

Canara Bank

Performance Highlights

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
NII	1,793	1,973	(9.1)	1,728	3.8
Pre-prov. profit	1,270	1,695	(25.0)	1,483	(14.4)
PAT	726	899	(19.3)	1,013	(28.4)

Source: Company, Angel Research

For 1QFY2012, Canara Bank posted a disappointing set of results with a sharp compression in NIM and continuance of high slippages. Net profit declined by 28.4% yoy to ₹726cr, well below our as well as street's estimates. **We upgrade the stock to Accumulate, owing to its cheaper valuations post the sharp correction.**

NIM dips; Slippages remain high: For 1QFY2012, the bank's overall business growth moderated in-line with peers, with advances growing by just 1.2% qoq (up 23.7% yoy) and deposits increasing by 2.1% qoq (up 25.7% yoy). CASA deposit growth rate fell sharply to 9.7% yoy, further weakening the deposit franchise of the bank. As a result, the calculated global CASA ratio came off sharply by ~300bp qoq to 25.4%. With the decline in CASA ratio, the bank's cost of deposits increased steeply by 136bp yoy and led to a 59bp yoy decline in reported NIM to 2.4%. Fee income growth was sluggish at just 6.1% yoy. The bank's profitability during 1QFY2012 was also impacted by additional provisions of ₹285cr for complying with the recent hike in provisioning requirements and reversal of accrued interest income of ₹210cr on slippages recognised during the quarter. Slippages ratio for the quarter remained high at 2.6% (1.2% in 1QFY2011) but moderated from 4.4% witnessed in 4QFY2011. The sharp rise in slippages over the past couple of quarters can partly be attributed to switchover to system-based NPA recognition. The bank is better placed than its peers on the migration front, having migrated all accounts above ₹2lakhs. Provision coverage ratio (including technical write-offs) declined by ~350bp qoq to 69.5%.

Outlook and valuation: Over the past three months, the stock has underperformed the Sensex as well as Bank Nifty by 22%, primarily on concerns of asset quality. Incremental slippages are expected to moderate considerably going forward, as the bank has already migrated a major chunk (accounts above ₹2lakhs) of its advances. Hence, we recommend an Accumulate on the stock with a target price of ₹516, owing to its cheaper valuations at 0.9x FY2013E ABV.

Key financials

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
NII	5,681	7,823	7,612	8,683
% chg	20.4	37.7	(2.7)	14.1
Net profit	3,021	4,026	3,562	3,831
% chg	45.8	33.2	(11.5)	7.5
NIM (%)	2.4	2.7	2.2	2.1
EPS (₹)	73.7	90.9	80.4	86.5
P/E (x)	6.3	5.1	5.7	5.3
P/ABV (x)	1.7	1.2	1.0	0.9
RoA (%)	1.2	1.3	1.0	0.9
RoE (%)	26.8	26.4	18.4	17.2

Source: Company, Angel Research

ACCUMULATE

CMP	₹461
Target Price	₹516
Investment Period	12 Months
Stock Info	
Sector	Banking
Market Cap (₹ cr)	20,404
Beta	1.0
52 Week High / Low	844/458
Avg. Daily Volume	1,09,145
Face Value (₹)	10
BSE Sensex	18,197
Nifty	5,482
Reuters Code	CNBK.BO
Bloomberg Code	CBK@IN

Shareholding Pattern (%)

Promoters	67.7
MF / Banks / Indian Fls	11.5
FII / NRIs / OCBs	15.0
Indian Public / Others	5.8

