

State Bank of India

Refer to important disclosures at the end of this report

Profit surges, but needs higher Covid-19 provisioning buffer

CMP: Rs 191
as of (July 31, 2020)

TP: Rs 240 (▲)
12 months

Rating: BUY (■)

Upside: 25.7 %



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- SBI reported a PAT of Rs41.8bn (est. Rs31bn), aided by strong NIMs, low opex and one-off gains of Rs15.4bn from the stake sale in the insurance subsidiary. However, cumulative Covid-19 provisions at Rs30bn (13bps of loans), including Rs18.4bn in Q1, are still lower than peers and thus, need to be shored up.
- The GNPA ratio improved 71bps qoq to 5.4% on lower slippages due to the standstill benefit. The moratorium rate on TL stood at 9.5% (customers who have paid more than two EMI) from 22% in Phase 1, but is not strictly comparable with other banks.
- SBI remains reasonably capitalized by PSB standards, with CET 1 at 10.1% and additional Tier I of 1.2%. Thus, management believes that there is no hurry to raise fresh equity capital unless the bank sees sustainable strong growth trajectory.
- We like SBI among PSBs for its strong liability profile, high retail orientation, reasonable capital position and cheap valuations (0.3x FY22E core ABV). We retain Buy/EW in EAP, with a revised TP of Rs240 (0.4x core Sep'22E core ABV + subs valuation of Rs109). Asset-quality momentum and MD transition remain key monitorables.

Subdued credit growth but healthy NIMs: Overall loan growth was subdued at 7.7% yoy due to continued corporate drag. Retail growth too moderated to 13% yoy. SME saw some traction due to the disbursement (Rs150bn) under the govt guarantee scheme. However, deposit growth was strong at 5.5% qoq/16% yoy, benefiting from the flight to safety. Global NIMs improved 4bps qoq to 3%, despite lower LDR, due to low NPA formation and high interest income from the reverse repo. However, interest accrued but deferred on loans under moratorium stood at Rs48bn. Margins may come under pressure in 2H as NPA recognition accelerates. Thus, to protect its NIM, the bank has consciously cut its savings rate to 2.75%, the lowest among large banks.

Headline asset quality/specific PCR improve, but need to shore-up provisions: Gross slippages fell to Rs39bn (0.6%), which coupled with write-off (nearly ~ Rs200bn) reduced the GNPA ratio by 70bps qoq to 5.4%. For term loans (67% of loans), customers who have paid less than two EMIs are now at 9.5%, which are optically in line with peer private banks as it excludes customers who have paid more than 2 EMIs. As a prudent measure, the bank has fully provided Rs52.3bn for frauds against the quarterly requirement of Rs17.4bn. SBI increased specific PCR to 67% from 65% in Q4, however, Covid-19 provisions at Rs30bn (13bps of loans), including Rs18.4bn in Q1, is still lower than peers.

Outlook and valuation: We have raised FY21 earnings estimates by 15%, factoring in better margins and one-off gains. We also raise FY22E earnings by 4%. We like SBI among PSBs for its strong liability profile, high retail orientation and reasonable capital position. Valuations (0.3x FY22E core ABV) also look attractive. We retain Buy/EW in EAP, with a revised TP of Rs240 (0.5x core Sep'22E core ABV + subs valuation of Rs109). Key risks: Higher-than-expected NPA formation and change in MD, which is traditionally associated with asset quality bump-up.

Please see our sector model portfolio (Emkay Alpha Portfolio): [BFSI-Banks \(page 8\)](#)

Financial Snapshot (Standalone)

| (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|------------|-----------|-----------|-----------|-----------|-----------|
| Net income | 1,251,240 | 1,433,063 | 1,498,256 | 1,560,051 | 1,682,798 |
| Net profit | 8,623 | 144,878 | 90,413 | 137,338 | 236,415 |
| EPS (Rs) | 1.0 | 16.2 | 10.1 | 15.4 | 26.5 |
| ABV (Rs) | 171.2 | 189.8 | 199.1 | 214.7 | 238.8 |
| RoA (%) | 0.0 | 0.4 | 0.2 | 0.3 | 0.5 |
| RoE (%) | 0.4 | 6.4 | 3.8 | 5.4 | 8.7 |
| PE (x) | 198.1 | 11.8 | 18.9 | 12.4 | 7.2 |
| P/ABV | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |

Source: Company, Emkay Research



Change in Estimates

| | |
|-------------------------|------|
| EPS Chg FY21E/FY22E (%) | 15/4 |
| Target Price change (%) | 6.6 |
| Target Period (Months) | 12 |
| Previous Reco | BUY |

