

# FEDERAL BANK

Industry Financial  
Bloomberg FB IN  
BSE CODE 500469

## Core income on improving trend

<b>RATING</b>	<b>BUY</b>
<b>CMP</b>	<b>89</b>
<b>Price Target</b>	<b>112</b>
<b>Potential Upside</b>	<b>26%</b>

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

### Stock Info

52wk Range H/L	110/67
Mkt Capital (Rs Cr)	17,599
Free float (%)	100%
Avg. Vol 1M (000)	13,238
No. of Shares (Cr)	198
Promoters Pledged %	0%

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### Q3FY19 Results

FB reported strong net profit growth of 28% YoY led by increase in other income and lower provisioning. NII grew by 13% YoY due to increase in yield. NIM improved by 2 bps QoQ at 3.17%.

Other income grew robust by 51% YoY due to strong fee income. Fee income grew by 45% YoY led by higher profit on forex transactions. Treasury income grew by 90% YoY to Rs 55 Cr due to fall in bond yield.

C/I ratio spiked by 210 bps on sequential basis due to higher opex. Employee expense has increased by 14% QoQ led by pension revaluation. CSR expense of Rs 14 Cr during the quarter has kept other expense higher. Management expects C/I ratio to be around 50% and targets at least 100 bps improvements in the FY20.

Advances growth remained healthy at 24% YoY driven by both corporate (+ 35% YoY) and retail (+22% YoY) segment. Deposits grew at 23% YoY. Current account grew robust at 31% YoY and management expects same trend to be followed going forward.

Slippages during the quarter remained elevated at Rs 435 Cr led by stress in SME portfolio due to flood in Kerala region. Provisions declined by 34% to Rs 190 Cr. The bank has 3 SPVs related to IL&FS exposure and all are standard as of now. Out of the total exposure of Rs 245 Cr, the bank has provided about Rs 7.5% of provision on it.

### View and Valuation

Slippages from Kerala flood was in line with management guidance. The full year guidance of credit cost was intact at 65-70 bps but slippage seems to surpass the earlier guidance marginally. Management has also maintained its guidance to exist with 1% RoA in 4Q FY19. NIM has been improving marginally since last few quarters and with MCLR rate reset in retail portfolio, NIM is likely to improve marginally going ahead. Fee income showed strong traction during the quarter and management expects the momentum to continue going ahead. However there was some spike in operating cost led by pension revaluation and CSR expenses. However management is confident to improve C/I ratio going ahead. Bank has been consistently delivering strong growth on loan book on the back of increase in market share in corporate loan. Bank has Rs 245 Cr of exposure to IL&FS's subsidiary which is ring fenced by escrow account. Recent announcement SME restructuring by RBI will curtail down the slippages in SME portfolio, however restructured assets is likely to increase. We maintain BUY with the target price of Rs 112 at 1.5x P/BV FY20e.

### Key Risks to our rating and target

- Increase in C/I ratio.
- Deterioration in assets quality will increase credit cost.

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
NII	2504	3053	3583	4230	5390
PPP	1424	1925	2291	2802	3779
PAT	476	831	879	1256	1754
NIM %	3.0	3.1	3.0	3.0	3.1
EPS (Rs)	3	5	4	6	9
EPS growth (%)	-53	75	-8	43	40
ROE (%)	6.0	9.8	8.3	9.9	12.6
ROA (%)	0.5	0.8	0.7	0.8	1.0
BV	47	52	62	67	75
P/B (X)	1.0	1.8	1.5	1.3	1.2
P/E (x)	16.7	18.9	20.5	13.9	10.0

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## 3Q FY 19 Results PAT missed our estimates

## Healthy Growth

Financials	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY %	QoQ%	FY17	FY18	YoY %
Interest Inc.	2,501	2,548	2,667	2,765	2,954	18%	7%	8,677	9,753	12.4%
Interest Exp.	1,551	1,615	1,687	1,742	1,877	21%	8%	5,625	6,170	9.7%
NII	950	933	980	1,022	1,077	13%	5%	3,053	3,583	17.4%
Other Income	229	314	271	323	346	51%	7%	1,082	1,159	7.1%
Total Income	1,179	1,247	1,251	1,345	1,423	21%	6%	4,134	4,742	14.7%
Opex	617	659	648	648	715	16%	10%	2,210	2,451	10.9%
PPP	561	589	603	698	708	26%	1%	1,925	2,291	19.0%
Provisions	162	372	199	289	190	17%	-34%	618	947	53.2%
PBT	399	217	404	409	518	30%	27%	1,307	1,344	2.9%
Tax	139	72	141	143	184	32%	29%	476	465	-2.2%
Net Profit	260	145	263	266	334	28%	25%	831	879	6%

### NIM on improving trend.

NIM improved by 2 bps QoQ to 3.17% due to increase in yield. Yield on advances increased by 14 bps QoQ, while cost of deposit increased by 19 bps. Management expects the run rate of NIM to continue going forward. Management has guided NIM of 3.20% for Q4FY19.

