

BFSI - Q4FY24 Quarterly Preview

Muted operating metrics; Robust growth & AQ trends

Banks will continue to witness NIM pressure in Q4FY24, driven by lower spreads and sequential moderation in CD ratio seen across many banks. We build in NII growth of 1% QoQ and 5% YoY for coverage banks (ex HDFCB). Operating profit will be up 11% QoQ (ex-HDFCB) driven by seasonally strong other income in Q4, though lower by 5% YoY (wage hike impact for PSBs). PAT growth at 27% YoY (ex HDFCB) benefits from Citi merger related loss for Axis a year ago (-5% PAT growth YoY ex Axis/HDFCB). Benign credit costs continue to aid earnings and RoAs remain healthy for the sector as NIM moderation is off a high base. We factor in loan growth of 15% YoY and 4% QoQ for banks under coverage.

Affordable housing financiers are expected to report robust growth trends at 7% QoQ, along with seasonally strong asset quality. Growth for gold loan NBFCs to benefit from a seasonally robust quarter and rise in gold prices, though yields should remain steady.

Advances growth upbeat; deposits catching up

System loan demand remains healthy, with ~3% growth in domestic advances so far in Q4FY24 (till 22-Mar-24), higher vs same period last year. We build in loan growth of 4% QoQ and 15% YoY for coverage banks, with similar growth expectations across PSBs and private banks. Barring large corporates, growth is broad based across segments so far (RBI data). Even as YoY deposit growth has strengthened, sequential growth at 2% (till 22-Mar-24) is lower vs those reported by banks so far (provisional data). This alludes that deposit growth could be back ended and led by bulk deposits.

Margin contraction continues off a high base; RoAs remain healthy

We build in sequential moderation in NIM across most banks in Q4FY24 as deposits continue to re-price higher while yields have largely stabilized. The benefits of rise in CD ratio will also be missing this quarter as we notice even PSBs showing higher deposit growth QoQ vs credit growth. However, NIM may have some positive impact of seasonally strong recoveries in Q4, mainly for PSBs. For banks with high share of fixed rate loans (like IIB, HDFCB), NIMs should be stable QoQ. PPOP growth will be strong QoQ driven by robust other income (typical of Q4) and steady treasury gains (10-12 bps lower G-sec yields). PAT growth at 27% YoY (ex HDFCB) benefits from Citi merger related loss for Axis a year ago (-5% PAT growth YoY ex Axis/HDFCB). Nonetheless, RoAs remains healthy for the sector.

Credit costs remain benign

Asset quality trends to improve QoQ, benefitting from contained slippages, provision reversals from a declining restructured book, and seasonally strong recoveries. For private banks that made provisions against AIF investments in Q3FY24 (HDFCB, ICICIB, Axis, RBL) any reversals post relief in provisioning requirements from RBI could aid earnings.

Top Picks: HDFCB, Kotak Bank, CSBB, Aptus, Muthoot Fin

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Quarterly Estimates

(Rs bn)	Net Interest Income					Pre-provision profit				
	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
AXSB*	126	117	7.6	125	0.8	96	92	5.0	91	5.3
BOB	112	115	(2.8)	111	0.9	73	81	(9.7)	70	3.9
CBK	94	86	9.0	94	(0.3)	73	73	0.8	68	7.4
CUBK	5	5	5.8	5	5.5	4	4	(2.8)	4	11.3
CSBBANK	4	3	11.4	4	1.4	2	2	(1.4)	2	1.6
DCBB	5	5	2.4	5	4.9	3	2	6.0	2	22.3
FB	22	19	14.4	21	2.9	13	13	0.2	14	(7.0)
HDFCB*	282	234	20.6	285	(1.1)	303	186	62.5	236	27.9
ICICIBC	190	177	7.3	187	1.5	141	138	2.3	147	(3.9)
INBK	59	55	6.3	58	0.7	44	40	9.2	41	7.0
IIB	55	47	17.2	53	3.4	41	38	8.3	40	0.7
KMB	66	61	7.9	66	0.5	48	46	2.8	46	4.7
RBL	16	14	17.3	15	3.0	8	6	30.5	8	1.2
SBIN	408	404	0.9	398	2.4	196	246	(20.6)	132	47.8
Aggregate	1,442	1,342	7.5	1,427	1.1	1,044	968	7.9	902	15.7
Aggregate (ex-HDFCB)	1,161	1,108	4.7	1,142	1.6	741	782	(5.1)	666	11.3
PSBs	672	660	1.8	661	1.6	385	440	(12.3)	312	23.7
Private	770	681	13.0	766	0.6	659	528	24.7	591	11.4

