

Banking & NBFC's Q1'12 Earnings review – Burden gets heavier !



Top Picks – HDFC Limited
,HDFC Bank, YES Bank,
LIC Housing Finance.

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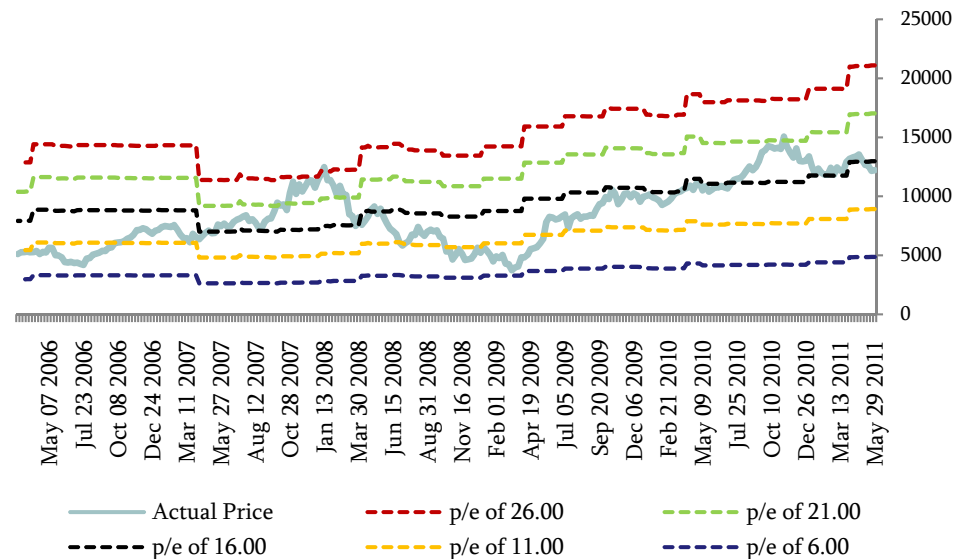
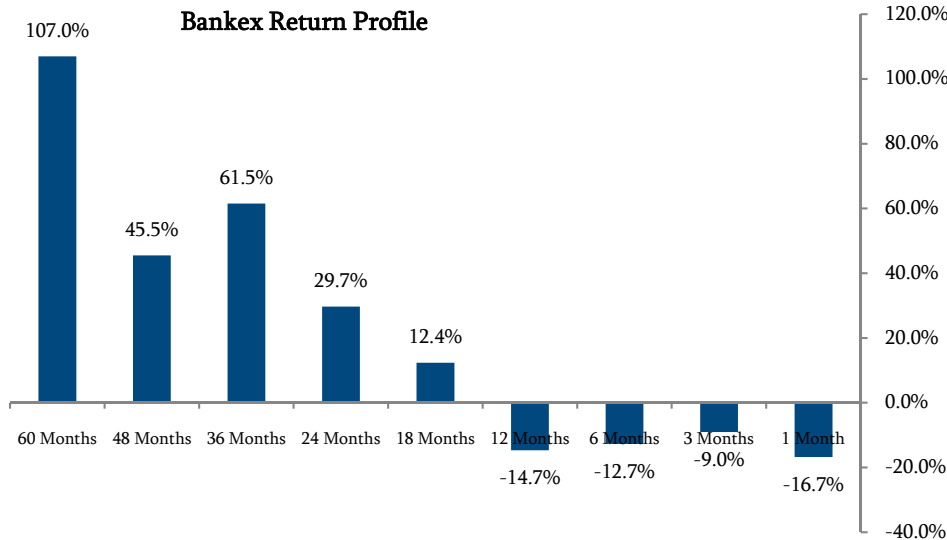
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Indian BFSI –fundamentally attractive ,bogged down by market sentiment.

The last few months saw unprecedented price erosion in Indian equity with banking contributes a significant chunk of it. Firstly, it was Domestic concerns related to Political & Policy paralysis which resulted into execution delays, hold on many sector specific bills. Secondly, deteriorating macro environment due to persistent inflation (over 9% for last 11 months) and rising interest rates which took a toll on IIP growth and corporate balance sheets, calling for several downgrades of corporate earnings outlook and the GDP growth rate. The third and the latest bout of selling were fuelled by fear of the unknown or rather replication of the financial crisis that may affect stock markets severely due to US downgrade by S&P and general economic slowdown in US & Euro zone. However, amidst all these noises, domestic macro got a boost from cooling down of Brent crude from US\$ 125 /bbl to US\$ 104 /bbl (declined by 16.8% from the recent peak). Any further sustainable cooling of crude prices would augur well for Indian economy as Policy makers have to think twice before hiking the key rates further. *Now if we assume that we are at the last leg of rate hike cycle in India (keeping in mind the ground realities and negative data flows from IIP & PMI), then Indian banking right now presents the right valuation level for long term investment (more than 18 months time horizon). We may see asset quality side pressure with rising delinquencies, higher proportion of restructured assets (as % of Advances) and higher slippages till Q3'12. However most of these are manageable. Beside that Indian banks are better capitalized and less exposed to unsecured segment this time . We believe global uncertainties may present more downside risk to our sector call.*



