

PNB Housing

Estimate changes

TP change

Rating change



Bloomberg	PNBHOUSI IN
Equity Shares (m)	260
M.Cap.(INRb)/(USDb)	208.5 / 2.5
52-Week Range (INR)	914 / 446
1, 6, 12 Rel. Per (%)	26/-10/55
12M Avg Val (INR M)	593

Financials Snapshot (INR b)

Y/E MARCH	FY24	FY26E	FY26E
NII	24.8	29.6	35.0
OP	21.3	25.7	31.6
NP	15.1	18.5	22.8
EPS (Rs)	58	71	88
EPS Gr. (%)	-6	23	23
BV/Share	577	648	724

Ratios

NIM (%)	4.1	4.2	4.2
C/I ratio (%)	24.0	23.6	22.6
RoE (%)	2.2	2.3	2.4
RoA (%)	11.6	11.7	12.8

Valuations

P/E (x)	13.8	11.2	9.1
P/BV (x)	1.4	1.2	1.1

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	28.1	28.1	32.5
DII	6.9	7.9	3.7
FII	25.0	24.7	24.3
Others	40.0	39.3	39.5

FII Includes depository receipts

CMP: INR801
TP: INR1,015 (+27%)
Buy

Strong earnings beat led by NIM expansion and benign credit costs

Expect better earnings predictability going ahead; asset quality improved

- PNBHF's 4QFY24 PAT grew ~57% YoY to ~INR4.4b (~20% beat), driven by NIM expansion of ~15bp QoQ. This NIM expansion, despite a sequential moderation in yields, was aided by 1) the absence of any one-offs unlike the previous quarter, and 2) stable CoB.
- NII rose ~7% YoY to ~INR6.2b due to a gradual shift in mix toward retail.
- 4QFY24 disbursements grew 24% YoY to ~INR55.8b (+35% QoQ). Retail disbursements grew 24% YoY to INR55.4b (+35% QoQ). Affordable segment contributed ~10% to retail disbursements in FY24. Total loan book grew ~10% YoY to ~INR653.6b. However, retail loans grew 14% YoY.
- The management shared it aims to improve yields by catering to Prime, Roshni and Emerging Market customer verticals and targets to bring down its CoB by engaging with banks for lower spreads on MCLR loans and effectively tapping debt markets on the back of a credit rating upgrade to AA+ from all its CRAs. PNBHF continued to guide for credit costs of ~30bp, excluding any recoveries from the written-off corporate and retail loans.
- We continue to believe in our thesis of a transformation in this franchise and the management's ability to deliver an improvement in the RoA profile predicated on a) visibility of healthy retail loan CAGR trajectory of 17%+ from FY25 onward, b) NIM improvement through levers on CoB, and c) normalization to steady-state credit costs of ~25bp (including write-backs from recoveries).
- We expect PNBHF to deliver a CAGR of 17%/23% in AUM/PAT over FY24-FY26 and ~2.4%/13% RoA/RoE in FY26. Maintain BUY with a revised TP of INR1,015 (based on 1.4x FY26E BVPS).

Valuation and view: Risk-reward attractive for a strengthening franchise; Maintain BUY

- PNBHF has levers for NIM improvement through a potential decline in borrowing costs. Asset quality improvement has made it eligible for NHB borrowings, and the credit rating upgrade to AA+ will provide it even better access to primary debt markets.
- The company trades at 1.1x FY26E P/BV, and we believe that risk-reward is favorable for a re-rating in the valuation multiple as investors re-gain confidence in the company's sustained execution in retail (across prime, emerging and affordable). Maintain BUY with a revised TP of INR1,015 (based on 1.4x Mar'26E BVPS). Key risks: a) inability to drive NIM expansion amid aggressive competition in mortgages, and b) subsequent seasoning in the affordable loan book leading to asset quality deterioration.

Quarterly performance

(INR M)

