

November 4, 2023

RESULT REPORT Q2 FY24 | Sector: Banks

Bank of Baroda

Soft quarter not structural, buy into weakness

Result Highlights (See "Our View" below for elaboration and insight)

- **Asset quality:** Gross NPA additions were at Rs 47.51bn (annualised NPA addition ratio of 1.9%) and recoveries and upgrades were Rs 22.07bn
- **Margin picture:** Global NIM at 3.07% declined -20bps/-26bps QoQ/YoY, sequentially lower due to rise in cost of deposits
- **Asset growth:** Whole bank advances grew 3.4%/17.3% QoQ/YoY driven sequentially by International loans, Retail loans and MSME loans
- **Opex control:** Total opex rose 7.5%/17% QoQ/YoY, employee exp. fell/rose -1.3%/16.4% QoQ/YoY and other expenses rose 19.5%/17.6% QoQ/YoY
- **Fee income:** Core fee income grew 32.4%/31.7% QoQ/YoY, driven sequentially higher by commission, Exchange, Brokerage segment

Our view – "Higher for longer" bites but only just

NIM guidance for FY24 stands revised ~15 bps lower, given the view on interest rates stands altered: The NIM guidance now stands revised to 3.15% plus minus 5 bps, which is ~15 bps lower than the earlier NIM guidance of 3.3%. The macro view is that elevated interest rates will continue for a while, which is a change from the earlier view when it was expected that rates would decline in 2H. In a scenario of short-term reversal in rates, BoB would have been a key beneficiary as high-cost short-term bulk deposits would be running off at the opportune moment and get replaced at lower cost but that is not the base case now. On the positive side, there is still some residual upward repricing of MCLR book, which comprises as much as 52% of loan book. Furthermore, domestic loan to deposit ratio is still low at 70%, which is expected to be increased.

Asset quality outcomes were only optically weak and not a cause for any concern: A large aviation account (presumably Go First), amounting to Rs 17.73bn, slipped during the quarter. Excluding this account, the gross fresh slippage ratio amounted to 1.08%, up 2 bps QoQ and within guidance. Recoveries were healthy for the quarter at more than Rs 12bn but included one-offs worth Rs 4-5bn, including an IL&FS account. However, recoveries in 2H would also be healthy, potentially amounting to about Rs 20bn. Provisions were Rs 21.6bn, up by 11% QoQ and 32.8% YoY, translating to annualised credit cost of 92 bps. However, excluding discretionary excess provisions, underlying credit cost for the quarter amounted to 52 bps.

The overall impact of the RBI ban on BoB World is quite minimal on the bank: Less than 3% of accounts openings were happening via BoB World. It is business as usual for deposits growth since there are other channels that are working strongly.

We maintain 'Buy' on BoB with a revised price target of Rs 290: We value the bank at 1.1x FY25 P/BV for an FY24E/25E/26E RoE profile of 15.1/16.0/16.1%. We assign a value of Rs 18 per share to the subsidiaries, based on SOTP.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

Exhibit 1: Result table

(Rs mn)	Q2 FY24	Q1 FY24	% qoq	Q2 FY23	% yoy
Total Interest Income	278,616	265,558	4.9	212,542	31.1
Interest Expense	(170,309)	(155,591)	9.5	(110,798)	53.7
Net Interest Income	108,307	109,967	(1.5)	101,745	6.4
Other income	41,712	33,223	25.6	18,258	128.5
Total Income	150,019	143,189	4.8	120,003	25.0
Operating expenses	(69,821)	(64,946)	7.5	(59,693)	17.0
PPOP	80,197	78,243	2.5	60,310	33.0
Provisions	(21,606)	(19,468)	11.0	(16,275)	32.8
PBT	58,592	58,775	(0.3)	44,035	33.1
Tax	(16,063)	(18,075)	(11.1)	(10,901)	47.4
PAT	42,529	40,701	4.5	33,134	28.4

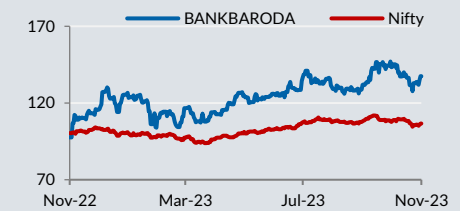
Source: Company, YES Sec-Research

Recommendation	: BUY
Current Price	: Rs 204
Target Price	: Rs 290
Potential Return	: 42%

