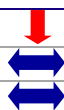


Bandhan Bank

Estimate change

TP change

Rating change



Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	266.8 / 3.2
52-Week Range (INR)	222 / 128
1, 6, 12 Rel. Per (%)	10/-7/-19
12M Avg Val (INR M)	2536

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	114.9	122.4	134.8
OP	73.9	74.6	80.8
NP	27.5	31.9	38.6
NIM (%)	6.7	6.4	6.2
EPS (INR)	17.0	19.8	23.9
EPS Gr. (%)	23.1	16.3	20.8
BV/Sh. (INR)	153	159	177
ABV/Sh. (INR)	145	151	168

Ratios

RoA (%)	1.5	1.6	1.7
RoE (%)	11.9	12.7	14.3

Valuations

P/E(X)	9.7	8.3	6.9
P/BV (X)	1.1	1.0	0.9
P/ABV (X)	1.1	1.1	1.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	40.0	40.0	40.0
DII	16.4	15.5	12.5
FII	22.7	23.2	31.2
Others	20.9	21.3	16.3

FII Includes depository receipts

CMP: INR166

TP: INR170 (+3%)

Neutral

Modest quarter; high provisions dent earnings

MFI mix moderated to 41%

- Bandhan Bank (BANDHAN) reported 4QFY25 PAT of INR3.2b (up 480% YoY), 29% below our estimate due to lower other income and higher provisions.
- NII declined 4% YoY/3% QoQ to INR27.6b (in line). Margins contracted 21bp QoQ to 6.7% due to a change in the product mix toward secured advances and higher slippages/interest reversals.
- Opex grew 9.4% YoY to INR18.8b (in line). C/I ratio thus rose to 54.5%.
- Net advances grew 9% YoY/4% QoQ, while deposits grew 12% YoY/7.2% QoQ. CASA mix stood at 31.4%. CD ratio improved to 87%.
- GNPA ratio increased 3bp QoQ to 4.7%, while NNPA stood flat at 1.3%. Slippages increased to INR17.5b vs. INR16.2b in 3QFY25 due to continued stress in MFI. SMA book declined 50bp QoQ to 3.3%.
- **We cut our earnings estimates by 10%/7% for FY26/FY27 and expect FY27E RoA/RoE of 1.7%/14.3%. Reiterate Neutral with a TP of INR170 (1.0x FY27E ABV).**

Asset quality remains under pressure; NIM down 21bp QoQ

- Bandhan reported 4QFY25 PAT of INR3.2b (480% YoY growth, 29% miss), led by lower other income and higher provisions. In FY25, earnings grew 23% YoY to INR27b.
- NII declined 4% YoY/3% QoQ to INR27.6b (in line). Margins declined 21bp QoQ to 6.7%.
- Other income was flat YoY/down 36% QoQ at INR7b (15% miss), resulting in 3% YoY decline in total revenue (5% miss). Opex grew 9.4% YoY to INR18.8b (in line). C/I ratio thus increased to 54.5%. PPop declined 15% YoY to INR15.7b (8% miss).
- Gross advances grew 9.8% YoY/3.8% QoQ. EEB book declined 9.2% YoY (flat QoQ), whereas non-micro credit book rose 29% YoY (6% QoQ). Mix of EEB moderated to 41%.
- Deposit grew 12% YoY/7.2% QoQ. CASA ratio moderated 36bp QoQ to 31.4%.
- GNPA ratio increased 3bp QoQ to 4.7%, while NNPA remained flat at 1.3%. PCR stood at 73.7%. Slippages increased to INR17.5b from INR16.2b in 3QFY25 due to continued stress in MFI. SMA book declined 50bp QoQ to 3.3%.

Highlights from the management commentary

- The bank aims to expand its asset book with secured advances mix expected at ~55% of total advances by FY27.
- Advances growth is expected at ~15-17% CAGR over the next three years. Deposits are expected to grow more than advances with lower reliance on bulk deposits.

- Bandhan will continue to invest and expects its opex-to-avg asset ratio to increase ~10-20bp over the coming quarters.
- Management suggested credit cost to remain elevated in 1HFY26 and expects 1.5-1.6% over the next 2-3 years. RoA is expected to be ~1.8-1.9% over 2-3 years.

Valuation and view

BANDHAN reported a weak quarter as margins contracted significantly and provisions remained elevated. Loan growth was suppressed as MFI book declined with the segment mix reducing to 41%. The reduction in repo rate and the mix of unsecured/MFI loans will affect margins. Deposit growth was higher than advances growth, though CASA ratio moderated further. Asset quality deteriorated as slippages continued to rise by 72% YoY amid rise in stress in MFI book. **We cut our earnings estimates by 10%/7% for FY26/ FY27 and expect FY27E RoA/RoE of 1.7%/14.3%. Reiterate Neutral with a TP of INR170 (1.0x FY27E ABV).**