	FY23				FY24E				FY23	FY24	4Q FY24E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	12,987	15,975	17,136	15,892	16,669	17,029	16,795	16,929	61,991	67,422	17,188	-2
Interest Expenses	9,303	9,639	9,963	10,081	10,475	10,573	10,866	10,697	38,985	42,611	11,225	-5
Net Interest Income	3,684	6,337	7,173	5,812	6,194	6,456	5,929	6,232	23,006	24,811	5,963	5
YoY Growth (%)	-27.6	36.2	72.8	57.6	68.1	1.9	-17.3	7.2	30.9	7.8	2.6	
Other income	1,124	868	829	485	408	765	765	1,211	3,306	3,149	818	48
Total Income	4,808	7,205	8,002	6,297	6,602	7,221	6,694	7,443	26,311	27,960	6,781	10
YoY Growth (%)	-18.5	30.6	60.2	27.2	37.3	0.2	-16.3	18.2	23.2	6.3	7.7	
Operating Expenses	1,214	1,368	1,262	1,468	1,530	1,702	1,700	1,778	5,313	6,710	1,788	-1
YoY Growth (%)	5.4	15.4	8.5	16.7	26.0	24.4	34.7	21.1	11.6	26.3	21.7	
Operating Profits	3,594	5,837	6,740	4,828	5,072	5,519	4,994	5,665	20,998	21,250	4,993	13
YoY Growth (%)	-24.3	34.8	75.9	30.7	41.1	-5.4	-25.9	17.3	26.5	1.2	3.4	
Provisions	483	2,432	3,071	1,403	606	448	591	66	7,389	1,711	382	-83
Profit before Tax	3,111	3,404	3,669	3,425	4,467	5,071	4,403	5,598	13,609	19,539	4,611	21
Tax Provisions	761	778	978	632	994	1,241	1,019	1,206	3,149	4,459	939	28
Profit after tax	2,350	2,626	2,691	2,793	3,473	3,830	3,384	4,393	10,460	15,080	3,671	20
YoY Growth (%)	-3.4	11.7	42.8	64.7	47.8	45.8	25.8	57.3	25.0	44.2	31.5	
Key Operating Parameters (%)												
Rep. Yield on loans	8.46	9.57	10.65	10.43	10.59	10.58	10.19	10.08				
Rep. Cost of funds	7.21	7.32	7.55	7.76	7.97	7.99	8.07	7.98				
Spreads	1.25	2.25	3.10	2.67	2.62	2.59	2.12	2.10				
Net Interest Margins	2.36	4.14	4.68	3.74	3.86	3.95	3.49	3.65				
Cost to Income Ratio	25.3	19.0	15.8	23.3	23.2	23.6	25.4	23.9				
Credit Cost	0.34	1.69	2.12	0.96	0.40	0.30	0.38	0.04				
Tax Rate	24.5	22.9	26.6	18.5	22.2	24.5	23.1	21.5				
Balance Sheet Parameters												
Loans (INR B)	573	578	580	593	604	609	623	654				
Change YoY (%)	-5.2	-2.4	0.3	2.4	6.2	5.2	7.4	10.3				
AUM (INR B)	649	657	658	666	673	674	685	712				
Change YoY (%)	-9.7	-5.8	-2.7	1.0	4.0	2.6	4.3	6.9				
Borrowings (Ex Assgn.) (INR B)	518	523	525	537	527	536	531	551				
Change YoY (%)	-11.1	-5.9	-2.5	0.8	3.3	2.3	1.2	2.6				
Loans /Borrowings (%)	110.5	110.5	110.5	110.5	114.6	113.6	117.4	118.7				
Off BS loans/AUM (%)	11.7	12.0	11.7	11.0	10.4	9.7	9.1	8.3				
Debt/Equity (x)	5.1	5.0	4.9	4.9	3.8	3.8	3.7	3.7				
Asset Quality Parameters (%)												
GS 3 (INR Mn)	36,390	35,020	28,240	22,700	22,700	10,860	10,790	9,840				
Gross Stage 3 (% on loans)	6.35	6.06	4.87	3.83	3.76	1.78	1.73	1.51				
NS 3 (INR Mn)	24,400	20,770	18,350	16,170	15,430	7,170	7,080	6,160				
Net Stage 3 (% on loans)	4.35	3.68	3.22	2.76	2.59	1.19	1.14	0.95				
PCR (%)	32.9	40.7	35.0	28.8	32.0	34.0	34.4	37.4				

E: MOFSL Estimates

Highlights from the management commentary

- Guided for retail loan growth of 17% with higher focus on emerging and affordable segments, Opex to ATA around 95bp-100bp, NIM of 3.5%, credit costs of ~30bp (excluding write-backs from recoveries) and RoA of >2.2%.
- Over the next 4-5 years, it expects corporate to be <10% of the AUM mix and Emerging + affordable to contribute ~40-42% to the portfolio loan book. Rest will be prime.
- There was an audit by the regulator (NHB). The company has discussed the initial observations; there is nothing serious and it is awaiting a revert from the regulator.

Healthy disbursement momentum; contribution of affordable improving

- 4Q disbursements grew 24% YoY to ~INR55.8b (+35% QoQ). Retail disbursements grew by 24% YoY to INR55.4b (+ 35% QoQ). Total loan book grew ~10% YoY/5% QoQ to ~INR653.6b. However, retail loans grew 14% YoY. Retail loans now form ~97% of the loan mix.
- Affordable segment contributed ~10% to the retail disbursements in FY24.

Sequential NIM expansion; yields decline from higher competitive intensity

- Reported NIM in 4QFY24 rose ~15bp QoQ to ~3.65%. FY24 NIM was flat YoY at 3.75%. Yields declined ~20bp QoQ, while the CoB was stable QoQ.
- The management shared that it targets to increase the yields from Roshni branches from ~11.5% to ~12.5% from Apr'24 onward. In addition, it has also carved out an **Emerging Market Vertical (with ~50 branches)**, wherein it will target Tier 2 and 3 markets where the customer segment will be between Roshni and Prime. Yields in this segment will be 35-40bp higher than the prime customer segment.
- We model NIMs of ~4.2% in FY25 and FY26.

