

Industry	Financial
Bloomberg	AXSB IN
BSE CODE	532215

Assets Quality Continues to Improve

RATING	BUY
CMP	610
Price Target	694
Potential Upside	14%

Rating Change	↔
Estimate Change	↔
Target Change	↑

Stock Info

52wk Range H/L	677/478
Mkt Capital (Rs Cr)	156,719
Free float (%)	65%
Avg. Vol 1M (000)	12,540
No. of Shares (Cr)	257
Promoters Pledged %	0%

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Key Highlights -

- BB and below rated portfolio declined to 1.94% vs 2.36% sequentially. Management is confident of no major additions to the stress pool going ahead. Slippages during the quarter have been the lowest in last 10 quarters and majority of the slippages has been from the stress pool disclosed.
- With the pick-up in resolution process, assets quality is expected to improve significantly by FY20. AXSB has one of the highest PCR among the peers at 73% hence with receding pain over slippages; credit cost is expected to benign going ahead.
- NIM is expected to improve with lower slippages, MCLR reset and improving pricing power. While the cost of fund is also increasing but we expect yield improvement to be much better than cost increase.
- Mr. Amitabh Chaudhry has been appointed as new MD & CEO of the bank by RBI effective from January 2019. Strategy of new MD and stability in senior level management will be key to watch going ahead.

2Q FY19 Results

AXSB NII was in line with our estimate, but PAT missed our estimate mainly due to lower other income. NII grew by 15% YoY, which is the highest in last 10 quarters. NIM declined by 9 bps YoY at 3.36%. Fee income grew by 9% YoY. Total net income grew at 11% YoY and operating expenses grew at 14% YoY, which led the C/I ratio to increase to 48.2% from 47% a year back. Slippages declined by 36% QoQ to Rs 2777 Cr. GNPA/NNPA ratio stood at 5.96%/2.54% vs 6.52%/3.09% a quarter back. Advances grew by 11% YoY.

View and Valuation

Assets quality has been improving with moderating slippages as well as with good traction in recovery & up-gradation. Stress pool (BB & below rated) has been declining impressively and management feels fairly confident that there would not be any major downgrades to be added to this pool as most of the stress assets has been recognized as NPA. We believe improvement in assets quality will continue to improve going ahead. Pick up in resolution process of stress assets will add benefit in P&L also. After the peak of credit cost at 3.6% in FY18, we expect it to gradually come under 1% in FY20. NIM is likely to improve due to MCLR reset, lower slippages and improving pricing power. We largely maintain our estimates. Improving assets quality and decline in credit cost is likely to boost profitability and hence valuation multiple is expected to get re-rated. However AXSB is in management transition phase and we wait for the transition to get normalize before any significant change in valuation. We maintain BUY with the target price of Rs 694 at 2.2x P/B FY20e.

Key Risks to our rating and target

- Slower than expected resolution in IBC cases
- Any instability in top level management

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
NII	16833	18093	18618	21865	28220
PPP	16104	17585	15594	18188	23392
PAT	8224	3679	276	6025	12394
NIM %	3.6	3.4	3.1	3.2	3.5
EPS (Rs)	35	15	1	23	47
EPS growth (%)	11	-55	-93	2086	102
ROE (%)	16.8	6.8	0.5	9.1	16.3
ROA (%)	1.7	0.7	0.0	0.8	1.5
BV	223	233	247	270	316
P/B (X)	2.0	2.1	2.1	2.3	1.9
P/E (x)	12.9	31.9	473.9	26.0	12.9

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2Q FY19 Results
NII in-line with expectation
Healthier PCR

Financials	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	YoY %	QoQ%	FY17	FY18	YoY %
Interest Inc.	11,235	11,722	11,771	12,777	13,281	18.2%	3.9%	44,542	45,780	2.8%
Interest Exp.	6,695	6,990	7,041	7,610	8,049	20.2%	5.8%	26,449	27,163	2.7%
NII	4,540	4,732	4,730	5,167	5,232	15.3%	1.3%	18,093	18,618	2.9%
Other Income	2,586	2,593	2,789	2,925	2,678	3.6%	-8.4%	11,691	10,967	-6.2%
Total Income	7,125	7,325	7,519	8,092	7,910	11.0%	-2.2%	29,784	29,585	-0.7%
Ope Exp.	3,348	3,471	3,847	3,720	3,816	14.0%	2.6%	12,200	13,990	14.7%
PPP	3,777	3,854	3,672	4,372	4,094	8.4%	-6.4%	17,585	15,594	-11.3%
Provisions	3,140	2,811	7,180	3,338	2,927	-6.8%	-12.3%	12,117	15,473	27.7%
PBT	637	1,043	(3,507)	1,034	1,167	83.2%	12.8%	5,468	122	-97.8%
Tax	205	316	(1,319)	333	377	84%	13.1%	1,788	(154)	-109%
Net Profit	432	726	(2,189)	701	790	82.6%	12.6%	3,679	276	-93%

NIM is expected to improve going ahead

NII grew at the run rate of 15% YoY, which is highest in last 10 quarters due. Global NIM declined by 10 bps/9 bps on QoQ/YoY, while domestic NIM declined by 8 bps/12 bps on QoQ/YoY. However adjusted for one-off of 17 bps last quarter, NIM improved by 7 bps QoQ. Overall cost of fund has increased by 11 bps/16 bps on QoQ/YoY basis. The bank has increased MCLR by 50 bps in the last 3 quarters and 54% of advances are now linked to MCLR. With the existing MCLR accounts to continue to get reset at higher level of new MCLR, lower slippages and improving pricing power, NIM is expected to improve going forward.

