

Jammu & Kashmir Bank

BSE SENSEX	S&P CNX	CMP: INR936	TP: INR1,145	Buy						
17,601	5,334									
Bloomberg	JKBK IN									
Equity Shares (m)	48.5									
52-Week Range (INR)	1,010/645									
1,6,12 Rel.Perf.(%)	-2/14/6									
M.Cap. (INR b)	45.4									
M.Cap. (USD b)	0.8									
Year	Net Inc.	PAT	EPS	EPS	P/E	BV	P/BV	P/ABV	RoAA	RoAE
End	(INR m)	(INR m)	(INR)	Gr. (%)	(X)	(INR)	(X)	(X)	(%)	(%)
3/11A	19,084	6,152	127	20.1	-	717	-	-	1.3	19.0
3/12A	21,725	8,032	166	30.6	5.7	844	1.1	1.1	1.5	21.2
3/13E	25,869	9,007	186	12.1	5.0	986	0.9	1.0	1.4	20.3
3/14E	30,010	10,003	206	11.1	4.5	1,144	0.8	0.8	1.3	19.4

J&K Bank's 1QFY13 PAT grew 35% YoY to ~INR2.5b. Healthy NII growth of ~23% YoY coupled with containment of opex (up 14% YoY) and lower provisions (INR504m v/s INR843m in 4QFY12 and INR445m in 1QFY12) boosted bottom-line. **Key Highlights:**

- Reported margins declined 6bp QoQ to 3.8%. While cost of deposits increased 52bp QoQ to 6.9%, higher yield on loans (+22bp QoQ) and investments (+27bp QoQ) helped bank to contain margin fall.
- In 1QFY13, bank shifted its loan portfolio between INR1m and INR5m to system based NPA recognition. However despite that slippages were contained to INR857m (annualized slippage ratio of 1.3% as compared to 1.2% in FY12).
- In 1QFY13, the bank restructured loans of INR400m, taking the outstanding restructured loan portfolio to INR13.7b, 4.1% of overall loans.
- During the quarter bank made provision for contingencies of INR239m taking the cumulative number to INR800m, which the bank intends to utilize in case asset quality comes under pressure.
- Loans and deposits grew 26% and 23% YpY respectively and remained flat QoQ. CD ratio improved marginally by 60bp QoQ to 62.6%. CASA ratio declined 200bp QoQ to 38.7%.

Valuation and view: JKJBK continues to deliver healthy performance on business growth, margins and asset quality. While shifting to system based recognition of NPA and strong growth in corporate segment outside J&K remains a risk to asset quality, strong margins of 3.7-3.8% and PCR of 94% would provide cushion. Maintain **Buy**.

J&K Bank: Quarterly Performance									(INR Million)	
Y/E March	FY12				FY13				FY12	FY13E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Interest Income	10,559	11,556	12,665	13,575	14,762	14,902	15,240	15,797	48,356	60,701
Interest Expense	6,187	7,213	8,157	8,414	9,405	9,647	9,835	10,188	29,972	39,076
Net Interest Income	4,372	4,343	4,508	5,161	5,356	5,255	5,404	5,609	18,384	21,624
% Change (YoY)	19.5	16.5	15.7	24.1	22.5	21.0	19.9	8.7	19.1	17.6
Other Income	670	712	736	1,222	934	937	946	1,428	3,341	4,244
Net Income	5,042	5,055	5,244	6,383	6,290	6,192	6,350	7,037	21,725	25,869
Operating Expenses	1,878	1,927	2,009	2,208	2,138	2,228	2,356	2,702	8,022	9,424
Operating Profit	3,164	3,128	3,236	4,176	4,152	3,964	3,994	4,335	13,703	16,445
% Change (YoY)	9.7	10.0	15.2	41.1	31.2	26.7	23.4	3.8	19.2	20.0
Other Provisions	445	223	182	843	504	840	818	939	1,692	3,101
Profit before Tax	2,719	2,904	3,054	3,333	3,648	3,124	3,176	3,396	12,011	13,344
Tax Provisions	896	908	922	1,252	1,187	1,015	1,032	1,102	3,979	4,337
Net Profit	1,823	1,997	2,132	2,081	2,461	2,109	2,144	2,294	8,032	9,007
% Change (YoY)	25.3	22.3	27.0	50.2	35.0	5.6	0.6	10.2	30.6	12.1
Loan Growth (%)	14.6	21.8	17.2	26.3	25.8	21.2	20.8	18.0	26.3	18.0
Deposit Growth (%)	14.5	19.5	19.3	19.4	23.3	15.4	16.6	15.0	19.4	15.0
CD ratio (%)	61.3	59.5	61.0	62.0	62.6	62.6	63.2	63.6	62.0	63.6
NIM (Reported, %)	3.8	3.7	3.6	3.9	3.8				3.6	
NIM (Cal, %)	3.8	3.7	3.6	3.9	3.8	3.7	3.6	3.6	3.6	3.6
Tax Rate (%)	33.0	31.3	30.2	37.6	32.5	32.5	32.5	32.5	33.1	32.5
Gross NPA (%)	2.0	1.9	1.8	1.5	1.6	1.7	1.8	1.8	1.5	1.8

