

Bank of Baroda

Estimate change



TP change



Rating change



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Bloomberg	BOB IN
Equity Shares (m)	5,178
M.Cap.(INRb)/(USD\$)	419.7 / 5.7
52-Week Range (INR)	100 / 40
1, 6, 12 Rel. Per (%)	-7/-5/24
12M Avg Val (INR M)	3673

Financials & Valuations (INR b)

Y/E March	FY21	FY22E	FY23E
NII	288.1	326.6	355.6
OP	206.3	236.8	257.4
NP	8.3	57.1	87.8
NIM (%)	2.7	2.9	3.0
EPS (INR)	1.6	11.0	17.0
EPS Gr. (%)	35.6	588.2	53.9
BV/Sh. (INR)	143.3	152.5	167.1
ABV/Sh. (INR)	111.0	122.1	138.8

Ratios

RoE (%)	1.1	7.2	10.3
RoA (%)	0.1	0.5	0.7

Valuations

P/E(X)	50.7	7.4	4.8
P/BV (X)	0.6	0.5	0.5
P/ABV (X)	0.7	0.7	0.6

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	64.0	64.0	71.6
DII	14.5	15.9	12.7
FII	7.9	6.9	4.1
Others	13.7	13.2	11.7

FII Includes depository receipts

CMP: INR81
TP: INR100 (+23%)
Upgrade to Buy
NII growth recovers sharply; collection efficiency stable QoQ
Asset quality outlook improving; upgrade to BUY

- Bank of Baroda (BOB) reported a strong earnings performance, supported by a healthy core operating performance, despite sluggish business trends. Domestic NIM improved sharply by 39bp QoQ to 3.12%.
- Asset quality trends were stable sequentially in a challenging environment, with fresh slippage at INR51.3b (annualized slippage rate of 3.1%). However, higher write-offs and upgrades resulted in stable asset quality trends – the GNPA/NNPA ratio declined 1bp/6bp QoQ, while PCR was broadly stable at ~68%. Also, total SMA 1/2 (>INR50m) declined to ~2.68%, while the restructured book stood at 3.2% of loans. Collection efficiency (ex-Agri) was stable QoQ at 93%, better vis-à-vis many other peers.
- We increase our earnings estimates by 47%/22% for FY22/FY23E and estimate RoA/RoE of 0.7%/10.3% by FY23E. **We upgrade our rating to BUY.**

Strong NII drives earnings beat; asset quality steady

- BOB reported PAT of INR12.1b (significantly above our estimate), led by a healthy core operating performance, with NII growing 16% YoY (11% QoQ; 10% beat to MOSLE). Domestic NIMs improved sharply by 39bp QoQ to 3.12%.
- Other income grew ~63% YoY (~39% QoQ decline) to INR29.7b, affected sequentially by weak disbursements. Thus, core fee income declined ~33% QoQ (up 22% YoY). Thus, total operating revenues grew ~26% YoY (in-line). Opex grew 12% YoY to INR51.5b on account of a 21% increase in employee-related expenses. Thus, the C/I ratio stood stable QoQ at 47.5%. PPOP grew ~41% YoY to INR57.1b (28% beat).
- On the business front, the COVID wave 2.0 significantly hampered economic activity. As a result, advances declined ~5% QoQ (~3% YoY decline). Among the segments, Retail growth came in at 11.8% YoY (flat QoQ), while the Corporate book plunged ~12% YoY (~11% QoQ decline). The MSME portfolio also declined 5% QoQ. Within Retail, Home/Auto grew 8%/25% YoY. Deposit growth was flat YoY (down ~4% QoQ). CASA growth came in at 12.8% YoY, and the domestic CASA ratio thus improved to 43.2% (v/s 42.9% in FY21).
- On the asset quality front, fresh slippage came in at INR51.3b (annualized slippage rate of 3.1%). However, higher write-offs and upgrades resulted in stable asset quality – the GNPA ratio was stable QoQ at 8.86%, while NNPA declined 6bp QoQ to 3.03%. PCR was broadly stable at ~68%. **Slippages were primarily on account of the MSME, Retail, and Agri segments as corporate slippage was down sharply.** Furthermore, total SMA 1/2 (>INR50m) exposure declined to 2.68% (v/s 3.23% in FY21). Also, the total restructured book stood at INR215.8b (3.2% of loans) v/s ~1.3% in FY21. **Collection efficiency (ex-Agri) came in stable QoQ at 93%.**

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Highlights from the management commentary

- **Restructuring 1.0:** Retail (INR10.25b) and Corporate (INR100.25b) of which ~INR30b is non-fund. Bank carries provision of INR12.57b (15% on fund based).
- **Restructuring 2.0:** Retail (INR38b) and SME (INR5.62b). Bank carries provision of INR6.3b.
- Restructuring for MSME stands at ~INR95b.
- The bank endeavors to keep the slippages for FY22 below 2%. Overall, the bank expects total recoveries of ~INR140b in FY22.

