

## Bank of Baroda

### Performance Highlights

Particulars (₹ cr)	2QFY13	2QFY12	% chg (qoq)	2QFY12	% chg (yoy)
<b>NII</b>	<b>2,862</b>	<b>2,798</b>	<b>2.3</b>	<b>2,567</b>	<b>11.5</b>
Pre-prov. profit	2,383	2,253	5.7	2,140	11.3
<b>PAT</b>	<b>1,301</b>	<b>1,139</b>	<b>14.3</b>	<b>1,166</b>	<b>11.6</b>

Source: Company, Angel Research

Bank of Baroda (BoB) reported a moderate performance on the net profit front during 2QFY2013, with a growth of 11.6% yoy to ₹1,301cr. Even on the operating front, the bank witnessed a moderate performance, with growth of around 11% each in the NII and pre-provisioning profits. The asset quality pressure continued for the bank, as slippages remained at elevated levels.

**Business growth healthy; Asset quality pressures continue:** The bank witnessed a healthy growth in its balance sheet during 2QFY2013, with advances and deposits registering a growth of 22.2% and 24.0% yoy, respectively. Healthy advance growth was aided by a strong 33.4% yoy growth in the overseas loan book (partly due to INR depreciation). The bank's domestic CASA growth remained moderate at 11.7% yoy. The bank's domestic yield on advances improved by 10bp qoq to 11.8%, while domestic cost of deposits increased by 6bp qoq to 7.4%, which led the domestic NIM to remain flattish at 3.2%. The bank reported a subdued performance on the non-interest income (excluding treasury) front, with a decline of 1.1% yoy, on account of a sharp fall in recoveries to ₹65cr (₹122cr in 2QFY2012) and 1% yoy decline on the fee income front. Trading profits (treasury) came in at ₹112cr compared to ₹10cr in 2QFY2012. On the asset quality front, the bank witnessed continued pressures, with gross and net NPA levels rising by 10.5% and 29.3% qoq, respectively, on an absolute basis. Annualized slippage ratio remained at elevated levels of 2.0% compared to 1.8% in 1QFY2013 and 2.3% in 4QFY2012. Though gross and net NPA ratios at 2.0% and 1.8%, have increased sequentially by 14 and 17bp respectively, but are still far lower than other large PSU banks. Additionally, the bank restructured domestic loans worth ₹993cr (higher than ₹771cr restructured during 1QFY2013), thereby taking its cumulative outstanding domestic restructured book to ₹16,680cr. PCR for the bank dipped significantly by 330bp to 75.7%.

**Outlook and valuation:** BoB has been re-rated in recent years due to healthy improvement in its core profitability. The bank is currently trading at valuations of 0.9x FY2014E ABV. **We maintain our Accumulate recommendation on the stock with a target price of ₹864.**

#### Key financials (Standalone)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
<b>NII</b>	<b>8,802</b>	<b>10,317</b>	<b>11,899</b>	<b>14,103</b>
% chg	48.2	17.2	15.3	18.5
<b>Net profit</b>	<b>4,242</b>	<b>5,007</b>	<b>4,609</b>	<b>5,666</b>
% chg	38.7	18.0	(7.9)	22.9
NIM (%)	2.8	2.6	2.5	2.6
<b>EPS (₹)</b>	<b>108.0</b>	<b>121.4</b>	<b>111.8</b>	<b>137.4</b>
P/E (x)	7.1	6.3	6.9	5.6
P/ABV (x)	1.4	1.2	1.0	0.9
RoA (%)	1.3	1.2	1.0	1.0
RoE (%)	23.5	20.6	15.7	17.0

Source: Company, Angel Research

## ACCUMULATE

CMP	₹783
Target Price	₹864

Investment Period	12 months
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#### Stock Info

Sector	Banking
Market Cap (₹ cr)	30,668
Beta	0.9
52 Week High / Low	881/606
Avg. Daily Volume	86,996
Face Value (₹)	10
BSE Sensex	18,710
Nifty	5,691
Reuters Code	BOB.BO
Bloomberg Code	BOB@IN

#### Shareholding Pattern (%)

Promoters	54.3
MF / Banks / Indian Fls	19.1
FII / NRIs / OCBs	15.4
Indian Public / Others	11.3

Abs. (%)	3m	1yr	3yr
Sensex	10.9	11.5	11.3
BOB	14.8	5.2	57.0

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**Exhibit 1: 2QFY2013 performance (Standalone)**