Source: Company, DART, *YoY data not comparable due to merger

(Rs bn)	Profit After Tax					Advances				
	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
AXSB*	64	(57)	NA	61	4.9	9,789	8,453	15.8	9,323	5.0
BOB	43	48	(9.3)	46	(5.4)	10,577	9,410	12.4	10,241	3.3
CBK	36	32	14.0	37	(1.0)	9,428	8,307	13.5	9,206	2.4
CUBK	3	2	24.2	3	7.0	453	431	5.1	431	5.0
CSBBANK	1	2	(8.9)	1	(5.0)	243	207	17.9	227	7.5
DCBB	2	1	11.9	1	25.6	405	344	17.8	390	4.0
FB	9	9	3.3	10	(7.4)	2,093	1,744	20.0	1,992	5.1
HDFCB*	203	120	68.4	164	23.9	24,852	22,089	12.5	24,461	1.6
ICICIBC	99	91	8.8	103	(3.4)	11,999	10,196	17.7	11,538	4.0
INBK	22	14	50.9	21	3.1	5,064	4,493	12.7	4,871	4.0
IIB	23	20	12.8	23	0.1	3,434	2,899	18.4	3,271	5.0
KMB	33	35	(5.4)	30	10.0	3,776	3,199	18.0	3,596	5.0
RBL	3	3	27.4	2	48.0	835	702	19.0	799	4.5
SBIN	128	167	(23.1)	92	40.0	36,472	31,993	14.0	35,195	3.6
Aggregate	670	488	37.4	593	13.0	119,420	104,467	14.3	115,540	3.4
Aggregate (ex-HDFCB)	467	367	27.3	429	8.8	94,568	82,377	14.8	91,079	3.8
PSBs	230	261	(12.0)	195	17.7	61,540	54,202	13.5	59,514	3.4
Private	440	227	94.3	398	10.7	57,880	50,264	15.2	56,026	3.3

Source: Company, DART, *YoY data not comparable due to merger

Housing Finance

(Rs mn)	Net Interest Income					Pre-provision profit				
	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
HOME FIRST	1,420	1,118	27.1	1,344	5.7	1,152	910	26.6	1,098	4.9
AAVAS	2,308	2,211	4.3	2,208	4.5	1,740	1,649	5.5	1,577	10.3
APTUS	2,540	2,130	19.3	2,400	5.8	2,219	1,841	20.5	2,131	4.1
Aggregate	6,268	5,459	14.8	5,951	5.3	5,110	4,400	16.1	4,806	6.3

Source: Company, DART

(Rs mn)	Profit After Tax					Advances				
	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
HOME FIRST	828	640	29.3	788	5.0	81,139	59,957	35.3	75,479	7.5
AAVAS	1,310	1,268	3.4	1,166	12.3	1,39,677	1,14,763	21.7	1,29,932	7.5
APTUS	1,662	1,353	22.8	1,576	5.5	84,842	65,921	28.7	79,292	7.0
Aggregate	3,800	3,261	16.5	3,531	7.6	3,05,658	2,40,641	27.0	2,84,702	7.4

Source: Company, DART

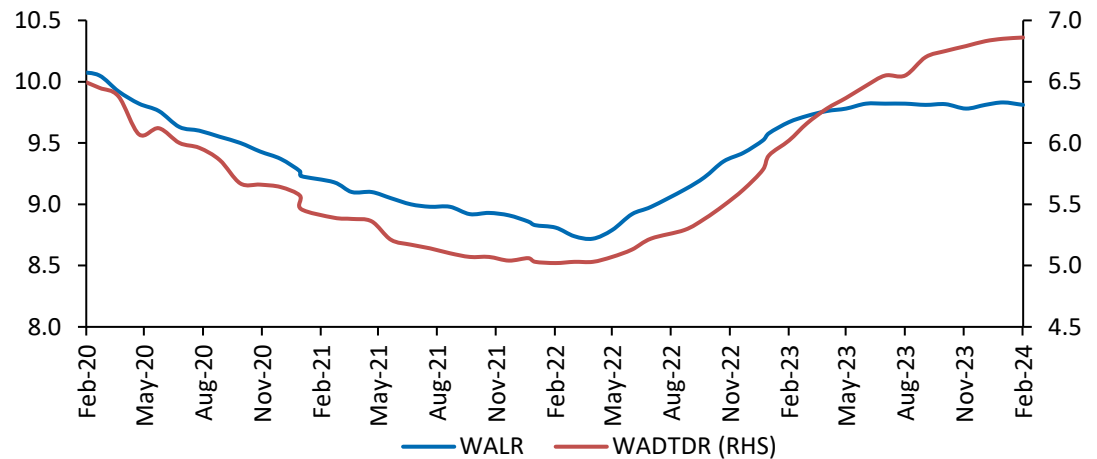
Gold Finance

(Rs mn)	Net Interest Income					Pre-provision profit				
	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
Manappuram	10,599	7,893	34.3	10,043	5.5	6,400	4,172	53.4	6,124	4.5
Muthoot	20,185	18,533	8.9	19,057	5.9	14,385	12,917	11.4	13,942	3.2
Aggregate	30,784	26,426	16.5	29,100	5.8	20,785	17,089	21.6	20,067	3.6

