

Financials: Banks

MOFSL BFSI picks	Segment
ICICI Bank	Private Bank
HDFC Bank	Private Bank
SBI	PSU Bank
AU SFB	Small Finance banks
Shriram Finance	Vehicle Financiers
PNB Housing Fin.	Housing Finance
L&T Finance	Diversified
Aditya Birla Capital	Diversified
Piramal Finance	Diversified
CreditAccess Grameen	Microfinance
SBI Life	Life insurance
Canara HSBC Life	Life insurance
ICICI Lombard	General insurance
Billionbrains Garage	Broking and Exchanges
HDFC AMC	AMCs
Nuvama Wealth	Wealth management

MOFSL BFSI picks 4.0: Earnings, growth and valuations to drive sector performance

Large private banks looking attractive; prefer stock-specific approach

- Banking stocks have delivered a mixed performance in the past one year, with mid-sized banks faring better and large private banks delivering a muted performance, dragged down by uncertain macro, margin pressure and persistent FII selling.
- The Nifty Private Bank Index was flat in the past 12 months as large-cap banks such as HDFCB, ICICIBC and KMB delivered negative returns of -18.9%, -6.5%, and -4.7%, respectively. Mid-sized private banks, including RBL Bank, Federal, SIB, CUB, and KVB, led the pack with returns of 70%, 56%, 58%, 40% and 42%, respectively.
- We maintain a balanced view as we expect the banking sector's performance to improve going ahead, with improving macro and impending recovery in earnings. Additionally, management commentary is turning constructive, which, coupled with healthy credit growth, will boost investor sentiment.
- The model portfolio has navigated a volatile macro backdrop – tariff disruptions, geopolitical tensions, crude spikes, and currency pressures – leading to episodic drawdowns in BFSI stocks via NIM pressure, treasury MTM impact, and FII-driven sentiment, even as fundamentals remain stable. Despite this, our portfolio returns since inception at ~25% (details inside) have outperformed the Nifty Financial index and the Nifty-50 Index returns of 10% and ~5%, respectively, over the similar period.
- We continue to follow an active stock selection approach on the bottom-up basis and refresh our list of top-16 BFSI stocks from our overall BFSI coverage of >75 BFSI stocks. Please refer to Exhibits 1 and 3 for details on MOFSL BFSI picks 4.0 and the overall performance. We summarize our thoughts on various BFSI segments and preferred ideas below:

Banks: Growth outlook steady; NIMs to stabilize after persistent decline

- Banking system loan growth was robust at 17.6%, led by broad-based momentum across Corporate, Retail and MSME credit. This has been supported by healthy growth in working capital loans and demand substitution from bond issuances to corporate loans as bond yields have increased significantly. We estimate a 14% CAGR in banking system credit over FY26-28.
- Sector earnings growth has gained momentum, with earnings expected to post a ~15% CAGR over FY26-28E after a relatively subdued FY26 (6.6% growth). Banks have witnessed a modest decline in NIMs in FY26, driven by lower CoF, while loan growth was healthy. Additionally, easing asset quality stress in the unsecured segment will lower the credit cost for many mid-sized banks.
- With inflation on the uptick, the possibility of a rate hike during 2HFY27 has increased. Large private banks have a better NIMs outlook than PSBs owing to their higher mix of repo-linked loans. Over FY26-28, we estimate private banks to report a higher earnings CAGR of ~21% vs. an ~8% CAGR for PSU banks. For our banking coverage universe, we estimate a 15% earnings CAGR over FY26-28.

MOFSL model portfolio delivers 23% returns; index returns range-bound

- Over the past 12 months, the **Nifty Financial Services Index has declined 0.4% and the Nifty Bank Index** has gained 2%, while the Nifty-50 fell 4%. Banking stocks have delivered a mixed performance in the past one year, with select large private banks delivering negative returns. However, the market cap-weighted return of our model portfolio at ~25% exceeds the Nifty-50 returns of 5%.
- **Nifty Private Bank Index** was flat in the past 12 months as large-cap banks such as HDFCB, ICICIBC and KMB delivered negative returns of -18.9%, -6.5%, and -4.7%, respectively. Mid-sized private banks, RBL Bank, Federal, SIB, CUB, and KVB, led the pack with healthy returns of 70%, 56%, 58%, 40% and 42%, respectively.
- **NBFCs** delivered a healthy performance in 4QFY26, supported by strong disbursement momentum across vehicle finance, gold loans, and unsecured lending segments following the GST rate cuts. Housing financiers continued to face competitive pressure from banks, resulting in modest growth performance. Asset quality trends improved in most product segments, reflected in lower Stage-2 accretion and stronger collection efficiencies, enabling a moderation in credit costs. The recovery in microfinance portfolios also gained traction during the quarter, with PAR levels and collection metrics moving closer to pre-crisis levels. **AB Capital, LTFH and SHFL have delivered returns ranging from 48% to 54% over the past 12 months.**
- **Non-lending financial** sector witnessed a mixed performance, with sequential recovery seen for capital market players, subdued performance for general insurers and steady performance by life insurers. **AMC space** has seen a mixed performance, with Nippon AMC delivering healthy returns and HDFC AMC delivering a modest return.
- **Exchanges and brokers** saw a healthy stock performance in the recent past, led by a pickup in cash and F&O volumes. MCX, Anand Rathi, ABSL AMC and BSE delivered 84%, 68%, 46% and 54% returns, respectively, in the past 12 months.
- Private **life insurance** players reported a steady performance in 4Q; however, there was a slowdown in Mar'26, owing to volatile geopolitical conditions. However, rising contribution from protection and improved rider attachment continue to support VNB margins across the industry, offsetting the impact from the loss of input tax credit. On the regulatory front, discussions on commission regulations are ongoing, which could disrupt channel economics in the near term. Insurers have sought a one-year forbearance period for IFRS transition.
- **General Insurance** industry maintained strong momentum in 4QFY26, with the health segment posting over 20% growth and the motor segment delivering over 10% growth. NIVABUPA remained the fastest-growing player, with GWP growing 39% YoY in 4QFY26. While loss ratios increased slightly YoY, continued operational efficiency led to a sharp improvement in the combined ratio.

Private Banks: Business momentum healthy; earnings growth to gain pace

- For private banks, business momentum has been healthy and NIMs have largely bottomed out. A potential rate hikes in 2HFY27 will support margins. Unsecured loans saw growth revival, with MFI disbursements improving and banks looking to expand their PL and CC businesses in FY27.

- In the near term, NIMs are expected to remain stable, aided by stable CoF, which will be partly offset by slightly higher growth in corporate lending.
- Stress in unsecured retail MSME has eased, but potential challenges emerge in segments like CVs and M-LAP amid the ongoing West Asia conflict. We remain watchful and prefer large private banks with more diversified portfolios. Among large banks, we expect credit cost to remain under control, with AXSB reporting a 20bp decline in FY27E.
- We expect private banks to report an earnings CAGR of ~21% over FY26-28, supported by a stronger recovery for mid-sized private banks as unsecured portfolio stress eases, enabling a decline in credit cost.
- **Preferred Buys:** ICICIBC, HDFCB, SBIN, and AUBANK.

