




Industry  
Bloomberg  
BSE CODE

Financial  
BOI IN  
532149

| RATING           | ACCUMULATE |
|------------------|------------|
| CMP              | 50         |
| Price Target     | 61         |
| Potential Upside | 22%        |

|                 |   |
|-----------------|---|
| Rating Change   |  |
| Estimate Change |  |
| Target Change   |  |

| STOCK INFO          |        |
|---------------------|--------|
| 52wk Range H/L      | 31/96  |
| Mkt Capital (Rs Cr) | 16,516 |
| Free float (%)      | 9.00%  |
| Avg. Vol 1M (,000)  | 6,245  |
| No. of Shares (Crs) | 328    |
| Promoters Pledged % |        |

Fig in Rs Cr

| FINANCIAL      | FY19  | FY20  | FY21E |
|----------------|-------|-------|-------|
| NII            | 13658 | 15257 | 16095 |
| PPP            | 8092  | 11519 | 10585 |
| PAT            | -5547 | -2957 | 1015  |
| NIM %          | 2.4   | 2.6   | 2.6   |
| EPS (Rs)       | -20   | -9    | 3     |
| EPS growth (%) | -42   | -55   | -134  |
| ROE (%)        | -14   | -7    | 2     |
| ROA (%)        | -0.9  | -0.5  | 0.2   |
| BV             | 168   | 134   | 136   |
| P/B (X)        | 0.6   | 0.4   | 0.4   |
| P/E (x)        | -5    | -6    | 16    |

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## Strong Deposit and advance growth with Improvement in asset quality. Higher Provisions Dampened the Profitability

### 4QFY20 Result Update

- NII decreased by 3% YoY to Rs 3793 Cr mainly on account of the one off in Q4FY19. The Global NIM during the quarter stood at Rs 2.90% v/s the 2.93% in Q4FY19.
- Asset quality during the quarter improved with GNPA at 14.78% v/s 16.30% in 3QFY20, 15.84% in 4QFY19 and NNPA at 3.88% in v/s the 5.97% in Q3FY20 and 5.61% in Q4FY19.
- Advances during the quarter by grew 8%/10% on YoY/QoQ basis with domestic advances increasing by 9% YoY while the Foreign advances increasing by 8% YoY.

### Additional provisioning Dampens the Profitability.

NII growth during the quarter was -3% YoY mainly on account of One off in Q4FY19. The Global NIM during the quarter stood at Rs 2.90% v/s the 2.93% in Q4FY19. Domestic Yield on advance was 9.19% while the foreign was 3.67%, The domestic cost of deposit was 4.98% while foreign cost of deposit was 1.45%. The profitability during the quarter was affected on account of the additional provisions of Rs 3941 Cr were made on 6 NPA accounts out of which two themselves contributed around Rs 3700 Cr. The cost to income ratio during the quarter was 52%.

### Healthy advance and deposit Growth

Advances during the quarter by grew 8%/10% on YoY/QoQ basis with domestic advances increasing by 9% YoY while the Foreign advances increasing by 8% YoY. The corporate book grew by 11% YoY while the retail book grew by 7% YoY. In the retail segment the housing loan grew by 11% YoY, Auto segment grew by 10% YoY while the education loan segment degrew by 4% YoY. The deposits during the quarter gre by 7%/6% on YoY/QoQ basis with CASA growing by 9%/3% on YoY/QoQ basis. Management expects CASA growth to be healthy even in FY21.

### Asset Quality Improves

Asset quality during the quarter improved with GNPA at 14.78% v/s 16.30% in 3QFY20, 15.84% in 4QFY19 and NNPA at 3.88% in v/s the 5.97% in Q3FY20 and 5.61% in Q4FY19. The slippages during the quarter stood at Rs 2944 Cr v/s Rs 6462 Cr in Q3FY20. The SMA 1 and SMA 2 of the bank for exposures of 4 Cr and above is around 4000 Cr. Bank finds that DPD 30,60,90 is not that significant it is around Rs 30000 Cr. The SMA 2 is Rs 7900 Cr out of which 5 Cr and above is Rs 2300 Cr. There is lot of dispensation so bank does not see lot of stress in terms of slippage ratio to go up.

### View and Valuation

Bank India posted a mixed bag quarter Healthy Loan book and deposit front along with the improvement in the asset quality with both GNPA and NNPA levels coming down with reduction in slippages. The SMA 1 and SMA 2 of the bank for exposures of 5 Cr and above is around 4000 Cr from around Rs 10000 Cr in FY19. The pre provisioning profit growth was steady. The Specific PCR levels of the banks are around 77%. However the profitability of the bank was dampened during the quarter on account of the Higher provisions made on 6 NPA accounts out of which 2 constituted Rs 3700 Cr itself. The 46% of the banks domestic book in terms of value is under moratorium and 41% in terms of number. We give accumulate rating on the bank with TP of 61 at 0.45XFY21E.

