

Bank of India

Margin improves meaningfully and slippages remain controlled

RESULT UPDATE

| | |
|----------------------|-----------------------------|
| Sector: Banks | Rating: BUY |
| CMP: Rs 157 | Target Price: Rs 190 |

Stock Info

| | |
|----------------|---------------------|
| Nifty | 25,158 |
| Bloomberg Code | BOI IN |
| Equity shares | 4553mn |
| 52-wk High/Low | Rs 165/ 93 |
| Face value | Rs 10 |
| M-Cap | Rs 717bn/ USD 7.8bn |
| 3-m Avg volume | USD 0.2mn |

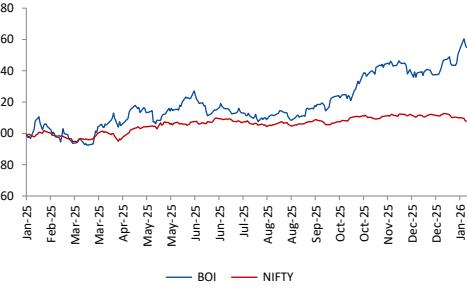
Financial Snapshot (Rs bn)

| Y/E March | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|
| NII | 250 | 298 | 341 |
| PPOP | 161 | 196 | 222 |
| PAT | 101 | 111 | 125 |
| EPS (Rs) | 22 | 24 | 27 |
| EPS Gr. (%) | 9 | 10 | 12 |
| BV/Sh (Rs) | 169 | 189 | 211 |
| Adj. BV/Sh (Rs) | 160 | 180 | 201 |
| Ratios | | | |
| NIM (%) | 2.5 | 2.7 | 2.8 |
| C/I ratio (%) | 52.6 | 50.2 | 50.3 |
| RoA (%) | 0.9 | 0.9 | 0.9 |
| RoE (%) | 12.2 | 12.2 | 12.4 |
| Valuations | | | |
| P/E (x) | 7.1 | 6.5 | 5.8 |
| P/BV (x) | 0.9 | 0.8 | 0.7 |
| P/ABV (x) | 1.0 | 0.9 | 0.8 |

Shareholding pattern (%)

| | Jun'25 | Sep'25 | Dec'25 |
|----------|--------|--------|--------|
| Promoter | 73.4 | 73.4 | 73.4 |
| -Pledged | - | - | - |
| FII | 3.5 | 4.2 | 5.8 |
| DII | 15.9 | 15.6 | 15.2 |
| Others | 7.1 | 6.8 | 5.6 |

Stock Performance


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Bank of India reported 3QFY26 PAT of Rs 27bn (24.8% above our estimates) which improved by 5.9% QoQ and by 7.5% YoY. The sequential improvement was mainly due to (i) Higher Net Interest Income (NII) (ii) healthy sequential growth in non-fee income. The bank has reported a net advances growth of 4.6% QoQ and 15% YoY in 3Q and has revised its growth guidance upwards to 13-14% for FY26. The deposits grew at a healthy, albeit lower pace compared to advances growth, by 4% QoQ and 11.6% YoY led by strong growth in term deposits (up 7.3% QoQ and 18.5% YoY). The management expects this pace of growth to sustain and has revised its guidance upwards to 11%-12% for FY26. The Global Net Interest Margins (NIMs) improved sequentially to 2.57%, up by 16 bps QoQ but down by -23 bps YoY. As guided earlier, the benefit of the term deposits (TD) repricing was visible in 3Q which led to a decline in cost of deposits by -8 bps QoQ. The management expects the benefit of TD repricing to continue flowing in while it is churning lower yielding advances (AAA rated corporates) for relatively those offering higher yields. Thus, it expects the full year NIMs for FY26 to come in at 2.5% levels. The annualised gross slippage ratio has increased by 11 bps QoQ but declined by -6 bps YoY to 0.63%. Based on further assessment of ECL draft norms, the management expects the same to have an adverse impact of 2% (calculated value ~Rs. 96bn) on the bank's CRAR. Utilising the glide path, the yearly effect is expected to be limited to 0.4%. We maintain BUY rating on the bank and increase our target price to Rs. 190 (earlier Rs. 172). We have moved our valuation to FY28E and are valuing the standalone bank at 0.9x on its FY28E book value per share of Rs. 211.

