

LIC Housing Finance

BSE SENSEX
16,883

S&P CNX
5,069

CMP: INR216

TP: INR250

Buy

Bloomberg LICHF IN

Equity Shares (m) 475.0

52-Week Range (INR) 273/150

1,6,12 Rel.Perf.(%) -5/7/-3

M.Cap. (INR b) 102.6

M.Cap. (USD b) 2.0

YEAR	NET INCOME	PAT	ADJ. PAT	EPS	EPS	P/E	BV	P/BV	ROAA	ROAE
END	(INR M)	(INR M)	(INR M)*	(INR)	GR. (₹)	(X)	(INR)	(X)	(%)*	(%)*
3/10A	10,735	6,612	6,404	13.9	11.1	-	71.3	-	1.9	22.8
3/11A	17,710	9,743	10,327	20.5	47.3	10.5	87.8	2.5	2.4	27.3
3/12E	18,359	9,375	10,866	19.7	-3.8	10.9	102.9	2.1	1.9	24.0
3/13E	22,146	12,967	12,967	27.3	38.3	7.9	123.8	1.7	1.8	24.1

* Adj. for one-off items

LIC Housing Finance (LICHF) reported a sharp 58% YoY and 62% QoQ decline in PAT for 2QFY12 to INR984m (v/s our estimate of INR2.66b), led by a steep decline (33bp QoQ) in margins and one-off provisions of INR2.05b due to change in provisioning guidelines by the NHB. Adjusting for one-time provisions of INR2.05b, PAT stood at ~INR2.5b, ~5% lower than our estimate.

- Loans grew 29% YoY and 6% QoQ to INR561b. The individual loans portfolio showed robust growth of 35% YoY (~7% QoQ) to INR521b (~93% of total loan book), while the builder loans portfolio declined 18% YoY (1% QoQ) to INR40b. The management has guided loan growth of 20-25% for FY12.
- Disbursements grew 45% QoQ to INR51.5b, driven by 24% YoY and 37% QoQ growth in individual disbursements. Disbursements to the developer segment increased to INR4.1b from INR774m in 1QFY12.
- Despite strong asset growth, NII grew 10% YoY (declined 7% QoQ) to INR3.3b. Reported NIM declined 33bp QoQ to 2.45%, driven by higher cost of funds.
- Asset quality improved, with gross NPA declining 19% QoQ. In percentage terms, GNPA reduced from 0.84% in 1QFY12 to 0.64%. Notably, provision coverage ratio improved to 82% from 59% in 1QFY12.
- LICHF made additional provisions worth INR2.05b on account of changes in the provisioning guidelines by the NHB for standard assets (INR1.6b) and non-performing assets (INR0.45b). LICHF did not utilize excess provisions (INR1.1b) on its balance sheet.

Valuation and view: We revise our earnings estimates downwards to factor in lower than expected margin performance and higher provisioning expenses. We expect LICHF to report BV of INR103 for FY12 and INR124 for FY13. The stock trades at 2.1x FY12E BV and 1.7x FY13E BV. We maintain **Buy**, with a price target of INR250.

Quarterly Performance

(INR Million)

Y/E March	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	9,716	10,429	11,615	12,937	13,581	14,580	16,038	17,772	44,697	61,971
Interest Expenses	6,772	7,378	8,093	8,733	9,971	11,238	12,137	13,108	30,977	46,455
Net Interest Income	2,943	3,051	3,522	4,204	3,610	3,342	3,901	4,663	13,719	15,516
YoY Growth (%)	69.0	63.3	54.5	41.1	22.6	9.5	10.8	10.9	54.7	13.1
Fees and other income	434	645	1,930	982	601	574	750	919	3,991	2,843
Net Income	3,377	3,696	5,451	5,186	4,211	3,916	4,651	5,582	17,710	18,359
YoY Growth (%)	60.0	53.2	98.4	49.7	24.7	5.9	-14.7	7.6	65.0	3.7
Operating Expenses	394	503	560	702	422	561	668	790	2,162	2,441
Operating Profit	2,983	3,193	4,891	4,484	3,789	3,354	3,983	4,792	15,548	15,918
YoY Growth (%)	66.8	71.6	110.5	57.3	27.0	5.1	-18.6	6.9	76.3	2.4
Provisions and Cont.	89	3	2,328	189	334	2,047	350	300	2,609	3,031
Profit before Tax	2,893	3,190	2,563	4,295	3,454	1,307	3,633	4,492	12,939	12,887
Tax Provisions	773	848	428	1,147	889	323	999	1,300	3,197	3,512
Net Profit	2,120	2,342	2,135	3,148	2,565	984	2,634	3,192	9,743	9,375
YoY Growth (%)	71.2	36.8	39.0	47.8	21.0	-58.0	23.4	1.4	47.3	-3.8
Adj PAT (Post Tax)	2,120	2,342	2,951	2,913	2,565	2,527	2,634	3,192	10,327	10,918
YoY Growth (%)	71.2	56.2	92.2	36.8	21.0	7.9	-10.8	9.6	61.3	5.7
Loan Growth (%)	36.8	36.0	35.7	34.2	32.1	29.3	27.4	23.5	34.2	23.5
Borrowings Growth (%)	30.0	34.3	36.5	29.9	31.3	28.0	27.8	28.6	29.9	28.6
Cost to Income Ratio (%)	11.7	13.6	10.3	13.5	10.0	14.3	14.4	14.2	12.2	13.3
Tax Rate (%)	26.7	26.6	16.7	26.7	25.7	24.7	27.5	28.9	24.7	27.3

