CGSCIMB

InCred

Sector Note

India

OVERWEIGHT *(Initiating coverage)*

Highlighted Companies

Axis Bank

ADD, TP Rs700.0, Rs598 close

We believe Axis Bank's asset quality could remain under pressure from the impact of the COVID-19 pandemic. However, its strong liability franchise remains underappreciated and we think current valuations look reasonable.

ICICI Bank

ADD, TP Rs580.0, Rs476 close

With a relatively high proportion of large corporate loans and mortgages in its portfolio, ICICI Bank's eventual credit cost in FY21-22F will likely be below the sector average. Its non-banking subsidiaries contribute a meaningful portion of its current market cap.

State Bank of India

ADD, TP Rs320.0, Rs227.0 close

SBI's revenue progression has improved. We expect provisions to come off meaningfully which will lead to ROEs of 12% by FY22F Valuations are undemanding at 0.4x FY22F core book value.

Summary Valuation Metrics

P/E (x)	Mar-21	Mar-22	Mar-23
Axis	31.3	7.5	4.2
ICICI	22.7	15.3	10.9
HDFCB	24.5	20.7	17.4
P/B (x)	**Mar-21**	**Mar-22**	**Mar-23**
Axis	1.8	1.6	1.4
ICICI	1.9	1.7	1.5
HDFCB	3.8	3.3	2.8
Div yield (%)	**Mar-21**	**Mar-22**	**Mar-23**
Axis	0.7%	0.8%	0.8%
ICICI	0.8%	0.8%	0.8%
HDFCB	1.1%	1.1%	1.1%

Analyst(s)

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Financial Services - Overall

Positive risk-reward; initiate with Overweight

- We initiate coverage on Indian lenders with an Overweight rating as the risk-reward is favourable. Gradual revival in economy will likely stabilise earnings.
- Though a spike in NPLs appears inevitable, banks are well prepared with adequate capital and provisioning. NBFCs to benefit from improving liquidity.
- Despite sharp uptick in prices, valuations are below the five-year mean. ICICI, Axis and SBI are our top picks. We like HDFC and SHTF in the NBFC space.

Despite the sharp uptick recently, valuations are below 5-year mean

Banks have underperformed the broader indices by 15% (YTD) on the NIFTY 50 against the backdrop of lockdowns leading to NPL fears; while there has been a sharp uptick in the last two weeks, valuations are below the five-year mean. A gradual recovery in the economy and low interest rates scenario suggest meaningful upside potential, especially in large banks. Recent commentary on asset quality/restructuring has been encouraging and banks have done well to beef up provisioning cover and capital ratios. Core operating profits for top banks remain strong and a leash on costs would aid PPoP/average assets. Collection efficiencies across segments are now at 90-97% for banks, implying near normalisation.

Provisions and capital key drivers in current cycle

As a result of improved provisioning coverage due to a fairly prolong corporate asset quality cycle over the last few years, most large banks have provision coverage ratios (PCRs) of over 70-75%, which helps keep credit costs in check. Most banks have raised capital over the last three to six months, raising PCRs for top banks to +80%. Robust provisioning cover and strong capitalisation will tide banks through higher provisions in FY21-22F, in our view. Growth and NIMs should recover gradually with an uptick in the economy, but for now it's all about provisions and capital.

Provisions to remain elevated through 1HFY22F and then normalise

Given that most stressed loans availed of the moratorium, the actual trend of delinquencies would be clear only from 3QFY21F. As the fresh restructuring guidelines for corporate NPLs have entry barriers (Figure 11), we expect the overall relapse rate to be relatively low. We are building in loan loss provisions of 200-530bp through FY21/22F depending on the riskiness and loan profiles of banks coupled with current PCRs. We expect a sharp fall in credit costs from FY23F. This, with a sharp efficiency in costs, will aid RoAs from 2HFY22F.

Favourable risk-reward, initiate coverage on sector with Overweight

We expect return ratios for banks to normalise from FY23F, driven by a sharp fall in credit costs, stable NIMs and a relatively lower cost ratio. Current valuations are at below the five years mean – we value banks on P/BV, and P/E ratios. For some large banks, we have used the sum-of-the-parts method given meaningful values arrived at from other businesses. ICICI, Axis and SBI are our top large-cap picks. Federal Bank, RBL Bank and IndusInd are our top mid-cap picks. A sharper-than-expected spike in NPLs is the key risk.

Figure 1: Valuation Summary

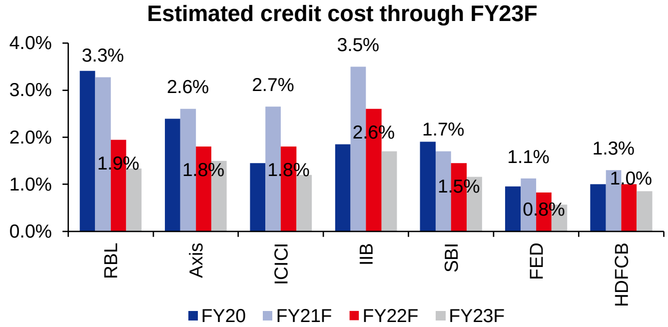
Particulars	Bloomberg ticker	RECO	PRICE (Rs.)	TP (Rs.)	Upside/ Downside	P/E (x)		P/BV (x)		ROEs	
						FY21F	FY22F	FY21F	FY22F	FY21F	FY22F
Public Banks											
BOB	BOB IN	HOLD	46	50	9%	31	7	0.3	0.3	4%	7%
SBI	SBI IN	ADD	227	320	41%	12	8	0.4	0.4	10%	12%
Private Banks											
AXIS	AXSB IN	ADD	598	700	17%	25	14	1.8	1.6	12%	14%
HDFCB	HDFCB IN	ADD	1,373	1,525	11%	24	21	3.8	3.3	17%	17%
ICICI (ex-subs)	ICICIBC IN	ADD	476	580	22%	27	19	2.4	2.1	12%	15%
IIB	IIB IN	ADD	768	925	21%	24	13	1.5	1.3	11%	15%
RBL	RBK IN	ADD	202	275	36%	24	10	1.0	0.9	9%	10%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG. DATA AS AT CLOSE OF 12 NOV 2020

KEY CHARTS

Credit costs to fall sharply from FY23F

Our credit cost estimates will be elevated through FY21-22F. It is difficult to forecast the timing of delinquencies given the moratorium/restructuring, but we expect banks to strengthen their provisioning coverage ratios especially given capital levels are adequate and operating profits remains robust. We are building in loan loss provisions of 200bp to 530bp cumulatively through FY21/22F.



Top bank PCRs comfortable at this juncture

We note that large banks have been carrying provisioning coverage ratios of +70-87% for 2QFY21 and have been making additional contingency provisions for COVID. As a result, banks have been getting into this asset quality cycle with a relatively higher balance sheet buffer with legacy assets well provided for.

Banks	FY15	FY16	FY17	FY18	FY19	FY20	2QFY21
SBI	69.1%	60.7%	66.0%	66.2%	78.7%	83.6%	86.3%
HDFCB	73.9%	69.9%	68.7%	69.8%	71.4%	72.0%	84.5%
ICICI	58.6%	61.0%	53.6%	60.5%	70.6%	75.7%	81.5%
Axis	78.0%	72.0%	65.0%	65.0%	77.0%	83.0%	87.0%
IIB	62.6%	58.6%	58.4%	56.0%	43.0%	63.0%	77.0%
FED	83.9%	72.1%	72.6%	65.0%	67.0%	72.5%	0.0%
RBL	68.2%	55.9%	59.6%	57.6%	65.3%	64.0%	70.5%

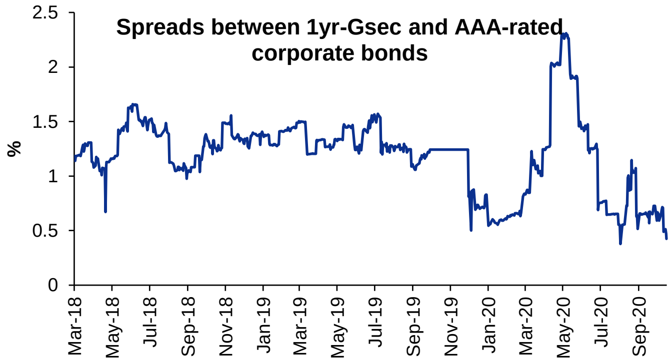
Adequate capital to fund growth as well as delinquencies

Over the last quarter, most private banks have raised a meaningful amount of capital to get to comfortable capital ratios, to an extent providing comfort in backdrop of potentially elevated delinquencies induced by the lockdown. Adequate capital allows banks comfort to provision, but also grow and accelerate market share gains from mid-sized PSU banks where capitalisation has been a challenge and will further aggravate due to COVID-related issues.

Banks	Capital Raise (Rs bn)	Change in CET I (bps)	CETI (PRE)	CETI (POST)
ICICI Bank	150	177	13.3%	15.1%
Axis Bank	100	164	13.5%	15.1%
HDFC	140	348	16.5%	20.0%
RBL Bank	16	228	15.0%	17.2%
IIB	33	126	13.2%	14.4%

Liquidity conditions improved meaningfully

The excess liquidity in the market now is the highest that we have witnessed over the last few years. This, to an extent, has led to loan deposit ratios (LDRs) in the system dropping, thereby impacting net interest margins (NIMs). While NIMs are likely to remain under pressure at the sector level due to excess deposits, we expect NIMs to normalise from FY22 primarily driven by some uptick in LDRs. We note that liquidity conditions have been improving with spreads between the corporate and G-Secs narrowing significantly over the last six months.



SOURCES: BLOOMBERG, EIP RESEARCH, COMPANY REPORTS

Figure 2: Sector peer comparisons

Particulars	Bloomberg ticker	Reco	Price (Rs.)	Target price (Rs.)	Upside/ Downside	P/E (x)		P/BV (x)		ROE (%)	
						FY21F	FY22F	FY21F	FY22F	FY21F	FY22F
Public Banks											
SBI	SBI IN	ADD	227	320	41%	12	8	0.4	0.4	7%	10%
BANK OF BARODA	BOB IN	HOLD	46	50	9%	31	7	0.3	0.3	1%	4%
BANK OF INDIA	BOI IN	REDUCE	41	38	-6%	12	8	0.3	0.3	3%	3%
CANARA	CBK IN	HOLD	92	100	9%	8	4	0.2	0.2	3%	6%
Private Banks											
AXIS	AXSB IN	ADD	598	700	17%	25	14	1.8	1.6	8%	12%
FEDERAL	FB IN	ADD	56	75	33%	8	7	0.7	0.7	9%	10%
HDFC BANK	HDFCB IN	ADD	1,373	1,525	11%	24	21	3.8	3.3	17%	17%
ICICI (ex-subs)	ICICIBC IN	ADD	476	580	22%	23	15	1.9	1.7	8%	11%
INDUSIND	IIB IN	ADD	768	925	21%	24	13	1.5	1.3	6%	11%
RBL Bank	RBK IN	ADD	202	275	36%	24	10	1.0	0.9	4%	9%
EQUITAS SFB	EQUITASB IN	ADD	34	40	19%	14	10	1.2	1.1	9%	12%
NBFCs											
HDFC (ex subs)	HDFC IN	ADD	2,326	2,550	10%	22	18	2.1	2.0	11%	11%
MMFS	MMFS IN	ADD	146	165	13%	17	11	1.2	1.1	8%	10%
SHTF	SHTF IN	ADD	860	1,000	16%	11	8	1.0	0.9	10%	13%
LIC HF	LICHF IN	HOLD	315	335	6%	7	6	0.8	0.7	12%	12%
CREDAG	CREDAG IN	ADD	682	850	25%	30	16	2.7	2.3	11%	16%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG. PRICED AS AT CLOSE OF 12 NOV 2020

Favourable risk rewards; initiate coverage on the sector with Overweight

Collection efficiencies have risen across segments

With COVID-19-related lockdowns, and the subsequent moratorium, collection efficiencies for lenders across segments fell significantly from April 2020 onwards. However, the moratorium ended in Aug 2020 and with most large banks having reported their numbers, we note that the commentary around collection efficiencies have been positive. Barring some unsecured segments like credit cards, MFI (micro finance institutes), etc, collection efficiencies for most segments rose significantly from Sep 2020 onwards. In some segments, collection efficiencies are back to pre-COVID-19 levels.

Figure 3: Collection efficiency across various banks

Banks	Comments around Collection Efficiency (CE) as on 2QFY21	Additional/contigent provisions	Restructuring guidance by company
HDFCB	Overall CE at 95% to improve to 97% by Oct.	0.7% of loans (Rs77.6bn)	
ICICIB	Retail and credit card CE at 97%	2.3% of loans (Rs147bn)	Restructuring estimated at 1.7-1.8%
Axis	Overall CE at 94% to improve to 97% by Oct.	1.9% of loans (Rs108bn)	Restructuring estimated at 1.6%
SBI	Overall CE at 97% for the quarter	0.2% of loans (Rs70.9bn)	Restructuring estimated at 1%
IIB	Overall CE at 96%, CE for Vehicle finance-94%, MFI - 93% corporate- 100%	1.1% of loans (Rs21.6bn)	
FED	Overall CE at 95% (pre COVID levels). Retail is 91% Corporate- 99% Commercial is 93% Expected restructuring- 3%	0.5% of loans (Rs5.88bn)	Restructuring estimated at 2.5-3%
RBL	CE for credit card/micro finance segment have improved to 90.6%/93.3% as on Sep'20. LAP collections are 93% of pre-covid levels & corporate collections are almost at pre COVID levels.	1.21% of loans (Rs6.6bn)	
BOB	CE on moratorium book at 87% and on overall book bases is 91%	0.3% of loans (Rs17.5bn)	
SHTF	CE stood at 95%	2% of AUM (Rs22.8bn)	Restructuring estimated at 2.5%
HDFC Ltd	Collection efficiency within individual and wholesale segment stood at 96.3% and 99.5% respectively	2.2% of AUM (Rs12bn)	

SOURCES: EIP RESEARCH, COMPANY REPORTS

We note that collection efficiencies declared by banks include arrears from previous instalments (where the borrower might have been under moratorium).

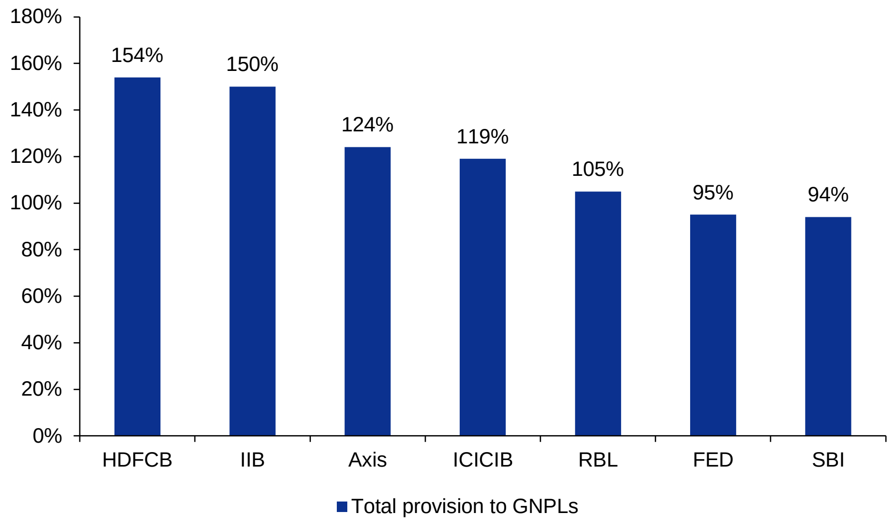
Banks have had a reasonably prolonged corporate asset quality cycle even prior to COVID-19, due to which most banks have been aggressively building up provisioning buffers and lowering their overall corporate exposure (to total exposure). We note that large banks have been carrying provisioning coverage ratios of +70-75% and making additional contingency provisions for COVID-19. As a result, banks have been getting into this asset quality cycle with a relatively higher balance sheet buffer with legacy assets well provided for.

Figure 4: PCR (including write-offs) of banks over last 5 years

Banks	FY15	FY16	FY17	FY18	FY19	FY20	2QFY21
SBI	69.1%	60.7%	66.0%	66.2%	78.7%	83.6%	88.2%
HDFCB	73.9%	69.9%	68.7%	69.8%	71.4%	72.0%	84.5%
ICICI	58.6%	61.0%	53.6%	60.5%	70.6%	75.7%	81.5%
Axis	78.0%	72.0%	65.0%	65.0%	77.0%	83.0%	87.0%
IIB	62.6%	58.6%	58.4%	56.0%	43.0%	63.0%	77.0%
FED	83.9%	72.1%	72.6%	65.0%	67.0%	72.5%	78.3%
RBL	68.2%	55.9%	59.6%	57.6%	65.3%	64.0%	70.5%

SOURCES: EIP RESEARCH, COMPANY REPORTS

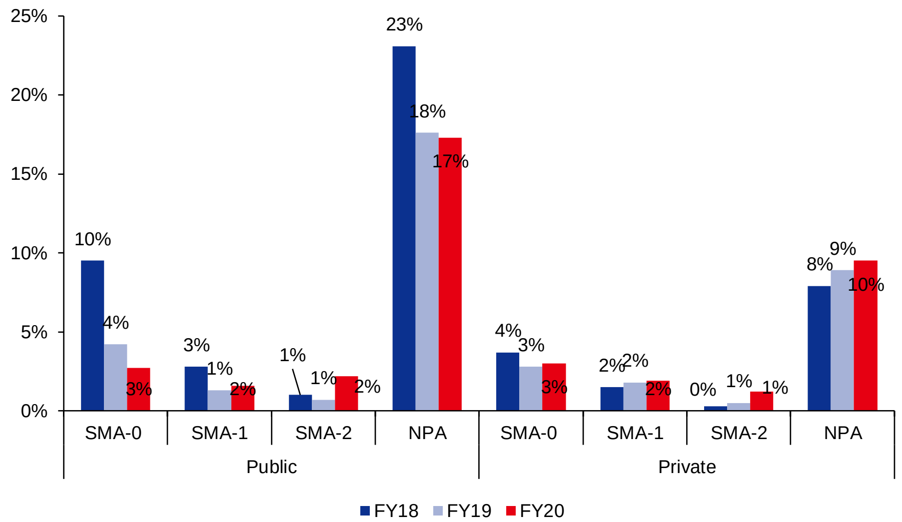
Figure 5: Most of the banks are well covered with total provision coverage (including additional and contingent provisions) at c.100% as at 2QFY21



SOURCES: EIP RESEARCH, COMPANY REPORTS, BLOOMBERG

We note that SMA1/2 (special mentioned accounts) numbers for banks have been steadily declining over the last couple of years – especially among the large banks. Also, overall retail asset quality is on an improving trend, with collection efficiencies within the retail segment improving post the moratorium as highlighted in 2QFY21 quarterly results of most of the banks and NBFCs. With private players making additional and contingency provisions we don't expect many negative surprises coming in on the asset quality front, which is well accounted for in our numbers, in our view, with credit costs ranging from 200-530bp over FY22F. As a result, the overall proportion of stressed loans is likely to be manageable. With businesses reviving with the opening of the economy, we expect collections to improve further minimising losses given defaults.

