

Bank of Baroda

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1259 / 14.6
52-Week Range (INR)	267 / 191
1, 6, 12 Rel. Per (%)	3/4/1
12M Avg Val (INR M)	3052

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	456.6	468.3	553.8
OP	324.3	325.6	393.9
NP	195.8	189.0	235.9
NIM (%)	2.8	2.6	2.8
EPS (INR)	37.8	36.5	45.6
EPS Gr. (%)	10.1	-3.5	24.8
BV/Sh. (INR)	254	272	307
ABV/Sh. (INR)	235	253	286

Ratios

RoA (%)	1.2	1.0	1.1
RoE (%)	16.7	14.3	16.2

Valuations

P/E(X)	6.4	6.6	5.3
P/BV (X)	1.0	0.9	0.8
P/ABV (X)	1.0	1.0	0.8

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	64.0	64.0	64.0
DII	18.8	18.2	16.0
FII	8.3	9.0	11.5
Others	8.9	8.8	8.6

CMP: INR243 **TP: INR260 (+7%)** **Neutral**

Healthy NII, Other income drives earnings

Slippages increase QoQ

- Bank of Baroda (BOB) reported 1QFY26 PAT of INR45.4b (1.9% YoY growth, 9% beat), amid NII beat and higher than expected other income which offsets higher provisions.
- NII declined 1.4% YoY/remained flat QoQ to INR114.3b (6% beat) due to the impact of reclassification of interest in IT refund. Margins contracted 7bp QoQ to 2.91%. Provisions were elevated at INR19.7b (27% higher than MOFSLe), up 27% QoQ.
- Business growth was modest, with advances growing at 13.2% YoY/declining 1.9% QoQ, while deposits grew 9.1% YoY/declined 2.5% QoQ. CD ratio stood at 82.7% (up 48bp QoQ).
- Slippages increased to INR36.9b vs INR31.6b in 4QFY25, due to one international account that slipped this quarter. GNPA/NNPA ratios increased 2bp QoQ each to 2.28%/0.6%, respectively. PCR declined to ~74% vs 75% in 4QFY25.
- We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. **Reiterate Neutral with a TP of INR260 (0.9x FY27E ABV).**

Business growth soft; margin decline contained at 7bp QoQ

- BOB reported 1QFY26 PAT of INR45.4b (1.9% YoY growth, 9% beat). NII declined 1.4% YoY/remained flat QoQ to INR114.3b (6% beat). Margins contracted 7bp QoQ to 2.91%. The bank expects margins to remain within the 2.85-3.0% range for FY26.
- Other income grew 88% YoY/declined 1.3% QoQ to INR46.7b (17% beat). Total income, thus, increased 14.4% YoY/remained flat QoQ to INR161b (9% beat).
- Opex grew 14% YoY/declined 3% QoQ (broadly in-line). PPop grew 15% YoY/declined 1.3% QoQ to INR82.4b (15% beat). Provisions increased 27% QoQ to INR19.7b (27% higher than MOFSLe).
- Advances grew at 13.2% YoY (declined 1.9% QoQ). Among segments, retail book grew at 1.9% QoQ, while corporate book declined 10.2% QoQ. In retail, home loans grew 1.9% QoQ, auto loans grew 1.9% QoQ, and gold loans grew 3.5% QoQ.
- Deposits grew 9.1% YoY/declined 2.5% QoQ. The domestic CASA mix moderated 64bp QoQ to ~39.3%.
- For asset quality, slippages increased to INR36.9b vs INR31.6b in 4QFY25, due to one international account that moved into the resolution account. GNPA/NNPA ratios increased 2bp QoQ each to 2.28%/0.6%, respectively. PCR declined to ~74% vs 75% in 4QFY25.
- SMA 1&2 stood at 0.4% vs 0.33% in 4QFY25.

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.Sankharva@motilaloswal.com) | **Disha Singhal** (Disha.Singhal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- The bank has given an NIM guidance of ~2.85-3.0% for FY26.
- Recovery target for FY26 is >100b.
- The bank plans to add another 300 branches in FY26.
- Its slippages rose this quarter, primarily due to one large international account slipping into NPA and stress from the legacy personal loan book.
- This international account was restructured during COVID-19 and later upgraded. However, it has now moved to the resolution category in the international portfolio. The bank expects to recover the dues and has made a 40% provision against them.

