30 October 2026
2QFY27 Results Update | Sector: Financials

Bank of Baroda

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1233.4 / 13
52-Week Range (INR)	326 / 224
1, 6, 12 Rel. Per (%)	2/-6/-2
12M Avg Val (INR M)	2933

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	476.8	529.5	621.7
OP	322.6	378.3	442.2
NP	200.2	204.7	236.1
NIM (%)	2.6	2.6	2.7
EPS (INR)	38.7	39.5	45.6
EPS Gr. (%)	2.2	2.3	15.3
BV/Sh. (INR)	287	303	337
ABV/Sh. (INR)	264	284	316
Ratios			
RoA (%)	1.1	1.0	1.0
RoE (%)	14.7	13.7	14.6
Valuations			
P/E(X)	6.2	6.0	5.2
P/BV (X)	0.8	0.8	0.7
P/ABV (X)	0.9	0.8	0.8

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	64.0	64.0	64.0
DII	17.9	18.4	19.0
FII	10.3	10.1	8.7
Others	7.8	7.5	8.3

CMP: INR239 TP: INR270 (+13%) Neutral

Steady quarter; One-off gains utilized to strengthen the balance sheet

Credit growth guidance raised to 13-15%

- Bank of Baroda (BOB) reported 2QFY27 PAT of INR65.3b (up 36% YoY, 23% beat), led by strong NII income and treasury gains from NSE stake sale.
- NII was up 9% YoY/4% QoQ at INR130.3b (~5% beat). Reported NIMs were down by 3bp QoQ at 2.74% (est. 2.72%), led by a drop in overseas NIM by 20bp QoQ. The bank maintains its NIM guidance at 2.75-2.95%.
- Loan growth was healthy at 18% YoY/7% QoQ to INR14.9t, led by growth in the RAM segment and leverage of INR605b against FCNR(B) deposits. Deposits grew by 16% YoY/7% QoQ, led by healthy FCNR(B) deposit mobilization of INR773b. Excluding FNCR(B) deposits, loan and deposit growth was 13.5% YoY and 11.2% QoQ. CD ratio was unchanged at 85.4%.
- Slippages declined to INR28.5b from INR34.2b in 1QFY27. GNPA/NNPA ratios were down 21bp/13bp QoQ at 1.78%/0.37%. PCR increased to 79.5% from 75.1% in 1QFY27. The bank created an additional prudential and contingency provision of INR16b during 2Q.
- **We raise our FY27/FY28 earnings estimates by 15%/4%, factoring in strong treasury gains and estimate FY27/FY28 RoA of 0.96%/0.98%. Reiterate Neutral with a revised TP of INR270 (0.9x Mar'28E ABV).**

NIMs decline 3bp QoQ; provisioning buffer strengthened

- BOB reported 2Q PAT of INR65.3b (up 36% YoY, 23% beat) on the back of a pickup in NII growth and high treasury gains on sale (~INR13.5b) and revaluation (~INR18b) of NSE stake.
- NII was up 9% YoY/4% QoQ at INR130.3b (~5% miss). Reported NIMs were down 3bp QoQ at 2.74% owing to softer overseas margins. BOB guides for NIMs of 2.75-2.95%.
- Other income was up 96% YoY/98% QoQ at INR68.8b, aided by high treasury gains from NSE stake sale of ~INR31-32b. Total income thus improved 29% YoY/24% QoQ to INR199.1b (19% beat).
- Opex grew 7%YoY/8% QoQ (4% above est.). PPoP improved 51% QoQ/41% QoQ to INR114.3b (32% beat).
- Provisions increased by 93% YoY to INR23.8b, as BOB created additional prudential provisions of ~INR16b, comprising INR13b of specific provisions and INR3b of contingency provisions against potential MTM fluctuations.
- Advances growth came in at 18% YoY/7% QoQ, led by growth in RAM segment and FCNR(B) leveraging. Retail book grew 19% YoY, while MSME grew at 21% YoY. The corporate book growth was muted at 6% YoY.
- Deposits grew by 16% YoY/7% QoQ, led by FCNR(B) deposits of INR773b, while domestic CASA declined by 205bp QoQ to 36.4%.
- Slippages declined to INR28.5b from INR34.2b in 1QFY27. GNPA/NNPA ratios were down 21bp/13bp QoQ at 1.78%/0.37%. PCR increased to 79.5% from 75.1% in 1QFY27. SMA 1&2 declined to 0.06% from 0.07% in 1QFY27.

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Highlights from the management commentary

- NIM guidance is maintained at 2.75-2.95%, with management expecting margins to move toward the upper end of the guided range over 2HFY27.
- BOB created additional prudential provisions of ~INR16b, comprising INR13b of specific provisions and INR3b of contingency provisions against potential MTM fluctuations.
- Credit growth guidance is raised to 13-15% from 12-14%, while deposit growth guidance is increased to 11-13% from 10-12%.
- Management expects RoA above 1% in the remaining quarters of FY27 and near 1% for FY27 overall, factoring in the weak 1Q profitability.

