

## Reduce

### Fragile Core Equity & Low Provisioning Buffers

- Canara bank reported better than expected NII and PPOP growth of 29% and 32% YoY respectively on an amalgamated basis, driven by improved spreads, healthy growth in fee income, elevated treasury gains, and high recoveries from w/off accounts.
- Collection efficiency stood at 92-95% for the month of Sep, including past arrears. Management estimates ~Rs130bn or 2% of loans to be restructured, having received requests for Rs6bn so far. 80% of these are from corporate segment.
- Standard provisioning cover stood at Rs11.6bn or 0.2% of advances and PCR has inched up to 61% from ~45% three quarters ago. If not for the standstill, gross NPAs would have been flattish QoQ at 8.8% against a 60 bps reported decline.
- With CET 1 ratio at 8.2%, the bank plans to raise Rs20bn equity through QIP, which will add ~40 bps to its CET I levels.
- We remain concerned over immediate challenges on capital and integration front, apart from asset quality worries. While low capital consumption helps (RWA/assets at <50%), expected spike in provisions in H2FY21E could take core equity ratios below min requirements. Additionally, weak operating metrics (PPOP/assets at 1.5%) and limited provision buffers provide little comfort.
- Moderating our credit cost estimates marginally, we roll over our estimates to Sep-22E, valuing the bank at a 0.4x Sep-22E with a revised TP of Rs 95. Post the sharp correction in stock price, we revise our rating recommendation to REDUCE from SELL.**

### Healthy recoveries and fee income growth

Recovery trends were encouraging with recoveries/upgrades of Rs21.6bn during 2QFY21 and another Rs4.5bn recovered from written-off accounts. Overall, management has guided for Rs100bn of recoveries in FY21 against Rs42bn in H1FY21 so far. Core fee income reported a growth of 20% YoY with better traction seen across fee lines.

### Q2FY21 Result (Rs Mn)

Particulars	Q2FY21*	Q2FY20	YoY (%)	Q1FY21	QoQ (%)
Net interest income	62,965	31,298	101.2	60,955	3.3
Other income	31,546	20,696	52.4	26,501	19.0
Total Net Income	94,511	51,994	81.8	87,457	8.1
Operating expenses	48,114	26,547	81.2	44,602	7.9
Pre-provision profits	46,398	25,446	82.3	42,855	8.3
Provisions	40,168	20,380	97.1	38,263	5.0
Tax expense	1,785	1,417	26.0	529	237.7
Reported Net Profit	4,444	3,649	21.8	4,062	9.4
			(bps)		(bps)
Advances Growth (%)	(3.4)	4.8	(823)	(3.2)	(17)
NIM (%)	2.8	2.2	61	2.8	(2)
RoA (%)	0.2	0.2	(1)	0.2	1
RoE (%)	3.8	3.7	13	3.5	26
Gross NPA (%)	8.2	8.7	(45)	8.8	(61)

\* YoY numbers not comparable due to merger

CMP	Rs 87
Target / Upside	Rs 95 / 9%
NIFTY	11,671

### Scrip Details

Equity / FV	Rs 14,535mn / Rs
Market Cap	Rs 126bn
	USD 2bn
52-week High/Low	Rs 234/ 74
Avg. Volume (no)	9,154,130
Bloom Code	CBK IN

### Price Performance

	1M	3M	12M
Absolute (%)	(2)	(12)	(57)
Rel to NIFTY (%)	(6)	(17)	(55)

### Shareholding Pattern

	Mar'20	Jun'20	Sep'20
Promoters	78.5	78.6	78.6
MF/Banks/FIs	12.5	11.8	11.0
FIIIs	3.3	2.6	2.6
Public / Others	5.7	7.1	7.8

### Valuation (x)

	FY21E	FY22E	FY23E
P/E	(21.4)	2.8	1.4
P/ABV	0.7	0.5	0.3
ROAA	(0.1)	0.4	0.8
ROAE	(1.3)	8.6	15.5

### Estimates (Rs mn)

	FY21E	FY22E	FY23E
NII	229,948	242,871	267,118
PPOP	152,217	164,218	186,094
PAT	(5,909)	45,519	92,378
Adj BV	123.8	184.4	290.4

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## Other Important Highlights

