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Banking Sector Roundup - Q1FY23

SEPTEMBER 2022

Glossary: Classification of Indian banks used in this document

PSU (12 banks)



Private—New (10 banks)



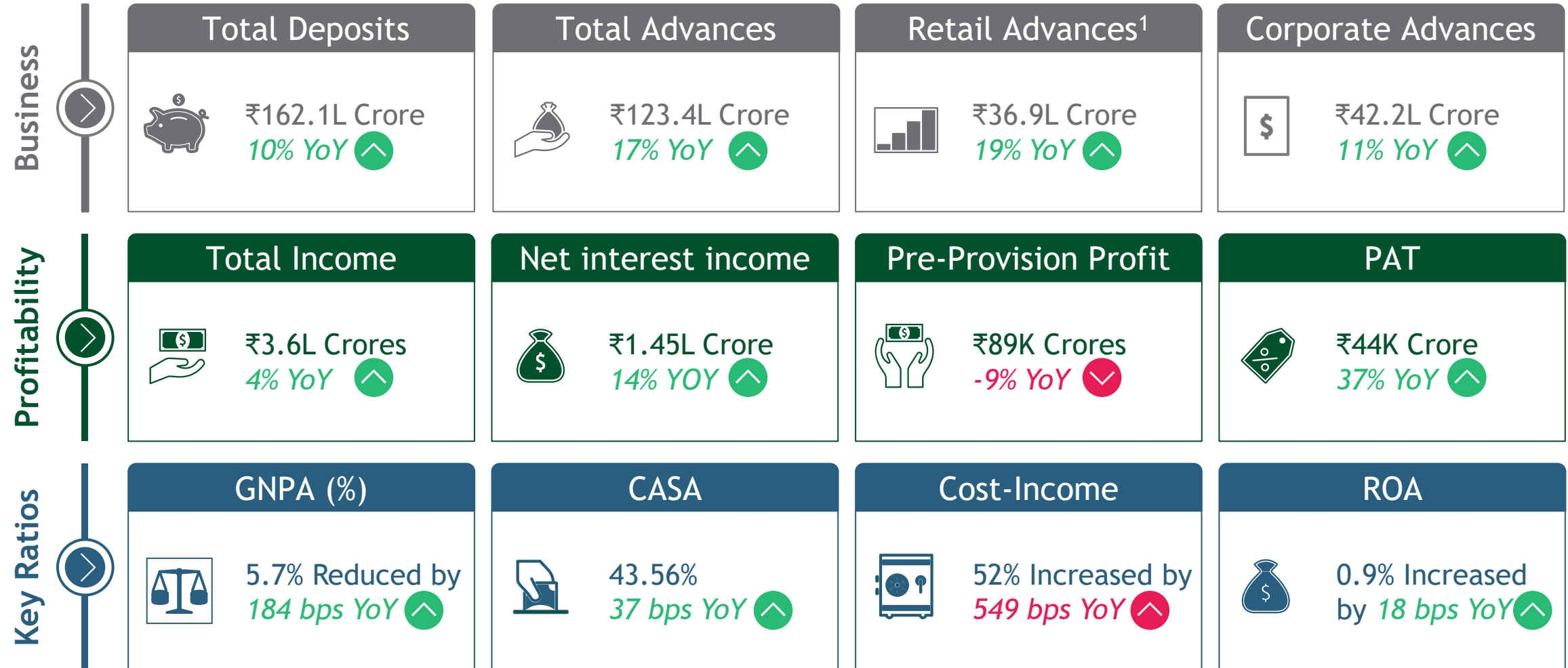
Private—Old (9 banks)



Small Finance (4 banks)



Q1FY23 Results: Banking Industry Snapshot



1. Retail loans include home loan, auto loans, personal loans, and other retail loans

Summary Snapshot (I/II)



Macro Trends

- India's FY23 GDP is forecasted to grow between **7.0 - 7.4% YoY, revised downwards** during Jul'22-Aug'22
- Most high-frequency indicators including BFSI indicators have **improved vs. pre-COVID levels**
- RBI **hiked repo rate three times** in the current financial year, aggregating 140 bps to 5.4%



Business

- Bank credit witnessed **double-digit growth (16%); the highest level in past decade** showing post-pandemic recovery;
 - **Retail loans and MSME loans** fastest growing segments; corporate loan growth shows an uptick
- Deposits growth stagnant at 10%, **term deposits growth offsets subdued CASA deposits growth**
 - Term deposits to continue to see an uptick with rising interest rates



Key Performance Indicators

- NIMs to expand in the near term as banks **increase lending rates faster compared to deposit rate**
- Other income of banks impacted as MTM losses mount with an increase in g-sec yields; **PSU banks most impacted due to higher share of g-secs** in the overall investment book
- Thereby, pre-provisioning profits were reduced by 40 bps YoY to 1.9% of average assets. **Nevertheless, 42% reduction in credit costs helps sustain profitability**
- With most levers bottoming out - lower interest expenses, high treasury income, and lower credit cost, banks will have to **re-focus on core business levers**
- Comfortable capitalization levels providing an adequate buffer for future growth

Summary Snapshot (II/II)



NPA & Risk Mgmt.

- Overall industry NPAs improved and **now stand at 5.7%**; Asset quality stable for Private banks; NPAs for PSU banks declined drastically
- **Bounce rates comfortably lower** than pre-covid average; potential macro-economic or covid-induced disruptions to be a monitorable



Valuation

- Most PSU banks valued below book value; **private banks continue to command premium**
- Overall, **value creation** by Financial institutions **below that of broader market** in past five years; with the gap widening over the last year
- Value creation witnessed a shift with PSU banks creating higher shareholder value more recently



Digital

- **Continued uptake in end-to-end digital adoption** by Indian Banking Industry - across new accounts, deposits, investments, cards, loans
- Digital Transactions continue to gain share - **~91% of transactions are now digital (vs 80% in FY21)**
 - **50% contribution from mobile & internet banking alone; UPI at 41%**

Banking sector overview



Macro Indicators

Business: Advances & Deposits

Key Performance Indicators

NPA & Risk Management

Valuation

Digital in Banking

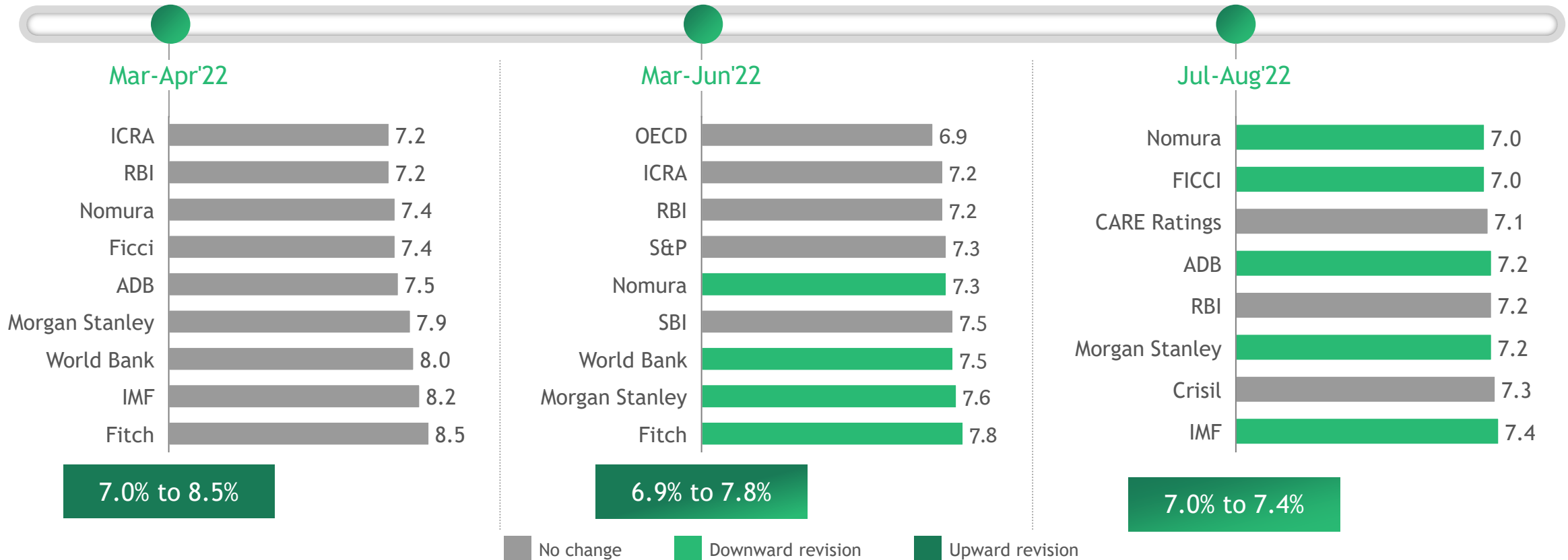
Key Regulatory Measures

Quarterly Player Performance



India's FY23 GDP forecasted to grow between 7.0% to 7.4% YoY

India GDP growth forecast for FY23 (YoY,%)



Data as of 23rd Aug'22

Note: Upper-limit has been included where agencies reported forecast range. Latest forecasts considered in case of revision by agency within same month

Source: Analyst reports, BCG analysis



Most high frequency indicators showing healthy growth trajectory (1/2)



Industry

Growth

	Latest month	Vs. Pre-covid		Vs. Last year		Vs. Last month	
	Jul'22	Jul'19	CAGR ¹	Jul'21	YoY	Jun'22	MoM
IIP (Index)*	137.8	129.3	2%	122.8	12%	137.7	0%
Power Consumption ('000 MUs)	4.1	3.8	3%	4.0	2%	4.5	-7%
Petroleum Consumption (MMT)	17.6	18.0	-1%	16.6	6%	18.7	-6%
Steel Consumption (MMT)	9.2	8.6	2%	8.2	12%	8.9	3%
Cement Production (MT) *	33.8	28.3	6%	28.3	19%	33.8	10%



Logistics

Growth

	Latest month	Vs. Pre-covid		Vs. Last year		Vs. Last month	
	Jun'22	Jun'19	CAGR ¹	Jun'21	YoY	Jun'22	MoM
E-way Bills (Mn)	75.8	52.2	13%	64.2	18%	74.5	2%
JNPT Traffic ('000 TEUs)	503.0	431.3	5%	433.5	16%	493.0	2%
Rail Freight (Mn Tons) *	125.5	101.4	7%	112.8	11%	132.0	-5%
Air Freight (K Tons) *	270.4	273.4	0%	237.3	14%	271.1	0%



Trade and Investment

Growth

	Latest month	Vs. Pre-covid		Vs. Last year		Vs. Last month	
	Jul'22	Jul'19	CAGR ¹	Jul'21	YoY	Jun'22	MoM
Merchandise Exports (\$ Bn)	35.2	26.3	10%	35.4	-1%	37.9	-7%
Merchandise Imports (\$ Bn)	66.3	39.8	19%	46.4	43%	63.6	4%
Services Exports (\$ Bn) *	24.8	18.6	10%	19.7	26%	23.3	6%
Services Imports (\$ Bn) *	16.1	11.8	11%	11.2	44%	14.4	12%



Auto

Growth

	Latest month	Vs. Pre-covid		Vs. Last year		Vs. Last month	
	Jul'22	Jul'19	CAGR ¹	Jul'21	YoY	Jun'22	MoM
PV Sales ('000 Units)	347.9	251.0	12%	316.8	10%	332.0	5%
Tractor Sales ('000 Units)	67.0	52.0	9%	76.4	-12%	107.0	-37%
2W Sales ('0000 Units)	173.8	181.8	-1%	163.1	7%	170.4	2%
EV Registrations ('000 Units)	79.7	12.2	87%	26.1	205%	73.3	9%

* Data available only upto Jun'22 as on 26 Aug - hence growth comparisons are for Jun and not July. Jun'22 data has been compared with Jun'19, Jun'21 & May'22 data for the pre-COVID CAGR, YoY & MoM growth comparisons.

1. CAGR calculated by taking 2022 month-wise data vs. 2019 levels (for respective month)

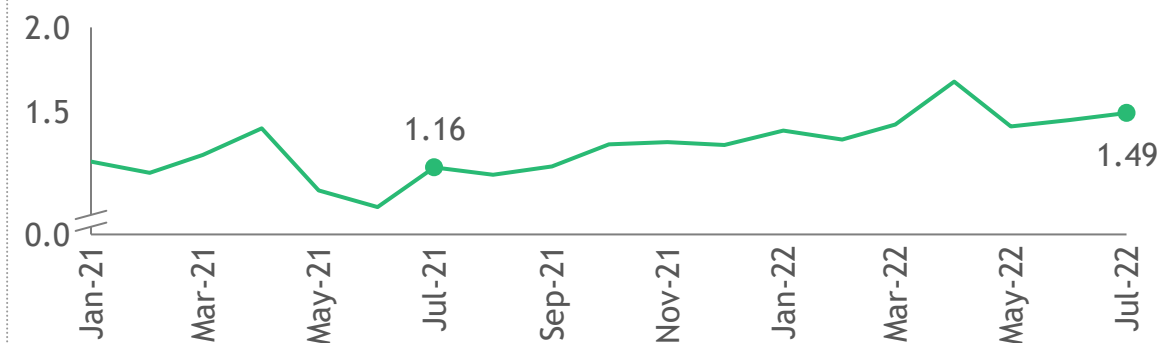


Most high frequency indicators showing healthy growth trajectory (2/2)

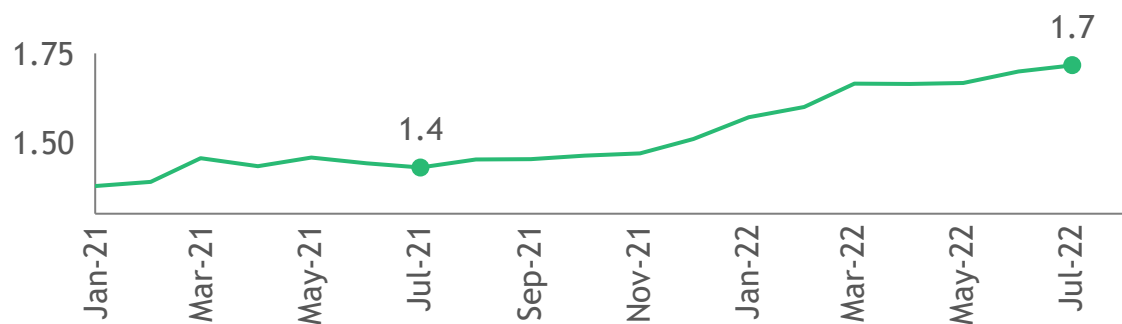
Fiscal deficit rose in the past few months, driven by an increase in govt. expenditure

	Apr'22	May'22	Jun'22
Govt. Expenditure (INR Tn)	2.7	3.1	3.6
Govt. Receipts (INR Tn)	1.9	1.8	2.1
Fiscal Deficit (INR Tn)	0.7	1.3	1.5

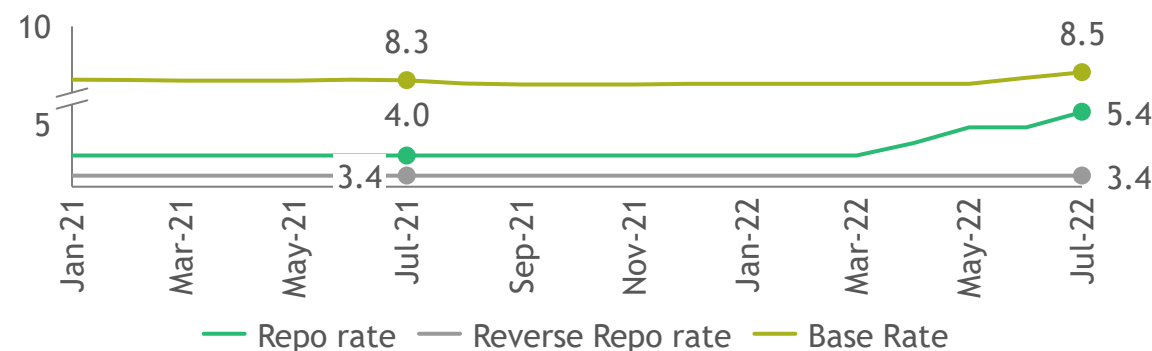
GST Collections¹ (INR Tn) grew by 28% YoY in Jul'22



