




Industry	Financial
Bloomberg	AXSB IN
BSE CODE	532215

## Improvement in core income and declining stress augurs well for profitability

<b>RATING</b>	<b>BUY</b>
<b>CMP</b>	<b>661</b>
<b>Price Target</b>	<b>740</b>
<b>Potential Upside</b>	<b>12%</b>

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

### 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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### 3QFY19 Result Update

- ❑ The Bank's Gross NPA and Net NPA levels improved by 21/18 bps sequentially to 5.75% and 2.36% respectively. Slippages during the quarter were Rs 3,746 Cr as compared to Rs 2,777 Cr in Q2FY19. Corporate lending slippages stood at Rs 1,887 crores. 98% of this came from BB & below accounts which now stands at Rs 7645 Cr.
- ❑ AXSB's net profit increased by 131% YoY. NII grew robust at 18% YoY due to advances growth and NIM improvement. NIM improved by 9 bps YoY to 3.47%.
- ❑ Other income grew robust at 54% YoY driven by retail fees (+ 22% YoY) and higher treasury gain (+90% YoY). The growth in non-interest income was also driven by recoveries of Rs 998 Cr in written-off accounts and gains on sale of strategic investments generating Rs 342 Cr. Treasury income stood at Rs 379 Cr during the quarter. C/I ratio declined by 491 bps at 42.5% mainly due to higher income growth (+31% YoY) than the opex growth (+18% YoY).
- ❑ Advances grew by 13%/4% on YoY/QoQ basis mainly driven by retail segment. Deposits increased by 26%/7% YoY/QoQ driven retail deposits which forms 80% of the total deposits. CASA grew by 17% YoY and retail term deposits grew by 24% YoY. CASA ratio declined to 45.8% as against 49.3% in Q2FY19.

### View and Valuation

Assets quality has been improving with moderating slippages as well as with good traction in recovery & up-gradation. Majority of corporate slippages were from stress pool (BB & below rated) and the pool has been declining. 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 going ahead due to limited stress in the book, change in assets mix and higher recovery and up-gradation. 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. New MD & CEO has taken charge of Axis Bank and laid down its strategy on three vectors- growth, profitability and sustainability. He believes the bank can produce 18% RoE on a sustainable basis over a period of time and three drives would be expenses optimization, credit cost reduction and business mix optimization. We increase our target price to Rs 740 and maintain BUY.

### Key Risks to our rating and target

- ❑ Slowdown in Loan growth
- ❑ Further deterioration in assets quality will impact credit cost

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
NII	16833	18093	18618	21968	27871
PPP	16104	17585	15594	19313	23510
PAT	8224	3679	276	5673	12440
NIM %	3.6	3.4	3.1	3.2	3.4
EPS (Rs)	35	15	1	22	48
EPS growth (%)	11	-55	-93	1958	115
ROE (%)	16.8	6.8	0.5	8.6	16.5
ROA (%)	1.7	0.7	0.0	0.8	1.4
BV	223	233	247	269	315
P/B (X)	2.0	2.1	2.1	2.5	2.1
P/E (x)	12.9	31.9	473.9	29.9	13.9

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**3Q FY19 Results**  
**Revenue Above Expectation**
**Margins Improve**

Financials	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY %	QoQ%	FY17	FY18	YoY %
Interest Inc.	11,722	11,771	12,777	13,281	14,130	<b>20.5%</b>	<b>6.4%</b>	44,542	45,780	<b>2.8%</b>
Interest Exp.	6,990	7,041	7,610	8,049	8,526	<b>22.0%</b>	<b>5.9%</b>	26,449	27,163	<b>2.7%</b>
NII	4,732	4,730	5,167	5,232	5,604	<b>18.4%</b>	<b>7.1%</b>	18,093	18,618	<b>2.9%</b>
Other Income	2,593	2,789	2,925	2,678	4,001	<b>54.3%</b>	<b>49.4%</b>	11,691	10,967	<b>-6.2%</b>
Total Income	7,325	7,519	8,092	7,910	9,604	<b>31.1%</b>	<b>21.4%</b>	29,784	29,585	<b>-0.7%</b>
Ope Exp.	3,471	3,847	3,720	3,816	4,080	<b>17.5%</b>	<b>6.9%</b>	12,200	13,990	<b>14.7%</b>
PPP	3,854	3,672	4,372	4,094	5,525	<b>43.4%</b>	<b>34.9%</b>	17,585	15,594	<b>-11.3%</b>
Provisions	2,811	7,180	3,338	2,927	3,055	<b>8.7%</b>	<b>4.3%</b>	12,117	15,473	<b>27.7%</b>
PBT	1,043	(3,507)	1,034	1,167	2,470	<b>136.9%</b>	<b>111.7%</b>	5,468	122	<b>-97.8%</b>
Tax	316	(1,319)	333	377	789	<b>150%</b>	<b>109.4%</b>	1,788	(154)	<b>-109%</b>
Net Profit	726	(2,189)	701	790	1,681	<b>131.4%</b>	<b>112.9%</b>	3,679	276	<b>-93%</b>