Valuation and view

BOB reported a healthy earnings performance, supported by strong NII and sharp improvement in domestic NIMs. The margin expansion was supported by an improving asset mix, as retail growth held strong, while corporate loans declined 11% QoQ. The bank expects growth to pick up, led by retail segments, while corporate growth would see gradual recovery as the economic situation normalizes. The bank reported stable asset quality in a challenging quarter, with stable CE at 93%. Furthermore, SMA 1/2 declined to ~2.7% of loans. We increase our earnings estimates by 47%/22% for FY22/FY23E and estimate RoA/RoE of 0.7%/10.3% by FY23E. **Therefore, we upgrade our rating to BUY, with revised TP of INR100 (0.7x FY23E ABV).**

Quarterly performance

(INR m)

	FY21				FY22						FY22E	V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY21	FY22E	1QE	Est, %
Net Interest Income	68.2	75.1	74.8	71.1	78.9	80.0	82.3	85.4	288.1	326.6	71.7	10
% Change (YoY)	4.9	6.8	4.9	4.5	15.8	6.6	10.1	20.1	4.9	13.4	5.2	
Other Income	18.2	28.0	29.0	48.5	29.7	30.6	32.5	34.6	123.6	127.4	25.6	16
Total Income	86.3	103.1	103.7	119.6	108.6	110.6	114.8	120.0	411.7	454.0	97.3	12
Operating Expenses	45.9	47.6	53.0	56.9	51.5	52.6	55.4	57.7	205.4	217.2	52.8	-2
Operating Profit	40.4	55.5	50.7	62.7	57.1	58.0	59.4	62.3	206.3	236.8	44.5	28
% Change (YoY)	-5.5	4.0	2.2	27.3	41.2	4.5	17.2	-0.6	9.2	14.8	3.1	
Provisions	53.5	30.0	34.3	35.9	41.1	40.0	38.7	40.8	150.7	160.6	38.7	6
Profit before Tax	-13.1	25.5	16.3	26.8	16.0	18.1	20.7	21.5	55.6	76.3	5.9	171
Tax	-4.4	8.7	5.7	37.3	3.9	4.6	5.2	5.6	47.3	19.2	1.5	161
Net Profit	-8.6	16.8	10.6	-10.5	12.1	13.5	15.5	16.0	8.3	57.1	4.4	175
% Change (YoY)	-221.7	127.9	NM	NM	NM	-19.5	46.0	NM	51.8	588.2	NM	
Operating Parameters												
Deposit (INR b)	9,345	9,543	9,546	9,670	9,313	9,554	9,786	10,057	9,670	10,057	9,718	-4
Loan (INR b)	6,867	6,699	6,987	7,063	6,684	6,936	7,127	7,275	7,063	7,275	7,102	-6
Deposit Growth (%)	4.3	6.7	6.5	2.2	(0.3)	0.1	2.5	4.0	2.2	4.0	4.0	(434)
Loan Growth (%)	8.4	5.1	6.8	2.3	(2.7)	3.5	2.0	3.0	2.3	3.0	3.4	(609)
Asset Quality												
Gross NPA (%)	9.4	9.1	8.5	8.9	8.9	8.5	8.4	8.1	8.9	8.1	9.2	(36)
Net NPA (%)	2.8	2.5	2.4	3.1	3.0	2.9	2.7	2.8	3.1	2.8	3.3	(31)
PCR (%)	71.9	74.4	73.6	67.3	67.9	68.5	69.0	67.9	67.3	67.9	66.0	186

