

April 29, 2020

## Q4FY20 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY21E	FY22E	FY21E	FY22E
Rating	HOLD		BUY	
Target Price	475		609	
NII (Rs. m)	2,68,002	2,97,309	2,67,775	3,13,281
% Chng.	0.1	(5.1)		
Op. Profit (Rs. m)	2,36,584	2,56,980	2,41,512	2,88,886
% Chng.	(2.0)	(11.0)		
EPS (Rs.)	20.5	35.7	36.1	51.1
% Chng.	(43.2)	(30.3)		

### Key Financials - Standalone

Y/e Mar	FY19	FY20	FY21E	FY22E
NII (Rs bn)	217	252	268	297
Op. Profit (Rs bn)	190	234	237	257
PAT (Rs bn)	24	16	58	101
EPS (Rs.)	9.3	6.0	20.5	35.7
Gr. (%)	733.3	(34.8)	239.9	73.8
DPS (Rs.)	-	1.0	-	5.0
Yield (%)	-	0.2	-	1.1
NIM (%)	3.2	3.2	3.1	3.1
RoAE (%)	3.7	2.1	6.6	10.6
RoAA (%)	0.3	0.2	0.6	0.9
P/BV (x)	1.8	1.5	1.4	1.3
P/ABV (x)	2.2	1.7	1.6	1.4
PE (x)	49.2	75.5	22.2	12.8
CAR (%)	15.8	17.5	17.9	17.3

### Key Data

AXBK.BO | AXSB IN

52-W High / Low	Rs.828 / Rs.285
Sensex / Nifty	32,115 / 9,381
Market Cap	Rs.1,285bn/ \$ 16,866m
Shares Outstanding	2,821m
3M Avg. Daily Value	Rs.22507.57m

### Shareholding Pattern (%)

Promoter's	16.00
Foreign	45.49
Domestic Institution	24.94
Public & Others	13.57
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	26.6	(35.9)	(40.1)
Relative	17.5	(21.6)	(27.1)

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## Highlights risks on asset quality from COVID

### Quick Pointers

- Bank mentioned 10-12% customer base of bank & +25% of loans by value have opted for moratorium which reflects risks
- Slippages though lower would have been steady with impact from COVID

**Axis bank posted a loss of Rs13.9bn (PLe: PAT of Rs5.0bn) mainly on back of Rs34.0bn of COVID related provisions on moratorium, stress scenarios & overdue a/c, while also made +Rs40bn of provisions on legacy NPAs to significantly improve PCR to 69%, up 950bps QoQ. Main highlight of the commentary was a disclosure of 25% of loans have been opted for moratorium on installments, which starts to reflect actual risk for banks and was not visible as yet. Lockdown extension & further opting of moratorium may add to risks of NPAs ahead but we will have to watch if industry will have similar trends. With such risks we build-in higher slippages rate & credit cost, similar to last 2-3 years pausing asset quality improvement on exiting a bad corporate cycle. We downgrade to HOLD (from BUY) with revised TP of Rs475 (from Rs609) based on 1.5x (from 1.8x) Mar-22 ABV.**

- Better PPOP but future challenging:** Bank grew its NII by 19% YoY on back of better than expected loan growth of 15.5% YoY, also other income was led by recovery from w.off a/c, decent fee income & cost control. Margins came at 3.55% (down 2bps QoQ) which has been in similar band for some time now, but given slowdown in loan growth both from risk perspective & capital perspective, continued deposit growth & lack of fee income will put pressure on topline ahead and we build in the same conservatively in our estimates.
- Sounds horn on risks for banks:** Bank disclosed a staggering 25% of loans have opted for moratorium bringing to reality the risks for the industry. Two-third of customers would have cash ranging from 1-3 months to repay but have opted to keep liquidity in hand. Identifying NPAs on this portfolio will remain a challenge currently, but even factoring in 5-10% default rate on the portfolio, GNPA's would see increase by 150-250bps (without factoring recovery/w.off's) derailing asset quality improvement. Added risk over and above also remains in the BB watch list book which is 1.1% of customer assets and potentially could turn weak & slip, and overdue loans in moratorium (10% provision done) keeps asset quality risks high. Bank prudently by undergoing stress testing for portfolio provided for Rs34bn of additional provisions for impact from COVID including related to RBI's directives on EMI moratoriums and adds safety for smoothening provisions ahead.
- Surprises on loan growth; steady liabilities:** Bank grew loans at 15.5% YOY with retail growing faster at 24% YoY & corporate by 11.3% YoY and seems to have gained market share. Retail growth was driven by LAP, unsecured & SME. Although, bank mentioned it will move towards secured assets & lower unsecured growth with already curtailed risk parameters and also conserve capital. Corporate book also has been towards A- & above rating incrementally and share of lower rated book has been coming down. **On liabilities**, average CASA balances growth of 12% YoY & RTDs of 25% YoY have been quite decent and bank continues to granularize deposits to maintain high LCR.