Abs. (%)	3m	1yr	3yr
Sensex	(5.7)	1.1	26.8
Canara Bank	(28.0)	(4.9)	142.8

Vaibhav Agrawal

022 – 3935 7800 Ext: 6808

vaibhav.agrawal@angelbroking.com

Shrinivas Bhutda

022 – 3935 7800 Ext: 6845

shrinivas.bhutda@angelbroking.com

Varun Varma

022 – 3935 7800 Ext: 6847

varun.varma@angelbroking.com

Exhibit 1: 1QFY2012 performance

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
Interest earned	7,181	6,418	11.9	5,161	39.1
- on Advances / Bills	5,483	4,823	13.7	3,794	44.5
- on investments	1,633	1,521	7.4	1,319	23.8
- on balance with RBI & others	64	73	(11.8)	48	34.8
- on others	0	1	(82.8)	0	11.1
Interest Expended	5,388	4,445	21.2	3,433	56.9
Net Interest Income	1,793	1,973	(9.1)	1,728	3.8
Other income	527	933	(43.5)	734	(28.2)
Other income excl. treasury	604	951	(36.5)	510	18.4
- Fee Income	174	249	(30.2)	164	6.1
- Treasury Income	(77)	(18)	327.6	224	-
- Recov. from written off a/cs	66	327	(79.7)	88	(24.7)
- Others	364	375	(3.0)	258	40.8
Operating income	2,320	2,906	(20.2)	2,462	(5.8)
Operating expenses	1,050	1,211	(13.3)	978	7.3
- Employee expenses	668	783	(14.7)	661	1.0
- Other Opex	382	428	(10.9)	317	20.3
Pre-provision Profit	1,270	1,695	(25.0)	1,483	(14.4)
Provisions & Contingencies	345	546	(36.9)	220	56.6
- Provisions for NPAs	285	541	(47.3)	130	119.2
- Other Provisions	60	5	1,098.2	90	(33.8)
PBT	926	1,149	(19.4)	1,263	(26.7)
Provision for Tax	200	250	(20.0)	250	(20.0)
PAT	726	899	(19.3)	1,013	(28.4)
Effective Tax Rate (%)	21.6	21.8	(16)bp	19.8	181bp

Source: Company, Angel Research

Exhibit 2: 1QFY2012 Actual vs. Estimates

Particulars (₹ cr)	Actual	Estimates	Var (%)
NII	1,793	2,071	(13.4)
Non-interest income	527	686	(23.2)
Operating income	2,320	2,756	(15.8)
Operating expenses	1,050	1,073	(2.2)
Pre-prov. profit	1,270	1,683	(24.5)
Provisions & cont.	345	411	(16.1)
PBT	926	1,273	(27.3)
Prov. for taxes	200	255	(21.4)
PAT	726	1,018	(28.7)

Source: Company, Angel Research

Exhibit 3: 1QFY2012 performance analysis

Particulars	1QFY12	4QFY11	%chg (qoq)	1QFY11	%chg (yoy)
Balance sheet					
Advances (₹ cr)	215,015	212,467	1.2	173,794	23.7
Deposits (₹ cr)	300,150	293,973	2.1	238,855	25.7
Credit-to-Deposit Ratio (%)	71.6	72.3	(64)bp	72.8	(113)bp
Current deposits (₹ cr)	15,193	24,500	(38.0)	15,785	(3.8)
Saving deposits (₹ cr)	60,912	58,617	3.9	53,565	13.7
CASA deposits (₹ cr)	76,105	83,117	(8.4)	69,350	9.7
Calculated CASA ratio (%)	25.4	28.3	(292)bp	29.0	(368)bp
CAR (%)	13.4	15.4	(201)bp	12.4	93bp
Tier 1 CAR (%)	9.6	10.9	(128)bp	8.1	149bp
Profitability Ratios (%)					
Cost of deposits	7.1	5.8	125bp	5.7	136bp
Yield on advances	10.5	9.7	77bp	9.4	115bp
Yield on investments	7.9	7.7	14bp	7.5	32bp
Yield on funds	8.7	8.1	53bp	7.9	75bp
Cost of funds	6.5	5.4	113bp	5.3	124bp
Reported NIM	2.4	3.0	(57)bp	3.0	(59)bp
Cost-to-income ratio	45.2	41.7	357bp	39.7	549bp
Asset quality					
Gross NPAs (₹ cr)	3,606	3,089	16.7	2,549	41.5
Gross NPAs (%)	1.7	1.5	22bp	1.5	21bp
Net NPAs (₹ cr)	2,871	2,347	22.3	1,729	66.0
Net NPAs (%)	1.3	1.1	23bp	1.0	34bp
PCR incl. tech. w/offers (%)	69.5	73.0	(346)bp	78.0	(848)bp
Slippage ratio (%)	2.6	4.4	(177)bp	1.2	135bp
NPA to avg. assets (%)	0.3	0.7	(35)bp	0.2	14bp

Source: Company, Angel Research

Business growth moderates, margin slides

For 1QFY2012, the bank's overall business growth moderated in-line with peers, with advances growing by just 1.2% qoq (up 23.7% yoy) and deposits increasing by 2.1% qoq (up 25.7% yoy). Advances growth on a yoy basis was driven by agricultural loans (up 31.8% yoy) and corporate loans (up 24.9% yoy). Retail loans declined sharply by 23.9% qoq but increased by 19.0% yoy. The share of infrastructure to total loans of the bank was stable sequentially at 16.3%.