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	V/S our Est
Net Interest Income	24.9	24.4	25.3	28.7	30.1	29.5	28.3	27.6	103.3	114.9	28.1	-2%
% Change (YoY)	-0.9	11.4	21.4	16.0	20.7	20.7	12.1	-3.9	11.5	11.3	-2.1	
Other Income	3.9	5.4	5.5	6.9	5.3	5.9	11.0	7.0	21.6	29.7	8.2	-15%
Total Income	28.8	29.8	30.7	35.6	35.3	35.4	39.3	34.6	124.9	144.6	36.3	-5%
Operating Expenses	13.1	14.0	14.2	17.2	15.9	16.9	19.0	18.8	58.5	70.7	19.2	-2%
Operating Profit	15.6	15.8	16.6	18.4	19.4	18.6	20.2	15.7	66.4	73.9	17.1	-8%
% Change (YoY)	-14.2	2.0	-13.9	2.4	24.2	17.2	22.1	-14.5	-6.4	11.3	-6.9	
Provisions	6.0	6.4	6.8	17.7	5.2	6.1	13.8	12.6	37.0	37.7	10.8	16%
Profit Before Tax	9.6	9.5	9.7	0.6	14.2	12.5	6.5	3.1	29.4	36.2	6.3	-51%
Tax	2.4	2.3	2.4	0.1	3.5	3.1	2.2	-0.1	7.1	8.8	1.8	-104%
Net Profit	7.2	7.2	7.3	0.5	10.6	9.4	4.3	3.2	22.3	27.5	4.5	-29%
% Change (YoY)	-18.7	244.6	152.2	-93.2	47.5	30.0	-41.8	482.0	1.6	23.1	722.8	
Operating Parameters												
Deposits (INR b)	1,085	1,121	1,174	1,352	1,332	1,425	1,410	1,512	1,352	1,512	1,503	1%
Loans (INR b)	982	1,020	1,102	1,211	1,216	1,261	1,274	1,320	1,211	1,320	1,349	-2%
Deposit Growth (%)	16.6	12.8	14.8	25.1	22.8	27.2	20.1	11.8	25.1	11.8	11.2	
Loan Growth (%)	8.0	13.1	19.6	15.6	23.8	23.6	15.6	9.0	15.6	9.0	11.4	
Asset Quality												
Gross NPA (%)	6.8	7.3	7.0	3.8	4.2	4.7	4.7	4.7	3.8	4.7	4.6	
Net NPA (%)	2.2	2.3	2.2	1.1	1.2	1.3	1.3	1.3	1.1	1.3	1.4	
PCR (%)	69.2	70.0	70.0	71.8	73.7	73.5	73.5	73.7	71.8	73.8	71.7	

E: MOFSL Estimates

Quarterly snapshot

Profit and Loss, INRb	FY24				FY25				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Net Interest Income	24.91	24.43	25.25	28.66	30.05	29.48	28.30	27.56	-4	-3
Other Income	3.85	5.40	5.45	6.94	5.28	5.95	10.96	7.00	1	-36
Total Income	28.76	29.84	30.71	35.60	35.33	35.43	39.26	34.56	-3	-12
Operating Expenses	13.13	14.00	14.15	17.22	15.92	16.88	19.05	18.84	9	-1
Employee	8.12	8.62	8.99	9.70	10.05	10.44	12.27	10.84	12	-12
Others	5.02	5.38	5.16	7.52	5.86	6.44	6.77	8.00	6	18
Operating Profits	15.62	15.83	16.55	18.38	19.41	18.55	20.21	15.71	-15	-22
Core Operating Profits	15.07	15.48	16.55	18.38	19.41	18.55	20.21	15.71	-15	-22
Provisions	6.02	6.36	6.84	17.74	5.23	6.06	13.76	12.60	-29	-8
PBT	9.60	9.47	9.71	0.64	14.18	12.49	6.45	3.11	385	-52
Taxes	2.39	2.26	2.39	0.10	3.54	3.11	2.19	-0.07	-171	-103
PAT	7.21	7.21	7.33	0.55	10.63	9.37	4.26	3.18	482	-25
Balance Sheet, INRb										
Loans	982	1,020	1,102	1,211	1,216	1,261	1,274	1,320	9	4
- Retail	32	37	43	55	61	72	85	106	94	24
- Commercial Banking	205	218	238	262	271	311	332	350	34	5
Deposits	1,085	1,121	1,174	1,352	1,332	1,425	1,410	1,512	12	7
CASA Deposits	391	432	424	502	445	473	447	474	-5	6
- Current	52	63	67	97	62	64	61	81	-16	32
- Saving	339	369	358	405	383	409	386	394	-3	2
Loan Mix (%)										
Micro Loans	49.7	50.2	49.7	49.9	49.3	45.4	42.5	41.3	-863	-124
Non Micro Loans	50.3	49.8	50.3	50.1	50.7	54.6	57.5	58.7	863	124
- SME Loans	26.1	24.9	24.9	24.0	23.4	24.2	24.7	24.2	17	-57
- Small Enterprise	10.2	10.9	12.4	11.4	11.3	12.7	14.1	26.5	1,517	1,245
- NBFC MFI's	10.7	10.4	9.2	10.3	11.0	12.0	12.1	NA	NA	NA
Asset Quality, INRb										
GNPA	70	79	81	48	53	61	62	64	34	4
NNPA	21	24	24	13	14	16	16	17	26	3
Asset Quality Ratios									YoY (bp)	QoQ (bp)
GNPA (%)	6.8	7.3	7.0	3.8	4.2	4.7	4.7	4.7	87	3
NNPA (%)	2.2	2.3	2.2	1.1	1.2	1.3	1.3	1.3	17	0
PCR (Calc, %)	69.2	70.0	70.0	71.8	73.7	73.5	73.5	73.7	186	19
SMA Movement (EEB) (%)										
SMA 0	2.6	1.8	1.4	0.6	0.9	1.5	1.4	1.5	90	10
SMA 1	1.5	1.1	1.0	0.6	0.7	0.9	1.2	0.9	30	-30
SMA 2	1.4	1.3	0.9	0.8	0.7	0.9	1.2	0.9	10	-30
Business Ratios (%)										
CASA (%)	36.0	38.5	36.1	37.1	33.4	33.2	31.7	31.4	-572	-36
Loan/Deposit	90.5	91.0	93.8	89.6	91.3	88.5	90.3	87.3	-231	-305
Cost to Core Income	46.6	47.5	46.1	48.4	45.1	47.6	48.5	54.5	616	601
Cost to Assets	3.5	3.7	3.6	3.9	3.7	3.8	4.1	3.9	6	-21
Tax Rate	24.9	23.9	24.6	14.9	25.0	24.9	33.9	-2.2	-1,701	-3,608
Capitalisation Ratios (%)										
Tier-1	18.8	18.2	16.9	17.2	14.1	13.6	13.7	17.9	70	420
- CET 1	18.8	18.2	16.9	17.2	14.1	13.6	13.7		-1,720	-1,370
CAR	19.8	19.2	17.9	18.3	15.0	14.3	14.4	18.7	40	430
LCR	182.8	154.6	157.9	129.9	166.0	151.0	146.5	0.0	NA	NA
Profitability Ratios (%)										
Yield	13.3	13.3	13.4	13.8	13.9	13.7	13.3	13.1	-70	-20
Cost of Funds	6.4	6.5	6.6	6.6	7.0	7.0	7.1	7.2	60	10
Margins	7.30	7.20	7.20	7.60	7.60	7.40	6.90	6.70	-90.00	-20.00
Other Details										
Branches	1,542	1,621	1,647	1,700	1,700	1,703	1,703	1,715	15	12
ATM	438	438	438	438	438	438	438	438	0	0