- Despite a sharp sequential decline in CD ratio to 65%, margins benefitted from lower cost of deposits. Management expects NIM to remain ~2.75% levels.
- The bank restructured Rs 1.9bn of MSME loans during the quarter, total RSA book stands at 0.7% of loans or Rs 46bn.
- The banks' SMA pool stood at 3.54% against 1.82% in Q1FY21. The rise was mainly driven by a rise in SMA-0 pool, which increased three-fold to 2.88% from 0.71% in Q1FY21.
- Sequential loan growth was flattish, while corporate book declined QoQ by 6%. Growth was led by agri and SME loans which grew at 4-6% QoQ each, Retail credit offtake was buoyant at 9% YoY led by housing loans (12.8% YoY)
- Sanctions under the ECLGS stood at Rs 82.8bn.

**Risks to the View:** Lower-than-estimated credit loss from corporate and retail segments, quicker integration synergies than envisaged, better economic recovery than envisaged currently.

### Exhibit 1: Actual v/s estimates

(Rs mn)	Actual	Estimated	% Variance	Comments
NII	62,965	53,890	16.8	Lower cost of deposits
Operating Profit	46,398	33,634	37.9	Higher treasury and fee income
PAT	4,444	(4,015)	NA	Lower provisions

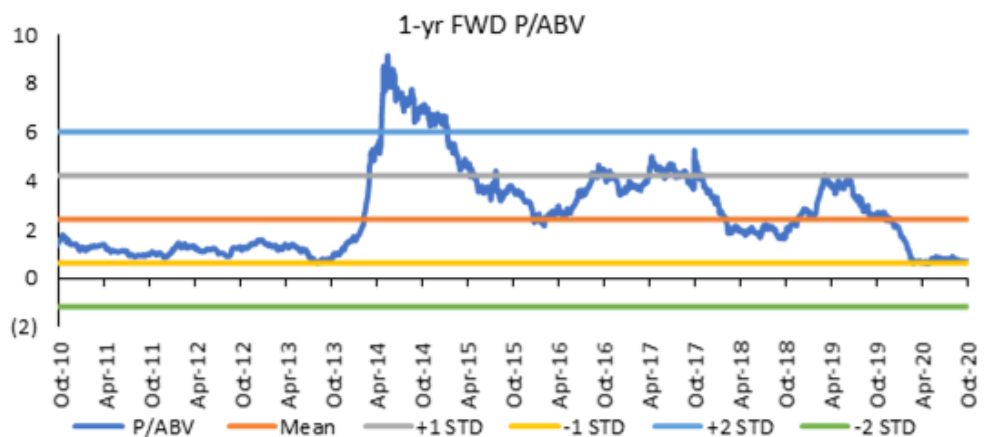
Source: Company, DART

### Exhibit 2: Change in estimates

Particulars	Previous		Revised		Change %	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net Operating Revenue	3,25,078	3,53,902	3,40,480	3,61,894	4.7	2.3
Pre-Provision Profits	1,36,816	1,56,226	1,52,217	1,64,218	11.3	5.1
PAT	(37,098)	37,302	(5,909)	45,519	NA	22.0

