

Bank of Baroda

Refer to important disclosures at the end of this report

Retail growth re-accelerating; lower provisions drive strong earnings beat

- BOB has reported a strong earnings beat with PAT at Rs10.6bn mainly due to healthy NIMs, higher treasury gains and contained provisions (including Rs3.7bn on potential interest reversals on proforma NPAs).
- Overall loan growth remains moderate at 7% yoy, but retail growth is accelerating, led by mortgages/auto. With integration related issues and big scare on asset quality easing, the bank plans to accelerate growth, mainly driven by retail and some back-end support from quality corporates.
- BOB has reported proforma GNPA ratio at 9.6% and restructured pool at ~2%, which is slightly better than expectations. The bank has also built in a reasonable provisioning buffer – 0.48% of loans, which is reasonably higher among PSBs and thus comforting.
- We retain Buy on BOB with a TP of Rs85 (based on 0.6x FY23 ABV) given its high retail orientation should drive better growth/core NIMs, reasonable capital position and favourable risk-reward at current valuations.

Near-term pressure inevitable, but accelerating retail growth should structurally support NIMs in long run: Loan growth stood at 7% yoy, driven by retail/agri book (up 14%yoy/4.5%qoq) and corporate loans (up 7.2% yoy/ 6.6%qoq). Deposit growth stood at 6.5% yoy, aided by healthy growth in domestic CASA. Domestic CASA ratio remains healthy at 41.2% (up 240bps yoy). Domestic NIM is up 11bps qoq to 3.1%, mainly due to lower interest reversal on NPAs, better LDR and better spread supported by lower CoF (COD down 15bps qoq). However, NPA formation in international book led to stable global NIM at 2.9%. That said, NIM in Q4 could slip qoq due to interest reversal on NPAs. Going forward, the bank plans to focus on loan growth mainly led by retail and would not chase deposits in excess of loan growth, leading to better LDR and margins.

Higher provisioning buffer comforting: Reported GNPA ratio was down 66bps qoq to 8.5% due to SC stay on NPA tagging, while proforma GNPA too was moderate at 9.6% (9.3% in Q2FY21). Overall gross slippages of Rs117bn included proforma NPAs for Q2/Q3 and Rs39.8bn from international book, consisting of two accounts that the bank is likely to restructure soon. Overall restructuring pool stands at Rs137bn (2% of loans), including Rs95bn (Rs77bn being corporate) under the RBI RE scheme and cumulative MSME restructuring of Rs42bn (0.6% of loans) under the old Jan'19 circular. Overall SMA1& 2 pool stands at 4.4% (3.6% ex-restructuring), up from 2.9% in Sept'20 and indicating additional asset quality risk in Q2. That said, the bank now holds a Covid-19-related provision buffer of Rs36bn (0.48% of loans), including Rs17bn (0.24% of loans) being contingent.

Outlook and valuations: We upgrade our FY21/FY22 earnings estimates, factoring in higher other income and lower LLP. Retain Buy with a TP of Rs85 (based on 0.6x FY23 ABV) as given its higher retail orientation should drive better growth/core NIMs, reasonable capital position and favourable risk-reward at current valuations. Key risks: Higher NPA formation, mainly in corporate/SME book; and slower-than-expected growth trajectory.

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 | 247,748 | 377,686 | 400,492 | 432,194 | 474,430 |
| Net profit | 4,335 | 5,469 | 23,007 | 31,568 | 66,367 |
| EPS (Rs) | 1.6 | 1.5 | 5.0 | 6.8 | 14.3 |
| ABV (Rs) | 153.4 | 120.5 | 123.8 | 126.1 | 137.5 |
| RoA (%) | 0.1 | 0.1 | 0.2 | 0.3 | 0.5 |
| RoE (%) | 1.0 | 0.9 | 3.2 | 4.2 | 8.3 |
| PE (x) | 45.3 | 49.3 | 14.9 | 10.9 | 5.2 |
| P/ABV | 0.5 | 0.6 | 0.6 | 0.6 | 0.5 |

Source: Company, Emkay Research

| CMP | Target Price |
|-----------------------------------|------------------------|
| Rs 74 as of (January 27, 2021) | Rs 85 (■) 12 months |
| Rating | Upside |
| BUY (■) | 14.8 % |

