

January 20, 2021

Q3FY21 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	88		81	
NII (Rs. m)	62,770	71,795	58,684	67,433
% Chng.	7.0	6.5		
Op. Profit (Rs. m)	43,074	49,913	39,910	46,781
% Chng.	7.9	6.7		
EPS (Rs.)	10.4	12.5	9.2	11.3
% Chng.	12.9	10.4		

Key Financials - Standalone

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII (Rs m)	46,489	56,115	62,770	71,795
Op. Profit (Rs m)	32,047	38,730	43,074	49,913
PAT (Rs m)	15,428	15,319	20,683	24,940
EPS (Rs.)	7.8	7.7	10.4	12.5
Gr. (%)	23.4	(0.9)	35.0	20.6
DPS (Rs.)	1.4	-	1.4	1.8
Yield (%)	1.8	-	1.8	2.3
NIM (%)	2.9	3.1	3.1	3.2
RoAE (%)	11.1	10.0	12.2	13.2
RoAA (%)	0.9	0.8	1.0	1.0
P/BV (x)	1.1	1.0	0.9	0.8
P/ABV (x)	1.2	1.1	1.0	0.9
PE (x)	10.0	10.1	7.4	6.2
CAR (%)	14.4	14.4	14.3	13.9

Key Data

FED.BO | FB IN

52-W High / Low	Rs.97 / Rs.36
Sensex / Nifty	49,792 / 14,645
Market Cap	Rs.154bn/ \$ 2,112m
Shares Outstanding	1,995m
3M Avg. Daily Value	Rs.4978.95m

Shareholding Pattern (%)

Promoter's	-
Foreign	21.69
Domestic Institution	44.60
Public & Others	33.71
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	16.5	43.9	(17.5)
Relative	9.9	8.2	(31.2)

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Strong quarter

Quick Pointers:

- Restructuring is expected to be much lower at Rs15-16bn than expectations of Rs30-35bn. Till date bank has approved 0.54% of loans at Rs10.7bn.
- Pro-forma slippages of Rs8.6bn (Rs6.2bn in Q3FY21 – Rs4bn excl. ILFS) is also quite under control and moving to normalized levels

Federal Bank reported a marginally lower earnings of Rs4.0bn (PLe: Rs4.2bn) on higher than expected provisions. Although PPOP was quite strong growing 30% YoY (6% beat on PLe) led by a robust NII & fee income. Slippages were negligible, although on pro-forma basis slippages would have been higher by 6.2bn (Rs8.6bn for 6MFY21) which has been in-line with guidance and normalizing. Another positive outcome has been restructuring of only 54bps of loans (Rs10.6bn) with expectations of Rs15-16bn in FY21 v/s much large expectation of 2.5-3% of loans. Hence, we adjust restructuring in our book value estimates lower to 1.5% from 3% improving BV by 5-6% for FY23. Retain ACCUMULATE with revised TP of Rs88 (from Rs81) based on 1.0x Mar-23 ABV.

- Operationally strong quarter – PPOP beat our estimates 6%, was led by few factors (i) Strong NII growth of 24% YoY led by strong tailwind in deposit cost which was down by 23bps QoQ, leading to 9bps improvement in NIM at 3.22% (ii) Better other income with strong core fees (22% increase QoQ), sustained treasury gains and recovery from w.off (Rs500mn from 1 a/c) and (iii) adjusting to gratuity impact on staff cost, opex has remained benign.**
- Non-corporate loans show growth; retail liabilities also do well:** Overall loan growth was at 6% YoY with consolidation in corporate book due to repayments and lending rates have been competitive. While, strong 5% QoQ growth in non-corporate book led by gold loans, agri and new products. On the other hand, bank continues to see deposit accretion with CASA (ratio at 33.7%, historic high) showcasing strong growth of 22% YoY/6% QoQ.
- Asset quality outcome getting back to pre-COVID:** Pro-forma slippages were Rs8.6bn (Rs6.2bn for Q3FY21) which is normalizing towards run rate pre-COVID of Rs3-4bn/quarter. Although, we watch closely as pre-COVID slippages too were trending higher and as repayments move to full-fledged levels. Collection efficiency levels have moved to pre-COVID of 95% (with full billing) and hence bank expects much lower trending slippages.
- Restructuring on lower side, a much better outcome:** Bank expects a Rs15-16bn of restructuring in FY21 i.e 1.3-1.4% of loans versus expectations of Rs30-35bn or 2.5-3% of loans. Bank has already undertaken Rs10.7bn of restructuring in Q3 & Q4 till date. 80% of restructuring book is from Retail with 55-60% from home loans and 40-45% LAP and don't see any adverse outcome. Corporate restructuring book surprisingly is quite low with 2-3 accounts of Rs1.5-2.0bn in pipeline, while SME side also has been quite under control.

