

Jan-Mar'26  
Earnings  
Preview

# Banks

April 09, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Axis Bank	BUY	1,319	1,500
HDFC Bank	BUY	798	1,150
ICICI Bank	BUY	1,281	1,800
IndusInd Bank	ACCUMULATE	815	960
Kotak Mahindra Bank	BUY	372	500
Federal Bank	BUY	283	275
DCB Bank	BUY	182	155
City Union Bank	BUY	252	310
Bank of Baroda	Accumulate	274	320
Canara Bank	Hold	138	160
State Bank of India	BUY	1,041	1,280
Union Bank of India	Accumulate	185	200

## Loan growth led by seasonality & stretched WC

### Quick Pointers

- Loan/deposit growth improves QoQ due to liquidity crunch
- NIM to soften QoQ; core PPop better for PVBs over PSBs
- Prefer KMB, ICICIB and SBI among our coverage universe

Banks under our coverage are likely to see a steady quarter; core earnings (ex-IIB) may increase by 1.5% QoQ to INR 671bn (+10.2% QoQ in Q3FY26) as core PPop might inch up by 2.2% QoQ. Loan momentum is expected to sustain; we see 5.0% QoQ growth (4.6% in Q3'26). Deposit accretion is likely to pick-up to 5.6% QoQ (2.2% in Q3'26) as Q4 is seasonally strong and corporates preferred to maintain higher cash in form of CA due to liquidity crunch caused by the war. Hence, calculated NIM might fall by 2bps QoQ to 3.15% due to the part impact of the 25bps repo rate cut in Dec'25. Fees may rise by 7.0% QoQ to INR 477bn, which would be offset by 5.4% QoQ rise in opex to INR 1.08trn. Core PPop may be INR 1.07trn (+2.2% QoQ). Private banks could see a better quarter as due to seasonality, opex for PSBs would rise. Asset quality in terms of gross slippages and provisions is likely to be steady QoQ. Banks' PAT is expected to decrease by 2% QoQ to INR 761bn. Among covered banks, we prefer KMB, ICICIB and SBI.

- **System growth could be 14.5-15.0% YoY in Mar'26:** System credit grew by +14.3% YoY in Feb'26, which has improved since May'25 mainly led by better offtake in agri, corporate, services (incl. NBFCs) gold and PL. Industry/services grew by 13.5%/16.3% YoY each and large industries grew by +7.8% YoY (1.0% YoY in May'25) while agri growth was +12.3% YoY. Within services, NBFC growth improved to 20.9% YoY vs 3.9% YoY in Sep'25. Retail credit growth came in at 15.2% YoY (11.1% in May'25) driven by housing, gold, PL and vehicle loans. System credit (incl. HDFC) could grow by 14.5-15.0% YoY in Mar'26, while system deposit accretion could be 11-12%. Coverage banks may see loan growth/deposits growth of 15.2%/10.6% YoY each in Q4FY26.
- **Margins may fall QoQ:** Loan yields may further decline due to additional rate cut which would be partly offset by fall in cost of funds and CRR cuts in Q3FY26. As a result, NIM (calc.) may fall QoQ to 3.15%. NII may increase by 3.6% QoQ compared to loan growth of +5.0%. Fees could increase by 7.0% QoQ that would be offset by 5.4% QoQ rise in opex. Core PPop may inch up by 2.2% QoQ to INR 1.07trn.
- **Asset quality to remain steady QoQ:** Slippage ratio may be stable QoQ at 1.0%. However, due to higher loan growth, GNPA ratio could improve by 10bps QoQ to 1.6%. Provision costs may also be steady QoQ at 48bps. PCR for coverage banks may remain flat at 75%.
- **Core PAT to improve QoQ:** Core PAT for our banks is likely to rise by 1.5% QoQ to INR 671bn with private banks slated to see better profitability compared to PSU. Overall, PAT may fall to INR 761.5bn (-2.0% QoQ).

### Top Picks

- Kotak Mahindra Bank:** KMB remains well positioned to sustain healthy double digit credit growth over the medium term, anchored by SME, secured retail and pick-up in unsecured (ex-MFI) as stress is easing. Core earnings CAGR is expected to be 13% over FY26-28E with core RoA/RoE for FY28E at 1.8%/11%. We retain 'BUY' with TP of INR 500.
- ICICI Bank:** ICICI Bank balance sheet profile is strong since (1) CET-1 is adequate at 16% (2) Provision buffer is healthy at ~90bps of loans (3) LDR is controlled between 85-87% and (4) LCR is adequate at 127%. Once margins stabilize post FY26, core earnings CAGR over FY26-28E could be healthy at ~16%. Likely core RoA/RoE for FY28E at 2.1%/15.7% is one of the best in class. We maintain 'BUY' with TP of INR 1,800. Retain 'BUY'
- State Bank of India:** With pick-up in credit growth likely to sustain in Q4FY26 and FY27, SBI is better placed than other PSUs due higher unsecured/NBFC exposure. Bank has usually delivered better than system loan growth. Due to higher contingent provision buffer compared to other PSUs, SBI is better placed to navigate the transition to ECL. Core earnings CAGR could be strong at 18% over FY26-28E. We retain 'BUY' with a TP at INR 1,280.

