

# PNB Housing Finance

Estimate change



TP change



Rating change



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Bloomberg	PNBHOU5I IN
Equity Shares (m)	167
M.Cap.(INRb)/(USD\$)	35.7 / 0.5
52-Week Range (INR)	810 / 146
1, 6, 12 Rel. Per (%)	12/-32/-57
12M Avg Val (INR M)	313
Free float (%)	67.4

## Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
NII	18.1	15.8	16.7
PPP	20.6	14.8	16.5
PAT	6.5	2.5	7.9
EPS (INR)	38.4	14.9	47.1
EPS Gr. (%)	-46	-61	217
BV/Sh. (INR)	476	487	525
<b>Ratios</b>			
NIM (%)	2.6	2.4	2.6
C/I ratio (%)	21.1	28.3	28.2
RoAA (%)	0.8	0.3	1.0
RoE (%)	8.3	3.1	9.3
<b>Valuations</b>			
P/E (x)	5.5	14.3	4.5
P/BV (x)	0.4	0.4	0.4
Div. Yield (%)	4.2	1.4	3.3

## Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	32.7	32.7	32.8
DII	6.3	6.6	8.9
FII	21.8	23.1	19.9
Others	39.2	37.6	38.4

FII Includes depository receipts

**CMP: INR212**
**TP: INR190 (-11%)**
**Neutral**

## Corporate asset quality deteriorating

### AUM declines sequentially; GNPL ratio spikes

- PNBHOU5I reported INR2.4b net loss (v/s est. of INR2.4b PAT) in 4QFY20, driven by higher-than-expected provisions. The company reported provisions of INR7.5b (v/s est. of INR1.4b), including COVID-19-related provisions of INR4.7b.
- 49% of the loan book was under Moratorium 1.0 and 31% under Moratorium 2.0.** Given the high leverage, we expect the company to continue to run down its balance sheet. We increase our FY21 credit cost estimates by 70bp. Maintain Neutral, with TP of INR190.

### AUM continues to run down; Corporate NPLs spike

- Given the lockdown in the last week of the quarter, disbursements were muted at INR28b. **This led to 3% QoQ decline in AUM to INR833b.** Interestingly, the retail home loan book declined 5% QoQ.
- The corporate GNPL ratio spiked to 8.2% v/s 0.2% YoY. A large corporate account with INR3.5b outstanding slipped into NPL.** On the other hand, the retail GNPL ratio doubled YoY to 1.25%. The company increased PCR by 800bp sequentially to 36%. The company also took INR4.7b provisions related to COVID-19 during the quarter. As a result, Stage 1 and 2 provisions doubled to 1.7%.
- 49%/56% of retail/total AUM was under moratorium in phase 1, while 20%/31% was under moratorium in phase 2.** The company did not avail moratorium from its lenders. Adjusting for moratorium, the company collected INR4b/INR3.75b in April/May v/s run-rate collections of INR6.7b.

### INR59b liquidity on the balance sheet

- As of 5th Jun'20, the company had INR59b liquidity on the balance sheet, with undrawn lines of INR45b. PNBHOU5I raised INR7.5b from NHB under the Special Refinance Facility in Apr'20. The share of CPs is down to 0.5% of total borrowings.

### Highlights from management commentary

- Looking at all the capital raise options, including QIP, preferential issue or rights issue to bring down gearing to 5–6x. The amount is INR15–20b.
- A new account, Vipul Ltd, slipped into NPL in 4QFY20. INR3.56b is currently outstanding. SARFAESI has been initiated.

### Other highlights

- PPoP in the quarter declined 23% YoY to INR4.2b due to lower upfront assignment income.
- In FY20, NII grew 6% YoY while PAT nearly halved. RoA/RoE for the year was 0.8%/8.3%.

### Valuation and view

Over the past 18 months, the company has been facing tight liquidity, which has translated into flat AUM. Moreover, the moratorium number reported by the company is meaningfully higher than that reported by some large banks and HDFC. As a result, asset quality is likely to be a challenge in FY21. We forecast a jump in the GNPL ratio to 8% in FY21, driven by both retail and corporate slippages. As a result, our credit cost estimate is 70bp higher than earlier. Hence, we cut our FY21 EPS estimates drastically and our FY22 EPS estimates by ~30%. Maintain **Neutral**, with TP of INR190 (0.4x FY22 BVPS).

