Mid-Cap Conference-Banks

Near-term stress inevitable; long-term focus on retailization and improving shock buffers

We hosted five small to mid-sized private banks, Equitas, South Indian, Karnataka, Karur Vysya and CSB Bank, at our 'Millions Under Billion' conference held during Feb 17-19 to understand their perspective on growth/asset quality in the near term and their long-term business plans. CSB witnessed decent investor interest, while SIB had a moderate interest but we believe could be a potential long-term turnaround story.

- **Growth remains sub-par due to corporate de-bulking; focus shifting towards retailization of balance sheet:** Most small and mid-sized private banks (barring CSB and Equitas) have reported sub-par growth (<15-20%) in the past few quarters, given their focus on corporate de-bulking (consortium loans) after being hit by lumpy NPAs and their traditional key forte SMEs too reeling under prolonged stress. That said, focus of these banks, like their large peers, is also shifting to retailization of assets/liabilities. On the liability front, CASA ratios have improved across banks, benefiting from sector-wide SA accretion due to the flight to safety and shedding of bulk deposits. Kerala-based CSB has also expressed interest for an inorganic acquisition (PSB/PVB) to mainly strengthen its liability franchise and gain scale. Within retail assets, gold loan is re-emerging as a preferred product across banks, followed by affordable housing, due to the favorable risk-return profile. Most small to mid-sized banks (in our conference/Q3 results call) have guided for growth acceleration from H2FY22, led by retail/SME, once the stress recognition is behind. Among these banks, we believe that Equitas, Federal Bank and CSB are expected to clock better and quicker growth.
- **Legacy corporate stress behind; ECLGS/restructuring to limit SME stress in near term**: Most banks said that legacy large corporate stress is largely behind, while signs of resolutions in some of these corporates are visible (namely DHFL, ILFS), which should benefit corporate-heavy banks like KVB/SIB to some extent. SMEs have been reeling under stress due to multiple shocks (including DeMo/GST), and Covid-19 has accentuated the pain. Bankers believe that the combination of ECLGS/RSA should limit NPA formation in SMEs for the near term, but they will need a sustained and strong economic revival to limit any tail-end risk. Our analysis suggests that restructuring rates for small- and mid-sized banks may be high in the range of 2-6% vs. large private peers (0.4-3%), with Federal being at the lower end and Ujjivan at the higher end.
- **Building provisioning/capital buffers to improve shock absorption capacity in long run**: Most small and mid-sized banks have traditionally been operating with low specific PCR unlike large banks. However, some banks now plan to improve their specific PCR and build counter-cyclical provisioning buffers once the stress eases out. Among the small- and mid-sized banks, Federal, CSB, Equitas and Ujjivan carry high provisioning buffers (particularly post Covid-19), while SIB has the lowest. In our view, building provisioning buffers could keep the provisioning cost higher than the normal levels but should be long-term positive as it will reduce earnings volatility. Capital has been a major constraint; however, with improving market conditions some of the relatively weak (SIB) and strong banks (Federal) may line up to raise clean-up/growth capital.
- **Outlook & Valuation:** Unlike large PSBs/PVBs, the overall asset quality performance of small and mid-sized PVBs (barring Federal) was relatively sub-par in Q3. Most banks (in our conference/Q3 results call) expect stress to remain elevated for the near term (though partly eased out by ECLGS/RSA) and growth to accelerate from H2FY22, led by retail/SME as stress recognition is behind. Within our coverage, we like Federal (Buy), CUBK (Buy), Equitas (Buy) in small and mid-sized banks, while have Sell rating on DCB and Ujjivan SFB. We like Federal for its relatively better asset quality, strong liability profile, expected healthy return ratios and reasonable valuations (0.9x FY23 ABV), though management change remains a key monitorable in the near term. We also like CUBK due to its pedigree management, strong CAR and expected normalization toward traditionally higher RoAs (1.6%) from H2FY22. Among non-coverage banks, CSB's turnaround remains a work-in-progress, while SIB under new MD could be a turnaround candidate in the long run.