Quarterly snapshot

INR b	FY20				FY21				FY22	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss											
Net Interest Income	65.0	70.3	71.3	68.0	68.2	75.1	74.8	71.1	78.9	16	11
Other Income	19.2	28.2	27.4	28.3	18.2	28.0	29.0	48.5	29.7	63	-39
Trading profits	3.4	9.4	6.0	8.8	5.4	10.1	9.3	9.0	9.5	76	5
Forex Income	2.6	1.3	0.9	2.9	3.1	2.3	2.1	3.0	4.5	44	47
Recoveries	2.0	4.7	5.8	2.8	0.9	3.4	5.1	20.4	3.6	281	-82
Others (Non core)	11.1	12.8	14.7	13.9	8.7	12.2	12.5	16.0	12.2	39	-24
Total Income	84.1	98.5	98.7	96.3	86.3	103.1	103.7	119.6	108.6	26	-9
Operating Expenses	41.4	45.2	49.1	47.1	45.9	47.6	53.0	56.9	51.5	12	-9
Employee	19.4	22.8	25.9	21.5	25.2	25.5	30.5	31.2	30.6	21	-2
Others	22.0	22.3	23.2	25.6	20.7	22.1	22.5	25.6	20.9	1	-18
Operating Profits	42.8	53.4	49.6	49.2	40.4	55.5	50.7	62.7	57.1	41	-9
Core Operating Profits	39.4	43.9	43.6	40.5	35.0	45.5	41.4	53.6	47.6	36	-11
Provisions	32.8	42.1	71.6	66.5	53.5	30.0	34.3	35.9	41.1	-23	15
NPA provisions	31.7	34.3	66.2	31.9	34.6	22.8	20.8	45.9	25.6	-26	-44
Provisions on Invst.	-0.3	2.7	0.0	7.4	0.5	-0.9	-1.2	4.7	0.8	67	-83
PBT	9.9	11.3	-22.0	-17.2	-13.1	25.5	16.3	26.8	16.0	NM	-40
Taxes	2.8	3.9	-7.9	-22.3	-4.4	8.7	5.7	37.3	3.9	NM	-90
PAT	7.1	7.4	-14.1	5.1	-8.6	16.8	10.6	-10.5	12.1	NM	NM
Balance Sheet (INR b)											
Deposits	8,955	8,941	8,962	9,460	9,345	9,543	9,546	9,670	9,313	0	-4
Loans	6,332	6,373	6,545	6,901	6,867	6,699	6,987	7,063	6,684	-3	-5
Asset Quality (INR b)											
GNPA	697.1	699.7	731.4	693.8	691.3	657.0	631.8	666.7	630.3	-9	-5
NNPA	250.3	248.9	265.0	215.8	194.5	167.9	166.7	218.0	202.6	4	-7
Slippages	66.2	72.6	118.2	44.9	30.0	15.2	45.6	122.7	61.9	106	-50
Ratios											
Asset Quality (%)											
GNPA	10.3	10.3	10.4	9.4	9.4	9.1	8.5	8.9	8.9	-53	-1
NNPA	4.0	3.9	4.1	3.1	2.8	2.5	2.4	3.1	3.0	20	-6
PCR	77.3	77.9	77.8	81.3	83.3	85.4	85.5	81.8	83.1	-16	134
Credit Cost	2.4	2.2	4.4	1.9	3.1	1.3	2.0	2.6	2.4	-72	-22
Business Ratios (%)											
Fees to Total Income	18.8	19.1	21.7	20.3	14.8	17.4	19.0	33.0	18.6	380	-1,440
Cost to Core Income	51.2	50.7	53.0	53.8	56.7	51.1	56.1	51.5	52.0	-475	52
Tax Rate	28.4	34.6	36.0	129.4	33.9	34.2	35.1	139.1	24.2	-967	NM
CASA Reported	36.6	37.9	38.8	39.1	39.5	39.8	41.2	42.9	43.2	372	34
Loan/Deposit	70.7	71.3	73.0	73.0	73.5	70.2	73.2	73.0	71.8	-172	-127
CAR	11.5	13.0	13.5	13.3	12.8	13.3	12.9	15.0	15.4	256	41
Tier I	9.6	10.9	11.5	10.7	10.3	10.8	10.6	12.7	13.1	273	39
Profitability Ratios (%)											
Yield on loans	8.7	9.0	8.7	8.5	8.1	8.0	8.0	7.3	7.7	-37	43
Yield On Investments	7.4	7.2	7.0	7.0	6.8	6.5	6.5	6.5	6.1	-73	-42
Cost of Deposits	5.1	5.0	4.9	4.8	4.5	4.0	3.9	3.7	3.6	-93	-16
Margins	2.6	2.8	2.8	2.6	2.5	2.8	2.8	2.7	3.0	52	32
RoA	0.3	0.3	-0.5	0.2	-0.3	0.6	0.4	-0.4	0.4	72	78

