

**Rating: BUY | CMP: Rs40 | TP: Rs50**

August 3, 2021

## Q1FY22 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current FY22E	Previous FY23E	Current FY22E	Previous FY23E
<b>Rating</b>	<b>BUY</b>		<b>ACCUMULATE</b>	
<b>Target Price</b>	<b>50</b>		<b>47</b>	
NII (Rs. m)	3,17,587	3,43,675	3,22,737	3,47,974
% Chng.	(1.6)	(1.2)		
Op. Profit (Rs. m)	2,39,690	2,57,875	2,34,479	2,43,516
% Chng.	2.2	5.9		
EPS (Rs.)	3.7	7.6	4.4	6.4
% Chng.	(16.1)	18.8		

### Key Financials - Standalone

Y/e Mar	FY21	FY22E	FY23E	FY24E
NII (Rs bn)	305	318	344	375
Op. Profit (Rs bn)	230	240	258	276
PAT (Rs bn)	20	40	84	100
EPS (Rs.)	2.3	3.7	7.6	9.1
Gr. (%)	296.2	58.8	104.0	19.0
DPS (Rs.)	-	-	0.8	1.0
Yield (%)	-	-	2.0	2.5
NIM (%)	3.1	2.7	2.8	2.8
RoAE (%)	2.6	4.3	8.3	9.2
RoAA (%)	0.2	0.3	0.6	0.7
P/BV (x)	0.5	0.5	0.5	0.4
P/ABV (x)	0.7	0.7	0.6	0.5
PE (x)	17.1	10.8	5.3	4.4
CAR (%)	14.3	15.0	15.6	16.0

Key Data	PNBK.BO   PNB IN
52-W High / Low	Rs.46 / Rs.26
Sensex / Nifty	53,823 / 16,131
Market Cap	Rs.443bn / \$ 5,966m
Shares Outstanding	11,011m
3M Avg. Daily Value	Rs.11424.61m

### Shareholding Pattern (%)

Promoter's	73.15
Foreign	2.38
Domestic Institution	11.40
Public & Others	13.07
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(4.4)	5.0	22.3
Relative	(6.8)	(2.0)	(16.0)

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# Punjab National Bank (PNB IN)

**Rating: BUY | CMP: Rs40 | TP: Rs50**

## Gradually looking better; upgrade to BUY

### Quick Pointers:

- Better operating performance with 15% YoY growth and controlled provisioning
- Banks expects several streams of cash recoveries in FY22 from retail/MSME & corporate

**PNB earnings were higher than estimates at Rs10.2bn (PLe: Rs6.1bn) on back of better set of operating internals i.e NII growth of 7% YoY & de-growth in opex by 8% YoY drove PPOP by 15% YoY/8% QoQ. Provisions still remain high with annualized rate of 2.5% of loans but given the context of COVID, it has done better than private peers and maintained PCR of 63% (80% incl. technical w.offs). Although, slippages of Rs82bn remain on higher side and scattered through retail/MSME & corporate and run-rate in near term could continue given stress in MSME. Asset quality of PNB should start trending better with a decent PCR of 63-65%, subsiding slippage rate, sustained recovery/upgrade pipeline and much better CET-I of 11.5%. ROEs could move towards to sub 10% by FY23/FY24 and even start paying dividend given profitability improvement. We upgrade to BUY with revised TP of Rs50 (from Rs47) based on Sep-23 ABV (rolled from Mar-23).**

- **Better NII although and control on opex:** NII grew by a decent 7% YoY/4% QoQ better than flat loan growth which mainly supported by lower cost of deposits. Other income was supported by strong treasury income but excluding the same fee growth held up flattish YoY/5% QoQ (led by processing fees/Fx). Tailwind on PPOP growth of 15% YoY/8% QoQ (core PPOP 25% YoY/7% QoQ) was from much lower opex which de-grew by 8% YoY/6% QoQ and should see some rebound ahead. NIMs improved by 5bps QoQ to 2.73%.
- **Asset quality issues still not gone away:** Asset quality is improving on the margin with slippages rate stabilizing versus trends. In Q1FY22, bank reported Rs82.4bn of fresh slippages (6% of loans) but should see 3-4% of loans as slippages in FY22 & <300bps post FY22 and with legacy book covered with +60% PCR (and improving) incremental credit cost should be in range of 250-160bps over FY22-FY24E. Although, risks lie within MSME with high slippages & likely write-offs as GNPs are at 23% in the segment and could derail asset quality improvement. Bank also has decent pipeline of recovery going ahead mainly from NCLT accounts and smaller value accounts which could add to asset quality improvement.

