

Industry Financial  
Bloomberg IIB IN  
BSE CODE 532187

## Higher provisioning dented profitability

<b>RATING</b>	<b>NEUTRAL</b>
<b>CMP</b>	<b>1601</b>
<b>Price Target</b>	<b>1611</b>
<b>Potential Upside</b>	<b>1%</b>

<b>Rating Change</b>	↔
<b>Estimate Change</b>	↔
<b>Target Change</b>	↔

### Stock Info

52wk Range H/L	2038/1334
Mkt Capital (Rs Cr)	96,381
Free float (%)	83%
Avg. Vol 1M (,000)	1,623
No. of Shares (Cr)	60
Promoters Pledged %	27%

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### Key Highlights -

- Corporate loan book (61% of the bank's loan book) has registered healthy growth of 39%. Consumer loan book (39% of the bank's loan book) has picked up well to grow at 28% in Q3FY19. Currently, the bank loan book is growing at a CAGR of 27% over 5 years.
- NIM of the bank is continuously on the declining trend due to higher cost of deposit. Benefit of MCLR increase is likely to accrue in FY20.
- Asset quality remained stable with GNPA at 1.13%, which is lowest in the industry. IIB has IL&FS exposure of about Rs 3000 Cr, out of which Rs 2000 is of the holding company. It has made provisioning of 30% in holding company exposure and management expects LGD in the range of 40-50%.
- Earnings of IIB have come under pressure due to NIM contraction as well as higher credit cost. IL&FS exposure will keep the FY19 earnings under pressure.

### 3Q FY19 Results

IIB reported dismal Q3FY19 numbers as per our expectations. IIB's PAT grew lower at 5% YoY due to higher contingent provisioning. NII growth was in line with our expectation and grew by 21% backed by healthy loan growth of 35% YoY. Other income grew by 24% YoY driven by higher treasury gain. C/I ratio increased by 25 bps QoQ at 43.7% on account of higher opex. Operating profit grew by 27% YoY. NIM remained stable at 3.83%. Provisions were increased by 157% YoY to Rs 607 Cr due to contingent provision of Rs 255 Cr made during the quarter. Slippages stood at Rs 806 Cr. GNPA/NNPA ratio increased by 4 bps/11 bps and stood at 1.13%/0.59%.

### View and Valuation

Earnings of IIB have been continuously impacted due to higher provisions on stressed IL&FS exposure. Management has provided 30% provisions on the holding company exposure of Rs 2000 Cr and expect LGD of between 40-50%, hence the remaining provisions is likely to be provided in 4Q FY19 which will keep the profitability under pressure. Exposure of IL&FS is under SMA category and is likely to slip into NPA in 4Q FY19. Sequentially NIM was stable but remains under pressure due to rise in cost of fund. Corporate yield has catch up with the rising cost but consumer yield lag behind due to fixed in nature. Improvement in NIM is likely to come with lag effect in FY20. Advances growth has been robust but deposits growth remains a concern. Regulatory approval for merger with Bharat Financials is likely to happen soon. We will factor the implication in our model once final approval is done. We largely maintain our earnings estimates and remain NEUTRAL with the target price of Rs 1611 at 3X BVPS FY20e.

### Key Risks to our rating and target

- Significant increase in bond yields implying a rise in cost of funds.
- Deterioration in assets quality will increase credit cost.

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
NII	4517	6063	7497	9028	11497
PPP	4141	5451	6656	8269	10553
PAT	2286	2868	3606	3949	5613
NIM %	3.8	4.1	4.0	3.9	4.0
EPS (Rs)	38	48	60	66	94
EPS growth (%)	13	25	25	10	42
ROE (%)	16.1	15.0	16.2	15.5	18.9
ROA (%)	1.8	1.8	1.8	1.6	1.8
BV	297	345	397	454	537
P/B (X)	3.2	4.1	4.5	3.5	3.0
P/E (x)	25.1	29.4	29.9	24.3	17.1

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## 3Q FY19 Results NII-In line with expectation

## NIM- Under pressure

Financials	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY %	QoQ%	FY17	FY18	YoY %
Interest Inc.	4,287	4,650	5,068	5,438	5,763	34.4%	6.0%	14,406	17,281	20.0%
Interest Exp.	2,392	2,643	2,946	3,235	3,475	45.3%	7.4%	8,343	9,783	17.3%
NII	1,895	2,008	2,122	2,203	2,288	20.8%	3.8%	6,063	7,497	23.7%
Other Income	1,187	1,209	1,302	1,317	1,469	23.8%	11.5%	4,171	4,750	13.9%
Total Income	3,082	3,216	3,424	3,521	3,757	21.9%	6.7%	10,234	12,248	19.7%
Opex	1,417	1,447	1,513	1,528	1,640	15.7%	7.3%	4,783	5,591	16.9%
PPP	1,665	1,769	1,911	1,992	2,117	27.2%	6.2%	5,451	6,656	22.1%
Provisions	236	336	350	590	607	156.9%	2.8%	1,091	1,175	7.7%
PBT	1,429	1,434	1,561	1,402	1,510	5.7%	7.7%	4,360	5,481	25.7%
Tax	492	481	525	482	525	7%	9.0%	1,492	1,875	25.7%
Net Profit	936	953	1,036	920	985	5.2%	7.0%	2,868	3,606	26%

