BUY Bandhan Bank

Steady improvement in performance

BFSI - Banks | Result Update | **April 29, 2026**

CMP (Rs): 179 | TP (Rs): 220

Bandhan Bank has seen steady improvement in performance, with credit growth at 12.6% YoY and margins increasing 30bps QoQ to 6.2%, driven by a lower CoF and reduced interest reversals. This, coupled with lower provisions, led to an 11% PAT beat at Rs5.3bn, with RoA at 0.7%. As per the management, MFI collections in West Bengal and Assam have steadily improved, but they still need to be closely monitored given the ongoing elections and the potential impact of El-Nino. Going ahead, the management expects credit growth to improve further unless being hurt by macro-disruption, which, coupled with improved fee growth and lower credit costs (1.6-1.7% down from 2.6%), should drive up RoAs. We expect the bank to deliver an RoA of 1.3-1.7% over FY27-29E, up from a low of 0.6% in FY26 dragged by portfolio clean-up. Thus, we retain BUY and raise the TP by 22% to Rs220 (from Rs 180), valuing the bank at 1.2x FY28E ABV, factoring in the improving growth and RoA trajectory.

Growth recovery and margin expansion continue in Q4

Bandhan clocked AUM growth of 12.6% YoY/6.2% QoQ, primarily led by the non-MFI segment and recovery in MFI (+7.6% QoQ). Margin improved 30bps QoQ to 6.2%, aided by lower costs and reduced interest reversals. The management expects a further 15–20bps sequential improvement over the next 2–3 quarters, driven by the repricing of high-cost deposits. Yields remained resilient despite repo cuts, aided by the sale of low-yielding NPA assets and a better loan mix. The management reiterated its FY27 exit aspiration of ~6.0% NIM on total assets (~6.5% on earnings assets) and ROA of 1.6–1.7% and maintains loan growth guidance of 14-15%.

Stress easing; credit costs guided at 1.6–1.7% by FY27

Gross slippages moderated but remained elevated at ~Rs10.3bn (3.1% of loans), with steady recoveries and write-offs driving a 6bps improvement in GNPA to 3.3%. Further, the overall DPD pool improved from 4.6% to 3.1%, led by a sharp decline in the 0 DPD bucket, with no adverse impact observed so far from elections or weather-related factors, thereby keeping collection efficiency steady. The bank expects ~Rs12.5bn ECL transition impact based on the Dec-25 portfolio, to be amortized over five years (~Rs2.5bn annually), implying ~16–17bps drag on capital ratios. On the unsecured (largely MFI) book, the bank holds Rs10.7bn of standard asset provisions and a Rs1.36bn management overlay, taking provisioning to ~1%, ~35bps above regulatory norms. Accordingly, the management has retained its credit cost guidance of 1.6–1.7% by FY27, despite near-term uncertainties.

We retain BUY

We estimate the bank to deliver 1.3-1.7% RoA over FY27-29E, up from a low of 0.6% in FY26 dragged by portfolio clean-up. Thus, we retain BUY and raise the TP by 22% to Rs220, valuing the bank at 1.2x FY28E ABV, factoring in improving growth and RoA trajectory. Key risks: Slower-than-expected growth and delay in asset-quality recovery, particularly given the elections in its home states of WB and Assam, and El-Nino effect.

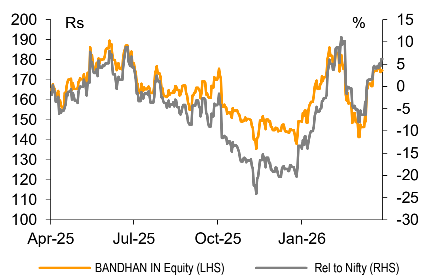
Target Price – 12M	Mar-27
Change in TP (%)	**22.2**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	22.9

Stock Data	**BANDHAN IN**
52-week High (Rs)	192
52-week Low (Rs)	134
Shares outstanding (mn)	1,611.0
Market-cap (Rs bn)	288
Market-cap (USD mn)	3,044
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	10.2
ADTV-3M (Rs mn)	1,828.4
ADTV-3M (USD mn)	19.3
Free float (%)	51.5
Nifty-50	23,995.7
INR/USD	94.5
Shareholding,Mar-26	
Promoters (%)	39.0
FPIs/MFs (%)	22.1/22.3