PSU Banks: Earnings growth to moderate; estimate ~8% CAGR over FY26-28

- Margins for PSBs declined amid yield pressure arising from loan repricing and faster growth in corporate loans.
- The recent FCNR (B) deposit announcement by the RBI will boost inflows, although there might be some competition from large private sector banks.
- Slippages remain well-contained for most PSBs, supported by minimal exposure to unsecured lending. The GNPA ratio improved across the board, with PCR levels healthy at ~75-90%. The normalization of credit cost over the coming years, along with ECL transition, will be closely monitored.
- The CGTMSE framework, along with ECLGS 5.0, will enable healthy growth in MSME loans while ensuring robust asset quality. Steady traction across RAM segments has helped PSBs sustain healthy credit momentum.
- RoA of PSBs has largely matured, and we expect earnings growth to remain modest. We thus estimate PSBs to deliver an 8% earnings CAGR over FY26-28 vs. 38% CAGR over FY22-25. **Preferred Buy:** SBIN

SFBs: Steady operating performance led by AQ and margin recovery

- **Small Finance Banks (SFBs)** showed improved performance as stress in MFI and unsecured loans started to ease and as collection efficiencies improved. The new MFIN guardrails implemented in FY26 are expected to keep growth measured while keeping asset quality trends steady. We expect credit cost to taper down going forward, aided by improved collection efficiencies.
- Margins have witnessed **mixed trends due to the interplay of yield pressure, led by a declining mix of high-yielding unsecured/MFI segments, while funding cost remains range-bound due to ongoing tightness in deposit rates.** We expect NIMs to be largely stable **going forward, though some near-term pressure may persist due to rate hikes in select deposit buckets.** **Preferred Buy:** AUBANK

Payments & Cards: Maintain Neutral on both SBICARD and PAYTM

- **SBICARD:** NIMs stood largely flat in 4Q and are expected to remain rangebound as revolve book and EMI book are broadly expected to remain stable. Asset quality is anticipated to improve further, aided by lower forward flows and a supportive macro environment. **Maintain Neutral.**

- **PAYTM:** The company has reported healthy momentum in 4QFY26, aided by healthy GMV and better subscription + MDR revenue. Momentum in the financial services segment is expected to stay strong, supported by increasing monetization of the merchant business. The company expects EBITDA margins to improve further, supported by strong operating leverage. Recent developments around the PIDF scheme have weighed on profitability, although PAYTM has broadly offset 30-40% of the hit. **Maintain Neutral.**

NBFCs: Healthy growth with strong business momentum; AQ risks balanced

- **NBFCs delivered a strong performance**, driven by healthy disbursements and stable AUM growth following GST rate cuts. Asset quality improved in unsecured, MFI and SME, partly aided by seasonal factors. NBFCs (incl. HFCs) under our coverage reported AUM growth of ~16% YoY in FY26. Demand remained broad-based across segments such as housing, vehicles, gold, and unsecured lending, with a visible revival in MFI disbursements during the quarter.
- **Gold lending:** Demand for gold loans remains robust, largely driven by the steady increase in gold prices over the year. However, competitive intensity in the segment has increased meaningfully, with several AAA (and AA+)-rated NBFCs entering the market and expanding aggressively alongside increased focus from banks.
- **Cost of funds:** Most NBFCs did not see any meaningful improvement in CoF during the quarter, as bond yields rose in the latter part of Mar'26 amid heightened geopolitical tensions; however, bond yields softened in Apr'26. Benefits from lower CoF are expected to remain limited across NBFCs in FY27.
- **Asset quality** for vehicle financiers improved meaningfully, supported by a decline in both Stage 2 and Stage 3 assets, along with strong collection efficiency. Most NBFCs indicated that they have not observed any asset quality stress arising from the West Asia conflict, with bounce rates in Apr'26 remaining stable and even improving compared to Mar'26 levels. NBFC-MFIs continued to witness broad-based improvement in PAR across geographies, with asset quality trends nearing pre-crisis levels.
- Overall, NBFCs have reported a strong performance, supported by healthy disbursement growth, improving asset quality, and gradual normalization in stress across unsecured segments. We remain constructive, **with Shriram, LTFH, AB Capital and PNBHF as our preferred picks in the NBFC sector.** While the overall outlook remains positive, near-term macro uncertainties, including the possible effect of El Niño on monsoon and consequently asset quality, will remain important to monitor in the near term.

Capital market: Activity remains broadly stable amid market volatility

- **Capital market** activity witnessed a healthy recovery during 4QFY26 but moderated in the recent times amid market volatility. Among exchanges, BSE continued to gain market share in options premium turnover, supported by improving premium-to-notional turnover mix and healthy non-expiry day activity, while STAR MF maintained strong traction. MCX delivered another strong quarter, led by robust growth in bullion and energy contracts, with sharp volume-led operating leverage driving earnings growth.

- **Among brokers**, ANGEL ONE and GROWW reported a strong recovery in earnings, supported by improving trading activity across segments, while volumes moderated amid market volatility. Industry-wide MTF growth remained strong across players. Commodity participation continued to remain strong, providing an additional growth lever. Overall, retail participation trends remain constructive, though activity levels and profitability continue to be influenced by regulatory developments and market sentiment.
- **AMC industry** remained resilient despite market volatility, with QAAUM supported by record SIP inflows of INR321b in Mar'26, reflecting stable retail participation. Industry yields remained broadly stable, aided by a favorable product mix, although weaker treasury income impacted profitability for some players.
- In adjacent **capital market infrastructure businesses**, CAMS benefited from operating leverage and diversification beyond mutual funds, while KFIN witnessed near-term margin pressure due to international integration costs. In the **depository segment**, revenue remained soft amid weaker IPO activity and slower account additions, with NSDL outperforming on banking-led growth. CDSL faced pressure from lower activity and KYC pricing cuts, while high opex continued to weigh on margins.
- **Wealth managers** continued to witness healthy net flows and stable ARR AUM growth, supported by rising HNI/UHNI wealth creation and increasing adoption of managed products. Growth investments across relationship managers, technology platforms, and product capabilities weighed on near-term earnings but position the industry well for long-term expansion. **Preferred Buys:** Nuvama, Groww, and HDFC AMC.

Insurance: Protection-led mix supports margins; Health insurance momentum remains strong

- **Life insurance** industry witnessed a relatively slower premium growth in 4QFY26 amid volatile market conditions and geopolitical uncertainties. However, profitability remained resilient, supported by increasing contribution from protection products, rising rider attachment, and a favorable product mix. While the loss of input tax credit continued to impact margins, insurers have guided toward largely mitigating this impact by 1HFY27. VNB margins remained broadly resilient across the industry except for HDFCLIFE/SBILIFE where margins contracted 250bp/210bp. Going forward, protection-led growth, improving product mix, and recovery in demand should support stable growth and margin expansion. On the regulatory front, commission regulations remain a key monitorable, while IFRS transition timelines continue to be under discussion.
- **General insurers** continued to witness a favorable operating environment, led by strong momentum in the health insurance segment and steady growth in motor insurance. Health insurance demand remained robust following GST exemption benefits, while motor insurance growth was supported by stable vehicle sales trends. Competitive intensity, however, remained elevated across motor and fire segments, with aggressive pricing continuing to weigh on yields.
- Health insurers delivered strong growth and improving profitability, supported by favorable claims experience and operating efficiencies. ICICI Lombard maintained healthy growth across key segments, aided by recovery in motor

and sustained traction in retail health, while Star Health and Niva Bupa continued to benefit from strong retail health demand. Although claims inflation and competitive intensity remain key monitorables, improving combined ratios and sustained health insurance penetration provide a constructive outlook for the sector. Preferred Buys: **SBI Life, Canara HSBC Life and ICICI Lombard.**