Slippages and credit cost remains well controlled: The annualised gross slippage ratio was at 0.63%, up 11 bps QoQ but down -6 bps YoY led by an uptick in corporate and MSME segment. The Retail and Agri slippages came in lower sequentially. The fresh slippage in the corporate segment was driven by a single 'road corporate' account. However, going forward the management does not expect any further slippages in the corporate segment while slippages in RAM segment are expected to remain controlled. The overall SMA (Rs 5cr and above) book declined to Rs. 5.4bn from ~Rs. 6.5bn in 2Q. The SMA books largely comprises of three state government accounts (~Rs. 3.5bn) which rolled through SMA 0, SMA 1 and SMA 2. However, these accounts are backed by state government guarantees and are being monitored closely by the bank. The management does not expect any further deterioration in the SMA book going forward. The provisions for the quarter increased by 30.5% sequentially and 89.7% YoY to Rs.5.8bn. The annualised credit cost for 3Q increased to 0.32%, up 6 bps QoQ. The GNPA stood at 2.3%, down -28 bps QoQ and -143 bps YoY while the NNPA stood at 0.6%, down -5 bps QoQ and -25 bps YoY. The Provision Coverage ratio (PCR) improved to 93.6% as compared to 93.4% in 2Q. Based on further assessment of ECL draft norms, the management expects the same to have an adverse impact of ~2% (calculated value ~Rs. 96bn) on the bank's CRAR. However, considering the glide path, the annual impact is expected to be negligible at 0.4%.

Net Interest Margins improved sequentially: The global NIMs stood at 2.57% for 3Q, up 16 bps QoQ but down -23 bps YoY. The Yield on Advances remained stable QoQ but declined by -74 bps YoY to 7.8%. Out of the total advances book, ~64% is linked to repo rate (EBLR) where the bank has absorbed the hit of the 125 bps rate cuts resulting in YoY decline in YoA. However, the bank is in the process of churning some

low yielding portion of its advances book (AAA rated corporates) in favour of higher yielding advances to protect its YoA. Further, the Cost of Deposits declined sequentially by -8bps to ~4.8% driven by benefit of term deposit repricing. The management expects the benefit of TD repricing to continue flowing through going forward. The Cost of Funds declined by -9 bps during the same period. Based on the above factors, the management expects the full year margins for FY26 to come in at ~2.5% while the margins for 4Q are expected to improve further to ~2.6%.

Healthy Advances growth complimented by deposits growth: The gross advances grew at a healthy rate of 4.4% QoQ and by 13.6% YoY. The sequential growth was led by increase in the Agri segment (up 6.5% QoQ) followed by Retail segment (up 5.8% QoQ). The MSME and Corporate segments also grew by 5.5% and 4.5% QoQ respectively. The growth in Retail advances was driven by Mortgage loans (up 8.9% QoQ) and Vehicle loans (up 7.9% QoQ). The bank currently has a pipeline of Rs. 650bn for corporates which it expects to disburse over the course of next 6 months. Going forward, the bank is aiming to improve the share of RAM advances to 65% of the total advances in the long-term under 'BOI @125' plan i.e. by FY31. The management has revised its advances growth guidance upwards to 13%-14% from 12%-13% for FY26. The deposits grew at a healthy, albeit lower pace compared to advances growth, by 4% QoQ and 11.6% YoY led by healthy growth in term deposits (up 7.3% QoQ and 18.5% YoY). The CASA deposits growth was relatively slower at 1.1% QoQ and 4.5% YoY resulting in the CASA ratio moderating further to 37.97% of domestic deposits (39.39% in 2Q). The management highlighted the structural shift in the preference of depositors towards term deposits while the CASA mobilisation continues to remain under pressure. The management has revised its deposit growth guidance upwards to 11%-12% from 10-11% for FY26 driven by growth in retail term deposits.