Valuation and view: Reiterate Neutral with revised TP of INR270

BOB reported a steady quarter, aided by high treasury gains and strong NII growth. The bank expects NIMs to remain within the 2.75-2.95% range, with a bias toward the upper end of the guidance. The bank created additional prudential provisions of ~INR16b during 2Q, and carries a floating provision of INR25b, which will aid in the transition toward ECL provisioning. Business momentum improved this quarter on the back of FCNR(B) deposits and leverage against the same, with management raising its credit growth guidance to 13-15% for FY27. The bank guides for 1% RoA in FY27, factoring in the weak 1Q profitability. **We raise our FY27/FY28 earnings estimates by 15%/4%, factoring in strong treasury gains and estimate FY27/FY28 RoA of 0.96%/0.98%. Reiterate Neutral with a revised TP of INR270 (0.9x Mar'28E ABV).**

Quarterly Performance **(INR b)**

	FY26				FY27E				FY26	FY27E	FY27E	V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	**114.3**	**119.5**	**118.0**	**124.9**	**125.3**	**130.3**	**134.5**	**139.5**	**476.8**	**529.5**	**123.7**	**5%**
% Change (YoY)	-1.4	2.9	3.4	8.7	9.5	9.0	14.0	11.6	2.5	11.0	3.5	
Other Income	46.7	35.1	36.0	39.7	34.7	68.8	32.1	45.6	157.6	181.2	43.9	57%
Total Income	**161.1**	**154.7**	**154.0**	**164.6**	**160.0**	**199.1**	**166.6**	**185.1**	**634.4**	**710.7**	**167.6**	**19%**
Operating Expenses	78.7	78.9	80.2	73.9	78.7	84.8	82.8	86.2	311.8	332.4	81.3	4%
Operating Profit	**82.4**	**75.8**	**73.8**	**90.7**	**81.3**	**114.3**	**83.8**	**98.9**	**322.6**	**378.3**	**86.3**	**32%**
% Change (YoY)	15.0	-20.1	-3.7	11.5	-1.3	50.9	13.6	9.1	-0.5	17.3	13.9	
Provisions	19.7	12.3	8.0	31.5	63.2	23.8	11.5	13.9	71.5	112.4	19.3	23%
Profit before Tax	**62.7**	**63.4**	**65.8**	**59.2**	**18.0**	**90.5**	**72.3**	**85.0**	**251.1**	**265.9**	**67.0**	**35%**
Tax	17.3	15.3	15.2	3.0	5.3	25.2	15.9	14.8	50.9	61.2	14.1	79%
Net Profit	**45.4**	**48.1**	**50.5**	**56.2**	**12.8**	**65.3**	**56.4**	**70.2**	**200.2**	**204.7**	**52.9**	**23%**
% Change (YoY)	1.9	-8.2	4.5	11.3	-71.8	35.8	11.6	25.0	2.2	2.3	10.0	
Operating Parameters												
Deposit (INR b)	14,356	15,000	15,467	16,485	16,336	17,454	18,008	18,793	16,485	18,793	17,288	1%
Loan (INR b)	11,866	12,583	13,251	14,091	13,957	14,910	15,430	16,120	14,091	16,120	14,841	0%
Deposit Growth (%)	9.1	9.3	10.3	12.0	13.8	16.4	16.4	14.0	12.0	14.0	15.3	
Loan Growth (%)	13.2	12.2	15.1	16.5	17.6	18.5	16.4	14.4	16.5	14.4	17.9	
Asset Quality												
Gross NPA (%)	2.3	2.2	2.0	1.9	2.0	1.8	1.7	1.6	1.9	1.6	1.9	
Net NPA (%)	0.6	0.6	0.6	0.5	0.5	0.4	0.4	0.3	0.7	0.3	0.5	
PCR (%)	74.0	74.1	72.2	76.7	75.1	79.5	79.7	80.0	65.9	80.0	75.3	