**NIM is expected to improve going ahead**

NII grew at the run rate of 18% YoY, which is highest in last 11 quarters due to advances growth. Global NIM increased by 11 bps/9 bps on QoQ/YoY, while domestic NIM increased by 7 bps/6 bps on QoQ/YoY. Overall cost of fund has increased by 10 bps/36 bps on QoQ/YoY basis. 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 declined by 491 bps at 42.5% mainly due to higher income growth (+31% YoY) than the opex growth (+18% YoY). Employee cost grew by 13% YoY, while other operating expenses grew by 20% YoY due addition of 82 branches during the quarter. Management expects total number of branches to increase from 3964 to 4500 going forward.

**Impressive improvement in assets quality**

Slippages during the quarter increased to Rs 3746 Cr from Rs 2777 Cr a quarter back. Corporate slippages stood at Rs 1,887 crores and 98% of this came from BB & below accounts which now stands at Rs 7645 Cr. Recovery & up gradation was Rs 1622 Cr, while write off stood at Rs 2207 Cr. GNPA/NNPA ratio declined by 21 bps/18 bps QoQ at 5.75%/2.36%. PCR improved to 75% vs 63% a quarter back. Watchlist declined to Rs 7645 Cr from Rs 8860 Cr a quarter back. NFB outstanding in BB & below corporate portfolio is Rs 2,500 Cr.

**Domestic loan growth remains healthy, deposits growth picked up**

Domestic loan book grew by 18% YoY, however overall loan book grew by 13% driven by retail book. Large corporate share declined to 38% of the book vs 46% in FY16 and grew by 5% YoY. Overseas advances declined by 19% YoY. SME (13% of the book) grew by 13%. Retail (49% of the book) grew at 20% on YoY, driven by the growth of 50% in credit card business, personal loan growth of 32% and by the increasing demand in auto loans which grew by 32% on YoY basis. Under corporate lending profile A and above rated exposure declined to 74% as against 79% a quarter back. Deposits grew by 25%/7% YoY/QoQ while CASA growth was 17% YoY. CASA share declined to 45.8% against 49.3% a year back. Current account grew at 19%/5% on YoY/QoQ and saving account grew at 15%/2% YoY/QoQ. Retail term deposit grew by 24% YoY.

**Other highlights:**

Fee income grew by 16% YoY. Retail fee income grew healthy at 22% and constitutes 59% of the total fee income of the bank. Overall other income grew robust at 54% YoY due to higher fee and treasury income. CRAR ratio stood at 16.4% during the quarter as against 16.5% in Q1FY19. Tier 1 ratio stands at 13.1% in Q3FY19.

## Concall Highlights

- NIM Axis Bank's Strategy for the next 3 years would pivot around delivery of three important vectors – Growth, Profitability and Sustainability.
- Market share is still only 4% on deposits and 4.7% on loans. The developments in the market gives with a tremendous opportunity to improve upon these numbers in short order. Focus over the next 3 years on the growth vector would be to improve deposit growth materially to fund strong loan growth aspirations, establish leadership in Payments and Digital capabilities, and to materially scale up subsidiaries.
- The second important vector of the strategy is Profitability: Management would continue to focus on growing core operating profitability, striving to enhance both margins and fee incomes. Management intends to reduce the Bank's credit costs sustainably below its long-term averages.
- Management highlighted that goal at Axis Bank is to deliver 18% ROE on a sustainable basis by focusing on these three vectors Growth, Profitability and Sustainability across the Axis Franchise.
- On result performance- NIM in this quarter is higher by 5 bps due to the write-back of interest reversals on one large recovery.
- Non-interest income for Q3FY19 grew 54% YOY to Rs 4,001 crores. Under this bank recovered Rs 998 crores this quarter from written off accounts, compared to Rs 40 crores in Q3 FY18. The Bank also sold its stake in two strategic investments during the quarter. These sales generated a gain of Rs 342 crores.
- The Bank's MCLR has increased by 60 bps in the last four quarters, and 56% of the advances are now MCLR linked.
- The annualized operating expenses to average assets ratio stood at 2.15%. Management stated to the goal of Cost to Assets under 2% in 3 years.
- CASA and Retail Term Deposits continue to form a strong, stable base of funding for the Bank, and stood at 80% of total deposits.
- The Bank's strategy on retail assets continues to be centered around existing customers of the Bank. 83% of retail assets originations in Q3 was from existing customers. 96% of the Bank's credit card and 93% of personal loan originations in the quarter were from existing customers of the bank.
- New MD emphasized that most of the accounts that are under any stress are indeed tagged as BB in our system.
- Gross slippages in the quarter were Rs 3,746 crores. Slippages from the corporate segment were Rs 1,887 crores which came predominantly from BB & Below pool.
- Divergence for FY18- RBI asked bank to classify 2 accounts as NPA worth Rs 225 Cr. Both of these accounts have already been downgraded by the Bank in Q1 FY19 and required provisions of Rs 100 Cr has been incorporated in 3Q FY19.
- BB & Below book now stands at Rs 7,645 crores against Rs 8500 Cr in 2Q FY19. Management believe the elevated rating downgrade cycle is now complete and future quarters will continue to show business as usual levels of upgrades and downgrades from this pool. So far, the accounts rated BB & Below have only had standard assets provisioning against them. To account for potential residual risks, in this quarter an additional contingent provision of Rs 600 crores have been provided on the BB and below rated book. The largest single exposure in BB is an exposure size of about Rs 800 crores and this is Power sector.