C/I ratio spiked by 210 bps on sequential basis due to higher opex. Employee expense has increased by 14% QoQ. CSR expense of Rs 14 Cr during the quarter has kept other expense higher at 14% YoY. Management expects C/I ratio to be around 50% and targets at least 100 bps improvements in the FY20.

### Fee income grew robust.

Other Other income increased by 51% YoY led by increase in fee income. Fee based income grew by 45% YoY due to good traction in loan processing fees and increase in forex transactions profit. Net Profit on Forex Transactions grew by 90% YoY, while loan processing charges grew by 47% YoY. Profit on sale of investment increased by 90% YoY due to fall in bond yield.

### Healthy loan book growth continues

Advances grew by 24% YoY backed by a strong corporate book growth of 35% YoY. Retail book grew by 22% YoY and SME grew by 9% YoY. Under retail, housing loan continues to register strong growth of 35% YoY and gold loan declined by 14% YoY. Retail + SME form around 47% of its loan book while corporate holds around 44% of the total advances. Kerala book and outside Kerala book grew by 14% and 38% respectively on YoY basis. The distribution towards AAA/AA rated corporate book holds at 72%, while below BBB & others rated corporate constitutes of 11% and 17% respectively.

Deposits during the quarter grew by 23% YoY. Current account has shown good pick-up at 31% YoY and is expected to continue moving forward. Saving account grew by 20% YoY. Retail deposits constitute of 94% of the total deposits in Q3FY19. CASA ratio stood at 33.3% as against 33% a year back.

### Slippages remained at elevated level.

GNPA ratio during the quarter stood at 3.14% (v/s 3.11% previous quarter), whereas NNPA ratio declined to 1.72% from 1.78% a quarter back. GNPA in SME segment increased by 10% QoQ to Rs 1340 Cr due to flood in Kerala region. Slippages remained elevated at Rs 435 Cr. Corporate slippages declined by 54% QoQ to Rs 56 Cr, while retail declined by 10% QoQ to Rs 108 Cr. During the quarter Rs 100 Cr slipped into NPA, out of the total stress asset of Rs 500 Cr in the Kerala flood region. Management does not see any stress in the gross amount of Rs 500 Cr and going ahead it may again get colored by the SME dispensation.

### Other Highlights:

CAR ratio declined by 32 bps QoQ to 13%. Tier 1 ratio stood at 12.4%. The bank will add retained profit in Tier 1 capital in Q4FY19 and expects CAR ratio to be above 13.5% well above the trigger point of 12%, so the bank will not raise capital in the near term.

## Concall Highlights

- NIM during the quarter improved by 2 bps on sequential basis and the management expects this run rate to continue going forward. Management has guided NIM of 3.20% for Q4FY19.
- CSR expense of the bank is Rs 26-30 Cr for FY19 and the bank has already incurred Rs 14 Cr and the remaining may have impact in the P&L account. The management expects C/I ratio to exit at 50% or slightly better than it and targeting at least 100 bps improvement in the following financial year. Employee count is roughly around 12000.
- Personal loan has been grown very sharply and stands at around above Rs 800 Cr, which is entirely by digitalization. Mobile based transaction stood at Rs 2941 Cr per month v/s Rs 1069 per month in March, 17. Management expects this momentum to continue going forward.
- Deposit grew at 23% YoY and the management expects this run rate to continue going forward. The bank will add 40-50 branches every year but more will be of sales related and the management does not expect much expansion in physical sense in the immediate financial year. Current account has shown good pick-up and is expected to continue moving forward.
- Break-up of provision of Rs 190 Cr: - Credit related provisions Rs 175 Cr, Standard asset Rs 45 Cr and write back on treasury Rs 35 Cr.
- Breakup of slippages: - Kerala book around Rs 220-225 Cr and within Kerala slippages pertaining to flood is around Rs 100 Cr. SMA-2 is about 1% of the total book. The bank expects slippages to be around Rs 1550 Cr for FY19.
- SME book is facing problem due to Kerala flood but the management expects it to normalize in FY20.
- The bank has total Mudra Yojna of Rs 70 Cr and NPA in this is around 3-3.5%.
- Portfolio buyout during the quarter was Rs 300 Cr. Incremental blended yield on corporate book is 8.7%, which are 50 bps improvement and other businesses between 12-15 bps.
- The bank will add retained profit in Tier 1 capital in Q4FY19 and expects CAR ratio to be above 13.5% well above the trigger point of 12%, so the bank will not raise capital in the near term.
- Related to IL&FS-The bank has 3 SPVs and all are standard as of now. Out of the total exposure of Rs 245 Cr, the bank has provided about Rs 7.5% of provision on it. Management stated that if there is no tension on IL&FS and Air India the slippages for the succeeding quarter will be better than of now.
- During the quarter the bank established full fledge operation Services Company called fedserv, which will help in increasing the productivity and better value in the investments for 2HFY19.
- Real value of all the projects relating to 26% stake in FedFina is expected to be seen in FY20 and the management expects roughly around 25-30% profit growth in FY19.
- Management has guided dividend payout ratio to be in the range of 20-25% going forward.