## Quarterly performance (INR m)

	FY19				FY20				FY19	FY20	4QFY20	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	15,238	16,121	17,641	18,929	19,794	20,159	18,904	18,026	67,929	76,882	18,407	-2
Interest Expenses	10,998	12,289	14,103	14,275	15,127	15,213	14,610	13,800	51,664	58,750	14,435	-4
<b>Net Interest Income</b>	<b>4,241</b>	<b>3,832</b>	<b>3,538</b>	<b>4,654</b>	<b>4,667</b>	<b>4,946</b>	<b>4,293</b>	<b>4,226</b>	<b>16,265</b>	<b>18,133</b>	<b>3,972</b>	<b>6</b>
YoY Growth (%)	25.0	5.8	-13.7	16.8	10.1	29.1	21.3	-9.2	7.7	11.5	-14.6	
Other income	1,245	1,962	3,144	2,553	2,532	2,145	1,844	1,493	8,904	8,013	1,881	-21
<b>Total Income</b>	<b>5,486</b>	<b>5,794</b>	<b>6,682</b>	<b>7,207</b>	<b>7,199</b>	<b>7,091</b>	<b>6,138</b>	<b>5,719</b>	<b>25,169</b>	<b>26,146</b>	<b>5,853</b>	<b>-2</b>
YoY Growth (%)	33.9	31.8	36.2	17.6	31.2	22.4	-8.1	-20.6	28.9	3.9	-18.8	
Operating Expenses	1,293	1,422	1,565	1,655	1,417	1,315	1,347	1,443	5,935	5,522	1,398	3
YoY Growth (%)	34.4	61.5	46.8	9.8	9.6	-7.5	-13.9	-12.8	34.4	-7.0	-15.5	
<b>Operating Profits</b>	<b>4,193</b>	<b>4,372</b>	<b>5,117</b>	<b>5,552</b>	<b>5,782</b>	<b>5,776</b>	<b>4,790</b>	<b>4,276</b>	<b>19,233</b>	<b>20,624</b>	<b>4,455</b>	<b>-4</b>
YoY Growth (%)	33.7	24.4	33.3	20.1	37.9	32.1	-6.4	-23.0	27.3	7.2	-19.8	
Provisions	440	647	701	101	1,642	1,516	1,808	7,548	1,890	12,514	1,408	436
<b>Profit before Tax</b>	<b>3,753</b>	<b>3,725</b>	<b>4,416</b>	<b>5,451</b>	<b>4,140</b>	<b>4,260</b>	<b>2,983</b>	<b>-3,272</b>	<b>17,344</b>	<b>8,110</b>	<b>3,047</b>	<b>-207</b>
Tax Provisions	1,195	1,195	1,386	1,653	1,296	592	612	-852	5,429	1,648	617	-238
<b>Profit after tax</b>	<b>2,558</b>	<b>2,530</b>	<b>3,030</b>	<b>3,798</b>	<b>2,845</b>	<b>3,668</b>	<b>2,370</b>	<b>-2,421</b>	<b>11,915</b>	<b>6,462</b>	<b>2,429</b>	<b>-200</b>
YoY Growth (%)	50.4	33.1	32.0	51.0	11.2	45.0	-21.8	-163.7	41.7	-45.8	-36.0	
<b>Key Operating Parameters (%)</b>												
Rep. Yield on loans	9.84	10.03	10.77	10.65	10.84	10.95	10.74	10.26				
Rep. Cost of funds	7.73	7.81	8.21	8.06	8.31	8.34	8.21	8.03				
Spreads	2.11	2.22	2.56	2.59	2.53	2.61	2.53	2.23				
Net Interest Margins	2.74	2.72	3.06	3.18	3.14	3.19	2.98	2.61				
Cost to Income Ratio	23.6	24.5	23.4	23.0	19.7	18.5	21.9	25.2	23.6	21.1	23.9	-194 BPS
Credit Cost	0.29	0.40	0.41	0.06	0.88	0.81	1.01	4.42	0.29	1.78	0.65	35.93
Tax Rate	31.8	32.1	31.4	30.3	31.3	13.9	20.5	26.0	31.3	20.3	21.5	-97 BPS
<b>Balance Sheet Parameters</b>												
Loans (INR B)	639	668	707	740	759	744	691	676	743	666	736	-6.12
Change YoY (%)	45.2	37.0	27.9	29.8	18.8	11.3	-2.2	-8.7	30.0	-10.3	4.1	
AUM (INR B)	686	735	797	847	883	895	863	833	847	833	904	-4.50
Change YoY (%)	46.7	43.2	38.3	36.1	28.8	21.8	8.2	-1.6	36.1	-1.6	13.3	
Borrowings (Ex Assignment) (INR B)	604	636	692	724	722	715	706	682	719	677	707	-0.20
Change YoY (%)	52.8	41.2	36.3	33.3	19.5	12.3	2.0	-5.7	33.6	-5.7	2.2	
Loans/Borrowings (%)	105.7	105.0	102.2	102.3	105.1	104.1	98.0	99.1	103.4	98.4	104.2	
Off BS loans/AUM (%)	6.8	9.1	11.3	12.6	14.0	16.9	19.9	18.9	12.3	20.1	18.5	
Debt/Equity (x)	8.4	9.2	9.7	9.6	9.2	8.9	8.5	8.5	9.5	8.5	8.7	
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	2,748	3,006	3,324	3,549	6,454	6,246	12,099	18,582	3,549	18,582		
Gross Stage 3 (% on loans)	0.43	0.45	0.47	0.48	0.85	0.84	1.75	2.75	0.48	2.75		
NS 3 (INR m)	2,109	2,338	2,617	2,784	5,088	4,833	9,956	11,825	2,784	11,825		
Net Stage 3 (% on loans)	0.33	0.35	0.37	0.37	0.67	0.65	1.44	1.75	0.37	1.75		
PCR (%)	23.3	22.2	21.3	21.5	21.2	22.6	17.7	36.4	21.5	36.4		