E: MOSL Estimates

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Quarterly performance v/s our estimates and reasons for deviation (INR m)

Y/E March	2QFY12A	2QFY12E	Var (%)	Comments
Interest Income	14,580	14,741	-1	
Interest Expenses	11,238	10,869	3	
Net Interest Income	3,342	3,872	-14	Margins lower than estimated
YoY Growth (%)	10	27		
Fees and other income	574	649	-12	
Net Income	3,916	4,521	-13	
YoY Growth (%)	6	22		
Operating Expenses	561	494	14	Higher comm. & brokerage paid led to higher opex
Operating Profit	3,354	4,027	-17	
YoY Growth (%)	5	26		
Provisions and Cont.	2,047	350	485	One off provisions to the tune of INR2.05b
Profit before Tax	1,307	3,677	-64	
Tax Provisions	323	1,011	-68	
Net Profit	984	2,666	-63	Lower margins and higher provisions lead to lower than expected PAT
YoY Growth (%)	-58	14		

Source: Company/MOSL

Individual business growth healthy; disbursements to builders pick up

Loan growth during the quarter remained healthy as loan book expanded 29% YoY and 6% QoQ to INR561b. The individual loans portfolio showed robust growth of 35% YoY (~7% QoQ) to INR521b (~93% of total loan book), while the builder loans portfolio declined 18% YoY (1% QoQ) to INR40b.

Disbursements grew 45% QoQ to INR51.5b, driven by strong 24% YoY and 37% QoQ growth in individual disbursements. Disbursements to developers picked up during the quarter to INR4.1b from INR774m in 1QFY12, but remained significantly lower compared with INR12.8b in 2QFY11. On a YoY basis, the overall disbursement growth was marginal at just 1%.

The management expects to increase disbursements to developers in 2HFY12, with a quarterly run rate of ~INR10b as against disbursements of INR4.9b during 1HFY12. Total outstanding borrowings at the end of 2QFY12 increased 28% YoY and 7% QoQ to INR502b. Incremental loans and borrowings for the quarter stood at INR32.2b and INR32.5b, respectively. The management guided loan growth of 20-25% for FY12.

Reported margin declines 33bp QoQ, led by higher cost of funds

Despite strong asset growth during the quarter (29% YoY and 6% QoQ), NII grew 10% YoY (down 7% QoQ) to INR3.3b. Reported NIM declined 33bp QoQ to 2.45%, driven by higher cost of funds.

Spreads (calculated) declined further to 1.45% v/s 1.8% in 1QFY12 and 2.6% in 4QFY11, led by ~60bp QoQ increase in cost of funds (calculated), while yield on loans (calculated) increased by 25bp QoQ. LICHF raised its lending rates by ~40bp in October 2011, the full impact of which will be seen in 3QFY12.

Moreover, the proportion of developer loans is declining, as a result of which margins have remained under pressure. LICHF plans to increase disbursements to the developer segment in 2HFY12, which should help the company to improve margins. For FY12, the management has guided NIM of ~2.7%.

Asset quality improves; one-off provisions impact bottomline

GNPA declined 19% QoQ. In percentage terms, GNPA reduced to 0.64% from 0.84% in 1QFY12. Notably, provision coverage ratio improved to 82% from 59% in 1QFY12. During the quarter, LICHF made additional provisions worth INR2.05b on account of changes in the provisioning guidelines by the NHB for standard assets (INR1.6b) and non-performing assets (INR0.45b). LICHF did not utilize excess provisions (INR1.1b) on its balance sheet, thereby maintaining some cushion for asset quality.

