Fundamentals Firm, Valuations Now More Compelling

The Year So Far: 9MFY26 Performance Recap

Over 9MFY26, the sector presented two distinct narratives for banks and NBFCs. Phase 1 proved challenging, with headwinds largely playing out over H1FY26 and was characterised by slower disbursement and loan growth, deposit mobilisation pressures for banks, squeezed margins given RBI repo rate cuts, and elevated stress in the unsecured lending segments. However, Phase 2, which began unfolding in Q3, was meaningfully better with most banks and NBFCs reporting an earnings surprise aided by gradually moderating credit costs as unsecured segment stress ebbed, the ability to maintain NIMs despite rate cuts in Dec'25 (though only partial impact was visible), continuous asset quality improvement, and a decisive credit growth recovery. **This paved the way for the sector marching towards margin stabilisation, improving asset quality and expectations of reversing earnings trajectory from Q4FY26 onwards, thereby setting a stronger base for FY27 growth.**

What Does the West Asia War Mean for Banks and NBFCs?

Bank Nifty has corrected 15% from the start of the West Asia war on 28th February 2026, till date. Within the banking pack, PSU Banks have seen a slightly higher correction vs their private peers, as has been the case during several other market corrections historically. The NIFTY PSU Bank index has corrected 16% vs the NIFTY Private Bank index, which slid 14.5% over the same period.

From a macro perspective, the war resulted in Brent surging sharply from $73/barrel pre-war to reaching a high of ~$120/barrel and now hovering around $113-115/barrel, a meaningful spike of ~50+%. As highlighted in our previous report, a sharp spike in oil prices can have a cascading impact on (i) Inflation, (ii) GDP Growth, (iii) Current Account Deficit, (iv) Currency, and (v) Bond yields. **Every $10/barrel increase in crude oil raises India's current account deficit (CAD) by 35-50 bps of GDP, adds 20-25 bps to headline CPI inflation (via fuel and transport costs), dampens GDP growth by 15-20 bps, and exerts depreciation pressure on the rupee.**

From an operational perspective for banks and NBFCs, a prolonged war would keep oil prices higher, causing growth derailment with demand-led headwinds surfacing. Corporate capex plans, especially for oil-sensitive sectors, could be deferred. **MSME borrowers** remain exposed to the **risk of rising input cost inflation and supply chain disruptions** that could **dent their margins**. Furthermore, the ongoing West Asia conflict also poses near-term risks to the CV demand cycle led by potential domestic disruptions. In a scenario of an extended war, **higher inflation** would **result in narrowing the room for any potential rate cut the RBI would have otherwise undertaken**. Intense competition amongst banks for deposits to support the buoyancy in credit growth could result in CoF being driven higher, thereby hurting margins for lenders. Furthermore, we see **near-term pressure on treasury income for PSU Banks given the rising G-Sec yields**.

Sector Valuation Comfort Post Sharp Correction; Remain Selective

As highlighted in RBI's latest print (as of 28th February, 2026), the credit growth momentum has continued to remain healthy, with systemic credit growth at 14.5% YoY and deposit growth lagging credit growth at 12% YoY.

Presently, we would remain watchful of retail-led granular deposit mobilisation ability of banks at competitive rates to support the strong credit growth and their resultant impact on NIMs. We favour banks with superior liability franchises and healthy CASA ratios and deposit granularity. Resultantly, we **maintain a constructive outlook on the banking sector with valuations turning attractive post the sharp correction for most private banks, especially the larger names**. Asset quality remains a position of strength, with credit costs trend remaining benign and near-term impact of the conflict on asset quality being largely insignificant. We adopt a nuanced stance on the NBFC sector, and take a **selective preference towards financiers with attractive valuations, adequate capitalisation and healthy growth visibility**.

However, for both banks and NBFCs, we remain vigilant regarding the pressures posed by the geopolitical headwinds in West Asia, which could disrupt growth momentum, impact NIMs and weigh on the asset quality of lenders.

