

## Few hits, some misses

**We retain Buy on Karnataka Bank (KBL) with TP at Rs160. Q2'19 results were a mixed bag. While lower than expected margins, higher slippages were a few negatives; we draw greater comfort in strong loan growth with increasing share of high rated portfolio, continued traction in fee income and further reduction in stressed asset portfolio. We remain convinced on the KBL transformation journey and believe that valuations at 0.6x FY20E ABV for an exit RoE of 12.6% by end-FY20E is attractive. Retain BUY.**

- **Q2FY19 results – Mixed bag:** Q2'19 results were a mixed bag. NII at Rs4.7bn (+6.2% YoY), was tad lower to estimates. This is even as loans grew 21.7% YoY and follows increased costs. Cost of funds (reported) at 5.94% was up 6bps QoQ (vs. 5bps QoQ rise in yield on advances). Growth in fee income was healthy at 20% YoY and with well-contained costs; core-operating profit at Rs3.5bn grew 24.7% YoY. Operating profit (reported) at Rs3.6bn declined 2.7% YoY. Slippages at Rs3.7bn were a tad higher to our estimates. Provisions for the quarter came in at Rs1.9bn. Adjusted for the same and provision on investment portfolio (Rs134.1mn), PAT at Rs1.12bn grew +19.8% YoY.
- **Few hits, some misses:** Q2 NIM at 2.91% declined 9bps QoQ (vs our ests. of 6bps QoQ rise). The bank has revised its lending rates upwards by 10-70bps on 20% of its portfolio (last week of Sept'18). This will aid in containing margin compression. Also, while slippages at Rs3.7bn were a tad higher to our estimates, we drive comfort in a) reduction in overall stressed asset pool and b) recovery mechanism in place. Share of SME (portfolio under RBI dispensation) + SMA 2 + restructuring portfolio has reduced to 2.3% vs. 3.8% QoQ. The bank has Rs1.8bn of exposure towards IL&FS group; the account is standard. Loan growth remains healthy (21.7% YoY); share of external rated portfolio has increased further (37.3% of portfolio is externally rated; 27.7% (vs. 17.1% YoY) is rated A and above). With a shift in loan mix towards high rated corporate portfolio and reduced stressed asset pool, we expect pace of new NPA accretion to moderate. We have left our estimates on slippages / credit cost unchanged.
- **Earnings outlook:** We remain convinced on the KBL transformation journey. Even as we build in strong loan growth, our estimates build in decline in NIM for FY19 (vs. FY18) given increasing reliance on high rated portfolio (thus a sacrifice on yield) and ALM mismatch in less than 1-year bucket. Traction in fee income remains healthy; operating expenses intact and reduction in stressed asset pool continues. We believe, all of the above factors will translate into improved revenue and earnings growth. We are factoring in 13% / 11% CAGR in NII / PPOP and 53% CAGR in net profit over FY18-20E. Capital position remains healthy with CAR / tier-I at 11.3% / 10.6% respectively.
- **Valuation, view and key risks:** Q2'19 results were a mixed bag and we have tweaked our estimates on other income and provisions front for Fy19E. Our RoA / RoE estimates for FY20E, though broadly remain unchanged (factoring in 0.9% RoA/ ~13% RoE). We remain convinced on KBL and its transformation journey. Valuations at 0.6x FY20E ABV remain attractive. KBL offers a play on earnings and valuation expansion story. Retain Buy with TP at Rs160 (valued at 1x FY20E ABV). The lowering of our valuation multiple (vs. 1.1x earlier) follows increase in overall cost of capital. Key risks - Higher than expected loan-loss provisions or lower growth could impact earnings.