Other highlights

- As at the end of September 2011, LICHF's total CAR stood at 14.6%, with tier-I ratio at 8.7% (including 1HFY12 profits).
- Operating expenses for the quarter grew sharply by 33% QoQ and 12% YoY on account of higher commission & brokerage of INR245m v/s INR145m in 1QFY12. Resultantly, the cost to income ratio for the quarter increased to 14.3% from 10% in 1QFY12.

Valuation and view

Despite high interest rates and property prices, volume growth in the individual loans segment remains healthy. The management has guided 20-25% loan growth for FY12 on the back of healthy growth in the individual segment and expected increase in the share of developer loan portfolio.

We model in loan CAGR of ~24% during FY11-13. However, margin performance surprised negatively during the quarter. We model in margin compression of ~40bp in FY12. Passing on the increase in cost of funds and increase in share of developer loan portfolio will remain key to margin improvement.

We have revised our earnings estimates downwards to factor in lower than expected margin performance and higher provisioning expenses. However, adjusted for one-off provisioning expenses due to change in provisioning guidelines by the NHB, earnings growth is likely to remain healthy. We expect LICHF to report a BV of INR103 for FY12 and INR124 for FY13. The stock trades at 2.1x FY12E BV and 1.7x FY13E BV. We maintain **Buy**, with a price target of INR250.

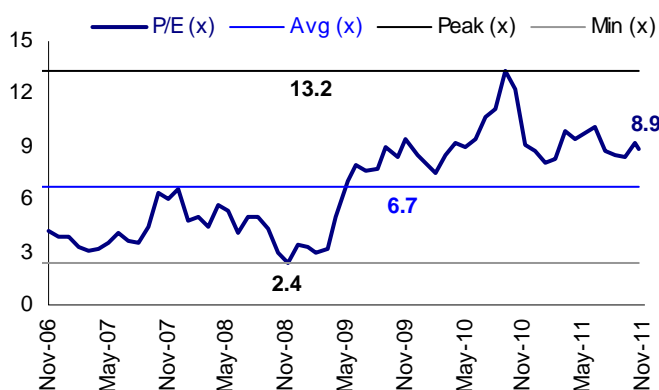
We marginally revise our estimates downwards for FY12/13 (INR b)

	Old Estimates		Revised Estimates		Change (%)	
	FY12	FY13	FY12	FY13	FY12	FY13
Nil	16.1	19.4	15.5	18.7	-3.9	-3.4
Other Income	2.8	3.4	2.8	3.4	0.0	0.0
Net Income	19.0	22.8	18.4	22.1	-3.3	-2.9
Operating Expenses	2.4	2.9	2.4	2.9	0.0	0.0
Operating Profits	16.5	19.9	15.9	19.3	-3.8	-3.3
Provisions	1.2	1.4	3.0	1.4	146.2	0.0
PBT	15.3	18.5	12.9	17.9	-15.8	-3.5
Tax	4.2	5.1	3.5	4.9	-15.8	-3.5
PAT	11.1	13.4	9.4	13.0	-15.8	-3.5
Adj. PAT*	11.1	13.4	10.9	13.0	-2.4	-3.5
Loans	631	789	631	789	0.0	0.0
Borrowings	581	733	581	733	0.0	0.0
Spreads (%)	2.0	2.0	1.9	1.9		
Adj. RoAA (%)*	2.0	1.9	1.9	1.8		
Adj. RoAE (%)*	24.2	24.3	23.5	23.3		

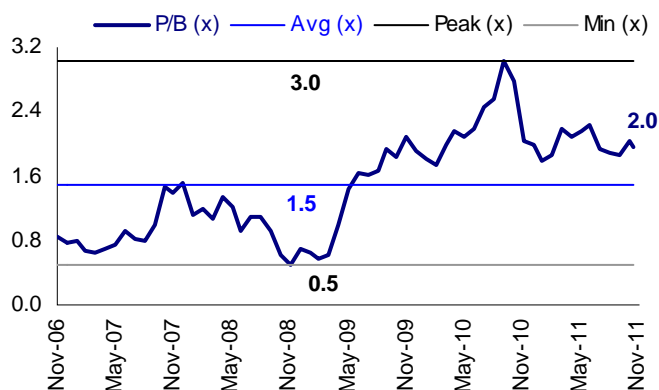
* Adjusted for one time provisions (post tax) due to change in provisioning guidelines by the NHB (FY12E)

