

Asset Quality improves, Higher Provisions Dented  
Profitability

Companies Name	Rating
AUBANK	NEUTRAL
AXISBANK	BUY
BANKINDIA	BUY
CANBK	BUY
CUB	ACCUMULATE
DCBBANK	BUY
EQUITAS	BUY
FEDERALBANK	BUY
HDFCBANK	BUY
ICICBANK	BUY
INDUSINDBK	ACCUMULATE
KARURVYSYA	BUY
KOTAKBANK	NEUTRAL
RBLBANK	BUY
SBIN	BUY
SOUTHBANK	ACCUMULATE
UJJIVAN	HOLD
UNIONBANK	ACCUMULATE
YESBANK	NEUTRAL

## 4QFY19 Result Summary

4Q FY19 performance of the banks clearly set the path for improved profitability from FY20 onwards. However, development of new stress in the system from few accounts is again posing threat for the system as whole. The quarter gone by saw declining slippages on the corporate portfolio giving confidence for improving assets quality over the FY20 also. Provisions remained elevated on account of ageing related NPA. Also, no major resolutions under NCLT cases, kept the provisions on the higher front. Three accounts under NCLT (ESSAR steel, Bhushan Power and Alok industry) is under advances resolution stage which will improve the profitability further for most of the banks in FY20. Management preferred to strengthen balance sheet and hence PCR of most of the banks improved significantly. IL&FS crisis has been mostly recognized by most of the lenders. Government infusion of capital in PSU banks has also resulted in enhanced provisioning which resulted in decline in NPA. 4QFY19 was the strong quarter for the advances with the growth of 5%/14 on QoQ/YoY (coverage companies) by gaining its share from the NBFC's as they are facing liquidity issues. Most of the banks have increased its share towards the high yield retail segments due to margin pressure. Corporate advances growth saw pickup mainly demand from power sector, road & ports and loan to NBFCs. Under retail portfolio, share in housing loans increased by gaining its share from the NBFC & HFC. Credit card business has also shown strong traction during the quarter. **We maintain positive view on banks led by improving assets quality and NIM. Advances growth is likely to remain healthy. Our top picks are ICICI Bank, AXIS Bank, SBI, FEDERAL Bank and HDFC Bank. However, we remain cautious on new stress development from few NBFCs accounts.**

Private banks continue to gain market share from PSU banks. Advances for the private banks grew by 21% YoY, whereas it grew by 7% YoY for the PSU banks. Banks under our coverage reported improved growth of 14%/5% YoY/QoQ. The growth was mainly led by retail loan whereas corporate loan also saw pick up during the quarter. Under the retail loan, home loan continues to bear the flag whereas credit card growth remains the healthy. The growth was also led by portfolio buyout from NBFCs amid the liquidity issue. Among the private banks, HDFCB continued with healthy growth of 24% YoY whereas RBL Bank and IIB grew by 35% and 29% YoY. ICICIB's growth improved to 14%. SBIN's growth also improved near to industry average of 13%. Whereas small finance banks maintain their healthy loan book growth despite liquidity issue in the system. Due to liquidity issue deposits growth continue to lag with advances growth. Deposits for our coverage company grew by 11% YoY.

Absolute GNPA for our coverage company declined by 12%/5% YoY/QoQ whereas NNPA declined by 31%/13% YoY/QoQ. The NNPA ratio improved to 2.8% vs 3.4% sequentially whereas specific PCR improved to 61% from 58% a quarter back. IL&FS stress has been mostly recognized in the balance sheet of the lenders. Some banks have also accelerated their provisioning on this account. With the healthy PCR and lower incremental slippages, most of the banks are likely to report improved profitability going ahead. But development of new stress in the system will pose significant risk in the system which should remain under key watch.

NII growth inched up to 21%/4% YoY/QoQ led to improvement in both loan growth as well as in NIM during the quarter. MCLR reset at higher rates, lower interest reversal and change in assets mix resulted in improved NIM performance for most of banks. Operating profit of the banks under our coverage grew by 13% YoY whereas PAT declined by 55% sequentially on account of higher provisions during the quarter. YES BANK registered significant loss of Rs 1507 Cr as new management decided to aggressively provide for stress assets. IIB PAT also marred by IL&FS related provisions.

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Rating	Neutral
<b>CMP</b>	<b>700</b>
<b>Target</b>	<b>669</b>
<b>Upside/Downside</b>	<b>-4%</b>

	FY20E	FY21E
NII	1791	2487
PPP	1016	1507
PAT	512	744
ROE	14.0	16.4
ROA	1.3	1.3
P/B	5.1	4.4

## AUBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	287	348	387	34.9%	11.2%
PPP	155	179	216	39.4%	20.9%
PAT	79	95	118	49.5%	23.8%
Advances	16038	21765	24246	51.2%	11.4%
Deposits	6743	12573	17079	153.3%	35.8%
NIM	8.8%	7.4%	7.4%	-1.4%	0.0%
C/I ratio	63.3%	60.6%	58.3%	-5.0%	-2.3%
CASA	31.6%	23.6%	21.0%	-10.6%	-2.6%
GNPA	2.0%	2.1%	2.0%	0.0%	-0.1%
NNPA	1.3%	1.3%	1.3%	0.0%	0.0%
PCR	37.2%	37.6%	37.4%	0.2%	-0.2%

NII grew strongly at 35% YoY in line with our expectation mainly driven by AUM growth of 51% YoY. NIM has remained stable at 5.5% QoQ, as management has increased IRR for incremental disbursement by 50 bps which lead to stable spreads as at 4QFY19. Other income decline by 3% YoY but there was increase of 23% on sequential basis. Rise in operational efficiency has resulted in fall in the C/I ratio to 58% in 4Q FY19 vs 63% in 4QFY18. Operating expense grew by only 13% YoY. Provision growth stood at the rate of 32% YoY. PAT grew by 42% YoY. AUM grew by 51% YoY led by driven by retail portfolio which grew by 49% YoY. Wholesale book grew by 49% YoY mainly driven by NBFC segment at 65% YoY. However, disbursement growth slowed down to 20% YoY as the wheels portfolio remained stable on sequential basis. Deposit stood at Rs 17079 Cr as at 4QFY19 at the growth rate of 153 % YoY. Deposit growth was mainly driven by growth in the TD segment. CASA% stood at 21% vs 24% in 3Q FY19. Assets quality remained stable with GNPA at 2% in 4QFY19 while NPA has remained steady at 1.31% with PCR of 37%. The major contributor to the rise in GNPA is Wheels followed by MSME SBL.

## AXISBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	4730	5604	5706	20.6%	1.8%
PPP	3672	5525	5014	36.6%	-9.2%
PAT	-2189	1681	1505	NA	-10.5%
Advances	439650	475105	494798	12.5%	4.1%
Deposits	453623	514092	548471	20.9%	6.7%
NIM	3.3%	3.5%	3.4%	0.1%	-0.1%
C/I ratio	51.20%	42.50%	45.70%	-5.5%	3.2%
CASA	53.8%	45.8%	44.4%	-9.4%	-1.4%
GNPA	6.8%	5.8%	5.3%	-1.5%	-0.5%
NNPA	3.4%	2.4%	2.1%	-1.3%	-0.3%
PCR	65.0%	75.0%	77.0%	12.0%	2.0%

The PAT for the quarter stood at Rs 1505 Cr vs the loss of 2189 Cr in Q4FY18. NII grew by 21% YoY to Rs 5706 Cr v/s Rs 4730 Cr in Q4FY18 while the NIM stood at 3.44% v/s 3.33% in Q4FY18 improving by 11 bps. Bank expects NIMs to settle in the range of 3.5-3.8% over the medium term. For FY20 bank expects margins to remain broadly flat or marginal improvement. Other income grew 26% YoY while the fee income grew 23% YoY to Rs 3020 Cr. The growth in the fee income was driven by the retail business which grew by 37% YoY. The cost to income was down to 45.7% v/s 51.2% in Q4FY18. Advances during the quarter grew by 13%/4% on YoY/QoQ basis. The Domestic loans grew 18% YoY while the overseas book de-grew by 29% YoY, but the managements expects overseas loan book to stabilize in absolute terms in the next two quarters. Deposits grew by 21%/7% on YoY/QoQ basis. The growth in the deposit was on account of both retail term deposit and non-retail term deposit which grew by 44% and 47% YoY respectively. The asset quality continued its improving trend GNPA improved by 49 bps YoY to 5.26% v/s 5.75% in Q3FY19, The NPA were 2.06% v/s 2.30 in Q3FY19. Slippages during the quarter stood at Rs 3012 Cr v/s Rs 3746 in Q3FY19 while the up gradation and recoveries stood at Rs 2376 Cr and Rs 1701 Cr respectively.

Rating	BUY
CMP	91
Target	102
Upside/Downside	12%

	FY20E	FY21E
NII	16077	18153
PPP	10832	12934
PAT	4416	5542
ROE	9.1	10.4
ROA	0.7	0.8
P/B	0.5	0.5

Rating	BUY
CMP	261
Target	313
Upside/Downside	20%

	FY20E	FY21E
NII	15638	17936
PPP	11856	13302
PAT	3105	5183
ROE	8.2	12.4
ROA	0.4	0.7
P/B	0.5	0.5

## BANKINDIA

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	2564	3332	4044	57.7%	21.4%
PPP	1172	2273	2303	96.5%	1.3%
PAT	-3969.27	-4737.56	251.74	LTP	LTP
Advances	341380	331114	341006	-0.1%	3.0%
Deposits	520854	515128	520862	0.0%	1.1%
NIM	1.7%	2.6%	2.9%	1.3%	0.4%
C/I ratio	70.2%	54.5%	59.2%	-11.0%	4.7%
CASA	33.0%	34.0%	35.0%	2.0%	1.0%
GNPA	16.6%	16.3%	15.8%	-0.7%	-0.5%
NNPA	8.3%	5.9%	5.6%	-2.7%	-0.3%
PCR	57.0%	76.8%	77.0%	20.0%	0.2%

PAT during the quarter was Rs 252 Cr v/s loss of Rs 3969 Cr in Q4FY18. The NII grew by 58% YoY as a result of strong NIM improvement and pick up in domestic loan book while the NIM stood at 2.93% v/s 1.65% in Q4FY18 and 2.55% in Q3FY19 %/21% YoY/QoQ. The Domestic NIM improved by 146/36 bps on YoY/QoQ basis while the Foreign nim improved by 30/19 bps on YoY/ QoQ basis. Management expects the NIM to improve going forward into FY20. Other income during the quarter grew by 17% YoY aided by healthy other non-interest income growth and strong treasury income which stood at Rs 148 Cr v/s Rs -34 Cr in Q4FY18 .There was healthy improvement in asset quality, Gross NPA during the quarter stood at 15.84% v/s 16.31% QoQ while the Net NPA stood at 5.61% v/s 5.87% QoQ. The slippages during the quarter were Rs 3012 Cr v/s 4315 Cr in 3Q FY19.Bank reported a GNPA divergence of Rs 245 Cr for FY18 while NNPA divergence was Rs -1173 Cr and provisions were less by 141 Cr for FY18. The provision coverage ratio stood at 77%. Advances during the quarter stood at Rs 341006 Cr down 1% YoY however the advance grew 3% QoQ with SME segment registering growth of 6.45% YoY. Management expects the advances to have healthy growth going forward into FY20 on account of strong balance sheet.

## CANBK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	2987.59	3813.8	3500.35	17.2%	-8.2%
PPP	1764.65	2357.24	2973.66	68.5%	26.2%
PAT	-4859.77	317.52	-551.33	-88.7%	-273.6%
Advances	381703	417227	427727	12.1%	2.5%
Deposits	524772	575525	599033	14.2%	4.1%
NIM	2.4%	2.7%	2.6%	0.2%	0.0%
C/I ratio	59.1%	54.1%	44.5%	-14.6%	-9.6%
CASA	31.8%	30.3%	29.2%	-2.6%	-1.1%
GNPA	11.8%	10.3%	8.8%	-3.0%	-1.4%
NNPA	7.5%	6.4%	5.4%	-2.1%	-1.0%
PCR	58.1%	62.5%	68.1%	10.1%	5.6%

CANBK's 4QFY19 results have been below our expectations with NII growth of 17% YoY. NII declined by 8% QoQ on the account of lower yield QoQ . NIM grew by 21 bps YoY to 2.63% due to high yield growth of 27 bps YoY.NIM is targeted to be at 3% in FY20.The bank reported net loss of Rs 551 Cr in 4QFY19 as against net loss of Rs 4860 Cr in 4QFY18. Loss mainly driven by high provisioning numbers QoQ. Minimum profit of Rs 3000 Cr is expected in FY20.Advances grew by 12% YoY driven by high growth of 21% YoY in retails segment. Management is focusing on retail deposits and retail assets for the growth. Asset quality improved as GNPA/NNPA both declined by 142/100 bps QoQ to 8.83% and 5.37% in 4QFY19 backed by high recovery up gradation and writeoffs.Slippages ratio declined by 70 bps QoQ signalling improvement in asset quality. The management expects slippages to restrict to around Rs 7500 Cr for full year in FY20. Management expects credit cost of 2.5% in worst case going ahead in FY20 as well as to increase PCR to 75% level from 68% currently. The management expects recovery of Rs 4000- Rs 5000 Cr from two NCLT cases which are under advance stage of resolution.