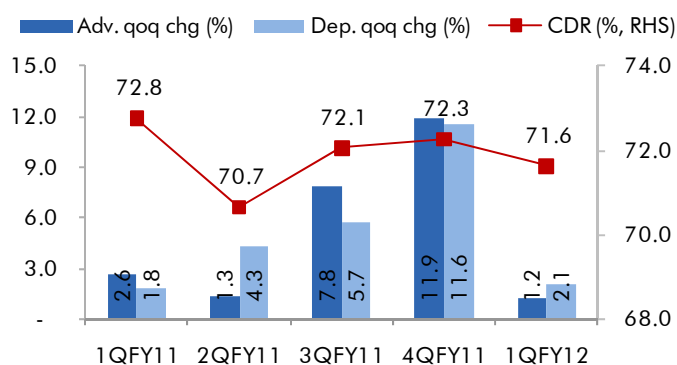
Exhibit 4: MSME and agriculture witness strong traction

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
Agri	30,463	29,656	2.7	23,117	31.8
SME	37,000	37,684	(1.8)	31,597	17.1
Corporate	123,510	113,555	8.8	98,884	24.9
Retail	24,042	31,572	(23.9)	20,196	19.0
Net advances	215,015	212,467	1.2	173,794	23.7

Source: Company, Angel Research

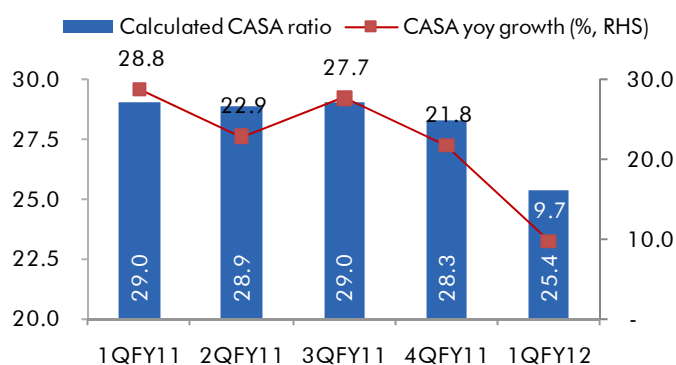
On the deposits side, the volatile current account deposits declined sharply by 38.0% qoq (down 3.8% yoy). Even saving account deposits growth was moderate at 13.7% yoy (up 3.9% qoq). Overall CASA deposits growth moderated to sub-10% levels as compared to 21.8% yoy growth in 4QFY2011. Calculated CASA ratio compressed sharply by 292bp qoq (down 368bp yoy) to 25.4%.

Exhibit 5: Business growth slows after strong 4QFY11



Source: Company, Angel Research

Exhibit 6: CASA deposits growth moderation continues

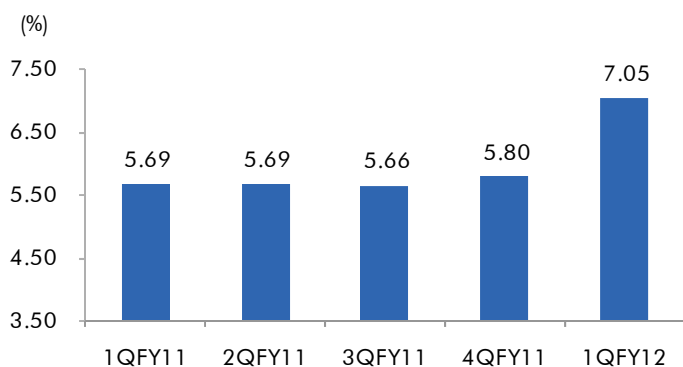


Source: Company, Angel Research

With the decline in CASA ratio, the bank's cost of deposits increased steeply by 125bp qoq and led to a 57bp qoq compression in reported NIM to 2.4%.

