

Current Reco	: BUY
Previous Reco	: BUY
CMP	: INR610
Target Price	: INR680
Potential Return	: 11%

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Market data

Sensex	:	35,012
Sector	:	Banks
Market Cap (INRbn)	:	1,569.0
Market Cap (USDbn)	:	21.360
O/S Shares (m)	:	2,569.4
52-wk HI/LO (INR)	:	678/478
Avg Daily Vol ('000)	:	14,934
Bloomberg	:	AXSB IN

Source: Bloomberg

Valuation

	FY18	FY19e	FY20e
BV (INR)	246.8	264.6	295.1
Price-BV (x)*	2.3	2.1	1.9
EPS (INR)	1.1	14.8	41.2
PE (x)*	522.3	37.9	13.6
NIM (%)	3.3	3.3	3.4

Source: Company *adjusted for subsidiaries valuation

Returns (%)

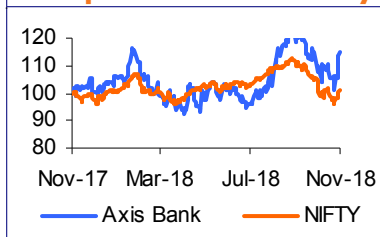
	1m	3m	6m	12m
Absolute	4	12	17	15
Relative	7	18	17	10

Source: Bloomberg

Shareholding pattern

Promoters	:	26%
Public	:	74%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

2QFY19 RESULT REVIEW

Axis Bank Limited

Dark cloud of asset quality makes way, focus on core income

Axis Bank's (AXSB) 2QFY19 performance was strong, led by (1) core NIMs (+7bps QoQ), (2) negligible net corporate slippages (NIL), contained net slippages in retail & SME segment (1% of opening loans), and (3) ~4% improvement in coverage ratio on gross stress loans to 41% (57% including write-offs). Last two quarters' performance instils confidence in corporate recovery cycle and, with high coverage ratio maintained by AXSB, we factor credit cost of 0.9% (0.6% net of recovery from written-off loans) for FY20 vs. 4.2% (4.1%) in FY18. We expect AXSB core PPOP to improve to 2.3-2.4% (2.1% in 2QFY19) over the next two years and, under the new business model, RoA is likely to settle in the range of 1.3-1.4%. Stock trades at 1.9x AP/ABV and 13x FY20 EPS. We are positive on corporate recovery cycle and maintain BUY on AXSB. ICICIB and SBIN remain as preferred play for this theme.

Corporate slippages normalize, coverage on stress pool now healthy

Slippages for the quarter came in at INR27.8bn (annualized slippage ratio of 2.8%) vs. INR43.4bn in 1Q. NIL net slippages in corporate segment and contained delinquencies in retail and SME segment (1% vs. 1.6%) led to GNPL decline of 5% QoQ. 88% of the slippages were from identified stress pool and led by upgrades guided watch-list declined 9% QoQ. Coverage on stress pool increased to 41.2% vs. 37.7% (57.1%, including technical write-offs) in 1QFY19.

Expect FY20 credit cost to decline sharply, similar to FY13-15 levels

Credit cost came in at 2.4% in 2QFY19. We believe as bank continues to improve its coverage ratio credit cost may remain high in 2HFY19, before falling to 90bps (60bps, net of recovery from written-off loans) in FY20 vs. 4.2% (4.1%) in FY18.

Loan growth moderates; rebalancing of liabilities to continue

Loan growth moderated to 11% YoY (+3.4% QoQ) due to 15% YoY growth in domestic loans. Retail loan growth has softened to 20% YoY, from recent highs of 30% YoY and corporate remains muted. Focus shifts on deposits and it grew 15% YoY (7% QoQ). Stretched domestic LD ratio of ~86% will keep banks focus on garnering deposits; this could keep NIM improvement restricted, which otherwise has a favorable environment.

Core profitability better-than-expected, coming off its lows

NII grew 15% YoY and was 4% above expectation. NIMs were better than expected and improved 7bps QoQ vs. expectation of an 8bps QoQ decline. With better pricing power and lower interest income reversals, we expect NIMs to improve by 15-20bps over next two years, driving upgrade of 8% in FY20 earnings. Fee income growth was modest at 9% YoY. Retail fee was strong at 23% YoY, but corporate fee declined 37% YoY. In the changed business model, fee is unlikely to be a meaningful contributor. Core PPP to average assets of 2.1% is led by better NIMs; we expect it to improve to ~2.3% over the next few quarters.

Other highlights: (1) ILFS has an exposure of INR8.3bn, of which INR2.4bn is fund-based. Of this, INR5.4bn is in BB & below rated pool. Bank carries 20% provision on funded exposure; (2) exposure to real estate at INR110bn, of which LRD is 50%. Low exposure of INR10bn to residential real estate and management is comfortable with performance of this pool; (3) exposure to NBFC/HFC at INR199bn with 40% to AAA and 50.3% to AA.

Quarterly performance: Better-than-expected NIMs drive NII growth (INR mn)

	2QFY18	1QFY19	2QFY19	QoQ (%)	YoY (%)	2QFY19E	Var. (%)
Net Interest Income	45,396	51,668	52,321	1	15	50,250	4
Other Income	25,855	29,250	26,784	-8	4	26,230	2
Operating Expenses	33,478	37,198	38,165	3	14	36,862	4
Operating Profit	37,773	43,720	40,940	-6	8	39,618	3
Other Provisions	31,404	33,377	29,274	-12	-7	30,029	-3
Profit before Tax	6,369	10,343	11,666	13	83	9,589	22
Tax Provisions	2,045	3,333	3,770	13	84	3,212	17
Net Profit	4,324	7,011	7,896	13	83	6,377	24