## Profitability Matrix

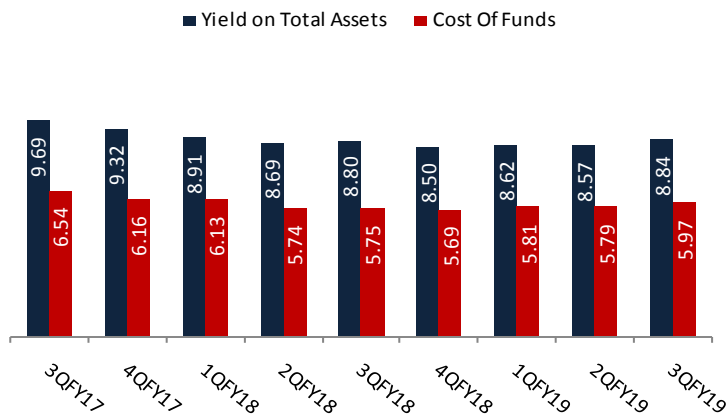
	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
C/I Ratio %	50.6	50.8	52.4	52.8	51.8	48.1	50.3	-2.12	2.10
Empl. Cost/ Tot. Exp. %	52.2	51.9	48.7	50.2	53.2	47.7	49.5	0.78	1.77
Other Exp/Tot. Exp.%	47.8	48.1	51.3	49.8	46.8	52.3	50.5	-0.78	-1.77
Provision/PPP %	42.4	30.3	28.9	63.1	33.0	41.4	26.9	-2.07	-14.54
Tax Rate %	34.6	35.1	34.8	33.2	34.9	34.9	35.6	0.73	0.64
Int Exp./Int Inc. (%)	65.5	62.2	62.0	63.4	63.3	63.0	63.5	1.52	0.52
Other Inc./Net Inc. %	29.1	24.2	19.4	25.2	21.7	24.0	24.3	4.89	0.29
PAT/ Net Income %	18.6	22.2	22.1	11.6	21.0	19.8	23.4	1.39	3.67
RoE %	8.3	9.0	8.7	4.9	8.6	8.5	10.5	1.74	1.98
RoA %	0.8	0.9	0.9	0.5	0.8	0.8	0.9	0.04	0.15

## Margin Performance

Margin %	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
Yield on Advances	10.0	9.5	9.5	9.1	9.1	9.2	9.3	-0.23	0.14
Yield (Total Assets)	8.9	8.7	8.8	8.5	8.6	8.6	8.8	0.04	0.27
Cost of Deposits	6.1	5.8	5.7	5.8	5.6	5.7	5.9	0.12	0.19
Cost Of Funds	6.1	5.7	5.7	5.7	5.8	5.8	6.0	0.23	0.19
NIM	3.1	3.3	3.3	3.1	3.1	3.2	3.2	-0.16	0.02

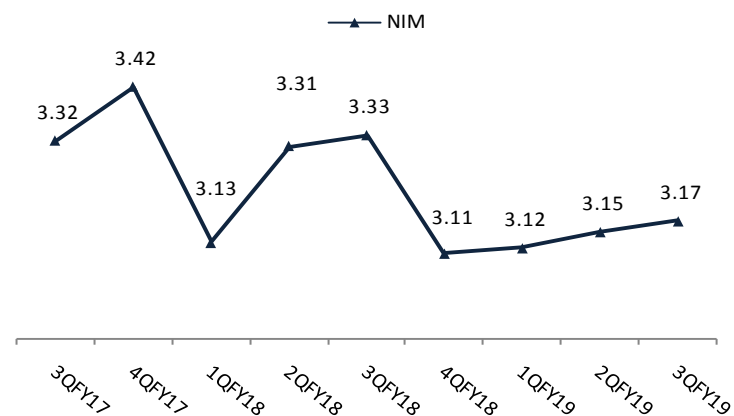
### Exhibit: Yield and Cost

Both yield on total assets and cost of fund increased.



