

Federal Bank

Performance Highlights

Particulars (₹ cr)	4QFY12	3QFY12	% chg (qoq)	4QFY11	% chg (yoy)
NII	491	528	(7.0)	448	9.7
Pre-prov. profit	372	419	(11.1)	350	6.3
PAT	238	202	17.7	172	38.4

Source: Company, Angel Research

For 4QFY2012, Federal Bank reported 38.4% yoy (up 17.7% qoq) growth in its net profit to ₹238cr, which was in-line with our estimates. Although operating income growth was moderate at 10.7% yoy, lower provisioning expenses (decline of 80.5% yoy) on account of higher recoveries and upgradations boosted the bottom line. **We recommend Neutral on the stock.**

Asset quality improves sequentially: For FY2012, the bank's advances and deposits grew by 18.2% yoy and 13.8% yoy, respectively. On a qoq basis, advances and deposits grew by 13.7% and 4.7%, respectively. On the advances front, gold loans continued to witness robust traction, growing by over ₹600cr during 4QFY2012, taking the overall proportion of gold loans (₹3,600cr as of 3QFY2012) to 9.5% of the loan book. The bank's NIM declined by 38bp qoq on account of overall higher cost of deposits (de-regulation of NRE term deposits) and lower yield on advances (down 39bp qoq) due to FITL reversals during the quarter. During 4QFY2012, growth in core fee income remained muted; however, treasury income witnessed healthy traction, leading to 16.4% qoq growth in non-interest income. The bank's slippages for 4QFY2012 declined by 22.7% on a sequential basis to ₹269cr (annualized slippage ratio of 3.4%), of which ~₹130cr were on account of slippages from corporate accounts (₹87cr due to classification of Kingfisher as NPA). The remaining slippages were from the SME and retail segments. The bank restructured accounts worth ₹920cr in 4QFY2012 (majorly due to Air India and Rajasthan SEB), taking the outstanding restructured book to ₹2,036cr.

Outlook and valuation: The bank's valuations at 1.0x FY2014 ABV are higher than the 0.5-0.7x range at which mid-size PSU banks with similar KPIs are trading. While in the medium term, we expect a gradual increase in the bank's leverage to lead to higher RoEs, higher valuations coupled with the diminished advantage of low-cost NRE deposits are likely to limit upside from current levels. **Hence, we recommend a Neutral rating on the stock.**

Key financials

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
NII	1,747	1,953	2,186	2,485
% chg	23.8	11.8	11.9	13.6
Net profit	587	777	850	983
% chg	26.4	32.3	9.4	15.6
NIM (%)	3.8	3.6	3.4	3.3
EPS (₹)	34.3	45.4	49.7	57.4
P/E (x)	11.8	8.9	8.2	7.1
P/ABV (x)	1.4	1.2	1.1	1.0
RoA (%)	1.2	1.4	1.3	1.3
RoE (%)	12.0	14.4	14.1	14.5

Source: Company, Angel Research

NEUTRAL

CMP	₹417
Target Price	-
Investment Period	-

Stock Info

Sector	Banking
Market Cap (₹ cr)	7,127
Beta	1.2
52 Week High / Low	480/322
Avg. Daily Volume	46,806
Face Value (₹)	10
BSE Sensex	16,328
Nifty	4,943
Reuters Code	FED.BO
Bloomberg Code	FB@IN

Shareholding Pattern (%)

Promoters	-
MF / Banks / Indian Fls	21.4
FII / NRIs / OCBs	44.7
Indian Public / Others	34.0