Source: Bloomberg, ACE Equity, Microsec Research

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Price correction for PSU & Private banks differ in timing. PSU banks (Ex -SBI) started to correct much before than their private peers despite some strong results. Axis Bank has 20% exposure towards sensitive sectors. If we take 40% slippages (8% of loans) over H1'FY13, the current MCE/Advances seems unjustified. Similarly Price correction for ICICI Bank, Kotak Mahindra Bank, IndusInd Bank looks much more than the actual problem. Now if we take the example of PNB, exposure to troublesome sectors (Power, Textile, CRE, Aviation & SME) is around 34% . So a 40% slippage in worst case would mean NPL formation to the tune of 14% over FY13. However the bank would definitely try to restructure it. For PSU banks, average MCE/Advances for last 6 months stood at 17%. So we feel the correction for domestic troubles are overdone and already in the price. Global risk is the main risk from here on for Indian Banks.

INR Mn	Q1'12 Advances	latest Market Cap	Market Cap 1 M Ago	Market Cap Erosion (MCE)	MCE/Advances
Kotak Mahindra Bank Ltd.	293293.07	317211.21	358024.20	40812.99	13.92%
ICICI Bank Ltd.	2206930.30	980493.88	1230926.53	250432.65	11.35%
Axis Bank Ltd.	1318996.60	433026.65	534386.90	101360.25	7.68%
Development Credit Bank Ltd.	39557.00	9240.36	11963.28	2722.92	6.88%
IndusInd Bank Ltd.	283840.00	110394.87	128809.05	18414.18	6.49%
HDFC Bank Ltd.	1755159.90	1057397.27	1170195.24	112797.97	6.43%
Yes Bank Ltd.	343636.40	92973.17	114911.83	21938.67	6.38%
Federal Bank Ltd.	319532.30	60636.34	78262.78	17626.44	5.52%
Karur Vysya Bank Ltd.	178144.60	38760.39	45574.28	6813.89	3.82%
ING Vysya Bank Ltd.	236021.40	45876.21	54760.96	8884.75	3.76%
State Bank Of India	7567194.50	1309050.42	1583719.23	274668.81	3.63%
City Union Bank Ltd.	92554.60	17387.05	20335.73	2948.68	3.19%
Karnataka Bank Ltd.	173480.70	17870.12	23271.15	5401.03	3.11%
Dhanalakshmi Bank Ltd.	96740.00	6257.52	9207.49	2949.97	3.05%
Bank Of Baroda	2323400.60	286944.54	352920.06	65975.51	2.84%
Bank Of India	2130961.80	167414.26	227035.27	59621.01	2.80%
Lakshmi Vilas Bank Ltd.	80944.23	9947.64	12088.33	2140.69	2.64%
Punjab National Bank	2421066.70	310396.71	370511.82	60115.11	2.48%
Canara Bank	2124671.70	185927.10	231600.40	45673.30	2.15%
Union Bank Of India	1509860.80	131214.19	162123.58	30909.40	2.05%
Indian Bank	752499.06	85996.98	100995.95	14998.97	1.99%
Allahabad Bank	936248.90	86409.29	103838.77	17429.48	1.86%
Indian Overseas Bank	1118329.78	69299.93	89192.72	19892.79	1.78%
Oriental Bank Of Commerce	959082.17	85544.38	102379.00	16834.62	1.76%
South Indian Bank Ltd.	204887.30	23561.85	27121.56	3559.70	1.74%
IDBI Bank Ltd	1570980.70	106677.95	133015.15	26337.20	1.68%
State Bank Of Bikaner & Jaipur	412066.50	28035.00	34485.50	6450.50	1.57%
State Bank Of Mysore	305793.50	24616.69	29390.27	4773.58	1.56%
Syndicate Bank	1089275.70	53774.20	69883.52	16109.33	1.48%
Jammu & Kashmir Bank Ltd.	264034.70	38190.81	41807.26	3616.44	1.37%
Central Bank Of India	1297254.07	65177.92	82215.99	17038.08	1.31%
United Bank of India	526068.70	26175.97	32995.50	6819.53	1.30%
State Bank Of Travancore	409787.89	30077.50	35337.50	5260.00	1.28%
UCO Bank	990708.10	43079.07	55441.17	12362.09	1.25%
Vijaya Bank Ltd	487186.30	27414.67	33133.94	5719.27	1.17%
Punjab & Sind Bank	426378.50	17164.16	21658.74	4494.58	1.05%
Andhra Bank	714353.58	69611.80	76662.51	7050.71	0.99%
Bank Of Maharashtra	468807.70	23772.51	26470.10	2697.59	0.58%
Dena Bank	448280.50	27121.20	29404.92	2283.72	0.51%