Improved operating performance boosted by higher NII and Non-fee income: The pre-provision operating profit improved to Rs. 41.9bn in 3Q, up by 9.7% QoQ and by -13.2% YoY. The sequential improvement was led by a growth of 9.2% in NII while the non-fee income grew by 5.3% correspondingly. This led to the total non-interest income to improve by 2.7% sequentially despite the QoQ decline of 6.1% in the fee-based income. The management expects the recoveries in 4Q to come in at ~Rs. 20bn thus leading to recoveries in the range of ~Rs. 72-73bn for FY26. The total written off pool currently with the bank is ~Rs. 500bn and the quarterly run rate for recoveries from written off accounts is in the range of ~Rs. 4.4-4.5bn. The bank is targeting to improve the same to ~Rs. 7-7.5bn per quarter going forward.

Valuation and recommendation: We have revised our estimates to factor in the changes in net interest margins and other moving aspects. We maintain our BUY rating on Bank of India with a revised target price of Rs. 190 (earlier Rs. 172). We have moved our valuation to FY28E and are valuing the standalone bank at 0.9x on its FY28E book value per share of Rs. 211 for a RoE profile of 12.2%/12.2%/12.4% for FY26E/FY27E/FY28E.

Key takeaways from 3QFY26 earnings call:

Advances:

- RAM advances up by 18.05% YoY, current share at 58.4% of the total domestic book. Under the BOI@125 plan, the bank has an approved strategy by the board where the bank is aiming to improve its RAM share to 65% while balance 35% would be corporate.
- Target to improve the share of international advances book to 15-16% of the total advances book. However, owing to global political issues, the bank is proceeding cautiously on overseas advances.
- The management expects the momentum in RAM advances to sustain going forward in FY27 given the growth trajectory of the Indian economy combined with the change in the definition of medium enterprise within the MSME segment.
- The management has revised the guidance to 13-14% for global advances for FY26.
- The bank has also changed its strategy and shifted to agri-allied activities and food processing as the margins offered are better. The bank is aiming to increase the agri book to ~Rs. 9-10bn.
- ~Rs. 650bn corporate pipeline available with the bank for 4Q which includes in-principal approvals, sanctions given but documentation is pending and third category is where sanctions have been given and documentation has been done by drawdown is pending. These corporate advances are expected to be disbursed within a span of 6 months.
- Gold Loan book at Rs. 470 bn at the end of 3Q out of which NPA is limited to ~Rs. 700-750mn. The SOP followed by the bank is that it sells the gold after the account becomes NPA, thus recovering the outstanding amount within 30 days.
- Yield on Gold Loan advances is 9%. The bank has reduced its LTV to 75% thus keeping a safety margin of 25% compared to 10-15% earlier.

Deposits:

- The banking system is witnessing a structural shift in the deposits towards term deposits while facing challenges in terms of CASA mobilization. The management expects this
- The management has revised its guidance upwards for global deposit to grow by ~11-12% for FY26 driven by retail term deposits.
- ~85% of domestic deposits consist of CASA and retail term deposits while the balance are bulk deposits.
- The weighted average cost of retail TD is higher than the weighted average cost of bulk deposits as bulk deposits can be very short term in nature including as short as 7-15 days.

Asset Quality:

- Overall SMA book has declined to ~54bn but SMA-2 has nearly doubled driven primarily by 3 state govt accounts (~35bn). However, the same are backed by state govt guarantees and the bank is monitoring these advances closely.
- Fresh slippages up by ~2bn in 3Q sequentially driven by a corporate road account (consortium advance). However, the management stated that the overall slippage ratio remains within a comfortable range.
- The management expects total recovery for 4Q at ~Rs. 20bn putting the full year recoveries in the range of ~Rs. 72-73bn.
- Total outstanding written off book at ~Rs. 500bn and the run rate for recovery per quarter is in the range of ~Rs. 4-4.5bn. Internal target of improving the same to 7.5bn per quarter.
- ECL remains a work in progress and the management believes the ECL impact should be limited to 2% of CRAR. However, per annum the impact is expected to be 0.4% due to the glide path.
- The management does not expect any further slippages to happen in the corporate segment while the slippages in RAM segment are expected to remain controlled.

Margins:

- The bank has churned its advances portfolio (AAA corporates) for AA rated corporates where the yields are better by 25-30bps. This has helped the bank improve the global margins in 3Q.
- The YoY decline in YoA is attributed to the bank's large repo rate book (~64% of the total book) which has absorbed the adverse impact of 125 bps rate cut.
- The bank is aiming to improve its RAM advances, increase advances to AA rated corporates while reducing its exposure to low yielding advances to improve YoA and thus protect its margins.
- Further the management expects the benefit of TD repricing to continue flowing through in the near term.
- Based on the above factors, the management has guided for the full year NIMs to print in at 2.5% while for 4Q it is expected to be at 2.6%.