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	20.0	16.5	8.8
Rel. to Nifty	14.1	23.0	10.3

1-Year share price trend (Rs)



Bandhan Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Net profit	27,453	12,236	30,246	40,606	53,083
Loan growth (%)	9.0	13.7	15.0	18.3	20.2
NII growth (%)	11.4	(5.8)	10.2	20.5	19.8
NIM (%)	6.6	5.7	5.5	5.7	5.8
PPOP growth (%)	11.3	(20.6)	12.3	26.4	24.0
Adj. EPS (Rs)	17.0	7.6	18.8	25.2	33.0
Adj. EPS growth (%)	23.1	(55.4)	147.2	34.3	30.7
Adj. BV (INR)	144.9	152.0	168.8	191.2	220.0
Adj. BVPS growth (%)	13.3	4.9	11.1	13.3	15.1
RoA (%)	1.5	0.6	1.3	1.5	1.7
RoE (%)	11.9	4.9	11.2	13.5	15.5
P/E (x)	10.5	23.5	9.5	7.1	5.4
P/ABV (x)	1.2	1.2	1.1	0.9	0.8

Source: Company, Emkay Research

Anand Dama
anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Aman Mehta
aman.mehta@emkayglobal.com
+91-22-66121275

Key concall takeaways

Outlook on loans, deposits, and NIM

- The bank maintains its guidance of ~14–15% credit growth, with continued focus on ensuring deposit growth keeps pace with, or outpaces, advances.
- Vehicle loans comprise 2W and car loans, with the borrower mix including salaried and self-employed customers, though the salaried segment forms the majority. In other vehicle finance, which includes CV and construction equipment, the bank is primarily focused on strategic customers, while ~9–10% of customers are retail fleet owners with fewer than 10 vehicles. Cross-selling remains a key lever, with nearly 20% of vehicle finance volumes sourced from the bank's existing branch customer base.
- The vehicle loan portfolio comprises ~Rs30bn in commercial vehicles, ~Rs17bn in construction equipment, ~Rs18bn in car loans, and ~Rs9bn in two-wheeler loans.
- Deposits from government departments have also been reduced by ~Rs32bn over the past year and now constitute only ~12% of the overall deposit base.
- Current account growth was driven by a focused push into affluent and granular customer segments, delivering steady MoM accretion with limited seasonality, further supported by contributions from the trust segment and ongoing business initiatives.
- Bulk deposits now account for ~26% of total deposits vs 31% last year, reflecting a deliberate shift away from higher-cost, less stable funding toward a more resilient and granular liability mix. Notably, ~89% of the bulk deposit base is non-callable.
- The bank's conscious reduction in high-cost bulk deposits has strengthened its liability profile and improved granularity, which, along with a sustained decline in cost of funds, has supported an upward trend in margins during the quarter.
- Deposit repricing has largely begun to flow through, leading to an improvement in cost of funds during Q1. Consequently, NIM expanded sequentially by 30bps, driven mainly by lower funding costs and partly by reduced slippages, resulting in lower interest reversals. Over the next 2–3 quarters, as more term deposits come up for renewal, the management expects a further 10–20bps improvement in NIMs from continued easing of cost of funds.
- The December repo rate cut of 25bps led to ~11bps impact on yields, affecting ~46% of the book, partly offsetting growth benefits. Earlier interest income impacts from past rate cuts and internal MCLR rationalization also influenced reported trends, though the balance sheet has now stabilized. Overall, the underlying growth momentum remains strong, with benefits expected to flow through in subsequent quarters.
- Reported yields improved QoQ despite repo cuts, mainly due to the Q3 NPA sale, which removed low-yielding assets and lifted overall portfolio yield. Additional support came from a better asset mix, with strong growth in the EEB book (+8% QoQ) and overall advances (+6% QoQ), improving blended yields.
- The management clarified that the 15–20bps margin improvement guidance is sequential, based on the current ~6.2% NIM, and is expected to play out over the next 2–3 quarters. The longer-term target remains ~6% on total assets (~6.5% on earnings assets) by exit FY27, with an additional ~10bps still to be identified to fully bridge the gap.

