

HDFC Bank (HDFCB IN)

Rating: BUY | CMP: Rs1,098 | TP: Rs1,265

July 19, 2020

Q1FY21 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	BUY		BUY	
Target Price	1,265		1,105	
NII (Rs. m)	7,80,555	9,18,524	7,60,449	8,95,964
% Chng.	2.6	2.5		
Op. Profit (Rs. m)	6,49,332	7,66,160	6,32,366	7,49,403
% Chng.	2.7	2.2		
EPS (Rs.)	67.1	82.1	65.9	80.9
% Chng.	1.9	1.5		

Key Financials - Standalone

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII (Rs bn)	562	657	781	919
Op. Profit (Rs bn)	487	544	649	766
PAT (Rs bn)	263	305	368	450
EPS (Rs.)	48.0	55.6	67.1	82.1
Gr. (%)	21.2	15.6	20.8	22.3
DPS (Rs.)	9.5	-	13.0	15.0
Yield (%)	0.9	-	1.2	1.4
NIM (%)	4.2	4.1	4.2	4.2
RoAE (%)	16.4	16.4	17.0	18.0
RoAA (%)	1.9	1.8	1.9	2.0
P/BV (x)	3.5	3.0	2.6	2.2
P/ABV (x)	3.7	3.1	2.7	2.3
PE (x)	22.9	19.8	16.4	13.4
CAR (%)	18.5	18.6	17.6	16.9

Key Data

HDBK.BO | HDFCB IN

52-W High / Low	Rs.1,306 / Rs.739
Sensex / Nifty	37,020 / 10,902
Market Cap	Rs.6,031bn / \$ 80,385m
Shares Outstanding	5,490m
3M Avg. Daily Value	Rs.38956.97m

Shareholding Pattern (%)

Promoter's	26.10
Foreign	37.04
Domestic Institution	21.85
Public & Others	15.01
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	12.2	(14.1)	(8.2)
Relative	1.5	(2.6)	(2.7)

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A strong performance amidst uncertainty

Quick Pointers:

- 9% of loan book under moratorium of which 97% have a 0DPD, while bank has created additional Rs10bn of COVID impact provisions
- The MD reiterated strong on corporate governance structure, succession planning and strong processes across the bank

HDFCB reported a strong PAT of Rs66.6bn (PLe: Rs64.2bn) amidst COVID-19 lockdown uncertainty, which also prompted it to make additional Rs10bn as provisions leading to a Rs55.0bn of contingency+floating provisions cover. Operating performance was better with PPOP growth of 15% YoY despite losing momentum on core fee income streams to the tune of Rs20bn which was offset by 24% QoQ lower other opex. Bank will continue to build in higher provisioning ahead but prudent risk management gives us comfort on asset quality impact but we have yet to watch outcomes in 2HFY21 as moratorium is likely to end by Aug'20. Strong capital levels (CET1 at 16.7%), strong liabilities flow, agility in managing loan growth and strong provisioning cushion remain the key driving factors for our positive stance. We retain BUY with revised TP of Rs1,265 (from Rs1,105) based on 3.1x (from 2.9x) Mar-22 ABV on slightly tweaking loan growth & credit cost parameters.

- Keeps up momentum in operating performance:** Amidst lockdown bank was able to post strong NII growth of 18% YoY leading to stable NIM of 4.3%. Strong treasury gains helped other income although fee income de-grew 35% YoY/43% QoQ on lower loan originations, TPD fees and general fees. Lower other income was offset by strong decline in other opex by 10% YoY/24% QoQ and leading to a PPOP growth of 15% YoY and core PPOP growth of 7% YoY.
- Asset quality steady with a few accelerations in slippages:** Slippages were lower, but took few accelerated ones based on analytical outcomes for few corporate exposures which were bulk of slippages and outside moratorium. Recovery/upgrade efforts were slightly slower due to lockdown, although bank increased its PCR up by 420bps QoQ to 76%. Currently, only 9% of customers are under moratorium with 97% at 0dpd and majority with strong cash flow in accounts. Taking stress tests into consideration it made additional Rs10bn of COVID impact provisions leading to a Rs55bn of contingency+floating provisions. Management has given strong comfort on risk outcomes for various portfolios, which we believe should have measured impact, while has strong cushion from profitability to make additional provisions.
- Massive growth in corporate book; retail slows on other hand:** Loans grew by 21% YoY with 37% YoY/6% QoQ growth in wholesale book, while retail slowed down to 7% YoY. Incremental lending has been higher rated corporates (reflects in lower RWA growth) with strong internal score to PSBs, MNCs, higher rated Pvt companies. While, 41% of these loans were for W.cap, 23% Capex, 15% for acquisitions incl. in NCLT, 9.3% for PSL on lending and balance shoring up liquidity buffer. Retail loan was slower with strong disbursement decline in unsecured, while moderate decline in vehicle book. Gold loans (small share) and housing were steady. **Flow of liabilities remains undeterred** as deposit growth remained strong at 25% YoY supported by CASA & TDs. SA deposits grew by 29%/5.5% QoQ owing to strong presence in the SU-RU geographies and improved corporate relationships