Particulars (₹ cr)	2QFY13	1QFY13	% chg (qoq)	2QFY12	% chg (yoy)	1HFY13	1HFY12	% chg (yoy)
<b>Interest earned</b>	<b>8,723</b>	<b>8,558</b>	<b>1.9</b>	<b>7,251</b>	<b>20.3</b>	<b>17,280</b>	<b>13,883</b>	<b>24.5</b>
- on Advances / Bills	6,439	6,427	0.2	5,482	17.4	12,865	10,560	21.8
- on investments	1,870	1,732	8.0	1,546	20.9	3,601	2,899	24.2
- on balance with RBI & others	339	288	17.7	208	62.9	627	371	69.1
- on others	75	112	(32.6)	15	400.4	187	54	243.5
<b>Interest Expended</b>	<b>5,860</b>	<b>5,760</b>	<b>1.7</b>	<b>4,685</b>	<b>25.1</b>	<b>11,620</b>	<b>9,019</b>	<b>28.8</b>
<b>Net Interest Income</b>	<b>2,862</b>	<b>2,798</b>	<b>2.3</b>	<b>2,567</b>	<b>11.5</b>	<b>5,660</b>	<b>4,864</b>	<b>16.4</b>
<b>Other income</b>	<b>828</b>	<b>771</b>	<b>7.5</b>	<b>734</b>	<b>12.8</b>	<b>1,599</b>	<b>1,375</b>	<b>16.3</b>
Other income excl. treasury	716	689	3.9	724	(1.1)	1,406	1,291	8.9
- Fee Income	310	276	12.5	314	(1.0)	586	588	(0.4)
- Treasury Income	112	82	37.4	10	1,003.6	194	84	129.9
- Recoveries from written off a/cs	65	83	(21.1)	122	(46.3)	148	151	(1.5)
- Others	340	330	3.0	289	18.0	671	552	21.5
<b>Operating income</b>	<b>3,691</b>	<b>3,569</b>	<b>3.4</b>	<b>3,301</b>	<b>11.8</b>	<b>7,259</b>	<b>6,239</b>	<b>16.4</b>
<b>Operating expenses</b>	<b>1,308</b>	<b>1,316</b>	<b>(0.6)</b>	<b>1,161</b>	<b>12.6</b>	<b>2,624</b>	<b>2,268</b>	<b>15.7</b>
- Employee expenses	751	761	(1.3)	647	16.2	1,512	1,292	17.0
- Other Opex	557	555	0.4	515	8.2	1,112	976	13.9
<b>Pre-provision Profit</b>	<b>2,383</b>	<b>2,253</b>	<b>5.7</b>	<b>2,140</b>	<b>11.3</b>	<b>4,636</b>	<b>3,971</b>	<b>16.7</b>
<b>Provisions &amp; Contingencies</b>	<b>659</b>	<b>906</b>	<b>(27.3)</b>	<b>496</b>	<b>32.7</b>	<b>1,565</b>	<b>900</b>	<b>73.8</b>
- Provisions for NPAs	723	812	(11.0)	298	142.5	1,535	430	256.9
- Provisions for Standard adv.	41	3	1,121.3	47	(13.1)	44	160	(72.4)
- Provisions for Investments	(134)	76	-	145	-	(58)	284	-
- Other Provisions	29	15	97.1	6	362.3	(14)	310	-
<b>PBT</b>	<b>1,724</b>	<b>1,347</b>	<b>28.0</b>	<b>1,644</b>	<b>4.9</b>	<b>3,071</b>	<b>3,071</b>	<b>(0.0)</b>
<b>Provision for Tax</b>	<b>422</b>	<b>208</b>	<b>103.0</b>	<b>478</b>	<b>(11.6)</b>	<b>630</b>	<b>872</b>	<b>(27.7)</b>
<b>PAT</b>	<b>1,301</b>	<b>1,139</b>	<b>14.3</b>	<b>1,166</b>	<b>11.6</b>	<b>2,440</b>	<b>2,199</b>	<b>11.0</b>
Effective Tax Rate (%)	24.5	15.4	905bp	29.1	(455)bp	20.5	28.4	(786)bp

Source: Company, Angel Research

**Exhibit 2: 2QFY2013 Actual vs Estimates**

Particulars (₹ cr)	Actual	Estimates	Var. (%)
NII	2,862	2,947	(2.9)
Non-interest income	828	788	5.1
<b>Operating income</b>	<b>3,691</b>	<b>3,735</b>	<b>(1.2)</b>
Operating expenses	1,308	1,366	(4.2)
<b>Pre-prov. profit</b>	<b>2,383</b>	<b>2,369</b>	<b>0.6</b>
Provisions & cont.	659	622	5.9
<b>PBT</b>	<b>1,724</b>	<b>1,747</b>	<b>(1.3)</b>
Prov. for taxes	422	524	(19.4)
<b>PAT</b>	<b>1,301</b>	<b>1,223</b>	<b>6.4</b>