### NIM under pressure.

NII grew by 21% mainly driven by the robust advances growth. NIM declined by 16 bps YoY at 3.83% due to rise in cost of fund by 78 bps YoY and only 62 bps YoY increase in yield on total assets. Yield on advances increased by 48 bps on account of hike in MCLR rate by 90 bps over the last one year. Yield on Corporate book increased by 86 bps YoY and yield on Consumer finance increased by only 8 bps YoY. On the other hand cost of deposit increased by 81 bps YoY. We expect NIM to be under pressure in short term due to the rising cost.

### Strong advances growth.

Advances grew by 6%/35% on QoQ/YoY basis driven by growth in across all the segments. The corporate loan book (61% of the book) growth has continued to remain healthy over the past few quarters owing to the management's sustained focus on increasing market share. Within the corporate loan book, large corporate grew 39%, mid-corporate grew 34% and small corporate grew 49% on YoY basis during the quarter. Consumer finance book (39% of the book) grew by 28% YoY driven by healthy growth of 30% in non vehicle finance portfolio and 27% growth in vehicle finance portfolio. CV portfolio grew by 30% YoY. Tractor grew by 32% and Equipment financing grew by 38% YoY.

Deposits during the quarter grew at 4%/20% on QoQ/YoY basis. CASA ratio remained stable at 44%. Saving deposit has been declined by 2% QoQ due to the bank has lost some government deposit which is transitory and will come back and similarly on current deposit the bank saw growth of 19% QoQ, which is a short term spike and is not sustainable going forward.

### Slippages were elevated during the quarter.

Slippages during the quarter increased sequentially by 92% to Rs 806 Cr, due to deterioration in the asset quality of Corporate segment. Slippages in the corporate book stood at Rs 458 Cr, whereas slippages in the Consumer segment stood at Rs 348%. GNPA/NNPA ratio stood at 1.13%/0.59%. Restructured advances stood at 11 bps. Sale to ARC during the quarter stood at Rs 134 Cr. The bank has total IL&FS exposure of Rs 3000 Cr, out of which Rs 2000 Cr is from the holding company. Total provisioning of Rs 600 Cr has been done, which is 30% of the holding company exposure of Rs 2000 Cr. The exposure is standard till date on the books but is SMA accounts. The provision on IL&FS is likely to remain high on 4Q FY19. The bank had written off Rs 345 Cr during the quarter for tax benefit purpose. It has reduced the provision coverage ratio to 48% from 56% in Q2FY19. PCR is expected to be maintained at 60% going ahead.

### Other highlights:

Other income increased by 24% YoY led by 85% increase in the treasury gain on account of fall in bond yield. Fee income increased by 18% YoY led by increase in general banking fees, foreign exchange income & loan processing fees.

CAR ratio remained stable at 14.3%. Tier 1 capital stood at 13.8.

## Concall Highlights

- ❑ **Macro font** –The industry seems to have pretty developed and steady bank credit growth trending 14-15% supported by shift in bonds and NBFC lending to the banks.
- ❑ More capital for the PCA banks in the future will provide more liquidity to sustain credit growth.
- ❑ NBFC and related real estate is likely to have slower credit growth in the near term but manufacturing, mining and some capex could lead to the credit growth.
- ❑ Market liquidity is still negative and in deficit mode and the indicator of that is overnight call rates are in excess of the repo rate which is 6.5%.

### On Company-

- ❑ Credit cost for the quarter is at 18 bps and for nine month period cost is 40 bps. Management expects overall credit cost of 60 bps for FY19.
- ❑ The retail growth is entirely organic growth and there are no buyouts.
- ❑ The vehicle sales number has been sluggish but disbursement of IIB has been higher.
- ❑ Distribution fee income flattened during the quarter due to change in the regulatory norm. Processing fee has 40% retail and 60% corporate.
- ❑ On the IL&FS exposure, bank provided Rs 255 Cr of provisions during the quarter. Floating provision of Rs 70 Cr has been utilized and hence total provisions provided on it is Rs 600 Cr which is 30% of the holding company exposure of Rs 2000 Cr. Management expects LGD on this exposure to be around 40-50% as there is certain assets linked to holding company and its valuation is under assessment. On the SPV exposure of Rs 1000 Cr management don't expect any haircut. Both the exposure is standard till date on the books but is SMA accounts. The provision on IL&FS is likely to remain high on 4Q FY19.
- ❑ Slippage in the corporate book which is around Rs 460 Cr, due to slippages in three accounts which are all mid cap accounts and is two digit numbers and 2 of them are from EPC construction.
- ❑ The bank had written off Rs 345 Cr during the quarter for tax benefit purpose. It has reduced the provision coverage ratio to 48% from 56% in Q2FY19. PCR is expected to be maintained at 60% going ahead.
- ❑ Corporate growth has been very strong for the last 3 quarters. In steel sharp reduction was because the bank has financed one specific NCLT steel company acquisition, which got repaid and refinanced subsequently in other banks. Power exposure has gone up because certain approved exposure given to some PSU companies.
- ❑ On deposit front, saving side has been declined by 2% QoQ due to the bank has lost some government deposit which is transitory and will come back and similarly on current deposit the bank saw a short term spike which is not sustainable.
- ❑ Most of the book in retail are on fixed especially the vehicle finance and the LAP portfolio.
- ❑ Customer base has been expanded and the bank has added 1 million customers this quarter to take total customer base to 14 million.
- ❑ RBI has completed its audit and the bank has no divergence to report for the FY18.
- ❑ 99.9% of the shareholders supported the Bharat financial merger.

