

## FEDERAL BANK

Industry **BANKING**  
 Bloomberg **FB IN**  
 BSE Code **500469**  
 NSE Code **FEDERALBNK**

Wednesday, August 22, 2018

RATING	BUY
CMP	82
Price Target	103
Previous Target	104
Potential Upside	26%

52wk Range H/L	128/74
Mkt Capital (Rs Cr)	16,209
Free float (%)	100%
Avg. Vol 1M (,000)	18,424
No. of Shares (Crore)	197
Promoters Pledged %	0%

## Federal Bank Concall Highlights on KERALA flood impact.

- ☑ The bank has 593 branches in Kerala (Total is 1252) and all are fully functional bearing a few. Bank's headquarter, data centre and other technology related principal function is in ALUVA. It is situated in the bank of river and is severely affected area. Management stated that all the branches and technology related activity are back to operational and within 2-3 days time all will be functional. 5-6 branches were physically damaged.
- ☑ Kerala credit exposure is Rs 26000 Cr to retail (Rs 10000 Cr), SME (Rs 6000 Cr and mid-market segment (including agri Rs 9000 Cr). Addition to these Rs 6000 Cr of exposure is related to corporate and Govt. Business. Total credit exposure is Rs 32000 Cr (33% of total). Retail book is 95% secured and agri book is secured by gold, insurance and property-100% and SME book is secured by 75%.
- ☑ 60 small branches were in most affected areas of flood with the credit exposure of around Rs 1500 Cr (retail, SME, agri, business banking).
- ☑ In the normal situation Kerala have an average of Rs 160-180 Cr of quarterly slippages from retail and SME which could increase by 20-30% in next 2-3 quarters (management assumed based on sensitivity analysis). However management has not seen any alert in corporate borrowers and believes that the bank is well positioned to ensure that it is not dramatically disturbed by the consequences that have happened. Management stated that the consequences of flood will be better forecasted during 2Q FY19 result.
- ☑ Bank has 65% (Rs 75000 Cr) exposure of deposits to Kerala; management believes that due to festive season and ONAM in 2nd half of the year, remittance from NRI deposits will increase.

## View and Valuation

Federal bank has credit exposure of 32% in Kerala of which around Rs 25000 is related to retail, SME and mid-market segment. However credit exposure of only Rs 1500 Cr is related to most impacted areas of flood. Management stated that the key operations of bank are fully functional and there have been minor disruptions. Management guided that there could be increase of 20-30% slippages in non-corporate Kerala book in near term, however management has not altered its earlier guidance on the performance of bank till now and will be able analyze the impact during 2Q FY19 results. We believe the current situation will not hamper the long term growth story of Federal Bank, however in near term assets quality may see some impact. Hence we increase our slippages and credit cost estimates which results in 4% decline in our PAT estimates for FY19 and FY20. Federal Bank is trading at attractive valuation of 1.1x P/BV FY20e. We maintain BUY on the stock with the target price of Rs 103 at 1.4x P/BV FY20e.

## Key Risks to our rating and target

- ◆ Significant increase in bond yields implying a rise in cost of funds
- ◆ Higher slippages than expected due to flood can increase the credit cost.

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
NII	2504	3053	3583	4244	5194
PPP	1424	1925	2291	2698	3407
PAT	476	831	879	1197	1626
NIM %	3.0	3.1	3.0	3.0	3.0
EPS (Rs)	2.8	4.8	4.5	6.1	8.2
EPS growth (%)	-52.9	74.1	-7.5	36.2	35.8
ROE (%)	6.0	9.8	8.3	9.4	11.7
ROA (%)	0.5	0.8	0.7	0.8	0.9
BV	47	52	62	67	74
P/B (X)	1.0	1.8	1.4	1.2	1.1
P/E (x)	16.7	19.0	20.0	13.5	9.9

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**1Q FY 19 Results**  
**Above expectation**
**Strong performance**