Note: FY19 quarterly numbers are for the standalone entity



Highlights from the management commentary

P&L and Balance Sheet related

- The focus is on growing deposits via CASA deposits
- The bank would aim to ensure adequate liquidity with focus on supporting the NII growth and margins
- There was a recovery from an account which got booked in NII. Though the quantum was not significant
- Core growth is likely to come from Retail side. The bank would maintain adequate risk pricing on the corporate side
- The bank has run down its corporate book which was at sub-par yields. Thereby resulting in improvement in yields and thus the margins
- Fee income is likely to pick up as economy recovers and loan growth picks up in the coming quarters
- LTV for gold loans would be ~60-65%. Maximum that the bank lends is 75%
- Board approval for capital raise is just an enabling resolution. The bank does not expect to go for a capital raise in the near term
- Total sanctions under ECLGS stood at INR96b of which ~INR83.5b have been disbursed. ECLGS 1.0 (INR77.53b), ECLGS 2.0 (INR0.3-0.5m), MSME (INR5.42b)
- Overall, the target is to bring RoA to ~1% with a RoE of mid-teens over the medium term

Asset quality

- Stress on MSME and Retail was higher due to the 2nd wave but moderation in corporate stress supported the overall asset quality
- The bank expects it to likely maintain a sustainable and continuous improvement in asset quality led by lower credit cost
- The bank's exposure to Vodafone is small and is Non-fund based. Overall, the bank doesn't see much challenge towards this exposure and seems comfortable in managing these
- The up-gradation includes one Future Retail and one international operations account
- 2 NBFC's having exposure of ~INR21b (already on the watch-list) witnessed a rating downgrade which resulted in an increase in the BB & Below pool within the NBFC
- **Restructuring 1.0:** Retail (INR10.25b) and Corporate (INR100.25b) of which ~INR30b is non-fund. The bank carries provision of INR12.57b (15% on fund based)
- **Restructuring 2.0:** Retail (INR38b) and SME (INR5.62b). The bank carries provision of INR6.3b
- Restructuring for MSME stands at ~INR95b
- **NARC:** The bank does not expect a significant chunk to be transferred to NARC
- The bank endeavors to keep the net slippages for FY22 to be below 2%
- The bank is expecting total recoveries of ~INR140b in FY22

Key exhibits

Exhibit 1: Rating profile of NBFC exposure: ~7% in BBB & below rated category (%)

Rating profile of NBFC exposure	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
AAA	58	56	58	60	57
AA	32	32	29	27	28
A	7	8	8	8	8
BBB	2	2	1	2	2
BB & Below	1	2	4	3	5

Source: MOFSL, Company

Exhibit 2: Provision coverage on NCLT accounts

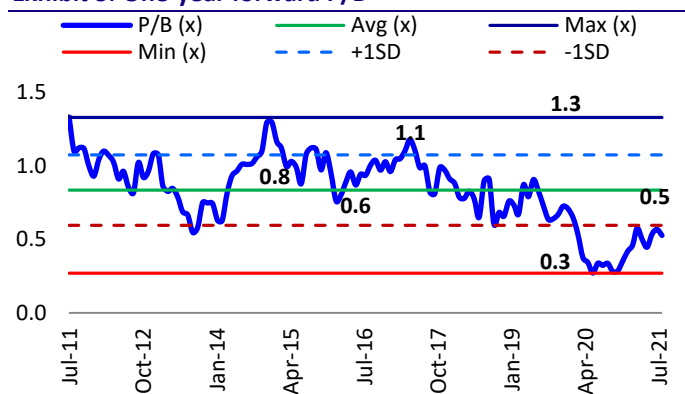
Exposure (INR b)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
NCLT 1 list	48.9	48.8	48.8	28.4	28.4
NCLT 2 list	60.2	60.0	52.4	52.3	52.3
A/c's filed by BoB at NCLT	59.2	58.6	60.5	61.9	55.1
A/c's filed by other Banks	347.7	348.5	344.6	347.3	346.9
Total	515.9	515.9	506.3	489.9	482.7
Provision coverage					
NCLT 1 list	99.6%	99.6%	99.6%	99.3%	99.3%
NCLT 2 list	98.4%	98.5%	98.3%	98.3%	98.3%
A/c's filed by BoB at NCLT	93.2%	91.7%	90.1%	92.0%	95.1%
A/c's filed by other Banks	90.3%	91.2%	91.6%	92.4%	94.0%
Total	92.5%	92.9%	92.9%	93.4%	94.9%

