

10th Jan 2022

Banking & NBFC Sector Q3FY22 Preview

Credit growth gaining momentum; Earnings expected to remain healthy

Stocks und	der coverage
HDFC Bank	
Rating	Accumulate
TP (INR)	1,935
FY24E P/BV	2.8>
ICICI Bank	
Rating	Buy
TP (INR)	942
FY24E P/BV	2.5>
Axis Bank	
Rating	Hold
TP (INR)	942
FY24E P/BV	1.5>
State Bank of India	
Rating	Buy
TP (INR)	689
FY24E P/BV	1.2>
Bandhan Bank	
Rating	Neutra
TP (INR)	296
FY24E P/BV	1.8x
IDFC First Bank	
Rating	Accumulate
TP (INR)	60
FY24E P/BV	1.1>
IndusInd Bank	
Rating	Accumulate
TP (INR)	1322
FY24E P/BV	1.1>
City Union Bank	
Rating	Accumulate
TP (INR)	189
FY24E P/BV	1.2>
DCB Bank	
Rating	Neutra
TP (INR)	95
FY24E P/BV	0.6>
CSB Bank	
Rating	Buy
TP (INR)	371
FY24E P/BV	1.3>
Manappuram Finance	
Rating	Hold
TP (INR)	219
FY24E P/BV	1.1>
Sundaram Finance	
Rating	Neutra
TP (INR)	2,592
FY24E P/BV	2.9×
Indostar Capital	2.37
Rating	Buy
TP (INR)	439
FY24E P/BV	0.7
Home First Finance	0.77
Rating	Accumulate
TP (INR)	938
II (IIVIV)	930

Raju Barnawal | raju.b@arihantcapital.com

022 6711 4870

With the rising pace of vaccination and pick up in economic activity, business outlook of the banks continues to improve and credit growth in the system picking up albeit gradually. Most of the retail segment showing healthy sign of revival with strong demand in Mortgage segment, Vehicle finance and unsecured loans. However, Corporate segment growth remain muted as capex cycle yet to revive fully.

Bank credit growth continues to be driven by retail: As per RBI's latest data, credit growth for the system improved to 7.3% YoY (As on 3rd Dec'21) as compared to 6.7% in Sep'21. The overall credit growth continues to be driven by retail segment and uptick in business activities coupled with a lower base. The credit of the retail/personal loans segment grew by 11.6% YoY in Nov' 21 (continued strong performance after registering growth of 12.1% in Sept'21 and 11.7% in Oct' 21) primarily on account of growth in other personal loans, housing, vehicles, and gold loans due to continued improvement in business activities post lockdowns, festive seasons and push for the retail credit by banks with conducting credit outreach programs. Corporate credit growth remained moderated due to delay in capex revival and unutilized credit limit. The provisional growth numbers for Q2FY22 reported by few banks have shown accelerating trends in the advances growth. On liability side, deposits growth of the sector stood at 9.3% (as on 3rd Dec'21) vs. flat in Sep'21. The outlook for bank credit growth is expected to be in the range of 8.0%-9.0% for FY22E with a low base effect, economic expansion, rise in capex (specially, capex for roads, renewables and PLI schemes and retail credit push on mortgage finance as well as small ticket lending.

Earnings momentum is expected to be healthy: We expect banks under our coverage to report strong 32% YoY/22% QoQ earnings growth on the back of 13% YoY/3% QoQ growth in NII followed by 12% YoY/8% QoQ growth in operating profit. Earnings to gain momentum led by increase in credit growth, healthy fee income and expectation of gradual reduction in credit cost. Margins to remain stable or slight compression can be expected.

Slippages to decline sequentially; Credit cost to moderate gradually: Slippages for the quarter expected to decline sequentially leading to improvement in asset quality coupled with better recovery trend. Slippages to be mainly from the Retail and SME segment while no major slippages is expected from the Corporate segment. No major addition expected in the restructuring portfolio. Management commentary on asset quality front would be the key monitorable, especially given the uncertainty around the third wave.

Outlook: With improvement in business outlook and pick up in economic activities, we believe loan growth of the bank to accelerate further and asset quality to witness improvement. However, severity of ongoing third wave to remain under watch. Commentary on the growth outlook, capex revival, and the margin outlook would be the key monitorable. We expect larger private sector banks continue to report better operational performance as compared to mid/small sector banks. We continue to remain positive on large private sector banks like HDFC Bank and ICICI Bank. SBI is our preferred pick in PSU space.