Financials	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	YoY %	QoQ%	FY17	FY18	YoY %
Interest Inc.	2,324	2,380	2,501	2,548	2,667	14.8%	4.7%	8,677	9,753	12.4%
Interest Exp.	1,523	1,481	1,551	1,615	1,687	10.8%	4.5%	5,625	6,170	9.7%
NII	801	899	950	933	980	22.4%	5.0%	3,053	3,583	17.4%
Other Income	329	287	229	314	271	-17.7%	-13.8%	1,082	1,159	7.1%
Total Income	1,130	1,186	1,179	1,247	1,251	10.7%	0.3%	4,134	4,742	14.7%
Ope Exp.	572	603	617	659	648	13.3%	-1.6%	2,210	2,451	10.9%
PPP	558	583	561	589	603	8.1%	2.4%	1,925	2,291	19.0%
Provisions	236	177	162	372	199	-15.8%	-46.4%	618	947	53.2%
PBT	321	406	399	217	404	25.6%	86.0%	1,307	1,344	2.9%
Tax	111	143	139	72	141	26.8%	95.8%	476	465	-2.2%
Net Profit	210	264	260	145	263	25.0%	81.2%	831	879	5.8%

**1Q FY19 result Update**

PAT beat our expectation by 6% and NII were in line. FB net profit for Q1FY19 grew by 25% yoy to Rs 263 cr backed by lower provisioning for bad loans. NII grew robust by 22% yoy led by decline in cost of fund. NIM improved marginally by 1 bps sequentially to 3.12% due to stable yield and dip in cost of fund. Other income declined by 18% yoy and 14% qoq led by lower treasury gain. Operating expenses grew by 13% yoy, while total other income grew by only 10% which led the cost to income (C/I) ratio to increase to 51.8% vs 50.6% in the corresponding quarter a year back. Operating profit grew by only 8% yoy led by lower other income and higher opex.

**NIM improved.**

NIM improved marginally by 1 bps qoq due to reduction in the cost of fund. However, increase in CD ratio to 85% also contributed in the improvement of NIM. Yield on advances declined by 2 bps qoq and 88 bps yoy. Cost of deposit declined by 12 bps qoq( 45 bps yoy). We expect cost of fund to rise and NIM will remain under marginal pressure going forward. Management expect NIM to be around 3.2% in FY19.

**Other Income declined**

Other income dipped 18% yoy due to lower profit on sale of securities. Fee based income grew by 15% yoy due to increase in forex transactions profit and loan processing fee. Net Profit on Forex Transactions grew by 38% yoy, while loan processing charges grew by 11% yoy.

**Healthy loan book growth continues**

Advances grew by 24% yoy backed by a strong corporate advances growth of 32% yoy and across all the segments. The Retail advances grew by 19% yoy and SME grew by 17% yoy. Retail + SME form around 47% of its loan book while corporate holds around 43% of the advances. Kerala book and outside Kerala book grew by 18% and 40% respectively. The distribution towards AAA/AA rated corporate book declined to 71% (from 76% quarter back), while below BBB & others rated corporate increased by 16% (from 9% quarter back). Deposits during the quarter grew by 16% yoy, which does not match with the advances growth. Retail deposits constitute of 96% of the total deposits in Q1FY19. CASA ratio remained stable at 33.5%.

**Slippages declined.**

FB's asset quality remained stable on sequential basis. GNPA for Q1FY19 remained same as previous quarter at 3%. Whereas NNPA increased marginally by 3 bps at 1.72% as against 1.69% qoq due to the provisioning of 66 cr on NPA. Slippages for the quarter stood at Rs 482cr as against 892 cr a quarter back. Corporate and retail slippage amounts to Rs 207 cr & 109 cr respectively. Management is expecting another 800-850 cr slippages going forward. Total slippages from restructured book amounts to Rs 163 cr. Stressed book to total average assets declined to 2.01% vs 2.28% on qoq basis. Credit cost during the quarter was 52 bps lower at 0.71% on qoq basis. PCR remained stable at 64.71%.

**Operating expenses increased.**

Operating expenses grew by 13% YoY led by 16% rise in the employee expenses mainly on account of recent circular by Government on gratuity provisioning. C/I ratio declined to 51.8% from 52.8% on qoq basis. The bank has fully provided provisions of Rs 54 cr on account of gratuity. We expect downward movement in C/I ratio going forward.