E: MOFSL Estimates



## Highlights from management commentary

### Business updates

- The focus is on cost rationalization by negotiation of rent, branch rationalization, no new hiring, etc.
- It is in discussion with a few PSU banks to sell the corporate books. It may sell down INR20b in the next month or so.
- **Looking at all the capital raise options, including QIP, preferential issue or rights issue. The amount is INR15–20b. The capital raise is intended to bring down the gearing ratio to 5–6x from 8.25x.**
- Do not foresee any asset quality issues for salaried employees who have availed a moratorium.
- In the mid-income category (INR0.7–0.9m ticket apartments), demand is still strong.
- Even post the capital raise, PNBHOUSI would be able to manage double-digit RoE.

### Asset quality / Moratorium

- The top 20 developers form 64% of the corporate book. The company collected INR6.42b principal from corporate loan accounts that were under moratorium in FY20 (regular moratorium, not the RBI one).
- Four of the five accounts on the watchlist are now NPL. The details are in the table below.
- A new account, Vipul Ltd, slipped into NPL in 4QFY20. PNBHOUSI had disbursed INR4.07b, of which INR3.56b is currently outstanding. SARFAESI has been initiated.
- Moratorium in the corporate book stands at 80–90%.
- Moratorium in volume terms is largely similar to that in value terms.
- NPA in LAP is 1.6%.

### Liquidity/Funding

- Banks offered the company a moratorium, but the company did not avail the same.
- Incremental CoF stands at 8.15–8.20%.
- Lower securitization this quarter was a conscious decision.

### Others

- The company has 1,549 employees.
- It currently does INR4b collections per month.
- RWA declined INR20b QoQ.
- In the first 10 days, the company receives a bit more than 50% of its monthly EM.
- Home registration offices are not operating at the moment in many places.
- The no. of applications increased to 3000 in May from 1300 in Apr. Disbursements stood at INR2.12b.

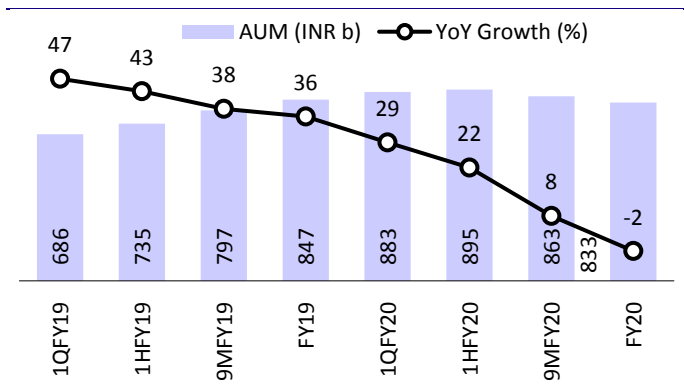
**Exhibit 1: Status of stressed accounts**

Company	Total Disbursed (INR b)	Current Outstanding (INR b)	Current Status	Location	Provisioning
Ireo Pvt. Ltd	1.5	1.01	❖ Auctioned one of the two land parcels; received INR250m earnest money; expects to get remaining amount in the next 2–3M	Gurgaon	40%
Supertech		2.44	❖ SPV created; initiated SARFAESI	Gurgaon	50%
Ornate		1.81		Mumbai	
Radius		2.59	❖ Initiated SARFAESI	Mumbai	50%
Vipul Ltd	4.07	3.56	❖ Loan secured by mortgage; initiated SARFAESI	Gurgaon	
1 account		0.2	❖ MoU signed; 10% earnest money deposited		