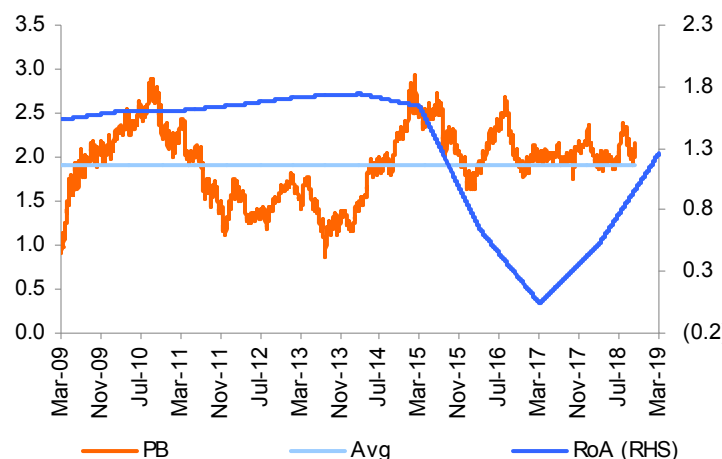
Source: Company, Antique

We raise our earnings estimates to factor better NIMs (INR bn)

	Old Est.		Revised Est.		Estimates Chg	
	FY19	FY20	FY19	FY20	FY19	FY20
Net Interest Income	208.3	239.4	212.9	256.9	2.2	7.3
Other Income	119.6	140.3	114.6	137.7	-4.2	-1.8
Total Income	327.9	379.6	327.4	394.6	-0.1	4.0
Operating Expenses	154.1	170.5	156.7	178.7	1.7	4.8
Operating Profits	173.8	209.1	170.7	215.9	-1.8	3.2
Provisions	112.1	56.1	113.0	54.2	0.8	-3.3
PBT	61.7	153.0	57.7	161.6	-6.4	5.7
Tax	20.7	51.3	19.0	54.1	-7.8	5.7
PAT	41.0	101.7	38.7	107.5	-5.7	5.7
Margins (%)	3.22	3.21	3.29	3.42		
Credit Cost (%)	2.35	1.03	2.26	0.98		
RoA (%)	0.6	1.2	0.5	1.3		
RoE (%)	6.2	13.9	5.8	14.7		

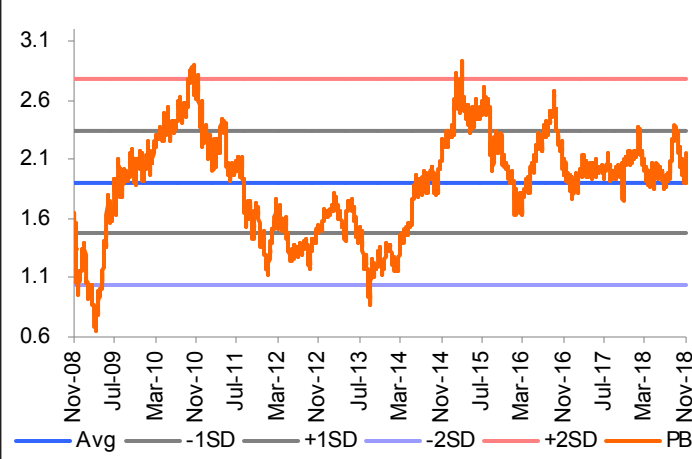
Source: Company, Antique

One year forward P/BV with forward rolling RoA's



Source: Bloomberg, Antique

Trades at 13% above long period average



Source: Bloomberg, Antique

DuPont Analysis: RoA's to improve to 1.3% driven by lower credit cost; core PPP expected to improve gradually

Y/E MARCH	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E
Net Interest Income	3.1	3.0	3.1	3.3	3.4	3.4	3.2	2.9	2.9	3.0
Fee income	1.8	1.8	1.8	1.7	1.6	1.5	1.4	1.4	1.3	1.3
Core Income	4.9	4.8	4.9	5.0	5.0	4.9	4.6	4.3	4.2	4.3
Operating Expenses	2.3	2.3	2.2	2.2	2.2	2.0	2.1	2.2	2.1	2.1
Cost to Core Income	46.2	47.1	45.5	44.0	43.8	41.5	47.0	50.9	50.8	48.5
Core Operating Profit	2.6	2.6	2.6	2.8	2.8	2.8	2.4	2.1	2.1	2.2
Non Interest income	2.2	2.1	2.1	2.0	2.0	1.9	2.0	1.7	1.5	1.6
Trading and others	0.4	0.3	0.3	0.4	0.4	0.4	0.7	0.3	0.3	0.3
Operating Profit	3.0	2.8	3.0	3.2	3.2	3.2	3.1	2.4	2.3	2.5
Provisions	0.6	0.4	0.6	0.6	0.6	0.7	2.1	2.4	1.5	0.6
PBT	2.4	2.4	2.4	2.6	2.6	2.5	1.0	0.0	0.8	1.9
Tax	0.8	0.8	0.8	0.9	0.9	0.8	0.3	0.0	0.3	0.6
RoA	1.6	1.6	1.7	1.7	1.7	1.6	0.6	0.0	0.5	1.3
Leverage (x)	12.1	12.6	11.2	10.1	10.2	10.4	10.8	11.0	11.2	11.7
RoE	19.3	20.3	18.5	17.4	17.8	17.1	6.9	0.5	5.8	14.7

Source: Company, Antique

Strong asset quality performance: corporate slippages decline; delinquency in retail and SME thus contained (INR mn)

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
GNPL	95,532	163,787	204,668	212,805	220,309	274,023	250,005	342,486	326,624	309,383
NNPL	40,102	77,612	82,948	86,266	97,660	140,523	117,695	165,917	149,016	127,157
GNPL %	2.5	4.2	5.2	5.0	5.0	5.9	5.3	6.8	6.5	6.0
NNPL %	1.1	2.0	2.2	2.1	2.3	3.1	2.6	3.4	3.1	2.5
PCR (% , incl. w/off)	69.0	60.0	64.0	65.0	65.0	60.0	66.0	65.0	69.0	73.0