**Exhibit 1: Q4FY20 Financials – Provisions impact earnings**

*NII growth came in decent with rise in NIMs and loan growth at 16% YoY*

*Other income supported by recoveries while fee income sees a de-growth YoY*

*Opex rises on accelerated investments in branch network*

*Provisions spike as Rs 30bn COVID provision created, apart from provisions to enhance PCR to 69%*

*PAT adjusted for prudent COVID provisioning would be Rs 7.94bn*

*Deposits grow slower at 17% YoY while Advances growth continues to be supported by Retail*

*NIMs have been largely steady held up by lower cost of funding*

*Asset quality has been more or less steady and PCR ramped up to 69%*

*Capital Adequacy Ratios remain strong while bank also maintains excess SLR of Rs 484.6bn with LCR at 112%*

Financial Statement (Rs m)	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	QoQ gr. (%)
Interest Income	1,62,341	1,47,980	9.7	1,57,083	3.3
Interest Expenses	94,264	90,924	3.7	92,553	1.8
<b>Net interest income (NII)</b>	<b>68,077</b>	<b>57,056</b>	<b>19.3</b>	<b>64,530</b>	<b>5.5</b>
Other income	39,855	35,263	13.0	37,866	5.3
<b>Total income</b>	<b>1,07,932</b>	<b>92,319</b>	<b>16.9</b>	<b>1,02,396</b>	<b>5.4</b>
Operating expenses	49,421	42,175	17.2	44,969	9.9
-Staff expenses	13,740	11,423	20.3	13,652	0.6
-Other expenses	35,681	30,752	16.0	31,316	13.9
<b>Operating profit</b>	<b>58,511</b>	<b>50,144</b>	<b>16.7</b>	<b>57,427</b>	<b>1.9</b>
<b>Core operating profit</b>	<b>55,871</b>	<b>46,604</b>	<b>19.9</b>	<b>52,277</b>	<b>6.9</b>
Total provisions	77,300	27,114	185.1	34,709	122.7
<b>Profit before tax</b>	<b>(18,789)</b>	<b>23,030</b>	<b>(181.6)</b>	<b>22,718</b>	<b>(182.7)</b>
Tax	(4,911)	7,979	(161.6)	5,148	(195.4)
<b>Profit after tax</b>	<b>(13,878)</b>	<b>15,051</b>	<b>(192.2)</b>	<b>17,570</b>	<b>(179.0)</b>
<b>Balance sheet (Rs m)</b>					
Deposits	64,01,049	54,84,713	16.7	59,16,755	8.2
Advances	57,14,242	49,47,980	15.5	55,01,377	3.9
<b>Ratios (%)</b>					
<b>Profitability ratios</b>					
RoaA	(0.6)	0.8	(140)	0.9	(148)
<b>NIM</b>	<b>3.6</b>	<b>3.4</b>	<b>11</b>	<b>3.6</b>	<b>(2)</b>
Cost of Funds	5.2	5.7	(49)	5.4	(22)
<b>Asset Quality</b>					
Gross NPL	3,02,338	2,97,894	1.5	3,00,730	0.5
Net NPL	93,604	1,12,756	(17.0)	1,21,603	(23.0)
<b>Gross NPL ratio</b>	<b>4.9</b>	<b>5.3</b>	<b>(40)</b>	<b>5.0</b>	<b>(14)</b>
<b>Net NPL ratio</b>	<b>1.6</b>	<b>2.1</b>	<b>(50)</b>	<b>2.1</b>	<b>(53)</b>
Coverage ratio (Calc)	69.0	62.1	689	59.6	948
<b>Business &amp; Other Ratios</b>					
Low-cost deposit mix	39.0	44.4	(538)	41.0	(200)
Cost-income ratio	45.8	45.7	11	43.9	187
Non int. inc / total income	36.9	38.2	(127)	37.0	(5)
Credit deposit ratio	89.3	90.2	(94)	93.0	(371)
CAR	17.5	15.8	169	18.7	(119)
Tier-I	14.5	12.5	195	15.5	(105)

Source: Company, PL

**Exhibit 2: With a slowing SME/Corp book, Retail continues to support growth**

(Rs m)	Q3FY20	Q3FY19	YoY gr. (%)	Q2FY20	QoQ gr. (%)
Large & mid-corporate	20,41,030	18,34,020	11.3	19,68,430	3.7
SME Advances	6,19,210	6,55,840	(5.6)	6,17,410	0.3
Retail	30,54,000	24,58,120	24.2	29,15,540	4.7
- Housing Loans & LAP	10,68,900	9,34,086	14.4	10,49,594	1.8
- Personal loans	3,97,020	2,94,974	34.6	3,49,865	13.5
- Auto loans	3,97,020	2,70,393	46.8	3,79,020	4.7

