

May 31, 2021

## Q4FY21 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
Rating	BUY		BUY	
Target Price	100		82	
NII (Rs. m)	3,11,809	3,38,750	3,20,998	3,48,511
% Chng.	(2.9)	(2.8)		
Op. Profit (Rs. m)	2,21,101	2,37,402	2,22,563	2,37,528
% Chng.	(0.7)	(0.1)		
EPS (Rs.)	13.7	15.8	11.0	12.8
% Chng.	24.6	24.2		

### Key Financials - Standalone

Y/e Mar	FY20	FY21	FY22E	FY23E
NII (Rs m)	2,74,513	2,89,070	3,11,809	3,38,750
Op. Profit (Rs m)	1,96,914	2,12,060	2,21,101	2,37,402
PAT (Rs m)	14,504	12,322	71,059	81,969
EPS (Rs.)	1.5	1.7	13.7	15.8
Gr. (%)	(8.2)	12.7	711.6	15.4
DPS (Rs.)	-	-	-	2.0
Yield (%)	-	-	-	2.5
NIM (%)	3.0	2.7	2.8	2.8
RoAE (%)	2.4	1.7	8.8	9.3
RoAA (%)	0.1	0.1	0.6	0.6
P/BV (x)	0.6	0.6	0.5	0.5
P/ABV (x)	0.7	0.8	0.6	0.6
PE (x)	53.8	47.7	5.9	5.1
CAR (%)	13.3	14.6	15.5	15.9

### Key Data

BOB.BO | BOB IN

52-W High / Low	Rs.100 / Rs.39
Sensex / Nifty	51,937 / 15,583
Market Cap	Rs.417bn / \$ 5,747m
Shares Outstanding	5,171m
3M Avg. Daily Value	Rs.9162.72m

### Shareholding Pattern (%)

Promoter's	63.97
Foreign	6.89
Domestic Institution	15.90
Public & Others	13.24
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	20.9	57.2	107.2
Relative	13.6	33.6	29.3

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## Subdued on core better on asset quality

### Quick Pointers:

- Slippages implied were at Rs30bn in Q4FY21 lower than anticipation, while FY21 contained at 2.7%
- Collection efficiency at 93% and SMA book at sub 4% still indicates some stress on book

**BOB reported loss of Rs10.5bn on DTA reversal from opting new tax regime, although PPOP was strong led by treasury/ recovery from write-off pool. Important highlight has been lower slippages at Rs30bn in Q4FY21 (adjusted to pro-forma), while restructuring also has been manageable of what has been envisaged in mid FY21. Incremental slippages to be much lower from corporate/international, while SME/Retail will be manageable. This will lead to lower provisioning requirement giving delta on return ratios with ROAs at 60-70bps and further room from improvement in operations. Sub-optimal NIMs, SMA ratio at 3.5-4% and collection efficiency at 93% will act as risk to higher slippages than envisaged. Strong CASA, PCR of 67% and adequate capital act as catalyst for stock for reasonable valuations. Retain BUY with revised PT of Rs.100 (from Rs82) based on 0.7x (from 0.6x) FY23 ABV.**

- Subdued performance led by one-offs:** NII growth was subdued at 5% YoY led by interest reversals on slippages & interest refund provisions, while opex was much higher led from staff cost and move to new tax regime led to DTA reversal to new rate of 25% from 34% leading to a loss. On PBT basis which was led by other income (recovery from w.off & treasury), ROEs were at 8%. Bank expects some further consolidation in international operations could help improve NIMs optically on overall basis as it remains subdued at sub 3%.
- Asset quality has held up as yet:** GNPA/NNPA ratios improved sequentially by 76bps/30bps QoQ with PCR of 67% (82% incl. technical w-offs). Restructured book (yet to be implemented) is at <1.5%, while SMA book stood a tad higher at ~4% and collection efficiency at 93%. FY21 slippages were contained at 2.9% but has been mainly from the international book which are one-offs and will be upgraded through recovery & classification to restructuring. Bank does not expect such slippages to happen, while corporate book is standing up well which should also witness lower slippages ahead and slippages could come from the SME & Retail book (relatively lower share of 21% in domestic). We build in 2.5% slippage ratio and 1.7% of provisioning in FY22E with steady PCR of 70%.
- Business momentum was subdued:** Liabilities side bank displayed strong performance with CASA up 16% YoY/7% QoQ and moving CASA ratio to 43% up 170bps QoQ and 380bps YoY and is best in many years. On the assets side however growth was subdued with loan growth of 2% YoY led by domestic non-corporate. Bank expects lower credit cost and internal accruals to improve capital ratios further, post benefitting from DTA impact and capital raise CET-I stood at ~11%, which could also be enhanced through capital raise. Valuations remain undemanding at 0.6x FY23 ABV we maintain BUY.

