

Bank of Baroda

Estimate change	↔
TP change	↔
Rating change	↔



Bloomberg	BOB IN
Equity Shares (m)	5178
M.Cap.(INRb)/(USDb)	990.1 / 12
52-Week Range (INR)	211 / 116
1, 6, 12 Rel. Per (%)	-6/8/49
12M Avg Val (INR M)	4359

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	413.6	456.1	522.0
OP	268.6	302.9	363.2
NP	141.1	168.6	203.7
NIM (%)	3.2	3.1	3.1
EPS (INR)	27.3	32.6	39.3
EPS Gr. (%)	94.0	19.5	20.8
BV/Sh. (INR)	183	210	244
ABV/Sh. (INR)	165	194	226
Ratios			
RoE (%)	15.3	16.0	16.9
RoA (%)	1.0	1.1	1.2
Valuations			
P/E(X)	7.0	5.8	4.8
P/BV (X)	1.0	0.9	0.8
P/ABV (X)	1.2	1.0	0.8

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	64.0	64.0	64.0
DII	16.0	17.0	16.9
FII	12.3	10.9	8.2
Others	7.7	8.1	11.0

FII Includes depository receipts

CMP: INR190 TP: INR240 (+26%) Buy

Earnings in line; Other income offsets NII miss

Asset quality improves further

- Bank of Baroda (BOB) reported a mixed quarter as PAT jumped 88% YoY (in line) aided by higher other income while NIMs declined 26bp QoQ.
- Business growth was modest with loans growing 21% YoY (2% QoQ) while deposits rose 16% YoY (flat QoQ).
- Asset quality improved as slippages remained in control, which resulted in GNPA/NNPA ratio improving to 3.51%/0.78%. SMA 1/2 stands controlled at 29bp of loans, while restructured book moderated to 1.3% of loans.
- We largely maintain our earnings estimates and estimate FY25 RoA/RoE at 1.2%/16.9%. **We value the stock at INR240 (based on 1.1x FY25E ABV). We reiterate our BUY rating on the stock.**

Margin contracts 26bp QoQ; PCR improves to ~79%

- BOB reported 1QFY24 PAT of INR40.7b (+88% YoY; in line), driven by higher other income. NII grew 24% YoY (-4.6% QoQ; in line) as margins declined 26bp QoQ to 3.27% during the quarter.
- 'Other income' surged 181% YoY to INR33.2b (38% beat). Treasury income came in at INR3.3b vs. INR2.8b in 4QFY23. In addition, BOB also reported INR6.3b of gains in 1QFY24 from revaluation of investment vs. a loss of INR1.6b in 4QFY23.
- Opex rose 18% YoY (-6% QoQ). C/I ratio, thus, moderated to 45.4% in 1QFY24. PPOp surged 73% YoY to INR78.2b (10% beat), while core PPOp grew 30% YoY.
- Advances grew 2.4% QoQ (up 21% YoY). Among segments, Retail loans rose 3.4% QoQ (+24.8% YoY), while Corporate book grew 2% QoQ. SME/Agri book grew 1%/3% QoQ. In retail, Personal loan rose 12% QoQ. Deposits grew 16% YoY (flat QoQ). Domestic CASA ratio moderated 192bp QoQ to 40.3%.
- On the asset quality front, slippages were under control at INR27.6b (~1.2% annualized), which resulted in 29bp/11bp QoQ improvement in GNPA/NNPA ratios to 3.51%/0.78%. PCR improved 132bp QoQ to ~79%. Further, total SMA 1/2 was controlled at 29bp of loans, while restructured book moderated to 1.3% of loans.

Highlights from the management commentary

- Within the retail book: home loans grew 18% YoY, auto loans rose 22% YoY and personal loans jumped 82% YoY (on lower base). BOB expects the retail segment to grow 4-5% higher than the industry average.
- NIM to be stable at 3.3% for FY24 (3.3% for FY23 too). Rising COD will put pressure on margin but will be offset by further re-pricing of MCLR book.
- BOB has maintained its guidance of 1% RoA for FY24 (1.11% in 1QFY24).
- Credit cost for normal cycle will be 1%.