Please see our sector model portfolio (Emkay Alpha Portfolio): **BFSI-Banks (Page 10)**

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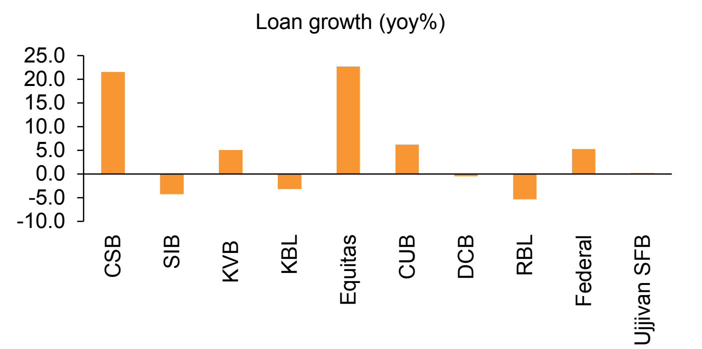
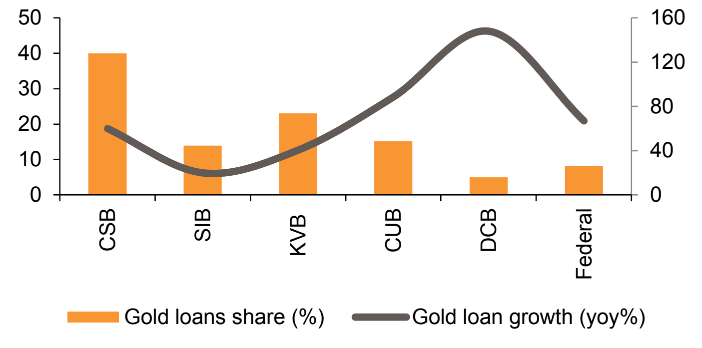
Story in charts

Exhibit 1: Barring CSB/Equitas, most other small- and mid-sized banks lag in growth



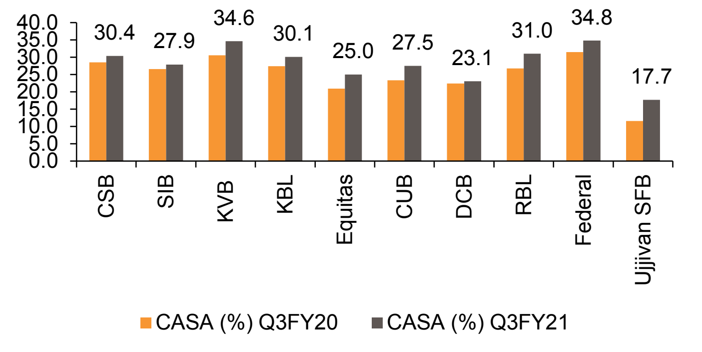
Source: Company, Emkay Research

Exhibit 2: Within retail, gold loan is again gaining prominence; for CSB, gold loan is the key growth driver



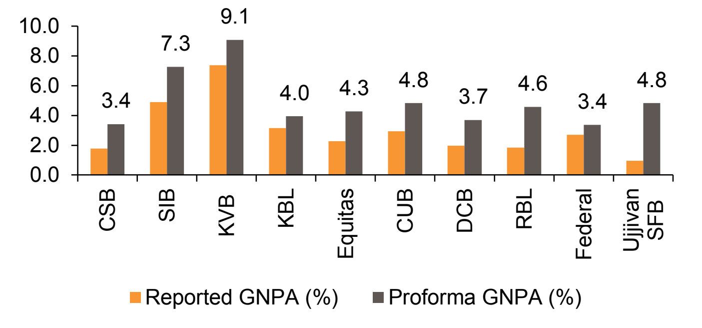
Source: Company, Emkay Research

Exhibit 3: Most banks have seen improvement in CASA



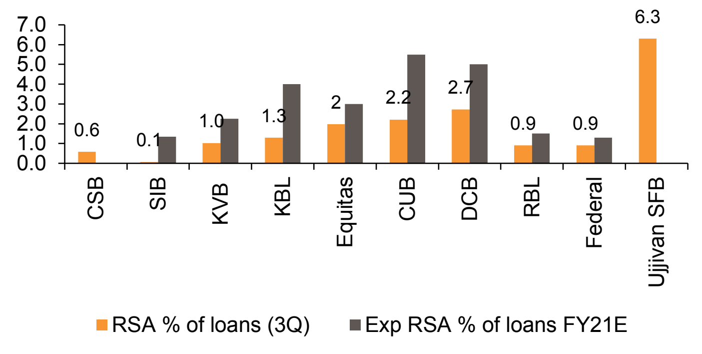
Source: Emkay Research, Company

Exhibit 4: Barring Federal, most other banks have far higher pro forma NPA vs. reported