Change in Estimates

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

Emkay vs Consensus

| | EPS Estimates | |
|-------------------------|---------------|-------|
| | FY21E | FY22E |
| Emkay | 5.0 | 6.8 |
| Consensus | 2.4 | 7.9 |
| Mean Consensus TP (12M) | Rs 65 | |

Stock Details

| | |
|------------------------------|------------|
| Bloomberg Code | BOB IN |
| Face Value (Rs) | 2 |
| Shares outstanding (mn) | 4,621 |
| 52 Week H/L | 94 / 36 |
| M Cap (Rs bn/USD bn) | 342 / 4.69 |
| Daily Avg Volume (nos.) | 50,531,540 |
| Daily Avg Turnover (US\$ mn) | 41.7 |

Shareholding Pattern Dec '20

| | |
|-------------------|-------|
| Promoters | 71.6% |
| FIIIs | 4.3% |
| DIIIs | 11.3% |
| Public and Others | 12.8% |

Price Performance

| (%) | 1M | 3M | 6M | 12M |
|---------------|----|----|----|------|
| Absolute | 22 | 73 | 59 | (20) |
| Rel. to Nifty | 20 | 45 | 27 | (30) |

Relative price chart



Source: Bloomberg

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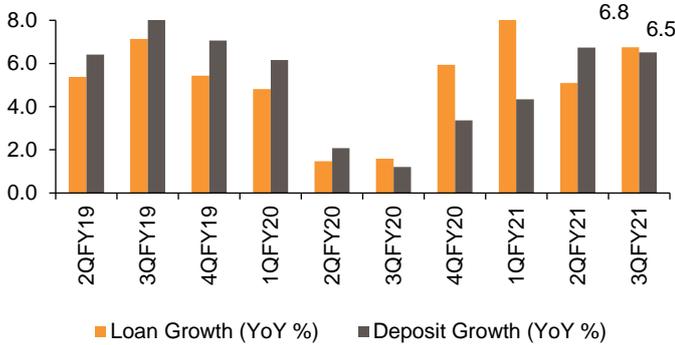
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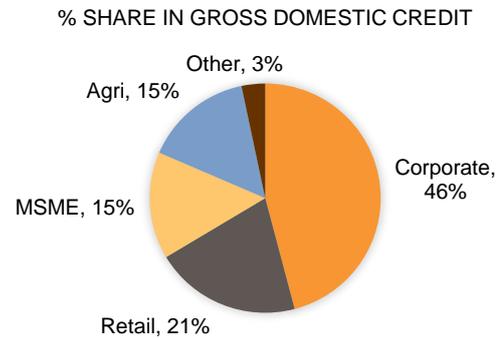
Story in Charts

Exhibit 1: Moderate loan growth but shows signs of revival led by retail



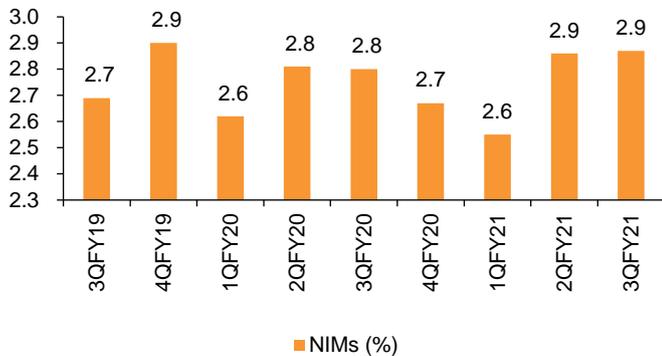
Source: Company, Emkay Research

Exhibit 2: The bank has healthy retail share among PSBs, which should inch up further as retail growth to outpace corporate growth



