

Bank of Baroda

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1259 / 14.6
52-Week Range (INR)	267 / 191
1, 6, 12 Rel. Per (%)	3/4/1
12M Avg Val (INR M)	3052

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	456.6	468.3	553.8
OP	324.3	325.6	393.9
NP	195.8	189.0	235.9
NIM (%)	2.8	2.6	2.8
EPS (INR)	37.8	36.5	45.6
EPS Gr. (%)	10.1	-3.5	24.8
BV/Sh. (INR)	254	272	307
ABV/Sh. (INR)	235	253	286

Ratios

RoA (%)	1.2	1.0	1.1
RoE (%)	16.7	14.3	16.2

Valuations

P/E(X)	6.4	6.6	5.3
P/BV (X)	1.0	0.9	0.8
P/ABV (X)	1.0	1.0	0.8

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	64.0	64.0	64.0
DII	18.8	18.2	16.0
FII	8.3	9.0	11.5
Others	8.9	8.8	8.6

CMP: INR243

TP: INR260 (+7%)

Neutral

Healthy NII, Other income drives earnings

Slippages increase QoQ

- Bank of Baroda (BOB) reported 1QFY26 PAT of INR45.4b (1.9% YoY growth, 9% beat), amid NII beat and higher than expected other income which offsets higher provisions.
- NII declined 1.4% YoY/remained flat QoQ to INR114.3b (6% beat) due to the impact of reclassification of interest in IT refund. Margins contracted 7bp QoQ to 2.91%. Provisions were elevated at INR19.7b (27% higher than MOFSLe), up 27% QoQ.
- Business growth was modest, with advances growing at 13.2% YoY/declining 1.9% QoQ, while deposits grew 9.1% YoY/declined 2.5% QoQ. CD ratio stood at 82.7% (up 48bp QoQ).
- Slippages increased to INR36.9b vs INR31.6b in 4QFY25, due to one international account that slipped this quarter. GNPA/NNPA ratios increased 2bp QoQ each to 2.28%/0.6%, respectively. PCR declined to ~74% vs 75% in 4QFY25.
- We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. **Reiterate Neutral with a TP of INR260 (0.9x FY27E ABV).**

Business growth soft; margin decline contained at 7bp QoQ

- BOB reported 1QFY26 PAT of INR45.4b (1.9% YoY growth, 9% beat). NII declined 1.4% YoY/remained flat QoQ to INR114.3b (6% beat). Margins contracted 7bp QoQ to 2.91%. The bank expects margins to remain within the 2.85-3.0% range for FY26.
- Other income grew 88% YoY/declined 1.3% QoQ to INR46.7b (17% beat). Total income, thus, increased 14.4% YoY/remained flat QoQ to INR161b (9% beat).
- Opex grew 14% YoY/declined 3% QoQ (broadly in-line). PPop grew 15% YoY/declined 1.3% QoQ to INR82.4b (15% beat). Provisions increased 27% QoQ to INR19.7b (27% higher than MOFSLe).
- Advances grew at 13.2% YoY (declined 1.9% QoQ). Among segments, retail book grew at 1.9% QoQ, while corporate book declined 10.2% QoQ. In retail, home loans grew 1.9% QoQ, auto loans grew 1.9% QoQ, and gold loans grew 3.5% QoQ.
- Deposits grew 9.1% YoY/declined 2.5% QoQ. The domestic CASA mix moderated 64bp QoQ to ~39.3%.
- For asset quality, slippages increased to INR36.9b vs INR31.6b in 4QFY25, due to one international account that moved into the resolution account. GNPA/NNPA ratios increased 2bp QoQ each to 2.28%/0.6%, respectively. PCR declined to ~74% vs 75% in 4QFY25.
- SMA 1&2 stood at 0.4% vs 0.33% in 4QFY25.

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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

- The bank has given an NIM guidance of ~2.85-3.0% for FY26.
- Recovery target for FY26 is >100b.
- The bank plans to add another 300 branches in FY26.
- Its slippages rose this quarter, primarily due to one large international account slipping into NPA and stress from the legacy personal loan book.
- This international account was restructured during COVID-19 and later upgraded. However, it has now moved to the resolution category in the international portfolio. The bank expects to recover the dues and has made a 40% provision against them.