Highlights from the management commentary

Opening Remarks

- Net advances grew 9% YoY/4% QoQ, while deposits grew 12% YoY/7.2% QoQ.
- MFI sector has faced significant stress, and liquidity tightness has affected the sector's growth.
- Bandhan expects to see MFI stress reducing going forward.
- GNPA/NNPA ratios remained stable even with higher slippages.
- RoA stood at 1.5% and RoE stood at 11.6% for FY25.
- 31% of total deposits are bulk deposits.
- The bank has technically written-off INR11.4b.
- Bandhan has increased its EEB portfolio's risk weight to 125% in the previous quarter and reduced gain after new RBI regulation, which has strengthened the bank's CRAR, further supporting growth.
- The board has recommended a dividend of INR1.5 per share.
- MFI industry has been facing headwinds. The bank has been proactive and has taken steps to control the same.
- Leveraging data analytics to study customer behavior to enhance customer experience.
- Total CRAR, incl. profit, will be ~18.7% in the current quarter.

Advances and deposits

- Bandhan expects deposit growth to be faster than advances growth.
- Share of EEB (Group + SBAL) reduced from 49.9% in Mar'24 to 41.2% in Mar'25.
- EEB deposits contributed to ~3% of total deposits as of Mar'25.
- EEB portfolio declined 9% YoY due to portfolio control as there is MFI risk.
- 59% of total advances are non-EEB book now.
- 26% of advances are EEB-group lending; retail loan is at 8%.
- Share of advances in eastern regions stood at 14%.
- Share of bulk deposits to total deposits stood at 21%.
- 40% of total deposits are in West Bengal.
- Deposit growth was higher than advances growth. CASA + Retail TD to total deposit stood at 69%.
- 50.5% of advances is secured book vs. 42% in FY24. Focus is on increasing the same.
- Fixed rate book is ~55% of total loan book.
- Reduced interest rate in both TD and SA rate, which will come into effect from 1st May. The bank has reduced 30bp on the peak bracket.
- 26% of book is EBLR and 19% is MCLR; therefore, some impact will be there on margins for some quarters.
- Growth in EEB would also continue, albeit at lower pace than secured book.
- At present, the bank is not taking CGFMU cover in additional disbursements and is evaluating the same.
- Top 5 states in terms of geographic distribution form 59% of total gross advances, of which West Bengal forms 23%.

Cost, margins and provisions

- Margins moderated 21bp QoQ to 6.7% due to a change in product mix toward secured and higher slippages.
- The bank has made provisions in EEB book, leading to high provisions.
- It has recorded interest reversal of INR690m in the current quarter.
- Margins are expected to come down by 50-60bp in the next two-three years due to a change in mix toward secured assets.
- Fee income will also be aided and we expect RoA at 1.8-1.9% and will also contain slippages.
- Opex to avg asset during the quarter was at 4.1%.
- 4Q RoA was at 0.7% and RoE at 5.2%.
- Differential yield between EEB and other book is 10%.
- ~INR1.66b was the accounting treatment on ESOP previously and so DTA has been created due to this. Therefore, additional amount has been released this quarter.
- The bank will continue to invest in people, tech, branches and capabilities that are required. The bank is looking at operational efficiency. As operational efficient improves, the C/I will gradually improve.