Stock data (as on November 3, 2023)

Nifty	19,231
52 Week h/l (Rs)	220 / 144
Market cap (Rs/USD mn)	1053924 / 12676
Outstanding Shares (mn)	5,171
6m Avg t/o (Rs mn):	3,854
Div yield (%):	2.8
Bloomberg code:	BOBIN
NSE code:	BANKBARODA

Stock performance



Shareholding pattern (As of Sept'23 end)

Promoter	64.0%
FII+DII	28.4%
Others	7.6%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	290	300

Financial Summary

(Rs mn)	FY24E	FY25E	FY26E
NII	459,530	541,891	613,483
PPOP	333,942	399,965	463,479
Net Profit	157,969	196,331	231,620
Growth (%)	12.0	24.3	18.0
EPS (Rs)	30.5	36.1	42.6
BVPS (Rs)	215	247	284
P/E (x)	6.1	5.1	4.4
P/BV (x)	0.9	0.8	0.7
ROE (%)	15.1	16.0	16.1
ROA (%)	1.0	1.1	1.1
Tier-1 (%)	13.7	14.4	13.9

Δ in earnings estimates

Rs.	FY24E	FY25E	FY26E
EPS (New)	30.5	36.1	42.6
EPS (Old)	33.1	37.6	43.7
% change	-7.8%	-3.9%	-2.5%

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COMPREHENSIVE CON-CALL TAKEAWAYS

Asset quality

- **Slippages**
 - Gross NPA additions amounted to Rs 47.51bn for 2QFY24, translating to an annualized slippage ratio of 1.9% for the quarter. (Gross NPA additions had amounted to Rs 27.61bn during 1QFY24.)
 - The gross fresh slippage ratio for the quarter amounted to 1.81%.
 - **Large aviation account slippage**
 - A large aviation account (presumably Go First), amounting to Rs 17.73bn, slipped during the quarter.
 - Excluding this account, the gross fresh slippage ratio amounted to 1.08%, up 2 bps QoQ and within guidance.
 - **International account slippage**
 - One international account in the real estate sector based in the Middle East slipped during the quarter.
 - The account is fully asset-backed and slipped due to some liquidity issues but is expected to be upgraded in the coming quarters.
- **Recoveries and upgrades**
 - Recoveries and upgrades amounted to Rs 22.07bn for 2QFY24, implying net NPA addition of Rs 25.44bn for the quarter.
 - Recoveries were healthy for the quarter at more than Rs 12bn but included one-offs worth Rs 4-5bn, including an IL&FS account.
 - However, recoveries in 2H would also be healthy potentially amounting to about Rs 20bn.
- **Provisions**
 - **P&L provisions**
 - Provisions were Rs 21.6bn, up by 11% QoQ and 32.8% YoY, translating to annualised credit cost of 92 bps.
 - **Excess discretionary provisions**
 - 100% of the non-guaranteed portion of the slipped aviation has been provided for, amounting to provisions worth Rs 5.34bn.
 - Incremental excess provisions were also made to maintain Net NPA ratio at a desired level.
 - Consequently, excess discretionary provisions (sum of the two items mentioned above) amounted to about Rs 10 bn for the quarter.
 - **Underlying credit cost**
 - Excluding the discretionary excess provisions, credit cost for the quarter amounted to 52 bps.
 - The underlying credit cost does include Rs 6.39bn worth of NPA provision on the aviation account.
 - **Provision reversals**
 - There were reversals of provisions amounting to Rs 1.6bn due to sale to ARC.
 - There was another reversal amounting to 0.82bn on an account.
 - **Outstanding provisions**
 - PCR gross of technically written off accounts amounted to 93%.
 - **SMA accounts**
 - SMA1 and SMA2 above Rs 50mn amounts to 22 bps, implying there is no large account waiting to slip.

