



TM

# Indian Banking Sector

07 July 2025

## Growth slowdown and margins near term concerns

### 1QFY26 RESULT PREVIEW

Industry	Banking
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#### Banking coverage - rating and target price

Company	Rating	CMP (Rs)	TP (Rs)
HDFCB	BUY	1,989	2,300
ICICIBC	BUY	1,443	1,660
SBIN	BUY	812	1,027
KMB	BUY	2,130	2,500
AXSB	BUY	1,178	1,475
IIB	HOLD	856	900
FB	BUY	215	250

Source: Systematix Institutional Research, Sorted on market capitalization

1QFY26 is expected to be a muted quarter with most banks juggling with many adversely moving aspects such as, (i) Slowing advances growth during the quarter, (ii) margin pressure from consecutive Repo Rate cuts (iii) Seasonally weak quarter for fee income, (iv) annual appraisal-related expenses in the Operating expenses and (v) sustained elevated credit costs for unsecured credit segments, further driven by agri slippages. However, we see the tables turning in 2HFY26 on expected (i) growth momentum in advances, arising from (a) lower interest rates (b) revised MSME definition increasing scope of credit (c) higher tax limits (ii) Net Interest Margins to see an improving trend as (a) Deposits cost is expected to trend lower with reprising of existing book (b) lower CRR to free up capital for generating yield (iii) normalisation of unsecured segment slippages, resulting in lower credit cost. While there could be near-term pain, our long-term growth outlook for the banking sector remains positive. We reinstate coverage and revise our estimates for the seven banking stocks (HDFCB, ICICIBC, SBIN, KMB, AXSB, IIB and FB) under our coverage

**Banking system level advances growth slows in a seasonally weak quarter:** As per reserve bank of India (RBI) data, banking system Advances expanded at 0.4% QoQ and 9.6% YoY as of 13 June 2025. RBI's sectoral deployment of bank credit shows a sharp slowdown in industrial segment advances from 7.8% YoY in Mar 2025 to 4.8% in May 2025. Growth in the large industry segment fell from 6.2% in Mar 2025 to 1.0% in May 2025. Advances growth in the services segment too slipped from 12.4% in Mar 2025 to 8.7% in May 2025. Retail loan segment growth remained stable at 11.1% in May 2025 versus 11.6% in Mar 2025. The credit card segment saw a slowdown in YoY advances from 10.6% in Mar 2025 to 8.5% in May 2025. Growth in the personal loan segment was stable at 7.8% in May 2025 (7.9% in Mar 2025). **1QFY26 provisional data of few banks** shows that (1) private sector banks such as CSB and KVB reported strong YoY growth of 32% and 15% in advances, respectively. Yes Bank, Bandhan Bank and HDFC Bank reported lacklustre growth in YoY advances at 5.1%, 6.4% and 6.7%, respectively. Advances of IndusInd Bank were negative -3.1% QoQ and -3.9% YoY, (2) within the public sector banks (PSBs), UCO and BOMH reported strong 16.4% and 15% growth YoY. BOB reported a growth of 12.6% YoY and a fall of -1.9% QoQ; PNB saw the slowest growth at 9.9% YoY. We estimate aggregate advances growth of 9.7% YoY and 1.1% QoQ **for our coverage universe**; KMB, SBIN and ICICIBC are expected to outpace the YoY average growth of our coverage universe.

**Deposit growth remains healthy in a seasonally weak quarter:** RBI WSS data of 13 Jun 2025 shows system-level deposit growth at 2.2% QoQ and 10.4% YoY. Deposit growth was stable versus 10.3% reported in Mar 2025. Deposits YoY growth has surpassed advances growth from May 2025. This inflection also led to the credit-deposit ratio improving 80.8% in Mar 2025 to 79.4% in Jun 2025. The banking system too has seen surplus liquidity since the start of FY26. The issuance of fresh certificate of deposits was down by -7% YoY during the quarter. **Provisional data released by few banks shows** (1) private sector banks such as SIB, KVB, Bandhan and HDFCB reported healthy QoQ growth in deposits of 5.0%, 4.5%, 2.3% and 1.8% respectively, during 1Q, (2) within PSBs, banks that reported healthy QoQ growth were BOI and UCO Bank at 2.1% and 1.7%, respectively. **For our coverage universe**, we assume aggregate deposit growth of 13.0% YoY and 1.8% QoQ; we believe HDFCB, KMB and ICICIBC could outpace the YoY average growth of our coverage universe average.

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**Margin pressure could continue in 1QFY26 despite deposit rate cuts:** The yield on advances for banks to be under pressure due to the repo rate cut and the downward movement in 1-year MCLR rates. Within the floating rate loans the share of EBLR linked loans stood at 45.9% for PSBs and 86.7% for PVBs. Within our 7 coverage banks AXSB has the highest share of EBLR linked loans in total advances at 61% followed by KMB at 60% and HDFB at 59%. Most banks have taken both Saving Accounts and Term Deposits rate cuts to protect margins. The SA rate cuts will have an immediate impact, whereas the effect of term deposit rate would take few quarters to make some positive impact. The spread between WALR and WADTDR for 2M 1QFY26 from 4QFY25 were down by -9 bps for PSBs and -16bps for PVBs indicating a contraction in margins. We expect margins to remain under pressure in 1QFY26 due to (i) adverse asset mix led by lower unsecured disbursements (ii) adverse liability mix due to weak CASA growth. (iii) interest reversals on higher slippages in unsecured credit and Agri credit. **Overall, for our coverage universe, we expect NIM to be broadly stable qoq for FB/IIB, decline by -5bps qoq for HDFCB/SBIN and decline by 8-10bps qoq for rest of the banks.**

**Fee Income growth may remain weak QoQ, given the seasonally weak quarter, but banks could enjoy healthy trading gains:** Fee income is expected to witness a marginal sequential growth with the moderation in business volumes. Given that benchmark 10yr G-Sec yields on an average for the quarter have declined by -75bps (in 1QFY26 vs 4QFY25) vs -10bps (in 4QFY25 vs 3QFY25), the quantum of trading gains are likely to increase qoq. The period end G-Sec yield is down by -69bps from Mar'25 to Jun'25. As reflected in prior quarters, the impact on P&L will be limited due to the implementation of the new investment guidelines (effective 1-April'24) wherein the MTM gains on the AFS portfolio will not be recognised in the P&L statement but will augment the AFS capital reserve.

