

Bank of India

Performance Highlights

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
NII	1,841	2,307	(20.2)	1,740	5.8
Pre-prov. profit	1,396	1,205	15.8	1,411	(1.0)
PAT	518	494	4.8	725	(28.6)

Source: Company, Angel Research

For 1QFY2012, Bank of India posted a disappointing set of results, with net profit declining by 28.6% yoy due to a sharp 75bp compression in global NIM and annualised slippage ratio rising sharply to 3.2%. **We downgrade the stock to Accumulate due to concerns on NIM as well as near-term asset-quality pressures.**

Sharp compression in NIM; slippages spike up again: The bank's business growth momentum moderated considerably, with advances growing by muted 0.9% qoq (up 21.6% yoy) and deposits declining by 1.9% qoq (up 25.4% yoy). Growth in better yielding retail and SME advances was sluggish at 5.6% yoy and 9.1% yoy. Domestic CASA deposits growth moderated further to 14.3% yoy. Domestic CASA ratio improved sequentially to 30.2% in 1QFY2012 (28.9% in 4QFY2011). Domestic NIM declined sharply by 95bp qoq to 2.4% partly on account of reversal of accrued interest income (of ₹175cr) on NPAs recognised during the quarter and the saving account interest rate hike. However, NIM was supported by the interest on income tax refund of ₹170cr. On the asset-quality front, the bank disappointed again, with the annualised slippage ratio rising to 3.2% from an already high 2.4% in 4QFY2011 and 1.5% in 1QFY2011. Higher slippages were partly due to switchover of accounts above ₹5lakhs to system-based NPA recognition system. Provision coverage ratio including technical write-offs came off by ~500bp qoq to 66.8%.

Outlook and valuation: We have cut our estimates for FY2012 and FY2013 by 12.3% and 4.6%, respectively, to factor in the higher-than-expected run rate of slippages and the sharp contraction in NIM witnessed in 1QFY2012. Hence, we downgrade the stock considering the sharp dip in NIM and continuance of asset-quality pressures in the near term. We recommend Accumulate on the stock with a revised target price of ₹434 (₹498).

Key financials

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
NII	5,756	7,811	7,862	9,170
% chg	4.7	35.7	0.7	16.6
Net profit	1,741	2,489	2,730	3,508
% chg	(42.1)	42.9	9.7	28.5
NIM (%)	2.4	2.6	2.2	2.1
EPS (₹)	33.1	45.5	49.9	64.1
P/E (x)	11.7	8.5	7.8	6.1
P/ABV (x)	1.8	1.5	1.3	1.1
RoA (%)	0.7	0.8	0.7	0.8
RoE (%)	14.2	17.3	16.0	18.0

Source: Company, Angel Research

ACCUMULATE

CMP	₹389
Target Price	₹434

Investment Period	12 Months
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Stock Info

Sector	Banking
Market Cap (₹ cr)	21,247
Beta	1.1
52 Week High / Low	588/385
Avg. Daily Volume	168,037
Face Value (₹)	10
BSE Sensex	18,518
Nifty	5,575
Reuters Code	BOI.BO
Bloomberg Code	BOI@IN

Shareholding Pattern (%)

Promoters	65.9
MF / Banks / Indian Fls	12.4
FII / NRIs / OCBs	15.5
Indian Public / Others	6.3

Abs. (%)	3m	1yr	3yr
Sensex	(5.3)	2.4	23.8
Bank of India	(20.2)	(1.9)	36.5

Vaibhav Agrawal

022 – 3935 7800 Ext: 6808

vaibhav.agrawal@angelbroking.com

Shrinivas Bhutda

022 – 3935 7800 Ext: 6845

shrinivas.bhutda@angelbroking.com

Varun Varma

022 – 3935 7800 Ext: 6847

varun.varma@angelbroking.com

Exhibit 1: 1QFY2012 performance

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
Interest earned	6,634	6,307	5.2	4,822	37.6
- on Advances / Bills	4,596	4,325	6.3	3,492	31.6
- on investments	1,641	1,412	16.2	1,178	39.3
- on balance with RBI & others	220	295	(25.4)	148	49.0
- on others	177	275	(35.6)	4	3,902.0
Interest Expended	4,793	4,000	19.8	3,081	55.5
Net Interest Income	1,841	2,307	(20.2)	1,740	5.8
Other income	660	823	(19.8)	586	12.7
Other income excl. treasury	550	697	(21.0)	486	13.3
- Fee Income	274	347	(21.1)	250	9.6
- Treasury Income	110	127	(13.3)	100	9.8
- Recov. from written off a/cs	31	92	(66.1)	37	(15.4)
- Others	246	258	(4.8)	199	23.2
Operating income	2,501	3,130	(20.1)	2,326	7.5
Operating expenses	1,105	1,925	(42.6)	916	20.7
- Employee expenses	700	1,462	(52.1)	574	22.0
- Other Opex	405	464	(12.6)	342	18.5
Pre-provision Profit	1,396	1,205	15.8	1,411	(1.0)
Provisions & Contingencies	567	478	18.8	386	47.0
- Provisions for NPAs	388	337	15.2	308	26.1
- Provisions for Investments	90	8	1,053.8	1	17,900.0
- Other Provisions	89	133	(33.0)	78	15.0
PBT	829	728	13.9	1,025	(19.1)
Provision for Tax	311	234	33.0	300	3.9
PAT	518	494	4.8	725	(28.6)
Effective Tax Rate (%)	37.6	32.2	539bp	29.2	832bp