Valuation and view

BOB reported a mixed quarter with healthy treasury gains offsetting the pressure on NII, thus enabling the bank to deliver annualized RoA/RoE of 1.1%/20.0%. Higher other income and lower opex thus drove earnings while margins witnessed a decline to 3.27%. Business growth was healthy at 21% YoY, aided by strong traction across segments while CASA mix moderated. Asset quality continues to improve with NNPA at 0.78%. A lower SMA book and controlled restructuring provided further comfort on asset quality. **We largely maintain our earnings estimates and estimate FY25E RoA/ RoE at 1.2%/16.9%. We value the stock at INR240 (based on 1.1x FY25E ABV). We reiterate our BUY rating on the stock.**

Quarterly performance**(INR b)**

	FY23				FY24				FY23	FY24E	FY24E	V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	88.4	101.7	108.2	115.2	110.0	113.2	115.0	117.9	413.6	456.1	113.1	-3%
% Change (YoY)	12.0	34.5	26.5	33.8	24.4	11.3	6.3	2.3	26.8	10.3	28.0	
Other Income	11.8	18.3	35.5	34.7	33.2	25.1	31.3	35.7	100.3	125.3	24.1	38%
Total Income	100.2	120.0	143.7	149.9	143.2	138.3	146.3	153.7	513.8	581.4	137.2	4%
Operating Expenses	54.9	59.7	61.4	69.2	64.9	68.0	69.9	75.7	245.2	278.6	66.3	-2%
Operating Profit	45.3	60.3	82.3	80.7	78.2	70.3	76.4	77.9	268.6	302.9	70.9	10%
% Change (YoY)	-19.2	6.4	50.1	43.3	72.8	16.6	-7.2	-3.5	20.0	12.8	56.7	
Provisions	16.8	16.3	24.0	14.2	19.5	16.5	18.5	17.4	71.4	71.9	15.5	25%
Profit before Tax	28.4	44.0	58.3	66.5	58.8	53.8	57.9	60.5	197.3	231.0	55.4	6%
Tax	6.7	10.9	19.8	18.8	18.1	13.4	14.6	16.2	56.2	62.4	14.0	29%
Net Profit	21.7	33.1	38.5	47.8	40.7	40.3	43.3	44.3	141.1	168.6	41.4	-2%
% Change (YoY)	79.4	58.7	75.4	168.5	87.7	21.7	12.5	-7.3	94.0	19.5	91.1	
Operating Parameters												
Deposit (INR b)	10,327	10,902	11,495	12,037	11,999	12,585	13,054	13,602	12,037	13,602	12,272	-2%
Loan (INR b)	7,996	8,366	8,907	9,410	9,635	9,888	10,297	10,774	9,410	10,774	9,615	0%
Deposit Growth (%)	10.9	13.6	17.5	15.1	16.2	15.4	13.6	13.0	15.1	13.0	18.8	
Loan Growth (%)	19.6	20.6	21.7	21.1	20.5	18.2	15.6	14.5	21.1	14.5	20.2	
Asset Quality												
Gross NPA (%)	6.3	5.3	4.5	3.8	3.5	3.3	3.1	3.0	3.8	3.0	3.7	
Net NPA (%)	1.6	1.2	1.0	0.9	0.8	0.7	0.7	0.6	0.9	0.6	0.8	
PCR (%)	75.9	79.1	78.8	77.2	78.5	78.9	79.3	80.0	76.7	80.0	77.8	