Asset quality improved; Net credit costs likely to undershoot guidance of 30bp

- Total GNPA/NNPA stood at ~1.5%/0.95% (% of Loan Assets) and improved ~20bp each QoQ. Retail GNPA improved ~20bp QoQ to 1.45%, while Corporate GNPA declined to ~3.3% (PQ: 3.4%) because of largely stable wholesale book.
- One Corporate account (POS of ~INR1.26b) slipped into Stage 2. However, the company sounded confident that it will either remain in Stage 2 or might even get upgraded to Stage 1.
- The management anticipates recoveries from the written-off pool of loans in both wholesale as well as retail. It expects write-backs to continue for the next five-six quarters starting 4QFY24 (recoveries of ~INR500m in 4Q and ~INR1b in FY24). We model credit costs of ~28bp in FY25-FY26.



Highlights from the management commentary

Business Update

- Retail loan book grew ~14% YoY. Retail now constitutes ~97% of the loan book. Affordable loan book stood at ~INR17.9b and grew ~56% QoQ.
- 160 branches in affordable segment in Tier 2 and 3 cities. Affordable contributed ~12% of the 4QFY24 disbursements in Retail. (PY: 3%)
- Credit rating upgraded to AA+ by CRISIL, ICRA and CARE.

Guidance

- Guided for retail loan growth of 17% with higher focus on emerging and affordable segments
- Guided for Opex to ATA around 95bp-100bp
- Guidance for FY25: NIM at 3.5% | RoA of >2.2% | Credit costs of ~30bp (without considering write-backs)
- Expects CoB to come down, aided by the credit rating upgrade. Because of a decline in the corporate book and depletion of the prime loan-book, there will be a pressure on yields, which can be mitigated by the decline in CoB.
- Over the next 4-5 years, it expects corporate to be <10% of the AUM mix and Emerging + affordable to contribute ~40-42% to the portfolio loan book. Rest will be prime.
- Expects affordable segment to contribute ~18% of the total disbursements in FY25.

Emerging Vertical

- Started emerging markets vertical in Apr'24. It will have 50 branches in the emerging segment, which will give higher yields. Affordable and Emerging will contribute ~40-42% of the overall retail disbursements in FY25.
- Existing employees and branches were culled out from the prime branches. AUM of these branches is ~INR120b.

Affordable Segment

- In the affordable segment, 1/3rd of customers will be new to PNBHF or new to credit; 40-50% with the bureau score of 700+.
- Affordable segment yields were 11.6% in FY24 and guided for 12.5-12.6% in FY25.

Prime Segment

- 90 branches will cater to the Prime segment. In order to bring undivided focus on retail segment, it has set up different verticals - affordable, emerging and Prime.
- Dedicated team of sales, credit, operations and collections across each of these three verticals.

Disbursements

- 4QFY24 disbursements of ~INR55.4b; FY24 disbursements stood at ~INR174.8b. Affordable segment contributed ~10% to the FY24 retail disbursements.

Asset Quality

- NNPA declined to 0.95% as of Mar'24 - will endeavor to maintain best-in-class asset quality
- Corporate GNPA declined to ~3.31% (vs. ~22.5% in Mar'23).
- Sold 268 properties in FY24 through auctions and there was no principal loss at an enterprise level.
- Had earlier shared that it had a written-off pool of ~INR17b in corporate and ~INR5b in retail. The company has recovered about ~INR1b from the written-off pool in FY24. Expects recoveries over 4-6 quarters and write-backs/recoveries could be at similar levels as in 4Q.
- One corporate account (POS of ~INR1.26b) slipped into Stage 2. The company is confident that it will remain in Stage 2 or might even get upgraded to Stage 1.

Repayments/Run-off

- Run-off has declined to ~16.7% in FY24.
- BT-OUT was between ~6-7% in FY24 and BT-OUT declined by ~10% YoY in FY24 (in absolute terms).

Liabilities

- Availed ~INR30b of borrowings from NHB in FY24, which came at ~50bp lower CoB than other instruments.
- Incremental CoB stood at 7.93%.
- Proportion of ECB declined, while CP and NHB proportion in the borrowing mix improved.
- Tighter liquidity conditions in 4Q led to higher incremental CoB.

Financial Parameters

- Reported 4QFY24 PAT of INR4.4b, up 57% YoY.
- CoB stood at 7.98% (flat QoQ).
- 4QFY24 NIM stood at ~3.65% (in line with the NIM excluding one-offs in 3QFY24). Guided for NIM of ~3.5%.
- Credit costs stood at ~4bp in 4QFY24 and ~25bp in FY24.
- Recovery of ~INR490m from the written-off pool in 4QFY24 and ~INR1b in FY24.
- There were no one-offs in 4QFY24.