Rs mn	Q2FY19	Q2FY18	% YoY	Q1FY19	% QoQ	Q2FY19E	% Var
<b>Net interest income</b>	<b>4,677</b>	<b>4,402</b>	<b>6.2</b>	<b>4,686</b>	<b>(0.2)</b>	<b>4,815</b>	<b>(2.9)</b>
Pre-provision profit	3,563	3,662	(2.7)	3,689	(3.4)	3,825	(6.8)
<b>Net profit</b>	<b>1,119</b>	<b>934</b>	<b>19.8</b>	<b>1,632</b>	<b>(31.5)</b>	<b>1,509</b>	<b>(25.9)</b>
GNPA	23,716	16,910	40.2	23,761	(0.2)	24,364	(2.7)
NNPA	14,977	12,300	21.8	14,005	6.9	14,618	2.5
<b>PCR (%) ((calc)</b>	<b>36.8</b>	<b>27.3</b>	<b>959bps</b>	<b>41.1</b>	<b>(421bps)</b>	<b>40.0</b>	<b>(315bps)</b>

Source: Company, Centrum Research

Target Price	Rs160	Key Data	
CMP*	Rs98	Bloomberg Code	KBL IN
Upside	63%	Curr Shares O/S (mn)	282.6
Previous Target	Rs180	Diluted Shares O/S(mn)	282.6
Previous Rating	Buy	Mkt Cap (Rsbn/USDmn)	27.8/377.5
<b>Price Performance (%)*</b>		52 Wk H / L (Rs)	171.7/93.4
		5 Year H / L (Rs)	181.2/69.1
KBL IN	(14.3)	(21.4)	(35.9)
NIFTY	(7.9)	0.1	3.7
		Daily Vol. (3M NSE Avg.)	3375816.0

\*as on 12 October 2018; Source: Bloomberg, Centrum Research

### Shareholding pattern (%)\*

	Sep-18	Jun-18	Mar-18	Dec-17
Promoter	0.0	0.0	0.0	0.0
Fils	12.6	12.3	14.7	18.3
Dils	13.7	14.7	12.8	11.8
Others	73.7	73.0	72.5	69.9

Source: BSE, \*as on 12 October 2018

### Centrum vs. Bloomberg Consensus\*

Particulars (Rs mn)	FY19E			FY20E		
	Centrum	BGG	Var (%)	Centrum	BGG	Var (%)
NII + Oth. Inc	29,572	31,265	(5.4)	34,460	36,577	(5.8)
PPoP	15,352	15,942	(3.7)	17,991	18,740	(4.0)
PAT	5,351	5,216	2.6	7,616	7,140	6.7

### Earnings revision

Particulars (Rs mn)	FY19E			FY20E		
	New	Old	Var (%)	New	Old	Var (%)
NII + Oth. Inc	29,572	30,258	(2.3)	34,460	34,709	(0.7)
PPoP	15,352	15,898	(3.4)	17,991	18,078	(0.5)
PAT	5,351	6,153	(13.0)	7,616	7,682	(0.9)

Bloomberg Consensus*				Centrum Target Price (Rs)	Variance (%)
BUY	SELL	HOLD	Target Price (Rs)		
5	0	1	163	160	(1.7)

\*as on 12 October 2018; Source: Bloomberg, Centrum Research Estimates

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Y/E Mar (Rs mn)	Net Income#	PPOP	Rep. PAT	YoY (%)	EPS (Rs)	P/E (x)	Adj BV (Rs)	P/Adj BV (x)	RoA (%)	RoE (%)
FY16	18,457	8,546	4,157	(8.0)	22.0	6.8	153.6	1.0	0.8	11.7
FY17	23,000	9,958	4,523	8.9	16.0	7.2	132.5	0.9	0.8	10.2
FY18	28,120	14,732	3,256	(28.0)	11.5	13.3	127.1	1.2	0.5	6.2
FY19E	29,572	15,352	5,351	64.3	18.9	6.1	138.9	0.8	0.7	9.6
FY20E	34,460	17,991	7,616	42.3	26.9	3.6	156.8	0.6	0.9	12.6

Source: Company, Centrum Research Estimates #net income denotes NII + other income. Valuations are on average market cap basis for FY15-FY18EYTD.