Jan Dhan Deposits (INR Tn) grew by 20% YoY in Jul'22



RBI's policy rates (%) has increased by 140 bps since May'22

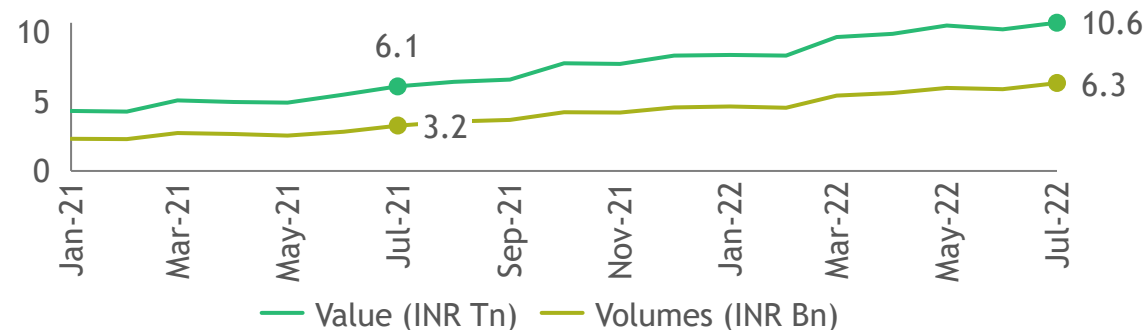


1.GST Collections include all components: CGST, SGST, IGST, Cess
 Source: Ministry of Finance, GST Council, GST Network , RBI, Jan Dhan Yojana BCG analysis

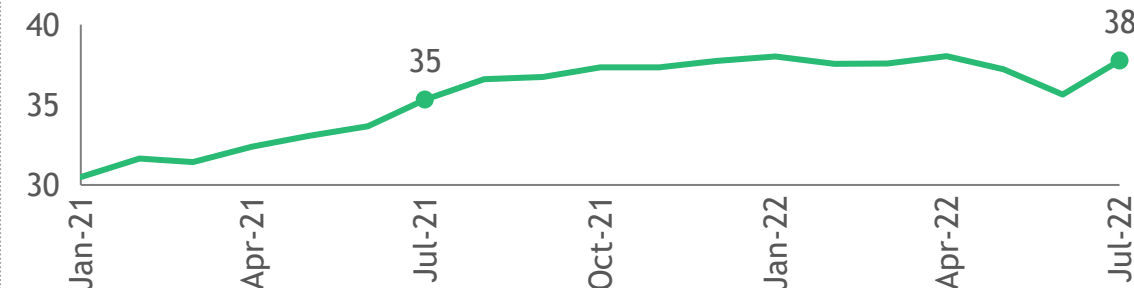


BFSI indicators on an upward trajectory

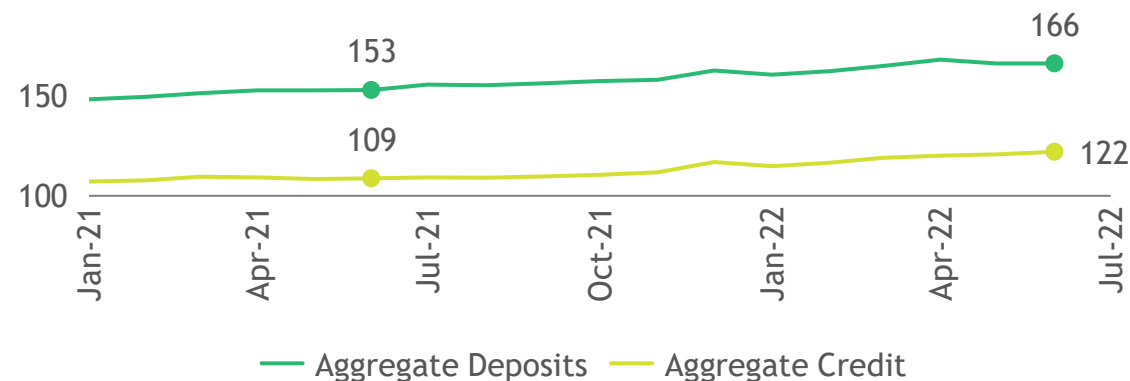
UPI continues to witness an uptick supported by rapid digital adoption



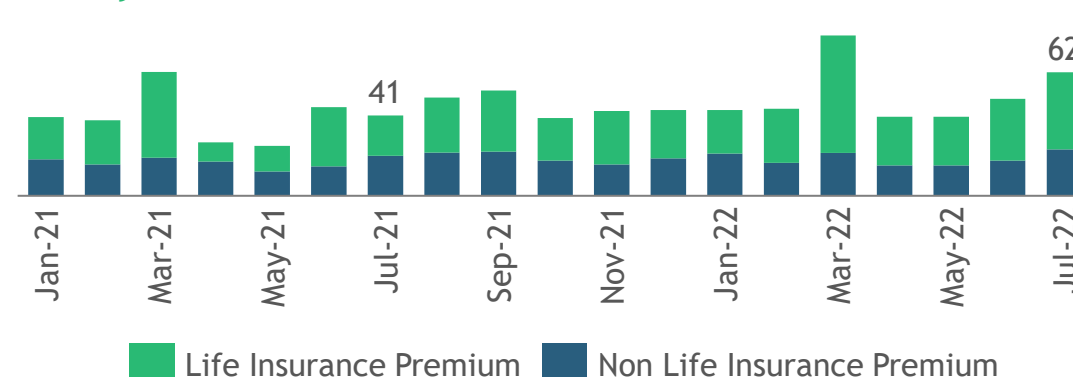
Mutual Funds AUM (INR Tn) sees a sharp rebound in the past few months



Aggregate deposits & credit (INR Tn) remained near May'22 levels in Jun'22



Life insurance premium (INR '000 Cr) continues to see healthy increase



1. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks; Provisional figures data used for non-life as on 21st July 2022. 2. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Cop Insurance, Credit Guarantee, Aviation, Personnel accident and Miscellaneous
 Source: DBIE, NPCI, IRDAI, AMFI, GIC, Life Insurance Council of India BCG analysis

Banking sector overview

Macro Indicators

➤ Business: Advances & Deposits

Key Performance Indicators

NPA & Risk Management

Valuation

Digital in Banking

Key Regulatory Measures

Quarterly Player Performance

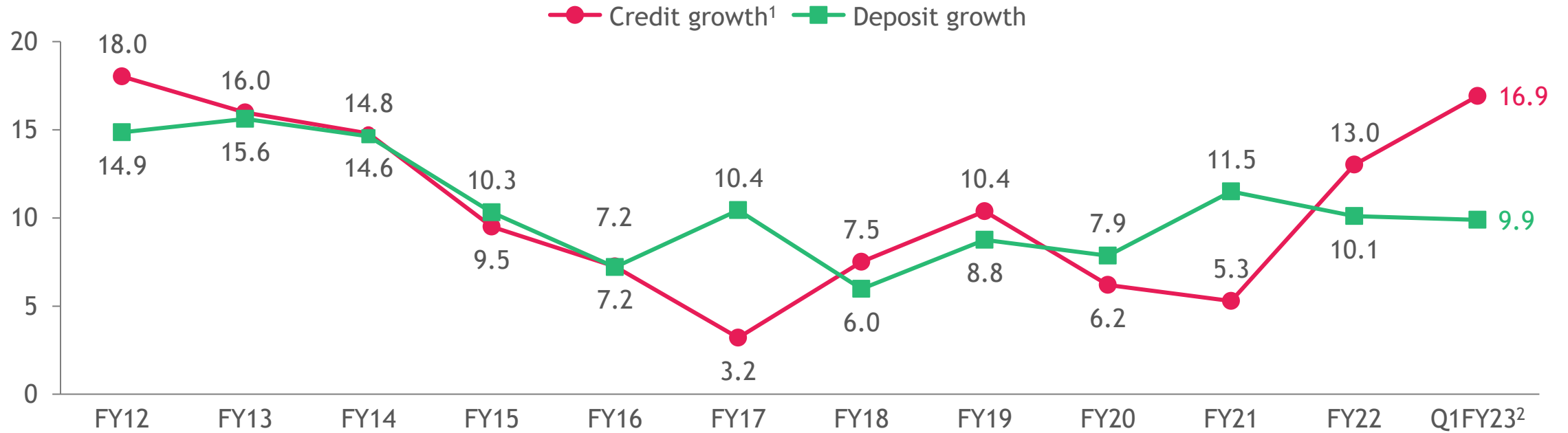


Bank credit growth at a decadal high

Credit growth continues to exceed deposit growth with gap further widening

Credit and deposit growth rate (%)

Growth % YoY



CD Ratio³

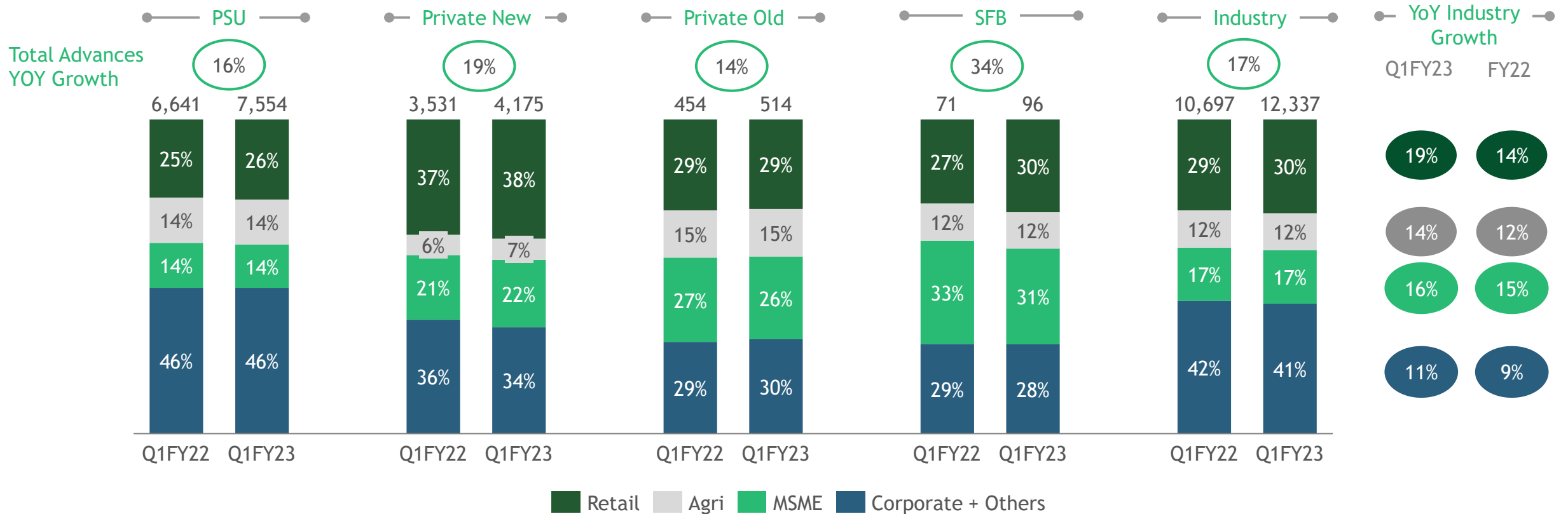
FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Q1FY23 ²
78%	79%	79%	78%	78%	73%	74%	75%	74%	70%	69%	74%

1. Credit growth are Net Advances growth 2. Growth Q1FY23 over Q1FY22 3. Credit-Deposit Ratio is calculated as Net Advances/Total Deposits
 Note: Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 Small Finance Banks
 Source: RBI; Capitaline; Press releases; BCG analysis



Retail credit continues to remain the fastest growing segment; corporate credit witnessing uptick

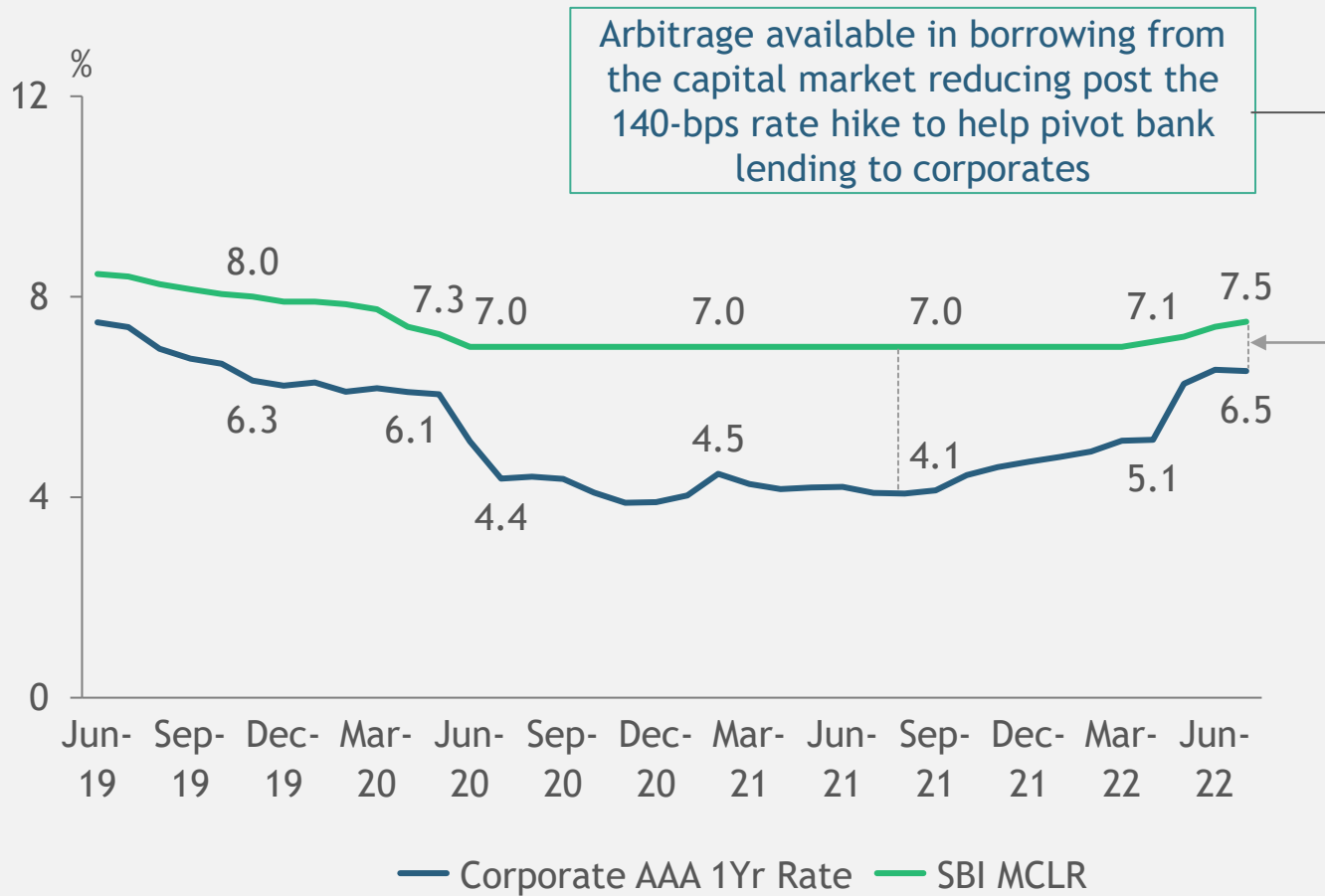
Split of Domestic Loan Book ('000 Crs)



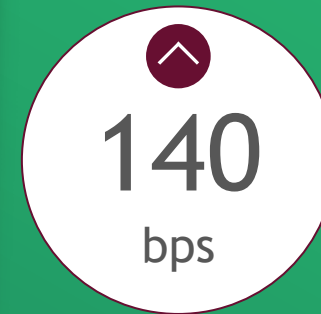
Note: MSME includes SME, LAP, Business Banking and CV/CE loans; Agri includes Rural Loans, Kisan gold card loans and Tractor Loans; Others include Micro finance, PSL Inorganic + SRs and Loan Converted into Equity and credit substitutes
 Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 Small Finance Banks
 Source: RBI; Capitaline; Press releases; BCG analysis



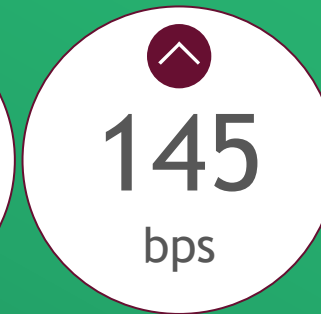
Bank lending to corporates to get bolstered by rising interest rates