as on 22nd August'11 Source: Company, ACE Equity, Microsec Research

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Coverage V/S Sector Performance

Q1'12	NII		Total Income		PPP		PAT		GNPA		NNPA	
	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%
Private banks	-4.4%	21.9%	6.9%	40.4%	-4.3%	20.8%	-7.3%	-2.3%	2.0%	1.7%	12.9%	25.0%
Microsec Coverage	1.1%	22.6%	6.9%	49.4%	-8.1%	18.1%	-1.3%	33.0%	-8.0%	4.5%	-16.9%	-28.9%

Q1'12	NII		Total Income		PPP		PAT		GNPA		NNPA	
	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%
Public banks	-3.0%	16.6%	5.8%	31.8%	31.5%	12.7%	312.5%	-3.3%	11.3%	33.1%	11.7%	43.3%
Microsec Coverage	3.3%	27.7%	7.7%	36.7%	-13.5%	33.6%	-43.1%	9.7%	16.3%	9.9%	11.2%	-3.9%

Q1'12	Net sales & Other Operating Income		Other Income		Operating Profit		PBT		PAT	
	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%
NBFCs	6.4%	77.7%	658.5%	174.0%	50.3%	69.2%	13.0%	39.7%	24.8%	23.1%
Microsec Coverage	8.5%	47.1%	2061.4%	423.4%	6.2%	57.6%	-11.3%	38.5%	-11.0%	38.8%

Source: Company, ACE Equity, Microsec Research

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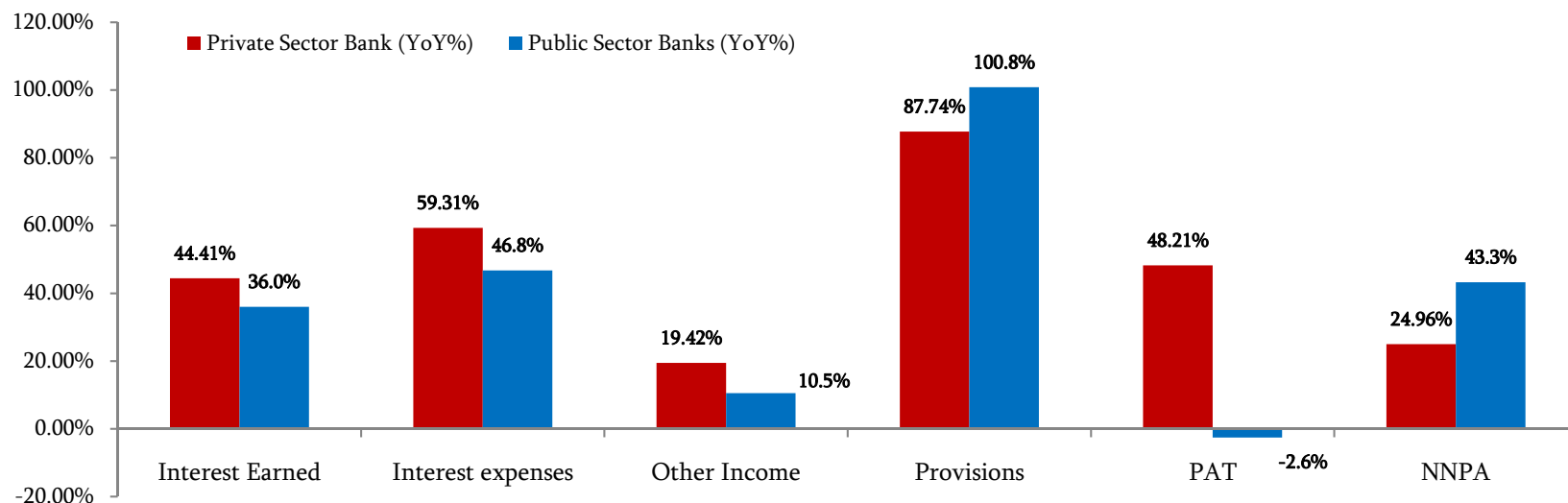
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Banking Quarterly Performance Analysis (Q1'12) – Pressure on asset quality visible