E: MOSL Estimates; All quarters have been adjusted for reclassification in quarterly results

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Investors are advised to refer through disclosures made at the end of the Research Report.

Strong business growth on the back of lower base

While on a sequential basis business growth remained muted, on a YoY basis loans and deposits grew 26% and 23% respectively. CD ratio improved marginally by 60bp QoQ to 62.6%, and there still remains ample of scope to improve CD ratio from here-on which would cushion margins. CASA deposits grew 18% YoY but declined 5% QoQ to INR205.6b led by moderation in CA deposits (+7% YoY but down 22% QoQ). As a consequence CASA ratio declined 200bp QoQ to 38.7%. SA deposits growth was healthy at 22% YoY (largely flat QoQ).

Margin decline just 6bp QoQ; strong fee income growth

Reported margins declined 6bp QoQ to 3.8%. While cost of deposits increased 52bp QoQ to 6.9%, higher yield on loans (+22bp QoQ) and investments (+27bp QoQ) partially negated the impact and led to healthy margin performance. Non-interest income growth was strong at 39% YoY led by fee income growth of +28% YoY and higher treasury income (INR202m v/s INR100m in 1QFY12 and INR227m in 4QFY12). Income from insurance commission was flat YoY at INR75m. As a result overall core income grew 3% QoQ and 23% YoY to ~INR5.9b.

Healthy asset quality performance; PCR at 90%+ one of the best in the industry

During the quarter bank shifted its portfolio in between INR1m and INR5m to system based NPA recognition. However, despite that there was no surprise on the asset quality front as bank contained its slippages to INR857m (annualized slippage ratio of 1.3% as compared to 1.2% in FY12). Remaining portfolio of INR82.9b (25% of overall loans; ~0.5m accounts) is expected to be transited to system based recognition by end of Sept-12. However management clarified that of the remaining portfolio that is to be transited INR47.5b (14.3% of overall loans) is to state government employees (personal finance) where the loan is guaranteed by their salary. Thereby asset quality is expected to remain healthy.

Bank continued to maintain high PCR of 94% (one of the highest in the industry), thereby NNPA was contained. While GNPA in percentage terms stood at 1.6%, NNPA% was at just 14bp (flat QoQ). During the quarter, the bank restructured loans of INR400m, taking the outstanding restructured loan portfolio to INR13.7b, 4.1% of overall loans.

Other highlights

- Given the current environment bank has made a contingent provision of INR239m taking the cumulative number to INR800m, which bank expects to utilize in case asset quality comes under pressure.
- Bank has entered into an agreement to sell 52m shares of Metlife India at a price of INR36.5 per share (totalling to INR1.9b), however the process is pending approval of IRDA. Further 66m shares are expected to be sold to PNB, however the price is yet not determined. Bank currently hold 220m shares of MetLife India and post completion of both the transaction, it would be still have 102m shares left.
- Break-up of loans with J&K (40% of overall loans): Agriculture segment - 15%; Trade - 16%; Personal Segment - 35%; SME - 16%; Corporate - 18%

