

**BUY**

TP: Rs 224 | ▲ 20%

**BANDHAN BANK**

| Banking

| 20 July 2025

## Navigating margin pressure, building secured momentum

- **PAT improved on a sequential basis due to lower credit costs, while NIMs remain under pressure given the rising share of secured book**
- **Moderate asset quality with slippages on an improving trajectory; RoA to improve to 1.7% by FY28E**
- **Maintain BUY with revised TP of Rs 224 (from Rs 203), assigning 1.2x Jun'27E ABV vs the last 3Y average P/ABV of 1.6x**

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**PAT rise on a sequential basis due to lower provisions; NIMs stay under pressure:** BANDHAN's PPOP at Rs 16.7bn (+6.2% QoQ) was in line with our estimates (Rs 16.8bn). Further, the bank witnessed a rise in net profit to Rs 3.7bn (17% QoQ), mainly due to lower provisions of Rs 11.5bn (-9% QoQ). However, NII was flat on a QoQ basis due to muted advances (+5.7% YoY; -2.6% QoQ) and pressure on NIMs to 6.4% (-120bp YoY; -30bps QoQ) in Q1FY26. NIMs declined due to rising share of secured book (lower yielding), repo rate cuts impacting yield on advances to 14.5% (-152bps YoY; -16bps QoQ) with ~48% floating loans, partially offset by ~20bps decline in the cost of funds (CoF) in the last 2 quarters. We expect NIMs to stay moderate while the credit cost to improve, resulting in an improvement in the return profile with RoA / RoE of 1.5%-1.7%/12.3%-14.6% during FY26-FY28E.

**Secured book to mainly drive loan growth:** BANDHAN's portfolio strategy is to increase the share of secured book, which grew to 52.1% (+9.2% YoY; +1.6% QoQ) of the total advances (excluding IBPC) as of Jun'25. EEB disbursement (Group + SBAL) declined to Rs 107bn (-21.9% YoY; -29.1% QoQ) in Q1FY26, resulting in a decline in its share to 39.5% (Jun'25) from 49.3% (Jun'24). EEB disbursement was low due to the implementation of guardrail 2.0 from Apr'25 and stress in the MFI industry. Management expects secured book to grow at a higher pace (26-27% YoY), while EEB growth at 5-8% YoY; leading to an overall loan growth of 15-17% YoY in FY26.

**Moderate AQ with slippages improving:** AQ moderated with GNPA ratio increasing to 4.96% (+25bps QoQ), as of Jun'25. However, gross slippages improved to Rs 15.5bn (Rs 10.9bn from EEB) or slippage ratio of 4.7% in Q1FY26 vs Rs 17.5bn (Rs 13.5bn from EEB) or 5.5% in Q4FY25. EEB stress pool (NPA+ SMA1+ SMA2) improved marginally to Rs 57.7bn (-0.5% QoQ), as of Q1FY26.

**Maintain BUY:** With tighter entry guardrails, the stress in EEB book will likely reduce from 2HFY26, particularly in newer vintages. AQ is likely to improve with management guiding for 2.5% credit cost in FY26, with the portfolio shifting to secured book. We maintain BUY and roll over valuation at 1.2x Jun'27E ABV with revised TP of Rs 224 (earlier Rs 203).

## Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	BANDHAN IN/Rs 187
Market cap	US\$ 3.5bn
Free float	59%
3M ADV	US\$ 18.5mn
52wk high/low	Rs 222/Rs 128
Promoter/FPI/DII	41%/24%/17%

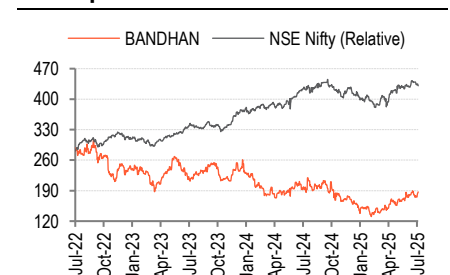
Source: NSE | Price as of 18 Jul 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	1,15,395	1,25,201	1,42,702
NII growth (%)	11.8	8.5	14.0
Adj. net profit (Rs mn)	27,453	31,701	39,890
EPS (Rs)	17.0	19.7	24.8
Consensus EPS (Rs)	17.0	19.3	23.8
P/E (x)	11.0	9.5	7.6
P/BV (x)	1.2	1.1	1.0
ROA (%)	1.5	1.5	1.6
ROE (%)	11.9	12.3	13.7

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly snapshot: Income statement**

