

September 16, 2022

Management Meet Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	1,800		1,740	
NII (Rs. m)	8,30,956	9,89,806	8,19,807	9,88,620
% Chng.	1.4	0.1		
Op. Profit (Rs. m)	6,86,514	8,13,284	6,70,954	8,16,124
% Chng.	2.3	(0.3)		
EPS (Rs.)	72.2	86.4	69.5	84.4
% Chng.	3.9	.24		

Key Financials - Standalone

Y/e Mar	FY22	FY23E	FY24E	FY25E
NII (Rs bn)	720	831	990	1,163
Op. Profit (Rs bn)	641	687	813	925
PAT (Rs bn)	370	400	479	542
EPS (Rs.)	66.7	72.2	86.4	97.8
Gr. (%)	18.1	8.3	19.7	13.2
DPS (Rs.)	6.5	15.5	17.3	19.6
Yield (%)	0.4	1.0	1.1	1.3
NIM (%)	4.2	4.1	4.2	4.2
RoAE (%)	16.7	15.7	16.5	16.4
RoAA (%)	1.9	1.8	1.8	1.8
P/BV (x)	3.5	3.1	2.7	2.4
P/ABV (x)	3.6	3.2	2.8	2.4
PE (x)	22.8	21.1	17.6	15.5
CAR (%)	18.9	18.1	17.9	17.6

Key Data

HDBK.BO | HDFCB IN

52-W High / Low	Rs.1,725 / Rs.1,272
Sensex / Nifty	59,934 / 17,877
Market Cap	Rs.8,464bn / \$ 1,06,197m
Shares Outstanding	5,566m
3M Avg. Daily Value	Rs.9417.9m

Shareholding Pattern (%)

Promoter's	25.78
Foreign	32.31
Domestic Institution	27.11
Public & Others	14.80
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.4	6.8	(1.7)
Relative	1.6	(0.6)	(3.7)

Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

Palak Shah

palakshah@plindia.com | 91-22-66322257

Investor queries

Quick Pointers:

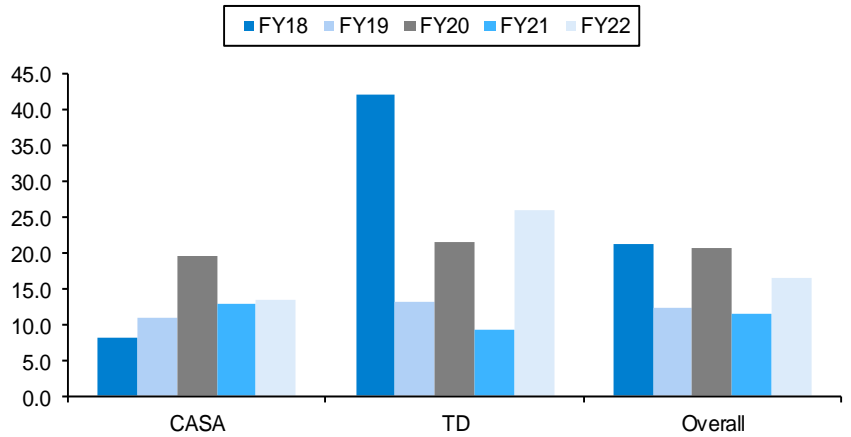
- ~25% market share in incremental system deposits might be achieved
- In our view grandfathering of bank borrowings could be allowed
- Share of unsecured loans post-merger may be maintained at 11-12%

Our update released on 6th July'22 (link) had covered merger related aspects like liabilities' glide path, asset mix, regulatory requirements and profitability. Discussions with investors on this merger update brought to light certain queries, following which we met HDFCB management to allay these concerns viz. 1) garnering higher market share in system deposits, 2) grandfathering of HDFC's bank borrowings, 3) share of unsecured loans in the merged entity, 4) drag on NIM due to PSL shortfall and 5) outlook on NIM/opex. We believe that faster deposit accretion for HDFCB from a system standpoint may be achievable, while grandfathering of bank borrowings may be permitted. Unsecured share in the merged entity might remain between 11-12%, as mortgage portfolio (higher ticket size) would grow aggressively. Standalone NIM may gradually improve (4.2% in FY22), as share of retail would rise that may also protect NIM owing to lower PSL requirements. Opex could remain elevated over the medium term. As we slightly raise NII for FY24E/25E, our PAT increases by average 2.5%. Hence we raise SOTP based TP from Rs1740 to Rs1800 basis Sep'24 core ABV but maintain 'BUY'.

