

Muted earnings growth; Asset quality trends monitorable

Q3FY25 earnings growth for banks to decline QoQ by 5-6% driven by growth slowdown, normalization in credit costs, and lower treasury gains. Barring unsecured loans, we expect steady AQ trends for other segments. We build in NII growth of 2% QoQ & 7% YoY for coverage banks. Operating profit will be up 15% YoY/-3% QoQ, benefitting from base effect (large pension expense for SBI in Q3FY24 (up 10% YoY ex-SBI). RoAs to remain at the upper end of long-term averages, led by healthy NIMs & controlled credit costs. For banks like RBL/IIB with considerable MFI exposure, a sharp rise in slippage and credit costs will weaken profitability metrics. We factor in loan growth of 10.5% YoY and 2.5% QoQ for coverage banks. Slowdown in retail unsecured credit (PL/CC/MFI), structural challenges in deposit accretion, and delayed pick up in private capex are all contributing to slower system growth vs anticipated earlier. Any seepage of unsecured stress to secured assets remains a monitorable.

Affordable housing financiers to report robust growth trends at 6% QoQ, along with steady asset quality. Loan growth for gold loan NBFCs is expected at ~2-5% QoQ despite seasonal weakness, benefitting from slowdown in retail unsecured credit, reduced competitive intensity, and elevated gold prices.

Growth slowdown evident

Slowdown in retail unsecured credit (PL/CC/MFI), delayed pick up in private capex, and challenges in deposit accretion are all contributing to slower system growth vs anticipated earlier, with ~1.7% growth in domestic advances so far in Q3FY25 (till 15-Dec-24) vs 2.9% over the same period last year. We build in loan growth of 2% QoQ and 10.4% YoY for coverage banks. Reported data as per business updates also alludes to moderation in growth vs earlier expectations. Structural challenges in deposit growth are increasingly evident, with sequential deposit growth (till 15-Dec-24) at 0.7%, slightly lower than that seen for the same period last year.

Yield pressures may impact NIM; Healthy return metrics to continue

We build in flattish to slightly lower NIM QoQ led by slower growth in higher yielding advances. Deposit re-pricing is nearly done with, but CoF will continue to rise somewhat. For PSBs, yield benefits from MCLR-linked loans continue, aiding flattish NIM QoQ. For banks like RBL & IIB, higher interest reversals from MFI delinquencies will impact NIM and credit costs. Large banks (both private and SBI) will have limited impact from higher PL/CC delinquencies. With sequential rise in G-sec yields by ~20 bps across tenors during Q3FY25, we expect low treasury gains to impact operating profits. RoAs will remain at the upper end of long-term averages as NIM continues to be healthy and credit costs are still controlled.

Credit cost normalization underway; MFI/CC delinquencies to rise

Delinquencies from unsecured consumer credit will remain elevated, while those from MFI portfolio will rise sharply. Additionally, moderation in recoveries and seasonally higher agri slippages will result in continued normalization (rise) in credit costs. Any seepage of unsecured stress to secured assets remains a monitorable.

Top Picks: KMB, ICICIB, CSBB, Aptus, Muthoot Fin

Mona Khetan
Director Research
+91 22 40969762
monak@dolatcapital.com

Aman Mehta
Associate
+91 22 61764836
amanm@dolatcapital.com

Jay Batai
Associate
+91 22 40969741
jayb@dolatcapital.com

Quarterly Estimates

(Rs bn)	Net Interest Income					Pre-provision profit				
	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
AXSB	137	125	9.3	135	1.6	105	91	14.9	107	(2.0)
BOB	119	111	7.6	116	2.8	82	70	16.8	95	(13.7)
CBK	96	94	2.1	93	3.2	76	68	11.4	77	(0.9)
CUBK	6	5	11.4	6	(1.4)	4	4	9.7	4	(6.7)
CSBBANK	4	4	3.1	4	7.3	2	2	6.6	2	4.2
DCBB	6	5	16.5	5	8.4	3	2	21.1	3	0.4
FB	24	21	15.0	24	3.1	16	14	11.0	16	1.9
HDFCB*	314	285	10.2	301	4.2	261	236	10.4	247	5.7
ICICI	203	187	8.9	200	1.5	163	147	10.8	167	(2.5)
INBK	62	58	7.2	62	0.7	42	41	2.8	47	(10.9)
IIB	53	53	0.6	53	(0.4)	36	40	(11.7)	36	(0.9)
KMB	71	66	7.7	70	0.5	52	46	14.1	51	2.2
RBL	16	15	6.1	16	1.6	9	8	17.0	9	(1.6)
SBIN	422	398	5.9	416	1.4	273	203	34.3	293	(6.7)
Aggregate	1,534	1,427	7.5	1,502	2.1	1,124	973	15.4	1,154	(2.6)
PSBs	700	661	5.8	688	1.8	473	382	23.7	512	(7.5)
Private	834	766	8.9	815	2.4	651	591	10.1	642	1.3

