



INDIA BANKS

2QFY26 review – Not quite the expected margin cliff

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Bank earnings panned out better than expectations; tailwinds appear to be building

The popular fear of a sharp sequential squeeze in margins in lieu of the RBI's 50bps rate cut in June proved to be rather exaggerated in 2QFY26 bank earnings. Cost of funds rationalisation cushioned the bulk of the impact of lower loan yield, with net impact for most large private banks limited to <10bps. Management commentary turned bullish on incremental margin tailwinds from ongoing liability repricing as well as credit growth acceleration. We expect that an inflection point on credit growth is likely soon, due to (i) consumer credit buoyancy from the GST cut impact as well as a low disbursement base in 2HFY25; (ii) CRR relief till mid-November; and (iii) pre-existing dry powder of excess provisioning/capitalisation and a benign asset quality cycle (exceptions like MFI, small ticket unsecured etc. aside). We stay at our above consensus 13% FY26 system credit growth expectation and take heart from the latest 11.5% system credit growth print (c1ppt m-m acceleration).

Margin and earnings growth should pick up from 3QFY26 onwards

Given our assumption of no further rate cuts, the margin impact of loan yield drops should be nearly complete in 1HFY26. Benign and gradual tailwinds will continue from ongoing transmission on deposit costs and a likely tailwind in CASA from (i) reduction in the SA and TD rate gap; and (ii) CA tailwinds from greater credit availability/money market liquidity for businesses, incentivising them to shorten working capital cycles. This indicates that earnings growth of large private banks will improve materially from 3QFY26. Incremental policy rate cuts would need further reduction in the US rates, continued low inflation and a stable rupee, in our view. If it materialises in 3Q, a 25bps cut reduces full year FY26 bank earnings by 2-3% in our rough estimation, while adding 1-2% to FY27E.

Roll-over our valuation by a quarter; target multiple revision only for AXSB

Following its first strong report since FY24, we upgrade AXSB's target multiple to 1.9x from 1.7x, well below the low-mid 2s it can command once credit costs normalise to the levels of its peers and drives RoE solidly into mid-teens. It remains our third most preferred pick after HDFC and ICICI.

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Associates who provided support
services in the preparation of this report

Key changes & valuation metrics

	Stock Rating	Price* (LC)	Target price (LC)		Upside	Mkt cap (INRm)	EPS chg.		P/E (x)		P/TBVPS (x)	
				chg.			25e	26e	25eCY	26eCY	25eCY	26eCY
AUBANK	(-)	881.0	710	↗ 3%	-19%	662,367	↗ 2%	↗ 2%	28.0	20.7	3.4	2.9
Axis Bank	(+)	1,228.5	1,600	↗ 14%	30%	3,826,113	↗ 1%	↗ 1%	14.3	12.5	1.9	1.6
City Union Bank	(-)	254.9	200	↗ 5%	-22%	188,863	↗ 4%	↗ 4%	16.0	14.2	1.8	1.7
HDFC Bank	(+)	984.7	1,400		42%	15,243,709	↘ 3%	↘ 3%	21.0	17.8	2.8	2.5
ICICI Bank	(+)	1,320.4	1,910		45%	9,479,309	↘ 4%	↘ 4%	17.7	16.7	2.9	2.5
IndusInd Bank	(-)	786.2	840	↘ 1%	7%	614,800	↘ 37%	↘ 5%	31.1	17.0	0.9	0.9
Kotak Mahindra Bank	(=)	2,083.2	2,460	↗ 2%	18%	4,143,091	↘ 5%	↘ 2%	21.0	18.5	3.2	2.8
State Bank of India	(=)	960.8	990	↗ 4%	3%	8,868,299	↗ 5%		10.9	11.3	1.7	1.5

* Closing prices at 6 November 2025

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2QFY26 results review – positively surprised the street for the most part

Figure 1: 2QFY26 results summary

Company Name	EPS* beat/ (miss) vs BBG Consensus	Market Reaction**	2QFY26 result highlights	Key outlook/management commentary
HDFC Bank	8.7%	0.1%	<ul style="list-style-type: none"> NIM compressed 26bps y-y/8bps q-q. Loan growth was 9.9% y-y with PAT 2.3% above BBG consensus. 	<ul style="list-style-type: none"> Management expects that the LDR (c95%) is no longer a material shackle on growth aspirations. Abstained from giving specific guidance on NIMs.
ICICI Bank	1.7%	-3.2%	<ul style="list-style-type: none"> Lower credit cost boosts PAT (+1.7% above consensus), mitigated by mild topline miss. Loan growth moderated to 10.3% y-y and 3.2% q-q. 	<ul style="list-style-type: none"> Management commentary alluded to a focus on pricing discipline. Personal loan growth is likely to accelerate again given a low base and should support retail loan growth next year.
Axis Bank	1%	2.2%	<ul style="list-style-type: none"> Adjusted for one-time extraordinary provisions mandated by RBI, the company actually delivered a c1% earnings beat. NII (up c2% y-y, 1.4% q-q) was better than BBGe and our estimates on account of a controlled moderation in NIM to 3.73% (down only 7bps q-q) and the return of healthy loan growth at c12% y-y and 5.4% q-q, albeit driven by corporate loans. 	<ul style="list-style-type: none"> While not committing to any guidance, AXSB suggested that easing liquidity, if sustained, will be net positive for balance-sheet growth, which the franchise remains well prepared to capitalise on.
IndusInd Bank	(177.6%)	1.2%	<ul style="list-style-type: none"> Miss on several fronts; Credit cost 65%/67% above BNPPe/BBGe. Loan book declined by 8.8% y-y/2.3% q-q driven by decline in MFI and corporate book. 	<ul style="list-style-type: none"> Disbursements in MFI category have gone down. However, collection efficiency is improving.
Kotak Bank	(7.8%)	-1.8%	<ul style="list-style-type: none"> PAT miss was majorly due to slower than expected NII. Loan growth (15.8% y-y, 4% q-q) was decent. 	<ul style="list-style-type: none"> KMB's loan-growth aspiration of c400bps above nominal GDP growth. An 'excess capital' problem, an issue that suppresses core RoE.
State Bank of India	0.2%	0.8%	<ul style="list-style-type: none"> PAT (adj. for X/O) in line with BBGe and 3% below BNPPe. Loan growth (12.7% y-y) broad based across segments. GNPA ratio improved, led by lower slippages. 	<ul style="list-style-type: none"> The bank reiterated credit-growth guidance for FY26 to 12-13% and watered down deposit-growth expectations too.
AUBANK	6.2%	9.2%	<ul style="list-style-type: none"> PAT beat by 12.5%/6.2% BNPPe/BBGe. NIM up 12bps q-q. AUM growth (17% y-y) was below the long term guidance. 	<ul style="list-style-type: none"> At the end of FY25, management lowered its long-term ROE guidance to 19-21% because of excess capital. ROA range stays in 4.3-4.7% range. AUM growth was unchanged at 25-27%.
City Union Bank	13.0%	9.6%	<ul style="list-style-type: none"> Beat driven by lower-than-expected credit cost (c14%/c31% below BBGe/BNPPe). NPA ratios improved sequentially. 	<ul style="list-style-type: none"> -Management expects credit costs have peaked and likely to come down here on with improvement in asset quality

* EPS adjusted to extraordinary; ** Market reaction is based on the closing price of result day or the next day if results were declared post market hours

Source: Companies, Bloomberg, BNP Paribas Exane estimates

Margin drop on a sequential basis was lower than expected and forms the key positive theme in the current results season

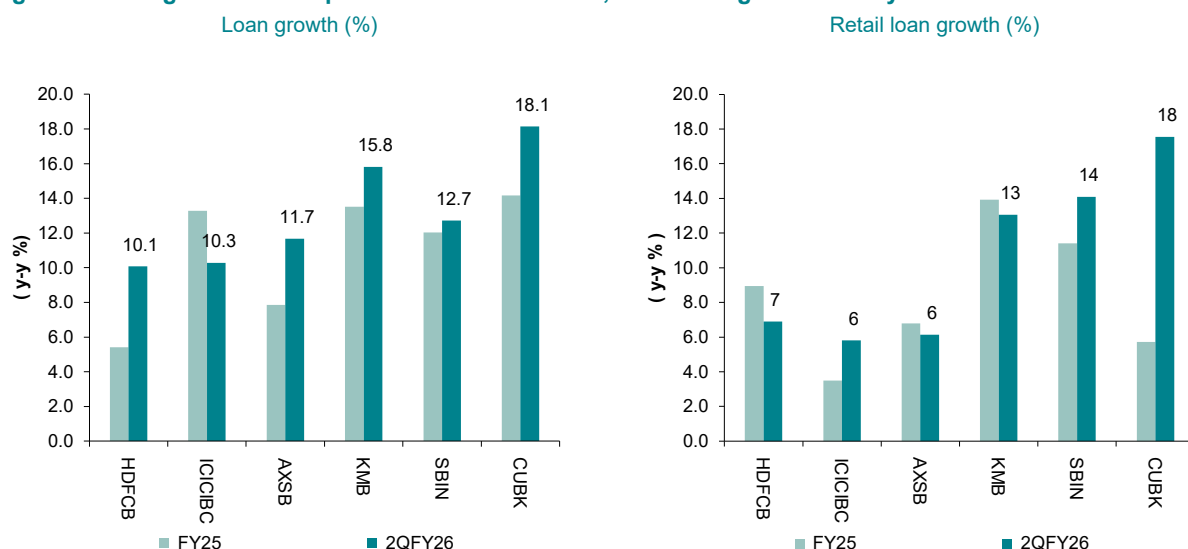
Figure 2: Summary of 2QFY26 earnings of our coverage banks

IIB and AXSB were the weakest performers among the large banks in our coverage

2QFY26 performance	NII (y-y, %)	PPOP (y-y, %)	PAT (y-y, %)	EPS growth (y-y, %)
HDFCB	4.8	13.0	10.8	10.0
ICICIBC	7.4	3.4	5.2	3.8
AXSB	1.9	(2.8)	(26.4)	(26.6)
IIB	(17.5)	(43.5)	(133.6)	(133.6)
KMB	4.1	3.3	(2.7)	(2.7)
SBIN	3.3	(6.8)	10.0	(11.5)
AUSFB	8.6	6.9	(1.8)	(2.1)
CUBK	14.4	9.9	15.2	15.1

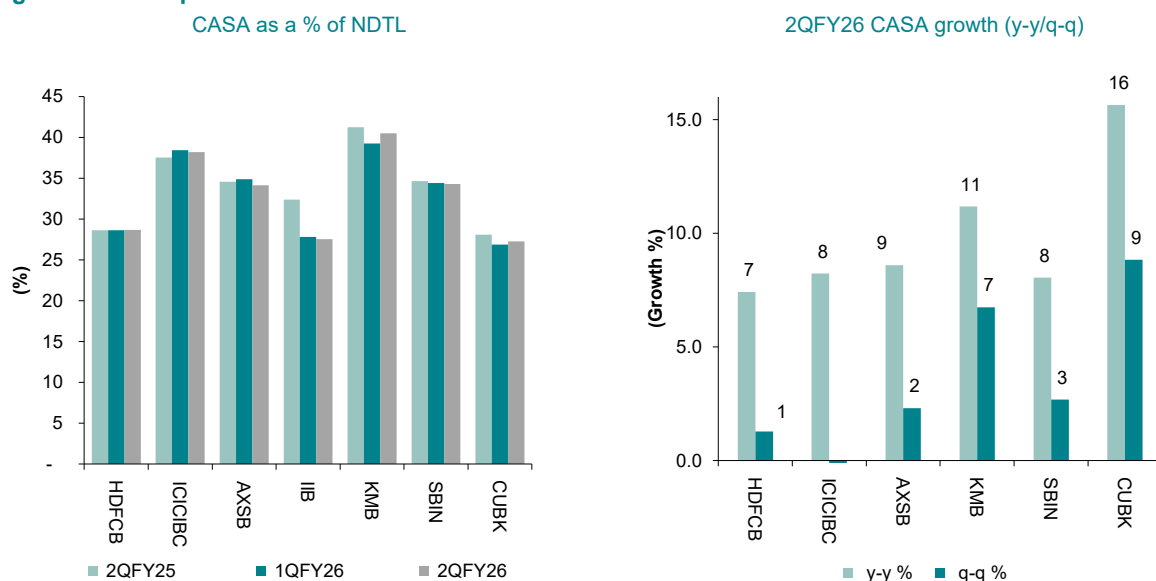
Source: Banks, BNP Paribas Exane estimates

Figure 3: Loan growth has improved from FY25 levels; retail loan growth steady



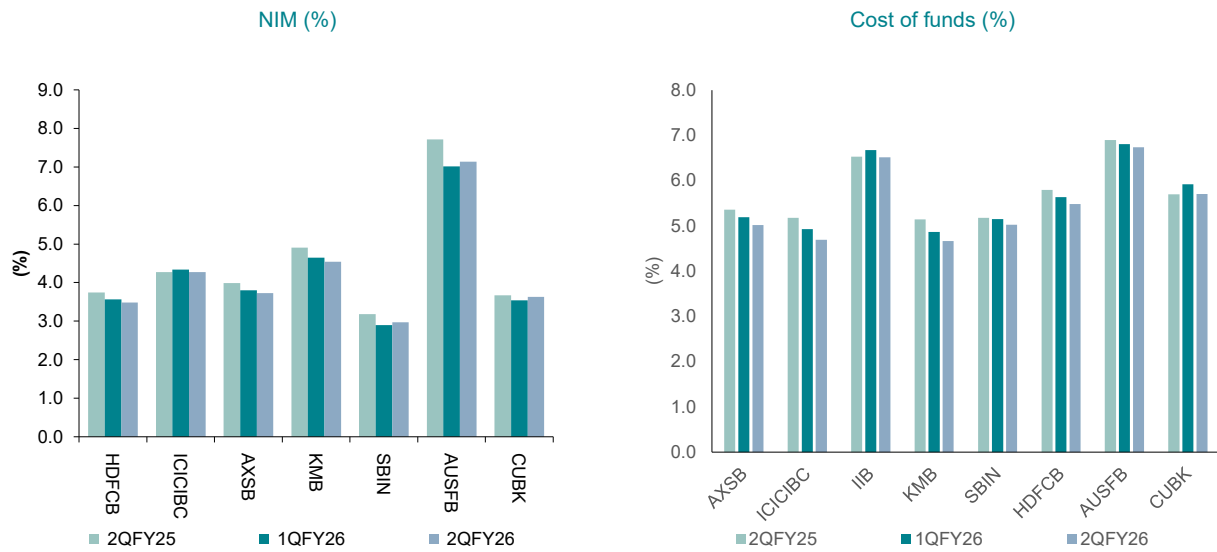
Source: Companies, BNP Paribas Exane

Figure 4: End of period CASA ratio stable



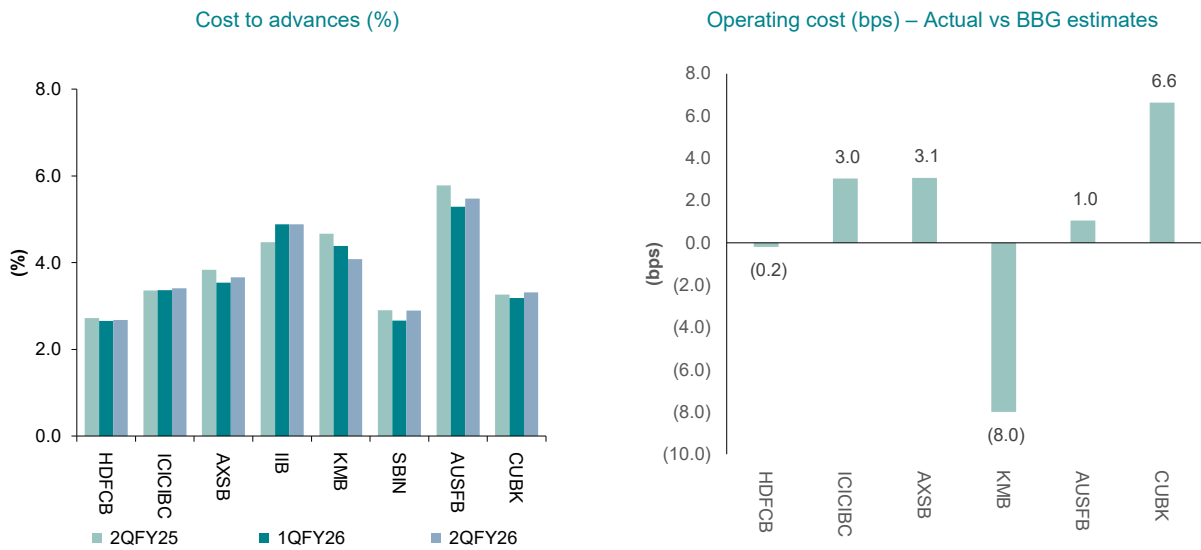
Source: Companies, BNP Paribas Exane

Figure 5: Sequential NIM decline for large private banks was mild in scope; cost of funds declined q-q and cushioned loan yield erosion impact



Source: Companies, BNP Paribas Exane

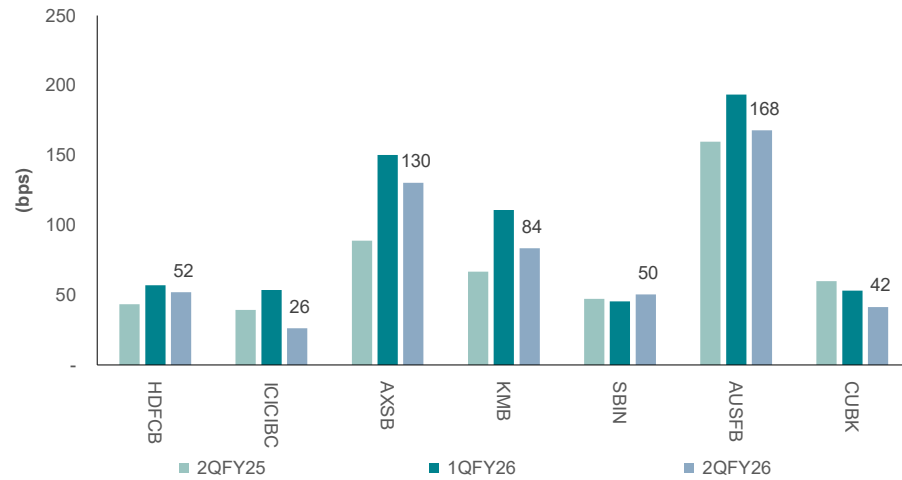
Figure 6: Cost to advances stable q-q; operating cost came higher than expected for most banks



Source: Companies, Bloomberg, BNP Paribas Exane

Figure 7: Credit cost (calculated) moderated this quarter; AXSB higher than normal run rate due to RBI mandate

Credit cost (bps)



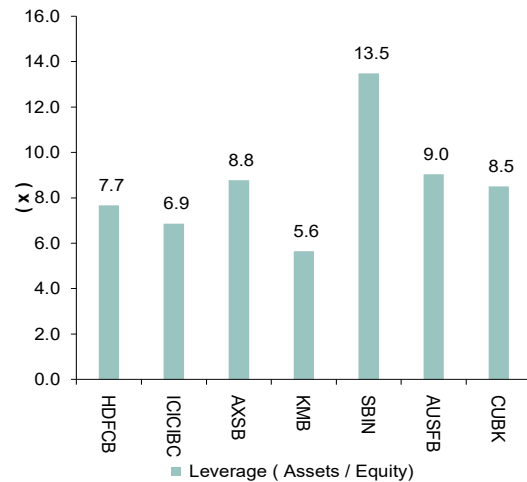
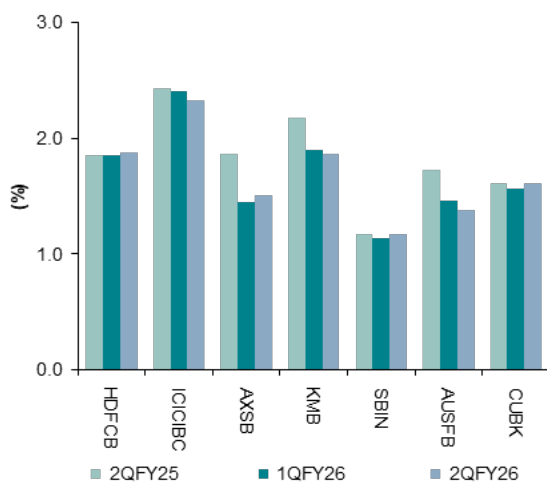
Note: Credit cost for HDFCB has been normalised for 1QFY26 as a one-time provision of INR107bn was made during HDB stake sale

Source: BNP Paribas Exane estimates

Figure 8: ROAs stable sequentially; leverage levels for private banks still have headroom, in our view

ROA (%)

Leverage (Asset / Equity) as of 2QFY26

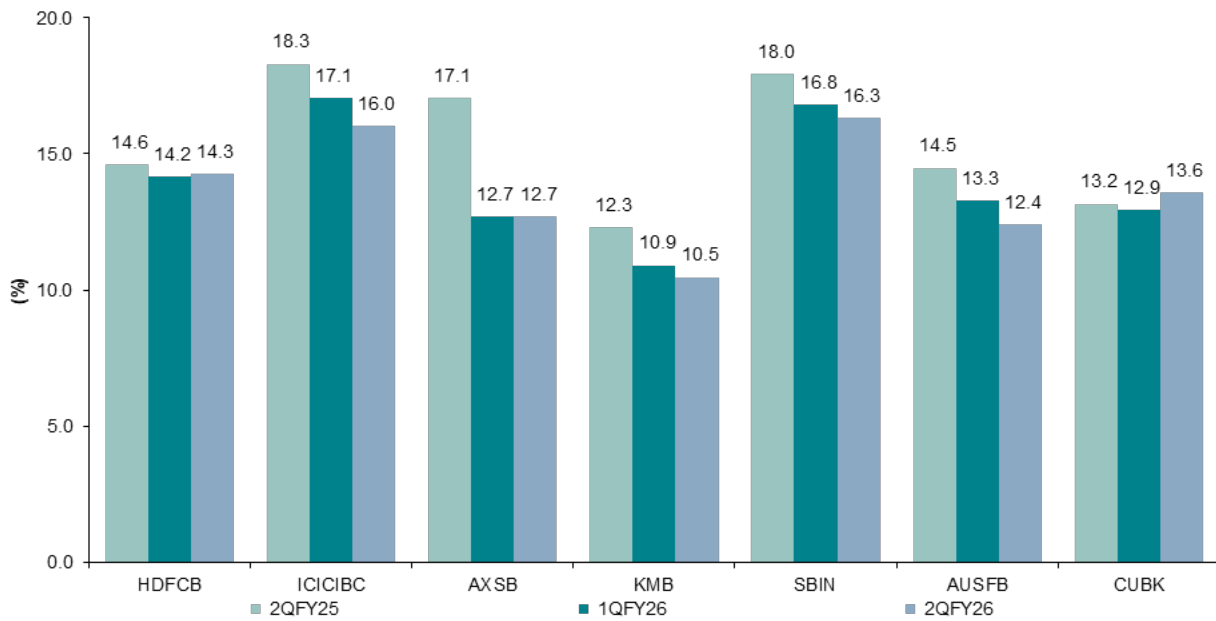


Note: ROA for AXSB has been normalised for one-time standard asset provision in 2QFY26

Source: Companies, BNP Paribas Exane

Figure 9: Healthy mid-teens ROE for our top picks (AXSB catching up)

ROE (%)



Note: ROE for AXSB has been normalised for one-time standard asset provision in 2QFY26

Source: Companies, BNP Paribas Exane

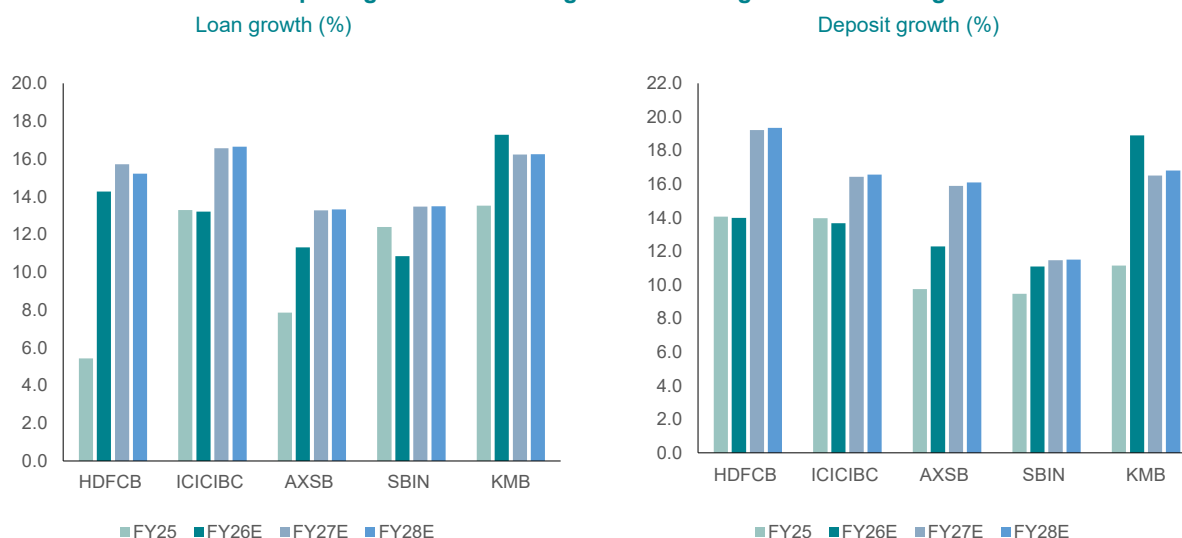
Earnings growth and margin recovery from 3QFY26 for most banks

On system growth – our views are unchanged

We see that the confidence from enhanced liquidity and greater support on credit policy from the RBI (for example, we expect very few comments on C/D) to start a small credit acceleration in FY26 – at c13%, c150bps increase over the c11.5% seen in FY25 and a well ahead-of-consensus estimate. We believe we will continue to see single-digit corporate loan growth (it would take a brave promoter to think of a large capex in the current environment, in our opinion). However, the slightly moderated retail loan growth of FY25 forms a not-so-challenging base for our FY26 growth prognosis of c15% as personal loans/credit cards score a moderate revival on large-bank balance sheets that have expectedly delivered better-than-system outcomes in the segment asset-quality-deterioration seen recently. Recent GST rate cuts should also support greater consumption demand. We expect SME growth to inch up to high teens given budgetary and policy support.