Valuation and view: Reiterate Neutral with a TP of INR260

BOB reported an earnings beat, supported by higher-than-expected other income, while provisions remained elevated. NIM contracted to 2.91% (a controlled moderation of 7bp QoQ), with management guiding for further moderation in 2Q and expecting FY26 NIM to remain in the ~2.85-3.0% range. Business growth was modest, with advances rising 13.2% YoY/declining 1.9% QoQ. Slippages remained elevated, led by an international account that the bank expects to recover, while PCR declined to 74% vs 75% in 4QFY25. We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. **Reiterate Neutral with a TP of INR260 (0.9x FY27E ABV).**

Quarterly Performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	116.0	116.2	114.2	114.9	114.3	110.5	117.3	126.1	456.6	468.3	107.9	6%
% Change (YoY)	5.5	7.3	2.8	-2.5	-1.4	-4.9	2.7	9.7	2.1	2.6	-7.0	
Other Income	24.9	51.8	37.7	47.4	46.7	45.4	40.3	50.7	166.5	183.1	40.0	17%
Total Income	140.9	168.0	151.9	162.3	161.1	155.9	157.6	176.8	623.1	651.4	147.9	9%
Operating Expenses	69.3	73.3	75.2	81.0	78.7	79.5	81.1	86.4	298.7	325.8	76.6	3%
Operating Profit	71.6	94.8	76.6	81.3	82.4	76.4	76.5	90.4	324.3	325.6	71.3	15%
% Change (YoY)	-8.5	18.2	9.3	0.3	15.0	-19.4	-0.2	11.1	4.7	0.4	-0.4	
Provisions	10.1	23.4	10.8	15.5	19.7	16.5	17.5	17.9	59.8	71.5	15.5	27%
Profit before Tax	61.5	71.4	65.8	65.8	62.7	60.0	58.9	72.5	264.5	254.1	55.8	12%
Tax	16.9	19.0	17.4	15.3	17.3	15.1	14.9	17.8	68.7	65.0	14.1	23%
Net Profit	44.6	52.4	48.4	50.5	45.4	44.8	44.1	54.7	195.8	189.0	41.7	9%
% Change (YoY)	9.5	23.2	5.6	3.3	1.9	-14.4	-8.8	8.3	10.1	-3.5	-6.4	
Operating Parameters												
Deposit (INR b)	13,156	13,635	13,925	14,720	14,356	15,070	15,674	16,310	14,720	16,310	14,631	-2%
Loan (INR b)	10,479	11,212	11,513	12,096	11,866	12,394	12,908	13,450	12,096	13,450	12,175	-3%
Deposit Growth (%)	9.6	9.1	11.8	10.9	9.1	10.5	12.6	10.8	10.3	10.8	11.9	
Loan Growth (%)	8.8	12.3	12.4	13.5	13.2	10.5	12.1	11.2	13.5	11.2	16.2	
Asset Quality												
Gross NPA (%)	2.9	2.5	2.4	2.3	2.3	2.2	2.1	2.1	2.3	2.1	2.3	
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.5	0.5	
PCR (%)	76.6	76.3	76.0	74.9	74.0	77.0	77.1	75.6	73.1	75.6	76.9	

