



### PSBs' market cap contribution in total banking sector has increased to FY14 levels

Share in MCap (%)	PSBs	Pvt Banks
FY13	37	63
FY14	33	67
FY15	30	70
FY16	25	75
FY17	27	73
FY18	21	79
FY19	21	79
FY20	19	81
FY21	21	79
FY22	25	75
FY23	27	73
Feb'24	35	65
<b>Total Mcap (INR b)</b>	<b>16,573</b>	<b>30,458</b>

Rating	Old PT (INR)	New PT (INR)
SBI	860	860
BOB	290	310
INBK	525	600
UNBK	165	175
CBK	570	650
PNB	100	115

## PSBs: Sustained profitability to drive stock performance

Re-rating has been sharp but valuations still reasonable; Maintain OW

- We resumed coverage on all six PSU Banks in early 2021, and followed this up with upgrading BOB at INR81 in Aug-21, after being NEUTRAL for four years. We have since published two PSU bank sector notes; 1. [PSBs: The Homecoming of RoA in Jan-23](#) and followed this with a second report titled 2. [PSBs: Well poised for Re-rating 2.0 in Dec'23](#).
- While PSU Banks have delivered a significant outperformance over the past three years and the sector has seen a significant re-rating, the stock valuations still look reasonable in context to business growth and profitability (~18-19% RoE over FY24-26E).
- The combined profitability of six PSBs under our coverage will surpass ~INR1t in FY24E. We estimate aggregate earnings of our PSB coverage to register a CAGR of 21% over FY24-26E (boosted by PNB & SBI), thereby reaching INR1.7t by FY26E.
- We believe that while NIMs may remain range-bound with a slight downward bias, the improvement in opex ratios, scope for further credit cost reduction (barring SBI), and a healthy treasury performance will enable the sector RoA to reach ~1.2% by FY26E.
- Considering PSBs' valuation history, their trading multiples may look constrained now; however, the quality of earnings, growth outlook, and broader re-rating in Public Sector enterprises will enable steady performance for the sector.
- Several PSBs have raised capital from the market, which should aid business growth, particularly as the capex cycle revives post general elections. We believe that sustained and consistent performance on return ratios and a conducive macro-environment can drive further re-rating of the sector.
- We maintain our OW stance on the sector and roll forward our PTs to FY26. Top picks: SBIN & UNBK.

### PSBs' market cap has grown at an accelerated pace

The market cap of PSBs has grown at a robust pace in recent years, up ~5x since FY20 at ~INR17t. Recent capital raises and prior recapitalization support by the government have strengthened PSBs' capital adequacy ratios, enabling them to deliver healthy loan growth and cleanse their balance sheets. The aggregate market cap of PSBs has increased from ~INR5.3t in Mar'21 to ~INR17t in Feb'24. Meanwhile, the market cap of private banks over the similar period has grown just 43% to ~INR30.4t in Feb'24 (despite HDFC-HDFC Bank merger).

### PSBs' [FY23 + FY24 PAT] >> Sum of PAT of previous decade

PSBs have seen a remarkable turnaround, from record losses to record profits, as their aggregate earnings crossed the ~INR1t mark in FY24. The strong earnings recovery is attributed to steady credit growth, significant improvements in asset quality, and stable to positive margins. We note that PSBs reported higher earnings in FY23-FY24 than in the past one decade. PSBs' earnings contribution to total banking sector earnings has increased to FY15 levels, even as their loan market share has declined by ~20% since then. We estimate the profitability of the top six PSBs under our coverage to improve to INR1.74t by FY26, nearly doubling over FY23 levels. We estimate that the aggregate earnings share of PSBs in total banking sector earnings will remain resilient at ~48% over FY25-26.

**PSBs' PAT contribution in total Banking sector PAT has increased to FY15 levels even as loan market share has declined sharply**

Banking sector earnings mix (%)	Pvt Banks	PSBs
FY15	52%	48%
FY16	NA	NA
FY17	99%	1%
FY18	NA	NA
FY19	NA	NA
FY20	NA	NA
FY21	69%	31%
FY22	59%	41%
FY23	54%	46%
FY24E	53%	47%
FY25E	52%	48%
FY26E	52%	48%
<b>Earnings in FY24E (INR b)</b>	<b>1,539</b>	<b>1,360</b>

**Market share erosion to private banks narrows sharply**

PSBs' market share (both in deposits and advances) has declined consistently over the past years. However, the pace of market share erosion in loans to the private sector has moderated significantly over the recent years. We note that in the past three years, PSBs lost market share of ~300bp in loans vs. 600-800bp average loss in the preceding three-year blocks. Recent fund raises and notable enhancements in the balance sheet strength have contributed to healthy loan growth in recent years. In FY23, PSBs clocked a loan growth rate of ~17%, which is comparable to the 18% growth rate achieved by private banks during the same period. Given a low credit-deposit (CD) ratio and ample balance sheet liquidity, we expect PSBs' credit growth to remain healthy over FY24-26E.

**PSBs NNPA ratio to be broadly similar to private banks by FY24 end**

PSBs have delivered a notable reduction in gross NPAs, from the peak of 14.6% in Mar'18 to 3.7% in FY24E. Their PCR is estimated to improve to 78% in FY24E from 48% in FY18. With asset quality stress largely behind, we expect asset quality ratios to improve further, with the NNPA ratio becoming broadly comparable to private banks by FY24 end. This will keep credit costs under control and support overall profitability. We note that while the NNPA ratio for PSBs and private banks will become comparable, PSBs still have a higher GNPA ratio and a much bigger Total Written-off (TWO) pool, which will enable them to benefit from continued recoveries and report healthy earnings. Controlled SMA book and healthy upgrades will enable continued improvement in asset quality and drive a further reduction in credit costs for several PSBs.

**Liquidity situation comfortable; benign CD ratio to aid growth**

PSBs maintain a controlled CD ratio, which indicates ample liquidity amid systemic pressures, even as private banks are grappling with a historically high CD ratio. SBIN, the largest PSB, has a domestic CD ratio of ~66%, while PNB is also well positioned with a CD ratio of 69%. Barring BOB, all other PSBs in our coverage have fairly comfortable CD ratios. A high CD ratio may constrain loan growth for select private banks, while PSBs will likely remain insulated. We thus expect the credit growth differential between private banks and PSBs to narrow over FY24-25, as high regulatory oversight on the CD ratio may compel some banks to moderate loan growth. PSBs' LCR ratio also remains well above the regulatory requirement of 100% (125%-150%), providing them with adequate cushion to deliver sustainable growth.

**ABV growth for PSBs has accelerated in past three years; estimate 18% CAGR in ABV over FY24-26**

PSBs have demonstrated a remarkable outperformance in recent years, driven by a strong earnings turnaround, robust balance sheets, and attractive valuations. Notably, since Mar'22, the Nifty PSU Bank index has surged 162% compared to 24% returns for the Nifty Private Bank index. We note that PSBs have delivered robust ABV growth of 20% over FY21-24, surpassing the average ABV growth of 15-16% by private banks during the same period. The ongoing asset quality improvement, enabling further moderation in credit costs (barring SBIN) should help PSBs sustain a higher ABV growth rate compared to private banks. We, thus, estimate average ABV growth for PSBs over FY24-26 to sustain at 18% vs. 16% for private banks.

### Earnings on a roll – Revisiting Bull, Bear case scenarios

PSBs have witnessed a remarkable resurgence in recent years, marked by a strong earnings turnaround, robust balance sheets, and attractive valuations. Profitability for PSBs crossed the ~INR1t mark in FY24, attributed to significant improvements in asset quality, healthy credit growth, and steady margins. Asset quality of PSBs has seen notable improvements, with the NNPA ratio set to become broadly comparable to that of private banks by FY24 end. PSBs are well positioned to sustain 1% RoA, which was previously seen as an aspirational target. We have attempted a scenario analysis for earnings of our six PSB stocks in both Bull and Bear cases. In our Bull case, FY25E/FY26E PAT will grow by up to 15%/18% for BOB, 17%/17% for CBK, 21%/20% for Indian Bank (INBK), 29%/19% for Punjab National Bank (PNB), 13%/12% for SBIN, and 17%/16% for Union Bank of India (UNBK), and their ABV will see upside of 3%-4%. Please refer to page 23 for details.

### Valuation and view

PSBs have made a sharp comeback in recent years, with the Nifty PSU Bank Index alone delivering 162% returns since Mar'22, overshadowing the 24% returns of the Nifty Private Bank index over the same period. We estimate the top six PSBs under our coverage to report a PAT of INR1.5t/INR1.7tn in FY25/FY26, while the sector's RoA/RoE are expected to improve to 1.2%/17.9% by FY26E.

- We believe that while the PSU rally has been sharp and the sector has seen significant re-rating, the stock valuations still look reasonable in context to business growth and profitability (~18-19% RoE over FY24-26E).
- Considering PSBs' valuation history, their trading multiples may look constrained now; however, the quality of earnings, growth outlook, and broader re-rating in Public Sector enterprises will enable steady performance for the sector.
- PSU Banks are well positioned to pursue healthy growth (given ample balance sheet liquidity) and maintain resilient margins as they benefit from residual MCLR repricing. The decline in bond-yields, along with continued improvement in credit cost (barring SBI), will support healthy profitability.
- Several PSBs have raised capital from the market and are thus well poised to benefit from any revival in corporate demand, particularly as the capex cycle recovers after the general elections. We estimate ABV for our coverage PSBs to register a healthy CAGR of ~18% over FY24-26.
- We believe that sustained and consistent performance on return ratios and a conducive macro-environment can drive further re-rating of the sector. **We maintain our OW stance and roll forward our PTs to FY26. Top picks: SBIN & UNBK.**

#### Exhibit 1: Valuation summary of PSU Banks

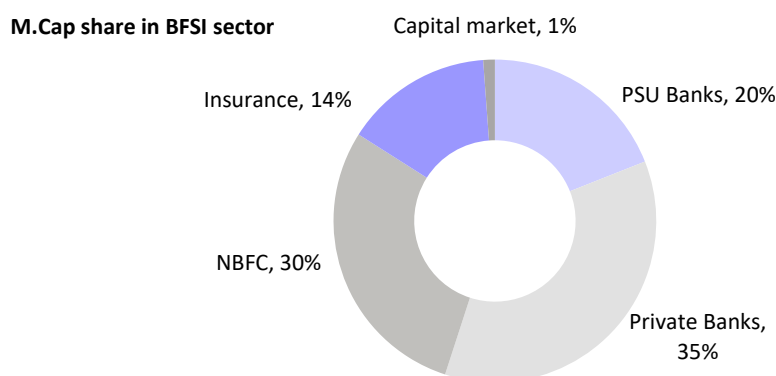
	Rating	CMP	MCap	TP	Upside	Mcap	EPS (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)		P/ABV (x)	
							FY26E	(INR)	(INR b)	(INR)	(%)	(USD b)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
SBIN*	Buy	759	6,836	860	13	82.4	81.4	93.9	1.1	1.2	19.5	19.1	6.3	5.5	1.1	0.9	1.2	1.0
PNB	Neutral	128	1,420	115	-10	17.1	10.5	14.0	0.7	0.9	11.0	13.1	12.1	9.2	1.2	1.1	1.3	1.2
BOB	Buy	269	1,427	310	15	17.2	39.8	45.7	1.2	1.2	17.8	17.6	6.8	5.9	1.1	0.9	1.2	1.0
CBK	Buy	580	1,056	650	12	12.7	94.5	111.1	1.1	1.2	19.5	19.1	6.1	5.2	1.1	0.9	1.2	1.0
UNBK	Buy	146	1,006	175	20	12.1	22.6	26.7	1.1	1.2	17.6	18.0	6.5	5.5	1.0	0.9	1.1	0.9
INBK	Buy	525	657	600	14	7.9	70.6	83.1	1.2	1.2	16.7	17.0	7.4	6.3	1.1	1.0	1.1	1.0

## PSBs' market cap has grown at an accelerated pace

Aggregate PSB market cap increased to ~INR16t in Feb'24 (INR3t in Mar'20)

- The aggregate market cap of PSBs has increased at a robust pace over the years, up ~5x since FY20 at ~INR17t. Recent capital raises and prior recapitalization support by the government have strengthened PSBs' capital adequacy ratios, enabling them to deliver healthy loan growth and cleanse their balance sheets.
- This has enabled PSBs to deliver robust earnings traction, which has reflected in a strong outperformance of the sector. The aggregate market cap of PSBs has increased from ~INR5.3t in Mar'21 to ~INR17t in Feb'24.
- Notably, the market cap of private banks over the similar period has grown at a slower pace, from ~INR21t in Mar'21 to ~INR30.4t in Feb'24 (despite HDFC-HDFC Bank merger).

**Exhibit 2: Listed BFSI sector market cap stands at ~INR86t (22% of overall market) with the banking sector accounting for 55% of total BFSI sector market cap**



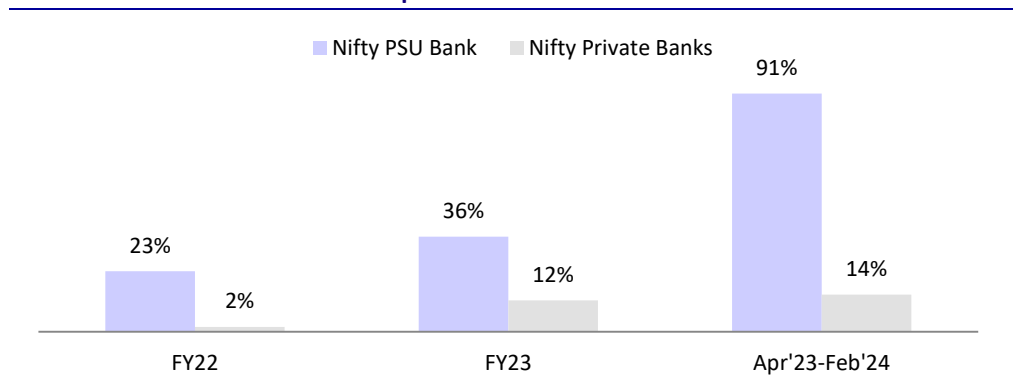
Source: MOFSL, Company

**Exhibit 3: PSBs' market cap contribution in total banking sector has increased to FY14 levels**

Market Cap (INR b)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Feb'24
PSBs	2,672	2,671	3,392	2,611	3,996	3,521	4,720	2,918	5,511	7,457	9,227	16,573
Pvt Banks	4,540	5,333	8,029	7,910	10,622	13,581	17,429	12,070	21,354	22,305	24,851	30,458
<b>Total</b>	<b>7,212</b>	<b>8,004</b>	<b>11,421</b>	<b>10,521</b>	<b>14,617</b>	<b>17,102</b>	<b>22,149</b>	<b>14,988</b>	<b>26,864</b>	<b>29,763</b>	<b>34,078</b>	<b>47,030</b>
<b>Share in M. Cap</b>												
PSBs	37%	33%	30%	25%	27%	21%	21%	19%	21%	25%	27%	35%
Pvt Banks	63%	67%	70%	75%	73%	79%	79%	81%	79%	75%	73%	65%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: MOFSL, Company

**Exhibit 4: PSU Bank index has given 91% return in FY24YTD (Apr'23- Feb'24) vs. 14% for Private Bank index over the similar period**



Source: MOFSL, Company

**Exhibit 5: Aggregate market cap of PSBs has increased to ~INR17t vs. INR3t in FY20**

M.Cap (INRb)	SBI	PNB	BOB	IOB	UNBK	CBK	INBK	BOI	Central Bank	PSB	BOM	Others	Total
Mar-13	1,391	254	285	52	120	170	76	180	49	15	30	50	2,672
Mar-14	1,432	269	310	63	87	122	53	147	67	12	33	76	2,671
Mar-15	1,994	261	351	52	99	170	81	126	160	18	39	40	3,392
Mar-16	1,508	166	339	52	90	103	50	79	123	14	34	53	2,611
Mar-17	2,339	319	399	65	107	164	134	147	201	22	39	59	3,996
Mar-18	2,157	231	328	50	80	158	144	123	142	14	19	75	3,521
Mar-19	2,863	363	340	93	112	219	135	288	120	18	36	134	4,720
Mar-20	1,757	218	247	116	98	93	26	106	70	8	52	127	2,918
Mar-21	3,251	384	383	263	218	251	131	222	96	12	136	163	5,511
Mar-22	4,405	386	577	343	265	413	192	188	159	63	112	354	7,457
Mar-23	4,674	513	873	424	455	516	359	306	209	174	167	556	9,227
Feb'24	6,735	1,433	1,425	1,291	1,073	1,063	697	656	578	458	439	725	16,573

Source: MOFSL, Company

**Exhibit 6: Private banks' aggregate market cap has increased to INR30.5t (43% returns since Mar'21 – despite HDFC merger)**

M.Cap (INRb)	HDFCB	ICICI Bank	KMB	AXSB	IIB	Yes Bank	IDFCFB	FB	AUSFB	BANDHAN	RBL	KVB	EQUITAS	UJJIVAN	CUBK	Others	Total
Mar-13	1,488	1,206	487	608	212	154		82				48			27	229	4,540
Mar-14	1,796	1,438	602	686	264	149		82				40			29	247	5,333
Mar-15	2,563	1,829	1,014	1,328	469	341		113				66			58	249	8,029
Mar-16	2,708	1,376	1,248	1,058	576	364	164	80				53			57	227	7,910
Mar-17	3,697	1,612	1,605	1,175	852	655	202	158			186	68			91	321	10,622
Mar-18	4,895	1,789	1,997	1,310	1,078	702	161	176	177	559	201	73			115	348	13,581
Mar-19	6,315	2,582	2,546	1,999	1,073	637	265	191	174	628	290	57			150	522	17,429
Mar-20	4,726	2,095	2,479	1,069	244	282	101	82	154	328	69	16		47	95	283	12,070
Mar-21	8,234	4,026	3,474	2,137	723	391	316	151	383	546	124	44	69	53	115	568	21,354
Mar-22	8,154	5,072	3,480	2,336	725	308	247	205	392	495	78	37	64	26	95	591	22,305
Mar-23	8,981	6,126	3,442	2,641	829	433	344	280	386	315	85	83	75	49	93	690	24,851
Feb'24	10,785	7,181	3,449	3,297	1,162	817	586	401	389	323	159	151	122	110	104	1,422	30,458

Source: MOFSL, Company

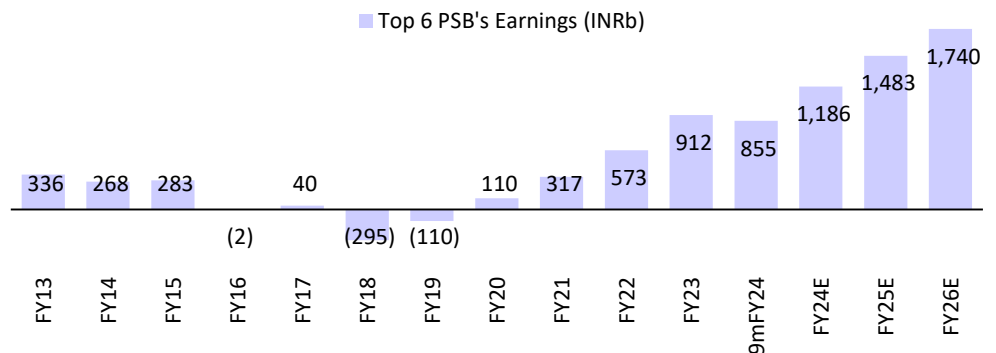
**PSBs' [FY23 + FY24 PAT] >> Sum of PAT of previous decade**

**Earnings mix has risen to FY14 levels, despite erosion in loan market share**

- PSBs have reported a sharp turnaround in earnings with sector profitability crossing the ~INR1t mark in FY24. The doom-to-bloom story of PSBs is attributed to significant improvement in asset quality, healthy credit growth in recent years, and steady margins. This together helped PSBs deliver robust earnings performance over the past few years.
- We thus note that the aggregate PSB earnings over the two years (FY23 & FY24) are more than what they made in the past one decade.
- PSBs' share in the total banking sector earnings has thus increased from negligible levels in FY16-20 to ~47% in FY24. This is comparable to the earnings share that PSBs had in FY15; however, the loan market share back then stood at 77% vs. 59% currently.
- We estimate that the profitability of the top six PSBs under our coverage should rise to INR1.74t by FY26, nearly doubling from FY23 levels. We estimate aggregate PSB's earnings share to remain resilient at ~48% over FY25/FY26.