Source: Company, Dolat Capital,

(Rs bn)	Profit After Tax					Advances				
	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
AXSB	64	61	4.7	69	(8.1)	10,250	9,323	9.9	10,000	2.5
BOB	45	46	(0.8)	52	(13.4)	11,434	10,241	11.7	11,212	2.0
CBK	39	37	7.4	40	(2.2)	10,136	9,206	10.1	9,840	3.0
CUBK	3	3	3.6	3	(8.0)	492	431	14.2	478	3.0
CSBBANK	1.4	1.5	(6.4)	1.4	1.4	287	227	26.5	266	7.7
DCBB	2	1	29.6	2	5.7	462	390	18.7	445	4.0
FB	10	10	1.9	11	(3.0)	2,349	1,992	17.9	2,303	2.0
HDFCB*	172	164	5.1	168	2.3	25,195	24,461	3.0	24,951	1.0
ICICI	112	103	8.7	117	(4.9)	13,156	11,538	14.0	12,772	3.0
INBK	24	21	13.0	27	(11.5)	5,339	4,871	9.6	5,329	0.2
IIB	12	23	(45.8)	13	(6.3)	3,643	3,271	11.4	3,572	2.0
KMB	34	30	12.6	33	1.2	4,115	3,596	14.4	3,995	3.0
RBL	2	2	(15.5)	2	(11.4)	905	799	13.2	879	3.0
SBIN	165	92	80.1	183	(10.0)	39,731	35,195	12.9	38,574	3.0
Aggregate	685	593	15.5	723	(5.2)	127,522	115,540	10.4	124,616	2.3
PSBs	274	195	40.2	303	(9.7)	66,640	59,514	12.0	64,956	2.6
Private	412	398	3.4	420	(2.0)	60,882	56,026	8.7	59,661	2.0

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

Housing Finance

(Rs mn)	Net Interest Income					Pre-provision profit				
	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
HOME FIRST	1,660	1,344	23.6	1,566	6.0	1,353	1,098	23.2	1,261	7.3
AAVAS	2,539	2,208	15.0	2,418	5.0	2,056	1,577	30.4	1,948	5.5
APTUS	2,913	2,400	21.4	2,772	5.1	2,588	2,131	21.4	2,462	5.1
Aggregate	7,112	5,951	19.5	6,756	5.3	5,996	4,806	24.8	5,672	5.7

Source: Company, Dolat Capital

(Rs mn)	Profit After Tax					Advances				
	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q2FY25E	Q2FY24	YoY (%)	Q1FY25	QoQ (%)
HOME FIRST	984	788	24.9	922	6.7	100,133	75,479	32.7	94,465	6.0
AAVAS	1,553	1,166	33.1	1,479	5.0	155,974	129,932	20.0	147,146	6.0
APTUS	1,920	1,576	21.8	1,820	5.5	100,502	79,292	26.7	94,813	6.0
Aggregate	4,457	3,531	26.2	4,221	5.6	356,609	284,702	25.3	336,424	6.0

Source: Company, Dolat Capital

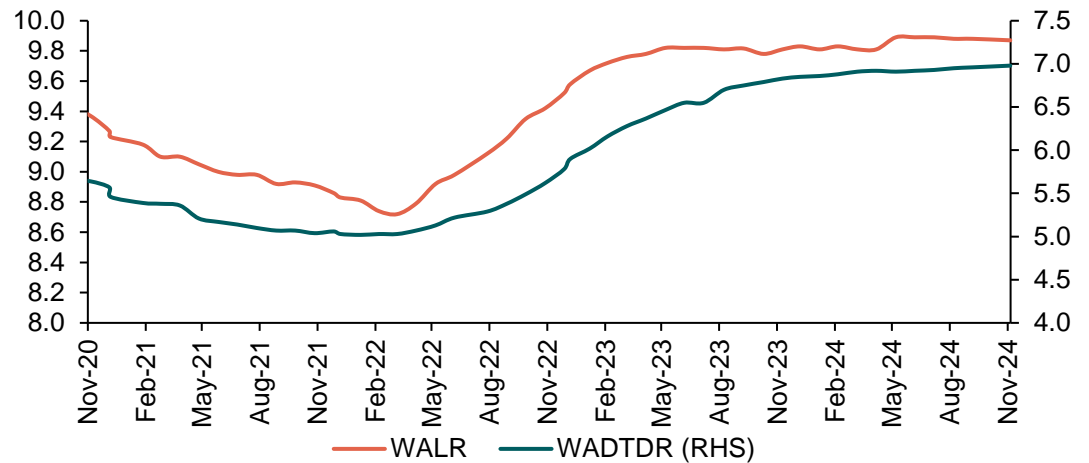
Gold Finance

(Rs mn)	Net Interest Income					Pre-provision profit				
	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
Manappuram	11,777	10,081	16.8	11,355	3.7	7,412	6,124	21.0	6,933	6.9
Muthoot	26,259	19,057	37.8	25,180	4.3	19,956	13,942	43.1	19,150	4.2
Aggregate	38,036	29,138	30.5	36,536	4.1	27,368	20,066	36.4	26,082	4.9

