

January 31, 2021

Q3FY21 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	BUY		ACCUMULATE	
Target Price	1,026		1,026	
NII (Rs. m)	1,49,813	1,72,982	1,49,216	1,72,877
% Chng.	0.4	0.1		
Op. Profit (Rs. m)	1,22,765	1,33,920	1,19,847	1,31,646
% Chng.	2.4	1.7		
EPS (Rs.)	71.1	96.2	68.2	93.7
% Chng.	4.2	2.7		

Key Financials - Standalone

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII (Rs m)	1,20,587	1,34,894	1,49,813	1,72,982
Op. Profit (Rs m)	1,07,727	1,17,272	1,22,765	1,33,920
PAT (Rs m)	44,179	31,495	53,767	72,769
EPS (Rs.)	63.8	43.4	71.1	96.2
Gr. (%)	1.6	(31.9)	63.6	35.3
DPS (Rs.)	7.5	-	12.0	15.0
Yield (%)	0.9	-	1.4	1.8
NIM (%)	4.4	4.5	4.4	4.5
RoAE (%)	13.5	8.3	12.4	14.9
RoAA (%)	1.5	1.0	1.5	1.8
P/BV (x)	1.7	1.6	1.4	1.2
P/ABV (x)	1.8	1.6	1.5	1.3
PE (x)	13.3	19.5	11.9	8.8
CAR (%)	15.0	15.3	15.1	14.9

Key Data

INBK.BO | IIB IN

52-W High / Low	Rs.1,346 / Rs.236
Sensex / Nifty	46,286 / 13,635
Market Cap	Rs.641bn/ \$ 8,783m
Shares Outstanding	757m
3M Avg. Daily Value	Rs.27660.58m

Shareholding Pattern (%)

Promoter's	13.44
Foreign	50.33
Domestic Institution	14.83
Public & Others	21.40
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(7.3)	53.7	(32.8)
Relative	(4.7)	26.4	(40.1)

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Improving trends; asset quality needs to be seen

Quick Pointers:

- Pro-forma slippages of Rs25bn on marginally higher side led by retail, similar
- Planning Cycle (PC) 5 has conservative growth than previous PCs, but other metrics have similar ambitious goals of moving ahead

IIB's earnings of Rs8.5bn were below our estimates (PLe: Rs10.9bn) but were higher than consensus estimates. Miss was largely on higher provisions on pro-forma NPAs, although performance was quite good on operating side. Deposits continued to grow at health pace, up 10% YoY/5% QoQ/18% YTD, with CASA growing at 5% YoY/QoQ/19% YTD. Incremental comfort comes from CE improving in VF to 97% v/s 94% in Q2 and in MFI 94% (95.5% till Jan end) v/s 87% in Q2 and overall CE at 97% v/s 95% in Sep'20. Restructuring outcome was at 1.8% of loans (incl. invoked) is higher than industry, while pro-forma slippages of 1.24% of loans were slightly higher driven by unsecured retail/MFI/VF. Our new estimates on credit cost of 350bps (300bps earlier) is with view of bank front loading provisioning to retain higher PCR and cover hits from NPAs and should revert to much lower number ahead driving return ratios. Hence, we upgrade to BUY given the recent decline with retained TP of Rs1,026 based on 1.5x Mar-23 ABV. We have not factored in promoter warrant conversion which will add 2-3% to BV.

- Operationally was better:** NII grew by 11% YoY/4% QoQ on strong benefit from lowering cost of funds which declined by 20bps QoQ/99bps YoY and with a flat growth in loans. NIM stood at 4.12% (post interest reversals), 4bps lower QoQ. Core other income is still down 4% YoY but up 36% QoQ and is at normalized run-rate per quarter pre-COVID. Better fees were contributed from Gen banking/TPP distribution/Fx income and strong recovery sequentially in loan related fees. Overall opex growth was under control helping core PPOP growth of 10% YoY/15% QoQ.
- Asset quality trends still holding up:** Pro-forma GNPA/NNPA were up by 61/9bps on pro-forma NPAs QoQ with held up PCR at 77%. Bank has been doing provisions to cover the pro-forma NPAs & enhance PCR levels. It had slippages of Rs25.1bn on pro-forma basis with 40% from VF & MFI, 30% unsecured retail and 15% each from secured retail & corporate book. Bank is expecting slippages to be lower in Q4 on improving collection efficiency and some taken care under restructuring. Restructuring book was at 60bps of loans but incl. invoked was at 180bps of loans and management will watch as window is still open for corporate. 180bps of loans is spreads with 30% in VF, 30% in non-VF retail and 40% in corporate and has good PCR on the same. Bank holds Rs10bn of provisions over & above the provisions incl. in pro-forma PCR.
- Deposits growth on track; PC5 focus on scaling & digital:** Deposits grew by 10% YoY/5% QoQ with CASA ratio of 40%. Important factor to note is bank added Rs73bn QoQ to savings highest in 13 quarters but still was lower than Q3FY20. PC5 is focused on digital and improving its liabilities base with more granularity, investing in new growth areas like SME, affordable housing and scale up in VF, MFI and improve share of NRI & affluent banking in business. Most of the parameters remain aggressive and similar to previous PCs except for moderate loan growth of 15-18% with growth more for FY22-23.

