

October 7, 2025

Top Picks

State Bank of India

Kotak Mahindra Bank

Margins to dip QoQ but may bottom out

Banks under our coverage are likely to see a mixed quarter; while core earnings (ex-IIB) may increase by 3.1% QoQ to Rs554.5bn (-9.3% QoQ in Q1FY26) core PPop might slightly decline. Loan/deposit growth is expected at +3.5%/+2.3% QoQ (0.6% each in Q1FY26 as Q1 is seasonally weak). LDR may rise sequentially by 103bps to 84.3%. Owing to repo rate reduction of 75bps in Q1, calculated NIM might decline by 7bps QoQ to 3.19% (-5bps in Q1FY26); however, margins might bottom out for the sector in Q2. Hence sequential NII growth would be a key monitorable. As Q1 seasonality could reverse, fees may increase by 5.2% QoQ, to Rs398.7bn, which would be offset by 5.9% QoQ rise in opex to Rs933bn. Core PPop may be Rs903bn (-0.8% QoQ) owing to weaker NII and rise in opex. Gross slippage ratio and provisions might reduce as Q1 generally sees a spike in agri slippages while for banks like AXSB and KMB elevated stress levels would normalize. Banks' PAT may decrease by 6.7% QoQ to Rs645.1bn. Among our coverage universe, we prefer SBI and KMB.

- **System growth could be 10% YoY in Sep'25:** System credit (incl. HDFCL) grew by +9.9% YoY in Aug'25, which has improved since May'25 mainly led by better offtake in corporate, NBFC and housing; agri continues to decelerate. Industry/services grew by 6.5%/10.6% YoY each and large industries grew by +1.8% YoY. Agri loans grew by +7.6% YoY. Within services, NBFC accretion is improving as growth rose from -0.3% YoY in May'25 to 3.4% YoY in Aug'25. Retail credit growth came in at 11.8% YoY (11.1% in May'25) driven by housing, gold and PL. System credit (incl. HDFC) could grow by ~10% YoY in Sep'25, while system deposits were up by 9.5% YoY as at 19th Sep'25. Coverage banks may see loan growth/deposits growth of 10.8%/9.7% YoY each in Q2FY26.
- **Margins may improve:** Loan yields may decline due to repo rate cut which would be partly offset by fall in cost of funds owing to reduction in SA/TD rates. As a result, NIM (calc.) could decline by 7bps QoQ to 3.19%. NII may increase by 1.0% QoQ compared to loan growth of +3.5%. Due to seasonality in Q1, fees could increase by 5.2% QoQ that would be offset by 5.9% QoQ rise in opex. Core PPop may come in at Rs903bn (-0.8% QoQ).
- **Slippages and provisions might decline QoQ:** Since Q1 generally sees higher delinquencies due to agri stress (mainly large banks), slippages are expected to fall QoQ. Slippage ratio is expected at 1.1% (1.36% in Q1FY26). As a result, GNPA ratio could improve by 7bps QoQ to 1.82%. Provision costs may reduce by 14bps QoQ to 54bps. PCR for coverage banks may remain stable at 75%.
- **Core PAT to improve QoQ:** Core PAT for our coverage banks is likely to increase by 3.1% QoQ to Rs554.5bn due to lower provisions. Excluding IIB, large private banks would deliver better core profitability. PAT may fall to Rs645.1bn (-6.7% QoQ).
- **Private banks likely to perform better:** While growth would be superior for private banks, NIM movement would be better for PSUs. However, core earnings growth for private banks (large and midcaps) would be better than PSUs since reduction in provisions would be sharper over Q1FY26 credit costs.

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Top Picks:

- **State Bank of India:** With credit growth likely to pick-up in H2FY26 and FY27, SBI is better placed to other PSU and private banks due higher unsecured and NBFC exposure respectively. Bank has usually delivered better than system growth and recent capital raise of Rs250bn may further support growth. Due to higher contingent provision buffer compared to other PSUs, SBI is better placed to navigate the transition to ECL. Core earnings growth could be strong at 22% YoY for FY27E. Stock is currently valued at 1.1x on Mar'27 core ABV; we maintain multiple of 1.3x and retain 'BUY' with TP at Rs960.
- **Kotak Mahindra Bank:** Lifting of RBI embargo could lead to better loan and deposit growth; bank also plans to increase share of unsecured loans from 10.5% to 15% which would cushion NIM. Core earnings growth is expected to be 23.2% YoY in FY27E with core RoA/RoE of 1.8%/11.0%. We keep multiple at 2.4x on Mar'27 core ABV. Retain 'BUY' with TP at Rs2,350.