Rating	ACCUMULATE
<b>CMP</b>	<b>216</b>
<b>Target</b>	<b>230</b>
<b>Upside/Downside</b>	<b>6%</b>

	FY20E	FY21E
NII	1890	2197
PPP	1483	1731
PAT	816	950
ROE	15.6	15.7
ROA	1.6	1.6
P/B	2.6	2.3

Rating	BUY
<b>CMP</b>	<b>234</b>
<b>Target</b>	<b>248</b>
<b>Upside/Downside</b>	<b>6%</b>

	FY20E	FY21E
NII	1328	1626
PPP	829	1068
PAT	437	571
ROE	13.2	15.1
ROA	1.1	1.2
P/B	1.9	1.6

## CUB

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	368	418	421	14.3%	0.6%
PPP	294	307	338	14.8%	10.1%
PAT	152	178	175	15.1%	-1.7%
Advances	27853	30322	32673	17.3%	7.8%
Deposits	32853	35504	38448	17.0%	8.3%
NIM	4.4%	4.4%	4.4%	0.0%	0.0%
C/I ratio	39.7%	43.0%	40.5%	0.8%	-2.5%
CASA	24.2%	23.9%	25.2%	1.0%	1.4%
GNPA	3.0%	2.9%	3.0%	-0.1%	0.0%
NNPA	1.7%	1.7%	1.8%	0.1%	0.1%
PCR	64.0%	65.0%	63.0%	-1.0%	-2.0%

The PAT grew by 15% YoY during the quarter while the NII for the quarter stood at Rs 421 Cr growing 14% on YoY on account of Advances growth and marginal expansion in NIM. NIM during the quarter grew by 4 bps YoY to 4.40% and was stable sequentially. The management expects there might some pressure in NIM going forward into FY20. C/I ratio increased by 80 bps YoY to 40.5% however there was improvement sequentially of 248 bps on account of healthy income growth and lower growth in other expenses. Advance growth during the quarter was 17%/8% on YoY/QoQ basis with others segment growing 32%/18% on YoY/QoQ basis, Corporate segment growing 20%/13 on YoY/QoQ basis and retail segment growing 18%/1% on YoY/QoQ basis. Deposits during the quarter grew by 17% YoY/8% QoQ with both both current account and saving account growing strong. The CASA stood at 25.2% v/s 24.2% in 4QFY18. Management expects 18-20% credit growth during FY20. The asset quality was affected during the quarter on account of higher slippages which stood at Rs 204 Cr v/s 166 Cr in Q3FY19. The slippage ratio was high at 69 bps. Bank does not have any exposure to IL&FS

## DCBBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	264	294	301	14.1%	2.5%
PPP	142	174	185	30.9%	6.7%
PAT	64	86	96	50.1%	12.0%
Advances	20337	22888	23568	15.9%	3.0%
Deposits	24007	27509	28435	18.4%	3.4%
NIM	4.2%	3.8%	3.8%	-0.4%	-0.1%
C/I ratio	59.4%	55.2%	53.7%	-5.7%	-1.5%
CASA	24.3%	24.2%	24.0%	-0.3%	-0.2%
GNPA	1.8%	1.9%	1.8%	0.0%	-0.1%
NNPA	0.7%	0.7%	0.7%	-0.1%	-0.1%
PCR	75.7%	77.0%	78.8%	3.1%	1.8%

The PAT grew by 50% YoY while the NII growth moderated to 14% on account of NIM compression and slower advances growth. The NIM stood at 3.78%, Yield on advances improved by 15 bps QoQ, while the cost of fund increased by 32 bps QoQ at 7.06% due to rise in deposits rate. Going forward into FY20 management said that during the first half the NIM may suffer to certain extent but for the year as a whole they have guided NIM of 3.70%-3.75%. Other income grew by 16.6% with PSL fee of Rs13 Cr received during the quarter and Core fee income growing by 6%. Asset quality during the quarter improved with GNPA at 1.82% v/s 1.92% in 3QFY19, NNPA improving to 0.65% v/s 0.71% in 3QFY19. Slippages during the quarter stood at Rs 101 Cr v/s Rs 115 Cr in Q3FY19, the management believes that the recoveries will be strong going ahead are coming and expect NPA on commercial vehicles to improve going forward. DCB bank loan book growth moderated to 16% YoY in 4Q FY19 mainly on account of de-growth of 11%/10% on YoY/QoQ basis in the corporate segment. Company as a part of its policy is now looking for loans with short tenor which is less capital consuming and is more to manage the liquidity.

Rating	BUY
<b>CMP</b>	<b>138</b>
<b>Target</b>	<b>151</b>
<b>Upside/Downside</b>	<b>9%</b>

	FY20E	FY21E
NII	1558	2043
PPP	677	999
PAT	343	527
ROE	12.9	17.0
ROA	1.8	2.3
P/B	1.6	1.4

## EQUITAS

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	248	320	333	34.3%	4.1%
PPP	68	123	119	74.9%	-3.3%
PAT	35	63	61	75.3%	-2.6%
Advances	8107	10861	11721	44.6%	7.9%
Deposits	4719	6618	8016	69.9%	21.1%
NIM	9.6%	9.7%	9.7%	0.2%	0.0%
C/I ratio	76.8%	68.2%	68.6%	-8.2%	0.3%
CASA	34.6%	30.5%	28.3%	-6.3%	-2.2%
GNPA	2.7%	3.1%	2.5%	-0.2%	-0.6%
NNPA	1.4%	1.8%	1.6%	0.2%	-0.2%
PCR	28.0%	47.0%	33.0%	5.0%	-14.0%

Result was in line with our expectation. NII growth was mainly driven by strong growth in the Advances. Operating profit stood at Rs 119 Cr while PAT stood at Rs 61 Cr. Total income grew by 38% YoY while operating expense grew at the rate of 27% thus improving C/I ratio from 77% to 70% as at 4QFY19. Management has guided for a 15% growth in OPEX going ahead. Advances growth of 45%/8% YoY/QoQ driven by entire segment classes. Disbursement growth has slowed down to 32% YoY as management has slowed down disbursement in MFI & Small business segment due to election. Management has guided for a loan growth of 35-40% going ahead. GNPA stood at 2.52% while NNPA stood at 1.59% as at 4QFY19. Slippages standing at Rs 64 Cr while recovery & upgradation amounting to Rs 104Cr. Credit cost has remain muted at 88 bps. EQUITAS has proposed to capitalize bank's reserve by issuing share to its holding company's shareholders in proportion to their existing holdings. This proposal is subject to various regulatory clearances

## FEDERALBNK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	933	1077	1097	17.5%	1.8%
PPP	589	708	755	28.2%	6.6%
PAT	145	334	382	163.1%	14.4%
Advances	91957	105550	110223	19.9%	4.4%
Deposits	111992	123457	134934	20.5%	9.3%
NIM	3.1%	3.2%	3.2%	0.1%	0.0%
C/I ratio	52.8%	50.3%	50.0%	-2.9%	-0.4%
CASA	33.3%	33.3%	32.2%	-1.1%	-1.2%
GNPA	3.0%	3.1%	2.9%	-0.1%	-0.2%
NNPA	1.7%	1.7%	1.5%	-0.2%	-0.2%
PCR	65.0%	64.2%	67.0%	2.0%	2.8%