MOFSL BFSI Picks 4.0: Portfolio refresh reflects evolving preferences with changing times

- As part of our disciplined and bottom-up portfolio review process, we have continuously refined the strategy by adding high-conviction ideas and exiting positions where risk-reward has become less favorable.
- **In MOFSL Picks 4.0, we have introduced six new stocks, and overall, we have churned 12 names from the previous three versions of our MOFSL BFSI portfolio.**
- From our previous picks, we generated the strongest returns from AU SFB (+103%), Federal Bank (+78%), LT Finance (+106%), Angel One (+66%), and Shriram Finance (+57%). While we remain positive on these three stocks, we book Federal and Angel One from our BFSI picks and add five new stocks wherein risk-reward looks more favorable. On the other hand, the largest drawdowns among the excluded names were from UTI AMC (-24%), Aavas Financiers (-16%), and HDFC Life (-10%).
- Overall our portfolio returns have significantly outweighed the losses, underscoring the effectiveness of our active, conviction-driven bottom-up stock selection framework.

MOFSL BFSI picks 4.0: Earnings + Growth + Valuations to drive performance

- We remain constructive on the sector as we expect the banking stocks' performance to improve going ahead, aided by an impending recovery in earnings and an improving macro. Additionally, management commentary is turning constructive, which, coupled with credit demand pickup, will boost investor sentiment.
- **Banks:** We continue to prefer large-cap banks as valuations appear reasonable in context to earnings outlook. These banks stand out due to their strong balance sheets, healthy PCR, and relatively better growth prospects, which are expected to enable a steady earnings trajectory. Over FY26-28, we estimate a 21% earnings CAGR for private banks and an 8% CAGR for PSBs. **ICICIB, HDFCB and SBIN are our top large-cap picks. In mid-sized banks, we prefer AUBANK.**
- **NBFCs: Vehicle financiers** have reported a steady improvement in asset quality over the past few quarters, supported by strengthening business momentum. Among vehicle financiers, **Shriram Finance** remains our preferred pick. Demand trends for large HFCs remain subdued due to heightened competitive intensity from banks. **We continue to prefer PNBHF** for its increasing focus on high-yielding segments and the potential for NIM expansion over the next couple of years. **Within diversified financials, we maintain our preference for ABCL** on the back of its steady execution across businesses, and **LTF, as the worst of the MFI sector stress appears to be behind**, supporting improved growth and profitability. We also **add Piramal Finance to our preferred list**, supported by its consistent growth trajectory, strong improvement in asset quality, and steady

NIM expansion. **NBFC-MFIs reported continued improvement in PAR** and overall asset quality during the quarter, with the positive trend further strengthening in Apr'26 and May'26. Preferred Pick: **CreditAccess Grameen**.

- **Life & General Insurance:** We like **SBI Life** for its strong growth visibility, improving mix toward protection and non-ULIP products, stable VNB margins, and continued strengthening of agency distribution alongside dominant SBI franchise. We also like **Canara HSBC Life** given its underpenetrated bancassurance opportunity within the Canara Bank ecosystem, strong APE growth visibility, improving product mix toward traditional products, and continued VNB margin expansion, driven by operating leverage and rising rider attachment. Among general insurers, we prefer **ICICI Lombard** given its balanced growth-profitability approach, improving retail health mix, strong underwriting discipline, and healthy reserve position, which should support earnings resilience despite competitive intensity.
- **Capital Markets:** We prefer **Groww (Billionbrains Garage)** given its strong execution in broking, rising share of retail participation, expanding MTF book and multiple monetization levers across financial products. We also continue to like **HDFC AMC**, as the recent correction has made valuations more reasonable, while strong market share gains and healthy SIP-led flows support earnings visibility. **NUVAMA** remains our preferred pick in the wealth management space, driven by its diversified multi-engine model, rising annuity revenue mix, strong operating leverage, and improving RoE visibility, supported by multiple emerging profit pools.

Exhibit 1: MOFSL BFSI picks 4.0: Top ideas from our coverage of >75 BFSI names

MOFSL BFSI picks	Segment
ICICI Bank	Private Bank
HDFC Bank	Private Bank
SBI	PSU Bank
AU SFB	Small Finance banks
Shriram Finance	Vehicle Financiers
PNB Housing Fin.	Housing Finance
L&T Finance	Diversified
Aditya Birla Capital	Diversified
Piramal Finance	Diversified
CreditAccess Grameen	Microfinance
SBI Life	Life insurance
Canara HSBC Life	Life insurance
ICICI Lombard	General insurance
Billionbrains Garage	Broking and Exchanges
HDFC AMC	AMCs
Nuvama Wealth	Wealth management

Source: MOFSL

Exhibit 2: MOFSL BFSI picks: Performance scorecard since inception of MOFSL BFSI picks in Mar'25

MOFSL BFSI picks	MOFSL BFSI picks 1.0 (18-Mar'25)	MOFSL BFSI picks 2.0 (19-Jun'25)	MOFSL BFSI picks 3.0 (16-Sep'25)	Current price (16-Jun'26)	Returns (since inclusion)
Nifty 50	22,834	24,793	25,046	23,989	5%
Nifty Financials	23,970	26,300	26,154	26,442	10%
Nifty Bank	49,315	55,577	54,614	57,297	16%
BSE-200	10,286	11,209	11,384	11,194	9%
ICICI Bank	1,310	1,411	1,402	1,334	2%
HDFC Bank	866	968	963	785	-9%
Kotak Bank	407	429	404		-1%
Federal bank	180	204	199	321	78%
SBI	737	785	822	1,015	38%
AU SFB	504	790	710	1,023	103%
Shriram Finance	642	652	620	1,006	57%
PNB Housing Fin.	818	1,039	811	1,018	25%
Home First Fin.	993	1,290	1,277	1,136	14%
LT Finance	143	188	234	294	106%
Aditya Birla Capital		256	290	374	46%
Aavas Financiers			1,661	1,394	-16%
Piramal Finance				2,002	0%
CreditAccess Grameen				1,408	0%
SBI Life				1,768	0%
Canara HSBC Life				139	0%
HDFC Life	641	762	774	574	-10%
Max Financial			1,564	1,612	3%
Niva Bupa		80	82	84	5%
ICICI Lombard	1,752	1,928		1,784	2%
HDFC AMC	1,914	2,439	2,890	2,659	39%
UTI AMC		1,238	1,365	946	-24%
Aditya Birla Sun life AMC			841	1,121	33%
Billionbrains Garage				200	0%
Angelone	209	278	225	348	66%
Nuvama Wealth	1,096	1,393	1,276	1,655	51%
CAMS	720	803	778	757	5%
Average return of stocks					28%
Market cap weighted returns					25%

Source: MOFSL, Company

Exhibit 3: MOFSL BFSI picks: Active stock selection on bottom-up basis helped deliver 15% alpha since inception