## Profitability Matrix

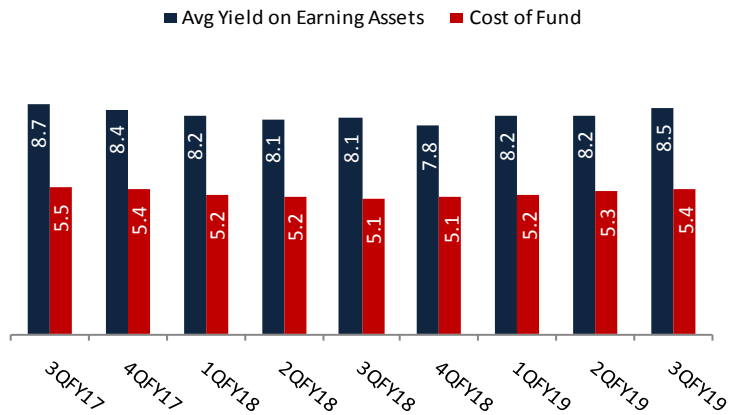
	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
C/I Ratio %	43.7	47.0	47.4	51.2	46.0	48.2	42.5	-4.91	-5.77
Empl. Cost/ Tot. Exp. %	32.7	32.3	30.6	28.0	33.0	30.8	29.5	-1.15	-1.30
Other Exp/Tot. Exp.%	67.3	67.7	69.4	72.0	67.0	69.2	70.5	1.15	1.30
Provision/PPP %	54.6	83.1	72.9	195.5	76.3	71.5	55.3	-17.65	-16.22
Tax Rate %	31.4	31.4	31.4	31.4	31.4	34.0	34.0	2.63	0.00
Int Exp./Int Inc. (%)	58.2	59.6	59.6	59.8	59.6	60.6	60.3	0.71	-0.26
Other Inc./Net Inc. %	39.4	36.3	35.4	37.1	36.1	33.9	41.7	6.25	7.80
PAT/ Net Income %	19.7	6.4	10.4	(30.5)	9.6	10.4	20.5	10.04	10.07
PAT Growth %	(16.1)	35.5	25.3	(278.7)	(46.3)	82.6	131.4	106.04	48.76
NII Growth %	2.2	0.6	9.2	0.0	11.9	15.3	18.4	9.25	3.18
Op. Profit	(4.0)	(7.9)	(16.9)	(16.1)	1.9	8.4	43.4	60.30	34.97
RoE %	10.2	6.8	5.5	(15.3)	4.9	5.2	11.3	5.81	6.15
RoA %	0.9	0.6	0.4	(1.3)	0.4	0.4	0.9	0.44	0.47

## Margin Performance

Margin %	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
Yield on advances	9.0	8.9	8.8	8.5	9.0	9.1	9.4	0.56	0.32
Avg Yield on	8.2	8.1	8.1	7.8	8.2	8.2	8.5	0.39	0.26
Cost of Funds	5.2	5.2	5.1	5.1	5.2	5.3	5.4	0.36	0.10
NIM	3.6	3.5	3.4	3.3	3.5	3.4	3.5	0.09	0.11