Exhibit 1: Operationally stable though provisions remain elevated

NII growth was strong at 18% YoY supported by strong growth in wholesale loan book

Other income was adversely impacted by COVID-19 to the extent of ~Rs 17bn in fee income and ~3bn in recoveries

Provisions to the extent of ~Rs10bn were in the form of contingent provisions

Overall Advances saw decent growth on back of Wholesale book while Deposits grew robustly at 25% YoY

NIMs has remained steady around 4.3% on lower cost of funds and better yield management

Accelerated provisioning helps maintain asset quality

CASA growth was decent at 26% YoY supported by strong SA growth

C/I Ratio of 35% is an aberration and is a 3yr goal, while it will rise back to 38% levels next quarter onwards

(Rs m)	Q1FY21	Q1FY20	YoY gr. (%)	Q4FY20	QoQ gr. (%)
Interest income	3,03,780	2,73,916	10.9	2,98,851	1.6
Interest Expended	1,47,126	1,40,973	4.4	1,46,810	0.2
Net interest income (NII)	1,56,654	1,32,943	17.8	1,52,041	3.0
- Treasury income	10,867	2,120	412.6	5,653	92.2
Other income	40,753	49,703	(18.0)	60,326	(32.4)
Total income	1,97,407	1,82,645	8.1	2,12,366	(7.0)
Operating expenses	69,115	71,173	(2.9)	82,778	(16.5)
-Staff expenses	25,134	22,174	13.4	24,983	0.6
-Other expenses	43,980	48,999	(10.2)	57,796	(23.9)
Operating profit	1,28,293	1,11,472	15.1	1,29,588	(1.0)
Core operating profit	1,17,426	1,09,352	7.4	1,23,935	(5.3)
Total provisions	38,915	26,137	48.9	37,845	2.8
Profit before tax	89,378	85,336	4.7	91,743	(2.6)
Tax	22,791	29,654	(23.1)	22,466	1.4
Profit after tax	66,586	55,682	19.6	69,277	(3.9)
Balance sheet (Rs m)					
Deposits	1,18,93,873	95,45,537	24.6	1,14,75,020	3.7
Advances	1,00,32,989	82,97,298	20.9	99,37,029	1.0
Profitability ratios					
YoA - Calc	9.6	10.6	(95)	10.0	(34)
CoF - Calc	4.5	5.4	(85)	4.7	(22)
NIM - Rep	4.3	4.3	-	4.3	-
RoaA	1.7	1.8	(4)	1.9	(16)
RoaE	15.3	14.6	65	16.6	(130)
Asset Quality					
Gross NPL (Rs mn)	1,37,735	1,17,690	17.0	1,26,500	8.9
Net NPL (Rs mn)	32,800	35,672	(8.1)	35,424	(7.4)
Gross NPL ratio	1.4	1.4	(4)	1.3	10
Net NPL ratio	0.3	0.4	(10)	0.4	(3)
Coverage ratio - Calc	76.2	69.7	650	72.0	419
Business & Other Ratios					
Low-cost deposit mix	40.1	39.7	40	42.2	(210)
Cost-income ratio	35.0	39.0	(396)	39.0	(397)
Non int. inc / total income	20.6	27.2	(657)	28.4	(776)
Credit deposit ratio	84.4	86.9	(257)	86.6	(224)
CAR	18.9	16.9	200	18.5	40
Tier-I	17.5	15.6	190	17.2	30