Abs. (%)	3m	1yr	3yr
Sensex	(10.3)	(11.9)	34.1
Federal Bank	(3.9)	(5.1)	116.2

Vaibhav Agrawal

022 – 3935 7800 Ext: 6808

vaibhav.agrawal@angelbroking.com

Varun Varma

022 – 3935 7800 Ext: 6847

varun.varma@angelbroking.com

Sourabh Taparia

022 – 3935 7800 Ext: 6872

sourabh.taparia@angelbroking.com

Exhibit 1: 4QFY2012 performance

Particulars (₹ cr)	4QFY12	3QFY12	% chg (qoq)	4QFY11	% chg (yoy)
Interest earned	1,479	1,467	0.8	1,100	34.5
- on Advances / Bills	1,078	1,084	(0.5)	857	25.8
- on investments	378	367	2.9	239	58.4
- on balance with RBI & others	13	10	26.1	3	384.5
- on others	9	5	89.8	1	534.2
Interest Expended	988	939	5.2	652	51.4
Net Interest Income	491	528	(7.0)	448	9.7
Other income	161	138	16.4	141	13.7
Other income excl. treasury	124	122	1.6	134	(7.5)
- Fee Income	79	67	18.5	68	16.6
- Treasury Income	36	16	132.6	7	427.6
- Recoveries from written off a/c	21	28	(23.6)	42	(49.6)
- Forex Income	24	28	(14.3)	24	(2.5)
Operating income	652	666	(2.1)	589	10.7
Operating expenses	279	247	13.0	239	17.1
- Employee expenses	146	138	5.6	135	8.3
- Other Opex	133	109	22.4	104	28.5
Pre-provision Profit	372	419	(11.1)	350	6.3
Provisions & Contingencies	16	115	(86.5)	79	(80.5)
- Provisions for NPAs	(41)	92	NA	83	NA
- Provisions for Investments	(10)	23	NA	6	NA
- Other Provisions	67	0	NA	(9)	NA
PBT	357	303	17.6	271	31.8
Provision for Tax	119	102	17.4	99	20.4
PAT	238	202	17.7	172	38.4
Effective Tax Rate (%)	33.4	33.5	(5)bp	36.6	(316)bp

Source: Company, Angel Research

Exhibit 2: 4QFY2012 Actual vs. Angel estimates

Particulars (₹ cr)	Actual	Estimates	Var. (%)
Net interest income	491	537	(8.5)
Non-interest income	161	157	2.0
Operating income	652	694	(6.1)
Operating expenses	279	269	3.9
Pre-prov. profit	372	425	(12.5)
Provisions & cont.	16	104	(85.1)
PBT	357	322	11.0
Prov. for taxes	119	95	26.1
PAT	238	227	4.7

Source: Company, Angel Research

Exhibit 3: 4QFY2012 performance

Particulars	4QFY12	3QFY12	% chg (qoq)	4QFY11	% chg (yoy)
Balance sheet					
Advances (₹ cr)	37,756	33,206	13.7	31,953	18.2
Deposits (₹ cr)	48,937	46,742	4.7	43,015	13.8
Credit-to-Deposit Ratio (%)	77.2	71.0	611bp	74.3	287bp
Current deposits (₹ cr)	2,546	2,084	22.1	2,157	18.0
Saving deposits (₹ cr)	10,930	11,102	(1.5)	9,148	19.5
CASA deposits (₹ cr)	13,476	13,186	2.2	11,305	19.2
CASA ratio (%)	27.5	28.2	(67)bp	26.3	126bp
CAR (%)	16.6	15.9	73bp	16.8	(15)bp
Profitability Ratios (%)					
Cost of deposits	7.6	7.6	(2)bp	6.0	156bp
Yield on advances	12.5	12.9	(39)bp	11.1	143bp
Yield on investments	7.5	7.8	(29)bp	7.0	55bp
Reported NIM	3.6	3.9	(38)bp	4.0	(44)bp
Cost-to-income ratio	42.9	37.1	573bp	40.5	234bp
Asset quality					
Gross NPAs (₹ cr)	1,301	1,363	(4.6)	1,148	13.3
Gross NPAs (%)	3.4	4.0	(62)bp	3.5	(14)bp
Net NPAs (₹ cr)	199	244	(18.3)	191	4.4
Net NPAs (%)	0.5	0.7	(21)bp	0.6	(7)bp
Provision Coverage Ratio (%)	84.7	82.1	257bp	83.4	131bp
Slippage ratio (%)	3.4	4.1	(76)bp	4.3	(92)bp
NPA to avg. assets (%)	(0.3)	0.6	(91)bp	0.7	(95)bp