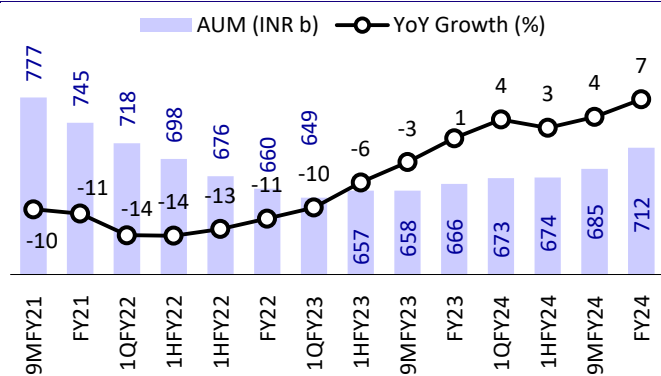
Others

- There will be some pressure on the yields because of prime book depletion or BT-OUTs. Yield contraction was also because of the decline in the corporate book.
- Growth in fee income was in line with volume/disbursement growth. Write-backs are netted off in the credit costs line.
- There was an audit by the regulator (NHB). The company has discussed the initial observations; there is nothing serious and it is awaiting a revert from the regulator.
- There will be a drag on RoE for the next 2-3 years because of the capital raise from the rights Issue.
- PNBHF will continue to pursue profitable growth; It will ensure that it grows in all the 3 segments and scale up in the higher-yielding segments.

- Opened ~100 branches in 4QFY24, including ~60 affordable branches, ~22 emerging branches and ~18 Prime branches.
- PNBHF did a Rights Issue of ~INR25b at the beginning of the year.
- 2/3rd of the branches will focus on building business at higher yields.
- ~86% to the Retail Loan book has ticket size below ~INR10m.
- Geographical Split: North: 35%, South: 38%; West: 27%
- CRAR stood at ~29.3% (Tier 1: ~27.9%).
- RoA of ~2.2% and RoE of ~10.9% in FY24.

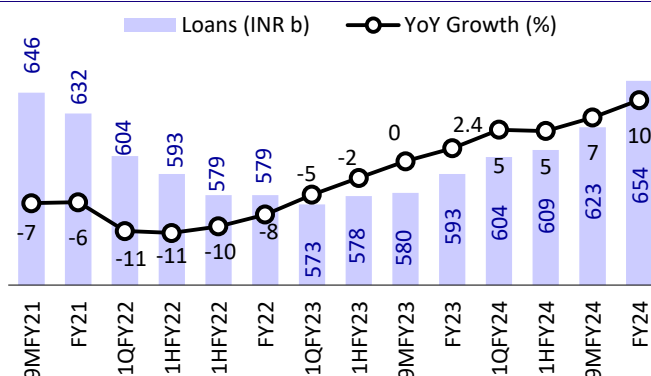
Key exhibits

Exhibit 1: AUM grew 7% YoY...



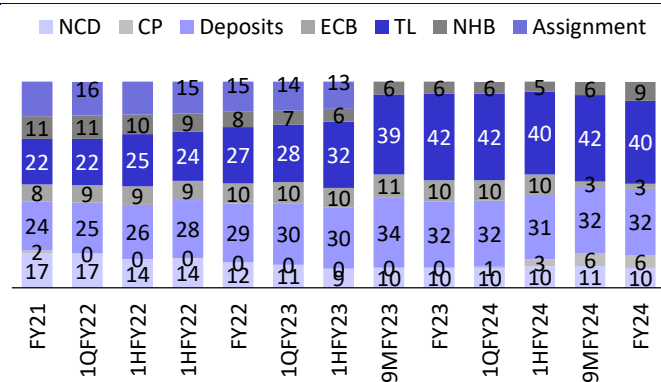
Source: MOFSL, Company

Exhibit 2: ...while on-book loans grew 10% YoY



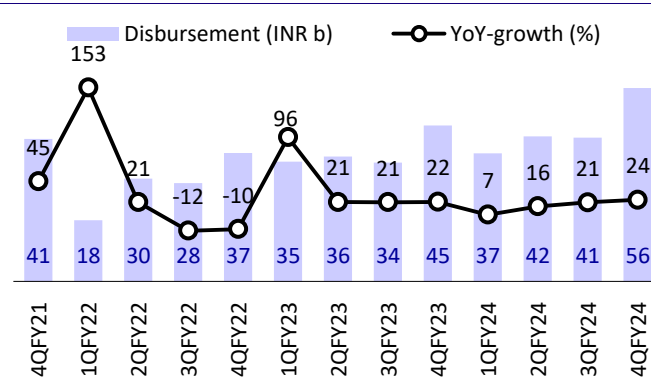
Source: MOFSL, Company

Exhibit 3: Borrowing mix (%)