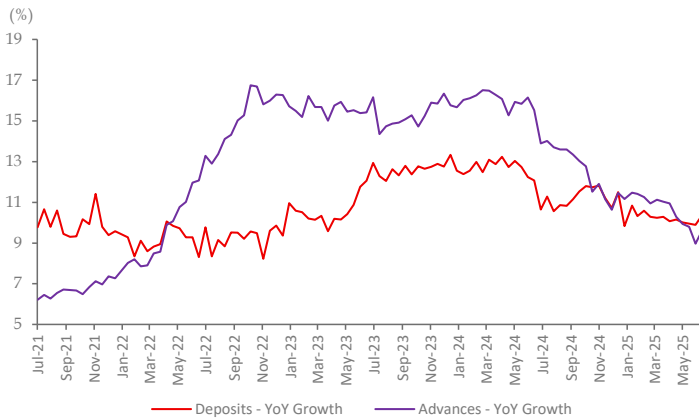
**Total Operating Expenses growth to be mixed bag but largely lag the growth in advances:** Private banks generally have their appraisals in 1Q and hence employee expenses are expected to grow faster than the advances growth. 1Q is a seasonally weak quarter, with limited business activities, hence the growth in other operating expenses is expected to be muted sequentially.

**Agri-related slippages could increase credit costs:** The slippages in the unsecured loans segment which has been elevated for the last few quarters is expected to witness some stabilisation. However, the new MFIN guardrails applicable from April 2025, could play spoilsport. Further, generally in 1Q the agriculture related loans witness a spike in slippages. Hence, slippages are expected to remain elevated and rise sequentially for most coverage banks. The healthy trend of recoveries and upgrades is also expected to continue in 1Q. Provisions are expected to increase sequentially for most coverage banks but are expected to come down for SBIN, IIB and KMB due to idiosyncratic reasons.

**The overall profitability for our coverage universe is expected to remain muted sequentially due to lower business growth, pressure on margins and higher provisions.** Overall, for our coverage universe, excluding IndusInd Bank and the exceptional gain in HDFC Bank, we expect earnings to decline by -3.3% on qoq basis but grow by +1.7% on yoy basis led by **(1)** lower income growth, given the muted growth in business and NIM contraction, **(2)** higher provisions due to elevated slippages in unsecured credit and higher agri related slippages.

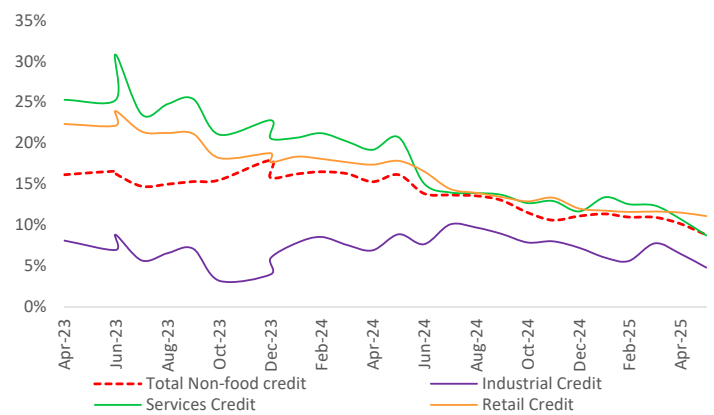
## Growth and Margin Aspect Trends

**Exhibit 1: Advances and Deposits YoY Growth (%)**



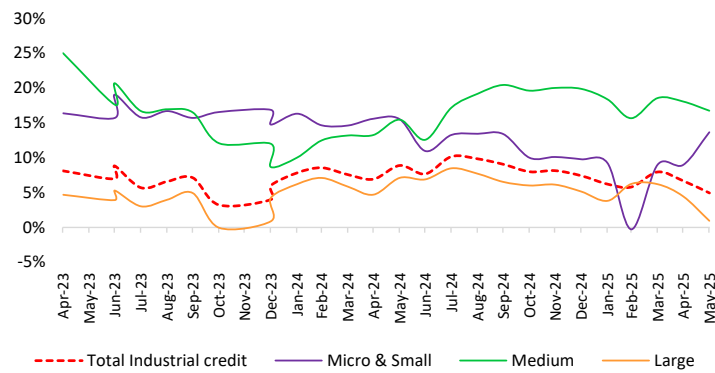
Source: RBI, Systematix Institutional Research