Source: MOFSL, Company

Valuation and view

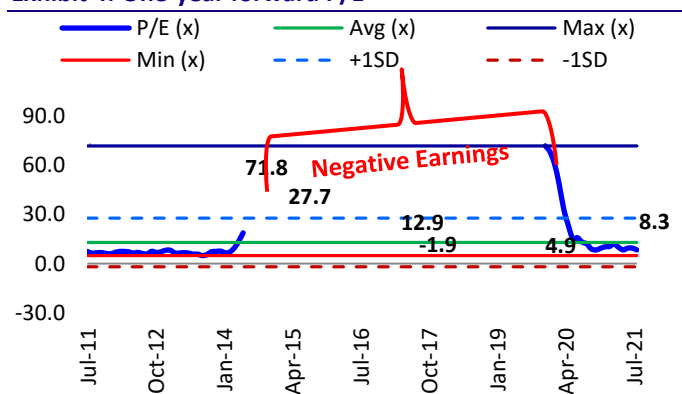
- CET-I improved to 11.3%. The bank appears to be capitalized for incremental growth opportunities, likely to be driven by the Retail book. On the other hand, the corporate book is also likely to pick up gradually, which would result in a gradual uptick in loan growth.
- The asset quality outlook seems to be improving – the bank reported stable trends in a challenging environment, with the GNPA/NNPA ratio declining 1bp/6bp QoQ, while PCR stood broadly stable at ~68%. Also, total SMA 1/2 (>INR50m) declined to ~2.68%, while the total restructured book stood at 3.2% of loans. Collection efficiency (ex-Agri) came in stable QoQ at 93%, better vis-à-vis many other peers.
- **Upgrade to Buy, with TP of INR100/share:** BOB reported a healthy earnings performance, supported by strong NII and sharp improvement in domestic NIMs. The margin expansion was supported by an improving asset mix, as retail growth held strong, while corporate loans declined 11% QoQ. The bank expects growth to pick up, led by retail segments, while corporate growth would see gradual recovery as the economic situation normalizes. The bank reported stable asset quality in a challenging quarter, with stable CE at 93%. Furthermore, SMA 1/2 declined to ~2.7% of loans. We increase our earnings estimates by 47%/22% for FY22/FY23E and estimate RoA/RoE of 0.7%/10.3% by FY23E. **Therefore, we upgrade our rating to BUY, with revised TP of INR100 (0.7x FY23E ABV).**

Exhibit 3: One-year forward P/B



Source: MOFSL, Company

Exhibit 4: One-year forward P/E



Source: MOFSL, Company

Exhibit 5: We sharply increase our estimate for FY22/FY23 by 47%/22%, factoring in overall performance improvement

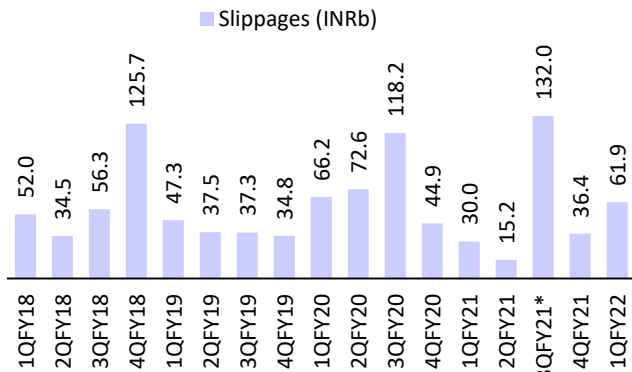
INR B	Old Est		Revised Est		Change (%) /bps	
	FY22	FY23	FY22	FY23	FY22	FY23
Net Interest Income	309.0	339.1	326.6	355.6	5.7	4.9
Other Income	111.3	122.4	127.4	140.1	14.4	14.4
Total Income	420.3	461.5	454.0	495.7	8.0	7.4
Operating Expenses	219.8	238.2	217.2	238.3	-1.2	0.0
Operating Profits	200.5	223.3	236.8	257.4	18.1	15.3
Provisions	148.7	126.9	160.6	140.0	8.0	10.3
PBT	51.8	96.4	76.3	117.4	47.2	21.8
Tax	13.1	24.3	19.2	29.6	47.2	21.8
PAT	38.8	72.1	57.1	87.8	47.2	21.8
Loans	7,451	8,048	7,275	7,930	-2.4	-1.5
Deposits	10,153	10,966	10,057	10,861	-1.0	-1.0
Margins (%)	2.8	2.8	2.9	3.0	18	17
Credit Cost (%)	2.0	1.6	2.2	1.8	20	20
RoA (%)	0.3	0.6	0.5	0.7	16	13
RoE (%)	4.9	8.7	7.2	10.3	225	157
BV	148.9	160.5	152.5	167.1	2.4	4.1
ABV	116.1	126.8	122	139	5.1	9.5
EPS	7.5	13.9	11	17	47.2	21.8