Exhibit 1: Better operating performance; higher provision to cover for NPA

NII grew by 11% YoY in spite of slower loan growth as cost of funds benefit

Other income de-grew 5% YoY on lower treasury; fees recovery good

Other expenses recovery sequentially as business momentum is coming back

Provisions remained high as bank provides for pro-forma NPA, keeping PCR intact at 77%

Deposits grew 10% while advances remained flat

NIMs almost flat with marginal impact of Interest Reversals

Pro forma slippages stood at Rs25bn with Pro forma GNPA / NNPA at 2.93% / 0.7%

CASA ratio stood flat sequentially as bank

Financial Statement (Rs mn)	Q3FY21	Q3FY20	YoY gr. (%)	Q2FY21	QoQ gr. (%)
Interest Income	72,415	72,845	(0.6)	71,772	0.9
Interest Expense	38,354	42,105	(8.9)	38,992	(1.6)
Net interest income (NII)	34,061	30,740	10.8	32,780	3.9
Treasury income	2,570	2,840	(9.5)	4,930	(47.9)
Fee income	13,890	15,060	(7.8)	10,610	30.9
Other income	17,055	17,894	(4.7)	15,543	9.7
Total income	51,116	48,634	5.1	48,323	5.8
Operating expenses	21,383	21,178	1.0	19,803	8.0
-Staff expenses	5,427	5,501	(1.3)	7,248	(25.1)
-Other expenses	15,956	15,677	1.8	12,555	27.1
Operating profit	29,733	27,456	8.3	28,520	4.3
Core operating profit	27,163	24,616	10.3	23,590	15.1
Total provisions	18,535	10,435	77.6	19,644	(5.6)
Profit before tax	11,198	17,022	(34.2)	8,875	26.2
Tax	2,670	4,020	(33.6)	2,245	19.0
Profit after tax	8,528	13,002	(34.4)	6,631	28.6
Deposits	23,91,350	21,67,130	10.3	22,78,842	4.9
Advances	20,71,280	20,74,130	(0.1)	20,12,468	2.9
Profitability ratios					
RoAA	1.1	1.8	(75)	0.9	22
RoAE	8.4	15.6	(727)	7.3	110
NIM	4.1	4.2	(3)	4.1	(4)
Yield on Advances	11.7	12.0	(30)	12.0	(30)
Cost of Deposits	5.3	6.5	(115)	5.6	(24)
Asset Quality ratios					
Gross NPL (Rs m)	36,507	45,784	(20.3)	45,322	(19.4)
Net NPL (Rs m)	4,642	21,733	(78.6)	10,558	(56.0)
Gross NPL ratio	1.74	2.18	(44.0)	2.21	(47.0)
Net NPL ratio	0.22	1.05	(83.0)	0.52	(30.0)
Coverage ratio	87.3	52.5	3,475	76.7	1,058
Business & Other Ratios					
Low-cost deposit mix	40.4	42.4	(198)	40.3	11
Cost-income ratio	41.8	43.5	(171)	41.0	85
Non int. inc / total income	33.4	36.8	(343)	32.2	120
Credit deposit ratio	86.6	95.7	(909)	88.3	(170)
CAR	16.3	13.3	305	16.6	(21)
Tier-I	15.6	13.5	213	15.8	(21)

Source: Company, PL

Q3FY21 Concall Highlights

Balance Operations:

- Collection Efficiency for the overall bank increased from 94.9% in Sep 20 to 97.1% in Dec 20. CE in vehicle finance increased from 94.3% in Sep'20 to 96.9% in Dec 20, while in MFI 94% (95.5% till 21st Jan'21) v/s 87% in Sep'20.
- Bank witnessed healthy demand growth from all business segments, especially Vehicle and Micro finance.
- Bank to open 500 new bank branches in the next 2 years.