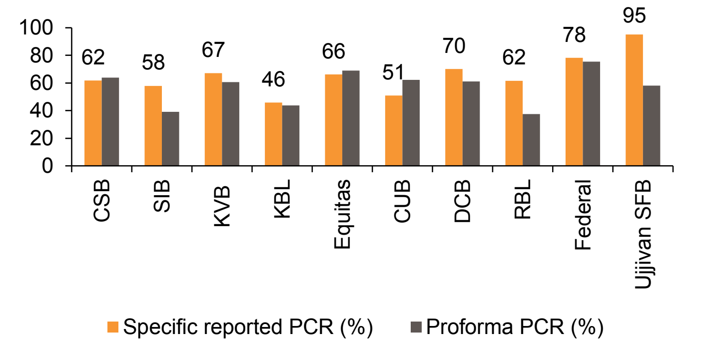
Source: Emkay Research, Company

Exhibit 5: Restructuring has been higher for SME-heavy CUBK, DCB, KBL and Equitas



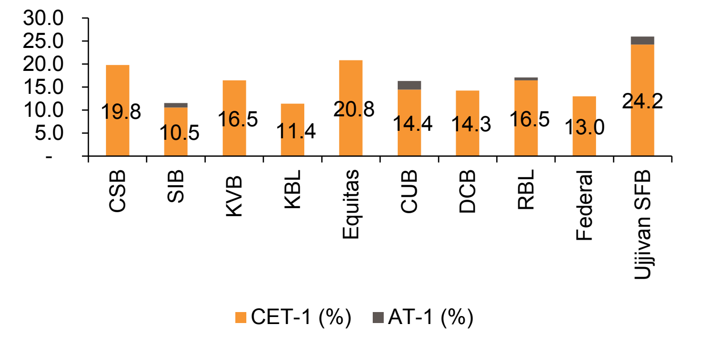
Source: Emkay Research, Company

Exhibit 6: SIB/KBL has one of the lowest PCRs, while Federal/Ujjivan/Equitas have healthy provisioning buffers



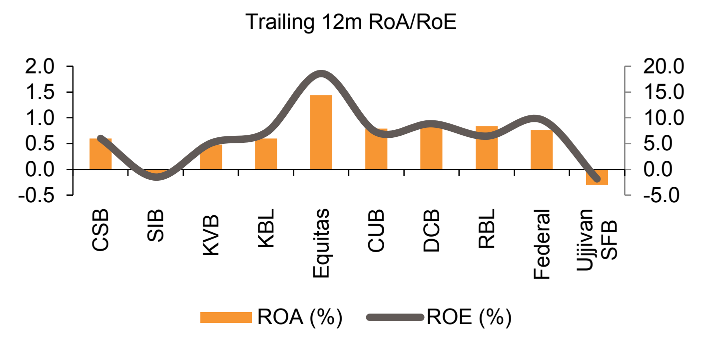
Source: Emkay Research, Company

Exhibit 7: SFBs like Ujjivan/Equitas and CSB/RBL are sitting on strong capital buffers



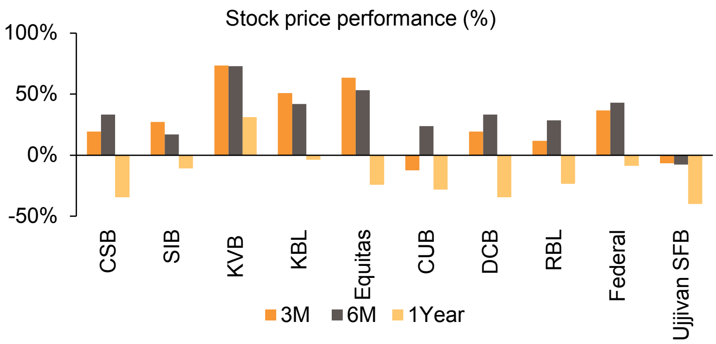
Source: Emkay Research, Company

Exhibit 8: Equitas has relatively strong return ratios; CUBK is expected to claw back its peer best RoA of 1.6% by FY23



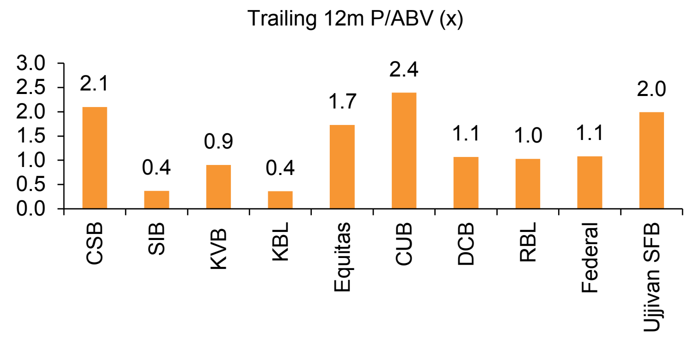
Source: Emkay Research

Exhibit 9: Ujjivan has been the worst performer, while KVB/Equitas have been the better performers



