

Banks - India

Deposit competition – rate hikes are back;
expect more NIM downgrades

Industry Overview

In this report, we look in detail at all the key deposit and lending rates offered by Indian banks. Detailed historical tables inside.

Deposit rates tighten across segment, tenures by 10-20 bp

After a brief period of discipline, deposit competition intensified again in the March qtr (seasonally the most important qtr). Private banks increased rates for both retail and bulk deposits by 10-25 bp (HDFC more aggressive in longer tenure). PSBs also upped their game with introduction of new FD packages. CD volumes also increased to a 10Y high with rates inching up to 8.2% levels. This likely means further NIM downgrades. With increased focus on LDR, it remains to be seen whether banks downgrade loan growth guidance. Stable asset quality remains the key silver lining.

Big 4 banks – Another round of hike for peak FD rates

Peak rates raised for retail and bulk FD – Big 4 banks have increased peak FD rates for both retail and bulk FD by upto 25 bps, now offering 7.2-7.4% for retail and 7.4-7.55% for bulk FD. Kotak continues to offer highest rate, 10-20 bps higher than peers.

HDFC introduced special rate for 540 days – HDFC has introduced special FD with 7.25% rate for 540 days vs for 3-5 yrs earlier (discontinued now), ICICI has introduced special scheme for senior citizen which is 5 bps higher at 7.75%.

Gradual MCLR revision continued, mortgage rate broadly flat – Big 4 banks have seen MCLR rate hike of 5-10 bps in last 1M/20 bps in 6M. Mortgage rate remains mostly stable, only HDFC saw ~20 bps increase.

PSBs –special FD schemes introduced for lower tenure

Special FD introduced/extended – Most PSBs have not revised FD rate but extended validity for ongoing special FD and introduced special rate for lower tenures. PSBs are offering 7.1-7.3% for 300-400 days schemes, which is still ~10-15 bps lower than big 4 pvt banks' peak rates. MCLR rate revision has been slower for SBI and BOB.

MSBs – limited FD rate revision as rates already high

Limited FD rate revision for MSBs is Feb-Mar'24 – MSBs has not seen meaningful rate hike in last 2 months but continues to offer 150-200 bps higher headline rate. BhB, RBL, Au and IIB have increased small SA rate by 40-90 bps in last 3M, offers 5-6% rate.

Mixed MCLR trend, flat mortgage rate – Mortgage rate remains stable for MSBs and MCLR rate revision ranges from -5 bps (for IIB) to 15 bps (RBL, Au, IDFCFB) in last 1M.

Certificate of deposits – volume now at decadal high

Volume is highest in 10 yrs, rate has touched 8.2% - CD volume has increased to Rs 3.8 Tn, close to 2014 level. CD rate has also continued to inch up to 8.22% by Feb'24, higher than even bulk FD rates offered by most banks.

12 March 2024

Equity
India
Banks

Anand Swaminathan >>

Research Analyst
Merrill Lynch (Singapore)
+65 6678 0419
anand.swaminathan@bofa.com

Madhur Sharma >>

Research Analyst
BofAS India
+91 22 6632 8945
madhur.sharma2@bofa.com

PSB- Public Sector Banks

MSB – Mid-Sized Banks

CD – Certificate of Deposits

NIM – Net Interest Margins

FD – Fixed Deposits

MCLR – Marginal Cost of Lending
based rates

LDR – Loan-Deposit Ratio

>> Employed by a non-US affiliate of BofAS and is not registered/qualified as a research analyst under the FINRA rules.

Refer to "Other Important Disclosures" for information on certain BofA Securities entities that take responsibility for the information herein in particular jurisdictions.

BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

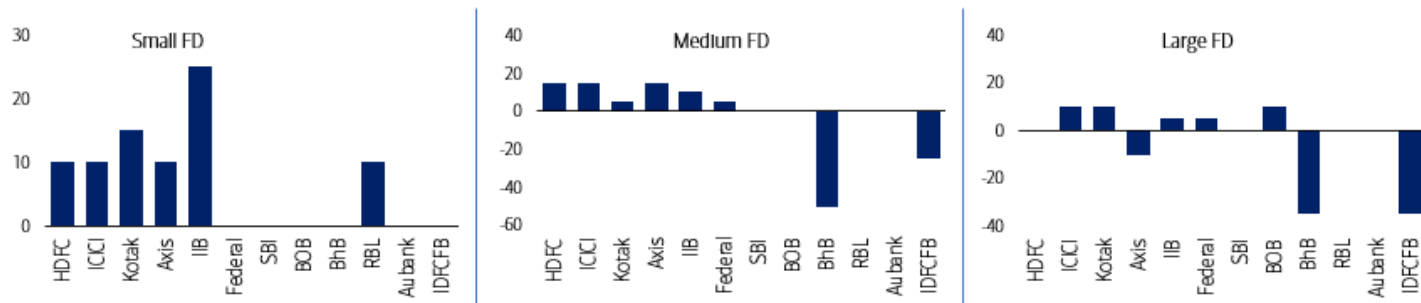
Refer to important disclosures on page 21 to 23. Analyst Certification on page 19. 12669559

Timestamp: 12 March 2024 02:21AM EDT

Key charts and tables

Exhibit 1: Peak FD rate change since Jan'24 end

Big banks leading the FD rates hike in Feb-Mar'24

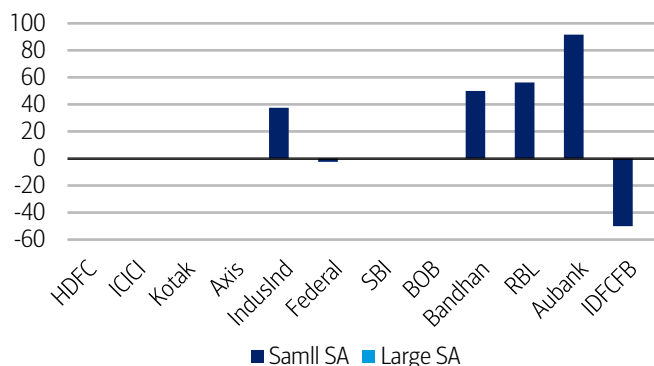


Source: BofA Global Research, Company Websites

BofA GLOBAL RESEARCH

Exhibit 2: 3M rate change – small & large SA

Few MSBs have increased rate for small SA, bulk SA rate stable in lats 3M

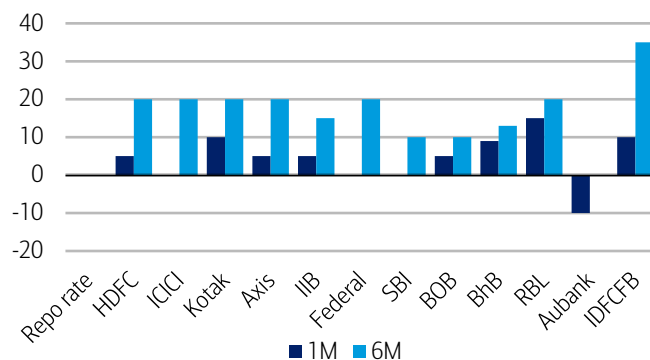


Source: BofA Global Research estimates, company

BofA GLOBAL RESEARCH

Exhibit 3: 12M MCLR (bps)- 1M vs 3M change

MCLR rate revision limited in last 1 month, upto 20 bps in last 6 months

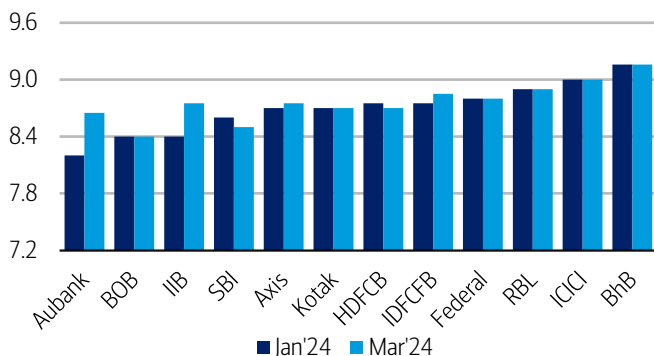


Source: BofA Global Research estimates, company

BofA GLOBAL RESEARCH

Exhibit 4: Mortgage rate (%) – lowest headline rate

Minimum rate up marginally for few banks but broadly stable



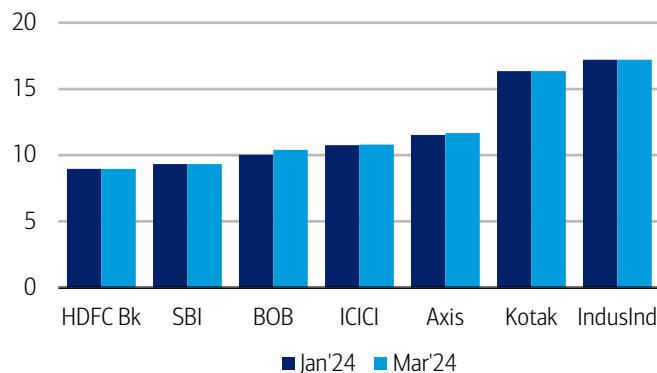
Source: BofA Global Research estimates, company websites

Note – Mortgage rates for Salaried customers, general category, male, amt between Rs 35-70 L

BofA GLOBAL RESEARCH

Exhibit 5: Auto loan rates (%)

Auto loan rate flat across banks in last 2 months

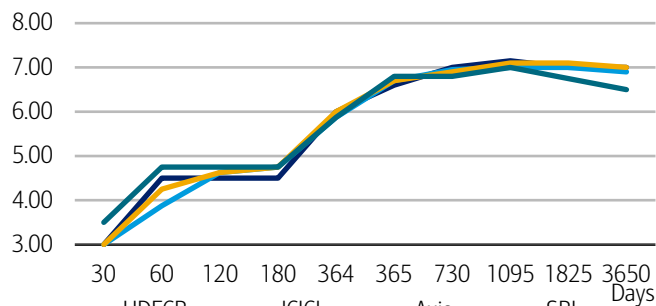


Source: BofA Global Research estimates, company websites

BofA GLOBAL RESEARCH

Exhibit 6: Small FD – Interest rate (%) vs tenure (days)

SBI is now offering higher rate vs big pvt banks for less than 6M tenure

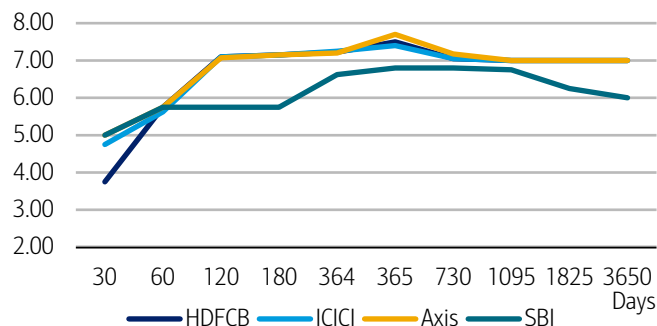


Source: BofA Global Research, Company

BofA GLOBAL RESEARCH

Exhibit 7: Large FD – Interest rate (%) vs tenure (days)

Gap between SBI and Big 4 bks rate has increased from small tenure bulk FD



Source: BofA Global Research, Company

BofA GLOBAL RESEARCH

Exhibit 8: Special FD schemes by banks

Most banks have introduced new special FD rates for lower tenure (6M to 1 year), PSBs have extended validity for ongoing schemes

