

## Bank of Baroda

### Performance Highlights

Particulars (₹ cr)	3QFY13	3QFY12	% chg (qoq)	3QFY12	% chg (yoy)
NII	2,841	2,862	(0.7)	2,656	7.0
Pre-prov. profit	2,256	2,383	(5.3)	2,608	(13.5)
PAT	1,012	1,301	(22.3)	1,290	(21.6)

Source: Company, Angel Research

Bank of Baroda (BoB) reported a subdued operating performance, with 13.5% yoy decline in operating profit, on the back of lower treasury income (on high base due to one-off gains in 3QFY2012) and higher slippages. Continued asset quality pressures, resulted in 60.6% yoy increase in loan loss provisioning and hence the PBT level earnings declined by 30.9% yoy. However, lower effective tax rate capped the net profit decline to 21.6% yoy.

**Domestic NIM declines qoq; Asset quality pressures higher sequentially:** During 3QFY2013, the bank registered a moderate 11.6% yoy growth in its domestic loan book (aided by healthy SME lending), while the international loan book grew at a healthy pace of 22.0% yoy (partly aided by INR depreciation). The domestic CASA ratio improved sequentially by 47bp to 32.2%. The bank's domestic yield on advances declined by 18bp on account of higher slippages, which led the domestic NIM to decline by 15bp qoq to 3.08%. The bank reported a subdued performance on the non-interest income (excluding treasury) front, with a decline of 7.7% yoy, on back of a sharp 25.1% yoy decline in forex income and subdued performance on the recoveries and fee income front. Trading profits declined sharply to ₹136cr compared to ₹386cr in 3QFY2012 (on high base, as the bank had booked substantial gains on sale of liquid investments in 3QFY2012). Hence, the overall non-interest income for the bank declined by 26.9% yoy. The bank witnessed higher asset quality pressures during the quarter, as addition to NPA and restructured book increased qoq. The annualized slippage ratio for the bank came in higher at 2.8%, compared to 2.0% in 2QFY2013 and 1.7% in 3QFY2012. Gross and net NPA levels for the bank increased by 24.5% and 41.0% qoq respectively, on an absolute basis. Even going ahead, the Management exhibited caution on the asset quality outlook for the next few quarters. Additionally, the bank restructured loans worth ₹2,199cr (higher than ₹1,417cr restructured during 2QFY2013), thereby taking its cumulative restructured book to ₹22,993cr. Going ahead, as per the Management, the restructuring pipeline for the bank would remain sizable at ~₹2,500cr for 4QFY2013. The PCR for the bank dipped significantly by 484bp qoq to 70.9% (though it still remains the best amongst large PSUs).

**Outlook and valuation:** BoB has been rated in recent years due to healthy improvement in its core profitability. After the sharp correction recently, the stock trades at valuations of 0.9x FY2014E ABV. **We recommend Buy rating on the stock with a target price of ₹935.**

#### Key financials (Standalone)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
NII	8,802	10,317	11,529	13,683
% chg	48.2	17.2	11.7	18.7
Net profit	4,242	5,007	4,462	5,525
% chg	38.7	18.0	(10.9)	23.8
NIM (%)	2.8	2.6	2.5	2.6
EPS (₹)	108.0	121.4	108.2	134.0
P/E (x)	7.3	6.5	7.2	5.8
P/ABV (x)	1.5	1.2	1.1	0.9
RoA (%)	1.3	1.2	0.9	1.0
RoE (%)	23.5	20.6	15.3	16.7

Source: Company, Angel Research

## BUY

CMP	₹784
Target Price	₹935

Investment Period	12 months
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#### Stock Info

Sector	Banking
Market Cap (₹ cr)	32,976
Beta	0.9
52 Week High / Low	900/606
Avg. Daily Volume	83,432
Face Value (₹)	10
BSE Sensex	19,751
Nifty	5,987
Reuters Code	BOB.BO
Bloomberg Code	BOB@IN

#### Shareholding Pattern (%)

Promoters	54.3
MF / Banks / Indian FIs	18.8
FII / NRIs / OCBs	16.6
Indian Public / Others	10.3

Abs. (%)	3m	1yr	3yr
Sensex	5.3	12.2	21.7
BOB	7.9	5.1	40.7

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**Exhibit 1: 3QFY2013 performance (Standalone)**