Exhibit 1: Recommendation for PL coverage universe

Coverage Universe	CMP (Rs)	MCap (Rs bn)	New Rating	Old Rating	New PT (Rs)	Old PT (Rs)	Upside (%)	P/ABV (x)				RoE (%)			
								FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Axis Bank	1,187	1,375	BUY	BUY	1,375	1,375	15.9%	2.1	1.9	1.6	1.4	15.9	13.5	14.0	14.1
HDFC Bank	983	1,075	BUY	BUY	1,075	1,075	9.4%	3.0	2.7	2.4	2.2	14.3	13.7	14.1	14.2
ICICI Bank	1,376	1,730	BUY	BUY	1,730	1,730	25.7%	3.4	3.0	2.6	2.3	18.1	16.1	15.6	15.7
IndusInd Bank	749	780	HOLD	HOLD	780	780	4.1%	0.9	0.9	0.8	0.8	4.2	4.8	6.4	8.5
Kotak Mahindra Bank	2,127	2,350	BUY	BUY	2,350	2,350	10.5%	3.7	3.2	2.9	2.6	15.4	11.0	11.7	12.2
Federal Bank	199	220	BUY	BUY	220	220	10.5%	1.5	1.3	1.2	1.1	13.0	10.5	11.9	12.4
DCB Bank	132	155	BUY	BUY	155	155	17.4%	0.9	0.8	0.7	0.6	12.1	11.2	12.0	13.0
City Union Bank	219	245	BUY	BUY	245	245	11.8%	1.9	1.6	1.4	1.3	12.6	12.2	12.8	12.6
Bank of Baroda	262	270	BUY	BUY	270	270	3.1%	1.1	1.0	0.9	0.8	16.7	11.9	11.8	11.8
State Bank of India	865	960	BUY	BUY	960	960	11.0%	2.0	1.6	1.5	1.3	18.6	16.4	13.9	14.1
Union Bank of India	139	150	BUY	BUY	150	150	8.3%	1.0	0.9	0.8	0.7	18.1	13.0	13.0	12.7

Source: Company, PL

Exhibit 2: Q2FY26 Banks Results Preview – NII could improve by 1.0% QoQ

Rs Million	NII	YoY	QoQ	PPOP	YoY	QoQ	PAT	YoY	QoQ
HDFC Bank	3,16,307	5.0%	0.6%	2,55,749	3.5%	-28.4%	1,69,914	1.0%	-6.4%
ICICI Bank	2,14,590	7.0%	1.0%	1,75,451	4.9%	-4.4%	1,19,340	1.6%	-3.6%
Axis Bank	1,36,347	1.1%	0.6%	1,05,793	-1.2%	-8.1%	64,345	-7.0%	10.8%
Kotak	73,162	4.2%	0.8%	52,921	3.8%	-4.9%	33,211	-0.7%	1.2%
IndusInd	45,559	-14.8%	-1.8%	24,054	-33.0%	-9.3%	6,311	-52.4%	-7.8%
Federal	23,412	-1.1%	0.2%	14,775	-5.6%	-5.1%	8,623	-18.4%	0.1%
DCB Bank	5,890	15.7%	1.5%	2,664	4.4%	-18.5%	1,385	-10.9%	-12.0%
City Union Bank	6,488	11.4%	3.8%	4,459	4.1%	-1.1%	2,914	2.2%	-4.7%
SBI	4,15,200	-0.2%	1.1%	2,81,730	-3.8%	-7.8%	1,75,727	-4.1%	-8.3%
BOB	1,13,831	-2.1%	3.0%	68,693	-27.5%	-16.6%	36,505	-30.3%	-19.6%
Union	90,323	-0.2%	-0.9%	62,693	-22.7%	-9.3%	33,129	NA	NA
Total Banks	13,50,786	1.8%	1.0%	9,86,289	-3.2%	-14.2%	6,18,275	-5.2%	-5.4%
Total Private Banks	8,21,755	3.4%	0.6%	6,35,866	0.8%	-16.5%	4,06,042	-2.5%	-2.5%
Total Public Banks	5,29,031	-0.6%	1.5%	3,50,423	-9.6%	-9.6%	2,12,232	-10.0%	-10.5%
Rs Billion	Loans	YoY	QoQ	Margins	YoY	QoQ	Credit Cost	YoY	QoQ
HDFC Bank	27,433	9.9%	4.4%	3.46%	-12bps	-9bps	0.47%	4bps	-173bps
ICICI Bank	14,051	10.0%	3.0%	4.33%	-22bps	-9bps	0.46%	8bps	-7bps
Axis Bank	11,000	10.0%	3.8%	3.62%	-38bps	-9bps	0.73%	-15bps	-76bps
Kotak	4,626	15.8%	4.0%	4.49%	-51bps	-12bps	0.75%	9bps	-34bps
IndusInd	3,273	-8.3%	-1.9%	3.59%	-84bps	-9bps	1.91%	-13bps	-17bps
Federal	2,454	6.6%	1.8%	2.85%	-38bps	-5bps	0.52%	25bps	-14bps
DCB Bank	534	20.0%	4.2%	3.30%	-8bps	-12bps	0.60%	19bps	-30bps
City Union Bank	557	16.6%	5.0%	3.50%	-2bps	2bps	0.55%	-3bps	3bps
SBI	43,305	12.3%	3.2%	2.70%	-26bps	-6bps	0.41%	-6bps	-4bps
BOB	12,574	12.2%	6.0%	2.70%	-34bps	-5bps	0.59%	-24bps	-7bps
Union	9,466	5.5%	0.1%	2.60%	0bps	0bps	0.73%	0bps	0bps
Total Banks	1,19,806	10.6%	3.6%	3.45%	-31bps	-7bps	0.54%	0bps	-56bps
Total Private Banks	63,927	9.2%	3.5%	3.64%	-32bps	-5bps	0.61%	0bps	-93bps
Total Public Banks	55,879	12.2%	3.8%	2.70%	-30bps	5bps	0.45%	-10bps	-5bps