E: MOFSL Estimates

Quarterly snapshot

	FY26				FY27		Change (%)	
INR b	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**YoY**	**QoQ**
Profit and Loss								
Net Interest Income	**114.3**	**119.5**	**118.0**	**124.9**	**125.3**	**130.3**	**9.0**	**4.0**
Other Income	**46.7**	**35.1**	**36.0**	**39.7**	**34.7**	**68.8**	**95.8**	**98.3**
Trading profits	18.8	8.3	7.4	-4.1	6.4	37.3	348.4	483.9
Total Income	**161.1**	**154.7**	**154.0**	**164.6**	**160.0**	**199.1**	**28.7**	**24.5**
Operating Expenses	**78.7**	**78.9**	**80.2**	**73.9**	**78.7**	**84.8**	**7.4**	**7.7**
Employee	43.1	40.6	41.1	32.6	42.5	45.8	12.9	7.9
Others	35.7	38.3	39.1	41.3	36.2	38.9	1.6	7.5
Operating Profits	**82.4**	**75.8**	**73.8**	**90.7**	**81.3**	**114.3**	**50.9**	**40.6**
Core Operating Profits	**63.6**	**67.4**	**66.4**	**94.8**	**74.9**	**77.0**	**14.2**	**2.8**
Provisions	19.7	12.3	8.0	31.5	63.2	23.8	93.3	-62.3
PBT	**62.7**	**63.4**	**65.8**	**59.2**	**18.0**	**90.5**	**42.6**	**401.5**
Taxes	17.3	15.3	15.2	3.0	5.3	25.2	64.1	378.8
PAT	**45.4**	**48.1**	**50.5**	**56.2**	**12.8**	**65.3**	**35.8**	**410.8**
Balance Sheet (INR b)								
Loans	11,866	12,583	13,251	14,091	13,957	14,910	18.5	6.8
Deposits	14,356	15,000	15,467	16,485	16,336	17,454	16.4	6.8
CASA Deposits (Domestic)	4,736	4,887	5,026	5,450	5,211	5,395	10.4	3.5
- Savings	4,016	4,083	4,179	4,459	4,386	4,474	9.6	2.0
- Current	721	803	847	991	825	921	14.7	11.6
Loan mix (%)								
Retail	21.7	21.4	21.2	21.2	21.9	21.4	7	-43
MSME	11.2	11.3	11.4	11.2	11.5	11.6	29	6
Agriculture	13.4	13.3	13.4	13.4	13.5	13.4	8	-20
Corporate	30.7	31.3	31.2	31.9	30.1	28.1	-318	-199
Others	5.2	4.6	4.4	4.2	4.2	4.0	-55	-12
Asset Quality (INR b)								
GNPA	275.7	276.0	274.0	270.6	281.5	269.0	-2.5	-4.5
NNPA	71.6	71.4	76.1	63.2	70.2	55.2	-22.7	-21.3
Slippages	36.9	30.6	29.8	34.1	34.2	28.5	-7.1	-16.8
Asset Quality ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**YoY (Bp)**	**QoQ (Bp)**
GNPA	2.3	2.2	2.0	1.9	2.0	1.8	-38	-21
NNPA	0.6	0.6	0.6	0.5	0.5	0.4	-20	-13
Slippage ratio	1.2	1.0	0.9	1.0	1.1	0.8	-19	-31
PCR (inc TWO)	93.2	93.2	92.7	93.9	93.3	94.7	144	137
PCR	74.0	74.1	72.2	76.7	75.1	79.5	535	440
Credit Cost	0.7	0.4	0.3	0.8	2.0	0.7	28	-127
Business Ratios (%)								
CASA Reported	39.3	38.4	38.5	38.9	37.7	36.4	-205	-135
Loan/Deposit	82.7	83.9	85.7	85.5	85.4	85.4	154	-2
Other income to Total Income	29.0	22.7	23.4	24.1	21.7	34.6	1,184	1,287
Cost to Income	48.9	51.0	52.1	44.9	49.2	42.6	-844	-661
Cost to Asset	1.9	1.8	1.8	1.6	1.7	1.7	-10	5
Tax Rate	27.6	24.2	23.2	5.1	29.1	27.8	363	-132
Capitalisation Ratios (%)								
Tier-1	15.2	14.2	13.1	13.6	13.9	14.7	*55*	*80*
- CET 1	14.1	13.4	12.5	13.2	13.4	14.2	*84*	*81*
CAR	17.6	16.5	15.3	15.8	16.3	16.6	7	31
RWA / Total Assets	51.5	52.2	54.2	54.6	55.5	51.8	-38	-366
LCR	127.6	121.0	126.0	127.0	127.0	133.6	1,260	660
Profitability Ratios (%)								
Yield on loans	8.6	8.3	8.1	8.0	7.9	8.0	-28	12
Cost of Deposits	5.1	4.9	4.8	4.8	4.7	4.7	-20	5
Margins	2.9	3.0	2.8	2.9	2.8	2.7	-22	-3
RoA	1.0	1.1	1.1	1.2	0.3	1.3	19	101



Highlights from the management commentary

Opening remarks

- BOB reported operating profits at INR114.3b, supported by strong core operating performance and gains from NSE investments. Operating profit, excluding NSE-related gains, stood at INR77.5b.
- Total business reached INR32.57t. Management highlighted stable improvement in business growth and operating profitability.
- NSE-related gains stood at ~INR31b, including realized gains of INR13.5b and balance MTM gains.
- The bank utilized part of the one-off gains to create additional prudential provisions, strengthening the balance sheet ahead of ECL implementation.

