

October 25, 2024

RESULT REPORT Q2 FY25 | Sector: Banks

Bank of Baroda

Increased provisions in the backdrop of low slippages not concerning

Our view – BOB seems to utilise recovery windfall to make excess prudential provisions

Asset quality – Slippages well under control but BOB made material excess provisions during the quarter: Gross NPA additions amounted to Rs 31.1bn for 2QFY25, translating to an annualized slippage ratio of 1.1%. Gross NPA additions had amounted to 30.18bn in 1QFY25. Provisions were Rs 23.36bn, up by 131.1% QoQ and 8.1% YoY, translating to calculated annualised credit cost of 86bps. Management stated that prudential provisions have been taken on both NPAs and standard assets during the quarter. Importantly, the recovery from technically written off accounts was Rs 25.25bn for the quarter compared with Rs 5.54bn in 1Q. It seems that BOB has ploughed this windfall into provision cover.

Net interest margin – NIM declined on sequential basis mainly due to the penal charges rules, while NIM guidance was retained: Global NIM was 3.10%, down -8bps QoQ but up 3bps YoY. The negative impact on NIM due to the penal interest shifting to the fee income line amounted to 5 bps. The bank has once again guided for a NIM of 3.15% plus or minus 5 bps. The cost of deposits has moved up 6 bps QoQ but the impact of deposit repricing is almost over. There will be some cost moderation that can happen in late 3Q or early 4Q. The CD rates have gone down substantially. All of the aspects have allowed the bank to reiterate margin guidance.

Balance sheet growth – Balance sheet growth improved on sequential basis, while guidance was slightly reduced in what was more a rear-view mirror action: Whole bank advances grew 7.0%/12.3% QoQ/YoY driven sequentially by Gold Loans, Corporate and 'Other' Retail. The bank has reduced its guidance for loan growth from 12-14% to 11-13% where the endeavor will be to meet the upper end of the band. In 2Q, the corporate yield was sequentially better, allowing the bank to improve corporate loan growth.

We maintain 'Buy' on BoB with a revised price target of Rs 330: We value the bank at 1.1x FY26 P/BV for an FY25/26/27E RoE profile of 15.7/15.7/15.7%. We assign a value of Rs 21 per share to the subsidiaries, based on SOTP.

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

Other Highlights (See "Our View" above for elaboration and insight)

- **Opex control:** Total cost to income ratio was at 43.6% down by -556/-294bps QoQ/YoY and the Cost to assets was at 1.8% up/down by 7/-5bps QoQ/YoY
- **Fee income:** Core fee income to average assets was at 0.44%, up/down 7/-9bps QoQ/YoY

Exhibit 1: Result table

(Rs mn)	Q2 FY25	Q1 FY25	% qoq	Q2 FY24	% yoy
Total Interest Income	302,633	296,287	2.1	278,616	8.6
Interest Expense	(186,412)	(180,286)	3.4	(170,309)	9.5
Net Interest Income	116,221	116,001	0.2	108,307	7.3
Fee Income	17,730	14,790	19.9	19,960	(11.2)
Other Income	34,084	10,083	238.1	21,752	56.7
Total Non-Interest income	51,814	24,873	108.3	41,712	24.2
Total Income	168,035	140,873	19.3	150,019	12.0
Employee Expense	(40,397)	(40,140)	0.6	(37,064)	9.0
Non-employee Opex	(32,867)	(29,121)	12.9	(32,758)	0.3
Total operating expenses	(73,265)	(69,261)	5.8	(69,821)	4.9
PPOP	94,770	71,613	32.3	80,197	18.2
Provisions	(23,357)	(10,107)	131.1	(21,606)	8.1
PBT	71,413	61,506	16.1	58,592	21.9
Tax	(19,034)	(16,924)	12.5	(16,063)	18.5
PAT	52,379	44,582	17.5	42,529	23.2

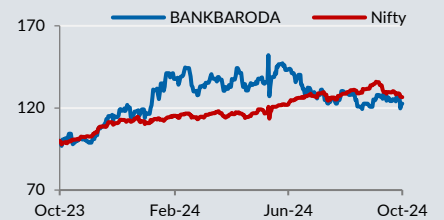
Source: Company, YES Sec-Research

Recommendation	: BUY
Current Price	: Rs 240
Target Price	: Rs 330
Potential Return	: +38%