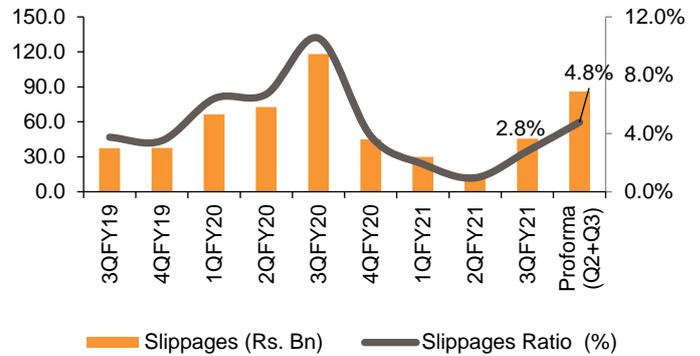
Source: Company, Emkay Research

Exhibit 3: Domestic NIM improved 11bps qoq due to absence of interest reversal better CoF while international NIM were under pressure due to slippages in international book



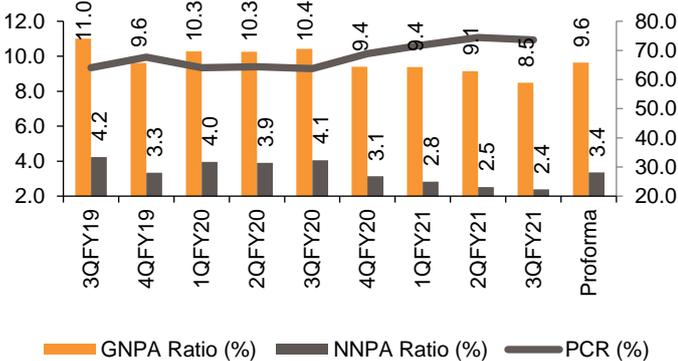
Source: Company, Emkay Research

Exhibit 4: Rs86bn of proforma slippages are not recognized due to SC stay



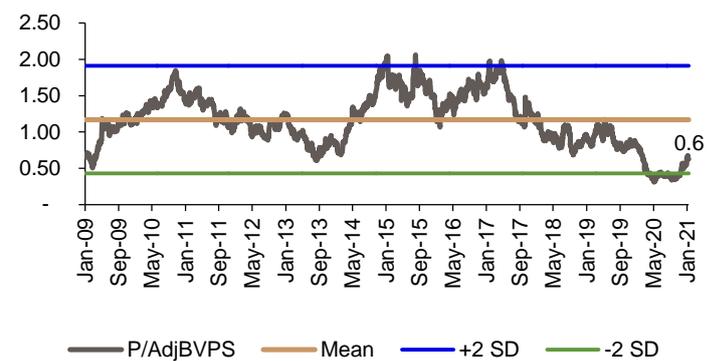
Source: Company, Emkay Research

Exhibit 5: Proforma GNPA is at controlled levels



Source: Company, Emkay Research

Exhibit 6: The stock currently trades at 0.6x – 1-year forward ABV



Source: Bloomberg, Emkay Research

Exhibit 7: Actuals vs Estimates - Q3FY21

| Rs mn | Actuals | Estimates | | % Variation | | Comments |
|------------|---------|-----------|-----------|-------------|-----------|--|
| | | Emkay | Consensus | Emkay | Consensus | |
| Net income | 106,442 | 103,308 | 100,821 | 3% | 6% | Absence of interest reversal led to beat |
| PPOP | 55,906 | 54,329 | 51,954 | 3% | 8% | Contained provisions and higher net income led to beat |
| PAT | 10,611 | -3,954 | 8,196 | NA | 29% | Higher PPOP led to beat |