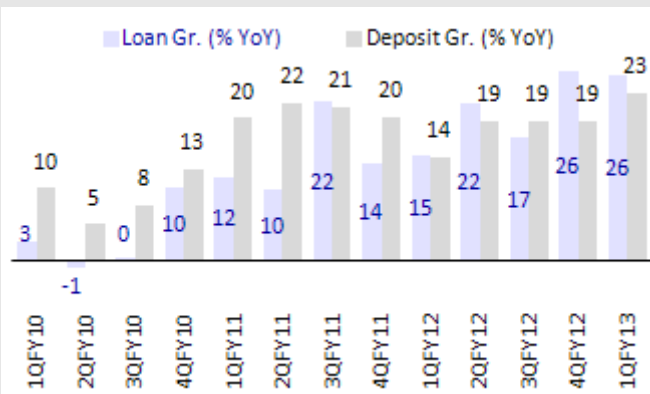
- Break-up of loans outside J&K (60% of overall loans): Agriculture segment - 7%; Trade - 12%; Personal Segment - 4%; SME - 3%; Corporate - 81%
- Major portion of corporate loans is towards term loans, however bank would target to increase the share of working capital financing from here-on as it would also provide impetus to fee income.

Valuation and view

JKBK continues to deliver healthy performance on business growth, margins and asset quality. While shifting to system based recognition of NPA and strong growth in corporate segment outside J&K remains a risk to asset quality, strong margins of 3.7-3.8% and PCR of 94% would provide cushion. J&K Bank is expected to maintain RoA of 1.3%+ and RoE of ~20%. The stock trades at of 0.9x FY13 BV of INR986 and 0.8x FY14 BV of INR1,144. Maintain **Buy** with a target price of INR1,145 (1x FY14E BV).

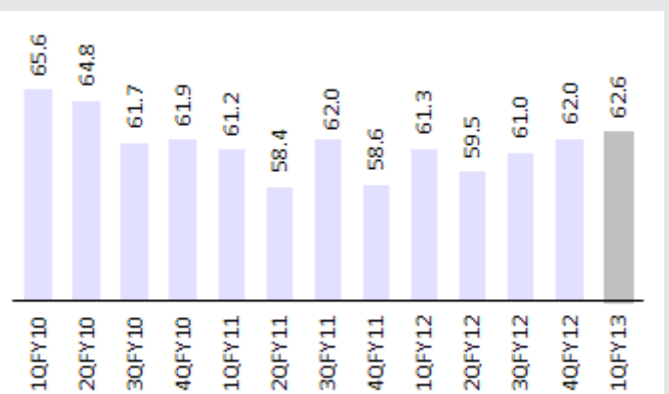
Quarterly trends

Strong business growth on a lower base



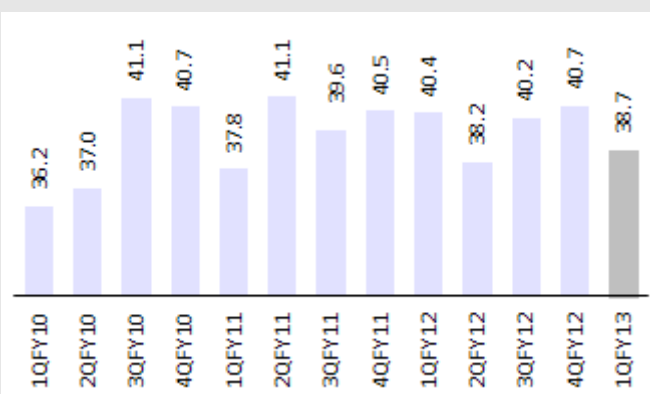
■ Management target business growth of 20-25% for FY13

Gradual improvement in CD ratio continues (%)



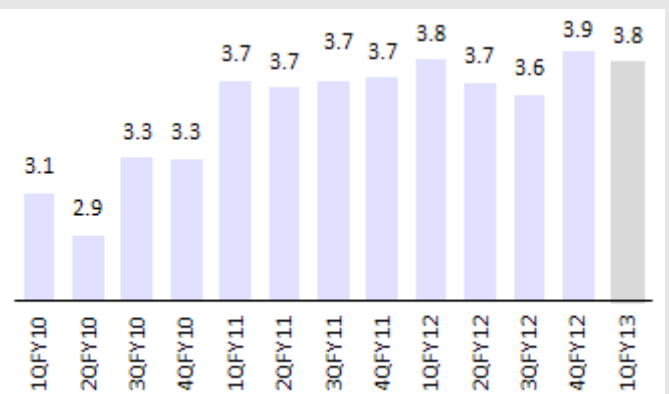
■ CD ratio remains low leaving ample scope for improvement which would provide cushion to margins