Source: Company, Angel Research

Advances for FY2012 grow in-line with industry after a surge in 4QFY2012

For FY2012, the bank's advances and deposits grew by 18.2% yoy and 13.8% yoy, respectively. On a qoq basis, advances and deposits grew by 13.7% and 4.7%, respectively. Current account deposit accretion picked up during 4QFY2012, with 22.1% qoq growth (up 18.0% yoy); however, savings accounts declined by 1.5% on a sequential basis (up by healthy 19.5% yoy). Reported CASA ratio on a qoq basis declined by 67bp to 27.5%.

On the advances front, gold loans continued to witness robust traction, growing by over ₹600cr during 4QFY2012, taking the overall proportion of gold loans (₹3,600cr as of 3QFY2012) to 9.5% of the loan book. Management indicated that the bank would continue to focus on growing its gold loan portfolio in the coming fiscal year as well. Management aims to grow its advances by 20-22% for FY2013 by further building its retail (focus on home and auto loans) and SME portfolios. Management aims to diversify its loan book into the retail, SME and corporate sectors such that each segment contributes nearly one-third to the total loan book.

Post the RBI's deregulation of NRE term and saving deposits rates in December 2011, Federal Bank had increased the rate on NRE term deposits to 9.5% (from ~3.8% before deregulation), while keeping the saving account rate constant at 4%

effective January 17, 2012. The effect of de-regulation was witnessed in 4QFY2012 with ₹317cr of high cost NRE term deposits re-pricing upwards and NRE savings deposits declining by ₹481cr.

The cost of funds could be higher by 58bp of total ATA in FY2013 on account of higher cost on NRE term deposits (18bp on ₹2,086cr of existing high cost NRE term deposits and 4bp on ₹419cr of low cost NRE term deposits which will be re-priced in the coming quarters) and outflow of NRE savings to higher yielding NRE term deposits (cost of 36bp considering worst case scenario). Considering the erosion of low-cost advantage of these NRE deposits, we have factored in a margin compression of ~30bp in FY2014 over FY2012.

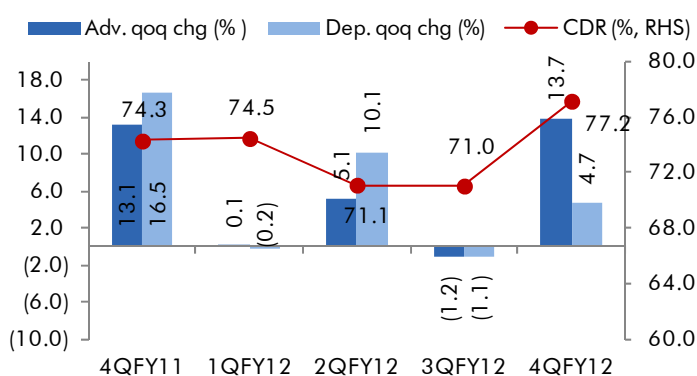
Exhibit 4: Movement in NRI deposit base sequentially

Deposit type (₹ cr)	31-Mar-12	31-Dec-11
NRE SB	4,215	4,695
NRO SB	453	437
FCNR (B)	1,241	1,552
LOW COST TERM DEPOSIT	419	736
LOW COST NRI DEPOSIT (SUB TOTAL)	6,327	7,420
HIGH COST NRE TERM DEPOSIT	2,086	390
NRO TERM DEPOSIT	2,746	2,713
TOTAL NRI DEPOSIT	11,185	10,522

