

PNB Housing Finance

BSE SENSEX	S&P CNX
34,951	10,524
Bloomberg	PNBHOU5I IN
Equity Shares (m)	167
M.Cap.(INRb)/(USDb)	146.2 / 2.0
52-Week Range (INR)	1444 / 694
1, 6, 12 Rel. Per (%)	1/-30/-42
12M Avg Val (INR M)	393
Free float (%)	67.2

CMP: INR926
TP: INR1,100 (+19%)
Buy

Growth robust, but spreads under pressure

- PNB Housing Finance's (PNBHF) 3QFY19 PAT increased 32% YoY to INR3.0b (14% beat). The beat was largely driven by higher-than-expected upfront income on loan assignment and MTM on the treasury book.
- Despite a tough and volatile environment, PNBHF disbursed INR93b worth of loans (+1% YoY). Repayment rate (annualized) continues to decline and hit a multi-quarter low of 21%, largely due to lower balance transfers in our view. As a result, AUM grew a healthy 38% to INR797b.
- PNBHF sold down INR27.1b worth of loans in the quarter, compared to INR31b in the previous quarter. The mix of loans sold down was 50% home loan and 50% retail LAP. The company recorded an upfront income of INR1.5b in 3QFY19 v/s INR617m in 2QFY19.
- The key negative surprise in the quarter came from loan spreads (calculated), which declined 17bp QoQ to a multi-quarter low of 1.77%. This was on account of ~60bp QoQ increase in cost of funds partially offset by ~40bp increase in loan yield.
- Asset quality remains robust with GNPL ratio of 47bp (largely stable). PNBHF added INR110m to its floating provision buffer, taking the outstanding amount to INR1.57b.

Valuation view: PNBHF continues to deliver strong growth in its loan book driven by rapid branch expansion coupled with deepening penetration in existing geographies. The company has managed the recent liquidity situation well without compromising on growth. However, spreads are under pressure and it is likely to sustain over the medium term. We upgrade FY19/20E EPS estimates by 5-6% to account for higher assignment income. Maintain **Buy** with a TP of INR1,100 (2.0x Dec 2020E BVPS).

PNBHF: Quarterly performance

	FY18				FY19				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY18	FY19E
Interest Income	10,898	11,972	13,356	15,008	15,238	16,121	17,641	19,242	51,234	68,242
Interest Expenses	7,505	8,348	9,257	10,168	10,998	12,289	14,103	15,556	35,277	52,945
Net Interest Income	3,394	3,624	4,099	4,840	4,241	3,832	3,538	3,686	15,957	15,297
YoY Growth (%)	62.2	58.7	55.0	45.5	25.0	5.8	-13.7	-23.8	54.2	-4.1
Other income	704	773	806	694	1,245	1,962	3,137	3,020	2,977	9,363
Total Income	4,097	4,396	4,906	5,534	5,486	5,794	6,675	6,706	18,933	24,660
YoY Growth (%)	60.8	53.9	50.6	39.0	33.9	31.8	36.1	21.2	49.8	30.2
Operating Expenses	962	881	1,066	1,663	1,293	1,422	1,565	1,666	4,572	5,946
YoY Growth (%)	20.6	-12.6	22.6	85.2	34.4	61.5	46.8	0.2	28.0	30.1
Operating Profits	3,136	3,516	3,840	3,871	4,193	4,372	5,110	5,040	14,362	18,714
YoY Growth (%)	79.0	90.3	60.8	25.6	33.7	24.4	33.1	30.2	58.4	30.3
Provisions	681	756	482	444	440	647	701	728	2,363	2,516
Profit before Tax	2,454	2,760	3,358	3,427	3,753	3,725	4,409	4,312	11,999	16,198
Tax Provisions	754	859	1,064	1,223	1,195	1,195	1,386	1,375	3,899	5,151
Profit after tax	1,701	1,901	2,295	2,205	2,558	2,530	3,023	2,937	8,100	11,047
YoY Growth (%)	77.3	38.1	66.5	44.7	50.4	33.1	31.7	33.2	54.7	36.4
Loans growth (%)	42.4	51.2	61.1	48.0	45.2	37.0	27.9	32.2	48.0	45.2
Cost to Income Ratio (%)	23.5	20.0	21.7	30.0	23.6	24.5	23.4	24.8	24.1	24.1
Tax Rate (%)	30.7	31.1	31.7	35.7	31.8	32.1	31.4	31.9	32.5	31.8