CASA ratio declines QoQ (%)



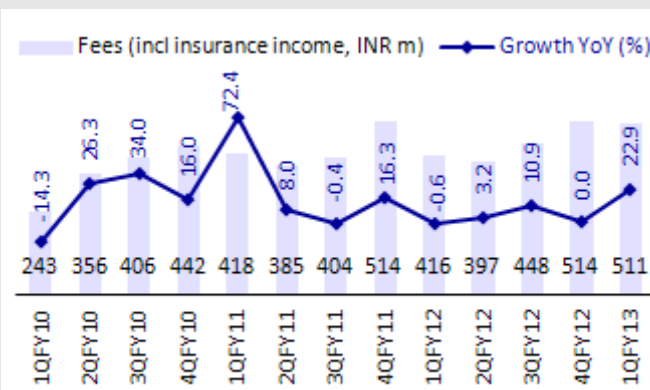
■ While SA deposit growth was healthy at 22% YoY, moderation in CA deposits (+7% YoY, but declined 22% QoQ) led to fall in CASA ratio

Margins decline 6bp QoQ (%)



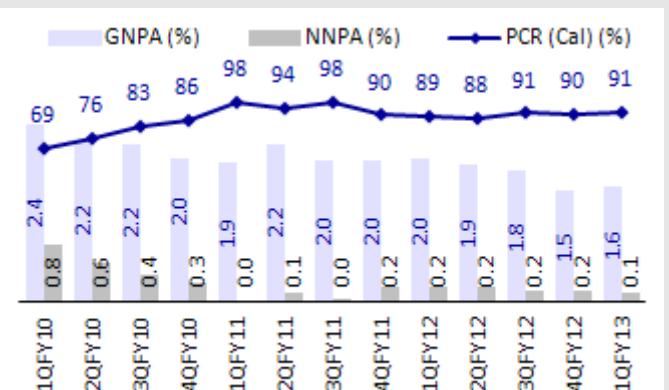
■ While cost of deposits came under pressure (+52bp QoQ), higher yield on assets helped bank contain margin decline

Fee income growth improves



■ Strong fee income growth coupled with healthy NII growth led to 23% YoY growth in core income

Healthy asset quality performance; PCR at 90%+



■ Gross slippage ratio stood at 1.3% (INR857m) - remains under control as compared to 1.2% in FY12