Bank reported strong PAT growth of 163%/14% YoY/QoQ led by improved all round performance. NII grew by 17.5% YoY while the other income grew by 31% YoY. NIM improved by 6 bps YoY. On the NIM management does not expect material improvement and guided NIM for FY20 at 3.2%. The profitability of the bank was aided by the lower provisioning which stood at Rs 178 Cr v/s Rs 372 Cr in Q4FY19. Cost to income ratio improved by 29/286 bps on YoY/QoQ mainly on account of growth in income. The GNPA at 2.92% v/s 3.14% in Q3FY19 and 3% in Q4FY18 while the NNPA stood at 1.48% v/s 1.72% in Q3FY19 and 1.69% in Q4FY18. Slippages stood at Rs 269 Cr with strong recoveries and write off during the quarter total write off and up gradation stood at Rs 369 Cr. The recoveries during the quarter were more than the slippages at Rs 323 Cr. Net Advances grew by 20%/4% on YoY/QoQ basis driven by healthy growth in both corporate and retail book which grew by 20/25% YoY respectively. Deposits during the quarter went up by 20.5%/9% on YoY/QoQ. The management had guided for Loan book growth in the range of 20-22% or even higher depending on market conditions.



<b>Rating</b>	<b>BUY</b>
<b>CMP</b>	<b>2424</b>
<b>Target</b>	<b>2685</b>
<b>Upside/Downside</b>	<b>11%</b>

	<b>FY20E</b>	<b>FY21E</b>
NII	59159	71130
PPP	48467	58416
PAT	26495	32198
ROE	16.6	17.5
ROA	1.9	2.0
P/B	3.7	3.2

<b>Rating</b>	<b>BUY</b>
<b>CMP</b>	<b>411</b>
<b>Target</b>	<b>515</b>
<b>Upside/Downside</b>	<b>25%</b>

	<b>FY20E</b>	<b>FY21E</b>
NII	32296	39242
PPP	28412	33580
PAT	13892	17132
ROE	12.1	13.3
ROA	1.3	1.4
P/B	2.1	1.9

## HDFCBANK

<b>Performance</b>	<b>4QFY18</b>	<b>3QFY19</b>	<b>4QFY19</b>	<b>YOY%</b>	<b>QOQ%</b>
NII	10657.7	12576.8	13089.5	22.8%	4.1%
PPP	8836	10778.4	10843.6	22.7%	0.6%
PAT	4799	5586	5885	22.6%	5.4%
Advances	658333	780951	819401	24.5%	4.9%
Deposits	788771	852502	923141	17.0%	8.3%
NIM	4.3%	4.3%	4.4%	0.1%	0.1%
C/I ratio	40.6%	38.4%	39.6%	-1.0%	1.2%
CASA	43.0%	41.0%	42.0%	-1.0%	1.0%
GNPA	1.3%	1.4%	1.4%	0.1%	0.0%
NNPA	0.4%	0.4%	0.4%	0.0%	0.0%
PCR	69.8%	69.7%	71.4%	1.6%	1.7%

HDFCB's result was in line with our expectations. PAT During the quarter grew by 22.6% YoY with overall healthy performance. NII grew by 22.8% YoY driven by loan book growth while the NIM improved by 10 bps QoQ at 4.4%. The growth in the Fee income was muted at Rs 4095 Cr growing 9%/1% on YoY/QoQ basis on account of rationalizing of growth rate in debit and credit card spend and changes in mutual fund regulation. The GNPA stood at 1.36% v/s 1.38% IN Q3FY19 improving sequentially by 2 bps, NNPA also improved sequentially by 3 bps standing at 0.39% . The slippages for the quarter stood at Rs 3577 Cr v/s 3999 in Q3FY19 while the write off and upgrades & recoveries amounted to approximately Rs 1100 and Rs 2200 Cr respectively The advances during the quarter grew by 24.5%/5% on YoY /QoQ with retail loan book growing by 21% YoY led by personal loan, Home loan, credit card segment which grew 29%, 42%, and 29% respectively on YoY basis. Bank expects the growth in the Home loan segment to remain strong going forward due to continuous purchase of portfolio from HDFC Ltd. On the deposit front there was growth of 17% YoY and 8% QoQ. CASA grew by 14%/13% on YoY/QoQ basis. The term deposits grew by 19%/5% on YoY/QoQ basis with people moving from saving to term deposits on account of higher interest rates in term deposit. CASA ratio stood at 42.4% v/s 43.5% in Q4FY18.

## ICICIBANK

<b>Performance</b>	<b>4QFY18</b>	<b>3QFY19</b>	<b>4QFY19</b>	<b>YOY%</b>	<b>QOQ%</b>
NII	6022	6875	7620	26.5%	10.8%
PPP	7514	6146	6233	-17.0%	1.4%
PAT	1020	1605	969	-5.0%	-39.6%
Advances	512395	564308	586647	14.5%	4.0%
Deposits	560975	606755	652920	16.4%	7.6%
NIM	3.2%	3.4%	3.7%	0.5%	0.3%
C/I ratio	35.8%	42.9%	44.5%	8.7%	1.6%
CASA	51.7%	49.3%	49.6%	-2.1%	0.3%
GNPA	8.8%	7.8%	6.7%	-2.1%	-1.1%
NNPA	4.8%	2.6%	2.1%	-2.7%	-0.5%
PCR	60.5%	76.3%	81.2%	20.7%	4.9%

The PAT during the quarter fell short of expectation due to high provisioning and opex growth. The provisions during the quarter stood at Rs 5451 Cr vs Rs 4244 Cr in 3Q FY19. PAT declined by 5% YoY. Cost to income ratio stood at Rs 44.5% v/s 35.8% in Q4FY18. The employee cost grew by 24% YoY on account of higher provision for retirements while the other expense grew by 16.9% YoY. Fee income grew by 15% YoY. Advances grew by 14.5%/4% on YoY/QoQ basis driven by retail segment which grew by 22% YoY. The domestic loan book grew by 16.9% YoY. The deposits grew by 16%/8% on YoY/QoQ basis on account of strong growth in term deposits of 21% YoY. The GNPA during the quarter stood at 6.70% v/s 7.75% in Q3FY19 while the NPA was 2.06% v/s 2.58% in Q3FY19. Slippage during the quarter was Rs 3547 Cr of which corporate & SME was Rs 2724 Cr. The BB and below corporate and SME portfolio has decreased from Rs 18812Cr on 3Q FY19 to Rs 17525 Cr as on 4Q FY19. This includes Rs 7800 Cr of cases with exposure of greater than Rs 100 Cr. The management expects the retail slippages to be higher in Q1FY20 & Q3FY20 due to likely additions from the kisan credit card portfolio. Management is Committed to achieve a consolidated RoE of 15% by June 2020.