### Exhibit: Net Interest Margin

NIM on improving trend.

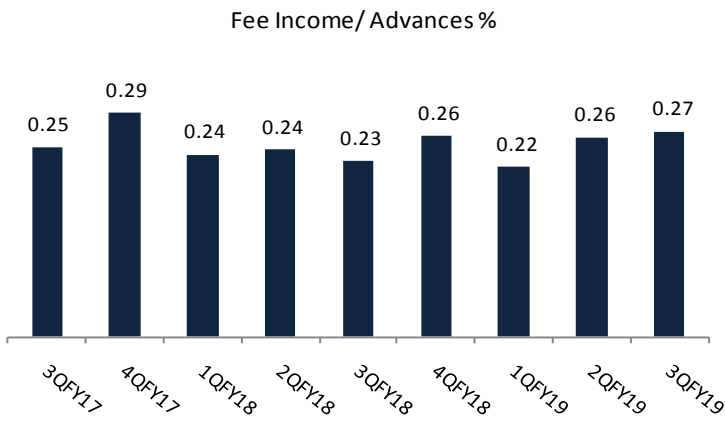


## Other Income Break Up- smart growth in processing fee

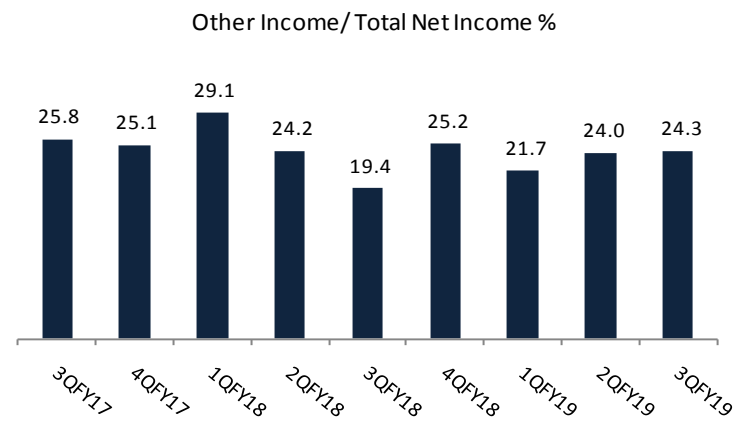
	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Loan Processing Fee	29	41	28	35	34	46	31	53	50
Commission, Exchange,	109	130	118	119	120	136	129	147	156
Net Profit on Forex	33	41	34	41	39	56	47	61	74
<b>Total Fee-Based Income</b>	<b>171</b>	<b>212</b>	<b>180</b>	<b>195</b>	<b>193</b>	<b>238</b>	<b>207</b>	<b>261</b>	<b>280</b>
<b>Growth YoY %</b>	<b>44</b>	<b>24</b>	<b>27</b>	<b>28</b>	<b>13</b>	<b>12</b>	<b>15</b>	<b>34</b>	<b>45</b>
Profit on sale of securities	86	54	112	75	29	22	49	51	55
Recovery from assets	18	16	37	17	7	54	14	11	11
<b>Other Income</b>	<b>275</b>	<b>282</b>	<b>329</b>	<b>287</b>	<b>229</b>	<b>314</b>	<b>270</b>	<b>323</b>	<b>346</b>
<b>Growth YoY %</b>	<b>50</b>	<b>19</b>	<b>38</b>	<b>10</b>	<b>-17</b>	<b>11</b>	<b>-18</b>	<b>13</b>	<b>51</b>

## Exhibit: Fee Income/Advances %

Fee income increased



## Exhibit: Other Income/ Total Income %



### Asset Quality

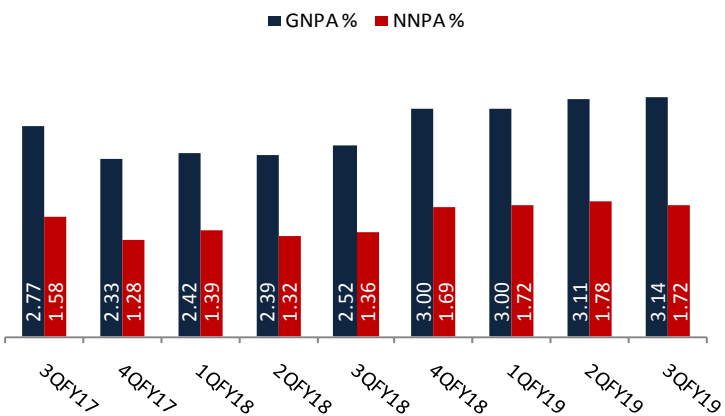
	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	1,868	1,949	2,161	2,796	2,869	3,185	3,361	56%	6%
GNPA %	2.42	2.39	2.52	3.00	3.00	3.11	3.14	0.62	0.03
NNPA (Rs in Cr)	1,061	1,066	1,157	1,552	1,620	1,796	1,817	57%	1%
NNPA %	1.39	1.32	1.36	1.69	1.72	1.78	1.72	0.36	-0.06
Slippages (Rs in Cr)	425	274	433	892	482	482	435	0%	-10%
Std Restructured Assets %	1.74	1.67	1.68	0.86	0.62	0.57	0.61	-1.07	0.04
Net Stress Assets %	3	3	3	3	2	3	3	-0.33	-0.05
PCR %	70	70	70	65	65	63	64	-5.80	0.83