Assets/Liabilities

- Vehicle Financing disbursements have reached pre-Covid levels during the quarter.
- Micro finance disbursements also back to Pre covid levels. Exposure to Assam at only Rs 45 Cr. Exposure towards West Bengal also reduced over last year from 50% to 30%, i.e. 1.3% of the overall loan book. Collection Efficiency in West Bengal Portfolio has improved from 70% in Sep 20 to 90% in 3Q21, and 93% as per last week.
- Unsecured Book forms only 4% of the overall book of the bank, and as conservative approach, will be kept below 5% in the future as well.
- Deposit growth of 5% QoQ was driven by Savings Account growth of 13% QoQ, alongside Retail deposit growth of 14% QoQ. Cost of Deposits have come down by 24bps QoQ and 71bps YoY. Due to excess growth of deposits, the liquidity of the bank has risen and brought down LDR ratio. Therefore, the bank has cut the fixed deposit rate by 50bps in the month of Dec 20 and should reflect from Q4Fy21 onwards.

Asset Quality

- **Restructuring:** Restructuring requests came for 1.8% of the book, of which 0.6% has been implemented and the rest is awaiting approval/clearance. Break up of restructuring requests were from Vehicle 30%, Non-Vehicle Retail 30% and Corporate at 40%. Restructuring request for the vehicle portfolio stood at 1.7%.
- Pro-forma GNPA/NNPA stood at 2.93%/0.7% with slippages of Rs25.08bn, with break up into VF 20%, MFI 20%, Secured Retail 15%, Unsecured Retail 30% and Corporate 15%. PCR stood at healthy 77%.
- **COVID provisions** – Bank made additional Rs11.0bn of provisions largely towards pro-forma NPAs and held Rs32.6bn of COVID provisions with Rs22.9bn of provisions were included in PCR.
- Two large corporate accounts for Rs3.6bn caused slippages and were pre-identified. Management expressed good faith in the rest of the corporate book and no new stress development there.
- 100% of unsecured Pro forma slippages have been provided.

Guidance

- Retail advances to be 55-60% of the mix and Wholesale at 40-45% going ahead.
- Management intends to achieve RoA of around 1.4-1.7%.
- Promoter to subscribe to warrants before Feb 18 which will add another Rs20bn or 75bps to the CET 1.

Planning Cycle 5

- Bank has built its PC5 based on conservative approach towards bringing down C-D ratio <95%, CD at 5-10% of deposits and retail LCR at 45-50% of deposits, keep unsecured retail at <5% of loans and PCR of >65%
- Immediate priorities are to improve retail liabilities, improve corporate approach, holistic rural banking, scale up existing areas of segments and new growth boosters
- PC5 outcome measurements are **(i)** Loan growth of 15-18% (more in FY22-23) **(ii)** CASA ratio of >40% **(iii)** PPOP/Loans of >5% **(iv)** branch network of 2500 and **(v)** double customer base >45mn.

Exhibit 2: Most metrics remain aggressive compared to earlier PCs except for loan growth

Planning Cycle Business Metrics	PC2	PC3	PC4	PC5	Current
	FY11-14	FY14-17	FY17-20	FY20-23	
Loan growth	25-30%	25-30%	25-30%	15-18% for FY22/FY23	Flat
CASA Ratio	>35%	Exceed Loan growth >35%	40%	>40%	40.4%
Revenue Growth			Exceed B/s growth	Exceed B/s growth	5.1%
PPOP/Loans				>5%	4.2%
Branch Network		1200	2000	2500	1,915
Customer base		Double to >9mn	Double to >20mn	Double to >45mn	26mn
RORWA			>2.4%		
Fee growth	Exceed loan growth	Exceed B/s growth			
Manage C-D ratio	>75 <80%			<95%	

Source: Company, PL

Vehicle finance portfolio growth was almost flat sequentially, majorly driven by Tractor/UVs/small CV/2W

Credit card growth has been strong

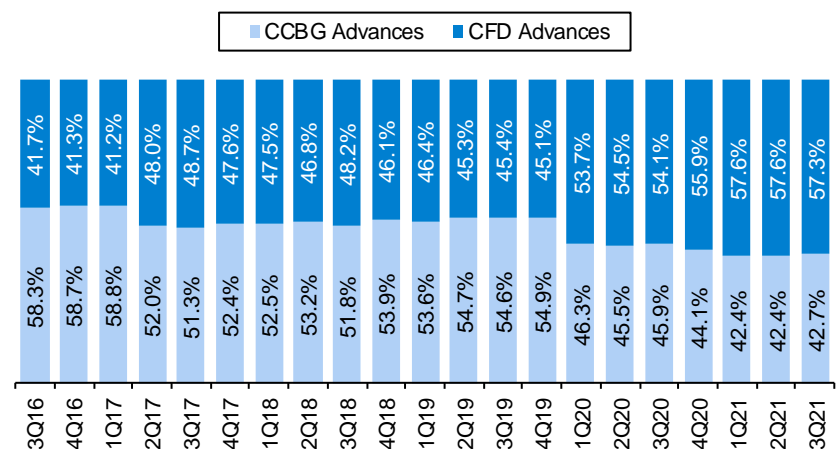
MFI remains contained due to geographical concerns

