

Indian Bank (INDIBA)

₹ 219

Muted performance...

- Elevated slippages & recognition of partial exposure of IL&FS as substandard led to asset quality deterioration as GNPA ratio increased ~30 bps QoQ to 7.46%. Total IL&FS exposure was at ₹ 1715 crore out of which ₹ 950 crore has been recognised as NPA while the remaining ₹ 765 crore is standard. The bank has provided ₹ 250 crore for the exposure. With elevated slippages provisions surged 152% YoY to ~₹ 974 crore
- Business traction remained muted as advances growth tapered down to ~12% YoY to ₹ 169690 crore while deposit growth came in at 9.4% YoY at ₹ 225847 largely impacted by slower CASA growth
- Accordingly, the bank reported a muted operational performance on the back of slow growth in NII at ~6% YoY to ~₹ 1717 crore & lower other income at ~₹ 445 crore, down ~19% YoY. PAT declined ~50% YoY to ~₹ 153 crore largely due to lower NII and elevated provisions

Business traction to pick up gradually...

Indian Bank is a mid-sized PSU bank with close to 2839 branches. In four years until FY15, credit traction has been strong at 19% CAGR, way ahead of the industry, growing at 17.4% CAGR. However, owing to a slowdown in corporate credit demand, advances remained flattish in FY16-17. As on Q3FY19, domestic loans were at ₹ 169690 crore, which are well diversified into corporate at 41% of domestic book and retail at ~59%. Going ahead, we expect a pick-up in credit growth. Therefore, we expect credit CAGR of 15.6% in FY18-20E to ₹ 209256 crore.

NIM to remain steady at 3.0% in FY18-20E

The bank witnessed a margin erosion to <2.5% in FY16 vs. 3.6% in FY12, primarily owing to asset quality deterioration. Going ahead, we expect CASA to remain steady at ~38-39%. With a moderation in slippages, growth in advances with focus on the retail segment, we expect the bank's calculated NIMs to improve gradually at 3% in FY18-20E.

Asset quality pressure surge led by IL&FS; improvement seen ahead

Amid strong corporate loan growth in the past and an economic slowdown, the asset quality of Indian Bank has seen deterioration in the last few years. GNPA, NNPA ratios have increased from 1.0%, 0.5% in FY10 to 7.7%, 3.8% in FY18, respectively. Increasing slippages from MSME & corporate sector (Inclusive of IL&FS) led to higher pressure on asset quality in current quarter. The management expects upgrade and recovery to outweigh fresh slippages, leading to a reduction in GNPA, going ahead. With a moderation in slippages and balance sheet growth, we expect GNPA ratio at 6.55% and NNPA ratio at 3.56% in FY20E.

Incremental slippages to moderate; maintain BUY

Post a slower growth phase and asset quality issue in FY19, is adequately placed to grow gradually as industry credit growth improves. With substantial IL&FS exposure recognised, the bank's major asset quality issue seems to be over. Indian Bank with CAR of 12.67% & future fund raising plan seems to be adequately capitalised compared to its peers. With gradually improving asset quality expected, RoE is seen to reach ~8%. We remain marginally positive on the stock considering reasonable valuations even after factoring high NPA. We assign target price of ₹ 250 valuing at target multiple of ~1.0x FY20E ABV (not rated since one year). We maintain our **BUY** recommendation.

Rating matrix	
Rating	: Buy
Target	: ₹ 250
Target Period	: 12 months
Potential Upside	: 14%

What's Changed?	
Target	Changed from ₹ 380 to ₹ 250
EPS FY19E	Changed from ₹ 45.2 to ₹ 16.9
EPS FY20E	Introduced at ₹ 30.6
Rating	Unchanged

Quarterly Performance					
	Q3FY19	Q3FY18	YoY (%)	Q2FY19	QoQ (%)
NII	1,717	1,623	5.8	1,731	-0.8
Other income	445	549	-18.9	428	3.9
PPP	1,147	1,209	-5.2	1,191	-3.7
PAT	152	303	-49.8	150	1.4

Key Financials				
₹ Crore	FY17	FY18	FY19E	FY20E
NII	5,146	6,264	7,108	7,907
PPP	4,001	5,001	4,943	5,564
PAT	1,406	1,259	809	1,470

