

Estimate change



TP change



Rating change



Bloomberg	LICHF IN
Equity Shares (m)	505
M.Cap.(INRb)/(USD\$b)	203.7 / 2.5
52-Week Range (INR)	444 / 292
1, 6, 12 Rel. Per (%)	9/-1/-8
12M Avg Val (INR M)	889

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	63.3	68.4	75.4
PPP	55.0	59.1	64.9
PAT	28.9	35.4	40.9
EPS (INR)	52.5	64.4	74.3
EPS Gr. (%)	26.4	22.6	15.4
BV/Sh (INR)	492	539	596

Ratios

NIM (%)	2.5	2.4	2.5
C/I ratio (%)	15.2	16.0	16.4
RoAA (%)	1.1	1.2	1.3
RoE (%)	11.2	12.5	13.1
Payout (%)	16.2	14.0	12.1

Valuations

P/E (x)	7.0	5.7	5.0
P/BV (x)	0.8	0.7	0.6
Div. Yield (%)	2.3	2.4	2.4

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	45.2	45.2	45.2
DII	24.4	22.9	16.2
FII	17.5	19.1	23.0
Others	12.9	12.7	15.5

FII Includes depository receipts

CMP: INR370

TP: INR435 (+18%)

Buy

Loan growth muted; NIM and provisioning volatility to the fore

Strong PAT beat driven by NIM expansion and lower credit costs

- LIC Housing Finance (LICHF)'s 4QFY23 PAT grew 6% YoY at ~INR11.8b (~48% beat) driven by healthy NII growth, decline in the cost-to-income ratio and lower credit costs of ~45bp (annualized; PQ: ~115bp and PY: ~30bp). Its FY23 PAT grew 26% YoY to ~INR29b.
- NII at ~INR20b (26% beat) rose 22% YoY, while PPOP at INR17.5b (28% beat) grew 16% YoY. Cost-to-income ratio moderated to 13.6% (PY: 14.2%).
- **Its 4QFY23 NIM (reported) at ~2.93% expanded ~50bp QoQ, driven by a ~33bp improvement in (reported) yields to ~10%. The CoF rose ~23bp QoQ to ~7.6%. FY23 NIM stood at ~2.4% (PY: ~2.3%).** LICHF has taken an additional retail PLR increase of ~25bp from Apr'23 onwards.
- LICHF has successfully navigated the rising interest rate cycle and has effectively transmitted the higher interest rates to its customers. This along with adept liability management resulted in lower increase in CoF and expansion in NIM during 4QFY23. Management shared that with expected stability in interest rates, it hopes for a recovery in mortgage demand and stabilization of NIM at ~2.5% in FY24E.
- We raise our FY25E EPS by ~3% to factor in higher NIM and lower cost-to-income ratio. **Stage 2 includes ~INR45b of restructured loans and we would remain wary of slippages from this pool, which can keep credit costs elevated and also result in interest income reversals in FY24.**
- We model an advances/PAT CAGR of 10%/19% over FY23-25 for an RoA/RoE of 1.3%/13% in FY25E. Volatility in NIM and the provisioning coverage (PCR) across all the three stages were at the center stage during this quarter. We hope that this volatility would reduce going forward with higher predictability in NIM and the provisioning policy. **Reiterate BUY with a TP of INR435 (premised on 0.7x FY25E P/BV).**

Disbursements sluggish; loan growth muted

- Disbursements in individual home loans fell ~24% YoY, while non-housing individual/commercial disbursements dipped 19% YoY in 4QFY23. Project loan disbursements surged 3.5x YoY. Total disbursements fell ~17% YoY.
- Total loan book grew ~9.5% YoY/2.5% QoQ to ~INR2.75t. Individual Home loans (IHL) grew 12% YoY while the developer loan book declined 9% YoY. Non-housing (excluding project loans) grew 1% YoY during the quarter.
- Majority of the disbursements in Project Finance (PF) were towards existing customers; of the total PF disbursements of ~INR15.5b, fresh sanctions were at ~INR1-2b. PF disbursements included ~INR7b line of credit towards smaller HFCs for on-lending.