Source: Company, Dolat Capital

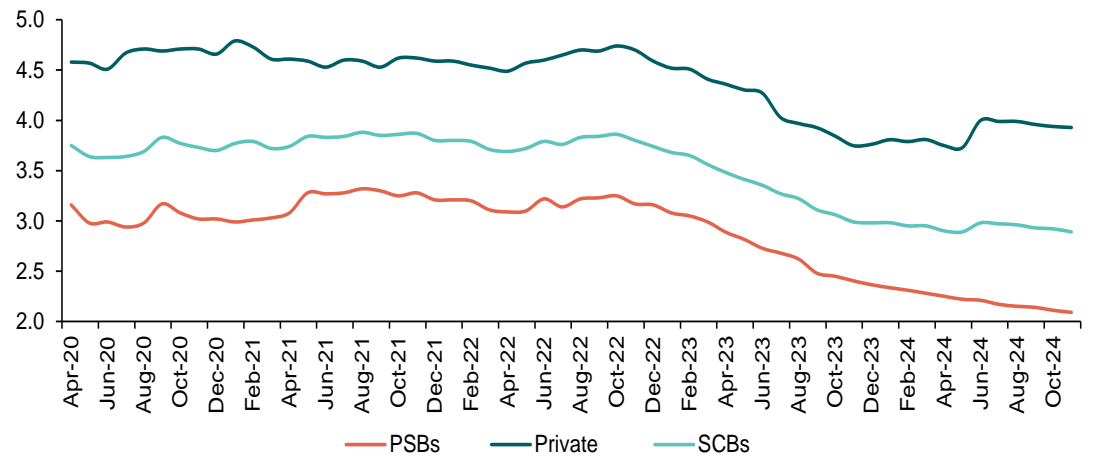
(Rs mn)	Profit After Tax					Advances				
	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Q3FY25E	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
Manappuram	4,868	4,286	13.6	4,749	2.5	329,486	274,572	20.0	321,987	2.3
Muthoot	13,117	10,273	27.7	12,511	4.8	950,160	722,127	31.6	904,914	5.0
Aggregate	17,985	14,559	23.5	17,261	4.2	1,279,647	996,699	28.4	1,226,902	4.3

Exhibit 1: Lending yields and deposit rates stabilize (%)



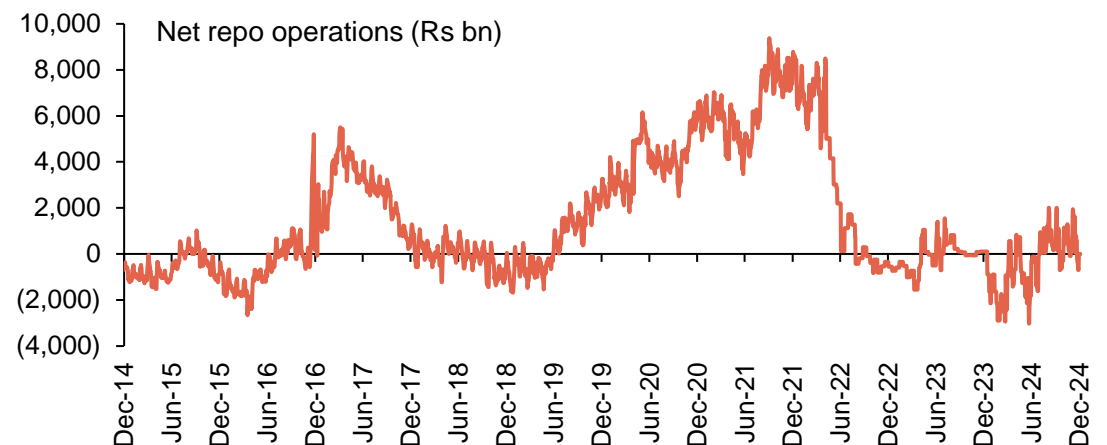
Source: Dolat Capital, RBI

Exhibit 2: Spread compression continues, higher for PSBs vs private (%)



