

November 4, 2020

## Q2FY21 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	HOLD		HOLD	
Target Price	30		37	
NII (Rs. m)	3,16,833	3,24,447	2,72,826	2,90,032
% Chng.	16.1	11.9		
Op. Profit (Rs. m)	2,34,006	2,25,118	2,01,693	2,04,477
% Chng.	16.0	10.1		
EPS (Rs.)	4.6	4.8	2.7	3.9
% Chng.	70.7	24.8		

### Key Financials - Standalone

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII (Rs bn)	174	313	317	324
Op. Profit (Rs bn)	147	224	234	225
PAT (Rs bn)	3	27	43	45
EPS (Rs.)	0.6	3.4	4.6	4.8
Gr. (%)	(102.2)	473.8	35.1	4.6
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
NIM (%)	2.3	3.2	2.6	2.6
RoAE (%)	0.6	3.7	4.8	4.8
RoAA (%)	0.0	0.3	0.3	0.3
P/BV (x)	0.3	0.3	0.3	0.3
P/ABV (x)	0.5	0.4	0.4	0.3
PE (x)	46.9	8.2	6.0	5.8
CAR (%)	14.2	12.0	12.3	12.6

### Key Data

PNBK.BO | PNB IN

52-W High / Low	Rs.70 / Rs.26
Sensex / Nifty	40,261 / 11,814
Market Cap	Rs.262bn/ \$ 3,516m
Shares Outstanding	9,411m
3M Avg. Daily Value	Rs.1940.97m

### Shareholding Pattern (%)

Promoter's	85.59
Foreign	0.89
Domestic Institution	6.97
Public & Others	6.55
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(0.7)	(13.9)	(58.6)
Relative	(4.6)	(27.9)	(58.7)

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## Muted expectations

### Quick Pointers:

- Banks expects restructuring of 3% of loans; but morat book reveals higher number of customers not paying
- Margins improved to 3.21% from 2.5%; looks unsustainable

**PNB earnings were higher than estimates at Rs6.2bn with only driver being a exceptionally strong NII (24% QoQ growth), otherwise fees were weak, while other income came off on lower income. Bank continued to make higher provisions to cover mostly the legacy as slippages have remained high as well as write-offs, nonetheless has helped asset quality. Legacy assets are not covered with 68% PCR, but continued to build high provisioning of 300bps in FY21 and 250bps in FY22 as slippages will remain high, Management expects restructuring outcome to be lower at 3% of loans v/s earlier assessment of 5-6% of loans which seems on lower side given morat book has remained on high side at end Aug'20. We increase credit cost and remove DTA impact from earnings and move to 35% tax rate. Retain HOLD with TP of Rs30 (from Rs37) based on 0.4x Sep ABV (rolled from Mar-22).**

- **Strong NII although may not sustain:** Bank NII on merged basis grew strong by 29% YoY, with lower cost of deposits and shedding of high cost bulky deposits, boosted NII. NIMs improved to 3.21% v/s 2.5% in Q1FY21, but looks unstainable and should come off towards more normalized levels of 2.5-2.75%. Fees have remained weak comparatively, while other income also has been on lower side while opex has remained steady but recovered sequentially.
- **Restructuring should be lower; slippages remain high:** Management expects ~<3% of its book is expected to go under restructuring during FY21, versus expectation of 5%-6% during the morat period. In terms of retail and MSME, Bank has undertaken restructuring to the extent only of Rs0.41bn. with an additional Rs0.3bn in Nov'20. Bank is expecting MSME restructuring to the extent of ~Rs40bn-Rs50bn by Dec'20 and it has received applications from 15 corporates amounting to Rs20.2bn as yet and expects few more to come (2 accounts from retail trading and 1 from manufacturing). Bank's moratorium book ended at 39% of loans v/s 24% in Q1FY21 and was mainly for lower than 3 installments paid. Headline asset quality was better with slippages lower at ~Rs7bn and PCR moved to 68% from 65%, although slippages unrecognized were at Rs34.0bn and should see add in Q3FY21. We expect slippages and credit cost to remain on higher side over FY21 & FY22E.
- **Should continue to consolidate balance sheet:** Bank will continue to consolidate its balance sheet mainly lowering its corporate exposures and growing retail & MSME. With corporate book de-growing we believe, impact would be on current accounts, but savings has been key strength. Bank is covered on some of the legacy issues like 68% PCR (85% incl. technical w.off), pension liabilities, CET-I of 9.53% is at comfortable given bank will not grow much. Bank's credit cost and slippages remain key deterrents for any improvement on earnings, while merger synergies are not visible as yet.