(Con call takeaways continue on the next page)

Net interest margin

- **NIM for the quarter**
 - NIM (Global) was at 3.07%, down -20 bps QoQ and -26bps YoY.
 - The key reason for sequential NIM compression was a steep rise in cost of deposits.
 - There were some incremental interest reversals on slipped accounts but not very significant.
- **Comments on interest rates**
 - **Macro view**
 - Elevated interest rates will continue for a while.
 - This is a change from the earlier view when it was expected that rates would decline in 2H.
 - However, bond yields would not go up further from current levels.
 - **BOB deposit pricing**
 - If there would be a reversal in rates, then BoB would be a key beneficiary as high-cost bulk deposits would be running off and get replaced at lower cost.
 - The entire impact of higher rates has come in 2Q but this impact would be lower going forward.
 - The duration of the term deposits book is 1 year and 2 months.
 - The peak rate is being offered in the 1-year bucket and the price revision was effected 2 months back.
- **NIM guidance**
 - The NIM guidance now stands revised to 3.15% plus minus 5 bps.
 - The earlier NIM guidance was 3.3%.
- **MCLR book**
 - The MCLR book is 52% of total loan book.
 - Less than 30% of this book is still to repriced upward (due to previous MCLR hikes) but this alone would not be able to offset the rise in cost of deposits.
 - However, the MCLR itself can move upward since the cost pressure is yet to be transmitted to the MCLR and such a hike would be more helpful.
- **Loan to deposit ratio**
 - The domestic loan to deposit ratio amounts to 70%.
 - The intention is to have higher CD ratio to help NIM accretion.

Loan growth

- Overall loan growth amounted to 3.4% QoQ and 17% YoY in terms of gross advances.
- Retail loan growth amounted to 5.2% QoQ and 22% YoY.
- **Loan growth guidance**
 - Overall loan growth would be 1-2% higher than industry average and hence, in the 14-16% range.
 - Retail loan growth would be 3-4% points higher than industry average and hence, in the 20-22% range.
 - International book growth would converge to overall bank growth and hence, would be about 15% YoY.
- **Loan book mix outlook**
 - The share of retail loans would rise from 27% to 35% in about 3 years.
 - The share of corporate loans would decline to about 35% in this period.

(Con call takeaways continue on the next page)

Deposits growth

- Total deposits were at Rs 12,496 bn, up by 4.1% QoQ and 14.6% YoY.
- CASA deposits growth was slower at 4.5% YoY.
- **Term deposits**
 - Domestic term deposits were up 17.7% YoY.
 - Retail term deposits have grown well whereas bulk term deposits growth has slowed.
 - The sequential bulk deposits growth was 3.4% QoQ compared with the 11-15% growth this book had seen for some quarters now.
- **Deposits growth guidance**
 - The guidance for deposits growth is 12-13%.

Operating expenses

- **Total opex**
 - Total opex, at Rs. 69.82 bn, is up 7.5% QoQ and 17% YoY.
 - Consequently, cost/income ratio came in at 46.5%, up by 118bps QoQ but down -320bps YoY.
 - **Cost to income ratio guidance**
 - The cost to income ratio guidance is for 45%.
- **Staff opex**
 - The staff opex is down -1.3% QoQ but up 16.4% YoY.
- **Other opex**
 - Other opex is up 19.5% QoQ and 17.6% YoY.

Return ratios

- The RoA for 1H amounted to 1.12% compared with 0.84% for 1H last year.
- **RoA guidance**
 - The RoA guidance remains in excess of 1%.

Capital adequacy

- Capital has accreted 5 bps YoY on like for like basis.
- CET1 ratio stands at 11.57% not including profit for the first half.
- Including profit for the first half, CET1 ratio stood at 12.57%.

Fee income

- Fee income has grown strongly, with the bank keenly focusing on its initiative “Fees and Flows”.
- There is focus on relationship management for large and mid-corporate accounts where share of wallet is being increased and multiple engagements being established.
- Management regards the growth in fee income to be strategic and structural and that it would sustain.

(Con call takeaways continue on the next page)

On BoB World ban

- Less than 3% of accounts openings were happening via BoB World.
- It is business as usual for deposits growth since there are other channels that are working strongly.
- The overall impact of the RBI ban on BoB World is quite minimal on the bank.

Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q2 FY24	Q1 FY24	% qoq	Q2 FY23	% yoy	Q2 FY24*	chg qoq*	chg yoy*
Global Gross Advances	10,245,010	9,909,880	3.4	8,734,960	17.3	100.0	0bps	0.0
International Gross Advances	1,897,780	1,783,620	6.4	1,567,590	21.1	18.5	53bps	3.2
Gross domestic advances	8,347,230	8,126,260	2.7	7,167,370	16.5	81.5	-53bps	(0.7)
Retail	1,936,820	1,840,910	5.2	1,585,060	22.2	18.9	33bps	4.2
Home loans	1,026,100	999,760	2.6	883,980	16.1	10.0	-7bps	(1.0)
Auto loans	342,680	321,710	6.5	283,010	21.1	3.3	10bps	3.2
Mortgages loans	175,250	171,000	2.5	154,630	13.3	1.7	-1bps	(3.4)
Education loans	90,560	84,000	7.8	76,520	18.3	0.9	4bps	0.9
Personal loans	256,180	220,420	16.2	153,170	67.3	2.5	28bps	42.6
Gold loans	30,490	26,600	14.6	18,440	65.3	0.3	3bps	41.0
Others	15,560	17,420	(10.7)	15,310	1.6	0.2	-2bps	(13.3)
Agriculture	1,306,940	1,275,830	2.4	1,149,640	13.7	12.8	-12bps	(3.1)
Gold loans	408,350	379,920	7.5	316,580	29.0	4.0	15bps	10.0
MSME	1,135,120	1,092,200	3.9	1,012,780	12.1	11.1	6bps	(4.4)
Corporate	3,515,680	3,468,220	1.4	3,016,630	16.5	34.3	-68bps	(0.6)
Others	452,670	449,100	0.8	403,260	12.3	4.4	-11bps	(4.3)
Domestic deposits	10,741,140	10,503,060	2.3	9,589,670	12.0	100.0	0bps	0.0
CA	617,590	628,780	(1.8)	648,730	(4.8)	5.7	-24bps	(15.0)
SA	3,665,610	3,607,220	1.6	3,452,780	6.2	34.1	-22bps	(5.2)
Term	6,457,940	6,267,060	3.0	5,488,160	17.7	60.1	45bps	5.1
Investments	3,700,679	3,581,602	3.3	3,490,861	6.0	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	27.1	27.1	-5bps	29.4	-239bps	NA	NA	NA
Borrowings	1,192,830	1,164,826	2.4	1,111,899	7.3	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	8.7	8.8	-14bps	9.3	-54bps	NA	NA	NA

Source: Company, YES Sec – Research, * Share in Total and change in share

Exhibit 3: Key quarterly ratios

(%)	Q2 FY24	Q1 FY24	chg qoq	Q2 FY23	chg yoy
Net interest margin - Global	3.07	3.27	-20bps	3.33	-26bps
Net interest margin - Domestic	3.19	3.41	-22bps	3.41	-22bps
Yield on advances - Global	8.43	8.40	3bps	7.22	121bps
Yield on advances - Domestic	8.92	8.91	1bps	8.01	91bps
Cost of deposits - Global	4.92	4.68	24bps	3.59	133bps
Cost of deposits - Domestic	4.99	4.74	25bps	3.90	109bps
Loan to Deposit ratio	79.9	80.3	-43bps	76.7	312bps
Non-interest income/Total income	27.8	23.2	460bps	15.2	1259bps
Fee Income to Avg. Total Assets	0.5	0.4	12bps	0.5	7bps
Cost to Income	46.5	45.4	118bps	49.7	-320bps
Opex to Avg. Total Assets	1.9	1.8	9bps	1.8	4bps
RoA	1.1	1.1	3bps	1.0	13bps
Annualised Slippage Ratio*	1.9	1.1	76bps	2.1	-20bps
Provision coverage	93.2	93.2	-7bps	91.7	143bps
Gross NPA	3.3	3.5	-19bps	5.3	-199bps
Net NPA	0.8	0.8	-2bps	1.2	-40bps
Capital adequacy ratio	15.3	15.8	-54bps	15.3	5bps
Tier I capital ratio	13.2	13.6	-45bps	12.8	38bps
Common equity tier 1 capital ratio	11.6	11.9	-37bps	11.0	62bps

Source: Company, YES Sec – Research, *Annualised Gross NPA Addition Ratio

Exhibit 4: Quarterly Actuals Vs Estimates

Q2 FY24 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	108,307	112,488	(3.7)
Pre-Prov. Operating Profit	80,197	80,137	0.1
Profit After Tax	42,529	45,103	(5.7)

Source: Company, YES Sec – Research

Exhibit 5: Operating Expense Break-up

(Rs mn)	Q2FY24	Q1FY24	% qoq	Q2FY23	% yoy
Employee Expense	37,064	37,544	(1.3)	31,834	16.4
Other Operating Expense	32,758	27,402	19.5	27,859	17.6
Total Operating Expense	69,821	64,946	7.5	59,693	17.0