Asset quality

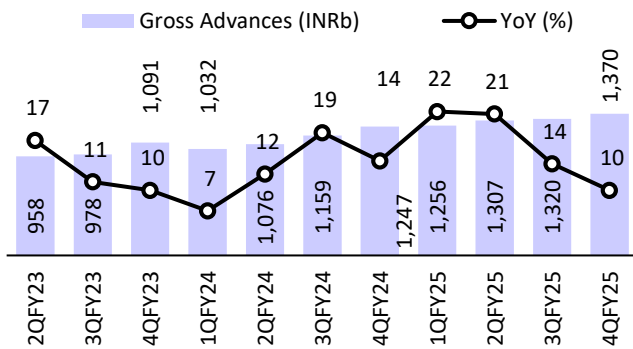
- Collection efficiency (excl. NPA) stood at 97.9%.
- CE for non-EEB book (excl. NPA) improved to 98.2%.
- Credit cost, incl. stand asset provisions, was at 3.9% in 4QFY25 vs. 4.1% in 3QFY25.
- Karnataka accounts for 1.1% of advances and Tamil Nadu is less than 1% in total advances. CE is also 97% in both states.
- Slippages were higher at INR17.48b due to an increase in slippages in EEB.
- O/S book stood at INR2.51b, out of which INR910m is NPA.
- Loan-loss provisions will be incrementally lesser. ~INR50b growth in AUM in EEB segment is expected in FY26.
- 92% of book is Bandhan+2.
- MFI credit cost to come down and change in mix toward secured will help credit cost to reduce to 1.5-1.7% over next 2-3 years.
- Maharashtra, parts of Gujarat, TN and Karnataka are not doing well on the collection efficiency front.
- In 1HFY26, growth is expected to be muted but will stabilize from 3QFY26.
- 0.6% are wholesale slippages and 2.3% are gross slippages from housing book, of which the majority of slippages were due to legacy book.
- INR700m are net slippages in housing segment.
- In EEB segment – SMA-0 stood at INR8.6b/ 1.5% of loans. The bank is working on SMA-0 bucket.
- In EEB segment- SMA 1 currently at INR5.2b/0.9% of loans, SMA-2 forms INR5.1b/ 0.9% of loans.

Guidance

- The bank aims to expand its asset book with more of secured book. Secured advances are expected to be ~55% of total advances by FY27.
- Advances are expected to clock ~15-17% CAGR over the next three years. EEB portfolio growth will be aligning to system conditions.
- Deposits to grow more than advances with less reliance on bulk deposits.
- Margins are expected to come down by 50-60bp in the next two to three years due to a change in mix toward secured assets.
- The bank will continue to invest and expects opex to avg asset to increase ~10-20bp over coming quarters. When operating efficiency kicks in, this will start reducing.
- Credit cost will remain elevated in 1HFY26 and would be around 1.5-1.6% over the next 2-3 years.
- RoA is expected to be ~1.8-1.9% over 2-3 years.