Bank	Scheme	Tenor	Deposit amount	Scheme availability	Current Rate
SBI	Amrit Kalash	400 days	Less than 2 Cr	Extended to Mar'24	7.1
SBI	Sarvottam	365 & 730 days (non-callable)	1-2 Cr	Introduced	7.1/7.4
BOB	Baroda Tiranga Plus Scheme	399 days	Less than 2 Cr		7.2
Punjab Sindh Bank	Special Rate for Special days	222 days	Less than 2 Cr	Introduced, valid till Mar'24	7.0
Punjab Sindh Bank	Special Rate for Special days	333 days	Less than 2 Cr	Introduced, valid till Mar'24	7.2
Punjab Sindh Bank	Special Rate for Special days	444 days	Less than 2 Cr	Extended till Mar'24	7.4
Bank of India	Special bucket	175 days	2 Cr to 10 Cr	Introduced	7.5
Indian Bank	IND Supreme 300 days	300 days	Less than 2 Cr	Extended validity	7.1
Indian Bank	IND Super 400 days	400 days	Less than 2 Cr	Extended validity	7.3
Punjab National Bank	Special FD	300 days	Less than 2 Cr	Introduced	7.1
Punjab National Bank	PNB Uttam	300 days (non-callable)	2 Cr to 10 Cr	Introduced	7.1
IDBI Bank	Amrit Mahotsav FD scheme	444 days	Less than 2 Cr	Extended to 31st Mar'24	7.3
IDBI Bank	Amrit Mahotsav FD scheme	375 days	Less than 2 Cr	Extended to 31st Mar'24	7.1
Bandhan Bank	Special rate for 500 days	500 days	Less than 2 Cr		7.9
RBL Bank	Special rate	546 days	Less than 2 Cr		8.1
HDFC Bank	Special Edition FD	540 days	Less than 5 Cr	Introduced	7.3
ICICI	Special rate	450 days (for senior citizen)	Less than 2 Cr	Introduced	7.8
Kotak	Promotional offer	365 days	Less than 2 Cr	Introduced	7.4
Federal bank	Special FD scheme	500 days	Less than 2 Cr	General Public/ Senior Citizen	7.5/8.0

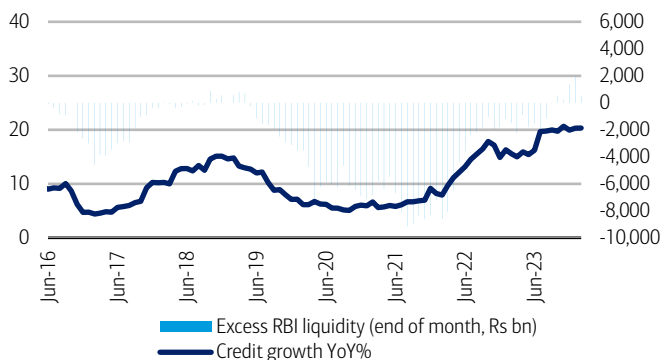
Source: BofA Global Research, Company Websites

Note – all the mentioned schemes are for small FD and for normal citizen

BofA GLOBAL RESEARCH

Exhibit 9: RBI liquidity operation (Rs bn) vs credit growth (%)

RBI has improved in Feb-Mar'24 but system liquidity remains in deficit

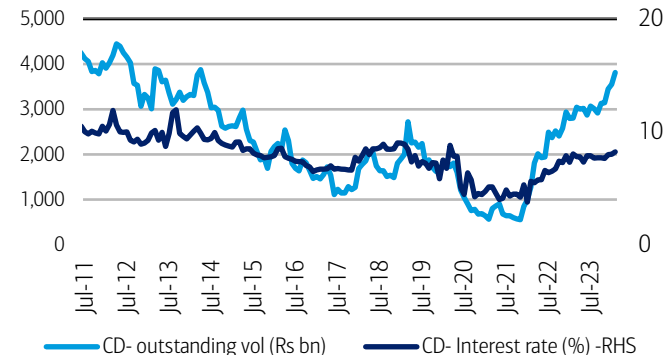


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 10: CD – outstanding vol (Rs bn) and interest rate (%)

CD volume has now reached 2014 level, CD rate continue to inch up



Source: BofA Global Research, Bloomberg

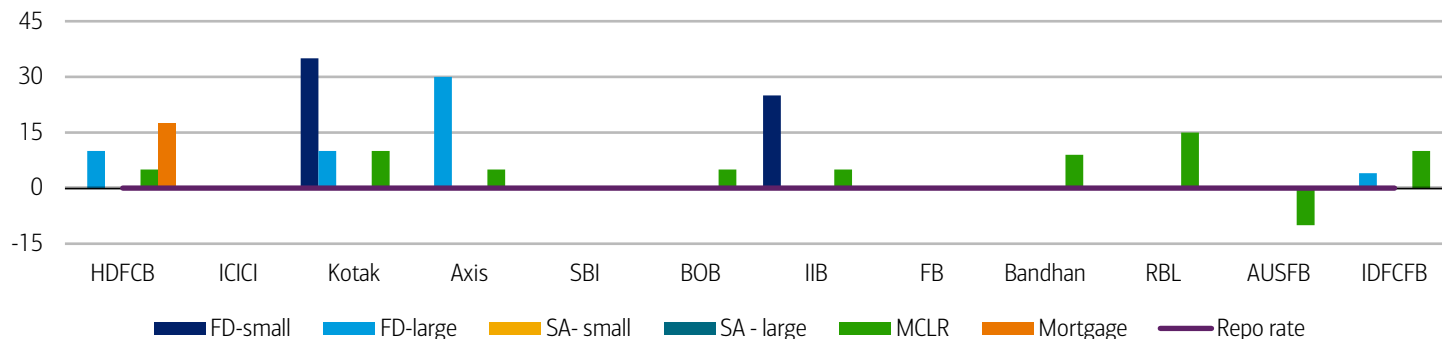
BofA GLOBAL RESEARCH

Interest rate review – FD rate revision continues a year after last repo rate hike

We look at market interest rate for savings account, fixed deposits and lending rates across banks and highlight the key trends –

Exhibit 11: Bank wise rate change (bps) – 1M

MCLR revision continued in last one month, some banks revised rate for FD



Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Deposits – Big 4 pvt banks leading FD rate hike in last 2M

Big 4 private banks have increased peak FD rate by 5-25 bps in last 2 months –

Big 4 private banks have taken another round of rate hike for their peak rates – 10-25 bps in Feb-Mar'24. These banks are now offering peak rate of 7.2-7.4% for retail FD and 7.4-7.55% for bulk FD.

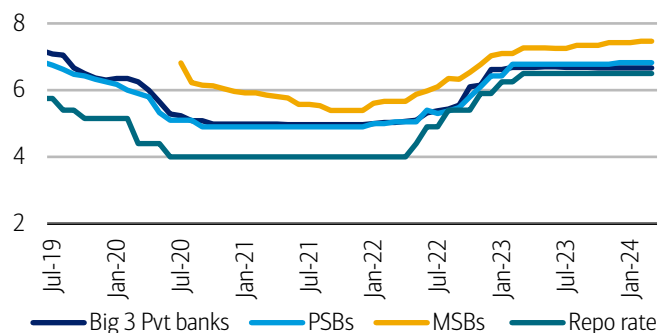
PSBs extended/introduced special FD schemes – Most PSBs have extended validity for ongoing special FD schemes and many have even introduced new promotional rate for FD of lower tenure (180 days to 1 year).

HDFC introduced special rate for 540 days – HDFC has introduced special FD with 7.25% rate for 540 days vs for 3-5 yrs earlier (discontinued now), ICICI has introduced special scheme for senior citizen which is 5 bps higher at 7.75%.

MSB have increased rate for small SA in last 3 months, bulk SA rates remain flat – MSBs has not seen meaningful rate hike in last 2 months but continues to offer 150-200 bps higher headline rate. BhB, RBL, Au and IIB have increased small SA rate by 40-90 bps in last 3M, offers 5-6% rate. Bulk SA rate remains stable across banks.

Exhibit 12: FD rates for small deposits (%)

Small FD rates are broadly flat in last few months, some rate hike for MSBs



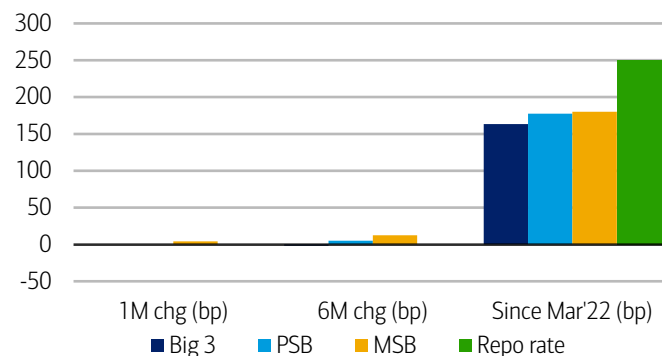
Source: BofA Global Research Estimates, Company websites

Note – FD rates for small deposits of <Rs 2Cr for 1 year

BofA GLOBAL RESEARCH

Exhibit 13: Change in FD rates for small deposits (bps)

Total rate hike in retail FD has been 160-185 bps vs 250 ps repo rate hike

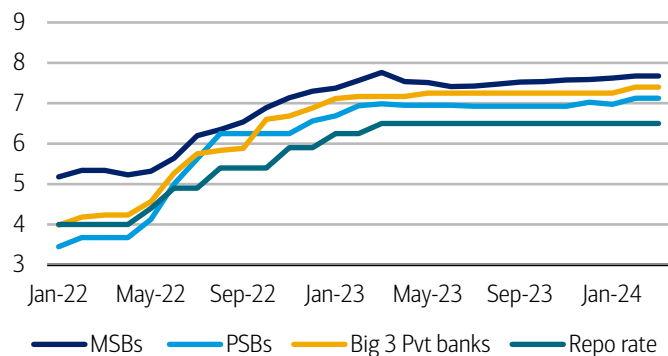


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 14: FD rates for medium deposits (%)

Bulk FD rate increased across banks in Feb-Mar'24

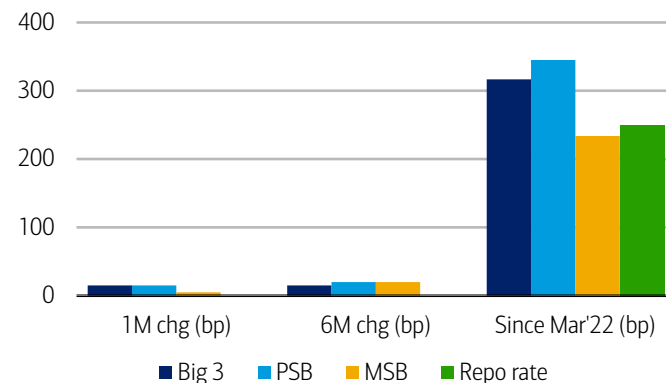


Source: BofA Global Research Estimates, Company websites
FD rates for medium deposits of Rs 2 CR to Rs 5 Cr for 1 year

BofA GLOBAL RESEARCH

Exhibit 15: Change in FD rates for medium deposits (bps)

Big banks & BOB increased rate by 15-30 bps in last 1 month

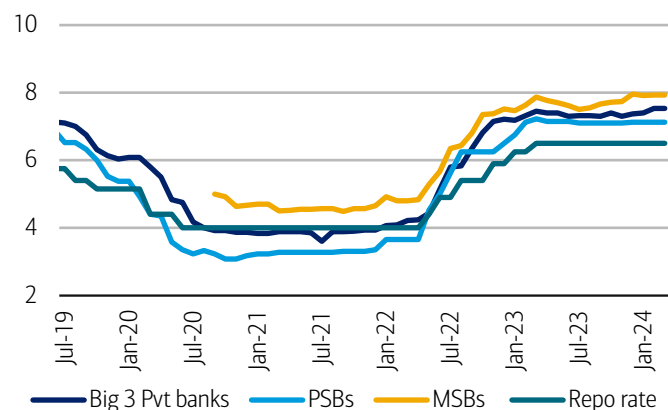


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 16: FD rates for large deposits (%)

Rate hike continued since Dec'23 after 6 months of pause

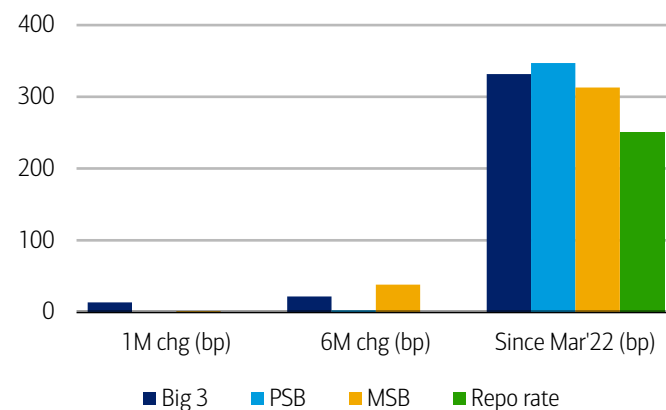


Source: BofA Global Research Estimates, Company websites
FD rates for large deposits of >Rs 25 Cr for 1 year