Moderation in credit costs but provisioning policy remains volatile

- Asset quality improved, with GS3 improving ~40bp sequentially to 4.4%. PCR on Stage 3 declined ~6pp QoQ to ~45%. This led to NS3 increasing ~10bp QoQ to 2.5%.
- Stage 2 increased ~130bp QoQ. Management highlighted that this was primarily because of EMI increase across select customer cohorts whose NACH mandates were not updated and should normalize next quarter.
- PCR on Stage 1 increased to 27bp (PQ: 5bp) and on Stage 2 it rose to 8.1% (PQ: 6.4%). Like in prior quarters, volatility in PCR across all the three stages continued in this quarter as well.
- OTR pool, still under moratorium, stood at ~INR7.5b (0.3% of loans). All restructured loans will exit moratorium by Jun'23. The restructured loans are classified in Stage 2 irrespective of their actual days past due (dpd).

Highlights from the management commentary

- Management guided for Individual Home Loans (IHL) disbursement growth of 12-15% and overall disbursement growth 10-12% in FY24.
- Guided for NIM at 2.5% and credit costs at ~45-50bp in FY24.
- Expects resolutions in 4-5 project finance exposures and recoveries of ~INR4-5b in FY24.

Valuation and view

- LICHF has strong moats in retail mortgages and on the liability side. It has demonstrated its ability to transmit higher cost of borrowings to its customers. However, potential slippages in the restructured pool and keeping credit costs within the guided levels of 45-50bp will be the key monitorables.
- We have slightly cut our loan growth estimates for FY24 to factor in the impact of higher interest rates that could potentially dampen mortgage demand.
- LICHF's valuation of 0.6x FY25E P/BV reflects the volatility in its reported earnings and the asset quality stress, particularly in its developer book. We estimate an RoA/RoE of 1.3%/13% in FY25 and maintain our **BUY** rating on the stock with a TP of INR435 (based on 0.7x FY25E BVPS).
- **Key downside risks:** a) Slippages from restructured pool leading to higher credit costs; and b) further rise in interest rates that can moderate mortgage demand.

