

Bank of Baroda

Estimate change 

TP change 

Rating change 

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USD\$b)	1150.1 / 13.3
52-Week Range (INR)	300 / 216
1, 6, 12 Rel. Per (%)	-6/-7/-14
12M Avg Val (INR M)	4426

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	447.2	466.0	505.9
OP	309.7	325.8	354.5
NP	177.9	191.9	195.1
NIM (%)	3.1	2.9	2.8
EPS (INR)	34.4	37.1	37.7
EPS Gr. (%)	26.1	7.9	1.6
BV/Sh. (INR)	211	241	269
ABV/Sh. (INR)	194	224	252
Ratios			
RoA (%)	1.2	1.1	1.1
RoE (%)	17.8	16.7	15.0
Valuations			
P/E(X)	6.5	6.0	5.9
P/BV (X)	1.1	0.9	0.8
P/ABV (X)	1.1	1.0	0.9

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	64.0	64.0	64.0
DII	18.1	16.6	16.0
FII	8.9	9.9	12.3
Others	9.0	9.6	7.8

CMP: INR222 TP: INR250 (+12%) Downgrade to Neutral

NII misses estimate; downgrade to Neutral on limited earnings, growth levers

Asset quality remains healthy

- Bank of Baroda (BOB) reported 3QFY25 PAT at INR48.4b (10% beat), aided by lower-than-expected provisions. NIMs contracted sharply by 16bp QoQ to 2.94%, partly due to a one-off NII gain of INR3.5b in the prior quarter.
- NII declined 1.8% QoQ to INR114b (5% miss), while other income grew 34% YoY to INR37.7b (14% beat), aided by better fee and treasury income.
- Provisions came in lower at INR10.8b (45% lower than MOFSLe), down 54% QoQ. Business growth was steady at 12% YoY, with advances growth of 12% YoY/2.7% QoQ and deposit growth of 11.8% YoY/2.1% QoQ. As a result, the CD ratio increased to 82.7% (up 45bp QoQ).
- Slippages stood at 0.9%. GNPA declined 7bp QoQ to 2.43%, while NNPA inched down 1bp QoQ to 0.59%. PCR was broadly stable at 76%.
- We tweak our FY25/FY26 EPS estimates by +2.8%/-1.3% and expect FY26E RoA/RoE at 1.05%/15%. **We remain watchful on business growth owing to a high CD ratio (82.7%) and increasing reliance on bulk deposits. We estimate margins to remain under check, as deposit competition is likely to remain elevated. We downgrade our rating to Neutral and revise our TP to INR250 (0.9x Sep'26E ABV).**

Business growth steady; credit cost guidance maintained at 0.75%

- PAT grew 5.6% YoY (down 7.6% QoQ) to INR48.4b (10% beat), led by lower-than-expected provisions. NII declined by 1.8% QoQ (5% miss). NIMs declined by a sharp 16bp QoQ to 2.94%. 9MFY25 PAT stood at INR145.3b (up 12.6% YoY), and we estimate 4QFY25 PAT at INR46.6b (down 4.6% YoY).
- Other income grew 34% YoY to INR37.7b (14% beat), aided by better core fee and treasury income. Opex grew 9% YoY/2.7% QoQ to INR75.2b (in line). As a result, PPOP grew INR76.6b (up 9.3% YoY).
- Provisions came in lower at INR10.8b (down 54% QoQ, 45% below MOFSLe). PCR was broadly stable at 76% as slippages were under control. BOB expects the annualized credit cost to remain below 0.75%.
- Advances grew at a healthy 12% YoY (up 2.7% QoQ). Among segments, retail book grew faster at 4.8% QoQ, while corporate book declined by 0.4% QoQ. In Retail, home loans rose 4% QoQ, auto loans grew 6.6% QoQ, and personal loans grew faster at 7.1% QoQ.
- Deposits grew 11.8% YoY/2.1% QoQ, led by faster growth in bulk deposits. Domestic CASA mix thus declined marginally to 39.7% (down 16bp QoQ).
- On the asset quality front, slippages moderated to 0.9%. However, recovery and accelerated w-offs led to a 7bp QoQ decline in the GNPA ratio to 2.4%, while the NNPA ratio declined 1bp QoQ to 0.6%. SMA 1/2 remained high at 49bp.
- RoA declined to 1.15% in 3Q, while RoE came in at 17%.

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.

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Highlights from the management commentary

- NIM guidance is 3.1% (+/- 5bp). There can be an upside bias in NIMs despite the expected rate cuts.
- PL book slippage was INR1b, while the normalized slippage run rate is INR25b, with the total PL book at INR340b. The bank is comfortable in maintaining 25% YoY growth in this segment.
- Domestic yields have declined, despite slower growth in the corporate segment.
- The bank focuses on enhancing the quality of its advances portfolio with strong underwriting standards. It is also maintaining a balance between income growth from advances and overall loan book expansion.