**Exhibit 7: PSBs to report ~25% earnings CAGR over FY23-26E**

Earnings for PSBs have improved significantly to INR855b in 9mFY24 vs. INR110b in FY20



Calculated based on six PSBs under our coverage Source: MOFSL, Company

**Exhibit 8: Aggregate earnings trends in PSBs and Private Banks**

Earnings (INR b)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Private banks	275	324	374	406	414	413	422	191	695	962	1,241	1,539	1,832	2,179
PSU banks	469	342	343	(196)	5	(854)	(817)	(260)	318	665	1,046	1,360	1,700	1,990
<b>System Profitability</b>	<b>744</b>	<b>666</b>	<b>717</b>	<b>210</b>	<b>419</b>	<b>(441)</b>	<b>(396)</b>	<b>(69)</b>	<b>1,013</b>	<b>1,628</b>	<b>2,288</b>	<b>2,900</b>	<b>3,532</b>	<b>4,169</b>

**Exhibit 9: PSBs' PAT contribution in total Banking sector PAT has increased to FY15 levels...**

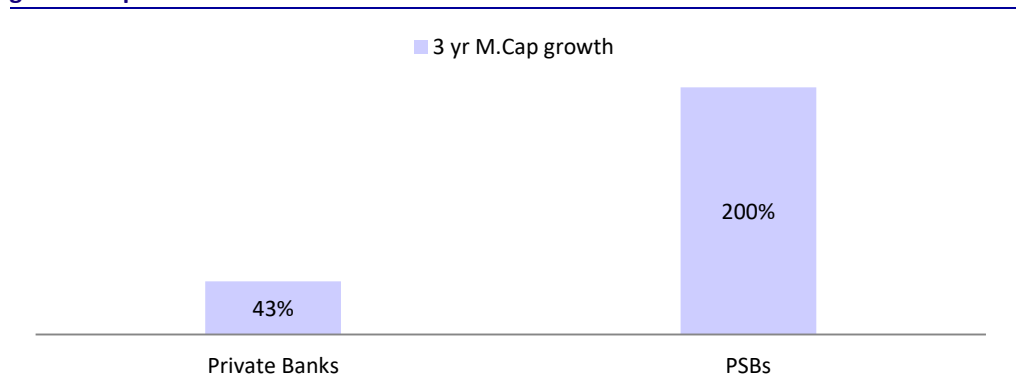
Market Share in PAT (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Private banks	37%	49%	52%	NA	99%	NA	NA	NA	69%	59%	54%	53%	52%	52%
PSU banks	63%	51%	48%	NA	1%	NA	NA	NA	31%	41%	46%	47%	48%	48%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>NA</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Exhibit 10: ...even as loan market share has declined sharply**

Market Share in Advances (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	1HFY24
PSBs	79%	79%	77%	74%	71%	68%	64%	63%	61%	60%	59%	58%
Pvt Banks	21%	21%	23%	26%	29%	32%	36%	37%	39%	40%	41%	42%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: MOFSL, Company

**Exhibit 11: Market cap of PSBs has increased by 200% from Mar'21 to Feb'24 vs. 43% growth in private banks**



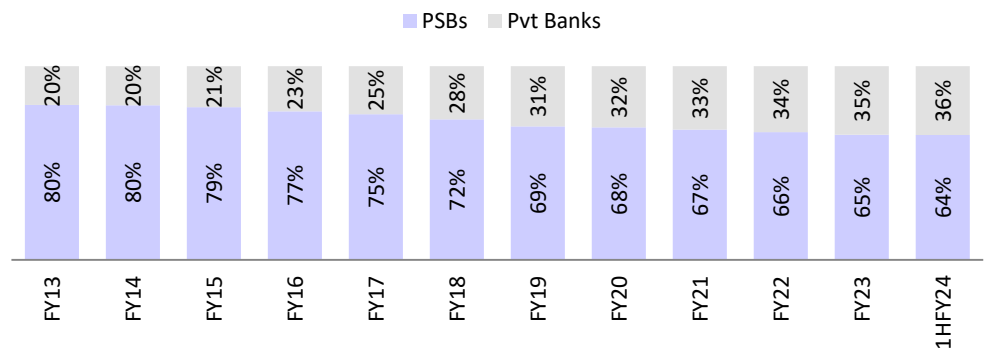
Source: MOFSL, Company

## Market share loss to private banks has narrowed sharply

### Estimate PSBs loan growth at ~13% over FY25-26E

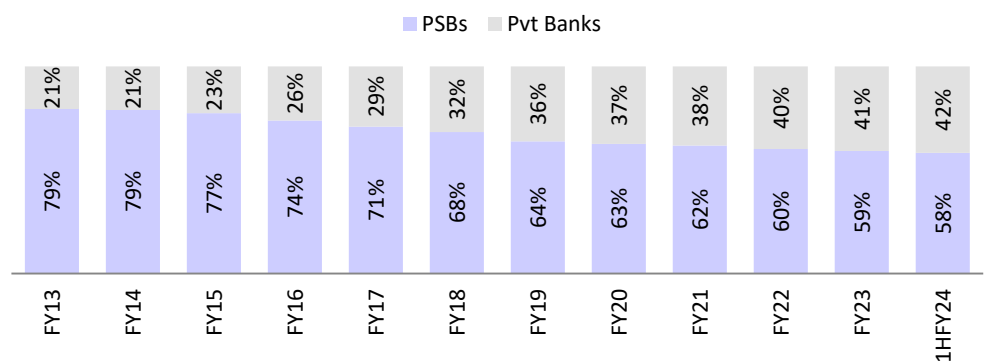
- The market share for PSBs (both in deposits and advances) has declined consistently over the past years. We thus note that as of Sep'23, the deposit market share of PSBs declined to 64%, while the loan market share declined to ~58%.
- However, the pace of market share erosion in loans to the private sector has moderated significantly over the recent years. We note that over past three years, PSBs lost market share of ~300bp in loans vs. 600-800bp average in the preceding three-year blocks.
- Further, backed by recent fund raises and significant improvement in balance sheets, PSBs have delivered healthy loan growth in recent years. During FY23, PSBs' loan growth stood at ~17% vs. 18% for private banks. Given a low CD ratio and ample balance sheet liquidity, we expect PSBs' credit growth to remain healthy over FY24-26E.

### Exhibit 12: Deposit market share of PSBs has moderated to 64% in Sep'23



Source: MOFSL, Company

### Exhibit 13: Advances market share has declined more sharply to ~58% in Sep'24

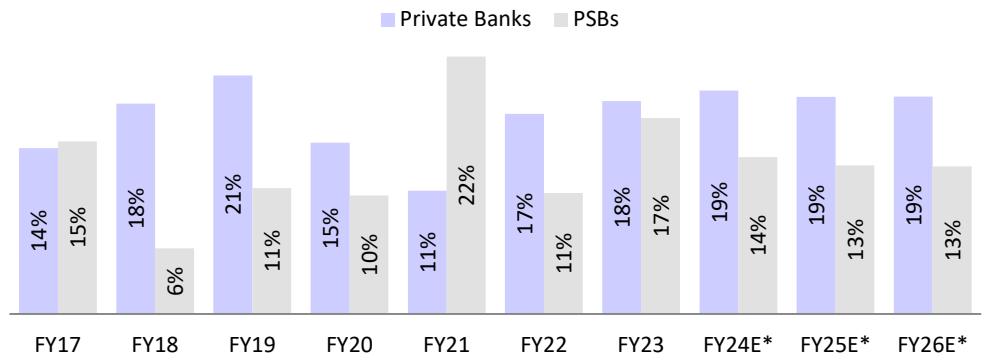


1HFY24 is adjusted for HDFC Ltd credit

Source: MOFSL, Company



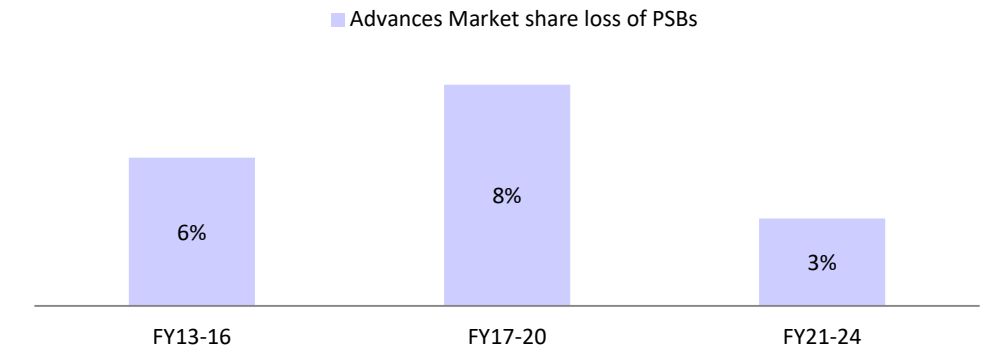
**Exhibit 14: Loan growth has seen a healthy traction for PSBs over the past few years**



\*Adjusted for HDFC Ltd credit; In FY21, PSBs has 22% growth due to merger; Data above are for MOSL coverage universe  
Source: MOFSL, Company

**Exhibit 15: PSBs: Pace of market share loss in advances has moderated significantly**

PSBs' advances market share loss to private banks declined to 3% during FY21-24 vs. 8% loss during FY17-20



Source: MOFSL, Company

## PSBs' weight in Nifty-50 has increased over recent years

### Increase in free float and continued performance to drive further increase

- BFSI accounts for nearly one-third of the Nifty-50 benchmark index. While the aggregate weight of BFSI in the benchmark has declined over the recent years, the weight of the banking sector has steadily increased to 28.4%.
- Incidentally, the trend in banking sector earnings to total Nifty earnings has also increased significantly over the past few years, and during FY23, the sector earnings accounted for ~28.3% of total Nifty earnings.
- PSBs' weight in the Nifty-50 index has declined from 4.1% in FY13 to 3.1% in Feb'24, though it has increased by ~100bp since Mar'20 levels.
- We note that the earnings contribution of PSBs to total Nifty earnings has been healthy, increasing from 0.7% in FY19 to ~8.3% in FY24. In comparison, the earnings of private banks in the Nifty improved from 11.4% in FY19 to 19.9% in FY24.
- The improved operating performance has helped PSBs to not just shore up capital by accessing public markets, but also helped most banks see huge demand in their recent QIPs, consequently reducing government shareholding. As a result, their free float market capitalization has increased, which will lead to an increase PSBs' weight within the Nifty.

**Exhibit 16: BFSI accounts for nearly one-third of total Nifty-50; Banking sector weight has risen to 28.4% in Feb'24**

Sector	Mar'13	Mar'14	Mar'15	Mar'16	Mar'17	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Feb'24
Automobiles	7.9	8.8	8.9	9.7	11.0	9.9	6.1	4.5	5.4	4.8	5.3	7.1
<b>BFSI</b>	<b>28.5</b>	<b>27.4</b>	<b>31.8</b>	<b>29.7</b>	<b>33.4</b>	<b>35.8</b>	<b>38.8</b>	<b>36.5</b>	<b>38.0</b>	<b>35.2</b>	<b>37.7</b>	<b>32.5</b>
<b>Banks</b>	<b>20.6</b>	<b>20.6</b>	<b>24.0</b>	<b>23.4</b>	<b>25.5</b>	<b>26.3</b>	<b>28.8</b>	<b>26.2</b>	<b>26.4</b>	<b>24.3</b>	<b>27.3</b>	<b>28.4</b>
Private	16.5	16.9	20.3	20.5	22.3	23.9	26.3	24.1	24.2	21.9	24.7	25.3
Axis Bank	2.3	2.0	3.2	2.7	2.4	2.1	3.2	2.4	2.8	2.6	3.1	3.1
HDFC Bank	6.3	6.2	6.7	7.6	8.5	9.9	10.7	10.4	10.2	8.4	9.3	11.1
ICICI Bank	6.6	6.4	6.2	5.0	4.7	4.6	5.5	5.9	6.3	6.6	8.0	7.4
IndusInd Bank		1.0	1.3	1.7	2.1	2.3	1.9	0.6	0.8	0.8	0.9	1.0
Kotak Mah. Bank	1.4	1.3	1.9	2.5	3.0	3.6	3.8	4.8	4.0	3.4	3.3	2.7
Yes Bank			0.9	1.0	1.5	1.4	1.1					
Public	4.1	3.7	3.7	2.9	3.2	2.4	2.6	2.1	2.2	2.5	2.6	3.1
Bank of Baroda	0.6	0.6	0.5	0.5	0.5							
PNB	0.5	0.5	0.4	0.2								
St Bank	2.9	2.6	2.8	2.2	2.7	2.4	2.6	2.1	2.2	2.5	2.6	3.1
<b>Insurance</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
<b>NBFC</b>	<b>8.0</b>	<b>6.8</b>	<b>7.8</b>	<b>6.3</b>	<b>7.9</b>	<b>9.6</b>	<b>10.0</b>	<b>10.3</b>	<b>10.2</b>	<b>9.5</b>	<b>9.1</b>	<b>2.8</b>
Capital Goods	5.1	5.3	5.5	4.0	3.8	4.1	3.7	2.8	2.7	2.8	3.4	4.1
Cement	3.3	3.1	2.9	3.2	3.1	1.5	1.6	2.2	2.7	2.2	1.9	2.0
Consumer	13.1	12.6	9.5	10.3	10.3	9.3	11.3	14.5	11.5	10.4	12.6	11.2
Healthcare	5.2	5.2	7.0	6.8	5.6	3.6	2.4	2.7	3.3	4.0	3.8	4.5
Infrastructure	0.4	0.0	0.0	0.8	0.8	0.7	0.6	0.5	0.8	0.7	0.6	1.0
Media	0.0	0.0	0.6	0.8	0.9	0.8	0.5	0.3	0.0	0.0	0.0	0.0
Metals	2.9	4.0	2.3	1.5	1.7	3.3	2.8	1.7	2.4	3.4	2.7	2.8
Oil & Gas	12.2	11.5	8.2	9.4	10.8	12.2	13.2	12.4	11.8	13.1	11.5	12.2
Real Estate	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technology	14.5	16.3	16.5	17.6	13.0	12.7	13.7	15.0	16.8	18.2	14.1	14.6
Telecom	1.9	1.7	2.5	2.2	1.8	2.0	1.5	3.1	2.0	2.3	2.4	3.0
Utilities	4.6	3.6	4.2	4.0	4.1	3.4	3.0	3.1	2.1	2.3	2.7	4.2
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.7	0.8	0.5	0.6	0.6	1.1	1.1
<b>Nifty-50</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: MOFSL, Company

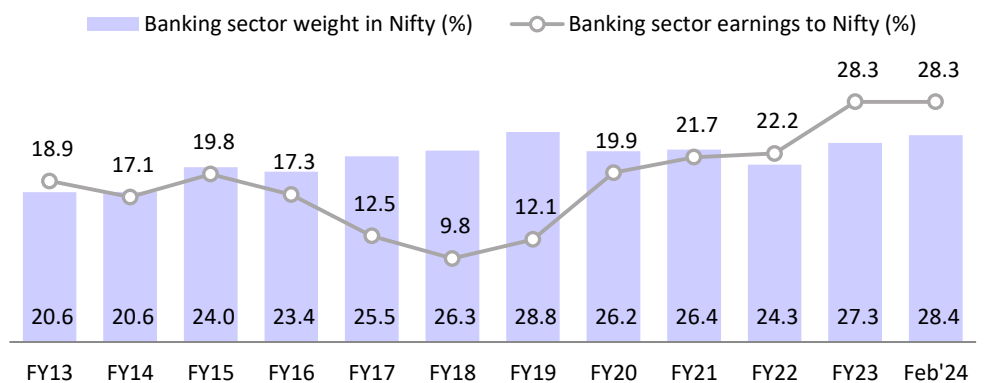
**Exhibit 17: PSU Banks weights have increased in Nifty bank in past few years**

Bank	Mar'22	Mar'23	Feb'24
AUBANK	2.4	2.5	1.8
AXISBANK	11.6	10.1	10.1
BANDHANBNK	1.8	1.3	1.0
BANKBARODA	1.8	2.8	3.1
FEDERALBNK	1.7	2.5	2.1
HDFCBANK	28.5	27.8	25.2
ICICIBANK	22.4	24.0	24.8
IDFCFIRSTB	1.1	1.5	2.0
INDUSINDBK	5.3	6.2	6.1
KOTAKBANK	11.4	10.0	9.2
PNB	0.9	1.2	2.4
SBIN	11.1	10.1	12.0
<b>Nifty Bank weight</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: MOFSL, Company

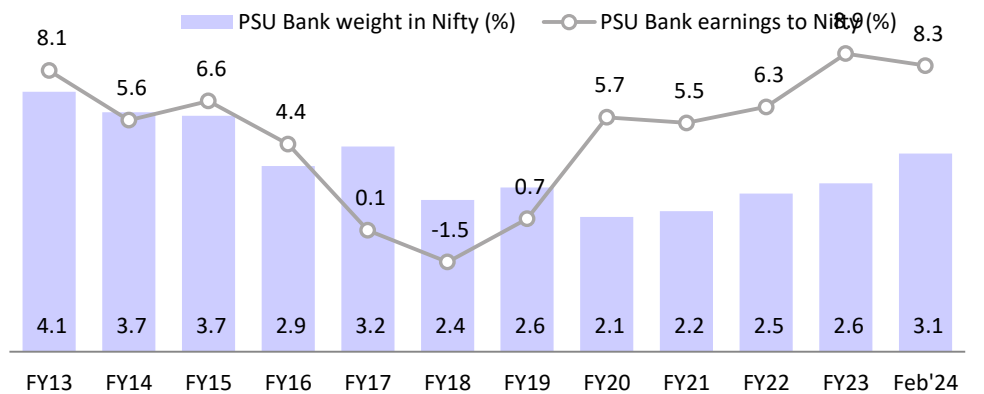
**Exhibit 18: Mix of Banking sector earnings to total Nifty earnings has increased to 28.3% vs 9.8% in FY18**

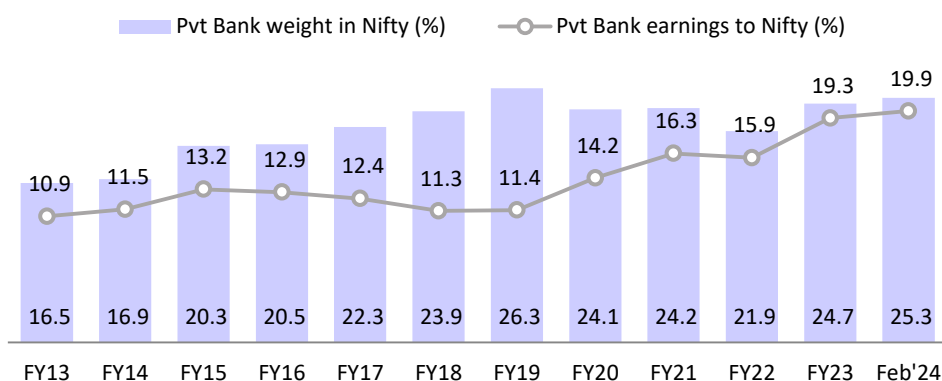
Banking sector weight in Nifty stood at 28.4% in Feb'24 vs 20.6% in FY14



**Exhibit 19: PSU Banks earnings to total Nifty earnings have recovered to decadal highs**

PSU Bank weight in Nifty have increased in recent years to 3.1%; however, it still remains lower than their weight during FY13-15



**Exhibit 20: Private Banks earnings to Nifty earnings has increased to 19.9%****Exhibit 21: Trend in government shareholding across banks (%)**

Banks	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Dec'23
BOB	64.0	63.3	71.6	64.0	64.0	64.0	64.0
BOI	83.1	87.1	89.1	89.1	81.4	81.4	73.4
BOM	87.0	87.7	92.5	93.3	91.0	91.0	86.5
Canara	72.6	70.6	78.6	69.3	62.9	62.9	62.9
CBOI	86.4	91.2	92.4	89.8	93.1	93.1	93.1
IOB	89.7	92.5	95.8	95.8	96.4	96.4	96.4
Indian	81.9	81.5	83.5	88.1	79.9	79.9	73.8
PSB	85.6	85.6	83.1	97.1	98.3	98.3	98.3
PNB	62.3	75.4	83.2	76.9	73.2	73.2	73.2
SBIN	58.0	57.1	56.9	56.9	56.9	56.9	56.9
UCO	84.2	93.3	94.4	94.4	95.4	95.4	95.4
Union	67.4	74.3	86.8	89.1	83.5	83.5	77.0

Sources: MOFSL, BSE

Many PSBs have raised capital to boost Tier-1 and reduce government shareholding

**Exhibit 22: Value of Government holding has seen ~5x increase since FY20**

Value of Govt holding (INR b)	Mar'20	Feb'24
SBIN	1,000	3,834
PNB	181	1,048
BOB	177	912
IOB	111	1,244
UNBK	85	826
CBK	73	669
INBK	22	515
BOI	94	481
Central	65	538
PSB	6	449
BOM	48	379
<b>Total</b>	<b>1,863</b>	<b>10,896</b>

Value of government shareholding has seen ~5x increase from Mar'20 levels to ~INR11t

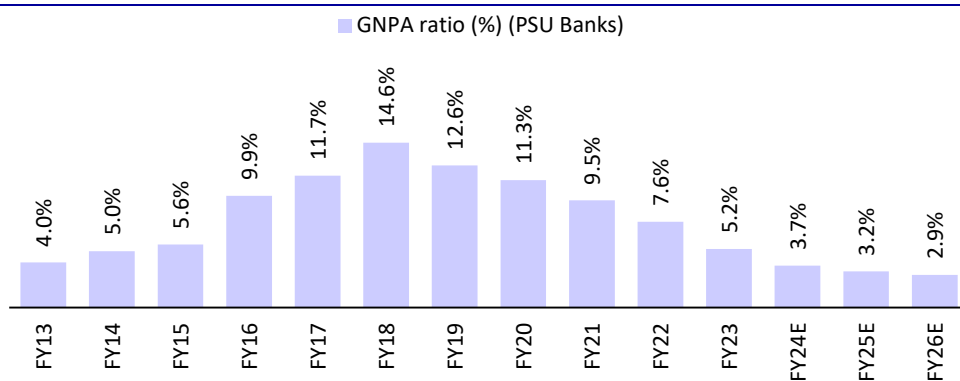
## Asset quality ratios improving steadily

### Net NPA ratio for PSU banks and Private banks is comparable

- PSU banks have grappled with high NPA levels during the past several years. The transformative journey that began in 2015 with the asset quality review exercise, initiated by the RBI, marked a turning point for these institutions.
- This led to a rigorous clean-up of bad loans, which along with the subsequent consolidation that happened in PSBs, has driven a notable reduction in Gross NPAs to 3.7% in FY24E from the peak of 14.6% in Mar'18. PCR for these banks has thus improved to 78% in FY24E from 48% in FY18.
- With asset quality stress largely behind us, we expect asset quality ratios to improve further with NNPA ratio likely to decline to 0.6% by FY26E, making it equivalent to that of the private banks. This will keep credit costs under control and support the overall profitability.
- We note that while the Net NPA ratio for PSU banks and Private banks will become comparable, PSU banks still have a higher GNPA ratio and a much bigger TWO pool that will enable them to benefit from the continued recoveries and report healthy earnings trend.