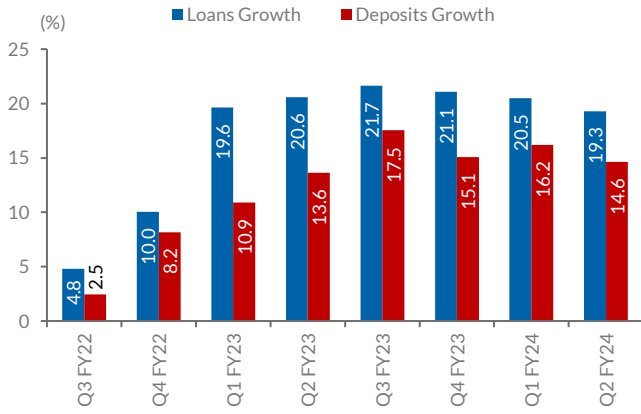
Source: Company, YES Sec - Research

Exhibit 6: Non-Interest Income Break-up

(Rs mn)	Q2 FY24	Q1 FY24	% qoq	Q2 FY23	% yoy
Total Fee Income (A)	19,960	15,070	32.4	15,160	31.7
Comm/Exch/Brok	11,040	7,450	48.2	7,780	41.9
Incidental Charges	4,210	3,890	8.2	3,060	37.6
Forex Income	4,000	3,270	22.3	3,640	9.9
Other Misc. Fee Income	710	460	54.3	680	4.4
Total Other Income (B)	21,752	18,153	19.8	3,098	602.1
Recovery from TWO	12,310	6,630	85.7	6,030	104.1
Trading Gains-Sale of sec	2,950	3,310	(10.9)	1,740	69.5
Revaluation of Investment	1,830	6,250	(70.7)	(4,130)	(144.3)
Profit on Exchange Trans	2,470	1,960	26.0	(1,960)	(226.0)
Others	2,192	3	NA	1,418	54.5
Total Non-Interest Income (A+B)	41,712	33,223	25.6	18,258	128.5

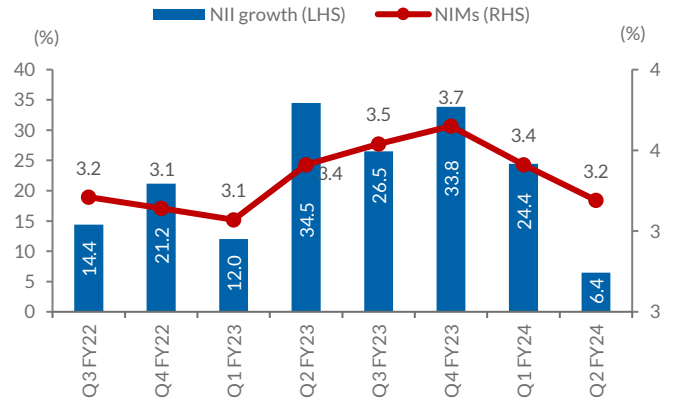
Source: Company, YES Sec - Research

Exhibit 7: Loans and Deposits growth (YoY %)