Sr. No	MOFSL BFSI Picks Version 4				
	Version 4 stocks	Inception Price (INR)	Inception date	CMP (INR)	Returns since inception (%)
1	ICICI Bank	1,310	18-Mar'25	1,334	2%
2	HDFC Bank	866	18-Mar'25	785	-9%
3	SBI	737	18-Mar'25	1,015	38%
4	AU SFB	504	18-Mar'25	1,023	103%
5	Shriram Finance	642	18-Mar'25	1,006	57%
6	PNB Housing Fin.	818	18-Mar'25	1,018	25%
7	LT Finance	143	18-Mar'25	294	106%
8	Aditya Birla Capital	256	19-Jun'25	374	46%
9	ICICI Lombard	1,752	18-Mar'25	1,784	2%
10	HDFC AMC	1,914	18-Mar'25	2,659	39%
11	Nuvama Wealth	1,096	18-Mar'25	1,655	51%
Newly added stocks					
12	Piramal Finance	2,002	16-Jun'26	2,002	0%
13	CreditAccess Grameen	1,408	16-Jun'26	1,408	0%
14	SBI Life	1,768	16-Jun'26	1,768	0%
15	Canara HSBC Life	139	16-Jun'26	139	0%
16	Billionbrains Garage	200	16-Jun'26	200	0%
Gains/Loss from the stocks that were added & deleted in current/previous versions					
		Inception Price (INR)	Inception date	Exclusion Price (INR)	Total Gains/ Loss booked (%)
1	Kotak Bank	407	18-Mar'25	404	-1%
2	Federal bank	180	18-Mar'25	321	78%
3	Shriram Finance	642	18-Mar'25	1,006	57%
4	Home First Fin.	993	18-Mar'25	1,136	14%
5	Aavas Financiers	1,661	16-Sep'25	1,394	-16%
6	HDFC Life	641	18-Mar'25	574	-10%
7	Max Financial	1,564	16-Sep'25	1,612	3%
8	Niva Bupa	80	19-Jun'25	84	5%
9	UTI AMC	1,238	19-Jun'25	946	-24%
10	Aditya Birla Sun life AMC	841	18-Mar'25	1,121	33%
11	AngelOne	209	18-Mar'25	348	66%
12	CAMS	720	18-Mar'25	757	5%
BFSI picks	Average return of stocks				28%
	Market cap weighted returns				25%
	Nifty 50				5%
Benchmark performance	Nifty Financials				10%
	Nifty Bank				16%
	BSE-200				9%

Source: MOFSL, Company

Exhibit 4: MOFSL BFSI picks 1.0, 2.0 & 3.0: What went right and what went wrong

MOFSL BFSI picks	Returns since inclusion in our portfolio	What went right?
AU SFB	103%	❖ Steady business growth, controlled credit cost + leadership continuity, reinforced by RBI approval of Mr. Sanjay Agarwal's term extension, provided strategic stability and execution confidence at a critical phase of the universal banking transition and growth recovery.
SBI	38%	❖ Strong franchise in affordable HF + rising penetration in MSME. Management has turned increasingly upbeat on SBI's growth trajectory, and maintaining loan growth guidance to 13-15% YoY.
LT Finance	106%	❖ Strong execution of its retail-focused strategy led to robust loan growth across two-wheeler, farmer, personal, and SME finance segments. GST 2.0-driven formalization and healthy festive demand supported record disbursements, while improving collection efficiencies and a steady reduction in credit costs boosted profitability. Investors also rewarded the continued improvement in asset quality, stable margins, and increasing confidence in sustainable RoA/RoE expansion.
Aditya Birla Capital	46%	❖ The company benefited from synchronized growth across its lending, asset management, life insurance, and health insurance businesses. Improving asset quality, margin expansion in the lending business, strong AMC inflows, and better insurance profitability enhanced earnings visibility. Continued digital investments, cross-selling opportunities, and the market's preference for diversified financial platforms further supported valuation re-rating.
PNB Housing Fin.	25%	❖ Following the appointment of Ajai Shukla, disbursement momentum improved meaningfully across affordable and emerging segments, driven by better branch productivity, deeper geographic expansion, and strengthened distribution capabilities. The company maintained robust asset quality with low credit costs, while its continued focus on higher-yielding segments supported margin expansion and improved profitability. Consistent execution on growth initiatives, improving return ratios, and greater investor confidence in the management's strategy contributed to the stock's re-rating.
HDFC AMC	39%	❖ Holding market share despite slight dip in fund performance recently. SIP inflows remain strong for the industry as well as HDFC AMC leading to maintained growth momentum with respect to high yielding equity AUM. Strong distribution franchise benefitting from rising retail participation.
Nuvama Wealth	51%	❖ Record-high flows in both HNI and UHNI segments, with a rising share of recurring revenue streams. Asset services business has recovered completely from the impact of a large client's exit, with a new quarterly revenue peak in 4QFY26. Cheapest stock in capital market ecosystem.
MOFSL BFSI picks	Returns since inclusion in our portfolio	What went wrong?
HDFC Bank	-9%	❖ While operational performance remained stable, HDFC Bank's continued emphasis on deposit accretion and balance-sheet normalization post-merger constrained loan growth momentum during the year. The slower-than-expected recovery in NIMs, coupled with moderated credit growth, resulted in earnings growth remaining below the bank's historical trajectory. ❖ Additionally, concerns around management continuity following developments involving the Chairman added to investor uncertainty and weighed on stock performance. Near-term sentiment is likely to be influenced by clarity around MD & CEO Mr. Sashidhar Jagdishan's term extension and the broader leadership succession framework.
UTI AMC	-24%	❖ Weak fund performance leading to lower flow market share. Profitability impacted by a voluntary retirement scheme.
Niva Bupa	5%	❖ Rising claims ratio keeping combined ratios above 100%. Premium growth remained strong, but earnings quality lagged expectations.

Source: MOFSL, Company

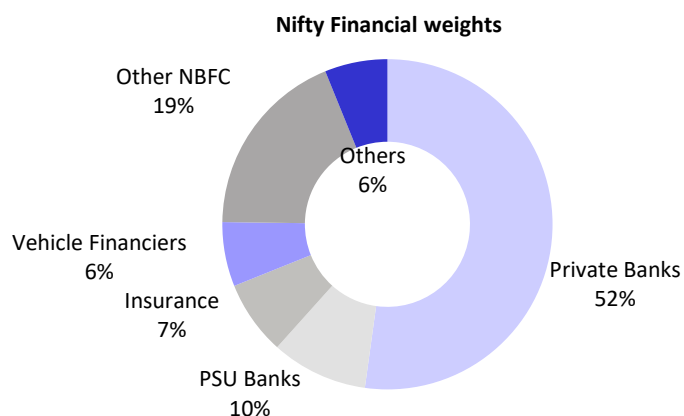
MO BFSI picks have delivered healthy returns at aggregate level; event risk remains the biggest 'unknown'

- The model portfolio has navigated a volatile macro backdrop marked by tariff-led global trade disruptions, the Iran conflict driving sharp spikes in crude prices, intermittent currency pressures, and shifting global rate expectations. These event risks have created episodic drawdowns across BFSI stocks, particularly via NIM pressure (from cost of funds volatility), mark-to-market impacts on treasury books, and sentiment-driven FII flows, leading to intermittent stock-specific underperformance despite stable underlying fundamentals.
- However, we find relief from the fact that despite significant price impact on some of our model portfolio stocks due to such external events, the aggregate performance of our model portfolio remains healthy, supported by many winners driving portfolio outperformance over Nifty and Bank Nifty. Moreover, the market cap-weighted return of our model portfolio (25%) exceeds the Nifty-50's return (5%).
- However, event risk remains elevated going forward, and any further escalation in geopolitical tensions, sustained high crude prices, or sharp currency moves could further impact inflation, translate into rate hikes, and keep funding costs elevated, thereby affecting credit growth, treasury gains and overall profitability across BFSI names.