E: MOSL Estimates; Note: FY19 numbers as of Ind-AS

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Exhibit 1: Quarterly performance v/s our estimates and reasons for the deviation (INR m)

Y/e March	3QFY19E	3QFY19A	Var (%)	Comments
Interest Income	17,330	17,641	2	
Interest Expenses	13,395	14,103	5	
Net Interest Income	3,935	3,538	-10	Sharp spike in cost of funds
YoY Growth (%)	-11.4	-13.7		
Other income	2,000	3,137	57	Higher upfront of assignment income
Total Income	5,935	6,675	12	Beat due to higher assignment income
YoY Growth (%)	15.6	36.1		
Operating Expenses	1,451	1,565	8	
YoY Growth (%)	17.3	46.8		
Operating Profits	4,485	5,110	14	PPoP beat due to higher assignment income
YoY Growth (%)	15.0	33.1		
Provisions	600	701	17	
Profit before Tax	3,885	4,409	13	
Tax Provisions	1,243	1,386	12	
Profit after tax	2,642	3,023	14	PAT beat due to higher assignment income
YoY Growth (%)	21.5	31.7		
Cost to Income Ratio (%)	24.4	23.4		
Tax Rate (%)	32.0	31.4		

Source: MOSL, Company

AUM grew 38% YoY during the quarter to INR797b

Loan growth remains robust; Mix stable

- PNBHF disbursed INR93b worth of loans (+1% YoY/ +11% QoQ) in the quarter.
- **Repayment rate (annualized) continues to decline and hit a multi-quarter low of 21%, largely due to lower balance transfers in our view.** As a result, AUM grew a healthy 38% to INR797b.
- The company sold down INR27b in the quarter v/s INR31b in the previous quarter.
- Loan mix was largely stable, though share of construction finance increased 140bp sequentially to 13.2%.

Calc. spreads declined 17bp QoQ to 1.8%

Spread pressure and excess balance sheet liquidity leads to lower NII

- Loan spreads (calculated) declined 17bp QoQ to a multi-quarter low of 1.77%.
- **This was on account of ~60bp QoQ increase in cost of funds to 8.5%, partially offset by ~40bp increase in loan yield to 10.2%.**
- As a result, NII declined 8% QoQ and 14% YoY to INR3.5b.
- **In addition, according to our estimate, excess balance sheet liquidity (~INR15b) would have resulted in a drag of ~INR100m on NII for the quarter.**
- Note that the company reported an upfront income of INR1.5b of loan assignment for the quarter (nil in 3QFY18) and fair value gains of INR518m (INR20m in 2QFY18).
- PNBHF reduced its dependence on NCDs (share down ~300bp to 30%), while it increased the contribution from ECBs by 400bp to 6%.

Asset quality stable with GNPL ratio of 47bp

Opex up sharply; Asset quality stable

- Opex increased 10% QoQ/ 47% YoY to INR1.57b due to the impact of ESOP costs under Ind-AS.
- **PNBHF continues to maintain robust asset quality. The GNPL ratio stood at 47bp v/s 45bp QoQ and 42bp YoY.**
- The company also has floating provisions amounting to INR1.57b on the balance sheet, in addition to INR4.36b of ECL provisions.

Information on the wholesale lending book

- Average ticket size: CF – INR790m, LRD – INR1.6b, CTL – INR800m.
- Number of accounts: CF – 202, LRD – 23, CTL – 76

Valuation and view

- Over the past six years, PNBHF has scripted an enviable turnaround, positioning itself to become the fifth largest player in the HFC segment. Strong underwriting and execution skills have ensured that growth has not come at the cost of asset quality.
- The company has managed the current liquidity crisis effectively by diversifying its resource mobilisation at attractive rates.
- Strong AUM growth (~30%) should drive 18% PAT CAGR over FY19-21E. Pressure on spreads (factoring in 10bp compression over FY19-21E) would be compensated by operating leverage (~10bp). On a conservative basis, we factor in higher credit cost of ~50bp by FY21 vs 35-40bp expected in FY19.
- We upgrade FY19/20E EPS estimates by 5-6% to account for higher assignment income. Maintain **Buy** with a TP of INR1,100 (2.0x Dec 2020E BVPS).