Figure 6: Stress in large borrower accounts



NOTE: SMA - SPECIAL MENTION ACCOUNTS (SMA-1/2/3 -30/60/90DPD), NPA- NON-PERFORMING ASSETS.

SOURCES: EIP RESEARCH, COMPANY REPORTS

Commentary from banks suggests restructuring might not be significant

The KV Kamath Committee (constituted by RBI to make recommendations on various parameters to be considered in the restructuring of loans) has allowed restructuring for banks, provided the accounts opting for restructuring were SMA 2 (less than 30 days dpd [days past due] prior to 31 Mar 2020) subject to certain criteria stipulated by some ratios (Figure 11). There have been apprehensions by the street on restructuring by banks being an inflated number – we note the overall restructuring in the last cycle (until FY14-15) stood at ~4% of loans and the overall relapse rates for banks was elevated at almost 80% of that portfolio.

Figure 7: Restructured book as % of total loan book

Banks	FY 14	FY 15	FY 16	FY 17	FY18	FY19
HDFCB	0.2%	0.1%	0.1%	0.1%	0.2%	0.0%
SBI	4.9%	5.5%	4.5%	4.2%	3.4%	1.0%
Axis	3.6%	4.3%	3.8%	3.3%	2.1%	1.3%
ICICI	4.0%	4.6%	4.5%	3.1%	3.0%	1.6%

SOURCES: EIP RESEARCH, COMPANY REPORTS

Figure 8: Relapse from earlier restructured book

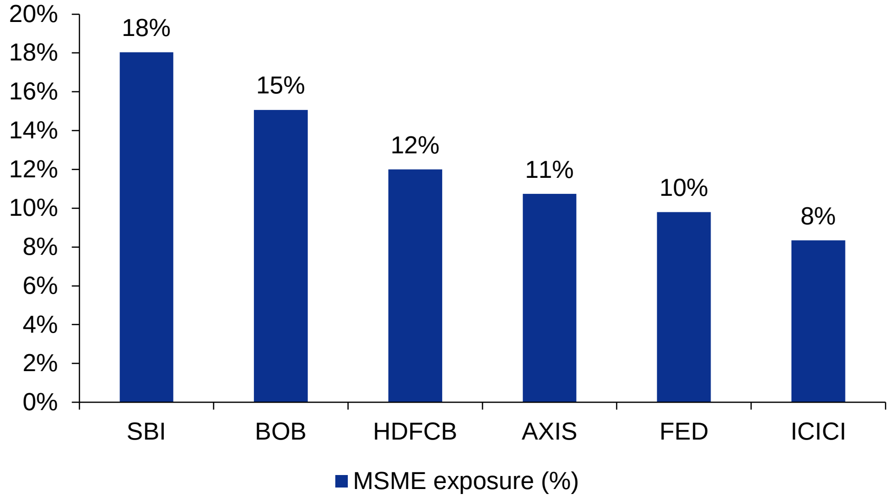
Banks	FY 14	FY 15	FY 16	FY 17	FY18	FY19
Axis	6.0%	9.0%	13.0%	23.0%	47.0%	2.0%
ICICI	10.0%	34.0%	30.0%	23.0%	16.0%	1.0%
SBI	27.0%	11.0%	22.0%	13.0%	39.0%	1.0%

SOURCES: EIP RESEARCH, COMPANY REPORTS

However, we note that this time around, relapse rates might not be very high as corporate accounts eligible for restructuring have stringent criteria (SMA 0 as at (1 Mar 2020). The recent commentary from banks during the 2QFY21 earnings season seems to imply that eventual restructuring might not be elevated for most of the banks guiding eventual restructuring at relatively lower levels than estimated earlier (1.6-3% range). We expect the pool to apply for restructuring seems to be having a meaningful overlap with the already-stressed assets (like BB and below rated loan pool of banks) implying that the incremental damage might not be elevated.

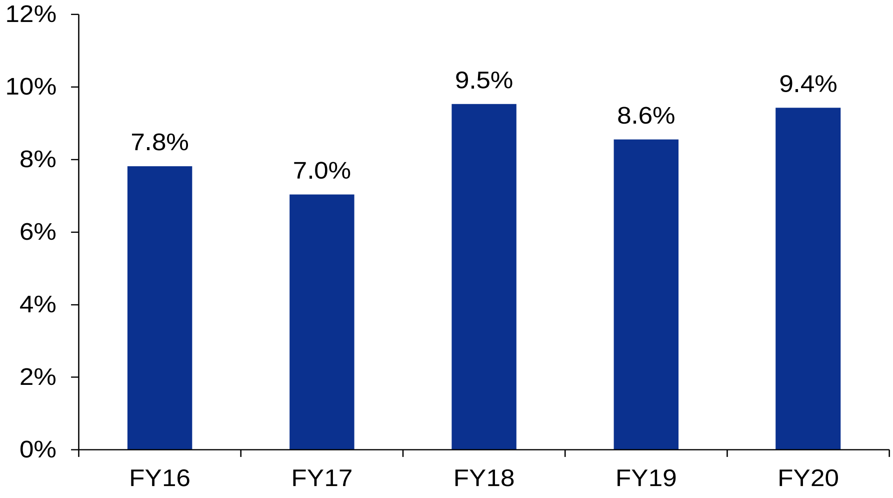
This time around we are likely to witness delinquencies from retail and MSME (micro, small and medium enterprise) segments too. However, large private banks commentary suggest that liability side exposure of unsecured retail borrowers is high, because of which banks are able to monitor cash flow of their customers which should help contain NPLs. We note that even though MSME delinquencies tend to be higher, PSU banks have a much higher exposure in these segments. Finally, banks' incremental provisions for some key players signals they are comfortable with current levels of provisions and restructuring will not dent asset quality significantly.

Figure 9: MSME exposure among private and public banks (as on 2QFY21)



NOTE: HDFCB AND ICICI – SME AND BUSINESS BANKING
SOURCES: EIP RESEARCH, COMPANY REPORTS

Figure 10: SBI's MSME NPA trend over past five years



SOURCES: EIP RESEARCH, COMPANY REPORTS

Recent guidelines on restructuring of corporate loans by a committee helmed by Mr. Kamath have stringent entry barriers in terms of advances that classify for restructuring. Given that corporates with a relatively superior track record in terms of repayment will be able to restructure, we note that overall restructuring numbers should be contained. While it is difficult to estimate the amount of restructuring, we note that corporates will have to be SMA-0 prior to March 2020 and eventual relapse rates might not be high even if restructuring levels are elevated for the sector.

Figure 11: Salient features of Kamath Committee policy

Eligible borrowers	•Borrower that is stressed on account of COVID-19. •Classified as standard as on 1st Mar 2020.
Resolution Criteria	•For a resolution plan to be considered viable, the performance criteria are to be met, which must also be set out in the resolution plan (includes current ratios, debt service coverage ratio(DSCR), Avg DSCR, total debt to EBITDA, total o/s liability to adjusted tangible networth)
Resolution Timeline	•Can be invoked not later than December 31,2020 and must be implemented within 180 days from the date of invocation.
Approval Threshold	•Treated as invoked once lenders representing 75% by value of total outstanding credit facilities and 60% by number agree to invoke the resolution process. •An ICA is to be signed by all lenders within 30 days of invocation of the resolution process.
Tenor	•The residual tenor of the loan may be extended by a maximum of 2 years with or without payment moratorium.
Exposure	•For aggregate exposures greater than Rs. 100 crore, an Independent Credit Evaluation is to be obtained from any one Credit Rating Agency authorised by RBI. •In respect of all accounts where the aggregate exposure of the lending institutions at the time of invocation of the resolution process is INR 1500 crore and above, resolution plan is to be vetted by the expert committee.
Post-implementation performance	•Any default by the borrower with any of the signatories to the ICA triggers a 30 day review period. •The asset classification of the borrower with all lending institutions, including those who did not sign the ICA, shall be downgraded to NPA

NOTE: ICA - INTER CREDITOR AGREEMENT
SOURCES: EIP RESEARCH, COMPANY REPORTS

Figure 12: Salient features of latest RBI credit policy

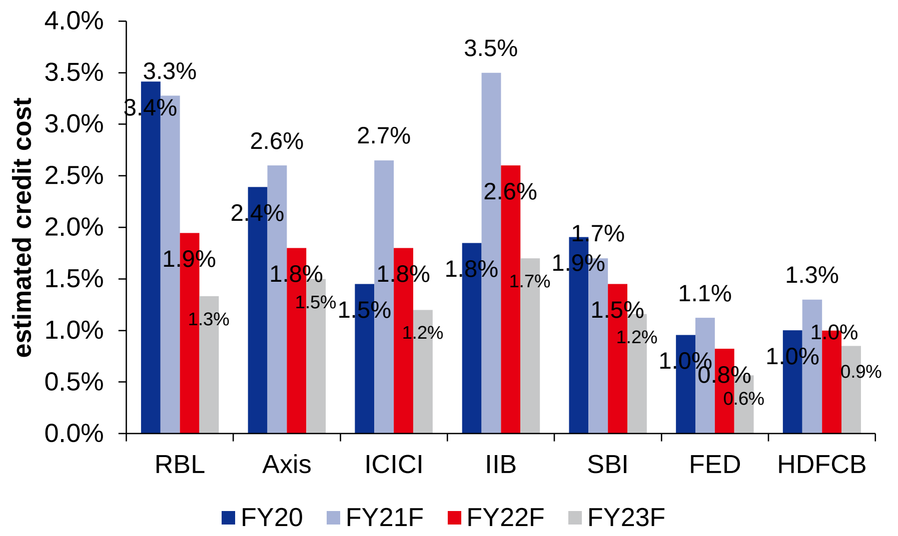
Limits for risk weight for retail portfolio	Maximum aggregate Retail Exposure now stands increased to Rs75m vs Rs50m earlier.	This will enhance credit flow to individual and small businesses with turnover upto Rs500m.
Rationalisation of risk weights for Individual housing credit	For all new housing loan sanctioned up to 31st Mar 2022 risk weights will be derived by linking only LTV (vs size of the loan and LTV linked earlier).	This will aid lending by Housing finance company (release of capital)

SOURCES: EIP RESEARCH, COMPANY REPORTS

Expect sharp credit cost fall in FY23F after being elevated in FY21F

We expect credit cost to be elevated through FY21-22F. It is difficult to forecast the timing of delinquencies given the moratorium/restructuring, but we expect banks to strengthen their provisioning coverage ratios especially given capital levels are adequate and operating profit remains robust. We are building in loan loss provisions of 230bp to 530bp cumulatively through FY21/22F depending on the riskiness and loan profiles of banks coupled with current PCR. We expect a sharp fall in credit costs from FY23F, which is likely to be the key driver for return ratios to normalise.

Figure 13: Credit cost to remain at elevated levels through FY22F



SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Tier-1 ratios stay strong as banks have raised capital

Over the last three to four months, most private banks have raised a meaningful amount of capital to shore up their tier-1 ratios. As a result, tier-1 ratios of these banks exceed regulatory levels, to an extent providing comfort against the backdrop of potentially elevated delinquencies induced by the lockdown. Adequate capital will allow banks comfort in provisioning and to grow and accelerate market share gains from mid-sized PSU banks where capitalisation has been a challenge and will aggravate further due to COVID-related issues, in our view.

Figure 14: Capital raised by various financial institutions post pandemic (2QFY21)

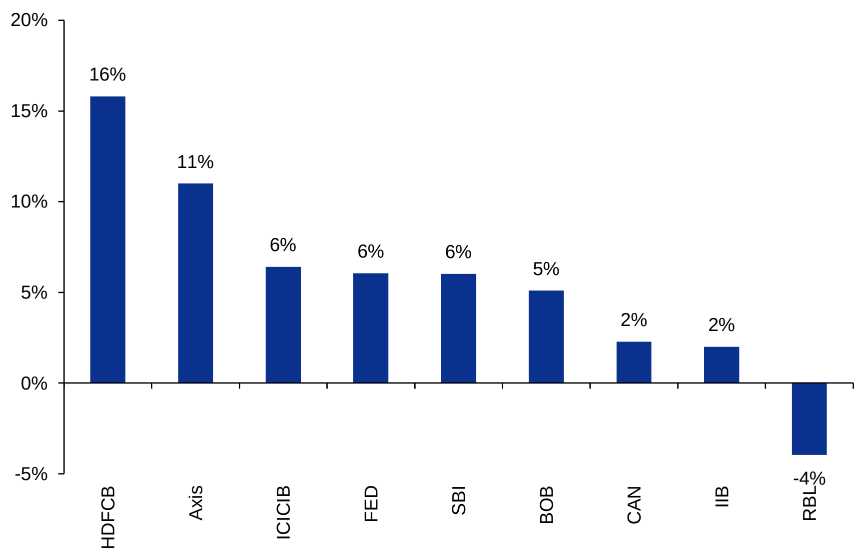
Banks	Capital Raise (Rs bn)	Change in CET I (bps)	CETI (PRE)	CETI (POST)
ICICI Bank	150	177	13.3%	15.1%
Axis Bank	100	164	13.5%	15.1%
HDFC	140	348	16.5%	20.0%
RBL Bank	16	228	15.0%	17.2%
IIB	33	126	13.2%	14.4%

NOTE; CET-1 (COMMON EQUITY TIER-1)
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Growth benign, but private banks gain market share

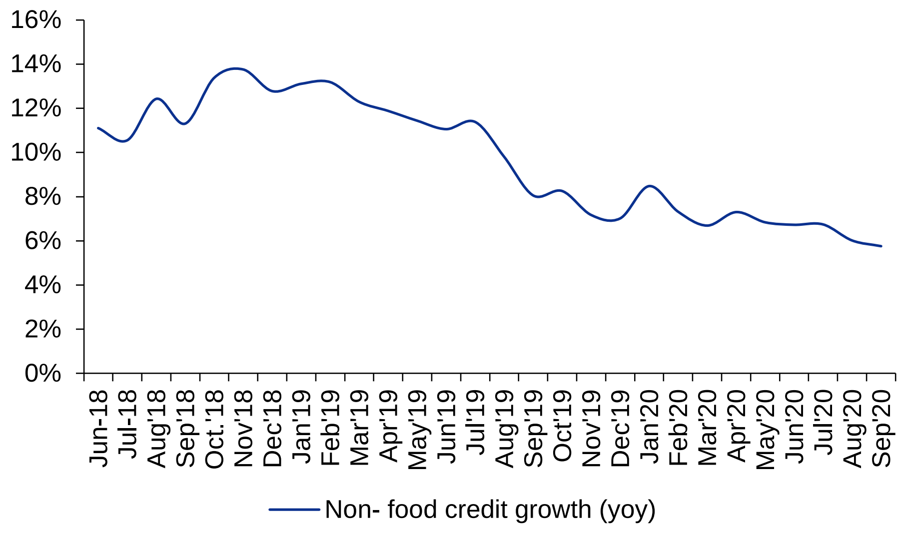
Credit growth has been largely elusive in 1HFY21 given a tough macro and lockdowns – however, we believe growth is returning. We note that for most of the large/well-capitalised banks, growth has been coming by way of market share gains from the PSU banks (ex-SBI) that continue to remain starved for capital – these comprise almost 40% of the system advances. This is already reflected in reasonably steady domestic loan growth for large private banks despite an otherwise difficult growth environment.

Figure 15: Loan growth for private sector banks and system loan growth (2QFY21)



SOURCES: EIP RESEARCH, COMPANY REPORTS

Figure 16: System non-food credit growth (yoy)



SOURCES: EIP RESEARCH, RBI

Figure 17: Private banks gain market share with higher growth than public banks

Particulars	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep-19
PSU	0.8%	2.2%	6.3%	9.1%	9.6%	4.8%
PRVT	17.5%	18.9%	21.3%	22.5%	21.0%	16.5%
FB	-8.6%	-4.0%	5.8%	9.3%	12.0%	7.8%
Overall SCB	4.4%	6.2%	10.4%	13.1%	13.2%	8.7%

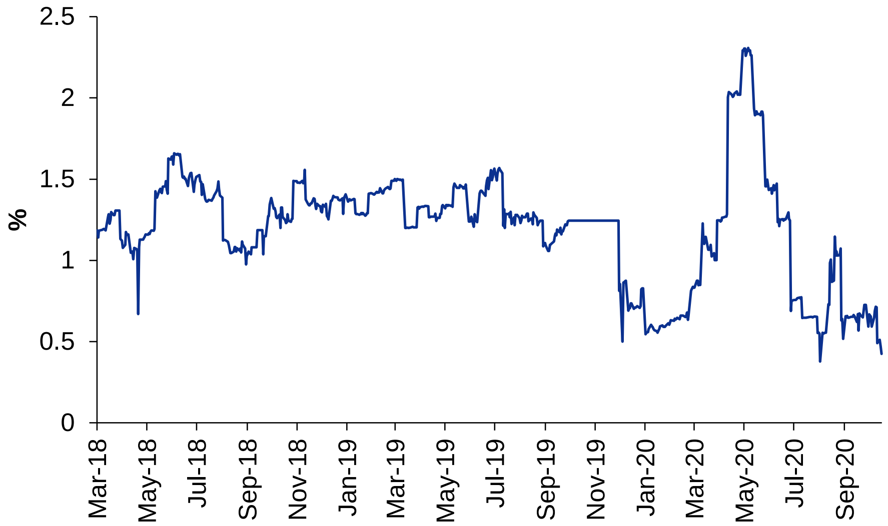
SOURCES: EIP RESEARCH, RBI

Low interest rates/liquidity should provide fillip to growth

The excess liquidity in the market was Rs4.9tr as on 8 Nov 2020, the highest we have witnessed over the last few years. This was largely due to risk aversion that led to a sharp increase in deposits without a commensurate increase in lending opportunities. This, to an extent, has led LDRs for the system to drop, thereby impacting NIMs. While NIMs are likely to remain under some pressure at the sector level due to excess deposits, we expect NIMs to normalise from FY22F primarily driven by some uptick in LDRs. The recent capital raise done by banks is likely to aid NIMs to an extent.

