BFSI Q1FY26 Result Preview

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Axis Securities Equity Research

Q1FY26E – RATE CUTS TO HURT MARGINS FOR BANKS; NBFCs FARE BETTER THAN BANKS

Banks and SFBs – NIM Compression Sharp; Earnings Momentum Derails

The systemic credit growth (as of 13th June, 2025) has derailed to <10%. This can be attributed to a meaningful slowdown in the unsecured loans amidst continued asset quality challenges alongside banks, mainly private banks, intending to bring down their LDRs to a balanced level. We expect the bank under our coverage to deliver ~11% YoY credit growth, marginally ahead of industry growth. **We would watch out for management optimism on growth pick-up likely in H2FY26 and commentary on expected recovery in the unsecured segments, particularly MFI and Credit Cards (CC).** The systemic deposits growth of ~10.4% as of 13th June, 2025, with growth largely led by TDs. However, banks continue to struggle in CASA deposit mobilisation. For our coverage universe banks, we expect the pace of deposit mobilisation to keep pace with credit growth, thereby delivering a growth of ~12% YoY, led by TDs.

With the RBI cutting the repo rate by 100bps over Feb-Jun'25, banks, especially private banks, have been leading the rate cut transmission cycle and have cut both SA/TD rates. On the contrary, certain PSU banks have kept their deposit rates unchanged so far. Systemic liquidity has been in surplus throughout the quarter, as against being in deficit in Q4FY25 and has thus facilitated faster transmission of rate cuts. With advances repricing faster than deposits, yield pressures will emerge. Thus, NIM contraction during the quarter for most banks is imminent; however, the quantum of margin compression is expected to vary based on loan mix composition, quantum of deposit rate cuts taken, and strength of the liability franchise and its mix. NIM pressures will continue into Q2FY26E and are expected to stabilise from H2FY26E onwards.

We expect private banks (ex-SFBs) to witness a 12-16bps margin contraction during the quarter. On the other hand, PSU Banks are expected to see a lower NIM contraction owing to a lower share of EBLR loans, ranging between 10-12bps. SFBs under our coverage are likely to report NIMs contraction of 20bps (+/-2bps). This would be driven by higher interest reversals and portfolio mix shift towards lower-yielding secured segments. Thus, we expect NII growth for our banking universe to be weak at 3% YoY and to de-grow by ~1.3% QoQ.

We expect fee income to mirror loan growth and will de-grow significantly after a strong Q4. Treasury income is expected to be healthy for banks and should support non-interest income growth. Opex growth should remain controlled with conscious efforts by banks. However, weak top-line growth with margin pressures visible would result in opex ratios appearing elevated. Thus, we expect PPOP growth for banks under coverage to be weak and decline by 6% QoQ but grow modestly at ~5% YoY.

Apart from banks with a higher exposure to unsecured segments, particularly MFI and CC, we expect most banks to report under-control slippages and steady asset quality trends. However, certain mid-sized banks and SFBs will continue to grapple with stress in their unsecured loan portfolios, resulting in higher slippages and asset quality headwinds. The collection trends across geographies and especially in the troubled geographies of KA and TN have seen slight improvement for certain banks. Thus, we expect credit costs to come off slightly on a sequential basis, though they will continue to remain elevated over H1FY26. We expect provisions to remain broadly flattish QoQ (marginal 1% decline QoQ). Thus, earnings will remain under pressure, de-growing at 7% QoQ and flat YoY during the quarter.

We expect a tough H1FY26 for the banking pack, and the key points for discussion would be (i) Comments on credit growth resuming, (ii) Comments on easing of asset quality concerns in the unsecured segments and credit costs tapering, and (iii) NIM trajectory.

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NBFCs – Better than Banks, But Still Not Encouraging!

