31 October 2025

2QFY26 Results Update | Sector: Financials

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.

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.Sankharva@motilaloswal.com) | **Disha Singhal** (Disha.Singhal@MotilalOswal.com)

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 (INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	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

	FY25				FY26		Change (%)	
INR b	**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

CONFERENCE CALL

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

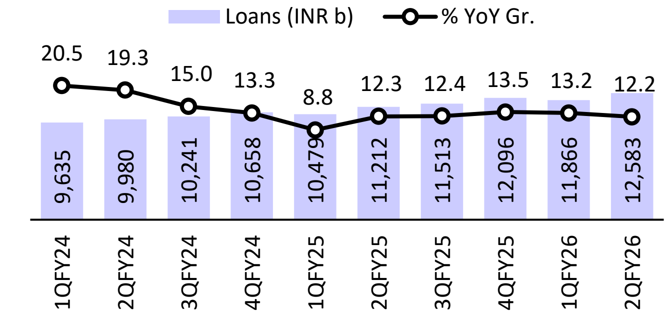
- The bank does not need any raising of capital as of now and this is an enabling provision.
- ECL and Risk Weights – The overall impact on CRAR is estimated at around 1.25%. However, the reduction in credit RWAs is expected to provide a benefit of about 60bp. Overall, the maximum impact is likely to 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%.