## Profitability Matrix

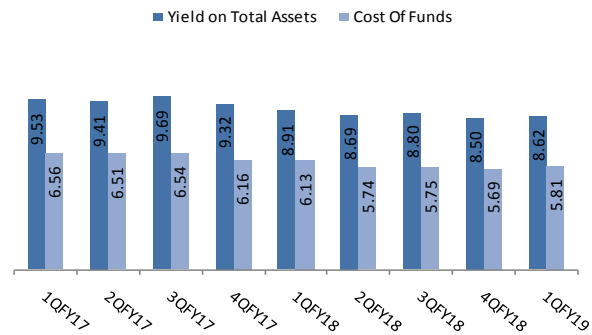
	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	YoY (+/-)	QoQ (+/-)
C/I Ratio %	55.5	51.2	50.6	50.8	52.4	52.8	51.8	1.18	-1.01
Empl. Cost/ Tot. Exp. %	54.1	45.7	52.2	51.9	48.7	50.2	53.2	1.06	3.03
Other Exp/Tot. Exp.%	45.9	54.3	47.8	48.1	51.3	49.8	46.8	-1.06	-3.03
Provision/PPP %	33.4	22.3	42.4	30.3	28.9	63.1	33.0	-9.35	-30.09
Tax Rate %	34.9	39.8	34.6	35.1	34.8	33.2	34.9	0.32	1.74
Int Exp./Int Inc. (%)	65.3	63.6	65.5	62.2	62.0	63.4	63.3	-2.29	-0.12
Other Inc./Net Inc. %	25.8	25.1	29.1	24.2	19.4	25.2	21.7	-7.48	-3.53
PAT/ Net Income %	19.3	22.8	18.6	22.2	22.1	11.6	21.0	2.40	9.38
RoE %	9.6	11.9	8.3	9.0	8.7	4.9	8.6	0.35	3.73
RoA %	0.8	1.0	0.8	0.9	0.9	0.5	0.8	0.02	0.33

## Margin Performance

Margin %	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	YoY (+/-)	QoQ (+/-)
Yield on Advances	10.5	10.3	10.0	9.5	9.5	9.1	9.1	-0.88	-0.02
Yield (Total Assets)	9.7	9.3	8.9	8.7	8.8	8.5	8.6	-0.29	0.12
Cost of Deposits	6.3	6.1	6.1	5.8	5.7	5.8	5.6	-0.45	-0.12
Cost Of Funds	6.5	6.2	6.1	5.7	5.7	5.7	5.8	-0.32	0.11
NIM	3.3	3.4	3.1	3.3	3.3	3.1	3.1	-0.01	0.01