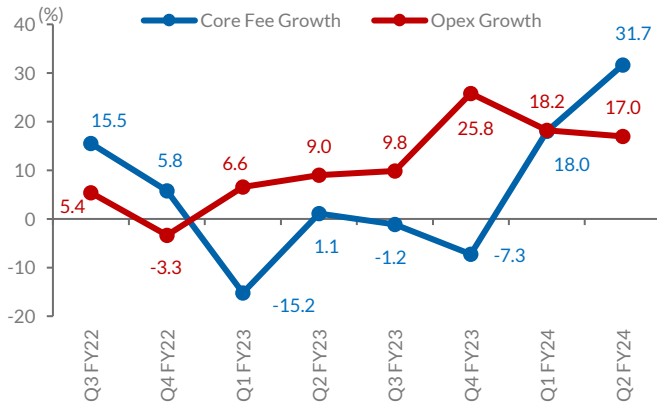
Source: Company, YES Sec – Research

Exhibit 8: NII growth (YoY %) and NIM



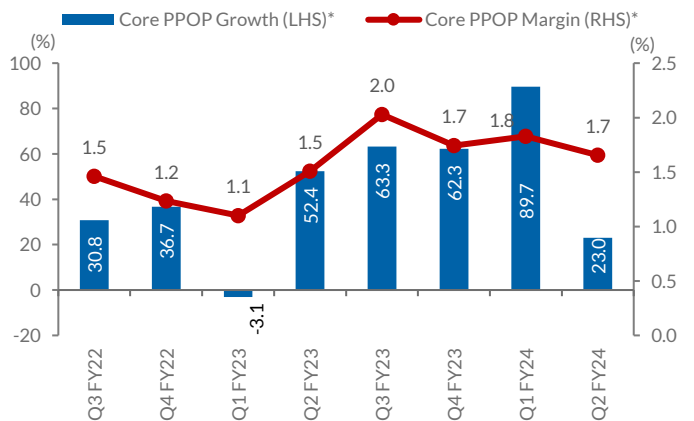
Source: Company, YES Sec – Research

Exhibit 9: Core Fee and Opex growth (YoY %)



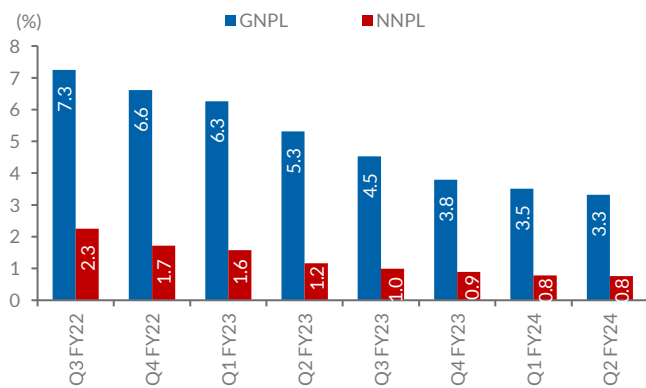
Source: Company, YES Sec – Research

Exhibit 10: Core PPOP growth (YoY %) and Core PPOP margin (%)



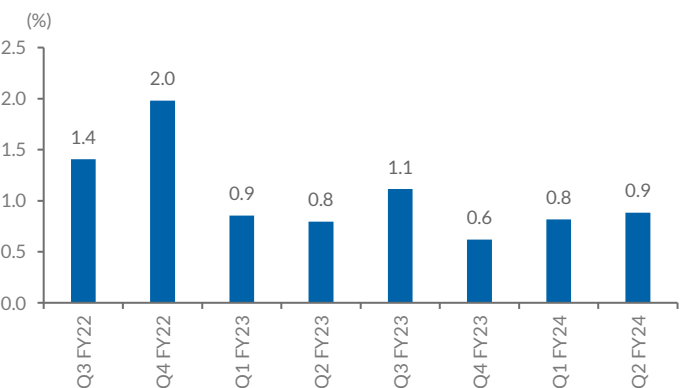
Source: Company, YES Sec – Research, * Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

Exhibit 11: Gross NPA and Net NPA (%)



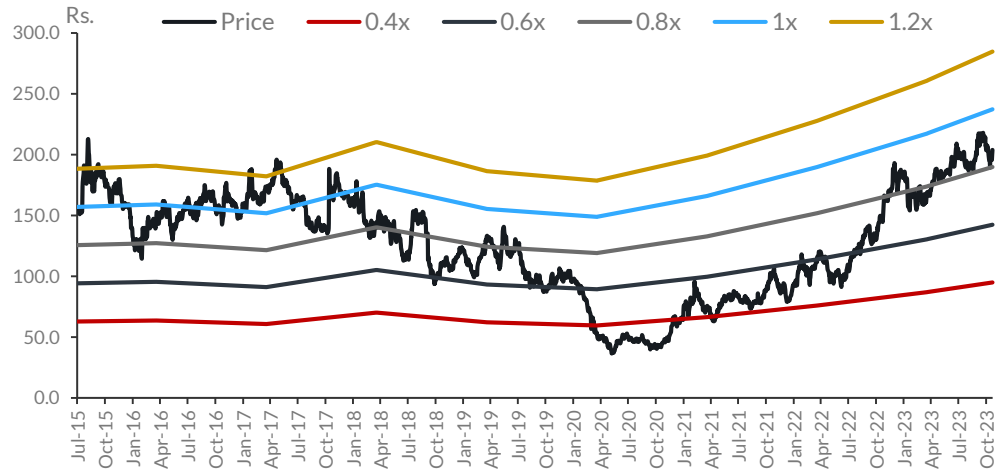
Source: Company, YES Sec – Research

Exhibit 12: Credit Cost (%)