Source: Company, PL

Key Q1FY21 Concall Highlights

Business outlook & growth

- **Assets** –Bank re-iterates that growth is not merely being chased as the Bank will not compromise on credit quality.
 - For the **Retail book**, originations fell sharply across segments on account of tightening of credit standards and caution amongst borrowers. Overall retail was down 70%, personal loans down 86%, credit cards down 87% with spends down 44%, vehicles down 66% (though 2W-down only 50% and tractors was up 26%). Deep dive into customer via cash flows (salary credits/business activity) and customer surveys, portfolio quality has been quite comfortable.
 - The slowdown in **SME book** was partially offset by the ECGL scheme under which the Bank had +300k eligible customers with an eligible value of Rs200bn+ and as on 16th Jul'20 bank had disbursed to +57k customers an amount of Rs101.7bn with further Rs10bn in the pipeline. The BBG book remains 103% self-funded. Bank had estimated 9%-11% of the customers to face difficulty in payment obligations but now expects the same number to actually reduce by half. Cash collections in Apr/May fell though for June were up13% over Mar.
 - For the **Corporate book** of the Bank, many borrowers chose to migrate to the Bank and growth came from quality, strong clients (86% of the portfolio rated AA/AAA) with adequate liquidity and lending to epidemic resistant businesses with QoQ accretion coming from top half of the 10point rating scale. ~76% of the funds cumulatively were being utilized for WC requirements and Capex. Collections have fared well as during Apr'20 (strictest lockdown period), they were 45% of Apr'19, in May'20 increased to 47% and June was higher by 38% viz.94% of June'19 v/s the 75%-80%.
- **Moratorium:** As on Q1FY20, **9%** of the loan book is under moratorium of which 90% come from Phase-I and the remaining as a result of Bank's accelerated recognition on NPAs. In Phase-I Bank was relatively more liberal in granting moratoriums but after extensive customer interaction, Bank came to the conclusion that the borrowers were less willing to bear the additional cost burden and at end of Phase-I, 70%75% of the borrowers under moratorium started paying back. Currently, 97% of the Moratorium book is 0-DPD and of the salaried borrowers under moratorium, 98% continue to receive salary credits.
- **Liabilities** –. Bank maintains focus on Granularity of deposits thus supporting CASA deposits growing at 26% yoy and CASA ratio coming in at 40%.

Fees/Margins

- Other Income was **lower by ~Rs 20bn** on account of adverse impact of COVID-19 led economic slowdown on (i) loan originations/TPD/ payment product activities and (ii) lower recoveries and collections
- Bank has maintained a liquidity coverage ratio higher than the mandatory levels at 140% viz Rs 70bn-110bn surplus.

Asset quality

- Core credit costs stand at 1.08% and slippages for Q1FY21 are 1.2% viz. ~ Rs 30.1bn. NPA ratios had an adverse impact of 30bps on usage of more stringent analytical model for calculations with 2/3rd of the NPA provisions also coming from the same model.
- The Bank already holds provisions in place as on date in relation to COVID-19 related defaults and for the quarter has done provisioning to the tune of Rs 10bn for the same with floating provisions standing at Rs 14.5bn and aggregate contingency provisions at Rs 40.05bn. The credit cost ratio comprised of 70bps impact of accelerated provisioning and 40bps from contingent provisions made

Others:

- Capital** - CET -I improved to 16.7% up 190bps YoY and Bank maintains that relentless focus on target market, pricing, delivery to customers and default management has aided strong CRAR. Bank doesn't see a need to raise capital.
- Successor:** Mr. Puri stated that his **potential successor has been with the Bank for 25years** and was already decided in his mind with the rest upto RBI.
- Recent Resignations/Fall in employee count:** Resignation of the **CTO** was already known internally a year back with primary reason being pursuing further studies. On the **Auto loan** division controversy, there was personal misconduct by Mr. Ashok Khanna, however, though there was no conflict of interest and appropriate action was taken against all relevant set of employees. The **employee count** has fallen sequentially not due to attrition or layoffs, but as no replacements were made for the people leaving.

Exhibit 2: Corporate book continues to drive growth

Loan Composition (Rs mn)	Q1FY21	Q1FY20	YoY gr. (%)	Q4FY20	QoQ gr. (%)
Car Loans	8,10,820	8,19,130	(1.0)	8,39,350	(3.4)
CV loans	2,78,010	2,92,290	(4.9)	2,90,450	(4.3)
2 wheeler loans	95,680	1,00,700	(5.0)	98,550	(2.9)
Sub-total - Auto Loans	11,84,510	12,12,120	(2.3)	12,28,350	(3.6)
Personal loans	11,15,670	9,71,480	14.8	11,55,570	(3.5)
Business banking	6,05,960	5,77,200	5.0	6,41,240	(5.5)
Loan against shares	15,010	17,800	(15.7)	18,010	(16.7)
Credit Cards	5,46,980	4,95,230	10.4	5,75,750	(5.0)
Home loans	6,26,520	5,57,690	12.3	6,34,450	(1.2)
Gold Loans	55,710	52,320	6.5	54,300	2.6
Kisan Gold Card	4,00,240	3,66,550	9.2	4,33,010	(7.6)
Other Retail	1,99,450	1,81,140	10.1	2,03,310	(1.9)
Retail Loans	47,50,050	44,31,530	7.2	49,43,990	(3.9)
Non Retail Loans	52,82,939	38,65,768	36.7	49,93,039	5.8
Total Advances	1,00,32,989	82,97,298	20.9	99,37,029	1.0
Loan Mix					
Vehicle Loans	11.8%	14.6%	(280.2)	12.4%	(55.5)
Unsecured Loans	16.6%	17.7%	(110.5)	17.4%	(85.1)
Retail Loans	47.3%	53.4%	(606.5)	49.8%	(240.9)
Non Retail Loans	52.7%	46.6%	606.5	50.2%	240.9