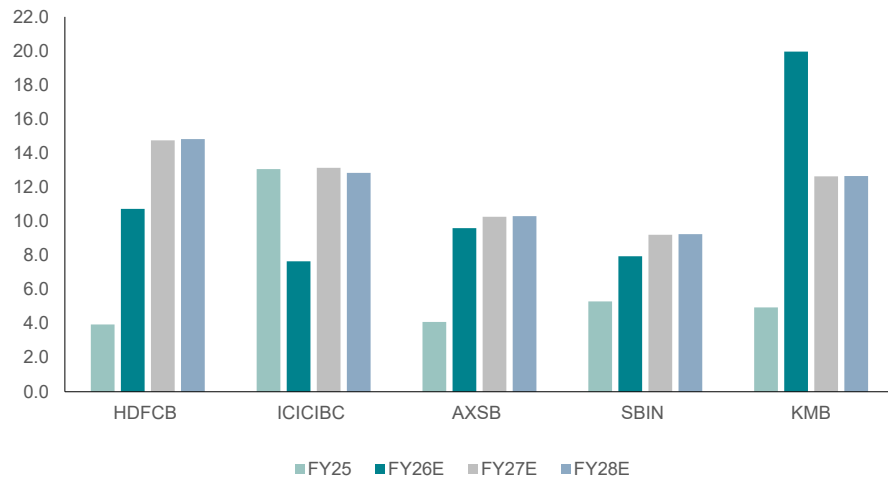
Aggregate liquidity revival should have concurrent downstream impact on deposit and CASA growth too, keeping our bullish FY26 growth prognosis alive.

Figure 10: FY26E loan and deposit growth for our large bank coverage remains strong



Source: Banks, BNP Paribas Exane estimates

Figure 11: We expect CASA growth to improve on lower rates and easier liquidity
CASA growth (%)



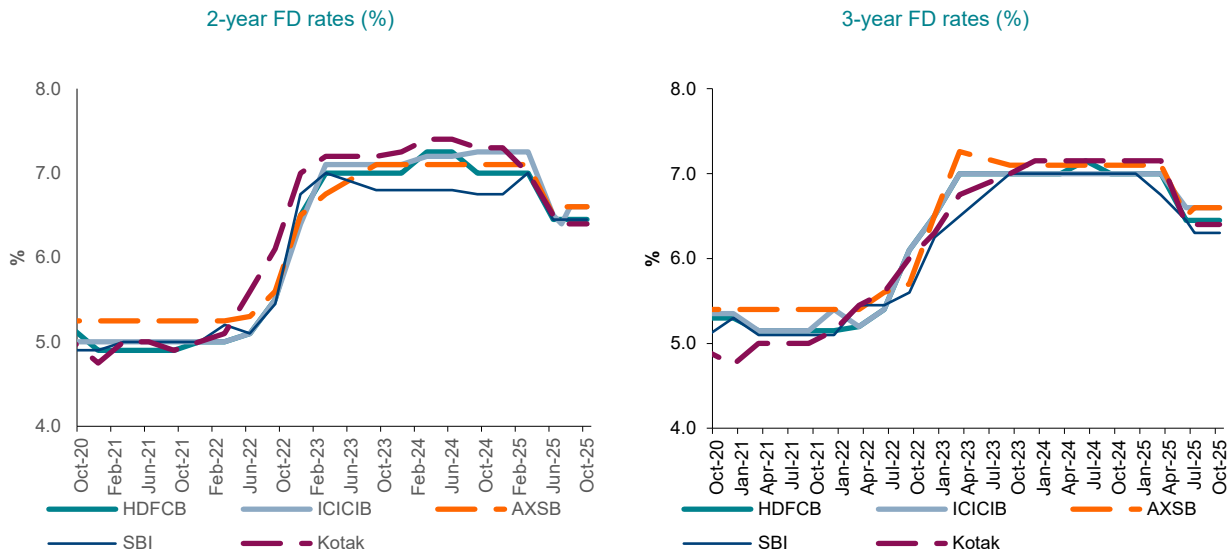
Source: Banks, BNP Paribas Exane estimates

What does a sharper rate cut trajectory mean for margins and earnings momentum of banks?

Margins for large private banks have likely bottomed out in 2QFY26, in our view. This means that earnings growth that bottomed out in 4QFY25 could reach teens for most large private banks by 3QFY26. The mechanics are as follows.

As liquidity eases, CA mobilisation should start to improve and interest rate cuts have already started to filter down into fixed deposit (FD) rates and should start to reduce the SA-FD rate gap over time. The big positive surprise has been savings accounts rates, which have been reduced materially by 50-75bps in most large banks. Our study of the estimated costs of existing FD back books of these five banks demonstrates that, in most cases, the back book yield estimates are starting to move down at almost 15-20bps run rate per quarter.

Figure 12: FD rates have eased materially in large banks in the last six months, after the second rate cut; FD rate cuts are likely to continue, in our view

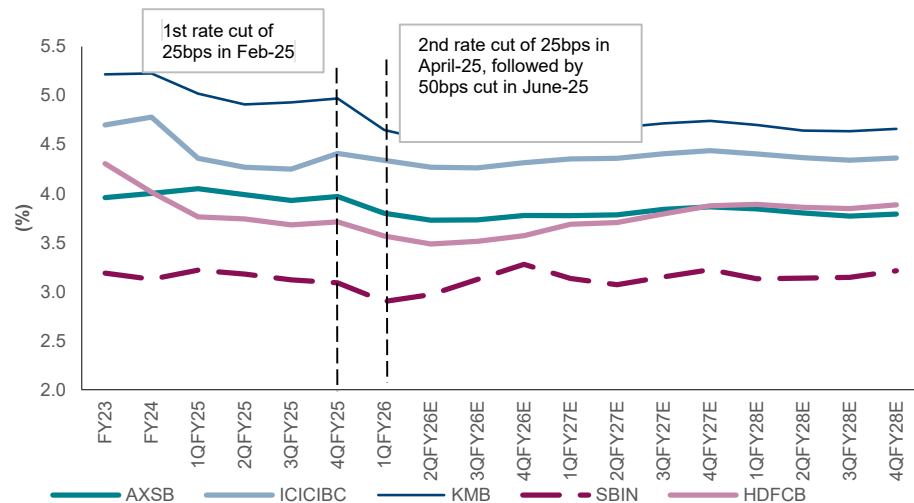


Source: Banks

2HFY26 brings a multitude of tailwinds, including (i) better CA momentum as confidence in money market liquidity and credit availability increases; (ii) better SA momentum as the TD-SA rate gap reduces; (iii) repricing of the TD book as TD rates are cut; (iv) short-term CD repricing (fastest benefit); and (v) a potential pickup in growth of higher-yield segments, like CV as economic growth is boosted (most likely to be debated, vis-à-vis the factual nature of (i) – (iv)). We see margins have stopped being a headwind and turned into a benign tailwind for earnings growth momentum in 2HFY26 (assuming policy rates hold).

Figure 13: Based on our estimates, NIMs will ease gradually with a lag after the rate cut (KMB appears as the exception as its NIM could worsen on constant spreads as leverage goes up from very low levels)

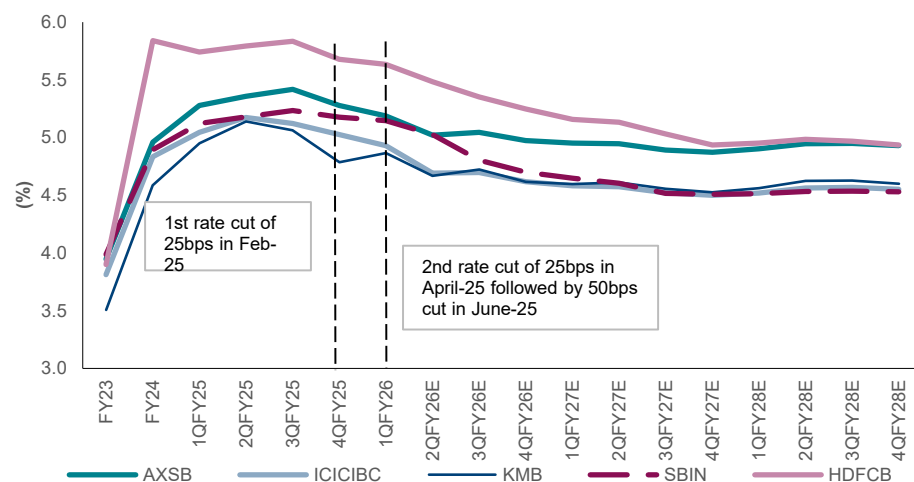
Loan yield drops are fast and early; cost of fund easing is slow and protracted



Source: BNP Paribas Exane estimates

Figure 14: Cost of funds benefits will continue to accrue

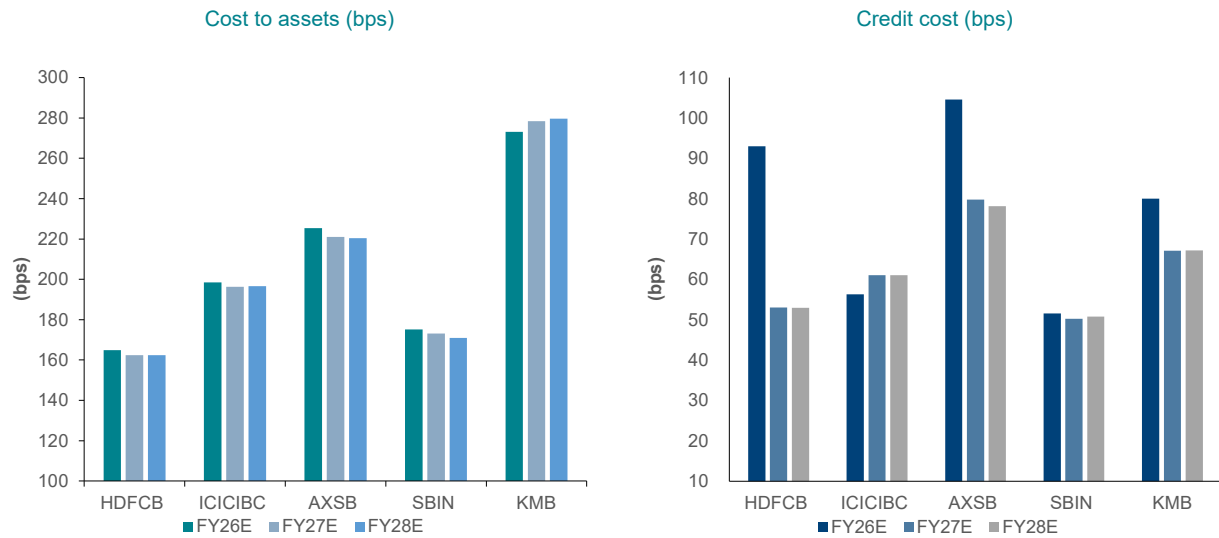
Decline can accelerate if CASA surprises positively



Source: Banks, BNP Paribas Exane estimates

Operating economies remain supportive, and credit costs do not act as headwinds despite some normalisation from FY24-25 lows. We believe earnings growth has bottomed out in 4QFY25 and by 4QFY26 earnings growth of large private banks should move into teens.

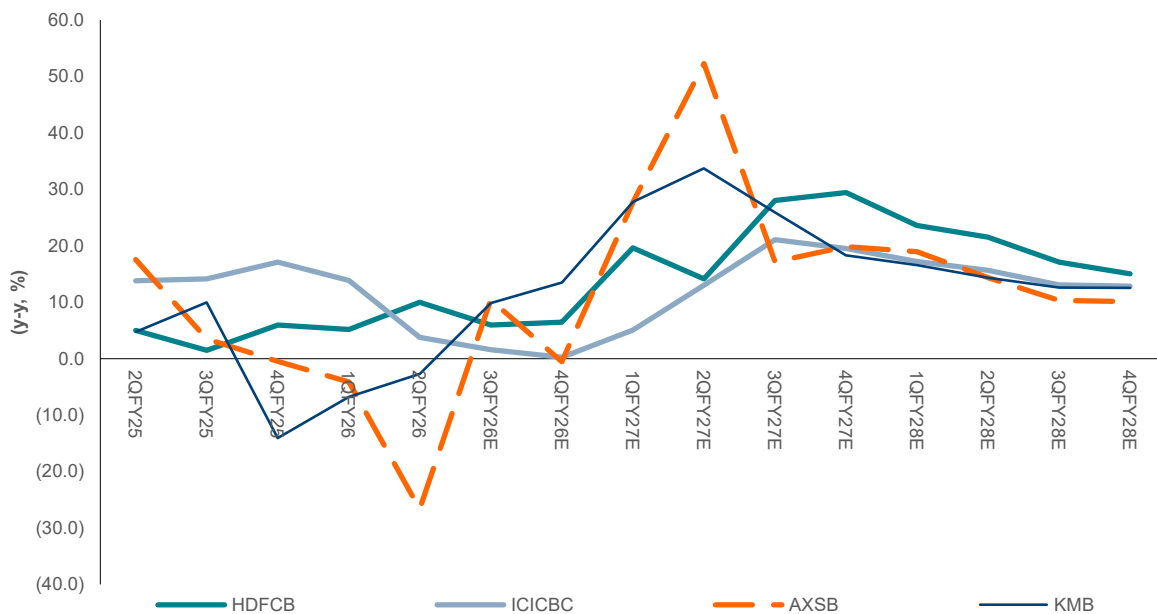
Figure 15: Stable to improving operating economies; some credit cost normalisation for most names



Source: BNP Paribas Exane estimates

Figure 16: EPS growth bottomed out at 4QFY25 and could move to teens for private banks by 3QFY26, by our estimation

EPS growth (%)



*KMB EPS growth rate is normalised for insurance arm sale; HDFCB EPS growth adjusted for HDB stake sale proceeds, with normalisation of one-off credit cost

Source: Company, BNP Paribas Exane estimates

Figure 17: EPS growth for SBI does not follow this pattern due to credit cost and operating cost fluctuations
 EPS growth (%)



**SBI EPS growth is adjusted for Yes Bank stake sale*
 Source: BNP Paribas Exane estimates

Minor changes to our estimates, other than IIB

We make minor changes to our earnings estimates. The only significant (>5%) earnings estimate changes are made for IIB, given the major disappointment in earnings expectations in 2QFY26E. IIB's 2QFY26 net loss of INR4.5b was significantly higher than the Bloomberg consensus (BBGe) and our estimates. Slower NII and higher credit cost were key contributors. The major credit-cost hit came from the MFI book as the bank wrote off MFI loans worth INR15.8b. IIB's loan book declined c9% y-y and 2.3% q-q, driven by a decline in MFI (-c35% y-y, -25% q-q) and corporate books (-c21% y-y, -1% q-q). Additionally, lacklustre CASA performance (-19% y-y, -4.2% q-q) drove deposit declines by 5.5% y-y and 1.9% q-q. GNPA/NNPA ratios (3.6%/1.04%) were stable q-q despite elevated slippages of 3.11% annualised on account of high write-offs.

Factoring in these outcomes and a weakening prognosis on balance sheet growth, owing to the friction of accommodating current stress, drives our estimate changes in IIB.

Figure 18: Change in estimates – summary

	NII			PPOP			PAT		
	FY26E (%)	FY27E (%)	FY28E (%)	FY26E (%)	FY27E (%)	FY28E (%)	FY26E (%)	FY27E (%)	FY28E (%)
HDFCB	(2.5)	(2.2)	(0.3)	(1.5)	(3.0)	(0.8)	(0.7)	(3.2)	(0.7)
ICICIBC	(3.2)	(2.9)	(2.5)	(4.3)	(3.4)	(2.9)	(3.5)	(3.8)	(3.2)
AXSB	1.2	1.7	3.8	0.8	1.4	4.0	(0.4)	1.0	4.2
KMB	(3.0)	(4.0)	(2.1)	(3.3)	(1.3)	1.3	(4.8)	(1.6)	1.5
IIB	0.5	0.3	(0.2)	(3.1)	(4.3)	(4.4)	(37.0)	(5.2)	(3.8)
SBIN	(0.1)	0.2	0.3	(1.2)	0.1	0.2	(1.5)	(0.2)	(0.1)
CUBK	1.6	2.1	2.2	1.3	1.8	2.0	4.4	4.5	4.8
AUBANK	0.0	(0.3)	(0.6)	2.0	1.4	0.7	1.8	1.6	0.6

Source: BNP Paribas Exane estimates

Figure 19: Variation vs BBG consensus

	FY26E					FY27E				
	NII	Opex	PPOP	Credit cost	PAT	NII	Opex	PPOP	Credit cost	PAT
HDFCB	(2.6)	(1.8)	(1.3)	(2.7)	(0.3)	4.8	0.2	5.7	(0.8)	6.2
ICICIBC	(0.7)	0.4	(0.8)	10.7	(2.2)	1.5	2.2	1.9	12.2	0.0
AXSB	0.1	0.6	0.4	0.4	0.0	1.1	2.5	2.0	(6.7)	3.7
KMB	(0.9)	0.7	0.7	5.2	(1.5)	(0.8)	4.4	3.3	1.7	2.3
AUBNK	(2.9)	(3.0)	(1.9)	4.5	(3.9)	(3.3)	(4.9)	0.1	(0.6)	0.8
CUBK	1.1	2.1	(0.4)	4.5	(7.1)	0.0	2.6	(2.0)	(0.9)	(7.1)
SBIN	3.2	2.7	1.8	8.2	(0.7)	2.7	3.6	(0.7)	7.0	(3.7)
IIB	0.0	(3.2)	1.7	(2.3)	11.2	0.5	(0.9)	2.7	(1.4)	1.9

Note: Individual stock specific change summaries, Bloomberg consensus as of 6th November 2025

Source: BNP Paribas Exane estimates

HDFCB – Change in estimates

Figure 20: Change in estimates – HDFC Bank

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	10.7	15.0	15.1
	Old	12.5	15.0	15.1
	Var (bps)	(180)	0	(0)
Net interest margins (bps)	New	3.5	3.8	3.9
	Old	3.5	3.8	3.8
	Var (bps)	(4)	1	9
Credit cost (bps)	New	91	53	53
	Old	93	53	53
	Var (bps)	(1)	(0)	(0)
C/I (%)	New	38	37	36
	Old	37	37	36
	Var (bps)	27	62	9
NII (INR b)	New	1,299	1,580	1,858
	Old	1,333	1,617	1,863
	Var (%)	(2.5)	(2.2)	(0.3)
PPOP (INR b)	New	1,202	1,367	1,628
	Old	1,220	1,409	1,641
	Var (%)	(1.5)	(3.0)	(0.8)
PAT (INR b)	New	736.0	898.7	1,075.1
	Old	741.5	928.6	1,082.5
	Var (%)	(0.7)	(3.2)	(0.7)
BV (INR b)	New	5,592	6,274	7,085
	Old	5,555	6,220	7,002
	Var (%)	0.7	0.9	1.2

Source: BNP Paribas Exane estimates

ICICIBC – Change in estimates

Figure 21: Change in estimates – ICICI Bank

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	13.0	16.6	16.7
	Old	13.2	16.6	16.7
	Var (bps)	(20)	1	1
Net interest margins (bps)	New	4.4	4.6	4.5
	Old	4.5	4.6	4.5
	Var (bps)	(9)	(4)	(1)
Credit cost (bps)	New	50.8	61.0	61.1
	Old	56.3	61.0	61.1
	Var (bps)	(5)	0	0
C/I (%)	New	39.0	38.3	38.5
	Old	37.8	37.5	37.8
	Var (bps)	120	78	65
NII (INR b)	New	883.3	1,034.3	1,197.4
	Old	912.5	1,065.6	1,227.5
	Var (%)	(3.2)	(2.9)	(2.5)
PPOP (INR b)	New	739.0	870.7	1,006.6
	Old	772.2	901.7	1,036.4
	Var (%)	(4.3)	(3.4)	(2.9)
PAT (INR b)	New	501.2	577.9	667.3
	Old	519.4	601.0	689.5
	Var (%)	(3.5)	(3.8)	(3.2)
BVPS (INR)	New	472	541	616
	Old	475	546	625
	Var (%)	(0.5)	(1.0)	(1.3)

Source: BNP Paribas Exane estimates

AXSB – Change in estimates

Figure 22: Change in estimates – Axis bank

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	14.6	13.2	13.3
	Old	11.3	13.3	13.3
	Var (bps)	334	(4)	(4)
Net interest margins (bps)	New	3.7	3.7	3.7
	Old	3.7	3.8	3.7
	Var (bps)	(2)	(5)	3
Credit cost (bps)	New	107	80	78
	Old	105	80	78
	Var (bps)	2	(0)	(0)
C/I (%)	New	47.2	46.3	46.3
	Old	47.0	45.9	46.6
	Var (bps)	20	38	(25)
NII (INR b)	New	566	655	741
	Old	559	644	714
	Var (%)	1.2	1.7	3.8
PPOP (INR b)	New	452	528	598
	Old	448	521	575
	Var (%)	0.8	1.4	4.0
PAT (INR b)	New	250	320	364
	Old	251	317	349
	Var (%)	(0.4)	1.0	4.2
BVPS (INR)	New	664	779	903
	Old	667	781	900
	Var (%)	(0.5)	(0.3)	0.3

