

April 28, 2020

Q4FY20 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY21E	FY22E	FY21E	FY22E
Rating	BUY		BUY	
Target Price	720		786	
NII (Rs. m)	1,27,863	1,39,065	1,18,398	1,33,341
% Chng.	8.0	4.3		
Op. Profit (Rs. m)	1,02,051	1,02,135	90,776	96,028
% Chng.	12.4	6.4		
EPS (Rs.)	64.4	70.1	56.8	71.2
% Chng.	13.4	(1.4)		

Key Financials - Standalone

Y/e Mar	FY19	FY20	FY21E	FY22E
NII (Rs m)	1,03,970	1,20,587	1,27,863	1,39,065
Op. Profit (Rs m)	93,050	1,07,728	1,02,051	1,02,135
PAT (Rs m)	40,540	44,180	44,669	48,725
EPS (Rs.)	62.7	63.8	64.4	70.1
Gr. (%)	4.2	1.6	0.9	9.0
DPS (Rs.)	6.5	10.0	-	13.0
Yield (%)	1.6	2.5	-	3.2
NIM (%)	4.3	4.4	4.4	4.4
RoAE (%)	14.8	13.5	11.8	11.3
RoAA (%)	1.6	1.5	1.4	1.4
P/BV (x)	0.9	0.8	0.7	0.6
P/ABV (x)	1.0	0.9	0.7	0.7
PE (x)	6.5	6.4	6.3	5.8
CAR (%)	15.8	15.0	17.2	18.1

Key Data

INBK.BO | IIB IN

52-W High / Low	Rs.1,695 / Rs.236
Sensex / Nifty	31,743 / 9,282
Market Cap	Rs.283bn/ \$ 3,706m
Shares Outstanding	694m
3M Avg. Daily Value	Rs.22329.65m

Shareholding Pattern (%)

Promoter's	-
Foreign	-
Domestic Institution	-
Public & Others	-
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(0.9)	(68.1)	(76.0)
Relative	(6.9)	(60.5)	(70.5)

Pritesh Bumb

priteshbumb@plindia.com | 91-22-66322232

Riddhi Mehta

riddhimehta@plindia.com | 91-22-66322258

Starts addressing balance sheet risks

Quick pointers

- Slippages continued to be high in both consumer & corporate book, although bank build a strong PCR of +63%
- 10bps of margins improvement to 4.25% came as positive surprise

IIB's earnings of Rs3.0bn (PLe: Rs3.3bn) were in-line with expectation as bank made high provisions to improve its PCR to 63% from 53% sequentially, which was lagging behind peers. Slower earnings trajectory was also on back of Rs5.5-6.0bn of higher provisions for potential COVID impact & on stressed telecom sector. Overall PPOP performance was better with strong NII led by expansion in NIMs of 10bps sequentially, contrary to expectations, while opex control also helped. With IIB's diversified book it is vulnerable to weak macroeconomics and could see higher prolonged stress. In view with this, we build in similar credit costs 190-200bps & slippage rate of 300bps seen in FY20 and muted business outlook in FY21. We maintain BUY with revised TP of Rs720 (from Rs786) based on 1.2x Mar-22 ABV as risk adjusted margins can still manage to be positive while new management could lead direction toward granular and stronger b/s.

- Operationally surprises positively:** NII not adjusted to merger grew by 44% YoY or 5% QoQ which was on back of strong 10bps NIM expansion to 4.25% which was purely led by 50bps decline in cost of deposits despite overall business growth was quite muted. NIMs expectation was muted post recent concall suggesting strong deposit outflows, but seems those deposits were quite high cost helping lower CoD. Bank may steady margins ahead as it desires to increase mix of consumer finance and lower growth in corporate. PPOP was also helped by strong treasury gains of Rs3.8bn & lower employee expenses of 3% YoY & -9% QoQ leading to cost control.
- Slow asset growth, partly forced by slower deposits flow:** Loan growth was much slower at 6-7% with de-growth in corporate book, while consumer held up from credit card, MFI & tractor loans. Bank desires to take CF mix to 60-65% in next two years with much selective growth in corporate, while compensating from high growth in certain segments in CV, biz banking & MFI post lockdown opens. Asset side growth has been restricted from slower deposit flow as mid of Q4 saw high outflows and will take time to build up despite management mentioning some of the lost flow is coming back.
- Slippages stay elevated; asset quality risks not reflective:** Slippages have continued to remain on the higher side in both corporate & consumer, with corporate accounts facing issues due to parent level weaknesses despite not being in SMA, while consumer has been facing weakness due to slowing macros. Initially for COVID impact, 95% of retail borrowers have paid EMI dues by opting out from the moratorium but bank has taken additional Rs2.3bn of provision for the VF & MFI book, while very little corporates have approached the bank for moratorium. Bank's stress testing of portfolios from lockdown has led to conclusion for initial assessment that GNPA's could rise by 80bps & credit cost by 50bps which seems risks are not completely reflective as of now.