- **Business to remain muted; delta play from improving asset quality:** PNB should continue consolidation with slower loan growth despite current CET-I being comfortable at 11.6% (will improve as earnings improve). Asset quality metrics could see change substantially by FY23/FY24 as break up of GNPs suggest most segments have peaked on NPA accretion, PCR being better especially on bulky accounts and resultant lowering provisions. This could lead to better return ratios versus the gap of valuation as concerns on asset quality & capital were on forefront which are now looking much better.

## Exhibit 1: NII/Opex help beat PPOP; although higher provisions continued

P&L (Rs m)	Q1FY22	Q1FY21	YoY gr. (%)	Q4FY21	QoQ gr. (%)
Interest Income	1,89,209	2,06,049	(8.2)	1,87,895	0.7
Interest Expense	1,16,943	1,38,565	(15.6)	1,18,520	(1.3)
<b>Net Interest Income (NII)</b>	<b>72,266</b>	<b>67,484</b>	<b>7.1</b>	<b>69,376</b>	<b>4.2</b>
- Treasury income	11,180	13,080	(14.5)	9,750	14.7
Other income	35,941	36,879	(2.5)	37,422	(4.0)
<b>Total income</b>	<b>1,08,207</b>	<b>1,04,363</b>	<b>3.7</b>	<b>1,06,798</b>	<b>1.3</b>
Operating expenses	47,220	51,563	(8.4)	50,454	(6.4)
-Staff expenses	29,557	33,072	(10.6)	26,998	9.5
-Other expenses	17,663	18,491	(4.5)	23,457	(24.7)
<b>Operating profit</b>	<b>60,987</b>	<b>52,801</b>	<b>15.5</b>	<b>56,343</b>	<b>8.2</b>
<b>Core operating profit</b>	<b>49,807</b>	<b>39,721</b>	<b>25.4</b>	<b>46,593</b>	<b>6.9</b>
Total provisions	46,781	46,859	(0.2)	46,860	(0.2)
<b>Profit before tax</b>	<b>14,206</b>	<b>5,942</b>	<b>139.1</b>	<b>9,483</b>	<b>49.8</b>
Tax	3,971	2,857	39.0	3,619	9.7
<b>Profit after tax</b>	<b>10,235</b>	<b>3,084</b>	<b>231.8</b>	<b>5,863</b>	<b>74.6</b>
<b>Balance sheet (Rs m)</b>					
Deposits	1,09,76,489	1,07,49,171	2.1	1,10,63,325	(0.8)
Advances	66,12,886	65,61,971	0.8	67,42,301	(1.9)
<b>Profitability ratios</b>					
<b>NIM</b>	<b>2.8</b>	<b>2.6</b>	<b>21</b>	<b>2.8</b>	<b>2</b>
RoaA	0.3	0.1	21	0.2	12
<b>Asset Quality</b>					
Gross NPA (Rs m)	10,40,756	10,18,493	2.2	10,44,234	(0.3)
Net NPA (Rs m)	3,85,806	3,53,030	9.3	3,85,757	0.0
<b>Gross NPL ratio</b>	<b>14.3</b>	<b>14.1</b>	<b>22</b>	<b>14.3</b>	<b>1</b>
<b>Net NPL ratio</b>	<b>5.8</b>	<b>5.4</b>	<b>45</b>	<b>5.7</b>	<b>11</b>
Coverage ratio	62.9	65.3	(241)	63.1	(13)
<b>Business &amp; Other Ratios</b>					
Low-cost deposit mix	45.2	43.5	170	45.5	(35)
Cost-income ratio	43.6	49.4	(577)	47.2	(360)
Non int. inc / total income	33.2	35.3	(212)	35.0	(183)
Credit deposit ratio	60.2	61.0	(80)	60.9	(70)
CAR	15.2	12.6	256	14.3	87
Tier-I	12.5	10.3	222	11.5	98

Source: Company, PL

*NII growth was muted at 4% QoQ with credit growth still muted*

*Opex continues to improve due to branch rationalization post-merger*

*Provisions remain high as slippage remain high*

*Business consolidation has continued in line of COVID and cautiousness on lending*