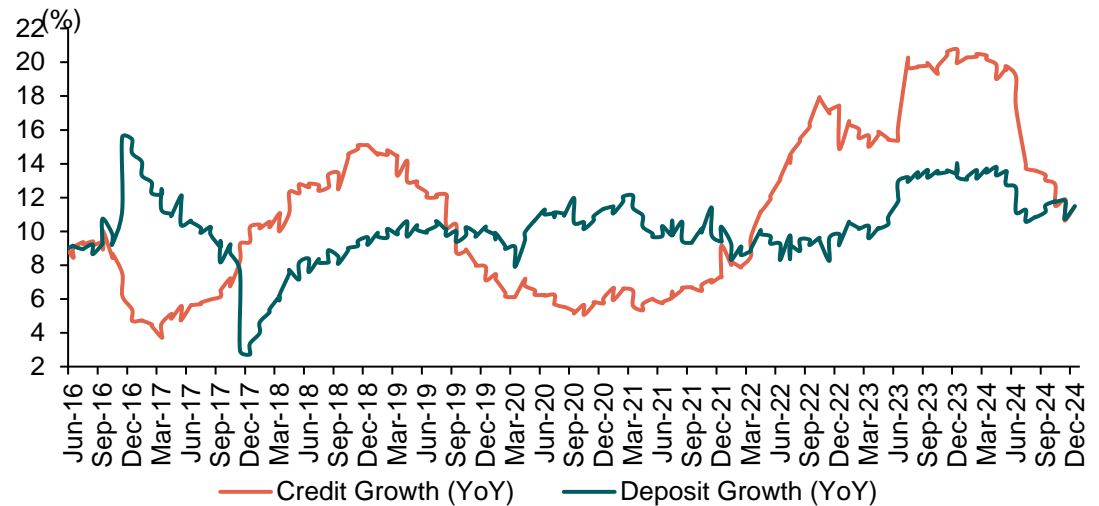
Source: Dolat Capital, RBI

Exhibit 3: Liquidity situation remains tight



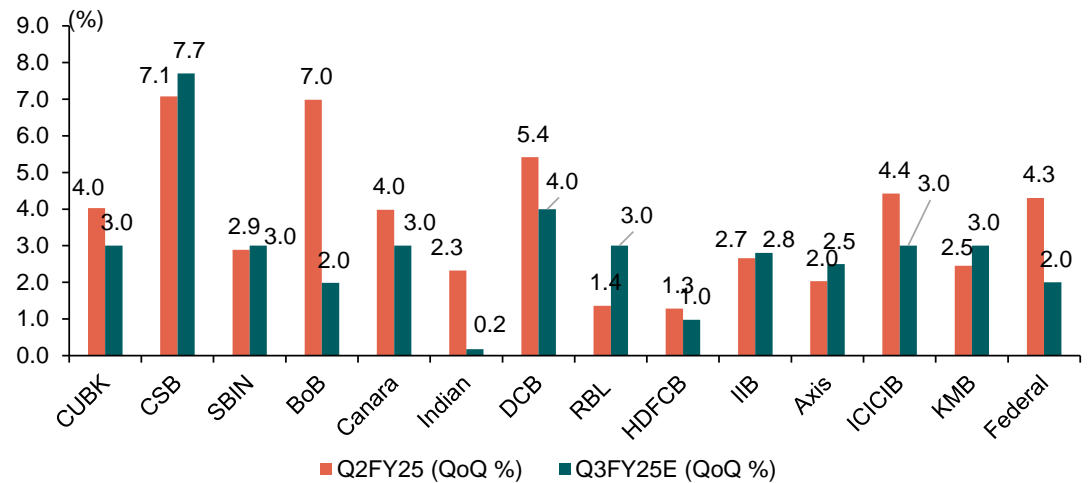
Source: Dolat Capital, RBI

Exhibit 4: Loan growth slows down, converging with deposit growth



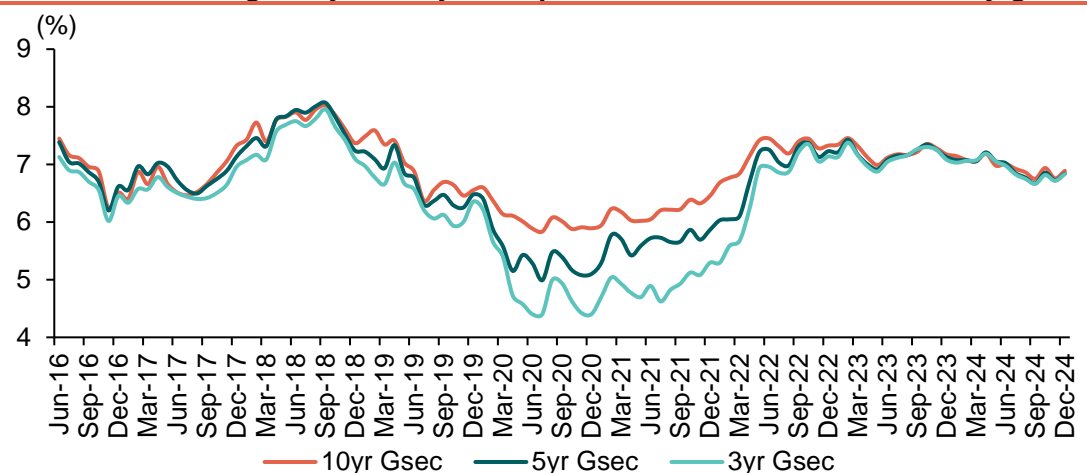
Source: Dolat Capital, RBI,

Exhibit 5: Sequential growth moderates across most banks



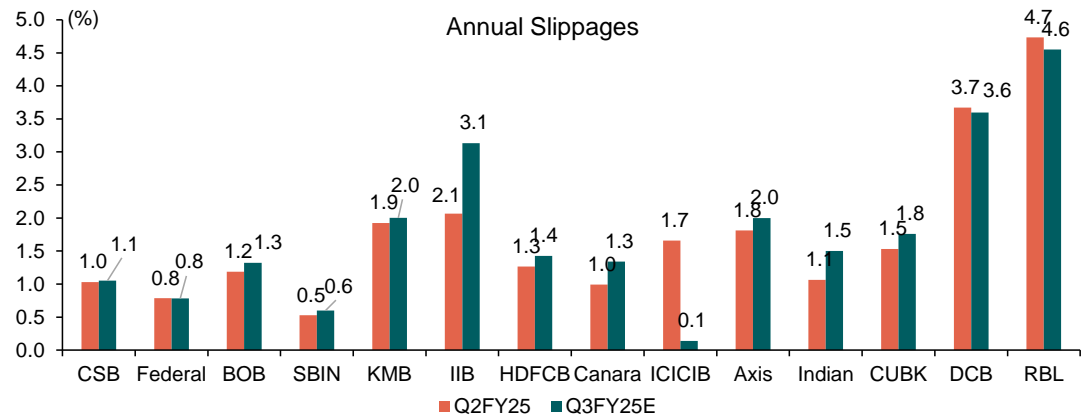
Source: Company, Dolat Capital

Exhibit 6: Rise in g-sec yields by ~20 bps across tenors to limit treasury gains