Overall, for NBFCs under our coverage, we could expect disbursement momentum to decelerate sequentially owing to seasonality. However, we expect AUM growth to remain fairly strong for most financiers with our coverage universe NBFCs reporting AUM growth of 21/5% YoY/QoQ, primarily driven by vehicle financiers (+19% YoY) and diversified financiers (+24% YoY). Margins are expected to remain **steady** for **Housing financiers** and **Diversified financiers**. However, for **Microfinanciers** and **Vehicle Financiers**, we expect NIMs to improve, backed by a combination of multiple factors such as lower interest reversals, easing of excess liquidity, and marginally lower CoF. Gold financiers are likely to continue to face margin pressures. We bake in a healthy 16/4% YoY/QoQ NII growth for our coverage NBFCs. **We believe commentary on growth visibility, asset quality movement, and the impact of rate cuts on margins** would dominate the discussion during the quarter. Following the seasonal trends, asset quality is expected to see some pressure for most players.

We expect the disbursement momentum to decelerate QoQ for **Affordable Housing Financiers** under our coverage. While CANF's unimpressive AUM growth (~9% YoY) run would continue, APTUS will continue to maintain its healthy AUM growth momentum at ~25% YoY. We expect both housing financiers to report a steady to slight improvement in margins during the quarter.

We expect disbursement growth for **Vehicle Financiers** to remain healthy (YoY), translating into strong AUM growth of ~19/4% YoY/QoQ. In terms of margins, both **CIFC** and **SFL** are likely to report margins moving with a positive bias. We remain watchful of delinquency trends and asset quality. Credit costs are likely to remain steady QoQ. We expect both CIFC and SFL to deliver a healthy earnings growth.

Gold Financier under our coverage (**Manappuram**) is expected to report muted AUM growth attributed to the slowdown in MFI; however, gold loan book growth is likely to be healthy. Pressure on consolidated yields from elevated slippages, along with little or no help from CoF easing, would weigh on NIMs. Elevated credit costs will continue to weigh on earnings.

Microfinance – Decisive Signs of Stress Receding Will Be Positive!

We expect disbursements to be better for a seasonally weak Q1; however, GLP growth is expected to remain weak. Margins are likely to expand during the quarter on easing CoF. CAGrameen's exposure to Karnataka (KA) and Tamil Nadu (TN) would contribute to higher stress amidst challenges on collection efficiency in these states. However, we expect ex-KA states to perform better. During the quarter, slippages are expected to remain elevated, weighing on asset quality. Credit costs will continue to remain elevated, though they will moderate QoQ. Management commentary on growth revival and asset quality headwinds receding remain key monitorables.

Diversified Financials – Credit Card Players and AMCs

Credit card issuer – SBI Cards is expected to witness improved growth in both CIF and spends. Market share improvement is expected both in terms of CIF and Spends. NIMs are expected to remain broadly steady QoQ. Credit costs are expected to remain elevated, though a slight moderation cannot be ruled out. Asset quality is likely to remain stable.

We expect an improved performance from **AMCs** under our coverage – Nippon Life India Asset Management (NAM), driven by 10% QoQ QAAUM growth, supporting revenue growth despite yield compression. A strong market rally is expected to support other income, thereby supporting earnings.

Our Key Result Plays are:

Positive Result Plays:

Banks – ICICI Bank, HDFC Bank, City Union Bank

NBFCs – Shriram Finance, Bajaj Finance, Cholamandalam

Negative Result Plays: Equitas SFB, Karnataka Bank, Manappuram

Large Private Banks

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
HDFC Bank						➔ Deposit growth is better than credit growth, and LDR improvement continues ➔ Margins to contract QoQ to reflect repo rate changes ➔ Opex ratios expected to remain steady; Treasury income to remain healthy, supporting PPOP ➔ Slippages to remain under control (ex-Agri slippages, which are seasonal), Asset quality steady ➔ **Key monitorables**: (1) Management commentary on Deposit accretion and resultant credit growth, (2) Margin Trajectory hereon
NII	31,686	32,066	-1.2%	29,837	6.2%	
Non-Interest Income	12,178	12,028	1.2%	10,668	14.2%	
PPOP	26,013	26,537	-2.0%	23,885	8.9%	
Provision	3,327	3,193	4.2%	2,602	27.9%	
Net Profit	17,120	17,616	-2.8%	16,175	5.8%	
EPS	22.4	23.0	-2.8%	21.3	5.2%	
ICICI Bank						➔ Business growth to remain healthy; LDR to remain stable ➔ Margins expected to compress due to repo rate changes ➔ Opex growth to remain modest; PPOP growth to remain steady ➔ Credit costs to remain under control, no major challenges on asset quality ➔ **Key monitorables**: (1) NIM outlook, (2) Comments on growth in the unsecured book
NII	20,877	21,193	-1.5%	19,553	6.8%	
Non-Interest Income	7,620	7,260	5.0%	7,002	8.8%	
PPOP	17,230	17,664	-2.5%	16,025	7.5%	
Provision	1,701	891	91.0%	1,332	27.7%	
Net Profit	11,693	12,630	-7.4%	11,059	5.7%	
EPS	16.4	17.7	-7.4%	15.7	4.5%	
Kotak Mahindra Bank						➔ Business growth momentum expected to remain healthy, unsecured book growth remains a key monitorable ➔ Margin compression imminent ➔ Fee income to mirror loan growth; Opex ratios to see a slight inch-up ➔ Asset quality likely to remain broadly stable, Credit costs under control ➔ **Key monitorables**: (1) Commentary on NIMs, (2) Growth outlook, especially meaningful growth resumption in the unsecured book
NII	7,315	7,284	0.4%	6,842	6.9%	
Non-Interest Income	3,264	3,182	2.6%	2,929	11.4%	
PPOP	5,398	5,472	-1.4%	5,254	2.7%	
Provision	845	909	-7.1%	578	46.1%	
Net Profit	3,428	3,552	-3.5%	6,249	-45.1%	
EPS	17.2	17.9	-3.5%	31.4	-45.1%	

PSU Banks

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
State Bank of India						➔ Advances/Deposits growth to remain healthy at 12/9% YoY ➔ NII growth seen at ~3% QoQ, NIMs likely to decline by 12bps QoQ ➔ PPOP growth to remain healthy sequentially on the back of improved Opex ratios and better non-interest income ➔ Credit costs to normalise; Asset quality to improve marginally ➔ **Key monitorables**: (1) Comments on capital adequacy and (2) Outlook on Loan book growth and return ratios
NII	42,013	42,775	-1.8%	41,125	2.2%	
Non-Interest Income	16,705	24,210	-31.0%	11,162	49.7%	
PPOP	27,806	31,286	-11.1%	26,449	5.1%	
Provision	5,327	6,442	-17.3%	3,449	54.4%	
Net Profit	16,859	18,643	-9.6%	17,035	-1.0%	
EPS	18.9	20.9	-9.6%	19.1	-1.0%	
Bank of Baroda						➔ Advances/Deposit growth largely in guided range, Scope to improve LDR minimal ➔ NIM compression expected, NII growth to be weak ➔ Treasury income to support operational profitability, Opex growth expected to be modest ➔ Asset quality is likely to improve slightly, and credit costs are expected to remain under control ➔ **Key monitorables**: (1) Asset quality outlook and (2) Loan book traction, especially on the retail portfolio
NII	10,698	11,020	-2.9%	11,600	-7.8%	
Non-Interest Income	3,975	5,210	-23.7%	2,487	59.8%	
PPOP	7,070	8,132	-13.1%	7,161	-1.3%	
Provision	1,522	1,552	-1.9%	1,011	50.6%	
Net Profit	4,149	5,048	-17.8%	4,458	-6.9%	
EPS	8.0	9.7	-17.8%	8.6	-6.9%	