BofA GLOBAL RESEARCH

Exhibit 17: Change in FD rates for large deposits (bps)

Axis has taken higher rate hike of 530 bps in Feb-Mar'24

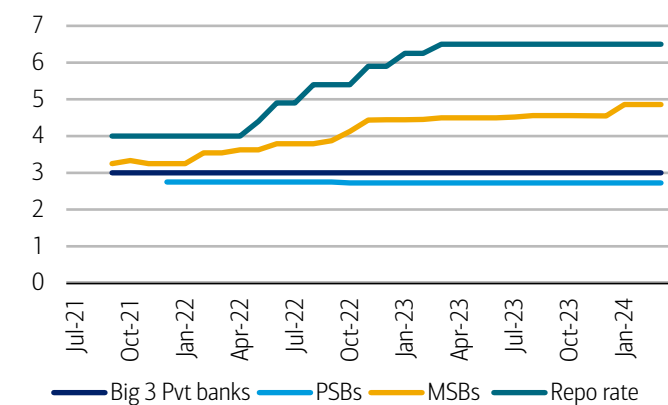


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 18: Small SA rates (%)

MSBs have taken rate hike for small Sa in last 3M

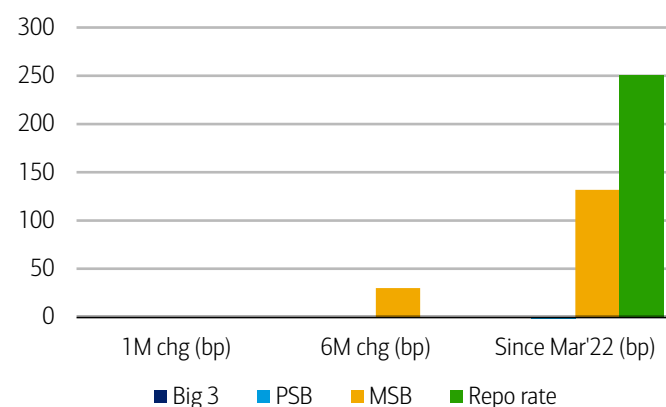


Source: BofA Global Research Estimates, Company websites
Note – Interest rates on SA (< Rs 50 lakhs)

BofA GLOBAL RESEARCH

Exhibit 19: Small SA rate change (bps)

Big banks continued to resist any rate hike in small SA

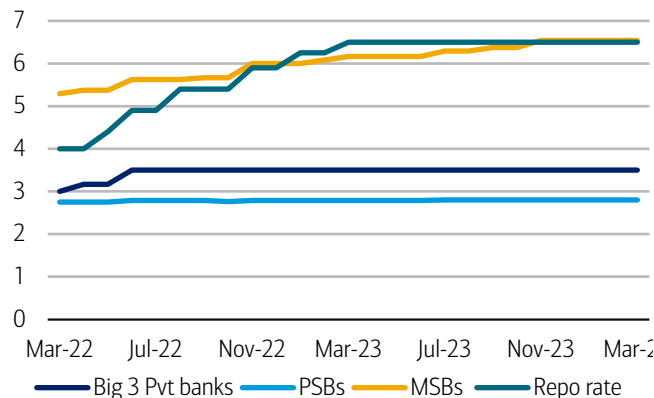


Source: BofA Global Research Estimates, Company websites
Note – Interest rates on SA (< Rs 50 lakhs)

BofA GLOBAL RESEARCH

Exhibit 20: Large SA rates (%)

Most banks have kept SA rate same

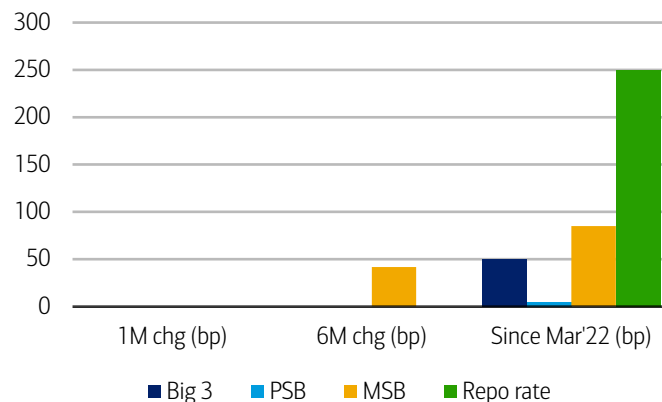


Source: BofA Global Research Estimates, Company websites
Note – Interest rates on SA (more than Rs 50 lakhs)

BofA GLOBAL RESEARCH

Exhibit 21: Large SA rate change (bps)

No rate revision in last 1 month

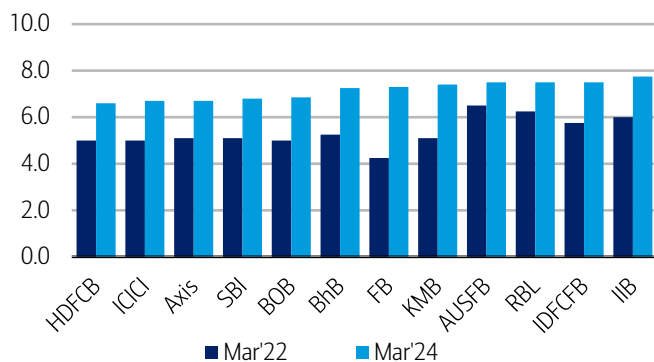


Source: BofA Global Research Estimates, Company websites
Note – Interest rates on SA (more than Rs 50 lakhs)

BofA GLOBAL RESEARCH

Exhibit 22: Small FD rate (%) – Mar'24 vs Mar'22

Big pvt banks are now offering lowest rate

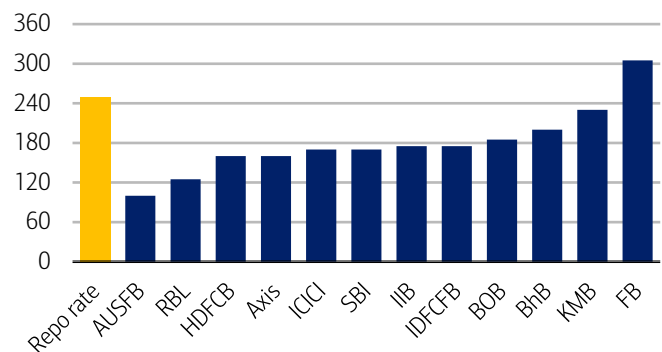


Source: BofA Global Research estimates, company
Note – FD refers to small FD (less than Rs 2 Cr)

BofA GLOBAL RESEARCH

Exhibit 23: Small FD rate change (bp) – Mar'24 vs Mar'22

Federal and Kotak have seen the highest rate hike since Mar'22

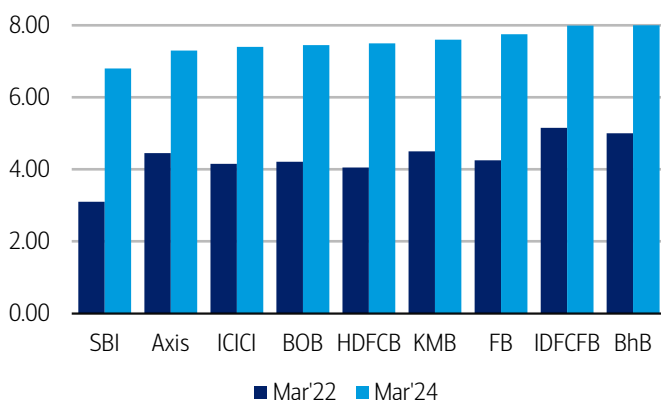


Source: BofA Global Research estimates, company
Note – FD refers to small FD (less than Rs 2 Cr)

BofA GLOBAL RESEARCH

Exhibit 24: Large FD rate (%) - Mar'24 vs Mar'22

Large FD rate difference among banks (ex-SBI) is less than 1 %

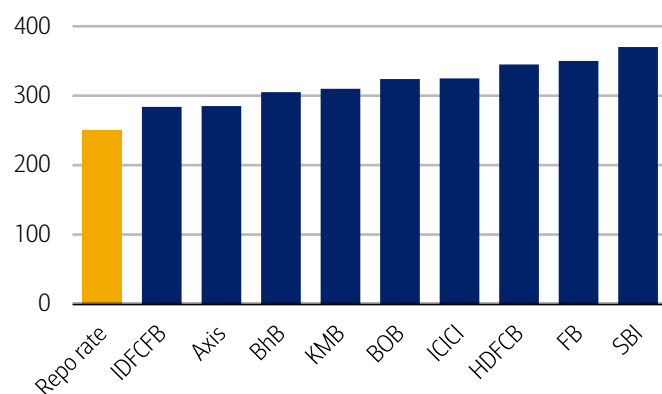


Source: BofA Global Research estimates, company
Note – large FD refers to FD with more than Rs 25 Cr balance

BofA GLOBAL RESEARCH

Exhibit 25: Large FD rate (%) - Mar'24 vs Mar'22

SBI has taken biggest increase in large FD rate

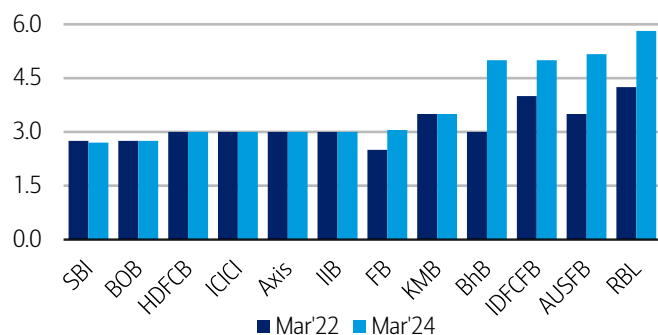


Source: BofA Global Research estimates, company
Note – large FD refers to FD with more than Rs 25 Cr balance

BofA GLOBAL RESEARCH

Exhibit 26: Small SA rate (%) - Mar'24 vs Mar'22

Flat rates for big banks, MSBs have taken upto 150 bps rate revision



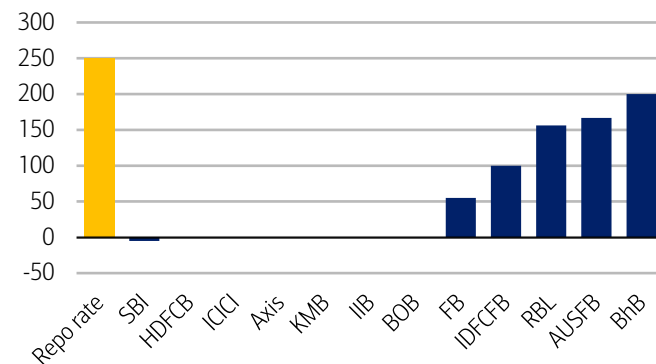
Source: BofA Global Research estimates, company

Note – Small SA refers to SA with less than Rs 50 lakhs of balance

BofA GLOBAL RESEARCH

Exhibit 27: Small SA rate change (bps) – Mar'24 vs Mar'22

No rate revision for big pvt banks and PSBs



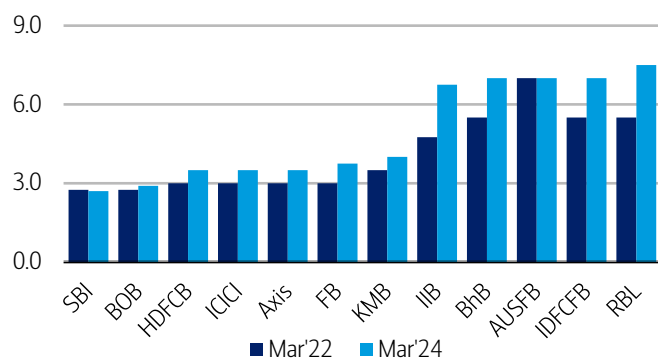
Source: BofA Global Research estimates, company