Source: Company, DART

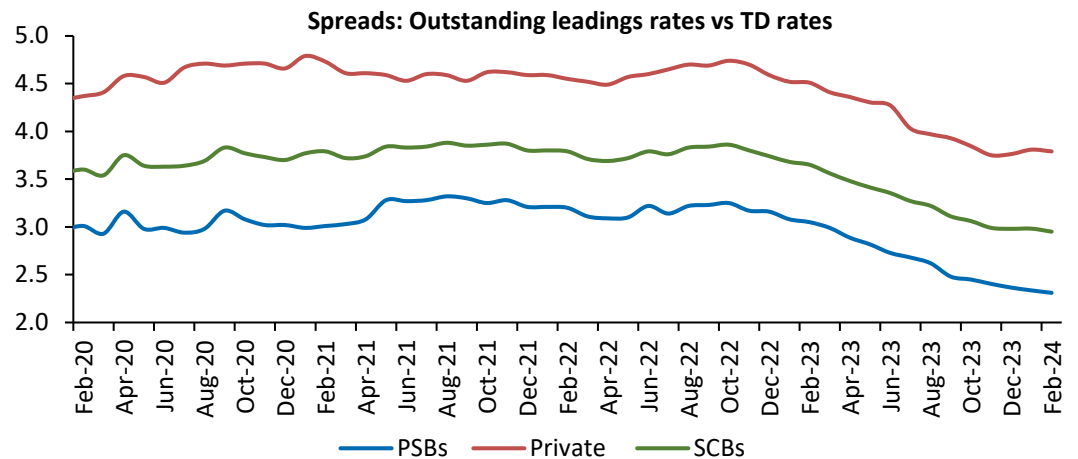
(Rs mn)	Profit After Tax					Advances				
	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
Manappuram	4,513	3,091	46.0	4,286	5.3	288,816	245,584	17.6	275,063	5.0
Muthoot	10,558	9,027	17.0	10,273	2.8	754,623	642,649	17.4	722,127	4.5
Aggregate	15,071	12,118	24.4	14,559	3.5	1,043,440	888,233	17.5	997,191	4.6

Exhibit 1: Lending yields stabilize, while deposits re-pricing continues (%)



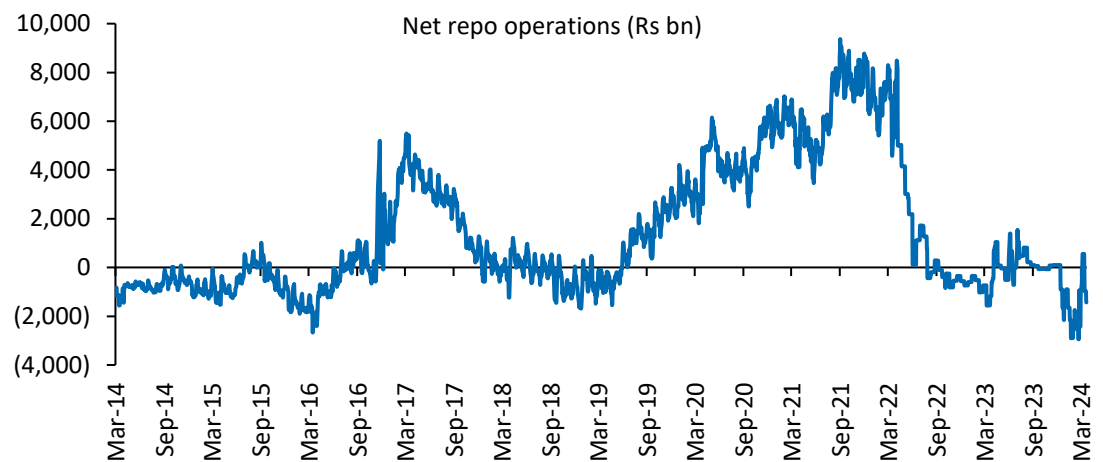
Source: DART, RBI

Exhibit 2: Continued moderation in spreads, higher for PSBs vs private (%)