Source: Company, Angel Research

Exhibit 2: 1QFY2012 Actual vs. Estimates

Particulars (₹ cr)	Actual	Estimates	Var (%)
NII	1,841	2,161	(14.8)
Non-interest income	660	651	1.5
Operating income	2,501	2,811	(11.0)
Operating expenses	1,105	1,186	(6.8)
Pre-prov. profit	1,396	1,625	(14.1)
Provisions & cont.	567	481	18.0
PBT	829	1,145	(27.6)
Prov. for taxes	311	371	(16.2)
PAT	518	773	(33.1)

Source: Company, Angel Research

Exhibit 3: 1QFY2012 performance analysis

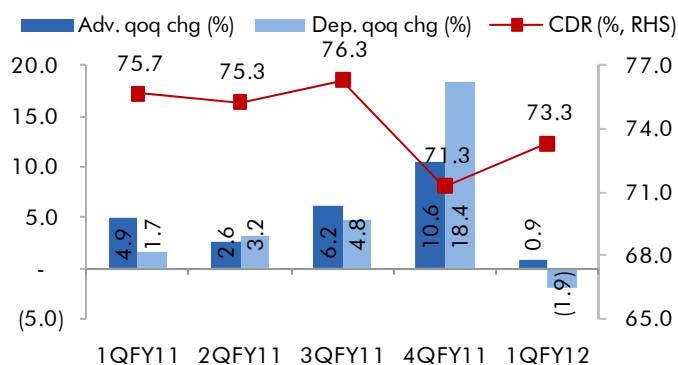
Particulars	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
Balance sheet					
Advances (₹ cr)	214,936	213,096	0.9	176,825	21.6
Deposits (₹ cr)	293,098	298,886	(1.9)	233,668	25.4
Credit-to-Deposit Ratio (%)	73.3	71.3	204bp	75.7	(234)bp
Domestic current deposits (₹ cr)	15,329	14,417	6.3	14,245	7.6
Domestic saving deposits (₹ cr)	58,838	58,722	0.2	50,654	16.2
Domestic CASA deposits (₹ cr)	74,168	73,139	1.4	64,899	14.3
Global CASA ratio (%)	25.3	24.5	83bp	27.8	(247)bp
CAR (%)	11.6	12.2	(60)bp	13.3	(172)bp
Tier 1 CAR (%)	8.0	8.3	(31)bp	8.5	(45)bp
Profitability Ratios (%)					
Cost of deposits	6.9	6.1	79bp	5.4	150bp
Yield on advances	10.8	10.7	17bp	9.9	95bp
Yield on investments	7.5	8.3	(77)bp	7.1	36bp
Yield on funds	8.6	8.7	(13)bp	7.7	84bp
Cost of funds	6.3	5.5	72bp	5.0	131bp
Reported NIM	2.4	3.4	(95)bp	3.3	(86)bp
Cost-to-income ratio	44.2	61.5	(1731)bp	39.4	482bp
Asset quality					
Gross NPAs (₹ cr)	5,791	4,812	20.4	4,795	20.8
Gross NPAs (%)	2.7	2.2	46bp	2.7	(2)bp
Net NPAs (₹ cr)	2,690	1,945	38.3	2,061	30.5
Net NPAs (%)	1.3	0.9	36bp	1.2	9bp
Provision Coverage Ratio (%)	66.8	72.2	(542)bp	68.3	(156)bp
Slippage ratio (%)	3.2	2.4	79bp	1.5	169bp
LLP to avg assets (%)	0.4	0.4	2bp	0.4	(0)bp

Source: Company, Angel Research; Note: Profitability ratios excluding CIR for domestic operations

