

Bank of India



Relationship beyond banking



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Research Report

Bank of India



Prepared By-

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About

Bank of India is an India-based bank. The Bank's segments include Treasury Operations, Wholesale Banking and Retail Banking. The Treasury operations segment includes the entire investment portfolio, which is dealing in government and other securities, money market operations and foreign exchange operations.

Revenue Mix Q1 FY25

- Retail Banking: 35%
- Wholesale banking: 37%
- Treasury: 27%
- Others: 1%

Synopsis of Financials

- Operating Profit for Q3FY25 at ₹3,703 Cr, a YoY growth of 23%.
- Net Profit for Q3FY25 at ₹2,517 Cr, YoY growth of 35%.
- Global NIM at 2.80% for Q3FY25 and 2.90% for 9M Dec'24.
- Interest Income for Q3FY25 at ₹18,211 Cr, YoY growth of 20%.
- Non-Interest Income for Q3FY25 at ₹1,746 Cr, YoY growth of 46%.
- Improvement in asset quality with Gross NPA ratio at 3.69% (improved by 166 bps YoY) and Net NPA ratio at 0.85% (improved by 56 bps YoY).
- Fresh slippages reduced significantly to ₹1,105 Cr in Q3FY25 from ₹2,546 Cr in Q2FY25.

Stock data (as 17th February 2025)

Nifty Price	: 22,959.50
52 week High (in Rs.)	: 158
52 week Low (in Rs.)	: 90
Market Cap. (in Crore)	: 45,162
NSE Code	: <u>BANKINDIA</u>

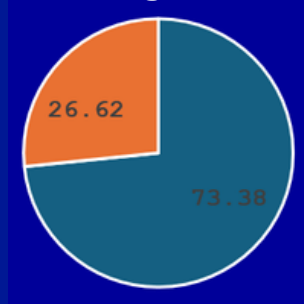
Stock data



-NIFTY50

-Bank of India

Shareholding Pattern (December 2024)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2022	March 2023	March 2024
Sales	38,281	47,932	61,073
Sales Growth %	24,083	27,441	37,757
Expenses	16,263	21,177	18,848
Operating Profit	-2,065	-686	4,469
OPM %	-5%	-1%	7%
Net Profit	3,487	3,839	6,567
EPS in Rs	8.51	9.35	14.42

Quarterly Results



Particular	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Revenue	14,442	15,062	15,319	16,250	17,046	17,466	18,317
Interest	8,467	9,256	9,792	10,242	10,693	11,403	12,166
Expenses +	4,579	4,546	4,190	6,041	5,269	5,456	4,485
Financing Profit	1,396	1,260	1,337	-33	1,084	607	1,666
Financing Margin %	10%	8%	9%	0%	6%	3%	9%
Other Income +	1,484	1,717	1,202	1,830	1,338	2,532	1,780
Depreciation	0	0	0	0	0	0	0
Profit before tax	2,880	2,977	2,539	1,797	2,422	3,138	3,447
Tax %	48%	50%	25%	17%	28%	24%	26%
Net Profit +	1,562	1,499	1,931	1,574	1,890	2,422	2,638

Source: Screener

Key Ratios

(Amount in Crore)

Particulars	2022-23	2023-24	Growth (%)
Net Interest Income	20,275	23,053	13.70
Non-Interest Income	7100	6095	(14.16)
Operating Expenses	13982	15079	7.85
Operating Profit	13393	14069	5.05
Provisions / Contingencies	9370	7751	-17.28
Net Profit/ Loss	4023	6318	57.05
Earnings per share (Rs.)	9.80	14.90	
Book Value per share (Rs.)	100.20	121.05	
Return on Equity (%)	10.31	13.13	
Return on Average Assets (%)	0.49	0.70	

Source: Annual Report

Yearly Results

Particulars	March 2022	March 2023	March 2024
Equity Capital	4,104	4,104	4,553
Reserves	52,418	56,329	66,028
Borrowings	6,56,802	7,37,209	8,21,572
Other Liabilities	29,807	28,393	32,127
Total Liabilities	7,43,131	8,26,036	9,24,280
Fixed Assets	9,570	9,950	10,178
CWIP	286	110	150
Investments	1,80,274	2,11,324	2,34,592
Other Assets	5,53,001	6,04,652	6,79,361
Total Assets	7,43,131	8,26,036	9,24,280

Synopsis Quater Results

Concall Notes - Jan-2025: Key Highlights

Economic Overview:

- India's GDP growth estimate for FY'25 is around 6.50%, the highest among advanced and emerging markets.
- Visible demand rebound and revival in public Capex on infrastructure expected to stimulate growth in key sectors.