Source: Company, PL

## Key Q4FY20 Concall Highlights

### Business Outlook & Strategy

- **Advances-** Quality of portfolio remains strong with growth continuing to be sourced from Retail book. Majority of the **Retail book** remains secured and well diversified and 80% of unsecured loans are given to ETB customers and over 90% of loans to PL & CC go to the salaried with 67% from premium corporates, MNCs & PSUs. **Corporate book** incrementally 95% has been mostly A- rating with now overall 83% of the book being A- or better rated. **SME/Wholesale Book** remains well diversified across segments and geographies with 85% of the book being SME-3 (viz. A-) or better rated.
- Bank has significantly tightened scorecard standards with higher CIBIL scores on the unsecured book, while strategy ahead will be to move higher towards the secured book and lower unsecured exposures also inline to conserve capital.
- **Deposits-** Bank continues to focus on granularization of the book and growth of low-cost deposits.

### Margins/Opex/Fees

- **Margins-** Lower cost of funds and interest reversals helped margins come in at 3.55% in spite of a negative spread impact and excess liquidity
- **Fees income** continue to be supported by Retail though its growth was modest as segments like card fees and third party distribution income got impacted in March due to COVID with slowdown expected in the future.

### Asset Quality

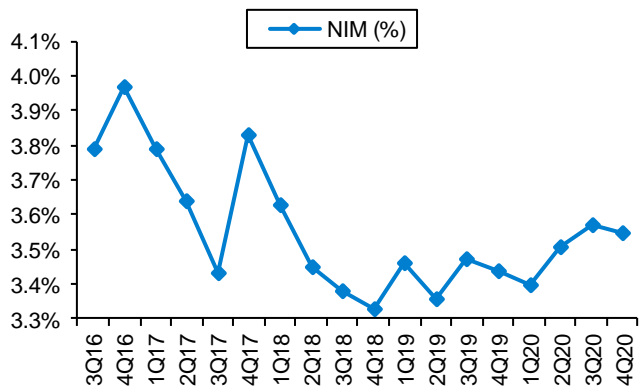
- **COVID-19 moratorium-** Bank reveals that as on 25<sup>th</sup> April, current trend is to protect immediate cash flows and conserve liquidity with 10%-12% of the borrowers in terms of numbers and 25%-28% in terms of value having opted for moratorium in-spite of 2/3<sup>rd</sup> of the retail "opt in" customers having the capacity to pay their EMIs. Bank has adopted "opt in" strategy for wholesale and commercial book whereas for retail book it has adopted a mix of "opt in" and "opt out" strategy. Impact of offering Moratorium to customers that would have turned NPA otherwise is **slippages of Rs 6.9bn, provisions of Rs 3.4bn, GNPA of 11bps and NNPA of 6bps**
- **Provisioning-** Bank has not taken any benefit provided by RBI on extension of additional provisioning required under the June 7 circular. On the basis of excessive stress testing done, Bank has made a COVID provision of Rs 34.8bn of which Rs 0.7bn are on NPA Book basis, Rs 11.2bn (up fronting mandated 10% provisioning) is for all overdue cases irrespective of their NPA status for whom moratorium was given and could be classified as an NPA at a later date going forward and Rs 18.82bn is an unallocated provision for larger COVID stress. Going ahead, Bank expects provisions expected to rise materially but now holds 69% PCR and Rs59.8bn of contingency provisions.
- **Stress book -** Slippages of Rs 39.2bn (2.4% annualized of loans) have come off from sequential highs with Rs 5.02bn of the slippages coming from the investment book. Corporate Loans of Rs 7.5bn slipped due to technical reasons but also got upgraded within the quarter itself. **Significant**

**downgrades** for the quarter came from the industries of Cement & Cement Products, Medical Devices, Automobiles and Automobiles Ancillary. **Top 4 sectors comprising of 60%+ of BB & Below o/s book** were Infrastructure, Construction, Cement & Cement Products, Power Generation & Distribution and Hotels. Given the current scenario, **Bank expects corporate stressed pool normalization will be delayed, with further downgrades to BB pool in FY21**

**Others**

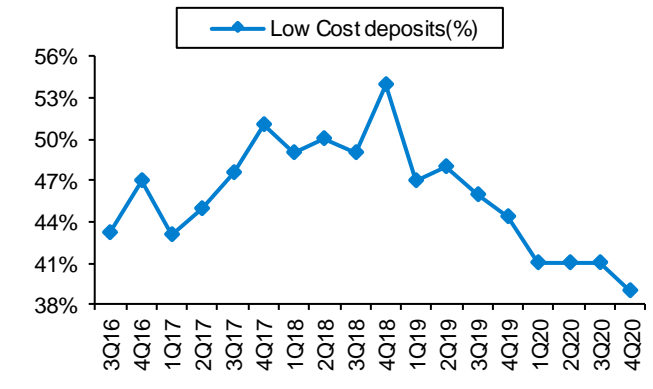
- **Capital Adequacy-** Bank remains well capitalized with CET 1 of 13.34% and CAR of 17.53% and observes that all CAR **would be higher by 14bps** had investment in YES bank been classified at HTM (as is its nature) instead of ASF
- **Liquidity-** LCR remains above regulatory requirements at 120% with **excess SLR** of Rs484.6bn
- **Axis-Max Financial deal –** Axis bank has taken board approval to invest for 30% stake in Max Life Insurance in all cash deal and will be subject to regulatory approvals.