Mid-Sized Private Banks

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
Federal Bank						→ Business growth expected to remain tepid; growth in better-yielding segments remains keenly eyed → Margins are expected to decline QoQ → Opex growth is likely to be modest YoY, though the C-I Ratio is expected to inch up marginally → Credit costs to continue to normalise, Asset Quality to improve slightly → **Key monitorables**: (1) Business growth and NIM outlook, (2) Comments on growth in new better yielding segments
NII	2,332	2,377	-1.9%	2,292	1.8%	
Non-Interest Income	1,044	1,006	3.8%	915	14.1%	
PPOP	1,477	1,465	0.8%	1,501	-1.6%	
Provision	258	138	86.9%	144	78.9%	
Net Profit	912	1,030	-11.5%	1,010	-9.7%	
EPS	3.7	4.2	-11.5%	4.1	-10.0%	
City Union Bank						→ Credit and Deposit growth expected to remain at ~14-15% YoY each → NIM is expected to contract QoQ, reflecting repo rate changes → Opex ratios expected to remain elevated, Fee income likely to reflect business growth → Credit costs are likely to moderate QoQ, and Asset quality is likely to improve on the back of controlled slippages → **Key monitorables**: (1) Outlook on normalised return ratios, (2) Comments on improvement in growth momentum
NII	607	600	1.2%	545	11.4%	
Non-Interest Income	230	251	-8.5%	192	19.7%	
PPOP	425	441	-3.6%	373	13.8%	
Provision	67	78	-14.2%	39	71.5%	
Net Profit	284	288	-1.3%	264	7.4%	
EPS	3.8	3.9	-1.3%	3.6	7.4%	
DCB Bank						→ Expect strong business growth momentum to continue → NIMs to contract to reflect repo rate changes → Opex growth to be marginally higher, Opex ratios to remain elevated → Credit costs to remain stable QoQ, Asset quality to be maintained → **Key Monitorables**: (1) Cost Ratio and RoA/RoE Outlook, (2) Comments on Growth momentum continuing
NII	571	558	2.3%	497	15.0%	
Non-Interest Income	203	219	-7.4%	143	41.8%	
PPOP	274	305	-10.2%	205	33.5%	
Provision	72	67	6.4%	28	151.9%	
Net Profit	150	177	-15.0%	131	14.5%	
EPS	4.8	5.6	-15.0%	4.2	14.1%	

Mid-Sized Private Banks

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
IDFC First Bank						➔ Healthy Advances and Deposit growth momentum; LDR to continue to improve ➔ NIMs to contract sharply on the back of interest reversals and repo rate change ➔ C-I Ratio likely to remain elevated, denting PPOP growth ➔ Credit costs to remain elevated to account for MFI stress; Asset Quality to remain broadly stable ➔ **Key monitorables**: (1) Cost to income outlook; (2) Asset Quality (mainly MFI) and credit costs outlook
NII	4,948	4,907	0.8%	4,695	5.4%	
Non-Interest Income	1,847	1,895	-2.5%	1,619	14.1%	
PPOP	1,794	1,812	-1.0%	1,882	-4.7%	
Provision	1,483	1,450	2.3%	994	49.2%	
Net Profit	232	304	-23.7%	681	-65.9%	
EPS	0.3	0.4	-23.7%	1.0	-67.0%	
Karnataka Bank						➔ Business growth momentum is expected to remain muted ➔ NIM compression will continue to reflect the repo rate changes ➔ Cost ratios are expected to appear elevated on weak top-line growth ➔ Credit costs and asset quality are expected to remain largely steady ➔ **Key monitorables**: (1) Outlook on Cost Ratio trajectory and (2) Growth Outlook, and (3) New MD CEO appointment
NII	775	781	-0.7%	903	-14.2%	
Non-Interest Income	329	428	-23.1%	279	18.0%	
PPOP	358	375	-4.5%	559	-35.9%	
Provision	49	31	57.3%	40	21.5%	
Net Profit	233	252	-7.7%	400	-41.8%	
EPS	6.2	6.7	-7.7%	10.6	-41.9%	
Bandhan Bank						➔ Advances growth led by the non-EEB portfolio; MFI growth expected to be weak ➔ Margins are likely to contract owing to portfolio shift and higher MFI slippages, and NII growth is expected to be weak ➔ Opex ratios are likely to be elevated, weighing on PPOP growth ➔ Credit costs expected to remain elevated, though could taper QoQ., Higher slippages likely to dent asset quality ➔ **Key Monitorables**: (1) Outlook on Asset Quality and credit costs, (2) Growth strategy of new management, especially in the EEB segment
NII	2,720	2,756	-1.3%	3,005	-9.5%	
Non-Interest Income	635	700	-9.2%	528	20.4%	
PPOP	1,572	1,571	0.0%	1,941	-19.0%	
Provision	1,141	1,260	-9.5%	523	118.1%	
Net Profit	323	318	1.5%	1,063	-69.7%	
EPS	2.0	2.0	1.5%	6.6	-69.7%	

