



Conviction Ideas - Corporate Banks

Last 10 years was very bad for corporate lending banks. Huge increase in Non Performing Assets leading to substantial provisions affected their profitability. Also credit demand was muted which led to slower expansion of balance sheet. Now we are seeing first signs of reversal of both. RBI in its Biannual Financial Stability Report indicated banking sector is on the course of recovery with worst of NPA crisis is over and Asset qualities of banks expected to improve further from here on. Improvement in Asset quality will lead to lower provisions and in turn higher profitability. Bank Credit demand which has been coming down since 2014 is expected to show steady recovery in coming days. Liquidity tightness has eased a lot. All these will augur well for banks and we are positive on below corporate lending banks. Those who are having the below shares can hold on while investors can also take fresh position in corporate banks with medium term perspective.

No.	Company	CMP	Sector	Triggers
1	SBI	341	Banking	Increase in Valuations of Subsidiaries
2	ICICI Bank	529	Banking	Change in Top Management
3	Axis Bank	739	Banking	Change in Top Management

*CMP as on 4th Dec 2019

Prepared By:
CAPSTOCKS RESEARCH TEAM
CAPSTOCKS & SECURITIES (INDIA) PVT LTD
Tel: 0471-4013887,4093361
E-mail: research@capstocks.com

Disclaimer: Capstocks & Securities (India) Pvt Ltd do not accept responsibility for consequences of financial decisions taken by readers on the basis of information provided herein. The aim is to provide a reasonably accurate picture of financial and related opportunities based on information available with us. Issued by the Equity Research & Analysis Department of Capstocks & Securities (India) Pvt Ltd, Capstocks Towers, Thakaraparambu Road, Trivandrum 695023, Kerala. Please note that Capstocks, its directors and associates may have trading or investment positions in the securities mentioned herein