**Exhibit 3: NIMs remain strong on lower Cost of Funds**



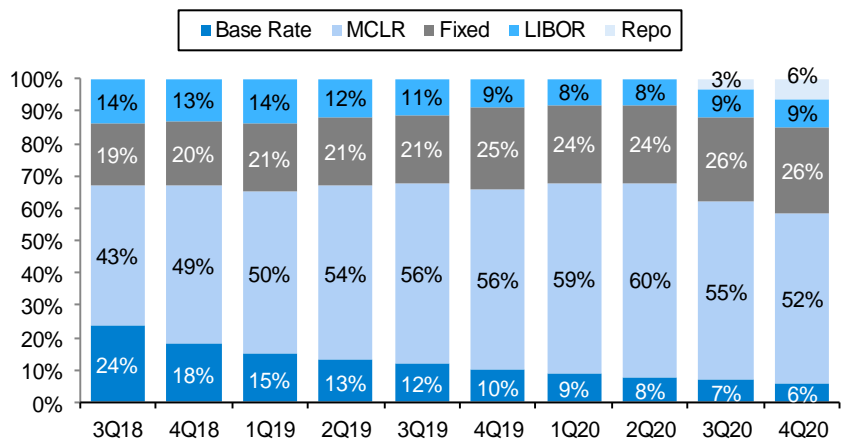
Source: Company, PL

**Exhibit 4: Tepid trends in CASA Ratio continues**



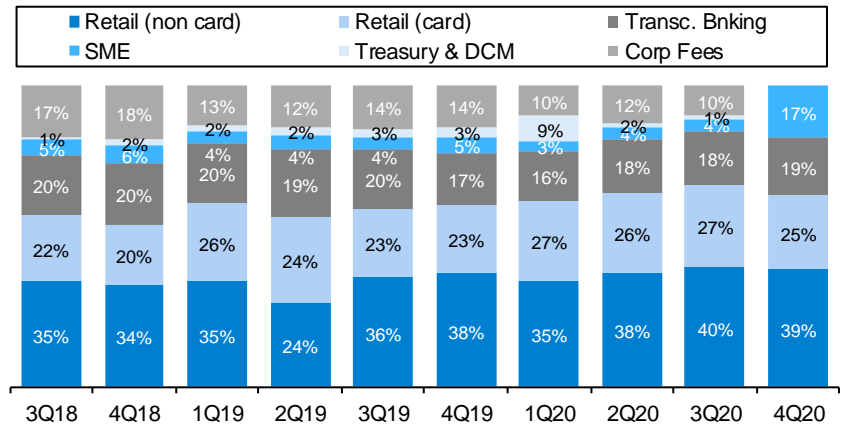
Source: Company, PL

**Exhibit 5: MCLR book share declines on rising Repo-linked book**



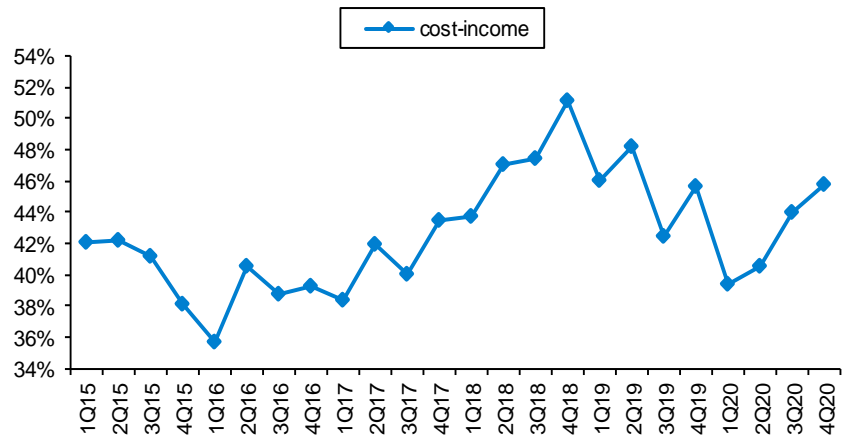
Source: Company, PL