**Exhibit 1: Other income drives PPOP; DTA reversal impacts PAT**

Financial Statement (Rs m)	Q4FY21	Q4FY20	YoY gr. (%)	Q3FY21	QoQ gr. (%)
Interest Income	166,845	186,984	(10.8)	174,967	(4.6)
Interest Expense	95,779	119,003	(19.5)	100,200	(4.4)
<b>Net Interest Income (NII)</b>	<b>71,066</b>	<b>67,982</b>	<b>4.5</b>	<b>74,767</b>	<b>(5.0)</b>
- Treasury income	9,040	8,750	3.3	9,250	(2.3)
Other income	48,484	28,347	71.0	28,955	67.4
<b>Total income</b>	<b>119,550</b>	<b>96,328</b>	<b>24.1</b>	<b>103,722</b>	<b>15.3</b>
Operating expenses	56,894	45,120	26.1	53,036	7.3
-Staff expenses	31,249	19,545	59.9	30,502	2.4
-Other expenses	25,645	25,576	0.3	22,534	13.8
<b>Operating profit</b>	<b>62,656</b>	<b>51,208</b>	<b>22.4</b>	<b>50,686</b>	<b>23.6</b>
<b>Core operating profit</b>	<b>50,586</b>	<b>39,598</b>	<b>27.7</b>	<b>39,386</b>	<b>28.4</b>
Total provisions	35,860	68,441	(47.6)	34,347	4.4
<b>Profit before tax</b>	<b>26,796</b>	<b>(17,233)</b>	<b>NA</b>	<b>16,340</b>	<b>64.0</b>
Tax	37,261	(22,299)	NA	5,729	550.4
<b>Profit after tax</b>	<b>(10,465)</b>	<b>5,066</b>	<b>NA</b>	<b>10,611</b>	<b>NA</b>
<b>Balance sheet (Rs m)</b>					
Deposits	9,669,969	9,459,844	2.2	9,545,608	1.3
Advances	7,063,005	6,901,207	2.3	6,986,516	1.1
<b>Profitability ratios</b>					
RoaA	(0.4)	0.2	(54)	0.4	(73)
<b>NIM</b>	<b>2.7</b>	<b>2.7</b>	<b>5</b>	<b>2.9</b>	<b>(15)</b>
Yield on Advances	6.6	7.7	(108)	7.1	(57)
Cost of Deposits	3.7	4.8	(105)	3.9	(14)
<b>Asset Quality</b>					
Gross NPA (Rs m)	666,710	693,814	(3.9)	631,816	5.5
Net NPA (Rs m)	217,999	215,766	1.0	166,677	30.8
<b>Gross NPL ratio</b>	<b>8.9</b>	<b>9.4</b>	<b>(53)</b>	<b>8.5</b>	<b>39</b>
<b>Net NPL ratio</b>	<b>3.1</b>	<b>3.1</b>	<b>(4)</b>	<b>2.4</b>	<b>70</b>
Coverage ratio	67.3	68.9	(160)	73.6	(632)
<b>Business &amp; Other Ratios</b>					
Low-cost deposit mix	42.9	39.1	380	41.2	167
Cost-income ratio	47.6	46.8	75	51.1	(354)
Non int. inc / total income	40.6	29.4	1,113	27.9	1,264
Credit deposit ratio	73.0	73.0	9	73.2	(15)
CAR	15.0	13.3	169	12.9	206
Tier-I	12.7	10.7	196	10.6	210

Source: Company, PL

## Q4FY21 Analyst Meet Highlights

### Assets/Liabilities Outlook & Commentary:

- **Retail** - Retail growth has been led from other retail products like unsecured, Auto and Gold. These have been chosen areas of growth.
- **International operations** - International subs have been closed and looking to further geographies to consolidate and to improve international operations would look at presence without geographic focus and do business through GIFT city.
- **Deposits** - No desperation to raise deposits has helped to improve CASA ratio and has improved 400bps to move even above pre-merger. CA has seen improvement on RBI circular and the cash management product has helped gain CA growth

### NIMs/Opex

- **NIM guidance** – Due to second wave expectation of liquidity withdrawal has moved ahead, hence NIMs will be challenge. Growth in retail and some repatriation of capital from international book should improve NIMs on move to domestic.
- **Opex** – Will continue to see further improvement on cost front as post-merger initiatives should help. Have already seen cost benefit improvement.