## Profitability Matrix

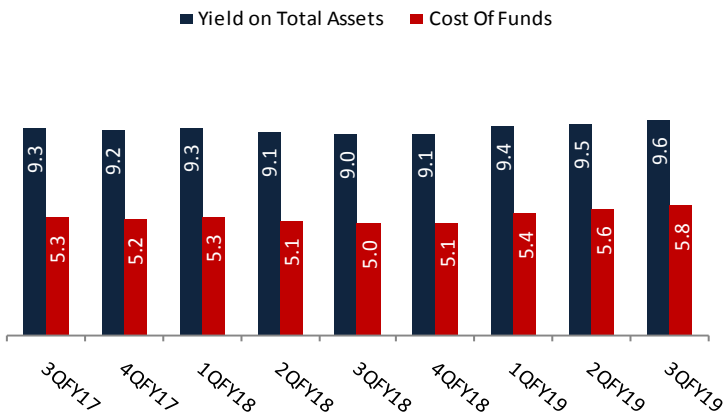
	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
C/I Ratio %	46.0	45.7	46.0	45.0	44.2	43.4	43.7	-2.33	0.25
Empl. Cost/ Tot. Exp. %	31.2	32.4	32.5	31.3	30.5	30.0	27.6	-4.90	-2.42
Other Exp/Tot. Exp.%	68.8	67.6	67.5	68.7	69.5	70.0	72.4	4.90	2.42
Provision/PPP %	19.5	18.0	14.2	19.0	18.3	29.6	28.7	14.47	-0.97
Tax Rate %	34.6	34.3	34.5	33.5	33.7	34.4	34.8	0.32	0.41
Int Exp./Int Inc. (%)	57.1	56.7	55.8	56.8	58.1	59.5	60.3	4.50	0.82
Other Inc./Net Inc. %	39.7	39.5	38.5	37.6	38.0	37.4	39.1	0.59	1.68
PAT/ Net Income %	28.4	29.3	30.4	29.6	30.2	26.1	26.2	-4.16	0.08
RoE %	16.2	16.5	17.0	16.6	17.3	17.6	18.0	1.08	0.41
RoA %	1.9	1.9	2.0	1.9	1.9	1.9	1.9	-0.07	0.00

## Margin Performance

Margin %	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
Yield on Advances	11.5	11.3	11.0	9.1	11.2	11.4	11.5	0.48	0.08
Yield (Corp. Loan)	9.5	9.1	9.0	9.1	9.2	9.7	9.8	0.86	0.13
Yield (Ret. Loans)	14.5	14.4	14.0	13.9	13.9	14.1	14.1	0.08	0.04
Yield (Total Assets)	9.3	9.1	9.0	9.1	9.4	9.5	9.6	0.62	0.16
Cost of Deposits	6.2	5.9	5.9	6.0	6.2	6.5	6.7	0.81	0.20
Cost Of Funds	5.3	5.1	5.0	5.1	5.4	5.6	5.8	0.78	0.17
NIM	4.0	4.0	4.0	4.0	3.9	3.8	3.8	-0.16	-0.01

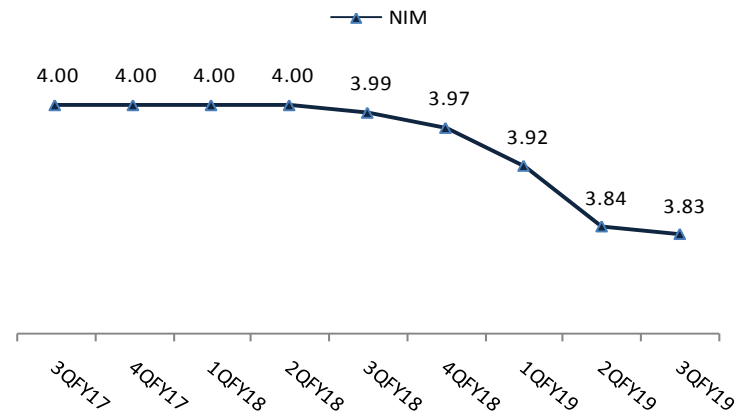
### Exhibit: Yield and Cost

Both yield on total assets and cost of fund increased.