**Exhibit 6: Retail fees remains a significant driver**



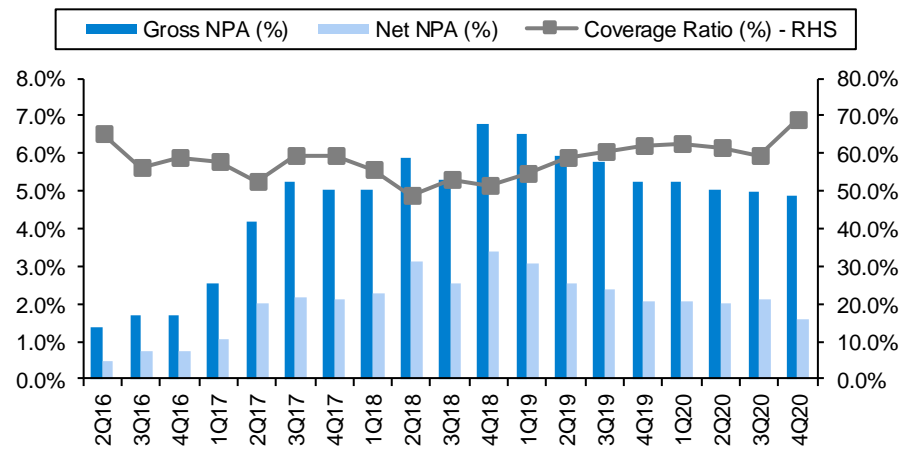
Source: Company Data, PL Research

**Exhibit 7: C/I ratio rises as Operating Expenses sees a rise**

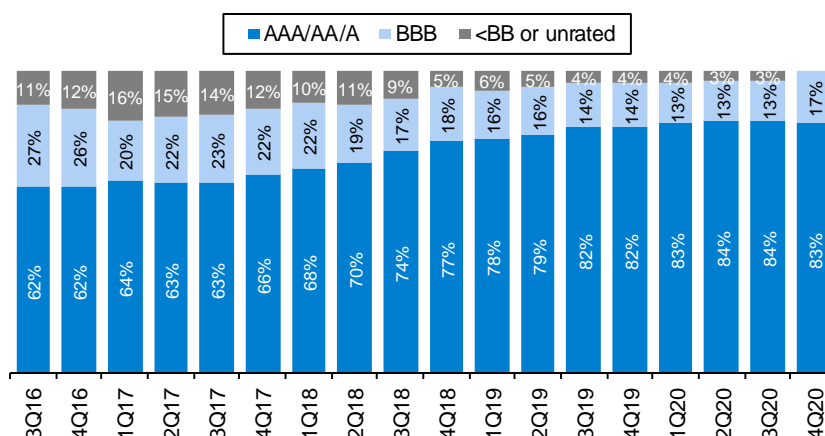


Source: Company, PL

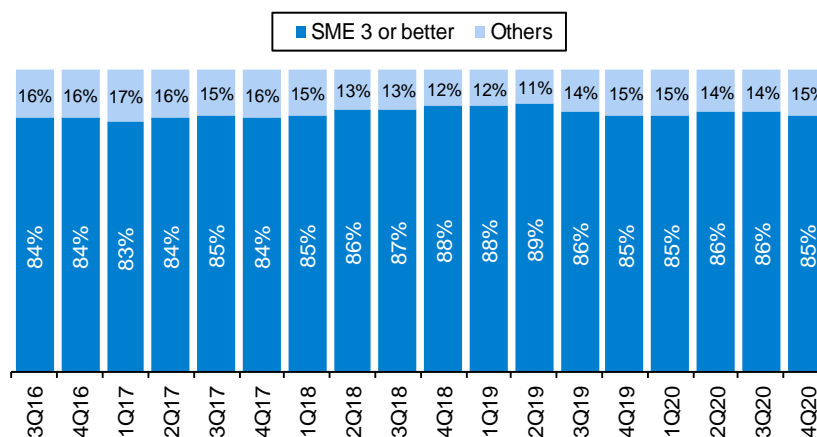
**Exhibit 8: Asset Quality slightly better but PCR improves sharply**