Valuation and view: Downgrade to Neutral with a TP of INR250

BOB reported a weak quarter, characterized by the NII miss, while the earnings beat was led by lower provisions. The bank has lowered its NIM guidance by 5bp amid pressure on yields, while the costs remain elevated. Business growth was slightly lower than our estimates, while yields remained under pressure despite the bank moving away from corporate loan and growing faster in personal loan. Slippages were under control and BOB expects the credit cost to remain at 0.75%. **We tweak our FY25/FY26 EPS estimates by +2.8%/-1.3% and expect FY26E RoA/RoE at 1.05%/15%. We remain watchful on business growth owing to a high CD ratio (82.7%) and increasing reliance on bulk deposits. We estimate margins to remain under check, as deposit competition is likely to remain elevated. We downgrade our rating to Neutral and revise our TP to INR250 (0.9x Sep'26E ABV).**

Quarterly performance

									(INR b)			
	FY24				FY25				FY24	FY25E	FY25E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	Est	
Net Interest Income	110.0	108.3	111.0	117.9	116.0	116.2	114.2	119.6	447.2	466.0	120.3	-5%
% Change (YoY)	24.4	6.4	2.6	2.3	5.5	7.3	2.8	1.4	8.1	4.2	8.3	
Other Income	33.2	41.7	28.1	41.9	24.9	51.8	37.7	43.6	145.0	158.0	33.0	14%
Total Income	143.2	150.0	139.1	159.8	140.9	168.0	151.9	163.2	592.2	624.0	153.3	-1%
Operating Expenses	64.9	69.8	69.0	78.8	69.3	73.3	75.2	80.5	282.5	298.2	74.6	1%
Operating Profit	78.2	80.2	70.2	81.1	71.6	94.8	76.6	82.7	309.7	325.8	78.7	-3%
% Change (YoY)	72.8	33.0	-14.8	0.4	-8.5	18.2	9.3	2.1	15.3	5.2	12.1	
Provisions	19.5	21.6	6.7	13.0	10.1	23.4	10.8	17.1	60.8	61.4	19.8	-45%
Profit before Tax	58.8	58.6	63.5	68.0	61.5	71.4	65.8	65.7	248.9	264.4	58.8	12%
Tax	18.1	16.1	17.7	19.2	16.9	19.0	17.4	19.0	71.0	72.4	14.8	18%
Net Profit	40.7	42.5	45.8	48.9	44.6	52.4	48.4	46.6	177.9	191.9	44.0	10%
% Change (YoY)	87.7	28.4	18.9	2.3	9.5	23.2	5.6	-4.6	26.1	7.9	-3.9	
Operating Parameters												
Deposit (INR b)	11,999	12,496	12,453	13,270	13,070	13,635	13,925	14,676	13,270	14,676	14,198	-2%
Loan (INR b)	9,635	9,980	10,241	10,658	10,479	11,212	11,513	11,915	10,658	11,915	11,502	0%
Deposit Growth (%)	16.2	14.6	8.3	10.2	8.9	9.1	11.8	10.6	10.2	10.6	14.0	
Loan Growth (%)	20.5	19.3	15.0	13.3	8.8	12.3	12.4	11.8	13.3	11.8	12.3	
Asset Quality												
Gross NPA (%)	3.5	3.3	3.1	2.9	2.9	2.5	2.4	2.3	2.9	2.3	2.4	
Net NPA (%)	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.6	0.6	
PCR (%)	78.5	77.6	77.7	77.3	76.6	76.3	76.0	76.2	76.2	76.2	76.5	