### Key Risks to our rating and target

- Moderation in Credit Growth.
- Significant Increase in Moratorium level

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## 4QFY20 Results

Fig in Rs Cr

| FINANCIALS    | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20  | YoY%   | QoQ%   | FY19    | FY20    | YoY%  |
|---------------|--------|--------|--------|--------|---------|--------|--------|---------|---------|-------|
| Interest Inc. | 10,814 | 10,332 | 10,658 | 10,835 | 10,528  | -2.6%  | -2.8%  | 40,768  | 42,353  | 3.9%  |
| Interest Exp. | 6,770  | 6,847  | 6,798  | 6,717  | 6,735   | -0.5%  | 0.3%   | 27,110  | 27,096  | -0.1% |
| NII           | 4,044  | 3,485  | 3,860  | 4,118  | 3,793   | -6.2%  | -7.9%  | 13,658  | 15,257  | 11.7% |
| Other Income  | 1,603  | 1,195  | 1,327  | 2,503  | 1,688   | 5.3%   | -32.6% | 5,132   | 6,713   | 30.8% |
| Total Income  | 5,647  | 4,680  | 5,188  | 6,621  | 5,481   | -2.9%  | -17.2% | 18,790  | 21,970  | 16.9% |
| Ope Exp.      | 3,344  | 2,409  | 2,728  | 2,486  | 2,828   | -15.4% | 13.8%  | 10,697  | 10,451  | -2.3% |
| PPP           | 2,303  | 2,271  | 2,460  | 4,135  | 2,653   | 15.2%  | -35.8% | 8,092   | 11,519  | 42.3% |
| Provisions    | 1,897  | 1,912  | 2,052  | 4,015  | 8,142   | 329.1% | 102.8% | 16,806  | 16,121  | -4.1% |
| PBT           | 406    | 359    | 408    | 120    | (5,489) | NA     | NA     | (8,713) | (4,603) | NA    |
| Tax           | 154    | 117    | 141    | 14     | (1,918) | NA     | NA     | (3,167) | (1,646) | NA    |
| Net Profit    | 252    | 243    | 266    | 106    | (3,571) | NA     | NA     | (5,547) | (2,957) | NA    |

## Concall Highlights

- The bank has made the excessive provision of Rs 3941 Cr on the 6 NPA accounts out of which 2 alone constituted Rs 3700 Cr. These accounts are known name out of which one is NBFC and one is Infrastructure account on which 100% provisioning have been done.
- 46% of the banks domestic book in terms of value is under moratorium and 41% in terms of number. The accounts under moratorium were paying well till 29 Feb 2020.
- While doing the DPD analysis on weekly basis bank has found out that the it has been last year the numbers were very high due to stress in the book ,book was deleveraged due to PCA which has been blessing in disguise for bank. Bank finds that DPD 30,60,90 is not that significant it is around Rs 30000 Cr. The SMA 2 is Rs 7900 Cr out of which 5 Cr and above is Rs 2300 Cr. There is lot of dispensation so bank does not see lot of stress in terms of slippage ratio to go up.
- On the subsidiary giving very less returns bank said that it is looking at business models of the subsidiary as to how to improve the returns and will provide roadmap for it in next quarter.
- Un- utilized limits for the corporate segments stands at around Rs 20000-25000Cr.
- SLR investment has no issues expect for Essar which has book value of Rs 2300 Cr after providing for.
- Bank said that there CASA has been growing well in last few quarter and expect it to grow well in FY21.
- Bank has done Rs 2019 Cr in TLTRO 1 and in TLTRO 2 Rs 1500 Cr and is looking at partial credit guarantee scheme given for the NBFC and is looking to Rs 2500 Cr in it. The TLTRO 1 and 2 are on SPREAD of 4-5%.
- Management said the years should be good on the treasury front.
- Recoveries in written off accounts going in FY21 will be function how resolutions in NCLT comes back.
- Wage hike provisioning is around 10%.
- On capital raising plan management feel it is sufficient but will look at around H2FY21. Bank has approval of raising the capital worth Rs 6500 Cr from the board but will be raising the capital in 2 or 3 stages
- Bank is looking for 1% ROA for the year and Positive ROE.
- Provision on standard assets worth Rs 632 Cr has been done for some restructured advance
- Bank expects to target at least 12-15% growth in operating profit based on loan growth and cost cutting efforts
- MSME moratorium stands at Rs 18000 Cr. The SMA book of the MSME is very less. The moratorium for corporate is around Rs 98000 Cr.
- Bank has DTA of around Rs 3400 Cr but will only go for new tax rate when it is comfortable.

