-22	Var % YoY	Var % QoQ
AU Small Finance	1,309	Buy	8,945	36.4	9.0	5,075	35.8	10.7	3,169	87.6	4.9
Axis Bank	784	Buy	93,121	23.3	7.6	69,285	0.9	12.4	40,476	51.2	12.0
Bandhan Bank	319	Neutral	22,869	30.2	7.6	20,276	17.2	4.0	9,491	821.2	10.5
DCB Bank	74	Neutral	3,567	14.6	3.4	2,102	2.5	5.7	871	11.8	15.6
Equitas Holdings	113	Buy	5,541	23.5	2.5	2,332	-6.7	3.8	1,038	-8.1	-4.0
Federal Bank	103	Buy	16,047	13.0	4.3	9,647	9.0	5.5	5,507	15.3	5.6
HDFC Bank	1,656	Buy	1,93,772	13.2	5.1	1,71,868	10.6	2.4	96,928	18.4	-6.3
ICICI Bank	746	Buy	1,28,883	23.6	5.3	1,07,280	25.6	5.7	64,513	46.5	4.2
IndusInd Bank	988	Buy	39,962	13.1	5.3	33,516	7.1	1.2	14,032	51.5	13.0
Kotak Mahindra Bank	1,836	Neutral	45,986	19.7	6.1	32,817	-3.7	21.5	21,981	30.7	3.1
RBL Bank	142	Buy	10,456	15.4	3.5	6,485	-26.0	2.8	1,984	163.3	27.1
SBI Cards	877	Buy	10,722	29.4	7.6	12,775	36.0	11.7	4,482	155.5	16.2
Banks-Private			5,79,872	18.8	5.7	4,73,459	10.8	6.1	2,64,473	38.7	2.0
Bank of Baroda	116	Buy	88,626	24.7	3.6	57,802	-7.7	5.4	22,218	LP	1.1
Canara Bank	241	Buy	73,913	32.2	6.4	63,747	11.8	9.9	20,233	100.2	34.7
Indian Bank	161	Buy	45,164	35.5	2.8	33,807	32.7	2.8	7,581	-55.6	9.9
Punjab National Bank	37	Neutral	81,256	17.1	4.1	53,607	-4.9	5.6	11,604	97.9	3.0
State Bank	513	Buy	3,18,135	17.5	3.7	2,12,409	7.8	14.7	1,07,002	65.9	26.9
Union Bank	42	Buy	75,006	38.8	4.5	50,158	-3.2	-1.6	12,040	-9.5	10.9
Banks-PSU			6,82,100	23.0	4.0	4,71,530	4.7	9.0	1,80,678	80.0	20.2
HDFC Life Insur.	572	Neutral	1,44,520	12.3	19.2	8,274	90.7	349.1	3,551	11.7	29.7
ICICI Pru Life	509	Buy	1,16,964	-1.5	28.9	6,933	30.7	69.5	3,010	371.9	-3.1
Max Financial	789	Buy	78,382	10.3	40.0	NA	NA	NA	1,624	53.2	41.2
SBI Life Insurance	1,126	Buy	1,75,001	12.5	-2.9	8,755	72.4	270.2	4,801	-9.8	31.9
Star Health	739	Buy	41,010	25.7	51.6	2,925	LP	LP	-2,779	Loss	Loss
Insurance			5,55,877	9.7	17.0	26,887	1,392.5	LP	10,207	1,515.0	110.5

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 8.5%

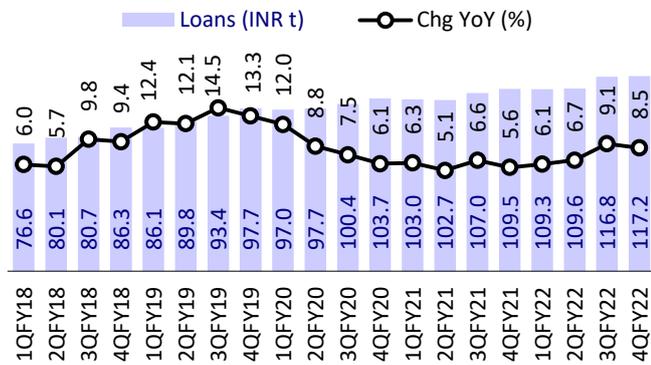


Exhibit 3: Deposit growth modest at 8.8%

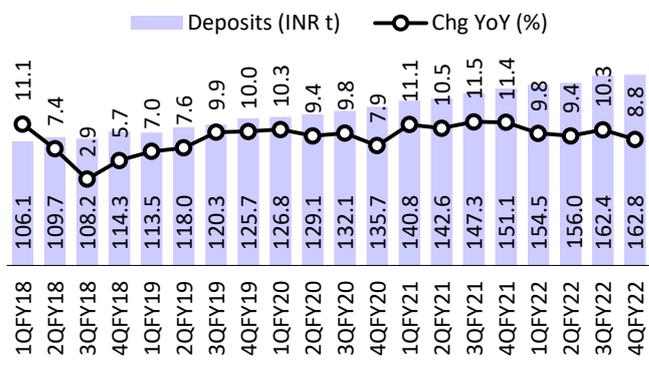


Exhibit 4: Margins to hover in a narrow range, supported by lower cost of funds

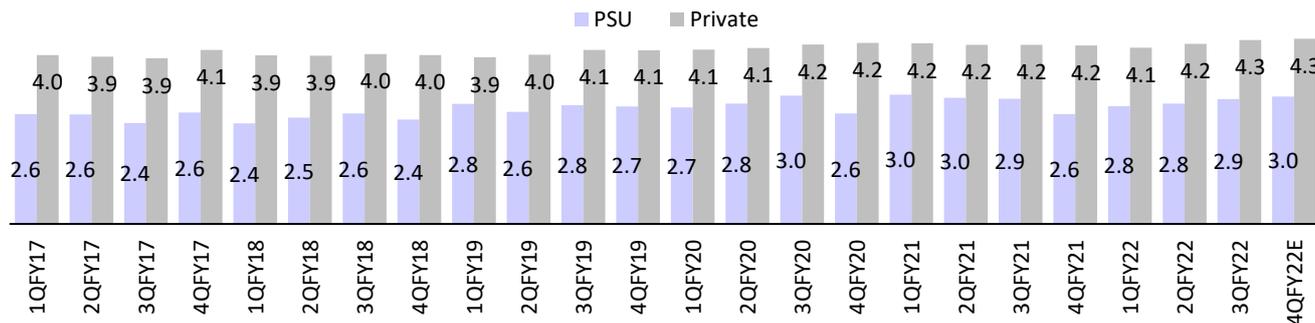


Exhibit 5: Change in estimates across our universe – earnings broadly unchanged over FY23E/FY24E

PAT (INR b)	Old estimates		Revised estimates		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Private Banks						
AXSB	174.1	225.5	170.9	222.1	-1.9%	-1.5%
BANDHAN	35.9	53.0	35.5	52.7	-1.2%	-0.5%
DCBB	3.8	5.1	3.8	5.0	0.8%	-1.7%
HDFCB	440.5	514.9	440.7	521.4	0.1%	1.3%
ICICIBC	282.8	351.5	278.6	343.5	-1.5%	-2.3%
IIB	71.2	91.3	68.4	88.7	-3.9%	-2.8%
KMB	92.9	110.3	92.7	110.0	-0.2%	-0.2%
FB	22.2	27.7	22.5	27.7	1.6%	-0.2%
RBK	9.7	15.2	10.2	15.5	5.4%	2.4%
AUBANK	15.0	20.0	14.7	19.3	-2.6%	-3.4%
EQUITAS	4.0	6.4	4.2	6.3	4.8%	-0.1%
Total Private Banks	1,152.1	1,420.8	1,142.3	1,412.3	-0.8%	-0.6%
YoY growth	31.3%	23.3%	30.2%	23.6%		
PSU Banks						
BOB	115.7	138.5	113.1	136.8	-2.2%	-1.2%
CBK	82.1	98.6	80.0	96.4	-2.5%	-2.2%
INBK	52.1	64.2	52.3	64.3	0.4%	0.2%
PNB	64.3	90.4	66.6	91.7	3.6%	1.4%
SBIN	441.9	538.3	433.7	529.1	-1.9%	-1.7%
UNBK	82.1	101.9	72.0	101.5	-12.3%	-0.4%
Total PSU Bank	838.1	1,031.8	817.6	1,019.8	-2.4%	-1.2%
YoY growth	38.7%	23.1%	35.9%	24.7%		
Total for Banks	1,990.2	2,452.5	1,959.9	2,432.1	-1.5%	-0.8%
YoY growth	34.3%	23.2%	32.5%	24.1%		
Other Financials						
SBICARD	16.5	26.0	15.3	24.1	-7.8%	-7.5%

Source: MOFSL, Company

Large banks continue to carry additional provision buffers

Exhibit 6: Snapshot of additional provision buffers as of 3QFY22

As of 3QFY22	Loans (INR b)	COVID/Contingent provisions	Floating/Additional Provisions	Total Provisions	As a percentage of loans (%)
AXSB*	6,649	50.1	83.9	134.0	2.0
BANDHAN	803	-	16.3	16.3	2.0
DCBB	277	0.8	-	0.8	0.3
HDFCB**	12,609	86.4	14.5	100.9	0.8
ICICIBC	8,140	64.3	-	64.3	0.8
IIB***	2,286	33.3	-	33.3	1.5
IDFCFIRST	1,164	1.7	-	1.7	0.1
KMB	2,529	10.0	-	10.0	0.4
FB	1,407	-	-	-	0.0
RBK	581	1.3	-	1.3	0.2
AUBANK	402	3.0	-	3.0	0.7
EQUITAS	183	-	-	-	0.0
SBIN	25,784	61.8	-	61.8	0.2
SBICARD	280	1.6	-	1.6	0.6

*AXSB holds total provisions of INR134b, including standard and additional, other than NPA