Quarterly snapshot

INR b	FY24				FY25			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Profit and Loss									
Net Interest Income	110.0	108.3	111.0	117.9	116.0	116.2	114.2	3	-2
Other Income	33.2	41.7	28.1	41.9	24.9	51.8	37.7	34	-27
Trading profits	9.6	4.8	0.4	5.2	0.9	6.9	7.1	1,761	2
Total Income	143.2	150.0	139.1	159.8	140.9	168.0	151.9	9	-10
Operating Expenses	64.9	69.8	69.0	78.8	69.3	73.3	75.2	9	3
Employee	37.5	37.1	38.1	45.5	40.1	40.4	42.1	10	4
Others	27.4	32.8	30.9	33.3	29.1	32.9	33.1	7	1
Operating Profits	78.2	80.2	70.2	81.1	71.6	94.8	76.6	9	-19
Core Operating Profits	68.7	75.4	69.8	75.9	70.7	87.9	69.6	0	-21
Provisions	19.5	21.6	6.7	13.0	10.1	23.4	10.8	62	-54
PBT	58.8	58.6	63.5	68.0	61.5	71.4	65.8	4	-8
Taxes	18.1	16.1	17.7	19.2	16.9	19.0	17.4	-1	-8
PAT	40.7	42.5	45.8	48.9	44.6	52.4	48.4	6	-8
Balance Sheet (INR b)									
Loans	9,635	9,980	10,241	10,658	10,479	11,212	11,513	12	3
Deposits	11,999	12,496	12,453	13,270	13,070	13,635	13,925	12	2
CASA Deposits (Domestic)	4,236	4,283	4,343	4,664	4,490	4,584	4,626	7	1
- Savings	3,571	3,666	3,698	3,900	3,824	3,875	3,891	5	0
- Current	665	618	646	764	667	710	736	14	4
Loan mix (%)									
Retail	18.6	18.9	19.4	19.7	20.8	20.3	20.7	134	42
MSME	11.0	11.1	11.1	11.0	11.2	11.1	11.2	18	14
Agriculture	12.9	12.8	12.8	12.7	13.0	12.6	12.9	8	23
Corporate	35.0	34.3	34.6	34.8	33.2	34.0	33.0	-155	-100
Others	4.5	4.4	4.3	4.2	4.2	4.1	4.4	4	32
Asset Quality (INR b)									
GNPA	348.3	339.7	323.2	318.3	308.7	285.5	284.7	-12	0
NNPA	74.8	76.0	72.1	72.1	72.3	67.6	68.3	-5	1
Slippages	27.6	47.5	26.2	32.0	30.2	31.1	29.2	11	-6
Asset Quality ratios (%)									
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY (BQ)	QoQ (BQ)
GNPA	3.5	3.3	3.1	2.9	2.9	2.5	2.4	-65	-7
NNPA	0.8	0.8	0.7	0.7	0.7	0.6	0.6	-11	-1
Slippage ratio	1.2	2.1	1.1	1.2	1.2	1.1	1.0	-8	-14
PCR (inc TWO)	93.2	93.2	93.4	93.3	93.3	93.6	93.5	12	-10
PCR	78.5	77.6	77.7	77.3	76.6	76.3	76.0	-167	-28
Credit Cost	0.9	1.0	0.3	0.6	0.4	0.9	0.4	12	-48
Business Ratios (%)									
CASA Reported	40.3	39.9	40.7	41.3	40.6	39.8	39.7	-101	-16
Loan/Deposit	80.3	79.9	82.2	80.3	80.2	82.2	82.7	44	45
Other income to Total Income	23.2	27.8	20.2	26.2	17.7	30.8	24.8	462	-602
Cost to Income	45.4	46.5	49.6	49.3	49.2	43.6	49.5	-4	593
Cost to Asset	1.9	2.0	1.9	2.1	1.8	1.8	1.8	-3	0
Tax Rate	30.8	27.4	27.9	28.2	27.5	26.7	26.5	-137	-15
Capitalisation Ratios (%)									
Tier-1	13.6	13.2	12.7	14.1	14.7	14.2	13.4	77	-74
- CET 1	11.9	11.6	11.1	12.5	13.1	12.7	12.4	127	-29
CAR	15.8	15.3	14.7	16.3	16.8	16.3	16.0	124	-30
RWA / Total Assets	52.0	52.0	52.9	52.2	51.4	51.8	51.5	-136	-29
LCR	153.3	147.3	137.0	120.6	127.3	129.3	130.0	-696	71
Profitability Ratios (%)									
Yield on loans	8.9	8.9	9.0	9.3	9.0	8.9	8.9	-8	-6
Cost of Deposits	4.7	4.9	5.0	5.1	5.1	5.1	5.1	12	-4
Margins	3.3	3.1	3.1	3.3	3.2	3.1	2.9	-16	-16
RoE	20.0	19.7	19.9	20.8	17.5	19.2	17.0	-290	-221
RoA	1.1	1.1	1.2	1.3	1.1	1.3	1.2	-5	-15