Quarterly Snapshot

	FY11				FY12				FY13	Variation (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		1Q	QoQ
Profit and Loss (INR m)											
Net Interest Income	3,658	3,726	3,895	4,157	4,372	4,343	4,508	5,161	5,356	4	23
Other Income	937	745	776	1,190	670	712	736	1,222	934	-24	39
Trading profits	336	182	179	227	101	85	88	227	202	-11	99
CEB	354	330	343	433	342	339	387	433	436	1	28
Insurance Income	64	55	61	81	74	59	61	81	75	-8	0
Others	182	178	193	449	153	230	200	481	221	-54	45
Total Income	4,595	4,471	4,671	5,348	5,042	5,055	5,244	6,383	6,290	-1	25
Operating Expenses	1,712	1,627	1,863	2,388	1,878	1,927	2,009	2,208	2,138	-3	14
Employee	1,212	1,074	1,276	1,673	1,278	1,255	1,308	1,373	1,379	0	8
Others	499	553	586	715	600	672	700	834	759	-9	26
Operating Profits	2,883	2,844	2,808	2,959	3,164	3,128	3,236	4,176	4,152	-1	31
Provisions	700	388	306	756	445	223	182	843	504	-40	13
NPA	440	390	150	320	250	130	150	370	260	-30	4
MTM	259	-48	2	198	37	45	-2	198	0	N.A.	N.A.
Others	1	46	155	238	158	48	33	275	244	-11	54
PBT	2,183	2,456	2,502	2,203	2,719	2,904	3,054	3,333	3,648	9	34
Taxes	728	823	823	818	896	908	922	1,252	1,187	-5	32
PAT	1,455	1,633	1,679	1,386	1,823	1,997	2,132	2,081	2,461	18	35
Asset Quality											
GNPA	4,507	5,127	5,038	5,188	5,283	5,419	5,450	5,166	5,410	5	2
NNPA	87	309	106	532	584	630	489	493	482	-2	-17
GNPA (%)	1.9	2.2	2.0	2.0	2.0	1.9	1.8	1.5	1.6	6	-37
NNPA (%)	0.03	0.13	0.04	0.20	0.22	0.22	0.16	0.15	0.14	-1	-8
PCR (Calculated, %)	98.1	94.0	97.9	89.7	89.0	88.4	91.0	90.4	91.1	65	214
Ratios (%)											
Fees to Total Income	9.1	8.6	8.7	9.6	8.2	7.9	8.5	8.1	8.1		
Cost to Core Income	42.0	39.6	43.3	51.1	39.2	40.7	40.5	38.9	36.4		
Tax Rate	33.3	33.5	32.9	37.1	33.0	31.3	30.2	37.6	32.5		
CASA (Reported)	37.8	41.1	39.6	40.5	40.4	38.2	40.2	40.7	38.7		
Loan/Deposit	61.2	58.4	62.0	58.6	61.3	59.5	61.0	62.0	62.6		
CAR	16.1	15.6	15.5	13.7	14.4	13.6	13.6	13.4	13.8		
Tier I	13.1	12.8	12.8	11.3	11.8	11.3	0.0	11.1	11.5		
Margins - Quarterly (%)											
Yield on Advances	10.9	11.0	10.7	11.2	11.4	11.8	12.2	12.2	12.4	22	99
Yield on Investments	6.1	6.1	6.5	6.3	6.3	7.2	7.6	7.5	7.7	27	141
Cost of Deposits	5.1	5.2	5.1	5.4	5.4	6.2	6.6	6.4	6.9	52	154
NIM	3.7	3.7	3.7	3.7	3.8	3.7	3.6	3.9	3.8	-6	-2
Margins - Cumulative (%)											
Yield on Advances	10.9	10.9	10.5	10.7	11.4	11.4	10.7	11.5	12.4		
Yield on Investments	6.1	6.4	6.6	6.3	6.3	6.5	7.6	6.8	7.7		
Cost of Deposits	5.1	5.1	5.1	5.1	5.4	5.6	6.6	5.9	6.9		
NIM	3.7	3.7	3.7	3.6	3.8	3.7	3.6	3.6	3.8		
Balance Sheet (INR B)											
Loans	230	232	254	262	264	282	297	331	332	0	26
Deposits	376	397	409	447	431	474	488	533	531	0	23
CASA Deposits	142	163	162	181	174	181	196	217	206	-5	18
of which Savings	104	110	118	127	132	135	150	160	161	1	22
Current	38	53	44	54	42	46	46	57	45	-22	7
Break up of Investments	169	171	172	197	182	198	198	216	220	2	21
HTM	102	110	114	122	121	126	132	139	143	3	18
AFS	67	61	58	75	60	72	66	77	77	0	28
Others											
Branches	539	536	538	548	549	558	562	603	611	8	62
Employees	7,796	7,920	7,941	7,938	7,920	7,933	9,268	9,252	9,240	-12	1,320

For %age change QoQ and YoY is bp

Source: Company/MOSL

Stock Info

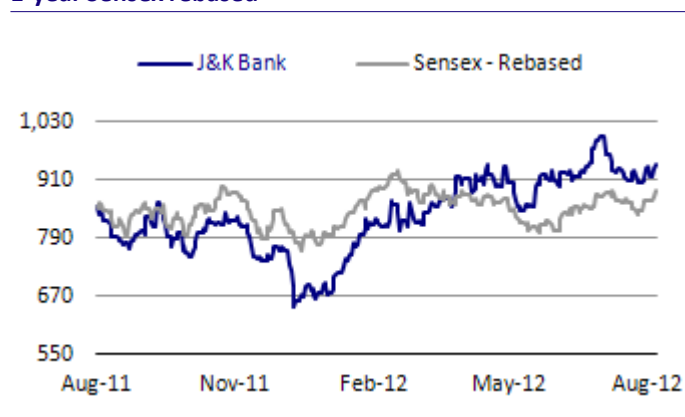
EPS: MOSL forecast v/s consensus (INR)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY13	185.7	186.7	-0.5
FY14	206.3	213.2	-3.3