C/I ratio increased by 126 bps YoY at 48.2% led by higher opex growth than the net income growth. Employee cost grew by 9% YoY, while other operating expenses grew by 17% YoY due addition of 103 branches during the quarter. Management expects total number of branches to increase from 3882 to 4500 going forward.

Impressive improvement in assets quality

Slippages during the quarter declined to Rs 2777 Cr from Rs 4337 Cr a quarter back. Slippages at corporate segment stood at Rs 1089 Cr. 88% of the corporate slippages came predominantly from previously disclosed BB & below book. Recovery & up gradation was Rs 2186 Cr, while write off stood at Rs 2315 Cr. GNPA/NNPA ratio declined by 56 bps/55 bps QoQ at 5.96%/2.54%. PCR improved to 73% vs 69% a quarter back. During the quarter there was net reduction of Rs 1536 Cr in the standard BB & below book and stood at Rs 8860 Cr, which is 1.7% of gross customer assets. Non fund based outstanding in BB & below corporate portfolio continues to be around Rs 2,800 Cr, similar to Q1FY19 levels. The outstanding under restructuring dispensations stands at Rs 2,756 Cr, of which Rs 688 Cr overlaps with the BB & Below pool. The bank has accumulated prudential write offs of Rs 16502 Cr, of which 81% has been written off in the last 6 quarters. Axis bank has IL&FS exposure of Rs 825 Cr of which Rs 238 Cr is fund based and made 20% provisions on it.

Domestic loan growth remains healthy

Domestic loan book grew by 15% YoY, however overall loan book growth moderated to 11% due to de-growth of 12% in overseas book. Large corporate share declined to 38% of the book vs 46% in FY16 and grew by only 1% YoY. Domestic corporate advances grew at 9% YoY, whereas overseas corporate advances declined by 23% YoY. SME (13% of the book) grew by 14%. Retail (49% of the book) grew at 20% on YoY, driven by the growth of 20% in credit card business, personal loan growth of 47% and by the increasing demand in auto loans which grew by 32% on YoY basis. Under corporate lending profile A and above rated exposure increased to 79% vs 70% a year back. Overall exposure in real estate is roughly around Rs 11000 Cr, 60% of that is LRD exposure. The bank focus more on commercial real estate and residential real estate is less than Rs 1000 Cr. The total exposure to financial sector (Banks, NBFC, HFC, MFI & other) is Rs 54777 Cr of which fund based is Rs 37869 Cr. Out of total combined fund based outstanding of Rs 19971 Cr to NBFCs and HFCs, 99.6% of it is rated A and above. Deposits grew by 15% YoY while CASA growth remained muted at just 9% YoY due to higher base impact of demonetization. CASA share declined to 47.7% against 50.4% a year back but sequentially it improved by 80 bps.

Other highlights:

Fee income grew by 9% YoY. Retail fee income grew healthy at 41% and constitutes 62% of the total fee income of the bank. Overall other income grew by only 4% YoY due to lower treasury income. CRAR ratio stood at 16.5% during the quarter as against 16.7% in Q1FY19.