Strategic Focus Areas:

- Enhancing customer experience across all channels and acquiring new customers through innovative niche services.
- Fortifying low-cost deposits (CASA and Retail Term Deposits) for sustainable credit growth.

New Initiatives:

- Launched "Star Samridhi Home Loan" scheme for employees of Central/State Government, PSU, Large Corporates, and MNCs.
- Adopted a 2-Year Roadmap under Champion Sector Priorities of MSME targeting business in Tourism, Hospitality, and Logistics.
- Implementing market intelligence and analytics-driven strategy for MSME Cluster Based Finance.

IT & Cyber Security Enhancements:

- Opened a 24x7 Resiliency Operating Centre (ROC) as part of project NexTech for quick recovery from disruptions.
- Procurement of proactive Cyber Solutions focusing on detection and containment of cyber risks.

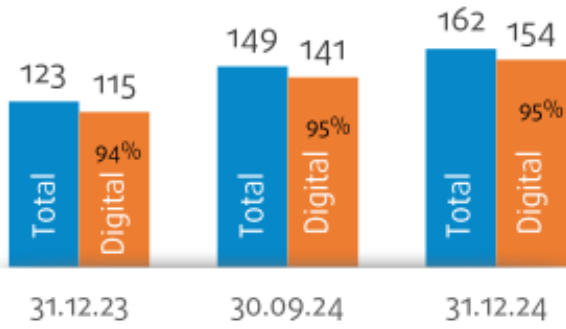
Business Performance:

- Global business increased by 13.62% YoY from ₹12.72 lakh Cr in Dec'23 to ₹14.46 lakh Cr in Dec'24.
- Global Gross Advances rose by 15.30% YoY from ₹5.65 lakh Cr to ₹6.51 lakh Cr.
- Total Deposits increased by 12.29% YoY from ₹7,07,000 Cr to ₹7,94,000 Cr.
- CASA deposits grew by 6.07% YoY, achieving a CASA ratio of 41.05%.
- Domestic Gross Advances increased by 15.00% YoY, with a sequential growth of 4.92%.

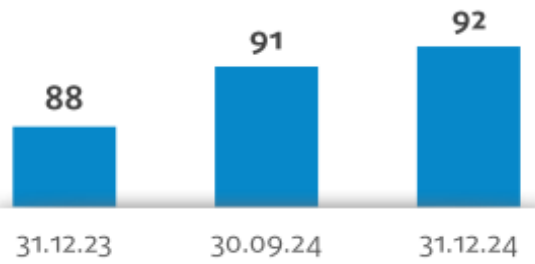
Highlights



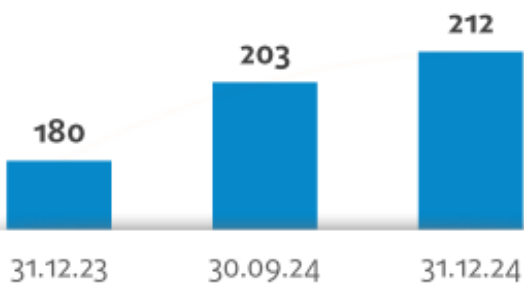
Quarterly Transaction Count (in Cr)



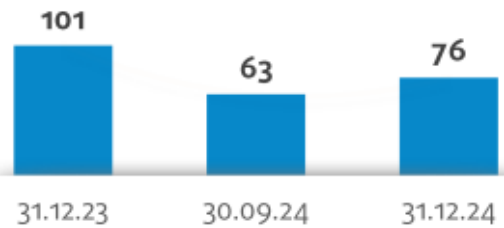
Internet Banking Users (in lakhs)



UPI Users (in lakhs)