Exhibit 1 : Recommendation for PL coverage universe

Coverage Universe	CMP (INR)	MCap (INR bn)	New Rating	Old Rating	New PT (INR)	Old PT (INR)	Upside (%)	P/ABV (x)				RoE (%)			
								FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Axis Bank	1,319	4,094	BUY	BUY	1,500	1,500	13.8%	2.3	2.1	1.8	1.5	15.9	12.6	14.2	14.4
HDFC Bank	798	12,272	BUY	BUY	1,150	1,150	44.2%	2.5	2.2	2.0	1.8	14.3	14.3	14.4	14.7
ICICI Bank	1,281	9,164	BUY	BUY	1,800	1,800	40.5%	3.2	2.8	2.5	2.2	18.1	15.8	15.4	15.7
IndusInd Bank	815	635	Accumulate	Accumulate	960	960	17.9%	1.0	1.0	1.0	0.9	4.2	0.7	6.1	8.3
Kotak Mahindra Bank	372	3,698	BUY	BUY	500	500	34.4%	3.2	2.8	2.5	2.2	15.4	10.9	11.3	11.5
Federal Bank	283	697	BUY	BUY	275	275	-2.9%	2.1	1.9	1.6	1.5	13.0	14.1	12.1	11.8
DCB Bank	182	57	BUY	BUY	155	155	-15.1%	1.2	1.0	0.9	0.8	12.1	12.2	11.9	12.5
City Union Bank	252	187	BUY	BUY	310	310	22.8%	2.1	1.9	1.6	1.4	12.6	13.2	13.6	14.2
Bank of Baroda	274	1,420	Accumulate	Accumulate	320	320	16.7%	1.2	1.0	0.9	0.9	16.7	13.4	10.5	11.1
Canara Bank	138	1,251	Hold	Hold	160	160	16.0%	1.5	1.2	1.1	0.9	19.9	18.0	14.6	14.8
State Bank of India	1,041	9,609	BUY	BUY	1,280	1,280	23.0%	2.4	1.9	1.7	1.4	18.6	16.7	15.7	15.8
Union Bank of India	185	1,410	Accumulate	Accumulate	200	200	8.3%	1.4	1.2	1.1	0.9	18.1	15.7	14.3	14.1

Source: Company, PL

**Exhibit 2 : Q4FY26 Banks Results Preview – NII could improve by 2.6% QoQ largely led by PSUs**

(INR mn)	NII	YoY	QoQ	PPOP	YoY	QoQ	PAT	YoY	QoQ
HDFC Bank	3,44,021	9.7%	5.5%	2,95,131	14.2%	8.9%	2,01,921	19.4%	8.2%
ICICI Bank	2,27,818	8.1%	3.9%	1,79,843	1.8%	3.6%	1,22,908	-2.7%	8.6%
Axis Bank	1,48,459	7.5%	3.9%	1,13,272	5.3%	4.2%	68,506	-3.8%	5.6%
Kotak	79,099	8.6%	4.6%	57,629	5.3%	7.1%	37,499	5.6%	8.8%
IndusInd	45,242	48.4%	-0.8%	22,594	-578.2%	-2.1%	2,332	-110.4%	44.7%
Federal	27,137	14.1%	2.3%	17,424	18.9%	0.8%	6,816	-33.8%	-34.5%
DCB Bank	6,498	16.5%	4.0%	3,237	6.0%	0.3%	1,850	4.5%	0.1%
City Union Bank	7,800	29.9%	3.7%	5,263	19.4%	2.6%	3,585	24.5%	7.9%
SBI	4,63,130	8.3%	2.5%	2,96,248	-5.3%	-9.9%	1,84,384	-1.1%	-12.3%
BOB	1,16,499	5.7%	3.3%	63,760	-21.6%	-13.6%	37,893	-24.9%	-25.0%
Canara Bank	95,211	0.8%	2.9%	68,926	-16.8%	-24.4%	35,618	-28.8%	-30.9%
Union	95,647	0.5%	2.5%	71,120	-7.6%	2.5%	45,494	-8.7%	-9.3%
<b>Total Banks</b>	<b>16,56,560</b>	<b>8.4%</b>	<b>3.5%</b>	<b>11,94,447</b>	<b>2.2%</b>	<b>-2.0%</b>	<b>7,48,806</b>	<b>2.4%</b>	<b>-3.9%</b>
<b>Total Private Banks</b>	<b>8,86,073</b>	<b>10.6%</b>	<b>4.3%</b>	<b>6,94,394</b>	<b>13.0%</b>	<b>5.9%</b>	<b>4,45,418</b>	<b>12.8%</b>	<b>7.0%</b>
<b>Total Public Banks</b>	<b>7,70,487</b>	<b>5.9%</b>	<b>2.7%</b>	<b>5,00,054</b>	<b>-9.7%</b>	<b>-11.2%</b>	<b>3,03,388</b>	<b>-9.9%</b>	<b>-16.3%</b>

