

# Banks

## Covid-19 hits earnings

4QFY20 earnings were below estimates for most of our coverage banks on account of high COVID-19 related provisions. Credit growth slowed for our coverage banks. On the funding side, deposit polarisation was evident as larger banks fared significantly better. The slight asset quality improvement seen was optical because of the standstill classification benefit. Our broad thesis- large banks, with strong, granular liability franchises, reasonable asset quality performance and sufficient capital will fare better as the sector is likely to see increased polarisation (refer our report '[Double Whammy for Some](#)')- remains unchanged and has in fact been fortified. Asset quality trends will become more evident in 2H as the moratorium ends. Larger banks fare well even under our worst case scenarios (refer our report '[Down Cycle Stress Testing](#)'). We maintain BUY on ICICI (SoTP of Rs 442) and AXSB (SoTP of Rs 541) amongst the large private banks. Amongst the mid-tier banks, we prefer CUBK (TP of Rs 164).

- Sluggish loan growth:** Credit growth remained weak in 4QFY20 as our overall universe registered growth of 7.5% YoY vs. 7.4% in 3QFY20 (but significantly lower vs. previous quarter). Our coverage universe saw significantly slower growth at 8.4% YoY (vs. 10.5% YoY in 3QFY20). While systemic credit growth had been slowing, the situation worsened due to COVID-19 related disruptions. We expect our coverage to report loan CAGR of ~8.7% over FY21-22E.
- Asset quality improvement partly optical:** Our overall universe registered a 79bps QoQ drop in GNPA's to 7.9% while our coverage reported a 51bps fall to 5.7% (-17bps to 4.8%, ex-SBIN). However, these trends are partly optical because (1) several banks within our coverage universe reported high w/off's and, (2) the standstill classification limited slippages (2.1% ann. -4/4-147bps). We expect our coverage to report slippages of 3.6% annualised. over FY21E, and expect GNPA's to reach 6.2%.
- Moratorium:** The lack of standardisation makes comparison of moratorium (%) difficult. However, the following trends are evident: (1) for most, a higher proportion of the retail and SME books (vs. corporate) is under moratorium, (2) moratorium was offered to retail borrowers on an 'opt-out' basis and wholesale borrowers on an 'opt-in' basis 3) several borrowers opting for moratorium had sufficient balances or undrawn lines, and (4) commentary indicates that moratorium (%) trended upwards from March to April and has since been trending downwards for several banks.
- Funding side trends:** While our overall universe saw deposit growth slow slightly to 9.2% YoY, our coverage reported flattish growth (vs. 3QFY20) at 12.5% YoY. Ex-SBIN, our coverage saw faster growth at 14.3%. Interestingly, while our private bank universe continued to see faster deposit growth (12.2% YoY) vs. our PSU bank universe (7.6% YoY), the gap their between growth rates narrowed. In our opinion, the deposit market is likely to see continued polarisation. Our overall universe reported a QoQ increase in reliance on borrowings, measured by borrowings/ assets (10.2%, +120bps QoQ, 14.3% for our private bank universe, and 7.6% for our PSU bank universe). However, reliance on borrowings was lower YoY.

Bank	CMP (Rs)	Rating	TP (Rs)
AUBANK	595	ADD	549
AXSB	434	BUY	541
CUBK	127	BUY	164
DCBB	81	ADD	100
FB	54	BUY	61
ICICIBC	362	BUY	442
IIB	496	ADD	575
KMB	1,368	ADD	1,282
KVB	34	REDUCE	33
RBK	178	REDUCE	136
SBIN	188	BUY	270

Source: HSIE Research

### Bankwise Moratorium

Bank	%
CBK	17
SBIN	24
UNBK	24
AUBANK	25
AXSB	27
ICICIBC	30
KMB	30
PNB	30
FB	35
RBK	35
SIB	36
YES	38
KVB	41
CUBK	52
DCBB	60
BOB	65
IDBI	68
BANDHAN	71
UJJIVANS	90
EQUITAS	98

Source: Banks, HSIE Research

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- **Liquidity and capital:** Within our private bank universe, most banks remain fairly well-capitalised. However, several private banks are looking to raise capital. Except for AXSB, ICICIBC and KMB, most banks within our private bank universe saw a bump up in CRAR (driven by slower growth and capitalisation of full year's profits), with CUBK, DCBB, and KVB seeing significant organic capital accretion. Most banks were able to meet the minimum LCR requirements, which have now been temporarily diluted. Notably FB, KVB had LCRs which were significantly higher than the regulatory minimum.
- **Margins:** Most of the banks within our overall universe saw a QoQ decline in advances, with our private bank universe witnessing a slightly higher fall in yields. Almost our entire universe witnessed a QoQ fall in CoF. Interestingly, our private bank universe saw a greater fall than our PSU bank universe, both on a QoQ and YoY basis. Within our private bank universe, most banks' NIMs remained flat or expanded slightly QoQ. On a YoY basis, most saw an improvement in NIMs. However, the drivers varied significantly.
- **Provisions:** Our overall universe registered a 5.7/16.1% rise in non-tax provisions, while our coverage universe saw a 21/111% rise (80.9/132.7% rise ex-SBIN). LLPs were 70/33bps lower at 2.9% for our overall universe and 36bps lower YoY (+94bps QoQ) at 2.4% for our coverage universe (+62/135bps ex-SBIN). Banks provided for the potential impact of COVID-19 in 4QFY20. However, banks' approaches varied vastly. Some banks provided only the mandated minimum, others made specific ad-hoc provisions or increased standard asset provisioning. In line with the expected increase in GNPA's, we are likely to see an increase in LLPs across the board. We anticipate a broad-based increase in provisions (non-specific and specific LLPs) across our coverage.

## Bank-wise loans and YoY loan growth

Bank	Rs bn 4QFY20	YoY				
		4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
<b>Private bank universe</b>						
AXSB	5,714	12.5%	12.7%	14.4%	15.8%	15.5%
BANDHAN	666	33.4%	35.9%	88.4%	78.9%	68.1%
CUBK	346	17.1%	14.2%	11.7%	10.4%	4.6%
DCBB	253	15.9%	13.2%	12.4%	11.1%	7.5%
FB	1,223	19.9%	18.8%	14.8%	13.0%	10.9%
HDFCB	9,937	24.5%	17.1%	19.5%	19.9%	21.3%
ICICIBC	6,453	14.5%	14.7%	12.6%	12.6%	10.0%
IIB	2,068	28.6%	28.4%	20.8%	19.8%	10.9%
KMB	2,197	21.2%	17.6%	15.3%	10.4%	6.8%
KVB	461	8.4%	1.2%	1.3%	2.4%	-5.1%
SIB	644	14.9%	13.0%	11.3%	7.1%	2.8%
RBK	580	34.9%	34.7%	27.5%	19.5%	6.8%
YES	1,714	18.7%	10.1%	-6.3%	-23.7%	-29.0%
<b>Total PVB</b>	<b>32,258</b>	<b>19.2%</b>	<b>16.1%</b>	<b>14.8%</b>	<b>12.9%</b>	<b>11.0%</b>
<b>PSU bank universe</b>						
BOB	6,901	5.0%	4.4%	1.0%	1.1%	5.9%
BOI	3,689	-0.1%	1.6%	-1.6%	1.7%	8.2%
BOMH	869	-3.6%	7.7%	-2.4%	5.0%	5.1%
CBK	4,322	12.1%	12.0%	4.8%	1.3%	1.0%
IDBI	1,298	-14.5%	-14.5%	-15.9%	-15.0%	-11.5%
INBK	1,979	15.8%	12.1%	11.9%	8.2%	9.2%
PNB	4,718	5.7%	1.6%	-0.7%	-2.0%	3.0%
SBIN	23,253	13.0%	13.8%	9.6%	7.4%	6.4%
UNBK	3,150	2.8%	0.2%	1.7%	5.4%	6.1%
<b>Total PSB</b>	<b>50,179</b>	<b>8.1%</b>	<b>8.1%</b>	<b>4.6%</b>	<b>3.8%</b>	<b>5.2%</b>
<b>SFB universe</b>						
AUBANK	309	51.2%	44.3%	37.9%	37.2%	27.4%
EQUITAS	154	43.7%	38.4%	32.6%	36.7%	30.0%
UJJIVANS	142	40.5%	45.5%	56.5%	50.1%	33.2%
<b>Total SFB</b>	<b>604</b>	<b>46.7%</b>	<b>43.0%</b>	<b>40.5%</b>	<b>39.9%</b>	<b>29.4%</b>
<b>Grand total</b>	<b>83,041</b>	<b>12.2%</b>	<b>11.2%</b>	<b>8.6%</b>	<b>7.4%</b>	<b>7.5%</b>
<b>Total coverage</b>	<b>42,857</b>	<b>14.8%</b>	<b>15.0%</b>	<b>12.0%</b>	<b>10.5%</b>	<b>8.4%</b>
<b>Coverage (ex SBIN)</b>	<b>19,604</b>	<b>17.2%</b>	<b>16.5%</b>	<b>14.8%</b>	<b>14.2%</b>	<b>10.9%</b>
<b>Non-food credit</b>	<b>92,115</b>	<b>12.3%</b>	<b>11.1%</b>	<b>8.1%</b>	<b>7.0%</b>	<b>6.7%</b>