- Branch intensity to garner deposits increasing:** Owing to HDFCB's deep distribution network and strong processes historically there was natural influx of CASA, which is expected to continue. However, due to the impending merger, focus is to garner term deposits (TD) and RM scorecards and related incentives have been adjusted accordingly to target FDs. The bank does not intend to increase deposits by raising rates. While tighter liquidity could squeeze deposit growth, as rates are rising, money would flow back towards FDs. Assuming system deposit growth of 10%, HDFCB would need to consistently capture ~25% market share in incremental system deposits over the medium term, to fund organic growth and liability maturity of HDFC Ltd. In our opinion, this may not be challenging considering sharp branch focus to garner TD, higher productivity from existing branches and targeted branch expansion of 1000-2000 per annum. Historically, the bank has touched an incremental market share in TD of 42% in FY18, 21.5% in FY20 and 26.1% in FY22. In Q1FY23 bank already added ~Rs600bn in TDs.
- Grandfathering of bank borrowings may be permitted:** A concern was whether grandfathering of HDFC's bank borrowings could be allowed for the bank. While application to the RBI is pending for approval, from a regulatory standpoint interbank borrowings are allowed as per RBI norms, which may suggest that grandfathering of bank borrowings could be allowed in this case. Hence as envisaged, overall borrowings of HDFC may be repaid as per maturity pattern and ALM of HDFC suggests that roughly 20% of the liabilities would mature each year post merger.

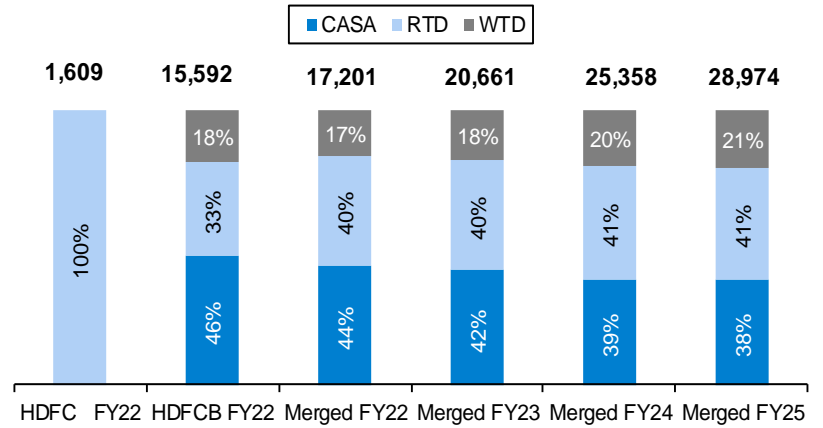
- **Unsecured loan book to be range bound:** Another investor query was that as share of unsecured would reduce post-merger from 16% to 11%, could there be further headroom to expand unsecured lending and increase its contribution back to 16%, thereby providing a fillip to margins. Management interaction suggests that unsecured share would remain at 11-12% as ticket sizes in housing would be higher than those of PL/CC. Also, the bank would be cautious to expand in unsecured, considering that a rising interest rate environment generally witnesses an increase in retail delinquencies.
- **Risk to NIM due to PSL shortfall, partially abated:** A key risk to NIM is that any shortfall in PSL even after purchasing PSLC would entail investment in NABARD/SIDBI bonds which yields only 3.0-3.5% causing a 10-15bps drag in NIM. Interaction with banks suggest that this cost may be recovered through pricing adjustments in other products. Also, henceforth PSL shortfall on a standalone basis for HBFCB could reduce as loan mix would veer towards retail. PSL requirement is higher in a corporate heavy portfolio, while as retail rises its requirement goes down.
- **Margins to improve gradually:** On a standalone basis NIM may not expand dramatically as shift in book mix towards retail would be gradual and proportion of the fixed rate book is higher for the bank owing to a lower share of housing. From a loan portfolio standpoint, EBLR linked is 30%, MCLR is 9%, T-Bill is 11% while fixed is 43%. Retail contribution could increase by 1-2% per quarter. The bank would aspire to keep margins between 3.8-4.2%. In a rising rate scenario, share of fixed rate loans would increase.
- **Opex to remain elevated in near term:** We had assumed that HDFCB will add 1200-1400 branches over the medium term, while management has maintained its guidance of adding 1000-2000 branches per annum. Branch accretion for FY23 would be back-ended with most branches being added in H2FY23. Hence opex would remain elevated and may see a growth, similar to our estimates (CAGR of 22% over FY22-25E). Commentary suggests that 50% of fresh branches would be opened in SURU locations.