**Exhibit 1: Control on interest expenses and standstill benefits Boost PAT**

*NII comparable growth was strong at 29% YoY by shedding high cost deposits*

*Opex adversely impacted by AS-15 provisions on employee expenses*

*Provisions remain high and contain ~Rs4bn Covid provisions*

*Deposits and Advances growth remained weak at <5% on a comparable basis*

*Anomaly in NIMs due to standstill benefits and lower costs*

*Asset Quality ratios showed improvement supported by PCR enhancement and standstill benefits*

*CASA mix remains impressive at 44.1% supporting lower cost of funds*

*CET-1 ratio improved to 9.53% with a Rs70bn QIP also planned in 3Q21*

P&L (Rs m)	Q2FY21	Q2FY20	YoY gr. (%)	Q1FY21	QoQ gr. (%)
Interest Income	2,09,458	1,32,919	57.6	2,06,049	1.7
Interest Expense	1,25,526	90,281	39.0	1,38,565	(9.4)
<b>Net Interest Income (NII)</b>	<b>83,932</b>	<b>42,638</b>	<b>96.8</b>	<b>67,484</b>	<b>24.4</b>
- Treasury income	8,000	5,190	54.1	13,080	(38.8)
Other income	24,927	22,647	10.1	36,879	(32.4)
<b>Total income</b>	<b>1,08,859</b>	<b>65,285</b>	<b>66.7</b>	<b>1,04,363</b>	<b>4.3</b>
Operating expenses	52,110	29,666	75.7	51,563	1.1
-Staff expenses	32,413	16,748	93.5	33,072	(2.0)
-Other expenses	19,698	12,918	52.5	18,491	6.5
<b>Operating profit</b>	<b>56,749</b>	<b>35,620</b>	<b>59.3</b>	<b>52,801</b>	<b>7.5</b>
<b>Core operating profit</b>	<b>48,749</b>	<b>30,430</b>	<b>60.2</b>	<b>39,721</b>	<b>22.7</b>
Total provisions	46,962	29,289	60.3	46,859	0.2
<b>Profit before tax</b>	<b>9,788</b>	<b>6,331</b>	<b>54.6</b>	<b>5,942</b>	<b>64.7</b>
Tax	3,580	1,260	184.1	2,857	25.3
<b>Profit after tax</b>	<b>6,208</b>	<b>5,071</b>	<b>22.4</b>	<b>3,084</b>	<b>101.3</b>
<b>Balance sheet (Rs m)</b>					
Deposits	1,06,97,471	69,57,821	53.7	1,07,49,171	(0.5)
Advances	65,26,627	42,79,029	52.5	65,61,971	(0.5)
<b>Profitability ratios</b>					
<b>NIM</b>	<b>3.3</b>	<b>2.4</b>	<b>95</b>	<b>2.6</b>	<b>75</b>
RoaA	0.2	0.2	(5)	0.1	10
<b>Asset Quality</b>					
Gross NPA (Rs m)	9,63,139	7,94,581	21.2	10,18,493	(5.4)
Net NPA (Rs m)	3,09,198	3,26,587	(5.3)	3,53,030	(12.4)
<b>Gross NPL ratio</b>	<b>13.4</b>	<b>16.8</b>	<b>(333)</b>	<b>14.1</b>	<b>(68)</b>
<b>Net NPL ratio</b>	<b>4.8</b>	<b>7.7</b>	<b>(290)</b>	<b>5.4</b>	<b>(64)</b>
Coverage ratio	67.9	58.9	900	65.3	256
<b>Business &amp; Other Ratios</b>					
Low-cost deposit mix	44.1	43.5	59	43.5	65
Cost-income ratio	47.9	45.4	243	49.4	(154)
Non int. inc / total income	22.9	34.7	(1,179)	35.3	(1,244)
Credit deposit ratio	61.0	61.5	(49)	61.0	(4)
CAR	12.8	14.1	(123)	12.6	21
Tier-I	10.3	12.2	(185)	10.3	8