Source: Company, PL

**Exhibit 9: Corporate book rating incrementally has been quite better**


Source: Company, PL Note – BB book clubbed with BBB from Q4FY20

**Exhibit 10: SME rating remains broadly stable with no large stress**


Source: Company, PL

**Exhibit 11: BB & Below book sees rise pushing up overall stress but overall slippages see an improvement**

Stressed Loans (Rs Mn)	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
<b>Gross slippages</b>	<b>89,360</b>	<b>44,280</b>	<b>165,360</b>	<b>43,370</b>	<b>27,770</b>	<b>37,460</b>	<b>30,120</b>	<b>47,980</b>	<b>49,830</b>	<b>62,140</b>	<b>39,200</b>
Recoveries+ Up gradations	10,480	40,080	34,010	29,170	21,860	16,220	23,760	21,770	22,130	24,220	24,890
Write-offs	25,170	28,220	38,870	30,070	23,150	22,070	17,010	30,050	31,040	27,900	12,700
Slippages (%)	8.98%	4.26%	15.37%	3.94%	2.48%	3.22%	2.48%	3.87%	3.91%	4.64%	2.80%
<b>BB &amp; Below Book</b>	<b>158,150</b>	<b>161,200</b>	<b>89,940</b>	<b>103,960</b>	<b>88,600</b>	<b>76,450</b>	<b>74,670</b>	<b>75,040</b>	<b>62,910</b>	<b>51,280</b>	<b>65,280</b>
% of customer assets	3.5%	3.5%	1.8%	2.2%	1.7%	1.4%	1.3%	1.3%	1.1%	0.9%	1.1%
NFB O/s to BB & Below exposures					28,000	25,000	22,000	25,000	22,000	36,700	39,060
Investments O/s in BB & Below rating									17,580	9,850	5,620
Watch List	60,520	53,090	4,280								
Corp Restructured Advances	38,600	35,250	10,810	11,588	11,987	8,737	10,339				
SDR / S4A / 5-25 Advances	52,770	52,880	10,890	16,882	15,573	14,823					
Total Restructured Dispensation	73,900	69,850	20,650	28,470	27,560	23,560					
% of loans	1.8%	1.7%	0.5%	0.6%	0.5%	0.3%					
<b>Total stress (adjusted for overlaps)</b>	<b>174,420</b>	<b>159,260</b>	<b>91,060</b>	<b>122,360</b>	<b>109,280</b>	<b>66,510</b>	<b>98,230</b>	<b>171,040</b>	<b>102,490</b>	<b>97,830</b>	<b>1,09,960</b>
% of Customer Assets	3.9%	3.5%	1.9%	2.5%	2.1%	1.8%	1.7%	1.7%	1.8%	1.7%	1.9%

Source: Company, PL

**Exhibit 12: Change in earnings estimates – We adjust for lower loan growth & higher provisions for likely asset quality risks emerging**

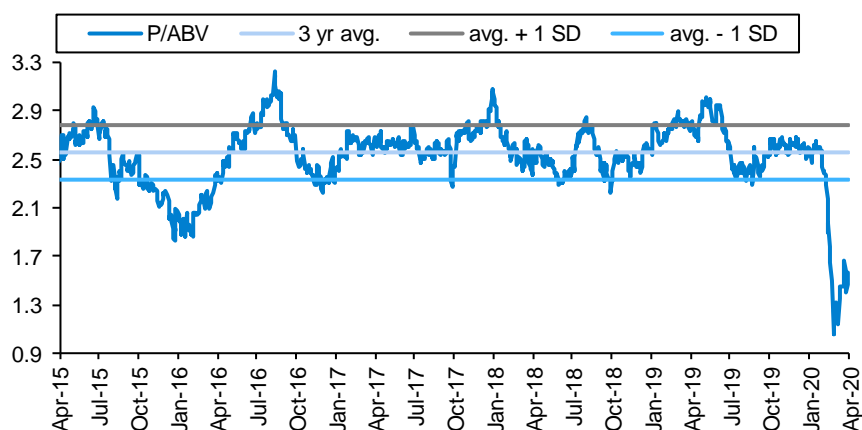
Rs (mn)	Old		Revised		% change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net interest income	2,67,775	3,13,281	2,68,002	2,97,309	0.1	(5.1)
Operating profit	2,41,512	2,88,886	2,36,584	2,56,980	(2.0)	(11.0)
Net profit	1,01,693	1,44,096	57,878	1,00,617	(43.1)	(30.2)
Loan Growth (%)	10.4	15.0	9.8	11.9	(0.6)	(3.1)
Credit Cost (bps)	170.0	140.0	250.0	180.0	80.0	40.0
EPS, Rs.	36.1	51.1	20.5	35.7	(43.2)	(30.3)
ABVPS, Rs.	303.0	347.3	287.7	323.9	(5.0)	(6.7)
<b>Price target, Rs.</b>	<b>609</b>		<b>475</b>		<b>(22.0)</b>	
<b>Recommendation</b>	<b>BUY</b>		<b>HOLD</b>			

Source: Company, PL

**Exhibit 13: We revise our TP to Rs475 (from Rs609) based on 1.5x Mar-22 ABV**
**PT calculation and upside**

Terminal growth	5.0%
Market risk premium	7.3%
<b>Risk-free rate</b>	<b>6.8%</b>
Adjusted beta	1.07
<b>Cost of equity</b>	<b>14.5%</b>
<b>Fair price - P/ABV</b>	<b>475</b>
<b>Target P/ABV</b>	<b>1.5</b>
<b>Target P/E</b>	<b>13.3</b>
Current price, Rs	455
<b>Upside (%)</b>	<b>4%</b>
Dividend yield (%)	1%
<b>Total return (%)</b>	<b>5%</b>