### Asset Quality

- **Asset quality colour** – Slippages have been at Rs30bn and in FY21 slippages have been from the international book. Rs10bn accounts upgraded on back of OTR and rest account done in May so should reflect ahead.
- International book had some impact from middle east and certain manufacturing segments. 60% of slippages will be restructured with one likely to get upgraded this year and another big one in FY23. Slippages will be way lower in this book and recovery process is ahead compared to domestic.
- Corporate slippages are expected to be lower, SME slightly higher and retail also contributing some. Restructuring to be lower than FY21 as corporate restructuring will be not there and retail could be higher and driver of some restructuring pick up.
- SMA 1 & 2 has been at 3.87% v/s 4.4% in 3Q21. Collection efficiency stood at 93% against 92% in previous quarter.

### Others

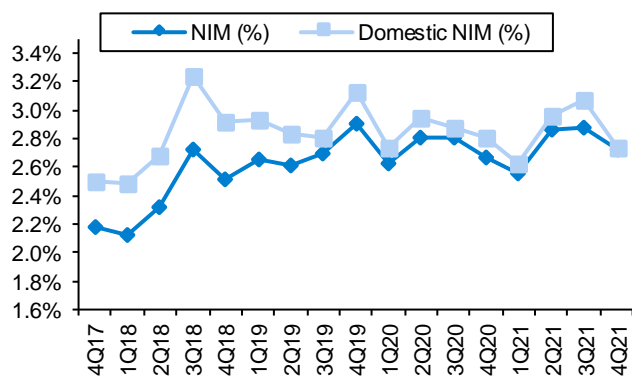
- **Subsidiaries** - Unlock in life insurance could have opportunity but next year and looking for partner (private equity) in credit card company in FY22.
- **Capital** - With lower credit cost being lower, internal accruals being better should help improve capital ratios and at comfortable position to fund growth. Although has taken enabling resolution to raise fresh equity.

**Exhibit 2: Overall Loan growth strong sequentially led by corporate/SME**

Loan break up (Rs mn)	Q4FY21	Q4FY20	YoY gr. (%)	Q3FY21	QoQ gr. (%)
<b>Domestic Advances</b>	<b>6,410,760</b>	<b>6,110,450</b>	<b>4.9</b>	<b>6,330,390</b>	<b>1.3</b>
Corporate	2,916,150	2,915,430	0.0	2,903,680	0.4
SME	962,000	873,280	10.2	953,380	0.9
Retail	1,325,650	1,206,570	9.9	1,299,720	2.0
Agri	995,430	879,210	13.2	964,550	3.2
Other/Misc	211,530	235,960	(10.4)	209,060	1.2
<b>Advances Mix</b>					
<b>Domestic Advances</b>	<b>93</b>	<b>87</b>	<b>591</b>	<b>90</b>	<b>2</b>
Corporate	42	41	17	41	2
SME	14	13	35	14	0
Retail	19	16	302	19	(2)
Agri	14	13	89	14	(1)
Other/Misc	5	3	149	3	58

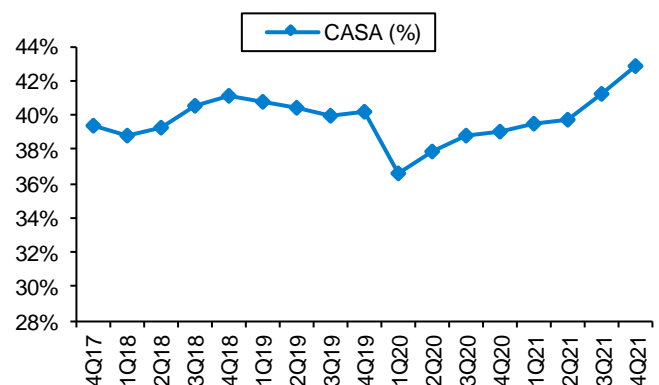
Source: Company, PL Note – Retail incl pool purchases in last two quarters