*NIMs steady as funding cost helping*

*Asset Quality ratios remains steady QoQ, PCR comes down marginally*

*CASA mix remains above 45%, supported by SA growth*

*Tier-1 ratio improved to 12.5%.*

## Key Q1FY22 Concall Highlights

### Business Operations

- Cost/Income Ratio has been decreasing and stood at 43.6% for Q1FY22, this on account of Branch Rationalization expects to rationalize 1000 Branches by end of FY22.
- The bank has been doing reversal of Deferred Tax Assets on account of utilization of accumulated losses of merged entities.
- Fee income has been impacted due to lesser available avenues for Non-Fund Based Requirements, however with the pickup in activities in Steel Sector, Warehousing & Cold storage, Bank expects the same to improve in coming quarters.

### Assets/Liabilities

- Bank expects Credit Growth to be 8% for FY22 with revival in sectors like Road, Steel, Cold Storage, Warehousing, Gas, Oil Refineries amongst others. Management expects the Credit/Deposit Ratio to be 69% by March'22.
- In the retail segment, ~95% of the customers are salaried & pensioners belonging from Government & IT Sector. The collection efficiency was impacted due to holding back of funds for unforeseen circumstances, hence bank expects recovery from the same in coming quarters.
- ECLGS disbursements are Rs.135bn.

### Asset quality

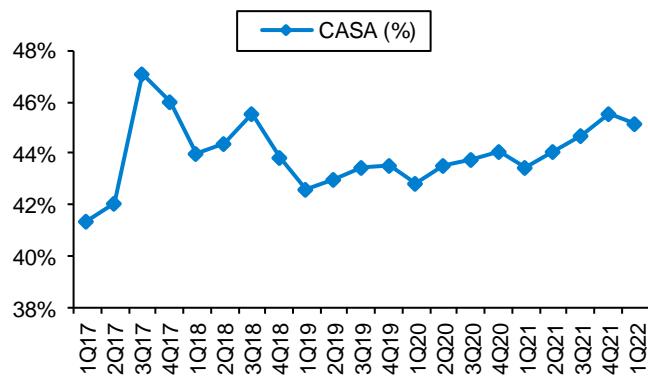
- Slippages are expected to moderate in coming quarters, with overall Slippages in the range of Rs. 180bn -200bn for FY22 (Including Q1FY22 Slippages of Rs.82.41bn)
- In Q1FY22, Slippages break-up was, Retail – Rs.15.48bn, Agri –Rs.21.49bn, MSME – Rs.31.22bn, Other – 14.22bn. Credit Cost for the quarter was 1.74% which is expected to hover around 1.50% for FY22. Bank expects recoveries from Retail in Q2&Q3, however MSME to take time upto Q4FY22 to recover.
- Upgrades & recoveries amounted to Rs. 82.70bn for Q1FY22, of which two major accounts amounted Rs.11bn.
- Management guides to bring NNPA below 5% by March'22.
- Bank has SMA above 0 of Rs.267bn, of which Rs.40bn is guaranteed by government and expects recovery from NCLT of Rs.52bn. Bank expects recoveries of Rs.30bn every quarter.

### Others:

- **Capital:** Management guided on taking enabling provisions for capital raising, however not approach the market as current capitalization levels are sufficient to support growth requirements.

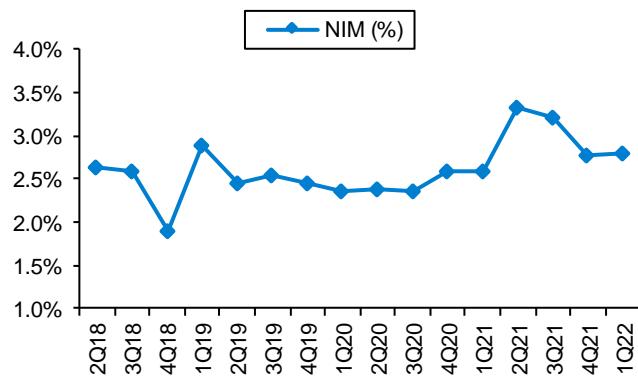
- **Digitization:** ~60% of the transactions are done digitally. Bank has been scaling up its tech initiatives. As a part of the pilot project, Bank has set up 3 digital branches where Customer Acquisition and Pre-Approved Personal loans are being done. Bank expects to setup 200 digital branches by March'22.
- **PNB Housing stake dilution—** Order of SAT is yet to be received and is reserved, further course of action shall depend on the outcome.