Source: Company, PL

Exhibit 3: GNPA expected to improve

	Q1FY26			Q2FY26E		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR
HDFCB	1.40%	0.47%	66.9%	1.36%	0.41%	70.0%
ICICIBC	1.79%	0.44%	75.9%	1.73%	0.38%	78.0%
Axis	1.66%	0.48%	71.5%	1.62%	0.44%	73.0%
KMB	1.48%	0.34%	76.9%	1.45%	0.37%	75.0%
IIB	3.64%	1.12%	70.2%	3.89%	1.16%	71.0%
SBI	1.83%	0.47%	74.5%	1.77%	0.45%	75.0%
BOB	2.28%	0.60%	74.0%	2.13%	0.54%	75.0%
UNBK	3.52%	0.62%	82.9%	3.43%	0.64%	82.0%
Federal	1.91%	0.48%	75.2%	1.90%	0.48%	75.0%
DCB	2.98%	1.22%	59.7%	2.99%	1.19%	61.0%
CUBK	2.99%	1.20%	60.8%	2.64%	1.03%	61.5%

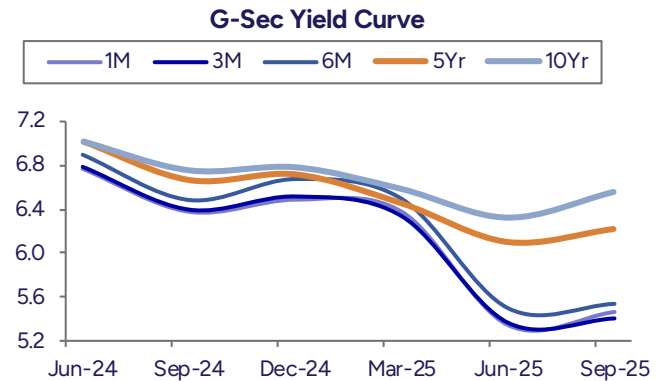
Source: Company, PL

Exhibit 4: G-sec yields have increased to 6.50%



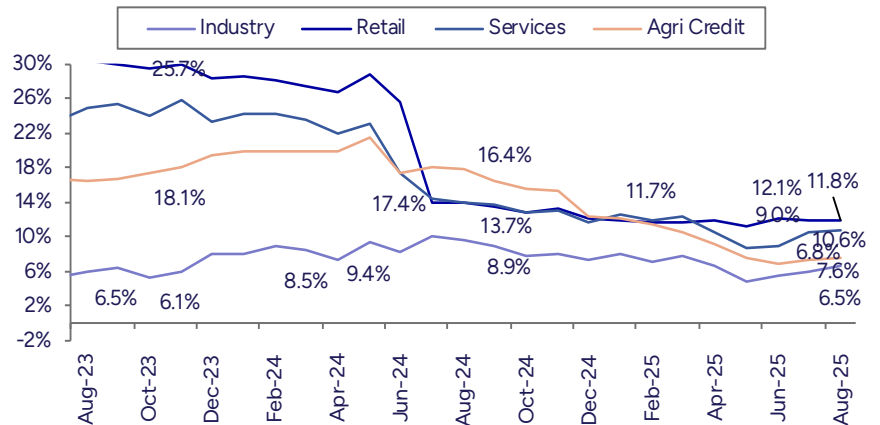
Source: PL

Exhibit 5: G-sec yields are on an increasing trend



Source: PL

Exhibit 6: Credit growth expected to pickup