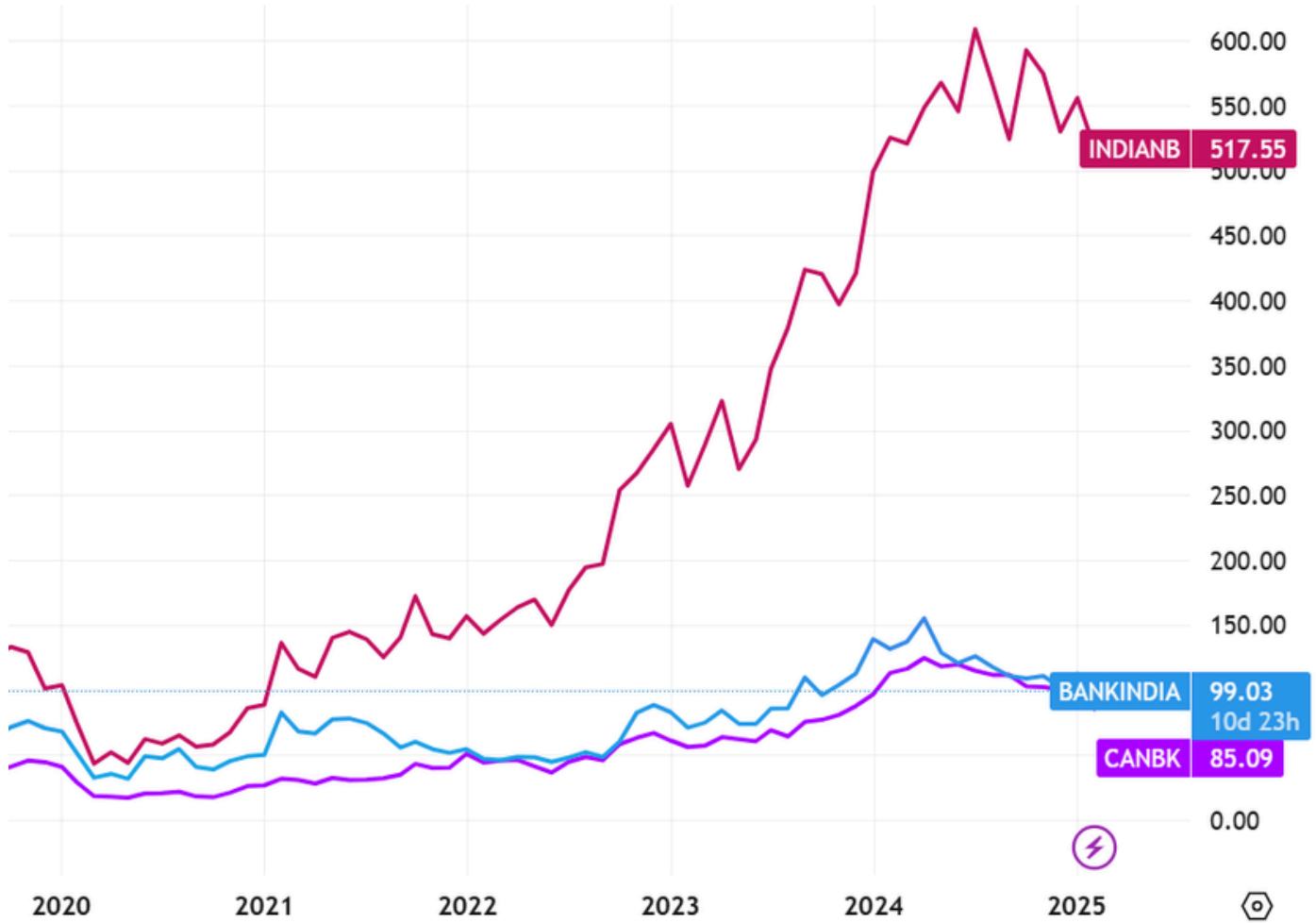


Mobile Banking Users (in lakhs)



Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	St Bk of India	728.05	8.21	649757.00	1.92	19483.78	17.27	124653.66	10.44	6.16
2.	Bank of Baroda	207.30	5.26	107202.33	3.65	5249.74	8.88	32569.84	8.42	6.33
3.	Punjab Natl.Bank	93.20	6.35	107114.24	1.68	4811.02	97.35	31894.80	14.52	5.46
4.	I O B	46.14	28.16	87215.78	0.00	873.66	20.91	7111.72	15.16	5.41
5.	Union Bank (I)	109.10	5.16	83282.58	3.33	4623.03	27.52	27134.77	6.32	6.55
6.	Canara Bank	85.07	4.62	77164.05	3.90	4255.68	11.19	30750.73	7.93	6.63
7.	Indian Bank	516.90	6.63	69624.64	2.29	2910.18	31.92	15770.16	11.04	5.92
8.	Bank of India	99.20	5.30	45162.43	2.85	2638.17	36.58	18317.30	19.57	5.69

Source: Screener

Final Outlook



BANKINDIA: HOLD | LTP: 99.2

Despite solid loan growth (~16% y-o-y), core operational performance was poor, with subdued NII due to greater-than-expected NIM compression and higher opex growth (driven by employee retiral provisions). Core PPOP, which includes treasury gains, decreased 7% year over year. However, decreased tax expenses and increased other revenue (mostly from treasury gains and recovery from written-off accounts) resulted in a notable beat in earnings, with a return on assets (RoA) of about 0.9%. Corporate and agri-loans were the main cause of the greater slippages, which were 1.7% annualized compared to 1.3% q-o-q and 1.3% y-o-y. As a result, the core credit cost increased to 97 basis points from 85 basis points each quarter and 54 basis points annually.

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