Emkay vs Consensus

| | EPS Estimates | |
|-------------------------|---------------|-------|
| | FY21E | FY22E |
| Emkay | 10.1 | 15.4 |
| Consensus | 14.2 | 24.6 |
| Mean Consensus TP (12M) | Rs 253 | |

Stock Details

| | |
|------------------------------|---------------|
| Bloomberg Code | SBIN IN |
| Face Value (Rs) | 1 |
| Shares outstanding (mn) | 8,925 |
| 52 Week H/L | 351 / 149 |
| M Cap (Rs bn/USD bn) | 1,709 / 22.84 |
| Daily Avg Volume (nos.) | 74,988,150 |
| Daily Avg Turnover (US\$ mn) | 179.8 |

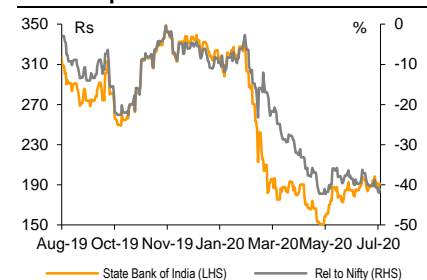
Shareholding Pattern Jun '20

| | |
|-------------------|-------|
| Promoters | 56.9% |
| FIIs | 7.8% |
| DIIIs | 24.4% |
| Public and Others | 10.9% |

Price Performance

| (%) | 1M | 3M | 6M | 12M |
|----------------------|----|----|----|-----|
| Absolute | 7 | - | - | - |
| Rel. to Nifty | - | - | - | - |

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Anand Dama

anand.dama@emkayglobal.com
+91 22 6624 2480

Neelam Bhatia

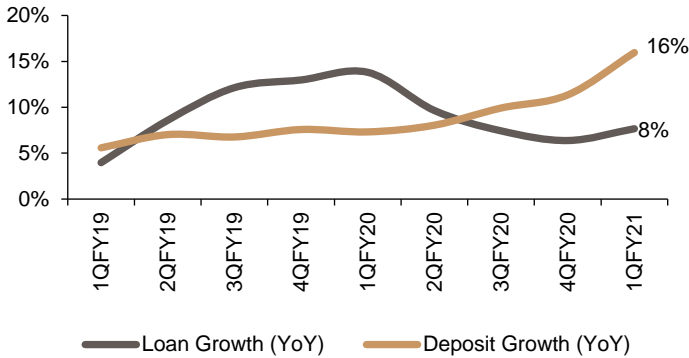
neelam.bhatia@emkayglobal.com
+91 22 6612 1262

Mayank Agarwal

mayank.agarwal@emkayglobal.com

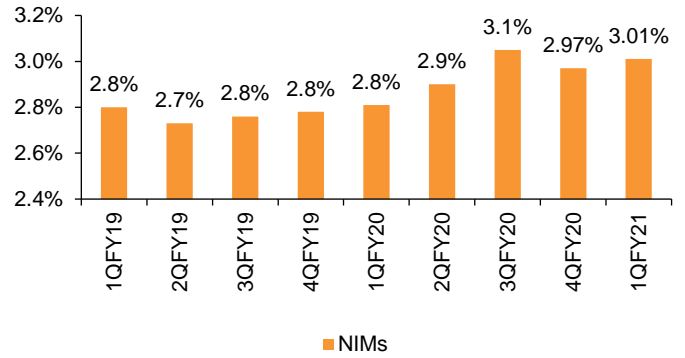
Story in Charts

Exhibit 1: Loan growth remains subdued, but deposit growth strong benefiting from flight to safety



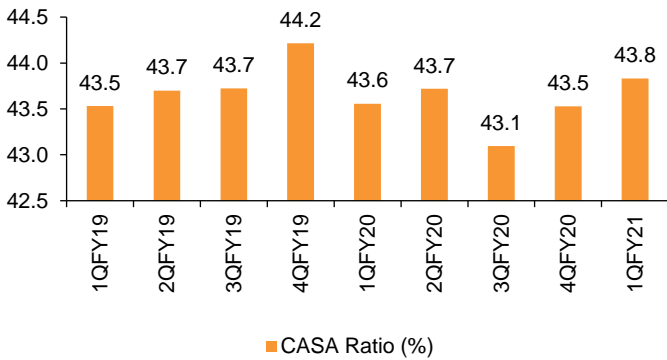
Source: Company, Emkay Research

Exhibit 2: Despite lower LDR qoq, NIM improved by 4 bps due to absence of interest reversals on NPA