Source: Company, Angel Research

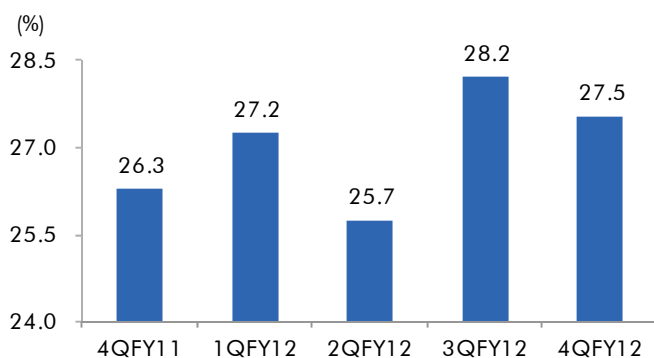
The bank opened ~115 branches during the quarter, taking the total branches to 950. Management aims to take the total number of branches to 1,000 by July 2013 and then add ~100 branches more over the remainder of FY2013 (concentrated in 4QFY2013).

Exhibit 5: Surge in advances in 4QFY2012



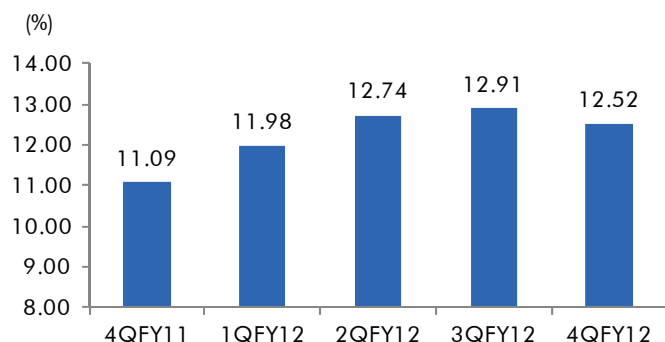
Source: Company, Angel Research

Exhibit 6: CASA ratio declines qoq

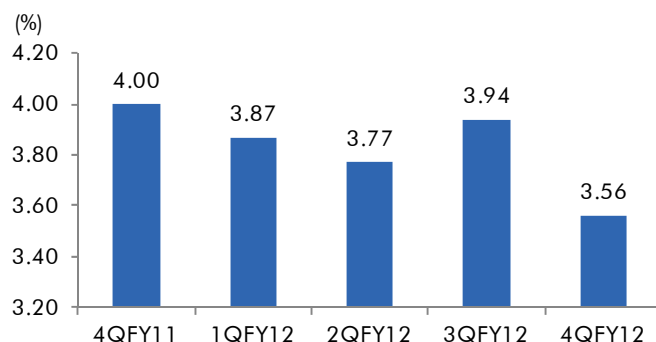


Source: Company, Angel Research

The bank's NIM declined by 38bp qoq on account of overall higher cost of deposits (de-regulation of NRE term deposits) and lower yield on advances (down 39bp qoq) due to FITL reversals during the quarter.

Exhibit 7: Yield on advances lower on FITL reversals


Source: Company, Angel Research

Exhibit 8: NIM declines by 38bp qoq


Source: Company, Angel Research

Fee income remains subdued

During 4QFY2012, growth in core fee income remained muted; however, treasury income witnessed healthy traction, leading to 16.4% qoq growth in non-interest income. Treasury income (₹36cr) nearly increased by five times on a yoy basis and more than doubled on a qoq basis, although on a low base. Recoveries from written-off accounts declined by 49.6% yoy for 4QFY2012 and have remained low throughout FY2012 on account of lower write-offs during FY2012 (as per management). Management expects strong growth from the treasury and forex segments going ahead and has guided for fee income growth of above 20% for FY2013.

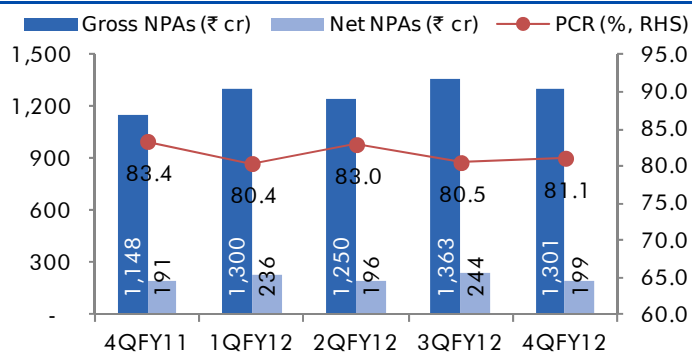
Higher upgradations lead to lower provisioning expenses