Source: BNP Paribas Exane estimates

KMB – Change in estimates

Figure 23: Change in estimates – Kotak Mahindra Bank

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	17.3	16.2	16.3
	Old	17.3	16.2	16.3
	Var (bps)	4	0	0
Net interest margins (bps)	New	4.5	4.6	4.6
	Old	4.6	4.7	4.6
	Var (bps)	(9)	(9)	(0)
Credit cost (bps)	New	84	68	67
	Old	80	67	67
	Var (bps)	4	1	0
C/I (%)	New	46.8	46.3	46.8
	Old	47.1	47.1	48.2
	Var (bps)	(30)	(77)	(141)
NII (INR b)	New	301	351	403
	Old	310	366	411
	Var (%)	(3.0)	(4.0)	(2.1)
PPOP (INR b)	New	228	276	315
	Old	236	279	311
	Var (%)	(3.3)	(1.3)	1.3
PAT (INR b)	New	142	179	204
	Old	149	182	201
	Var (%)	(4.8)	(1.6)	1.5
BVPS (INR)	New	670	757	857
	Old	678	767	865
	Var (%)	(1.3)	(1.3)	(1.0)

Source: BNP Paribas Exane estimates

IIB – Change in estimates

Figure 24: Change in estimates – IndusInd Bank

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	(3.8)	13.2	15.5
	Old	(0.2)	15.5	15.6
	Var (bps)	(351)	(224)	(17)
Net interest margins (bps)	New	3.8	3.9	4.0
	Old	3.8	3.7	3.8
	Var (bps)	7	14	15
Credit cost (bps)	New	215	153	152
	Old	183	151	151
	Var (bps)	33	2	0
C/I (%)	New	63.2	61.8	59.5
	Old	62.6	60.6	58.4
	Var (bps)	59	119	112
NII (INR b)	New	183	202	238
	Old	182	201	238
	Var (%)	0.5	0.3	(0.2)
PPOP (INR b)	New	96	111	137
	Old	99	116	143
	Var (%)	(3.1)	(4.3)	(4.4)
PAT (INR b)	New	18	42	57
	Old	28	45	59
	Var (%)	(37.0)	(5.2)	(3.8)
ROE (%)	New	3	6	8
	Old	4	6	8
	Var (%)	(152.5)	(20.4)	(13.1)
BVPS (INR)	New	852	904	976
	Old	869	923	999
	Var (%)	(1.9)	(2.1)	(2.3)

Source: BNP Paribas Exane estimates

SBIN – Change in estimates

Figure 25: Change in estimates – State Bank of India

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	11.8	13.4	13.5
	Old	10.9	13.5	13.5
	Var (bps)	98	(3)	(3)
Credit cost (bps)	New	49	51	51
	Old	52	50	51
	Var (bps)	(3)	0	0
C/I (%)	New	52.7	52.8	52.3
	Old	52.2	52.7	52.2
	Var (bps)	45	12	12
NIMs (%)	New	2.87	2.92	2.92
	Old	2.88	2.94	2.93
	Var (bps)	(2)	(2)	(1)
NII (INR b)	New	1,795	2,041	2,290
	Old	1,797	2,036	2,284
	Var (%)	(0.1)	0.2	0.3
PPOP (INR b)	New	1,164	1,278	1,440
	Old	1,178	1,276	1,438
	Var (%)	(1.2)	0.1	0.2
PAT (INR b)	New	701	770	864
	Old	712	771	865
	Var (%)	(1.5)	(0.2)	(0.1)
BVPS (INR)	New	600	667	745
	Old	593	660	738
	Var (%)	1.1	1.0	0.9

Source: BNP Paribas Exane estimates

CUBK – Change in estimates

Figure 26: Change in estimates – City Union Bank

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	19.2	13.7	13.8
	Old	16.0	13.7	13.7
	Var (bps)	322	0	1
NIM (%)	New	3.25	3.29	3.24
	Old	3.25	3.27	3.22
	Var (bps)	(0)	1	2
Credit cost (bps)	New	55	58	64
	Old	63	66	72
	Var (bps)	(8)	(8)	(8)
C/I (%)	New	48.7	48.5	48.8
	Old	48.4	48.2	48.6
	Var (bps)	33	25	20
NII (INR b)	New	27	31	35
	Old	27	31	34
	Var (%)	1.6	2.1	2.2
PPOP (INR b)	New	19	22	25
	Old	19	22	24
	Var (%)	1.3	1.8	2.0
PAT (INR b)	New	12	14	15
	Old	11	13	14
	Var (%)	4.4	4.5	4.8
BVPS (INR)	New	142	158	176
	Old	141	157	173
	Var (%)	0.5	0.9	1.4

Source: BNP Paribas Exane estimates

AUBANK – Change in estimates

Figure 27: Change in estimates – AU Small Finance Bank

Parameters		FY26E	FY27E	FY28E
Loan Growth (%)	New	17.3	20.2	19.7
	Old	16.7	20.4	20.0
	Var (bps)	(67)	(24)	(22)
NIM on Loan Assets (%)	New	7.1	6.7	8.5
	Old	7.1	6.7	8.5
	Var (bps)	(2)	(5)	(7)
Credit cost (bps)	New	154	129	142
	Old	149	128	142
	Var (bps)	5	1	1
C/I (%)	New	56.2	54.4	52.7
	Old	57.0	55.1	53.2
	Var (bps)	(83)	(68)	(51)
NII (INR b)	New	89	110	134
	Old	89	111	135
	Var (%)	0.0	(0.3)	(0.6)
PPOP (INR b)	New	52	66	83
	Old	51	65	83
	Var (%)	2.0	1.4	0.7
PAT (INR b)	New	25	35	43
	Old	24	35	43
	Var (%)	1.8	1.6	0.6
BVPS (INR)	New	265	315	367
	Old	266	315	367
	Var (%)	(0.4)	(0.1)	(0.0)

Source: BNP Paribas Exane estimates

TP changes primarily from the quarterly roll, multiple changes only for AXSB

We roll forward our valuation by a quarter (to 2QFY28 from 1QFY28), while keeping our target multiple largely unchanged. The only target multiple change is for AXSB. Following its first strong report since FY24, we upgrade AXSB's target multiple to 1.9x from 1.7x, well below the low-mid 2s it can command once credit costs normalise to the levels of its peers and drives RoE solidly into mid-teens. The reasons for our previous lower target multiple we were using earlier are: 1) disappointments from the company over the last 7 quarters (especially on the credit cost front, but also in matters of credit, deposit and CASA growth); and 2) perhaps, even more saliently, the lack of HDFC/ICICI equivalent confidence on asset quality outlook (based on both management commentary and portfolio composition).

We note that even though this multiple is still far from the low mid 2s it can command once credit costs normalise to the levels of its peers and drives RoE solidly into mid-teens.

Figure 28: TP changes primarily from quarterly roll; AXSB multiple revised upward to 1.9x

Companies	Old TP (INR)	New TP (INR)	Variance (%)	CMP (INR)	Upside (%)	Old multiple (x)	New multiple (x)	Basis
HDFCB	1,390	1,400	0.7	985	42.2	3.0	Unchanged	SoTP; price to core BVPS
ICICIB	1,900	1,910	0.5	1,320	44.7	3.0	Unchanged	SoTP; price to core BVPS
AXSB	1,400	1,600	14.3	1,229	30.2	1.7	1.9	SoTP; price to core BVPS
KMB	2,410	2,460	2.1	2,083	18.1	2.3	Unchanged	SoTP; price to core BVPS
IIB	850	840	(-1.2)	786	6.8	0.9	Unchanged	Price to BVPS
SBIN	950	990	4.2	961	3.0	1.0	Unchanged	SoTP; price to core BVPS
CUB	190	200	5.3	255	(-21.5)	1.2	Unchanged	Price to BVPS
AUBANK	690	710	2.9	881	(-19.4)	2.1	Unchanged	Price to BVPS

Note: Prices as of market close on 6th November 2025
Source: BNP Paribas Exane estimate

Figure 29: HDFC Bank: SOTP-based target price

Business	Basis	Period	Base metric (INR m)	Multiple (x)	HDFCB share (%)	HDFCB share of value (INR m)	Value/Share (INR)
Core Banking	BV	2QFY28E	63,08,928	3.0	100	1,89,26,784	1,232
HDFC Life	Target market cap		19,62,042		50	9,88,281	64
HDFC AMC	As a % of AUM	FY25	75,50,000	15.0	53	5,95,129	39
HDFC ERGO General Insurance	As a Multiple of PAT	FY25	5,000	30.0	50	75,720	5
HDB Financials	Target market cap		6,71,952	-	74	4,98,521	32
HDFC Securities	As a Multiple of PAT	FY25	11,300	36.0	95	3,86,989	25
Total valuation						2,14,71,424	1,400

Source: BNP Paribas Exane estimates

Figure 30: ICICI Bank: SOTP-based target price

Business	Basis	Period	Value (INR m)	Multiple (x)	ICICI Share (%)	Value (INR m)	Value/Share (INR)
Core banking	BV	2QFY28E	39,04,305	3.0	100	1,17,12,915	1,639
ICICI Prudential Life Insurance	Target market cap	-	10,81,363	-	51	5,53,117	77
ICICI Lombard General Insurance	PAT	FY25	25,080	45.0	51	5,78,633	81
Others						8,34,865	117
Total valuation						1,36,79,531	1,910

Source: BNP Paribas Exane estimates

Figure 31: Kotak Mahindra Bank: SOTP-based target price

Business	Basis	Period	Value (INR m)	Multiple (x)	KMB Share (%)	Value (INR m)	Value/Share (INR)
Core Banking	BV	2QFY28E	15,69,513	2	100	36,09,880	1,815
KM Prime	BV	FY25	1,01,960	2	100	1,83,528	92
KM Investments	BV	FY25	38,420	1	100	48,025	24
KM Securities	PAT	FY25	16,400	18	100	2,95,200	148
KM Capital	PAT	FY25	3,610	18	100	64,980	33
KM Mutual Fund	AUM	FY25	46,88,200	0	100	3,28,174	165
KM Life	Embedded Value	FY25	1,76,120	2	100	3,52,240	177
Total valuation						48,82,027	2,460

Source: BNP Paribas Exane estimates

Figure 32: State Bank of India: SOTP-based target price

Business	Basis	Period	Value (INR m)	Multiple (x)	SBIN Share (%)	Value (INR m)	Value/Share (INR)
Core Banking	BV	2QFY28E	62,40,887	1	100	62,40,887	676
SBI Card	TP		7,23,520	-	69	4,96,407	54
SBI Life	TP		27,37,016	-	55	15,16,581	164
SBI Funds Management	At 7.2% of AUM	FY25	1,07,30,000	0	63	4,83,082	52
SBI General Insurance	PAT	FY25	5,090	36	70	1,28,176	14
SBI Capital Markets group	PAT	FY25	12,050	19	100	2,28,950	25
Total valuation						90,94,083	990

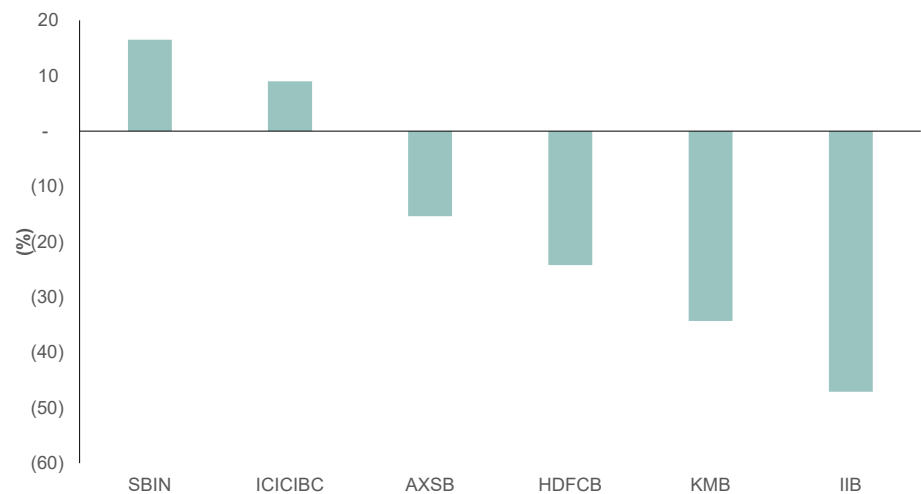
Source: BNP Paribas Exane estimates

Valuation comfort is evident

Apart from ICICIBC (thanks in no small measure to its new avatar) and SBIN, all other large-cap private banks under our coverage are trading at a deep discount to their respective historical averages.

Figure 33: Valuation premium/discount for our large bank coverage

Valuation premium/discount to their respective long-term median (%)



Source: Bloomberg, BNP Paribas Exane estimates

Figure 34: Valuation matrix- Banks

Banks	Rating	TP (INR)	CMP (INR)	Potential Upside (%)	P/BV				P/E				ROE				ROA				EPS Growth			
					FY25 (x)	FY26E (x)	FY27E (x)	FY28E (%)	FY25 (x)	FY26E (x)	FY27E (x)	FY28E (%)	FY25 (%)	FY26E (%)	FY27E (%)	FY28E (%)	FY25 (%)	FY26E (%)	FY27E (%)	FY28E (%)	FY25 (%)	FY26E (%)	FY27E (%)	FY28E (%)
HDFC Bank	+	1,400	985	42	3.0	2.8	2.5	2.2	22.4	19.9	16.4	14.1	14.3	14.6	16.2	16.7	1.8	1.9	2.0	2.1	2.5	12.6	21.0	16.3
ICICI Bank	+	1,910	1,320	45	3.2	2.8	2.4	2.1	19.8	18.4	16.2	14.1	17.8	16.2	16.0	15.9	2.4	2.3	2.4	2.3	14.6	7.6	13.4	14.8
Axis Bank	+	1,600	1,229	30	2.1	1.9	1.6	1.3	14.4	14.9	11.5	10.4	15.9	13.2	14.7	13.8	1.7	1.5	1.7	1.7	5.7	(3.1)	29.1	10.3
State Bank of India	=	990	961	3	1.9	1.6	1.5	1.3	12.1	12.5	11.5	10.2	17.3	14.4	13.3	13.4	1.1	1.0	1.0	1.0	16.1	(2.9)	8.4	12.2
AUBANK	-	710	881	(19)	3.8	3.3	2.8	2.4	31.1	27.0	19.3	15.6	14.2	13.2	15.8	16.6	1.6	1.4	1.7	1.8	23.1	15.2	40.2	23.2
Kotak Mahindra Bank	=	2,460	2,083	18	3.5	3.1	2.7	2.4	20.7	27.8	22.8	20.6	18.7	11.8	12.7	12.4	3.1	2.0	2.2	2.1	44.9	(25.3)	22.0	10.5
IndusInd Bank	-	840	786	7	1.0	0.9	0.9	0.8	23.2	22.1	13.8	10.5	4.2	4.2	6.4	7.8	0.5	0.5	0.7	0.8	(70.5)	4.7	60.1	32.0
City Union Bank	-	200	255	(22)	2.0	1.8	1.6	1.5	16.8	16.4	14.4	13.2	12.6	11.5	11.9	11.7	1.5	1.4	1.4	1.3	10.5	2.2	14.0	9.3
Bank of Baroda	NC	NA	286	NA	1.1	1.0	0.9	0.8	7.8	7.9	7.2	6.4	15.7	13.2	13.0	13.3	1.2	1.0	1.0	1.0	10.1	(1.5)	9.1	12.4
IDFC First Bank	NC	NA	80	NA	1.5	1.5	1.4	1.2	38.6	29.4	15.7	11.2	4.3	5.5	9.2	11.5	0.5	0.6	1.0	1.2	(51.9)	31.2	87.4	40.0
Federal Bank	NC	NA	236	NA	1.7	1.6	1.4	1.2	14.4	14.7	11.9	9.9	13.0	11.2	12.5	13.3	1.2	1.1	1.2	1.3	1.9	(2.3)	24.2	19.9
Bandhan Bank	NC	NA	153	NA	1.0	1.0	0.9	0.8	9.0	13.2	8.1	6.7	11.9	7.5	11.2	12.4	1.5	0.9	1.3	1.3	23.1	(32.2)	63.7	20.2

Note: Prices as of market close on 6th November 2025

Sources: BNP Paribas Exane estimates for covered companies; Bloomberg consensus estimates for non-covered companies

Figure 35: SOTP Current – HDFC Bank

Business	Basis	Period	Value (INR m)	Multiple (x)	HDFCB Share (%)	Value (INR m)	Value/Share (INR)
HDFC Life	Current market cap		15,86,233		0.50	7,98,985	52
HDFC AMC	Current market cap		11,53,459		0.53	6,05,796	39
HDFC ERGO General Insurance	As a multiple of PAT	FY25	5,000	30	0.50	75,720	5
HDB Financials	Current market cap		5,97,910		0.74	4,43,590	29
HDFC Securities	As a multiple of PAT	FY25	11,300	36	0.95	3,86,989	25
Total subsidiaries valuation						23,11,080	150
CMP (INR)			985				
Estimated per share value of subsidiaries			150				
Current implied per share value of core business			834				
Core BVPS (1-year fwd.) - 2QFY27E			366				
Implied multiple of core business (x) (1-year fwd.)			2.3				

Source: BNP Paribas Exane estimates

Figure 36: SOTP Current – ICICI Bank

Business	Basis	Period	Value (INR m)	Multiple (x)	ICICIBC Share (%)	Value (Rs INR)	Value/Share (INR)
ICICI Prudential Life Insurance	Current Market Cap		8,73,075		51	4,48,062	63
ICICI Lombard General Insurance	Current Market Cap		9,95,603		48	4,78,387	67
Others						7,45,165	104
Total subsidiaries valuation						16,71,615	234
CMP (INR)			1,320				
Estimated per share value of subsidiaries			234				
Current implied per share value of core business			1,086				
Core BVPS (1-year fwd.)			472				
Implied multiple of core business (x) (1-year fwd.)			2.3				

Source: BNP Paribas Exane estimates

Figure 37: SOTP Current – Kotak Mahindra Bank

Business	Basis	Period	Value (INR m)	Multiple (x)	KMB Share (%)	Value of KMB share (INR m)	Value/Share (INR)
KM Prime	BV	FY25	1,01,960	2	100	1,63,136	82
KM Investments	BV	FY25	38,420	1	100	42,262	21
KM Securities	PAT	FY25	16,400	15	100	2,46,000	124
KM Capital	PAT	FY25	3,610	15	100	54,150	27
KM Mutual Fund	AUM	FY25	46,88,200	6%	100	2,81,292	141
KM Life	Embedded Value	FY25	1,76,120	2	100	3,17,016	159
Total subsidiaries valuation						11,03,856	555
CMP (INR)			2,083				
Current per share value of core business			1,528				
Core BVPS (1-year fwd.) (2QFY27E)			695				
Implied multiple of core business (x)			2.2				

Source: BNP Paribas Exane estimates

Figure 38: SOTP Current – State Bank of India

Business	Basis	Period	Value (INR m)	Multiple (x)	SBIN Share (%)	Value (INR m)	Value/Share (INR)
SBI Cards	Current Market Cap		8,27,608		69	5,67,822	62
SBI Life	Current Market Cap		19,74,758		55	10,94,411	119
SBI Funds Management	As a % of AUM	FY25	1,07,30,000	0	63	4,02,568	44
SBI General Insurance	PAT	FY25	5,090	30	70	1,06,814	12
SBI Capital Markets group	PAT	FY25	12,050	16	100	1,92,800	21
Total subsidiaries valuation						23,64,415	256
CMP (INR)			960				
Current per share value of subsidiaries			256				
Current per share value of core business			704				
Core BVPS (1-year fwd.)			604				
Implied multiple of core business (x)	1.2						

Source: BNP Paribas Exane estimates

Investment case, valuation and risks

AU Small Finance Bank (Underperform, Target Price INR710)

Investment case

A prolonged, well-underwritten and yield-remunerative loan growth of over 25% y-y in core SME and vehicle segments in its legacy "Goldilocks" geographies has been our central investment premise. Our loan growth run rate assumption of 20-25% implies a dilution every fourth year and, at typical valuations, implies a 10-15% boost to BVPS. Along with mid-teens organic compounding (internal accruals), we estimate that an investor entering the stock at the current market price can expect c20% 10-year IRR, even if multiples do not re-rate meaningfully over the next decade.

The perception of deep cyclical fragility of the microfinance institution (MFI) business was key to the initial adverse reaction to the AUBANK-Fincare merger announcement. Management commentary indicates that meeting small and marginal farmers (SMF) sub-quotas within the priority sector lending (PSL) framework and the 'diversification' clause in the 'universal bank license' suitability criteria were definite incentives for the transaction. In AUBK's self-imagined destiny as a universal bank, such compliance should carry weight, we surmise. On balance, MFI risks remain bound by the dint of relative size and its situation within a banking franchise. We think the merged entity inherits slightly higher RoA capacity at slightly elevated balance-sheet risk, marginal gains on deposit franchise, time gain on the Southern India liability buildout and complementary tech capabilities - all these at a valuation that is not eye-watering even with necessary context. We have an Underperform recommendation due to low relative upside potential within our coverage.

Valuation methodology

Our loan growth run rate assumption of 20-25% implies a dilution every fourth year and, at typical valuations, implies a 10-15% boost to BVPS. We argue for a trading band of 1.7-3.4x 1-year forward P/BV, depending on which end of the leverage cycle of 8-10x the bank stands at. *Ceteris paribus*, we expect multiples to peak pre-raise and hit bottom right after on the expanded BVPS.

Given its current situation at the mid-point of the leverage cycle, we would have generally valued AUBK at 2.4x P/B. However, the 'developing' nature of the current MFI asset stress and poor upcoming earnings momentum expectations ensure that we apply a suitable haircut to multiples. We value AUBK at 2.1x 2QFY28E pro-forma BVPS, given our expectation of 14-17% sustainable RoE and earnings growth in the next 5-7 years tracking loan growth closely.

Risks

To the upside:

An early resolution to MFI stress will boost AUBK's earnings and fortunes rather dramatically, in our view. Its core auto and MSME segment loan growth is currently muted on account of greater rate competition from new entrants. There seems to be very little evidence of its vaunted pricing power too. The earlier this phenomenon eases, the better it will be for growth and, even more importantly, margin trajectory.

To the downside:

Further MFI stress along with integration challenges related to the Fincare acquisition are key downside risks. Also, an over 25% well-underwritten growth promise always comes with a high ask for underwriting efficiency. The bank's long-term track record provides ample confidence, but any blips on this count would put our entire thesis in jeopardy.

Axis Bank (Outperform, Target Price INR1,600)

Investment case

We think AXSB is poised to grab a meaningful market share during the credit upcycle that we expect over the next few years, given its 1) provisioning and capital buffering; 2) reasonably robust deposit franchise, albeit a notch below those of its best-in-class peers; 3) commitment to gaining a digital/technological competitive edge; 4) acquisition of Citigroup's India retail portfolio; and 5) willingness to grow businesses such as rural and small business banking (SBB) that broad-base its loan growth potential.

We are yet to build in any material monetary easing into our earnings estimates, but AXSB's margins should respond the fastest to expectations of easing, in our view. Its annualised ROE has broken through the 18% barrier in recent quarters, partly aided by low credit costs. It is trading at 1.7x 1-year forward P/BV valuations, which is quite attractive vis-à-vis what we see as a sustainable ROE of 14-16%.

Valuation methodology

We value AXSB at only 1.9x 2QFY28E BVPS despite our expectation of 15-16% sustainable ROE and a reasonably low but nevertheless slightly higher cost of equity than that for HDFCB and ICICIB (on account of its liability composition). This is still far from the low-mid 2s it can command once credit costs normalize to the levels of its peers and drives RoE solidly into mid-teens.