Opex

- The bank opened 211 branches in FY25. The bank has board approval in place for opening 200 new branches in FY26 and FY27 each.
- In 9MFY26, the bank has opened 140+ branches while the balance 50-55 branches will be opened in 4Q. Further, the bank has mapped 16 zones PAN India which cover all the states pertaining to new branch openings.
- 10% of the total opex is directed towards IT opex along with the capex being incurred by the bank.

Exhibit 1: Quarterly performance

| P&L (INR, mn) | Q3FY26 | Q2FY26 | % QoQ | Q3FY25 | % YoY |
|----------------------------------|-----------------|-----------------|-------------|-----------------|--------------|
| Interest Earned | 1,89,271 | 1,84,061 | 2.8 | 1,82,105 | 3.9 |
| Interest Expended | (1,24,664) | (1,24,923) | (0.2) | (1,21,402) | 2.7 |
| Net Interest Income | 64,607 | 59,138 | 9.2 | 60,703 | 6.4 |
| Fee income | 4,800 | 5,110 | (6.1) | 4,620 | 3.9 |
| Non-fee Income | 17,988 | 17,088 | 5.3 | 12,844 | 40.1 |
| Other Income | 22,788 | 22,198 | 2.7 | 17,464 | 30.5 |
| Total Net Income | 87,395 | 81,336 | 7.4 | 78,167 | 11.8 |
| Employee Expense | (26,518) | (24,523) | 8.1 | (24,414) | 8.6 |
| Other operating expense | (18,949) | (18,604) | 1.9 | (16,728) | 13.3 |
| Operating expenses | (45,467) | (43,128) | 5.4 | (41,141) | 10.5 |
| PPOP | 41,928 | 38,209 | 9.7 | 37,026 | 13.2 |
| Core PPOP | 23,940 | 21,120 | 13.3 | 24,182 | (1.0) |
| Provisions | (5,760) | (4,412) | 30.5 | (3,037) | 89.7 |
| PBT | 36,168 | 33,796 | 7.0 | 33,989 | 6.4 |
| Tax | (9,121) | (8,250) | 10.6 | (8,822) | 3.4 |
| PAT | 27,047 | 25,546 | 5.9 | 25,167 | 7.5 |
| <hr/> | | | | | |
| Key Ratios (%) | Q3FY26 | Q2FY26 | chg QoQ | Q3FY25 | chg YoY |
| Net interest margin-Global | 2.57 | 2.41 | 16bps | 2.80 | -23bps |
| Yield on advances | 7.81 | 7.81 | 0bps | 8.55 | -74bps |
| Cost of deposits | 4.77 | 4.85 | -8bps | 4.96 | -19bps |
| Loan to Deposit ratio | 82.0 | 81.5 | 52bps | 79.6 | 242bps |
| Fee Income to Avg. Total Assets | 0.2 | 0.2 | -1bps | 0.2 | -1bps |
| Non-interest income/Total income | 26.1 | 27.3 | -122bps | 22.3 | 373bps |
| Cost to Income | 52.0 | 53.0 | -100bps | 52.6 | -61bps |
| Opex to Avg. Total Assets | 1.7 | 1.6 | 6bps | 1.6 | 4bps |
| Annualised Slippage Ratio | 0.6 | 0.5 | 11bps | 0.7 | -6bps |
| Credit Cost | 0.3 | 0.3 | 6bps | 0.2 | 13bps |
| Gross NPA | 2.3 | 2.5 | -28bps | 3.7 | -143bps |
| Provision Coverage | 93.6 | 93.4 | 21bps | 92.5 | 112bps |
| Net NPA | 0.6 | 0.7 | -5bps | 0.9 | -25bps |
| RoA | 1.0 | 0.9 | 5bps | 1.0 | 0bps |
| RoE | 15.3 | 15.1 | 28bps | 16.5 | -119bps |
| Capital adequacy ratio | 17.1 | 16.7 | 40bps | 16.0 | 109bps |
| Common equity tier 1 | 13.8 | 13.9 | -13bps | 13.0 | 80bps |
| Tier I capital ratio | 14.4 | 14.5 | -13bps | 13.6 | 76bps |