Biz banking growth has been muted, bank has been conservative towards ECLGS

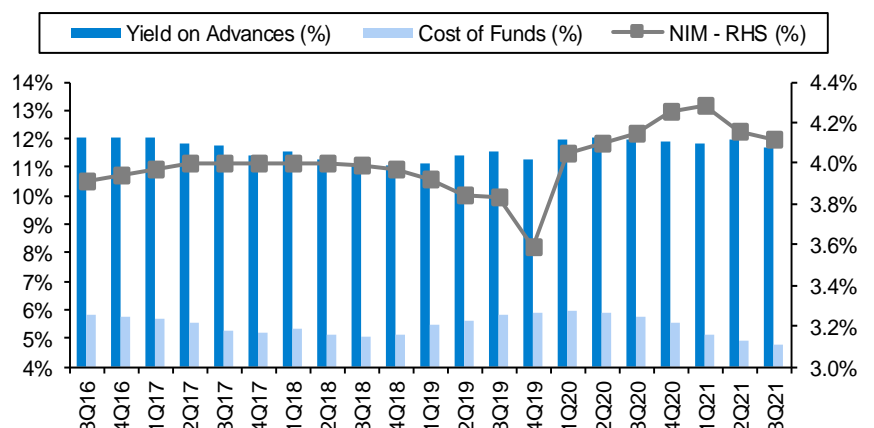
Exhibit 3: Selective growth with pick up in disbursement sequentially

Loan Book mix	Q3FY21	Q3FY20	YoY gr. (%)	Q2FY21	QoQ gr. (%)
CV Loans	2,38,120	2,49,770	(4.7)	2,39,320	(0.5)
UV Loans	47,660	42,640	11.8	45,390	5.0
3W/Small CV	35,900	35,600	0.8	36,910	(2.7)
2W Loans	60,310	52,960	13.9	57,390	5.1
Car Loans	78,790	73,360	7.4	74,600	5.6
Tractors	61,910	44,000	40.7	54,840	12.9
Equipment Financing	87,340	82,380	6.0	83,690	4.4
Credit Card	52,250	45,760	14.2	48,530	7.7
LAP	93,620	95,390	(1.9)	95,400	(1.9)
Others	84,730	77,570	9.2	82,990	2.1
MFI	2,30,080	2,07,570	10.8	2,23,830	2.8
BBG	1,15,750	1,14,600	1.0	1,15,310	0.4
Consumer Finance incl BBG	11,86,460	11,21,600	5.8	11,58,200	2.4
Corporate Finance	8,84,820	9,52,530	(7.1)	8,54,268	3.6
Loan Mix					
Vehicle Finance	29.5%	28.0%	1.5	29.4%	0.0
Non-Vehicle Consumer	27.8%	26.1%	1.8	28.1%	(0.3)
Consumer Finance	57.3%	54.1%	3.2	57.6%	(0.3)
Corporate Finance	42.7%	45.9%	(3.2)	42.4%	0.3

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

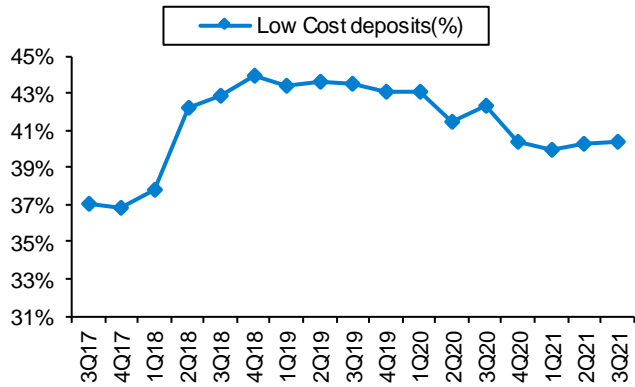
Exhibit 4: Retail mix improving gradually; mix to move towards 60% retail