Risks

To the upside:

AXSB's 33.4% CASA as a % of net demand and time liabilities (NDTL) as of end-FY25 is 4pp below ICICIB's, while it is c4.6pp below that of KMB. Its borrowings, at c12% of NDTL for FY25, are 50-180% higher than those of best-in-class liability peers. While clearly a challenge in an interest-rate upcycle, this does provide the bank with the largest and quickest delta in cost of funds, as short-term borrowings reprice fast on a cyclical reversal.

To the downside:

Given AXSB's heavier borrowing liability mix than that of large private peers, its margins and earnings are more vulnerable to negative surprises in the interest-rate cycle on account of changes in inflation and India's external account dynamics.

City Union Bank (Underperform, Target Price INR200)

Investment case

CUBK's consistent performance on key operating metrics for a decade differentiated it from its peers, especially in the SME segment. The post-Covid reality has been hard to deal with for the bank, with asset quality stress as well as muted loan growth. The dual challenges of lower-than-usual loan growth and a tepid loan-yield profile hurting margins, point to a structural erosion of competitive moats, in our view. Managing asset quality outcomes now seems to come with a yield compromise, and we think the bank does not have a sufficiently strong low-cost liability play to offset it.

We think that the bank's core SME franchise, though relationship driven, does not have the deep moats of an old-school NBFC franchise that specialises in the under-banked segment. Therefore, the asset side remains open to much more competition as larger banks penetrate deeper and wider. Co-lending through gold and mortgage NBFCs does not bode well for profitability and, in our view, indicates strategic constraints rather than freedom. Valuation at 1.2x 1-year forward P/B (on our estimate) appears full, given the context of structural competitive concerns.

Valuation methodology

We value CUBK at 1.2x 2QFY28E BVPS, given our expectation of 11-12% sustainable RoE and increasing competitive squeeze.

Risks

To the upside:

Positive developments in core SME business growth, liability (CASA) traction and the addition of new meaningful product segments could drive a beat of our expected locus of development.

To the downside:

The key risk to the downside can pan out if the bank decides to move up the credit risk curve to offset profitability challenges. This can translate into serious asset quality trouble down the line.

HDFC Bank (Outperform, Target Price INR1,400)

Investment case

HDFCB is our top pick within our banking coverage. Our estimates of key fundamentals, including ROA and ROE, build in a considerable margin of safety by assuming an accelerated timeline for Priority Sector Lending (PSL) asset build-up, muted CASA momentum and no expected savings in operating cost from merger synergies. Despite these conservative assumptions, we see ROA touching 1.8% in FY26 and ROE nearing the pre-merger steady state of 15% by FY27. A valuation of 2.3x 1-year forward core BVPS (deep discount to long-term average) does scarce justice to an FY26E core ROE of 14% that compares favourably with its pre-merger past five-year average.

We also performed an extensive scenario analysis on incremental CASA momentum as a key determinant of HDFCB's earnings locus. It revealed a remarkable asymmetry. A positive surprise on CASA vis-à-vis base expectations moves the ROE needle almost 1.7x the rate of a negative surprise. This is thanks to the greater elasticity of loan growth to CASA acceleration rather than slowdown. In other words, on the issue of CASA - heads, the bank wins big; tails, it does not lose much, in our view.

Valuation methodology

We value HDFCB via the SoTP method, with the bank's core business valued at 3x 2QFY28E BVPS and the subsidiaries as appropriate, given the individual nature of businesses.

Risks

To the upside:

The key to a positive surprise on NIM and ROA improvement will be the trajectory of CASA growth. If system CASA growth picks up and HDFCB is able to mobilise market shares in line with recent history, a large earnings surprise may materialise and re-rate the stock significantly.

To the downside:

In lieu of the same phenomenon as described above, if system CASA growth remains anaemic, there will be a delay in HDFCB achieving the ROA and ROE levels necessary for a full valuation re-rating.

ICICI Bank (Outperform, Target Price INR1,910)

Investment case

ICICIB's balance sheet remains protected by heavy excess provisioning and healthy capitalisation. It currently also enjoys high CASA as a proportion of NDTL, and therefore, a funding cost edge over its nearest competitors. This has helped the bank gather loan market share in prime categories and emerge as a preferred choice for investors within Indian banking names, in our view.

The bank's tech and digital investment efforts appear to have set the benchmark among large private-bank peers. While the iMobile app's popularity provides us with some evidence of the bank's tech and digital focus, its efforts span segments and functions. Its annualised ROE has broken through the 18% barrier in recent quarters, partly aided

by low credit costs. It is trading at 2.3x 1-year forward core P/BV and is still attractive vis-à-vis what we see as a sustainable core ROE of 17-18%.

Valuation methodology

We value ICICIBC via the SoTP method, with the bank valued at 3.0x 2QFY28E core BVPS and the subsidiaries in accordance with their respective nature of businesses. Our target P/B multiple is based on assuming a sustainable ROE of 17-18% and a COE of 11.5-12.5%. The steady-state ROE spread over COE is therefore 600bps, for which we accord a 2x P/B premium over the 1x achieved for ROE meeting COE.

Risks

To the upside:

Continued dominance amongst large banks in terms of credit growth, hopefully accompanied by a reversal in the fortunes of the capex cycle at some point too, should be key to further stock re-rating. An earnings boost from unwinding of excess provisioning is an important catalyst too.

To the downside:

ICICIBC has lagged its peer HDFCB in incremental CASA mobilisation in the past two years. Even though its current edge is large, any closing of the gap will dilute its cost of funds advantage. This large advantage is critical to dominating prime asset categories and having a profitability (NIM) buffer vis-à-vis competition.

IndusInd Bank (Underperform, Target Price INR840)

Investment case

IndusInd Bank's (IIB) on-ground, hyperlocal, deep domain-knowledge enhanced underwriting DNA is reflected in its long-term asset yields as well as retail asset-quality performance (judged by segment standards). As the credit cycle turns favourable for its legacy-strength segments, we think the erstwhile pain points become relative strengths. The bank's high-yield retail-asset sub-segments have portfolio hygiene well above corresponding system metrics and have expectedly been among the first beneficiaries of an NBFC-adjacent segment tailwind.

IndusInd Bank's foreign deposits constitute a mere 1.6% of liabilities and its recently indicated absolute derivatives loss appears to be >20% of its total foreign deposit book! The derivative position is therefore more likely to be interpreted as a currency view rather than pure hedging for business purposes.

Lending businesses are by nature opaque in addition to being leveraged. It is not the sort of set-up that inspires leaps of faith, and we feel that consistent delivery would be key to what is potentially a long and arduous redemption arc. Valuations at c0.95x 1-year forward P/B might be the only silver lining to the story now in its historical trading range context.

Valuation methodology

We value IIB at 0.9x 2QFY28E book value, given our expectation of 7-8% near term RoE and our cost of equity assumption of 13% being slightly higher than that for ICICIBC on account of IIB's higher risk asset book and weaker liability franchise.

Risks

To the upside:

The biggest driver for IIB's re-rating is continued accelerated growth in its core high-yield loan segments. This is beneficial to the thesis of margin expansion, which, if sustained over the next two years, could become a potential trigger for an equity dilution at a favourable valuation.

To the downside:

Given IIB's last credit-cycle performance, a legacy wholesale loan book that is improving but below the best-in-class credit profile and a larger-than-most off-balance sheet credit exposure, substantial investment risks relate to adverse large credit events, in our view.

Kotak Mahindra Bank (Neutral, Target Price INR2,460)

Investment case

KMB's CASA is among the best-in-class, at c38% of NDTL as of FY25. While the bank's initial deposit build up had used high rates as a hook, current SA rates are only at a minor premium to those of major private banks. KMB's asset-quality performance over the last decade is bested only by HDFCB among India's large banks.

Capital productivity implications of low leverage (core leverage has dropped to 6.1x from c8x pre-Covid) has been the central investor concern. The only way to gear up this capital-laden balance sheet to achieve high capital productivity (core ROE of over 18%) is to expand its asset base faster than interim accruals. KMB's current asset growth run rate would mean over 4 years for core leverage to cross 7.5x and core ROE to reach near 18%. Valuation at 2.2x 1-year forward P/core BV (on our estimate) is at our target multiple (2.3x core BVPS). Asset growth remains key to a rerating.

Valuation methodology

We value KMB via the SoTP method, with the bank valued at 2.3x 2QFY28E core banking BVPS and the subsidiaries in accordance with their respective nature of businesses. At 18% core ROE or if we had visibility on KMB achieving this in short order, we would have been happy to value the bank at 3-3.5x given CASA strength driven relatively low cost of equity profile (even though regulatory action has impacted our sense of risk in the name). However, with this appearing more than four years away, we temper our target multiple to 2.3x to adjust for both time value and higher uncertainty.

Risks

To the upside:

Apart from a quick remediation of RBI's digital onboarding embargo, asset growth remains key to KMB's fortunes. For example, over 25% asset growth can sort its capital structure/ROE optimisation problem in two years instead of five. A positive surprise on asset growth will go a long way in driving a valuation re-rating. Also, we see KMB as one of the most conservative banks on asset-quality risk hygiene and remains the biggest sentiment-driven beneficiary in our banking coverage in case of a market risk-off.

To the downside:

Delays in RBI removing its restrictions on new credit-card issuances will not bode well. The proviso of continued loan growth commitment from management is an important one. With the RBI raising risk weights on some of the growth-driving segments, the reaction of arguably the most risk-averse management is by no means a foregone conclusion. Any slowdown in unsecured loans will have valuation implications. KMB's CASA edge over peers has also narrowed materially in recent times. Any further blunting of this edge has implications on its perceived low-risk status.

State Bank of India (Neutral, Target Price INR990)

Investment case

SBIN may no longer be the highest-CASA large bank around, but CASA, at c35% of NDTL (end-FY25), remains impressive given the scale of its balance sheet. On assets, SBIN has reduced exposure to the wholesale segment and pivoted to retail consistently for the past 6-7 years. Retail assets, at c42% of domestic loans as of FY25, have seen a c12pp rise in weight over the last seven years. The credit profile of its wholesale exposures is on the mend, partly in sync with broader trends in the Indian credit cycle. We expect these trends to continue for the next few years.

The YONO app has been SBIN's breakthrough in retail banking, although its ambit is now spread wider as SBIN conceptualises 'Only YONO' as a digital bank. Annualised ROE has broken through the 16% barrier in recent quarters, partly aided by low credit

costs. SBIN is trading at 1.2x 1-year forward core P/BV (on our estimate) and is still reasonably attractive vis-à-vis what we see as a sustainable core ROE of 11-15%. We note, however, that this ROE band is wider than those for most other banks and is delivered at significantly higher leverage than that of large private banks.

Valuation methodology

We value SBIN via the SoTP method with the bank valued at 1.0x 2QFY28E core bank BVPS and the subsidiaries in accordance with the nature of their respective businesses.

Risks

To the upside:

SBIN remains, to an extent, a proxy to India's broader credit market - representing its good, bad and ugly. If credit growth picks up and general capital market risk aversion reduces, SBIN should get re-rated dramatically, in our view.

To the downside:

SBIN, like many other public sector undertaking (PSU) banks, brings worries regarding social intervention costs to investors. Investor perception also suggests that its credit guardrails are weaker than those of the best-in-class private peers. This renders SBIN's valuation particularly vulnerable to a risk-off or change in sentiment. If this comes coupled with the need for a capital raise, it may need to raise money at below-book valuations, consequently diluting its BVPS.

ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES

Analyst Certification

I, **Santanu Chakrabarti**, hereby certify that all of the views expressed in this report accurately reflect my personal view(s) about the company or companies and securities discussed in this report. No part of my compensation was, is, or will be, directly, or indirectly, related to the specific recommendations or views expressed in this research report.

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Santanu	BNP Paribas
Chakrabarti	Securities India Private Limited

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Axis Bank	AXSB IN	3; 4; 7; 8; 9; 10; 11- Net long position
HDB Financial Services Ltd	HDBFS IN	2; 3; 4; 7; 8- BNP Paribas is mandated as Book Running Lead Manager for HDB Financial Services Ltd's IPO which was announced on 30 Oct 2024.; 9; 10
HDFC Bank	HDFCB IN	3; 4; 7; 8; 9; 10
HDFC Life Insurance	HDFCLIFE IN	7; 9
ICICI Bank	ICICIBC IN	3; 4; 7; 8; 9; 10
ICICI Prudential Life Insurance	IPRU IN	7; 9
IndusInd Bank	IIB IN	7; 9; 10; 11- Net long position
Kotak Mahindra Bank	KMB IN	7; 9; 10
SBI Life Insurance	SBILIFE IN	7; 9
State Bank of India	SBIN IN	2; 3; 4; 7; 8; 9; 10

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Rating System

Our coverage analysts use a rating system in which they rate stocks as Outperform, Neutral, or Underperform (as defined below) relative to other companies covered by the analyst or the analyst's team, over a 12-month investment horizon.

Prior to 23 September 2024, BNPP ratings were relative ratings defined against the performance of the relevant MSCI sector index, at either the country or regional level over a 12-month investment horizon.

Outperform (O/P): The stock is expected to outperform the average total return of all companies covered by the analyst or the analyst's team, over a 12-month investment horizon.

Neutral: The stock is expected to perform in line with the average total return of all companies covered by the analyst or the analyst's team, over a 12-month investment horizon.

Underperform (U/P): The stock is expected to underperform the average total return of all companies covered by the analyst or the analyst's team, over a 12-month investment horizon.

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As of 23 September 2024, TEB Investment has changed the recommendation rating structure for Turkish stock coverage from Buy, Hold and Reduce to Outperform, Neutral and Underperform. Ratings and target prices for dates prior to 23 September 2024 used an absolute rating structure whereby the upside or downside to target price relative to the current share price determined the recommendation. TEB Investment now uses a relative recommendation structure whereby the applied rating is based on the stock's expected performance as compared to the average total return of all companies covered by the analyst or the analyst's team in Turkish stock coverage over a 12-month investment horizon. TEB Investment research reports with ratings and target prices for dates prior to 11 August 2025 were prepared and distributed without involvement of a FINRA member firm.

ESG Rating Explanation and Methodology

ESG integration methodology: The BNP Paribas approach offers an alternative to mechanistic ESG scores and leverages the in-depth knowledge of our industry equity research teams by combining quantitative and qualitative factors. There are three steps to our framework; firstly, our teams build a materiality map to assess which ESG topics are most relevant to their respective industries. Secondly, for the chosen topics, companies are assessed relative to sector peers. The assessment can be based on metrics and qualitative judgements. Each company is given a one to five score per topic, with five being the best. Thirdly, based on the topic scores, and any other significant ESG factors, we identify companies in the sector as ESG Leaders, ESG Laggards or ESG Average. The definition of the ratings is shown below; they are not based on the average topic score as some topic scores can be more material than others.

ESG Leader: Relative to sector peers an ESG Leader is better positioned on the chosen ESG topics, or other relevant ESG considerations.

ESG Average: A company rated as ESG Average may have strong or poor performance on an individual ESG topic, but overall has an average exposure to ESG risks and opportunities.

ESG Laggard: Relative to sector peers an ESG Laggard is poorly positioned on the chosen ESG topics, or other relevant ESG considerations for the stock.

Distribution of BNP Paribas' Equity Recommendations

As at 01 September 2025 BNP Paribas covered 1213 companies. The companies that, for regulatory reasons, are not accorded a rating by BNPP are excluded from these statistics. For regulatory reasons, our ratings of Outperform, Neutral and Underperform correspond respectively to Buy, Hold and Sell; the underlying signification is, however, different as our ratings are relative to the sector.

Ratings	Stocks coverage		Investment Banking Services Within the previous 12 months	
	Counts	%*	Counts	%
Outperform (Buy)	592	49	189	32
Neutral (Hold)	427	35	104	24
Underperform (Sell)	194	16	37	19

* Please note that the percentages might not add up to 100% because of rounding.

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Sustainability is core to BNP Paribas' company purpose: "we are engaged with our clients to create a better future".

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Price at 06 Nov. 25 / 12m Target Price

INR881.0 / INR710 -19%

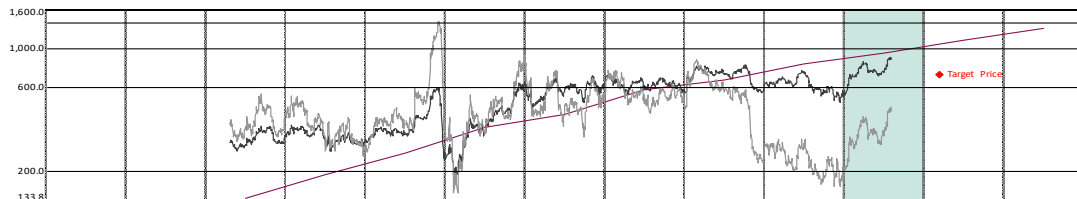
AU SMALL FINANCE BANK (Underperform)

Refinitiv / Bloomberg: AUFLNS / AUBANK IN

Analyst: Santanu Chakrabarti +91 22 6196 4055

Banks - India

Company Highlights		INRm / EURm	
Market capitalisation	662,367 / 6,477		
Free float	496,775 / 4,857		
3m average volume	2,181 / 21		
Performance (*)	1m	3m	12m
Absolute	15%	20%	45%
Rel. Sector	NC	NC	NC
Rel. MSCI India	13%	16%	42%
12m Hi/Lo (INR) : 882.5 -0% / 491.8 +79%			
CAGR	2016/2025		2025/2027
EPS restated (**)	10%		32%
Book value	25%		18%



Price (yearly avg from Mar. 18 to Mar. 25)

	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
PER SHARE DATA (INR)													
No of shares year end, basic, (m)	568.50	571.41	584.72	608.25	629.80	624.43	629.80	666.75	669.16	744.53	751.84	757.45	763.06
No of shares (avg), diluted, restated for treasury stoc	555.13	584.22	591.90	604.68	618.43	633.12	656.91	671.46	745.72	765.01	765.01	765.01	765.01
EPS GAAP	14.81	5.00	6.45	11.16	18.93	17.85	21.74	22.86	28.24	32.56	45.88	56.43	56.43
EPS company definition	15.09	5.11	6.58	11.39	19.09	18.03	21.86	22.98	28.29	33.13	46.34	56.58	56.58
EPS restated	13.72	5.00	6.45	11.16	18.93	17.85	21.74	22.86	28.24	32.56	45.88	56.43	56.43
% change	NS	(63.6%)	29.0%	73.0%	69.6%	(5.7%)	21.8%	5.2%	23.6%	15.3%	40.9%	23.0%	23.0%
Book value (BVPS)	34.96	39.92	54.09	71.96	100.50	119.31	164.64	187.69	230.57	265.14	314.58	367.33	367.33
Tangible BVPS	34.96	39.92	54.09	71.96	100.50	119.31	164.64	187.69	230.57	265.14	314.58	367.33	367.33
Net dividend	0.00	0.00	0.25	0.38	0.00	0.00	0.50	1.00	1.00	1.60	1.60	1.60	2.60

STOCKMARKET RATIOS (x)

	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
P / E adjusted			60.8	48.9	33.8	20.1	32.4	28.9	30.8	22.0	27.1	19.2	15.6
P / E relative to MSCI India (%)			253%	198%	152%	57%	125%	103%	104%	83%	108%	87%	81%
P / BVPS			7.61	5.83	5.24	3.79	4.84	3.81	3.75	2.69	3.32	2.80	2.40
P / Tangible BVPS			7.61	5.83	5.24	3.79	4.84	3.81	3.75	2.69	3.32	2.80	2.40
High (x)			9.03	6.79	8.18	6.45	5.84	4.35	4.27	3.26	3.33		
Low (x)			4.47	4.81	3.28	1.89	3.83	3.33	2.97	2.13	2.00		
Net yield (%)			0.1%	0.1%	0.0%	0.0%	0.1%	0.2%	0.1%	0.3%	0.2%	0.2%	0.3%
Payout (%)			5.0%	5.9%			2.8%	4.6%	4.4%	5.7%	4.9%	3.5%	4.6%

P & L HIGHLIGHTS (INRm)

	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	6,152	8,736	9,405	13,426	19,089	23,654	32,341	44,253	51,571	80,116	89,185	110,179	133,958
Net fees and commissions	0	0	1,644	3,181	4,291	4,283	6,126	9,851	16,226	22,583	25,313	29,403	35,274
Trading profit	0	0	382	221	1,726	8,848	1,430	(443)	517	2,352	1,300	1,500	1,500
Other income	31	106	1,854	1,217	1,044	1,384	2,381	936	228	328	3,743	3,859	4,950
Total Revenues	6,183	8,842	13,285	18,045	26,150	38,170	42,728	54,597	68,542	105,379	119,540	144,941	175,681
Personnel costs	(1,577)	(1,928)	(4,249)	(6,011)	(7,596)	(9,802)	(13,789)	(17,930)	(21,037)	(31,478)	(36,236)	(42,397)	(49,604)
Other operating costs	(960)	(1,561)	(3,277)	(4,815)	(6,582)	(6,783)	(10,339)	(16,472)	(23,611)	(28,095)	(30,893)	(36,453)	(43,015)
Total costs	(2,537)	(3,488)	(7,526)	(10,826)	(14,179)	(16,584)	(24,128)	(34,403)	(44,648)	(67,129)	(78,502)	(92,619)	(109,619)
Operating profit before provisions	3,646	5,353	5,759	7,219	11,972	21,586	18,150	20,195	23,894	45,807	52,411	66,091	83,062
Bad debt charge	(419)	(623)	(1,326)	(1,418)	(2,832)	(7,001)	(3,610)	(1,548)	(3,900)	(17,926)	(19,341)	(19,290)	(25,501)
Other operating items													
Associates													
Profit before tax and exceptionals	3,227	4,730	4,434	5,801	9,140	14,585	14,541	18,646	19,994	27,881	33,070	46,801	57,561
Non-recurring costs													
Other non-recurring items		6,703											
Profit before tax	3,227	11,434	4,434	5,801	9,140	14,585	14,541	18,646	19,994	27,881	33,070	46,801	57,561
Tax	(1,110)	(3,214)	(1,513)	(1,983)	(2,392)	(2,878)	(3,242)	(4,367)	(4,647)	(6,821)	(8,159)	(11,700)	(14,390)
Minorities													
Net profit	2,117	8,220	2,920	3,818	6,748	11,707	11,298	14,279	15,347	21,059	24,911	35,101	43,171
Hybrid coupon (w here taken to equity)													
Net profit post hybrid coupon	2,117	8,220	2,920	3,818	6,748	11,707	11,298	14,279	15,347	21,059	24,911	35,101	43,171
BNPP adjusted net profit post hybrid coupons	2,117	7,619	2,920	3,818	6,748	11,707	11,298	14,279	15,347	21,059	24,911	35,101	43,171

BALANCE SHEET HIGHLIGHTS (INRm)

	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Customer Loans	58,125	65,950	133,121	228,187	269,924	346,089	460,953	584,215	731,627	1,070,925	1,297,377	1,559,379	1,867,269
Intangibles													
Other assets	4,818	32,167	55,207	98,041	151,507	169,824	229,825	317,946	362,630	507,532	528,720	595,079	669,767
Total assets	62,942	98,117	188,328	326,228	421,431	515,913	690,778	902,161	1,094,257	1,578,457	1,826,098	2,154,458	2,537,036
Customer Deposits	0	0	67,430	170,790	238,670	359,793	525,846	693,650	871,821	1,242,685	1,426,778	1,756,987	2,166,871
Shareholder's funds	10,095	19,876	22,812	31,629	43,768	62,752	75,140	109,773	125,595	171,663	199,338	238,280	280,293
Tangible Book Value	10,095	19,876	22,812	31,629	43,768	62,752	75,140	109,773	125,595	171,663	199,338	238,280	280,293

KEY DATA (INRm)