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Income Statement</b>							
Interest Income	48,695	48,820	48,524	47,636	47,324	(2.8)	(0.7)
Income on investments	5,324	5,189	5,484	5,822	6,588	23.7	13.1
Int. on bal. with RBI & inter-bank funds & Others	1,339	989	780	881	845	(36.9)	(4.1)
<b>Interest income</b>	<b>55,358</b>	<b>54,998</b>	<b>54,787</b>	<b>54,339</b>	<b>54,756</b>	<b>(1.1)</b>	<b>0.8</b>
Interest expense	25,308	25,516	26,484	26,780	27,184	7.4	1.5
<b>Net interest income</b>	<b>30,050</b>	<b>29,483</b>	<b>28,303</b>	<b>27,559</b>	<b>27,572</b>	<b>(8.2)</b>	<b>0.0</b>
Growth YoY (%)	20.7	20.7	12.1	(3.9)	(8.2)		
<b>Non-interest income</b>	<b>5,275</b>	<b>5,947</b>	<b>10,959</b>	<b>6,996</b>	<b>7,259</b>	<b>37.6</b>	<b>3.8</b>
Growth YoY (%)	37.0	10.1	101.0	0.8	37.6		
<b>Total income</b>	<b>35,326</b>	<b>35,430</b>	<b>39,261</b>	<b>34,555</b>	<b>34,831</b>	<b>(1.4)</b>	<b>0.8</b>
Growth YoY (%)	22.8	18.7	27.9	(2.9)	(1.4)		
Staff expenses	10,054	10,440	12,274	10,842	11,236	11.8	3.6
Other operating expenses	5,863	6,438	6,774	8,000	6,911	17.9	(13.6)
Operating expenses	15,917	16,879	19,048	18,842	18,147	14.0	(3.7)
<b>Pre-Provisioning Profit (PPoP)</b>	<b>19,409</b>	<b>18,551</b>	<b>20,214</b>	<b>15,713</b>	<b>16,684</b>	<b>(14.0)</b>	<b>6.2</b>
Growth YoY (%)	24.2	17.2	22.1	(14.5)	(14.0)		
<b>Provisions</b>	<b>5,230</b>	<b>6,062</b>	<b>13,760</b>	<b>12,602</b>	<b>11,469</b>	<b>119.3</b>	<b>(9.0)</b>
Growth YoY (%)	(13.1)	(4.7)	101.2	(29.0)	119.3		
Exceptional Item							
<b>PBT</b>	<b>14,179</b>	<b>12,489</b>	<b>6,453</b>	<b>3,112</b>	<b>5,215</b>	<b>(63.2)</b>	<b>67.6</b>
Tax	3,544	3,114	2,189	(67)	1,495	(57.8)	(2,323.6)
<b>PAT</b>	<b>10,635</b>	<b>9,374</b>	<b>4,265</b>	<b>3,179</b>	<b>3,720</b>	<b>(65.0)</b>	<b>17.0</b>
Growth YoY (%)	47.5	30.0	(41.8)	482.0	(65.0)		
<b>Per Share</b>							
FV (Rs)	10.0	10.0	10.0	10.0	10.0	-	-
EPS (Rs)	6.6	5.8	2.7	2.0	2.3	(65.0)	17.3
Book Value (Rs)	153	157	161	163	165	8.1	1.5

Source: Company, BOBCAPS Research

**Fig 2 – Quarterly snapshot: Key balance sheet & other metrics**

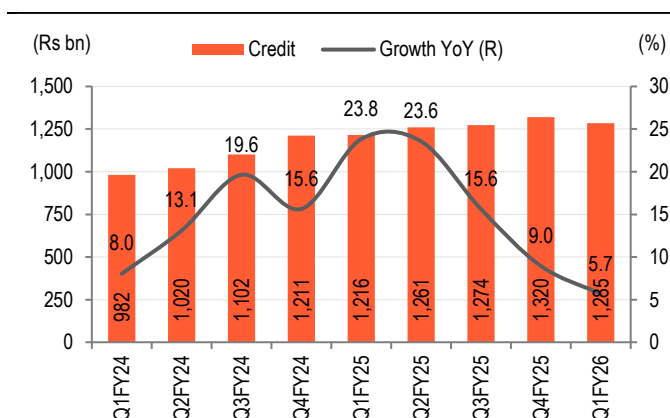
(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Deposits</b>	<b>13,32,100</b>	<b>14,25,095</b>	<b>14,10,000</b>	<b>15,12,125</b>	<b>15,46,700</b>	<b>16.1</b>	<b>2.3</b>
Growth YoY (%)	22.8	27.2	20.1	11.8	16.1		
<b>Advances</b>	<b>12,15,900</b>	<b>12,60,557</b>	<b>12,73,800</b>	<b>13,19,873</b>	<b>12,85,100</b>	<b>5.7</b>	<b>(2.6)</b>
Growth YoY (%)	23.8	23.6	15.6	9.0	5.7		
Investment	3,32,400	3,08,466	3,63,100	4,07,123	3,82,900	15.2	(5.9)
Equity	2,46,200	2,53,257	2,58,700	2,62,160	2,66,219	8.1	1.5
Assets	17,33,000	17,97,677	18,39,100	19,14,763	18,93,900	9.3	(1.1)
Growth YoY (%)	14.9	17.9	17.2	7.7	9.3		
<b>Yield (%)</b>							
Yield on Funds	13.5	13.3	12.9	12.3	12.1	(143bps)	(23bps)
Cost of Funds	6.8	6.9	6.9	6.8	6.7	(8bps)	(3bps)
Spread	6.7	6.4	6.0	5.5	5.3	(134bps)	(19bps)
<b>Net Interest Margin (calc.)</b>	<b>7.3</b>	<b>7.1</b>	<b>6.7</b>	<b>6.2</b>	<b>6.1</b>	<b>(125bps)</b>	<b>(16bps)</b>
<b>Ratios (%)</b>							
Other Income / Net Income	14.9	16.8	27.9	20.2	20.8	591bps	59bps
Cost to Income ratio	45.1	47.6	48.5	54.5	52.1	704bps	(243bps)
CASA ratio	33.4	33.2	31.7	31.4	27.1	(631bps)	(431bps)
C/D ratio	91.3	88.5	90.3	87.3	83.1	(819bps)	(420bps)
Investment to Assets	19.2	17.2	19.7	21.3	20.2	104bps	(104bps)
<b>Assets Quality</b>							
<b>GNPA</b>	<b>53,044</b>	<b>61,053</b>	<b>61,785</b>	<b>64,356</b>	<b>66,226</b>	<b>24.9</b>	<b>2.9</b>
<b>NNPA</b>	<b>13,964</b>	<b>16,202</b>	<b>16,367</b>	<b>16,928</b>	<b>17,442</b>	<b>24.9</b>	<b>3.0</b>
Provision	39,079	44,851	45,418	47,427	48,785	24.8	2.9
GNPA (%)	4.2	4.7	4.7	4.7	5.0	73bps	25bps
NNPA (%)	1.2	1.3	1.3	1.3	1.4	21bps	8bps
PCR (%)	73.7	73.5	73.5	73.7	73.7	(1bps)	(3bps)
<b>Others (nos)</b>							
Branches	1,700	1,703	1,703	1,715	1,750	50	35
ATMs	438	438	438	438	438	-	-
Employees	77,530	79,925	78,414	75,032	73,048	(4,482)	(1,984)