Concall Highlights

- ❑ NIM is 3.39% vs 3.46% sequentially. Adjusted for the one-off recovery on an IBC list 1 last quarter NIM for 1Q FY19 would be 3.29%. Management targets global NIM of 3.75-3.8% in longer run and Indian NIM would be even higher.
- ❑ On the margin front management thinks that in the corporate book MCLR reset, return of pricing power and reduction in slippages all the three dynamics are in favor and hence corporate book will see most margin expansion. The retail book ex mortgage has seen pricing power and in home loan segment not seen much margin expansion yet. Management thinks in retail MCLR reset will be crucial for margin expansion.
- ❑ The Bank's MCLR has increased by 50 bps in the last three quarters, and 54% of the advances are now MCLR linked. Over the next few months, existing MCLR accounts will continue to be reset at higher levels of new MCLR.
- ❑ Bank registered MTM provisions on investments of Rs136 Cr during the quarter.
- ❑ Over the last four quarters, the Bank has recovered a total of Rs 809 Cr from written-off accounts.
- ❑ Banks IL&FS exposure is at Rs 825 Cr of which Rs 238 Cr is fund based (including investments) and Rs 587 Cr is non-fund based. During the quarter, management made a provision of 20% on the funded outstanding. Rs 539 Cr of the total outstanding to this group is currently rated BB & Below.
- ❑ The total exposure to financial sector (Banks, NBFC, HFC, MFI & other) is Rs 54777 Cr of which fund based is Rs 37869 Cr. Out of total combined fund based outstanding of Rs 19971 Cr to NBFCs and HFCs, 99.6% of it is rated A and above.
- ❑ Real estate- Exposure of Rs 11000 Cr and 60% of this is LRD and feel comfortable with it. 50% of the book is rated A and above and another 42-44% is BBB or above and roughly 8% is below BB. Management feels comfortable with the exposure to commercial property and developer segment. Residential part is relatively less than Rs 1000 Cr.
- ❑ Gross slippages in the quarter were Rs 2,777 Cr, compared to Rs 4,337 Cr in Q1FY19 and Rs 8,936 Cr in Q2FY18. Slippages from the corporate segment were Rs 1,089 Cr. 88% of the corporate slippages were from BB & Below rated portfolio. Net slippages in outside corporate is about Rs 600 Cr and it seems to be stable and benign.
- ❑ During this quarter, there was a net reduction of Rs 1536 Cr in the standard BB & Below book which stands at Rs 8860 Cr as of 2Q FY19. Management believes that the elevated rating downgrade cycle is now substantively completed. Under BB pool there was couple of downgrade (in 3 digits) and significant upgrade to BBB mostly in steel sector.
- ❑ For the Non-fund based related to NPA, management feels that 50-60% may devolve into NPA.
- ❑ IBC exposure- RBI list 1 & 2, bank has exposure of Rs 4600 Cr with PCR of 90% and total exposure under IBC is Rs 11000 Cr with PCR of 81%.
- ❑ Restructured portfolio is stable on sequential basis and management thinks that restructuring assets is not likely to slip into NPA in next few quarters. SMA 2 is less than 40 bps point of advances.
- ❑ Current PCR is at 73% and management feels that PCR of 60-65% is appropriate as per past LGD experience. Have made appropriate conservative PCR.
- ❑ The Bank presently has an accumulated prudential write off (PWO) portfolio of Rs 16502 Cr, of which 81% has been written off in the last 6 quarters.
- ❑ The Bank's domestic loan growth for the quarter stood at 15% YOY. The international loan book de-grew by 12%. The Retail loan book continued to grow strongly at 20%. Domestic corporate loan growth stood at 9%.
- ❑ The Bank's strategy on retail assets continues to be centered around existing customers of the Bank. 82% of retail assets originations in Q2 were from existing customers. 97% of the Bank's credit card and 90% of personal loan originations in the quarter were from existing customers of the bank. 49% of the overall sourcing happened through the branches.
- ❑ Business mix in corporate lending continues to move towards Working Capital loans. Working Capital loans grew strongly by 21% YOY this quarter. It now form 31% of total corporate loans.
- ❑ Management believes capital position continues to be strong and is sufficiently robust to pursue growth opportunities over the next two years.
- ❑ Outstanding SR is Rs 3000 Cr.

Profitability Matrix

	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	YoY (+/-)	QoQ (+/-)
C/I Ratio %	43.5	43.7	47.0	47.4	51.2	46.0	48.2	1.26	2.28
Empl. Cost/ Tot. Exp. %	28.2	32.7	32.3	30.6	28.0	33.0	30.8	-1.57	-2.23
Other Exp/Tot. Exp.%	71.8	67.3	67.7	69.4	72.0	67.0	69.2	1.57	2.23
Provision/PPP %	59.0	54.6	83.1	72.9	195.5	76.3	71.5	-11.63	-4.84
Tax Rate %	31.4	31.4	31.4	31.4	31.4	31.4	34.0	2.63	2.63
Int Exp./Int Inc. (%)	57.7	58.2	59.6	59.6	59.8	59.6	60.6	1.01	1.04
Other Inc./Net Inc. %	38.9	39.4	36.3	35.4	37.1	36.1	33.9	-2.43	-2.29
PAT/ Net Income %	17.1	19.7	6.4	10.4	(30.5)	9.6	10.4	3.93	0.75
PAT Growth %	(43.1)	(16.1)	35.5	25.3	(278.7)	(46.3)	82.6	47.11	128.92
NII Growth %	3.9	2.2	0.6	9.2	0.0	11.9	15.3	14.68	3.33
Op. Profit	(0.5)	(4.0)	(7.9)	(16.9)	(16.1)	1.9	8.4	16.26	6.50
RoE %	9.7	10.2	6.8	5.5	(15.3)	4.9	5.2	-1.64	0.24
RoA %	0.7	0.9	0.6	0.4	(1.3)	0.4	0.4	-0.16	0.01

Margin Performance

Margin %	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	YoY (+/-)	QoQ (+/-)
Yield on advances	9.3	9.0	8.9	8.8	8.5	9.0	9.1	0.19	0.08
Avg Yield on	8.4	8.2	8.1	8.1	7.8	8.2	8.2	0.14	0.04
Cost of Funds	5.4	5.2	5.2	5.1	5.1	5.2	5.3	0.16	0.11
NIM	3.8	3.6	3.5	3.4	3.3	3.5	3.4	-0.09	-0.10

Exhibit: Yield and Cost

Both yield and cost of fund remained stable.