Source: Company, Systematix Research

Exhibit 2: Advances and Deposits break-up

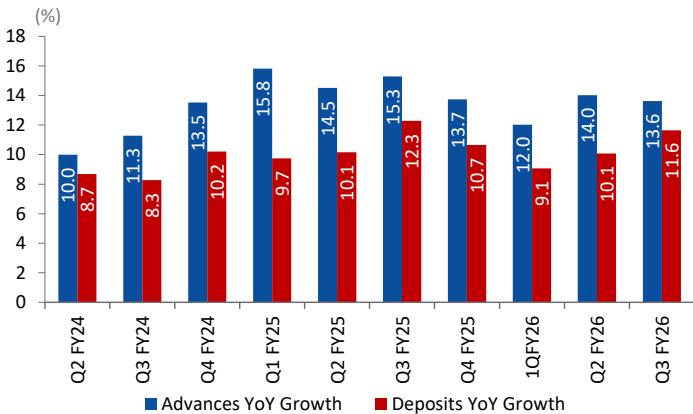
| Particulars (Rs mn) | Q3 FY26 | Q2 FY26 | % qoq | Q3 FY25 | % yoy |
|-------------------------|-----------|-----------|-------|-----------|-------|
| Global Gross Advances | 74,03,140 | 70,91,450 | 4.4 | 65,15,070 | 13.6 |
| Overseas Gross Advances | 11,12,340 | 11,17,950 | (0.5) | 10,52,380 | 5.7 |
| Domestic Gross Advances | 62,90,800 | 59,73,500 | 5.3 | 54,62,690 | 15.2 |
| Corporate Loans | 26,08,380 | 24,96,410 | 4.5 | 23,43,190 | 11.3 |
| MSME | 10,31,910 | 9,78,340 | 5.5 | 8,91,340 | 15.8 |
| Agri | 11,08,440 | 10,41,070 | 6.5 | 9,49,910 | 16.7 |
| Retail Loans | 15,42,070 | 14,57,680 | 5.8 | 12,78,250 | 20.6 |
| Home loans | 7,60,610 | 7,28,070 | 4.5 | 6,53,680 | 16.4 |
| Vehicle loans | 2,39,250 | 2,21,770 | 7.9 | 2,00,180 | 19.5 |
| Education loans | 41,610 | 40,520 | 2.7 | 37,880 | 9.8 |
| Mortgage loans | 1,44,300 | 1,32,550 | 8.9 | 1,00,110 | 44.1 |
| Personal loans | 1,30,520 | 1,29,780 | 0.6 | 1,23,940 | 5.3 |
| Others | 2,25,780 | 2,04,990 | 10.1 | 1,62,460 | 39.0 |
| Total Deposits | 88,72,874 | 85,33,014 | 4.0 | 79,47,881 | 11.6 |
| CASA | 28,96,200 | 28,64,920 | 1.1 | 27,71,900 | 4.5 |
| Term | 47,58,790 | 44,36,060 | 7.3 | 40,14,350 | 18.5 |

Source: Company, Systematix Research

Exhibit 3: Actuals Vs Expectation

| Q3FY26 (Rs. mn) | Actuals | Estimates | Variance |
|----------------------------|---------|-----------|----------|
| Net Interest Income | 64,607 | 60,333 | 7.1 |
| Pre-Prov. Operating Profit | 41,928 | 38,256 | 9.6 |
| Profit After Tax | 27,047 | 21,669 | 24.8 |

Source: Company, Systematix Research

Exhibit 4: Advances and Deposits YoY Growth (%)

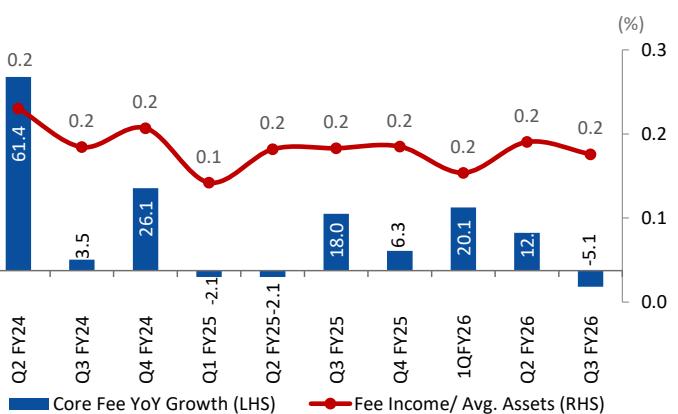
Source: Company, Systematix Research

Exhibit 5: CASA Ratio and CASA YoY Growth (%)