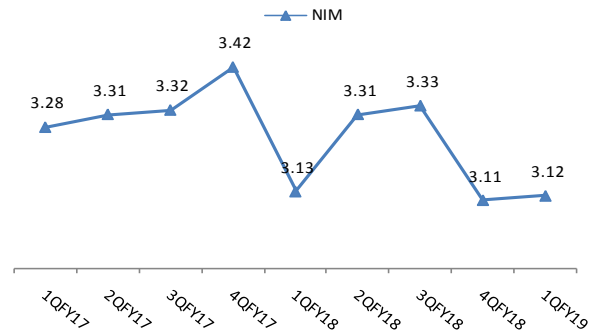
### Exhibit: Yield and Cost

Overall yield improved and cost increased



### Exhibit: Net Interest Margin

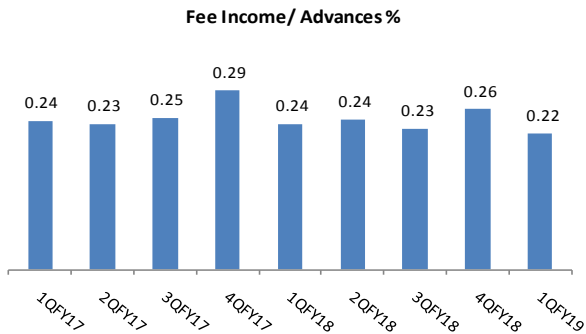
Marginal improvement in NIM



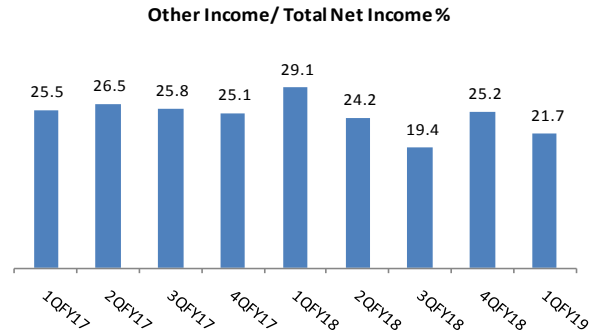
## Other Income Break Up- smart growth in distribution income

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19
Loan Processing Fee	22	27	29	41	28	35	34	46	31
Commission, Exchange,	93	98	109	130	118	119	120	136	129
Net Profit on Forex	27	27	33	41	34	41	39	56	47
<b>Total Fee-Based Income</b>	<b>142</b>	<b>152</b>	<b>171</b>	<b>212</b>	<b>180</b>	<b>195</b>	<b>193</b>	<b>238</b>	<b>207</b>
<i>Growth YoY %</i>	<i>11.8</i>	<i>10.9</i>	<i>43.7</i>	<i>24.0</i>	<i>26.8</i>	<i>28.3</i>	<i>12.9</i>	<i>12.3</i>	<i>15.0</i>
Profit on sale of securities	83	86	86	54	112	75	29	22	49
Recovery from assets	13	24	18	16	37	17	7	54	14
<b>Other Income</b>	<b>238</b>	<b>262</b>	<b>275</b>	<b>282</b>	<b>329</b>	<b>287</b>	<b>229</b>	<b>314</b>	<b>270</b>
<i>Growth YoY %</i>	<i>22.7</i>	<i>44.0</i>	<i>50.3</i>	<i>19.5</i>	<i>38.2</i>	<i>9.5</i>	<i>-16.7</i>	<i>11.3</i>	<i>-17.9</i>

## Exhibit: Fee Income/Advances %



## Exhibit: Other Income/ Total Income %



## Asset Quality

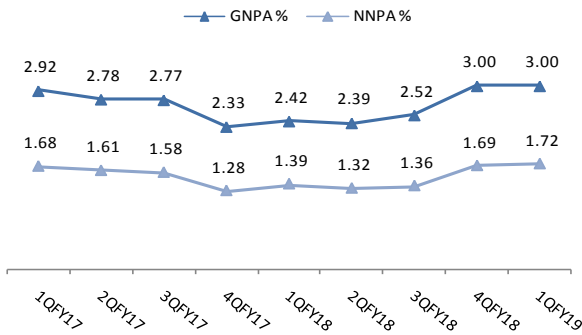
	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	YoY (+/-)	QoQ (+/-)
GNPA (Rs in Cr)	1,952	1,727	1,868	1,949	2,161	2,796	2,869	54%	3%
GNPA %	2.8	2.3	2.4	2.4	2.5	3.0	3.0	0.58	0
NNPA (Rs in Cr)	1,102	941	1,061	1,066	1,157	1,552	1,620	53%	4%
NNPA %	1.6	1.3	1.4	1.3	1.4	1.7	1.7	0.33	0.03
Slippages (Rs in Cr)	273	244	425	274	433	892	482	13%	-46%
Restructured Assets %	2.1	1.7	1.7	1.7	1.7	0.9	0.6	-1.12	-0.25
Net Stress Asts. (Rs in Cr)	4	3	3	3	3	3	2	-25%	-8%
Specific PCR %	71.8	71.8	70.3	70.0	70.0	65.0	64.7	-5.55	-0.29
Credit Cost %	0.6	0.4	1.2	0.7	0.6	1.2	0.7	-0.53	-0.52
Prov/Avg Adv% (Annl.)	0.9	0.7	1.3	0.9	0.8	1.7	0.9	-0.41	-0.82

