

Muted earnings off a high base

In Q4FY25, Banks are expected to experience a modest earnings growth of 1% QoQ (-5% YoY), impacted by moderation in growth & NIM, and gradual normalization of credit cost. We build in NII growth of 2% QoQ/ 4% YoY for coverage banks. Operating profit will be up 6% QoQ (-1% YoY) as seasonally higher fee lines and slightly better treasury gains aid other income. Despite 25 bps repo rate cut in Feb and 30-60% of EBLR linked loan share across most banks, NIM moderation will be limited in Q4 as many banks have 3-month reset frequency on EBLR loans. Additionally, NIM across several banks will benefit from SA rate cut during the quarter (including KMB, IIB, RBL, CUBK, DCB, FB, CSB). RoAs to remain at the upper end of long-term averages for most banks (barring IIB, RBL), led by healthy NIMs, seasonally strong fee lines, robust recoveries, and largely benign credit costs. Credit cost is normalizing at higher levels but remains contained. Slippages in CC and PL have likely peaked, but MFI delinquencies will likely be at elevated levels.

Expect robust growth trends for affordable housing financiers at 8% QoQ, with sequential improvement in asset quality. Loan growth for gold NBFCs is expected to be strong at 5-10% QoQ as elevated gold prices, seasonally strong demand, and slowdown in unsecured credit drive growth.

Seasonally strong growth in Q4

Loan growth has slowed down to 11% YoY for coverage banks, despite a seasonally strong Q4 (3.5% QoQ). Slowdown in retail unsecured credit (PL/CC/MFI), challenges in deposit accretion, and delayed pickup in private capex are mainly contributing to slower system growth. Domestic advances grew by 2.8% so far in Q4FY25 (till 21-Mar-25), similar as same period last year at 2.9%. We build in loan growth of 3.5% QoQ and 11% YoY for coverage banks. Reported data as per business updates also alludes to healthy sequential growth of 3-5% across most banks. Sequential deposit growth (till 21-Mar-25) at 2.3% was slightly higher than that seen for the same period last year at 1.9% but partly led by increased wholesale borrowings amidst tight liquidity.

NIM continues to moderate; Seasonally higher fee lines aid earnings

We build in 5-10 bps lower NIM QoQ across most private banks, led by the impact of rate-cut on EBLR-linked loans, slower growth in unsecured portfolios, and elevated MFI delinquencies. NIM moderation to be limited in Q4 as most private banks have a 3-month reset frequency on EBLR loans & as SA rate cut across several banks (including KMB, IIB, RBL, CUBK, DCB, FB, CSB) will aid margins. For PSBs, NIM is flattish QoQ as re-pricing of MCLR loans may offset the downward pressure. With a sequential decline in G-sec yields across tenors (10-20 bps) during Q4FY25, we expect sequentially higher treasury gains QoQ. This, along with seasonally strong fee lines will aid RoAs in Q4FY25.

AQ trends are not concerning; Credit cost normalization underway

Slippage in CC and PL have peaked, but MFI delinquencies to remain at elevated levels. Cash recoveries from debt transfer of JP Associates to NARCL will aid profitability for a few banks, mainly SBI, ICICI, Axis, Canara. Any signs of seepage of stress from unsecured into secured assets is not evident yet but remains monitorable. Credit costs are nonetheless normalizing at higher levels.

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

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Quarterly Estimates

(Rs bn)	Net Interest Income					Pre-provision profit				
	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)
AXSB	137	131	4.5	136	0.5	110	105	4.7	105	4.7
BOB	117	118	(0.8)	114	2.5	81	81	0.1	77	5.8
CBK	93	96	(3.1)	91	1.5	80	74	8.7	78	2.4
CUBK	6	5	10.2	6	2.5	4	4	22.6	4	(1.1)
CSBBANK	4	4	3.6	4	6.6	2	2	7.2	2	10.8
DCBB	6	5	13.2	5	5.9	3	2	18.2	3	1.9
FB	25	22	12.6	24	1.7	16	11	39.7	16	(1.1)
HDFCB	313	291	7.5	307	2.0	258	293	(11.9)	250	3.1
ICICI	206	191	7.7	204	0.9	167	150	11.2	169	(1.0)
INBK	65	60	8.8	64	2.0	49	43	12.7	47	2.1
IIB	52	54	(3.7)	52	(1.0)	36	41	(12.4)	36	(0.7)
KMB	73	69	5.5	72	1.3	54	55	(0.9)	52	4.5
RBL	16	16	(2.9)	16	(2.0)	11	9	20.0	10	6.8
SBIN	429	417	3.0	414	3.5	276	287	(4.1)	236	17.0
Aggregate	1,540	1,478	4.2	1,510	2.0	1,146	1,157	(1.0)	1,085	5.7
PSBs	704	690	2.0	684	2.9	486	485	0.0	438	10.8
Private	836	788	6.1	826	1.2	661	672	(1.6)	647	2.2