### Slippage Contribution (%)

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Retail	32	23	23	37	36	8	24	25	25
Agriculture	5	12	11	18	10	6	12	14	17
SME	44	50	27	38	30	16	20	35	45
Wholesale	20	15	40	7	24	69	45	26	13
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

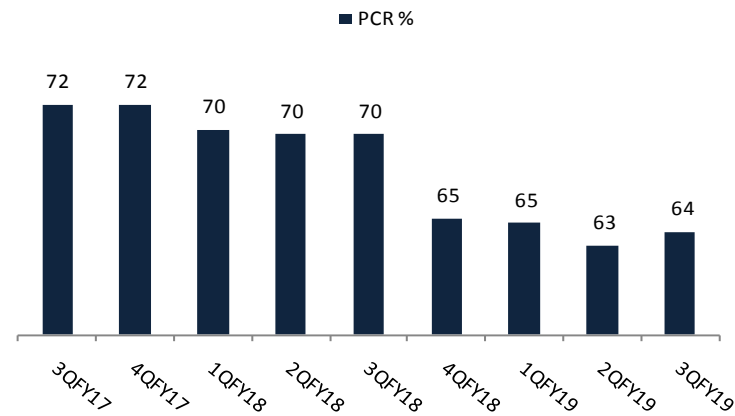
## Exhibit: Asset Quality

Assets quality impacted.