Source: Company, PL; Note: Due to amalgamation 1Q21 onwards, numbers aren't comparable YoY

## Key Q2FY21 Concall Highlights

### Business outlook & growth

- **Assets** – Overall growth in FY21 is expected at 3%-4% but with growth support from 2H21 at 4%-6%. With festive season coming, Bank expects opportunities in retail, MSME, road and corporate projects. Bank's exposure under GECL is Rs109.6bn
- **Liabilities** – Deposits continue to maintain stable levels with a healthy CASA ratio and support from both savings and current bucket. Growth is expected to be in the range of 4%-6% for FY21, revised downwards from 6%-8% guided in 2Q21.

### Fees/Margins/Opex

- NIMs (global) are expected to remain around 2.75% for the year. Anomaly in the quarter was due to standstill benefits, change in income recognition entailing a Rs5bn benefit and strong control in high cost deposits
- Bank plans to be moderately profitable in each of the remaining quarters while simultaneously making adequate provisions to further strengthen balance sheet
- Bank expects C/I ratios to remain in the range of 47%-48% for FY21 with real benefit of merger expected to flow FY22 onwards
- Bank plans to sell non-core real estate assets amounting to Rs5bn at a time when it gets a proper valuation for the same

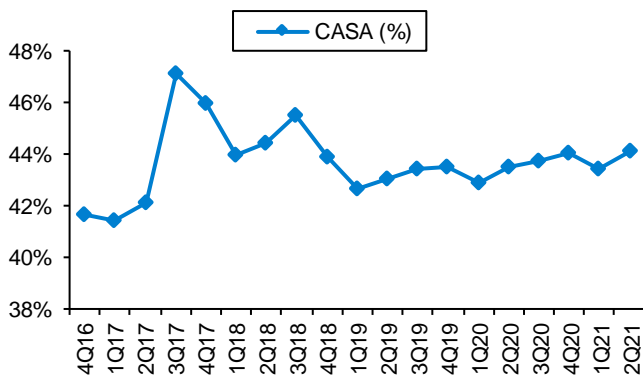
### Asset quality

- Around ~<3% of its loan book is expected to go under **restructuring** during FY21, **revised downwards** from its earlier estimate of 5%-6% viz. amounting to **Rs200bn v/s Rs400bn** expected in 2Q21. In terms of retail and MSME, Bank has undertaken restructuring to the extent of Rs0.41bn. with an additional Rs0.3bn if considered upto 02.11.20. By 3Q21 Bank is expecting MSME restructuring to the extent of ~Rs40bn-Rs50bn. Bank has received applications from 15 corporates amounting to Rs20.22bn, lower than expected as, their ratings will be under pressure for a period of two years. Bank expects more restructuring requests especially from corporates under consortium (2 accounts from retail trading and 1 from manufacturing).
- GNPA/NNPA are not expected to exceed 14%/4% for FY21. Slippages for FY21 are not expected to cross Rs100bn and credit costs to remain around 2.0%-2.5%. Bank targets PCR (incl. w.off) of 85%+.
- Though SMA2 has risen to 2.73% v/s 1.5% QoQ, Bank has mentioned that entire MSME amount viz. ~35% of the SMA2 book, is expected to be eligible for restructuring
- Bank is aiming ~Rs160bn recoveries for FY21 also considering the pandemic's impact. In 1H21, bank has done cash recovery of Rs32bn and Rs50bn is expected to be further done by FY21. Bank is also expecting Rs80bn NCLT.

**Others:**

- Capital:** The bank has already taken approval from the board for raising Rs140bn by way of Tier-II (Rs40bn-already raised Rs25bn), AT-1 bonds (Rs30bn) and QIP (Rs70bn). Thus Rs115bn is expected to be raised in 3Q21. And CRAR is expected to go up to 13.5%-14%.
- Value Unlocking:** Bank has no plans currently w.r.t. unlocking value in subsidiaries, but will be looking at that proposal in future if anything is required.
- Bank has decided to infuse Rs6bn in its mortgage arm PNB Housing Finance through preferential issue or rights issue subject to RBI approval.

