

Weak quarter led by cyclical NIM compression

Q1FY26 earnings will be impacted by sharp sequential moderation in NIM and seasonally weak loan growth. Higher treasury gains should offset some of the earnings pressure. We expect earnings to grow by 2.5% YoY (ex of Kotak KGI stake sale impact in Q1FY25) and -8% QoQ. NII is expected to grow at 3% YoY for coverage banks (5% YoY for private banks and flattish for PSBs). Operating profit will be up 5% YoY as higher treasury gains aid other income. Margins to factor in ~50 bps rate cut impact on EBLR-linked loans for most banks, where we have an immediate or quarterly rate reset. Yields pressures will be partly offset SA rate cut across most banks. Loan growth will be impacted by seasonality and increased corporate borrowing through the bond market. Focus on NIM protection amidst a declining rate environment should also limit near-term growth in corporate loans. Slippages across unsecured portfolios have likely peaked, though are yet to normalize.

We expect healthy growth trends for affordable housing financiers at 5% QoQ, though NPA ratios will rise owing to seasonality. Loan growth for gold NBFCs is expected to be strong at 5-6% QoQ as elevated gold prices, seasonally strong demand, and slowdown in unsecured credit drive growth.

Expect sharp NIM moderation; Strong treasury gains to aid PPoP

We build in 7-20 bps lower NIM QoQ across most banks as re-pricing of EBLR linked loans, slower growth in unsecured portfolios, and Q4 related one-offs (day count impact, yield benefit from seasonally strong recoveries) hurt yields. Some of this will be offset by SA rate cut across banks. For PSBs, we factor in NIM compression of ~7-10 bps, while the same is higher for private banks at 15-20 bps owing to their higher share of EBLR-linked loans. Most banks to factor in about 50 bps of repo cut impact on yields in Q1 barring where we have a quarter end reset. With sequential decline in G-sec yields across tenors by 30-80 bps, we expect strong treasury gains to aid operating profits.

Muted loan growth led by seasonality

Loan growth is expected to moderate to sub 11% YoY (1% QoQ) for coverage banks led by a seasonally weak Q1, slowdown in retail unsecured credit, increased corporate borrowing through bond market amidst a declining rate environment, and muted private capex. Focus on NIM protection amidst a declining rate environment could also limit near-term growth in corporate loans, hurting overall growth. Domestic advances growth was flattish (-0.5%) so far in Q1FY26 (till 13-Jun-25) vs a growth of 0.7% for the same period last year. Reported data as per business updates also alludes to muted growth trends, more so for large banks. Sequential deposit growth (till 13-Jun-25) at -0.2% was not very different from that seen for the same period last year (-0.5%).

AQ trends are not concerning; Credit cost normalization underway

Unsecured delinquencies have largely peaked but normalization in unsecured slippages will take another 2-3 quarters. Credit costs will rise QoQ driven by seasonally higher agri slippages and sequentially lower recoveries. Also, Q4 provisions benefited from write-back of provisions on govt guaranteed SRs (mainly for PSBs), which will be missing this quarter. Any signs of stress seepage from unsecured into secured assets is not evident yet but remains monitorable. Credit costs are nonetheless normalizing at higher levels.

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

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

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

Quarterly Estimates

(Rs bn)	Net Interest Income					Pre-provision profit				
	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
AXSB	138	134	2.9	138	0.2	107	101	5.7	108	(0.7)
BOB	109	116	(5.9)	110	(1.0)	75	72	4.7	81	(7.8)
CBK	92	92	0.4	94	(2.6)	81	76	6.1	83	(2.5)
CUBK	6	5	7.2	6	(2.7)	4	4	12.9	4	(4.3)
CSBBANK	4	4	9.4	4	6.7	3	2	55.2	3	(15.5)
DCBB	6	5	11.8	6	(0.5)	3	2	37.0	3	(7.9)
FB	24	23	3.0	24	(0.7)	15	15	(2.8)	15	(0.4)
HDFCB	316	298	5.9	321	(1.5)	267	239	11.9	265	0.8
ICICIBC	209	196	7.1	212	(1.2)	170	160	5.9	177	(3.9)
INBK	62	62	1.0	64	(2.3)	44	45	(1.9)	50	(12.0)
KMB	74	68	8.4	73	1.9	53	53	1.8	55	(2.2)
RBL	15	17	(11.3)	16	(3.5)	8	9	(9.2)	9	(9.4)
SBIN	418	411	1.7	428	(2.2)	261	264	(1.1)	313	(16.4)
Aggregate	1,474	1,431	3.0	1,494	(1.4)	1,091	1,041	4.8	1,165	(6.4)
PSBs	682	681	0.2	696	(2.1)	461	457	0.9	527	(12.5)
Private	792	751	5.5	798	(0.8)	629	584	7.8	638	(1.4)