**Exhibit 3: NIMs were lower on interest reversals**



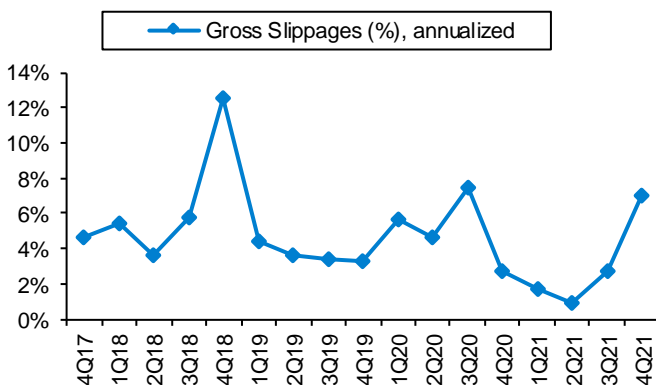
Source: Company, PL; Note: Fig. older than 1Q20 are for the non-amalgamated entity, hence not comparable

**Exhibit 4: Strong CASA ratio better than pre-merged basis**



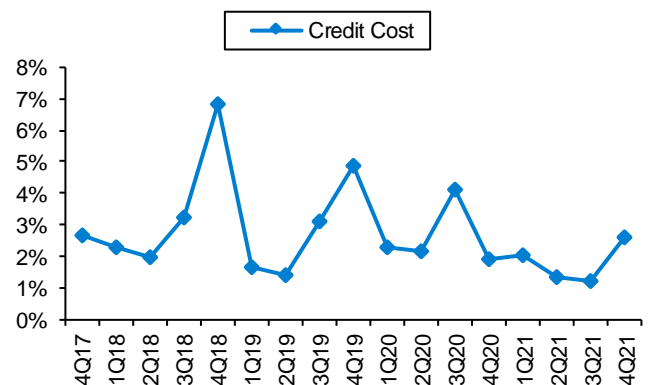
Source: Company, PL; Note: Fig. older than 1Q20 are for the non-amalgamated entity, hence not comparable

**Exhibit 5: Slippage was low adjusted to pro-forma**



Source: Company, PL; Note: 2Q21/3Q21 on pro-forma basis

**Exhibit 6: Credit cost remained steady**



Source: Company, PL

**Exhibit 7: Return ratios to improve on normalized basis**

ROAE decomposition	2017	2018	2019	2020	2021	2022E	2023E
<b>NII/Assets</b>	<b>2.08%</b>	<b>2.30%</b>	<b>2.62%</b>	<b>3.01%</b>	<b>2.66%</b>	<b>2.79%</b>	<b>2.83%</b>
Fees/Assets	0.64%	0.70%	0.71%	0.83%	0.83%	0.92%	0.95%
Investment profits/Assets	0.40%	0.29%	0.14%	0.30%	0.31%	0.24%	0.23%
<b>Net revenues/Assets</b>	<b>3.12%</b>	<b>3.29%</b>	<b>3.48%</b>	<b>4.13%</b>	<b>3.80%</b>	<b>3.95%</b>	<b>4.00%</b>
Opex/Assets	-1.43%	-1.51%	-1.59%	-1.98%	-1.85%	-1.97%	-2.02%
Provisions/Assets	-1.31%	-2.20%	-1.80%	-2.35%	-1.44%	-1.13%	-1.07%
Taxes/Assets	-0.17%	0.05%	-0.04%	0.26%	-0.43%	-0.21%	-0.23%
<b>Total Costs/Assets</b>	<b>-1.22%</b>	<b>-1.87%</b>	<b>-1.52%</b>	<b>-1.92%</b>	<b>-1.77%</b>	<b>-1.34%</b>	<b>-1.33%</b>
<b>ROAA</b>	<b>0.21%</b>	<b>-0.36%</b>	<b>0.06%</b>	<b>0.06%</b>	<b>0.08%</b>	<b>0.64%</b>	<b>0.68%</b>
Equity/Assets	6.19%	6.21%	6.63%	6.72%	6.85%	7.21%	7.34%
<b>ROAE</b>	<b>3.8%</b>	<b>-6.3%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.2%</b>	<b>9.5%</b>	<b>10.0%</b>