Our preferred picks are:
Banks: ICICI Bank, Kotak Mahindra Bank, State Bank of India, Federal Bank, AU Small Finance Bank, and Ujjivan Small Finance Bank
NBFCs: Shriram Finance, Bajaj Finance, and Can Fin Homes

Best BUYs – BFSI

	CMP (Rs)	TP (Rs)	Upside
BANKS			
ICICIBANK	1,223	1,700	39%
KOTAKBANK	356	515	45%
SBIN	1,032	1,350	31%
FEDERALBNK	254	320	26%
AUBANK	850	1,160	37%
UJJIVANSFB	51	74	45%
NBFCs			
BAJFINANCE	812	1,150	42%
SHRIRAMFIN	878	1,200	37%
CANFINHOME	824	1,125	37%

CMP as on 23rd March, 2026

Dnyanada Vaidya
Research Analyst
Email: dnyanada.vaidya@axissecurities.in

Abhishek Pandya
Research Associate
Email: abhishek.pandya@axissecurities.in

Exhibit 1: NIFTY and BANK NIFTY Movement Post Disruptive Events

Crisis / Event	Year of Event	NIFTY 50 Correction	NIFTY BANK Correction	Recovery from Low to Pre-Crisis Level	1-Year Return from Lows	Trigger for Recovery
Demonetization	2016	−8%	−10%	~1 month	+33%	Cash-To-Digital Shift RBI Rate Cuts
IL&FS Crisis	2018-19	−14%	−15%	~5 months	+17%	RBI Liquidity Support NBFC Clean-Up
COVID-19 Pandemic	2020	−38%	−48%	~9 months	+93%	RBI Moratoriums RBI Rate Cuts Vaccine Roll-Out
Russia-Ukraine War	2022	−11%	−14%	~2 months	+22%	FII Buying Returned SIPs Flow Momentum Strong
West Asia War	2026 (Ongoing)	−11%	−15%	TBD	TBD	**Oil Path and War Duration Remain Key Monitorables**

Source: Axis Securities Research *As on 23rd March, 2026

Banks: More Steam Left

Credit Growth Engine Revving-Up; Deposit Mobilisation Remains Monitorable

PSBs have been outpacing private banks in credit growth, largely driven by utilisation of surplus liquidity buffers rather than aggressively mobilising deposits, given that they are comfortable and better placed than private banks in terms of LDR. On the other hand, the larger private banks pursued calibrated credit growth with incremental focus on granular retail deposits. In 9MFY26, PSBs credit growth outpaced deposit growth, with advances growing by 14% YoY vs private banks (incl. SFBs) reporting a modest 10% YoY growth. Resultantly, **PSB gained market share in terms of advances, which stood at 54.4% vs 53.5% YoY, while Pvt banks lost market share which stood at 40.7% vs 41.5% YoY.**

Within our coverage universe, in Q3, banks (incl. SFBs) delivered credit growth of 13/5% YoY/QoQ, with growth being broad-based. During the quarter, PSU Banks under our coverage reported credit growth (+13/4% YoY/QoQ), outpacing larger private banks (+11/3% YoY/QoQ). SFBs witnessed a strong resumption in growth (+22/7% YoY/QoQ) as unsecured segments resumed growth, while growth in the secured segments continued to remain buoyant. Credit growth was mainly driven by the Retail (largely Home Loans, LAP, Gold) and secured SME segments, while corporate loans showed gradual signs of revival. The outlook in the unsecured segments turned optimistic, with lenders indicating better disbursement momentum going into Q4 and growth picking up meaningfully from FY27 onwards.

After an improved visibility on growth with a steady recovery across most key segments, managements appeared upbeat about growth momentum remaining strong going ahead, supported by (i) Consumption Demand driven by GST Rate Rationalisation and tax rate cut, (ii) Persistent demand in the retail secured segments, and (iii) Demand recovery in the unsecured segments. **We pencil in 15% CAGR credit growth over FY26-28E for our coverage universe banks, with private banks (16% CAGR) outperforming PSBs (14% CAGR)**. Deposit growth is expected to lag credit growth marginally, settling at 14% CAGR over FY26-28E, with banks maintaining slightly higher LDRs.