Exhibit 5: Trend of BFSI sector weight in the Nifty-50 index: PSBs & NBFCs weight increased during FY26

Nifty-50 weights	FY13	FY16	FY19	FY22	FY25	FY26
Private Banks	16.5	20.5	26.3	21.9	28.9	26.2
Axis Bank	2.3	2.7	3.2	2.6	3.0	3.4
HDFC Bank	6.3	7.6	10.7	8.4	13.3	11.7
ICICI Bank	6.6	5.0	5.5	6.6	9.1	8.5
IndusInd Bank		1.7	1.9	0.8	0.4	0.0
KMB	1.4	2.5	3.8	3.4	3.0	2.6
Yes Bank		1.0	1.1			
PSU Banks	4.1	2.9	2.6	2.5	2.8	4.2
BOB	0.6	0.5				
Oriental Bank						
PNB	0.5	0.2				
SBIN	2.9	2.2	2.6	2.5	2.8	4.2
Insurance				1.3	1.4	1.4
HDFC Life				0.7	0.7	0.6
SBI Life				0.6	0.7	0.8
NBFC	8.0	6.3	10.0	9.5	4.8	5.3
Bajaj Finance			1.5	2.5	2.2	1.0
Bajaj Finserv			0.9	1.3	1.0	2.3
Bajaj Holdings						
HDFC	7.0	6.3	6.9	5.7		
IDFC	1.0					
Indiabulls Housing			0.6			
Reliance Capital						
Jio Financial services					0.7	0.7
Shriram Finance					0.9	1.3
Total weight of BFSI sector	28.5	29.7	38.8	35.2	37.9	37.1

Source: MOFSL

Exhibit 6: Nifty Financial weight composition: Banks account for ~62% of Nifty Financial index

Exhibit 7: Nifty Financials weight as on 15th Jun'26

Companies	Segments	Nifty Financials weight (15-Jun-26)
Banks		61.6%
HDFC Bank Ltd	Private Banks	18.0%
ICICI Bank Ltd	Private Banks	14.1%
Kotak Mahindra Bank Ltd	Private Banks	9.5%
Axis Bank Ltd	Private Banks	10.6%
State Bank of India	PSU Banks	9.5%
NBFCs		24.9%
BAJAJ GROUP		11.1%
Bajaj Finance	Diversified	7.9%
Bajaj Finserv	Diversified	3.2%
Cholamandalam	Vehicle Financiers	2.1%
Shriram Finance	Vehicle Financiers	4.2%
MUTHOOT	Gold Finance	0.9%
Power Finance	Diversified	2.1%
REC	Diversified	1.3%
LIC housing Finance	Housing Finance	0.8%
Jio Financial Services	Diversified	2.5%
INSURANCE		7.3%
HDFC Life	Insurance	2.0%
Max financial	Insurance	1.4%
SBI Life	Insurance	2.6%
ICICI LOMBARD	Insurance	1.3%
Capital market & Payments		6.1%
SBICARD	Others	0.8%
BSE	Others	5.4%
TOTAL		100.0%

Source: MOFSL, Company

Exhibit 8: Price performance across BFSI stocks

Company Name	Price Perf (%)				CAGR (%)		
	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Nifty 50	2.5	-7.2	2.0	-3.8	8.4	8.8	11.4
Nifty BANK	5.3	-2.9	11.1	2.4	9.3	10.4	12.5
Nifty PSU Bank	-0.1	4.3	36.7	23.2	28.4	28.4	12.5
Nifty Private Bank	8.1	-1.9	8.5	0.5	7.5	8.7	10.8
Nifty Financials	3.6	-3.4	5.5	-0.4	10.8	9.8	14.0
Private banks	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
RBL Bank Ltd	24.9	22.9	113.0	70.3	28.7	11.4	
Karur Vysya Bank Ltd	3.5	20.1	68.9	42.2	40.4	46.6	15.9
City Union Bank Ltd	12.9	1.3	74.3	40.3	30.0	10.3	11.9
South Indian Bank Ltd	28.1	20.5	104.6	58.4	42.0	36.5	10.9
DCB Bank Ltd	9.2	10.3	64.6	29.0	15.8	10.5	6.4
Tamilnad Mercantile Bank Ltd	26.8	50.5	86.1	70.2	22.2		
Federal Bank Ltd	22.9	22.3	66.3	55.9	37.3	30.4	18.7
Karnataka Bank Ltd	28.2	40.6	58.7	35.7	21.8	34.6	10.8
IndusInd Bank Ltd	12.2	9.6	42.5	12.8	-11.0	-1.8	-1.7
CSB Bank Ltd	3.4	-5.6	22.2	-4.0	10.8	2.7	
IDFC First Bank Ltd	23.4	-7.1	41.0	9.3	-1.7	5.8	5.1
Axis Bank Ltd	12.4	12.0	23.9	12.4	11.6	12.7	10.1
Yes Bank Ltd	28.9	11.1	41.5	18.0	13.6	11.3	-19.6
Bandhan Bank Ltd	33.3	45.0	48.2	21.5	-5.1	-7.5	
ICICI Bank Ltd	4.8	-2.3	-1.0	-6.5	12.6	15.8	19.9
HDFC Bank Ltd	-6.6	-21.1	-14.1	-18.9	-0.7	1.1	10.4
Kotak Mahindra Bank Ltd	10.3	-6.6	-6.1	-4.7	3.2	3.0	10.5
IDBI Bank Ltd	0.3	-22.5	-0.7	-18.3	12.7	14.8	0.8
Dhanlaxmi Bank Ltd	43.3	29.7	9.0	9.5	33.5	21.9	5.4
PSU banks	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Indian Bank	-2.8	10.4	57.6	34.9	44.6	43.3	21.5
Canara Bank	-1.2	-9.7	49.2	19.4	29.8	34.3	12.9
Bank of Maharashtra	39.3	56.0	90.3	61.5	46.9	27.8	11.1
Union Bank of India	-2.9	11.3	35.2	16.1	33.9	35.4	3.0
Bank of India	-3.3	4.5	36.0	19.8	25.8	13.2	4.6
State Bank of India	-4.8	5.6	31.6	28.1	21.1	19.0	16.7
Jammu and Kashmir Bank Ltd	31.0	62.0	75.5	54.2	41.5	39.6	9.0
Bank of Baroda	-1.6	-2.7	20.5	14.4	13.5	26.7	6.1
Punjab National Bank	-2.7	-7.7	12.3	1.1	27.9	20.9	1.5
Indian Overseas Bank	5.7	-6.9	-12.7	-9.2	12.3	10.6	2.6
Central Bank of India	-8.7	-11.5	-25.2	-15.7	6.2	9.1	-10.2
UCO Bank	4.7	-8.3	-26.2	-15.9	0.0	13.4	-3.8
Punjab & Sind Bank	3.9	-11.5	-44.9	-23.2	-8.2	3.6	-7.4
Small Finance Banks	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
AU Small Finance Bank Ltd	15.6	4.3	91.4	30.9	9.5	14.5	
Ujjivan Small Finance Bank Ltd	13.8	6.4	66.8	18.6	15.2	12.0	
Suryoday Small Finance Bank Ltd	37.7	27.8	72.9	22.4	0.5	-5.0	
Equitas Small Finance Bank Ltd	40.4	35.0	43.2	16.6	-3.0	5.7	
Jana SFB	34.1	8.9	14.7	-5.9			
ESAF	32.1	18.5	26.1	-1.6			
Capital SFB	25.8	12.9	13.7	-1.7			
Utkarsh SFB	14.6	-8.6	-26.8	-32.3			
Payments & Fintech	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Paytm***	9.3	-13.5	41.5	26.3	7.4		
PB Fintech	8.2	-12.3	0.4	-16.3	34.7		
SBICARD	-10.6	-26.7	-29.4	-38.4	-12.0	-10.4	
Fino Payments Bank Ltd	-2.9	-47.9	-40.1	-52.8	-15.4		
Pine Labs	-7.9	-34.0					
Seshaasai Technologies	15.4	1.1					

