IndusInd Bank (IIB IN)

Rating: BUY | CMP: Rs1,510 | TP: Rs1,800

July 12, 2019

Q1FY20 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY20E	FY21E	FY20E	FY21E
Rating	BUY		BUY	
Target Price	1,800		1,800	
NII (Rs. m)	127,084	158,240	131,413	158,257
% Chng.	*(3.3)*	-		
Op. Profit (Rs. m)	113,910	143,164	115,889	140,976
% Chng.	*(1.7)*	*1.6*		
EPS (Rs.)	85.4	109.6	86.9	107.1
% Chng.	*(1.7)*	*2.3*		

Key Financials - Standalone

Y/e Mar	FY18	FY19	FY20E	FY21E
NII (Rs m)	74,974	103,942	127,084	158,240
Op. Profit (Rs m)	66,561	93,141	113,910	143,164
PAT (Rs m)	36,060	40,546	59,151	75,991
EPS (Rs.)	60.2	62.7	85.4	109.6
Gr. (%)	*25.2*	*4.3*	*36.2*	*28.3*
DPS (Rs.)	6.0	7.0	10.0	12.5
Yield (%)	*0.4*	*0.5*	*0.7*	*0.8*
NIM (%)	*4.0*	*4.4*	*4.2*	*4.2*
RoAE (%)	*16.2*	*14.8*	*17.6*	*18.7*
RoAA (%)	*1.8*	*1.6*	*1.9*	*1.9*
P/BV (x)	3.9	3.4	2.9	2.3
P/ABV (x)	4.0	3.7	3.1	2.5
PE (x)	25.1	24.1	17.7	13.8
CAR (%)	15.0	15.7	16.0	15.6

FY19 includes BHAFIN Financials

Key Data	INBK.BO | IIB IN
52-W High / Low	Rs.2,038 / Rs.1,333
Sensex / Nifty	38,736 / 11,553
Market Cap	Rs.910bn/ $ 13,265m
Shares Outstanding	603m
3M Avg. Daily Value	Rs.13073.92m

Shareholding Pattern (%)

Promoter's	14.98
Foreign	56.67
Domestic Institution	9.69
Public & Others	18.66
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(3.8)	(0.4)	(22.1)
Relative	(1.3)	(7.4)	(26.5)

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Earnings momentum improves with merger

Quick pointers

- Expected tailwinds from merger with NIMs touching 4.05% & Tier-I at 14.5%
- Asset quality was largely stable, while stressed loan ratio came off to 1.67% from 1.9% and SMA-2 came off to 17bps of loans v/s 32bps of loans in Q4FY19

IIB's earnings saw strong beat with PAT of Rs14.3bn (PLe: Rs10.6bn) mainly due to lower provisions than expectations and better NII growth. Core IIB was slightly looked weaker on NII translated by slightly slower loan growth. Most metrics like CI & asset quality improved with stressed assets at 1.7% of loans & SMA-2 at 17bps of loans. Some merger synergies are yet to play out on funding costs, liabilities accretion & RWA efficiency while MFI & biz banking reclassification has improved balance of book towards consumer. Bank is well positioned with return ratios of 17-18% ROE although any re-rating will need clear visibility on asset quality. We maintain BUY with TP of Rs1,800 (unchanged) based on 2.9x FY21 ABV.

- **Strong tailwinds from income from merger:** On merged basis NII growth of 34% YoY (PLe: 26.5% YoY) was robust on back of high yielding book. Bank's core NII grew by 14% YoY which looks optically slower (even if adjusted for benefit of earlier BHAFIN loans assigned). Overall NIMs improved to 4.05% with ~35bps tailwind from the merger, while core IIB NIMs were up QoQ, trend wise have been marginally weak. Management mentioned cost of funds have further room to improve as eased liquidity recently has helped lower funding cost which should also replace BHAFIN borrowing at lower cost.

- **Other metrics have been steady:** Core fees grew by 22% YoY led by loan processing (some bulky incorporates) & general banking. Consumer fees was slightly weaker QoQ from slower distribution & FX fees. Share in Consumer fees & corporate fees was at 45% & 40% in other income. Meanwhile, Opex was also under control with C/I coming off to 42.5%, lower by 290bps QoQ.

- **Loan growth remained strong:** Loan growth on merged basis grew by 28% YoY, while core IIB grew at 26% YoY. With merger and reclassification of business banking segment, consumer book share is at 53% and corporate book at 47%. Loan growth was strong in vehicles loans taking market share, while was slower in unsecured loans especially credit cards. On liabilities, CASA grew at 25.5% YoY and stood at 43%, while bank mentioned retail term deposits has been the driving feature in overall deposits growth.