Source: RBI, Banks, HSIE Research

## Bank-wise deposits and deposits growth

Bank	Rs bn 4QFY20	YoY					QoQ
		4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	
<b>Private bank universe</b>							
AXSB	6,401	20.9%	20.9%	21.7%	15.1%	16.7%	8.2%
BANDHAN	578	27.6%	42.3%	49.3%	58.5%	33.7%	5.3%
CUBK	408	17.0%	16.3%	17.1%	12.1%	6.2%	2.6%
DCBB	304	18.4%	15.0%	12.2%	8.1%	6.8%	2.1%
FB	1,523	20.5%	19.1%	18.1%	17.1%	12.8%	5.3%
HDFCB	11,475	17.0%	18.5%	22.6%	25.2%	24.3%	7.5%
ICICIBC	7,710	16.4%	20.8%	24.6%	18.1%	18.1%	7.6%
IIB	2,020	28.5%	26.3%	23.2%	23.3%	3.7%	-6.8%
KMB	2,628	17.3%	22.8%	13.2%	12.0%	16.4%	9.8%
KVB	591	5.2%	7.2%	6.8%	6.2%	-1.3%	-5.1%
SIB	830	11.6%	12.7%	10.7%	9.3%	3.3%	-2.2%
RBK	578	33.0%	35.3%	31.5%	20.5%	-1.0%	-8.1%
YES	1,054	13.4%	5.9%	-6.0%	-25.6%	-53.7%	-36.4%
<b>Total PVB</b>	<b>36,100</b>	<b>18.1%</b>	<b>19.2%</b>	<b>19.5%</b>	<b>16.1%</b>	<b>12.2%</b>	<b>3.8%</b>
<b>PSU bank universe</b>							
BOB	9,460	7.1%	6.4%	2.1%	1.1%	3.4%	5.6%
BOI	5,555	0.0%	-0.5%	1.2%	1.4%	6.7%	6.4%
BOMH	1,501	1.2%	2.6%	4.4%	4.4%	6.7%	5.7%
CBK	6,254	14.2%	14.5%	10.4%	8.6%	4.4%	0.0%
IDBI	2,224	-8.3%	-3.8%	-1.9%	-5.1%	-2.2%	1.9%
INBK	2,602	16.2%	14.9%	15.3%	14.1%	7.5%	1.0%
PNB	7,038	5.3%	6.7%	7.1%	8.9%	4.1%	-0.7%
SBIN	32,416	7.6%	7.3%	8.0%	9.9%	11.3%	4.2%
UNBK	4,507	1.8%	6.0%	11.0%	10.6%	8.4%	1.3%
<b>Total PSB</b>	<b>71,557</b>	<b>6.3%</b>	<b>6.7%</b>	<b>6.8%</b>	<b>7.3%</b>	<b>7.6%</b>	<b>3.3%</b>
<b>SFB universe</b>							
AUBANK	262	145.1%	98.5%	72.1%	62.5%	34.7%	9.6%
EQUITAS	108	69.9%	59.6%	44.1%	32.6%	34.6%	2.8%
UJJIVANS	108	91.5%	109.2%	141.9%	98.2%	46.1%	1.2%
<b>Total SFB</b>	<b>477</b>	<b>111.1%</b>	<b>89.2%</b>	<b>76.2%</b>	<b>60.9%</b>	<b>37.1%</b>	<b>6.0%</b>
<b>Grand total</b>	<b>1,08,134</b>	<b>10.1%</b>	<b>10.7%</b>	<b>10.9%</b>	<b>10.3%</b>	<b>9.2%</b>	<b>3.5%</b>
<b>Total coverage</b>	<b>54,841</b>	<b>12.2%</b>	<b>12.7%</b>	<b>13.1%</b>	<b>12.6%</b>	<b>12.5%</b>	<b>4.7%</b>
<b>Coverage (ex SBIN)</b>	<b>22,425</b>	<b>19.9%</b>	<b>21.7%</b>	<b>21.5%</b>	<b>16.7%</b>	<b>14.3%</b>	<b>5.4%</b>

Source: Banks, HSIE Research

Within our private bank universe, large private banks such as ICICIBC, AXSB and KMB saw good traction.

IIB and RBK saw a significant QoQ decline in deposits

Amongst PSBs, SBIN's deposit base grew 11.3/4.2%, the fastest within our PSB universe

Within our SFB universe, AUBANK led the pack, as its deposit base grew 34.7/9.6%

## CASA % of total deposits

Bank	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
<b>Private bank universe</b>					
AXSB	44.4%	41.3%	41.1%	41.2%	41.2%
BANDHAN	40.8%	36.1%	32.9%	34.3%	36.8%
CUBK	25.2%	23.4%	24.7%	23.3%	25.0%
DCBB	24.0%	25.0%	25.0%	23.0%	21.0%
FB	32.2%	31.4%	31.5%	31.5%	30.5%
HDFCB	42.4%	39.7%	39.3%	39.5%	42.2%
ICICIBC	49.6%	45.2%	46.7%	47.0%	45.1%
IIB	43.1%	43.1%	41.4%	42.4%	40.4%
KMB	52.5%	50.7%	53.6%	53.7%	56.2%
KVB	29.9%	29.7%	29.8%	30.6%	31.3%
SIB	24.2%	24.1%	24.9%	25.2%	25.0%
RBK	25.0%	25.8%	26.5%	26.8%	29.6%
YES	33.0%	30.1%	30.8%	32.1%	26.6%
<b>Total PVB</b>	<b>42.3%</b>	<b>39.7%</b>	<b>40.0%</b>	<b>40.5%</b>	<b>41.2%</b>
<b>PSU bank universe</b>					
BOB	24.5%	33.7%	34.9%	35.7%	35.3%
BOI	34.9%	35.2%	35.4%	36.7%	35.6%
BOMH	49.6%	48.1%	48.2%	48.1%	50.3%
CBK	29.2%	27.9%	30.5%	29.2%	31.4%
IDBI	42.5%	43.2%	44.9%	47.7%	47.7%
INBK	34.5%	33.2%	33.8%	33.7%	34.6%
PNB	42.2%	41.4%	42.1%	42.6%	43.0%
SBIN	44.2%	43.6%	43.7%	43.1%	43.5%
UNBK	36.1%	34.0%	33.8%	34.4%	35.6%
<b>Total PSB</b>	<b>37.3%</b>	<b>38.0%</b>	<b>38.7%</b>	<b>38.7%</b>	<b>39.1%</b>
<b>SFB universe</b>					
AUBANK	18.5%	17.1%	15.0%	15.7%	14.5%
EQUITAS	28.3%	24.5%	22.4%	20.9%	20.5%
UJJIVANS	10.6%	9.9%	11.9%	11.6%	13.5%
<b>Total SFB</b>	<b>16.8%</b>	<b>15.3%</b>	<b>13.2%</b>	<b>13.2%</b>	<b>12.6%</b>
<b>Grand total</b>	<b>38.9%</b>	<b>38.5%</b>	<b>39.0%</b>	<b>39.2%</b>	<b>39.7%</b>
<b>Total coverage</b>	<b>44.0%</b>	<b>42.6%</b>	<b>42.9%</b>	<b>42.7%</b>	<b>42.8%</b>
<b>Coverage (ex SBIN)</b>	<b>43.8%</b>	<b>41.2%</b>	<b>41.8%</b>	<b>42.1%</b>	<b>41.8%</b>