**Exhibit 2: Non-Food Credit and Key Segments' YoY Growth (%)**



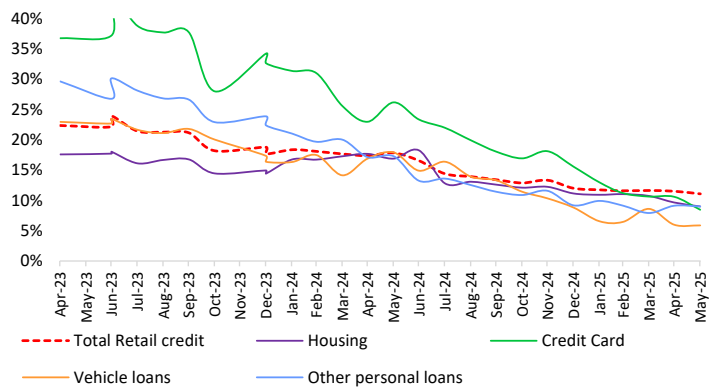
Source: RBI, Systematix Institutional Research

**Exhibit 3: Industry and Key Segments' YoY growth (%)**



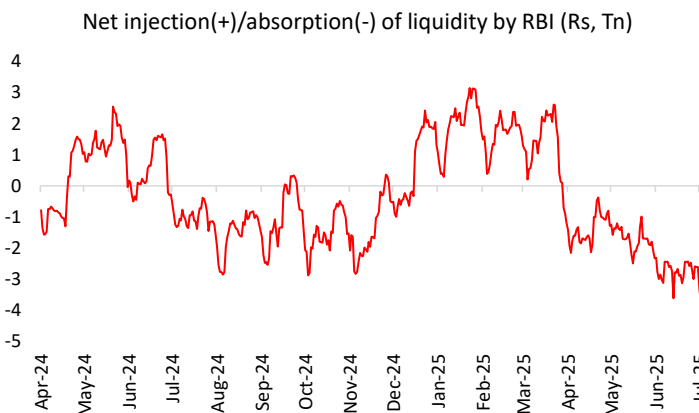
Source: RBI, Systematix Institutional Research

**Exhibit 4: Retail and Key Segments YoY Growth (%)**



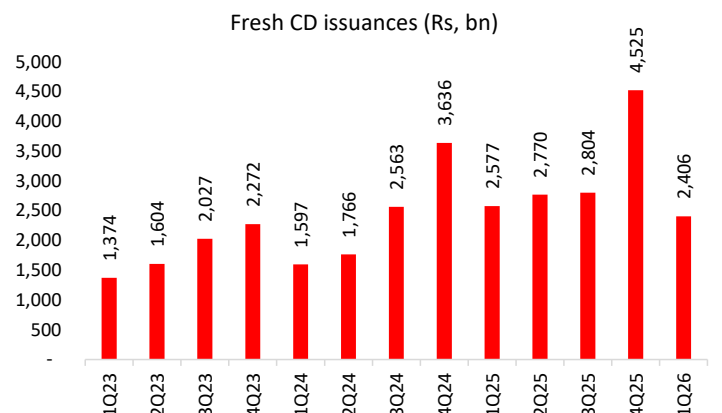
Source: RBI, Systematix Institutional Research

**Exhibit 5: Banking System Liquidity (Rs Trn)**



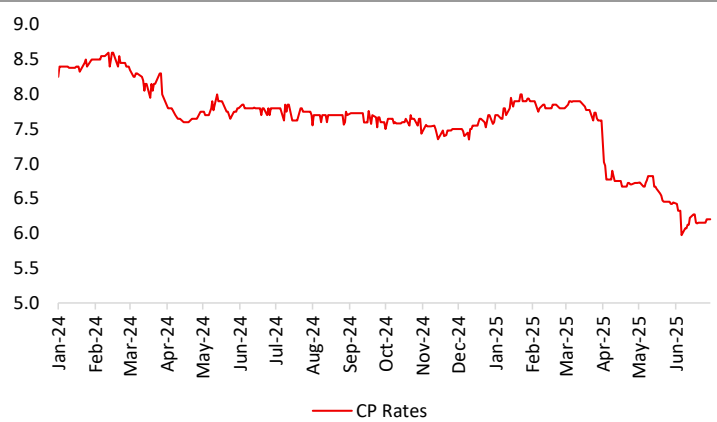
Source: CMIE, Systematix Institutional Research

**Exhibit 6: Fresh issuance of Certificate of Deposits (Rs bn)**



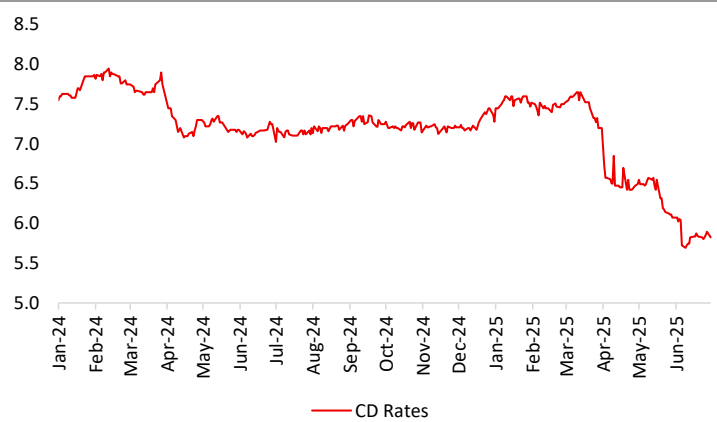
Source: CMIE, Systematix Institutional Research

Exhibit 7: Commercial Paper Rates (%)