Banking sector profit for the first quarter ending June 2011 reported a 0.4% (Ex SBI) QoQ increase and a 22.8% YoY growth over the quarter ending June 2010. Private sector banks have again relatively performed better than PSU banks in terms of gaining market share and reporting strong bottom-line numbers. The PSU bottomline numbers were relatively subdued due to higher provisioning for bad loans (mainly due to system based recognition). We may see this pressure continue for Q2'12 as small ticket loans (less than INR 0.5 Mn) for most PSU banks are still to be system driven which may throw some negative surprises.

Among the consortium, the highest YoY % increase in net profit for June 2011 quarter was reported by **Development Credit Bank (DCB) & Indusind Bank** among the private sector banks. Among PSU Banks, the highest increase in net profit in YoY % term for Q1'12 was observed in the case of **IDBI Bank & Syndicate Bank**.

On the asset quality front, Private sector saw an increase in Net NPA by 12.86% QoQ and 24.96% on a YoY basis. In case of PSBs, asset quality worsened in Q1'12 by 11.7% QoQ and 43.3% YoY. Among the PSBs, **Bank of Maharashtra** had shown the best performance in terms of asset quality improvement. The bank's NNPA declined by 14.2% QoQ and 36.4% on a YoY basis. Among the private sector banks, **YES Bank** has shown the best improvement on asset quality improvement front, closely followed by **ING Vysya Bank and Dhanalaxmi bank**.



* Excluding associates of SBI

Source: Bloomberg, Microsec Research

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Quarterly Performance Analysis (Appendix 1)

Private Sector Banks	Interest Earned		Interest expenses		Other Income		Provisions & Contingencies		PAT		CAR (BPS)		GNPA		NNPA		
	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	
Q1'12																	
Axis Bank Ltd.	11.79%	46.78%	18.44%	74.26%	-19.48%	16.70%	-30.88%	-47.20%	-7.62%	27.02%	-12	-201	-1.64%	17.32%	12.70%	11.87%	
City Union Bank Ltd.	7.24%	38.89%	10.63%	43.44%	1.92%	42.83%	-44.88%	22.28%	13.84%	31.87%	-53	-84	4.10%	25.32%	0.95%	25.60%	
Development Credit Bank Ltd.	9.05%	34.77%	11.95%	43.14%	-19.86%	-21.68%	-4.29%	-68.54%	-22.17%	403.8%	-33	-88	-0.47%	-16.46%	22.34%	-42.58%	
Dhanalakshmi Bank Ltd.	6.54%	87.85%	22.38%	110.62%	19.25%	79.93%	1.16%	373.40%	-69.51%	-43.62%	-40	39	-8.39%	-18.77%	-20.50%	-45.89%	
Federal Bank Ltd.	13.15%	30.78%	20.32%	45.78%	-17.20%	6.38%	68.75%	0.48%	-14.88%	10.84%	-122	-232	13.20%	24.53%	23.64%	17.49%	
HDFC Bank Ltd.	9.32%	35.26%	19.05%	55.03%	-10.81%	13.04%	2.85%	-20.07%	-2.66%	33.67%	70	60	8.19%	2.34%	7.45%	-22.79%	
ICICI Bank Ltd.	6.46%	31.07%	12.07%	36.27%	0.14%	-2.24%	18.31%	-43.11%	-8.26%	29.85%	3	-63	-0.51%	1.56%	-4.35%	-33.38%	
IndusInd Bank Ltd.	11.04%	50.94%	17.22%	62.77%	18.59%	33.82%	10.78%	-8.51%	4.90%	51.99%	-90	128	16.33%	12.38%	15.05%	1.56%	
ING Vysya Bank Ltd.	12.08%	48.18%	19.71%	74.14%	-17.59%	12.95%	45.43%	-85.87%	2.98%	36.10%	295	135	-2.32%	-17.05%	-8.69%	-67.44%	
Jammu & Kashmir Bank Ltd.	4.15%	21.97%	3.44%	23.76%	-43.71%	-28.49%	-41.16%	-36.48%	31.56%	25.29%	65	-177	1.83%	17.21%	9.60%	569.15%	
Karnataka Bank Ltd.	3.58%	27.67%	16.22%	25.39%	-0.29%	8.94%	-	1228.41%	321.06%	-45.19%	7.10%	-28	74	-3.54%	19.19%	20.55%	96.11%
Karur Vysya Bank Ltd.	9.94%	41.14%	16.45%	52.28%	16.61%	42.17%	1252.88%	1006.18%	1.22%	38.14%	42	31	20.57%	16.22%	179.96%	59.73%	
Kotak Mahindra Bank Ltd.	7.88%	48.18%	24.69%	83.70%	19.53%	40.61%	-407.89%	-60.63%	1.34%	34.85%	-177	136	2.02%	-20.88%	1.12%	-30.71%	
Lakshmi Vilas Bank Ltd.	13.92%	35.35%	24.20%	48.02%	-29.66%	26.94%	-29.28%	113.98%	-10.21%	5.12%	-113	-192	10.70%	-36.16%	11.00%	-61.51%	
South Indian Bank Ltd.	9.24%	42.32%	16.94%	51.24%	-14.63%	23.93%	-21.09%	24.79%	0.88%	41.15%	-50	-248	2.64%	5.97%	5.78%	-1.96%	
Yes Bank Ltd.	14.47%	89.33%	19.59%	119.11%	-11.50%	14.91%	-96.51%	-87.98%	6.24%	38.19%	-28	-35	-30.50%	-6.26%	-70.82%	-75.92%	