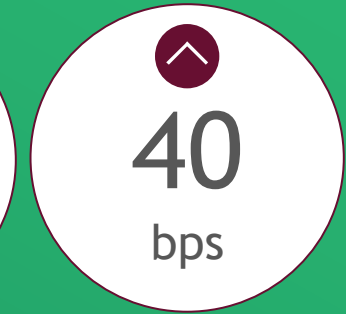
Change in rates in Q1FY23



Repo Rate



Corporate AAA 1-Yr Bond Rate



SBI 1 Year MCLR

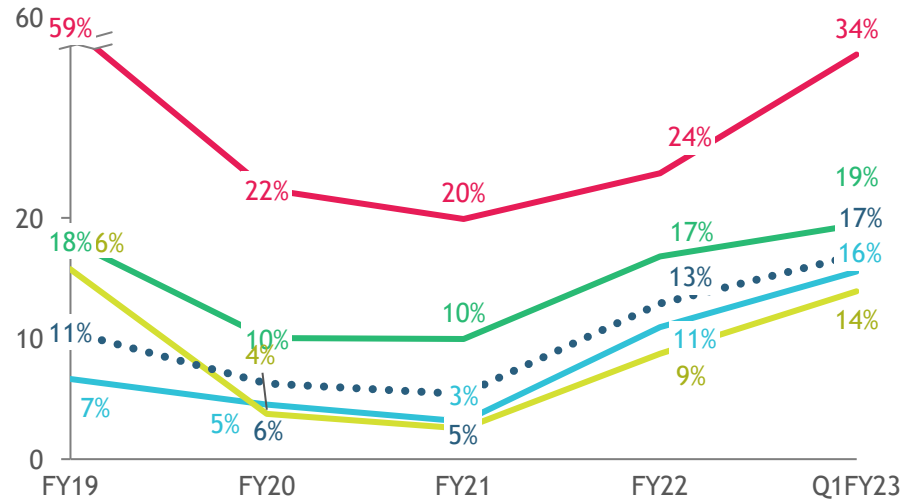
Note: MCLR - Marginal cost of funds-based lending rate
Source: RBI; Bloomberg; BCG analysis



Credit growth seen across bank groups; deposit growth remains moderate

Credit growth by bank category

Growth % YoY
%

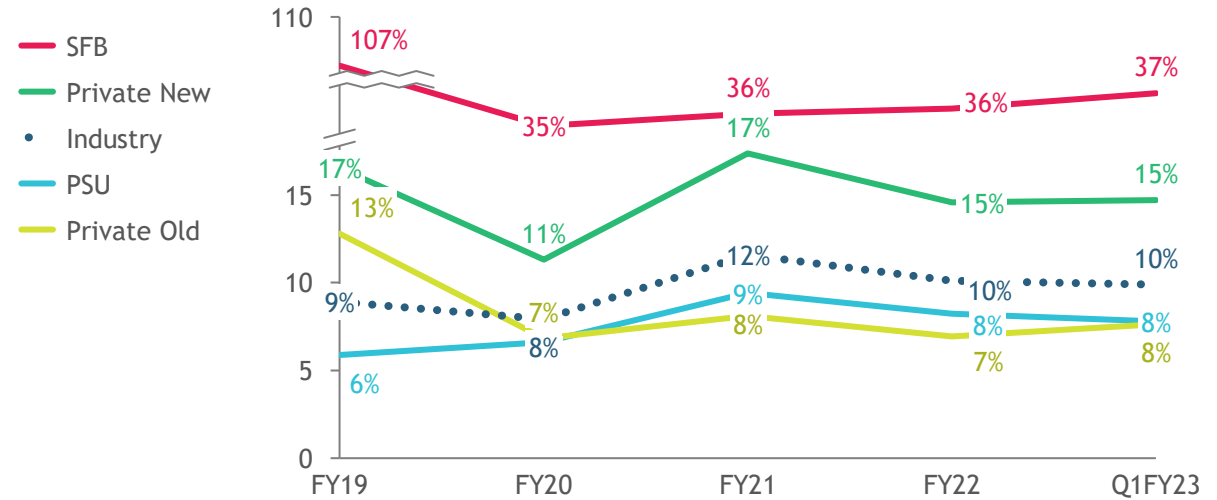


Market share (%)

PSU	64%	63%	61%	60%	61%
Private-N	31%	32%	34%	35%	34%
Private-O	5%	4%	4%	4%	4%
SFB	1%	1%	1%	1%	1%

Deposits growth by bank category

Growth % YoY
%



Market share (%)

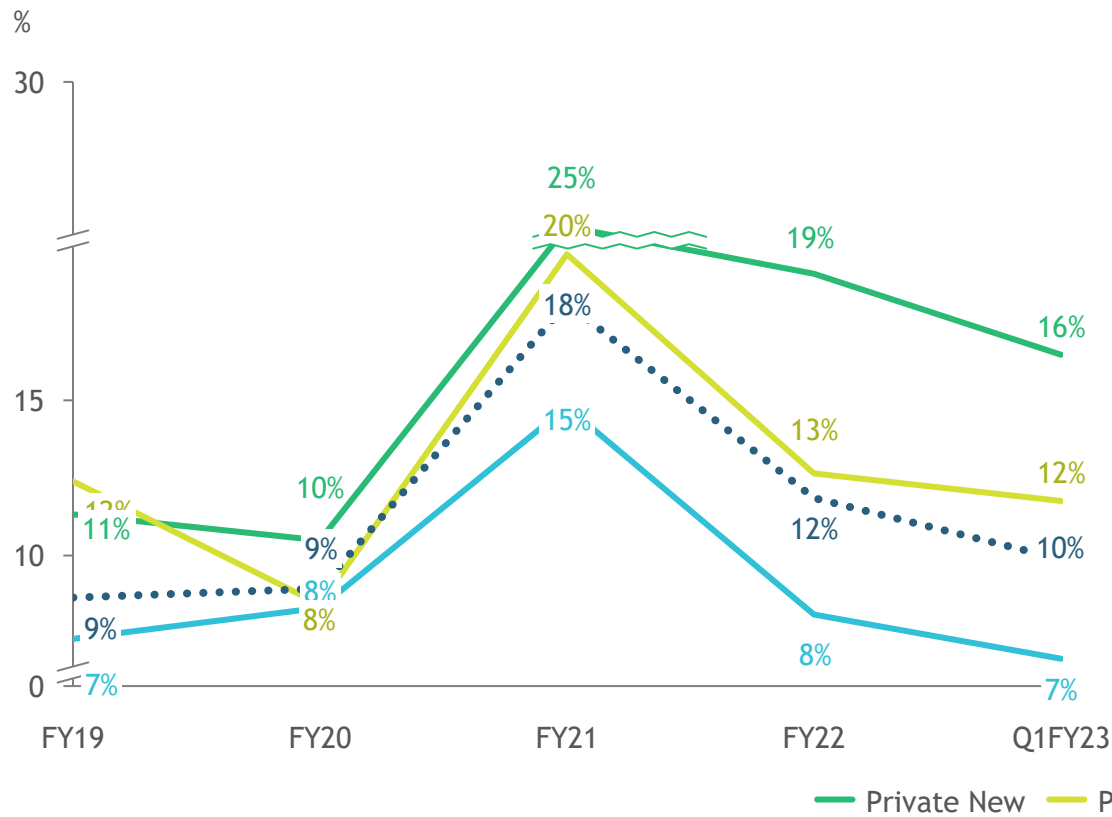
PSU	69%	69%	67%	66%	66%
Private-N	26%	26%	28%	29%	30%
Private-O	4%	4%	4%	4%	3%
SFB	1%	1%	1%	1%	1%

Note: Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 Small Finance Banks
Source: RBI; Capitaline; Press releases; BCG analysis

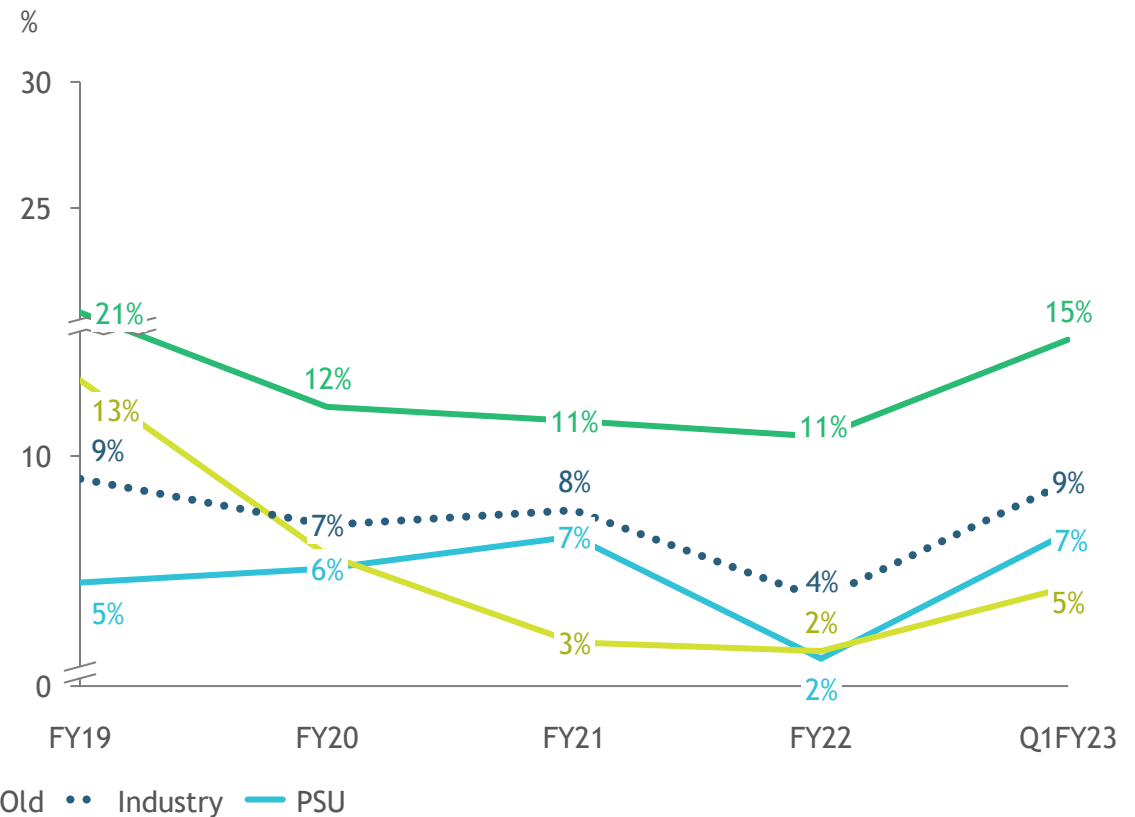


Term deposits witnessing an uptick with increasing interest rates

CASA growth YoY by bank category (%)



Term Deposits growth YoY by bank category (%)



Note: Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks
 Source: RBI; Capitaline; Press releases; BCG analysis

Banking sector overview

Macro Indicators

Business: Advances & Deposits

> Key Performance Indicators

NPA & Risk Management

Valuation

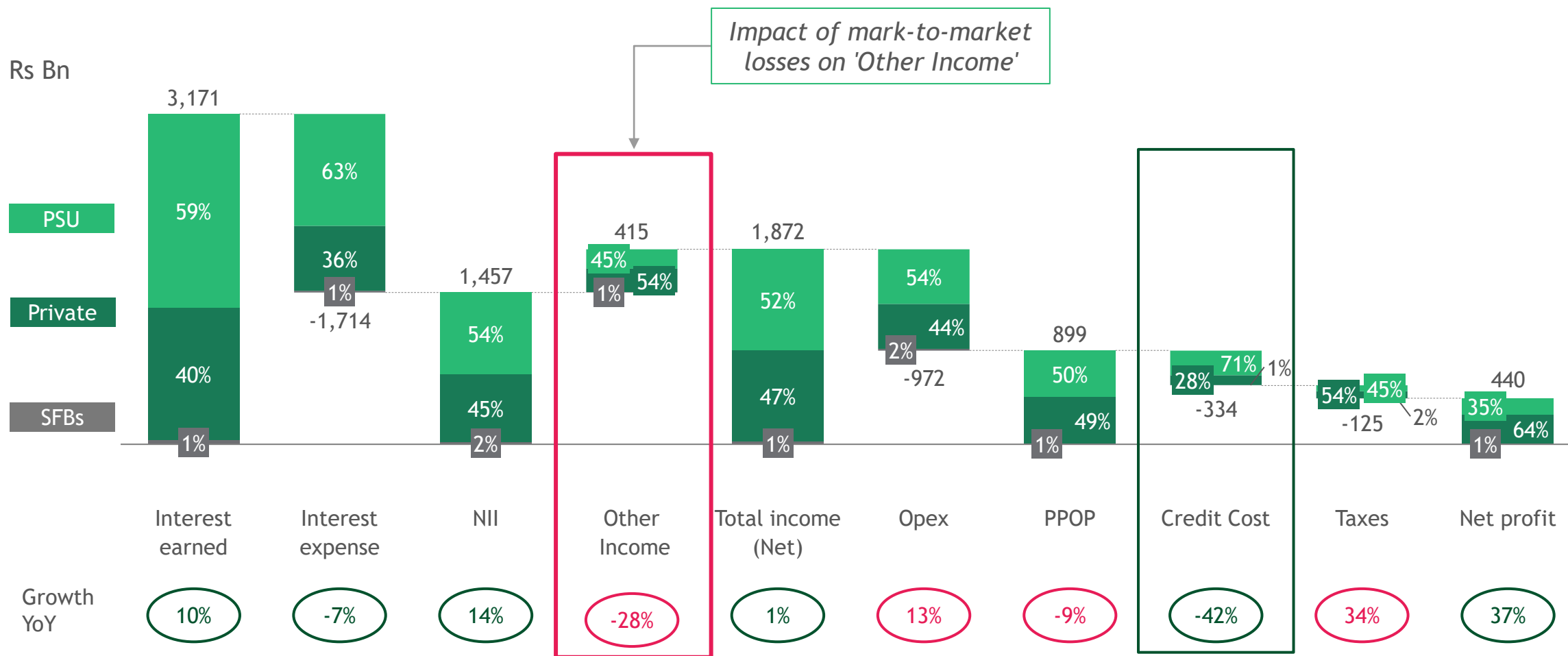
Digital in Banking

Key Regulatory Measures

Quarterly Player Performance



Pre-provision profit impacted due to high mark-to-market losses; reduction in credit cost helps in reporting healthy profits



Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 Small Finance Banks
 Source: Capitaline; Press releases; BCG analysis



RoA driver tree: Credit costs major determinant in overall profitability

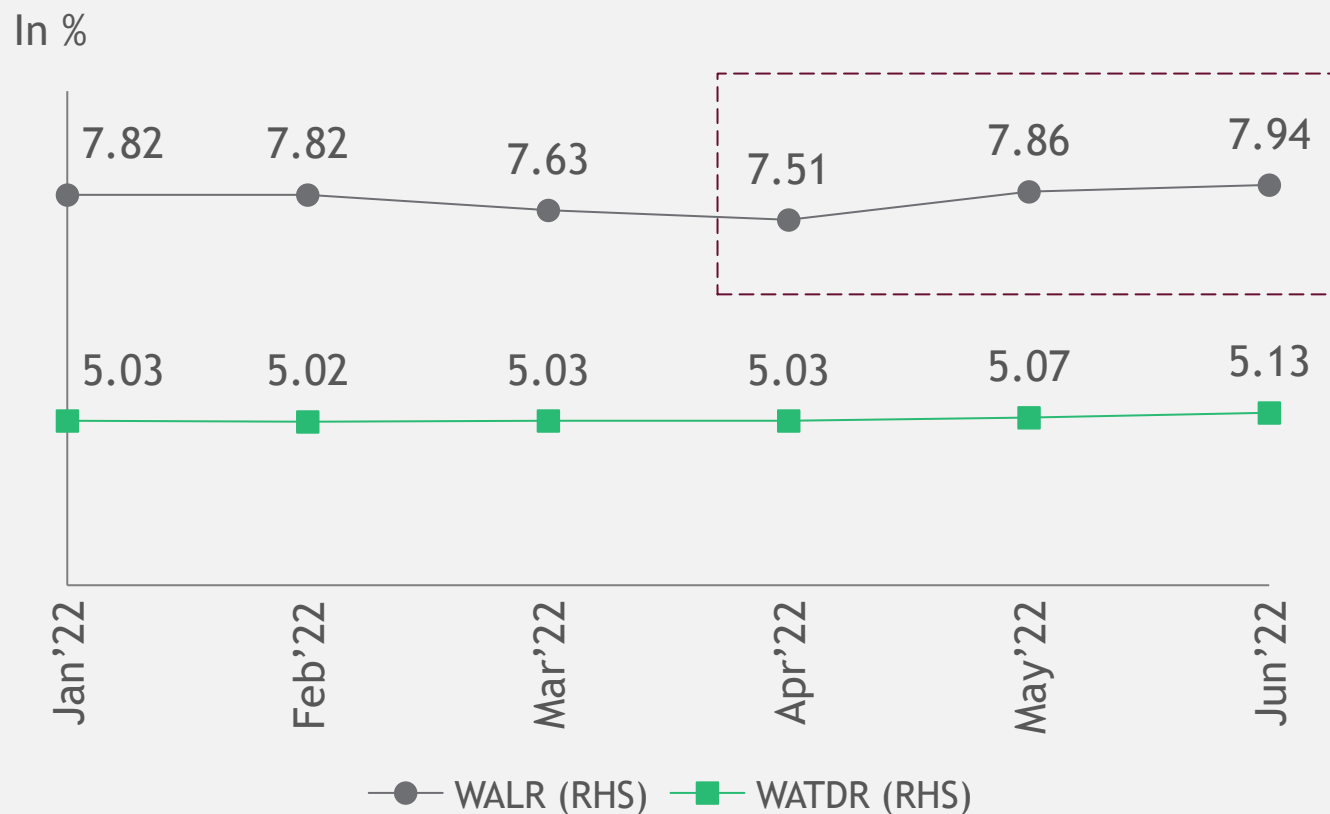
RoA Tree		PSU Banks		Private New		Private Old		SFBs		Industry	
Particulars ¹	UoM	Q1FY23	Q1FY22	Q1FY23	Q1FY22	Q1FY23	Q1FY22	Q1FY23	Q1FY22	Q1FY23	Q1FY22
Net interest Margin	(%)	↑ 2.6	2.5	↑ 3.8	3.7	↑ 3.2	3.1	↑ 7.9	7.0	↑ 3.0	2.9
Fee + Other Income	(%)	↓ 0.6	1.2	↓ 1.4	1.6	↓ 0.9	1.3	↓ 1.4	1.7	↓ 0.9	1.3
Operating expenses	(%)	↓ 1.7	1.8	↑ 2.5	2.2	↑ 2.3	2.2	↑ 5.9	5.2	↔ 2.0	2.0
Pre-Provision Profit ²	(%)	↓ 1.5	1.9	↓ 2.7	3.0	↓ 1.8	2.1	↓ 3.4	3.6	↓ 1.9	2.3
Credit costs	(%)	↓ 0.8	1.2	↓ 0.5	1.5	↓ 0.6	1.4	↓ 0.8	3.9	↓ 0.7	1.3
Tax	(%)	↔ 0.2	0.2	↑ 0.4	0.3	↑ 0.3	0.2	↑ 0.6	0.0	↑ 0.3	0.2
Return on Assets	(%)	↔ 0.5	0.5	↑ 1.7	1.3	↑ 0.9	0.6	↑ 2.0	-0.3	↑ 0.9	0.7