Company Name	Price Perf (%)				CAGR (%)		
	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Life Insurance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
MAXF**	-2.0	-3.4	40.5	2.2	32.7	9.5	14.2
SBILIFE**	-7.4	-13.2	14.2	-1.7	11.3	12.3	
LICI**	5.7	-3.8	2.8	-13.4	10.8		
IPRULIFE**	-16.0	-23.1	-13.1	-23.2	-2.8	-3.2	
HDFCLIFE**	-8.2	-24.9	-16.2	-25.5	-2.0	-3.7	
Canara HSBC Life	-4.5	11.7					
General Insurance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Star Health	14.1	13.1	46.3	15.9	-0.5		
ICICI Lombard	-3.6	-8.6	-0.5	-8.3	12.4	3.3	
Niva Bupa	17.7	8.8	8.0	3.0			
Capital Market	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Anand Rathi	15.5	18.5	85.4	68.5	101.6		
Nippon India AMC	37.5	31.7	97.5	53.2	66.8	25.5	
Aditya Birla AMC	17.6	45.6	76.0	45.6	44.6		
HDFC AMC	12.3	2.9	32.5	7.0	40.5	11.7	
Angel One	60.8	37.5	50.5	18.8	30.8	33.1	
Groww	26.3	38.4					
IIFL Wealth	10.7	-0.1	20.1	-3.2	37.0	31.8	
Nuvama Wealth	42.8	15.1	36.2	17.2			
CDSL	6.7	-15.8	3.6	-24.9	34.7	20.1	
Prudent corporate advisory	37.4	13.1	29.6	7.9	47.8		
UTI AMC	-1.5	-16.0	-10.4	-25.3	10.9	4.0	
Kfin	-4.4	-16.7	-16.3	-29.7	33.3		
Anand Rathi Share and Stock Broker	17.2	-7.9					
Canara Robeco AMC	8.2	-14.3					
Exchanges	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
MCX	12.9	41.9	171.6	84.3	108.1	56.5	30.7
BSE	45.4	59.7	127.9	54.3	179.4	109.5	
Housing Finance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
CanFin	3.5	-5.1	30.0	11.6	5.1	10.9	14.0
Repco	8.8	-1.0	16.1	-7.9	10.0	-0.4	-6.2
LIC HF	10.6	5.5	-1.6	-8.4	12.8	2.3	1.7
HomeFirst	14.8	-3.9	12.0	-11.1	11.1	15.6	
India Shelter	11.3		-5.5	-11.3			
PNB HF	32.8	11.4	15.5	-4.3	21.3	11.5	
Aptus Housing Finance	21.2	-6.9	-8.6	-16.2	0.2		
Aavas	23.5	-6.3	-33.1	-25.7	1.0	-11.1	
Vehicle Finance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Shriram Finance	1.4	18.5	53.3	48.7	53.1	28.5	16.1
MMFS	-6.8	-12.8	8.2	8.9	0.1	12.5	4.8
Cholamandalam	10.0	-2.0	10.6	7.3	14.3	24.4	24.7
Indostar	27.8	2.2	-18.3	-24.5	15.6	-8.5	
Gold Finance	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Muthoot	-5.8	-17.7	32.9	20.3	39.4	15.9	28.1
Manappuram	26.4	12.0	36.4	13.9	36.4	13.6	18.3
Diversified	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
ABCL	18.8	7.4	102.0	50.3	28.1	24.8	
LTFH	12.9	-2.2	92.0	53.5	35.5	25.0	15.3
Fedbank Financial Services	28.1	16.8	97.5	41.8			
IIFL Finance	11.1	-6.8	61.2	8.9	2.0	16.3	18.5
MAS Financial	6.2	-1.5	27.1	7.5	7.1	1.5	
Poonawalla	-4.7	-8.7	15.1	-4.0	5.4	21.4	14.6
Jio Finance	3.2	-18.1	6.3	-17.7			
PFC	5.2	27.2	3.2	5.2	39.4	32.8	20.7
BAF	9.3	-3.9	7.3	2.3	10.0	9.6	28.9

Company Name	Price Perf (%)				CAGR (%)		
	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Bajaj Finserv	0.8	-12.2	-11.0	-11.9	5.8	8.6	24.2
REC	7.2	6.3	-16.9	-11.2	32.7	25.0	19.3
Tata capital	9.8	4.0					
HDB Financials	10.6	-5.9					
NBFC - MFIs	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
CreditAccess	19.6	11.9	47.9	17.8	6.1	13.2	
Muthoot MicroFin	41.8		67.9	58.5			
Fusion Micro	15.9	16.3	33.5	-7.9	-28.8		
Spandana Sphoorty	16.1	-11.5	8.8	-7.1	-28.8	-18.2	
Ratings agencies	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Care Ratings	4.8	6.3	48.3	-13.1	34.0	18.2	5.2
CRISIL	0.9	-8.8	-3.3	-25.3	1.3	10.6	6.4
ICRA	-1.6	-14.4	-6.4	-23.3	1.6	8.8	1.9
MSME	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
SBFC Finance	2.1	-11.1	5.8	-14.0			
Five Star Business Finance	29.7	-21.5	-35.8	-38.8	-8.2		
Others	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
Medi Assist	18.1	-18.4	-19.0	-25.6			