Asset quality

- The management indicated that the expected ECL transition impact, based on the Dec-25 portfolio and the earlier draft circular, is approximately Rs12.5bn. As permitted under the framework, this impact can be amortized over five years, translating into an annual charge of ~Rs2.5bn. Since the adjustment can be routed through retained earnings or capital reserves, the annual impact on capital ratios is estimated at ~16–17bps over the five-year transition period.
- On the unsecured portfolio, primarily MFI, the bank currently holds standard asset provisions of ~Rs10.72bn. This includes an additional 0.75% provision on all standard

assets, along with an extra overlay provision of ~Rs1.36bn. The management highlighted that existing provisioning levels are already conservative, with total standard asset provisions effectively at ~1%, which is ~35bps higher than the current regulatory requirement.

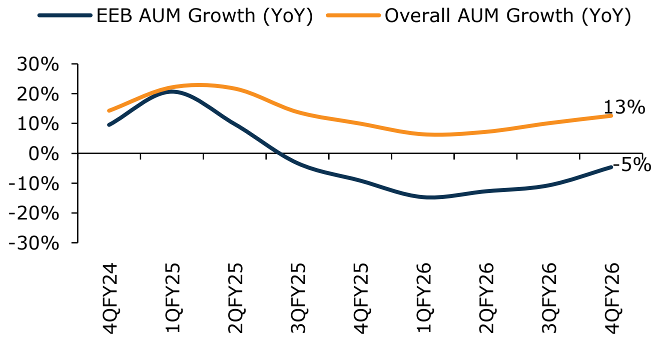
- So far, the bank has not seen any adverse impact on collections from elections or weather-related factors, with collection efficiency being stable.
- The bank has seen improvement in the overall DPD pool, declining from 4.6% to 3.1%, driven mainly by a sharp reduction in the 0 DPD, which should support stable performance, going forward.
- The management has maintained its credit cost guidance of 1.6–1.7% by FY27, despite near-term uncertainties. While macro risks such as geopolitical tensions, fuel prices, and broader economic spillovers remain, current portfolio trends continue to show improving credit quality and early green shoots.
- The management clarified that NPA/ARC sales remain an available tool under overall credit risk management, but there are no immediate plans and such actions are not expected to be frequent or done every quarter.
- MFI slippage for the quarter stood at ~Rs6.90bn, while recoveries were ~Rs1.42bn, resulting in net slippages of ~Rs5.48bn.

Others

- The bank has upgraded most of Housing Finance centers to full-fledged banking branches, and some of them also got merged with the existing branches.
- The bank expects PSL shortfall costs to decline by nearly 50% this year vs last year, after incurring elevated costs, including ~Rs600mn in Q4. Over the next year, the shortfall is expected to be largely neutralized, with the bank thereafter aiming to generate income from surplus PSL through stronger agri, microfinance, and small/marginal farmer loan sourcing.
- The improvement in PSL classification is largely process-driven, with eligible agriculture and allied agri loans now being properly captured in the system. In the EEB segment, PSL-qualified loans have already risen from ~10–15% a year ago to ~40% currently and are expected to increase further to ~60–65% going ahead, vs 40%.
- Profitability improved sequentially, supported by lower deposit costs, higher other income, and reduced slippages, leading to lower credit costs, partly offset by higher expenses. The management continues to target an exit ROA of 1.6–1.7% by FY27 (±10bps).
- The average LCR for the quarter remained broadly in the 130–140% range, while periodic LCR stood at ~131%. The moderation from earlier levels (~200%) is mainly due to the planned reduction in bulk deposits, which has also supported margins and overall liquidity optimization.
- The management reiterated forward-looking guidance of ROA in the range of 1.6%-1.8% by the exit of Q4 FY27 (give or take 10bps), driven by further reduction in credit costs toward 1.6-1.7%, growth in other income, ~50% reduction in PSL costs in FY27, and a loan book growth target of ~14-15%.