Exhibit 2: We upgrade our estimates to factor in higher assignment income

INR b	Old Est.		New Est.		Change (%)	
	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Total Income	23.4	28.0	24.7	29.5	5.6	5.5
Operating Expenses	5.7	6.9	5.9	6.9	3.6	-0.5
Operating Profits	17.6	21.1	18.7	22.7	6.3	7.5
Provisions	2.3	3.0	2.5	3.5		
PBT	15.3	18.1	16.2	19.2	5.8	6.0
Tax	4.9	5.8	5.2	6.1	5.1	6.0
PAT	10.4	12.3	11.0	13.1	6.1	6.0
ROAA (%)	1.4	1.3	1.5	1.4		
RoAE (%)	15.3	16.0	16.1	16.8		

Source: MOSL, Company



Conference call highlights

Business Update

- Continue to maintain nil NPL in the wholesale loan book
- PNB will independently sell its stake in PNBHF
- Incremental yield: 10.3%
- Within 18-24 months, there would be 25-30 top braded, pan-India developers, according to management
- Will increase gearing till 11-12x (currently, 9.2x)
- Loans assigned in the quarter - 50% home loans and 50% retail LAP

Liquidity

- Maintained excess liquidity of INR60b at quarter-end.
- The company received INR3500cr NHB sanction and borrowed INR33b via ECBs

Others

- INR71.622b networth as of 3QFY19
- 23% of HL disbursements are in affordable housing (sub-INR2.5m ticket size)
- ESOP impact of INR280m on opex in 9MFY19