Gross Slippages	36,380	87,720	45,600	48,110	35,190	89,360	44,280	165,360	43,370	27,770
Corporate	29,110	81,930	36,830	43,200	23,170	81,100	29,800	139,380	22,180	10,900
Slippages from watch-list	28,528	77,014	33,147	39,312	16,914	59,203	27,714	125,442	19,518	9,592
Retail & SME	7,270	5,790	8,770	4,910	12,020	8,260	14,480	25,980	21,190	16,870

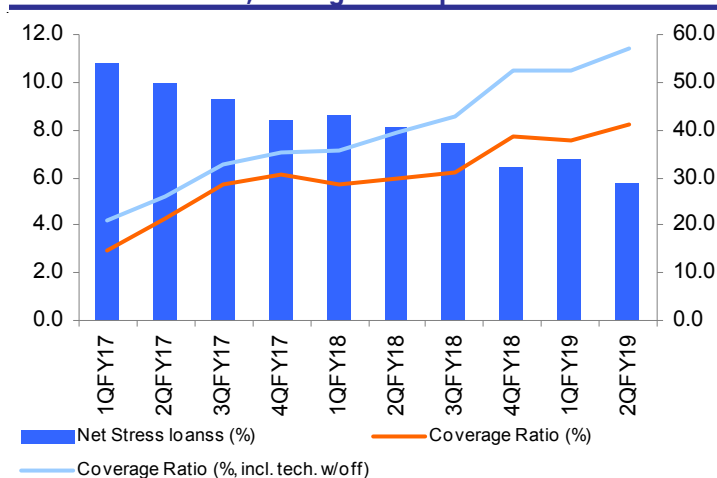
Upgrades & Recoveries	1,400	10,730	3,500	28,040	3,060	10,480	40,080	34,010	29,170	21,860
Write-offs	330	8,730	1,220	11,940	24,620	25,170	28,218	38,869	30,070	23,150

Net Slippages	34,980	76,990	42,100	20,070	32,130	78,880	4,200	131,350	14,200	5,910
Retail	2,570	1,680	2,740	390	7,580	2,920	5,990	4,910	5,370	2,790
SME	3,060	1,630	3,820	1,460	2,280	2,190	1,660	670	3,550	3,390
Retail & SME	5,630	3,310	6,560	1,850	9,860	5,110	7,650	5,580	8,920	6,180
Corporate	29,350	73,680	35,540	18,220	22,270	73,770	-3,450	125,770	5,280	-270

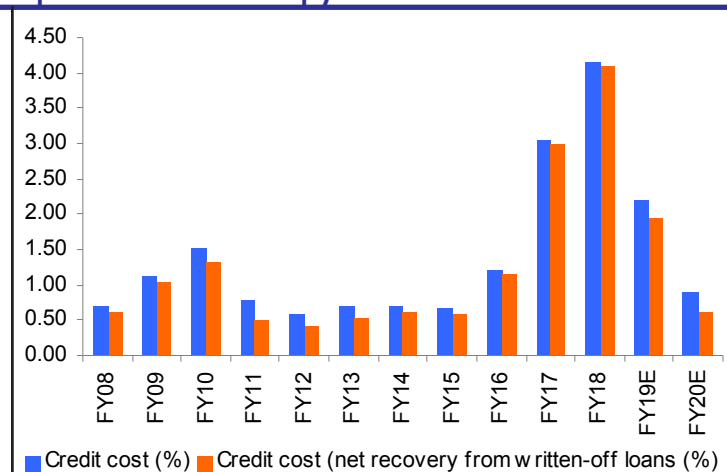
Slippage Ratio (annualized, %)	5.1	11.8	5.8	5.7	4.1	10.1	5.1	17.7	4.5	2.7
Corporate	8.9	23.7	9.9	11.1	5.9	20.5	7.7	35.8	5.5	2.5
% slippages from watch-list	98.0	94.0	90.0	91.0	73.0	73.0	93.0	90.0	88.0	88.0
Retail and SME	1.9	1.5	2.1	1.1	2.6	1.7	3.0	4.8	3.8	2.8

Net Slippage Ratio (annualized, %)	4.9	10.3	5.3	2.4	3.7	8.9	0.5	14.1	1.5	0.6
Corporate	9.0	21.3	9.6	4.7	5.6	18.7	-0.9	32.3	1.3	-0.1
Retail	0.2	0.1	0.2	0.0	0.5	0.2	0.4	0.3	0.3	0.2
SME	3.2	1.6	3.7	1.3	2.1	1.9	1.5	0.5	3.0	2.6
Retail and SME	1.5	0.8	1.6	0.4	2.1	1.0	1.6	1.0	1.6	1.0

Source: Company, Antique

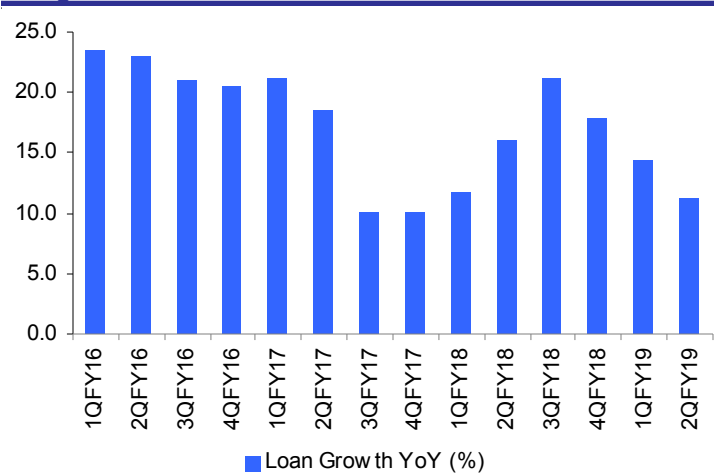
Net stress loans decline, coverage ratio improves