Source: Bloomberg, Emkay Research

Exhibit 10: We prefer Federal, CUBK and Equitas in the coverage space, while we have Sell ratings on DCB/Ujjivan; Among non-coverage banks, CSB/SIB hold promise to turnaround



Source: Bloomberg, Emkay Research

Exhibit 11: Peer comparison

	Tier-1 (%)	Reported GNPA (%)	Proforma GNPA (%)	Unrecognised GNPA (%)	Specific reported PCR (%)	Proforma PCR (%)	RSA % of loans (3Q)	Exp RSA % of loans FY21E	ROA (%) TTM	ROE (%) TTM	P/ABV (x) TTM
CSB	19.8	1.8	3.4	1.7	62	64	0.6	NA	0.6	6.0	2.1
SIB	11.6	4.9	7.3	2.4	58	39	0.1	1.3-1.4	-0.1	-1.5	0.4
KVB	16.5	7.4	9.1	1.7	67	61	1.0	2.3-2.5	0.5	5.1	0.9
KBL	11.4	3.2	4.0	0.8	46	44	1.3	2.0-4.0	0.6	7.2	0.4
Equitas	20.8	2.3	4.3	2.0	66	69	2	2.0-3.0	1.4	18.6	1.7
CUB	16.3	2.9	4.8	1.9	51	62	2.2	5.0-6.0	0.8	7.2	2.4
DCB	14.3	2.0	3.7	1.7	70	61	2.7	5.0	0.9	8.9	1.1
RBL	17.1	1.8	4.6	2.7	62	38	0.9	1.5	0.8	6.4	1.0
Federal	13.0	2.7	3.4	0.7	78	76	0.9	1.3	0.8	9.6	1.1
Ujjivan SFB	25.9	1.0	4.8	3.9	95	58	6.3	NA	-0.3	-1.9	2.0

Source: Company, Emkay Research

Equitas SFB (Buy) – Momentary distress, but growth momentum accelerating

We hosted Dheeraj Mohan, Head Strategy – IR, and Rahul Rajagopalan, AVP − Corporate Strategy & IR, at our conference. Here are the key takeaways:

- Equitas is currently focused on collections after giving deep moratorium to customers. Overall collection trends are improving but still remain relatively moderate in VF/MFI. Thus, the bank's focus will be on containing stress in Q4.
- Against BAU level of 6%, the bank currently has 10% of its loan portfolio in SMA (0-2), including pro forma NPA of 4%. However, customers have a habit of delaying repayments by 1-2 EMIs, but they are reverting and making payments.
- Overall credit growth was 23% yoy in Q3, with disbursements improving across products, except MFI where the bank maintains a cautious stance. The bank expects strong 25% loan growth in FY22.
- The bank's strategy to focus on retail deposits is yielding results, improving the share of retail to 65% of total deposits and SA growing at 96% yoy, leading to healthy CASA ratio at 25%. Management intends to recalibrate interest rates across buckets due to strong deposit accretion, leading to further lowering of CoF. The bank has recently reduced deposit rates for the amount below Rs1 Lakh.
- Digitization of the customer acquisition process assisted the bank in acquiring liability customers even during the lockdown. It has largely completed investment in the liability franchise, and operating leverage should kick-in hereon, supporting RoAs.
- Third party tie-ups are doing well for the bank and it plans to tie up for credit cards/home loans, which should improve core fees.
- The bank does not expect any significant impact from the vehicle scrappage policy on its portfolio as for the last two years it is financing only the vehicle whose loan tenure is lesser than the vehicle's life. However, the bank believes that it would be difficult for its customers to buy a new or near new vehicle instead of a low-cost used vehicle.
- Equitas believes that the regulatory overhang is largely behind post the listing of the small finance bank. If IWG recommendations are accepted by the RBI, the risk of promoter dilution in the bank too will dissipate. Once the clarity emerges, the bank would look at reverse merging holdco into the bank and would also apply for a universal banking license.
- Raghavan H K N, Senior President of Retail Assets and Outreach Banking, is on a sabbatical, but intends to return.

Outlook and Valuation: We like Equitas for its healthy asset diversification, strong liability profile, capital position and reasonable valuations. However, we believe that the bank needs to strengthen its leadership position, particularly on the asset side. We have a Buy rating on Equitas SFB/Equitas Holding. **Key risks to our call**: Higher-than expected NPAs, loss of momentum in CASA flow and management attrition.

