

Bank of Baroda

Estimate change



TP change



Rating change



Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1439.7 / 16.2
52-Week Range (INR)	281 / 191
1, 6, 12 Rel. Per (%)	3/6/5
12M Avg Val (INR M)	2586

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	456.6	473.3	551.0
OP	324.3	322.3	373.1
NP	195.8	192.7	213.8
NIM (%)	2.8	2.6	2.7
EPS (INR)	37.8	37.2	41.3
EPS Gr. (%)	10.1	-1.6	11.0
BV/Sh. (INR)	254	273	304
ABV/Sh. (INR)	235	253	283

Ratios

RoA (%)	1.2	1.0	1.0
RoE (%)	16.7	14.6	14.7

Valuations

P/E(X)	7.4	7.5	6.8
P/BV (X)	1.1	1.0	0.9
P/ABV (X)	1.2	1.1	1.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	64.0	64.0	64.0
DII	19.0	18.8	16.6
FII	8.7	8.3	9.9
Others	8.3	8.9	9.6

CMP: INR278

TP: INR290 (+4%)

Neutral

Steady quarter; int on IT refund drives earnings beat

Asset quality ratio improves further

- Bank of Baroda (BOB) reported 2QFY26 PAT of INR48.1b (up 5.9% QoQ, down 8% YoY, 12% beat), aided by NII growth (owing to IT refund of INR7.5b), lower provisions and contained opex growth.
- NII grew by 2.9% YoY/ 4.5% QoQ to INR119.5b (9% beat) amid interest on IT refund. Reported NIMs improved by 5bp QoQ to 2.96%, while adjusted NIMs would have been lower by 3-5bp QoQ.
- Business grew by a healthy 12.2% YoY/6% QoQ, fueled by growth in retail and pickup in corporate advances. Deposits grew by 9.3% YoY/4.5% QoQ. CD ratio increased to 83.9% (up 124bp QoQ), within the guided range.
- The bank made floating provisions of INR4b for ECL (O/S pool at INR10b) and guided to increase them further. Slippages declined to INR30.6b from INR36.9b in 1QFY26. GNPA/NNPA ratios declined 12bp/3bp QoQ to 2.16%/0.57%. PCR stood at ~74.1% vs. 74% in 1QFY26.
- We raise our FY26 earnings estimate by 5% while maintaining FY27 forecasts, projecting FY27E RoA/RoE at 1.03%/14.7%. We reiterate our Neutral rating with a TP of INR290 (1.0x FY27E ABV).**

Business growth robust; credit cost declined to 29bp

- BOB reported 2Q PAT of INR48.1b (up 5.9% YoY, 12% beat). NII grew 2.9% YoY/4.5% QoQ to INR119.5b (9% beat). Reported NIMs improved by 5bp QoQ to 2.96%, while adjusted NIMs on calculated basis would have been lower by 3-5bp QoQ. It expects margin to remain at ~2.85-3% in FY26.
- Other income declined by 32% YoY/25% QoQ to INR35.2b (16% miss) amid lower treasury income and lower recovery from TWO. Total income thus declined by 8% YoY/4% QoQ to INR155b (largely in line).
- Opex was up 8% YoY/flat QoQ (largely in line). PPOP thus declined by 20% YoY/8% QoQ to INR75.8b (6% beat). Provisions declined by 47% YoY/37% QoQ to INR12.3b (12% lower than MOFSLe).
- Advances grew by a robust 12.2% YoY/6% QoQ. Among segments, retail book grew 17.6% YoY/4.5% QoQ. In retail, home loan grew by 3.9% QoQ, Auto grew by 4.5% QoQ, and mortgage by 5.5% QoQ. Corporate book too grew by 3% YoY/8% QoQ. While corporate growth has been lower, the bank aspires growth to recover to 9-10% YoY.
- Deposits grew by 9.3% YoY/4.5% QoQ, while domestic CASA grew by 6.6% YoY/3.2% QoQ. As a result, domestic CASA ratio declined to 38.4% from 39.3% in 1QFY26.
- On the asset quality side, slippages declined to INR30.6b from INR36.9b in 1QFY26, led by a decline in fresh slippages. GNPA/NNPA ratios declined by 12bp/3bp QoQ to 2.16%/0.57%. PCR stood at ~74.1% vs. 74% in 1QFY26.
- SMA 1&2 stood at 0.39% vs. 0.4% in 1QFY26.