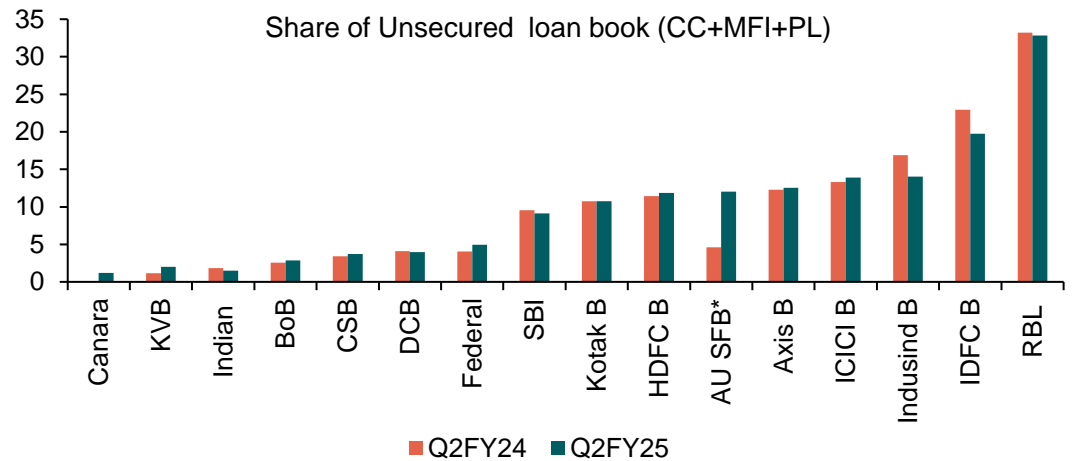
Source: Dolat Capital, RBI

Exhibit 7: Slippages will be monitorable; delinquencies to rise across unsecured retail



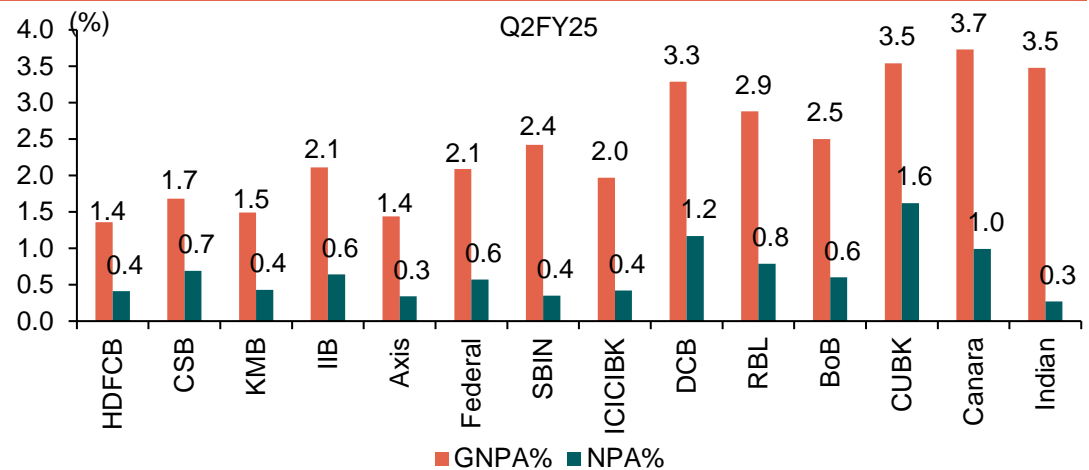
Source: Company, Dolat Capital

Exhibit 8: Banks with large unsecured share, mainly MFI, to see higher delinquencies



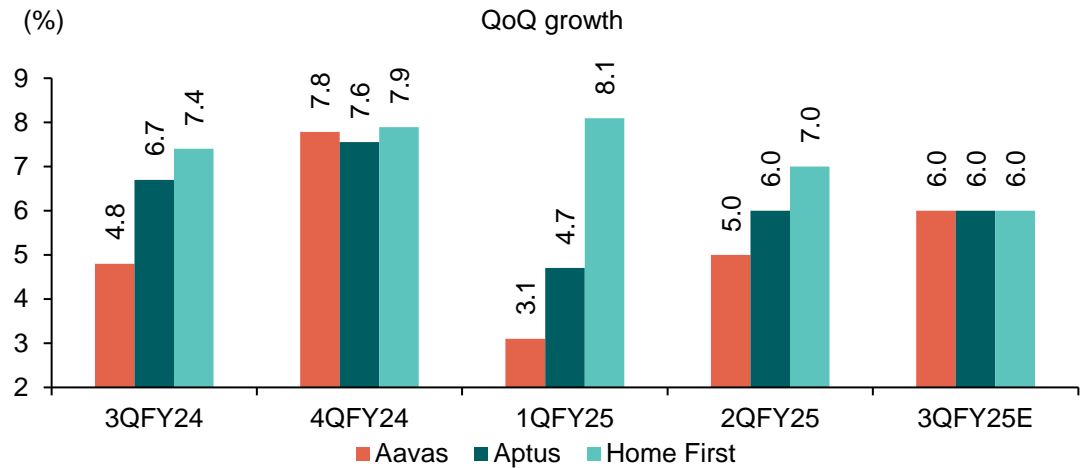
Source: Company, Dolat Capital, *Q2FY25 data for AU SFB includes Fincare SFB

Exhibit 9: Recoveries to decline led by low GNPA base, with normalization in credit costs