Advances and deposits

- Credit growth guidance is raised to 13–15% from 12–14%, while deposit growth guidance was increased to 11–13% from 10–12%.
- The bank mobilized ~USD8.08b through FCNR(B) deposits (~INR770b) with a leverage of INR605b. Management has largely retained the liquidity to meet funding requirements during the seasonally strong 3Q and 4Q.
- Excluding FCNR(B), global advances grew 13.5% YoY. The bank expects ~INR1.3t of incremental advances in 2HFY27 to achieve the upper end of its growth guidance, supported by ~INR610b of incremental RAM business and a corporate loan pipeline of ~INR610b.
- FCNR(B) liquidity has not been meaningfully utilized to retire existing deposits, with bulk deposit outstanding declining by only ~INR100b QoQ.
- FCNR(B) funds may be deployed toward credit growth or retirement of high-cost bulk deposits, depending on prevailing deposit pricing and credit demand.
- Liquidity is parked across investments, cash and short-term money market instruments. Significant excess SLR provides additional funding flexibility.
- Retail gold loans witnessed YTD moderation, while agricultural gold loans continued to grow. Management remains cautious on incremental gold lending amid sector-wide developments.

Cost, margins and yields

- NIM guidance is maintained at 2.75-2.95%, with management expecting margins to move toward the upper end of the guided range over 2HFY27.
- ~38% of the loan book is repo-linked, with management expecting the full benefit of recent repricing to reflect in 3QFY27.
- Deposit costs remain largely contained despite a marginal increase, supported by comfortable system liquidity.
- Interest on income tax refunds stood at ~INR2.9b during 2Q vs. INR3.75b in 1Q.

Other income and opex

- NSE-related gains stood at ~INR31–32b, including cash profit of INR13.5b and valuation gains.
- Fee income recovered sequentially from a muted 1Q, although it remained below 2QFY26 levels.

- The bank is reviewing its fee and commission structure, with management expecting improvement over the next two quarters.
- Recoveries from technically written-off accounts stood at INR7.3b during 2QFY27. The bank expects a normalized quarterly recovery run rate of ~INR7.5b to sustain in 3Q and 4Q.
- It has earmarked ~10% of operating profits toward IT expenditure, with flexibility to increase the allocation to 15%.

Asset quality

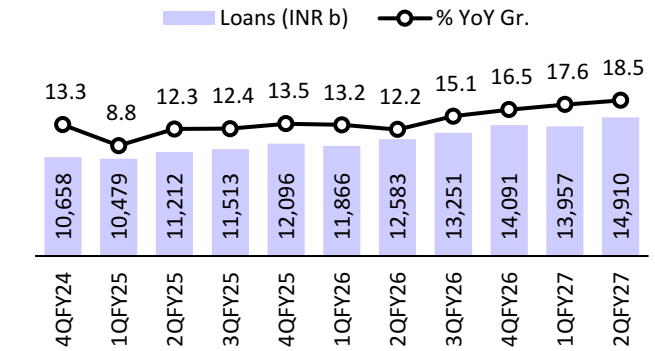
- SMA 1+2 stood at ~0.06% of advances, with management highlighting improvement in early stress indicators, collection efficiency and recoveries.
- Reported credit cost stood at ~0.55%, while adjusted credit cost, excluding prudential provisions, was significantly lower at ~0.18%.
- BOB created additional prudential provisions of ~INR16b, comprising INR13b of specific provisions and INR3b of contingency provisions against potential MTM fluctuations.
- Floating provisions stood at INR25b. Additional specific provisions are intended to cushion steady-state ECL requirements and potential near-term credit headwinds.
- No restructuring schemes have been announced by the relevant states for drought/flood-affected borrowers. The bank will assess potential restructuring in accordance with state-level schemes, if notified.

Guidance

- **Credit growth**: Raised to 13–15% from 12–14%.
- **Deposit growth**: Upgraded to 11–13% from 10–12%.
- **NIM**: Maintained at 2.75–2.95%, with expectations of reaching the upper end in 2HFY27.
- **Recovery from TWO**: Normalized quarterly run rate of ~INR7.5b expected to sustain over 2HFY27.
- **RoA**: Management expects RoA above 1% in the remaining quarters of FY27 and near 1% for FY27 overall, factoring in the weak 1Q profitability.