Q3FY22 Earnings Estimates Snapshot:

Name							
Mile	in Cr.	Q3FY22E	Q3FY21A	Q2FY22A	YoY	QoQ	Remarks
## PPPP	Axis Bank						
## PPPP	NII	8,043	7,373	7,900	9%	2%	Axis Bank is expected to post 9% YoY growth in NII while PPOP is
Stable at "3.7%, Loan growth is expected to linch up on 1.	PPOP	6.547			7%		, ,
Name			.,	-,-			
Street S	PAT	3,228	1,117	3,133	189%		= :
1986 1986	City Union Bank			2,227 3,259 20579 5705cquential 50575.			
PPOP	NII		489	478	8%	10%(CUB earnings expected to grew by 16% YoY. NII to increase by
Part 197 170 197 15%							
				103		±/0	reasury income
1,928 2,072	PAT	197	170	197	16%	0%	reasary meanic.
PPOP 1,921 1,914 1,549 0% 24% of 6,6% YOV, Credit cost of the bank expected to moderate companies of the previous quarter. Delinquencies number to the previous quarter. Delinquencies number to the previous quarter. Delinquencies number to the provious quarter. We was operating performance. 1	Bandhan Bank						
Compared to the previous quarter. Delinquencies number	NII	2,098	2,072	1,935	1%	8% E	Bandhan bank in its business update has reported AUM growth
PAT 478 633 3,009 24% NA would be the key things to watch.	PPOP	1,921	1,914	1,549	0%	24%	of 6.6% YoY. Credit cost of the bank expected to moderate
See						C	compared to the previous quarter. Delinquencies number
Signature	PAT	478	633	-3,009	-24%	NA	would be the key things to watch.
PPOP 203 277 175 -27% 165% expected to decline by 13 × VeY and lower non-interest income to the property of the property of the tollower treasury gains. We eyect PAT to decline ~20% YeV PAT 77 96 65 -20% 18% due to lower treasury gains. We eyect PAT to decline ~20% YeV POP 10,471 8,820 9,915 19% 65% PPOP growth of ~19% YeV, Net profit of the bank is expected to property of the pr	DCB Bank						
CLC Sank	NII	332	335	323	-1%	3% F	PPOP of the bank expected to decline by 27% YoY as NII
PAT 77 96 65 -209/ 188//duc to weak operating performance.	PPOP	203	277	175	-27%	16%€	expected to decline by 1% YoY and lower non-interest income
PAT 77 96 65 -209/ 188//duc to weak operating performance.						C	due to lower treasury gains. We expect PAT to decline ~20% YoY
11,894 9,912 11,690 20% 22% CIC Bank is expected to post another good quarter. We expected to post post another good quarter. We expected to post post post post of 19%	PAT	77	96	65	-20%		
PPOP 10,471 8,820 9,915 19% 65%PPOP growth of "19% YoV, Net profit of the bank is expected to increase by 16% YoV/4% QoQ. Loan growth is expected to increase by 16% YoV/4% QoQ. Loan growth is expected to the strong.	ICICI Bank		·				
PPOP 10,471 8,820 9,915 19% 65%PPOP growth of "19% YoV, Net profit of the bank is expected to increase by 16% YoV/4% QoQ. Loan growth is expected to increase by 16% YoV/4% QoQ. Loan growth is expected to the strong.	NII	11.894	9.912	11.690	20%	2%	CICI Bank is expected to post another good quarter. We expect
Increase by 16% YoY/4% QoQ. Loan growth is expected to							
Description		20, 17 2	0,020	3,323	2570		
DEC First Bank	PAT	5.726	4.940	5.511	16%		,
PPOP 733 661 693 11% 6% register a growth of 11% YOY/6% QoQ. Net profit of the bank is PPOP 733 661 693 11% 6% register a growth of 11% YOY/6% QoQ. Net profit of the bank is PPOP 736 74% expected to report an increase of 103% YOY.		57: 25	.,	5,5 ==			3.11d.11.50.01.6.
PPOP 733 661 693 11% 65%/register a growth of 11% YoY/6% QoQ. Net profit of the bank is PaT 264 130 152 103% 74%/expected to report an increase of 103% YoY.		2 365	1 744	2 272	36%	4%	All expected to be strong at 36% VoV PPoP is expected to
## PAT 264 130 152 103% 74% expected to report an increase of 103% YoV. HDFC Bank Will 18,086 16,318 17,684 11% 22% HDFC Bank in its business update has reported strong advance PPOP 16,524 15,186 15,807 9% 5% growth. Earnings growth expected to be at 14% YoV/13% QoO PPOP expected to increase by 9% YoV with NII growth of 119 PPOP expected to increase by 9% YoV with NII growth of 119 PPOP PROPER PPOP PROPER PPOP PROPER PPOP		-		-			
18,086 16,318 17,684 11% 2% HDFC Bank in its business update has reported strong advance PPOP 16,524 15,186 15,807 9% 5% 5% 67,000 PPOP expected to increase by 9% Yor with NII growth of 119 280 PPOP expected to increase by 9% Yor with NII growth of 119 13% Yor. Margins to remain stable at "4% 13							
18,086 16,318 17,684 11% 22% HDFC Bank in its business update has reported strong advance of the pop of 16,524 15,186 15,807 9% 5% growth. Earnings growth expected to be at 14% YoY/13% QoO PPOP expected to increase by 9% YoY with NII growth of 119 13% YoY. Margins to remain stable at "4%.		204	130	132	10370	7470	expected to report air increase or 103% ror.