Source: Company, Dolat Capital

(Rs bn)	Profit After Tax					Advances				
	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)
AXSB	69	71	(3.1)	63	9.6	10,501	9,651	8.8	10,146	3.5
BOB	48	49	(2.0)	48	(1.0)	11,974	10,658	12.3	11,513	4.0
CBK	42	38	13.0	41	3.5	10,442	9,316	12.1	10,237	2.0
CUBK	3	3	10.8	3	(1.3)	518	455	13.8	496	4.5
CSBBANK	1.6	1.5	7.9	1.5	7.6	315	243	29.6	286	10.1
DCBB	1.8	1.6	16.4	1.5	19.7	502	409	22.6	478	5.0
FB	10	9	9.9	10	4.3	2,373	2,094	13.3	2,304	3.0
HDFCB	173	165	4.6	167	3.2	25,938	24,849	4.4	25,182	3.0
ICICI	114	107	6.7	118	(3.1)	13,669	11,844	15.4	13,144	4.0
INBK	27	22	21.1	29	(4.6)	5,703	5,149	10.8	5,421	5.2
IIB	5	23	(80.5)	14	(67.4)	3,478	3,433	1.3	3,669	(5.2)
KMB	35	41	(15.9)	33	5.1	4,345	3,761	15.5	4,138	5.0
RBL	0.3	4	(92.6)	0.3	(19.7)	931	840	10.9	904	3.0
SBIN	177	207	(14.3)	169	5.0	41,848	37,040	13.0	40,046	4.5
Aggregate	707	742	(4.8)	698	1.2	132,537	119,741	10.7	127,964	3.6
PSBs	295	316	(6.7)	287	2.8	69,966	62,163	12.6	67,217	4.1
Private	412	427	(3.5)	411	0.2	62,571	57,579	8.7	60,747	3.0

Source: Company, Dolat Capital

Housing Finance

(Rs mn)	Net Interest Income					Pre-provision Profit				
	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)
HOME FIRST	1,710	1,368	25.0	1,631	4.8	1,486	1,135	30.9	1,396	6.4
AAVAS	2,736	2,371	15.4	2,533	8.0	2,070	1,818	13.9	1,945	6.4
APTUS	3,049	2,514	21.3	2,906	4.9	2,744	2,244	22.3	2,584	6.2
Aggregate	7,496	6,253	19.9	7,071	6.0	6,300	5,197	21.2	5,925	6.3

(Rs mn)	Profit After Tax					Advances				
	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)
HOME FIRST	1,036	835	24.1	974	6.3	108,525	81,434	33.3	100,649	7.8
AAVAS	1,568	1,426	9.9	1,464	7.1	166,268	140,044	18.7	153,171	8.6
APTUS	2,002	1,640	22.0	1,905	5.1	108,992	85,282	27.8	100,720	8.2
Aggregate	4,605	3,901	18.1	4,343	6.0	383,784	306,760	25.1	354,540	8.2

Source: Company, Dolat Capital

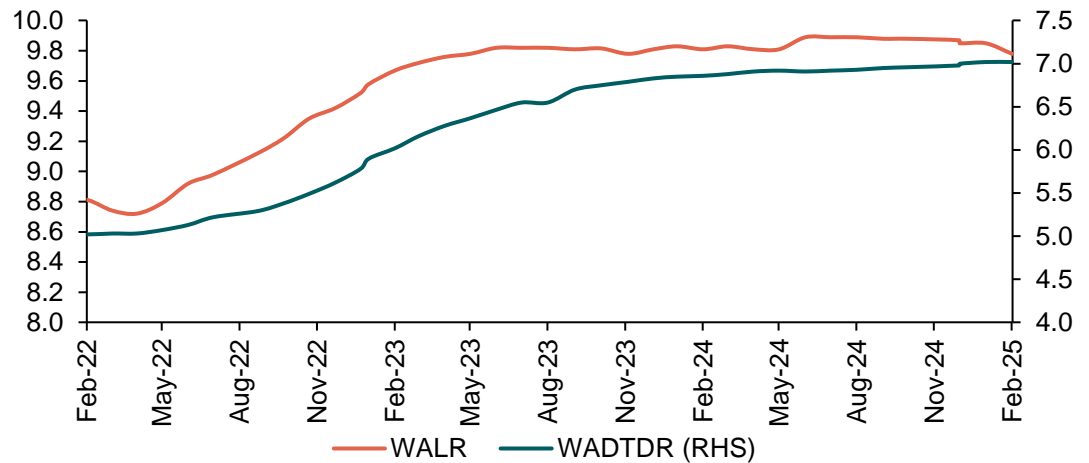
Gold Finance

(Rs mn)	Net Interest Income					Pre-provision Profit				
	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)
Manappuram	12,131	10,133	19.7	11,609	4.5	7,230	5,887	22.8	6,894	4.9
Muthoot	29,169	27,214	7.2	27,214	7.2	21,927	20,593	6.5	20,593	6.5
Aggregate	41,300	37,347	10.6	38,823	6.4	29,157	26,480	10.1	27,487	6.1

(Rs mn)	Profit After Tax					Advances				
	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Q4FY24	YoY (%)	Q3FY25	QoQ (%)
Manappuram	4,821	4,283	12.6	4,534	6.3	341,386	291,385	17.2	324,433	5.2
Muthoot	14,697	13,631	7.8	13,631	7.8	1,075,453	977,685	10.0	977,685	10.0
Aggregate	19,518	17,914	9.0	18,165	7.4	1,416,840	1,269,070	11.6	1,302,118	8.8

Source: Company, Dolat Capital

Exhibit 1: Lending yields moderating, while deposit rates stabilize (%)