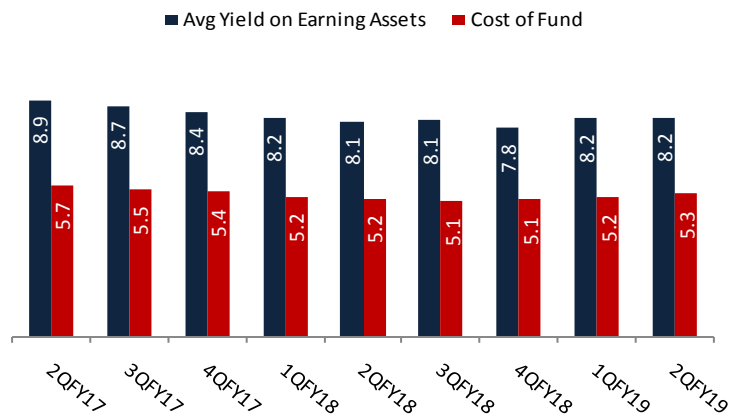
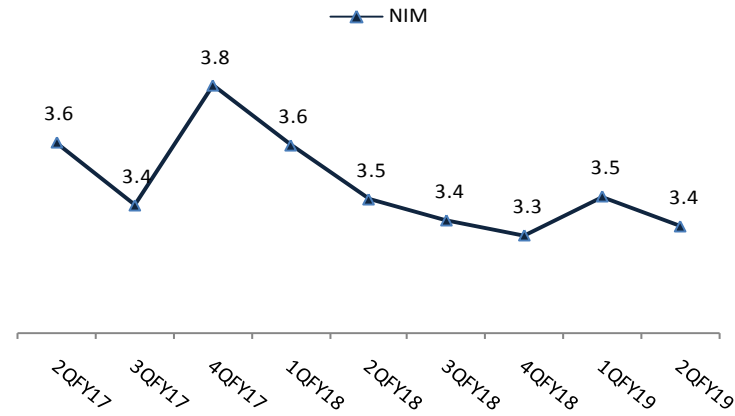


Exhibit: Net Interest Margin

NIM declined.



Other Income Break Up- smart growth in Retail Business

	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
Retail Business	832	812	1115	961	1042	1101	1187	1291	1473
Corporate Credit	484	361	581	361	456	382	446	275	285
Treasury & DCM	19	18	48	80	22	22	26	42	48
SME	97	90	145	80	87	112	148	85	95
Transaction Banking	503	523	533	521	564	629	641	423	475
Total Fee-Based Income	1935	1805	2423	2003	2170	2246	2448	2117	2376
Growth YoY %	7	-4	8	17	12	24	1	6	9
Trading Income	536	1525	428	824	377	200	215	103	136
Miscellaneous Income	69	70	162	173	39	147	126	705	166
Total Other Income	2540	3401	3013	3000	2586	2593	2789	2925	2678
Growth YoY %	24	45	12	10	2	-24	-7	-2	4

Exhibit: Fee Income/Advances %

Fee income as a % of total advances remained stable.

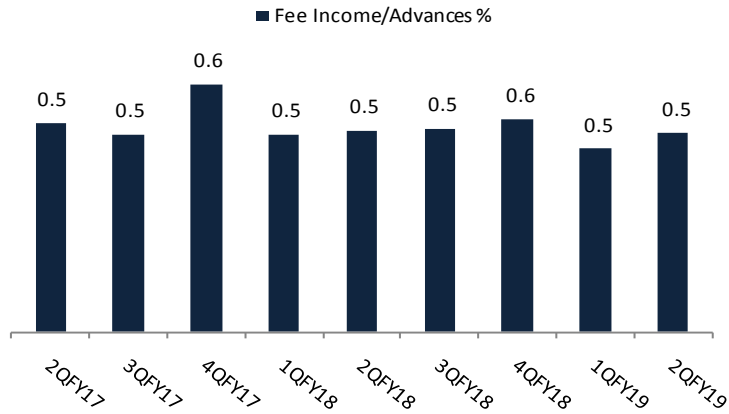
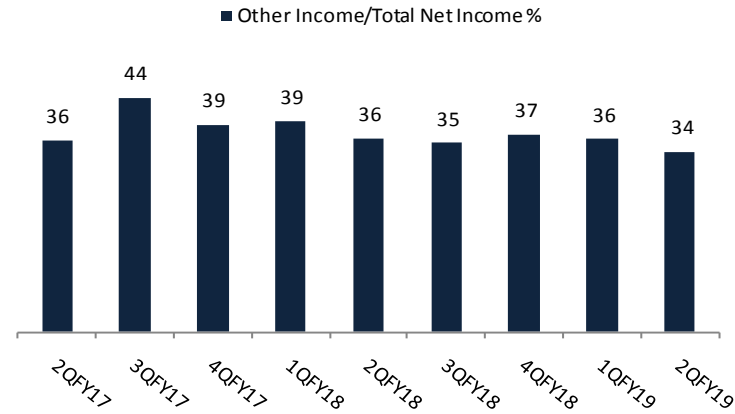


Exhibit: Other Income/ Total Income %

Growth in other income declined.