Stock data (as on October 25, 2024)

Nifty	24,181
52 Week h/l (Rs)	300 / 188
Market cap (Rs/USD mn)	1265794 / 15059
Outstanding Shares (mn)	5,171
6m Avg t/o (Rs mn):	4,703
Div yield (%):	3.1
Bloomberg code:	BOB IN
NSE code:	BANKBARODA

Stock performance



	1M	3M	1Y
Absolute return	-1.5%	-2.4%	23.0%

Shareholding pattern (As of Sept'24 end)

Promoter	64.0%
FII+DII	26.5%
Others	9.6%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	330	340

Financial Summary

(Rs mn)	FY25E	FY26E	FY27E
NII	493,611	555,351	620,451
PPOP	343,053	402,783	457,670
Net Profit	192,554	224,517	255,695
Growth (%)	8.2	16.6	13.9
EPS (Rs)	35.4	41.3	47.0
BVPS (Rs)	246	280	319
P/E (x)	6.2	5.3	4.6
P/BV (x)	0.9	0.8	0.7
ROE (%)	15.7	15.7	15.7
ROA (%)	1.1	1.2	1.2
Tier-1 (%)	14.6	14.1	13.7

Δ in earnings estimates

Rs.	FY25E	FY26E	FY27E
EPS (New)	35.4	41.3	47.0
EPS (Old)	35.9	42.3	48.1
% change	-1.2%	-2.4%	-2.3%

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COMPREHENSIVE CON-CALL TAKEAWAYS

Asset quality

- **Slippages**
 - Gross NPA additions amounted to Rs 31.1bn for 2QFY25, translating to an annualized slippage ratio of 1.1% for the quarter. (Gross NPA additions had amounted to Rs 30.18bn during 1QFY25).
 - **Guidance**
 - The guidance for slippage ratio is 1-1.25% and the bank would like to contain slippage to Rs 90-100bn.
- **Recoveries and upgrades**
 - Recoveries and upgrades amounted to Rs 18.37bn for 2QFY25, implying net NPA addition of Rs 12.73bn for the quarter.
 - The recovery from TWO was at Rs 25.25bn for the quarter.
 - The healthy recovery during the quarter was driven by a large NCLT account.
 - The recovery target for the full year FY25 is Rs 120bn.
- **Provisions**
 - **P&L provisions**
 - Provisions were Rs 23.36bn, up by 131.1% QoQ and 8.1% YoY, translating to calculated annualised credit cost of 86bps.
 - Rs 2.3bn floating provision was made during the quarter and the outstanding floating provision now stands at Rs 6bn.
 - Prudential provisions have been taken on both NPAs and standard assets during the quarter.
 - **Guidance**
 - The bank has maintained its guidance of containing credit cost within 0.75% in FY25.
- **NPA ratios**
 - GNPA ratio stands at 2.5%, down -38bps QoQ and -82bps YoY while NNPA ratio stands at 0.6%, down -9bps QoQ and -16bps YoY.
- **SMA book**
 - The CRILC SMA1 and SMA2 amount to 0.47% in 2QFY25 as against 0.18% in 1QFY25.
- **Collection efficiency**
 - Collection efficiency (excluding Agriculture) stood at 98.5% as of September 2024.
- **Aviation account (presumably Go First)**
 - One-third of the exposure was guarantee for which the bank has received the full amount.
 - The balance outstanding exposure stands at Rs 11-12bn.
 - The remaining two-third exposure is fairly collateralized and money is recoverable to the full extent possible.
- **Unsecured retail**
 - Overall retail GNPA ratio is 1.5% whereas the GNPA ratio of the unsecured retail book is 3.1%.
 - The slippage from unsecured retail amounts to Rs 2.5bn compared with about Rs 1bn an year ago.