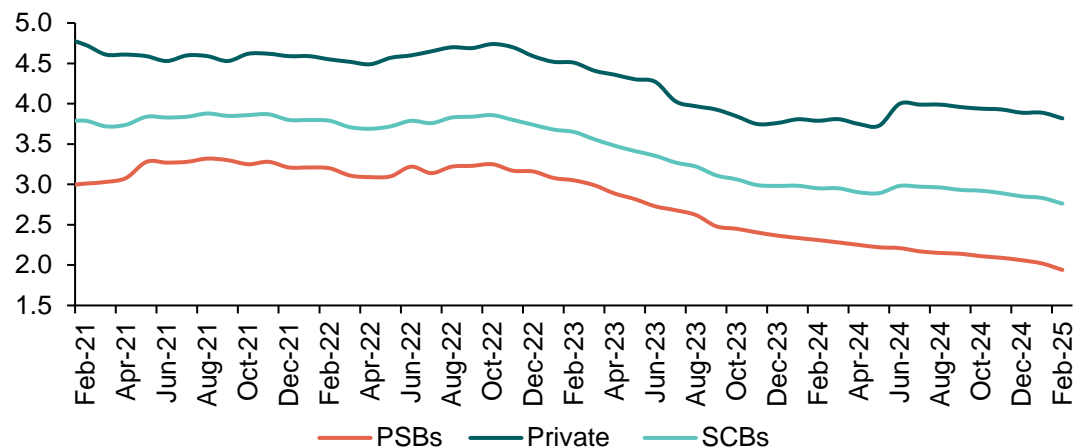
Source: Dolat Capital, RBI

Exhibit 2: Rate cut impact on NIM to be limited as banks with high EBLR mix have longer reset period

Bank Name	MCLR Share (%)	EBLR Share in advances	EBLR Reset Date
HDFC Bank	~10	60%, of which ~15% is linked to T-bills	3 & 6 months
Bank of Baroda	47	33	Immediate reset
City Union Bank	30	45	Every quarter
CSB Bank	28	10	NA
Federal Bank	19	51	Immediate reset
ICICI Bank	17	52	1 year(MCLR) & 3 months(EBLR)
Indian Bank	57	37	Immediate reset
Kotak Mahindra Bank	13	57	3 months
State Bank of India	38	27	Immediate reset
Canara Bank	48	41	Immediate reset
DCB Bank	NA	Portfolio ex of tractor, CV and some bit of gold is floating	3 months
Axis Bank	11	59% includes other EBLR	NA
RBL Bank	10	45	3 months
IndusInd	NA	50% floating	NA

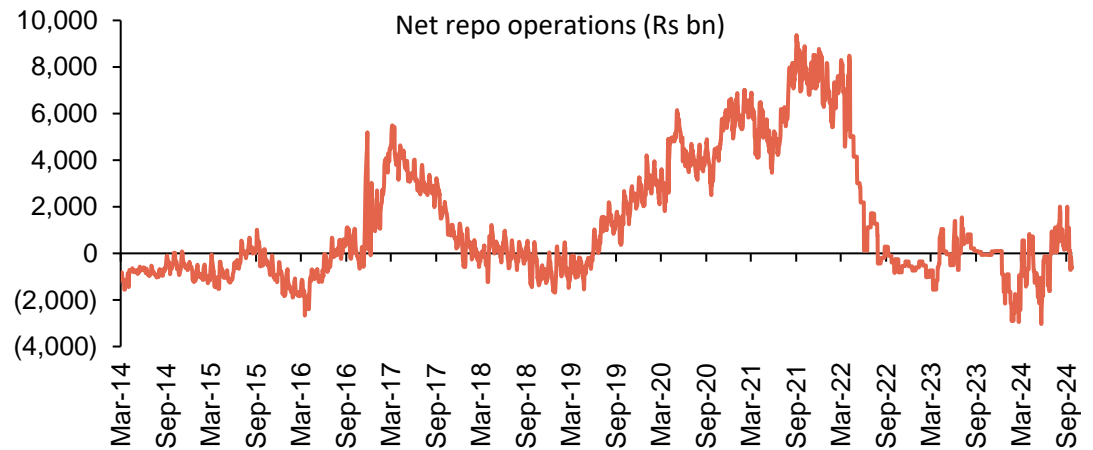
Source: Dolat Capital, Company

Exhibit 3: Spread compression continues, higher for PSBs vs private (%)