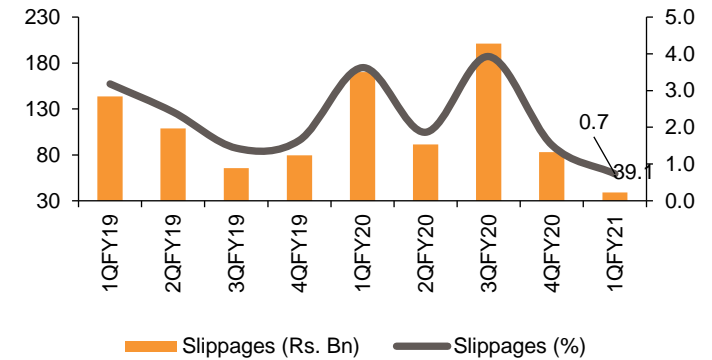
Source: Company, Emkay Research

Exhibit 3: CASA continues to improve despite lower interest rates



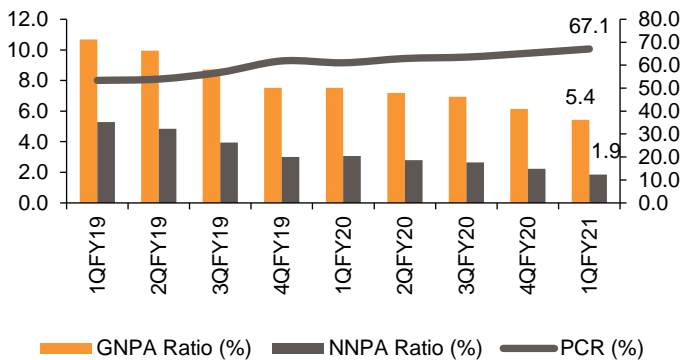
Source: Company, Emkay Research

Exhibit 4: Slippages of Rs39 bn were lower due to moratorium



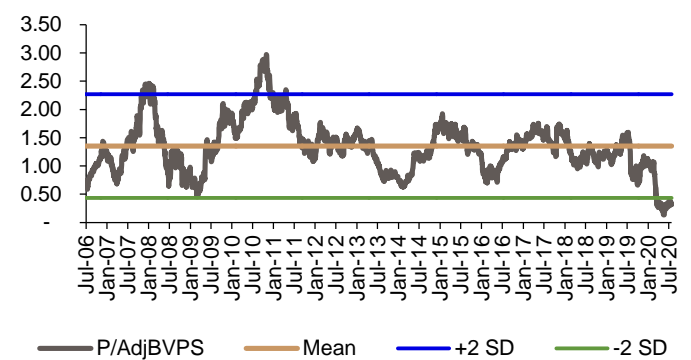
Source: Company, Emkay Research

Exhibit 5: Write-off of Rs 97bn and lower slippages led GNPA to improve by 71bps qoq



Source: Company, Emkay Research

Exhibit 6: The stock trades at 0.3x – 1 Year forward Abv, adjusted for subsidiaries



Source: Company, Emkay Research

Exhibit 7: Sum-of-the-parts valuation (in Rs per share)

| | Stake (%) | Value per share (Rs) | Basis |
|--|-----------|----------------------|----------------------|
| SBI Life Insurance | 56% | 59 | Based on 2.5x Sep EV |
| SBI MF | 63% | 18 | 5% of Sep FY22E AUM |
| SBI Caps | 100% | 6 | 10x Sep FY22E EPS |
| SBI Cards | 69% | 70 | 48x Sep FY22E EPS |
| SBI Global Factors | 86% | 0 | 10x Sep FY22E EPS |
| SBI General Insurance | 70% | 9 | 20x Sep FY22 PAT |
| Total Value of Subsidiaries/JVs | | 163 | |
| Value per share from associates/subsidiaries (post 20% holding co. discount) | | 131 | |
| Value of standalone business | | 109 | 0.5x Sep FY22E ABV |
| Value per share (in Rs) | | 240 | |
| Upside | | 26% | |
| Contribution of Subs to Total | | 54% | |

Source: Company, Emkay Research

Exhibit 8: Actuals Vs Estimates(1QFY21)

| Rs mn | Actuals | Estimates | | % Variation | | Comments |
|------------|---------|-----------|-----------|-------------|-----------|---|
| | | Emkay | Consensus | Emkay | Consensus | |
| Net income | 361,388 | 342,803 | 347,336 | 5% | 4% | Better margins led to beat |
| PPOP | 180,611 | 156,868 | 149,552 | 15% | 21% | Lower opex and treasury gains led to beat |
| PAT | 41,894 | 31,054 | 33,746 | 35% | 24% | Higher PPOP led to beat |