In the interest of timeliness, this document is not edited

**Centrum Equity Research is available on Bloomberg, Thomson Reuters and FactSet**

## Conference call highlights

### Balance Sheet and profitability

- Q2FY19 loan book grew 21.7% YoY and was led by strong traction in the segments of industrial segment (+22% YoY), home loans (+16.3% YoY) and LAP (~40% YoY).
- The new delivery models for retail and MSME segment has started to exhibit a positive outcome. The enhanced business model will aid in stronger growth and also their share in overall loans.
- As part of its retail strategy, the bank has tied up with more than 150 DSAs to shore up its retail / SME franchise.
- On the corporate front, 23% of the portfolio is towards multiple banking agreements; 3.3% of exposure is in form of consortium accounts.
- Exposure to NBFC sector is at Rs83bn (16% of total loans); the same is well within bank's internal limit of 18%. Apart from ILFS, the overall NBFC portfolio is servicing the loans on a timely basis and there is no single day default.
- The bank has revised its lending rates upwards by 10-70bps on its 20% (or ~Rs100bn) of loan portfolio effective last week of Sept, 2018. The move, according to management will aid in margin improvement.
- Exposure to IL&FS group stood at Rs1.81bn - loan exposure of Rs1.56bn and Rs250mn of exposure in form of investments. Further breakdown is as follows:
  - Exposure to parent NBFC is Rs.755mn, which is standard (11 days due)
  - Exposure to company in energy business - Rs.505mn which is also standard (11 days due)
  - Exposure to ITNL - Rs309mn (included in SMA-2).

### Asset Quality

- Q2'19 slippages at Rs3.7bn included one large account of Rs740mn. Adjusted for the same, overall slippages remained limited.
- As at Q1'19 ~Rs3.2bn of MSME portfolio qualified for RBI dispensation. The same has reduced to Rs2.1bn as at Q2'19. The bank has witnessed sharp reduction in its SMA 2 portfolio. SMA 2 portfolio reduced to Rs3.5bn (vs. Rs7.3bn QoQ). The quarter saw ~Rs4.2bn of SMA 2 portfolio get upgraded to SMA 1 / SMA 0 or standard.
- SR portfolio stood at Rs4.3bn (vs. Rs4.4bn QoQ); management has reiterated its guidance of curtailing GNPA to 4% by end-FY19E.

### Capital position

- The bank is looking raise tier-2 capital to fund its growth requirements. It has taken an enabling resolution to raise ~Rs8bn of tier-II capital.
- Given the increasing share of secured loan portfolio (retail and SME) and higher exposure to better rated corporates, capital consumption will also be slower, which will preserve capital.

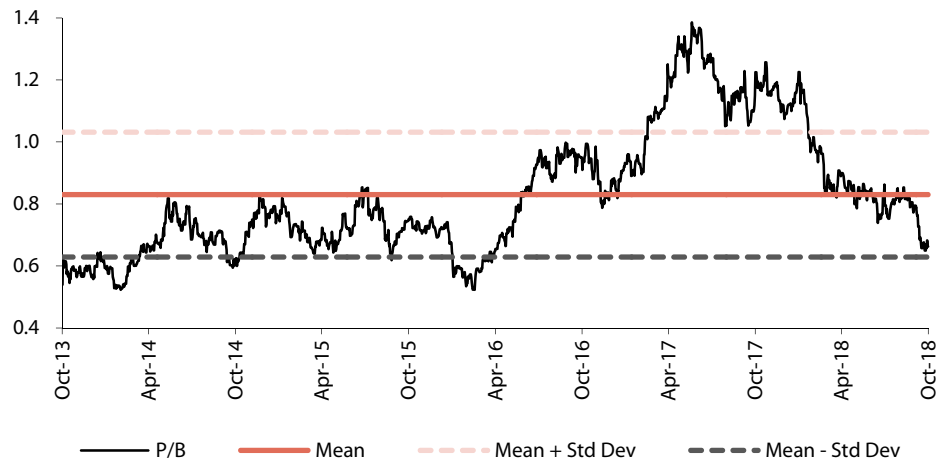
## Sensitivity analysis & peer comparison