PSU Banks continue to gain market share with comfortable LDRs, enabling faster credit growth.

Credit growth prospects appear buoyant, supported by improving consumption demand in secured retail segments and demand pick-up in unsecured segments.

Immediate impact on the war seems manageable, though medium-term impact could be threatening if the war is prolonged.

However, if the ongoing West Asia conflict is prolonged, it poses a threat to our medium term estimates. The corporate capex cycle faces a reset, with elevated input costs and demand uncertainty making capex commitments risk-prone. Risk arises primarily from oil-sensitive segments such as chemicals, plastics, fertilisers, logistics, aviation and tourism. Moreover, MSME borrowers would tend to face higher input costs, eating up their margins.

Risk from International Exposure

Multiple banks maintain active international operations to the West Asian countries. Indian banks' exposure to West Asia likely remains modest on the asset side, but they remain exposed via remittances and NRI deposits on the liability side. The ongoing conflict presents **risks through trade finance disruptions, currency volatility, and potential moderation in remittance inflows** for banks.

Deposit Mobilisation Remains Key Amidst Tough Competition

Deposit growth remains the binding constraint on credit expansion. System deposit growth has ranged between 9-12% YoY over the past few quarters, and continues to lag credit growth. **Pvt banks focused on granular retail-led deposit growth, resulting in a modest market share expansion to 36.1% in Q3 vs 35.9% YoY, while PSB deposit market share was down marginally at 57.5% vs 57.8% YoY, with the deposit growth gap between pvt and PSBs clearly narrowing, thereby enabling PSBs to largely defend their deposit market share**.

PSU Banks are able to defend their deposit market share, with private banks' deposit growth remaining soft.

LDR to remain slightly elevated over FY26-28E.

Prefer banks with a strong Liability Franchise.

In Q3, deposit growth during the quarter lagged credit growth, driving LDR higher**.** Our coverage banks delivered a deposit growth of 11/2% YoY/QoQ in Q3, primarily driven by healthy growth in TDs, while CASA deposit mobilisation was soft, driving CASA ratios lower. Banks have been trying to optimise their deposit mix in order to augment CoF by decreasing dependence on higher-cost bulk deposits while prioritising and working on improving average CASA balances.

Given the expectations of strong credit growth acceleration, deposit mobilisation remains a key lever to support this growth. Especially in a scenario where deposit competition remains fierce, banks with weaker liability franchises are likely to face incremental pressure.

We would prefer banks with a strong liability franchise which are predominantly retail-led and granular, with lower dependence on higher cost bulk deposits. We believe **systemic deposit growth is likely to remain 100-150 bps lower than credit growth, and similar trends will be seen within our coverage universe, with deposit growth settling at ~14% CAGR vs ~15% credit growth over FY26-28E**. We anticipate LDRs for banks under our coverage (incl SFBs) to remain range-bound between 86-88% over FY26-28E.

Navigating NIM Pressures

In Q3, NIM trends appeared divergent, with larger banks delivering stable NIMs, while their mid and small peers outperformed them, reporting healthy improvement. Going into Q4, we expect broadly steady NIMs for banks, with the impact of the Dec'25 rate cut yet to fully reflect; however, continued deposit repricing, albeit at a slower pace, is likely to support NIMs for banks.

The **risk to NIMs has started appearing as credit growth continues to outpace deposit growth**. Banks may be forced to raise TD rates to ensure deposit growth matches credit growth. Moreover, amidst elevated competitive intensity, increase in TD rates would possibly weigh on CASA deposit mobilisation. This would weigh on NIMs for banks resultantly.

Management commentary suggests range-bound margins for Q4, with the residual impact of the Dec'25 rate cut being partially offset by the repricing of deposits, albeit at a slower pace. Moreover, the rate cut transmission of the Dec'25 rate cut on deposits has not been initiated by banks, and thus, **further margin trajectory would be an outcome of residual deposit repricing in early FY27 (till Q1) and a meaningful pick-up in the better-yielding unsecured segments**, thereby aiding margins. **Private banks, especially mid-sized bank appear better placed to deliver a 15-30 bps NIM improvement over FY27-28E, while NIMs of PSBs are likely to steady over the same period**.