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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

- NIMs improved and are expected to remain **stable or slightly rise** in the coming quarters. The full-year NIM guidance stands at **2.85-3%** (including IT refund).
- ECL and Risk Weights – The overall impact on CRAR is estimated at around 1.25%. However, the reduction in credit RWAs is expected to provide a benefit of about 60bp. Overall, the maximum impact is likely to be around 75bp, spread over a five-year period. The implementation of ECL could increase credit costs by a maximum of 20-25bp.
- Slippage ratio is guided at 1-1.15% and credit cost at 0.75bp, although they will be fairly lower than the stated guidance.

Valuation and view: Reiterate Neutral with a TP of INR290

BOB reported an earnings beat, driven by stronger NII growth, controlled operating expenses, and lower provisions. Reported NIMs improved 5bp QoQ to 2.96%, though on a calculated basis, NIMs moderated by 3-4bp QoQ. The bank expects NIMs to remain within the 2.85-3% range. Growth momentum picked up in 2Q after a muted 1Q, with the CD ratio rising 124bp QoQ to 83.9%. Corporate loan growth is expected to accelerate, with management guiding for 9-10% YoY growth (vs. 3% YoY in 2Q). Asset quality improved, reflected in a lower slippage ratio and contained credit costs. The bank created INR4b of floating provisions and plans to strengthen this buffer further. The ECL transition is expected to have a 1.25% impact on CRAR.

We raise our FY26 earnings estimate by 5% while maintaining FY27 forecasts, projecting FY27E RoA/RoE at 1.03%/14.7%. We reiterate our Neutral rating with a TP of INR290 (1.0x FY27E ABV).

Quarterly Performance

	FY25				FY26E				FY25	FY26E	FY26E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	V/s Est
Net Interest Income	116.0	116.2	114.2	114.9	114.3	119.5	117.2	122.2	456.6	473.3	109.9	9%
% Change (YoY)	5.5	7.3	2.8	-2.5	-1.4	2.9	2.7	6.3	2.1	3.7	-5.4	
Other Income	24.9	51.8	37.7	47.4	46.7	35.1	41.2	50.0	166.5	173.1	41.9	-16%
Total Income	140.9	168.0	151.9	162.3	161.1	154.7	158.4	172.2	623.1	646.4	151.8	2%
Operating Expenses	69.3	73.3	75.2	81.0	78.7	78.9	81.0	85.4	298.7	324.1	80.3	-2%
Operating Profit	71.6	94.8	76.6	81.3	82.4	75.8	77.4	86.8	324.3	322.3	71.5	6%
% Change (YoY)	-8.5	18.2	9.3	0.3	15.0	-20.1	1.0	6.7	4.7	-0.6	-24.6	
Provisions	10.1	23.4	10.8	15.5	19.7	12.3	15.7	16.3	59.8	64.0	14.1	-12%
Profit before Tax	61.5	71.4	65.8	65.8	62.7	63.4	61.7	70.5	264.5	258.3	57.4	10%
Tax	16.9	19.0	17.4	15.3	17.3	15.3	15.5	17.5	68.7	65.6	14.5	6%
Net Profit	44.6	52.4	48.4	50.5	45.4	48.1	46.1	53.1	195.8	192.7	42.9	12%
% Change (YoY)	9.5	23.2	5.6	3.3	1.9	-8.2	-4.7	5.1	10.1	-1.6	-18.0	
Operating Parameters												
Deposit (INR b)	13,156	13,726	13,925	14,720	14,356	15,000	15,515	16,310	14,720	16,310	14,903	1%
Loan (INR b)	10,479	11,212	11,513	12,096	11,866	12,583	12,785	13,474	12,096	13,474	12,407	1%
Deposit Growth (%)	9.6	9.8	11.8	10.9	9.1	9.3	11.4	10.8	10.3	10.8	9.3	
Loan Growth (%)	8.8	12.3	12.4	13.5	13.2	12.2	11.0	11.4	13.5	11.4	10.7	
Asset Quality												
Gross NPA (%)	2.9	2.5	2.4	2.3	2.3	2.2	2.1	2.0	2.3	2.0	2.2	
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.5	0.6	
PCR (%)	76.6	76.3	76.0	74.9	74.0	74.1	74.5	74.7	73.1	74.7	74.4	