Source: Company, Emkay Research

Exhibit 8: Quarterly summary

| Rs (mn) | 3QFY20 | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | YoY (%) | QoQ (%) | FY20 | FY21E | YoY (%) |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Interest Earned | 190,679 | 186,984 | 184,936 | 179,176 | 177,687 | -7 | -1 | 759,837 | 722,170 | -5 |
| Interest Exp | 119,389 | 119,003 | 116,781 | 104,101 | 100,200 | -16 | -4 | 485,324 | 424,309 | -13 |
| Net Interest Income | 71,291 | 67,982 | 68,155 | 75,075 | 77,487 | 9 | 3 | 274,513 | 297,861 | 9 |
| Global NIMs (reported) | 2.80 | 2.67 | 2.55 | 2.86 | 2.87 | 7bps | 1bps | 3.07 | 2.73 | -34bps |
| Non-interest Income | 27,412 | 28,347 | 18,183 | 28,023 | 28,955 | 6 | 3 | 103,173 | 102,631 | -1 |
| Operating Expenses | 49,118 | 45,120 | 43,143 | 47,580 | 50,536 | 3 | 6 | 180,772 | 192,792 | 7 |
| Pre Provisioning Profit | 49,585 | 51,208 | 43,195 | 55,518 | 55,906 | 13 | 1 | 196,914 | 207,700 | 5 |
| Provision & Contingencies | 71,554 | 68,441 | 56,277 | 30,016 | 39,567 | -45 | 32 | 214,928 | 178,941 | -17 |
| PBT | -21,970 | -17,233 | -13,082 | 25,502 | 16,339 | -174 | -36 | -18,014 | 28,759 | -260 |
| Income Tax Expense (Gain) | -7,900 | -22,299 | -4,440 | 8,716 | 5,729 | -173 | -34 | -23,483 | 5,752 | -124 |
| Net Profit/(Loss) | -14,070 | 5,066 | -8,642 | 16,786 | 10,611 | -175 | -37 | 5,469 | 23,007 | 321 |
| Gross NPA (%) | 10.43 | 9.40 | 9.39 | 9.14 | 8.48 | -195bps | -66bps | 9.40 | 9.60 | 20bps |
| Net NPA (%) | 4.05 | 3.13 | 2.83 | 2.51 | 2.39 | -166bps | -12bps | 3.12 | 3.09 | -3bps |
| Deposits (Rs in bn) | 8,962 | 9,460 | 9,345 | 9,543 | 9,546 | 7 | 0 | 9,460 | 10,019 | 6 |
| Net Advances (Rs in bn) | 6,545 | 6,901 | 6,867 | 6,699 | 6,987 | 7 | 4 | 6,901 | 7,297 | 6 |

Source: Company, Emkay Research

Exhibit 9: Estimate revision

| Y/E Mar (Rs mn) | FY21E | | | FY22E | | | FY23 | | |
|-----------------|---------|---------|----------|---------|---------|----------|---------|---------|----------|
| | Earlier | Revised | % change | Earlier | Revised | % change | Earlier | Revised | % change |
| Net income | 393,427 | 400,492 | 1.80% | 417,737 | 432,194 | 3.46% | 454,099 | 474,430 | 4.48% |
| PPOP | 205,223 | 207,700 | 1.2% | 217,302 | 222,570 | 2.4% | 230,939 | 240,909 | 4.3% |
| PAT | 8,980 | 23,007 | 156.2% | 23,422 | 31,568 | 34.8% | 66,367 | 66,367 | 0.0% |
| EPS (Rs) | 1.9 | 5.0 | 156.2% | 5.1 | 6.8 | 34.8% | 14.3 | 14.3 | 0.0% |
| BV (Rs) | 157.2 | 160.3 | 1.9% | 162.2 | 166.5 | 2.6% | 176.4 | 178.8 | 1.4% |

Source: Company, Emkay Research

Exhibit 10: Key assumptions

| | FY20 | FY21E | FY22E | FY23E |
|------------------|------|-------|-------|-------|
| Loan Growth % | 47.2 | 5.7 | 7.8 | 12.7 |
| Deposit Growth % | 48.1 | 5.9 | 8.5 | 11.7 |
| NIM % | 3.1 | 2.7 | 2.8 | 2.9 |
| GNPA % | 9.4 | 9.6 | 9.9 | 9.0 |
| Credit Cost % | 3.2 | 2.3 | 2.1 | 1.6 |