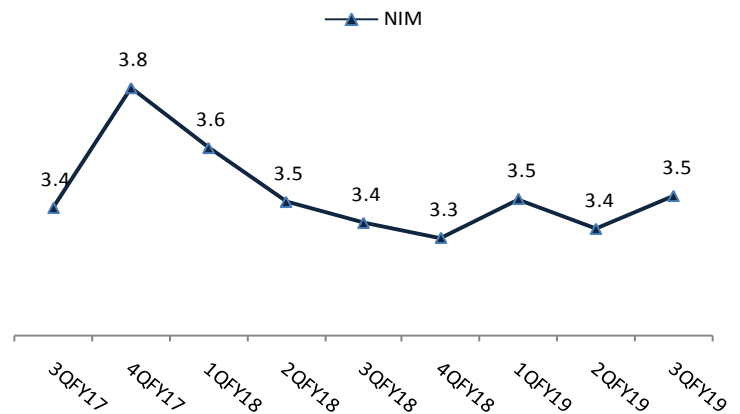
### Exhibit: Yield and Cost

Both yield and cost of fund increased.



### Exhibit: Net Interest Margin

NIM improved.

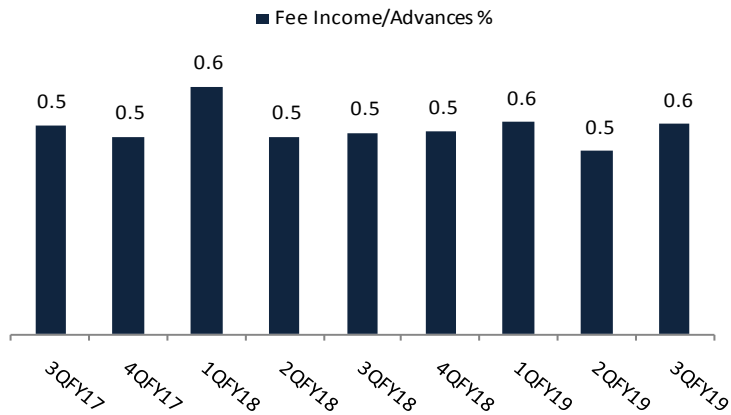


## Other Income Break Up- smart growth in Retail Business

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19
Retail Business	812	1115	961	1042	1101	1187	1291	1473	1549
Corporate Credit	361	581	361	456	382	446	275	285	370
Treasury & DCM	18	48	80	22	22	26	42	48	72
SME	90	145	80	87	112	148	85	95	112
Transaction Banking	523	533	521	564	629	641	423	475	512
<b>Total Fee-Based Income</b>	<b>1805</b>	<b>2423</b>	<b>2003</b>	<b>2170</b>	<b>2246</b>	<b>2448</b>	<b>2117</b>	<b>2376</b>	<b>2615</b>
<b>Growth YoY %</b>	<b>-4</b>	<b>8</b>	<b>17</b>	<b>12</b>	<b>24</b>	<b>1</b>	<b>6</b>	<b>9</b>	<b>16</b>
Trading Income	1525	428	824	377	200	215	103	136	379
Miscellaneous Income	70	162	173	39	147	126	705	166	1007
<b>Total Other Income</b>	<b>3401</b>	<b>3013</b>	<b>3000</b>	<b>2586</b>	<b>2593</b>	<b>2789</b>	<b>2925</b>	<b>2678</b>	<b>4001</b>
<b>Growth YoY %</b>	<b>45</b>	<b>12</b>	<b>10</b>	<b>2</b>	<b>-24</b>	<b>-7</b>	<b>-2</b>	<b>4</b>	<b>54</b>

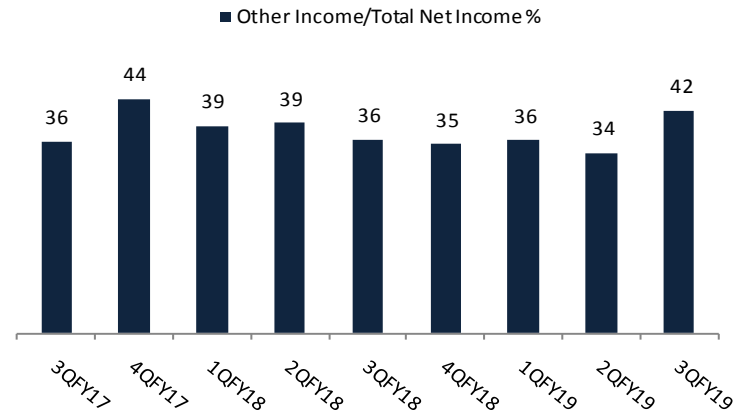
## Exhibit: Fee Income/Advances %

Fee income as a % of total advance increased.



## Exhibit: Other Income/ Total Income %

Growth in other income moved upwards.