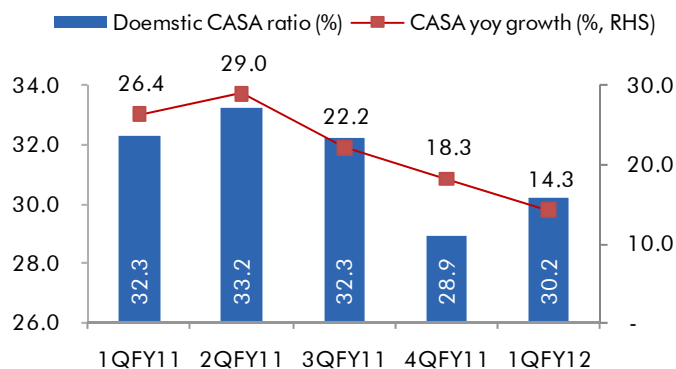
Business momentum moderates

The bank's business growth momentum moderated considerably on a sequential basis. Advances grew by just 0.9% qoq (up 21.6% yoy) on the back of a strong 10.6% qoq spurt in 4QFY2011. Deposits declined by 1.9% qoq as compared to the strong 18.4% qoq surge in 4QFY2011. As a result of the decline in deposit sequentially, the credit-to-deposit (CD) ratio improved by ~200bp qoq to 73.3%.

Domestic gross advances declined by 2.4% qoq and yoy growth slowed to 15.6%. International advances growth was healthy at 12.2% qoq and 43.6% yoy. Share of international advances in the total loan book has moved up to 25.0% as of 1QFY2012 from 21.2% as of 1QFY2011. On the deposits side, domestic CASA deposits grew by rather moderate 14.3% yoy; however, domestic saving account deposits grew at a relatively better pace of 16.2% yoy. Domestic CASA ratio improved sequentially to 30.2% in 1QFY2012 from 28.9% in 4QFY2011.

Exhibit 4: Business momentum slows


Source: Company, Angel Research

Exhibit 5: Domestic CASA ratio improves


Source: Company, Angel Research

The retail and SME segments' credit grew rather moderately at 5.6% yoy and 9.1% yoy, respectively. However growth in agricultural and corporate loans was reasonably healthy at 24.8% yoy and 18.2% yoy, respectively.

Exhibit 6: Strong traction international segment's advances

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)	% to total
Agricultural	22,191	22,738	(2.4)	17,782	24.8	10.3
SME	33,939	35,586	(4.6)	31,100	9.1	15.8
Corporates	88,678	90,175	(1.7)	75,024	18.2	41.3
Retail	16,316	16,648	(2.0)	15,453	5.6	7.6
Domestic advances	161,124	165,147	(2.4)	139,359	15.6	75.0
International	53,812	47,949	12.2	37,466	43.6	25.0
Global advances	214,936	213,096	0.9	176,825	21.6	100.0

Source: Company, Angel Research

NIM declines on reversal of accrued interest on NPAs, but aided by interest on income tax refund

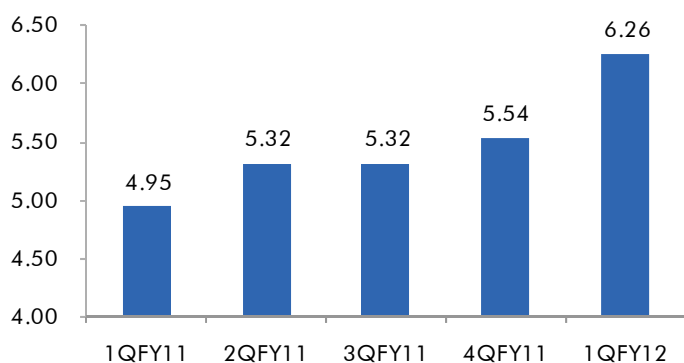
Domestic NIM of the bank declined sharply by 95bp qoq to 2.4% partly on account of reversal of accrued interest income (of ₹175cr) on NPAs recognised during the quarter and the saving account interest rate hike. However, NIM was supported by the interest on income tax refund of ₹170cr. In spite of the sequential 200bp qoq improvement in CD ratio, the NIM decline was quite severe. The decline in global reported NIM was relatively lower at 75bp to 2.2%. Domestic yield on advances expanded by just 17bp qoq, which was lower as compared to peers, partly on account of the accrued interest income reversal on NPAs. On the contrary, cost of deposits rose sharply by 79bp qoq to 6.9%.

Going forward, the bank is targeting to maintain its global NIM at 2.5%. We have revised our NIM assumptions downwards by ~20bp for FY2012 and by ~10bp for FY2013, given sluggish growth in relatively higher-yielding retail and SME advances.