We note that liquidity conditions have been improving with spreads between the corporate and G-Secs narrowing significantly over the last six months. This implies the return of confidence to lend. Our interactions with banks/NBFCs suggest that disbursements are picking up and, in some cases, we should be reaching pre-COVID levels over the next three to six months.

Figure 18: Spreads between 1yr-Gsec and AAA-rated corporate bonds



SOURCES: EIP RESEARCH, BLOOMBERG

Reduction in cost/assets and costs/income ratios

Results for banks for 2QFY21 show higher-than-expected recovery in non-interest income largely led by fee income. Overall fee income reached 90%+ pre-COVID levels in 2QFY21. This revival is reflected in banks that have reported 2Q results and is sharper than expected.

One of the positives emanating from the lockdowns is a sharp reduction in bank cost ratios. A large part of costs, especially rent and travel-related expenses, could remain at relatively low levels. While the costs observed in 1QFY21 were abysmally low and we expect them to rise from those levels, the overall operating expenses are likely to remain low over the next two to three years as opposed to what was witnessed over the last four to five years.

While costs are likely to look up from recent lows, we believe a fall in some components of costs (specifically rent) are more structural and will grow lower than revenues. Structured revival in other income (especially fees) will further lower cost ratios in the near term thereby aiding RoAs (returns on asset), in our view.

Figure 19: Cost ratios to come off further for large banks

Banks	Cost to income				Cost to interest bearing assets			
	FY20	FY21F	FY22F	FY23F	FY20	FY21F	FY22F	FY23F
SBI	52.5%	55.6%	55.1%	54.7%	2.1%	2.1%	2.1%	2.1%
RBL	50.3%	51.9%	54.3%	57.4%	3.4%	3.4%	3.7%	3.8%
FED	51.3%	52.3%	54.9%	55.2%	2.1%	2.0%	2.1%	2.1%
IIB	43.3%	43.9%	44.4%	45.4%	3.0%	2.8%	2.8%	2.8%
ICICI	43.5%	38.7%	39.7%	39.2%	2.3%	2.1%	2.2%	2.2%
Axis	42.5%	39.8%	38.8%	37.7%	2.2%	2.0%	2.1%	2.0%
HDFCB	38.6%	37.0%	37.7%	38.1%	2.3%	2.1%	2.1%	2.1%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

NBFC collection efficiencies picking up and liquidity improving

Over the last few months, liquidity conditions for NBFCs improved meaningfully. The recent targeted long-term repo operations (TLTROs) by the Reserve Bank of India (RBI) have helped banks raise liabilities at reasonable cost, eliminating the tail risk from most of these names. The collection efficiencies across segments have been improving too. Microfinance companies have witnessed a marked improvement in collection efficiencies and disbursements especially with normalisation in the rural areas. Asset financiers are witnessing a meaningful uptick in collection efficiencies too, with the likes of SHTF (Shriram Transport Finance) guiding for collection efficiencies of more than 95% (by Sep). While normalisation in disbursements growth could take a couple of quarters, the sharp uptick in collection efficiencies is clearly a positive.

Housing finance companies (HFC) have been doing well in terms of sharp reductions in moratorium loans. The recent RBI guidelines to link risk weights for NBFCs, on the basis of the LTV (loan to value) of the loan rather than the size, will aid HFCs, especially those with relatively low capitalisation levels. We prefer HDFC Ltd given growth rates will likely bounce back faster and provisioning cover remains adequate for HDFC.

Figure 20: Rationalisation of risk weights for home loans sanctioned up to 31 Mar 2022

Loan to Value of loan sanctioned	Risk weight
less than equal to 80%	35%
more than 80% but less than equal to 90%	50%

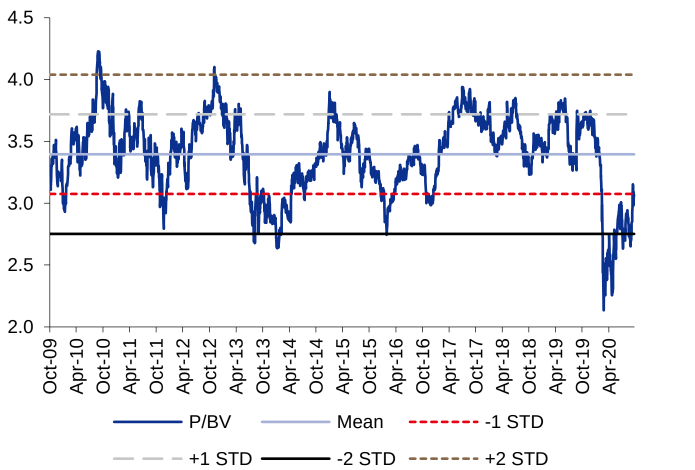
SOURCES: EIP RESEARCH, RBI

Valuations

Banks have underperformed the broader NIFTY 50 by 15% YTD, on apprehensions of sharp spikes in NPLs. We note that banks are trading at 1% - 15% discount on the last five years' mean multiples. Against the backdrop of a gradual recovery in the economy we expect earnings (PAT) to normalise by 2HFY22F. As a result, RoA/RoE should normalise by FY22/23F leading to a sharp re-rating for large banks, in our view. While asset quality problems persist, we expect these to be far more pronounced for PSU banks given their relatively higher MSME exposures and low capitalisation levels. SBI is the only Add rated PSU bank on valuations.

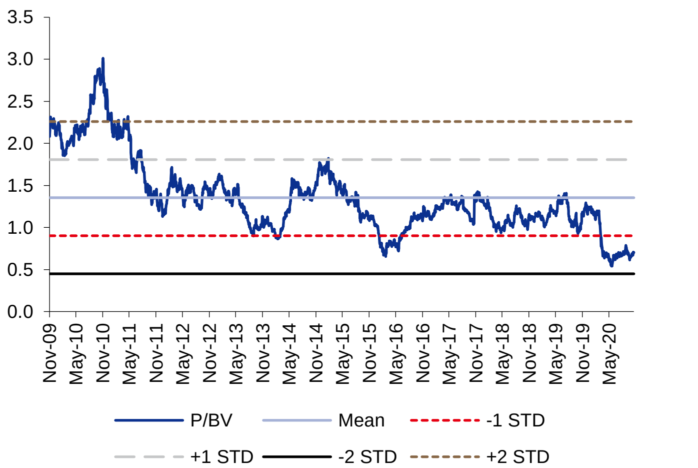
We value banks on the basis of long-term sustainable RoEs and ascribe P/BV based on RoE-g/CoE-g. We see meaningful re-rating in well-capitalised large private banks. Our picks are Axis, ICICI and SBI among large players and RBL Bank and IIB within the smaller names.

Figure 21: HDFCB P/B Chart



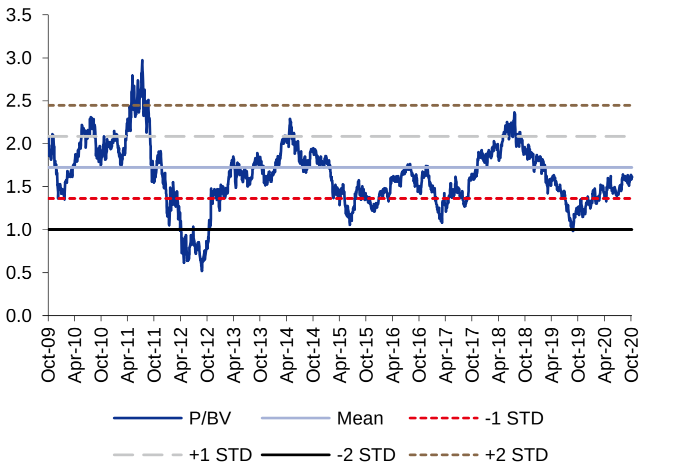
SOURCES: EIP RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 22: SBI P/B Chart



SOURCES: EIP RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 23: ICICIB P/B Chart

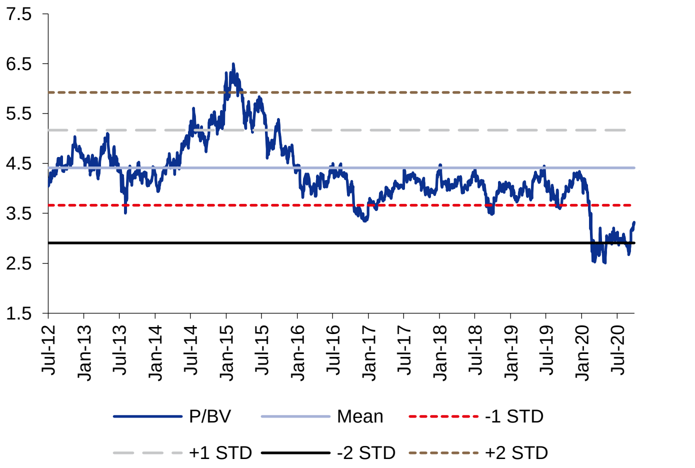


SOURCES: EIP RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 24: Axis P/B Chart

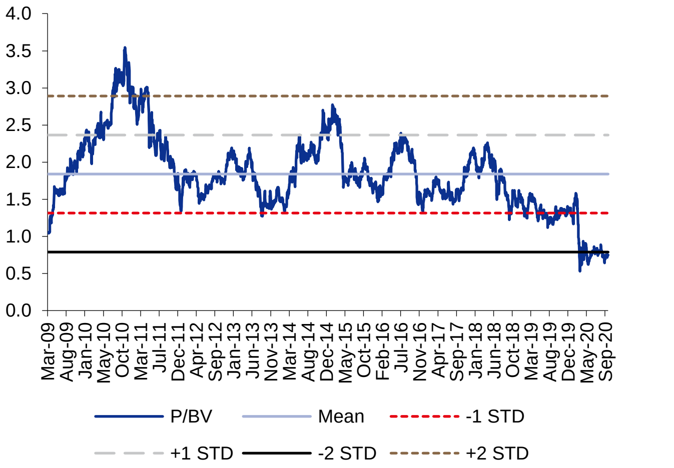
SOURCES: EIP RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 25: HDFC Ltd P/B Chart



SOURCES: EIP RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 26: SHTF P/B Chart



SOURCES: EIP RESEARCH, COMPANY REPORTS, BLOOMBERG

Key risks

- A sharp surge in restructuring would lead to apprehensions on further deterioration in asset quality and would be a key risk to watch for.
- Any adverse outcome in terms of the Supreme Court ruling on 'interest on interest' on the loans under moratorium could be a negative from a sentiment standpoint.
- Our positive stance on the sector is premised on a gradual recovery in the economy; a surge in Corona virus cases leading to stricter lockdowns could dampen growth and is a key risk.
- We expect interest rates to remain low as that is essential to revive growth. However, excess government borrowings leading to higher rates is a key risk from the growth- and asset-quality standpoints.

Companies Section

State Bank of India (Add; TP Rs320)

We like SBI for its strong liabilities franchise (CASA at 45.4% as on 2QFY21), robust PCR and relatively better capitalisation levels among PSUs (CET I at 10.5% (2QFY21). We note that the collection efficiency for SBI has improved meaningfully to 97% levels (in 2Q), implying the impact on the asset quality front will be manageable – more so against the backdrop of reasonably high provisioning coverage ratio (88% in Sep 2020). That said, restructuring based on the new restructuring guidelines will be closely watched. Over the last three to four years, SBI has done well in terms of recognising and providing for its problem assets – its performance has largely been in line with its private sector counterparts like ICICI and Axis on this front. SBI's pre provisioning profit levels at 1.6% (as on FY21) of average assets are the highest in the PSU space (though significantly lower than private sector banks largely due to low other income and higher costs). We expect credit costs to fall from 1.9% in FY20 to 1.16% in FY23F (but will likely remain elevated for FY21F-22F). This, coupled with stable NIMs, will likely lead to a 11% CAGR in PPoP (pre-provisioning operating profits) and 5.6% CAGR in PAT through FY23F.

Figure 27: Key parameters

RoE (%)	11
CoE (%)	13
g (%)	5
Implied P/B (x)	0.7

SOURCES: EIP RESEARCH, COMPANY REPORTS

Valuation and risks: We value SBI on a SOP basis, valuing the base (banking business) at 0.7x FY22F P/BV based on sustainable ROE of 11%. SBI's explicit average ROE forecast (FY21-23F) is ~10% due to higher credit cost and we expect it to generate sustainable ROEs of 11% as credit costs normalise. We value the insurance business based on an appraisal value methodology, SBI cards based on current market cap and SBI Mutual Fund at 30x its FY22F earnings. We initiate coverage on SBI with an Add rating and our SOP-based target price values the bank at Rs320 (Figure 28) translating into upside of 41%.

Key risks: 1) A higher-than-expected loan restructuring and, hence, potentially high NPLs and 2) prolonged slowdown in the economy leading to higher delinquencies are key risks for the banking business, while the 3) rise in interest rates could potentially impact insurance business valuations and continued outflow of AUM (asset under management) is a potential risk for the mutual fund business.

A sharp revival in the economy leading to revival in growth and lower provisions is a key catalyst.

Figure 28: SBI's SOP

Particulars	Rs
Banking Business at 0.7x FY22F P/BV	**198**
SBI Life Insurance (on CMP)	57
SBI General Insurance (6x FY22F P/BV)	11
SBI cards (on CMP)	49
SBI AMC (30x FY22F earnings)	20
SBI capital markets (15x FY22F earnings)	4
Yes Bank (on CMP)	12
Value of subs (at 20% hold co. discount)	**122**
Total	**320**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS. PRICED AS AT CLOSE OF 6 NOV 2020

ICICI Bank (Add; TP Rs580)

ICICI Bank has done well in terms of recognition of its stressed assets over the last four years and adequately provisioning for the same. As a result, overall profit growth lagged its peers with PPoP growing at 2% CAGR and PAT at -7% CAGR during FY17-20. ICICI Bank's PCR now stands at 81.5% (as on 2QFY21), among the highest in India's private sector. We like ICICI Bank's strategy of moderating loan growth in the corporate segment and focusing on retail growth. Given a relatively high proportion of mortgage loans within overall retail loans (32% of retail as on 2Q), ICICI Bank should witness relatively low stress in its retail book. ICICI Bank's collection efficiencies have improved drastically and stood at 97% for retail and credit card segment as on 2Q. Management expects restructuring of 1.7-1.8% ICICI Bank's tier-1 capital, which stood at a comfortable 16.5% as on 2QFY21 (it recently raised Rs150bn adding ~230bp to tier-1). We expect ICICI Bank's PAT to grow at 45% CAGR through FY23F driven by 15.1% growth in PPoP and credit costs averaging 188bp through FY23F. Thus, RoE is likely to rise to 14.8% by FY23F.

Figure 29: Key parameters

RoE (%)	16
CoE (%)	11
g (%)	5
Implied P/B (x)	2.2

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: We value ICICI on a SOP basis, valuing the base (banking business) at 2.2x FY22F P/BV based on a sustainable ROE of 16%. We expect long-term ROEs to normalise at 16% by FY23F as credit costs start normalising. We value the insurance business based on the appraisal value methodology, ICICI Lombard on the current market cap and ICICI prudential MF at 30x its FY22F earnings. We initiate coverage on ICICI Bank with an Add rating and our SOP-based target price values the bank at Rs580 (Figure 30), which translates into an upside potential of 22%.

The key downside risks to our estimates and TP are a 1) sharper-than-expected rise in NPLs and restructuring of loans and 2) slowdown in growth leading to PPoP being under pressure. Lower-than-expected premium growth due to higher proportion of ULIP for insurance and lower-than-expected AUM growth for AMC are potential risks for the mutual fund business.

A sharp bounce back in the economy is a key catalyst as it will drive higher PPoP and lower credit costs.

Figure 30: ICICI Bank's SOP

Particulars	Per share(Rs.)
ICICI Prudential Life (at CMP)	49
ICICI - International subsidiaries	7
ICICI Lombard General Insurance (at CMP)	46
ICICI Prudential Mutual Fund (30x FY22F EPS)	29
ICICI Securities + Primary Dealership (at CMP)	18
Value of subsidiaries (at 20% hold co. discount)	**119**
Value of core business (2.2x FY22F P/B)	461
Value per share	**580**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Axis Bank (Add; TP Rs700)

Axis Bank has been grappling with the bad loans issue primarily in its corporate book. The bank has recognised a significant amount of stress over the last four years, which has led to overall delinquencies of Rs890bn (16% of FY20 loans). However, intermittent capital raising over the last few years has meant that capital adequacy has remained strong at 19.4% as on 2QFY21. Operating profitability has remained fairly strong with PPoP to average assets at 2.7% for FY20. Retail business has been doing well and accounts for 53% of overall loans and CASA remains robust at 40% as on 2QFY21. We expect Axis Bank's PPoP to deliver a 14% CAGR through FY23F, though the PAT CAGR is likely to be higher at 118% We expect RoE to rise to 14% by FY23F.

Figure 31: Key parameters

RoE (%)	17
CoE (%)	11
g (%)	5
Implied P/B (x)	1.9

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: At the CMP, the stock trades at a c.20% discount to its average price-to-book multiple of 2x over the last five years. As NPL ratios stabilise and earnings look up, we expect Axis to deliver a sustainable RoE of 17%. We initiate coverage on Axis Bank with an Add rating and a GGM-based TP of Rs700 (1.9x FY22F P/BV), which translates to an upside potential of 17%.

Key downside risks are a 1) sharper-than-expected rise in NPLs and restructuring of loans could lead to higher-than-expected delinquencies. 2) Slowdown in loan growth leading to PPoP being under pressure. 3) Loans rated BBB and below formed 18% of corporate advances as on 2QFY21 (as per the company release) and could be potential sources of higher NPLs going forward.

A sharp bounce back in the economy is a key catalyst as it will drive higher PPoP and lower credit costs.

HDFC Bank (Add; TP Rs1,525)

HDFC Bank is one of the best-managed private sector banks in India as is reflected in its strong return ratios across the economic cycle. With a retail-focused mindset, HDFC Bank's retail advances comprise 47% of total assets; its CASA ratio at 41.6% has been among the strongest in our peer coverage. While the pandemic could take its toll on retail asset quality in India, we note HDFC Bank carried Rs77.6bn of additional COVID provisions on its balance sheet as at 2QFY21. While FY21F, to an extent, has been impacted by relatively low growth and high provisions, we expect HDFC Bank's PPoP and PAT to grow 13.9%/18.2% CAGR respectively through FY23F. As a result, we expect RoEs of 17% by FY23F.

Figure 32: Key parameters

RoE (%)	20
CoE (%)	10
g (%)	6
Implied P/B (x)	4.0

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: At the CMP of Rs1,373, the stock is trading at its average multiple of 3.5x over the last five years. As NPL ratios stabilise and earnings look up, we expect HDFC Bank to deliver a normalised RoE of 20%; HDFC Bank has historically traded at a higher P/E multiple (at a premium to peers) due to stable earnings and higher returns. Historically it has traded at an average P/B multiple (five year) of 3.5x. However, in a falling interest rate environment, we expect it to trade at premium to its average multiple. Based on GGM, we expect the stock to trade at 4x FY22F P/BV, leading to a fair value of Rs1,525. We initiate coverage on HDFC Bank with an Add rating.