Note – Small SA refers to SA with less than Rs 50 lakhs of balance

BofA GLOBAL RESEARCH

Exhibit 28: Large SA rate (%) – Mar'24 vs Mar'22

Big banks saw rate hike of upto 50 bps vs MSBs' rate up upto 250 bps



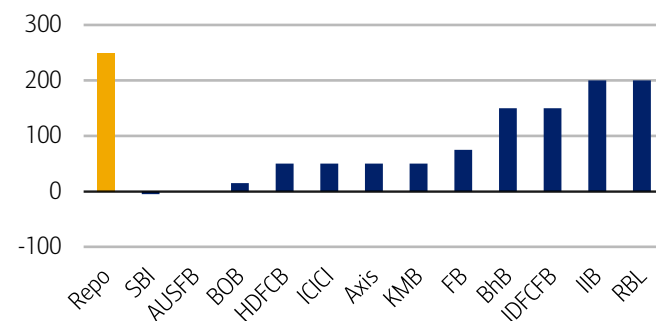
Source: BofA Global Research estimates, company

Note – Large SA refers to SA with more than Rs 50 lakhs of balance

BofA GLOBAL RESEARCH

Exhibit 29: Large SA rate change (bps) - Mar'24 vs Mar'22

RBL and IIB have seen highest rate increase of 200 bps



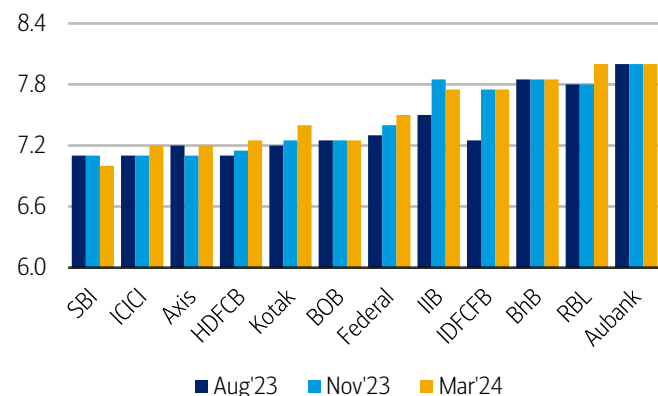
Source: BofA Global Research estimates, company

Note – Large SA refers to SA with more than Rs 50 lakhs of balance

BofA GLOBAL RESEARCH

Exhibit 30: Peak interest rate on deposit tenure of upto 2 years

Peak FD rates are stills seeing increase – higher rate increase by big 4 pvt bks

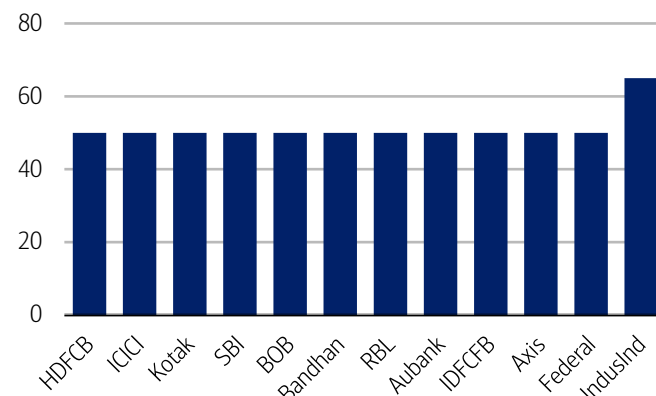


Source: BofA Global Research, Company website

BofA GLOBAL RESEARCH

Exhibit 31: Diff. in general citizen and senior citizen FD rates (bps)

Axis Federal has decreased rate spread by 25 bps, IIB by 10 bps



Source: BofA Global Research, Company website

BofA GLOBAL RESEARCH

Exhibit 32: Special FD schemes by banks

Most banks have introduced new special FD rates for lower tenure (6M to 1 year), PSBs have extended validity for ongoing schemes

Bank	Scheme	Tenor	Deposit amount	Scheme availability	Current Rate
SBI	Amrit Kalash	400 days	Less than 2 Cr	Extended to Mar'24	7.1
SBI	Sarvottam	365 & 730 days (non-callable)	1-2 Cr	Introduced	7.1/7.4
BOB	Baroda Tiranga Plus Scheme	399 days	Less than 2 Cr		7.2
Punjab Sindh Bank	Special Rate for Special days	222 days	Less than 2 Cr	Introduced, valid till Mar'24	7.0
Punjab Sindh Bank	Special Rate for Special days	333 days	Less than 2 Cr	Introduced, valid till Mar'24	7.2
Punjab Sindh Bank	Special Rate for Special days	444 days	Less than 2 Cr	Extended till Mar'24	7.4
Bank of India	Special bucket	175 days	2 Cr to 10 Cr	Introduced	7.5
Indian Bank	IND Supreme 300 days	300 days	Less than 2 Cr	Extended validity	7.1
Indian Bank	IND Super 400 days	400 days	Less than 2 Cr	Extended validity	7.3
Punjab National Bank	Special FD	300 days	Less than 2 Cr	Introduced	7.1
Punjab National Bank	Special FD	400 days	Less than 2 Cr	Discontinued	7.3
Punjab National Bank	PNB Uttam	300 days (non-callable)	2 Cr to 10 Cr	Introduced	7.1
IDBI Bank	Amrit Mahotsav FD scheme	444 days	Less than 2 Cr	Extended to 31st Mar'24	7.3
IDBI Bank	Amrit Mahotsav FD scheme	375 days	Less than 2 Cr	Extended to 31st Mar'24	7.1
Bandhan Bank	Special rate for 500 days	500 days	Less than 2 Cr		7.9
RBL Bank	Special rate	546 days	Less than 2 Cr		8.1
HDFC Bank	Special Edition FD	540 days	Less than 5 Cr	Introduced	7.3
HDFC Bank	Special FD scheme	1050 days	Less than 2 Cr	Discontinued	7.2
HDFC Bank	Special FD scheme	1650 days	Less than 2 Cr	Discontinued	7.2
ICICI	Special rate	450 days (for senior citizen)	Less than 2 Cr	Introduced	7.8
ICICI	Promotional offer	450 days	Less than 2 Cr	Discontinued	7.1
Kotak	Promotional offer	365 days	Less than 2 Cr	Introduced	7.4
Kotak	Promotional offer	690 days	Less than 2 Cr	Discontinued	7.3
Axis	Promotional offer	720 days	Less than 2 Cr	Discontinued	
Federal bank	Special FD scheme	500 days	Less than 2 Cr	General Public/ Senior Citizen	7.5/8.0
IndusInd	Special FD scheme	480 days	Less than 2 Cr	Discontinued	7.9

Source: BoFA Global Research, Company Websites

Note – all the mentioned schemes are for small FD and for normal citizen

BoFA GLOBAL RESEARCH

Exhibit 33: Sweep Account Details

IndusInd and ICICI have the lowest minimum balance requirement for auto-sweep

Bank	Scheme	Multiple	Default FD tenure	Minimum balance required
Kotak	ActivMoney	5,000	180 days	25,000
ICICI	Money Multiplier	5,000	365 days	15,000
Axis	Auto Fixed Deposits	5,000	180 days	25,000
HDFCB	Money Maximizer	25,000	366 days	100,000
IndusInd	Indus Multiplier Max Savings	1,000		20,000
SBI	Multi Option Deposits	10,000	365 days	35,000
Bank of Baroda	Super Savings Account	10,000		60,000

Source: BoFA Global Research, Company websites

BoFA GLOBAL RESEARCH

Exhibit 34: Bank wise peak FD rates (%)

Big pvt banks have seen rate revision across retail and bulk FD peak rates

	Small FD		Medium FD		Large FD	
	Current	Jan'24	Current	Jan'24	Current	Jan'24
HDFC	7.25	7.15	7.40	7.25	7.40	7.40
ICICI	7.20	7.10	7.40	7.25	7.40	7.30
Kotak	7.40	7.25	7.50	7.45	7.55	7.45
Axis	7.20	7.10	7.40	7.25	7.50	7.60
IIB	7.75	7.50	7.65	7.55	7.80	7.75
Federal	7.50	7.50	7.70	7.65	7.70	7.65
SBI	7.00	7.00	6.80	6.80	6.80	6.80
BOB	7.25	7.25	7.45	7.45	7.55	7.45
BhB	7.85	7.85	7.80	8.30	8.00	8.35
RBL	8.10	8.00				
Aubank	8.00	8.00				
IDFCB	7.75	7.75	7.55	7.80	7.55	7.90

Source: BoFA Global Research Estimates, Company websites

Note – orange shade shows increase in FD rate vs green shows a cut vs Nov'23

Exhibit 34: Bank wise peak FD rates (%)

Big pvt banks have seen rate revision across retail and bulk FD peak rates

	Small FD	Medium FD	Large FD
--	----------	-----------	----------

BofA GLOBAL RESEARCH

Exhibit 35: Fixed deposit rate (%) – small deposits (< Rs 2Cr)

Only Kotak and IndusInd saw rate hike for small FD of 1yr tenure

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	5.00	5.35	5.50	6.50	6.60	6.60	6.60	6.60	6.60	0	0	160
ICICI	5.00	5.35	5.70	6.60	6.70	6.70	6.70	6.70	6.70	0	0	170
Kotak	5.10	5.65	6.00	7.00	7.20	7.20	7.20	7.15	7.40	25	20	230
Axis	5.10	5.25	5.45	6.75	6.75	6.80	6.75	6.70	6.70	0	-5	160
IndusInd	6.00	6.00	6.25	7.00	7.75	7.75	7.50	7.50	7.75	25	25	175
Federal	4.25	5.25	5.60	6.60	6.75	6.75	7.30	7.30	7.30	0	0	305
SBI	5.10	5.30	5.45	6.10	6.80	6.80	6.80	6.80	6.80	0	0	170
BOB	5.00	5.50	5.50	6.75	6.75	6.75	6.75	6.85	6.85	0	10	185
Bandhan	5.25	5.75	7.00	7.00	7.25	7.25	7.25	7.25	7.25	0	0	200
RBL	6.25	6.25	6.50	7.00	7.00	7.00	7.00	7.50	7.50	0	50	125
Aubank	6.50	6.60	6.60	7.35	7.60	7.50	7.50	7.50	7.50	0	0	100
IDFCFB	5.75	6.00	6.00	7.25	7.25	7.25	7.50	7.50	7.50	0	0	175
Big 3	5.03	5.32	5.55	6.62	6.68	6.70	6.68	6.67	6.67	0	-2	163
PSB	5.05	5.40	5.48	6.43	6.78	6.78	6.78	6.83	6.83	0	5	178
MSB	5.67	5.98	6.33	7.03	7.27	7.25	7.34	7.43	7.47	4	13	180
Avg FD rate - small deposit	5.36	5.69	5.96	6.83	7.03	7.03	7.07	7.11	7.15	4	8	180

Source: BofA Global Research Estimates, Company websites;

Note – FD rates for small deposits of <Rs 2Cr for 1 year. The heatmap shading represents incremental change in rate

BofA GLOBAL RESEARCH

Exhibit 36: Fixed deposit rate (%) – medium deposits (Rs 2Cr – Rs 5 Cr)

Big pvt banks have increased rate for medium FD

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	4.05	5.25	6.05	6.75	7.00	7.25	7.25	7.25	7.40	15	15	335
ICICI	4.15	4.95	5.50	6.90	7.25	7.25	7.25	7.25	7.40	15	15	325
Kotak	4.50	5.75	6.10	7.00	7.25	7.25	7.25	7.25	7.50	25	25	300
Axis	4.50	5.60	6.10	7.00	7.25	7.25	7.25	7.25	7.40	15	15	290
IndusInd	5.39	5.50	6.00	7.00	7.75	7.25	7.35	7.35	7.65	30	30	226
Federal	5.15	5.25	6.25	6.85	7.70	7.55	7.45	7.65	7.70	0	15	255
SBI	3.10	4.75	6.00	6.50	6.75	6.75	6.75	6.80	6.80	0	5	370
BOB	4.25	5.25	6.50	6.63	7.23	7.15	7.10	7.25	7.45	30	35	320
Bandhan	5.00	5.25	7.25	7.90	8.10	7.50	7.85	7.90	7.80	0	15	280
Aubank	NA	NA	NA	NA	NA	NA	NA	NA	NA			
IDFCFB	4.90	5.95	6.70	7.45	7.50	7.35	7.45	7.45	7.55	-10	20	265
Big 3	4.23	5.27	5.88	6.88	7.17	7.25	7.25	7.25	7.40	15	15	317
PSB	3.68	5.00	6.25	6.56	6.99	6.95	6.93	7.03	7.13	15	20	345
MSB	5.34	5.64	6.54	7.30	7.76	7.41	7.53	7.59	7.68	5	20	234
Overall Avg	4.40	5.33	6.27	7.00	7.34	7.26	7.29	7.34	7.44	10	18	304