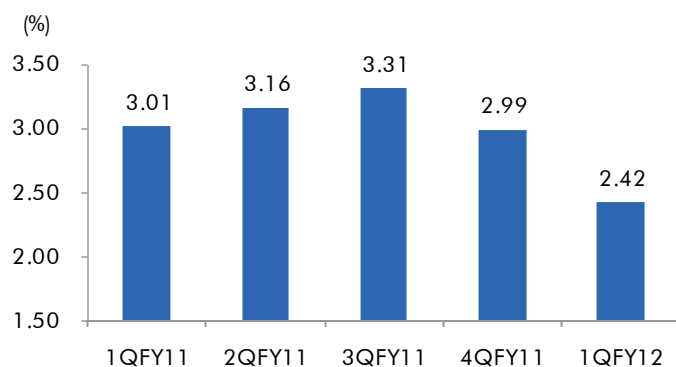
Management had guided for NIM of over 3% for FY2012 in 4QFY2011. However, on a conservative basis, we are building in a ~30bp decline in NIM for FY2012 and a ~15bp further fall for FY2013, considering the higher interest rate regime and the relatively weak liability franchise of the bank.

Exhibit 7: Sharp rise in cost of deposits...



Source: Company, Angel Research

Exhibit 8: ...leads to a sharp dip in reported NIM



Source: Company, Angel Research

Sluggish fee income growth; even recoveries come off

Fee income growth was sluggish at 6.1% yoy (a sharp decline of 30.2% qoq) despite revision in charges implemented by the bank in January 2011. The hardening of interest rates resulted in treasury loss of ₹77cr as compared to trading profits of ₹224cr in 1QFY2011. Even recoveries from written-off accounts – the primary catalyst of the bank's earnings growth over the past few years – witnessed a sharp 24.7% yoy dip to ₹66cr. For FY2012, management has guided of achieving recoveries from written-off accounts of over ₹500cr.

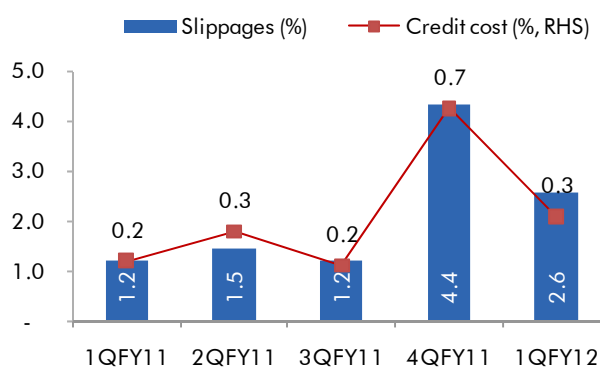
Exhibit 9: Sluggish fee income growth despite revision in fee in 4QFY11

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
CEB	174	249	(30.2)	164	6.1
Treasury	(77)	(18)	327.6	224	-
Recoveries	66	327	(79.7)	88	(24.7)
Others	364	375	(3.0)	258	40.8
Other income	527	933	(43.5)	734	(28.2)
Other income excl. treasury	604	951	(36.5)	510	18.4

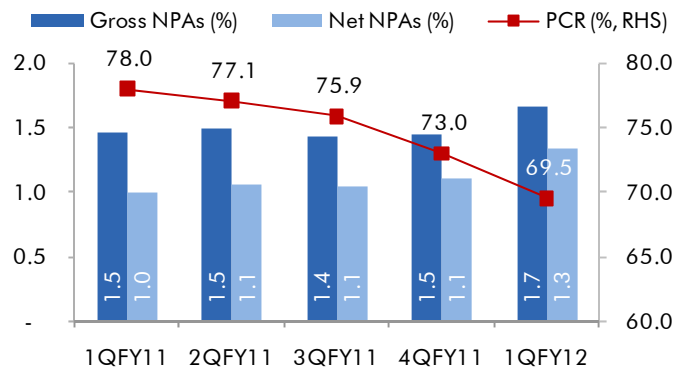
Source: Company, Angel Research

Slippages remain high

The bank continued to face headwinds from asset-quality pressure in 1QFY2012, with the annualised slippage ratio rising to 2.6% as compared to 1.2% in 1QFY2011. Slippages were relatively on the higher side as the bank had in 4QFY2011 itself implemented system-based NPA recognition for accounts above ₹10lakhs (as compared to peers who migrated accounts above ~₹50lakhs to ₹1cr). During the quarter, the bank migrated accounts between ₹2lakhs and ₹10lakhs to the system-based NPA recognition platform. However, due to healthy recoveries of ~₹400cr during the quarter, the bank was able to contain the rise in gross NPA ratio to 1.7%. Provision coverage ratio including technical write-offs declined by 346bp qoq and 848bp yoy to sub-70% levels, indicating the reducing cushion on profit and loss account from future slippages.