Source: Company, DART

### Exhibit 3: The stock trades at 0.7x 1-year forward P/ABV



Source: Company, DART

## Quarterly Financials - Merged

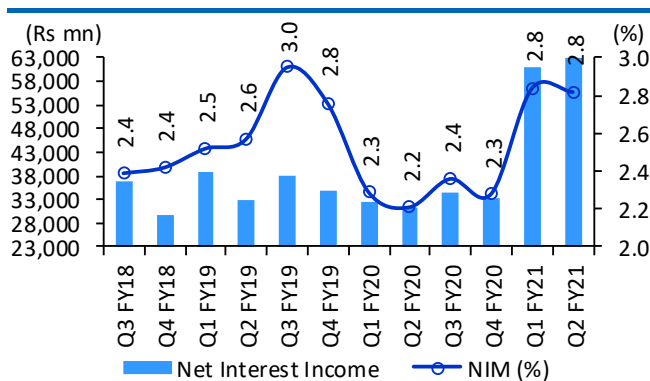
(Rs mn)	Q2FY21	Q2FY20	% yoy / bps	Q1FY21	% qoq / bps
Interest Inc.	1,76,821	1,77,994	(0.7)	1,80,358	(2.0)
Interest Expenses	1,13,856	1,29,304	(11.9)	1,19,403	(4.6)
Net Interest Income	62,965	48,690	29.3	60,956	3.3
Other Income - Total	31,546	28,154	12.0	26,501	19.0
Net Operating Revenue	94,511	76,845	23.0	87,457	8.1
Employee Expenses	32,021	25,162	27.3	30,374	5.4
Other Opex	16,092	16,672	(3.5)	14,228	13.1
Total Opex	48,114	41,835	15.0	44,602	7.9
Cost to Income Ratio (%)	50.9	54.4	(353)	51.0	(9)
Pre-Provision Profits	46,398	35,010	32.5	42,855	8.3
Provisions & Contingencies - Total	46,398	35,012	32.5	42,858	8.3
Profit Before Tax	40,168	26,769	50.1	38,263	5.0
Tax	6,229	8,243	(24.4)	4,594	35.6
Effective Tax Rate (%)	1,785	2,081	(14.2)	529	237.7
Reported Profits	28.7	25.2	342	11.5	1,715

Source: Company, DART

Asset Quality (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	% qoq / bps	% yoy / bps
Gross NPA	6,40,936	6,19,751	6,11,281	5,75,255	5,34,379	(7.1)	(16.6)
Gross NPAs Ratio (%)	9.6	9.4	9.4	8.8	8.2	(61)	(137)
PCR - Calculated (%)	46.1	45.4	56.2	57.7	60.6	292	1,452
Net NPA	3,45,714	3,38,521	2,67,560	2,43,552	2,10,633	(13.5)	(39.1)
Net NPAs Ratio (%)	5.4	5.3	4.3	4.0	3.4	(53)	(200)
Advances	63,80,347	63,33,654	61,65,740	61,71,682	61,63,017	(0.1)	(3.4)
Deposits	86,88,793	90,26,080	90,55,239	90,95,696	94,87,671	4.3	9.2