Asset Quality

	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	21,281	22,032	27,403	25,001	34,249	32,662	30,938	13%	-5%
GNPA %	5.0	5.0	5.9	5.3	6.8	6.5	6.0	0.06	-0.56
NNPA (Rs in Cr)	8,627	9,766	14,052	11,769	16,592	14,902	12,716	-10%	-15%
NNPA %	2.1	2.3	3.1	2.6	3.4	3.1	2.5	-0.58	-0.55
Slippages (Rs in Cr)	4,811	3,519	8,936	4,428	16,536	4,337	2,777	-69%	-36%
Specific PCR %	59.5	55.7	48.7	52.9	51.6	54.4	58.9	10.18	4.52

Exhibit: Asset Quality

Assets quality improved.

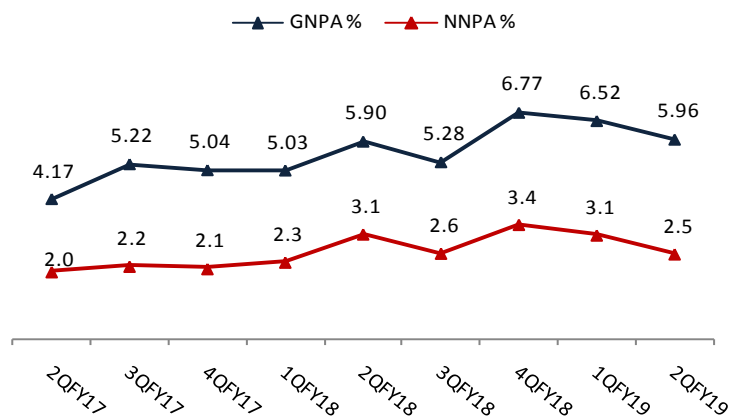


Exhibit: Provisions

PCR Increased.

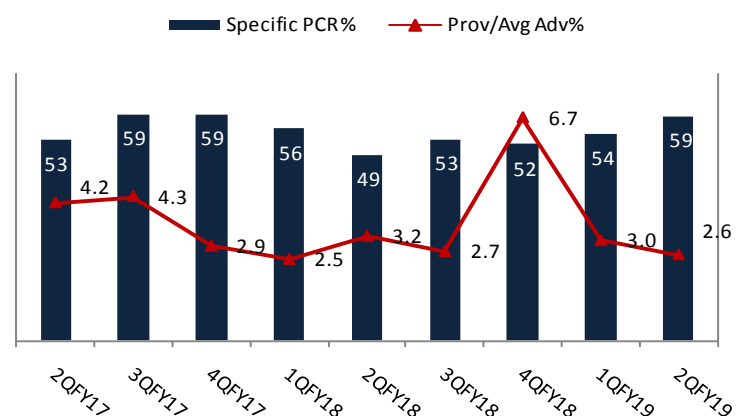


Exhibit: Advances Performance

Advances growth declined.