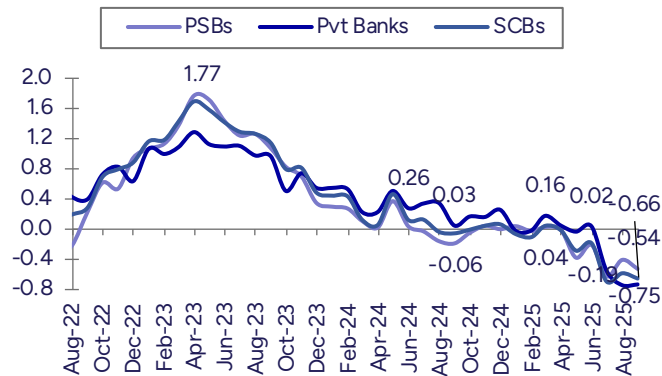
Source: RBI, PL

Exhibit 7: MCLR rates reducing due to rate cuts

Banks MCLR Profile	MCLR 1YR			% Change	
	Mar-25	Jun-25	Sep-25	3Months	6Months
HDFC Bank	9.40%	9.05%	8.65%	-35bps	-40bps
Axis Bank	9.40%	8.90%	8.75%	-50bps	-15bps
ICICI Bank	9.10%	8.50%	8.35%	-60bps	-15bps
KMB	9.55%	8.90%	8.55%	-65bps	-35bps
IndusInd Bank	10.45%	10.30%	10.15%	-15bps	-15bps
SBI	9.00%	9.00%	8.75%	0bps	-25bps
Bank of Baroda	9.00%	8.90%	8.80%	-10bps	-10bps
Union Bank	9.00%	8.90%	8.60%	-10bps	-30bps
Federal	9.90%	9.50%	9.20%	-40bps	-30bps
PSBs – Median	9.08%	9.00%	8.83%	-8bps	-18bps
Pvt – Median	10.00%	9.75%	9.45%	-25bps	-30bps

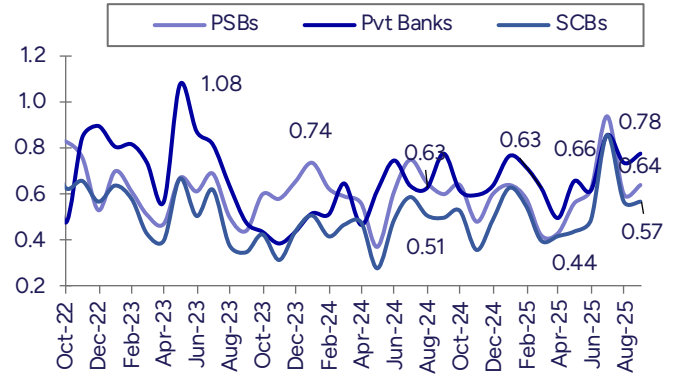
Source: RBI, PL

Exhibit 8: Incr. lending rates have declined amid rate cuts



Source: RBI, PL

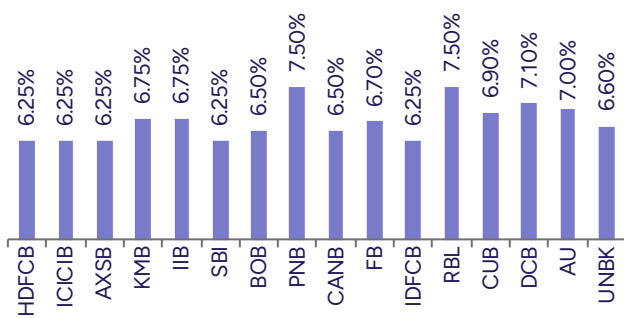
Exhibit 9: Difference between stock & fresh yields