Shareholding pattern (%)

	Jun-12	Mar-12	Jun-11
Promoter	53.2	53.2	53.2
Domestic Inst	3.0	2.8	3.7
Foreign	26.9	25.6	24.1
Others	16.9	18.4	19.1

1-year Sensex rebased



Financials: Valuation Matrix

	Rating	CMP (INR)	Mcap (USD\$b)	EPS (INR)		P/E (x)		P/BV (x)		RoA (%)		RoE (%)		Dividend Yield (%) #
				FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	
ICICI* [*]	Buy	958	20.0	69	81	10.8	9.0	1.7	1.5	1.6	1.6	15.1	15.7	1.7
HDFCB	Neutral	598	25.4	29	36	20.8	16.7	4.0	3.4	1.8	1.8	20.7	21.9	0.7
AXSB	Buy	1,097	8.2	115	132	9.6	8.3	1.7	1.5	1.6	1.5	19.6	19.1	1.5
KMB	Neutral	565	7.6	27	31	20.8	18.5	2.8	2.5	1.6	1.5	14.5	14.2	0.1
YES	Buy	367	2.3	35	43	10.4	8.6	2.3	1.9	1.5	1.5	24.1	23.7	1.1
IIB	Buy	324	2.7	21	28	15.1	11.7	2.8	2.3	1.6	1.7	20.2	21.8	0.7
VYSB	Buy	386	1.0	36	40	10.8	9.5	1.3	1.2	1.0	1.0	13.1	13.2	1.0
FB	Buy	425	1.3	48	56	8.9	7.6	1.1	1.0	1.2	1.2	13.5	14.2	2.1
J&KBK	Buy	936	0.8	186	206	5.0	4.5	0.9	0.8	1.4	1.3	20.3	19.4	3.6
SIB	Buy	23	0.2	4.4	5.3	5.3	4.4	1.1	0.9	1.1	1.1	22.5	22.6	2.6
Private Aggregate			69.7			14.7	12.4	2.3	2.0					
SBIN (cons)*	Buy	2,061	25.0	288	343	6.8	5.7	1.1	0.9	1.1	1.1	17.7	18.2	1.7
PNB	Buy	744	4.6	153	185	4.8	4.0	0.8	0.7	1.1	1.1	18.2	18.8	3.0
BOI	Neutral	285	3.0	55	64	5.2	4.5	0.8	0.7	0.8	0.7	15.7	16.1	2.5
BOB	Neutral	658	4.9	114	131	5.8	5.0	0.9	0.8	1.0	0.9	17.0	16.9	2.6
CBK	Buy	361	2.9	75	84	4.8	4.3	0.7	0.6	0.8	0.8	15.1	15.0	3.0
UNBK	Buy	170	1.7	42	48	4.0	3.5	0.6	0.6	0.8	0.8	16.8	16.7	4.7
IOB	Neutral	73	1.1	15	17	5.0	4.4	0.5	0.5	0.5	0.5	10.4	10.9	7.2
OBC	Buy	237	1.3	49	56	4.9	4.2	0.6	0.5	0.7	0.7	12.2	12.8	3.3
INBK	Buy	178	1.4	43	47	4.1	3.8	0.7	0.6	1.2	1.1	18.2	17.2	4.2
CRPDK	Neutral	400	1.1	111	119	3.6	3.4	0.6	0.5	0.9	0.9	18.4	17.3	5.1
ANDB	Buy	100	1.0	26	29	3.8	3.5	0.7	0.6	1.1	1.0	18.4	17.6	5.5
IDBI	Neutral	87	2.0	16	18	5.4	4.8	0.6	0.5	0.7	0.7	11.1	11.5	4.0
DBNK	Buy	90	0.6	27	31	3.3	2.9	0.6	0.5	1.0	1.0	20.2	19.6	3.5
Public Aggregate			50.4			6.2	5.4	0.9	0.8					
HDFC*	Buy	721	19.3	32	39	16.1	12.5	4.9	3.8	2.9	2.9	29.4	30.9	1.5
LICHF	Buy	253	2.3	23	33	11.1	7.8	1.9	1.6	1.7	1.8	18.8	21.3	1.4
DEWH	Buy	162	0.3	38	51	4.3	3.2	0.9	0.7	1.5	1.4	21.7	22.7	2.2
IDFC	Buy	134	3.7	11	13	11.8	8.2	1.2	1.1	2.6	2.6	13.3	14.0	1.7
RECL	Buy	209	3.7	35	42	6.0	5.0	1.2	1.1	3.0	3.1	21.8	22.9	3.6
POWF	Buy	185	4.4	28	31	6.7	6.0	1.0	0.9	2.6	2.6	16.5	16.5	3.2
SHTF	Buy	562	2.3	60	70	9.4	8.0	1.8	1.5	2.6	2.6	20.6	20.3	1.8
MMFS	Buy	749	1.4	79	94	9.4	8.0	2.2	1.8	3.6	3.5	25.1	24.6	1.9
NBFC Aggregate			37.5			11.8	9.9	2.1	2.1					