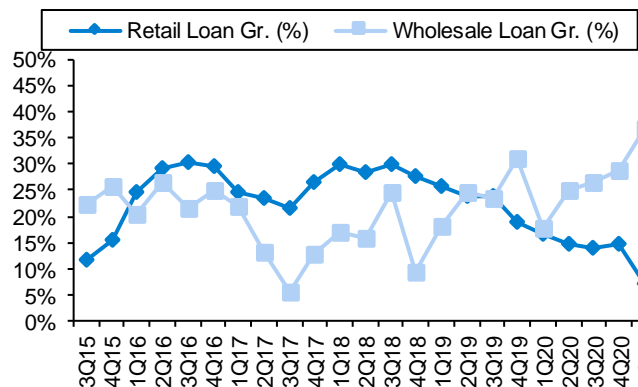
Source: Company, PL

Auto Loans see de-growth as demand falls

Retail growth continues to be mainly helped by Home loans, Personal Loans and Credit Cards segment though only Gold loans saw positive growth on a sequential basis

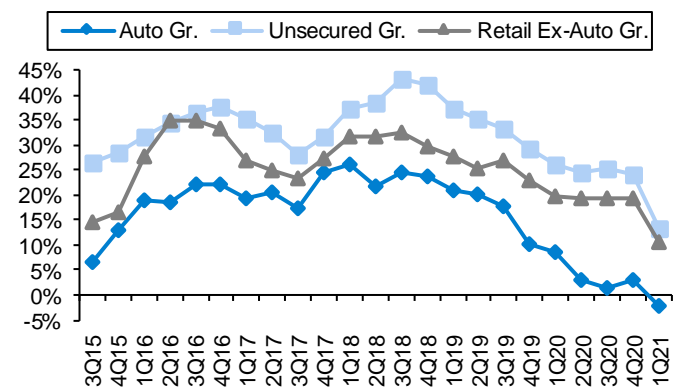
Strong Corporate loan growth of 37% YoY increased share by 606bps on a YoY basis to 52.7%