Exhibit 1: HDFCB market share in incremental system deposits



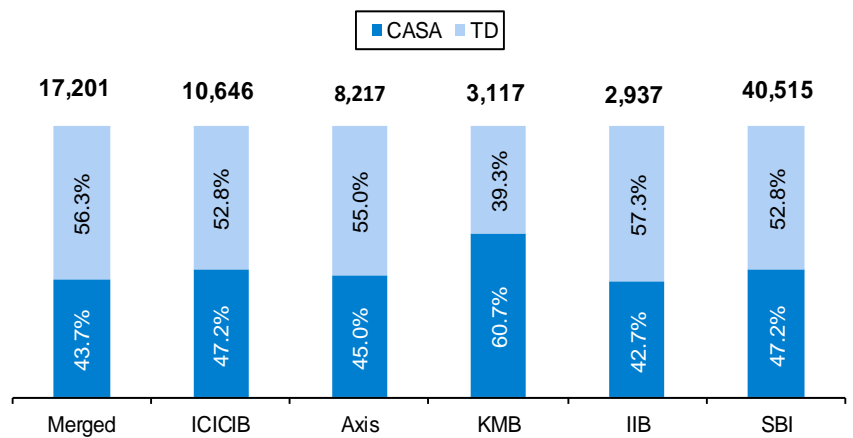
Source: Company, PL

Exhibit 2: Deposit mix to be skewed towards TDs

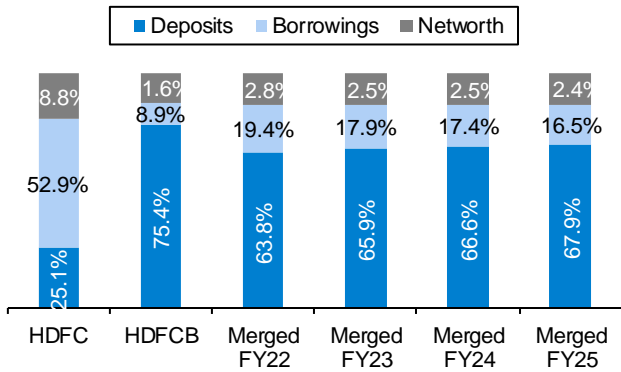


Source: Company, PL

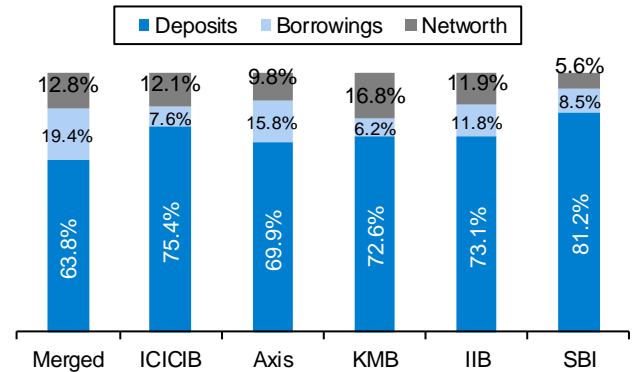
Exhibit 3: Deposit Mix Vs Peers: TDs tad higher than peers



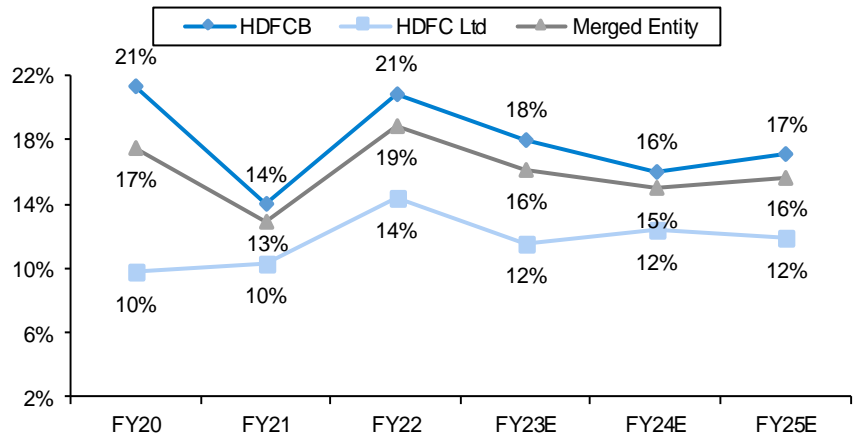
Source: Company, PL

Exhibit 4: Liability profile of the merged entity


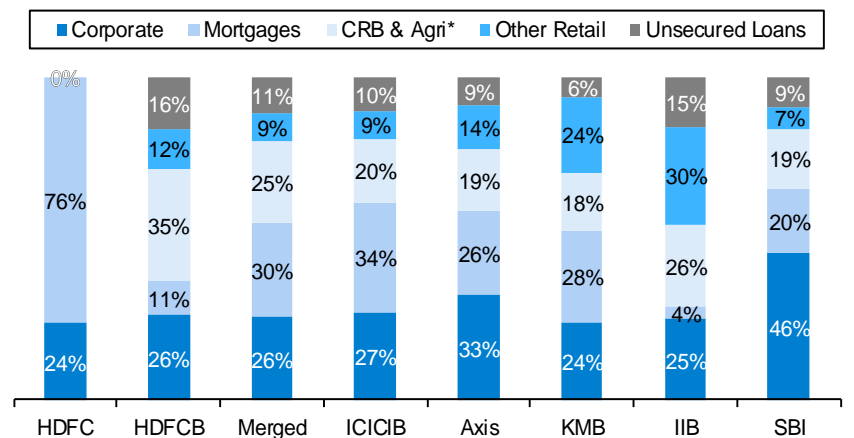
Source: Company, PL

Exhibit 5: Liability Profile vs Peers


Source: Company, PL Note: FY22 nos

Exhibit 6: Growth to stabilise in the range of 17-18%


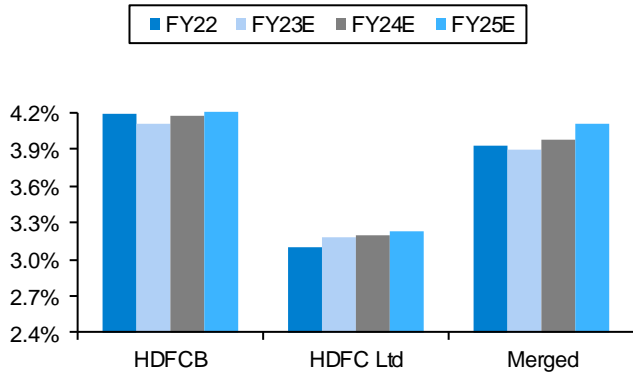
Source: Company, PL

Exhibit 7: Mortgage share of HDFCB may increase to 30%


Source: Company, PL Note: Based on FY22 nos. *CRB & Agri incl. SME/ Business Banking & Rural portfolio for peers