Valuation and view: Reiterate Neutral with a TP of INR260

BOB reported an earnings beat, supported by higher-than-expected other income, while provisions remained elevated. NIM contracted to 2.91% (a controlled moderation of 7bp QoQ), with management guiding for further moderation in 2Q and expecting FY26 NIM to remain in the ~2.85-3.0% range. Business growth was modest, with advances rising 13.2% YoY/declining 1.9% QoQ. Slippages remained elevated, led by an international account that the bank expects to recover, while PCR declined to 74% vs 75% in 4QFY25. We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. **Reiterate Neutral with a TP of INR260 (0.9x FY27E ABV).**

Quarterly Performance

Quarterly Performance											(INR b)	
	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	116.0	116.2	114.2	114.9	114.3	110.5	117.3	126.1	456.6	468.3	107.9	6%
% Change (YoY)	5.5	7.3	2.8	-2.5	-1.4	-4.9	2.7	9.7	2.1	2.6	-7.0	
Other Income	24.9	51.8	37.7	47.4	46.7	45.4	40.3	50.7	166.5	183.1	40.0	17%
Total Income	140.9	168.0	151.9	162.3	161.1	155.9	157.6	176.8	623.1	651.4	147.9	9%
Operating Expenses	69.3	73.3	75.2	81.0	78.7	79.5	81.1	86.4	298.7	325.8	76.6	3%
Operating Profit	71.6	94.8	76.6	81.3	82.4	76.4	76.5	90.4	324.3	325.6	71.3	15%
% Change (YoY)	-8.5	18.2	9.3	0.3	15.0	-19.4	-0.2	11.1	4.7	0.4	-0.4	
Provisions	10.1	23.4	10.8	15.5	19.7	16.5	17.5	17.9	59.8	71.5	15.5	27%
Profit before Tax	61.5	71.4	65.8	65.8	62.7	60.0	58.9	72.5	264.5	254.1	55.8	12%
Tax	16.9	19.0	17.4	15.3	17.3	15.1	14.9	17.8	68.7	65.0	14.1	23%
Net Profit	44.6	52.4	48.4	50.5	45.4	44.8	44.1	54.7	195.8	189.0	41.7	9%
% Change (YoY)	9.5	23.2	5.6	3.3	1.9	-14.4	-8.8	8.3	10.1	-3.5	-6.4	
Operating Parameters												
Deposit (INR b)	13,156	13,635	13,925	14,720	14,356	15,070	15,674	16,310	14,720	16,310	14,631	-2%
Loan (INR b)	10,479	11,212	11,513	12,096	11,866	12,394	12,908	13,450	12,096	13,450	12,175	-3%
Deposit Growth (%)	9.6	9.1	11.8	10.9	9.1	10.5	12.6	10.8	10.3	10.8	11.9	
Loan Growth (%)	8.8	12.3	12.4	13.5	13.2	10.5	12.1	11.2	13.5	11.2	16.2	
Asset Quality												
Gross NPA (%)	2.9	2.5	2.4	2.3	2.3	2.2	2.1	2.1	2.3	2.1	2.3	
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.5	0.5	
PCR (%)	76.6	76.3	76.0	74.9	74.0	77.0	77.1	75.6	73.1	75.6	76.9	