Quarterly snapshot

INR b	FY25				FY26		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Profit and Loss								
Net Interest Income	116.0	116.2	114.2	114.9	114.3	119.5	2.9	4.5
Other Income	24.9	51.8	37.7	47.4	46.7	35.1	-32.2	-24.8
Trading profits	0.9	6.9	7.1	12.5	18.8	8.3	20.2	-55.7
Total Income	140.9	168.0	151.9	162.3	161.1	154.7	-7.9	-4.0
Operating Expenses	69.3	73.3	75.2	81.0	78.7	78.9	7.7	0.3
Employee	40.1	40.4	42.1	43.5	43.1	40.6	0.5	-5.7
Others	29.1	32.9	33.1	37.5	35.7	38.3	16.6	7.5
Operating Profits	71.6	94.8	76.6	81.3	82.4	75.8	-20.1	-8.0
Core Operating Profits	70.7	87.9	69.6	68.9	63.6	67.4	-23.2	6.1
Provisions	10.1	23.4	10.8	15.5	19.7	12.3	-47.2	-37.3
PBT	61.5	71.4	65.8	65.8	62.7	63.4	-11.2	1.2
Taxes	16.9	19.0	17.4	15.3	17.3	15.3	-19.4	-11.2
PAT	44.6	52.4	48.4	50.5	45.4	48.1	-8.2	5.9
Balance Sheet (INR b)								
Loans	10,479	11,212	11,513	12,096	11,866	12,583	12.2	6.0
Deposits	13,156	13,726	13,925	14,720	14,356	15,000	9.3	4.5
CASA Deposits (Domestic)	4,490	4,584	4,626	4,965	4,736	4,887	6.6	3.2
- Savings	3,824	3,875	3,891	4,087	4,016	4,083	5.4	1.7
- Current	667	710	736	878	721	803	13.2	11.5
Loan mix (%)								
Retail	20.8	20.3	20.7	20.9	21.7	21.4	103	-31
MSME	11.2	11.1	11.2	11.1	11.2	11.3	20	5
Agriculture	13.0	12.6	12.9	12.9	13.4	13.3	63	-13
Corporate	33.2	34.0	33.0	33.5	30.7	31.3	-269	66
Others	4.2	4.1	4.4	4.7	5.2	4.6	53	-57
Asset Quality (INR b)								
GNPA	308.7	285.5	284.7	278.3	275.7	276.0	-3.3	0.1
NNPA	72.3	67.6	68.3	69.9	71.6	71.4	5.6	-0.2
Slippages	30.2	31.1	29.2	31.6	36.9	30.6	-1.5	-16.9
Asset Quality ratios (%)								
	1Q	2Q	3Q	4Q	1Q	2Q	YoY (Bp)	QoQ (Bp)
GNPA	2.9	2.5	2.4	2.3	2.3	2.2	-34	-12
NNPA	0.7	0.6	0.6	0.6	0.6	0.6	-3	-3
Slippage ratio	1.1	1.1	0.9	1.0	1.2	1.0	-10	-29
PCR (inc TWO)	93.3	93.6	93.5	93.3	93.2	93.2	-40	3
PCR	76.6	76.3	76.0	74.9	74.0	74.1	-218	9
Credit Cost	0.4	0.9	0.4	0.5	0.7	0.4	-47	-29
Business Ratios (%)								
CASA Reported	40.3	39.8	39.3	40.0	39.3	38.4	-142	-91
Loan/Deposit	79.7	81.7	82.7	82.2	82.7	83.9	221	124
Other income to Total Income	17.7	30.8	24.8	29.2	29.0	22.7	-811	-629
Cost to Income	49.2	43.6	49.5	49.9	48.9	51.0	742	215
Cost to Asset	1.8	1.8	1.8	1.9	1.9	1.8	-3	-7
Tax Rate	27.5	26.7	26.5	23.3	27.6	24.2	-247	-338
Capitalisation Ratios (%)								
Tier-1	14.7	14.2	13.4	14.8	15.2	14.2	-3	-100
- CET 1	13.1	12.7	12.4	13.8	14.1	13.4	69	-76
CAR	16.8	16.3	16.0	17.2	17.6	16.5	28	-107
RWA / Total Assets	51.4	51.8	51.5	52.0	51.5	52.2	36	64
LCR	127.0	129.0	125.5	125.7	127.6	121.0	-797	-661
Profitability Ratios (%)								
Yield on loans	9.0	8.9	8.9	8.8	8.6	8.3	-62	-30
Cost of Deposits	5.1	5.1	5.1	5.1	5.1	4.9	-21	-14
Margins	3.2	3.1	2.9	3.0	2.9	3.0	-14	5
RoA	1.1	1.3	1.2	1.2	1.0	1.1	-23	4