Exhibit 1: Q4FY20 Financials – Operationally steady; provisions accelerate

NII grew by 44% YoY driven by higher yields & 40bps improvement in CoF (75bps improvement in deposit cost).

Other income grew at a tepid 14% YoY as fee income dragged

Opex grows sharply on higher other expenses

Provisions zoomed as higher PCR was created as well as a result of b/s strengthening with a floating provision of Rs 2.bn created against the COVID backdrop

Deposits grew at a weak rate of 4% while advances saw only a 11% growth

NIMs improved by 10bps sequentially supported by lower costs and higher share of Retail book

Slippages were high at Rs 20.6bn, though higher PCR helped to control NNPA

CASA ratio declined by 200-300bps on weak overall deposits growth

P&L	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	QoQ gr. (%)
Interest Income	73,866	59,914	23.3	72,845	1.4
Interest Expense	41,554	37,591	10.5	42,105	(1.3)
Net interest income (NII)	32,312	22,324	44.7	30,740	5.1
Treasury income	3,830	1,400	173.6	2,840	34.9
Fee income	13,900	14,190	(2.0)	15,060	(7.7)
Other income	17,720	15,590	13.7	17,894	(1.0)
Total income	50,032	37,914	32.0	48,634	2.9
Operating expenses	21,670	17,237	25.7	21,178	2.3
-Staff expenses	4,957	4,812	3.0	5,501	(9.9)
-Other expenses	16,713	12,424	34.5	15,677	6.6
Operating profit	28,362	20,677	37.2	27,456	3.3
Core operating profit	24,532	19,277	27.3	24,616	(0.3)
Total provisions	24,403	15,607	56.4	10,435	133.9
Profit before tax	3,959	5,070	(21.9)	17,022	(76.7)
Tax	940	1,469	(36.0)	4,020	(76.6)
Profit after tax	3,018	3,601	(16.2)	13,002	(76.8)
Deposits	20,20,398	19,48,679	3.7	21,67,130	(6.8)
Advances	20,67,832	18,63,935	10.9	20,74,130	(0.3)
Profitability ratios					
RoAA	0.4	0.6	(14)	1.8	(140)
RoAE	3.7	5.5	(177)	15.6	(1,193)
NIM	4.3	3.6	66	4.2	10
Yield on Advances	11.9	11.3	64	12.0	(8)
Cost of Deposits	6.1	6.8	(75)	6.5	(44)
Asset Quality ratios					
Gross NPL (Rs m)	51,467	39,474	30.4	45,784	12.4
Net NPL (Rs m)	18,866	22,483	(16.1)	21,733	(13.2)
Gross NPL ratio	2.45	2.10	35.0	2.18	27.0
Net NPL ratio	0.91	1.21	(30.0)	1.05	(14.0)
Coverage ratio	63.3	43.0	2,030	52.5	1,081
Restructured adv. (Rs m)	827	1,678	(50.7)	1,244	(33.5)
% restructured adv.	0.04	0.09	(5)	0.06	(2)
Business & Other Ratios					
Low-cost deposit mix	40.4	43.1	(278)	42.4	(202)
Cost-income ratio	43.3	45.5	(215)	43.5	(23)
Non int. inc / total income	35.4	41.1	(570)	36.8	(138)
Credit deposit ratio	102.3	95.7	670	95.7	664
CAR	15.0	14.2	88	13.3	175
Tier-I	14.6	13.7	87	13.5	108