Source: Company, Angel Research

**Exhibit 3: 2QFY2013 performance analysis (Standalone)**

Particulars	2QFY13	1QFY13	%chg (qoq)	2QFY12	%chg (yoy)
<b>Balance sheet</b>					
Advances (₹ cr)	292,181	285,813	2.2	239,120	22.2
Deposits (₹ cr)	408,150	382,739	6.6	329,185	24.0
Credit-to-Deposit Ratio (%)	71.6	74.7	(309)bp	72.6	(105)bp
Current deposits (₹ cr)	27,436	24,214	13.3	21,639	26.8
Saving deposits (₹ cr)	77,824	75,562	3.0	68,541	13.5
CASA deposits (₹ cr)	105,260	99,776	5.5	90,180	16.7
Global CASA ratio (%)	25.8	26.1	(28)bp	27.4	(161)bp
Domestic CASA ratio (%)	31.7	32.2	(48)bp	34.0	(227)bp
CAR (%)	12.9	13.7	(83)bp	12.7	18bp
Tier 1 CAR (%)	9.6	10.1	(56)bp	8.8	75bp
<b>Profitability Ratios (%)</b>					
Cost of deposits	7.4	7.3	6bp	6.8	52bp
Yield on advances	11.8	11.7	10bp	12.1	(39)bp
Yield on investments	7.9	7.8	9bp	7.7	20bp
Reported NIM	3.2	3.2	1bp	3.7	(44)bp
Cost-to-income ratio	35.4	36.9	(142)bp	35.2	27bp
<b>Asset quality</b>					
Gross NPAs (₹ cr)	5,879	5,319	10.5	3,402	72.8
Gross NPAs (%)	2.0	1.8	14bp	1.4	57bp
Net NPAs (₹ cr)	2,385	1,845	29.3	1,119	113.2
Net NPAs (%)	0.8	0.7	17bp	0.5	35bp
PCR incl. tech. w/offers (%)	75.7	79.0	(330)bp	82.0	(625)bp
Annualized slippage ratio (%)	2.0	1.8	15bp	1.0	96bp
NPA prov. to avg. assets (%)	0.6	0.7	(10)bp	0.3	31bp

Source: Company, Angel Research

**Business growth remains healthy; CASA ratio moderates sequentially**

The bank witnessed a healthy growth in its balance sheet during 2QFY2013, with advances and deposits registering a growth of 22.2% and 24.0% yoy, respectively. Healthy advance growth was aided by a strong 33.4% yoy growth in overseas loan book (excluding the impact of INR depreciation, growth would have been 24-25%). Domestic advances grew by 17.5% yoy. Advances to small and medium enterprise (SME) and agriculture witnessed a healthy growth of 22.4% and 16.8% yoy, respectively. Growth in the retail loan book for the bank came in moderate at 14.5% yoy.

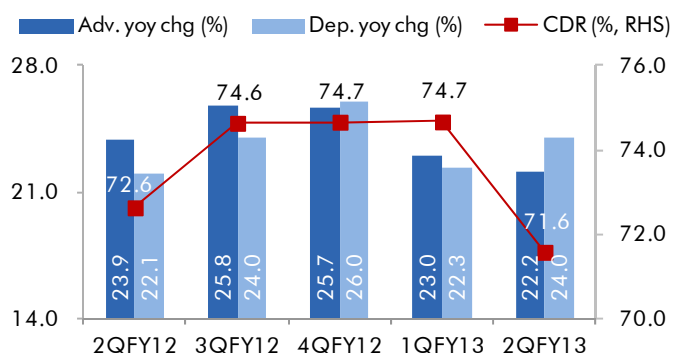
Growth in domestic saving deposits remained moderate at 13.1% yoy, while growth in domestic current deposits came in subdued at 5.7% yoy. Consequently, the domestic CASA deposits witnessed a growth of 11.7% yoy and domestic CASA ratio witnessed a decline of 48bp sequentially and 227bp yoy to 31.7%.

However, on a global basis, current deposits witnessed a strong growth of 26.8% yoy, which coupled with a moderate growth of 13.5% yoy in saving deposits, led to a healthy 16.7% yoy growth in CASA deposits. Global CASA ratio moderated by

28bp sequentially and 161bp yoy to 25.8%, as growth in aggregate deposits was higher at 24.1% yoy.

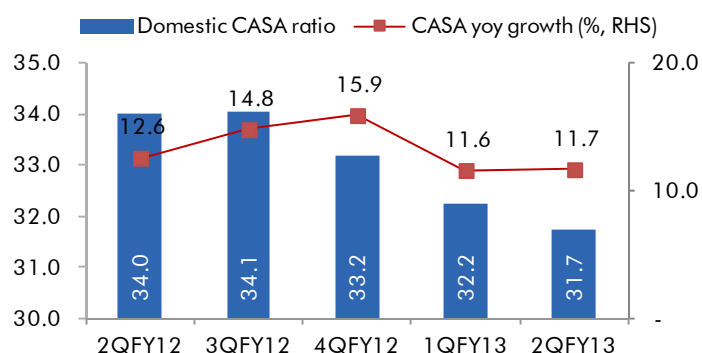
The bank has opened 529 branches during the last one year, taking the total number of domestic branches to 4021, as of 2QFY2013. The bank aims to open another 475 branches in 2HFY2013 (241 in Tier I & II and 234 in Tier III to VI), which along with the recent additions should help the bank clock similar growth levels as witnessed in the past, going ahead. The management has maintained its guidance for above system level growth in both, credit and deposits for FY2013.