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

***For IIB, counter-cyclical provisions (INR6.35b) and floating provisions (INR0.7b) are included in PCR

Source: MOFSL, Company

Restructuring book remains controlled 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 (%)	Sep'21 (%)	Dec'21 (%)
AXSB	46.4	0.42	0.30	0.44	0.66	0.63
BANDHAN	66.0	NA	0.76	7.06	11.18	8.22
DCBB	18.8	2.70	4.26	5.39	6.80	6.81
HDFCB	175.0	0.50	0.57	0.80	1.50	1.40
ICICIBC	96.8	0.40	0.54	0.66	1.27	1.19
IIB	75.4	0.60	1.80	2.70	3.60	3.30
KMB	13.6	0.28	0.19	0.25	0.54	0.54
FB	35.2	0.90	1.07	1.86	2.49	2.45
RBK	20.0	1.00	1.58	2.03	3.66	3.44
AUBANK	12.6	0.80	1.85	3.73	3.60	3.10
BOB	206.5	1.40	1.34	2.86	2.95	2.65
SBIN	329.0	0.77	0.73	0.83	1.24	1.20
INBK	203.6	1.62	1.64	2.70	5.85	5.09
PNB	191.0	1.82	NA	2.02	2.60	2.76
UNBK	222.1	0.56	1.10	2.70	3.69	3.32
BOI	119.2	2.54	NA	3.04	3.61	2.97
CBK	192.7	1.62	NA	2.82	2.85	2.78

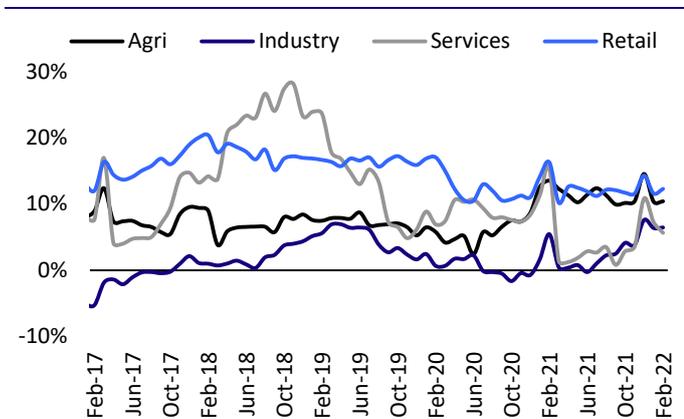
Source: MOFSL, Company

Exhibit 8: SMA book across banks as of 3QFY22

SMA (% of loans)	SMA 0	SMA 1	SMA 2
BoB	NA	1.1%	
BoI	2.2%	0.6%	0.5%
CBK	1.1%	0.4%	0.3%
INBK	NA	4.0%	1.1%
PNB	NA	NA	0.4%
SBIN	NA	0.1%	0.1%
UNBK	NA	NA	0.5%
BANDHAN	5.3%	2.9%	2.9%
KMB	NA	NA	0.1%

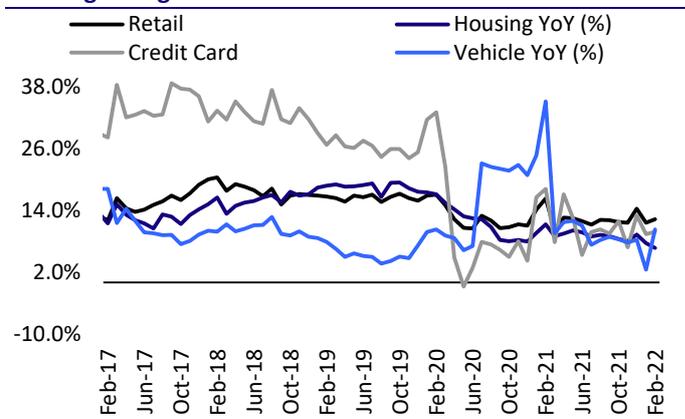
Source: MOFSL, Company

Exhibit 9: Retail loan growth improves to 12.3%; retail mix at 30% in Feb'22



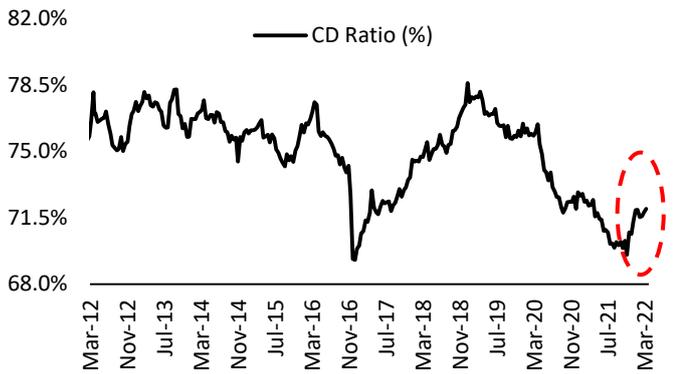
Source: MOFSL, RBI

Exhibit 10: Credit card/Vehicle growth at ~10% YoY each; housing loan growth at ~7% in Feb'22



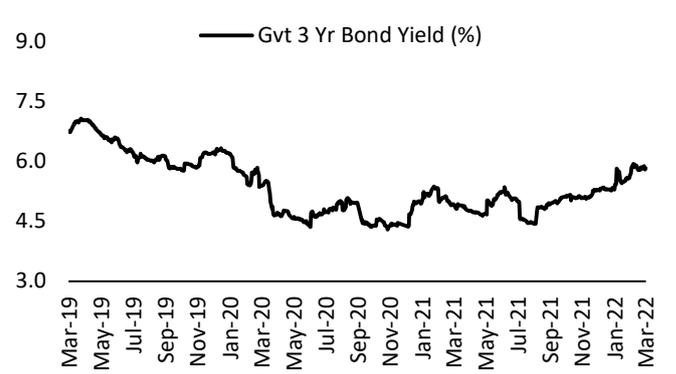
Source: MOFSL, RBI

Exhibit 11: CD ratio picking up, stands at 72% as of 11th Mar'22; expect it to improve gradually



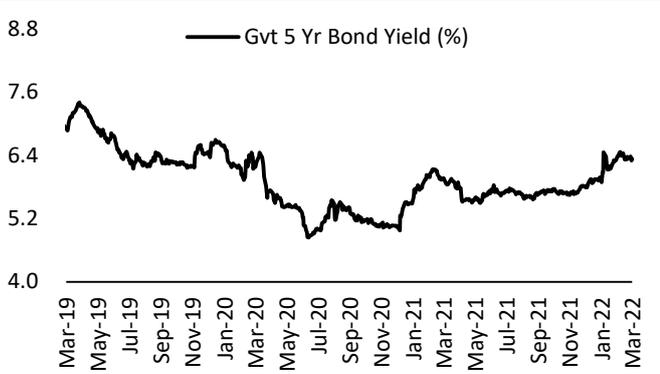
Source: MOFSL, RBI

Exhibit 12: Three-year G-Sec yield increases 54bp over 4QFY22; currently at ~5.8%



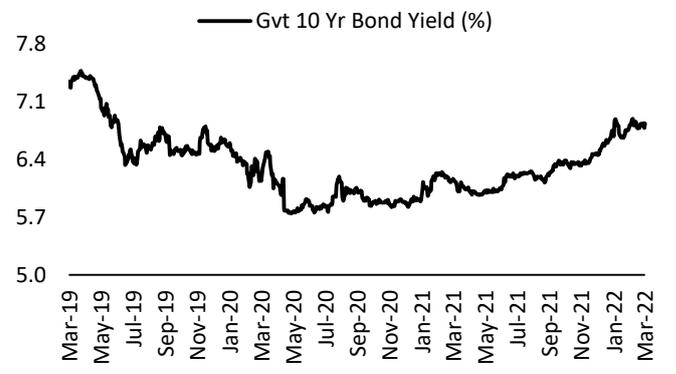
Source: MOFSL, BBG

Exhibit 13: Five-year G-Sec yield increases 54bp over 4QFY22; currently at ~6.3%



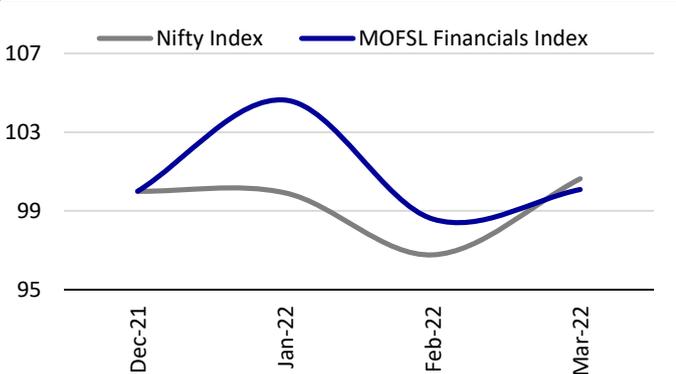
Source: MOFSL, BBG

Exhibit 14: 10-year G-Sec yield increases 38bp over 4QFY22; currently at ~6.8%



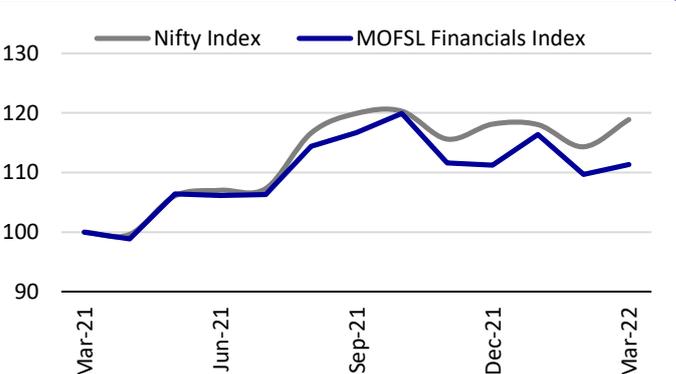
Source: MOFSL, BBG

Exhibit 15: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 16: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 17: Valuation summary