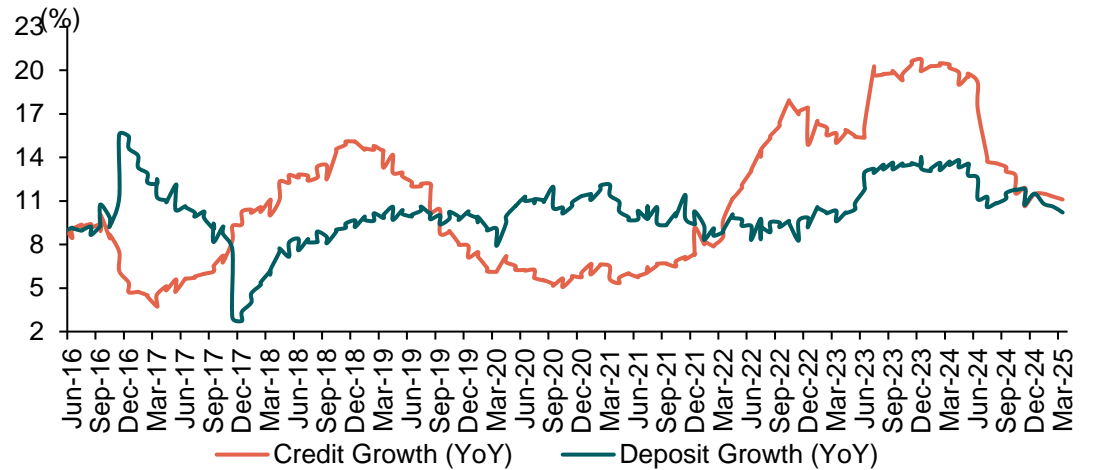
Source: Dolat Capital, RBI

Exhibit 4: Liquidity situation remains tight



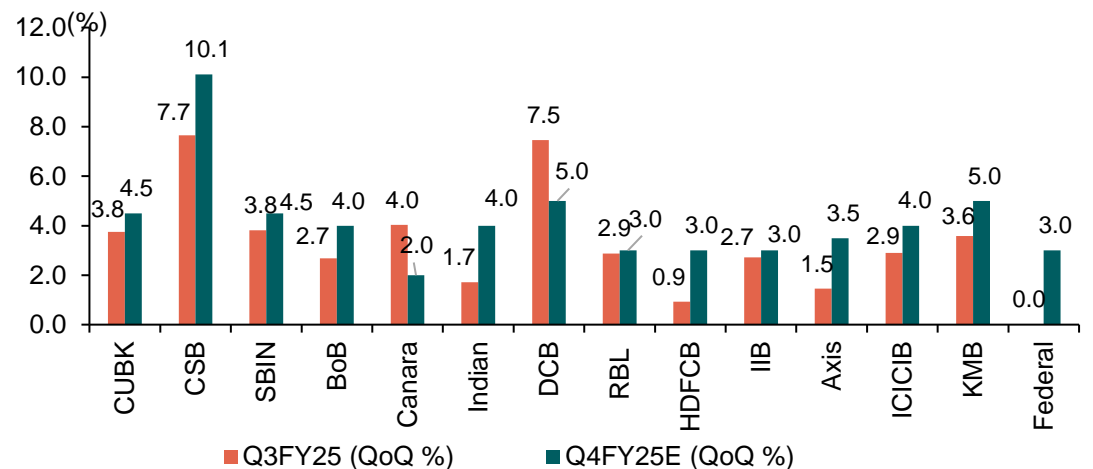
Source: Dolat Capital, RBI

Exhibit 5: Loan growth has slowed down, converging with deposit growth



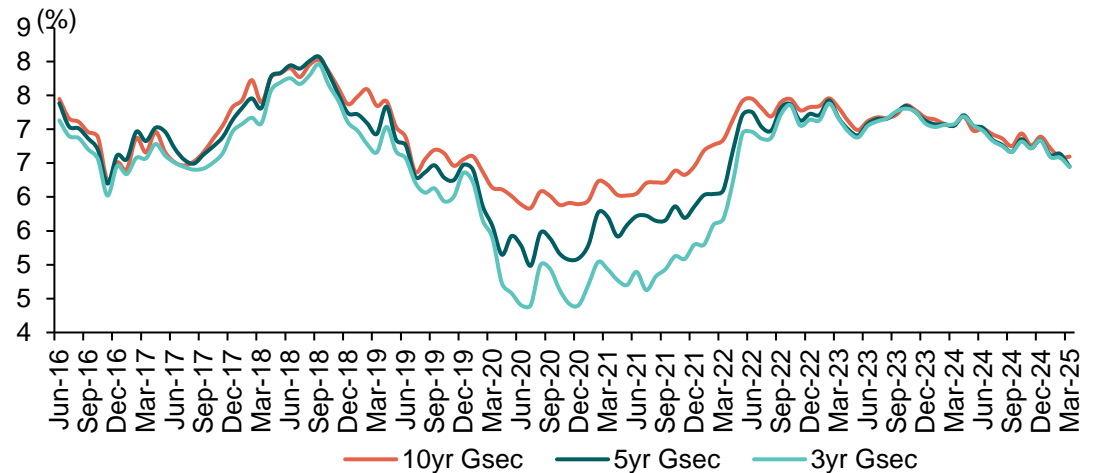
Source: Dolat Capital, RBI

Exhibit 6: Sequential growth to be seasonally higher across most banks



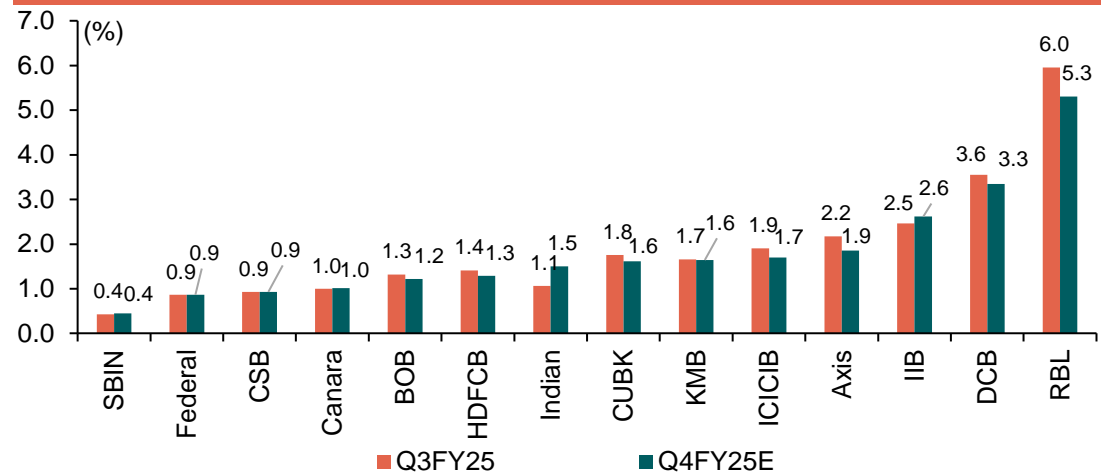
Source: Company, Dolat Capital