## Profitability Matrix

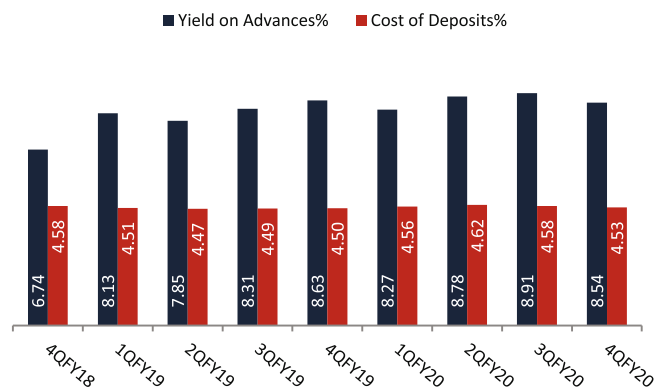
|                         | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 | YoY(+/-) | QoQ(+/-) |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
| C/I Ratio %             | 58.4   | 54.5   | 59.2   | 51.5   | 52.6   | 45.0   | 51.6   | -7.61    | 6.60     |
| Empl. Cost/ Tot. Exp. % | 60.2   | 55.3   | 60.8   | 58.4   | 58.9   | 58.5   | 59.2   | -1.67    | 0.66     |
| Other Exp/Tot. Exp. %   | 39.8   | 44.7   | 39.2   | 41.6   | 41.1   | 41.5   | 40.8   | 1.67     | -0.66    |
| Provision/PPP %         | 203.0  | 396.0  | 82.4   | 84.2   | 83.4   | 97.1   | 306.9  | 224.56   | 209.84   |
| Tax Rate %              | 31.8   | 29.6   | 37.9   | 32.5   | 34.6   | 34.0   | 34.9   | -3.01    | 0.94     |
| Int Exp./Int Inc. (%)   | 70.0   | 67.2   | 62.6   | 66.3   | 63.8   | 64.2   | 64.0   | 1.37     | -0.27    |
| Other Inc./Net Inc. %   | 26.0   | 33.4   | 28.4   | 25.5   | 25.6   | 41.5   | 30.8   | 2.41     | -10.73   |
| PAT/ Net Income %       | (29.2) | (94.7) | 4.5    | 5.2    | 5.1    | 10.7   | (65.2) | -69.62   | -75.88   |
| PAT Growth %            | N/A    | N/A    | N/A    | 155.1  | NA     | NA     | NA     | NA       | NA       |
| NII Growth % (YoY)      | 0.6    | 33.2   | 57.7   | 3.9    | 31.9   | 14.2   | (6.2)  | -63.96   | -20.41   |
| Op. Profit Growth YoY % | (26.2) | 67.8   | 96.5   | 21.5   | 49.4   | 57.5   | 15.2   | -81.33   | -42.30   |
| RoE %                   | (12.9) | (58.2) | 3.4    | 2.2    | 2.3    | 2.6    | (31.4) | -34.73   | -33.97   |
| RoA %                   | (0.8)  | (3.1)  | 0.2    | 0.2    | 0.2    | 0.1    | (2.2)  | -2.38    | -2.29    |

## Margin Performance

| MARGIN %             | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 | YoY(+/-) | QoQ(+/-) |
|----------------------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
| Yield (Total Assets) | 7.9    | 8.3    | 8.6    | 8.3    | 8.8    | 8.9    | 8.5    | 11.21    | 2.94     |
| Yield on Advances    | 7.4    | 7.3    | 7.8    | 7.4    | 7.2    | 7.2    | 6.5    | -1.37    | -0.77    |
| Cost of deposit      | 4.5    | 4.5    | 4.5    | 4.6    | 4.6    | 4.6    | 4.5    | 6.58     | 2.02     |
| NIM                  | 2.3    | 2.6    | 2.9    | 2.7    | 3.0    | 3.1    | 2.9    | 3.90     | 1.23     |

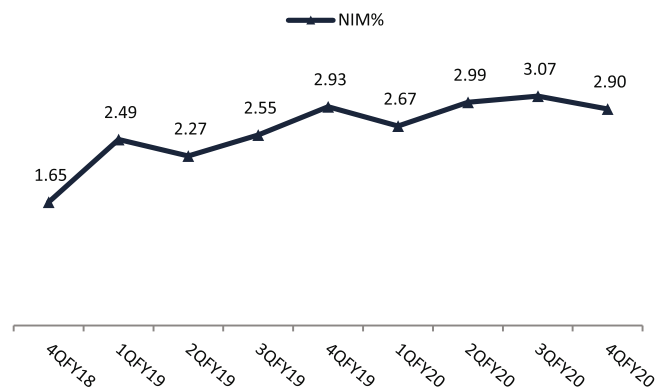
## Exhibit: Yield and Cost

yield and cost deposit decreased



## Exhibit: Net Interest Margin

NIM decreases



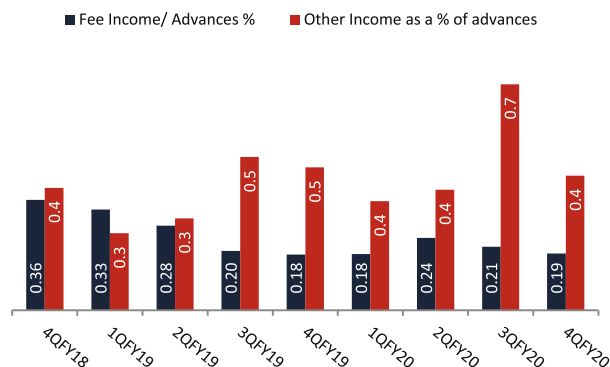
## Other Income Break Up- Healthy growth in FX & Derivatives (YoY)