Source: Company, Dolat Capital

(Rs bn)	Profit After Tax					Advances				
	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
AXSB	65	60	7.7	71	(8.7)	10,616	9,801	8.3	10,408	2.0
BOB	44	45	(1.1)	50	(12.6)	11,800	10,479	12.6	12,096	(2.4)
CBK	44	39	11.7	50	(12.8)	10,596	9,464	12.0	10,492	1.0
CUBK	3	3	11.2	3	2.1	526	459	14.5	521	1.0
CSBBANK	1.8	1.1	59.2	1.9	(5.2)	328	248	32.0	315	4.1
DCBB	1.6	1.3	24.3	1.8	(7.8)	521	422	23.4	510	2.0
FB	9	10	(7.4)	10	(9.3)	2,395	2,208	8.5	2,348	2.0
HDFCB	180	162	11.1	176	2.0	26,301	24,635	6.8	26,196	0.4
ICICIBC	116	111	5.0	126	(8.1)	13,686	12,232	11.9	13,418	2.0
INBK	25	24	6.1	30	(13.8)	5,797	5,208	11.3	5,711	1.5
KMB	35	62	(44.6)	36	(2.4)	4,354	3,900	11.7	4,269	2.0
RBL	2.1	4	(43.2)	0.7	207.1	945	867	9.0	926	2.0
SBIN	155	170	(9.0)	186	(16.9)	42,258	37,491	12.7	41,633	1.5
Aggregate	681	692	(1.5)	743	(8.3)	130,123	117,415	10.8	128,843	1.0
PSBs	268	278	(3.6)	316	(15.3)	70,451	62,643	12.5	69,931	0.7
Private	413	414	(0.2)	427	(3.1)	59,672	54,772	8.9	58,912	1.3

Source: Company, Dolat Capital

Housing Finance

(Rs mn)	Net Interest Income					Pre-provision profit				
	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
HOME FIRST	1,852	1,464	26.5	1,726	7.3	1,553	1,191	30.4	1,456	6.6
AAVAS	2,840	2,446	16.1	2,705	5.0	2,111	1,695	24.5	2,009	5.1
APTUS	3,152	2,611	20.7	3,002	5.0	2,745	2,253	21.9	2,789	(1.6)
Aggregate	7,844	6,520	20.3	7,433	5.5	6,409	5,139	24.7	6,254	2.5

(Rs mn)	Profit After Tax					Advances				
	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
HOME FIRST	1,127	878	28.4	1,047	7.6	112,876	88,022	28.2	106,487	6.0
AAVAS	1,580	1,261	25.3	1,537	2.8	168,789	144,445	16.9	162,297	4.0
APTUS	2,053	1,717	19.5	2,070	(0.8)	111,615	89,310	25.0	106,300	5.0
Aggregate	4,759	3,856	23.4	4,653	2.3	393,280	321,777	22.2	375,084	4.9

Source: Company, Dolat Capital

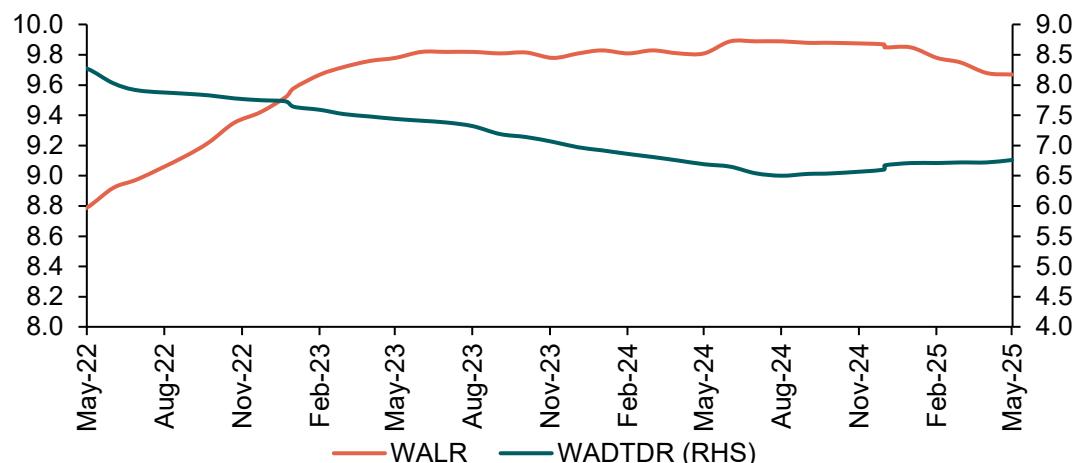
Gold Finance

(Rs mn)	Net Interest Income					Pre-provision profit				
	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Manappuram	11,116	10,548	5.4	11,264	(1.3)	6,285	6,266	0.3	6,257	0.4
Muthoot	30,687	23,049	33.1	29,039	5.7	22,729	17,153	32.5	21,478	5.8
Aggregate	41,803	33,596	24.4	40,303	3.7	29,013	23,419	23.9	27,736	4.6

(Rs mn)	Profit After Tax					Advances				
	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Manappuram	4,186	4,406	(5.0)	4,105	2.0	350,732	316,540	10.8	334,030	5.0
Muthoot	16,138	10,787	49.6	15,078	7.0	1,152,018	850,451	35.5	1,086,810	6.0
Aggregate	20,323	15,193	33.8	19,184	5.9	1,502,750	1,166,991	28.8	1,420,840	5.8

