

HOLD**TP: Rs 186 | ▲ 9%****BANDHAN BANK**

| Banking

| 31 October 2025

Earnings dent on NIMs pressure and muted loan growth

- Significant decline in PAT due to NIMs pressure and higher provisions; credit growth remains moderate
- Weak AQ with elevated slippages; RoA to gradually improve to 1.4% by FY28E
- Downgrade to HOLD from BUY with revised TP of Rs 186 (from Rs 224) and roll over valuation to 1.1x Sep'27E ABV

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Significant decline in PAT due to NIMs pressure and higher provisions:

BANDHAN's PPOP at Rs 13.1bn (-29% YoY) was 10% below our estimates. This was largely due to the fall in NII (-12% YoY) and rise in opex (+8% YoY). NII declined due to muted advances (+6.8% YoY) and drop in NIMs to 5.8% (-152bps YoY) in Q2FY26. NIMs declined due to rising share of secured book (lower yielding) at 54.9% of total loans, interest reversals due to elevated slippages and repo rate cuts impacting yield on advances to 12.1% (-160bps YoY; -60bps QoQ), partially offset by ~10bps YoY/QoQ decline in the cost of funds (CoF). Management expects NIMs to further moderate by 10bps to ~6% (6.1% in H1FY26) by FY26 as the benefit of lower term deposit repricing expected from Q4FY26. Further, net profit declined significantly to Rs 1.1bn (-88% YoY) due to rise in provisions to Rs 11.5bn (+90% YoY) on the back of elevated slippages. We expect the return profile to weaken in FY26 with RoA / RoE of ~0.75% / 6.1% and gradually recover to 1.3-1.4% / 10.7-12.5% in FY27/28E.

Weak AQ with elevated slippages: Asset Quality (AQ) remains weak with increase in GNPA ratio to 5.02% (+6bps QoQ), as of Sep'25. This was mainly due to elevated gross slippages at Rs 15.9bn (Rs 11.2bn from EEB) or slippage ratio of 4.9% in Q2FY26 vs Rs 15.5bn (Rs 10.9bn from EEB) or 4.7% in Q1FY26. Further, loan write-offs were Rs 8.7bn, of which Rs 8bn was from EEB segment, reflecting ongoing stress in the segment. As a result, EEB stress pool (NPA+ SMA1+ SMA2) increased to Rs 58.6bn (+1.6% QoQ), as of Q2FY26.

Moderate credit growth: BANDHAN posted moderate net advance growth of below 7% YoY in the last two quarters. BANDHAN's portfolio strategy is to increase the share of secured book that grew to 54.9% (+7.9% YoY; +2.8% QoQ) of the total advances (excluding IBPC) as of Sep'25.

Downgrade to HOLD: Considering weak credit growth and the ongoing stress in the EEB portfolio impacting profitability, we have cut our earnings estimate (-52%/-27%/-22% for FY26E/ FY27E/FY28E). However, the bank is expected to report RoA/RoE 1.4/12.5% by FY28E as the MFI stress recedes. Hence, we downgrade to HOLD from BUY with revised TP of Rs 186 (from Rs 224), set at 1.1x Sep'27E ABV.

Key changes

Target	Rating
▼	▼

Ticker/Price	BANDHAN IN/Rs 171
Market cap	US\$ 3.1bn
Free float	59%
3M ADV	US\$ 10.7mn
52wk high/low	Rs 192/Rs 128
Promoter/FPI/DII	41%/23%/18%

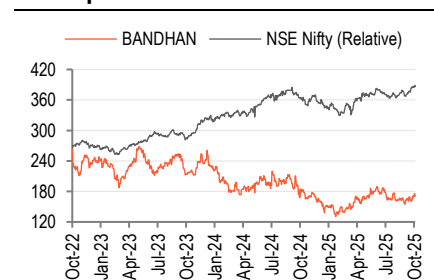
Source: NSE | Price as of 30 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	1,14,906	1,06,630	1,30,690
NII growth (%)	11.4	(7.2)	22.6
Adj. net profit (Rs mn)	27,453	15,221	29,132
EPS (Rs)	17.0	9.4	18.1
Consensus EPS (Rs)	17.0	16.7	22.0
P/E (x)	10.0	18.1	9.4
P/BV (x)	1.1	1.1	1.0
ROA (%)	1.5	0.8	1.3
ROE (%)	12.0	6.1	10.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	48,820	48,524	47,636	47,324	44,754	(8.3)	(5.4)
Income on investments	5,189	5,484	5,822	6,588	6,942	33.8	5.4
Int. on bal. with RBI & inter-bank funds & Others	989	780	881	845	1,842	86.3	118.1
Interest income	54,998	54,787	54,339	54,756	53,538	(2.7)	(2.2)
Interest expense	25,516	26,484	26,780	27,184	27,653	8.4	1.7
Net interest income	29,483	28,303	27,559	27,572	25,886	(12.2)	(6.1)
Growth YoY (%)	20.7	12.1	(3.9)	(8.2)	(12.2)		
Non-interest income	5,947	10,959	6,996	7,259	5,464	(8.1)	(24.7)
Growth YoY (%)	10.1	101.0	0.8	37.6	(8.1)		
Total income	35,430	39,261	34,555	34,831	31,350	(11.5)	(10.0)
Growth YoY (%)	18.7	27.9	(2.9)	(1.4)	(11.5)		
Staff expenses	10,440	12,274	10,842	11,236	10,773	3.2	(4.1)
Other operating expenses	6,438	6,774	8,000	6,911	7,474	16.1	8.1
Operating expenses	16,879	19,048	18,842	18,147	18,246	8.1	0.5
Pre-Provisioning Profit (PPoP)	18,551	20,214	15,713	16,684	13,104	(29.4)	(21.5)
Growth YoY (%)	17.2	22.1	(14.5)	(14.0)	(29.4)		
Provisions	6,062	13,760	12,602	11,469	11,526	90.1	0.5
Growth YoY (%)	(4.7)	101.2	(29.0)	119.3	90.1		
Exceptional Item							
PBT	12,489	6,453	3,112	5,215	1,578	(87.4)	(69.7)
Tax	3,114	2,189	(67)	1,495	459	(85.3)	(69.3)
PAT	9,374	4,265	3,179	3,720	1,119	(88.1)	(69.9)
Growth YoY (%)	30.0	(41.8)	482.0	(65.0)	(88.1)		
Per Share							
FV (Rs)	10.0	10.0	10.0	10.0	10.0	-	-
EPS (Rs)	5.8	2.7	2.0	2.3	0.7	(88.1)	(70.1)
Book Value (Rs)	157	161	163	165	164	4.6	(0.5)