Highlights from the management commentary

Opening remarks

- Global advances grew by 11.8% YoY, with domestic advances up 11.9% and the international loan book expanding by 11.2%.
- Retail loans increased by 20%, MSME loans by 14%, and corporate loans by 7%.
- Mortgage loans saw a strong growth of 16.6%.
- Personal loan growth is moderating, with Dec'24 recording a 24% YoY increase.
- Deposits grew by 11.8% YoY, while CASA growth stood at 6.5% YoY, outperforming peer banks. The CASA ratio remains steady at 40%.
- Profitability remains strong, with RoA exceeding 1% for the 10th consecutive quarter, aligning with guidance. RoE for the quarter exceeded 17%.
- Yields on advances improved from 8.44% to 8.46%.
- Asset quality remains robust, with GNPA declining by 7bp and NNPA reducing by 1bp QoQ.
- CRAR stands at 15.96% (excluding profits), while including profits, it exceeds 17%.
- BOB operates on a sustainable business model, ensuring consistent growth.
- In 3Q, advances grew at the same pace as deposits.
- Deposit costs remain elevated.
- The bank will continue to focus on retail expansion.
- Operating income grew by 9.2%.
- The bank's key profitability metrics remain strong and sustainable.
- NIMs were impacted by changes in accounting methodology.
- NIM guidance is revised to 3.1% (+/- 5bp) following an accounting change in penal interest recognition.
- Asset quality trends remain positive, with both GNPA and NNPA declining.

Advances and deposits

- Borrowings surged by 21.6%, primarily to offset deposit costs. In 3Q, INR50b was raised, bringing the total borrowings for the last three quarters to INR150b. This option is more cost-effective, allowing the bank to strike a balance by increasing borrowings.
- Agri gold loans are not subject to specific guidelines, while in the MSME segment, collateral cannot be taken for loans up to INR1m. The retail gold loan portfolio is minimal at INR60b.
- Home loan growth remains stable, supported by strong channels and efficient delivery. The bank sees no asset quality concerns in this segment and expects continued growth.
- PL book is relatively small, with 50% of loans being digital, totaling INR120-130b. Last year, when industry growth in this segment surged, the bank paused expansion. It has since refined its underwriting model, shifting toward salaried employees for improved credit quality.
- The bank focuses on enhancing the quality of its advances portfolio, with strong underwriting standards. It is also maintaining a balance between income growth from advances and overall loan book expansion.
- BOB is actively reducing reliance on bulk deposits. While bulk deposits saw a slight increase in 3Q, the bank's CASA growth has outpaced industry trends,

reinforcing its strategy to reduce bulk deposit dependence. Instead, it has raised CoDs at significantly lower rates compared to bulk deposits.

Cost, margins and yields

- Domestic yields have declined, despite slower growth in the corporate segment.
- Interest income in 2Q was benefitted by a better recovery, which was absent in 3Q, leading to a QoQ decline in interest income.
- International NIMs remain stable between 1.9% and 2%.

Other Income

- NPA recovery saw a sharp decline, as 2Q recovery from the written-off book was a one-off event. The current run rate for the written-off book represents a normalized level for the bank.
- Interest from tax refunds and treasury income largely offset the impact of lower recoveries.
- Core fee income was strong, up 12.3% YoY. The bank focuses on optimizing and ensuring stability in fee income.

Asset quality

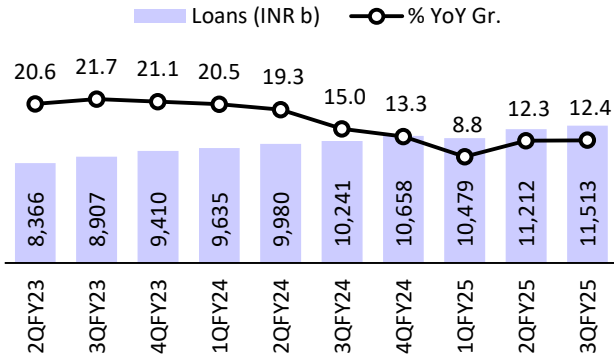
- GNPA in the personal loan (PL) segment has risen, yet the bank continues to expand its PL book. GNPA increased by 0.5%, with a slippage run rate of INR25b, which is manageable.
- The SMA book did not roll back in 3Q, and including RSA, it accounts for 2.48% of the loan book. However, three accounts were pulled back during 3Q.
- Credit cost is expected to remain below 0.75%, and given the strong asset quality, the bank aims to maintain it within the 0.5-0.7% range for FY25.
- The international book has remained stable for multiple quarters, consisting of small, low-risk accounts.
- PL book slippage was INR1b, while the normalized slippage run rate is INR25b, with the total PL book at INR340b. Despite this, NIMs remain strong, and the bank is comfortable in maintaining 25% YoY growth in this segment.
- The bank focuses on salaried-class personal loans, ensuring quality growth in its advances.

Guidance

- **Deposit growth guidance at 9-11% YoY.**
- **Advances growth at 12-13% YoY.**
- **NIM guidance at 3.1% (+/- 5bp).** There can be an upside bias in NIM guidance. NIM guidance is maintained, despite the expected rate cuts.