(INR mn)	Loans	YoY	QoQ	Margins	YoY	QoQ	Credit Cost	YoY	QoQ
HDFC Bank	29,360	12.1%	4.1%	3.54%	1bps	3bps	0.40%	-9bps	0bps
ICICI Bank	15,321	14.2%	4.5%	4.29%	-13bps	-6bps	0.42%	15bps	-28bps
Axis Bank	12,320	18.4%	6.3%	3.59%	-15bps	-6bps	0.71%	19bps	-6bps
Kotak	4,959	16.2%	3.2%	4.49%	-14bps	-7bps	0.62%	-24bps	-6bps
IndusInd	3,152	-8.7%	-0.8%	3.62%	120bps	-3bps	2.47%	-33bps	-16bps
Federal	2,677	14.0%	4.7%	3.11%	5bps	-5bps	0.47%	23bps	-5bps
DCB Bank	593	16.1%	4.7%	3.31%	-2bps	-7bps	0.50%	-2bps	-2bps
City Union Bank	641	23.0%	6.7%	3.80%	43bps	-10bps	0.45%	-15bps	-19bps
SBI	48,591	16.7%	5.0%	2.82%	-6bps	0bps	0.39%	-23bps	0bps
BOB	14,091	16.5%	6.3%	2.55%	-16bps	-4bps	0.34%	-18bps	10bps
Canara Bank	12,315	17.4%	5.0%	2.19%	-27bps	-4bps	0.70%	0bps	-13bps
Union	10,512	10.2%	6.1%	2.62%	0bps	0bps	0.40%	0bps	0bps
<b>Total Banks</b>	<b>1,54,531</b>	<b>14.6%</b>	<b>4.9%</b>	<b>3.33%</b>	<b>5bps</b>	<b>-5bps</b>	<b>0.49%</b>	<b>-4bps</b>	<b>-7bps</b>
<b>Total Private Banks</b>	<b>69,022</b>	<b>12.9%</b>	<b>4.3%</b>	<b>3.72%</b>	<b>16bps</b>	<b>-5bps</b>	<b>0.57%</b>	<b>-2bps</b>	<b>-9bps</b>
<b>Total Public Banks</b>	<b>85,509</b>	<b>15.9%</b>	<b>5.4%</b>	<b>2.54%</b>	<b>-16bps</b>	<b>5bps</b>	<b>0.42%</b>	<b>-19bps</b>	<b>3bps</b>

Source: Company, PL

**Exhibit 3 : GNPA to improve due to base effect led by higher loan growth**

	Q3FY26			Q4FY26E		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR
HDFCB	1.24%	0.42%	65.9%	1.20%	0.40%	67.0%
ICICIBC	1.60%	0.39%	75.9%	1.50%	0.36%	76.0%
Axis	1.47%	0.44%	70.0%	1.42%	0.43%	70.0%
KMB	1.30%	0.31%	76.3%	1.31%	0.30%	77.0%
IIB	3.56%	1.04%	71.5%	3.55%	0.98%	73.0%
SBI	1.57%	0.39%	75.5%	1.48%	0.37%	75.0%
BOB	2.04%	0.57%	72.2%	1.89%	0.52%	73.0%
CBK	2.08%	0.45%	78.6%	1.88%	0.40%	79.0%
UNBK	3.06%	0.51%	83.6%	2.79%	0.49%	83.0%
Federal	1.72%	0.42%	76.0%	1.64%	0.42%	75.0%
DCB	2.72%	1.10%	60.3%	2.76%	1.09%	61.0%
CUBK	2.17%	0.78%	64.4%	1.91%	0.72%	63.0%