Quarterly snapshot

INR b	FY22				FY23				FY24	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss											
Net Interest Income	78.9	75.7	85.5	86.1	88.4	101.7	108.2	115.2	110.0	24	-5
Other Income	28.6	35.8	25.2	25.2	11.8	18.3	35.5	34.7	33.2	181	-4
Trading profits	8.4	11.7	4.5	-6.8	-7.7	-2.4	9.6	1.2	9.6	-224	684
Forex Income	4.0	1.5	1.5	2.1	1.9	-2.0	1.8	1.8	2.0	6	12
Recoveries	3.6	7.2	5.2	9.2	4.2	6.0	8.1	14.5	6.6	60	-54
Others (Non-core)	12.6	15.4	14.1	20.8	13.6	16.6	16.0	17.2	15.1	11	-12
Total Income	107.5	111.5	110.7	111.3	100.2	120.0	143.7	149.9	143.2	43	-4
Operating Expenses	51.5	54.8	55.9	55.0	54.9	59.7	61.4	69.2	64.9	18	-6
Employee	30.6	31.1	31.0	27.0	30.4	31.8	33.5	37.8	37.5	23	-1
Others	20.9	23.6	24.9	28.0	24.5	27.9	27.9	31.4	27.4	12	-13
Operating Profits	56.0	56.7	54.8	56.4	45.3	60.3	82.3	80.7	78.2	73	-3
Core Operating Profits	47.6	45.0	50.4	63.2	53.0	62.7	72.7	79.5	68.7	30	-14
Provisions	40.1	27.5	25.1	37.4	16.8	16.3	24.0	14.2	19.5	16	37
NPA provisions	25.6	26.0	42.8	52.0	15.6	16.5	8.2	3.2	16.9	9	429
Provisions on Invest.	-0.2	0.2	4.5	1.2	2.0	-1.3	14.1	2.2	-0.1	-105	-105
PBT	16.0	29.2	29.8	19.0	28.4	44.0	58.3	66.5	58.8	107	-12
Taxes	3.9	8.3	7.8	1.2	6.7	10.9	19.8	18.8	18.1	168	-4
PAT	12.1	20.9	22.0	17.8	21.7	33.1	38.5	47.8	40.7	88	-15
Balance Sheet (INR b)											
Deposits	9,313	9,595	9,780	10,459	10,327	10,902	11,495	12,037	11,999	16	0
Loans	6,684	6,938	7,322	7,772	7,996	8,366	8,907	9,410	9,635	20	2
Asset Quality (INR b)											
GNPA	630.3	595.0	560.0	540.6	525.9	463.7	418.6	367.6	348.3	-34	-5
NNPA	202.6	196.0	164.6	133.6	126.5	96.7	88.5	83.8	74.8	-41	-11
Slippages	61.9	58.0	34.9	57.8	43.5	44.7	28.8	27.4	27.6	-37	1
Ratios											
Asset Quality (%)	FY22				FY23				FY24	Change (bps)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
GNPA	8.9	8.1	7.3	6.6	6.3	5.3	4.5	3.8	3.5	-276	-29
NNPA	3.0	2.8	2.3	1.7	1.6	1.2	1.0	0.9	0.8	-80	-11
PCR	83.1	83.4	86.0	88.7	89.4	91.7	92.3	92.4	93.2	385	80
Credit Cost	2.4	1.5	1.4	2.8	0.9	0.9	1.2	0.7	0.9	-3	22
Business Ratios (%)											
Fees to Total Income	18.8	21.6	18.7	28.8	19.5	17.2	18.0	22.3	16.5	-299	-578
Cost to Core Income	52.0	54.9	52.6	46.5	50.9	48.8	45.8	46.5	48.6	-229	208
Tax Rate	24.2	28.4	26.2	6.3	23.7	24.8	33.9	28.2	30.8	702	254
CASA Reported	43.2	43.5	44.3	44.2	44.2	42.8	41.6	42.3	40.3	-385	-192
Loan/Deposit	71.8	72.3	74.9	74.3	77.4	76.7	77.5	78.2	80.3	287	212
CAR	15.4	15.6	15.5	15.7	15.5	15.3	14.9	16.2	15.8	38	-40
Tier I	13.1	13.2	13.2	13.2	13.0	12.8	12.6	14.0	13.6	67	-35
Profitability Ratios (%)											
Yield on loans	7.7	7.4	7.8	7.6	7.4	8.0	8.5	9.0	8.9	149	-12
Yield On Investments	6.1	6.4	6.3	6.3	6.3	6.5	6.6	6.6	6.8	57	23
Cost of Deposits	3.6	3.5	3.5	3.5	3.5	3.6	4.0	4.4	4.7	122	25
Margins	3.0	2.9	3.1	3.1	3.0	3.3	3.4	3.5	3.3	25	-26
RoA	0.4	0.7	0.7	0.6	0.7	1.0	1.1	1.3	1.1	43	-23