Source: Banks, HSIE Research

*Except for our SFB universe, a steady improvement in the CASA ratio is visible across most subsets and our overall universe*

*Within our private bank universe, KMB stands out in terms of CASA %*

**Bank-wise deposits from retail and small business customers**

Bank	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
AXSB	52.67%	57.09%	54.29%	56.20%	53.65%
BANDHAN	52.78%	56.04%	57.10%	56.82%	58.47%
DCBB	42.13%	35.44%	38.12%	41.89%	43.08%
FB	82.68%	88.25%	85.93%	85.23%	82.40%
HDFCB	58.70%	60.85%	60.09%	62.15%	59.22%
ICICIBC	57.23%	59.02%	58.40%	59.66%	57.08%
IIB	23.94%	26.11%	27.11%	28.12%	30.98%
KMB	56.21%	56.83%	59.62%	62.10%	58.44%
KVB	68.39%	67.87%	68.19%	69.24%	72.99%
RBK	27.74%	29.33%	31.14%	30.89%	34.38%
YES	33.15%	35.92%	38.59%	40.66%	58.12%
SBIN	74.65%	74.87%	74.10%	74.75%	72.38%
AUBANK	26.46%	31.60%	32.30%	33.70%	33.21%

Source: Banks, HSIE

**Bank-wise borrowings % of total assets**

Bank	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
<b>Private bank universe</b>					
AXSB	19.1%	16.8%	13.5%	13.7%	16.2%
BANDHAN	0.9%	0.8%	20.3%	14.1%	17.9%
CUBK	1.1%	NA	2.0%	NA	4.1%
DCBB	7.6%	7.3%	7.5%	8.9%	8.9%
FB	4.9%	6.2%	4.7%	4.7%	5.7%
HDFCB	9.4%	8.0%	7.0%	8.1%	9.4%
ICICIBC	17.1%	16.3%	15.1%	13.6%	14.8%
IIB	17.0%	17.0%	15.1%	15.2%	19.8%
KMB	10.3%	8.6%	8.4%	8.2%	10.5%
KVB	2.3%	3.7%	4.2%	NA	1.7%
SIB	5.3%	5.3%	5.0%	4.5%	7.1%
RBK	14.7%	14.6%	15.9%	16.3%	19.1%
YES	28.5%	27.0%	26.9%	35.5%	44.1%
<b>Total PVB</b>	<b>14.4%</b>	<b>13.3%</b>	<b>12.1%</b>	<b>12.6%</b>	<b>14.3%</b>
<b>PSU bank universe</b>					
BOB	8.6%	6.6%	7.2%	8.2%	8.0%
BOI	7.1%	5.8%	6.6%	7.2%	6.1%
BOMH	6.2%	2.1%	3.2%	4.8%	2.2%
CBK	5.9%	5.5%	5.0%	4.7%	5.9%
IDBI	14.1%	10.1%	9.6%	12.0%	12.3%
INBK	4.3%	4.2%	5.3%	3.7%	6.7%
PNB	5.1%	3.7%	4.0%	4.2%	6.0%
SBIN	10.9%	7.9%	7.5%	7.0%	8.0%
UNBK	8.7%	6.8%	7.6%	6.9%	9.5%
<b>Total PSB</b>	<b>9.0%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>7.6%</b>
<b>SFB universe</b>					
AUBANK	26.4%	26.7%	24.0%	22.6%	24.5%
EQUITAS	25.2%	27.9%	24.8%	25.2%	26.6%
UJJIVANS	85.4%	80.8%	83.6%	79.2%	80.0%
<b>Total SFB</b>	<b>39.1%</b>	<b>38.9%</b>	<b>38.1%</b>	<b>36.5%</b>	<b>37.8%</b>
<b>Grand total</b>	<b>11.2%</b>	<b>9.3%</b>	<b>8.8%</b>	<b>9.0%</b>	<b>10.2%</b>
<b>Total coverage</b>	<b>12.9%</b>	<b>10.8%</b>	<b>9.8%</b>	<b>9.5%</b>	<b>10.8%</b>
<b>Coverage (ex SBIN)</b>	<b>15.5%</b>	<b>14.7%</b>	<b>12.8%</b>	<b>12.9%</b>	<b>14.4%</b>

Source: Banks, HSIE Research

*Interestingly, for some banks which saw healthy deposit traction during the quarter, such as AXSB, ICICIBC, KMB and SBIN, growth in deposits from retail and small business customers was slower (vs. growth in overall deposits)*

*IIB and RBK reported the highest reliance on borrowings within our coverage and also saw a significant YoY increase in reliance*

*Reliance on borrowings, while higher QoQ, is lower YoY*

## Bank-wise capital adequacy

Bank	CRAR (%)					Tier I (%)				
	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
<b>Private bank universe</b>										
AXSB	15.8	16.1	18.5	18.7	17.5	12.5	12.9	15.3	15.5	14.5
BANDHAN	29.2	27.0	25.1	24.7	27.4	27.9	25.8	23.0	23.1	25.2
CUBK	15.6	15.7	15.5	15.4	16.8	15.0	15.2	15.0	14.9	15.8
DCBB	16.8	16.1	16.2	15.8	17.8	13.1	12.5	12.6	12.3	13.9
FB	14.1	14.1	14.0	13.6	14.4	13.4	13.0	12.9	12.6	13.3
HDFCB	17.1	16.9	17.5	18.5	18.5	15.8	15.6	16.2	17.1	17.2
ICICIBC	16.9	16.2	16.1	16.5	16.1	15.1	14.6	14.6	15.0	14.7
IIB	14.2	15.5	15.8	15.4	15.0	13.5	15.0	15.3	15.0	14.6
KMB	17.5	17.8	18.2	18.2	17.9	16.9	17.3	18.0	17.7	17.3
KVB	16.0	16.0	16.0	15.9	17.2	14.3	14.3	14.3	14.1	15.3
SIB	12.6	12.2	12.1	12.0	13.4	10.0	9.7	9.6	9.6	10.8
RBK	13.5	12.1	11.9	15.7	16.5	12.1	11.3	11.3	15.0	15.3
YES	16.5	15.7	16.3	4.1	8.5	11.3	10.7	11.5	2.1	6.5
<b>PSU bank universe</b>										
BOB	13.5	11.5	13.0	13.5	13.3	11.7	8.5	10.9	11.7	10.7
BOI	14.2	14.4	14.1	14.2	9.9	11.1	11.2	11.1	11.2	3.2
BOMH	11.9	11.7	11.8	11.2	13.5	9.9	9.7	10.0	10.0	10.7
CBK	11.9	11.7	14.0	13.9	13.7	9.0	8.9	11.1	11.1	10.1
IDBI	11.6	8.1	12.0	12.6	13.3	9.1	6.1	9.5	10.2	10.6
INBK	13.2	13.6	14.5	15.0	14.1	11.3	11.7	12.7	12.8	12.1
PNB	9.7	9.8	14.1	14.0	14.1	7.5	7.6	12.2	11.9	11.9
SBIN	12.7	12.9	13.6	13.7	13.1	10.7	10.7	11.3	11.6	11.0
UNBK	11.8	11.4	15.1	14.7	12.8	9.5	9.3	12.8	12.7	9.4
<b>SFB universe</b>										
AUBANK	19.3	18.6	17.9	19.3	22.0	16.0	15.5	14.9	16.5	18.4
EQUITAS	22.4	21.5	21.6	23.7	23.6	20.9	20.1	20.5	22.6	22.4
UJJIVANS	18.9	19.0	18.8	28.3	28.8	18.4	18.4	18.1	27.5	28.0