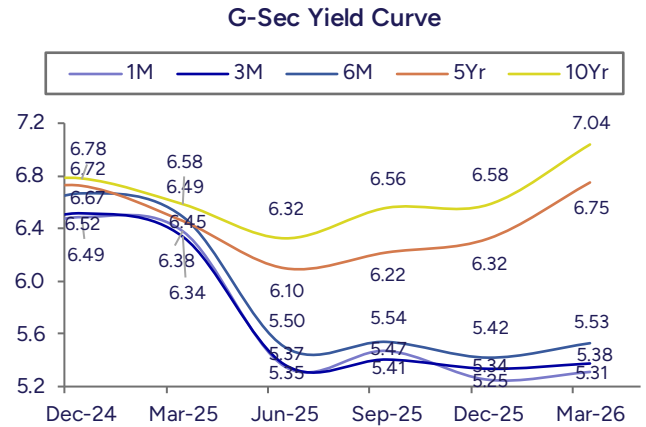
Source: Company, PL

Exhibit 4 : G-sec yields have increased to 7.05%



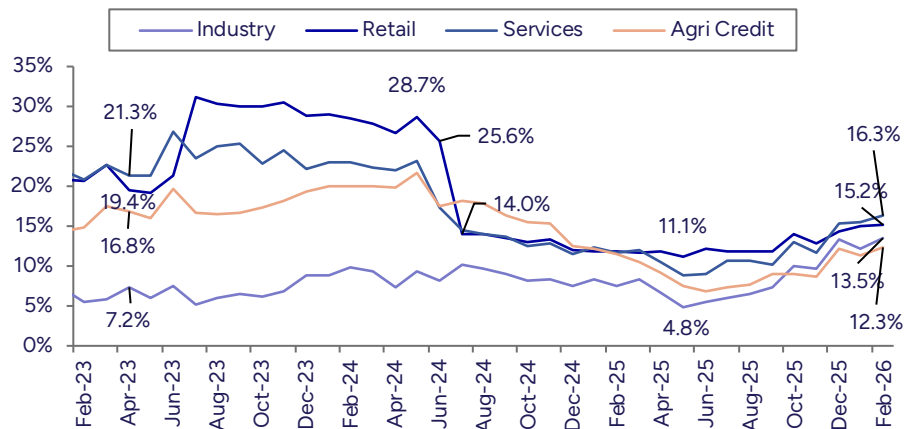
Source: Company, PL

Exhibit 5 : G-sec yields for 10-yr are on an increasing trend



Source: Company, PL

Exhibit 6 : Credit growth expected to pickup



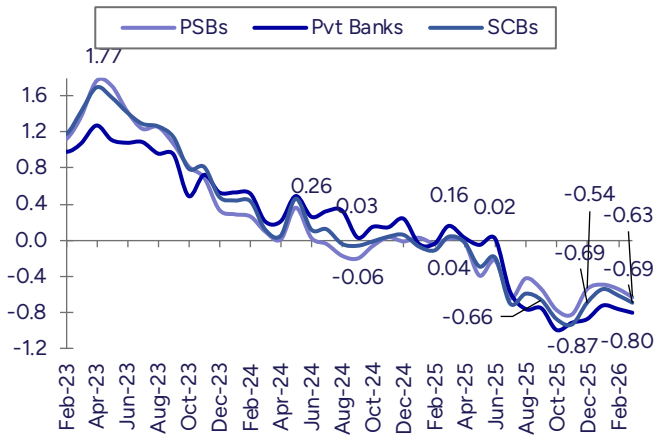
Source: Company, PL

Exhibit 7 : MCLR rates reducing due to rate cuts

Banks MCLR Profile	MCLR 1YR			% Change	
	Sep-25	Dec-25	Mar-26	3Months	6Months
HDFC Bank	8.65%	8.45%	8.35%	-10bps	-30bps
Axis Bank	8.75%	8.70%	8.80%	10bps	5bps
ICICI Bank	8.35%	8.35%	8.35%	0bps	0bps
KMB	8.55%	8.40%	8.40%	0bps	-15bps
IndusInd Bank	10.15%	10.05%	10.05%	0bps	-10bps
SBI	8.75%	8.70%	8.70%	0bps	-5bps
Bank of Baroda	8.80%	8.75%	8.70%	-5bps	-10bps
Canara Bank	8.75%	8.70%	8.70%	0bps	-5bps
Union Bank	8.60%	8.60%	8.60%	0bps	0bps
Federal	9.20%	9.10%	9.10%	0bps	-10bps
PSBs – Median	8.83%	8.78%	8.75%	-3bps	-8bps
Pvt – Median	9.45%	9.20%	9.10%	-10bps	-35bps

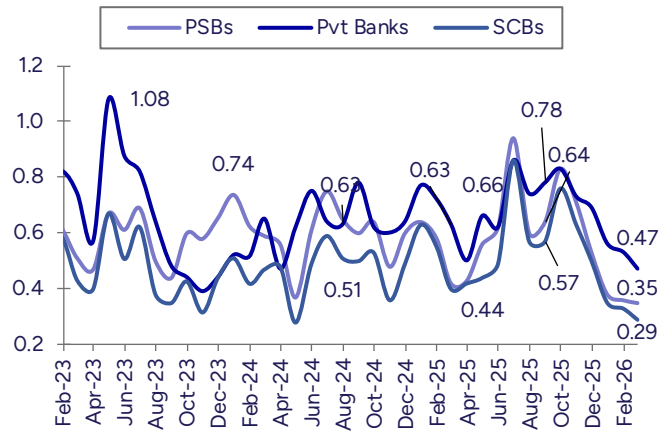
Source: Company, PL

**Exhibit 8 : Incr. lending rates have declined amid rate cuts**



Source: RBI, PL

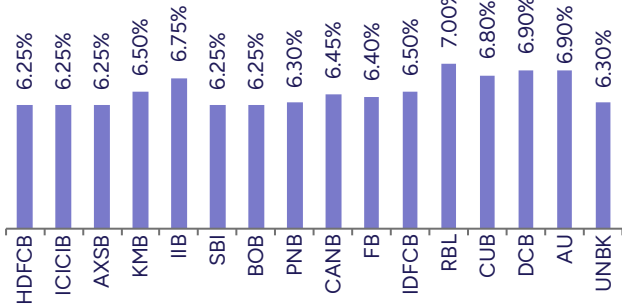
**Exhibit 9 : Difference between stock & fresh yields**