Source: Company, Emkay Research

Exhibit 9: Quarterly Summary

| Rs (mn) | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 | 1QFY21 | YoY (%) | QoQ (%) | FY20 | FY21E | YoY (%) |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|---------|
| Interest Earned | 626,378 | 643,124 | 676,920 | 626,814 | 665,004 | 6 | 6 | 2,573,236 | 2,624,450 | 2 |
| Interest Exp | 396,990 | 397,121 | 399,132 | 399,145 | 398,588 | 0 | 0 | 1,592,388 | 1,614,966 | 1 |
| Net Interest Income | 229,388 | 246,003 | 277,788 | 227,669 | 266,416 | 16 | 17 | 980,848 | 1,009,484 | 3 |
| Global NIMs (reported) | 2.81 | 2.90 | 3.05 | 2.97 | 3.01 | 20bps | 4bps | 2.85 | 2.76 | -10bps |
| Non-interest Income | 80,154 | 120,227 | 91,059 | 160,775 | 94,972 | 18 | -41 | 452,215 | 421,303 | -7 |
| Operating Expenses | 177,081 | 184,243 | 186,622 | 203,793 | 180,777 | 2 | -11 | 751,737 | 775,265 | 3 |
| Pre Provisioning Profit | 132,462 | 181,988 | 182,226 | 184,651 | 180,611 | 36 | -2 | 681,326 | 655,522 | -4 |
| Provision & Contingencies | 91,829 | 131,389 | 72,529 | 134,951 | 125,013 | 36 | -7 | 430,699 | 550,260 | 28 |
| PBT | 40,632 | 50,598 | 109,697 | 49,700 | 55,598 | 37 | 12 | 250,627 | 105,263 | -58 |
| Income Tax Expense (Gain) | 17,510 | 20,481 | 53,863 | 13,892 | 13,704 | -22 | -1 | 105,747 | 26,316 | -75 |
| Net Profit/(Loss) | 23,122 | 30,117 | 55,834 | 35,808 | 41,894 | 81 | 17 | 144,881 | 78,947 | -46 |
| Gross NPA (%) | 7.53 | 7.19 | 6.94 | 6.15 | 5.44 | -209bps | -71bps | 6.15 | 7.41 | 126bps |
| Net NPA (%) | 3.07 | 2.79 | 2.65 | 2.23 | 1.86 | -121bps | -37bps | 2.23 | 2.73 | 49bps |
| Deposits (Rs in bn) | 29,488 | 30,334 | 31,112 | 32,416 | 34,194 | 16 | 5 | 32,416 | 34,256 | 6 |
| Net Advances (Rs in bn) | 21,348 | 21,462 | 21,999 | 23,253 | 22,983 | 8 | -1 | 23,253 | 23,980 | 3 |

Source: Company, Emkay Research

Exhibit 10: Revision in estimates

| Y/E Mar (Rs mn) | FY21E | | | FY22E | | | FY23E | | |
|---------------------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|
| | Earlier | Revised | % change | Earlier | Revised | % change | Earlier | Revised | % change |
| Net interest income | 1,009,502 | 1,076,953 | 6.7% | 1,061,245 | 1,124,622 | 6.0% | 1,158,214 | 1,206,646 | 4.2% |
| PPOP | 642,432 | 717,270 | 11.6% | 665,424 | 739,600 | 11.1% | 746,189 | 804,635 | 7.8% |
| PAT | 78,901 | 90,416 | 14.6% | 132,489 | 137,341 | 3.7% | 236,418 | 236,418 | 0.0% |
| EPS (Rs) | 8.8 | 10.1 | 15.1% | 14.8 | 15.4 | 4.0% | 26.5 | 26.5 | 0.0% |
| BV (Rs) | 247.0 | 249.3 | 0.9% | 259.9 | 264.0 | 1.6% | 283.9 | 289.0 | 1.8% |

Source: Company, Emkay Research

Exhibit 11: Key assumptions

| | FY20 | FY21E | FY22E | FY23E |
|------------------|------|-------|-------|-------|
| Loan Growth % | 6.4 | 2.9 | 5.9 | 9.9 |
| Deposit Growth % | 11.3 | 9.1 | 6.4 | 8.6 |
| NIM % | 2.9 | 2.9 | 2.8 | 2.8 |
| GNPA % | 6.2 | 7.4 | 7.3 | 6.8 |
| Credit Cost % | 1.8 | 2.5 | 2.1 | 1.7 |