### Exhibit: Net Interest Margin

NIM continued to decline.

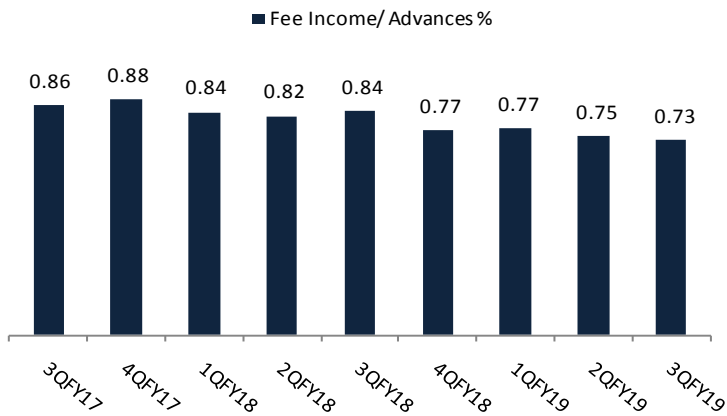


## Other Income Break Up- smart growth in distribution income

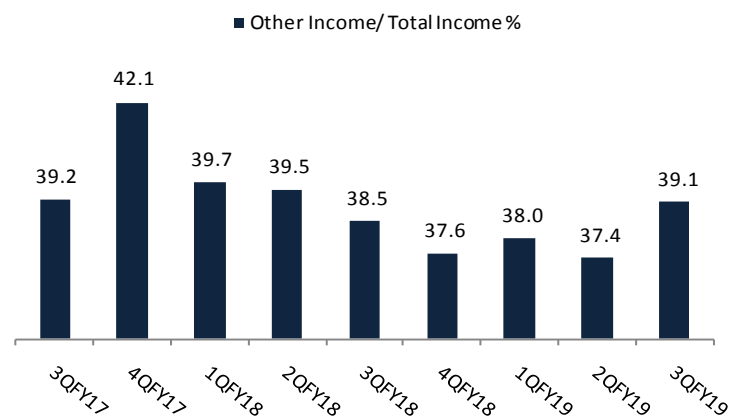
	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Trade and Remit.	106	121	131	128	127	153	141	151	155
Foreign Exchange Income	179	170	198	183	202	197	228	223	275
Distribution Fees	181	241	210	237	256	273	278	280	268
General Banking Fees	64	63	64	65	70	65	80	91	91
Loan Processing fees	195	243	196	214	242	228	230	260	276
Investment Banking	160	159	175	186	180	197	208	213	201
<b>Total Fee-Based In.</b>	<b>885</b>	<b>997</b>	<b>974</b>	<b>1013</b>	<b>1077</b>	<b>1113</b>	<b>1165</b>	<b>1218</b>	<b>1266</b>
Growth YoY %	21.9	28.8	24.6	22.7	21.7	11.6	19.6	20.2	17.5
Securities/MM/FX	132	215	193	175	110	95	137	99	203
<b>Total Other Income</b>	<b>1017</b>	<b>1212</b>	<b>1167</b>	<b>1188</b>	<b>1187</b>	<b>1208</b>	<b>1302</b>	<b>1302</b>	<b>1469</b>
Growth YoY %	21.2	32.8	19.9	22.4	16.7	-0.3	11.6	10.9	23.8

## Exhibit: Fee Income/Advances %

Diversified



## Exhibit: Other Income/ Total Income %



## Asset Quality

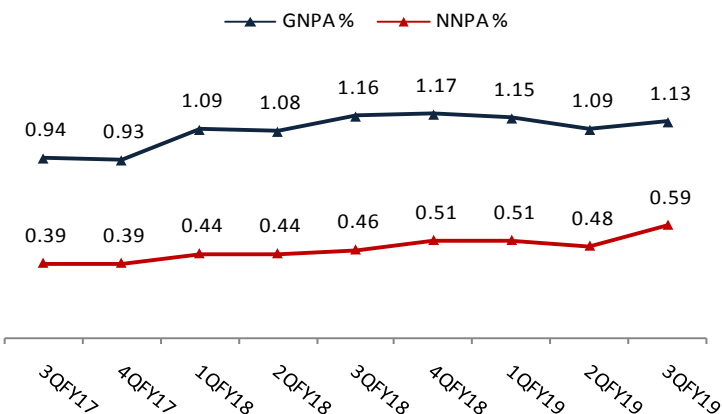
	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	1,272	1,346	1,499	1,705	1,741	1,781	1,968	31%	10%
GNPA %	1.09	1.08	1.16	1.17	1.15	1.09	1.13	-0.03	0.04
NNPA (Rs in Cr)	508	537	592	746	762	788	1,029	74%	31%
NNPA %	0.44	0.44	0.46	0.51	0.51	0.48	0.59	0.13	0.11
Slippages (Rs in Cr)	608	498	408	860	475	419	806	98%	92%
Restructured Assets %	0.17	0.16	0.15	0.05	0.05	0.11	0.11	-0.04	0.00
Net Stress Asts. (Rs in Cr)	707	735	786	819	838	969	1,221	55%	26%
Specific PCR %	60	60	61	56	56	56	48	-12.81	-8.06