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Financials														
Banks-Private														
						25.1	19.3	15.6	3.3	2.9	2.5	13.1	14.9	15.9
AU Small Finance	1,309	Buy	35.3	47.0	61.8	37.1	27.9	21.2	5.6	4.7	3.8	16.4	18.3	19.9
Axis Bank	784	Buy	42.3	55.8	72.5	18.5	14.1	10.8	2.1	1.9	1.6	12.0	14.1	15.9
Bandhan Bank	319	Neutral	-5.1	22.0	32.7	-62.0	14.5	9.7	3.2	2.7	2.2	-4.9	20.2	24.9
DCB Bank	74	Neutral	8.4	12.3	16.1	8.9	6.0	4.6	0.6	0.5	0.5	7.2	9.7	11.5
Equitas Holdings	113	Buy	7.8	12.4	18.6	14.5	9.1	6.1	1.1	1.0	0.9	7.6	11.3	15.4
Federal Bank	103	Buy	9.3	10.7	13.2	11.1	9.6	7.8	1.2	1.1	1.0	11.2	12.0	13.3
HDFC Bank	1,656	Buy	66.4	79.9	94.6	25.0	20.7	17.5	3.9	3.4	2.9	16.7	17.4	17.7
ICICI Bank	746	Buy	32.9	40.3	49.7	22.7	18.5	15.0	3.1	2.7	2.3	14.7	15.6	16.5
IndusInd Bank	988	Buy	62.2	88.4	114.7	15.9	11.2	8.6	1.6	1.4	1.3	10.7	13.7	15.6
Kotak Mahindra Bank	1,836	Neutral	57.3	67.3	80.4	32.0	27.3	22.8	3.8	3.3	2.9	11.9	12.3	12.9
RBL Bank	142	Buy	-1.2	17.1	26.0	-114.4	8.3	5.5	0.7	0.6	0.6	-0.6	7.9	11.1
SBI Cards	877	Buy	15.8	25.9	36.3	55.6	33.9	24.1	10.8	8.4	6.4	21.3	27.9	30.0
Banks-PSU														
						10.4	7.6	6.1	1.0	0.9	0.8	9.8	11.9	13.2
Bank of Baroda	116	Buy	14.9	21.8	26.4	7.8	5.3	4.4	0.7	0.7	0.6	9.6	12.7	13.7
Canara Bank	241	Buy	36.7	48.6	58.5	6.6	5.0	4.1	0.7	0.6	0.5	9.8	11.7	12.6
Indian Bank	161	Buy	31.3	42.0	51.6	5.2	3.8	3.1	0.5	0.4	0.4	10.6	13.0	14.1
Punjab National Bank	37	Neutral	4.2	6.4	8.8	8.8	5.8	4.2	0.4	0.4	0.4	4.8	6.8	8.7
State Bank	513	Buy	40.3	52.8	65.2	12.7	9.7	7.9	1.5	1.3	1.2	13.5	15.3	16.0
Union Bank	42	Buy	7.8	11.2	15.8	5.3	3.7	2.6	0.4	0.4	0.3	8.1	10.9	14.1
Insurance														
						144.1	68.0	58.2	9.6	8.8	7.9	6.7	12.9	13.6
HDFC Life Insur.	572	Neutral	6.0	7.1	8.3	95.9	80.6	68.8	3.7	3.2	2.7	16.3	18.0	17.8
ICICI Pru Life	509	Buy	6.1	7.7	7.9	83.9	66.5	64.3	2.2	1.9	1.6	14.6	15.4	16.0
Max Financial	789	Buy	9.9	14.4	15.9	79.9	54.7	49.6	2.5	2.1	1.7	17.0	19.4	19.7
SBI Life Insurance	1,126	Buy	13.1	16.0	17.9	86.0	70.3	62.9	2.6	2.2	1.9	17.4	18.1	18.6
Star Health	739	Buy	-21.5	12.1	18.8	-34.4	60.9	39.2	8.5	7.4	6.3	-29.1	13.0	17.3

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: INR1,309 | TP: INR1,550 (+18%)

EPS CHANGE (%): FY23|24: -2.6|-3.4

- Margin to remain at ~6%
- Business growth to see strong traction
- CoF and C/I ratio are the other key monitorables
- Asset quality/movement in restructuring book to be key

Quarterly performance

(INR m)

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	5,159	5,606	6,331	6,558	7,240	7,531	8,204	8,945	23,654	31,921
% Change (Y-o-Y)	30.4	24.1	24.9	18.2	40.4	34.3	29.6	36.4	23.9	34.9
Other Income	2,258	2,610	6,856	2,766	2,141	1,919	2,756	3,127	14,515	9,943
Total Income	7,416	8,216	13,187	9,325	9,381	9,451	10,961	12,072	38,170	41,864
Operating Expenses	2,961	3,800	4,237	5,587	4,570	5,526	6,376	6,997	16,584	23,468
Operating Profit	4,456	4,416	8,950	3,738	4,811	3,925	4,584	5,075	21,586	18,396
% Change (Y-o-Y)	53.2	59.0	186.1	18.4	8.0	-11.1	-48.8	35.8	80.3	-14.8
Provisions	1,813	327	3,058	1,778	2,065	46	560	830	7,001	3,501
Profit before Tax	2,643	4,089	5,892	1,960	2,747	3,878	4,025	4,245	14,585	14,895
Tax Provisions	635	870	1,102	271	715	1,093	1,004	1,075	2,878	3,887
Net Profit	2,008	3,219*	4,790*	1,690	2,032	2,785*	3,020*	3,169	11,707	11,007
% Change (Y-o-Y)	5.5	87.2	151.9	38.1	1.2	-13.5	-36.9	87.6	73.5	-6.0
Operating Parameters										
Deposit (INR b)	267.3	269.8	297.1	359.8	370.1	390.3	442.8	525.9	359.8	525.9
Loan (INR b)	262.5	272.3	302.9	346.1	339.6	358.5	401.8	455.3	346.1	455.3
Deposit Growth (%)	34.7	21.8	24.5	37.5	38.5	44.7	49.0	46.2	37.5	46.2
Loan Growth (%)	13.6	9.8	14.0	28.2	29.4	31.6	32.6	31.6	28.2	31.6
Asset Quality										
GNPA (%)	1.7	1.5	1.0	4.3	4.3	3.2	2.6	2.3	4.3	2.3
NNPA (%)	0.6	0.5	0.2	2.2	2.3	1.7	1.3	1.1	2.2	1.1
PCR (%)	63.5	71.0	76.0	49.7	48.8	48.6	50.8	53.1	49.7	53.1

* YoY growth is not comparable due to Aavas stake sale gain

Axis Bank

Buy

CMP: INR784 | TP: INR930 (+19%)

EPS CHANGE (%): FY23|24: -1.9|-1.5

- Credit costs to remain steady; slippage – a key monitorable
- Restructuring / BB & below pool to remain under watch
- Margin to remain stable at ~3.5%
- Business growth to see a healthy traction

Quarterly performance

(INR b)

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	69.9	73.3	73.7	75.5	77.6	79.0	86.5	93.1	292.4	336.3
% Change (Y-o-Y)	19.5	20.1	14.3	11.0	11.1	7.8	17.4	23.3	16.0	15.0
Other Income	25.9	35.7	29.3	46.7	33.6	38.0	38.4	42.9	148.4	152.8
Total Income	95.7	109.0	103.0	122.2	111.2	117.0	124.9	136.0	440.8	489.1
Operating Expenses	37.3	42.4	50.5	53.6	49.3	57.7	63.3	66.7	183.8	237.0
Operating Profit	58.4	66.6	52.5	68.6	61.9	59.3	61.6	69.3	257.0	252.0
% Change (Y-o-Y)	-0.8	11.9	-8.6	17.3	5.9	-11.0	17.4	0.9	9.7	-1.9
Provisions	44.2	43.4	37.6	32.9	33.0	17.4	13.3	15.1	169.0	78.8
Profit before Tax	14.3	23.2	14.9	35.7	28.8	41.9	48.3	54.2	88.1	173.2
Tax	3.2	6.3	3.7	8.9	7.2	10.6	12.1	13.7	22.2	43.6
Net Profit	11.1	16.8	11.2	26.8	21.6	31.3	36.1	40.5	65.9	129.6
% Change (Y-o-Y)	-18.8	NM	-36.4	NM	94.2	86.2	223.7	51.2	304.9	96.6
Operating Parameters										
Deposit (INR t)	6.2	6.2	6.4	7.0	7.1	7.4	7.7	8.0	7.0	8.0
Loan (INR t)	5.5	5.6	5.7	6.1	6.1	6.2	6.6	7.0	6.1	7.0
Deposit Growth (%)	13.9	6.8	8.4	9.0	16.0	18.1	20.3	15.2	9.0	15.2
Loan Growth (%)	10.4	8.2	3.6	7.5	12.0	10.1	16.7	14.7	7.5	14.7
Asset Quality										
Gross NPA (%)	4.7	4.2	3.4	3.7	3.9	3.5	3.2	3.0	4.0	3.0
Net NPA (%)	1.2	1.0	0.7	1.1	1.2	1.1	0.9	0.8	1.1	0.8
PCR (%)	74.8	77.2	79.0	72.4	69.8	70.2	72.0	72.5	72.4	72.5

Bandhan Bank**Neutral**

CMP: INR319 | TP: INR320 (+0%)

EPS CHANGE (%): FY23 | 24: -1.2 | -0.5

- NIM to remain stable at ~7.8%
- Business growth to see traction QoQ
- Remain watchful of credit costs / slippages
- Commentaries around CE / SMA book – key monitorables

Quarterly performance

(INR b)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	18.1	19.2	20.7	17.6	21.1	19.4	21.2	22.9	75.6	84.6
% Change (YoY)	15.0	25.8	34.5	4.6	16.7	0.6	2.6	30.2	19.6	11.9
Other Income	3.9	3.7	5.6	7.9	6.0	5.3	7.1	7.0	21.1	25.4
Total Income	22.0	22.9	26.3	25.4	27.1	24.6	28.4	29.9	96.7	110.0
Operating Expenses	6.1	6.8	7.1	8.1	7.8	8.8	8.9	9.6	28.2	35.0
Operating Profit	15.8	16.1	19.2	17.3	19.4	15.8	19.5	20.3	68.6	75.0
% Change (YoY)	16.9	23.4	52.2	13.7	22.3	-1.7	1.4	17.2	25.9	9.4
Provisions	8.5	3.8	10.8	15.9	14.4	56.1	8.1	7.4	39.1	86.0
Profit Before Tax	7.4	12.3	8.5	1.4	5.0	-40.3	11.4	12.8	29.5	-11.0
Tax	1.9	3.1	2.1	0.3	1.2	-10.2	2.9	3.4	7.4	-2.8
Net Profit	5.5	9.2	6.3	1.0	3.7	-30.1	8.6	9.5	22.1	-8.3
% Change (YoY)	-31.6	-5.3	-13.5	-80.1	-32.1	NM	35.8	821.2	-27.1	NM
Operating Parameters										
Deposits (INR b)	606	661	712	780	773	819	845	897	780	897
Loans (INR b)	697	733	768	816	748	745	803	862	816	862
Deposit Growth (%)	38.7	34.4	29.6	36.6	27.6	23.8	18.7	15.0	36.6	15.0
Loan Growth (%)	68.1	22.6	26.7	22.5	7.2	1.6	4.6	5.6	22.5	5.6
Asset Quality										
Gross NPA (%)	1.4	1.2	1.1	6.8	8.2	10.8	10.8	10.8	6.8	10.8
Net NPA (%)	0.5	0.4	0.3	3.5	3.3	3.0	3.0	2.8	3.5	2.8
PCR (%)	66.6	70.0	76.6	50.3	61.8	74.1	74.4	73.7	50.3	73.7