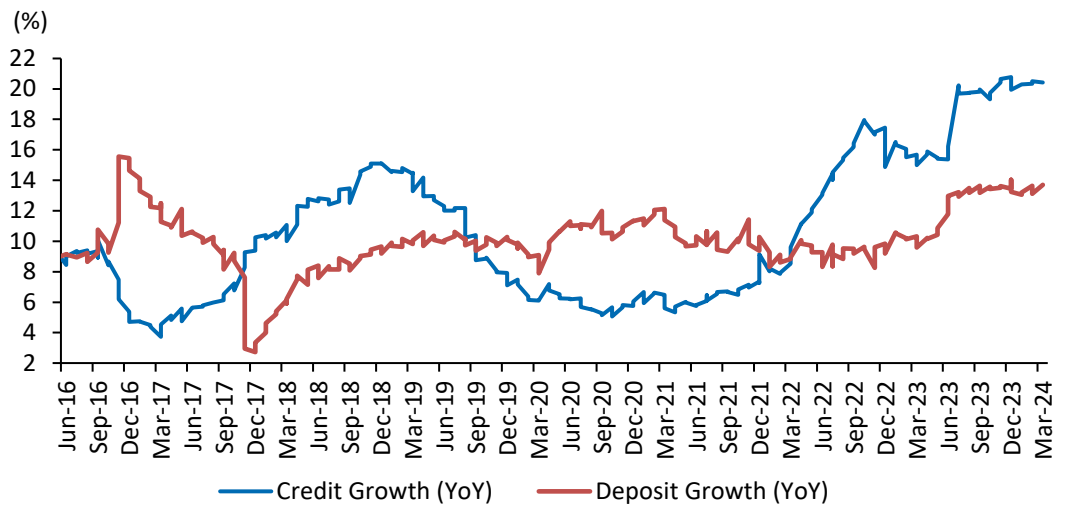
Source: DART, RBI

Exhibit 3: Tighter liquidity raises CoF for banks



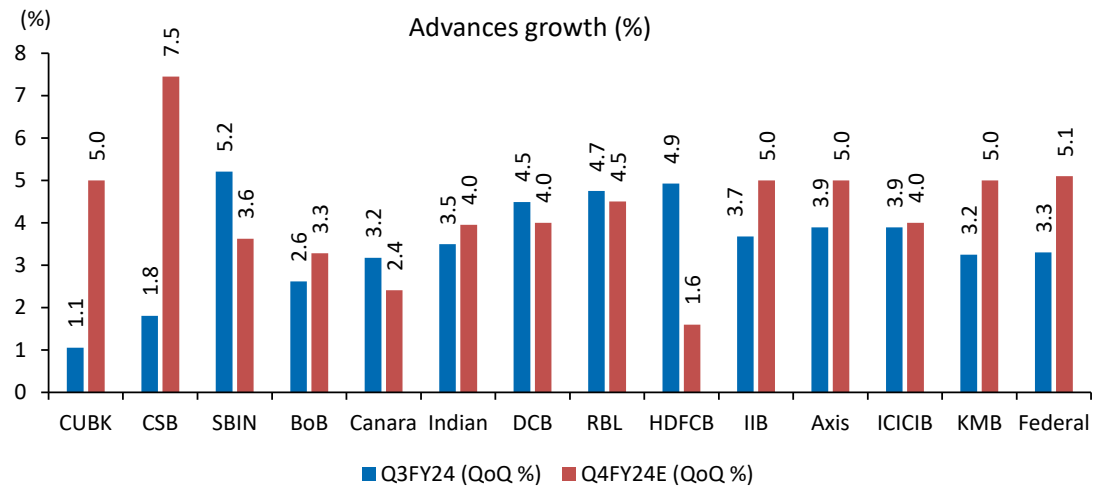
Source: DART, RBI

Exhibit 4: Credit growth upbeat at 4% from Jan- mid Mar*



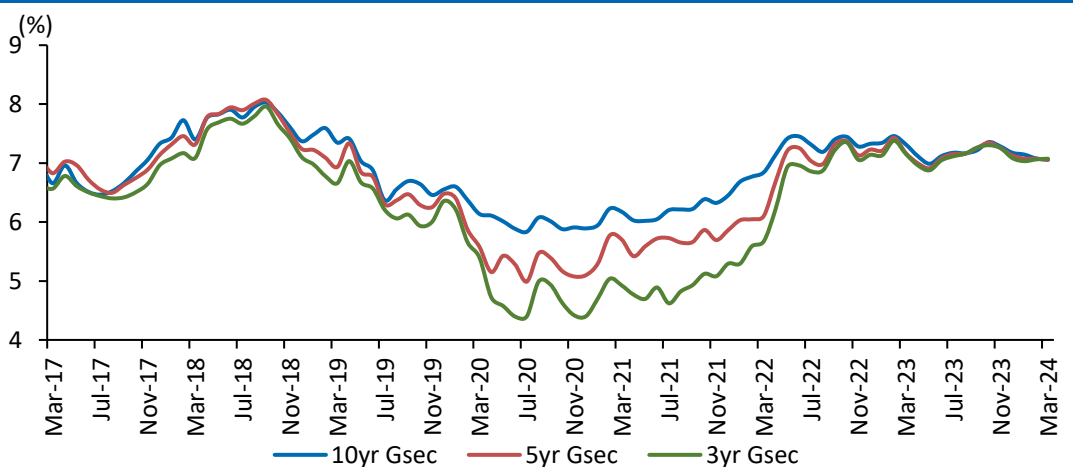
Source: DART, RBI, *Jump in credit growth from July 23 owing to HDFCB merger

Exhibit 5: Sequential growth steady across most banks



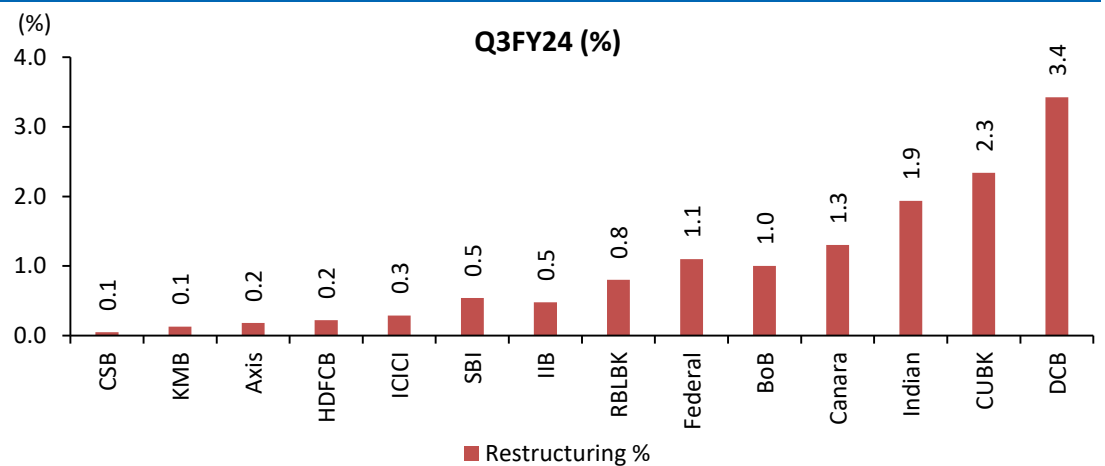
Source: Company, DART

Exhibit 6: Treasury gains to be steady QoQ led by slight moderation in Gsec yields