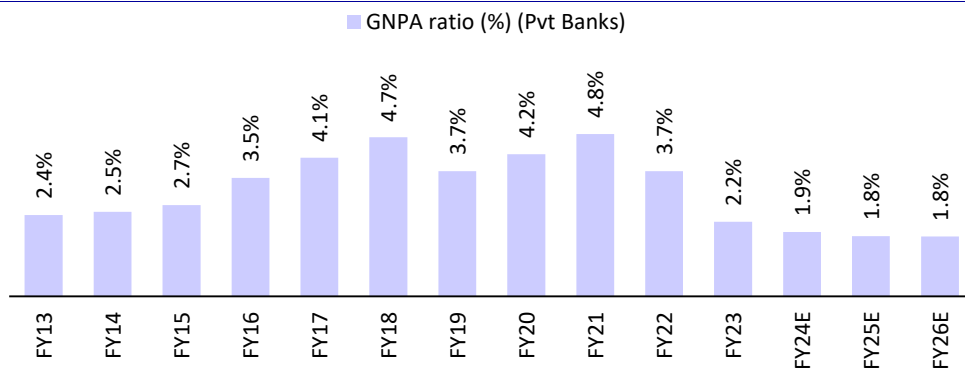
**Exhibit 23: PSU banks – GNPA ratio is likely to contract to 3.7% in FY24 from the peak of 14.6%**

PSU banks' FY25E GNPA is likely to be comparable with their FY15 NNPA



Source: MOFSL, Company

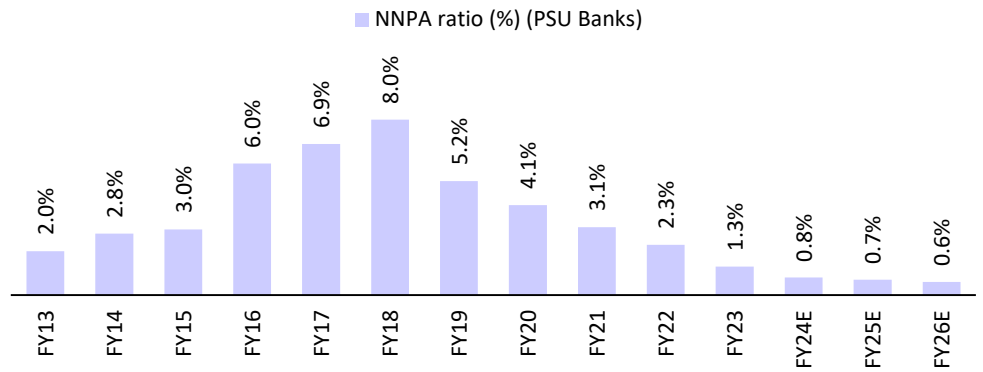
**Exhibit 24: Private banks – GNPA ratio to contract to 1.9% by FY24E from the peak of 4.8%**



Source: MOFSL, Company

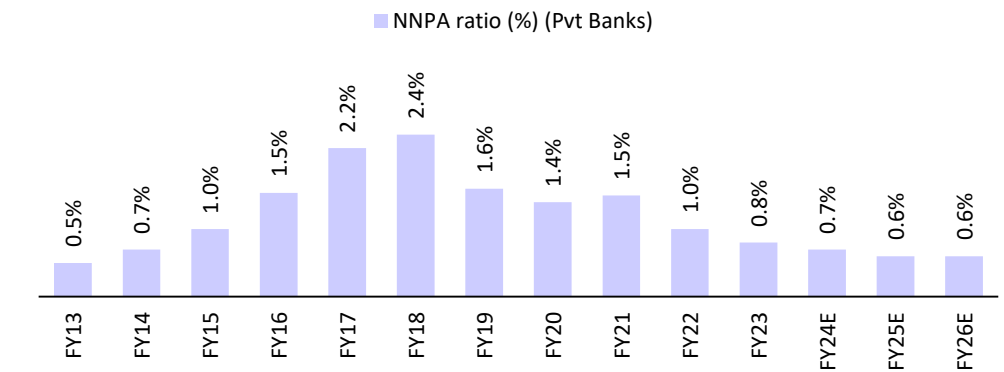
NNPA ratio of PSU banks to become broadly comparable with private banks by the end of FY24

**Exhibit 25: PSU banks – Net NPA ratio to contract to 0.8% by FY24E**



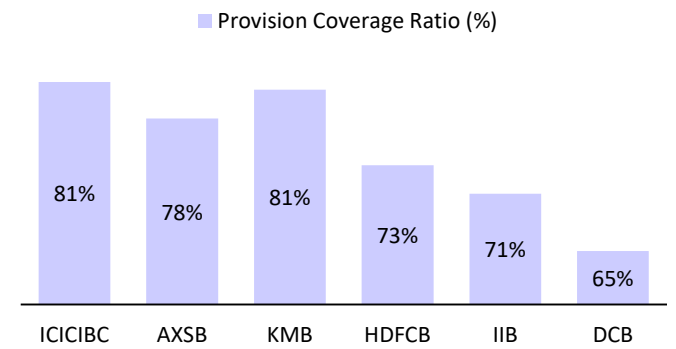
Source: MOFSL, Company

**Exhibit 26: Private banks – Net NPA ratio to contract to 0.7% by FY24E**



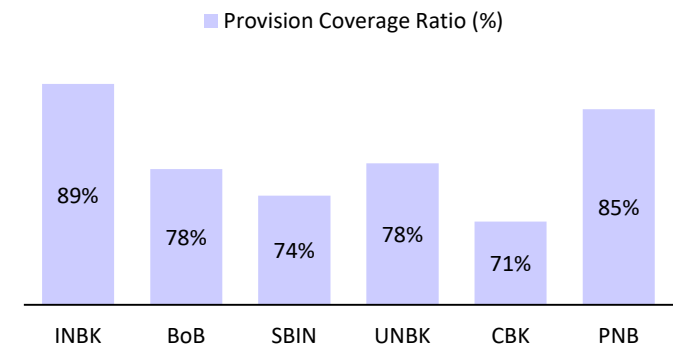
Source: MOFSL, Company

**Exhibit 27: PCR ratio of Private banks – 3QFY24**



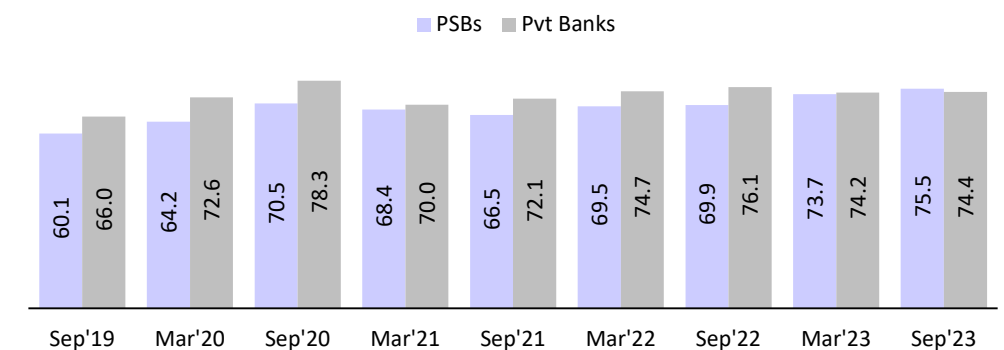
Source: MOFSL, Company

**Exhibit 28: PCR ratio of PSU Banks is similar or higher**



Source: MOFSL, Company

**Exhibit 29: PCR ratio for PSU banks has improved sharply over the recent years to ~75.5% in Sep'23**



Source: MOFSL, Company

## Recoveries from the TWO pool sustain a healthy momentum

### Low SMA book augurs well for asset quality

- The asset quality of PSU banks has improved steadily, supported by healthy underwriting and continued recovery from the TWO pool. Most of the PSU banks have reported healthy recoveries from their large written-off asset pool, which along with controlled slippages, has enabled consistent improvement in asset quality ratios.
- Going forward, several PSBs are guiding a steady recovery from the written-off/NCLT accounts, thereby leading to low net slippages.
- Controlled SMA book and healthy upgrades will enable continued improvement in asset quality and drive further reduction in credit costs for several PSU banks.

#### Exhibit 30: Benign SMA book augurs well for asset quality

SMA 1&2 (% of loans)	3Q23	4Q23	1Q24	2Q24	3Q24
BoB	0.4	0.3	0.3	0.2	0.2
BoI	0.4	0.4	0.4	0.3	0.3
CBK	0.6	0.5	0.5	0.4	0.8
INBK	0.8	0.5	0.7	0.6	0.6
SBIN	0.2	0.1	0.2	0.2	0.2
PNB*	0.2	0.0	0.2	0.2	0.1
UNBK	0.2	0.2	0.4	0.5	0.3

\*Only SMA2 is shown for PNB

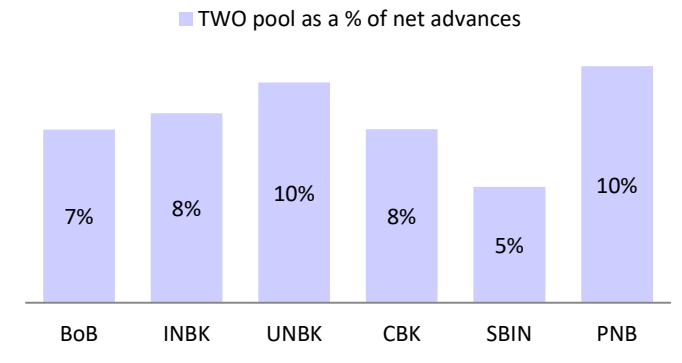
Source: MOFSL, Company

#### Exhibit 31: Trends in restructured portfolio for PSU banks and Private banks

INR b	Absolute (Dec'23)	Mar'22	Mar'23	Jun'23	Sep'23	Dec'23
AXSB	16.41	0.52	0.22	0.21	0.2	0.18
BANDHANN	NA	5.2	NA	NA	NA	NA
DCBB	11.59	6.42	4.51	3.97	3.4	3
HDFCB	51.287	1.14	0.31	NA	0.22	NA
ICICIBC	33.18	1	0.4	NA	0.32	0.29
IIB	15.699	2.6	0.84	0.66	0.54	0.48
KMB	4.59	0.44	0.22	0.19	0.15	0.13
FB	22	2.44	1.62	1.4	1.3	1.1
RBK	5.037	3.27	1.21	1.05	0.89	0.63
AUBANK	4.672	2.5	1.2	1	0.8	0.7
BOB	99	2.44	1.5	1.31	NA	1
SBIN	188.8	1.13	0.8	0.69	0.62	0.54
INBK	94.36	4.73	2.51	2.19	2.12	1.93
PNB	97.2	2.36	1.32	NA	NA	1.06
UNBK	140.71	2.99	2.2	2	1.71	1.57
CBK	NA	2.77	NA	NA	NA	NA

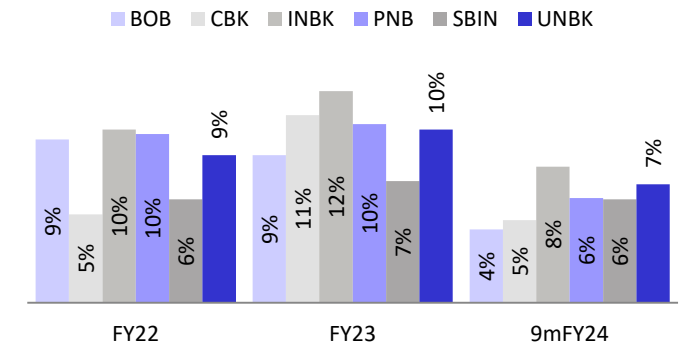
Source: MOFSL, Company

**Exhibit 32: Estimated TWO pool as % of net advances of PSBs as of Dec'23**



Source: MOFSL, Company

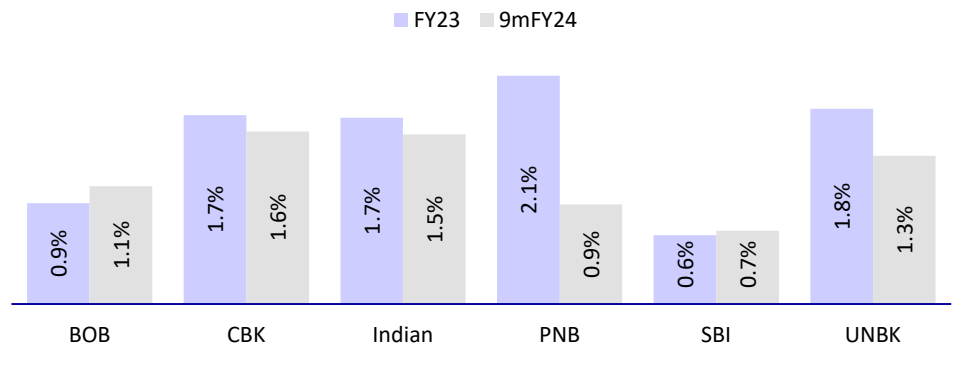
**Exhibit 33: Recoveries as a % of TWO pool remain healthy**



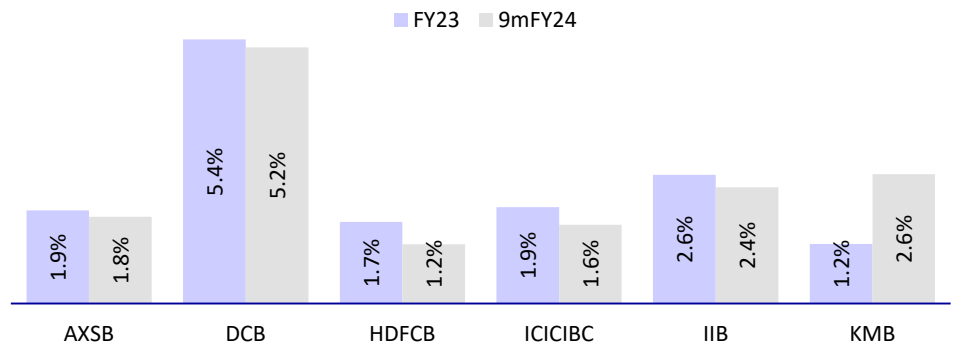
Source: MOFSL, Company

Slippage ratio has improved for all PSU banks and fared better than Private banks

**Exhibit 34: Annualized slippage ratio across PSU banks has improved in 9MFY24**

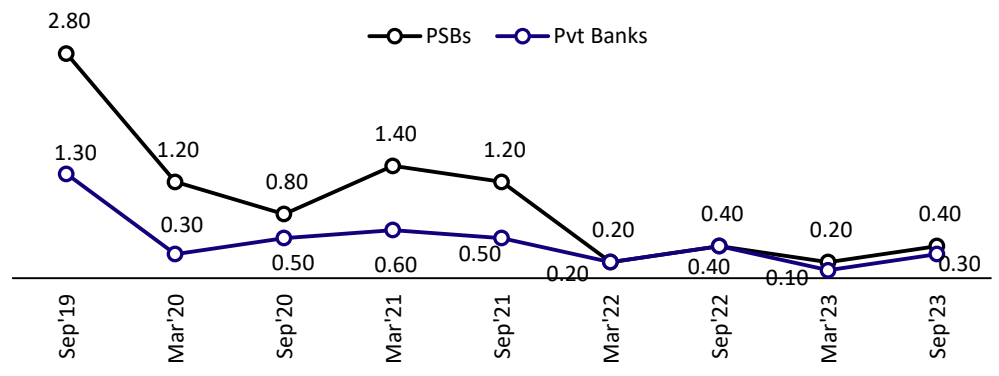


**Exhibit 35: Slippage ratio for Private banks is higher than PSU banks**



SMA-2 for PSU banks has seen a considerable improvement and is trending in line with Private peers over the past two years

**Exhibit 36: SMA-2 for PSU banks has improved significantly and is trending in line with the Private peers**



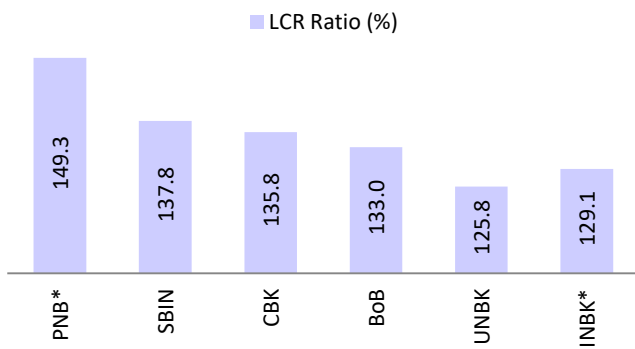


**Liquidity situation comfortable; benign CD ratio to aid growth**

**LCR too stands at a comfortable ~125%-150%**

- With the credit-deposit (CD) ratio near its historical peak for several private banks, the CD ratio for PSU banks remains controlled, implying ample liquidity on the balance sheet amid systemic liquidity pressures. The LCR ratio for PSU banks also remains well above the regulatory requirement of 100% (125%-150%), indicating the comfort they have against their private peers.
- The largest PSU bank, SBI, has a domestic CD ratio of ~66%, while PNB is also well positioned with a CD ratio of 69%. Barring BOB, all other PSU banks within our coverage have a fairly comfortable CD ratio.
- Select private banks have indicated that a high CD ratio may constrain loan growth for them, even as PSU banks remain broadly insulated from this. We thus expect the credit growth differential between Private and PSU banks to narrow over FY24-25.
- We believe that while the systemic loan growth may itself be moderate given the high regulatory oversight of the CD ratio, the Private bank growth estimates are relatively more at risk than their PSU counterparts.

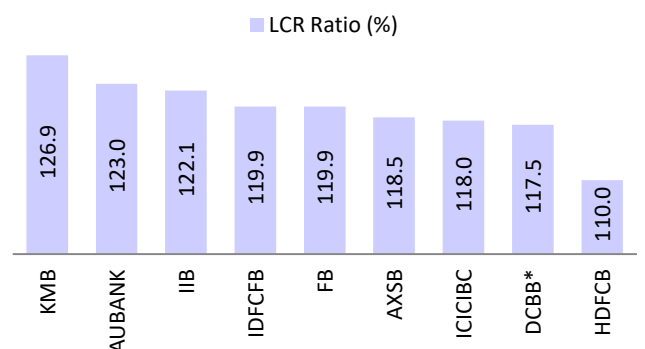
**Exhibit 37: LCR ratio of PSU banks remains comfortable - 3QFY24**



\*LCR ratio as on 2QFY24

Source: MOFSL, Company

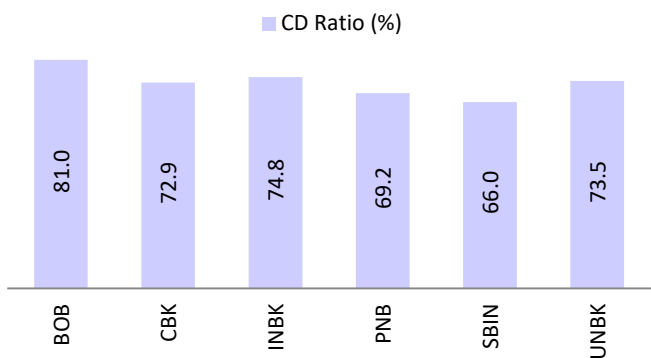
**Exhibit 38: LCR for Private banks is between 110% and 125%**



\*LCR ratio as on 2QFY24

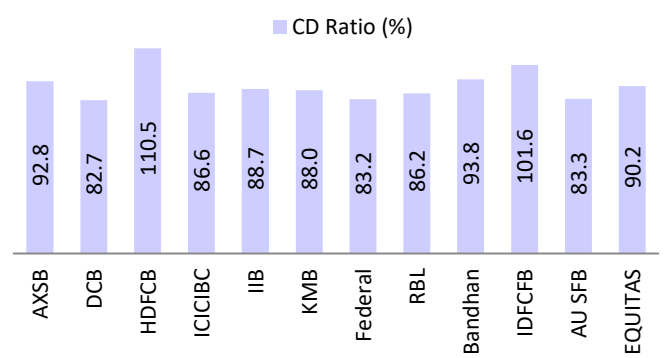
Source: MOFSL, Company

**Exhibit 39: PSU banks – CD ratio remains in control, barring BOB**

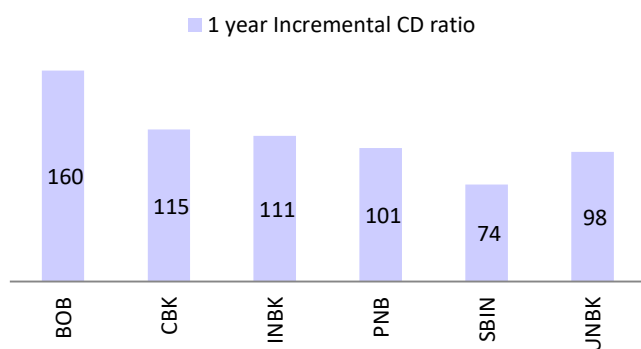


Source: MOFSL, Company

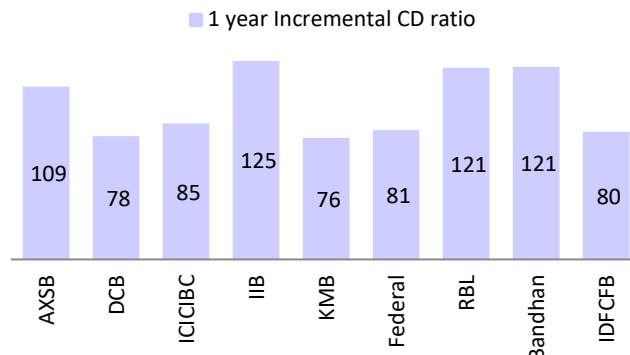
**Exhibit 40: Private banks have much higher CD ratio**



Source: MOFSL, Company

**Exhibit 41: PSU banks – The 1-year incremental CD ratio remains in the range of 90%-100%, barring BOB**

Source: MOFSL, Company

**Exhibit 42: Private banks – the 1-year incremental CD ratio stands in the range of 80%-125%**

\*HDFC bank incremental CD ratio is significantly higher due to merger and hence not shown above. Source: MOFSL, Company

**Exhibit 43: YoY change in the CD ratio of private and PSU banks**

	CD Ratio (%)		
	3Q23	3Q24	YoY change(bp)
<b>Private Banks</b>			
Axis Bank	89.8	92.8	293
DCB Bank	83.4	82.7	-78
HDFC Bank	86.9	110.5	2,355
ICICI Bank	86.8	86.6	-21
IndusInd Bank	83.9	88.7	483
Kotak Mahindra Bank	90.2	88.0	-216
Federal Bank	83.5	83.1	-36
RBL Bank	81.57	86.20	463
Bandhan Bank	90.04	93.83	380
IDFC First Bank	110.58	101.60	-898
<b>PSU Banks</b>			
Bank of Baroda	75.74	80.77	503
Canara Bank	74.18	77.26	308
Indian Bank	72.63	75.37	274
Punjab National Bank	69.51	72.16	265
State Bank of India	65.39	66.34	95
Union Bank	71.03	73.53	250

Source: MOFSL, Company

## PSBs reported accelerated ABV growth over the past 3 years

### Estimate ABV growth to remain healthy at ~18% CAGR over FY24-26

- PSU banks have demonstrated significant outperformance over the recent years, supported by strong earnings turnaround, robust balance sheet post long drawn cleansing and reasonable valuations. From FY22 to date, the Nifty PSU Banks index has risen by 160% vs. 28% returns of the Nifty Private Bank index.
- We note that over FY21-24, the ABV growth for PSU Banks stood at robust 20%, significantly ahead of Private Banks, which reported an average ABV growth of 15-16% during the same period.
- Given that the asset quality improvement cycle at PSBs is still continuing, and many are likely to see further moderation in credit cost, the ABV growth for PSUs will thus likely remain higher than Private Banks. We thus estimate average ABV growth for PSBs over FY24-26E to sustain at 18% vs. 16% for Private Banks.