Our restructuring hit on BV has had a positive impact of 5-6% on BV as we lower estimated restructuring from 3% of loans in FY21 to 1.4% of loans.

Consequently, BV impact in FY23 from restructuring has come down to Rs1.7 from Rs3 earlier. Further rise in provisioning on restructuring could help improve BV further.

NII grew at 24% YoY (highest in last 13 quarters)

Other Income growth normalizing with economic revival

Fading Covid concerns help bring down Provisions relatively

Loan growth reflecting macro scenario with corporate book de-growth

NIMs improve as cost of funds lower significantly

Pro-forma slippages for the quarter stood at around Rs 6.30 bn

CASA ratio has improved to 34-35% in line with guidance

C/I Ratio remained below 50%

Exhibit 1: We model in impact of restructuring in our book value estimates

COVID restructuring (Rs mn)	FY21E	FY22E	FY23E
Gross Restructured Asset	18,316	13,480	10,702
Restructured Asset % of loans	1.4%	0.9%	0.7%
Provisioning held	2,198	4,220	5,825
% incremental provision rate	12%	15%	15%
% overall provisioning cover	12%	31%	54%
Net RSA	16,118	9,260	4,877
Net RSA post slippage/recovery/upgrade	11,282	6,482	3,414
Estimated Rolling BV impact in Rs	5.7	3.3	1.7

Source: Company, PL

Exhibit 2: Q3FY21 – COVID led provisions impact earnings

P&L Statement (Rs m)	Q3FY21	Q3FY20	YoY gr. (%)	Q2FY21	QoQ gr. (%)
Interest Income	34,595	33,304	3.9	34,879	(0.8)
Interest Expended	20,225	21,754	(7.0)	21,081	(4.1)
Net interest income (NII)	14,370	11,549	24.4	13,799	4.1
-Treasury income	1,060	650	63.1	1,410	(24.8)
Other income	4,818	4,079	18.1	5,093	(5.4)
Total income	19,189	15,628	22.8	18,892	1.6
Operating expenses	9,560	8,190	16.7	8,827	8.3
-Staff expenses	5,256	4,148	26.7	4,875	7.8
-Other expenses	4,303	4,042	6.5	3,952	8.9
Operating profit	9,629	7,438	29.5	10,065	(4.3)
Total provisions	4,206	1,609	161.5	5,921	(29.0)
Profit before tax	5,423	5,830	(7.0)	4,145	30.8
Tax	1,382	1,423	(2.9)	1,069	29.3
Profit after tax	4,041	4,406	(8.3)	3,076	31.4
Balance Sheet (Rs m)					
Deposits	16,16,700	14,45,920	11.8	15,67,474	3.1
Advances	12,55,050	11,92,220	5.3	12,29,120	2.1
Ratios (%)					
NIM	3.2	3.0	22	3.1	9.0
RoaA	0.8	1.0	(20)	0.7	19
RoaE	10.3	12.4	(207)	8.1	226
Asset Quality					
Gross NPL (Rs m)	34,702	36,187	(4.1)	35,522	(2.3)
Net NPL (Rs m)	7,572	19,410	(61.0)	12,181	(37.8)
Gross NPL ratio	2.71	2.99	(28.00)	2.84	(13)
Net NPL ratio	0.60	1.63	(103.00)	0.99	(39)
Coverage ratio (Calc)	78.2	46.4	3,182	65.7	1,247
Business & Other Ratios					
Low-cost deposit mix	34.5	31.5	302	33.7	80
Cost-income ratio	49.8	52.4	(258)	46.7	310
Non int. inc / total income	25.1	26.1	(99)	27.0	(185)
Credit deposit ratio	77.6	82.5	(482)	78.4	(78)
CAR	14.3	13.6	67	14.6	(33)
Tier-I	13.0	12.6	38	13.3	(33)

Source: Company, PL

Q3FY21 Concall Highlights

Business Outlook

- Collection Efficiency remained stable at 95% for the quarter similar to 3QFY20 (excl. Pro forma Slippages).
- Fee Income growth was healthy on account of granular retail & gold loans underwritten during the quarter.
- Employee productivity enhancement driving the business with flat branch expansion and digital initiatives while attrition rate remains low at 2%.
- Debit Card transactions totaling Rs 10 bn per month (Dec 20) is just behind the 4 larger private banking peers to support Fee Income growth in future.