Q4 NIMs to range between remaining steady and marginally lower QoQ.

Going forward, the NIM trajectory would largely be an outcome of the ability to mobilise deposits and at what cost.

Asset Quality Trends Not Worrisome, So Far

The sector has entered the war crisis with a strong balance sheet and asset quality metrics at a multi-decade low, with PSBs continuing their strong performance on asset quality with controlled slippages and a healthy recovery pipeline. In Q3, slippages came off significantly, with the unsecured segment showing better collections and controlled forward flows. This can be credited to more stringent underwriting norms and tightening of credit filters. The stress in the unsecured portfolios has eased across most segments (MFI, CC, and PL) and geographies, with conclusively improving trends seen in collection and early bucket delinquencies. Asset quality in most secured portfolios (ex-retail CV) and corporate portfolios continues to hold up well.

With healthy collection trends sustaining and forward flows contained, credit costs are expected to continue to trend downwards, aiding earnings growth for banks. The optimism on MFI stress gradually declining and near-normalising is encouraging. The asset quality metrics in the secured portfolio continue to hold up well, apart from some stress cropping up in the retail-CV and smaller ticket size SME segments. Overall, a continued benign credit costs trajectory in the secured retail and corporate segments, along with improving trends in the unsecured portfolios, should drive credit costs lower over FY27-28E.

However, the escalation of the West Asia conflict could introduce a fresh set of concerns that could potentially disrupt this benign asset quality trajectory, with the impact being uneven across segments. MSME focused lenders face a compounded risk with rising input costs, supply chain disruptions, and weakening export demand to Gulf markets, likely putting pressure on cash flows of smaller export-oriented businesses, thereby pushing slippages higher for MSME-heavy lenders. Another area of concern could be through corporate exposures, wherein slippages from energy-sensitive sectors led by soaring input costs could derail asset quality improvement trend.

Asset quality in corporate and secured retail segments remains healthy; unsecured asset quality is on the mend.

Prolonged war poses a threat for asset quality of certain sectors, particularly MSMEs.

NBFCs: More Nuanced Story; Selective Approach is Key

Growth Led by Secured Segments

NBFC's lending landscape as of Q3FY26 presents a tale of resilience with disbursmeent momentum strong across most lenders, supported by GST 2.0 tailwinds, RBI rate cuts, and the festive season. Growth was largely led by secured products – housing, gold loans and vehicle loans, while lenders continued to maintain a disciplined, quality-first underwriting in unsecured segments. Gold loans emerged as the fastest-growing segment supported by lender caution in unsecured segments, along with a sharp rally in gold prices. The concerns around SME, especially unsecured SME, have persisted, compelling lenders to trim exposure to the segment.

Q3 was a strong quarter for most NBFCs, with growth supported by the festive season and GST rate rationalisation.

Home Loans remain fairly insulated within the fluid West Asia conflict scenario.

VF face risk of impact on demand for HCV/MCVs. VF lenders with diversified books remain better placed.