E: MOFSL Estimates

Quarterly snapshot

INR b	FY25				FY26	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss							
Net Interest Income	116.0	116.2	114.2	114.9	114.3	-1.4	-0.5
Other Income	24.9	51.8	37.7	47.4	46.7	87.9	-1.3
Trading profits	0.9	6.9	7.1	12.5	18.8	1,942.4	50.9
Total Income	140.9	168.0	151.9	162.3	161.1	14.4	-0.7
Operating Expenses	69.3	73.3	75.2	81.0	78.7	13.7	-2.8
Employee	40.1	40.4	42.1	43.5	43.1	7.3	-0.9
Others	29.1	32.9	33.1	37.5	35.7	22.4	-4.9
Operating Profits	71.6	94.8	76.6	81.3	82.4	15.0	1.3
Core Operating Profits	70.7	87.9	69.6	68.9	63.6	-10.1	-7.7
Provisions	10.1	23.4	10.8	15.5	19.7	94.6	26.8
PBT	61.5	71.4	65.8	65.8	62.7	1.9	-4.7
Taxes	16.9	19.0	17.4	15.3	17.3	2.1	12.7
PAT	44.6	52.4	48.4	50.5	45.4	1.9	-10.0
Balance Sheet (INR b)							
Loans	10,479	11,212	11,513	12,096	11,866	13.2	-1.9
Deposits	13,156	13,635	13,925	14,720	14,356	9.1	-2.5
CASA Deposits (Domestic)	4,490	4,584	4,626	4,965	4,736	5.5	-4.6
- Savings	3,824	3,875	3,891	4,087	4,016	5.0	-1.7
- Current	667	710	736	878	721	8.1	-17.9
Loan mix (%)							
Retail	20.8	20.3	20.7	20.9	21.7	90	81
MSME	11.2	11.1	11.2	11.1	11.2	5	16
Agriculture	13.0	12.6	12.9	12.9	13.4	42	53
Corporate	33.2	34.0	33.0	33.5	30.7	-249	-283
Others	4.2	4.1	4.4	4.7	5.2	97	48
Asset Quality (INR b)							
GNPA	308.7	285.5	284.7	278.3	275.7	-10.7	-0.9
NNPA	72.3	67.6	68.3	69.9	71.6	-1.0	2.3
Slippages	30.2	31.1	29.2	31.6	36.9	22.1	16.7
Asset Quality ratios (%)							
GNPA	2.9	2.5	2.4	2.3	2.3	-60	2
NNPA	0.7	0.6	0.6	0.6	0.6	-9	2
Slippage ratio	1.1	1.1	0.9	1.0	1.2	14	23
PCR (inc TWO)	93.3	93.6	93.5	93.3	93.2	-14	-11
PCR	76.6	76.3	76.0	74.9	74.0	-254	-83
Credit Cost	0.4	0.9	0.4	0.5	0.7	30	16
Business Ratios (%)							
CASA Reported	40.3	39.8	39.3	40.0	39.3	-98	-64
Loan/Deposit	79.7	82.2	82.7	82.2	82.7	300	48
Other income to Total Income	17.7	30.8	24.8	29.2	29.0	1,136	-16
Cost to Income	49.2	43.6	49.5	49.9	48.9	-29	-102
Cost to Asset	1.8	1.8	1.8	1.9	1.9	7	-3
Tax Rate	27.5	26.7	26.5	23.3	27.6	5	427
Capitalisation Ratios (%)							
Tier-1	14.7	14.2	13.4	14.8	15.2	50	36
- CET 1	13.1	12.7	12.4	13.8	14.1	104	34
CAR	16.8	16.3	16.0	17.2	17.6	79	42
RWA / Total Assets	51.4	51.8	51.5	52.0	51.5	18	-42
LCR	127.0	129.0	125.5	125.7	119.0	-800	-667
Profitability Ratios (%)							
Yield on loans	9.0	8.9	8.9	8.8	8.6	-38	-15
Cost of Deposits	5.1	5.1	5.1	5.1	5.1	-1	-7
Margins	3.2	3.1	2.9	3.0	2.9	-27	-7
RoA	1.1	1.3	1.2	1.2	1.0	-10	-13



Highlights from the management commentary

Opening remarks

- Domestic advances grew 12.4% YoY, while retail grew 17.5% YoY. Agri stood at 16.2% YoY, SME at 13.1% YoY, and Corporate at 4.2% YoY.
- Within retail, education, home loan, and mortgage grew faster.
- The bank's PL segment witnessed moderate growth.
- Deposits grew 9.1% YoY. CASA grew 5.5% YoY. Domestic CASA ratio stood at 39.3%.
- RoA stood at 1.03% in 1QFY26.
- NIMs have been under pressure due to repo rate cuts and immediate repricing of EBLR-linked loans.
- In NIM, there has been a reclassification of interest on IT refunds.
- Slippage ratio has increased to 1.16% vs 1.0% in 4QFY25.
- Credit cost stood at 0.55%. SMA book stood at 0.4%.
- CET-1 stood at 14.12% and CRAR stood at 17.61%.
- Collection efficiency (ex agri) stood healthy at 98.9%. LCR stood at 119%.
- Corporate book is witnessing deleveraging, leading to subdued credit demand, with borrowers increasingly opting for bond markets.
- Corporate book is expected to grow 9-10% in FY26.
- Cost of deposits stood at 5.05%, the lowest among large peers in the industry. Moreover, CASA stood at 39.3%.
- NIMs moderated 7bp QoQ in 1QFY26, whereas for most banks, there was double-digit moderation.

Advances and deposits

- Deposits growth stood at 9.1% YoY, CASA growth at 5.5% YoY, and Domestic CASA ratio at 39.3%.
- Retail growth was 3-4% higher than that of large peers in the system.
- The digital spend was at 10% of the operating profit, and the bank expects to bring it to 15% in future.
- The bank plans to add another 300 branches in FY26.
- Yield on RAM advances stood at ~9-9.5%.
- On the liability side, the bank remains positive as it is in a better position to reprice deposits.
- Loan book composition: MCLR is 45% and fixed rate is 6%.