Source: Banks, HSIE Research

*Banks within our PSU bank universe continue to lag their private peers by a significant margin.*

*The listed SFBs continued to be very well capitalised. Annual capital accretion was boosted by fund raises (warrant conversion at AUBANK) at all of them.*

## Bank-wise LCR

Bank	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
AUBANK	97.1%	98.5%	93.9%	95.0%	101.4%
AXSB	123.3%	125.4%	119.7%	113.0%	113.0%
BANDHAN	150.4%	154.3%	179.9%	160.3%	129.4%
DCBB	89.7%	105.1%	113.0%	107.7%	112.3%
FB	156.2%	157.6%	189.4%	201.4%	185.4%
HDFCB	117.7%	125.5%	132.5%	140.3%	132.4%
ICICIBC	127.5%	122.0%	123.6%	126.8%	130.0%
IIB	111.4%	110.5%	114.2%	113.6%	112.3%
KMB	127.8%	124.9%	120.7%	116.2%	121.0%
KVB	253.3%	359.5%	307.4%	306.2%	302.0%
RBK	127.9%	136.6%	156.0%	164.5%	155.2%
SBIN	125.8%	125.6%	135.1%	147.2%	143.6%
YES	110.9%	117.3%	113.8%	74.6%	40.0%

Source: Banks, HSIE Research



## Banks : Sector Update

Within our private bank universe, CUBK saw the greatest QoQ fall.

RBK bucked the trend of falling yields, mostly because of its large high yielding fixed rate book (which is also the fastest growing portion of its portfolio).

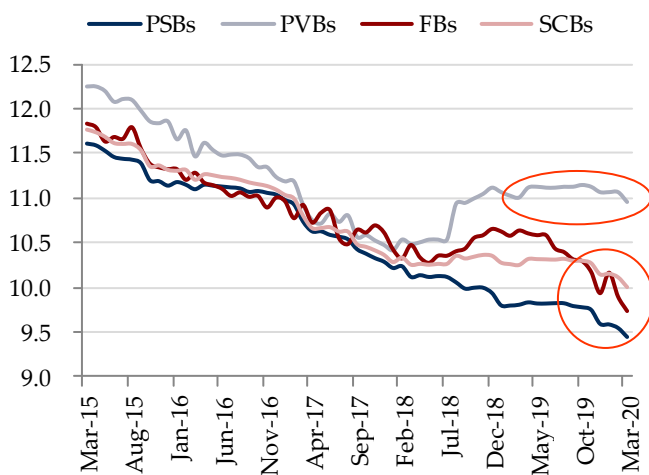
SFBs yields remained sticky QoQ, and EQUITAS saw a 28bps rise.

### Bank-wise yields on advances

Bank (%)	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (bps)	QoQ (bps)
<b>Private bank universe</b>							
AXSB	9.2	9.2	9.4	9.2	9.0	-17	-16
BANDHAN	15.6	15.7	14.2	14.0	13.8	-180	-20
CUBK	11.1	11.0	10.8	10.7	10.5	-61	-27
DCBB	11.6	11.6	11.5	11.5	11.4	-22	-15
FB	9.4	9.6	9.3	9.3	9.2	-19	-9
HDFCB	10.5	10.6	10.4	10.2	10.0	-54	-26
ICICIBC	9.0	9.2	9.5	9.5	9.3	28	-21
IIB	11.3	12.0	12.0	12.0	11.9	64	-8
KMB	9.9	10.0	10.0	9.8	9.7	-22	-9
KVB	9.8	9.6	9.9	9.5	9.5	-36	-6
SIB	9.5	9.7	9.8	9.8	9.6	8	-23
RBK	11.8	12.0	12.1	12.3	12.5	70	20
YES	10.2	10.0	9.8	8.4	8.9	-130	50
<b>PSU bank universe</b>							
BOB	7.9	8.0	8.2	7.9	7.8	-5	-12
BOI	8.6	8.3	8.8	8.9	8.5	-9	-37
BOMH	7.7	7.0	7.4	7.7	6.9	-80	-80
CBK	8.4	8.2	8.3	8.2	8.0	-47	-26
IDBI	8.8	8.6	9.1	9.2	9.6	74	34
INBK	8.4	8.4	8.6	8.4	8.4	-4	-
PNB	7.7	7.6	7.8	7.9	8.0	25	12
SBIN	8.5	8.6	8.7	8.9	8.7	23	-19
UNBK	8.0	8.3	8.4	8.4	7.9	-5	-44
<b>SFB universe</b>							
AUBANK	14.3	14.5	14.7	14.7	14.7	40	-
EQUITAS	18.5	18.4	18.6	18.6	18.9	40	28
UJJIVANS	20.0	20.0	20.0	20.0	20.0	-	-