- **Asset quality steady with lowering concerns:** GNPA/NNPA on merged basis were largely steady at 2.15%/1.23%, while credit cost was 60bps (15bps for quarter) v/s our expectations of 120bps as we conservatively built in higher provisions to enhance PCR which in Q1FY20 was at 43% (unchanged). Bank's stress loan ratio also came off to 1.7% from 1.9% in Q4FY19, SMA 1 & 2 each coming off to 18/17bps from ~34bps in Q4FY19, giving higher degree of comfort from last quarter. We await another quarter to see how asset quality pans out to reduce our credit cost estimates from 100bps v/s guidance.

NII grew by 34% YoY driven by 85bps improvement in yields and 28% growth in advances.

Other income growth was strong from fees. Standalone bank's fees increased 23%. Also, induction of PSLC income of Rs430mn helped other income.

Bank's staff cost saw gratuity impact along with merger, while other Opex saw moderate growth resulting in contraction of C/I

Slippages were higher than expectations at Rs7.2bn, PCR remains low at 43%

Deposits saw healthy traction in both CASA and TD. Within TD, retail TD posted 40% growth by adding Rs56bn during the Qtr.

NIM improved upwards of 4% mainly on tailwind of 35bps from merger

Stressed book shrunk to 1.7% v/s 1.9%. While exposure to real estate, LRD, HFCs inched to 8.2%

CASA remained steady

Tier I improved on merged basis

Exhibit 1: Q1FY20 Financials saw boost from merger across parameters

P&L	Q1FY20	Q1FY19	YoY chg. (%)	Q4FY19	QoQ chg. (%)
Interest Income	69,614	50,682	37.4	59,914	16.2
Interest Expense	41,174	29,457	39.8	37,591	9.5
Net interest income (NII)	**28,440**	**21,224**	**34.0**	**22,324**	**27.4**
Treasury income	2,410	1,370	75.9	1,400	72.1
Fee income	14,220	11,650	22.1	14,190	0.2
Other income	**16,633**	**13,016**	**27.8**	**15,590**	**6.7**
Total income	**45,072**	**34,240**	**31.6**	**37,914**	**18.9**
Operating expenses	19,163	15,129	26.7	17,237	11.2
-Staff expenses	6,472	4,620	40.1	4,812	34.5
-Other expenses	12,691	10,509	20.8	12,424	2.1
Operating profit	**25,910**	**19,111**	**35.6**	**20,677**	**25.3**
Core operating profit	**23,500**	**17,741**	**32.5**	**19,277**	**21.9**
Total provisions	4,306	3,500	23.0	15,607	(72.4)
Profit before tax	**21,603**	**15,611**	**38.4**	**5,070**	**326.1**
Tax	7,278	5,254	38.5	1,469	395.5
Profit after tax	**14,325**	**10,357**	**38.3**	**3,601**	**297.8**
Deposits	20,05,860	15,88,620	26.3	19,48,679	2.9
Advances	19,35,200	15,06,750	28.4	18,63,935	3.8
Profitability ratios					
RoAA	2.1	1.9	14	0.6	149
RoAE	18.5	17.3	120	5.5	1,299
NIM	**4.1**	**3.9**	**13**	**3.6**	**46**
Yield on Advances	12.0	11.2	85	11.3	75
Cost of Deposits	6.9	6.2	66	6.8	6
Asset Quality ratios					
Gross NPL (Rs m)	41,997	17,406	141.3	39,474	6.4
Net NPL (Rs m)	23,805	7,624	212.3	22,483	5.9
Gross NPL ratio	2.2	1.2	100	2.1	5
Net NPL ratio	1.2	0.5	72	1.2	2
Coverage ratio	43.3	56.2	(1,289)	43.0	27
Restructured adv. (Rs m)	1,548	753	105.5	1,678	(7.7)
% restructured adv.	0.1	0.1	3	0.1	(1)
Business & Other Ratios					
Low-cost deposit mix	43.1	43.4	(28)	43.1	0
Cost-income ratio	42.5	44.2	(167)	45.5	(295)
Non int. inc / total income	36.9	38.0	(111)	41.1	(422)
Credit deposit ratio	96.5	94.8	163	95.7	83
CAR	14.9	14.7	20	14.2	74
Tier-I	14.5	14.3	18	13.7	77

Source: Company, PL

Q1FY20 Analyst Meet Takeaways

Balance Sheet

- Deposits grew 26% YoY driven by CASA growth of 25% and TD growth of 27%. Within TD, retail deposits posted around 42% growth by adding Rs56bn during the Qtr.
- BFIN AUM stood at Rs175bn (+26%YoY/ flat QoQ). Management has prudently tightened lending norms in selective states. Earlier a borrower could have Rs80,000 credit outstanding from maximum of three lenders which now has been pruned down to Rs60,000 and maximum of two lenders. Bank targets AUM growth of 35%YoY driven by 22%YoY growth in customer base.
- **Synergy:** Bank proposes to extract synergy benefits by providing savings account to all customers of BFIN. Customer base of BFIN is 7.5mn. Further, bank commenced recurring deposits (RD) scheme wherein customers are encouraged to open RD and contribute Rs50-100 every week. Bank aims to cover 50% of BFIN customers in this scheme. BFIN installed 3500 Kirana stores (transactional outlets), and saw transactions to the tune of Rs560mn during year contributed by borrowers (180mn) and non-borrowers (380mn); To increase transactional income, BFIN prefers to increase outlet count to 10,000.
- RWA saw increase of 27%YoY, partially due to change in assigned weight of BFIN book from 20% to 75%. This was with respect to regulatory norms.