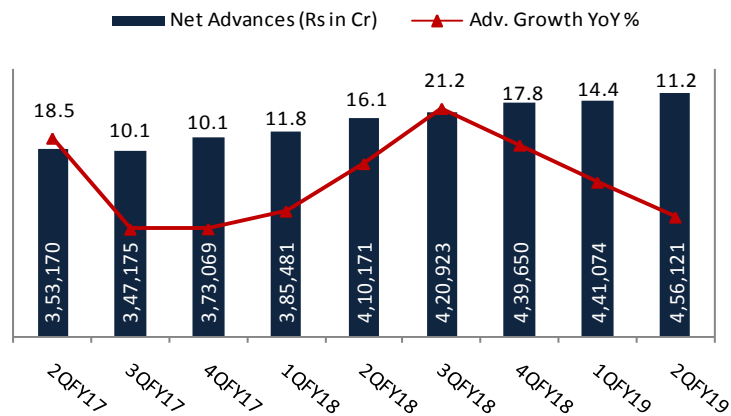


Exhibit: Advances Breakup%

Portfolio has tilted towards retail profile

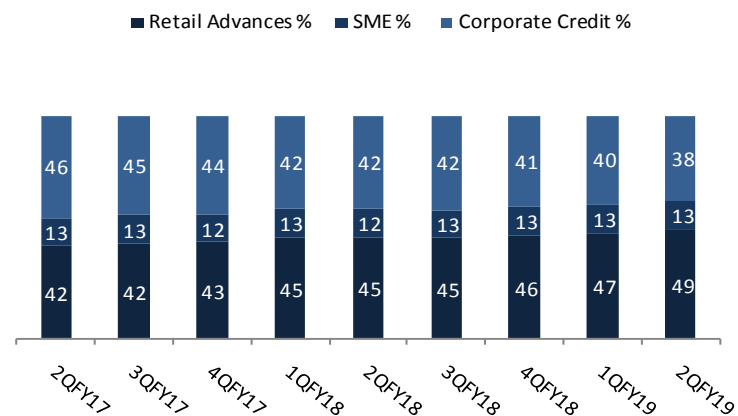


Exhibit: Deposits Performance

Deposits growth improved.

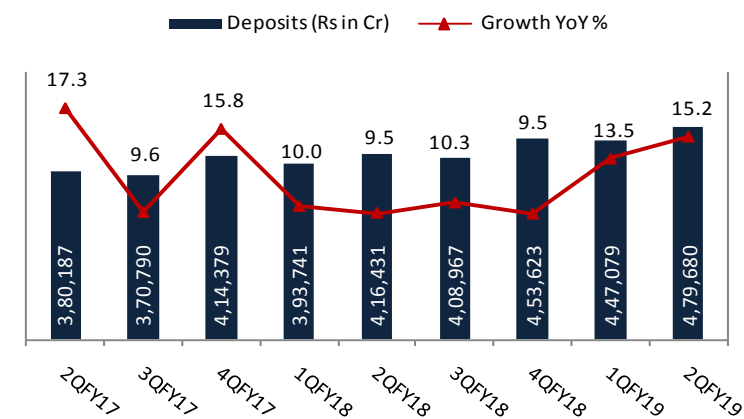


Exhibit: CASA Performance

Muted CASA growth

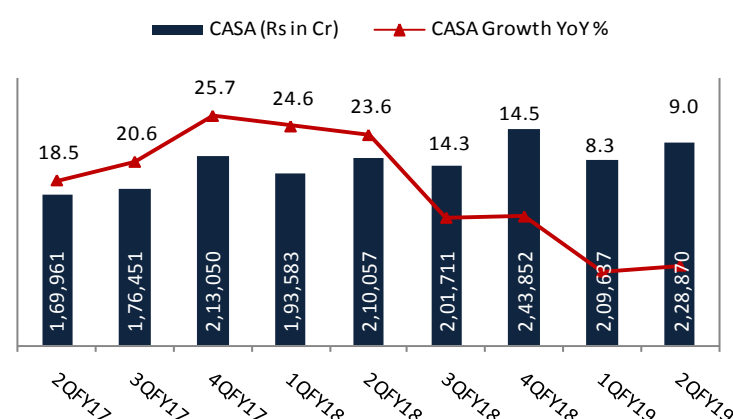


Exhibit: Credit Deposit Ratio

CD ratio declined.

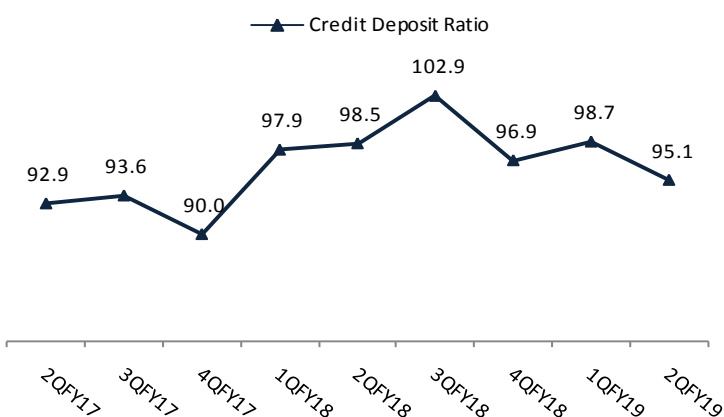
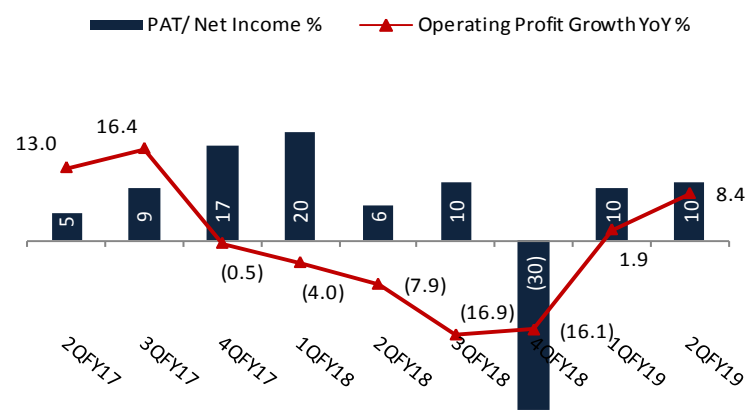


Exhibit: Operating Profit.