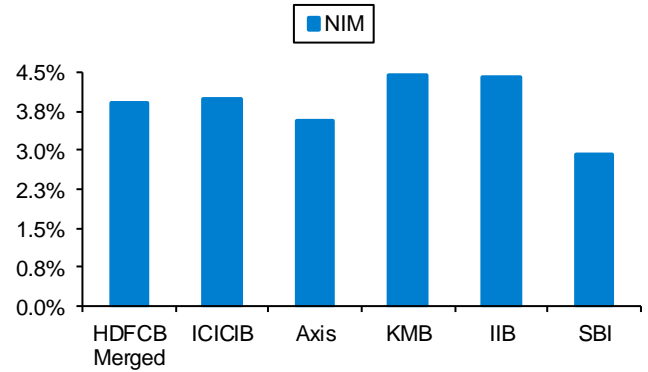
Profitability

Exhibit 8: NIM may decline before retracing



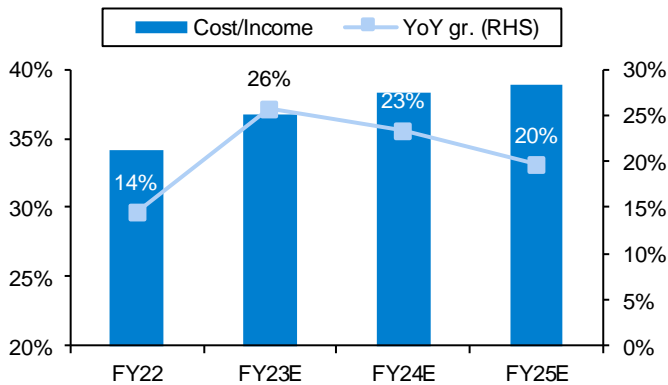
Source: Company, PL

Exhibit 9: NIM would be in-line with other peers



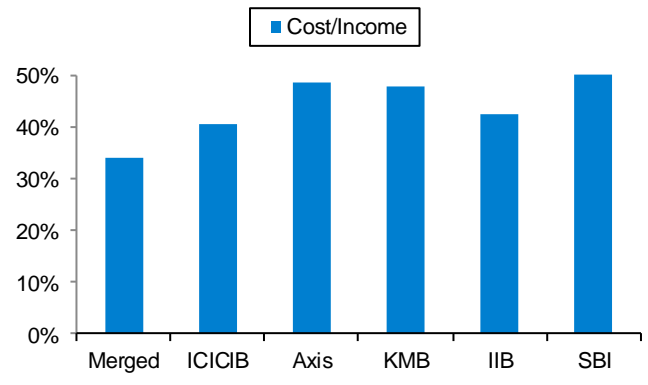
Source: Company, PL Note: Based on FY22 nos

Exhibit 10: Lower C/I to aid profitability



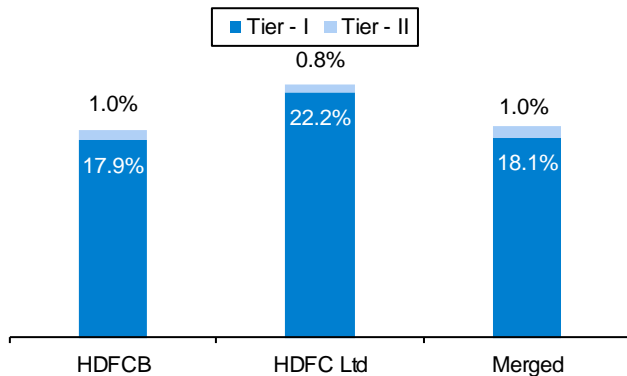
Source: Company, PL

Exhibit 11: C/I to be best in the industry



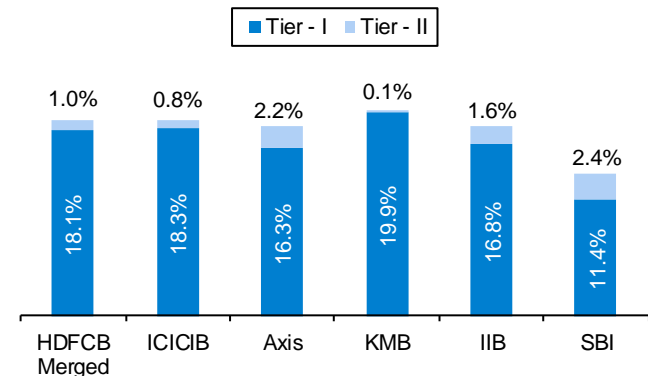
Source: Company, PL Note: Based on FY22 nos.