Source: Company, PL

Note – YoY numbers are not comparable on merger

Q4FY20 Concall Highlights

Balance Sheet growth & outlook

- **Lending** - Overall: Bank slowed down loan growth due to the COVID-19 and sold down corporate loans during the quarter. Retail business continued to grow, resulting in retail wholesale mix of 56:44 (target ratio 60:40 and 65:35 in 2 years with retail expected to grow at 10%-15% and corporate at a slower 6%-9%). Segment wise commentary: **MFI Book**- 99% of vehicle installments have been paid until locked down and bank was predominantly in rural where the virus impact is lower with the lockdown being removed, expecting their customer profile to outperform with bank being in touch with our customers; **Gems & Jewelry**- Growth is slow but portfolio is extremely profitable with only 3 clients opting for moratorium amounting to < Rs 100mn of total expo; **Corporate Banking**- Strategy is to grow in a measured manner and improve portfolio quality; **NBFC Expo**- All a/cs remain standard but bank is supporting those NBFC where at least 2/3 of the lenders provide continued support; **Real Estate Expo**- No SMA-2/overdues/NPA and none of the a/cs have asked for loan extension; **Unsecured CC/ PL**- Around 90% of the book lies in CIBIL Prime category and above and 70% is salaried with 96% collections in March; **MSME (Biz. Banking/LAP)**- 10% of total book, is stable. The BB book is mostly bank revolver, whereas the LAP book has fixed installments where Bank runs campaigns for opting out of moratorium
- **Liabilities** - Growth came in weak due to the moratorium placed on the bank, followed by some large government deposit withdrawal from private sector banks in March
- **COVID Measures** – (i) Conducted stress tests with assumption that lockdown will extend to 30th June, 2020 and considering mild/medium and high impact scenarios including rating downgrades. (ii) In the corporate sector, sectors which are going to be highly impacted, which is like hotels, LRD in a mall, multiplex operator, i.e. wherever there's going to be a large gathering of public which will not be allowed are being considered high risk (iii) considered no further RBI concessions (iv) credit cost considered to rise 50bps

Margins/Profitability

- Fee Income adversely impacted by the year-end lockdown as a large part of the distribution income comes towards the end of quarter.
- NIM expanded by 10bps sequentially to 4.25% on lower cost of funding and higher share of retail deposits and low cost deposits.

Asset Quality

- **Moratorium**- 3month moratorium offered to all retail customers (though 95% of VF customers have paid their March installment) other than those who choose to “opt out” whereas for corporate segment, eligible customers have to “opt in”. RBI mandated provisions to the extent of Rs 230mn has been made on COVID with additional floating provision of Rs 2,600mn to cover any additional credit costs from the vehicle finance and MFI portfolios.

- Slippages rose from trend levels to Rs 20.6bn with slippages from 3 stressed Groups (exposure now down to 30bps of which 12bps is cash flow backed), power/paper group, tea group, medical equipment group and a broking co. (written off completely) amounted to Rs 11.84bn
- Bank looks to gradually raise PCR to 70%
- Bank has now fully provided for the large infrastructure NBFC. Regarding the Telecom exposure, bank has a Rs 750mn provision and doesn't consider Airtel as an issue with only 1 telco considered to be in stress. The maturity profile of telecom exposure for funded exposures is about 3.5 years before gets repaid, guarantees are usually for a year at a time and BGs are usually between 12-18months, not more than that

Exhibit 2: MFI grows strong, vehicle financing continues to be slow

Loan Book mix	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	QoQ gr. (%)
CV Loans / Tractors	2,39,480	2,44,440	(2.0)	2,49,770	(4.1)
UV Loans	43,770	35,970	21.7	42,640	2.7
3W/Small CV	35,240	31,350	12.4	35,600	(1.0)
2W Loans	52,040	44,820	16.1	52,960	(1.7)
Car Loans	72,470	65,370	10.9	73,360	(1.2)
Tractors	46,700	35,200	32.7	44,000	6.1
Equipment Financing	80,830	75,690	6.8	82,380	(1.9)
Credit Card	47,620	43,820	8.7	45,760	4.1
LAP	94,480	89,250	5.9	95,390	(1.0)
Others	83,110	60,950	36.4	77,570	7.1
MFI	2,43,320	-	NA	2,07,570	17.2
BBG	1,16,430	1,12,890	3.1	1,14,600	1.6
Consumer Finance in BBG	11,55,490	8,39,750	37.6	11,21,600	3.0
Corporate Finance	9,12,342	10,24,185	(10.9)	9,52,530	(4.2)
Loan Mix					
Vehicle Finance	27.6%	28.6%	(1.0)	28.0%	(0.4)
Non-Vehicle Consumer	28.3%	16.5%	11.8	26.1%	2.2
Consumer Finance	55.9%	45.1%	10.8	54.1%	1.8
Corporate Finance	44.1%	54.9%	(10.8)	45.9%	(1.8)

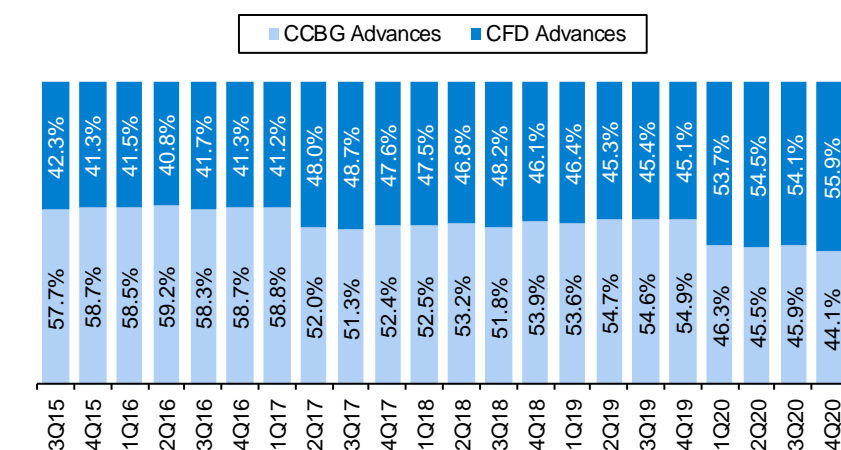
Vehicle finance portfolio saw healthy growth from UVs/2W