	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Leverage Exposure	58,125	65,950	133,121	228,187	269,924	346,089	460,953	584,215	731,627	1,070,925	1,297,377	1,559,379	1,867,269
Risk w eighted assets (Basel 3 fully loaded)	65,126	89,928	118,330	191,330	225,100	279,728	364,167	485,193	707,166	1,020,565	1,193,677	1,412,702	1,688,271
Tier one capital	8,776	18,955	21,790	30,530	41,320	60,244	71,717	105,689	124,435	169,303	196,507	234,882	276,216
Equity tier 1 capital (Basel 3 fully loaded)	8,776	18,955	21,790	30,530	41,320	60,244	71,717	105,689	124,435	169,303	196,507	234,882	276,216
NPL (Non Performing Loans)	741	1,245	2,697	4,701	4,578	15,028	9,244	9,813	12,374	24,770	28,542	31,188	37,345
Employees (year end)	5,072	8,515	11,151	12,623	17,112	22,484	27,817	28,320	29,738	50,946	57,986	58,386	58,786

YOY GROWTH (%)

	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	NC	42%	8%	43%	42%	24%	37%	37%	17%	55%	11%	24%	22%
Revenues	NC	43%	50%	36%	45%	46%	11%	29%	26%	54%	13%	21%	21%
Costs	NC	38%	116%	44%	31%	17%	45%	43%	30%	33%	13%	17%	17%
Operating profit bef prov.	NC	47%	8%	25%	66%	80%	(16%)	11%	18%	92%	14%	26%	26%
Adjusted net profit	NC	260%	(62%)	31%	77%	73%	(3%)	26%	7%	37%	18%	41%	23%
Customer Loans	NC	13%	102%	71%	18%	28%	33%	27%	25%	46%	21%	20%	20%
Customer Deposits	NC	0%	NC	153%	40%	51%	46%	32%	26%	43%	15%	23%	23%
RWA	NC	38%	32%	62%	18%	24%	30%	33%	46%	44%	17%	18%	20%

FINANCIAL RATIOS (%)

Net interest margin (avg. loans)		14.08%	9.45%	7.43%	7.66%	7.68%	8.01%	8.47%	7.84%	8.89%	7.53%	7.71%	7.82%
Net interest margin (avg. loans + deposits)	NC	14.08%	7.06%	4.48%	4.21%	3.90%	3.82%	3.91%	3.58%	4.09%	3.54%	3.65%	3.64%
Costs / Income ratio	41.0%	39.5%	56.7%	60.0%	54.2%	43.4%	57.1%	63.0%	65.1%	56.5%	56.2%	54.4%	52.7%
Costs / avg. tang. assets	NC	4.33%	5.25%	4.21%	3.79%	3.54%	4.00%	4.32%	4.47%	4.46%	3.94%	3.96%	3.95%
Bad debt charge / average outstanding loans	0.72%	1.00%	1.33%	0.78%	1.14%	2.27%	0.89%	0.30%	0.59%	1.99%	1.63%	1.35%	1.49%
Bad debt charge / RWA													
Tax rate	34.4%	28.1%	34.1%	34.2%	26.2%	19.7%	22.3%	23.4%	23.2%	24.5%	24.7%	25.0%	25.0%
ROE adjusted	21.0%	50.8%	13.7%	14.0%	17.9%	22.0%	16.4%	15.4%	13.0%	14.2%	13.4%	16.0%	16.6%
ROTE adjusted		50.8%	13.7%	14.0%	17.9%	22.0%	16.4%	15.4%	13.0%	14.2%	13.4%	16.0%	16.6%
RORWA adjusted													
ROTA		9.46%	2.04%	1.48%	1.81%	2.50%	1.87%	1.79%	1.54%	1.58%	1.46%	1.76%	1.84%
Leverage ratio	15.1%	28.7%	16.4%	13.4%	15.3%	17.4%	15.6%	18.1%	17.0%	15.8%	15.1%	15.1%	14.8%
Tier one Ratio	13.5%	21.1%	18.4%	16.0%	18.4%	21.5%	19.7%	21.8%	17.6%	16.6%	16.5%	16.6%	16.4%
Equity tier 1 ratio (Basel 3 fully loaded)	13.5%	21.1%	18.4%	16.0%	18.4%	21.5%	19.7%	21.8%	17.6%	16.6%	16.5%	16.6%	16.4%
Loans / Deposits	NC	NC	197%	134%	113%	96%	88%	84%	84%	86%	91%	89%	86%
RWA / Loans													
Loans / Assets	92%	67%	71%	70%	64%	67%	67%	65%	67%	68%	71%	72%	74%
NPL / Outstanding loans (Gross)	1%	2%	2%	2%	2%	4%	2%	2%	2%	2%	2%	2%	2%

Price at 06 Nov. 25 / 12m Target Price

INR1,229 / INR1,600 +30%

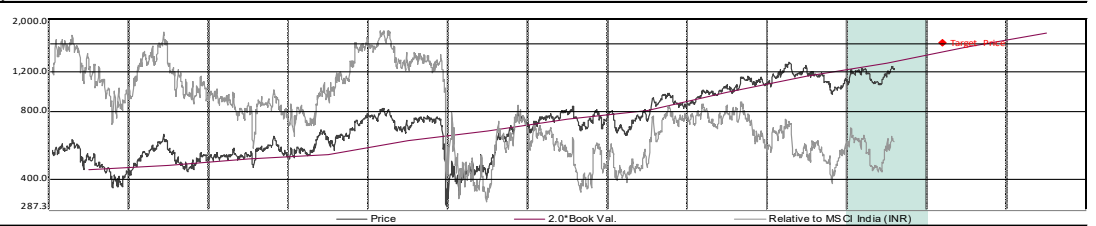
AXIS BANK (Outperform)

Refinitiv / Bloomberg: AXBK.NS / AXSB.IN

Analyst: Santanu Chakrabarti +91 22 6196 4055

Banks - India

Company Highlights				INRm / EURm
Market capitalisation	3,826,113 / 37,595			
Free float	3,520,024 / 34,588			
3m average volume	8,027 / 79			
Performance (*)				
Absolute	4%	15%	8%	
Rel. Sector	2%	9%	(11%)	
Rel. MSCI India	1%	11%	3%	
CAGR				2009/2025
EPS restated (**)	13%			17%
Book value	14%			17%



Price (yearly avg from Mar. 15 to Mar. 25)	425.2	482.9	500.3	520.4	601.9	711.0	527.4	737.1	795.5	1,002.4	1,133.5	1,228.5	1,228.5	1,228.5
PER SHARE DATA (INR)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
No of shares year end, basic, (m)	2,370.52	2,382.83	2,395.04	2,566.54	2,571.65	2,821.68	3,063.75	3,069.75	3,076.85	3,086.57	3,097.37	3,114.46	3,126.02	3,137.58
No of shares (avg), diluted, restated for treasury stock	2,385.10	2,390.30	2,398.70	2,452.60	2,584.80	2,724.90	2,982.60	3,075.70	3,087.80	3,104.00	3,127.14	3,127.14	3,127.14	3,121.25
EPS GAAP	30.85	34.40	15.34	1.12	18.09	5.97	22.09	42.35	31.02	80.09	84.34	79.93	102.34	116.54
EPS company definition	31.18	34.59	15.40	1.13	18.20	5.99	22.15	42.48	31.17	80.67	85.29	80.53	102.72	116.54
EPS restated	31.23	34.93	16.48	1.86	19.49	6.80	24.12	45.91	35.04	85.01	89.51	84.83	102.34	116.54
% change	16.3%	11.9%	(52.8%)	(88.7%)	NS	(65.1%)	254.7%	90.3%	(23.7%)	142.6%	5.3%	(5.2%)	20.6%	13.9%
Book value (BVPS)	188.47	223.12	232.83	247.20	259.27	301.05	331.63	375.19	407.61	489.42	580.25	664.26	779.10	902.72
Tangible BVPS	188.47	223.12	232.83	247.20	259.27	301.05	331.63	375.19	407.61	489.42	580.25	664.26	779.10	902.72
Net dividend	4.69	5.00	5.00	0.00	1.00	0.00	0.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00

STOCKMARKET RATIOS (x)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
P / E adjusted	13.6	13.8	30.4	NS	30.9	104.6	21.9	16.1	22.7	11.8	12.7	14.5	12.0	10.5
P / E relative to MSCI India (%)	56%	60%	125%	NS	125%	470%	62%	61%	81%	40%	48%	57%	54%	54%
P / BVPS	2.26	2.16	2.15	2.11	2.32	2.36	1.59	1.96	1.95	2.05	1.95	1.85	1.58	1.36
P / Tangible BVPS	2.26	2.16	2.15	2.11	2.32	2.36	1.59	1.96	1.95	2.05	1.95	1.85	1.58	1.36
High (x)	3.33	2.67	2.69	2.50	3.00	2.72	2.39	2.25	2.36	2.32	2.27	1.90		
Low (x)	1.45	1.63	1.77	1.81	1.89	1.00	0.98	1.69	1.53	1.73	1.63	1.57		
Net yield (%)	1.1%	1.0%	1.0%	0.0%	0.2%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Payout (%)	15.2%	14.5%	32.6%		5.5%			2.4%	3.2%	1.2%				

P & L HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	142,241	168,330	180,931	186,177	217,082	252,062	292,391	331,322	429,457	498,945	543,478	566,047	654,598	740,834
Net fees and commissions	61,211	67,076	70,283	77,299	88,537	96,919	93,589	113,586	144,463	182,564	205,451	213,034	240,541	271,702
Trading profit	9,949	10,186	31,738	13,252	7,581	21,723	23,023	11,132	3,205	13,647	12,843	4,500	4,500	4,501
Other income	12,491	16,453	14,892	19,121	35,186	36,723	6,024	27,487	17,340	28,209	34,277	71,387	83,720	96,215
Total Revenues	225,892	262,044	297,844	295,848	348,385	407,428	415,027	483,528	594,466	723,364	796,049	854,967	983,359	1,113,252
Personnel costs	(31,150)	(33,760)	(38,919)	(43,130)	(47,473)	(53,210)	(61,640)	(76,126)	(87,601)	(109,331)	(121,928)	(129,201)	(142,122)	(156,334)
Other operating costs	(60,888)	(67,248)	(83,080)	(96,774)	(110,861)	(119,836)	(122,111)	(159,982)	(308,959)	(242,802)	(253,072)	(274,052)	(313,086)	(359,322)
Total costs	(92,037)	(101,008)	(121,999)	(139,903)	(158,334)	(173,046)	(183,751)	(236,108)	(396,560)	(352,133)	(374,999)	(403,254)	(455,207)	(515,656)
Operating profit before provisions	133,854	161,036	175,845	155,945	190,051	234,381	231,276	247,420	197,906	371,232	421,049	451,713	528,152	597,596
Bad debt charge	(23,277)	(37,099)	(121,170)	(154,729)	(120,310)	(185,339)	(143,217)	(73,595)	(28,848)	(40,631)	(77,584)	(119,384)	(101,449)	(112,579)
Other operating items														

Associates														
Profit before tax and exceptionals	110,578	123,938	54,676	1,216	69,741	49,042	88,059	173,826	169,058	330,601	343,466	332,329	426,702	485,017
Non-recurring costs														
Other non-recurring items														
Profit before tax	110,578	123,938	54,676	1,216	69,741	49,042	88,059	173,826	169,058	330,601	343,466	332,329	426,702	485,017
Tax	(36,999)	(41,701)	(17,883)	1,541	(22,975)	(32,770)	(22,174)	(43,571)	(73,262)	(81,986)	(79,731)	(82,372)	(106,676)	(121,254)
Minorities														
Net profit	73,578	82,237	36,793	2,757	46,766	16,272	65,885	130,255	95,797	248,614	263,735	249,957	320,027	363,763
Hybrid coupon (w here taken to equity)														
Net profit post hybrid coupon	73,578	82,237	36,793	2,757	46,766	16,272	65,885	130,255	95,797	248,614	263,735	249,957	320,027	363,763
BNPP adjusted net profit post hybrid coupons	74,479	83,497	39,530	4,558	50,386	18,531	71,955	141,193	108,185	263,862	279,910	265,287	320,027	363,763

BALANCE SHEET HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Customer Loans	2,810,830	3,387,737	3,730,693	4,396,503	4,947,980	5,714,242	6,143,994	7,079,466	8,453,028	9,650,684	10,408,113	11,932,596	13,511,867	15,307,551
Intangibles														
Other assets	1,808,494	1,866,939	2,283,983	2,516,793	3,061,986	3,437,407	3,723,982	4,674,822	4,720,227	5,121,402	5,691,186	5,987,837	6,848,525	7,833,527
Total assets	4,619,324	5,254,676	6,014,677	6,913,296	8,009,965	9,151,648	9,867,976	11,754,288	13,173,255	14,772,086	16,099,299	17,932,433	20,360,392	23,141,078
Customer Deposits	3,224,419	3,579,676	4,143,788	4,536,227	5,484,713	6,401,409	6,979,853	8,219,715	9,469,452	10,686,414	11,729,520	13,165,675	15,261,076	17,719,044
Shareholder's funds	446,765	531,649	557,625	634,453	666,763	849,478	1,016,030	1,151,741	1,254,167	1,510,616	1,797,251	2,068,815	2,435,490	2,832,340
Tangible Book Value	446,765	531,649	557,625	634,453	666,763	849,478	1,016,030	1,151,741	1,254,167	1,510,616	1,797,251	2,068,815	2,435,490	2,832,340

KEY DATA (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Leverage Exposure	2,810,830	3,387,737	3,730,693	4,396,503	4,947,980	5,714,242	6,143,994	7,079,466	8,453,028	9,650,684	10,408,113	11,932,596	13,511,867	15,307,551
Risk weighted assets (Basel 3 fully loaded)	3,530,668	4,039,492	4,723,132	5,176,308	5,520,481	6,105,273	6,358,634	7,213,563	8,513,350	10,393,126	11,540,747	12,902,712	14,659,482	16,661,576
Tier one capital	428,666	505,175	560,393	674,763	692,384	884,490	1,047,483	1,178,750	1,240,480	1,476,334	1,739,434	2,022,220	2,388,895	2,785,744
Equity tier 1 capital (Basel 3 fully loaded)	428,666	505,175	560,393	674,763	692,384	884,490	1,047,483	1,178,750	1,240,480	1,476,334	1,739,434	2,022,220	2,388,895	2,785,744
NPL (Non Performing Loans)	41,102	60,875	212,805	342,486	297,894	302,338	253,148	218,223	186,042	151,271	144,901	158,697	136,425	107,778
Employees (year end)	42,230	50,000	56,617	59,600	61,940	74,000	78,000	85,500	91,898	104,332	106,332	108,332	110,332	112,332

YOY GROWTH (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	19%	18%	7%	3%	17%	16%	16%	13%	30%	16%	9%	4%	16%	13%
Revenues	17%	16%	14%	(1%)	18%	17%	2%	17%	23%	22%	10%	7%	15%	13%
Costs	16%	10%	21%	15%	13%	9%	6%	28%	68%	(11%)	6%	8%	13%	13%
Operating profit bef prov.	17%	20%	9%	(11%)	22%	23%	(1%)	7%	(20%)	88%	13%	7%	17%	13%
Adjusted net profit	18%	12%	(53%)	(88%)	NC	(63%)	288%	96%	(23%)	144%	6%	(5%)	21%	14%
Customer Loans	22%	21%	10%	18%	13%	15%	8%	15%	19%	14%	8%	15%	13%	13%
Customer Deposits	15%	11%	16%	9%	21%	17%	9%	18%	15%	13%	10%	12%	16%	16%
RWA	25%	14%	17%	10%	7%	11%	4%	13%	18%	22%	11%	12%	14%	14%

FINANCIAL RATIOS (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest margin (avg. loans)	5.57%	5.43%	5.08%	4.58%	4.65%	4.73%	4.93%	5.01%	5.53%	5.51%	5.42%	5.07%	5.15%	5.14%
Net interest margin (avg. loans + deposits)	2.55%	2.59%	2.44%	2.22%	2.24%	2.24%	2.32%	2.33%	2.59%	2.61%	2.56%	2.40%	2.43%	2.40%
Costs / Income ratio	40.7%	38.5%	41.0%	47.3%	45.4%	42.5%	44.3%	48.8%	66.7%	48.7%	47.1%	47.2%	46.3%	46.3%
Costs / avg. tang. assets	2.18%	2.05%	2.17%	2.16%	2.12%	2.02%	1.93%	2.18%	3.18%	2.52%	2.43%	2.37%	2.38%	2.37%
Bad debt charge / average outstanding loans	0.91%	1.20%	3.40%	3.81%	2.57%	3.48%	2.42%	1.11%	0.37%	0.45%	0.77%	1.07%	0.80%	0.78%
Bad debt charge / RWA														
Tax rate	33.5%	33.6%	32.7%	126.8%	32.9%	66.8%	25.2%	25.1%	43.3%	24.8%	23.2%	24.8%	25.0%	25.0%
ROE adjusted	18.0%	17.1%	7.3%	0.8%	7.7%	2.4%	7.7%	13.0%	9.0%	19.1%	16.9%	13.7%	14.2%	13.8%
ROTE adjusted	18.0%	17.1%	7.3%	0.8%	7.7%	2.4%	7.7%	13.0%	9.0%	19.1%	16.9%	13.7%	14.2%	13.8%
RORWA adjusted														
ROTA	1.76%	1.69%	0.70%	0.07%	0.68%	0.22%	0.76%	1.31%	0.87%	1.89%	1.81%	1.56%	1.67%	1.67%
Leverage ratio	15.3%	14.9%	15.0%	15.3%	14.0%	15.5%	17.0%	16.7%	15.3%	16.7%	16.9%	16.9%	17.7%	18.2%
Tier one Ratio	12.1%	12.5%	11.9%	13.0%	12.5%	14.5%	16.5%	16.3%	14.6%	14.2%	15.1%	15.7%	16.3%	16.7%
Equity tier 1 ratio (Base1 3 fully loaded)	12.1%	12.5%	11.9%	13.0%	12.5%	14.5%	16.5%	16.3%	14.6%	14.2%	15.1%	15.7%	16.3%	16.7%
Loans / Deposits	87%	95%	90%	97%	90%	89%	88%	86%	89%	90%	89%	91%	89%	86%
RWA / Loans														
Loans / Assets	61%	64%	62%	64%	62%	62%	62%	60%	64%	65%	65%	67%	66%	66%
NPL / Outstanding loans (Gross)	1%	2%	6%	8%	6%	5%	4%	3%	2%	2%	1%	1%	1%	1%

Price at 06 Nov. 25 / 12m Target Price

INR254.9 / INR200 -22%

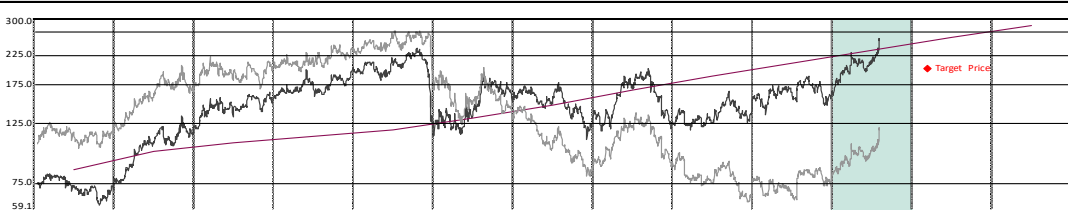
CITY UNION BANK (Underperform)

Refinitiv / Bloomberg: CTBK.NS / CUBK.IN

Analyst: Santanu Chakrabarti +91 22 6196 4055

Banks - India

Company Highlights					INRm / EURm	
Market capitalisation					188,863 / 1,847	
Free float					188,863 / 1,847	
3m average volume					585 / 5.7	
Performance (*)					1m	3m
Absolute					16%	19%
Rel. Sector					NC	NC
Rel. MSCI India					14%	15%
12m Hi/Lo (INR)					258.7	-1% / 146.4 +74%
CAGR					2005/2025	2025/2027
EPS restated (**)					NC	12%
Book value					NC	11%