Karur Vysya Bank (Hold) – Portfolio granularization, asset quality management remain key focus areas

We hosted B Ramesh Babu, MD and CEO (ex-SBI) and J Natarajan, President/COO, at our conference. Here are the key takeaways:

- Retail credit growth remains a major focus area for the bank while it continues to de-bulk/granularize the corporate book (ticket size capped at <Rs1.25bn). However, the bank has taken selective exposures in the commercial banking segment for quite some time now.
- Total ECLGS disbursals stand at Rs20bn or 4% of loans (Commercial-Rs14bn, Corporate-Rs5bn and rest Agri). Within retail, gold loan is showing good traction. KVB is relying on organic growth in a calibrated manner and aiming for 12% yoy credit growth in FY22.
- Within Corporate, the bank is quite selective and quality conscious. The existing customers were forced to prune exposures and as a result, the bank believes its corporate book is more or less cleaned up as reflected in limited corporate trail into restructuring.
- The bank has invested decently in technology and has the best-in-class sourcing and digitally-enabled underwriting process. It intends to penetrate more within the existing customer base of 7mn, with 60-65% incremental growth coming from existing customers.
- CASA ratio has improved to 35%, but management expects it to taper as retail TD growth picks up (cannibalizing into SA) and consumption accelerates, which should be an industry-wide phenomenon.
- KVB's pro forma GNPA ratio stood at 9.1% vs. reported at 7.4%, while restructuring pool (OTR) stands at Rs3.7bn (0.8% of loans). KVB expects FY21 restructuring pool and pro forma slippages to remain within the guided range of 2.3% and 2.5%, respectively.
- Total Covid-19-related provisions (including Rs0.7bn for pro forma NPAs and Rs0.6bn for restructuring) stand at Rs34.3bn, low at 0.7% of loans. However, it believes that with improved collections/recovery, it should largely be sufficient for any upcoming stress in Q4.

Outlook and Valuation: We have a Hold rating on the stock with a TP of Rs62 (based on 0.7x FY23E ABV). However, further re-rating will be conditioned to the sustained asset quality performance and management stability, which otherwise has been a concern for the bank in the recent past. **Key risks** to our call/estimates include higher NPA formation mainly in its SME portfolio, delay in revival of credit growth and return of management instability.

Karnataka Bank (Not Rated) – Focus on conserve, consolidate and emerge stronger

We hosted MD and CEO Mahabaleshwara Bhat at our conference. Here are the key takeaways:

- 'Conserve, consolidate and emerge stronger' is the mantra adopted by the bank to handle the Covid-19 pandemic, which also reflected in its subdued credit growth (-3% yoy). However, the bank expects FY22 to be a good year in terms of growth/asset quality.
- KBL is focused on digital sanctioning of majority of the retail loans, including home loans, car loans, 2W loans, salary plus loans, PLs and MSME loans. It intends to disburse 80% of retail loans digitally, which should reduce the overall cost.
- Pro forma NPAs were contained at ~4% vs. reported GNPAs at 3.2% in Q3, while the bank does not expect any major stress in Q4. Overall, the bank expects restructuring to the tune of 2-4% in FY21 (Q3 at 1.2%).
- The bank currently has been clocking 0.7% RoA and aspires for 1% RoA by FY23E, driven by better margins and lower LLP.
- It has been focusing on retailization of liabilities, which is reflecting in 13% yoy growth in low-cost retail deposits and healthy CASA ratio of 30%.
- Similar to Federal Bank, KBL too has launched a subsidiary KBL Services Ltd, which will be operational by the end of FY21 to undertake back-end work for the bank in an efficient manner, leading to cost saving and free-up management bandwidth in the bank. That said, the recent wage hike of 15% as approved by IBA could keep cost-income ratios elevated at 45-46%.
- On the traditionally lower specific PCR of 46%, the bank believes that it normally achieves 40-50% recoveries and thus, the specific PCR of 46% is sufficient. The bank also expects resolution in its existing legacy stress pool.
- Management believes that the bank is well capitalized with Tier I at 11.4% and overall CAR at 13.8%. Thus, KBL does not plan to raise capital in the near term. However, it is open to raise capital once growth accelerates.
- Management refuted claims of being a takeover candidate, and believe that KBL would consider an inorganic acquisition if the opportunity arises.

Outlook and valuation: KBL has traditionally delivered <1% RoA, given its sub-par margins and higher cost-ratios and thus, it believes that achieving 1% RoA remains more of an aspiration. Competitive intensity too is increasing in its traditional product basket and the bank will have to undergo rigorous transformational process to survive and thrive. Valuations remain fair, trading at trailing Dec'20 P/ABV of 0.4x. We do not have a rating on the stock.

South Indian Bank (Not Rated): Will the new management stage a turnaround?