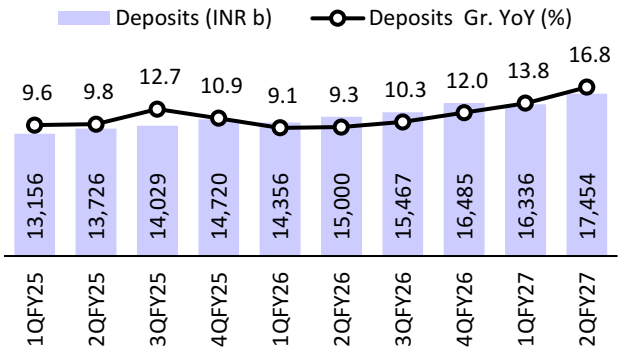
Story in charts

Exhibit 1: Loan book grew ~18.5% YoY/ 6.8% QoQ



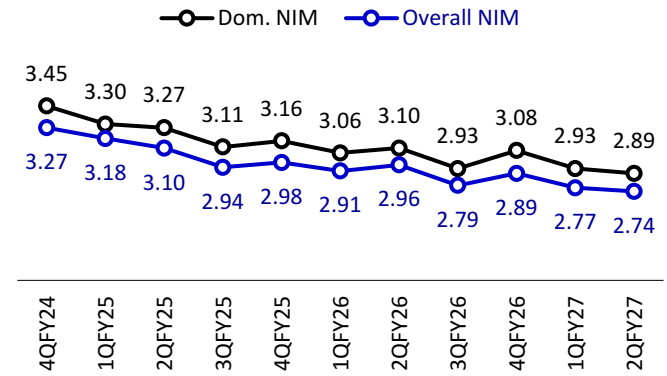
Source: MOFSL, Company

Exhibit 2: Deposit book grew 16.8% YoY/ 6.8% QoQ



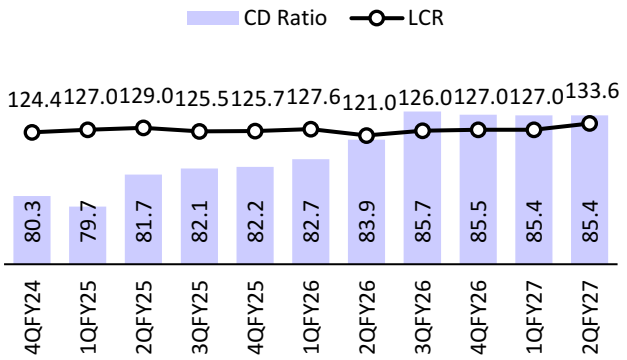
Source: MOFSL, Company

Exhibit 3: NIM down 3bp QoQ; Dom. NIM down 4bp QoQ



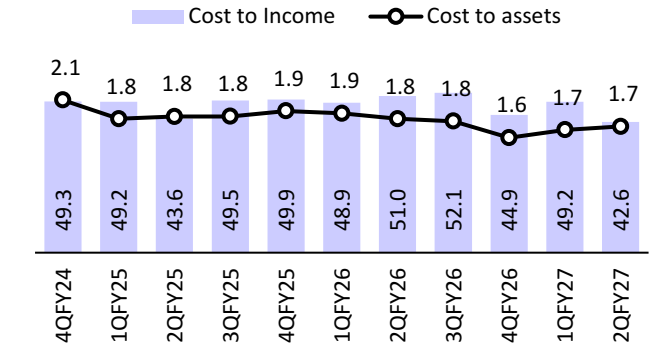
Source: MOFSL, Company

Exhibit 4: CD ratio flat at 85.4%



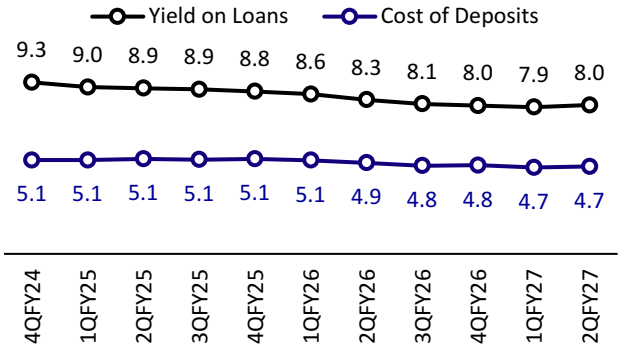
Source: MOFSL, Company

Exhibit 5: Cost-to-income declined to 42.6%



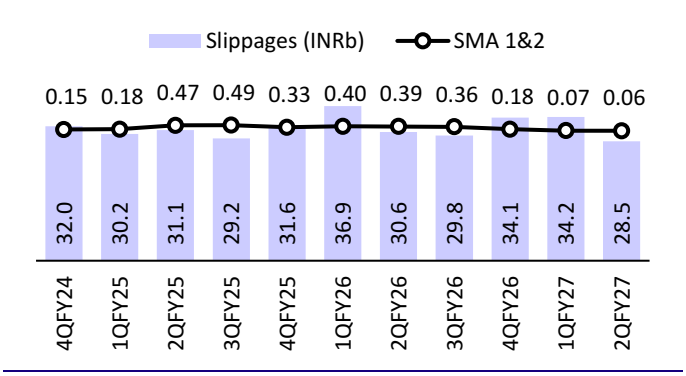
Source: MOFSL, Company

Exhibit 6: Loan yield increased to 8.03%; CoD was up 4.71%



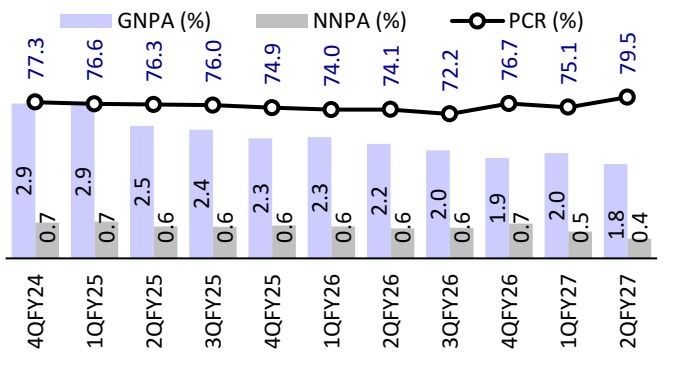
Source: MOFSL, Company

Exhibit 7: Gross slippages declined to INR29b; SMA at 0.06%



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratio down 21bp/13bp QoQ



Source: MOFSL, Company

Valuation and view: Maintain Neutral with a TP of INR270

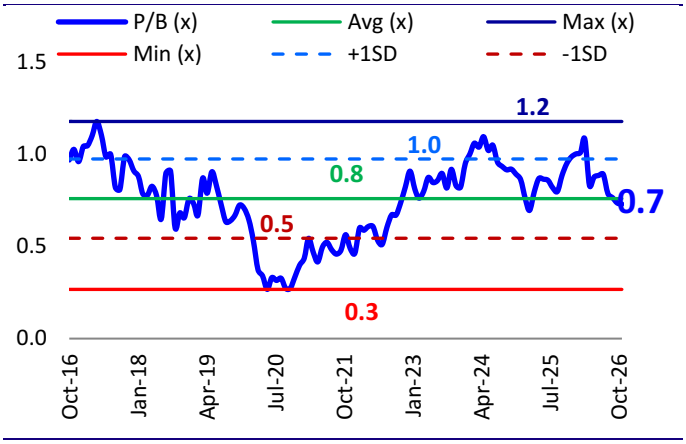
- BOB reported a steady quarter, aided by high treasury gains and strong NII growth. The bank expects NIMs to remain within the 2.75-2.95% range, with a bias toward the upper end of the guidance.
- The bank created additional prudential provisions of ~INR16b during 2Q, and carries a floating provision of INR25b, which will aid in the transition toward ECL provisioning.