The bank's slippages for 4QFY2012 declined by 22.7% on a sequential basis to ₹269cr (annualized slippage ratio of 3.4%), of which ~₹130cr were on account of slippages from corporate accounts (₹87cr due to classification of Kingfisher as NPA). The remaining slippages were from the SME and retail segments. Management sounded confident of lower slippages going ahead and has guided for credit costs of 90-100bp for FY2013.

The bank witnessed strong recoveries and upgradations (₹330cr in 4QFY2012 compared to ₹187cr in 3QFY2012) leading to lower gross and net NPAs on a sequential basis. Higher upgradations led to ₹41cr of write-back on loan loss provisions, leading to negative credit cost for the quarter. However, the bank had to provide ~₹45cr on sacrifice on restructured assets (including NPV hit on Air India) during 4QFY2012.

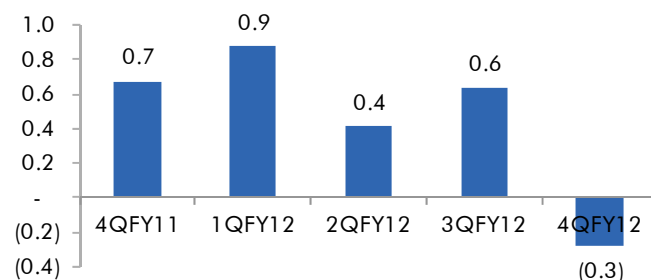
The bank restructured accounts worth ₹920cr in 4QFY2012 (majorly due to Air India and Rajasthan SEB), taking its outstanding restructured book to ₹2,036cr. The bank has till now witnessed ₹428cr of slippages from its restructured book. Management indicated that it has no major restructuring in the pipeline currently.

Exhibit 9: NPA amounts reduce sequentially



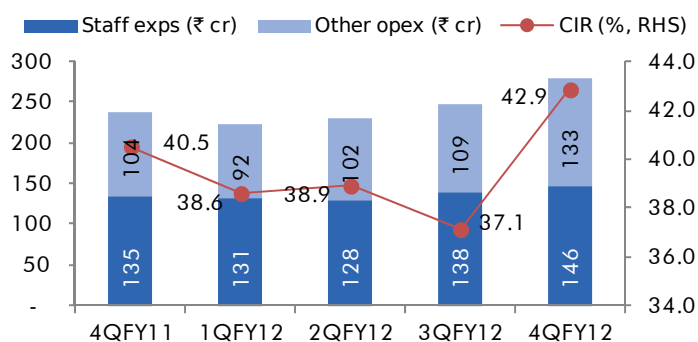
Source: Company, Angel Research

Exhibit 10: Credit cost negative for 4QFY2012



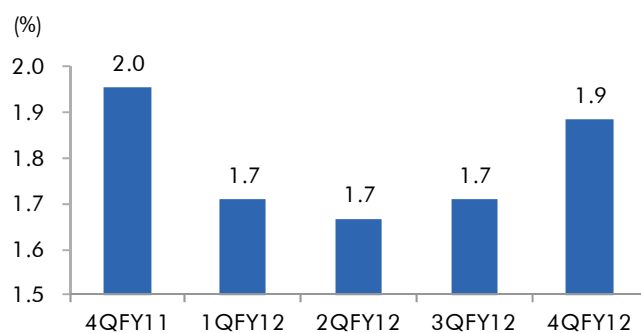
Source: Company, Angel Research

Exhibit 11: Staff expenses higher qoq



Source: Company, Angel Research

Exhibit 12: Opex-to-average assets trends



Source: Company, Angel Research

Investment arguments

RBI's move to deregulate NRE FD rates negative for the bank

One of the key differentiators for the bank was the lower cost of NRE deposits comprising ~14% of its total deposits (type of NRI deposits where interest income is tax-free and where RBI-regulated rates were as low as 3-4% until November 2011). However, following the RBI's recent deregulation, banks have increased NRE FD rates by almost 500bp, leaving negligible cost advantage from these deposits over domestic FD rates. Consequently, over a one-year period, as these deposits re-price upwards to the new interest rates, the bank's NIMs could be impacted by up to 58bp (in the worst case scenario), posing a negative for the bank's earnings outlook.