Assets

- Gold Loan segment grew by 67% YoY to slow down as the macro-economic credit growth picks up in other sectors. Bank witnessed gold tonnage growth of 22% YoY while on value terms it increased by 67%, thereby increasing eligibility amount for borrowers.
- Retail segment growth at 9% YoY to increase going ahead while management remained cautious on the corporate segment on lower returns not attractive for the bank.
- Management guides of Retail : Wholesale mix to be around 55%:45% in the next 2 years.
- Credit Card segment launch by Mar-Apr, with first trial run for 2 months within bank employees and then for the existing customers for the next 1 year.
- Bank has no direct exposure towards Real Estate/Construction Finance, but around 1.2% towards Lease Rental Discounting (LRD) asset.
- High restructuring in the retail segment primarily from home loans & LAP accounts as per the preference of customers.
- Bank has lent around Rs 26 bn towards ECLGS scheme.

Asset Quality

- Bank expects Rs15-16bn of restructuring for FY21 with currently approved Rs10-11bn with Rs6.6bn in Q3 and Rs3-4bn coming in Q4. Bank intends to hold a 15-20% provision on the restructuring book and will continue to watch how the book fares as mostly has done restructuring similar like underwriting.
- Bank saw repayment/recovery of IL&FS exposure Rs 2.05 bn, excluding that slippage stood around Rs6.3 bn (Rs4bn for Q3FY21). Management provides guidance on PCR in the range of 65-70% (pre technical write-offs).
- SMA 1 & 2 stood at around 2.5% against pre-Covid levels of 1.8%. Bank has utilized ~Rs500mn from the COVID provisions held and now holds Rs5.6bn of COVID provisions.

Others

- Management: Bank board will approach RBI in advance to extend the term of Mr Shyam Srinivasan as MD & CEO which will come to end in Sep'21.
- Guidance:** Management expects 8-10% credit growth for FY21 with Q4 credit growth in early double digits while it remains stable on the NIMs at 3.15-20% and CASA at 33.5-34% in the near future.
- Capital raising** – Bank mentioned on raising capital will be considered in second half of CY21 and carries quite adequate capital ratios

Exhibit 3: Retail/Agri drive growth while Corp book declined on unattractive returns

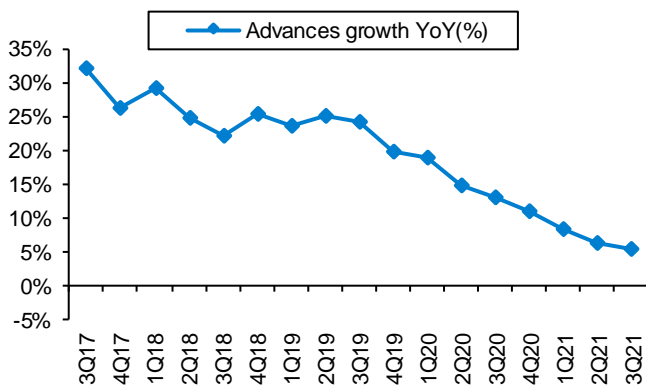
Advances break-up (Rs m)	Q3FY21	Q3FY20	YoY gr. (%)	Q2FY21	QoQ gr. (%)
Advances					
Retail	4,22,470	3,65,510	15.6	3,96,490	6.6
SME	2,45,840	2,25,290	9.1	2,35,500	4.4
Agriculture	1,56,610	1,24,690	25.6	1,49,150	5.0
Corporate	4,56,890	4,93,130	(7.3)	4,70,930	(3.0)
Total	12,81,810	12,08,620	6.1	12,52,070	2.4
Retail Loans break-up					
Housing	1,90,430	1,75,640	8.4	1,84,970	3.0
LAP	74,890	68,840	8.8	72,060	3.9
Auto	33,460	31,150	7.4	31,950	4.7
Personal	17,100	12,940	32.1	16,450	4.0
Others	1,06,590	76,940	38.5	91,060	17.1