Source: Company, Antique

Expect credit cost to fall sharply in FY20e

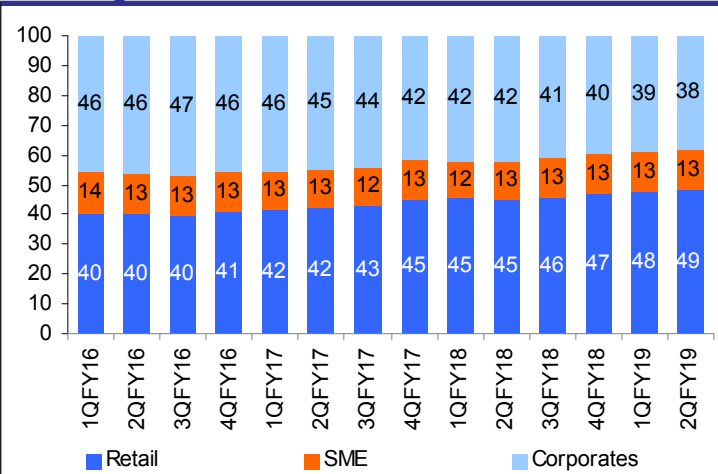
Source: Company, Antique

Loan growth moderates



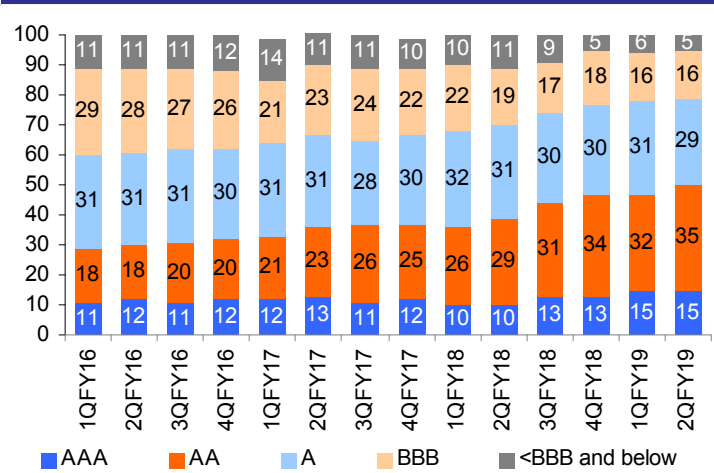
Source: Company, Antique

Retail loan growth has softened



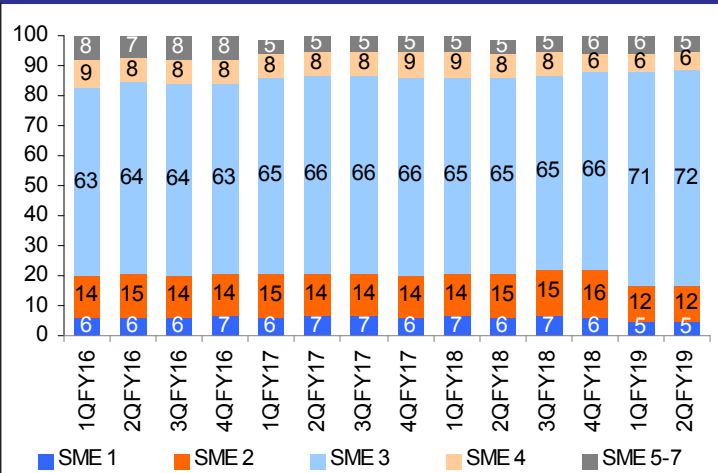
Source: Company, Antique

Loan mix shifts towards better rated corporate (%)