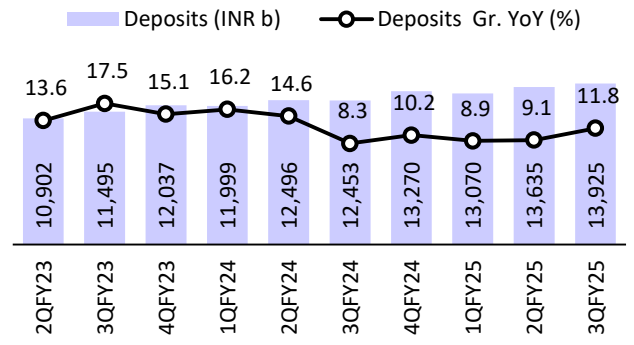
Story in charts

Exhibit 1: Loan book grew ~12% YoY (up 3% QoQ)



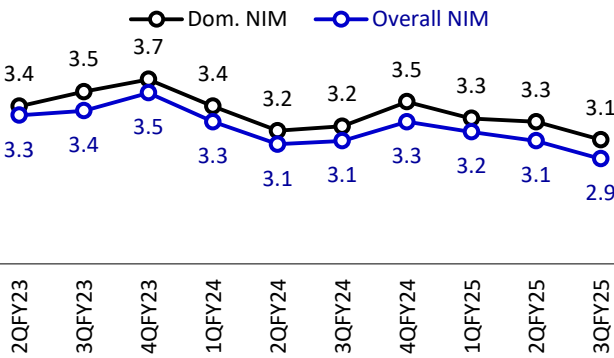
Source: MOFSL, Company

Exhibit 2: Deposit book grew 12% YoY (up 2% QoQ)