Quarterly Performance												(INR m)
Y/E March	FY22				FY23				FY22	FY23 4Q	FY23E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	48,253	46,734	50,006	51,893	52,502	50,493	58,387	63,780	1,96,885	2,25,162	61,466	4
Interest Expenses	35,500	35,060	35,460	35,518	36,400	38,864	42,328	43,877	1,41,537	1,61,860	45,688	-4
Net Interest Income	12,753	11,674	14,546	16,375	16,102	11,629	16,059	19,903	55,348	63,303	15,778	26
YoY Growth (%)	4.5	-5.7	13.6	8.8	26.3	-0.4	10.4	21.5	5.5	14.4	-3.6	
Fees and other income	338	416	698	1,193	407	427	374	371	2,646	1,580	973	-62
Net Income	13,091	12,090	15,244	17,568	16,509	12,056	16,432	20,274	57,994	64,882	16,751	21
YoY Growth (%)	7.9	-5.7	14.7	11.8	26.1	-0.3	7.8	15.4	7.5	11.9	-4.7	
Operating Expenses	2,815	2,609	2,070	2,500	2,029	2,610	2,876	2,759	9,994	9,883	3,072	-10
Operating Profit	10,276	9,481	13,174	15,069	14,481	9,447	13,557	17,515	48,000	55,000	13,679	28
YoY Growth (%)	-4.5	-15.4	13.5	12.7	40.9	-0.4	2.9	16.2	2.3	14.6	-9.2	
Provisions and Cont.	8,346	6,392	3,556	1,925	3,077	5,658	7,627	3,068	20,218	19,430	3,820	-20
Profit before Tax	1,929	3,090	9,619	13,144	11,404	3,789	5,930	14,448	27,782	35,570	9,858	47
Tax Provisions	395	611	1,945	1,958	2,149	739	1,127	2,645	4,909	6,660	1,872	41
Net Profit	1,534	2,479	7,673	11,186	9,255	3,050	4,803	11,803	22,873	28,910	7,987	48
YoY Growth (%)	-81.2	-68.7	5.5	180.4	503.2	23.0	-37.4	5.5	-16.3	26.4	-28.6	
Key Operating Parameters (%)												
Yield on loans (Cal)	8.31	7.95	8.32	8.39	8.29	7.80	8.80	9.39	8.32	8.8		
Cost of funds (Cal)	6.86	6.75	6.68	6.46	6.47	6.78	7.15	7.24	6.56	6.9		
Spreads (Cal)	1.45	1.20	1.64	1.93	1.81	1.02	1.65	2.15	1.76	1.9		
Margins (Cal)	2.20	1.99	2.42	2.65	2.54	1.80	2.42	2.93	2.28	2.4		
Credit Cost (Cal)	1.44	1.09	0.59	0.31	0.49	0.87	1.15	0.45	0.85	0.8		
Cost to Income Ratio	21.5	21.6	13.6	14.2	12.3	21.6	17.5	13.6	17.2	15.2		
Tax Rate	20.5	19.8	20.2	14.9	18.8	19.5	19.0	18.3	17.7	18.7		
Balance Sheet Parameters												
Loans (INR B)	2,325	2,377	2,434	2,511	2,557	2,623	2,684	2,750	2,453	2,678		
Change YoY (%)	10.8	11.4	10.5	8.2	10.0	10.4	10.3	9.5	7.5	9.2		
Indiv. Disb. (INR B)	84	158	175	189	149	164	157	145	605	614		
Change YoY (%)	147.4	35.4	9.2	-10.8	77.0	3.9	-10.3	-23.4	15.9	1.5		
Borrowings (INR B)	2,064	2,091	2,158	2,238	2,260	2,329	2,404	2,447	2,237	2,448		
Change YoY (%)	9.6	9.9	10.3	7.8	9.5	11.4	11.4	9.3	7.6	9.4		
Loans/Borrowings (%)	112.7	113.7	112.8	112.2	113.2	112.6	111.7	112.4	109.7	109.4		
Asset Quality Parameters												
GS 3 (INR B)	137.9	122.2	122.7	116.5	126.8	128.5	127.5	120.2	116.5	120.2		
Gross Stage 3 (% on Assets)	5.9	5.1	5.0	4.6	5.0	4.9	4.8	4.4	4.7	4.4		
NS 3 (INR B)	91.8	69.2	73.9	66.3	75.6	72.3	62.6	66.4	66.3	66.4		
Net Stage 3 (% on Assets)	4.0	3.0	3.1	2.7	3.0	2.8	2.4	2.5	2.7	2.5		
PCR (%)	33.5	43.3	39.7	43.1	40.4	43.7	50.9	44.8	43.1	44.8		
ECL (%)	2.03	2.25	2.35	2.33	2.40	2.49	2.71	2.63	2.33	2.63		
Loan Mix (%)												
Home loans	78.3	79.3	80.5	81.3	82.0	82.6	83.1	83.2	81.3	83.2		
LAP	15.0	14.3	13.7	13.5	13.2	12.9	12.9	12.5	13.5	12.5		
Non Individual loans	6.7	6.5	5.8	5.2	4.8	4.5	4.0	4.3	5.2	4.3		
Borrowing Mix (%)												
Banks	26.0	27.0	27.4	30.0	33.0	34.0	33.9	34.0	30.0	34.0		
NCD	55.0	54.0	54.3	53.0	51.0	52.0	51.9	50.0	53.0	50.0		
Sub Debt	1.0	1.0	0.8	1.0	1.0	1.0	0.8	1.0	1.0	1.0		
Deposits	9.0	8.0	8.4	8.0	8.0	7.0	5.9	5.0	8.0	5.0		
NHB	5.0	5.0	4.2	4.0	4.0	4.0	3.6	5.0	4.0	5.0		
CP	4.0	5.0	4.8	4.0	3.0	2.0	3.9	5.0	4.0	5.0		

E: MOFSL Estimates



Highlights from the management commentary

Business update

- LICHF's 4Q NIM was at 2.93% (PY: 2.64%). NIM was at 2.4% (PY: 2.3%)
- Credit costs will be lower than last year and management guided for credit costs of 45-50bp in FY24.
- On the funding side, its borrowing costs in have gone up by ~100bp v/s 250bp increase in Repo rates.
- During , LICHF passed on ~210bp increase in lending rate. Another ~25bp retail PLR hike was taken from Apr'23 onwards which will reflect in 1QFY24.