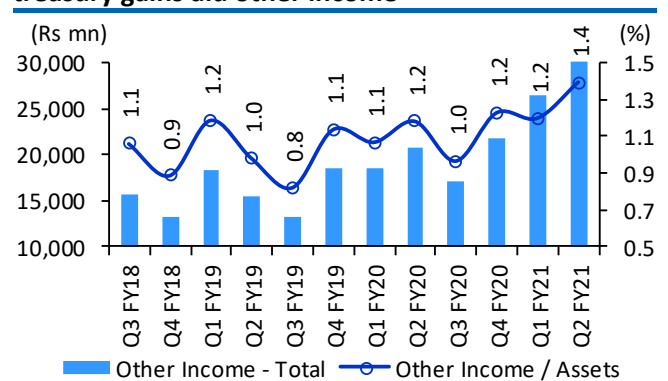
Source: Company, DART

**Exhibit 1: NIM improved despite decline in CD ratio**



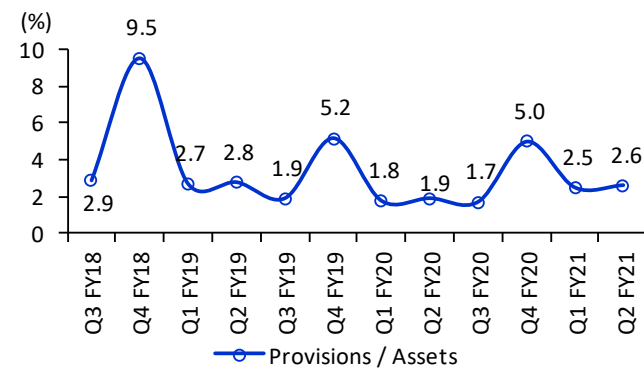
Source: Company, DART

**Exhibit 2: Healthy fee growth, recoveries and treasury gains aid other income**



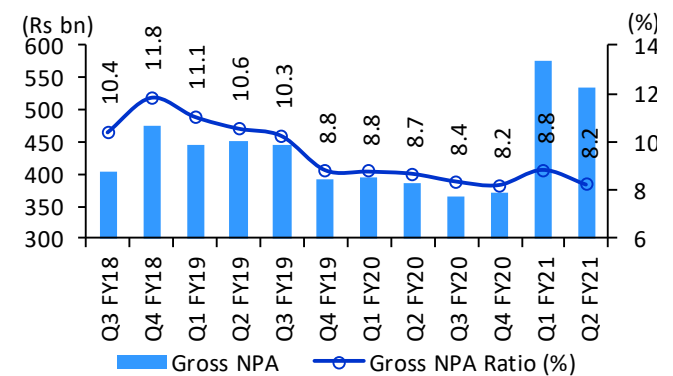
Source: Company, DART

**Exhibit 3: Despite nil COVID related provisions, credit costs remain elevated**



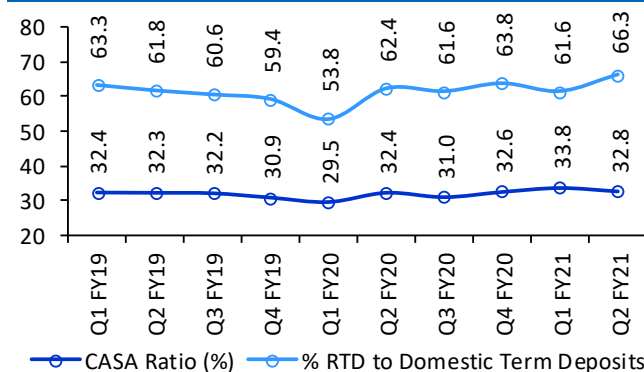
Source: Company, DART

**Exhibit 4: GNPA decline driven by NPA standstill**



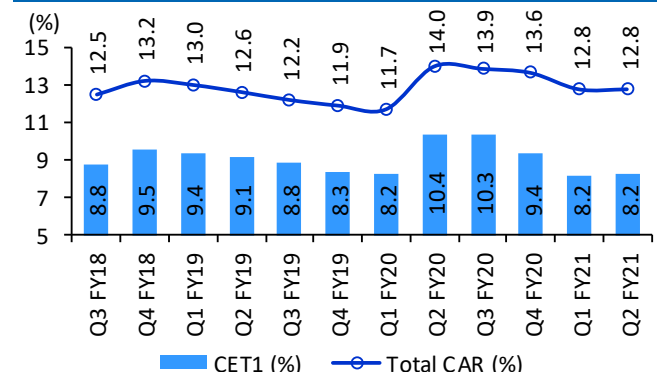
Source: Company, DART

**Exhibit 5: Rising share of retail deposits helping CoF**



Source: Company, DART

**Exhibit 6: Capital position remains weak**



Source: Company, DART

## Quarterly Financials

Profit and Loss (Rs mn)	Q2FY21*	Q2FY20	% yoy / bps	Q1 FY21	% qoq / bps	H1 FY21	H1 FY21	% yoy / bps
<b>Interest Inc.</b>	<b>1,76,821</b>	<b>1,23,921</b>	<b>42.7</b>	<b>1,80,358</b>	<b>(2.0)</b>	<b>3,57,179</b>	<b>2,45,927</b>	<b>45.2</b>
Yield on Advances (%)	8.06	8.34	(28)	8.09	(3)	8.08	8.25	(18)
Yield on Invt. (%)	6.96	7.49	(53)	7.10	(14)	7.03	7.52	(49)
Yield on Assets (%)	6.69	7.03	(34)	6.89	(20)	6.79	7.11	(32)
<b>Interest Expenses</b>	<b>1,13,856</b>	<b>92,624</b>	<b>22.9</b>	<b>1,19,403</b>	<b>(4.6)</b>	<b>2,33,259</b>	<b>1,82,223</b>	<b>28.0</b>
Cost of Dep. (%)	4.75	5.72	(97)	4.95	(20)	4.85	5.74	(89)
Cost of Fund (%)	4.37	5.25	(88)	4.56	(19)	4.47	5.27	(80)
<b>Net Interest Income</b>	<b>62,965</b>	<b>31,298</b>	<b>101.2</b>	<b>60,956</b>	<b>3.3</b>	<b>1,23,921</b>	<b>63,704</b>	<b>94.5</b>
NII to Net Operative Income	66.62	60.20	643	69.70	(308)	68.10	61.84	626
NIM (%)	2.82	2.21	61	2.84	(2)	2.83	2.25	58
<b>Adjusted NII</b>	<b>62,525</b>	<b>31,031</b>	<b>101.5</b>	<b>60,718</b>	<b>3.0</b>	<b>1,23,243</b>	<b>63,142</b>	<b>95.2</b>
<b>Fee Income</b>	<b>16,540</b>	<b>6,550</b>	<b>152.5</b>	<b>10,391</b>	<b>59.2</b>	<b>26,931</b>	<b>14,150</b>	<b>90.3</b>
Profit on Sale / Rev of Investments	5,070	2,590	95.8	6,370	(20.4)	11,440	4,150	175.7