Asset quality to improve

During FY2011, the bank had witnessed elevated NPAs from its retail and SME loan book. However, management is taking various steps to stabilize its asset-quality woes (which are reflected in asset quality improvement in 4QFY2012 results and lower slippage levels in FY2012 compared to FY2011) and expects higher recoveries and lower slippages going forward, subject to the external environment.

Outlook and valuation

The bank's valuations at 1.0x FY2014 ABV are higher than the 0.5-0.7x range at which mid-size PSU banks with similar KPIs are trading. While in the medium term, we expect a gradual increase in the bank's leverage to lead to higher RoEs, higher valuations coupled with the diminished advantage of low-cost NRE deposits are likely to limit upside from current levels. **Hence, we recommend a Neutral rating on the stock.**

Exhibit 13: Key assumptions

Particulars (%)	Earlier estimates		Revised estimates	
	FY2013	FY2014	FY2013	FY2014
Credit growth	18.0	20.0	18.0	20.0
Deposit growth	20.0	20.0	20.0	20.0
CASA ratio	26.9	25.4	26.4	24.9
NIMs	3.4	3.3	3.4	3.3
Other income growth	7.8	15.9	4.6	16.0
Growth in staff expenses	14.0	14.0	14.0	14.0
Growth in other expenses	14.0	14.0	14.0	14.0
Slippages	2.2	2.2	2.8	2.5
Coverage ratio	79.9	79.5	79.6	78.6

Source: Angel Research

Exhibit 14: Change in estimates

Particulars (₹ cr)	FY2013			FY2014		
	Earlier estimates	Revised estimates	Var. (%)	Earlier estimates	Revised estimates	Var. (%)
NII	2,195	2,186	(0.4)	2,502	2,485	(0.7)
Non-interest income	570	557	(2.3)	661	646	(2.3)
Operating income	2,766	2,743	(0.8)	3,163	3,131	(1.0)
Operating expenses	1,104	1,116	1.1	1,259	1,273	1.1
Pre-prov. profit	1,662	1,627	(2.1)	1,904	1,858	(2.4)
Provisions & cont.	409	369	(9.8)	456	404	(11.4)
PBT	1,253	1,258	0.4	1,449	1,454	0.4
Prov. for taxes	407	408	0.4	470	472	0.4
PAT	846	850	0.4	979	983	0.4