Highlights from the management commentary

Balance Sheet and P&L

- Gross advances grew 2.2% QoQ (+18% YoY), which is a strong growth despite 1QFY24 generally being a seasonally weak quarter.
- Retail book jumped 25% YoY, while Corporate/ MSME /Agri book grew 15%/12%/15%.
- Within the retail book: home loans grew 18% YoY, auto loans rose 22% YoY and personal loans jumped 82% YoY (on lower base).
- BOB expects the retail segment to grow 4-5% higher than the industry average.
- Total advances growth is expected to be 14-15% for FY24 within which:
 - corporate book to rise 12%-13%
 - retail book to grow 18%-20%
 - international book to increase 15% YoY
- Retail: Wholesale book stood at 65%:35% as of 1QFY24.
- BOB expects a 10bp increase in YOA for FY24 with re-pricing of the MCLR book and change in retail mix.
- NIM to be stable at 3.3% for FY24 (3.3% for FY23 too). Rising COD will put pressure on margin but will be offset by further re-pricing of MCLR book.
- BOB has made INR4.6b of wage revision provision during the quarter. AS 15 provision made in 1QFY24 was in-line with that made in 4QFY23.
- C/I ratio stood at 45% as of 1QFY24 and is likely to be lower in the subsequent quarters.
- The bank has maintained its RoA guidance at 1% for FY24 (1.11% in 1QFY24).
- Fee income growth is a focus area, with 18% YoY growth, which is the highest ever for the bank. Even if margin compresses in the upcoming quarters, fee income will help the bank maintain a 1% RoA.
- Tax is elevated in 1QFY24 due to prudent tax provisions taken by the bank to strengthen its Balance Sheet.
- Divestment plan of the credit cards business is continuing and is in its due diligence stage. BoB will proceed with its listing post-obtaining the required regulatory approvals.
- CASA ratio moderated during the quarter to 40% as seen across the industry but BOB will continue to focus on garnering granular CASA deposits going forward.
- Bulk TD grew 11% YoY while Retail TD has stayed flat.
- BOB is long on the power sector despite reduction in the power sector holdings during the quarter.

Asset quality

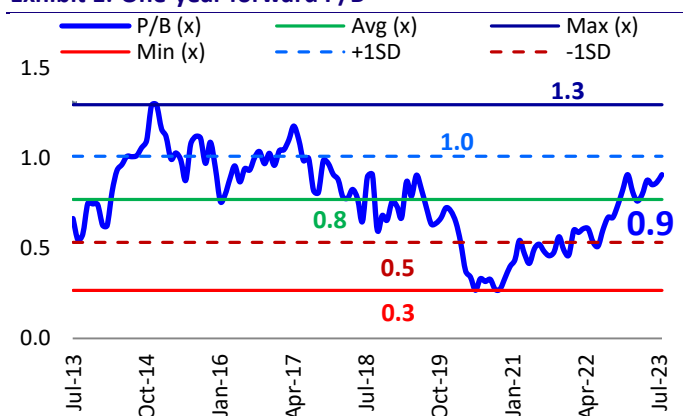
- GNPA/NNPA ratios improved 29bp/11bp QoQ to 3.5%/0.8%.
- Fresh slippages stood at INR24.5b vs. INR22.4b in 4QFY23. PCR improved 132bp QoQ to 78.5%.
- Credit cost grew 56bp QoQ due to:
 - Floating provision of INR2b made during the quarter.
 - Provision relating to specific accounts amounting to INR4.2b in 1QFY24.
- Collection efficiency (excluding agriculture) stood at 97% as of 1QFY24.
- Restructured book outstanding was INR130b out of which BoB is carrying a provision of INR11.5b as of 1QFY24.

- The Airline account which was declared insolvent in 4QFY23 has been adequately provided for: 30% exposure is backed by ECLGS, 30% is collateral backed and the balance has been provided for (INR639b as of 1QFY24). Recovery is likely to be in full based on primary and collateral assets.
- Credit cost for normal cycle will be 1%.
- SMA 1&2 (>50m) stood at 48bp of advances as of 1QFY24 and excluding the aviation account it stood at 29bp.
- The bank expects recoveries/upgradations to be at INR120b in FY24.