(Con call takeaways continue on the next page)

Net interest margin

- **NIM for the quarter**
 - NIM (Global) was at 3.10%, down -8bps QoQ but up 3bps YoY.
 - NIM was impacted by regulatory change where penal interest is now accounted as penal charges and is part of other income.
 - The domestic NIM was at 3.27%, down -3bps QoQ but up 8bps YoY.
- **Penal interest rules**
 - The negative impact on NIM due to the penal interest shifting to the fee income line amounted to 5 bps.
 - The interest impact due to the penal interest rule amounted to Rs 1.76bn during 2Q compared with Rs 0.13bn during 1Q.
- **Yield on advances**
 - The whole bank yield on advances have fallen by -7 bps QoQ to 8.48%.
 - The domestic yield on advances have fallen by -6 bps QoQ to 8.93%.
- **Cost of deposits**
 - The whole bank cost of deposits is up 6bps QoQ to 5.12%.
 - The domestic cost of deposits was up 3bps QoQ to 5.16%.
- **Guidance**
 - The bank has once again guided for a NIM of 3.15% plus or minus 5 bps.
- **LCR**
 - The average LCR was at 123.7% for 2Q.
- **Cost of deposits**
 - The cost of deposits has moved up 6 bps QoQ but the impact of deposit repricing is almost over.
 - There will be some cost moderation that can happen in late 3Q or early 4Q.
 - The CD rates have gone down substantially.
 - All of the aspects have allowed the bank to reiterate margin guidance.
- **International margin**
 - The international margin used to 2.1% plus but has declined to 2% due to rate cuts.
 - However, since liabilities are also floating rate on the international side, there can be some catch up.

Loan growth

- **Overall growth**
 - Whole bank advances growth was 11.6% YoY, driven by domestic advances growth of 12.5% YoY.
 - International advances growth was at 7.6% YoY.
- **Segmental growth**
 - Retail advances growth amounted to 19.9% YoY.
 - MSME advances growth was at 11.7% YoY.
 - Agri advances growth was at 10.6% YoY.
 - Corporate loan growth was at 10.6% YoY.
 - Within retail, home loans, education loans and auto loans grew 16.2%, 17.2% and 22.9% YoY, respectively.
 - Personal loan growth was moderated to 25.2% YoY.

(Con call takeaways continue on the next page)

- **Guidance**
 - The bank has reduced its guidance for loan growth from 12-14% earlier to 11-13% where the endeavor will be to meet the upper end of the band.
- **Corporate loans**
 - While there have been challenges with regard to corporate yield, the bank has been able to grow corporate book at 10.6% YoY.
 - In 1Q, the bank had realigned itself on the corporate book and hence, the corporate loan book growth had been much lower.
 - However, in 2Q, the corporate yield was sequentially better, allowing the bank to grow better.

Deposits growth

- Total deposits have grown at 9.1% YoY and 4.3% QoQ.
- Domestic CASA deposits have grown at 7.0% YoY and 2.1% QoQ.
- The domestic CASA ratio was at 39.84%, down by -4bps YoY and -78bps QoQ.
- **Guidance**
 - The bank has reduced its deposit growth guidance from 10-12% earlier to 9-11% where endeavor will be to meet the upper end of the band.

AFS reserve

- The bank has added Rs 12-13bn of AFS reserve during the quarter, taking the outstanding figure to Rs 28-30bn.
- This has also helped capital accretion.

Fee income

- **Corporate fees**
 - Corporate fees have grown in line with assets growth.
 - CMS is doing well and MSME accounts have also been onboarded onto CMS.
- **Retail fees**
 - Retail fees were lower than otherwise due to waiver on processing charges due to campaigns being run.
 - Digital business is also less amenable to fees.
 - The bank has not yet optimized on CEB fees (presumably not done as per potential).

Operating expenses

- **Total opex**
 - Total Opex, at Rs. 73.27 bn, is up 5.8% QoQ and 4.9% YoY.
 - Consequently, cost to income ratio came in at 43.6%, down by -556bps QoQ and -294bps YoY.
- **Staff opex**
 - The staff opex is up by 0.6% QoQ and 9% YoY.
- **Non-staff opex**
 - Non-staff opex is up by 12.9% QoQ and 0.3% YoY.

(Con call takeaways continue on the next page)

Return ratios

- The RoA for 2QFY25 was 1.3% and RoE was 19.22%.
- The RoA for 1HFY25 was 1.2% and RoE was 17.79%.
- **Guidance**
 - The RoA to be maintained above 1% and optimised for 1.1%.

Capital adequacy

- The CET1 ratio stands at 12.67% and including 1HFY25 profit it was at 13.62%.
- The Capital adequacy ratio was at 16.26% in 2Q, down by -56bps QoQ.

Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q2 FY25	Q1 FY25	% qoq	Q2 FY24	% yoy	Q2 FY25*	chg qoq*	chg yoy*
Global Gross Advances	11,430,390	10,716,810	6.7	10,245,010	11.6	100.0	0bps	0.0
International Gross Advances	2,041,560	1,898,960	7.5	1,897,780	7.6	17.9	14bps	(3.6)
Gross domestic advances	9,388,830	8,817,850	6.5	8,347,230	12.5	82.1	-14bps	0.8
Retail	2,323,110	2,224,940	4.4	1,936,820	19.9	20.3	-44bps	7.5
Home loans	1,192,530	1,147,110	4.0	1,026,100	16.2	10.4	-27bps	4.2
Auto loans	421,140	402,420	4.7	342,680	22.9	3.7	-7bps	10.2
Mortgages loans	198,410	189,880	4.5	175,250	13.2	1.7	-4bps	1.5
Education loans	106,170	99,810	6.4	90,560	17.2	0.9	0bps	5.1
Personal loans	320,620	306,910	4.5	256,180	25.2	2.8	-6bps	12.2
Gold loans	66,590	62,880	5.9	30,490	118.4	0.6	0bps	95.8
Others	17,650	15,930	10.8	15,560	13.4	0.2	1bps	1.7
Agriculture	1,445,080	1,391,600	3.8	1,306,940	10.6	12.6	-34bps	(0.9)
Gold loans	480,770	426,210	12.8	408,350	17.7	4.2	23bps	5.5
MSME	1,268,280	1,199,400	5.7	1,135,120	11.7	11.1	-10bps	0.1
Corporate	3,889,320	3,553,750	9.4	3,515,680	10.6	34.0	87bps	(0.8)
Others	463,040	448,160	3.3	452,670	2.3	4.1	-13bps	(8.3)
Domestic deposits	11,507,910	11,054,600	4.1	10,741,140	7.1	100.0	0bps	0.0
CA	709,570	666,650	6.4	617,590	14.9	6.2	14bps	7.2
SA	3,874,680	3,823,540	1.3	3,665,610	5.7	33.7	-92bps	(1.3)
Term	6,923,660	6,564,410	5.5	6,457,940	7.2	60.2	78bps	0.1
Investments	3,738,321	3,744,161	(0.2)	3,700,679	1.0	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	25.0	26.3	-132bps	27.1	-205bps	NA	NA	NA
Borrowings	1,060,820	919,651	15.4	1,192,830	(11.1)	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	7.2	6.6	64bps	8.7	-150bps	NA	NA	NA

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

Exhibit 3: Key quarterly ratios

(%)	Q2 FY25	Q1 FY25	chg qoq	Q2 FY24	chg yoy
Net interest margin - Global	3.10	3.18	-8bps	3.07	3bps
Net interest margin - Domestic	3.27	3.30	-3bps	3.19	8bps
Yield on advances - Global	8.48	8.55	-7bps	8.43	5bps
Yield on advances - Domestic	8.93	8.99	-6bps	8.92	1bps
Cost of deposits - Global	5.12	5.06	6bps	4.92	20bps
Cost of deposits - Domestic	5.16	5.13	3bps	4.99	17bps
Loan to Deposit ratio	82.2	80.2	205bps	79.9	237bps
CASA Ratio	39.8	40.6	-78bps	39.9	-4bps
Non-interest income/Total income	30.8	17.7	1318bps	27.8	303bps
Fee Income to Avg. Total Assets	0.4	0.4	7bps	0.5	-9bps
Cost to Income	43.6	49.2	-556bps	46.5	-294bps
Opex to Avg. Total Assets	1.8	1.8	7bps	1.9	-5bps
Credit Cost	0.86	0.4	48bps	0.9	-2bps
RoA	1.3	1.1	17bps	1.1	16bps
Annualised Slippage Ratio*	1.1	1.1	1bps	1.9	-76bps
Provision coverage	93.6	93.3	29bps	93.2	45bps
Gross NPA	2.5	2.9	-38bps	3.3	-82bps
Net NPA	0.6	0.7	-9bps	0.8	-16bps
Capital adequacy ratio	16.3	16.8	-56bps	15.3	96bps
Tier I capital ratio	14.2	14.7	-47bps	13.2	99bps
Common equity tier 1 capital ratio	12.7	13.1	-41bps	11.6	110bps