Source: Company, PL

Personal loans continue to anchor Retail growth

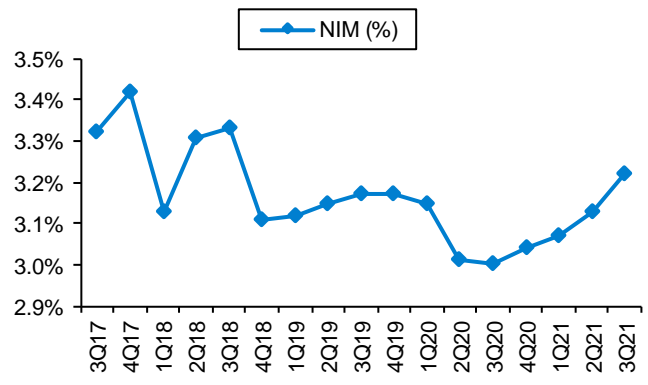
Decline in Corporate book dragged down overall loan growth

Exhibit 4: Loan growth bottom out as economy revives

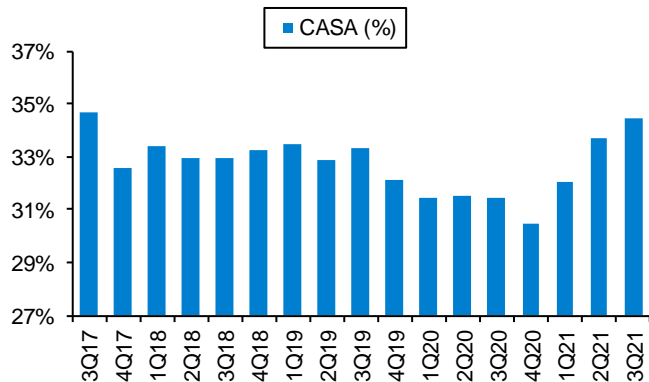


Source: Company, PL

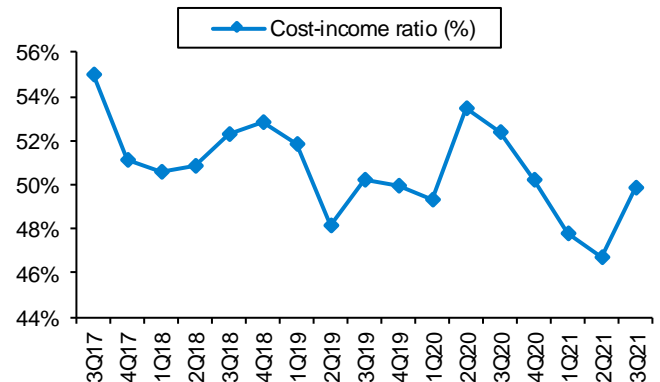
Exhibit 5: NIMs improve supported by lower cost of funds