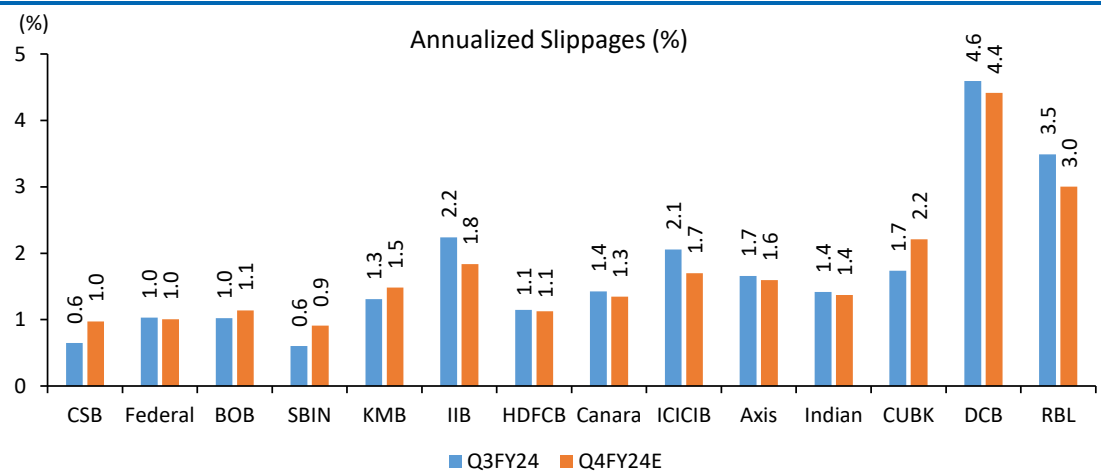
Source: DART, RBI

Exhibit 7: Write-back of provisions from declining restructured book to aid CC



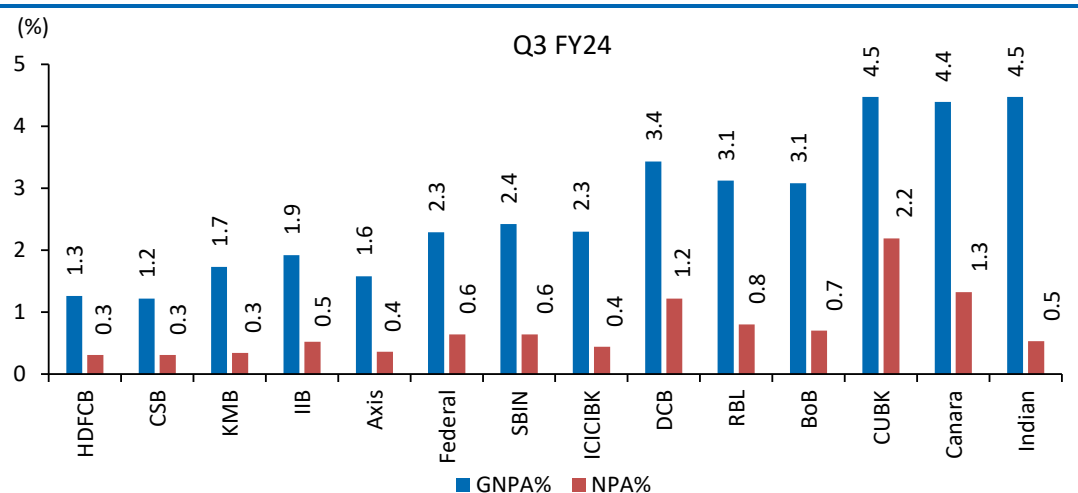
Source: Company, DART, HDFCB data is for Q2FY24

Exhibit 8: Slippages expected to be contained during the quarter



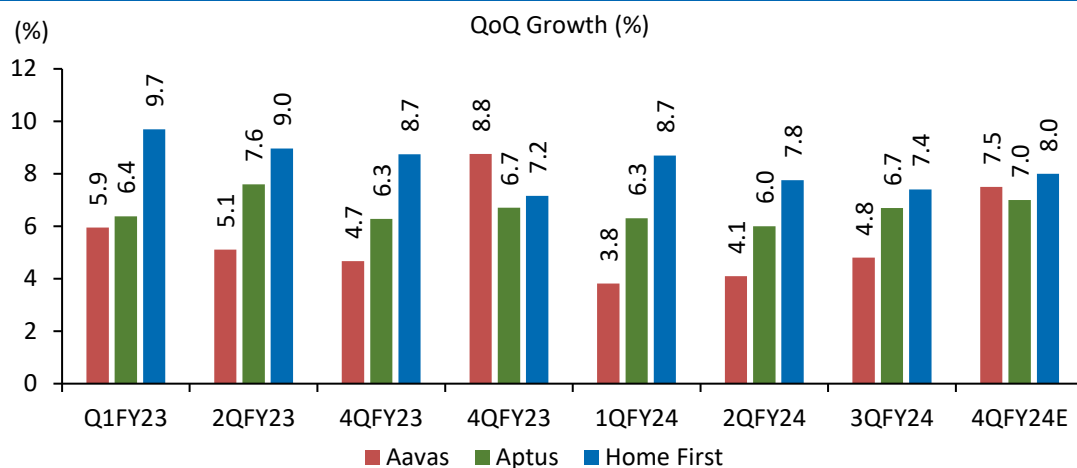
Source: Company, DART

Exhibit 9: Gross and Net NPA across banks in Q3FY24



Source: Company, DART

Exhibit 10: AHFCs- growth trends to remain healthy in a seasonally strong quarter