Exhibit 10: Slippages remain high


Source: Company, Angel Research

Exhibit 11: PCR dips by ~300bp sequentially


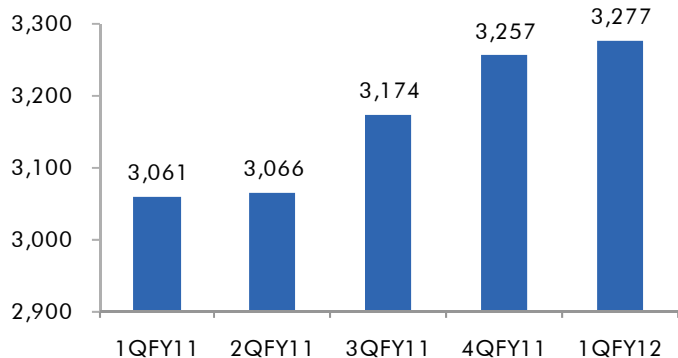
Source: Company, Angel Research; Note: PCR including tech. write-offs

Opex under control

Employee expenses were flat on a yoy basis (down 14.7% qoq) in spite of the amortisation of second pension option and gratuity-related liabilities. Overall operating expenses rose by 7.3% yoy. However, the yoy decline in operating income resulted in an increase in cost-to-income ratio to 45.2% from 39.7% in 1QFY2011 and 41.7% in 4QFY2011. The higher base of assets and moderate growth in operating expenses resulted in an improvement in opex-to-average assets ratio to 1.2% from 1.5% each in 1QFY2011 and 4QFY2011.

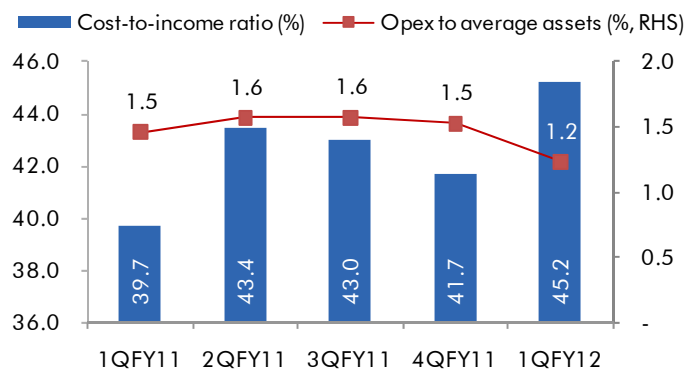
During 1QFY2012, the bank added 20 branches to its domestic branch network, which now stands at 3,277 branches.

Exhibit 12: Network expansion at a moderate pace



Source: Company, Angel Research

Exhibit 13: Cost ratios rise sharply on a yoy basis



Source: Company, Angel Research

Comfortable capital adequacy

The bank had raised ~₹2,000cr via Qualified Institutional Placement (QIP) of ₹1,993cr in 4QFY2011, which has helped in shoring up tier-I capital ratio at over 10.5%. During 1QFY2012, CAR declined to 13.4%, with tier-I CAR of 9.6%. Though the government's holding in the bank has come down to 67.7% post the QIP, there is still substantial headroom for raising tier-I capital, going forward.

Investment concerns

Weak liability franchise likely to accentuate NIM pressures

The bank has a relatively weaker liability profile with a calculated CASA base at 25.4%. In fact, in 1QFY2012, saving account deposits growth moderated to 13.7% yoy from 17.5% yoy in 4QFY2011. Overall CASA deposits growth moderated to sub-10% levels at 9.7% as compared to 21.8% yoy growth in 4QFY2011. The bank has a relatively higher proportion of more costly bulk deposits and CDs at ~25% of deposits, which makes the bank more vulnerable to a faster rise in cost of funds in the current rising interest rate scenario. Margin pressures were evident from the ~60bp sequential NIM reduction (partly on account of reversal of accrued interest on NPAs recognised during the quarter) in 1QFY2012. Accordingly, we have built in a ~50bp dip in NIM for FY2012 over FY2011 levels.