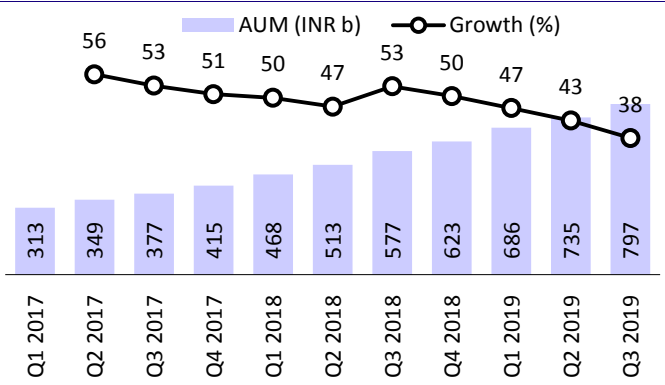
Exhibit 3: Quarterly snapshot

	FY18				FY19			Variation (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	QoQ	YoY
Profit and Loss (INR m)									
Net Interest Income	3,394	3,624	4,099	4,840	4,241	3,832	3,538	-8	-14
Other Income	704	773	806	694	1,245	1,962	3,137	60	289
Total Income	4,097	4,396	4,906	5,534	5,486	5,794	6,675	15	36
Operating Expenses	962	881	1,066	1,663	1,293	1,422	1,565	10	47
Employee	321	297	368	396	506	809	811	0	120
Others	641	584	698	1,267	787	613	754	23	8
Operating Profits	3,136	3,516	3,840	3,871	4,193	4,372	5,110	17	33
Provisions	681	756	482	444	440	647	701	8	46
PBT	2,454	2,760	3,358	3,427	3,753	3,725	4,409	18	31
Taxes	754	859	1,064	1,223	1,195	1,195	1,386	16	30
PAT	1,701	1,901	2,295	2,205	2,558	2,530	3,023	19	32
Asset Quality									
GNPA	1,892	1,657	2,322	1,881	2,748	3,006	3,324	11	43
NNPA	1,452	1,267	1,714	1,425	2,109	2,338	2,617	12	53
Gross NPAs (%)	0.4	0.3	0.4	0.3	0.4	0.4	0.5		
Net NPAs (%)	0.3	0.3	0.3	0.3	0.3	0.4	0.4		
PCR (Calculated, %)	23.3	23.5	26.2	24.2	23.3	22.2	21.3		
Ratios (%)									
Cost to Income	23.5	20.0	21.7	30.0	23.6	24.5	23.4		
Provision to operating profit	21.7	21.5	12.5	11.5	10.5	14.8	13.7		
Tax Rate	30.7	31.1	31.7	35.7	31.8	32.1	31.4		
RoA - reported (YTD)	1.5	1.7	1.6	1.5	1.5	1.5	1.5		
RoE - reported (YTD)	11.9	13.6	13.9	14.0	15.8	15.5	16.2		
Margins Reported (%)									
Yield on earning assets	10.6	10.3	10.3	10.7	10.1	9.9	10.3		
Cost of Funds	8.0	7.9	7.7	7.7	7.7	7.9	8.5		
Spreads	2.6	2.4	2.5	2.9	2.4	1.9	1.8		
NIMs	3.1	3.0	3.0	3.2	2.6	2.2	1.8		
Business Details (INR b)									
Loan mix (%)									
Individual home loan	59	59	57	56	56	58	57		
Construction Finance	11	12	12	14	13	12	13		
LAP	16	16	16	17	16	16	16		
LRD	6	5	6	5	6	5	5		
Corp term loan	5	4	5	5	5	5	5		
NRPL	3	4	3	4	4	4	4		
Total Borrowing Mix (%)									
- NCD	40.9	45.8	43.2	37.5	34.8	33.4	30.1		
- CP	16.4	15.2	17.3	17.5	15.7	11.7	11.0		
- Public deposit	25.3	23.1	21.0	19.5	18.0	17.7	16.7		
- ECB	3.8	3.3	2.9	2.5	2.4	2.3	6.1		
- Bank term loans	6.8	7.1	10.5	7.7	16.3	20.0	17.3		
- NHB Refinance	6.7	5.7	5.1	6.5	5.8	5.4	7.2		