**Exhibit 4: Business growth at healthy levels**



Source: Company, Angel Research

**Exhibit 5: CASA ratio moderated in last three quarters**

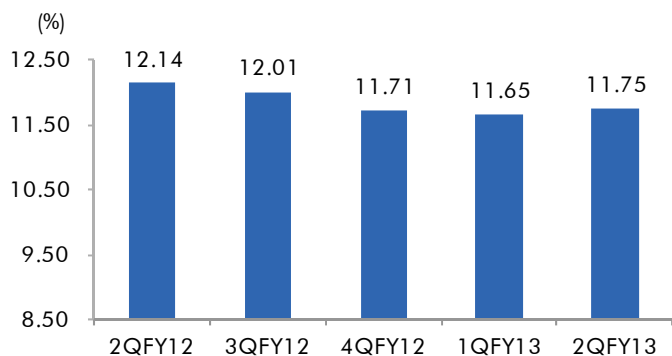


Source: Company, Angel Research

**Domestic and Overseas NIMs, both came in flat sequentially**

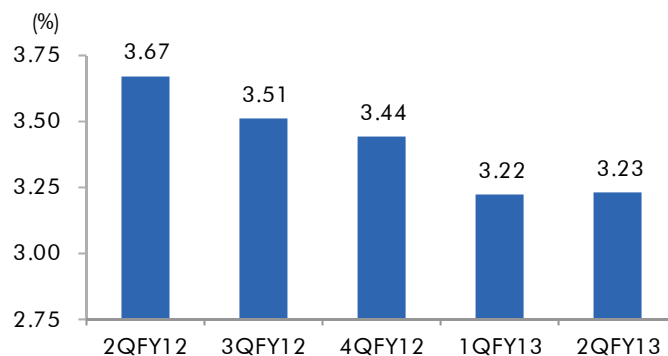
During 2QFY2013, the bank's domestic yield on advances and investments improved by 10bp and 9bp qoq respectively to 11.8% and 7.9%, while the domestic cost of deposits came in higher by 6bp qoq to 7.4%. Consequentially domestic NIMs were flat at 3.23% on a sequential basis. The bank's overseas NIMs were also flat on a sequential basis to 1.5%, as a 13bp qoq fall in overseas costs of deposits was accompanied by a 3bp and 27bp qoq fall in overseas yield on advances and investments respectively. Overall NIMs for the bank during 2QFY2013 remained flat at 2.71%

**Exhibit 6: Sequentially, 10bp inc. in YoA was offset...**



Source: Company, Angel Research

**Exhibit 7: ..by 6bp rise in CoD, leading to qoq flat NIMs**



Source: Company, Angel Research

### Moderate growth in non-interest income, largely aided by trading gains

The bank reported subdued performance on the non-interest income (excluding treasury) front, with a decline of 1.1% yoy to ₹716cr on account of a sharp fall in recoveries and subdued performance on the fee income front. Recoveries came in at ₹65cr during the quarter compared to ₹122cr in 2QFY2012. Income under the head of Commission, exchange and brokerage (CEB) de-grew by 1.0% on a yoy basis to ₹310cr. Trading profits (treasury) came in at ₹112cr compared to ₹10cr in 2QFY2012. Overall non-interest income for the bank grew by 12.8% yoy to ₹828cr.

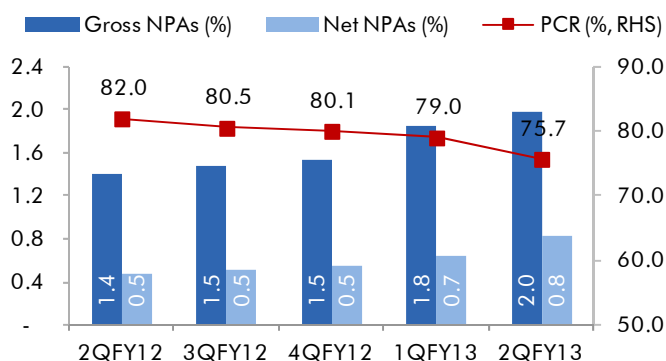
### Asset quality pressures continue during 2QFY2013

The bank witnessed continued pressures in its asset quality during 2QFY2013, with gross and net NPA levels rising by 10.5% and 29.3% qoq respectively, on an absolute basis. Annualized slippages for the bank remained at elevated levels of 2.0% during the quarter compared to 1.8% in 1QFY2013 and 2.3% in 4QFY2012. Though gross and net NPA ratios at 2.0% and 1.8% have increased sequentially by 14 and 17bp respectively, but are still far lower than other large PSU banks.

During the quarter, the bank restructured domestic loans worth ₹993cr (higher than ₹771cr restructured during 1QFY2013), thereby taking its cumulative outstanding domestic restructured book to ₹16,680cr. The bank also restructured ₹424cr of international loans during 2QFY2013, thereby taking its outstanding overseas restructured book to ₹4,398cr. The bank's overall restructured book as of 2QFY2013 stood at ₹21,078cr (5.2% of net advances).