Source: RBI, PL

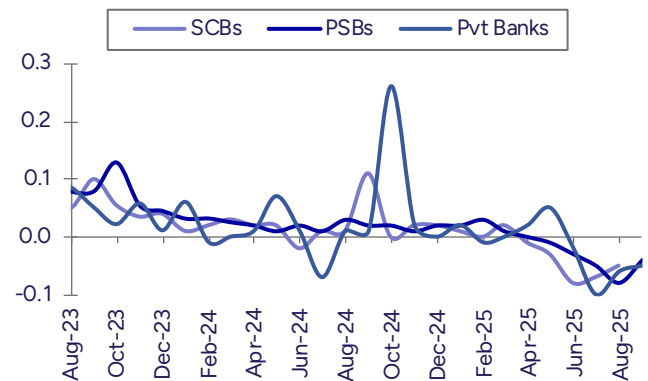
Exhibit 10: Deposit rates have fallen post rate cuts

Deposit Rates 1 Year Bucket



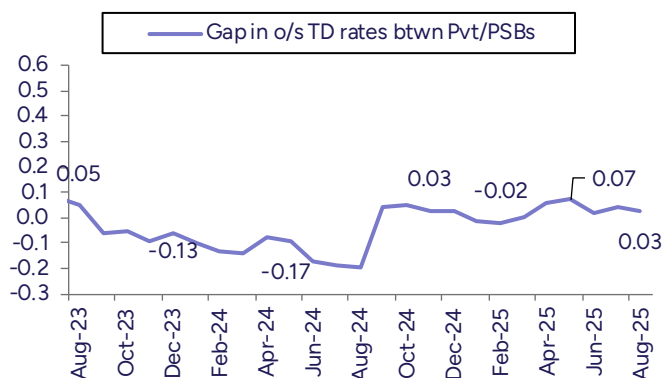
Source: Company, PL

Exhibit 11: O/S TD rates on YTD basis



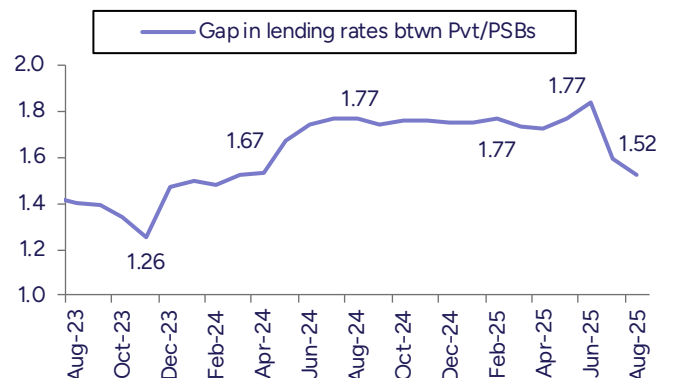
Source: RBI, PL

Exhibit 12: TD rates higher for PVBs over PSBs



Source: RBI, PL

Exhibit 13: Stock lending rates for PVBs is higher than PSBs



Source: RBI, PL

Exhibit 14: Q2FY26 Result Preview (Private Banks)