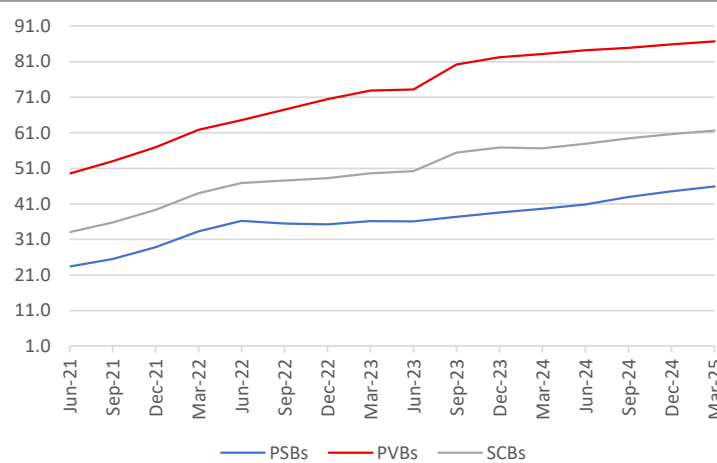
Source: Bloomberg, Systematix Institutional Research

Exhibit 8: CD Rates (%)



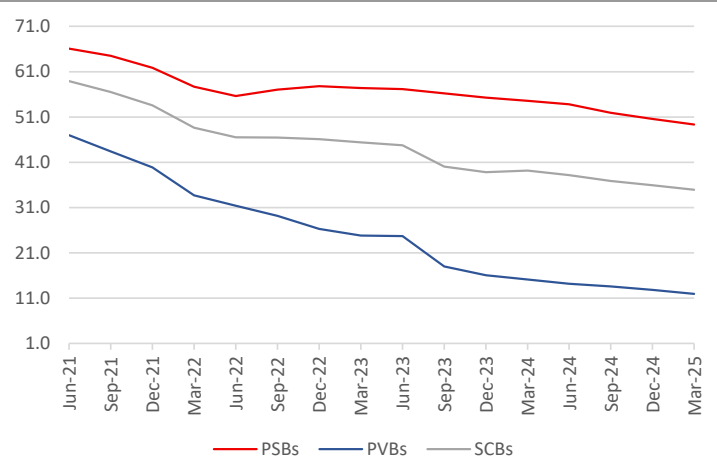
Source: Bloomberg, Systematix Institutional Research

Exhibit 9: Share of EBLR Linked Loans in Floating Rate Book (%)



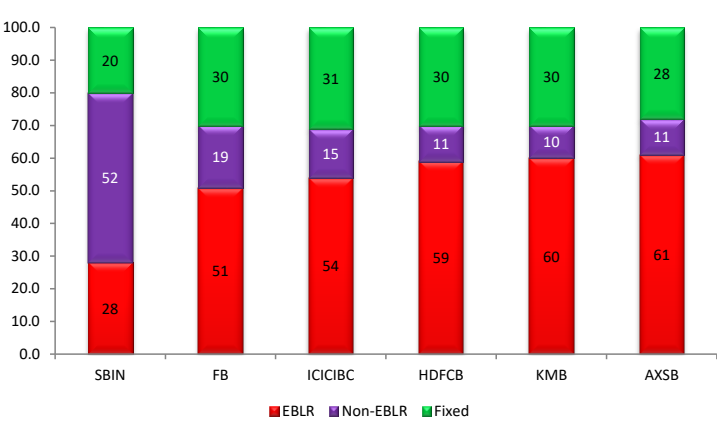
Source: RBI, Systematix Institutional Research

Exhibit 10: Share of MCLR Linked Loans in Floating Rate Book (%)



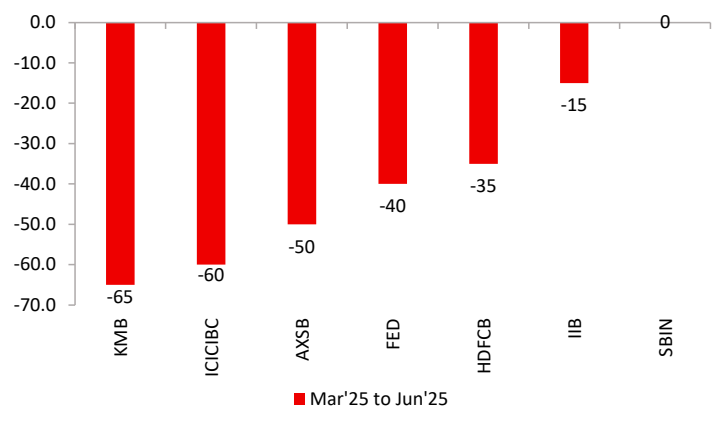
Source: RBI, Systematix Institutional Research

Exhibit 11: Bank-wise Loan Mix by Rate Category (%)



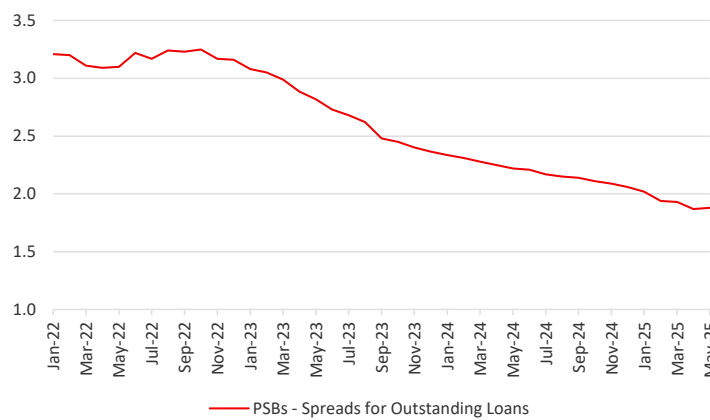
Source: Company, Systematix Institutional Research

Exhibit 12: QoQ Change in MCLR (Mar'25 to Jun'25) - bps.