We hosted MD and CEO Murali Ramakrishnan (ex-ICICI Bank) at our conference. Here are the key takeaways:

- New MD and CEO, Murali Ramakrishnan, being the first CEO coming from a private bank (ICICI bank) highlighted banks SWOT and turnaround strategy going forward. He believes that liability franchisee, customer base and technological adoption are SIB's key strengths, while asset quality and risk management have been the weak areas, which will be strengthened.
- SIB targets Rs1tn loan book (Rs616bn in Q3), 35% CASA (Q3-28%), 65% PCR (Q3-57%), 3.5% NIM (up from 2.5-2.7%) and RoA/RoE of 1%/13% (up from <0.5%/10% since past five years) by FY24 under its vision FY24 strategy. The key focus areas for turnaround are retailization of balance sheet, strengthening risk management practices and building shock buffers (higher provisioning/capital buffers).
- SIB has very good technology in place along with a talented IT team, which would be now used optimally to generate business and profitability.
- The bank has a huge employee pool, which would be adequately trained for specialization in target product segments both on assets and liabilities sides. It will also hire external talent to conduct nationwide operations and plug the gaps.
- SIB is developing a strong risk management framework in retail/MSME and focus on Know Your Customer (KYC) to analyze risk and cross-sell opportunities. The bank is working with consulting firm McKinsey to build a credit evaluation model for MSME.
- The bank witnessed higher frauds in recent years due to poor demarcation of loans and improper implementation of the "Maker-Checker" system in its process. Now the bank has put in place sharply defined policy/procedures, credit underwriting models and strict market check of customers to build a strong loan book.
- Corporate book will be granularized with an average ticket size of Rs500mn (previously Rs2-3bn) and the bank would focus on the "Push" strategy to acquire good clients by offering them better deals. SIB will improve its profitability by cross-selling to employees of these corporates.
- SIB is expecting strong recoveries through SARFAESI and other recovery measures in the near-to-medium term along with recoveries from two NCLT accounts, which should help limit near-term asset quality stress.
- The bank current has CET 1 of 10.5%, Tier I of 11.6% and overall CAR of 14.5%. SIB would raise capital in two phases, first in Apr'21 for its existing legacy stressed balance sheet and the second phase to accelerate growth.

Outlook and Valuation: SIB has for the first time appointed a private banker (from ICICI Bank) with experience in credit risk/analytics, business loans and international operations as MD and CEO. He has promised to stage a gradual turnaround for the bank in the next three years by strengthening credit underwriting, risk and delivery while focusing on retailization of the balance sheet. The new head plans to raise capital in tranches, which we believe is a right strategy given the bank's past struggle in raising capital. That said, the bank will have to maneuver through asset quality headwinds, aggressive employee unions and ever increasing competition, while building a strong talent pool in the bank to execute. The stock currently trades at trailing Dec'20 P/ABV of 0.4x. We do not have a rating on the stock.

CSB (Not Rated) – Turnaround in progress; sustaining momentum is key

We hosted MD and CEO C V Rajendran, and Pralay Mondal, President – Retail, SME, Operations and IT, at our conference. Here are the key takeaways:

- Credit growth remains strong at 20% yoy in Q3FY21, albeit on a low base, mainly driven by gold loans contributing 40% of the book. CSB believes that given a small loan book base, it has the potential to grow at a much faster pace with improving traction in gold loan, LAP, SME and mid-corporate segment. Further, it intends to enter into vehicle financing and credit cards soon.
- The bank's gold loan book is Rs56bn, growing at 60%. Here, the bank is mainly competing with gold loan financing companies, which offer loans at 24% while CSB lends at 13%. As other retail product share grows, gold loan will proportionally go down but the bank will not go slow on gold loan.
- Pro forma GNPAs are higher at 3.4% vs. reported at 1.8%. However, the bank has high non-technical PCR at 92%, which it intends to normalize as Covid-19-related stress fizzles out. Our calculations suggest that specific PCR and Covid-19 provisions stand at 64% of pro forma NPAs. It has further tightened the provisioning policy and has started providing 100% for doubtful assets in the second year. On accounts in SMA 0 and above, the bank provides at 25%.
- CSB has set medium-term targets of 1.5%/18% for RoA/RoE, with GNPA/NNPA ratios at <2%/1% and C/I ratio <50%. It aims to improve CASA ratio to above 35% once the Covid-19-induced stress is behind. Management believes that current reported NIM of 5% is unsustainable as it is more due to easy liquidity conditions, which may not prevail for long and thus, sustainable NIM should be around 4.5%.
- Out of the targeted 100 new branches for the year, the bank has till date opened 50 branches mainly in Punjab, MP, Gujarat, Kerala (Thrissur district), Andhra Pradesh, Tamil Nadu, Karnataka and Telangana, given its focus on south and west. The rest 50 will be opened by Mar'21. It will look at opening branches in Rajasthan and Himachal next year.
- The bank has dealt firmly with inefficiencies without fearing employee unions, and has also announced one more round of VRS. CSB intends to create a new culture for which it is hiring new and skilled talent from banks like HDFCB. Customer acquisition is another focus area for the bank for which it has multiple acquisition engines.
- As per Pralay Mondal, the bank needs to create the right product mix, distribution reach, technology support, strengthen underwriting/risk management practices and operational capabilities to take the retail business to the next level. That said, strong collection mechanism and analytics to predict risk and cross-sell opportunities are also important.
- CSB reiterated its intention to acquire a bank (PSB/PVB) to scale up the liability franchise and business. However, with the recent run-up in PSBs, we think the stock liquidity could become a hurdle in terms of valuation, as there are lot of hidden costs in PSBs, including retirement liabilities.