Source: Company, Dolat Capital

Exhibit 1: NIM under pressure as loans re-price at a faster pace vs deposits



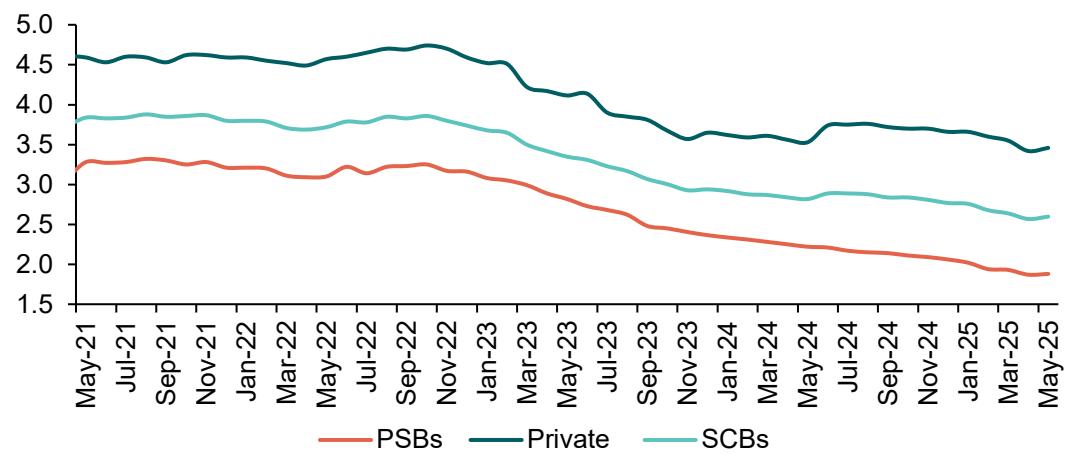
Source: Dolat Capital, RBI

Exhibit 2: NIM to decline sharply for banks with high EBLR mix (based on reset period)

Bank Name	MCLR Share (%)	EBLR Share in advances	EBLR Reset Date
HDFC Bank	~10	60%, of which ~15% is linked to T-bills	Monthly/3 months
Bank of Baroda	48	35	Immediate reset
City Union Bank	30	45	Monthly
CSB Bank	24	10	NA
Federal Bank	11	51	Immediate reset
ICICI Bank	15	53	3 months
Indian Bank	57	37	Immediate reset
Kotak Mahindra Bank	13	57	3 months
State Bank of India	38	27	Immediate reset
Canara Bank	48	41	Immediate reset
DCB Bank	NA	Portfolio ex of tractor, CV and some bit of gold is floating	3 months
Axis Bank	11	59% includes other EBLR	Quarter end
RBL Bank	10	45	3 months
IndusInd	NA	50% floating	NA

Source: Dolat Capital, Company

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



Source: Dolat Capital, RBI

Exhibit 4: Loan growth has slowed down, converging with deposit growth

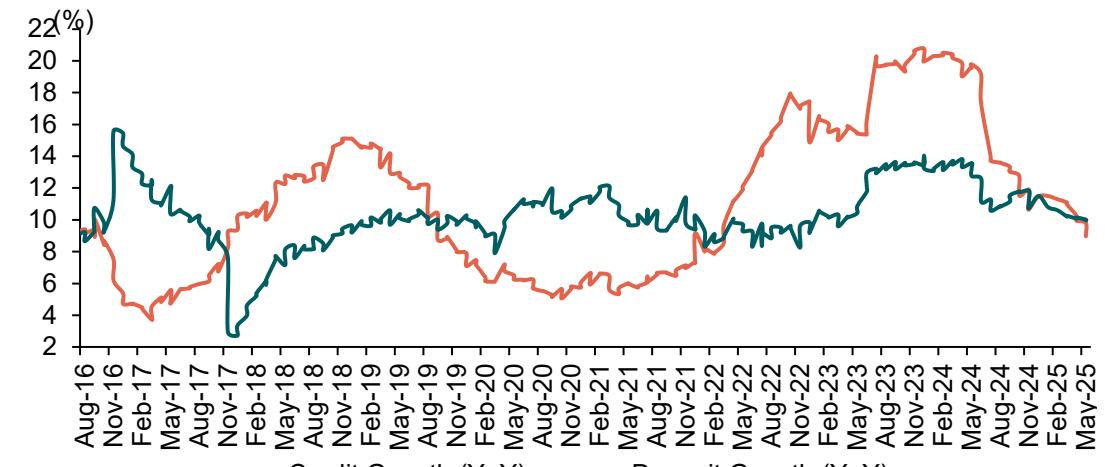
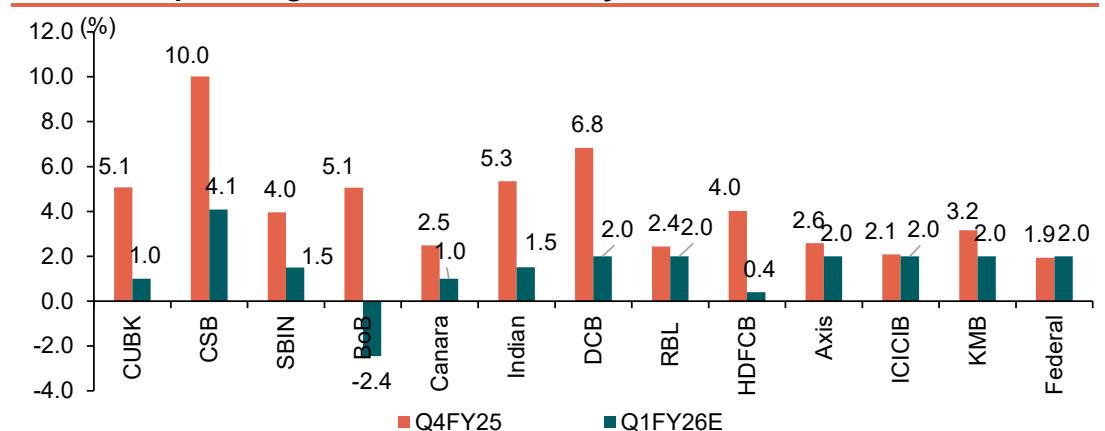