The key downside risks to our call are 1) HDFCB's premium valuation is a function of its high growth rates and a prolonged economic slowdown could pose a risk to our loan growth assumption of 18% for FY20-23F; 2) our credit cost assumptions are 90bp for FY21F, however any stress in the retail segment could lead to a spike in NPLs; 3) cost ratios have fallen meaningfully and any uptick here can adversely impact PAT.

Key re-rating catalysts are a revival in the economy aiding growth/margins and lowering credit costs.

IndusInd Bank (Add; TP Rs925)

IndusInd Bank has been one of the most impacted stocks due to apprehensions about its corporate asset quality and a meaningful outflow of deposits as a fallout of the Yes Bank crisis. While asset quality apprehensions persist on corporate and retail portfolios, especially commercial vehicles (CVs), we note deposits growth revived meaningfully between Mar and Sep 2020 (deposit growth of 13% for Sep over Mar). The recent capital raising of Rs33bn helped the tier-1 capital ratio rise to 17.2% in 2QFY21 and we believe the tail risk has been eliminated. We expect provisions to remain elevated (modelling in 350/260bp for FY21/22F). We expect IndusInd Bank's PPoP/PAT to grow at 8.2%/13.1% CAGR respectively through FY23F. We are mindful of asset quality risks emanating from chunky exposures (especially from the telecom sector).

Figure 33: Key parameters

IndusInd	
RoE (%)	14
CoE (%)	11
g (%)	5
Implied P/B (x)	1.6

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: At a CMP of Rs768, the stock trades at a c.55% discount to its average price-to-book multiple of 3x over the last five years. We expect that a re-rating will be a function of asset quality outcomes and the ability to granularise the liabilities franchise further on a sustained basis. We expect IndusInd to deliver a normalised RoE of 14%. Based on the GGM, we expect the stock to trade at Rs925 (1.6x FY22F P/BV), translating into an upside of 17%. As deposit growth has normalised and the fear around the asset quality outcome might turn out to be better than our estimate, we expect relatively quicker normalisation of RoEs. Initiate coverage with Add.

Key downside risks to our call are 1) a sharp slowdown in the economy could lead to a spike in NPLs given Indusind Bank's high exposure to vulnerable segments like CVs, MFI and MSME, and 2) elevated deposits costs (~7% for term deposits and 4-6% for savings deposits as at end-Oct) for too long could hurt NIMs.

A potential rerating catalyst is a sharp bounce back in the economy alleviating fears on asset quality.

Federal Bank (Add; TP Rs75)

Federal Bank has been one of the small regional banks that has been able to develop a strong deposits franchise over the years. While high MSME exposure (~25% of book as on 2QFY21) led to apprehensions on asset quality in the backdrop of COVID-related stress, we note that the moratorium numbers have been coming off (taking into consideration partial payments, the collection efficiency stood at 95% as on 2QFY21 which was comparable to its peers). We expect NIMs to stabilise from hereon and to be driven by the liability costs coming off and improvement in LDRs. The increase in gold loans (to an extent aided by the RBI allowing higher LTV in the segment) will likely aid yields too. We would be watchful of management commentary on restructuring expectations given the high MSME exposure. We build in 5.5% CAGR in PPoP but, for now, our credit costs stand elevated at 1.2/1% through FY21F/22F. As a result, we expect PAT to grow at 10.5% CAGR over FY22F.

Figure 34: Key parameters

RoE (%)	11
CoE (%)	11
g (%)	5
Implied P/B (x)	0.9

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: The current valuations of 0.7x FY22F P/BV clearly factor in a lot of pessimism around asset quality risks, in our view. We expect Federal Bank to generate average RoE of 11% through FY23F and value the stock at 0.9x FY22F P/BV translating into a TP of Rs75. The valuation at 0.7x of FY22F P/BV looks attractive despite concerns on higher restructuring of loans. We initiate coverage with Add.

The key downside risks to our call are 1) a sharp spike in NPLs and potentially high restructuring of loans due to exposure to MSMEs (10% of advances as on 2QFY21. 2) The current CEO has been granted an extension of only a year, and potential changes in top level management remain a risk.

A sharper-than-expected revival in the economy will likely drive re-rating as concerns on asset quality would abate.

RBL Bank (Add; TP Rs275)

RBL Bank's exposure to some corporate segments led to mass scale recognition of NPLs and a corresponding rise in provisions. The bank has consciously decided to curtail its corporate exposure, as is visible from its recent loan book de-growing yoy (despite 22% growth in retail advances in 2QFY21). We expect credit cards and DBFI (development banking and financial inclusion) segments to be the bank's mainstay over the next two to three years comprising +35% of total loans. For now, we expect the credit costs to remain elevated despite a strong collection efficiency of 90-93% across all segments. Revival in deposits growth (up 11.6% between Mar and Sep 2020) is commendable post withdrawals witnessed after the Yes Bank crisis. With the CET I ratio at ~17% as on 2QFY21, we believe downside risk is limited. We build in 8.3% CAGR in PPoP (FY20-23F) but, for now, our credit costs stand elevated at 3.3%/1.9% for FY21F/FY22F. Thus, we expect PAT growth at 45.3% CAGR for FY21-23F.

Figure 35: Key parameters

RoE (%)	12
CoE (%)	11
g (%)	5
Implied P/B (x)	1.2

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: The current valuation at 0.9x FY22F P/BV factors in a lot of pessimism around asset quality risks, in our view. As asset quality-related provisions wane from 2HFY22F, we expect return ratios to normalise from FY23F. We expect RBL Bank to generate RoE of 12% through FY23F. Based on the GGM, we expect the stock to trade at Rs275 (1.2x FY22F P/BV) which implies an upside of 36%. We initiate coverage with Add.

The key downside risks to our call are: 1) sharp spikes in NPLs, especially in the credit card and mid corporate segments; and 2) exposure to credit card (20% of advances as on 2QFY21) and MFIs (12% of total advances) generating higher RoEs, which will likely come with higher credit cost/ delinquencies. 3) Given RBL's exposure to the mid-corporate segment, much of the stressed portfolio has already been recognised and any further potential delinquencies from these accounts are a downside risk.

A sharp revival in the economy could have a positive rub-off especially on the cards and MFI segments and could be a key re-rating catalyst.

Equitas Small Finance Bank (Add, TP Rs40)

Equitas SFB launched a long-awaited IPO at a relatively small size of cRs5.2bn with a fresh issue of ~85m shares and offer of sale of 72m shares. The bank got listed at Rs33/share at 1.3 times its Jun 2020 book value. The promoter stake now stands at 82% post listing as on Sep 2020.

While the MFI and MSME exposures (~30% of loan book as on 2QFY21) led to apprehensions on asset quality in the backdrop of COVID-related stress, we believe the bank has witnessed an improvement in its collection efficiency across all segments post the easing of lockdown (at 94.3% as on 2QFY21). Also, the exposure to MFI declined over the years to 24% in FY20 from 46% in FY17. We believe the company is well covered for losses on non-performing assets with a coverage ratio of 58.8% as on 2QFY21 and additional COVID provisions of Rs1.7bn as on 2QFY21; and accounting for credit cost of 200/180bp over FY21 and FY22F is reasonable, in our view. We expect margins to be slightly impacted due to retail term deposits driving the deposit growth given the CASA growth under the current scenario is difficult.

Figure 36: Key parameters

RoE (%)	12
CoE (%)	11
g (%)	5
Implied P/B (x)	1.3

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: SFB is well-capitalised with a CAR at 20.9%. The current valuation is at 1x FY22F P/BV. We initiate coverage on Equitas SFB with an Add rating given the 19% upside potential to our target price. We expect the bank to generate average RoE of 12% through FY23F and value the stock at 1.3x FY22F P/BV translating into a TP of Rs40.

Key downside risks to our call are 1) a sharp slowdown in the economy could lead to a spike in NPLs, given its exposure to the small business loans and MFI segments (64% of total advances 2QFY21). 2) Elevated deposit costs for too long could hurt NIMs. 3) Due to its high geographical concentration in the state of Tamil Nadu (~54% of advances as on 2QFY21), any negative state-specific events or calamities might turn out to be a risk.

A sharp revival in the economy could have a positive rub-off especially on the MSME and MFI segments and could be a key re-rating catalyst.

Bank of Baroda (Hold; TP Rs50)

Bank of Baroda is one of the better-managed PSU banks (ex SBI) and has been an early player in terms of merger of other banks with itself (Vijaya and Dena Bank). We note that while Bank of Baroda's tier-1 ratio is better than some of its peers, the quantum of stressed assets remains high. With collection efficiency at 87% as on Sep 2020, we expect the delinquencies to remain at elevated levels and, as a result, we model in credit costs of 2.4/2% through FY21F/22F. As a result, PPOP/PAT CAGR is likely to be low at 7/170% respectively through FY21-23F. Average RoE is likely to be 6% during this period. We believe Bank of Baroda will need to dilute share capital over the next couple of years given its low internal capital generation and high provisioning requirement.

Figure 37: Key parameters

RoE (%)	7
CoE (%)	13
g (%)	5
Implied P/B (x)	0.3

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: We value Bank of Baroda assuming normalised RoEs of 8%. We note that intermittent capital raising will keep its RoE in check. Based on a sustainable RoE of 7%, we expect the stock to trade at 0.3x FY22F P/BV substantiating TP of Rs50. We initiate coverage with Hold, given the limited upside potential to our TP.

A key downside risk is 1) higher-than-expected delinquencies, 2) elevated levels of restructuring of loans could lead to higher-than-expected delinquencies. Upside risks are 1) an uptick in economic revival, leading to lower provisioning requirements and higher PPOP growth, and 2) a sharp recovery in NIMs and lower-than-expected NPLs.

Canara Bank (Hold; TP Rs100)

Canara Bank recently merged with Syndicate Bank. With a moratorium book at 25%, we expect delinquencies to remain at elevated levels and as a result we model in credit costs of 2.1/1.7% through FY21F/22F. As a result, PPOP CAGR is likely to be low at 22.6% through FY23F. Average RoE is likely to be 6.3% during this period. We believe Canara Bank will need to dilute equity capital over the next couple of years given low internal capital generation for its high provisioning requirement.

Figure 38: Key parameters

RoE (%)	7
CoE (%)	13
g (%)	5
Implied P/B (x)	0.3

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: We value Canara Bank assuming normalised RoEs of 7%. We note that intermittent capital raising will keep its RoE in check. Based on a sustainable/average RoE of 7%, we initiate coverage with a Hold rating and value the stock at Rs100 (0.3x FY22F P/BV), which offers limited upside from current levels.

Key downside risks are higher-than-expected delinquencies and elevated levels of loan restructuring could lead to higher-than-expected delinquencies. Key upside risks are an uptick in economic revival, leading to lower provisioning requirements and higher PPOP growth, and a sharp recovery in NIMs and lower-than-expected NPLs.

Bank of India (Reduce; TP Rs38)

Bank of India is one of the large PSU Banks that has not been a part of mergers and acquisitions announced by the Finance Ministry last year, probably on account of its size (an advances base of INR 4.1trn as on Sep 2020). The last two quarters have seen significantly lower delinquencies at Rs6.8bn, largely on account of the moratorium and the 'standstill' on recognition of NPLs by the Supreme Court. We believe that delinquencies will rise meaningfully from 2HFY21F onwards given significant exposures to the corporate and MSME segments. This will keep credit costs elevated and RoE low, in our view. For now, PCR at 87% as on 2QFY21 looks healthy but potentially higher delinquencies will keep credit costs elevated, thereby keeping the RoE progression weak in our view.

Figure 39: Key parameters

RoE (%)	6
CoE (%)	10.5
g (%)	5
Implied P/B (x)	0.3

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: We value Bank of India assuming sustainable RoEs of 6%. We note that intermittent capital raising will keep its RoE in check — we estimate the RoEs to average ~4% from FY21/23 (assuming capital infusion, RoE could be lower than current estimates). Based on a sustainable/average RoE of 4-5%, we expect the stock to trade at 0.3x FY22F BV translating into a TP of Rs38. We initiate coverage on Bank of India with a Reduce Rating.

Key upside risks are: 1) a sharp uptick in economic revival, leading to lower provisioning requirements and higher PPOP growth, 2) a faster-than-expected economic recovery could lead to potentially lower provisions, and 3) the provision coverage ratio has improved to 88% (in 2QFY21), if the incremental flow of NPLs is lower, there could be meaningful upside to our estimates.

HDFC Ltd (Add; TP Rs2,550)

HDFC Ltd's steady growth rates coupled with spreads has led to core earnings (at 10% CAGR over FY21-23F) growing with the least volatility. Though the recent lockdown has led to a slowdown in the sector, we note that the demand for housing finance has been recovering well; and collection efficiency is improving steadily. Commercial exposure (and possible restructuring) remains an area of concern, but we believe HDFC's underwriting standards are superior to its peers. HDFC Ltd has created a meaningful provisioning cushion by utilising gains from stake sales in subsidiaries – we expect 16% CAGR in AUM (FY20-23F) and overall spreads to remain stable. As a result, we expect PPoP/PAT to grow at 9/21% CAGR through FY23F. We note that provisioning expenses are likely to be less volatile for HDFC compared to its peers under our coverage.

Figure 40: Key parameters

RoE (%)	16
CoE (%)	11
g (%)	6
Implied P/B (x)	2.3

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: We value HDFC on a SOP basis, valuing the core mortgage business at 2.3x FY22F P/BV (based on a sustainable RoE of 16%). We use the appraisal value methodology to value the insurance business and HDFC Asset Management on current market cap. Our SOP-based target price values HDFC at Rs2,550 (Figure 41) and translates to an upside potential of 10% from current levels. We initiate coverage with an Add rating.

The key downside risks are 1) a prolonged period of low growth and a sharper-than-expected rise in NPLs, especially in the wholesale segment; 2) high exposure to wholesale book could lead to potentially higher asset stress. 3) Lower-than-expected AUM growth for AMC is a potential risk for the mutual fund business.

Revival in growth and low levels of restructuring in wholesale book are key re-rating catalysts, in our view.

Figure 41: HDFC Ltd SOP

Particular	Rs
HDFC - Core business (2.3x FY22F core BV)	**1318**
HDFC Bank (at target price)	980
HDFC Life Insurance (market value)	355
HDFC AMC Limited (market value)	168
Others	38
Value of subsidiaries (at 20% hold co. discount)	**1232**
Fair Value per share of HDFC Limited	**2550**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Shriram Transport Finance Ltd (Add; TP Rs1,000)

SHTF remains one of the largest CV lenders in India. Given a predominantly CV exposure, coupled with the fact that the lockdown was a prolonged one, the overall collection efficiencies dropped to 59% in Jul 2020. We note that there has been a marked improvement in collection efficiencies (+95%) from Sep as the moratorium ended. We expect normalisation to take a couple of quarters and build in an uptick in NPLs. NIMs will likely remain under pressure on account of the excess liquidity that the company has been maintaining on its balance sheet (almost Rs130bn). We expect growth to look up from FY22F as FY21F is likely to be lukewarm in terms of growth. We expect PPoP growth at 7% CAGR through FY23F though PAT is likely to grow at 11% CAGR with elevated credit costs (3/2.5% for FY21F/22F).

Figure 42: Key parameters

RoE (%)	12
CoE (%)	11
g (%)	5
Implied P/B (x)	1.1

SOURCES: EIP RESEARCH, COMPANY REPORTS

Valuation and risks: Despite relatively lacklustre return ratios for the next couple of years, we expect SHTF to return to normalcy in terms of return ratios by FY23F (almost 2.3% ROA and 14% RoE). Current valuations at 0.9x FY22F P/BV are undemanding, in our view – we value the company at 1.1x based on average RoE of 12% through FY21-23F, translating into a TP of Rs1,000. We initiate coverage on SHTF with an Add rating, with 1`6% upside potential to our TP.

Key downside risks: 1) A slow uptick in the economy could elevate asset quality. Moreover, exposure to luxury bus operators/school bus segment, etc, could push up restructuring of loans and remains a key risk to our call. 2) We are estimating average AUM growth of 8% through FY23F – a slower recovery could lead to lower NII growth.

A sharp revival in growth is a key rerating catalyst as SHTF is highly leveraged to a revival in the economy as growth could be higher and credit costs would moderate.

LIC Housing Finance Ltd (Hold; TP Rs335)

LIC Housing fares well on the liabilities side of the balance sheet as is reflected in its low funding costs (incremental funding cost at 5.81% during 2QFY21). However, asset quality remains an area of concern with Stage 2/Stage 3 NPLs at 1.32/2.79% as on 2QFY21. Unlike its peers, we note that LIC Housing's provisioning remains low, especially for Stage 2 assets. Given its low capital ratio (tier-1 at 12.19% in FY21), it will be difficult to make excess provisions, in our view. LAP/developer book at 16.7%/7% respectively (2QFY21) have been a cause of concern but retail NPLs have risen too. We expect credit costs to remain elevated at 0.5%/0.6% for FY21F/22F. We expect PPoP growth to remain tepid at 1.8%/13.6% for FY21F/22F with PAT growing -5.5%/11.6%.

Figure 43: Key parameters

RoE (%)	10
CoE (%)	11
g (%)	5
Implied P/B (x)	0.8

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: LICHF's valuations appear undemanding at 0.7x FY22F P/BV, but we expect return ratios to remain under pressure with average RoA/RoE at 1%/11% respectively for FY21F. While the company is likely to benefit from release in risk weights announced by the RBI, we believe it would still be required to raise capital. We value the stock at 0.8x FY22F P/BV based on an average RoE of 10% through FY23F. We initiate coverage on LICHF with a Hold rating given limited upside to our TP. Key downside risks are 1) a surge in NPLs and low capitalisation, and 2) any capital raise could lead to capital dilution at lower levels.

A sharp revival in economic growth could lead to potentially lower NPLs and relatively better loan growth and, hence, are key upside risks to our call.

Mahindra and Mahindra Finance (Add; TP Rs165)

We like Mahindra Finance as a play on recovery in the rural areas that will lead to lower than earlier estimated damage on asset quality and growth. A good harvest on the back of a normal monsoon, coupled with government initiatives on infrastructure, are aiding a faster-than-expected collection recovery. In line with most other lenders, we expect demand to reach pre-COVID levels by 4QFY21F aiding growth. Credit costs will remain elevated, but collection efficiencies have been increasing with Aug 2020 collections at 80%. Overall commentary in this regard will be the key to watch for. With the recent capital raising (Rs35bn), the tier-1 ratio stands at 20.8% as on 2QFY21.