Bank of Baroda**Buy**

CMP: INR116 | TP: INR150 (+29%)

EPS CHANGE (%): FY23 | 24: -2.2 | -1.2

- Earnings to remain strong despite high credit costs
- Slippage to moderate; asset quality to remain steady
- Opex trajectory, particularly employee costs, to be the key
- Movement in watch-list / stressed pool – key monitorables

Quarterly performance

(INR b)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	68.2	74.1	74.8	71.1	78.9	75.7	85.5	88.6	288.1	328.7
% Change (YoY)	4.9	5.4	4.9	4.5	15.8	2.1	14.4	24.7	4.9	14.1
Other Income	18.2	29.1	29.1	48.5	28.6	35.8	25.2	27.8	123.6	117.5
Total Income	86.3	103.2	103.9	119.6	107.5	111.5	110.7	116.5	411.7	446.2
Operating Expenses	45.9	49.6	53.0	56.9	51.5	54.8	55.9	58.7	205.4	220.8
Operating Profit	40.4	53.6	50.8	62.7	56.0	56.7	54.8	57.8	206.3	225.3
% Change (YoY)	-5.5	0.5	2.5	27.3	38.6	5.8	7.9	-7.7	9.2	9.2
Provisions	53.5	28.1	34.5	35.9	40.1	27.5	25.1	28.3	150.7	120.9
Profit before Tax	-13.1	25.5	16.3	26.8	16.0	29.2	29.8	29.5	55.6	104.4
Tax	-4.4	8.7	5.7	37.3	3.9	8.3	7.8	7.3	47.3	27.2
Net Profit	-8.6	16.8	10.6	-10.5	12.1	20.9	22.0	22.2	8.3	77.2
% Change (YoY)	NM	127.9	NM	NM	NM	24.4	107.1	NM	51.8	830.7
Operating Parameters										
Deposit (INR b)	9,345	9,543	9,546	9,670	9,313	9,595	9,780	10,008	9,670	10,008
Loan (INR b)	6,867	6,699	6,987	7,063	6,684	6,938	7,322	7,557	7,063	7,557
Deposit Growth (%)	4.3	6.7	6.5	2.2	(0.3)	0.5	2.5	3.5	2.2	3.5
Loan Growth (%)	8.4	5.1	6.8	2.3	(2.7)	3.6	4.8	7.0	2.3	7.0
Asset Quality										
Gross NPA (%)	9.4	9.1	8.5	8.9	8.9	8.1	7.3	7.1	8.9	7.1
Net NPA (%)	2.8	2.5	2.4	3.1	3.0	2.8	2.3	2.2	3.1	2.2
PCR (%)	71.9	74.4	73.6	67.3	67.9	67.1	70.6	69.8	67.3	69.8

Canara Bank**Buy**

CMP: INR241 | TP: INR300 (+24%)

EPS CHANGE (%): FY23 | 24: -2.5 | -2.2

- Business growth to remain steady
- Credit costs to stay elevated; restructuring book – a key monitorable
- Margin to remain stable at ~2.8%; opex to be the key
- Asset quality to remain steady; slippages to moderate

Quarterly performance

(INR b)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	61.0	63.0	60.9	55.9	61.6	62.7	69.4	73.9	240.6	267.7
% Change (Y-o-Y)	88.1	101.4	77.2	68.4	1.0	-0.5	14.1	32.2	83.3	11.3
Other Income	26.5	31.0	41.5	52.1	41.6	42.7	36.1	40.1	152.9	160.5
Total Income	87.5	94.1	102.4	108.0	103.2	105.4	105.6	114.1	393.5	428.2
Operating Expenses	44.6	48.1	49.7	50.9	48.3	49.4	47.5	50.3	193.4	195.6
Operating Profit	42.9	46.0	52.7	57.0	54.8	56.0	58.0	63.7	200.1	232.6
% Change (Y-o-Y)	75.6	80.7	125.6	179.4	27.9	21.9	10.2	11.8	113.8	16.3
Other Provisions	38.3	39.7	42.1	41.3	34.6	33.6	22.4	34.1	163.0	124.8
Exceptional Item (Exp.)	NA	NA	NA	NA	NA	NA	13.5	NA	NA	13.5
Profit before Tax	4.6	6.2	10.6	15.7	20.2	22.4	22.0	29.6	37.1	94.3
Tax	0.5	1.8	3.6	5.6	8.4	9.1	7.0	9.4	11.5	34.0
Net Profit	4.1	4.4	7.0	10.1	11.8	13.3	15.0	20.2	25.6	60.4
% Change (Y-o-Y)	23.5	21.8	111.2	NM	189.8	199.9	115.8	100.2	NM	136.0
Operating Parameters										
Deposit (INR b)	9,096	9,488	9,730	10,109	10,218	10,325	10,434	10,685	10,109	10,685
Loan (INR b)	6,172	6,163	6,342	6,390	6,485	6,496	6,922	7,093	6,390	7,093
Deposit Growth (%)	48.9	55.7	55.6	61.6	12.3	8.8	7.2	5.7	61.6	5.7
Loan Growth (%)	42.6	43.6	50.1	47.9	5.1	5.4	9.1	11.0	47.9	11.0
Asset Quality										
Gross NPA (%)	8.8	8.2	7.5	8.9	8.5	8.4	7.8	7.5	8.9	7.5
Net NPA (%)	4.0	3.4	2.6	3.8	3.5	3.2	2.9	2.7	3.9	2.7
PCR (%)	57.7	60.6	66.3	59.5	61.5	63.9	65.2	65.9	58.8	65.9

DCB Bank**Neutral**

CMP: INR74 | TP: INR90 (+21%)

EPS CHANGE (%): FY23 | 24: +0.8 | -1.7

- Credit costs to remain high on potential stress in SME/LAP
- Expect asset quality to remain under pressure; performance of restructuring book to be the key
- C/I ratio may remain under pressure
- NIM compression / loan growth – key monitorables

Quarterly performance

(INR m)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	3,067	3,339	3,348	3,112	3,087	3,233	3,450	3,567	12,866	13,338
% Change (Y-o-Y)	0.6	6.6	3.6	-3.9	0.6	-3.2	3.1	14.6	1.7	3.7
Other Income	776	809	1,566	1,339	1,212	977	1,183	1,396	4,585	4,768
Total Income	3,843	4,148	4,914	4,451	4,299	4,211	4,634	4,963	17,451	18,106
Operating Expenses	1,932	2,016	2,119	2,399	2,277	2,459	2,645	2,861	8,466	10,242
Operating Profit	1,911	2,132	2,795	2,052	2,022	1,751	1,988	2,102	8,985	7,864
% Change (Y-o-Y)	14.8	15.5	47.1	-3.2	5.8	-17.8	-28.8	2.5	19.3	-12.5
Provisions	837	1,015	1,498	1,012	1,565	863	970	945	4,457	4,343
Profit before Tax	1,075	1,117	1,296	1,040	457	888	1,019	1,158	4,528	3,521
Tax	281	294	334	261	119	239	265	286	1,170	908
Net Profit	794	823	962	779	338	649	754	872	3,358	2,612
% Change (Y-o-Y)	-2.1	-10.0	-0.5	13.3	-57.5	-21.1	-21.7	11.9	-0.6	-22.2
Operating Parameters										
Deposit (INR b)	294.3	287.7	288.6	297.0	306.0	317.7	322.3	329.7	297.0	329.7
Loan (INR b)	250.6	248.8	253.0	259.6	255.0	268.5	276.6	284.3	259.6	284.3
Deposit Growth (%)	2.2	-2.0	-2.9	-2.2	4.0	10.4	11.7	11.0	-2.2	11.0
Loan Growth (%)	4.2	0.3	-0.5	2.4	1.7	7.9	9.3	9.5	2.4	9.5
Asset Quality										
Gross NPA (%)	2.4	2.3	2.0	4.1	4.9	4.7	4.7	4.6	4.1	4.6
Net NPA (%)	1.0	0.8	0.6	2.3	2.8	2.6	2.5	2.4	2.3	2.4
PCR (%)	60.0	64.1	70.2	45.2	43.3	45.0	48.0	49.0	45.2	49.0

Equitas Holdings

Buy
CMP: INR113 | TP: INR150 (+33%)
EPS CHANGE (%): FY23|24: +4.8|-0.1

- NIM to remain at ~8.9%
- Remain watchful of asset quality in MSME book; focus to remain on CE and restructuring book
- Elevated credit costs to keep earnings under pressure
- Business growth to pick up; management commentary would be the key

