

Jul-Sep'26
Earnings
Preview

Banks

October 07, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Axis Bank	BUY	1,248	1,550
Bank of Baroda	Accumulate	233	280
Canara Bank	BUY	118	150
City Union Bank	BUY	224	250
DCB Bank	BUY	201	215
Federal Bank	BUY	320	400
HDFC Bank	BUY	711	950
ICICI Bank	BUY	1,343	1,850
Indian Bank	BUY	813	1,000
IndusInd Bank	Accumulate	906	1,150
Karur Vysya Bank	BUY	325	345
Kotak Mahindra Bank	BUY	432	500
State Bank of India	BUY	959	1,200
Union Bank of India	Accumulate	168	190

FCNR(B) drives strong loan growth; NIM to moderate

Quick Pointers

- Strong loan growth QoQ, led by FCNR(B) & domestic credit.
- NIM may decline by 3bps QoQ.
- Prefer ICICIB and KMB among our coverage universe.

Banks under our coverage are likely to see good quarter driven by FCNR(B) related loan & deposit growth and healthy offtake in domestic credit. Provisional numbers of banks suggests a strong loan growth of 6.5% QoQ for our coverage universe of which (1) 1.5-2.0% is attributable to FCNR (B) related overseas loans (2) 4.5-5.0% is led by domestic credit on the back of strong growth across corporate, retail, MSME and agri. Deposit growth QoQ is likely to be 6.2% QoQ (4.0-4.5% led by FCNR). Hence, we have seen an upgrade in core earnings for our coverage banks by 0-2% in FY27E & 4-6% in FY28E. NII growth QoQ would be +3.4% QoQ (lower than loan growth) as calculated NIM might fall ~3bps QoQ to 3.14% due to (1) lower yield on overseas loans (2) liquidity surge on account of influx of FCNR(B) deposits (3) CASA reduction as FCNR(B) deposits are TD in nature. Core PPOP is likely to see a softer growth of 2.6% QoQ to INR1.24trn due to seasonality in expense accrual in case of SBI. Asset quality may be steady although we see a 5bps QoQ increase in provisions to 54bps due to increase in std. asset provision related to FCNR(B) loans and normalization. Core PAT may be flat QoQ at INR762bn. Bank performance should be analyzed excluding the impact of FCNR (B) and ICICIB, KMB, CBK, FB and KVB could be outliers.

System credit growth could be ~19% YoY in Q2FY27: System credit grew by 19.8% YoY in Aug'26, which has improved since May'25 led by better offtake in corporate services (incl. NBFCs), gold, agri and PL. Industry/services grew by 19.8%/22.6% YoY each and large industries grew by 16.6% YoY (1.8% YoY in Aug'25) while agri growth was 17.2% YoY. NBFC growth improved to 37.4% vs 3.4% YoY in Aug'25. Retail credit growth came in at 17.3% YoY (11.8% in Aug'25) driven by gold, advances against FD, vehicle and other PL. Domestic system credit could grow by 18.5-19.0% YoY and 3.5-4.0% QoQ in Sep'26 (2.4% QoQ in Jun'26); system deposits could grow by ~5% QoQ and ~16% YoY. Coverage banks may see loan/deposits growth of 20%/16.2% YoY incl. FCNR.

Margins may decline QoQ: We expect coverage banks' NIM to decline by 3bps QoQ to 3.14% due to (1) lower yield on overseas loans (2) liquidity surge on account of influx of FCNR(B) deposits and (3) CASA reduction as FCNR(B) deposits are TD in nature. Other income may rise by 9% QoQ led by NSE IPO stake-sale gains for SBI, BOB and Indian Bank, partly offset by increase in opex by 6.4% QoQ. Hence core PPOP may come in at INR 1.2trn (+2.6%QoQ).

Slippages may decrease: Slippages ratio is expected to decline by 2bps QoQ to 1.09%. GNPA ratio is expected to decline QoQ by 10bps to 1.47%. Provisions may slightly inch up by 4bps QoQ to 54bps due to increase in std. asset provisions and normalisation.

Core PAT may be flat: Core PAT is likely to be flat QoQ at INR 762bn (-0.2% QoQ) mainly led by higher provisions. Overall, PAT may increase to INR 890bn (+0.6% QoQ).

Top Picks

ICICI Bank: ICICIB's balance sheet profile is strong with (1) strong CET-1 at 16.2%, (2) Provision buffer may absorb one-time ECL impact & on a sustainable basis, ECL may not affect earnings, (3) LDR controlled between 86% to 89% and (4) adequate LCR at 124%. We expect industry best-in-class core RoA of ~2.37% in FY28E. Core earnings CAGR over FY26-28E could be healthy at ~22%. We maintain 'BUY' with TP of INR1,850.