Source: BofA Global Research Estimates, Company websites

Note – FD rates for medium deposits of Rs 2-5 Cr for 1 year. The heatmap shading represents incremental change in rates

BofA GLOBAL RESEARCH

Exhibit 37: Fixed deposit rate (%) – large (above Rs 25 Cr)

Banks continue to revise large FD rates after a pause for last few months

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	4.05	5.25	6.05	7.15	7.30	7.30	7.30	7.30	7.50	10	20	345
ICICI	4.15	5.00	6.50	7.15	7.40	7.30	7.25	7.30	7.40	0	15	325
Kotak	4.50	5.95	6.20	7.40	7.45	7.35	7.35	7.50	7.55	5	20	305
Axis	4.45	5.15	6.50	7.35	7.65	7.30	7.35	7.51	7.70	30	30	325
IndusInd	NA	NA	NA	NA	NA	NA	NA	NA	NA			
Federal	4.25	5.25	5.75	6.85	7.70	7.55	7.45	7.65	7.75	0	20	350
SBI	3.10	4.75	6.00	6.50	6.75	6.75	6.75	6.80	6.80	0	5	370
BOB	4.21	5.25	6.50	6.50	7.70	7.55	7.45	7.45	7.45	0	0	324
Bandhan	5.00	5.25	7.60	7.90	8.10	7.50	7.85	8.33	8.05	0	40	305

Exhibit 37: Fixed deposit rate (%) – large (above Rs 25 Cr)

Banks continue to revise large FD rates after a pause for last few months

	Mar-22	Jun-22	Sep-22	Dec-22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
RBL	NA	NA	NA	NA	NA	NA	NA	NA	NA			
Aubank	NA	NA	NA	NA	NA	NA	NA	NA	NA			
IDFCFB	5.15	6.50	7.05	7.80	7.80	7.80	7.70	7.90	7.99	4	54	284
Big 3	4.22	5.13	6.35	7.22	7.45	7.30	7.30	7.37	7.53	13	22	332
PSB	3.66	5.00	6.25	6.50	7.23	7.15	7.10	7.13	7.13	0	3	347
MSB	4.80	5.67	6.80	7.52	7.87	7.62	7.67	7.96	7.93	1	38	313
Avg FD rate - large deposit	4.32	5.37	6.46	7.18	7.54	7.38	7.38	7.53	7.58	5	23	326

Source: BofA Global Research Estimates, Company websites

Note – FD rates for large deposits of above 25 Cr for 1 year. The heatmap shading represents incremental change in rates

BofA GLOBAL RESEARCH

Exhibit 38: Savings deposit rate (%) - small deposits (< Rs 50 lakhs)

Small SA rates remain stable for big banks and PSBs

	Mar-22	Jun-22	Sep-22	Dec-22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0	0	0
ICICI	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0	0	0
Kotak	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	0	0	0
Axis	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0	0	0
IndusInd	4.00	4.50	4.50	4.50	4.50	4.50	4.75	4.75	5.13	0	38	113
Federal	2.50	2.50	3.00	3.05	3.10	3.10	3.10	3.05	3.05	0	-5	55
SBI	2.75	2.75	2.75	2.70	2.70	2.70	2.70	2.70	2.70	0	0	-5
BOB	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	0	0	0
Bandhan	3.00	3.00	3.00	4.50	4.50	4.50	4.50	4.50	5.00	0	50	200
RBL	4.25	4.25	4.25	5.25	5.25	5.25	5.25	5.25	5.81	0	56	156
Aubank	3.50	3.50	3.50	4.25	4.25	4.25	4.25	4.25	5.17	0	92	167
IDFCFB	4.00	5.00	5.00	5.13	5.38	5.38	5.50	5.50	5.00	0	-50	100
Big 3	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0	0	0
PSB	2.75	2.75	2.75	2.73	2.73	2.73	2.73	2.73	2.73	0	0	-2
MSB	3.54	3.79	3.88	4.45	4.50	4.50	4.56	4.55	4.86	0	30	132
Avg savings rate	3.27	3.40	3.44	3.72	3.74	3.74	3.78	3.77	3.93	0	15	65

Source: BofA Global Research Estimates, Company websites

Note – Interest rates on SA (<Rs 50 lakhs). The heatmap shading represents incremental change in rates

BofA GLOBAL RESEARCH

Exhibit 39: Savings deposit rate (%) - large deposits (> Rs 50 lakhs)

Large SA rate flat across banks in last 1-3 months

	Mar-22	Jun-22	Sep-22	Dec-22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	0	0	50
ICICI	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	0	0	50
Kotak	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0	0	50
Axis	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	0	0	50
IndusInd	4.75	4.75	4.75	6.00	6.00	6.00	6.75	6.75	6.75	0	0	200
Federal				3.25	3.75	2.75	2.75	3.75	3.75	0	100	375
SBI	2.75	2.75	2.75	2.70	2.70	2.70	2.70	2.70	2.70	0	0	-5
BOB	2.75	2.83	2.83	2.88	2.88	2.88	2.90	2.90	2.90	0	0	15
Bandhan	5.50	6.00	6.00	6.25	6.25	6.25	6.25	7.00	7.00	0	75	150
RBL	5.50	6.00	6.25	6.50	7.00	7.00	7.50	7.50	7.50	0	50	200
Aubank	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	0	0	0
IDFCFB	5.50	6.00	6.00	6.25	6.75	6.75	6.75	7.00	7.00	0	25	150
Big 3	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	0	0	50
PSB	2.75	2.79	2.79	2.79	2.79	2.79	2.80	2.80	2.80	0	0	5
MSB	5.65	5.95	6.00	5.88	6.13	5.96	6.17	6.50	6.50	0	42	85
Avg savings rate	4.20	4.53	4.55	4.61	4.74	4.65	4.76	4.93	4.93	0	21	72

Source: BofA Global Research Estimates, Company websites

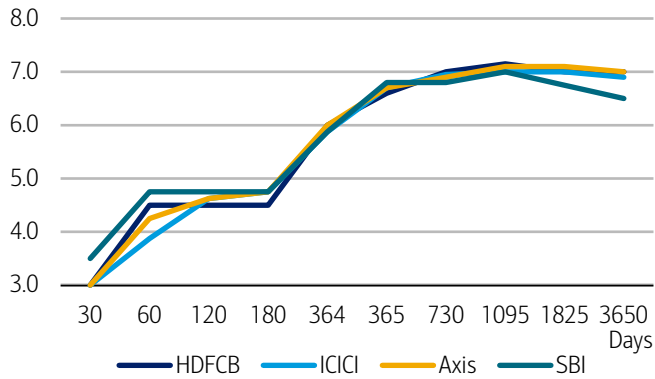
Note – Interest rates on SA (> Rs 50 lakhs). The heatmap shading represents incremental change in rates

BofA GLOBAL RESEARCH

Deposit yield curve for big banks

Exhibit 40: Small FD – Interest rate (%) vs tenure (days)

SBI is now offering higher rate vs big pvt banks for less than 6M tenure

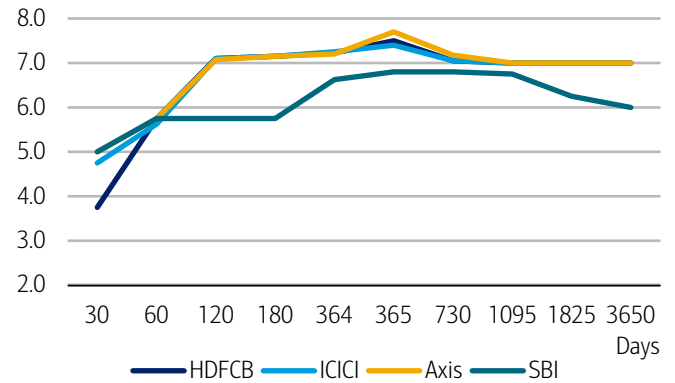


Source: BofA Global Research, Company

BofA GLOBAL RESEARCH

Exhibit 41: Large FD – Interest rate (%) vs tenure (days)

Gap between SBI and Big 4 bks rate has increased from small tenure bulk FD



Source: BofA Global Research, Company

BofA GLOBAL RESEARCH

Lending rates – MCLR hike picked up in Feb-Mar'24

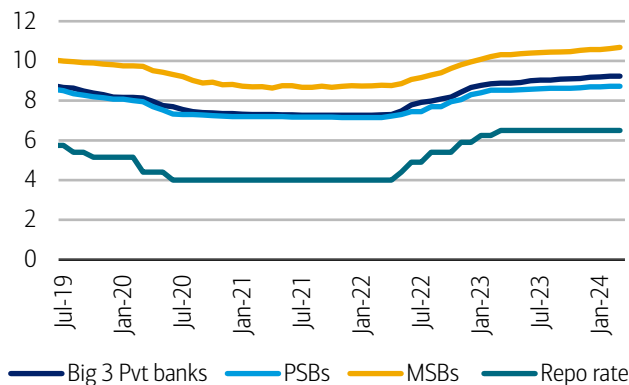
5-15 bps MCLR hike since Jan'24 end – MCLR revision had slowed down in last few months with banks getting close to end of deposit repricing. But with Dec'23/Feb'24 deposit rate hikes and increase in banks operating expenses, we are seeing MCLR rate going up by 5-15 bps in Feb-mar'24.

Mortgage – average rate back to pre-festive level – While avg mortgage rate remains broadly stable, banks are now done with festive offers. HDFC Bank has increased minimum rate by 10 bps post festive offers. ICICI's offer validity lasts till end of Mar'24.

Avg auto loan is up 30 bps in last 6M – Banks have slowed down on rate revision for auto loans in last 6 months – 30 bps. Moreover, rate hike varies significantly across banks with IndusInd seeing highest rate hike of 470 bps and Axis seeing lowest increased in average rate (70 bps since Mar'22)

Exhibit 42: MCLR -1 yr (%)

MCLR rate revision continues albeit at slower pace

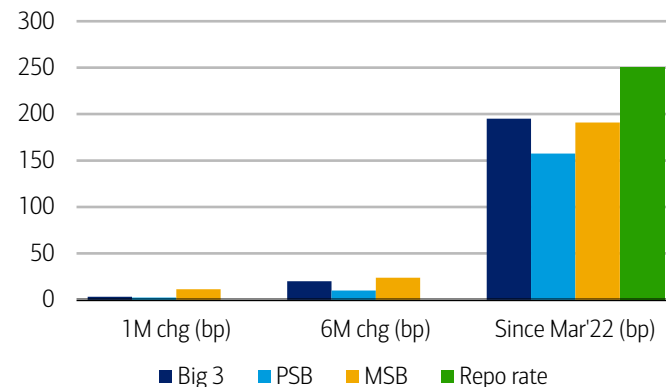


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 43: MCLR (1 yr) change (bps)

Banks have seen 0-15 bps increase in MCLR in last 1 month

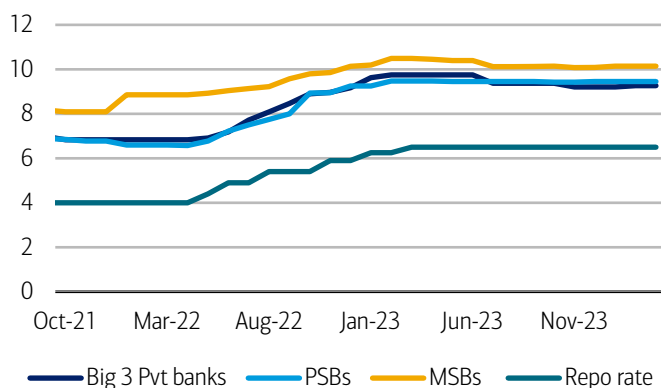


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 44: Mortgage rates (%)