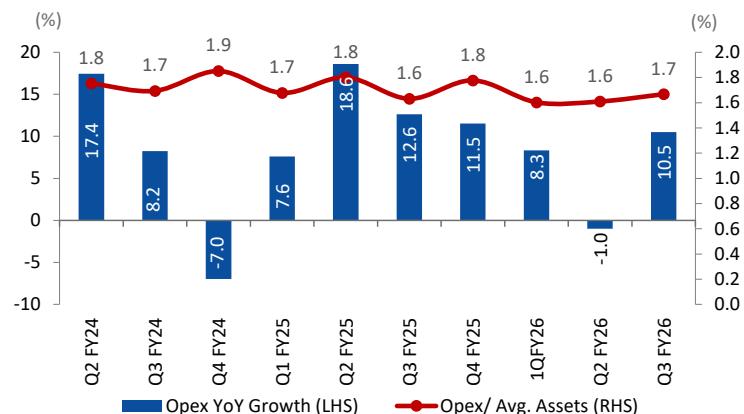
Source: Company, Systematix Research

Exhibit 6: NII YoY Growth and NIM (%)

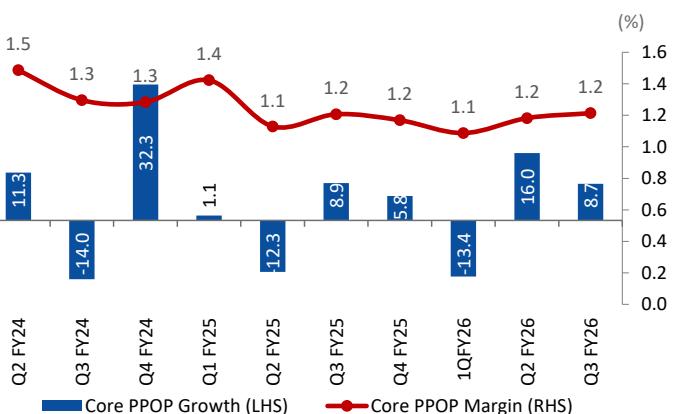
Source: Company, Systematix Research

Exhibit 7: Fee Income YoY Growth and as % of average assets (%)

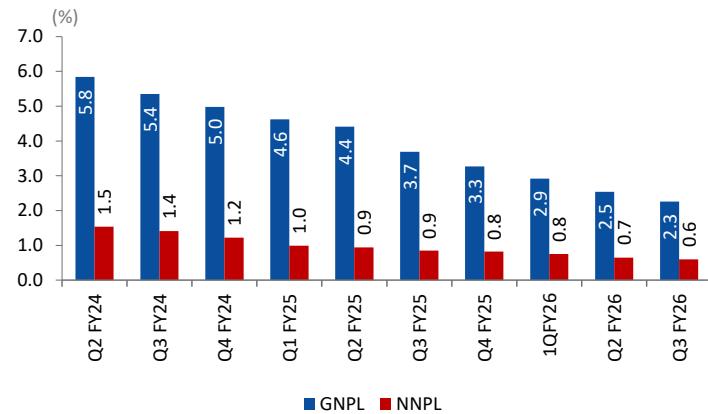
Source: Company, Systematix Research

Exhibit 8: Opex YoY growth and as % of average assets (%)