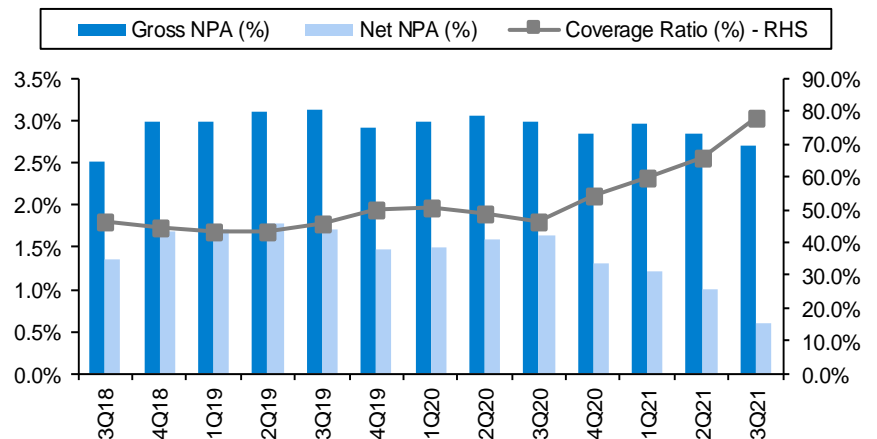
Source: Company, PL

Exhibit 6: CASA ratio grows supported by traction in SA


Source: Company, PL

Exhibit 7: C/I at remains low on better income & lower opex


Source: Company, PL

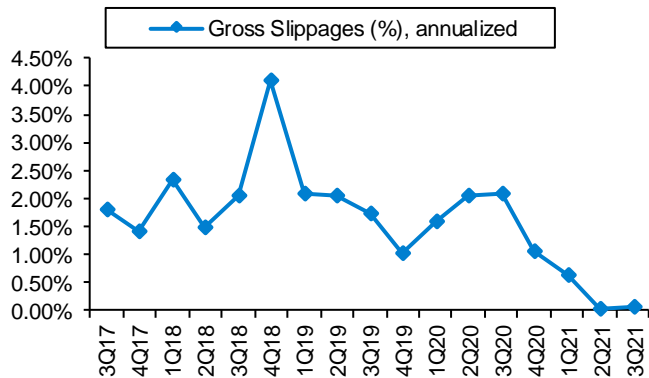
Exhibit 8: Negligible slippages & improved PCR lead asset quality outcome to be best in many quarters


Source: Company, PL

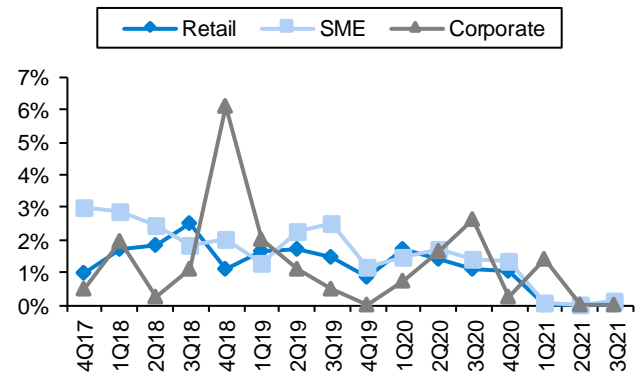
Exhibit 9: Fresh Slippages come to an almost standstill

Movement of NPL	Q3FY21	Q3FY20	YoY gr. (%)	Q2FY21	QoQ gr. (%)
Opening	35,642	36,107	(1.3)	36,562	(2.5)
Additions	220	6,030	(96.4)	100	120.0
Reduction	1,160	5,950	(80.5)	1,140	1.8
Closing	34,702	36,187	(4.1)	35,522	(2.3)
Slippages (%)	0.07	2.02	(195)	0.03	4
Segmental fresh slippages:					
Retail	-	1,010	(100.0)	10	(100.0)
Agri	60	500	(88.0)	10	500.0
SME	160	1,210	(86.8)	10	1,500.0
Corporate	-	3,210	(100.0)	-	NA
Retail (% annualized)	-	1.11	(111)	0.01	(1)
Agri (% annualized)	0.10	0.89	(79)	0.02	8
SME (% annualized)	0.16	1.38	(122)	0.01	15
Corporate (% annualized)	-	2.60	(260)	-	-

Source: Company, PL

Exhibit 10: Slippages fall to a negligible amount


Source: Company, PL

Exhibit 11: Segmental slippages low across all cohorts


Source: Company, PL

Exhibit 12: Du-pont analysis – Return ratio to improve on cost control

ROA Tree	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
NII/Assets	3.0%	2.8%	2.9%	2.8%	2.8%	2.7%	2.8%	2.7%	2.8%
Fees/Assets	0.3%	0.1%	0.3%	0.2%	0.2%	0.4%	0.3%	0.2%	0.2%
Investment profits/Assets	0.8%	0.8%	0.7%	0.7%	0.8%	0.8%	0.7%	0.8%	0.8%
Net revenues/Assets	4.1%	3.7%	3.9%	3.7%	3.7%	3.9%	3.8%	3.7%	3.7%
Opex/Assets	1.1%	1.2%	1.1%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%
Provisions/Assets	0.9%	0.9%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.8%
Taxes/Assets	2.1%	1.6%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%
Total Costs/Assets	0.1%	0.8%	0.6%	0.7%	0.6%	0.7%	0.9%	0.7%	0.7%
ROA	0.7%	0.3%	0.5%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Equity/Assets	1.3%	0.5%	0.8%	0.7%	0.8%	0.9%	0.8%	0.9%	0.9%
ROE	13.7%	6.0%	9.8%	8.3%	9.8%	11.1%	9.9%	10.9%	12.2%