Mortgage rate remains broadly stable given no change in repo rate



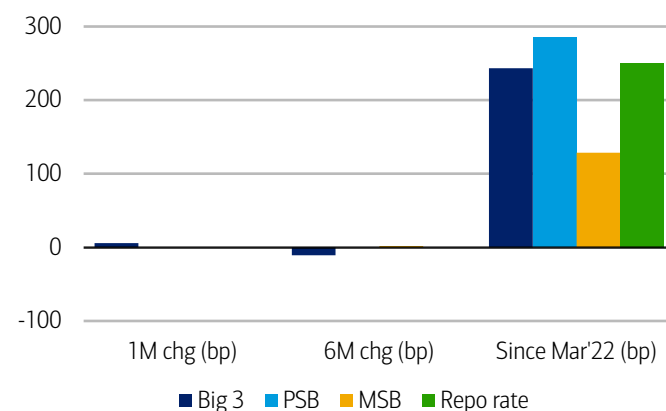
Source: BofA Global Research Estimates, Company websites

Note – Mortgage rates for Salaried customers, general category, male, amt between Rs 35-70 L

BofA GLOBAL RESEARCH

Exhibit 45: Mortgage rate change (bps)

Banks are mostly done with special festive offers

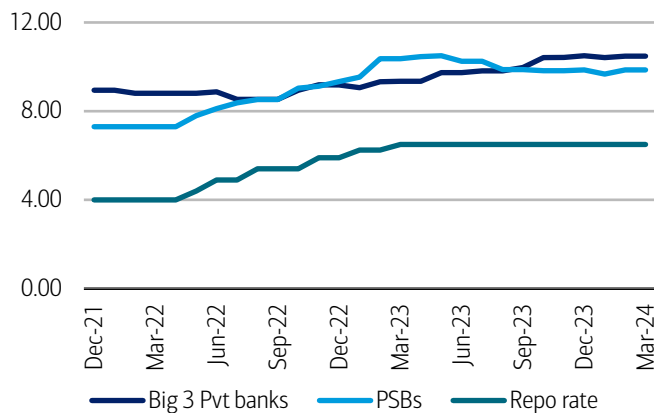


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 46: Auto loan rates (%)

Big 3 pvt banks have increased rate for auto loans



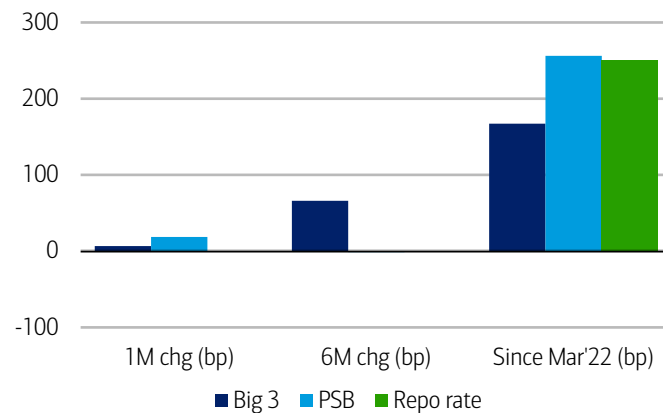
Source: BofA Global Research Estimates, Company websites

Note – Auto loan rate is taken as avg of upper and lower limit of auto loan rate

BofA GLOBAL RESEARCH

Exhibit 47: Auto loan rate change (bps)

Banks are revising up auto loan rate but at slow pace



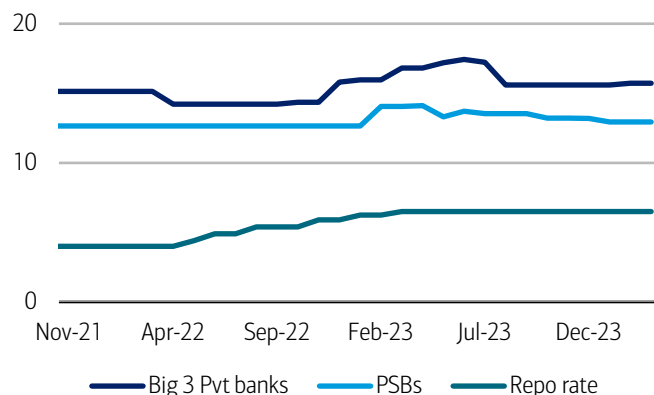
Source: BofA Global Research Estimates, Company websites

Note – Auto loan rate is taken as avg of upper and lower limit of auto loan rate

BofA GLOBAL RESEARCH

Exhibit 48: SME loan rate (%)

Higher competition driving some rate moderation in SME lending



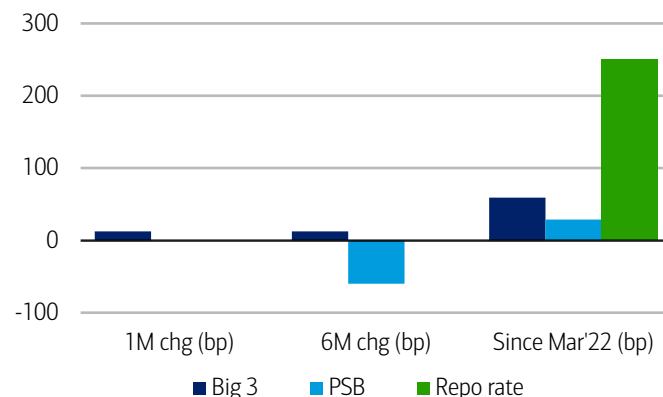
Source: BofA Global Research Estimates, Company websites

Note – SME loan rate is taken as avg of upper and lower limit of SME loan rate

BofA GLOBAL RESEARCH

Exhibit 49: SME loan rate change (%)

Big bks seeing some rate cut, PSBs have taken higher rate hike since mar'22



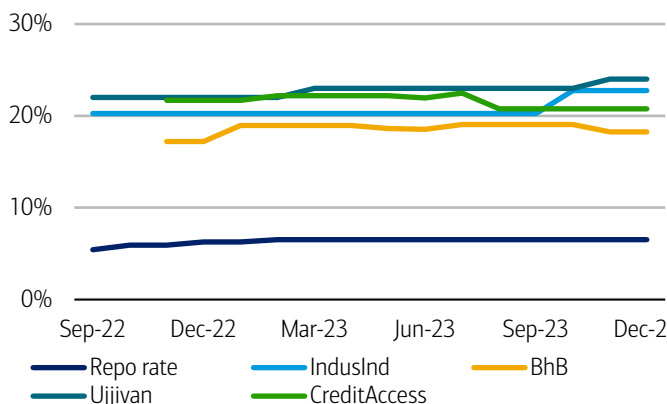
Source: BofA Global Research Estimates, Company websites

Note – SME loan rate is taken as avg of upper and lower limit of SME loan rate

BofA GLOBAL RESEARCH

Exhibit 50: MFI loan rates (%)

Increase in MFI loan rate has been much lower vs other segments



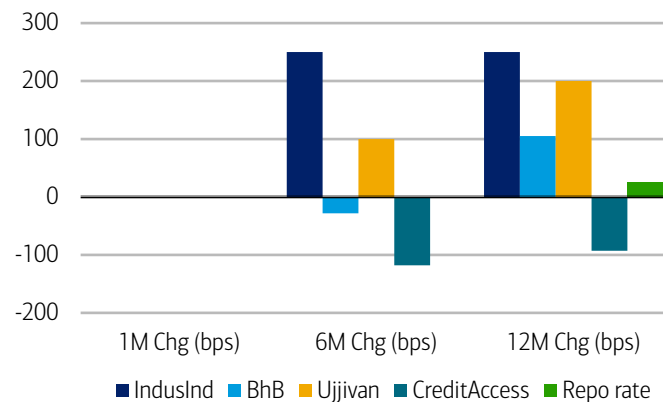
Source: BofA Global Research Estimates, Company websites

Note – MFI loan rate is average of rates offered on different MFI loan schemes by the bank

BofA GLOBAL RESEARCH

Exhibit 51: MFI loan rate change (%_

No change in MFI loan rate in last 1 months



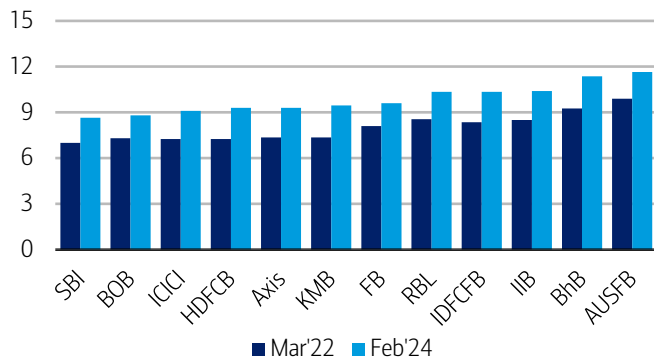
Source: BofA Global Research Estimates, Company websites

Note – MFI loan rate is average of rates offered on different MFI loan schemes by the bank

BofA GLOBAL RESEARCH

Exhibit 52: MCLR (%) – Feb'24 vs Mar'22

MCLR rate hike has slowed down for big banks

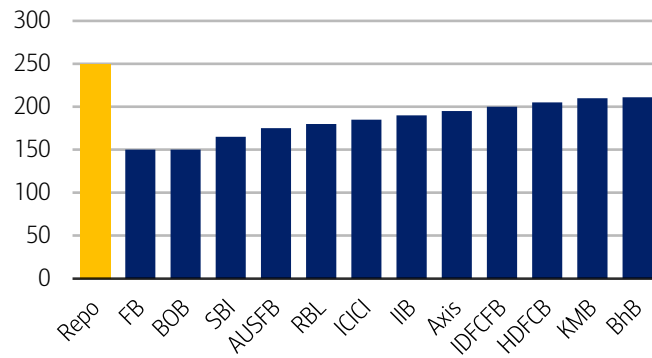


Source BofA Global Research estimates, company

BofA GLOBAL RESEARCH

Exhibit 53: MCLR (bps)- Feb'24 vs Mar'22

BhB and Kotak have taken highest revision amongst big banks

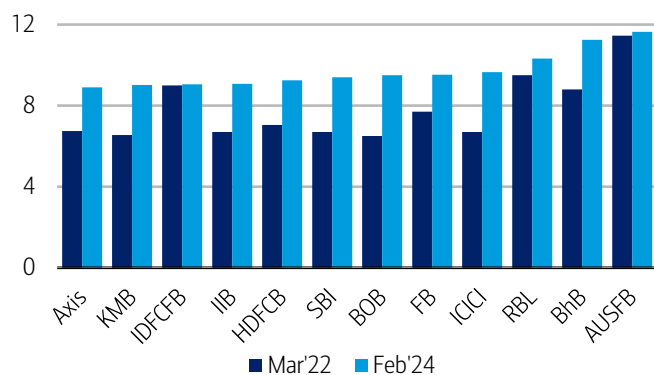


Source: BofA Global Research estimates, company

BofA GLOBAL RESEARCH

Exhibit 54: Mortgage rate (%) - Feb'24 vs Mar'22

Difference in mortgage rate amongst big banks and MSBs have reduced..