Valuation and view: Reiterate BUY

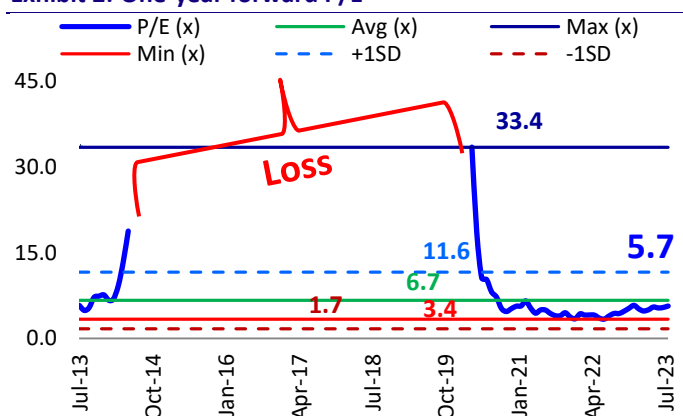
- CET-I ratio stands healthy at ~12%. Hence, BOB appears to be well capitalized for incremental growth opportunities, likely to be driven by the Retail loans. Conversely, the corporate book is witnessing a healthy recovery and is likely to sustain the momentum, resulting in a healthy loan growth.
- The asset quality outlook has improved significantly as the bank reported a decline in the GNPA/NNPA ratio by 28bp/11bp QoQ, while PCR improved 132bp QoQ to ~79%. Further, total SMA 1/2 was controlled at 29bp of loans, providing comfort on incremental slippages. Collection efficiency (ex-Agri) stands healthy at 97% in Jun'23.
- **Reiterate BUY with a TP of INR240:** BOB reported a mixed quarter with healthy treasury gains offsetting the pressure on NII, thus enabling the bank to deliver annualized RoA/RoE of 1.1%/20.0%. Higher other income and lower opex thus drove earnings while margin witnessed a decline to 3.27%. Business growth was healthy at 21% YoY, aided by strong traction across segments while CASA mix moderated. Asset quality continued to improve with NNPA at 0.78%. A lower SMA book and controlled restructuring provided further comfort on asset quality. **We largely maintain our earnings estimates and estimate FY25E RoA/RoE at 1.2%/16.9%. We value the stock at INR240 (based on 1.1x FY25E ABV). We reiterate our BUY rating on the stock.**

Exhibit 1: One-year forward P/B



Source: MOFSL, Company

Exhibit 2: One-year forward P/E



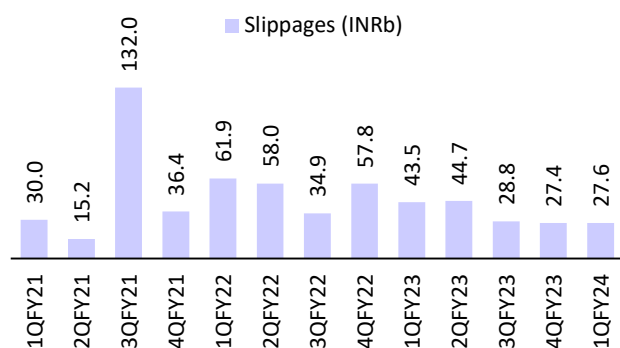
Source: MOFSL, Company

Exhibit 3: DuPont Analysis: Expect return ratios to remain healthy over FY24-25

Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	6.17	6.63	7.84	6.09	5.74	6.55	7.39	7.30
Interest Expense	3.98	4.17	5.01	3.60	3.06	3.53	4.46	4.35
Net Interest Income	2.19	2.46	2.83	2.49	2.68	3.02	2.93	2.96
Fee income	0.68	0.71	0.78	0.83	0.72	0.66	0.75	0.80
Trading and others	0.27	0.13	0.28	0.29	0.22	0.08	0.06	0.04
Other income	0.94	0.84	1.06	1.12	0.94	0.73	0.81	0.84
Total Income	3.14	3.30	3.90	3.61	3.63	3.76	3.74	3.80
Operating Expenses	1.44	1.50	1.95	1.78	1.78	1.79	1.79	1.74
Employee cost	0.65	0.67	0.99	0.99	0.98	1.0	1.0	1.0
Others	0.79	0.83	0.96	0.79	0.80	0.82	0.80	0.79
Operating Profits	1.70	1.80	1.95	1.83	1.84	1.96	1.95	2.06
Core operating Profits	1.43	1.67	1.67	1.54	1.62	1.89	1.89	2.01
Provisions	2.09	1.70	2.14	1.35	1.07	0.52	0.46	0.51
NPA	2.03	1.64	1.70	1.05	1.21	0.33	0.44	0.49
Others	0.06	0.06	0.43	0.30	-0.15	0.20	0.02	0.03
PBT	-0.39	0.09	-0.19	0.48	0.77	1.44	1.49	1.54
Tax	-0.05	0.04	-0.24	0.41	0.17	0.41	0.40	0.39
RoA (%)	-0.34	0.06	0.06	0.07	0.60	1.03	1.08	1.15
<i>Leverage (x)</i>	<i>18.0</i>	<i>15.9</i>	<i>15.8</i>	<i>15.5</i>	<i>14.9</i>	<i>14.9</i>	<i>14.8</i>	<i>14.6</i>
RoE (%)	-6.2	0.9	0.9	1.1	8.9	15.3	16.0	16.9