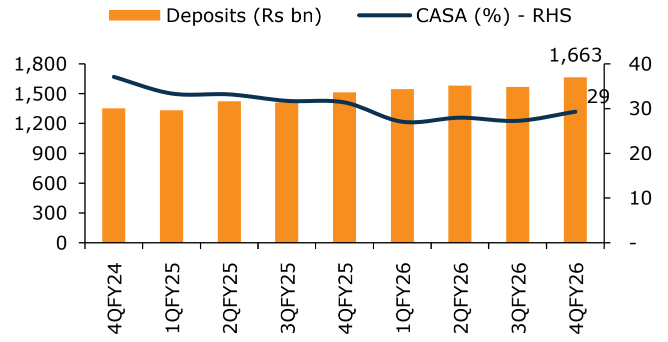
Story in charts

Exhibit 1: Bandhan's AUM growth improves, led by the non-MFI segment and MFI recovery



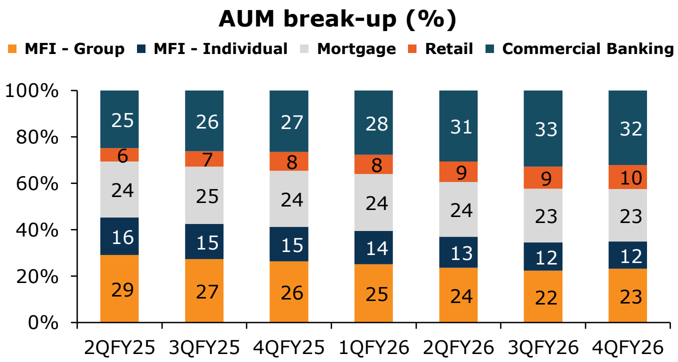
Source: Company, Emkay Research

Exhibit 2: Deposit growth picked up, led by traction in CASA



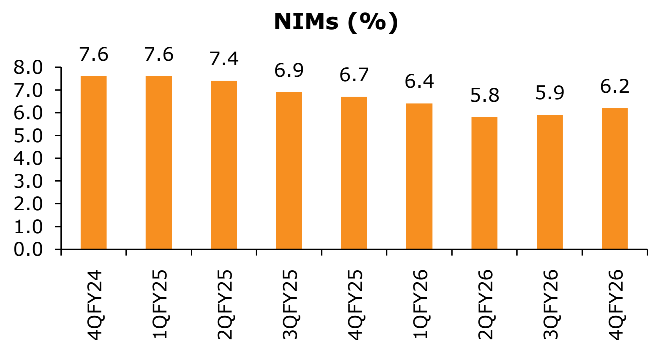
Source: Company, Emkay Research

Exhibit 3: Portfolio diversification continues, with the share of MFI declining as the bank targets to increase its secured portfolio



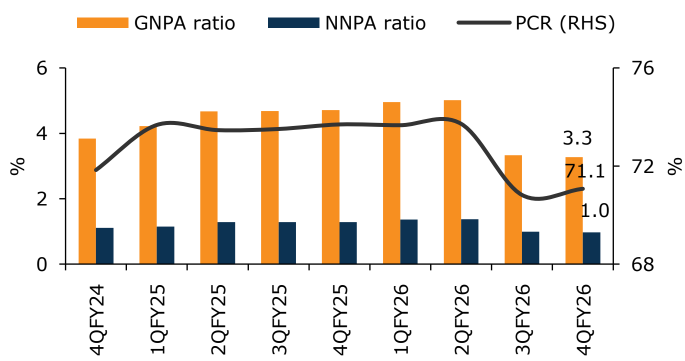
Source: Company, Emkay Research

Exhibit 4: Margin improved by 30bps QoQ, aided by lower costs and MFI recovery



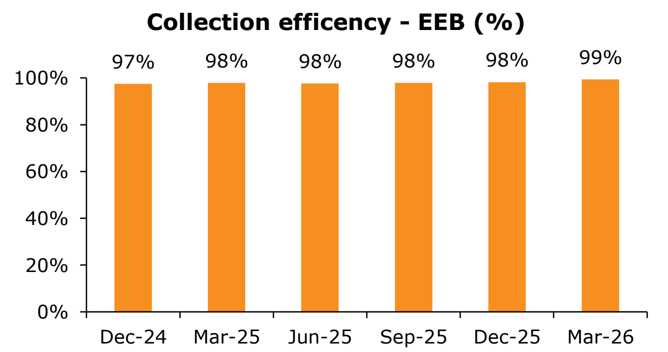
Source: Company, Emkay Research

Exhibit 5: Gross slippages moderated but remained elevated, while high write-offs contributed to a sharp improvement in GNPA