Source: Company, BOBCAPS Research

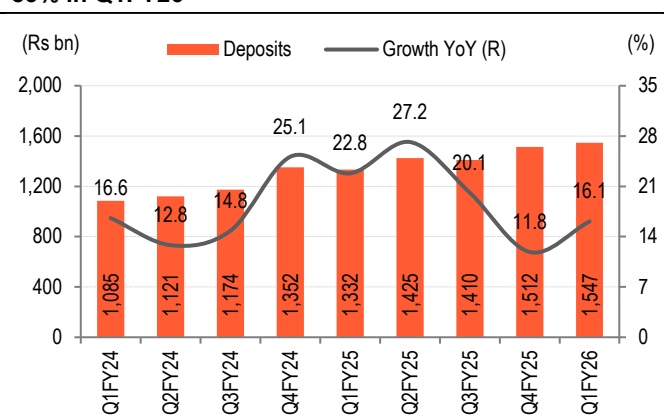
**Fig 3 – Loan Mix (%) – Rising share of secured book**

Loan Mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
EEB	49.7	50.2	49.7	49.9	49.3	45.4	42.5	41.3	39.5
-Group	32.7	33.2	33.4	32.7	32.2	29.2	27.3	26.3	25.2
-Individual	17.0	16.9	16.2	17.2	17.0	16.2	15.2	14.9	14.3
<b>Mortgage</b>	<b>26.1</b>	<b>24.9</b>	<b>24.9</b>	<b>24.0</b>	<b>23.4</b>	<b>24.2</b>	<b>24.7</b>	<b>24.2</b>	<b>24.4</b>
-Housing	20.4	19.8	18.6	18.3	18.6	18.5	18.9	19.0	19.6
-LAP	3.4	3.4	3.4	3.5	3.8	3.9	4.1	4.4	4.7
-IBPC	2.1	1.4	2.7	2.1	0.9	1.6	1.5	0.7	-
-Construction	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2
<b>Retail</b>	<b>3.3</b>	<b>3.6</b>	<b>3.9</b>	<b>4.5</b>	<b>5.0</b>	<b>5.7</b>	<b>6.6</b>	<b>8.0</b>	<b>8.3</b>
<b>CB</b>	<b>20.9</b>	<b>21.4</b>	<b>21.6</b>	<b>21.6</b>	<b>22.3</b>	<b>24.7</b>	<b>26.1</b>	<b>26.5</b>	<b>27.7</b>
-NBFC	10.7	10.4	9.2	10.3	11.0	12.0	12.1	11.7	12.6
-SME	10.2	10.9	12.4	11.4	11.3	12.7	14.1	14.8	15.2
<b>Total AUM</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