Particulars (₹ cr)	3QFY13	2QFY13	% chg (qoq)	3QFY12	% chg (yoy)	9MFY13	9MFY12	% chg (yoy)
<b>Interest earned</b>	<b>8,845</b>	<b>8,723</b>	<b>1.4</b>	<b>7,672</b>	<b>15.3</b>	<b>26,125</b>	<b>21,555</b>	<b>21.2</b>
- on Advances / Bills	6,485	6,439	0.7	5,736	13.1	19,351	16,296	18.7
- on investments	1,898	1,870	1.5	1,646	15.3	5,499	4,545	21.0
- on balance with RBI & others	403	339	19.0	234	72.4	1,030	605	70.4
- on others	58	75	(22.3)	56	4.3	245	110	122.1
<b>Interest Expended</b>	<b>6,004</b>	<b>5,860</b>	<b>2.5</b>	<b>5,016</b>	<b>19.7</b>	<b>17,624</b>	<b>14,036</b>	<b>25.6</b>
<b>Net Interest Income</b>	<b>2,841</b>	<b>2,862</b>	<b>(0.7)</b>	<b>2,656</b>	<b>7.0</b>	<b>8,501</b>	<b>7,520</b>	<b>13.1</b>
<b>Other income</b>	<b>841</b>	<b>828</b>	<b>1.5</b>	<b>1,149</b>	<b>(26.9)</b>	<b>2,440</b>	<b>2,525</b>	<b>(3.4)</b>
Other income excl. treasury	705	716	(1.6)	764	(7.7)	2,111	2,055	2.7
- CEB	295	310	(5.1)	293	0.6	881	881	(0.0)
- Treasury Income	136	112	21.0	386	(64.8)	329	470	(29.9)
- Recoveries from written off a/cs	74	65	12.4	71	3.5	222	222	0.1
- Others	337	340	(1.1)	400	(15.8)	1,008	952	5.9
<b>Operating income</b>	<b>3,681</b>	<b>3,691</b>	<b>(0.2)</b>	<b>3,805</b>	<b>(3.2)</b>	<b>10,941</b>	<b>10,044</b>	<b>8.9</b>
<b>Operating expenses</b>	<b>1,426</b>	<b>1,308</b>	<b>9.0</b>	<b>1,197</b>	<b>19.1</b>	<b>4,049</b>	<b>3,465</b>	<b>16.9</b>
- Employee expenses	798	751	6.2	674	18.4	2,310	1,966	17.5
- Other Opex	627	557	12.7	523	20.0	1,739	1,499	16.0
<b>Pre-provision Profit</b>	<b>2,256</b>	<b>2,383</b>	<b>(5.3)</b>	<b>2,608</b>	<b>(13.5)</b>	<b>6,892</b>	<b>6,579</b>	<b>4.7</b>
<b>Provisions &amp; Contingencies</b>	<b>1,042</b>	<b>659</b>	<b>58.1</b>	<b>850</b>	<b>22.6</b>	<b>2,607</b>	<b>1,750</b>	<b>49.0</b>
- Provisions for NPAs	817	723	13.0	509	60.6	2,352	939	150.5
- Provisions for Standard adv.	129	41	217.0	100	30.0	173	259	(33.1)
- Provisions for Investments	72	(134)	-	224	(67.7)	14	508	(97.2)
- Other Provisions	23	29	(21.4)	17	33.3	81	552	(85.3)
<b>PBT</b>	<b>1,214</b>	<b>1,724</b>	<b>(29.6)</b>	<b>1,758</b>	<b>(30.9)</b>	<b>4,285</b>	<b>4,829</b>	<b>(11.3)</b>
Provision for Tax	203	422	(52.0)	469	(56.8)	833	1,341	(37.9)
<b>PAT</b>	<b>1,012</b>	<b>1,301</b>	<b>(22.3)</b>	<b>1,290</b>	<b>(21.6)</b>	<b>3,452</b>	<b>3,489</b>	<b>(1.1)</b>
Effective Tax Rate (%)	16.7	24.5	(782)bp	26.6	(996)bp	19.4	27.8	(832)bp

Source: Company, Angel Research

**Exhibit 2: 3QFY2013 Actual vs Estimates**

Particulars (₹ cr)	Actual	Estimates	Var. (%)
NII	2,841	3,027	(6.1)
Non-interest income	841	863	(2.6)
<b>Operating income</b>	<b>3,681</b>	<b>3,890</b>	<b>(5.4)</b>
Operating expenses	1,426	1,402	1.7
<b>Pre-prov. profit</b>	<b>2,256</b>	<b>2,488</b>	<b>(9.3)</b>
Provisions & cont.	1,042	981	6.2
PBT	1,214	1,507	(19.4)
Prov. for taxes	203	362	(44.0)
<b>PAT</b>	<b>1,012</b>	<b>1,145</b>	<b>(11.7)</b>