Source: Company, PL

**Exhibit 14: AXSB's historical P/ABV trends**


Source: Company, PL



**Income Statement (Rs. m)**

Y/e Mar	FY19	FY20	FY21E	FY22E
Int. Earned from Adv.	4,13,220	4,83,030	5,28,910	5,82,208
Int. Earned from invt.	1,13,491	1,12,460	1,23,619	1,51,137
Others	23,147	30,862	25,056	25,316
Total Interest Income	5,49,858	6,26,352	6,77,585	7,58,662
Interest Expenses	3,32,776	3,74,290	4,09,583	4,61,353
<b>Net Interest Income</b>	<b>2,17,082</b>	<b>2,52,062</b>	<b>2,68,002</b>	<b>2,97,309</b>
Growth(%)	17.8	16.9	5.1	10.2
Non Interest Income	1,31,303	1,55,366	1,60,027	1,74,429
Net Total Income	3,48,385	4,07,428	4,28,028	4,71,738
Growth(%)	20.0	14.8	7.2	11.4
Employee Expenses	47,473	53,210	59,595	67,939
Other Expenses	1,03,764	1,11,772	1,22,949	1,37,703
Operating Expenses	1,58,334	1,73,046	1,91,444	2,14,758
<b>Operating Profit</b>	<b>1,90,051</b>	<b>2,34,381</b>	<b>2,36,584</b>	<b>2,56,980</b>
Growth(%)	21.9	23.3	0.9	8.6
NPA Provision	1,02,215	1,27,530	1,48,570	1,17,750
Total Provisions	1,43,285	1,85,470	1,59,238	1,22,519
<b>PBT</b>	<b>46,766</b>	<b>48,911</b>	<b>77,346</b>	<b>1,34,460</b>
Tax Provision	22,975	32,770	19,468	33,844
Effective tax rate (%)	49.1	67.0	25.2	25.2
<b>PAT</b>	<b>23,791</b>	<b>16,141</b>	<b>57,878</b>	<b>1,00,617</b>
Growth(%)	763.0	(32.2)	258.6	73.8

**Balance Sheet (Rs. m)**

Y/e Mar	FY19	FY20	FY21E	FY22E
Face value	2	2	2	2
No. of equity shares	2,572	2,822	2,822	2,822
Equity	5,143	5,643	5,643	5,643
Networth	6,66,763	8,49,479	9,07,357	9,90,860
Growth(%)	5.1	27.4	6.8	9.2
Adj. Networth to NNPA's	1,65,917	93,610	1,00,290	74,435
Deposits	54,84,713	64,01,049	72,33,186	82,45,832
Growth(%)	20.9	16.7	13.0	14.0
CASA Deposits	24,33,941	26,37,060	30,74,104	35,86,937
% of total deposits	44.4	41.2	42.5	43.5
<b>Total Liabilities</b>	<b>80,09,965</b>	<b>91,51,648</b>	<b>1,00,26,565</b>	<b>1,12,18,450</b>
Net Advances	49,47,980	57,14,242	61,71,381	69,11,947
Growth(%)	12.5	15.5	8.0	12.0
Investments	17,49,693	15,67,343	21,78,914	23,99,213
<b>Total Assets</b>	<b>80,09,965</b>	<b>91,51,648</b>	<b>1,00,26,565</b>	<b>1,12,18,450</b>
Growth (%)	15.9	14.3	9.6	11.9

**Asset Quality**

Y/e Mar	FY19	FY20	FY21E	FY22E
Gross NPAs (Rs m)	2,97,894	3,02,344	3,53,228	3,06,006
Net NPAs (Rs m)	1,65,917	93,610	1,00,290	74,435
Gr. NPAs to Gross Adv.(%)	6.0	5.3	5.7	4.4
Net NPAs to Net Adv. (%)	3.4	1.6	1.6	1.1
NPA Coverage %	44.3	69.0	71.6	75.7

**Profitability (%)**

Y/e Mar	FY19	FY20	FY21E	FY22E
NIM	3.2	3.2	3.1	3.1
RoAA	0.3	0.2	0.6	0.9
RoAE	3.7	2.1	6.6	10.6
Tier I	12.5	14.5	14.2	13.9
CRAR	15.8	17.5	17.9	17.3