**Exhibit 1: Sensitivity Analysis – impact of change in margins and credit cost on FY19PBT**

%	Credit cost				
	+ 10bps	+ 20bps	' Current levels	+ 10bps	- 20bps
- 5bps	(12.9)	(20.7)	(5.0)	2.8	10.7
- 10bps	(17.9)	(25.7)	(10.0)	(2.2)	5.7
<b>NIM</b> Current levels	(7.8)	(15.7)	-	7.8	15.7
+ 5bps	(2.8)	(10.7)	5.0	12.9	20.7
+ 10bps	2.2	(5.7)	10.0	17.9	17.9

Source: Company, Centrum Research Estimates

**Exhibit 2: Rolling forward P/ABV chart**



Source: Company, Centrum Research Estimates

**Exhibit 3: Comparative Valuations**

Company Name	Mkt Cap (Rs mn)	CAGR (FY18-FY20E) %			PE (x)			RoA (%)			RoE (%)			P/BVPS (x)			Div Yield (%)		
		NII + Oth inc	PPOP	PAT	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
<b>KBL*</b>	<b>27,795</b>	<b>10.7</b>	<b>10.5</b>	<b>52.9</b>	<b>13.3</b>	<b>6.1</b>	<b>3.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>6.2</b>	<b>9.6</b>	<b>12.6</b>	<b>0.9</b>	<b>0.6</b>	<b>0.5</b>	<b>2.0</b>	<b>4.3</b>	<b>6.6</b>
CUBK *	1,24,714	9.5	6.7	16.9	16.7	18.2	15.4	1.6	1.6	1.6	15.3	15.4	15.5	2.4	2.6	2.2	0.2	0.2	0.2
DCB *	50,176	17.0	23.3	34.2	23.3	16.2	11.3	0.9	1.0	1.1	10.9	12.2	14.4	2.2	1.9	1.5	0.3	0.3	0.4
KVB	60,101	13.0	12.5	53.1	21.3	14.7	6.3	0.6	0.7	1.1	8.1	7.6	13.2	1.5	1.1	0.8	1.9	1.9	3.1
Federal Bk	1,46,117	17.4	20.0	23.3	19.8	14.2	9.5	0.8	0.8	0.9	9.8	9.5	11.3	1.7	1.3	1.0	1.8	1.8	1.5
SIB	22,983	10.9	9.7	37.0	15.1	10.1	3.6	0.4	0.5	0.6	7.2	7.5	11.1	1.1	0.7	0.4	3.8	3.8	4.1

Source: Bloomberg consensus, \*Centrum Research Estimates. FY18 – FY19E have been valued on average market cap basis.