Rating	ACCUMULATE
<b>CMP</b>	<b>1520</b>
<b>Target</b>	<b>1714</b>

	FY20E	FY21E
NII	11167	14247
PPP	10427	13181
PAT	5511	6985
ROE	18.9	20.0
ROA	1.8	1.8
P/B	2.9	2.4

Rating	BUY
<b>CMP</b>	<b>80</b>
<b>Target</b>	<b>85</b>
<b>Upside/Downside</b>	<b>6%</b>

	FY20E	FY21E
NII	2688	3161
PPP	1985	2311
PAT	667	972
ROE	9.9	13.0
ROA	0.9	1.1
P/B	0.8	0.8

## INDUSINDBK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	2008	2288	2232	11.2%	-2.4%
PPP	1769	2117	2068	16.9%	-2.3%
PAT	953	985	360	-62.2%	-63.4%
Advances	144954	173169	186394	28.6%	7.6%
Deposits	151639	175701	194868	28.5%	10.9%
NIM	4.0%	3.8%	3.6%	-0.4%	-0.2%
C/I ratio	45.0%	43.7%	45.5%	0.5%	1.8%
CASA	44.0%	43.6%	43.1%	-0.9%	-0.5%
GNPA	1.2%	1.1%	2.1%	0.9%	1.0%
NNPA	51.0%	59.0%	1.2%	-49.8%	-57.8%
PCR	56.0%	48.0%	43.0%	-13.0%	-5.0%

The PAT during the quarter was below our expectations it stood at Rs 360 Cr v/s Rs 953 Cr in 4QFY18. The profitability was dented on account of high provision which stood at Rs 1561 Cr v/s Rs 336 Cr in 4QFY18. The entire exposure to the IL&FS became NPA and total additional provisions of Rs 1120 Cr were provided on this during the quarter. In addition to that bank has reversed 2 quarters of interest amounting to Rs 153 Cr. Other income grew by 29% YoY with fee income growing 28% YoY. The NIM was affected on account increasing cost of fund which increased 11 bps sequentially and 83 bps YoY. The cost of deposits also increased during the quarter 84 bps YoY. The yield on advances was also down sequentially by 27 bps the yield on the corporate book stood at 9.29% v/s the 9.82% in Q3FY19. The NIM is expected to be back to 3.85%-3.90% range with 2- 3 quarters and with Bharat Financial merger completing it could go well pass 4%. The management expects to reduce the cost to income ratio by 1.5% to 42% by the end of FY20. The Advance during the quarter grew by 29%/8% on YoY/QoQ basis, The corporate book grew by 30% YoY with large corporates 18% YoY, mid-size corporate growing 30% YoY and small corporates growing 59% YoY. The Deposits during the quarter grew by 29/10% on YoY/QoQ basis. The asset quality was affected during the quarter with GNPA at 2.10 v/s 1.13% in Q3FY19 and NNPA at 1.21% v/s the 0.59% in Q3FY19. The slippages during the quarter stood at Rs 3688 Cr v/s Rs 806 Cr in Q3FY19 and Rs 860 Cr in 4QFY18. The reductions were Rs 1709 Cr. The restructured advance stood at 9bps.

## KARURVYSYA

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	643	581	619	-3.7%	6.6%
PPP	480	425	465	-3.1%	9.4%
PAT	51	21	60	18.7%	183.1%
Advances	44800.2	46005	48581	8.4%	5.6%
Deposits	56890	58624	59868	5.2%	2.1%
NIM	4.1%	3.6%	3.9%	-0.3%	0.3%
C/I ratio	43.7%	49.4%	47.9%	4.2%	-1.6%
CASA	29.1%	29.8%	29.9%	0.8%	0.1%
GNPA	6.56%	8.49%	8.79%	2.2%	0.3%
NNPA	4.16%	4.99%	4.98%	0.8%	0.0%
PCR	56.5%	56.1%	56.9%	0.4%	0.8%

KVB's performance has been below our expectations with decline in NII by 4% YoY due to muted loan growth of 8% YoY and higher base in 4Q FY18 (One-offs). NIM improved by 28 bps QoQ to 388 bps in 4QFY19 on the account of yield growth QoQ on the account of better risk based pricing strategy adopted by bank. Cost of funds has been stable YoY/QoQ at 582 bps. PAT grew by 19%/183% YoY/QoQ. Advances during the quarter grew by 8% YoY in 4QFY19. The growth in advances has been driven by high growth of 46% YoY in retail segment. Retail segment composition stands at 22% as against 19% a quarter back. MSME segment had low growth of 4%YoY whereas corporate segment declined by 3% YoY. The composition of corporate segment remained the same at 28% in 4QFY19. Management gives guidance of Advances growth of 12-15% YoY in FY20. Retail expected growth is 30% (net of IBPC), corporate: 5%, Commercial: reasonable. The banks focus is on growing the retail book and in retail segment, secured portfolio will be major focus. Asset quality deteriorated as GNPA for the quarter increased by 30 bps QoQ to 8.79% whereas NNPA declined by 1 bps to 4.98%. Slippages declined by 46% QoQ in 4QFY19. Total Net NPA accretion is expected to be at Rs 1100 Cr in next 4 Quarters

Rating	BUY
CMP	668
Target	834
Upside/Downside	25%

	FY20E	FY21E
NII	3436	4512
PPP	2598	3475
PAT	1241	1687
ROE	15.3	17.9
ROA	1.3	1.4
P/B	3.3	2.8

Rating	BUY
CMP	337
Target	429
Upside/Downside	27%

	FY20E	FY21E
NII	103078	118988
PPP	85199	86086
PAT	35506	36899
ROE	14.9	13.6
ROA	0.9	0.9
P/B	1.3	1.1

## RBLBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	500	655	739	47.6%	12.8%
PPP	383	498	560	46.2%	12.3%
PAT	178	225	247	38.8%	9.8%
Advances	40268	49893	54308	34.9%	8.8%
Deposits	43902	52187	58394	33.0%	11.9%
NIM	4.0%	4.1%	4.2%	0.3%	0.1%
C/I ratio	52.8%	51.6%	51.2%	-1.6%	-0.4%
CASA	24.3%	24.6%	25.0%	0.7%	0.4%
GNPA	1.4%	1.4%	1.4%	0.0%	0.0%
NNPA	0.8%	0.7%	0.7%	-0.1%	0.0%
PCR	58.0%	63.0%	65.0%	7.0%	2.0%

RBL Bank saw a healthy PAT growth 39% YoY led by the by strong NII growth of 48% with NIM expanding 25 bps/11bps on YoY/QoQ due to higher yield on advance with MCLR reset and improved mix towards retail segment. The management is confident of maintaining the NIM going forward into FY20. The other income maintained its healthy growth trajectory growing 31% YoY on account of the 44% YoY growth in the core fee income. Fee income from credit card grew 81% YoY to Rs 159 Cr. The rise in the Card income has been led by increase in the customer base which grew 2x to 1.71 million v/s 0.80 million in Q4FY18. Cost to income ratio declined 163 bps YoY at 51.2%. Company expects the ratio to remain in similar range of 50-52% in next few quarters. The asset quality remained stable. Slippages at the end of Q4FY19 stood at Rs 206 Cr (with 33% agri portfolio) as compared to 211 Cr in Q3FY19. GNPA stood flat YoY at 1.38% while the NNPA improved by 9 bps YoY. Provisions for the quarter increased to Rs 200 Cr v/s 113 Cr in Q4FY18. PCR stood at 65.3% v/s 57.6% in Q4FY18. Management is cautious on SME segment which resulted in conservative growth in the commercial banking segment. However, management expects the growth in this segment to improve over the coming quarters as macro condition stabilizes.