With most levers bottoming out - lower interest expenses, high treasury income, and lower credit cost, banks will have to re-focus on core business levers, and may lead to increase competitiveness in the market

1. All the above #s are as a % of average assets; 2. Pre-provision profit may not tally due to rounding off differences
 Note: Analysis has been made based on 12 PSU, 10 Private-New, 9 Private-Old and 4 Small Finance Banks
 Source: Capitaline, Press releases, BCG analysis



Banks increasing lending rates faster vis-a-vis deposits rate



Lending rates on fresh loans is up 43 bps compared to 10 bps increase in deposit rates in Q1FY23

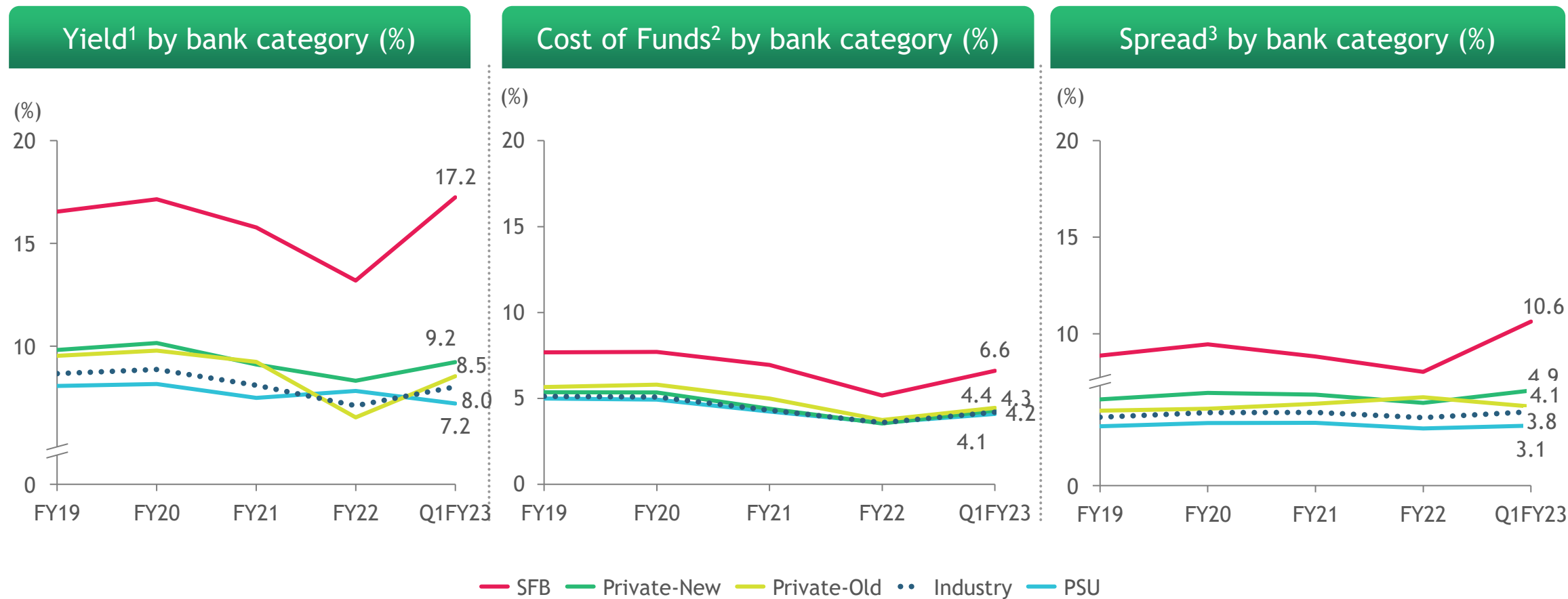


Increase in banking system spreads is led by faster increase in lending yields vs. deposits rates in last Q1FY23

Note: WALR is Weighted Average Lending Rates on fresh loans and WATDR is Weighted Average Domestic Term Deposit Rates; All figures at an aggregate industry level
Source: RBI; BCG analysis



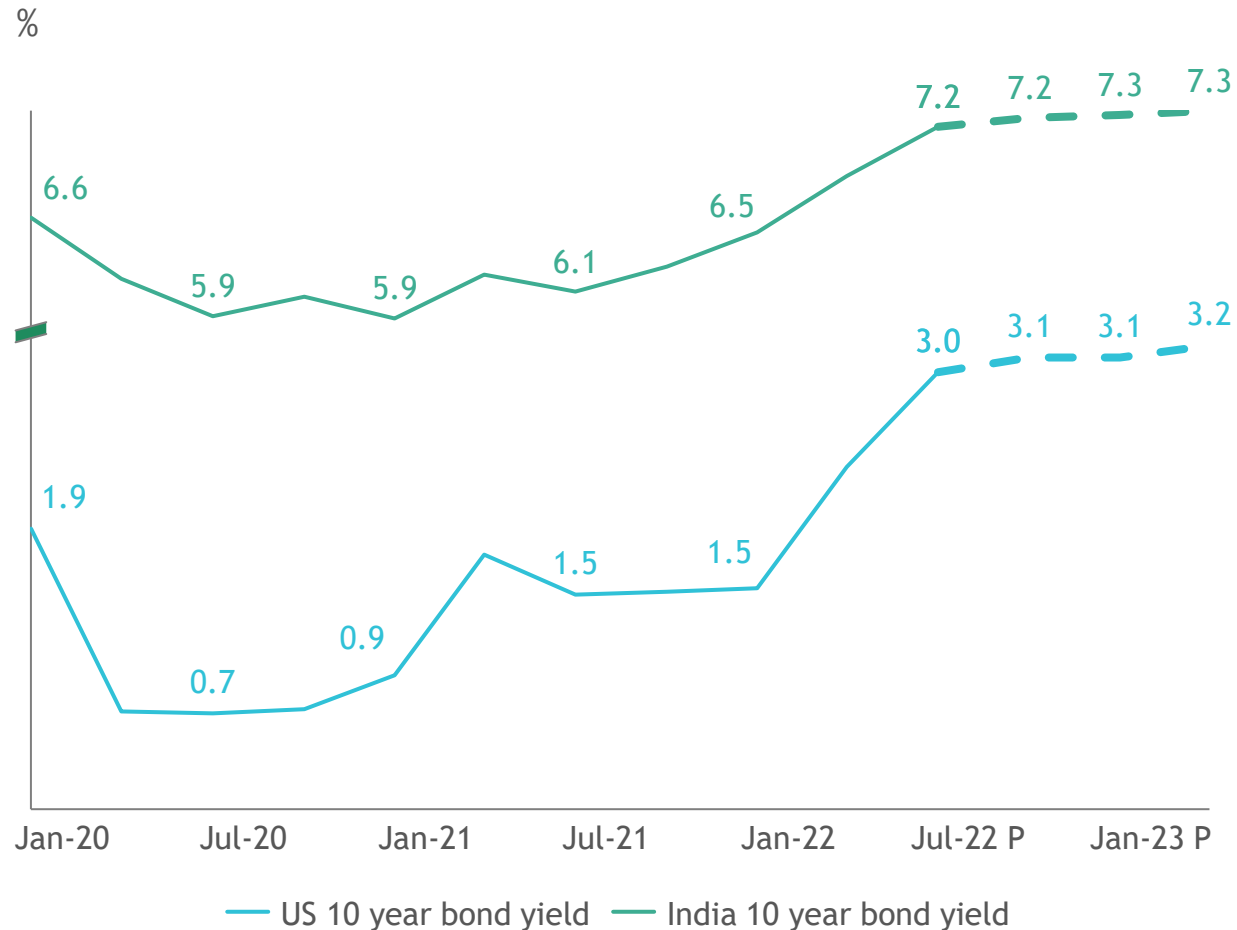
Yields see sharper upward movement vis-a-vis cost of funds in Q1FY23



¹Yield is calculated as Interest Earned on Advances/Average Net Advances Annualized ²CoF is calculated as Interest Expended/(Deposits + Borrowings) annualized ³Spread is the difference
 Note: Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 Small Finance Banks
 Source: RBI; Capitaline; Press releases; BCG analysis



Treasury income of banks takes a hit as bond yields rise sharply



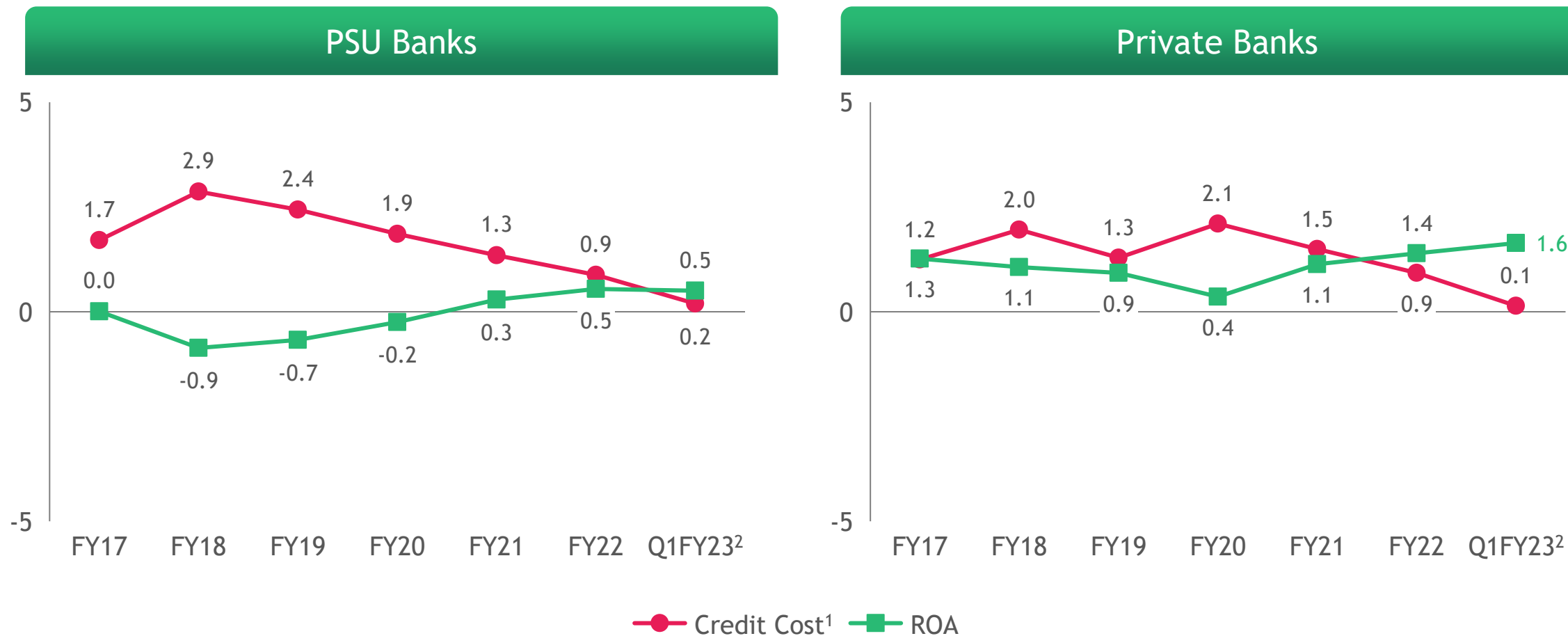
- **Mark-to-market (MTM) losses increased** in Q1FY23 as yields on government securities rose
- PSU Banks are worst impacted due to **higher share of govt. securities in their portfolios**
- As per ICRA estimates, MTM losses were **Rs 8,000-9,000 crore for PSU Banks** and **Rs 2,400-3,000 crore for Private Banks** in Q1FY23

Note: 1. Calculated as % of FY22 PAT; P: Projected
Source: Bloomberg, Press articles, BCG analysis



Nevertheless, decrease in credit costs reduce impact on profitability

Credit costs are at their lowest levels since FY17



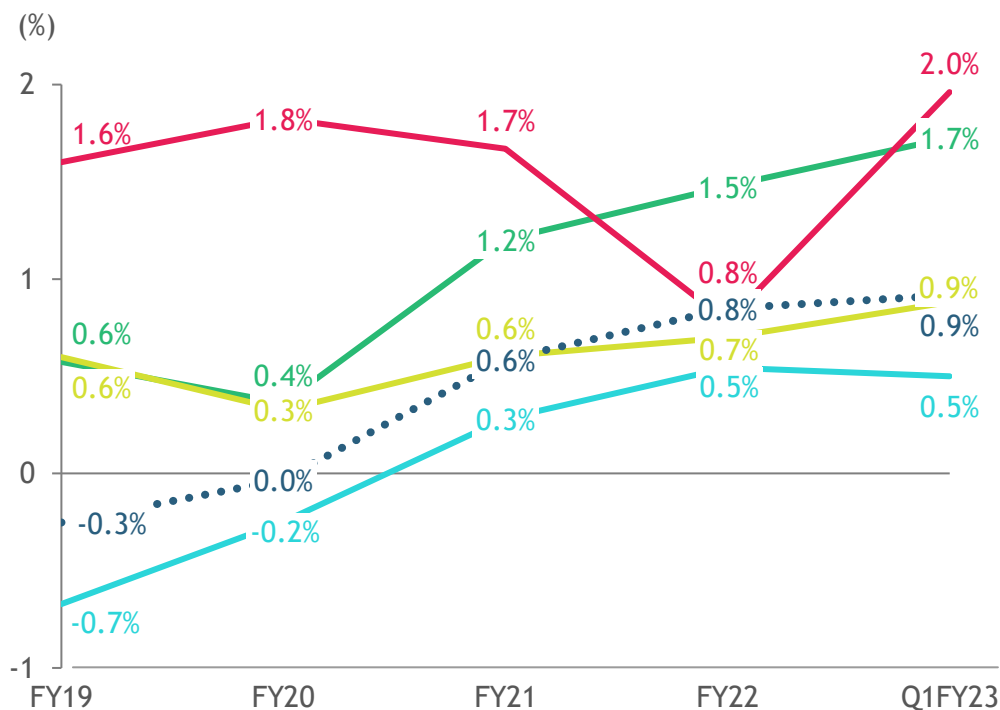
Note: 1. Credit cost is overall provisions by average total assets ; annualized
 Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 Small Finance Banks
 Source: RBI; Capitaline; Care Ratings, Press releases; BCG analysis