Quarterly performance

(INR m)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	4,043	4,613	4,839	4,486	4,610	4,838	5,408	5,541	17,980	20,399
% Change (YoY)	19.9	31.6	26.1	5.8	14.0	4.9	11.8	23.5	20.2	13.5
Other Income	297	545	1,545	1,784	1,010	1,521	1,341	1,563	4,181	5,435
Total Income	4,339	5,158	6,384	6,270	5,620	6,359	6,749	7,104	22,160	25,833
Operating Expenses	2,919	3,053	3,551	3,771	4,002	4,370	4,502	4,772	13,294	17,646
Operating Profit	1,420	2,105	2,833	2,498	1,618	1,989	2,247	2,332	8,866	8,187
% Change (YoY)	18.8	60.5	78.8	32.6	13.9	-5.5	-20.7	-6.7	48.4	-7.7
Provisions	683	748	1,343	970	1,475	1,421	784	965	3,753	4,645
Profit before Tax	737	1,358	1,490	1,529	142	568	1,463	1,367	5,113	3,542
Tax	160	328	383	400	23	156	382	330	1,270	892
Net Profit	577	1,030	1,107	1,129	119	412	1,081	1,038	3,842	2,651
% Change (YoY)	1.1	108.1	17.6	162.4	-79.3	-60.0	-2.3	-8.1	57.7	-31.0
Operating Parameters										
AUM (INR b)	156	167	174	180	178	190	197	207	180	207
Deposits (INR b)	118	129	159	164	171	181	179	187	164	187
Loans (INR b)	144	159	168	168	167	178	183	189	168	189
AUM Growth (%)	27	26	19	17	15	13	13	15	17	15
Deposit Growth (%)	29	29	51	52	45	40	13	14	52	14
Loan Growth (%)	20	23	23	23	16	12	9	12	23	12
Asset Quality										
Gross NPA (%)	2.9	2.5	2.3	3.7	4.8	4.8	4.6	4.5	3.7	4.5
Net NPA (%)	1.5	1.0	0.7	1.6	2.4	2.5	2.5	2.3	1.6	2.3
PCR (%)	48.8	50.2	66.2	58.6	51.2	50.1	46.8	49.4	58.6	49.4

Federal Bank

Buy
CMP: INR103 | TP: INR130 (+27%)
EPS CHANGE (%): FY23|24: +1.6|-0.2

- Business growth to see a gradual pick-up
- Asset quality and loans under restructuring – key monitorables
- Credit costs to remain steady on exposure to SMEs
- NIM to remain stable at ~3.3%

Quarterly performance

(INR b)

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	13.0	13.8	14.4	14.2	14.2	14.8	15.4	16.0	55.3	60.4
% Change (YoY)	12.3	22.8	24.4	16.8	9.4	7.2	7.1	13.0	19.0	9.2
Other Income	4.9	4.5	4.8	4.7	5.5	4.9	4.8	5.1	19.4	20.4
Total Income	17.8	18.3	19.1	18.9	19.7	19.7	20.2	21.2	74.8	80.8
Operating Expenses	8.5	8.8	9.6	10.0	9.3	10.6	11.1	11.5	36.9	42.6
Operating Profit	9.3	9.5	9.6	8.9	10.4	9.1	9.1	9.6	37.9	38.3
% Change (YoY)	19.1	31.7	28.6	-7.7	11.2	-3.6	-4.4	9.0	18.2	1.1
Provisions	3.9	5.3	4.1	2.4	5.4	2.9	2.1	2.3	16.5	12.8
Profit before Tax	5.4	4.1	5.4	6.4	4.9	6.2	7.0	7.4	21.4	25.5
Tax	1.4	1.1	1.4	1.6	1.3	1.6	1.8	1.9	5.5	6.5
Net Profit	4.0	3.1	4.0	4.8	3.7	4.6	5.2	5.5	15.9	19.0
% Change (YoY)	4.3	-26.2	-8.3	58.6	-8.4	49.6	29.1	15.3	3.1	19.5
Operating Parameters										
Deposit (INR b)	1,549	1,567	1,617	1,726	1,694	1,720	1,754	1,817	1,726	1,817
Loan (INR b)	1,213	1,229	1,255	1,319	1,298	1,344	1,407	1,444	1,319	1,444
Deposit Growth (%)	16.9	12.3	11.8	13.4	9.3	9.7	8.5	5.3	13.4	5.3
Loan Growth (%)	8.3	6.1	5.3	7.9	7.0	9.4	12.1	9.5	7.9	9.5
Asset Quality										
Gross NPA (%)	3.0	2.8	2.7	3.4	3.5	3.2	3.1	3.0	3.4	3.0
Net NPA (%)	1.2	1.0	0.6	1.2	1.2	1.1	1.1	1.0	1.2	1.0
PCR (%)	59.6	65.7	78.2	65.9	65.7	66.2	66.6	67.2	65.9	67.2

HDFC Bank**Buy****CMP: INR1,656 | TP: INR2,000 (+21%)****EPS CHANGE (%): FY23 | 24: +0.1 | +1.3**

- Business growth to see a healthy traction
- Asset quality in Agri/Unsecured book, slippages to be the other key monitorables
- Margin to remain at ~4.1%
- Commentary around credit cards and fee income traction – key monitorables

Quarterly performance**(INR b)**

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	156.7	157.8	163.2	171.2	170.1	176.8	184.4	193.8	648.8	725.1
% Change (Y-o-Y)	17.8	16.7	15.1	12.6	8.6	12.1	13.0	13.2	15.5	11.8
Other Income	40.8	60.9	74.4	75.9	62.9	74.0	81.8	83.7	252.0	302.5
Total Income	197.4	218.7	237.6	247.1	233.0	250.9	266.3	277.5	900.8	1,027.6
Operating Expenses	69.1	80.6	85.7	91.8	81.6	92.8	98.5	105.6	327.2	378.5
Operating Profit	128.3	138.1	151.9	155.3	151.4	158.1	167.8	171.9	573.6	649.1
% Change (Y-o-Y)	15.1	18.1	17.3	19.9	18.0	14.4	10.5	10.6	17.7	13.2
Provisions	38.9	37.0	34.1	46.9	48.3	39.2	29.9	41.6	157.0	159.1
Profit before Tax	89.4	101.1	117.7	108.4	103.1	118.8	137.8	130.2	416.6	489.9
Tax	22.8	26.0	30.1	26.5	25.8	30.5	34.4	33.3	105.4	124.0
Net Profit	66.6	75.1	87.6	81.9	77.3	88.3	103.4	96.9	311.2	366.0
% Change (Y-o-Y)	19.6	18.4	18.1	18.2	16.1	17.6	18.1	18.4	18.5	17.6
Operating Parameters										
Deposit	11,894	12,293	12,711	13,351	13,458	14,063	14,459	15,590	13,351	15,590
Loan	10,033	10,383	10,823	11,328	11,477	11,988	12,609	13,690	11,328	13,690
Deposit Growth (%)	24.6	20.3	19.1	16.3	13.2	14.4	13.8	16.8	16.3	16.8
Loan Growth (%)	20.9	15.8	15.6	14.0	14.4	15.5	16.5	20.8	14.0	20.8
Asset Quality										
Gross NPA (%)	1.4	1.1	0.8	1.3	1.5	1.4	1.3	1.2	1.3	1.2
Net NPA (%)	0.3	0.2	0.1	0.4	0.5	0.4	0.4	0.4	0.4	0.4
PCR (%)	76.2	84.5	88.5	69.8	67.9	70.9	70.8	70.7	69.8	70.7

ICICI Bank**Buy****CMP: INR746 | TP: INR1,100 (+47%)****EPS CHANGE (%): FY23 | 24: -1.5 | -2.3**

- Loan growth to see healthy traction; margin stable at ~4.0%
- Credit costs to remain stable; slippages would be the key
- Commentary on asset quality a key monitorable
- Movement in stressed loans to remain a key monitorable

Quarterly performance**(INR b)**

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	92.8	93.7	99.1	104.3	109.4	116.9	122.4	128.9	389.9	477.5
% Change (YoY)	19.9	16.2	16.0	16.9	17.8	24.8	23.4	23.6	17.2	22.5
Other Income	61.4	40.3	46.9	41.1	40.0	48.0	49.9	52.8	189.7	190.6
Total Income	154.2	133.9	146.0	145.4	149.3	164.9	172.2	181.7	579.6	668.1
Operating Expenses	46.5	51.3	57.8	60.0	60.4	65.7	70.7	74.4	215.6	271.3
Operating Profit	107.8	82.6	88.2	85.4	88.9	99.1	101.5	107.3	364.0	396.9
% Change (YoY)	71.4	20.2	16.8	15.6	-17.5	20.0	15.1	25.6	29.5	9.0
Provisions	75.9	30.0	27.4	28.8	28.5	27.1	20.1	21.5	162.1	97.2
Profit before Tax	31.8	52.7	60.8	56.6	60.4	72.0	81.4	85.8	201.8	299.6
Tax	5.8	10.1	11.4	12.5	14.3	16.9	19.5	21.3	39.9	71.9
Net Profit	26.0	42.5	49.4	44.0	46.2	55.1	61.9	64.5	161.9	227.7
% Change (YoY)	36.2	549.1	19.1	260.5	77.6	29.6	25.4	46.5	104.2	40.6
Operating Parameters										
Deposit	8,016	8,329	8,743	9,325	9,262	9,774	10,175	10,584	9,325	10,584
Loan	6,312	6,526	6,990	7,337	7,386	7,649	8,140	8,541	7,337	8,541
Deposit Growth (%)	21.3	19.6	22.1	21.0	15.5	17.3	16.4	13.5	21.0	13.5
Loan Growth (%)	6.5	6.4	10.0	13.7	17.0	17.2	16.4	16.4	13.7	16.4
Asset Quality										
Gross NPA (%)	5.5	5.2	4.4	5.0	5.2	4.8	4.1	4.0	5.0	4.0
Net NPA (%)	1.2	1.0	0.6	1.1	1.2	1.0	0.9	0.8	1.1	0.8
PCR (%)	78.5	81.6	86.1	77.8	78.4	80.3	80.2	79.8	77.7	79.8

IndusInd Bank**Buy**

CMP: INR988 | TP: INR1,300 (+32%)

EPS CHANGE (%): FY23 | 24: -3.9 | -2.8

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

Quarterly performance

(INR b)