Exhibit 5: Sequential growth to be seasonally weak across most banks



Source: Company, Dolat Capital

Exhibit 6: Moderation in g-sec yields to aid strong treasury gains

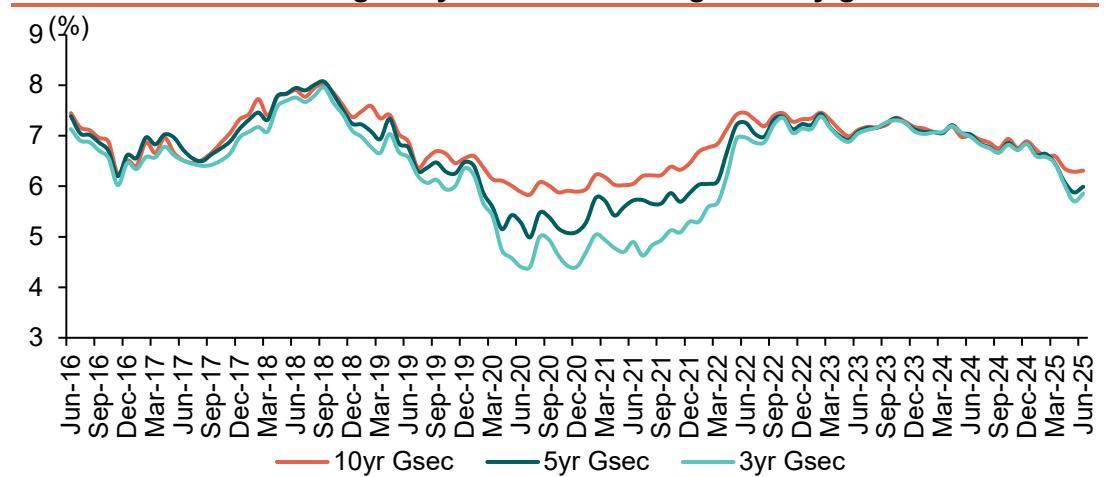
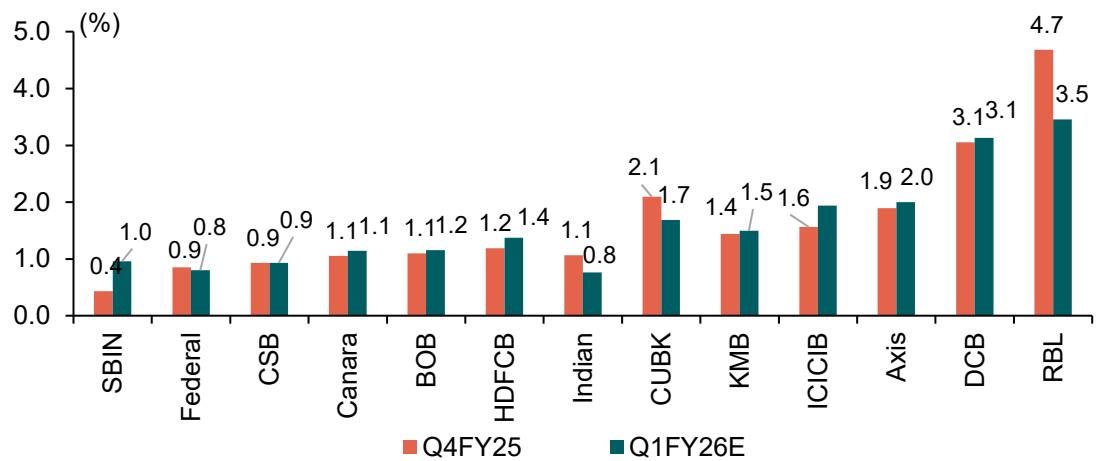
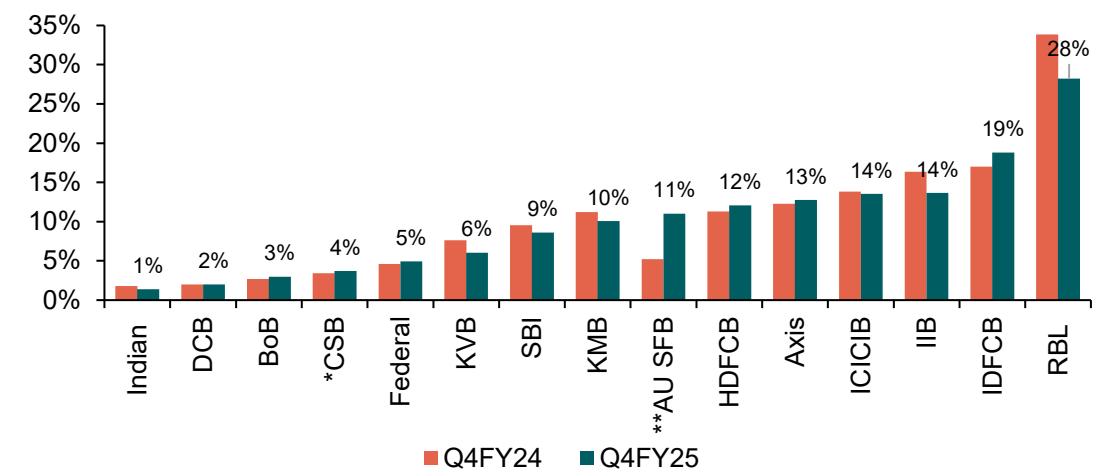