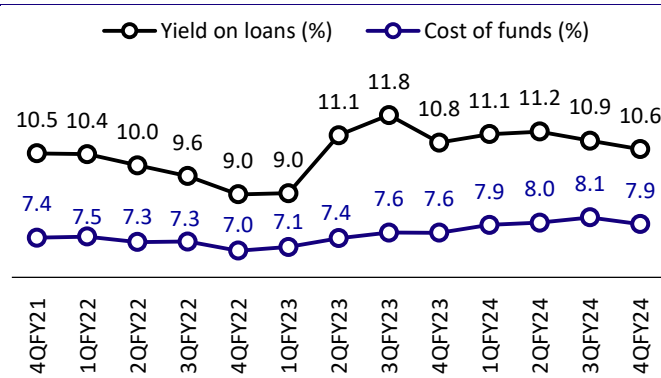
Source: MOFSL, Company

Exhibit 4: Disbursements grew ~24% YoY



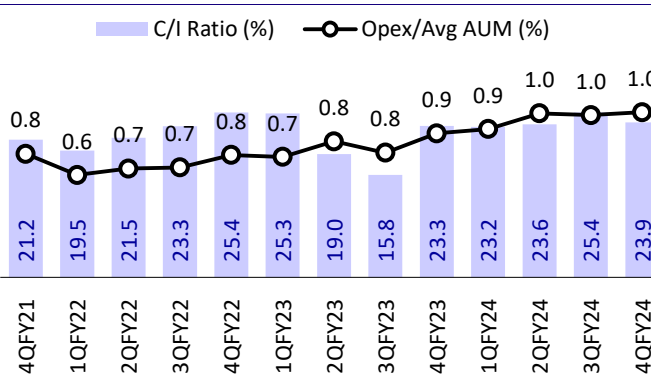
Source: MOFSL, Company

Exhibit 5: Reported spreads remained stable (%)

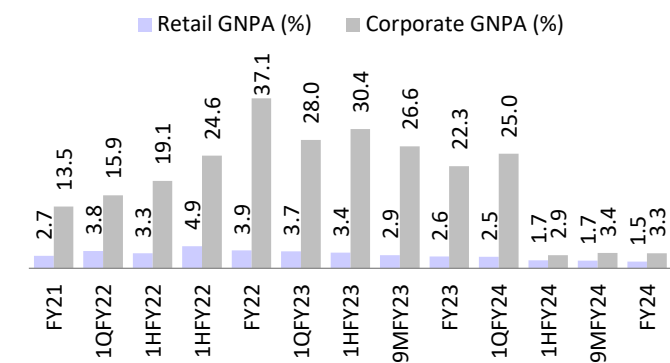


Source: MOFSL, Company, Calculated

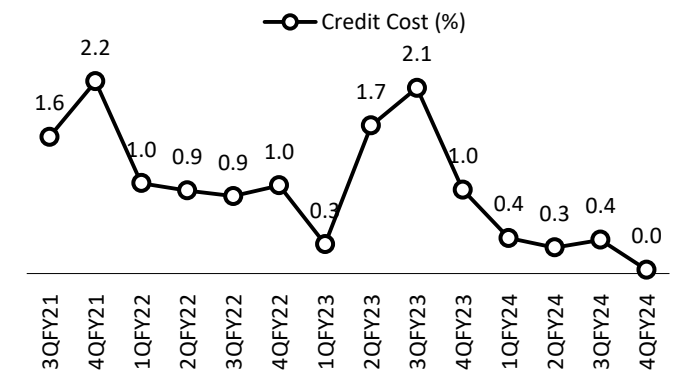
Exhibit 6: C/I ratio declined by 150bp QoQ (%)