*Multiples adj. for value of key ventures/Investments; For ICICI Bank, HDFC Ltd BV is adjusted for investments in subsidiaries
Div Yield based on FY12 declared dividend

Financials and Valuations

Income Statement					(INR Million)	
Y/E March	2009	2010	2011	2012	2013E	2014E
Interest Income	29,881	30,569	37,131	48,356	60,701	68,241
Interest Expense	19,879	19,375	21,695	29,972	39,076	43,149
Net Interest Income	10,003	11,193	15,437	18,384	21,624	25,091
Change (%)	23.4	11.9	37.9	19.1	17.6	16.0
Non Interest Income	2,451	4,162	3,648	3,341	4,244	4,919
Net Income	12,453	15,356	19,084	21,725	25,869	30,010
Change (%)	18.0	23.3	24.3	13.8	19.1	16.0
Operating Expenses	4,709	5,774	7,589	8,022	9,424	10,909
Pre Provision Profits	7,745	9,582	11,495	13,703	16,445	19,101
Change (%)	18.8	23.7	20.0	19.2	20.0	16.1
Provisions (excl tax)	1,424	1,666	2,151	1,692	3,101	4,282
PBT	6,321	7,916	9,344	12,011	13,344	14,819
Tax	2,223	2,792	3,192	3,979	4,337	4,816
Tax Rate (%)	35.2	35.3	34.2	33.1	32.5	32.5
PAT	4,098	5,124	6,152	8,032	9,007	10,003
Change (%)	13.8	25.0	20.1	30.6	12.1	11.1
Equity Dividend (Incl tax)	820	1,067	1,260	1,624	1,801	2,001
Core PPP*	7,117	7,848	10,571	13,345	15,695	18,201
Change (%)	22.7	10.3	34.7	26.2	17.6	16.0

*Core PPP is (NII+Fee income-Opex)

Balance Sheet					(INR Million)	
Y/E March	2009	2010	2011	2012	2013E	2014E
Equity Share Capital	485	485	485	485	485	485
Reserves & Surplus	25,744	29,620	34,302	40,447	47,346	55,008
Net Worth	26,229	30,105	34,787	40,932	47,831	55,493
Deposits	330,041	372,372	446,759	533,469	613,489	723,917
Change (%)	15.4	12.8	20.0	19.4	15.0	18.0
of which CASA Dep	125,787	151,532	180,867	217,152	238,867	271,543
Change (%)	12.3	20.5	19.4	20.1	10.0	13.7
Borrowings	9,966	11,002	11,047	12,410	13,958	15,560
Other Liabilities & Prov.	10,697	11,990	12,489	15,882	16,828	17,884
Total Liabilities	376,933	425,468	505,082	602,692	692,106	812,855
Current Assets	52,748	46,142	35,488	44,539	48,023	61,263
Investments	107,363	139,562	196,958	216,243	242,192	271,255
Change (%)	22.6	30.0	41.1	9.8	12.0	12.0
Loans	209,304	230,572	261,936	330,774	390,314	468,376
Change (%)	10.8	10.2	13.6	26.3	18.0	20.0
Fixed Assets	1,994	2,041	3,938	4,203	4,297	4,316
Other Assets	5,523	7,150	6,762	6,934	7,280	7,644
Total Assets	376,933	425,468	505,082	602,692	692,106	812,855