Exhibit 7: Moderation in g-sec yields (~10-20 bps) to aid treasury gains



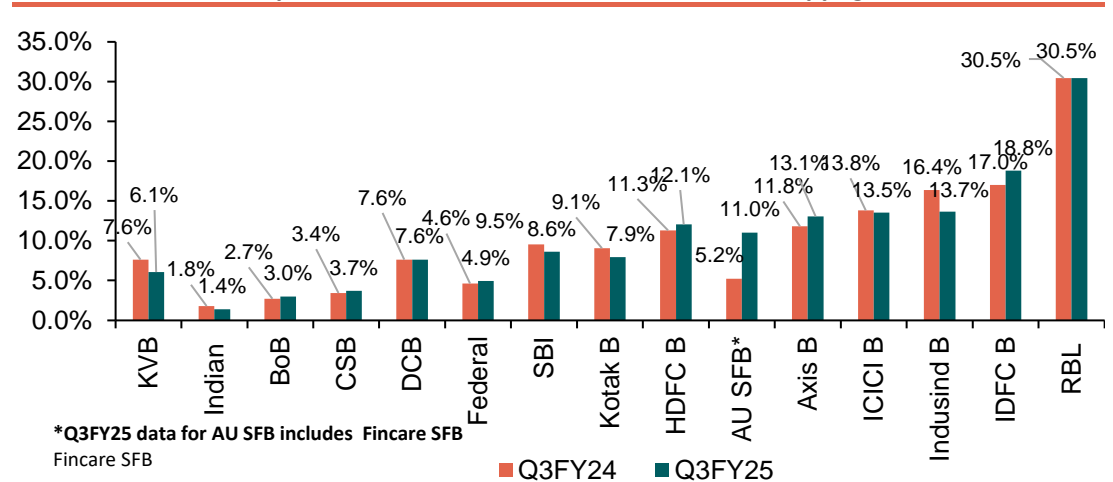
Source: Dolat Capital, RBI

Exhibit 8: Slippages to moderate QoQ; MFI delinquencies to remain elevated



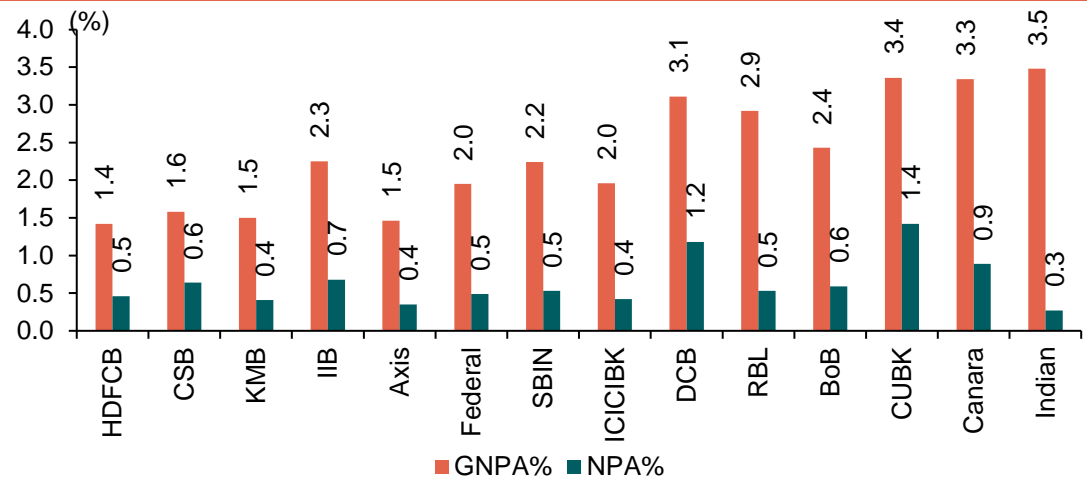
Source: Company, Dolat Capital

Exhibit 9: MFI delinquencies to remain elevated, while CC/PL slippages stabilize



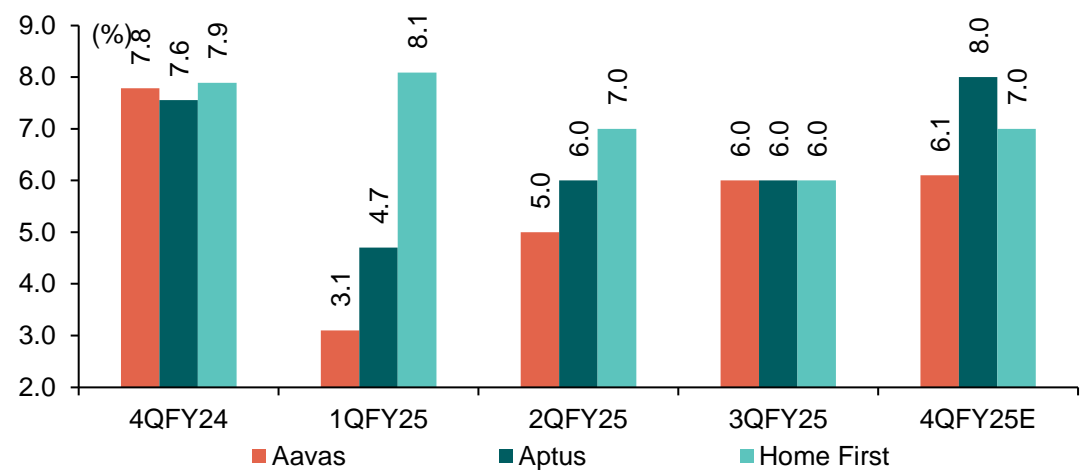
Source: Company, Dolat Capital

Exhibit 10: Recoveries to decline led by low GNPA base, with normalization in credit costs



