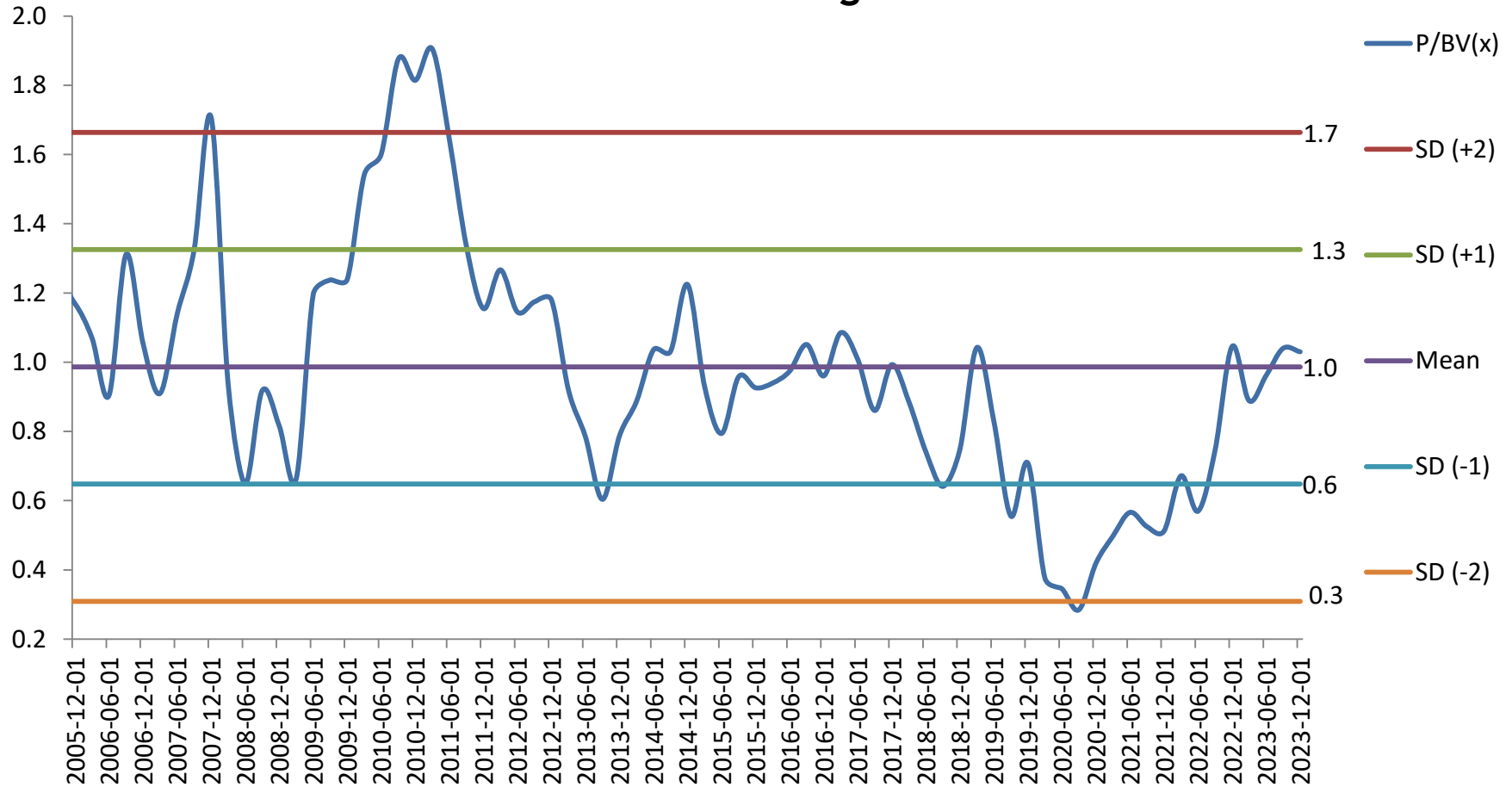


- BOB is one of the better placed PSBs (after SBI) with a loan book of Rs. 10.26 Lac Cr (4th largest bank in India after SBI, HDFC and ICICI).
- Stress recognition in the banking industry was the maximum during the period 2016-21; during this period BOB's slippages averaged at 4.3% compared to 5.3% for PSBs (excl. SBI & BOB).
- Asset quality has consistently improved with NNPA declining to 0.76% while lower SMA 1+2 at 0.22% provides further comfort on asset quality. (SBI's NNPA at 0.64% & SMA 1+2 at 0.12%). Coll. Eff. (ex agri) stands at 99%.
- The impact of restriction by RBI for onboarding of new clients on the 'BOB World' app has been minimal as the portion of new account opening through the app was low (< 3%). The issue is likely to be resolved soon.
- Growth in total advances is expected to be at 15% (12-13% in corporate and 20-22% in retail).
- Although credit costs have bottomed out, we expect FY25E RoA/RoE to increase to 1.2%/16.8% backed by stabilisation of NIM, higher growth in fee income and moderation in opex.
- Given BOB's track record of superior asset quality, higher business growth and superior ROA, we expect it to re-rate to its past upcycle valuations of +1 Std. Dev. and value it at 1.3x Sep 2024 BVPS for a TP of Rs. 300.

Figures in Rs Cr

Year	NII	Growth	PAT	Growth	EPS	PE	BVPS	P/BV	ROA	ROE
FY22	32,621	13%	7,272	777%	14	16.1	166	1.4	0.6%	8.9%
FY23	41,355	27%	14,109	94%	27	8.3	190	1.2	1.0%	15.3%
FY24E	45,278	9%	17,555	24%	34	6.6	219	1.0	1.1%	16.6%
FY25E	52,816	17%	20,410	16%	39	5.7	253	0.9	1.2%	16.8%

Historical Trailing P/B



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