E: MOFSL Estimates

Quarterly snapshot

INR b	FY25				FY26	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss							
Net Interest Income	116.0	116.2	114.2	114.9	114.3	-1.4	-0.5
Other Income	24.9	51.8	37.7	47.4	46.7	87.9	-1.3
Trading profits	0.9	6.9	7.1	12.5	18.8	1,942.4	50.9
Total Income	140.9	168.0	151.9	162.3	161.1	14.4	-0.7
Operating Expenses	69.3	73.3	75.2	81.0	78.7	13.7	-2.8
Employee	40.1	40.4	42.1	43.5	43.1	7.3	-0.9
Others	29.1	32.9	33.1	37.5	35.7	22.4	-4.9
Operating Profits	71.6	94.8	76.6	81.3	82.4	15.0	1.3
Core Operating Profits	70.7	87.9	69.6	68.9	63.6	-10.1	-7.7
Provisions	10.1	23.4	10.8	15.5	19.7	94.6	26.8
PBT	61.5	71.4	65.8	65.8	62.7	1.9	-4.7
Taxes	16.9	19.0	17.4	15.3	17.3	2.1	12.7
PAT	44.6	52.4	48.4	50.5	45.4	1.9	-10.0
Balance Sheet (INR b)							
Loans	10,479	11,212	11,513	12,096	11,866	13.2	-1.9
Deposits	13,156	13,635	13,925	14,720	14,356	9.1	-2.5
CASA Deposits (Domestic)	4,490	4,584	4,626	4,965	4,736	5.5	-4.6
- Savings	3,824	3,875	3,891	4,087	4,016	5.0	-1.7
- Current	667	710	736	878	721	8.1	-17.9
Loan mix (%)							
Retail	20.8	20.3	20.7	20.9	21.7	90	81
MSME	11.2	11.1	11.2	11.1	11.2	5	16
Agriculture	13.0	12.6	12.9	12.9	13.4	42	53
Corporate	33.2	34.0	33.0	33.5	30.7	-249	-283
Others	4.2	4.1	4.4	4.7	5.2	97	48
Asset Quality (INR b)							
GNPA	308.7	285.5	284.7	278.3	275.7	-10.7	-0.9
NNPA	72.3	67.6	68.3	69.9	71.6	-1.0	2.3
Slippages	30.2	31.1	29.2	31.6	36.9	22.1	16.7
Asset Quality ratios (%)							
GNPA	2.9	2.5	2.4	2.3	2.3	-60	2
NNPA	0.7	0.6	0.6	0.6	0.6	-9	2
Slippage ratio	1.1	1.1	0.9	1.0	1.2	14	23
PCR (inc TWO)	93.3	93.6	93.5	93.3	93.2	-14	-11
PCR	76.6	76.3	76.0	74.9	74.0	-254	-83
Credit Cost	0.4	0.9	0.4	0.5	0.7	30	16
Business Ratios (%)							
CASA Reported	40.3	39.8	39.3	40.0	39.3	-98	-64
Loan/Deposit	79.7	82.2	82.7	82.2	82.7	300	48
Other income to Total Income	17.7	30.8	24.8	29.2	29.0	1,136	-16
Cost to Income	49.2	43.6	49.5	49.9	48.9	-29	-102
Cost to Asset	1.8	1.8	1.8	1.9	1.9	7	-3
Tax Rate	27.5	26.7	26.5	23.3	27.6	5	427
Capitalisation Ratios (%)							
Tier-1	14.7	14.2	13.4	14.8	15.2	50	36
- CET 1	13.1	12.7	12.4	13.8	14.1	104	34
CAR	16.8	16.3	16.0	17.2	17.6	79	42
RWA / Total Assets	51.4	51.8	51.5	52.0	51.5	18	-42
LCR	127.0	129.0	125.5	125.7	119.0	-800	-667
Profitability Ratios (%)							
Yield on loans	9.0	8.9	8.9	8.8	8.6	-38	-15
Cost of Deposits	5.1	5.1	5.1	5.1	5.1	-1	-7
Margins	3.2	3.1	2.9	3.0	2.9	-27	-7
RoA	1.1	1.3	1.2	1.2	1.0	-10	-13



Highlights from the management commentary

Opening remarks

- Domestic advances grew 12.4% YoY, while retail grew 17.5% YoY. Agri stood at 16.2% YoY, SME at 13.1% YoY, and Corporate at 4.2% YoY.
- Within retail, education, home loan, and mortgage grew faster.
- The bank's PL segment witnessed moderate growth.
- Deposits grew 9.1% YoY. CASA grew 5.5% YoY. Domestic CASA ratio stood at 39.3%.
- RoA stood at 1.03% in 1QFY26.
- NIMs have been under pressure due to repo rate cuts and immediate repricing of EBLR-linked loans.
- In NIM, there has been a reclassification of interest on IT refunds.
- Slippage ratio has increased to 1.16% vs 1.0% in 4QFY25.
- Credit cost stood at 0.55%. SMA book stood at 0.4%.
- CET-1 stood at 14.12% and CRAR stood at 17.61%.
- Collection efficiency (ex agri) stood healthy at 98.9%. LCR stood at 119%.
- Corporate book is witnessing deleveraging, leading to subdued credit demand, with borrowers increasingly opting for bond markets.
- Corporate book is expected to grow 9-10% in FY26.
- Cost of deposits stood at 5.05%, the lowest among large peers in the industry. Moreover, CASA stood at 39.3%.
- NIMs moderated 7bp QoQ in 1QFY26, whereas for most banks, there was double-digit moderation.