Credit card growth rate sees a decline

MFI book share grew 176bps sequentially

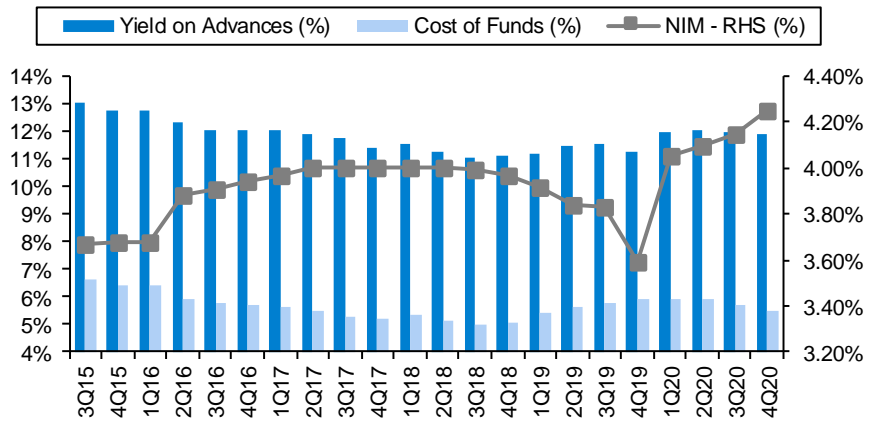
Corporate loan book continues to see decline