Recovery in w/off A/cs	4,490	3,380	32.8	2,590	73.4	7,080	6,650	6.5
Other Misc. Income	5,450	8,180	(33.4)	7,150	(23.8)	12,600	14,360	(12.3)
<b>Non Core Other Income</b>	<b>15,010</b>	<b>14,146</b>	<b>6.1</b>	<b>16,110</b>	<b>(6.8)</b>	<b>31,120</b>	<b>25,165</b>	<b>23.7</b>
<b>Other Income - Total</b>	<b>31,546</b>	<b>20,696</b>	<b>52.4</b>	<b>26,501</b>	<b>19.0</b>	<b>58,047</b>	<b>39,315</b>	<b>47.6</b>
Other Inc to Net Oper. Income (%)	33.4	39.8	(643)	30.3	308	31.9	38.2	(626)
<b>Net Operating Revenue</b>	<b>94,511</b>	<b>51,994</b>	<b>81.8</b>	<b>87,457</b>	<b>8.1</b>	<b>1,81,968</b>	<b>1,03,018</b>	<b>76.6</b>
Employee Expenses	32,021	15,206	110.6	30,374	5.4	62,396	30,805	102.6
Empl. Cost/Oper. Exps. (%)	33.9	29.2	463	34.7	(85)	34.3	29.9	439
Other Opex	16,092	11,341	41.9	14,228	13.1	30,320	22,368	35.6
Other Opex/ Assets (%)	0.2	0.2	2	0.2	2	0.3	0.3	2
<b>Total Opex</b>	<b>48,114</b>	<b>26,547</b>	<b>81.2</b>	<b>44,602</b>	<b>7.9</b>	<b>92,716</b>	<b>53,172</b>	<b>74.4</b>
Cost to Income Ratio (%)	50.9	51.1	(15)	51.0	(9)	51.0	51.6	(66)
<b>Pre Provision Profits</b>	<b>46,398</b>	<b>25,446</b>	<b>82.3</b>	<b>42,855</b>	<b>8.3</b>	<b>89,252</b>	<b>49,846</b>	<b>79.1</b>
Provision towards NPAs	35,328	22,956	53.9	35,500	(0.5)	70,828	43,783	61.8
<b>Provisions &amp; Contingencies - Total</b>	<b>40,168</b>	<b>20,380</b>	<b>97.1</b>	<b>38,263</b>	<b>5.0</b>	<b>78,432</b>	<b>39,371</b>	<b>99.2</b>
NPA Provisions as % PPP	86.6	80.1	648	89.3	(271)	87.9	79.0	889
<b>Profit Before Tax</b>	<b>6,229</b>	<b>5,066</b>	<b>23.0</b>	<b>4,591</b>	<b>35.7</b>	<b>10,821</b>	<b>10,475</b>	<b>3.3</b>
<b>Tax</b>	<b>1,785</b>	<b>1,417</b>	<b>26.0</b>	<b>529</b>	<b>237.7</b>	<b>2,314</b>	<b>3,535</b>	<b>(34.5)</b>
Effective Tax Rate (%)	28.7	28.0	69	11.5	1,714.5	21.4	33.7	(1,236)
<b>Reported Profits</b>	<b>4,444</b>	<b>3,649</b>	<b>21.8</b>	<b>4,062</b>	<b>9.4</b>	<b>8,506</b>	<b>6,940</b>	<b>22.6</b>
RoA (%)	0.16	0.21	(5)	0.16	-	0.16	0.20	(4)
Basic EPS (Rs)	3.06	4.84	(36.8)	2.79	9.7	5.85	9.21	(36.5)