Exhibit 12: CRAR would remain stable

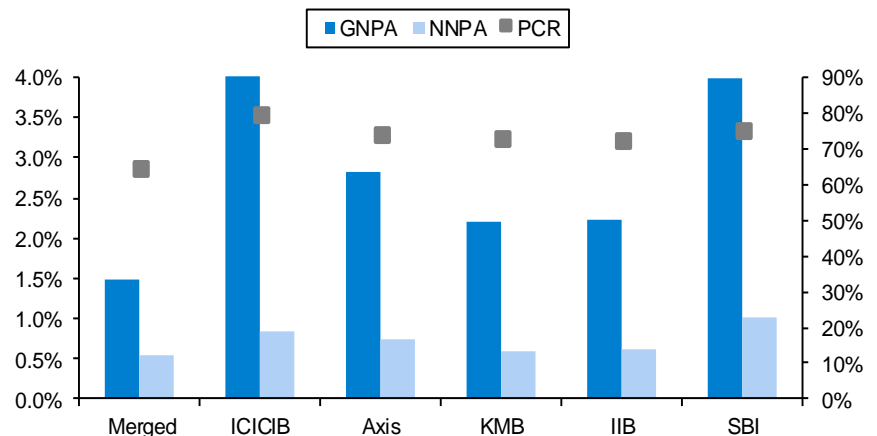


Source: Company, PL Note: based on FY22 nos

Exhibit 13: CRAR to be in-line with peers



Source: Company, PL Note: Based on FY22 Nos

Exhibit 14: NPAs best in class, though PCR may lag peers


Source: Company, PL

Exhibit 15: Trend in profitability metrics

Percent (%)	FY22	FY22	FY22	FY23E	FY24E	FY25E
	HDFC Ltd	HDFCB	Merged	Merged	Merged	Merged
Yield on IEA	7.95	7.43	7.56	8.26	8.85	9.10
Cost of funds	5.68	3.47	3.97	4.74	5.29	5.42
NIM	3.10	4.19	3.93	3.90	3.99	4.11
Core other inc./assets	0.21	1.38	1.05	1.08	1.13	1.11
Other Inc./Assets	0.42	0.17	0.20	0.07	0.09	0.10
Cost/income	11.20	38.08	34.13	36.69	38.27	38.99
Opex/Avg.assets	0.31	1.97	1.55	1.66	1.84	1.92
Provision costs	0.37	1.20	0.96	0.82	0.79	0.78
Core RoA	1.76	1.82	1.78	1.75	1.82	1.86
Core RoE	15.09	15.88	16.17	15.59	16.12	17.15
RoA	2.27	1.94	1.97	1.85	1.87	1.91
RoE	12.00	16.66	15.30	14.59	15.24	16.17

Source: Company, PL

Exhibit 16: We marginally tweak our NII and credit cost estimates

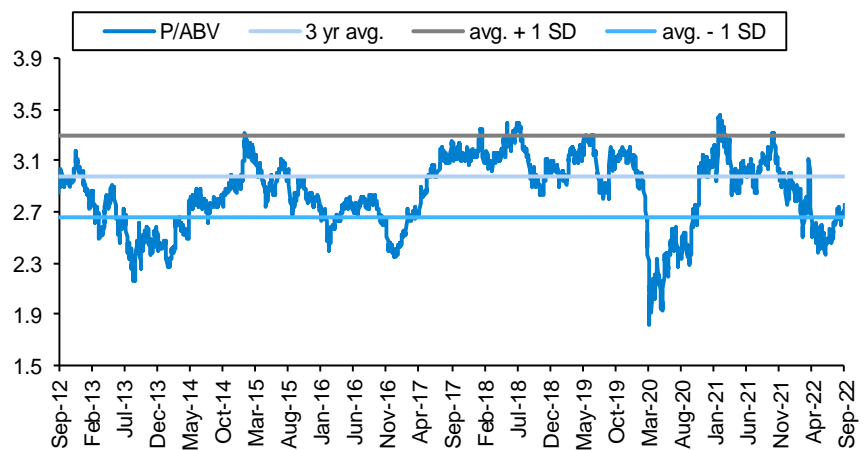
Earnings Estimates Changes (Rs mn)	Earlier		Revised		% Change	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Net interest income	819,807	988,620	830,956	989,806	1.4	0.1
Operating profit	670,954	816,124	686,514	813,284	1.4	(0.2)
Net profit	385,278	468,106	400,234	479,166	3.9	2.5
Loan Growth (%)	18.0	19.0	18.0	16.0	-	(3.0)
Credit Cost (bps)	97.5	100.3	94.7	92.3	(6.8)	(8.0)
EPS (Rs)	69.5	84.4	72.2	86.4	4.0	2.5
ABVPS (Rs)	476.0	542.1	478.6	546.3	0.6	0.8
Price target (Rs)	1,740		1,800		1.4	
Recommendation	BUY		BUY			