Source: Company, Emkay Research

Exhibit 11: Key ratio and trends

| | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Loans Rs mn | 4,486,794 | 4,688,187 | 6,331,809 | 6,373,402 | 6,544,651 | 6,901,207 | 6,866,718 | 6,698,511 | 6,986,516 |
| Balance Sheet | | | | | | | | | |
| Loans (Rs bn) | 4,487 | 4,688 | 6,332 | 6,373 | 6,545 | 6,901 | 6,867 | 6,699 | 6,987 |
| -growth (YoY) % | 12.3 | 9.7 | 52.8 | 47.0 | 45.9 | 47.2 | 8.4 | 5.1 | 6.8 |
| -growth (QoQ) % | 3.5 | 4.5 | 35.1 | 0.7 | 2.7 | 5.4 | -0.5 | -2.4 | 4.3 |
| Liability Profile | | | | | | | | | |
| Deposit (Rs bn) | 6,106 | 6,387 | 8,955 | 8,941 | 8,962 | 9,460 | 9,345 | 9,543 | 9,546 |
| -growth (YoY) % | 6.5 | 8.0 | 54.0 | 47.3 | 46.8 | 48.1 | 4.3 | 6.7 | 6.5 |
| -growth (QoQ) % | 0.6 | 4.6 | 40.2 | -0.2 | 0.2 | 5.6 | -1.2 | 2.1 | 0.0 |
| CASA % | 35.0 | 35.0 | 33.7 | 34.9 | 35.7 | 35.3 | 36.2 | 36.7 | 37.9 |
| Capital Adequacy | | | | | | | | | |
| CAR (%) | 11.7 | 13.4 | 11.5 | 13.0 | 13.5 | 13.3 | 12.8 | 13.3 | 12.9 |
| Tier I (%) | 9.9 | 11.6 | 9.6 | 10.9 | 11.5 | 10.7 | 10.3 | 10.8 | 10.6 |
| Asset Quality | | | | | | | | | |
| GNPA (%) | 11.0 | 9.6 | 10.3 | 10.3 | 10.4 | 9.4 | 9.4 | 9.1 | 8.5 |
| NNPA (%) | 4.2 | 3.3 | 4.0 | 3.9 | 4.1 | 3.1 | 2.8 | 2.5 | 2.4 |
| PCR (%) | 64.0 | 67.6 | 64.1 | 64.4 | 63.8 | 68.9 | 71.9 | 74.4 | 73.6 |
| Slippages % | 3.7 | 3.5 | 6.4 | 6.7 | 10.5 | 3.8 | 1.9 | 1.0 | 2.4 |
| NIM (%) - Global | 2.7 | 2.9 | 2.6 | 2.8 | 2.8 | 2.7 | 2.6 | 2.9 | 2.9 |
| NIM (%) - Domestic | 2.8 | 3.0 | 2.7 | 3.0 | 2.9 | 2.8 | 2.6 | 3.0 | 3.1 |
| Cost/ Income (%) | 44.4 | 45.1 | 49.2 | 45.8 | 49.8 | 46.8 | 50.0 | 46.2 | 47.5 |
| ROE Decomposition % | | | | | | | | | |
| NII | 3.1 | 3.2 | 3.7 | 3.4 | 3.2 | 2.9 | 2.9 | 3.1 | 3.3 |
| Other Income (Ex Treasury) | 0.8 | 1.0 | 0.9 | 0.9 | 1.0 | 0.8 | 0.5 | 0.8 | 0.8 |
| Treasury | 0.2 | 0.3 | 0.2 | 0.5 | 0.3 | 0.4 | 0.2 | 0.4 | 0.4 |
| Opex | 1.8 | 2.0 | 2.3 | 2.2 | 2.2 | 1.9 | 1.8 | 2.0 | 2.1 |
| PPOP | 2.3 | 2.4 | 2.4 | 2.6 | 2.2 | 2.2 | 1.8 | 2.3 | 2.4 |
| Provisioning Cost | 1.8 | 3.4 | 1.9 | 2.0 | 3.2 | 3.0 | 2.4 | 1.3 | 1.7 |
| PBT | 0.5 | -1.0 | 0.6 | 0.5 | -1.0 | -0.7 | -0.5 | 1.1 | 0.7 |
| Tax | 0.2 | -0.3 | 0.2 | 0.2 | -0.3 | -1.0 | -0.2 | 0.4 | 0.2 |
| ROA | 0.3 | -0.5 | 0.3 | 0.3 | -0.5 | 0.2 | -0.3 | 0.6 | 0.4 |
| Leverage (x) | 16.5 | 15.9 | 16.2 | 15.9 | 15.3 | 15.8 | 16.0 | 15.8 | 15.8 |
| ROE | 4.2 | -8.2 | 5.0 | 4.4 | -7.9 | 2.8 | -4.8 | 9.3 | 5.8 |