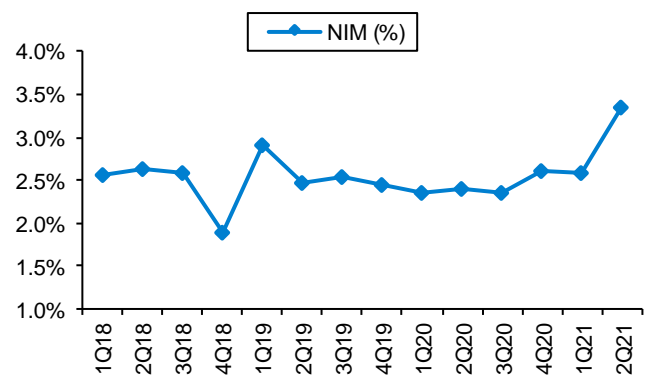
**Exhibit 2: CASA ratio improves on support from SA**



Source: Company, PL

Note: Due to amalgamation 1Q21 onwards, numbers aren't comparable

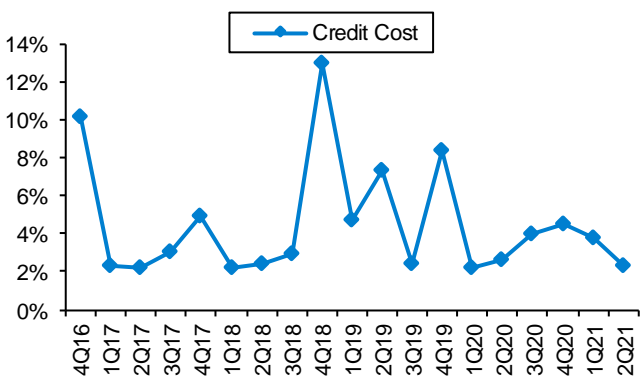
**Exhibit 3: Margins show an anomaly on standstill benefits**



Source: Company, PL

Note: Due to amalgamation 1Q21 onwards, numbers aren't comparable

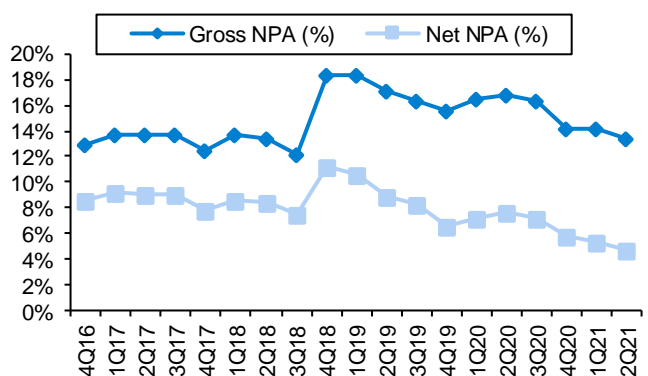
**Exhibit 4: Credit costs comes down but will move up in H2FY21**