Outlook and valuation

Asset-quality pressures witnessed over the past couple of quarters were partly due to the switchover to system-based NPA recognition system. As of 1QFY2012, the bank is relatively better placed than peers on the migration front, having switched over accounts above ₹2lakhs as compared to peers who have migrated accounts between ₹5lakhs and ₹50lakhs. Accordingly, incremental pressure from slippages is expected to moderate considerably going forward.

The stock has underperformed the Sensex as well as the Bank Nifty by a steep 22% in the past three months. On the valuations front, the stock is trading at cheaper valuations, in our view, of 0.9x FY2013E ABV as compared to its five-year range of 0.85–1.45x with a median of 1.17x. **Hence, we recommend Accumulate on the stock with a target price of ₹516.**

Exhibit 14: Key assumptions

Particulars (%)	Earlier estimates		Revised estimates	
	FY2012	FY2013	FY2012	FY2013
Credit growth	20.0	20.0	18.0	18.0
Deposit growth	18.0	17.0	16.0	16.0
CASA ratio	27.3	26.6	27.8	27.3
NIMs	2.4	2.2	2.2	2.1
Other income growth	12.7	17.8	2.7	28.3
Growth in staff expenses	(2.5)	15.0	(5.0)	15.0
Growth in other expenses	15.0	15.0	12.0	15.0
Slippages	1.9	1.9	1.9	1.8
Treasury gain/(loss) (% of investments)	0.2	0.2	(0.2)	0.2

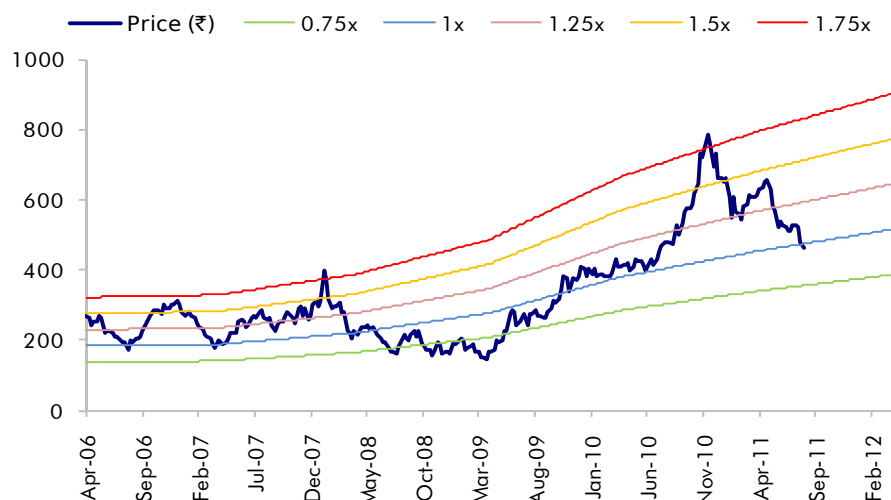
Source: Angel Research

Exhibit 15: Change in estimates

Particulars (₹ cr)	FY2012			FY2013		
	Earlier estimates	Revised estimates	Var. (%)	Earlier estimates	Revised estimates	Var. (%)
NII	8,475	7,612	(10.2)	9,393	8,683	(7.6)
Non-interest income	3,047	2,775	(8.9)	3,589	3,560	(0.8)
Operating income	11,522	10,387	(9.9)	12,981	12,243	(5.7)
Operating expenses	4,565	4,447	(2.6)	5,250	5,114	(2.6)
Pre-prov. profit	6,957	5,940	(14.6)	7,731	7,129	(7.8)
Provisions & cont.	1,549	1,190	(23.2)	1,658	1,457	(12.1)
PBT	5,408	4,750	(12.2)	6,073	5,671	(6.6)
Prov. for taxes	1,352	1,187	(12.2)	1,971	1,840	(6.6)
PAT	4,056	3,562	(12.2)	4,103	3,831	(6.6)