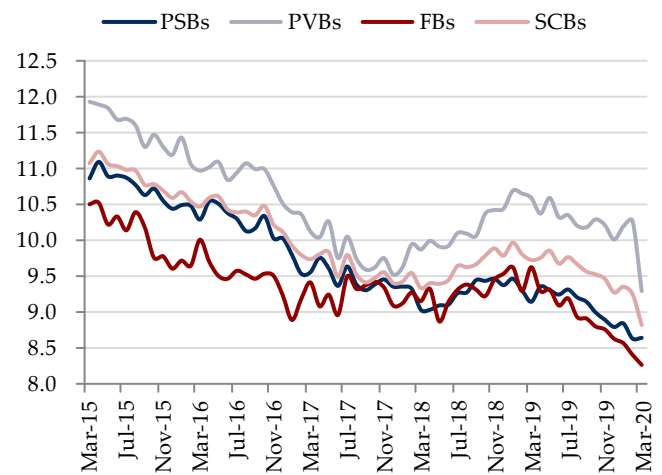
Source: Banks, HSIE Research

### WALR on O/S Loans (%)



Source: RBI, HSIE Research

### WALR on Fresh Loans (%)



Source: RBI, HSIE Research

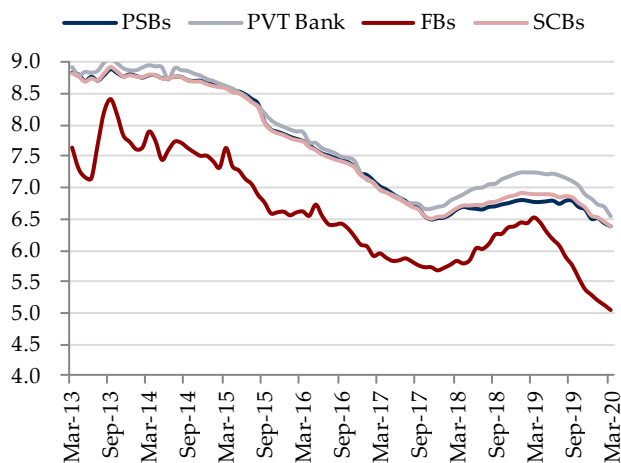


**Bank-wise CoF**

Bank (%)	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (bps)	QoQ (bps)
<b>Private bank universe</b>							
AXSB	5.7	5.7	5.6	5.4	5.2	-49	-22
BANDHAN	6.1	6.6	7.2	7.2	6.7	60	-50
CUBK	6.3	6.3	6.3	6.2	6.1	-20	-10
DCBB	7.1	7.1	7.1	7.1	6.9	-18	-22
FB	5.9	6.0	5.9	5.8	5.7	-19	-10
HDFCB	5.3	5.4	5.4	5.3	4.7	-51	-55
ICICIBC	4.9	5.0	5.0	4.9	4.6	-28	-35
IIB	6.8	6.9	6.7	6.5	6.1	-75	-44
KMB	5.4	5.4	5.3	5.0	4.6	-77	-45
KVB	5.8	5.8	5.9	5.8	5.6	-25	-21
SIB	6.3	6.3	6.2	6.1	6.0	-30	-14
RBK	6.9	7.0	6.9	6.7	6.4	-50	-30
YES	6.7	6.8	6.7	6.6	6.5	-20	-10
<b>PSU bank universe</b>							
BOB	4.8	5.1	5.0	4.9	4.8	-4	-10
BOI	4.5	4.6	4.6	4.6	4.5	3	-5
BOMH	4.3	4.3	4.3	4.3	4.1	-23	-16
CBK	6.1	5.8	5.7	5.6	5.4	-69	-25
IDBI	5.4	5.3	5.2	5.2	5.1	-36	-8
INBK	5.3	5.4	5.5	5.4	5.2	-13	-18
PNB	5.3	5.2	5.3	5.2	5.0	-26	-14
SBIN	5.1	5.1	5.0	5.0	4.9	-16	-3
UNBK	4.9	4.9	4.8	4.7	4.5	-36	-18
<b>SFB universe</b>							
AUBANK	8.0	7.9	7.8	7.6	7.5	-55	-18
EQUITAS	8.1	8.2	8.5	8.0	8.0	-12	1
UJJIVANS	8.5	8.5	8.4	8.1	7.9	-60	-20

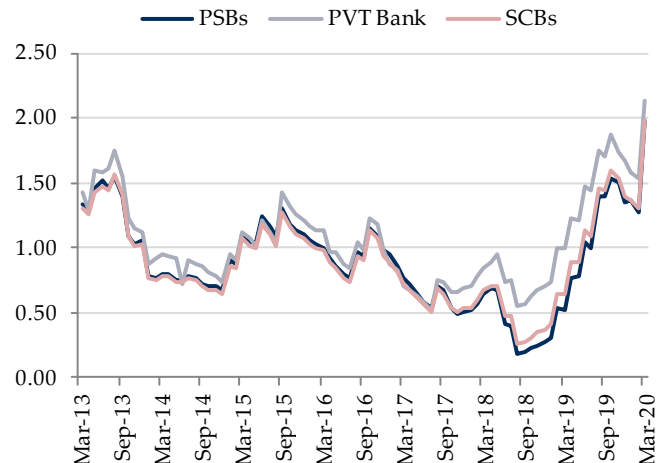
Source: Banks, HSIE Research

**WATDR (%)**



Source: RBI, HSIE Research

**WATDR spread (%) over the repo**



Source: RBI, HSIE Research

*Large private banks such as ICICIBC, AXSB and KMB saw their NIMs improve YoY, aided by improvement in funding costs, book mix changes.*

*RBK and IIB saw significant NIM improvement, aided by lower funding costs and faster growth in higher yielding segments.*

*Regional banks such as CUBK, DCBB, FB and KVB saw their NIMs compress YoY. Most banks within our PSU universe saw their NIMs compress YoY and QoQ.*

### Bank-wise NIMs

Bank (%)	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (bps)	QoQ(bps)
<b>Private bank universe</b>							
AXSB	3.4	3.4	3.5	3.6	3.6	11	-2
BANDHAN	10.7	10.5	8.2	7.9	8.1	-256	23
CUBK	4.4	4.1	3.9	4.0	3.9	-49	-5
DCBB	3.8	3.7	3.7	3.7	3.6	-14	-7
FB	3.2	3.2	3.0	3.0	3.0	-13	4
HDFCB	4.3	4.3	4.2	4.2	4.3	-	10
ICICIBC	3.7	3.6	3.6	3.8	3.9	15	10
IIB	3.6	4.1	4.1	4.2	4.3	66	10
KMB	4.5	4.5	4.6	4.7	4.7	24	3
KVB	3.9	3.5	3.5	3.3	3.5	-42	13
SIB	2.5	2.5	2.7	2.7	2.7	21	-5
RBK	4.2	4.3	4.4	4.6	4.9	70	36
YES	3.1	2.8	2.7	1.4	1.9	-120	50
<b>PSU bank universe</b>							
BOB	2.9	2.6	2.8	2.8	2.7	-23	-13
BOI	2.9	2.7	3.0	3.1	2.9	-3	-17
BOMH	2.6	2.6	2.8	2.9	2.4	-23	-45
CBK	2.8	2.3	2.2	2.3	2.3	-48	2
IDBI	2.3	2.1	2.2	2.3	3.8	154	155
INBK	3.0	2.9	2.9	2.9	2.9	-2	2
PNB	2.4	2.4	2.4	2.4	2.4	-4	4
SBIN	2.8	2.8	2.9	3.1	3.0	19	-8
UNBK	2.3	2.1	2.4	2.5	2.2	-5	-25
<b>SFB universe</b>							
AUBANK	5.0	5.0	5.3	5.4	5.5	50	10
EQUITAS	8.9	8.9	8.8	9.2	9.1	26	-6
UJJIVANS	11.7	10.5	10.8	10.9	11.2	-50	30

Source: Banks, HSIE Research

## Bank-wise GNPA's (Rs bn)

Bank	Rs bn 4QFY20	YoY					QoQ
		4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	
<b>Private bank universe</b>							
AXSB	302	-13.0%	-10.0%	-6.0%	-2.7%	1.5%	0.8%
BANDHAN	10	119.6%	119.1%	157.5%	42.2%	21.1%	-16%
CUBK	14	14.1%	26.4%	33.9%	32.9%	44.7%	19.2%
DCBB	6	19.1%	18.9%	27.6%	24.0%	43.7%	14.4%
FB	35	16.6%	18.3%	13.4%	7.7%	8.3%	-2.4%
HDFCB	126	30.4%	23.4%	23.9%	23.2%	12.7%	-5.8%
ICICIBC	414	-14.4%	-14.4%	-16.2%	-15.8%	-10.5%	-4.7%
IIB	51	131.5%	141.3%	145.3%	132.6%	30.4%	12.4%
KMB	50	16.8%	18.3%	24.8%	31.1%	12.5%	-7.1%
KVB	42	47.5%	26.6%	18.4%	9.1%	-5.3%	-4.8%
SIB	33	58.1%	23.6%	18.9%	10.7%	4.2%	0.6%
RBK	21	33.2%	32.4%	138.6%	189.1%	183.1%	6.3%
YES	329	200.1%	328.1%	343.2%	689.1%	317.1%	-19%
<b>Total PVB</b>	<b>1,435</b>	<b>2.1%</b>	<b>5.8%</b>	<b>10.3%</b>	<b>30.5%</b>	<b>22.2%</b>	<b>-6.7%</b>
<b>PSU bank universe</b>							
BOB	694	-18.8%	-12.1%	-11.2%	-1.6%	6.3%	-5.1%
BOI	616	-2.7%	2.4%	-0.1%	1.5%	1.5%	-0.3%
BOMH	122	-16.9%	-6.5%	-8.7%	1.5%	-20.7%	-23%
CBK	370	-17.4%	-11.8%	-14.4%	-17.9%	-5.6%	1.1%
IDBI	473	-10.0%	-10.6%	-14.5%	-10.6%	-5.5%	-4.5%
INBK	142	11.4%	14.2%	13.4%	5.0%	6.0%	2.1%
PNB	735	-9.4%	-6.8%	-2.2%	-1.2%	-6.4%	-4.3%
SBIN	1,491	-22.7%	-20.8%	-21.5%	-15.0%	-13.7%	-6.6%
UNBK	491	-1.3%	-4.2%	-0.6%	0.4%	0.7%	-1.7%
<b>Total PSB</b>	<b>5,132</b>	<b>-14.4%</b>	<b>-11.5%</b>	<b>-11.5%</b>	<b>-7.3%</b>	<b>-5.6%</b>	<b>-4.4%</b>
<b>SFB universe</b>							
AUBANK	5	74.3%	45.6%	35.8%	19.8%	-2.6%	-9.2%
EQUITAS	4	39.2%	40.1%	18.3%	24.7%	41.4%	0.0%
UJJIVANS	1	-64.5%	-53.9%	-28.9%	1.3%	40.2%	5.9%
<b>Total SFB</b>	<b>10</b>	<b>13.9%</b>	<b>17.5%</b>	<b>17.4%</b>	<b>19.0%</b>	<b>17.3%</b>	<b>-3.7%</b>
<b>Grand total</b>	<b>6,577</b>	<b>-11.9%</b>	<b>-8.7%</b>	<b>-8.0%</b>	<b>-0.8%</b>	<b>-0.7%</b>	<b>-4.9%</b>
<b>Total coverage</b>	<b>2,433</b>	<b>-17.7%</b>	<b>-16.0%</b>	<b>-15.9%</b>	<b>-10.8%</b>	<b>-9.1%</b>	<b>-4.7%</b>
<b>Coverage (ex SBIN)</b>	<b>942</b>	<b>-6.8%</b>	<b>-5.6%</b>	<b>-4.6%</b>	<b>-2.7%</b>	<b>-0.7%</b>	<b>-1.6%</b>