Source: Company, PL Research; Note – BBG reclassified in Consumer Fin

Exhibit 3: Consumer book growth continues as corporate book shrinks


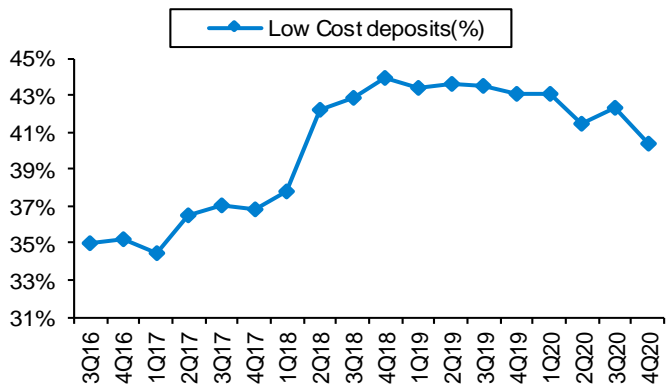
Source: Company, PL Research

Exhibit 4: Margins show improvement driven by lower deposit costs



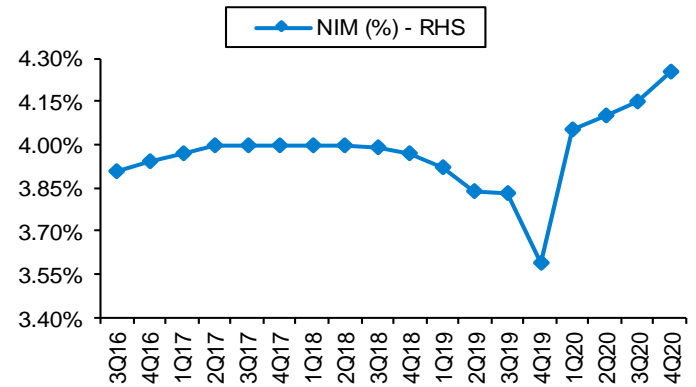
Source: Company, PL Research

Exhibit 5: CASA declines on outflow of certain Govt deposits



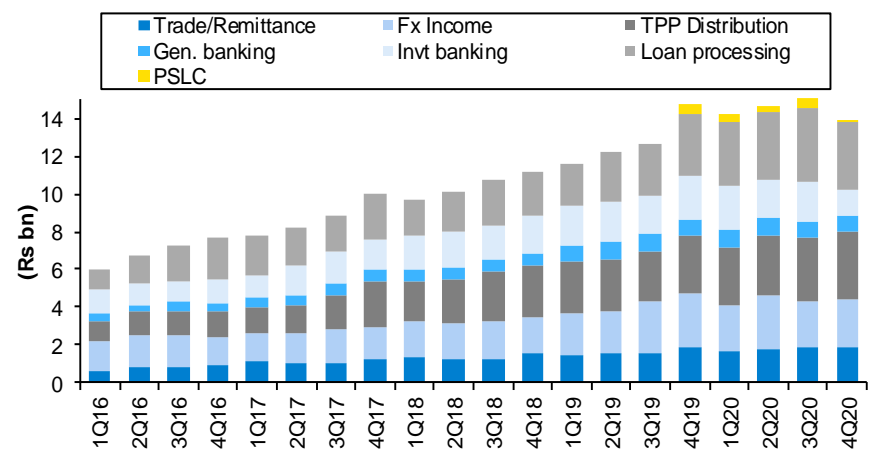
Source: Company, PL

Exhibit 6: NIMs move up by 10sbps QoQ on better product mix and lower deposit costs



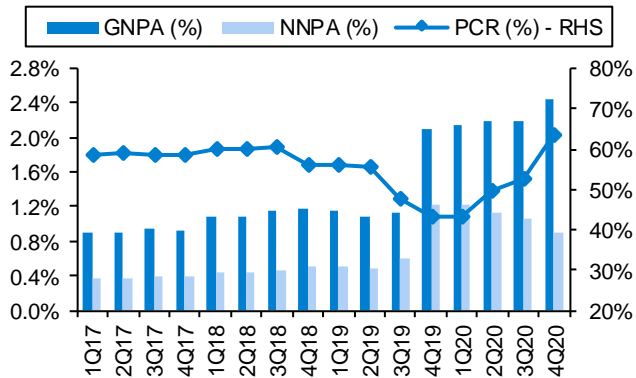
Source: Company, PL **Note** – Not comparable due to merger

Exhibit 7: Core fee growth has been on slightly weaker side but supported by TPD, Fx and retail remittances