## Quarterly financials

### Exhibit 4: Quarterly Financials

(Rs mn)	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19
<b>Income statement</b>								
Interest earned	13,239	12,945	13,305	13,179	13,322	14,438	14,076	14,526
Interest expended	9,474	9,423	9,061	8,777	8,808	9,015	9,391	9,849
<b>Net interest income</b>	<b>3,765</b>	<b>3,522</b>	<b>4,244</b>	<b>4,402</b>	<b>4,515</b>	<b>5,422</b>	<b>4,686</b>	<b>4,677</b>
Non-interest income	1,336	3,117	2,174	2,478	1,946	2,945	2,088	2,012
<b>Total income</b>	<b>5,101</b>	<b>6,639</b>	<b>6,418</b>	<b>6,881</b>	<b>6,461</b>	<b>8,367</b>	<b>6,774</b>	<b>6,689</b>
Operating expenses	3,382	3,346	3,321	3,218	3,242	3,607	3,085	3,126
<b>PPOP</b>	<b>1,719</b>	<b>3,293</b>	<b>3,097</b>	<b>3,662</b>	<b>3,219</b>	<b>4,761</b>	<b>3,689</b>	<b>3,563</b>
Provisions	1,006	1,604	1,989	2,260	1,964	5,418	2,221	1,932
<b>PBT</b>	<b>713</b>	<b>1,689</b>	<b>1,108</b>	<b>1,403</b>	<b>1,255</b>	<b>(657)</b>	<b>1,468</b>	<b>1,631</b>
Tax	27	305	(230)	469	381	(774)	-164	513
<b>Reported PAT</b>	<b>685</b>	<b>1,384</b>	<b>1,339</b>	<b>934</b>	<b>874</b>	<b>117</b>	<b>1,632</b>	<b>1,119</b>
<b>Ratios</b>								
<b>Growth YoY (%)</b>								
<i>NII</i>	23.5	(2.1)	16.4	10.8	19.9	54.0	10.4	6.2
<i>Non-interest income</i>	0.7	83.3	24.7	30.6	45.7	(5.5)	(4.0)	(18.8)
<i>Opex</i>	37.5	21.5	19.8	(9.1)	(4.2)	7.8	(7.1)	(2.9)
<i>PPOP</i>	(10.3)	29.5	18.2	57.4	87.3	44.6	19.1	(2.7)
<i>Reported PAT</i>	(29.3)	29.6	10.1	(24.6)	27.5	(91.5)	21.9	19.8
<i>Loans</i>	8.7	9.1	10.1	12.3	24.1	27.7	24.0	21.7
<i>Deposits</i>	15.6	12.4	9.2	6.5	0.6	10.8	11.6	13.0
<b>Margins (%)</b>								
<i>Yield on total assets</i>	10.0	9.8	9.6	9.2	8.9	9.3	8.9	8.9
<i>Cost of funds</i>	6.3	6.0	5.7	5.5	5.4	5.3	5.3	5.5
<i>Spread</i>	3.2	3.2	3.3	3.0	2.9	3.4	3.0	2.9
<i>NIM</i>	2.5	2.2	2.7	2.8	2.7	3.1	2.7	2.6
<b>Key drivers (%)</b>								
<i>Cost-income</i>	66.3	50.4	51.7	46.8	50.2	43.1	45.5	46.7
<i>GNPA</i>	4.3	4.2	4.3	4.1	4.0	5.0	4.7	4.7
<i>NNPA</i>	3.0	2.6	3.2	3.0	2.9	3.0	2.9	3.0
<i>Provision coverage</i>	31.7	38.4	27.3	27.3	29.2	41.1	39.2	36.8
<i>Tier I CAR</i>	11.9	12.2	11.9	11.4	11.1	11.3	10.8	10.6
<i>Tier II CAR</i>	1.3	1.1	1.1	1.0	1.1	0.8	0.8	0.7
<i>RoA</i>	0.5	0.9	0.8	0.6	0.5	0.1	0.9	0.6
<i>RoE</i>	6.8	12.0	10.4	7.1	6.6	0.9	11.9	8.0

Source: Company, Centrum Research

## Financials

### Exhibit 5: Income Statement

Y/E March (Rs mn)	FY16	FY17	FY18	FY19E	FY20E
Interest Income	49,922	51,854	54,238	60,286	71,340
Interest Expense	36,894	36,948	35,661	40,170	47,692
<b>Net Interest Income</b>	<b>13,029</b>	<b>14,906</b>	<b>18,577</b>	<b>20,116</b>	<b>23,648</b>
Non-Interest Income	5,429	8,093	9,543	9,456	10,812
<b>Total Net Income</b>	<b>18,457</b>	<b>23,000</b>	<b>28,120</b>	<b>29,572</b>	<b>34,460</b>
<b>Total Operating Expenses</b>	<b>9,912</b>	<b>13,042</b>	<b>13,388</b>	<b>14,220</b>	<b>16,469</b>
Employee Expenses	4,430	6,010	5,248	5,929	6,942
Other Operating Expenses	5,482	7,031	8,140	8,291	9,527
<b>Pre-provision Profit</b>	<b>8,546</b>	<b>9,958</b>	<b>14,732</b>	<b>15,352</b>	<b>17,991</b>
Provisions & Contingencies	3,265	5,279	11,630	8,218	7,836
<b>Profit Before Tax</b>	<b>5,280</b>	<b>4,680</b>	<b>3,102</b>	<b>7,135</b>	<b>10,155</b>
Taxes	1,127	157	(155)	1,784	2,539
<b>Profit after tax</b>	<b>4,153</b>	<b>4,523</b>	<b>3,256</b>	<b>5,351</b>	<b>7,616</b>