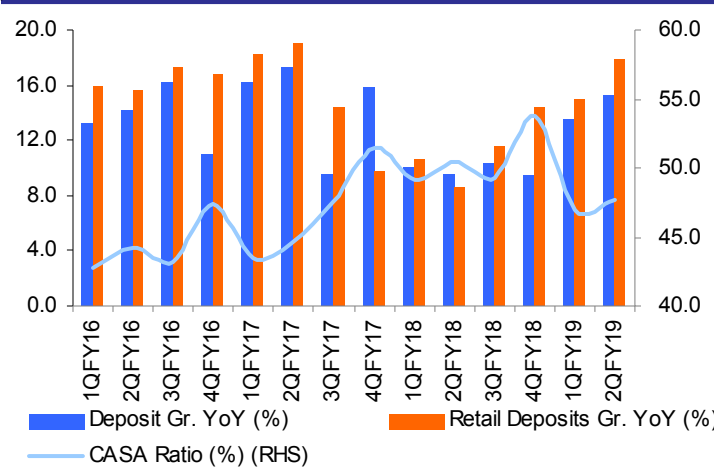
Source: Company, Antique

Rating of SME portfolio remains healthy



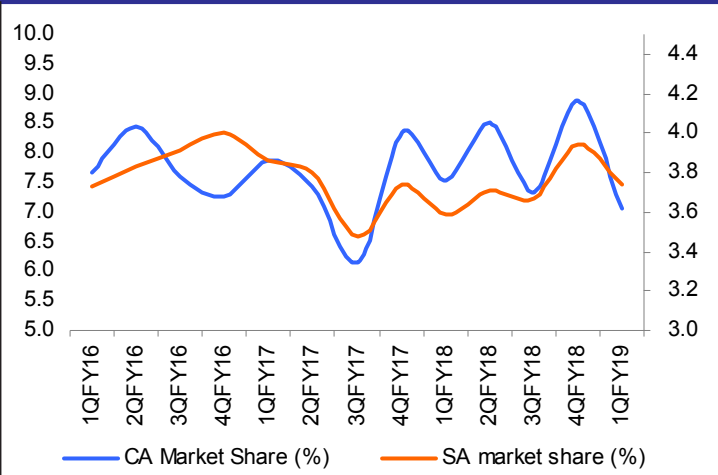
Source: Company, Antique

Retail deposit growth picks-up

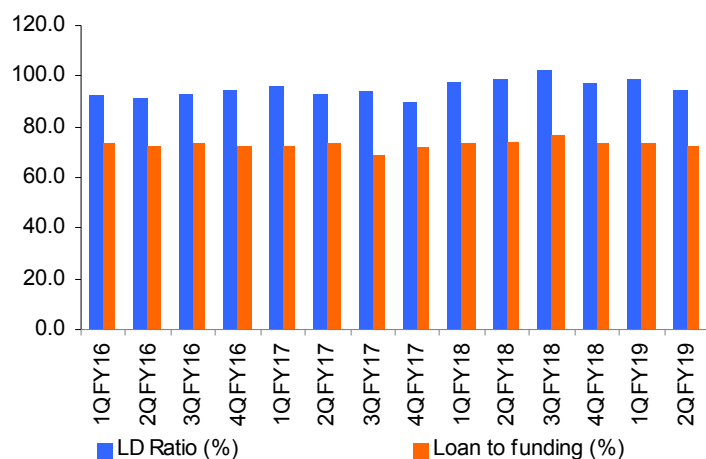


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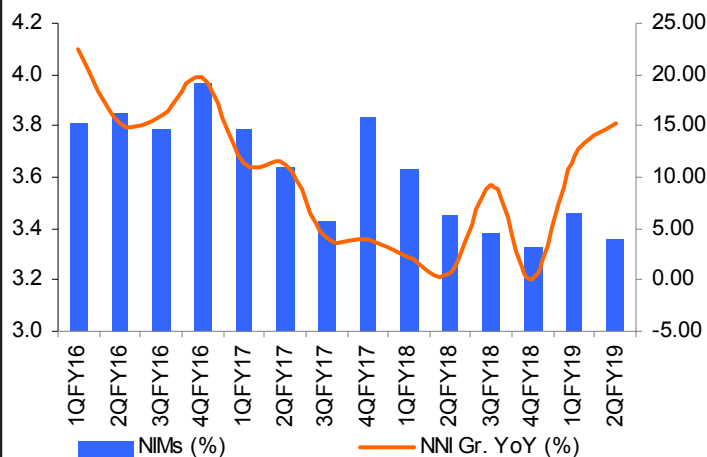
SA market share trending lower