Source: Angel Research

Exhibit 15: P/ABV band



Source: Company, Angel Research

Exhibit 16: Recommendation summary

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2014E P/ABV (x)	FY2014E Tgt. P/ABV (x)	FY2014E P/E (x)	FY12E-14E EPS CAGR (%)	FY2014E RoA (%)	FY2014E RoE (%)
AxisBk	Buy	994	1,587	59.6	1.3	2.2	7.1	16.4	1.5	20.3
FedBk	Neutral	417	-	-	1.0	-	7.1	12.5	1.3	14.5
HDFCBk	Accumulate	501	567	13.2	2.9	3.3	14.1	27.0	1.7	22.1
ICICIBk*	Buy	799	1,201	50.3	1.3	1.9	9.9	20.4	1.5	16.0
SIB	Neutral	22	-	-	1.0	-	5.8	4.5	0.8	17.5
YesBk	Buy	318	470	47.6	1.6	2.4	7.7	22.5	1.4	23.3
AllBk	Accumulate	147	166	13.0	0.6	0.7	3.5	6.2	0.9	17.6
AndhBk	Neutral	104	-	-	0.6	-	4.1	3.3	0.9	16.0
BOB	Buy	625	925	48.1	0.7	1.1	4.2	11.1	1.1	18.2
BOI	Buy	353	411	16.3	0.7	1.0	4.5	23.3	0.8	16.9
BOM	Buy	47	55	17.3	0.6	0.7	3.6	45.3	0.7	17.2
CanBk	Buy	409	522	27.7	0.7	0.9	4.4	11.8	0.9	16.4
CentBk	Neutral	76	-	-	0.7	-	3.7	100.1	0.5	14.4
CorpBk	Buy	406	486	19.7	0.5	0.7	3.6	5.3	0.8	16.5
DenaBk	Buy	82	111	35.9	0.5	0.7	3.1	6.6	0.9	17.0
IDBI#	Buy	89	117	30.7	0.5	0.7	3.7	22.7	0.9	14.8
IndBk	Accumulate	177	197	10.8	0.7	0.7	4.1	4.8	1.1	16.9
IOB	Buy	79	96	21.3	0.5	0.6	3.7	28.3	0.6	13.9
J&KBk	Accumulate	861	960	11.5	0.8	0.9	4.4	8.8	1.4	18.6
OBC	Buy	217	274	25.9	0.5	0.6	3.4	27.7	0.8	14.3
PNB	Buy	724	1,066	47.3	0.7	1.1	4.1	10.3	1.0	18.1
SBI*	Buy	1,840	2,511	36.5	1.1	1.6	6.8	23.6	1.0	19.1
SynBk	Buy	90	131	45.4	0.5	0.7	3.0	17.3	0.8	17.1
UcoBk	Neutral	66	-	-	0.6	-	3.7	13.0	0.6	15.4
UnionBk	Buy	201	276	37.3	0.7	0.9	4.0	24.8	0.8	17.5
UtdBk	Buy	57	78	37.0	0.4	0.6	2.5	22.5	0.7	16.5
VijBk	Neutral	52	-	-	0.6	-	4.3	13.5	0.5	13.7

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	FY12	FY13E	FY14E
Nil	868	1,315	1,411	1,747	1,953	2,186	2,485
- YoY growth (%)	21.1	51.5	7.3	23.8	11.8	11.9	13.6
Other income	395	516	531	517	532	557	646
- YoY growth (%)	30.5	30.6	2.9	(2.7)	3.0	4.6	16.0
Operating income	1,263	1,831	1,942	2,263	2,486	2,743	3,131
- YoY growth (%)	23.9	45.0	6.0	16.6	9.8	10.4	14.1
Operating expenses	469	571	677	836	979	1,116	1,273
- YoY growth (%)	15.5	21.9	18.5	23.5	17.1	14.0	14.0
Pre-prov. profit	794	1,260	1,265	1,427	1,507	1,627	1,858
- YoY growth (%)	29.6	58.6	0.4	12.8	5.6	8.0	14.2
Prov. & cont.	294	467	405	525	337	369	404
- YoY growth (%)	34.2	58.8	(13.2)	29.6	(35.9)	9.4	9.5
PBT	500	793	860	902	1,170	1,258	1,454
- YoY growth (%)	26.9	58.6	8.4	4.9	29.7	7.6	15.6
Prov. for taxation	132	293	395	315	393	408	472
- as a % of PBT	26.4	36.9	46.0	34.9	33.6	32.4	32.4
PAT	368	500	465	587	777	850	983
- YoY growth (%)	25.7	36.0	(7.2)	26.4	32.3	9.4	15.6