Margins

- Bank highlighted that transmission of rates happens to be slow, however returning of systemic liquidity would expedite the transmission. As bank's loan book share of vehicle finance book and MFI book is rising, bank can look to curtail the falling yields. Bank targets proportion of fixed book to increase to 50%.
- Corporate yields reduced by 10bps/23bps YoY/QoQ to 9.06% as bank transferred business banking division (outstanding loan book of Rs110bn) to consumer business category, while Consumer yields lifted up by 66bps/52bps to 14.6% due to BFIN merger. Overall, NIM improved by 13bps/46bps to 4.05% (Margin accretion due to BFIN was to tune of 35bps). Yield on BFIN book was unchanged at 19.75%.

Fee Income

- Bank earned PSLC income of Rs430mn. Typically, bank earns 0.75-1% yield on PSLC certificates and targets 20%YoY growth. Overall fee income growth was steady at 22%YoY.

Asset Quality

- Gross slippage came at 1.56%, while net slippage was curtailed at 0.5%. Bank estimate no further provisioning pertaining to IL&FS account.
- Stressed book registered reduction of Rs3bn from 1.9% of loans to 1.7% sequentially. This was contributed by MTM provision of Rs1bn and repayment to the tune of Rs2bn. SMA1/2 declined by half to 18/17bps (cumulatively Rs3.2bn)

Capital Adequacy

- Capital infusion in form of warrants (amounting to Rs27bn) along with Q1FY20 profit would help Tier I to 15.8% from 14.5% currently.

Corporate loan was tepid, while consumer book showed strong growth of 48% driven by BFIN book

Vehicle finance portfolio saw healthy growth secularly leading to market share gains.

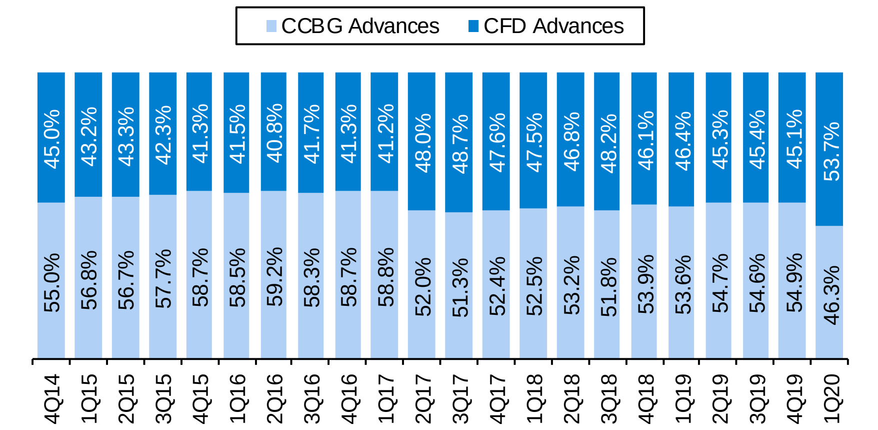
Credit card posted 31% growth

Exhibit 2: Vehicle portfolio & Unsecured continues to grow at healthy pace

Loan Book mix	**Q1FY20**	**Q1FY19**	***YoY gr. (%)***	**Q4FY19**	***QoQ gr. (%)***
CV Loans / Tractors	2,48,530	2,07,030	*20.0*	2,44,440	*1.7*
UV Loans	38,460	30,260	*27.1*	35,970	*6.9*
3W/Small CV	32,480	27,320	*18.9*	31,350	*3.6*
2W Loans	46,610	37,540	*24.2*	44,820	*4.0*
Car Loans	67,920	56,000	*21.3*	65,370	*3.9*
Tractors	37,700	28,570	*32.0*	35,200	*7.1*
Equipment Financing	78,760	59,994	*31.3*	75,690	*4.1*
Credit Card	39,110	29,830	*31.1*	43,820	*(10.7)*
LAP	86,780	81,800	*6.1*	89,250	*(2.8)*
Others	69,920	44,350	*57.7*	60,950	*14.7*
MFI	1,82,450	-	*NA*	-	*NA*
BBG	1,09,840	96,810	*13.5*	1,12,890	*(2.7)*
Consumer Finance in BBG	**10,38,560**	**6,99,504**	***48.5***	**8,39,750**	***23.7***
Corporate Finance	**8,96,640**	**8,07,246**	***11.1***	**10,24,185**	***(12.5)***
Loan Mix					
Vehicle Finance	28.4%	29.6%	*(1.2)*	28.6%	*(0.1)*
Non-Vehicle Consumer	25.2%	16.8%	*8.4*	16.5%	*8.8*
Consumer Finance	**53.7%**	**46.4%**	***7.2***	**45.1%**	***8.6***
Corporate Finance	**46.3%**	**53.6%**	***(7.2)***	**54.9%**	***(8.6)***