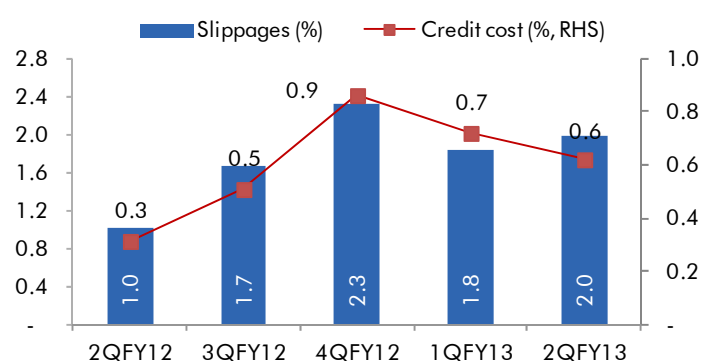
Pressure witnessed on the asset quality front impacted the bank's profitability, as the bank witnessed a significant increase of 142.5% yoy in its loan loss provisioning. Impact of higher NPA provisioning was partially offset by lower provisioning for tax expenses on a yoy basis. PCR (provisioning coverage ratio) for the bank dipped significantly by 330bp to 75.7%.

**Exhibit 8: NPA ratios increase sequentially**

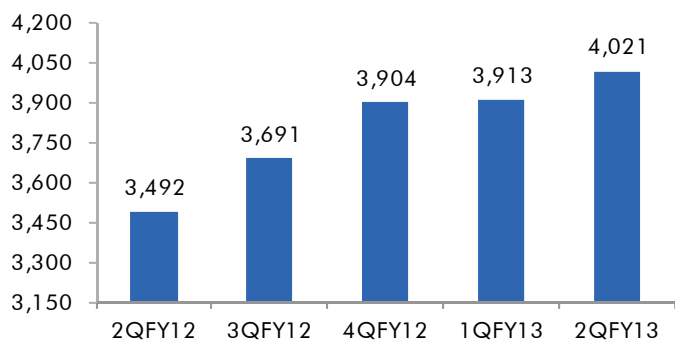


Source: Company, Angel Research

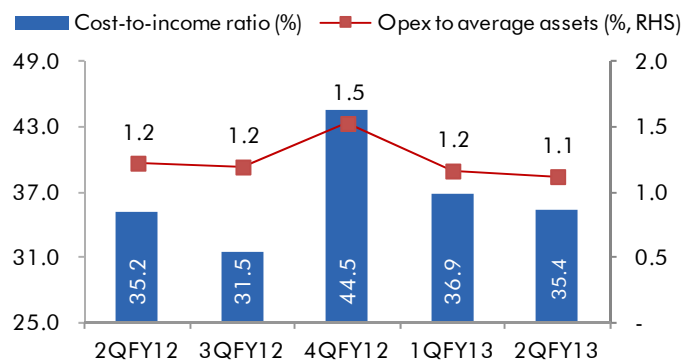
**Exhibit 9: Slippages remained at elevated levels**



Source: Company, Angel Research

**Exhibit 10: Branch expansion steady in 2QFY2013**


Source: Company, Angel Research

**Exhibit 11: Cost-to-income ratio improves to 35.4%**


Source: Company, Angel Research

## Investment arguments

### Credit market share gain with reasonable asset quality

The bank's advances growth (28.0% CAGR) outpaced the sector's growth (18.6% CAGR) during FY2007–12, leading to credit market share gains of ~200bp. The bank's domestic NIM as well as its asset quality have been reasonably healthy relative to peers, as reflected in the RoE of 20.7% and net NPA of 0.5% (as of FY2012). The bank's RoA has been increasing consistently since FY2007 (0.8% in FY2007 and 1.2% in FY2012); and together with increasing its leverage from 15-16x to 17-18x over FY2007–12, the bank has managed to increase its RoE from ~12.5% to ~20% in the last five years.

### Management's focus on channel improvement

The management is focusing on new business, customers and technology initiatives to further strengthen its operations and leverage its considerable domestic footprint. The bank offers multiple service channels such as Baroda Connect (Internet Banking), Phone Banking, Baroda Cash Management Services, NRI Services and Depository Services. The bank has implemented an Integrated Global Treasury Solution in its major overseas territories. The bank has also started providing online institutional trading to its corporate customers. This has aided the bank to register a healthy CASA at a 20.1% CAGR over FY2007–12 and a decline in opex-to-average assets from 2.0% in FY2007 to 1.3% in FY2012.

### Outlook and valuation

The bank has been able to grow its bottom-line at a 37.3% CAGR over FY2007–12, driven by strong CASA ratio and market share gains in credit and deposits and opex leverage.

At the current market price, the stock is trading at 0.9x FY2014E ABV. Historically, the stock has traded at 0.8x–1.3x one-year forward P/ABV multiple, with a eight-year median of 1.0x, but it had been rerated over the past two years to a 1.2x average on the back of consistent improvement in profitability, underpinned by fruitful investments in channel modernization, healthy CASA and balance sheet growth and declining operating expenses (1.3% of average assets in FY2012).