Source: Company, PL

Note: Due to amalgamation 1Q21 onwards, numbers aren't comparable

**Exhibit 5: Asset quality has been improving; need to watch ahead**



Source: Company, PL

Note: Due to amalgamation 1Q21 onwards, numbers aren't comparable

**Exhibit 6: Return ratios decomposition tree**

RoAE decomposition	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Interest income	7.46	6.81	6.46	6.66	6.70	7.96	6.62	6.56
Interest expenses	5.05	4.65	4.45	4.43	4.53	4.95	4.14	4.13
<b>Net interest income</b>	<b>2.41</b>	<b>2.16</b>	<b>2.01</b>	<b>2.23</b>	<b>2.17</b>	<b>3.01</b>	<b>2.48</b>	<b>2.43</b>
Treasury income	0.11	0.38	0.44	0.14	0.20	0.27	0.12	0.11
Other Inc. from operations	0.97	0.91	0.76	0.82	0.95	0.93	0.88	0.86
<b>Total income</b>	<b>3.49</b>	<b>3.45</b>	<b>3.20</b>	<b>3.18</b>	<b>3.33</b>	<b>4.21</b>	<b>3.48</b>	<b>3.40</b>
Employee expenses	1.01	0.78	1.23	0.90	0.87	1.26	1.10	1.14
Other operating expenses	0.56	0.57	0.58	0.59	0.62	0.80	0.55	0.58
<b>Operating profit</b>	<b>1.92</b>	<b>2.10</b>	<b>1.39</b>	<b>1.69</b>	<b>1.84</b>	<b>2.15</b>	<b>1.83</b>	<b>1.68</b>
Tax	(0.28)	0.10	(0.98)	(0.70)	0.05	0.14	0.18	0.18
Loan loss provisions	2.83	1.81	4.02	3.68	1.74	1.75	1.31	1.16
<b>RoAA</b>	<b>(0.63)</b>	<b>0.19</b>	<b>(1.65)</b>	<b>(1.29)</b>	<b>0.04</b>	<b>0.26</b>	<b>0.34</b>	<b>0.34</b>
<b>RoE</b>	<b>(10.87)</b>	<b>3.60</b>	<b>NA</b>	<b>NA</b>	<b>0.7</b>	<b>3.9</b>	<b>5.1</b>	<b>5.1</b>

Source: Company, PL

**Exhibit 7: We revise our TP to Rs30 (from Rs37) based on 0.4x Sep'22 ABV**

PT calculation and upside	
Market risk premium	7.3%
Risk-free rate	6.5%
Adjusted beta	1.1
Terminal Growth	5.0%
<b>Cost of equity</b>	<b>14.5%</b>
<b>Fair price - P/ABV</b>	<b>30</b>
<b>Target P/ABV</b>	<b>0.4</b>
<b>Target P/E</b>	<b>6.3</b>
Current price, Rs	28
<b>Upside (%)</b>	<b>7%</b>
Dividend yield (%)	2%
<b>Total return (%)</b>	<b>8%</b>

Source: Company Data, PL

**Exhibit 8: Change in earnings estimates – We increase our credit cost estimates and remove DTA impact from earnings moving back tax rate to 35%**

(Rs mn)	Old			Revised			% Change		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Net interest income	268,769	272,826	290,032	313,312	316,833	324,447	16.6	16.1	11.9
Operating profit	190,859	201,693	204,477	224,038	234,006	225,118	17.4	16.0	10.1
Net profit	(29,678)	25,347	36,270	27,468	43,268	45,276	(192.6)	70.7	24.8
Loan Growth (%)	40.1	4.1	5.1	40.5	4.0	5.1	0.4	(0.1)	(0.0)
Credit Cost (bps)	285.0	250.0	220.0	325.0	250.0	220.0	40.0	-	-
EPS (Rs)	(3.7)	2.7	3.9	3.4	4.6	4.8	(192.6)	70.7	24.8
ABVPS (Rs)	60.4	65.1	71.5	65.3	72.3	80.1	8.1	11.0	11.9
<b>Price target (Rs)</b>	<b>40</b>			<b>30</b>			<b>(25.8)</b>		
<b>Recommendation</b>	<b>HOLD</b>			<b>HOLD</b>					