Kotak Mahindra Bank: KMB aims to deliver above industry credit growth in secured/unsecured; avg. LCR at 134% may provide additional balance sheet cushion. With continued investments in technology, better operating efficiency may sustain. Increase in repo rate cycle would benefit KMB due to higher EBLR share, which will support NIM. CET-1 is strong at 22.4% and LDR is comfortable at 88-89%. DB consumer banking acquisition would be value accretive. We see core PAT CAGR of 19.9% over FY26-28E with core RoA/RoE for FY28E at 1.88%/11.6%. We retain 'BUY' with TP of INR500.

Exhibit 1: Recommendation for PL coverage universe

Coverage Universe	CMP (INR)	MCap (INR bn)	New Rating	Old Rating	New TP (INR)	Old TP (INR)	Upside (%)	P/ABV (x)				RoE (%)			
								FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
Axis Bank	1,248	3,882	BUY	BUY	1,550	1,550	24.2%	1.9	1.7	1.4	1.2	12.7	14.4	15.1	15.2
HDFC Bank	711	10,957	BUY	BUY	950	950	33.5%	2.0	1.8	1.6	1.4	14.1	14.0	14.2	14.5
ICICI Bank	1,343	9,634	BUY	BUY	1,850	1,850	37.8%	2.9	2.5	2.2	1.9	16.1	16.6	17.4	17.6
Indian Bank	813	1,095	BUY	BUY	1,000	1,000	23.0%	1.6	1.3	1.2	1.0	18.2	17.9	17.3	17.1
IndusInd Bank	906	706	ACCUMULATE	ACCUMULATE	1,150	1,150	26.9%	1.1	1.1	1.0	0.9	1.4	5.8	8.7	10.1
Karur Vysya Bank	325	314	BUY	BUY	345	345	6.1%	2.3	1.9	1.6	1.3	19.3	18.6	18.1	17.6
Kotak Mahindra Bank	432	4,296	BUY	BUY	500	500	15.8%	3.2	2.8	2.5	2.2	11.1	12.4	12.2	12.5
Federal Bank	320	790	BUY	BUY	400	400	25.0%	2.1	1.8	1.6	1.4	11.4	12.7	12.9	13.0
DCB Bank	201	63	BUY	BUY	215	215	7.1%	1.1	1.0	0.8	0.7	12.5	13.2	13.5	14.1
City Union Bank	224	222	BUY	BUY	250	250	11.7%	2.2	1.9	1.6	1.4	13.2	14.5	14.6	14.8
Bank of Baroda	233	1,205	ACCUMULATE	ACCUMULATE	280	280	20.3%	0.9	0.8	0.7	0.7	14.7	11.6	11.6	11.8
Canara Bank	118	1,069	BUY	BUY	150	150	27.3%	1.1	0.9	0.8	0.7	19.1	16.4	17.0	16.7
State Bank of India	959	8,850	BUY	BUY	1,200	1,200	25.2%	1.8	1.6	1.4	1.2	17.3	15.6	15.5	15.7