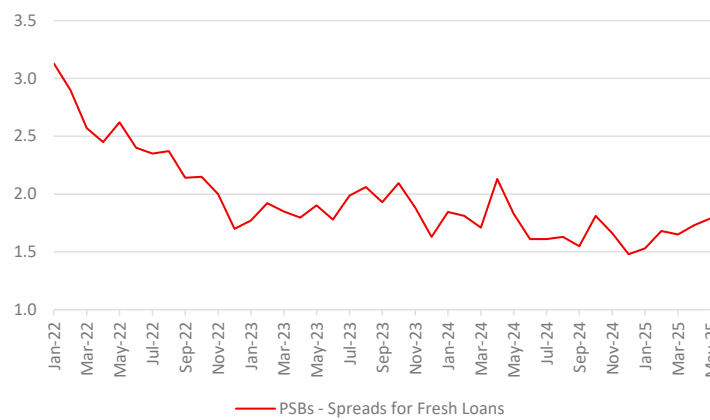
Source: Company, Systematix Institutional Research

Exhibit 13: Spreads\* for PSBs on outstanding loans



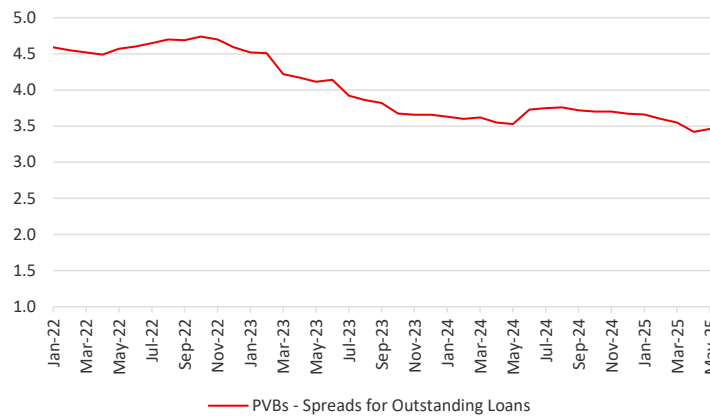
Source: RBI, Systematix Institutional Research

Exhibit 14: Spreads\* for PSBs for fresh loans



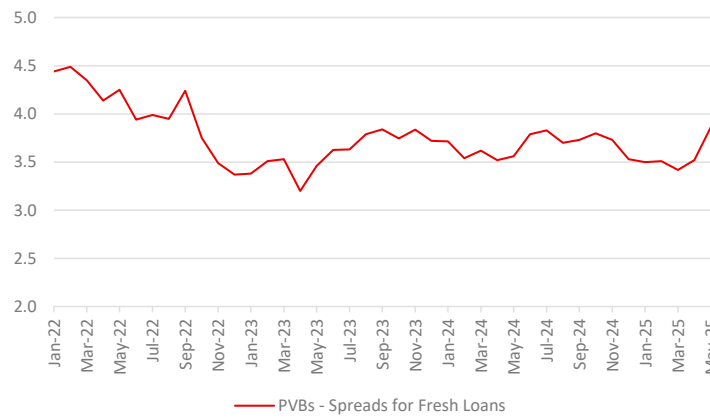
Source: RBI, Systematix Institutional Research

Exhibit 15: Spreads\* for PVBs on outstanding loans



Source: Company, Systematix Institutional Research

Exhibit 16: Spreads\* for PVBs for fresh loans



Source: Company, Systematix Institutional Research

\*N.B.: Spreads are a difference of Weighted Average Lending Rate (WALR) and Weighted Average Domestic Term Deposit Rate (WADTDR).

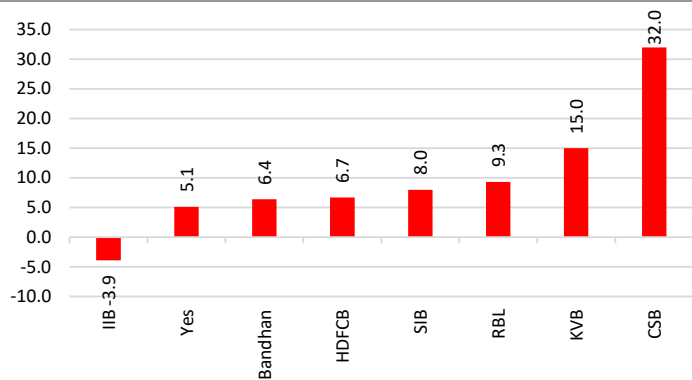
## Provisional 1QFY26 Growth Data

**Exhibit 17: Provisional Advances, Deposits and CASA for 1QFY26**

Rs, bn.	Advances	QoQ (%)	YoY (%)	Deposits	QoQ (%)	YoY (%)	CASA	QoQ (%)	YoY (%)
<b>Private Sector Banks</b>									
HDFC Bank	26,530	0.4	6.7	27,640	1.8	16.2	9,370	-0.8	8.5
IndusInd Bank	3,345	-3.1	-3.9	3,972	-3.3	-0.3	1,251	-7.2	-14.4
Yes Bank	2,414	-2.0	5.1	2,759	-3.0	4.1	903	-7.3	10.8
Bandhan Bank	1,336	-2.5	6.4	1,547	2.3	16.1	419	-11.8	-5.8
RBL	967	2.0	9.3	1,127	1.6	11.2	366	-3.4	10.9
KVB	894	5.8	15.0	1,067	4.5	15.5	293	5.3	4.5
SIB	892	1.9	8.0	1,129	5.0	9.1	362	7.3	9.1
CSB	331	4.1	32.0	360	-2.4	20.3	85	-5.1	13.6
<b>Public Sector Banks</b>									
PNB	11,307	1.3	9.9	15,888	1.4	12.8	NA	NA	NA
BOB	12,071	-1.9	12.6	14,356	-2.5	9.8	NA	NA	NA
Indian Bank	6,000	2.0	11.3	7,440	0.9	9.2	2,660	-2.5	3.8
UCO Bank	2,250	2.3	16.4	2,990	1.7	11.5	NA	NA	NA
BOI	6,720	0.9	11.9	8,337	2.1	9.1	NA	NA	NA
BOMH	2,411	0.5	15.0	3,051	-0.7	14.1	1,528	-6.7	14.6