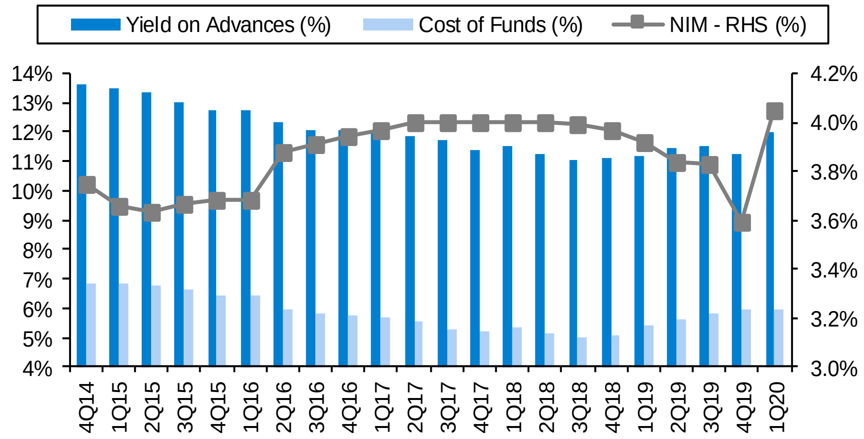
Source: Company, PL Research; Note – BBG reclassified in Consumer Fin

Exhibit 3: Induction of BFIN book increased retail exposure



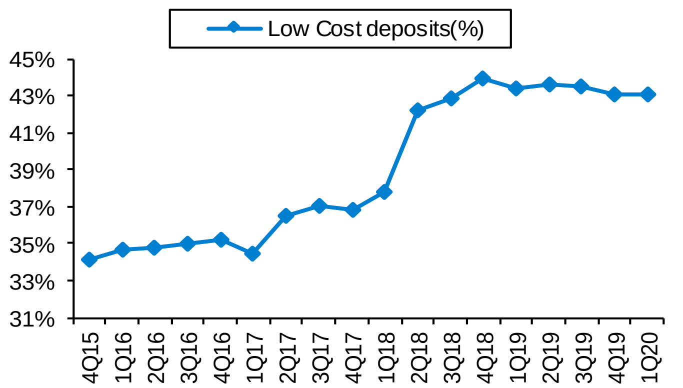
Source: Company, PL Research
Reclassified for business banking in consumer finance

Exhibit 4: NIM saw impact of 35bps due to merger



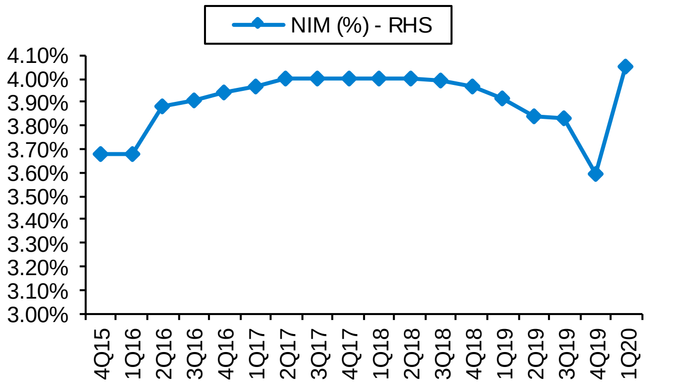
Source: Company, PL Research

Exhibit 5: CASA mix continues to be stable, while Retail TD picked up meaningfully