	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	33.1	32.8	34.1	35.3	35.6	36.6	37.9	40.0	135.3	150.1
% Change (YoY)	16.4	12.7	10.8	9.4	7.7	11.6	11.4	13.1	12.2	11.0
Other Income	15.2	15.5	16.5	17.8	17.9	18.4	18.8	18.8	65.6	73.8
Total Income	48.3	48.3	50.5	53.1	53.5	55.0	56.7	58.7	200.9	223.9
Operating Expenses	19.0	19.8	20.9	21.9	21.7	22.8	23.6	25.2	83.6	93.2
Operating Profit	29.3	28.5	29.6	31.3	31.9	32.2	33.1	33.5	117.3	130.7
% Change (YoY)	13.0	8.7	7.5	9.5	8.8	12.9	11.8	7.1	8.9	11.4
Provisions	22.6	19.6	18.5	18.7	18.4	17.0	16.5	14.4	79.4	66.4
Profit before Tax	6.7	8.9	11.1	12.6	13.4	15.2	16.6	19.1	37.8	64.3
Tax	1.6	2.2	2.8	3.4	3.3	3.7	4.2	5.1	9.5	16.2
Net Profit	5.1	6.6	8.3	9.3	10.2	11.5	12.4	14.0	28.4	48.1
% Change (YoY)	-64.4	-52.7	-36.6	193.8	99.1	72.9	49.5	51.5	-35.8	69.5
Operating Parameters										
Deposit (INR b)	2,113	2,279	2,391	2,559	2,672	2,753	2,845	2,937	2,562	2,937
Loan (INR b)	1,981	2,012	2,071	2,126	2,107	2,208	2,286	2,393	2,126	2,393
Deposit Growth (%)	5.3	10.0	10.3	26.7	26.5	20.8	19.0	14.6	26.8	14.6
Loan Growth (%)	2.4	2.1	-0.1	2.8	6.4	9.7	10.4	12.6	2.8	12.6
Asset Quality										
Gross NPA (%)	2.5	2.2	1.7	2.7	2.9	2.8	2.5	2.3	2.7	2.3
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	71.6	71.7	71.8	74.5	71.8

Indian Bank**Buy**

CMP: INR161 | TP: INR200 (+24%)

EPS CHANGE (%): FY23 | 24: +0.4 | +0.2

- Loan growth to remain healthy
- Stress in SME and restructuring book – key monitorables
- Margin to remain stable at ~3.0%; opex to be the key
- Asset quality to remain stable; credit cost steady

Quarterly performance

(INR b)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	38.7	41.4	43.1	33.3	39.9	40.8	44.0	45.2	156.7	169.9
% Change (YoY)	117.0	122.4	120.6	66.5	3.1	-1.5	1.9	35.5	106.0	8.4
Other Income	13.3	15.6	11.4	17.4	18.2	19.7	15.6	15.9	60.8	69.3
Total Income	52.0	57.0	54.6	50.8	58.1	60.5	59.5	61.0	217.5	239.2
Operating Expenses	24.5	27.6	26.1	25.3	24.0	27.7	26.6	27.2	103.5	105.6
Operating Profit	27.5	29.4	28.5	25.5	34.2	32.8	32.9	33.8	114.0	133.6
% Change (YoY)	100.4	95.9	48.3	49.6	24.1	11.3	15.5	32.7	75.4	17.2
Other Provisions	21.4	22.3	20.6	17.5	25.6	25.5	24.9	25.0	84.9	101.0
Profit before Tax	6.1	7.1	7.8	8.0	8.6	7.3	7.9	8.8	29.1	32.6
Tax	2.4	3.0	2.7	-9.1	-3.2	-3.6	1.1	1.2	-1.0	-4.6
Net Profit	3.7	4.1	5.1	17.1	11.8	10.9	6.9	7.6	30.0	37.2
% Change (YoY)	1.1	15.0	108.1	NM	220.0	164.2	34.1	-55.6	298.8	23.8
Operating Parameters										
Deposits (INR b)	4,891	5,020	5,212	5,381	5,401	5,515	5,626	5,736	5,381	5,736
Loans (INR b)	3,395	3,397	3,628	3,640	3,644	3,604	3,717	3,859	3,640	3,859
Deposit Growth (%)	102.6	98.3	102.3	106.8	10.4	9.9	7.9	6.6	106.8	6.6
Loan Growth (%)	91.2	81.8	95.9	83.9	7.3	6.1	2.4	6.0	83.9	6.0
Asset Quality										
Gross NPA (%)	10.9	9.9	9.0	9.9	9.7	9.6	9.1	8.7	9.9	8.7
Net NPA (%)	3.8	3.0	2.4	3.4	3.5	3.3	2.7	2.5	3.4	2.5
PCR (%)	68.1	72.2	75.8	68.1	66.5	68.1	72.2	73.4	68.1	73.4

Kotak Mahindra Bank**Neutral**

CMP: INR1,836 | TP: INR2,100 (+14%)

EPS CHANGE (%): FY23 | 24: -0.2 | -0.2

- Loan growth to see strong traction QoQ
- Liability franchise to remain strong; lower cost of funds to result in stable margins (~4.6%)
- Commentaries around stress in SME book and other unsecured loans; credit costs to remain stable
- Asset quality to witness improvement

Quarterly performance

(INR b)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	37.2	39.0	38.8	38.4	39.4	40.2	43.3	46.0	153.4	169.0
% Change (Y-o-Y)	17.4	16.4	13.0	8.0	5.8	3.2	11.8	19.7	13.6	10.1
Other Income	7.7	14.3	12.9	19.5	13.5	18.1	13.6	18.0	54.6	63.3
Total Income	45.0	53.3	51.7	57.9	52.9	58.3	57.0	64.0	208.0	232.3
Operating Expenses	18.7	20.7	22.6	23.8	24.0	27.1	30.0	31.2	85.8	112.4
Operating Profit	26.2	32.6	29.1	34.1	28.9	31.2	27.0	32.8	122.1	119.9
% Change (Y-o-Y)	9.4	30.0	21.8	25.0	10.1	-4.4	-7.1	-3.7	21.9	-1.8
Other Provisions	9.6	3.3	4.2	11.8	7.0	4.2	-1.3	3.3	29.1	13.2
Profit before Tax	16.6	29.3	24.8	22.3	21.9	27.0	28.3	29.6	93.0	106.7
Tax Provisions	4.2	7.4	6.3	5.5	5.4	6.6	7.0	7.6	23.4	26.7
Net Profit	12.4	21.8	18.5	16.8	16.4	20.3	21.3	22.0	69.6	80.0
% Change (Y-o-Y)	-8.5	26.7	16.1	32.8	31.9	-7.0	15.0	30.7	17.1	14.9
Deposits (INRb)	2,615	2,616	2,653	2,801	2,866	2,917	3,053	3,207	2,801	3,207
Loans (INRb)	2,040	2,048	2,141	2,237	2,175	2,350	2,529	2,684	2,237	2,684
Deposit growth (%)	12.3	12.2	10.8	6.6	9.6	11.5	15.1	14.5	6.6	14.5
Loan growth (%)	-1.9	-4.0	-1.2	1.8	6.6	14.7	18.1	20.0	1.8	20.0
Asset Quality										
Gross NPA (%)	2.7	2.6	2.3	3.3	3.6	3.2	2.7	2.5	3.3	2.5
Net NPA (%)	0.9	0.6	0.5	1.2	1.3	1.1	0.8	0.8	1.2	0.8
PCR (%)	68.4	75.6	78.4	63.6	64.8	67.5	71.3	70.0	63.6	70.0

Punjab National Bank**Neutral**

CMP: INR37 | TP: INR45 (+22%)

EPS CHANGE (%): FY23 | 24: +3.6 | +1.4

- Loan growth to see some traction QoQ
- Margin to remain stable at ~2.9%; opex to be the key
- SMA and restructuring books – key monitorables
- Asset quality to remain under pressure

Quarterly performance

(INR b)

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	67.8	84.5	83.5	69.4	72.3	63.5	78.0	81.3	304.8	295.2
% Change (YoY)	63.8	98.3	91.6	48.3	6.7	-24.9	-6.5	17.1	74.8	-3.2
Other Income	36.5	22.7	26.8	37.4	38.9	32.8	27.0	28.1	128.1	126.8
Total Income	104.4	107.3	110.3	106.8	111.2	96.3	105.0	109.4	432.9	422.0
Operating Expenses	51.6	52.1	49.0	50.5	47.2	56.1	54.3	55.8	203.1	213.4
Operating Profit	52.8	55.2	61.3	56.3	64.0	40.2	50.8	53.6	229.8	208.6
% Change (YoY)	51.7	54.9	63.0	43.3	21.2	-27.1	-17.2	-4.9	55.9	-9.2
Other Provisions	46.9	45.4	51.8	46.9	49.8	32.6	33.5	35.1	195.0	151.0
Profit before Tax	5.9	9.8	9.6	9.5	14.2	7.6	17.2	18.5	34.8	57.6
Tax	2.9	3.6	4.5	3.6	4.0	-3.5	6.0	6.9	14.6	13.4
Net Profit	3.1	6.2	5.1	5.9	10.2	11.1	11.3	11.6	20.2	44.2
% Change (YoY)	-69.7	22.4	NM	NM	231.8	78.0	122.7	97.9	501.3	118.4
Operating Parameters										
Deposits	10,749	10,697	10,822	11,063	10,976	11,154	11,273	11,462	11,063	11,462
Loans	6,562	6,527	6,605	6,742	6,613	6,732	6,928	7,113	6,742	7,113
Deposit Growth (%)	59.8	53.7	52.7	57.2	2.1	4.3	4.2	3.6	57.2	3.6
Loan Growth (%)	55.6	52.5	55.2	42.9	0.8	3.2	4.9	5.5	42.9	5.5
Asset Quality										
Gross NPA (%)	14.1	13.4	13.0	14.1	14.3	13.6	12.9	12.7	14.1	12.7
Net NPA (%)	5.4	4.8	4.0	5.7	5.8	5.5	4.9	4.8	5.8	4.8
PCR (%)	65.3	67.9	71.8	63.1	62.9	63.2	65.2	65.6	62.4	65.6

RBL Bank**Buy****CMP: INR142 | TP: INR200 (+41%)****EPS CHANGE (%): FY23|24: +5.4|+2.4**

- Business growth to see an uptick; margin stable at 4.3%
- Asset quality to witness gradual improvement, remain watchful of exposures to MFI / Credit Cards
- Credit costs to see gradual moderation
- Management succession would be a near-term overhang