Source: Company, PL Note – FY20 represents merged numbers

**Exhibit 8: We adjust earnings for new tax regime, lower credit cost and incorporate capital raising done in Q4FY21**

Earnings Estimate Changes (Rs mn)	Old		Revised		% Change	
	FY21E	FY22E	FY22E	FY23E	FY22E	FY23E
Net interest income	323,912	351,495	311,809	338,750	(3.7)	(3.6)
Operating profit	225,477	240,513	221,101	237,402	(1.9)	(1.3)
Net profit	52,878	60,966	71,059	81,969	34.4	34.5
Loan Growth (%)	6.1	8.0	4.1	6.1	(2.0)	(1.9)
Credit Cost (bps)	190.0	180.0	170.0	160.0	(20.0)	(20.0)
EPS (Rs)	10.2	11.8	13.7	15.8	34.4	34.5
ABVPS (Rs)	118.7	133.4	127.1	144.2	7.1	8.1
<b>Price target (Rs)</b>	<b>82</b>		<b>100</b>		<b>21.6</b>	
<b>Recommendation</b>	<b>BUY</b>		<b>BUY</b>			

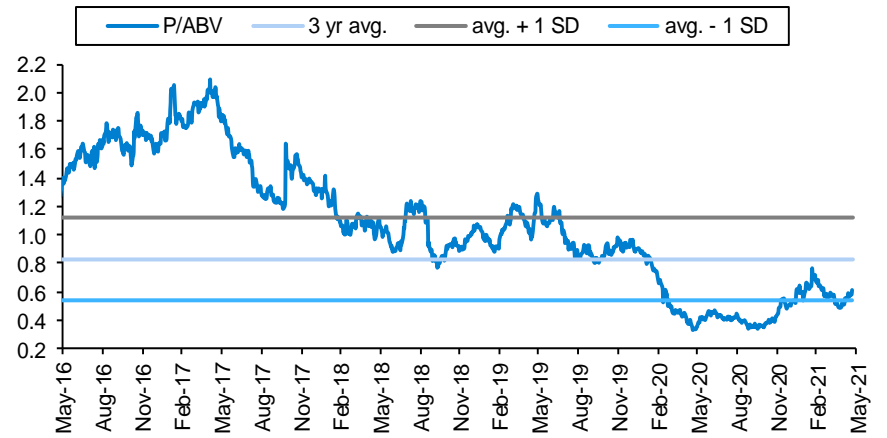
Source: Company, PL

**Exhibit 9: We revise our TP upwards to Rs100 (from Rs82) based on 0.7x FY23 ABV**

PT calculation and upside	
Terminal growth	5.0%
Market risk premium	7.0%
<b>Risk-free rate</b>	<b>6.3%</b>
Adjusted beta	1.09
<b>Cost of equity</b>	<b>13.9%</b>
<b>Fair price - P/ABV</b>	<b>100</b>
<b>Target P/ABV</b>	<b>0.7</b>
<b>Target P/E</b>	<b>6.3</b>
Current price, Rs	81
<b>Upside (%)</b>	<b>24%</b>
Dividend yield (%)	2%
<b>Total return (%)</b>	<b>26%</b>