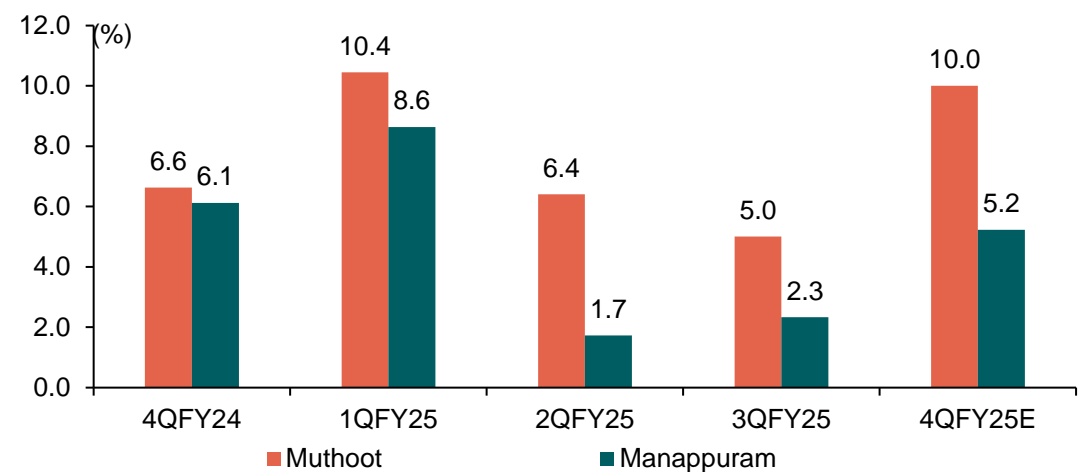
Source: Company, Dolat Capital

Exhibit 11: HFCs growth outlook remains steady



Source: Company, Dolat Capital

Exhibit 12: Muthoot to continue to outpace Manappuram on growth



Source: Company, Dolat Capital

Quarterly Estimates

(Rs mn)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)	Comments
Axis Bank						
Net Interest Income	136,761	136,059	0.5	130,890	4.5	Advances to grow at 4% QoQ/9% YoY. NIM to moderate by 5 bps QoQ as improved share of higher yielding focus segments partly offset the impact of rate cuts. Build in credit costs of 70 bps and slippages of 1.8-1.9%. Seasonally higher fee income to aid RoA of 1.8%.
Pre-provision profit	110,297	105,339	4.7	105,357	4.7	
PAT	69,068	63,038	9.6	71,297	(3.1)	
EPS	22.3	20.4	9.6	23.1	(3.4)	
Bank of Baroda						
Net Interest Income	117,023	114,169	2.5	117,928	(0.8)	Reported advances grew at ~13% YoY/5% QoQ. NIM to moderate slightly QoQ to 2.9% (-3 bps). Seasonally higher other income and benign credit costs at 50 bps aid RoA of >1.1% for the quarter. Build in slippage ratio of ~1.2%.
Pre-provision profit	81,124	76,642	5.8	81,061	0.1	
PAT	47,865	48,373	(1.0)	48,865	(2.0)	
EPS	9.3	9.4	(1.0)	9.5	(2.0)	
Canara Bank						
Net Interest Income	92,858	91,486	1.5	95,802	(3.1)	Advances to grow at 2% QoQ and 12% YoY. NIM is expected to be stable QoQ at 2.85%. We build-in slippages of 1%, credit costs of 90 bps, and RoA of ~1%.
Pre-provision profit	80,272	78,366	2.4	73,875	8.7	
PAT	42,467	41,042	3.5	37,572	13.0	
EPS	4.7	4.5	3.6	4.1	13.0	
City Union Bank						
Net Interest Income	6,024	5,877	2.5	5,466	10.2	NIM to be stable QoQ at 3.6% as yield impact from rate cuts is offset by benefits from SA rate cut in Feb. Loan growth to be healthy at 4-5% QoQ/ 14% YoY led by existing business lines and newer retail portfolios. PCR will continue to rise, with ~60bps of credit costs. Net slippage should be low/negative, with RoA of 1.5%.
Pre-provision profit	4,313	4,360	(1.1)	3,518	22.6	
PAT	2,822	2,860	(1.3)	2,548	10.8	
EPS	3.8	3.9	(1.3)	3.4	10.7	
CSB Bank						
Net Interest Income	4,001	3,755	6.6	3,860	3.6	CSB reported strong loan growth at 10% QoQ /30% YoY for Q4, with 8% QoQ growth in the gold book. Build in largely stable NIM QoQ (-5 bps QoQ) led by rising non-gold share. The impact of declining gold share on yields will be offset by benefits from reduced SA rates. We build in credit cost of 30 bps and RoA of ~1.5%.
Pre-provision profit	2,445	2,207	10.8	2,280	7.2	
PAT	1,634	1,518	7.6	1,515	7.9	
EPS	9.4	8.8	7.6	8.7	7.9	