Source: Company, PL

Exhibit 13: Change in estimates table – We adjust stable NIMs and lower opex alongside lower than expected restructuring book coming majorly off Home/LAP (around 70%)

(Rs mn)	Old			Revised			%Change		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Net interest income	53,548	58,684	67,433	56,115	62,770	71,795	4.8	7.0	6.5
Operating profit	36,925	39,910	46,781	38,730	43,074	49,913	4.9	7.9	6.7
Net profit	15,070	18,316	22,596	15,319	20,683	24,940	1.7	12.9	10.4
Loan Growth (%)	7.1	10.2	14.0	7.0	10.3	14.0	(0.0)	0.0	(0.1)
Credit Cost (bps)	130.0	110.0	100.0	135.0	110.0	100.0	5.0	-	-
EPS (Rs)	7.6	9.2	11.3	7.7	10.4	12.5	1.7	12.9	10.4
ABVPS (Rs)	60.1	72.8	85.0	67.8	78.6	90.1	12.9	7.9	6.1
Price target (Rs)	81			88			8.9		
Recommendation	BUY			BUY					

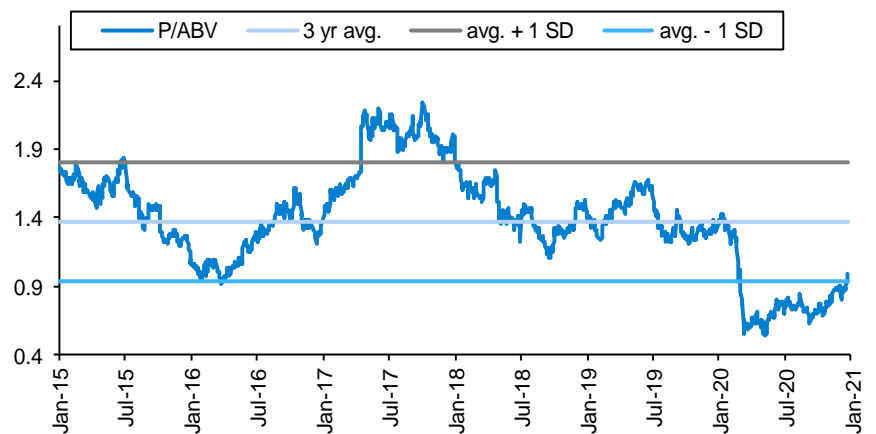
Source: Company, PL

Exhibit 14: We revise our TP to Rs88 (from Rs81) based on 1.0x Mar-23 ABV

PT calculation and upside	
Terminal growth	5.0%
Market risk premium	7.0%
Risk-free rate	6.3%
Adjusted beta	1.11
Cost of equity	14.0%
Fair price - P/ABV	88
Target P/ABV	1.0
Target P/E	7.0
Current price, Rs	77
Upside (%)	14%
Dividend yield (%)	2%
Total return (%)	16%

Source: Company, PL

Exhibit 15: One-year forward P/ABV chart



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Int. Earned from Adv.	1,06,709	1,09,838	1,20,604	1,36,731
Int. Earned from invt.	21,841	23,634	29,054	34,989
Others	2,159	4,160	4,097	2,964
Total Interest Income	1,32,108	1,40,047	1,55,543	1,76,584
Interest Expenses	85,618	83,932	92,774	1,04,789
Net Interest Income	46,489	56,115	62,770	71,795
<i>Growth(%)</i>	<i>11.3</i>	<i>20.7</i>	<i>11.9</i>	<i>14.4</i>
Non Interest Income	19,314	19,893	21,087	23,618
Net Total Income	65,803	76,009	83,857	95,413
<i>Growth(%)</i>	<i>18.6</i>	<i>5.6</i>	<i>10.4</i>	<i>13.3</i>
Employee Expenses	17,724	20,737	22,396	24,859
Other Expenses	14,838	15,283	17,117	19,342
Operating Expenses	33,756	37,279	40,783	45,500
Operating Profit	32,047	38,730	43,074	49,913
<i>Growth(%)</i>	<i>16.0</i>	<i>20.9</i>	<i>11.2</i>	<i>15.9</i>
NPA Provision	10,105	17,084	15,110	15,398
Total Provisions	11,722	18,259	15,434	16,584
PBT	20,325	20,471	27,640	33,329
Tax Provision	4,898	5,153	6,957	8,389
<i>Effective tax rate (%)</i>	<i>24.1</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>
PAT	15,428	15,319	20,683	24,940
<i>Growth(%)</i>	<i>24.0</i>	<i>(0.7)</i>	<i>35.0</i>	<i>20.6</i>