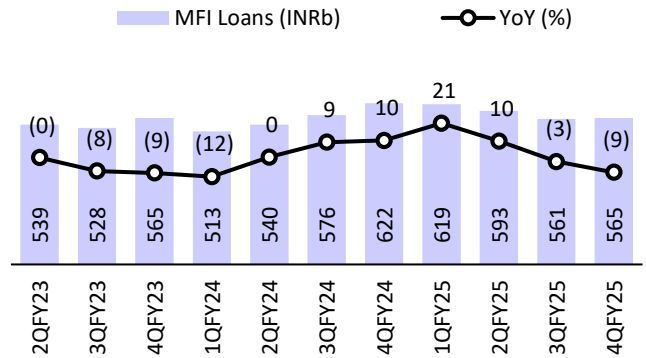
Story in charts

Exhibit 1: AUM grew 10% YoY (up 3.8% QoQ) to INR1.37t



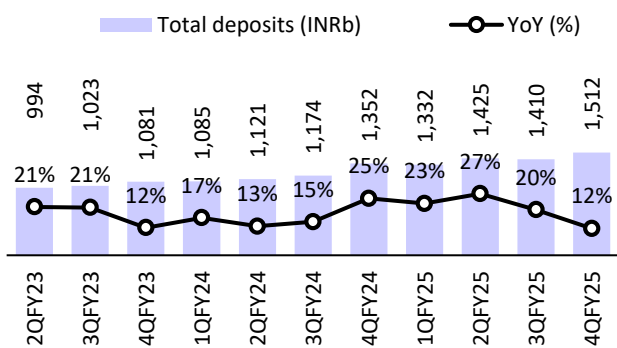
Source: MOFSL, Company

Exhibit 2: MFI loans declined 9% YoY to INR565b



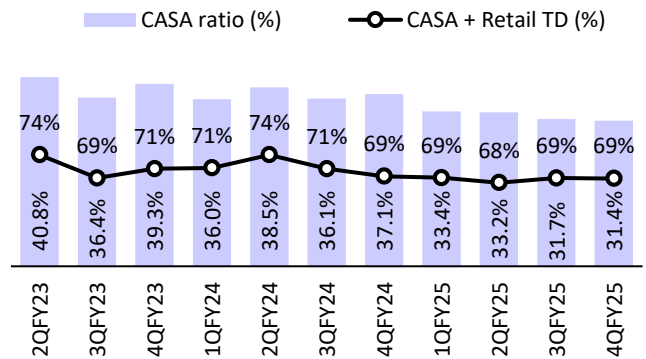
Source: MOFSL, Company

Exhibit 3: Total deposits grew 12% YoY/ 7% QoQ to INR1.5t



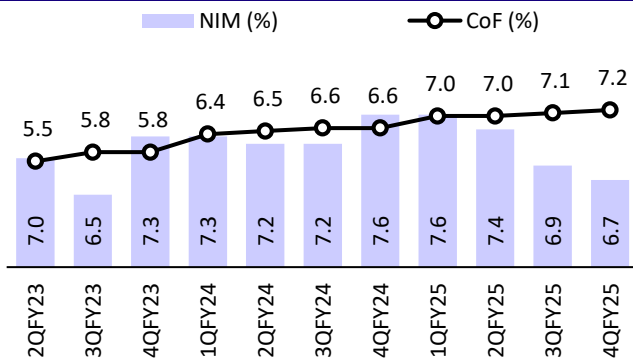
Source: MOFSL, Company

Exhibit 4: CASA+ Retail TD mix stood at 69%



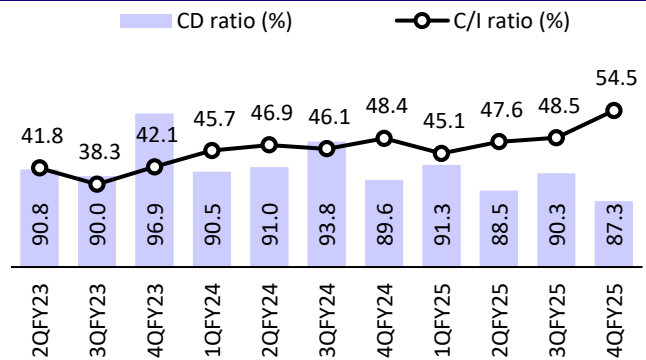
Source: MOFSL, Company

Exhibit 5: Margin moderated 21bp QoQ to 6.7%



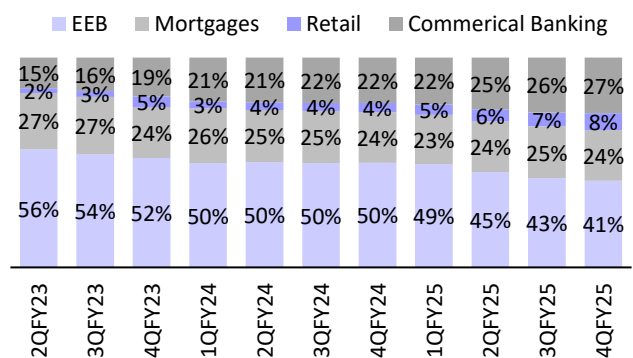
Source: MOFSL, Company

Exhibit 6: CI ratio increased to 54.5%; CD ratio at 87.3%



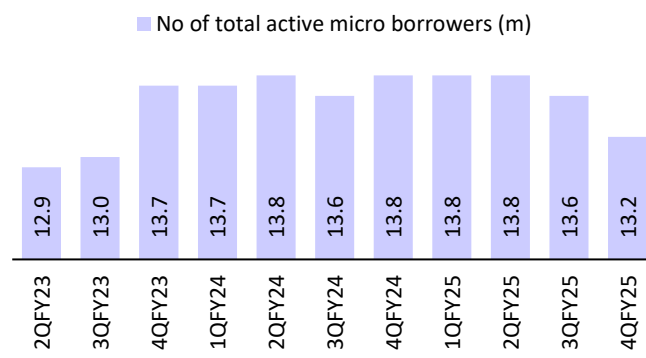
Source: MOFSL, Company

Exhibit 7: Trend in Portfolio mix (%)