Exhibit 3: Retail weakens significantly while Wholesale ramps up



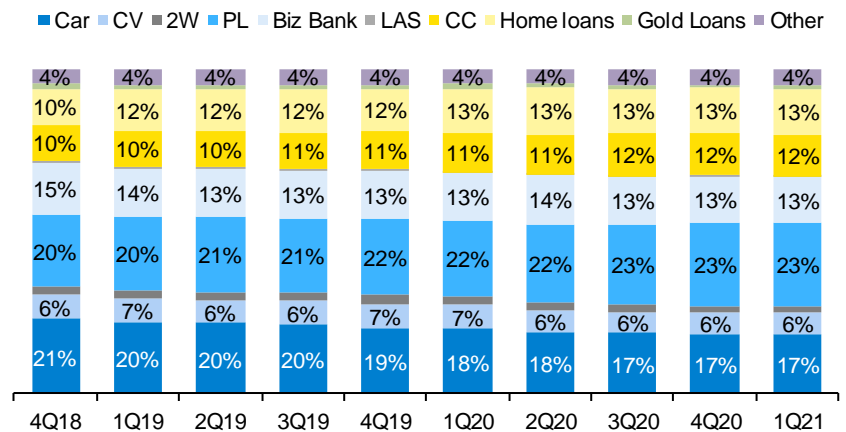
Source: Company, PL

Exhibit 4: Auto de-grows while Non-Auto and Unsecured growth sees slowdown



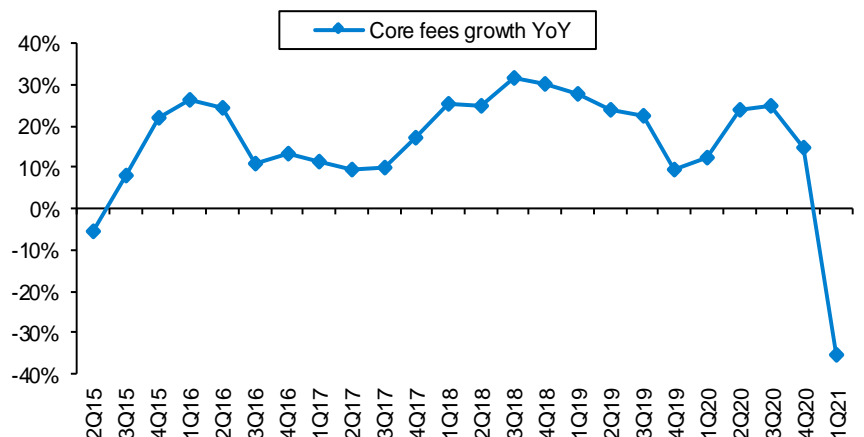
Source: Company, PL

Exhibit 5: Break up of retail book as percentage of retail loans



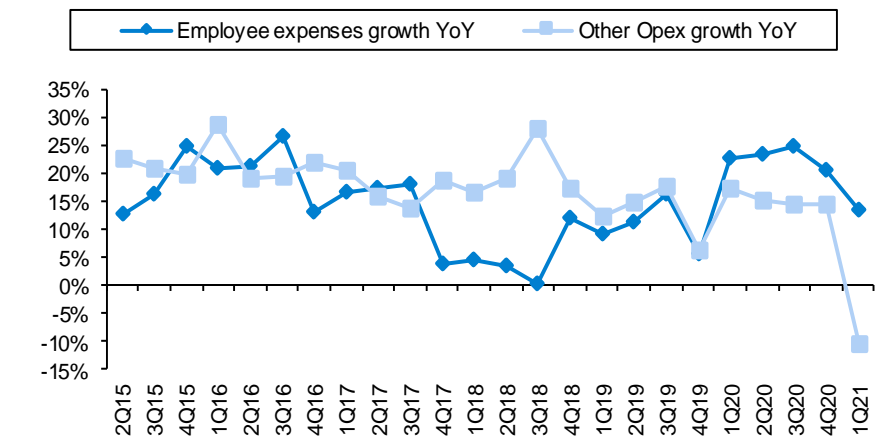
Source: Company, PL

Exhibit 6: Core fees de-grow, impacted significantly on account of COVID-19



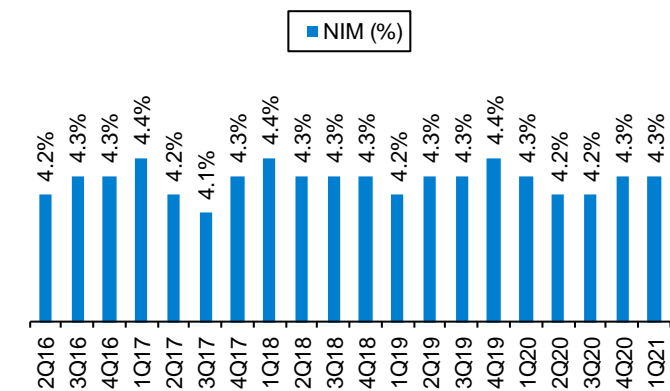
Source: Company, PL

Exhibit 7: Expenses' growth slow down strongly on lower originations and sales



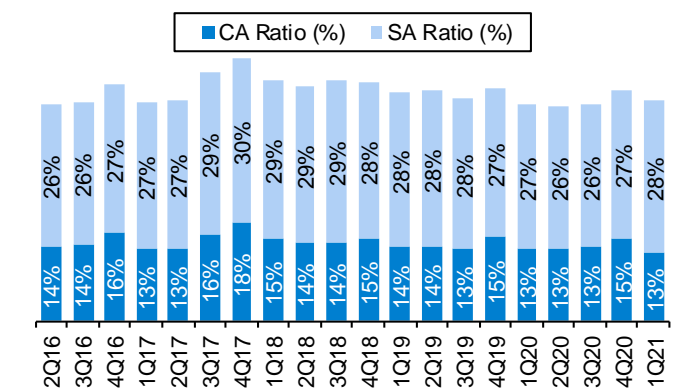
Source: Company, PL

Exhibit 8: NIMs remain steady on lower cost of funds



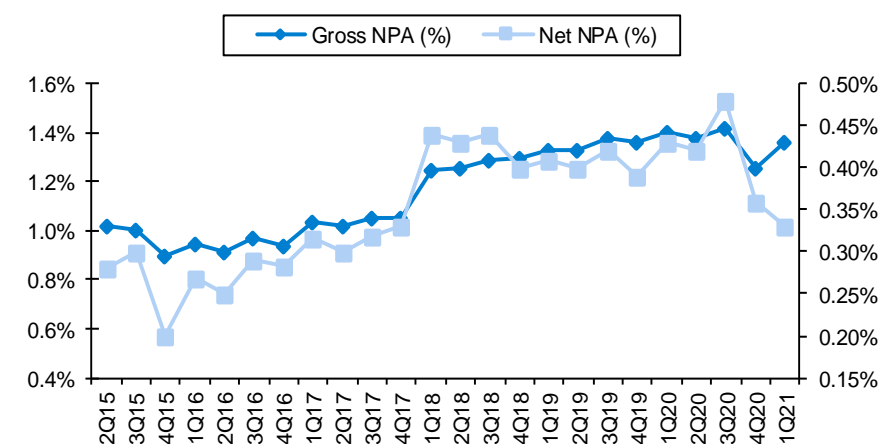
Source: Company, PL

Exhibit 9: CASA grows supported by strong SA



Source: Company, PL

Exhibit 10: NPAs remain in control on accelerated provisioning



Source: Company Data, PL Research

Exhibit 11: Higher provisioning to impact return ratios

RoA decomposition	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Interest income	8.57	8.27	8.04	8.08	8.57	8.27	8.04
Interest expenses	4.40	4.23	4.07	4.04	4.40	4.23	4.07
Net interest income	4.18	4.05	3.97	4.03	4.18	4.05	3.97
Treasury income	0.18	0.29	0.24	0.15	0.18	0.29	0.24
Other Inc. from operations	1.34	1.38	1.06	1.16	1.34	1.38	1.06
Total income	5.71	5.73	5.27	5.35	5.71	5.73	5.27