Source: MOFSL, Company

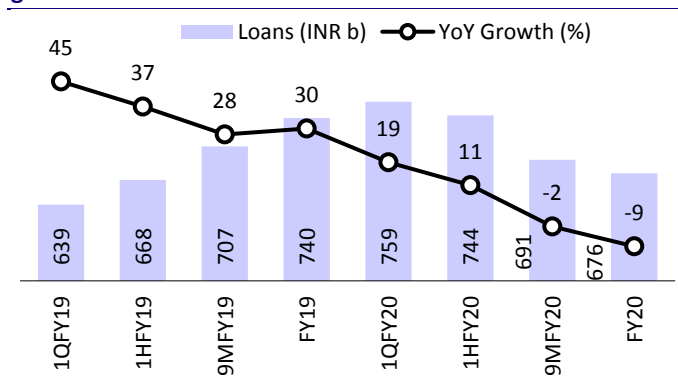
**Key exhibits**

**Exhibit 2: AUM down 2% YoY**



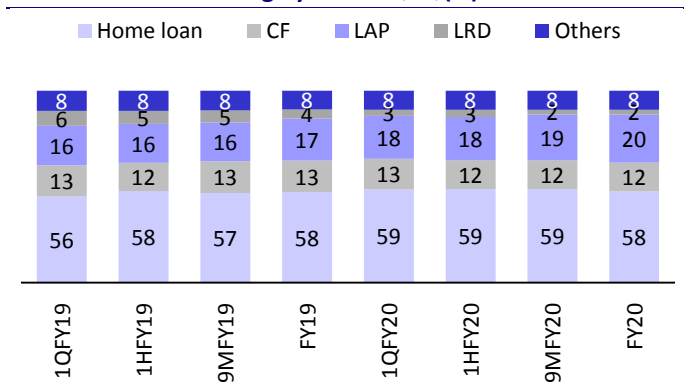
Source: MOFSL, Company

**Exhibit 3: High sell downs for the first 9M impacted loan growth**



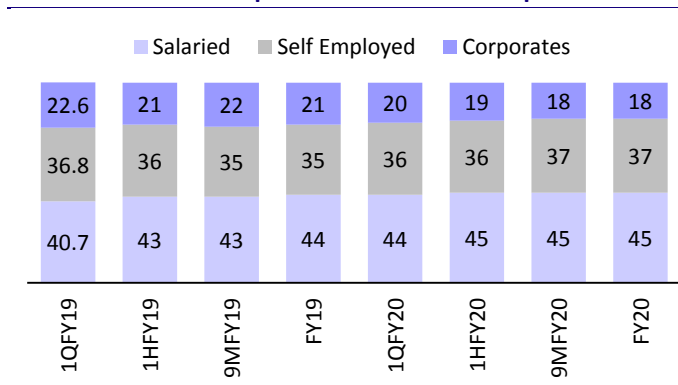
Source: MOFSL, Company

**Exhibit 4: Loan mix largely stable QoQ (%)**



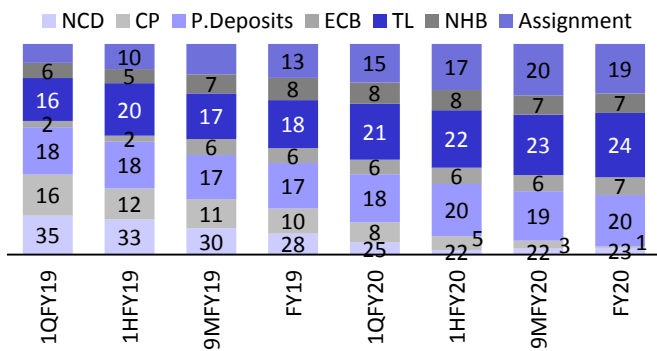
Source: MOFSL, Company

**Exhibit 5: Share of corporate loans down 300bp YoY**



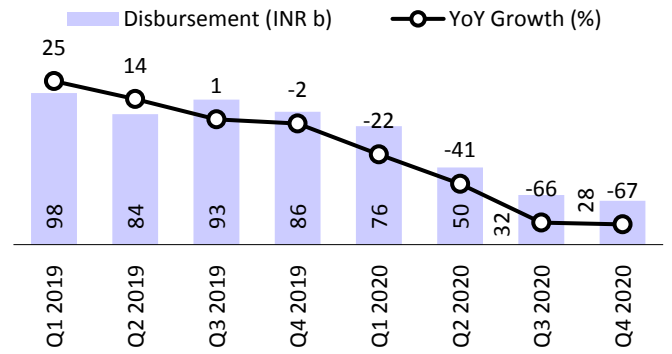
Source: MOFSL, Company, Corporates include LRD, CF, Corp. TL