PPOP 16,524 15,186 15,807 9% 5% growth. Earnings growth expected to be at 14% YoY/13% QoD PPOP expected to increase by 9% YoY with NII growth of 119 13% YoY. Margins to remain stable at ~4%. 13% YoY. So QoO 14% YoY growth in operating profit. NIM is expected to be in the range of 3-3.1%. Treasury income of the properties of the part of the		10.000	16 210	17.004	110/	20/	IDEC Book in the horizontal above and all the second and all the secon
PPOP expected to increase by 9% YoY with NII growth of 119 PPOP expected to increase by 9% YoY with NII growth of 119 PPOP expected to increase by 13% YoY/S Qof PPOP 19,837 17,333 18,079 14% 10% followed by 14% YoY growth in operating profit. NIM in expected to be in the range of 3·3.1%. Treasury income expected to be in the range of 3·3.1%. Treasury income expected to be in the range of 3·3.1%. Treasury income expected to be lower QoQ. PPOP 3,308 2,973 3,174 115% 4%+10% YoY. Profit is expected to increase by 46% YoY/12% QoQ Asset quality to remain under watch led by stress in MF 258 Bank WII 260 251 278 4% -7% CSB Bank reported healthy growth in advances led by non-gold popper 158 182 149 -13% 6% business. NII growth of the bank expected to be at 6% QoQ. Manappuram Finance WII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QoQ. NII growth in PPOP 648 731 580 -11% expected to de-grow by 7% YoY led by margin compression and the propoper of the propoper 158 182 149 -13% 6% business. NII growth of the bank expected to be at 6% QoQ. Manappuram Finance WII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QoQ. NII growth in PPOP 648 731 580 -11% expected to de-grow by 7% YoY led by margin compression commentary on gold loan demand and asset quality brown and the propoper of the propoper 158 182 149 -13% 6% business. NII growth of the bank expected to be at 6% QoQ. Manappuram Finance WII 612 538 608 14% 11% sundaram finance is expected to post NII growth in 200 PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM in 200 PPOP 88 77 50 15% 76% better side. Disbursements growth expected to be of PPOP 88 77 50 15% 76% better side. Disbursements growth expected to be of PPOP 154 29 60 89% -9% performance with strong growth in disbursements. Asset QPOP 54 29 60 89% -9% performance with strong growth in disbursements. Asset QPOP 54 29 60 89% -9% performance with strong growth in disbursements. Asset QPOP 54 40 166 45 152% -11% improvement in collection effi		-		-			
Section Sect	PPOP	16,524	15,186	15,807	9%		= = :
	DAT	0.073	0.750	0.024	1.40/		
NII 32,600 28,820 31,184 13% 5% NII of the bank is expected to increase by 13% YoY/5% QoC		9,972	0,/30	0,034	14%	13%	roy. Margins to remain stable at 4%.
PPOP 19,837 17,333 18,079 14% 10% followed by 14% YoY growth in operating profit. NIM in expected to be in the range of 3-3.1%. Treasury income appears of the property of the part of the property of the part of 3-3.1%. Treasury income appears of 4.10% of 9.10% of		22.500	20.020	24.404	420/	F0(
PAT 7,898 5,196 7,627 52% 4% expected to be in the range of 3-3.1%. Treasury income expected to be lower QoQ. Note							
PAT 7,898 5,196 7,627 52% 4% expected to be lower QoQ.	PPOP	19,837	17,333	18,079	14%		
Number 1909	DAT	7 000	F 106	7 627	F20/		· ·
NII 3,840 3,406 3,658 13% 5% IIB in its business update posted strong advances growth or PPOP 3,308 2,973 3,174 11% 4% +10% YOY. Profit is expected to increase by 46% YOY/12% QOO Asset quality to remain under watch led by stress in MF 1,249 853 1,114 46% 12% segment. NIM to remain stable at "4-4.1.%. CSB Bank VII 260 251 278 4% -7% CSB Bank reported healthy growth in advances led by non-gole PPOP 158 182 149 -13% 6% business. NII growth of the bank expected to be at 4% YOY ATT 86 53 119 63% -27% Operating profit expected to be at 6% QOQ. Manappuram Finance VII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QOQ. NII growth in PPOP 648 731 580 -11% 12% expected to de-grow by 7% YOY led by margin compression commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. Sundaram Finance VII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YOY PPOP 453 390 444 16% 2% followed by 16% YOY growth in operating profit. NIM is 20 20 21 1 19% 36% expected to remain largely stable. MOSTAT 288 242 211 19% 36% expected to remain largely stable. MOSTAT 38 52 81 58% 2% Company is expected to deliver another quarter of strong popper streets in the support of the support of the popper of the performance with strong growth in disbursements. Asset 18 29 60 89% 9% performance with strong growth in disbursement led by 16% of the performance of the company in the performance of the performance by 30% QOQ. Home First Finance VII 83 52 81 58% 2% Company is expected to deliver another quarter of strong quality is expected to remain improvement led by 16% of the performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements. As			5,196	7,027	52%	470	expected to be lower QoQ.