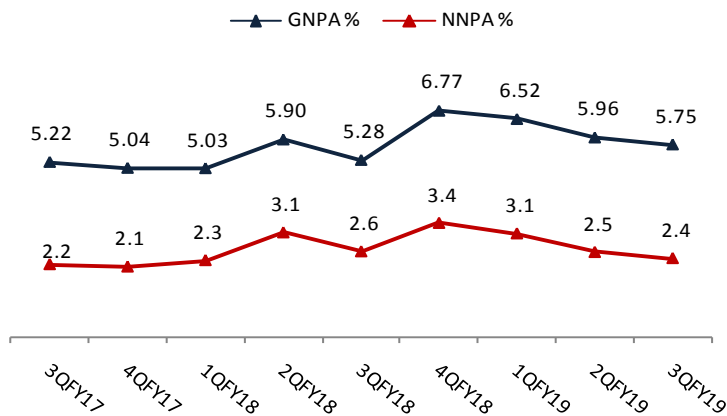


## Asset Quality

	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	22,032	27,403	25,001	34,249	32,662	30,938	30,855	23%	0%
GNPA %	5.0	5.9	5.3	6.8	6.5	6.0	5.8	0.47	-0.21
NNPA (Rs in Cr)	9,766	14,052	11,769	16,592	14,902	12,716	12,233	4%	-4%
NNPA %	2.3	3.1	2.6	3.4	3.1	2.5	2.4	-0.20	-0.18
Slippages (Rs in Cr)	3,519	8,936	4,428	16,536	4,337	2,777	3,746	-15%	35%
Specific PCR %	55.7	48.7	52.9	51.6	54.4	58.9	60.4	7.43	1.45

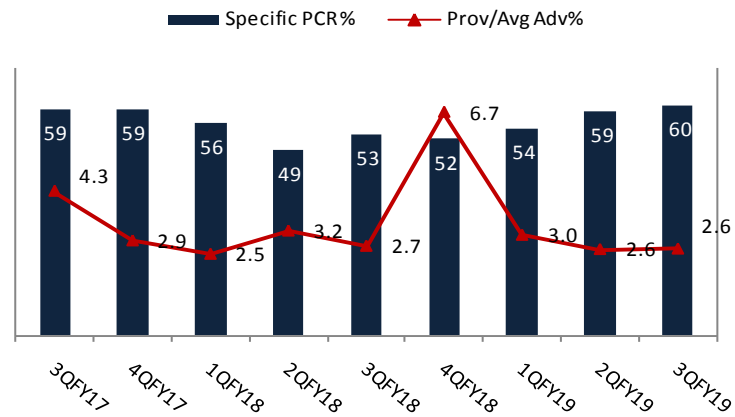
## Exhibit: Asset Quality

Assets quality improved.



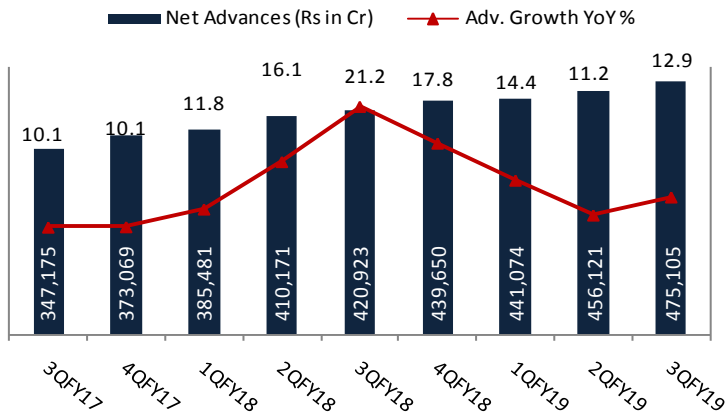
## Exhibit: Provisions

PCR Increased.