#### Exhibit 44: PSBs have reported faster ABV growth; estimate 18% ABV CAGR for PSBs over FY24-26E vs. 16% CAGR for Private Banks

ABV (PSU Bank)	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR (FY21-24E)	CAGR (FY24E-26E)
BoB	111.0	135.8	165.2	195.0	227.1	265.3	21%	17%
CBK	218.5	258.9	321.5	407.3	500.7	604.9	23%	22%
INBK	234.1	272.1	333.7	398.2	458.3	530.7	19%	15%
PNB	53.2	57.1	67.9	85.7	95.9	108.4	17%	12%
SBIN	220.6	256.0	310.9	360.8	428.8	509.6	18%	19%
UNBK	63.3	71.7	93.8	113.2	131.8	153.5	21%	16%
<b>Avg of PSBs</b>							<b>20%</b>	<b>18%</b>
ABV (Private Bank)	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR (FY21-24E)	CAGR (FY24E-26E)
AXSB	308.0	354.1	389.5	459.0	539.0	636.0	14%	18%
DCB	103.5	113.3	133.3	144.9	162.3	183.0	12%	12%
HDFC	356.8	420.5	489.8	555.8	630.6	723.1	16%	14%
ICICIBC	187.3	224.0	267.1	316.3	373.0	439.6	19%	18%
IIB	546.9	604.0	690.7	789.9	913.3	1,063.9	13%	16%
KMB	296.2	341.6	397.6	459.2	528.6	609.2	16%	15%
<b>Avg of Pvt Banks</b>							<b>15%</b>	<b>16%</b>

Source: MOFSL, Company

## Earnings on a roll – Revisiting Bull, Bear case scenarios

- PSU banks have witnessed a remarkable resurgence in recent years, marked by strong earnings turnaround, robust balance sheet following the restructuring, and attractive valuations.
- Profitability for PSU banks crossed ~INR1t mark in FY24, which is attributed to significant improvements in asset quality, healthy credit growth, and steady margins. PSBs earnings have shown a robust trend, with earnings contribution to Nifty increasing from 0.7% in FY19 to ~9% in FY23, accompanied by a robust increase in market capitalization.
- Asset quality of PSBs have seen tremendous improvement with NNPA ratio expected to decline to 0.6% by FY26E, equivalent to private banks, supported by controlled credit costs and overall profitability.
- PSBs are well positioned for continued growth and stability, with underlying earnings quality improving significantly, suggesting sustainability in delivering 1% RoA, which previously was seen as an aspirational one. In fact, in one of our earlier report on PSU Banks titled 'Public Sector Banks: The Homecoming of RoA!', we highlighted PSB's earnings recovery to 1% is not a one-off instance, but more like a long overdue mean reversion.
- We have attempted a scenario analysis for PSBs earnings under both Bull and Bear case scenarios.
  - Under the Bull case, we are factoring in a 15bp increase in margins and a 20bp further decline in credit cost (barring SBI) over our base case estimates.
  - While in the Bear case, we are factoring in a 20bp decline in margins and a 20-30bp increase in credit costs.
  - The below table thus shows the changes in key metrics under different scenarios and compares them to our base case projections.

**Exhibit 45: Scenario analysis: Changes in key metrics under Bull and Bear case projections**

INRb	Bank of Baroda						Canara Bank					
	Base case		Bull case		Bear case		Base case		Bull case		Bear case	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Interest Income	497.5	561.4	5%	5%	-7%	-7%	388.2	433.7	5%	5%	-8%	-8%
Operating Profits	352.1	409.3	7%	6%	-10%	-10%	317.6	359.4	6%	6%	-9%	-9%
PAT	203.3	229.0	15%	18%	-27%	-24%	170.8	197.5	17%	17%	-24%	-25%
RoA (%)	1.19	1.19	1.37	1.40	0.88	0.91	1.11	1.16	1.30	1.35	0.84	0.87
RoE (%)	17.5	17.0	19.9	19.4	13.2	13.8	19.5	18.8	22.5	21.0	15.1	15.0
BV	245.5	283.7	4%	5%	-4%	-7%	546.1	649.0	4%	5%	-4%	-6%
ABV	226.9	263.5	4%	4%	-5%	-7%	495.7	594.9	4%	5%	-5%	-6%
EPS	39.3	44.2	15%	18%	-27%	-24%	94.2	108.8	17%	17%	-24%	-25%
INRb	Indian Bank						PNB					
	Base case		Bull case		Bear case		Base case		Bull case		Bear case	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Interest Income	247.0	274.4	3%	3%	-8%	-8%	431.6	460.9	5%	5%	-7%	-7%
Operating Profits	178.1	199.3	4%	4%	-10%	-10%	275.2	296.4	7%	7%	-11%	-11%
PAT	95.5	111.3	21%	20%	-19%	-22%	122.0	155.3	29%	19%	-27%	-32%
RoA (%)	1.16	1.23	1.41	1.47	0.95	0.96	0.74	0.86	0.95	1.02	0.54	0.59
RoE (%)	16.8	16.9	20.0	19.3	13.8	13.8	11.5	13.1	14.6	14.9	8.6	9.4
BV	473.5	546.1	4%	6%	-5%	-6%	104.6	117.7	4%	5%	-4%	-6%
ABV	456.6	528.8	2%	4%	-5%	-7%	95.9	108.0	4%	4%	-5%	-5%
EPS	70.9	82.6	21%	20%	-19%	-22%	11.1	14.1	29%	19%	-27%	-32%
INRb	SBI						Union Bank					
	Base case		Bull case		Bear case		Base case		Bull case		Bear case	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Interest Income	1,788.1	2,004.2	4%	4%	-9%	-9%	392.6	425.8	5%	5%	-7%	-7%
Operating Profits	1,121.8	1,281.0	7%	7%	-14%	-14%	306.0	334.9	6%	6%	-9%	-9%
PAT	721.1	829.0	13%	12%	-29%	-30%	165.1	185.4	17%	16%	-21%	-23%
RoA (%)	1.11	1.15	1.25	1.28	0.79	0.81	1.13	1.16	1.32	1.34	0.89	0.90
RoE (%)	19.3	19.0	21.6	20.6	14.0	14.4	17.4	17.0	20.1	18.9	14.0	13.9
BV	465.1	542.1	3%	4%	-5%	-6%	140.8	160.8	3%	5%	-4%	-6%
ABV	427.5	504.0	3%	4%	-6%	-7%	131.4	151.4	4%	5%	-5%	-6%
EPS	80.8	92.9	13%	12%	-29%	-30%	22.3	25.0	17%	16%	-21%	-23%

## Valuation and View

PSBs have made a sharp comeback in recent years, with the Nifty PSU Bank Index alone delivering 162% returns since Mar'22, overshadowing the 24% returns of the Nifty Private Bank index over the same period. We estimate the top six PSBs under our coverage to report a PAT of INR1.5t/INR1.7tn in FY25/FY26, while the sector's RoA/RoE are expected to improve to 1.2%/17.9% by FY26E.

- We believe that while the PSU rally has been sharp and the sector has seen significant re-rating, the stock valuations still look reasonable in context to business growth and profitability (~18-19% RoE over FY24-26E).
- Considering PSBs' valuation history, their trading multiples may look constrained now; however, the quality of earnings, growth outlook, and broader re-rating in Public Sector enterprises will enable steady performance for the sector.
- PSU Banks are well positioned to pursue healthy growth (given ample balance sheet liquidity) and maintain resilient margins as they benefit from residual MCLR repricing. The decline in bond-yields along with continued improvement in credit cost (barring SBI) will support healthy profitability.
- Several PSBs have raised capital from the market and are thus well poised to benefit from any revival in corporate demand, particularly as the capex cycle recovers after the general elections. We estimate ABV for our coverage PSBs to register a healthy CAGR of ~18% over FY24-26.
- We believe that sustained and consistent performance on return ratios and a conducive macro-environment can drive further re-rating of the sector. **We maintain our OW stance and roll forward our PTs to FY26. Top picks: SBIN & UNBK.**

## Dupont for PSU Banks

**Exhibit 46: Dupont analysis of Bank of Baroda**

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	6.63	7.84	6.09	5.74	6.55	7.46	7.56	7.51
Interest Expense	4.17	5.01	3.60	3.06	3.53	4.56	4.64	4.59
<b>Net Interest Income</b>	<b>2.46</b>	<b>2.83</b>	<b>2.49</b>	<b>2.68</b>	<b>3.02</b>	<b>2.90</b>	<b>2.92</b>	<b>2.92</b>
<b>Other income</b>	<b>0.84</b>	<b>1.06</b>	<b>1.12</b>	<b>0.94</b>	<b>0.73</b>	<b>0.92</b>	<b>0.94</b>	<b>0.96</b>
<b>Total Income</b>	<b>3.30</b>	<b>3.90</b>	<b>3.61</b>	<b>3.63</b>	<b>3.76</b>	<b>3.82</b>	<b>3.85</b>	<b>3.88</b>
<b>Operating Expenses</b>	<b>1.50</b>	<b>1.95</b>	<b>1.78</b>	<b>1.78</b>	<b>1.79</b>	<b>1.81</b>	<b>1.79</b>	<b>1.75</b>
Employee cost	0.67	0.99	0.99	0.98	1.0	1.0	1.0	1.0
Others	0.83	0.96	0.79	0.80	0.82	0.82	0.81	0.79
<b>Operating Profits</b>	<b>1.80</b>	<b>1.95</b>	<b>1.83</b>	<b>1.84</b>	<b>1.96</b>	<b>2.01</b>	<b>2.06</b>	<b>2.13</b>
<b>Core operating Profits</b>	<b>1.67</b>	<b>1.67</b>	<b>1.54</b>	<b>1.62</b>	<b>1.89</b>	<b>1.95</b>	<b>2.02</b>	<b>2.10</b>
<b>Provisions</b>	<b>1.70</b>	<b>2.14</b>	<b>1.35</b>	<b>1.07</b>	<b>0.52</b>	<b>0.39</b>	<b>0.45</b>	<b>0.52</b>
<b>PBT</b>	<b>0.09</b>	<b>-0.19</b>	<b>0.48</b>	<b>0.77</b>	<b>1.44</b>	<b>1.62</b>	<b>1.61</b>	<b>1.61</b>
Tax	0.04	-0.24	0.41	0.17	0.41	0.46	0.42	0.42
<b>RoA (%)</b>	<b>0.06</b>	<b>0.06</b>	<b>0.07</b>	<b>0.60</b>	<b>1.03</b>	<b>1.17</b>	<b>1.19</b>	<b>1.19</b>
<i>Leverage (x)</i>	<i>15.9</i>	<i>15.8</i>	<i>15.5</i>	<i>14.9</i>	<i>14.9</i>	<i>14.5</i>	<i>14.0</i>	<i>13.7</i>
<b>RoE (%)</b>	<b>0.9</b>	<b>0.9</b>	<b>1.1</b>	<b>8.9</b>	<b>15.3</b>	<b>16.9</b>	<b>16.7</b>	<b>16.3</b>

Source: MOFSL, Company

**Exhibit 47: Dupont analysis of Canara Bank**

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	7.14	6.90	6.29	5.83	6.56	7.11	7.13	7.12
Interest Expense	4.93	5.05	4.10	3.61	4.12	4.52	4.62	4.57
<b>Net Interest Income</b>	<b>2.21</b>	<b>1.85</b>	<b>2.19</b>	<b>2.22</b>	<b>2.44</b>	<b>2.59</b>	<b>2.52</b>	<b>2.55</b>
<b>Non Interest income</b>	<b>1.00</b>	<b>1.10</b>	<b>1.35</b>	<b>1.39</b>	<b>1.46</b>	<b>1.31</b>	<b>1.37</b>	<b>1.41</b>
<b>Total Income</b>	<b>3.21</b>	<b>2.95</b>	<b>3.54</b>	<b>3.60</b>	<b>3.90</b>	<b>3.89</b>	<b>3.89</b>	<b>3.96</b>
<b>Operating Expenses</b>	<b>1.60</b>	<b>1.63</b>	<b>1.76</b>	<b>1.55</b>	<b>1.75</b>	<b>1.81</b>	<b>1.83</b>	<b>1.85</b>
Employee cost	0.92	1.01	1.15	0.95	1.07	1.12	1.13	1.14
Other operating expenses	0.67	0.63	0.60	0.60	0.68	0.69	0.70	0.71
<b>Operating Profits</b>	<b>1.61</b>	<b>1.32</b>	<b>1.79</b>	<b>2.05</b>	<b>2.15</b>	<b>2.08</b>	<b>2.06</b>	<b>2.12</b>
<b>Core operating Profits</b>	<b>1.00</b>	<b>1.21</b>	<b>1.52</b>	<b>1.83</b>	<b>2.01</b>	<b>1.92</b>	<b>1.90</b>	<b>1.95</b>
<b>Provisions</b>	<b>1.97</b>	<b>1.57</b>	<b>1.45</b>	<b>1.19</b>	<b>1.05</b>	<b>0.70</b>	<b>0.57</b>	<b>0.56</b>
<b>PBT</b>	<b>(0.35)</b>	<b>(0.25)</b>	<b>0.34</b>	<b>0.87</b>	<b>1.10</b>	<b>1.38</b>	<b>1.49</b>	<b>1.56</b>
Tax	(0.41)	0.07	0.10	0.28	0.28	0.36	0.38	0.40
<b>RoA</b>	<b>0.05</b>	<b>(0.32)</b>	<b>0.23</b>	<b>0.48</b>	<b>0.82</b>	<b>1.02</b>	<b>1.11</b>	<b>1.16</b>
<i>Leverage (x)</i>	<i>18.27</i>	<i>18.80</i>	<i>19.97</i>	<i>19.05</i>	<i>18.42</i>	<i>17.51</i>	<i>16.20</i>	<i>15.10</i>
<b>RoE</b>	<b>0.97</b>	<b>(5.92)</b>	<b>4.64</b>	<b>9.09</b>	<b>15.18</b>	<b>17.91</b>	<b>17.95</b>	<b>17.55</b>

Source: MOFSL, Company

**Exhibit 48: Dupont analysis of Indian Bank**

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	7.20	7.26	6.57	6.00	6.50	7.57	7.52	7.47
Interest Expense	4.57	4.68	3.94	3.42	3.58	4.46	4.51	4.44
<b>Net Interest Income</b>	<b>2.63</b>	<b>2.58</b>	<b>2.63</b>	<b>2.58</b>	<b>2.93</b>	<b>3.11</b>	<b>3.01</b>	<b>3.03</b>
<b>Other Income</b>	<b>0.71</b>	<b>1.12</b>	<b>0.95</b>	<b>1.07</b>	<b>1.03</b>	<b>1.04</b>	<b>1.07</b>	<b>1.09</b>
<b>Total Income</b>	<b>3.34</b>	<b>3.70</b>	<b>3.58</b>	<b>3.65</b>	<b>3.96</b>	<b>4.16</b>	<b>4.08</b>	<b>4.12</b>
<b>Operating Expenses</b>	<b>1.51</b>	<b>1.50</b>	<b>1.74</b>	<b>1.69</b>	<b>1.75</b>	<b>1.90</b>	<b>1.91</b>	<b>1.92</b>
Employees	0.83	0.84	1.07	1.03	1.09	1.21	1.21	1.21
Others	0.67	0.66	0.67	0.65	0.66	0.69	0.70	0.71
<b>Operating Profits</b>	<b>1.83</b>	<b>2.20</b>	<b>1.84</b>	<b>1.96</b>	<b>2.21</b>	<b>2.26</b>	<b>2.17</b>	<b>2.20</b>
<b>Provisions</b>	<b>1.73</b>	<b>1.74</b>	<b>1.35</b>	<b>1.47</b>	<b>1.35</b>	<b>0.82</b>	<b>0.61</b>	<b>0.56</b>
<b>PBT</b>	<b>0.11</b>	<b>0.47</b>	<b>0.49</b>	<b>0.49</b>	<b>0.86</b>	<b>1.44</b>	<b>1.55</b>	<b>1.64</b>
Tax	-0.01	0.21	-0.02	-0.11	0.09	0.36	0.39	0.41
<b>RoA</b>	<b>0.12</b>	<b>0.26</b>	<b>0.50</b>	<b>0.61</b>	<b>0.76</b>	<b>1.07</b>	<b>1.16</b>	<b>1.23</b>
<i>Leverage (x)</i>	<i>16.6</i>	<i>16.7</i>	<i>19.4</i>	<i>18.5</i>	<i>17.4</i>	<i>15.8</i>	<i>14.4</i>	<i>13.7</i>
<b>RoE</b>	<b>2.0</b>	<b>4.3</b>	<b>9.8</b>	<b>11.2</b>	<b>13.3</b>	<b>16.9</b>	<b>16.8</b>	<b>16.9</b>

Source: MOFSL, Company

**Exhibit 49: Dupont analysis of Punjab National Bank**

Annual DuPont	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	6.66	6.70	7.73	5.81	6.13	6.99	7.09	7.02
Interest Expense	4.43	4.53	4.81	3.59	3.65	4.35	4.48	4.48
<b>Net Interest Income</b>	<b>2.23</b>	<b>2.17</b>	<b>2.92</b>	<b>2.23</b>	<b>2.48</b>	<b>2.64</b>	<b>2.61</b>	<b>2.55</b>
<b>Other Income</b>	<b>0.96</b>	<b>1.16</b>	<b>1.14</b>	<b>0.96</b>	<b>0.87</b>	<b>0.84</b>	<b>0.87</b>	<b>0.90</b>
<b>Total Income</b>	<b>3.18</b>	<b>3.33</b>	<b>4.06</b>	<b>3.19</b>	<b>3.36</b>	<b>3.48</b>	<b>3.48</b>	<b>3.45</b>
<b>Operating Expenses</b>	<b>1.50</b>	<b>1.49</b>	<b>1.94</b>	<b>1.57</b>	<b>1.74</b>	<b>1.79</b>	<b>1.82</b>	<b>1.81</b>
Employees	0.90	0.87	1.16	0.92	1.07	1.13	1.11	1.11
Others	0.59	0.62	0.78	0.65	0.67	0.66	0.71	0.70
<b>Operating Profits</b>	<b>1.69</b>	<b>1.84</b>	<b>2.12</b>	<b>1.61</b>	<b>1.62</b>	<b>1.69</b>	<b>1.66</b>	<b>1.64</b>
<b>Core operating Profits</b>	<b>1.55</b>	<b>1.63</b>	<b>1.78</b>	<b>1.38</b>	<b>1.70</b>	<b>1.78</b>	<b>1.76</b>	<b>1.75</b>
<b>Provisions</b>	<b>3.68</b>	<b>1.74</b>	<b>1.79</b>	<b>1.28</b>	<b>1.31</b>	<b>0.86</b>	<b>0.58</b>	<b>0.49</b>
<b>PBT</b>	<b>(1.99)</b>	<b>0.09</b>	<b>0.33</b>	<b>0.34</b>	<b>0.31</b>	<b>0.83</b>	<b>1.08</b>	<b>1.15</b>
Tax	(0.70)	0.05	0.14	0.07	0.13	0.30	0.35	0.29
<b>RoA</b>	<b>(1.29)</b>	<b>0.04</b>	<b>0.19</b>	<b>0.27</b>	<b>0.18</b>	<b>0.53</b>	<b>0.74</b>	<b>0.86</b>
Leverage (x)	17.94	14.99	13.64	13.81	14.21	14.59	14.47	14.24
<b>RoE</b>	<b>(23.24)</b>	<b>0.63</b>	<b>2.64</b>	<b>3.71</b>	<b>2.57</b>	<b>7.79</b>	<b>10.67</b>	<b>12.23</b>

Source: MOFSL, Company

**Exhibit 50: Dupont analysis of State Bank of India**

Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	6.81	6.74	6.25	5.79	6.32	7.20	7.31	7.28
Interest Expense	4.33	4.17	3.64	3.25	3.57	4.45	4.56	4.50
<b>Net Interest Income</b>	<b>2.48</b>	<b>2.57</b>	<b>2.61</b>	<b>2.54</b>	<b>2.76</b>	<b>2.75</b>	<b>2.76</b>	<b>2.78</b>
<b>Non Interest income</b>	<b>1.03</b>	<b>1.19</b>	<b>1.03</b>	<b>0.85</b>	<b>0.70</b>	<b>0.83</b>	<b>0.81</b>	<b>0.81</b>
<b>Total Income</b>	<b>3.51</b>	<b>3.76</b>	<b>3.63</b>	<b>3.39</b>	<b>3.45</b>	<b>3.58</b>	<b>3.57</b>	<b>3.59</b>
<b>Operating Expenses</b>	<b>1.95</b>	<b>1.97</b>	<b>1.95</b>	<b>1.81</b>	<b>1.86</b>	<b>2.09</b>	<b>1.84</b>	<b>1.81</b>
Employee cost	1.15	1.20	1.20	1.05	1.09	1.30	1.06	1.05
Others	0.80	0.77	0.75	0.75	0.77	0.79	0.78	0.77
<b>Operating Profit</b>	<b>1.55</b>	<b>1.79</b>	<b>1.69</b>	<b>1.58</b>	<b>1.59</b>	<b>1.50</b>	<b>1.73</b>	<b>1.78</b>
<b>Core Operating Profit</b>	<b>1.47</b>	<b>1.56</b>	<b>1.54</b>	<b>1.51</b>	<b>1.62</b>	<b>1.52</b>	<b>1.76</b>	<b>1.81</b>
<b>Provisions</b>	<b>1.49</b>	<b>1.13</b>	<b>1.04</b>	<b>0.51</b>	<b>0.31</b>	<b>0.09</b>	<b>0.24</b>	<b>0.24</b>
<b>PBT</b>	<b>0.06</b>	<b>0.66</b>	<b>0.65</b>	<b>0.91</b>	<b>1.28</b>	<b>1.28</b>	<b>1.49</b>	<b>1.54</b>
Tax	0.04	0.28	0.17	0.25	0.32	0.32	0.38	0.39
<b>RoA</b>	<b>0.02</b>	<b>0.38</b>	<b>0.48</b>	<b>0.67</b>	<b>0.96</b>	<b>0.96</b>	<b>1.11</b>	<b>1.15</b>
Leverage (x)	18.27	18.87	19.35	19.55	18.87	18.12	17.39	16.50
<b>RoE</b>	<b>0.44</b>	<b>7.16</b>	<b>9.31</b>	<b>13.01</b>	<b>18.05</b>	<b>17.40</b>	<b>19.33</b>	<b>18.97</b>