Advances and deposits

- Deposits growth stood at 9.1% YoY, CASA growth at 5.5% YoY, and Domestic CASA ratio at 39.3%.
- Retail growth was 3-4% higher than that of large peers in the system.
- The digital spend was at 10% of the operating profit, and the bank expects to bring it to 15% in future.
- The bank plans to add another 300 branches in FY26.
- Yield on RAM advances stood at ~9-9.5%.
- On the liability side, the bank remains positive as it is in a better position to reprice deposits.
- Loan book composition: MCLR is 45% and fixed rate is 6%.

Cost, margins, and yields

- Pressure on NIMs will continue in 2Q; however, 3Q will be better.
- Fee income growth has remained slightly soft. The bank is internally focusing on cash management and prioritizing initiatives to improve fee income.
- There has been an IT refund; excluding this, margins would stand at ~2.81%. Even then, margin moderation would be 7bp QoQ, similar to the previous quarter, as the IT refund has been reclassified.
- Deposit repricing of ~75-80% will be done in the next quarter.
- The bank has given an NIM guidance of ~2.85-3.0% for FY26.
- On the provisioning side, the bank has taken prudential provisioning of 40% on the international book that has slipped.

- EBLR has been fully repriced, while one rate cut has been passed on in MCLR.
- A moderation of 15-17bp in the cost of deposits and cost of funds is expected.
- The bank capitalized on OMO opportunities, reporting healthy treasury gains.
- The discount rate has declined, leading to a lower provisioning requirement under AS-15.
- Earlier, the IT refund was recorded under other income, but in this quarter, it has been classified as income; hence, NII has been reclassified for both this and previous quarters.
- The bank expects a further 25bp rate cut, likely toward the end of the calendar year, after September.
- Deposits remain sticky due to their fixed nature. Assuming a deposit maturity of one year, with 3-4 months already elapsed, ~70-75% repricing is expected to be completed in the next quarter.
- The bank has adequately made provisions toward PLI and AS-15.

Asset quality

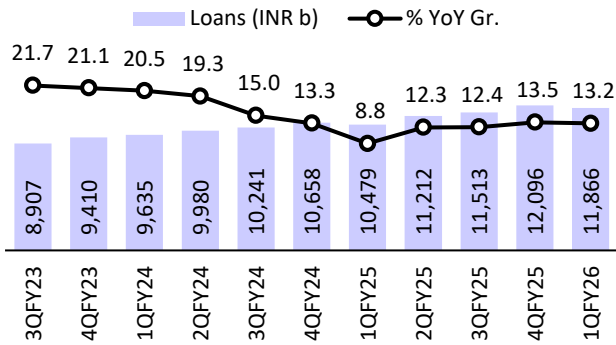
- The bank's slippages have increased due to one large international account that slipped to NPA this quarter and stress on the legacy personal loan book.
- This international account was restructured during COVID-19 and later upgraded. However, it has now moved into the resolution category in the international portfolio, with a resolution period of 210 days. This is a secured account, and the bank expects to recover the dues. It has taken a 40% provision against this.
- In the personal loan segment, the legacy book contributed ~INR1-1.5b to slippage.
- The SMA book has three accounts that are government-guaranteed. If these accounts are excluded, the total SMA book will be 0.10%.
- Recovery target for FY26 is >100b.
- A couple of accounts have inherent weaknesses, and the bank has made provisions for them as advised by auditors. These constitute additional provisions made during the quarter.
- On standard accounts, incremental provisions of ~INR5-6b were made due to inherent weakness.
- Slippage ratio in retail and MSME segments remains within the bank's threshold, and GNPA is at a controlled level.
- The bank has exposure to an airline account, with ~1/3rd of the exposure backed by guarantee and 2/3rd secured against a land parcel.
- MSME loans are largely secured, and in retail too, most loans are secured except for personal loans. Unsecured MSME loans are covered by government guarantees.