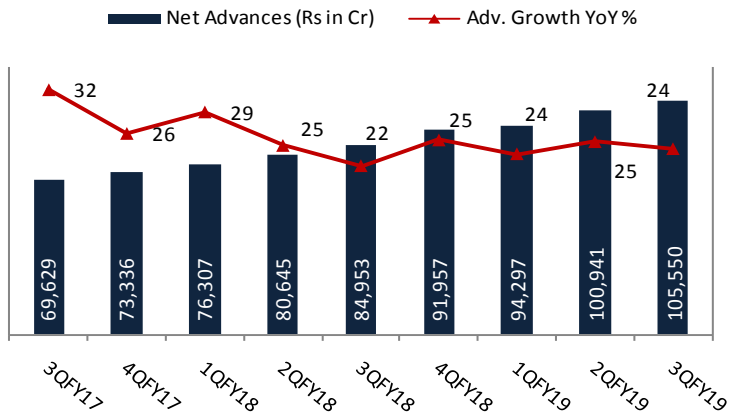
## Exhibit: Provisions

PCR increased



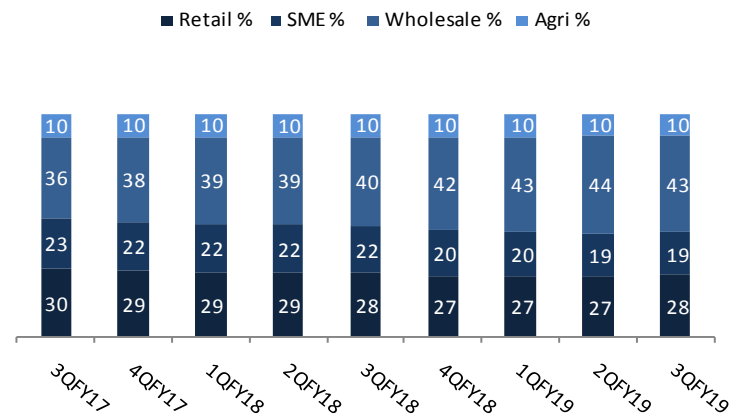
## Exhibit: Advances Performance

Healthy growth in advances continues



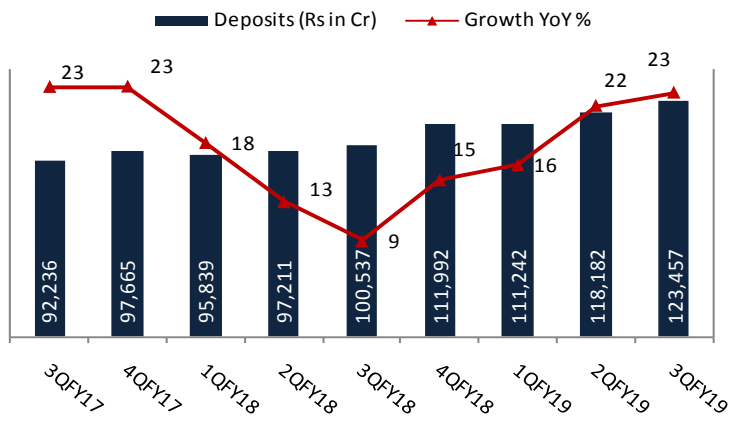
## Exhibit: Advances Breakup%

Share in Corporate portfolio remained strong.



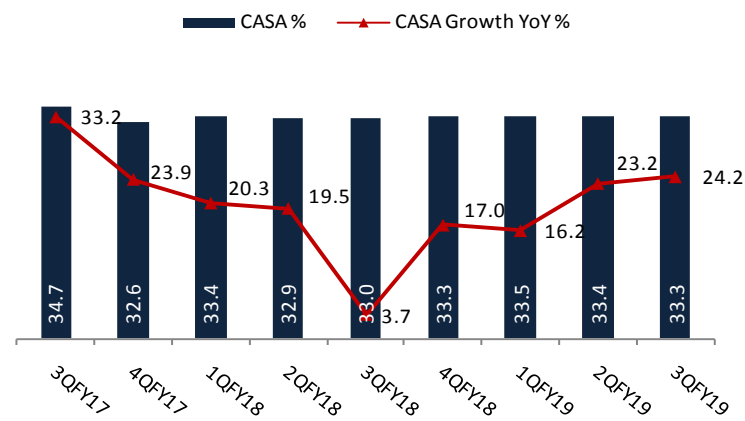
## Exhibit: Deposits Performance

Deposits growth on increasing trend



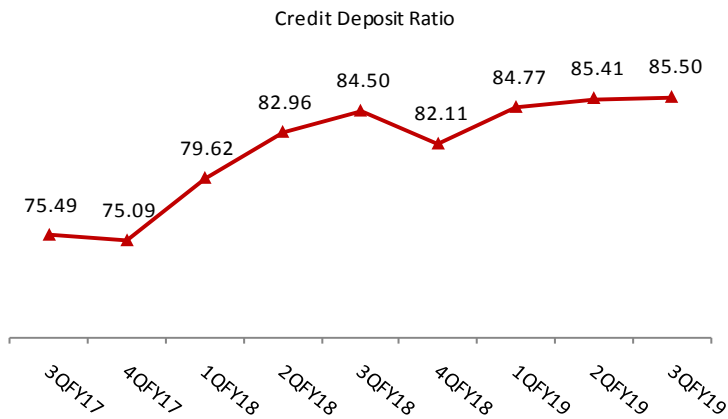
## Exhibit: CASA Performance

CASA ratio remained stable



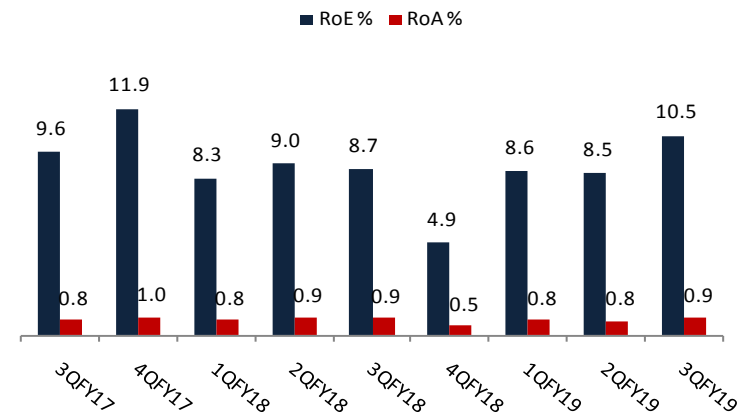
## Exhibit: Credit Deposit Ratio

Improving



## Exhibit: Return Ratios

Return ratio profile.