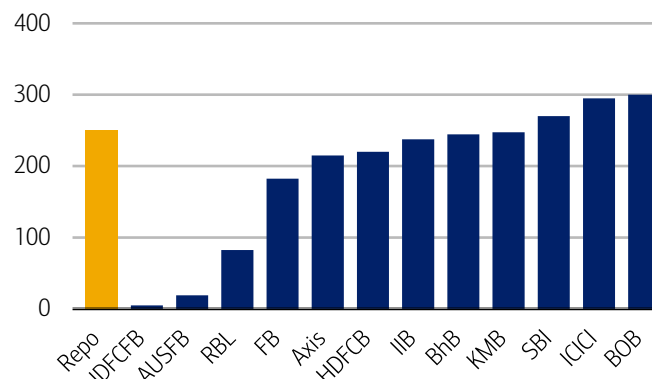
Source: BofA Global Research estimates, company

Note – Mortgage rates for Salaried customers, general category, male, amt between Rs 35-70 L

BofA GLOBAL RESEARCH

Exhibit 55: Mortgage rate (bps) - Feb'24 vs Mar'22

... as smaller banks have taken lower rate hike due to higher competition



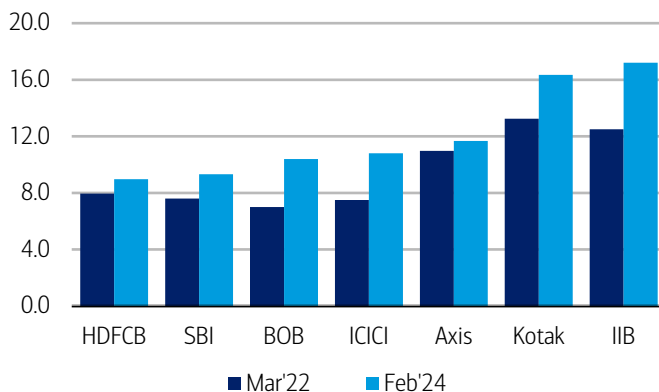
Source: BofA Global Research estimates, company

Note – Mortgage rates for Salaried customers, general category, male, amt between Rs 35-70 L

BofA GLOBAL RESEARCH

Exhibit 56: Auto loan rate (%) - Feb'24 vs Mar'22

Big banks – SBI and HDFCB offers most competitive rates



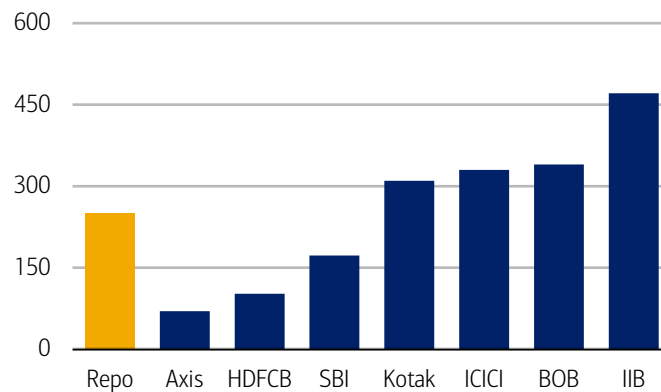
Source: BofA Global Research estimates, company

Note – Auto loan rate is taken as avg of upper and lower limit of auto loan rate

BofA GLOBAL RESEARCH

Exhibit 57 Auto loan rate (bps) - Feb'24 vs Mar'22

IIB and BOB have taken highest rate hike for auto loans



Source: BofA Global Research estimates, company

Note – Auto loan rate is taken as avg of upper and lower limit of auto loan rate

BofA GLOBAL RESEARCH

Exhibit 60: Mortgage rates (%)

Average mortgage rate is now back to pre-festive level

	Mar-22	Jun-22	Sep-22	Dec-22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	7.05	7.45	8.65	9.50	9.50	9.50	9.28	9.08	9.25	18	-3	220
ICICI	6.70	7.10	8.48	9.25	9.65	9.65	9.65	9.65	9.65	0	0	295
Kotak	6.55	7.50	8.25	8.83	9.10	9.10	9.05	9.03	9.03	0	-3	248
Axis	6.75	7.00	8.28	8.78	10.10	10.10	9.20	8.90	8.90	0	-30	215
IndusInd	6.70	6.70	7.35	8.60	9.08	9.08	9.08	8.83	9.08	0	0	238
Federal	7.70	8.60	9.10	9.95	10.20	10.20	9.53	9.53	9.53	0	0	183
SBI	6.70	7.05	8.05	9.10	9.25	9.35	9.35	9.40	9.40	0	5	270
BOB	6.50	7.40	7.95	9.40	9.70	9.55	9.55	9.50	9.50	0	-5	300
Bandhan	8.80	9.00	10.98	11.30	11.33	11.19	11.24	11.25	11.25	0	1	245
RBL	9.50	9.50	9.50	9.50	10.33	10.33	10.33	10.23	10.33	0	0	82
Aubank	11.45	11.45	11.53	11.47	11.77	11.54	11.57	11.64	11.64	0	10	19
IDFCB	9.00	9.00	9.00	10.00	10.25	10.05	9.05	9.05	9.05	0	0	5
Big 3	6.83	7.18	8.47	9.18	9.75	9.75	9.38	9.21	9.27	6	-11	243
PSB	6.60	7.23	8.00	9.25	9.48	9.45	9.45	9.45	9.45	0	0	285
MSB	8.86	9.04	9.58	10.14	10.49	10.40	10.13	10.09	10.14	0	2	129
Avg Mortgage rate	7.78	8.15	8.93	9.64	10.02	9.97	9.74	9.67	9.72	1	-2	193

Source: BoFA Global Research Estimates, Company websites

Note – Mortgage rates for Salaried customers, general category, male, amt between Rs 35-70 lakhs. The heatmap shading represents incremental change in rates

BoFA GLOBAL RESEARCH

Exhibit 61: MCLR – 1 yr(%)

Most banks saw 0-10 bps increase in MCLR in Feb'24

	Mar-22	Jun-22	Sep-22	Dec-22	Mar'23	Jun'23	Sep'23	Jan'24	Mar'24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	7.25	7.85	8.20	8.60	8.95	9.05	9.15	9.20	9.30	5	20	205
ICICI	7.25	7.55	8.00	8.65	8.75	8.85	8.95	9.10	9.10	0	20	185
Kotak	7.35	7.85	8.10	8.65	9.05	9.20	9.30	9.35	9.45	10	20	210
Axis	7.35	7.95	8.05	8.75	8.95	9.10	9.15	9.25	9.30	5	20	195
IndusInd	8.50	9.00	9.30	9.95	10.15	10.20	10.25	10.35	10.40	5	15	190
Federal	8.10	8.20	8.50	8.70	9.20	9.30	9.40	9.50	9.70	10	30	160
SBI	7.00	7.40	7.70	8.30	8.50	8.50	8.55	8.65	8.65	0	10	165
BOB	7.30	7.50	7.70	8.30	8.55	8.65	8.70	8.75	8.80	5	10	150
Bandhan	9.25	9.25	9.95	10.75	10.96	11.10	11.02	11.27	11.36	9	13	211
RBL	8.55	9.05	9.05	9.90	10.20	10.20	10.15	10.20	10.35	15	20	180
Aubank	9.90	10.25	10.70	11.05	11.75	11.65	11.90	11.85	11.90	15	25	200
IDFCB	8.35	8.65	8.95	9.35	9.65	9.95	10.00	10.25	10.40	15	40	205
Big 3	7.28	7.78	8.08	8.67	8.88	9.00	9.08	9.18	9.23	3	20	195
PSB	7.15	7.45	7.70	8.30	8.53	8.58	8.63	8.70	8.73	3	10	158
MSB	8.78	9.07	9.41	9.95	10.32	10.40	10.45	10.57	10.69	12	24	191
Avg MCLR	8.01	8.38	8.68	9.25	9.56	9.65	9.71	9.81	9.89	8	20	188

Source: BoFA Global Research Estimates, Company websites

Note- MCLR is for 1 yr tenure. The heatmap shading represents incremental change in rates

BoFA GLOBAL RESEARCH

Exhibit 62: Auto loan rates (%)

Some rate hikes in auto loans but total rate hike varies significantly across banks based on their customer segment etc

	Mar-22	Jun-22	Sep-22	Dec-22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	7.95	7.95	7.95	8.18	8.36	8.78	8.95	9.05	8.97	0	2	102
ICICI	7.50	7.50	7.85	8.46	8.69	9.06	9.48	10.93	10.80	5	174	330
Kotak	13.25	13.25	13.25	13.25	16.25	16.35	16.35	16.35	16.35	0	0	310
Axis	10.98	11.18	9.80	10.90	11.00	11.38	11.48	11.53	11.68	15	22	70
IndusInd	12.50	12.50	14.00	14.00	16.54	17.21	18.95	18.95	17.21	0	0	471
SBI	7.60	7.70	8.10	8.85	9.05	9.25	9.25	9.33	9.33	0	7	173
BOB	7.00	8.53	8.95	9.83	11.68	11.25	10.50	10.40	10.40	38	-10	340
Big 3	8.81	8.88	8.53	9.18	9.35	9.74	9.97	10.50	10.48	7	66	167
PSB	7.30	8.11	8.53	9.34	10.36	10.25	9.88	9.86	9.86	19	-1	256
Avg Auto	9.54	9.80	9.99	10.50	11.65	11.90	12.14	12.36	12.10	8	28	257

Source: BoFA Global Research Estimates, Company websites

Note – we are taking average of lower and upper limit of auto loan rate. The heatmap shading represents incremental change in rates

BoFA GLOBAL RESEARCH

Exhibit 63: SME loan rates (%)

Banks' mgmt. has indicated intense competition in SME driving very limited rate hike

	Mar-22	Jun-22	Sep-22	Dec-22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	1M chg (bp)	6M chg (bp)	Since Mar'22 (bp)
HDFC Bk	11.90	11.90	11.90	16.25	16.25	16.25	16.25	16.25	16.63	38	38	473
ICICI	16.50	16.50	16.50	16.50	19.55	19.55	14.75	14.75	14.75	0	0	-175
Kotak	16.00	16.00	16.00	16.00	21.00	21.00	21.00	21.00	21.00	0	0	500
Axis	17.00	14.25	14.25	14.65	14.65	16.50	15.80	15.80	15.80	0	0	-120
IndusInd	21.00	21.00	21.00	21.00	22.00	22.00	22.00	18.00	18.00	0	-400	-300
SBI	11.20	11.20	11.20	11.20	12.60	11.80	11.85	11.85	11.95	0	10	75
BOB	14.10	14.10	14.10	14.10	15.50	15.63	15.23	14.53	13.93	0	-130	-17
Big 3	15.13	14.22	14.22	15.80	16.82	17.43	15.60	15.60	15.73	13	13	59
PSB	12.65	12.65	12.65	12.65	14.05	13.71	13.54	13.19	12.94	0	-60	29
Avg SME	15.39	14.99	14.99	15.67	17.36	17.53	16.70	16.03	16.01	5	-69	62

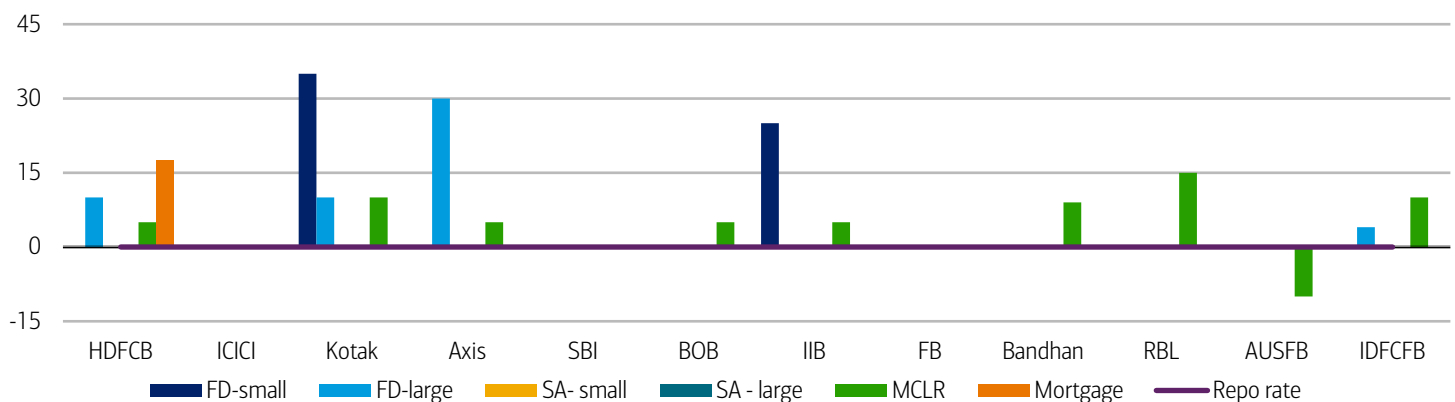
Source: BofA Global Research Estimates, Company websites

Note – we are taking average of lower and upper limit of SME loan rate. The heatmap shading represents incremental change in rates