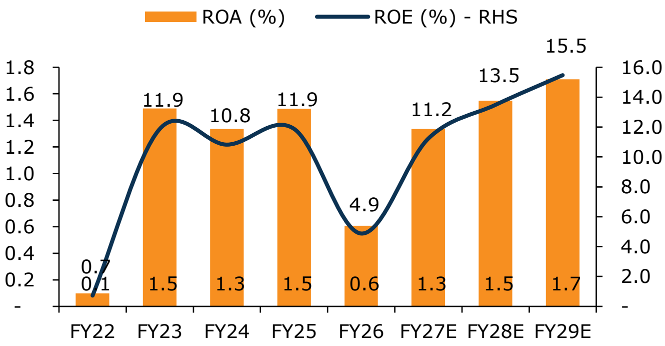
Source: Company, Emkay Research

Exhibit 6: Collection efficiency marginally improved QoQ



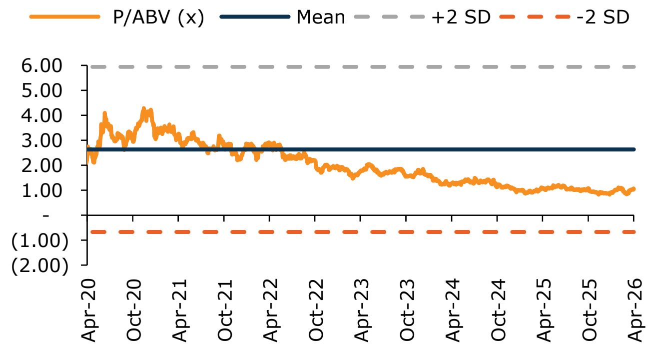
Source: Company, Emkay Research

Exhibit 7: Enhanced cross-selling and lower LLP set to improve return ratios



Source: Company, Emkay Research

Exhibit 8: The stock currently trades at ~1.x 1Y forward ABV



Source: Company, Emkay Research

Exhibit 9: Actuals vs estimates (Q4FY26)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	35,663	35,197	34,165	1%	4%	In-line NII and higher other income led to a beat.
PPOP	14,412	15,164	15,284	-5%	-6%	Higher net income, partly offset by higher opex, led to PPOP miss.
PAT	5,341	4,822	4,117	11%	30%	Lower PPoP, partly offset by lower provisions, led to PAT beat.

Source: Emkay Research

Exhibit 10: Quarterly summary

(Rs mn)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY (%)	QoQ (%)	FY26	FY27E	YoY (%)
Interest earned	54,339	54,756	53,538	54,312	54,284	0	0	216,891	232,352	7
Interest expenses	26,780	27,184	27,653	27,429	26,328	-2	-4	108,594	112,960	4
Net interest income	27,559	27,572	25,886	26,883	27,956	1	4	108,297	119,393	10
Global NIMs (reported)	6.70	6.40	5.80	5.90	6.20	-50bps	30bps	5.67	5.52	-15bps
Non-interest income	6,996	7,259	5,464	6,910	7,707	10	12	27,340	27,868	2
Operating expenses	18,842	18,147	18,246	19,343	21,251	13	10	76,988	81,424	6
Pre-provisioning profit	15,713	16,684	13,104	14,450	14,412	-8	0	58,649	65,837	12
Provision and contingencies	12,602	11,469	11,526	11,546	6,770	-46	-41	41,311	25,776	-38
PBT	3,112	5,215	1,578	2,904	7,641	146	163	17,338	40,061	131
Income tax expense (Gain)	-67	1,495	459	848	2,300	-3,520	171	5,102	9,815	92
Net profit/(loss)	3,179	3,720	1,119	2,056	5,341	68	160	12,236	30,246	147
Gross NPA (%)	4.71	4.96	5.01	3.33	3.27	-144bps	-6bps	3.27	2.74	-53bps
Net NPA (%)	1.28	1.36	1.37	0.99	0.97	-31bps	-2bps	0.97	0.84	-13bps
Deposits (Rs bn)	1,512	1,547	1,581	1,567	1,663	10	6	1,663	1,930	16
Net advances (Rs bn)	1,320	1,285	1,346	1,411	1,501	14	6	1,501	1,726	15