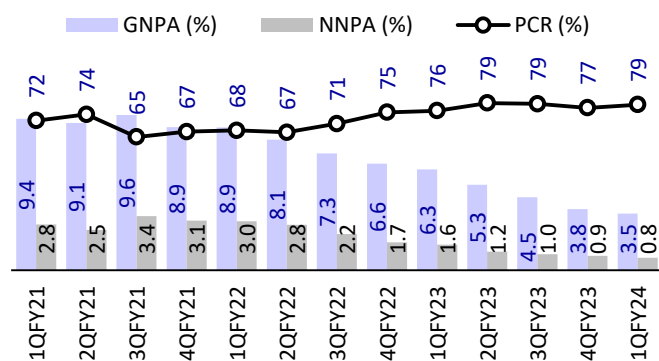
Story in charts

Exhibit 4: Slippages were stable at INR27.6b



*Including pro forma slippages in 3QFY21 Source: MOFSL, Company

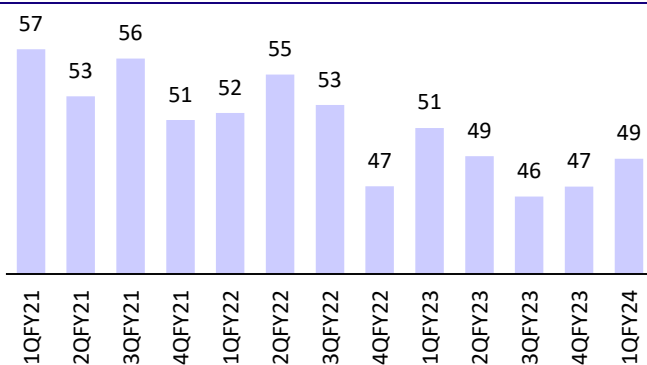
Exhibit 5: Asset quality continues to improve; calculated PCR improved to ~79%



*Pro forma as of 3QFY21

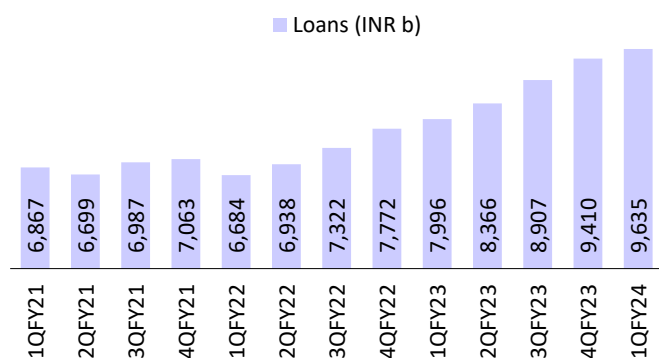
Source: MOFSL, Company

Exhibit 6: Cost-to-core income stood at ~49%



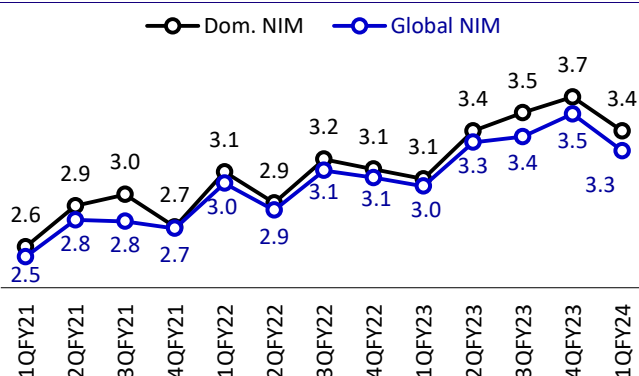
Source: MOFSL, Company

Exhibit 7: Loan book grew ~21% YoY (up 2.4% QoQ)