Cost, margins, and yields

- Pressure on NIMs will continue in 2Q; however, 3Q will be better.
- Fee income growth has remained slightly soft. The bank is internally focusing on cash management and prioritizing initiatives to improve fee income.
- There has been an IT refund; excluding this, margins would stand at ~2.81%. Even then, margin moderation would be 7bp QoQ, similar to the previous quarter, as the IT refund has been reclassified.
- Deposit repricing of ~75-80% will be done in the next quarter.
- The bank has given an NIM guidance of ~2.85-3.0% for FY26.
- On the provisioning side, the bank has taken prudential provisioning of 40% on the international book that has slipped.

- EBLR has been fully repriced, while one rate cut has been passed on in MCLR.
- A moderation of 15-17bp in the cost of deposits and cost of funds is expected.
- The bank capitalized on OMO opportunities, reporting healthy treasury gains.
- The discount rate has declined, leading to a lower provisioning requirement under AS-15.
- Earlier, the IT refund was recorded under other income, but in this quarter, it has been classified as income; hence, NII has been reclassified for both this and previous quarters.
- The bank expects a further 25bp rate cut, likely toward the end of the calendar year, after September.
- Deposits remain sticky due to their fixed nature. Assuming a deposit maturity of one year, with 3-4 months already elapsed, ~70-75% repricing is expected to be completed in the next quarter.
- The bank has adequately made provisions toward PLI and AS-15.

Asset quality

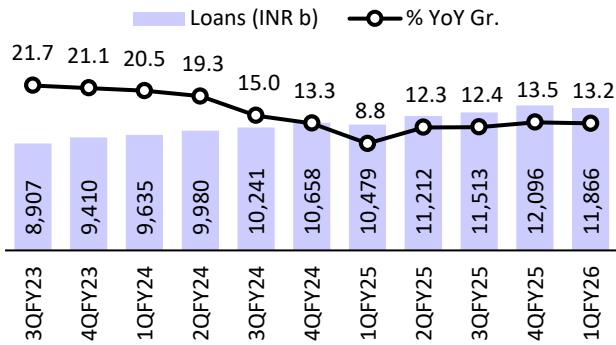
- The bank's slippages have increased due to one large international account that slipped to NPA this quarter and stress on the legacy personal loan book.
- This international account was restructured during COVID-19 and later upgraded. However, it has now moved into the resolution category in the international portfolio, with a resolution period of 210 days. This is a secured account, and the bank expects to recover the dues. It has taken a 40% provision against this.
- In the personal loan segment, the legacy book contributed ~INR1-1.5b to slippage.
- The SMA book has three accounts that are government-guaranteed. If these accounts are excluded, the total SMA book will be 0.10%.
- Recovery target for FY26 is >100b.
- A couple of accounts have inherent weaknesses, and the bank has made provisions for them as advised by auditors. These constitute additional provisions made during the quarter.
- On standard accounts, incremental provisions of ~INR5-6b were made due to inherent weakness.
- Slippage ratio in retail and MSME segments remains within the bank's threshold, and GNPA is at a controlled level.
- The bank has exposure to an airline account, with ~1/3rd of the exposure backed by guarantee and 2/3rd secured against a land parcel.
- MSME loans are largely secured, and in retail too, most loans are secured except for personal loans. Unsecured MSME loans are covered by government guarantees.

Guidance

- The bank has given an NIM guidance of ~2.85-3.0% for FY26.
- Recovery target for FY26 is >100b.
- The bank plans to add another 300 branches in FY26.

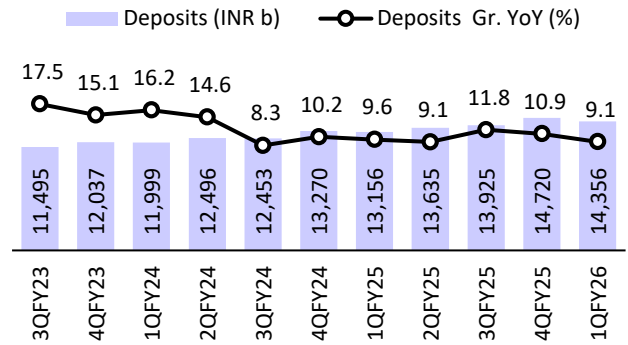
Story in charts

Exhibit 1: Loan book grew ~13.2% YoY (down 1.9% QoQ)