Source: Company, Emkay Research

Exhibit 11: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	158,332	147,261	-7.0%	187,872	174,049	-7.4%	NA	206,237	NA
PPOP	75,103	65,837	-12.3%	92,665	83,204	-10.2%	NA	103,143	NA
PAT	27,688	30,246	9.2%	43,906	40,606	-7.5%	NA	53,083	NA
EPS (Rs)	17.2	18.8	9.2%	27.3	25.2	-7.5%	NA	33.0	NA
BV (Rs)	172.7	175.5	1.6%	196.9	198.2	0.7%	NA	227.7	NA

Source: Emkay Research

Exhibit 12: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
AUM growth	12.6	15.0	18.0	20.0
Deposit growth	10.0	16.0	18.7	20.9
NIM	5.7	5.5	5.7	5.8
GNPA	3.3	2.7	2.4	2.2
Credit cost	2.6	1.7	1.5	1.4

Source: Emkay Research

Exhibit 13: Key ratios and trends

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Loans (Rs mn)	**1,211,368**	**1,215,900**	**1,260,557**	**1,273,800**	**1,319,873**	**1,285,100**	**1,345,928**	**1,411,000**	**1,501,038**
growth YoY (%)	*11.0*	*17.9*	*17.1*	*15.6*	*9.0*	*5.7*	*6.8*	*10.8*	*13.7*
Loans QoQ (%)	*9.9*	*0.4*	*3.7*	*1.1*	*3.6*	*(2.6)*	*4.7*	*4.8*	*6.4*
Composition (%)									
Micro-banking assets	49.9	49.1	45.3	42.5	41.3	39.5	36.9	34.5	35.0
Non-micro banking assets	50.1	50.9	54.7	57.5	58.7	60.5	63.1	65.5	65.0
Liability profile									
Deposits (Rs mn)	**1,352,020**	**1,332,100**	**1,425,095**	**1,410,020**	**1,512,125**	**1,546,700**	**1,580,746**	**1,567,240**	**1,663,444**
growth YoY (%)	*25.1*	*22.8*	*27.2*	*20.1*	*11.8*	*16.1*	*10.9*	*11.2*	*10.0*
growth QoQ (%)	*15.1*	*(1.5)*	*7.0*	*(1.1)*	*7.2*	*2.3*	*2.2*	*(0.9)*	*6.1*
CASA *(%)*	37.1	33.4	33.2	31.7	31.4	27.1	28.0	27.3	29.3
CA *(%)*	7.1	4.6	4.5	4.3	5.4	4.2	4.9	5.1	6.9
SA *(%)*	29.9	28.8	28.7	27.4	26.0	22.9	23.1	22.2	22.4
Asset quality (Rs mn)									
Gross NPA	47,849	53,044	61,053	61,785	64,356	66,226	70,151	48,050	50,196
GNPA *(%)*	3.8	4.2	4.7	4.7	4.7	5.0	5.0	3.3	3.3
NPA	13,476	13,964	16,202	16,367	16,928	17,442	18,435	14,021	14,521
NNPA *(%)*	1.1	1.1	1.3	1.3	1.3	1.4	1.4	1.0	1.0
PCR – Specific *(%)*	71.8	73.7	73.5	73.5	73.7	73.7	73.7	70.8	71.1
Capital adequacy *(%)*									
CAR	18.3	15.0	14.3	14.4	18.7	19.1	18.2	17.3	18.0
Tier I	17.2	14.1	13.6	13.7	17.9	18.3	17.4	16.5	17.3
ROA	0.1	2.5	2.1	1.9	0.7	0.8	0.2	0.4	1.1
ROE	1.0	18.8	16.0	13.8	5.2	5.9	1.8	3.2	8.5