Source: MOFSL, Company

**Exhibit 51: Dupont analysis of Union Bank**

Y/E MARCH (%)	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	6.94	7.13	6.57	6.01	6.54	7.41	7.43	7.36
Interest Expense	4.86	4.94	4.21	3.55	3.89	4.68	4.74	4.70
<b>Net Interest Income</b>	<b>2.08</b>	<b>2.19</b>	<b>2.36</b>	<b>2.46</b>	<b>2.65</b>	<b>2.73</b>	<b>2.69</b>	<b>2.67</b>
<b>Non Interest Income</b>	<b>0.91</b>	<b>1.01</b>	<b>1.12</b>	<b>1.11</b>	<b>1.19</b>	<b>1.15</b>	<b>1.15</b>	<b>1.17</b>
<b>Total Income</b>	<b>2.99</b>	<b>3.20</b>	<b>3.48</b>	<b>3.57</b>	<b>3.84</b>	<b>3.88</b>	<b>3.84</b>	<b>3.84</b>
<b>Operating Expenses</b>	<b>1.46</b>	<b>1.44</b>	<b>1.60</b>	<b>1.63</b>	<b>1.78</b>	<b>1.73</b>	<b>1.74</b>	<b>1.74</b>
Employees	0.64	0.64	0.89	0.90	1.00	0.99	0.99	0.99
Others	0.82	0.80	0.71	0.74	0.77	0.74	0.75	0.76
<b>Operating Profits</b>	<b>1.53</b>	<b>1.76</b>	<b>1.88</b>	<b>1.94</b>	<b>2.06</b>	<b>2.15</b>	<b>2.10</b>	<b>2.10</b>
<b>Core Operating Profits</b>	<b>1.42</b>	<b>1.48</b>	<b>1.49</b>	<b>1.64</b>	<b>1.98</b>	<b>2.05</b>	<b>2.00</b>	<b>1.98</b>
<b>Provisions</b>	<b>2.33</b>	<b>2.53</b>	<b>1.65</b>	<b>1.18</b>	<b>1.08</b>	<b>0.55</b>	<b>0.55</b>	<b>0.54</b>
<b>PBT</b>	<b>(0.80)</b>	<b>(0.77)</b>	<b>0.23</b>	<b>0.76</b>	<b>0.98</b>	<b>1.59</b>	<b>1.55</b>	<b>1.56</b>
Tax	(0.20)	(0.22)	(0.05)	0.30	0.30	0.54	0.42	0.40
<b>RoA</b>	<b>(0.60)</b>	<b>(0.55)</b>	<b>0.28</b>	<b>0.46</b>	<b>0.68</b>	<b>1.05</b>	<b>1.13</b>	<b>1.16</b>
Leverage (x)	20.88	19.04	18.28	18.02	17.88	16.65	15.35	14.65
<b>RoE</b>	<b>(12.54)</b>	<b>(10.56)</b>	<b>5.08</b>	<b>8.34</b>	<b>12.22</b>	<b>17.49</b>	<b>17.39</b>	<b>17.01</b>

Source: MOFSL, Company



## Exhibit 52: BFSI Valuation summary

	Rating	CMP	MCap	TP	Upside	Mcap	RoA (%)		RoE (%)		P/E (x)		P/BV (x)		P/ABV (x)	
	FY26E	(INR)	(INRb)	(INR)	(%)	(USDb)	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
<b>Private Banks</b>																
ICICIB*	Buy	1,061	7,428	1,230	16	89.6	2.3	2.3	18.3	18.3	13.0	11.1	2.2	1.9	2.3	1.9
HDFCB*	Buy	1,421	10,702	1,950	37	129.0	1.9	1.9	15.8	16.7	12.4	10.3	1.9	1.6	1.9	1.7
AXSB*	Neutral	1,098	3,387	1,175	7	40.8	1.7	1.8	17.4	17.6	11.1	9.3	1.8	1.5	1.9	1.6
BANDHAN	Neutral	208	328	245	18	4.0	2.2	2.3	17.7	18.6	8.1	6.7	1.3	1.2	1.4	1.2
KMB*	Neutral	1,725	3,419	2,000	16	41.2	2.4	2.4	14.4	14.4	15.5	13.4	2.1	1.8	2.2	1.9
IIB	Buy	1,482	1,156	1,900	28	13.9	2.0	2.0	16.2	16.9	10.5	8.7	1.6	1.4	1.6	1.4
FB	Buy	152	326	175	15	3.9	1.3	1.3	14.5	15.0	8.3	7.0	1.1	1.0	1.2	1.1
DCBB	Neutral	133	42	150	13	0.5	0.9	0.9	12.2	13.0	6.8	5.7	0.8	0.7	0.8	0.7
IDFCFB	Neutral	83	537	85	3	6.5	1.3	1.3	11.7	13.5	14.2	10.8	1.6	1.4	1.6	1.4
EQUITASB	Buy	104	116	125	21	1.4	1.9	1.9	15.3	17.2	12.3	9.5	1.8	1.5	1.8	1.6
AUBANK	Buy	600	396	800	33	4.8	1.7	1.8	15.7	17.0	19.2	15.1	2.8	2.4	2.9	2.4
RBK	Neutral	269	160	270	0	1.9	1.1	1.2	10.3	12.9	10.4	7.7	1.0	1.0	1.1	1.0
<b>PSU Banks</b>																
SBIN*	Buy	759	6,836	860	13	82.4	1.1	1.2	19.5	19.1	6.3	5.5	1.1	0.9	1.2	1.0
PNB	Neutral	128	1,420	115	-10	17.1	0.7	0.9	11.0	13.1	12.1	9.2	1.2	1.1	1.3	1.2
BOB	Buy	269	1,427	310	15	17.2	1.2	1.2	17.8	17.6	6.8	5.9	1.1	0.9	1.2	1.0
CBK	Buy	580	1,056	650	12	12.7	1.1	1.2	19.5	19.1	6.1	5.2	1.1	0.9	1.2	1.0
UNBK	Buy	146	1,006	175	20	12.1	1.1	1.2	17.6	18.0	6.5	5.5	1.0	0.9	1.1	0.9
INBK	Buy	525	657	600	14	7.9	1.2	1.2	16.7	17.0	7.4	6.3	1.1	1.0	1.1	1.0
<b>Life Insurance</b>																
HDFCLIFE**	Neutral	581	1,237	700	21	14.9	NA	NA	17.5	17.4	51.5	41.4	2.3	1.9	2.3	1.9
IPRULIFE**	Buy	523	746	580	11	9.0	NA	NA	16.6	16.8	160.8	109.6	1.6	1.3	1.6	1.3
SBILIFE**	Buy	1,528	1,512	1,700	11	18.2	NA	NA	20.6	20.2	70.5	62.2	2.3	1.9	2.3	1.9
MAXF**	Neutral	930	328	1,040	12	4.0	NA	NA	18.8	18.6	54.6	40.7	1.7	1.5	1.7	1.5
LICI**	Buy	1,067	6,729	1,270	19	81.1	NA	NA	12.6	12.4	17.4	15.9	0.9	0.8	0.9	0.8
<b>Pay-ments &amp; Fintech</b>																
Paytm***	Neutral	408	252	575	41		-4.8	-0.2	-6.6	-0.3	-795.9	26.3	2.1	2.0	2.4	1.9
SBICARD	Neutral	739	701	850	15	8.4	5.0	5.5	23.9	25.8	21.7	16.0	4.7	3.7	4.8	3.8
<b>General Insurance</b>																
Star Health	Buy	563	322	730	30	3.9	NA	NA	14.5	15.8	28.0	22.1	3.8	3.2	3.8	3.2
ICICI Lombard	Buy	1,638	808	1,650	1	9.7	NA	NA	19.2	19.2	33.7	29.6	6.1	5.3	6.1	5.3
<b>Capital Market</b>																
Angel One	Buy	3,039	256	4,000	32	3.1	NA	NA	41.8	39.9	18.6	15.2	6.9	5.4	6.9	5.4
ICICI Securities	UR	842	264	-		3.2	NA	NA	48.3	46.6	15.0	13.2	6.7	5.7	6.7	5.7
IIFL Wealth	Buy	722	252	770	7	3.0	NA	NA	27.3	31.0	28.1	23.4	7.5	7.0	7.5	7.0
<b>Exchanges</b>																
BSE	Neutral	2,277	288	2,725	20	3.5	NA	NA	30.1	32.5	35.0	29.2	10.5	9.5	10.5	9.5
MCX	Neutral	3,677	187	3,950	7	2.3	NA	NA	30.2	34.8	40.1	32.6	11.8	11.0	11.8	11.0
<b>Housing Finance</b>																
LIC HF	Buy	642	354	755	18		1.6	1.6	14.8	14.4	7.4	6.8	1.0	0.9	NA	NA
PNB HF	Buy	703	186	1,025	46		2.4	2.5	12.0	13.5	9.6	7.7	1.1	1.0	NA	NA
Aavas	Neutral	1,467	114	1,650	12		3.3	3.4	14.5	15.7	19.8	15.7	2.7	2.3	NA	NA
HomeFirst	Buy	959	83	1,180	23		3.6	3.7	16.4	18.1	22.9	17.7	3.5	2.9	NA	NA
CanFin	Neutral	799	106	815	2		2.1	2.1	18.0	17.5	12.5	10.9	2.1	1.8	NA	NA
Repco	Neutral	451	29	490	9		2.9	2.8	13.5	12.8	6.8	6.3	0.9	0.8	NA	NA
<b>Vehicle Finance</b>																
Cholamand.	Buy	1,105	890	1,470	33		2.7	2.8	21.8	21.5	19.5	15.8	3.9	3.0	NA	NA
MMFS	Buy	293	359	340	16		2.2	2.4	15.2	16.9	12.9	10.4	1.9	1.7	NA	NA
Shriram Finance	Buy	2,447	900	2,700	10		3.2	3.2	15.9	16.6	11.0	9.2	1.6	1.4	NA	NA
Indostar	Buy	200	23	245	23		1.8	2.3	7.0	10.5	11.6	7.1	0.8	0.7	NA	NA
<b>Gold Finance</b>																
Muthoot	Neutral	1,318	536	1,440	9		5.1	5.2	17.7	17.5	11.5	10.1	1.9	1.6	NA	NA
Manappuram	Buy	183	154	230	25		5.0	5.0	20.3	20.3	6.0	5.1	1.1	0.9	NA	NA

<b>Diversified</b>															
BAF	Buy	6,698	4,107	8,500	27	4.6	4.6	22.2	22.9	22.0	17.4	4.4	3.6	NA	NA
Poonawalla	Buy	460	358	580	26	4.9	5.0	16.0	19.8	24.8	17.3	3.7	3.2	NA	NA
ABCL	Buy	187	478	230	23	0.0	0.0	13.2	14.7	13.8	10.9	1.7	1.5	NA	NA
LTFH	Buy	172	424	200	17	2.5	2.7	12.0	14.6	14.6	11.1	1.7	1.5	NA	NA
PIEL	Buy	933	223	1,100	18	1.9	2.1	6.2	8.1	12.0	8.5	0.7	0.7	NA	NA
IIFL Finance	Buy	600	229	800	33	3.9	4.1	21.0	21.6	9.2	7.4	1.8	1.4	NA	NA
MAS Financial	Buy	331	56	390	18	2.9	3.0	17.2	18.1	17.2	13.9	2.8	2.3	NA	NA
<b>NBFC - MFIs</b>															
CreditAccess	Buy	1,470	233	1,985	35	5.6	5.4	23.9	22.6	13.1	10.9	2.8	2.2	NA	NA
Fusion Micro	Buy	555	54	720	30	5.5	5.6	22.1	22.1	7.9	6.3	1.6	1.3	NA	NA
Spandana Sphoorty	Buy	963	68	1,400	45	4.6	4.6	16.2	17.3	10.7	8.5	1.6	1.4	NA	NA

Source: MOFSL, Company

\*Adjusted for subsidiaries

\*\*BV represents EV, RoE represents ROEV and P/ABV represents P/EV

\*\*\*For Paytm, ABV represents Sales per share

## Exhibit 53: Banking sector price performance sorted on one-year return

Company Name	CMP (INR)	Price Perf (%)					CAGR (%)	
		1M	3M	6M	YTD	1 Year	3 Year	
<b>Nifty 50</b>	<b>22,197</b>	<b>3</b>	<b>13</b>	<b>15</b>	<b>23</b>	<b>24</b>	<b>14.0</b>	
<b>Nifty BANK</b>	<b>47,094</b>	<b>2</b>	<b>8</b>	<b>7</b>	<b>10</b>	<b>16</b>	<b>9.5</b>	
<b>Nifty PSU Bank</b>	<b>7,101</b>	<b>17</b>	<b>40</b>	<b>54</b>	<b>64</b>	<b>88</b>	<b>42.3</b>	
<b>Private banks</b>		<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	
Dhanlaxmi Bank	53	14	78	120	165	230	55.7	
Jammu and Kashmir Bank	143	8	26	65	152	194	67.8	
Canara Bank	569	19	43	73	71	97	52.6	
South Indian Bank	33	9	34	49	78	93	56.7	
IDBI Bank	91	15	47	49	67	82	42.5	
Karur Vysya Bank	183	8	21	56	61	79	44.2	
Karnataka Bank	247	(12)	12	8	62	74	52.6	
RBL Bank	263	(2)	15	22	47	66	2.2	
Yes Bank	27	5	32	57	29	60	18.6	
CSB Bank	366	(7)	(0)	16	54	51	17.7	
IDFC First Bank	82	(7)	(3)	(8)	39	49	9.4	
IndusInd Bank	1,504	(2)	(0)	10	23	36	12.2	
Axis Bank	1,089	(3)	10	15	17	29	13.2	
ICICI Bank	1,049	4	14	10	18	23	18.9	
Federal Bank	154	6	5	15	11	23	22.8	
DCB Bank	136	(8)	20	21	7	18	5.7	
Tamilnad Mercantile Bank	491	(3)	(6)	1	3	9		
Kotak Mahindra Bank	1,763	(2)	(0)	1	(4)	1	-3.1	
City Union Bank	136	(5)	(9)	12	(24)	(1)	-6.1	
HDFC Bank	1,454	(2)	(3)	(9)	(11)	(11)	-1.9	
Bandhan Bank	203	(12)	(5)	(12)	(13)	(14)	-15.6	
<b>PSU banks</b>		<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	
Indian Overseas Bank	70	54	73	120	117	176	58.1	
Punjab National Bank	130	23	65	106	129	162	45.5	
Punjab & Sind Bank	66	38	57	85	96	154	50.0	
Central Bank of India	66	17	45	88	105	148	45.0	
UCO Bank	60	39	54	91	89	134	60.5	
Bank of Maharashtra	61	15	36	59	99	131	37.7	
Union Bank of India	141	(0)	30	49	75	100	51.6	
Bank of India	142	3	36	56	61	88	19.0	
Indian Bank	537	17	27	32	88	87	55.7	
Bank of Baroda	273	18	38	43	47	66	44.2	
State Bank of India	760	20	35	33	24	45	23.9	
<b>Small Finance Banks</b>		<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	
Ujjivan Small Finance Bank	55	(7)	(1)	13	90	102	16.2	
Suryoday Small Finance Bank	177	4	8	(4)	45	75		
Equitas Small Finance Bank	105	(7)	11	28	81	70	29.9	
AU Small Finance Bank	599	(20)	(18)	(16)	(8)	(1)	2.6	

Source: MOFSL, Company

Valuation charts

Exhibit 54: Bank of Baroda: One-year forward P/B trend

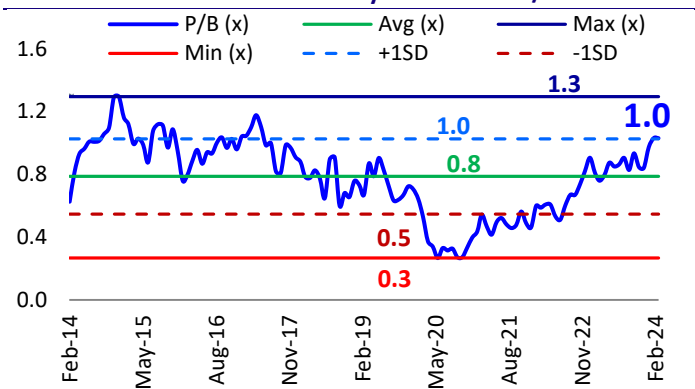


Exhibit 55: Bank of Baroda-One-year forward P/E trend

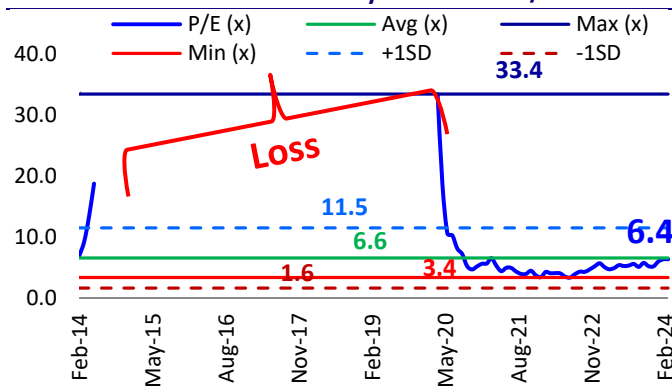


Exhibit 56: Canara Bank: One-year forward P/B trend

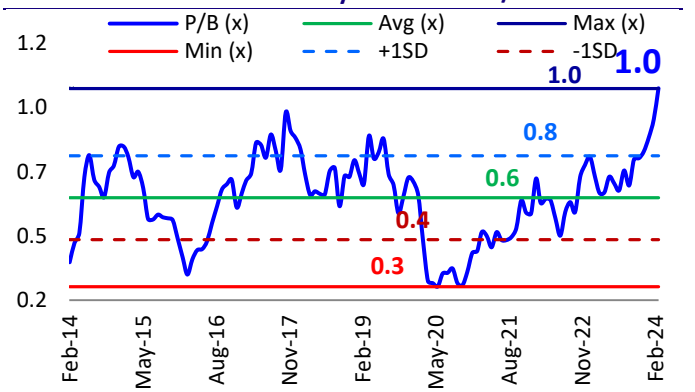


Exhibit 57: Canara Bank: One-year forward P/E trend

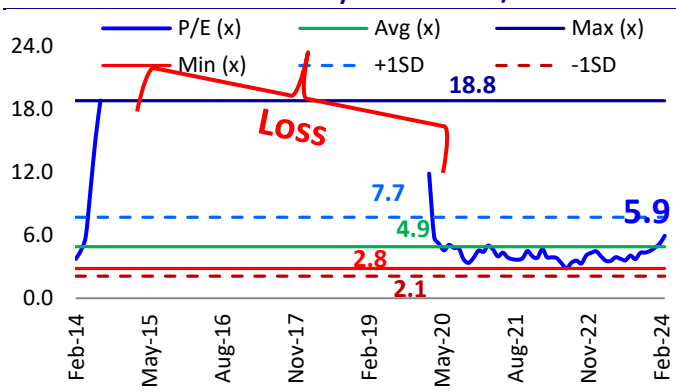


Exhibit 58: Indian Bank: One-year forward P/B trend

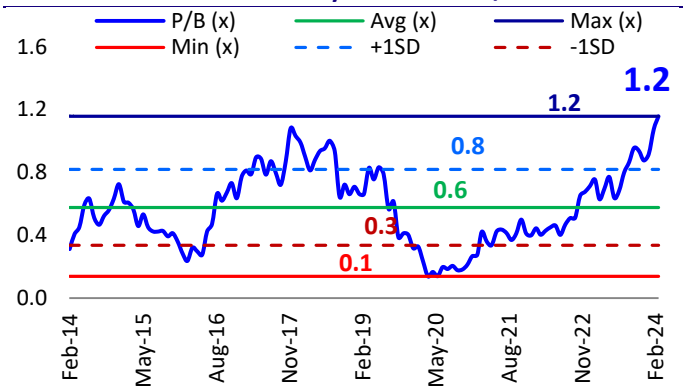


Exhibit 59: Indian Bank: One-year forward P/E trend

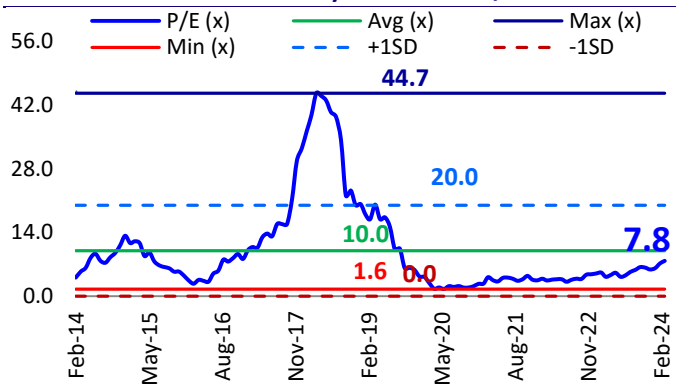


Exhibit 60: PNB: One-year forward P/B trend

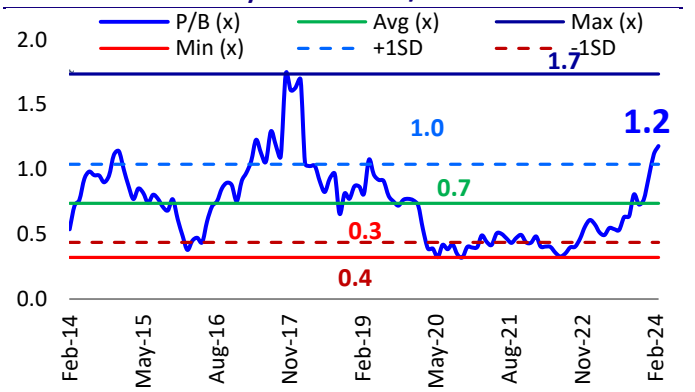
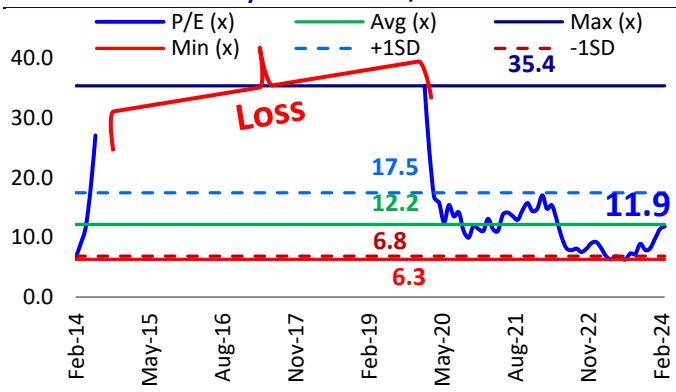


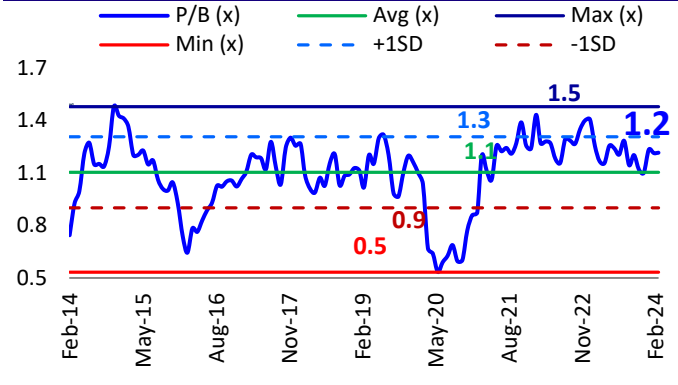
Exhibit 61: PNB: One-year forward P/E trend