Source: Company, PL

Exhibit 17: SOTP based TP at Rs. 1,800

Value per share (Rs)	Holding (%)	Multiple	Basis	Mar-24E
HDFC Bank		3.0x		1,642
Subsidiaries / Others				
Life insurance	51.0	1.0	M-Cap	84
AMC	52.7	1.0	Mcap	31
Financials	95.0	2.5x	Mar-22 PAT	27
Ergo	51.0	41x	Mar-22 PAT	14
HSL	96.0	10x	Mar-22 PAT	13
Bandhan Bank	9.0	1.0x	Mcap	3
HDFC Credila	100.0	2.5x	Mar-22 PAT	5
Total subsidiaries' value				175
% contribution of Subsidiaries				10
Hold –Co Discount		10%		18
Total fair value per share				1,800

Source: Company, PL

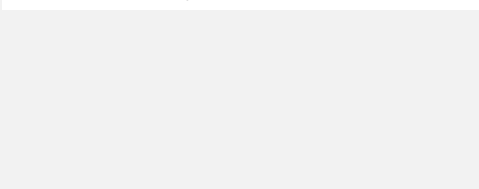
Exhibit 18: HDFCB's one year forward P/ABV trends


Source: Company, PL

Exhibit 19: Comparative analysis based on FY22 financials

Particulars (Rs Mn)	HDFC	HDFCB	HDFCB Merged	ICICIB	Axis	KMB	IIB	SBI
Total assets	64,08,625	2,06,85,351	2,69,49,149	1,41,12,977	1,17,51,781	42,94,284	40,19,746	4,98,75,974
Deposits	16,08,998	1,55,92,174	1,72,01,172	1,06,45,716	82,17,209	31,16,841	29,36,814	4,05,15,341
Advances	55,48,625	1,36,88,209	1,92,36,834	85,90,204	70,76,960	27,12,536	23,90,515	2,73,39,666
Investments	6,85,922	45,55,357	51,00,924	31,02,410	27,55,972	10,05,802	7,09,708	1,48,14,455
Borrowings	33,87,814	18,48,172	52,35,986	10,72,314	18,51,339	2,64,671	4,73,232	42,60,434
Net worth	12,02,510	24,00,929	34,58,613	17,05,120	11,51,741	7,19,878	4,76,972	28,00,881
LDR	344.8	87.8	111.8	80.7	86.1	87.0	81.4	67.5
Assets/Equity (x)	5.3	8.6	7.8	8.3	10.2	6.0	8.4	17.8
CAR (%)	23.0	18.9	19.1	19.2	18.5	20.0	18.4	13.8
CET-1 (%)	22.2	16.7	18.0	17.6	15.2	17.9	16.0	9.9
Tier-2 (%)	0.8	1.0	1.0	0.8	2.2	0.1	1.6	2.4
AT-1 (%)	0.0	1.2	0.1	0.7	1.1	2.0	0.8	1.5
Ratios (%)								
Loan growth (YoY)	14.4	20.8	18.9	17.1	15.2	21.3	12.4	11.6
NII growth (YoY)	14.4	11.0	11.6	21.7	13.3	9.6	10.9	9.0
Deposit growth (YoY)	7.2	16.8	15.8	14.2	17.7	11.3	14.6	10.1
PPOP growth (YoY)	8.0	11.7	10.8	7.8	-3.7	-1.3	9.5	-5.1
Core PPOP growth (YoY)	12.2	21.8	14.4	23.1	0.9	2.0	19.6	-1.9
PAT growth (YoY)	14.3	18.8	17.5	44.1	97.7	19.8	62.6	27.2
Core PAT growth (YoY)	21.6	34.2	23.5	95.9	151.4	25.1	142.0	95.0
Yield on IEA	8.0	7.4	7.6	7.3	7.3	7.2	9.0	6.7
Cost of funds	5.7	3.5	4.0	3.5	3.7	3.2	4.9	3.6
NIM	3.1	4.2	3.9	4.0	3.6	4.5	4.4	2.9
Other inc./avg assets	0.7	1.5	1.3	1.4	1.4	1.6	1.9	0.9
Core Other Inc./avg. assets	0.2	1.4	1.1	1.2	1.3	1.6	1.2	0.8
Cost/Income	9.8	36.9	33.8	40.5	48.8	48.0	42.7	57.9
Opex/ Avg assets	0.3	2.0	1.5	2.0	2.2	2.7	2.5	2.0
Provisions	0.4	1.1	1.0	1.0	1.0	0.3	2.8	0.8
Core RoE	15.1	16.4	15.7	14.7	11.1	12.7	4.7	13.4
Core RoA	1.8	1.9	1.8	0.0	1.1	2.1	0.6	0.0
RoE	12.0	16.7	15.1	15.0	12.0	12.2	10.2	10.7
RoA	2.3	1.9	2.0	1.8	1.2	2.1	1.6	0.5
Asset Quality (%)								
GNPA	2.3	1.1	1.5	4.0	2.8	2.2	2.2	4.0
NNPA	0.9	0.3	0.5	0.8	0.7	0.6	0.6	1.0
PCR	54.3	72.7	62.8	79.8	74.0	73.2	72.3	75.0
Slippage	1.3	2.2	1.3	2.5	3.1	1.8	4.7	0.9
NNPA / Equity	4.9	1.8	0.0	4.4	4.8	2.4	3.2	10.0
Stress/equity								
Valuation								
EPS	98.7	86.4	66.4	19.9	60.2	42.0	104.0	51.2
BVPS	669.9	557.4	465.7	296.1	443.3	454.7	741.3	338.2
ABVPS	622.8	546.3	451.8	283.0	417.7	442.3	718.6	300.5
P/E	25.0	17.7		13.1	13.3	35.8	11.5	11.2
P/BV	1.3	2.7		2.6	1.8	4.2	1.6	1.2
P/ABV	1.6	2.8		2.8	1.9	4.3	1.7	1.3