Balance Sheet (Rs. m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
Face value	2	2	2	2
No. of equity shares	1,993	1,993	1,993	1,993
Equity	3,985	3,985	3,985	3,985
Networth	1,45,176	1,60,495	1,78,388	1,99,741
<i>Growth(%)</i>	<i>9.4</i>	<i>10.6</i>	<i>11.1</i>	<i>12.0</i>
Adj. Networth to NNPA's	16,072	14,097	15,200	16,685
Deposits	15,22,901	16,98,034	19,01,799	21,49,032
<i>Growth(%)</i>	<i>12.8</i>	<i>11.5</i>	<i>12.0</i>	<i>13.0</i>
CASA Deposits	4,67,743	5,48,465	6,16,183	6,98,436
<i>% of total deposits</i>	<i>30.7</i>	<i>32.3</i>	<i>32.4</i>	<i>32.5</i>
Total Liabilities	18,06,380	20,20,328	22,51,832	25,33,783
Net Advances	12,22,679	13,08,267	14,39,093	16,40,566
<i>Growth(%)</i>	<i>10.9</i>	<i>7.0</i>	<i>10.0</i>	<i>14.0</i>
Investments	3,58,927	3,94,499	5,15,536	5,78,500
Total Assets	18,06,380	20,20,328	22,51,832	25,33,783
<i>Growth (%)</i>	<i>13.4</i>	<i>11.8</i>	<i>11.5</i>	<i>12.5</i>

Asset Quality

Y/e Mar	FY20	FY21E	FY22E	FY23E
Gross NPAs (Rs m)	35,308	40,608	45,687	49,765
Net NPAs (Rs m)	16,072	14,097	15,200	16,685
<i>Gr. NPAs to Gross Adv.(%)</i>	<i>2.9</i>	<i>3.1</i>	<i>3.2</i>	<i>3.0</i>
<i>Net NPAs to Net Adv. (%)</i>	<i>1.3</i>	<i>1.1</i>	<i>1.1</i>	<i>1.0</i>
<i>NPA Coverage %</i>	<i>54.5</i>	<i>65.3</i>	<i>66.7</i>	<i>66.5</i>

Profitability (%)

Y/e Mar	FY20	FY21E	FY22E	FY23E
NIM	2.9	3.1	3.1	3.2
RoAA	0.9	0.8	1.0	1.0
RoAE	11.1	10.0	12.2	13.2
Tier I	13.3	13.5	13.5	13.2
CRAR	14.4	14.4	14.3	13.9

Source: Company Data, PL Research
Quarterly Financials (Rs. m)

Y/e Mar	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Interest Income	33,968	34,442	34,879	34,595
Interest Expenses	21,808	21,477	21,081	20,225
Net Interest Income	12,160	12,964	13,799	14,370
<i>YoY growth (%)</i>	<i>10.9</i>	<i>12.3</i>	<i>22.8</i>	<i>24.4</i>
CEB	2,650	1,470	2,560	3,120
Treasury	-	-	-	-
Non Interest Income	7,111	4,884	5,093	4,818
Total Income	41,080	39,325	39,972	39,414
Employee Expenses	5,191	4,959	4,875	5,256
Other expenses	4,487	3,566	3,952	4,303
Operating Expenses	9,678	8,524	8,827	9,560
Operating Profit	9,593	9,324	10,065	9,629
<i>YoY growth (%)</i>	<i>27.1</i>	<i>19.1</i>	<i>40.0</i>	<i>29.5</i>
Core Operating Profits	5,903	6,284	8,655	8,569
NPA Provision	4,170	2,560	1,690	3,890
Others Provisions	5,675	3,946	5,921	4,206
Total Provisions	5,675	3,946	5,921	4,206
Profit Before Tax	3,918	5,378	4,145	5,423
Tax	906	1,370	1,069	1,382
PAT	3,012	4,008	3,076	4,041
<i>YoY growth (%)</i>	<i>(21.0)</i>	<i>4.3</i>	<i>(26.2)</i>	<i>(8.3)</i>
Deposits	15,22,901	15,49,380	15,67,474	16,16,700
<i>YoY growth (%)</i>	<i>12.8</i>	<i>16.9</i>	<i>12.3</i>	<i>11.8</i>
Advances	12,22,679	12,12,970	12,29,120	12,55,050
<i>YoY growth (%)</i>	<i>10.9</i>	<i>8.3</i>	<i>6.1</i>	<i>5.3</i>