Source: Company, Angel Research

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

Particulars	3QFY13	2QFY13	%chg (qoq)	3QFY12	%chg (yoy)
<b>Balance sheet</b>					
Advances (₹ cr)	299,318	292,181	2.4	260,661	14.8
Deposits (₹ cr)	414,733	408,150	1.6	349,206	18.8
Credit-to-Deposit Ratio (%)	72.2	71.6	58bp	74.6	(247)bp
Current deposits (₹ cr)	27,958	27,436	1.9	22,981	21.7
Saving deposits (₹ cr)	79,980	77,824	2.8	71,842	11.3
CASA deposits (₹ cr)	107,938	105,260	2.5	94,823	13.8
Global CASA ratio (%)	26.0	25.8	24bp	27.2	(113)bp
Domestic CASA ratio (%)	32.2	31.7	47bp	34.1	(183)bp
CAR (%)	12.7	12.9	(25)bp	13.5	(79)bp
Tier 1 CAR (%)	9.3	9.6	(24)bp	9.3	2bp
<b>Profitability Ratios (%)</b>					
Cost of deposits	7.3	7.4	(3)bp	6.9	43bp
Yield on advances	11.6	11.8	(18)bp	12.0	(44)bp
Yield on investments	7.9	7.9	(4)bp	7.8	9bp
Reported NIM	3.1	3.2	(15)bp	3.5	(43)bp
Cost-to-income ratio	38.7	35.4	328bp	31.5	727bp
<b>Asset quality</b>					
Gross NPAs (₹ cr)	7,321	5,879	24.5	3,895	88.0
Gross NPAs (%)	2.4	2.0	43bp	1.5	93bp
Net NPAs (₹ cr)	3,363	2,385	41.0	1,325	153.8
Net NPAs (%)	1.1	0.8	30bp	0.5	61bp
PCR incl. tech. w/offers (%)	70.9	75.7	(484)bp	80.5	(963)bp
Annualized slippage ratio (%)	2.8	2.0	81bp	1.7	112bp
NPA prov. to avg. assets (%)	0.7	0.6	6bp	0.5	17bp

Source: Company, Angel Research

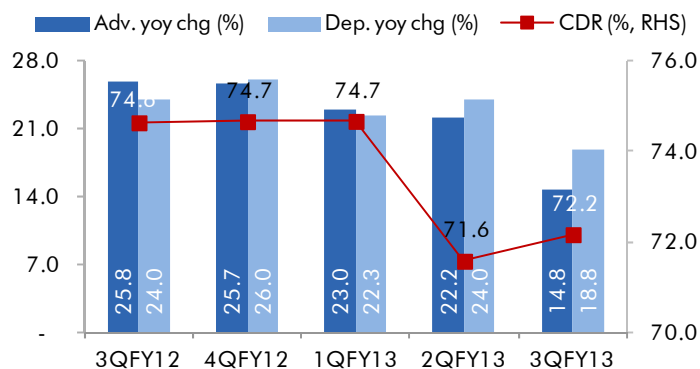
**CASA ratio improves sequentially**

During 3QFY2013, the bank registered a moderate 11.6% yoy growth in its domestic loan book, while the international loan book grew at a healthy pace of 22.0% yoy (partly aided by INR depreciation). Within domestic advances, advances to SMEs witnessed a healthy growth of 21.7%, while Agri and Retail advances grew at a moderate pace of 10.7% and 14.0% yoy, respectively. The Management has guided for FY2013 advance growth to be ~16-17% yoy.

Growth in domestic saving deposits remained moderate at 10.9% yoy, while growth in domestic current deposits came in subdued at 3.8% yoy. Consequently, the domestic CASA deposits witnessed a growth of 9.5% yoy and domestic CASA ratio witnessed a decline of 183bp yoy (higher sequentially by 47bp) to 32.2%.