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

Exhibit 4: Quarterly Actuals Vs Estimates

Q2 FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	116,221	118,540	(2.0)
Pre-Prov. Operating Profit	94,770	75,245	25.9
Profit After Tax	52,379	45,439	15.3

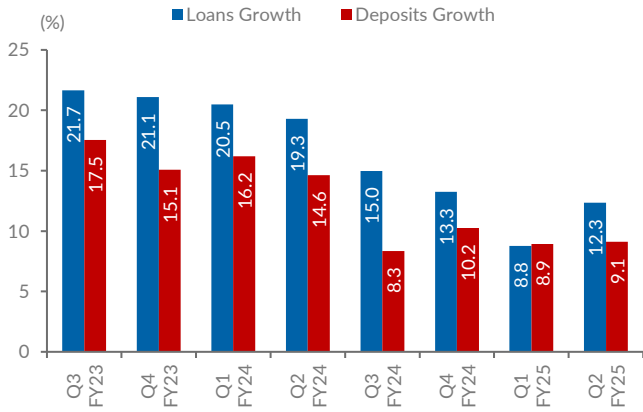
Source: Company, YES Sec – Research

Exhibit 5: Non-Interest Income Break-up

(Rs mn)	Q2 FY25	Q1 FY25	% qoq	Q2 FY24	% yoy
Total Fee Income (A)	17,730	14,790	19.9	19,960	(11.2)
Comm/Exch/Brok	7,650	7,190	6.4	11,040	(30.7)
Incidental Charges	3,670	3,170	15.8	4,210	(12.8)
Forex Income	5,860	3,830	53.0	4,000	46.5
Other Misc. Fee Income	550	600	(8.3)	710	(22.5)
Total Other Income (B)	34,084	10,083	238.1	21,752	56.7
Recovery from TWO	25,250	5,540	355.8	12,310	105.1
Trading Gains-Sale of sec	5,500	1,640	235.4	2,950	86.4
Revaluation of Investment	1,420	(720)	(297.2)	1,220	16.4
Profit on Exchange Trans	1,070	2,030	(47.3)	3,080	(65.3)
Dividend Income	690	1,600	(56.9)	2,190	(68.5)
Others	154	(8)	(2,152.0)	2	10,160.0
Total Non-Interest Income (A+B)	51,814	24,873	108.3	41,712	24.2

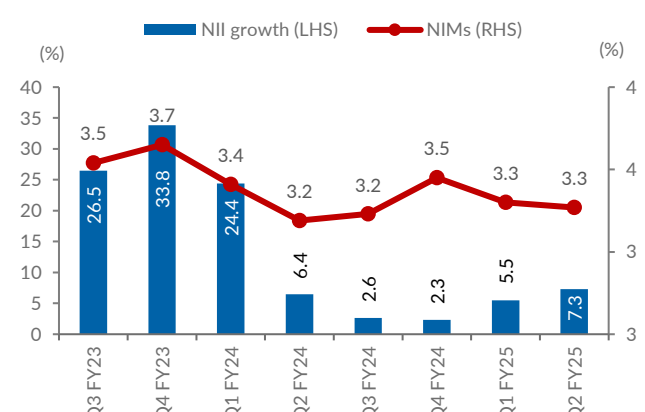
Source: Company, YES Sec – Research

Exhibit 6: Loans and Deposits growth (YoY %)