## SBIN

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	19974	22691	22954	14.9%	1.2%
PPP	15883	12625	16933	6.6%	34.1%
PAT	-7718	3955	838	-110.9%	-78.8%
Advances	1934880	2047779	2185877	13.0%	6.7%
Deposits	2706343	2830538	2911386	7.6%	2.9%
NIM	2.6%	2.8%	2.8%	0.2%	0.0%
C/I ratio	51.1%	58.9%	52.5%	1.4%	-6.4%
CASA	43.9%	43.7%	44.2%	0.3%	0.5%
GNPA	10.9%	8.7%	7.5%	-3.4%	-1.2%
NNPA	5.7%	4.0%	3.0%	-2.7%	-0.9%
PCR	50.0%	57.0%	62.0%	12.0%	5.0%

NII has grown strong at 15% YoY in line with our expectations while PAT missed our expectations due to higher provisioning. PAT stood at Rs 838 Cr. Other income grew at 2% YoY. C/I ratio improved to 53% from 59% QoQ which led to PPP growth of 34% QoQ. NIM improved by 5 bps/20 bps QoQ/ YoY supported by expansion by domestic NIM from 2.92% to 2.95%, while foreign NIM declined sequentially from 1.38% to 1.32%. Yield on advances & Cost of Deposit has remained stable at 8.49% & 5.10% level respectively. Total Provisions has increased to Rs 16502 from Rs 6006 Cr QoQ due to additional Rs 10800 Cr of provisions done for the 3 accounts (ESSAR steels, Bhushan Power & Alok industries) as the accounts slip into D3 category due to the slower pace of resolution. However these accounts are under advance stage of resolution are likely to get recovery of Rs 16000 Cr soon. Advances grew at 13% YoY while domestic advances grew by 14% YoY as at 4QFY19. Deposit grew at the rate of 8% YoY. CASA % stood at 44.22% as at 4QFY19. GNPA has improved by 118 bps QoQ to 7.53% while NPA has declined by 94 bps QoQ to 3.01% as at 4QFY19. SMA 1 & 2 has decreased from Rs 17000 Cr to Rs 7762 Cr driven by regularization of one private power account. Slippages increased by 22% to Rs 7961 Cr, reduction during the quarter stood at Rs 22976 Cr with upgradation declining by 14% QoQ Rs Rs 5712 Cr.



Rating	ACCUMULATE
<b>CMP</b>	<b>13.6</b>
<b>Target</b>	<b>16</b>
<b>Upside/Downside</b>	<b>18%</b>

	FY20E	FY21E
NII	2313	2756
PPP	1524	1854
PAT	458	626
ROE	8.3	10.4
ROA	0.5	0.5
P/B	0.4	0.4

Rating	HOLD
<b>CMP</b>	<b>356</b>
<b>Target</b>	<b>364</b>
<b>Upside/Downside</b>	<b>2%</b>

	FY20E	FY21E
NII	1437	1862
PPP	556	850
PAT	288	459
ROE	13.9	18.8
ROA	1.8	2.2
P/B	1.9	1.6

## SOUTHBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	492	520	499	1.5%	-3.9%
PPP	311	332	328	5.4%	-1.3%
PAT	114	84	71	-38.2%	-15.9%
Advances	54562.9	59256	62693.7	14.9%	5.8%
Deposits	72029.6	77665	80420	11.6%	3.5%
NIM	2.7%	2.7%	2.5%	-0.3%	-0.2%
C/I ratio	53.7%	53.0%	55.4%	1.7%	2.4%
CASA	23.8%	24.3%	24.2%	0.4%	-0.1%
GNPA	3.59%	4.88%	4.92%	1.3%	0.0%
NNPA	2.60%	3.54%	3.45%	0.9%	-0.1%
PCR	41.2%	41.2%	42.5%	1.3%	1.3%

In Q4FY19 NII declined by 4% sequentially and increased by 2% YoY, while PAT declined by 16% QoQ. NIM declined by 27bps YoY from 2.73% to 2.46% due to decline in yield and increase in cost of fund. Management expects NIM to increase by 15-20bps in FY20. Other income increased by 32% YoY due to spike in treasury income. C/I ratio increased to 55.4% QoQ due to increase in operating expenses. Going ahead management expects C/I ratio will come down to 50% as banks will getting a benefit of operating leverage from centralized operation, higher fee income and treasury income. Advances grew by 15% backed by strong growth in SME and retail advances. Deposit grew by 12%/4% YoY/ QoQ. Management expects advances growth of 18-20% for FY20. GNPA increased from 4.88% to 4.92% QoQ, while the NNPA declined by 3.54% to 3.45% QoQ. Slippage declined to Rs 368 Cr. Slippage from agriculture sector spike from 0.04% to 1.15% in Q4FY19 to Rs 100 Cr. Agriculture slippage primarily from Kerala & Tamil Nadu. PCR ratio stood at 42% in Q4FY19. Management expects PCR ratio to be 60% and credit cost to be in the range of 1% to 1.10% for FY20 considering elevated provision for next few quarters. Going ahead management expects slippage should be Rs 250 Cr per quarter.

## UJJIVAN

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	269	288	328	21.9%	13.9%
PPP	133	74	85	-35.7%	15.7%
PAT	65	45	64	-1.6%	41.2%
Advances	7552	9349	11049	46.3%	18.2%
Deposits	1606	4413	6955	333.1%	57.6%
NIM	11.6%	11.8%	11.1%	-0.5%	-0.7%
C/I ratio	56.9%	77.7%	78.0%	21.1%	0.3%
CASA	8.5%	12.7%	8.1%	-0.4%	-4.6%
GNPA	3.6%	1.4%	0.9%	-2.7%	-0.5%
NNPA	70.0%	0.3%	0.3%	-69.7%	0.0%
PCR	82.0%	81.0%	72.0%	-10.0%	-9.0%

NII & PAT growth has surpassed our expectation. NII growth was mainly driven by strong growth in the Advances. Operating profit has grown at 16% QoQ while PAT has grown at 41% QoQ. Total income grew by 26% YoY while operating expense grew at the rate of 98% thus increasing C/I ratio from 57% to 78% as at 4QFY19. C/I is expected to improve to 70-72% while next year & it is expected to 50-55% with help in process engineering, improvement in business scale. NIM has remained under pressure it has declined from 11.80% to 11.10% QoQ on the back of yield pressure. Advances growth of 46%/18% YoY/QoQ driven by entire segment classes. Disbursement growth has been robust with 65% YoY growth as majorly driven by MFI segment. Loan book is expected to grow at the rate of 35-40% for next 2 years. GNPA stood at 90 bps while NNPA stood at 30 bps as at 4QFY19. Slippages Ratio is declined from 24 bps to 21 bps QoQ while the recovery & Up gradation amounting has improved from Rs 49 Cr to Rs 53 Cr. On the listing requirement UJJIVAN has prioritized to protect the interest of the hareholders, and also comply with the licensing condition, but it has not yet received any approval from RBI regarding listing norms.