Guidance

- It guided for NIM of 2.5% in FY24 with an upside bias and expansion (v/s).
- Management guided for credit costs of 45-50bp in FY24 and which will be fungible across all the three stages.
- Expects resolutions in 4-5 project finance exposures and recoveries of ~INR4-5b in FY24.
- Guided for IHL disbursement growth of 12-15% and overall disbursement growth 10-12% in FY24

NIM

- Effected another rate hike of 25bp from 1st Apr'23, which will be effective from 1QFY24.
- There were reversals in interest income in 2Q that led to NIM contraction during that quarter.
- There were no one-offs in NIM in 4Q.
- Exit quarter always has the highest NIM; on a full-year basis, there has been stability in NIM. Going forward, there will be stability in margins and the company will be able to deliver NIM in the guided range.

Asset quality

- There is no regulatory intervention as far as Ind-AS is concerned. The increase in PCR on Stage 1 and Stage 2 loans is something that it has voluntarily done to build a buffer and improve the PCR.
- Write-offs: INR5.4b during ; INR3.5b in 4Q; and INR1.91b in 2Q.
- write-offs: INR2b in Individual Home Loans, INR300m in Non-housing Individual and INR3b in project loans.
- There were accounts which had 100% provisioning and they have either been resolved or written-off.
- The company had earlier moved all the OTR accounts to Stage 2 and the increase in Stage 2 had nothing to do with slippages from the restructured pool.
- For select customers who saw their EMI increase, their full EMIs could not be recovered because of technical reasons. Now that it has been resolved, we can expect those customers to start repaying their full EMIs. Stage 2 should improve and get restored to normalized levels by the end of the next quarter.

Restructured Loans

- Of the total restructured pool of ~INR70b, ~INR10b have been fully repaid and closed.
- Exposures of ~INR7.48b are still under moratorium and all restructured exposures will exit moratorium by Jun'23.
- Exposures of ~INR15b have slipped into NPA.
- All restructured loans are in Stage 2, irrespective of the fact that some of the restructured accounts are fully regular.

Liabilities

- There were NHB borrowings of ~INR50b in
- Around two years back, there was a huge dependence on the wholesale debt market. One of the reasons it wanted to diversify is to reduce the dependence on any particular instrument. It is a well-thought out strategy to diversify the liabilities mix.
- Diversification in liability mix was done to: a) reduce the concentration risk in terms of sourcing of funds and b) diversify/mitigate the interest rate risk.
- Bank borrowings are linked to Repo rates, external benchmark rates and 3M MCLR
- Incremental cost of borrowings (CoB) has come down by ~25bp in 1QFY24

Retail disbursements

- In some pockets, the disbursements were not to the extent that the company had anticipated. A few customers have been in the wait and watch mode because of higher interest rates.
- It could not see much traction in North and East India. Metros are doing well but a few of the Tier 2 cities (in select pockets) were not showing great demand.
- Now that the interest rates have stabilized, it is seeing very good improvement in areas that were not showing positivity over the last two quarters.

PF

- PF disbursements appear higher in 4Q because of the base effect.

Majority of the disbursements in Project Finance (PF) were towards existing customers; of the total PF disbursements of ~INR15.5b, fresh sanctions were at ~INR1-2b. PF disbursements included ~INR7b line of credit towards smaller HFCs for on-lending

Initiatives undertaken

- Expanding geographical presence by adding new marketing offices.
- Specialized team has been formed for appraisal of high value cases.
- Implementation of new Core LMS and implementation/integration of SAP accounting package.

Others

- Individual home loans range between 8.6% and 9.1%; Annualized IRR of 9.3%
- About 13,000 customers (<1% of the total live loans) saw an increase in their EMIs. Total Live loans stood at 1.5m

- Pre-payment rates have actually come down and are indicative of a different competitive intensity.
- ECL model incorporates the asset quality experience of the last 120 months; LICHF ensured that now there are management overlays in place in all the stages. Going forward, there will not be much volatility even if some accounts slip.
- As on Mar'23, total CRAR is 18%+ and Tier 1 is 16-17%
- LCR was at 147% for 4Q;
- There is no market share loss that LICHF has witnessed and the weak disbursements in 4Q are only transitory because some pockets/regions did not do well.