**Exhibit 6: Share of CPs down to ~50bp v/s 10% a year ago**



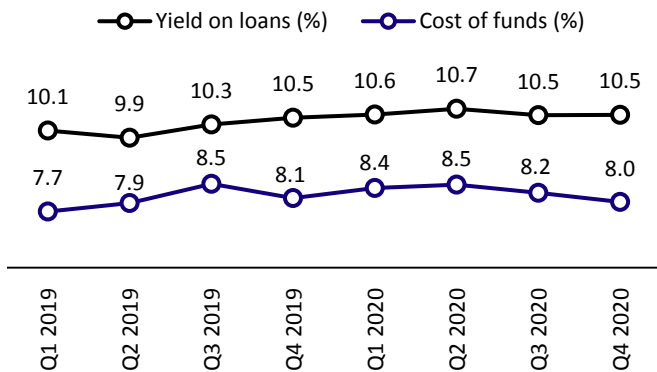
Source: MOFSL, Company

**Exhibit 7: Lockdown adversely impacts disbursements**



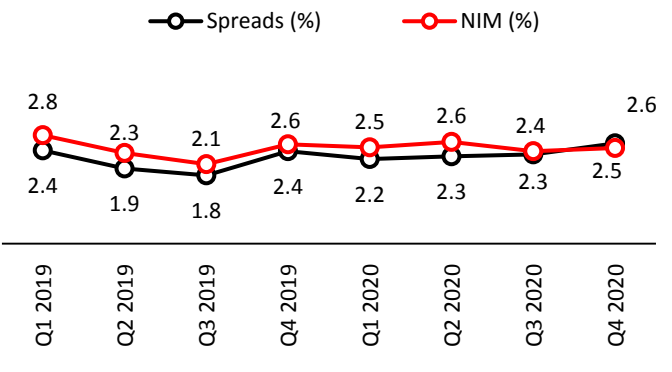
Source: MOFSL, Company

**Exhibit 8: Spreads improve ~30bp in a tough environment**



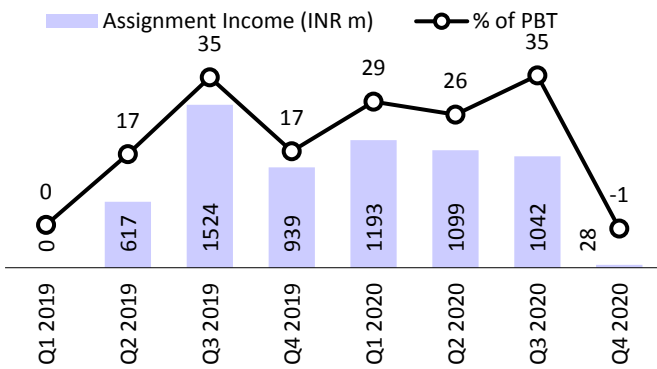
Source: MOFSL, Company, Calculated

**Exhibit 9: NIMs largely stable QoQ**



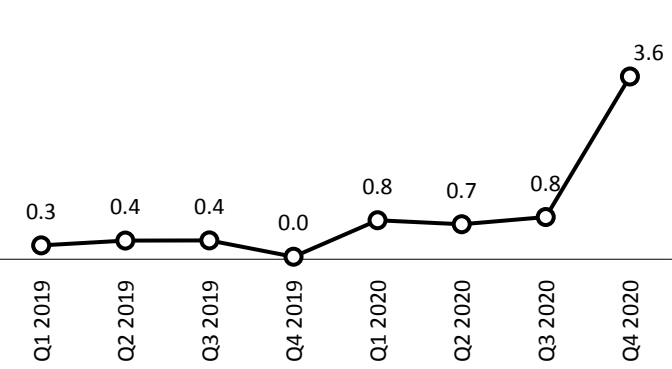
Source: MOFSL, Company, Calculated

**Exhibit 10: Sharp decline in assignment income**



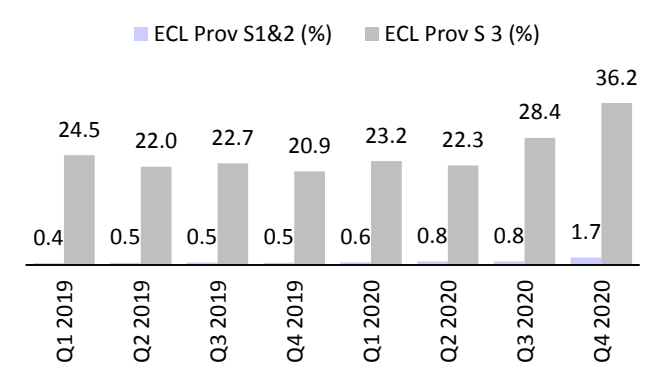
Source: MOFSL, Company

**Exhibit 11: Escalated credit cost due to Covid provisions (%)**



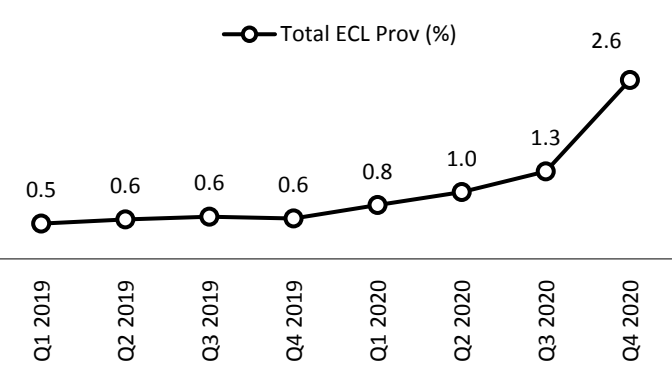
Source: MOFSL, Company

**Exhibit 12: Increased Stage 3 provisions**



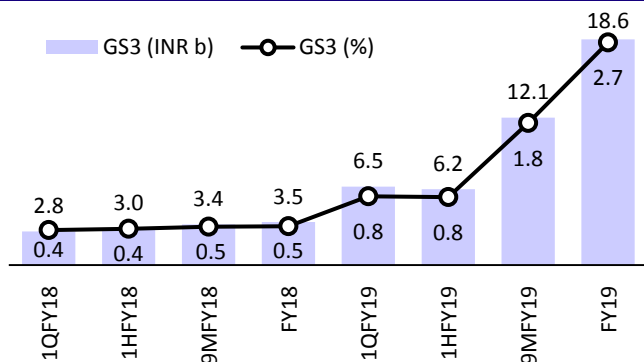
Source: MOFSL, Company

**Exhibit 13: ECL provisioning as % of AUM doubles QoQ**



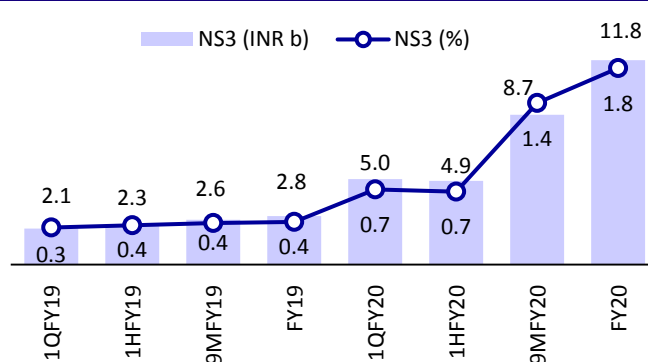
Source: MOFSL, Company

Exhibit 14: Asset quality deteriorates sharply



Source: MOFSL, Company

Exhibit 15: Net Stage 3 at 1.8% of loans



Source: MOFSL, Company

### Valuation and view

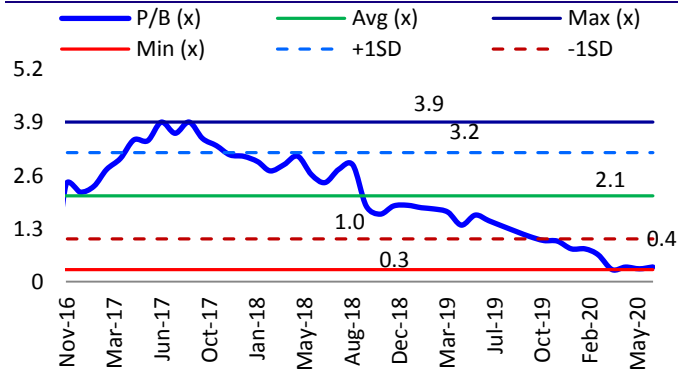
- The company is currently dealing with external and internal challenges. Tight liquidity in the capital markets, coupled with a stressed Real Estate market in certain geographies, has impacted most HFCs.
- However, PNBHOUSI also has to deal with its high leverage. In this backdrop, it would not be able to grow its loan assets until it raises adequate equity capital. We estimate 4% YoY decline in AUM in FY21 as disbursements are likely to be muted. In FY22, we forecast a pickup in AUM growth to 5% YoY.