The bank's strong branch network expansion plans, in our view, augur well for credit as well as CASA market share gains, going forward. The bank opened 529 branches during the last one year and aims to open another 475 branches in 2HFY2013, which in our view, should help the bank clock similar growth levels as witnessed in the past, going ahead. **We recommend an Accumulate rating on the stock with a target price of ₹864.**

#### Exhibit 12: Key assumptions

Particulars (%)	Earlier estimates		Revised estimates	
	FY2013	FY2014	FY2013	FY2014
Credit growth	15.0	17.0	18.0	17.0
Deposit growth	16.0	17.0	16.0	17.0
CASA ratio	26.2	25.4	26.2	25.4
NIMs	2.6	2.6	2.5	2.6
Other income growth	(2.0)	16.3	3.4	16.1
Growth in staff expenses	13.0	15.0	13.0	16.0
Growth in other expenses	18.0	18.0	16.0	18.0
Slippages	1.7	1.6	2.0	1.6
Coverage ratio	78.0	75.0	72.5	75.0

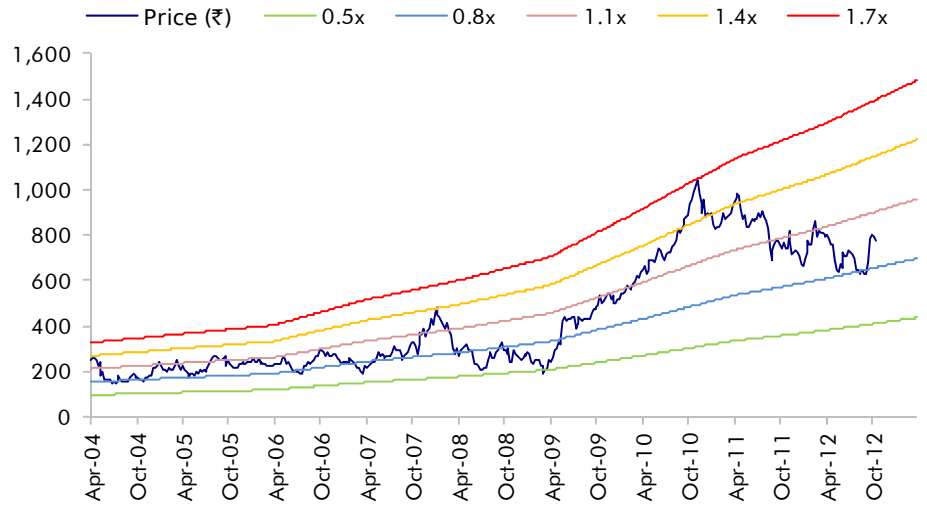
Source: Company, Angel Research

#### Exhibit 13: Change in estimates

Particulars (₹ cr)	FY2013			FY2014		
	Earlier estimates	Revised estimates	% chg	Earlier estimates	Revised estimates	% chg
NII	12,119	11,899	(1.8)	14,242	14,103	(1.0)
Non-interest income	3,354	3,537	5.5	3,900	4,105	5.3
<b>Operating income</b>	<b>15,473</b>	<b>15,436</b>	<b>(0.2)</b>	<b>18,142</b>	<b>18,208</b>	<b>0.4</b>
Operating expenses	5,938	5,895	(0.7)	6,906	6,888	(0.3)
<b>Pre-prov. profit</b>	<b>9,535</b>	<b>9,542</b>	<b>0.1</b>	<b>11,236</b>	<b>11,320</b>	<b>0.7</b>
Provisions & cont.	3,111	3,632	16.8	2,727	2,932	7.5
<b>PBT</b>	<b>6,424</b>	<b>5,909</b>	<b>(8.0)</b>	<b>8,509</b>	<b>8,388</b>	<b>(1.4)</b>
Prov. for taxes	1,670	1,300	(22.2)	2,761	2,721	(1.4)
<b>PAT</b>	<b>4,754</b>	<b>4,609</b>	<b>(3.0)</b>	<b>5,748</b>	<b>5,666</b>	<b>(1.4)</b>

Source: Company, Angel Research

**Exhibit 14: P/ABV band**



Source: Company, Angel Research;