Source: Company Data, PL



**Income Statement (Rs. m)**

Y/e Mar	FY20	FY21E	FY22E	FY23E
Int. Earned from Adv.	3,58,150	5,52,557	5,21,787	5,41,823
Int. Earned from invt.	1,53,326	2,49,635	2,92,131	3,02,821
Others	1,422	1,609	2,083	2,509
<b>Total Interest Income</b>	<b>5,38,000</b>	<b>8,28,904</b>	<b>8,46,179</b>	<b>8,77,142</b>
Interest Expenses	3,63,622	5,15,592	5,29,346	5,52,695
<b>Net Interest Income</b>	<b>1,74,378</b>	<b>3,13,312</b>	<b>3,16,833</b>	<b>3,24,447</b>
Growth(%)	8.9	64.2	1.4	2.3
Non Interest Income	92,741	1,25,201	1,27,705	1,30,259
<b>Net Total Income</b>	<b>2,67,119</b>	<b>4,38,512</b>	<b>4,44,538</b>	<b>4,54,706</b>
Growth(%)	7.5	51.3	2.1	3.4
Employee Expenses	69,617	1,30,880	1,40,041	1,52,645
Other Expenses	44,040	57,252	62,119	67,709
<b>Operating Expenses</b>	<b>1,19,734</b>	<b>2,14,474</b>	<b>2,10,532</b>	<b>2,29,588</b>
<b>Operating Profit</b>	<b>1,47,385</b>	<b>2,24,038</b>	<b>2,34,006</b>	<b>2,25,118</b>
Growth(%)	13.4	52.0	4.4	(3.8)
NPA Provision	1,44,641	1,83,246	1,67,239	1,53,808
<b>Total Provisions</b>	<b>1,39,996</b>	<b>1,81,780</b>	<b>1,67,441</b>	<b>1,55,464</b>
<b>PBT</b>	<b>7,390</b>	<b>42,259</b>	<b>66,566</b>	<b>69,655</b>
Tax Provision	4,028	14,791	23,298	24,379
Effective tax rate (%)	54.5	35.0	35.0	35.0
<b>PAT</b>	<b>3,362</b>	<b>27,468</b>	<b>43,268</b>	<b>45,276</b>
Growth(%)	(103.4)	717.0	57.5	4.6

**Balance Sheet (Rs. m)**

Y/e Mar	FY20	FY21E	FY22E	FY23E
Face value	2	2	2	2
No. of equity shares	6,738	9,411	9,411	9,411
Equity	13,475	18,821	18,821	18,821
<b>Networth</b>	<b>6,23,575</b>	<b>8,79,150</b>	<b>9,18,653</b>	<b>9,59,223</b>
Growth(%)	39.2	41.0	4.5	4.4
Adj. Networth to NNPA's	2,72,189	3,10,426	2,72,510	2,25,783
<b>Deposits</b>	<b>70,38,463</b>	<b>1,09,09,618</b>	<b>1,13,46,003</b>	<b>1,19,13,303</b>
Growth(%)	4.1	55.0	4.0	5.0
CASA Deposits	30,24,746	47,34,774	49,46,857	51,94,200
% of total deposits	43.0	43.4	43.6	43.6
<b>Total Liabilities</b>	<b>83,06,659</b>	<b>1,25,09,390</b>	<b>1,30,42,305</b>	<b>1,37,11,568</b>
Net Advances	47,18,277	65,58,405	68,20,742	71,61,779
Growth(%)	3.0	39.0	4.0	5.0
Investments	24,04,656	42,18,700	44,02,069	46,64,611
<b>Total Assets</b>	<b>83,06,659</b>	<b>1,25,09,390</b>	<b>1,30,42,305</b>	<b>1,37,11,568</b>
Growth (%)	7.2	50.6	4.3	5.1

**Asset Quality**

Y/e Mar	FY20	FY21E	FY22E	FY23E
Gross NPAs (Rs m)	7,34,791	10,10,470	8,94,778	7,84,065
Net NPAs (Rs m)	2,72,189	3,10,426	2,72,510	2,25,783
Gr. NPAs to Gross Adv.(%)	14.2	13.9	12.0	10.2
Net NPAs to Net Adv. (%)	5.8	4.7	4.0	3.2
NPA Coverage %	63.0	69.3	69.5	71.2

**Profitability (%)**

Y/e Mar	FY20	FY21E	FY22E	FY23E
NIM	2.3	3.2	2.6	2.6
RoAA	0.0	0.3	0.3	0.3
RoAE	0.6	3.7	4.8	4.8
Tier I	11.9	10.8	11.2	11.5
CRAR	14.2	12.0	12.3	12.6