Source: Company, DART; \*Q2FY21 numbers not comparable to prior periods due to amalgamation

Balance Sheet Analysis (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21*	Q2FY21*	QoQ % / bps	YoY % / bps
Net Worth	4,35,850	4,40,612	3,92,930	5,27,256	5,44,479	3.3	24.9
CET1 (%)	10.4	10.3	9.4	8.2	8.2	6	(214)
Tier 1 (%)	11.1	11.1	10.1	9.3	9.5	25	(158)
Total CAR (%)	14.0	13.9	13.6	12.8	12.8	-	(122)
RWA - Total	35,27,490	35,87,490	36,09,060	51,78,254	51,95,852	0.3	47.3
Advances - Total	42,93,186	42,26,080	43,21,752	61,71,682	61,63,017	(0.1)	43.6
Investments	16,12,335	16,50,508	17,62,449	25,09,079	26,52,461	5.7	64.5
Total Assets	70,74,235	71,80,928	72,38,748	1,04,61,725	1,08,90,022	4.1	53.9
RoA (%)	0.21	0.19	(1.85)	0.16	0.16	-	(5)
Deposits	60,94,365	62,52,404	62,53,512	90,95,696	94,87,671	4.3	55.7
Saving Deposit	15,32,350	15,87,540	16,97,490	25,34,980	25,89,460	2.1	69.0
Current Deposit	3,24,990	2,41,090	2,64,580	4,08,280	3,95,830	(3.0)	21.8
CASA Deposits	18,57,340	18,28,630	19,62,070	29,43,260	29,85,290	1.4	60.7
CASA Ratio (%)	32.4	31.0	32.6	33.8	32.8	(105)	42
Term Deposits	38,83,760	40,70,620	40,54,572	61,52,436	61,24,550	(0.5)	57.7

Source: Company, DART; \*Q1/Q2FY21 numbers not comparable to prior periods due to amalgamation

Asset Quality (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21*	Q2FY21*	QoQ % / bps	YoY % / bps
Gross Advances	44,59,831	43,83,370	45,11,711	65,07,412	64,93,064	(0.2)	45.6
Gross NPA	3,87,113	3,66,450	3,70,412	5,75,255	5,34,379	(7.1)	38.0
Gross NPA Ratio (%)	8.68	8.36	8.21	8.84	8.23	(61)	(45)
PCR - Calculated (%)	42.9	41.8	50.7	57.7	60.6	292	1,765
PCR - Inc. Tech w/o (%)	70.11	70.97	75.86	78.95	81.48	253	1,137
Net Advances	42,89,328	42,25,295	43,24,870	61,65,881	61,58,854	(0.1)	43.6
Net NPA	2,20,900	2,13,377	1,82,510	2,43,552	2,10,633	(13.5)	(4.6)
Net NPAs Ratio (%)	5.15	5.05	4.22	3.95	3.42	(53)	(173)

Source: Company, DART; \*Q1/Q2FY21 numbers not comparable to prior periods due to amalgamation

Loan Book Analysis (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21*	Q2FY21*	QoQ % / bps	YoY % / bps
Agriculture	9,58,340	9,90,320	9,60,430	13,41,420	14,18,800	5.8	48.0
MSME	8,68,470	9,04,630	7,87,730	10,52,630	10,97,190	4.2	26.3
Retail Credit	8,80,170	8,82,280	7,98,000	10,75,730	11,01,960	2.4	25.2
Corporate Advances	17,55,190	15,26,130	19,66,070	30,35,960	28,71,850	(5.4)	63.6
Advances - Total	42,93,186	42,26,080	43,21,752	61,71,682	61,63,017	(0.1)	43.6

Source: Company, DART; \*Q1/Q2FY21 numbers not comparable to prior periods due to amalgamation

## Conference Call Highlights

- NIMs have been higher due to reduction in CoD. With higher CASA and retail term deposits, the bank should be able to maintain NIM at 2.7% levels
- Credit growth is expected to be ~6-8%. The bank has turned cautious on corporate loans
- Wage hike (@15%) related provisions were also made during the quarter. Bank does not expect any further provisions on this front. Expenses were higher due to ongoing amalgamation and integration.
- The bank had raised Rs 30bn of Tier-II capital in March and Rs 11.8bn AT-I capital in the current quarter. Expecting further capital infusion via QIP in coming quarters. Govt of India is not expected to participate in this QIP.