Source: Company, PL

Exhibit 2: Q2FY27 Banks Results Preview – NII could improve by 3.4% QoQ

(INR mn)	NII	YoY	QoQ	Core PPOP	YoY	QoQ	Core PAT	YoY	QoQ
HDFC Bank	3,45,392	9.5%	3.0%	2,67,635	11.5%	6.4%	1,78,661	14.2%	6.6%
ICICI Bank	2,50,042	16.2%	4.5%	1,96,060	21.0%	5.2%	1,33,333	15.6%	-0.8%
Axis Bank	1,53,760	11.9%	5.0%	1,19,085	21.2%	7.5%	72,311	55.4%	8.3%
Kotak	83,217	13.8%	5.0%	56,233	10.4%	6.2%	35,911	15.0%	2.9%
IndusInd	45,862	4.0%	4.2%	22,935	19.5%	5.0%	8,157	-255.9%	29.3%
Federal	30,677	22.9%	4.1%	20,449	33.5%	9.1%	12,690	45.6%	9.4%
Karur Vysya Bank	14,422	28.5%	3.2%	10,758	38.6%	7.3%	6,737	73.8%	-1.7%
DCB Bank	7,004	17.5%	2.4%	3,272	18.6%	1.4%	1,763	8.3%	-10.7%
City Union Bank	8,461	26.9%	3.2%	5,603	24.8%	6.1%	3,739	20.1%	9.1%
SBI	4,84,174	12.6%	3.0%	2,77,535	15.5%	-4.5%	1,67,470	18.2%	-5.9%
BOB	1,25,992	12.7%	3.7%	75,945	30.3%	11.1%	42,300	21.4%	1071.3%
Indian Bank	76,502	16.8%	2.9%	44,092	14.1%	2.7%	20,578	0.5%	2.5%
Canara Bank	1,05,564	15.5%	3.3%	72,164	2.4%	-6.4%	37,464	4.3%	-10.1%
Union	1,00,112	13.6%	-0.3%	68,833	27.2%	-1.7%	40,606	28.9%	-11.2%
Total Banks	18,31,182	13.0%	3.4%	12,40,598	16.8%	2.6%	7,61,719	21.7%	5.3%
Total Private Banks	9,38,837	12.5%	4.0%	7,02,029	16.8%	6.3%	4,53,301	25.3%	4.5%
Total Public Banks	8,92,344	13.4%	2.8%	5,38,569	16.6%	-1.9%	3,08,418	16.7%	6.6%
(INR mn)	Loans	YoY	QoQ	Margins	YoY	QoQ	Credit Cost	YoY	QoQ
HDFC Bank	31,948	16.3%	5.2%	3.39%	-8bps	0bps	0.41%	-10bps	0bps
ICICI Bank	17,781	26.2%	9.0%	4.33%	-4bps	-5bps	0.41%	15bps	10bps
Axis Bank	13,723	22.9%	8.8%	3.48%	-15bps	-1bps	0.66%	-61bps	-4bps
Kotak	5,771	24.7%	12.7%	4.35%	-17bps	-12bps	0.58%	-24bps	6bps
IndusInd	3,624	11.2%	11.1%	3.57%	6bps	10bps	1.33%	-189bps	-31bps
Federal	2,900	18.5%	4.5%	3.34%	30bps	3bps	0.47%	-12bps	1bps
Karur Vysya Bank	1,110	20.4%	6.6%	4.20%	0bps	0bps	0.64%	0bps	0bps
DCB Bank	632	19.3%	5.4%	3.38%	2bps	-5bps	0.57%	11bps	19bps
City Union Bank	699	23.3%	4.5%	3.76%	19bps	-7bps	0.50%	10bps	3bps
SBI	52,666	20.7%	5.5%	2.77%	-2bps	-4bps	0.39%	-11bps	-2bps
BOB	14,898	18.4%	6.7%	2.62%	-4bps	-4bps	0.48%	9bps	-133bps
Indian Bank	7,106	17.4%	5.6%	3.18%	-5bps	-11bps	0.65%	16bps	-6bps
Canara Bank	13,570	20.1%	6.2%	2.27%	1bps	-3bps	0.65%	-18bps	0bps
Union	11,305	19.2%	5.4%	2.73%	0bps	0bps	0.52%	0bps	0bps
Total Banks	1,77,733	20.0%	6.5%	3.38%	4bps	-4bps	0.49%	-3bps	-18bps
Total Private Banks	78,186	20.2%	7.4%	3.76%	5bps	-6bps	0.52%	-24bps	2bps
Total Public Banks	99,546	19.9%	5.8%	2.72%	2bps	6bps	0.47%	-6bps	-19bps

Source: Company, PL

Exhibit 3: Asset quality to improve in Q2FY27E

	Q1FY27			Q2FY27E		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR
HDFCB	1.17%	0.4%	65.5%	1.13%	0.4%	67.0%
ICICIBC	1.45%	0.4%	75.2%	1.34%	0.3%	76.0%
Axis	1.34%	0.4%	69.7%	1.29%	0.4%	70.0%
KMB	1.18%	0.3%	77.8%	1.08%	0.2%	80.0%
IIB	3.25%	1.0%	71.4%	2.86%	0.8%	72.0%
SBI	1.47%	0.4%	74.2%	1.39%	0.3%	75.0%
BOB	1.99%	0.5%	75.1%	1.87%	0.5%	76.0%
CBK	1.57%	0.4%	77.1%	1.38%	0.3%	77.0%
UNBK	2.65%	0.5%	82.8%	2.49%	0.4%	83.0%
Indian	1.86%	0.1%	92.2%	1.72%	0.1%	92.0%
Federal	1.52%	0.2%	88.2%	1.44%	0.2%	87.5%
KVB	0.74%	0.2%	74.6%	0.68%	0.2%	75.0%
CUBK	1.73%	0.6%	65.4%	1.62%	0.6%	65.0%
DCB	2.43%	0.8%	66.0%	2.31%	0.8%	65.0%