Fig in Rs Cr

|                                   | 3QFY18      | 4QFY18      | 1QFY19      | 2QFY19      | 3QFY19      | 4QFY19      | 1QFY20      | 2QFY20      | 3QFY20      |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Commission, Exchange, Brokerage   | 334         | 377         | 265         | 278         | 322         | 378         | 321         | 392         | 317         |
| Profit from Exchange Transactions | 275         | 456         | 365         | 373         | 325         | 246         | 294         | 405         | 386         |
| <b>Total Fee-Based Income</b>     | <b>876</b>  | <b>1239</b> | <b>1087</b> | <b>946</b>  | <b>647</b>  | <b>624</b>  | <b>615</b>  | <b>797</b>  | <b>703</b>  |
| <b>Growth YoY %</b>               | <b>-41%</b> | <b>-22%</b> | <b>-48%</b> | <b>-40%</b> | <b>60%</b>  | <b>17%</b>  | <b>44%</b>  | <b>29%</b>  | <b>29%</b>  |
| Other Non Int Income              | 267         | 406         | 457         | 295         | 689         | 613         | 318         | 321         | 406         |
| Profit from Sale of Investments   | 81          | -34         | -465        | -198        | 71          | 148         | 173         | 112         | 57          |
| Recovery In W/o accounts          | 84          | 170         | 208         | 282         | 262         | 218         | 89          | 98          | 1337        |
| <b>Other Income</b>               | <b>1707</b> | <b>1041</b> | <b>1375</b> | <b>830</b>  | <b>1030</b> | <b>1669</b> | <b>1603</b> | <b>1195</b> | <b>1328</b> |
| <b>Growth YoY %</b>               | <b>3%</b>   | <b>79%</b>  | <b>-7%</b>  | <b>5%</b>   | <b>6%</b>   | <b>-25%</b> | <b>-2%</b>  | <b>22%</b>  | <b>22%</b>  |

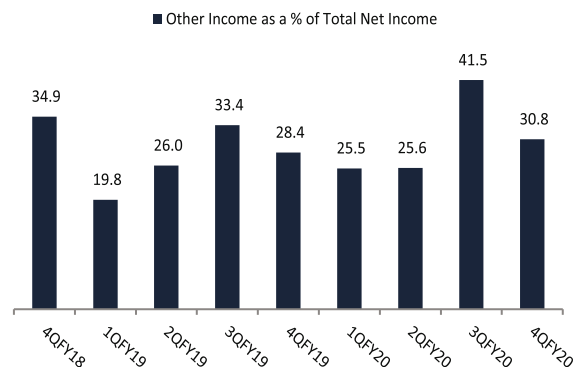
## Exhibit: Fee Income / Advances %

Fee income/Other income as a % of total advances decrease



## Exhibit: Other Income / Total Income %

Other income as % of total income decrease

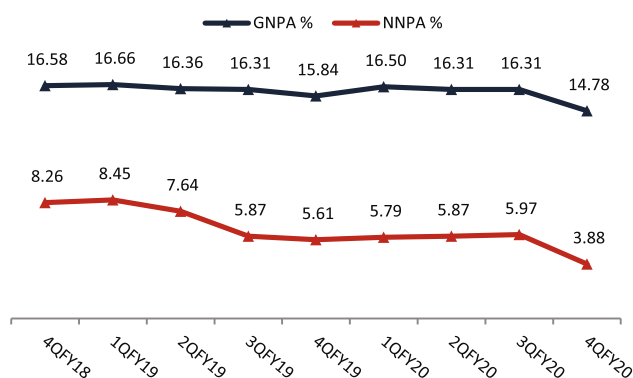


## Asset Quality

|                      | 2QFY19 | 3QFY19 | 4QFY19 | 1QFY20 | 2QFY20 | 3QFY20 | 4QFY20 | YoY (+/-) | QoQ (+/-) |
|----------------------|--------|--------|--------|--------|--------|--------|--------|-----------|-----------|
| GNPA (Rs in Cr)      | 61,561 | 60,798 | 60,661 | 62,068 | 61,476 | 61,730 | 61,550 | 1%        | 0%        |
| GNPA %               | 16.4   | 16.3   | 15.8   | 16.5   | 16.3   | 16.3   | 14.8   | -1.06     | -1.53     |
| NNPA (Rs in Cr)      | 25,994 | 19,438 | 19,119 | 19,288 | 19,646 | 20,113 | 14,311 | -25%      | -29%      |
| NNPA %               | 7.6    | 5.9    | 5.6    | 5.8    | 5.9    | 6.0    | 3.9    | -1.73     | -2.09     |
| Slippages (Rs in Cr) | 3,816  | 4,315  | 3,102  | 3,683  | 3,166  | 6,716  | 2,764  | -11%      | -59%      |
| Specific PCR %       | 57.8   | 68.0   | 68.5   | 68.9   | 68.0   | 67.4   | 76.7   | 8.27      | 9.33      |