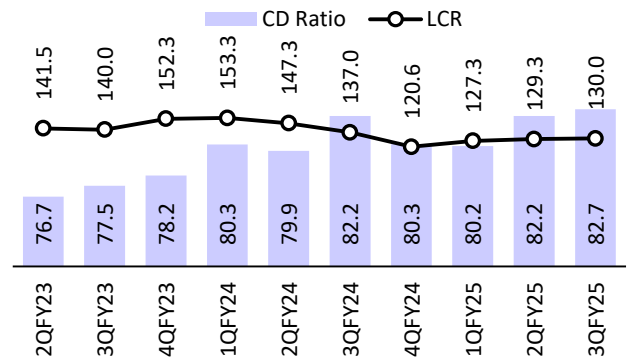
Source: MOFSL, Company

Exhibit 3: NIMs down 16bp QoQ, domestic NIMs down 16bp



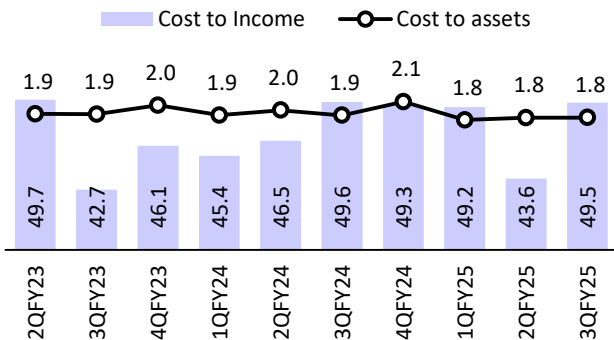
Source: MOFSL, Company

Exhibit 4: CD ratio increased to 82.7%



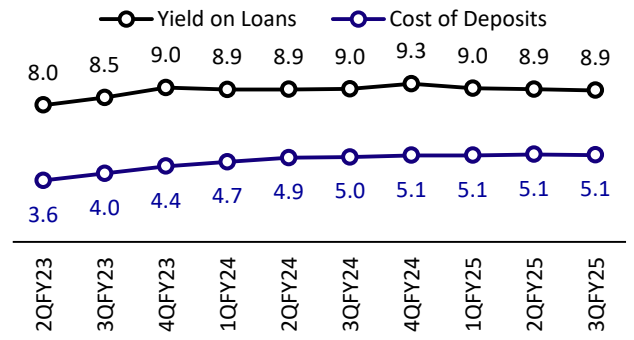
Source: MOFSL, Company

Exhibit 5: Cost-to-income increased to ~49.5%



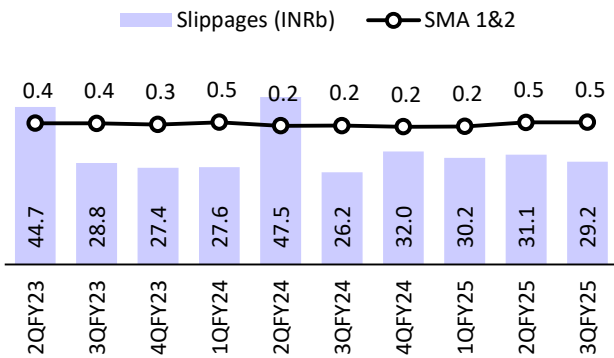
Source: MOFSL, Company

Exhibit 6: Loan yield sticky at 8.9%; CoD stable at 5.1%



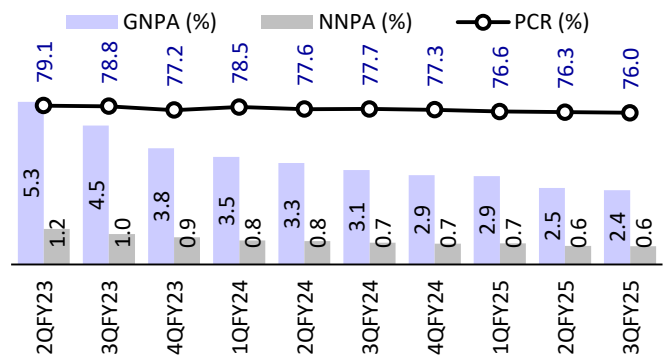
Source: MOFSL, Company

Exhibit 7: Gross slippages stood at INR29b; SMA at 0.5%



Source: MOFSL, Company

Exhibit 8: GNPA improved; NNPA stable; PCR at 76%



Source: MOFSL, Company

Valuation and view: Downgrade to Neutral with a TP of INR250

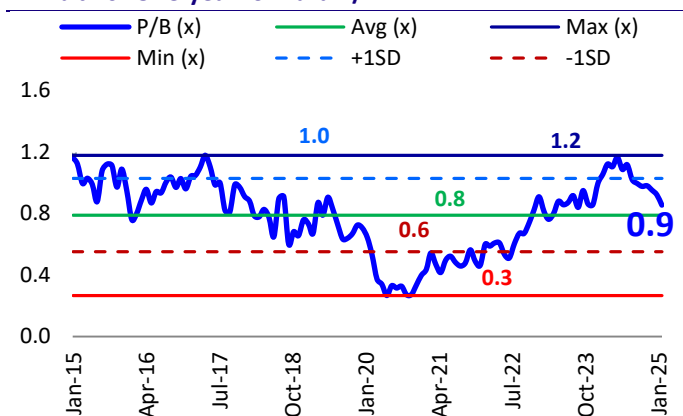
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- Business growth was slightly lower than our estimates, while yields remained under pressure despite the bank moving away from corporate loan and growing faster in the personal loan segment. Slippages were under control and the bank expects the credit cost to remain at 0.75%.
- **We tweak our FY25/FY26 EPS estimates by +2.8%/-1.3% and expect FY26E RoA/RoE at 1.05%/15%. We remain watchful on business growth owing to elevated CD ratio (82.7%) and increasing reliance on bulk deposits. We estimate margins to remain under check, as deposit competition is likely to remain elevated. We downgrade our rating to Neutral and revise our TP to INR250 (0.9x Sep'26E ABV).**

Exhibit 9: Changes to our estimates

INR B	Old Est			Rev Est			Change (%/bps)		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Net Interest Income	475.9	517.9	574.4	466.0	505.9	563.8	-2.1	-2.3	-1.8
Other Income	155.1	167.5	187.6	158.0	172.2	191.2	1.9	2.8	1.9
Total Income	631.0	685.4	762.0	624.0	678.1	755.0	-1.1	-1.1	-0.9
Operating Expenses	298.2	323.6	355.4	298.2	323.6	355.4	0.0	0.0	0.0
Operating Profits	332.8	361.8	406.6	325.8	354.5	399.6	-2.1	-2.0	-1.7
Provisions	75.7	89.7	106.1	61.4	85.7	98.8	-18.9	-4.4	-6.8
PBT	257.2	272.1	300.5	264.4	268.7	300.8	2.8	-1.3	0.1
Tax	70.5	74.6	82.4	72.4	73.6	82.4	2.8	-1.3	0.1
PAT	186.7	197.6	218.2	191.9	195.1	218.4	2.8	-1.3	0.1
Loans	11,937	13,369	14,973	11,915	13,345	14,947	-0.2	-0.2	-0.2
Deposits	14,676	16,364	18,328	14,676	16,364	18,328	0.0	0.0	0.0
Margins (%)	3.0	2.9	2.9	2.9	2.8	2.8	(6)	(6)	(5)
Credit Cost (%)	0.6	0.7	0.7	0.5	0.7	0.7	(12)	(3)	(5)
RoA (%)	1.12	1.07	1.06	1.15	1.05	1.06	3	(1)	0
RoE (%)	16.3	15.3	15.1	16.7	15.0	15.0	42	(24)	(2)
BV	239.5	268.5	300.1	240.5	269.0	300.7	0.4	0.2	0.2
ABV	223.6	251.1	281.3	224.3	251.6	281.1	0.3	0.2	-0.1
EPS	36.1	38.2	42.1	37.1	37.7	42.2	2.8	-1.3	0.1