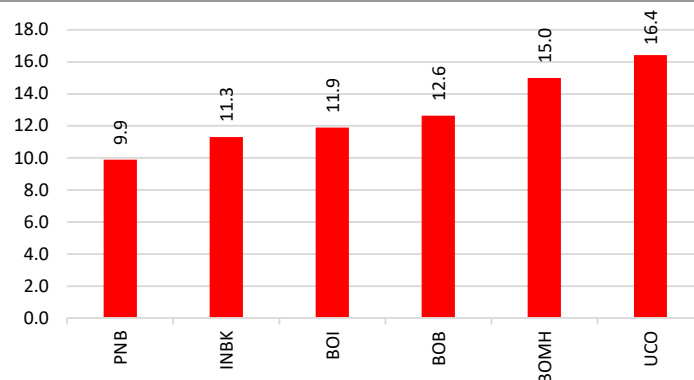
Source: Company, Systematix Institutional Research

**Exhibit 18: Private Bank's YoY Advance Growth for 1QFY26**



Source: Company, Systematix Institutional Research

**Exhibit 19: PSU Bank's YoY Advances Growth for 1QFY26**



Source: Company, Systematix Institutional Research

## Bank-wise Preview for 1QFY26

### Exhibit 20: HDFC Bank - 1QFY26 preview

P&L (Rs, mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Result Expectations
Net Interest Income	3,22,441	3,20,658	0.6	2,98,371	8.1	Advances have grown by 0.4% QoQ and 6.7% YoY. The fall in YoA will not be completely off set by the fall in CoD, hence, NIM will witness a contraction QoQ.
Other Income	2,11,071	1,20,279	75.5	1,06,681	97.9	Sequentially, Fee income to be lower due to seasonality but YoY growth to remain healthy. The bank will have a one-off gain of Rs 93,730mn from the IPO of HDB Financials.
Total Income	5,33,512	4,40,937	21.0	4,05,052	31.7	
Operating expenses	1,74,505	1,75,570	-0.6	1,66,206	5.0	Growth in employee expense is expected to be higher than advances growth but other opex growth is expected to be lower due to seasonality.
Operating profit	3,59,007	2,65,367	35.3	2,38,846	50.3	The normalised PPOP would be at Rs. 267.1bn, up 0.7% QoQ and 11.8% YoY.
Provisions	91,500	31,931	186.6	26,021	251.6	Slippages are expected to increase sequentially, driven by seasonally high agri slippages. The BAU provisions are expected to remain stable sequentially at Rs. 31.5bn, but we assume the bank will use the gain from sale of HDB Financials by making additional prudential provisions of Rs 60bn.
PAT	2,01,968	1,76,161	14.6	1,61,747	24.9	The normalised PAT would be Rs 177.9bn, up 1.0% QoQ and 10% YoY.

Source: Company, Systematix Institutional Research

### Exhibit 21: ICICI Bank - 1QFY26 preview

P&L (Rs, mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Result Expectations
Net Interest Income	2,12,987	2,11,929	0.5	1,95,529	8.9	The QoQ advances growth to be higher than the industry growth. The fall in YoA will not be completely off set by the fall in CoD, hence, NIM will witness a contraction QoQ.
Other Income	73,708	72,601	1.5	70,019	5.3	Sequentially, fee income to be lower due to seasonality but YoY growth to remain healthy.
Total Income	2,86,695	2,84,530	0.8	2,65,548	8.0	
Operating expenses	1,14,972	1,07,888	6.6	1,05,300	9.2	The sequential growth in employee expenses is expected to be higher than advances growth, driven by annual increments. Other opex growth is expected to be in line with the advances growth.
Operating profit	1,71,724	1,76,643	-2.8	1,60,248	7.2	
Provisions	12,500	8,907	40.3	13,322	-6.2	Slippages are expected to increase sequentially, driven by seasonally high agri slippages. Hence, provisions are also expected to increase sequentially.
PAT	1,19,418	1,26,296	-5.4	1,10,591	8.0	

Source: Company, Systematix Institutional Research

### Exhibit 22: SBI - 1QFY26 preview

P&L (Rs, mn)	1QFY26E	4QFY25	QoQ (%)	4QFY25	YoY (%)	Result Expectations
Net Interest Income	4,28,179	4,27,746	0.1	4,11,255	4.1	The QoQ advances growth to be higher than the industry growth. The fall in YoA will not be completely off set by the fall in CoD, hence, NIM will witness a marginal contraction QoQ.
Other Income	1,60,103	2,42,099	-33.9	1,11,619	43.4	Sequentially, fee income to be lower due to seasonality but YoY growth to remain healthy.
Total Income	5,88,282	6,69,845	-12.2	5,22,873	12.5	
Operating expenses	3,03,593	3,56,985	-15.0	2,58,387	17.5	Employee expenses and Other opex are expected to be witness a sequential de-growth due to seasonality.
Operating profit	2,84,690	3,12,860	-9.0	2,64,486	7.6	
Provisions	45,000	64,417	-30.1	34,494	30.5	Slippages are expected to increase sequentially, driven by seasonally high agri slippages. Provisions are also expected to decrease sequentially.
PAT	1,79,288	1,86,426	-3.8	1,70,352	5.2	