Source: Company, PL Research

Exhibit 5: Cost of funds seeing improvement in past few quarters


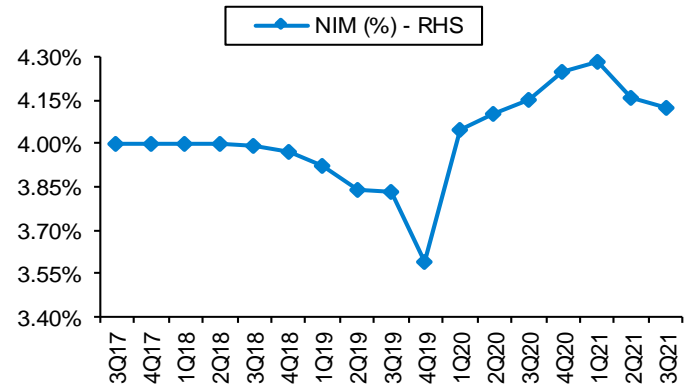
Source: Company, PL Research

Exhibit 6: CASA building up again on steadier pace



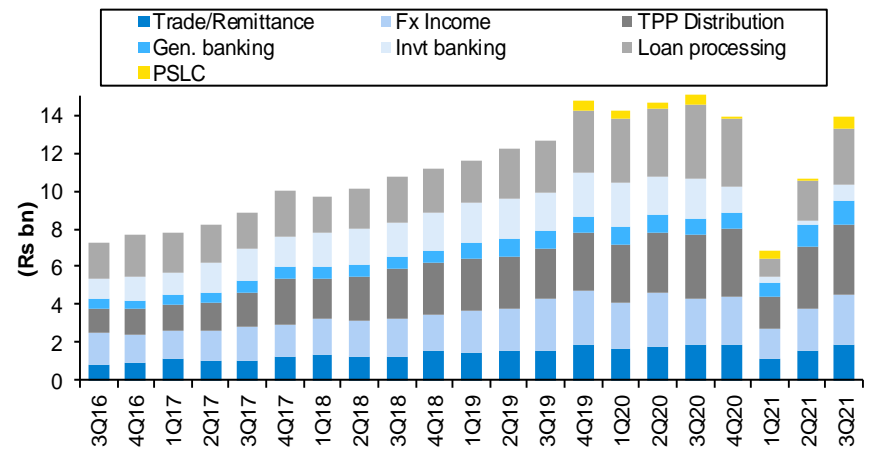
Source: Company, PL

Exhibit 7: Margins adversely impacted on liquidity & NPA



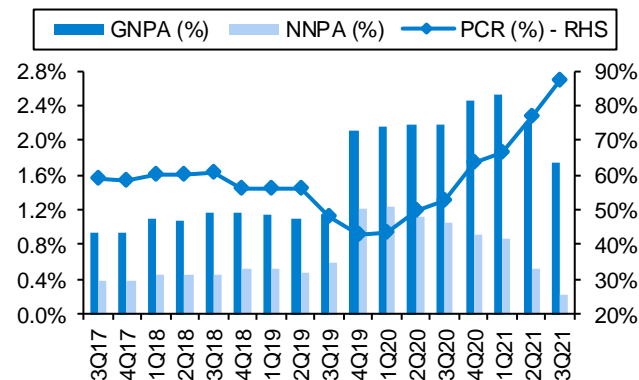
Source: Company, PL **Note** – Not comparable due to merger

Exhibit 8: Fee book recovers but still lower than COVID levels



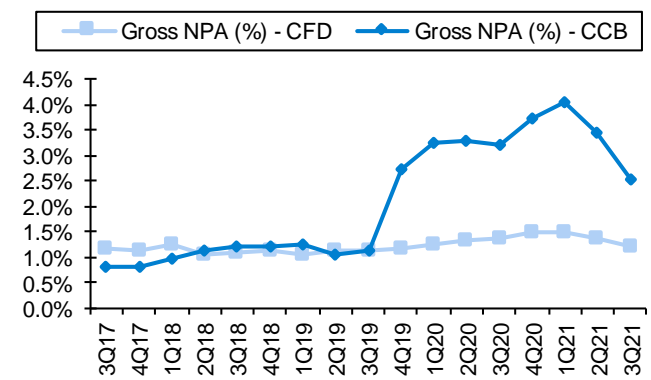
Source: Company, PL Research

Exhibit 9: Asset quality improves and PCR rises

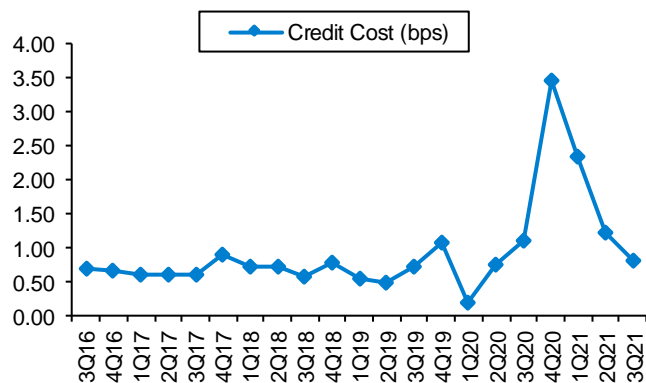


Source: Company, PL

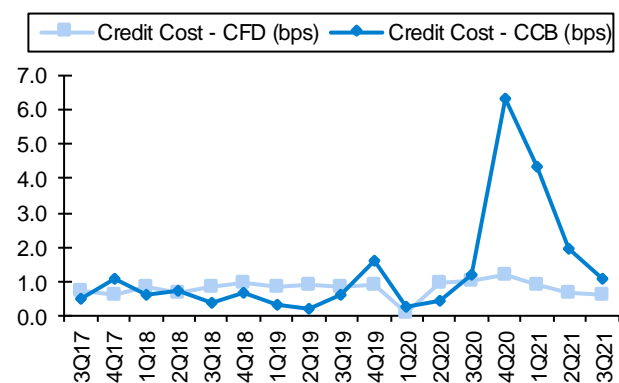
Exhibit 10: CFD steady and Corporate NPA has declined