Price (yearly avg from Mar. 15 to Mar. 25)	63.9	73.1	103.0	144.8	172.3	204.5	146.8	149.9	156.7	134.8	163.4	254.9	254.9	254.9
PER SHARE DATA (INR)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
No of shares year end, basic, (m)	563.24	597.71	599.25	644.88	713.53	735.33	737.90	739.10	739.82	740.50	740.99	740.99	740.99	740.99
No of shares (avg), diluted, restated for treasury stoc	570.77	611.68	610.16	647.00	719.55	742.79	743.66	746.99	746.02	745.96	746.02	740.99	740.99	740.99
EPS GAAP	6.73	7.27	8.24	9.15	9.49	6.41	7.97	10.18	12.57	13.62	15.06	16.18	18.47	20.26
EPS company definition	6.82	7.44	8.39	9.18	9.57	6.48	8.03	10.29	12.67	13.72	15.17	16.18	18.47	20.26
EPS restated	6.73	7.27	8.24	9.15	9.49	6.41	7.97	10.18	12.57	13.62	15.06	16.18	18.47	20.26
% change	1.4%	8.0%	13.3%	11.0%	3.7%	(32.4%)	24.3%	27.7%	23.5%	8.4%	10.6%	7.4%	14.1%	9.7%
Book value (BVPS)	47.86	51.06	59.58	64.56	67.84	72.02	79.18	89.10	100.80	113.46	127.76	141.96	158.15	175.78
Tangible BVPS	47.86	51.06	59.58	64.56	67.84	72.02	79.18	89.10	100.80	113.46	127.76	141.96	158.15	175.78
Net dividend	1.17	1.55	0.00	0.31	0.31	0.50	0.50	1.00	1.00	1.50	1.73	1.98	2.28	2.62
STOCKMARKET RATIOS (x)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
P / E adjusted	9.5	10.1	12.5	15.8	18.2	31.9	18.4	14.7	12.5	9.9	10.8	15.8	13.8	12.6
P / E relative to MSCI India (%)	39%	44%	51%	66%	74%	143%	52%	57%	45%	33%	41%	63%	62%	65%
P / BVPS	1.34	1.43	1.73	2.24	2.54	2.84	1.85	1.68	1.55	1.19	1.28	1.80	1.61	1.45
P / Tangible BVPS	1.34	1.43	1.73	2.24	2.54	2.84	1.85	1.68	1.55	1.19	1.28	1.80	1.61	1.45
High (x)	1.64	1.59	2.24	2.52	2.94	3.31	2.46	2.00	1.99	1.45	1.46	1.82		
Low (x)	0.82	1.22	1.26	1.85	2.28	1.67	1.41	1.22	1.16	1.05	1.06	1.11		
Net yield (%)	1.8%	2.1%	0.0%	0.2%	0.2%	0.2%	0.3%	0.7%	0.6%	1.1%	1.1%	0.8%	0.9%	1.0%
Payout (%)	17.3%	21.3%		3.4%	3.2%	7.8%	6.3%	9.8%	8.0%	11.0%	11.5%	12.3%	12.3%	13.0%
P & L HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	8,074	9,810	11,988	14,303	16,115	16,752	18,297	19,165	21,628	21,235	23,157	26,986	31,187	35,178
Net fees and commissions	430	446	439	495	545	554	514	550	631	948	1,384	1,601	1,794	2,035
Trading profit	603	453	1,078	938	326	1,596	2,334	621	76	326	552	200	200	201
Other income	3,008	3,201	3,322	3,888	4,273	4,649	4,040	6,420	7,396	6,142	7,044	8,556	9,698	11,059
Total Revenues	12,115	13,910	16,827	19,624	21,259	23,551	25,184	26,766	29,732	28,651	32,138	37,343	42,878	48,473
Personnel costs	(2,103)	(2,132)	(2,981)	(3,159)	(3,644)	(4,207)	(4,637)	(5,036)	(5,304)	(6,138)	(7,330)	(8,375)	(9,213)	(10,134)
Other operating costs	(3,085)	(3,446)	(3,908)	(4,388)	(5,214)	(5,931)	(5,869)	(5,767)	(6,248)	(7,346)	(8,022)	(9,828)	(11,573)	(13,501)
Total costs	(5,188)	(5,577)	(6,890)	(7,546)	(8,859)	(10,137)	(10,506)	(10,803)	(11,552)	(13,484)	(15,351)	(18,203)	(20,785)	(23,635)
Operating profit before provisions	6,927	8,333	9,937	12,078	12,400	13,414	14,678	15,953	18,180	15,167	16,786	19,139	22,093	24,838
Bad debt charge	(1,825)	(2,306)	(3,010)	(4,178)	(3,151)	(7,551)	(7,750)	(6,101)	(6,405)	(2,860)	(2,620)	(3,151)	(3,842)	(4,823)
Other operating items														
Associates														
Profit before tax and exceptionals	5,101	6,027	6,928	7,900	9,249	5,863	6,928	9,852	11,775	12,307	14,166	15,988	18,251	20,015
Non-recurring costs														
Other non-recurring items														
Profit before tax	5,101	6,027	6,928	7,900	9,249	5,863	6,928	9,852	11,775	12,307	14,166	15,988	18,251	20,015
Tax	(1,260)	(1,580)	(1,900)	(1,980)	(2,420)	(1,100)	(1,000)	(2,250)	(2,400)	(2,150)	(2,930)	(3,997)	(4,563)	(5,004)
Minorities														
Net profit	3,841	4,447	5,028	5,920	6,829	4,763	5,928	7,602	9,375	10,157	11,236	11,991	13,688	15,011
Hybrid coupon (w here taken to equity)														
Net profit post hybrid coupon	3,841	4,447	5,028	5,920	6,829	4,763	5,928	7,602	9,375	10,157	11,236	11,991	13,688	15,011
BNPP adjusted net profit post hybrid coupons	3,841	4,447	5,028	5,920	6,829	4,763	5,928	7,602	9,375	10,157	11,236	11,991	13,688	15,011
BALANCE SHEET HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Customer Loans	179,655	210,569	238,327	278,528	326,733	339,274	361,578	403,585	430,533	455,257	520,813	621,003	705,882	802,962
Intangibles														
Other assets	99,056	101,950	114,381	120,845	125,855	158,061	171,539	211,724	235,412	253,001	255,420	295,593	336,441	383,464
Total assets	278,711	312,520	352,708	399,372	452,589	497,335	533,117	615,309	665,946	708,259	776,232	916,595	1,042,322	1,186,426
Customer Deposits	240,750	271,581	301,157	328,526	384,479	408,325	445,374	476,897	523,979	556,566	635,260	767,962	853,497	949,202
Shareholder's funds	26,955	30,520	35,702	41,632	48,408	52,961	58,425	65,857	74,572	84,014	94,666	105,187	117,185	130,252
Tangible Book Value	26,955	30,520	35,702	41,632	48,408	52,961	58,425	65,857	74,572	84,014	94,666	105,187	117,185	130,252
KEY DATA (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Leverage Exposure	179,655	210,569	238,327	278,528	326,733	339,274	361,578	403,585	430,533	455,257	520,813	621,003	705,882	802,962
Risk w eighted assets (Basel 3 fully loaded)	166,110	200,824	230,010	260,870	314,682	324,624	301,270	319,292	337,498	357,120	399,913	494,962	562,854	640,670
Tier one capital	26,632	30,294	35,318	41,205	47,308	51,318	55,592	63,164	71,807	81,038	90,785	101,306	113,303	126,371
Equity tier 1 capital (Basel 3 fully loaded)	26,632	30,294	35,318	41,205	47,308	51,318	55,592	63,164	71,807	81,038	90,785	101,306	113,303	126,371
NPL (Non Performing Loans)	3,358	5,120	6,820	8,566	9,771	14,134	18,932	19,332	19,202	18,544	16,382	13,064	11,786	10,333
Employees (year end)	4,364	4,517	4,689	5,319	5,518	5,741	5,843	5,367	6,019	7,188	7,605	8,005	8,405	8,805
YOY GROWTH (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	6%	22%	22%	19%	13%	4%	9%	5%	13%	(2%)	9%	17%	16%	13%
Revenues	17%	15%	21%	17%	8%	11%	7%	6%	11%	(4%)	12%	16%	15%	13%
Costs	13%	7%	24%	10%	17%	14%	4%	3%	7%	17%	14%	19%	14%	14%
Operating profit bef prov.	19%	20%	19%	22%	3%	8%	9%	9%	14%	(17%)	11%	14%	15%	12%
Adjusted net profit	11%	16%	13%	18%	15%	(30%)	24%	28%	23%	8%	11%	7%	14%	10%
Customer Loans	12%	17%	13%	17%	17%	4%	7%	12%	7%	6%	14%	19%	14%	14%
Customer Deposits	9%	13%	11%	9%	17%	6%	7%	7%	10%	6%	14%	21%	11%	11%
RWA	22%	21%	15%	13%	21%	3%	(7%)	6%	6%	6%	12%	24%	14%	14%
FINANCIAL RATIOS (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest margin (avg. loans)	4.74%	5.03%	5.34%	5.53%	5.32%	5.03%	5.22%	5.01%	5.19%	4.79%	4.74%	4.73%	4.70%	4.66%
Net interest margin (avg. loans + deposits)	2.01%	2.17%	2.35%	2.49%	2.44%	2.30%	2.35%	2.27%	2.36%	2.16%	2.14%	2.12%	2.12%	2.12%
Costs / Income ratio	42.8%	40.1%	40.9%	38.5%	41.7%	43.0%	41.7%	40.4%	38.9%	47.1%	47.8%	48.7%	48.5%	48.8%
Costs / avg. tang. assets	1.96%	1.89%	2.07%	2.01%	2.08%	2.13%	2.04%	1.88%	1.80%	1.96%	2.07%	2.15%	2.12%	2.12%
Bad debt charge / average outstanding loans	1.07%	1.18%	1.34%	1.62%	1.04%	2.27%	2.21%	1.59%	1.54%	0.65%	0.54%	0.55%	0.58%	0.64%
Bad debt charge / RWA														
Tax rate	24.7%	26.2%	27.4%	25.1%	26.2%	18.8%	14.4%	22.8%	20.4%	17.5%	20.7%	25.0%	25.0%	25.0%
ROE adjusted	16.3%	15.5%	15.2%	15.3%	15.2%	9.4%	10.6%	12.2%	13.4%	12.8%	12.6%	12.0%	12.3%	12.1%
ROTE adjusted	16.3%	15.5%	15.2%	15.3%	15.2%	9.4%	10.6%	12.2%	13.4%	12.8%	12.6%	12.0%	12.3%	12.1%
RORWA adjusted														
ROTA	1.45%	1.50%	1.51%	1.57%	1.60%	1.00%	1.15%	1.32%	1.46%	1.48%	1.51%	1.42%	1.40%	1.35%
Leverage ratio	14.8%	14.4%	14.8%	14.8%	14.5%	15.1%	15.4%	15.7%	16.7%	17.8%	17.4%	16.3%	16.1%	15.7%
Tier one Ratio	16.0%	15.1%	15.4%	15.8%	15.0%	15.8%	18.5%	19.8%	21.3%	22.7%	22.7%	20.5%	20.1%	19.7%
Equity tier 1 ratio (Basel 3 fully loaded)	16.0%	15.1%	15.4%	15.8%	15.0%	15.8%	18.5%	19.8%	21.3%	22.7%				

Price at 06 Nov. 25 / 12m Target Price

INR984.7 / INR1,400 +42%

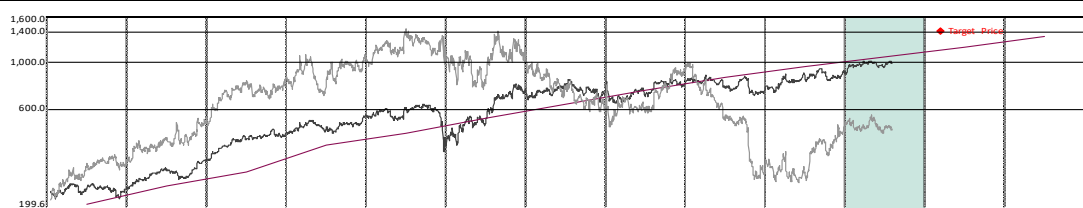
HDFC BANK (Outperform)

Refinitiv / Bloomberg: HDBK.NS / HDFCB IN

Analyst: Santanu Chakrabarti +91 22 6196 4055

Banks - India

Company Highlights		INRm / EURm	
Market capitalisation	15,243,709 / 149,785		
Free float	15,243,709 / 149,785		
3m average volume	18,957 / 186		
Performance (*)		1m	3m
Absolute	2%	(1%)	16%
Rel. Sector	0%	(6%)	(4%)
Rel. MSCI India	(1%)	(4%)	11%
12m Hi/Lo (INR) : 1,013 -3% / 812.9 +21%			
CAGR		2012/2025	2025/2027
EPS restated (**)	16%	20%	
Book value	19%	12%	



Price (yearly avg from Mar. 15 to Mar. 25)	208.8	246.0	292.9	421.2	496.2	573.9	589.7	732.1	736.4	785.7	830.3	984.7	984.7	984.7
PER SHARE DATA (INR)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
No of shares year end, basic, (m)	10,026.00	10,112.80	10,250.20	10,380.40	10,893.20	10,966.60	11,025.60	11,091.00	11,159.40	15,193.80	15,304.40	15,481.35	15,568.93	15,603.93
No of shares (avg), diluted, restated for treasury stoc	9,806.09	10,191.49	10,313.56	10,464.28	10,826.69	11,019.64	11,050.84	11,141.87	11,182.37	14,234.51	15,323.94	15,421.08	15,539.21	15,586.43
EPS GAAP	10.42	12.07	14.11	16.71	19.47	23.83	28.16	33.17	39.44	42.72	43.95	47.73	57.83	68.98
EPS company definition	21.07	24.42	57.18	67.76	78.65	96.02	113.16	133.60	158.50	85.83	88.29	47.91	57.88	69.05
EPS restated	10.42	12.07	14.11	16.71	19.47	23.83	28.16	33.17	39.44	42.72	43.95	47.73	57.83	68.98
% change	18.4%	15.8%	16.9%	18.5%	16.5%	22.4%	18.2%	17.8%	18.9%	8.3%	2.9%	8.6%	21.2%	19.3%
Book value (BVPS)	61.85	71.87	87.28	102.40	136.97	155.92	184.77	216.48	251.09	289.75	327.63	361.22	403.00	454.03
Tangible BVPS	61.85	71.87	87.28	102.40	136.97	155.92	184.77	216.48	251.09	289.75	327.63	361.22	403.00	454.03
Net dividend	0.86	1.00	1.19	1.38	1.63	2.50	0.00	1.63	3.88	4.75	4.88	13.50	14.00	17.00
STOCKMARKET RATIOS (x)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
P / E adjusted	20.0	20.4	20.8	25.2	25.5	24.1	20.9	22.1	18.7	18.4	18.9	20.6	17.0	14.3
P / E relative to MSCI India (%)	82%	89%	85%	105%	103%	108%	59%	85%	67%	62%	71%	82%	77%	74%
P / BVPS	3.38	3.42	3.36	4.11	3.62	3.68	3.19	3.38	2.93	2.71	2.53	2.73	2.44	2.17
P / Tangible BVPS	3.38	3.42	3.36	4.11	3.62	3.68	3.19	3.38	2.93	2.71	2.53	2.73	2.44	2.17
High (x)	4.14	3.66	3.99	4.68	4.07	4.05	4.27	3.80	3.33	2.97	2.85	2.80		
Low (x)	2.68	3.09	2.85	3.32	3.29	2.39	2.14	2.98	2.52	2.38	2.19	2.43		
Net yield (%)	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%	0.0%	0.2%	0.5%	0.6%	0.6%	1.4%	1.4%	1.7%
Payout (%)	8.2%	8.3%	8.4%	8.2%	8.3%	10.5%	4.9%	9.8%	9.8%	11.1%	11.1%	28.3%	24.2%	24.6%
P & L HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	223,957	275,915	331,392	400,949	482,432	561,863	648,796	720,096	868,422	1,085,325	1,226,701	1,299,438	1,580,491	1,857,742
Net fees and commissions	65,842	77,590	88,116	113,939	138,055	163,337	161,693	195,366	238,440	281,607	318,986	327,814	376,090	435,283
Trading profit	5,260	7,491	11,307	10,817	4,021	26,365	53,523	7,362	(5,853)	105,826	20,227	8,000	10,000	12,500
Other income	18,862	22,435	23,543	27,447	34,183	42,906	36,833	92,371	79,561	104,977	117,110	293,091	214,076	246,844
Total Revenues	313,920	383,432	454,357	553,152	658,691	794,471	900,845	1,015,195	1,180,570	1,577,735	1,683,024	1,928,343	2,180,657	2,552,369
Personnel costs	(47,510)	(57,022)	(64,837)	(68,057)	(77,618)	(95,257)	(103,648)	(120,317)	(155,124)	(222,402)	(239,005)	(258,922)	(292,582)	(330,618)
Other operating costs	(92,366)	(112,775)	(132,197)	(158,846)	(183,576)	(211,719)	(223,578)	(254,105)	(321,397)	(411,458)	(442,744)	(466,967)	(521,391)	(594,093)
Total costs	(139,875)	(169,797)	(197,033)	(226,904)	(261,194)	(306,975)	(327,226)	(374,422)	(476,521)	(633,860)	(681,749)	(725,890)	(813,973)	(924,711)
Operating profit before provisions	174,045	213,635	257,324	326,248	397,497	487,495	573,618	640,773	704,050	943,875	1,001,275	1,202,453	1,366,684	1,627,658
Bad debt charge	(20,750)	(27,256)	(35,933)	(59,275)	(75,501)	(121,424)	(157,029)	(150,618)	(119,197)	(234,922)	(116,494)	(254,615)	(168,476)	(194,220)
Other operating items														
Associates														
Profit before tax and exceptionals	153,295	186,379	221,391	266,973	321,997	366,072	416,590	490,155	584,853	708,953	884,781	947,839	1,198,208	1,433,438
Non-recurring costs														
Other non-recurring items														
Profit before tax	153,295	186,379	221,391	266,973	321,997	366,072	416,590	490,155	584,853	708,953	884,781	947,839	1,198,208	1,433,438
Tax	(51,136)	(63,417)	(75,894)	(92,106)	(111,215)	(103,498)	(105,425)	(120,541)	(143,766)	(100,830)	(211,307)	(211,861)	(299,552)	(358,359)
Minorities														
Net profit	102,159	122,962	145,496	174,867	210,782	262,573	311,165	369,614	441,087	608,123	673,474	735,978	898,656	1,075,078
Hybrid coupon (w here taken to equity)														
Net profit post hybrid coupon	102,159	122,962	145,496	174,867	210,782	262,573	311,165	369,614	441,087	608,123	673,474	735,978	898,656	1,075,078
BNPP adjusted net profit post hybrid coupons	102,159	122,962	145,496	174,867	210,782	262,573	311,165	369,614	441,087	608,123	673,474	735,978	898,656	1,075,078
BALANCE SHEET HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Customer Loans	3,654,950	4,645,940	5,545,682	6,583,331	8,194,012	9,937,029	11,328,366	13,688,209	16,005,859	24,848,615	26,196,086	29,466,470	34,095,668	39,284,830
Intangibles														
Other assets	2,250,080	2,442,516	3,092,720	4,056,012	4,251,395	5,368,084	6,140,339	6,997,141	8,654,956	11,327,616	12,905,903	13,179,047	14,495,914	15,945,388
Total assets	5,905,031	7,088,456	8,638,402	10,639,343	12,445,407	15,305,113	17,468,705	20,685,351	24,660,815	36,176,231	39,101,989	42,645,518	48,591,581	55,230,218
Customer Deposits	4,507,956	5,464,242	6,436,397	7,887,706	9,231,299	11,475,023	13,350,602	15,592,174	18,833,946	23,797,883	27,147,149	30,882,836	36,827,280	43,956,927
Shareholder's funds	620,094	726,778	894,624	1,062,950	1,492,064	1,709,860	2,037,208	2,400,929	2,801,990	4,402,458	5,014,246	5,592,219	6,274,224	7,084,665
Tangible Book Value	620,094	726,778	894,624	1,062,950	1,492,064	1,709,860	2,037,208	2,400,929	2,801,990	4,402,458	5,014,246	5,592,219	6,274,224	7,084,665
KEY DATA (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Leverage Exposure	3,654,950	4,645,940	5,545,682	6,583,331	8,194,012	9,937,029	11,328,366	13,688,209	16,005,859	24,848,615	26,196,086	29,466,470	34,095,668	39,284,830
Risk w eighted assets (Basel 3 fully loaded)	4,226,699	5,297,681	6,400,299	8,001,260	9,319,299	9,947,157	11,311,439	13,535,109	15,866,350	24,680,281	26,600,039	29,425,407	33,528,191	38,108,850
Tier one capital	577,221	700,325	818,293	1,060,049	1,470,227	1,714,144	1,985,874	2,418,068	2,718,239	4,142,813	4,704,669	5,351,555	6,033,472	6,843,878
Equity tier 1 capital (Basel 3 fully loaded)	577,221	700,325	818,293	1,060,049	1,470,227	1,714,144	1,985,874	2,418,068	2,718,239	4,142,813	4,704,669	5,351,555	6,033,472	6,843,878
NPL (Non Performing Loans)	34,384	43,928	58,857	86,070	112,241	126,499	150,860	161,409	180,190	311,733	352,226	336,046	319,962	301,358
Employees (year end)	76,286	87,555	84,325	88,253	98,000	116,971	120,093	141,579	173,222	213,527	214,552	224,552	234,552	244,552
VOY GROWTH (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	21%	23%	20%	21%	20%	16%	15%	11%	21%	25%	13%	6%	22%	18%
Revenues	19%	22%	18%	22%	19%	21%	13%	13%	16%	34%	7%	15%	13%	17%
Costs	16%	21%	16%	15%	15%	18%	7%	14%	27%	33%	8%	6%	12%	14%
Operating profit bef prov.	21%	23%	20%	27%	22%	23%	18%	12%	10%	34%	6%	20%	14%	19%
Adjusted net profit	20%	20%	18%	20%	21%	25%	19%	19%	19%	38%	11%	9%	22%	20%
Customer Loans	21%	27%	19%	19%	24%	21%	14%	21%	17%	55%	5%	12%	16%	15%
Customer Deposits	23%	21%	18%	23%	17%	24%	16%	17%	21%	26%	14%	14%	19%	19%
RWA	22%	25%	21%	25%	16%	7%	14%	20%	17%	56%	8%	11%	14%	14%
FINANCIAL RATIOS (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest margin (avg. loans)	6.70%	6.65%	6.50%	6.61%	6.53%	6.20%	6.10%	5.76%	5.85%	5.31%	4.81%	4.67%	4.97%	5.06%
Net interest margin (avg. loans + deposits)	3.01%	3.02%	3.00%	3.03%	3.02%	2.89%	2.82%	2.67%	2.71%	2.60%	2.41%	2.29%	2.41%	2.41%
Costs / Income ratio	44.6%	44.3%	43.4%	41.0%	39.7%	38.6%	36.3%	36.9%	40.4%	40.2%	40.5%	37.6%	37.3%	36.2%
Costs / avg. tang. assets	2.59%	2.61%	2.51%	2.35%	2.26%	2.21%	2.00%	1.96%	2.10%	2.08%	1.81%	1.78%	1.78%	1.78%
Bad debt charge / average outstanding loans	0.62%	0.66%												

Price at 06 Nov. 25 / 12m Target Price

INR1,320 / INR1,910 +45%

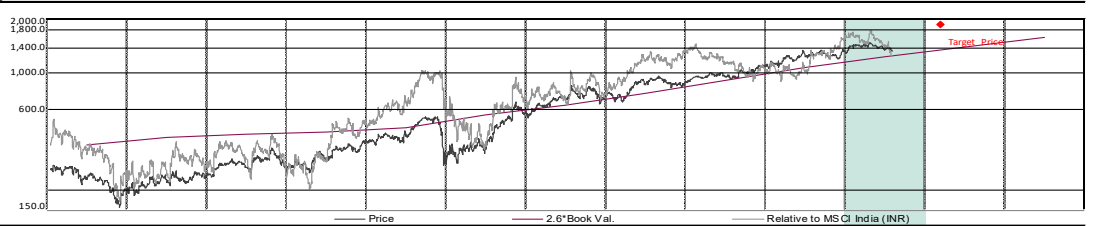
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Analyst: Santanu Chakrabarti +91 22 6196 4055

ICICI BANK (Outperform)

Banks - India

Company Highlights		INRm / EURm		
Market capitalisation		9,479,309 / 92,689		
Free float		9,479,309 / 92,689		
3m average volume		16,038 / 157		
Performance (*)		1m	3m	12m
Absolute	(3%)	(8%)	2%	
Rel. Sector	NC	NC	NC	
Rel. MSCI India	(5%)	(11%)	(0%)	
12m Hi/Low (INR) : 1,489 -11% / 1,196 +10%				
CAGR		2012/2025	2025/2027	
EPS restated (**)		13%	10%	
Book value		12%	14%	