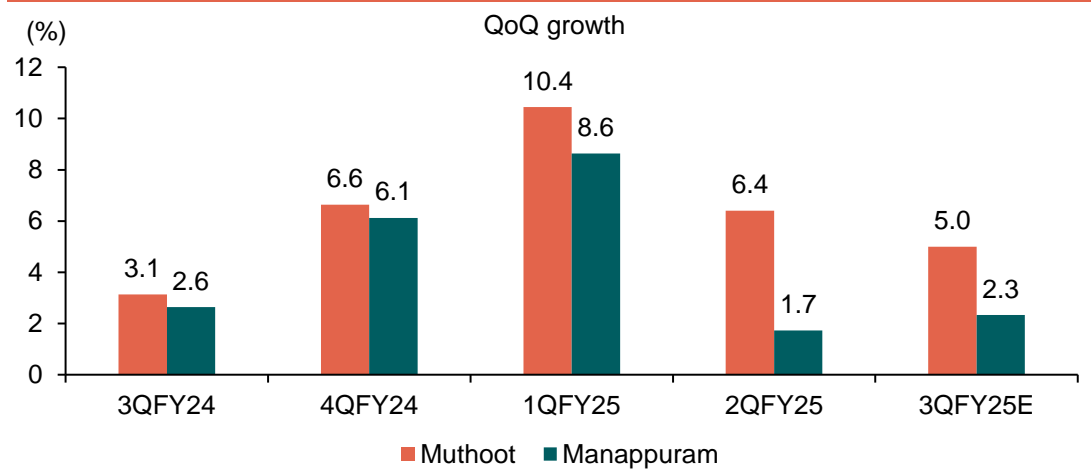
Source: Company, Dolat Capital

Exhibit 10: HFCs growth outlook remains steady



Source: Company, Dolat Capital

Exhibit 11: Muthoot to continue to outpace Manappuram on growth



Source: Company, Dolat Capital

Quarterly Estimates

(Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
Axis Bank						
Net Interest Income	136,944	134,832	1.6	125,322	9.3	Advances growth to moderate to 10% YoY/2.5% QoQ. NIM expected to be sequentially stable at ~4% as improved share of higher yielding focus segments offset the impact of interest reversals. Build in credit costs of 80 bps driven by unsecured and agri delinquencies. Operating efficiencies to aid RoA of 1.7%.
Pre-provision profit	104,990	107,125	(2.0)	91,412	14.9	
PAT	63,578	69,176	(8.1)	60,711	4.7	
EPS	20.6	22.4	(8.1)	19.7	4.5	
Bank of Baroda						
Net Interest Income	119,496	116,221	2.8	111,013	7.6	Reported advances grew at ~12% YoY/2% QoQ. NIM to remain stable at 3.1%. Contained slippage at 1.3% and benign credit costs of 70 bps to aid healthy RoA of ~1.1%. Traction in retail deposits remains a monitorable.
Pre-provision profit	81,811	94,770	(13.7)	70,056	16.8	
PAT	45,336	52,379	(13.4)	45,702	(0.8)	
EPS	8.8	10.1	(13.4)	8.9	(1.0)	
Canara Bank						
Net Interest Income	96,139	93,152	3.2	94,171	2.1	Advances to grow at 2-3% QoQ and 9-10% YoY. NIM expected to stabilize at 2.9% (+5 bps) as one-offs of last quarter fade. We build-in slippages of 1.3%, credit costs of 90 bps, and RoA of ~1%.
Pre-provision profit	75,832	76,538	(0.9)	68,054	11.4	
PAT	39,258	40,145	(2.2)	36,560	7.4	
EPS	4.3	4.4	(2.3)	4.0	7.4	
City Union Bank						
Net Interest Income	5,746	5,825	(1.4)	5,159	11.4	NIM to normalize at ~3.6% after a sharp rise in Q2. Loan growth to be healthy at 3% QoQ and ~14% YoY led by existing business lines (MSME, gold). PCR will continue to rise (at 55% currently), resulting in ~60bps of credit costs. Net slippage should remain marginal to negative. Expect healthy RoA of 1.5%.
Pre-provision profit	3,994	4,282	(6.7)	3,640	9.7	
PAT	2,622	2,852	(8.0)	2,530	3.6	
EPS	3.5	3.8	(8.0)	3.4	3.5	
CSB Bank						
Net Interest Income	3,944	3,675	7.3	3,827	3.1	CSB reported strong loan growth at 8% QoQ /27% YoY for Q3FY25, with 8% sequential growth in gold book. A 200 bps sequential rise in CD ratio should aid sequential stability in NIM at ~4.3%. With steady AQ trends, we build in credit cost of 30 bps and RoA of ~1.4%.
Pre-provision profit	2,089	2,004	4.2	1,959	6.6	
PAT	1,404	1,384	1.4	1,500	(6.4)	
EPS	8.1	8.0	1.4	8.6	(6.3)	

Source: Company, Dolat Capital

Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
DCB Bank						
Net Interest Income	5,520	5,092	8.4	4,740	16.5	NIM to expand by 10-12 bps QoQ to ~3.4%, led by increased share of higher yielding LAP book and fading impact of one-offs. Advances to grow at a healthy at 4% QoQ/ 19% YoY. Slippage ratio is expected at ~3.5%, though strong recoveries will aid benign credit cost at 30 bps with aid RoA of 0.9-1%.
Pre-provision profit	2,562	2,551	0.4	2,115	21.1	
PAT	1,643	1,555	5.7	1,267	29.6	
EPS	5.2	5.0	5.6	4.1	29.0	
Federal Bank						
Net Interest Income	24,409	23,672	3.1	21,230	15.0	Reported loan growth at 2% QoQ/18% YoY. NIM to remain stable to marginally higher QoQ at 3.15%. Gains from Equirus stake sale to aid operating profits and could be utilized for creating contingent buffers. Benign credit cost at 30 bps aid RoA of ~1.2%.
Pre-provision profit	15,953	15,654	1.9	14,370	11.0	
PAT	10,253	10,567	(3.0)	10,064	1.9	
EPS	4.2	4.3	(3.0)	4.4	(5.0)	
HDFC Bank						
Net Interest Income	309,342	301,139	2.7	284,713	8.7	Reported loan growth was muted at 3% YoY/1% QoQ as the bank is focused towards optimizing its LDR. NIM to improve by 5-7 bps QoQ as decline in LDR is more than offset by benefits of higher retail share. Credit costs at 50 bps will be impacted by seasonal higher agri slippage and increased unsecured delinquencies, with RoA at ~1.8%.
Pre-provision profit	256,766	247,057	3.9	236,473	8.6	
PAT	168,757	168,210	0.3	163,728	3.1	
EPS	22.1	22.1	0.0	21.6	2.4	
ICICI Bank						
Net Interest Income	203,421	200,480	1.5	186,786	8.9	Loan growth to moderate to 3% QoQ/ 14% YoY. NIM expected to be marginally lower at 4.2% (-7 bps QoQ) led by slight rise in interest reversals. Credit costs at 55 bps will be impacted by seasonally higher agri slippage and increased unsecured delinquencies. RoAs expected at ~2.2%.
Pre-provision profit	163,088	167,232	(2.5)	147,236	10.8	
PAT	111,689	117,459	(4.9)	102,719	8.7	
EPS	15.9	16.7	(4.9)	14.7	7.8	
Indian Bank						
Net Interest Income	62,908	61,942	1.6	58,142	8.2	Bank reported flattish advances QoQ and 10% YoY. NIM to remain stable QoQ at 3.4%. Healthy operating profits with PPOP/assets at 2.1% and contained credit costs at 70 bps to aid RoAs of 1.2%. Build in slippage ratio of 1.5%.
Pre-provision profit	42,764	47,285	(9.6)	40,976	4.4	
PAT	24,434	27,064	(9.7)	21,197	15.3	
EPS	18.1	20.1	(9.7)	16.8	8.1	