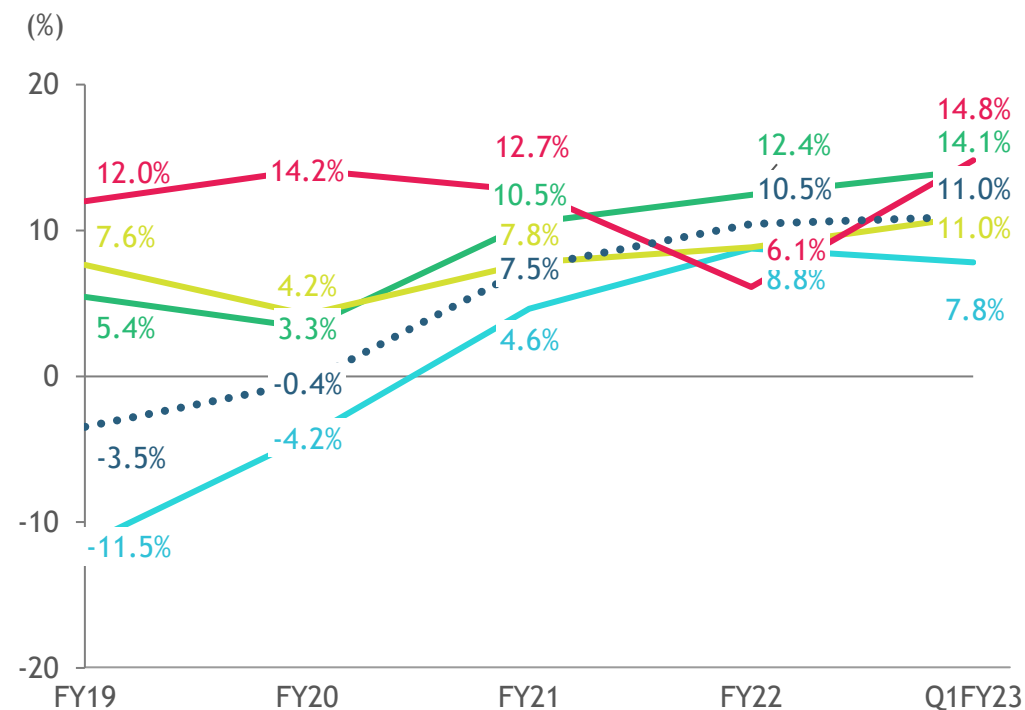
Overall profit momentum remained steady

SFBs show significant improvement on profitability metrics

Return on Assets¹ by bank category



Return on Equity² by bank category



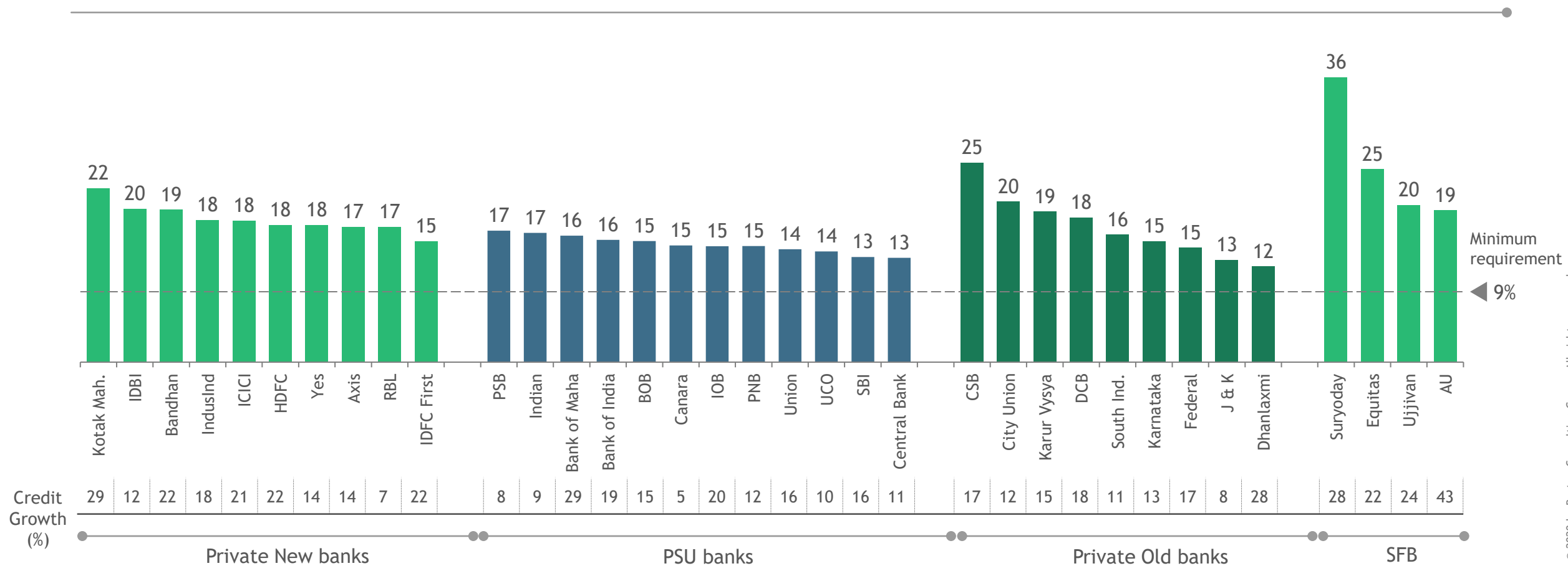
— SFB — Private New •• Industry — Private Old — PSU

¹Return on Assets is calculated as net profit/average assets ²Return on Equity is calculated as net profit/average shareholders' fund
 Note: Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 Small Finance Banks
 Source: RBI; Capitaline; Press releases; BCG analysis



Comfortable capitalization levels providing adequate buffer for future growth

Capital to Risk-weighted assets ratio (%) (Jun' 22)



Source: Capitaline, Investor presentation, Press release, RBI, CARE Ratings, BCG Analysis

Banking sector overview

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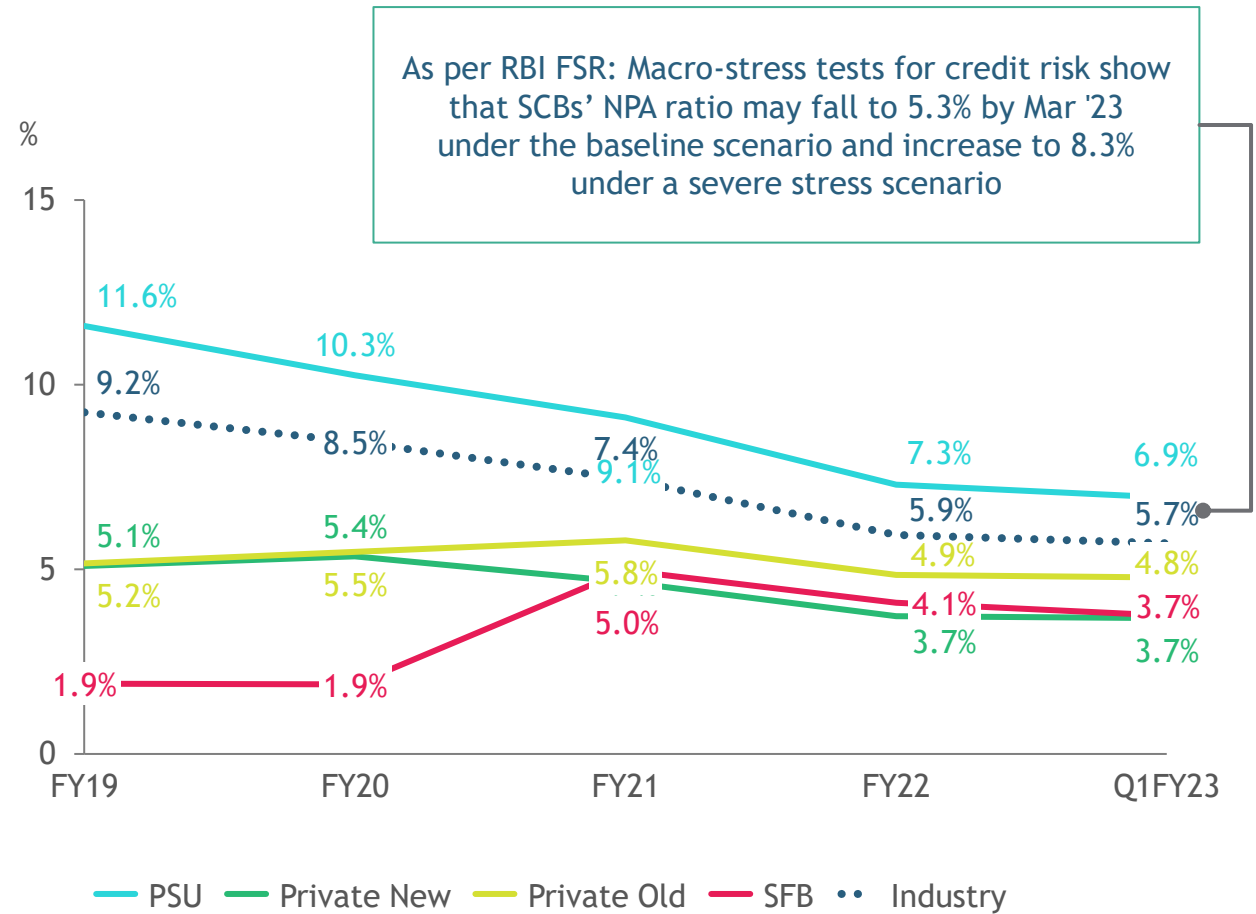
Key Regulatory Measures

Quarterly Player Performance



Consistent decline in NPAs seen in Q1FY23

Gross Non-Performing assets (%)



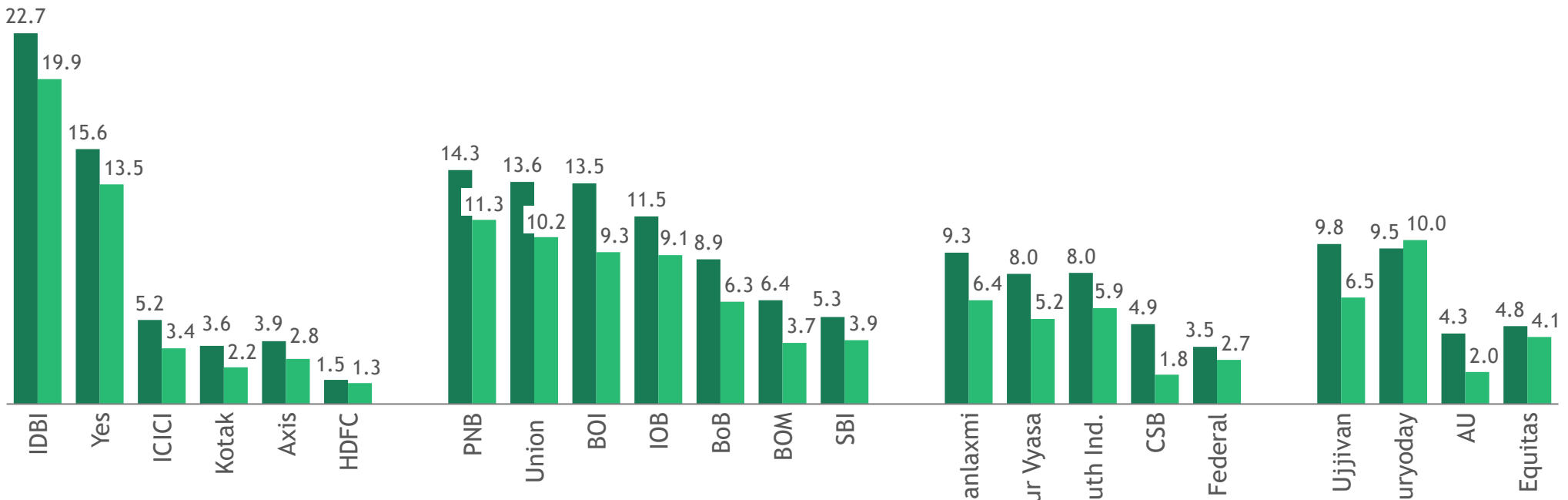
Note: Analysis has been made based on 35 Banks: 12 PSU, 10 Private-New, 9 Private-Old Banks and 4 SFBs 26
 Source: RBI; Capitaline; Press releases; BCG analysis



Reduction in GNPA's and credit costs seen across banks

Select Banks

Gross Non-Performing assets (%)



Provisions Growth (in %) (Q1FY23 over Q1FY22)



■ Q1FY22 ■ Q1FY23

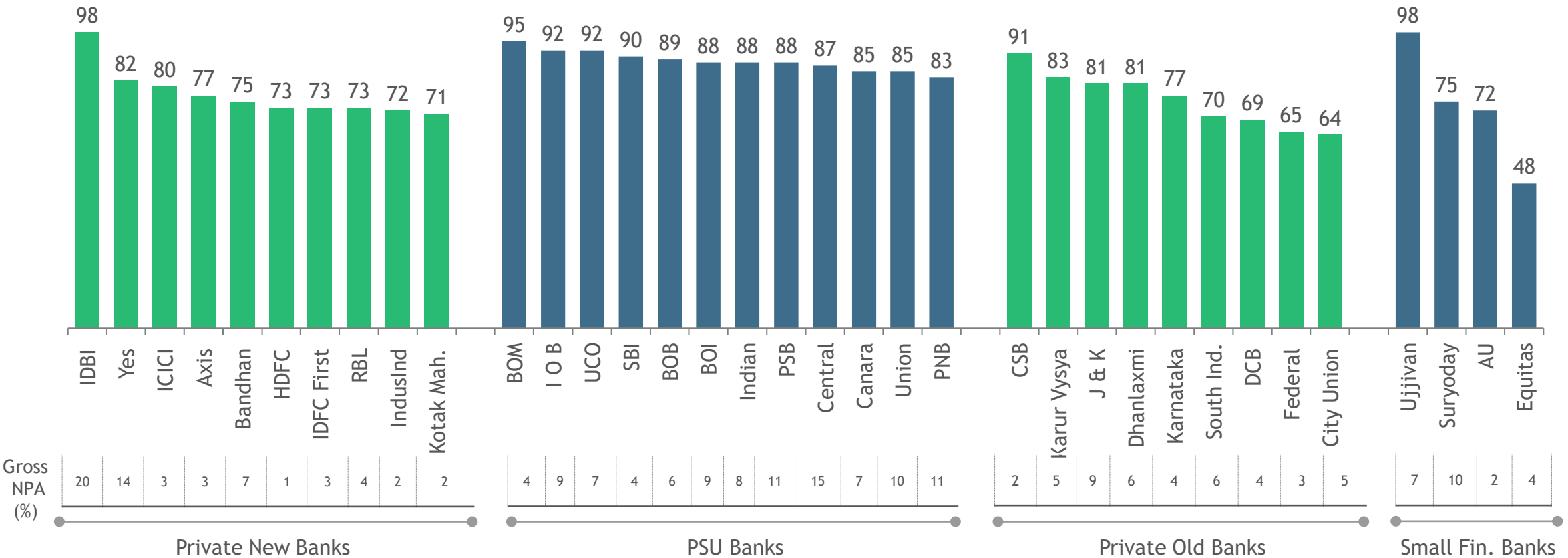
Source: Investor Presentation, Analyst Report BCG Analysis



Healthy coverage against NPAs across banks

Provision coverage ratio¹ (%) (Jun'22)