## Slippage Contribution (%)

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19
Retail	23.9	23.7	31.5	22.5	22.8	37.3	36.5	8.0	23.6
Agriculture	12.1	9.8	5.1	12.3	10.6	18.0	10.0	6.4	11.9
SME	47.9	50.8	43.2	50.0	26.8	37.7	29.7	16.3	19.5
Wholesale	16.1	15.8	20.1	15.2	39.8	7.0	23.8	69.3	44.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

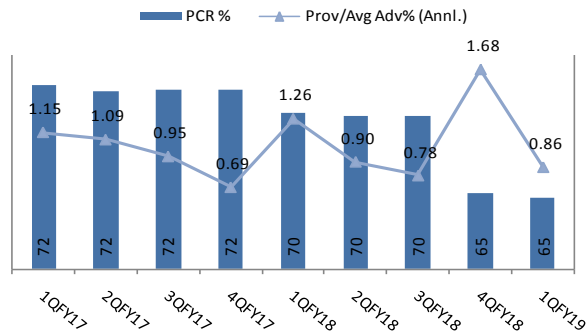
## Exhibit: Asset Quality

Assets quality improved.



## Exhibit: Provisions

Healthy PCR



**Financial Details**
**Balance Sheet**

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
<b>Share Capital</b>	<b>171</b>	<b>171</b>	<b>171</b>	<b>344</b>	<b>345</b>	<b>394</b>	<b>394</b>	<b>394</b>
>> <i>Equity Capital</i>	171	171	171	344	345	394	394	394
>> <i>Preference Capital</i>	-	-	-	-	-	-	-	-
Reserves & Surplus	6,194	6,780	7,567	7,747	8,598	11,816	13,171	14,512
<b>Networth</b>	<b>6,365</b>	<b>6,951</b>	<b>7,738</b>	<b>8,091</b>	<b>8,942</b>	<b>12,210</b>	<b>13,171</b>	<b>14,512</b>
Deposits	57,615	59,731	70,825	79,172	97,665	111,992	131,520	161,582
<i>Change (%)</i>	18	4	19	12	23	15	17	23
>> <i>CASA Deposits</i>	15,519	18,401	21,550	25,705	31,838	37,252	45,374	56,554
<i>Change (%)</i>	16	19	17	19	24	17	22	25
Borrowings	5,187	5,688	2,308	5,115	5,897	11,534	13,139	12,329
Other Liabilities & Provisions	1,883	2,601	2,268	2,204	2,473	2,578	4,227	5,194
<b>Total Liabilities</b>	<b>71,050</b>	<b>74,970</b>	<b>83,140</b>	<b>94,581</b>	<b>114,977</b>	<b>138,314</b>	<b>162,451</b>	<b>194,011</b>
Cash & Bank	3,720	4,529	4,780	5,420	7,452	9,204	9,386	10,037
Investments	21,155	24,118	24,409	25,155	28,196	30,781	32,880	40,395
<i>Change (%)</i>	21.6	14	1	3	12	9	7	23
Advances	44,097	43,436	51,285	58,090	73,336	91,957	113,107	135,729
<i>Change (%)</i>	16.8	(1)	18	13	26	25	23	20
Fixed Assets	397	425	467	520	489	457	503	553
Other Assets	1,681	2,462	2,199	5,396	5,503	5,915	6,576	7,297
<b>Total Assets</b>	<b>71,050</b>	<b>74,970</b>	<b>83,140</b>	<b>94,581</b>	<b>114,977</b>	<b>138,314</b>	<b>162,451</b>	<b>194,011</b>