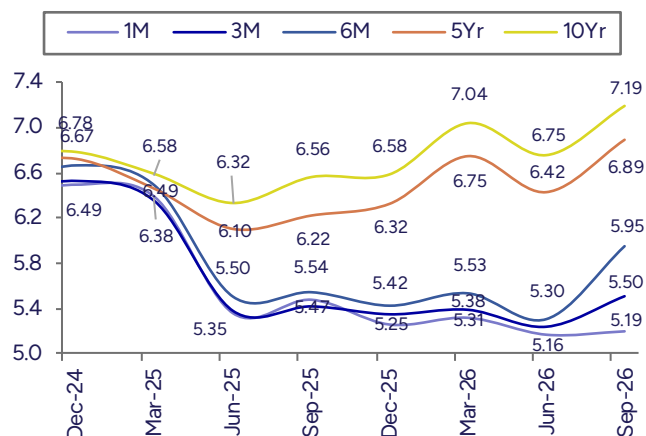
Source: Company, PL

Exhibit 4: G-sec yields increase to 7.23%



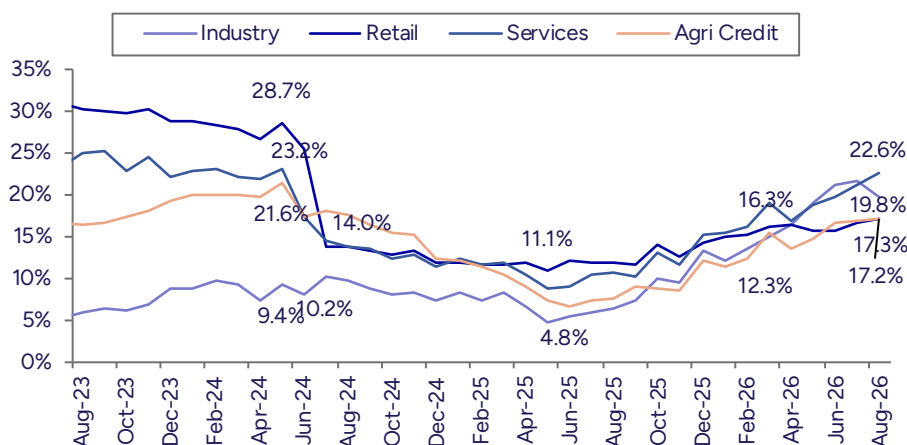
Source: Company, PL

Exhibit 5: G-sec yields increase after recent decline



Source: Company, PL

Exhibit 6: Credit growth picks up across segments



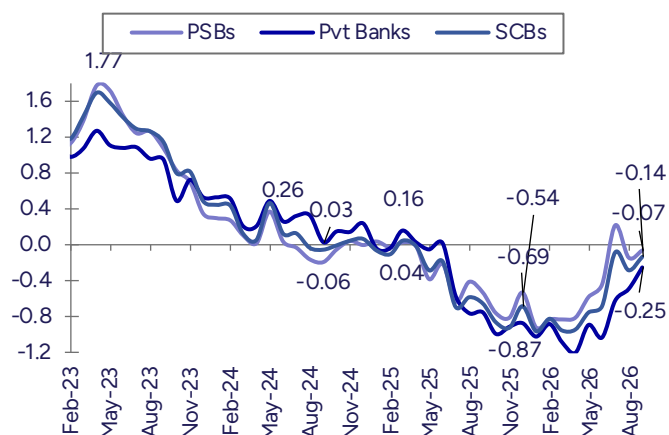
Source: Company, PL

Exhibit 7: MCLR trends across banks

Banks MCLR Profile	MCLR 1YR			% Change	
	Mar-26	Jun-26	Sep-26	3Months	6Months
HDFC Bank	8.35%	8.40%	8.35%	-5bps	0bps
Axis Bank	8.80%	8.75%	8.65%	-10bps	-15bps
ICICI Bank	8.35%	8.40%	8.40%	0bps	5bps
KMB	8.40%	8.40%	8.30%	-10bps	-10bps
IndusInd Bank	10.05%	10.10%	9.75%	-35bps	-30bps
SBI	8.70%	8.70%	8.70%	0bps	0bps
Bank of Baroda	8.70%	8.75%	8.75%	0bps	5bps
Indian Bank	8.75%	8.75%	8.85%	10bps	10bps
Canara Bank	8.70%	8.75%	8.80%	5bps	10bps
Union Bank	8.60%	8.75%	8.80%	5bps	20bps
Federal	9.10%	9.10%	9.00%	-10bps	-10bps
PSBs – Median	8.75%	8.75%	8.80%	5bps	5bps
Pvt – Median	9.10%	9.25%	9.35%	10bps	25bps