Source: Company, PL



Income Statement (Rs. m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Int. Earned from Adv.	9,85,120	12,79,513	16,40,761	19,73,991
Int. Earned from invt.	2,60,461	3,33,427	4,39,261	5,15,236
Others	6,426	6,679	7,132	8,268
Total Interest Income	12,77,531	16,49,046	21,18,355	25,32,563
Interest Expenses	5,57,435	8,18,090	11,28,549	13,69,809
Net Interest Income	7,20,096	8,30,956	9,89,806	11,62,753
<i>Growth(%)</i>	12.7	13.9	19.0	16.5
Non Interest Income	2,95,099	3,25,659	3,86,334	4,40,457
Net Total Income	10,15,195	11,56,615	13,76,140	16,03,210
<i>Growth(%)</i>	7.7	25.6	26.8	18.7
Employee Expenses	1,20,317	1,52,562	1,70,561	1,88,136
Other Expenses	2,38,107	3,17,539	3,92,295	4,90,012
Operating Expenses	3,74,422	4,70,101	5,62,856	6,78,148
Operating Profit	6,40,773	6,86,514	8,13,284	9,25,062
<i>Growth(%)</i>	11.7	7.1	18.5	13.7
NPA Provision	1,01,194	1,33,049	1,55,283	1,80,128
Total Provisions	1,50,618	1,51,441	1,72,687	2,00,000
PBT	4,90,155	5,35,073	6,40,596	7,25,062
Tax Provision	1,20,541	1,34,838	1,61,430	1,82,716
<i>Effective tax rate (%)</i>	24.6	25.2	25.2	25.2
PAT	3,69,614	4,00,234	4,79,166	5,42,347
<i>Growth(%)</i>	18.8	8.3	19.7	13.2

Balance Sheet (Rs. m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Face value	1	1	1	1
No. of equity shares	5,546	5,546	5,546	5,546
Equity	5,546	5,546	5,546	5,546
Networth	24,00,929	27,09,536	30,91,290	35,23,904
<i>Growth(%)</i>	17.9	12.9	14.1	14.0
Adj. Networth to NNPA's	44,077	55,300	61,511	74,225
Deposits	1,55,92,174	1,88,40,364	2,18,58,440	2,55,90,637
<i>Growth(%)</i>	16.8	20.8	16.0	17.1
CASA Deposits	75,10,491	86,26,972	95,12,386	1,10,01,688
<i>% of total deposits</i>	48.2	45.8	43.5	43.0
Total Liabilities	2,06,85,351	2,44,20,216	2,81,22,658	3,23,71,411
Net Advances	1,36,88,209	1,61,52,087	1,87,36,421	2,19,40,349
<i>Growth(%)</i>	20.8	18.0	16.0	17.1
Investments	45,55,357	55,48,506	64,86,055	72,53,564
Total Assets	2,06,85,351	2,44,20,216	2,81,22,658	3,23,71,411
<i>Growth (%)</i>	18.4	18.1	15.2	15.1

Asset Quality

Y/e Mar	FY22	FY23E	FY24E	FY25E
Gross NPAs (Rs m)	1,61,410	1,91,338	2,12,040	2,47,751
Net NPAs (Rs m)	44,077	55,300	61,511	74,225
<i>Gr. NPAs to Gross Adv.(%)</i>	1.1	1.1	1.1	1.1
<i>Net NPAs to Net Adv. (%)</i>	0.3	0.3	0.3	0.3
<i>NPA Coverage %</i>	72.7	71.1	71.0	70.0

Profitability (%)

Y/e Mar	FY22	FY23E	FY24E	FY25E
NIM	4.2	4.1	4.2	4.2
RoAA	1.9	1.8	1.8	1.8
RoAE	16.7	15.7	16.5	16.4
Tier I	17.9	17.3	17.0	16.9
CRAR	18.9	18.1	17.9	17.6