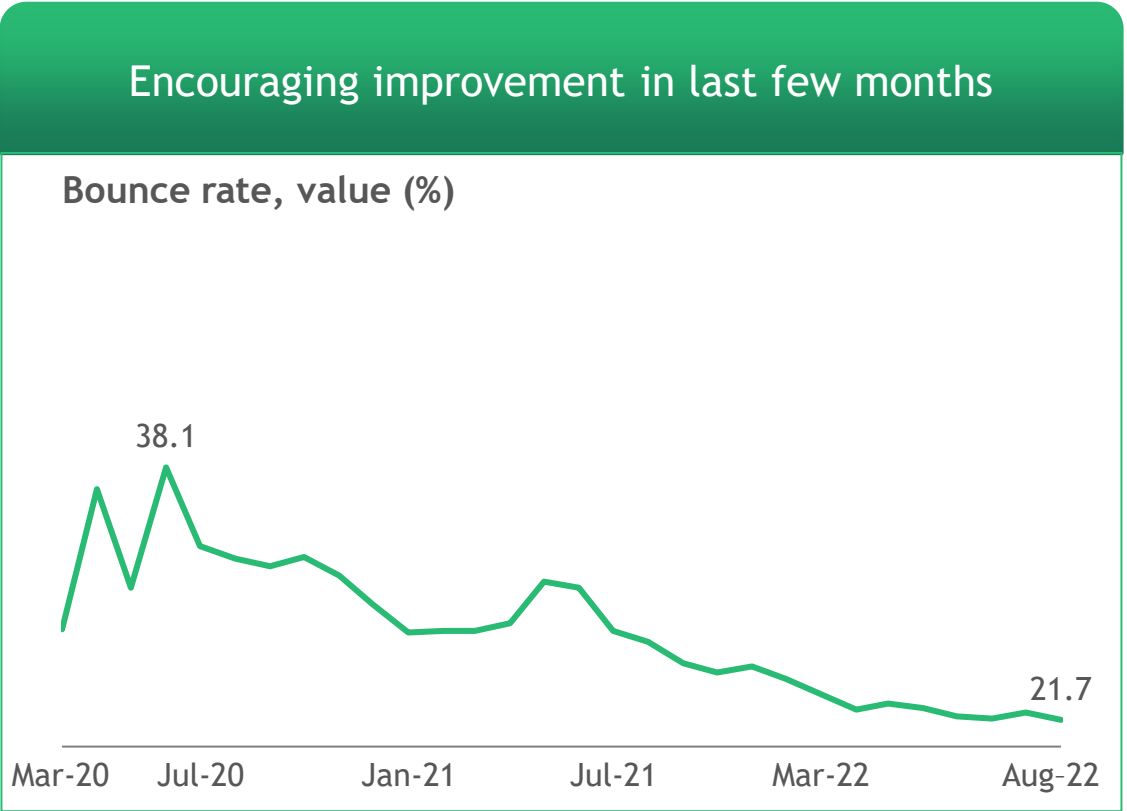
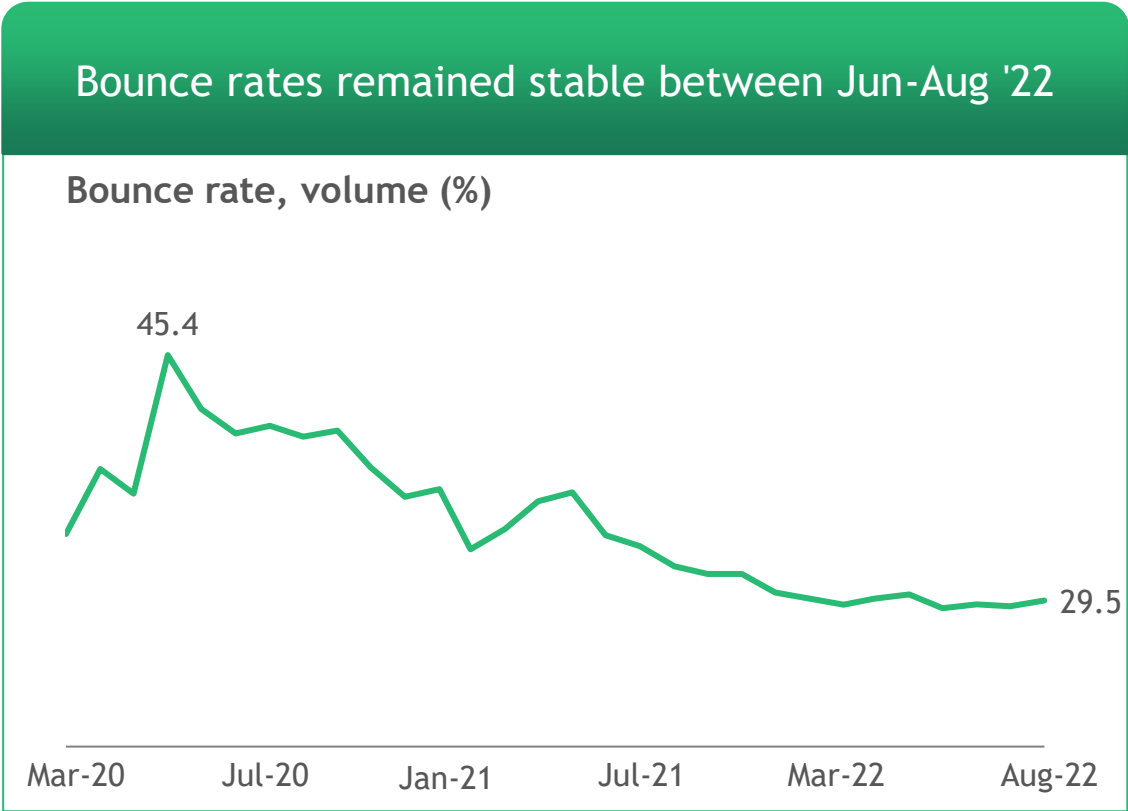
Select Banks



1. All the above PCR% are including Technical write-offs, wherever separately disclosed by banks
 Source: Capitaline, Investor presentation, Press release, BCG Analysis



Bounce Rates: Back to pre-COVID levels, trend expected to continue



Source: NPCI, BCG Analysis

Banking sector overview

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NPA & Risk Management

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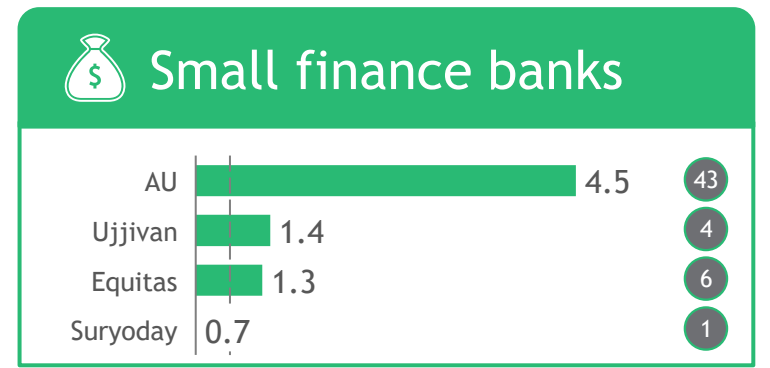
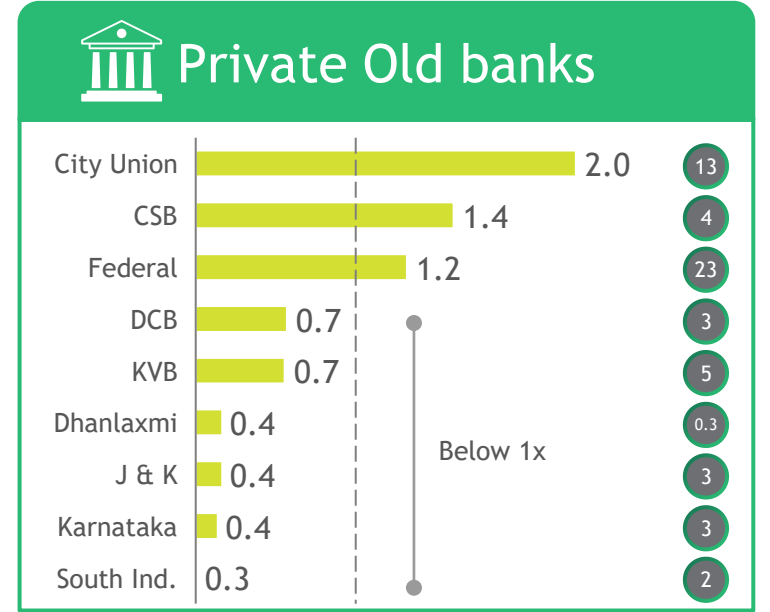
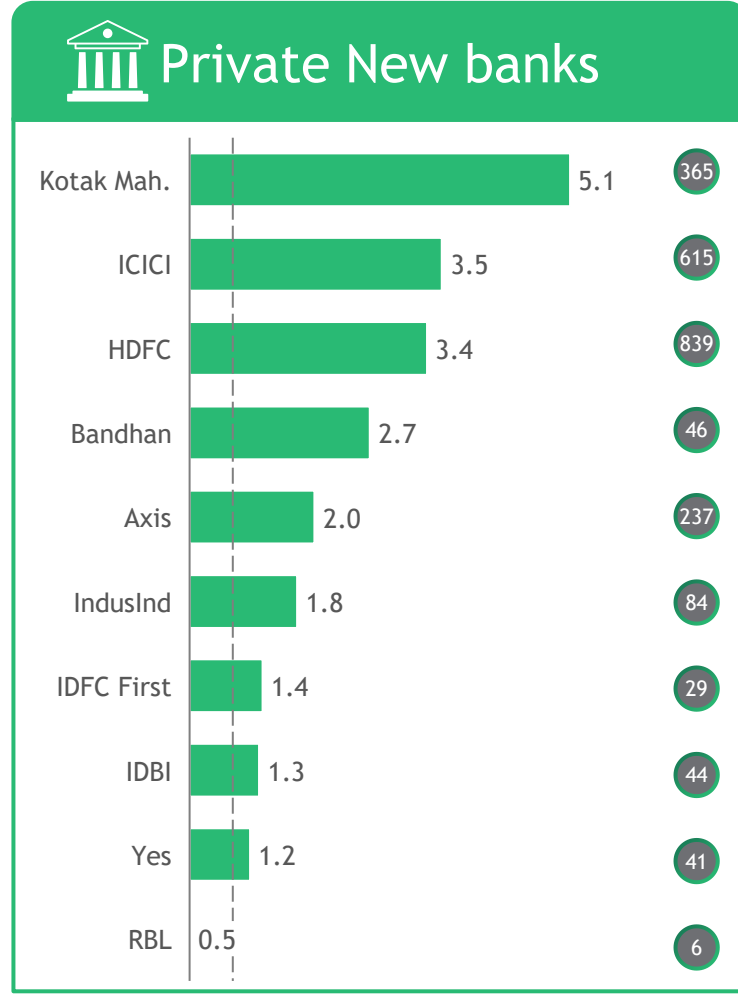
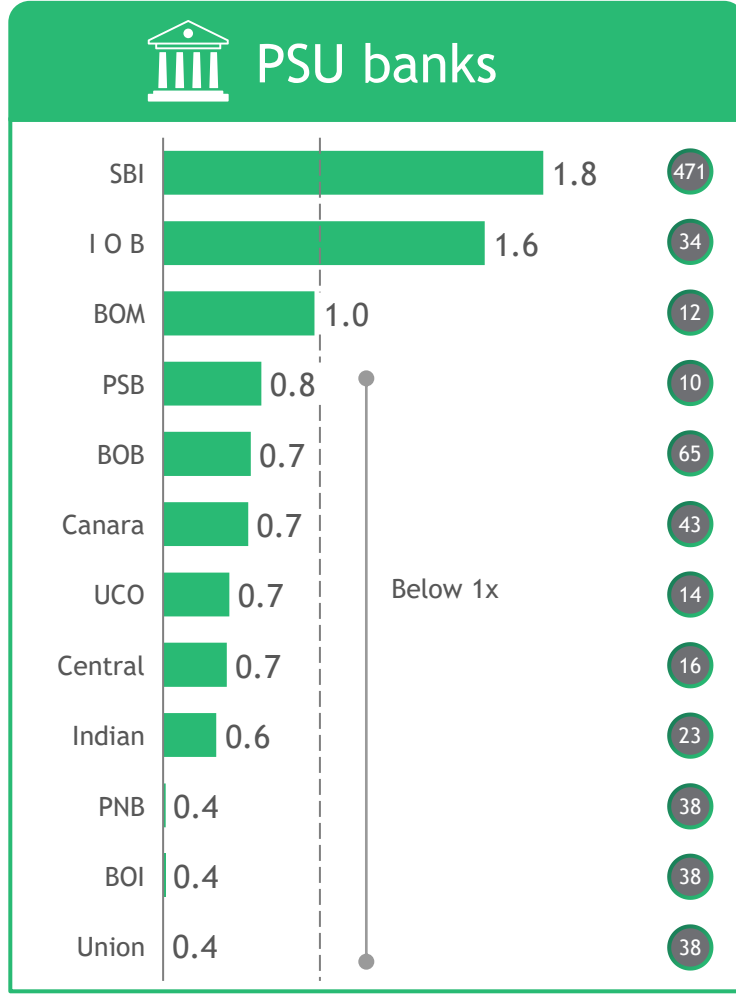
Key Regulatory Measures

Quarterly Player Performance



Most PSU banks valued at a discount to book value

Select Banks



■ Price to book ● Market Cap (Rs in '000 crores) (as on 17th August 2022)

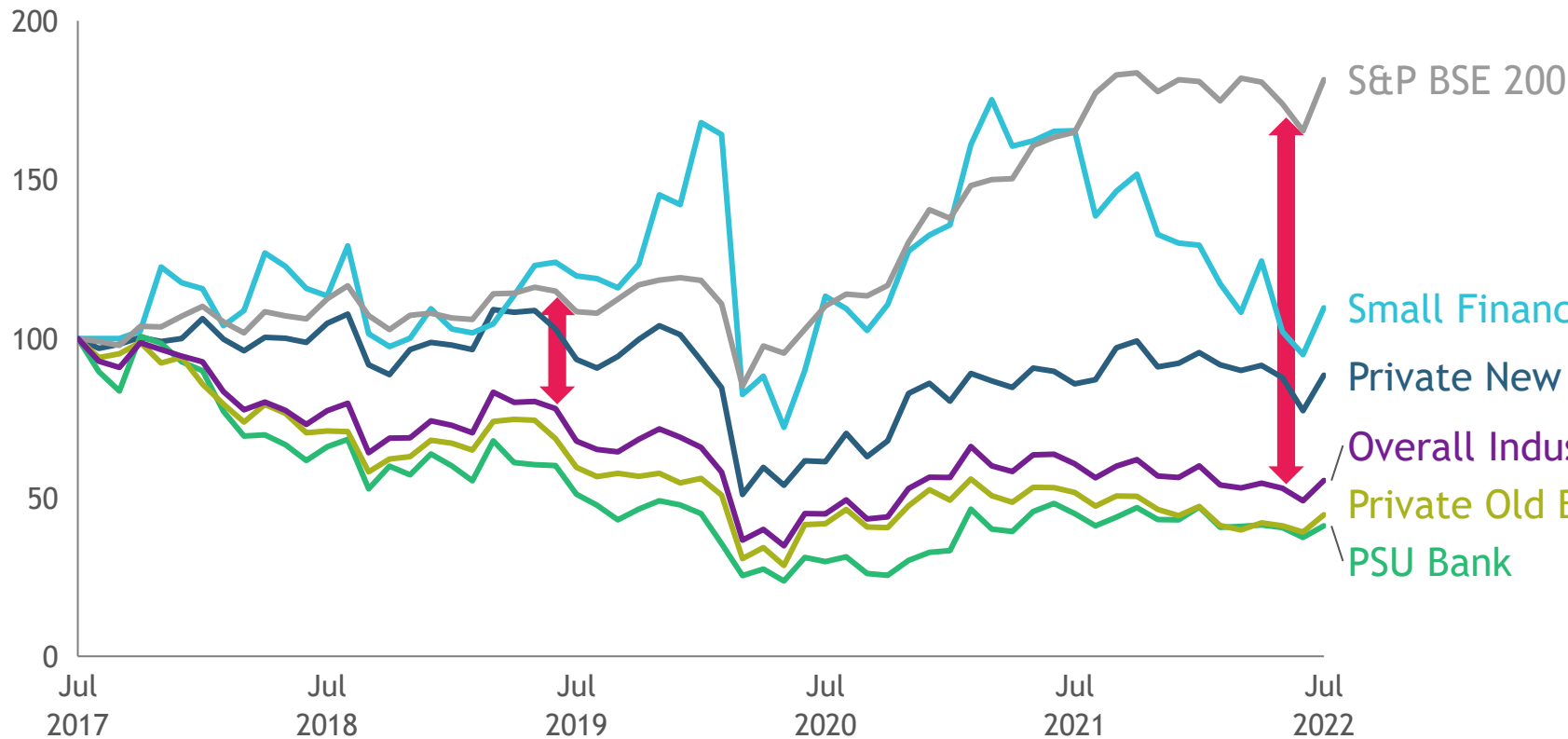
Note: Dotted line represents price to book ratio of 1 time
Source: Capitaline, BCG analysis



Value creation by Financial Institutions below broader market in past five years

Gap between banking sector vs broader index has widened over the last one year

TSR Index: July 2017 = 100



Over period
July 2017 - July 2022

	5 Yr. average annual TSR %	1 Yr. average annual TSR %
S&P BSE 200	13%	10%
Small Finance Bank	2%	-34%
Private New Banks	-2%	3%
Overall Industry	-11%	-9%
Private Old Bank	-15%	-14%
PSU Bank	-16%	-9%