Highlights from the management commentary

Opening remarks

- The bank reported healthy growth across retail, while deposits increased 9.5% YoY.
- Domestic CASA rose 6.6% YoY.
- The bank recorded recoveries from written-off accounts during 2QFY25.
- Yields on advances stood at 7.81% (vs. 8.09% in 1QFY26), while CoF declined to 4.91% (vs. 5.05%).
- NIMs improved 5bp QoQ to 2.96%.
- PCR (including write-offs) stood at 93.2%, with the slippage ratio declining 16bp to 91bp.
- The bank has created INR4b of floating provisions for ECL, taking the total buffer to INR10b, and plans to continue strengthening it.
- CET-1 remains robust at 13.36%, while CRAR stood at 16.54%; LCR healthy at 121%. Including profit, CET-1 would be 14.18% and CRAR 17.36%.
- Advances growth was primarily driven by the RAM portfolio, while corporate growth was seasonally weak in 1H. The bank expects corporate growth of 10-11% YoY, supported by a strong pipeline.
- Savings accounts continued to outperform peers, with focus maintained on low-cost deposits and reducing dependence on bulk deposits.
- The bank maintained tight control over interest expenses, supporting NII growth.
- NIMs improved on the back of prudent pricing and liability management.
- RoA and RoE improved sequentially, reflecting the impact of disciplined management.
- The YoY comparison in operating profit was affected by a one-off NCLT recovery last year.
- Fresh slippages showed improvement; going forward, the bank expects a slippage ratio of 1–1.15% and credit cost of ~0.75%.
- The bank remains focused on digital innovation, IT transformation, and phygital expansion, having added 10 new phygital branches in the quarter.

Advances and deposits

- The bank expects to grow faster in the RAM segment.
- Corporate growth has been muted; 3Q and 4Q are better for corporate growth; will be achieving 10-11% YoY. The bank is restrictive on the pricing in the corporate segment. The corporates too have gone to CPs for raising funds.
- NBFC advances remain below peak levels due to subdued demand but are expected to normalize. The NBFC portfolio is a mix of repo- and MCLR-linked exposures, with the A-and-above-rated book seeing growth this quarter.
- CD ratio is comfortable to operate in 80-85%.

Cost, margins, and yields

- IT refund is higher vs. the last quarter by INR3.50b at INR7.5b in 2QFY26.
- Adjusted for IT refunds, core NIMs stood at 2.81%; management guides for 2.85-3% NIMs (including IT refund).

- NIMs have improved and are expected to remain **stable to slightly higher** in the coming quarters.
- 3QFY26 NIMs are expected to remain range-bound, with further improvement likely in 4QFY26.
- The bank is consciously working to reduce reliance on wholesale deposits to lower volatility and pricing risks.
- MCLR will be computed on the cost of deposits and is a tested model and depends on how much the cost gets reduced. MCLR review also depends on RoE. At the current level, the variable fluctuation is the cost of deposit.

Other income and opex

- Treasury does not have any one-offs and going forward, this level of performance is expected.
- Employee provisions were due to the yield movement from 6.44% to 6.72% and the gratuity has also moved up by 25bp. Hence, provisions on employee expenses have reduced.
- The recovery on TWO was lower in 2Q. The normalized rate is INR7.5b. The bank is expecting the same to get recovered.

Asset quality

- Retail slippages moderated; the PL book (~INR 120bn) remains stable with no visible asset quality pressure.
- The bank has provided floating provisions, keeping ECL framework in mind.
- TWO kitty is at INR630b, and at a good level of GNPA.
- BoB has made a floating provision of INR4b and is trying to create more buffer.

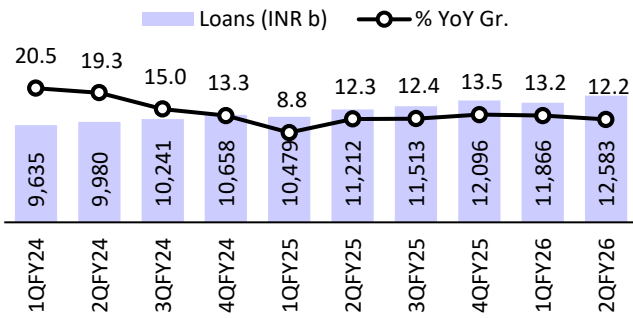
Miscellaneous

- The bank does not need any raising of capital as of now and this is an enabling provision.
- ECL and Risk Weights – The overall impact on CRAR is estimated at around 1.25%. However, the reduction in credit RWAs is expected to provide a benefit of about 60bp. Overall, the maximum impact is likely to be around 75bp, spread over a five-year period. The implementation of ECL could increase credit costs by a maximum of 20-25bp.