**Income Statement**

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Interest income	6,168	6,946	7,419	7,745	8,677	9,753	11,560	14,347
Interest expended	4,193	4,717	5,039	5,240	5,625	6,170	7,316	9,153
<b>Net Interest Income</b>	<b>1,975</b>	<b>2,229</b>	<b>2,380</b>	<b>2,504</b>	<b>3,053</b>	<b>3,583</b>	<b>4,244</b>	<b>5,194</b>
<i>Change (%)</i>	1.1	12.9	6.8	5.2	21.9	17.4	18.4	22.4
Other Income	664	694	878	786	1,082	1,159	1,211	1,439
<i>Change (%)</i>	24.8	4.4	26.6	(10.5)	37.6	7.1	4.5	18.8
>> <i>Core Fee Income</i>	402	464	498	554	677	806	937	1,137
>> <i>Treasury Income</i>	206	156	256	129	309	238	214	242
>> <i>Others</i>	57	74	124	103	96	115	60	60
Total Net Income	2,639	2,922	3,259	3,291	4,134	4,742	5,455	6,633
Operating Expenses	1,180	1,442	1,631	1,867	2,210	2,451	2,756	3,226
<i>Change (%)</i>	20.5	22.3	13.1	14.5	18.4	10.9	12.5	17.0
>> <i>Employee Expenses</i>	626	772	892	1,053	1,164	1,242	1,410	1,649
<b>Pre-provisioning Profit</b>	<b>1,460</b>	<b>1,480</b>	<b>1,628</b>	<b>1,424</b>	<b>1,925</b>	<b>2,291</b>	<b>2,698</b>	<b>3,407</b>
<i>Change (%)</i>	(3.1)	1.4	10.0	(12.5)	35.2	19.0	17.8	26.3
Provisions	266	268	107	704	618	947	879	944
<i>Change (%)</i>	(21.1)	1.0	(60.2)	559.6	(12.2)	53.2	(7.2)	7.4
PBT	1,194	1,212	1,521	720	1,307	1,344	1,819	2,463
Tax	356	373	515	244	476	465	622	837
<b>Profit After Tax</b>	<b>838</b>	<b>839</b>	<b>1,006</b>	<b>476</b>	<b>831</b>	<b>879</b>	<b>1,197</b>	<b>1,626</b>
<i>Change (%)</i>	7.9	0.1	19.9	(52.7)	74.7	5.8	36.2	35.8

**Financial Details**
**Key Ratios**

Y/E March	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
<b>Balance Sheet Metrics</b>								
Loan Growth (%)	16.8	(1.5)	18.1	13.3	26.2	25.4	23.0	20.0
Deposit Growth (%)	17.7	3.7	18.6	11.8	23.4	14.7	17.4	22.9
C/D Ratio (%)	76.5	72.7	72.4	73.4	75.1	82.1	86.0	84.0
CASA (%)	26.9	30.8	30.4	32.5	32.6	33.3	34.5	35.0
Investment/Deposit (%)	36.7	40.4	34.5	31.8	28.9	27.5	25.0	25.0
CRAR (%)	14.7	15.1	15.5	13.9	12.4	14.7	13.5	12.4
>> Tier 1 (%)	14.1	14.6	14.8	13.4	11.8	14.2	13.0	12.0
>> Tier 2 (%)	0.6	0.6	0.7	0.6	0.6	0.5	0.5	0.4

**Assets Quality Metrics**

Gross NPA	1,554	1,087	1,058	1,668	1,727	2,796	3,158	3,423
Gross NPA (%)	3.4	2.5	2.0	2.8	2.3	3.0	2.8	2.5
Net NPA	432	322	373	950	941	1,552	1,705	1,780
Net NPA (%)	1.0	0.7	0.7	1.6	1.3	1.7	1.5	1.3
Slippages (%)	3.3	1.8	1.8	3.6	1.9	2.8	1.6	1.1
Provision Coverage (%)	81.0	84.1	83.9	72.1	71.8	65.0	68.4	71.3
Provision/Average Advances (%)	0.6	0.6	0.2	1.3	0.9	1.1	0.9	0.8

**Margin Metrics**

Yield On Advances (%)	11.3	11.4	11.5	10.4	10.0	9.1	8.9	9.1
Yield On Investment (%)	7.6	7.8	7.6	7.1	6.8	6.5	6.6	7.3
Yield on Earning Assets (%)	9.9	10.0	9.9	9.4	8.9	8.1	8.1	8.4
Cost Of Deposits (%)	7.2	7.2	7.1	6.7	6.1	5.4	5.4	5.7
Cost Of Funds (%)	7.2	7.3	7.3	6.6	6.0	5.4	5.4	5.7
Spread (%)	2.7	2.7	2.7	2.7	2.9	2.7	2.6	2.6
NIM (%)	3.2	3.2	3.2	3.0	3.1	3.0	3.0	3.0