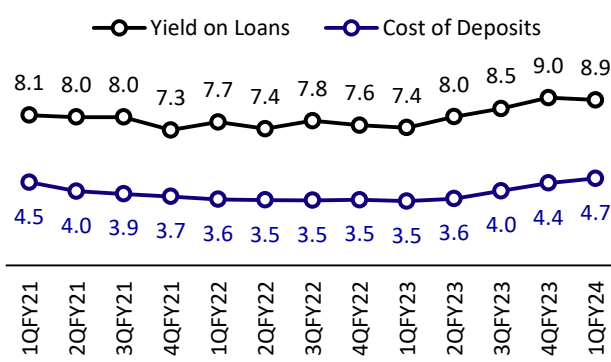
Source: MOFSL, Company

Exhibit 8: Domestic/Global NIMs moderated 24bp/26bp QoQ



Source: MOFSL, Company

Exhibit 9: Loan yield moderated 12bp QoQ to 8.91%; CoD increased to 4.68% (up 25bp QoQ)



Source: MOFSL, Company

Financials and valuations

Income Statement							(INR b)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	436.5	497.7	759.8	705.0	698.8	895.9	1,149.1	1,289.8
Interest Expense	281.3	312.9	485.3	416.9	372.6	482.3	693.0	767.8
Net Interest Income	155.2	184.8	274.5	288.1	326.2	413.6	456.1	522.0
Growth (%)	14.9	19.1	48.5	4.9	13.2	26.8	10.3	14.4
Non-Interest Income	66.6	62.9	103.2	129.3	114.8	100.3	125.3	149.1
Total Income	221.8	247.7	377.7	417.4	441.1	513.8	581.4	671.2
Growth (%)	9.4	11.7	52.4	10.5	5.7	16.5	13.2	15.4
Operating Expenses	101.7	112.9	188.7	205.4	217.2	245.2	278.6	308.0
Pre Provision Profits	120.1	134.9	189.0	212.0	223.9	268.6	302.9	363.2
Growth (%)	9.4	12.3	40.1	12.2	5.6	20.0	12.8	19.9
Core PPP	101.3	125.0	161.5	178.2	196.6	258.0	293.9	355.5
Growth (%)	21.2	23.4	29.2	10.4	10.3	31.2	13.9	21.0
Provisions (excl tax)	148.0	127.9	207.0	156.4	130.0	71.4	71.9	90.9
PBT	-27.9	7.0	-18.0	55.6	93.9	197.3	231.0	272.3
Tax	-3.6	2.6	-23.5	47.3	21.1	56.2	62.4	68.6
Tax Rate (%)	12.9	37.9	130.3	85.1	22.5	28.5	27.0	25.2
PAT	-24.3	4.3	5.5	8.3	72.7	141.1	168.6	203.7
Growth (%)	-275.8	-117.8	26.0	51.8	777.3	94.0	19.5	20.8

Balance Sheet								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	5.3	5.3	9.3	10.4	10.4	10.4	10.4	10.4
Reserves & Surplus	428.6	504.5	709.3	760.1	848.7	971.9	1,110.5	1,282.9
Net Worth	433.9	509.8	718.6	770.5	859.1	982.2	1,120.8	1,293.2
Deposits	5,913.1	6,386.9	9,459.8	9,670.0	10,459.4	12,036.9	13,601.7	15,437.9
Growth (%)	-1.7	8.0	48.1	2.2	8.2	15.1	13.0	13.5
of which CASA Dep	2,117.8	2,237.9	3,338.2	3,882.8	4,336.1	4,751.0	5,209.4	5,959.0
Growth (%)	9.4	5.7	49.2	16.3	11.7	9.6	9.7	14.4
Borrowings	625.7	672.0	930.7	668.5	1,039.0	1,019.1	1,168.0	1,337.6
Other Liabilities & Prov.	227.2	241.1	470.1	444.7	422.5	547.4	629.5	723.9
Total Liabilities	7,200.0	7,809.9	11,579.2	11,553.6	12,780.0	14,585.6	16,520.0	18,792.6
Current Assets	929.0	892.3	1,219.0	1,204.1	1,226.5	957.0	1,019.1	1,124.0
Investments	1,631.8	1,823.0	2,746.1	2,612.2	3,158.0	3,624.9	4,117.8	4,694.3
Growth (%)	25.9	11.7	50.6	-4.9	20.9	14.8	13.6	14.0
Loans	4,274.3	4,688.2	6,901.2	7,063.0	7,771.6	9,410.0	10,774.4	12,282.9
Growth (%)	11.5	9.7	47.2	2.3	10.0	21.1	14.5	14.0
Fixed Assets	53.7	69.9	88.9	80.2	99.2	87.1	92.3	96.9
Other Assets	311.2	336.5	623.9	594.1	524.7	506.7	516.3	594.6
Total Assets	7,200.0	7,809.9	11,579.2	11,553.6	12,780.0	14,585.6	16,520.0	18,792.6