Source: Company, DART

Quarterly Estimates

(Rs mn)	Q4FY24E	Q3FY24	QoQ (%)	Q4FY23	YoY (%)	Comments
Axis Bank						
Net Interest Income	126,308	125,322	0.8	117,422	7.6	Loan book to grow at 4% QoQ/ 15% YoY. NIM to moderate by 10-15bps QoQ, led by higher deposit growth (CD ratio at 93%), even as improved share of higher yielding assets aid NIM. Benign slippages at 1.5-1.6%, with credit costs at 45 bps to aid RoA of ~1.8%. Any reversal of AIF related provisions made in Q3 could aid PAT.
Pre-provision profit	96,273	91,412	5.3	91,676	5.0	
PAT	63,660	60,711	4.9	-57,284	NA	
EPS	20.7	19.7	4.9	-18.6	NA	
Bank of Baroda						
Net Interest Income	112,045	111,013	0.9	115,249	(2.8)	Reported loan growth was healthy at ~12% YoY/3% QoQ. NIM to moderate by 5-7bps to 2.95% as CoFs rise. With contained slippages (at 1-1.3%) and robust recoveries, build in RoAs of ~1.1%.
Pre-provision profit	72,864	70,151	3.9	80,729	(9.7)	
PAT	43,329	45,797	(5.4)	47,753	(9.3)	
EPS	8.4	8.9	(5.4)	9.2	(9.2)	
Canara Bank						
Net Interest Income	93,918	94,171	(0.3)	86,168	9.0	NIM to moderate by 5-7bps to 2.95% as CoFs rise. Advances to grow at 3% QoQ/13% YoY. Contained slippages at ~1.5% and healthy recoveries to aid RoA of ~1%.
Pre-provision profit	73,072	68,055	7.4	72,522	0.8	
PAT	36,194	36,561	(1.0)	31,747	14.0	
EPS	20.0	20.2	(1.0)	17.5	14.0	
City Union Bank						
Net Interest Income	5,443	5,159	5.5	5,143	5.8	NIMs to improve QoQ (by ~10 bps) as the impact high interest reversal in Q3FY24 neutralizes. Growth trends to strengthen QoQ, though YoY growth will remain muted at 5%. Low credit costs at 50 bps driven by healthy recoveries and normalization in slippages to aid RoA of 1.6%.
Pre-provision profit	4,052	3,640	11.3	4,170	(2.8)	
PAT	2,707	2,530	7.0	2,180	24.2	
EPS	3.7	3.4	7.0	3.0	24.0	

(Rs mn)	Q4FY24E	Q3FY24	QoQ (%)	Q4FY23	YoY (%)	Comments
CSB Bank						
Net Interest Income	3,880	3,827	1.4	3,484	11.4	Reported loan growth was robust at 7.5% QoQ /18% YoY, with 6% growth in non-gold book. NIM to moderate by 10-15 QoQ to ~5%. PPoP growth will continue to be impacted by elevated opex. RoA to remain healthy at ~1.7%. Stable asset quality trends expected with slippages at 1% and credit costs at 20 bps.
Pre-provision profit	2,003	1,959	2.3	2,019	(0.8)	
PAT	1,436	1,500	(4.2)	1,563	(8.1)	
EPS	8.3	8.6	(4.2)	9.0	(8.2)	
DCB Bank						
Net Interest Income	4,974	4,740	4.9	4,860	2.4	NIM to normalize at slightly higher levels (+5-7 bps QoQ) after a sharp decline in Q3 led by higher delinquencies. Advances growth to remain healthy at 4% QoQ and 18% YoY. Slippages trend (4.5% in 9MFY24) remains monitorable, though strong recoveries should aid credit costs. Build in RoAs of ~1.05% in Q4.
Pre-provision profit	2,587	2,115	22.3	2,439	6.0	
PAT	1,592	1,267	25.6	1,422	11.9	
EPS	5.1	4.1	25.7	4.6	11.7	
Federal Bank						
Net Interest Income	21,848	21,230	2.9	19,093	14.4	Reported loan growth at 4% QoQ/19% YoY. NIM to remain stable QoQ as benefits from loan mix change is offset by rise in CoF. Credit costs to include some AIF related provisions in Q4. Stable NIM and contained credit costs to aid RoAs of 1.25%.
Pre-provision profit	13,366	14,370	(7.0)	13,346	0.2	
PAT	9,322	10,064	(7.4)	9,026	3.3	
EPS	4.1	4.4	(7.4)	4.3	(4.5)	
HDFC Bank*						
Net Interest Income	2,81,594	2,84,713	(1.1)	2,33,518	20.6	NIM should be stable at ~3.4%, as the benefits of repricing of fixed rate book is offset by lower CD ratio. Reported loan growth at 13% YoY/1.6% QoQ. Back-ended branch openings to keep opex elevated. PAT to benefit from one-time gains from Credila stake sale. Any reversal of AIF related provisions made in Q3 to also benefit earnings. Traction in deposit growth and impact of no infrastructure tag to bonds issued by e-HDFC will be monitorables.
Pre-provision profit	3,02,537	2,36,473	27.9	1,86,209	62.5	
PAT	2,02,899	1,63,728	23.9	1,20,475	68.4	
EPS	26.7	21.6	23.7	21.6	23.7	