Source: Company, YES Sec – Research

Exhibit 13: 1-year rolling P/BV band



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

Exhibit 14: 1-yr rolling P/BV vis-a-vis the mean and standard deviations



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

ANNUAL FINANCIALS

Exhibit 15: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Total cash & equivalents	1,226,550	957,032	2,252,750	2,545,607	2,876,536
Investments	3,157,954	3,624,854	3,527,466	3,970,323	4,469,180
Advances	7,771,552	9,409,983	10,727,380	12,121,940	13,697,792
Fixed assets	99,219	87,066	95,772	105,350	115,884
Other assets	524,724	506,681	557,349	613,084	674,392
Total assets	12,779,998	14,585,615	17,160,718	19,356,304	21,833,785
Net worth	859,097	982,229	1,111,721	1,341,707	1,543,426
Deposits	10,459,386	12,036,878	13,617,755	15,430,682	17,479,290
Borrowings	1,038,993	1,019,105	1,836,348	1,959,337	2,165,252
Other liabilities	422,523	547,404	594,894	624,578	645,817
Total liabilities incl. Equity	12,779,998	14,585,615	17,160,718	19,356,304	21,833,785

Source: Company, YES Sec – Research

Exhibit 16: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest income	698,808	895,885	1,049,594	1,223,548	1,381,458
Interest expense	(372,594)	(482,325)	(590,064)	(681,657)	(767,975)
Net interest income	326,213	413,560	459,530	541,891	613,483
Non-interest income	114,840	100,258	147,645	167,087	192,549
Total income	441,053	513,818	607,175	708,979	806,032
Operating expenses	(217,164)	(245,183)	(273,233)	(309,013)	(342,553)
PPoP	223,888	268,635	333,942	399,965	463,479
Provisions	(130,024)	(71,369)	(122,838)	(137,596)	(153,951)
Profit before tax	93,864	197,266	211,104	262,369	309,529
Taxes	(21,142)	(56,170)	(53,135)	(66,038)	(77,908)
Net profit	72,723	141,096	157,969	196,331	231,620

Source: Company, YES Sec – Research

Exhibit 17: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	5.7	6.5	6.6	6.7	6.7
Interest expense	-3.1	-3.5	-3.7	-3.7	-3.7
Net interest income	2.7	3.0	2.9	3.0	3.0
Non-interest income	0.9	0.7	0.9	0.9	0.9
Total income	3.6	3.8	3.8	3.9	3.9
Operating expenses	-1.8	-1.8	-1.7	-1.7	-1.7
PPoP	1.8	2.0	2.1	2.2	2.3
Provisions	-1.1	-0.5	-0.8	-0.8	-0.7
Profit before tax	0.8	1.4	1.3	1.4	1.5
Taxes	-0.2	-0.4	-0.3	-0.4	-0.4
Net profit	0.6	1.0	1.0	1.1	1.1

Source: Company, YES Sec – Research

Exhibit 18: Sum of the Parts (SOTP) - Subsidiaries

Subsidiaries/JVs	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple (Implied / Assigned)	Stake (%)	Stake value (Rs mn)	Per share (Rs)
IndiaFirst Life Insurance	65,889	NWP	59,736	1.1x	65.0%	42,828	8.3
India Infradebt	27,813	BV	27,813	1.0	41.0%	11,401	2.2
Nainital Bank	10,917	BV	7,278	1.5	98.6%	10,761	2.1
Baroda AMC	16,629	AUM	277,158	6.0%	50.1%	8,331	1.6
BOB Financial Solutions	20,190	BV	10,095	2.0	100.0%	20,190	3.9
Value of Subsidiaries						93,511	18.1

Source: Company, YES Sec – Research

Exhibit 19: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net Interest Income	459,530	541,891	613,483	483,803	551,789	624,539	(5.0)	(1.8)	(1.8)
Pre-Prov. Operating Profit	333,942	399,965	463,479	351,852	410,610	471,475	(5.1)	(2.6)	(1.7)
Profit after tax	157,969	196,331	231,620	171,371	204,296	237,604	(7.8)	(3.9)	(2.5)