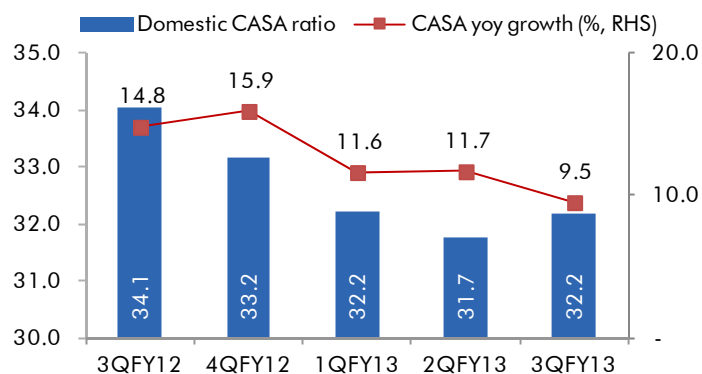
However, on a global basis, current deposits witnessed a strong growth of 21.7% yoy, which coupled with a moderate growth of 11.3% yoy in saving deposits, led to a 13.8% yoy growth in CASA deposits. Global CASA ratio declined by 113bp yoy (up by 24bp qoq) to 26.0%, as growth in aggregate deposits was higher at 18.8% yoy.

**Exhibit 4: Business growth moderates**



Source: Company, Angel Research

**Exhibit 5: CASA ratio improve sequentially**

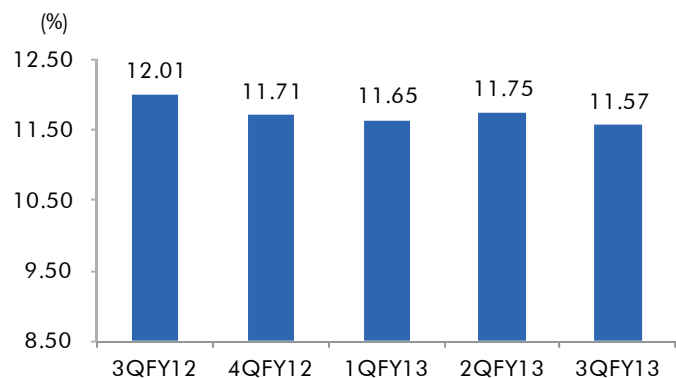


Source: Company, Angel Research

**Domestic NIMs decline by 15bp sequentially**

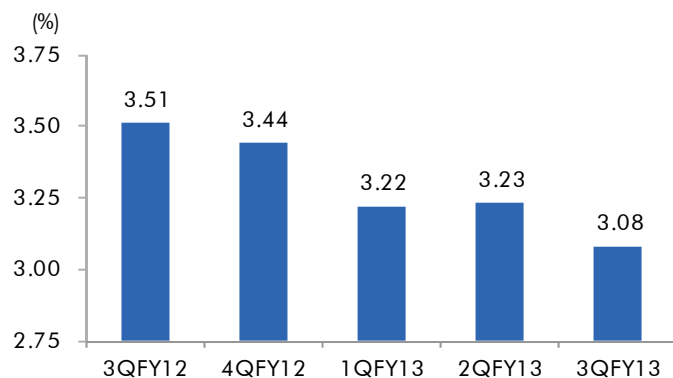
During 3QFY2013, the bank's domestic yield on advances declined by 18bp to 11.6% (on account of interest reversal on higher slippages), while the domestic cost of deposits came off slightly by 3bp qoq to 7.3%. Consequently the domestic NIMs declined sequentially by 15bp to 3.08%. However, the bank's overseas NIMs improved marginally by 4bp to 1.6%, as overseas cost of deposits came off by 12bp qoq, much higher than 8bp decline in overseas yield on advances. The global NIM (overall NIM) for the bank during 3QFY2013 declined by 6bp to 2.7%. Despite the recent 25bp base rate cut, the Management exuded confidence in maintaining domestic NIMs above 3% and global NIMs around 2.7% for FY2013E.

**Exhibit 6: Domestic YoA lower sequentially by 18bp...**



Source: Company, Angel Research

**Exhibit 7: ..hence Domestic NIM declines by 15bp qoq**



Source: Company, Angel Research

**Non-interest income declined sharply, on lower treasury gains (due to high base of 3QFY2012, which had one-off gains)**

On the non-interest income (excluding treasury) front, the bank reported a subdued performance, with a decline of 7.7% yoy to ₹705cr, on back of a sharp decline in forex income and subdued performance on the recoveries and fee income front. Income from forex transactions for the bank declined by 25.1% yoy to ₹180cr. Recoveries from written off accounts grew at a muted pace of 3.5% yoy. Fee income for the bank remained flat on a yoy basis at ₹451cr. Trading profits (treasury gains) declined sharply to ₹136cr compared to ₹386cr in 3QFY2012, wherein the bank had booked substantial profit on sale of money market mutual

funds. Hence, overall non-interest income for the bank declined by 26.9% yoy to ₹841cr.