Source: Banks, HSIE Research

*ICICIBC, SBIN, KMB and KVB led the QoQ improvement within our coverage universe.*

*CUBK and DCBB saw significant asset quality deterioration*

*Amongst the SFBs, AUBANK fared the best*

## Bank-wise GNPA's (%)

Bank	(%) 4QFY20	YoY (bps)					QoQ (bps)
		4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	
<b>Private bank universe</b>							
AXSB	5.3%	-177	-149	-121	-104	-73	-16
BANDHAN	1.5%	81	78	48	-50	-58	-46
CUBK	4.1%	-8	32	57	59	113	58
DCBB	2.5%	5	10	25	23	63	32
FB	2.9%	-8	-1	-4	-15	-7	-15
HDFCB	1.3%	6	7	5	4	-10	-16
ICICIBC	6.4%	-266	-263	-257	-231	-147	-42
IIB	2.5%	94	101	113	107	37	28
KMB	2.3%	-8	1	18	40	12	-21
KVB	9.1%	243	192	135	57	-2	-25
SIB	5.1%	137	43	32	16	7	2
RBK	3.7%	-2	-2	123	198	229	31
YES	19.2%	197	380	602	1976	1591	-270
<b>Total PVB</b>	<b>4.4%</b>	<b>-68</b>	<b>-40</b>	<b>-17</b>	<b>66</b>	<b>41</b>	<b>-45</b>
<b>PSU bank universe</b>							
BOB	10.1%	-294	-206	-152	-31	3	-112
BOI	16.7%	-47	15	27	-3	-110	-165
BOMH	14.0%	-295	-311	-131	-65	-455	-507
CBK	8.6%	-327	-246	-203	-202	-60	-10
IDBI	36.4%	172	161	64	188	233	-177
INBK	7.2%	-29	14	10	-23	-22	-33
PNB	15.6%	-285	-164	-28	16	-155	-248
SBIN	6.4%	-364	-345	-299	-191	-149	-85
UNBK	15.6%	-69	-78	-38	-80	-83	-65
<b>Total PSB</b>	<b>10.2%</b>	<b>-300</b>	<b>-260</b>	<b>-211</b>	<b>-135</b>	<b>-117</b>	<b>-109</b>
<b>SFB universe</b>							
AUBANK	1.5%	26	2	-3	-25	-46	-21
EQUITAS	2.7%	-8	3	-34	-28	22	-14
UJJIVANS	1.0%	-273	-182	-103	-46	5	2
<b>Total SFB</b>	<b>1.7%</b>	<b>-53</b>	<b>-40</b>	<b>-36</b>	<b>-32</b>	<b>-17</b>	<b>-13</b>
<b>Grand total</b>	<b>7.9%</b>	<b>-234</b>	<b>-192</b>	<b>-155</b>	<b>-72</b>	<b>-65</b>	<b>-79</b>
<b>Total coverage</b>	<b>5.7%</b>	<b>-267</b>	<b>-248</b>	<b>-214</b>	<b>-147</b>	<b>-109</b>	<b>-51</b>
<b>Coverage (ex SBIN)</b>	<b>4.8%</b>	<b>-138</b>	<b>-124</b>	<b>-105</b>	<b>-86</b>	<b>-56</b>	<b>-17</b>

Source: Banks, HSIE Research

## Bank-wise slippages

Bank	(Rs bn) 4QFY20	% Annualised				
		4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
<b>Private bank universe</b>						
AXSB	39.2	2.48	3.87	3.91	4.64	2.80
CUBK	4.8	2.57	2.45	2.45	2.74	5.62
DCBB	1.5	1.73	2.49	2.65	3.24	2.38
FB	2.8	0.95	1.56	2.00	2.05	0.94
HDFCB	31.5	1.79	2.05	1.72	2.33	1.31
ICICIBC	53.1	2.47	1.89	1.65	2.79	3.31
IIB	20.6	8.21	1.53	2.26	3.85	3.97
KMB	4.9	1.81	1.45	1.90	1.98	0.90
KVB	4.2	5.26	3.97	4.25	3.81	3.62
SIB	3.3	2.40	1.54	2.77	2.27	2.06
RBK	7.1	1.64	1.64	9.68	7.16	4.76
YES	4.4	5.74	10.43	10.32	47.90	0.98
<b>Total PVB</b>	<b>177.4</b>	<b>2.85</b>	<b>2.95</b>	<b>3.05</b>	<b>6.09</b>	<b>2.27</b>
<b>PSU bank universe</b>						
BOB	44.9	3.27	4.81	4.57	7.32	2.67
BOI	27.6	3.69	4.37	3.79	8.00	3.13
BOMH	9.6	5.49	8.64	3.01	6.87	4.53
CBK	39.5	2.34	3.42	2.41	4.52	3.70
IDBI	12.6	5.91	11.59	7.54	9.51	3.88
INBK	12.6	2.28	2.40	1.72	4.74	2.62
PNB	50.2	6.54	4.92	7.64	6.94	4.48
SBIN	82.9	1.50	3.15	1.71	3.70	1.47
UNBK	24.9	4.45	4.18	5.70	6.75	3.20
<b>Total PSB</b>	<b>304.7</b>	<b>2.75</b>	<b>3.94</b>	<b>3.30</b>	<b>5.32</b>	<b>2.50</b>
<b>SFB universe</b>						
AUBANK	0.8	2.64	2.25	2.12	1.80	1.07
<b>Total SFB</b>	<b>0.8</b>	<b>2.64</b>	<b>2.25</b>	<b>2.12</b>	<b>1.80</b>	<b>1.07</b>
<b>Grand total</b>	<b>483.0</b>	<b>2.79</b>	<b>3.56</b>	<b>3.20</b>	<b>5.61</b>	<b>2.41</b>
<b>Total coverage</b>	<b>221.9</b>	<b>2.15</b>	<b>2.81</b>	<b>2.19</b>	<b>3.58</b>	<b>2.11</b>
<b>Coverage (ex SBIN)</b>	<b>139.0</b>	<b>2.94</b>	<b>2.40</b>	<b>2.75</b>	<b>3.44</b>	<b>2.86</b>