Source: MOSL, Company

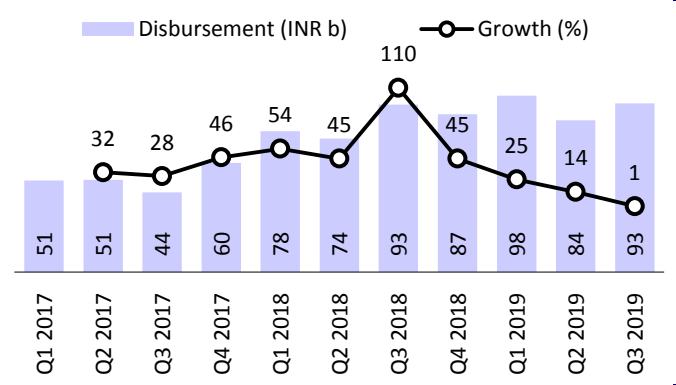
Story in charts

Exhibit 4: AUM growth remains robust



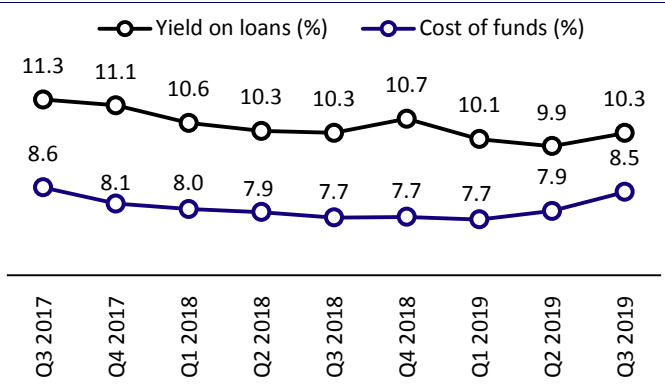
Source: Company, MOSL

Exhibit 5: Disbursements largely flat on a YoY basis



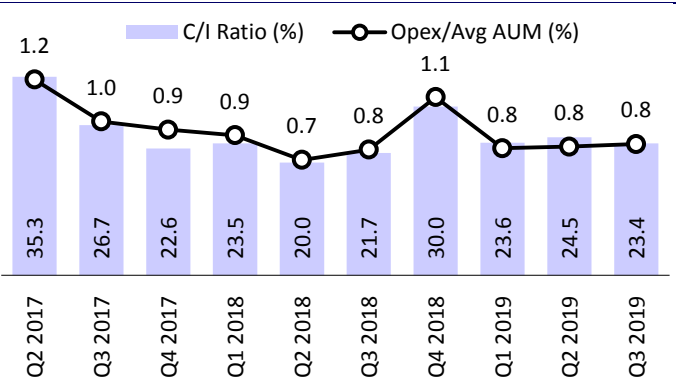
Source: Company, MOSL

Exhibit 6: Sudden spike in cost of funds (calc.)



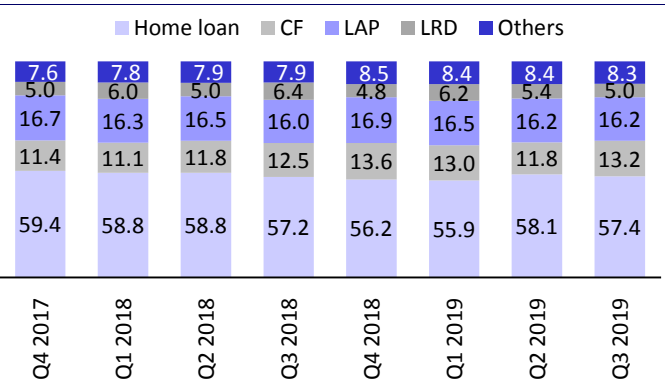
Source: Company, MOSL

Exhibit 7: C/I ratio marginally increased on a YoY basis



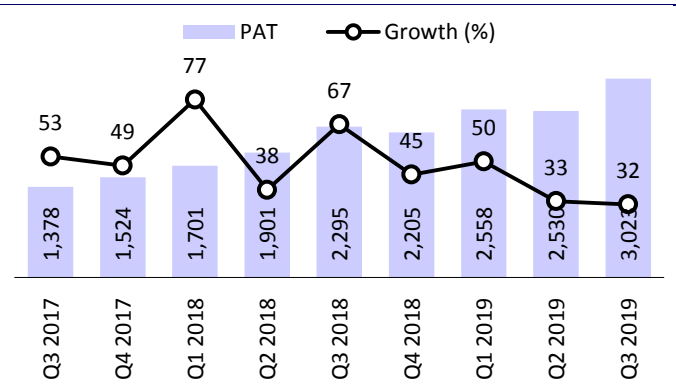
Source: Company, MOSL

Exhibit 8: Loan mix trend (%)