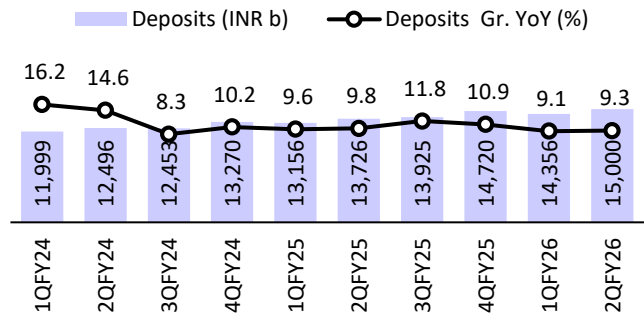
Guidance

- Slippage ratio is guided at 1-1.15% and credit cost at 0.75bp, although they will be fairly lower than the stated guidance.
- The bank expects the full year NIMs to be at 2.85-3%.

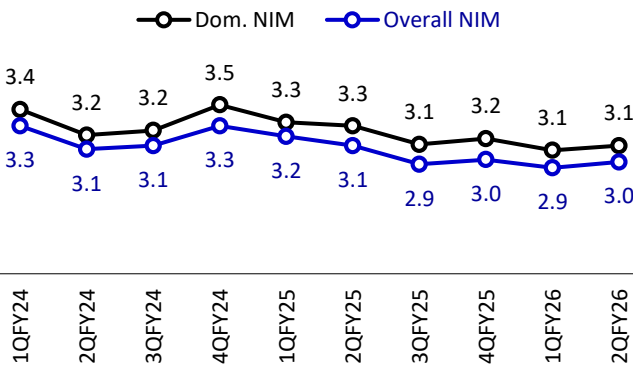
Story in charts

Exhibit 1: Loan book grew ~12.2% YoY (up 6% QoQ)


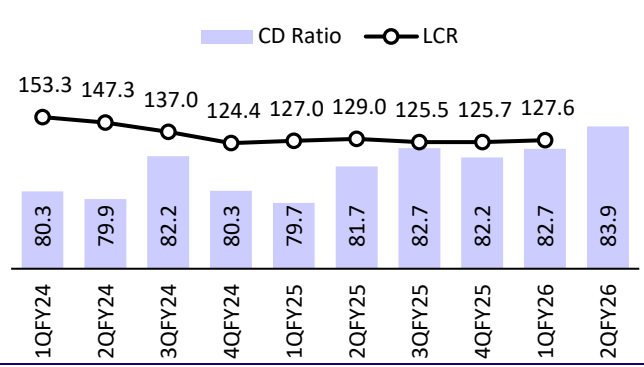
Source: MOFSL, Company

Exhibit 2: Deposit book grew 9.3% YoY (up 4.5% QoQ)