## Asset Quality and Restructuring

- The bank holds ~Rs 11.6bn of floating provisions (of which Rs 1.25bn was provided during the quarter).
- PCR improvement was partly driven by higher cash recoveries. Rs 15.04bn recovered in the quarter, with 650crs of upgrades. Given the COVID situation, the bank's strategy and keeping in continuous touch with customers has enabled higher recoveries. Recoveries from NCLT are expected to be ~20-30% of overall recoveries.
- Slippages for the year are expected to be ~Rs 100bn, of which only Rs 20.9bn has slipped already.
- The bank does not foresee much stress going forward especially in two portfolios – ~Rs 100000crs of exposures to public sector entities and ~Rs 65000crs of Gold loans. Agriculture portfolio continues to perform well. Moreover, 60% of the corporate book is rated A or above, while the BB and below book is ~22% with good levels of collateral including SMEs which are rated similarly.
- 'A' and above rated share in the corporate book has gone down due to downgrades by rating agencies considering COVID impact. However, ratings are now being upgraded as businesses recover.
- >25% of the SME portfolio is covered under the CGTMSE scheme. Typically, collateral levels in the SME segment average at ~60% and above. Most of the retail exposure is to salaried customers.
- The bank expects Rs 130-135bn (of which 80% is corporate) of loans to be restructured, however requests have been received for only Rs 6bn only which is already under process.
- Collection efficiency (including past dues) in the overall portfolio stood in the range of 92-95% inclusive of TL, CCs, ODs etc
- Moratorium levels at Sept end at 25% are those customers who have not paid 3 or more out of 6 installments. As of October, the figure has gone down by 3-4%.

**Profit and Loss Account (Rs Mn)**

Particulars	FY20A	FY21E	FY22E	FY23E
Interest Income	489,350	723,790	761,715	810,849
Interest expenses	358,111	493,842	518,844	543,732
<b>Net interest income</b>	<b>131,238</b>	<b>229,948</b>	<b>242,871</b>	<b>267,118</b>
Other incomes	78,132	110,532	119,023	129,060
Total expenses	115,772	188,263	197,676	210,084
- Employee cost	71,342	120,216	126,226	135,062
- Other	44,431	68,047	71,449	75,022
<b>Pre provisioning profit</b>	<b>93,598</b>	<b>152,217</b>	<b>164,218</b>	<b>186,094</b>
Provisions	111,154	161,037	96,280	48,215
Profit before taxes	(17,556)	(8,820)	67,938	137,878
Tax provision	4,802	(2,911)	22,420	45,500
Profit after tax	(22,358)	(5,909)	45,519	92,378
<b>Adjusted profit</b>	<b>(22,358)</b>	<b>(5,909)</b>	<b>45,519</b>	<b>92,378</b>

**Balance Sheet (Rs Mn)**

Particulars	FY20A	FY21E	FY22E	FY23E
<b>Sources of Funds</b>				
Equity Capital	10,302	14,535	14,535	14,535
Reserves & Surplus	319,299	477,637	535,784	624,659
Minority Interest	-	0	0	0
Net worth	329,602	492,172	550,319	639,194
Borrowings	427,618	557,497	475,639	444,486
- Deposits	6,253,512	9,578,811	10,094,122	10,667,665
- Other interest bearing liabilities	0	0	0	0
Current liabilities & provisions	164,688	312,863	357,024	448,903
<b>Total Liabilities</b>	<b>7,175,420</b>	<b>10,941,344</b>	<b>11,477,105</b>	<b>12,200,248</b>
<b>Application of Funds</b>				
Cash and balances with RBI	682,715	1,147,890	1,071,521	1,044,601
Investments	1,762,449	2,770,747	3,008,111	3,241,710
Advances	4,321,752	6,412,369	6,732,988	7,204,297
Fixed assets	82,763	109,141	111,004	117,092
Other current assets, loans and advances	389,069	516,450	552,602	596,810
<b>Total Assets</b>	<b>7,238,747</b>	<b>10,956,597</b>	<b>11,476,226</b>	<b>12,204,510</b>