Source: Banks, HSIE Research

*Notable trends across our coverage this quarter include*

*(1) jump in slippages at CUBK (5.6% ann., +305/289bps),*

*(2) elevated slippages at RBK (4.8% ann.) and IIB (4% ann.) persisted,*

*(3) SBIN (1.5%, -4/-223bps) and AUBANK (1.1%, -158/-73bps) saw significant dip in slippages*

## Bank-wise moratorium

Bank	Moratorium	as at	Specific commentary
<b>Private bank universe</b>			
AXSB	26.50%	25-Apr-20	In case of retail customers, individuals across income bands and geographies having sufficient account balances (equivalent to 2-3x EMI) have opted for the moratorium to maintain sufficient liquidity amidst uncertainty. For wholesale and SME customers, moratorium was on an opt-in basis and opt-out basis for retail customers. At the time, the RBI did not permit banks to grant moratorium to NBFCs. Hence, it had not done so.
BANDHAN	71%	Apr-20	100% of micro-credit customers, 35% of SME customers, 13% and micro-credit customers and 59% of NBFC-MFIs were granted moratorium.
CUBK	52%		The management indicated that 48% of borrowers under moratorium paid two instalments, and that ~38% paid all three instalments.
DCBB	60%	Apr-20	The facility was offered on an 'opt-in' basis to most customers. 52% of the bank's home loan portfolio and 56% of its LAP portfolio was under moratorium. Collection efficiency in the home loan portfolio dipped to 57% in Apr-20 and in the LAP portfolio dipped to 52% in Apr-20.
FB	35%	25-May-20	The peak moratorium % was 38%. 65% of the bank's SME portfolio was under moratorium. The bank placed 5-7% of its retail moratorium portfolio under the high-risk category. The management remarked that there was a rush for the moratorium during the early stages, and that the implications of the moratorium (continuation of interest) became clearer to the customers later.
ICICIBC	30%	01-Apr-20	Retail segments saw a higher proportion of customers availing of the moratorium.
IIB	NA	NA	Within the CFD, 96% of VF, 99% of micro-credit & 95% of non-VF customers paid March-20 dues. Option offered to CFD borrowers on an opt-out basis and to corporate borrowers on an opt-in basis. Moratorium was provided to NBFCs, only if two-thirds of the lenders to the co. were doing so.
KMB	30%	01-Apr-20	The quantum of book under moratorium has increased since Apr-20 (until 15-May-20 at least).
KVB	41%	Jun-20	At its peak, 51% of the book was under moratorium as at Mar-20. Segment-wise moratorium: agri-26%, commercial- 57%, corporate- 38% and retail- 34%
SIB	36%		Segment-wise moratorium: agri-11%, MSME-40%, retail-46% and corporate-36%
RBK	35%		All micro-credit customers, 13/24% by number/value of credit card customers and 22% of wholesale borrowers and 46% of retailcustomers by number.
YES	37.50%		Segment-wise moratorium: corporate- 15-20% by number and 40-45% by value, MSME- 15-20% by number. and 35-40% by value, and retail- 20-25% by no. number and 40-45% by value.
<b>PSU bank universe</b>			
BOB	65%	Apr-20	The moratorium % came down to 55% by May-20 and has persisted. The management expected it to reach 35% by Jun-20. The bank would offer moratorium on an opt-out basis under moratorium 2.0.
CBK	17%		19% of customers by number availed of the moratorium. 2.94% of the NBFC portfolio was under moratorium. Rs 23bn of the retail portfolio, Rs 170bn of the MSME portfolio and Rs 160bn of the corporate portfolio was under moratorium.
IDBI	68%		Segment-wise moratorium: structured Structured retail loans- 68%, agri & MSME loans- 92%, 69% of large corporate and 51% of mid corporate loans were under moratorium.
PNB	30%	May-20	Segment-wise moratorium: corporate- 19%, SME-41%, agri- 49% and retail- 38%
SBIN	24%		
UNBK	24%		Segment-wise moratorium: retail- 35%, SME- 27% and corporate- 16%. 12% of the NBFC portfolio was under moratorium. The % of the portfolio under moratorium grew in Apr-20 and May-20 but it came down in Jun-20.
<b>SFB universe</b>			
AUBANK	25%		29% of customers availed of the moratorium. 71% of customers paid their entire installment in Mar-20, of which 23% made partial payments. 56% of MSME customers paid their installments in full, while 23% made partial payments.
EQUITAS	98.30%	Apr-20	Segment-wise moratorium: micro-credit- 100%, small business loans- 87%, housing finance- 72% and vehicle finance- 90%.
UJJIVANS	90%		99% of customers opted for the moratorium. Segment-wise moratorium: micro-credit- 99%, vehicle finance- 99%, personal loans- 60%, MSE & housing- 70%.

Source: Banks, HSIE Research

## Bank-wise non-tax provisions

Bank	Rs bn 4QFY20	YoY					QoQ
		4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	
<b>Private bank universe</b>							
AXSB	77	-62.2%	14.3%	20.2%	13.6%	185.1%	122.7%
BANDHAN	8	40.5%	56.7%	17.2%	-21.9%	439.8%	180.6%
CUBK	5	5.2%	48.9%	58.8%	2.9%	396.7%	456.0%
DCBB	1	-10.4%	22.3%	35.6%	47.0%	240.0%	100.4%
FB	6	-52.1%	-3.6%	-12.8%	-15.4%	219.3%	252.8%
HDFCB	38	22.6%	60.4%	48.4%	37.6%	100.3%	24.3%
ICICIBC	60	-17.7%	-41.5%	-37.2%	-50.9%	9.5%	186.5%
IIB	24	365.1%	23.0%	25.0%	72.0%	56.4%	133.9%
KMB	10	-44.2%	-32.6%	15.3%	-1474.6%	511.6%	135.9%
KVB	4	-10.6%	-21.9%	71.3%	-9.0%	21.8%	17.8%
SIB	7	47.4%	-11.5%	49.7%	28.5%	230.3%	177.4%
RBK	6	77.2%	51.9%	281.8%	297.2%	207.1%	-3.8%
YES	49	816.2%	185.2%	42.2%	4401.0%	33.1%	-80.3%
<b>Total PVB</b>	<b>296</b>	<b>-5.53%</b>	<b>0.8%</b>	<b>10.8%</b>	<b>203.7%</b>	<b>77.4%</b>	<b>-19.4%</b>
<b>PSU bank universe</b>							
BOB	68	-41.44%	-16.7%	8.3%	89.0%	26.8%	-4.4%
BOI	81	-71.57%	-25.4%	-38.6%	-55.4%	329.1%	102.8%
BOMH	9	-79.66%	-43.6%	-58.2%	-79.3%	119.3%	-0.8%
CBK	54	-39.14%	-26.5%	-28.1%	-8.8%	-2.7%	198.2%
IDBI	16	-19.08%	20.9%	-14.3%	-92.0%	-81.4%	203.5%
INBK	19	5.98%	-22.8%	-9.5%	65.6%	15.4%	23.7%
PNB	49	-50.52%	-64.9%	-70.0%	50.6%	-51.3%	18.2%
SBIN	135	-41.27%	-52.2%	8.7%	20.8%	-18.2%	86.1%
UNBK	35	1.73%	-31.8%	133.1%	12.5%	-39.3%	92.5%
<b>Total PSB</b>	<b>466</b>	<b>-40.20%</b>	<b>-37.0%</b>	<b>-16.4%</b>	<b>-21.2%</b>	<b>-16.3%</b>	<b>60.0%</b>
<b>SFB universe</b>							
AUBANK	1.5	32.47%	-10.2%	74.4%	23.6%	283.8%	275.4%
EQUITAS	1.3	79.77%	6.2%	47.1%	65.2%	422.4%	221.0%
UJJIVANS	1.0	-64.35%	25.8%	294.1%	336.1%	683.2%	217.3%
<b>Total SFB</b>	<b>3.8</b>	<b>-2.14%</b>	<b>2.6%</b>	<b>81.9%</b>	<b>73.7%</b>	<b>393.5%</b>	<b>239.6%</b>
<b>Grand total</b>	<b>766</b>	<b>-34.66%</b>	<b>-28.0%</b>	<b>-10.3%</b>	<b>34.2%</b>	<b>5.7%</b>	<b>16.1%</b>
<b>Total coverage</b>	<b>330</b>	<b>-37.37%</b>	<b>-40.0%</b>	<b>4.5%</b>	<b>5.8%</b>	<b>21.0%</b>	<b>111.1%</b>
<b>Coverage (ex SBIN)</b>	<b>195</b>	<b>-30.30%</b>	<b>-18.6%</b>	<b>-1.3%</b>	<b>-4.4%</b>	<b>80.9%</b>	<b>132.7%</b>