Asset Quality								
GNPA	564.8	482.3	693.8	666.7	540.6	367.6	326.9	336.6
NNPA	234.8	156.1	215.8	218.0	133.6	85.5	65.5	64.4
GNPA Ratio	12.3	9.6	9.4	8.9	6.6	3.8	3.0	2.7
NNPA Ratio	5.5	3.3	3.1	3.1	1.7	0.9	0.6	0.5
Slippage Ratio	6.0	3.0	3.4	2.8	1.8	1.2	1.6	1.7
Credit Cost	3.5	2.7	2.9	1.7	2.0	0.5	0.7	0.8
PCR (Excl Tech. write off)	58.4	67.6	68.9	67.3	75.3	76.7	80.0	80.9

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	6.5	7.0	7.0	6.5	5.7	6.9	7.7	7.6
Avg. Yield on loans	7.2	7.7	7.8	7.1	6.3	7.5	8.5	8.3
Avg. Yield on Investments	7.3	7.5	6.6	6.6	5.6	6.6	6.9	7.0
Avg. Cost-Int. Bear. Liab.	4.4	4.6	4.7	4.0	3.2	3.9	5.0	4.9
Avg. Cost of Deposits	4.4	4.5	4.6	3.9	3.2	3.7	4.8	4.7
Interest Spread	2.1	2.4	2.3	2.4	2.5	2.9	2.7	2.7
Net Interest Margin	2.3	2.6	2.5	2.7	2.7	3.2	3.1	3.1

Capitalisation Ratios (%)

CAR	12.9	13.4	13.9	15.7	15.7	16.2	14.9	14.4
Tier I	11.3	11.6	11.3	13.5	13.2	14.0	12.9	12.6
Tier II	1.6	1.9	2.6	2.3	2.5	2.3	2.0	1.8

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	72.3	73.4	73.0	73.0	74.3	78.2	79.2	79.6
CASA Ratio	35.8	35.0	35.3	40.2	41.5	39.5	38.3	38.6
Cost/Assets	1.4	1.4	1.6	1.8	1.7	1.7	1.7	1.6
Cost/Total Income	45.9	45.6	50.0	49.2	49.2	47.7	47.9	45.9
Cost/Core Income	50.1	47.5	53.9	53.5	52.5	48.7	48.7	46.4
Int. Expense/Int. Income	64.4	62.9	63.9	59.1	53.3	53.8	60.3	59.5
Fee Income/Total Income	21.5	21.4	20.0	22.9	19.9	17.4	20.0	21.1
Non Int. Inc./Total Income	30.0	25.4	27.3	31.0	26.0	19.5	21.6	22.2
Empl. Cost/Total Expense	45.3	44.6	50.7	55.7	55.2	54.5	55.1	54.8
Investment/Deposit Ratio	27.6	28.5	29.0	27.0	30.2	30.1	30.3	30.4

Profitability Ratios and Valuation

RoE	-5.8	0.9	0.8	1.1	8.5	15.3	16.0	16.9
RoA	-0.3	0.1	0.0	0.1	0.6	1.0	1.1	1.2
RoRWA	-0.6	0.1	0.1	0.1	1.1	2.0	2.2	2.3
Book Value (INR)	157	183	148	143	158	183	210	244
Growth (%)	-5.3	16.4	-19.0	-3.2	10.5	15.8	14.6	15.8
Price-BV (x)	1.2	1.0	1.3	1.3	1.2	1.0	0.9	0.8
Adjusted BV (INR)	91	136	112	111	136	165	194	226
Price-ABV (x)	2.1	1.4	1.7	1.7	1.4	1.2	1.0	0.8
EPS (INR)	-9.8	1.6	1.2	1.6	14.0	27.3	32.6	39.3
Growth (%)	-263.7	-116.7	-27.8	35.6	777.3	94.0	19.5	20.8
Price-Earnings (x)	-19.4	116.2	161.0	118.7	13.5	7.0	5.8	4.8
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	2.8	5.5	5.8	6.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	1.5	2.9	3.1	3.2

E: MOFSL Estimates

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NOTES

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