Quarterly performance**(INR m)**

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	10,413	9,321	9,082	9,061	9,695	9,155	10,104	10,456	37,876	39,410
% Change (Y-o-Y)	27.4	7.3	-1.6	-11.3	-6.9	-1.8	11.3	15.4	4.4	4.1
Other Income	3,333	4,182	5,759	6,884	6,534	5,929	6,199	6,527	20,578	25,188
Total Income	13,746	13,503	14,841	15,945	16,229	15,083	16,303	16,983	58,454	64,598
Operating Expenses	6,849	6,685	6,832	7,179	8,567	8,174	9,995	10,498	27,546	37,233
Operating Profit	6,897	6,818	8,008	8,765	7,661	6,910	6,308	6,485	30,908	27,364
% Change (Y-o-Y)	14.5	7.2	11.7	16.6	11.1	1.4	-21.2	-26.0	13.9	-11.5
Provisions	5,002	4,876	6,058	7,663	13,844	6,515	4,239	3,758	24,017	28,355
Profit before Tax	1,896	1,942	1,951	1,103	-6,182	395	2,069	2,727	6,891	-991
Tax	483	500	480	349	-1,588	87	508	743	1,813	-249
Net Profit	1,412	1,442	1,471	754	-4,595	308	1,561	1,984	5,078	-742
% Change (Y-o-Y)	-47.1	165.4	110.2	-34.1	NM	-78.6	6.1	163.3	0.4	NM
Operating Parameters										
Deposit (INR b)	617.4	645.1	671.8	731.2	744.7	755.9	736.4	782.4	731.2	782.4
Loan (INR b)	566.8	561.6	564.4	586.2	565.3	560.1	581.4	606.7	586.2	606.7
Deposit Growth (%)	1.5	2.7	6.8	26.5	20.6	17.2	9.6	7.0	26.5	7.0
Loan Growth (%)	-0.3	-4.0	-5.4	1.0	-0.3	-0.3	3.0	3.5	1.0	3.5
Asset Quality										
Gross NPA (%)	3.5	3.3	1.8	4.3	5.0	5.4	4.8	4.5	4.3	4.5
Net NPA (%)	1.7	1.4	0.7	2.1	2.0	2.1	1.9	1.6	2.1	1.6
PCR (%)	53.2	59.4	61.7	52.3	60.9	61.7	62.9	64.2	52.3	64.2

State Bank of India**Buy****CMP: INR513 | TP: INR675 (+32%)****EPS CHANGE (%): FY23|24: -1.9|-1.7**

- Credit costs to remain modest
- Loan growth to see a healthy traction QoQ
- Asset quality to remain steady
- Margin to remain stable at ~3.1%; traction in fee income and opex trajectory – key monitorables

Quarterly performance**(INR b)**

Y/E March	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	266.4	281.8	288.2	270.7	276.4	311.8	306.9	318.1	1,107.1	1,213.2
% Change (YoY)	16.1	14.6	3.7	18.9	3.7	10.7	6.5	17.5	12.9	9.6
Other Income	95.0	85.3	92.5	162.3	118.0	82.1	86.7	117.7	435.0	404.5
Total Income	361.4	367.1	380.7	432.9	394.4	393.9	393.6	435.8	1,542.1	1,617.7
Operating Expenses	180.8	202.5	207.3	235.9	204.7	213.1	208.4	223.4	826.5	849.6
Operating Profit	180.6	164.6	173.3	197.0	189.7	180.8	185.2	212.4	715.5	768.2
% Change (YoY)	36.3	-9.6	-4.9	6.7	5.1	9.8	6.9	7.8	5.0	7.4
Provisions	125.0	101.2	103.4	110.5	100.5	1.9	69.7	71.1	440.1	243.3
Exception items (Exp.)	NA	NA	NA	NA	NA	74.2	NA	NA	NA	74.2
Profit before Tax	55.6	63.4	69.9	86.5	89.2	104.7	115.5	141.3	275.4	450.7
Tax Provisions	13.7	17.7	17.9	22.0	24.2	28.5	31.2	34.3	71.3	118.1
Net Profit	41.9	45.7	52.0	64.5	65.0	76.3	84.3	107.0	204.1	332.6
% Change (YoY)	81.2	51.9	-6.9	80.1	55.3	66.7	62.3	65.9	40.9	63.0
Operating Parameters										
Deposits (INR t)	34.2	34.7	35.4	36.8	37.2	38.1	38.5	39.4	36.8	39.4
Loans (INR t)	23.0	22.9	23.7	24.5	24.3	24.4	25.8	26.7	24.5	26.7
Deposit Growth (%)	16.0	14.4	13.6	13.6	8.8	9.8	8.8	7.0	13.6	7.0
Loan Growth (%)	7.7	6.9	7.6	5.3	5.8	6.5	8.9	9.2	5.3	9.2
Asset Quality										
Gross NPA (%)	5.4	5.3	4.8	5.0	5.3	4.9	4.5	4.2	5.0	4.2
Net NPA (%)	1.9	1.6	1.2	1.5	1.8	1.5	1.3	1.2	1.5	1.2
PCR (%)	67.1	71.0	75.2	70.9	67.9	70.1	71.2	71.8	70.9	71.8

Union Bank of India**Buy**

CMP: INR42 | TP: INR60 (+44%)

EPS CHANGE (%): FY23|24: -12.3|-0.4

- Loan growth to remain modest
- Margin to remain stable at ~3.0%; opex to be the key
- SMA and restructuring books – key monitorables
- Asset quality to remain steady

Quarterly performance

(INR b)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	64.0	62.9	65.9	54.0	70.1	68.3	71.7	75.0	246.9	285.2
% Change (YoY)	154.3	116.6	110.2	87.7	9.5	8.5	8.9	38.8	115.9	15.5
Other Income	14.6	24.1	29.7	45.5	27.8	39.8	25.2	24.0	113.4	116.8
Total Income	78.7	87.0	95.6	99.5	97.9	108.1	97.0	99.0	360.3	401.9
Operating Expenses	38.3	38.7	42.9	47.7	46.1	47.3	46.0	48.8	167.7	188.3
Operating Profit	40.3	48.3	52.7	51.8	51.8	60.7	51.0	50.2	192.6	213.7
% Change (YoY)	113.9	115.7	119.3	95.3	28.4	25.7	-3.2	-3.2	109.8	11.0
Provisions	35.6	42.4	52.1	39.0	34.0	37.2	25.5	30.8	168.6	127.5
Profit before Tax	4.8	5.9	0.5	12.8	17.8	23.5	25.5	19.4	24.0	86.1
Tax	1.5	0.7	-6.7	-0.5	6.0	8.2	14.6	7.3	-5.1	36.2
Net Profit	3.3	5.2	7.3	13.3	11.8	15.3	10.9	12.0	29.1	50.0
% Change (YoY)	48.3	NM	26.5	NM	254.9	195.4	49.3	-9.5	NM	71.9
Operating Parameters										
Deposit (INR b)	8,925	8,861	8,824	9,238	9,085	9,140	9,375	9,561	9,238	9,561
Loan (INR b)	5,817	5,790	5,829	5,910	5,846	5,810	6,168	6,324	5,910	6,324
Deposit Growth (%)	107.6	100.1	98.3	105.0	1.8	3.2	6.2	3.5	105.0	3.5
Loan Growth (%)	98.0	94.4	89.5	87.6	0.5	0.3	5.8	7.0	87.6	7.0
Asset Quality										
Gross NPA (%)	15.0	14.7	13.5	13.7	13.6	12.6	11.6	11.5	13.7	11.5
Net NPA (%)	5.0	4.1	3.3	4.6	4.7	4.6	4.1	4.3	4.7	4.3
PCR (%)	70.3	75.1	78.3	69.6	68.7	66.6	67.5	65.7	69.2	65.7

SBI Cards and Payment Services**Buy**

CMP: INR877 | TP: INR1,120 (+28%)

EPS CHANGE (%): FY23|24: -3.5|-2.8

- Credit costs to remain steady
- Restructuring book and asset quality to see moderation
- Traction in fee income would be a key assessment metric
- Pressure on margins to be another key monitorable

Quarterly performance

(INR b)

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	11.4	10.1	9.1	8.3	9.2	9.2	10.0	10.7	38.8	39.1
% Change (Y-o-Y)	52.2	20.0	-3.1	-18.3	-18.7	-9.1	9.9	29.4	9.7	0.7
Other Income	7.8	12.4	13.7	14.0	13.0	15.2	18.7	19.0	47.9	65.9
Total Income	19.2	22.5	22.8	22.2	22.2	24.4	28.6	29.7	86.7	105.0
Operating Expenses	9.0	11.1	13.5	12.9	11.7	13.8	17.2	17.0	47.1	59.7
Operating Profit	10.1	11.4	9.3	9.4	10.5	10.6	11.4	12.8	39.6	45.3
% Change (Y-o-Y)	9.1	37.2	-3.0	-1.2	4.0	-7.2	22.9	36.0	8.0	14.4
Provisions	4.9	8.6	6.5	7.0	6.4	5.9	6.3	6.7	26.4	25.4
Profit before Tax	5.3	2.8	2.8	2.3	4.1	4.6	5.2	6.0	13.2	20.0
Tax	1.3	0.7	0.7	0.6	1.1	1.2	1.3	1.6	3.4	5.1
Net Profit	3.9	2.1	2.1	1.8	3.0	3.4	3.9	4.5	9.8	14.8
% Change (Y-o-Y)	13.8	-45.9	-51.8	110.0	-22.5	67.3	84.0	155.5	-20.9	50.7
Operating Parameters										
Loan (INRb)	219.2	219.3	237.0	234.6	230.4	253.9	279.7	297.9	234.6	297.9
Loan Growth (%)	7.2	-1.6	-1.0	2.8	5.1	15.8	18.0	27.0	2.8	27.0
Asset Quality										
Gross NPA (%)	1.4	4.3	1.6	5.0	3.9	3.4	2.4	2.0	5.0	2.0
Net NPA (%)	0.4	1.5	0.6	1.2	0.9	0.9	0.8	0.6	1.1	0.6
PCR (%)	68.3	65.6	65.6	77.9	78.2	73.7	65.9	69.3	77.9	69.3

HDFC Life Insurance**Neutral**

CMP: INR572 | TP: INR700 (+22%)

EPS CHANGE (%): FY23 | 24: -2.2 | -2.3

- New business premium to remain modest on strong trends in Annuity/PAR
- Expense ratio to remain stable; RoEV to stay modest
- VNB growth to remain modest, margins to expand QoQ
- Improvement in persistency ratio another monitorable