Source: Angel Research

Exhibit 16: P/ABV band



Source: Company, Angel Research

Exhibit 17: Recommendation summary

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2013E P/ABV (x)	FY2013E Tgt P/ABV (x)	FY2013E P/E (x)	FY2011-13E EPS CAGR (%)	FY2013E RoA (%)	FY2013E RoE (%)
AxisBk	Buy	1,338	1,648	23.1	2.2	2.7	11.1	20.9	1.5	21.0
FedBk	Accumulate	425	483	13.7	1.1	1.3	8.6	20.2	1.3	14.1
HDFCBk	Accumulate	487	519	6.5	3.3	3.5	17.0	30.5	1.7	20.9
ICICIBk*	Buy	1,038	1,355	30.6	1.9	2.5	15.0	24.5	1.5	15.6
SIB	Accumulate	24	26	11.2	1.2	1.4	7.3	11.6	0.9	17.2
YesBk	Accumulate	311	353	13.5	2.0	2.3	10.5	19.1	1.2	20.6
AllBk	Neutral	202	-	-	1.0	-	5.7	9.2	0.9	17.8
AndhBk	Accumulate	136	145	6.8	0.9	1.0	5.6	3.1	1.0	16.8
BOB	Buy	878	1,018	15.9	1.2	1.4	6.6	10.8	1.1	19.6
BOI	Accumulate	386	434	12.2	1.1	1.2	6.0	18.7	0.8	18.0
CanBk	Accumulate	461	516	12.1	0.9	1.0	5.3	(2.4)	0.9	17.2
CentBk	Neutral	116	-	-	0.8	-	5.3	(10.9)	0.5	15.1
CorpBk	Buy	502	608	21.2	0.8	1.0	4.7	6.1	0.9	17.9
DenaBk	Accumulate	85	96	13.7	0.6	0.7	4.2	5.1	0.8	15.7
IDBI#	Accumulate	129	136	5.4	0.8	0.9	5.9	14.3	0.7	14.5
IndBk	Accumulate	226	255	13.0	0.9	1.0	4.8	10.4	1.4	20.4
IOB	Accumulate	138	155	12.0	0.8	1.0	5.3	22.4	0.7	16.4
J&KBk	Neutral	872	-	-	0.9	-	5.8	8.8	1.2	17.0
OBC	Accumulate	351	383	9.0	0.8	0.9	5.9	7.5	0.9	14.4
PNB	Accumulate	1,124	1,217	8.3	1.3	1.4	7.0	7.4	1.0	20.0
SBI*	Buy	2,342	2,845	21.5	1.8	2.1	8.7	44.2	1.1	22.6
SynBk	Buy	120	139	16.0	0.8	0.9	5.0	14.6	0.7	17.0
UcoBk	Neutral	85	-	-	1.0	-	5.0	16.5	0.6	17.1
UnionBk	Accumulate	289	327	13.0	1.1	1.2	6.1	20.0	0.8	17.9
UtdBk	Accumulate	94	107	14.7	0.8	0.9	6.3	6.1	0.5	12.5
VijBk	Neutral	63	-	-	0.8	-	6.2	8.6	0.5	12.8

Source: Company, Angel Research; Note: *Target multiples=SOTP Target Price/ABV (including subsidiaries), #Without adjusting for SASF

Income statement

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
Net Interest Income	3,538	4,718	5,681	7,823	7,612	8,683
- YoY Growth (%)	(12.1)	33.4	20.4	37.7	(2.7)	14.1
Other Income	2,308	2,427	2,858	2,703	2,775	3,560
- YoY Growth (%)	52.7	5.1	17.7	(5.4)	2.7	28.3
Operating Income	5,846	7,145	8,538	10,526	10,387	12,243
- YoY Growth (%)	5.6	22.2	19.5	23.3	(1.3)	17.9
Operating Expenses	2,791	3,065	3,478	4,419	4,447	5,114
- YoY Growth (%)	8.8	9.8	13.5	27.1	0.6	15.0
Pre - Provision Profit	3,055	4,080	5,061	6,107	5,940	7,129
- YoY Growth (%)	2.7	33.5	24.1	20.7	(2.7)	20.0
Prov. & Cont.	1,150	1,507	1,239	1,081	1,190	1,457
- YoY Growth (%)	(11.7)	31.1	(17.8)	(12.8)	10.1	22.5
Profit Before Tax	1,905	2,572	3,821	5,026	4,750	5,671
- YoY Growth (%)	14.0	35.0	48.6	31.5	(5.5)	19.4
Prov. for Taxation	340	500	800	1,000	1,187	1,840
- as a % of PBT	17.8	19.4	20.9	19.9	25.0	32.4
PAT	1,565	2,072	3,021	4,026	3,562	3,831
- YoY Growth (%)	10.1	32.4	45.8	33.2	(11.5)	7.5