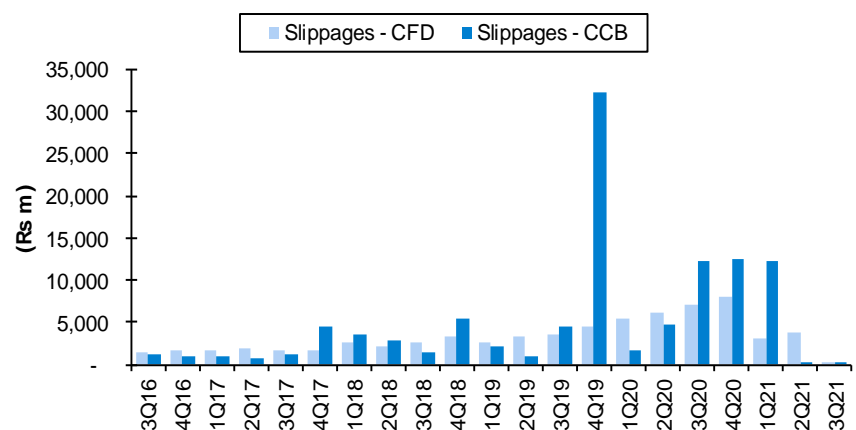
Source: Company, PL

Exhibit 11: NPA credit cost has been coming off, but makes higher contingent provisions


Source: Company, PL

Exhibit 12: Credit cost is coming off in both consumer & corporate


Source: Company, PL

Exhibit 13: Lower slippages in both corporate & consumer, although on pro-forma basis retail was high


Source: Company, PL Research

Exhibit 14: Return ratio should improve post frontloading provisions in FY21

RoE decomposition (%)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Interest income	8.96	8.63	9.56	9.67	8.93	8.97	9.07
Interest expenses	5.19	4.89	5.48	5.62	4.78	4.85	4.85
Net interest income	3.77	3.75	4.08	4.05	4.15	4.12	4.22
Treasury income	0.74	0.65	0.58	0.72	0.79	0.46	0.43
Other Inc. from operations	1.85	1.73	1.75	1.62	1.24	1.43	1.36
Total income	6.37	6.12	6.41	6.39	6.19	6.01	6.01
Employee expenses	0.95	0.89	0.90	0.74	0.73	0.72	0.74
Other operating expenses	2.03	1.90	1.86	2.03	1.84	1.91	2.01
Operating profit	3.39	3.33	3.65	3.62	3.61	3.38	3.27
Tax	0.93	0.94	0.82	0.57	0.34	0.52	0.62
Loan loss provisions	0.68	0.59	1.24	1.56	2.30	1.38	0.87
RoAA	1.78	1.80	1.59	1.48	0.97	1.48	1.77
RoAE	14.96	16.21	14.81	13.47	8.31	12.40	14.95

Source: Company, PL Research

Exhibit 15: Change in earnings estimates – We tweak topline & raise provisioning, while adjust capital raising & warrants

(Rs mn)	Old			Revised			% Change		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Net interest income	1,32,312	1,49,216	1,72,877	1,34,894	1,49,813	1,72,982	2.0	0.4	0.1
Operating profit	1,12,570	1,19,847	1,31,646	1,17,272	1,22,765	1,33,920	4.2	2.4	1.7
Net profit	35,560	51,608	70,877	31,495	53,767	72,769	(11.4)	4.2	2.7
Loan Growth (%)	6.0	12.1	14.1	6.0	12.2	13.2	(0.0)	0.1	(0.9)
Credit Cost (bps)	300.0	210.0	130.0	350.0	210.0	130.0	50.0	-	-
EPS (Rs)	49.0	68.2	93.7	43.4	71.1	96.2	(11.4)	4.2	2.7
ABVPS (Rs)	524.9	580.7	665.2	519.0	577.6	665.1	(1.1)	(0.5)	(0.0)
Price target (Rs)	1026			1026			0.0%		
Recommendation	BUY			BUY					