Source: Company, Emkay Research

Exhibit 12: Key ratios and trends

| | 1QFY19 | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 | 1QFY21 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Loans (Rs bn) | 19,894 | 20,684 | 21,546 | 22,927 | 22,376 | 22,479 | 23,013 | 24,225 | 23,853 |
| Loan growth (YoY) | 5.6 | 9.4 | 12.0 | 12.0 | 12.5 | 8.7 | 6.8 | 5.7 | 6.6 |
| Loan growth (QoQ) | -2.8 | 4.0 | 4.2 | 6.4 | -2.4 | 0.5 | 2.4 | 5.3 | -1.5 |
| Loan composition (%) | | | | | | | | | |
| Corporate | 35.2 | 36.0 | 36.0 | 37.1 | 35.0 | 34.1 | 33.5 | 34.8 | 33.9 |
| Retail | 28.1 | 27.9 | 28.4 | 28.3 | 29.7 | 30.5 | 31.3 | 30.9 | 31.4 |
| SME | 13.8 | 12.8 | 13.6 | 12.6 | 12.6 | 12.2 | 12.1 | 11.0 | 11.7 |
| Overseas | 13.4 | 14.1 | 12.8 | 13.2 | 13.8 | 14.2 | 14.0 | 14.7 | 14.4 |
| Agri | 9.4 | 9.2 | 9.2 | 8.8 | 9.0 | 9.0 | 9.1 | 8.5 | 8.6 |
| Liability Profile & Margins | | | | | | | | | |
| CASA % | 43.5 | 43.7 | 43.7 | 44.2 | 43.6 | 43.7 | 43.1 | 43.5 | 43.8 |
| CA % | 6.0 | 6.2 | 6.1 | 6.9 | 6.1 | 6.4 | 6.1 | 6.7 | 6.0 |
| SA % | 37.5 | 37.5 | 37.6 | 37.3 | 37.4 | 37.3 | 37.0 | 36.8 | 37.9 |
| Global NIM % | 2.80 | 2.73 | 2.76 | 2.78 | 2.81 | 2.90 | 3.05 | 2.97 | 3.01 |
| Domestic NIM % | 2.95 | 2.88 | 2.92 | 2.95 | 3.01 | 3.22 | 3.59 | 2.94 | 3.24 |
| Asset Quality | | | | | | | | | |
| GNPA (%) | 10.7 | 10.0 | 8.7 | 7.5 | 7.5 | 7.2 | 6.9 | 6.2 | 5.4 |
| NNPA (%) | 5.3 | 4.8 | 4.0 | 3.0 | 3.1 | 2.8 | 2.7 | 2.2 | 1.9 |
| PCR (%) | 53.4 | 53.9 | 56.9 | 61.9 | 61.1 | 62.9 | 63.5 | 65.2 | 67.1 |
| Slippages (Rs Bn) | 143 | 109 | 65 | 80 | 170 | 91 | 201 | 83 | 39 |
| Slippages (%) | 3.0 | 2.3 | 1.4 | 1.6 | 3.4 | 1.8 | 3.7 | 1.4 | 0.7 |
| Capital Adequacy | | | | | | | | | |
| CAR (%) | 12.8 | 12.6 | 12.8 | 12.7 | 12.9 | 13.6 | 13.7 | 13.1 | 13.4 |
| Tier I (%) | 10.5 | 10.4 | 10.5 | 10.7 | 10.7 | 11.3 | 11.6 | 11.0 | 11.4 |
| CET 1 (%) | 9.8 | 9.7 | 9.6 | 9.6 | 9.6 | 10.1 | 10.2 | 9.8 | 10.1 |
| ROE Decomposition % (on total assets) | | | | | | | | | |
| NII | 2.6 | 2.4 | 2.6 | 2.5 | 2.5 | 2.7 | 3.0 | 2.4 | 2.6 |
| Other Income (Ex Treasury) | 0.9 | 0.9 | 0.9 | 1.3 | 0.8 | 0.9 | 0.9 | 1.3 | 0.5 |
| Treasury | -0.1 | 0.2 | 0.0 | 0.1 | 0.1 | 0.5 | 0.1 | 0.3 | 0.4 |
| Opex | 1.9 | 1.9 | 2.1 | 2.1 | 2.0 | 2.0 | 2.0 | 2.1 | 1.8 |
| PPOP | 1.4 | 1.6 | 1.4 | 1.9 | 1.5 | 2.0 | 2.0 | 1.9 | 1.8 |
| Provisioning Cost | 2.3 | 1.4 | 0.7 | 1.8 | 1.0 | 1.4 | 0.8 | 1.4 | 1.2 |
| PBT | -0.9 | 0.2 | 0.7 | 0.0 | 0.4 | 0.6 | 1.2 | 0.5 | 0.6 |
| Tax | -0.3 | 0.1 | 0.3 | 0.0 | 0.2 | 0.2 | 0.6 | 0.1 | 0.1 |
| ROA | (0.6) | 0.1 | 0.4 | 0.1 | 0.3 | 0.3 | 0.6 | 0.4 | 0.4 |
| Leverage (x) | 15.7 | 15.8 | 16.0 | 16.4 | 16.4 | 16.2 | 16.2 | 16.6 | 17.0 |
| ROE | -9.0 | 1.7 | 7.1 | 1.5 | 4.2 | 5.4 | 9.7 | 6.2 | 7.1 |