Exhibit 1: Product-wise split of Stage 3

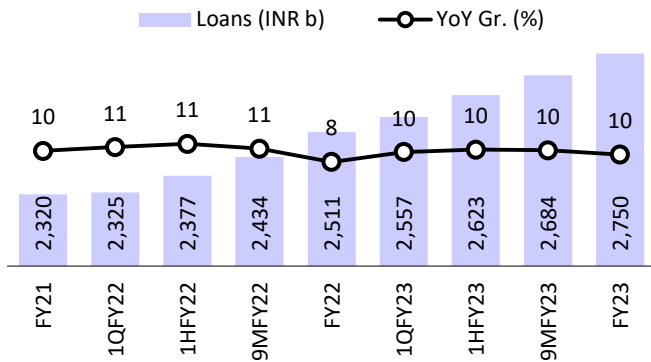
Stage 3 (%)	1QFY22	2QFY22	3QFY22	4QFY22	1Q	2Q	3Q	4Q
Individual home loans (IHL)	2.6	2.3	2.1	1.7	1.9	1.7	1.6	1.6
Non-housing commercial (NHC)	18.9	14.8	15.9	18.0	11.5	22.4	22.5	22.0
Non-housing individual (NHI)	11.0	9.8	9.0	8.1		6.9	6.7	6.6
Project loans	24.4	23.9	27.0	31.8	35	42.2	45.6	40.0

Exhibit 2: Product-wise split of write-offs in

Segment	Write-offs (INR m)
Individual home loans (IHL)	2,000
Non-housing individual/ commercial	300
Project loans	3,100
Total	5,400

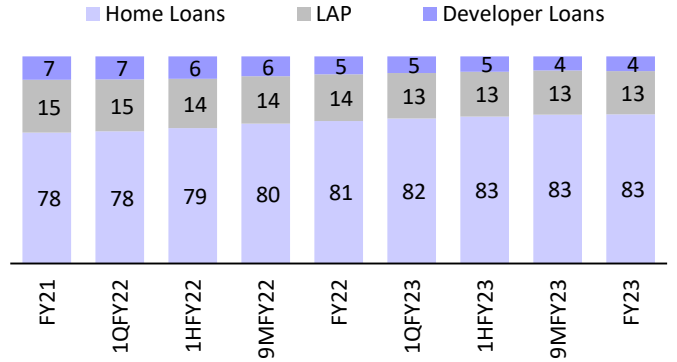
Story in charts

Exhibit 3: Loan book grew 10% YoY and ~3% QoQ



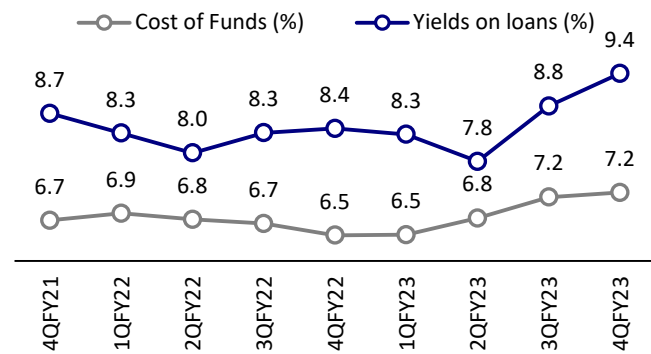
Source: MOFSL, Company

Exhibit 4: Loan mix stable sequentially (%)



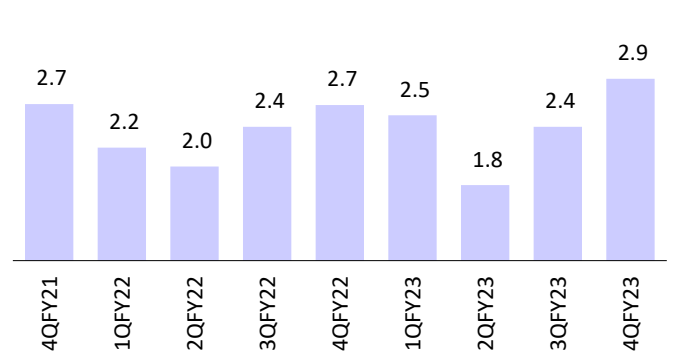
Source: MOFSL, Company

Exhibit 5: Calculated spreads expanded ~50bp QoQ



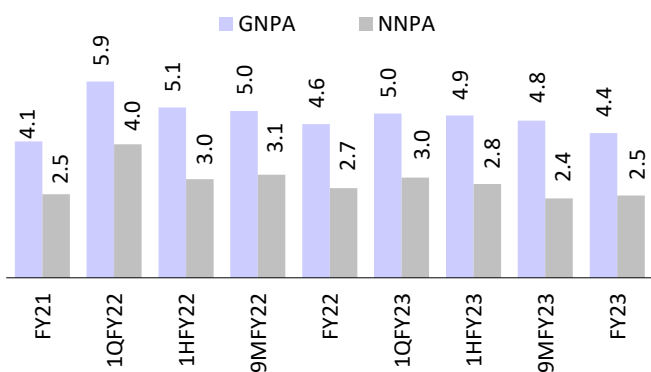
Source: MOFSL, Company

Exhibit 6: NIMs improved ~50bp QoQ (%)