Small Finance Banks

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
AU Small Fin Bank						➔ Business momentum remains healthy; LDR remains steady ➔ Margins expected to contract QoQ on the back of better growth in lower-yielding (secured) products and unsecured segment stress ➔ Opex growth to remain controlled; PPOP growth expected to be muted ➔ Credit costs to reflect MFI and credit card portfolio stress; Asset quality likely to remain stable ➔ **Key Monitorables**: (1) Growth Outlook, (2) Comments on Margins and Cost Ratios, (3) Comments on unsecured book stress peaking-out
NII	2,144	2,094	2.4%	1,921	11.6%	
Non-Interest Income	724	761	-4.8%	546	32.7%	
PPOP	1,258	1,292	-2.7%	988	27.3%	
Provision	579	635	-8.8%	319	81.4%	
Net Profit	511	504	1.4%	503	1.6%	
EPS	6.9	6.8	1.4%	3.4	102.9%	
Equitas Small Fin Bank						➔ Sharp de-growth in MFI loans keeps the credit growth momentum weak ➔ NIM compression to continue led by higher slippages and portfolio mix shift; NII growth flat YoY ➔ Opex ratios to remain elevated with bank in investment phase, PPOP growth weak ➔ Credit costs are expected to remain elevated to account for MFI stress, and Asset quality is likely to deteriorate further ➔ **Key Monitorables**: (1) Growth roadmap post navigating MFI stress, and (2) Comments on recovery in Asset Quality and credit cost
NII	805	829	-3.0%	801	0.4%	
Non-Interest Income	234	225	3.8%	209	12.1%	
PPOP	278	311	-10.8%	340	-18.5%	
Provision	276	258	6.8%	305	-9.5%	
Net Profit	1	42	-96.5%	26	-94.2%	
EPS	0.0	0.4	-95.0%	0.2	-91.9%	
Ujjivan Small Fin Bank						➔ MFI growth remains muted, the non-MFI segment drives loan book growth ➔ NIMs expected to contract QoQ, driven by a shift towards secured products, and NII growth to be muted ➔ Earnings to remain under pressure owing to elevated C-I Ratio and higher credit costs ➔ Slippages are likely to be higher QoQ, and Asset quality to deteriorate QoQ ➔ **Key Monitorable**: (1) Growth Outlook and (2) Asset Quality Outlook, especially in the MFI segment and credit costs
NII	886	864	2.6%	942	-5.9%	
Non-Interest Income	244	270	-9.5%	197	23.8%	
PPOP	367	360	2.0%	510	-28.0%	
Provision	278	265	5.1%	110	153.0%	
Net Profit	67	83	-20.0%	302	-77.9%	
EPS	0.3	0.4	-20.0%	1.6	-77.9%	

NBFCs

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
Bajaj Finance						➔ AUM Growth has remained strong at ~26/5% YoY/QoQ, Operational Metrics Healthy ➔ Margins are likely to range between remaining stable to moving with a slight negative bias; the C-I Ratio is likely to remain steady ➔ Credit costs expected to decline QoQ; Asset quality likely to remain steady ➔ Earnings growth to remain healthy ➔ **Key monitorables**: (1) Commentary on asset quality trends and credit costs, and (2) Progress on LRS and growth guidance (revision if any)
NII	10,279	9,807	4.8%	8,365	22.9%	
Non-Interest Income	2,299	2,110	9.0%	2,053	12.0%	
PPOP	8,418	7,968	5.7%	6,948	21.2%	
Provision	2,223	2,329	-4.5%	1,685	32.0%	
Net Profit	4,632	4,546	1.9%	3,912	18.4%	
EPS	7.5	7.3	1.9%	6.3	17.9%	
MAS Financial						➔ AUM growth to range between 18-20% YoY as the company has adopted a cautious approach amidst challenging macros ➔ Margins are likely to contract marginally QoQ ➔ Opex ratios to reflect shift in sourcing mix towards direct distribution, C-I Ratio to range between 33-34% ➔ Credit costs and Asset Quality stress to inch up marginally ➔ **Key Monitorables**: (1) Branch expansion strategy, (2) Outlook on Housing Finance Subsidiary
NII	166	163	2.0%	124	34.0%	
Non-Interest Income	64	63	0.9%	51	24.7%	
PPOP	154	152	1.7%	118	30.2%	
Provision	44	43	2.6%	24	83.0%	
Net Profit	82	81	1.4%	70	16.4%	
EPS	4.5	4.5	1.4%	3.9	16.4%	
Can Fin Homes						➔ AUM growth to continue to remain slow at ~9-10% YoY; Expect positive commentary on growth pick-up ➔ Margins are expected to remain stable QoQ ➔ Credit costs likely to be marginally higher QoQ; Asset quality expected to deteriorate slightly owing to seasonal weakness ➔ **Key monitorables**: (1) Commentary on Growth pick-up with comments on recovery in KA , (2) Outlook on Margins
NII	354	349	1.6%	321	10.1%	
Non-Interest Income	8	17	-51.1%	7	17.6%	
PPOP	303	295	2.7%	286	5.8%	
Provision	24	15	56.3%	24	-1.5%	
Net Profit	219	234	-6.2%	206	6.5%	
EPS	16.5	17.6	-6.2%	15.5	6.5%	