- Business momentum improved this quarter on the back of FCNR(B) deposits and leverage against the same, with management raising its credit growth guidance to 13-15% for FY27.
- The bank guides for 1% RoA in FY27, factoring in the weak 1Q profitability.
- **We raise our FY27/FY28 earnings estimates by 15%/4%, factoring in strong treasury gains and estimate FY27/FY28 RoA of 0.96%/0.98%. Reiterate Neutral with a revised TP of INR270 (0.9x Mar'28E ABV).**

Exhibit 9: Changes to our estimates

(INR b)	Old Est		Rev Est		Change (%/bps)	
	FY27	FY28	FY27	FY28	FY27	FY28
Net Interest Income	**509.1**	**605.3**	**529.5**	**621.7**	**4.0**	**2.7**
Other Income	170.2	175.3	181.2	184.8	6.5	5.4
Total Income	**679.3**	**780.6**	**710.7**	**806.5**	**4.6**	**3.3**
Operating Expenses	326.6	360.7	332.4	364.3	1.8	1.0
Operating Profits	**352.7**	**419.9**	**378.3**	**442.2**	**7.2**	**5.3**
Provisions	120.8	120.3	112.4	129.9	-7.0	8.0
PBT	**231.9**	**299.5**	**265.9**	**312.3**	**14.6**	**4.3**
Tax	53.3	73.1	61.2	76.2	14.6	4.3
PAT	**178.6**	**226.5**	**204.7**	**236.1**	**14.6**	**4.3**
Loans	16,233	18,343	16,120	18,232	-0.7	-0.6
Deposits	18,826	21,160	18,793	21,161	-0.2	0.0
Margins (%)	2.5	2.6	2.6	2.7	11	9
Credit Cost (%)	0.7	0.7	0.6	0.7	(5)	6
RoA (%)	**0.83**	**0.94**	**0.96**	**0.98**	**12**	**4**
RoE (%)	**12.1**	**14.3**	**13.7**	**14.6**	**165**	**32**
BV	**298.3**	**329.9**	**303.3**	**336.8**	**1.7**	**2.1**
ABV	276.5	307.0	284.1	316.1	2.8	3.0
EPS	34.5	43.7	39.5	45.6	14.6	4.3