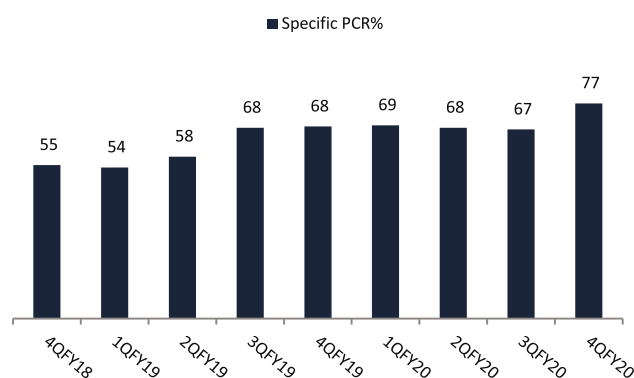
## Exhibit: Asset Quality

asset quality improves



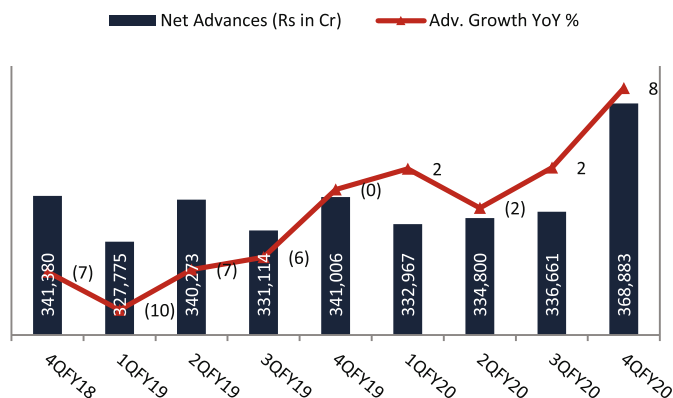
## Exhibit: Provisions

PCR increases

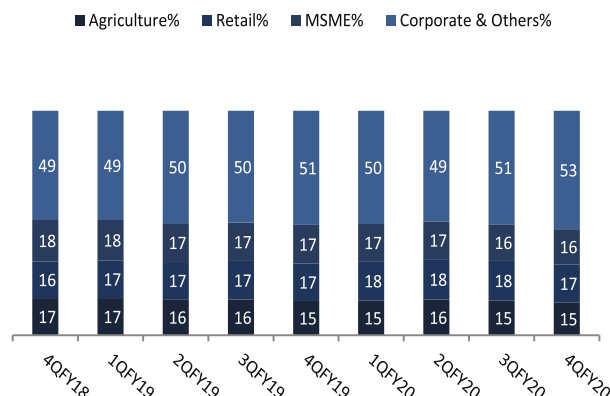


## Exhibit: Advances Performance

advance growth increases

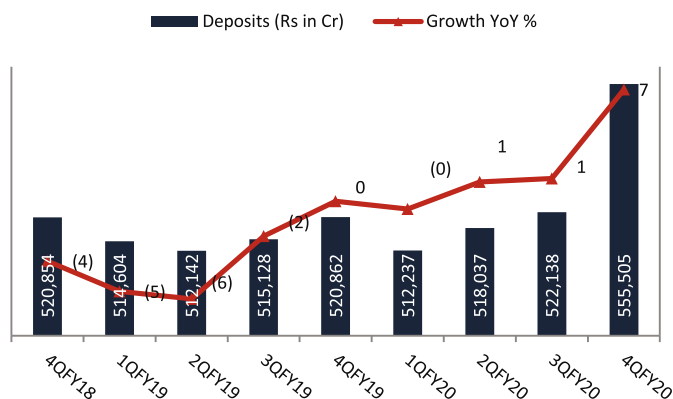


## Exhibit: Advances Breakup%



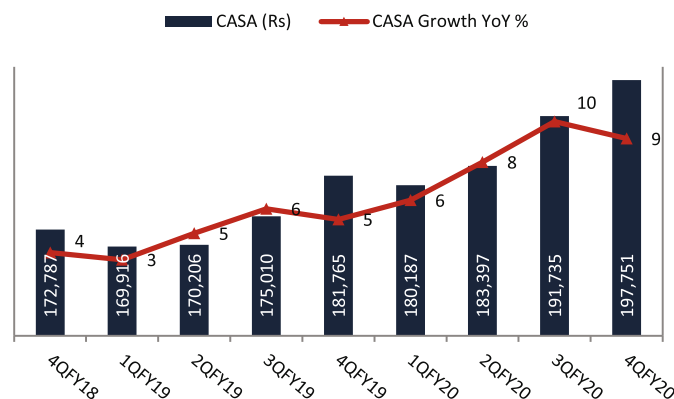
## Exhibit: Deposits Performance

Deposit growth increased



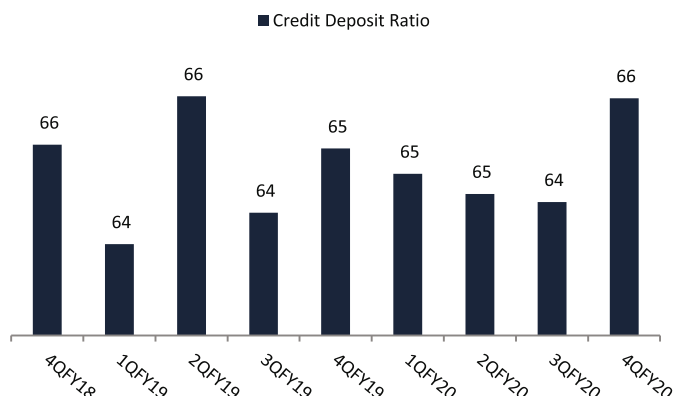
## Exhibit: CASA Performance

CASA growth improved



## Exhibit: Credit Deposit Ratio

CD ratio increases



## Financial Details

## Balance Sheet

Fig in Rs Cr

| Y/E March                            | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21E         |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Share Capital</b>                 | <b>643</b>    | <b>666</b>    | <b>817</b>    | <b>1055</b>   | <b>1744</b>   | <b>2760</b>   | <b>3277</b>   | <b>3278</b>   |
| Equity Capital                       | 643           | 666           | 817           | 1055          | 1744          | 2760          | 3277          | 3277          |
| Preference Capital                   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 1             |
| Reserves & Surplus                   | 29280         | 30781         | 31500         | 31432         | 33797         | 43559         | 40539         | 41253         |
| <b>Networth</b>                      | <b>29923</b>  | <b>31447</b>  | <b>32317</b>  | <b>32487</b>  | <b>35541</b>  | <b>46319</b>  | <b>43816</b>  | <b>44530</b>  |
| Deposits                             | 476974        | 531907        | 513005        | 540032        | 520854        | 520862        | 555505        | 590213        |
| Change (%)                           | 25            | 12            | -4            | 5             | -4            | 0             | 7             | 6             |
| CASA Deposits                        | 105467        | 114386        | 127924        | 166609        | 172787        | 181765        | 197751        | 208936        |
| Change (%)                           | 12            | 8             | 12            | 30            | 4             | 5             | 9             | 6             |
| Borrowings                           | 48428         | 40057         | 51083         | 39406         | 43589         | 44241         | 39752         | 43912         |
| <b>Other Liabilities &amp; Prov.</b> | <b>17866</b>  | <b>15287</b>  | <b>13509</b>  | <b>14385</b>  | <b>9591</b>   | <b>13800</b>  | <b>17922</b>  | <b>15739</b>  |
| <b>Total Liabilities</b>             | <b>573190</b> | <b>618698</b> | <b>609914</b> | <b>626309</b> | <b>609575</b> | <b>625223</b> | <b>656995</b> | <b>694394</b> |
| Cash & Bank                          | 61382         | 76404         | 99141         | 95888         | 95883         | 94811         | 86456         | 102689        |
| Investments                          | 114152        | 119792        | 118849        | 127827        | 137111        | 147639        | 158573        | 165260        |
| Change (%)                           | 21            | 5             | -1            | 8             | 7             | 8             | 7             | 4             |
| Advances                             | 370734        | 402026        | 359189        | 366482        | 341380        | 341006        | 368883        | 383639        |
| Change (%)                           | 28            | 8             | -11           | 2             | -7            | 0             | 8             | 4             |
| Fixed Assets                         | 5786          | 5886          | 8480          | 8462          | 8265          | 8920          | 8982          | 8802          |
| Other Assets                         | 21136         | 14591         | 24254         | 27651         | 26936         | 32846         | 34101         | 34004         |