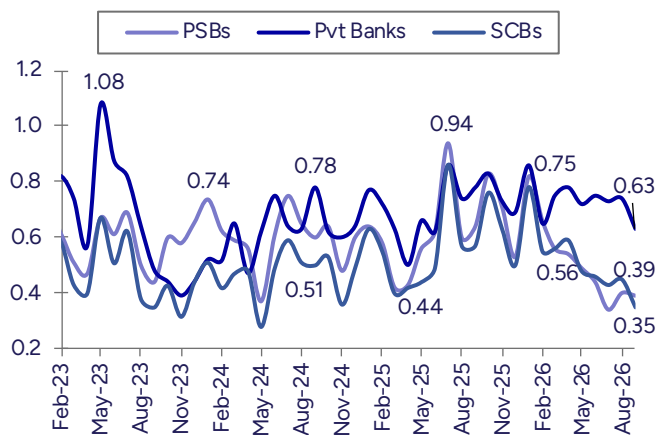
Source: Company, PL

Exhibit 8: Incremental lending rate trends across bank categories



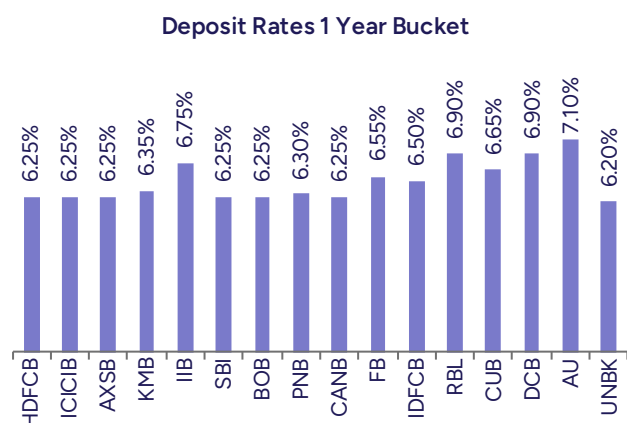
Source: RBI, PL

Exhibit 9: Difference between stock & fresh yields



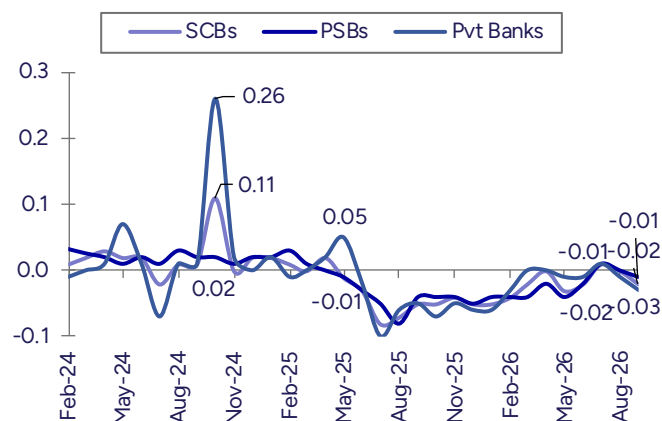
Source: RBI, PL

Exhibit 10: Deposit rate trends across banks



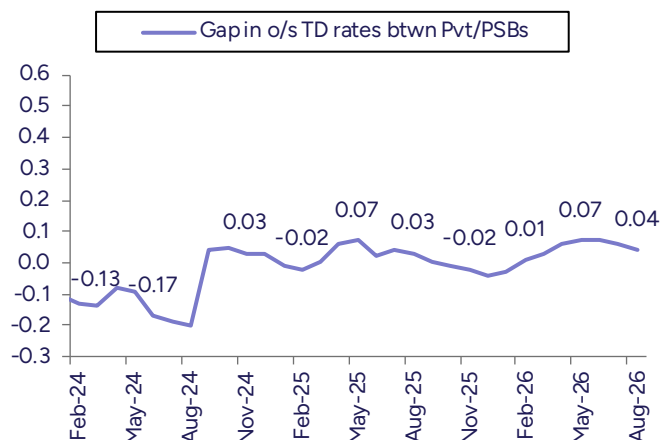
Source: RBI, PL

Exhibit 11: O/S TD rates on YTD basis



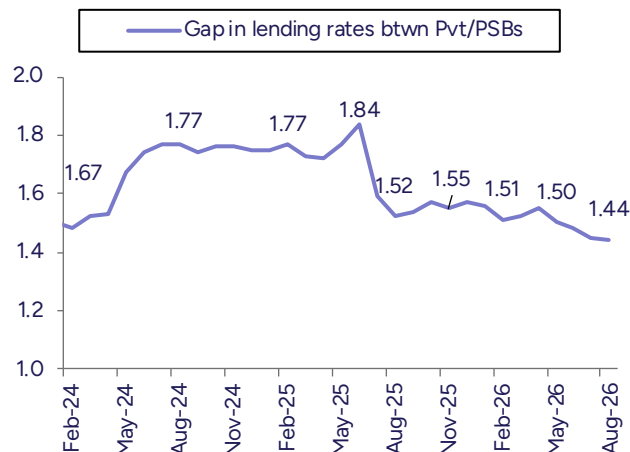
Source: RBI, PL

Exhibit 12: TD rates higher for PVBs over PSBs



Source: RBI, PL

Exhibit 13: Stock lending rates for PVBs higher than PSBs



Source: RBI, PL

Exhibit 14: Q2FY27 Result Preview (INR mn) – Private Banks

Company Name	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remarks
Axis Bank	NII (INR mn)	1,53,760	1,37,446	11.9	1,46,461	5.0
	Core PPOP (INR mn)	1,19,085	98,245	21.2	1,10,801	7.5
	Provisions (INR mn)	22,670	35,470	(36.1)	22,225	2.0
	Core PAT (INR mn)	72,311	46,537	55.4	66,774	8.3
	Loans (INR bn)	13,723	11,167	22.9	12,616	8.8
	Margin (%)	3.48	3.63	-15bps	3.50	-1bps
	GNPA (%)	1.25	1.46	-21bps	1.28	-3bps
	Credit Cost (%)	0.66	1.27	-61bps	0.70	-4bps

Loan growth may come in at 8.8% QoQ while NII is expected to grow by 5.0% QoQ. Margins are expected to decline by 1bps QoQ to 3.48%.
Core PPOP is likely to increase by 7.5% QoQ. Provision costs (credit cost) are expected to decrease by 4bps QoQ.