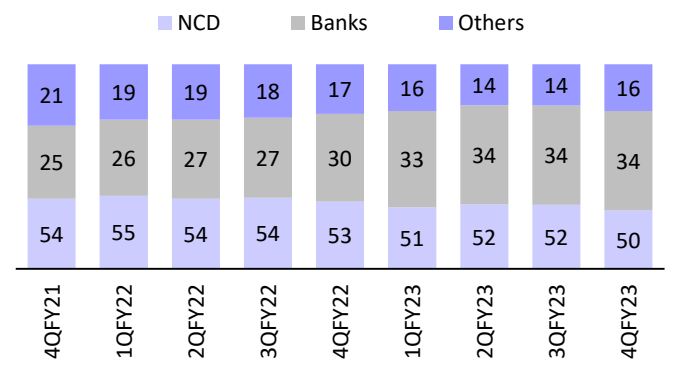
Source: MOFSL, Company

Exhibit 7: GS3 improved sequentially (%)



Source: MOFSL, Company

Exhibit 8: Share of NCDs declined ~2pp QoQ (%)



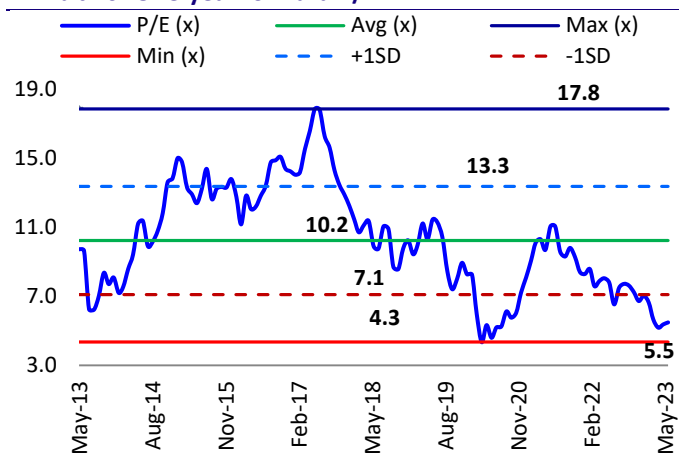
Source: MOFSL, Company

Exhibit 9: Increase our FY25 EPS by ~3% to factor in higher NIM and lower cost income ratio

INR B	Old Est.		New Est.		% Change	
	FY24	FY25	FY24	FY25	FY24	FY25
NII	67.2	74.9	68.4	75.4	1.8	0.7
Other Income	2.3	2.3	2.0	2.2		
Net Income	69.5	77.2	70.4	77.6	1.4	0.5
Operating Expenses	12.0	13.5	11.3	12.7	-6.3	-5.4
Operating Profits	57.4	63.8	59.1	64.9	3.0	1.8
Provisions	14.3	14.3	15.4	13.8	7.5	-3.6
PBT	43.1	49.5	43.7	51.1	1.5	3.3
Tax	8.2	9.9	8.3	10.2		
PAT	34.9	39.6	35.4	40.9	1.5	3.3
Loans	3,005	3,355	2,916	3,216	-3.0	-4.2
Borrowings	2,734	3,036	2,652	2,913	-3.0	-4.1
Spreads (%)	1.69	1.67	1.80	1.78		
RoAA (%)	1.2	1.2	1.2	1.3		
RoAE (%)	12.7	13.1	12.5	13.1		