E – Estimates



**Important Ratios**

Particulars	FY20A	FY21E	FY22E	FY23E
<b>(A) Margins (%)</b>				
Yield on advances	8.4	9.7	8.4	8.4
Yields on interest earning assets	7.4	8.5	7.2	7.3
Yield on investments	7.4		7.9	6.6
Costs of funds	5.5	5.9	5.0	5.0
Cost of deposits	5.4	5.5	5.9	5.0
NIMs	2.0	2.7	2.3	2.4
<b>(B) Asset quality and capital ratios (%)</b>				
GNPA	8.2	9.7	8.0	5.5
NNPA	4.2	3.9	3.0	1.9
PCR	50.7	60.0	62.0	65.0
Slippages	3.5	5.7	3.0	2.0
NNPA to NW	55.4	58.1	43.2	24.8
CASA	32.6	33.0	33.0	33.0
CAR	13.7	12.3	12.7	13.8
Tier 1	10.1	9.0	9.3	10.2
Credit - Deposit	69.1	66.9	66.7	67.5
<b>(C) Dupont as a percentage of average assets</b>				
Interest income	6.9	8.0	6.8	6.8
Interest expenses	5.0	5.4	4.6	4.6
Net interest income	1.9	2.5	2.2	2.3
Non interest Income	1.1	1.2	1.1	1.1
Total expenses	1.6	2.1	1.8	1.8
- cost to income	55.3	55.3	54.6	53.0
Provisions	1.6	1.8	0.9	0.4
Tax	0.1	0.0	0.2	0.4
RoA	(0.3)	(0.1)	0.4	0.8
Leverage	22.0	25.5	24.3	21.7
RoE	(5.9)	(1.3)	8.6	15.5
RoRwa	0.1	(0.6)	(0.1)	0.8
<b>(D) Measures of Investments</b>				
EPS - adjusted	(21.7)	(4.1)	31.3	63.6
BV	319.9	295.0	324.6	386.3
ABV	134.2	123.8	184.4	290.4
DPS	1.0	1.5	1.5	1.5
Dividend payout ratio	0.0	0.0	0.0	0.0
<b>(E) Growth Ratios (%)</b>				
Net interest income	(9.4)	75.2	5.6	10.0
PPoP	(11.6)	62.6	7.9	13.3
Adj PAT	(745.3)	(73.6)	(870.3)	102.9
Advances	1.0	48.4	5.0	7.0
Total borrowings	4.3	30.4	(14.7)	(6.5)
Total assets	4.2	51.4	4.7	6.3
<b>(F) Valuation Ratios</b>				
Market Cap (Rs. mn)	126,455	126,455	126,455	126,455
CMP (Rs.)	87	87	87	87
P/E (x)	(4.0)	(21.4)	2.8	1.4
P/BV (x)	0.3	0.3	0.3	0.2
P/ABV (x)	0.6	0.7	0.5	0.3
Div Yield (%)	1.1	1.7	1.7	1.7

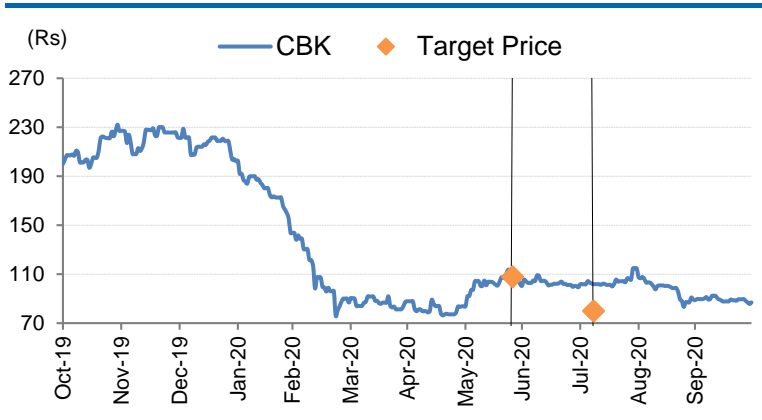
E – Estimates

### DART RATING MATRIX

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

### Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Jun-20	Reduce	108	105
Aug-20	Sell	80	102

\*Price as on recommendation date

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