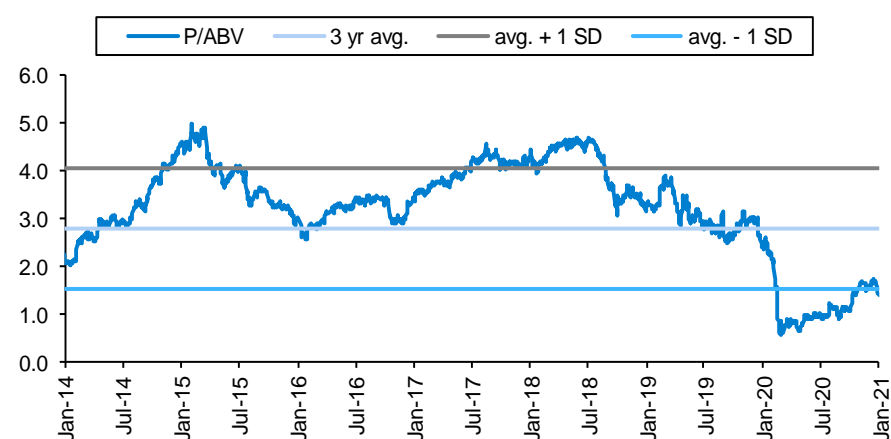
Source: Company Data, PL

Exhibit 16: We retain our TP at Rs1,026 based on 1.5x Mar-23 ABV
PT calculation and upside

Terminal growth	5.0%
Market risk premium	7.0%
Risk-free rate	6.3%
Adjusted beta	1.17
Cost of equity	14.4%

Fair price - P/ABV, Rs	1,026
Target P/ABV (x)	1.5
Target P/E (x)	10.7
Current price, Rs	846
Upside (%)	23%

Source: Company, PL Research

Exhibit 17: One year forward valuation chart


Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Int. Earned from Adv.	2,40,082	2,40,675	2,67,193	3,03,282
Int. Earned from invt.	42,822	38,153	45,395	58,745
Others	4,924	11,188	13,567	10,029
Total Interest Income	2,87,828	2,90,016	3,26,154	3,72,056
Interest Expenses	1,67,241	1,55,122	1,76,341	1,99,074
Net Interest Income	1,20,587	1,34,894	1,49,813	1,72,982
<i>Growth(%)</i>	16.0	11.9	11.1	15.5
Non Interest Income	69,513	66,037	68,679	73,486
Net Total Income	1,90,100	2,00,931	2,18,492	2,46,469
<i>Growth(%)</i>	17.9	(0.4)	10.9	12.8
Employee Expenses	22,085	23,852	26,237	30,172
Other Expenses	57,509	56,934	66,613	79,269
Operating Expenses	82,373	83,659	95,727	1,12,549
Operating Profit	1,07,727	1,17,272	1,22,765	1,33,920
<i>Growth(%)</i>	15.8	8.9	4.7	9.1
NPA Provision	36,353	49,545	48,792	33,989
Total Provisions	46,521	74,711	50,107	35,584
PBT	61,206	42,561	72,658	98,336
Tax Provision	17,027	11,066	18,891	25,567
<i>Effective tax rate (%)</i>	27.8	26.0	26.0	26.0
PAT	44,179	31,495	53,767	72,769
<i>Growth(%)</i>	9.0	(28.7)	70.7	35.3

Balance Sheet (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Face value	10	10	10	10
No. of equity shares	694	756	756	756
Equity	6,935	7,565	7,565	7,565
Networth	3,46,970	4,11,347	4,56,037	5,17,458
<i>Growth(%)</i>	12.3	18.6	10.9	13.5
Adj. Networth to NNPA's	18,866	15,052	15,283	10,367
Deposits	20,20,398	23,43,662	26,95,211	30,99,493
<i>Growth(%)</i>	3.7	16.0	15.0	15.0
CASA Deposits	8,15,698	9,67,932	11,15,817	12,95,588
<i>% of total deposits</i>	40.4	41.3	41.4	41.8
Total Liabilities	30,70,481	34,24,526	38,45,828	43,56,034
Net Advances	20,67,832	21,91,902	24,54,930	27,74,071
<i>Growth(%)</i>	6.5	6.0	12.0	13.0
Investments	5,99,362	6,18,664	7,92,648	10,06,036
Total Assets	30,70,138	34,24,075	38,45,250	43,55,300
<i>Growth (%)</i>	6.6	11.5	12.3	13.3

Asset Quality

Y/e Mar	FY20	FY21E	FY22E	FY23E
Gross NPAs (Rs m)	51,467	60,879	60,409	45,258
Net NPAs (Rs m)	18,866	15,052	15,283	10,367
<i>Gr. NPAs to Gross Adv.(%)</i>	2.5	2.8	2.5	1.6
<i>Net NPAs to Net Adv. (%)</i>	0.9	0.7	0.6	0.4
<i>NPA Coverage %</i>	63.3	75.3	74.7	77.1