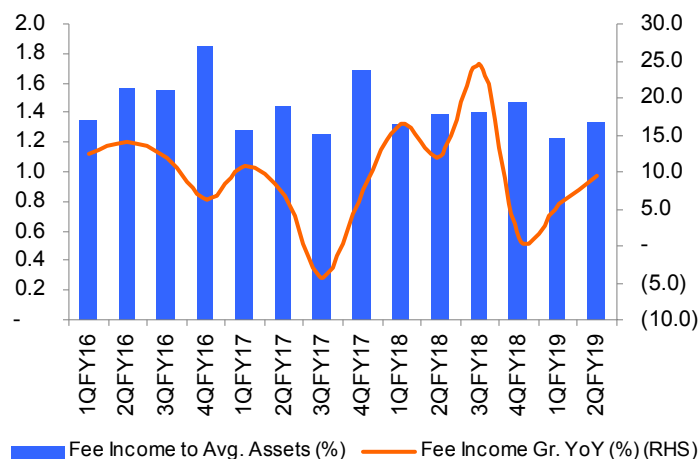
Source: Company, Antique

LD ratio declines marginally - realignment to continue

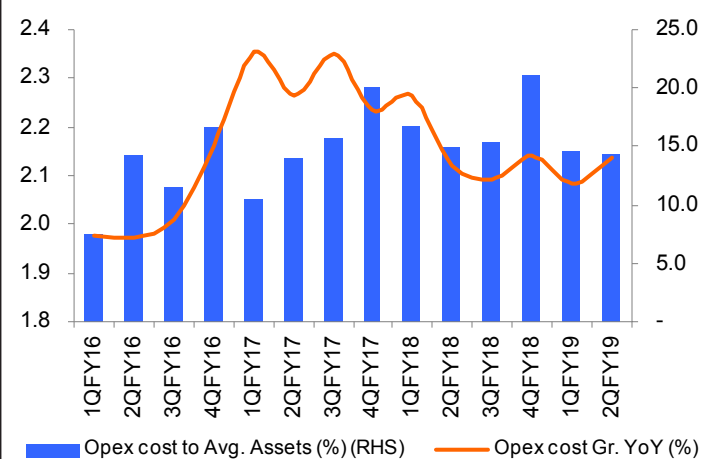
Source: Company, Antique

NIMs surprise positively; NII growth picks up

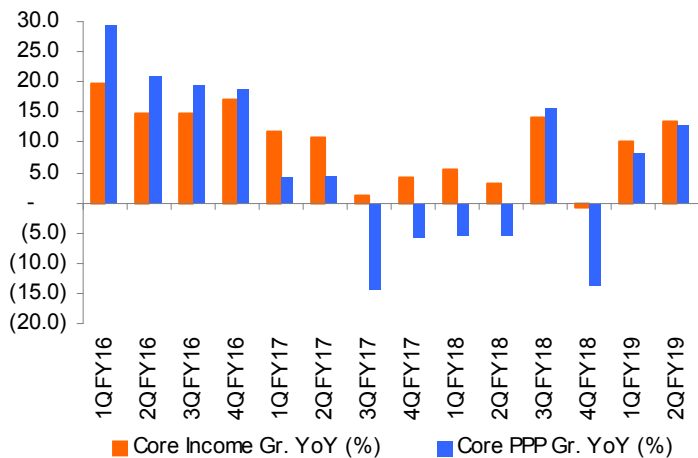
Source: Company, Antique

Fee income growth remains modest

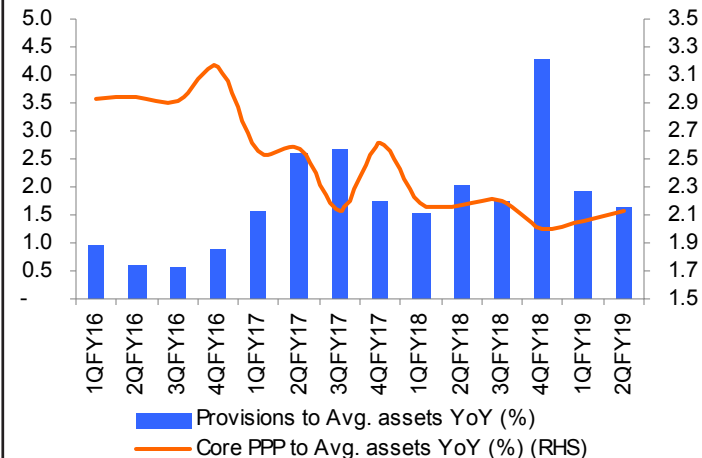
Source: Company, Antique

Operating leverage playing-out; expect gradual gains

Source: Company, Antique

Core Income and Core PPP growth improves on a lower base

Source: Company, Antique

Core PPP to average assets stabilizes

Source: Company, Antique

DuPont Analysis: Worst of the earnings now behind

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
Interest Income	8.17	8.08	7.81	7.57	7.32	7.24	7.33	7.05	7.39	7.47
Interest Expenses	4.85	4.81	4.76	4.36	4.26	4.31	4.37	4.22	4.40	4.52
Net Interest Income	3.32	3.27	3.05	3.21	3.06	2.92	2.96	2.83	2.99	2.94
Fee based income	1.29	1.44	1.26	1.69	1.33	1.40	1.40	1.47	1.22	1.34
Fee to Core Income	28.0	30.6	29.2	34.5	30.3	32.3	32.2	34.1	29.1	31.2
Core Income	4.61	4.71	4.31	4.90	4.38	4.32	4.36	4.30	4.21	4.28
Operating Expenses	2.05	2.14	2.18	2.28	2.20	2.16	2.17	2.30	2.15	2.15
Cost to Core Income	44.4	45.4	50.5	46.6	50.2	49.9	49.7	53.6	51.1	50.2
Employee expenses	0.71	0.72	0.70	0.64	0.72	0.70	0.66	0.65	0.71	0.66
Other	1.34	1.42	1.48	1.64	1.48	1.46	1.51	1.66	1.44	1.48
Core Operating Profits	2.56	2.57	2.13	2.61	2.18	2.17	2.19	2.00	2.06	2.13
Trading and others	0.72	0.40	1.14	0.35	0.66	0.27	0.22	0.20	0.47	0.17
Operating Profits	3.29	2.97	3.27	2.97	2.84	2.43	2.41	2.20	2.53	2.30
Provisions	1.56	2.62	2.67	1.75	1.55	2.02	1.76	4.30	1.93	1.65
NPA	1.57	2.62	2.46	1.38	1.38	2.16	1.76	4.74	1.82	1.55
Others	-0.01	0.00	0.21	0.37	0.17	-0.14	0.00	-0.44	0.11	0.10
PBT	1.73	0.35	0.59	1.22	1.29	0.41	0.65	-2.10	0.60	0.66
Taxes	0.59	0.11	0.19	0.39	0.43	0.13	0.20	-0.79	0.19	0.21
Tax Rate	33.9	33.2	31.4	31.7	33.0	32.1	30.3	37.6	32.2	32.3
ROA	1.14	0.23	0.41	0.83	0.86	0.28	0.45	-1.31	0.41	0.44
Leverage (x)	10.1	10.2	10.5	10.7	10.7	11.0	10.5	10.4	10.8	11.0
ROE	11.5	2.3	4.3	8.9	9.3	3.1	4.8	-13.6	4.4	4.9