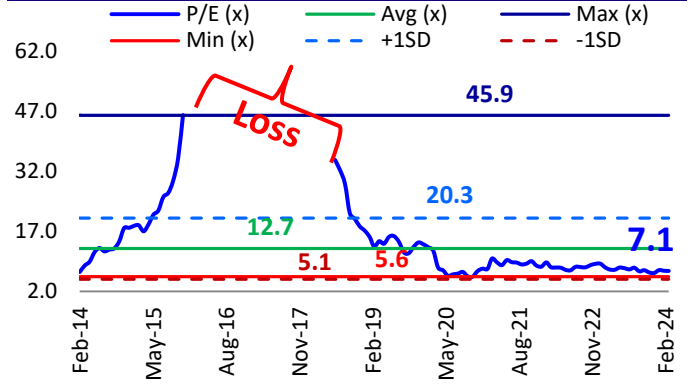
Source: MOFSL, Company

Source: MOFSL, Company

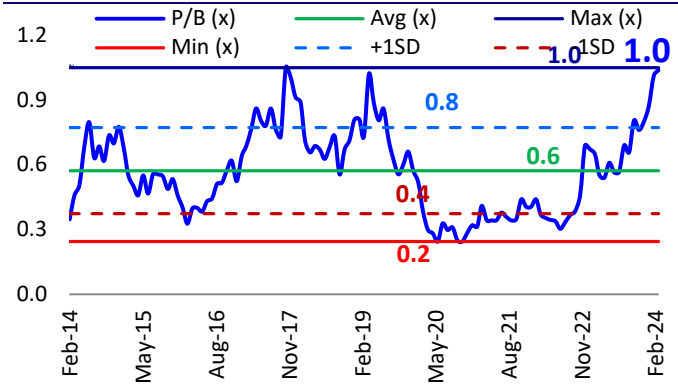
**Exhibit 62: SBI: One-year forward P/B trend**



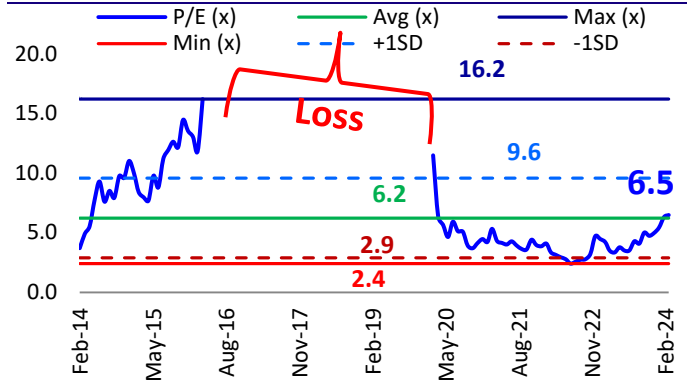
**Exhibit 63: SBI: One-year forward P/E trend**



**Exhibit 64: Union Bank: One-year forward P/B trend**



**Exhibit 65: Union Bank: One-year forward P/E trend**



Source: MOFSL, Company

Source: MOFSL, Company

## Financials and Valuations: Bank of Baroda

Income Statement								(INRb)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	497.7	759.8	705.0	698.8	895.9	1,143.8	1,289.1	1,443.3
Interest Expense	312.9	485.3	416.9	372.6	482.3	698.5	791.6	881.9
<b>Net Interest Income</b>	<b>184.8</b>	<b>274.5</b>	<b>288.1</b>	<b>326.2</b>	<b>413.6</b>	<b>445.2</b>	<b>497.5</b>	<b>561.4</b>
Growth (%)	19.1	48.5	4.9	13.2	26.8	7.7	11.7	12.8
Non Interest Income	62.9	103.2	129.3	114.8	100.3	140.4	160.0	184.0
<b>Total Income</b>	<b>247.7</b>	<b>377.7</b>	<b>417.4</b>	<b>441.1</b>	<b>513.8</b>	<b>585.6</b>	<b>657.5</b>	<b>745.4</b>
Growth (%)	11.7	52.4	10.5	5.7	16.5	14.0	12.3	13.4
Operating Expenses	112.9	188.7	205.4	217.2	245.2	277.2	305.4	336.1
<b>Pre Provision Profits</b>	<b>134.9</b>	<b>189.0</b>	<b>212.0</b>	<b>223.9</b>	<b>268.6</b>	<b>308.4</b>	<b>352.1</b>	<b>409.3</b>
Growth (%)	12.3	40.1	12.2	5.6	20.0	14.8	14.2	16.2
<b>Core PPP</b>	<b>125.0</b>	<b>161.5</b>	<b>178.2</b>	<b>196.6</b>	<b>258.0</b>	<b>299.4</b>	<b>344.4</b>	<b>402.8</b>
Growth (%)	23.4	29.2	10.4	10.3	31.2	16.0	15.1	16.9
Provisions (excl tax)	127.9	207.0	156.4	130.0	71.4	59.4	77.0	99.4
<b>PBT</b>	<b>7.0</b>	<b>-18.0</b>	<b>55.6</b>	<b>93.9</b>	<b>197.3</b>	<b>249.0</b>	<b>275.1</b>	<b>309.9</b>
Tax	2.6	-23.5	47.3	21.1	56.2	70.0	71.8	80.9
Tax Rate (%)	37.9	130.3	85.1	22.5	28.5	28.1	26.1	26.1
<b>PAT</b>	<b>4.3</b>	<b>5.5</b>	<b>8.3</b>	<b>72.7</b>	<b>141.1</b>	<b>179.0</b>	<b>203.3</b>	<b>229.0</b>
Growth (%)	-117.8	26.0	51.8	777.3	94.0	26.9	13.5	12.7

Balance Sheet								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	5.3	9.3	10.4	10.4	10.4	10.4	10.4	10.4
Preference Share Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves & Surplus	504.5	709.3	760.1	848.7	971.9	1,120.9	1,292.9	1,490.7
<b>Net Worth</b>	<b>509.8</b>	<b>718.6</b>	<b>770.5</b>	<b>859.1</b>	<b>982.2</b>	<b>1,131.2</b>	<b>1,303.3</b>	<b>1,501.1</b>
<b>Deposits</b>	<b>6,386.9</b>	<b>9,459.8</b>	<b>9,670.0</b>	<b>10,459.4</b>	<b>12,036.9</b>	<b>13,149.1</b>	<b>14,753.3</b>	<b>16,641.7</b>
Growth (%)	8.0	48.1	2.2	8.2	15.1	9.2	12.2	12.8
<b>of which CASA Dep</b>	<b>2,237.9</b>	<b>3,338.2</b>	<b>3,882.8</b>	<b>4,336.1</b>	<b>4,751.0</b>	<b>4,654.8</b>	<b>5,163.6</b>	<b>5,824.6</b>
Growth (%)	5.7	49.2	16.3	11.7	9.6	-2.0	10.9	12.8
Borrowings	672.0	930.7	668.5	1,039.0	1,019.1	1,161.2	1,273.5	1,406.2
Other Liabilities & Prov.	241.1	470.1	444.7	422.5	547.4	629.5	723.9	832.5
<b>Total Liabilities</b>	<b>7,809.9</b>	<b>11,579.2</b>	<b>11,553.6</b>	<b>12,780.0</b>	<b>14,585.6</b>	<b>16,071.0</b>	<b>18,054.0</b>	<b>20,381.5</b>
Current Assets	892.3	1,219.0	1,204.1	1,226.5	957.0	915.9	1,057.8	1,209.2
<b>Investments</b>	<b>1,823.0</b>	<b>2,746.1</b>	<b>2,612.2</b>	<b>3,158.0</b>	<b>3,624.9</b>	<b>3,820.6</b>	<b>4,126.2</b>	<b>4,559.5</b>
Growth (%)	11.7	50.6	-4.9	20.9	14.8	5.4	8.0	10.5
<b>Loans</b>	<b>4,688.2</b>	<b>6,901.2</b>	<b>7,063.0</b>	<b>7,771.6</b>	<b>9,410.0</b>	<b>10,727.4</b>	<b>12,197.0</b>	<b>13,880.2</b>
Growth (%)	9.7	47.2	2.3	10.0	21.1	14.0	13.7	13.8
Fixed Assets	69.9	88.9	80.2	99.2	87.1	83.6	90.3	97.5
Other Assets	336.5	623.9	594.1	524.7	506.7	523.6	582.7	635.1
<b>Total Assets</b>	<b>7,809.9</b>	<b>11,579.2</b>	<b>11,553.6</b>	<b>12,780.0</b>	<b>14,585.6</b>	<b>16,071.0</b>	<b>18,054.0</b>	<b>20,381.5</b>

Asset Quality								
GNPA	482.3	693.8	666.7	540.6	367.6	326.5	335.3	365.8
NNPA	156.1	215.8	218.0	133.6	85.5	73.4	81.1	86.7
Slippages			200.1	142.6	111.5	161.1	194.9	221.7
GNPA Ratio	9.6	9.4	8.9	6.6	3.8	3.0	2.7	2.6
NNPA Ratio	3.3	3.1	3.1	1.7	0.9	0.7	0.7	0.6
Slippage Ratio	3.0	3.4	2.8	1.8	1.2	1.6	1.7	1.7
Credit Cost	2.7	2.9	1.7	2.0	0.5	0.7	0.7	0.7
PCR (Excl Tech. write off)	67.6	68.9	67.3	75.3	76.7	77.5	75.8	76.3

E: MOSL Estimates

## Financials and Valuations: Bank of Baroda

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Yield and Cost Ratios (%)</b>								
<b>Avg. Yield-Earning Assets</b>	<b>7.0</b>	<b>7.0</b>	<b>6.5</b>	<b>5.7</b>	<b>6.9</b>	<b>7.8</b>	<b>7.8</b>	<b>7.8</b>
Avg. Yield on loans	7.7	7.8	7.1	6.3	7.5	8.7	8.7	8.6
Avg. Yield on Investments	7.5	6.6	6.6	5.6	6.6	6.6	6.9	6.9
<b>Avg. Cost-Int. Bear. Liab.</b>	<b>4.6</b>	<b>4.7</b>	<b>4.0</b>	<b>3.2</b>	<b>3.9</b>	<b>5.1</b>	<b>5.2</b>	<b>5.2</b>
Avg. Cost of Deposits	4.5	4.6	3.9	3.2	3.7	4.9	5.1	5.0
<b>Interest Spread</b>	<b>2.4</b>	<b>2.3</b>	<b>2.4</b>	<b>2.5</b>	<b>2.9</b>	<b>2.7</b>	<b>2.6</b>	<b>2.6</b>
<b>Net Interest Margin</b>	<b>2.6</b>	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>	<b>3.2</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

### Capitalisation Ratios (%)

CAR	13.4	13.9	15.7	15.7	16.2	15.1	14.6	14.2
Tier I	11.6	11.3	13.5	13.2	14.0	13.1	12.8	12.6
Tier II	1.9	2.6	2.3	2.5	2.3	2.0	1.8	1.7
CET-1			10.9	11.4	12.2			

### Business and Efficiency Ratios (%)

Loans/Deposit Ratio	73.4	73.0	73.0	74.3	78.2	81.6	82.7	83.4
CASA Ratio	35.0	35.3	40.2	41.5	39.5	35.4	35.0	35.0
Cost/Assets	1.4	1.6	1.8	1.7	1.7	1.7	1.7	1.6
Cost/Total Income	45.6	50.0	49.2	49.2	47.7	47.3	46.4	45.1
Cost/Core Income	47.5	53.9	53.5	52.5	48.7	48.1	47.0	45.5
Int. Expense/Int.Income	62.9	63.9	59.1	53.3	53.8	61.1	61.4	61.1
Fee Income/Total Income	21.4	20.0	22.9	19.9	17.4	22.4	23.2	23.8
Non Int. Inc./Total Income	25.4	27.3	31.0	26.0	19.5	24.0	24.3	24.7
Empl. Cost/Total Expense	44.6	50.7	55.7	55.2	54.5	54.9	54.8	54.8
Profit per Employee (INR m)			0.1	0.9	1.8	2.3	2.6	2.8
Investment/Deposit Ratio	28.5	29.0	27.0	30.2	30.1	29.1	28.0	27.4
G-Sec/Investment Ratio	87.2	88.9	86.8	86.5	86.9	86.9	86.9	86.9

### Profitability Ratios and Valuation

RoE	1.0	1.0	1.2	9.7	16.5	17.9	17.5	17.0
RoA	0.1	0.0	0.1	0.6	1.0	1.2	1.2	1.2
RoRWA	0.1	0.1	0.1	1.1	2.0	2.3	2.3	2.3
Book Value (INR)	183	148	143	158	183	212	245	284
Growth (%)	16.4	-19.0	-3.2	10.5	15.8	15.7	15.7	15.6
<b>Price-BV (x)</b>	<b>1.5</b>	<b>1.9</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>
Adjusted BV (INR)	136	112	111	136	165	195	227	264
<b>Price-ABV (x)</b>	<b>2.0</b>	<b>2.5</b>	<b>2.5</b>	<b>2.0</b>	<b>1.7</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>
EPS (INR)	1.6	1.2	1.6	14.0	27.3	34.6	39.3	44.2
Growth (%)	-116.7	-27.8	35.6	777.3	94.0	26.9	13.5	12.7
<b>Price-Earnings (x)</b>	<b>169.4</b>	<b>234.7</b>	<b>173.0</b>	<b>19.7</b>	<b>10.2</b>	<b>8.0</b>	<b>7.1</b>	<b>6.3</b>
Dividend Per Share (INR)	0.0	0.0	0.0	2.8	5.5	5.8	6.0	6.0
<b>Dividend Yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>

E: MOSL Estimates

## Financials and Valuations: Canara Bank

Income Statement								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	468.1	489.3	692.8	694.1	844.2	1,000.7	1,100.5	1,209.8
Interest Expense	323.3	358.1	451.8	430.3	529.9	636.8	712.3	776.1
<b>Net Interest Income</b>	<b>144.8</b>	<b>131.2</b>	<b>241.0</b>	<b>263.8</b>	<b>314.4</b>	<b>363.9</b>	<b>388.2</b>	<b>433.7</b>
Growth (%)	19.0	-9.4	83.7	9.5	19.1	15.8	6.7	11.7
Non Interest Income	65.7	78.1	149.2	165.0	187.6	183.9	211.4	239.6
<b>Total Income</b>	<b>210.5</b>	<b>209.4</b>	<b>390.3</b>	<b>428.8</b>	<b>502.0</b>	<b>547.8</b>	<b>599.6</b>	<b>673.3</b>
Growth (%)	10.2	-0.6	86.4	9.9	17.1	9.1	9.5	12.3
Operating Expenses	104.6	115.8	193.4	184.4	224.8	255.3	282.1	313.9
<b>Pre Provision Profits</b>	<b>105.9</b>	<b>93.6</b>	<b>196.9</b>	<b>244.4</b>	<b>277.2</b>	<b>292.5</b>	<b>317.6</b>	<b>359.4</b>
Growth (%)	10.9	-11.6	110.4	24.2	13.4	5.5	8.6	13.2
<b>Core PPOP</b>	<b>65.7</b>	<b>86.0</b>	<b>166.9</b>	<b>218.5</b>	<b>258.2</b>	<b>270.7</b>	<b>292.5</b>	<b>330.6</b>
Growth (%)	-13.9	31.0	94.1	30.9	18.2	4.8	8.1	13.0
Provisions	129.2	111.2	159.8	141.3	135.4	98.1	88.2	94.3
Exceptional Item (Exp)	NA	NA	NA	13.5	NA	NA	NA	NA
<b>PBT</b>	<b>-23.3</b>	<b>-17.6</b>	<b>37.1</b>	<b>89.6</b>	<b>141.7</b>	<b>194.4</b>	<b>229.3</b>	<b>265.1</b>
Tax	-26.7	4.8	11.5	32.8	35.7	50.3	58.5	67.6
Tax Rate (%)	114.9	-27.4	31.0	36.6	25.2	25.9	25.5	25.5
<b>PAT</b>	<b>3.5</b>	<b>-22.4</b>	<b>25.6</b>	<b>56.8</b>	<b>106.0</b>	<b>144.0</b>	<b>170.8</b>	<b>197.5</b>
Growth (%)	-108.2	-744.3	-214.4	122.0	86.7	35.8	18.6	15.6

Balance Sheet								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	7.5	10.3	16.5	18.1	18.1	18.1	18.1	18.1
Reserves & Surplus	354.2	382.6	572.4	643.0	717.9	853.8	1,013.7	1,200.3
<b>Net Worth</b>	<b>361.8</b>	<b>392.9</b>	<b>588.8</b>	<b>661.1</b>	<b>736.1</b>	<b>871.9</b>	<b>1,031.9</b>	<b>1,218.5</b>
<b>Deposits</b>	<b>5,990.3</b>	<b>6,253.5</b>	<b>10,108.7</b>	<b>10,864.1</b>	<b>11,792.2</b>	<b>12,818.1</b>	<b>14,035.8</b>	<b>15,411.3</b>
Growth (%)	14.2	4.4	61.6	7.5	8.5	8.7	9.5	9.8
<b>of which CASA Dep</b>	<b>1,748.1</b>	<b>1,962.1</b>	<b>3,309.0</b>	<b>3,688.3</b>	<b>3,665.8</b>	<b>3,999.2</b>	<b>4,477.4</b>	<b>4,977.9</b>
Growth (%)	4.7	12.2	68.6	11.5	-0.6	9.1	12.0	11.2
Borrowings	409.9	427.6	499.8	462.8	580.9	612.0	649.3	690.0
Other Liabilities & Prov.	185.6	164.7	339.3	293.0	348.2	389.9	440.6	493.5
<b>Total Liabilities</b>	<b>6,947.7</b>	<b>7,238.7</b>	<b>11,536.8</b>	<b>12,281.0</b>	<b>13,457.3</b>	<b>14,692.0</b>	<b>16,157.6</b>	<b>17,813.4</b>
Current Assets	661.5	682.7	1,784.1	1,820.5	1,414.2	1,369.9	1,439.1	1,545.7
<b>Investments</b>	<b>1,529.9</b>	<b>1,762.4</b>	<b>2,616.9</b>	<b>2,820.1</b>	<b>3,190.4</b>	<b>3,381.8</b>	<b>3,584.7</b>	<b>3,799.8</b>
Growth (%)	6.2	15.2	48.5	7.8	13.1	6.0	6.0	6.0
<b>Loans</b>	<b>4,277.3</b>	<b>4,321.8</b>	<b>6,390.5</b>	<b>7,036.0</b>	<b>8,306.7</b>	<b>9,370.0</b>	<b>10,531.9</b>	<b>11,816.8</b>
Growth (%)	12.1	1.0	47.9	10.1	18.1	12.8	12.4	12.2
Fixed Assets	84.1	82.8	112.1	113.6	102.3	107.4	112.8	118.4
Other Assets	394.9	389.1	633.2	490.8	443.7	462.9	489.1	532.6
<b>Total Assets</b>	<b>6,947.7</b>	<b>7,238.7</b>	<b>11,536.8</b>	<b>12,281.0</b>	<b>13,457.3</b>	<b>14,692.0</b>	<b>16,157.6</b>	<b>17,813.4</b>

Asset Quality								
GNPA (INR M)	392.2	370.4	602.9	556.5	461.6	398.3	368.3	378.1
NNPA (INR M)	231.8	184.7	248.4	190.6	143.9	117.1	113.1	121.5
GNPA Ratio	8.8	8.2	8.9	7.5	5.4	4.1	3.4	3.1
NNPA Ratio	5.4	4.3	3.9	2.7	1.7	1.2	1.1	1.0
Slippage Ratio	4.1	3.5	6.8	2.2	1.7	2.0	1.9	1.9
Credit Cost	3.1	2.5	2.6	1.5	1.3	1.1	0.8	0.8
PCR (Excl Tech. write off)	40.9	50.1	58.8	65.7	68.8	70.6	69.3	67.9

E: MOSL Estimates



## Financials and Valuations: Canara Bank

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Yield and Cost Ratios (%)</b>								
<b>Avg. Yield-Earning Assets</b>	<b>7.7</b>	<b>7.4</b>	<b>6.7</b>	<b>6.2</b>	<b>6.9</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>
Avg. Yield on loans	8.5	8.4	8.0	7.4	8.0	8.5	8.4	8.3
Avg. Yield on Investments	7.5	7.0	6.7	6.3	6.6	6.8	7.0	7.0
<b>Avg. Cost-Int. Bear. Liab.</b>	<b>5.4</b>	<b>5.5</b>	<b>4.4</b>	<b>3.8</b>	<b>4.3</b>	<b>4.9</b>	<b>5.0</b>	<b>5.0</b>
Avg. Cost of Deposits	5.4	5.5	4.4	3.8	4.3	4.9	5.0	5.0
<b>Interest Spread</b>	<b>2.3</b>	<b>1.9</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>
<b>Net Interest Margin</b>	<b>2.4</b>	<b>2.0</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	<b>2.6</b>	<b>2.7</b>

### Capitalisation Ratios (%)

CAR	12.0	13.7	13.3	15.0	16.7	13.3	14.2	15.0
Tier I	9.2	10.2	10.2	12.0	13.8	13.2	14.0	14.7
Tier II	2.8	3.5	3.1	3.0	2.9	0.2	0.2	0.3

### Business and Efficiency Ratios (%)

Loans/Deposit Ratio	71.4	69.1	63.2	64.8	70.4	73.1	75.0	76.7
CASA Ratio	29.2	31.4	32.7	33.9	31.1	31.2	31.9	32.3
Cost/Assets	1.5	1.6	1.7	1.5	1.7	1.7	1.7	1.8
Cost/Total Income	49.7	55.3	49.6	43.0	44.8	46.6	47.0	46.6
Cost/Core Income	61.4	57.4	53.7	45.8	46.5	48.5	49.1	48.7
Int. Expense/Int. Income	69.1	73.2	65.2	62.0	62.8	63.6	64.7	64.2
Fee Income/Net Income	12.1	33.7	30.6	32.4	33.6	29.6	31.1	31.3
Non Int. Inc./Net Income	31.2	37.3	38.2	38.5	37.4	33.6	35.3	35.6
Empl. Cost/Op. Exps.	57.7	61.6	65.6	61.6	61.1	61.9	61.6	61.5
Investment/Deposit Ratio	25.5	28.2	25.9	26.0	27.1	26.4	25.5	24.7