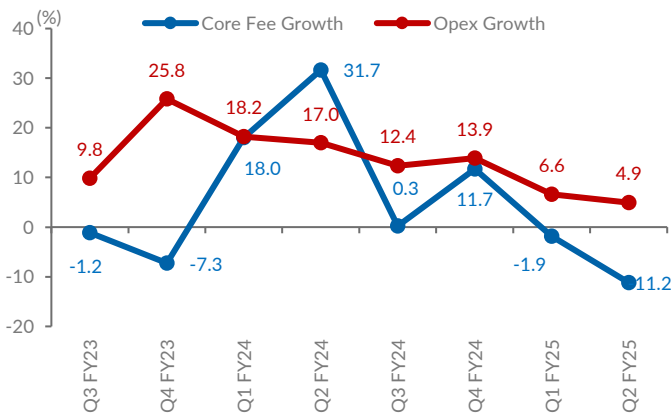
Source: Company, YES Sec - Research

Exhibit 7: NII growth (YoY %) and NIM



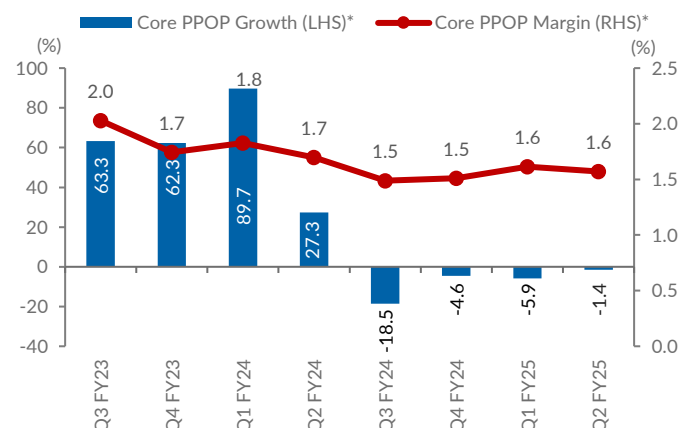
Source: Company, YES Sec - Research

Exhibit 8: Core Fee and Opex growth (YoY %)



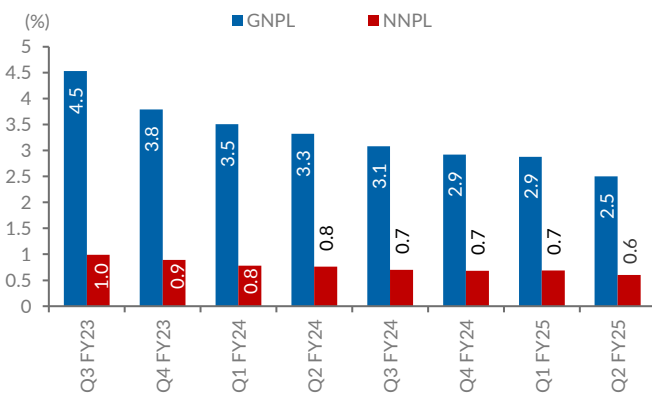
Source: Company, YES Sec - Research

Exhibit 9: Core PPOP growth (YoY %) and Core PPOP margin (%)



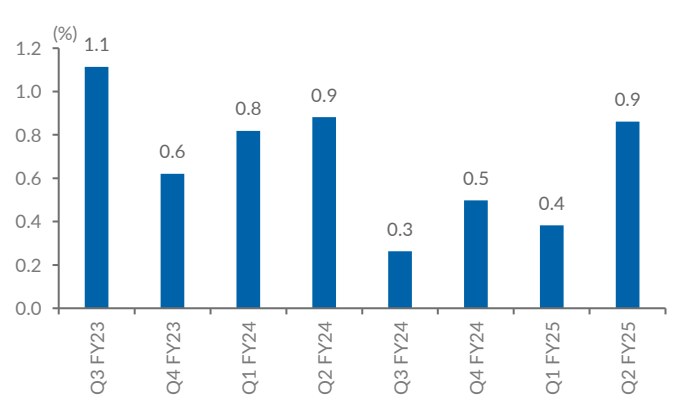
Source: Company, YES Sec - Research, * Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

Exhibit 10: Gross NPA and Net NPA (%)



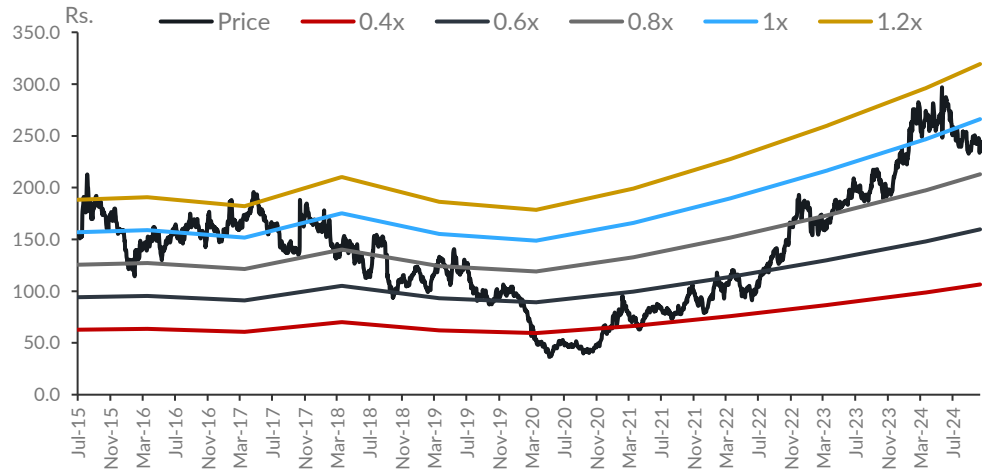
Source: Company, YES Sec - Research

Exhibit 11: Credit Cost (%)