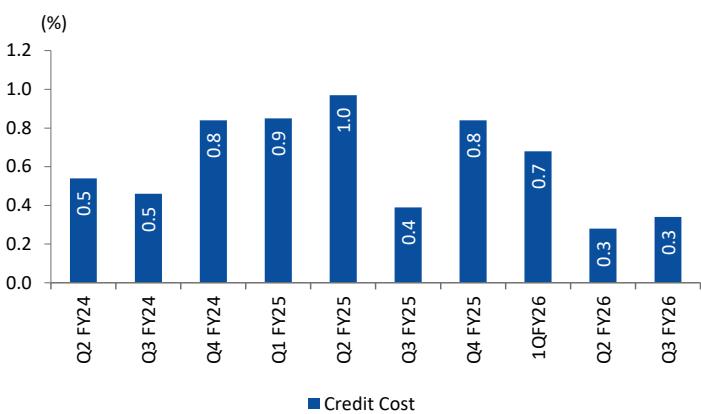
Source: Company, Systematix Research

Exhibit 9: Core PPOP YoY Growth and Margin (%)

Source: Company, Systematix Research

Exhibit 10: GNPA and NNPA Ratio (%)

Source: Company, Systematix Research

Exhibit 11: Credit Cost (%)

Source: Company, Systematix Research

Exhibit 12: 1-year forward P/BV (x) trajectory

Source: Company, Systematix Research

Exhibit 13: 1-year forward P/BV (x) near long term average

Source: Company, Systematix Research

Exhibit 14: Revised vs earlier estimates

| Particulars (Rs mn) | Revised Estimate | | | Earlier Estimate | | | % Revision | | |
|----------------------------|------------------|----------|----------|------------------|----------|----------|------------|-------|-------|
| | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| Net Interest Income | 2,50,461 | 2,97,904 | 3,41,268 | 2,47,140 | 2,96,601 | 3,46,693 | 1.3 | 0.4 | (1.6) |
| Pre-Prov. Operating Profit | 1,60,942 | 1,96,301 | 2,22,075 | 1,56,362 | 1,90,391 | 2,29,499 | 2.9 | 3.1 | (3.2) |
| Profit after tax | 1,00,509 | 1,10,862 | 1,24,701 | 92,203 | 1,07,291 | 1,31,963 | 9.0 | 3.3 | (5.5) |

Source: Company, Systematix Research

FINANCIALS

Profit & Loss Statement

| YE: Mar (Rs bn) | FY24 | FY25 | FY26E | FY27E | FY28E |
|----------------------------|------------|------------|------------|------------|------------|
| Interest Income | 607 | 708 | 750 | 832 | 935 |
| Interest expense | (377) | (464) | (500) | (534) | (594) |
| Net interest income | 231 | 244 | 250 | 298 | 341 |
| Fee Income | 17 | 20 | 21 | 27 | 33 |
| Other Income | 43 | 70 | 68 | 70 | 72 |
| Total Non-interest income | 61 | 90 | 89 | 97 | 105 |
| Total income | 291 | 334 | 340 | 394 | 447 |
| Operating expenses | (151) | (170) | (179) | (198) | (225) |
| PPoP | 141 | 164 | 161 | 196 | 222 |
| Core PPOP | 97 | 94 | 93 | 126 | 150 |
| Provisions | (40) | (40) | (29) | (50) | (58) |
| Profit before tax | 101 | 124 | 132 | 146 | 164 |
| Taxes | (38) | (32) | (32) | (35) | (39) |
| Net profit | 63 | 92 | 101 | 111 | 125 |

Source: Company, Systematix Research

Dupont

| YE: Mar (%) | FY24 | FY25 | FY26E | FY27E | FY28E |
|----------------------------|------------|------------|------------|------------|------------|
| Interest Income | 7.0 | 7.2 | 6.9 | 7.0 | 7.0 |
| Interest expense | (4.4) | (4.7) | (4.6) | (4.5) | (4.5) |
| Net interest income | 2.7 | 2.5 | 2.3 | 2.5 | 2.6 |
| Non-interest income | 0.7 | 0.9 | 0.8 | 0.8 | 0.8 |
| Total income | 3.4 | 3.4 | 3.1 | 3.3 | 3.4 |
| Operating expenses | (1.7) | (1.7) | (1.6) | (1.7) | (1.7) |
| PPoP | 1.6 | 1.7 | 1.5 | 1.6 | 1.7 |
| Provisions | (0.5) | (0.4) | (0.3) | (0.4) | (0.4) |
| Profit before tax | 1.2 | 1.3 | 1.2 | 1.2 | 1.2 |
| Taxes | (0.4) | (0.3) | (0.3) | (0.3) | (0.3) |
| Net profit | 0.7 | 0.9 | 0.9 | 0.9 | 0.9 |