Outlook and Valuation: We believe that the current top management headed by Rajendran (ex-MD of Andhra Bank) has been instrumental in putting the once ailing bank on the path of a turnaround, along with support of investor-cum-promoter Fairfax, owned by billionaire Prem Watsa. The bank has built strong capital/provisioning buffers but needs to diversify the product basket and strengthen the liability franchise to sustain its transformational journey. However, the stock is trading at relatively rich valuations vs. peers at 2x trailing Dec'20 P/ABV. We do not have a rating on the stock.

Exhibit 12: Valuation summary of Banks under coverage

	Reco	CMP	Market Cap		RoA (%)				RoE (%)				P/ABV			
			Rs bn	USD bn	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
Large Private Banks																
AXIS	Buy	719	2,203	30	0.2	0.7	1.2	1.5	2.2	6.6	11.2	14.5	2.3	2.0	1.9	1.6
HDFC	Buy	1548	8,528	118	1.9	1.9	2.0	2.0	16.4	16.7	17.1	17.5	4.8	4.1	3.5	3.0
ICICI	Buy	610	4,215	58	0.8	1.3	1.5	1.7	7.3	11.5	12.9	14.8	2.9	2.5	2.2	2.0
INDUSIND	Buy	1023	775	11	1.5	0.9	1.3	1.7	14.6	7.4	10.7	14.6	2.2	1.9	1.7	1.5
KOTAK	Hold	1950	3,862	53	1.8	1.8	1.9	2.1	13.1	12.2	11.9	12.9	6.1	4.8	4.4	4.0
YES	Sell	16	391	5	-5.1	-0.3	-0.1	0.7	-68.6	-2.4	-0.6	5.7	0.8	1.1	1.5	1.3
Mid Private Banks																
CUB	Buy	160	118	2	1.0	1.1	1.4	1.6	9.4	10.1	12.5	15.1	2.5	2.4	2.1	1.8
DCB	Sell	112	35	0	0.9	0.8	0.8	1.0	11.2	9.4	8.9	11.3	1.2	1.1	1.0	0.9
FB	Buy	80	159	2	0.9	0.8	0.8	1.0	11.2	9.4	10.6	13.0	1.2	1.1	1.0	0.9
KVB	Hold	63	50	1	0.3	0.4	0.5	0.8	3.6	4.6	5.9	9.0	1.0	0.9	0.9	0.8
RBL	Buy	237	141	2	0.6	0.6	1.2	1.5	5.6	4.6	9.2	12.6	1.1	1.1	1.1	1.0
New Age Banks																
AU SFB	Hold	1075	330	5	1.8	2.6	2.1	2.1	17.9	23.2	19.1	19.7	7.6	6.3	5.3	4.5
BANDHAN	Buy	327	526	7	4.1	2.5	3.3	3.6	22.9	15.4	21.1	23.3	3.5	3.1	2.6	2.0
EQUITAS SFB	Buy	46	53	1	1.4	1.5	1.6	1.8	9.8	10.7	12.6	15.3	1.9	1.7	1.5	1.3
UJJIVAN SFB	Sell	34	59	1	2.2	0.0	1.9	2.0	15.3	0.3	13.1	15.4	2.0	2.0	1.8	1.6
Public Sector Banks																
BOB	Buy	90	414	6	0.1	0.2	0.3	0.5	0.9	3.2	4.2	8.3	0.7	0.7	0.7	0.7
CANARA	Buy	155	255	4	-0.3	0.2	0.2	0.4	-7.1	4.3	3.9	8.3	0.8	0.7	0.8	0.7
INDIAN	Hold	136	154	2	0.3	0.3	0.3	0.4	4.3	6.1	5.3	8.8	0.5	0.7	0.7	0.6
PNB	Sell	41	430	6	0.0	0.1	0.2	0.4	0.7	1.7	3.0	6.9	0.7	0.8	0.8	0.7
SBI	Buy	390	3,476	48	0.4	0.4	0.6	0.8	7.2	8.4	11.9	14.0	1.1	1.0	0.8	0.7
UBI	Sell	39	252	3	-0.6	-0.0	0.1	0.3	-10.6	-0.3	1.2	5.6	0.7	0.7	0.7	0.6