### Profitability and Valuation

RoE	1.2	-7.1	6.1	10.5	17.1	19.7	19.5	18.8
RoA	0.1	-0.3	0.2	0.5	0.8	1.0	1.1	1.2
RoRWA	0.1	-0.6	0.5	1.1	1.9	2.3	2.4	2.5
Book Value (INR)	433	348	330	339	383	458	546	649
Growth (%)	-0.8	-19.8	-5.1	2.6	13.1	19.5	19.3	18.8
<b>Price-BV (x)</b>	<b>1.3</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.0</b>	<b>0.9</b>
Adjusted BV (INR)	206	213	219	259	322	406	496	595
<b>Price-ABV (x)</b>	<b>2.8</b>	<b>2.7</b>	<b>2.6</b>	<b>2.2</b>	<b>1.8</b>	<b>1.4</b>	<b>1.2</b>	<b>1.0</b>
EPS (INR)	4.7	-25.1	15.5	32.8	58.5	79.4	94.2	108.8
Growth (%)	-107.4	-637.0	-161.9	111.3	78.1	35.8	18.6	15.6
<b>Price-Earnings (x)</b>	<b>122.7</b>	<b>-22.9</b>	<b>36.9</b>	<b>17.5</b>	<b>9.8</b>	<b>7.2</b>	<b>6.1</b>	<b>5.3</b>
Dividend Per Share (INR)	0.0	0.0	0.0	6.5	12.0	4.5	6.0	6.0
<b>Dividend Yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>2.1</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>

E: MOSL Estimates

## Financials and Valuations: Indian Bank

Income Statement								(INRb)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	191.8	214.0	391.1	388.6	449.4	565.3	617.4	675.6
Interest Expense	121.7	138.0	234.4	221.3	247.2	332.9	370.4	401.3
<b>Net Interest Income</b>	<b>70.2</b>	<b>76.1</b>	<b>156.7</b>	<b>167.3</b>	<b>202.3</b>	<b>232.4</b>	<b>247.0</b>	<b>274.4</b>
Growth (%)	12.0	8.4	106.0	6.8	20.9	14.9	6.3	11.1
Non Interest Income	18.8	33.1	56.5	69.2	71.4	77.9	88.0	98.5
<b>Total Income</b>	<b>89.0</b>	<b>109.2</b>	<b>213.2</b>	<b>236.4</b>	<b>273.7</b>	<b>310.3</b>	<b>335.0</b>	<b>372.9</b>
Growth (%)	2.7	22.7	95.2	10.9	15.8	13.4	8.0	11.3
Operating Expenses	40.2	44.2	103.5	109.3	121.0	141.8	156.9	173.6
<b>PPoP</b>	<b>48.8</b>	<b>65.0</b>	<b>109.7</b>	<b>127.2</b>	<b>152.7</b>	<b>168.4</b>	<b>178.1</b>	<b>199.3</b>
Growth (%)	-2.4	33.1	68.8	16.0	20.1	10.3	5.7	11.9
<b>Core PPoP</b>	<b>47.1</b>	<b>56.2</b>	<b>92.7</b>	<b>114.3</b>	<b>149.8</b>	<b>164.9</b>	<b>173.9</b>	<b>194.2</b>
Growth (%)	8.4	19.4	65.0	23.3	31.0	10.1	5.4	11.7
Provisions	46.0	51.3	80.6	95.1	93.6	61.2	50.4	50.5
<b>PBT</b>	<b>2.8</b>	<b>13.7</b>	<b>29.1</b>	<b>32.0</b>	<b>59.1</b>	<b>107.2</b>	<b>127.7</b>	<b>148.8</b>
Tax	-0.4	6.2	-1.0	-7.4	6.3	27.2	32.2	37.5
Tax Rate (%)	-13.3	45.1	-3.4	-23.1	10.7	25.4	25.2	25.2
<b>PAT</b>	<b>3.2</b>	<b>7.5</b>	<b>30.0</b>	<b>39.4</b>	<b>52.8</b>	<b>80.0</b>	<b>95.5</b>	<b>111.3</b>
Growth (%)	-74.4	134.0	298.8	31.3	33.9	51.4	19.4	16.5
<b>Balance Sheet</b>								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Share Capital</b>	<b>5</b>	<b>6</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>
Equity Share Capital	4.8	6.1	11.3	12.5	12.5	13.5	13.5	13.5
Preference Share Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves & Surplus	189.1	214.8	372.8	424.6	467.3	575.9	657.9	755.7
<b>Net Worth</b>	<b>193.9</b>	<b>220.9</b>	<b>384.1</b>	<b>437.1</b>	<b>479.7</b>	<b>589.3</b>	<b>671.4</b>	<b>769.2</b>
<b>Deposits</b>	<b>2,420.8</b>	<b>2,602.3</b>	<b>5,380.7</b>	<b>5,936.2</b>	<b>6,211.7</b>	<b>6,770.7</b>	<b>7,413.9</b>	<b>8,140.5</b>
Growth (%)	16.2	7.5	106.8	10.3	4.6	9.0	9.5	9.8
<b>- CASA Dep</b>	<b>840.2</b>	<b>901.6</b>	<b>2,275.9</b>	<b>2,479.3</b>	<b>2,608.1</b>	<b>2,742.1</b>	<b>2,950.7</b>	<b>3,280.6</b>
Growth (%)	9.2	7.3	152.4	8.9	5.2	5.1	7.6	11.2
Borrowings	121.4	208.3	247.3	172.1	220.7	254.8	284.9	318.6
Other Liabilities & Prov.	64.6	63.2	222.1	171.3	192.9	212.2	233.4	256.7
<b>Total Liabilities</b>	<b>2,800.7</b>	<b>3,094.7</b>	<b>6,234.3</b>	<b>6,716.7</b>	<b>7,105.0</b>	<b>7,827.0</b>	<b>8,603.6</b>	<b>9,485.0</b>
Current Assets	200.2	139.2	514.6	799.2	501.3	481.2	500.4	532.9
<b>Investments</b>	<b>649.9</b>	<b>812.4</b>	<b>1,765.4</b>	<b>1,745.6</b>	<b>1,859.9</b>	<b>2,008.7</b>	<b>2,149.3</b>	<b>2,299.7</b>
Growth (%)	-9.0	25.0	117.3	-1.1	6.5	8.0	7.0	7.0
<b>Loans</b>	<b>1,812.6</b>	<b>1,978.9</b>	<b>3,626.7</b>	<b>3,891.9</b>	<b>4,493.0</b>	<b>5,032.1</b>	<b>5,636.0</b>	<b>6,312.3</b>
Growth (%)	15.8	9.2	83.3	7.3	15.4	12.0	12.0	12.0
Fixed Assets	39.6	39.0	73.8	76.8	74.6	80.6	87.0	94.0
Other Assets	98.3	125.2	253.8	203.2	176.2	224.4	230.9	246.1
<b>Total Assets</b>	<b>2,800.7</b>	<b>3,094.7</b>	<b>6,234.3</b>	<b>6,716.7</b>	<b>7,105.0</b>	<b>7,827.0</b>	<b>8,603.6</b>	<b>9,485.0</b>
<b>Asset Quality</b>								
GNPA (INR m)	133.5	141.5	384.6	352.1	281.8	224.9	210.9	208.4
NNPA (INR m)	67.9	61.8	122.7	88.5	40.4	24.8	28.8	29.5
GNPA Ratio	7.1	6.9	9.9	8.5	6.0	4.3	3.6	3.2
NNPA Ratio	3.7	3.1	3.4	2.3	0.9	0.5	0.5	0.5
Slippage Ratio	3.8	2.8	3.4	2.7	1.7	2.0	1.9	1.9
Credit Cost	2.1	2.7	2.3	2.5	2.2	1.2	0.9	0.8
PCR (Excl Tech. write off)	49.1	56.3	68.1	74.9	85.7	89.0	86.3	85.8

E: MOSL Estimates

## Financials and Valuations: Indian Bank

### Ratios

Y/E March	FY19	FY20	FY21	FY20	FY23	FY24E	FY25E	FY26E
<b>Yield and Cost Ratios (%)</b>								
<b>Avg. Yield- on Earning Assets</b>	<b>7.6</b>	<b>7.7</b>	<b>6.9</b>	<b>6.3</b>	<b>6.8</b>	<b>7.9</b>	<b>7.8</b>	<b>7.8</b>
Avg. Yield on loans	8.3	8.4	7.8	7.2	7.6	8.9	8.8	8.6
Avg. Yield on Investments	7.5	7.3	6.6	6.3	6.5	6.9	6.9	7.0
<b>Avg. Cost of Int. Bear. Liab.</b>	<b>5.0</b>	<b>5.2</b>	<b>4.3</b>	<b>3.8</b>	<b>3.9</b>	<b>4.9</b>	<b>5.0</b>	<b>5.0</b>
Avg. Cost of Deposits	5.0	5.2	4.3	3.7	3.8	5.0	5.1	5.0
<b>Interest Spread</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>	<b>2.5</b>	<b>2.8</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>
<b>Net Interest Margin</b>	<b>2.8</b>	<b>2.7</b>	<b>2.8</b>	<b>2.7</b>	<b>3.0</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>

### Capitalisation Ratios (%)

CAR	13.5	14.6	16.0	16.8	16.5	17.4	17.3	17.3
CET-1			11.3	12.5	12.9			
Tier I	11.5	12.5	12.3	13.5	13.5	14.8	15.0	15.2
Tier II	1.9	2.0	3.8	3.4	3.0	2.6	2.3	2.1

### Business and Efficiency Ratios (%)

Loans/Deposit Ratio	74.9	76.0	67.4	65.6	72.3	74.3	76.0	77.5
CASA Ratio	34.7	34.6	42.3	41.8	42.0	40.5	39.8	40.3
Cost/Assets	1.4	1.4	1.7	1.6	1.7	1.8	1.8	1.8
Cost/Total Income	45.2	40.5	48.6	46.2	44.2	45.7	46.8	46.6
Cost/Core income	46.1	44.0	52.7	48.9	44.7	46.2	47.4	47.2
Int. Expense/Int.Income	63.4	64.5	59.9	56.9	55.0	58.9	60.0	59.4
Fee Income/Total Income	19.2	22.3	18.6	23.8	25.0	24.0	25.0	25.1
Non Int. Inc./Total Income	21.2	30.3	26.5	29.2	26.1	25.1	26.3	26.4
Empl. Cost/Total Expense	55.3	55.9	61.6	61.3	62.2	63.7	63.3	62.9
Business per Employee (INR m)	0.0	0.0	216.4	246.9	262.5	283.7	307.6	334.0
Proift per Employee (INR m)	0.0	0.0	0.7	1.0	1.3	1.9	2.3	2.6
Investment/Deposit Ratio	26.8	31.2	32.8	29.4	29.9	29.7	29.0	28.3
G-Sec/Investment Ratio	82.7	85.8	90.6	81.4	90.5	90.5	90.5	90.5

### Profitability Ratios and Valuation

RoE	2.0	4.3	9.8	11.2	13.3	16.9	16.8	16.9
RoA	0.1	0.3	0.5	0.6	0.8	1.1	1.2	1.2
RoRWA	0.2	0.5	1.0	1.3	1.6	2.1	2.2	2.3
Book Value (INR)	368	336	312	324	358	413	474	546
Growth (%)	4.0	-8.8	-7.1	3.7	10.7	15.2	14.8	15.3
<b>Price-BV (x)</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>
Adjusted BV (INR)	267	263	234	272	334	398	457	529
<b>Price-ABV (x)</b>	<b>2.0</b>	<b>2.1</b>	<b>2.3</b>	<b>2.0</b>	<b>1.6</b>	<b>1.4</b>	<b>1.2</b>	<b>1.0</b>
EPS (INR)	6.7	13.8	26.6	33.2	42.4	61.7	70.9	82.6
Growth (%)	-74.4	106.4	92.3	24.9	27.7	45.5	14.9	16.5
<b>Price-Earnings (x)</b>	<b>80.7</b>	<b>39.1</b>	<b>20.3</b>	<b>16.3</b>	<b>12.8</b>	<b>8.8</b>	<b>7.6</b>	<b>6.5</b>
Dividend Per Share (INR)	0.0	0.0	2.0	6.5	8.6	7.7	10.0	10.0
<b>Dividend Yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>1.2</b>	<b>1.6</b>	<b>1.4</b>	<b>1.8</b>	<b>1.8</b>

E: MOSL Estimates

## Financials and Valuations: Punjab National Bank

Income Statement								(INR b)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	513.1	538.0	808.2	748.8	851.4	1,063.4	1,172.2	1,270.7
Interest Expense	341.5	363.6	502.7	461.9	506.5	661.4	740.6	809.8
<b>Net Interest Income</b>	<b>171.6</b>	<b>174.4</b>	<b>305.5</b>	<b>286.9</b>	<b>344.9</b>	<b>402.1</b>	<b>431.6</b>	<b>460.9</b>
Growth (%)	15.0	1.6	75.2	-6.1	20.2	16.6	7.3	6.8
Non Interest Income	73.8	92.7	119.2	123.2	121.4	127.5	144.1	162.8
<b>Total Income</b>	<b>245.3</b>	<b>267.1</b>	<b>424.7</b>	<b>410.1</b>	<b>466.3</b>	<b>529.6</b>	<b>575.6</b>	<b>623.7</b>
Growth (%)	3.1	8.9	59.0	-3.4	13.7	13.6	8.7	8.4
Operating Expenses	115.4	119.7	203.1	202.5	241.1	272.5	300.4	327.3
<b>Pre Provision Profits</b>	<b>130.0</b>	<b>147.4</b>	<b>221.6</b>	<b>207.6</b>	<b>225.3</b>	<b>257.1</b>	<b>275.2</b>	<b>296.4</b>
Growth (%)	26.2	13.4	50.3	-6.3	8.5	14.1	7.1	7.7
<b>Core PPOp</b>	<b>119.0</b>	<b>131.1</b>	<b>186.3</b>	<b>178.3</b>	<b>236.7</b>	<b>270.7</b>	<b>291.6</b>	<b>316.0</b>
Growth (%)	69.1	10.1	42.1	-4.3	32.8	14.4	7.7	8.4
Provisions (excl tax)	283.4	140.0	186.8	164.5	182.4	130.1	95.8	87.9
<b>PBT</b>	<b>-153.5</b>	<b>7.4</b>	<b>34.8</b>	<b>43.2</b>	<b>42.9</b>	<b>126.9</b>	<b>179.4</b>	<b>208.5</b>
Tax	-53.7	4.0	14.6	8.6	17.8	45.7	57.4	53.2
Tax Rate (%)	35.0	54.5	41.9	19.9	41.5	36.0	32.0	25.5
<b>PAT</b>	<b>-99.8</b>	<b>3.4</b>	<b>20.2</b>	<b>34.6</b>	<b>25.1</b>	<b>81.2</b>	<b>122.0</b>	<b>155.3</b>
Growth (%)	-18.8	-103.4	501.3	71.0	-27.5	224.0	50.2	27.3

### Balance Sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Share Capital</b>	<b>9</b>	<b>13</b>	<b>21</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
Equity Share Capital	9.2	13.5	21.0	22.0	22.0	22.0	22.0	22.0
Preference Share Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	438.7	610.1	888.4	932.8	976.5	1,065.3	1,176.2	1,320.6
<b>Net Worth</b>	<b>447.9</b>	<b>623.6</b>	<b>909.4</b>	<b>954.9</b>	<b>998.6</b>	<b>1,087.3</b>	<b>1,198.3</b>	<b>1,342.6</b>
<b>Deposits</b>	<b>6,760.3</b>	<b>7,038.5</b>	<b>11,063.3</b>	<b>11,462.2</b>	<b>12,811.6</b>	<b>13,798.1</b>	<b>15,040.0</b>	<b>16,468.8</b>
Growth (%)	5.3	4.1	57.2	3.6	11.8	7.7	9.0	9.5
<b>of which CASA Dep</b>	<b>2,850.4</b>	<b>3,024.7</b>	<b>4,927.8</b>	<b>5,336.5</b>	<b>5,380.2</b>	<b>5,726.2</b>	<b>6,166.4</b>	<b>6,900.4</b>
Growth (%)	8.3	6.1	62.9	8.3	0.8	6.4	7.7	11.9
Borrowings	393.3	502.3	428.4	456.8	512.9	590.6	631.8	678.3
Other Liabilities & Prov.	148.1	142.4	205.2	274.2	295.2	336.5	387.0	445.1
<b>Total Liabilities</b>	<b>7,749.5</b>	<b>8,306.7</b>	<b>12,606.3</b>	<b>13,148.1</b>	<b>14,618.3</b>	<b>15,812.6</b>	<b>17,257.1</b>	<b>18,934.7</b>
Current Assets	752.9	759.9	1,113.5	1,326.5	1,551.1	1,208.7	1,206.7	1,320.3
<b>Investments</b>	<b>2,021.3</b>	<b>2,404.7</b>	<b>3,929.8</b>	<b>3,721.7</b>	<b>3,960.0</b>	<b>4,276.8</b>	<b>4,589.0</b>	<b>4,910.2</b>
Growth (%)	0.9	19.0	63.4	-5.3	6.4	8.0	7.3	7.0
<b>Loans</b>	<b>4,582.5</b>	<b>4,718.3</b>	<b>6,742.3</b>	<b>7,281.9</b>	<b>8,308.3</b>	<b>9,388.4</b>	<b>10,468.1</b>	<b>11,671.9</b>
Growth (%)	5.7	3.0	42.9	8.0	14.1	13.0	11.5	11.5
Fixed Assets	62.2	72.4	110.2	106.7	120.5	127.7	138.0	149.0
Other Assets	330.6	351.4	710.5	711.3	678.4	811.0	855.3	883.3
<b>Total Assets</b>	<b>7,749.5</b>	<b>8,306.7</b>	<b>12,606.3</b>	<b>13,148.1</b>	<b>14,618.3</b>	<b>15,812.6</b>	<b>17,257.1</b>	<b>18,934.7</b>

Asset Quality	FY18	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
GNPA	784.7	734.8	1,044.2	924.5	773.3	554.8	477.1	448.9
NNPA	303.5	276.4	393.0	355.9	235.0	75.9	70.0	80.4
GNPA Ratio	15.5	14.2	14.1	11.8	8.7	5.6	4.4	3.7
NNPA Ratio	6.6	5.9	5.8	4.9	2.8	0.8	0.7	0.7
Slippage Ratio	4.5	4.5	4.2	3.5	2.1	1.9	1.9	1.9
Credit Cost	6.35	3.01	2.72	2.35	2.34	1.43	0.92	0.75
PCR (Excl Tech. write off)	61.3	62.4	62.4	61.5	69.6	86.3	85.3	82.1

E: MOSL Estimates

## Financials and Valuations: Punjab National Bank

### Ratios

Y/E March	FY18	FY20	FY21	FY22	FY23	FY23	FY23	FY23
<b>Yield and Cost Ratios (%)</b>								
<b>Avg. Yield- on Earning Assets</b>	<b>7.0</b>	<b>7.1</b>	<b>6.9</b>	<b>6.2</b>	<b>6.5</b>	<b>7.4</b>	<b>7.5</b>	<b>7.4</b>
Avg. Yield on loans	7.9	7.7	7.8	6.9	7.4	8.5	8.5	8.3
Avg. Yield on Investments	7.3	7.1	6.6	6.3	6.7	6.9	6.9	6.9
<b>Avg. Cost of Int. Bear. Liab.</b>	<b>4.8</b>	<b>4.9</b>	<b>4.4</b>	<b>3.9</b>	<b>4.0</b>	<b>4.8</b>	<b>4.9</b>	<b>4.9</b>
Avg. Cost of Deposits	4.9	5.0	4.3	3.8	3.9	4.7	4.8	4.8
<b>Interest Spread</b>	<b>2.2</b>	<b>2.1</b>	<b>2.5</b>	<b>2.3</b>	<b>2.5</b>	<b>2.6</b>	<b>2.6</b>	<b>2.5</b>
<b>Net Interest Margin</b>	<b>2.4</b>	<b>2.3</b>	<b>2.6</b>	<b>2.4</b>	<b>2.6</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>

### Capitalisation Ratios (%)

CAR	10.1	14.1	14.3	14.6	14.6	18.8	18.1	17.3
CET-1			10.6	10.6	11.2			
Tier I	7.9	11.9	11.5	11.8	11.8	15.7	15.2	14.8
Tier II	2.3	2.2	2.8	2.8	2.8	3.1	2.8	2.6

### Business and Efficiency Ratios (%)

Loans/Deposit Ratio	67.8	67.0	60.9	63.5	64.8	68.0	69.6	70.9
CASA Ratio	42.2	43.0	44.5	46.6	42.0	41.5	41.0	41.9
Cost/Assets	1.5	1.4	1.6	1.5	1.6	1.7	1.7	1.7
Cost/Total Income	47.0	44.8	47.8	49.4	51.7	51.5	52.2	52.5
Cost/Core income	49.2	47.7	52.2	53.2	2.0	1.9	1.8	1.6
Int. Expense/Int.Income	66.6	67.6	62.2	61.7	59.5	62.2	63.2	63.7
Fee Income/Total Income	25.6	28.6	19.8	22.9	28.5	26.7	27.9	29.3
Non Int. Inc./Total Income	30.1	34.7	28.1	30.0	26.0	24.1	25.0	26.1
Empl. Cost/Total Expense	60.3	58.1	60.0	58.5	61.4	63.0	61.2	61.2
Business per Employee (INR m)	0.0	0.0	174.9	181.7	202.8	218.3	235.5	254.7
Proft per Employee (INR m)	0.0	0.0	0.2	0.3	0.2	0.8	1.1	1.4
Invest./Deposit Ratio	29.9	34.2	35.5	32.5	30.9	31.0	30.5	29.8
G-Sec/Invest. Ratio	79.8	84.7	87.8	87.3	90.0	90.0	90.0	90.0

### Valuation ratios

RoE	-25.4	0.7	2.9	4.0	2.8	8.5	11.5	13.1
RoA	-1.3	0.0	0.2	0.3	0.2	0.5	0.7	0.9
RoRWA	-2.3	0.1	0.4	0.6	0.4	1.2	1.6	1.9
Book Value (INR)	93	89	83	83	86	95	105	118
Growth (%)	-34.3	-4.7	-6.4	0.2	3.9	9.3	10.7	12.5
<b>Price-BV (x)</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>
Adjusted BV (INR)	40	55	53	57	68	86	96	108
<b>Price-ABV (x)</b>	<b>3.2</b>	<b>2.3</b>	<b>2.4</b>	<b>2.3</b>	<b>1.9</b>	<b>1.5</b>	<b>1.4</b>	<b>1.2</b>
EPS (INR)	-27.1	0.6	1.9	3.2	2.3	7.4	11.1	14.1
<b>Price-Earnings (x)</b>	<b>-4.8</b>	<b>219.3</b>	<b>67.4</b>	<b>40.4</b>	<b>57.1</b>	<b>17.6</b>	<b>11.7</b>	<b>9.2</b>
Dividend Per Share (INR)	0.0	0.0	0.0	0.6	0.7	0.8	1.0	1.0
<b>Dividend Yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>0.8</b>