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Interest Income	1,35,627	1,38,590	2,06,049	2,09,458
Interest Expenses	92,076	91,814	1,38,565	1,25,526
<b>Net Interest Income</b>	<b>43,551</b>	<b>46,775</b>	<b>67,484</b>	<b>83,932</b>
YoY growth (%)	1.5	11.4	63.0	96.8
CEB	9,800	10,730	16,530	13,500
Treasury	-	-	-	-
Non Interest Income	24,048	25,293	36,879	24,927
<b>Total Income</b>	<b>1,59,675</b>	<b>1,63,883</b>	<b>2,42,928</b>	<b>2,34,386</b>
Employee Expenses	17,515	18,538	33,072	32,413
Other expenses	12,455	14,208	18,491	19,698
<b>Operating Expenses</b>	<b>29,970</b>	<b>32,746</b>	<b>51,563</b>	<b>52,110</b>
<b>Operating Profit</b>	<b>37,629</b>	<b>39,323</b>	<b>52,801</b>	<b>56,749</b>
YoY growth (%)	21.4	37.4	51.7	59.3
Core Operating Profits	35,599	39,323	39,721	48,749
NPA Provision	44,450	46,180	48,364	38,112
Others Provisions	41,460	49,013	46,859	46,962
<b>Total Provisions</b>	<b>41,460</b>	<b>49,013</b>	<b>46,859</b>	<b>46,962</b>
<b>Profit Before Tax</b>	<b>(3,831)</b>	<b>(9,690)</b>	<b>5,942</b>	<b>9,788</b>
Tax	1,091	(2,718)	2,857	3,580
<b>PAT</b>	<b>(4,923)</b>	<b>(6,972)</b>	<b>3,084</b>	<b>6,208</b>
YoY growth (%)	(299.7)	(85.3)	(69.7)	22.4
<b>Deposits</b>	<b>70,85,444</b>	<b>70,38,463</b>	<b>1,07,49,171</b>	<b>1,06,97,471</b>
YoY growth (%)	8.9	4.1	59.8	53.7
<b>Advances</b>	<b>42,55,045</b>	<b>47,18,277</b>	<b>65,61,971</b>	<b>65,26,627</b>
YoY growth (%)	(2.0)	3.0	55.6	52.5

**Key Ratios**

Y/e Mar	FY20	FY21E	FY22E	FY23E
CMP (Rs)	28	28	28	28
EPS (Rs)	0.6	3.4	4.6	4.8
Book Value (Rs)	85	88	93	97
Adj. BV (70%)(Rs)	57	65	72	80
P/E (x)	46.9	8.2	6.0	5.8
P/BV (x)	0.3	0.3	0.3	0.3
P/ABV (x)	0.5	0.4	0.4	0.3
DPS (Rs)	-	-	-	-
Dividend Payout Ratio (%)	-	-	-	-
Dividend Yield (%)	-	-	-	-

**Efficiency**

Y/e Mar	FY20	FY21E	FY22E	FY23E
Cost-Income Ratio (%)	44.8	48.9	47.4	50.5
C-D Ratio (%)	67.0	60.1	60.1	60.1
Business per Emp. (Rs m)	171	254	264	277
Profit per Emp. (Rs lacs)	0	4	6	7
Business per Branch (Rs m)	1,670	2,481	2,580	2,709
Profit per Branch (Rs m)	0	4	6	6

**Du-Pont**

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII	2.29	3.20	2.65	2.59
Total Income	3.51	4.47	3.71	3.63
Operating Expenses	1.57	2.19	1.76	1.83
PPoP	1.93	2.29	1.96	1.80
Total provisions	1.84	1.85	1.40	1.24
RoAA	0.04	0.28	0.36	0.36
RoAE	0.68	3.90	5.08	5.08

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Oct-20	BUY	40	29
2	25-Aug-20	Hold	37	35
3	08-Jul-20	BUY	40	37
4	14-Apr-20	BUY	40	31
5	03-Jan-20	Reduce	57	65
6	06-Nov-19	Reduce	57	64

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	570	505
2	Bank of Baroda	BUY	65	44
3	Federal Bank	BUY	69	52
4	HDFC Bank	BUY	1,385	1,203
5	HDFC Life Insurance Company	Reduce	533	571
6	ICICI Bank	BUY	520	393
7	ICICI Prudential Life Insurance Company	Hold	438	412
8	IDFC First Bank	Sell	21	32
9	IndusInd Bank	BUY	720	586
10	Kotak Mahindra Bank	Accumulate	1,503	1,417
11	Max Financial Services	Accumulate	680	591
12	Punjab National Bank	BUY	40	29
13	SBI Life Insurance Company	BUY	920	779
14	South Indian Bank	BUY	10	7
15	State Bank of India	BUY	276	198

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



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