| <b>Total Assets</b>                  | <b>573190</b> | <b>618698</b> | <b>609914</b> | <b>626309</b> | <b>609575</b> | <b>625223</b> | <b>656995</b> | <b>694394</b> |

## Income Statement

Fig in Rs Cr

| Y/E March                      | FY14          | FY15          | FY16           | FY17           | FY18           | FY19           | FY20           | FY21E         |
|--------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|---------------|
| Interest income                | 37,910        | 43,430        | 41,796         | 39,291         | 38,071         | 40,768         | 42,353         | 43,703        |
| Interest expended              | 27,080        | 32,086        | 30,072         | 27,465         | 27,565         | 27,110         | 27,096         | 27,608        |
| <b>Net Interest Income</b>     | <b>10,831</b> | <b>11,344</b> | <b>11,725</b>  | <b>11,826</b>  | <b>10,506</b>  | <b>13,658</b>  | <b>15,257</b>  | <b>16,095</b> |
| Change (%)                     | 20            | 5             | 3              | 1              | -11            | 30             | 12             | 5             |
| Other Income                   | 4,292         | 4,233         | 3,653          | 6,772          | 5,734          | 5,132          | 6,713          | 6,427         |
| Change (%)                     | 14            | -1            | -14            | 85             | -15            | -10            | 31             | -4            |
| Core Fee Income                | 2,137         | 2,296         | 2,066          | 2,501          | 2,735          | 2,552          | 2,804          | 2,856         |
| Treasury Income                | 795           | 931           | 750            | 3,298          | 1,438          | (444)          | 585            | 851           |
| Others                         | 1,360         | 1,006         | 837            | 973            | 1,561          | 3,024          | 3,324          | 2,720         |
| Total Net Income               | 15,122        | 15,576        | 15,377         | 18,598         | 16,240         | 18,790         | 21,970         | 22,522        |
| Operating Expenses             | 6,699         | 8,089         | 9,342          | 8,866          | 9,101          | 10,697         | 10,451         | 11,937        |
| Change (%)                     | 26            | 21            | 15             | -5             | 3              | 18             | -2             | 14            |
| Employee Expenses              | 3,991         | 4,986         | 5,357          | 5,397          | 4,903          | 6,021          | 6,141          | 6,757         |
| <b>Pre-provisioning Profit</b> | <b>8,423</b>  | <b>7,488</b>  | <b>6,036</b>   | <b>9,733</b>   | <b>7,139</b>   | <b>8,092</b>   | <b>11,519</b>  | <b>10,585</b> |
| Change (%)                     | 13            | -11           | -19            | 61             | -27            | 13             | 42             | -8            |
| Provisions                     | 4,878         | 5,693         | 13,826         | 12,105         | 15,772         | 16,806         | 16,121         | 9,048         |
| Change (%)                     | 10            | 17            | 143            | -12            | 30             | 7              | -4             | -44           |
| PBT                            | 3,545         | 1,795         | (7,791)        | (2,373)        | (8,634)        | (8,713)        | (4,603)        | 1,537         |
| Tax                            | 816           | 86            | (1,702)        | (814)          | (2,590)        | (3,167)        | (1,646)        | 523           |
| <b>Profit After Tax</b>        | <b>2,729</b>  | <b>1,709</b>  | <b>(6,089)</b> | <b>(1,558)</b> | <b>(6,044)</b> | <b>(5,547)</b> | <b>(2,957)</b> | <b>1,015</b>  |
| Change (%)                     | -1            | -37           | -456           | -74            | NA             | -8             | NA             | -134          |