Figure 44: Key parameters

RoE (%)	13
CoE (%)	11
g (%)	5
Implied P/B (x)	1.2

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

Valuation and risks: We expect the overall PPoP growth at 9% CAGR between FY20-23F. We are now modelling in credit costs at 340/240bp through FY21F/22F as sharper-than-expected recovery could lead to lower credit costs. Overall, MMFSL remains among the most leveraged to revival in the rural economy and we value the company at 1.2x FY22F P/BV based on a sustainable RoE of 13%. We arrive at a TP of Rs165 for MMFSL and initiate coverage with an Add rating with an upside potential of 13%. Key downside risks: 1) a sharper-than-expected rise in delinquencies (we estimate credit cost to be at 340bp for FY21F), and 2) MMFSL's collection efficiencies have been lagging peers.

A sharp revival in the economy could lead to higher PPoP and lower credit costs and is a key re-rating catalyst.

Credit Access Grameen (Add; TP Rs850)

Credag is a fast-growing microfinance company concentrated primarily in Southern and Western India. While loan growth rates were impressive until FY20 (58% CAGR over FY17-20), the COVID-related lockdowns led to a deceleration in portfolio growth rates (growth stood at 30% as on Jun 2020). The company recently acquired Madurai Finance Ltd (17% of total loans as on 2QFY21), providing some diversification in South India. We like the company for a relatively strong liabilities franchise (cost of funds at 9.4%) and strong parentage. We like its conservative NPLs recognition policy with its net NPLs remaining nil over the past eight quarters. We note that collection efficiencies have improved meaningfully for CREDAG to 89% in Sep from 82% in Aug 2020. We keep our credit cost estimates at elevated levels of 4%/2.5% through FY21F/22F. We expect 28% CAGR in PPoP and 38% CAGR in PAT through FY23F (from FY20) with RoEs at ~17% as on FY23F.

Figure 45: Key parameters

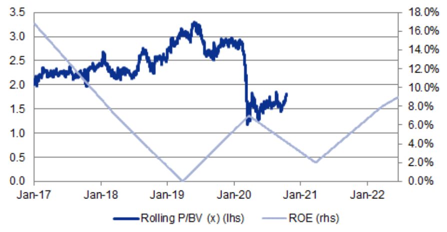
RoE (%)	18
CoE (%)	10
g (%)	6
Implied P/B (x)	3.0

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

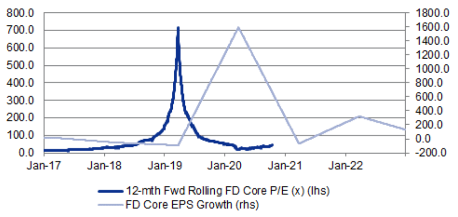
Valuation and risks: The stock has done well to recover from its Mar lows on the back of improvement in collection efficiencies and relative pick-up in disbursements. We expect CREDAG to generate sustainable RoEs of ~18%; we accordingly ascribe a 3x FY22F multiple translating into a TP of Rs850. We initiate coverage on CREDAG with an Add rating. Key downside risks to our call: 1) Given that CREDAG operates in the MFI segment, a sharp economic slowdown will negatively impact our NPL assumptions, and 2) higher-than-expected losses due to defaults on stressed loans can also impact our PAT estimates. A sharp revival in the economy and lower-than-expected losses given defaults could have a positive rub-off and could be a key re-rating catalyst.

BY THE NUMBERS (Axis Bank)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	217,082	252,062	287,351	326,150	370,205
Total Non-Interest Income	131,303	155,366	140,541	162,638	187,137
Total Net Revenues	**348,385**	**407,428**	**427,892**	**488,789**	**557,342**
Non-Interest Expense (Ex-goodwill)	(151,237)	(165,317)	(161,631)	(179,889)	(198,985)
Pre-provision Operating Profit	**190,051**	**234,381**	**257,565**	**299,117**	**347,351**
Total Provision Charges	(120,310)	(185,339)	(158,284)	(126,813)	(122,523)
Operating Profit After Provisions	**69,741**	**49,042**	**99,281**	**172,304**	**224,828**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**69,741**	**49,042**	**99,281**	**172,304**	**224,828**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**69,741**	**49,042**	**99,281**	**172,304**	**224,828**
Exceptional Items					
Pre-tax Profit	**69,741**	**49,042**	**99,281**	**172,304**	**224,828**
Taxation	(22,975)	(32,770)	(24,989)	(43,369)	(56,589)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**46,766**	**16,272**	**74,292**	**128,935**	**168,239**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**46,766**	**16,272**	**74,292**	**128,935**	**168,239**
Recurring Net Profit	46,766	16,272	74,292	128,935	168,239

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	5,062,363	5,922,975	6,537,398	7,493,376	8,585,713
Liquid Assets & Invst. (Current)	1,731,665	1,549,248	1,654,940	1,799,205	1,956,181
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**6,794,028**	**7,472,224**	**8,192,338**	**9,292,580**	**10,541,893**
Total Provisions	(114,383)	(208,733)	(251,732)	(264,860)	(272,920)
Total Net Interest Earning Assets	**6,679,645**	**7,263,490**	**7,940,606**	**9,027,720**	**10,268,974**
Intangible Assets					
Other Assets	528,939	782,723	845,341	896,061	949,825
Total Non-Interest Earning Assets	**658,274**	**915,475**	**987,806**	**1,049,135**	**1,114,493**
Total Cash And Equivalents	**672,046**	**972,683**	**596,521**	**634,882**	**675,713**
Long-term Investments					
Total Assets	**8,009,966**	**9,151,648**	**9,524,932**	**10,711,737**	**12,059,180**
Customer Interest-Bearing Liabilities	5,484,714	6,401,045	6,590,615	7,569,460	8,661,462
Bank Deposits					
Other Interest-Bearing Liabilities	1,527,758	1,409,541	1,353,160	1,366,691	1,380,358
Total Interest-Bearing Liabilities	**7,012,471**	**7,880,587**	**8,020,775**	**9,020,851**	**10,134,990**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	330,731	421,579	492,626	565,720	646,088
Total Liabilities	**7,343,203**	**8,302,166**	**8,513,400**	**9,586,571**	**10,781,079**
Shareholders' Equity	666,763	849,478	1,011,531	1,125,166	1,278,101
Minority Interests					
Total Equity	**666,763**	**849,478**	**1,011,531**	**1,125,166**	**1,278,101**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

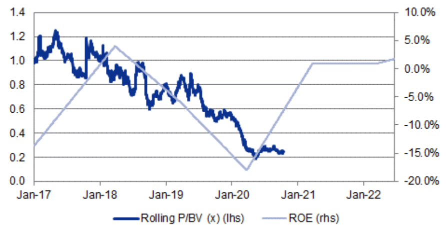
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	12.5%	15.5%	10.0%	15.0%	15.0%
Net Interest Margin (%)	3.4%	3.5%	3.7%	3.7%	3.7%
Non Interest Income Growth (%)	19.7%	18.3%	(9.5%)	15.7%	15.1%
Cost-income Ratio (%)	45.4%	42.5%	39.8%	38.8%	37.7%
Net NPL Ratio (%)	3.8%	1.7%	2.3%	2.4%	2.2%
Tier 1 Ratio (%)	11.5%	13.7%	14.0%	12.9%	12.0%
Total CAR (%)	14.6%	16.8%	17.0%	15.9%	15.0%
Deposit Growth (%)	20.9%	16.7%	3.0%	14.9%	14.4%
Loan-deposit Ratio (%)	90.2%	89.3%	95.4%	95.5%	96.0%
Gross NPL Ratio (%)	5.7%	5.0%	5.9%	5.6%	5.1%

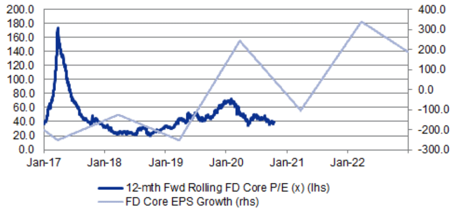
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Bank of Baroda)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	256,780	274,513	272,497	301,606	335,094
Total Non-Interest Income	87,940	103,173	91,359	90,212	100,320
Total Net Revenues	**344,720**	**377,686**	**363,857**	**391,818**	**435,414**
Non-Interest Expense (Ex-goodwill)	(167,000)	(164,175)	(167,680)	(184,872)	(209,500)
Pre-provision Operating Profit	**165,440**	**196,914**	**178,750**	**187,777**	**204,349**
Total Provision Charges	(223,980)	(214,933)	(169,725)	(149,985)	(136,424)
Operating Profit After Provisions	**(58,540)**	**(18,019)**	**9,025**	**37,792**	**67,925**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**(58,540)**	**(18,019)**	**9,025**	**37,792**	**67,925**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**(58,540)**	**(18,019)**	**9,025**	**37,792**	**67,925**
Exceptional Items					
Pre-tax Profit	**(58,540)**	**(18,019)**	**9,025**	**37,792**	**67,925**
Taxation	(24,860)	23,483	(2,272)	(9,512)	(17,097)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**(83,400)**	**5,464**	**6,753**	**28,280**	**50,828**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**(83,400)**	**5,464**	**6,753**	**28,280**	**50,828**
Recurring Net Profit	(83,400)	5,464	6,753	28,280	50,828

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	5,149,485	7,379,252	7,787,312	8,540,401	9,382,171
Liquid Assets & Invst. (Current)	1,808,736	2,731,697	2,963,433	3,365,787	3,822,803
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**6,958,221**	**10,110,949**	**10,750,745**	**11,906,189**	**13,204,974**
Total Provisions	(461,298)	(478,044)	(541,044)	(497,044)	(454,044)
Total Net Interest Earning Assets	**6,496,923**	**9,632,904**	**10,209,700**	**11,409,144**	**12,750,930**
Intangible Assets					
Other Assets	276,489	557,116	599,138	659,052	724,957
Total Non-Interest Earning Assets	**420,655**	**727,240**	**799,361**	**876,104**	**961,247**
Total Cash And Equivalents	**892,296**	**1,219,011**	**1,278,434**	**1,349,106**	**1,425,777**
Long-term Investments					
Total Assets	**7,809,874**	**11,579,155**	**12,287,495**	**13,634,354**	**15,137,954**
Customer Interest-Bearing Liabilities	6,386,897	9,459,844	10,014,346	11,151,737	12,415,967
Bank Deposits					
Other Interest-Bearing Liabilities	612,398	847,858	930,350	1,023,385	1,125,724
Total Interest-Bearing Liabilities	**7,058,910**	**10,390,537**	**11,032,532**	**12,272,957**	**13,649,526**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	232,633	470,056	507,172	560,023	616,904
Total Liabilities	**7,291,543**	**10,860,593**	**11,539,704**	**12,832,980**	**14,266,430**
Shareholders' Equity	509,831	718,562	722,077	745,730	791,931
Minority Interests					
Total Equity	**509,831**	**718,562**	**722,077**	**745,730**	**791,931**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

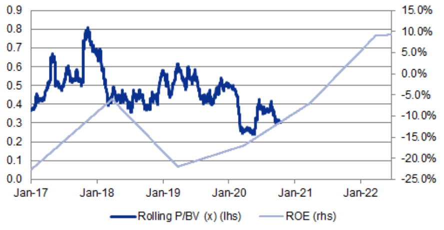
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	9.7%	47.2%	5.0%	11.0%	11.0%
Net Interest Margin (%)	3.9%	3.2%	2.6%	2.7%	2.7%
Non Interest Income Growth (%)	32.1%	17.3%	(11.5%)	(1.3%)	11.2%
Cost-income Ratio (%)	52.0%	47.9%	50.9%	52.1%	53.1%
Net NPL Ratio (%)	(5.6%)	(3.4%)	(3.4%)	(3.5%)	(3.2%)
Tier 1 Ratio (%)	10.3%	11.6%	10.3%	9.1%	8.2%
Total CAR (%)	11.7%	12.9%	11.5%	10.2%	9.1%
Deposit Growth (%)	8.0%	48.1%	5.9%	11.4%	11.3%
Loan-deposit Ratio (%)	73.4%	73.0%	72.4%	72.1%	71.9%
Gross NPL Ratio (%)	13.0%	9.1%	9.6%	8.7%	7.5%

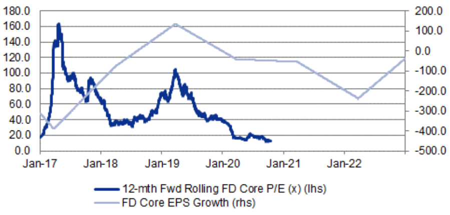
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Bank of India)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	136,577	152,570	154,407	164,632	176,137
Total Non-Interest Income	51,320	67,131	73,817	64,882	66,559
Total Net Revenues	**187,897**	**219,701**	**228,224**	**229,513**	**242,697**
Non-Interest Expense (Ex-goodwill)	(103,308)	(100,666)	(104,011)	(111,234)	(119,020)
Pre-provision Operating Profit	**80,922**	**115,187**	**120,211**	**114,078**	**119,265**
Total Provision Charges	(172,613)	(161,907)	(104,963)	(92,885)	(84,190)
Operating Profit After Provisions	**(91,691)**	**(46,721)**	**15,248**	**21,193**	**35,074**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**(91,691)**	**(46,721)**	**15,248**	**21,193**	**35,074**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**(91,691)**	**(46,721)**	**15,248**	**21,193**	**35,074**
Exceptional Items					
Pre-tax Profit	**(91,691)**	**(46,721)**	**15,248**	**21,193**	**35,074**
Taxation	36,220	17,152	(3,838)	(5,334)	(8,828)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**(55,471)**	**(29,569)**	**11,410**	**15,858**	**26,246**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**(55,471)**	**(29,569)**	**11,410**	**15,858**	**26,246**
Recurring Net Profit	(55,471)	(29,569)	11,410	15,858	26,246

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	3,825,474	4,161,218	4,313,911	4,458,690	4,579,486
Liquid Assets & Invst. (Current)	1,471,740	1,584,344	1,741,346	1,913,975	2,103,793
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**5,297,214**	**5,745,562**	**6,055,257**	**6,372,665**	**6,683,279**
Total Provisions	(415,414)	(472,385)	(531,975)	(544,331)	(527,973)
Total Net Interest Earning Assets	**4,881,800**	**5,273,178**	**5,523,282**	**5,828,334**	**6,155,306**
Intangible Assets					
Other Assets	196,122	173,240	190,564	209,620	230,582
Total Non-Interest Earning Assets	**359,580**	**478,594**	**524,669**	**575,262**	**630,821**
Total Cash And Equivalents	**948,115**	**864,563**	**922,411**	**984,613**	**1,051,533**
Long-term Investments					
Total Assets	**6,189,495**	**6,616,335**	**6,970,362**	**7,388,210**	**7,837,661**
Customer Interest-Bearing Liabilities	5,208,624	5,555,050	5,857,121	6,215,320	6,591,354
Bank Deposits					
Other Interest-Bearing Liabilities	436,162	394,525	414,251	434,963	456,712
Total Interest-Bearing Liabilities	**5,651,035**	**5,952,575**	**6,274,972**	**6,654,604**	**7,053,249**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	184,382	225,597	245,817	268,178	292,741
Total Liabilities	**5,835,417**	**6,178,172**	**6,520,788**	**6,922,782**	**7,345,991**
Shareholders' Equity	354,078	438,163	449,573	465,432	491,678
Minority Interests					
Total Equity	**354,078**	**438,163**	**449,573**	**465,432**	**491,678**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

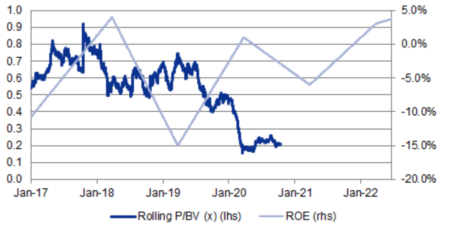
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	(0.1%)	8.2%	2.5%	3.5%	3.5%
Net Interest Margin (%)	2.6%	2.8%	2.6%	2.6%	2.7%
Non Interest Income Growth (%)	(10.5%)	30.8%	10.0%	(12.1%)	2.6%
Cost-income Ratio (%)	56.9%	47.6%	47.3%	50.3%	50.9%
Net NPL Ratio (%)	6.4%	4.4%	3.7%	3.6%	3.3%
Tier 1 Ratio (%)	8.0%	10.1%	9.4%	8.7%	8.3%
Total CAR (%)	8.4%	10.2%	9.5%	8.9%	8.5%
Deposit Growth (%)	0.0%	6.7%	5.4%	6.1%	6.1%
Loan-deposit Ratio (%)	65.5%	66.4%	64.6%	63.0%	61.5%
Gross NPL Ratio (%)	15.1%	14.3%	14.7%	14.5%	13.7%

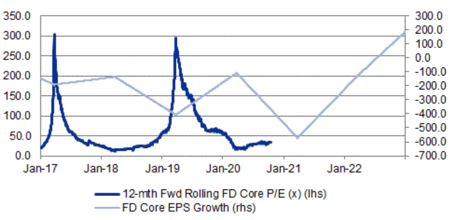
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Canara Bank)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	144,781	131,240	186,085	202,900	222,484
Total Non-Interest Income	65,750	78,130	84,263	86,958	88,588
Total Net Revenues	**210,531**	**209,370**	**270,349**	**289,858**	**311,073**
Non-Interest Expense (Ex-goodwill)	(100,454)	(111,185)	(113,461)	(122,647)	(132,600)
Pre-provision Operating Profit	**105,909**	**93,600**	**151,844**	**161,663**	**172,369**
Total Provision Charges	(129,183)	(111,150)	(130,430)	(118,248)	(97,618)
Operating Profit After Provisions	**(23,274)**	**(17,550)**	**21,414**	**43,415**	**74,752**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**(23,274)**	**(17,550)**	**21,414**	**43,415**	**74,752**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**(23,274)**	**(17,550)**	**21,414**	**43,415**	**74,752**
Exceptional Items					
Pre-tax Profit	**(23,274)**	**(17,550)**	**21,414**	**43,415**	**74,752**
Taxation	26,744	(4,800)	(5,396)	(10,941)	(18,837)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**3,470**	**(22,350)**	**16,017**	**32,474**	**55,914**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**3,470**	**(22,350)**	**16,017**	**32,474**	**55,914**
Recurring Net Profit	3,470	(22,350)	16,017	32,474	55,914