Price (yearly avg from Mar. 15 to Mar. 25)	263.7	235.1	226.2	289.5	319.5	443.3	430.5	692.7	823.7	969.3	1,222.9	1,320.4	1,320.4	1,320.4
PER SHARE DATA (INR)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
No of shares year end, basic, (m)	6,378.13	6,397.41	6,408.09	6,429.05	6,447.30	6,473.82	6,917.05	6,949.83	6,983.88	7,023.40	7,122.99	7,179.12	7,233.30	7,287.85
No of shares (avg), diluted, restated for treasury stoc	6,426.30	6,424.25	6,427.18	6,482.38	6,509.28	6,566.77	6,841.86	7,075.94	7,104.99	7,132.19	7,167.28	7,180.84	7,208.72	7,265.06
EPS GAAP	17.39	15.14	15.25	10.46	5.17	12.08	23.67	32.98	44.89	57.33	65.89	69.79	80.17	91.84
EPS company definition	17.56	15.23	15.31	10.56	5.23	12.28	24.01	33.66	45.79	58.38	67.01	70.09	80.19	91.90
EPS restated	19.06	15.85	15.85	11.90	6.54	14.57	26.87	35.49	47.91	62.05	71.32	75.54	80.17	91.84
% change	10.0%	(16.9%)	0.0%	(24.9%)	(45.1%)	122.9%	84.5%	32.1%	35.0%	29.5%	14.9%	5.9%	6.1%	14.6%
Book value (BVPS)	126.10	140.27	155.98	163.57	168.08	179.96	213.25	245.35	287.40	339.44	410.05	472.32	540.50	616.21
Tangible BVPS	126.10	140.27	155.98	163.57	168.08	179.96	213.25	245.35	287.40	339.44	410.05	472.32	540.50	616.21
Net dividend	5.00	5.00	2.50	1.50	1.00	0.00	2.00	5.00	8.00	10.00	11.00	10.00	11.00	11.00
STOCKMARKET RATIOS (x)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
P / E adjusted	13.8	14.8	14.3	24.3	48.9	30.4	16.0	19.5	17.2	15.6	17.1	17.5	16.5	14.4
P / E relative to MSCI India (%)	57%	65%	59%	101%	198%	137%	45%	75%	61%	53%	64%	70%	74%	75%
P / BVPS	2.09	1.68	1.45	1.77	1.90	2.46	2.02	2.82	2.87	2.86	2.98	2.80	2.44	2.14
P / Tangible BVPS	2.09	1.68	1.45	1.77	1.90	2.46	2.02	2.82	2.87	2.86	2.98	2.80	2.44	2.14
High (x)	2.58	2.00	1.65	2.16	2.34	3.00	3.11	3.38	3.29	3.23	3.31	3.15		
Low (x)	1.60	1.13	1.19	1.45	1.51	1.55	1.32	2.16	2.32	2.56	2.57	2.73		
Net yield (%)	1.9%	2.1%	1.1%	0.5%	0.3%	0.0%	0.5%	0.7%	1.0%	1.0%	0.9%	0.8%	0.8%	0.8%
Payout (%)	28.8%	33.0%	16.4%	14.3%	19.4%	8.5%	15.2%	17.8%	17.4%	16.7%	14.3%	13.7%	12.0%	
P & L HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	190,396	212,240	217,373	230,258	270,148	332,671	389,894	474,661	621,286	743,057	811,644	883,287	1,034,321	1,197,389
Net fees and commissions	69,799	74,617	80,349	87,894	102,319	116,451	106,707	126,397	147,766	168,753	194,117	203,781	233,661	272,488
Trading profit	15,503	42,583	88,139	63,059	13,007	19,011	53,302	7,043	1,737	7,080	9,332	9,000	10,000	11,000
Other income	36,460	36,031	26,557	23,244	29,796	29,025	29,675	51,735	48,811	53,745	81,618	116,125	132,637	155,339
Total Revenues	312,157	365,471	412,418	404,455	415,270	497,157	579,580	659,836	819,600	972,635	1,096,711	1,212,192	1,410,618	1,636,216
Personnel costs	(47,499)	(50,023)	(57,337)	(59,140)	(68,082)	(82,712)	(80,918)	(96,727)	(120,599)	(151,420)	(165,409)	(183,243)	(210,729)	(242,339)
Other operating costs	(67,460)	(76,812)	(90,214)	(97,900)	(112,808)	(133,432)	(134,691)	(170,606)	(208,133)	(239,907)	(258,314)	(289,951)	(329,176)	(387,282)
Total costs	(114,958)	(126,836)	(147,551)	(157,039)	(180,891)	(216,144)	(215,608)	(267,333)	(328,732)	(391,327)	(423,723)	(473,194)	(539,905)	(629,620)
Operating profit before provisions	197,199	238,635	264,867	247,415	234,379	281,013	363,971	392,503	490,868	581,308	672,988	738,998	870,713	1,006,595
Bad debt charge	(39,000)	(116,678)	(152,081)	(173,070)	(196,611)	(140,532)	(162,144)	(86,414)	(66,656)	(36,429)	(46,826)	(72,633)	(100,184)	(116,922)
Other operating items														
Associates														
Profit before tax and exceptionals	158,199	121,957	112,786	74,346	37,768	140,480	201,827	306,089	424,212	544,878	626,162	666,365	770,529	889,674
Non-recurring costs														
Other non-recurring items														
Profit before tax	158,199	121,957	112,786	74,346	37,768	140,480	201,827	306,089	424,212	544,878	626,162	666,365	770,529	889,674
Tax	(46,446)	(24,694)	(14,775)	(6,571)	(4,135)	(61,172)	(39,900)	(72,694)	(105,247)	(135,996)	(153,892)	(165,184)	(192,632)	(222,418)
Minorities														
Net profit	111,754	97,263	98,011	67,774	33,633	79,308	161,927	233,395	318,965	408,883	472,270	501,182	577,897	667,255
Hybrid coupon (w here taken to equity)														
Net profit post hybrid coupon	111,754	97,263	98,011	67,774	33,633	79,308	161,927	233,395	318,965	408,883	472,270	501,182	577,897	667,255
BNPP adjusted net profit post hybrid coupons	122,469	101,800	101,884	77,122	42,542	95,663	183,843	251,101	340,366	442,564	511,172	542,466	577,897	667,255
BALANCE SHEET HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Customer Loans	3,875,221	4,352,639	4,642,321	5,123,953	5,866,466	6,452,900	7,337,291	8,590,204	10,196,383	11,844,064	13,417,662	15,164,258	17,676,964	20,622,559
Intangibles	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	2,586,072	2,854,312	3,075,594	3,667,939	3,778,126	4,530,752	4,967,036	5,522,773	5,645,683	6,871,082	7,764,738	7,829,109	9,069,838	10,514,820
Total assets	6,461,293	7,206,951	7,717,914	8,791,892	9,644,591	10,983,651	12,304,327	14,112,977	15,842,067	18,715,146	21,182,400	22,993,367	26,746,802	31,137,379
Customer Deposits	3,615,627	4,214,257	4,900,391	5,609,752	6,529,197	7,709,690	9,325,022	10,645,716	11,808,407	14,128,250	16,103,480	17,670,766	20,629,303	24,074,321
Shareholder's funds	804,294	897,356	999,511	1,051,589	1,083,680	1,165,044	1,475,092	1,705,120	2,007,154	2,383,993	2,920,763	3,390,865	3,909,610	4,490,837
Tangible Book Value	804,294	897,356	999,511	1,051,589	1,083,680	1,165,044	1,475,092	1,705,120	2,007,154	2,383,993	2,920,763	3,390,865	3,909,610	4,490,837
KEY DATA (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Leverage Exposure	3,875,221	4,352,639	4,642,321	5,123,953	5,866,466	6,452,900	7,337,291	8,590,204	10,196,383	11,844,064	13,417,662	15,164,258	17,676,964	20,622,559
Risk w eighted assets (Basel 3 fully loaded)	5,448,960	6,071,130	6,248,020	6,349,080	6,873,750	7,594,900	7,854,030	8,835,910	10,705,151	13,727,617	16,111,044	17,015,092	19,792,634	23,041,661
Tier one capital	696,610	794,820	897,250	1,010,640	1,037,160	1,117,850	1,418,720	1,621,207	1,884,171	2,142,170	2,567,375	2,882,923	3,401,560	3,982,678
Equity tier 1 capital (Basel 3 fully loaded)	696,610	794,820	897,250	1,010,640	1,037,160	1,117,850	1,418,720	1,621,207	1,884,171	2,142,170	2,567,375	2,882,923	3,401,560	3,982,678
NPL (Non Performing Loans)	150,947	262,212	421,594	532,402	456,760	408,291	408,414	332,949	299,861	273,139	235,231	224,897	208,851	190,139
Employees (year end)	67,857	72,175	81,129	81,548	84,922	97,354	97,488	103,010	126,660	135,900	130,957	140,957	150,957	160,957
YOY GROWTH (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	16%	11%	2%	6%	17%	23%	17%	22%	31%	20%	9%	9%	17%	16%
Revenues	16%	17%	13%	(2%)	3%	20%	17%	14%	24%	19%	13%	11%	16%	16%
Costs	12%	10%	16%	6%	15%	19%	(0%)	24%	23%	19%	8%	12%	14%	17%
Operating profit bef prov.	19%	21%	11%	(7%)	(5%)	20%	30%	8%	25%	18%	16%	10%	18%	16%
Adjusted net profit	11%	(17%)	0%	(24%)	(45%)	125%	92%	37%	36%	30%	16%	6%	7%	15%
Customer Loans	14%	12%	7%	10%	14%	10%	14%	17%	19%	16%	13%	13%	17%	17%
Customer Deposits	9%	17%	16%	14%	16%	18%	21%	14%	11%	20%	14%	10%	17%	17%
RWA	9%	11%	3%	2%	8%	10%	3%	13%	21%	28%	17%	6%	16%	16%
FINANCIAL RATIOS (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest margin (avg. loans)	5.24%	5.16%	4.83%	4.72%	4.92%	5.40%	5.65%	5.96%	6.61%	6.74%	6.43%	6.18%	6.30%	6.25%
Net interest margin (avg. loans + deposits)	2.68%	2.64%	2.40%	2.27%	2.34%	2.51%	2.53%	2.64%	3.01%	3.10%	2.93%	2.83%	2.91%	2.89%
Costs / Income ratio	36.8%	34.7%	35.8%	38.8%	43.6%	43.5%	37.2%	40.5%	40.1%	40.2%	38.6%	39.0%	38.3%	38.5%
Costs / avg. tang. assets	1.85%	1.86%	1.98%	1.90%	1.96%	2.10%	1.85%	2.02%	2.19%	2.26%	2.12%	2.14%	</	

Price at 06 Nov. 25 / 12m Target Price

INR786.2 / INR840 +7%

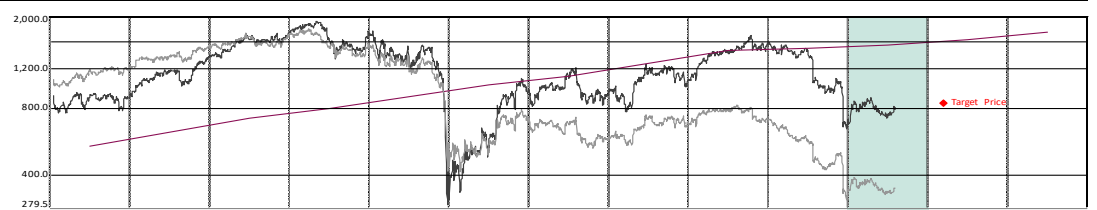
INDUSIND BANK (Underperform)

Refinitiv / Bloomberg: INBK.NS / IIB IN

Analyst: Santanu Chakrabarti +91 22 6196 4055

Banks - India

Company Highlights		INRm / EURm		
Market capitalisation		614,800 / 6,012		
Free float		513,358 / 5,020		
3m average volume		2,982 / 29		
Performance (*)		1m	3m	12m
Absolute		6%	(2%)	(27%)
Rel. Sector		NC	NC	NC
Rel. MSCI India		4%	(5%)	(29%)
12m Hi/Lo (INR) : 1,079 -27% / 637.1 +23%				
CAGR		2004/2025		2025/2027
EPS restated (**)		6%		79%
Book value		18%		7%



Price (yearly avg from Mar. 15 to Mar. 25)	643.4	860.8	1,122.1	1,560.4	1,679.9	1,332.9	667.2	966.4	1,050.5	1,409.6	1,232.4	786.2	786.2	786.2
PER SHARE DATA (INR)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
No of shares year end, basic, (m)	529.45	594.99	598.15	600.22	602.69	693.54	773.37	774.66	775.90	778.32	779.05	781.99	783.88	783.88
No of shares (avg), diluted, restated for treasury stoc	529.45	582.43	602.99	605.38	606.19	758.29	733.23	775.37	776.26	778.39	779.31	784.57	785.08	786.03
EPS GAAP	33.88	39.26	47.56	59.57	54.46	58.26	38.68	59.47	95.20	114.98	33.91	22.34	53.91	72.14
EPS company definition	33.99	39.68	48.06	60.19	54.90	58.46	38.75	59.57	95.32	115.19	33.93	22.39	53.91	72.14
EPS restated	33.88	39.26	47.56	59.57	54.45	58.79	39.96	61.97	95.89	115.33	34.02	22.41	53.91	72.14
% change	28.3%	15.9%	21.2%	25.2%	(8.6%)	8.0%	(32.0%)	55.1%	54.7%	20.3%	(70.5%)	(34.1%)	140.6%	33.8%
Book value (BVPS)	201.05	297.42	345.17	397.21	442.78	500.43	560.73	615.72	703.98	806.83	827.83	851.77	903.74	976.08
Tangible BVPS	201.05	297.42	345.17	397.21	442.78	500.43	560.73	615.72	703.98	806.83	827.83	851.77	903.74	976.08
Net dividend	4.00	5.08	6.00	7.50	7.50	0.00	5.00	8.50	14.00	16.50	0.00	0.00	0.00	0.00
STOCKMARKET RATIOS (x)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
P / E adjusted	19.0	21.9	23.6	26.2	30.9	22.7	16.7	15.6	11.0	12.2	36.2	35.1	14.6	10.9
P / E relative to MSCI India (%)	78%	96%	97%	109%	125%	102%	47%	60%	39%	41%	136%	140%	66%	57%
P / BVPS	3.20	2.89	3.25	3.93	3.79	2.66	1.19	1.57	1.49	1.75	1.49	0.92	0.87	0.81
P / Tangible BVPS	3.20	2.89	3.25	3.93	3.79	2.66	1.19	1.57	1.49	1.75	1.49	0.92	0.87	0.81
High (x)	4.49	3.14	3.98	4.38	4.44	3.52	1.93	1.96	1.78	2.09	1.89	1.03		
Low (x)	2.25	2.55	2.61	3.37	2.99	0.59	0.55	1.32	1.08	1.31	0.77	0.79		
Net yield (%)	0.6%	0.6%	0.5%	0.5%	0.4%	0.0%	0.7%	0.9%	1.3%	1.2%	0.0%	0.0%	0.0%	0.0%
Payout (%)	11.8%	12.9%	12.6%	12.6%	13.8%		12.9%	14.3%	14.7%	14.4%				
P & L HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	34,203	45,166	60,626	74,974	88,462	120,587	135,279	150,008	175,921	206,159	190,313	182,752	201,902	237,940
Net fees and commissions	15,484	22,315	28,953	34,119	40,730	46,150	34,781	45,093	56,461	66,344	75,629	70,853	74,485	85,532
Trading profit	1,177	1,453	2,769	3,638	1,151	5,526	14,862	5,932	654	4,084	5,215	2,500	3,000	3,000
Other income	7,377	9,202	9,992	9,744	14,586	17,837	15,943	22,318	24,548	23,450	(4,002)	5,786	10,336	12,314
Total Revenues	58,242	78,135	102,341	122,475	144,929	190,101	200,865	223,350	257,585	300,038	267,155	261,891	289,723	338,786
Personnel costs	(9,805)	(12,361)	(15,210)	(17,807)	(18,535)	(22,085)	(22,135)	(24,883)	(30,305)	(38,953)	(43,011)	(49,489)	(54,437)	(59,881)
Other operating costs	(17,455)	(24,360)	(32,621)	(38,108)	(45,512)	(60,289)	(61,463)	(70,709)	(83,815)	(103,682)	(117,696)	(116,082)	(124,717)	(141,811)
Total costs	(27,259)	(36,721)	(47,831)	(55,914)	(64,047)	(82,373)	(83,598)	(95,593)	(114,120)	(142,635)	(160,707)	(165,570)	(179,154)	(201,692)
Operating profit before provisions	30,982	41,414	54,510	66,561	80,882	107,727	117,267	127,758	143,465	157,403	106,449	96,321	110,569	137,095
Bad debt charge	(3,891)	(6,722)	(10,913)	(11,754)	(31,077)	(46,521)	(79,425)	(66,021)	(44,868)	(37,987)	(70,301)	(72,946)	(54,136)	(61,486)
Other operating items														
Associates														
Profit before tax and exceptionals	27,092	34,693	43,597	54,807	49,806	61,206	37,841	61,737	98,596	119,415	36,147	23,374	56,433	75,609
Non-recurring costs														
Other non-recurring items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before tax	27,092	34,693	43,597	54,807	49,806	61,206	37,841	61,737	98,596	119,415	36,147	23,374	56,433	75,609
Tax	(9,155)	(11,828)	(14,918)	(18,747)	(16,795)	(17,027)	(9,478)	(15,625)	(24,699)	(29,918)	(9,718)	(5,849)	(14,108)	(18,902)
Minorities														
Net profit	17,937	22,864	28,679	36,060	33,011	44,179	28,364	46,111	73,897	89,498	26,429	17,525	42,325	56,707
Hybrid coupon (w here taken to equity)														
Net profit post hybrid coupon	17,937	22,864	28,679	36,060	33,011	44,179	28,364	46,111	73,897	89,498	26,429	17,525	42,325	56,707
BNPP adjusted net profit post hybrid coupons	17,937	22,865	28,679	36,060	33,005	44,579	29,299	48,046	74,431	89,770	26,509	17,579	42,325	56,707
BALANCE SHEET HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Customer Loans	687,882	884,193	1,130,805	1,449,537	1,863,935	2,067,832	2,125,954	2,390,515	2,899,237	3,432,983	3,450,186	3,320,783	3,760,257	4,341,604
Intangibles														
Other assets	403,277	516,377	655,679	766,725	914,259	1,002,744	1,503,773	1,629,231	1,678,804	1,716,369	2,089,998	2,162,454	2,491,749	2,872,381
Total assets	1,091,159	1,400,570	1,786,484	2,216,262	2,778,194	3,070,576	3,629,727	4,019,746	4,578,041	5,149,351	5,540,184	5,483,236	6,252,006	7,213,985
Customer Deposits	741,344	930,003	1,265,722	1,516,392	1,948,679	2,020,398	2,562,050	2,936,813	3,364,381	3,847,929	4,110,781	4,235,574	4,981,688	6,028,934
Shareholder's funds	106,445	176,960	206,461	238,416	266,860	347,065	433,654	476,972	546,217	627,971	644,926	666,079	708,422	765,129
Tangible Book Value	106,445	176,960	206,461	238,416	266,860	347,065	433,654	476,972	546,217	627,971	644,926	666,079	708,422	765,129
KEY DATA (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Leverage Exposure	687,882	884,193	1,130,805	1,449,537	1,863,935	2,067,832	2,125,954	2,390,515	2,899,237	3,432,983	3,450,186	3,320,783	3,760,257	4,341,604
Risk w eighted assets (Basel 3 fully loaded)	889,290	1,162,535	1,435,288	1,731,560	2,145,490	2,586,050	2,729,124	2,951,311	3,370,363	3,836,609	4,195,355	4,140,852	4,721,414	5,447,885
Tier one capital	99,750	173,498	211,253	252,430	293,950	376,860	459,230	495,930	551,576	607,105	633,419	650,655	692,980	749,687
Equity tier 1 capital (Basel 3 fully loaded)	99,750	173,498	211,253	252,430	293,950	376,860	459,230	495,930	551,576	607,105	633,419	650,655	692,980	749,687
NPL (Non Performing Loans)	5,629	7,768	10,549	17,050	39,475	51,468	57,950	55,172	58,263	66,934	110,464	132,130	149,969	174,608
Employees (year end)	19,121	23,060	25,314	25,284	27,739	30,674	29,661	33,582	38,179	45,637	44,974	49,974	54,974	59,974
YOY GROWTH (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest income	18%	32%	34%	24%	18%	36%	12%	11%	17%	17%	(8%)	(4%)	10%	18%
Revenues	22%	34%	31%	20%	18%	31%	6%	11%	15%	16%	(11%)	(2%)	11%	17%
Costs	25%	35%	30%	17%	15%	29%	1%	14%	19%	25%	13%	3%	8%	13%
Operating profit bef prov.	19%	34%	32%	22%	22%	33%	9%	9%	12%	10%	(32%)	(10%)	15%	24%
Adjusted net profit	27%	27%	25%	26%	(8%)	35%	(34%)	64%	55%	21%	(70%)	(34%)	141%	34%
Customer Loans	25%	29%	28%	28%	29%	11%	3%	12%	21%	18%	1%	(4%)	13%	15%
Customer Deposits	23%	25%	36%	20%	29%	4%	27%	15%	15%	14%	7%	3%	18%	21%
RWA	32%	31%	23%	21%	24%	21%	6%	8%	14%	14%	9%	(1%)	14%	15%
FINANCIAL RATIOS (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
Net interest margin (avg. loans)	5.52%	5.75%	6.02%	5.81%	5.34%	6.13%	6.45%	6.64%	6.65%	6.51%	5.53%	5.40%	5.70%	5.87%
Net interest margin (avg. loans + deposits)	2.65%	2.79%	2.88%	2.80%	2.61%	3.05%	3.08%	3.00%	3.04%	3.04%	2.56%	2.42%	2.48%	2.49%
Costs / Income ratio	46.8%	47.0%	46.7%	45.7%	44.2%	43.3%	41.6%	42.8%	44.3%	47.5%	60.2%	63.2%	61.8%	59.5%
Costs / avg. tang. assets	2.78%	2.95%	3.00%	2.79%	2.56%	2.82%	2.50%	2.50%	2.65%	2.93%	3.01%	3.00%	3.05%	3.00%
Bad debt charge / average outstanding loans	0.63%	0.86%	1.08%	0.91%	1.88%	2.37%	3.79%	2.92%	1.70%	1.20%	2.04%	2.15%	1.53%	1.52%
Bad debt charge / RWA														
Tax rate	33.8%	34.1%	34.2%	34.2%	33.7%	27.8%	25.0%	25.3%	25.1%	25.1%	26.9%	25.0%	25.0%	25.0%
ROE adjusted	18.2%	16.1%	15.0%	16.2%	13.1%	14.5%	7.5%	10.6%	14.5%	15.3%	4.2%	2.7%	6.2%	7.7%
ROTE adjusted	18.2%	16.1%	15.0%	16.2%	13.1%	14.5%	7.5%	10.6%	14.5%	15.3%	4.2%	2.7%	6.2%	7.7%
RORWA adjusted														
ROTA	1.83%	1.84%	1.80%	1.80%	1.32%	1.52%	0.87%	1.26%	1.73%	1.85%	0.50%	0.32%	0.72%	0.84%
Leverage ratio	14.5%	19.6%	18.7%											

INR2.083 / INR2.460 +18%

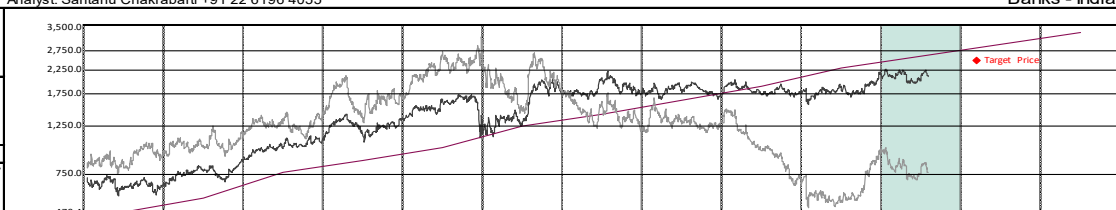
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KOTAK MAHINDRA BANK (Neutral)

Banks - India

Company Highlights		INRm / EURm
Market capitalisation		4,143,091 / 40,511
Free float		3,065,887 / 29,978
3m average volume		7,275 / 71
Performance (*)	1m	3m
Absolute	(3%)	4% 18%
Rel. Sector	NC	NC NC
Rel. MSCI India	(5%)	1% 16%
12m Hi/Low (INR) :	2,269 -8% / 1,688 +23%	
CAGR	2014/2025	2025/2027
EPS restated (**)	15%	20%
Book value	15%	13%