Source: Company, Systematix Institutional Research

**Exhibit 23: Kotak Mahindra Bank - 1QFY26 preview**

P&L (Rs, mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Result Expectations
Net Interest Income	73,980	72,836	1.6	68,424	8.1	The QoQ advances growth to be higher than the industry growth. The fall in YoA will not be completely off set by the fall in CoD, hence, NIM will witness a contraction QoQ.
Other Income	32,216	31,825	1.2	29,290	10.0	Sequentially, fee income to be lower due to seasonality but YoY growth to remain healthy.
Total Income	1,06,196	1,04,660	1.5	97,714	8.7	
Operating expenses	51,436	49,938	3.0	45,173	13.9	The sequential growth in employee expenses is expected to be higher than the advances growth, driven by annual increments. Other opex growth is expected to be in line with the advance's growth.
Operating profit	54,760	54,722	0.1	52,541	4.2	
Provisions	7,000	9,094	-23.0	5,785	21.0	Slippages are expected to decrease sequentially and maintain its downward trend. Provisions are also expected to decrease sequentially.
PAT	36,059	35,517	1.5	62,498	-42.3	

Source: Company, Systematix Institutional Research

**Exhibit 24: Axis Bank - 1QFY26 preview**

P&L (Rs, mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Result Expectations
Net Interest Income	1,38,229	1,38,105	0.1	1,34,482	2.8	The QoQ advances growth to be marginally higher than the industry growth. The fall in YoA will not be completely off set by the fall in CoD, hence, NIM will witness a contraction QoQ.
Other Income	65,702	67,795	-3.1	57,835	13.6	Sequentially, Fee income to be lower due to seasonality but YoY growth to remain healthy.
Total Income	2,03,931	2,05,901	-1.0	1,92,317	6.0	
Operating expenses	99,075	98,377	0.7	91,255	8.6	Employee expenses are expected to be high, due to annual appraisals.
Operating profit	1,04,856	1,07,524	-2.5	1,01,062	3.8	
Provisions	21,000	13,594	54.5	20,393	3.0	Slippages are expected to remain elevated, driven by seasonally high agri slippages. The QoQ provisions growth is optically high as there was a write-back of provisions in the previous quarter (Q4).
PAT	62,892	71,175	-11.6	60,346	4.2	

Source: Company, Systematix Institutional Research

**Exhibit 25: IndusInd Bank - 1QFY26 preview**

P&L (Rs, mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Result Expectations
Net Interest Income	42,616	30,483	39.8	54,076	-21.2	Advances have de-grown by -3.1% QoQ and -3.9% YoY. The fall in CoD will be in line with the fall in YoA, hence, NIM will remain stable QoQ, as compared to normalised NIMs.
Other Income	68,974	21,609	219.2	79,421	-13.2	Sequentially, Fee income to de-grow due to lower disbursements.
Total Income	66,974	37,571	78.3	78,489	-14.7	
Operating expenses	42,453	42,297	0.4	39,222	8.2	Sequential growth in employee expenses and other opex is expected to broadly remain stable QoQ.
Operating profit	24,521	-4,725	NA	39,267	-37.6	
Provisions	19,000	24,166	-21.4	10,498	81.0	Slippages are expected to be lower sequentially but remain elevated. Provisions are expected to be lower on sequential basis.
PAT	4,130	-22,360	NA	21,522	-80.8	

Source: Company, Systematix Institutional Research

**Exhibit 26: Federal Bank - 1QFY26 preview**

P&L (Rs, mn)	1QFY26E	4QFY25	QoQ (%)	1QFY25	YoY (%)	Result Expectations
Net Interest Income	24,250	23,774	2.0	22,920	5.8	The QoQ advances growth to be higher than the industry growth. The fall in CoD will completely off set the fall in YoA, hence, NIMs will remain broadly stable QoQ.
Other Income	10,261	10,060	2.0	9,152	12.1	Sequentially, fee income growth to be marginally higher seasonality and YoY growth to also remain healthy.
Total Income	34,511	33,834	2.0	32,072	7.6	
Operating expenses	19,563	19,180	2.0	17,063	14.7	The sequential growth in employee expenses and Other opex are expected to be in line with advances growth.
Operating profit	14,947	14,654	2.0	15,009	-0.4	
Provisions	1,400	1,381	1.4	1,443	-3.0	Slippages are expected to increase marginally sequentially. Hence, provisions are also expected to marginally increase sequentially.
PAT	10,106	10,302	-1.9	10,095	0.1	

Source: Company, Systematix Institutional Research

## Annual Estimates for Coverage Universe Banks

**Exhibit 27: Coverage Bank's Estimates**

Banks	Rating	CMP	Target	Upside	P/BV (x)				BVPS (Rs.)			
		Rs.	Rs.	%	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCB	BUY	1,989	2,300	15.6	2.6	2.4	2.1	1.9	655	730	814	911
ICICIBC	BUY	1,443	1,660	15.1	2.9	2.6	2.2	1.9	410	460	528	608
SBIN	BUY	812	1,027	26.4	1.0	0.9	0.8	0.7	494	565	648	744
KMB	BUY	2,130	2,500	17.4	2.3	2.1	1.8	1.6	590	645	737	849
AXSB	BUY	1,178	1,475	25.3	1.7	1.5	1.3	1.1	580	667	790	925
IIB	HOLD	856	900	5.1	1.0	0.9	0.8	0.7	828	916	1,021	1,145
FB	BUY	215	250	16.1	1.5	1.3	1.2	1.0	136	152	171	196