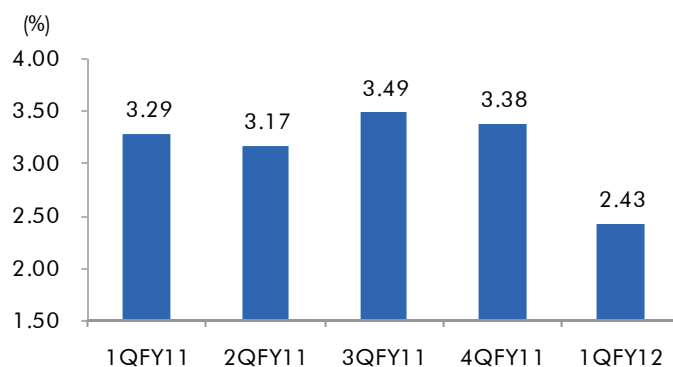
Exhibit 7: Trend in yield and cost ratios

Particulars (%)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
Cost of deposits	6.0	5.3	69bp	4.8	122bp
Yield on advances	8.9	8.8	8bp	8.4	51bp
Yield on investments	7.4	8.0	(67)bp	6.9	47bp
Yield on funds	7.6	7.8	(15)bp	7.0	65bp
Cost of funds	5.5	4.9	58bp	4.5	105bp
Reported NIM	2.2	2.9	(75)bp	2.9	(70)bp

Source: Company, Angel Research

Exhibit 8: Rising domestic cost of funds...


Source: Company, Angel Research

Exhibit 9: ...leads to a sharp dip in domestic NIM


Source: Company, Angel Research

Moderate other income growth

Overall, other income performance was muted, with fee income growing by 9.6% yoy during 1QFY2012. Recoveries from written-off accounts declined by 15.4% yoy in spite of the sharp slippages witnessed over the past few quarters. Treasury income performance was better than peers, registering growth of 9.8% yoy.

Exhibit 10: Moderate fee income growth

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
CEB	274	347	(21.1)	250	9.6
Treasury	110	127	(13.3)	100	9.8
Forex	147	133	10.3	131	12.4
Recoveries	31	92	(66.1)	37	(15.4)
Others	98	124	(20.9)	68	43.9
Other income	660	823	(19.8)	586	12.7
Other income excl. treasury	550	697	(21.0)	486	13.3

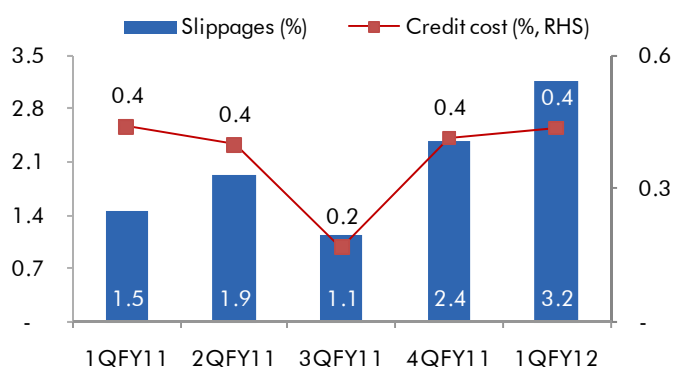
Source: Company, Angel Research

Slippages rise sharply

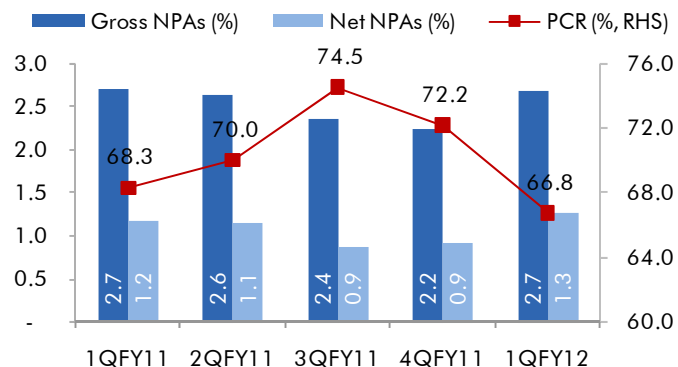
During 1QFY2012, overall asset quality deteriorated with annualised slippage ratio rising sharply to 3.2% from 2.4% in 4QFY2011 and 1.5% in 1QFY2011. During the quarter, the bank migrated loan accounts of ₹5lakhs and above to system-based NPA recognition, which contributed to the substantially higher slippages. The bank will be switching over to the system-based NPA recognition platform for all loan accounts in 2QFY2012 and has guided for continuance of

higher slippages in 2QFY2012 as well. However, management is hopeful of moderation in slippages and pick-up in recoveries in 2HFY2012.

Overall, the asset quality took a considerable hit during the quarter. Absolute gross and net NPAs rose by 20.4% qoq and 38.3% qoq, respectively. The provision coverage ratio including technical write-offs slipped by ~540bp qoq to 66.8%.