Employee expenses	0.67	0.69	0.65	0.65	0.67	0.69	0.65
Other operating expenses	1.59	1.53	1.34	1.34	1.59	1.53	1.34
Operating profit	3.44	3.51	3.28	3.36	3.44	3.51	3.28
Tax	0.96	0.75	0.62	0.64	0.96	0.75	0.62
Loan loss provisions	0.65	0.88	0.83	0.81	0.65	0.88	0.83
RoAA	1.83	1.89	1.84	1.90	1.83	1.89	1.84
RoAE	16.50	16.40	16.36	17.01	16.50	16.40	16.36

Source: Company Data, PL Research

**Exhibit 12: We revise our TP to Rs1,265 (from 1,105) based on 3.1x (from 2.9x)
Mar FY22 ABV**

PT calculation and upside	
Market risk premium	7.3%
Risk-free rate	6.5%
Adjusted beta	1.1
Terminal Growth	5.0%
Cost of equity	14.3%
Fair price - P/ABV	1,265
Target P/ABV	3.1
Target P/E	18.8
Current price, Rs	1,098
Upside (%)	15.2%
Dividend yield (%)	2.4%
Total return (%)	17.5%

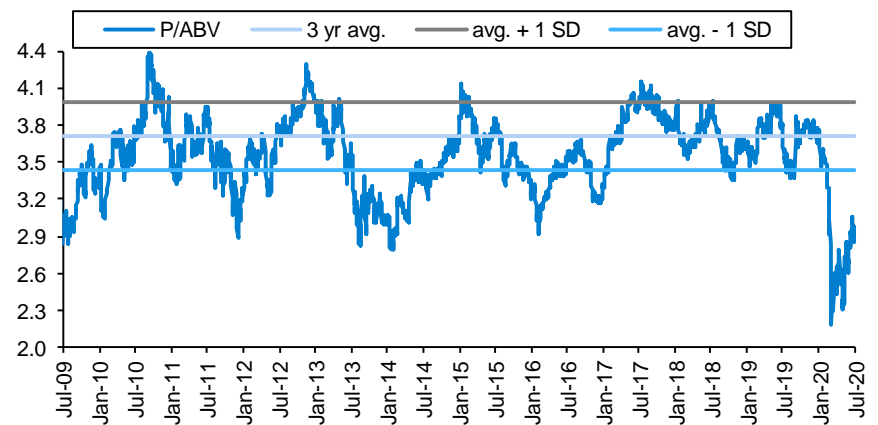
Source: Company Data, PL Research

Exhibit 13: Change in earnings estimates – We adjust loan growth, fee income, opex and tweak credit cost

Rs (mn)	Old		Revised		% change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net interest income	6,47,622	7,59,017	6,57,150	7,80,555	1.5	2.8
Operating profit	5,47,163	6,31,373	5,44,006	6,49,332	(0.6)	2.8
Net profit	2,93,123	3,61,412	3,04,648	3,67,994	3.9	1.8
Loan Growth (%)	13.5	15.4	16.0	17.0	2.5	1.6
Credit Cost (bps)	130.0	105.0	105.0	105.0	(25.0)	-
EPS, Rs.	53.5	65.9	55.6	67.1	3.9	1.8
ABVPS, Rs.	335.4	386.8	354.2	405.8	5.6	4.9
Price target, Rs.	1,105		1,265		14.5	
Recommendation	BUY		BUY			