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

| Y/E Mar (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| Net interest income | 883,497 | 980,848 | 1,076,953 | 1,124,622 | 1,206,646 |
| Other income | 367,744 | 452,215 | 421,303 | 435,430 | 476,152 |
| Fee income | 233,040 | 237,251 | 244,368 | 256,587 | 274,548 |
| Net income | 1,251,240 | 1,433,063 | 1,498,256 | 1,560,051 | 1,682,798 |
| Operating expenses | 696,877 | 751,737 | 780,987 | 820,452 | 878,162 |
| Pre provision profit | 554,363 | 681,326 | 717,270 | 739,600 | 804,635 |
| PPP excl treasury | 544,133 | 595,570 | 658,392 | 680,721 | 745,757 |
| Provisions | 538,286 | 430,699 | 596,715 | 556,478 | 489,411 |
| Profit before tax | 16,078 | 250,627 | 120,554 | 183,121 | 315,224 |
| Tax | 7,453 | 105,747 | 30,139 | 45,780 | 78,806 |
| Tax rate | 46 | 42 | 25 | 25 | 25 |
| Profit after tax | 8,625 | 144,881 | 90,416 | 137,341 | 236,418 |

Balance Sheet

| Y/E Year End (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Equity | 8,925 | 8,925 | 8,925 | 8,925 | 8,925 |
| Reserves | 2,200,214 | 2,311,150 | 2,453,865 | 2,584,513 | 2,807,544 |
| Net worth | 2,209,138 | 2,320,074 | 2,462,790 | 2,593,437 | 2,816,469 |
| Deposits | 29,113,860 | 32,416,207 | 35,378,385 | 37,640,928 | 40,874,396 |
| Borrowings | 3,535,334 | 2,308,565 | 2,262,393 | 2,417,146 | 2,328,003 |
| Total liabilities | 36,809,143 | 39,513,939 | 42,916,254 | 45,130,342 | 49,080,542 |
| Cash and bank | 1,769,324 | 1,667,358 | 1,750,726 | 1,838,262 | 1,930,175 |
| Investments | 9,670,220 | 10,469,545 | 12,239,859 | 12,686,758 | 13,831,429 |
| Loans | 21,858,769 | 23,252,896 | 23,921,189 | 25,334,128 | 27,846,776 |
| Others | 2,663,277 | 2,896,136 | 3,335,984 | 3,560,667 | 3,825,872 |
| Total assets | 36,809,142 | 39,513,939 | 42,916,254 | 45,130,342 | 49,080,542 |

Key Ratios (%)

| Y/E Year End | FY19 | FY20 | FY21E | FY22E | FY23E |
|-----------------------|------|------|-------|-------|-------|
| NIM | 2.8 | 2.9 | 2.9 | 2.8 | 2.8 |
| Non-ll/avg assets | 1.0 | 1.2 | 1.0 | 1.0 | 1.0 |
| Fee income/avg assets | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 |
| Opex/avg assets | 2.0 | 2.0 | 1.9 | 1.9 | 1.9 |
| Provisions/avg assets | 1.5 | 1.1 | 1.4 | 1.3 | 1.0 |
| PBT/avg assets | 0.0 | 0.7 | 0.3 | 0.4 | 0.7 |
| Tax/avg assets | 0.0 | 0.3 | 0.1 | 0.1 | 0.2 |
| RoA | 0.0 | 0.4 | 0.2 | 0.3 | 0.5 |
| RoAE | 0.4 | 6.4 | 3.8 | 5.4 | 8.7 |
| GNPA (%) | 7.5 | 6.2 | 7.4 | 7.3 | 6.8 |
| NNPA (%) | 3.0 | 2.2 | 2.5 | 2.3 | 2.1 |

| Per Share Data (Rs) | FY19 | FY20 | FY21E | FY22E | FY23E |
|---------------------|-------|-------|-------|-------|-------|
| EPS | 1.0 | 16.2 | 10.1 | 15.4 | 26.5 |
| BVPS | 219.9 | 233.3 | 249.3 | 264.0 | 289.0 |
| ABVPS | 171.2 | 189.8 | 199.1 | 214.7 | 238.8 |
| DPS | 0.0 | 0.0 | 0.0 | 0.8 | 1.5 |

| Valuations (x) | FY19 | FY20 | FY21E | FY22E | FY23E |
|--------------------|-------|------|-------|-------|-------|
| PER | 198.1 | 11.8 | 18.9 | 12.4 | 7.2 |
| P/BV | 1.1 | 1.0 | 1.0 | 0.9 | 0.8 |
| P/ABV | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| P/PPOP | 0.7 | 0.6 | 0.5 | 0.5 | 0.5 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.4 | 0.8 |