Exhibit 7: Slippages should be stable QoQ barring agri related seasonality



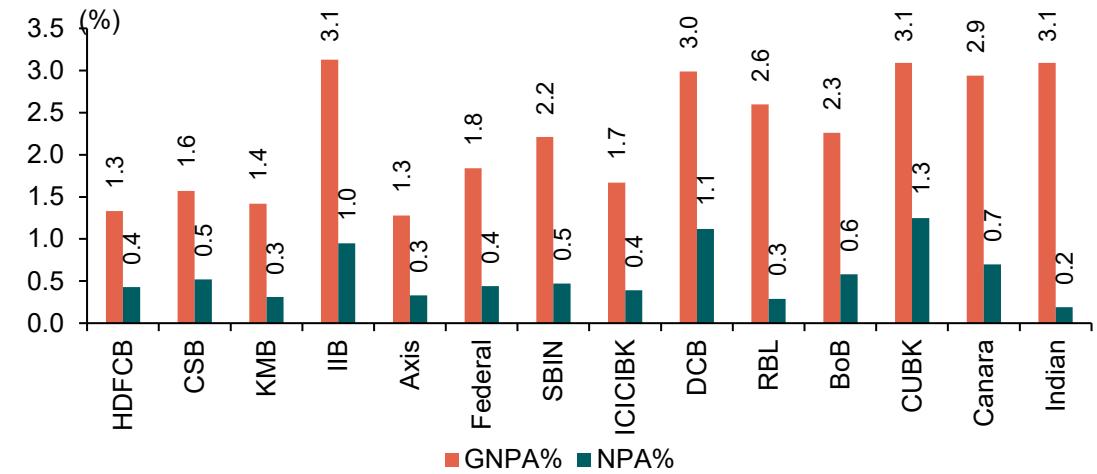
Source: Company, Dolat Capital

Exhibit 8: Unsecured share moderates, impacting yield and growth for banks



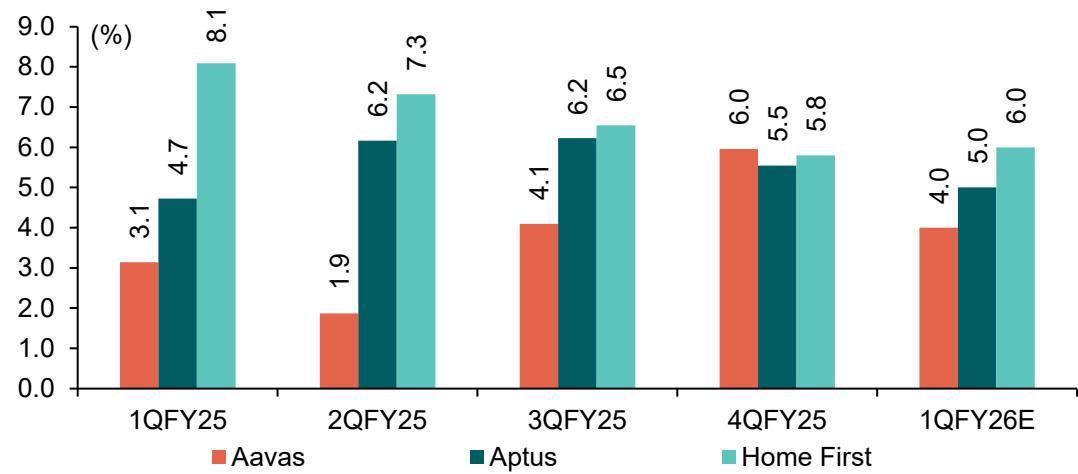
Source: Company, Dolat Capital, **AU data reflects merger with Fincare SFB

Exhibit 9: With a reduced GNPA base, credit costs are starting to normalize



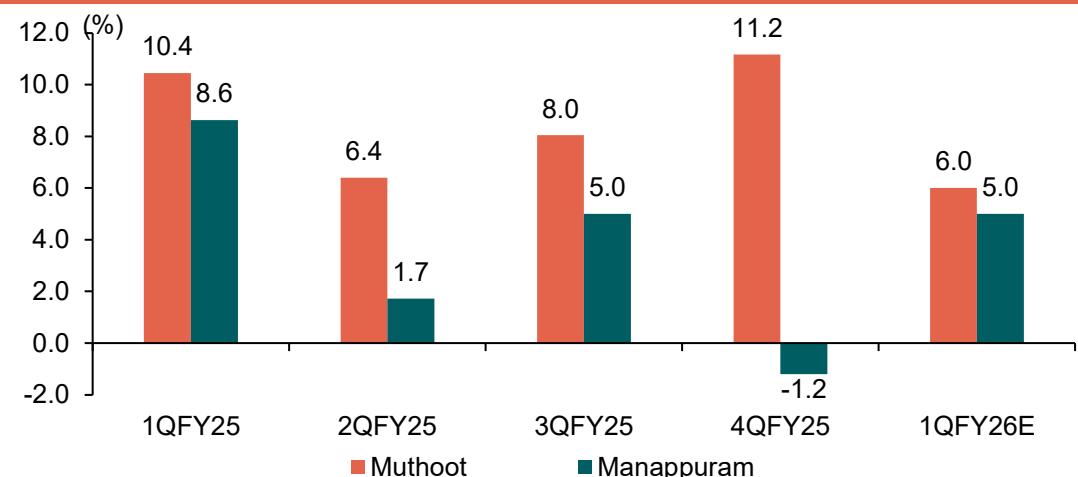
Source: Company, Dolat Capital

Exhibit 10: HFCs growth outlook remains healthy



Source: Company, Dolat Capital

Exhibit 11: Strong gold growth across NBFCs (standalone book)