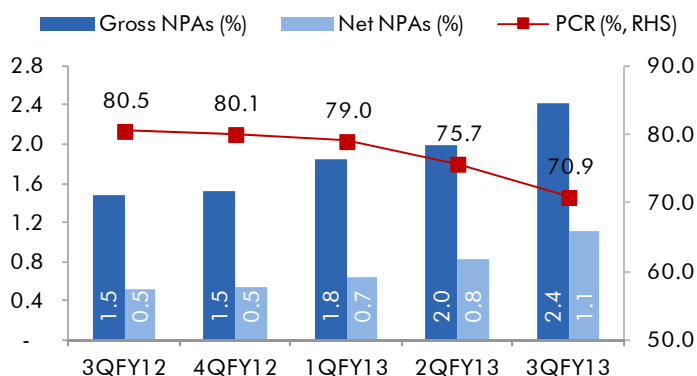
### Asset quality pressures increase sequentially

During 3QFY2013, the bank witnessed increased asset quality pressures, as addition to NPA and restructured book increased sequentially. Annualized slippage ratio for the bank came in much higher at 2.8%, compared to 2.0% in 2QFY2013 and 1.7% in 3QFY2012. Gross and net NPA levels for the bank increased by 24.5% and 41.0% qoq respectively, on an absolute basis. Although the gross and net NPA ratios for the bank increased sequentially by 43bp and 30bp respectively to 2.4% and 1.1%, still they remain far lower than other large PSU banks. Even going ahead, the Management exhibited caution on the asset quality outlook and expects asset quality pressures to persist for the next few quarters.

During the quarter, the bank restructured domestic loans worth ₹1,587cr (higher than ₹993cr restructured during 2QFY2013), thereby taking its cumulative domestic restructured book to ₹18,268cr. The bank also restructured ₹612cr of international loans during 3QFY2013 (higher than ₹424cr restructured during 2QFY2013), thereby taking its cumulative overseas restructured book to ₹4,725cr. The bank's overall cumulative restructured book as of 3QFY2013 stood at ₹22,993cr. Going ahead, as per the Management, the restructuring pipeline for the bank would remain sizable at ~₹2,500cr for 4QFY2013.

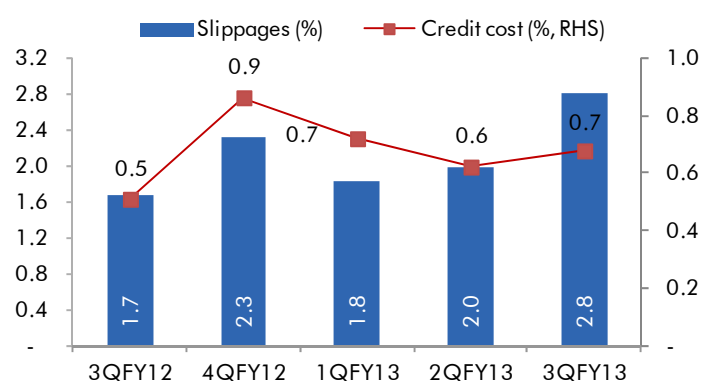
Pressure witnessed on the asset quality front impacted the bank's profitability, as the bank witnessed a significant increase of 60.6% yoy in its loan loss provisioning. Impact of higher NPA provisioning was partially offset by a lower effective tax rate during the quarter at 16.7% compared to 26.6% in 3QFY2012. Even though the bank provided higher during the quarter, the PCR (provisioning coverage ratio) for the bank dipped significantly by 484bp to 70.9% (though it still remains the best amongst large PSUs).