Asset Quality					(%)	
GNPA (INR m)	5,593	4,623	5,188	5,166	7,318	10,177
NNPA (INR m)	2,878	643	532	493	1,454	1,893
GNPA Ratio	2.64	1.97	1.95	1.54	1.85	2.14
NNPA Ratio	1.52	0.31	0.23	0.19	0.44	0.48
PCR (Excl Tech. write off)	48.4	85.3	88.8	87.1	80.1	81.4
PCR (Incl Tech. Write off)		90.1	92.7	93.8	85.5	85.3

E: MOSL Estimates

Financials and Valuations

Ratios

Y/E March	2009	2010	2011	2012	2013E	2014E
Spreads Analysis (%)						
Avg. Yield-Earning Assets	9.4	8.3	8.7	9.4	10.0	9.7
Avg. Yield on Loans	11.5	10.6	10.7	11.5	11.9	11.4
Avg. Yield on Investments	6.8	5.7	6.3	6.8	7.4	7.3
Avg. Cost-Int. Bear. Liab.	6.3	5.4	5.2	6.0	6.7	6.3
Avg. Cost of Deposits	6.2	5.2	5.1	5.9	6.6	6.3
Interest Spread	3.1	3.0	3.5	3.4	3.3	3.4
Net Interest Margin	3.2	3.0	3.6	3.6	3.6	3.6

Profitability Ratios (%)

RoE	16.6	18.2	19.0	21.2	20.3	19.4
RoA	1.2	1.3	1.3	1.5	1.4	1.3
Int. Expense/Int.Income	14.6	15.8	14.3	13.7	13.5	13.4
Fee Income/Net Income	66.5	63.4	58.4	62.0	64.4	63.2
Non Int. Inc./Net Income	19.7	27.1	19.1	15.4	16.4	16.4

Efficiency Ratios (%)

Cost/Income*	40.8	39.6	43.7	38.6	36.9	37.3
Empl. Cost/Op. Exps.	59.2	63.5	69.0	65.0	64.2	63.8
Busi. per Empl. (INR m)	66.5	73.3	82.6	85.0	98.8	113.8
NP per Empl. (INR lac)	5.4	6.6	7.8	8.7	9.5	10.4

* ex treasury

Asset-Liability Profile (%)

Loans/Deposit Ratio	63.4	61.9	58.6	62.0	63.6	64.7
CASA Ratio	38.1	40.7	40.5	40.7	38.9	37.5
Investment/Deposit Ratio	32.5	37.5	44.1	40.5	39.5	37.5
G-Sec/Investment Ratio	71.0	60.6	52.5	53.4	58.3	61.4
CAR	14.5	15.9	13.7	13.4	12.8	12.3
Tier 1	13.8	12.8	11.3	11.1	10.8	10.5

Valuation

Book Value (INR)	540.9	620.8	717.4	844.1	986.4	1,144.4
Change (%)	13.6	14.8	15.6	17.7	16.9	16.0
Price-BV (x)				1.1	0.9	0.8
Adjusted BV (INR)	502.3	612.2	710.2	837.5	966.9	1,119.0
Price-ABV (x)				1.1	1.0	0.8
EPS (INR)	84.5	105.7	126.9	165.6	185.7	206.3
Change (%)	13.8	25.0	20.1	30.6	12.1	11.1
Price-Earnings (x)				5.7	5.0	4.5
Dividend Per Share (INR)	16.9	22.0	26.0	33.5	37.1	41.3
Dividend Yield (%)				3.6	4.0	4.4

E: MOSL Estimates

N O T E S

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