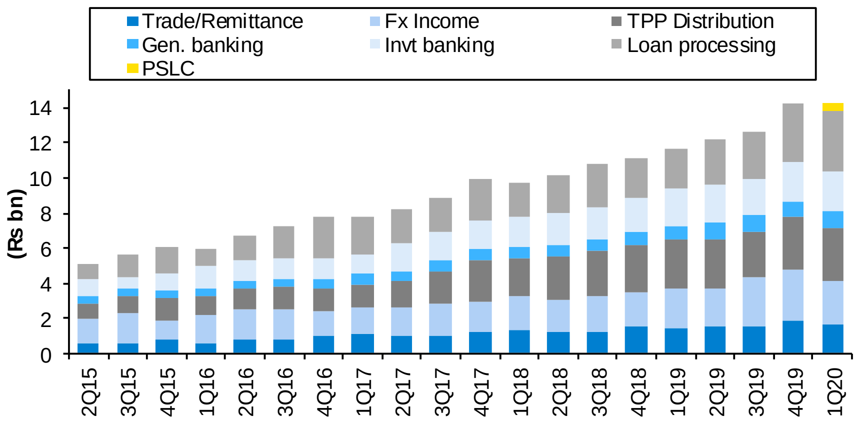
Source: Company, PL

Exhibit 6: Margins moved above 4% on higher yields



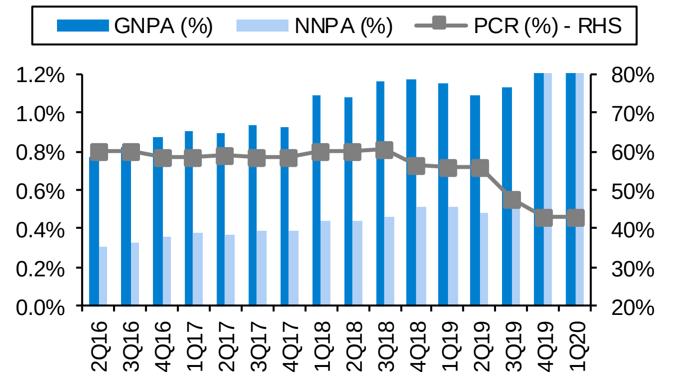
Source: Company, PL

Exhibit 7: Core fee income was steady sequentially



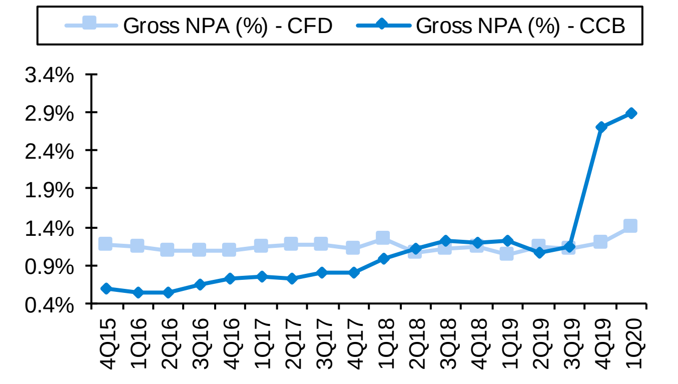
Source: Company, PL Research

Exhibit 8: Asset quality was steady



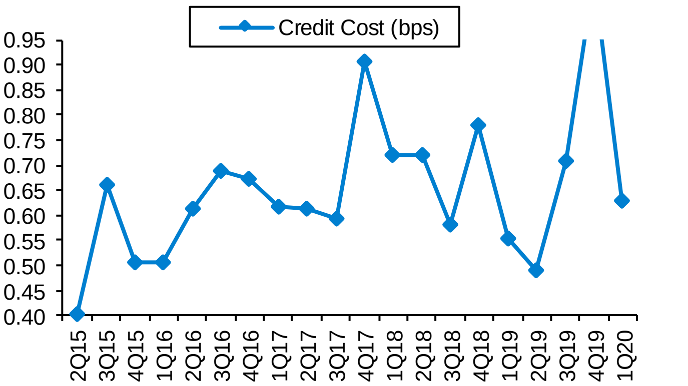
Source: Company, PL

Exhibit 9: Business segment wise GNPA



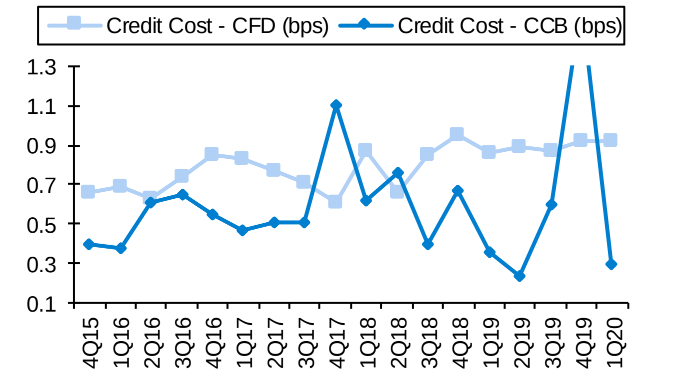
Source: Company, PL

Exhibit 10: Credit cost saw significant improvement



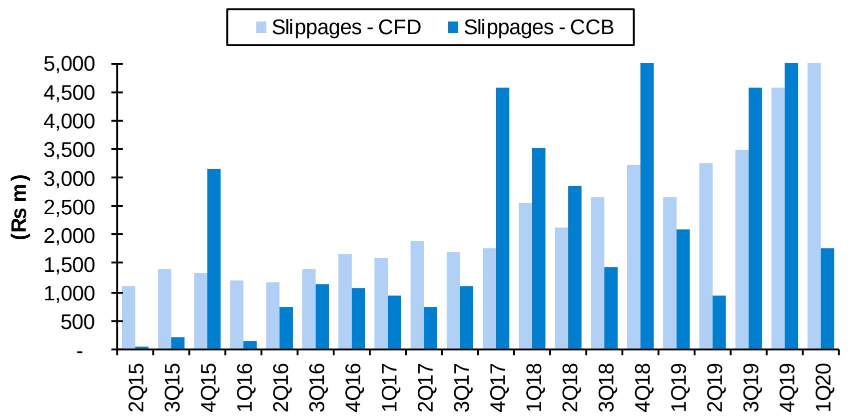
Source: Company, PL

Exhibit 11: …as corporate segment showed improvement; although consumer credit cost was up marginally