Rating	ACCUMULATE
<b>CMP</b>	<b>73</b>
<b>Target</b>	<b>80</b>
<b>Upside/Downside</b>	<b>10%</b>

	FY20E	FY21E
NII	11078	12421
PPP	8087	8950
PAT	1362	2410
ROE	5.0	8.3
ROA	0.3	0.5
P/B	0.5	0.5

Rating	NEUTRAL
<b>CMP</b>	<b>143</b>
<b>Target</b>	<b>165</b>
<b>Upside/Downside</b>	<b>15%</b>

	FY20E	FY21E
NII	10599	12817
PPP	6468	8972
PAT	1939	4174
ROE	7.0	13.9
ROA	0.5	0.9
P/B	1.9	1.7

## UNIONBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	2193	2494	2602	18.6%	4.3%
PPP	1889	1750	1730	-8.4%	-1.2%
PAT	-2583	153	-3369	N/A	N/A
Advances	288761	291890	296932	2.8%	1.7%
Deposits	408502	402297	415915	1.8%	3.4%
NIM	1.9%	2.2%	2.3%	0.4%	0.0%
C/I ratio	48.6%	51.2%	55.3%	6.7%	4.1%
CASA	34.1%	35.5%	36.1%	2.0%	0.6%
GNPA	15.7%	15.7%	15.0%	-0.8%	-0.7%
NNPA	8.4%	8.3%	6.9%	-1.6%	-1.4%
PCR	57.2%	58.8%	66.2%	9.1%	7.4%

In Q4FY19 NII grew by 19% YoY due to NIM improvement and positive loan book growth. Bank reported Net loss of Rs 3369 Cr due to higher provisioning. NIM increased by 37bps YoY from 1.90% to 2.27%. Management is expecting NIM to be above 2.4% for FY20. Other Income increased by 16% sequentially due to increase in treasury income. C/I ratio increased to 55.3% vs 48.6% a year ago due to increase in operating expenses. Going ahead Management expects cost to income ratio to be 45-46%. Advances grew by 3% YoY on account of growth in SME & retail advances. Deposit grew by 2%/3% YoY/QoQ. GNPA declined from 15.66% to 14.98%, while NNPA declined from 8.27% to 6.85%. Slippage during the quarter increased to Rs 3275 Cr. Slippage was mainly driven by Agri. Management expects higher slippages from MSME sector to continue in the 1st half of FY20. PCR ratio increased from 59% to 66% QoQ. Management expects the credit cost of 2.15%, PCR of 70% and recoveries and up-gradation of Rs 9000 Cr (including NCLT cases) in FY20. However, management is planning to raise capital of Rs 4900 Cr in FY20.

## YESBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	2154	2666	2506	16.3%	-6.0%
PPP	2135	1990	1323	-38.0%	-33.5%
PAT	1179	1002	-1507	-227.7%	-250.4%
Advances	203534	243885	241500	18.7%	-1.0%
Deposits	200738	222758	227610	13.4%	2.2%
NIM	3.4%	3.3%	3.1%	-0.3%	-0.2%
C/I ratio	40.3%	44.0%	56.4%	16.1%	12.4%
CASA	36.5%	33.3%	33.1%	-3.4%	-0.2%
GNPA	1.3%	2.1%	3.2%	1.9%	1.1%
NNPA	0.6%	1.2%	1.9%	1.3%	0.7%
PCR	50.0%	44.2%	43.0%	-7.0%	-1.2%

The NII and PAT both were below our expectations. The bank reported a loss of Rs 1507 Cr mainly on account of high NPA recognition. The provisions during the quarter increased to Rs 3662 Cr against Rs 550 Cr in 3Q FY19. NII during the quarter went up by 16.3% YoY while the NIM went down by 20 bps to 3.1%. The cost of fund stood at 6.7% v/s 6.5% in Q3FY19. The cost to income ratio 56.40% v/s 40.27% in Q4FY18 due to lower income growth and high employee expense. Other income during the quarter was down by 63% YoY on account of the negative corporate fee due to the reversal and provisioning of income. The advances declined 1% sequentially on account of the sell down and repayment in corporate book which declined by 4% QoQ, the management expects moderate growth in the corporate book and while the retail book is expected to grow 30-40%. On the deposit front we witnessed a meagre growth of 13% YoY. The CASA growth was only 3% with saving deposit growing by 5% and current deposit de growing by 1% YoY. Asset quality Deteriorated, the GNPA during the quarter stood at 3.22% v/s 2.10 in Q3FY19 and NNPA was 1.86% v/s 1.18 in Q3FY19. Out of the total slippages of Rs 3481 Cr, Rs 552 Cr was from the Airline Company and Rs 529 Cr from IL&FS

Rating	NEUTRAL
CMP	1515
Target	1391
Upside/Downside	-8%

	FY20E	FY21E
NII	13271	15389
PPP	9785	11571
PAT	5709	6712
ROE	12.6	13.1
ROA	1.7	1.7
P/B	6.0	5.3

## KOTAKBANK

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	2580	2939	3048	18.1%	3.7%
PPP	2018	1938	2282	13.1%	17.7%
PAT	1124	1291	1408	25.2%	9.1%
Advances	169718	196432	205,695	21.2%	4.7%
Deposits	192643	213804	225,880	17.3%	5.6%
NIM	4.3%	4.3%	4.5%	0.1%	0.1%
C/I ratio	45.9%	50.3%	47%	1.2%	-3.2%
CASA	88.1%	91.9%	91.1%	3.0%	-0.8%
GNPA	2.2%	2.1%	2.1%	-0.1%	0.1%
NNPA	1.0%	0.7%	0.8%	-0.2%	0.0%
PCR	53.0%	66.0%	65%	12.0%	-1.0%

On a standalone basis NII grew at the rate of 18% YoY on the back of strong advances growth & NIM improvement. PAT has grown at the rate 25% YoY. Other Income has shown a growth of 10% on the back of strong growth in the fee & services income. NIM has improved 15 bps YoY to 4.48% mainly on the back of decline in the Cost of fund. KMB has declined its deposit rates of below 1 lakh deposit by 50 bps from 5% earlier. Advances have grown at healthy 21% level backed by strong growth in the retail advances (CV/CE, Home loans & Small business, personal loans & credit card segment). GNPA has increased by 7 bps to 2.14% QoQ while NPA has increased from 71 bps to 75 bps QoQ. PCR stood at 65% as at 4QFY19. GNPA has increased by 7 bps to 2.14% QoQ while NPA has increased from 71 bps to 75 bps QoQ. PCR stood at 65% as at 4QFY19. Deposit has shown a strong growth 17% YoY with CASA ratio is at 52.5% as at 4QFY19. CASA & TD below 5 Cr has increased 77% as at 4QFY19. On the consolidated- NII growth stood at 18% YoY, Operating profit growth stood at 11% YoY while PAT growth is at 14% YoY.