Valuation summary					
	FY16	FY17	FY18	FY19E	FY20E
P/E	14.5	7.3	8.2	12.8	7.0
Target P/E	25.7	8.5	9.5	14.8	8.2
P/ABV	1.0	0.9	0.9	1.0	0.9
P/ABV	1.8	1.1	1.0	1.2	1.1
RoA	0.4	0.7	0.5	0.3	0.5
RoE	4.5	8.4	7.1	4.4	7.7

Stock data	
Market Capitalisation	₹ 10437 Crore
GNPA (Q3FY19)	₹ 13198 crore
NNPA (Q3FY19)	₹ 7571 crore
NIM (Q3FY19)	2.88
52 week H/L	385 /211
Net Worth	₹ 19032 Crore
Face value	₹ 10
DII Holding (%)	10.8
FII Holding (%)	4.5

Price performance (%)				
	1M	3M	6M	12M
Indian Bank	0.0	5.6	-6.0	20.0
Syndicate Bank	0.4	-22.9	-39.8	-36.6
Andhra Bank	11.8	48.3	67.9	62.8
Corporation Bank	16.1	0.7	-19.6	-38.3

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Variance analysis

	Q3FY19	Q3FY19E	Q3FY18	YoY (%)	Q2FY19	QoQ (%)	Comments
NII	1,717	1,819	1,623	5.8	1,731	-0.8	NII growth slowed down on the back of slower advances growth & decline in NIMs
NIM (%)	2.9	2.5	2.9	3 bps	3.0	-9 bps	Interest reversal of ₹ 185 crore & slower CASA growth impacted margins
Other Income	445	536	549	-18.9	428	3.9	Decline in core fee income & investment book led to decline in other income
Net Total Income	2,162	2,355	2,172	-0.4	2,159	0.1	
Staff cost	565	558	531	6.3	532	6.1	
Other Operating Expenses	451	466	431	4.5	436	3.3	
PPP	1,147	1,331	1,209	-5.2	1,191	-3.7	
Provision	924	993	918	0.6	1,004	-8.0	On the back of exposure to IL&FS and other slippages, provision on advances spiked 152%
PBT	223	339	291	-23.4	187	19.4	
Tax Outgo	70.7	108.4	-12.0	-690.9	36.6	NM	
PAT	152.3	230.3	303.1	-49.8	150.1	1.4	Elevated provision & lower NII impacted PAT

Key Metrics

							Overall higher slippages (inclusive of IL&FS) from all sector led to a surge in GNPA. Accordingly, GNPA ratio came in at 7.46%
GNPA	13,198.4	12,833.6	9,595.2	37.6	12,333.6	7.0	
NNPA	7,571.1	7,359.8	4,898.6	54.6	7,059.8	7.2	
Total Restructured assets	4,608.0	4,400.0	4,002.0	15.1	4,965.0	-7.2	
Advances	171,157.0	180,682	153,120	11.8	166,967	2.5	Led by slowdown in corporate & retail book advances growth slowed down
Deposits	225,847.0	228,304	206,533	9.4	219,523	2.9	CASA ratio moderated by ~40 bps at 35.7%

Source: Company, ICICI Direct Research

Change in estimates

(₹ Crore)	FY19E			FY20E		
	Old	New	% Change	Old	New	% Change
Net Interest Income	7,649	7,108	-7.1	9,299	7,907	-15.0
Pre Provision Profit	5,886	4,943	-16.0	7,091	5,564	-21.5
NIM (%)	3.1	3.0	-8 bps	3.2	3.0	-23 bps
PAT	519	809	56.0	2,356	1,470	-37.6
ABV (₹)	236.1	210.3	-10.9	264.6	237.0	-10.4

Source: Company, ICICI Direct Research

Assumptions

	Current				Earlier	
	FY17	FY18	FY19E	FY20E	FY19E	FY20E
Credit growth (%)	-1.0	22.6	13.6	17.7	18.1	18.5
Deposit Growth (%)	2.4	14.1	12.0	16.9	15.1	14.1
CASA ratio (%)	37.1	37.0	38.0	38.1	37.0	37.1
NIM Calculated (%)	2.7	2.9	3.0	3.0	3.1	3.2
Cost to income ratio (%)	45.6	42.3	44.7	44.5	41.4	40.8
GNPA (₹ crore)	9,865.1	11,990.1	13,501.5	13,710.7	13,932.4	14,151.6
NNPA (₹ crore)	5,606.6	5,959.6	7,652.1	7,456.4	6,602.9	6,252.1
Slippage ratio (%)	2.6	3.9	3.4	2.2	3.5	2.3
Credit cost (%)	1.6	2.2	2.1	1.5	2.6	1.6

Source: Company, ICICI Direct Research

Company Analysis

Business traction to pick up gradually...