Source: Company, PL

Exhibit 12: Corporate slippage meaningfully declined



Source: Company, PL Research

Exhibit 13: Return ratios to improve meaningfully going ahead

RoE decomposition (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	10.30	9.75	9.09	8.96	8.63	8.91	9.49	9.57
Interest expenses	6.69	6.31	5.55	5.19	4.89	5.37	5.52	5.55
Net interest income	**3.61**	**3.44**	**3.55**	**3.77**	**3.75**	**3.54**	**3.97**	**4.02**
Treasury income	0.83	0.84	0.77	0.74	0.65	0.53	0.43	0.43
Other Inc. from operations	1.52	1.58	1.82	1.85	1.73	1.73	1.66	1.53
Total income	**5.96**	**5.86**	**6.14**	**6.37**	**6.12**	**5.80**	**6.06**	**5.98**
Employee expenses	1.01	0.99	0.97	0.95	0.89	0.74	0.82	0.75
Other operating expenses	1.72	1.76	1.91	2.03	1.90	1.82	1.68	1.59
Operating profit	**3.24**	**3.12**	**3.25**	**3.39**	**3.33**	**3.24**	**3.55**	**3.64**
Tax	0.90	0.92	0.93	0.93	0.94	0.67	0.96	1.01
Loan loss provisions	0.58	0.39	0.53	0.68	0.59	1.24	0.75	0.70
RoAA	**1.76**	**1.80**	**1.80**	**1.78**	**1.80**	**1.32**	**1.85**	**1.93**
RoAE	**16.89**	**18.22**	**16.14**	**14.96**	**16.21**	**13.07**	**17.57**	**18.66**

Source: Company, PL Research

Exhibit 14: Change in estimates table

(Rs mn)	Old		Revised		*%Change*	
	FY20E	FY21E	FY20E	FY21E	*FY20E*	*FY21E*
Net interest income	1,31,413	1,58,257	1,27,084	1,58,240	*(3.3)*	*(0.0)*
Operating profit	1,15,889	1,40,976	1,13,910	1,43,164	*(1.7)*	*1.6*
Net profit	60,198	74,261	59,151	75,991	*(1.7)*	*2.3*
EPS (Rs)	86.9	107.1	85.4	109.6	*(1.7)*	*2.4*
ABVPS (Rs)	490.0	614.1	485.5	612.2	*(0.9)*	*(0.3)*
Price target (Rs)	**1,800**		**1800**		***0.0***	
Recommendation	**BUY**		**BUY**			

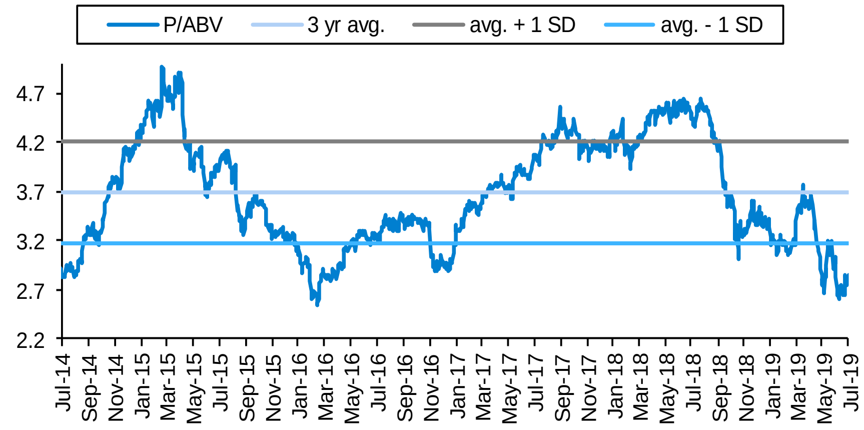
Source: Company, PL

Exhibit 15: Valuation Table – We maintain TP at Rs1,800 based on 2.9x Mar FY21 ABV

PT calculation and upside	
Terminal growth	5.0%
Market risk premium	6.5%
Risk-free rate	7.5%
Adjusted beta	1.08
Cost of equity	14.2%
Fair price - P/ABV, Rs	**1,800**
Target P/ABV (x)	**2.9**
Target P/E (x)	**16.4**
Current price, Rs	1,510
Upside (%)	**20%**