**Exhibit 15: Recommendation summary**

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2014E P/ABV (x)	FY2014E Tgt. P/ABV (x)	FY2014E P/E (x)	FY2012-14E EPS CAGR (%)	FY2014E RoA (%)	FY2014E RoE (%)
AxisBk	Accumulate	1,220	1,402	14.9	1.7	1.9	8.8	16.0	1.6	20.2
FedBk	Neutral	488	-	-	1.2	-	9.4	6.7	1.1	13.3
HDFCBk	Neutral	633	-	-	3.6	-	17.6	27.9	1.9	22.0
ICICIBk*	Buy	1,079	1,245	15.4	1.7	2.0	13.2	20.9	1.4	15.5
SIB	Accumulate	22	25	11.8	0.9	1.1	5.7	4.2	0.9	16.9
YesBk	Accumulate	399	453	13.4	2.0	2.3	9.5	23.5	1.5	23.5
AllBk	Reduce	143	131	(8.2)	0.6	0.5	3.9	(0.4)	0.9	15.7
AndhBk	Reduce	113	97	(14.1)	0.7	0.6	4.6	1.0	0.9	15.3
<b>BOB</b>	<b>Accumulate</b>	<b>783</b>	<b>864</b>	<b>10.3</b>	<b>0.9</b>	<b>1.0</b>	<b>5.6</b>	<b>7.1</b>	<b>1.0</b>	<b>17.2</b>
BOI	Accumulate	298	340	14.2	0.7	0.8	4.4	20.8	0.8	16.3
BOM	Neutral	51	-	-	0.6	-	4.5	35.5	0.7	15.5
CanBk	Neutral	443	-	-	0.8	-	5.2	7.2	0.9	15.3
CentBk	Neutral	72	-	-	0.7	-	3.4	100.1	0.6	14.7
CorpBk	Accumulate	408	447	9.7	0.7	0.7	4.0	(2.2)	0.8	15.1
DenaBk	Neutral	109	-	-	0.7	-	4.5	3.1	0.8	15.9
IDBI#	Accumulate	98	112	14.7	0.6	0.7	4.3	20.1	0.9	14.4
IndBk	Neutral	180	-	-	0.6	-	4.3	2.5	1.1	16.3
IOB	Accumulate	80	87	8.4	0.5	0.6	3.8	27.1	0.6	13.6
J&KBk	Neutral	1,162	-	-	1.0	-	6.2	6.5	1.3	17.7
OBC	Neutral	294	-	-	0.6	-	4.7	26.5	0.9	13.9
PNB	Buy	818	966	18.0	0.8	1.0	4.9	7.4	1.0	17.3
SBI*	Accumulate	2,235	2,353	5.3	1.4	1.5	8.6	21.7	1.0	17.7
SynBk	Neutral	122	-	-	0.7	-	4.5	11.7	0.7	16.8
UcoBk	Neutral	77	-	-	0.8	-	4.6	7.9	0.6	14.4
UnionBk	Accumulate	205	226	10.6	0.7	0.8	4.4	19.8	0.8	16.3
UtdBk	Buy	68	81	19.9	0.5	0.58	3.1	20.7	0.7	16.2
VijBk	Neutral	57	-	-	0.7	-	5.0	12.1	0.5	13.0

Source: Company, Angel Research; Note: \*Target multiples=SOTP Target Price/ABV (including subsidiaries), #Without adjusting for SASF

### Company Background

Bank of Baroda (BoB) is the third-largest public sector bank in India, with a balance sheet size of almost ₹4.7lakh cr. The bank has a network of 4,000+ domestic branches and over 2,200 ATMs, mainly in western India (~45% of total branch network). The bank has a strong presence overseas, with around 32% of its advances coming from overseas branches.

**Income statement (Standalone)**

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E
<b>NII</b>	<b>3,912</b>	<b>5,123</b>	<b>5,939</b>	<b>8,802</b>	<b>10,317</b>	<b>11,899</b>	<b>14,103</b>
- YoY Growth (%)	3.3	31.0	15.9	48.2	17.2	15.3	18.5
<b>Other Income</b>	<b>2,051</b>	<b>2,758</b>	<b>2,806</b>	<b>2,809</b>	<b>3,422</b>	<b>3,537</b>	<b>4,105</b>
- YoY Growth (%)	47.6	34.5	1.8	0.1	21.8	3.4	16.1
<b>Operating Income</b>	<b>5,963</b>	<b>7,881</b>	<b>8,746</b>	<b>11,612</b>	<b>13,739</b>	<b>15,473</b>	<b>18,142</b>
- YoY Growth (%)	15.2	32.2	11.0	32.8	18.3	12.4	18.0
<b>Operating Expenses</b>	<b>2,934</b>	<b>3,576</b>	<b>3,811</b>	<b>4,630</b>	<b>5,159</b>	<b>5,895</b>	<b>6,888</b>
- YoY Growth (%)	15.3	21.9	6.6	21.5	11.4	14.3	16.9
<b>Pre - Provision Profit</b>	<b>3,029</b>	<b>4,305</b>	<b>4,935</b>	<b>6,982</b>	<b>8,581</b>	<b>9,535</b>	<b>11,236</b>
- YoY Growth (%)	15.1	42.1	14.6	41.5	22.9	11.2	18.6
<b>Prov. &amp; Cont.</b>	<b>821</b>	<b>962</b>	<b>697</b>	<b>1,331</b>	<b>2,555</b>	<b>3,632</b>	<b>2,932</b>
- YoY Growth (%)	(16.3)	17.1	(27.5)	90.9	91.9	42.2	(19.3)
<b>Profit Before Tax</b>	<b>2,207</b>	<b>3,343</b>	<b>4,238</b>	<b>5,650</b>	<b>6,026</b>	<b>6,424</b>	<b>8,509</b>
- YoY Growth (%)	33.8	51.5	26.8	33.3	6.6	(1.9)	41.9
<b>Prov. for Taxation</b>	<b>772</b>	<b>1,116</b>	<b>1,180</b>	<b>1,409</b>	<b>1,019</b>	<b>1,300</b>	<b>2,721</b>
- as a % of PBT	35.0	33.4	27.8	24.9	16.9	22.0	32.4
<b>PAT</b>	<b>1,436</b>	<b>2,227</b>	<b>3,058</b>	<b>4,242</b>	<b>5,007</b>	<b>4,754</b>	<b>5,748</b>
- YoY Growth (%)	39.9	55.1	37.3	38.7	18.0	(5.1)	20.9