Source: Company, Dolat Capital

(Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
IndusInd Bank						
Net Interest Income	53,273	53,473	(0.4)	52,956	0.6	Expect a muted quarter driven by increased delinquencies from MFI book and elevated CC slippages. Advances growth reported at 3% QoQ/ 12% YoY. NIM at ~4.05% (-15bps QoQ) will be impacted by higher interest reversals. Asset quality across MFI/CC/CV portfolios will be under focus. Build in credit costs/RoA of ~2.1%/0.9%.
Pre-provision profit	35,681	35,998	(0.9)	40,423	(11.7)	
PAT	12,477	13,313	(6.3)	23,014	(45.8)	
EPS	16.0	17.1	(6.3)	29.6	(46.0)	
Kotak Mahindra Bank						
Net Interest Income	70,556	70,196	0.5	65,535	7.7	Expect loan growth of 3% QoQ and 14% YoY. Margins could decline by 10 bps owing to higher interest reversals and slowdown in unsecured portfolio growth, partly offset by benefits from recent decline in SA rate. Build in credit costs of 70 bps, with RoA at 2.15%.
Pre-provision profit	52,105	50,993	2.2	45,662	14.1	
PAT	33,828	33,437	1.2	30,051	12.6	
EPS	17.0	16.8	1.2	15.1	12.5	
RBL Bank						
Net Interest Income	16,403	16,150	1.6	15,459	6.1	Expect slippage and credit costs to remain elevated at ~4.5% and 2.9% respectively, with RoA of 0.6%. Reported loan growth of 3% QoQ/ 13% YoY. NIM will be impacted by elevated interest reversals and slower growth in higher yielding portfolios like MFI/CC, lower by -10 bps QoQ.
Pre-provision profit	8,951	9,099	(1.6)	7,653	17.0	
PAT	1,972	2,225	(11.4)	2,333	(15.5)	
EPS	3.3	3.7	(11.4)	3.9	(15.9)	
State Bank of India						
Net Interest Income	421,835	416,195	1.4	398,157	5.9	Expect healthy loan growth at 13% YoY and 3-4% QoQ. NIM to be stable QoQ at 3.15%. Build in slippage ratio and credit costs of 60 bps and 50 bps respectively, with RoA at 1%. NPA ratio in PL book should be stable QoQ.
Pre-provision profit	273,214	292,937	(6.7)	132,362	106.4	
PAT	165,073	183,314	(10.0)	91,641	80.1	
EPS	18.5	20.5	(10.0)	10.3	80.1	

Source: Company, Dolat Capital

Affordable Housing Finance

(Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
Aptus Value Housing						Advances to grow at 27% YoY and 6% QoQ. Spreads to remain stable QoQ as benefits of improved yields (off a high share of fixed rate book) if offset by rise in CoF. Build in credit cost of 40 bps and RoA of 7.3%.
Net Interest Income	2,913	2,772	5.1	2,400	21.4	
Pre-provision profit	2,588	2,462	5.1	2,131	21.4	
PAT	1,920	1,820	5.5	1,576	21.8	
EPS	3.8	3.6	5.5	3.2	21.6	
Aavas Financier						AUM to grow by 6% QoQ and 20% YoY driven by strong sequential growth in disbursements. We build in marginally higher spreads at 4.95% as benefits of Oct PLR hike play out, partly offset by rise in CoF. Build in credit cost of 20 bps and RoAs of 3.6%. Operating efficiency aids a strong 33% YoY PAT growth.
Net Interest Income	2,539	2,418	5.0	2,208	15.0	
Pre-provision profit	2,056	1,948	5.5	1,577	30.4	
PAT	1,553	1,479	5.0	1,166	33.1	
EPS	19.6	18.7	5.0	14.7	33.1	
Home First Finance						AUM expected to grow at a 33% YoY and 6% QoQ. Spreads should be stable QoQ at ~5.1% as pressure on CoF is offset by benefit from Aug PLR hikes. With opex/assets at ~2.7% and credit costs at sub 30 bps, we build in RoAs of ~3.4%.
Net Interest Income	1,660	1,566	6.0	1,344	23.6	
Pre-provision profit	1,353	1,261	7.3	1,098	23.2	
PAT	984	922	6.7	788	24.9	
EPS	11.0	10.3	6.7	8.9	23.5	