Source: Company, PL Research

Exhibit 16: One year forward valuation chart



Source: Company, PL Research

Income Statement (Rs. m)

Y/e Mar	FY18	FY19	FY20E	FY21E
Int. Earned from Adv.	136,999	203,637	256,800	319,084
Int. Earned from invt.	30,744	36,773	44,035	53,898
Others	5,065	3,271	3,291	3,540
Total Interest Income	172,807	243,682	304,126	376,523
Interest Expenses	97,833	139,740	177,042	218,282
Net Interest Income	**74,974**	**103,942**	**127,084**	**158,240**
Growth(%)	*19.7*	*33.3*	*18.9*	*21.2*
Non Interest Income	47,501	59,315	67,026	77,080
Net Total Income	122,475	163,257	194,111	235,320
Growth(%)	*18.6*	*37.5*	*22.5*	*22.2*
Employee Expenses	17,807	23,022	26,245	29,395
Other Expenses	35,991	43,565	50,100	59,118
Operating Expenses	55,914	70,116	80,201	92,156
Operating Profit	**66,561**	**93,141**	**113,910**	**143,164**
Growth(%)	*22.1*	*39.9*	*22.3*	*25.7*
NPA Provision	9,009	28,141	21,490	24,337
Total Provisions	11,754	31,797	23,877	27,501
PBT	**54,807**	**61,345**	**90,032**	**115,664**
Tax Provision	18,747	20,799	30,881	39,673
Effective tax rate (%)	*34.2*	*33.9*	*34.3*	*34.3*
PAT	**36,060**	**40,546**	**59,151**	**75,991**
Growth(%)	*25.7*	*12.4*	*45.9*	*28.5*

Balance Sheet (Rs. m)

Y/e Mar	FY18	FY19	FY20E	FY21E
Face value	10	10	10	10
No. of equity shares	600	692	693	694
Equity	6,002	6,922	6,925	6,937
Networth	238,271	308,988	364,222	450,047
Growth(%)	*15.5*	*29.7*	*17.9*	*23.6*
Adj. Networth to NNPAs	7,456	22,658	24,711	22,109
Deposits	1,516,392	1,948,679	2,465,079	3,118,325
Growth(%)	*19.8*	*28.5*	*26.5*	*26.5*
CASA Deposits	667,293	840,700	1,059,984	1,325,288
% of total deposits	*44.0*	*43.1*	*43.0*	*42.5*
Total Liabilities	**2,216,116**	**2,880,372**	**3,528,315**	**4,343,070**
Net Advances	1,449,537	1,910,183	2,387,729	3,020,477
Growth(%)	*28.2*	*31.8*	*25.0*	*26.5*
Investments	500,767	592,662	724,690	864,024
Total Assets	**2,216,262**	**2,849,652**	**3,528,315**	**4,343,070**
Growth (%)	*24.1*	*28.6*	*23.8*	*23.1*

Asset Quality

Y/e Mar	FY18	FY19	FY20E	FY21E
Gross NPAs (Rs m)	17,049	40,053	50,551	54,198
Net NPAs (Rs m)	7,456	22,658	24,711	22,109
Gr. NPAs to Gross Adv.(%)	*1.2*	*2.1*	*2.1*	*1.8*
Net NPAs to Net Adv. (%)	*0.5*	*1.2*	*1.0*	*0.7*
NPA Coverage %	*56.3*	*43.4*	*51.1*	*59.2*

Profitability (%)

Y/e Mar	FY18	FY19	FY20E	FY21E
NIM	4.0	4.4	4.2	4.2
RoAA	1.8	1.6	1.9	1.9
RoAE	16.2	14.8	17.6	18.7
Tier I	14.6	15.3	15.3	15.0
CRAR	15.0	15.7	16.0	15.6

Source: Company Data, PL Research *FY19 includes BHAFIN Financials*

Quarterly Financials (Rs. m)

Y/e Mar	Q2FY19	Q3FY19	Q4FY19	Q1FY20
Interest Income	54,381	57,635	59,914	69,614
Interest Expenses	32,348	34,754	37,591	41,174
Net Interest Income	**22,033**	**22,881**	**22,324**	**28,440**
YoY growth (%)	*35.5*	*45.3*	*42.3*	*39.8*
CEB	12,180	12,660	14,190	14,220
Treasury	-	-	-	-
Non Interest Income	13,173	14,689	15,590	16,633
Total Income	**67,554**	**72,323**	**75,504**	**86,246**
Employee Expenses	4,582	4,521	4,812	6,472
Other expenses	10,699	11,879	12,424	12,691
Operating Expenses	15,281	16,400	17,237	19,163
Operating Profit	**19,924**	**21,170**	**20,677**	**25,910**
YoY growth (%)	*22.0*	*27.2*	*16.9*	*35.6*
Core Operating Profits	18,932	19,140	19,277	23,500
NPA Provision	4,750	5,560	20,040	3,040
Others Provisions	5,903	6,067	15,607	4,306
Total Provisions	5,903	6,067	15,607	4,306
Profit Before Tax	**14,022**	**15,103**	**5,070**	**21,603**
Tax	4,819	5,253	1,469	7,278
PAT	**9,203**	**9,850**	**3,601**	**14,325**
YoY growth (%)	*4.6*	*5.2*	*(62.2)*	*38.3*
Deposits	**1,682,193**	**1,757,010**	**1,948,679**	**2,005,860**
YoY growth (%)	*18.9*	*20.3*	*28.5*	*26.3*
Advances	**1,631,443**	**1,731,690**	**1,863,935**	**1,935,200**
YoY growth (%)	*32.4*	*34.7*	*28.6*	*28.4*