Source: Bloomberg, Microsec Research

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Quarterly Performance Analysis (Appendix 2)

Public Sector Banks	Interest Earned		Interest expenses		Other Income		Provisions & Contingencies		PAT		CAR (bps)		GNPA		NNPA		
	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	QoQ%	YoY%	
Q1'12																	
Allahabad Bank	13.8%	47.7%	20.7%	52.9%	-39.1%	-4.2%	-31.3%	111.6%	62.3%	20.4%	-21	-80	-2.6%	40.8%	-20.1%	90.8%	
Andhra Bank	11.5%	41.2%	14.8%	52.7%	-27.4%	4.2%	-41.5%	240.4%	23.3%	20.4%	-115	-2	18.2%	103.1%	23.3%	98.8%	
Bank Of Baroda	4.7%	40.3%	16.5%	51.1%	-23.2%	3.8%	-33.8%	55.6%	-20.2%	20.2%	-142	-15	8.7%	28.9%	29.5%	42.8%	
Bank Of India	5.2%	37.6%	19.8%	55.5%	-19.8%	12.7%	18.8%	47.0%	4.8%	-28.6%	-60	-172	20.4%	20.8%	38.3%	30.5%	
Bank Of Maharashtra	6.4%	28.4%	8.5%	21.0%	10.5%	30.7%	864.6%	131.3%	75.8%	3.0%	-76	20	-2.2%	-21.3%	-14.2%	-36.4%	
Canara Bank	11.9%	39.1%	21.2%	56.9%	-43.5%	-28.2%	-36.9%	56.6%	-19.3%	-28.4%	-201	93	16.7%	41.5%	22.3%	66.0%	
Central Bank Of India	7.7%	33.6%	15.1%	40.8%	-46.1%	14.0%	28.3%	100.6%	111.6%	-16.6%	100	-12	20.4%	10.4%	27.7%	32.7%	
Corporation Bank	16.6%	49.9%	26.6%	70.7%	-40.9%	-5.4%	-37.9%	32.1%	1.8%	5.3%	-6	-106	7.3%	16.7%	3.5%	49.2%	
Dena Bank	8.6%	37.1%	15.5%	43.4%	-31.2%	16.1%	-47.1%	52.9%	7.1%	21.1%	-27	127	-5.3%	-0.5%	-16.2%	-18.3%	
IDBI Bank Ltd	12.0%	31.5%	14.3%	30.2%	-36.2%	-8.9%	51.0%	-15.1%	-35.1%	33.6%	19	197	18.1%	24.5%	15.2%	20.4%	
Indian Bank	7.2%	32.5%	18.1%	46.5%	-8.2%	-34.0%	39.6%	-48.5%	-7.3%	10.5%	-53	53	8.9%	-18.5%	5.7%	-18.0%	
Indian Overseas Bank	13.0%	49.7%	21.1%	59.3%	-11.8%	57.9%	22.2%	609.2%	-52.7%	2.6%	-117	-81	6.5%	-7.8%	-5.3%	-29.9%	
Oriental Bank Of Commerce	11.3%	27.0%	16.2%	45.4%	8.0%	50.8%	-43.9%	37.8%	6.3%	-2.4%	-59	120	5.9%	36.1%	12.9%	72.0%	
Punjab & Sind Bank	9.9%	38.8%	18.3%	52.7%	-22.0%	-36.9%	-2.7%	22.4%	-50.8%	-57.0%	40	24	25.1%	157.5%	39.0%	183.6%	
Punjab National Bank	11.8%	39.2%	17.9%	54.2%	-5.4%	21.5%	22.7%	67.3%	-8.0%	3.4%	-2	-137	11.7%	35.4%	2.6%	62.9%	
State Bank Of India	11.4%	31.1%	6.1%	30.0%	-26.6%	-4.2%	0.0%	168.0%	7484.1%	-45.7%	-38	-194	9.6%	33.3%	0.7%	12.3%	
Syndicate Bank	7.5%	30.5%	14.4%	39.5%	14.5%	35.3%	-7.5%	39.2%	18.5%	29.2%	-95	-28	1.5%	21.3%	-1.3%	3.3%	
UCO Bank	10.9%	27.3%	16.6%	49.4%	-5.7%	45.0%	-9.1%	-17.2%	29.5%	12.4%	-29	-10	6.7%	74.2%	11.8%	121.9%	
Union Bank Of India	6.5%	33.4%	14.7%	42.3%	-19.4%	11.3%	179.5%	117.2%	-22.3%	-22.8%	-7	29	3.4%	36.9%	5.0%	64.7%	
United Bank of India	4.0%	27.9%	6.4%	36.7%	-22.5%	40.8%	-23.2%	28.3%	-7.5%	22.8%	18	24	13.2%	8.0%	15.9%	10.7%	
Vijaya Bank Ltd	11.0%	32.3%	20.5%	50.6%	17.9%	-1.3%	169.8%	280.5%	33.2%	-58.4%	-84	-170	15.1%	49.0%	12.3%	48.5%	