Source: Company; MOFSL

Exhibit 9: BFSI valuation matrix

Val summary	Rating	CMP (INR)	MCap (INRb)	TP (INR)	Upside (%)	EPS (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)		P/ABV (x)	
						FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Private Banks																	
ICICIB*	Buy	1,335	9,496	1,750	31	79.0	92.1	2.2	2.3	15.9	16.2	13.4	11.5	2.5	2.2	2.1	1.8
HDFCB*	Buy	785	11,958	1,100	40	55.2	64.2	1.8	1.9	14.4	14.9	11.8	10.1	1.9	1.7	1.7	1.5
AXSB*	Neutral	1,366	4,248	1,475	8	101.6	124.9	1.6	1.7	14.6	15.8	12.0	9.8	1.9	1.6	1.7	1.5
BANDHAN	Buy	217	340	210	-3	18.1	24.0	1.3	1.5	11.1	13.5	12.0	9.0	1.3	1.2	1.3	1.2
KMB*	Buy	408	4,033	470	15	16.5	20.0	2.0	2.1	12.1	13.6	14.7	12.1	3.0	2.6	1.8	1.6
IIB	Neutral	926	727	950	3	47.7	77.1	0.7	0.9	5.6	8.6	19.4	12.0	1.1	1.0	1.1	1.0
FB	Buy	321	782	325	1	20.5	24.1	1.3	1.4	12.2	12.8	15.7	13.3	1.8	1.6	1.9	1.7
DCBB	Buy	184	59	235	28	30.9	38.9	1.0	1.1	15.1	16.6	5.9	4.7	0.8	0.7	0.9	0.8
IDFCFB	Neutral	77	673	75	-3	4.3	6.4	0.8	1.0	7.6	10.6	18.0	12.1	1.3	1.2	1.4	1.3
EQUITASB	Buy	79	89	85	8	6.0	8.6	1.1	1.3	10.9	14.1	13.1	9.2	1.4	1.2	1.4	1.3
AUBANK	Buy	1,023	771	1,275	25	49.8	64.8	1.8	1.9	17.4	19.0	20.5	15.8	3.3	2.7	3.4	2.8
RBK	Buy	370	230	370	0	11.9	19.3	1.0	1.3	6.4	6.9	31.1	19.1	1.3	1.3	1.4	1.3
PSU Banks																	
SBIN*	Buy	1,016	9,420	1,300	28	89.8	100.5	1.0	1.0	15.1	15.5	7.4	6.6	1.6	1.4	1.1	1.0
PNB	Buy	108	1,240	135	25	18.2	21.4	1.0	1.1	14.8	15.5	5.9	5.0	0.8	0.7	0.8	0.7
BOB	Neutral	275	1,429	300	9	39.7	43.2	1.0	1.0	13.8	13.9	6.9	6.4	0.9	0.8	1.0	0.9
CBK	Buy	133	1,199	160	21	19.8	22.8	0.9	1.0	16.2	17.5	6.7	5.8	1.0	1.0	1.0	0.9
UNBK	Neutral	171	1,307	180	6	23.7	26.3	1.1	1.1	13.9	13.9	7.2	6.5	0.9	0.8	1.0	0.9
INBK	Buy	853	1,143	1,025	20	100.9	112.9	1.3	1.3	17.6	17.3	8.5	7.6	1.4	1.2	1.4	1.2
Payments & Fintech																	
SBI Cards	Neutral	622	592	760	22	31.0	38.3	4.1	4.4	17.3	18.1	20.1	16.3	3.2	2.7	3.3	2.7
						EPS (INR)		PAT (INRb)		RoA (%)		RoE (%)		P/E (x)		P/Sales (x)	
One 97 Comm.	Neutral	1,108	709	1,300	17	12.5	26.8	8.3	17.9	3.4	6.9	5.1	10.6	88.5	41.3	7.3	5.9
NBFC (lending)																	
					Upside	EPS (INR)		Credit cost (%)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
Housing Finance																	
LIC Housing Fin	Neutral	553	304	630	14	103.6	114.0	0.2	0.2	1.7	1.7	13.1	12.9	5.3	4.8	0.7	0.6
PNB Housing	Buy	1,018	265	1,275	25	94.1	109.9	0.0	0.2	2.4	2.3	12.1	12.6	10.8	9.3	1.2	1.1
Bajaj Housing	Neutral	86	715	100	16	3.7	4.5	0.1	0.2	2.2	2.2	12.9	13.7	23.0	18.9	2.8	2.4
AAVAS Financiers	Neutral	1,393	110	1,565	12	97.1	116.4	0.2	0.1	3.3	3.4	14.2	14.7	14.3	12.0	1.9	1.6
Home First Fin.	Buy	1,136	119	1,425	25	62.2	72.2	0.4	0.3	3.9	3.7	13.9	14.2	18.3	15.7	2.4	2.1
Can Fin Homes	Neutral	872	116	1,000	15	80.3	92.8	0.2	0.1	2.3	2.3	16.7	16.7	10.9	9.4	1.7	1.5
Repco Home Fin	Neutral	392	24	435	11	71.5	80.1	0.1	0.1	2.6	2.6	10.9	11.0	5.5	4.9	0.6	0.5
Vehicle Finance																	
Chola. Inv & Fin.	Buy	1,680	1,432	1,900	13	74.3	94.6	1.5	1.4	2.4	2.6	18.8	19.7	22.6	17.8	3.9	3.2
M & M Financial	Buy	298	414	350	18	24.0	28.3	1.7	1.6	2.1	2.2	12.9	13.8	12.4	10.5	1.5	1.4
Shriram Finance	Buy	1,006	1,891	1,175	17	54.1	68.0	1.9	1.8	3.6	3.8	14.0	13.1	18.6	14.8	2.0	1.8
IndoStar Capital	Buy	248	40	290	17	13.7	21.2	2.1	1.9	2.1	2.7	5.7	8.2	18.1	11.7	1.0	0.9
Gold Finance																	
Muthoot Finance	Neutral	3,166	1,271	3,720	18	290.3	334.6	0.3	0.2	5.8	5.6	27.3	25.1	10.9	9.5	2.7	2.1
Manappuram Finance	Neutral	318	269	315	-1	19.6	26.6	1.6	1.4	2.5	3.0	11.5	13.5	16.2	11.9	1.7	1.5
Microfinance																	
CreditAccess	Buy	1,407	225	1,760	25	96.5	116.8	3.3	3.3	4.4	4.4	17.9	18.1	14.6	12.1	2.4	2.0
Fusion Finance	Buy	181	29	235	30	20.3	23.9	2.6	2.8	3.7	3.8	12.5	13.0	8.9	7.6	1.1	0.9
Spandana Sphoorty	Neutral	244	19	280	15	16.0	43.6	2.2	2.3	2.0	4.3	6.1	14.5	15.3	5.6	0.9	0.8
NBFC-lending																	
						EPS (INR)		Credit cost (%)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
Diversified																	
Bajaj Finance	Neutral	959	5,965	1,000	4	40.2	50.0	1.5	1.4	4.0	4.1	19.6	20.5	23.8	19.2	4.3	3.6
Poonawalla Fincorp	Buy	403	326	520	29	17.5	29.4	1.9	1.8	2.0	2.4	12.4	16.6	23.1	13.7	2.5	2.1
Aditya Birla Cap	Buy	374	978	430	15	18.6	24.3	-	-	-	-	13.5	15.7	20.1	15.4	2.6	2.3
L&T Finance	Buy	294	737	340	16	15.6	19.6	2.1	1.9	2.5	2.6	13.2	14.8	18.9	15.0	2.4	2.1