Source: RBI, PL

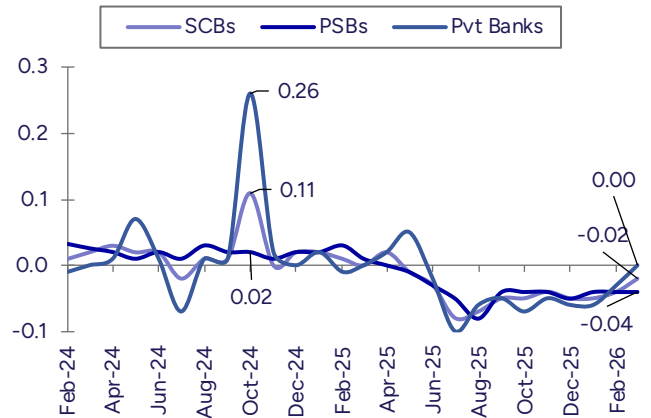
**Exhibit 10 : Deposit rates have fallen post rate cuts**

**Deposit Rates 1 Year Bucket**



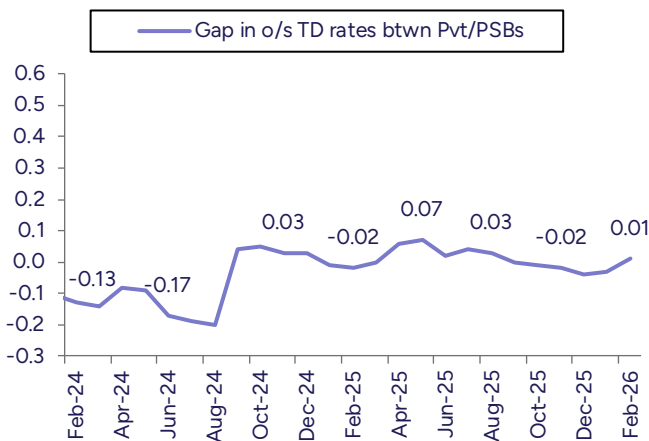
Source: RBI, PL

**Exhibit 11 : O/S TD rates on YTD basis**



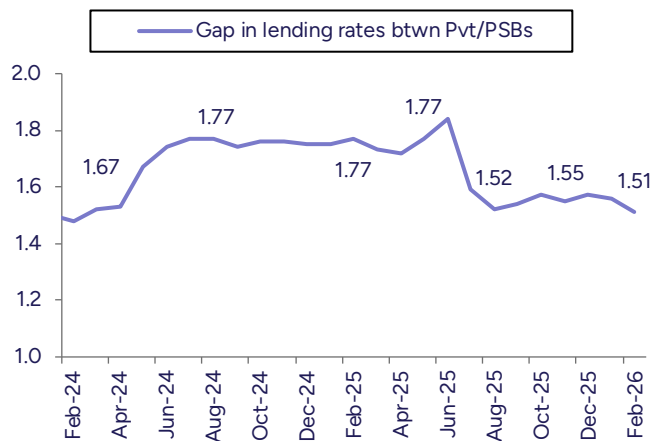
Source: RBI, PL

**Exhibit 12 : TD rates higher for PSBs over PVBs**



Source: RBI, PL

**Exhibit 13 : Stock lending rates for PVBs is higher than PSBs**



Source: RBI, PL

**Exhibit 14 : Q4FY26 Result Preview (INR mn) – Private Banks**

Company Name		Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	Remarks
Axis Bank	NII	1,48,459	1,38,105	7.5	1,42,866	3.9	
	PPOP	1,13,272	1,07,524	5.3	1,08,757	4.2	
	Provisions	21,931	13,594	61.3	22,459	(2.4)	Loan growth may come in at 6.3% QoQ; NIM is expected to decline by 6bps QoQ to 3.59%
	PAT	68,506	71,175	(3.8)	64,896	5.6	
	Loans (Rs bn)	12,320	10,408	18.4	11,591	6.3	PPoP is likely to increase by 4.2% QoQ .
	Margin (%)	3.59	3.75	-15bps	3.65	-6bps	Provision costs to decrease by 6bps QoQ.
	GNPA (%)	1.36	1.28	8bps	1.41	-4bps	
	Credit Cost (%)	0.71	0.52	19bps	0.78	-6bps	
HDFC Bank	NII	3,44,021	3,13,658	9.7	3,26,150	5.5	
	PPOP	2,95,131	2,58,367	14.2	2,70,978	8.9	
	Provisions	29,445	31,931	(7.8)	28,379	3.8	Loan growth would be at 4.1% QoQ. NII could grow by 5.5% QoQ. Margins are expected to increase by 3bps QoQ to 3.54%.
	PAT	2,01,921	1,69,161	19.4	1,86,538	8.2	
	Loans (Rs bn)	29,360	26,196	12.1	28,214	4.1	PPoP is likely to increase by 8.9% QoQ.
	Margin (%)	3.54	3.53	1bps	3.51	3bps	Provisions costs could remain flat QoQ.
	GNPA (%)	1.20	1.33	-13bps	1.24	-4bps	
	Credit Cost (%)	0.40	0.49	-9bps	0.40	0bps	
ICICI Bank	NII	2,27,818	2,10,789	8.1	2,19,322	3.9	
	PPOP	1,79,843	1,76,643	1.8	1,73,560	3.6	Loan growth momentum to continue and come in at 4.5%. We expect NII growth of 3.9% QoQ.
	Provisions	15,965	8,907	79.2	25,556	(37.5)	
	PAT	1,22,908	1,26,296	(2.7)	1,13,179	8.6	NIM is expected to decline by 6bps QoQ to 4.29%.