- **Home Loans**: At an industry level (as per CRIF report), the HL portfolio grew by 10.5/2% YoY/QoQ, with active loan volumes being stable, suggesting that growth was driven by higher average ticket sizes (ATS), likely supported by rate cuts. The market share dynamics have seen a striking structural shift towards PSBs, which have leveraged their lower CoF advantage. Private banks were the biggest losers, while HFCs have been able to defend their market share. Within our coverage universe, APTUS adopted a cautious approach of discontinuing smaller ticket size loans (<Rs 7 Lc) given the stress in the MFI and smaller ATS SME loans over the past couple of quarters, resulting in growth tempering down. On the other hand, CANF continues to see improving growth trends beyond core geographies and greenshoots visible in core geographies hinting at growth momentum reviving in the coming quarters. CANF remains focused on pursuing growth in the higher ticket sizes. **We do not believe the West Asia conflict would have a meaningful impact on housing AUM growth, as it does not directly alter the fundamental growth drivers**.
- **Vehicle Finance:** The vehicle financing segment delivered a strong quarter in terms of growth, backed by festive season sales and GST rationalisation. Vehicle Financiers are well poised to benefit from (1) Expectations around pick-up in infrastructure spending and economic activity, (2) Better rural cashflows, (3) Improved capacity utilisation of fleet, and (4) Demand boost from the GST rate rationalization in the new vehicle segment wherein they are focusing incrementally, enabling them to deliver a robust 20% CAGR growth over FY26-28E. **However, the West Asia conflict raises concerns around growth delivery for Vehicle financiers in the near term. As crude oil prices surge sharply, it could weigh on borrower profitability, thereby potentially delaying CV replacement and new fleet expansion cycles. It could further delay origination for HCVs, though we could witness a potential demand shift towards PVs and LCVs.**
- **Gold Loans** have been the fastest growing segment supported by positive movement in gold prices and lenders distancing themselves from unsecured lending amidst elevated asset quality concerns. Our under coverage Gold financier MANAPPURAM has consciously moved away from non-Gold loans – MFI, Vehicle Financing and is placing renewed focus on Gold Loans. Hereon, MANAPPURAM will focus on strengthening and growing its core gold loan business, making the segment its core growth engine, aided by improving ATS, while maintaining steady LTVs. **Gold prices have been extremely volatile during the West Asia conflict. However, an increase in gold prices expands gold loan collateral values proportionally, raising LTV headroom and enabling faster AUM growth without incremental credit risk**.

NIM Trends to Remain Divergent

In Q3, NIM improvement was visible across the board (with MANAPPURAM being an outlier), collectively aided by lower CoF, lower interest reversals, better growth in higher-yielding segments, and utilisation of excess liquidity. Continued borrowing repricing has aided margins so far for most financiers. However, with limited scope for further improvement in CoF in the absence of repo rate cuts, we see that **further margin improvement is likely to be constrained for most players**.

Any further NIM improvement should be driven by benefits flowing in from rating upgrades for SFL and support from the pricing hike taken by CAGRAMEEN. **We expect range-bound NIM delivery for NBFCs under our coverage, supported by improved growth in the better-yielding unsecured segments and declining slippages resulting in lower interest reversals, partially offset by a lack of scope for improvement in CoF**.

Furthermore, in the event of a prolonged West Asia war driving inflation higher, **it only narrows the chances of another rate cut or could prompt the RBI to reverse the rate cut cycle slightly earlier than anticipated. Furthermore, market borrowings could also turn expensive with yields on an upward trajectory. In such a case, NBFCs could face pressure in terms of margins.**

Prolonged war could weigh negatively on margins for lenders, with market borrowings turning expensive.

Asset Quality Trends Less Worrisome

In Q3, the concerns around the **asset quality of Microfinanciers continued to recede**, with normalisation trends gradually being visible and outlook turning positive as green shoots on collections and delinquency levels are visible across geographies. Asset Quality across lenders remained broadly steady and showed marginal improvement.

Asset quality appears to have peaked with improvement remaining broad-based, barring smaller ticket size SME loans. The worst for Microfinanciers and Credit Card Issuers is behind us, and we see light at the end of the credit costs tunnel. For vehicle and housing financiers, we expect gradual asset quality improvement driven by improved collections and contained slippages. **Normalisation of credit costs remains a key lever supporting earnings revival**. Going ahead, we will remain watchful of the asset quality trends, especially in the VF segment.

Valuations Turn Attractive

The larger pvt banks have de-rated sharply owing to underperformance on growth and currently trade at attractive valuations, while PSBs have outperformed and presently trade at or higher than longer term average P/BV. We believe post the sharp correction, valuations for the majority of banks have moved into a comfortable zone and offer healthy upside. However, among the larger private banks, we believe the re-rating for HDFCB has been pushed back, given the recent governance overhang. Certain mid and small-sized banks offer a good entry point with valuations trending lower than or at par with longer-term average P/BV, with growth outlook, strength of the deposit franchise, and asset quality improvement remain strong.