Company Name		Q2FY26E	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Remark
Axis Bank	NII (Rs mn)	1,36,347	1,34,832	1.1	1,35,598	0.6	
	PPOP (Rs mn)	1,05,793	1,07,125	(1.2)	1,15,152	(8.1)	
	Provisions (Rs mn)	20,000	22,041	(9.3)	39,477	(49.3)	Loan growth may come in at 3.8% QoQ; NIM is expected to decline by 9bps QoQ to 3.62%
	PAT (Rs mn)	64,345	69,176	(7.0)	58,061	10.8	
	Loans (Rs bn)	11,000	10,000	10.0	10,597	3.8	PPoP is likely to decline QoQ due to decrease in margins. Provision costs to decrease by 76bps QoQ.
	Margin (%)	3.62	4.00	-38bps	3.71	-9bps	
	GNPA (%)	1.56	1.44	12bps	1.57	-1bps	
	Credit Cost (%)	0.73	0.88	-15bps	1.49	-76bps	
HDFC Bank	NII (Rs mn)	3,16,307	3,01,139	5.0	3,14,380	0.6	Loan growth would be at 4.4% QoQ. NII could grow by 0.6% QoQ. Margins may decline to 3.46%.
	PPOP (Rs mn)	2,55,749	2,47,057	3.5	3,57,340	(28.4)	
	Provisions (Rs mn)	32,178	27,005	19.2	1,44,416	(77.7)	PPoP could fall by 28.4% due to lower other income and decrease in margins.
	PAT (Rs mn)	1,69,914	1,68,210	1.0	1,81,552	(6.4)	
	Loans (Rs bn)	27,433	24,951	9.9	26,284	4.4	
	Margin (%)	3.46	3.59	-12bps	3.55	-9bps	Provisions could decline by 77.7% QoQ.
	GNPA (%)	1.36	1.36	0bps	1.40	-4bps	
	Credit Cost (%)	0.47	0.43	4bps	2.20	-173bps	GNPAs likely to improve to 1.36% due to better asset quality.
ICICI Bank	NII (Rs mn)	2,14,590	2,00,480	7.0	2,12,435	1.0	
	PPOP (Rs mn)	1,75,451	1,67,232	4.9	1,83,548	(4.4)	Loan growth momentum to continue and come in at 3.0%. We expect NII growth of 1.0% QoQ.
	Provisions (Rs mn)	16,331	12,331	32.4	18,146	(10.0)	
	PAT (Rs mn)	1,19,340	1,17,459	1.6	1,23,772	(3.6)	
	Loans (Rs bn)	14,051	12,772	10.0	13,642	3.0	Margin may fall by 9bps due to fall in yields outpacing fall in cost of funds.
	Margin (%)	4.33	4.55	-22bps	4.42	-9bps	
	GNPA (%)	1.66	1.97	-31bps	1.67	-1bps	GNPAs (%) would be steady QoQ and credit cost may decrease by 7bps QoQ.
	Credit Cost (%)	0.46	0.39	8bps	0.53	-7bps	
IndusInd Bank	NII (Rs mn)	45,559	53,473	(14.8)	46,398	(1.8)	Loan may degrow by 1.9% QoQ while NII decline might come at 1.8% QoQ.
	PPOP (Rs mn)	24,054	35,918	(33.0)	26,522	(9.3)	
	Provisions (Rs mn)	15,640	18,201	(14.1)	17,378	(10.0)	Margin is expected to decline by 9bps QoQ to 3.59%.
	PAT (Rs mn)	6,311	13,255	(52.4)	6,843	(7.8)	
	Loans (Rs bn)	3,273	3,572	(8.3)	3,337	(1.9)	Provisions are expected to decrease by 10.0% QoQ due to higher base effect
	Margin (%)	3.59	4.44	-84bps	3.68	-9bps	
	GNPA (%)	3.89	2.11	178bps	3.64	25bps	GNPA to worsen by 25bps sequentially.
	Credit Cost (%)	1.91	2.04	-13bps	2.08	-17bps	Credit cost would decrease by 17bps QoQ.
Kotak Mahindra Bank	NII (Rs mn)	73,162	70,196	4.2	72,593	0.8	We expect loan growth to be at 4% QoQ.
	PPOP (Rs mn)	52,921	50,993	3.8	55,637	(4.9)	Margins could come down by 12bps QoQ at 4.49%.
	Provisions (Rs mn)	8,639	6,604	30.8	12,078	(28.5)	
	PAT (Rs mn)	33,211	33,437	(0.7)	32,817	1.2	PAT might be up 1.2% QoQ due lower credit cost.
	Loans (Rs bn)	4,626	3,995	15.8	4,448	4.0	
	Margin (%)	4.49	4.99	-51bps	4.61	-12bps	Asset quality may improve with GNPAs declining by 3bps QoQ.
	GNPA (%)	1.45	1.49	-4bps	1.48	-3bps	Credit costs to decrease by 34bps QoQ
	Credit Cost (%)	0.75	0.66	9bps	1.09	-34bps	
Federal Bank	NII (Rs mn)	23,412	23,672	(1.1)	23,368	0.2	NII largely to remain flattish with growth at 0.2% QoQ. Loan growth would be 1.8% QoQ while NIM may decline by 5bps QoQ to 2.85%.
	PPOP (Rs mn)	14,775	15,654	(5.6)	15,563	(5.1)	
	Provisions (Rs mn)	3,201	1,584	102.2	4,002	(20.0)	
	PAT (Rs mn)	8,623	10,567	(18.4)	8,618	0.1	
	Loans (Rs bn)	2,454	2,303	6.6	2,412	1.8	PPoP to decrease by 5.1% due to lower other income. Provisions are expected to come down by 20% QoQ.
	Margin (%)	2.85	3.23	-38bps	2.90	-5bps	
	GNPA (%)	1.90	2.09	-19bps	1.91	-1bps	Asset quality (GNPA) could improve by 1bps QoQ and credit cost could decline by 14bps
	Credit Cost (%)	0.52	0.28	25bps	0.66	-14bps	