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

| Y/E Mar (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|-----------------------------|----------------|-----------------|----------------|----------------|----------------|
| Net interest income | 186,838 | 274,513 | 297,861 | 322,322 | 363,279 |
| Other income | 60,910 | 103,173 | 102,631 | 109,871 | 111,150 |
| Fee income | 19,894 | 25,903 | 41,444 | 43,516 | 47,868 |
| Net income | 247,748 | 377,686 | 400,492 | 432,194 | 474,430 |
| Operating expenses | 112,880 | 180,772 | 192,792 | 209,623 | 233,520 |
| Pre provision profit | 134,868 | 196,914 | 207,700 | 222,570 | 240,909 |
| PPP excl treasury | 124,974 | 169,407 | 177,442 | 193,826 | 217,913 |
| Provisions | 127,887 | 214,928 | 178,941 | 180,480 | 152,420 |
| Profit before tax | 6,982 | (18,014) | 28,759 | 42,090 | 88,489 |
| Tax | 2,646 | (23,483) | 5,752 | 10,523 | 22,122 |
| Tax rate | 38 | 130 | 20 | 25 | 25 |
| Profit after tax | 4,335 | 5,469 | 23,007 | 31,568 | 66,367 |

Balance Sheet

| Y/E Year End (Rs mn) | FY19 | FY20 | FY21E | FY22E | FY23E |
|--------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Equity | 5,304 | 9,254 | 9,254 | 9,254 | 9,254 |
| Reserves | 454,107 | 709,308 | 732,316 | 761,107 | 818,220 |
| Net worth | 459,411 | 718,562 | 741,569 | 770,361 | 827,474 |
| Deposits | 6,386,897 | 9,459,844 | 10,019,173 | 10,866,120 | 12,140,754 |
| Borrowings | 547,833 | 716,793 | 609,274 | 578,810 | 549,870 |
| Total liabilities | 7,809,874 | 11,579,155 | 12,182,352 | 13,009,381 | 14,465,837 |
| Cash and bank | 266,617 | 326,459 | 233,685 | 139,471 | 65,013 |
| Investments | 1,822,981 | 2,746,146 | 2,865,347 | 3,022,721 | 3,325,494 |
| Loans | 4,688,187 | 6,901,207 | 7,297,228 | 7,865,091 | 8,865,674 |
| Others | 336,507 | 623,912 | 672,614 | 728,212 | 797,540 |
| Total assets | 7,809,874 | 11,579,169 | 12,182,352 | 13,009,381 | 14,465,837 |

Key Ratios (%)

| Y/E Year End | FY19 | FY20 | FY21E | FY22E | FY23E |
|-----------------------|------|-------|-------|-------|-------|
| NIM | 2.7 | 3.1 | 2.7 | 2.8 | 2.9 |
| Non-ll/avg assets | 0.8 | 1.1 | 0.9 | 0.9 | 0.8 |
| Fee income/avg assets | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Opex/avg assets | 1.5 | 1.9 | 1.6 | 1.7 | 1.7 |
| Provisions/avg assets | 1.7 | 2.2 | 1.5 | 1.4 | 1.1 |
| PBT/avg assets | 0.1 | (0.2) | 0.2 | 0.3 | 0.6 |
| Tax/avg assets | 0.0 | (0.2) | 0.0 | 0.1 | 0.2 |
| RoA | 0.1 | 0.1 | 0.2 | 0.3 | 0.5 |
| RoAE | 1.0 | 0.9 | 3.2 | 4.2 | 8.3 |
| GNPA (%) | 9.6 | 9.4 | 9.6 | 9.9 | 9.0 |
| NNPA (%) | 3.3 | 3.1 | 3.1 | 3.2 | 2.9 |

| Per Share Data (Rs) | FY19 | FY20 | FY21E | FY22E | FY23E |
|---------------------|-------|-------|-------|-------|-------|
| EPS | 1.6 | 1.5 | 5.0 | 6.8 | 14.3 |
| BVPS | 192.3 | 155.3 | 160.3 | 166.5 | 178.8 |
| ABVPS | 153.4 | 120.5 | 123.8 | 126.1 | 137.5 |
| DPS | 0.0 | 0.0 | 0.0 | 0.6 | 2.0 |

| Valuations (x) | FY19 | FY20 | FY21E | FY22E | FY23E |
|--------------------|------|------|-------|-------|-------|
| PER | 45.3 | 49.3 | 14.9 | 10.9 | 5.2 |
| P/BV | 0.5 | 0.6 | 0.6 | 0.6 | 0.5 |
| P/ABV | 0.5 | 0.6 | 0.6 | 0.6 | 0.5 |
| P/PPOP | 1.5 | 1.7 | 1.6 | 1.5 | 1.4 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.8 | 2.7 |