Source: Company, Emkay Research

| Growth (%) | FY19 | FY20 | FY21E | FY22E | FY23E |
|-------------------|-------------|-------------|--------------|--------------|--------------|
| NII | 18.0 | 11.0 | 9.8 | 4.4 | 7.3 |
| PPOP | (6.8) | 22.9 | 5.3 | 3.1 | 8.8 |
| PAT | (113.2) | 1,579.8 | (37.6) | 51.9 | 72.1 |
| Loans | 13.0 | 6.4 | 2.9 | 5.9 | 9.9 |

| Quarterly (Rs mn) | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | Q1FY21 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| NII | 229,388 | 246,003 | 277,788 | 227,669 | 266,416 |
| NIM(%) | 2.8 | 3.0 | 3.3 | 2.6 | 2.9 |
| PPOP | 132,462 | 181,988 | 182,226 | 184,651 | 180,611 |
| PAT | 23,122 | 30,117 | 55,834 | 35,808 | 41,894 |
| EPS (Rs) | 2.59 | 3.37 | 6.26 | 4.01 | 4.69 |

Source: Company, Emkay Research

| Shareholding Pattern (%) | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Promoters | 57.1 | 57.1 | 56.9 | 56.9 | 56.9 |
| FIIIs | 10.7 | 10.7 | 10.8 | 9.5 | 7.8 |
| DIIIs | 23.5 | 24.0 | 24.2 | 24.3 | 24.4 |
| Public and Others | 8.7 | 8.1 | 8.1 | 9.4 | 10.9 |

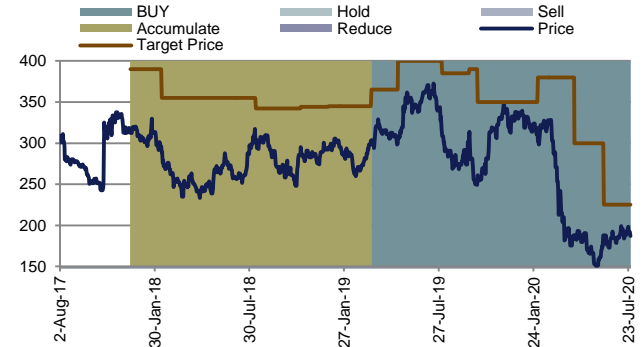
Source: Capitaline

RECOMMENDATION HISTORY TABLE

| Date | Closing Price | TP | Period (months) | Rating | Analyst |
|-----------|---------------|-----|-----------------|------------|---------------|
| 6-Jun-20 | 188 | 225 | 12m | Buy | Anand Dama |
| 11-Apr-20 | 188 | 300 | 12m | Buy | Anand Dama |
| 1-Feb-20 | 303 | 380 | 12m | Buy | Anand Dama |
| 30-Oct-19 | 290 | 350 | 12m | Buy | Anand Dama |
| 25-Oct-19 | 282 | 350 | 12m | Buy | Anand Dama |
| 9-Oct-19 | 261 | 350 | 12m | Buy | Anand Dama |
| 23-Sep-19 | 314 | 390 | 12m | Buy | Anand Dama |
| 3-Sep-19 | 268 | 385 | 12m | Buy | Anand Dama |
| 2-Aug-19 | 308 | 385 | 12m | Buy | Anand Dama |
| 10-May-19 | 308 | 400 | 12m | Buy | Anand Dama |
| 20-Mar-19 | 304 | 365 | 12m | Buy | Anand Dama |
| 2-Feb-19 | 284 | 345 | 12m | Accumulate | Anand Dama |
| 28-Dec-18 | 295 | 345 | 12m | Accumulate | Anand Dama |
| 5-Nov-18 | 295 | 344 | 12m | Accumulate | Anand Dama |
| 11-Aug-18 | 304 | 342 | 12m | Accumulate | Jignesh Shial |
| 21-May-18 | 244 | 355 | 12m | Accumulate | Ravikant Bhat |
| 12-Feb-18 | 289 | 355 | 12m | Accumulate | Ravikant Bhat |
| 24-Jan-18 | 330 | 390 | 12m | Accumulate | Ravikant Bhat |
| 14-Dec-17 | 314 | 390 | 12m | Accumulate | Ravikant Bhat |

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – BFSI-Banks



Analyst: Anand Dama

Contact Details

anand.dama@emkayglobal.com
+91 22 6624 2480

Sector

Banks

Analyst bio

Anand Dama is a CA, CPM (ICFAI) with total 12 years of research experience, in addition to 3 years in the finance/rating industry. His team currently covers 21 banks and 15 stocks in the NBFC/Insurance space.