Source: MOSL

LIC Housing Finance: One year forward P/E (x)

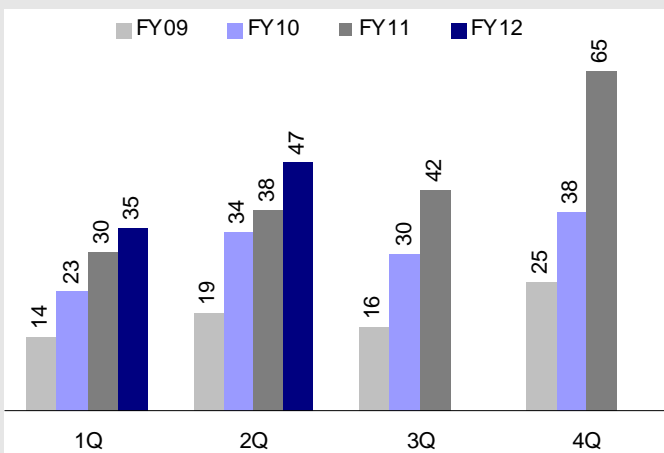


LIC Housing Finance: One year forward P/BV (x)



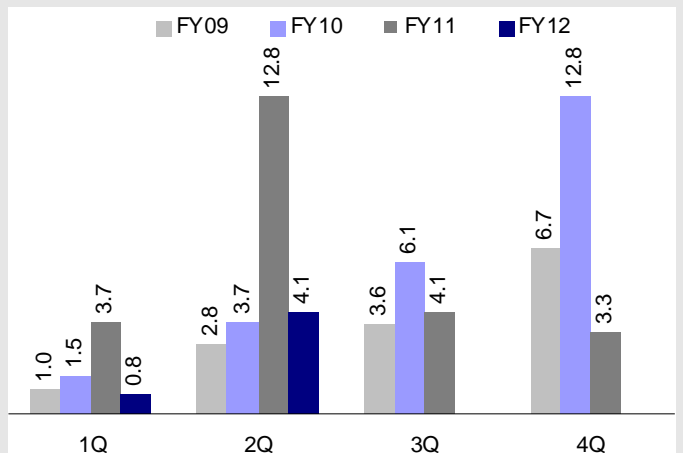
Quarterly trends

Individual disbursements grew 24% YoY (INR b)



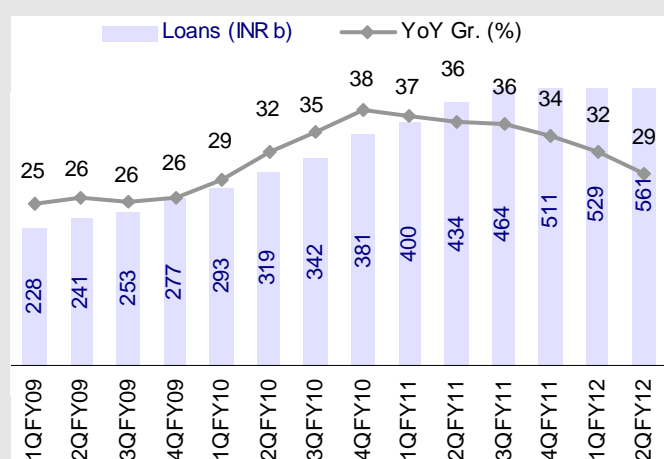
■ Disbursements grew 45% QoQ to INR51.5b, led by growth in individual disbursements

Disbursements to developers improve QoQ (INR b)



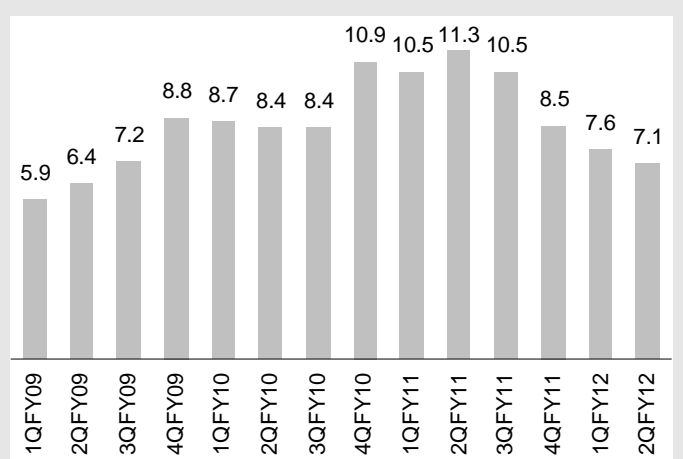
■ Disbursements to developers improved sequentially, though remained significantly lower on a YoY basis