Exhibit 2: CASA ratio dips marginally



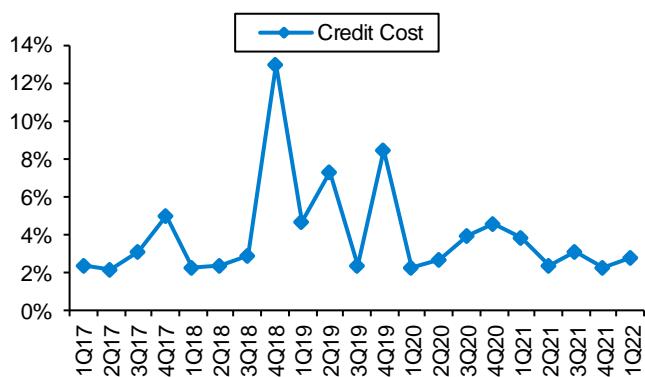
Source: Company, PL Note: Due to amalgamation onwards, numbers aren't comparable

Exhibit 3: Margins remain steady aided by Cost of Funds



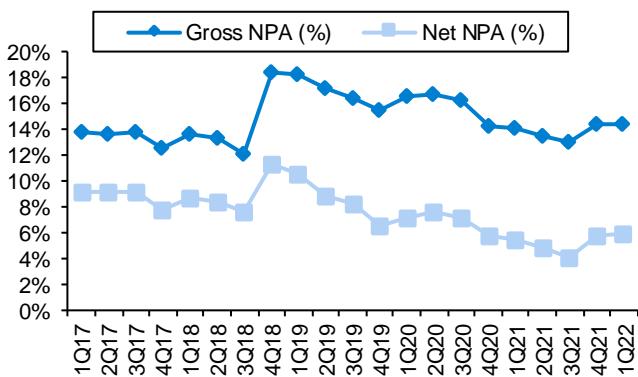
Source: Company, PL Note: Due to amalgamation onwards, numbers aren't comparable

Exhibit 4: Credit costs increases due to higher slippages, expected to moderate



Source: Company, PL Note: Due to amalgamation onwards, numbers aren't comparable

Exhibit 5: Asset quality remains steady as Covid 2.0 leads to higher slippages



Source: Company, PL Note: Due to amalgamation onwards, numbers aren't comparable

**Exhibit 6: Return ratios decomposition tree**

RoAE decomposition	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Interest income	7.46	6.81	6.46	6.66	6.70	7.72	6.28	6.45	6.56
Interest expenses	5.05	4.65	4.45	4.43	4.53	4.81	3.80	3.88	3.93
<b>Net interest income</b>	<b>2.41</b>	<b>2.16</b>	<b>2.01</b>	<b>2.23</b>	<b>2.17</b>	<b>2.91</b>	<b>2.48</b>	<b>2.57</b>	<b>2.64</b>
Treasury income	0.11	0.38	0.44	0.14	0.20	0.42	0.12	0.11	0.11
Other Inc. from operations	0.97	0.91	0.76	0.82	0.95	0.81	0.79	0.92	0.91
<b>Total income</b>	<b>3.49</b>	<b>3.45</b>	<b>3.20</b>	<b>3.18</b>	<b>3.33</b>	<b>4.14</b>	<b>3.44</b>	<b>3.61</b>	<b>3.65</b>
Employee expenses	1.01	0.78	1.23	0.90	0.87	1.16	1.07	0.99	1.01
Other operating expenses	0.56	0.57	0.58	0.59	0.62	0.78	0.59	0.68	0.70
<b>Operating profit</b>	<b>1.92</b>	<b>2.10</b>	<b>1.39</b>	<b>1.69</b>	<b>1.84</b>	<b>2.20</b>	<b>1.79</b>	<b>1.93</b>	<b>1.94</b>
Tax	(0.28)	0.10	(0.98)	(0.70)	0.05	0.14	0.15	0.32	0.36
Loan loss provisions	2.83	1.81	4.02	3.68	1.74	1.86	1.22	0.98	0.88
<b>RoAA</b>	<b>(0.63)</b>	<b>0.19</b>	<b>(1.65)</b>	<b>(1.29)</b>	<b>0.04</b>	<b>0.19</b>	<b>0.31</b>	<b>0.63</b>	<b>0.70</b>
<b>RoE</b>	<b>(10.87)</b>	<b>3.60</b>	<b>NA</b>	<b>NA</b>	<b>0.7</b>	<b>2.9</b>	<b>4.6</b>	<b>9.0</b>	<b>9.8</b>