- More recently, the moratorium number reported by the company is meaningfully higher than that reported by some large banks and HDFC. As a result, we believe asset quality is going to be a challenge in FY21. We forecast a jump in the GNPL ratio to 8% in FY21, driven by both retail and corporate slippages. As a result, our credit cost estimate is 70bp higher than earlier.
- Hence, we cut our FY21 EPS estimates by 70% and our FY22 EPS estimates by ~30%. Note that we have not factored any capital raise in our estimates. Maintain Neutral, with TP of INR190 (0.4x FY22 BVPS).

Exhibit 16: We downgrade est. to factor lower growth and higher loan stress

INR b	Old Est.		New Est.		Change (%)	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
NII	18.4	20.5	15.8	16.7	-13.9	-18.6
Other Income	5.9	6.6	4.8	6.3	-17.4	-5.6
<b>Total Income</b>	<b>24.2</b>	<b>27.1</b>	<b>20.7</b>	<b>22.9</b>	<b>-14.8</b>	<b>-15.4</b>
Operating Expenses	6.1	6.9	5.9	6.5	-3.5	-7.0
<b>Operating Profits</b>	<b>18.2</b>	<b>20.1</b>	<b>14.8</b>	<b>16.5</b>	<b>-18.5</b>	<b>-18.3</b>
Provisions	7.3	6.0	11.6	6.4	59.3	
<b>PBT</b>	<b>10.9</b>	<b>14.2</b>	<b>3.2</b>	<b>10.0</b>	<b>-70.9</b>	<b>-29.1</b>
Tax	2.3	3.0	0.7	2.1	-71.5	-30.7
<b>PAT</b>	<b>8.5</b>	<b>11.1</b>	<b>2.5</b>	<b>7.9</b>	<b>-70.7</b>	<b>-28.6</b>
<b>ROAA (%)</b>	<b>1.1</b>	<b>1.4</b>	<b>0.3</b>	<b>1.0</b>		
<b>RoAE (%)</b>	<b>9.6</b>	<b>11.5</b>	<b>3.1</b>	<b>9.3</b>		