	Loans (Rs bn)	15,321	13,418	14.2	14,662	4.5	
	Margin (%)	4.29	4.42	-13bps	4.35	-6bps	GNPAs to decrease by 9bps QoQ and Credit cost likely to decrease by 28bps QoQ.
	GNPA (%)	1.44	1.67	-23bps	1.53	-9bps	
	Credit Cost (%)	0.42	0.27	15bps	0.70	-28bps	
IndusInd Bank	NII	45,242	30,483	48.4	45,617	(0.8)	
	PPOP	22,594	(4,725)	(578.2)	23,068	(2.1)	Loan may degrow by 0.8% QoQ while NII decline might come in at 0.8% QoQ.
	Provisions	19,484	24,166	(19.4)	20,886	(6.7)	
	PAT	2,332	(22,360)	(110.4)	1,612	44.7	Margin is expected to decrease by 3bps QoQ to 3.62%. Provisions are expected to decrease by 6.7% QoQ
	Loans (Rs bn)	3,152	3,450	(8.7)	3,175	(0.8)	
	Margin (%)	3.62	2.43	120bps	3.65	-3bps	Credit cost likely to decrease by 16bps QoQ.
	GNPA (%)	3.55	3.13	42bps	3.56	-1bps	
	Credit Cost (%)	2.47	2.80	-33bps	2.63	-16bps	
Kotak Mahindra Bank	NII	79,099	72,836	8.6	75,646	4.6	
	PPOP	57,629	54,722	5.3	53,798	7.1	We expect loan growth to be at 3.2% QoQ. Margins likely to decrease by 7bps QoQ at 4.49%.
	Provisions	7,630	9,094	(16.1)	8,096	(5.7)	
	PAT	37,499	35,517	5.6	34,461	8.8	PAT might be up 8.8 % QoQ due to increase in PPoP and decrease in Provisions.
	Loans (Rs bn)	4,959	4,269	16.2	4,807	3.2	
	Margin (%)	4.49	4.63	-14bps	4.55	-7bps	Asset quality may worsen with GNPAs increasing by 1bps QoQ at 1.31%. Credit costs to decrease by 6bps QoQ
	GNPA (%)	1.31	1.42	-11bps	1.30	1bps	
	Credit Cost (%)	0.62	0.85	-24bps	0.67	-6bps	
Federal Bank	NII	27,137	23,774	14.1	26,527	2.3	
	PPOP	17,424	14,654	18.9	17,293	0.8	NII to grow at 2.3% QoQ. Loan growth would be 4.7% QoQ while NIM may decline by 5bps QoQ to 3.11%.
	Provisions	3,144	1,381	127.6	3,324	(5.4)	
	PAT	6,816	10,302	(33.8)	10,412	(34.5)	Provisions are expected to come down by 5.4% QoQ.
	Loans (Rs bn)	2,677	2,348	14.0	2,556	4.7	
	Margin (%)	3.11	3.06	5bps	3.16	-5bps	Asset quality (GNPA) could improve by 8bps QoQ and credit cost could decline by 5bps
	GNPA (%)	1.64	1.84	-20bps	1.72	-8bps	
	Credit Cost (%)	0.47	0.24	23bps	0.52	-5bps	