Source: Company, YES Sec - Research

Exhibit 12: 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 13: 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 14: Balance sheet

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Total cash & equivalents	957,032	951,241	1,074,308	1,213,968	1,341,300
Investments	3,624,854	3,698,168	4,129,009	4,645,760	5,227,686
Advances	9,409,983	10,657,817	11,936,755	13,488,533	15,242,043
Fixed assets	87,066	79,126	87,038	95,742	105,316
Other assets	506,681	471,618	518,780	570,658	627,724
Total assets	14,585,615	15,857,971	17,745,891	20,014,662	22,544,069
Net worth	982,229	1,122,236	1,337,619	1,520,868	1,735,296
Deposits	12,036,878	13,269,578	14,548,516	16,255,472	18,184,333
Borrowings	1,019,105	944,023	1,309,312	1,661,376	2,025,292
Other liabilities	547,404	522,134	550,443	576,945	599,148
Total liabilities incl. Equity	14,585,615	15,857,971	17,745,891	20,014,662	22,544,069

Source: Company, YES Sec – Research

Exhibit 15: Income statement

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest income	895,885	1,126,059	1,252,519	1,414,706	1,595,851
Interest expense	(482,325)	(678,844)	(758,907)	(859,355)	(975,400)
Net interest income	413,560	447,215	493,611	555,351	620,451
Non-interest income	100,258	144,954	141,698	167,737	189,196
Total income	513,818	592,169	635,310	723,087	809,647
Operating expenses	(245,183)	(282,517)	(292,257)	(320,305)	(351,977)
PPoP	268,635	309,652	343,053	402,783	457,670
Provisions	(71,369)	(60,756)	(85,732)	(102,747)	(115,969)
Profit before tax	197,266	248,896	257,321	300,036	341,701
Taxes	(56,170)	(71,008)	(64,768)	(75,519)	(86,006)
Net profit	141,096	177,888	192,554	224,517	255,695

Source: Company, YES Sec – Research

Exhibit 16: Du Pont Analysis (RoA tree)

Y/e 31 Mar (%)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	6.5	7.4	7.5	7.5	7.5
Interest expense	-3.5	-4.5	-4.5	-4.6	-4.6
Net interest income	3.0	2.9	2.9	2.9	2.9
Non-interest income	0.7	1.0	0.8	0.9	0.9
Total income	3.8	3.9	3.8	3.8	3.8
Operating expenses	-1.8	-1.9	-1.7	-1.7	-1.7
PPoP	2.0	2.0	2.0	2.1	2.2
Provisions	-0.5	-0.4	-0.5	-0.5	-0.5
Profit before tax	1.4	1.6	1.5	1.6	1.6
Taxes	-0.4	-0.5	-0.4	-0.4	-0.4
Net profit	1.0	1.2	1.1	1.2	1.2

Source: Company, YES Sec – Research

Exhibit 17: 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	75,808	NWP	68,729	1.1x	65.0%	49,276	9.5
India Infradebt	31,065	BV	31,065	1.0	41.0%	12,733	2.5
Nainital Bank	12,266	BV	8,177	1.5	98.6%	12,091	2.3
Baroda AMC	27,105	AUM	451,742	6.0%	50.1%	13,579	2.6
BOBCARD Ltd.	21,448	BV	10,724	2.0	100.0%	21,448	4.1
Value of Subsidiaries						109,127	21.1

Source: Company, YES Sec – Research

Exhibit 18: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Interest Income	493,611	555,351	620,451	497,540	563,620	629,346	(0.8)	(1.5)	(1.4)
Pre-Prov. Operating Profit	343,053	402,783	457,670	346,935	411,027	466,537	(1.1)	(2.0)	(1.9)
Profit after tax	192,554	224,517	255,695	194,920	230,032	261,568	(1.2)	(2.4)	(2.2)