Source: Company, Dolat Capital

Quarterly Estimates

(Rs mn)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comments
Axis Bank						
Net Interest Income	138,361	138,105	0.2	134,482	2.9	Advances to grow at 2% QoQ/8% YoY. NIM to moderate by 10 bps QoQ to tad lower vs peers as end of quarter EBLR reset results in only first 25 bps repo cut impact on yields. Build in credit costs of 80 bps and slippages of 2%, with seasonally higher agri slippages. RoA to be at 1.6%.
Pre-provision profit	106,780	107,524	(0.7)	101,062	5.7	
PAT	64,999	71,175	(8.7)	60,346	7.7	
EPS	21.0	23.0	(8.7)	19.5	7.4	
Bank of Baroda						
Net Interest Income	109,148	110,196	(1.0)	116,001	(5.9)	Bank reported loan growth of ~13% YoY and -2.4% QoQ. NIM to moderate slightly QoQ to 2.8% (-7 bps) as EBLR re-pricing impact is upfronted. Higher other income and benign credit costs at 50 bps to aid RoA of ~1% for the quarter. Build in slippage ratio of ~1.2%.
Pre-provision profit	74,996	81,321	(7.8)	71,613	4.7	
PAT	44,096	50,477	(12.6)	44,582	(1.1)	
EPS	8.5	9.8	(12.6)	8.6	(1.1)	
Canara Bank						
Net Interest Income	91,996	94,419	(2.6)	91,663	0.4	Advances to grow at 2% QoQ/ 13% YoY. NIM is to moderate by 10 bps as EBLR re-pricing impact is upfronted, and as the benefit of Q4's seasonally strong recoveries on interest income fades. Higher treasury and PSLC gains will, however, aid earnings. We build-in slippages of 1.1%, credit costs of 85 bps, and RoA of ~1.05%.
Pre-provision profit	80,792	82,837	(2.5)	76,161	6.1	
PAT	43,614	50,027	(12.8)	39,053	11.7	
EPS	4.8	5.5	(12.9)	4.3	11.6	
City Union Bank						
Net Interest Income	5,843	6,003	(2.7)	5,452	7.2	NIM to be lower by 15-20 bps QoQ at 3.45-3.5% as monthly EBLR reset results in sharper re-pricing impact. Loan growth is expected to be seasonally weak at 1% QoQ/ 14% YoY. RoA at 1.5% will benefit from lower credit costs as PCR is at optimal levels (60%) and slippages are contained at 1.7% (with negative net slippage).
Pre-provision profit	4,218	4,410	(4.3)	3,735	12.9	
PAT	2,940	2,880	2.1	2,645	11.2	
EPS	4.0	3.9	2.1	3.6	11.2	
CSB Bank						
Net Interest Income	3,961	3,713	6.7	3,620	9.4	CSB reported loan growth of 4% QoQ /32% YoY, with 6% QoQ growth in the gold book. Build in largely stable NIM QoQ at 3.75% as repricing of short-term wholesale deposits and low share of EBLR loans (~12%) aid NIM. We build in credit cost of 40 bps and RoA of ~1.5%.
Pre-provision profit	2,677	3,168	(15.5)	1,725	55.2	
PAT	1,804	1,904	(5.2)	1,133	59.2	
EPS	10.4	11.0	(5.2)	6.5	59.3	

Source: Company, Dolat Capital

Rs mn)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comments
DCB Bank						
Net Interest Income	5,553	5,580	(0.5)	4,966	11.8	NIM to moderate by 10-15 bps QoQ to ~3.15-3.2%, as re-pricing of EBLR-linked loans impacts yields. Advances to grow at 2% QoQ/ 23% YoY. Slippage ratio is expected at ~3-3.3%, with credit cost at 50 bps and RoA of 0.85%.
Pre-provision profit	2,814	3,054	(7.9)	2,054	37.0	
PAT	1,633	1,771	(7.8)	1,314	24.3	
EPS	5.2	5.6	(7.9)	4.2	23.7	
Federal Bank						
Net Interest Income	23,594	23,765	(0.7)	22,910	3.0	Loan growth to moderate to 2% QoQ/9% YoY. Margins to decline by 10-15 bps as immediate re-pricing of EBLR-linked loans hurt yields, partly offset by altering the loans mix in favor of higher yield loans. Benign credit cost at 35 bps and higher other income aids RoA of ~1.2%.
Pre-provision profit	14,582	14,645	(0.4)	15,000	(2.8)	
PAT	9,338	10,293	(9.3)	10,086	(7.4)	
EPS	3.8	4.2	(9.3)	4.1	(8.1)	
HDFC Bank						
Net Interest Income	315,985	320,658	(1.5)	298,371	5.9	Reported loan growth at ~7% YoY/0.4% QoQ, with muted deposit growth at 1% QoQ. NIM to moderate by 10-12 bps QoQ, as quicker repricing of EBLR-linked loans and fading of Q4 one-offs hurt NIM, partly offset by maturity of e-HDFC borrowings. We build-in credit costs of 50 bps (seasonally higher agri delinquency) and RoA at ~1.8%.
Pre-provision profit	267,377	265,367	0.8	238,846	11.9	
PAT	179,650	176,161	2.0	161,748	11.1	
EPS	23.5	23.0	2.0	21.3	10.4	
ICICI Bank						
Net Interest Income	209,406	211,929	(1.2)	195,529	7.1	Loan growth to be muted at 2% QoQ/ 12% YoY. Core NIM will be lower by 15-20 bps QoQ at 4.2%, impacted by re-pricing of EBLR-linked loans and fading of Q4 related one-offs. Higher treasury income to partly compensate for NIM loss. We build in slippage and credit cost of 2% and ~50 bps respectively, with RoA at ~2.2%.
Pre-provision profit	169,715	176,643	(3.9)	160,248	5.9	
PAT	116,120	126,296	(8.1)	110,594	5.0	
EPS	16.4	17.9	(8.1)	15.7	4.5	
Indian Bank						
Net Interest Income	62,419	63,893	(2.3)	61,781	1.0	Reported advances grew by 2% QoQ and 12% YoY. NIM to moderate by 18-20 bps QoQ to 3.2% led by upfronting of rate cut impact given immediate re-pricing of EBLR loans. Higher treasury gains, robust NIM relative to peers, and contained credit costs at 70 bps to aid RoAs of 1.15%. Build in a slippage ratio of 1.2%.
Pre-provision profit	44,178	50,187	(12.0)	45,016	(1.9)	
PAT	25,490	29,561	(13.8)	24,034	6.1	
EPS	18.9	22.0	(13.8)	17.8	6.1	