Source: Company, Emkay Research

Bandhan Bank: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	219,482	216,891	232,352	263,972	309,295
Interest Expense	104,576	108,594	112,960	120,090	136,854
Net interest income	**114,906**	**108,297**	**119,393**	**143,883**	**172,440**
NII growth (%)	11.4	(5.8)	10.2	20.5	19.8
Other income	29,666	27,340	27,868	30,166	33,797
Total Income	**144,572**	**135,637**	**147,261**	**174,049**	**206,237**
Operating expenses	70,685	76,988	81,424	90,845	103,094
PPOP	**73,887**	**58,649**	**65,837**	**83,204**	**103,143**
PPOP growth (%)	11.3	(20.6)	12.3	26.4	24.0
Core PPOP	**72,532**	**55,637**	**62,976**	**80,771**	**100,954**
Provisions & contingencies	37,654	41,311	25,776	28,917	32,177
PBT	**36,233**	**17,338**	**40,061**	**54,286**	**70,967**
Extraordinary items	0	0	0	0	0
Tax expense	8,780	5,102	9,815	13,680	17,884
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**27,453**	**12,236**	**30,246**	**40,606**	**53,083**
PAT growth (%)	23.1	(55.4)	147.2	34.3	30.7
Adjusted PAT	**27,453**	**12,236**	**30,246**	**40,606**	**53,083**
Diluted EPS (Rs)	**17.0**	**7.6**	**18.8**	**25.2**	**33.0**
Diluted EPS growth (%)	23.1	(55.4)	147.2	34.3	30.7
DPS (Rs)	**1.5**	**1.5**	**2.0**	**2.5**	**3.5**
Dividend payout (%)	**8.8**	**19.7**	**10.7**	**9.9**	**10.6**
Effective tax rate (%)	24.2	29.4	24.5	25.2	25.2
Net interest margins (%)	6.6	5.7	5.5	5.7	5.8
Cost-income ratio (%)	48.9	56.8	55.3	52.2	50.0
Shares outstanding (mn)	1,611.0	1,611.0	1,611.0	1,611.0	1,611.0

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	16,110	16,110	16,110	16,110	16,110
Reserves & surplus	229,940	239,639	266,663	303,242	350,686
Net worth	**246,050**	**255,749**	**282,773**	**319,352**	**366,796**
Deposits	1,512,125	1,663,444	1,930,181	2,291,016	2,770,033
Borrowings	111,385	143,028	135,799	130,860	126,111
Interest bearing liab.	**1,623,510**	**1,806,473**	**2,065,980**	**2,421,876**	**2,896,144**
Other liabilities & prov.	**45,203**	**49,016**	**71,406**	**88,597**	**117,380**
Total liabilities & equity	**1,914,763**	**2,111,237**	**2,420,160**	**2,829,824**	**3,380,321**
Net advances	1,319,873	1,501,038	1,725,752	2,040,959	2,452,967
Investments	407,123	386,683	459,244	533,982	633,579
Cash, other balances	95,694	139,511	144,619	157,422	188,249
Interest earning assets	**1,822,690**	**2,027,232**	**2,329,614**	**2,732,364**	**3,274,795**
Fixed assets	11,804	14,013	15,641	17,448	19,525
Other assets	80,269	69,992	74,905	80,012	86,001
Total assets	**1,914,763**	**2,111,237**	**2,420,160**	**2,829,824**	**3,380,321**
BVPS (Rs)	152.7	158.8	175.5	198.2	227.7
Adj. BVPS (INR)	144.9	152.0	168.8	191.2	220.0
Gross advances	1,319,873	1,503,791	1,759,436	2,076,134	2,491,361
Credit to deposit (%)	87.3	90.2	89.4	89.1	88.6
CASA ratio (%)	31.4	29.3	29.9	31.5	33.2
Cost of deposits (%)	6.7	6.4	5.9	5.4	5.1
Loans-to-Assets (%)	68.9	71.1	71.3	72.1	72.6
Net advances growth (%)	9.0	13.7	15.0	18.3	20.2
Deposit growth (%)	11.8	10.0	16.0	18.7	20.9
Book value growth (%)	13.9	3.9	10.6	12.9	14.9