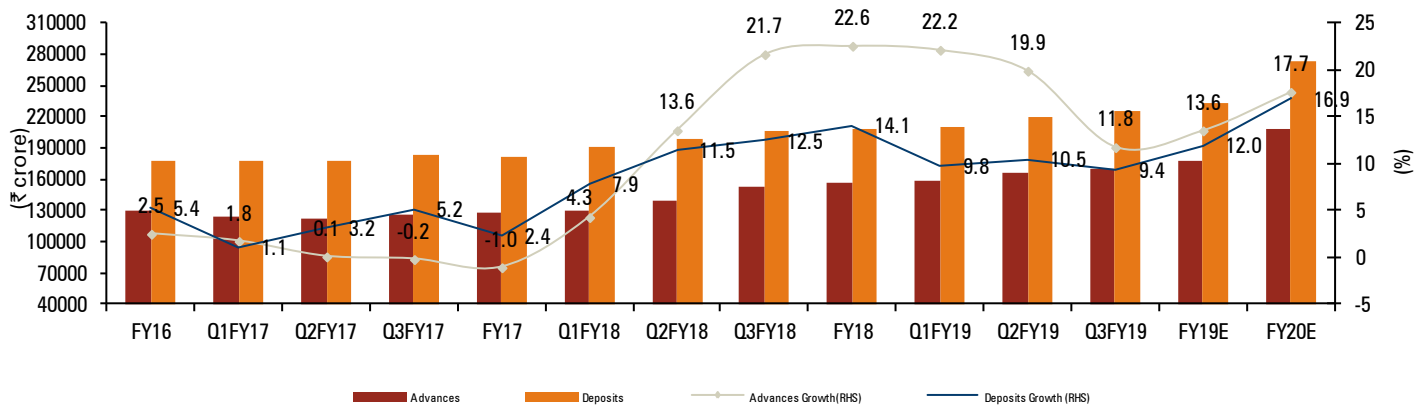
Indian Bank's total credit book as on FY18 was at ₹ 156569 crore. The credit traction has been healthy at 19% CAGR in FY10-14, way ahead of the industry, which grew at 17.4% CAGR. Traction in the loan book arose from rapid expansion (2253 branches in FY14 vs. 1758 in FY10) of the branch network. This is a major factor that has enabled the bank to clock such strong growth in a challenging economic environment. In FY15-16, the bank scaled down its momentum, amid challenging macro conditions.

Indian Bank's domestic loan portfolio is well diversified, primarily divided into corporate comprising ~41% while retail (non corporate) loans contribute ~59% as on Q3FY19. Among sub segments, MSME contributes 18.7% of total domestic advances while agriculture comprises ~21.97% of advances. On the back of higher focus on corporate lending, share of corporate loans increased to 52% in FY15 compared to 50% in FY10. However, there has been a gradual shift towards the retail book with proportion of the same on the rise.

Post a flattish balance sheet in FY16-17, the management has now indicated a gradual pick-up in advances with continued focus on Agriculture, SME and retail segments as it is relatively healthy and has less asset quality risk, especially in the current environment. Consequently, we expect credit growth CAGR at 15.6% in FY18-20E to ₹ 209256 crore.

We estimate loan growth at 15.6% CAGR in FY18-20E to ₹ 209256 crore

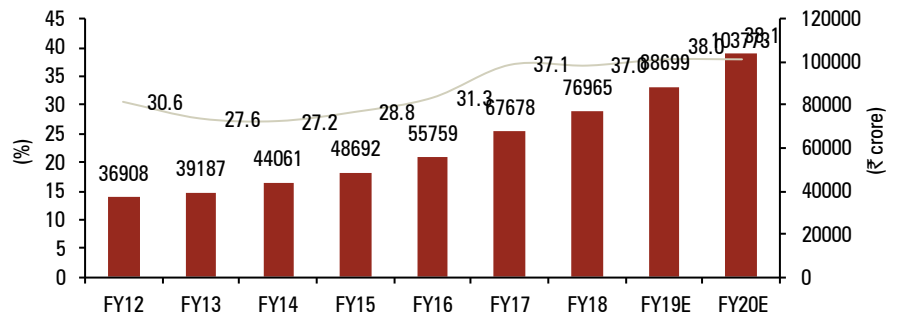
Exhibit 1: Compared to past, business traction expected to pick up gradually, going ahead