NBFCs

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
Aptus Value Housing Finance						➔ Healthy disbursement growth (YoY, to moderate sequentially) to translate into AUM growth of ~25% YoY ➔ NIMs are expected to expand marginally QoQ on the back of lower CoF ➔ Opex Ratios to reflect the company's investments towards geographical expansion, C-A Ratio to be maintained at ~2.6-2.7% ➔ Credit costs could see a slight bump-up, Asset quality likely to deteriorate marginally owing to seasonality ➔ **Key Monitorables**: (1) Growth and Margins Outlook (2) Geographical expansion and branch addition strategy
NII	317	300	5.7%	261	21.5%	
Non-Interest Income	33	49	-32.5%	24	40.5%	
PPOP	277	279	-0.7%	225	23.0%	
Provision	11	8	38.4%	4	201.5%	
Net Profit	205	207	-1.0%	172	19.4%	
EPS	4.1	4.1	-1.0%	3.4	19.1%	
Cholamandalam Inv & Fin						➔ AUM growth seen at 25% YoY, with Vehicle book growth slower ➔ Margins likely to expand QoQ, aided by lower CoF ➔ Opex growth likely to be modest, C-A ratio likely to improve QoQ ➔ Credit costs expected to inch up sequentially, Asset quality likely to remain largely stable ➔ **Key monitorables**: (1) Management outlook on AUM growth and (2) Credit cost and Asset Quality outlook, and (3) NIM improvement trajectory
NII	3,253	3,056	6.4%	2,580	26.1%	
Non-Interest Income	561	703	-20.1%	454	23.7%	
PPOP	2,348	2,332	0.7%	1,850	26.9%	
Provision	759	625	21.5%	581	30.6%	
Net Profit	1,179	1,267	-6.9%	942	25.2%	
EPS	14.3	15.1	-4.8%	11.2	27.9%	
Shriram Finance						➔ AUM growth expected to remain healthy at ~15% YoY ➔ Margins expected to improve on the back of easing excess liquidity ➔ Opex growth likely to be modest, C-A ratio to be range-bound ➔ Credit costs to remain steady, Asset quality pressures could be visible ➔ **Key monitorables**: (1) Management outlook on AUM growth (upward revision if any) and (2) Commentary on margin movement
NII	5,849	5,566	5.1%	5,234	11.7%	
Non-Interest Income	320	671	-52.3%	247	29.5%	
PPOP	4,305	4,335	-0.7%	3,867	11.3%	
Provision	1,554	1,563	-0.6%	1,188	30.8%	
Net Profit	2,071	2,139	-3.2%	1,993	3.9%	
EPS	11.0	11.4	-3.2%	10.6	3.8%	