Piramal Finance	Buy	1,995	450	2,325	17	106.6	163.0	1.6	1.6	2.0	2.6	8.2	11.5	18.7	12.2	1.5	1.3	
MAS Financial	Buy	311	57	410	32	24.1	29.0	1.5	1.4	2.9	2.9	14.1	14.9	12.9	10.7	1.7	1.5	
IIFL Finance	Buy	528	224	600	14	52.6	72.3	2.0	1.9	2.4	2.7	15.0	17.7	10.0	7.3	1.4	1.2	
HDB Financial	Neutral	709	589	720	1	35.7	43.9	2.4	2.2	2.3	2.5	13.4	14.3	19.9	16.1	2.5	2.2	
Jio Financial	BUY	242	1,538	315	30	3.4	5.1	0.5	0.6	2.0	2.4	5.7	8.9	71.1	47.2	1.0	0.9	
Northern Arc	Buy	298	48	390	31	33.1	44.6	2.9	2.7	2.9	3.2	12.8	15.0	9.0	6.7	1.1	0.9	
Power Financiers																		
PFC	Buy	428	1,411	525	23	60.8	66.7	0.1	0.2	3.1	3.2	18.3	17.7	7.0	6.4	1.2	1.1	
REC	Buy	356	938	440	23	63.1	68.7	0.2	0.2	2.5	2.4	18.4	17.7	5.6	5.2	1.0	0.9	
MSME																		
Five-Star Business	Buy	465	137	600	29	40.4	46.7	1.4	1.3	6.9	6.6	15.0	15.0	11.5	10.0	1.6	1.4	
Non-lending																		
		Rating	CMP (INR)	MCap (INRb)	TP (INR)	Upside (%)	EPS (INR)		VNB Margins (%)		RoEV (%)		P/E (x)		P/VNB		P/EV (x)	
							FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Life Insurance																		
HDFC Life Insur.	Buy	575	1,254	760	32	10.0	11.1	24.5	25.5	14.8	15.2	57.6	51.6	26.8	22.4	1.7	1.5	
ICICI Pru Life	Buy	490	703	650	33	12.8	15.3	25.0	25.5	12.2	12.5	38.4	31.9	22.9	19.7	1.2	1.1	
SBI Life Insurance	Buy	1,767	1,764	2,350	33	29.0	34.6	28.0	28.5	17.6	17.5	60.8	51.1	22.8	19.7	1.9	1.6	
Max Financial	Buy	1,612	563	1,980	23	11.1	12.2	25.5	25.5	18.8	18.7	145.2	131.9	17.9	15.2	2.0	1.7	
Canara HSBC	Buy	139	133	180	29	1.6	1.8	22.5	23.0	18.6	19.1	88.6	75.6	17.6	14.3	1.5	1.3	
Life Insurance Corp.	Buy	411	5,128	495	20	49.4	56.5	21.5	22.0	9.8	10.0	8.3	7.3	32.9	28.7	0.6	0.5	
General Insurance																		
					Upside	EPS (INR)		Claims Ratio (%)		Combined Ratio (%)		RoE (%)		P/E (x)		P/BV (x)		
Star Health	Buy	520	311	640	23	15.4	20.1	68.0	68.0	99	99	11.3	13.0	33.7	25.9	3.6	3.2	
Niva Bupa Health	Buy	84	154	97	15	1.2	1.6	66.5	67.0	101	100	6.5	8.4	72.3	51.7	4.5	4.2	
ICICI Lombard	Buy	1,783	865	2,240	26	67.1	79.9	70.6	70.2	102	102	18.3	18.8	26.6	22.3	4.5	3.9	
Insurtech																		
					Upside	EPS (INR)		EBITDA margins (%)		PAT (INRb)		RoE (%)		P/E (x)		P/BV (x)		
PB Fintech	Neutral	1,598	740	1,870	17	21.1	28.5	10.9	13.7	10	13	12.5	14.7	75.7	56.2	8.9	7.7	
Broking and Exchanges																		
						EPS (INR)		EBITDA margins (%)		PAT (INRb)		RoE (%)		P/E (x)		P/BV (x)		
Angel One	Buy	348	317	400	15	15.1	17.9	40.2	40.6	14	16	20.8	21.6	23.1	19.5	4.5	3.9	
Billionbrains	Buy	200	1,246	235	18	5.2	6.7	80.9	81.4	33	42	28.9	27.8	38.2	29.8	9.7	7.3	
BSE	Neutral	4,162	1,698	4,400	6	95.9	110.3	70.2	70.0	39	45	40.4	34.3	43.4	37.7	17.6	12.9	
MCX	Neutral	2,886	736	2,850	-1	62.8	68.2	71.6	70.0	16	17	45.9	36.0	45.9	42.3	17.8	13.3	
Wealth Management																		
Anand Rathi Wealth	Neutral	1,774	295	1,550	-13	27.6	34.4	45.4	47.3	5	6	38.1	34.7	64.3	51.6	20.9	15.6	
Nuvama Wealth	Buy	1,659	302	1,860	12	66.6	79.1	60.7	61.1	12	14	27.0	27.0	24.9	21.0	6.1	5.1	
360 ONE WAM	Buy	1,134	461	1,300	15	34.3	41.0	49.7	50.9	15	18	13.2	13.7	33.1	27.7	3.9	3.7	
Prudent Corp.	Neutral	3,030	125	2,900	-4	67.2	83.0	23.5	23.9	3	3	27.5	26.4	45.1	36.5	11.0	8.6	
Intermediaries																		
Cams Services	Buy	791	196	920	16	19.4	20.6	44.6	44.6	5	5	34.2	32.4	40.9	38.4	13.2	11.8	
KFin Technologies	Neutral	862	147	1,000	16	23.9	27.9	39.1	38.3	4	5	26.6	28.4	36.1	30.9	9.2	8.4	
CDSL	Neutral	1,264	264	1,160	-8	23.2	26.3	48.9	49.7	5	5	23.5	24.1	54.5	48.1	12.2	11.0	
NSDL	Neutral	896	179	1,000	12	22.4	25.6	29.0	29.6	4	4	17.3	17.3	40.1	35.0	6.4	5.5	
AMCs																		
					Upside	EPS (INR)		MF Yields (Bps)		PAT (INRb)		RoE (%)		P/E (x)		P/AUM(%)		
Aditya Birla AMC	Buy	1,121	323	1,230	10	37.8	42.4	39.2	38.2	10.9	12.2	25.9	27.0	29.7	26.4	6.7	5.9	
HDFC AMC	Buy	2,659	1,139	3,170	19	76.7	88.4	45.1	44.1	32.9	37.9	34.1	36.0	34.7	30.1	10.9	9.3	
Nippon Life AMC	Buy	1,142	729	1,200	5	28.0	31.9	38.5	37.5	17.6	20.1	37.0	40.3	40.8	35.8	9.1	7.7	
UTI AMC	Buy	945	121	1,270	34	60.5	66.6	31.5	30.1	7.7	8.5	16.7	17.4	15.6	14.2	2.8	2.5	
ICICI Pru. AMC	Buy	3,248	1,605	3,850	19	79.2	92.3	45.8	44.8	39.2	45.6	85.8	84.3	41.0	35.2	13.1	11.1	

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