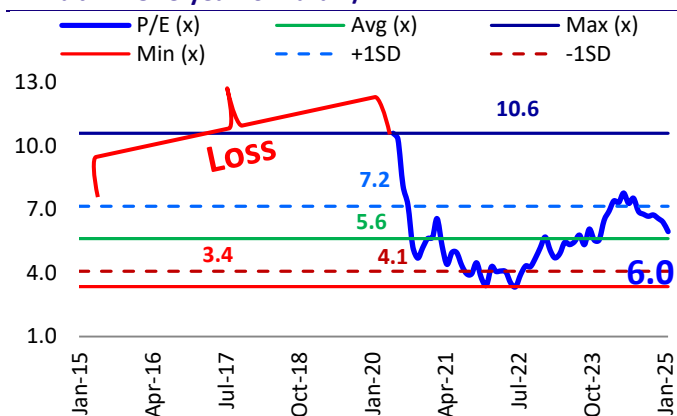
Source: MOSL Estimates

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 return ratios to be stable over FY25-27

Y/E MARCH	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	6.55	7.40	7.51	7.40	7.34
Interest Expense	3.53	4.46	4.72	4.66	4.61
Net Interest Income	3.02	2.94	2.79	2.73	2.73
Other income	0.73	0.95	0.95	0.93	0.93
Total Income	3.76	3.89	3.74	3.66	3.66
Operating Expenses	1.79	1.86	1.79	1.75	1.72
Employee cost	1.0	1.0	1.0	1.0	1.0
Others	0.82	0.82	0.79	0.77	0.77
Operating Profits	1.96	2.03	1.95	1.91	1.94
Core operating Profits	1.89	1.94	1.87	1.86	1.89
Provisions	0.52	0.40	0.37	0.46	0.48
PBT	1.44	1.64	1.58	1.45	1.46
Tax	0.41	0.47	0.43	0.40	0.40
RoA (%)	1.03	1.17	1.15	1.05	1.06
Leverage (x)	16.0	15.3	14.6	14.3	14.2
RoE (%)	16.5	17.8	16.7	15.0	15.0

Financials and valuations

Income Statement					(INRb)
Y/E March (INR b)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	895.9	1,126.1	1,254.0	1,370.0	1,515.5
Interest Expense	482.3	678.8	788.0	864.1	951.7
Net Interest Income	413.6	447.2	466.0	505.9	563.8
- Growth (%)	26.8	8.1	4.2	8.6	11.5
Non-Interest Income	100.3	145.0	158.0	172.2	191.2
Total Income	513.8	592.2	624.0	678.1	755.0
- Growth (%)	16.5	15.2	5.4	8.7	11.3
Operating Expenses	245.2	282.5	298.2	323.6	355.4
Pre Provision Profits	268.6	309.7	325.8	354.5	399.6
- Growth (%)	20.0	15.3	5.2	8.8	12.7
Core PPOp	258.0	294.7	313.1	343.7	390.4
- Growth (%)	31.2	14.2	6.2	9.8	13.6
Provisions	71.4	60.8	61.4	85.7	98.8
PBT	197.3	248.9	264.4	268.7	300.8
Tax	56.2	71.0	72.4	73.6	82.4
Tax Rate (%)	28.5	28.5	27.4	27.4	27.4
PAT	141.1	177.9	191.9	195.1	218.4
- Growth (%)	94.0	26.1	7.9	1.6	11.9