Company Name	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remarks
HDFC Bank	NII (INR mn)	3,45,392	3,15,515	9.5	3,35,340	3.0
	Core PPOP (INR mn)	2,67,635	2,40,036	11.5	2,51,465	6.4
	Provisions (INR mn)	32,555	35,005	(7.0)	30,598	6.4
	Core PAT (INR mn)	1,78,661	1,56,493	14.2	1,67,660	6.6
	Loans (INR bn)	31,948	27,464	16.3	30,373	5.2
	Margin (%)	3.39	3.48	-8bps	3.39	0bps
	GNPA (%)	1.13	1.24	-11bps	1.17	-4bps
	Credit Cost (%)	0.41	0.51	-10bps	0.40	0bps
ICICI Bank	NII (INR mn)	2,50,042	2,15,215	16.2	2,39,194	4.5
	Core PPOP (INR mn)	1,96,060	1,62,054	21.0	1,86,310	5.2
	Provisions (INR mn)	18,282	9,141	100.0	12,605	45.0
	Core PAT (INR mn)	1,33,333	1,15,348	15.6	1,34,460	(0.8)
	Loans (INR bn)	17,781	14,085	26.2	16,313	9.0
	Margin (%)	4.33	4.37	-4bps	4.38	-5bps
	GNPA (%)	1.28	1.58	-30bps	1.39	-11bps
	Credit Cost (%)	0.41	0.26	15bps	0.31	10bps
IndusInd Bank	NII (INR mn)	45,862	44,094	4.0	44,007	4.2
	Core PPOP (INR mn)	22,935	19,200	19.5	21,849	5.0
	Provisions (INR mn)	12,059	26,224	(54.0)	13,399	(10.0)
	Core PAT (INR mn)	8,157	(5,233)	(255.9)	6,306	29.3
	Loans (INR bn)	3,624	3,259	11.2	3,263	11.1
	Margin (%)	3.57	3.51	6bps	3.47	10bps
	GNPA (%)	2.86	3.60	-74bps	3.25	-39bps
	Credit Cost (%)	1.33	3.22	-189bps	1.64	-31bps
Kotak Mahindra Bank	NII (INR mn)	83,217	73,107	13.8	79,284	5.0
	Core PPOP (INR mn)	56,233	50,943	10.4	52,934	6.2
	Provisions (INR mn)	8,352	9,474	(11.8)	6,681	25.0
	Core PAT (INR mn)	35,911	31,223	15.0	34,905	2.9
	Loans (INR bn)	5,771	4,627	24.7	5,122	12.7
	Margin (%)	4.35	4.52	-17bps	4.47	-12bps
	GNPA (%)	1.08	1.39	-30bps	1.18	-10bps
	Credit Cost (%)	0.58	0.82	-24bps	0.52	6bps
Federal Bank	NII (INR mn)	30,677	24,952	22.9	29,459	4.1
	Core PPOP (INR mn)	20,449	15,320	33.5	18,750	9.1
	Provisions (INR mn)	3,415	3,631	(5.9)	3,177	7.5
	Core PAT (INR mn)	12,690	8,716	45.6	11,603	9.4
	Loans (INR bn)	2,900	2,447	18.5	2,775	4.5
	Margin (%)	3.34	3.04	30bps	3.31	3bps
	GNPA (%)	1.44	1.83	-39bps	1.52	-8bps
	Credit Cost (%)	0.47	0.59	-12bps	0.46	1bps
Karur Vysya Bank	NII (INR mn)	14,422	11,222	28.5	13,981	3.2
	Core PPOP (INR mn)	10,758	7,761	38.6	10,022	7.3
	Provisions (INR mn)	1,775	2,744	(35.3)	903	96.6
	Core PAT (INR mn)	6,737	3,875	73.8	6,855	(1.7)
	Loans (INR bn)	1,110	922	20.4	1,041	6.6
	Margin (%)	4.20	3.82	37bps	4.27	-8bps
	GNPA (%)	0.68	0.76	-8bps	0.74	-5bps
	Credit Cost (%)	0.64	1.19	-55bps	0.35	29bps