NBFCs

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
Manappuram Finance						➔ Consol AUM growth to be weak; though Gold AUM growth expected to be healthy ➔ Margins expected to contract QoQ on higher interest reversals ➔ Opex growth likely to be modest, C-I Ratio to look elevated on weak top-line growth ➔ Credit costs to continue to remain elevated; MFI asset quality and quantum of write-off to be closely monitored ➔ **Key monitorables**: (1) Management commentary on Gold loan/AUM growth and (2) Asset quality/Growth challenges of MFI segment
NII	1,426	1,444	-1.2%	1,538	-7.3%	
Non-Interest Income	44	24	85.2%	109	-59.2%	
PPOP	674	683	-1.4%	964	-30.1%	
Provision	663	919	-27.8%	229	190.3%	
Net Profit	8	-203	N.M	540	-98.6%	
EPS	0.1	-2.4	N.M	6.4	-98.6%	
CreditAccess Grameen						➔ Disbursement momentum better for a seasonally weak Q1, GLP growth flat ➔ Margins likely to move with a slight positive bias QoQ ➔ Opex ratios to be contained within the guided range ➔ Credit costs likely to taper QoQ, though they remain elevated. Asset quality to deteriorate ➔ Key Monitorables: (1) Management comments on scaling-up of Retail Finance Book (2) Comments on MFI stress, asset quality and credit cost guidance, especially in KA and TN
NII	903	876	3.1%	927	-2.5%	
Non-Interest Income	61	53	14.1%	75	-19.1%	
PPOP	645	634	1.7%	709	-9.1%	
Provision	552	583	-5.2%	175	216.4%	
Net Profit	69	47	46.2%	398	-82.6%	
EPS	4.3	3.0	46.2%	24.9	-82.7%	

Diversified Financials

Year-end March (Rs Cr)	Q1FY26E	Q4FY25	QoQ (%)	Q1FY25	YoY (%)	Result expectations
Nippon Life AMC						➔ AUM growth momentum to remain healthy at 10% QoQ; market share to improve ➔ Other income to find support supported by favourable market conditions ➔ Yields are expected to decline QoQ ➔ Opex growth to remain controlled; C-I ratio likely to remain broadly steady QoQ ➔ **Key monitorables**: (1) Outlook on improvement in share of Equity AUMs and (2) Sector outlook
Total Revenues	698	590	18.4%	636	9.8%	
Operating Profit	381	365	4.4%	316	20.5%	
Operating Profit Margin (%)	63.9%	64.5%	-57 bps	62.7%	123 bps	
PAT	356	299	19.2%	332	7.1%	
EPS	5.6	4.7	19.2%	5	6.3%	
SBI Cards						➔ CIF growth likely to improve, Spends growth to be healthy. Corporate spends pickup remains a key monitorable ➔ Margins are expected to remain broadly steady QoQ ➔ Opex growth expected to remain controlled, PPOP growth healthy ➔ Credit costs will continue to remain elevated, though decline slightly QoQ; Asset quality likely to be maintained ➔ **Key Monitorables:** (1) Outlook on New customer additions and spends growth, and (2) Comments on Asset Quality and credit costs trajectory
NII	1,662	1,620	2.6%	1,476	12.6%	
Non-Interest Income	2,473	2,417	2.3%	2,246	10.1%	
PPOP	2,046	1,964	4.2%	1,907	7.3%	
Provision	1,267	1,245	1.7%	1,101	15.1%	
Net Profit	579	534	8.4%	601	-3.7%	
EPS	6.1	5.6	8.4%	6.3	-3.8%	
SBI Life						➔ NBP growth expected to be in healthy at ~13% YoY ➔ Strong VNB margins, though QoQ contraction, should support VNB growth ➔ Cost leadership to continue ➔ Comments on the distribution mix remain key monitorable ➔ **Key monitorables**: (1) Outlook on VNB Margin, and 2) Comments on growth and changes in Product mix (if any)
Gross Premium Earned	17,723	24,002	-26.2%	15,573	13.8%	
New Business Premium	7,953	9,321	-14.7%	7,033	13.1%	
Ann. Premium Equi.(APE)	3,936	5,450	-27.8%	3,640	8.1%	
VNB	1,132	1,660	-31.8%	970	16.7%	
VNB Margin	28.8%	30.5%	-175 bps	26.8%	195 bps	

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