Banks

Company Name	Sep'27E P/BV	Long-term Average P/BV
HDFC Bank	1.8x	3.2x
ICICI Bank	2.3x	2.8x
Kotak Mahindra Bank	2.4x	4.7x
SBI	1.5x	1.5x
Bank of Baroda	0.8x	0.7x
City Union Bank	1.4x	1.5x
Federal Bank	1.4x	1.2x
DCB Bank	0.7x	0.8x
Bandhan Bank	0.8x	1.9x
IDFC First Bank	1.0x	1.3x
AU Small Finance Bank	2.6x	4.3x
Equitas SFB	0.9x	1.3x
Ujjivan SFB	1.2x	1.2x

Source: AceEquity, Axis Securities Research **CMP as on 23rd March, 2026

Amongst NBFCs, we would remain selective towards lenders with lower exposure to segments which would be potentially impacted by the West Asia War. Moreover, as valuations turn attractive, we prefer NBFCs with a diversified borrowing mix, strong AUM growth prospects and improving asset quality.

NBFCs

Company	Sep'27E P/BV	Long-term Average P/BV
Shriram Finance	1.8x	1.3x
Cholamandalam Inv & Fin	3.7x	4.2x
CreditAccess Grameen	1.9x	2.9x
Manappuram Finance	1.4x	1.4x
Aptus Value Housing	1.7x	4.9x
Can Fin Homes	1.5x	2.4x
MAS Financial	1.6x	2.9x
Bajaj Finance	3.5x	7.3x

Source: AceEquity, Axis Securities Research **CMP as on 23rd March, 2026

Valuation Metrics – Coverage Universe

	Current Reco	Target Price	RoA (%) FY26E	FY27E	FY28E	RoE (%) FY26E	FY27E	FY28E	P/E (x) Sep'27E	P/ABV (x) Sep'27E
Banks										
HDFC Bank	BUY	1,020	1.8%	1.9%	1.9%	13.8%	14.9%	15.4%	12.0	1.8
ICICI Bank	BUY	1,700	2.2%	2.3%	2.4%	15.6%	16.4%	16.6%	13.7	2.3
Kotak Mahindra Bank	BUY	515	1.9%	2.1%	2.1%	11.3%	12.5%	13.3%	19.0	2.4
State Bank of India	BUY	1,350	1.1%	1.1%	1.1%	16.5%	15.1%	14.8%	10.6	1.5
Bank of Baroda	BUY	360	1.0%	1.0%	1.0%	13.1%	13.1%	13.2%	5.9	0.8
Bandhan Bank	BUY	160	0.5%	1.2%	1.5%	4.0%	9.8%	13.4%	7.2	0.8
City Union Bank	BUY	360	1.6%	1.6%	1.6%	12.6%	13.1%	14.5%	10.3	1.4
DCB Bank	BUY	225	0.9%	1.0%	1.0%	11.4%	11.9%	14.2%	4.8	0.7
Federal Bank	BUY	320	1.1%	1.3%	1.4%	10.9%	12.9%	13.8%	11.2	1.4
IDFC First Bank	BUY	87	0.4%	1.0%	1.2%	3.7%	9.0%	11.7%	9.3	1.0
Small Finance Banks										
AU Small Finance Bank Ltd.	BUY	1,160	1.5%	1.7%	1.8%	14.0%	16.9%	18.4%	15.3	2.6
Equitas Small Finance Bank Ltd.	BUY	85	0.1%	1.1%	1.4%	0.8%	11.7%	14.8%	6.7	0.9
Ujjivan Small Finance Bank Ltd.	BUY	74	1.3%	1.7%	1.9%	10.4%	15.2%	17.6%	7.8	1.2