Source: Bloomberg, Microsec Research

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Key Financial Snapshot (Appendix 3)

Private Banks	CMP	52Wk High	52Wk Low	Loan to Deposit (Mar'11)*	Interest Earned to Expended	P/B TTM	P/E TTM	P/BV 3Yr Avg	Dvd Yld(%)	CAR (%) (Mar'11)	NNPA (Jun'11) (%)*	Qtrly ROA (%)
Axis Bank	1173.00	1608.00	1023.40	75.25	1.55	2.41	13.47	2.53	1.19	12.53	0.31	0.40
City Union Bank	44.90	54.05	36.30	71.67	1.48	1.71	7.97	1.18	1.89	12.22	0.51	0.39
Dev.Credit Bank	46.95	76.70	38.60	76.14	1.47	1.65	28.34	1.40	0.00	12.92	1.19	0.12
Dhanalaksh.Bank	82.50	212.50	78.25	72.35	1.25	0.83	29.98	1.29	0.61	11.40	0.23	0.02
Federal Bank	366.25	501.00	326.00	74.28	1.59	1.19	10.42	0.82	2.32	15.57	0.74	0.29
HDFC Bank	466.80	519.50	396.00	76.70	1.91	4.09	25.96	3.66	0.71	16.90	0.20	0.40
ICICI Bank	910.55	1277.00	908.20	95.91	1.46	1.86	19.23	1.55	1.54	19.57	1.04	0.33
IndusInd Bank	245.25	309.30	181.00	76.14	1.50	2.86	17.92	2.10	0.82	14.99	0.30	0.40
ING Vysya Bank	319.65	443.90	283.00	78.17	1.43	1.81	13.92	1.60	0.94	15.89	0.35	0.24
J & K Bank	818.50	938.00	694.80	58.63	1.71	1.08	6.09	1.04	3.18	14.37	0.22	0.37
Karnataka Bank	97.35	192.97	94.75	63.46	1.29	0.74	8.81	1.05	3.08	13.05	1.87	0.16
KVB Bank	362.80	508.13	350.00	72.06	1.42	1.73	8.69	1.29	3.31	14.83	0.21	0.41
Kotak Mah. Bank	445.85	529.50	333.25	100.23	1.75	4.67	37.27	4.84	0.11	18.15	0.66	0.47
Lak. Vilas Bank	105.95	142.80	85.05	72.60	1.38	1.24	10.10	0.95	2.36	12.06	0.98	0.18
South Ind.Bank	21.95	29.70	17.45	68.94	1.36	1.40	7.83	0.98	2.28	13.51	0.29	0.26
Yes Bank	289.75	388.00	233.55	74.80	1.34	2.52	12.85	2.50	0.86	16.22	0.01	0.37