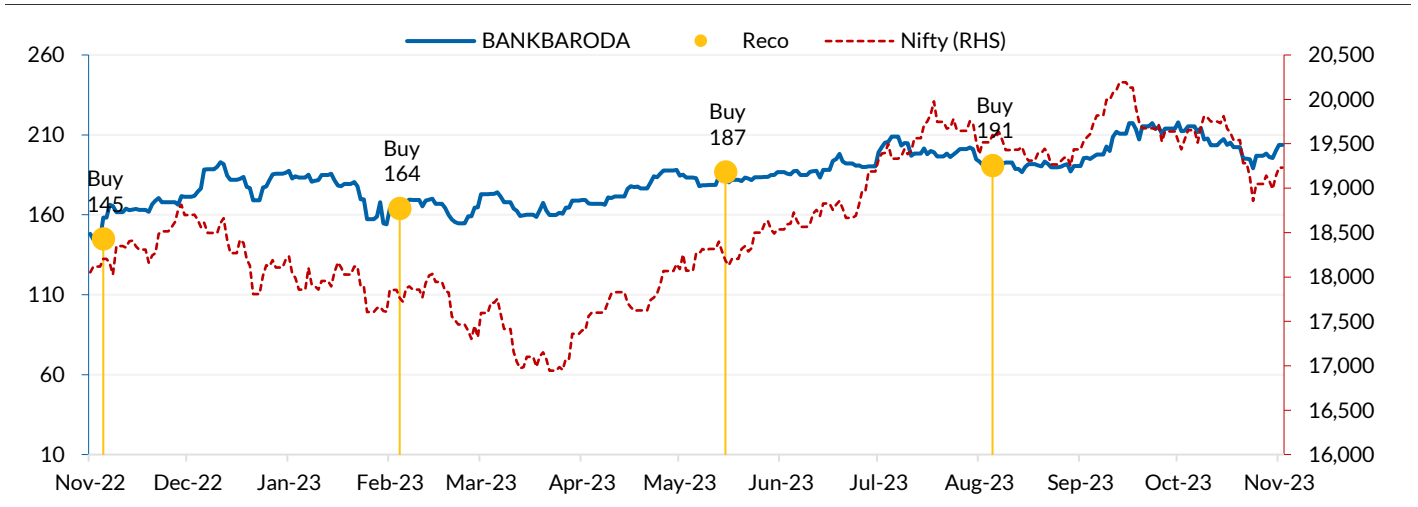
Source: Company, YES Sec – Research

Exhibit 20: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24E	FY25E	FY26E
Growth matrix (%)					
Net interest income	13.2	26.8	11.1	17.9	13.2
PPoP	5.6	20.0	24.3	19.8	15.9
Net profit	777.3	94.0	12.0	24.3	18.0
Loans	10.0	21.1	14.0	13.0	13.0
Deposits	8.2	15.1	13.1	13.3	13.3
Profitability Ratios (%)					
Net interest margin	3.0	3.3	3.1	3.2	3.2
Return on Average Equity	8.9	15.3	15.1	16.0	16.1
Return on Average Assets	0.6	1.0	1.0	1.1	1.1
Per share figures (Rs)					
EPS	14.0	27.3	30.5	36.1	42.6
BVPS	166	190	215	247	284
ABVPS	140	174	196	228	262
Valuation multiples					
P/E	13.2	6.8	6.1	5.1	4.4
P/BV	1.1	1.0	0.9	0.8	0.7
P/ABV	1.3	1.1	0.9	0.8	0.7
NIM internals (%)					
Yield on loans	6.6	7.5	7.6	7.7	7.7
Cost of deposits	2.8	2.8	3.3	3.1	3.1
Loan-deposit ratio	74.3	78.2	78.8	78.6	78.4
CASA ratio	41.5	39.5	40.0	40.0	40.0
Opex control (%)					
Cost/Income ratio	49.2	47.7	45.0	43.6	42.5
Cost to average assets	1.8	1.8	1.7	1.7	1.7
Capital adequacy (%)					
Tier 1 capital ratio	13.3	14.0	13.7	14.4	13.9
Asset quality (%)					
Slippage ratio	1.9	1.3	1.6	1.5	1.5
Gross NPL ratio	6.6	3.8	3.6	3.3	3.2
Credit cost	2.0	0.5	1.0	1.0	1.0
Net NPL ratio	1.7	0.9	0.9	0.9	0.9

Source: Company, YES Sec – Research; Valuations are the implied value of standalone entity net of subsidiaries

Recommendation Tracker



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