Guidance

- The bank has given an NIM guidance of ~2.85-3.0% for FY26.
- Recovery target for FY26 is >100b.
- The bank plans to add another 300 branches in FY26.

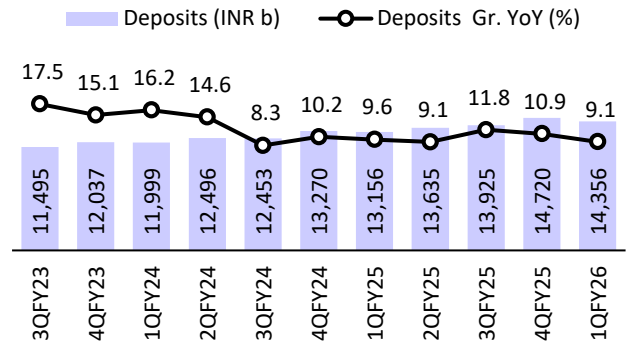
Story in charts

Exhibit 1: Loan book grew ~13.2% YoY (down 1.9% QoQ)



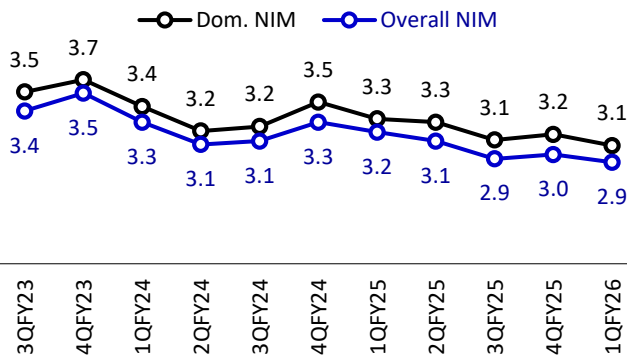
Source: MOFSL, Company

Exhibit 2: Deposit book grew 9.1% YoY (down 2.5% QoQ)