Source: Emkay Research

Emkay Alpha Portfolio – BFSI-Banks

Analyst: Anand Dama

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Sector

Banks

Analyst bio

Anand Dama is a CA, CPM (ICFAI) with total 12 years of research experience, in addition to 3 years in the finance/rating industry. His team currently covers 21 banks and 15 stocks in the NBFC/Insurance space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
BFSI-Banks	**22.18**	**22.18**	**0.0%**	**0**	**100.00**
Axis Bank	2.31	2.49	8%	19	11.25
AU Small Finance Bank	0.27	0.24	-13%	-4	1.07
Bandhan Bank	0.29	0.34	18%	5	1.53
Bank of Baroda	0.14	0.14	-1%	0	0.63
Canara Bank	0.10	0.00	-100%	-10	0.00
City Union Bank	0.14	0.14	-1%	0	0.64
DCB Bank	0.00	0.00	NA	0	0.00
Equitas Small Finance Bank	0.00	0.00	NA	0	0.00
Federal Bank	0.19	0.19	0%	0	0.87
HDFC Bank	7.68	7.83	2%	15	35.32
ICICI Bank	5.13	5.33	4%	21	24.05
Indian Bank	0.00	0.00	NA	0	0.00
Indusind Bank	0.71	0.84	19%	14	3.79
Karur Vysya Bank	0.00	0.00	NA	0	0.00
Kotak Mahindra Bank	3.10	2.46	-21%	-64	11.09
Punjab National Bank	0.12	0.00	-100%	-12	0.00
RBL Bank	0.14	0.14	0%	0	0.65
State Bank of India	1.82	2.02	11%	19	9.09
Ujjivan Small Finance Bank	0.00	0.00	NA	0	0.00
Union Bank of India	0.03	0.00	-100%	-3	0.00
Yes Bank	0.00	0.00	NA	0	0.00
Cash	**0.00**	**0.00**	**NA**	**0**	**0.00**

Source: Emkay Research

** Not under coverage: Equal Weight*

High Conviction/Strong Over Weight High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	24-Feb-20	24-Aug-20	23-Nov-20	22-Jan-21	22-Feb-21
EAP - BFSI-Banks	100.0	105.9	79.2	100.6	107.1	119.7
BSE200 Neutral Weighted Portfolio (ETF)	100.0	101.9	78.1	99.1	105.3	117.6

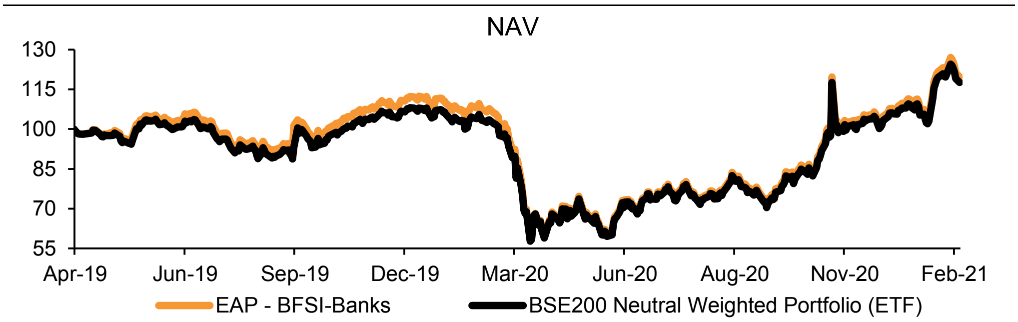
**Performance measurement base date 1st April 2019*
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - BFSI-Banks	11.8%	18.9%	51.2%	13.0%
BSE200 Neutral Weighted Portfolio (ETF)	11.6%	18.6%	50.5%	15.3%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): Nifty

Please see our model portfolio (Emkay Alpha Portfolio): SMID

"Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals"

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 23 Feb 2021 15:35:29 (SGT)
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