Exhibit 11: Slippages rise further


Source: Company, Angel Research

Exhibit 12: Overall asset quality deteriorates


Source: Company, Angel Research

The bank's restructuring of advances has also risen sharply in the past couple of quarters, indicating the stress on the portfolio. During 1QFY2012, the bank restructured advances worth ₹932cr on the back of already high restructuring of ₹740cr in 4QFY2011 and ₹719cr in 3QFY2011 as compared to restructuring of ₹346cr in 2QFY2011 and ₹302cr in 1QFY2011. Cumulative restructured assets increased by relatively lesser amount from ₹10,644cr in 4QFY2011 to ₹11,102cr (5.2% of advances and 62.3% of net worth), on account repayments in restructured account of ₹476cr in 1QFY2012. Restructured advances of ₹434cr slipped into NPAs during 1QFY2012. Cumulative slippages from restructured advances grew to ₹2,337cr (21.1% of restructured book) during 1QFY2012.

During 1QFY2012, provisioning expenses increased substantially by 47.0% yoy on account of higher NPA provisions and provisions for investment depreciation of ₹90cr vs. just ₹1cr in 1QFY2011. Credit costs were sequentially stable at 0.4% as the bank pared its provision coverage ratio including technical write-offs by more than 500bp during the quarter.

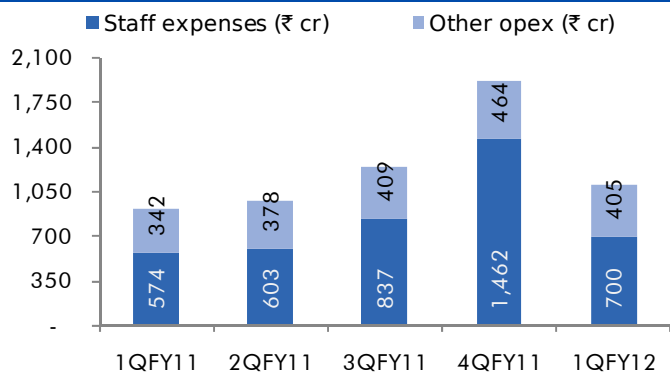
Exhibit 13: Provisioning expenses rise on NPA & investment depreciation

Particulars (₹ cr)	1QFY12	4QFY11	% chg (qoq)	1QFY11	% chg (yoy)
NPA	388	337	15.2	308	26.1
Investment related	90	8	1,053.8	1	17,900.0
Others	89	133	(33.0)	78	14.9
Total	567	478	18.7	386	47.0

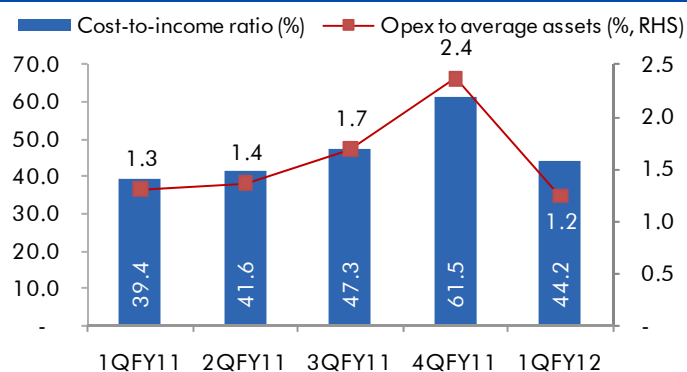
Source: Company, Angel Research

Opex rises due to amortisation of employee benefit liabilities

Operating expenses rose by 20.7% yoy to ₹1,105cr on the back of a 22.0% qoq rise in employee costs due to amortisation of employee benefits-related liabilities. Consequently, the cost-to-income ratio increased to 44.2% in 1QFY2012 from 39.4% in 1QFY2011.

Exhibit 14: Trend in opex


Source: Company, Angel Research

Exhibit 15: Cost ratios inch up yoy


Source: Company, Angel Research

Sufficient capital adequacy

The bank is well capitalised with a CAR of 11.6% and tier-I capital of 8.0% (forming 69.3% of total CAR). Post the recent capital infusion by the government, its shareholding in the bank has increased to 65.9%, further increasing the headroom for raising tier-I capital in future. Also, the inclusion of quarterly profits post their getting audited in tier-I capital will shore up tier-I CAR. The bank has recently approached the government for raising ₹4,500cr either through QIP/FPO or a rights issue to fund growth over the next 2–3 years.