## Financial Details

### Balance Sheet

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<b>Share Capital</b>	<b>171</b>	<b>171</b>	<b>171</b>	<b>344</b>	<b>345</b>	<b>394</b>	<b>394</b>	<b>394</b>
>> Equity Capital	171	171	171	344	345	394	394	394
>> Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	6194	6780	7567	7747	8598	11816	12836	14306
<b>Networth</b>	<b>6365</b>	<b>6951</b>	<b>7738</b>	<b>8091</b>	<b>8942</b>	<b>12210</b>	<b>13230</b>	<b>14700</b>
Deposits	57615	59731	70825	79172	97665	111992	132134	165621
Change (%)	18	4	19	12	23	15	18	25
>> CASA Deposits	15519	18401	21550	25705	31838	37252	44265	56311
Change (%)	16	19	17	19	24	17	19	27
Borrowings	5187	5688	2308	5115	5897	11534	10137	13359
Other Liabilities & Provisions	1883	2601	2268	2204	2473	2578	4247	5324
<b>Total Liabilities</b>	<b>71050</b>	<b>74970</b>	<b>83140</b>	<b>94581</b>	<b>114977</b>	<b>138314</b>	<b>159749</b>	<b>199004</b>
Cash & Bank	3720	4529	4780	5420	7452	9204	7851	10445
Investments	21155	24118	24409	25155	28196	30781	31712	41405
Change (%)	22	14	1	3	12	9	3	31
Advances	44097	43436	51285	58090	73336	91957	113107	139122
Change (%)	17	-1	18	13	26	25	23	23
Fixed Assets	397	425	467	520	489	457	503	553
Other Assets	1681	2462	2199	5396	5503	5915	6576	7480
<b>Total Assets</b>	<b>71050</b>	<b>74970</b>	<b>83140</b>	<b>94581</b>	<b>114977</b>	<b>138314</b>	<b>159749</b>	<b>199004</b>

### Income Statement

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Interest income	6,168	6,946	7,419	7,745	8,677	9,753	11,531	14,688
Interest expended	4,193	4,717	5,039	5,240	5,625	6,170	7,301	9,299
<b>Net Interest Income</b>	<b>1,975</b>	<b>2,229</b>	<b>2,380</b>	<b>2,504</b>	<b>3,053</b>	<b>3,583</b>	<b>4,230</b>	<b>5,390</b>
Change (%)	1	13	7	5	22	17	18	27
Other Income	664	694	878	786	1,082	1,159	1,301	1,608
Change (%)	25	4	27	(10)	38	7	12	24
>> Core Fee Income	402	464	498	554	677	806	1,053	1,380
>> Treasury Income	206	156	256	129	309	238	197	169
>> Others	57	74	124	103	96	115	51	60
<b>Total Net Income</b>	<b>2,639</b>	<b>2,922</b>	<b>3,259</b>	<b>3,291</b>	<b>4,134</b>	<b>4,742</b>	<b>5,531</b>	<b>6,998</b>
Operating Expenses	1,180	1,442	1,631	1,867	2,210	2,451	2,729	3,219
Change (%)	20	22	13	14	18	11	11	18
>> Employee Expenses	626	772	892	1,053	1,164	1,242	1,363	1,610
<b>Pre-provisioning Profit</b>	<b>1,460</b>	<b>1,480</b>	<b>1,628</b>	<b>1,424</b>	<b>1,925</b>	<b>2,291</b>	<b>2,802</b>	<b>3,779</b>
Change (%)	(3)	1	10	(13)	35	19	22	35
Provisions	266	268	107	704	618	947	875	1,121
Change (%)	(21)	1	(60)	560	(12)	53	(8)	28
PBT	1,194	1,212	1,521	720	1,307	1,344	1,927	2,658
Tax	356	373	515	244	476	465	671	904
<b>Profit After Tax</b>	<b>838</b>	<b>839</b>	<b>1,006</b>	<b>476</b>	<b>831</b>	<b>879</b>	<b>1,256</b>	<b>1,754</b>
Change (%)	8	0	20	(53)	75	6	43	40

## Financial Details

### Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<b>Balance Sheet Metrics</b>								
Loan Growth (%)	17	(1)	18	13	26	25	23	23
Deposit Growth (%)	18	4	19	12	23	15	18	25
C/D Ratio (%)	76.5	72.7	72.4	73.4	75.1	82.1	85.6	84.0
CASA (%)	26.9	30.8	30.4	32.5	32.6	33.3	33.5	34.0
Investment/Deposit (%)	36.7	40.4	34.5	31.8	28.9	27.5	24.0	25.0
CRAR (%)	15	15	15	14	12	15	13	12
>> Tier 1 (%)	14	15	15	13	12	14	13	12
>> Tier 2 (%)	1	1	1	1	1	1	0	0

### Assets Quality Metrics

Gross NPA (Rs)	1,554	1,087	1,058	1,668	1,727	2,796	3,425	3,670
Gross NPA (%)	3.4	2.5	2.0	2.8	2.3	3.0	3.0	2.6
Net NPA(Rs)	432	322	373	950	941	1,552	1,850	1,909
Net NPA (%)	1.0	0.7	0.7	1.6	1.3	1.7	1.6	1.4
Slippages (%)	3	2	2	4	2	3	2	1
Provision Coverage (%)	81	84	84	72	72	65	64	67
Provision/Average Advances (%)	0.6	0.6	0.2	1.3	0.9	1.1	0.9	0.9