Loan growth remained strong at 29% YoY



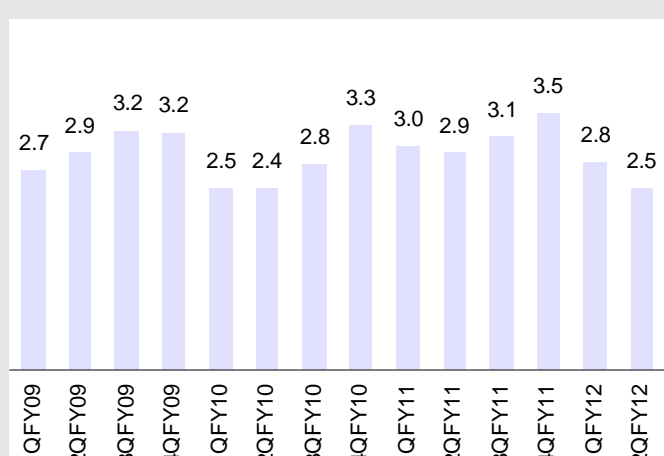
■ Individual loans portfolio showed robust growth of 35% YoY (~7% QoQ) to INR521b; LICHF guided loan growth of 20-25% for FY12

Proportion of developer loans declined further (%)



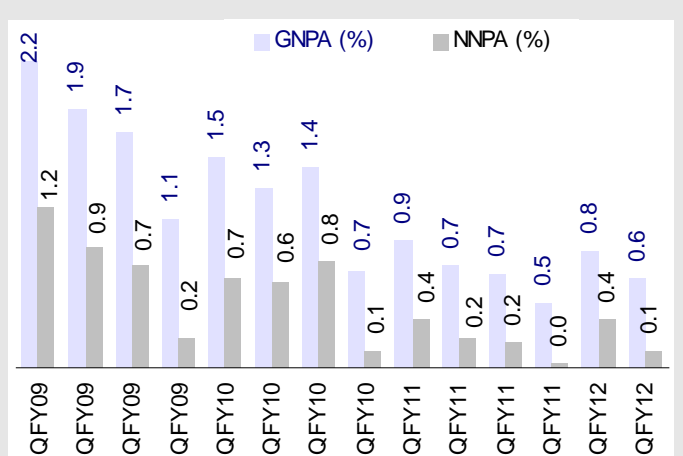
■ Builder loans portfolio declined 18% YoY (1% QoQ) to INR40b resulting into decline in its proportion

Reported NIM down 33bp QoQ (%)



■ Rising cost of funds and declining proportion of developer loans kept margins under pressure

Asset quality improved QoQ



■ LICHF made additional loan loss provisions worth INR0.45b due to changes in the provisioning guidelines by the NHB; provision coverage ratio improved to 82% from 59% in 1QFY12