Investment arguments

Lower provisions to drive RoE

During the 2008 global meltdown, the bank faced severe asset-quality pressures and reported a slippage rate of 2.9% in FY2010 (from 1.8% in FY2009). As a result, NPA provision/assets increased to 0.7% in FY2010 from 0.3% in FY2009, in turn exerting pressure on the bank's RoE. However, as observed in FY2011 results, the bank has by and large overcome the worst in terms of asset quality. The slippage ratio for FY2011 has declined to 1.7% from 2.9% in FY2010. Though slippages have risen above the 3.0% mark for 1QFY2012 and are likely to be high in 2QFY2012 as well, it is primarily on account of the switchover to system-based NPA recognition system. Hence, we expect slippages pressure to moderate considerably from 2HFY2012. We expect NPA provision/assets to decline to 0.4–0.5% by FY2012 and FY2013, leading to improvement in RoE to 18% by FY2013 from 14.2% in FY2010.

Reasonably high fee income with a moderate funding mix

The bank's international operations contribute a substantial 25.0% to the bank's advances. International operations enable a wider spectrum of fee-based services to the bank's domestic corporate and retail customers, foreign currency fund-based services to Indian corporates and savings products to the bank's PIO clients abroad. The bank has a relatively better funding mix, with domestic CASA ratio at 30.2% as of 1QFY2012.

Outlook and valuation

The bank's RoEs are expected to improve over the coming quarters on the back of declining NPA provisions (as witnessed in FY2011). The sharp spike in slippages over the past couple of quarters has been primarily on account of the switchover to system-based NPA recognition. These pressures are likely to moderate considerably from 2HFY2012 as the bank completes migration of all loan accounts.

We have cut our estimates for FY2012 and FY2013 by 12.3% and 4.6%, respectively, to factor in the higher-than-expected run rate of slippages and the sharp contraction in NIM witnessed in 1QFY2012. We have also reduced our NIM assumption by ~20bp for FY2012 and ~10bp for FY2013 and increased the slippages estimate to 2.3% from 1.8% for FY2012.

We have downgraded the stock considering the sharp dip in NIM and continuance of asset-quality pressures in the near term. At the CMP, the stock is trading at 1.1x FY2013 ABV. **We recommend Accumulate on the stock with a revised target price of ₹434 (₹498), valuing the bank at 1.2x FY2013E ABV.**

Exhibit 16: Key assumptions

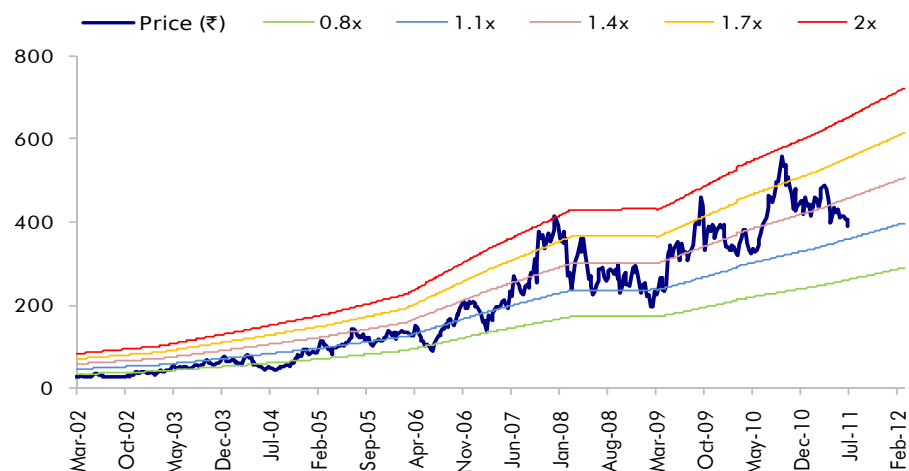
Particulars (%)	Earlier estimates		Revised estimates	
	FY2012	FY2013	FY2012	FY2013
Credit growth	20.0	19.0	20.0	19.0
Deposit growth	17.0	17.0	17.0	17.0
CASA ratio	24.9	24.4	24.9	24.4
NIMs	2.4	2.2	2.2	2.1
Other income growth	7.1	16.0	7.1	16.0
Growth in staff expenses	(7.5)	15.0	(13.0)	15.0
Growth in other expenses	15.0	15.0	13.0	15.0
Slippages	1.8	1.8	2.3	1.8
Treasury gain/(loss) (% of investments)	0.1	0.1	0.1	0.1

Source: Company, Angel Research

Exhibit 17: Change in estimates

Particulars (₹ cr)	FY2012			FY2013		
	Earlier estimates	Revised estimates	% chg	Earlier estimates	Revised estimates	% chg
NII	8,641	7,862	(9.0)	9,590	9,170	(4.4)
Non-interest income	2,829	2,829	-	3,281	3,281	-
Operating income	11,470	10,691	(6.8)	12,871	12,451	(3.3)
Operating expenses	5,047	4,823	(4.4)	5,803	5,547	(4.4)
Pre-prov. profit	6,423	5,868	(8.7)	7,067	6,904	(2.3)
Provisions & cont.	1,813	1,827	0.7	1,624	1,712	5.4
PBT	4,610	4,041	(12.3)	5,443	5,193	(4.6)
Prov. for taxes	1,496	1,311	(12.3)	1,766	1,685	(4.6)
PAT	3,114	2,730	(12.3)	3,677	3,508	(4.6)