Source: Company, MOSL

Exhibit 9: PAT growth of 32% YoY



Source: Company, MOSL

Exhibit 10: Financials - Valuation matrix

	Rating	CMP	Mcap	EPS (INR)		P/E (x)		BV (INR)		P/BV (x)		RoA (%)		RoE (%)	
		(INR)	(USD b)	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
ICICIBC*	Buy	365	33.3	8.0	20.2	32.5	12.9	166	181	1.6	1.4	0.6	1.2	5.0	11.8
HDFCB	Buy	2,102	80.7	79.8	95.9	26.4	21.9	543	621	3.9	3.4	1.8	1.8	16.7	16.5
AXSB	Buy	664	23.9	17.4	37.9	38.3	17.5	265	298	2.5	2.2	0.6	1.1	6.8	13.5
KMB*	Neutral	1,268	34.2	37.9	46.1	33.5	27.5	303	348	4.2	3.6	1.7	1.7	12.1	13.3
YES	Buy	214	6.4	20.2	24.6	10.6	8.7	128	157	1.7	1.4	1.3	1.4	16.9	17.2
IIB	Buy	1,489	12.6	68.8	100.2	21.6	14.9	441	556	3.4	2.7	1.7	2.1	16.5	20.2
FB	Buy	89	2.5	6.1	8.9	14.5	10.0	67	75	1.3	1.2	0.8	1.0	9.5	12.5
DCBB	Neutral	182	0.8	10.2	13.2	17.9	13.8	96	109	1.9	1.7	0.9	1.0	11.6	13.4
SIB	Buy	14	0.4	1.7	2.7	8.3	5.2	29	31	0.5	0.4	0.3	0.5	5.6	8.6
Equitas	Buy	121	0.6	6.3	8.4	19.3	14.3	73	80	1.7	1.5	1.3	1.4	9.0	11.1
RBL	Buy	577	3.5	20.9	27.6	27.6	20.9	176	199	3.3	2.9	1.2	1.2	12.4	14.7
Private Aggregate															
SBIN (cons)*	Buy	288	35.9	8.7	32.3	29.0	8.2	249	276	1.0	1.0	0.1	0.7	2.7	12.3
PNB	Neutral	78	3.4	-17.7	8.0	-4.4	9.8	109	117	0.7	0.7	-0.7	0.4	-13.8	6.8
BOI	Neutral	97	2.4	-1.8	8.6	-54.1	11.3	181	187	0.5	0.5	-0.1	0.2	-0.9	4.3
BOB	Buy	113	4.2	9.3	16.1	12.1	7.0	165	180	0.7	0.6	0.3	0.5	5.6	9.0
CBK	Neutral	262	2.7	17.1	51.7	15.4	5.1	448	493	0.6	0.5	0.2	0.5	3.5	9.9
UNBK	Neutral	83	1.4	4.5	12.8	18.4	6.4	235	245	0.4	0.3	0.1	0.3	2.1	5.5
Public Aggregate															
Banks Aggregate															
HDFC*	Buy	1,969	46.1	42.3	48.7	21.7	18.9	306	341	3.0	2.7	1.8	1.8	15.5	15.0
LICHF	Buy	469	3.3	46.2	56.4	10.1	8.3	324	371	1.4	1.3	1.4	1.5	15.1	16.2
IHFL	Buy	775	4.7	95.6	109.7	8.1	7.1	395	446	2.0	1.7	3.1	3.1	25.6	26.1
PNBHF	Buy	926	2.1	62.2	73.5	14.9	12.6	432	489	2.1	1.9	1.4	1.3	15.3	16.0
REPCO	Buy	408	0.4	40.0	45.1	10.2	9.0	245	287	1.7	1.4	2.4	2.4	17.7	17.0
Housing Finance															
SHTF	Buy	1,116	3.5	109.0	127.9	10.2	8.7	694	804	1.6	1.4	2.3	2.3	16.9	17.1
MMFS	Buy	422	3.8	22.8	26.4	18.5	16.0	173	191	2.4	2.2	2.5	2.4	13.9	14.5
BAF	Neutral	2,632	21.3	65.8	85.6	40.0	30.7	327	403	8.0	6.5	3.7	3.7	22.1	23.5
CIFC	Buy	1,159	2.5	77.2	86.4	15.0	13.4	393	470	2.9	2.5	2.4	2.3	21.5	20.0
SCUF	Buy	1,720	1.6	147.3	162.1	11.7	10.6	952	1,096	1.8	1.6	3.5	3.6	16.6	15.8
LTFH	Buy	137	3.8	11.5	13.3	12.0	10.4	66	78	2.1	1.8	2.3	2.2	18.8	18.5
MUTH	Neutral	542	3.1	50.3	58.0	10.8	9.4	229	270	2.4	2.0	5.8	5.9	23.8	23.3
MAS	Buy	539	0.4	25.3	30.9	21.3	17.5	152	175	3.6	3.1	4.2	4.1	17.8	18.9