Source: Company, Dolat Capital

Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
DCB Bank						
Net Interest Income	5,747	5,429	5.9	5,075	13.2	NIM to expand by 5 bps QoQ to ~3.3%, led by SA rate cuts, partly offset by moderation in yields on EBLR-linked loans and high interest reversals from the MFI book. Advances to grow at a healthy at 5% QoQ/ 22% YoY. Slippage ratio is expected at ~3-3.5%, with credit cost at 55 bps and RoA of 1%.
Pre-provision profit	2,764	2,711	1.9	2,338	18.2	
PAT	1,812	1,514	19.7	1,557	16.4	
EPS	5.8	4.8	19.6	5.0	16.0	
Federal Bank						
Net Interest Income	24,723	24,310	1.7	21,951	12.6	Build in loan growth at 3% QoQ/13% YoY. NIM to remain sequentially stable at ~3.1% as rate cut impact on yields is offset by the rise in share of high yielding portfolios and SA rate cut. Benign credit cost at 40 bps aid RoA of ~1.2%.
Pre-provision profit	15,517	15,691	(1.1)	11,104	39.7	
PAT	9,961	9,551	4.3	9,063	9.9	
EPS	4.1	3.9	4.3	3.7	9.1	
HDFC Bank						
Net Interest Income	312,565	306,533	2.0	290,768	7.5	Reported loan growth at 5% YoY/4% QoQ, with healthy deposit growth at 6% QoQ/14% YoY. NIM to be stable QoQ, as benefits of seasonally lower interest reversals and reduction in e-HDFC borrowings are offset by decline in LDR and lower yields on EBLR-linked loans. We build-in credit costs of 50 bps (with sequential rise in PCR) and RoA at ~1.8%.
Pre-provision profit	257,878	250,004	3.1	292,742	(11.9)	
PAT	172,654	167,355	3.2	165,124	4.6	
EPS	22.6	21.9	2.9	21.7	3.8	
ICICI Bank						
Net Interest Income	205,631	203,706	0.9	190,928	7.7	Loan growth expected to be at 4% QoQ/ 15% YoY. Core NIM will be lower by ~8 bps QoQ at 4.2%, impacted by lower yields on EBLR-linked loans. NIM impact will be partly offset by sequential decline in interest reversals. We build in slippage and credit cost of 1.7% and ~45 bps respectively, with RoAs at ~2.2%.
Pre-provision profit	167,234	168,866	(1.0)	150,388	11.2	
PAT	114,266	117,924	(3.1)	107,075	6.7	
EPS	16.2	16.7	(3.1)	15.3	6.2	
Indian Bank						
Net Interest Income	65,430	64,147	2.0	60,154	8.8	Reported advance growth stood at 5% QoQ and 11% YoY. NIM to remain stable QoQ at 3.45% as benefits from the rise in MCLR rate are offset policy rate cut impact on EBLR-linked loans. Seasonally higher other income, healthy NIM, and contained credit costs at 80 bps to aid RoAs of 1.3%. Build in a slippage ratio of 1.1%.
Pre-provision profit	48,501	47,494	2.1	43,050	12.7	
PAT	27,222	28,524	(4.6)	22,470	21.1	
EPS	20.2	21.2	(4.6)	17.8	13.6	

Source: Company, Dolat Capital

(Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
IndusInd Bank						
Net Interest Income	51,758	52,281	(1.0)	53,764	(3.7)	Expect a weak quarter owing to Rs22bn of derivative discrepancy, which will flow through P&L. MFI slippages to remain elevated. Reported advances de-grew by 5% QoQ (+1% YoY) as bank let go corporate loans to aid liquidity. NIM at ~3.8% (-10bps QoQ) will be impacted by high interest reversals. Build in RoA of 0.3%, with utilization of the entire Rs13bn of excess contingent provisions (including that for MFI book).
Pre-provision profit	35,754	36,007	(0.7)	40,815	(12.4)	
PAT	4,575	14,024	(67.4)	23,490	(80.5)	
EPS	5.9	18.0	(67.4)	30.3	(80.6)	
Kotak Mahindra Bank						
Net Interest Income	72,896	71,963	1.3	69,094	5.5	Expect loan growth of 4-5% QoQ and 15% YoY. Margins could decline by 5 bps, led by lower yields on EBLR-linked loans, partly offset by benefits from the lifting of supervisory restrictions and SA rate-cut. Build in credit costs of 75 bps as MFI delinquencies remain elevated, with RoA at 2.15%.
Pre-provision profit	54,120	51,810	4.5	54,623	(0.9)	
PAT	34,750	33,051	5.1	41,337	(15.9)	
EPS	17.5	16.6	5.1	20.6	(15.1)	
RBL Bank						
Net Interest Income	15,534	15,851	(2.0)	15,999	(2.9)	Expect slippage and credit costs to be elevated at ~5% and 4.5% respectively. We factor in the utilization of contingent provisions of Rs 2.7 bn. The bank reported loan growth of 3% QoQ/ 11% YoY for Q4. NIM (-10 bps QoQ) will be impacted by high interest reversals and slower disbursements in MFI/CC. Build in low RoA of 0.1%.
Pre-provision profit	10,642	9,966	6.8	8,870	20.0	
PAT	262	326	(19.7)	3,526	(92.6)	
EPS	0.4	0.5	(19.7)	5.8	(92.6)	
State Bank of India						
Net Interest Income	429,101	414,455	3.5	416,552	3.0	Expect healthy loan growth at 13% YoY and 4.5% QoQ. NIM to be stable QoQ at 3% as rate cut impact is offset by increased share of higher yielding portfolios (PL/SME). Build in slippage ratio and credit costs of 50 bps and 35 bps respectively, with RoA at 1%. Recoveries from the transfer of a large NPA account to NARCL to aid earnings.
Pre-provision profit	275,627	235,508	17.0	287,476	(4.1)	
PAT	177,295	168,914	5.0	206,984	(14.3)	
EPS	19.9	18.9	5.0	23.2	(14.4)	

Source: Company, Dolat Capital

Affordable Housing Finance

(Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
Aptus Value Housing						
Net Interest Income	3,049	2,906	4.9	2,514	21.3	Advances to grow at 27% YoY and 8% QoQ. Spreads to remain stable QoQ as benefits of improved yields (off a high share of fixed rate book) is offset by slightly higher CoF. Build in credit cost of 50 bps and RoA of 7.3%.
Pre-provision profit	2,744	2,584	6.2	2,244	22.3	
PAT	2,002	1,905	5.1	1,640	22.0	
EPS	4.0	3.8	5.1	3.3	21.9	
Aavas Financier						
Net Interest Income	2,736	2,533	8.0	2,371	15.4	Reported AUM grew by 8% QoQ and 18% YoY, driven by strong sequential growth in disbursements. We build in 5 bps higher spreads at 5%, driven by reduced CoF (EBLR benefits) and residual impact of Oct PLR hike. Build in credit cost of ~15 bps and RoAs of 3.4%.
Pre-provision profit	2,070	1,945	6.4	1,818	13.9	
PAT	1,568	1,464	7.1	1,426	9.9	
EPS	19.8	18.5	7.1	18.0	9.9	
Home First Finance						
Net Interest Income	1,710	1,631	4.8	1,368	25.0	AUM is expected to grow at 33% YoY and 8% QoQ, with sequentially stable spreads at ~5.1%. With opex/assets at ~2.7% and credit costs at 40 bps, we build in RoAs of ~3.4%.
Pre-provision profit	1,486	1,396	6.4	1,135	30.9	
PAT	1,036	974	6.3	835	24.1	
EPS	11.6	10.9	6.3	9.4	23.2	