Source: Company, ICICI Direct. Research

On the deposit front, Indian Bank grew at 17% CAGR in FY09-14 to ₹ 162275 crore, higher than industry growth of 15.1% in the same period. Current account savings account (CASA) grew at 11.6% CAGR in FY10-14 to ₹ 44061 crore, lower compared to deposit accretion during the same period. Accordingly, the CASA ratio declined to 27.2% in FY14 from 32.2% in FY10 on account of increased competition from private, savings deregulation and slower growth in CA balances due to a weak economy. In FY15-17, deposit accretion slowed down in line with weaker credit offtake, thereby growing 3.9% YoY to ₹ 182509 crore in FY17, with CASA inching up to 31.3%. Over FY18-20E, we expect the deposit base to pick up in line with advances growth and rise at 14.4% CAGR to ₹ 272709 crore.

Exhibit 2: Expect ~16% CAGR in CASA deposits over FY18-20E



Source: Company, ICICI Direct Research

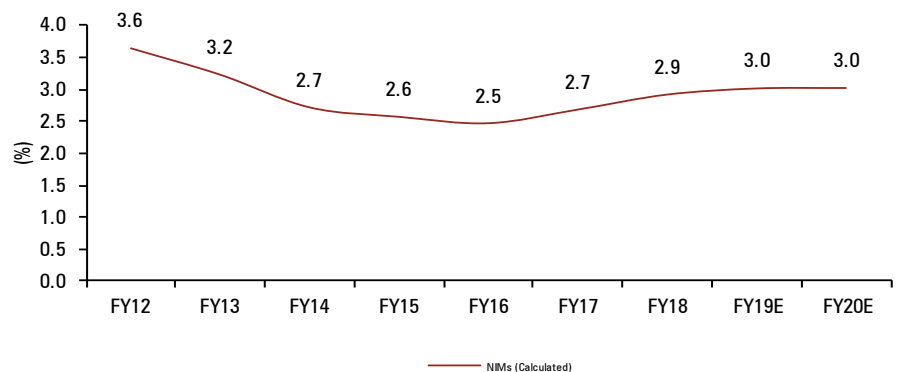
NIM to remain steady at 3.0% levels in FY18-20E

We expect the bank’s calculated NIMs to remain steady in FY18-20E

Indian Bank witnessed margin erosion to 2.7% in FY14 vs. 3.6% in FY12, primarily owing to asset quality deterioration and a decline in CASA. Despite a rising interest rate environment and an increase in proportion of MSME loans to 13% in FY14 vs. 11% in FY12, yield on assets (YoA) fell to 9.5% in FY14 vs. 10.1% in FY12. This slide in YoA can be attributed to interest reversal owing to asset quality deterioration with GNPA rising to 3.7% in FY14 vs. 2.0% in FY12. Cost of funds, on the other hand, has been on an uptrend to 6.8% in FY14 vs. 6.5% in FY12, on the back of a decline in CASA to 27.2% in FY14 compared to 30.6% in FY12. As a result, the margin spread narrowed ~92 bps in FY12-14. This resulted in a muted NII performance.

Going ahead, we expect the domestic CASA ratio to improve to ~38-39%. With moderation in slippages and growth in advances with focus on retail, agriculture & MSME segment, we expect the bank’s calculated NIMs to remain steady 3.0% in FY18-20E. The management aims to grow domestic NIMs, which were at 2.88% in Q3FY19, to ~3%, going ahead.