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

Source: MOSL, Company

Financials and valuations

Income statement								(INR m)
Y/E March	2014	2015	2016	2017	2018	2019E	2020E	2021E
Interest Income	10,559	16,708	25,461	36,401	50,824	68,242	91,353	118,352
Interest Expended	8,016	12,648	18,603	26,437	35,308	52,945	72,559	94,995
Net Interest Income	2,543	4,060	6,858	9,964	15,516	15,297	18,795	23,356
Change (%)	47.3	59.6	68.9	45.3	55.7	-1.4	22.9	24.3
Other Operating Income	644	1,095	1,534	2,678	4,346	9,363	10,709	12,393
Net Income	3,187	5,155	8,393	12,642	19,862	24,660	29,504	35,749
Change (%)	56.0	61.8	62.8	50.6	57.1	24.2	19.6	21.2
Operating Expenses	1,093	1,830	2,521	3,573	5,082	5,946	6,850	8,074
Operating Income	2,094	3,326	5,872	9,069	14,779	18,714	22,653	27,676
Change (%)	48.3	58.8	76.6	54.5	63.0	26.6	21.0	22.2
Provisions/write offs	304	381	832	1,029	1,988	2,516	3,451	5,519
Reported PBT	1,790	2,945	5,040	8,040	12,791	16,198	19,202	22,157
Tax	493	1,004	1,766	2,803	4,484	5,151	6,145	7,090
Tax Rate (%)	28	34	35	35	35	32	32	32
Reported PAT	1,297	1,941	3,273	5,237	8,307	11,047	13,057	15,067
Change (%)	39.7	49.6	68.7	60.0	58.6	33.0	18.2	15.4
Proposed Dividend	176	290	486	1,196	1,799	2,386	2,820	3,254

Balance sheet								(INR m)
Y/E March	2014	2015	2016	2017	2018	2019E	2020E	2021E
Capital	657	1,038	1,269	1,656	1,675	1,675	1,675	1,675
Reserves & Surplus	8,684	14,749	20,190	52,921	62,434	71,095	81,332	93,144
Net Worth	9,341	15,787	21,459	54,577	64,109	72,770	83,007	94,819
Borrowings	101,077	164,808	260,137	354,971	540,722	735,059	942,594	1,204,193
Change (%)	51.0	63.1	57.8	36.5	52.3	35.9	28.2	27.8
Other liabilities	4,978	9,695	14,809	19,579	32,609	40,761	50,952	61,142
Total Liabilities	115,396	190,290	296,405	429,127	637,439	848,590	1,076,552	1,360,154
Loans	105,660	168,006	271,813	385,452	570,300	753,907	971,746	1,235,703
Change (%)	60.1	59.0	61.8	41.8	48.0	32.2	28.9	27.2
Investments	6,455	15,860	16,223	32,796	23,801	33,322	43,318	56,313
Change (%)	-16.9	145.7	2.3	102.2	-27.4	40.0	30.0	30.0
Net Fixed Assets	288	577	622	604	857	1,071	1,338	1,673
Other assets	2,993	5,847	7,747	10,275	42,482	60,291	60,149	66,464
Total Assets	115,396	190,290	296,405	429,127	637,439	848,590	1,076,552	1,360,154

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	2014	2015	2016	2017	2018	2019E	2020E	2021E
Spreads Analysis (%)								
Avg yield on loans	11.7	11.7	11.2	10.6	10.3	10.1	10.4	10.5
Avg. cost of funds	9.5	9.5	8.8	8.6	7.9	8.3	8.7	8.9
Interest Spread	1.8	1.8	2.0	1.7	2.2	1.6	1.5	1.4
Net Interest Margin	2.7	2.7	2.9	2.8	3.1	2.2	2.1	2.0
Profitability Ratios (%)								
RoE	16.7	15.4	17.6	13.8	14.0	16.1	16.8	16.9
RoA	1.35	1.27	1.35	1.44	1.56	1.49	1.36	1.24
Int. Expended/Int.Earned	75.9	75.7	73.1	72.6	69.5	77.6	79.4	80.3
Other Inc./Net Income	20.2	21.2	18.3	21.2	21.9	38.0	36.3	34.7
Efficiency Ratios (%)								
Op. Exps./Net Income	34.3	35.5	30.0	28.3	25.6	24.1	23.2	22.6
Empl. Cost/Op. Exps.	37.0	36.6	29.9	28.3	26.9	50.5	48.2	47.0
Asset Quality (%)								
Gross NPAs	337	341	598	858	1,861	3,346	5,308	7,837
Gross NPAs to Adv.	0.3	0.2	0.2	0.2	0.3	0.4	0.5	0.6
Net NPAs	164	114	381	590	1,425	2,342	3,716	5,486
Net NPAs to Adv.	0.2	0.1	0.1	0.2	0.2	0.3	0.4	0.4
VALUATION								
Book Value (INR)	142.2	152.0	169.1	329.5	382.8	434.5	495.7	566.2
BVPS Growth YoY	15.0	6.9	11.2	94.9	16.2	13.5	14.1	14.2
Price-BV (x)				2.8	2.4	2.1	1.9	1.6
EPS (INR)	19.7	18.7	25.8	31.6	49.6	66.0	78.0	90.0
EPS Growth YoY	6.4	-5.3	38.0	22.6	56.9	33.0	18.2	15.4
Price-Earnings (x)				29.3	18.7	14.1	11.9	10.3
Dividend per share (INR)	3.0	3.0	3.4	6.0	9.0	11.9	14.0	16.2
Dividend yield (%)				0.6	1.0	1.3	1.5	1.7