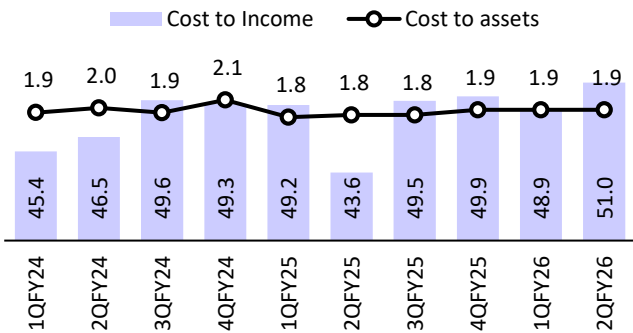
Source: MOFSL, Company

Exhibit 3: NIMs up 5bp QoQ; domestic NIMs up 4bp QoQ


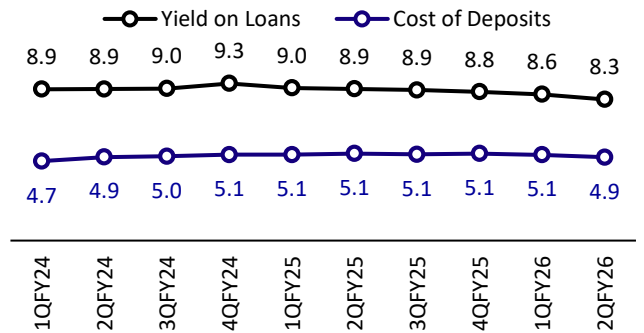
Source: MOFSL, Company

Exhibit 4: CD ratio increased to 83.9%


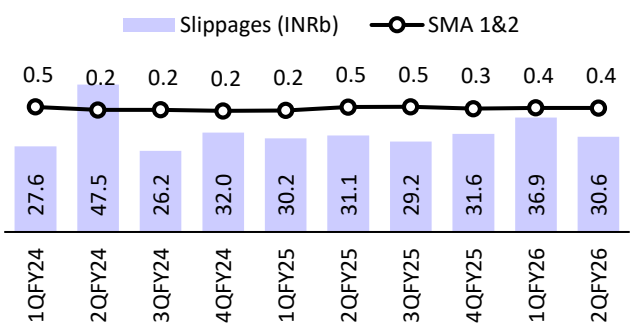
Source: MOFSL, Company

Exhibit 5: Cost-to-income increased to 51%


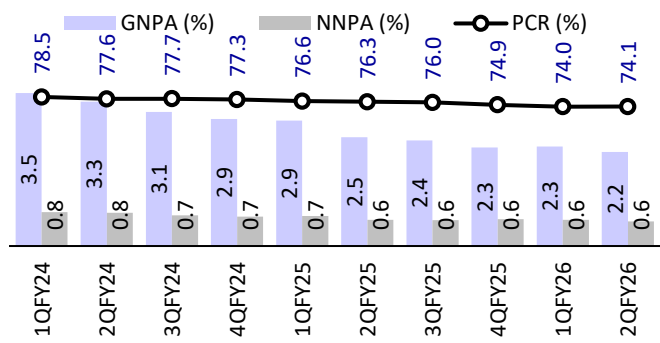
Source: MOFSL, Company

Exhibit 6: Loan yield declined to 8.3%; CoD down to 4.9%


Source: MOFSL, Company

Exhibit 7: Gross slippages decreased to INR30.6b; SMA at 0.4% PCR at 74.1%


Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratio declined 12bp/ 3bp QoQ each;


Source: MOFSL, Company

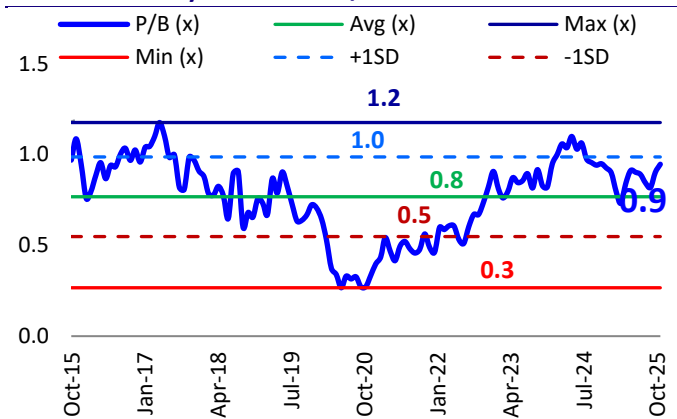
Valuation and view: Maintain Neutral with TP of INR290

- BOB reported an earnings beat driven by stronger NII growth, controlled operating expenses, and lower provisions.
- Reported NIMs improved 5bp QoQ to 2.96%, though on a calculated basis, NIMs moderated by 3-4bp QoQ. The bank expects NIMs to remain within the 2.85-3% range.
- Growth momentum picked up in 2Q after a muted 1Q, with the CD ratio rising 124bp QoQ to 83.9%. Corporate loan growth is expected to accelerate, with management guiding for 9-10% YoY growth (vs. 3% YoY in 2Q).
- Asset quality improved, reflected in a lower slippage ratio and contained credit costs. The bank created INR4b of floating provisions and plans to strengthen this buffer further. The ECL transition is expected to have a 1.25% impact on CRAR.
- **We raise our FY26 earnings estimate by 5% while maintaining FY27 forecasts, projecting FY27E RoA/RoE at 1.03%/14.7%. We reiterate our Neutral rating with a target price of INR 290 (1.0x FY27E ABV).**