Source: Company, Antique

Quarterly performance: P&L and asset quality

INR mn	FY17				FY18				FY19		Variation (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Profit and Loss												
Net Interest Income	45,169	45,139	43,337	47,286	46,161	45,396	47,315	47,305	51,668	52,321	1	15
Other Income	27,383	25,397	34,002	30,132	29,998	25,855	25,931	27,887	29,250	26,784	-8	4
Trading profits	9,112	5,360	15,250	4,280	8,241	3,770	2,000	2,150	1,030	1,360	32	-64
Fee Income	17,534	19,931	17,870	24,957	20,030	21,700	22,460	24,480	21,170	23,760	12	9
Corporate	4,298	4,838	3,610	5,815	3,605	4,557	3,818	4,406	2,752	2,851	3.6	-37.4
Treasury Fees	516	194	181	485	801	217	225	490	423	475	12.2	119.0
Agri. & SME	688	968	903	1,454	801	868	1,123	1,469	847	950	12.2	9.5
Transaction Banking	3,610	3,870	3,971	4,119	4,006	4,123	4,492	4,896	4,234	4,752	12.2	15.3
Retail Fees	8,423	10,062	9,206	13,084	10,816	11,935	12,802	13,219	12,914	14,731	14.1	23.4
Miscellaneous Income	737	106	883	894	1,727	385	1,471	1,257	7,050	1,664	-76	332
Total Income	72,552	70,535	77,339	77,418	76,160	71,252	73,246	75,191	80,918	79,105	-2	11
Operating Expenses	27,858	29,534	30,937	33,670	33,248	33,478	34,708	38,469	37,198	38,165	3	14
Employee	9,632	9,888	9,919	9,480	10,883	10,828	10,629	10,789	12,278	11,747	-4	8
Others	18,227	19,645	21,018	24,191	22,365	22,650	24,079	27,680	24,920	26,418	6	17
Operating Profits	44,694	41,002	46,402	43,747	42,912	37,773	38,538	36,722	43,720	40,940	-6	8
Provisions	21,172	36,227	37,958	25,813	23,419	31,404	28,110	71,795	33,377	29,274	-12	-7
PBT	23,522	4,774	8,444	17,935	19,492	6,369	10,428	-35,073	10,343	11,666	13	83
Taxes	7,967	1,584	2,649	5,684	6,436	2,045	3,163	-13,186	3,333	3,770	13	84
PAT	15,555	3,191	5,796	12,251	13,056	4,324	7,264	-21,887	7,011	7,896	13	83
Asset Quality												
GNPA	95,532	163,787	204,668	212,805	220,309	274,023	250,005	342,486	326,624	309,383	-5	13
NNPA	40,102	77,612	82,948	86,266	97,660	140,523	117,695	165,917	149,016	127,157	-15	-10
GNPA (%)	2.5	4.2	5.2	5.0	5.0	5.9	5.3	6.8	6.5	6.0	-56	6
NNPA (%)	1.1	2.0	2.2	2.1	2.3	3.1	2.6	3.4	3.1	2.5	-55	-58
PCR (Calculated, %)	58	53	59	59	56	49	53	52	54	59	452	1018
PCR (Reported, %)	69	60	64	65	65	60	66	65	69	73	400	1300
Net Stress loans	377,102	353,402	326,258	314,976	335,240	335,553	313,465	283,977	298,066	263,127	-12	-22
% of Loans	10.9	10.0	9.4	8.4	8.7	8.2	7.4	6.5	6.8	5.8	-99	-241
Ratios (%)												
Fees to Total Income	24.2	28.3	23.1	32.2	26.3	30.5	30.7	32.6	26.2	30.0	387	-42
Cost to Core Income	44.4	45.4	50.5	46.6	50.2	49.9	49.7	53.6	51.1	50.2	-91	27
Tax Rate	33.9	33.2	31.4	31.7	33.0	32.1	30.3	37.6	32.2	32.3	10	20
CASA (Cal.)	43.4	44.7	47.6	51.4	49.2	50.4	49.3	53.8	46.9	47.7	82	-273
Loan/Deposit	96.4	92.9	93.6	90.0	97.9	98.5	102.9	96.9	98.7	95.1	-357	-341
RoE (Cal)	11.5	2.3	4.3	8.9	9.3	3.1	4.8	-13.6	4.4	4.9	49	183
Margins - Reported (%)												
Cost of Funds	5.8	5.7	5.5	5.4	5.2	5.2	5.1	5.1	5.2	5.3	11	16
NIMs	3.8	3.6	3.4	3.8	3.6	3.5	3.4	3.3	3.5	3.4	-10	-9
Domestic NIMs	4.0	3.9	3.6	4.1	3.9	3.7	3.6	3.6	3.7	3.6	-8	-12
Franchise												
Branches	3,006	3,106	3,211	3,304	3,385	3,485	3,589	3,703	3,779	3,882		
ATM	12,781	13,448	13,726	14,163	14,311	14,332	13,977	13,814	12,834	12,660		

Source: Company, Antique

Quarterly performance: Balance sheet profile

INR mn	FY17				FY18				FY19		Variation (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY
Balance Sheet												
Loans	3,449	3,532	3,472	3,731	3,855	4,102	4,209	4,397	4,411	4,561	3	11
Investments	1,295	1,246	1,365	1,288	1,418	1,442	1,424	1,539	1,546	1,557	1	8
Customer Assets	3,705	3,840	3,799	4,097	4,254	4,509	4,602	4,880	4,828	4,993	3	11
Deposits	3,579	3,802	3,708	4,144	3,937	4,164	4,090	4,536	4,471	4,797	7	15
Borrowings	1,145	1,004	1,324	1,050	1,295	1,354	1,409	1,480	1,522	1,484	-3	10
Total Assets	5,479	5,577	5,788	6,015	6,067	6,353	6,439	6,913	6,927	7,305	5	15
Deposits Break Up												
Retail Deposits	2,305	2,439	2,436	2,500	2,548	2,648	2,719	2,860	2,927	3,120	7	18
% of total Deposits	64	64	66	60	65	64	66	63	65	65		
Other Deposits	1,273	1,362	1,272	1,644	1,390	1,517	1,371	1,676	1,544	1,677	9	11
% of total Deposits	36	36	34	40	35	36	34	37	35	35		
Deposits Break Up												
CASA Deposits	1,554	1,700	1,764	2,131	1,936	2,101	2,017	2,439	2,096	2,289	9	9
% of total Deposits	43	45	48	51	49	50	49	54	47	48		
Savings	1,002	1,078	1,181	1,260	1,220	1,303	1,312	1,482	1,414	1,487	5	14
% of total Deposits	28	28	32	30	31	31	32	33	32	31		
Current	552	621	584	870	716	798	705	957	683	801	17	0
% of total Deposits	15	16	16	21	18	19	17	21	15	17		
Term Deposits	2,024	2,102	1,943	2,013	2,002	2,064	2,073	2,098	2,374	2,508	6	22
% of total Deposits	57	55	52	49	51	50	51	46	53	52		
Loan Break Up												
Corporate	1,582	1,580	1,544	1,559	1,623	1,732	1,727	1,744	1,724	1,741	1	1
SME Loans	436	459	432	492	479	527	549	587	570	603	6	14
Retail Loans	1,432	1,493	1,495	1,680	1,753	1,843	1,933	2,065	2,116	2,217	5	20
of which												
Auto	129	134	150	168	175	184	193	227	233	244	5	32
Housing	659	672	703	739	771	792	812	826	847	865	2	9
Personal Loans	157	179	179	202	228	240	271	289	296	333	12	39
Others	487	508	464	571	578	626	657	723	741	776	5	24
Loan Mix												
Corporate	46	45	44	42	42	42	41	40	39	38		
SME Loans	13	13	12	13	12	13	13	13	13	13		
Retails	42	42	43	45	45	45	46	47	48	49		
Ratings Profile												
Large and Mid Corp												
AAA	12	13	11	12	10	10	13	13	15	15		
AA	21	23	26	25	26	29	31	34	32	35		
A	31	31	28	30	32	31	30	30	31	29		
BBB	21	23	24	22	22	19	17	18	16	16		
<BBB and below	14	11	11	10	10	11	9	5	6	5		
SME												
SME1	6	7	7	6	7	6	7	6	5	5		
SME2	15	14	14	14	14	15	15	16	12	12		
SME3	65	66	66	66	65	65	65	66	71	72		
SME4	8	8	8	9	9	8	8	6	6	6		
SME 5-8	5	5	5	5	5	5	5	6	6	5		