Operating profit growth improved.



Financial Details
Balance Sheet

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Share Capital	468	470	474	477	479	513	513	522
>> <i>Equity Capital</i>	468	470	474	477	479	513	513	522
>> <i>Preference Capital</i>	0	0	0	0	0	0	0	0
<i>Reserves & Surplus</i>	32640	37751	44202	52688	55284	62932	68854	81929
Networth	33108	38220	44677	53165	55763	63445	69367	82451
Deposits	252614	280945	322442	357968	414379	453623	521235	615057
<i>Change (%)</i>	14.8	11.2	14.8	11.0	15.8	9.5	14.9	18.0
>> <i>CASA Deposits</i>	112100	126462	144400	169445	213050	243852	250193	295227
<i>Change (%)</i>	22.6	12.8	14.2	17.3	25.7	14.5	2.6	18.0
<i>Borrowings</i>	43951	50291	79758	99226	105031	148016	157048	181288
Other Liabilities & Prov.	10888	13789	15056	15109	26295	26245	34206	40363
Total Liabilities	340561	383245	461932	525468	601468	691330	781856	919159
<i>Cash & Bank</i>	20435	28239	36099	33325	50256	43455	41148	47213
<i>Investments</i>	113738	113548	117550	122006	128793	153876	177220	209119
<i>Change (%)</i>	22.0	-0.2	3.5	3.8	5.6	19.5	15.2	18.0
<i>Advances</i>	196966	230067	281083	338774	373069	439650	505598	596605
<i>Change (%)</i>	16.0	16.8	22.2	20.5	10.1	17.8	15.0	18.0
<i>Fixed Assets</i>	2356	2410	2514	3523	3747	3972	4170	4379
<i>Other Assets</i>	7067	8981	24686	27839	45602	50377	53720	61843
Total Assets	340561	383245	461932	525468	601468	691330	781856	919159

Income Statement

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<i>Interest income</i>	27183	30641	35479	40988	44542	45780	54682	66799
<i>Interest expended</i>	17516	18690	21254	24155	26449	27163	32817	38579
Net Interest Income	9666	11952	14224	16833	18093	18618	21865	28220
<i>Change (%)</i>	20.6	23.6	19.0	18.3	7.5	2.9	17.4	29.1
<i>Other Income</i>	6551	7405	8365	9371	11691	10967	11889	13274
<i>Change (%)</i>	20.9	13.0	13.0	12.0	24.8	-6.2	8.4	11.6
>> <i>Core Fee Income</i>	5520	5985	6779	7503	7882	8867	9675	11272
>> <i>Treasury Income</i>	755	696	1135	1247	3401	1616	743	1201
>> <i>Others</i>	277	724	451	622	408	484	1471	800
Total Net Income	16217	19357	22589	26204	29784	29585	33755	41494
<i>Operating Expenses</i>	6914	7901	9204	10101	12200	13990	15567	18101
<i>Change (%)</i>	15.1	14.3	16.5	9.7	20.8	14.7	11.3	16.3
>> <i>Employee Expenses</i>	2377	2601	3115	3376	3892	4313	4972	5809
<i>Pre-provisioning Profit</i>	9303	11456	13385	16104	17585	15594	18188	23392
<i>Change (%)</i>	25.2	23.1	16.8	20.3	9.2	-11.3	16.6	28.6
<i>Provisions</i>	1750	2107	2329	3710	12117	15473	9116	4613
<i>Change (%)</i>	53.1	20.4	10.5	59.3	226.6	27.7	-41.1	-49.4
PBT	7553	9349	11057	12394	5468	122	9072	18779
<i>Tax</i>	2373	3131	3699	4170	1788	-154	3046	6385
Profit After Tax	5179	6218	7358	8224	3679	276	6025	12394
<i>Change (%)</i>	22.1	20.0	18.3	11.8	-55.3	-92.5	2085.7	105.7

Financial Details

Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Balance Sheet Metrics								
Loan Growth (%)	16	17	22	21	10	18	15	18
Deposit Growth (%)	15	11	15	11	16	9	15	18
C/D Ratio (%)	78.0	81.9	87.2	94.6	90.0	96.9	97.0	97.0
CASA (%)	44.4	45.0	44.8	47.3	51.4	53.8	48.0	48.0
Investment/Deposit (%)	45.0	40.4	36.5	34.1	31.1	33.9	34.0	34.0
CRAR (%)	17.0	16.1	15.1	15.3	15.0	16.6	15.2	15.0
>> Tier 1 (%)	12.2	12.6	12.1	12.5	11.9	13.0	12.0	12.0
>> Tier 2 (%)	4.8	3.5	3.0	2.8	3.1	3.5	3.2	3.0