Source: Company, PL

Exhibit 14: HDFCB one year forward P/ABV trend



Source: Company Data, PL Research

Income Statement (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Int. Earned from Adv.	9,17,879	10,64,614	12,50,674	14,72,972
Int. Earned from invt.	2,06,333	2,48,469	2,94,159	3,62,250
Others	23,914	19,063	17,642	19,876
Total Interest Income	11,48,127	13,32,145	15,62,476	18,55,099
Interest Expenses	5,86,264	6,74,995	7,81,921	9,36,575
Net Interest Income	5,61,863	6,57,150	7,80,555	9,18,524
Growth(%)	20.6	9.9	18.6	17.8
Non Interest Income	2,32,608	2,16,326	2,55,264	3,01,212
Net Total Income	7,94,471	8,73,476	10,35,819	12,19,736
Growth(%)	18.4	12.1	17.4	18.6
Employee Expenses	95,257	1,07,640	1,26,477	1,48,611
Other Expenses	1,99,760	2,09,748	2,47,503	2,92,053
Operating Expenses	3,06,975	3,29,470	3,86,487	4,53,576
Operating Profit	4,87,495	5,44,006	6,49,332	7,66,160
Growth(%)	22.6	11.6	19.4	18.0
NPA Provision	90,833	1,12,686	1,31,321	1,44,063
Total Provisions	1,21,424	1,36,885	1,57,559	1,64,531
PBT	3,66,072	4,07,120	4,91,773	6,01,629
Tax Provision	1,03,498	1,02,472	1,23,779	1,51,430
Effective tax rate (%)	28.3	25.2	25.2	25.2
PAT	2,62,573	3,04,648	3,67,994	4,50,199
Growth(%)	24.6	16.0	20.8	22.3

Balance Sheet (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Face value	1	1	1	1
No. of equity shares	5,483	5,483	5,483	5,483
Equity	5,483	5,483	5,483	5,483
Networth	17,09,860	20,14,508	23,11,220	26,79,169
Growth(%)	14.6	17.8	14.7	15.9
Adj. Networth to NNPA's	35,424	39,527	46,289	55,547
Deposits	1,14,75,023	1,35,40,527	1,61,13,227	1,93,35,873
Growth(%)	24.3	18.0	19.0	20.0
CASA Deposits	48,46,250	56,73,481	67,99,782	81,40,402
% of total deposits	42.2	41.9	42.2	42.1
Total Liabilities	1,53,05,113	1,78,26,316	2,08,69,856	2,46,78,894
Net Advances	99,37,029	1,15,26,953	1,34,86,535	1,59,14,112
Growth(%)	21.3	16.0	17.0	18.0
Investments	39,18,267	45,63,231	54,77,918	65,82,106
Total Assets	1,53,05,113	1,78,26,316	2,08,69,856	2,46,78,894
Growth (%)	23.0	16.5	17.1	18.3

Asset Quality

Y/e Mar	FY20	FY21E	FY22E	FY23E
Gross NPAs (Rs m)	1,26,500	1,68,606	1,99,553	2,22,600
Net NPAs (Rs m)	35,424	39,527	46,289	55,547
Gr. NPAs to Gross Adv.(%)	1.3	1.5	1.5	1.4
Net NPAs to Net Adv. (%)	0.4	0.3	0.3	0.3
NPA Coverage %	72.0	76.6	76.8	75.0

Profitability (%)

Y/e Mar	FY20	FY21E	FY22E	FY23E
NIM	4.2	4.1	4.2	4.2
RoAA	1.9	1.8	1.9	2.0
RoAE	16.4	16.4	17.0	18.0
Tier I	17.2	17.0	16.2	15.8
CRAR	18.5	18.6	17.6	16.9