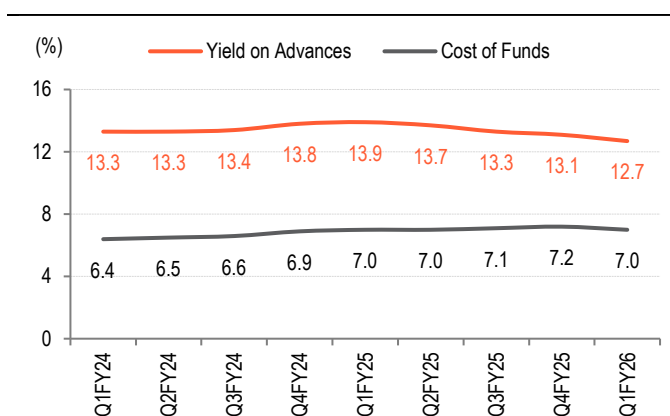
Source: Company, BOBCAPS Research

**Fig 4 – Credit growth moderated to 6% YoY in Q1FY26**

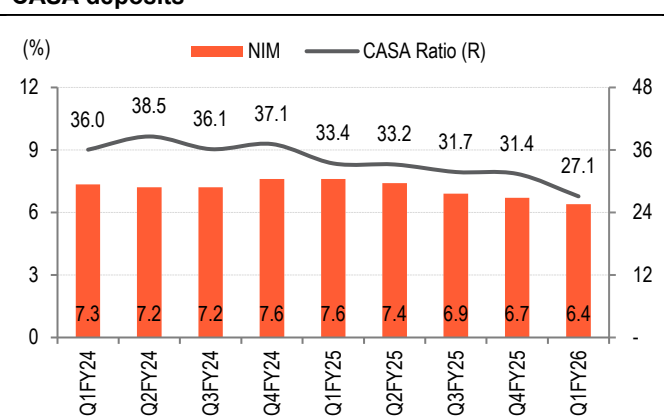
Source: Company, BOBCAPS Research

**Fig 5 – With higher deposit growth, CD ratio improved to 83% in Q1FY26**

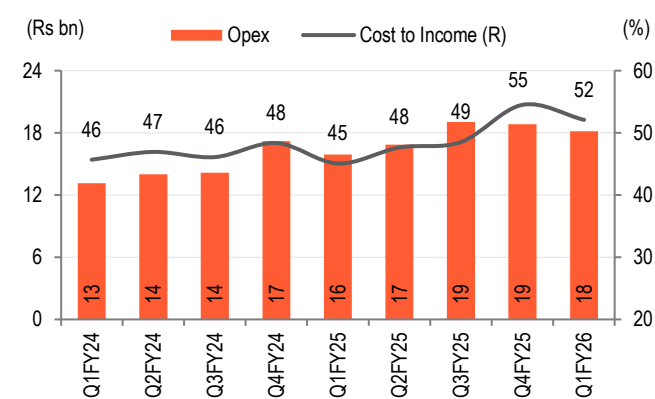
Source: Company, BOBCAPS Research | TD: Term deposits