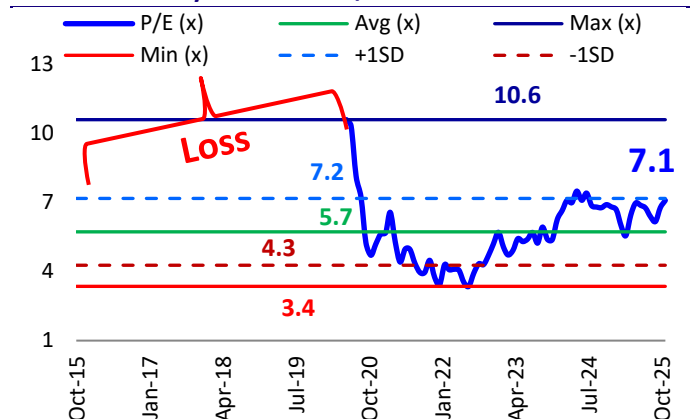
Exhibit 9: Changes to our estimates

INR B	Old Est		Rev Est		Change (%/bps)	
	FY26	FY27	FY26	FY27	FY26	FY27
Net Interest Income	460.6	543.4	473.3	551.0	2.8	1.4
Other Income	181.5	183.3	173.1	174.9	-4.6	-4.6
Total Income	642.1	726.6	646.4	725.9	0.7	-0.1
Operating Expenses	326.6	355.5	324.1	352.8	-0.8	-0.8
Operating Profits	315.5	371.1	322.3	373.1	2.2	0.5
Provisions	69.0	86.3	64.0	86.5	-7.2	0.2
PBT	246.5	284.8	258.3	286.6	4.8	0.6
Tax	63.1	72.3	65.6	72.8	4.0	0.6
PAT	183.4	212.5	192.7	213.8	5.1	0.6
Loans	13,450	15,253	13,474	15,280	0.2	0.2
Deposits	16,310	18,398	16,310	18,398	0.0	0.0
Margins (%)	2.6	2.7	2.6	2.7	7	3
Credit Cost (%)	0.5	0.6	0.5	0.6	(4)	(0)
RoA (%)	0.98	1.03	1.03	1.03	5	1
RoE (%)	13.9	14.7	14.6	14.7	66	(1)
BV	271.4	301.9	273.2	303.9	0.7	0.7
ABV	251.4	280.9	253.4	282.5	0.8	0.6
EPS	35.4	41.0	37.2	41.3	5.1	0.6

Source: MOSL 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 1.03% by FY27E

Y/E MARCH	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	6.55	7.40	7.21	6.98	7.07	7.12
Interest Expense	3.53	4.46	4.50	4.45	4.41	4.39
Net Interest Income	3.02	2.94	2.71	2.54	2.66	2.74
Other income	0.73	0.95	0.99	0.93	0.84	0.82
Total Income	3.76	3.89	3.70	3.46	3.50	3.56
Operating Expenses	1.79	1.86	1.77	1.74	1.70	1.66
Employee cost	1.0	1.0	1.0	1.0	0.9	0.9
Others	0.82	0.82	0.79	0.78	0.76	0.74
Operating Profits	1.96	2.03	1.93	1.73	1.80	1.90
Core operating Profits	1.89	1.94	1.79	1.67	1.76	1.87
Provisions	0.52	0.40	0.36	0.34	0.42	0.47
PBT	1.44	1.64	1.57	1.38	1.38	1.43
Tax	0.41	0.47	0.41	0.35	0.35	0.36
RoA (%)	1.03	1.17	1.16	1.03	1.03	1.07
Leverage (x)	16.0	15.3	14.3	14.1	14.3	14.4
RoE (%)	16.5	17.8	16.7	14.6	14.7	15.4