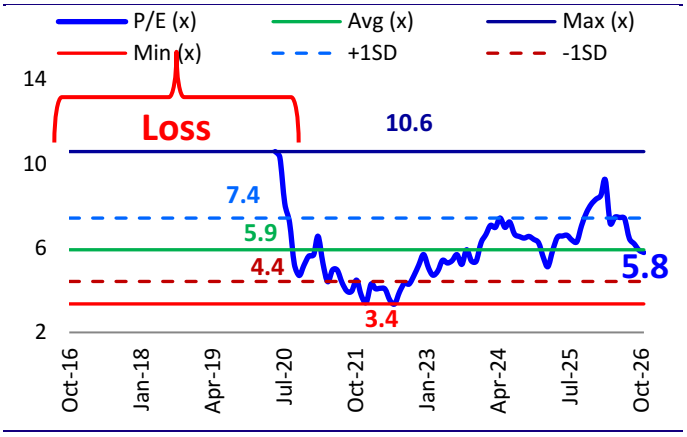
Source: MOSL Estimates

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 0.96%/0.98% for FY27/FY28

Y/E MARCH	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	6.55	7.40	7.26	6.70	6.88	7.05
Interest Expense	3.53	4.46	4.50	4.18	4.40	4.47
Net Interest Income	**3.02**	**2.94**	**2.76**	**2.52**	**2.48**	**2.59**
Other income	**0.73**	**0.95**	**0.94**	**0.83**	**0.85**	**0.77**
Total Income	**3.76**	**3.89**	**3.70**	**3.35**	**3.32**	**3.35**
Operating Expenses	**1.79**	**1.86**	**1.77**	**1.65**	**1.55**	**1.52**
Employee cost	1.0	1.0	1.0	0.8	0.8	0.8
Others	0.82	0.82	0.79	0.81	0.78	0.76
Operating Profits	**1.96**	**2.03**	**1.93**	**1.70**	**1.77**	**1.84**
Core operating Profits	**1.89**	**1.94**	**1.79**	**1.50**	**1.67**	**1.76**
Provisions	**0.52**	**0.40**	**0.36**	**0.38**	**0.53**	**0.54**
PBT	**1.44**	**1.64**	**1.57**	**1.32**	**1.24**	**1.30**
Tax	0.41	0.47	0.41	0.27	0.29	0.32
RoA (%)	**1.03**	**1.17**	**1.16**	**1.06**	**0.96**	**0.98**
Leverage (x)	16.0	15.3	14.3	13.9	14.3	14.8
RoE (%)	**16.5**	**17.8**	**16.7**	**14.7**	**13.7**	**14.6**

Financials and valuations

Income Statement						(INRb)
Y/E March (INR b)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Interest Income	895.9	1,126.1	1,223.0	1,269.9	1,470.6	1,695.4
Interest Expense	482.3	678.8	757.8	793.1	941.1	1,073.8
Net Interest Income	**413.6**	**447.2**	**465.2**	**476.8**	**529.5**	**621.7**
- Growth (%)	26.8	8.1	4.0	2.5	11.0	17.4
Non-Interest Income	100.3	145.0	157.9	157.6	181.2	184.8
Total Income	**513.8**	**592.2**	**623.1**	**634.4**	**710.7**	**806.5**
- Growth (%)	16.5	15.2	5.2	1.8	12.0	13.5
Operating Expenses	245.2	282.5	298.7	311.8	332.4	364.3
Pre Provision Profits	**268.6**	**309.7**	**324.3**	**322.6**	**378.3**	**442.2**
- Growth (%)	20.0	15.3	4.7	-0.5	17.3	16.9
Core PPoP	**258.0**	**294.7**	**301.7**	**283.7**	**356.1**	**423.2**
- Growth (%)	31.2	14.2	2.4	-6.0	25.5	18.8
Provisions	71.4	60.8	59.8	71.5	112.4	129.9
PBT	**197.3**	**248.9**	**264.5**	**251.1**	**265.9**	**312.3**
Tax	56.2	71.0	68.7	50.9	61.2	76.2
Tax Rate (%)	28.5	28.5	26.0	20.3	23.0	24.4
PAT	**141.1**	**177.9**	**195.8**	**200.2**	**204.7**	**236.1**
- Growth (%)	94.0	26.1	10.1	2.2	2.3	15.3

Balance Sheet						
Y/E March (INR b)	**FY23**	**FY24**	**FY25**	**FY26**	**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	1,521.7	1,605.7	1,779.0
Net Worth	**982.2**	**1,122.2**	**1,369.3**	**1,532.1**	**1,616.0**	**1,789.3**
Deposits	**12,036.9**	**13,351.4**	**14,720.3**	**16,484.9**	**18,792.8**	**21,160.6**
- Growth (%)	*15.1*	*10.9*	*10.3*	*12.0*	*14.0*	*12.6*
- CASA Dep	**4,751.0**	**5,143.7**	**5,566.7**	**6,089.4**	**6,558.7**	**7,385.1**
- Growth (%)	*9.6*	*8.3*	*8.2*	*9.4*	*7.7*	*12.6*
Borrowings	1,019.1	944.0	1,237.2	1,563.6	1,683.5	1,821.8
Other Liabilities & Prov.	547.4	440.3	485.7	511.1	572.4	646.9
Total Liabilities	**14,585.6**	**15,858.0**	**17,812.5**	**20,091.6**	**22,664.7**	**25,418.6**
Current Assets	957.0	951.2	1,258.5	1,540.8	1,597.1	1,723.7
Investments	**3,624.9**	**3,698.2**	**3,854.0**	**3,864.2**	**4,296.9**	**4,769.6**
- Growth (%)	*14.8*	*2.0*	*4.2*	*0.3*	*11.2*	*11.0*
Loans	**9,410.0**	**10,657.8**	**12,095.6**	**14,090.9**	**16,120.0**	**18,231.8**
- Growth (%)	*21.1*	*13.3*	*13.5*	*16.5*	*14.4*	*13.1*
Fixed Assets	87.1	79.1	123.8	118.8	127.1	137.3
Other Assets	506.7	471.6	480.7	476.9	523.5	556.3
Total Assets	**14,585.6**	**15,858.0**	**17,812.5**	**20,091.6**	**22,664.7**	**25,418.6**