BofA GLOBAL RESEARCH

Exhibit 62: Bank wise rate change (bps) – 1M

MCLR revision continued in last one month, some banks revised rate for FD

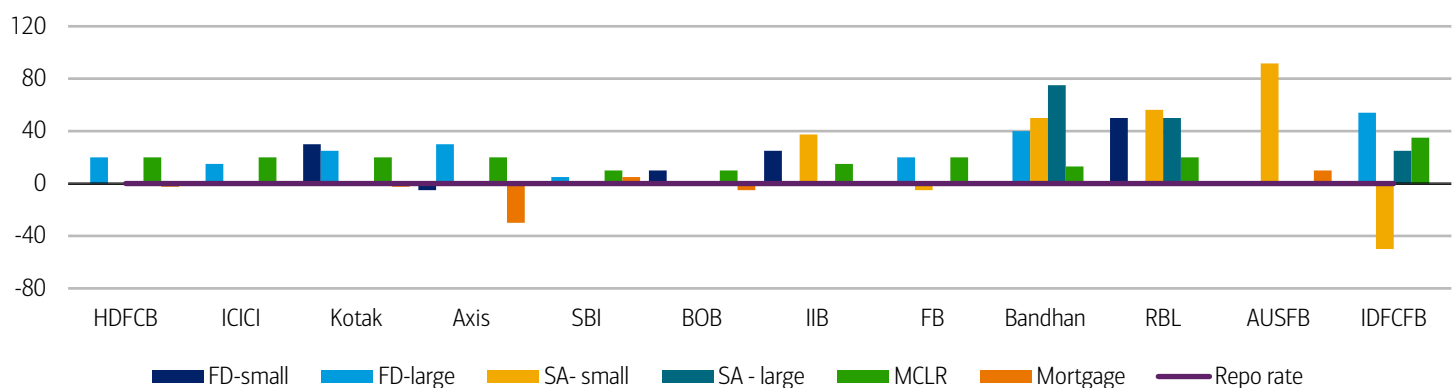


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 63: Bank wise rate change (bps) – 6M

MCLR hike across banks but more action in FD is led by MSBs in last 6 months

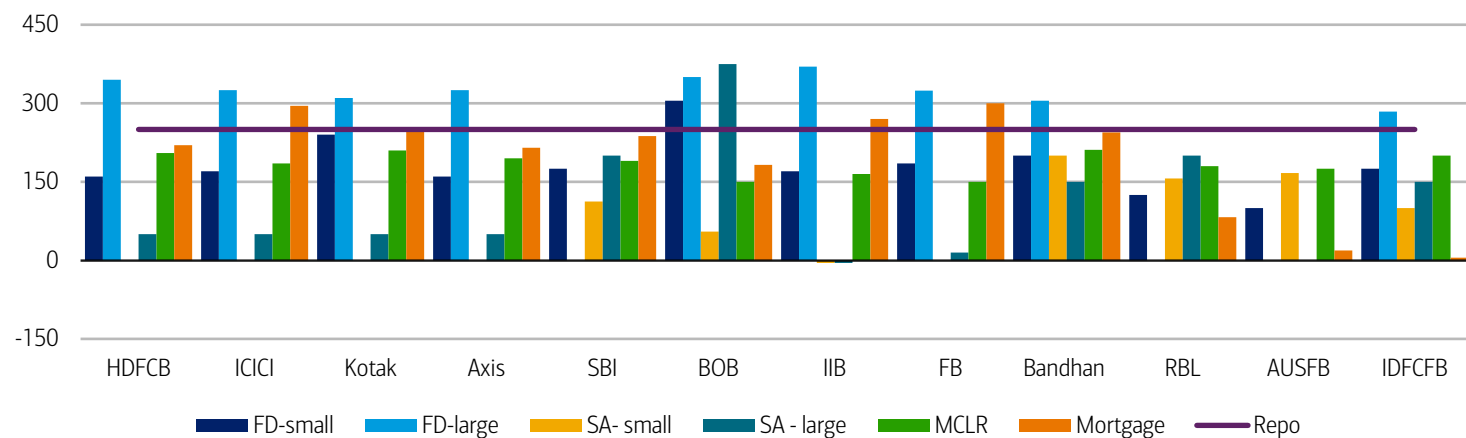


Source: BofA Global Research Estimates, Company websites

BofA GLOBAL RESEARCH

Exhibit 64: Bank wise rate change (bps) – since Mar'22

Retail FD rate and MCLR rate revision is still lower than total repo rate hike



Source: BofA Global Research Estimates, Company websites

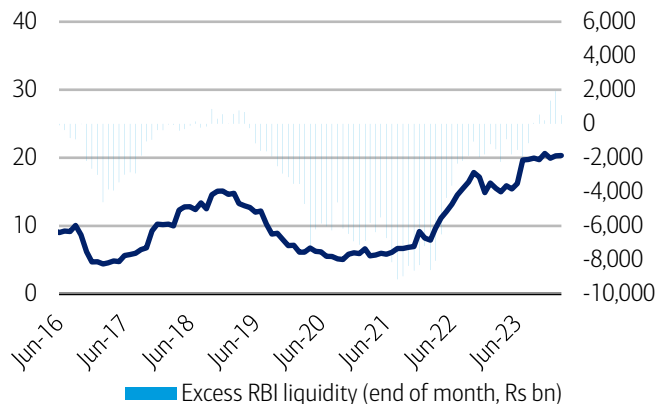
BofA GLOBAL RESEARCH

Certificate of Deposits – volume now at decade high

- **CD volume has continued to rise and is now close to decade high level** – Monthly CD volume increased to Rs 3.8 Tn in Feb'24, close to 2014 level and highest in almost last decade. This is led by continued system liquidity deficit and strong demand of funds to sustain higher credit growth.
- **CD rate continue to inch up in last few months, now at 8.2%** – Given strong demand for CDs, CD rate has inched up to 8.2% (up 20 bps/60 bps in last 1M/6M). This is higher than interest rates offered on bulk deposits by most banks.

Exhibit 65: RBI liquidity operation (Rs bn) vs credit growth (%)

RBI has improved in Feb-Mar'24 but system liquidity remains in deficit

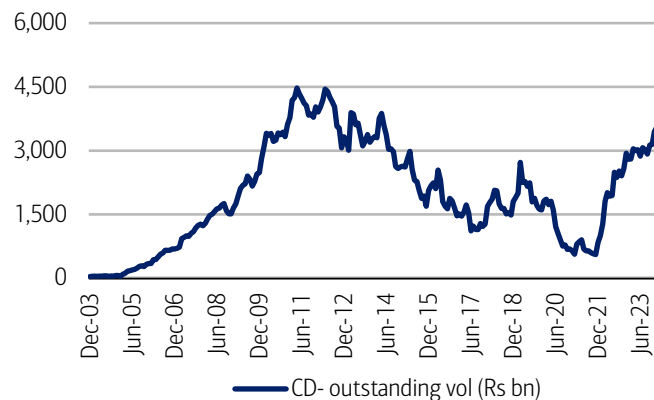


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 66: India SCBs CD - volume (Rs bn)

Strong pick up in CD volume since Dec'23

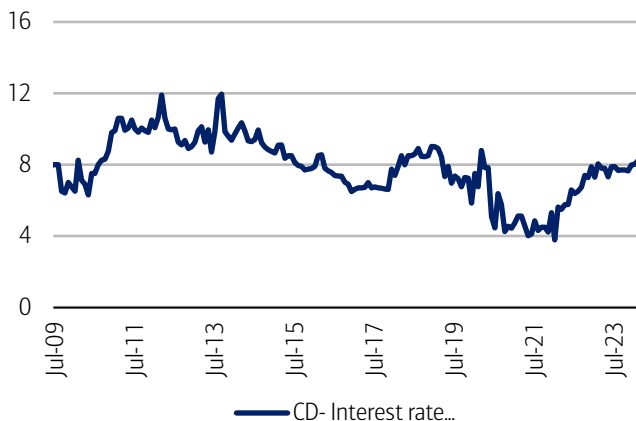


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 67: India SCBs CD- avg interest rate (%)

Higher demand resulted in 20 bps rise in CD rate in Feb'24

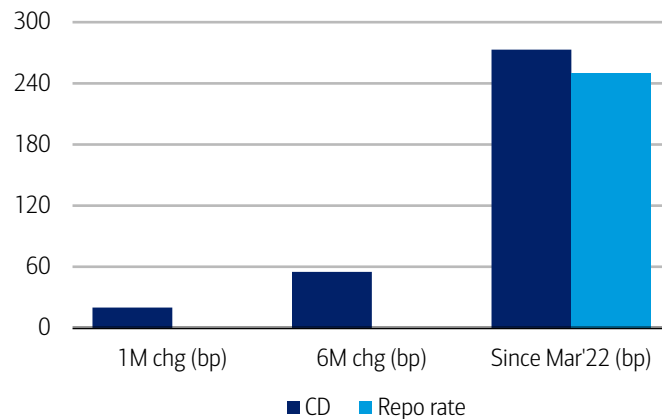


Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 68: Avg CD rate change (bps)

Increase in avg CD rate is now higher than repo rate hike



Source: BofA Global Research, Bloomberg, RBI

BofA GLOBAL RESEARCH

Acronyms and Abbreviations

FD – Fixed Deposits
 MSB- Mid-sized banks
 LCR – Liquidity Coverage Ratio
 LDR – Loan to Deposit Ratio
 SA – Savings Account
 CASA – Current Account Savings Account
 FD – Fixed deposits
 MCLR – Marginal cost of based lending rate
 NIM – Net Interest Margin
 PSB – Public Sector Bank
 SFB – Small Finance Bank
 MSB – Mid-sized Banks
 SME – Small and Medium Enterprises
 PL – Personal loans
 MFI – Micro Finance Institutions
 EBLR – External Benchmark Lending Rate
 CD – Certificate of deposits
 IIB – IndusInd bank
 HDFCB – HDFC Bank
 SBI – State Bank of India
 BOB- Bank of Baroda
 BhB- Bandhan Bank
 AUSFB – AU Small Finance Bank

Analyst Certification

I, Anand Swaminathan, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Special Disclosures

In accordance with the SEBI (Foreign Portfolio Investors) Regulations, 2019 and with guidelines issued by the Securities and Exchange Board of India (SEBI), foreign investors (individuals as well as institutional) that wish to transact the common stock of Indian companies must have applied to, and have been approved as per SEBI (Foreign Portfolio Investors) Regulations, 2019. Each investor who proposes to transact common stock of Indian companies will be required to obtain Foreign Portfolio Investor (FPI) registration as per SEBI (Foreign Portfolio Investors) Regulations, 2019. Certain other entities are also entitled to transact common stock of Indian companies under the Indian laws relating to investment by foreigners. BofA Securities reserves the right to refuse to provide a copy of research on common stock of Indian companies to a person not resident in India. American Depositary Receipts (ADR) representing such common stock are not subject to these Indian law restrictions and may be transacted by investors in accordance with the applicable laws of the relevant jurisdiction. Global Depositary Receipts (GDR) and the Global Depositary Shares (GDS) of Indian companies, Indian limited liability corporations, have not been registered under the U.S. Securities Act of 1933, as amended, and may only be transacted by persons in the United States who are Qualified Institutional Buyers (QIBs) within the meaning of Rule 144A under the



Securities Act. Accordingly, no copy of any research report on Indian companies' GDRs or GDSs will be made available to persons who are not QIBs.

BofA Securities India Limited (BofAS India) is regulated by the Securities and Exchange Board of India (SEBI) and provides the following services in India: Research, Equity Sales & Trading, Futures & Options, Electronic Trading, Equity Capital Markets, Debt Capital Markets and M&A. SEBI Registration Nos. Research Analyst: INH000000503, Stock Broking: INZ000217333 (Trading and Clearing Member of NSE and BSE – Capital Markets and Equity Derivatives), Merchant Banker: INM000011625, CIN U74140MH1975PLC018618. Registration granted by SEBI and certification from National Institute of Securities Markets (NISM) in no way guarantee performance of the intermediary or provide any assurance of returns to investors. BofAS India's registered office is at Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India, Tel: +91 22 6632 8000 and the contact details of its Compliance Officer (Shervin Purohit) are: Tel: (91-22) 6632 8853, Email: shervin.purohit@bofa.com. For specific grievances, if any, please contact the Grievance Officer (Amish Shah) and contact details are: Tel: (91-22) 6632 8000, Email: dg.rsch_in_complaint@bofa.com. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Disclosures

Important Disclosures

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

Other Important Disclosures

From time to time research analysts conduct site visits of covered issuers. BofA Global Research policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

Officers of BofA or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

Refer to [BofA Global Research policies relating to conflicts of interest](#).

"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.

Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:

BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF); BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofam.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of



its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBL. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the [Electronic Communications Disclaimers](#) for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities. This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.

BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments, including ADRs, effectively assume currency risk.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Copyright 2024 Bank of America Corporation. All rights reserved. iQdatabase® is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Securities clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Securities. BofA Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Securities and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Securities.

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein. Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies. Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.