Company Name	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remarks
DCB Bank	NII (INR mn)	7,004	5,962	17.5	6,840	2.4
	Core PPOP (INR mn)	3,272	2,758	18.6	3,227	1.4
	Provisions (INR mn)	900	605	48.7	571	57.7
	Core PAT (INR mn)	1,763	1,627	8.3	1,974	(10.7)
	Loans (INR bn)	632	530	19.3	600	5.4
	Margin (%)	338.01	336.45	157bps	342.72	-471bps
	GNPA (%)	2.31	2.91	-59bps	2.43	-12bps
	Credit Cost (%)	0.57	0.46	11bps	0.38	19bps
City Union Bank	NII (INR mn)	8,461	6,665	26.9	8,201	3.2
	Core PPOP (INR mn)	5,603	4,490	24.8	5,282	6.1
	Provisions (INR mn)	870	570	52.6	780	11.5
	Core PAT (INR mn)	3,739	3,114	20.1	3,427	9.1
	Loans (INR bn)	699	567	23.3	669	4.5
	Margin (%)	3.76	3.57	19bps	3.83	-7bps
	GNPA (%)	1.62	2.42	-80bps	1.73	-11bps
	Credit Cost (%)	0.50	0.40	10bps	0.47	3bps

Source: Company, PL

Exhibit 15: Q2FY27 Result Preview (INR mn) – PSU Banks

Company Name	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remarks
State Bank of India	NII (INR mn)	4,84,174	4,29,841	12.6	4,69,924	3.0
	Core PPOP (INR mn)	2,77,535	2,40,204	15.5	2,90,575	(4.5)
	Provisions (INR mn)	51,225	54,001	(5.1)	50,468	1.5
	Core PAT (INR mn)	1,67,470	1,41,631	18.2	1,78,052	(5.9)
	Loans (INR bn)	52,666	43,617	20.7	49,920	5.5
	Margin (%)	2.77	2.79	-2bps	2.81	-4bps
	GNPA (%)	1.39	1.73	-34bps	1.47	-9bps
	Credit Cost (%)	0.39	0.50	-11bps	0.40	-2bps
Bank of Baroda	NII (INR mn)	1,25,992	1,11,836	12.7	1,21,501	3.7
	Core PPOP (INR mn)	75,945	58,280	30.3	68,329	11.1
	Provisions (INR mn)	18,000	12,325	46.0	63,233	(71.5)
	Core PAT (INR mn)	42,300	34,842	21.4	3,611	1,071.3
	Loans (INR bn)	14,898	12,583	18.4	13,957	6.7
	Margin (%)	2.62	2.66	-4bps	2.67	-4bps
	GNPA (%)	1.87	2.16	-29bps	1.99	-12bps
	Credit Cost (%)	0.48	0.39	9bps	1.81	-133bps
Indian Bank	NII (INR mn)	76,502	65,510	16.8	74,348	2.9
	Core PPOP (INR mn)	44,092	38,649	14.1	42,918	2.7
	Provisions (INR mn)	11,598	7,386	57.0	11,957	(3.0)
	Core PAT (INR mn)	20,578	20,466	0.5	20,076	2.5
	Loans (INR bn)	7,106	6,052	17.4	6,729	5.6
	Margin (%)	3.18	3.23	-5bps	3.29	-11bps
	GNPA (%)	1.72	2.60	-88bps	1.86	-13bps
	Credit Cost (%)	0.65	0.49	16bps	0.71	-6bps

Company Name	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remarks
Canara Bank	NII (INR mn)	1,05,564	91,412	15.5	1,02,153	3.3
	Core PPOP (INR mn)	72,164	70,453	2.4	77,092	(6.4)
	Provisions (INR mn)	22,212	23,542	(5.6)	20,800	6.8
	Core PAT (INR mn)	37,464	35,925	4.3	41,694	(10.1)
	Loans (INR bn)	13,570	11,301	20.1	12,777	6.2
	Margin (%)	2.27	2.26	1bps	2.30	-3bps
	GNPA (%)	1.38	2.35	-97bps	1.57	-19bps
	Credit Cost (%)	0.65	0.83	-18bps	0.65	0bps
Union Bank	NII (INR mn)	1,00,112	88,124	13.6	1,00,372	(0.3)
	Core PPOP (INR mn)	68,833	54,131	27.2	70,056	(1.7)
	Provisions (INR mn)	14,691	13,967	5.2	9,794	50.0
	Core PAT (INR mn)	40,606	31,503	28.9	45,753	(11.2)
	Loans (INR bn)	11,305	9,483	19.2	10,723	5.4
	Margin (%)	2.73	2.55	18bps	2.79	-5bps
	GNPA (%)	2.49	3.29	-80bps	2.65	-17bps
	Credit Cost (%)	0.52	0.59	-7bps	0.37	15bps