E: MOSL Estimates

Corporate profile: PNB Housing Finance

Company description

PNBHF is the fifth largest housing finance company (HFC) in India in terms of loan book size (INR623b as of FY18). It has a diverse product suite offering retail home loans, loans against property (LAP), corporate term loans, non-residential property loans, construction finance, and lease rental discounting (LRD). It conducts operations from a network of 85 branches and 21 hubs across 48 cities in India. PNBHF was incorporated in 1988 as a subsidiary of Punjab National Bank (PNB).

Exhibit 1: Sensex rebased

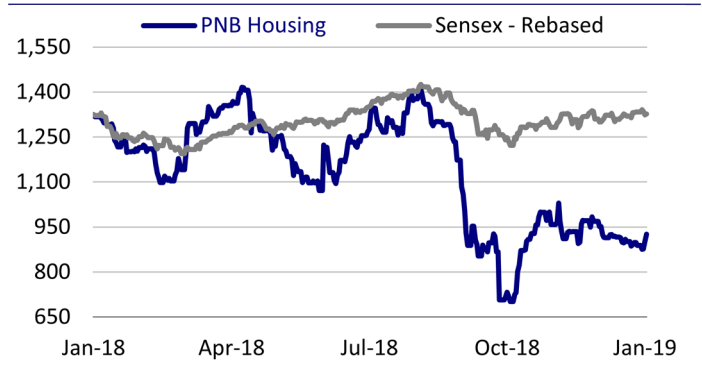


Exhibit 2: Shareholding pattern (%)

	Dec-18	Sep-18	Dec-17
Promoter	32.8	32.8	33.0
Public	9.8	10.8	7.0
Others	19.2	18.0	17.1
Total	38.2	38.3	43.0

Note: FII Includes depository receipts

Exhibit 3: Top holders

Holder Name	% Holding
Quality Investment Holdings	32.4
General Atlantic Singapore Fund FII Pte Ltd	9.9
Aditya Birla Sun Life Trustee Private Limited A/C	3.8
SBI Magnum Midcap Fund	1.7
Reliance Capital Trustee Co Ltd.A/C Reliance Equity Hybrid Fund	1.5

Exhibit 4: Top management

Name	Designation
Sunil Mehta	Non-Executive Chairman
Sanjaya Gupta	Managing Director
Kapish Jain	Chief Financial Officer

Exhibit 5: Directors

Name	Name
Shubhalakshmi Panse	Ashwani Kumar Gupta
Sunil Kaul	Shubhalakshmi Panse
S K Jain	Nilesh S Vikamsey
R Chandrasekaran	L V Prabhakar
Gourav Vallabh	

*Independent

Exhibit 6: Auditors

Name	Type
Preeti Pahwa & Associates	Secretarial Audit
B R Maheswari & Co LLP	Statutory

Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY19	66.0	63.3	4.3
FY20	78.0	77.5	0.7
FY21	90.0	99.4	-9.5

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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