Source: Company, Dolat Capital

(Rs mn)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comments
Kotak Mahindra Bank						
Net Interest Income	74,186	72,836	1.9	68,424	8.4	Expect loan growth of 2% QoQ and 12% YoY. Reported NIM to decline by ~20 bps, led by repricing of EBLR-linked loans, reduced unsecured mix, and fading of Q4 related one-offs. Benefits from sharp SA rate-cut to partly offset the pressure on yields. Build in slippages and credit costs of 1.5%/70 bps, with RoA at 2%.
Pre-provision profit	53,493	54,722	(2.2)	52,541	1.8	
PAT	34,654	35,517	(2.4)	62,498	(44.6)	
EPS	17.4	17.9	(2.4)	31.4	(44.6)	
RBL Bank						
Net Interest Income	15,085	15,630	(3.5)	17,000	(11.3)	Reported loan growth at 2% QoQ/9% YoY. NIM compression to be higher at 40 bps QoQ as higher share of repo cut impact is reflected in yields, whereas benefit on CoF is delayed to Q2 despite a significant wholesale share. Robust other income and low credit costs at ~200 bps partly compensate for the yield loss, with RoA at 0.6%.
Pre-provision profit	7,799	8,612	(9.4)	8,591	(9.2)	
PAT	2,110	687	207.1	3,715	(43.2)	
EPS	3.5	1.1	207.1	6.1	(43.0)	
State Bank of India						
Net Interest Income	418,372	427,746	(2.2)	411,255	1.7	Expect advances to grow at 13% YoY and 2% QoQ. With the upfront rate cut impact, given immediate re-pricing of EBLR loans (at 27%), we build NIM moderation of 8-10 bps. The slippage ratio of 1% will be seasonally higher as net-off with recoveries is missing in Q1. Build in credit costs of 50 bps and RoA at 0.95%.
Pre-provision profit	261,474	312,860	(16.4)	264,486	(1.1)	
PAT	154,936	186,429	(16.9)	170,352	(9.0)	
EPS	17.4	20.9	(16.9)	19.1	(9.1)	

Source: Company, Dolat Capital

Affordable Housing Finance

(Rs mn)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comments
Aptus Value Housing						
Net Interest Income	3,152	3,002	5.0	2,611	20.7	
Pre-provision profit	2,745	2,789	(1.6)	2,253	21.9	
PAT	2,053	2,070	(0.8)	1,717	19.5	
EPS	4.1	4.1	(0.8)	3.4	19.3	Advances to grow at 25% YoY and 5% QoQ, with relatively muted Q1 disbursements. Spreads to remain sequentially stable QoQ as CoF improvement comes with a lag. Build in credit cost of 30 bps and RoA of 7.1%.
Aavas Financier						
Net Interest Income	2,840	2,705	5.0	2,446	16.1	
Pre-provision profit	2,111	2,009	5.1	1,695	24.5	
PAT	1,580	1,537	2.8	1,261	25.3	AUM to grow by 4% QoQ and 17% YoY. We build slightly higher spreads QoQ at 5% driven by reduced CoF as repo-linked borrowings benefit from rate cuts, along with steady yields. Build in credit cost of ~20 bps and RoAs of 3.4%.
EPS	20.0	19.4	2.8	15.9	25.2	
Home First Finance						
Net Interest Income	1,852	1,726	7.3	1,464	26.5	
Pre-provision profit	1,553	1,456	6.6	1,191	30.4	
PAT	1,127	1,047	7.6	878	28.4	
EPS	11.0	11.6	(5.6)	9.9	11.2	AUM is expected to grow at a 28% YoY and 6% QoQ. Spreads should be stable QoQ at ~5%. With opex/assets at ~2.7% and credit costs at 30 bps, we build in RoAs of ~3.6%. The recent QIP of Rs12.5bn will lead to lower RoE at 14% (but aid RoA and NIM) due to reduced leverage.