Source: Company, Systematix Research

Balance Sheet

| YE: Mar (Rs bn) | FY24 | FY25 | FY26E | FY27E | FY28E |
|--------------------------|--------------|---------------|---------------|---------------|---------------|
| Share capital | 46 | 46 | 46 | 46 | 46 |
| Reserves & surplus | 643 | 740 | 821 | 910 | 1,009 |
| Net worth | 689 | 786 | 866 | 955 | 1,055 |
| Deposits | 7,379 | 8,165 | 9,145 | 10,243 | 11,472 |
| Borrowings | 809 | 1,239 | 1,078 | 1,067 | 1,227 |
| Other liabilities | 249 | 236 | 240 | 270 | 295 |
| Total liabilities | 9,126 | 10,426 | 11,329 | 12,535 | 14,049 |
| Total cash & equ. | 829 | 1,003 | 897 | 919 | 1,028 |
| Investments | 2,271 | 2,591 | 2,617 | 2,669 | 2,776 |
| Advances | 5,631 | 6,497 | 7,471 | 8,592 | 9,880 |
| Fixed assets | 102 | 119 | 127 | 134 | 142 |
| Other assets | 291 | 216 | 218 | 220 | 222 |
| Total assets | 9,126 | 10,426 | 11,329 | 12,535 | 14,049 |

Source: Company, Systematix Research

Ratios

| YE: Mar | FY24 | FY25 | FY26E | FY27E | FY28E |
|--------------------------------|------|------|-------|-------|-------|
| Growth Trend (%) | | | | | |
| Net interest income | 13.7 | 5.8 | 2.7 | 18.9 | 14.6 |
| Total Income | 6.5 | 14.5 | 1.8 | 16.1 | 13.2 |
| PPoP | 5.0 | 16.7 | (1.9) | 22.0 | 13.1 |
| Net profit | 57.0 | 45.9 | 9.0 | 10.3 | 12.5 |
| Advances | 15.9 | 15.4 | 15.0 | 15.0 | 15.0 |
| Deposits | 10.2 | 10.7 | 12.0 | 12.0 | 12.0 |
| Return Ratios (%) | | | | | |
| Return on Average Equity | 9.9 | 12.5 | 12.2 | 12.2 | 12.4 |
| Return on Average Assets | 0.7 | 0.9 | 0.9 | 0.9 | 0.9 |
| Per share data (Rs) | | | | | |
| EPS | 14 | 20 | 22 | 24 | 27 |
| BVPS | 130 | 152 | 169 | 189 | 211 |
| ABVPS | 115 | 140 | 160 | 180 | 201 |
| Valuation multiples (x) | | | | | |
| P/E | 11.3 | 7.8 | 7.1 | 6.5 | 5.8 |
| P/BV | 1.2 | 1.0 | 0.9 | 0.8 | 0.7 |
| P/ABV | 1.4 | 1.1 | 1.0 | 0.9 | 0.8 |
| Spread Analysis (%) | | | | | |
| Net interest margin | 3.0 | 2.8 | 2.5 | 2.7 | 2.8 |
| Yield on loans | 8.2 | 8.3 | 7.8 | 7.8 | 7.8 |
| Cost of deposits | 4.4 | 4.9 | 4.7 | 4.6 | 4.6 |
| Loan-deposit ratio | 76.3 | 79.6 | 81.7 | 83.9 | 86.1 |
| Opex control (%) | | | | | |
| Cost/Income ratio | 51.7 | 50.8 | 52.6 | 50.2 | 50.3 |
| Cost to average assets | 1.7 | 1.7 | 1.6 | 1.7 | 1.7 |
| Asset quality (%) | | | | | |
| Gross NPL ratio | 5.0 | 3.3 | 2.2 | 1.9 | 1.7 |
| Gross Slippage ratio | 1.4 | 1.3 | 0.8 | 1.0 | 1.0 |
| Total Credit Cost | 0.8 | 0.7 | 0.4 | 0.6 | 0.6 |
| Net NPA ratio | 1.2 | 0.8 | 0.5 | 0.5 | 0.4 |

Source: Company, Systematix Research

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|--|--------|
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