Key Ratios

Y/e Mar	FY18	FY19	FY20E	FY21E
CMP (Rs)	1,510	1,510	1,510	1,510
EPS (Rs)	60.2	62.7	85.4	109.6
Book Value (Rs)	391	442	521	644
Adj. BV (70%)(Rs)	379	409	486	612
P/E (x)	25.1	24.1	17.7	13.8
P/BV (x)	3.9	3.4	2.9	2.3
P/ABV (x)	4.0	3.7	3.1	2.5
DPS (Rs)	6.0	7.0	10.0	12.5
Dividend Payout Ratio (%)	*10.0*	*11.2*	*11.7*	*11.4*
Dividend Yield (%)	*0.4*	*0.5*	*0.7*	*0.8*

Efficiency

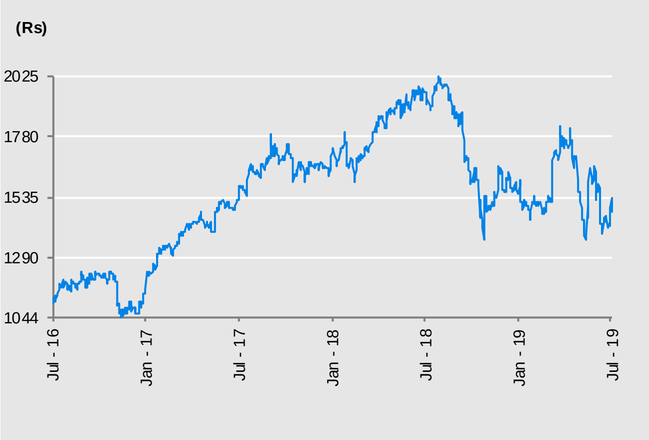
Y/e Mar	FY18	FY19	FY20E	FY21E
Cost-Income Ratio (%)	*45.7*	*42.9*	*41.3*	*39.2*
C-D Ratio (%)	*95.6*	*98.0*	*96.9*	*96.9*
Business per Emp. (Rs m)	108	131	152	178
Profit per Emp. (Rs lacs)	13	14	19	22
Business per Branch (Rs m)	2,119	2,297	2,407	2,538
Profit per Branch (Rs m)	26	24	29	31

Du-Pont

Y/e Mar	FY18	FY19	FY20E	FY21E
NII	3.75	4.08	3.97	4.02
Total Income	6.12	6.41	6.06	5.98
Operating Expenses	2.79	2.75	2.50	2.34
PPoP	3.33	3.65	3.55	3.64
Total provisions	0.59	1.25	0.75	0.70
RoAA	1.80	1.59	1.85	1.93
RoAE	16.21	14.81	17.57	18.66

Source: Company Data, PL Research *FY19 includes BHAFIN Financials*

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	4-Jul-19	BUY	1,800	1,493
2	28-Jun-19	BUY	1,800	1,420
3	22-May-19	BUY	1,832	1,528
4	5-Apr-19	BUY	1,791	1,768
5	9-Jan-19	BUY	1,765	1,602
6	7-Jan-19	BUY	1,750	1,559
7	15-Oct-18	BUY	2,000	1,627
8	5-Oct-18	BUY	2,075	1,590

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	837	809
2	Bank of Baroda	BUY	161	129
3	Bank of India	Reduce	90	95
4	Federal Bank	BUY	112	109
5	HDFC Bank	BUY	2,700	2,484
6	HDFC Standard Life Insurance Company	BUY	464	489
7	ICICI Bank	BUY	475	436
8	ICICI Prudential Life Insurance Company	BUY	511	394
9	IDFC First Bank	BUY	55	45
10	IndusInd Bank	BUY	1,800	1,493
11	Jammu & Kashmir Bank	BUY	80	41
12	Kotak Mahindra Bank	Hold	1,385	1,498
13	Max Financial Services	BUY	629	414
14	Punjab National Bank	Reduce	75	82
15	SBI Life Insurance Company	BUY	787	757
16	South Indian Bank	BUY	18	13
17	State Bank of India	BUY	427	367
18	Union Bank of India	Reduce	71	85
19	YES Bank	Reduce	190	96

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

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