**Fig 6 – Spreads remain healthy**

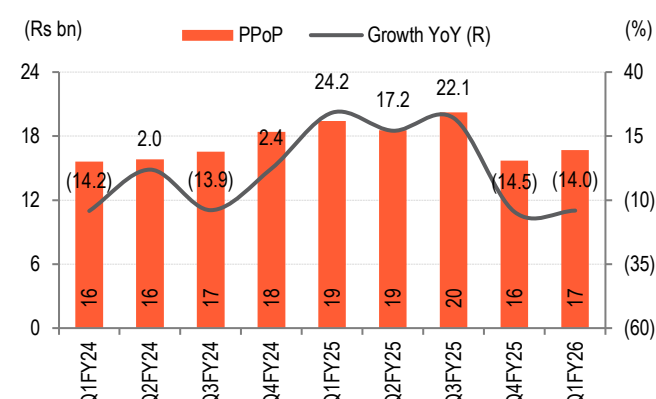
Source: Company, BOBCAPS Research

**Fig 7 – NIMs declined on falling share of EEB loans and CASA deposits**

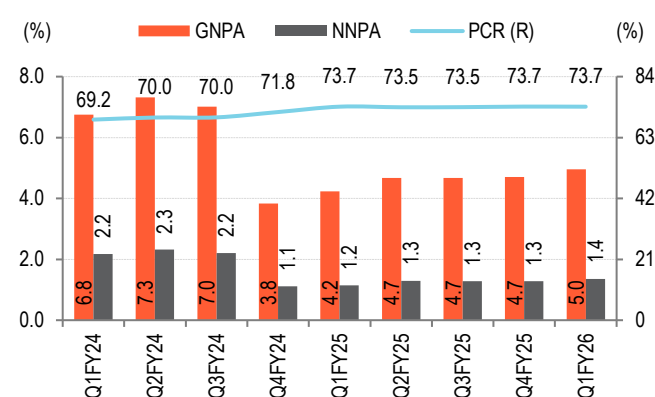
Source: Company, BOBCAPS Research

**Fig 8 – CI ratio likely peaked out**

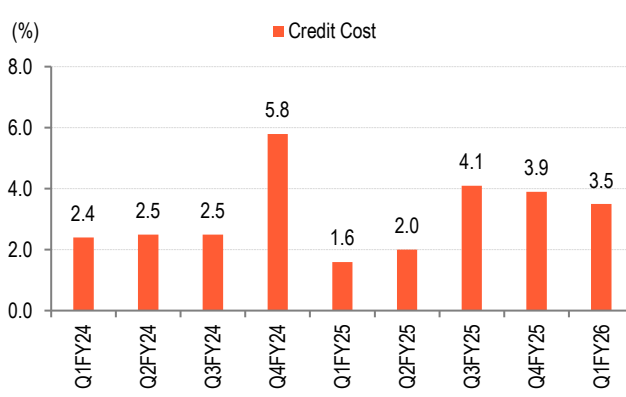
Source: Company, BOBCAPS Research

**Fig 9 – PPOP improves sequentially**

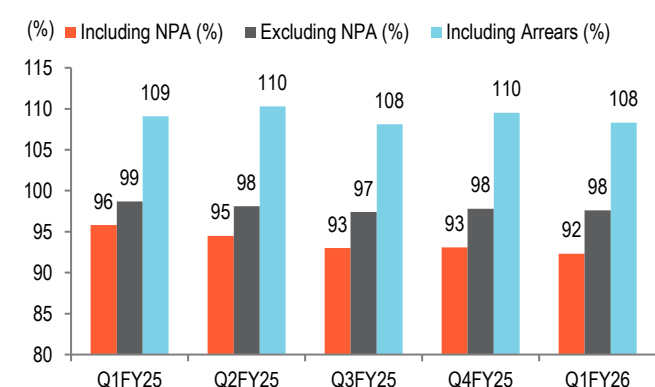
Source: Company, BOBCAPS Research

**Fig 10 – Asset quality likely to improve**

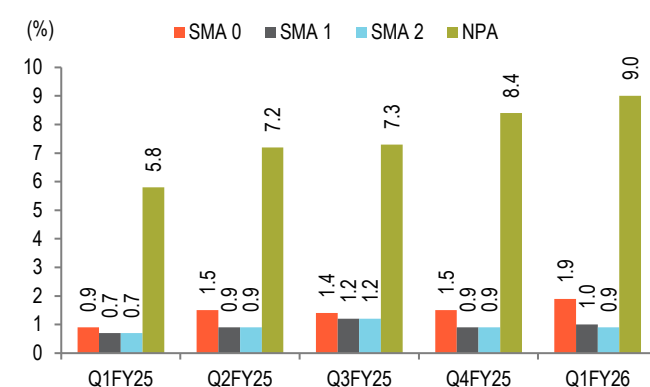
Source: Company, BOBCAPS Research

**Fig 11 – Credit costs expected to improve gradually**

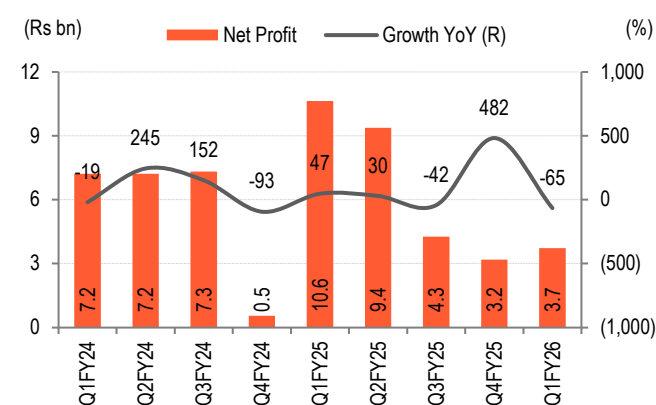
Source: Company, BOBCAPS Research

**Fig 12 – Collection efficiency for the quarter**

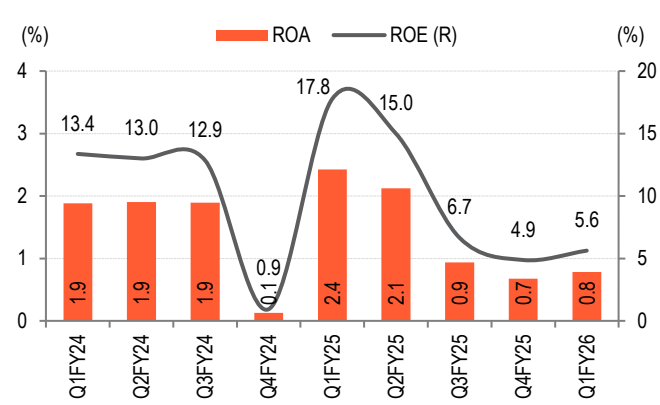
Source: Company, BOBCAPS Research

**Fig 13 – EEB DPD movement**

Source: Company, BOBCAPS Research

**Fig 14 – PAT increased 17% QoQ on lower provisions**

Source: Company, BOBCAPS Research

**Fig 15 – Return ratios improve sequentially**

Source: Company, BOBCAPS Research

## Earnings call highlights

### Operational highlights

- NII was largely in line with estimates and remained flat QoQ, due to muted advances growth and falling NIMs.
- Advances rose 5.7% YoY to Rs 1,285bn. In line with its strategic plan, the bank intends to increase share of secured book by ramping up the share of housing, commercial banking, and secured retail products. Secured portfolio constitutes 52.1% of the total loans.
- NIM stood to 6.4% in Q1FY26, contracted by 120bps YoY (30bps QoQ). Margins to remain under pressure, given the rising share of secured portfolio.
- Opex declined 4% QoQ, mainly led by decrease in the other expenses (-14% QoQ).