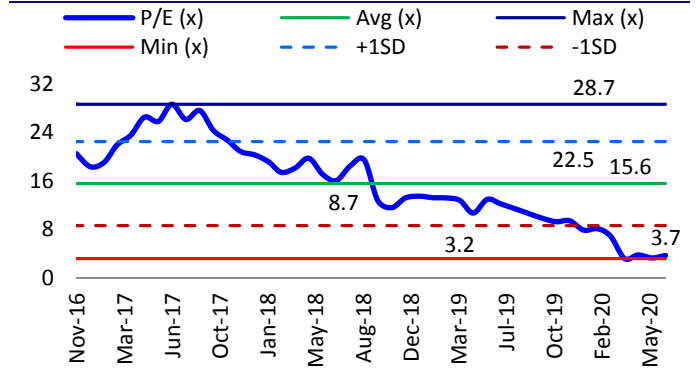
Source: MOFSL, Company

**Exhibit 17: One-year forward P/B**



Source: MOFSL, Company

**Exhibit 18: One-year forward P/E**



Source: MOFSL, Company

**Exhibit 19: Valuation Matrix**

	Rating	CMP (INR)	Mcap (USD <b>b</b> )	P/E (x)		P/BV (x)		RoA (%)		RoE (%)	
				FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
<b>HFCs</b>											
HDFC*	Buy	1,752	40.6	16.2	12.2	1.7	1.3	1.6	1.5	11.2	11.0
LICHF	Buy	270	1.9	5.9	5.0	0.7	0.6	1.0	1.1	12.0	13.0
PNBHF	Neutral	212	0.5	4.4	3.4	0.4	0.4	1.1	1.4	9.8	11.6
REPCO	Buy	105	0.1	2.3	2.2	0.3	0.3	2.3	2.4	14.4	13.6
<b>Vehicle fin.</b>											
SHTF	Buy	674	2.0	10.1	5.7	0.8	0.7	1.4	2.4	8.1	13.0
MMFS	Buy	164	1.3	20.6	11.4	0.9	0.8	0.7	1.2	4.2	7.2
CIFC	Buy	155	1.7	16.3	12.0	1.5	1.3	1.2	1.6	9.4	11.6
<b>Diversified</b>											
BAF	Neutral	2,350	18.6	35.1	23.0	3.9	3.4	2.4	3.4	11.8	15.9
SCUF	Buy	677	0.6	6.8	6.0	0.6	0.5	2.1	2.4	8.7	9.2
LTFH	Buy	62	1.7	7.2	5.3	0.8	0.7	1.6	2.1	11.3	13.8
MUTH	Neutral	954	5.2	11.9	10.6	2.8	2.4	7.1	7.2	25.8	24.4
MAS	Buy	671	0.5	21.8	18.2	3.3	2.9	3.7	4.0	16.0	16.9

\*Adjusted for investments in subsidiaries



## Financials and Valuations

Income statement								(INR m)
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	2023E
Interest Income	25,461	36,401	50,467	67,929	76,882	68,570	67,783	72,623
Interest Expended	18,603	26,437	35,366	51,664	58,750	52,742	51,126	54,154
<b>Net Interest Income</b>	<b>6,858</b>	<b>9,964</b>	<b>15,101</b>	<b>16,265</b>	<b>18,133</b>	<b>15,827</b>	<b>16,657</b>	<b>18,469</b>
Change (%)	68.9	45.3	51.6	7.7	11.5	-12.7	5.2	10.9
Other Operating Income	1,534	2,678	4,426	8,904	8,013	4,830	6,260	7,485
<b>Net Income</b>	<b>8,393</b>	<b>12,642</b>	<b>19,528</b>	<b>25,169</b>	<b>26,146</b>	<b>20,658</b>	<b>22,916</b>	<b>25,954</b>
Change (%)	62.8	50.6	54.5	28.9	3.9	-21.0	10.9	13.3
Operating Expenses	2,521	3,573	4,416	5,935	5,522	5,855	6,454	7,349
<b>Operating Income</b>	<b>5,872</b>	<b>9,069</b>	<b>15,112</b>	<b>19,234</b>	<b>20,624</b>	<b>14,803</b>	<b>16,463</b>	<b>18,605</b>
Change (%)	76.6	54.5	66.6	27.3	7.2	-28.2	11.2	13.0
Provisions/write offs	832	1,029	2,766	1,890	12,514	11,637	6,425	4,861
<b>Reported PBT</b>	<b>5,040</b>	<b>8,040</b>	<b>12,346</b>	<b>17,344</b>	<b>8,110</b>	<b>3,165</b>	<b>10,038</b>	<b>13,744</b>
Tax	1,766	2,803	3,934	5,429	1,648	665	2,108	2,886
Tax Rate (%)	35.0	34.9	31.9	31.3	20.3	21.0	21.0	21
<b>Reported PAT</b>	<b>3,273</b>	<b>5,237</b>	<b>8,412</b>	<b>11,915</b>	<b>6,462</b>	<b>2,501</b>	<b>7,930</b>	<b>10,857</b>
Change (%)	68.7	60.0	60.6	41.7	-45.8	-61.3	217.1	36.9
Proposed Dividend	486	1,196	1,799	1,809	1,816	600	1,427	1,954