Quarterly Snapshot

	FY11				FY12		Variation (%)		Cumulative Numbers		
	1Q	2Q	3Q	4Q	1Q	2Q	QoQ	YoY	1HFY11	1HFY12	YoY Gr (%)
Profit and Loss (INR m)											
Interest Income	9,716	10,429	11,615	12,937	13,581	14,580	7	40	20,145	28,161	40
Interest Expenses	6,772	7,378	8,093	8,733	9,971	11,238	13	52	14,151	21,209	50
Net Interest Income	2,943	3,051	3,522	4,204	3,610	3,342	-7	10	5,994	6,952	16
Other Operating Income	434	645	1,930	982	601	574	-5	-11	1,079	1,175	9
Net Income	3,377	3,696	5,451	5,186	4,211	3,916	-7	6	7,073	8,126	15
Operating Expenses	394	503	560	702	422	561	33	12	897	983	10
Employee	149	165	198	169	160	175	9	6	314	336	7
Others	245	338	363	533	262	386	47	14	583	648	11
Operating Profits	2,983	3,193	4,891	4,484	3,789	3,354	-11	5	6,176	7,143	16
Provisions	89	3	2,328	189	334	2,047	N.A.	N.A.	92	2,381	N.A.
PBT	2,893	3,190	2,563	4,295	3,454	1,307	-62	-59	6,084	4,762	-22
Taxes	773	848	428	1,147	889	323	-64	-62	1,621	1,213	-25
PAT	2,120	2,342	2,135	3,148	2,565	984	-62	-58	4,462	3,549	-20
EO item (Adj. for tax)	0	0	-816	235	0	-1,543	N.A.	N.A.	0	-1,543	N.A.
PAT (after EO)	2,120	2,342	2,951	2,913	2,565	2,527	-1	8	4,462	5,092	14
Break up of Total income (INR m)											
Interest Income	9,716	10,429	11,615	12,937	13,581	14,580	5	40			
- Individual	8,297	8,952	9,888	11,280	12,041	12,990	7	45			
- Projects	1,419	1,477	1,727	1,657	1,539	1,590	-7	9			
Other Income	434	645	1,930	982	601	574	-39	39			
Asset Quality											
GNPA (INR m)	3,669	3,196	3,127	2,420	4,444	3,590	-19	12			
NNPA (INR m)	1,398	902	840	150	1,843	660	-64	-27			
Gross NPAs (%)	0.9	0.7	0.7	0.5	0.8	0.6	-20	-10			
Net NPAs (%)	0.4	0.2	0.2	0.0	0.4	0.1	-23	-9			
PCR (Calculated, %)	61.9	71.8	73.1	93.8	58.5	81.6					
Margins (%) - (calculated)											
Yield on loans	10.0	10.0	10.4	10.6	10.5	10.7	25	70			
Cost of funds	7.7	7.9	8.0	8.0	8.7	9.2	59	138			
Spreads	2.3	2.1	2.4	2.6	1.8	1.5	-34	-68			
NIMs (reported)	3.0	2.9	3.1	3.5	2.8	2.5	-33	-48			
Business Details											
Disbursements (INR b)	34	51	46	68	35	51	45	1	85	87	2
- Individual	30	38	42	65	35	47	37	24	68	82	20
- Projects	4	13	4	3	1	4	N.A.	-68	17	5	-70
Loans (INR b)	400	434	464	511	529	561	6	29			
- Individual	358	385	415	467	489	521	7	35			
- Projects	42	49	49	44	40	40	-1	-18			
Borrowings (INR b)	358	392	421	452	470	502	7	28			
Other Details											
Cost to Income (%)	13.4	16.5	15.9	16.7	11.7	16.8			15.0	14.1	
Tax Rate (%)	26.7	26.6	16.7	26.7	25.7	24.7			26.7	25.5	

For %age change QoQ and YoY is bp

Source: Company/MOSL

EPS: MOSL forecast v/s consensus (INR)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY12	19.7	22.1	-10.9
FY13	27.3	28.5	-4.2

Shareholding pattern (%)

	Sep-11	Jun-11	Sep-10
Promoter	36.6	36.6	36.6
Domestic Inst	8.9	7.8	9.2
Foreign	38.6	40.4	41.9
Others	15.9	15.3	12.4