Source: Company, PL

**Exhibit 7: We revise our TP to Rs.50 (from Rs47) based on 0.7x Sep'23 ABV  
(Rolled over from Mar'23 ABV)**

PT calculation and upside	
Market risk premium	7.0%
Risk-free rate	6.25%
Adjusted beta	1.12
Terminal Growth	5.0%
<b>Cost of equity</b>	<b>14.1%</b>
<b>Fair price - P/ABV</b>	
<b>Target P/ABV</b>	<b>0.7</b>
<b>Target P/E</b>	<b>5.9</b>
Current price, Rs	40
<b>Upside (%)</b>	<b>23%</b>
Dividend yield (%)	1%
<b>Total return (%)</b>	<b>25%</b>

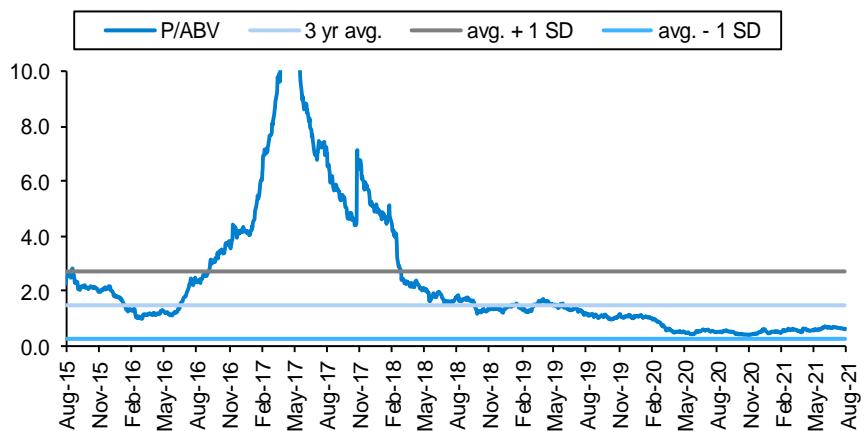
Source: Company Data, PL

**Exhibit 8: We adjust loan growth and credit cost estimates**

Earnings Estimate Changes (Rs mn)	Old			Revised			% Change		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY21E	FY22E	FY23E
Net interest income	3,22,737	3,47,974	-	3,17,587	3,43,675	3,74,572	(1.6)	(1.2)	-
Operating profit	2,34,479	2,43,516	-	2,39,690	2,57,875	2,76,123	2.2	5.9	-
Net profit	47,743	70,483	-	40,061	83,735	99,668	(16.1)	18.8	-
Loan Growth (%)	4.3	6.1	-	2.3	4.2	6.2	(2.0)	(1.9)	-
Credit Cost (bps)	220.0	180.0	-	250.0	180.0	160.0	30.0	-	-
EPS (Rs)	4.4	6.4	-	3.7	7.6	9.1	(15.3)	18.8	-
ABVPS (Rs)	62.7	72.0	-	59.0	69.4	81.3	(5.9)	(3.6)	-
<b>Price target (Rs)</b>	<b>47</b>			<b>50</b>			<b>5.4</b>		
<b>Recommendation</b>	<b>ACCUMULATE</b>			<b>BUY</b>					