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	64,356	50,196	48,120	50,250	54,849
Net NPLs	16,928	14,521	14,436	15,075	16,455
GNPA ratio (%)	4.7	3.3	2.7	2.4	2.2
NNPA ratio (%)	1.3	1.0	0.8	0.7	0.7
Provision coverage (%)	73.7	71.1	70.0	70.0	70.0
Gross slippages	53,700	54,800	41,505	42,587	45,994
Gross slippage ratio (%)	3.5	3.0	2.3	2.0	1.8
LLP ratio (%)	2.8	2.6	1.7	1.5	1.4
NNPA to networth (%)	6.6	5.4	4.9	4.5	4.2
Capital adequacy					
Total CAR (%)	19.5	18.4	17.7	17.1	16.4
Tier-1 (%)	18.5	17.5	16.9	16.4	15.8
CET-1 (%)	18.5	17.5	16.9	16.4	15.8
RWA-to-Total Assets (%)	67.0	67.0	67.0	67.0	67.0
Miscellaneous					
Total income growth (%)	18.4	(2.0)	6.5	13.0	16.6
Opex growth (%)	20.8	8.9	5.8	11.6	13.5
Core PPOP growth (%)	11.5	(23.3)	13.2	28.3	25.0
PPOP margin (%)	29.7	24.0	25.3	28.3	30.1
PAT/PPOP (%)	37.2	20.9	45.9	48.8	51.5
LLP-to-Core PPOP (%)	51.9	74.3	40.9	35.8	31.9
Yield on advances (%)	15.5	13.3	12.6	12.3	12.1
Cost of funds (%)	6.7	6.3	5.8	5.4	5.1

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	10.5	23.5	9.5	7.1	5.4
P/B (x)	1.2	1.1	1.0	0.9	0.8
P/ABV (x)	1.2	1.2	1.1	0.9	0.8
P/PPOP (x)	3.9	4.9	4.4	3.5	2.8
Dividend yield (%)	0.8	0.8	1.1	1.4	2.0
DuPont-RoE split (%)					
NII/avg assets	6.2	5.4	5.3	5.5	5.6
Other income	1.6	1.4	1.2	1.1	1.1
Fee income	1.4	1.2	1.1	1.1	1.0
Opex	3.8	3.8	3.6	3.5	3.3
PPOP	**4.0**	**2.9**	**2.9**	**3.2**	**3.3**
Core PPOP	3.9	2.8	2.8	3.1	3.3
Provisions	2.0	2.1	1.1	1.1	1.0
Tax expense	0.5	0.3	0.4	0.5	0.6
RoA (%)	**1.5**	**0.6**	**1.3**	**1.5**	**1.7**
Leverage ratio (x)	8.0	8.0	8.4	8.7	9.1
RoE (%)	**11.9**	**4.9**	**11.2**	**13.5**	**15.5**

Quarterly data

Rs mn, Y/E Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	27,559	27,572	25,886	26,883	27,956
NIM (%)	6.7	6.4	5.8	5.9	6.2
PPOP	15,713	16,684	13,104	14,450	14,412
PAT	3,179	3,720	1,119	2,056	5,341
EPS (Rs)	1.9	2.3	0.7	1.3	3.3

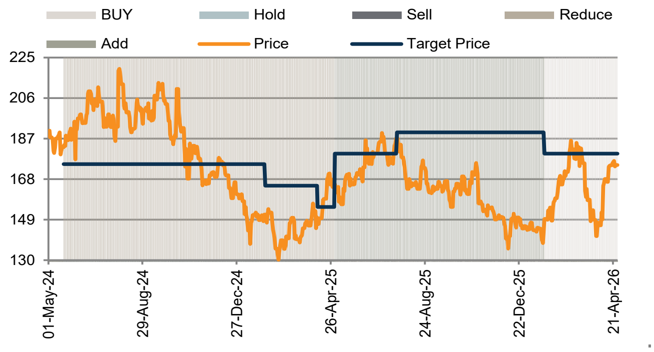
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
23-Jan-26	149	180	Buy	Anand Dama
31-Oct-25	157	190	Add	Anand Dama
19-Jul-25	187	190	Add	Anand Dama
07-Jul-25	177	180	Add	Anand Dama
14-May-25	167	180	Add	Anand Dama
01-May-25	166	180	Add	Anand Dama
09-Apr-25	147	155	Reduce	Anand Dama
01-Feb-25	151	165	Reduce	Anand Dama
27-Oct-24	168	175	Reduce	Anand Dama
27-Jul-24	193	175	Reduce	Anand Dama
20-May-24	183	175	Reduce	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of April 29, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of April 29, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the April 29, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

SESHADRI KUMAR SEN

Digitally signed by SESHADRI KUMAR SEN
Date: 2026.04.29 07:52:18 +05'30'