Balance Sheet

Y/E March (INR b)	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	10.4	10.4	10.4	10.4	10.4
Reserves & Surplus	971.9	1,111.9	1,262.6	1,410.2	1,574.0
Net Worth	982.2	1,122.2	1,272.9	1,420.6	1,584.3
Deposits	12,036.9	13,269.6	14,676.2	16,363.9	18,327.6
- Growth (%)	15.1	10.2	10.6	11.5	12.0
- CASA Dep	4,751.0	5,143.7	5,312.8	5,694.6	6,396.3
- Growth (%)	9.6	8.3	3.3	7.2	12.3
Borrowings	1,019.1	944.0	998.0	1,051.8	1,107.9
Other Liabilities & Prov.	547.4	522.1	600.5	666.5	746.5
Total Liabilities	14,585.6	15,858.0	17,547.5	19,502.8	21,766.3
Current Assets	957.0	951.2	1,034.5	1,149.4	1,282.7
Investments	3,624.9	3,698.2	3,968.1	4,337.2	4,831.6
- Growth (%)	14.8	2.0	7.3	9.3	11.4
Loans	9,410.0	10,657.8	11,915.4	13,345.3	14,946.7
- Growth (%)	21.1	13.3	11.8	12.0	12.0
Fixed Assets	87.1	79.1	85.5	89.7	94.2
Other Assets	506.7	471.6	544.0	581.1	611.0
Total Assets	14,585.6	15,858.0	17,547.5	19,502.8	21,766.3

Asset Quality

GNPA (INR b)	367.6	318.3	281.9	299.5	327.7
NNPA (INR b)	85.5	75.8	67.1	70.8	80.1
Slippages (INR b)	111.5	104.0	135.4	164.2	183.9
GNPA Ratio (%)	3.8	2.9	2.3	2.2	2.2
NNPA Ratio (%)	0.9	0.7	0.6	0.5	0.5
Slippage Ratio (%)	1.2	1.0	1.2	1.3	1.3
Credit Cost (%)	0.5	0.7	0.5	0.7	0.7
PCR (Excl Tech. write off) (%)	76.7	76.2	76.2	76.4	75.5

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Yield and Cost Ratios (%)					
Avg. Yield-Earning Assets	6.9	7.7	7.8	7.7	7.6
Avg. Yield on loans	7.5	8.5	8.6	8.4	8.3
Avg. Yield on Investments	6.6	6.9	6.9	6.9	6.8
Avg. Cost-Int. Bear. Liab.	3.9	5.0	5.3	5.2	5.2
Avg. Cost of Deposits	3.7	4.7	5.2	5.2	5.1
Interest Spread	2.9	2.7	2.5	2.4	2.4
Net Interest Margin	3.2	3.1	2.9	2.8	2.8
Capitalisation Ratios (%)					
CAR	16.2	16.3	16.4	15.7	15.1
Tier I	14.0	14.1	14.1	13.6	13.1
-CET-1	12.2	12.5	12.6	12.1	11.7
Tier II	2.3	2.2	2.2	2.1	1.9
Business Ratios (%)					
Loans/Deposit Ratio	78.2	80.3	81.2	81.6	81.6
CASA Ratio	39.5	38.8	36.2	34.8	34.9
Cost/Assets	1.7	1.8	1.7	1.7	1.6
Cost/Total Income	47.7	47.7	47.8	47.7	47.1
Cost/Core Income	48.7	48.9	48.8	48.5	47.7
Int. Expense/Int.Income	53.8	60.3	62.8	63.1	62.8
Fee Income/Total Income	17.4	22.0	23.3	23.8	24.1
Non Int. Inc./Total Income	19.5	24.5	25.3	25.4	25.3
Empl. Cost/Total Expense	54.5	56.0	55.7	55.9	55.5
Efficiency Ratios (INRm)					
Employee per branch (in nos)	9.5	9.0	9.0	9.0	9.0
Staff cost per employee	1.7	2.1	2.2	2.4	2.6
CASA per branch (INR m)	576.6	624.0	638.1	677.2	753.1
Deposits per branch (INR m)	1,460.8	1,609.8	1,762.8	1,946.1	2,158.0
Busins per Emp. (INR m)	274.5	322.4	354.7	392.4	435.1
Profit per Emp. (INR m)	1.8	2.4	2.6	2.6	2.9

Profitability Ratios and Valuation

RoE	16.5	17.8	16.7	15.0	15.0
RoA	1.0	1.2	1.1	1.1	1.1
RoRWA	2.0	2.3	2.2	2.0	2.0
Book Value (INR)	183	211	241	269	301
- Growth (%)	15.8	15.2	13.8	11.9	11.8
Price-BV (x)	1.2	1.1	0.9	0.8	0.7
Adjusted BV (INR)	165	194	224	252	281
Price-ABV (x)	1.3	1.1	1.0	0.9	0.8
EPS (INR)	27.3	34.4	37.1	37.7	42.2
- Growth (%)	94.0	26.1	7.9	1.6	11.9
Price-Earnings (x)	8.2	6.5	6.0	5.9	5.3
Dividend Per Share (INR)	5.5	7.6	8.0	9.2	10.5
Dividend Yield (%)	2.5	3.4	3.6	4.1	4.7

E: MOFSL Estimates

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

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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

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