Source: Company Data, PL

Exhibit 9: P/ABV one year forward chart



Source: Company, PL

Income Statement (Rs. m)					Quarterly Financials (Rs. m)				
Y/e Mar	FY21	FY22E	FY23E	FY24E	Y/e Mar	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Int. Earned from Adv.	5,33,512	5,17,539	5,40,131	5,78,294	Interest Income	2,09,458	2,03,247	1,87,895	1,89,209
Int. Earned from invt.	2,45,658	2,57,745	2,93,248	3,23,207	Interest Expenses	1,25,526	1,20,117	1,18,520	1,16,943
Others	9,341	7,592	5,017	4,674	<b>Net Interest Income</b>	<b>83,932</b>	<b>83,130</b>	<b>69,376</b>	<b>72,266</b>
Total Interest Income	8,07,498	8,04,902	8,63,078	9,32,042	YoY growth (%)	96.8	90.9	48.3	7.1
Interest Expenses	5,02,728	4,87,315	5,19,403	5,57,470	CEB	13,500	13,200	15,510	16,350
<b>Net Interest Income</b>	<b>3,04,770</b>	<b>3,17,587</b>	<b>3,43,675</b>	<b>3,74,572</b>	Treasury	-	-	-	-
Growth(%)	62.1	3.8	7.3	7.6	Non Interest Income	24,927	29,739	37,422	35,941
Non Interest Income	1,28,119	1,31,962	1,38,560	1,44,103	<b>Total Income</b>	<b>2,34,386</b>	<b>2,32,985</b>	<b>2,25,317</b>	<b>2,25,150</b>
Net Total Income	4,32,888	4,49,549	4,82,235	5,18,675	Employee Expenses	32,413	29,275	26,998	29,557
Growth(%)	48.3	0.1	6.9	7.4	Other expenses	19,698	19,685	23,457	17,663
Employee Expenses	1,21,757	1,25,410	1,32,935	1,43,569	Operating Expenses	52,110	48,960	50,454	47,220
Other Expenses	71,581	74,444	80,400	86,832	<b>Operating Profit</b>	<b>56,749</b>	<b>63,908</b>	<b>56,343</b>	<b>60,987</b>
Operating Expenses	2,03,087	2,09,859	2,24,361	2,42,553	YoY growth (%)	59.3	69.8	43.3	15.5
<b>Operating Profit</b>	<b>2,29,801</b>	<b>2,39,690</b>	<b>2,57,875</b>	<b>2,76,123</b>	Core Operating Profits	48,749	51,478	46,593	49,807
Growth(%)	55.9	4.3	7.6	7.1	NPA Provision	38,112	31,180	52,939	32,480
NPA Provision	1,70,595	1,70,243	1,26,264	1,17,869	Others Provisions	46,962	54,326	46,860	46,781
Total Provisions	1,95,007	1,78,992	1,31,003	1,25,110	Total Provisions	46,962	54,326	46,860	46,781
<b>PBT</b>	<b>34,794</b>	<b>60,698</b>	<b>1,26,871</b>	<b>1,51,012</b>	<b>Profit Before Tax</b>	<b>9,788</b>	<b>9,582</b>	<b>9,483</b>	<b>14,206</b>
Tax Provision	14,578	20,637	43,136	51,344	Tax	3,580	4,522	3,619	3,971
Effective tax rate (%)	41.9	34.0	34.0	34.0	<b>PAT</b>	<b>6,208</b>	<b>5,060</b>	<b>5,863</b>	<b>10,235</b>
<b>PAT</b>	<b>20,216</b>	<b>40,061</b>	<b>83,735</b>	<b>99,668</b>	YoY growth (%)	22.4	(202.8)	(184.1)	231.8
Growth(%)	501.3	98.2	109.0	19.0	<b>Deposits</b>	<b>1,06,97,471</b>	<b>1,08,21,557</b>	<b>1,10,63,325</b>	<b>1,09,76,489</b>
					YoY growth (%)	53.7	52.7	57.2	2.1
					<b>Advances</b>	<b>65,26,627</b>	<b>66,04,860</b>	<b>67,42,301</b>	<b>66,12,886</b>
					YoY growth (%)	52.5	55.2	42.9	0.8
Balance Sheet (Rs. m)					Key Ratios				
Y/e Mar	FY21	FY22E	FY23E	FY24E	Y/e Mar	FY21	FY22E	FY23E	FY24E
Face value	2	2	2	2	Y/e Mar	FY21	FY22E	FY23E	FY24E
No. of equity shares	10,478	11,011	11,011	11,011	CMP (Rs)	40	40	40	40
Equity	20,955	22,022	22,022	22,022	EPS (Rs)	2.3	3.7	7.6	9.1