Exhibit 3: Expected steady margins going ahead



Source: Company, ICICI Direct Research

Asset quality pressure persists; improvement seen ahead

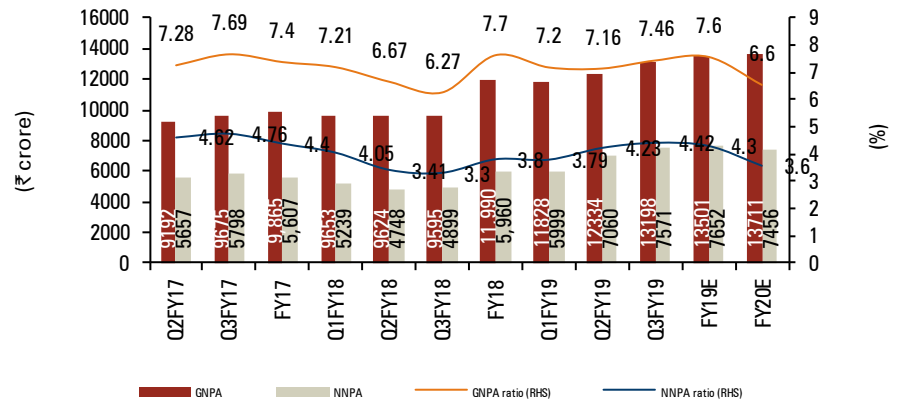
Amid strong corporate loan growth in the past and an economic slowdown, the asset quality of Indian Bank has witnessed deterioration in the last five years in line with the industry. GNPA and NNPA ratios have increased from 1.0% and 0.5% in FY10 to 7.7% and 3.8% in FY18, respectively. In absolute terms, GNPA grew at 62% CAGR to ₹ 5815 crore in FY10-15 ahead of 15% CAGR in advances. Restructured assets grew at 29% CAGR in FY10-14 to ₹ 9663 crore. Currently, at ₹ 2400 crore, it accounts for 1.3% of the total loan book.

In Q3FY19, slippages remained elevated largely on back of reorganisation of partial IL&FS exposure as NPA. As of Q3FY19, ₹ 950 crore has been recognised as NPA out of ₹ 1715 crore total exposure, while remaining ~₹ 760 crore exposure towards Tamil Nadu power plant remains standard. Absolute GNPA increased from ₹ 12334 crore in Q2FY19 to ₹ 13198 crore in Q3FY19. This was largely due to higher slippages in corporate (₹ 900 crore) & MSME (₹ 390 crore). Led by higher slippages & slower recoveries, GNPA ratio increased 30 bps QoQ at 7.46%. Standard restructured asset (RA) at ₹ 2400 crore accounts for ~1.3% of loan book.

With regard to accounts referred to National Company Law Tribunal (NCLT) for insolvency proceedings, the bank has exposure of ~₹ 2800 crore towards eight out of 12 accounts.

Going ahead, the management expects upgrade and recovery to outweigh fresh slippages, leading to a reduction in GNPA. With moderation in slippages and balance sheet growth, we expect GNPA ratio at 6.55% and NNPA ratio at 3.56% in FY20E.

Exhibit 4: Asset quality woes to moderate in FY17-FY19E

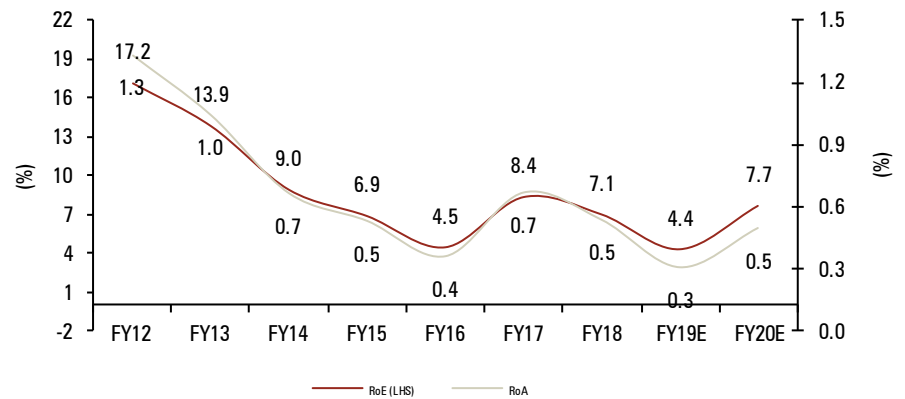


Source: Company, ICICI Direct Research

Outlook and valuation

Post a slower growth phase and asset quality issue in FY19, is adequately placed to grow gradually as industry credit growth improves. With substantial IL&FS exposure recognised, the bank's major asset quality issue seems to be over. Indian Bank with CAR of 12.67% & future fund raising plan seems to be adequately capitalised compared to its peers. With gradually improving asset quality expected, RoE is seen to reach ~8%. We remain marginally positive on the stock considering reasonable valuations even after factoring high NPA. We assign target price of ₹ 250 valuing at target multiple of ~1.0x FY20E ABV (not rated since one year). We maintain our BUY recommendation..