Source: Company, Emkay Research

| Growth (%) | FY19 | FY20 | FY21E | FY22E | FY23E |
|-------------------|-------------|-------------|--------------|--------------|--------------|
| NII | 20.4 | 46.9 | 8.5 | 8.2 | 12.7 |
| PPOP | 12.3 | 46.0 | 5.5 | 7.2 | 8.2 |
| PAT | (117.8) | 26.2 | 320.7 | 37.2 | 110.2 |
| Loans | 9.7 | 47.2 | 5.7 | 7.8 | 12.7 |

| Quarterly (Rs mn) | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| NII | 71,291 | 67,982 | 68,155 | 75,075 | 77,487 |
| NIM(%) | 2.8 | 2.7 | 2.6 | 2.9 | 2.9 |
| PPOP | 49,585 | 51,208 | 43,195 | 55,518 | 55,906 |
| PAT | (14,070) | 5,066 | (8,642) | 16,786 | 10,611 |
| EPS (Rs) | (3.04) | 1.09 | (1.87) | 3.63 | 2.29 |

Source: Company, Emkay Research

| Shareholding Pattern (%) | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Promoters | 71.6 | 71.6 | 71.6 | 71.6 | 71.6 |
| FIIIs | 4.8 | 4.6 | 4.1 | 3.9 | 4.3 |
| DIIIs | 13.9 | 14.0 | 12.7 | 11.4 | 11.3 |
| Public and Others | 9.7 | 9.9 | 11.7 | 13.1 | 12.8 |

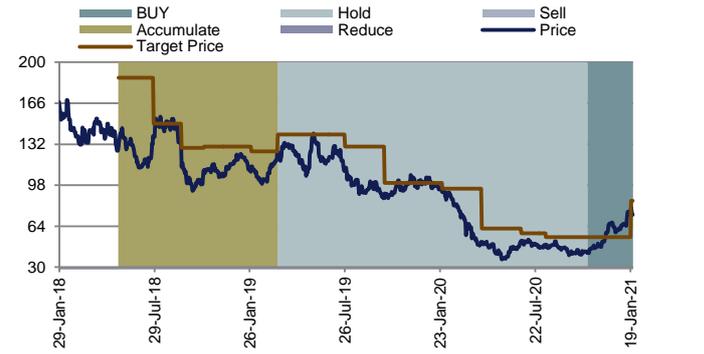
Source: Capitaline

RECOMMENDATION HISTORY TABLE

| Date | Closing Price | TP | Period (months) | Rating | Analyst |
|-----------|---------------|-----|-----------------|------------|---------------|
| 20-Jan-21 | 79 | 85 | 12m | Buy | Aanad Dama |
| 29-Oct-20 | 43 | 55 | 12m | Buy | Aanad Dama |
| 11-Aug-20 | 47 | 55 | 12m | Hold | Aanad Dama |
| 25-Jun-20 | 52 | 58 | 12m | Hold | Aanad Dama |
| 11-Apr-20 | 51 | 62 | 12m | Hold | Aanad Dama |
| 27-Jan-20 | 92 | 95 | 12m | Hold | Aanad Dama |
| 9-Nov-19 | 94 | 100 | 12m | Hold | Aanad Dama |
| 9-Oct-19 | 91 | 100 | 12m | Hold | Aanad Dama |
| 23-Sep-19 | 101 | 130 | 12m | Hold | Aanad Dama |
| 3-Sep-19 | 91 | 130 | 12m | Hold | Aanad Dama |
| 26-Jul-19 | 113 | 130 | 12m | Hold | Aanad Dama |
| 24-May-19 | 137 | 140 | 12m | Hold | Aanad Dama |
| 20-Mar-19 | 125 | 140 | 12m | Hold | Aanad Dama |
| 29-Jan-19 | 114 | 126 | 12m | Accumulate | Aanad Dama |
| 31-Oct-18 | 111 | 130 | 12m | Accumulate | Jignesh Shial |
| 18-Sep-18 | 113 | 129 | 12m | Accumulate | Jignesh Shial |
| 27-Jul-18 | 138 | 149 | 12m | Accumulate | Jignesh Shial |
| 21-May-18 | 130 | 187 | 12m | Accumulate | Ravikant Bhat |