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Interest Income	1,52,550	1,54,378	1,57,083	1,62,341
Interest Expenses	94,113	93,360	92,553	94,264
<b>Net Interest Income</b>	<b>58,437</b>	<b>61,018</b>	<b>64,530</b>	<b>68,077</b>
YoY growth (%)	23.7	16.0	8.6	3.7
CEB	26,630	26,490	27,750	29,310
Treasury	-	-	-	-
Non Interest Income	38,688	38,958	37,866	39,855
<b>Total Income</b>	<b>1,91,237</b>	<b>1,93,336</b>	<b>1,94,949</b>	<b>2,02,196</b>
Employee Expenses	13,068	12,750	13,652	13,740
Other expenses	25,128	27,711	31,316	35,681
Operating Expenses	38,197	40,460	44,969	49,421
<b>Operating Profit</b>	<b>58,928</b>	<b>59,516</b>	<b>57,427</b>	<b>58,511</b>
YoY growth (%)	34.8	45.4	3.9	16.7
Core Operating Profits	50,608	51,426	52,277	55,871
NPA Provision	28,860	27,010	29,620	42,040
Others Provisions	38,146	35,184	34,709	77,300
Total Provisions	38,146	35,184	34,709	77,300
<b>Profit Before Tax</b>	<b>20,782</b>	<b>24,332</b>	<b>22,718</b>	<b>(18,789)</b>
Tax	7,081	25,453	5,148	(4,911)
<b>PAT</b>	<b>13,701</b>	<b>(1,121)</b>	<b>17,570</b>	<b>(13,878)</b>
YoY growth (%)	95.4	(114.2)	4.5	(192.2)
<b>Deposits</b>	<b>54,06,777</b>	<b>58,39,585</b>	<b>59,16,755</b>	<b>64,01,049</b>
YoY growth (%)	20.9	21.7	15.1	16.7
<b>Advances</b>	<b>49,72,760</b>	<b>52,15,937</b>	<b>55,01,377</b>	<b>57,14,242</b>
YoY growth (%)	12.7	14.4	15.8	15.5

**Key Ratios**

Y/e Mar	FY19	FY20	FY21E	FY22E
CMP (Rs)	455	455	455	455
EPS (Rs)	9.3	6.0	20.5	35.7
Book Value (Rs)	259	301	322	351
Adj. BV (70%)(Rs)	204	271	288	324
P/E (x)	49.2	75.5	22.2	12.8
P/BV (x)	1.8	1.5	1.4	1.3
P/ABV (x)	2.2	1.7	1.6	1.4
DPS (Rs)	-	1.0	-	5.0
Dividend Payout Ratio (%)	-	20.1	-	17.0
Dividend Yield (%)	-	0.2	-	1.1

**Efficiency**

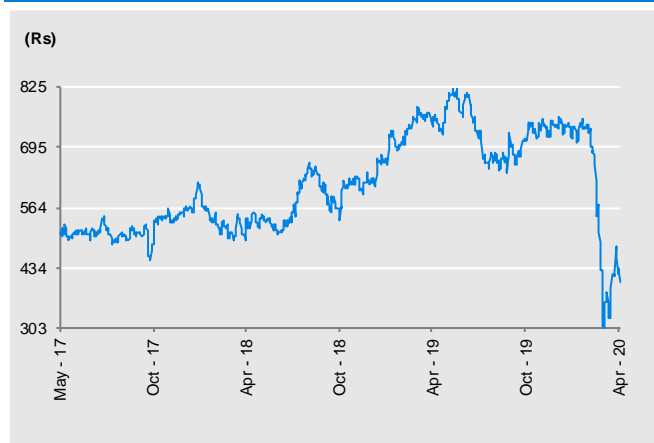
Y/e Mar	FY19	FY20	FY21E	FY22E
Cost-Income Ratio (%)	45.4	42.5	44.7	45.5
C-D Ratio (%)	90.2	89.3	85.3	83.8
Business per Emp. (Rs m)	156	1,006	1,003	1,021
Profit per Emp. (Rs lacs)	4	13	43	68
Business per Branch (Rs m)	2,576	2,676	2,574	2,531
Profit per Branch (Rs m)	6	4	11	17

**Du-Pont**

Y/e Mar	FY19	FY20	FY21E	FY22E
NII	3.16	3.23	3.11	3.14
Total Income	5.07	5.22	4.97	4.98
Operating Expenses	2.30	2.22	2.22	2.27
PPoP	2.77	3.00	2.75	2.71
Total provisions	2.09	2.37	1.85	1.29
RoAA	0.35	0.21	0.67	1.06
RoAE	3.66	2.15	6.59	10.60

Source: Company Data, PL Research



**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	14-Apr-20	BUY	609	419
2	23-Jan-20	Accumulate	790	713
3	03-Jan-20	Accumulate	800	744
4	23-Oct-19	Accumulate	800	713
5	03-Oct-19	Accumulate	800	668
6	30-Jul-19	Accumulate	766	708
7	04-Jul-19	Accumulate	837	809

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	BUY	609	419
2	Bandhan Bank	Subscribe	-	-
3	Bank of Baroda	BUY	83	50
4	Federal Bank	BUY	73	41
5	HDFC	BUY	1,406	1,278
6	HDFC Bank	BUY	1,105	910
7	HDFC Life Insurance Company	Hold	454	485
8	ICICI Bank	BUY	509	331
9	ICICI Prudential Life Insurance Company	Accumulate	385	385
10	IDFC First Bank	Accumulate	25	22
11	IndusInd Bank	BUY	720	407
12	Kotak Mahindra Bank	Accumulate	1,405	1,251
13	Max Financial Services	BUY	610	484
14	Punjab National Bank	BUY	40	31
15	SBI Life Insurance Company	BUY	1,127	982
16	South Indian Bank	BUY	11	6
17	State Bank of India	BUY	317	184

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



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