Source: Company, Antique

Financials

Profit and loss account (INRm)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Interest Income		409,880	445,422	457,803	542,907	656,058
Interest Expense		241,551	264,490	271,626	330,054	399,135
Net Interest Income		168,330	180,931	186,177	212,852	256,923
% NII Growth		18.3	7.5	2.9	14.3	20.7
Fee Income		113,723	136,353	165,238	200,673	244,194
Non-interest income		93,715	116,913	109,671	114,588	137,699
Net Revenue		262,044	297,844	295,848	327,440	394,622
Employees Expenses		33,760	38,919	43,130	48,305	54,102
Other Op. Expenses		67,248	83,080	96,774	108,387	124,645
Operating Profit		161,036	175,845	155,945	170,749	215,876
% OP Growth		20.3	9.2	-11.3	9.5	26.4
Tax		41,701	17,883	(1,541)	19,049	54,148
Total Provisions		37,099	121,170	154,729	113,025	54,239
Net Profit		82,237	36,793	2,757	38,675	107,488

Balance sheet (INRm)

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Capital		4,766	4,790	5,133	5,224	5,224
Reserves and Surplus		512,837	538,795	629,320	686,743	766,564
Deposits		3,579,676	4,143,788	4,536,227	5,262,024	6,419,669
Borrowings		1,085,804	1,050,309	1,480,161	1,544,958	1,611,358
Other Liabilities & Provisions		215,128	276,995	262,455	385,942	444,667
Total liabilities		5,398,210	6,014,677	6,913,296	7,884,890	9,247,482
Cash & Balances with RBI		223,611	308,579	354,811	250,222	327,031
Bal. with banks/ call money		109,643	193,982	79,738	102,105	160,621
Investment		1,315,241	1,287,934	1,538,761	1,754,187	1,999,774
Loans and advances		3,387,737	3,730,693	4,396,503	5,055,979	5,966,055
Fixed Assets		35,232	37,469	39,717	42,313	45,910
Other Assets		326,746	456,019	503,766	680,084	748,093
Total assets		5,398,210	6,014,677	6,913,296	7,884,890	9,247,482

Asset Quality

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Gross NPA (INRm)		60,875	212,805	342,870	285,619	312,234
Gross NPA (%)		1.78	5.52	7.50	5.46	5.07
Net NPA (INRm)		25,221	86,266	165,917	104,689	121,704
Net NPA (%)		0.74	2.31	3.77	2.07	2.04
PCR (Incl Tech. Write off)		72.3	64.8	65.0	77.1	75.6
Slippage Ratio (%)		2.6	6.4	9.0	3.0	1.6

Source: Company, Antique

Capital Adequacy Ratio

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
RWA (INRm)		4,726,200	5,176,308	5,677,121	6,473,238	7,675,413
Tier I (%)		12.5	11.9	13.0	12.9	12.6
Tier II (%)		2.8	3.1	3.5	3.2	2.9
Total CAR (%)		15.3	15.0	16.6	16.1	15.4

Business Ratios

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Credit / Deposit (%)		94.6	90.0	96.9	96.1	92.9
Investment / Deposit (%)		36.7	31.1	33.9	33.3	31.2
CASA (%)		47.3	51.4	53.8	52.5	49.6
RoA (%)		1.6	0.6	0.0	0.5	1.3
Core RoE (%)		17.1	6.9	0.5	5.8	14.7
Dividend Yield (%)		0.8	0.8	-	0.4	1.5

Key assumptions

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Deposits						
Deposit growth (%)		11.0	15.8	9.5	16.0	22.0
Cost of deposits (%)		5.4	5.1	4.4	4.8	5.2
Advances						
Advances growth (%)		20.5	10.1	17.8	15.0	18.0
Yield on advances (%)		9.7	9.3	8.4	8.7	9.1
Investments						
Investments growth (%)		11.9	(2.1)	19.5	14.0	14.0
Yield on investments (%)		7.5	7.4	7.1	6.9	7.1

Earnings Ratios

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Interest Inc. / Avg. assets (%)		8.2	7.8	7.1	7.3	7.7
Interest Exp. / Avg. assets (%)		4.8	4.6	4.2	4.5	4.7
NIM (%)		3.8	3.6	3.3	3.3	3.4
Int. exp/ Int earned (%)		58.9	59.4	59.3	60.8	60.8
Oth. Inc./ Tot. Inc. (%)		35.8	39.3	37.1	35.0	34.9
Staff exp/Total opt. exp (%)		33.4	31.9	30.8	30.8	30.3
Cost/ Income Ratio (%)		38.5	41.0	47.3	47.9	45.3
Total prov./ Operating Profit (%)		23.0	68.9	99.2	66.2	25.1
Loan loss prov./Avg. loans (bps)		1.2	3.1	4.2	2.2	0.9

Per Share Data

Year-ended	March 31	FY16	FY17	FY18	FY19e	FY20e
Book Value (INR)		216.8	226.5	246.8	264.6	295.1
Price-BV (x)*		2.6	2.5	2.3	2.1	1.9
Adjusted BV (INR)		209.9	203.1	204.8	238.5	264.9
EPS (INR)		34.5	15.4	1.1	14.8	41.2
Price-Earnings (x)*		16.3	36.5	522.3	37.9	13.6
Dividend Per Share (INR)		5.0	5.0	-	2.2	9.1

Source: Company Antique

*adjusted for subsidiaries valuation

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