Banks	PE (x)				EPS (Rs.)				RoA (%)			
	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCB	19.6	17.3	15.4	13.3	88	99	112	130	1.8	1.9	1.9	2.0
ICICIBC	17.8	16.8	14.9	13.0	66	70	79	91	2.4	2.2	2.2	2.3
SBIN	6.4	5.9	5.2	4.5	79	86	99	112	1.1	1.1	1.1	1.1
KMB	16.1	16.6	14.0	11.7	83	80	95	114	2.5	2.2	2.3	2.4
AXSB	11.8	11.0	9.6	8.6	85	92	105	118	1.7	1.7	1.8	1.8
IIB	25.2	9.7	8.2	6.9	34	88	105	125	0.5	1.2	1.4	1.5
FB	12.2	11.4	9.7	7.8	16	18	21	26	1.2	1.2	1.2	1.3

Banks	RoE (%)				Advances Growth YoY (%)				Deposits Growth YoY (%)			
	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCB	14.3	14.4	14.5	15.0	5.4	10.5	12.5	13.0	14.1	13.4	14.0	13.9
ICICIBC	17.8	16.1	16.1	16.0	13.3	13.5	14.0	14.0	14.0	13.5	14.0	14.0
SBIN	17.3	16.3	16.3	16.1	12.4	12.8	13.0	13.0	9.5	11.6	12.0	12.1
KMB	15.4	13.0	13.8	14.4	13.5	15.0	16.0	16.0	11.2	13.5	15.0	15.0
AXSB	15.9	14.7	14.5	13.9	7.8	11.0	12.5	13.5	9.8	10.7	12.5	13.5
IIB	4.2	10.1	10.8	11.5	0.5	8.0	11.0	12.0	6.8	7.1	9.8	10.8
FB	13.0	12.3	13.0	14.0	12.1	15.0	16.0	16.0	12.3	13.7	14.7	14.9

Banks	NIM (%)				Cost/Income (%)				Total Credit Cost (%)			
	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HDFCB	3.48	3.47	3.58	3.67	40.5	37.7	38.7	37.9	0.5	0.7	0.5	0.5
ICICIBC	4.32	4.14	4.23	4.30	38.6	38.7	38.6	38.5	0.4	0.5	0.5	0.5
SBIN	3.09	2.99	3.00	3.02	51.6	51.4	50.2	49.9	0.4	0.4	0.4	0.5
KMB	4.96	4.95	5.09	5.18	47.2	47.0	46.6	45.9	0.7	0.6	0.6	0.5
AXSB	3.98	3.92	4.03	4.05	47.1	47.2	46.6	46.4	0.8	0.8	0.8	0.7
IIB	3.63	3.70	3.89	4.01	60.2	53.1	52.0	50.9	2.0	1.4	1.4	1.4
FB	3.13	3.11	3.23	3.33	54.0	53.6	52.6	51.2	0.3	0.5	0.5	0.5

Source: Company, Systematix Institutional Research, Sorted on Market capitalization, Valuation multiples are calculated after excluding the subsidiaries/associates value from the current market price

## Revised Vs Earlier Estimates

Exhibit 28: Revised Vs Earlier estimates

Banks	Particulars (Rs. Mn)	Revised Estimate		Earlier Estimate		% Revision	
		FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
HDFCB	Net Interest Income	13,32,302	15,24,197	13,73,120	15,61,107	(3.0)	(2.4)
	Pre-Prov. Operating Profit	12,14,896	13,09,619	11,40,795	13,15,027	6.5	(0.4)
	Profit after tax	7,60,726	8,56,025	7,73,974	8,91,899	(1.7)	(4.0)
ICICIB	Net Interest Income	8,77,543	10,04,951	9,07,407	10,23,160	(3.3)	(1.8)
	Pre-Prov. Operating Profit	7,37,444	8,42,355	7,66,173	8,79,676	(3.7)	(4.2)
	Profit after tax	4,99,481	5,64,879	5,05,186	5,77,657	(1.1)	(2.2)
SBI	Net Interest Income	18,17,025	20,87,217	18,38,636	20,38,172	(1.2)	2.4
	Pre-Prov. Operating Profit	12,15,749	14,00,329	11,86,727	13,11,007	2.4	6.8
	Profit after tax	7,69,518	8,81,948	7,57,676	8,05,222	1.6	9.5
KMB	Net Interest Income	3,24,814	3,82,882	3,36,507	3,82,592	(3.5)	0.1
	Pre-Prov. Operating Profit	2,41,059	2,83,838	2,42,345	2,78,308	(0.5)	2.0
	Profit after tax	1,59,760	1,89,240	1,59,202	1,84,005	0.4	2.8
AXSB	Net Interest Income	5,89,837	6,77,767	5,84,011	6,49,167	1.0	4.4
	Pre-Prov. Operating Profit	4,61,810	5,34,102	4,65,598	5,23,777	(0.8)	2.0
	Profit after tax	2,83,950	3,30,816	2,90,045	3,28,277	(2.1)	0.8
IIB	Net Interest Income	2,04,540	2,29,561	2,21,976	2,47,644	(7.9)	(7.3)
	Pre-Prov. Operating Profit	1,42,781	1,63,507	1,49,707	1,60,450	(4.6)	1.9
	Profit after tax	68,508	81,682	71,446	80,916	(4.1)	0.9
FB	Net Interest Income	1,07,014	1,26,771	1,10,237	1,27,321	(2.9)	(0.4)
	Pre-Prov. Operating Profit	69,987	84,010	71,499	85,544	(2.1)	(1.8)
	Profit after tax	43,430	51,344	43,302	52,305	0.3	(1.8)

Source: Company, Systematix Institutional Research, Sorted on Market capitalization, Valuation multiples are calculated after excluding the subsidiaries/associates value from the current market price

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