### Loans and deposits

- Advances grew 6% YoY, mainly driven by secured loans (up 8% YoY). BANDHAN plans to grow the secured mix to >55% by FY27.
- In Q1FY26, EEB portfolio declined 15% YoY and 6.6% sequentially, because of a cautious approach due to elevated stress in the segment. The mix currently stands at 39.5% vs 41.3% in Q4FY25 vs 49.3% in Q1FY25. Housing, retail, and commercial businesses grew 11% YoY (-1% QoQ), 78% YoY (1% QoQ) and 32% YoY (2% QoQ), respectively.
- The top 5 states (West Bengal, Maharashtra, Bihar, Gujarat and Madhya Pradesh) constituted 58% of gross advances, of which West Bengal constituted 23% flat sequentially in Q1FY26.
- East and Northeast India loan exposure reduced from 42% in Q1FY25 to 38% now, with higher growth in North, West and South India.
- Deposits grew 16% YoY higher than advances growth. Retail deposit grew by 15% YoY, mainly due to growth in retail term deposits (+34% YoY).

- CASA ratio declined 430bps QoQ to 27.1%. The bank is emphasising stable, granular retail deposits that make up to 68% of total deposits.

### Asset quality and capital adequacy

- Total slippages stood at Rs 15.5bn (Rs 17.5bn in Q4). Microfinance slippages are expected to improve gradually with SMA2 at Rs 4.8bn in Q1FY26 (Rs 5.1bn in Q4FY25).
- Upgrades and recovery declined to Rs 3.2bn (Rs 3.5bn in Q4), while write-offs in Q1FY26 were Rs 10.5bn vs Rs 11.4bn in Q4.
- Credit cost reported during the quarter was at 3.5%. Management guided credit costs to improve in the upcoming quarters and aims to maintain 2.5% target for the full year.
- Collection efficiency was at 97.6% (97.8% in Q4). Geography-wise, collection efficiency in Assam was 99.2% and West Bengal 98.2%.
- SMA 0 stood at Rs 10.2bn, which equalled 1.9% (Rs 8.6bn in Q4). SMA1 at Rs 5.3bn equalled 1% of book (Rs 5.2bn in Q4) and SMA 2 at Rs 4.8bn equalled 0.9% (Rs 5.1bn equalled 0.9% in Q4). SMA 0 increase on QoQ basis due to procedural change relating to the raising of instalment demand on holidays.
- Capital ratios improved with Tier I and CRAR (excluding profits), rising by 40bps QoQ to 18.3% and 19.1%, respectively as of Jun'25.
- Management expects that Bandhan + 3 lenders will decline to below 3% in next 2-3 quarters compared to 5% as of Jun'25.

**Fig 16 – Actuals vs BOBCAPS estimates**

(Rs mn)	Q1FY26A	Q1FY26E	Variance (%)
Loan	12,85,100	13,25,331	(3.0)
Deposits	15,46,700	15,46,640	0.0
Assets	18,93,900	19,46,955	(2.7)
NII	27,572	27,270	1.1
PPOP	16,684	16,843	(0.9)
Provision	11,469	10,680	7.4
PAT	3,720	4,696	(20.8)

Source: Company, BOBCAPS Research

## Valuation Methodology

BANDHAN seems to be optimistic on the improvement in collection efficiency with slippages in the MFI book to improve in the ensuing quarters. NIMs are expected to witness compression as the bank moves towards secured lending.

With tighter entry guardrails, the stress in EEB book is expected to reduce, particularly in newer vintages. AQ is likely to improve with management guiding for a credit cost of 2.5% in FY26, with the portfolio shifting to secured book. We estimate the bank to witness RoA of 1.5/1.7% and RoE of 12.3/14.6% during FY26-28E. We maintain BUY and roll over valuation at 1.2x Jun'27E ABV vs the last 3Y average P/ABV of 1.6x with revised TP of Rs 224 (earlier Rs 203).