Exhibit 5: Return ratios to recover gradually



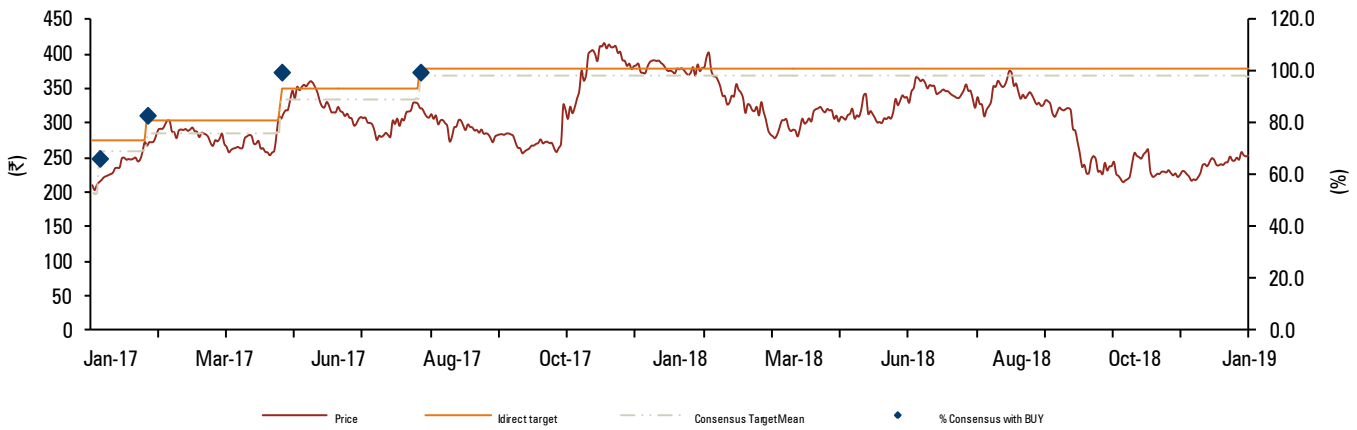
Source: Company, ICICI Direct Research

Exhibit 6: Valuation

	NII (₹ cr)	Growth (%)	PAT (₹ cr)	Growth (%)	P/E (x)	ABV (₹)	P/ABV (x)	RoA (%)	RoE (%)
FY16	4,446	-0.3	711.4	-29.2	14.5	212.7	1.0	0.4	4.5
FY17	5,146	15.7	1,405.7	97.6	7.3	226.5	0.9	0.7	8.4
FY18	6,264	21.7	1,259.0	-10.4	8.2	245.2	0.9	0.5	7.1
FY19E	7,108	13.5	809.3	-35.7	12.8	210.3	1.0	0.3	4.4
FY20E	7,907	11.2	1,470.1	81.6	7.0	237.0	0.9	0.5	7.7

Source: Company, ICICI Direct Research

Recommendation history vs. consensus



Source: Bloomberg, Company, ICICI Direct Research

Key events

Date	Event
FY00	Reports huge losses owing to relentless lending to corporates impacting asset quality
FY07	Comes out with IPO aggregating ₹ 782 crore at price of ₹ 91
FY07	Stock in bull run makes high of ₹ 227 backed by strong PAT growth. Economy in boom period with yields falling and asset quality improving
FY09	With recession setting in, stock corrects hitting a low of ₹ 64. Since Indian Bank had high corporate exposure - PAT and asset quality remain healthy
FY11	Stock makes all-time highs as the market and economy recover from recession along with healthy financial performance delivered by the bank
FY13	Stock falls in line with other PSU banks as risk of corporate NPA rises
Aug-13	Stock touches all-time low as asset quality pressure hits profitability
Sep-13	Stock recovers as the new Governor announces measures to tackle rupee volatility and ease liquidity. Risk of a further rise in CoF subsidies but MTM risk stays
Feb-15	Government infuses ₹ 280 crore by way of preferential equity allotment

Source: Company, ICICI Direct Research

Top 10 shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Government of India	30-09-2018	81.73%	392.54M	+0.08M
2	HDFC Asset Management Co., Ltd.	30-09-2018	3.94%	18.94M	+1.83M
3	L&T Investment Management Limited	30-09-2018	2.43%	11.66M	+0.07M
4	HSBC Global Asset Management (Hong Kong) Limited	30-11-2018	1.91%	9.17M	0
5	Life Insurance Corporation of India	30-09-2018	1.89%	9.08M	+0.36M
6	The Vanguard Group, Inc.	30-11-2018	0.66%	3.15M	+0.16M
7	Dimensional Fund Advisors, L.P.	30-11-2018	0.60%	2.87M	-0.02M
8	Kotak Mahindra Asset Management Company Ltd.	30-11-2018	0.55%	2.63M	-0.29M
9	Franklin Templeton Asset Management (India) Pvt. Ltd.	30-11-2018	0.35%	1.68M	+0.15M
10	IDFC Asset Management Company Private Limited	30-11-2018	0.19%	0.90M	+0.81M