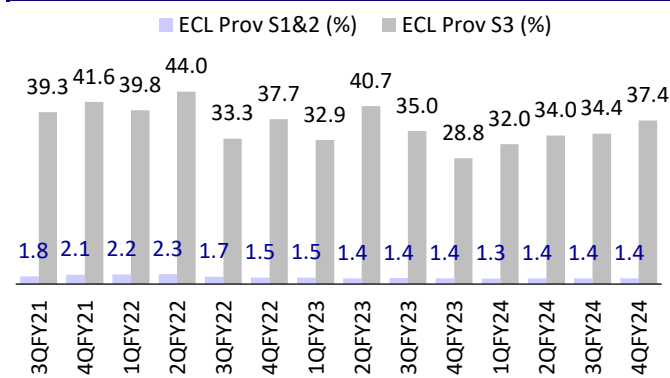
Source: MOFSL, Company, Calculated

Exhibit 7: Retail GNPA improved ~20bp QoQ

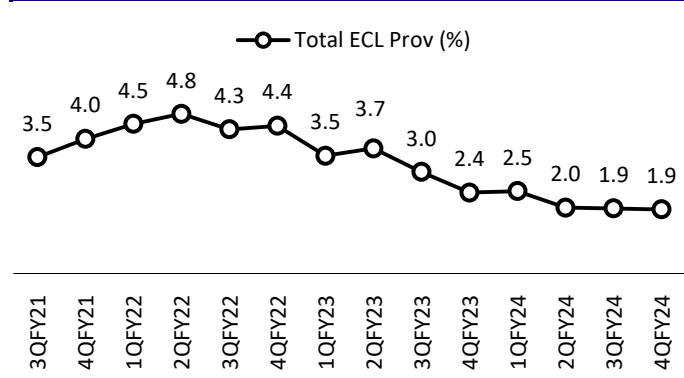
Source: MOFSL, Company

Exhibit 8: Benign credit costs (%)

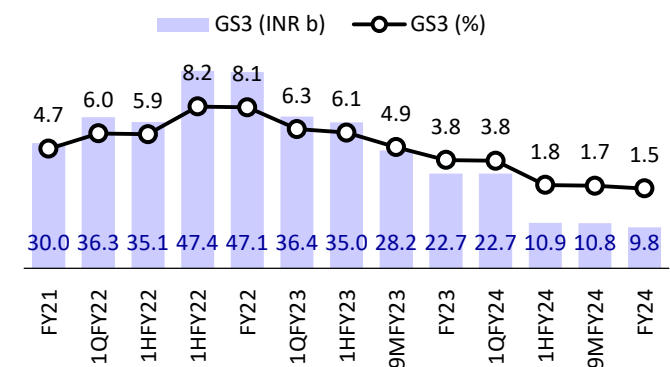
Source: MOFSL, Company

Exhibit 9: Stage 3 PCR increased ~300bp QoQ ...

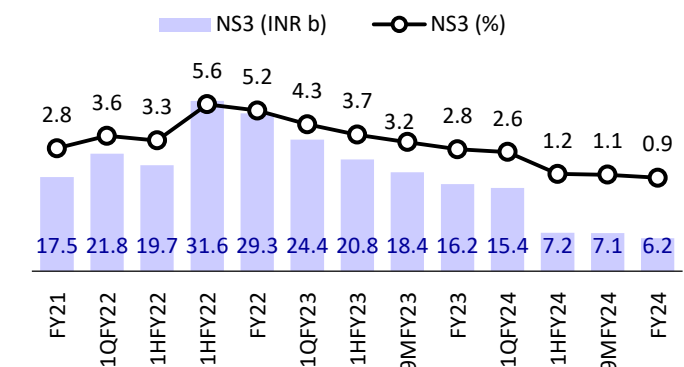
Source: MOFSL, Company

Exhibit 10: ...and ECL/EAD stood at 1.9% of loans

Source: MOFSL, Company

Exhibit 11: GS3 improved sequentially by 20bp...

Source: MOFSL, Company

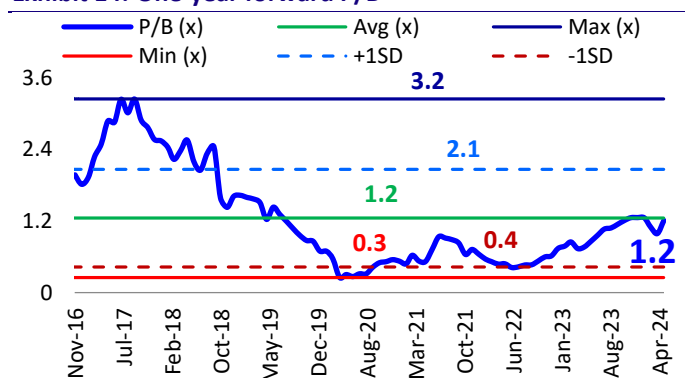
Exhibit 12: ...while NS3 improved ~20bp QoQ

Source: MOFSL, Company

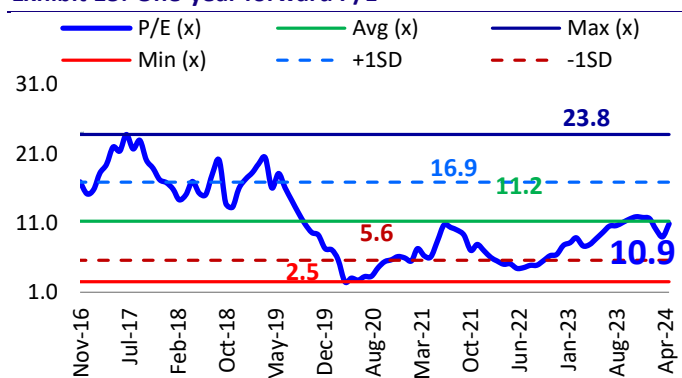
Exhibit 13: Raise our FY25 PAT estimates by ~2% to factor in lower provisions