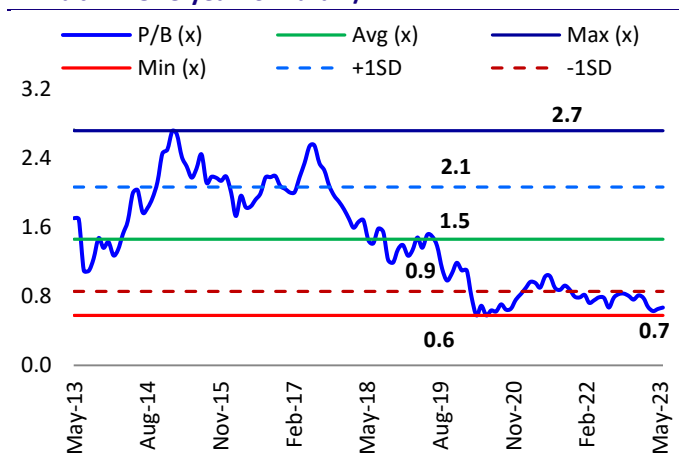
Source: MOFSL, Company

Exhibit 10: One-year forward P/E



Source: MOFSL, Company

Exhibit 11: One-year forward P/B



Source: MOFSL, Company

Financials and valuations

Income Statement								(INR M)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22		FY24E	FY25E
Interest Income	1,38,767	1,46,662	1,71,628	1,96,054	1,96,971	1,96,885	2,25,162	2,53,238	2,79,955
Interest Expense	1,02,315	1,11,439	1,28,915	1,47,839	1,44,526	1,41,537	1,61,860	1,84,864	2,04,524
Net Interest Income	36,452	35,223	42,713	48,215	52,445	55,348	63,303	68,374	75,431
Change (%)	23.8	-3.4	21.3	12.9	8.8	5.5	14.4	8.0	10.3
Fee Income	1,102	356	348	394	788	982	448	800	900
Other Income	934	1,388	1,669	250	718	1,664	1,132	1,245	1,307
Net Income	38,489	36,968	44,730	48,859	53,951	57,994	64,882	70,419	77,638
Change (%)	21.1	-4.0	21.0	9.2	10.4	7.5	11.9	8.5	10.3
Operating Expenses	6,118	4,396	4,754	6,167	7,015	9,994	9,883	11,285	12,741
Operating Profits	32,371	32,572	39,976	42,692	46,936	48,000	55,000	59,134	64,897
Change (%)	19.4	0.6	22.7	6.8	9.9	2.3	14.6	7.5	9.7
Provisions/write offs	2,813	4,917	6,181	10,002	13,450	20,218	19,430	15,384	13,796
PBT	29,558	27,655	33,796	32,690	33,486	27,782	35,570	43,750	51,101
Tax	10,247	7,630	9,486	8,672	6,142	4,909	6,660	8,312	10,220
Tax Rate (%)	34.7	27.6	28.1	26.5	18.3	17.7	18.7	19.0	20.0
PAT	19,311	20,025	24,310	24,018	27,343	22,873	28,910	35,437	40,881
Change (%)	16.3	3.7	21.4	-1.2	13.8	-16.3	26.4	22.6	15.4
Adjusted PAT	19,311	20,025	24,310	24,018	27,343	22,873	28,910	35,437	40,881
Change (%)	16.3	3.7	21.4	-1.2	13.8	-16.3	26.4	22.6	15.4
Proposed Dividend	3,759	3,998	4,471	4,040	4,292	4,678	4,678	4,961	4,955

Balance Sheet								(INR M)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22		FY24E	FY25E
Capital	1,010	1,010	1,010	1,010	1,010	1,101	1,101	1,101	1,101
Reserves & Surplus	1,25,110	1,41,402	1,61,583	1,80,921	2,04,203	2,45,618	2,69,903	2,95,700	3,26,665
Net Worth	1,26,120	1,42,412	1,62,593	1,81,931	2,05,213	2,46,718	2,71,003	2,96,801	3,27,766
Borrowings	12,63,170	14,53,099	17,06,670	19,13,317	20,78,615	22,36,582	24,47,742	26,51,963	29,13,312
Change (%)	13.9	15.0	17.5	12.1	8.6	7.6	9.4	8.3	9.9
Other liabilities	1,15,526	1,15,387	1,36,572	72,808	72,505	62,375	65,374	71,912	79,103
Total Liabilities	15,04,816	17,10,898	20,05,835	21,68,056	23,56,333	25,45,675	27,84,120	30,20,676	33,20,181
Investments	33,694	19,722	35,951	54,964	46,357	61,986	69,764	62,788	56,509
Change (%)	1,117.1	-41.5	82.3	52.9	-15.7	33.7	12.5	-10.0	-10.0
Loans	14,47,167	16,61,623	19,29,927	20,79,880	22,81,143	24,52,963	26,78,348	29,15,847	32,15,576
Change (%)	15.6	14.8	16.1	7.8	9.7	7.5	9.2	8.9	10.3
Net Fixed Assets	965	971	1,359	2,544	2,470	2,876	3,570	4,105	4,721
Other assets	22,990	28,582	38,598	30,669	26,364	27,849	32,439	37,936	43,375
Total Assets	15,04,816	17,10,898	20,05,835	21,68,056	23,56,334	25,45,675	27,84,120	30,20,676	33,20,181