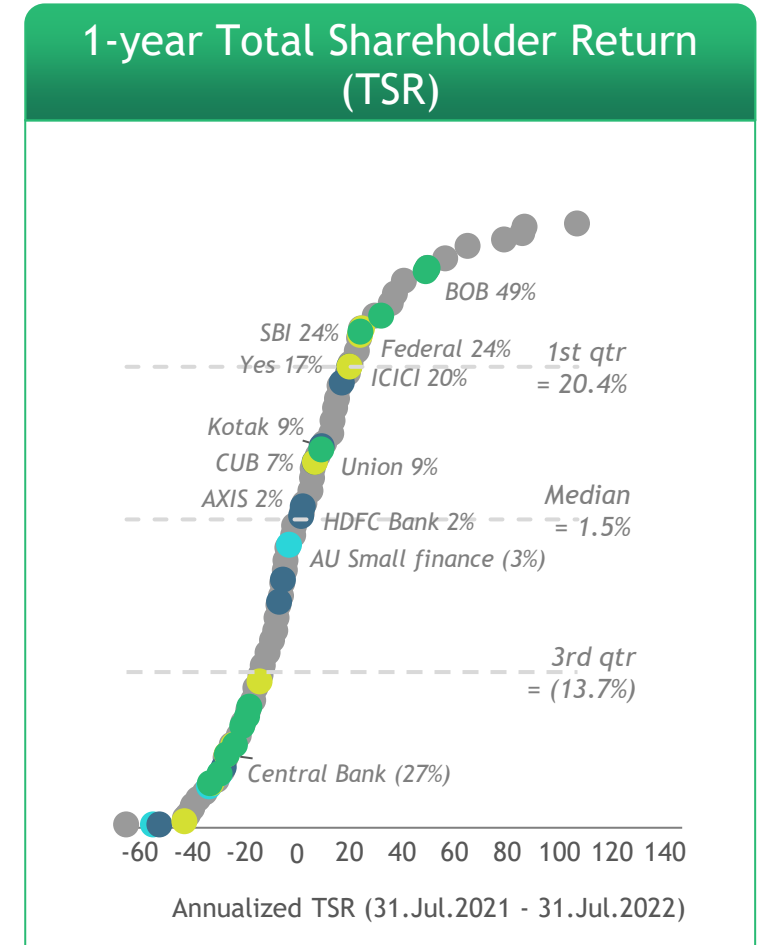
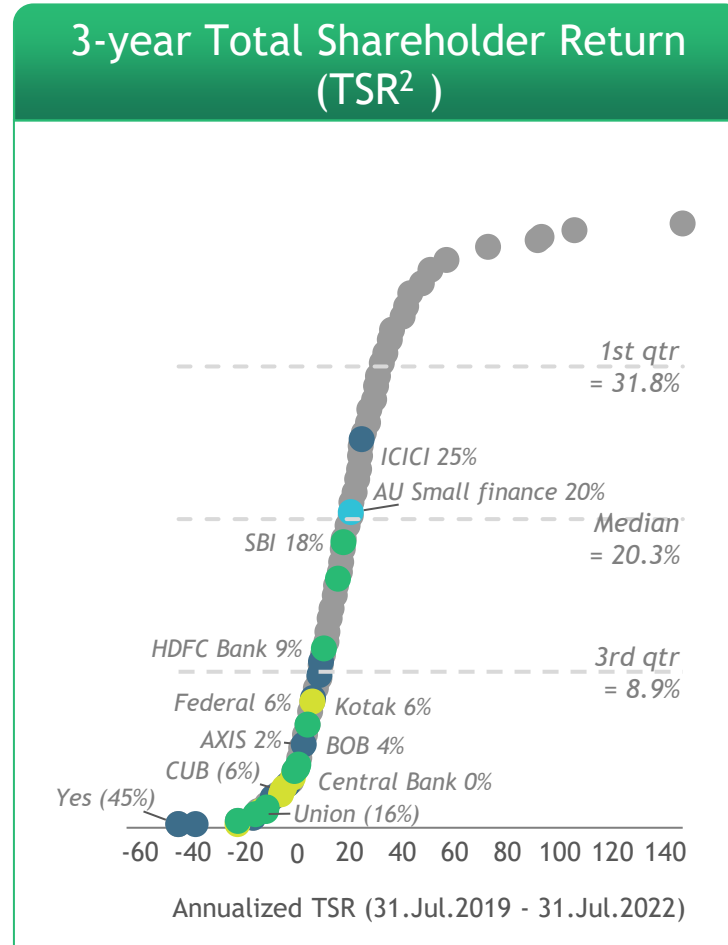
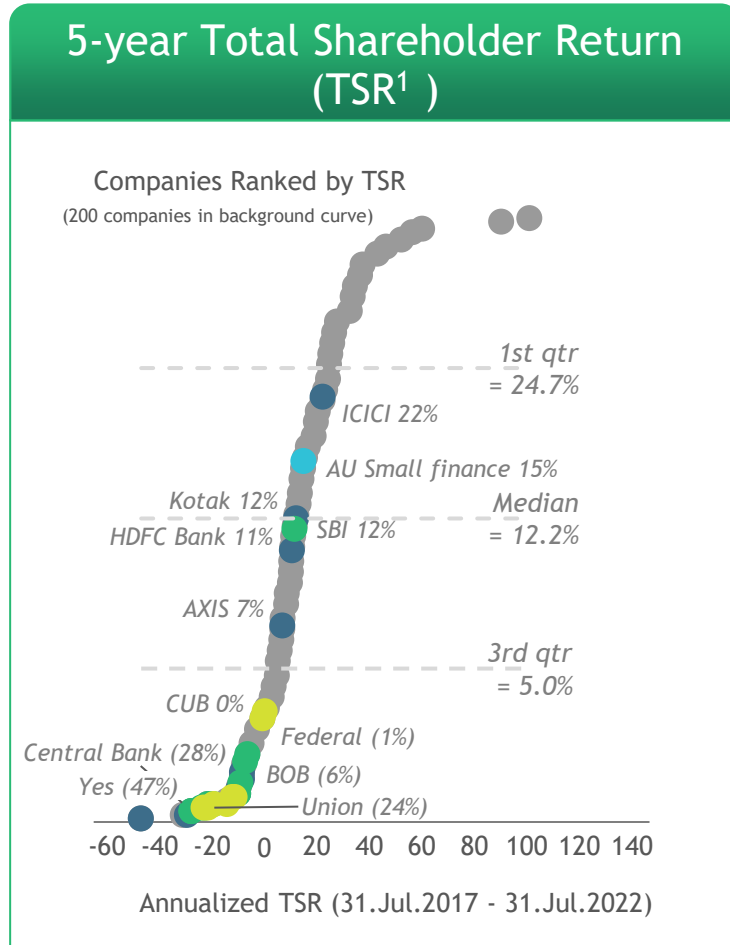
Note: TSR is calculated between 31st July 2017 through 31st July 2022 in the company's reporting currency. Please refer to annexure page for detailed list of constituents within each tier considered for analysis.

Source: S&P Capital IQ; BCG ValueScience® Center



Financial Institutions value creation over time

Value creation among banking institutions witnessed a shift with PSU banks creating more value for shareholders more recently



● Private New Banks ● Private Old Bank: ● PSU Bank ● Small Finance Bank:

1. Equitas, Ujjivan small finance bank, Suryoday Small finance have been excluded from this period, since the first pricing date of the banks fall beyond the start date of the analysis;
 2. Equitas, Ujjivan small finance bank, Suryoday Small finance have been excluded from this period, since the first pricing date of the banks fall beyond the start date of the analysis.
 Note: Background Curve: S&P BSE 200, Based on data ending in July; TSRs use company reporting currency;
 Source: S&P Capital IQ; BCG ValueScience® Center

Banking sector overview

Macro Indicators

Business: Advances & Deposits

Key Performance Indicators

NPA & Risk Management

Valuation

 Digital in Banking

Key Regulatory Measures

Quarterly Player Performance



Emergence of end-to-end digital adoption by Indian Banking Industry

Select Banks

Q1FY23	AXIS BANK	ICICI Bank	SBI	बैंक ऑफ बड़ोदा Bank of Baroda	IndusInd Bank
Saving Account sourced digitally	68% ¹ NC	NA	65% ⁶ ↓ 700 bps	87% ³ NA	30% ³ ↑ 300 bps
FD sourced digitally	68% NC	60% ² ↑ 400 bps	NA	66% ³ NA	42% ³ ↑ 100 bps
SIPs initiated digitally	46% ↓ 1100 bps	78% ² ↑ 1800 bps	~INR 650 Cr ⁷ ↑ ~2.4x	NA	98% ³ NC
Credit Card issued digitally	81% ² ↑ 700 bps	84% ² ↑ 700 bps	60k Cards (+30% YoY)	NA	90% ³ ↑ 4000 bps
Personal Loans sourced digitally	52% ⁸ ↓ 800 bps	94% ² ↓ 200 bps	~INR 4.4K Cr ⁶ (+81% YoY)	71% NA	54% ³ ↑ 900 bps
Volume of MB Transaction and YoY growth	123%	1.5x times ⁵	NA	NA	92% ⁴ ↑ ~2.0x

Note: 1.Digital Tablet based account opening process for Q1FY23; 2.Issuance through Phygital and digital mode; 3.Quarterly Data (Q1 FY23) 4.YoY growth from June'22 to June'23 5.YoY growth in number of transactions for UPI - iMobile Pay 6.Opened through YONO 7.MF sales through YONO 8. E2E Digital Source: NPCI, Investor presentations, Analyst reports, BCG analysis

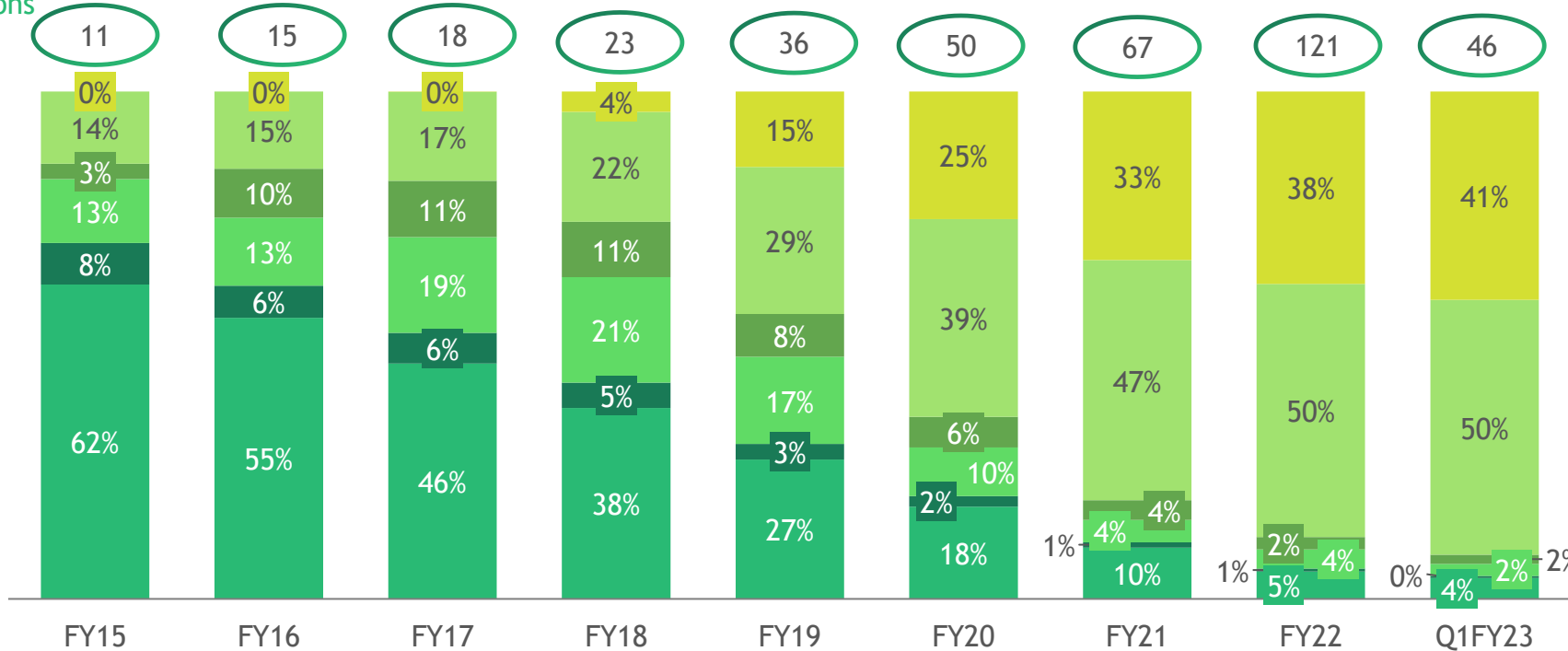
↑ ↓ Y-o-Y change NC = No Change



Continuing surge in transactions with increasing share of UPI, MB/IB: ~91%

Split of Financial Transactions² (%) by volume

No. of transactions (bn)



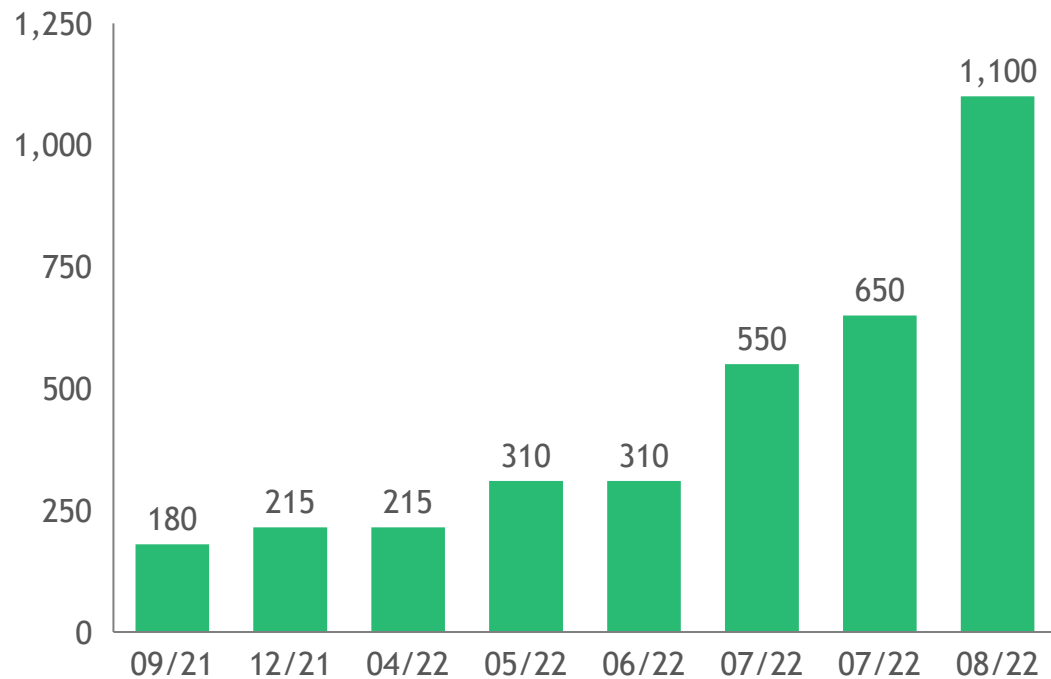
	YoY Change (Q1'22 vs Q1'23)	Average Ticket Size (Rs, Q1FY23)
UPI	118%	1,747
MB + IB	90%	22,974
NACH	9%	7,780
POS	52%	2,533
Cheque	24%	104,098
ATM	23%	4,805

Notes: 1. Financial Transactions do not include cash transactions at branches; 3. Internet transactions include RTGS, ECS, NEFT and IMPS financial transactions · ATM and Mobile transactions included are financial transactions only; 4. CAGR is calculated as FY19-FY22 5. Total may not sum to 100 because of differences due to rounding off 6. Ticket Size calculated basis Value/Volume
 Source: RBI data, National Payments Corporation of India (NPCI) statistics, BCG analysis



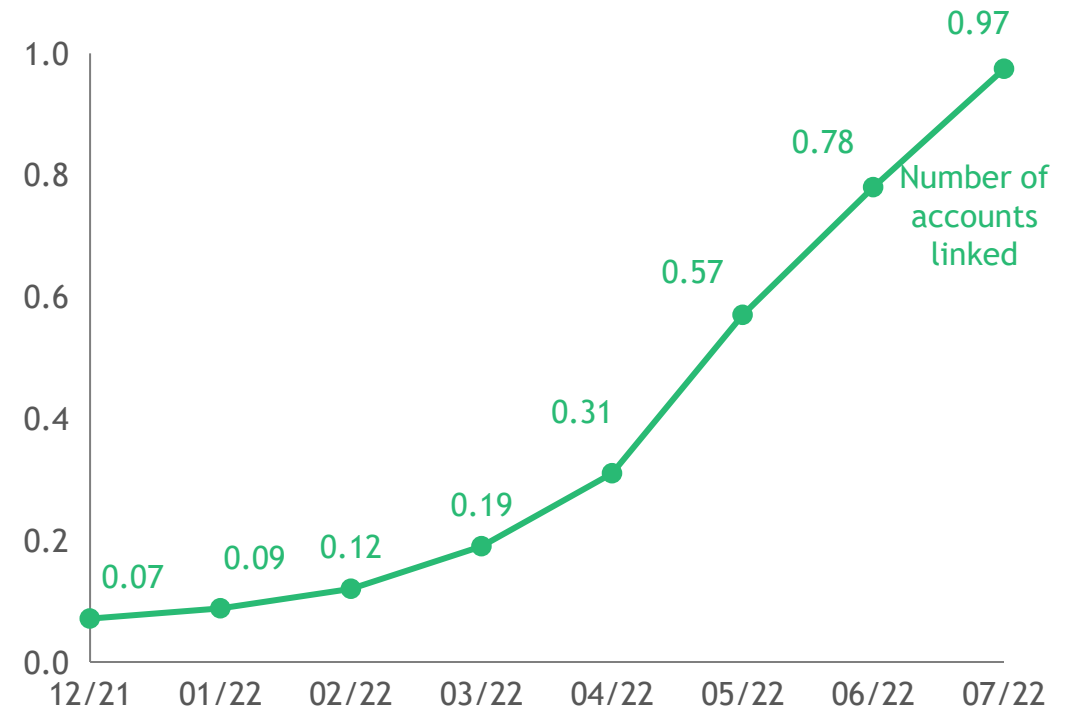
Account Aggregator ecosystem is finally off the ground with 1 billion live accounts and 1 million already linked