	Rating	TP	RoA (%) FY26E	FY27E	FY28E	RoE (%) FY26E	FY27E	FY28E	P/E (x) Sep'27E	P/ABV (x) Sep'27E
NBFCs										
Bajaj Finance	BUY	1,150	3.7%	3.9%	3.9%	18.2%	19.7%	20.7%	18.2	3.5
MAS Financial Services	BUY	425	2.8%	2.9%	2.9%	13.1%	14.7%	15.7%	10.6	1.6
Can Fin Homes	BUY	1,125	2.2%	2.1%	2.1%	17.3%	16.0%	16.0%	9.4	1.5
Aptus Value Housing Finance	BUY	350	7.6%	7.4%	7.2%	20.0%	20.6%	21.2%	8.3	1.7
Cholamandalam Investment & Finance Company	BUY	2,000	2.2%	2.4%	2.4%	19.2%	20.3%	20.3%	16.5	3.7
Shriram Finance	BUY	1,200	3.7%	3.2%	3.6%	18.6%	12.9%	12.6%	14.0	1.8
CreditAccess Grameen	BUY	1,585	2.4%	4.3%	4.4%	9.8%	18.0%	18.5%	10.7	1.9
Manappuram Finance	HOLD	295	1.3%	2.6%	2.8%	5.4%	11.2%	12.3%	11.5	1.4
SBI Cards and Payment Services	BUY	900	3.2%	4.2%	4.9%	14.8%	18.0%	20.5%	17.5	3.3

	Rating	TP	RoE (%) FY26E	FY27E	FY28E	Dividend Yield (%) FY26E	FY27E	FY28E	P/E (x) Sep'27E	P/ABV (x) Sep'27E
Diversified Financials										
Nippon Life India Asset Management	BUY	1,085	36.4%	41.0%	44.5%	2.5%	2.9%	3.4%	25.6	N.A

	Rating	TP	RoEV (%) FY26E	FY27E	FY28E	VNB Margin (%) FY26E	FY27E	FY28E	P/E (x) Sep'27E	P/EVPS Sep'27E
Life Insurers										
SBI Life Insurance Company	BUY	2,450	18.0%	18.2%	17.9%	27.4%	27.4%	27.4%	N.A	1.7

Source: Axis Securities Research *CMP as on 23rd March, 2026

DISCLAIMER:

Axis Direct is the brand under Axis Securities Limited, which is a 100% subsidiary of Axis Bank Limited. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks, and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with the Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances, please call us at 022-40508080 or write to us at helpdesk@axisdirect.in.

We hereby declare that our activities have neither been suspended nor have we defaulted with any stock exchange authority with whom we are registered in the last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories, etc. have conducted the routine inspection and based on their observations have issued advice/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in the normal course of business, as a Stock Broker/Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange/SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point in time.

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing.
By referring to any particular sector, Axis Securities does not provide any promise or assurance of a favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of RAASB (in case of RA's) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and/or the USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been clients during the twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without notice. The report and information contained herein are strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis for any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors, including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that the rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made, nor is its accuracy or completeness guaranteed. This report and information herein are solely for informational purposes and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and/or tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and the needs of the specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see the Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed a public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking, or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimise conflict in the preparation of research reports. Axis Securities or its associates, or its analysts, did not receive any compensation or other benefits from the companies mentioned in the report or a third party in connection with the preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and/or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm's length distance from the Research team, and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of the subject company(ies). Axis Securities or Research Analysts, or their relatives, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one per cent or more or other material conflicts of interest in various companies, including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report. Certain transactions-including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centre on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender/borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short positions in the above-mentioned scrip(s) and therefore may be considered as interested. This should not be construed as an invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independently of the PCG research, and accordingly, PMS may have positions contrary to the PCG research recommendation.

This research report is issued in India by Axis Securities Limited in accordance with the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. It is intended solely for persons residing in India. The report is not directed at or intended for distribution to, or use by, any person or entity resident in the United States of America, Canada, or in any jurisdiction where such distribution, publication, availability, or use would be contrary to applicable securities laws, including the U.S. Securities Exchange Act of 1934, regulations of the U.S. Securities and Exchange Commission (SEC), and regulations of the Canadian Securities Administrators (CSA).

RATING SCALE: Definitions of ratings

Ratings	**Expected absolute returns over 12 – 18 months**
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
NO STANCE	We do not have any forward-looking estimates, valuations or recommendations for the stock.

Note: Returns stated in the rating scale are our internal benchmark