Asset quality to remain under watch led by stress in MF Asset quality to remain under watch led by stress in MF Asset quality to remain under watch led by stress in MF Asset quality to remain under watch led by stress in MF Asset quality to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 1,249 853 1,114 46% 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain under watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain tunder watch led by stress in MF 12% segment. NIM to remain stable at "4-4.1%. Asset quality to remain tunder watch led by stress in MF 12% of the NIM to remain stable at "4-4.1%. Asset quality is expected to deliver another quarter of strong quality is expected to report marginal improvement led by particular and the post particular and the			2.405	2.550	120/	F0(
Asset quality to remain under watch led by stress in MF DAT 1,249 853 1,114 46% 12% segment. NIM to remain stable at ~4-4.1%. SEB Bank WII 260 251 278 4% -7% CSB Bank reported healthy growth in advances led by non-gold business. NII growth of the bank expected to be at 4% YOY DAT 86 53 119 63% -27% Operating profit expected to be at 6% QoQ. Wanappuram Finance WII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QoQ. NII growth in 2POP 648 731 580 -11% 12% expected to de-grow by 7% YOY led by margin compression Commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. Sundaram Finance WII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YOY POP 453 390 444 16% 2% followed by 16% YOY growth in operating profit. NIM is 2POP 453 390 444 16% 2% followed by 16% YOY growth in operating profit. NIM is 2POP 88 242 211 19% 36% expected to remain largely stable. **NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or 2POP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong POP 54 29 60 89% -9% performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by 2POP 40 16 45 152% -11% improvement in collection efficiency.							, ,
PAT 1,249 853 1,114 46% 12% segment. NIM to remain stable at ~4-4.1%. PSB Bank 260 251 278 4% -7% CSB Bank reported healthy growth in advances led by non-gold pPOP 158 182 149 -13% 6% business. NII growth of the bank expected to be at 4% YoY OPERATOR 190 1	PPOP	3,308	2,973	3,174	11%		· · · · · · · · · · · · · · · · · · ·
CSB Bank VIII 260 251 278 4% -7% CSB Bank reported healthy growth in advances led by non-gold popper 158 182 149 -13% 6% business. NII growth of the bank expected to be at 4% YoY 270 270 270 270 270 270 270 270 270 270		4 2 4 2	252		450/		· · · · · · · · · · · · · · · · · · ·
NII 260 251 278 4% -7% CSB Bank reported healthy growth in advances led by non-gold pPOP 158 182 149 -13% 6% business. NII growth of the bank expected to be at 4% YoY PAT 86 53 119 63% -27% Operating profit expected to be at 6% QoQ. Manappuram Finance NII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QoQ. NII growth in PPOP 648 731 580 -11% 12% expected to de-grow by 7% YoY led by margin compression Commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YoY PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is 284 242 211 19% 36% expected to remain largely stable. Indostar Capital Finance NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or 2POP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong 2PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong 2POP 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 2PAT 40 16 45 152% -11% improvement in collection efficiency.		1,249	853	1,114	46%	12%	segment. NIM to remain stable at ~4-4.1%.
PPOP 158 182 149 -13% 6% business. NII growth of the bank expected to be at 4% YoY PPAT 86 53 119 63% -27% Operating profit expected to be at 6% QoQ. Manappuram Finance NII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QoQ. NII growth in 2PPOP 648 731 580 -11% 12% expected to de-grow by 7% YoY led by margin compression commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YoY PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is 288 242 211 19% 36% expected to remain largely stable. Indostar Capital Finance NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or 2POP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong 2PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong 2POP 54 29 60 89% -9% performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by 2PAT 40 16 45 152% -11% improvement in collection efficiency.							