INR b	Old Est.			New Est.			Change (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
NII	24.5	29.2	35.0	24.8	29.6	35.0	1.1	1.1	-0.1
Other Income	2.8	4.1	5.8	3.1	4.1	5.8	14.3	-0.1	-0.5
Total Income	27.3	33.3	40.8	28.0	33.7	40.7	2.4	1.0	-0.2
Operating Expenses	6.7	8.0	9.3	6.7	7.9	9.2	-0.1	-0.2	-1.0
Operating Profits	20.6	25.4	31.5	21.3	25.7	31.6	3.3	1.3	0.1
Provisions	2.0	2.1	2.5	1.7	2.0	2.3	-15.6	-6.9	-5.8
PBT	18.6	23.3	29.0	19.5	23.8	29.2	5.3	2.0	0.6
Tax	4.2	5.1	6.4	4.5	5.2	6.4	6.3	2.0	0.6
PAT	14.4	18.2	22.7	15.1	18.5	22.8	5.0	2.0	0.6
Loan book	650	760	901	641	766	909	-1.4	0.8	0.9
NIM (%)	4.0	4.1	4.2	4.1	4.2	4.2			
Spreads (%)	2.7	2.9	3.1	2.9	2.7	2.9			
ROAA (%)	2.1	2.3	2.4	2.2	2.3	2.4			
RoAE (%)	11.1	11.5	13.0	11.6	11.7	12.8			

Source: MOFSL estimates

Exhibit 14: One-year forward P/B

Source: MOFSL, Company

Exhibit 15: One-year forward P/E

Source: MOFSL, Company

Financials and Valuation

Income statement							(INR M)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	67,929	76,882	71,898	58,220	61,991	67,422	77,608	91,779
Interest Expended	51,664	58,750	50,998	40,645	38,985	42,611	48,045	56,827
Net Interest Income	16,265	18,133	20,901	17,575	23,006	24,811	29,563	34,953
Change (%)	7.7	11.5	15.3	-15.9	30.9	7.8	19.2	18.2
Other Operating Income	8,904	8,013	4,343	3,787	3,306	3,149	4,098	5,791
Net Income	25,169	26,146	25,243	21,363	26,311	27,960	33,661	40,744
Change (%)	28.9	3.9	-3.5	-15.4	23.2	6.3	20.4	21.0
Operating Expenses	5,935	5,522	4,554	4,760	5,313	6,710	7,941	9,192
Operating Income	19,234	20,624	20,689	16,603	20,998	21,250	25,720	31,551
Change (%)	27.3	7.2	0.3	-19.7	26.5	1.2	21.0	22.7
Provisions/write offs	1,890	12,514	8,619	5,764	7,389	1,711	1,970	2,345
PBT	17,344	8,110	12,070	10,840	13,609	19,539	23,750	29,206
Extraordinary Items	0	0	0	0	0	0	0	0
Reported PBT	17,344	8,110	12,070	10,840	13,609	19,539	23,750	29,206
Tax	5,429	2,201	2,978	2,475	3,149	4,459	5,225	6,425
Tax Rate (%)	31.3	27.1	24.7	22.8	23.1	22.8	22.0	22.0
DTL on Special Reserve								
Reported PAT	11,915	5,909	9,092	8,365	10,460	15,080	18,525	22,781
Change (%)	41.7	-50.4	53.9	-8.0	25.0	44.2	22.8	23.0
PAT adjusted for EO	11,915	5,909	9,092	8,365	10,460	15,080	18,525	22,781
Change (%)	41.7	-50.4	53.9	-8.0	25.0	44.2	22.8	23.0
Proposed Dividend	1,809	0	0	0	0	0	3,112	3,895

Balance sheet							(INR M)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Capital	1,675	1,682	1,683	1,686	1,689	2,597	2,597	2,597
Reserves & Surplus	73,764	78,296	87,548	97,030	1,08,448	1,47,147	1,65,673	1,85,341
Net Worth	75,439	79,978	89,230	98,716	1,10,137	1,49,744	1,68,270	1,87,938
Borrowings	7,18,589	6,77,351	5,93,925	5,30,050	5,36,211	5,50,166	6,66,175	8,00,318
Change (%)	33.6	-5.7	-12.3	-10.8	1.2	2.6	21.1	20.1
Other liabilities	44,662	31,969	30,767	28,530	15,795	24,138	25,345	26,612
Total Liabilities	8,38,690	7,89,297	7,13,922	6,57,296	6,62,143	7,24,049	8,59,790	10,14,869
Loans	7,42,879	6,66,280	6,06,447	5,53,359	5,78,398	6,41,082	7,65,718	9,09,452
Change (%)	30.0	-10.3	-9.0	-8.8	4.5	10.8	19.4	18.8
Investments	45,607	20,757	20,448	34,827	31,963	43,460	47,806	52,587
Change (%)	89.0	-54.5	-1.5	70.3	-8.2	36.0	10.0	10.0
Net Fixed Assets	1,083	1,353	1,056	935	839	0	0	0
Other assets	49,122	1,00,906	85,971	68,175	50,943	39,506	46,265	52,829
Total Assets	8,38,690	7,89,297	7,13,922	6,57,296	6,62,143	7,24,049	8,59,790	10,14,869