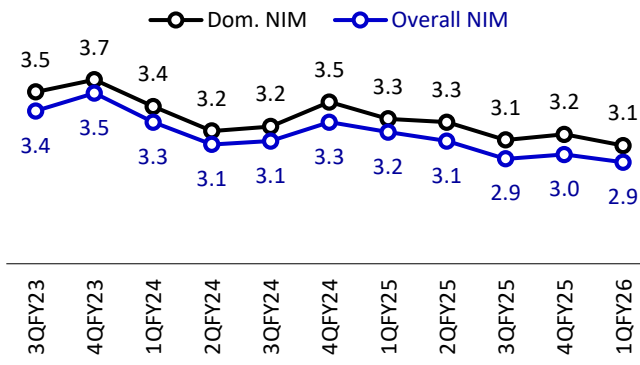
Source: MOFSL, Company

Exhibit 2: Deposit book grew 9.1% YoY (down 2.5% QoQ)



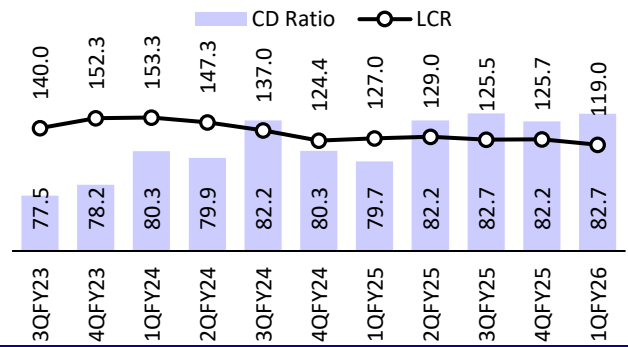
Source: MOFSL, Company

Exhibit 3: NIMs contracted 7bp QoQ; domestic NIMs contracted 10bp



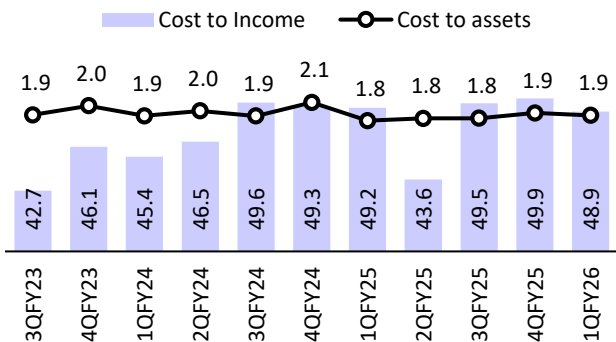
Source: MOFSL, Company

Exhibit 4: CD ratio increased slightly to 82.7%



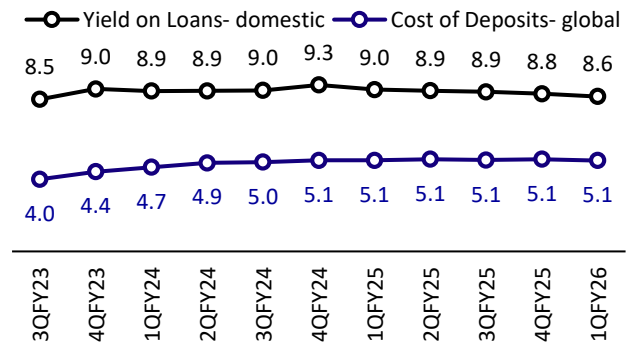
Source: MOFSL, Company

Exhibit 5: Cost-to-income moderated to 48.9%



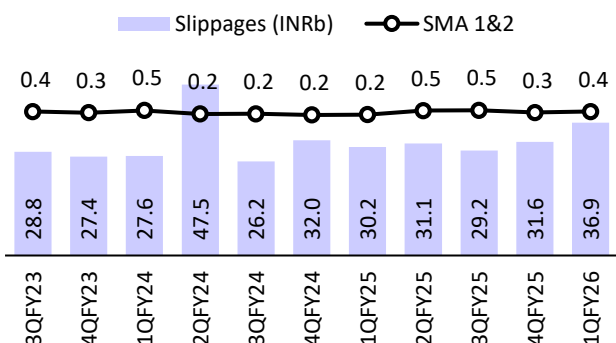
Source: MOFSL, Company

Exhibit 6: Loan yield declined to 8.6%; CoD stood at 5.1%



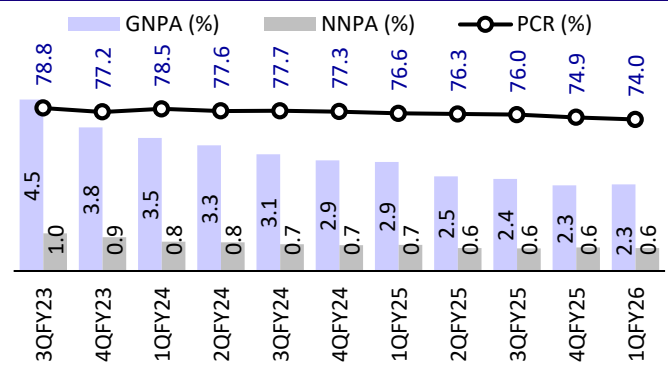
Source: MOFSL, Company

Exhibit 7: Gross slippages increased to INR36.9b; SMA stood at 0.4%



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratio increased 2bp QoQ each; PCR stood at 74%