Source: MOFSL, Company

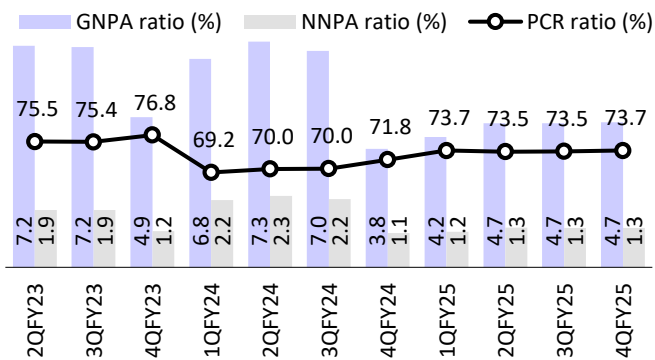
Exhibit 8: Active MFI borrower base



Source: MOFSL, Company

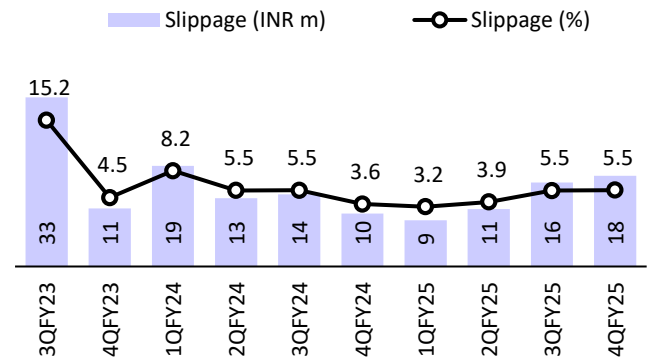
Story in charts – Asset Quality

Exhibit 9: GNPA/NNPA ratios stood at 4.7%/ 1.3%



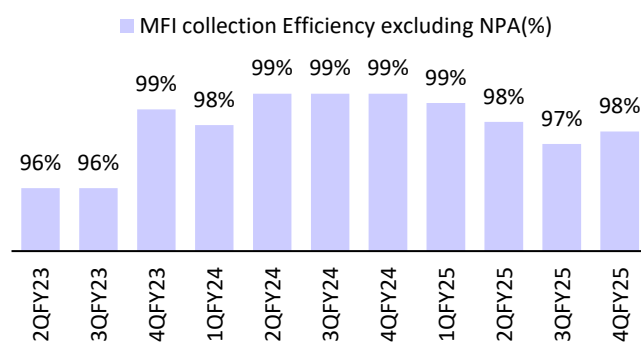
Source: MOFSL, Company

Exhibit 10: Slippages increased to 5.5% in 4QFY25



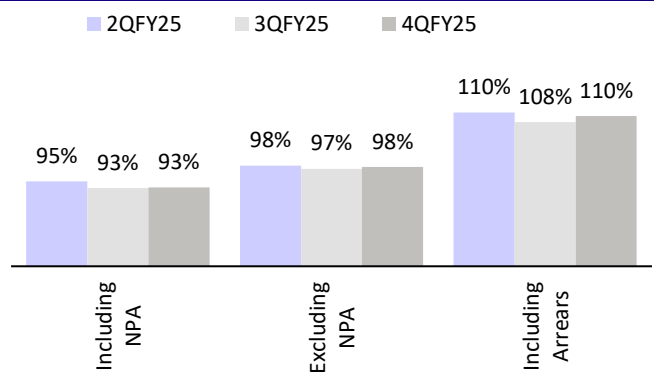
Source: MOFSL, Company

Exhibit 11: MFI CE (%), excluding NPA, stood at 98%



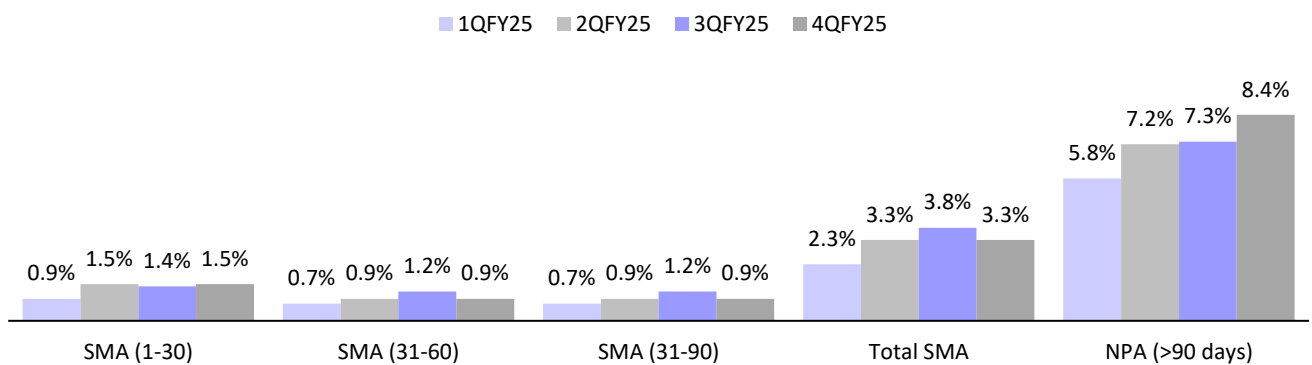
Source: MOFSL, Company

Exhibit 12: Trend in MFI collection efficiency



Source: MOFSL, Company

Exhibit 13: Asset quality trends across buckets in the MFI portfolio



Source: MOFSL, Company

Valuation and view

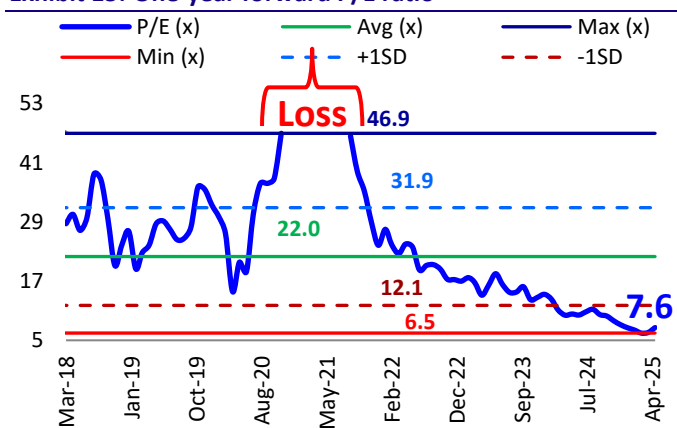
- BANDHAN reported a weak quarter due to margins contraction, lower other income, and high provisions. The bank has reduced the mix of MFI loans as this sector is under stress. We expect the repo rate cut and reduction in the mix of unsecured/MFI loans to affect margins.
- Deposit growth was higher than advances growth, with the CASA ratio moderating further. Asset quality deteriorated as slippages continued to rise by 72% YoY amid a rise in stress in MFI book.
- We cut our earnings estimates by 10%/7% for FY26/ FY27 and expect FY27E RoA/RoE of 1.7%/14.3%. Reiterate Neutral with a TP of INR170 (1.0x FY27E ABV).