Exhibit 6: DuPont Analysis: Expect return ratios to remain under pressure

Y/E MARCH	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Interest Income	6.18	6.17	6.63	7.84	6.09	6.34	6.38
Interest Expense	4.20	3.98	4.17	5.01	3.60	3.57	3.55
Net Interest Income	1.98	2.19	2.46	2.83	2.49	2.76	2.83
Fee income	0.61	0.68	0.71	0.78	0.78	0.83	0.92
Trading and others	0.38	0.27	0.13	0.28	0.29	0.24	0.19
Other income	0.99	0.94	0.84	1.06	1.07	1.08	1.11
Total Income	2.97	3.14	3.30	3.90	3.56	3.84	3.94
Operating Expenses	1.36	1.44	1.50	1.95	1.78	1.84	1.90
Employee cost	0.68	0.65	0.67	0.99	0.99	1.0	1.0
Others	0.68	0.79	0.83	0.96	0.79	0.82	0.85
Operating Profits	1.61	1.70	1.80	1.95	1.78	2.00	2.05
Core operating Profits	1.22	1.43	1.67	1.67	1.49	1.76	1.85
Provisions	1.24	2.09	1.70	2.14	1.30	1.36	1.11
NPA	1.17	2.03	1.64	1.70	1.05	1.33	1.09
Others	0.07	0.06	0.06	0.43	0.25	0.02	0.03
PBT	0.36	-0.39	0.09	-0.19	0.48	0.65	0.93
Tax	0.16	-0.05	0.04	-0.24	0.41	0.16	0.24
RoA (%)	0.20	-0.34	0.06	0.06	0.07	0.48	0.70
Leverage (x)	19.8	18.0	15.9	15.8	15.5	14.9	14.7
RoE (%)	4.0	-6.2	0.9	0.9	1.1	7.2	10.3

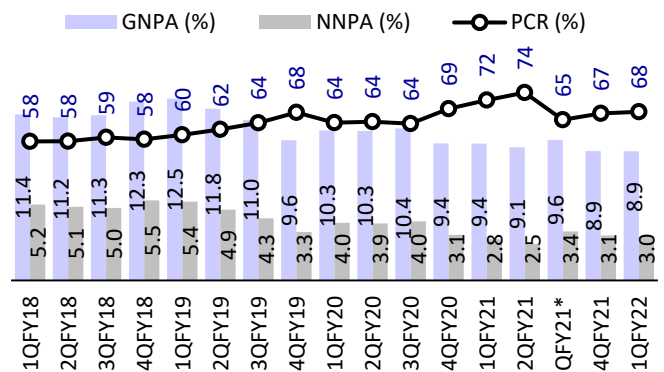
Story in charts

Exhibit 7: Slippage at INR61.9b, led by Retail/SME and Agri



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

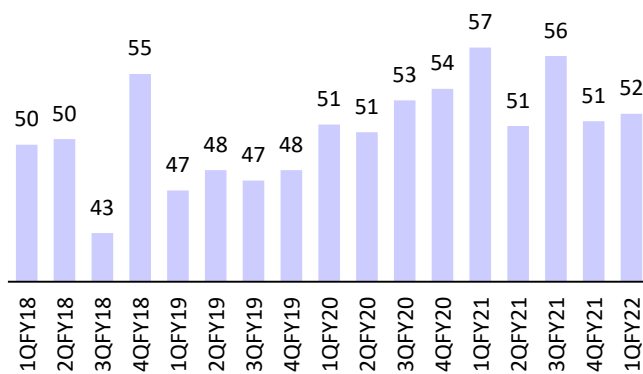
Exhibit 8: Asset quality ratio stable; calculated PCR at ~68%