Source: MOFSL, Company

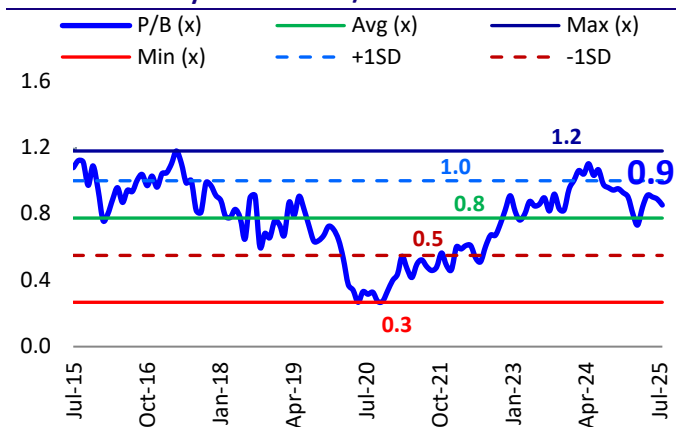
Valuation and view: Reiterate Neutral with a TP of INR260

- BOB reported an earnings beat with higher-than-expected other income, while provisions remained elevated. NIMs contracted to 2.91% (controlled moderation of 7bp QoQ), with management guiding for further moderation in 2Q and expecting FY26 NIM to remain in the ~2.85%-3.0% range.
- Business growth was modest, with advances growing at 13.2% YoY/declining 1.9% QoQ. Slippages remained elevated due to an international account that the bank expects to recover, while PCR declined to 74% vs 75% in 4QFY25.
- **We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. Reiterate Neutral with a TP of INR260 (0.9x FY27E ABV).**

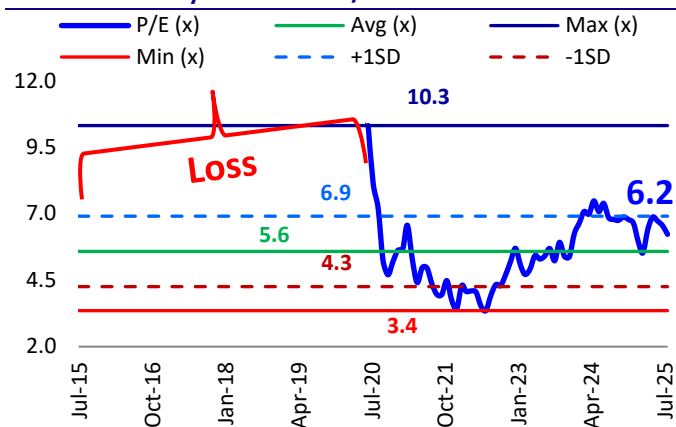
Exhibit 9: Changes to our estimates

INR B	Old Est		Rev Est		Change (%/bps)	
	FY26	FY27	FY26	FY27	FY26	FY27
Net Interest Income	469.8	557.5	468.3	553.8	-0.3	-0.7
Other Income	168.1	185.0	183.1	194.1	8.9	5.0
Total Income	637.9	742.5	651.4	747.9	2.1	0.7
Operating Expenses	323.0	351.0	325.8	354.0	0.8	0.8
Operating Profits	314.9	391.5	325.6	393.9	3.4	0.6
Provisions	67.3	78.6	71.5	77.7	6.4	-1.2
PBT	247.6	312.9	254.1	316.2	2.6	1.1
Tax	63.4	79.5	65.0	80.3	2.6	1.1
PAT	184.2	233.4	189.0	235.9	2.6	1.1
Loans	13,608	15,431	13,450	15,253	-1.2	-1.2
Deposits	16,502	18,614	16,310	18,398	-1.2	-1.2
Margins (%)	2.6	2.8	2.6	2.8	0	1
Credit Cost (%)	0.5	0.5	0.5	0.5	4	-
RoA (%)	0.98	1.12	1.01	1.14	3	2
RoE (%)	14.0	16.1	14.3	16.2	34	11
BV	271.6	306.1	272.5	307.5	0.3	0.5
ABV	249.9	281.4	252.8	285.7	1.2	1.5
EPS	35.6	45.1	36.5	45.6	2.6	1.1