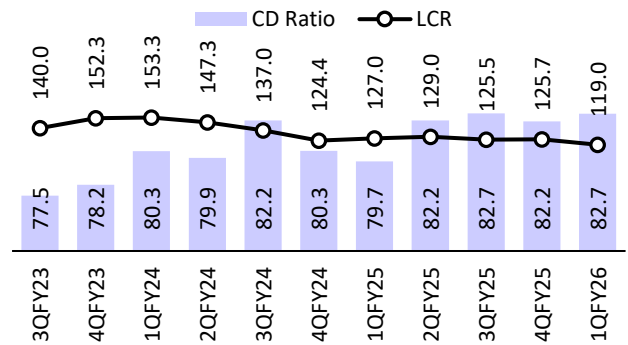
Source: MOFSL, Company

Exhibit 3: NIMs contracted 7bp QoQ; domestic NIMs contracted 10bp



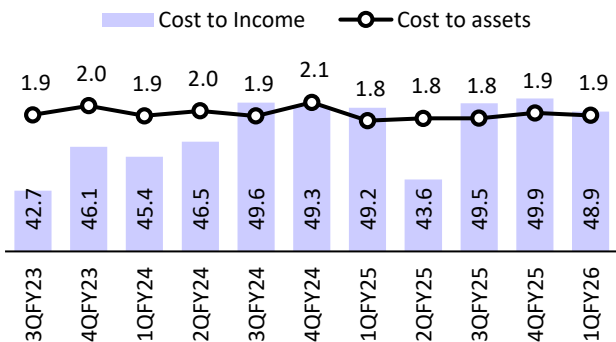
Source: MOFSL, Company

Exhibit 4: CD ratio increased slightly to 82.7%



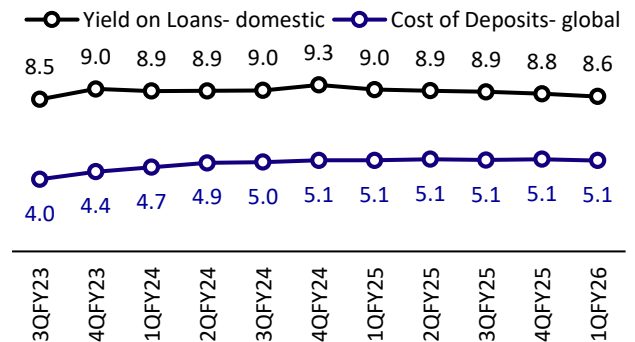
Source: MOFSL, Company

Exhibit 5: Cost-to-income moderated to 48.9%



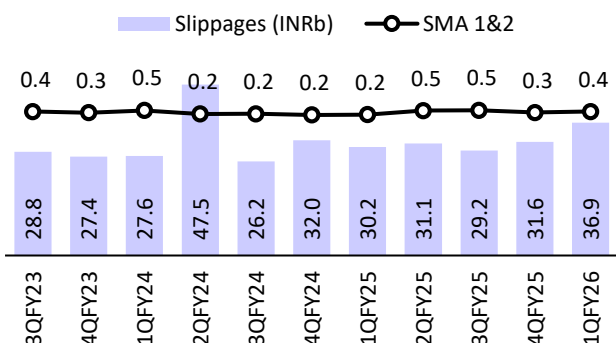
Source: MOFSL, Company

Exhibit 6: Loan yield declined to 8.6%; CoD stood at 5.1%



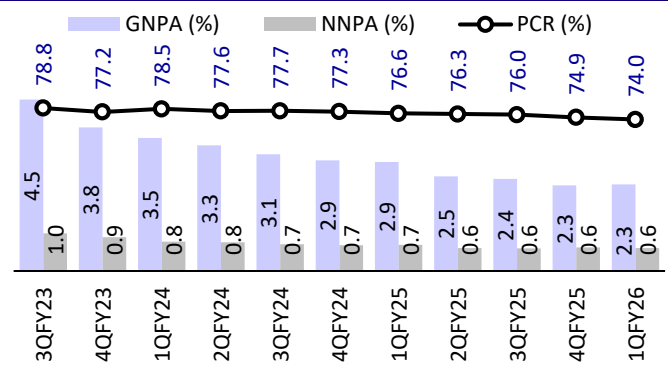
Source: MOFSL, Company

Exhibit 7: Gross slippages increased to INR36.9b; SMA stood at 0.4%



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratio increased 2bp QoQ each; PCR stood at 74%



Source: MOFSL, Company

Valuation and view: Reiterate Neutral with a TP of INR260

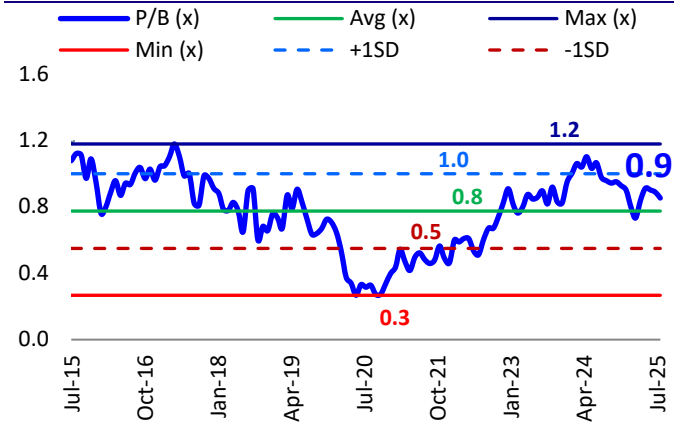
- BOB reported an earnings beat with higher-than-expected other income, while provisions remained elevated. NIMs contracted to 2.91% (controlled moderation of 7bp QoQ), with management guiding for further moderation in 2Q and expecting FY26 NIM to remain in the ~2.85%-3.0% range.
- Business growth was modest, with advances growing at 13.2% YoY/declining 1.9% QoQ. Slippages remained elevated due to an international account that the bank expects to recover, while PCR declined to 74% vs 75% in 4QFY25.
- **We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. Reiterate Neutral with a TP of INR260 (0.9x 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	469.8	557.5	468.3	553.8	-0.3	-0.7
Other Income	168.1	185.0	183.1	194.1	8.9	5.0
Total Income	637.9	742.5	651.4	747.9	2.1	0.7
Operating Expenses	323.0	351.0	325.8	354.0	0.8	0.8
Operating Profits	314.9	391.5	325.6	393.9	3.4	0.6
Provisions	67.3	78.6	71.5	77.7	6.4	-1.2
PBT	247.6	312.9	254.1	316.2	2.6	1.1
Tax	63.4	79.5	65.0	80.3	2.6	1.1
PAT	184.2	233.4	189.0	235.9	2.6	1.1
Loans	13,608	15,431	13,450	15,253	-1.2	-1.2
Deposits	16,502	18,614	16,310	18,398	-1.2	-1.2
Margins (%)	2.6	2.8	2.6	2.8	0	1
Credit Cost (%)	0.5	0.5	0.5	0.5	4	-
RoA (%)	0.98	1.12	1.01	1.14	3	2
RoE (%)	14.0	16.1	14.3	16.2	34	11
BV	271.6	306.1	272.5	307.5	0.3	0.5
ABV	249.9	281.4	252.8	285.7	1.2	1.5
EPS	35.6	45.1	36.5	45.6	2.6	1.1