Company Name	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	Remarks	
DCB Bank	NII	6,498	5,580	16.5	6,247	4.0	
	PPOP	3,237	3,054	6.0	3,228	0.3	
	Provisions	748	672	11.3	741	0.9	Loan growth may come in at 4.7% QoQ with NII growth of 4% QoQ. Expect margins to decline by 7bps QoQ at 3.31%.
	PAT	1,850	1,771	4.5	1,847	0.1	
	Loans (Rs bn)	593	510	16.1	566	4.7	We expect credit cost to decrease by 2bps while GNPA's are expected to worsen by 4bps to 2.76%.
	Margin (%)	3.31	3.33	-2bps	3.38	-7bps	
	GNPA (%)	2.76	2.99	-23bps	2.72	4bps	
	Credit Cost (%)	0.50	0.53	-2bps	0.52	-2bps	
City Union Bank	NII	7,800	6,003	29.9	7,522	3.7	
	PPOP	5,263	4,410	19.4	5,132	2.6	Loan growth could be up by 6.7% QoQ. We expect NII to improve by 3.7% and Provisions to decline by 24.4% QoQ.
	Provisions	725	780	(7.0)	960	(24.4)	
	PAT	3,585	2,880	24.5	3,322	7.9	
	Loans (Rs bn)	641	521	23.0	600	6.7	Margins might decline by 10bps QoQ to 3.80%.
	Margin (%)	3.80	3.36	43bps	3.89	-10bps	GNPA might improve by 26bps QoQ. Credit cost expected to decline by 19bps.
	GNPA (%)	1.91	3.09	-118bps	2.17	-26bps	
	Credit Cost (%)	0.45	0.60	-15bps	0.64	-19bps	

Source: Company, PL

#### Exhibit 15 : Q4FY26 Result Preview (INR mn) – PSU Banks

Company Name	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	Remarks	
State Bank of India	NII	4,63,130	4,27,746	8.3	4,51,904	2.5	
	PPOP	2,96,248	3,12,860	(5.3)	3,28,624	(9.9)	NII is expected to be up by 2.5% QoQ with loan growth seen at 5%. Margins could remain flat sequentially.
	Provisions	47,081	64,417	(26.9)	45,069	4.5	
	PAT	1,84,384	1,86,426	(1.1)	2,10,282	(12.3)	PPoP to decline by 9.9% QoQ. Provisions are expected to increase by 4.5% QoQ.
	Loans (Rs bn)	48,591	41,633	16.7	46,277	5.0	
	Margin (%)	2.82	2.88	-6bps	2.82	0bps	Asset quality in terms of GNPA to improve by 10 bps while credit cost is expected to remain stable at 0.39%.
	GNPA (%)	1.48	1.82	-35bps	1.57	-10bps	
	Credit Cost (%)	0.39	0.62	-23bps	0.39	0bps	
Bank of Baroda	NII	1,16,499	1,10,197	5.7	1,12,804	3.3	
	PPOP	63,760	81,321	(21.6)	73,771	(13.6)	NII could inch up by 3.3% QoQ while loan growth would come in at 6.3% QoQ. Margins could decline by 4bps to 2.55%.
	Provisions	11,853	15,515	(23.6)	7,989	48.4	
	PAT	37,893	50,477	(24.9)	50,546	(25.0)	
	Loans (Rs bn)	14,091	12,096	16.5	13,251	6.3	PAT could see a decline of 25% due to decline in other income and higher provisions.
	Margin (%)	2.55	2.71	-16bps	2.59	-4bps	GNPA could improve by 15bps QoQ while credit costs could increase by 10bps.
	GNPA (%)	1.89	2.26	-37bps	2.04	-15bps	
	Credit Cost (%)	0.34	0.51	-18bps	0.24	10bps	
Canara Bank	NII	95,211	94,419	0.8	92,523	2.9	
	PPOP	68,926	82,837	(16.8)	91,195	(24.4)	NII could inch up by 2.9% QoQ while loan growth would come in at 5% QoQ. Margins are likely to decline by 4bps to 2.19%
	Provisions	21,435	18,317	17.0	24,144	(11.2)	
	PAT	35,618	50,027	(28.8)	51,551	(30.9)	PAT could see a decline of 30% due to decline in other income
	Loans (Rs bn)	12,315	10,492	17.4	11,728	5.0	
	Margin (%)	2.19	2.46	-27bps	2.23	-4bps	GNPA could improve by 20bps QoQ and credit costs could decline by 13bps.
	GNPA (%)	1.88	2.94	-106bps	2.08	-20bps	
	Credit Cost (%)	0.70	0.70	0bps	0.82	-13bps	

Company Name	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)	Remarks
NII	95,647	95,140	0.5	93,279	2.5	NII to increase by 2.5% QoQ. Loan growth could come in at 6.1% QoQ. Margins could decline sequentially by 9bps to 2.62%.
PPOP	71,120	77,001	(7.6)	69,416	2.5	
Provisions	10,461	15,439	(32.2)	3,222	224.6	PPoP to increase marginally QoQ on account of increase in other income .
PAT	45,494	49,849	(8.7)	50,168	(9.3)	
<b>Union Bank of India</b>						
Loans (Rs bn)	10,512	9,535	10.2	9,909	6.1	Provisions are expected to increase by 224.6% thus leading to fall in PAT by 9.3% QoQ.
Margin (%)	2.62	2.75	-13bps	2.71	-9bps	
GNPA (%)	2.79	3.60	-80bps	3.06	-27bps	Asset quality in terms of GNPA to improve by 27 bps while credit cost is expected to increase by 27bps.
Credit Cost (%)	0.40	0.65	-25bps	0.13	27bps	