**Exhibit 8: NPA ratios increase sequentially**

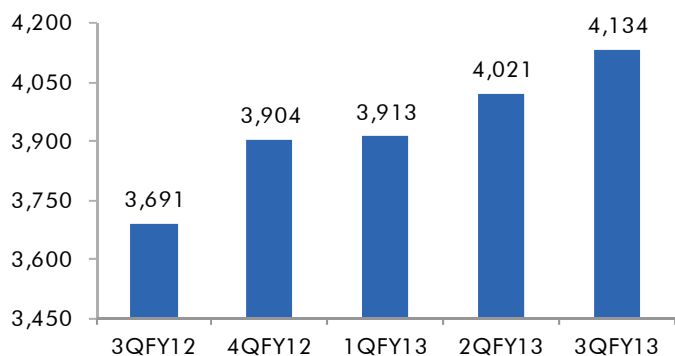


Source: Company, Angel Research

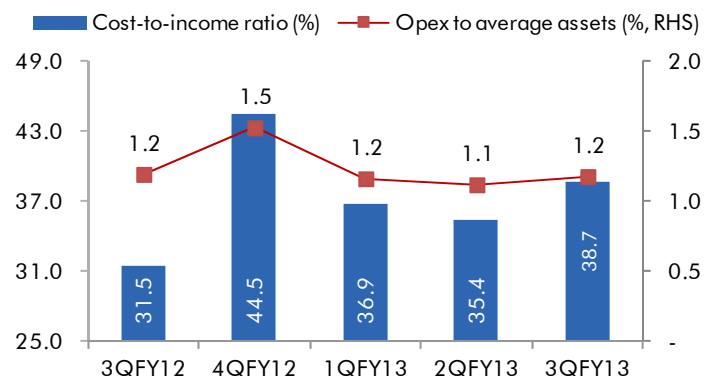
**Exhibit 9: Slippages surge sequentially**



Source: Company, Angel Research

**Exhibit 10: Steady branch expansion continues**


Source: Company, Angel Research

**Exhibit 11: Cost ratios deteriorate sequentially**


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). Although, the net NPA ratio has spiked to 1.1% in 9MFY2013, still it remains the lowest amongst large PSU banks.

### 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.

The bank's strong branch network expansion plans, in our view, augurs well for credit as well as CASA market share gains, going forward. The bank opened 642 branches during the last fifteen months and aims to open another 365 branches in 4QFY2013, which in our view, should help the bank clock similar growth levels as witnessed in the past, going ahead.

After the sharp correction recently, the stock trades 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). We recommend a Buy rating on the stock with a target price of ₹935.

### Exhibit 12: Key assumptions

Particulars (%)	Earlier estimates		Revised estimates	
	FY2013	FY2014	FY2013	FY2014
Credit growth	18.0	17.0	15.0	17.0
Deposit growth	16.0	17.0	14.0	15.0
CASA ratio	26.2	25.4	26.6	26.3
NIMs	2.5	2.6	2.5	2.6
Other income growth	(1.1)	16.1	(1.8)	10.4
Growth in staff expenses	15.0	15.0	12.0	15.0
Growth in other expenses	15.0	18.0	14.0	15.0
Slippages	2.0	1.6	2.2	1.7
Coverage ratio	72.5	75.0	72.5	74.0