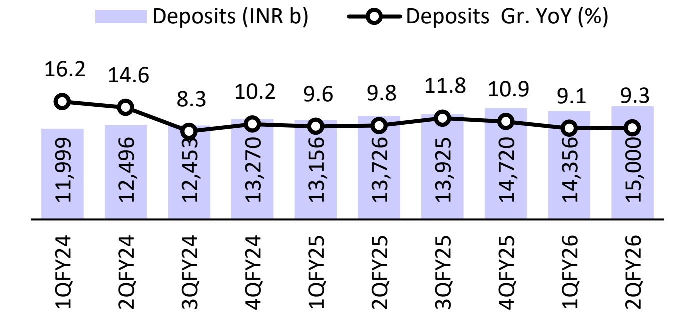
Story in charts

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



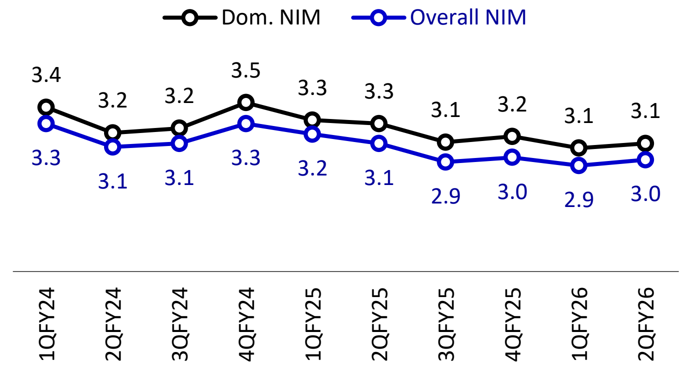
Source: MOFSL, Company

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



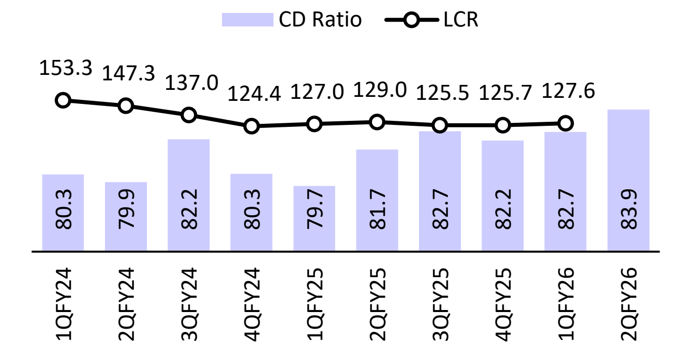
Source: MOFSL, Company

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



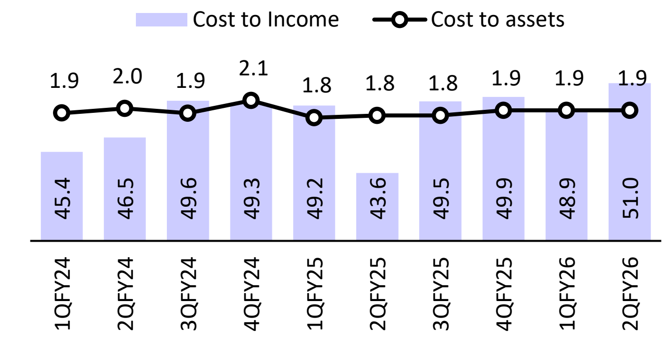
Source: MOFSL, Company

Exhibit 4: CD ratio increased to 83.9%



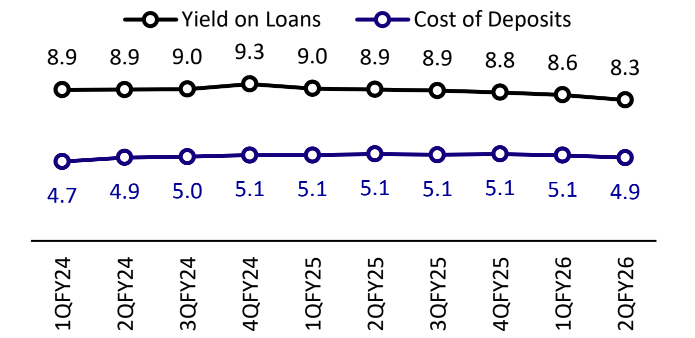
Source: MOFSL, Company

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



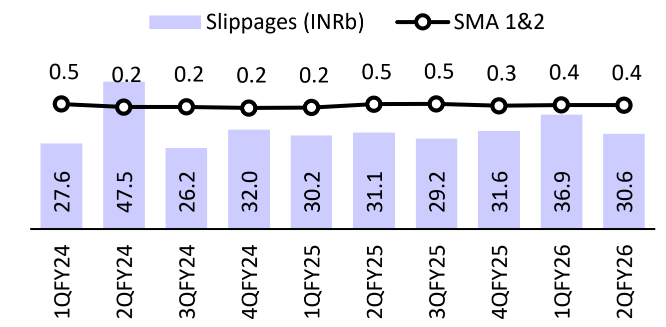
Source: MOFSL, Company

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



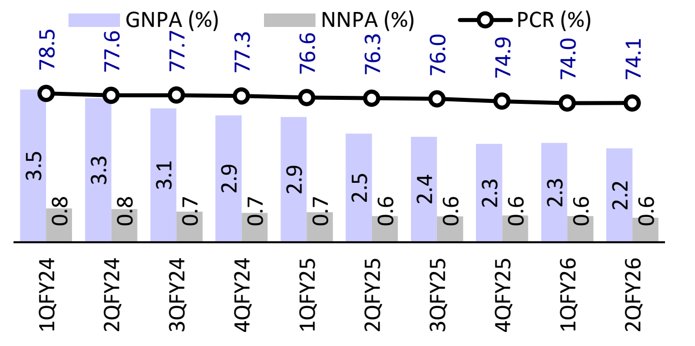
Source: MOFSL, Company

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



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratio declined 12bp/ 3bp QoQ each; PCR at 74.1%



Source: MOFSL, Company

Valuation and view: Maintain Neutral with TP of INR290

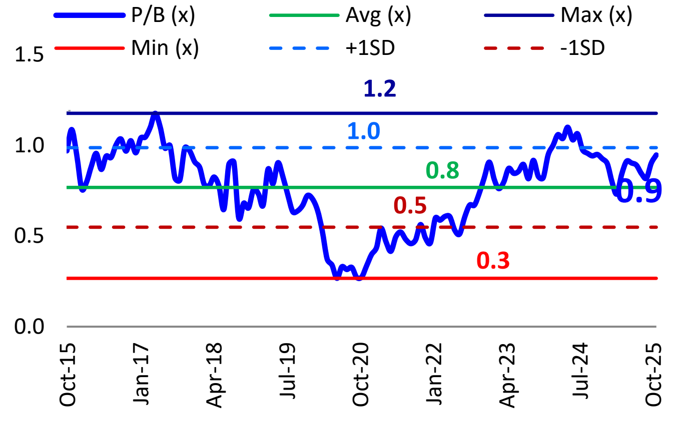
- BOB reported an earnings beat driven by stronger NII growth, controlled operating expenses, and lower provisions.
- Reported NIMs improved 5bp QoQ to 2.96%, though on a calculated basis, NIMs moderated by 3-4bp QoQ. The bank expects NIMs to remain within the 2.85-3% range.
- Growth momentum picked 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

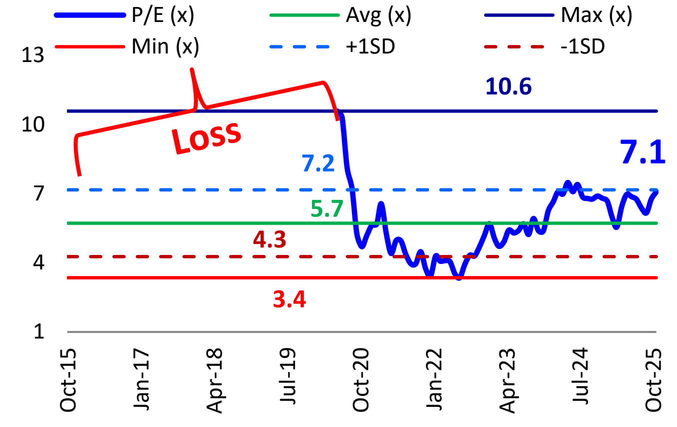
Source: MOSL Estimates

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

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:
- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.