E: MOSL Estimates

## Financials and Valuations: State Bank of India

Income Statement								(INRb)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	2,428.7	2,573.2	2,651.5	2,754.6	3,321.0	4,197.5	4,743.5	5,250.6
Interest Expense	1,545.2	1,592.4	1,544.4	1,547.5	1,872.6	2,591.5	2,955.3	3,246.4
<b>Net Interest Income</b>	<b>883.5</b>	<b>980.8</b>	<b>1,107.1</b>	<b>1,207.1</b>	<b>1,448.4</b>	<b>1,606.0</b>	<b>1,788.1</b>	<b>2,004.2</b>
Change (%)	18.0	11.0	12.9	9.0	20.0	10.9	11.3	12.1
<b>Non Interest Income</b>	<b>367.7</b>	<b>452.2</b>	<b>435.0</b>	<b>405.6</b>	<b>366.2</b>	<b>483.3</b>	<b>526.8</b>	<b>584.8</b>
<b>Total Income</b>	<b>1,251.2</b>	<b>1,433.1</b>	<b>1,542.1</b>	<b>1,612.7</b>	<b>1,814.6</b>	<b>2,089.3</b>	<b>2,315.0</b>	<b>2,589.0</b>
Change (%)	4.7	14.5	7.6	4.6	12.5	15.1	10.8	11.8
Operating Expenses	696.9	751.7	826.5	859.8	977.4	1,217.5	1,193.2	1,308.0
<b>Pre Provision Profits</b>	<b>554.4</b>	<b>681.3</b>	<b>715.5</b>	<b>752.9</b>	<b>837.1</b>	<b>871.8</b>	<b>1,121.8</b>	<b>1,281.0</b>
Change (%)	-6.8	22.9	5.0	5.2	11.2	4.1	28.7	14.2
<b>Core Provision Profits</b>	<b>522.9</b>	<b>595.6</b>	<b>655.2</b>	<b>720.7</b>	<b>850.7</b>	<b>888.1</b>	<b>1,141.3</b>	<b>1,304.4</b>
Change (%)	13.5	13.9	10.0	10.0	18.0	4.4	28.5	14.3
Provisions (excl tax)	531.3	430.7	440.1	244.5	165.1	54.6	156.5	171.2
Exceptional Items (Exp)	NA	NA	NA	74.2	NA	71.0	NA	NA
<b>PBT</b>	<b>23.1</b>	<b>250.6</b>	<b>275.4</b>	<b>434.2</b>	<b>672.1</b>	<b>746.2</b>	<b>965.3</b>	<b>1,109.8</b>
Tax	14.5	105.7	71.3	117.5	169.7	186.6	244.2	280.8
Tax Rate (%)	62.6	42.2	25.9	27.1	25.3	25.0	25.3	25.3
<b>PAT</b>	<b>8.6</b>	<b>144.9</b>	<b>204.1</b>	<b>316.8</b>	<b>502.3</b>	<b>559.7</b>	<b>721.1</b>	<b>829.0</b>
Change (%)	-113.2	1,580.3	40.9	55.2	58.6	11.4	28.8	15.0
<b>Cons. PAT post MI</b>	<b>23.0</b>	<b>197.7</b>	<b>224.1</b>	<b>353.7</b>	<b>556.5</b>	<b>635.5</b>	<b>827.3</b>	<b>977.6</b>
Change (%)	-150.5	759.6	13.3	57.9	57.3	14.2	30.2	18.2
<b>Balance Sheet</b>								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Share Capital	9	9	9	9	9	9	9	9
Reserves & Surplus	2,200	2,311	2,530	2,792	3,267	3,704	4,294	4,982
<b>Net Worth</b>	<b>2,209</b>	<b>2,320</b>	<b>2,539</b>	<b>2,801</b>	<b>3,276</b>	<b>3,713</b>	<b>4,303</b>	<b>4,991</b>
<b>Deposits</b>	<b>29,114</b>	<b>32,416</b>	<b>36,813</b>	<b>40,515</b>	<b>44,238</b>	<b>49,015</b>	<b>54,162</b>	<b>59,849</b>
Change (%)	7.6	11.3	13.6	10.1	9.2	10.8	10.5	10.5
<b>of which CASA Dep</b>	<b>12,976</b>	<b>14,337</b>	<b>16,713</b>	<b>18,036</b>	<b>18,874</b>	<b>20,439</b>	<b>22,802</b>	<b>25,376</b>
Change (%)	7.8	10.5	16.6	7.9	4.7	8.3	11.6	11.3
Borrowings	4,030	3,147	4,173	4,260	4,931	5,619	6,266	6,965
Other Liab. & Prov.	1,456	1,631	1,820	2,299	2,725	3,086	3,548	4,081
<b>Total Liabilities</b>	<b>36,809</b>	<b>39,514</b>	<b>45,344</b>	<b>49,876</b>	<b>55,170</b>	<b>61,433</b>	<b>68,279</b>	<b>75,885</b>
Current Assets	2,225	2,511	3,430	3,946	3,079	3,064	3,293	3,531
<b>Investments</b>	<b>9,670</b>	<b>10,470</b>	<b>13,517</b>	<b>14,814</b>	<b>15,704</b>	<b>17,070</b>	<b>18,453</b>	<b>20,021</b>
Change (%)	-8.9	8.3	29.1	9.6	6.0	8.7	8.1	8.5
<b>Loans</b>	<b>21,859</b>	<b>23,253</b>	<b>24,495</b>	<b>27,340</b>	<b>31,993</b>	<b>36,504</b>	<b>41,432</b>	<b>46,942</b>
Change (%)	13.0	6.4	5.3	11.6	17.0	14.1	13.5	13.3
Fixed Assets	392	384	384	377	424	432	458	495
Other Assets	2,663	2,896	3,518	3,399	3,971	4,363	4,644	4,896
<b>Total Assets</b>	<b>36,809</b>	<b>39,514</b>	<b>45,344</b>	<b>49,876</b>	<b>55,170</b>	<b>61,433</b>	<b>68,279</b>	<b>75,885</b>
<b>Asset Quality</b>								
GNPA	1,728	1,491	1,264	1,120	909	837	870	920
NNPA	659	519	368	282	217	218	225	244
GNPA Ratio	7.53	6.15	4.98	3.98	2.78	2.3	2.1	1.9
NNPA Ratio	3.01	2.23	1.50	1.03	0.68	0.6	0.5	0.5
Slippage Ratio	1.6	2.2	1.2	1.0	0.6	0.6	0.9	0.9
Credit Cost	2.7	1.9	1.8	0.9	0.6	0.2	0.4	0.4
PCR (Excl Tech. W/O)	61.9	65.2	70.9	74.9	76.2	74.0	74.2	73.5

E: MOSL Estimates

## Financials and Valuations: State Bank of India

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Yield and Cost Ratios (%)</b>								
<b>Avg. Yield-Earning Assets</b>	<b>7.8</b>	<b>7.7</b>	<b>7.2</b>	<b>6.7</b>	<b>7.2</b>	<b>8.2</b>	<b>8.3</b>	<b>8.2</b>
Avg. Yield on loans	7.8	8.0	7.2	6.6	7.5	8.6	8.7	8.5
Avg. Yield on Investments	7.5	6.9	6.8	6.1	6.4	6.9	6.9	6.9
<b>Avg. Cost-Int. Bear. Liab.</b>	<b>4.8</b>	<b>4.6</b>	<b>4.0</b>	<b>3.6</b>	<b>4.0</b>	<b>5.0</b>	<b>5.1</b>	<b>5.1</b>
Avg. Cost of Deposits	5.0	4.8	4.1	3.7	3.8	4.7	4.9	4.8
<b>Interest Spread</b>	<b>2.9</b>	<b>3.1</b>	<b>3.1</b>	<b>3.0</b>	<b>3.2</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>
<b>Net Interest Margin</b>	<b>2.8</b>	<b>3.0</b>	<b>3.0</b>	<b>2.9</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>

### Capitalization Ratios (%)

CAR	12.8	13.3	14.0	13.8	14.7	14.6	15.2	15.7
Tier I	10.8	11.2	11.7	11.4	12.1	12.0	12.7	13.5
Tier II	2.1	2.1	2.3	2.4	2.6	2.6	2.4	2.2

### Business and Efficiency Ratios (%)

Loans/Deposit Ratio	75.1	71.7	66.5	67.5	72.3	74.5	76.5	78.4
CASA Ratio	44.6	44.2	45.4	44.5	42.7	41.7	42.1	42.4
Cost/Assets	1.9	1.9	1.8	1.7	1.8	2.0	1.7	1.7
Cost/Total Income	55.7	52.5	53.6	53.3	53.9	58.3	51.5	50.5
Cost/Core Income	57.1	55.8	55.8	54.4	53.5	57.8	51.1	50.1
Int. Expense./Int. Income	63.6	61.9	58.2	56.2	56.4	61.7	62.3	61.8
Fee Income/Total Income	26.9	25.6	24.3	23.2	20.9	23.9	23.6	23.5
Non Int. Inc./Total Income	29.4	31.6	28.2	25.2	20.2	23.1	22.8	22.6
Empl. Cost/Total Expense	58.9	60.8	61.6	58.3	58.6	62.1	57.7	57.7
Investment/Deposit Ratio	33.2	32.3	36.7	36.6	35.5	34.8	34.1	33.5

### Profitability Ratios and Valuation

RoE	0.4	7.2	9.3	13.0	18.1	17.4	19.3	19.0
RoA	0.0	0.4	0.5	0.7	1.0	1.0	1.1	1.2
RoRWA	0.0	0.7	0.9	1.2	1.7	1.7	2.0	2.0
Consolidated RoE	1.0	7.9	8.2	11.8	16.2	16.1	18.0	17.9
Consolidated RoA	0.1	0.5	0.5	0.7	1.0	1.0	1.2	1.2
Book Value (INR)	232	245	270	299	350	399	465	542
Change (%)	0.9	5.6	10.0	10.9	16.9	14.0	16.6	16.6
<b>Price-BV (x)</b>	<b>2.2</b>	<b>2.1</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>
Consol BV (INR)	248	267	294	328	385	453	541	647
Change (%)	2.0	7.7	10.3	11.5	17.4	17.6	19.5	19.5
<b>Price-Consol BV (x)</b>	<b>3.1</b>	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	<b>2.0</b>	<b>1.7</b>	<b>1.4</b>	<b>1.2</b>
Adjusted BV (INR)	170	187	221	256	311	361	427	504
<b>Price-ABV (x)</b>	<b>3.1</b>	<b>2.8</b>	<b>2.4</b>	<b>2.0</b>	<b>1.7</b>	<b>1.4</b>	<b>1.2</b>	<b>1.0</b>
Adjusted Consol BV	192	212	250	289	350	417	504	608
<b>Price-Consol ABV (x)</b>	<b>4.0</b>	<b>3.6</b>	<b>3.0</b>	<b>2.6</b>	<b>2.2</b>	<b>1.8</b>	<b>1.5</b>	<b>1.3</b>
EPS (INR)	1.0	16.2	22.9	35.5	56.3	62.7	80.8	92.9
Change (%)	-112.6	1,580.3	40.9	55.2	58.6	11.4	28.8	15.0
<b>Price-Earnings (x)</b>	<b>540.5</b>	<b>32.2 (x)</b>	<b>22.8</b>	<b>14.7</b>	<b>9.3</b>	<b>8.3</b>	<b>6.5</b>	<b>5.6</b>
Consol EPS (INR)	2.6	22.1	25.1	39.6	62.4	71.2	92.7	109.5
Change (%)	-148.2	759.6	13.3	57.9	57.3	14.2	30.2	18.2
<b>Price-Consol EPS (x)</b>	<b>296.3</b>	<b>34.5</b>	<b>30.4</b>	<b>19.3</b>	<b>12.2</b>	<b>10.7</b>	<b>8.2</b>	<b>7.0</b>
Dividend Per Share (INR)	0.0	0.0	4.0	7.1	11.3	13.8	14.6	15.8
<b>Dividend Yield (%)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>	<b>0.9</b>	<b>1.5</b>	<b>1.8</b>	<b>1.9</b>	<b>2.1</b>

E: MOSL Estimates

## Financials and Valuations: Union Bank

Income Statement								(INRb)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	340.7	372.3	687.7	679.4	807.4	990.4	1,083.3	1,175.8
Interest Expense	238.5	257.9	440.8	401.6	479.8	625.4	690.8	750.0
<b>Net Interest Income</b>	<b>102.1</b>	<b>114.4</b>	<b>246.9</b>	<b>277.9</b>	<b>327.7</b>	<b>365.0</b>	<b>392.6</b>	<b>425.8</b>
Growth (%)	9.8	12.0	115.9	12.5	17.9	11.4	7.6	8.5
Non Interest Income	44.7	52.6	117.4	125.2	146.3	153.6	167.5	187.6
<b>Total Income</b>	<b>146.9</b>	<b>167.0</b>	<b>364.3</b>	<b>403.1</b>	<b>474.0</b>	<b>518.6</b>	<b>560.1</b>	<b>613.4</b>
Growth (%)	2.8	13.7	118.2	10.6	17.6	9.4	8.0	9.5
Operating Expenses	71.7	75.2	167.7	184.4	219.3	231.7	254.0	278.5
<b>Pre Provision Profits</b>	<b>75.2</b>	<b>91.8</b>	<b>196.7</b>	<b>218.7</b>	<b>254.7</b>	<b>286.9</b>	<b>306.0</b>	<b>334.9</b>
Growth (%)	-0.2	22.1	114.2	11.2	16.4	12.6	6.7	9.4
<b>Core PPP</b>	<b>69.5</b>	<b>77.2</b>	<b>156.1</b>	<b>185.7</b>	<b>243.8</b>	<b>274.3</b>	<b>291.0</b>	<b>316.4</b>
Growth (%)	10.7	11.1	102.2	19.0	31.3	12.5	6.1	8.7
Provisions (excl tax)	114.5	132.1	172.7	132.9	133.3	74.1	79.8	86.0
<b>PBT</b>	<b>-39.3</b>	<b>-40.3</b>	<b>24.0</b>	<b>85.8</b>	<b>121.4</b>	<b>212.8</b>	<b>226.2</b>	<b>248.9</b>
Tax	-9.8	-11.3	-5.1	33.5	37.0	72.3	61.1	63.5
Tax Rate (%)	24.9	28.1	-21.1	39.0	30.5	34.0	27.0	25.5
<b>PAT</b>	<b>-29.5</b>	<b>-29.0</b>	<b>29.1</b>	<b>52.3</b>	<b>84.3</b>	<b>140.4</b>	<b>165.1</b>	<b>185.4</b>
Growth (%)	-43.8	-1.7	-200.3	80.0	61.2	66.5	17.6	12.3
<b>Balance Sheet</b>								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	17.6	34.2	64.1	68.3	68.3	74.1	74.1	74.1
Reserves & Surplus	247.2	303.6	580.7	637.4	715.0	871.1	1,002.9	1,151.3
<b>Net Worth</b>	<b>264.9</b>	<b>337.9</b>	<b>644.8</b>	<b>705.8</b>	<b>783.3</b>	<b>945.3</b>	<b>1,077.1</b>	<b>1,225.4</b>
<b>Deposits</b>	<b>4,159.2</b>	<b>4,506.7</b>	<b>9,238.1</b>	<b>10,323.9</b>	<b>11,177.2</b>	<b>12,071.3</b>	<b>13,157.8</b>	<b>14,407.7</b>
Growth (%)	1.8	8.4	105.0	11.8	8.3	8.0	9.0	9.5
<b>of which CASA Dep</b>	<b>1,501.4</b>	<b>1,603.7</b>	<b>3,355.9</b>	<b>3,771.9</b>	<b>3,940.6</b>	<b>4,176.7</b>	<b>4,605.2</b>	<b>5,100.3</b>
Growth (%)	7.8	6.8	109.3	12.4	4.5	6.0	10.3	10.8
Borrowings	428.6	524.9	518.4	511.8	431.4	453.3	477.3	503.6
Other Liabilities & Prov.	87.7	137.4	315.9	334.4	415.6	457.2	512.1	573.5
<b>Total Liabilities</b>	<b>4,940.4</b>	<b>5,506.8</b>	<b>10,717.1</b>	<b>11,875.9</b>	<b>12,807.5</b>	<b>13,927.1</b>	<b>15,224.2</b>	<b>16,710.3</b>
Current Assets	430.5	551.1	844.1	1,195.0	1,121.5	1,039.5	1,090.8	1,192.9
<b>Investments</b>	<b>1,260.5</b>	<b>1,524.1</b>	<b>3,315.1</b>	<b>3,485.1</b>	<b>3,393.0</b>	<b>3,494.8</b>	<b>3,669.5</b>	<b>3,853.0</b>
Growth (%)	1.9	20.9	117.5	5.1	-2.6	3.0	5.0	5.0
<b>Loans</b>	<b>2,969.3</b>	<b>3,150.5</b>	<b>5,909.8</b>	<b>6,610.0</b>	<b>7,618.5</b>	<b>8,662.2</b>	<b>9,701.6</b>	<b>10,865.8</b>
Growth (%)	2.8	6.1	87.6	11.8	15.3	13.7	12.0	12.0
Fixed Assets	37.6	47.6	73.4	71.9	88.3	92.7	97.3	102.2
Other Assets	242.5	233.5	574.6	513.9	586.3	638.0	664.9	696.4
<b>Total Assets</b>	<b>4,940.4</b>	<b>5,506.8</b>	<b>10,717.1</b>	<b>11,875.9</b>	<b>12,807.5</b>	<b>13,927.1</b>	<b>15,224.2</b>	<b>16,710.3</b>
<b>Asset Quality</b>								
GNPA (INR m)	487.3	490.9	897.9	795.9	609.9	408.7	367.6	377.0
NNPA (INR m)	203.3	173.0	279.4	249.3	133.6	82.7	75.6	74.6
GNPA Ratio	14.98	14.15	13.75	11.12	7.53	4.55	3.68	3.38
NNPA Ratio	6.85	5.49	4.73	3.77	1.75	0.96	0.78	0.69
Slippage Ratio	4.70	5.02	2.93	3.65	1.76	1.50	1.60	1.70
Credit Cost	3.90	4.32	2.90	2.12	1.87	0.86	0.83	0.80
PCR (Excl Tech. write off)	58.3	64.7	68.9	68.7	78.1	79.8	79.4	80.2

E: MOSL Estimates



## Financials and Valuations: Union Bank

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Yield and Cost Ratios (%)</b>								
<b>Avg. Yield-Earning Assets</b>	<b>7.3</b>	<b>7.5</b>	<b>7.0</b>	<b>6.4</b>	<b>6.9</b>	<b>7.8</b>	<b>7.8</b>	<b>7.7</b>
Avg. Yield on loans	8.1	8.2	7.7	7.2	8.0	8.9	8.9	8.7
Avg. Yield on Investments	7.4	7.7	6.8	5.9	6.3	6.8	6.8	6.9
<b>Avg. Cost-Int. Bear. Liab.</b>	<b>5.2</b>	<b>5.4</b>	<b>4.6</b>	<b>3.9</b>	<b>4.3</b>	<b>5.2</b>	<b>5.3</b>	<b>5.3</b>
Avg. Cost of Deposits	5.4	5.5	4.6	3.8	4.1	5.1	5.3	5.2
<b>Interest Spread</b>	<b>2.1</b>	<b>2.2</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.5</b>
<b>Net Interest Margin</b>	<b>2.2</b>	<b>2.3</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>

### Capitalisation Ratios (%)

CAR	11.9	12.7	12.6	14.5	16.0	18.1	18.0	18.5
Tier I	9.6	10.7	10.4	12.2	13.9	16.2	16.2	16.9
Tier II	2.3	2.0	2.2	2.3	2.1	2.0	1.8	1.6

### Business and Efficiency Ratios (%)

Loans/Deposit Ratio	71.4	69.9	64.0	64.0	68.2	71.8	73.7	75.4
CASA Ratio	36.1	35.6	36.3	36.5	35.3	34.6	35.0	35.4
Cost/Assets	1.5	1.4	1.6	1.6	1.7	1.7	1.7	1.7
Cost/Total Income	48.8	45.0	46.0	45.7	46.3	44.7	45.4	45.4
Cost/ Core Income	-1.3	-0.5	-0.4	-0.6	-2.1	-1.9	-1.8	-1.6
Int. Expense/Int.Income	70.0	69.3	64.1	59.1	59.4	63.2	63.8	63.8
Fee Income/Total Income	26.6	22.7	21.1	22.9	28.6	27.2	27.2	27.6
Non Int. Inc.Total Income	30.5	31.5	32.2	31.1	30.9	29.6	29.9	30.6
Empl. Cost/Total Expense	44.0	44.7	55.4	54.9	56.5	57.2	56.9	56.6
Investment/Deposit Ratio	30.3	33.8	35.9	33.8	30.4	29.0	27.9	26.7

### Profitability Ratios and Valuation

RoE	-12.5	-10.6	5.1	8.3	12.2	17.5	17.4	17.0
RoA	-0.6	-0.6	0.3	0.5	0.7	1.1	1.1	1.2
RoRWA	-1.1	-1.0	0.5	1.0	1.4	2.2	2.4	2.5
Book Value (INR)	143	94	96	99	110	123	141	161
Growth (%)	-29.7	-34.7	3.0	3.1	10.3	12.1	14.5	14.2
Price-BV (x)	1.0	1.6	1.5	1.5	1.3	1.2	1.0	0.9
Adjusted BV (INR)	57	55	63	72	94	113	131	151
Price-ABV (x)	2.6	2.7	2.3	2.0	1.6	1.3	1.1	1.0
EPS (INR)	-20.1	-11.2	4.5	7.9	12.3	19.7	22.3	25.0
Growth (%)	-64.4	-44.4	-140.6	74.2	56.1	59.8	13.0	12.3
Price-Earnings (x)	-7.3	-13.2	32.4	18.6	11.9	7.5	6.6	5.9
Dividend Per Share (INR)	0.0	0.0	0.0	1.9	3.0	3.8	4.5	5.0
Dividend Yield (%)	0.0	0.0	0.0	1.3	2.0	2.6	3.1	3.4

E: MOSL Estimates

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NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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