Source: MOFSL Estimates

Exhibit 10: One-year forward P/B


Source: MOFSL, Company

Exhibit 11: One-year forward P/E


Source: MOFSL, Company

Exhibit 12: DuPont analysis: Estimate RoA to clock 1.14% by FY27

Y/E MARCH	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	6.55	7.40	7.21	7.00	7.14	7.20
Interest Expense	3.53	4.46	4.50	4.49	4.47	4.41
Net Interest Income	3.02	2.94	2.71	2.51	2.67	2.79
Other income	0.73	0.95	0.99	0.98	0.94	0.92
Total Income	3.76	3.89	3.70	3.49	3.61	3.72
Operating Expenses	1.79	1.86	1.77	1.75	1.71	1.65
Employee cost	1.0	1.0	1.0	1.0	1.0	0.9
Others	0.82	0.82	0.79	0.78	0.76	0.73
Operating Profits	1.96	2.03	1.93	1.74	1.90	2.07
Core operating Profits	1.89	1.94	1.79	1.69	1.86	2.04
Provisions	0.52	0.40	0.36	0.38	0.37	0.38
PBT	1.44	1.64	1.57	1.36	1.53	1.69
Tax	0.41	0.47	0.41	0.35	0.39	0.43
RoA (%)	1.03	1.17	1.16	1.01	1.14	1.26
<i>Leverage (x)</i>	16.0	15.3	14.3	14.1	14.2	14.0
RoE (%)	16.5	17.8	16.7	14.3	16.2	17.7

Financials and valuations

Income Statement						(INRb)
Y/E March (INR b)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	895.9	1,126.1	1,214.4	1,306.6	1,479.5	1,684.2
Interest Expense	482.3	678.8	757.8	838.3	925.7	1,031.1
Net Interest Income	413.6	447.2	456.6	468.3	553.8	653.2
- Growth (%)	26.8	8.1	2.1	2.6	18.3	17.9
Non Interest Income	100.3	145.0	166.5	183.1	194.1	215.5
Total Income	513.8	592.2	623.1	651.4	747.9	868.6
- Growth (%)	16.5	15.2	5.2	4.5	14.8	16.1
Operating Expenses	245.2	282.5	298.7	325.8	354.0	384.6
Pre Provision Profits	268.6	309.7	324.3	325.6	393.9	484.0
- Growth (%)	20.0	15.3	4.7	0.4	21.0	22.9
Core PPOp	258.0	294.7	301.7	315.0	384.8	476.1
- Growth (%)	31.2	14.2	2.4	4.4	22.2	23.7
Provisions	71.4	60.8	59.8	71.5	77.7	88.4
PBT	197.3	248.9	264.5	254.1	316.2	395.6
Tax	56.2	71.0	68.7	65.0	80.3	100.5
Tax Rate (%)	28.5	28.5	26.0	25.6	25.4	25.4
PAT	141.1	177.9	195.8	189.0	235.9	295.1
- Growth (%)	94.0	26.1	10.1	-3.5	24.8	25.1

Balance Sheet

Y/E March (INR b)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	10.4	10.4	10.4	10.4	10.4	10.4
Reserves & Surplus	971.9	1,111.9	1,358.9	1,452.6	1,633.7	1,865.9
Net Worth	982.2	1,122.2	1,369.3	1,463.0	1,644.1	1,876.2
Deposits	12,036.9	13,351.4	14,720.3	16,310.1	18,397.8	20,863.2
- Growth (%)	15.1	10.9	10.3	10.8	12.8	13.4
- CASA Dep	4,751.0	5,143.7	5,566.7	5,675.9	6,420.8	7,281.2
- Growth (%)	9.6	8.3	8.2	2.0	13.1	13.4
Borrowings	1,019.1	944.0	1,237.2	1,222.6	1,319.6	1,429.1
Other Liabilities & Prov.	547.4	440.3	485.7	524.6	582.3	646.3
Total Liabilities	14,585.6	15,858.0	17,812.5	19,520.2	21,943.8	24,814.8
Current Assets	957.0	951.2	1,258.5	1,164.2	1,271.8	1,442.3
Investments	3,624.9	3,698.2	3,854.0	4,320.3	4,817.2	5,380.8
- Growth (%)	14.8	2.0	4.2	12.1	11.5	11.7
Loans	9,410.0	10,657.8	12,095.6	13,450.3	15,252.6	17,357.5
- Growth (%)	21.1	13.3	13.5	11.2	13.4	13.8
Fixed Assets	87.1	79.1	123.8	91.6	98.9	106.8
Other Assets	506.7	471.6	480.7	493.9	503.3	527.4
Total Assets	14,585.6	15,858.0	17,812.5	19,520.2	21,943.8	24,814.8