Source: Accord *Bloomberg

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Key Financial Snapshot (Appendix 4)

Public Banks	CMP	52Wk High	52Wk Low	Loan to Deposit (Mar'11)*	Interest Earned to Expended	P/B TTM	P/E TTM	P/BV 3Yr Avg	Dvd Yld(%)	CAR (%) (Mar'11)	NNPA (Jun'11) (%)*	Qtrly ROA (%)
Allahabad Bank	187.65	270.90	183.00	70.99	1.50	1.11	5.98	0.74	3.20	12.75	0.60	0.28
Andhra Bank	130.00	190.15	124.35	77.52	1.53	1.06	5.46	0.96	4.23	13.23	0.45	0.36
Bank of Baroda	792.75	1050.00	778.20	74.87	1.53	1.41	7.03	1.05	2.08	13.10	0.44	0.28
Bank of India	321.10	588.00	316.35	71.30	1.38	1.06	7.69	1.29	2.18	11.57	1.27	0.15
Bank of Maha	51.05	84.95	48.25	70.13	1.56	0.80	7.36	0.85	3.92	12.59	1.15	0.17
Canara Bank	431.25	844.00	405.45	72.27	1.33	1.02	5.11	1.04	2.55	13.37	1.34	0.22
Central Bank	103.80	211.86	101.30	72.33	1.41	1.15	5.61	0.96	2.41	12.68	0.87	0.14
Corporation Bank	444.70	814.85	435.15	74.39	1.31	0.88	4.60	0.89	4.50	14.05	0.52	1.04
Dena Bank	80.85	151.00	77.20	69.82	1.41	0.74	4.21	0.78	2.72	13.14	1.08	0.24
IDBI bank	112.20	202.25	111.15	87.04	1.26	0.85	6.37	0.80	3.12	13.83	1.25	0.14
Indian Bank	211.85	316.50	197.00	71.12	1.59	1.09	5.19	1.10	3.54	13.03	0.51	0.33
IOB	119.00	176.35	116.15	77.00	1.42	0.85	6.83	0.98	4.20	13.38	1.08	0.11
Oriental Bank	316.15	545.00	280.00	68.97	1.39	0.87	6.17	0.76	3.29	13.64	1.09	0.22
Punjab & Sind Bank	82.65	149.70	81.50	71.39	1.30	0.63	3.50	0.00	2.42	13.34	0.77	0.09
Punjab Natl.Bank	1042.40	1395.00	971.00	77.38	1.60	1.56	7.39	1.48	2.11	12.40	0.86	0.29
St Bk of India	2174.85	3515.00	2123.00	81.03	1.67	2.07	19.92	1.74	1.38	11.60	1.61	0.13
Syndicate Bank	105.30	164.20	98.05	78.75	1.49	0.86	5.36	0.81	3.51	12.09	0.93	0.23
UCO Bank	71.70	152.35	71.35	68.19	1.31	0.83	4.79	0.84	4.18	13.51	2.15	0.19
Union Bank (I)	265.45	426.80	259.50	74.58	1.48	1.21	7.16	1.33	3.01	12.88	1.32	0.22
United Bank of India	82.30	152.20	81.50	68.73	1.45	0.77	5.17	0.25	2.67	13.23	1.67	0.15
Vijaya Bank	59.10	115.35	56.80	66.51	1.31	0.82	6.61	0.74	4.23	13.04	1.65	0.09