*Pro forma as of 3QFY21

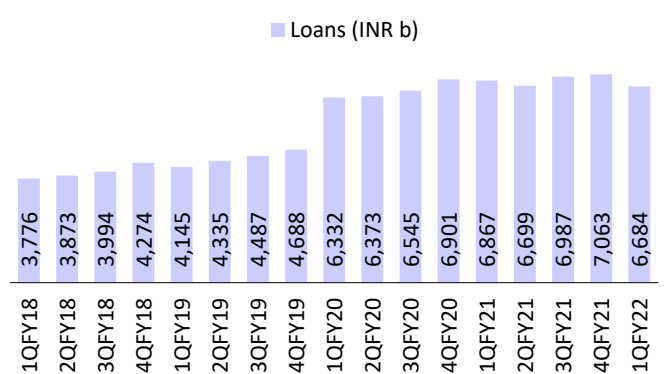
Source: MOFSL, Company

Exhibit 9: Cost to core income at ~52%



Source: MOFSL, Company

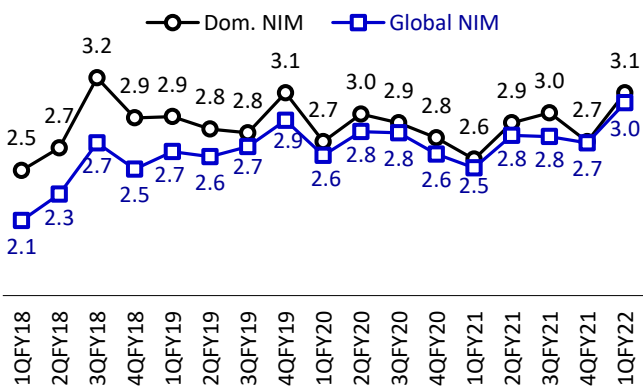
Exhibit 10: Loan book declines 2.7% YoY (-5% QoQ)



*FY19 is for the standalone entity

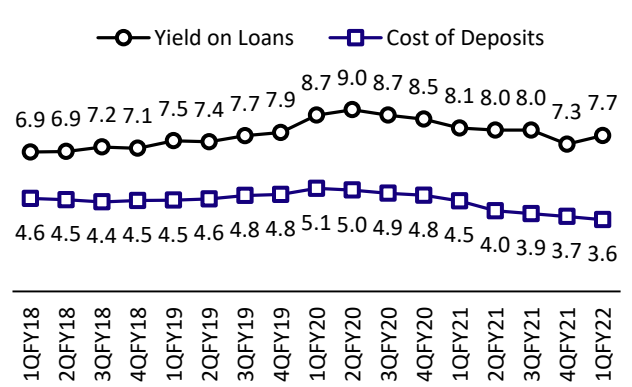
Source: MOFSL, Company

Exhibit 11: Domestic/Global NIMs up 39bp/32bp, supported by NII and low CoF



Source: MOFSL, Company

Exhibit 12: Loan yield improves 43bp QoQ to 7.72%; CoD improves to 3.55% (-16bp QoQ)



Source: MOFSL, Company

Financials and valuations

Income Statement						(INR b)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Interest Income	422.0	436.5	497.7	759.8	705.0	749.0	801.8
Interest Expense	286.9	281.3	312.9	485.3	416.9	422.4	446.2
Net Interest Income	135.1	155.2	184.8	274.5	288.1	326.6	355.6
Growth (%)	6.1	14.9	19.1	48.5	4.9	13.4	8.9
Non Interest Income	67.6	66.6	62.9	103.2	123.6	127.4	140.1
Total Income	202.7	221.8	247.7	377.7	411.7	454.0	495.7
Growth (%)	14.3	9.4	11.7	52.4	9.0	10.3	9.2
Operating Expenses	93.0	101.7	112.9	188.7	205.4	217.2	238.3
Pre Provision Profits	109.8	120.1	134.9	189.0	206.3	236.8	257.4
Growth (%)	24.5	9.4	12.3	40.1	9.2	14.8	8.7
Core PPP	83.6	101.3	125.0	161.5	172.5	208.1	233.0
Growth (%)	9.4	21.2	23.4	29.2	6.9	20.6	12.0
Provisions (excl tax)	85.0	148.0	127.9	207.0	150.7	160.6	140.0
PBT	24.7	-27.9	7.0	-18.0	55.6	76.3	117.4
Tax	10.9	-3.6	2.6	-23.5	47.3	19.2	29.6
Tax Rate (%)	44.1	12.9	37.9	130.3	85.1	25.2	25.2
PAT	13.8	-24.3	4.3	5.5	8.3	57.1	87.8
Growth (%)	NM	NM	NM	26.0	51.8	NM	53.9

Balance Sheet

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	4.6	5.3	5.3	9.3	10.4	10.4	10.4
Reserves & Surplus	398.4	428.6	504.5	709.3	760.1	807.5	883.4
Net Worth	403.0	433.9	509.8	718.6	770.5	817.9	893.7
Deposits	6,016.8	5,913.1	6,386.9	9,459.8	9,670.0	10,056.8	10,861.3
Growth (%)	4.8	-1.7	8.0	48.1	2.2	4.0	8.0
of which CASA Dep	1,935.0	2,117.8	2,237.9	3,338.2	3,882.8	3,680.8	4,073.0
Growth (%)	27.9	9.4	5.7	49.2	16.3	-5.2	10.7
Borrowings	306.1	625.7	672.0	930.7	668.5	714.0	772.0
Other Liabilities & Prov.	222.9	227.2	241.1	470.1	444.7	489.2	538.1
Total Liabilities	6,948.8	7,200.0	7,809.9	11,579.2	11,553.6	12,077.9	13,065.2
Current Assets	1,504.7	929.0	892.3	1,219.0	1,204.1	1,227.9	1,279.7
Investments	1,296.3	1,631.8	1,823.0	2,746.1	2,612.2	2,847.3	3,132.0
Growth (%)	7.6	25.9	11.7	50.6	-4.9	9.0	10.0
Loans	3,832.6	4,274.3	4,688.2	6,901.2	7,063.0	7,274.9	7,929.6
Growth (%)	-0.1	11.5	9.7	47.2	2.3	3.0	9.0
Fixed Assets	57.6	53.7	69.9	88.9	80.2	82.6	87.5
Other Assets	257.6	311.2	336.5	623.9	594.1	645.3	636.3
Total Assets	6,948.8	7,200.0	7,809.9	11,579.2	11,553.6	12,077.9	13,065.2