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – BFSI-Banks



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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 | 20.66 | 20.66 | 0.0% | 0 | 100.00 |
| Axis Bank | 2.19 | 2.34 | 7% | 15 | 11.33 |
| AU Small Finance Bank | 0.23 | 0.20 | -13% | -3 | 0.98 |
| Bandhan Bank | 0.28 | 0.41 | 44% | 12 | 1.97 |
| Bank of Baroda | 0.12 | 0.12 | 1% | 0 | 0.59 |
| Canara Bank | 0.09 | 0.00 | -100% | -9 | 0.00 |
| City Union Bank | 0.16 | 0.16 | -1% | 0 | 0.77 |
| DCB Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Equitas Small Finance Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Federal Bank | 0.18 | 0.18 | 0% | 0 | 0.87 |
| HDFC Bank | 7.51 | 7.69 | 2% | 18 | 37.25 |
| ICICI Bank | 4.69 | 4.88 | 4% | 20 | 23.64 |
| Indian Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Indusind Bank | 0.61 | 0.70 | 15% | 9 | 3.39 |
| Karur Vysya Bank | 0.00 | 0.00 | NA | 0 | 0.00 |
| Kotak Mahindra Bank | 2.96 | 2.38 | -20% | -58 | 11.54 |
| Punjab National Bank | 0.10 | 0.00 | -100% | -10 | 0.00 |
| RBL Bank | 0.14 | 0.12 | -14% | -2 | 0.59 |
| State Bank of India | 1.36 | 1.47 | 8% | 10 | 7.09 |
| 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 | 0.00 | NA | 0 | 0.00 |

Source: Emkay Research

* Not under coverage: Equal Weight

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

Sector portfolio NAV

| | Base | | | | | Latest |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| | 01-Apr-19 | 27-Jan-20 | 27-Jul-20 | 26-Oct-20 | 24-Dec-20 | 25-Jan-21 |
| EAP - BFSI-Banks | 100.0 | 107.4 | 75.9 | 84.4 | 104.8 | 107.5 |
| BSE200 Neutral Weighted Portfolio (ETF) | 100.0 | 103.0 | 74.9 | 83.0 | 103.2 | 105.6 |

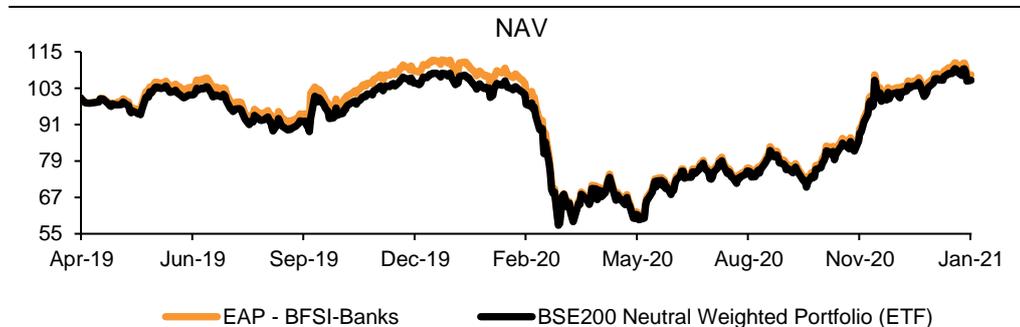
*Performance measurement base date 1st April 2019 | Source: Emkay Research

Price Performance (%)

| | 1m | 3m | 6m | 12m |
|---|------|-------|-------|------|
| EAP - BFSI-Banks | 2.5% | 27.3% | 41.6% | 0.1% |
| BSE200 Neutral Weighted Portfolio (ETF) | 2.3% | 27.3% | 41.1% | 2.5% |

Source: Emkay Research

NAV chart



Source: Emkay Research

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

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

“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% |

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