Gold Finance

(Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
Manappuram Finance						Gold book to grow at 2-3% QoQ, partly impacted by seasonality. Growth in non gold portfolio will be impacted by lending embargo on Asirvad and increased stress across non-gold segments including MFI, vehicle & MSME books. Build in stable yields in standalone book along with rise in credit costs from non-gold portfolios. Opex efficiency could continue to support PAT.
Net Interest Income	11,777	11,355	3.7	10,081	16.8	
Pre-provision profit	7,412	6,933	6.9	6,124	21.0	
PAT	4,868	4,749	2.5	4,286	13.6	
EPS	5.8	5.6	2.5	5.1	13.6	
Muthoot Finance						Gold book to grow at 4-5% QoQ and over 30% YoY aided by slowdown in unsecured retail. Reported yields and spreads in standalone book to be stable QoQ. Credit costs to remain elevated at 85 bps, led by higher delinquencies from non-gold portfolios, with standalone RoA at 5.2%. MFI AQ trends will be monitorable.
Net Interest Income	26,381	25,180	4.8	19,057	38.4	
Pre-provision profit	20,212	19,150	5.5	13,942	45.0	
PAT	13,366	12,511	6.8	10,273	30.1	
EPS	33.3	31.2	6.8	25.6	30.1	

Source: Company, Dolat Capital

Valuation Summary

Banks	CMP*	TP	Rating	P/ABV (x)			P/E (x)		
	(Rs)	(Rs)		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Axis Bank	1,063	1,325	ACC	1.9	1.6	1.4	16.8	15.5	15.6
Bank of Baroda	228	300	BUY	1.0	0.9	0.8	15.4	14.8	14.2
Canara Bank	97	115	ACC	1.1	0.9	0.8	17.3	14.9	14.4
CSB Bank	314	400	BUY	1.4	1.2	1.0	13.2	14.6	15.8
City Union Bank	169	190	BUY	1.4	1.3	1.1	12.7	12.5	13.0
DCB bank	117	150	BUY	0.7	0.6	0.6	12.0	13.8	14.9
Federal bank	198	215	ACC	1.5	1.4	1.2	13.7	14.1	15.2
HDFC Bank	1,711	1,950	ACC	2.7	2.4	2.2	14.6	15.0	15.5
ICICI Bank	1,264	1,500	BUY	3.4	2.9	2.6	17.5	16.5	16.2
Indian Bank	510	665	BUY	1.2	1.0	0.9	17.7	15.7	14.4
IndusInd Bank	970	1,450	ACC	1.1	1.0	0.9	12.6	15.0	15.9
Kotak Mah Bank	1,780	2,300	BUY	3.2	2.8	2.5	15.4	12.9	13.3
RBL Bank	167	235	ACC	0.7	0.6	0.5	5.6	10.8	12.5
State Bank of India	776	950	ACC	1.8	1.6	1.4	17.5	15.8	15.1
Aptus Value Housing	287	460	BUY	3.4	2.9	2.5	18.7	20.1	21.3
Home First Finance	1,037	1,250	ACC	3.9	3.3	2.8	17.0	18.1	19.9
Aavas Financiers	1,695	1,900	ACC	3.2	2.7	2.3	14.4	15.5	16.5
Manappuram Finance	180	170	REDUCE	1.4	1.2	1.1	16.9	17.1	16.8
Muthoot Finance	2,186	2,150	BUY	3.5	3.0	2.6	18.2	19.3	19.1

Source: Company, Dolat Capital; *Price as of 6th Jan 2025

Valuation Summary (...contd)

Banks	RoE (%)			RoA (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Axis Bank	16.8	15.5	15.6	1.7	1.7	1.7
Bank of Baroda	15.4	14.8	14.2	1.1	1.0	1.0
Canara Bank	17.3	14.9	14.4	1.0	0.9	0.9
CSB Bank	13.2	14.6	15.8	1.4	1.5	1.6
City Union Bank	12.7	12.5	13.0	1.5	1.5	1.5
DCB bank	12.0	13.8	14.9	0.9	1.0	1.1
Federal bank	13.7	14.1	15.2	1.3	1.3	1.3
HDFC Bank	14.6	15.0	15.5	1.8	1.9	1.9
ICICI Bank	17.5	16.5	16.2	2.2	2.1	2.1
Indian Bank	17.7	15.7	14.4	1.3	1.1	1.1
IndusInd Bank	12.6	15.0	15.9	1.5	1.8	1.8
Kotak Mahindra Bank	15.4	12.9	13.3	2.5	2.1	2.1
RBL Bank	5.6	10.8	12.5	0.6	1.1	1.2
State Bank of India	17.5	15.8	15.1	1.1	1.0	1.0
Aptus Value Housing	18.7	20.1	21.3	7.4	7.2	7.0
Home First Finance	17.0	18.1	19.9	3.6	3.4	3.4
Aavas Financiers	14.4	15.5	16.5	3.2	3.4	3.5
Manappuram Finance	16.9	17.1	16.8	5.1	5.1	5.1
Muthoot Finance	18.2	19.3	19.1	5.0	5.2	5.2

Source: Company, Dolat Capital

Dolat Rating Matrix

Total Return Expectation (12 Months)

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

Dolat Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
--------------------	--------------------------	--------------------------------	------------------------

Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
--------------------------	-------------------------	------------------------------	------------------------

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	Director - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	Designation	E-mail	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**II. Disclaimer:**

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dolat Capital Market Private Limited. and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