PAT 86 53 119 63% -27% Operating profit expected to be at 6% QoQ. Manappuram Finance NII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QoQ. NII growth in PPOP 648 731 580 -11% 12% expected to de-grow by 7% YoY led by margin compression commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. PAT 412 482 370 -15% 11% performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YoW PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is performance in MFI would be the key monitorable. PAT 288 242 211 19% 36% expected to remain largely stable. PPOP 88 77 50 15% 76% better side. Disbursements growth expected to be or performance of the company is expected to remain strong the performance by 30% QoQ. PHOME First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong profit with strong growth in disbursements. Assequality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 16% of the performance with strong growth in disbursements.							
Manappuram Finance NII 1,013 1,087 1,040 -7% -3% PPOP of the NBFC expected to grow by 12% QoQ. NII growth in PPOP 648 731 580 -11% 12% expected to de-grow by 7% YoY led by margin compression Commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. PAT 412 482 370 -15% 11% performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YoY PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is part 1 288 242 211 19% 36% expected to remain largely stable. PPOP 88 77 50 15% 76% better side. Disbursements growth expected to be or PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong better side. Disbursements growth expected to remain strong PPOP 54 29 60 89% -9% performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by 15% 14% improvement in collection efficiency.	PPOP						·
PPOP 648 731 580 -11% 12% expected to de-grow by 12% QoQ. NII growth in PPOP 648 731 580 -11% 12% expected to de-grow by 7% YoY led by margin compression Commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YoY POP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is PAT 288 242 211 19% 36% expected to remain largely stable. POPOP 88 277 50 15% 76% better side. Disbursements growth expected to remain strong Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by improvement in collection efficiency.	PAT		53	119	63%	-27%	Operating profit expected to be at 6% QoQ.
PPOP 648 731 580 -11% 12% expected to de-grow by 7% YoY led by margin compression Commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% YoY PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong PPOP 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by improvement in collection efficiency.	Manappuram Fi						
Commentary on gold loan demand and asset quality performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% Yo' performance in MFI would be the key monitorable. PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is performance in MFI would be the key monitorable. PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is performance in MFI would be the key monitorable. PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is performance in MFI would be the key monitorable. PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is performance with strong profit. NIM is performance of the company is expected to be on performance with strong growth expected to remain strong performance. NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to remain strong performance with strong growth expected to remain strong performance. NII 30% Earnings expected to deliver another quarter of strong performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by performance with strong growth in disbursements. Asset quality is expected to report marginal improvement led by performance with strong growth in disbursements.	NII	1,013	1,087	1,040	-7%		
PAT 412 482 370 -15% 11% performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% Yo' PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is expected to remain largely stable. PAT 288 242 211 19% 36% expected to remain largely stable. NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong PPOP 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 11% improvement in collection efficiency.	PPOP	648	731	580	-11%		
PAT 412 482 370 -15% 11% performance in MFI would be the key monitorable. Sundaram Finance NII 612 538 608 14% 1% Sundaram finance is expected to post NII growth of 14% Yo' PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is expected to remain largely stable. PAT 288 242 211 19% 36% expected to remain largely stable. NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong PPOP 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 11% improvement in collection efficiency.						(Commentary on gold loan demand and asset quality