Company Name		Q2FY26E	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Remark
DCB Bank	NII (Rs mn)	5,890	5,092	15.7	5,804	1.5	Loan growth may come in at 4.2% QoQ with NII growth of 1.5% QoQ. Expect margins to decline QoQ by 12bps. PPoP could fall by 18.5% QoQ due to lower margins and lower other income.
	PPOP (Rs mn)	2,664	2,551	4.4	3,269	(18.5)	
	Provisions (Rs mn)	800	456	75.4	1,151	(30.5)	
	PAT (Rs mn)	1,385	1,555	(10.9)	1,573	(12.0)	
	Loans (Rs bn)	534	445	20.0	512	4.2	We expect credit cost to decrease by 30 bp while GNPA's are expected to be up by 1bps to 2.99%.
	Margin (%)	3.30	3.38	-8bps	3.42	-12bps	
	GNPA (%)	2.99	3.29	-30bps	2.98	1bps	
	Credit Cost (%)	0.60	0.41	19bps	0.90	-30bps	
City Union Bank	NII (Rs mn)	6,488	5,825	11.4	6,253	3.8	Loan growth could be up by 5.0% QoQ. We expect NII to improve by 3.8% and PPoP to decline by 1.1% QoQ due to decline in other income.
	PPOP (Rs mn)	4,459	4,282	4.1	4,509	(1.1)	
	Provisions (Rs mn)	770	700	10.0	700	10.0	
	PAT (Rs mn)	2,914	2,852	2.2	3,059	(4.7)	
	Loans (Rs bn)	557	478	16.6	530	5.0	Margins might improve by 2bps QoQ to 3.50% due to fall in CoFs. Provisions are expected to increase by 10.0% QoQ while GNPA might improve by 35bps QoQ. Credit cost expected to come in at 55bps.
	Margin (%)	3.50	3.52	-2bps	3.48	2bps	
	GNPA (%)	2.64	3.54	-90bps	2.99	-35bps	
	Credit Cost (%)	0.55	0.59	-3bps	0.53	3bps	

Source: Company, PL

Exhibit 15: Q2FY26 Result Preview (PSU Banks)

Company Name		Q2FY26E	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Remark
State Bank of India	NII (Rs mn)	4,15,200	4,16,195	(0.2)	4,10,725	1.1	NII is expected to be up by 1.0% QoQ with loan growth seen at 3.2%. Margins could fall by 6bps sequentially.
	PPOP (Rs mn)	2,81,730	2,92,937	(3.8)	3,05,445	(7.8)	
	Provisions (Rs mn)	44,261	45,057	(1.8)	47,592	(7.0)	
	PAT (Rs mn)	1,75,727	1,83,314	(4.1)	1,91,604	(8.3)	
	Loans (Rs bn)	43,305	38,574	12.3	41,962	3.2	Provisions expected to decline by 7% QoQ. Asset quality in terms of GNPA to improve by 6 bps while credit cost is expected to fall by 4bps.
	Margin (%)	2.70	2.96	-26bps	2.76	-6bps	
	GNPA (%)	1.77	2.13	-35bps	1.83	-6bps	
	Credit Cost (%)	0.41	0.47	-6bps	0.45	-4bps	
Bank of Baroda	NII (Rs mn)	1,13,831	1,16,221	(2.1)	1,10,495	3.0	NII could inch up by 3.0% QoQ while loan growth would come in at 6.0% QoQ. Margins could decline by 5bps to 2.70% due to lower yield on advances.
	PPOP (Rs mn)	68,693	94,770	(27.5)	82,365	(16.6)	
	Provisions (Rs mn)	18,686	23,357	(20.0)	19,669	(5.0)	
	PAT (Rs mn)	36,505	52,379	(30.3)	45,414	(19.6)	
	Loans (Rs bn)	12,574	11,212	12.2	11,866	6.0	PAT could see a decline of 19.6% due to decline in margins and other income. GNPA could improve by 15bps QoQ while credit costs could decrease by 7bps.
	Margin (%)	2.70	3.04	-34bps	2.75	-5bps	
	GNPA (%)	2.13	2.50	-37bps	2.28	-15bps	
	Credit Cost (%)	0.59	0.83	-24bps	0.66	-7bps	
Union Bank of India	NII (Rs mn)	90,323	90,473	(0.2)	91,126	(0.9)	NII to fall by 0.9% QoQ. Loan growth largely remains flattish at 0.1% QoQ. Margins could fall slightly sequentially by 4bps to 2.60%.
	PPOP (Rs mn)	62,693	81,128	(22.7)	69,087	(9.3)	
	Provisions (Rs mn)	17,311	17,122	1.1	16,645	4.0	
	PAT (Rs mn)	33,129	47,197	(29.8)	41,155	(19.5)	
	Loans (Rs bn)	9,466	8,971	5.5	9,461	0.1	Provisions are expected to increase in Q2FY26 leading to further fall in PAT by 19.5% QoQ. Asset quality in terms of GNPA to improve by 9 bps while credit cost is expected to increase by 3bps.
	Margin (%)	2.60	2.77	-17bps	2.64	-4bps	
	GNPA (%)	3.43	4.36	-93bps	3.52	-9bps	
	Credit Cost (%)	0.73	0.76	-3bps	0.70	3bps	