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Interest Income	3,13,534	3,24,681	3,34,487	3,51,720
Interest Expenses	1,36,690	1,40,246	1,45,760	1,56,906
Net Interest Income	1,76,844	1,84,435	1,88,727	1,94,814
<i>YoY growth (%)</i>	12.1	13.0	10.2	14.5
CEB	49,459	50,751	56,303	53,604
Treasury	-	-	-	-
Non Interest Income	74,008	81,836	76,371	63,882
Total Income	3,87,542	4,06,517	4,10,858	4,15,603
Employee Expenses	29,671	31,544	31,446	35,002
Other expenses	63,108	66,967	70,082	70,016
Operating Expenses	92,779	98,511	1,01,528	1,05,018
Operating Profit	1,58,073	1,67,760	1,63,570	1,53,678
<i>YoY growth (%)</i>	14.4	10.5	5.3	1.5
Core Operating Profits	1,51,318	1,57,295	1,63,973	1,66,795
NPA Provision	22,864	18,206	17,782	-
Others Provisions	39,247	29,940	33,124	31,877
Total Provisions	39,247	29,940	33,124	31,877
Profit Before Tax	1,18,826	1,37,820	1,30,447	1,21,801
Tax	30,483	34,398	29,895	29,841
PAT	88,343	1,03,423	1,00,552	91,960
<i>YoY growth (%)</i>	17.6	18.1	22.8	19.0
Deposits	1,40,63,433	1,44,59,181	1,55,92,174	1,60,47,600
<i>YoY growth (%)</i>	14.4	13.8	16.8	19.2
Advances	1,19,88,374	1,26,08,628	1,36,88,209	1,39,50,677
<i>YoY growth (%)</i>	15.5	16.5	20.8	21.6

Key Ratios

Y/e Mar	FY22	FY23E	FY24E	FY25E
CMP (Rs)	1,521	1,521	1,521	1,521
EPS (Rs)	66.7	72.2	86.4	97.8
Book Value (Rs)	433	489	557	635
Adj. BV (70%)(Rs)	425	479	546	622
P/E (x)	22.8	21.1	17.6	15.5
P/BV (x)	3.5	3.1	2.7	2.4
P/ABV (x)	3.6	3.2	2.8	2.4
DPS (Rs)	6.5	15.5	17.3	19.6
<i>Dividend Payout Ratio (%)</i>	9.7	21.5	20.0	20.0
<i>Dividend Yield (%)</i>	0.4	1.0	1.1	1.3

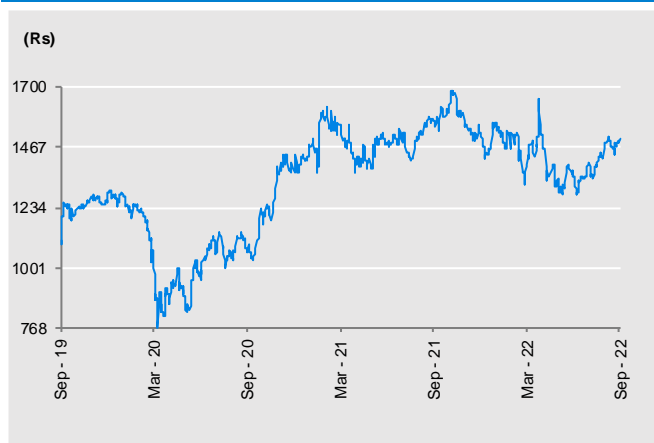
Efficiency

Y/e Mar	FY22	FY23E	FY24E	FY25E
<i>Cost-Income Ratio (%)</i>	36.9	40.6	40.9	42.3
<i>C-D Ratio (%)</i>	87.8	85.7	85.7	85.7
Business per Emp. (Rs m)	207	222	235	260
Profit per Emp. (Rs lacs)	26	25	28	30
Business per Branch (Rs m)	4,617	4,640	4,540	4,596
Profit per Branch (Rs m)	58	53	54	52

Du-Pont

Y/e Mar	FY22	FY23E	FY24E	FY25E
NII	3.77	3.68	3.77	3.84
Total Income	5.32	5.13	5.24	5.30
Operating Expenses	1.96	2.08	2.14	2.24
PPoP	3.36	3.04	3.10	3.06
Total provisions	0.79	0.67	0.66	0.66
RoAA	1.94	1.77	1.82	1.79
RoAE	16.66	15.66	16.52	16.40

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	17-Jul-22	BUY	1,740	1,362
2	08-Jul-22	BUY	1,740	1,396
3	06-Jul-22	BUY	1,740	1,371
4	01-Jun-22	BUY	1,740	1,395
5	17-Apr-22	BUY	1,740	1,465
6	09-Apr-22	BUY	2,000	1,515
7	04-Apr-22	BUY	2,000	1,657
8	17-Jan-22	BUY	1,870	1,545
9	12-Jan-22	BUY	1,870	1,566
10	06-Oct-21	BUY	1,870	1,615

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	2,300	2,383
2	Axis Bank	BUY	940	727
3	Bank of Baroda	Accumulate	130	116
4	Can Fin Homes	BUY	675	538
5	City Union Bank	BUY	190	163
6	DCB Bank	BUY	120	89
7	Federal Bank	BUY	135	99
8	HDFC	BUY	2,900	2,378
9	HDFC Bank	BUY	1,740	1,362
10	ICICI Bank	BUY	950	800
11	IDFC First Bank	UR	-	34
12	IndusInd Bank	BUY	1,300	1,018
13	Kotak Mahindra Bank	Accumulate	1,950	1,827
14	LIC Housing Finance	BUY	450	379
15	Punjab National Bank	BUY	50	31
16	State Bank of India	BUY	620	532

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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