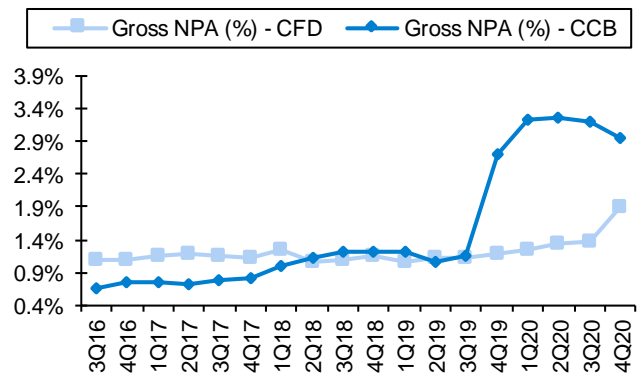
Source: Company, PL Research

Exhibit 8: Asset quality deteriorates but strong PCR rise



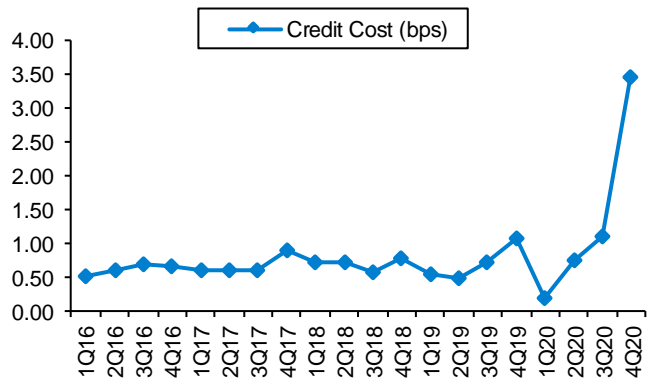
Source: Company, PL

Exhibit 9: CFD & Corporate segment has seen rise in NPA



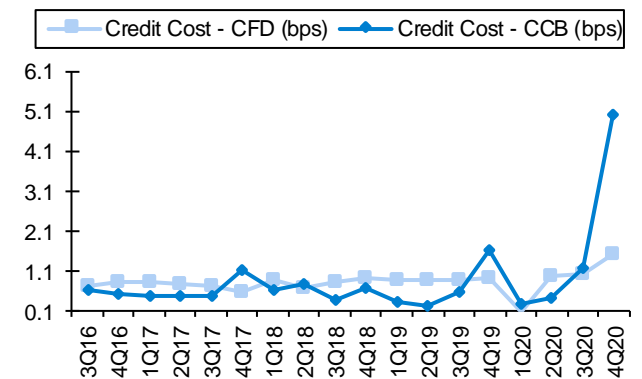
Source: Company, PL

Exhibit 10: Increasing PCR & COVID related provision leads to high credit costs



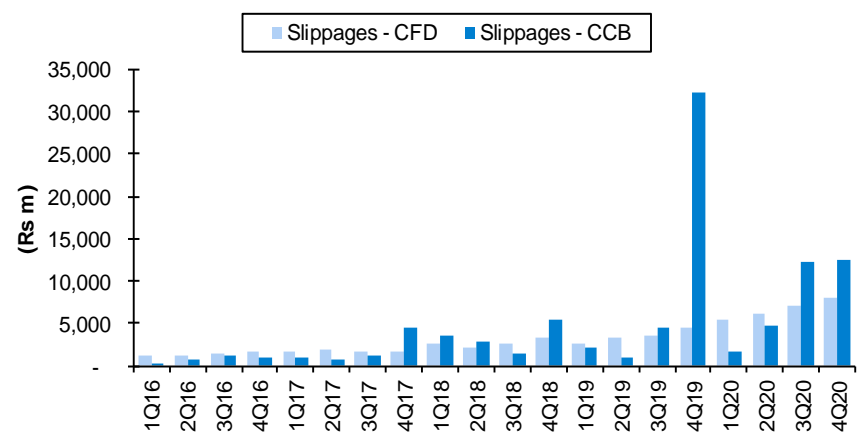
Source: Company, PL

Exhibit 11: Credit cost has been higher for corporate segment to strengthen for higher LGDs/write-offs



Source: Company, PL

Exhibit 12: Slippages for Corporate remain at elevated levels while consumer book too sees a consistent rise



Source: Company, PL Research

Exhibit 13: Return ratios are likely to remain muted on elevated credit cost for next two years

RoE decomposition (%)	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Interest income	9.75	9.09	8.96	8.63	9.56	9.67	9.38	9.29
Interest expenses	6.31	5.55	5.19	4.89	5.48	5.62	5.38	5.27
Net interest income	3.44	3.55	3.77	3.75	4.08	4.05	4.00	4.03
Treasury income	0.84	0.77	0.74	0.65	0.58	0.54	0.39	0.36
Other Inc. from operations	1.58	1.82	1.85	1.73	1.75	1.80	1.74	1.71
Total income	5.86	6.14	6.37	6.12	6.41	6.39	6.13	6.10
Employee expenses	0.99	0.97	0.95	0.89	0.90	0.74	0.76	0.79
Other operating expenses	1.76	1.91	2.03	1.90	1.86	2.03	2.18	2.35
Operating profit	3.12	3.25	3.39	3.33	3.65	3.62	3.19	2.96
Tax	0.92	0.93	0.93	0.94	0.82	0.57	0.49	0.50
Loan loss provisions	0.39	0.53	0.68	0.59	1.24	1.56	1.30	1.05
RoAA	1.80	1.80	1.78	1.80	1.59	1.48	1.40	1.41
RoAE	18.22	16.14	14.96	16.21	14.81	13.47	11.77	11.29

Source: Company, PL Research

Exhibit 14: Change in earnings estimates – We adjust for surprise in NIMs but lower loan growth & increase credit cost. We have also adjusted for dividend

Rs (mn)	Old		Revised		% change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net interest income	1,18,398	1,33,341	1,27,863	1,39,065	8.0	4.3
Operating profit	90,776	96,028	1,02,051	1,02,135	12.4	6.4
Net profit	39,343	49,366	44,669	48,725	13.5	(1.3)
Loan Growth (%)	10.1	12.0	7.9	9.7	(2.2)	(2.3)
Credit Cost (bps)	160.0	110.0	190.0	150.0	30.0	40.0
EPS, Rs.	56.8	71.2	64.4	70.1	13.4	(1.4)
ABVPS, Rs.	543.6	604.5	556.6	621.5	2.4	2.8
Price target, Rs.	786		720		-8.4%	
Recommendation	BUY		BUY			

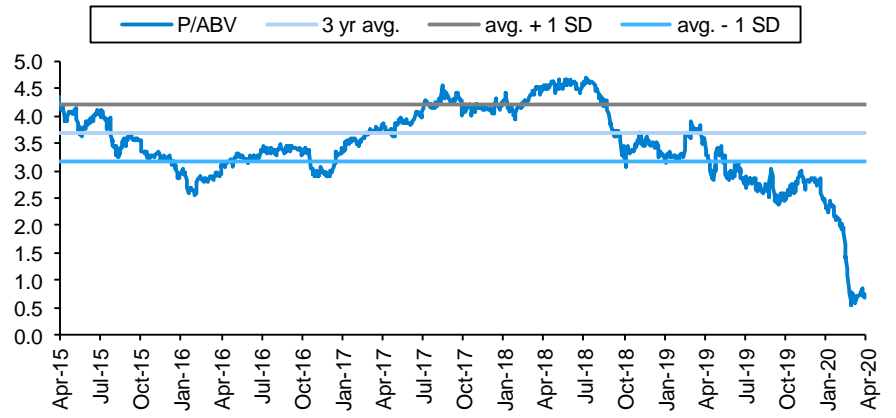
Source: Company, PL

Exhibit 15: Valuation Table – We revise our TP to Rs720 (from Rs786) based on 1.2x Mar-22 ABV