Balance sheet

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E
Share Capital	171	171	171	171	171	171	171
Reserves & Surplus	3,755	4,155	4,519	4,938	5,535	6,206	6,970
Deposits	25,913	32,198	36,058	43,015	48,937	58,725	70,469
- Growth (%)	20.1	24.3	12.0	19.3	13.8	20.0	20.0
Borrowings	792	749	1,227	1,582	3,077	3,645	4,324
Tier 2 Capital	470	470	320	306	1,164	1,164	1,164
Other Liab. & Prov.	1,405	1,108	1,380	1,445	1,742	1,907	2,093
Total Liabilities	32,506	38,851	43,676	51,456	60,627	71,818	85,192
Cash Balances	2,356	2,214	2,319	2,935	2,424	2,349	2,819
Bank Balances	390	1,223	405	813	1,108	1,313	1,558
Investments	10,027	12,119	13,055	14,538	17,402	21,322	24,660
Advances	18,905	22,392	26,950	31,953	37,756	44,552	53,462
- Growth (%)	26.9	18.4	20.4	18.6	18.2	18.0	20.0
Fixed Assets	233	281	290	290	326	375	431
Other Assets	597	622	658	927	1,610	1,907	2,262
Total Assets	32,506	38,851	43,676	51,456	60,627	71,818	85,192
- Growth (%)	29.6	19.5	12.4	17.8	17.8	18.5	18.6

Ratio analysis

Y/E March	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E
Profitability ratios (%)							
NIMs	3.1	3.8	3.5	3.8	3.6	3.4	3.3
Cost to Income Ratio	37.1	31.2	34.9	36.9	39.4	40.7	40.6
RoA	1.3	1.4	1.1	1.2	1.4	1.3	1.3
RoE	13.8	12.2	10.3	12.0	14.4	14.1	14.5
B/S ratios (%)							
CASA Ratio	25.1	24.5	26.2	26.9	27.5	26.4	24.9
Credit/Deposit Ratio	73.0	69.5	74.7	74.3	77.2	75.9	75.9
CAR	22.5	20.2	18.4	16.8	18.1	16.8	15.7
- Tier I	19.1	18.4	16.9	15.6	14.8	14.0	13.2
Asset Quality (%)							
Gross NPAs	2.4	2.6	3.0	3.5	3.3	2.9	2.5
Net NPAs	0.2	0.3	0.5	0.6	0.5	0.6	0.5
Slippages	1.7	3.0	3.3	3.2	3.6	2.8	2.5
Loan Loss Prov./Avg. Assets	0.7	1.0	1.0	1.0	0.4	0.5	0.4
Provision Coverage	90.8	88.4	84.3	83.4	84.7	79.6	78.6
Per Share Data (₹)							
EPS	21.5	29.3	27.2	34.3	45.4	49.7	57.4
ABVPS	229.2	252.6	273.9	298.3	333.3	372.5	417.2
DPS	4.0	5.0	5.0	8.5	9.0	9.0	11.0
Valuation Ratios							
PER (x)	18.9	13.9	15.0	11.8	8.9	8.2	7.1
P/ABVPS (x)	1.8	1.6	1.5	1.4	1.2	1.1	1.0
Dividend Yield	1.0	1.2	1.2	2.1	2.2	2.2	2.7
DuPont Analysis (%)							
NII	3.0	3.7	3.4	3.7	3.5	3.3	3.2
(-) Prov. Exp.	1.0	1.3	1.0	1.1	0.6	0.6	0.5
Adj. NII	2.0	2.4	2.4	2.6	2.9	2.7	2.7
Treasury	0.3	0.2	0.3	0.1	0.1	0.1	0.0
Int. Sens. Inc.	2.3	2.6	2.7	2.7	3.0	2.8	2.7
Other Inc.	1.1	1.2	1.0	1.0	0.8	0.8	0.8
Op. Inc.	3.4	3.8	3.7	3.7	3.8	3.6	3.5
Opex	1.6	1.6	1.6	1.8	1.7	1.7	1.6
PBT	1.7	2.2	2.1	1.9	2.1	1.9	1.9
Taxes	0.5	0.8	1.0	0.7	0.7	0.6	0.6
RoA	1.3	1.4	1.1	1.2	1.4	1.3	1.3
Leverage (x)	10.7	8.7	9.2	9.7	10.4	11.0	11.6
RoE	13.8	12.2	10.3	12.0	14.4	14.1	14.5

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	Federal 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%)
---------------------------	------------------------------------	-----------------------------------------	--------------------