Exhibit 14: Changes in our earnings estimates

INR b	Old Estimates		New Estimates		Change (%/bps)	
	FY26	FY27	FY26	FY27	FY26	FY27
Net Interest Income	126.0	140.3	122.4	134.8	-2.8	-3.9
Other Income	33.5	38.1	33.8	39.2	1.1	2.9
Total Income	159.5	178.5	156.3	174.1	-2.0	-2.5
Operating Expenses	81.3	92.8	81.7	93.2	0.5	0.5
Operating Profit	78.2	85.7	74.6	80.8	-4.6	-5.7
Provisions	30.9	30.8	32.3	29.7	4.6	-3.3
PBT	47.3	55.0	42.3	51.1	-10.7	-7.1
PAT	35.7	41.5	31.9	38.6	-10.7	-7.1
Loans	1,522	1,729	1,498	1,711	-1.6	-1.1
Deposits	1,709	1,954	1,725	1,984	0.9	1.5
Credit Cost (%)	2.1	1.8	2.2	1.8	0.1	0.0
RoA (%)	1.73	1.77	1.57	1.67	-0.2	-0.1
RoE (%)	14.4	15.0	12.7	14.3	-1.7	-0.7
EPS	22.2	25.8	19.8	23.9	-10.7	-7.1
BV	161.9	181.7	158.7	176.7	-2.0	-2.8
ABV	153.5	172.6	150.5	167.5	-1.9	-3.0

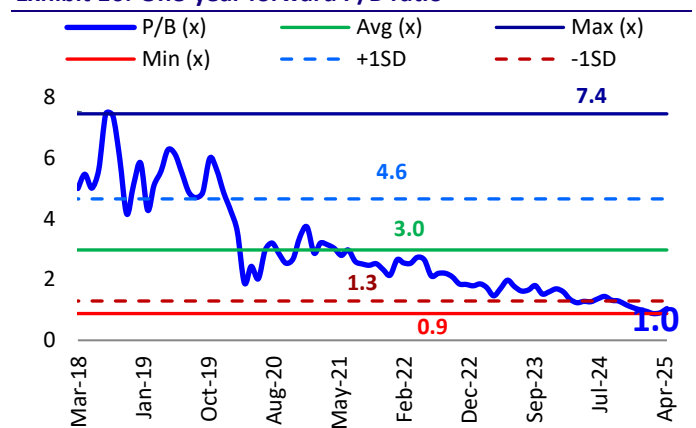
Source: MOFSL, Company

Exhibit 15: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 16: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 17: DuPont Analysis: Return ratios to improve gradually

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Interest Income	7.3	6.9	6.3	6.2	6.2	6.0	5.8
Other Income	2.0	2.2	1.7	1.3	1.6	1.7	1.7
Total Income	9.3	9.1	8.0	7.5	7.8	7.7	7.5
Operating Expenses	2.7	2.8	3.1	3.5	3.8	4.0	4.0
Employee cost	1.6	1.7	1.8	2.1	2.3	2.4	2.4
Others	1.1	1.1	1.3	1.4	1.5	1.6	1.6
Operating Profits	6.5	6.3	4.8	4.0	4.0	3.7	3.5
Core operating Profits	6.3	6.1	4.8	3.9	3.9	3.6	3.4
Provisions	3.7	6.2	2.8	2.2	2.0	1.6	1.3
PBT	2.9	0.1	2.0	1.8	2.0	2.1	2.2
Tax	0.7	0.0	0.5	0.4	0.5	0.5	0.5
RoA	2.1	0.1	1.5	1.3	1.5	1.6	1.7
Leverage (x)	6.3	7.3	8.0	8.1	8.0	8.1	8.6
RoE	13.5	0.7	11.9	10.8	11.9	12.7	14.3

Source: MOFSL, Company

Financials and valuations

Income Statement							(INR b)
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	125.2	138.7	159.0	188.7	219.5	247.7	274.7
Interest Expense	49.6	51.6	66.5	85.4	104.6	125.2	139.8
Net Interest Income	75.6	87.1	92.6	103.3	114.9	122.4	134.8
- growth (%)	19.6	15.2	6.3	11.5	11.3	6.6	10.1
Non-Interest Income	20.2	28.2	24.7	21.6	29.7	33.8	39.2
Total Income	95.9	115.4	117.3	124.9	144.6	156.3	174.1
- growth (%)	21.8	20.4	1.7	6.5	15.7	8.1	11.4
Operating Expenses	28.2	35.2	46.4	58.5	70.7	81.7	93.2
Pre Provision Profits	67.7	80.1	70.9	66.4	73.9	74.6	80.8
- growth (%)	24.3	18.4	-11.5	-6.4	11.3	0.9	8.4
Core PPOp	65.5	77.4	70.2	65.0	72.3	72.6	78.5
- growth (%)	22.8	18.2	-9.3	-7.3	11.1	0.5	8.0
Provisions	38.2	78.8	42.0	37.0	37.7	32.3	29.7
PBT	29.5	1.3	28.9	29.4	36.2	42.3	51.1
Tax	7.4	0.0	7.0	7.1	8.8	10.4	12.5
Tax Rate (%)	25.2	2.2	24.1	24.2	24.2	24.5	24.5
PAT	22.1	1.3	21.9	22.3	27.5	31.9	38.6
- growth (%)	-27.1	-94.3	1,644.6	1.6	23.1	16.3	20.8
Balance Sheet							
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	16.1	16.1	16.1	16.1	16.1	16.1	16.1
Reserves & Surplus	158.0	157.7	179.6	199.5	229.9	239.6	268.5
Net Worth	174.1	173.8	195.7	215.7	246.1	255.7	284.6
Deposits	779.7	963.3	1,080.6	1,352.0	1,512.1	1,725.3	1,984.1
- growth (%)	36.6	23.5	12.2	25.1	11.8	14.1	15.0
- CASA Dep	338.3	400.8	424.5	501.5	474.8	540.0	623.0
- growth (%)	60.9	18.5	5.9	18.1	-5.3	13.7	15.4
Borrowings	169.6	199.2	247.1	163.7	111.4	122.5	139.7
Other Liabilities & Prov.	26.8	53.6	36.8	46.6	45.2	51.1	59.3
Total Liabilities	1,150.2	1,390.0	1,560.3	1,778.0	1,914.8	2,154.6	2,467.7
Current Assets	62.3	93.2	82.5	161.7	95.7	114.8	134.0
Investments	251.6	290.8	323.7	292.9	407.1	443.8	505.9
- growth (%)	63.9	15.6	11.3	-9.5	39.0	9.0	14.0
Loans	816.1	939.7	1,047.6	1,211.4	1,319.9	1,498.1	1,710.8
- growth (%)	22.5	15.1	11.5	15.6	9.0	13.5	14.2
Fixed Assets	4.9	5.9	8.5	11.7	11.8	12.7	14.2
Other Assets	15.3	60.3	98.1	100.7	80.3	85.2	102.9
Total Assets	1,150.2	1,390.0	1,560.4	1,778.4	1,914.8	2,154.6	2,467.7
Asset Quality							
	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
GNPA	57.6	63.8	53.0	47.8	64.0	69.3	76.1
NNPA	28.6	15.6	12.3	13.5	16.7	18.8	21.0
Slippages	68.9	94.3	96.6	56.8	50.6	43.7	40.1
GNPA Ratio	6.8	6.5	4.9	3.8	4.7	4.5	4.3
NNPA Ratio	3.5	1.7	1.2	1.1	1.3	1.3	1.2
Slippage Ratio	9.3	10.7	9.7	5.0	4.0	3.1	2.5
Credit Cost	5.2	9.0	4.2	3.3	3.0	2.2	1.8
PCR (Excl Tech. write off)	50.3	75.5	76.8	71.8	73.8	72.8	72.4
E: MOFSL Estimates							