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	4,506,341	4,509,651	6,907,644	7,399,275	7,902,013
Liquid Assets & Invst. (Current)	1,522,391	1,754,241	2,515,758	2,629,213	2,819,598
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**6,028,732**	**6,263,892**	**9,423,402**	**10,028,488**	**10,721,611**
Total Provisions	(229,068)	(187,898)	(381,798)	(416,620)	(430,572)
Total Net Interest Earning Assets	**5,799,664**	**6,075,993**	**9,041,604**	**9,611,867**	**10,291,038**
Intangible Assets					
Other Assets	310,564	298,640	328,504	361,354	397,490
Total Non-Interest Earning Assets	**486,477**	**480,040**	**528,073**	**577,530**	**631,839**
Total Cash And Equivalents	**661,527**	**682,715**	**1,092,344**	**1,169,077**	**1,260,453**
Long-term Investments					
Total Assets	**6,947,667**	**7,238,748**	**10,662,020**	**11,358,474**	**12,183,331**
Customer Interest-Bearing Liabilities	5,990,333	6,253,510	9,358,096	9,936,080	10,608,096
Bank Deposits					
Other Interest-Bearing Liabilities	282,430	289,925	347,910	389,660	436,419
Total Interest-Bearing Liabilities	**6,400,256**	**6,681,128**	**9,926,315**	**10,572,484**	**11,320,869**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	185,639	164,688	199,055	221,229	246,148
Total Liabilities	**6,585,895**	**6,845,816**	**10,125,370**	**10,793,713**	**11,567,017**
Shareholders' Equity	361,772	392,930	536,650	564,762	616,315
Minority Interests					
Total Equity	**361,772**	**392,930**	**536,650**	**564,762**	**616,315**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

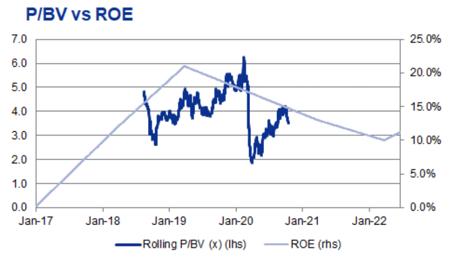
BY THE NUMBERS…cont'd

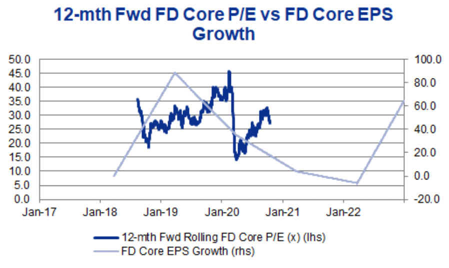
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	12.1%	1.0%	51.0%	7.0%	7.0%
Net Interest Margin (%)	2.5%	2.1%	2.4%	2.1%	2.1%
Non Interest Income Growth (%)	(5.3%)	18.8%	7.9%	3.2%	1.9%
Cost-income Ratio (%)	49.7%	55.3%	43.8%	44.2%	44.6%
Net NPL Ratio (%)	3.5%	4.4%	4.3%	4.2%	3.7%
Tier 1 Ratio (%)	8.2%	9.2%	8.9%	8.8%	9.0%
Total CAR (%)	10.6%	12.1%	12.3%	12.3%	12.7%
Deposit Growth (%)	14.2%	4.4%	49.6%	6.2%	6.8%
Loan-deposit Ratio (%)	71.4%	69.1%	69.7%	70.3%	70.4%
Gross NPL Ratio (%)	8.0%	7.9%	9.0%	9.0%	8.4%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (CreditAccess Grameen Ltd)





Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	7,464	10,302	14,482	17,498	22,404
Total Non-Interest Income	1,202	951	1,063	1,185	1,293
Total Net Revenues	**8,666**	**11,253**	**15,545**	**18,683**	**23,696**
Non-Interest Expense (Ex-goodwill)	(2,940)	(4,266)	(5,550)	(6,991)	(8,931)
Pre-provision Operating Profit	**5,726**	**6,987**	**9,995**	**11,692**	**14,765**
Total Provision Charges	(749)	(2,373)	(5,271)	(2,821)	(2,868)
Operating Profit After Provisions	**4,977**	**4,614**	**4,724**	**8,870**	**11,897**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**4,977**	**4,614**	**4,724**	**8,870**	**11,897**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**4,977**	**4,614**	**4,724**	**8,870**	**11,897**
Exceptional Items					
Pre-tax Profit	**4,977**	**4,614**	**4,724**	**8,870**	**11,897**
Taxation	(1,760)	(1,261)	(1,189)	(2,233)	(2,994)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**3,218**	**3,353**	**3,535**	**6,638**	**8,903**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**3,218**	**3,353**	**3,535**	**6,638**	**8,903**
Recurring Net Profit	3,218	3,353	3,535	6,638	8,903

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	66,029	110,989	122,088	158,714	222,200
Liquid Assets & Invst. (Current)	2	456	478	502	553
Other Int. Earning Assets	467	555	632	708	793
Total Gross Int. Earning Assets	**66,498**	**112,000**	**123,199**	**159,925**	**223,546**
Total Provisions					
Total Net Interest Earning Assets	**66,498**	**112,000**	**123,199**	**159,925**	**223,546**
Intangible Assets					
Other Assets	302	5,827	5,843	5,873	5,951
Total Non-Interest Earning Assets	**921**	**6,718**	**6,808**	**6,940**	**7,179**
Total Cash And Equivalents	**6,156**	**7,179**	**18,676**	**14,681**	**11,224**
Long-term Investments					
Total Assets	**73,574**	**125,896**	**148,682**	**181,546**	**241,949**
Customer Interest-Bearing Liabilities					
Bank Deposits	41,145	85,800	96,629	119,908	165,873
Other Interest-Bearing Liabilities	7,150	8,567	9,778	12,382	17,523
Total Interest-Bearing Liabilities	**48,666**	**95,397**	**107,437**	**133,320**	**184,426**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	1,257	2,068	2,367	2,711	3,106
Total Liabilities	**49,923**	**97,464**	**109,805**	**136,032**	**187,532**
Shareholders' Equity	23,651	27,342	38,877	45,515	54,417
Minority Interests					
Total Equity	**23,651**	**27,342**	**38,877**	**45,515**	**54,417**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

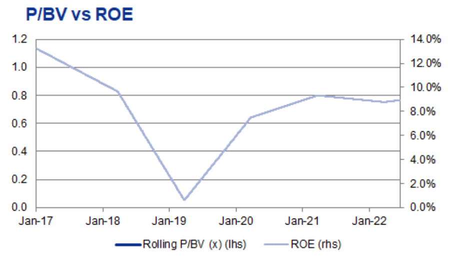
BY THE NUMBERS…cont'd

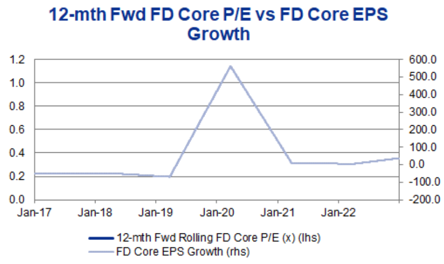
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	34.9%	68.1%	10.0%	15.0%	40.0%
Net Interest Margin (%)	12.9%	11.5%	12.3%	12.4%	11.7%
Non Interest Income Growth (%)	915.2%	(20.9%)	11.7%	11.5%	9.1%
Cost-income Ratio (%)	33.9%	37.9%	35.7%	37.4%	37.7%
Net NPL Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Tier 1 Ratio (%)	34.7%	23.6%	29.6%	27.0%	23.4%
Total CAR (%)	36.1%	25.3%	31.2%	28.3%	24.3%
Gross NPL Ratio (%)	0.7%	1.7%	1.8%	1.5%	1.2%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Equitas Small Finance Bank Limited)





Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	11,517	14,953	17,005	20,639	25,325
Total Non-Interest Income	2,829	2,824	2,759	3,063	3,541
Total Net Revenues	**14,346**	**17,777**	**19,764**	**23,702**	**28,866**
Non-Interest Expense (Ex-goodwill)	(9,167)	(10,836)	(11,920)	(13,913)	(16,696)
Pre-provision Operating Profit	**4,261**	**5,976**	**6,783**	**8,621**	**10,851**
Total Provision Charges	(1,024)	(2,466)	(3,414)	(3,681)	(4,882)
Operating Profit After Provisions	**3,237**	**3,509**	**3,368**	**4,940**	**5,969**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**3,237**	**3,509**	**3,368**	**4,940**	**5,969**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**3,237**	**3,509**	**3,368**	**4,940**	**5,969**
Exceptional Items					
Pre-tax Profit	**3,237**	**3,509**	**3,368**	**4,940**	**5,969**
Taxation	(1,132)	(1,073)	(842)	(1,235)	(1,492)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**2,106**	**2,436**	**2,526**	**3,705**	**4,477**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**2,106**	**2,436**	**2,526**	**3,705**	**4,477**
Recurring Net Profit	2,106	2,436	2,526	3,705	4,477

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	117,044	139,170	160,959	197,133	246,356
Liquid Assets & Invst. (Current)	23,445	23,425	25,728	28,260	31,044
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**140,488**	**162,595**	**186,687**	**225,392**	**277,400**
Total Provisions	(1,094)	(1,698)	(1,998)	(2,598)	(2,698)
Total Net Interest Earning Assets	**139,395**	**160,897**	**184,689**	**222,795**	**274,702**
Intangible Assets					
Other Assets	914	1,312	1,443	1,588	1,746
Total Non-Interest Earning Assets	**5,626**	**6,880**	**6,810**	**8,142**	**9,822**
Total Cash And Equivalents	**12,606**	**25,368**	**26,561**	**27,687**	**28,924**
Long-term Investments					
Total Assets	**157,627**	**193,145**	**218,061**	**258,624**	**313,448**
Customer Interest-Bearing Liabilities	90,060	107,884	121,324	147,924	186,566
Bank Deposits					
Other Interest-Bearing Liabilities	39,730	51,349	59,051	67,909	78,095
Total Interest-Bearing Liabilities	**129,790**	**159,233**	**180,375**	**215,833**	**264,661**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	5,286	6,471	7,697	9,076	10,574
Total Liabilities	**135,077**	**165,704**	**188,072**	**224,909**	**275,235**
Shareholders' Equity	22,543	27,441	29,989	33,715	38,213
Minority Interests					
Total Equity	**22,543**	**27,441**	**29,989**	**33,715**	**38,213**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

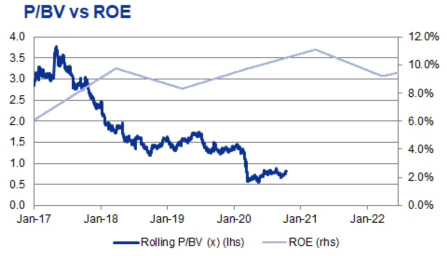
BY THE NUMBERS…cont'd

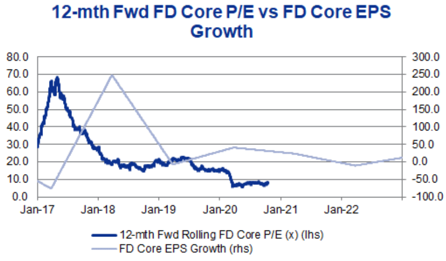
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	50.5%	18.6%	15.6%	22.4%	25.3%
Net Interest Margin (%)	9.0%	9.9%	9.7%	10.0%	10.1%
Non Interest Income Growth (%)	17.3%	(0.2%)	(2.3%)	11.0%	15.6%
Cost-income Ratio (%)	70.3%	66.4%	65.7%	63.6%	62.4%
Net NPL Ratio (%)	1.6%	1.8%	1.6%	1.3%	1.1%
Tier 1 Ratio (%)	21.8%	20.7%	21.0%	19.7%	18.2%
Total CAR (%)	23.4%	22.2%	22.6%	21.4%	19.9%
Deposit Growth (%)	60.7%	19.8%	12.5%	21.9%	26.1%
Loan-deposit Ratio (%)	128.7%	127.4%	131.0%	131.5%	130.6%
Gross NPL Ratio (%)	2.5%	2.9%	2.8%	2.5%	2.2%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Federal Bank)





Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	41,763	46,489	49,371	55,214	62,489
Total Non-Interest Income	13,510	19,300	18,649	18,937	21,445
Total Net Revenues	**55,274**	**65,789**	**68,020**	**74,151**	**83,933**
Non-Interest Expense (Ex-goodwill)	(26,439)	(32,420)	(34,083)	(39,063)	(44,483)
Pre-provision Operating Profit	**27,631**	**32,033**	**32,453**	**33,441**	**37,623**
Total Provision Charges	(8,559)	(11,722)	(14,054)	(11,656)	(9,827)
Operating Profit After Provisions	**19,073**	**20,311**	**18,400**	**21,785**	**27,796**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**19,073**	**20,311**	**18,400**	**21,785**	**27,796**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**19,073**	**20,311**	**18,400**	**21,785**	**27,796**
Exceptional Items					
Pre-tax Profit	**19,073**	**20,311**	**18,400**	**21,785**	**27,796**
Taxation	(6,634)	(4,898)	(4,631)	(5,483)	(6,996)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**12,439**	**15,414**	**13,768**	**16,302**	**20,800**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**12,439**	**15,414**	**13,768**	**16,302**	**20,800**
Recurring Net Profit	12,439	15,414	13,768	16,302	20,800

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	1,118,573	1,241,923	1,278,285	1,450,710	1,726,088
Liquid Assets & Invst. (Current)	314,210	354,299	392,069	440,732	495,477
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**1,432,783**	**1,596,222**	**1,670,354**	**1,891,442**	**2,221,565**
Total Provisions	(16,343)	(19,242)	(24,892)	(33,192)	(39,242)
Total Net Interest Earning Assets	**1,416,440**	**1,576,979**	**1,645,462**	**1,858,250**	**2,182,323**
Intangible Assets					
Other Assets	58,865	88,220	101,453	116,671	134,172
Total Non-Interest Earning Assets	**76,288**	**103,655**	**112,063**	**128,608**	**147,609**
Total Cash And Equivalents	**100,668**	**125,750**	**141,413**	**159,808**	**180,654**
Long-term Investments					
Total Assets	**1,593,395**	**1,806,384**	**1,898,937**	**2,146,666**	**2,510,585**
Customer Interest-Bearing Liabilities	1,349,544	1,522,900	1,594,017	1,806,838	2,127,531
Bank Deposits					
Other Interest-Bearing Liabilities	77,813	102,676	112,944	129,885	149,368
Total Interest-Bearing Liabilities	**1,427,357**	**1,626,620**	**1,709,205**	**1,940,349**	**2,282,112**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	33,313	34,580	35,577	40,654	46,815
Total Liabilities	**1,460,670**	**1,661,200**	**1,744,783**	**1,981,003**	**2,328,927**
Shareholders' Equity	132,730	145,180	154,159	165,662	181,659
Minority Interests					
Total Equity	**132,730**	**145,180**	**154,159**	**165,662**	**181,659**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

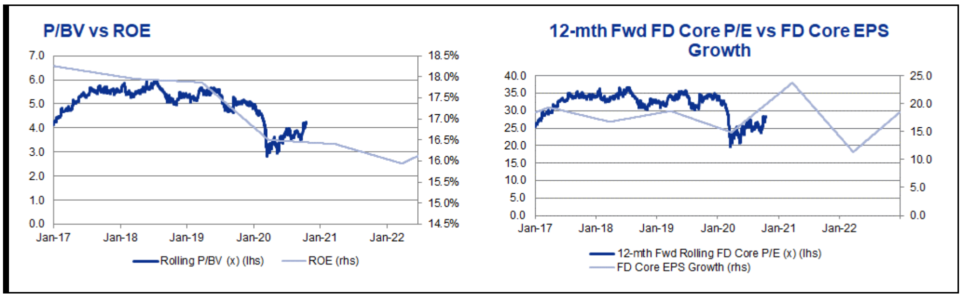
BY THE NUMBERS…cont'd

Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	19.9%	10.9%	2.5%	13.1%	19.0%
Net Interest Margin (%)	3.1%	3.1%	3.0%	3.1%	3.0%
Non Interest Income Growth (%)	16.6%	42.9%	(3.4%)	1.5%	13.2%
Cost-income Ratio (%)	50.0%	51.3%	52.3%	54.9%	55.2%
Net NPL Ratio (%)	1.5%	1.3%	1.4%	1.3%	1.1%
Tier 1 Ratio (%)	13.4%	13.0%	13.7%	13.3%	12.5%
Total CAR (%)	14.1%	14.0%	14.9%	14.4%	13.6%
Deposit Growth (%)	20.5%	12.8%	4.7%	13.4%	17.7%
Loan-deposit Ratio (%)	81.7%	80.3%	78.6%	78.5%	79.3%
Gross NPL Ratio (%)	2.9%	2.8%	3.2%	3.5%	3.3%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (HDFC Bank)



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	482,432	561,863	649,785	757,696	887,683
Total Non-Interest Income	176,259	232,608	233,021	241,901	275,989
Total Net Revenues	**658,691**	**794,471**	**882,806**	**999,597**	**1,163,673**
Non-Interest Expense (Ex-goodwill)	(249,793)	(295,017)	(314,100)	(363,436)	(427,953)
Pre-provision Operating Profit	**397,497**	**487,495**	**556,509**	**622,256**	**719,867**
Total Provision Charges	(75,501)	(121,424)	(144,675)	(135,826)	(140,531)
Operating Profit After Provisions	**321,997**	**366,072**	**411,833**	**486,430**	**579,336**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**321,997**	**366,072**	**411,833**	**486,430**	**579,336**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**321,997**	**366,072**	**411,833**	**486,430**	**579,336**
Exceptional Items					
Pre-tax Profit	**321,997**	**366,072**	**411,833**	**486,430**	**579,336**
Taxation	(111,215)	(103,498)	(103,658)	(122,434)	(145,819)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**210,782**	**262,573**	**308,175**	**363,996**	**433,517**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**210,782**	**262,573**	**308,175**	**363,996**	**433,517**
Recurring Net Profit	210,782	262,573	308,175	363,996	433,517