## GNPA Composition (%) – Consumer Finance Segment

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Comm Vehicle	1.02	0.97	1.12	1.02	0.93	0.99	0.91	0.93	1.05
Utility	1.07	1.12	1.42	1.37	1.25	1.28	1.38	1.32	1.32
Construction Equip	1.24	1.18	1.07	0.97	1.06	1.07	0.88	0.73	0.76
Small CV	0.83	0.90	1.33	1.10	1.22	1.27	1.09	1.27	1.32
TW	3.60	3.52	3.55	3.55	3.78	3.81	3.67	3.87	3.60
Cars	0.75	0.66	0.74	0.68	0.62	0.67	0.69	0.80	0.82
LAP/HL/PL	0.81	0.87	1.02	0.37	0.56	0.59	0.39	0.60	0.41
Tractor	0.28	0.37	0.85	1.06	1.15	1.29	1.20	1.72	1.46
Cards	1.62	1.34	1.21	1.48	1.65	1.61	1.77	1.78	1.90
Total	1.16	1.12	1.25	1.19	1.10	1.13	1.04	1.13	1.12

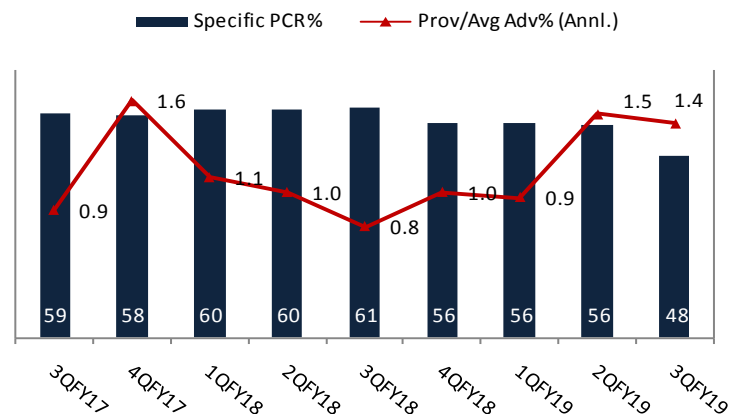