Key Ratios

Y/e Mar	FY20	FY21E	FY22E	FY23E
CMP (Rs)	77	77	77	77
EPS (Rs)	7.8	7.7	10.4	12.5
Book Value (Rs)	73	81	89	100
Adj. BV (70%)(Rs)	65	68	79	90
P/E (x)	10.0	10.1	7.4	6.2
P/BV (x)	1.1	1.0	0.9	0.8
P/ABV (x)	1.2	1.1	1.0	0.9
DPS (Rs)	1.4	-	1.4	1.8
<i>Dividend Payout Ratio (%)</i>	<i>18.0</i>	<i>-</i>	<i>13.5</i>	<i>14.4</i>
<i>Dividend Yield (%)</i>	<i>1.8</i>	<i>-</i>	<i>1.8</i>	<i>2.3</i>

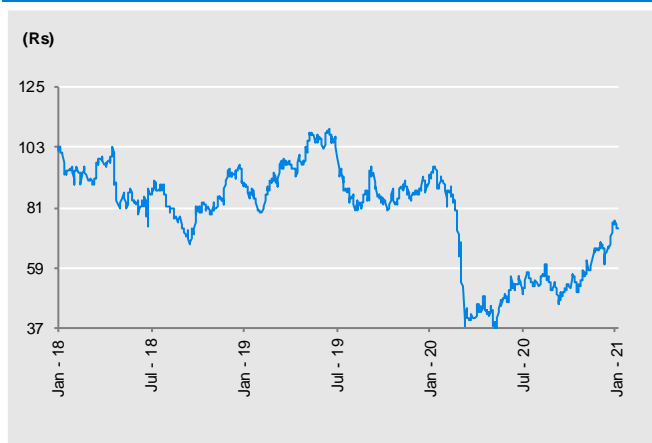
Efficiency

Y/e Mar	FY20	FY21E	FY22E	FY23E
<i>Cost-Income Ratio (%)</i>	<i>51.3</i>	<i>49.0</i>	<i>48.6</i>	<i>47.7</i>
<i>C-D Ratio (%)</i>	<i>80.3</i>	<i>77.0</i>	<i>75.7</i>	<i>76.3</i>
Business per Emp. (Rs m)	220	238	262	294
Profit per Emp. (Rs lacs)	12	12	16	19
Business per Branch (Rs m)	2,174	2,290	2,451	2,682
Profit per Branch (Rs m)	12	12	15	18

Du-Pont

Y/e Mar	FY20	FY21E	FY22E	FY23E
NII	2.73	2.93	2.94	3.00
Total Income	3.87	3.97	3.93	3.99
Operating Expenses	1.99	1.88	1.84	1.81
PPoP	1.89	1.93	1.87	1.94
Total provisions	0.69	0.95	0.72	0.69
RoAA	0.91	0.71	0.82	0.89
RoAE	11.10	10.02	12.21	13.19

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	11-Jan-21	Accumulate	81	76
2	17-Oct-20	BUY	69	52
3	09-Oct-20	BUY	67	53
4	15-Jul-20	BUY	67	50
5	08-Jul-20	BUY	67	54
6	29-May-20	BUY	67	43
7	14-Apr-20	BUY	73	41
8	26-Feb-20	BUY	108	85

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	750	673
2	Bank of Baroda	BUY	82	66
3	Federal Bank	Accumulate	81	76
4	HDFC Bank	BUY	1,690	1,467
5	HDFC Life Insurance Company	Reduce	600	717
6	ICICI Bank	BUY	614	542
7	ICICI Prudential Life Insurance Company	Reduce	485	526
8	IDFC First Bank	Sell	32	44
9	IndusInd Bank	Accumulate	1,026	940
10	Kotak Mahindra Bank	Hold	1,912	1,971
11	Max Financial Services	Accumulate	760	727
12	Punjab National Bank	Hold	37	35
13	SBI Life Insurance Company	Accumulate	1,026	936
14	South Indian Bank	BUY	10	9
15	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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