Source: Company, Centrum Research Estimates

### Exhibit 6: Balance Sheet

Y/E March (Rs mn)	FY16	FY17	FY18	FY19E	FY20E
Cash and balance with RBI	26,456	29,293	35,458	34,752	41,326
Inter-bank borrowings	3,993	3,448	552	5,811	6,910
Loans & Advances	3,39,024	3,69,157	4,72,518	5,60,049	6,66,781
Investments	1,62,567	2,02,197	1,54,444	1,65,148	1,91,944
<b>Total Int Earning Assets</b>	<b>5,05,584</b>	<b>5,74,802</b>	<b>6,27,514</b>	<b>7,31,008</b>	<b>8,65,635</b>
Fixed Assets	3,066	7,206	7,616	8,240	8,778
Other Assets	29,897	29,086	33,149	34,663	36,253
<b>Total Assets</b>	<b>5,65,003</b>	<b>6,40,386</b>	<b>7,03,737</b>	<b>8,08,663</b>	<b>9,51,992</b>
Deposits	5,04,882	5,67,331	6,28,713	7,26,392	8,63,806
Current	32,435	36,233	38,703	45,079	54,039
Savings	1,00,172	1,28,498	1,37,236	1,62,190	1,97,191
Term	3,72,275	4,02,600	4,52,774	5,19,124	6,12,577
Other Int Bearing Liabilities	10,515	8,326	8,160	10,160	10,160
<b>Interest Bearing Liabilities</b>	<b>5,15,397</b>	<b>5,75,657</b>	<b>6,36,873</b>	<b>7,36,552</b>	<b>8,73,966</b>
Other non int bearing Liabilities	12,701	13,303	12,763	14,463	14,974
Total Liabilities	5,28,098	5,88,960	6,49,635	7,51,016	8,88,939
Equity	36,906	51,426	54,102	57,648	63,053
<b>Total Liabilities</b>	<b>5,65,003</b>	<b>6,40,386</b>	<b>7,03,737</b>	<b>8,08,663</b>	<b>9,51,992</b>

Source: Company, Centrum Research Estimates

### Exhibit 7: DuPont analysis

(% of avg assets)	FY16	FY17	FY18	FY19E	FY20E
Interest income	9.2	8.6	8.1	8.0	8.1
Interest expenses	6.8	6.1	5.3	5.3	5.4
<b>NII</b>	<b>2.4</b>	<b>2.5</b>	<b>2.8</b>	<b>2.7</b>	<b>2.7</b>
Other income	1.0	1.3	1.4	1.3	1.2
<b>Total income</b>	<b>3.4</b>	<b>3.8</b>	<b>4.2</b>	<b>3.9</b>	<b>3.9</b>
Operating expenses	1.8	2.2	2.0	1.9	1.9
<b>PPOP</b>	<b>1.6</b>	<b>1.7</b>	<b>2.2</b>	<b>2.0</b>	<b>2.0</b>
Provisions	0.6	0.9	1.7	1.1	0.9
<b>PBT</b>	<b>1.0</b>	<b>0.8</b>	<b>0.5</b>	<b>0.9</b>	<b>1.2</b>
Tax	0.2	0.0	0.0	0.2	0.3
<b>RoA</b>	<b>0.8</b>	<b>0.8</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>
Leverage	15.3	12.5	13.0	14.0	15.1
<b>RoE</b>	<b>11.7</b>	<b>10.2</b>	<b>6.2</b>	<b>9.6</b>	<b>12.6</b>