**Profitability & Efficiency Metrics**

Int. Expense/Int.Income (%)	68.0	67.9	67.9	67.7	64.8	63.3	63.3	63.8
Fee Income/NII (%)	20.3	20.8	20.9	22.1	22.2	22.5	22.1	21.9
Cost to Income (%)	44.7	49.3	50.0	56.7	53.4	51.7	50.5	48.6
Cost on Average Assets (%)	1.8	2.0	2.1	2.1	2.1	1.9	1.8	1.8
Tax Rate (%)	29.8	30.8	33.9	33.9	36.4	34.6	34.2	34.0

**Valuation Ratio Metrics**

EPS (Rs)	5	5	6	3	5	4	6	8
Change (%)	7.9	0.1	19.7	(52.9)	74.1	(7.5)	36.2	35.8
ROAE (%)	13.9	12.6	13.7	6.0	9.8	8.3	9.4	11.7
ROAA (%)	1.3	1.1	1.3	0.5	0.8	0.7	0.8	0.9
Dividend Payout (%)	18.4	20.4	18.7	25.3	18.7	22.4	19.8	18.2
Dividend yield (%)	1.9	2.1	1.7	1.5	1.0	1.1	1.5	1.8
Book Value (Rs)	37	41	45	47	52	62	67	74
Change (%)	11.5	9.2	11.2	4.2	10.2	19.4	7.9	10.2
ABVPS (Rs)	35	39	43	42	46	54	58	65
P/B (X)	1.3	1.2	1.5	1.0	1.8	1.4	1.2	1.1
P/E (X)	9.8	9.7	11.2	16.7	19.0	20.0	13.5	9.9

**Financial Details**
**Exhibit: DuPont Analysis**

	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19E</b>	<b>FY20E</b>
Interest Income	9.5	9.4	8.7	8.3	7.7	7.7	8.0
Interest expended	6.5	6.4	5.9	5.4	4.9	4.9	5.1
<b>Net Interest Income</b>	<b>3.1</b>	<b>3.0</b>	<b>2.8</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>	<b>2.9</b>
Non-Fund Based Income	1.0	1.1	0.9	1.0	0.9	0.8	0.8
>> Core Fee Income	0.6	0.6	0.6	0.6	0.6	0.6	0.6
>> Trading and Other Income	0.3	0.5	0.3	0.4	0.3	0.2	0.2
Core Operating Income	3.7	3.6	3.4	3.6	3.5	3.4	3.6
<b>Total Income</b>	<b>4.0</b>	<b>4.1</b>	<b>3.7</b>	<b>3.9</b>	<b>3.7</b>	<b>3.6</b>	<b>3.7</b>
Total Operating Expenses	2.0	2.1	2.1	2.1	1.9	1.8	1.8
>> Employee Expenses	1.1	1.1	1.2	1.1	1.0	0.9	0.9
>> Other Expenses	0.9	0.9	0.9	1.0	1.0	0.9	0.9
<b>Operating Profit</b>	<b>2.0</b>	<b>2.1</b>	<b>1.6</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>
Provisions	0.4	0.1	0.8	0.6	0.7	0.6	0.5
Others	-	-	-	-	-	-	-
PBT	1.7	1.9	0.8	1.2	1.1	1.2	1.4
Tax	0.5	0.7	0.3	0.5	0.4	0.4	0.5
<b>PAT/RoA</b>	<b>1.1</b>	<b>1.3</b>	<b>0.5</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>
<b>&gt;&gt; Equity Multiplier (x)</b>	<b>11.0</b>	<b>10.8</b>	<b>11.2</b>	<b>12.3</b>	<b>12.0</b>	<b>11.9</b>	<b>12.9</b>
<b>RoE</b>	<b>12.6</b>	<b>13.7</b>	<b>6.0</b>	<b>9.8</b>	<b>8.3</b>	<b>9.4</b>	<b>11.7</b>

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