E: MOFSL Estimates

Financials and valuations

Ratios									(%)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22		FY24E	FY25E
Spreads Analysis (%)									
Yield on loans	10.3	9.4	9.6	9.8	9.0	8.3	8.8	9.1	9.1
Cost of funds	8.6	8.2	8.2	8.2	7.2	6.6	6.9	7.3	7.4
Spreads Analysis (%)	1.7	1.2	1.4	1.6	1.8	1.76	1.87	1.80	1.78
Margins	2.7	2.3	2.4	2.4	2.4	2.34	2.47	2.44	2.46
Profitability Ratios (%)									
Adj RoAE	17.8	14.9	15.9	13.9	14.1	10.1	11.2	12.5	13.1
Adj RoAA	1.4	1.2	1.3	1.2	1.2	0.9	1.1	1.2	1.3
Int. Expended/Int. Earned	73.7	76.0	75.1	75.4	73.4	71.9	71.9	73.0	73.1
Other Inc./Net Income	2.4	3.8	3.7	0.5	1.3	2.9	1.7	1.8	1.7
Efficiency Ratios (%)									
Fees/Operating income	0.8	0.2	0.2	0.2	0.4	0.5	0.2	0.3	0.3
Op. Exps./Net Income	15.9	11.9	10.6	12.6	13.0	17.2	15.2	16.0	16.4
Empl. Cost/Op. Exps.	40.2	50.8	52.1	48.5	41.8	56.4	47.9	47.0	46.6
Asset-Liability Profile (%)									
Loans/Borrowings Ratio	114.6	114.4	113.1	108.7	109.7	109.7	109.4	110.0	110.4
Debt/Equity (x)	10.0	10.2	10.5	10.5	10.1	9.1	9.0	8.9	8.9
Gross NPAs (INR m)	6,271	13,036	30,754	59,594	95,585	1,16,520	1,20,196	1,24,569	1,29,393
Gross NPAs to Adv.	0.4	0.8	1.6	2.8	4.1	4.7	4.4	4.2	3.9
Net NPAs (INR m)	2,053	7,117	15,514	33,474	57,414	66,314	66,383	64,222	58,284
Net NPAs to Adv.	0.1	0.4	0.8	1.6	2.5	2.7	2.5	2.2	1.8
Valuation									
Book Value (INR)	250	282	322	360	406	448	492	539	596
Growth (%)	37.9	12.9	14.2	11.9	12.8	10.3	9.8	9.5	10.4
Price-BV (x)	1.5	1.3	1.1	1.0	0.9	0.8	0.8	0.7	0.6
EPS (INR)	38.2	39.7	48.1	47.6	54.2	41.6	52.5	64.4	74.3
Growth (%)	16.3	3.7	21.4	-1.2	13.8	-23.3	26.4	22.6	15.4
Price-Earnings (x)	9.7	9.3	7.7	7.8	6.8	8.9	7.0	5.7	5.0
Adj. EPS (INR)	38.2	39.7	48.1	47.6	54.2	41.6	52.5	64.4	74.3
Growth (%)	16.3	3.7	21.4	-1.2	13.8	-23.3	26.4	22.6	15.4
Price-Earnings (x)	9.7	9.3	7.7	7.8	6.8	8.9	7.0	5.7	5.0
Dividend Per Share	6.2	6.8	7.6	8.0	8.5	8.5	8.5	9.0	9.0
Dividend Yield (%)	1.7	1.8	2.1	2.2	2.3	2.3	2.3	2.4	2.4

E: MOFSL Estimates

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SELL	< - 10%
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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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