	Price					3.9*Book Val.			Relative to MSCI India (NR)						
Price (yearly avg from Mar. 15 to Mar. 25)	536.6	672.2	759.8	998.9	1,241.3	1,533.0	1,540.7	1,836.6	1,809.5	1,815.7	1,809.7	2,083.2	2,083.2	2,083.2	
PER SHARE DATA (INR)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e	
No of shares year end, basic, (m)	1,542.28	1,829.18	1,837.19	1,886.05	1,906.84	1,910.20	1,969.05	1,983.10	1,985.67	1,987.33	1,988.22	1,988.81	1,989.53	1,989.65	
No of shares (avg), diluted, restated for treasury stoc	1,545.99	1,833.32	1,839.20	1,898.62	1,909.11	1,912.30	1,970.44	1,983.95	1,986.17	1,987.48	1,988.22	1,989.06	1,989.53	1,989.65	
EPS GAAP	15.34	11.40	18.55	21.51	25.48	31.10	35.35	43.21	55.08	69.34	86.71	71.39	89.99	102.55	
EPS company definition	15.34	11.40	18.55	21.51	25.48	31.10	35.35	43.21	55.08	69.34	100.44	71.39	89.99	102.55	
EPS restated	19.70	18.87	26.86	32.66	37.74	44.94	50.70	60.94	75.14	91.64	114.59	94.35	118.93	135.52	
% change	22.6%	(4.2%)	42.4%	21.6%	15.5%	19.1%	12.8%	20.2%	23.3%	22.0%	(17.7%)	25.0%	26.0%	14.0%	
Book value (BVPS)	141.01	131.00	150.33	197.69	224.98	256.61	323.65	365.53	420.62	486.68	589.67	669.74	757.12	856.92	
Tangible BVPS	141.01	131.00	150.33	197.69	224.98	256.61	323.65	365.53	420.62	486.68	589.67	669.74	757.12	856.92	
Net dividend	0.90	0.50	0.60	0.70	0.80	0.00	0.90	1.10	1.50	2.00	2.50	3.00	3.00	3.00	
STOCKMARKET RATIOS (x)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e	
P / E adjusted	27.2	35.6	28.3	30.6	32.9	34.1	30.4	30.1	24.1	19.8	15.8	22.1	17.5	15.4	
P / E relative to MSCI India (%)	111%	155%	116%	127%	133%	153%	86%	116%	86%	67%	59%	88%	79%	80%	
P / BVPS	3.81	5.13	5.05	5.05	5.52	5.97	4.76	5.02	4.30	3.73	3.07	3.11	2.75	2.43	
P / Tangible BVPS	3.81	5.13	5.05	5.05	5.52	5.97	4.76	5.02	4.30	3.73	3.07	3.11	2.75	2.43	
High (x)	4.98	5.63	5.83	5.65	6.24	6.73	6.23	6.04	4.67	4.14	3.69	3.39			
Low (x)	2.66	4.57	4.39	4.40	4.67	4.27	3.43	4.48	3.90	3.46	2.92	India			
Net yield (%)	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Payout (%)	5.9%	4.4%	3.2%	3.3%	3.1%		2.5%	2.5%	2.7%	2.9%	2.9%	4.2%	3.3%	2.9%	
P & L HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e	
Net interest income	61,895	69,004	81,261	95,317	112,058	134,997	153,396	168,179	215,519	259,932	283,418	300,666	351,385	402,687	
Net fees and commissions	18,096	17,644	21,207	27,645	34,439	37,793	33,841	42,007	54,400	70,485	79,443	85,491	99,021	115,107	
Trading profit	3,616	2,132	4,416	2,123	709	4,831	2,725	(9)	(7,557)	(5,598)	39,794	6,000	6,000	6,000	
Other income	6,708	6,347	9,149	10,754	11,424	11,097	13,499	17,861	23,988	37,844	30,375	37,420	57,068	67,314	
Total Revenues	90,314	95,126	116,033	135,839	158,630	188,718	203,462	228,038	286,350	362,663	433,029	429,577	513,474	591,107	
Personnel costs	(24,234)	(28,170)	(27,685)	(29,502)	(31,836)	(39,111)	(37,654)	(46,134)	(55,478)	(68,962)	(79,183)	(85,908)	(96,217)	(107,763)	
Other operating costs	(24,489)	(26,546)	(28,500)	(34,755)	(43,312)	(49,398)	(48,187)	(61,396)	(82,392)	(97,862)	(108,581)	(115,265)	(141,513)	(168,587)	
Total costs	(48,723)	(54,715)	(56,185)	(64,257)	(75,148)	(88,509)	(85,841)	(107,530)	(137,870)	(166,788)	(187,764)	(201,174)	(237,730)	(276,350)	
Operating profit before provisions	41,591	40,411	59,848	71,582	83,482	100,208	117,620	120,509	148,480	195,875	245,265	228,404	275,744	314,757	
Bad debt charge	(5,749)	(9,174)	(8,367)	(9,400)	(9,624)	(22,162)	(24,591)	(6,896)	(4,570)	(15,737)	(29,468)	(39,428)	(37,026)	(42,709)	
Other operating items															
Associates															
Profit before tax and exceptionals	35,843	31,237	51,481	62,182	73,858	78,047	93,030	113,613	143,910	180,137	215,797	188,975	238,719	272,048	
Non-recurring costs															
Other non-recurring items											0				
Profit before tax	35,843	31,237	51,481	62,182	73,858	78,047	93,030	113,613	143,910	180,137	215,797	188,975	238,719	272,048	
Tax	(12,128)	(10,339)	(17,366)	(21,339)	(25,205)	(18,575)	(23,382)	(27,886)	(34,517)	(42,321)	(43,397)	(46,970)	(59,680)	(68,012)	
Minorities															
Net profit	23,715	20,898	34,115	40,843	48,653	59,472	69,648	85,727	109,393	137,816	172,400	142,006	179,039	204,036	
Hybrid coupon (w here taken to equity)															
Net profit post hybrid coupon	23,715	20,898	34,115	40,843	48,653	59,472	69,648	85,727	109,393	137,816	172,400	142,006	179,039	204,036	
BNPP adjusted net profit post hybrid coupons	30,455	34,588	49,404	62,010	72,041	85,934	99,902	120,894	149,250	182,132	227,837	187,669	236,611	269,646	
BALANCE SHEET HIGHLIGHTS (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e	
Customer Loans	1,065,579	1,186,653	1,380,821	1,697,179	2,056,948	2,197,482	2,236,702	2,712,536	3,198,612	3,760,753	4,269,092	5,008,954	5,822,197	6,768,689	
Intangibles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other assets	655,467	735,945	785,078	952,155	1,064,773	1,405,034	1,598,000	1,581,748	1,700,013	2,242,818	2,667,150	2,616,031	3,000,399	3,441,141	
Total assets	1,721,046	1,922,598	2,145,900	2,649,334	3,121,721	3,602,516	3,834,702	4,294,284	4,898,625	6,003,570	6,936,242	7,624,985	8,822,506	10,209,830	
Customer Deposits	1,215,690	1,386,430	1,574,259	1,926,433	2,258,804	2,628,205	2,801,000	3,116,841	3,630,961	4,489,537	4,990,551	5,934,863	6,984,533	8,232,259	
Shareholder's funds	217,482	239,625	276,179	374,838	429,005	490,182	637,291	724,878	835,202	967,188	1,172,399	1,331,995	1,506,314	1,704,975	
Tangible Book Value	217,482	239,625	276,179	374,838	429,005	490,182	637,291	724,878	835,202	967,188	1,172,399	1,331,995	1,506,314	1,704,975	
KEY DATA (INRm)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e	
Leverage Exposure	1,065,579	1,186,653	1,380,821	1,697,179	2,056,948	2,197,482	2,236,702	2,712,536	3,198,612	3,760,753	4,269,092	5,008,954	5,822,197	6,768,689	
Risk w eighted assets (Basel 3 fully loaded)	1,342,483	1,566,175	1,736,977	2,129,763	2,538,488	2,833,420	2,977,997	3,340,452	4,054,382	5,037,435	5,556,393	6,176,238	7,146,320	8,232,259	
Tier one capital	217,482	239,625	276,179	374,838	429,005	490,182	637,291	724,878	835,202	967,188	1,172,399	1,331,995	1,506,314	1,555,263	
Equity tier 1 capital (Basel 3 fully loaded)	217,482	239,625	276,179	374,838	429,005	490,182	637,291	724,878	835,202	967,188	1,172,399	1,331,995	1,506,314	1,555,263	
NPL (Non Performing Loans)	12,372	28,381	35,786	38,254	44,679	50,269	74,255	64,697	57,683	52,748	61,339	77,551	82,569	89,914	
Employees (year end)	18,335	31,410	33,013	35,717	41,500	50,034	51,734	66,000	73,000	77,900	75,323	80,233	85,323	90,323	
YOY GROWTH (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e	
Net interest income	13%	11%	18%	17%	18%	20%	14%	10%	28%	21%	9%	6%	17%	15%	
Revenues	17%	5%	22%	17%	17%	19%	8%	12%	26%	27%	19%	(1%)	20%	15%	
Costs	21%	12%	3%	14%	17%	18%	(3%)	25%	28%	21%	13%	7%	18%	16%	
Operating profit bef prov.	12%	(3%)	48%	20%	17%	20%	17%	2%	23%	32%	25%	(7%)	21%	14%	
Adjusted net profit	24%	14%	43%	26%	16%	19%	16%	21%	23%	22%	25%	(18%)	26%	14%	
Customer Loans	20%	11%	15%	25%	21%	7%	2%	21%	18%	18%	14%	17%	16%	16%	
Customer Deposits	21%	14%	14%	22%	17%	16%	7%	11%	16%	24%	11%	19%	16%	18%	
RWA	23%	17%	11%	23%	19%	12%	5%	12%	21%	24%	10%	11%	18%	4%	
FINANCIAL RATIOS (%)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e	
Net interest margin (avg. loans)	6.33%	6.13%	6.38%	6.23%	5.97%	6.35%	6.92%	6.80%	7.29%	7.47%	7.06%	6.48%	6.49%	6.40%	
Net interest margin (avg. loans + deposits)	2.97%	2.84%	2.95%	2.91%	2.82%	2.95%	3.11%	3.10%	3.41%	3.45%	3.24%	2.98%	2.96%	2.90%	
Costs / Income ratio	53.9%	57.5%	48.4%	47.3%	47.4%	46.9%	42.2%	47.2%	48.1%	46.0%	43.4%	46.8%	46.3%	46.8%	
Costs / avg. tang. assets	3.04%	3.00%	2.76%	2.68%	2.60%	2.63%	2.31%	2.65%	3.00%	3.06%	2.90%	2.76%	2.89%	2.90%	
Bad debt charge / average outstanding loans	0.59%	0.81%	0.66%	0.61%	0.51%	1.04%	1.11%	0.28%	0.15%	0.45%	0.73%	0.85%	0.68%	0.68%	
Bad debt charge / RWA															
Tax rate	33.8%	33.1%	33.7%	34.3%	34.1%	23.8%	25.1%	24.5%	24.0%	23.5%	20.1%	24.9%	25.0%	25.0%	
ROE adjusted	14.8%	15.1%	19.2%	19.1%	17.9%	18.7%	17.7%	17.8%	19.1%	20.2%	21.3%	15.0%	16.7%	16.8%	
ROTE adjusted	14.8%	15.1%	19.2%	19.1%	17.9%	18.7%	17.7%	17.8%	19.1%	20.2%	21.3%	15.0%	16.7%	16.8%	
ROROWA adjusted															
ROTA	1.90%	1.90%	2.43%	2.59%	2.50%	2.56%	2.69%	2.97%	3.25%	3.34%	3.52%	2.58%	2.88%	2.83%	
Leverage ratio	20.4%	20.2%	20.3%	22.1%	20.9%	22.3%	28.5%	26.7%	26.1%	25.7%	27.5%	26.6%	25.9%	23.0%	
Tier one Ratio	16.2%	15.3%	15.9%	17.6%	16.9%	17.3%	21.4%	21.7%	20.6%	19.2%	21.1%	21.6%	21.1%	21.0%	
Equity tier 1 ratio (Basel 3 fully loaded)	16.2%	15.3%	15.9%	17.6%	16.9%	17.3%	21.4%	21.7%	20.6%	19.2%	21.1%	21.6%	21.1%	21.0%	
Loans / Deposits	88%	86%	86%	88%	91%	84%	80%	87%	88%	84%	86%	84%	83%	82%	
RWA / Loans															
Loans / Assets	62%	62%	63%	64%	66%	61%	58%	63%	65%	63%	62%				

(*) In listing currency, with div. reinvested

Latest Model update: 07 Nov. 25

Price at 06 Nov. 25 / 12m Target Price

INR960.8 / INR990 +3%

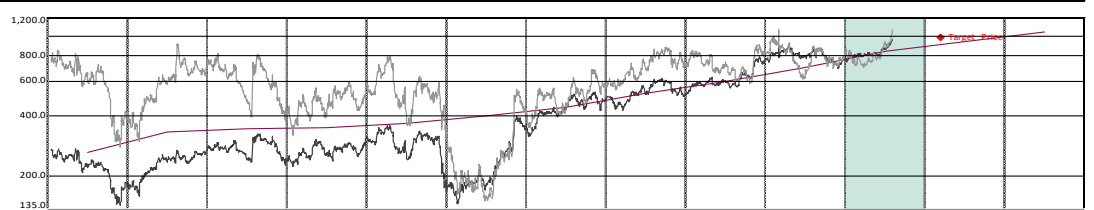
STATE BANK OF INDIA (Neutral)

Refinitiv / Bloomberg: SBINS / SBIN IN

Analyst: Santanu Chakrabarti +91 22 6196 4055

Banks - India

Company Highlights		INRm / EURm	
Market capitalisation	8,868,299 / 86,714		
Free float	3,813,369 / 37,287		
3m average volume	8,687 / 85		
Performance (%)			
	1m	3m	12m
Absolute	10%	19%	14%
Rel. Sector	NC	NC	NC
Rel. MSCI India	8%	16%	12%
12m Hi/Lo (INR) : 960.8 +0% / 688.8 +39%			
CAGR			
	2003/2025	2025/2027	
EPS restated (**)	NC	3%	
Book value	NC	11%	



Price (yearly avg from Mar. 15 to Mar. 25)	247.4	222.1	227.6	276.7	264.9	296.0	228.0	435.4	523.5	609.6	801.2	960.8	960.8	960.8
PER SHARE DATA (INR)	Mar. 15	Mar. 16	Mar. 17	Mar. 18	Mar. 19	Mar. 20	Mar. 21	Mar. 22	Mar. 23	Mar. 24	Mar. 25	Mar. 26e	Mar. 27e	Mar. 28e
No of shares year end, basic, (m)	7,465.70	7,762.78	7,973.50	8,924.59	8,924.61	8,924.61	8,924.61	8,924.61	8,924.61	8,924.61	8,924.61	9,230.60	9,230.60	9,230.60
No of shares (avg), diluted, restated for treasury stoc	7,465.70	7,762.78	7,973.50	8,924.59	8,924.61	8,924.61	8,924.61	8,924.61	8,924.61	8,924.61	8,924.61	9,230.60	9,230.60	9,230.60
EPS GAAP	17.55	12.82	13.15	(7.34)	0.97	16.23	22.87	35.49	56.29	68.44	79.44	80.93	83.41	93.65
EPS company definition	17.55	12.98	13.43	(7.67)	0.97	16.23	22.87	35.49	56.29	68.44	79.44	75.96	83.41	93.65
EPS restated	22.76	15.75	0.30	(5.11)	2.58	22.15	25.11	39.64	62.35	75.17	87.26	88.89	83.41	93.65
% change	19.9%	(30.8%)	(98.1%)	NS	NS	NS	13.3%	57.9%	57.3%	20.6%	16.1%	1.9%	(6.2%)	12.3%
Book value (BVPS)	172.04	185.85	236.14	245.53	247.53	259.96	284.47	313.84	367.08	422.70	494.32	599.58	666.99	744.64
Tangible BVPS	172.04	185.85	236.14	245.53	247.53	259.96	284.47	313.84	367.08	422.70	494.32	599.58	666.99	744.64
Net dividend	3.55	2.60	2.64	0.00	0.00	0.00	4.00	7.10	11.30	13.70	15.90	16.00	17.00	17.00
STOCKMARKET RATIOS (x)														
P / E adjusted	10.9	14.1	NS	NC	102.8	13.4	9.1	11.0	8.4	8.1	9.2	10.8	11.5	10.3
P / E relative to MSCI India (%)	44%	61%	NS	NC	416%	60%	26%	42%	30%	27%	35%	43%	52%	53%
P / BVPS	1.44	1.20	0.96	1.13	1.07	1.14	0.80	1.39	1.43	1.44	1.62	1.60	1.44	1.29
P / Tangible BVPS	1.44	1.20	0.96	1.13	1.07	1.14	0.80	1.39	1.43	1.44	1.62	1.60	1.44	1.29
High (x)	1.80	1.46	1.18	1.32	1.24	1.37	1.40	1.66	1.67	1.86	1.83	1.60		
Low (x)	1.01	0.76	0.67	0.92	0.90	0.67	0.51	1.00	1.16	1.21	1.39	1.24		
Net yield (%)	1.4%	1.2%	1.2%	0.0%	0.0%	0.0%	1.8%	1.6%	2.2%	2.2%	2.0%	1.7%	1.8%	1.8%
Payout (%)	20.2%	20.3%	20.1%				17.5%	20.0%	20.1%	20.0%	20.0%	19.8%	20.4%	18.2%
P & L HIGHLIGHTS (INRm)														
Net interest income	550,153	568,818	618,597	748,537	883,489	980,848	1,107,100	1,207,076	1,448,405	1,598,758	1,669,651	1,795,150	2,040,782	2,290,316
Net fees and commissions	131,728	144,160	162,766	229,968	233,039	237,251	235,175	245,652	262,447	281,261	309,186	328,984	362,649	410,204
Trading profit	36,180	51,688	107,496	134,233	31,469	85,757	60,309	34,851	32,900	68,968	98,502	70,000	80,000	80,001
Other income	57,850	85,736	84,347	81,805	103,241	129,208	139,479	125,136	70,809	166,594	209,142	265,560	225,719	240,878
Total Revenues	775,911	850,402	973,207	1,194,544	1,251,238	1,433,063	1,542,064	1,612,715	1,814,561	2,115,580	2,286,482	2,459,694	2,709,150	3,021,399
Personnel costs	(235,371)	(251,138)	(264,893)	(331,787)	(410,547)	(457,150)	(509,360)	(575,620)	(572,918)	(783,370)	(643,522)	(703,107)	(773,418)	(850,760)
Other operating costs	(151,406)	(166,685)	(199,835)	(267,648)	(286,330)	(294,587)	(317,162)	(358,355)	(404,513)	(465,238)	(537,168)	(592,830)	(658,041)	(730,425)
Total costs	(386,776)	(417,824)	(464,728)	(599,434)	(696,877)	(751,737)	(826,522)	(933,975)	(977,431)	(1,248,608)	(1,180,690)	(1,295,937)	(1,431,459)	(1,581,185)
Operating profit before provisions	389,135	432,578	508,479	595,110	554,360	681,326	715,542	678,740	837,130	866,972	1,105,792	1,163,757	1,277,691	1,440,214
Bad debt charge	(195,995)	(294,838)	(359,927)	(750,392)	(538,286)	(430,698)	(440,130)	(244,521)	(165,073)	(49,142)	(153,079)	(214,979)	(251,083)	(287,651)
Other operating items														
Associates														
Profit before tax and exceptionals	193,140	137,741	148,552	(155,282)	16,075	250,628	275,411	434,219	672,056	817,830	952,713	948,778	1,026,609	1,152,563
Non-recurring costs														
Other non-recurring items	0	0	0	0	0	0	0	0	0	0	0	45,932	0	0
Profit before tax	193,140	137,741	148,552	(155,282)	16,075	250,628	275,411	434,219	672,056	817,830	952,713	994,710	1,026,609	1,152,563
Tax	(62,124)	(38,234)	(43,711)	89,808	(7,453)	(105,747)	(71,307)	(117,459)	(169,732)	(207,063)	(243,706)	(247,646)	(256,652)	(288,141)
Minorities														
Net profit	131,016	99,507	104,841	(65,475)	8,622	144,881	204,105	316,760	502,324	610,766	709,006	747,064	769,957	864,422
Hybrid coupon (w here taken to equity)														
Net profit post hybrid coupon	131,016	99,507	104,841	(65,475)	8,622	144,881	204,105	316,760	502,324	610,766	709,006	747,064	769,957	864,422
BNPP adjusted net profit post hybrid coupons	169,943	122,246	2,412	(45,563)	22,996	197,678	224,055	353,739	556,482	670,847	778,751	820,552	769,957	864,422
BALANCE SHEET HIGHLIGHTS (INRm)														
Customer Loans	13,000,264	14,637,004	15,710,784	19,348,802	21,858,769	23,252,896	24,494,978	27,339,666	31,992,693	37,039,709	41,633,121	46,559,029	52,819,907	59,935,717
Intangibles														
Other assets	7,480,534	7,953,626	11,348,879	15,198,718	14,950,373	16,261,044	20,849,318	22,536,308	23,177,092	24,757,231	25,127,412	27,329,731	29,783,710	32,461,550
Total assets	20,480,798	22,590,630	27,059,663	34,547,520	36,809,142	39,513,939	45,344,296	49,875,974	55,169,785	61,796,939	66,760,533	73,888,760	82,603,617	92,397,267
Customer Deposits	15,767,932	17,307,224	20,447,514	27,063,433	29,113,860	32,416,207	36,812,771	40,515,341	44,237,778	49,160,768	53,821,895	59,328,046	66,134,197	73,750,537
Shareholder's funds	1,284,382	1,442,744	1,882,861	2,191,286	2,209,138	2,320,074	2,538,752	2,800,881	3,276,084	3,772,465	4,411,621	5,534,455	6,156,723	6,873,455
Tangible Book Value	1,284,382	1,442,744	1,882,861	2,191,286	2,209,138	2,320,074	2,538,752	2,800,881	3,276,084	3,772,465	4,411,621	5,534,455	6,156,723	6,873,455
KEY DATA (INRm)														
Leverage Exposure														
Risk weighted assets (Basel 3 fully loaded)	12,203,954	17,728,436	19,355,230	19,445,662	20,086,963	21,885,758	22,480,507	24,787,258	27,821,532	32,202,629	39,099,769	36,840,936	41,186,164	46,069,277
Tier one capital	1,171,580	1,749,797	2,014,879	2,047,628	2,165,375	2,459,959	2,571,770	2,830,705	3,355,277	3,841,774	4,813,182	5,029,197	5,651,464	6,368,197
Equity tier 1 capital (Basel 3 fully loaded)	1,171,580	1,749,797	2,014,879	2,047,628	2,165,375	2,459,959	2,571,770	2,830,705	3,355,277	3,841,774	4,813,182	5,029,197	5,651,464	6,368,197
NPL (Non Performing Loans)	567,253	981,728	1,123,430	2,234,275	1,727,504	1,490,919	1,263,890	1,120,234	909,278	842,763	768,802	784,964	884,096	996,570
Employees (year end)	213,238	207,739	209,567	264,041	264,041	249,448	245,652	244,250	235,858	232,296	236,226	246,226	256,226	266,226
YOY GROWTH (%)														
Net interest income	12%	3%	9%	21%	18%	11%	13%	9%	20%	10%	4%	8%	14%	12%
Revenues	14%	10%	14%	23%	5%	15%	8%	5%	13%	17%	8%	8%	10%	12%
Costs	8%	8%	11%	29%	16%	8%	10%	13%	5%	28%	(5%)	10%	10%	10%
Operating profit bef prov.	21%	11%	18%	17%	(7%)	23%	5%	(5%)	23%	4%	28%	5%	10%	13%
Adjusted net profit	20%	(28%)	(98%)	NC	NC	NC	13%	58%	57%	21%	16%	5%	(6%)	12%
Customer Loans	7%	13%	7%	23%	13%	6%	5%	12%	17%	16%	12%	12%	13%	13%
Customer Deposits	13%	10%	18%	32%	8%	11%	14%	10%	9%	11%	9%	10%	11%	12%
RWA	8%	45%	9%	0%	3%	9%	3%	10%	12%	16%	21%	(6%)	12%	12%
FINANCIAL RATIOS (%)														
Net interest margin (avg. loans)	4.38%	4.12%	4.08%	4.27%	4.29%	4.35%	4.64%	4.66%	4.88%	4.63%	4.24%	4.07%	4.11%	4.06%
Net interest margin (avg. loans + deposits)	2.01%	1.87%	1.82%	1.81%	1.81%	1.84%	1.89%	1.87%	2.01%	1.97%	1.84%	1.78%	1.82%	1.81%
Costs / Income ratio	49.8%	49.1%	47.8%	50.2%	55.7%	52.5%	53.6%	57.9%	53.9%	59.0%	51.6%	52.7%	52.8%	52.3%
Costs / avg. tang. assets	2.01%	1.94%	1.87%	1.95%	1.95%	1.97%	1.95%	1.96%	1.86%	2.13%	1.84%	1.84%	1.83%	1.81%
Bad debt charge / average outstanding loans	1.56%	2.13%	2.37%	4.28%	2.61%	1.91%	1.84%	0.94%	0.56%	0.14%	0.39%	0.49%	0.51%	0.51%

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