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	8,274,118	10,028,118	11,353,555	13,768,024	16,484,282
Liquid Assets & Invst. (Current)	2,867,614	3,880,002	4,275,819	5,037,686	5,936,730
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**11,141,732**	**13,908,119**	**15,629,373**	**18,805,710**	**22,421,012**
Total Provisions	(80,106)	(91,089)	(146,525)	(185,473)	(190,448)
Total Net Interest Earning Assets	**11,061,626**	**13,817,030**	**15,482,848**	**18,620,236**	**22,230,564**
Intangible Assets					
Other Assets	329,905	397,915	436,376	523,651	628,382
Total Non-Interest Earning Assets	**570,304**	**621,895**	**726,871**	**845,754**	**985,637**
Total Cash And Equivalents	**813,476**	**866,187**	**864,600**	**922,818**	**985,164**
Long-term Investments					
Total Assets	**12,445,407**	**15,305,113**	**17,074,318**	**20,388,808**	**24,201,364**
Customer Interest-Bearing Liabilities	9,231,409	11,475,023	12,777,160	15,459,386	18,522,296
Bank Deposits					
Other Interest-Bearing Liabilities	988,531	1,263,965	1,327,164	1,477,133	1,644,049
Total Interest-Bearing Liabilities	**10,402,261**	**12,921,308**	**14,292,950**	**17,125,046**	**20,354,772**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	536,570	659,431	788,611	946,837	1,136,012
Total Liabilities	**10,938,831**	**13,580,739**	**15,081,561**	**18,071,882**	**21,490,784**
Shareholders' Equity	1,492,064	1,709,860	1,978,247	2,302,415	2,696,064
Minority Interests					
Total Equity	**1,492,064**	**1,709,860**	**1,978,247**	**2,302,415**	**2,696,064**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

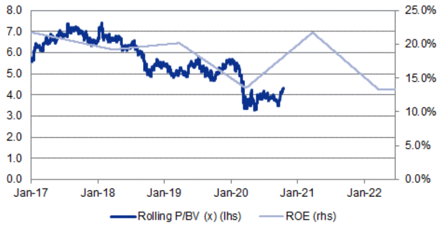
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	24.5%	21.3%	12.8%	21.2%	20.0%
Net Interest Margin (%)	4.8%	4.5%	4.4%	4.4%	4.3%
Non Interest Income Growth (%)	15.8%	32.0%	0.2%	3.8%	14.1%
Cost-income Ratio (%)	39.7%	38.6%	37.0%	37.7%	38.1%
Net NPL Ratio (%)	0.4%	0.4%	0.5%	0.3%	0.3%
Tier 1 Ratio (%)	15.5%	14.9%	15.0%	14.3%	13.9%
Total CAR (%)	16.8%	16.0%	16.0%	15.2%	14.7%
Deposit Growth (%)	17.0%	24.3%	11.3%	21.0%	19.8%
Loan-deposit Ratio (%)	88.8%	86.6%	87.7%	87.9%	88.0%
Gross NPL Ratio (%)	1.4%	1.3%	1.8%	1.6%	1.4%

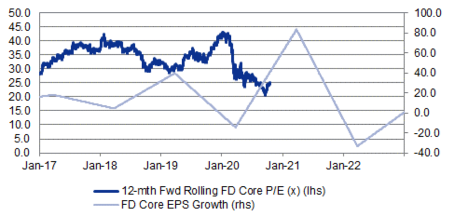
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Housing Development Fin.)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	114,026	116,458	129,572	149,740	170,721
Total Non-Interest Income	41,378	161,163	58,564	51,172	52,614
Total Net Revenues	**155,403**	**277,621**	**188,137**	**200,912**	**223,335**
Non-Interest Expense (Ex-goodwill)	(14,866)	(14,980)	(15,231)	(17,059)	(19,106)
Pre-provision Operating Profit	**140,538**	**262,641**	**172,906**	**183,853**	**204,229**
Total Provision Charges	(9,350)	(59,131)	(40,000)	(26,000)	(11,000)
Operating Profit After Provisions	**131,188**	**203,510**	**132,906**	**157,853**	**193,229**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**131,188**	**203,510**	**132,906**	**157,853**	**193,229**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**131,188**	**203,510**	**132,906**	**157,853**	**193,229**
Exceptional Items					
Pre-tax Profit	**131,188**	**203,510**	**132,906**	**157,853**	**193,229**
Taxation	(34,863)	(25,813)	(30,568)	(36,306)	(44,443)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**96,325**	**177,698**	**102,337**	**121,547**	**148,787**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**96,325**	**177,698**	**102,337**	**121,547**	**148,787**
Recurring Net Profit	96,325	177,698	102,337	121,547	148,787

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	4,007,596	4,399,438	4,793,918	5,376,745	6,015,275
Liquid Assets & Invst. (Current)	307,100	506,425	454,213	394,465	340,544
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**4,314,696**	**4,905,862**	**5,248,131**	**5,771,210**	**6,355,819**
Total Provisions					
Total Net Interest Earning Assets	**4,314,696**	**4,905,862**	**5,248,131**	**5,771,210**	**6,355,819**
Intangible Assets					
Other Assets	69,815	132,251	145,496	160,045	176,050
Total Non-Interest Earning Assets	**257,122**	**300,817**	**303,873**	**322,535**	**342,946**
Total Cash And Equivalents	**15,963**	**34,257**	**38,025**	**42,588**	**47,699**
Long-term Investments					
Total Assets	**4,587,781**	**5,240,936**	**5,590,029**	**6,136,334**	**6,746,463**
Customer Interest-Bearing Liabilities	1,055,989	1,323,243	1,310,011	1,441,012	1,599,523
Bank Deposits					
Other Interest-Bearing Liabilities	2,598,224	2,817,774	2,998,383	3,306,398	3,618,725
Total Interest-Bearing Liabilities	**3,654,213**	**4,141,017**	**4,308,393**	**4,747,410**	**5,218,248**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	160,008	238,339	216,589	249,078	286,439
Total Liabilities	**3,814,221**	**4,379,355**	**4,524,983**	**4,996,488**	**5,504,687**
Shareholders' Equity	773,555	861,581	1,065,047	1,139,846	1,241,776
Minority Interests					
Total Equity	**773,555**	**861,581**	**1,065,047**	**1,139,846**	**1,241,776**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

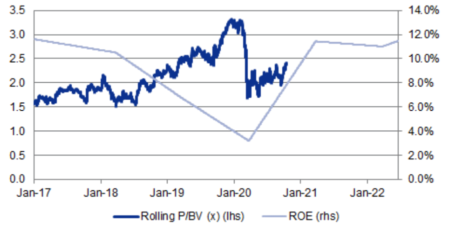
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	12.1%	9.8%	9.0%	12.2%	11.9%
Net Interest Margin (%)	2.8%	2.5%	2.6%	2.7%	2.8%
Non Interest Income Growth (%)	(45.4%)	289.5%	(63.7%)	(12.6%)	2.8%
Cost-income Ratio (%)	9.6%	5.4%	8.1%	8.5%	8.6%
Net NPL Ratio (%)	0.8%	1.2%	1.2%	1.2%	1.2%
Tier 1 Ratio (%)	18.9%	17.6%	20.5%	19.8%	19.4%
Total CAR (%)	18.9%	17.6%	20.5%	19.8%	19.4%
Gross NPL Ratio (%)	1.4%	2.3%	2.3%	2.2%	2.1%

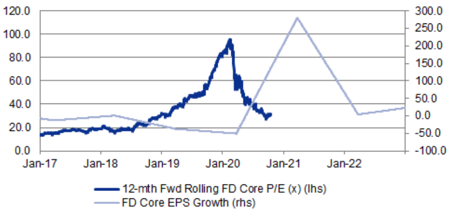
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (ICICI Bank)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	2,70,160	3,32,671	3,79,814	4,39,780	5,08,761
Total Non-Interest Income	1,45,120	1,64,486	1,83,970	1,74,448	1,95,750
Total Net Revenues	4,15,280	4,97,157	5,63,784	6,14,228	7,04,511
Non-Interest Expense (Ex-goodwill)	(1,72,302)	(2,06,659)	(2,07,524)	(2,35,577)	(2,68,518)
Pre-provision Operating Profit	2,34,390	2,81,013	3,45,826	3,70,651	4,27,994
Total Provision Charges	(1,96,610)	(91,485)	(1,82,889)	(1,35,806)	(1,02,305)
Operating Profit After Provisions	37,780	1,89,528	1,62,937	2,34,845	3,25,689
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	37,780	1,89,528	1,62,937	2,34,845	3,25,689
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	37,780	1,89,528	1,62,937	2,34,845	3,25,689
Exceptional Items					
Pre-tax Profit	37,780	1,89,528	1,62,937	2,34,845	3,25,689
Taxation	(4,130)	(61,172)	(41,060)	(59,181)	(82,725)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	33,650	1,28,355	1,21,877	1,75,664	2,42,964
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	33,650	1,28,355	1,21,877	1,75,664	2,42,964
Recurring Net Profit	33,650	1,28,355	1,21,877	1,75,664	2,42,964

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	62,55,808	67,95,553	73,91,319	81,71,429	90,99,869
Liquid Assets & Invst. (Current)	20,15,841	24,34,113	26,00,278	28,00,255	30,18,293
Other Int. Earning Assets					
Total Gross Int. Earning Assets	82,71,650	92,29,666	99,91,597	1,09,71,684	1,21,18,162
Total Provisions	(3,89,338)	(3,42,654)	(3,89,923)	(3,99,879)	(3,95,734)
Total Net Interest Earning Assets	78,82,311	88,87,013	96,01,674	1,05,71,805	1,17,22,429
Intangible Assets					
Other Assets	6,90,740	5,92,578	6,51,836	7,17,020	7,88,722
Total Non-Interest Earning Assets	9,62,819	9,05,081	9,85,264	10,73,255	11,69,824
Total Cash And Equivalents	8,02,960	11,91,557	10,78,967	11,94,520	13,22,547
Long-term Investments					
Total Assets	96,48,090	1,09,83,651	1,16,65,905	1,28,39,580	1,42,14,800
Customer Interest-Bearing Liabilities	65,29,200	77,09,690	80,86,095	89,42,199	99,18,230
Bank Deposits					
Other Interest-Bearing Liabilities	15,88,770	15,27,768	15,43,045	16,51,059	17,66,633
Total Interest-Bearing Liabilities	81,82,400	93,38,658	97,31,340	1,07,07,957	1,18,12,063
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	3,78,510	4,79,950	5,32,196	5,88,192	6,51,033
Total Liabilities	85,60,910	98,18,607	1,02,63,536	1,12,96,149	1,24,63,096
Shareholders' Equity	10,83,680	11,61,544	13,98,869	15,39,930	17,48,205
Minority Interests					
Total Equity	10,83,680	11,61,544	13,98,869	15,39,930	17,48,205

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

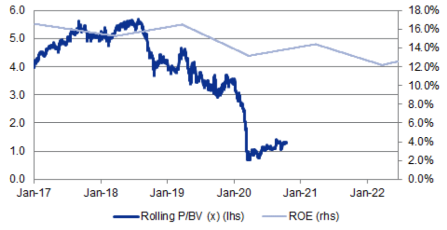
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	14.5%	10.0%	8.5%	11.0%	12.0%
Net Interest Margin (%)	3.5%	3.8%	4.0%	4.2%	4.4%
Non Interest Income Growth (%)	(16.7%)	13.3%	11.8%	(5.2%)	12.2%
Cost-income Ratio (%)	43.6%	43.5%	38.7%	39.7%	39.2%
Net NPL Ratio (%)	1.3%	1.2%	1.4%	1.2%	1.1%
Tier 1 Ratio (%)	12.9%	13.6%	15.0%	14.7%	14.7%
Total CAR (%)	14.6%	16.1%	17.3%	17.0%	17.0%
Deposit Growth (%)	16.4%	18.1%	4.9%	10.6%	10.9%
Loan-deposit Ratio (%)	89.8%	83.7%	86.6%	86.9%	87.8%
Gross NPL Ratio (%)	7.3%	6.0%	6.4%	5.9%	5.3%

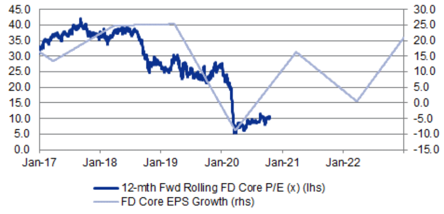
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Indusind Bank)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	88,462	120,587	132,738	149,589	168,916
Total Non-Interest Income	56,467	69,513	60,511	69,047	80,515
Total Net Revenues	**144,929**	**190,101**	**193,249**	**218,636**	**249,431**
Non-Interest Expense (Ex-goodwill)	(61,758)	(79,594)	(81,524)	(92,976)	(108,323)
Pre-provision Operating Profit	**80,882**	**107,727**	**108,389**	**121,658**	**136,305**
Total Provision Charges	(31,078)	(46,521)	(78,459)	(66,096)	(50,970)
Operating Profit After Provisions	**49,804**	**61,206**	**29,931**	**55,562**	**85,334**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**49,804**	**61,206**	**29,931**	**55,562**	**85,334**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**49,804**	**61,206**	**29,931**	**55,562**	**85,334**
Exceptional Items					
Pre-tax Profit	**49,804**	**61,206**	**29,931**	**55,562**	**85,334**
Taxation	(16,795)	(17,027)	(7,534)	(13,985)	(21,479)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**33,010**	**44,179**	**22,397**	**41,577**	**63,856**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**33,010**	**44,179**	**22,397**	**41,577**	**63,856**
Recurring Net Profit	33,010	44,179	22,397	41,577	63,856

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	1,880,926	2,100,381	2,356,666	2,748,912	3,206,127
Liquid Assets & Invst. (Current)	592,662	599,362	702,851	824,524	967,610
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**2,473,588**	**2,699,743**	**3,059,518**	**3,573,436**	**4,173,737**
Total Provisions	(16,991)	(32,549)	(66,808)	(84,218)	(105,225)
Total Net Interest Earning Assets	**2,456,597**	**2,667,194**	**2,992,709**	**3,489,218**	**4,068,512**
Intangible Assets					
Other Assets	132,466	188,856	230,405	281,094	342,934
Total Non-Interest Earning Assets	**173,764**	**243,345**	**293,172**	**353,438**	**426,366**
Total Cash And Equivalents	**147,834**	**160,037**	**192,044**	**212,645**	**235,516**
Long-term Investments					
Total Assets	**2,778,194**	**3,070,576**	**3,477,924**	**4,055,302**	**4,730,394**
Customer Interest-Bearing Liabilities	1,948,679	2,020,398	2,292,433	2,713,700	3,192,038
Bank Deposits					
Other Interest-Bearing Liabilities	438,312	572,637	658,532	757,312	870,909
Total Interest-Bearing Liabilities	**2,421,890**	**2,627,934**	**2,999,824**	**3,530,619**	**4,135,668**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	89,444	95,577	106,383	117,436	129,702
Total Liabilities	**2,511,335**	**2,723,511**	**3,106,207**	**3,648,055**	**4,265,370**
Shareholders' Equity	266,860	347,065	371,718	407,247	465,024
Minority Interests					
Total Equity	**266,860**	**347,065**	**371,718**	**407,247**	**465,024**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

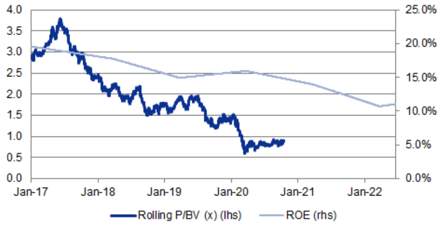
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	28.6%	10.9%	10.7%	16.4%	16.4%
Net Interest Margin (%)	4.0%	4.7%	4.6%	4.5%	4.4%
Non Interest Income Growth (%)	18.9%	23.1%	(13.0%)	14.1%	16.6%
Cost-income Ratio (%)	44.2%	43.3%	43.9%	44.4%	45.4%
Net NPL Ratio (%)	1.2%	0.9%	0.8%	0.2%	(0.7%)
Tier 1 Ratio (%)	10.5%	13.0%	11.7%	10.6%	10.0%
Total CAR (%)	10.8%	13.4%	12.1%	10.9%	10.3%
Deposit Growth (%)	28.5%	3.7%	13.5%	18.4%	17.6%
Loan-deposit Ratio (%)	95.7%	102.3%	99.9%	98.2%	97.1%
Gross NPL Ratio (%)	2.1%	2.4%	3.6%	3.3%	2.7%

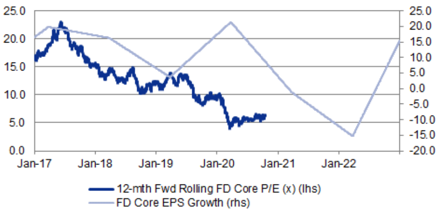
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (LIC Housing Finance)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	42,694	48,215	49,914	55,958	61,299
Total Non-Interest Income	2,007	644	2,095	2,667	2,958
Total Net Revenues	**44,701**	**48,859**	**52,009**	**58,625**	**64,257**
Non-Interest Expense (Ex-goodwill)	(7,285)	(6,161)	(8,531)	(9,316)	(10,152)
Pre-provision Operating Profit	**37,299**	**42,217**	**42,992**	**48,819**	**53,609**
Total Provision Charges	(3,504)	(9,527)	(15,113)	(14,124)	(14,381)
Operating Profit After Provisions	**33,795**	**32,690**	**27,879**	**34,694**	**39,228**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**33,795**	**32,690**	**27,879**	**34,694**	**39,228**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**33,795**	**32,690**	**27,879**	**34,694**	**39,228**
Exceptional Items					
Pre-tax Profit	**33,795**	**32,690**	**27,879**	**34,694**	**39,228**
Taxation	(9,486)	(8,672)	(7,527)	(9,367)	(10,592)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**24,309**	**24,018**	**20,351**	**25,327**	**28,636**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**24,309**	**24,018**	**20,351**	**25,327**	**28,636**
Recurring Net Profit	24,309	24,018	20,351	25,327	28,636

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	1,929,927	2,079,880	2,206,532	2,471,230	2,734,706
Liquid Assets & Invst. (Current)	35,951	54,964	57,356	60,182	63,207
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**1,965,878**	**2,134,844**	**2,263,888**	**2,531,412**	**2,797,913**
Total Provisions					
Total Net Interest Earning Assets	**1,965,878**	**2,134,844**	**2,263,888**	**2,531,412**	**2,797,913**
Intangible Assets					
Other Assets	3,144	6,877	7,566	8,403	9,335
Total Non-Interest Earning Assets	**4,474**	**8,223**	**9,047**	**10,032**	**11,127**
Total Cash And Equivalents	**29,949**	**19,790**	**11,576**	**11,312**	**11,812**
Long-term Investments					
Total Assets	**2,000,301**	**2,162,856**	**2,284,511**	**2,552,756**	**2,820,853**
Customer Interest-Bearing Liabilities					
Bank Deposits	160,792	420,660	209,676	233,531	256,994
Other Interest-Bearing Liabilities	1,525,878	1,492,657	1,787,236	1,990,576	2,190,568
Total Interest-Bearing Liabilities	**1,686,670**	**1,913,317**	**1,996,912**	**2,224,107**	**2,447,562**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	162,106	78,009	100,433	121,986	144,569
Total Liabilities	**1,848,776**	**1,991,326**	**2,097,345**	**2,346,093**	**2,592,131**
Shareholders' Equity	162,593	181,931	198,711	219,593	243,203
Minority Interests					
Total Equity	**162,593**	**181,931**	**198,711**	**219,593**	**243,203**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