**Fig 17 – Key operational assumptions**

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	9.0	15.0	17.0	18.5
NII Growth	11.8	8.5	14.0	15.5
PPOP Growth	11.3	6.3	14.4	14.6
PAT Growth	23.1	15.5	25.8	21.6
NIM	7.1	6.6	6.5	6.3
GNPA	4.6	4.2	3.7	3.3
CAR	18.7	17.8	17.1	16.5

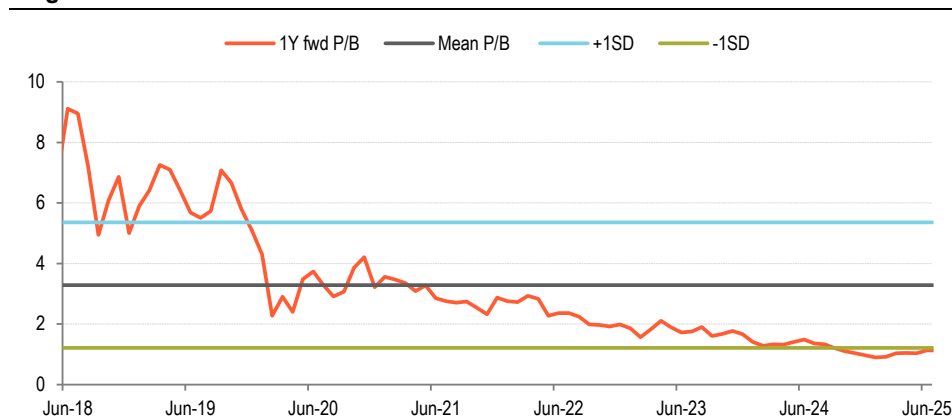
Source: Company, BOBCAPS Research

**Fig 18 – Key valuation assumptions**

Gordon growth model	
Cost of equity (%)	14.0
Blended ROE (%)	14.7
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	30.0
Long-term growth (%)	6
Long term dividend payout ratio (%)	60
Justified P/BV Multiple (x)	1.2
Implied BVPS (Rs)	188
<b>Value per share (Rs)</b>	<b>224</b>

Source: Company, BOBCAPS Research

**Fig 19 – PB band chart**



Source: Company, BOBCAPS Research



## Key risks

Key downside risks to our estimates:

- Asset quality stress in EEB book longer than expected
- The bank's inability to manage CoF, leading to higher NIMs compression

## Glossary

Glossary of Abbreviations			
<b>AUCA</b>	Advance Under Collection Account	<b>LAP</b>	Loans against Property
<b>ARC</b>	Asset Reconstruction Company	<b>LCR</b>	Liquidity Coverage Ratio
<b>BRDS</b>	Bills Rediscounting Scheme	<b>MCLR</b>	Marginal Cost of Funds-based Lending Rate
<b>CAR</b>	Capital Adequacy Ratio	<b>MFI</b>	Microfinance Institution
<b>CASA</b>	Current Account and Savings Account	<b>MTM</b>	Mark to Market
<b>CD</b>	Credit-Deposit Ratio	<b>NII</b>	Net Interest Income
<b>CET1</b>	Common Equity Tier 1	<b>NIM</b>	Net Interest Margin
<b>CGFMU</b>	Credit Guarantee Fund for Micro Units	<b>NNPA</b>	Net Non-Performing Assets
<b>C/I</b>	Cost-Income Ratio	<b>PCR</b>	Provision Coverage Ratio
<b>CRB</b>	Commercial and Rural Banking	<b>PPOP</b>	Pre-Provision Operating Profit
<b>EBLR</b>	External Benchmark-based Lending Rate	<b>PSU</b>	Public Sector Unit
<b>ECL</b>	Expected Credit Loss	<b>RWA</b>	Risk-weighted Assets
<b>ECLGS</b>	Emergency Credit Line Guarantee Scheme	<b>SLR</b>	Statutory Liquidity Ratio
<b>GNPA</b>	Gross Non-Performing Assets	<b>SMA</b>	Special Mention Account
<b>IBPC</b>	Interbank Participation Certificate	<b>SME</b>	Small and Medium-sized Enterprises

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	1,03,256	1,15,395	1,25,201	1,42,702	1,64,778
NII growth (%)	11.5	11.8	8.5	14.0	15.5
Non-interest income	21,647	29,177	34,339	41,695	49,395
Total income	1,24,903	1,44,572	1,59,540	1,84,396	2,14,173
Operating expenses	58,508	70,685	81,033	94,549	1,11,168
PPOP	66,395	73,887	78,507	89,847	1,03,005
PPOP growth (%)	(6.4)	11.3	6.3	14.4	14.6
Provisions	36,966	37,654	35,897	36,231	37,833
PBT	29,429	36,233	42,609	53,616	65,172
Tax	7,133	8,780	10,908	13,726	16,684
Reported net profit	22,296	27,453	31,701	39,890	48,488
Adjustments	0	0	0	0	0
Adjusted net profit	22,296	27,453	31,701	39,890	48,488