Networth	9,09,373	9,69,433	10,44,359	11,33,017	Book Value (Rs)	80	82	88	96
Growth(%)	45.8	6.6	7.7	8.5	Adj. BV (70%)(Rs)	54	59	69	81
Adj. Networth to NNPAs	3,85,757	3,54,067	2,96,949	2,37,332	P/E (x)	17.1	10.8	5.3	4.4
Deposits	1,10,63,325	1,13,95,224	1,19,64,986	1,28,02,535	P/BV (x)	0.5	0.5	0.5	0.4
Growth(%)	57.2	3.0	5.0	7.0	P/ABV (x)	0.7	0.7	0.6	0.5
CASA Deposits	49,27,830	49,68,318	52,16,734	55,81,905	DPS (Rs)	-	-	0.8	1.0
% of total deposits	44.5	43.6	43.6	43.6	Dividend Payout Ratio (%)	-	-	10.5	11.0
<b>Total Liabilities</b>	<b>1,26,06,326</b>	<b>1,30,29,890</b>	<b>1,37,15,229</b>	<b>1,46,84,885</b>	Dividend Yield (%)	-	-	2.0	2.5
Net Advances	67,42,301	68,77,147	71,52,233	75,81,367	<b>Efficiency</b>				
Growth(%)	42.9	2.0	4.0	6.0	<b>Y/e Mar</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Investments	39,29,833	42,88,020	46,43,152	50,55,695	Cost-Income Ratio (%)	46.9	46.7	46.5	46.8
<b>Total Assets</b>	<b>1,26,06,326</b>	<b>1,30,29,890</b>	<b>1,37,15,229</b>	<b>1,46,84,885</b>	C-D Ratio (%)	60.9	60.4	59.8	59.2
Growth (%)	51.8	3.4	5.3	7.1	Business per Emp. (Rs m)	175	179	188	200
<b>Asset Quality</b>					Profit per Emp. (Rs lacs)	2	4	8	10
Y/e Mar	FY21	FY22E	FY23E	FY24E	Business per Branch (Rs m)	1,653	1,697	1,775	1,893
Gross NPAs (Rs m)	10,44,238	9,80,205	8,61,511	7,50,393	Profit per Branch (Rs m)	2	4	8	9
Net NPAs (Rs m)	3,85,757	3,54,067	2,96,949	2,37,332	<b>Du-Pont</b>				
Gr. NPAs to Gross Adv. (%)	14.1	13.1	11.2	9.3	<b>Y/e Mar</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Net NPAs to Net Adv. (%)	5.7	5.1	4.2	3.1	NII	3.10	2.65	2.75	2.83
NPA Coverage %	63.1	63.9	65.5	68.4	Total Income	4.40	3.75	3.86	3.91
<b>Profitability (%)</b>					Operating Expenses	2.07	1.75	1.80	1.83
Y/e Mar	FY21	FY22E	FY23E	FY24E	PPoP	2.34	2.00	2.07	2.08
NIM	3.1	2.7	2.8	2.8	Total provisions	1.98	1.49	1.05	0.94
RoAA	0.2	0.3	0.6	0.7	RoAA	0.21	0.33	0.67	0.75
RoAE	2.6	4.3	8.3	9.2	RoAE	2.86	4.62	8.96	9.80
Tier I	11.5	12.3	13.0	13.5					
CRAR	14.3	15.0	15.6	16.0					

Source: Company Data, PL Research

Source: Company Data, PL Research

## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Jul-21	Accumulate	47	42
2	06-Apr-21	Accumulate	43	37
3	09-Feb-21	Accumulate	43	38
4	11-Jan-21	Hold	37	35
5	04-Nov-20	Hold	30	28
6	09-Oct-20	BUY	40	29
7	25-Aug-20	Hold	37	35

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	860	756
2	Bank of Baroda	BUY	100	86
3	Federal Bank	Accumulate	97	85
4	HDFC Bank	BUY	1,870	1,522
5	HDFC Life Insurance Company	Hold	725	679
6	ICICI Bank	BUY	815	677
7	ICICI Prudential Life Insurance Company	Accumulate	670	605
8	IDFC First Bank	Reduce	45	52
9	IndusInd Bank	BUY	1,280	976
10	Kotak Mahindra Bank	Accumulate	1,960	1,741
11	Max Financial Services	Accumulate	1,120	1,051
12	Punjab National Bank	Accumulate	47	42
13	SBI Life Insurance Company	BUY	1,250	1,077
14	South Indian Bank	Hold	11	11
15	State Bank of India	BUY	480	430

PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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