Source: Company, PL

Exhibit 10: BOB - One year forward P/ABV trends



Source: Company, PL

**Income Statement (Rs. m)**

Y/e Mar	FY20	FY21	FY22E	FY23E
Int. Earned from Adv.	5,41,158	5,01,500	5,25,911	5,62,146
Int. Earned from invt.	1,80,974	1,70,771	1,79,968	2,07,632
Others	20,018	19,149	18,453	19,178
<b>Total Interest Income</b>	<b>7,59,837</b>	<b>7,05,930</b>	<b>7,41,921</b>	<b>8,05,985</b>
Interest Expenses	4,85,324	4,16,860	4,30,112	4,67,235
<b>Net Interest Income</b>	<b>2,74,513</b>	<b>2,89,070</b>	<b>3,11,809</b>	<b>3,38,750</b>
<i>Growth(%)</i>	46.9	5.3	7.9	8.6
Non Interest Income	1,03,173	1,23,644	1,29,827	1,40,213
<b>Net Total Income</b>	<b>3,77,686</b>	<b>4,12,714</b>	<b>4,41,636</b>	<b>4,78,963</b>
<i>Growth(%)</i>	53.9	(3.9)	5.1	8.5
Employee Expenses	87,695	1,09,673	1,22,833	1,37,573
Other Expenses	76,480	73,714	78,874	85,973
<b>Operating Expenses</b>	<b>1,80,772</b>	<b>2,00,654</b>	<b>2,20,535</b>	<b>2,41,561</b>
<b>Operating Profit</b>	<b>1,96,914</b>	<b>2,12,060</b>	<b>2,21,101</b>	<b>2,37,402</b>
<i>Growth(%)</i>	46.0	7.7	4.3	7.4
NPA Provision	1,65,171	1,24,078	1,22,473	1,21,054
<b>Total Provisions</b>	<b>2,05,893</b>	<b>1,52,468</b>	<b>1,26,103</b>	<b>1,27,817</b>
<b>PBT</b>	<b>(8,979)</b>	<b>59,593</b>	<b>94,998</b>	<b>1,09,585</b>
Tax Provision	(23,483)	47,271	23,940	27,615
<i>Effective tax rate (%)</i>	261.5	79.3	25.2	25.2
<b>PAT</b>	<b>14,504</b>	<b>12,322</b>	<b>71,059</b>	<b>81,969</b>
<i>Growth(%)</i>	84.6	(15.0)	476.7	15.4

**Balance Sheet (Rs. m)**

Y/e Mar	FY20	FY21	FY22E	FY23E
Face value	2	2	2	2
No. of equity shares	4,627	5,178	5,178	5,178
Equity	9,254	10,355	10,355	10,355
<b>Networth</b>	<b>7,18,562</b>	<b>7,70,457</b>	<b>8,42,911</b>	<b>9,14,525</b>
<i>Growth(%)</i>	40.9	7.2	9.4	8.5
Adj. Networth to NNPA's	2,15,766	2,18,000	1,76,899	1,53,223
<b>Deposits</b>	<b>94,59,844</b>	<b>96,69,969</b>	<b>1,01,53,468</b>	<b>1,09,65,745</b>
<i>Growth(%)</i>	48.1	2.2	5.0	8.0
CASA Deposits	33,38,237	36,80,270	37,13,242	39,00,644
<i>% of total deposits</i>	35.3	38.1	36.6	35.6
<b>Total Liabilities</b>	<b>1,15,79,155</b>	<b>1,15,53,648</b>	<b>1,21,92,225</b>	<b>1,31,65,199</b>
Net Advances	69,01,207	70,63,005	73,45,525	77,86,257
<i>Growth(%)</i>	47.2	2.3	4.0	6.0
Investments	27,46,146	26,12,203	29,68,557	34,21,619
<b>Total Assets</b>	<b>1,15,79,155</b>	<b>1,15,53,648</b>	<b>1,21,92,225</b>	<b>1,31,65,199</b>
<i>Growth (%)</i>	48.3	(0.2)	5.5	8.0

**Asset Quality**

Y/e Mar	FY20	FY21	FY22E	FY23E
Gross NPAs (Rs m)	6,93,814	6,66,704	6,13,464	5,58,045
Net NPAs (Rs m)	2,15,766	2,18,000	1,76,899	1,53,223
<i>Gr. NPAs to Gross Adv.(%)</i>	9.4	8.9	7.9	6.8
<i>Net NPAs to Net Adv. (%)</i>	3.1	3.1	2.4	2.0
<i>NPA Coverage %</i>	68.9	67.3	71.2	72.5

**Profitability (%)**

Y/e Mar	FY20	FY21	FY22E	FY23E
NIM	3.0	2.7	2.8	2.8
RoAA	0.1	0.1	0.6	0.6
RoAE	2.4	1.7	8.8	9.3
Tier I	10.7	12.0	13.0	13.5
CRAR	13.3	14.6	15.5	15.9