1-year Sensex rebased



Financials: Valuation Matrix

	Rating	CMP (INR)	Mkt. Cap (USDb)	EPS (INR)		P/E (x)		P/BV (x)		RoA (%)		RoE (%)	
				FY12	FY13	FY12	FY13	FY12	FY13	FY12	FY13	FY12	FY13
ICICI*	Buy	789	18.2	55	65	10.4	8.5	1.4	1.3	1.4	1.5	13.9	14.9
HDFCB	Neutral	466	21.7	22	28	21.0	16.8	3.7	3.2	1.6	1.7	18.9	20.3
Axis	Buy	1,006	8.3	97	114	10.4	8.8	1.9	1.6	1.5	1.5	19.9	19.9
Kotak	Neutral	490	3.6	22	27	20.9	17.3	2.7	2.3	2.1	2.1	15.0	15.7
Yes	Buy	271	1.9	27	33	10.0	8.2	2.0	1.7	1.4	1.4	22.3	22.7
Indusind	Buy	251	2.3	17	21	15.2	12.2	2.6	2.2	1.5	1.5	18.6	19.9
ING Vysya	Buy	320	0.8	29	34	11.1	9.5	1.2	1.1	1.0	1.0	13.5	12.4
Federal	Buy	385	1.3	45	51	8.6	7.6	1.2	1.1	1.3	1.3	14.2	14.5
J&K Bk	Buy	796	0.8	151	168	5.3	4.7	1.0	0.8	1.3	1.2	19.4	18.7
SIB	Buy	23	0.5	3	4	7.1	6.0	1.3	1.1	1.0	0.9	20.0	20.2
Private Aggregate			59			14.2	11.8	2.0	1.8				
SBI (cons)*	Buy	1,765	22.4	213	271	7.9	6.1	1.1	1.0	0.8	0.9	16.0	17.4
PNB	Buy	899	5.7	171	203	5.3	4.4	1.2	1.0	1.3	1.3	24.3	23.7
BOI	Neutral	333	3.6	46	59	7.3	5.6	1.0	0.9	0.7	0.7	14.7	16.9
BoB	Neutral	746	5.9	118	136	6.3	5.5	1.2	1.0	1.2	1.1	21.3	20.7
Canara	Buy	456	4.0	80	96	5.7	4.7	1.0	0.8	1.0	1.0	18.2	18.7
Union	Buy	216	2.3	40	49	5.4	4.4	0.9	0.8	0.8	0.9	17.6	18.7
IOB	UR	96	1.2	22	18	4.4	5.3	0.7	0.6	0.7	0.5	15.6	12.0
OBC	Buy	281	1.6	42	54	6.8	5.2	0.7	0.7	0.7	0.8	11.4	13.4
Indian Bk Corporation	Buy	205	1.8	42	48	4.9	4.2	1.0	0.8	1.3	1.3	20.3	20.3
Andhra Bk	Buy	104	1.2	26	27	4.1	3.8	0.8	0.7	1.2	1.1	20.4	19.1
IDBI *	Neutral	103	2.0	20	21	4.0	3.7	0.5	0.5	0.7	0.7	14.5	14.1
Dena Bank	Buy	67	0.4	21.8	25.5	3.1	2.6	0.6	0.5	0.9	0.9	17.9	18.4
Public Aggregate			53			6.8	5.7	1.1	0.9				
HDFC*	Neutral	646	19.0	28	32	16.2	13.5	4.6	4.1	2.8	2.8	27.1	29.4
LICHF	Buy	216	2.1	20	27	10.9	7.9	2.1	1.7	1.7	1.8	20.7	24.1
DHFL	Buy	194	0.4	30	39	6.5	4.9	1.1	0.9	1.4	1.4	18.7	19.6
IDFC	Neutral	112	3.3	10.2	11.3	11.0	10.0	1.2	1.1	3.0	2.8	13.5	13.1
REC	Buy	188	3.7	28	35	6.6	5.4	1.3	1.1	3.1	3.1	20.7	22.1
PFC	Buy	168	3.9	20	28	8.2	6.0	1.1	1.0	2.4	2.7	15.1	17.1
STF	Buy	549	2.5	58	63	9.5	8.7	2.1	1.7	3.0	2.9	23.9	21.6
MMFSL	Neutral	650	1.3	56	70	11.5	9.3	2.3	1.9	4.1	4.1	21.3	22.4
NBFC Aggregate			36			12.6	10.2	2.9	2.5				

* Multiples adjusted for value of key ventures/investments; For ICICI Bank, HDFC Ltd BV is adjusted for investments in subsidiaries

Financials and Valuation

Income Statement						(INR Million)
Y/E March	2008	2009	2010	2011	2012E	2013E
Interest Income	20,368	27,477	32,827	44,697	61,971	79,482
Interest Expense	14,829	20,166	23,957	30,977	46,455	60,776
Net Interest Income	5,539	7,310	8,870	13,719	15,516	18,706
Change (%)	39.3	32.0	21.3	54.7	13.1	20.6
Fee Income	526	682	1,269	1,501	1,627	1,953
Income from Investments	593	644	462	603	1,000	1,250
Other Income	247	232	134	1,886	216	238
Net Income	6,905	8,867	10,735	17,710	18,359	22,146
Change (%)	45.6	28.4	21.1	65.0	3.7	20.6
Operating Expenses	1,339	1,533	1,916	2,162	2,441	2,881
Operating Income	5,566	7,334	8,819	15,548	15,918	19,265
Change (%)	50.6	31.8	20.2	76.3	2.4	21.0
Provisions/write offs	243	62	-284	2,609	3,031	1,380
PBT	5,323	7,272	9,103	12,939	12,887	17,886
Tax	1,451	1,948	2,491	3,197	3,512	4,919
Tax Rate (%)	27.3	26.8	27.4	24.7	27.3	27.5
PAT	3,872	5,324	6,612	9,743	9,375	12,967
Change (%)	38.7	37.5	24.2	47.3	-3.8	38.3
Proposed Dividend	994	1,293	1,666	1,932	2,194	3,034
PAT	3,872	5,382	6,404	10,327	10,866	12,967
Change (%)		39.0	19.0	61.3	5.2	19.3