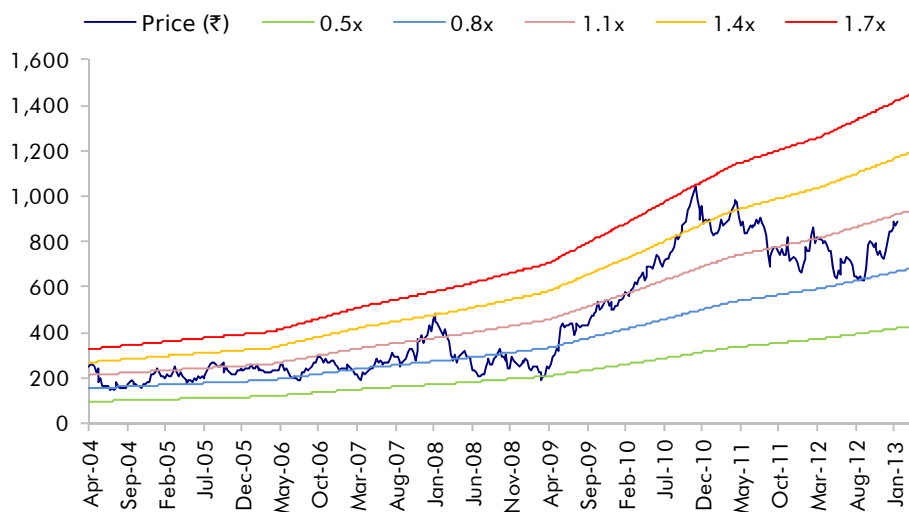
Source: Company, Angel Research

### Exhibit 13: Change in estimates

Particulars (₹ cr)	FY2013			FY2014		
	Earlier estimates	Revised estimates	% chg	Earlier estimates	Revised estimates	% chg
NII	11,899	11,529	(3.1)	14,103	13,683	(3.0)
Non-interest income	3,385	3,360	(0.7)	3,929	3,710	(5.6)
<b>Operating income</b>	<b>15,284</b>	<b>14,889</b>	<b>(2.6)</b>	<b>18,032</b>	<b>17,393</b>	<b>(3.5)</b>
Operating expenses	5,933	5,821	(1.9)	6,897	6,694	(2.9)
<b>Pre-prov. profit</b>	<b>9,351</b>	<b>9,068</b>	<b>(3.0)</b>	<b>11,134</b>	<b>10,698</b>	<b>(3.9)</b>
Provisions & cont.	3,632	3,490	(3.9)	2,727	2,520	(7.6)
<b>PBT</b>	<b>5,719</b>	<b>5,578</b>	<b>(2.5)</b>	<b>8,407</b>	<b>8,178</b>	<b>(2.7)</b>
Prov. for taxes	1,201	1,116	(7.1)	2,728	2,653	(2.7)
<b>PAT</b>	<b>4,518</b>	<b>4,462</b>	<b>(1.2)</b>	<b>5,679</b>	<b>5,525</b>	<b>(2.7)</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	Buy	1,460	1,753	20.0	1.96	2.4	10.5	16.4	1.6	20.1
FedBk	Accumulate	508	557	9.5	1.23	1.4	9.9	6.4	1.2	13.1
HDFCBk	Neutral	643	-	-	3.62	-	17.8	28.1	1.8	22.1
ICICIBk*	Buy	1,168	1,404	20.2	1.87	2.2	13.8	22.8	1.5	15.9
SIB	Buy	27	34	24.6	1.12	1.4	6.7	6.9	1.0	17.7
YesBk	Accumulate	514	576	12.1	2.59	2.9	12.1	24.1	1.5	23.6
AllBk	Buy	157	188	19.6	0.69	0.8	4.7	(5.2)	0.8	14.7
AndhBk	Neutral	105	-	-	0.73	-	4.8	(4.6)	0.8	13.8
<b>BOB</b>	<b>Buy</b>	<b>784</b>	<b>935</b>	<b>19.4</b>	<b>0.92</b>	<b>1.1</b>	<b>5.8</b>	<b>5.0</b>	<b>1.0</b>	<b>16.7</b>
BOI	Accumulate	342	380	11.3	0.85	1.0	5.2	18.2	0.8	16.0
BOM	Neutral	57	-	-	0.69	-	4.4	44.3	0.6	16.9
CanBk	Accumulate	453	516	13.9	0.83	1.0	5.6	4.1	0.8	14.7
CentBk	Neutral	79	-	-	0.72	-	3.9	95.5	0.5	14.3
CorpBk	Buy	421	517	22.7	0.65	0.8	4.2	(3.1)	0.8	14.9
DenaBk	Buy	106	124	16.2	0.65	0.8	4.3	3.5	0.8	15.9
IDBI#	Buy	102	122	19.6	0.63	0.8	4.6	18.4	0.9	14.1
IndBk	Buy	190	238	25.3	0.68	0.9	4.4	4.4	1.1	16.8
IOB	Accumulate	78	88	13.5	0.53	0.6	3.8	23.9	0.6	13.4
J&KBk	Neutral	1,389	-	-	1.18	-	6.9	10.4	1.4	18.3
OBC	Accumulate	313	336	7.3	0.70	0.8	5.3	23.2	0.8	13.5
PNB	Buy	880	1,053	19.7	0.92	1.1	5.2	8.0	1.0	17.5
SBI*	Accumulate	2,365	2,600	9.9	1.53	1.7	9.2	21.5	1.0	17.7
SynBk	Buy	132	157	18.8	0.74	0.9	4.8	12.4	0.7	16.4
UcoBk	Neutral	68	-	-	0.77	-	4.5	2.6	0.5	13.5
UnionBk	Buy	241	286	18.6	0.80	1.0	5.1	20.7	0.8	16.6
UtdBk	Buy	71	86	21.9	0.51	0.6	3.2	20.0	0.7	16.3
VijBk	Accumulate	57	62	10.0	0.66	0.7	5.2	9.7	0.5	12.6