Source: Accord *Bloomberg

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Microsec Coverage

Particulars				EPS				BVPS				P/E				P/BV			
	CMP	Target	Reco	FY10	FY11	FY12E	FY13E	FY10	FY11	FY12E	FY13E	FY10	FY11	FY12E	FY13E	FY10	FY11	FY12E	FY13E
Bankex (TTM)	10763.0			700.0	812.0	923.0	1057.0	5134.0	5575.0	6015.0	6613.0	15.38	13.25	11.66	10.18	2.10	1.93	1.79	1.63
Axis Bank	1072.0	1529	S. BUY	62.1	82.5	96.8	121.8	395.6	462.7	533.0	637.0	17.27	12.99	11.08	8.80	2.71	2.32	2.01	1.68
HDFC Bank	462.0	515	HOLD	12.8	16.9	21.3	27.8	94.0	109.1	121.4	144.2	36.09	27.37	21.69	16.62	4.91	4.23	3.81	3.20
YES Bank	262.4	358	S. BUY	14.1	21.0	26.9	33.6	91.0	109.3	128.5	155.4	18.66	12.53	9.75	7.82	2.89	2.40	2.04	1.69
DCB	43.9	68.5	S. BUY	-3.9	1.1	1.7	3.0	27.0	30.6	33.2	34.2	NA	41.03	25.82	14.49	1.63	1.43	1.32	1.28
IOB	111.3	190	S. BUY	13.0	17.3	18.8	24.4	119.7	137.0	149.4	169.4	8.56	6.42	5.91	4.56	0.93	0.81	0.74	0.66
IDBI	106.4	175	S. BUY	14.1	16.7	22.9	27.3	103.3	128.6	133.5	177.3	7.55	6.37	4.64	3.90	1.03	0.83	0.80	0.60
S.B.T	600.0	768	BUY	137.0	148.0	162.0	178.0	568.0	692.0	730.0	768.0	4.38	4.05	3.70	3.37	1.06	0.87	0.82	0.78
REC	172.4	286	S. BUY	23.1	26.3	28.6	35.6	112.2	129.6	142.9	164.3	7.48	6.56	6.03	4.85	1.54	1.33	1.21	1.05
HDFC Ltd.	639.0	746	BUY	19.7	24.1	28.7	34.6	106.0	118.0	135.0	151.3	32.44	26.51	22.26	18.47	6.03	5.42	4.73	4.22
LICHFL	207.0	238	HOLD	15.5	20.5	25.3	31.4	70.5	87.8	104.8	118.5	13.35	10.08	8.17	6.58	2.94	2.36	1.98	1.75
GRUH Finance	467.0	470	HOLD	18.6	26.0	27.9	31.8	75.8	90.4	119.0	141.6	25.11	17.94	16.74	14.69	6.16	5.17	3.92	3.30
Dewan	198.5	346	S. BUY	19.8	26.4	28.9	36.4	106.2	127.1	155.8	185.6	10.03	7.52	6.87	5.45	1.87	1.56	1.27	1.07
MAX India	175.2	210	BUY	-3.1	0.4	0.7	1.6	93.8	97.6	98.6	101.0	NA	473.51	250.29	109.50	1.87	1.80	1.78	1.73
Bajaj Finance	643.3	950	S. BUY	24.4	67.4	77.8	109.1	314.5	370.8	440.0	542.0	26.36	9.54	8.27	5.89	2.05	1.73	1.46	1.19

S.BUY – Strong BUY, SBT – State Bank Of Travancore

Source: Company, ACE Equity, Microsec Research

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Notes

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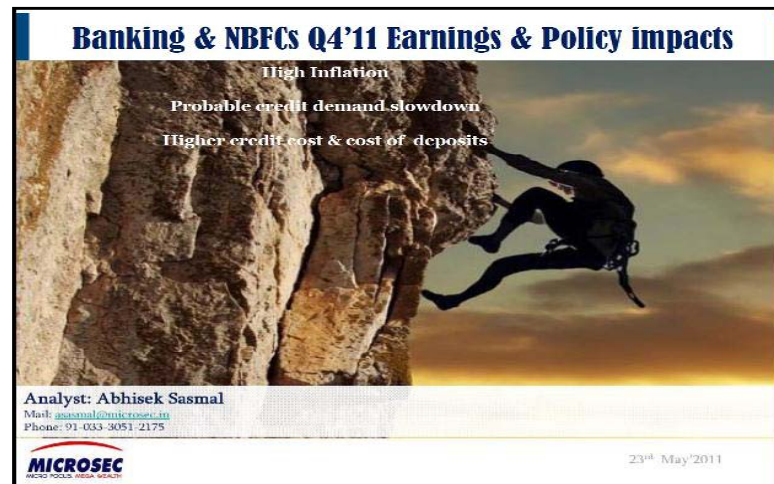
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23rd August 2011

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Strong BUY	More than 20%
BUY	Between 10% and 20%
Hold	Between 0% and 10%
Underperform	Negative return up to -10%
Sell	Less than -10%

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