Profitability (%)

Y/e Mar	FY20	FY21E	FY22E	FY23E
NIM	4.4	4.5	4.4	4.5
RoAA	1.5	1.0	1.5	1.8
RoAE	13.5	8.3	12.4	14.9
Tier I	14.6	14.5	14.4	14.2
CRAR	15.0	15.3	15.1	14.9

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Interest Income	73,866	71,617	71,772	72,415
Interest Expenses	41,554	38,525	38,992	38,354
Net Interest Income	32,312	33,092	32,780	34,061
<i>YoY growth (%)</i>	44.7	16.4	12.7	10.8
CEB	13,900	6,820	10,610	13,890
Treasury	-	-	-	-
Non Interest Income	17,720	15,192	15,543	17,055
Total Income	91,586	86,809	87,315	89,470
Employee Expenses	4,957	5,516	7,248	5,427
Other expenses	16,713	14,154	12,555	15,956
Operating Expenses	21,670	19,671	19,803	21,383
Operating Profit	28,362	28,613	28,520	29,733
<i>YoY growth (%)</i>	37.2	10.4	9.7	8.3
Core Operating Profits	24,532	20,233	23,590	27,163
NPA Provision	17,860	11,660	6,200	4,250
Others Provisions	24,403	22,589	19,644	18,535
Total Provisions	24,403	22,589	19,644	18,535
Profit Before Tax	3,959	6,025	8,875	11,198
Tax	940	1,418	2,245	2,670
PAT	3,018	4,606	6,631	8,528
<i>YoY growth (%)</i>	(16.2)	(67.8)	(52.1)	(34.4)
Deposits	20,20,398	21,12,650	22,78,842	23,91,350
<i>YoY growth (%)</i>	3.7	5.3	10.0	10.3
Advances	20,67,832	19,80,690	20,12,468	20,71,280
<i>YoY growth (%)</i>	10.9	2.4	2.1	(0.1)

Key Ratios

Y/e Mar	FY20	FY21E	FY22E	FY23E
CMP (Rs)	846	846	846	846
EPS (Rs)	63.8	43.4	71.1	96.2
Book Value (Rs)	496	540	599	680
Adj. BV (70%)(Rs)	468	519	578	665
P/E (x)	13.3	19.5	11.9	8.8
P/BV (x)	1.7	1.6	1.4	1.2
P/ABV (x)	1.8	1.6	1.5	1.3
DPS (Rs)	7.5	-	12.0	15.0
<i>Dividend Payout Ratio (%)</i>	11.8	-	16.9	15.6
<i>Dividend Yield (%)</i>	0.9	-	1.4	1.8

Efficiency

Y/e Mar	FY20	FY21E	FY22E	FY23E
<i>Cost-Income Ratio (%)</i>	43.3	41.6	43.8	45.7
<i>C-D Ratio (%)</i>	102.3	93.5	91.1	89.5
Business per Emp. (Rs m)	133	137	144	152
Profit per Emp. (Rs lacs)	14	10	15	19
Business per Branch (Rs m)	2,139	1,978	1,872	1,779
Profit per Branch (Rs m)	23	14	20	22

Du-Pont

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII	4.05	4.15	4.12	4.22
Total Income	6.39	6.19	6.01	6.01
Operating Expenses	2.77	2.58	2.63	2.74
PPoP	3.62	3.61	3.38	3.27
Total provisions	1.56	2.30	1.38	0.87
RoAA	1.48	0.97	1.48	1.77
RoAE	13.47	8.31	12.40	14.95

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	11-Jan-21	Accumulate	1,026	940
2	31-Oct-20	BUY	720	586
3	09-Oct-20	BUY	680	623
4	29-Jul-20	BUY	680	527
5	08-Jul-20	BUY	720	553
6	28-Apr-20	BUY	720	407
7	14-Apr-20	BUY	785	410
8	31-Mar-20	BUY	785	413

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	725	632
2	Bank of Baroda	BUY	82	74
3	Federal Bank	Accumulate	88	77
4	HDFC Bank	BUY	1,690	1,467
5	HDFC Life Insurance Company	Reduce	650	687
6	ICICI Bank	BUY	614	542
7	IDFC First Bank	Sell	32	44
8	IndusInd Bank	Accumulate	1,026	940
9	Kotak Mahindra Bank	Hold	1,912	1,794
10	Max Financial Services	Accumulate	760	727
11	Punjab National Bank	Hold	37	35
12	SBI Life Insurance Company	BUY	1,080	858
13	South Indian Bank	BUY	10	9
14	State Bank of India	BUY	325	286

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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