Source: Company, DART, YoY numbers not comparable owing to merger

(Rs mn)	Q4FY24E	Q3FY24	QoQ (%)	Q4FY23	YoY (%)	Comments
ICICI Bank						Loan growth to sustain at 4% QoQ/ 18% YoY. NIM to decline by ~10 bps QoQ led by higher CoF. Slippages and credit costs to be ~1.7% and 30 bps respectively, and any reversal of AIF related provisions made in Q3 could aid earnings. RoAs to sustain at ~2.2%.
Net Interest Income	189,582	186,786	1.5	176,668	7.3	
Pre-provision profit	141,480	147,236	(3.9)	138,264	2.3	
PAT	99,269	102,719	(3.4)	91,219	8.8	
EPS	14.2	14.7	(3.4)	13.1	8.8	
Indian Bank						Reported robust advances growth at ~4% QoQ and ~13% YoY. NIM to moderate by ~3-5 bps QoQ as benefits of MCLR loan re-pricing is offset by higher CoF. Slippages at ~1.5% and healthy recoveries to aid credit costs of 115 bps and RoAs of 1.1%.
Net Interest Income	58,568	58,142	0.7	55,083	6.3	
Pre-provision profit	43,847	40,972	7.0	40,156	9.2	
PAT	21,846	21,196	3.1	14,473	50.9	
EPS	17.3	16.8	3.1	11.6	48.8	
IndusInd Bank						Reported healthy growth at 5% QoQ/ 18% YoY. Benefiting from re-pricing of fixed rate book, sequential NIM to be stable at 4.3%. Utilization of contingent buffers could continue to aid credit costs and PAT. Build in RoA of ~1.9%. Retail deposit traction and AQ trends remain monitorable.
Net Interest Income	54,747	52,956	3.4	46,695	17.2	
Pre-provision profit	40,695	40,423	0.7	37,575	8.3	
PAT	23,041	23,014	0.1	20,434	12.8	
EPS	29.7	29.6	0.1	26.3	12.7	
Kotak Mahindra Bank						Expect healthy loan growth at 5% QoQ and 18% YoY. Margins to decline by 10-12 bps QoQ to 5.1%. Contained slippages at 1.5% & superior NIM to aid healthy RoA at 2.2% for the quarter. Any reversal of AIF related provisions made in Q3 could aid PAT.
Net Interest Income	65,870	65,535	0.5	61,026	7.9	
Pre-provision profit	47,786	45,662	4.7	46,474	2.8	
PAT	33,071	30,055	10.0	34,958	(5.4)	
EPS	16.6	15.1	10.1	17.4	(4.3)	

Source: Company, DART

(Rs mn)	Q4FY24E	Q3FY24	QoQ (%)	Q4FY23	YoY (%)	Comments
RBL Bank						
Net Interest Income	15,919	15,459	3.0	13,570	17.3	Reported healthy loan growth at 5% QoQ/ 19% YoY. NIM likely to remain stable QoQ at ~5.5%, benefitting from shift in loan mix and higher CASA growth. Expect slippages at ~3%, with credit costs at ~1.5% and RoAs at over 1%. The bank could start making contingent provisions hereon and any reversal of AIF-related provisions made in Q3 could benefit earnings.
Pre-provision profit	7,748	7,653	1.2	5,938	30.5	
PAT	3,453	2,333	48.0	2,711	27.4	
EPS	5.7	3.9	48.0	4.5	26.7	
State Bank of India						
Net Interest Income	407,571	398,157	2.4	403,925	0.9	Expect healthy loan growth at 14% YoY and 4% QoQ. NIM to remain largely stable QoQ at 3.2%. Front-ending of wage related costs in FY24 could limit RoA at 0.85-0.9% in Q4. Low slippages at sub 1% and benign credit costs (35 bps) to continue to aid profitability.
Pre-provision profit	195,585	132,361	47.8	246,211	(20.6)	
PAT	128,335	91,640	40.0	166,945	(23.1)	
EPS	14.4	10.3	40.0	18.7	(23.1)	

Source: Company, DART

Affordable Housing Finance

(Rs mn)	Q4FY24E	Q3FY24	QoQ (%)	Q4FY23	YoY (%)	Comments
Aptus Value Housing						
Net Interest Income	2,540	2,400	5.8	2,130	19.3	Advances to grow at 28% YoY and 7% QoQ. Spreads to moderate led by higher CoF, with stable yields QoQ. Asset quality should improve QoQ driven by a seasonally strong quarter. RoAs to remain steady at over ~7.5%.
Pre-provision profit	2,219	2,131	4.1	1,841	20.5	
PAT	1,662	1,576	5.5	1,353	22.8	
EPS	3.3	3.2	5.5	2.7	22.6	
Aavas Financier						
Net Interest Income	2,308	2,208	4.5	2,211	4.3	Reported healthy AUM growth at 7.5% QoQ and 22% YoY. PLR hike in Mar to aid yields and help limit spread moderation. Higher other income and operating leverage to aid strong sequential PAT growth. RoA likely to be lower vs peers at 3.3%.
Pre-provision profit	1,740	1,577	10.3	1,649	5.5	
PAT	1,310	1,166	12.3	1,268	3.4	
EPS	16.6	14.7	12.3	16.0	3.3	
Home First Finance						
Net Interest Income	1,420	1,344	5.7	1,118	27.1	AUM expected to grow at 35% YoY and 8% QoQ. Spreads should be stable QoQ at ~5.3%. PAT growth to benefit from superior business growth and improved other income. AQ trends to improve led by seasonally strong Q4. RoAs expected to be at ~3.6%.
Pre-provision profit	1,152	1,098	4.9	910	26.6	
PAT	828	788	5.0	640	29.3	
EPS	9.4	8.9	5.0	7.3	29.0	