Gold Finance

(Rs mn)	Q1FY26E	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comments
Manappuram Finance*						
Net Interest Income	11,116	11,264	(1.3)	10,548	5.4	
Pre-provision profit	6,285	6,257	0.4	6,266	0.3	
PAT	4,186	4,105	2.0	4,406	(5.0)	
EPS	4.9	4.9	2.0	5.2	(5.0)	Standalone book to grow at 5% QoQ/11% YoY, with slightly higher growth in the gold portfolio. Yield to moderate in GL book as the NBFC focuses on volumes, though a lower CoF may provide some respite on spreads. We factor in 0.8% credit costs. Credit costs at consol level are expected to remain elevated owing to MFI delinquencies but should moderate materially QoQ.
Muthoot Finance*						
Net Interest Income	30,687	29,039	5.7	23,049	33.1	
Pre-provision profit	22,729	21,478	5.8	17,153	32.5	
PAT	16,138	15,078	7.0	10,787	49.6	
EPS	40.2	37.6	7.0	26.9	49.6	Gold book to grow at 6% QoQ and over 35% YoY aided by sustained demand and continued traction in gold prices. Yields are expected to be largely stable, but spreads may be impacted by some pressure on CoF. Credit costs should be stable at 50 bps, with standalone book RoA at 5.2%. MFI AQ trends remain a monitorable.

Source: Company, Dolat Capital, *Standalone data

Valuation Summary

Banks	CMP*	TP	Rating	P/ABV (x)			P/E (x)		
	(Rs)	(Rs)		FY25	FY26E	FY27E	FY25	FY26E	FY27E
Axis Bank	1,175	1,300	ACC	2.1	1.8	1.6	13.8	12.9	10.8
Bank of Baroda	240	265	ACC	1.0	0.9	0.8	6.3	6.4	6.0
Canara Bank	114	115	ACC	1.2	1.0	0.9	6.1	6.2	5.9
CSB Bank	411	450	BUY	1.7	1.5	1.2	12.0	9.5	7.4
City Union Bank	213	215	BUY	1.8	1.6	1.4	14.0	12.5	10.7
DCB bank	143	150	ACC	0.9	0.8	0.7	7.3	5.6	4.6
Federal bank	215	220	ACC	1.6	1.5	1.3	13.0	11.5	9.5
HDFC Bank	1,983	2,100	ACC	3.2	2.9	2.6	22.5	20.1	17.2
ICICI Bank	1,436	1,680	BUY	3.8	3.3	2.9	21.7	21.0	18.8
Indian Bank	650	670	BUY	1.4	1.3	1.1	8.0	7.9	7.7
Kotak Mah Bank	2,119	2,650	BUY	3.8	3.3	2.9	25.6	27.5	23.7
RBL Bank	252	210	ACC	1.0	0.9	0.8	22.0	10.3	7.6
State Bank of India	808	950	BUY	1.9	1.7	1.5	10.2	10.7	10.0
Aptus Value Housing	318	460	BUY	3.7	3.2	2.7	21.1	17.3	14.0
Home First Finance	1,352	1,340	ACC	4.8	3.3	2.9	28.1	27.9	21.0
Aavas Financiers	1,908	2,150	REDUCE	3.5	3.0	2.6	26.3	21.5	17.2
Manappuram Finance	276	200	REDUCE	2.0	1.7	1.5	13.1	11.7	9.8
Muthoot Finance	2,656	2,600	ACC	4.2	3.2	2.7	20.5	16.5	14.5

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

Valuation Summary (...contd)

Banks	RoE (%)			RoA (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Axis Bank	16.0	14.6	15.2	1.7	1.7	1.8
Bank of Baroda	15.7	13.5	12.9	1.2	1.0	1.0
Canara Bank	18.2	15.7	14.5	1.1	1.0	0.9
CSB Bank	14.3	15.4	16.6	1.4	1.5	1.6
City Union Bank	12.6	12.6	13.1	1.5	1.5	1.5
DCB bank	11.4	13.2	14.1	0.9	1.0	1.0
Federal bank	13.0	12.9	14.0	1.2	1.2	1.3
HDFC Bank	14.4	14.4	15.1	1.8	1.8	1.9
ICICI Bank	17.9	15.7	15.4	2.4	2.2	2.1
Indian Bank	17.9	15.7	14.4	1.3	1.2	1.1
Kotak Mahindra Bank	15.4	12.3	12.7	2.5	2.1	2.1
RBL Bank	4.6	9.1	11.2	0.5	0.9	1.1
State Bank of India	17.3	14.4	13.9	1.1	1.0	0.9
Aptus Value Housing	18.6	19.7	20.9	7.4	7.2	7.0
Home First Finance	18.7	14.7	14.6	4.0	3.5	3.6
Aavas Financiers	14.1	14.9	16.1	3.3	3.4	3.5
Manappuram Finance	16.1	15.9	16.6	4.9	4.7	4.9
Muthoot Finance	19.7	20.9	20.2	5.0	5.1	5.2

Source: Company, Dolat Capital

Dolat Rating Matrix

Total Return Expectation (12 Months)

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

Dolat Team

Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
CONTACT DETAILS			
Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Nikhil Thacker	Director - Equity Sales	nikhilt@dolatcapital.com	+9122 4096 9700
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	Designation	E-mail	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Nishit Sariya	VP - Derivatives Sales Trading	nishits@dolatcapital.com	+9122 4096 9765
Monali Jobanputra	Co - Head Asia Derivatives	monalij@dolatcapital.com	+9122 6176 4841
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

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Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.
Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com