## Exhibit: Asset Quality

Assets quality impacted



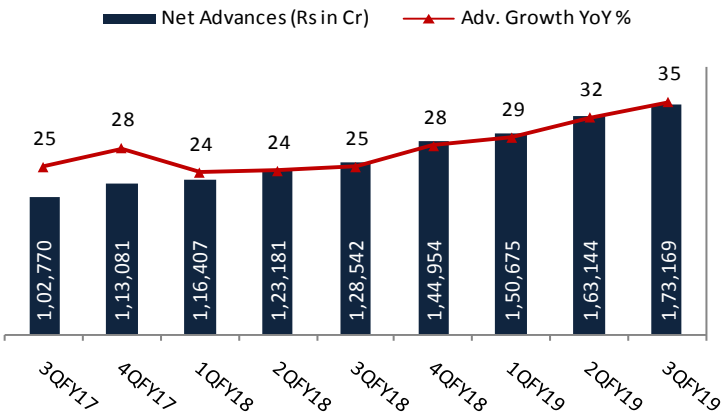
## Exhibit: Provisions

PCR declined



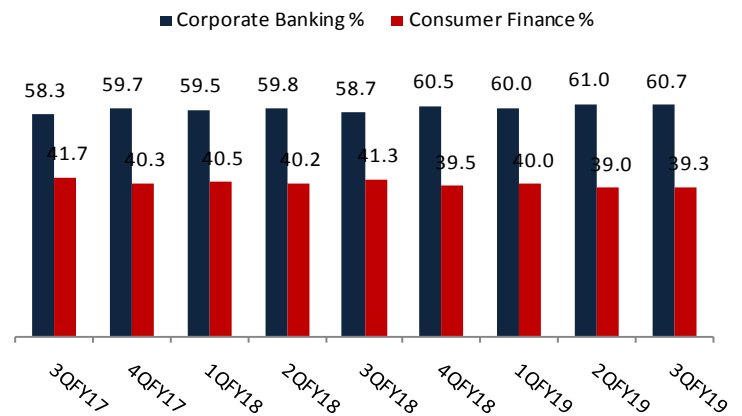
## Exhibit: Advances Performance

Healthy growth in advances continues



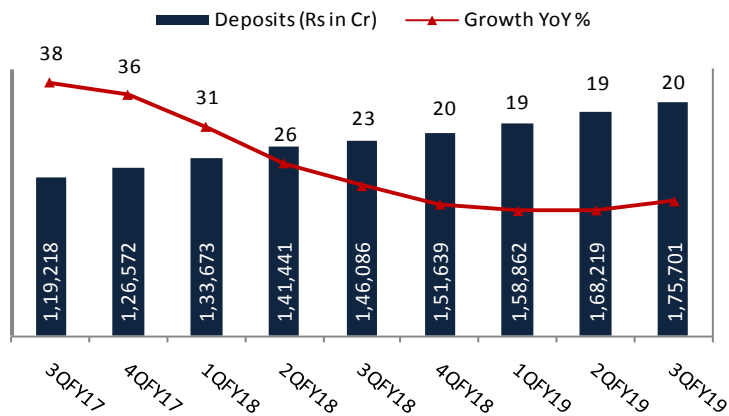
## Exhibit: Advances Breakup%

Portfolio has slightly tilted towards corporate profile



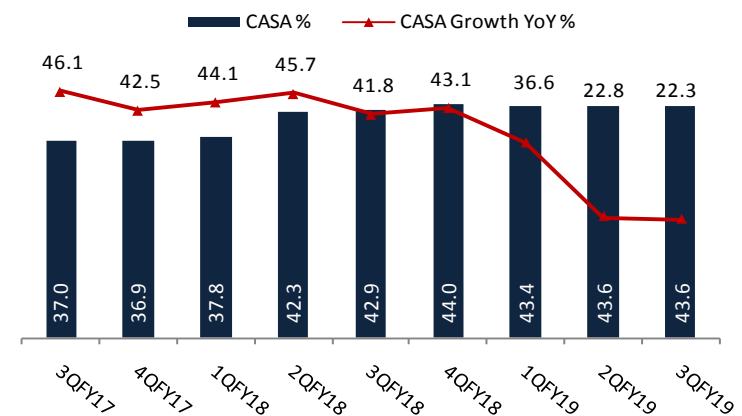
## Exhibit: Deposits Performance

Slower deposits growth



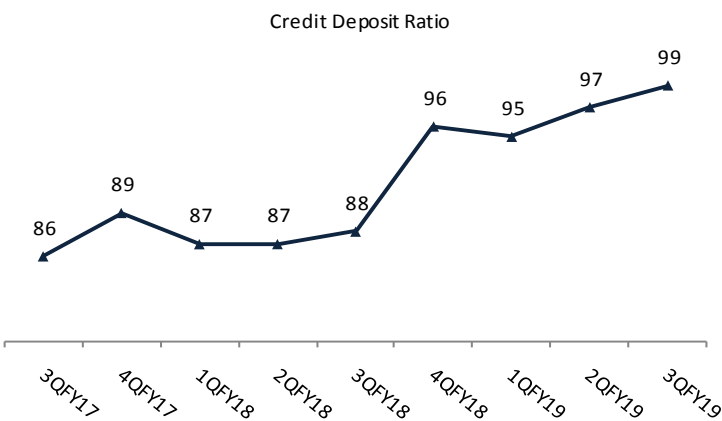
## Exhibit: CASA Performance

CASA ratio declined



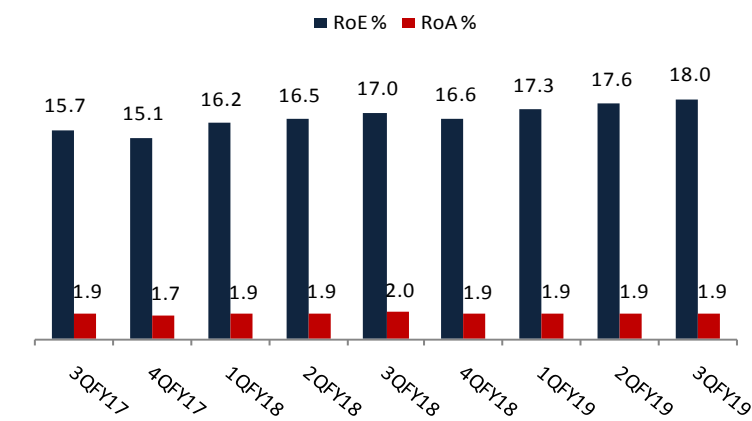
## Exhibit: Credit Deposit Ratio

Improving



## Exhibit: Return Ratios

Improving return ratio profile.