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	16,110	16,110	16,110	16,110	16,110
Reserves & surplus	1,99,987	2,27,481	2,56,805	2,93,504	3,38,113
Net worth	2,16,096	2,43,591	2,72,915	3,09,614	3,54,223
Deposits	13,52,020	15,12,125	17,84,307	21,23,326	25,43,744
Borrowings	1,63,715	1,11,385	1,28,093	1,47,307	1,69,403
Other liab. & provisions	46,585	47,662	62,233	77,441	86,156
Total liab. & equities	17,78,417	19,14,763	22,47,548	26,57,687	31,53,526
Cash & bank balance	1,61,705	95,694	1,23,616	1,50,444	1,79,682
Investments	2,92,876	4,07,123	4,77,348	5,75,167	6,85,270
Advances	12,11,368	13,19,873	15,17,854	17,75,889	21,04,429
Fixed & Other assets	1,12,468	92,073	1,28,730	1,56,187	1,84,145
Total assets	17,78,417	19,14,763	22,47,548	26,57,687	31,53,526
Deposit growth (%)	25.1	11.8	18.0	19.0	19.8
Advances growth (%)	15.6	9.0	15.0	17.0	18.5

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	13.8	17.0	19.7	24.8	30.1
Dividend per share	1.5	1.5	1.5	2.0	2.4
Book value per share	134.1	151.2	169.4	192.2	219.9

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	13.5	11.0	9.5	7.6	6.2
P/BV	1.4	1.2	1.1	1.0	0.9
Dividend yield (%)	0.8	0.8	0.8	1.1	1.3

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	6.2	6.2	6.0	5.8	5.7
Non-interest income	1.3	1.6	1.7	1.7	1.7
Operating expenses	3.5	3.8	3.9	3.9	3.8
Pre-provisioning profit	4.0	4.0	3.8	3.7	3.5
Provisions	2.2	2.0	1.7	1.5	1.3
PBT	1.8	2.0	2.0	2.2	2.2
Tax	0.4	0.5	0.5	0.6	0.6
ROA	1.3	1.5	1.5	1.6	1.7
Leverage (x)	8.1	8.0	8.1	8.4	8.8
ROE	10.8	11.9	12.3	13.7	14.6

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Net interest income	11.5	11.8	8.5	14.0	15.5
Pre-provisioning profit	(6.4)	11.3	6.3	14.4	14.6
EPS	1.6	23.1	15.5	25.8	21.6
<b>Profitability &amp; Return ratios (%)</b>					
Net interest margin	7.4	7.1	6.6	6.5	6.3
Fees / Avg. assets	0.3	0.2	0.2	0.2	0.2
Cost-Income	46.8	48.9	50.8	51.3	51.9
ROE	10.8	11.9	12.3	13.7	14.6
ROA	1.3	1.5	1.5	1.6	1.7
<b>Asset quality (%)</b>					
GNPA	3.8	4.6	4.2	3.7	3.3
NNPA	1.1	1.3	1.1	1.0	0.9
Slippage ratio	5.4	4.4	3.0	2.7	2.5
Credit cost	3.3	3.0	2.5	2.2	2.0
Provision coverage	71.8	73.7	75.0	75.0	75.0
<b>Ratios (%)</b>					
Credit-Deposit	89.6	87.3	85.1	83.6	82.7
Investment-Deposit	21.7	26.9	26.8	27.1	26.9
CAR	18.3	18.7	17.8	17.1	16.5
Tier-1	17.2	17.9	17.0	16.3	15.7

Source: Company, BOBCAPS Research

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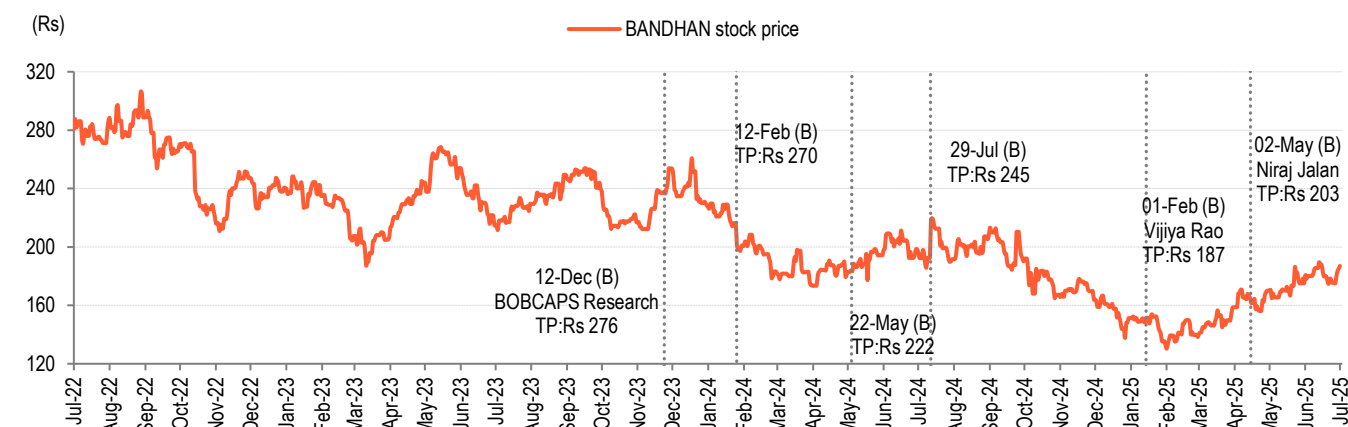
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