## MASFIN

Rating	HOLD
CMP	598
Target	640
Upside/Downside	7%

	FY20E	FY21E
NII	409	504
PPP	340	421
PAT	178	220
ROE	18.2	19.3
ROA	4.3	4.7
P/B	3.1	2.6

Performance	4QFY18	3QFY19	4QFY19	YOY%	QOQ%
NII	81	99	95	17.5%	-3.5%
PPP	66	83	80	20.6%	-3.1%
PAT	32	45	42	29.1%	-8.4%
Advances	4114	4915	5293	28.6%	7.7%
NIM	8.6%	8.8%	8%	-0.6%	-0.8%
C/I ratio	19.3%	19.8%	19%	-0.4%	-0.8%
GNPA	1.2%	1.3%	1%	0.1%	0.0%
NNPA	0.9%	0.9%	1%	-0.1%	0.0%
PCR	21.0%	31.0%	31%	10.0%	0.0%

NII grew as per our expectation. NII grew at the healthy rate of 18% YoY on the back of strong AUM growth of 29% YoY. PAT has grown at the rate of 29% YoY. NIM has remained under pressure due to pressure on the yield as well as rising cost of fund. NIM (Calc.) has declined from 8.83% to 8% QoQ. Management expects incremental cost of borrowing to increase from the range of 8.45-8.56% to 9.25% as 1QFY20, there is a 70-80 bps hike in COB expected going ahead. AUM growth as declined from 35% range due to liquidity constraints as well as base effect. Management has maintained almost 39% of its loan book as off book (assignment) which has aided portfolio growth in the liquidity crisis. Disbursement number stood at Rs 4774 Cr from Rs 3891 Cr YoY, Out of which Rs 961Cr is from SME, Rs 492 Cr is from 2W, Rs 3200 Cr from MSME, Rs 116 Cr from SRT0. Management has guided loan growth of 20-25% going ahead; if market condition remains favorable it will increase to 30%. Asset quality has deteriorated sequentially it has increased from 1.15% to 1.24% QoQ while NNPA has improved from 91 bps to 86 bps. PCR stood at the similar range of 31%. MAS Rural Housing has a total AUM of Rs 271 Cr with stable asset quality GNPA stood at 36 bps while NNPA stood at 29 bps as at 4QFY19.

# RESULT REVIEW

NAME	Recommendation	TARGET	RoA			RoE			P/B		
			FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E
<b>BANKS</b>											
AUBANK	NEUTRAL	669	1.5	1.3	1.3	14	14	16	5.4	5.0	4.3
AXIS	BUY	942	0.6	1.3	1.5	7	15	17	3.0	2.6	2.2
BOI	BUY	102	(0.9)	0.7	0.8	(14)	9	10	0.6	0.6	0.5
CANBK	BUY	313	0.1	0.4	0.7	1	8	12	0.6	0.5	0.4
CUB	ACCUMULATE	230	1.6	1.6	1.6	15	16	16	3.1	2.8	2.4
DCB	BUY	248	1.0	1.1	1.2	11	13	15	2.0	2.1	1.8
EQUITAS	BUY	151	1.5	1.8	2.3	9	13	17	1.9	1.7	1.4
FEDERAL BANK	BUY	118	0.8	1.0	1.1	10	13	15	1.4	1.4	1.2
HDFC BANK	BUY	2,685	1.8	1.9	2.0	16	17	18	4.4	3.9	3.4
ICICI BANK	BUY	515	0.4	1.3	1.4	3	12	13	2.4	2.2	2.0
INDUSIND BANK	ACCUMULATE	1,714	1.3	1.8	1.8	13	19	20	4.0	2.9	2.4
KARURVYSYA	BUY	85	0.3	0.9	1.1	3	10	13	0.9	0.9	0.8
KOTAKBANK	NEUTRAL	1,391	1.7	1.7	1.8	12	13	13	6.0	6.0	5.3
RBL BANK	BUY	834	1.2	1.3	1.4	12	15	18	3.8	3.3	2.8
SBIN	BUY	429	0.0	0.9	0.9	0	15	14	1.5	1.3	1.1
SOUTHBANK	ACCUMULATE	16	0.3	0.5	0.5	5	8	10	0.6	0.4	0.4
UJJIVAN	HOLD	364	1.7	1.8	2.2	11	14	19	2.2	1.9	1.6
UNIONBANK	ACCUMULATE	80	(0.6)	0.3	0.5	(11)	5	8	0.6	0.5	0.4
YES BANK	NEUTRAL	165	0.5	0.5	0.9	7	7	14	2.4	1.2	1.0
<b>NBFCs</b>											
BAJAJFINANCE	NEUTRAL	2,956	3.8	3.7	3.7	22	24	24	10.1	8.1	6.4
CANFINHOME	BUY	421	1.7	1.8	1.8	18	20	20	2.6	2.2	1.8
CHOLAFIN	BUY	1,696	2.4	2.3	2.3	21	21	21	3.7	3.1	2.5
HDFC	HOLD	2,217	2.2	2.3	2.4	14	14	14	4.4	4.5	4.1
IBULHSGFIN	NEUTRAL	759	3.1	3.3	3.6	27	26	26	1.9	1.7	1.5
L&TFH	BUY	175	2.3	2.1	2.0	19	18	18	2.5	2.1	1.8
LICHSGFIN	BUY	641	1.3	1.3	1.4	16	16	17	1.7	1.5	1.3
M&MFIN	BUY	525	2.6	2.5	2.5	15	15	16	2.4	2.1	1.8
MAGMA	HOLD	144	1.9	2.0	2.3	13	13	14	1.3	1.1	1.0
MANAPPURAM	HOLD	140	4.9	4.9	4.6	22	21	19	2.6	2.0	1.6
MASFIN	HOLD	640	4.8	4.3	4.7	18	18	19	3.6	3.1	2.6
MUTHOOTFIN	BUY	705	5.7	5.7	5.7	22	22	21	2.6	2.2	1.8
PNBHOUSING	BUY	1,052	1.5	1.4	1.5	16	17	18	1.9	1.6	1.3
REC	BUY	200	2.1	2.2	2.2	17	19	20	0.9	0.8	0.7
SCUF	BUY	2,242	3.5	3.4	3.4	17	16	17	1.9	1.5	1.3
SRTRANSFIN	BUY	1,214	2.5	2.5	2.6	20	17	17	1.8	1.3	1.1

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