Source: Company, PL

## Exhibit 16 : Change in Estimates

	Rating		Target Price			NII (INR bn)						PPoP (INR bn)						PAT (INR)					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Axis Bank	BUY	BUY	1,500	1,500	0.0%	650.2	649.0	0.2%	739.9	733.3	0.9%	510.4	516.8	-1.2%	587.4	589.2	-0.3%	313.3	319.7	-2.0%	364.2	367.3	-0.9%
HDFC Bank	BUY	BUY	1,150	1,150	0.0%	1,509.0	1,497.7	0.8%	1,716.0	1,704.1	0.7%	1,258.7	1,247.6	0.9%	1,433.2	1,422.2	0.8%	850.6	843.5	0.8%	968.8	961.7	0.7%
ICICI Bank	BUY	BUY	1,800	1,800	0.0%	997.4	994.8	0.3%	1,140.5	1,136.3	0.4%	801.2	804.1	-0.4%	924.2	931.3	-0.8%	542.1	544.8	-0.5%	627.5	633.2	-0.9%
IndusInd Bank	Accumulate	Accumulate	960	960	0.0%	198.7	199.5	-0.4%	227.8	229.2	-0.6%	100.7	101.5	-0.7%	124.6	126.0	-1.1%	40.7	41.0	-0.8%	60.1	61.0	-1.4%
Kotak Mahindra Bank	BUY	BUY	500	500	0.0%	343.7	345.6	-0.6%	395.8	401.9	-1.5%	247.9	250.9	-1.2%	281.0	288.4	-2.5%	161.2	163.1	-1.2%	183.4	188.2	-2.5%
Federal Bank	BUY	BUY	275	275	0.0%	122.3	121.3	0.8%	140.4	140.1	0.2%	81.2	81.0	0.2%	94.1	94.6	-0.6%	49.9	49.8	0.3%	58.1	58.4	-0.4%
DCB Bank	BUY	BUY	155	155	0.0%	29.0	28.6	1.3%	34.0	33.6	1.2%	14.3	14.1	1.3%	16.9	16.8	0.7%	7.9	8.0	-1.3%	9.4	9.6	-2.1%
City Union Bank	BUY	BUY	310	310	0.0%	33.5	33.8	-1.0%	39.0	39.6	-1.5%	22.9	23.0	-0.3%	27.1	27.4	-1.1%	15.4	15.5	-0.7%	18.1	18.4	-1.6%
Bank of Baroda	Accumulate	Accumulate	320	320	0.0%	514.2	517.5	-0.6%	589.1	586.6	0.4%	299.4	302.7	-1.1%	340.2	337.7	0.7%	159.3	163.0	-2.3%	181.9	181.4	0.2%
Canara Bank	Hold	Hold	160	160	0.0%	424.8	424.6	0.0%	480.5	481.0	-0.1%	317.8	320.5	-0.8%	360.1	358.9	0.3%	169.7	172.4	-1.6%	193.3	193.2	0.1%
State Bank of India	BUY	BUY	1,280	1,280	0.0%	2,055.1	2,045.7	0.5%	2,351.5	2,341.9	0.4%	1,410.0	1,400.7	0.7%	1,616.6	1,607.0	0.6%	885.5	879.5	0.7%	1,017.9	1,011.8	0.6%
Union Bank of India	Accumulate	Accumulate	200	200	0.0%	401.8	395.1	1.7%	445.5	432.1	3.1%	304.3	300.4	1.3%	339.2	328.7	3.2%	184.1	182.3	1.0%	206.8	200.5	3.1%

Source: PL C = Current / P = Previous

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	AAVAS Financiers	Accumulate	1900	1619
2	Axis Bank	BUY	1500	1376
3	Bank of Baroda	Accumulate	320	305
4	Can Fin Homes	BUY	950	838
5	Canara Bank	Hold	160	152
6	Canara Robeco Asset Management Company	BUY	325	311
7	City Union Bank	BUY	310	287
8	DCB Bank	BUY	155	182
9	Federal Bank	BUY	275	291
10	HDFC Asset Management Company	BUY	2950	2554
11	HDFC Bank	BUY	1150	924
12	ICICI Bank	BUY	1800	1406
13	ICICI Prudential Asset Management Company	BUY	3300	2736
14	IndusInd Bank	Accumulate	960	892
15	Kotak Mahindra Bank	BUY	500	426
16	LIC Housing Finance	Hold	690	570
17	Nippon Life India Asset Management	BUY	1000	879
18	Prudent Corporate Advisory Services	BUY	2600	2225
19	State Bank of India	BUY	1280	1219
20	Union Bank of India	BUY	200	193
21	UTI Asset Management Company	Accumulate	1250	1135

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<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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