## Financial Details

### Balance Sheet

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<b>Share Capital</b>	<b>523</b>	<b>526</b>	<b>529</b>	<b>595</b>	<b>598</b>	<b>600</b>	<b>600</b>	<b>600</b>
>> Equity Capital	523	526	529	595	598	600	600	600
>> Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	7107	8517	10115	17101	20048	23241	26650	31615
<b>Networth</b>	<b>7630</b>	<b>9043</b>	<b>10645</b>	<b>17696</b>	<b>20646</b>	<b>23842</b>	<b>27250</b>	<b>32215</b>
Deposits	54117	60502	74134	93000	126572	151639	186991	231868
Change (%)	28	12	23	25	36	20	23	24
>> CASA Deposits	15868	19691	25300	32724	46646	66729	80406	104341
Change (%)	37	24	28	29	43	43	20	30
Borrowings	9460	14762	20618	22156	22454	38289	48244	59822
Other Liabilities & Provisions	2100	2719	6390	7205	8976	7856	9350	11593
<b>Total Liabilities</b>	<b>73307</b>	<b>87026</b>	<b>111787</b>	<b>140057</b>	<b>178648</b>	<b>221626</b>	<b>271834</b>	<b>335499</b>
Cash & Bank	6849	6769	10779	10112	18628	13215	14827	17302
Investments	19654	21563	22878	31214	36702	50077	54227	67242
Change (%)	35	10	6	36	18	36	8	24
Advances	44321	55102	68788	88419	113081	144954	186991	231868
Change (%)	26	24	25	29	28	28	29	24
Fixed Assets	756	1016	1158	1255	1335	1339	1406	1476
Other Assets	1727	2575	8184	9057	8902	12041	14384	17610
<b>Total Assets</b>	<b>73307</b>	<b>87026</b>	<b>111787</b>	<b>140057</b>	<b>178648</b>	<b>221626</b>	<b>271834</b>	<b>335499</b>

### Income Statement

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Interest income	6,983	8,254	9,692	11,581	14,406	17,281	22,426	28,737
Interest expended	4,750	5,363	6,272	7,064	8,343	9,783	13,398	17,240
<b>Net Interest Income</b>	<b>2,233</b>	<b>2,891</b>	<b>3,420</b>	<b>4,517</b>	<b>6,063</b>	<b>7,497</b>	<b>9,028</b>	<b>11,497</b>
Change (%)	31	29	18	32	34	24	20	27
Other Income	1,363	1,891	2,404	3,297	4,171	4,750	5,584	7,011
Change (%)	35	39	27	37	27	14	18	26
>> Core Fee Income	1,239	1,610	2,087	2,772	3,489	4,177	4,977	6,438
>> Treasury Income	112	263	317	487	683	573	607	573
>> Others	12	18	-	37	(1)	0	(0)	-
<b>Total Net Income</b>	<b>3,596</b>	<b>4,781</b>	<b>5,824</b>	<b>7,814</b>	<b>10,234</b>	<b>12,248</b>	<b>14,612</b>	<b>18,508</b>
Operating Expenses	1,756	2,185	2,726	3,672	4,783	5,591	6,343	7,955
Change (%)	31	24	25	35	30	17	13	25
>> Employee Expenses	661	809	980	1,236	1,521	1,781	1,861	2,374
<b>Pre-provisioning Profit</b>	<b>1,839</b>	<b>2,596</b>	<b>3,098</b>	<b>4,141</b>	<b>5,451</b>	<b>6,656</b>	<b>8,269</b>	<b>10,553</b>
Change (%)	34	41	19	34	32	22	24	28
Provisions	263	468	389	672	1,091	1,175	2,245	2,048
Change (%)	46	78	(17)	73	62	8	91	(9)
PBT	1,576	2,128	2,709	3,469	4,360	5,481	6,024	8,504
Tax	515	720	915	1,183	1,492	1,875	2,075	2,892
<b>Profit After Tax</b>	<b>1,061</b>	<b>1,408</b>	<b>1,794</b>	<b>2,286</b>	<b>2,868</b>	<b>3,606</b>	<b>3,949</b>	<b>5,613</b>
Change (%)	32	33	27	27	25	26	10	42



## Financial Details

### Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<b>Balance Sheet Metrics</b>								
Loan Growth (%)	26	24	25	29	28	28	29	24
Deposit Growth (%)	28	12	23	25	36	20	23	24
C/D Ratio (%)	81.9	91.1	92.8	95.1	89.3	95.6	100.0	100.0
CASA (%)	29.3	32.5	34.1	35.2	36.9	44.0	43.0	45.0
Investment/Deposit (%)	36.3	35.6	30.9	33.6	29.0	33.0	29.0	29.0
CRAR (%)	15	14	12	16	15	15	14	14
>> Tier 1 (%)	13.8	12.7	11.2	14.9	14.7	14.6	12.8	12.3
>> Tier 2 (%)	1.6	1.1	0.9	0.6	0.6	0.4	0.5	0.5