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	1,303.7	1,464.4	1,662.1
Interest Expense	482.3	678.8	757.8	830.4	913.3	1,023.4
Net Interest Income	413.6	447.2	456.6	473.3	551.0	638.7
- Growth (%)	26.8	8.1	2.1	3.7	16.4	15.9
Non Interest Income	100.3	145.0	166.5	173.1	174.9	192.3
Total Income	513.8	592.2	623.1	646.4	725.9	831.1
- Growth (%)	16.5	15.2	5.2	3.7	12.3	14.5
Operating Expenses	245.2	282.5	298.7	324.1	352.8	386.7
Pre Provision Profits	268.6	309.7	324.3	322.3	373.1	444.3
- Growth (%)	20.0	15.3	4.7	-0.6	15.8	19.1
Core PPOP	258.0	294.7	301.7	311.7	364.0	436.4
- Growth (%)	31.2	14.2	2.4	3.3	16.8	19.9
Provisions	71.4	60.8	59.8	64.0	86.5	109.8
PBT	197.3	248.9	264.5	258.3	286.6	334.5
Tax	56.2	71.0	68.7	65.6	72.8	85.0
Tax Rate (%)	28.5	28.5	26.0	25.4	25.4	25.4
PAT	141.1	177.9	195.8	192.7	213.8	249.5
- Growth (%)	94.0	26.1	10.1	-1.6	11.0	16.7

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	1,456.3	1,615.3	1,801.9
Net Worth	982.2	1,122.2	1,369.3	1,466.6	1,625.7	1,812.2
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	19,523.9	21,925.4	24,750.8
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	13,474.5	15,280.1	17,388.7
- Growth (%)	21.1	13.3	13.5	11.4	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	473.4	457.5	432.2
Total Assets	14,585.6	15,858.0	17,812.5	19,523.9	21,925.4	24,750.8

Asset Quality

GNPA (INR b)	367.6	318.3	278.3	275.3	296.4	322.9
NNPA (INR b)	85.5	75.8	74.9	69.6	72.5	77.2
Slippages (INR b)	111.5	104.0	93.1	144.5	172.5	189.5
GNPA Ratio (%)	3.8	2.9	2.3	2.0	1.9	1.8
NNPA Ratio (%)	0.9	0.7	0.6	0.5	0.5	0.4
Slippage Ratio (%)	1.2	1.0	0.8	1.1	1.2	1.2
Credit Cost (%)	0.5	0.7	0.5	0.5	0.6	0.6
PCR (Excl Tech. write off) (%)	76.7	76.2	73.1	74.7	75.6	76.1

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	7.3
Avg. Yield on loans	7.5	8.5	8.2	7.8	7.9	7.9
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	4.9	4.9
Avg. Cost of Deposits	3.7	4.7	4.8	4.9	4.8	4.8
Interest Spread	2.9	2.7	2.5	2.3	2.4	2.4
Net Interest Margin	3.2	3.1	2.8	2.6	2.7	2.8

Capitalisation Ratios (%)

CAR	16.2	16.3	17.2	15.7	14.7	13.9
Tier I	14.0	14.1	14.8	13.6	12.8	12.1
-CET-1	12.2	12.5	13.8	12.7	11.9	11.2
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	82.6	83.1	83.3
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	1.6
Cost/Total Income	47.7	47.7	47.9	50.1	48.6	46.5
Cost/Core Income	48.7	48.9	49.8	51.0	49.2	47.0
Int. Expense/Int. Income	53.8	60.3	62.4	63.7	62.4	61.6
Fee Income/Total Income	17.4	22.0	23.1	25.1	22.8	22.2
Non Int. Inc./Total Income	19.5	24.5	26.7	26.8	24.1	23.1
Empl. Cost/Total Expense	54.5	56.0	55.6	55.3	55.4	55.1

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	393.2	440.1	495.0
Profit per Emp. (INR m)	1.8	2.4	2.6	2.5	2.8	3.2

Profitability Ratios and Valuation

RoE	16.5	17.8	16.7	14.6	14.7	15.4
RoA	1.0	1.2	1.2	1.0	1.0	1.1
RoRWA	2.0	2.3	2.3	2.0	1.9	2.0
Book Value (INR)	183	211	254	273	304	340
- Growth (%)	15.8	15.2	20.3	7.4	11.2	11.9
Price-BV (x)	1.5	1.3	1.1	1.0	0.9	0.8
Adjusted BV (INR)	165	194	235	253	283	317
Price-ABV (x)	1.7	1.4	1.2	1.1	1.0	0.9
EPS (INR)	27.3	34.4	37.8	37.2	41.3	48.2
- Growth (%)	94.0	26.1	10.1	-1.6	11.0	16.7
Price-Earnings (x)	10.2	8.1	7.4	7.5	6.8	5.8
Dividend Per Share (INR)	5.5	7.6	8.3	9.2	10.5	12.1
Dividend Yield (%)	2.0	2.7	3.0	3.3	3.8	4.3

E: MOFSL Estimates

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