## Financial Details

## Key Ratios

| Y/E March                    | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21E |
|------------------------------|------|------|------|------|------|------|------|-------|
| <b>Balance Sheet Metrics</b> |      |      |      |      |      |      |      |       |
| Loan Growth (%)              | 28   | 8    | (11) | 2    | (7)  | (0)  | 8    | 4     |
| Deposit Growth (%)           | 25   | 12   | (4)  | 5    | (4)  | 0    | 7    | 6     |
| C/D Ratio (%)                | 78   | 76   | 70   | 68   | 66   | 65   | 66   | 65    |
| CASA (%)                     | 22   | 22   | 25   | 31   | 33   | 35   | 36   | 35    |
| Investment/Deposit (%)       | 24   | 23   | 23   | 24   | 26   | 28   | 29   | 28    |
| CRAR (%)                     | 10.0 | 10.7 | 12.0 | 12.1 | 12.9 | 14.2 | 14.2 | 13.0  |
| Tier 1 (%)                   | 7.2  | 8.2  | 9.0  | 8.9  | 9.7  | 11.1 | 10.0 | 10.3  |
| Tier 2 (%)                   | 2.7  | 2.6  | 3.0  | 3.2  | 3.2  | 3.1  | 3.1  | 2.8   |

**Assets Quality Metrics**

|                                |        |        |        |        |        |        |        |        |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Gross NPA (Rs)                 | 11,868 | 22,193 | 49,879 | 52,045 | 62,328 | 60,661 | 61,550 | 62,978 |
| Gross NPA (%)                  | 3.2    | 5.4    | 13.1   | 13.2   | 16.6   | 15.8   | 14.8   | 14.5   |
| Net NPA(Rs)                    | 7,417  | 13,518 | 27,996 | 25,305 | 28,207 | 19,119 | 14,311 | 15,744 |
| Net NPA (%)                    | 2.0    | 3.4    | 7.8    | 6.9    | 8.3    | 5.6    | 3.9    | 4.1    |
| Slippages (%)                  | 3.1    | 4.6    | 10.1   | 6.1    | 11.0   | 5.7    | 5.1    | 3.7    |
| Provision Coverage (%)         | 38     | 39     | 44     | 61     | 66     | 77     | 84     | 83     |
| Provision/Average Advances (%) | 1.5    | 1.5    | 3.6    | 3.3    | 4.5    | 4.9    | 4.5    | 2.4    |

**Margin Metrics**

|                             |     |     |     |     |     |     |     |     |
|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Yield On Advances (%)       | 8.2 | 8.2 | 8.0 | 7.5 | 7.1 | 8.0 | 8.1 | 7.8 |
| Yield On Investment (%)     | 8.1 | 8.0 | 7.5 | 7.3 | 6.9 | 7.0 | 7.0 | 7.0 |
| Yield on Earning Assets (%) | 7.8 | 7.7 | 7.3 | 6.9 | 6.7 | 7.3 | 7.3 | 7.1 |
| Cost Of Deposits (%)        | 5.5 | 5.7 | 5.2 | 4.6 | 4.6 | 4.4 | 4.4 | 4.1 |
| Cost Of Funds (%)           | 5.6 | 5.7 | 5.2 | 4.7 | 4.8 | 4.7 | 4.6 | 4.4 |
| Spread (%)                  | 2.2 | 2.0 | 2.1 | 2.2 | 2.0 | 2.5 | 2.7 | 2.7 |
| NIM (%)                     | 2.2 | 2.0 | 2.1 | 2.1 | 1.9 | 2.4 | 2.6 | 2.6 |

**Profitability & Efficiency Metrics**

|                             |      |      |      |      |      |      |      |      |
|-----------------------------|------|------|------|------|------|------|------|------|
| Int. Expense/Int.Income (%) | 71.4 | 73.9 | 71.9 | 69.9 | 72.4 | 66.5 | 64.0 | 63.2 |
| Fee Income/NII (%)          | 19.7 | 20.2 | 17.6 | 21.1 | 26.0 | 18.7 | 18.4 | 17.7 |
| Cost to Income (%)          | 44.3 | 51.9 | 60.7 | 47.7 | 56.0 | 56.9 | 47.6 | 53.0 |
| Cost on Average Assets (%)  | 1.3  | 1.4  | 1.5  | 1.4  | 1.5  | 1.7  | 1.6  | 1.8  |
| Tax Rate (%)                | 23.0 | 4.8  | 21.8 | 34.3 | 30.0 | 36.3 | 35.8 | 34.0 |