Asset Quality

GNPA	427.2	564.8	482.3	693.8	666.7	627.4	597.9
NNPA	180.8	234.8	156.1	215.8	218.0	201.7	183.6
GNPA Ratio	10.5	12.3	9.6	9.4	8.9	8.1	7.2
NNPA Ratio	4.7	5.5	3.3	3.1	3.1	2.8	2.3
Slippage Ratio	3.5	6.0	3.0	3.4	2.8	2.8	2.5
Credit Cost	2.1	3.5	2.7	2.9	1.7	2.2	1.8
PCR (Excl Tech. write off)	57.7	58.4	67.6	68.9	67.3	67.9	69.3

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Yield and Cost Ratios (%)							
Avg. Yield-Earning Assets	6.7	6.5	7.0	7.0	6.5	6.7	6.8
Avg. Yield on loans	7.2	7.2	7.7	7.8	7.1	7.5	7.6
Avg. Yield on Investments	8.5	7.3	7.5	6.6	6.6	6.5	6.4
Avg. Cost-Int. Bear. Liab.	4.6	4.4	4.6	4.7	4.0	4.0	4.0
Avg. Cost of Deposits	4.6	4.4	4.5	4.6	3.9	4.0	4.0
Interest Spread	2.1	2.1	2.4	2.3	2.4	2.7	2.8
Net Interest Margin	2.2	2.3	2.6	2.5	2.7	2.9	3.0

Capitalization Ratios (%)

CAR	12.2	12.9	13.4	13.9	15.7	15.3	14.8
Tier I	9.9	11.3	11.6	11.3	13.5	13.1	12.6
Tier II	2.2	1.6	1.9	2.6	2.3	2.3	2.2

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	63.7	72.3	73.4	73.0	73.0	72.3	73.0
CASA Ratio	32.2	35.8	35.0	35.3	40.2	36.6	37.5
Cost/Assets	1.3	1.4	1.4	1.6	1.8	1.8	1.8
Cost/Total Income	45.9	45.9	45.6	50.0	49.9	47.8	48.1
Cost/Core Income	52.7	50.1	47.5	53.9	54.4	51.1	50.6
Int. Expense/Int. Income	68.0	64.4	62.9	63.9	59.1	56.4	55.6
Fee Income/Total Income	20.4	21.5	21.4	20.0	21.8	21.7	23.3
Non Int. Inc./Total Income	33.3	30.0	25.4	27.3	30.0	28.1	28.3
Empl. Cost/Total Expense	49.9	45.3	44.6	50.7	55.7	55.3	55.0
Investment/Deposit Ratio	21.5	27.6	28.5	29.0	27.0	28.3	28.8

Profitability Ratios and Valuation

RoE	4.0	-5.8	0.9	0.8	1.1	7.2	10.3
RoA	0.2	-0.3	0.1	0.0	0.1	0.5	0.7
RoRWA	0.3	-0.6	0.1	0.1	0.1	0.9	1.3
Book Value (INR)	165.9	157.1	182.9	148.1	143.3	152.5	167.1
Growth (%)	1.1	-5.3	16.4	-19.0	-3.2	6.4	9.6
Price-BV (x)	0.5	0.5	0.4	0.5	0.6	0.5	0.5
Adjusted BV (INR)	107.2	90.9	136.3	112.3	111.0	122.1	138.8
Price-ABV (x)	0.8	0.9	0.6	0.7	0.7	0.7	0.6
EPS (INR)	6.0	-9.80	1.63	1.18	1.60	11.0	17.0
Growth (%)	NM	NM	NM	-27.8	35.6	NM	53.9
Price-Earnings (x)	13.6	-8.3	49.6	68.7	50.7	7.4	4.8

NOTES

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

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