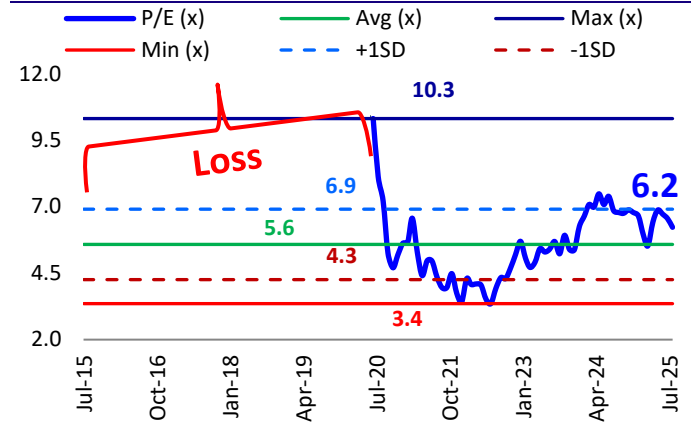
Source: MOFSL Estimates

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 1.14% by FY27

Y/E MARCH	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	6.55	7.40	7.21	7.00	7.14	7.20
Interest Expense	3.53	4.46	4.50	4.49	4.47	4.41
Net Interest Income	3.02	2.94	2.71	2.51	2.67	2.79
Other income	0.73	0.95	0.99	0.98	0.94	0.92
Total Income	3.76	3.89	3.70	3.49	3.61	3.72
Operating Expenses	1.79	1.86	1.77	1.75	1.71	1.65
Employee cost	1.0	1.0	1.0	1.0	1.0	0.9
Others	0.82	0.82	0.79	0.78	0.76	0.73
Operating Profits	1.96	2.03	1.93	1.74	1.90	2.07
Core operating Profits	1.89	1.94	1.79	1.69	1.86	2.04
Provisions	0.52	0.40	0.36	0.38	0.37	0.38
PBT	1.44	1.64	1.57	1.36	1.53	1.69
Tax	0.41	0.47	0.41	0.35	0.39	0.43
RoA (%)	1.03	1.17	1.16	1.01	1.14	1.26
<i>Leverage (x)</i>	16.0	15.3	14.3	14.1	14.2	14.0
RoE (%)	16.5	17.8	16.7	14.3	16.2	17.7

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	1,306.6	1,479.5	1,684.2
Interest Expense	482.3	678.8	757.8	838.3	925.7	1,031.1
Net Interest Income	413.6	447.2	456.6	468.3	553.8	653.2
- Growth (%)	26.8	8.1	2.1	2.6	18.3	17.9
Non Interest Income	100.3	145.0	166.5	183.1	194.1	215.5
Total Income	513.8	592.2	623.1	651.4	747.9	868.6
- Growth (%)	16.5	15.2	5.2	4.5	14.8	16.1
Operating Expenses	245.2	282.5	298.7	325.8	354.0	384.6
Pre Provision Profits	268.6	309.7	324.3	325.6	393.9	484.0
- Growth (%)	20.0	15.3	4.7	0.4	21.0	22.9
Core PPOp	258.0	294.7	301.7	315.0	384.8	476.1
- Growth (%)	31.2	14.2	2.4	4.4	22.2	23.7
Provisions	71.4	60.8	59.8	71.5	77.7	88.4
PBT	197.3	248.9	264.5	254.1	316.2	395.6
Tax	56.2	71.0	68.7	65.0	80.3	100.5
Tax Rate (%)	28.5	28.5	26.0	25.6	25.4	25.4
PAT	141.1	177.9	195.8	189.0	235.9	295.1
- Growth (%)	94.0	26.1	10.1	-3.5	24.8	25.1