Balance sheet

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
Share Capital	410	410	410	443	443	443
Reserve & Surplus	10,090	11,798	14,262	19,597	22,387	25,394
Deposits	154,072	186,893	234,651	293,973	341,008	395,570
- Growth (%)	8.2	21.3	25.6	25.3	16.0	16.0
Borrowings	2,517	7,057	1,041	5,198	6,030	6,995
Tier 2 Capital	6,115	6,944	7,399	9,063	10,695	12,620
Other Liab. & Prov.	7,175	6,498	6,977	7,805	9,288	11,206
Total Liabilities	180,380	219,599	264,741	336,079	389,851	452,228
Cash Balances	13,365	10,037	15,719	22,015	22,166	25,712
Bank Balances	4,513	6,623	3,934	8,693	10,084	11,698
Investments	49,812	57,777	69,677	83,700	96,313	106,820
Advances	107,238	138,219	169,335	212,467	250,711	295,839
- Growth (%)	8.9	28.9	22.5	25.5	18.0	18.0
Fixed Assets	2,917	2,929	2,859	2,844	3,201	3,601
Other Assets	2,536	4,014	3,217	6,359	7,377	8,557
Total Assets	180,380	219,599	264,741	336,079	389,851	452,228
- Growth (%)	8.8	21.7	20.6	26.9	16.0	16.0

Ratio analysis

Y/E March	FY08	FY09	FY10	FY11	FY12E	FY13E
Profitability ratios (%)						
NIMs	2.1	2.4	2.4	2.7	2.2	2.1
Cost to Income Ratio	47.7	42.9	40.7	42.0	42.8	41.8
RoA	0.9	1.0	1.2	1.3	1.0	0.9
RoE	19.1	22.6	26.8	26.4	18.4	17.2
B/S ratios (%)						
CASA Ratio	31.5	30.1	29.1	28.3	27.8	27.3
Credit/Deposit Ratio	69.6	74.0	72.2	72.3	73.5	74.8
CAR	13.3	13.0	12.5	14.2	15.5	15.6
- Tier I	7.0	7.4	7.9	10.0	10.8	10.6
Asset Quality (%)						
Gross NPAs	1.3	1.6	1.5	1.4	2.2	2.6
Net NPAs	0.9	1.1	1.1	0.8	1.3	1.3
Slippages	1.4	2.2	2.4	2.1	1.9	1.8
Loan Loss Prov. /Avg. Assets	0.5	0.5	0.6	0.3	0.3	0.3
Provision Coverage	34.5	30.5	77.7	73.0	69.0	68.0
Per Share Data (₹)						
EPS	38.2	50.5	73.7	90.9	80.4	86.5
ABVPS (75% cover.)	188.4	221.3	277.7	381.8	453.7	516.2
DPS	8.0	8.0	10.0	11.0	15.0	16.0
Valuation Ratios						
PER (x)	12.1	9.1	6.3	5.1	5.7	5.3
P/ABVPS (x)	2.4	2.1	1.7	1.2	1.0	0.9
Dividend Yield	1.7	1.7	2.2	2.4	3.3	3.5
DuPont Analysis						
NII	2.0	2.4	2.3	2.6	2.1	2.1
(-) Prov. Exp.	0.7	0.8	0.5	0.4	0.3	0.3
Adj. NII	1.4	1.6	1.8	2.2	1.8	1.7
Treasury	0.3	0.3	0.4	0.1	(0.0)	0.0
Int. Sens. Inc.	1.6	1.9	2.2	2.3	1.7	1.8
Other Inc.	1.1	0.9	0.8	0.8	0.8	0.8
Op. Inc.	2.7	2.8	3.0	3.1	2.5	2.6
Opex	1.6	1.5	1.4	1.5	1.2	1.2
PBT	1.1	1.3	1.6	1.7	1.3	1.3
Taxes	0.2	0.3	0.3	0.3	0.3	0.4
RoA	0.9	1.0	1.2	1.3	1.0	0.9
Leverage	21.1	21.8	21.5	19.7	18.8	18.9
RoE	19.1	22.6	26.8	26.4	18.4	17.2

Research Team Tel: 022 - 39357800

 E-mail: research@angelbroking.com

 Website: www.angelbroking.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement

Canara Bank

1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors

Ratings (Returns):

Buy (> 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (< -15%)

Neutral (-5 to 5%)