Source: Reuters, ICICI Direct Research

Shareholding Pattern

(in %)	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Promoter	81.9	81.9	81.7	81.7	81.7
FII	6.7	5.6	5.3	4.5	4.5
DII	8.6	9.4	10.5	10.7	10.8
Others	2.8	3.1	2.5	3.0	2.9

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
HSBC Global Asset Management (Hong Kong) Limited	+6.94M	+1.62M	HDFC Asset Management Co., Ltd.	-13.98M	-3.26M
Capital Investment Trust Corporation	+1.31M	+0.40M	Sundaram Asset Management Company Limited	-2.72M	-0.63M
L&T Investment Management Limited	+1.89M	+0.38M	Old Mutual Global Investors (UK) Limited	-0.31M	-0.07M
Candriam Belgium S.A.	+0.32M	+0.10M			
JM Financial Asset Management Pvt. Ltd.	+0.39M	+0.08M			

Source: Reuters, ICICI Direct Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Interest Earned	16,039.7	17,113.6	19,646.1	22,257.0	
Interest Expended	10893.7	10850.1	12538.1	14350.3	
Net Interest Income	5,146.1	6,263.6	7,108.0	7,906.7	
growth (%)	15.7	21.7	13.5	11.2	
Non Interest Income	2211.4	2405.9	1833.1	2125.3	
Fees and advisory	287.3	318.5	318.5	398.2	
Treasury Income	871.9	661.7	198.5	198.5	
Other income	1052.2	1425.6	1316.0	1528.6	
Net Income	7357.4	8669.4	8941.1	10032.0	
Staff cost	1991.5	2100.3	2178.5	2329.2	
Other Operating expense	1365.2	1568.1	1819.4	2138.9	
Operating profit	4000.7	5001.0	4943.2	5563.8	
Provisions	2242.5	3924.6	3925.2	3522.1	
PBT	1758.2	1076.5	1018.0	2041.8	
Taxes	352.5	-182.6	208.7	571.7	
Net Profit	1,405.7	1,259.0	809.3	1,470.1	
growth (%)	97.6	-10.4	-35.7	81.6	
EPS (₹)	29.3	26.2	16.9	30.6	

Source: Company, ICICI Direct Research

Key ratios					
(Year-end March)	FY17	FY18	FY19E	FY20E	
Valuation					
No. of Equity Shares (Crore)	48.0	48.0	48.0	48.0	
EPS (₹)	29.3	26.2	16.9	30.6	
BV (₹)	343.3	369.3	369.7	392.3	
ABV (₹)	226.5	245.2	210.3	237.0	
P/E	7.3	8.2	12.8	7.0	
P/BV	0.6	0.6	0.6	0.5	
P/ABV	0.9	0.9	1.0	0.9	
Yields & Margins (%)					
Net Interest Margins	2.7	2.9	3.0	3.0	
Yield on assets	8.3	8.0	8.3	8.5	
Avg. cost on funds	5.5	4.9	5.1	5.2	
Yield on average advances	8.9	8.3	8.6	8.8	
Avg. Cost of Deposits	5.9	5.2	5.3	5.4	
Quality and Efficiency (%)					
Cost to income ratio	45.6	42.3	44.7	44.5	
Credit/Deposit ratio	70.0	75.2	76.2	76.7	
GNPA	7.4	7.7	7.6	6.6	
NNPA	4.4	3.8	4.3	3.6	
ROE	8.4	7.1	4.4	7.7	
ROA	0.7	0.5	0.3	0.5	