Balance sheet								(INR m)
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	2023E
Capital	1,269	1,656	1,666	1,675	1,682	1,682	1,682	1,682
Reserves & Surplus	20,190	56,340	64,008	73,764	78,296	80,196	86,699	95,602
<b>Net Worth</b>	<b>21,459</b>	<b>57,996</b>	<b>65,673</b>	<b>75,439</b>	<b>79,978</b>	<b>81,878</b>	<b>88,380</b>	<b>97,284</b>
<b>Borrowings</b>	<b>260,137</b>	<b>353,207</b>	<b>537,767</b>	<b>718,589</b>	<b>677,351</b>	<b>633,019</b>	<b>645,141</b>	<b>708,704</b>
Change (%)	57.8	35.8	52.3	33.6	-5.7	-6.5	1.9	9.9
Other liabilities	14,809	14,974	26,704	44,662	31,969	35,165	38,682	42,550
<b>Total Liabilities</b>	<b>296,405</b>	<b>426,177</b>	<b>630,145</b>	<b>838,690</b>	<b>789,297</b>	<b>750,063</b>	<b>772,203</b>	<b>848,538</b>
<b>Loans</b>	<b>271,813</b>	<b>387,347</b>	<b>571,648</b>	<b>742,879</b>	<b>666,280</b>	<b>626,752</b>	<b>658,307</b>	<b>730,622</b>
Change (%)	61.8	42.5	47.6	30.0	-10.3	-5.9	5.0	11.0
<b>Investments</b>	<b>16,223</b>	<b>33,236</b>	<b>24,130</b>	<b>45,607</b>	<b>20,757</b>	<b>22,833</b>	<b>25,116</b>	<b>28,884</b>
Change (%)	2.3	104.9	-27.4	89.0	-54.5	10.0	10.0	15.0
Net Fixed Assets	622	604	858	1,083	1,353	1,421	1,492	1,567
Other assets	7,747	4,990	33,509	49,122	100,906	99,057	87,288	87,464
<b>Total Assets</b>	<b>296,405</b>	<b>426,177</b>	<b>630,145</b>	<b>838,690</b>	<b>789,297</b>	<b>750,063</b>	<b>772,203</b>	<b>848,538</b>

E: MOFSL Estimates



## Financials and Valuations

Ratios	(%)							
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Spreads Analysis (%)</b>								
Avg yield on loans	11.2	10.6	10.2	10.1	10.6	10.2	10.1	10.0
Avg. cost of funds	8.8	8.6	7.9	8.2	8.4	8.1	8.0	8.0
Interest Spread	2.4	2.0	2.3	1.9	2.1	2.2	2.1	2.1
NIM on loans	3.1	3.0	3.1	2.5	2.6	2.4	2.6	2.7
<b>Profitability Ratios (%)</b>								
RoE	17.6	13.2	13.6	16.9	8.3	3.1	9.3	11.7
RoA	1.3	1.4	1.6	1.6	0.8	0.3	1.0	1.3
Int. Expended/Int.Earned	73.1	72.6	70.1	76.1	76.4	76.9	75.4	74.6
Other Inc./Net Income	18.3	21.2	22.7	35.4	30.6	23.4	27.3	28.8
<b>Efficiency Ratios (%)</b>								
Op. Exps./Net Income	30.0	28.3	22.6	23.6	21.1	28.3	28.2	28.3
Empl. Cost/Op. Exps.	29.9	28.3	32.6	51.2	42.2	40.6	41.3	41.7
<b>Asset Quality (%)</b>								
Gross NPAs	598	858	1,861	3,549	18,562	51,876	64,411	67,703
Gross NPAs to Adv.	0.2	0.2	0.3	0.5	2.8	8.0	9.5	9.0
Net NPAs	381	590	1,438	2,784	11,838	33,720	41,867	44,007
Net NPAs to Adv.	0.1	0.2	0.3	0.4	1.8	5.4	6.4	6.0
<b>VALUATION</b>								
Book Value (INR)	169.1	350.1	394.2	450.5	475.5	486.8	525.5	578.4
BVPS Growth YoY	11.2	107.1	12.6	14.3	5.6	2.4	7.9	10.1
<b>Price-BV (x)</b>					<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
EPS (INR)	25.8	31.6	50.5	71.1	38.4	14.9	47.1	64.6
EPS Growth YoY	38.0	22.6	59.7	40.9	-46.0	-61.3	217.1	36.9
<b>Price-Earnings (x)</b>					<b>5.5</b>	<b>14.3</b>	<b>4.5</b>	<b>3.3</b>
Dividend per share (INR)	3.4	6.0	9.0	9.0	9.0	3.0	7.1	9.7
<b>Dividend yield (%)</b>					<b>4.2</b>	<b>1.4</b>	<b>3.3</b>	<b>4.6</b>

E: MOSL Estimates

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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