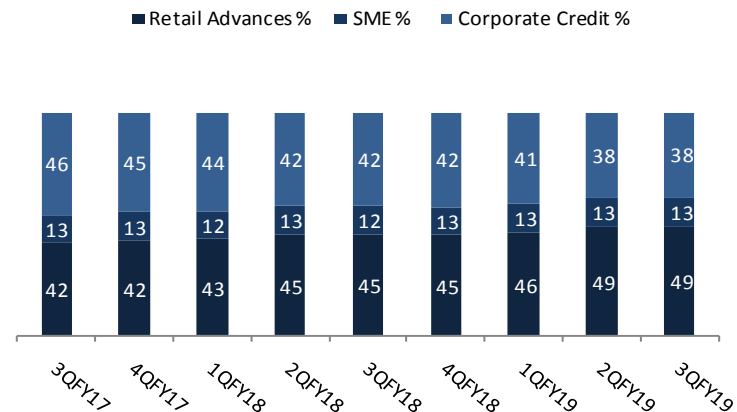
## Exhibit: Advances Performance

Advances growth increased



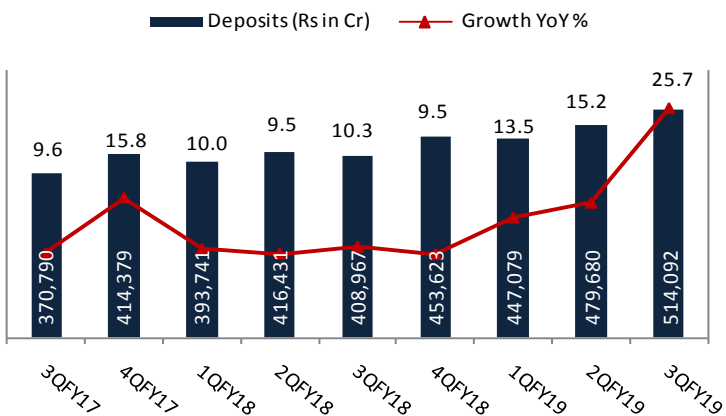
## Exhibit: Advances Breakup%

Portfolio has tilted towards retail profile



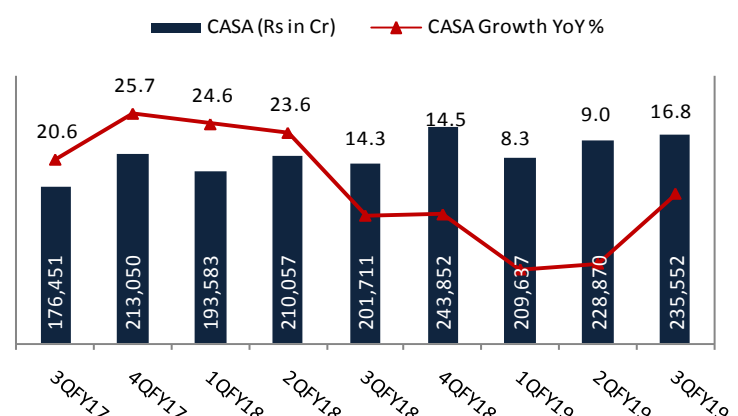
## Exhibit: Deposits Performance

Deposits growth improved.



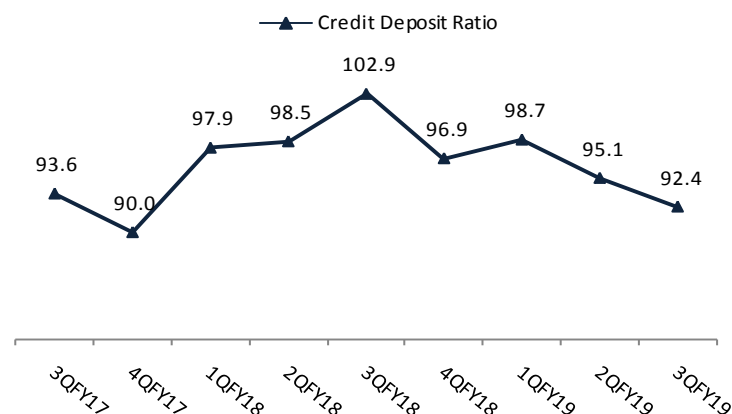
## Exhibit: CASA Performance

CASA growth increased.