Source: Company, Angel Research

Exhibit 18: P/ABV band


Source: Company, Angel Research

Exhibit 19: Recommendation summary

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2013E P/ABV (x)	FY2013E Tgt P/ABV (x)	FY2013E P/E (x)	FY2011-13E EPS CAGR (%)	FY2013E RoA (%)	FY2013E RoE (%)
AxisBk	Buy	1,320	1,648	24.8	2.1	2.7	10.9	20.9	1.5	21.0
FedBk	Accumulate	449	483	7.7	1.2	1.3	9.0	20.2	1.3	14.1
HDFCBk	Neutral	498	-	-	3.4	-	17.3	30.5	1.7	20.9
ICICIBk*	Buy	1,041	1,355	30.2	1.9	2.5	15.0	24.5	1.5	15.6
SIB	Accumulate	24	26	10.7	1.2	1.4	7.3	11.6	0.9	17.2
YesBk	Accumulate	319	353	10.4	2.0	2.3	10.8	19.1	1.2	20.6
AllBk	Neutral	215	-	-	1.0	-	6.0	9.2	0.9	17.8
AndhBk	Accumulate	136	145	6.1	0.9	1.0	5.7	3.1	1.0	16.8
BOB	Accumulate	900	1,017	13.1	1.2	1.4	6.8	10.5	1.1	19.5
BOI	Accumulate	389	434	11.5	1.1	1.2	6.1	18.7	0.8	18.0
CanBk	Neutral	513	-	-	1.0	-	5.5	1.0	1.0	18.1
CentBk	Neutral	123	-	-	0.8	-	5.6	(10.9)	0.5	15.1
CorpBk	Buy	516	608	17.9	0.8	1.0	4.8	6.1	0.9	17.9
DenaBk	Buy	87	100	15.1	0.6	0.7	4.3	5.1	0.8	15.7
IDBI#	Neutral	131	-	-	0.8	-	6.0	14.3	0.7	14.5
IndBk	Accumulate	240	255	6.3	0.9	1.0	5.1	10.4	1.4	20.4
IOB	Accumulate	143	158	10.6	0.9	1.0	5.4	23.5	0.7	16.6
J&KBk	Neutral	866	-	-	0.9	-	5.8	8.8	1.2	17.0
OBC	Accumulate	367	392	6.7	0.8	0.9	5.5	13.7	1.0	15.8
PNB	Accumulate	1,165	1,235	6.0	1.3	1.4	6.7	11.7	1.1	21.3
SBI*	Buy	2,442	2,845	16.5	1.8	2.1	9.0	44.2	1.1	22.6
SynBk	Buy	120	139	15.4	0.8	0.9	5.0	14.6	0.7	17.0
UcoBk	Neutral	87	-	-	0.9	-	4.9	18.9	0.6	17.6
UnionBk	Accumulate	304	343	12.9	1.1	1.3	6.2	22.9	0.9	18.7
UtdBk	Accumulate	97	107	11.2	0.8	0.9	6.5	6.1	0.5	12.5
VijBk	Reduce	69	65	(5.5)	0.9	0.8	6.7	8.6	0.5	12.8

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

Income statement

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
Nil	4,229	5,499	5,756	7,811	7,862	9,170
- YoY Growth (%)	22.9	30.0	4.7	35.7	0.7	16.6
Other Income	2,117	3,052	2,617	2,642	2,829	3,281
- YoY Growth (%)	35.4	44.2	(14.3)	1.0	7.1	16.0
Operating Income	6,346	8,551	8,373	10,452	10,691	12,451
- YoY Growth (%)	26.8	34.7	(2.1)	24.8	2.3	16.5
Operating Expenses	2,645	3,094	3,668	5,068	4,823	5,547
- YoY Growth (%)	1.4	17.0	18.5	38.2	(4.8)	15.0
Pre - Provision Profit	3,701	5,457	4,705	5,384	5,868	6,904
- YoY Growth (%)	54.5	47.4	(13.8)	14.4	9.0	17.7
Prov. & Cont.	1,017	1,292	2,211	1,889	1,827	1,712
- YoY Growth (%)	17.9	27.1	71.1	(14.6)	(3.3)	(6.3)
Profit Before Tax	2,685	4,164	2,494	3,495	4,041	5,193
- YoY Growth (%)	75.1	55.1	(40.1)	40.2	15.6	28.5
Prov. for Taxation	675	1,157	753	1,007	1,311	1,685
- as a % of PBT	25.2	27.8	30.2	28.8	32.4	32.4
PAT	2,009	3,007	1,741	2,489	2,730	3,508
- YoY Growth (%)	78.9	49.7	(42.1)	42.9	9.7	28.5