Source: Company, DART

Gold Finance

(Rs mn)	Q4FY24E	Q3FY24	QoQ (%)	Q4FY23	YoY (%)	Comments
Manappuram Finance						Consolidated advances to grow by 7% QoQ and 22% YoY, driven by non-gold portfolios. Gold book growth to strengthen to 3% QoQ, and benefit from IIFL embargo on gold lending. Spreads should be stable QoQ, with rise in CoF passed on to borrowers. Asset quality of fast-growing non-gold portfolios will be monitorable, as these portfolios season.
Net Interest Income	10,599	10,043	5.5	7,893	34.3	
Pre-provision profit	6,400	6,124	4.5	4,172	53.4	
PAT	4,513	4,286	5.3	3,091	46.0	
EPS	5.3	5.1	5.3	3.7	46.0	
Muthoot Finance						Gold book to grow at a higher rate vs assumed earlier, at 5% QoQ and 18% YoY, benefitting from IIFL embargo on gold lending. Reported yields should be stable QoQ at 17.7-18% levels, with NIMs at 9.5-10%. RoA to be ~5%. With elevated gold price, superior collections from ARC sale done in Q2 could benefit PAT.
Net Interest Income	20,185	19,057	5.9	18,533	8.9	
Pre-provision profit	14,385	13,942	3.2	12,917	11.4	
PAT	10,558	10,273	2.8	9,027	17.0	
EPS	26.3	25.6	2.8	22.5	17.0	

Valuation Summary

Banks	CMP*	TP	Rating	P/ABV (x)			P/E (x)		
	(Rs)	(Rs)		FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Axis Bank	1,059	1,260	BUY	2.2	1.9	1.6	13.4	12.1	10.1
Bank of Baroda	269	290	ACC	1.4	1.3	1.1	8.1	7.9	7.5
Canara Bank	615	490	SELL	1.7	1.5	1.4	7.8	8.2	7.5
CSB Bank	389	450	BUY	1.9	1.6	1.4	12.2	10.6	8.0
City Union Bank	158	160	ACC	1.6	1.4	1.2	11.4	10.5	9.5
DCB bank	127	155	ACC	0.9	0.8	0.7	7.4	5.8	4.5
Federal bank	155	165	ACC	1.4	1.3	1.1	10.2	9.7	8.8
HDFC Bank	1,550	2,000	BUY	2.7	2.4	2.1	18.3	16.4	13.4
ICICI Bank	1,083	1,250	BUY	3.4	2.9	2.6	18.9	18.6	16.4
Indian Bank	535	580	ACC	1.4	1.3	1.1	8.9	8.1	7.5
IndusInd Bank	1,552	1,760	ACC	2.0	1.7	1.5	13.4	11.7	9.8
Kotak Mah Bank	1,785	2,230	BUY	3.8	3.3	2.9	27.9	26.2	22.6
RBL Bank	255	275	ACC	1.1	1.0	0.9	13.1	9.8	8.1
State Bank of India	765	820	ACC	2.2	1.9	1.7	13.4	11.1	10.2
Aptus Value Housing	328	450	BUY	4.3	3.7	3.2	26.6	21.2	17.0
Home First Finance	960	1,020	ACC	4.0	3.4	2.9	27.7	21.3	16.0
Aavas Financiers	1,598	1,700	ACC	3.4	2.9	2.5	25.1	19.7	15.4
Manappuram Finance	192	165	REDUCE	1.6	1.4	1.2	9.6	8.3	7.2
Muthoot Finance	1,654	1,650	BUY	3.0	2.6	2.2	16.4	14.0	12.1

Source: Company, DART; *Price as of 5th April 2024

Valuation Summary (...contd)

Banks	RoE (%)			RoA (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Axis Bank	17.7	16.6	16.9	1.7	1.7	1.8
Bank of Baroda	16.3	14.8	14.0	1.1	1.0	1.0
Canara Bank	18.0	15.5	15.5	1.0	0.9	0.9
CSB Bank	15.9	15.7	17.5	1.7	1.6	1.8
City Union Bank	13.0	12.6	12.3	1.5	1.5	1.5
DCB bank	11.2	12.6	14.4	0.9	1.0	1.1
Federal bank	14.7	12.9	12.8	1.3	1.2	1.1
HDFC Bank	15.0	15.4	16.7	1.9	1.8	1.9
ICICI Bank	18.5	16.2	16.1	2.4	2.1	2.0
Indian Bank	16.1	14.8	14.2	1.1	1.1	1.1
IndusInd Bank	15.3	15.4	16.1	1.8	1.8	1.8
Kotak Mahindra Bank	14.2	13.2	13.5	2.4	2.2	2.2
RBL Bank	8.3	10.1	10.9	0.9	1.1	1.1
State Bank of India	14.6	15.6	15.1	0.9	1.0	0.9
Aptus Value Housing	17.2	18.9	20.3	7.5	7.2	6.9
Home First Finance	15.6	17.4	19.5	4.0	3.9	3.9
Aavas Financiers	14.3	15.8	17.4	3.4	3.5	3.7
Manappuram Finance	17.5	17.5	17.7	5.3	5.2	5.3
Muthoot Finance	17.9	18.3	18.3	5.2	5.4	5.4

Source: Company, DART

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

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