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 over ₹4.8lakh cr. The bank has a network of 4,100+ domestic branches and nearly 2,300 ATMs, mainly in western India (~45% of total branch network). The bank has a strong presence overseas, with around 33% 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>11,529</b>	<b>13,683</b>
- YoY Growth (%)	3.3	31.0	15.9	48.2	17.2	11.7	18.7
<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>3,360</b>	<b>3,710</b>
- YoY Growth (%)	47.6	34.5	1.8	0.1	21.8	(1.8)	10.4
<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>14,889</b>	<b>17,393</b>
- YoY Growth (%)	15.2	32.2	11.0	32.8	18.3	8.4	16.8
<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>5,821</b>	<b>6,694</b>
- YoY Growth (%)	15.3	21.9	6.6	21.5	11.4	12.8	15.0
<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>9,068</b>	<b>10,698</b>
- YoY Growth (%)	15.1	42.1	14.6	41.5	22.9	5.7	18.0
<b>Prov. &amp; Cont.</b>	<b>821</b>	<b>962</b>	<b>697</b>	<b>1,331</b>	<b>2,555</b>	<b>3,490</b>	<b>2,520</b>
- YoY Growth (%)	(16.3)	17.1	(27.5)	90.9	91.9	36.6	(27.8)
<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>5,578</b>	<b>8,178</b>
- YoY Growth (%)	33.8	51.5	26.8	33.3	6.6	(7.4)	46.6
<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>1,116</b>	<b>2,653</b>
- as a % of PBT	35.0	33.4	27.8	24.9	16.9	20.0	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>4,462</b>	<b>5,525</b>
- YoY Growth (%)	39.9	55.1	37.3	38.7	18.0	(10.9)	23.8

**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	30,520	34,799
Deposits	152,034	192,397	241,262	305,439	384,871	438,753	504,566
- Growth (%)	21.7	26.5	25.4	26.6	26.0	14.0	15.0
Borrowings	3,927	5,636	6,160	12,906	14,171	16,797	19,249
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	13,345	15,349
<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>508,994</b>	<b>583,313</b>
Cash balances	9,370	10,596	13,540	19,868	21,651	19,744	20,183
Bank balances	12,930	13,491	21,927	30,066	42,517	48,379	55,443
Investments	43,870	52,446	61,182	71,397	83,209	96,169	104,815
Advances	106,701	143,251	175,035	228,676	287,377	330,484	386,666
- Growth (%)	27.6	34.3	22.2	30.6	25.7	15.0	17.0
Fixed Assets	2,427	2,310	2,285	2,300	2,342	2,584	2,873
Other Assets	4,302	4,578	4,347	6,090	10,225	11,635	13,333
<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>508,994</b>	<b>583,313</b>
- Growth (%)	25.5	26.2	22.8	28.8	24.8	13.8	14.6

**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	2.5	2.6
Cost to Income Ratio	49.2	45.4	43.6	39.9	37.5	39.1	38.5
RoA	0.9	1.1	1.2	1.3	1.2	0.9	1.0
RoE	14.6	18.6	21.9	23.5	20.6	15.3	16.7
<b>B/S ratios (%)</b>							
CASA Ratio	31.2	29.6	29.6	28.7	26.9	26.6	26.3
Credit/Deposit Ratio	70.2	74.5	72.5	74.9	74.7	75.3	76.6
CAR	12.9	14.1	14.4	14.5	14.7	14.1	13.6
- Tier I	7.6	8.5	9.2	10.0	10.8	10.7	10.6
<b>Asset Quality (%)</b>							
Gross NPAs	1.8	1.3	1.4	1.4	1.5	2.5	2.9
Net NPAs	0.5	0.3	0.3	0.3	0.5	1.1	1.0
Slippages	1.2	0.9	1.2	1.1	1.5	2.2	1.7
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	74.0
<b>Per Share Data (₹)</b>							
EPS	39.3	60.9	83.7	108.0	121.4	108.2	134.0
ABVPS (75% cover.)	302.1	352.4	413.2	535.7	666.3	742.4	850.1
DPS	8.0	9.0	15.0	16.5	17.0	21.0	26.0
<b>Valuation Ratios</b>							
PER (x)	20.0	12.9	9.4	7.3	6.5	7.2	5.8
P/ABVPS (x)	2.6	2.2	1.9	1.5	1.2	1.1	0.9
Dividend Yield	1.0	1.2	1.9	2.1	2.2	2.7	3.3
<b>DuPont Analysis</b>							
NII	2.4	2.5	2.4	2.8	2.6	2.4	2.5
(-) Prov. Exp.	0.5	0.5	0.3	0.4	0.6	0.7	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	0.0
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	0.6	0.6
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	0.2	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>0.9</b>	<b>1.0</b>
Leverage	16.4	17.0	18.0	17.6	16.6	16.4	16.5
<b>RoE</b>	<b>14.6</b>	<b>18.6</b>	<b>21.9</b>	<b>23.5</b>	<b>20.6</b>	<b>15.3</b>	<b>16.7</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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<b>Ratings (Returns):</b>	Buy (> 15%) Reduce (-5% to -15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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