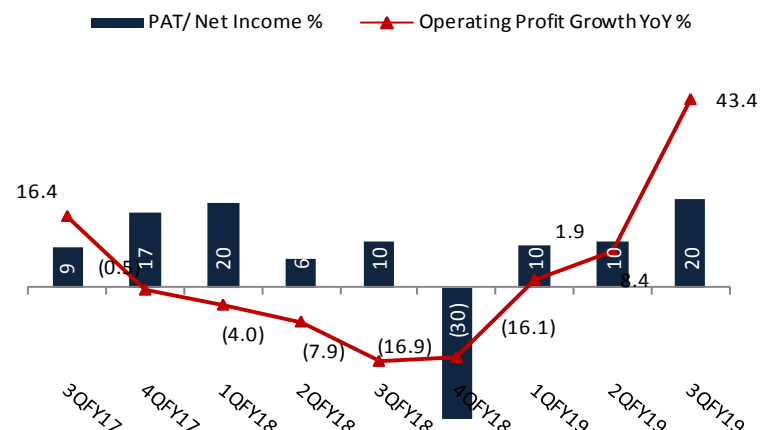
## Exhibit: Credit Deposit Ratio

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
<b>Share Capital</b>	<b>468</b>	<b>470</b>	<b>474</b>	<b>477</b>	<b>479</b>	<b>513</b>	<b>513</b>	<b>522</b>
>> Equity Capital	468	470	474	477	479	513	513	522
>> Preference Capital	0	0	0	0	0	0	0	0
Reserves & Surplus	32640	37751	44202	52688	55284	62932	68501	81622
<b>Networth</b>	<b>33108</b>	<b>38220</b>	<b>44677</b>	<b>53165</b>	<b>55763</b>	<b>63445</b>	<b>69015</b>	<b>82145</b>
Deposits	252614	280945	322442	357968	414379	453623	537870	631997
Change (%)	14.8	11.2	14.8	11.0	15.8	9.5	18.6	17.5
>> CASA Deposits	112100	126462	144400	169445	213050	243852	247420	303359
Change (%)	22.6	12.8	14.2	17.3	25.7	14.5	1.5	22.6
Borrowings	43951	50291	79758	99226	105031	148016	148022	180751
<b>Other Liabilities &amp; Prov.</b>	<b>10888</b>	<b>13789</b>	<b>15056</b>	<b>15109</b>	<b>26295</b>	<b>26245</b>	<b>35298</b>	<b>41475</b>
<b>Total Liabilities</b>	<b>340561</b>	<b>383245</b>	<b>461932</b>	<b>525468</b>	<b>601468</b>	<b>691330</b>	<b>790204</b>	<b>936367</b>
Cash & Bank	20435	28239	36099	33325	50256	43455	43841	47501
Investments	113738	113548	117550	122006	128793	153876	182876	214879
Change (%)	22.0	-0.2	3.5	3.8	5.6	19.5	18.8	17.5
Advances	196966	230067	281083	338774	373069	439650	505598	606717
Change (%)	16.0	16.8	22.2	20.5	10.1	17.8	15.0	20.0
Fixed Assets	2356	2410	2514	3523	3747	3972	4170	4379
Other Assets	7067	8981	24686	27839	45602	50377	53720	62891
<b>Total Assets</b>	<b>340561</b>	<b>383245</b>	<b>461932</b>	<b>525468</b>	<b>601468</b>	<b>691330</b>	<b>790204</b>	<b>936367</b>

### Income Statement

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Interest income	27183	30641	35479	40988	44542	45780	55049	68065
Interest expended	17516	18690	21254	24155	26449	27163	33081	40194
Net Interest Income	9666	11952	14224	16833	18093	18618	21968	27871
Change (%)	20.6	23.6	19.0	18.3	7.5	2.9	18.0	26.9
Other Income	6551	7405	8365	9371	11691	10967	13143	13832
Change (%)	20.9	13.0	13.0	12.0	24.8	-6.2	19.8	5.2
>> Core Fee Income	5520	5985	6779	7503	7882	8867	9935	11887
>> Treasury Income	755	696	1135	1247	3401	1616	830	745
>> Others	277	724	451	622	408	484	2378	1200
Total Net Income	16217	19357	22589	26204	29784	29585	35111	41703
Operating Expenses	6914	7901	9204	10101	12200	13990	15798	18192
Change (%)	15.1	14.3	16.5	9.7	20.8	14.7	12.9	15.2
>> Employee Expenses	2377	2601	3115	3376	3892	4313	4888	5838
Pre-provisioning Profit	9303	11456	13385	16104	17585	15594	19313	23510
Change (%)	25.2	23.1	16.8	20.3	9.2	-11.3	23.8	21.7
Provisions	1750	2107	2329	3710	12117	15473	10852	4662
Change (%)	53.1	20.4	10.5	59.3	226.6	27.7	-29.9	-57.0
PBT	7553	9349	11057	12394	5468	122	8461	18848
Tax	2373	3131	3699	4170	1788	-154	2788	6408
Profit After Tax	5179	6218	7358	8224	3679	276	5673	12440
Change (%)	22.1	20.0	18.3	11.8	-55.3	-92.5	1957.8	119.3



## Financial Details

### Key Ratios

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
<b>Balance Sheet Metrics</b>								
Loan Growth (%)	16	17	22	21	10	18	15	20
Deposit Growth (%)	15	11	15	11	16	9	19	18
C/D Ratio (%)	78.0	81.9	87.2	94.6	90.0	96.9	94.0	96.0
CASA (%)	44.4	45.0	44.8	47.3	51.4	53.8	46.0	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	15.7	15.7
>> Tier 1 (%)	12.2	12.6	12.1	12.5	11.9	13.0	12.4	12.5
>> Tier 2 (%)	4.8	3.5	3.0	2.8	3.1	3.5	3.3	3.1