Source: Banks, HSIE Research



## Bank-wise LLPs

Bank	Rs bn 4QFY20	% annualised				
		4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
<b>Private bank universe</b>						
AXSB	42	0.9	2.3	2.1	2.2	3.0
CUBK	3	1.0	1.8	1.2	0.9	3.6
DCBB	1	0.6	0.7	0.7	0.9	1.9
FB	4	0.5	0.6	0.6	0.8	1.4
HDFCB	19	0.7	1.2	0.9	1.3	0.8
ICICIBC	60	3.8	2.4	1.7	1.3	3.7
IIB	18	4.5	0.6	0.7	1.1	3.4
KMB	4	0.5	0.5	0.8	0.8	0.7
KVB	4	2.3	2.7	2.8	3.0	3.0
SIB	4	1.2	1.2	1.8	1.2	2.2
YES	49	6.0	3.0	2.3	48.3	10.9
<b>Total PVB</b>	<b>207</b>	<b>2.1</b>	<b>1.7</b>	<b>1.4</b>	<b>4.5</b>	<b>2.7</b>
<b>PSU bank universe</b>						
BOB	32	3.4	2.0	2.2	4.1	1.9
BOI	74	1.8	2.2	1.7	4.5	8.3
BOMH	7	1.2	5.1	2.0	3.9	3.4
CBK	49	4.8	2.1	2.1	1.1	4.6
IDBI	-15	19.3	19.8	10.5	1.3	- 4.7
INBK	14	3.3	1.1	1.6	3.7	3.0
PNB	46	8.2	2.0	3.1	4.2	4.1
SBIN	119	3.3	2.2	2.1	1.5	2.1
UNBK	55	7.9	1.9	4.5	2.1	7.0
<b>Total PSB</b>	<b>381</b>	<b>4.6</b>	<b>2.6</b>	<b>2.5</b>	<b>2.4</b>	<b>3.1</b>
<b>SFB universe</b>						
AUBANK	0	0.3	0.3	0.4	0.2	0.1
<b>Total SFB</b>	<b>0</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.2</b>	<b>0.1</b>
<b>Grand total</b>	<b>587</b>	<b>3.6</b>	<b>2.2</b>	<b>2.1</b>	<b>3.2</b>	<b>2.9</b>
<b>Total coverage</b>	<b>254</b>	<b>2.8</b>	<b>2.0</b>	<b>1.8</b>	<b>1.5</b>	<b>2.4</b>
<b>Coverage (ex SBIN)</b>	<b>135</b>	<b>2.2</b>	<b>1.7</b>	<b>1.5</b>	<b>1.4</b>	<b>2.8</b>

Source: Banks, HSIE Research

**Bank-wise PCR (%)**

Bank	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20
<b>Private bank universe</b>					
AXSB	62	62	62	59	69
BANDHAN	72	73	68	58	61
CUBK	39	44	45	45	45
DCBB	65	59	55	53	54
FB	50	51	49	46	54
HDFCB	71	70	70	67	73
ICICIBC	71	74	76	76	76
IIB	43	43	50	53	63
KMB	65	67	64	64	69
KVB	46	49	52	56	57
SIB	31	32	30	32	34
RBK	74	73	65	68	71
YES	43	43	43	73	74
<b>Total PVB</b>	<b>63</b>	<b>63</b>	<b>63</b>	<b>67</b>	<b>70</b>
<b>PSU bank universe</b>					
BOB	76	64	64	64	69
BOI	68	69	68	67	77
BOMH	97	94	98	94	93
CBK	41	41	43	42	51
IDBI	70	79	85	86	88
INBK	49	49	53	53	56
PNB	62	61	59	60	59
SBIN	62	61	63	64	65
UNBK	58	57	58	57	65
<b>Total PSB</b>	<b>64</b>	<b>63</b>	<b>64</b>	<b>64</b>	<b>68</b>
<b>SFB universe</b>					
AUBANK	37.4	40.5	43.9	46.8	52.5
EQUITAS	43.4	44.0	43.7	43.5	45.2
UJJIVANS	71.8	69.6	61.1	60.2	80.0
<b>Total SFB</b>	<b>43.3</b>	<b>44.8</b>	<b>45.7</b>	<b>47.1</b>	<b>53.2</b>
<b>Grand total</b>	<b>64</b>	<b>63</b>	<b>64</b>	<b>65</b>	<b>68</b>
<b>Total coverage</b>	<b>63</b>	<b>63</b>	<b>64</b>	<b>65</b>	<b>67</b>
<b>Coverage (ex SBIN)</b>	<b>64</b>	<b>66</b>	<b>67</b>	<b>66</b>	<b>70</b>

Source: Banks, HSIE Research

## Peer set comparison

	MCap (Rs bn)	CMP (Rs)	Rating	TP (Rs)	ABV (Rs)			P/E (x)			P/ABV (x)			ROAE (%)			ROAA (%)		
					FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
AUBANK	181	595	ADD	549	135	145	172	29.4	28.8	23.8	4.30	3.99	3.37	18.6	13.3	14.1	1.61	1.35	1.39
AXSB#	1,224	434	BUY	541	268	292	341	72.0	12.6	9.5	1.55	1.42	1.21	2.1	10.4	12.4	0.19	0.98	1.20
CUBK	93	127	BUY	164	61	65	77	19.7	18.4	12.4	2.07	1.94	1.66	9.4	9.2	12.3	1.00	1.00	1.38
DCBB	25	81	ADD	100	93	94	114	7.4	8.3	6.5	0.87	0.86	0.71	10.3	8.5	9.9	0.91	0.76	0.89
FB	107	54	BUY	61	65	67	76	6.9	9.0	6.9	0.83	0.81	0.71	11.1	7.9	9.5	0.91	0.64	0.76
ICICIBC#	2,342	362	BUY	442	155	173	201	20.0	10.7	8.7	1.58	1.36	1.16	6.3	11.1	12.1	0.77	1.25	1.39
IIB	352	496	ADD	575	459	512	575	7.8	12.0	8.4	1.08	0.97	0.86	14.7	8.1	10.2	1.51	0.93	1.21
KMB#	2,706	1,368	ADD	1,282	240	292	330	34.7	34.9	29.8	4.50	3.80	3.26	13.6	11.6	11.1	1.78	1.67	1.75
KVB	27	34	REDUCE	33	60	51	62	11.5	8.4	5.9	0.57	0.66	0.55	3.6	4.8	6.7	0.34	0.46	0.61
RBK	91	178	REDUCE	136	185	196	215	17.9	18.6	11.0	0.96	0.91	0.83	5.6	4.5	7.2	0.60	0.53	0.84
SBIN#	1,678	188	BUY	270	175	167	207	4.6	6.5	3.2	0.43	0.46	0.36	6.4	4.4	8.2	0.38	0.26	0.48

Source: Banks, HSIE Research, #Adjusted for subsidiaries

### Rating Criteria

BUY: >+15% return potential  
 ADD: +5% to +15% return potential  
 REDUCE: -10% to +5% return potential  
 SELL: >10% Downside return potential

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