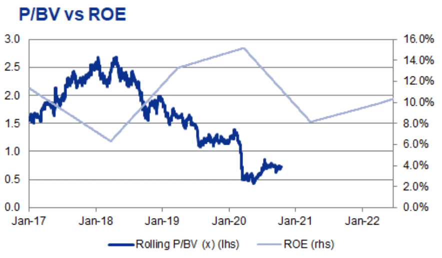
BY THE NUMBERS…cont'd

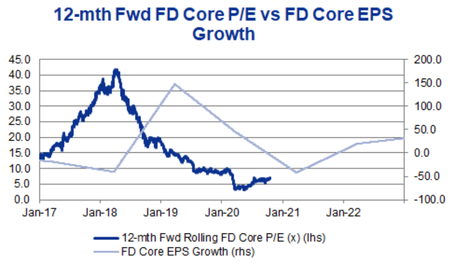
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	16.1%	7.8%	6.1%	12.0%	10.7%
Net Interest Margin (%)	2.3%	2.4%	2.3%	2.3%	2.3%
Non Interest Income Growth (%)	15.0%	(67.9%)	225.2%	27.3%	10.9%
Cost-income Ratio (%)	16.6%	13.6%	17.3%	16.7%	16.6%
Net NPL Ratio (%)	1.1%	1.9%	2.8%	2.0%	1.5%
Tier 1 Ratio (%)	12.3%	13.1%	13.2%	12.9%	12.9%
Total CAR (%)	12.3%	13.1%	13.2%	12.9%	12.9%
Gross NPL Ratio (%)	1.5%	2.8%	4.3%	3.8%	3.6%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Mahindra & Mahindra Finance)





Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	46,700	52,692	54,814	59,713	67,403
Total Non-Interest Income	1,953	1,473	1,484	1,633	1,797
Total Net Revenues	**48,653**	**54,165**	**56,298**	**61,346**	**69,201**
Non-Interest Expense (Ex-goodwill)	(18,476)	(20,182)	(19,138)	(21,664)	(24,854)
Pre-provision Operating Profit	**30,177**	**33,983**	**37,160**	**39,682**	**44,347**
Total Provision Charges	(6,352)	(20,545)	(23,203)	(18,102)	(13,395)
Operating Profit After Provisions	**23,824**	**13,439**	**13,957**	**21,580**	**30,951**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**23,824**	**13,439**	**13,957**	**21,580**	**30,951**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	23,824	13,439	13,957	21,580	30,951
Exceptional Items					
Pre-tax Profit	**23,824**	**13,439**	**13,957**	**21,580**	**30,951**
Taxation	(8,254)	(4,374)	(3,559)	(5,503)	(7,893)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**15,571**	**9,065**	**10,398**	**16,077**	**23,059**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**15,571**	**9,065**	**10,398**	**16,077**	**23,059**
Recurring Net Profit	15,571	9,065	10,398	16,077	23,059

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	612,496	649,935	714,929	793,571	880,863
Liquid Assets & Invst. (Current)	37,917	59,110	54,388	20,236	22,066
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**650,413**	**709,045**	**769,317**	**813,807**	**902,929**
Total Provisions					
Total Net Interest Earning Assets	**650,413**	**709,045**	**769,317**	**813,807**	**902,929**
Intangible Assets					
Other Assets	5,739	9,134	10,936	12,125	13,515
Total Non-Interest Earning Assets	**10,782**	**17,409**	**19,312**	**21,024**	**23,014**
Total Cash And Equivalents	**9,585**	**14,258**	**38,921**	**41,697**	**33,184**
Long-term Investments					
Total Assets	**670,780**	**740,712**	**827,550**	**876,528**	**959,126**
Customer Interest-Bearing Liabilities					
Bank Deposits	213,015	294,873	296,347	312,406	340,652
Other Interest-Bearing Liabilities	279,866	265,570	310,702	329,317	362,057
Total Interest-Bearing Liabilities	**528,469**	**594,622**	**639,861**	**674,535**	**735,521**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	33,230	32,451	32,764	36,040	39,644
Total Liabilities	**561,700**	**627,073**	**672,625**	**710,575**	**775,165**
Shareholders' Equity	109,080	113,639	154,925	165,952	183,961
Minority Interests					
Total Equity	**109,080**	**113,639**	**154,925**	**165,952**	**183,961**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

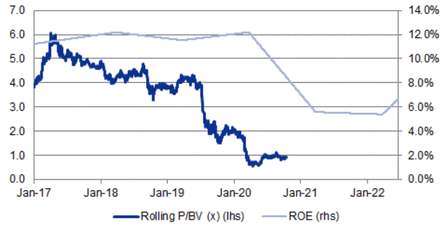
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	26.2%	6.1%	10.0%	11.0%	11.0%
Net Interest Margin (%)	7.5%	7.2%	6.8%	6.6%	6.3%
Non Interest Income Growth (%)	17.6%	(24.6%)	0.8%	10.0%	10.0%
Cost-income Ratio (%)	38.0%	37.3%	34.0%	35.3%	35.9%
Net NPL Ratio (%)	4.9%	5.4%	4.8%	4.8%	4.8%
Tier 1 Ratio (%)	15.9%	15.0%	19.0%	19.3%	19.3%
Total CAR (%)	21.2%	19.5%	23.1%	23.1%	22.8%
Gross NPL Ratio (%)	6.1%	7.8%	7.7%	7.6%	7.3%

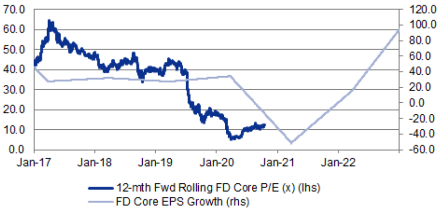
SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (RBL Bank)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	25,395	36,296	41,938	48,824	57,928
Total Non-Interest Income	14,424	19,102	16,759	20,891	24,052
Total Net Revenues	**39,819**	**55,399**	**58,697**	**69,715**	**81,980**
Non-Interest Expense (Ex-goodwill)	(19,201)	(26,500)	(28,929)	(36,152)	(45,193)
Pre-provision Operating Profit	**19,398**	**27,516**	**28,246**	**31,890**	**34,946**
Total Provision Charges	(6,407)	(19,989)	(21,440)	(16,200)	(14,200)
Operating Profit After Provisions	**12,992**	**7,528**	**6,806**	**15,690**	**20,746**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**12,992**	**7,528**	**6,806**	**15,690**	**20,746**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**12,992**	**7,528**	**6,806**	**15,690**	**20,746**
Exceptional Items					
Pre-tax Profit	**12,992**	**7,528**	**6,806**	**15,690**	**20,746**
Taxation	(4,322)	(2,471)	(1,713)	(3,949)	(5,222)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**8,670**	**5,057**	**5,093**	**11,741**	**15,524**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**8,670**	**5,057**	**5,093**	**11,741**	**15,524**
Recurring Net Profit	8,670	5,057	5,093	11,741	15,524

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	546,901	589,662	654,674	813,724	1,008,571
Liquid Assets & Invst. (Current)	167,451	180,546	195,473	215,021	236,524
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**714,352**	**770,208**	**850,147**	**1,028,746**	**1,245,095**
Total Provisions	(3,819)	(9,472)	(14,472)	(13,472)	(7,972)
Total Net Interest Earning Assets	**710,534**	**760,736**	**835,676**	**1,015,274**	**1,237,124**
Intangible Assets					
Other Assets	15,972	24,719	27,191	32,629	39,155
Total Non-Interest Earning Assets	**27,033**	**40,470**	**45,081**	**52,996**	**62,398**
Total Cash And Equivalents	**66,021**	**88,572**	**96,146**	**112,689**	**132,272**
Long-term Investments					
Total Assets	**803,588**	**889,778**	**976,903**	**1,180,959**	**1,431,793**
Customer Interest-Bearing Liabilities	583,944	578,122	620,905	770,469	955,554
Bank Deposits					
Other Interest-Bearing Liabilities	118,321	170,067	187,074	215,135	247,405
Total Interest-Bearing Liabilities	**702,265**	**748,190**	**807,979**	**985,605**	**1,202,959**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	23,817	34,132	43,067	55,465	71,097
Total Liabilities	**726,082**	**782,322**	**851,046**	**1,041,070**	**1,274,056**
Shareholders' Equity	75,473	105,829	124,550	138,849	156,901
Minority Interests					
Total Equity	**75,473**	**105,829**	**124,550**	**138,849**	**156,901**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

Key Ratios

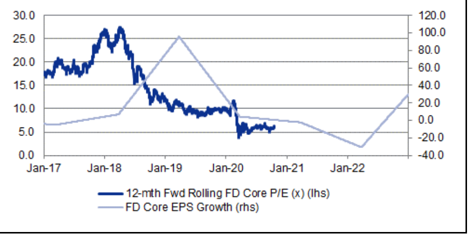
(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	34.9%	6.8%	10.3%	25.0%	25.0%
Net Interest Margin (%)	4.0%	4.9%	5.2%	5.2%	5.1%
Non Interest Income Growth (%)	35.0%	32.4%	(12.3%)	24.7%	15.1%
Cost-income Ratio (%)	51.3%	50.3%	51.9%	54.3%	57.4%
Net NPL Ratio (%)	0.7%	2.1%	2.5%	2.1%	2.0%
Tier 1 Ratio (%)	12.6%	15.3%	16.2%	14.6%	13.3%
Total CAR (%)	14.1%	16.7%	17.6%	15.8%	14.4%
Deposit Growth (%)	33.0%	(1.0%)	7.4%	24.1%	24.0%
Loan-deposit Ratio (%)	93.0%	100.4%	103.1%	103.9%	104.7%
Gross NPL Ratio (%)	1.4%	3.6%	4.5%	3.6%	2.7%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (Shriram Transport Finance)

P/BV vs ROE

12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	78,730	79,168	78,230	89,163	98,981
Total Non-Interest Income	1,614	2,847	3,209	3,543	3,917
Total Net Revenues	**80,344**	**82,015**	**81,439**	**92,706**	**102,897**
Non-Interest Expense (Ex-goodwill)	(18,739)	(19,679)	(20,705)	(23,514)	(26,799)
Pre-provision Operating Profit	**61,605**	**62,336**	**60,734**	**69,192**	**76,098**
Total Provision Charges	(23,823)	(27,949)	(34,924)	(31,080)	(30,982)
Operating Profit After Provisions	**37,783**	**34,387**	**25,811**	**38,112**	**45,116**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**37,783**	**34,387**	**25,811**	**38,112**	**45,116**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**37,783**	**34,387**	**25,811**	**38,112**	**45,116**
Exceptional Items					
Pre-tax Profit	**37,783**	**34,387**	**25,811**	**38,112**	**45,116**
Taxation	(12,143)	(9,368)	(6,497)	(9,593)	(11,356)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**25,640**	**25,019**	**19,314**	**28,519**	**33,761**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**25,640**	**25,019**	**19,314**	**28,519**	**33,761**
Recurring Net Profit	25,640	25,019	19,314	28,519	33,761

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	967,515	1,022,316	1,073,432	1,202,244	1,346,513
Liquid Assets & Invst. (Current)	39,857	27,985	40,621	45,495	50,955
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**1,007,372**	**1,050,301**	**1,114,053**	**1,247,739**	**1,397,468**
Total Provisions					
Total Net Interest Earning Assets	**1,007,372**	**1,050,301**	**1,114,053**	**1,247,739**	**1,397,468**
Intangible Assets					
Other Assets	3,392	15,712	18,854	22,625	27,150
Total Non-Interest Earning Assets	**5,738**	**17,836**	**21,278**	**25,409**	**30,365**
Total Cash And Equivalents	**39,815**	**73,149**	**60,255**	**63,952**	**69,972**
Long-term Investments					
Total Assets	**1,052,925**	**1,141,286**	**1,195,586**	**1,337,100**	**1,497,806**
Customer Interest-Bearing Liabilities					
Bank Deposits	371,893	424,746	435,298	487,534	546,038
Other Interest-Bearing Liabilities	445,232	462,271	475,164	538,987	610,470
Total Interest-Bearing Liabilities	**879,144**	**943,718**	**967,162**	**1,083,222**	**1,213,208**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	15,418	17,517	17,985	18,473	18,984
Total Liabilities	**894,562**	**961,235**	**985,147**	**1,101,695**	**1,232,193**
Shareholders' Equity	158,363	180,052	210,439	235,405	265,613
Minority Interests					
Total Equity	**158,363**	**180,052**	**210,439**	**235,405**	**265,613**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

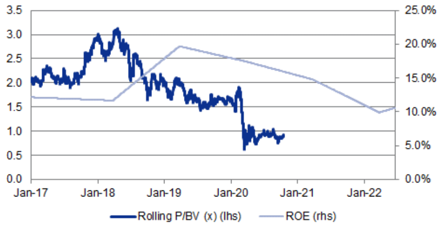
Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	6.6%	5.7%	5.0%	12.0%	12.0%
Net Interest Margin (%)	8.1%	7.7%	7.2%	7.6%	7.5%
Non Interest Income Growth (%)	(47.6%)	76.4%	12.7%	10.4%	10.6%
Cost-income Ratio (%)	23.3%	24.0%	25.4%	25.4%	26.0%
Net NPL Ratio (%)	1.1%	1.4%	0.9%	0.7%	0.6%
Tier 1 Ratio (%)	15.0%	15.7%	17.5%	17.6%	17.7%
Total CAR (%)	25.1%	24.0%	25.3%	24.3%	23.6%
Gross NPL Ratio (%)	8.9%	9.0%	9.9%	10.0%	9.9%

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS (State Bank of India)

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth

Profit & Loss

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Net Interest Income	883,489	980,848	1,094,768	1,226,451	1,396,799
Total Non-Interest Income	367,749	452,215	369,254	379,149	371,842
Total Net Revenues	**1,251,238**	**1,433,063**	**1,464,022**	**1,605,599**	**1,768,641**
Non-Interest Expense (Ex-goodwill)	(664,754)	(718,699)	(777,080)	(844,785)	(924,436)
Pre-provision Operating Profit	**554,360**	**681,326**	**650,600**	**720,838**	**801,831**
Total Provision Charges	(538,286)	(433,304)	(432,135)	(393,111)	(354,056)
Operating Profit After Provisions	**16,075**	**248,022**	**218,465**	**327,727**	**447,774**
Pretax Income/(Loss) from Assoc.					
Operating EBIT (incl Associates)	**16,075**	**248,022**	**218,465**	**327,727**	**447,774**
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	**16,075**	**248,022**	**218,465**	**327,727**	**447,774**
Exceptional Items					
Pre-tax Profit	**16,075**	**248,022**	**218,465**	**327,727**	**447,774**
Taxation	(7,450)	(103,141)	(54,988)	(82,489)	(112,705)
Consolidation Adjustments & Others					
Exceptional Income - post-tax					
Profit After Tax	**8,625**	**144,881**	**163,477**	**245,238**	**335,070**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Net Profit	**8,625**	**144,881**	**163,477**	**245,238**	**335,070**
Recurring Net Profit	8,625	144,881	163,477	245,238	335,070

Balance Sheet

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Total Gross Loans	22,927,318	24,225,100	25,886,938	28,680,414	32,337,372
Liquid Assets & Invst. (Current)	9,614,139	10,352,104	11,881,271	12,704,621	13,588,845
Other Int. Earning Assets					
Total Gross Int. Earning Assets	**32,541,458**	**34,577,204**	**37,768,208**	**41,385,036**	**45,926,216**
Total Provisions	(1,068,548)	(972,205)	(1,006,339)	(1,062,950)	(1,048,607)
Total Net Interest Earning Assets	**31,472,910**	**33,605,000**	**36,761,868**	**40,322,084**	**44,877,612**
Intangible Assets					
Other Assets	2,297,633	2,579,240	2,837,163	3,120,880	3,432,968
Total Non-Interest Earning Assets	**3,111,333**	**3,397,969**	**3,743,638**	**4,124,755**	**4,544,996**
Total Cash And Equivalents	**2,224,901**	**2,510,970**	**2,762,067**	**3,038,274**	**3,342,101**
Long-term Investments					
Total Assets	**36,809,144**	**39,513,940**	**43,267,576**	**47,485,112**	**52,764,708**
Customer Interest-Bearing Liabilities	29,113,860	32,416,208	35,532,828	39,019,112	43,430,724
Bank Deposits					
Other Interest-Bearing Liabilities	3,817,902	2,888,500	3,177,350	3,495,085	3,844,594
Total Interest-Bearing Liabilities	**33,144,032**	**35,562,764**	**38,983,232**	**42,802,252**	**47,578,372**
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	1,455,973	1,631,101	1,827,563	2,009,405	2,206,369
Total Liabilities	**34,600,004**	**37,193,864**	**40,810,796**	**44,811,656**	**49,784,740**
Shareholders' Equity	2,209,138	2,320,074	2,456,778	2,673,457	2,979,968
Minority Interests					
Total Equity	**2,209,138**	**2,320,074**	**2,456,778**	**2,673,457**	**2,979,968**

SOURCES: EIP RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS…cont'd

Key Ratios

(Rsm)	Mar-19A	Mar-20A	Mar-21F	Mar-22F	Mar-23F
Loan Growth (%)	13.0%	6.4%	7.0%	11.0%	13.3%
Net Interest Margin (%)	2.8%	2.9%	3.0%	3.1%	3.2%
Non Interest Income Growth (%)	(17.5%)	23.0%	(18.3%)	2.7%	(1.9%)
Cost-income Ratio (%)	55.7%	52.5%	55.6%	55.1%	54.7%
Net NPL Ratio (%)	3.2%	2.3%	2.6%	2.3%	2.2%
Tier 1 Ratio (%)	11.0%	10.8%	10.3%	9.7%	9.2%
Total CAR (%)	13.4%	13.2%	12.7%	12.0%	11.3%
Deposit Growth (%)	7.6%	11.3%	9.6%	9.8%	11.3%
Loan-deposit Ratio (%)	75.1%	71.7%	70.0%	70.8%	72.0%
Gross NPL Ratio (%)	7.3%	6.0%	6.2%	5.7%	5.2%

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Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
Description:	Excellent	Very Good	Good	N/A	

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Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2019, Anti-Corruption 2019

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, n/a, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENTEL** – Very Good, Certified, **CHAYO** - Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** - Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TMB** - Excellent, Certified, **TNR** – Very Good, Certified, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)
2 AGM Level 2018 from Thai Investors Association
3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:
companies that have declared their intention to join CAC, and companies certified by CAC.
4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:
SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)
SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

Recommendation Framework

Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.