Balance sheet

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
Share Capital	526	526	526	547	547	547
Reserves & Surplus	10,063	12,969	13,704	16,743	18,901	21,677
Deposits	150,012	189,708	229,762	298,886	349,696	409,145
- Growth (%)	25.1	26.5	21.1	30.1	17.0	17.0
Borrowings	7,172	9,487	14,079	12,862	16,435	19,229
Tier 2 Capital	4,946	6,186	8,320	9,160	10,992	13,080
Other Liab & Prov.	6,110	6,625	8,590	12,975	14,301	17,042
Total Liabilities	178,830	225,502	274,982	351,173	410,872	480,720
Cash balances	11,742	8,915	15,603	21,782	22,730	26,594
Bank balances	5,976	12,846	15,628	15,528	18,167	21,256
Investments	41,803	52,607	67,080	85,872	96,920	108,381
Advances	113,476	142,909	168,491	213,096	255,715	304,301
- Growth (%)	33.6	25.9	17.9	26.5	20.0	19.0
Fixed Assets	2,426	2,532	2,352	2,481	2,815	3,195
Other Assets	3,407	5,692	5,829	12,413	14,523	16,992
Total Assets	178,830	225,502	274,982	351,173	410,872	480,720
- Growth (%)	26.3	26.1	21.9	27.7	17.0	17.0

Ratio analysis

Y/E March	FY08	FY09	FY10	FY11	FY12E	FY13E
NIMs	2.7	2.8	2.4	2.6	2.2	2.1
Cost to Income Ratio	41.7	36.2	43.8	48.5	45.1	44.5
RoA	1.3	1.5	0.7	0.8	0.7	0.8
RoE	27.6	29.2	14.2	17.3	16.0	18.0
B/S ratios (%)						
CASA Ratio	30.6	26.8	27.8	25.4	24.9	24.4
Credit/Deposit Ratio	75.6	75.3	73.3	71.3	73.1	74.4
CAR	13.0	12.1	12.0	11.4	12.1	12.0
- Tier I	8.2	8.3	7.9	7.8	8.0	7.8
Asset Quality (%)						
Gross NPAs	1.7	1.7	2.9	2.2	3.2	3.4
Net NPAs	0.5	0.4	1.3	0.9	1.7	1.5
Slippages	1.6	1.8	2.9	1.7	2.3	1.8
Loan Loss Prov./Avg. Assets	0.4	0.3	0.7	0.3	0.3	0.3
Provision Coverage	75.6	56.1	65.5	72.2	65.0	67.0
Per Share Data (₹)						
EPS	38.2	57.2	33.1	45.5	49.9	64.1
ABVPS	167.8	215.2	215.6	266.6	308.7	361.3
DPS	4.0	8.0	7.0	7.0	9.0	11.5
Valuation Ratios						
PER (x)	10.2	6.8	11.7	8.5	7.8	6.1
P/ABVPS (x)	2.3	1.8	1.8	1.5	1.3	1.1
Dividend Yield	1.0	2.1	1.8	1.8	2.3	3.0
DuPont Analysis (%)						
NII	2.6	2.7	2.3	2.5	2.1	2.1
(-) Prov. Exp.	0.6	0.6	0.9	0.6	0.5	0.4
Adj. NII	2.0	2.1	1.4	1.9	1.6	1.7
Treasury	0.2	0.4	0.2	0.1	0.0	0.0
Int. Sens. Inc.	2.2	2.4	1.7	2.0	1.6	1.7
Other Inc.	1.1	1.1	0.8	0.7	0.7	0.7
Op. Inc.	3.3	3.6	2.5	2.7	2.3	2.4
Opex	1.7	1.5	1.5	1.6	1.3	1.2
PBT	1.7	2.1	1.0	1.1	1.1	1.2
Taxes	0.4	0.6	0.3	0.3	0.3	0.4
RoA	1.3	1.5	0.7	0.8	0.7	0.8
Leverage (x)	22.0	19.6	20.4	21.8	22.3	22.8
RoE	27.6	29.2	14.2	17.3	16.0	18.0

Research Team Tel: 022 - 39357800

 E-mail: research@angelbroking.com

 Website: www.angelbroking.com

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Bank of India

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

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors

Ratings (Returns):

Buy (> 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (< -15%)

Neutral (-5 to 5%)