**Balance sheet (Standalone)**

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E
Share Capital	366	366	366	393	412	412	412
Reserves & Surplus	10,678	12,514	14,741	20,651	27,064	30,643	35,040
Deposits	152,034	192,397	241,262	305,439	384,871	446,450	522,347
- Growth (%)	21.7	26.5	25.4	26.6	26.0	16.0	17.0
Borrowings	3,927	5,636	6,160	12,906	14,171	16,357	19,048
Tier 2 Capital	5,423	7,132	7,190	9,402	9,402	9,167	8,937
Other Liab & Prov.	7,172	8,628	8,598	9,606	11,400	13,279	15,474
<b>Total Liabilities</b>	<b>179,600</b>	<b>226,672</b>	<b>278,317</b>	<b>358,397</b>	<b>447,322</b>	<b>516,309</b>	<b>601,259</b>
Cash balances	9,370	10,596	13,540	19,868	21,651	20,090	20,894
Bank balances	12,930	13,491	21,927	30,066	42,517	49,074	57,149
Investments	43,870	52,446	61,182	71,397	83,209	93,616	109,759
Advances	106,701	143,251	175,035	228,676	287,377	339,105	396,753
- Growth (%)	27.6	34.3	22.2	30.6	25.7	18.0	17.0
Fixed Assets	2,427	2,310	2,285	2,300	2,342	2,622	2,961
Other Assets	4,302	4,578	4,347	6,090	10,225	11,802	13,743
<b>Total Assets</b>	<b>179,600</b>	<b>226,672</b>	<b>278,317</b>	<b>358,397</b>	<b>447,322</b>	<b>516,309</b>	<b>601,259</b>
- Growth (%)	25.5	26.2	22.8	28.8	24.8	15.4	16.5

**Ratio analysis (Standalone)**

Y/E March	FY08	FY09	FY10	FY11	FY12E	FY13E	FY14E
<b>Profitability ratios (%)</b>							
NIMs	2.5	2.6	2.4	2.8	2.6	2.6	2.6
Cost to Income Ratio	49.2	45.4	43.6	39.9	37.5	38.2	37.8
RoA	0.9	1.1	1.2	1.3	1.2	1.0	1.0
RoE	14.6	18.6	21.9	23.5	20.6	16.2	17.2
<b>B/S ratios (%)</b>							
CASA Ratio	31.2	29.6	29.6	28.7	26.9	26.2	25.4
Credit/Deposit Ratio	70.2	74.5	72.5	74.9	74.7	76.0	76.0
CAR	12.9	14.1	14.4	14.5	14.7	13.9	13.3
- Tier I	7.6	8.5	9.2	10.0	10.8	10.6	10.4
<b>Asset Quality (%)</b>							
Gross NPAs	1.8	1.3	1.4	1.4	1.5	2.6	2.9
Net NPAs	0.5	0.3	0.3	0.3	0.5	1.0	1.0
Slippages	1.2	0.9	1.2	1.1	1.5	2.0	1.6
Loan Loss Prov. /Avg. Assets	0.3	0.1	0.4	0.3	0.4	0.6	0.4
Provision Coverage	75.0	75.6	74.9	85.0	80.1	72.5	75.0
<b>Per Share Data (₹)</b>							
EPS	39.3	60.9	83.7	108.0	121.4	115.3	139.4
ABVPS (75% cover.)	302.1	352.4	413.2	535.7	666.3	756.0	864.0
DPS	8.0	9.0	15.0	16.5	17.0	21.5	26.5
<b>Valuation Ratios</b>							
PER (x)	19.5	12.6	9.2	7.1	6.3	6.9	5.6
P/ABVPS (x)	2.5	2.2	1.9	1.4	1.2	1.0	0.9
Dividend Yield	1.0	1.2	2.0	2.1	2.2	2.8	3.5
<b>DuPont Analysis</b>							
NII	2.4	2.5	2.4	2.8	2.6	2.5	2.5
(-) Prov. Exp.	0.5	0.5	0.3	0.4	0.6	0.8	0.5
Adj. NII	1.9	2.0	2.1	2.3	1.9	1.7	2.0
Treasury	0.3	0.4	0.3	0.1	0.2	0.1	0.1
Int. Sens. Inc.	2.2	2.5	2.4	2.5	2.1	1.8	2.1
Other Inc.	0.9	0.9	0.8	0.7	0.7	0.7	0.7
Op. Inc.	3.2	3.4	3.2	3.2	2.8	2.4	2.7
Opex	1.8	1.8	1.5	1.5	1.3	1.2	1.2
PBT	1.4	1.6	1.7	1.8	1.5	1.2	1.5
Taxes	0.5	0.5	0.5	0.4	0.3	0.3	0.5
<b>RoA</b>	<b>0.9</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.0</b>	<b>1.0</b>
Leverage	16.4	17.0	18.0	17.6	16.6	16.5	16.8
<b>RoE</b>	<b>14.6</b>	<b>18.6</b>	<b>21.9</b>	<b>23.5</b>	<b>20.6</b>	<b>15.7</b>	<b>17.0</b>

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Disclosure of Interest Statement	Bank of Baroda
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

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