EAP sector portfolio

| Company Name | BSE200 Weight | EAP Weight | OW/UW (%) | OW/UW (bps) | EAP Weight (Normalised) |
|----------------------------|---------------|--------------|--------------|-------------|-------------------------|
| BFSI-Banks | 18.37 | 18.32 | -0.2% | -4 | 100.00 |
| Axis Bank | 1.64 | 1.78 | 9% | 15 | 9.70 |
| AU Small Finance Bank | 0.07 | 0.05 | -34% | -3 | 0.26 |
| Bandhan Bank | 0.16 | 0.16 | 0% | 0 | 0.90 |
| Bank of Baroda | 0.10 | 0.00 | -100% | -10 | 0.00 |
| Canara Bank | 0.05 | 0.00 | -100% | -5 | 0.00 |
| City Union Bank | 0.15 | 0.15 | 0% | 0 | 0.83 |
| DCB Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Equitas Holdings | 0.00 | 0.00 | NA | 0 | 0.00 |
| Federal Bank | 0.18 | 0.23 | 29% | 5 | 1.27 |
| HDFC Bank | 7.49 | 7.76 | 4% | 27 | 42.25 |
| ICICI Bank | 3.72 | 3.90 | 5% | 18 | 21.26 |
| Indian Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Indusind Bank | 0.53 | 0.60 | 14% | 7 | 3.27 |
| Karur Vysya Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Kotak Mahindra Bank | 2.86 | 2.39 | -17% | -48 | 13.01 |
| Punjab National Bank | 0.08 | 0.00 | -100% | -8 | 0.00 |
| RBL Bank | 0.12 | 0.12 | 0% | 0 | 0.64 |
| State Bank of India | 1.18 | 1.18 | 0% | 0 | 6.40 |
| Ujjivan Small Finance Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Union Bank of India | 0.03 | 0.00 | -100% | -3 | 0.00 |
| Yes Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Cash | 0.00 | 0.04 | NA | 4 | 0.2 |

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

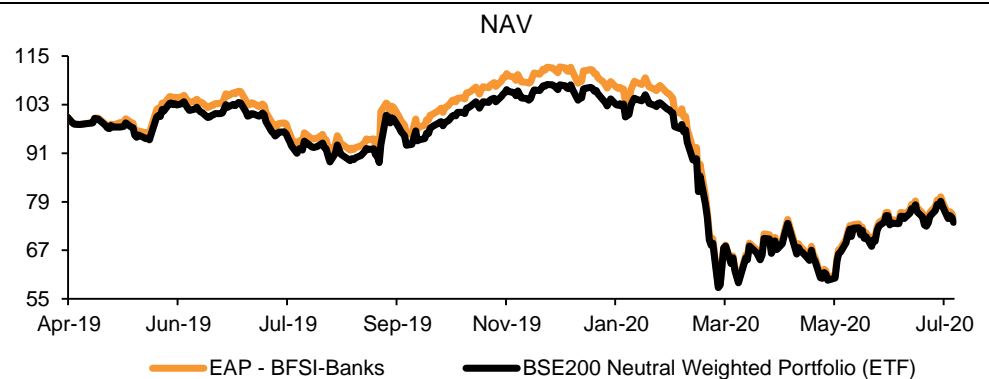
Sector portfolio NAV

| | Base | | | | | Latest |
|---|----------|-----------|-----------|-----------|-----------|-----------|
| | 1-Apr-19 | 27-Oct-19 | 30-Jan-20 | 30-Apr-20 | 30-Jun-20 | 30-Jul-20 |
| EAP - BFSI-Banks | 100.0 | 102.8 | 106.8 | 74.7 | 74.4 | 74.7 |
| BSE200 Neutral Weighted Portfolio (ETF) | 100.0 | 99.1 | 102.7 | 73.6 | 73.6 | 73.9 |

*Performance measurement base date 1st April 2019

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

| Ratings | Expected Return within the next 12-18 months. |
|---------|---|
| BUY | Over 15% |
| HOLD | Between -5% to 15% |
| SELL | Below -5% |

Completed Date: 01 Aug 2020 03:42:23 (SGT)

Dissemination Date: 01 Aug 2020 03:43:23 (SGT)

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Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com