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Spread Analysis (%)							
Avg. Yield- on Earning Assets	12.7	11.7	11.8	12.3	12.8	13.0	12.7
Avg. Yield on loans	14.7	13.9	13.9	14.6	16.1	15.3	14.9
Avg. Yield on Investments	5.9	5.5	6.2	6.6	6.9	6.9	6.8
Avg. Cost of Int. Bear. Liab.	6.2	5.1	5.6	6.4	7.1	7.6	7.4
Avg. Cost of Deposits	5.9	5.0	4.9	6.0	6.6	6.6	6.4
Interest Spread	6.5	6.6	6.2	5.9	5.7	5.4	5.3
Net Interest Margin	7.7	7.4	6.9	6.7	6.7	6.4	6.2
Capitalisation Ratios (%)							
CAR	23.5	20.1	19.8	18.3	18.1	17.3	16.5
Tier I	22.5	18.9	18.7	17.2	17.1	16.4	15.7
-CET-1	22.5	18.9	18.7	17.2	16.6	16.0	15.6
Tier II	1.0	1.2	1.1	1.1	1.0	0.9	0.7
Business Ratios (%)							
Loans/Deposit Ratio	104.7	97.6	96.9	89.6	87.3	86.8	86.2
CASA Ratio	43.4	41.6	39.3	37.1	31.4	31.3	31.4
Cost/Assets	2.4	2.5	3.0	3.3	3.7	3.8	3.8
Cost/Total Income	29.4	30.5	39.5	46.8	48.9	52.3	53.6
Cost/Core income	30.1	31.3	39.8	47.4	49.4	52.9	54.3
Int. Expense/Int.Income	39.6	37.2	41.8	45.3	47.6	50.6	50.9
Fee Income/Total Income	18.8	22.1	20.4	16.2	19.4	20.4	21.2
Other income/Total Income	21.1	24.5	21.0	17.3	20.5	21.6	22.5
Empl. Cost/Total Expense	59.1	60.6	58.6	60.6	60.6	60.4	60.3
Efficiency Ratios (INRm)							
Employee per branch (in nos)	43.1	50.6	49.4	44.6	45.0	45.4	45.8
Staff cost per employee	0.3	0.4	0.4	0.5	0.5	0.6	0.6
CASA per branch	294.9	337.1	300.9	295.0	261.0	277.5	299.2
Deposits per branch	679.8	810.2	765.9	795.3	831.3	886.5	952.7
Business per Employee	32.3	31.6	30.5	33.8	34.6	36.5	38.7
Profit per Employee	0.4	0.0	0.3	0.3	0.3	0.4	0.4

Profitability Ratios and Valuation

RoA	2.13	0.10	1.49	1.34	1.49	1.57	1.67
RoE	13.5	0.7	11.9	10.8	11.9	12.7	14.3
RoRWA	3.3	0.2	2.3	2.0	2.2	2.3	2.4
Book Value (INR)	108	108	122	134	153	159	177
- growth (%)	14.5	-0.2	12.6	10.2	14.1	3.9	11.3
Price-BV (x)	1.5	1.5	1.4	1.2	1.1	1.0	0.9
Adjusted BV (INR)	96	101	116	128	145	151	168
Price-ABV (x)	1.7	1.6	1.4	1.3	1.1	1.1	1.0
EPS (INR)	13.7	0.8	13.6	13.8	17.0	19.8	23.9
- growth (%)	-36.5	-94.3	1,644.5	1.6	23.1	16.3	20.8
Price-Earnings (x)	12.0	211.3	12.1	11.9	9.7	8.3	6.9
Dividend Per Share (INR)	1.0	0.0	0.0	1.5	6.0	6.0	6.0
Dividend Yield (%)	0.6	0.0	0.0	0.9	3.6	3.6	3.6

E: MOFSL Estimates

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UNDER REVIEW	Rating may undergo a change
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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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