**Valuation Ratio Metrics**

|                     |       |        |         |        |        |        |        |         |
|---------------------|-------|--------|---------|--------|--------|--------|--------|---------|
| EPS (Rs)            | 42.4  | 25.7   | (74.5)  | (14.8) | (34.7) | (20.1) | (9.0)  | 3.1     |
| Change (%)          | (7.9) | (39.5) | (390.2) | (80.2) | 134.7  | (42)   | (55.1) | (134.3) |
| ROAE (%)            | 10.1  | 5.6    | (19.1)  | (4.8)  | (17.8) | (13.6) | (6.6)  | 2.3     |
| ROAA (%)            | 0.5   | 0.3    | (1.0)   | (0.3)  | (1.0)  | (0.9)  | (0.5)  | 0.2     |
| Dividend Payout (%) | 11.8  | 19.5   | -       | -      | -      | -      | -      | -       |
| Dividend yield (%)  | 2.2   | 2.6    | -       | -      | -      | -      | -      | -       |
| Book Value (Rs)     | 465.4 | 472.4  | 395.4   | 307.8  | 203.8  | 167.9  | 133.7  | 135.9   |
| Change (%)          | 16    | 2      | (16)    | (22)   | (34)   | (18)   | (20)   | 2       |
| P/B (X)             | 0.5   | 0.4    | 0.2     | 0.5    | 0.5    | 0.6    | 0.4    | 0.4     |
| P/E (X)             | 5.4   | 7.6    | (1.3)   | (9.4)  | (3.0)  | (5.2)  | (5.5)  | 16.1    |



## Financial Details

### Exhibit: DuPont Analysis

|                                 | FY15       | FY16          | FY17         | FY18          | FY19          | FY20         | FY21E      |
|---------------------------------|------------|---------------|--------------|---------------|---------------|--------------|------------|
| Interest Income                 | 7.3        | 6.8           | 6.4          | 6.2           | 6.6           | 6.6          | 6.5        |
| Interest expended               | 5.4        | 4.9           | 4.4          | 4.5           | 4.4           | 4.2          | 4.1        |
| <b>Net Interest Income</b>      | <b>1.9</b> | <b>1.9</b>    | <b>1.9</b>   | <b>1.7</b>    | <b>2.2</b>    | <b>2.4</b>   | <b>2.4</b> |
| Non-Fund Based Income           | 0.7        | 0.6           | 1.1          | 0.9           | 0.8           | 1.0          | 1.0        |
| Core Fee Income                 | 0.4        | 0.3           | 0.4          | 0.4           | 0.4           | 0.4          | 0.4        |
| <b>Trading and Other Income</b> | <b>0.3</b> | <b>0.3</b>    | <b>0.7</b>   | <b>0.5</b>    | <b>0.4</b>    | <b>0.6</b>   | <b>0.5</b> |
| Core Operating Income           | 2.3        | 2.2           | 2.3          | 2.1           | 2.6           | 2.8          | 2.8        |
| <b>Total Income</b>             | <b>2.6</b> | <b>2.5</b>    | <b>3.0</b>   | <b>2.6</b>    | <b>3.0</b>    | <b>3.4</b>   | <b>3.3</b> |
| Total Operating Expenses        | 1.4        | 1.5           | 1.4          | 1.5           | 1.7           | 1.6          | 1.8        |
| Employee Expenses               | 0.8        | 0.9           | 0.9          | 0.8           | 1.0           | 1.0          | 1.0        |
| Other Expenses                  | 0.5        | 0.6           | 0.6          | 0.7           | 0.8           | 0.7          | 0.8        |
| <b>Operating Profit</b>         | <b>1.3</b> | <b>1.0</b>    | <b>1.6</b>   | <b>1.2</b>    | <b>1.3</b>    | <b>1.8</b>   | <b>1.6</b> |
| Provisions                      | 1.0        | 2.3           | 2.0          | 2.6           | 2.7           | 2.5          | 1.3        |
| Others                          | -          | -             | -            | -             | -             | -            | -          |
| PBT                             | 0.3        | (1.3)         | (0.4)        | (1.4)         | (1.4)         | (0.7)        | 0.2        |
| Tax                             | 0.0        | (0.3)         | (0.1)        | (0.4)         | (0.5)         | (0.3)        | 0.1        |
| <b>PAT/RoAA</b>                 | <b>0.3</b> | <b>(1.0)</b>  | <b>(0.3)</b> | <b>(1.0)</b>  | <b>(0.9)</b>  | <b>(0.5)</b> | <b>0.2</b> |
| Equity Multiplier (x)           | 19.4       | 19.3          | 19.1         | 18.2          | 15.1          | 14.2         | 15.3       |
| <b>ROAE</b>                     | <b>5.6</b> | <b>(19.1)</b> | <b>(4.8)</b> | <b>(17.8)</b> | <b>(13.6)</b> | <b>(6.6)</b> | <b>2.3</b> |



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