### Assets Quality Metrics

Gross NPA (Rs)	459	621	563	777	1,055	1,705	3,896	4,538
Gross NPA (%)	1.0	1.1	0.8	0.9	0.9	1.2	2.1	1.9
Net NPA(Rs)	137	184	210	322	439	746	1,753	1,815
Net NPA (%)	0.3	0.3	0.3	0.4	0.4	0.5	0.9	0.8
Slippages (%)	1	1	1	1	1	2	2	1
Provision Coverage (%)	70	70	63	59	58	56	55	60
Provision/Average Advances (%)	0.7	0.9	0.6	0.9	1.1	0.9	1.4	1.0

### Margin Metrics

Yield On Advances (%)	14.1	13.3	12.5	11.8	11.4	10.6	11.1	11.5
Yield On Investment (%)	7.5	7.2	7.6	6.6	7.3	7.1	7.0	7.0
Yield on Earning Assets (%)	11.4	11.0	10.5	9.8	9.6	9.3	9.6	9.9
Cost Of Deposits (%)	8.3	7.6	7.7	6.8	6.3	5.8	6.3	6.5
Cost Of Funds (%)	8.1	7.6	7.2	6.5	6.1	5.6	6.1	6.4
Spread (%)	3.3	3.5	3.3	3.3	3.5	3.7	3.5	3.5
NIM (%)	3.7	3.9	3.7	3.8	4.1	4.0	3.9	4.0

### Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	68.0	65.0	64.7	61.0	57.9	56.6	59.7	60.0
Fee Income/NII (%)	55.5	55.7	61.0	61.4	57.6	55.7	55.1	56.0
Cost to Income (%)	48.8	45.7	46.8	47.0	46.7	45.7	43.4	43.0
Cost on Average Assets (%)	2.9	2.9	2.9	3.1	3.2	3.0	2.7	2.7
Tax Rate (%)	32.7	33.8	33.8	34.1	34.2	34.2	34.4	34.0

### Valuation Ratio Metrics

EPS (Rs)	20.3	26.8	33.9	38.4	47.9	60.1	65.8	93.5
Change (%)	18.3	32.0	26.4	13.4	24.8	25	9.5	42.1
ROAE (%)	17.2	16.9	18.2	16.1	15.0	16.2	15.5	18.9
ROAA (%)	1.6	1.8	1.8	1.8	1.8	1.8	1.6	1.8
Dividend Payout (%)	14.8	13.1	11.8	11.7	12.5	12.5	13.7	11.2
Dividend yield (%)	0.7	0.7	0.5	0.5	0.4	0.4	0.6	0.7
Book Value (Rs)	146.0	172.1	201.0	297.4	345.2	397.2	454.0	536.7
Change (%)	44	18	17	48	16	15	14	18
ABVPS (Rs)	143	169	197	292	338	385	425	506
P/B (X)	0.6	0.6	4.4	3.2	4.1	4.5	3.5	3.0
P/E (X)	4.0	3.7	26.2	25.1	29.4	29.9	24.3	17.1



## Financial Details

### Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<i>Interest Income</i>	10.3	9.7	9.2	9.0	8.6	9.1	9.5
<i>Interest expended</i>	6.7	6.3	5.6	5.2	4.9	5.4	5.7
<b><i>Net Interest Income</i></b>	<b>3.6</b>	<b>3.4</b>	<b>3.6</b>	<b>3.8</b>	<b>3.7</b>	<b>3.7</b>	<b>3.8</b>
<i>Non-Fund Based Income</i>	2.4	2.4	2.6	2.6	2.4	2.3	2.3
>> Core Fee Income	2.0	2.1	2.2	2.2	2.1	2.0	2.1
>> Trading and Other Income	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>
Core Operating Income	5.6	5.5	5.8	6.0	5.8	5.7	5.9
<b><i>Total Income</i></b>	<b>6.0</b>	<b>5.9</b>	<b>6.2</b>	<b>6.4</b>	<b>6.1</b>	<b>5.9</b>	<b>6.1</b>
Total Operating Expenses	2.7	2.7	2.9	3.0	2.8	2.6	2.6
>> Employee Expenses	1.0	1.0	1.0	1.0	0.9	0.8	0.8
>> Other Expenses	1.7	1.8	1.9	2.0	1.9	1.8	1.8
<b><i>Operating Profit</i></b>	<b>3.2</b>	<b>3.1</b>	<b>3.3</b>	<b>3.4</b>	<b>3.3</b>	<b>3.4</b>	<b>3.5</b>
Provisions	0.6	0.4	0.5	0.7	0.6	0.9	0.7
Others	-	-	-	-	-	-	-
PBT	2.7	2.7	2.8	2.7	2.7	2.4	2.8
Tax	0.9	0.9	0.9	0.9	0.9	0.8	1.0
<b><i>PAT/RoAA</i></b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.6</b>	<b>1.8</b>
<i>Equity Multiplier (x)</i>	9.6	10.1	8.9	8.3	9.0	9.7	10.2
<b><i>ROAE</i></b>	<b>16.9</b>	<b>18.2</b>	<b>16.1</b>	<b>15.0</b>	<b>16.2</b>	<b>15.5</b>	<b>18.9</b>

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