Source: Company, PL

Exhibit 16: Change in Estimates

	Rating		Target Price			NII (INR bn)						PPoP (INR bn)						PAT (INR bn)					
						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	1,550	1,550	0.0%	639.4	640.0	-0.1%	762.5	738.7	3.2%	517.8	516.9	0.2%	621.3	595.4	4.3%	318.7	319.9	-0.4%	387.3	368.8	5.0%
HDFC Bank	BUY	BUY	950	950	0.0%	1,427.2	1,449.4	-1.5%	1,672.4	1,680.2	-0.5%	1,224.2	1,246.4	-1.8%	1,390.9	1,407.4	-1.2%	833.8	849.1	-1.8%	946.3	959.0	-1.3%
ICICI Bank	BUY	BUY	1,850	1,850	0.0%	1,027.9	1,011.2	1.7%	1,232.5	1,176.4	4.8%	866.9	857.9	1.0%	1,058.1	1,011.7	4.6%	599.9	593.2	1.1%	728.5	694.2	4.9%
Indian Bank	BUY	BUY	1,000	1,000	0.0%	312.1	313.8	-0.5%	354.8	351.9	0.8%	231.8	231.3	0.2%	259.8	258.3	0.6%	137.7	137.0	0.5%	154.1	152.8	0.9%
IndusInd Bank	ACCUMULATE	ACCUMULATE	1,150	1,150	0.0%	183.6	181.9	0.9%	213.1	203.9	4.5%	101.1	101.3	-0.2%	131.1	125.4	4.6%	39.4	40.2	-2.0%	63.3	60.2	5.1%
Karur Vysya Bank	BUY	BUY	345	345	0.0%	57.6	56.5	2.0%	68.4	65.6	4.3%	44.9	43.8	2.6%	52.9	50.1	5.6%	29.0	28.0	3.3%	33.6	31.6	6.4%
Kotak Mahindra Bank	BUY	BUY	500	500	0.0%	339.9	333.5	1.9%	402.1	382.1	5.2%	271.0	268.7	0.8%	305.8	291.2	5.0%	179.6	177.9	0.9%	199.5	188.4	5.9%
Federal Bank	BUY	BUY	400	400	0.0%	125.2	124.8	0.3%	149.0	149.7	-0.4%	85.2	85.3	-0.2%	104.2	106.5	-2.2%	53.3	53.4	-0.2%	65.6	67.1	-2.3%
DCB Bank	BUY	BUY	215	215	0.0%	28.9	28.9	0.0%	33.8	33.8	0.0%	15.2	15.3	-0.8%	18.5	18.6	-0.5%	8.9	9.0	-1.1%	10.4	10.4	-0.3%
City Union Bank	BUY	BUY	250	250	0.0%	34.4	34.1	0.9%	39.8	40.0	-0.5%	24.4	24.0	1.6%	28.0	28.0	-0.2%	16.5	16.2	1.9%	19.0	19.0	0.0%
Bank of Baroda	Accumulate	Accumulate	280	280	0.0%	521.1	522.7	-0.3%	600.7	592.5	1.4%	354.2	337.1	5.1%	389.1	371.6	4.7%	177.4	165.9	6.9%	194.8	185.8	4.8%
Canara Bank	BUY	BUY	150	150	0.0%	427.1	433.1	-1.4%	494.0	486.2	1.6%	340.0	329.3	3.3%	397.6	351.9	13.0%	188.4	181.8	3.6%	223.5	189.5	17.9%
State Bank of India	BUY	BUY	1,200	1,200	0.0%	2,023.1	2,019.5	0.2%	2,330.3	2,287.6	1.9%	1,352.4	1,328.3	1.8%	1,532.8	1,490.1	2.9%	848.4	831.6	2.0%	957.4	926.6	3.3%
Union Bank of India	ACCUMULATE	ACCUMULATE	190	190	0.0%	405.9	402.0	1.0%	446.8	437.6	2.1%	309.4	305.5	1.3%	341.0	331.8	2.8%	188.8	186.2	1.4%	203.0	196.7	3.2%

Source: PL

C = Current / P = Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aditya Birla Sun Life AMC	BUY	1200	988
2	Axis Bank	BUY	1550	1329
3	Bank of Baroda	Accumulate	280	246
4	Canara Bank	BUY	150	127
5	Canara Robeco Asset Management Company	HOLD	285	267
6	City Union Bank	BUY	250	229
7	DCB Bank	BUY	215	190
8	Federal Bank	BUY	400	357
9	HDFC Asset Management Company	BUY	2850	2440
10	HDFC Bank	BUY	950	721
11	ICICI Bank	BUY	1850	1444
12	ICICI Prudential Asset Management Company	BUY	3550	3206
13	Indian Bank	BUY	1000	843
14	IndusInd Bank	Accumulate	1150	1069
15	Karur Vysya Bank	BUY	345	301
16	Kotak Mahindra Bank	BUY	500	417
17	Nippon Life India Asset Management	BUY	1250	1172
18	Prudent Corporate Advisory Services	Accumulate	3175	2851
19	State Bank of India	BUY	1200	1097
20	Union Bank of India	Accumulate	190	172
21	UTI Asset Management Company	Hold	975	904

PL's Recommendation Nomenclature (Absolute Performance)

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

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