Source: Company, Centrum Research Estimates

### Exhibit 8: Key Ratios

Y/E March	FY16	FY17	FY18	FY19E	FY20E
<b>B/S Structure Ratios (%)</b>					
CD Ratio	67.1	65.1	75.2	77.1	77.2
Incremental CD Ratio	49.6	48.3	168.4	89.6	77.7
CASA Ratio	26.3	29.0	28.0	28.5	29.1
<b>Growth Ratios (%)</b>					
Loans	7.0	8.9	28.0	18.5	19.1
Deposits	9.7	12.4	10.8	15.5	18.9
NII	11.5	14.4	24.6	8.3	17.6
Opex	9.8	31.6	2.7	6.2	15.8
PPOP	10.5	16.5	47.9	4.2	17.2
Provisions	52.6	61.6	120.3	(29.3)	(4.6)
PAT	(8.0)	8.9	(28.0)	64.3	42.3

#### Operating Ratios (%)

Yield on funds	9.8	9.1	8.6	8.4	8.5
Cost of funds	7.3	6.5	5.6	5.6	5.7
NIM	2.6	2.6	2.9	2.8	2.8
Non-int inc/ Total income	1.0	1.3	1.4	1.3	1.2
Fee to avg assets	0.4	0.5	0.5	0.8	0.8
Cost/Income	53.7	56.7	47.6	48.1	47.8
Opex/ Avg assets	1.8	2.2	2.0	1.9	1.9
Provisioning cost	0.8	1.6	2.6	1.4	1.2
Effective tax rate	21.3	3.4	-5.0	25.0	25.0
RoA	0.8	0.8	0.5	0.7	0.9
RoE	11.7	10.2	6.2	9.6	12.6

#### Credit Quality Ratios (%)

Gross NPA	3.5	4.3	5.0	4.7	4.1
Net NPA	2.3	2.6	3.0	2.6	2.2
Slippage rate to advances	3.3	3.7	4.5	2.6	2.2
NPA coverage ratio	32.6	38.4	41.1	45.7	46.9

#### Capital Adequacy Ratios (%)

Total CAR	12.0	13.3	12.0	11.5	10.7
Tier I	10.6	12.2	11.3	10.8	10.2
Tier II	1.5	1.1	0.7	0.7	0.6

#### Dividend details

DPS (Rs)	5.0	4.0	3.0	5.0	6.5
Dividend Pay-out (%)	22.7	25.0	26.0	26.4	24.1

#### Per Share (Rs)

BVPS	195.8	167.0	176.7	189.6	208.7
Adjusted BVPS	153.6	132.5	127.1	138.9	156.8
EPS - basic	22.0	16.0	11.5	18.9	26.9

#### Valuations Ratios\*

Price/BV (x)	0.8	0.7	0.9	0.6	0.5
Price/Adj. BV (x)	1.0	0.9	1.2	0.8	0.6
P/E (x)	6.8	7.2	13.3	6.1	3.6
Dividend Yield (%)	3.3	3.5	2.0	4.3	6.6

Source: Company, Centrum Research Estimates. \* has been valued on average market cap basis FY16-19EYTD.

## Appendix A

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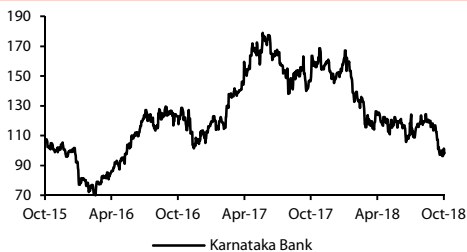
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### Karnataka Bank price chart



Source: Bloomberg

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