Number of accounts live (in Million)



Number of consent requests successfully fulfilled

Number of accounts linked (In Million)



Banking sector overview

Macro Indicators

Business: Advances & Deposits

Key Performance Indicators

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 Key Regulatory Measures

Quarterly Player Performance



Key Recent Regulatory Measures



Establishment of Digital Banking Units

The RBI has permitted the establishment of Digital Banking Units by commercial banks. This was done to **increase the digital delivery of financial services** by banks



Linking of UPI to Credit Cards

The RBI allowed UPI Payments to be made through Credit Cards **using the RuPay payment network**. The same has been proposed to increase the digitization of transactions in India



Interoperable Cardless Cash Withdrawal Feature

To facilitate integration of ATMs and UPI, all ATM Networks may now provide the ICCW feature. The same shall be processed without the levying of any charges other than Customer charges and Interchange fees



Lending to NBFCs for on-lending to Priority Sectors

This regulation **permits lending** of up to 5% for commercial banks and 10% for Small Finance Banks **of their total priority sector lending amount to NBFCs**. SFBs can only lend to NBFC-MFIs with a Gross Loan Portfolio of up to 500 Crores. This regulation was rolled out to **continue the synergies** between the banking sector and NBFCs for smooth credit creation in the economy

Banking sector overview

Macro Indicators

Business: Advances & Deposits

Key Performance Indicators

NPA & Risk Management

Valuation

Digital in Banking

Key Regulatory Measures

 Quarterly Player Performance



Quarterly player performance (I/IV)

	Period	Net Advances		Deposits		CASA		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)	
		Rs Cr		Rs Cr		Ratio (%)									
HDFC BANK	Q1FY '23	14.0L	▲ 22%	16.0L	▲ 19%	46%	▼ 44 bps	4.0%	▼ 9 bps	41%	▲ 557 bps	1.3%	▼ 19 bps	1.9%	▲ 3 bps
	Q1FY '22	11.5L		13.5L		46%		4.1%		35%		1.5%		1.9%	
ICICI Bank	Q1FY '23	9.0L	▲ 21%	10.5L	▲ 13%	47%	▲ 96 bps	4.0%	▲ 30 bps	42%	▲ 190 bps	3.4%	▼ 174 bps	2.1%	▲ 53 bps
	Q1FY '22	7.4L		9.3L		46%		3.7%		40%		5.2%		1.6%	
AXIS BANK	Q1FY '23	7.0L	▲ 14%	8.0L	▲ 13%	43%	▲ 90 bps	3.5%	▲ 19 bps	52%	▲ 810 bps	2.8%	▼ 109 bps	1.5%	▲ 61 bps
	Q1FY '22	6.1L		7.1L		42%		3.3%		44%		3.9%		0.9%	
Kotak <small>Kotak Mahindra Bank</small>	Q1FY '23	2.8L	▲ 29%	3.2L	▲ 10%	58%	▼ 207 bps	4.6%	▲ 51 bps	53%	▲ 774 bps	2.2%	▼ 132 bps	2.0%	▲ 32 bps
	Q1FY '22	2.2L		2.9L		60%		4.1%		45%		3.6%		1.7%	
IndusInd Bank	Q1FY '23	2.5L	▲ 18%	3.0L	▲ 13%	43%	▲ 107 bps	1.5%	▼ 7 bps	78%	▲ 617 bps	2.4%	▼ 53 bps	1.6%	▲ 51 bps
	Q1FY '22	2.1L		2.7L		42%		1.6%		72%		2.9%		1.1%	
YES BANK	Q1FY '23	1.9L	▲ 14%	1.9L	▲ 18%	31%	▲ 338 bps	2.5%	▲ 38 bps	78%	▲ 986 bps	13.5%	▼ 215 bps	0.4%	▲ 11 bps
	Q1FY '22	1.6L		1.6L		27%		2.1%		68%		15.6%		0.3%	
IDBI BANK	Q1FY '23	1.4L	▲ 12%	2.3L	▲ 1%	56%	▲ 321 bps	3.4%	▼ 2 bps	43%	▲ 1114 bps	19.9%	▼ 281 bps	1.0%	▲ 21 bps
	Q1FY '22	1.2L		2.2L		52%		3.4%		32%		22.7%		0.8%	
IDFC FIRST Bank	Q1FY '23	1.3L	▲ 22%	1.1L	▲ 24%	50%	▼ 82 bps	6.0%	▲ 49 bps	74%	▲ 670 bps	3.4%	▼ 125 bps	1.0%	▲ 260 bps
	Q1FY '22	1.1L		0.9L		51%		5.5%		67%		4.6%		-1.6%	
Bandhan Bank	Q1FY '23	0.9L	▲ 22%	0.9L	▲ 20%	43%	▲ 26 bps	8.0%	▼ 16 bps	36%	▲ 765 bps	7.3%	▼ 93 bps	2.8%	▲ 138 bps
	Q1FY '22	0.7L		0.8L		43%		8.2%		28%		8.2%		1.4%	
RBL BANK	Q1FY '23	0.6L	▲ 7%	0.8L	▲ 6%	36%	▲ 230 bps	4.0%	▲ 9 bps	68%	▲ 1497 bps	4.1%	▼ 91 bps	0.8%	▲ 261 bps
	Q1FY '22	0.6L		0.7L		34%		3.9%		53%		5.0%		-1.8%	

1. RoA and NIM are calculated as % of average assets 2. CIR is calculated as Opex by Total Income (NII + Other Income)
Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Quarterly player performance (II/IV)

	Period	Net Advances		Deposits		CASA		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)	
		Rs Cr		Rs Cr		Ratio (%)									
SBI	Q1FY '23	28.2L	▲ 16%	40.5L	▲ 9%	46%	▼ 64 bps	2.6%	▲ 6 bps	62%	▲ 1005 bps	3.9%	▼ 141	0.5%	▼ 9 bps
	Q1FY '22	24.3L		37.2L		46%		2.5%		52%		5.3%		0.6%	
PNB	Q1FY '23	7.4L	▲ 12%	11.4L	▲ 4%	45%	▲ 106 bps	2.3%	▲ 2 bps	47%	▲ 418 bps	11.3%	▼ 306	0.1%	▼ 23 bps
	Q1FY '22	6.6L		11.0L		44%		2.3%		42%		14.3%		0.3%	
बैंक ऑफ बड़ोदा Bank of Baroda	Q1FY '23	8.0L	▲ 20%	10.3L	▲ 11%	44%	▲ 96 bps	2.9%	▲ 14 bps	55%	▲ 689 bps	6.3%	▼ 260	0.7%	▲ 29 bps
	Q1FY '22	6.7L		9.3L		43%		2.8%		48%		8.9%		0.4%	
केनरा बैंक Canara Bank	Q1FY '23	7.5L	▲ 15%	11.2L	▲ 9%	34%	▼ 183 bps	2.2%	▲ 0 bps	45%	▼ 210 bps	7.0%	▼ 152	0.7%	▲ 24 bps
	Q1FY '22	6.5L		10.2L		36%		2.2%		47%		8.5%		0.4%	
यूनियन बैंक Union Bank	Q1FY '23	6.8L	▲ 16%	9.9L	▲ 9%	36%	▼ 19 bps	2.7%	▲ 11 bps	48%	▲ 52 bps	10.2%	▼ 338	0.6%	▲ 12 bps
	Q1FY '22	5.8L		9.1L		36%		2.6%		47%		13.6%		0.4%	
Bank of India	Q1FY '23	4.4L	▲ 19%	6.4L	▲ 3%	38%	▼ 4 bps	2.2%	▲ 48 bps	58%	▲ 853 bps	9.3%	▼ 421	0.3%	▼ 9 bps
	Q1FY '22	3.7L		6.2L		38%		1.7%		50%		13.5%		0.4%	
इंडियन बैंक Indian Bank	Q1FY '23	4.3L	▲ 9%	5.8L	▲ 8%	41%	▼ 17 bps	2.8%	▲ 15 bps	42%	▲ 68 bps	8.1%	▼ 156	0.8%	▼ 4 bps
	Q1FY '22	3.9L		5.4L		41%		2.7%		41%		9.7%		0.8%	
सेंट्रल बैंक ऑफ इंडिया Central Bank of India	Q1FY '23	1.7L	▲ 11%	3.4L	▲ 3%	50%	▼ 186 bps	2.2%	▼ 7 bps	59%	▲ 61 bps	14.9%	▼ 102	0.2%	▲ 2 bps
	Q1FY '22	1.6L		3.3L		51%		2.3%		58%		15.9%		0.2%	
Indian Overseas Bank	Q1FY '23	1.5L	▲ 20%	2.6L	▲ 7%	51%	▲ 186 bps	2.5%	▲ 25 bps	56%	▲ 1067 bps	9.1%	▼ 236	0.5%	▲ 7 bps
	Q1FY '22	1.3L		2.4L		49%		2.2%		46%		11.5%		0.5%	
यूको बैंक UCO BANK	Q1FY '23	1.2L	▲ 10%	2.3L	▲ 6%	39%	▲ 70 bps	2.6%	▲ 14 bps	72%	▲ 2307 bps	7.4%	▼ 195	0.2%	▲ 2 bps
	Q1FY '22	1.1L		2.1L		39%		2.4%		49%		9.4%		0.2%	
बैंक ऑफ महाराष्ट्र Bank of Maharashtra	Q1FY '23	1.4L	▲ 29%	2.0L	▲ 12%	56%	▲ 304 bps	3.1%	▲ 15 bps	40%	▼ 715 bps	3.7%	▼ 261	0.8%	▲ 39 bps
	Q1FY '22	1.1L		1.7L		53%		2.9%		47%		6.4%		0.4%	

1. RoA and NIM are calculated as % of average assets 2. CIR is calculated as Opex by Total Income (NII + Other Income)
Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Quarterly player performance (III/IV)

	Period	Net Advances		Deposits		CASA		NIM ¹ (%)		CIR ² (%)		GNPA (%)		ROA ¹ (%)	
		Rs Cr		Rs Cr		Ratio (%)									
Punjab & Sind Bank	Q1FY '23	0.7L	▲ 8%	1.0L	▲ 3%	34%	▲ 269 bps	2.4%	▲ 17 bps	69%	▲ 1176 bps	11.3%	▼ 199 bps	0.7%	▲ 2 bps
	Q1FY '22	0.6L		1.0L		31%		2.2%		58%		13.3%		0.7%	
FEDERAL BANK YOUR PERFECT BANKING PARTNER	Q1FY '23	1.5L	▲ 17%	1.8L	▲ 8%	37%	▲ 203 bps	3.0%	▲ 13 bps	53%	▲ 752 bps	2.7%	▼ 81 bps	1.1%	▲ 31 bps
	Q1FY '22	1.3L		1.7L		35%		3.1%		45%		3.5%		0.8%	
J&K Bank	Q1FY '23	0.7L	▲ 8%	1.1L	▲ 6%	56%	▼ 0 bps	3.3%	▲ 9 bps	70%	▲ 165 bps	9.1%	▼ 60 bps	0.5%	▲ 18 bps
	Q1FY '22	0.7L		1.1L		56%		3.4%		69%		9.7%		0.4%	
SOUTH INDIAN Bank	Q1FY '23	0.6L	▲ 11%	0.9L	▲ 4%	34%	▲ 399 bps	2.5%	▲ 20 bps	63%	▲ 1408 bps	5.9%	▼ 215 bps	0.5%	▲ 43 bps
	Q1FY '22	0.6L		0.8L		30%		2.3%		49%		8.0%		0.0%	
Karnataka Bank	Q1FY '23	0.6L	▲ 13%	0.8L	▲ 6%	67%	▲ 197 bps	3.0%	▲ 33 bps	50%	▲ 14 bps	4.0%	▼ 80 bps	0.5%	▲ 0 bps
	Q1FY '22	0.5L		0.8L		69%		2.7%		50%		4.8%		0.5%	
KVB Karur Vysya Bank Smart way to bank	Q1FY '23	0.6L	▲ 15%	0.7L	▲ 11%	36%	▲ 118 bps	3.8%	▲ 22 bps	50%	▼ 135 bps	5.2%	▼ 276 bps	1.2%	▲ 55 bps
	Q1FY '22	0.5L		0.6L		35%		3.6%		51%		8.0%		0.6%	
CITY UNION BANK	Q1FY '23	0.4L	▲ 12%	0.5L	▲ 9%	32%	▲ 398 bps	3.6%	▲ 14 bps	40%	▼ 82 bps	4.7%	▼ 94 bps	1.6%	▲ 21 bps
	Q1FY '22	0.4L		0.4L		28%		3.5%		41%		5.6%		1.4%	
DCB BANK	Q1FY '23	0.3L	▲ 18%	0.4L	▲ 15%	29%	▲ 688 bps	3.5%	▲ 35 bps	64%	▲ 1141 bps	4.2%	▼ 70 bps	0.9%	▲ 56 bps
	Q1FY '22	0.3L		0.3L		22%		3.1%		53%		4.9%		0.3%	
CSB Bank Formerly The Catholic Syrian Bank Ltd.	Q1FY '23	0.2L	▲ 17%	0.2L	▲ 9%	35%	▲ 203 bps	5.2%	▲ 50 bps	58%	▲ 922 bps	1.8%	▼ 309 bps	1.9%	▲ 48 bps
	Q1FY '22	0.1L		0.2L		33%		4.7%		48%		4.9%		1.1%	
Dhanlaxmi Bank	Q1FY '23	0.1L	▲ 28%	0.1L	▲ 8%	33%	▼ 2 bps	3.5%	▲ 100 bps	105%	▲ 2020 bps	6.4%	▼ 292 bps	-0.8%	▼ 99 bps
	Q1FY '22	0.1L		0.1L		33%		2.5%		85%		9.3%		0.2%	

1. RoA and NIM are calculated as % of average assets 2. CIR is calculated as Opex by Total Income (NII + Other Income)
Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year



Quarterly player performance (IV/IV)

Small Finance Banks

	Period	Net Advances Rs Cr	Deposits Rs Cr	CASA Ratio (%)	NIM ¹ (%)	CIR ² (%)	GNPA (%)	ROA ¹ (%)
	Q1FY '23	0.5L ▲ 43%	0.5L ▲ 48%	40% ▲ 1288 bps	6.4% ▲ 32 bps	65% ▲ 1661 bps	2.0% ▼ 235 bps	1.8% ▲ 5 bps
	Q1FY '22	0.3L	0.4L	27%	6.1%	49%	4.3%	1.7%
	Q1FY '23	0.2L ▲ 122%	0.2L ▲ 19%	52% ▲ 1183 bps	8.7% ▲ 66 bps	62% ▼ 846 bps	4.1% ▼ 66 bps	1.5% ▲ 125 bps
	Q1FY '22	0.2L	0.2L	40%	8.0%	71%	4.8%	0.2%
	Q1FY '23	0.2L ▲ 24%	0.2L ▲ 35%	28% ▲ 766 bps	11.0% ▲ 306 bps	61% ▼ 383 bps	6.5% ▼ 328 bps	3.7% ▲ 850 bps
	Q1FY '22	0.1L	0.1L	20%	7.9%	65%	9.8%	-4.8%
	Q1FY '23	0.0L ▲ 28%	0.0L ▲ 21%	20% ▲ 414 bps	9.3% ▲ 140 bps	58% ▼ 521 bps	10.0% ▲ 51 bps	0.4% ▲ 345 bps
	Q1FY '22	0.0L	0.0L	16%	7.9%	63%	9.5%	-3.0%

1. RoA and NIM are calculated as % of average assets 2. CIR is calculated as Opex by Total Income (NII + Other Income)
 Source: RBI; Capitaline; Press releases; BCG analysis

xxx Change vs. last year

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