PT calculation and upside	
Terminal growth	5.0%
Market risk premium	7.3%
Risk-free rate	6.8%
Adjusted beta	1.10
Cost of equity	14.7%
Fair price - P/ABV, Rs	720
Target P/ABV (x)	1.2
Target P/E (x)	10.3
Current price, Rs	407
Upside (%)	80%

Source: Company, PL Research

Exhibit 16: One year forward valuation chart



Source: Company, PL Research

Income Statement (Rs. m)

Y/e Mar	FY19	FY20	FY21E	FY22E
Int. Earned from Adv.	2,03,637	2,40,083	2,53,764	2,74,356
Int. Earned from invt.	36,773	42,822	42,183	41,811
Others	3,285	4,924	4,001	4,869
Total Interest Income	2,43,696	2,87,828	2,99,948	3,21,036
Interest Expenses	1,39,726	1,67,241	1,72,085	1,81,971
Net Interest Income	1,03,970	1,20,587	1,27,863	1,39,065
<i>Growth(%)</i>	33.3	16.4	3.1	7.5
Non Interest Income	59,310	69,514	68,124	71,530
Net Total Income	1,63,280	1,90,101	1,95,987	2,10,595
<i>Growth(%)</i>	37.5	17.9	3.0	6.7
Employee Expenses	22,863	22,085	24,293	27,208
Other Expenses	44,898	57,490	66,688	78,025
Operating Expenses	70,230	82,373	93,936	1,08,460
Operating Profit	93,050	1,07,728	1,02,051	1,02,135
<i>Growth(%)</i>	39.8	15.8	(5.3)	0.1
NPA Provision	27,190	30,290	40,860	35,174
Total Provisions	31,620	46,521	41,687	36,290
PBT	61,430	61,207	60,363	65,844
Tax Provision	20,890	17,027	15,694	17,120
<i>Effective tax rate (%)</i>	34.0	27.8	26.0	26.0
PAT	40,540	44,180	44,669	48,725
<i>Growth(%)</i>	12.4	9.0	1.1	9.1

Balance Sheet (Rs. m)

Y/e Mar	FY19	FY20	FY21E	FY22E
Face value	10	10	10	10
No. of equity shares	692	694	695	695
Equity	6,922	6,935	6,947	6,947
Networth	3,08,988	3,46,970	4,11,782	4,51,476
<i>Growth(%)</i>	29.7	12.3	18.7	9.6
Adj. Networth to NNPA's	22,653	19,431	22,026	16,570
Deposits	19,48,679	20,20,398	21,61,826	23,34,772
<i>Growth(%)</i>	28.5	3.7	7.0	8.0
CASA Deposits	8,40,701	8,15,570	9,07,967	9,85,274
<i>% of total deposits</i>	43.1	40.4	42.0	42.2
Total Liabilities	28,80,372	30,70,481	33,24,253	35,84,340
Net Advances	19,41,015	20,67,832	22,33,258	24,56,584
<i>Growth(%)</i>	33.9	6.5	8.0	10.0
Investments	5,92,662	5,99,799	6,25,561	6,06,874
Total Assets	28,80,484	30,70,576	33,24,253	35,84,340
<i>Growth (%)</i>	30.0	6.6	8.3	7.8

Asset Quality

Y/e Mar	FY19	FY20	FY21E	FY22E
Gross NPAs (Rs m)	40,053	52,033	64,516	55,993
Net NPAs (Rs m)	22,653	19,431	22,026	16,570
<i>Gr. NPAs to Gross Adv.(%)</i>	2.1	2.5	2.9	2.3
<i>Net NPAs to Net Adv. (%)</i>	1.2	0.9	1.0	0.7
<i>NPA Coverage %</i>	43.4	62.7	65.9	70.4

Profitability (%)

Y/e Mar	FY19	FY20	FY21E	FY22E
NIM	4.3	4.4	4.4	4.4
RoAA	1.6	1.5	1.4	1.4
RoAE	14.8	13.5	11.8	11.3
Tier I	15.3	14.6	16.3	17.3
CRAR	15.8	15.0	17.2	18.1