### Assets Quality Metrics

Gross NPA (Rs)	2,393	3,146	4,110	6,088	21,281	34,249	30,070	28,356
Gross NPA (%)	1.1	1.2	1.3	1.7	5.0	6.8	5.3	4.1
Net NPA(Rs)	704	1,025	1,317	2,522	8,627	16,592	11,727	10,208
Net NPA (%)	0.3	0.4	0.4	0.7	2.1	3.4	2.1	1.5
Slippages (%)	2	1	1	3	6	9	3	1
Provision Coverage (%)	79	78	78	72	65	65	75	76
Provision/Average Advances (%)	1.0	1.0	0.9	1.2	3.4	3.8	2.3	0.8

### Margin Metrics

Yield On Advances (%)	11.5	10.7	10.1	9.7	9.3	8.4	8.8	9.3
Yield On Investment (%)	7.5	7.3	7.9	7.8	7.7	7.1	6.8	7.3
Yield on Earning Assets (%)	9.8	9.3	9.0	8.8	8.5	7.7	8.0	8.4
Cost Of Deposits (%)	6.4	5.8	5.7	5.4	5.1	4.4	4.9	5.3
Cost Of Funds (%)	6.3	5.9	5.7	5.5	5.3	4.7	5.0	5.2
Spread (%)	3.5	3.4	3.2	3.3	3.2	3.0	3.0	3.2
NIM (%)	3.5	3.6	3.6	3.6	3.4	3.1	3.2	3.4

### Profitability & Efficiency Metrics

Int. Expense/Int.Income (%)	64.4	61.0	59.9	58.9	59.4	59.3	60.1	59.1
Fee Income/NII (%)	57.1	50.1	47.7	44.6	43.6	47.6	45.2	42.7
Cost to Income (%)	42.6	40.8	40.7	38.5	41.0	47.3	45.0	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)	33.0	34.0

### Valuation Ratio Metrics

EPS (Rs)	22.1	26.5	31.0	34.5	15.4	1.1	22.1	47.6
Change (%)	7.8	19.6	17.3	11.2	(55.5)	(93)	1,958	115.5
ROAE (%)	18.5	17.4	17.8	16.8	6.8	0.5	8.6	16.5
ROAA (%)	1.7	1.7	1.7	1.7	0.7	0.0	0.8	1.4
Dividend Payout (%)	16.3	15.1	14.8	14.5	32.5	-	18.1	12.6
Dividend yield (%)	0.3	0.3	0.8	1.1	1.0	-	0.6	0.9
Book Value (Rs)	141.5	162.7	188.5	223.1	232.8	247.2	268.9	314.5
Change (%)	28	15	16	18	4	6	9	17
P/B (X)	1.8	1.8	3.0	2.0	2.1	2.1	2.5	2.1
P/E (X)	11.8	11.0	18.1	12.9	31.9	473.9	29.9	13.9



**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	4.7
<b><i>Net Interest Income</i></b>	<b>3.3</b>	<b>3.4</b>	<b>3.4</b>	<b>3.2</b>	<b>2.9</b>	<b>3.0</b>	<b>3.2</b>
<i>Non-Fund Based Income</i>	2.0	2.0	1.9	2.1	1.7	1.8	1.6
<i>&gt;&gt; Core Fee Income</i>	1.7	1.6	1.5	1.4	1.4	1.3	1.4
<i>&gt;&gt; Trading and Other Income</i>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.7</b>	<b>0.3</b>	<b>0.4</b>	<b>0.2</b>
<i>Core Operating Income</i>	5.0	5.0	4.9	4.6	4.3	4.3	4.6
<b><i>Total Income</i></b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>
<i>Total Operating Expenses</i>	2.2	2.2	2.0	2.2	2.2	2.1	2.1
<i>&gt;&gt; Employee Expenses</i>	0.7	0.7	0.7	0.7	0.7	0.7	0.7
<i>&gt;&gt; Other Expenses</i>	1.5	1.4	1.4	1.5	1.5	1.5	1.4
<b><i>Operating Profit</i></b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>	<b>3.1</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>
<i>Provisions</i>	0.6	0.6	0.8	2.2	2.4	1.5	0.5
<i>Others</i>	-	-	-	-	-	-	-
<i>PBT</i>	2.6	2.6	2.5	1.0	0.0	1.1	2.2
<i>Tax</i>	0.9	0.9	0.8	0.3	(0.0)	0.4	0.7
<b><i>PAT/RoAA</i></b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>0.7</b>	<b>0.0</b>	<b>0.8</b>	<b>1.4</b>
<i>Equity Multiplier (x)</i>	10.1	10.2	10.1	10.3	10.8	11.2	11.4
<b><i>ROAE</i></b>	<b>17.4</b>	<b>17.8</b>	<b>16.8</b>	<b>6.8</b>	<b>0.5</b>	<b>8.6</b>	<b>16.5</b>

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