E: MOSL Estimates

Financials and Valuation

Ratios	FY2023 (%)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Spreads Analysis (%)								
Avg yield on loans	10.1	10.6	10.9	9.7	10.6	10.7	10.6	10.7
Avg. cost of funds	8.2	8.4	8.0	7.2	7.3	7.8	7.9	7.8
Interest Spread	1.9	2.1	2.9	2.4	3.3	2.9	2.7	2.9
NIM on loans	2.5	2.6	3.3	3.0	4.1	4.1	4.2	4.2
Profitability Ratios (%)								
RoE	16.9	7.6	10.7	8.9	10.0	11.6	11.7	12.8
RoA	1.6	0.7	1.2	1.2	1.6	2.2	2.3	2.4
Int. Expended/Int.Earned	76.1	76.4	70.9	69.8	62.9	63.2	61.9	61.9
Other Inc./Net Income	35.4	30.6	17.2	17.7	12.6	11.3	12.2	14.2
Efficiency Ratios (%)								
Op. Exps./Net Income	23.6	21.1	18.0	22.3	20.2	24.0	23.6	22.6
Empl. Cost/Op. Exps.	51.2	42.2	46.4	45.5	50.1	50.3	50.6	51.1
Asset Quality (INR m)								
Gross NPA	3,549	18,562	29,990	47,062	22,714	9,840	10,802	12,333
GNPA ratio	0.5	2.8	4.8	8.2	3.9	1.5	1.4	1.3
Net NPA	2,784	11,838	17,500	29,312	16,184	6,160	6,805	7,646
NNPA ratio	0.4	1.8	2.9	5.3	2.8	1.0	0.9	0.8
CAR	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
VALUATION								
Book Value (INR)	450	476	530	586	652	577	648	724
BVPS Growth YoY	14.3	5.6	11.5	10.4	11.4	-11.6	12.4	11.7
Price-BV (x)			1.5	1.4	1.2	1.4	1.2	1.1
EPS (INR)	71.1	35.1	54.0	49.6	61.9	58.1	71.3	87.7
EPS Growth YoY	40.9	-50.6	53.8	-8.2	24.9	-6.3	22.8	23.0
Price-Earnings (x)		22.8	14.8	16.1	12.9	13.8	11.2	9.1
Dividend per share (INR)	9.0	0.0	0.0	0.0	0.0	0.0	12.0	15.0
Dividend yield (%)			0.0	0.0	0.0	0.0	1.5	1.9

E: MOSL Estimates

DuPont Analysis

DuPont Analysis	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Interest Income	9.2	9.4	9.6	8.5	9.4	9.7	9.8	9.8
Interest Expended	7.0	7.2	6.8	5.9	5.9	6.1	6.1	6.1
Net Interest Income	2.2	2.2	2.8	2.6	3.5	3.6	3.7	3.7
Other Income	1.2	1.0	0.6	0.6	0.5	0.5	0.5	0.6
Fees	0.6	0.4	0.2	0.4	0.4	0.4	0.4	0.5
Trading gains and MM	0.6	0.6	0.3	0.2	0.1	0.1	0.1	0.2
Net Income	3.4	3.2	3.4	3.1	4.0	4.0	4.3	4.3
Operating Expenses	0.8	0.7	0.6	0.7	0.8	1.0	1.0	1.0
Cost to Income Ratio (%)	23.6	21.1	18.0	22.3	20.2	24.0	23.6	22.6
Employee Expenses	0.4	0.3	0.3	0.3	0.4	0.5	0.5	0.5
Other Expenses	0.4	0.4	0.3	0.4	0.4	0.5	0.5	0.5
Operating Profit	2.6	2.5	2.8	2.4	3.2	3.1	3.2	3.4
Provisions/write offs	0.3	1.5	1.1	0.8	1.1	0.2	0.2	0.3
PBT	2.4	1.0	1.6	1.6	2.1	2.8	3.0	3.1
Tax	0.7	0.3	0.4	0.4	0.5	0.6	0.7	0.7
Tax Rate (%)	31.3	27.1	24.7	22.8	23.1	22.8	22.0	22.0
Reported PAT	1.6	0.7	1.2	1.2	1.6	2.2	2.3	2.4
Leverage	10.4	10.5	8.9	7.3	6.3	5.3	5.0	5.3
RoE	16.9	7.6	10.7	8.9	10.0	11.6	11.7	12.8

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NOTES

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