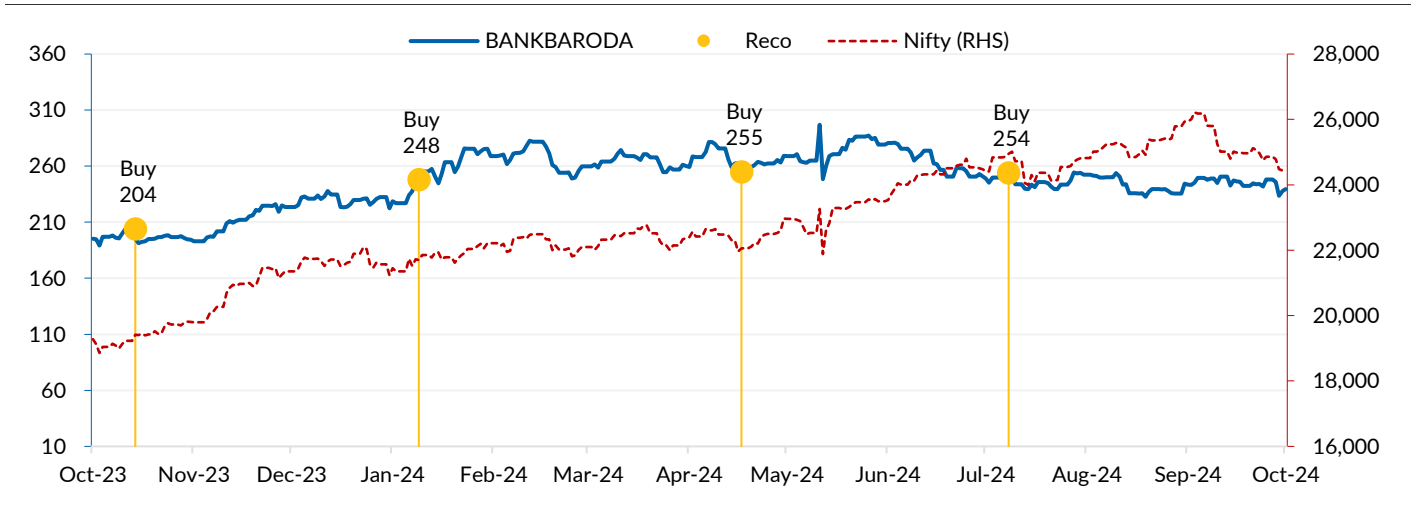
Source: Company, YES Sec – Research

Exhibit 19: Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25E	FY26E	FY27E
Growth matrix (%)					
Net interest income	26.8	8.1	10.4	12.5	11.7
PPoP	20.0	15.3	10.8	17.4	13.6
Net profit	94.0	26.1	8.2	16.6	13.9
Loans	21.1	13.3	12.0	13.0	13.0
Deposits	15.1	10.2	9.6	11.7	11.9
Profitability Ratios (%)					
Net interest margin	3.3	3.2	3.2	3.2	3.1
Return on Average Equity	15.3	16.9	15.7	15.7	15.7
Return on Average Assets	1.0	1.2	1.1	1.2	1.2
Per share figures (Rs)					
EPS	27.3	34.4	35.4	41.3	47.0
BVPS	190	217	246	280	319
ABVPS	174	203	228	257	291
Valuation multiples					
P/E	8.0	6.4	6.2	5.3	4.6
P/BV	1.2	1.0	0.9	0.8	0.7
P/ABV	1.3	1.1	1.0	0.8	0.8
NIM internals (%)					
Yield on loans	7.5	8.5	8.5	8.5	8.5
Cost of deposits	3.7	4.7	4.8	4.8	4.8
Loan-deposit ratio	78.2	80.3	82.0	83.0	83.8
CASA ratio	39.5	38.0	38.0	38.0	38.0
Opex control (%)					
Cost/Income ratio	47.7	47.7	46.0	44.3	43.5
Cost to average assets	1.8	1.9	1.7	1.7	1.7
Capital adequacy (%)					
Tier 1 capital ratio	14.0	14.1	14.6	14.1	13.7
Asset quality (%)					
Slippage ratio	1.3	1.0	1.2	1.2	1.2
Gross NPL ratio	3.8	2.9	2.8	2.7	2.6
Credit cost	0.5	0.7	0.7	0.7	0.7
Net NPL ratio	0.9	0.7	0.8	0.9	1.0

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

Recommendation Tracker



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