Assets Quality Metrics

Gross NPA (Rs)	2,393	3,146	4,110	6,088	21,281	34,249	27,627	29,928
Gross NPA (%)	1.1	1.2	1.3	1.7	5.0	6.8	4.8	4.4
Net NPA(Rs)	704	1,025	1,317	2,522	8,627	16,592	11,603	10,774
Net NPA (%)	0.3	0.4	0.4	0.7	2.1	3.4	2.1	1.6
Slippages (%)	2	1	1	3	6	9	3	1
Provision Coverage (%)	79	78	78	72	65	65	68	65
Provision/Average Advances (%)	1.0	1.0	0.9	1.2	3.4	3.8	1.9	0.8

Margin Metrics

Yield On Advances (%)	11.5	10.7	10.1	9.7	9.3	8.4	8.7	8.9
Yield On Investment (%)	7.5	7.3	7.9	7.8	7.7	7.1	7.1	8.1
Yield on Earning Assets (%)	9.8	9.3	9.0	8.8	8.5	7.7	8.0	8.3
Cost Of Deposits (%)	6.4	5.8	5.7	5.4	5.1	4.4	4.8	5.0
Cost Of Funds (%)	6.3	5.9	5.7	5.5	5.3	4.7	5.0	5.1
Spread (%)	3.5	3.4	3.2	3.3	3.2	3.0	3.0	3.3
NIM (%)	3.5	3.6	3.6	3.6	3.4	3.1	3.2	3.5

Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	64.4	61.0	59.9	58.9	59.4	59.3	60.0	57.8
Fee Income/NII (%)	57.1	50.1	47.7	44.6	43.6	47.6	44.2	39.9
Cost to Income (%)	42.6	40.8	40.7	38.5	41.0	47.3	46.1	43.6
Cost on Average Assets (%)	2.2	2.2	2.2	2.0	2.2	2.2	2.1	2.1
Tax Rate (%)	31.4	33.5	33.5	33.6	32.7	(126.8)	33.6	34.0

Valuation Ratio Metrics

EPS (Rs)	22.1	26.5	31.0	34.5	15.4	1.1	23.5	47.5
Change (%)	7.8	19.6	17.3	11.2	(55.5)	(93)	2,086	102.1
ROAE (%)	18.5	17.4	17.8	16.8	6.8	0.5	9.1	16.3
ROAA (%)	1.7	1.7	1.7	1.7	0.7	0.0	0.8	1.5
Dividend Payout (%)	16.3	15.1	14.8	14.5	32.5	-	17.0	12.6
Dividend yield (%)	0.3	0.3	0.8	1.1	1.0	-	0.7	1.0
Book Value (Rs)	141.5	162.7	188.5	223.1	232.8	247.2	270.3	315.7
Change (%)	28	15	16	18	4	6	9	17
P/B (X)	1.8	1.8	3.0	2.0	2.1	2.1	2.3	1.9
P/E (X)	11.8	11.0	18.1	12.9	31.9	473.9	26.0	12.9

Financial Details
Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<i>Interest Income</i>	8.5	8.4	8.3	7.9	7.1	7.4	7.9
<i>Interest expended</i>	5.2	5.0	4.9	4.7	4.2	4.5	4.5
<i>Net Interest Income</i>	3.3	3.4	3.4	3.2	2.9	3.0	3.3
<i>Non-Fund Based Income</i>	2.0	2.0	1.9	2.1	1.7	1.6	1.6
>> <i>Core Fee Income</i>	1.7	1.6	1.5	1.4	1.4	1.3	1.3
>> <i>Trading and Other Income</i>	0.4	0.4	0.4	0.7	0.3	0.3	0.2
<i>Core Operating Income</i>	5.0	5.0	4.9	4.6	4.3	4.3	4.6
<i>Total Income</i>	5.3	5.3	5.3	5.3	4.6	4.6	4.9
<i>Total Operating Expenses</i>	2.2	2.2	2.0	2.2	2.2	2.1	2.1
>> <i>Employee Expenses</i>	0.7	0.7	0.7	0.7	0.7	0.7	0.7
>> <i>Other Expenses</i>	1.5	1.4	1.4	1.5	1.5	1.4	1.4
<i>Operating Profit</i>	3.2	3.2	3.3	3.1	2.4	2.5	2.8
<i>Provisions</i>	0.6	0.6	0.8	2.2	2.4	1.2	0.5
<i>Others</i>	-	-	-	-	-	-	-
<i>PBT</i>	2.6	2.6	2.5	1.0	0.0	1.2	2.2
<i>Tax</i>	0.9	0.9	0.8	0.3	(0.0)	0.4	0.8
<i>PAT/RoAA</i>	1.7	1.7	1.7	0.7	0.0	0.8	1.5
<i>Equity Multiplier (x)</i>	10.1	10.2	10.1	10.3	10.8	11.1	11.2
<i>ROAE</i>	17.4	17.8	16.8	6.8	0.5	9.1	16.3

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