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Interest Income	2,81,663	2,93,697	2,98,851	3,03,780
Interest Expenses	1,46,512	1,51,968	1,46,810	1,47,126
Net Interest Income	1,35,150	1,41,729	1,52,041	1,56,654
YoY growth (%)	17.8	14.1	10.9	4.4
CEB	40,545	45,268	42,008	22,307
Treasury	-	-	-	-
Non Interest Income	55,887	66,693	60,326	40,753
Total Income	3,37,550	3,60,390	3,59,176	3,44,533
Employee Expenses	23,551	24,550	24,983	25,134
Other expenses	50,506	54,418	57,796	43,980
Operating Expenses	74,057	78,968	82,778	69,115
Operating Profit	1,16,981	1,29,454	1,29,588	1,28,293
YoY growth (%)	23.4	20.1	19.5	15.1
Core Operating Profits	1,12,174	1,22,689	1,23,935	1,17,426
NPA Provision	20,380	28,836	19,178	27,398
Others Provisions	27,007	30,436	37,845	38,915
Total Provisions	27,007	30,436	37,845	38,915
Profit Before Tax	89,974	99,019	91,743	89,378
Tax	26,524	24,854	22,466	22,791
PAT	63,450	74,165	69,277	66,586
YoY growth (%)	26.8	32.8	17.7	19.6
Deposits	1,02,16,149	1,06,74,335	1,14,75,020	1,18,93,873
YoY growth (%)	22.6	25.2	24.3	24.6
Advances	89,69,838	93,60,295	99,37,029	1,00,32,989
YoY growth (%)	19.5	19.9	21.3	20.9

Key Ratios

Y/e Mar	FY20	FY21E	FY22E	FY23E
CMP (Rs)	1,098	1,098	1,098	1,098
EPS (Rs)	48.0	55.6	67.1	82.1
Book Value (Rs)	312	367	422	489
Adj. BV (70%)(Rs)	300	354	406	470
P/E (x)	22.9	19.8	16.4	13.4
P/BV (x)	3.5	3.0	2.6	2.2
P/ABV (x)	3.7	3.1	2.7	2.3
DPS (Rs)	9.5	-	13.0	15.0
Dividend Payout Ratio (%)	24.9	-	19.4	18.3
Dividend Yield (%)	0.9	-	1.2	1.4

Efficiency

Y/e Mar	FY20	FY21E	FY22E	FY23E
Cost-Income Ratio (%)	38.6	37.7	37.3	37.2
C-D Ratio (%)	86.6	85.1	83.7	82.3
Business per Emp. (Rs m)	183	211	244	285
Profit per Emp. (Rs lacs)	22	26	30	36
Business per Branch (Rs m)	3,953	4,326	4,774	5,313
Profit per Branch (Rs m)	48	53	59	68

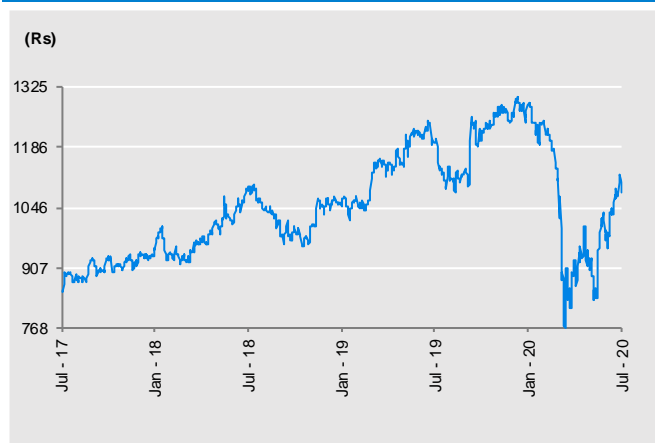
Du-Pont

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII	4.05	3.97	4.03	4.03
Total Income	5.73	5.27	5.35	5.36
Operating Expenses	2.21	1.99	2.00	1.99
PPoP	3.51	3.28	3.36	3.36
Total provisions	0.88	0.83	0.81	0.72
RoAA	1.89	1.84	1.90	1.98
RoAE	16.40	16.36	17.01	18.04

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jul-20	BUY	1,105	1,110
2	19-Apr-20	BUY	1,105	910
3	14-Apr-20	BUY	1,124	895
4	03-Jan-20	BUY	1,406	1,267
5	19-Oct-19	BUY	1,406	1,229
6	03-Oct-19	BUY	1,406	1,224
7	12-Aug-19	BUY	2,732	2,285

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Hold	475	444
2	Bandhan Bank	Subscribe	-	-
3	Bank of Baroda	BUY	83	53
4	Federal Bank	BUY	67	50
5	HDFC	BUY	1,406	1,278
6	HDFC Bank	BUY	1,105	1,110
7	HDFC Life Insurance Company	Reduce	454	581
8	ICICI Bank	BUY	436	369
9	ICICI Prudential Life Insurance Company	Reduce	385	428
10	IDFC First Bank	Sell	21	28
11	IndusInd Bank	BUY	720	553
12	Kotak Mahindra Bank	Accumulate	1,343	1,353
13	Max Financial Services	Hold	518	546
14	Punjab National Bank	BUY	40	37
15	SBI Life Insurance Company	Hold	880	851
16	South Indian Bank	BUY	11	8
17	State Bank of India	BUY	254	192

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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