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Interest Income	69,614	71,504	72,845	73,866
Interest Expenses	41,174	42,408	42,105	41,554
Net Interest Income	28,440	29,095	30,740	32,312
<i>YoY growth (%)</i>	39.8	31.1	21.2	10.5
CEB	14,220	14,680	15,060	13,900
Treasury	-	-	-	-
Non Interest Income	16,633	17,267	17,894	17,720
Total Income	86,246	88,770	90,739	91,586
Employee Expenses	6,472	5,155	5,501	4,957
Other expenses	12,691	15,208	15,677	16,713
Operating Expenses	19,163	20,363	21,178	21,670
Operating Profit	25,910	25,999	27,456	28,362
<i>YoY growth (%)</i>	35.6	30.5	29.7	37.2
Core Operating Profits	23,500	23,409	24,616	24,532
NPA Provision	3,040	3,630	5,760	17,860
Others Provisions	4,306	7,377	10,435	24,403
Total Provisions	4,306	7,377	10,435	24,403
Profit Before Tax	21,603	18,622	17,022	3,959
Tax	7,278	4,789	4,020	940
PAT	14,325	13,834	13,002	3,018
<i>YoY growth (%)</i>	38.3	50.3	32.0	(16.2)
Deposits	20,05,860	20,71,934	21,67,130	20,20,398
<i>YoY growth (%)</i>	26.3	23.2	23.3	3.7
Advances	19,35,200	19,71,126	20,74,130	20,67,832
<i>YoY growth (%)</i>	28.4	20.8	19.8	10.9

Key Ratios

Y/e Mar	FY19	FY20	FY21E	FY22E
CMP (Rs)	407	407	407	407
EPS (Rs)	62.7	63.8	64.4	70.1
Book Value (Rs)	442	496	588	645
Adj. BV (70%)(Rs)	409	468	557	622
P/E (x)	6.5	6.4	6.3	5.8
P/BV (x)	0.9	0.8	0.7	0.6
P/ABV (x)	1.0	0.9	0.7	0.7
DPS (Rs)	6.5	10.0	-	13.0
<i>Dividend Payout Ratio (%)</i>	10.4	15.7	-	18.5
<i>Dividend Yield (%)</i>	1.6	2.5	-	3.2

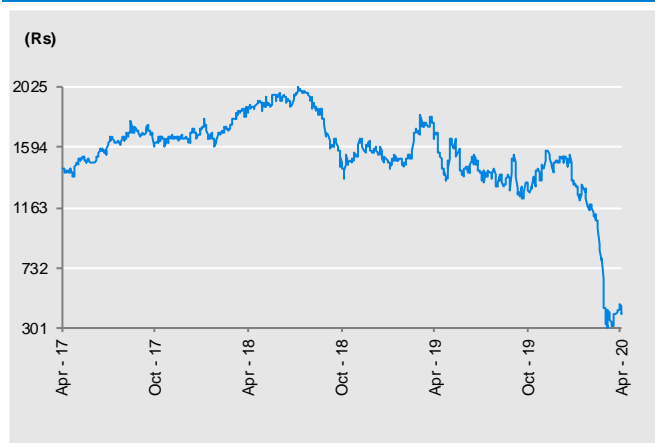
Efficiency

Y/e Mar	FY19	FY20	FY21E	FY22E
<i>Cost-Income Ratio (%)</i>	43.0	43.3	47.9	51.5
<i>C-D Ratio (%)</i>	99.6	102.3	103.3	105.2
Business per Emp. (Rs m)	140	-	-	-
Profit per Emp. (Rs lacs)	15	-	-	-
Business per Branch (Rs m)	2,336	2,139	1,917	1,741
Profit per Branch (Rs m)	24	23	19	18

Du-Pont

Y/e Mar	FY19	FY20	FY21E	FY22E
NII	4.08	4.05	4.00	4.03
Total Income	6.41	6.39	6.13	6.10
Operating Expenses	2.76	2.77	2.94	3.14
PPoP	3.65	3.62	3.19	2.96
Total provisions	1.24	1.56	1.30	1.05
RoAA	1.59	1.48	1.40	1.41
RoAE	14.81	13.47	11.77	11.29

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	14-Apr-20	BUY	785	410
2	31-Mar-20	BUY	785	413
3	14-Jan-20	Accumulate	1,640	1,478
4	03-Jan-20	BUY	1,640	1,519
5	15-Dec-19	BUY	1,640	1,485
6	10-Oct-19	BUY	1,640	1,229
7	03-Oct-19	BUY	1,832	1,256
8	12-Jul-19	BUY	1,800	1,510
9	04-Jul-19	BUY	1,800	1,493
10	28-Jun-19	BUY	1,800	1,420

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	579	616
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	785	410
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)

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Pritesh Bumb- MBA, M.com, Ms. Riddhi Mehta- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Pritesh Bumb- MBA, M.com, Ms. Riddhi Mehta- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com