POP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is 288 242 211 19% 36% expected to remain largely stable. POP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong POP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong pop 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by a company in the province of the company is expected to be or pop 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company is expected to report marginal improvement led by a company in the company is expected to report marginal improvement led by a company in the company is expected to report marginal improvement led by a company in the company is expected to report marginal improvement led by a company in the company is expected to	PAT	412	482	370	-15%	11%	performance in MFI would be the key monitorable.
PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is 28T 288 242 211 19% 36% expected to remain largely stable. Indostar Capital Finance NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or 2POP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong POP 54 29 60 89% -9% performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by 2PAT 40 16 45 152% -11% improvement in collection efficiency.	Sundaram Finan	ce					
PPOP 453 390 444 16% 2% followed by 16% YoY growth in operating profit. NIM is 28T 288 242 211 19% 36% expected to remain largely stable. Indostar Capital Finance NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or 2POP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong POP 54 29 60 89% -9% performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by 2PAT 40 16 45 152% -11% improvement in collection efficiency.	NII	612	538	608	14%	1%	Sundaram finance is expected to post NII growth of 14% YoY
ndostar Capital Finance NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by a performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by a performance with strong growth in disbursements.	PPOP	453	390	444	16%		
ndostar Capital Finance NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by a performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by a performance with strong growth in disbursements.	PAT	288	242	211	19%	36%	expected to remain largely stable.
NII 182 155 147 17% 23% Q3FY22 performance of the company is expected to be or PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong PPOP 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by 150 150 150 150 150 150 150 150 150 150	Indostar Capital	Finance					
PPOP 88 77 50 15% 76% better side. Disbursements growth expected to remain strong PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by PAT 40 16 45 152% -11% improvement in collection efficiency.	NII		155	147	17%	23%(Q3FY22 performance of the company is expected to be on
PAT 51 24 39 111% 30% Earnings expected to increase by 30% QoQ. Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by PAT 40 16 45 152% -11% improvement in collection efficiency.	PPOP						
Home First Finance NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong property of the property of t							· .
NII 83 52 81 58% 2% Company is expected to deliver another quarter of strong PPOP 54 29 60 89% -9% performance with strong growth in disbursements. Asse quality is expected to report marginal improvement led by PAT 40 16 45 152% -11% improvement in collection efficiency.			24	39	11170	30%	2 - h
PPOP 54 29 60 89% -9% performance with strong growth in disbursements. Assequality is expected to report marginal improvement led by PAT 40 16 45 152% -11% improvement in collection efficiency.			F2	01	E00/	20/	Company is expected to deliver enother sucretor of the company
quality is expected to report marginal improvement led by -11% improvement in collection efficiency.							
PAT 40 16 45 152% -11% improvement in collection efficiency.	PPUP	54	29	60	89%		
·	DAT	40	1.0	45	1530/		
			16	45	152%	-11%i	mprovement in collection efficiency.

Source: Arihant Research

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel.: 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park	
Building No. 10, 1 st Floor	Arihant House
Andheri Ghatkopar Link Road	E-5 Ratlam Kothi
Chakala, Andheri (E)	Indore - 452003, (M.P.)
Mumbai – 400093	Tel: (91-731) 3016100
Tel: (91-22) 42254800	Fax: (91-731) 3016199
Fax: (91-22) 42254880	

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital. com

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd. 1011, Solitaire Corporate park, Building No. 10, 1st Floor, Andheri Ghatkopar Link Road, Chakala, Andheri (E) Tel. 022-42254800Fax. 022-42254880