Asset Quality						
GNPA (INR b)	367.6	318.3	278.3	270.6	266.5	276.8
NNPA (INR b)	85.5	75.8	74.9	92.4	53.2	54.4
Slippages (INR b)	111.5	104.0	93.1	103.0	142.0	164.9
GNPA Ratio (%)	3.8	2.9	2.3	1.9	1.6	1.5
NNPA Ratio (%)	0.9	0.7	0.6	0.7	0.3	0.3
Slippage Ratio (%)	1.2	1.0	0.8	0.7	0.9	1.0
Credit Cost (%)	0.5	0.7	0.5	0.4	0.6	0.7
PCR (Excl Tech. write off) (%)	76.7	76.2	73.1	65.9	80.0	80.4

E: MOFSL Estimates

Financials and valuations

Ratios						
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	**6.9**	**7.7**	**7.5**	**6.9**	**7.1**	**7.3**
Avg. Yield on loans	7.5	8.5	8.2	7.3	7.6	7.8
Avg. Yield on Investments	6.6	6.9	7.0	6.7	6.8	6.9
Avg. Cost-Int. Bear. Liab.	**3.9**	**5.0**	**5.0**	**4.7**	**4.9**	**4.9**
Avg. Cost of Deposits	3.7	4.7	4.8	4.5	4.7	4.9
Interest Spread	**2.9**	**2.7**	**2.5**	**2.3**	**2.2**	**2.3**
Net Interest Margin	**3.2**	**3.1**	**2.9**	**2.6**	**2.6**	**2.7**
Capitalisation Ratios (%)						
CAR	16.2	16.3	17.2	15.8	14.8	14.1
Tier I	14.0	14.1	14.8	13.6	12.8	12.2
-CET-1	12.2	12.5	13.8	13.2	12.4	11.8
Tier II	2.3	2.2	2.4	2.2	2.0	1.9
Business Ratios (%)						
Loans/Deposit Ratio	78.2	79.8	82.2	85.5	85.8	86.2
CASA Ratio	39.5	38.5	37.8	36.9	34.9	34.9
Cost/Assets	1.7	1.8	1.7	1.6	1.5	1.4
Cost/Total Income	47.7	47.7	47.9	49.1	46.8	45.2
Cost/Core Income	48.7	48.9	49.8	52.4	48.3	46.3
Int. Expense/Int.Income	53.8	60.3	62.0	62.5	64.0	63.3
Fee Income/Total Income	17.4	22.0	21.7	18.7	22.4	20.6
Non Int. Inc./Total Income	19.5	24.5	25.3	24.8	25.5	22.9
Empl. Cost/Total Expense	54.5	56.0	55.6	50.5	49.7	49.9
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	2.1	2.1	2.3
CASA per branch (INR m)	576.6	624.0	660.8	704.1	750.9	837.1
Deposits per branch (INR m)	1,460.8	1,619.7	1,747.4	1,906.2	2,151.6	2,398.7
Busins per Emp. (INR m)	274.5	317.9	357.5	398.7	450.7	503.5
Profit per Emp. (INR m)	1.8	2.4	2.6	2.6	2.6	3.0
Profitability Ratios and Valuation						
RoE	16.5	17.8	16.7	14.7	13.7	14.6
RoA	1.0	1.2	1.2	1.1	0.96	0.98
RoRWA	2.0	2.3	2.3	2.0	1.8	1.8
Book Value (INR)	183	211	254	287	303	337
- Growth (%)	15.8	15.2	20.3	12.9	5.6	11.0
Price-BV (x)	**1.3**	**1.1**	**0.9**	**0.8**	**0.8**	**0.7**
Adjusted BV (INR)	165	194	235	264	284	316
Price-ABV (x)	**1.4**	**1.2**	**1.0**	**0.9**	**0.8**	**0.8**
EPS (INR)	27.3	34.4	37.8	38.7	39.5	45.6
- Growth (%)	94.0	26.1	10.1	2.2	2.3	15.3
Price-Earnings (x)	**8.8**	**7.0**	**6.3**	**6.2**	**6.0**	**5.2**
Dividend Per Share (INR)	5.5	7.6	8.3	8.5	10.5	12.1
Dividend Yield (%)	**2.3**	**3.2**	**3.5**	**3.6**	**4.4**	**5.1**

E: MOFSL Estimates

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