Source: Company, PL

Exhibit 16: Change in Estimates

	Rating		Target Price			NII (Rs bn)						PPoP (Rs bn)						PAT (Rs bn)					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Axis Bank	BUY	BUY	1,375	1,375	0.0%	555.9	564.0	-1.4%	627.0	630.0	-0.5%	443.0	448.5	-1.2%	504.3	501.7	0.5%	260.3	264.7	-1.7%	310.7	309.5	0.4%
HDFC Bank	BUY	BUY	1,075	1,075	0.0%	1,309.8	1,306.7	0.2%	1,515.3	1,497.6	1.2%	1,173.6	1,170.5	0.3%	1,249.1	1,238.5	0.9%	727.4	725.4	0.3%	840.3	833.6	0.8%
ICICI Bank	BUY	BUY	1,730	1,730	0.0%	874.4	876.7	-0.3%	1,000.6	1,007.6	-0.7%	736.1	740.4	-0.6%	825.8	835.9	-1.2%	500.1	501.8	-0.3%	555.9	561.3	-1.0%
IndusInd Bank	HOLD	HOLD	780	780	0.0%	185.2	186.2	-0.6%	203.4	207.6	-2.0%	102.9	104.0	-1.0%	110.6	114.0	-3.0%	31.6	32.1	-1.8%	44.7	46.2	-3.2%
Kotak Mahindra Bank	BUY	BUY	2,350	2,350	0.0%	301.1	301.9	-0.3%	352.8	353.0	-0.1%	220.9	220.8	0.0%	252.8	253.8	-0.4%	138.5	138.3	0.1%	165.1	165.3	-0.2%
Federal Bank	BUY	BUY	220	220	0.0%	96.7	99.9	-3.2%	115.0	120.6	-4.6%	61.8	64.4	-4.1%	75.2	77.6	-3.1%	36.8	38.2	-3.8%	46.4	47.9	-3.0%
DCB Bank	BUY	BUY	155	155	0.0%	24.5	24.2	1.3%	29.0	29.2	-0.6%	12.0	11.0	8.5%	13.8	14.0	-0.8%	6.4	6.1	4.5%	7.7	7.9	-2.2%
City Union Bank	BUY	BUY	245	245	0.0%	26.8	26.3	1.9%	31.9	31.0	3.1%	18.4	18.2	1.1%	21.8	21.6	1.1%	12.2	12.0	2.0%	14.3	14.3	0.6%
Bank of Baroda	BUY	BUY	270	270	0.0%	471.3	473.7	-0.5%	546.4	543.7	0.5%	299.9	302.2	-0.8%	327.2	324.4	0.8%	159.6	162.5	-1.8%	175.0	174.3	0.4%
State Bank of India	BUY	BUY	960	960	0.0%	1,724.4	1,723.0	0.1%	2,003.7	2,013.4	-0.5%	1,212.6	1,076.2	12.7%	1,234.1	1,243.8	-0.8%	760.4	659.4	15.3%	757.9	765.1	-0.9%
Union Bank of India	BUY	BUY	150	150	0.0%	374.5	380.2	-1.5%	419.2	429.2	-2.3%	264.5	271.1	-2.4%	302.4	308.5	-2.0%	147.5	149.9	-1.6%	164.2	166.5	-1.4%

Source: Company, PL C=Current / P=Previous / Acc=Accumulate

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,925	1,728
2	Axis Bank	BUY	1,375	1,161
3	Bank of Baroda	BUY	270	243
4	Can Fin Homes	BUY	875	813
5	City Union Bank	BUY	245	214
6	DCB Bank	BUY	155	142
7	Federal Bank	BUY	220	196
8	HDFC Asset Management Company	BUY	5,700	5,357
9	HDFC Bank	BUY	2,150	1,957
10	ICICI Bank	BUY	1,730	1,426
11	IndusInd Bank	Hold	780	808
12	Kotak Mahindra Bank	BUY	2,350	2,121
13	LIC Housing Finance	BUY	725	591
14	Nippon Life India Asset Management	BUY	860	794
15	State Bank of India	BUY	960	804
16	Union Bank of India	BUY	150	146
17	UTI Asset Management Company	BUY	1,300	1,329

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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