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Interest Income	1,84,944	1,79,176	1,74,967	1,66,845
Interest Expenses	1,16,781	1,04,101	1,00,200	95,779
<b>Net Interest Income</b>	<b>68,163</b>	<b>75,075</b>	<b>74,767</b>	<b>71,066</b>
<i>YoY growth (%)</i>	4.9	6.8	4.9	4.5
CEB	8,680	12,060	11,530	15,960
Treasury	-	-	-	-
Non Interest Income	18,183	28,023	28,955	48,484
<b>Total Income</b>	<b>2,03,127</b>	<b>2,07,199</b>	<b>2,03,922</b>	<b>2,15,329</b>
Employee Expenses	22,418	25,503	30,502	31,249
Other expenses	20,726	22,077	22,534	25,645
Operating Expenses	43,144	47,580	53,036	56,894
<b>Operating Profit</b>	<b>43,202</b>	<b>55,518</b>	<b>50,686</b>	<b>62,656</b>
<i>YoY growth (%)</i>	1.0	4.0	2.2	22.4
Core Operating Profits	-	-	-	-
NPA Provision	34,575	22,773	20,800	45,930
Others Provisions	56,277	30,016	34,347	35,860
<b>Total Provisions</b>	<b>56,277</b>	<b>30,016</b>	<b>34,347</b>	<b>35,860</b>
<b>Profit Before Tax</b>	<b>(13,075)</b>	<b>25,502</b>	<b>16,340</b>	<b>26,796</b>
Tax	(4,435)	8,716	5,729	37,261
<b>PAT</b>	<b>(8,640)</b>	<b>16,786</b>	<b>10,611</b>	<b>(10,465)</b>
<i>YoY growth (%)</i>	(221.3)	127.9	(175.4)	(306.6)
<b>Deposits</b>	<b>93,44,613</b>	<b>95,43,402</b>	<b>95,45,608</b>	<b>96,69,969</b>
<i>YoY growth (%)</i>	4.3	6.7	6.5	2.2
<b>Advances</b>	<b>68,66,718</b>	<b>66,98,511</b>	<b>69,86,516</b>	<b>70,63,005</b>
<i>YoY growth (%)</i>	8.4	5.1	6.8	2.3

**Key Ratios**

Y/e Mar	FY20	FY21	FY22E	FY23E
CMP (Rs)	81	81	81	81
EPS (Rs)	1.5	1.7	13.7	15.8
Book Value (Rs)	142	137	151	165
Adj. BV (70%)(Rs)	110	108	127	144
P/E (x)	53.8	47.7	5.9	5.1
P/BV (x)	0.6	0.6	0.5	0.5
P/ABV (x)	0.7	0.8	0.6	0.6
DPS (Rs)	-	-	-	2.0
<i>Dividend Payout Ratio (%)</i>	-	-	-	12.6
<i>Dividend Yield (%)</i>	-	-	-	2.5

**Efficiency**

Y/e Mar	FY20	FY21	FY22E	FY23E
<i>Cost-Income Ratio (%)</i>	47.9	48.6	49.9	50.4
<i>C-D Ratio (%)</i>	73.0	73.0	72.3	71.0
Business per Emp. (Rs m)	194	197	204	217
Profit per Emp. (Rs lacs)	2	1	8	9
Business per Branch (Rs m)	1,725	1,752	1,819	1,935
Profit per Branch (Rs m)	2	1	7	8

**Du-Pont**

Y/e Mar	FY20	FY21	FY22E	FY23E
NII	2.66	2.35	2.46	2.50
Total Income	3.66	3.35	3.48	3.53
Operating Expenses	1.75	1.63	1.74	1.78
PPoP	1.91	1.72	1.74	1.75
Total provisions	2.08	1.27	0.99	0.94
RoAA	0.05	0.07	0.56	0.60
RoAE	0.97	1.21	9.53	10.02

Source: Company Data, PL Research

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


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Apr-21	BUY	82	73
2	28-Jan-21	BUY	82	74
3	11-Jan-21	BUY	82	66
4	09-Oct-20	BUY	65	44
5	11-Aug-20	BUY	65	49
6	08-Jul-20	BUY	83	53

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	770	700
2	Bank of Baroda	BUY	82	73
3	Federal Bank	Accumulate	90	82
4	HDFC Bank	BUY	1,735	1,429
5	HDFC Life Insurance Company	Reduce	660	705
6	ICICI Bank	BUY	700	570
7	ICICI Prudential Life Insurance Company	Accumulate	504	452
8	IDFC First Bank	Reduce	48	57
9	IndusInd Bank	BUY	1,195	935
10	Kotak Mahindra Bank	Hold	1,900	1,725
11	Max Financial Services	Accumulate	995	890
12	Punjab National Bank	Accumulate	43	37
13	SBI Life Insurance Company	BUY	1,150	959
14	South Indian Bank	BUY	10	8
15	State Bank of India	BUY	480	401

**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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