### Margin Metrics

Yield On Advances (%)	11.3	11.4	11.5	10.4	10.0	9.1	9.0	9.4
Yield On Investment (%)	7.6	7.8	7.6	7.1	6.8	6.5	6.4	6.8
Yield on Earning Assets (%)	9.9	10.0	9.9	9.4	8.9	8.1	8.1	8.5
Cost Of Deposits (%)	7.2	7.2	7.1	6.7	6.1	5.5	5.5	5.8
Cost Of Funds (%)	7.2	7.3	7.3	6.6	6.0	5.4	5.5	5.8
Spread (%)	2.7	2.7	2.7	2.7	2.9	2.7	2.6	2.7
NIM (%)	3.2	3.2	3.2	3.0	3.1	3.0	3.0	3.1

### Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	68.0	67.9	67.9	67.7	64.8	63.3	63.3	63.3
Fee Income/NII (%)	20.3	20.8	20.9	22.1	22.2	22.5	24.9	25.6
Cost to Income (%)	44.7	49.3	50.0	56.7	53.4	51.7	49.3	46.0
Cost on Average Assets (%)	1.8	2.0	2.1	2.1	2.1	1.9	1.8	1.8
Tax Rate (%)	29.8	30.8	33.9	33.9	36.4	34.6	34.8	34.0

### Valuation Ratio Metrics

EPS (Rs)	4.9	4.9	5.9	2.8	4.8	4.5	6.4	8.9
Change (%)	7.9	0.1	19.9	(52.9)	74.7	(8)	43.0	39.6
ROAE (%)	13.9	12.6	13.7	6.0	9.8	8.3	9.9	12.6
ROAA (%)	1.3	1.1	1.3	0.5	0.8	0.7	0.8	1.0
Dividend Payout (%)	18.4	20.4	18.7	25.3	18.6	22.4	18.8	16.9
Dividend yield (%)	1.9	2.1	1.7	1.5	1.0	1.1	1.4	1.7
Book Value (Rs)	37.2	40.6	45.2	47.1	52.0	61.9	67.1	74.5
Change (%)	12	9	11	4	11	19	8	11
ABVPS (Rs)	35	39	43	42	47	54	58	65
P/B (X)	1.3	1.2	1.5	1.0	1.8	1.5	1.3	1.2
P/E (X)	9.8	9.7	11.2	16.7	18.9	20.5	13.9	10.0



## Financial Details

### Exhibit: DuPont Analysis

	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<i>Interest Income</i>	9.5	9.4	8.7	8.3	7.7	7.7	8.2
<i>Interest expended</i>	6.5	6.4	5.9	5.4	4.9	4.9	5.2
<b><i>Net Interest Income</i></b>	<b>3.1</b>	<b>3.0</b>	<b>2.8</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>	<b>3.0</b>
<i>Non-Fund Based Income</i>	1.0	1.1	0.9	1.0	0.9	0.9	0.9
>> Core Fee Income	0.6	0.6	0.6	0.6	0.6	0.7	0.8
>> Trading and Other Income	<b>0.3</b>	<b>0.5</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>
Core Operating Income	3.7	3.6	3.4	3.6	3.5	3.5	3.8
<b><i>Total Income</i></b>	<b>4.0</b>	<b>4.1</b>	<b>3.7</b>	<b>3.9</b>	<b>3.7</b>	<b>3.7</b>	<b>3.9</b>
Total Operating Expenses	2.0	2.1	2.1	2.1	1.9	1.8	1.8
>> Employee Expenses	1.1	1.1	1.2	1.1	1.0	0.9	0.9
>> Other Expenses	0.9	0.9	0.9	1.0	1.0	0.9	0.9
<b><i>Operating Profit</i></b>	<b>2.0</b>	<b>2.1</b>	<b>1.6</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.1</b>
Provisions	0.4	0.1	0.8	0.6	0.7	0.6	0.6
Others	-	-	-	-	-	-	-
PBT	1.7	1.9	0.8	1.2	1.1	1.3	1.5
Tax	0.5	0.7	0.3	0.5	0.4	0.5	0.5
<b><i>PAT/RoAA</i></b>	<b>1.1</b>	<b>1.3</b>	<b>0.5</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>
<i>Equity Multiplier (x)</i>	11.0	10.8	11.2	12.3	12.0	11.7	12.8
<b><i>ROAE</i></b>	<b>12.6</b>	<b>13.7</b>	<b>6.0</b>	<b>9.8</b>	<b>8.3</b>	<b>9.9</b>	<b>12.6</b>

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