Quarterly performance (INR m)

Policy holder's A/c (INR m)	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First year premium	10,218	16,752	17,722	23,892	12,856	20,780	21,160	25,569	68,584	80,364
Growth (%)	-23.0%	15.3%	14.9%	38.7%	25.8%	24.0%	19.4%	7.0%	13.5%	17.2%
Renewal premium	32,391	43,104	45,770	63,504	38,893	50,345	55,430	74,482	184,769	219,150
Growth (%)	24.1%	20.8%	21.5%	14.9%	20.1%	16.8%	21.1%	17.3%	19.4%	18.6%
Single premium	16,016	41,970	32,790	41,706	24,811	45,184	45,958	44,964	132,482	160,916
Growth (%)	-38.4%	65.5%	21.8%	23.9%	54.9%	7.7%	40.2%	7.8%	18.3%	21.5%
Net premium income	57,218	100,454	94,870	128,680	75,385	114,440	121,244	144,520	381,223	455,588
Growth (%)	-11.3%	34.8%	20.8%	23.0%	31.7%	13.9%	27.8%	12.3%	18.3%	19.5%
PAT	4,511	3,261	2,650	3,179	3,024	2,742	2,737	3,551	13,601	12,052
Growth (%)	6.2%	5.6%	5.9%	2.0%	-33.0%	-15.9%	3.3%	11.7%	5.0%	-11.4%
Key metrics (INRb)										
New business APE	12.0	21.4	21.6	28.8	15.6	25.5	26.0	30.1	81.8	96.5
Growth (%)	-29.9	21.2	18.3	36.5	30.3	19.4	20.4	4.4	14.2	17.9
VNB	2.9	5.5	5.7	7.8	4.1	6.8	6.9	8.3	21.9	26.1
Growth (%)	-42.8	22.1	26.7	51.8	40.2	23.9	21.8	6.4	13.9	19.3
AUM (INR b)	1,400	1,506	1,656	1,738	1,813	1,912	1,947	1,981	1,738	1,981
Growth (%)	8.0	15.0	21.4	36.6	29.5	27.0	17.6	13.9	36.6	13.9
Key Ratios (%)										
VNB Margins (%)	24.3	25.6	26.4	27.0	26.2	26.6	26.7	27.5	26.1	27.0
Solvency ratio (%)	190.0	203.0	202.0	201.0	203.0	190.0	190.0	191.8	201.0	191.8

ICICI Prudential Life Insurance**Buy**

CMP: INR509 | TP: INR700 (+38%)

EPS CHANGE (%): FY23 | 24: -5.7 | -9.8

- New business premiums to remain under pressure
- VNB growth to remain modest though margin would expand
- Expense ratio to remain stable
- 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	2Q	3Q	4QE		
First year premium	6,275	11,698	13,605	20,293	8,803	15,572	15,475	18,450	51,872	58,300
Growth (%)	-50.6%	-31.9%	-27.4%	23.3%	40.3%	33.1%	13.7%	-9.1%	-20.3%	12.4%
Renewal premium	41,398	57,742	56,801	69,126	41,375	55,704	54,449	71,409	225,068	222,936
Growth (%)	2.4%	10.2%	8.7%	7.4%	-0.1%	-3.5%	-4.1%	3.3%	7.5%	-0.9%
Single premium	9,794	17,894	21,114	31,587	18,523	24,056	23,518	29,025	80,389	95,122
Growth (%)	-3.7%	45.2%	81.4%	23.1%	89.1%	34.4%	11.4%	-8.1%	34.4%	18.3%
Net premium income	55,511	85,722	89,708	118,793	66,019	92,865	90,740	116,964	349,734	366,588
Growth (%)	-10.6%	6.3%	10.3%	13.4%	18.9%	8.3%	1.1%	-1.5%	6.4%	4.8%
PAT	2,876	3,032	3,056	638	-1,857	4,446	3,106	3,010	9,601	8,705
Growth (%)	0.9%	0.5%	1.0%	-64.5%	NM	46.6%	1.7%	371.9%	-10.2%	-9.3%
Key metrics (INRb)										
New Business APE	8.2	14.7	16.7	25.1	12.2	19.8	19.3	23.5	59.9	74.6
Growth (%)	-44.0	-22.9	-18.3	27.1	48.1	34.9	15.8	-6.3	-15.7	24.5
VNB	2.0	4.0	4.3	5.9	3.6	5.2	5.2	6.4	16.2	20.3
Growth (%)	-35.0	0.2	0.5	25.7	78.1	28.4	20.3	8.1	1.3	25.0
AUM	1,700	1,815	2,049	2,142	2,232	2,371	2,376	2,400	2,142	2,400
Growth (%)	3.6	9.7	19.1	40.0	31.3	30.6	16.0	12.0	40.0	12.0
Key Ratios (%)										
VNB Margins (%)	24.4	27.4	25.7	23.6	29.4	26.0	26.7	27.2	25.1	27.2
Solvency ratio (%)	205	206	226	217	194	200	202	200	217	200

SBI Life Insurance**Buy**

CMP: INR1,126 | TP: INR1,600 (+42%)

EPS CHANGE (%): FY23|24: +1.3|+3.4

- New business premiums to see modest trends
- Margins to expand QoQ; VNB growth to remain modest
- Continued cost leadership
- Protection mix to improve; Non-PAR to remain healthy

Quarterly performance (INR b)

Policy holder's A/c (INRb)	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First year premium	10.9	23.2	32.8	36.6	14.0	36.1	40.7	40.3	103.4	131.2
Growth (%)	-34%	-9%	5%	45%	29%	56%	24%	10%	5%	27%
Renewal premium	45.8	71.5	84.4	94.6	50.3	77.8	96.5	109.9	296.3	334.5
Growth (%)	30%	28%	24%	16%	10%	9%	14%	16%	23%	13%
Single premium	19.7	36.2	21.6	28.1	21.6	37.0	49.2	29.4	102.9	123.5
Growth (%)	31%	71%	16%	119%	9%	2%	128%	5%	52%	20%
Net premium income	75.9	128.6	137.7	155.6	83.1	146.6	180.3	175.0	497.7	585.0
Growth (%)	14%	27%	18%	31%	10%	14%	31%	12%	23%	18%
PAT	3.9	3.0	2.3	5.3	2.2	2.5	3.6	4.8	14.6	13.1
Growth (%)	5%	131%	-40%	0%	-43%	-18%	56%	-10%	2%	-10%
Key metrics (INRb)										
New Business APE	12.7	27.1	35.0	39.7	16.2	39.7	45.7	42.9	113.7	143.5
Growth (%)	-31.7	-3.6	3.6	47.6	27.6	46.5	30.6	8.2	8.2	26.3
VNB	2.6	5.4	7.6	11.0	3.9	10.3	11.7	11.3	26.6	37.2
Growth (%)	-21.2	3.8	22.6	103.7	50.0	90.7	53.9	3.2	19.8	40.0
AUM	1,754	1,864	2,095	2,209	2,316	2,442	2,569	2,619	2,209	2,619
Growth (%)	19.3	20.4	27.6	37.7	32.1	31.0	22.6	18.6	37.7	18.6
Key Ratios (%)										
VNB margins (%)	20.1	20.3	21.9	27.7	24.1	25.9	25.6	26.4	23.2	26.0
Solvency ratio (%)	239.0	245.0	234.0	215.0	215.0	212.0	209.0	205.3	214.7	205.3

Max Financial Services**Buy**

CMP: INR789 | TP: INR1,050 (+33%)

EPS CHANGE (%): FY23|24: -18.8|-24.0

- New business premiums to remain under pressure
- VNB margin to expand QoQ; VNB growth to remain modest
- Proprietary channel to exhibit healthy trends while Banca channel to witness pressure
- Non-PAR growth to remain healthy; ULIP to be under pressure

Quarterly performance (INR m)

Policy holder's A/c (INR m)	FY21				FY22E				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
First Year premium	6,210	11,280	11,980	18,860	8,040	12,280	15,420	17,722	48,334	53,462
Growth (%)	-3.9%	7.1%	19.9%	35.7%	29.5%	8.9%	28.7%	-6.0%	18.2%	10.6%
Renewal premium	18,520	29,370	28,800	45,230	22,440	34,620	34,220	53,433	121,917	144,713
Growth (%)	6.4%	22.3%	16.3%	13.6%	21.2%	17.9%	18.8%	18.1%	15.0%	18.7%
Single premium	2,780	4,680	5,500	6,970	4,350	6,430	6,340	7,237	19,928	24,357
Growth (%)	4.9%	43.1%	36.1%	39.7%	56.5%	37.4%	15.3%	3.8%	33.3%	22.2%
Gross premium income	27,510	45,330	46,280	71,060	34,840	53,310	56,000	78,382	190,180	222,532
Growth (%)	3.8%	19.9%	19.3%	21.0%	26.6%	17.6%	21.0%	10.3%	17.5%	17.0%
PAT	1,380	270	2,520	1,060	770	710	1,150	1,624	5,230	4,254
Growth (%)	102.9%	-68.6%	63.6%	-54.2%	-44.2%	163.0%	-54.4%	53.2%	-3.0%	-18.7%
Key metrics (INRm)										
New Business APE	6,610	11,540	12,250	19,170	8,750	12,830	15,930	18,445	49,570	55,897
Growth (%)	-3.5	10.4	21.3	36.1	32.4	11.2	30.0	-3.8	17.0	12.8
VNB	1,130	3,250	3,500	4,610	1,720	3,740	3,960	4,796	12,490	14,216
Growth (%)	-15.7	41.3	65.1	43.6	52.2	15.1	13.1	4.0	39.2	13.8
AUM (INRb)	730	778	850	904	937	1,001	1,025	1,046	904	1,046
Growth (%)	14.1	19.6	23.9	32.0	28.4	28.7	20.6	15.6	32.0	15.6
Key Ratios (%)										
VNB Margins (%)	17.1	28.2	28.6	24.0	19.7	29.2	24.9	26.0	25.2	25.4
Solvency ratio (%)	212.0	207.0	208.0	196.0	197.0	211.0	207.0	204.4	196.0	204.4

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.