Balance Sheet						(INR Million)
Y/E March	2008	2009	2010	2011	2012E	2013E
Capital	850	850	950	950	950	950
Reserves & Surplus	17,467	21,491	32,927	40,741	47,922	57,855
Net Worth	18,317	22,341	33,877	41,691	48,872	58,805
Borrowings	203,444	254,217	347,582	451,628	580,701	733,372
Change (%)	24.6	25.0	36.7	29.9	28.6	26.3
Total Liabilities	221,761	276,558	381,458	493,319	629,573	792,177
Investments	7,746	11,292	13,887	14,032	15,435	16,978
Change (%)	275.8	45.8	23.0	1.0	10.0	10.0
Loans	219,364	276,793	380,814	510,898	631,196	788,572
Change (%)	24.9	26.2	37.6	34.2	23.5	24.9
Net Fixed Assets	300	345	356	474	552	619
Net Current Assets	-5,649	-11,872	-13,599	-32,085	-17,610	-13,992
Total Assets	221,761	276,558	381,458	493,319	629,573	792,177

E: MOSL Estimates

Financials and Valuation

Ratios

Y/E March	2008	2009	2010	2011	2012E	2013E
Spreads Analysis (%)						
Avg. Yield on housing loans	10.3	11.1	10.0	10.0	10.9	11.2
Avg. Yield on Earning Assets	10.1	10.8	9.7	9.8	10.7	11.0
Avg. Cost-Int. Bear. Liab.	8.1	8.8	8.0	7.8	9.0	9.3
Interest Spread on housing loans	2.2	2.3	2.0	2.3	1.9	1.9
Net Interest Margin on housing loan:	2.8	2.9	2.7	3.1	2.7	2.6

Profitability Ratios (%)

RoAE	22.9	26.2	23.5	25.8	20.7	24.1
RoAA	1.9	2.1	2.0	2.2	1.7	1.8
Int. Expended/Int. Earned	72.8	73.4	73.0	69.3	75.0	76.5
Other Inc./Net Income	3.6	2.6	1.2	10.7	1.2	1.1

Efficiency Ratios (%)

Fees/Operating income	2.4	2.4	3.7	3.2	2.5	2.4
Op. Exps./Net Income	19.4	17.3	17.8	12.2	13.3	13.0
Empl. Cost/Op. Exps.	25.8	29.3	25.3	31.5	30.7	32.5

Asset-Liability Profile (%)

Loans/Borrowings Ratio	107.8	108.9	109.6	113.1	108.7	107.5
Debt/Equity (x)	11.1	11.4	10.3	10.8	11.9	12.5
Gross NPAs (Rs m)	3,730	2,970	2,630	2,420	2,777	3,219
Gross NPAs to Adv.	1.7	1.1	0.7	0.5	0.4	0.4
Net NPAs (Rs m)	1,410	568	464	150	208	241
Net NPAs to Adv.	0.6	0.2	0.1	0.0	0.0	0.0
CAR	14.0	12.5	15.0	14.0	13.0	12.5

Valuation

Book Value (INR)	43.1	52.6	71.3	87.8	102.9	123.8
Growth (%)	18.6	22.0	35.7	23.1	17.2	20.3
Price-BV (x)	5.0	4.1	3.0	2.5	2.1	1.7
Adjusted BV (INR)	42.2	52.2	71.1	87.7	102.8	123.7
Price-ABV (x)	5.0	4.1	3.0	2.5	2.1	1.7
OPS (INR)	65.5	86.3	92.8	163.7	167.6	202.8
Growth (%)	50.6	31.8	7.6	76.3	2.4	21.0
Price-OP (x)	3.3	2.5	2.3	1.3	1.3	1.1
EPS (INR)	9.1	12.5	13.9	20.5	19.7	27.3
Growth (%)	38.7	37.5	11.1	47.3	-3.8	38.3
Price-Earnings (x)	23.7	17.2	15.5	10.5	10.9	7.9
Dividend Per Share	2.0	2.6	3.0	3.5	3.9	5.5
Dividend Yield (%)	0.9	1.2	1.4	1.6	1.8	2.5

E: MOSL Estimates

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