Gold Finance

(Rs mn)	Q3FY25E	Q2FY25	QoQ (%)	Q3FY24	YoY (%)	Comments
Manappuram Finance						Gold book to grow at 5% QoQ/17% YoY amidst a seasonally strong Q4 and rising gold prices. Growth in non-gold portfolio will be impacted by slower disbursals and elevated stress in Asirvad. Build in stable spreads in standalone book along with 0.9% credit costs (led by higher PCR in non-gold portfolios). Credit costs at consol level to remain elevated at ~4%, limiting consolidated profitability.
Net Interest Income	12,131	11,609	4.5	10,133	19.7	
Pre-provision profit	7,230	6,894	4.9	5,887	22.8	
PAT	4,821	4,534	6.3	4,283	12.6	
EPS	5.7	5.4	6.3	5.1	12.6	
Muthoot Finance						Gold book to grow at 10% QoQ and over 40% YoY, aided by seasonally strong Q4, higher gold prices, and reduced competitive intensity from unsecured products. Yields and spreads to moderate slightly QoQ, partly impacted by the rise in CoF. Credit cost to remain elevated at 80 bps, led by non-gold portfolios, with standalone RoA at 5.2%. MFI AQ trends will be monitorable.
Net Interest Income	29,169	27,214	7.2	27,214	7.2	
Pre-provision profit	21,927	20,593	6.5	20,593	6.5	
PAT	19,861	18,505	7.3	18,505	7.3	
EPS	14,697	13,631	7.8	13,631	7.8	

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	1,091	1,250	ACC	2.0	1.7	1.4	12.8	11.5	9.8
Bank of Baroda	234	285	BUY	1.1	0.9	0.8	6.4	6.0	5.6
Canara Bank	90	110	ACC	1.0	0.9	0.7	5.0	5.1	4.8
CSB Bank	338	410	BUY	1.5	1.3	1.1	10.6	8.3	6.4
City Union Bank	162	215	BUY	1.4	1.2	1.1	10.5	9.6	8.3
DCB bank	116	130	ACC	0.8	0.7	0.6	6.0	4.6	3.7
Federal bank	195	210	ACC	1.5	1.3	1.2	11.6	10.3	8.4
HDFC Bank	1,817	1,950	ACC	2.9	2.6	2.3	20.6	18.2	15.6
ICICI Bank	1,335	1,500	BUY	3.5	3.1	2.7	20.5	19.4	17.1
Indian Bank	546	665	BUY	1.2	1.1	0.9	6.9	6.6	6.5
IndusInd Bank	682	1,180	ACC	0.8	0.7	0.7	9.9	6.1	5.2
Kotak Mah Bank	2,132	2,300	BUY	3.8	3.4	3.0	25.9	26.8	23.0
RBL Bank	177	180	ACC	0.7	0.6	0.6	16.6	6.2	4.8
State Bank of India	767	910	BUY	1.8	1.6	1.4	9.7	9.9	9.1
Aptus Value Housing	300	460	BUY	3.5	3.1	2.6	20.1	16.2	13.0
Home First Finance	1,008	1,130	ACC	3.8	3.3	2.7	23.2	18.2	13.9
Aavas Financiers	2,051	2,000	ACC	3.8	3.3	2.8	27.8	22.1	17.8
Manappuram Finance	233	170	REDUCE	1.8	1.6	1.4	10.7	9.3	8.2
Muthoot Finance	2,349	2,520	BUY	3.8	3.3	2.8	18.4	15.3	13.5

Source: Company, Dolat Capital; *Price as of 4th April 2025

Valuation Summary (...contd)

Banks	RoE (%)			RoA (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Axis Bank	16.1	15.4	15.5	1.7	1.7	1.8
Bank of Baroda	15.8	14.9	14.2	1.1	1.1	1.0
Canara Bank	17.4	15.0	14.3	1.0	0.9	0.9
CSB Bank	13.5	14.8	16.1	1.4	1.5	1.6
City Union Bank	12.8	12.5	13.0	1.5	1.5	1.5
DCB bank	11.4	13.2	14.7	0.9	1.0	1.1
Federal bank	13.2	13.3	14.4	1.2	1.2	1.3
HDFC Bank	14.5	14.8	15.4	1.8	1.8	1.9
ICICI Bank	17.9	16.4	16.3	2.3	2.1	2.1
Indian Bank	17.8	16.3	14.5	1.3	1.2	1.1
IndusInd Bank	8.2	12.2	12.9	1.0	1.4	1.4
Kotak Mahindra Bank	15.6	13.2	13.5	2.6	2.2	2.2
RBL Bank	4.3	10.6	12.2	0.4	1.1	1.2
State Bank of India	17.4	14.9	14.3	1.1	1.0	0.9
Aptus Value Housing	18.4	19.8	21.1	7.3	7.1	6.9
Home First Finance	16.7	18.2	19.9	3.5	3.4	3.4
Aavas Financiers	14.4	15.5	16.6	3.3	3.4	3.5
Manappuram Finance	16.6	16.8	16.6	5.0	5.0	5.0
Muthoot Finance	19.5	20.1	19.6	5.3	5.2	5.1

Source: Company, Dolat Capital

Dolat Rating Matrix

Total Return Expectation (12 Months)

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

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