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	1,452.6	1,633.7	1,865.9
Net Worth	982.2	1,122.2	1,369.3	1,463.0	1,644.1	1,876.2
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	19,520.2	21,943.8	24,814.8
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	13,450.3	15,252.6	17,357.5
- Growth (%)	21.1	13.3	13.5	11.2	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	493.9	503.3	527.4
Total Assets	14,585.6	15,858.0	17,812.5	19,520.2	21,943.8	24,814.8

Asset Quality

GNPA (INR b)	367.6	318.3	278.3	280.7	307.0	336.5
NNPA (INR b)	85.5	75.8	74.9	68.5	75.0	84.9
Slippages (INR b)	111.5	104.0	93.1	144.3	172.2	189.1
GNPA Ratio (%)	3.8	2.9	2.3	2.1	2.0	1.9
NNPA Ratio (%)	0.9	0.7	0.6	0.5	0.5	0.5
Slippage Ratio (%)	1.2	1.0	0.8	1.1	1.2	1.2
Credit Cost (%)	0.5	0.7	0.5	0.5	0.5	0.5
PCR (Excl Tech. write off) (%)	76.7	76.2	73.1	75.6	75.6	74.8

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	7.4
Avg. Yield on loans	7.5	8.5	8.2	7.8	8.0	8.1
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	5.0	4.9
Avg. Cost of Deposits	3.7	4.7	4.8	5.0	4.9	4.8
Interest Spread	2.9	2.7	2.5	2.2	2.4	2.5
Net Interest Margin	3.2	3.1	2.8	2.6	2.8	2.9
Capitalisation Ratios (%)						
CAR	16.2	16.3	17.2	15.7	14.9	14.3
Tier I	14.0	14.1	14.8	13.5	12.9	12.5
-CET-1	12.2	12.5	13.8	12.6	12.0	11.7
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	82.5	82.9	83.2
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	1.5
Cost/Total Income	47.7	47.7	47.9	50.0	47.3	44.3
Cost/Core Income	48.7	48.9	49.8	50.8	47.9	44.7
Int. Expense/Int.Income	53.8	60.3	62.4	64.2	62.6	61.2
Fee Income/Total Income	17.4	22.0	23.1	26.5	24.7	23.9
Non Int. Inc./Total Income	19.5	24.5	26.7	28.1	26.0	24.8
Empl. Cost/Total Expense	54.5	56.0	55.6	55.6	55.7	55.9
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	392.8	439.8	494.6
Profit per Emp. (INR m)	1.8	2.4	2.6	2.5	3.1	3.8

Profitability Ratios and Valuation

RoE	16.5	17.8	16.7	14.3	16.2	17.7
RoA	1.0	1.2	1.2	1.0	1.1	1.3
RoRWA	2.0	2.3	2.3	1.9	2.1	2.3
Book Value (INR)	183	211	254	272	307	352
- Growth (%)	15.8	15.2	20.3	7.1	12.8	14.6
Price-BV (x)	1.3	1.1	1.0	0.9	0.8	0.7
Adjusted BV (INR)	165	194	235	253	286	328
Price-ABV (x)	1.5	1.2	1.0	1.0	0.9	0.7
EPS (INR)	27.3	34.4	37.8	36.5	45.6	57.0
- Growth (%)	94.0	26.1	10.1	-3.5	24.8	25.1
Price-Earnings (x)	8.9	7.1	6.4	6.7	5.3	4.3
Dividend Per Share (INR)	5.5	7.6	8.3	9.2	10.5	12.1
Dividend Yield (%)	2.3	3.1	3.4	3.8	4.3	5.0

E: MOFSL Estimates

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