Source: Company, ICICI Direct Research

Balance sheet		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Sources of Funds					
Capital	480.3	480.3	480.3	480.3	
Reserves and Surplus	16681.8	17968.1	17987.3	19073.2	
Networth	17162.1	18448.4	18467.6	19553.4	
Deposits	182509.4	208294.0	233212.5	272708.8	
Borrowings	12636.9	19760.2	18734.5	17953.9	
Other Liabilities & Provisions	5925.0	6213.0	6676.9	6758.2	
Total	218,233	252,716	277,092	316,976	
Applications of Funds					
Fixed Assets	3442.6	3418.3	3485.3	3567.2	
Investments	67551.8	71397.7	61747.6	70410.4	
Advances	127699.3	156568.9	177811.4	209255.7	
Other Assets	9497.9	8402.9	66.0	18920.8	
Cash with RBI & call money	10041.7	12927.8	13653.5	14820.1	
Total	218,233	252,716	256,764	316,974	

Source: Company, ICICI Direct Research

Growth ratios		(% growth)			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Total assets	7.1	15.8	9.6	14.4	
Advances	-1.0	22.6	13.6	17.7	
Deposit	2.4	14.1	12.0	16.9	
Total Income	1.3	6.9	10.0	13.5	
Net interest income	15.7	21.7	13.5	11.2	
Operating expenses	5.0	9.3	9.0	11.8	
Operating profit	31.9	25.0	-1.2	12.6	
Net profit	97.6	-10.4	-35.7	81.6	
Net worth	5.5	7.6	0.1	6.1	
EPS	97.6	(10.4)	(35.7)	81.6	

Source: Company, ICICI Direct Research

ICICI Direct coverage universe (Banking)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)		P/ABV (x)			RoA (%)			RoE (%)			
	(₹)	TP(₹)			FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
Bank of Baroda (BANBAR)	109	140	Buy	28,876	-9.2	10.0	17.0	-11.9	10.9	6.4	0.9	0.9	0.8	-0.3	0.4	0.6	-5.8	6.1	9.8
State Bank of India (STABAN)	282	340	Buy	251,316	-7.3	26.0	17.3	-38.4	10.8	16.3	2.3	1.4	1.7	-0.2	0.7	0.4	-3.0	9.7	6.5
Indian Bank (INDIBA)	218	250	Buy	10,490	26.2	16.9	30.6	8.3	12.9	7.1	0.9	1.0	0.9	0.5	0.3	0.5	7.1	4.4	7.7
Axis Bank (AXIBAN)	656	725	Buy	168,669	1.1	22.2	38.2	611.2	29.5	17.2	3.6	3.1	2.5	0.0	0.8	1.2	0.0	0.8	1.2
City Union Bank (CITUNI)	191	225	Buy	13,961	8.9	8.5	10.3	21.5	22.4	18.5	3.5	3.4	2.5	1.6	1.5	1.6	15.6	14.5	14.2
DCB Bank (DCB)	176	210	Buy	5,436	7.9	10.2	13.9	22.3	17.2	12.6	2.2	2.0	1.7	0.9	1.0	1.1	10.9	11.7	14.0
Federal Bank (FEDBAN)	84	110	Buy	16,695	4.5	6.2	7.4	18.8	13.7	11.3	1.5	1.4	1.2	0.7	0.8	0.9	8.2	9.3	10.4
HDFC Bank (HDFBAN)	2,084	2,400	Buy	566,989	67.4	75.5	91.3	30.9	27.6	22.8	5.4	4.0	3.5	1.8	1.8	1.8	18.1	16.6	16.2
IndusInd Bank (INDBA)	1,444	1,860	Buy	86,967	60.1	81.5	106.1	24.0	17.7	13.6	3.8	3.2	2.6	1.8	2.0	2.1	16.2	18.8	20.6
Jammu & Kashmir Bk(JAMKAS)	40	52	Buy	2,205	3.6	5.0	8.9	10.9	7.9	4.5	0.7	0.7	0.7	0.2	0.3	0.5	3.4	4.4	7.5
Kotak Mahindra Bank (KOTMAH)	1,260	1,400	Hold	240,455	21.4	26.5	33.0	58.8	47.5	38.2	6.7	6.1	5.6	1.7	1.7	1.8	12.5	12.8	14.4
Yes Bank (YESBAN)	208	300	Buy	47,992	18.3	22.1	26.3	11.3	9.4	7.9	1.9	1.6	1.4	1.6	1.4	1.4	17.6	18.0	18.2
Bandhan Bank (BANBAN)	418	575	Buy	49,823	11.3	16.9	21.9	18.4	12.3	9.5	2.7	2.3	1.9	3.6	4.0	4.0	19.5	19.6	21.1

Source: Company, ICICI Direct Research

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Buy: > 10%/15% for large caps/midcaps, respectively;

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