Asset Quality

GNPA (INR b)	367.6	318.3	278.3	280.7	307.0	336.5
NNPA (INR b)	85.5	75.8	74.9	68.5	75.0	84.9
Slippages (INR b)	111.5	104.0	93.1	144.3	172.2	189.1
GNPA Ratio (%)	3.8	2.9	2.3	2.1	2.0	1.9
NNPA Ratio (%)	0.9	0.7	0.6	0.5	0.5	0.5
Slippage Ratio (%)	1.2	1.0	0.8	1.1	1.2	1.2
Credit Cost (%)	0.5	0.7	0.5	0.5	0.5	0.5
PCR (Excl Tech. write off) (%)	76.7	76.2	73.1	75.6	75.6	74.8

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	6.9	7.7	7.5	7.2	7.3	7.4
Avg. Yield on loans	7.5	8.5	8.2	7.8	8.0	8.1
Avg. Yield on Investments	6.6	6.9	7.0	6.9	6.8	6.8
Avg. Cost-Int. Bear. Liab.	3.9	5.0	5.0	5.0	5.0	4.9
Avg. Cost of Deposits	3.7	4.7	4.8	5.0	4.9	4.8
Interest Spread	2.9	2.7	2.5	2.2	2.4	2.5
Net Interest Margin	3.2	3.1	2.8	2.6	2.8	2.9
Capitalisation Ratios (%)						
CAR	16.2	16.3	17.2	15.7	14.9	14.3
Tier I	14.0	14.1	14.8	13.5	12.9	12.5
-CET-1	12.2	12.5	13.8	12.6	12.0	11.7
Tier II	2.3	2.2	2.4	2.2	2.0	1.8
Business Ratios (%)						
Loans/Deposit Ratio	78.2	79.8	82.2	82.5	82.9	83.2
CASA Ratio	39.5	38.5	37.8	34.8	34.9	34.9
Cost/Assets	1.7	1.8	1.7	1.7	1.6	1.5
Cost/Total Income	47.7	47.7	47.9	50.0	47.3	44.3
Cost/Core Income	48.7	48.9	49.8	50.8	47.9	44.7
Int. Expense/Int.Income	53.8	60.3	62.4	64.2	62.6	61.2
Fee Income/Total Income	17.4	22.0	23.1	26.5	24.7	23.9
Non Int. Inc./Total Income	19.5	24.5	26.7	28.1	26.0	24.8
Empl. Cost/Total Expense	54.5	56.0	55.6	55.6	55.7	55.9
Efficiency Ratios (INRm)						
Employee per branch (in nos)	9.5	9.2	8.9	8.9	8.9	8.9
Staff cost per employee	1.7	2.1	2.2	2.4	2.6	2.8
CASA per branch (INR m)	576.6	624.0	660.8	667.1	747.2	838.9
Deposits per branch (INR m)	1,460.8	1,619.7	1,747.4	1,917.0	2,140.9	2,403.8
Busins per Emp. (INR m)	274.5	317.9	357.5	392.8	439.8	494.6
Profit per Emp. (INR m)	1.8	2.4	2.6	2.5	3.1	3.8

Profitability Ratios and Valuation

RoE	16.5	17.8	16.7	14.3	16.2	17.7
RoA	1.0	1.2	1.2	1.0	1.1	1.3
RoRWA	2.0	2.3	2.3	1.9	2.1	2.3
Book Value (INR)	183	211	254	272	307	352
- Growth (%)	15.8	15.2	20.3	7.1	12.8	14.6
Price-BV (x)	1.3	1.1	1.0	0.9	0.8	0.7
Adjusted BV (INR)	165	194	235	253	286	328
Price-ABV (x)	1.5	1.2	1.0	1.0	0.9	0.7
EPS (INR)	27.3	34.4	37.8	36.5	45.6	57.0
- Growth (%)	94.0	26.1	10.1	-3.5	24.8	25.1
Price-Earnings (x)	8.9	7.1	6.4	6.7	5.3	4.3
Dividend Per Share (INR)	5.5	7.6	8.3	9.2	10.5	12.1
Dividend Yield (%)	2.3	3.1	3.4	3.8	4.3	5.0

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.raiani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI:

ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.