Source: Company, BOBCAPS Research

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

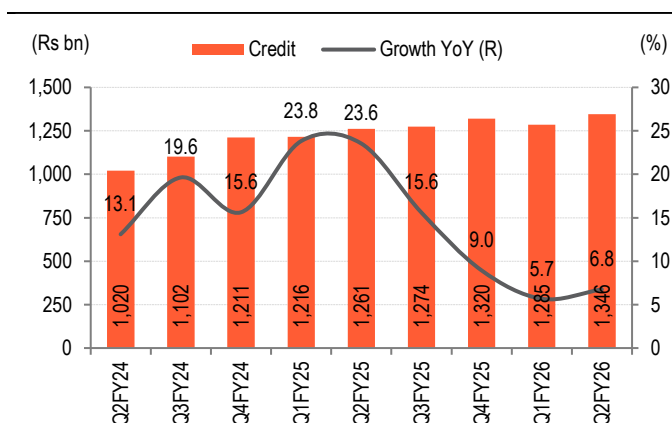
(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Deposits	14,25,095	14,10,000	15,12,125	15,46,700	15,80,746	10.9	2.2
Growth YoY (%)	27.2	20.1	11.8	16.1	10.9		
Advances	12,60,557	12,73,800	13,19,873	12,85,100	13,45,928	6.8	4.7
Growth YoY (%)	23.6	15.6	9.0	5.7	6.8		
Investment	3,08,466	3,63,100	4,07,123	3,82,900	4,56,722	48.1	19.3
Equity	2,53,257	2,58,700	2,62,160	2,66,219	2,64,813	4.6	(0.5)
Assets	17,97,677	18,39,100	19,14,763	18,94,000	19,50,106	8.5	3.0
Growth YoY (%)	17.9	17.2	7.7	9.3	8.5		
Yield (%)							
Yield on Funds	13.3	12.9	12.3	12.1	11.6	(168bps)	(41bps)
Cost of Funds	6.9	6.9	6.8	6.7	6.8	(12bps)	4bps
Spread	6.4	6.0	5.5	5.3	4.9	(156bps)	(44bps)
Net Interest Margin (calc.)	7.1	6.7	6.2	6.1	5.6	(151bps)	(44bps)
Ratios (%)							
Other Income / Net Income	16.8	27.9	20.2	20.8	17.4	64bps	(341bps)
Cost to Income ratio	47.6	48.5	54.5	52.1	58.2	1056bps	610bps
CASA ratio	33.2	31.7	31.4	27.1	28.0	(521bps)	90bps
C/D ratio	88.5	90.3	87.3	83.1	85.1	(331bps)	206bps
Investment to Assets	17.2	19.7	21.3	20.2	23.4	626bps	320bps
Assets Quality							
GNPA	61,053	61,785	64,356	66,226	70,151	14.9	5.9
NNPA	16,202	16,367	16,928	17,442	18,435	13.8	5.7
Provision	44,851	45,418	47,427	48,785	51,716	15.3	6.0
GNPA (%)	4.7	4.7	4.7	5.0	5.0	34bps	6bps
NNPA (%)	1.3	1.3	1.3	1.4	1.4	8bps	1bps
PCR (%)	73.5	73.5	73.7	73.7	73.7	26bps	6bps
Others (nos)							
Branches	1,703	1,703	1,715	1,750	1,754	51	4
ATMs	438	438	438	438	438	-	-
Employees	79,925	78,414	75,032	73,048	73,650	(6,275)	602

Source: Company, BOBCAPS Research

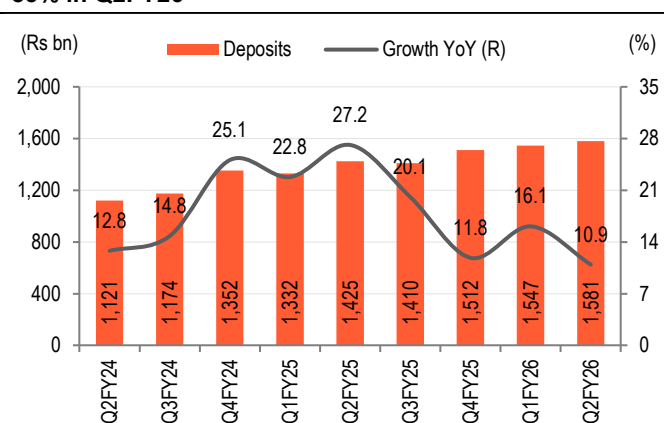
Fig 3 – Loan Mix (%) – Rising share of secured book

Loan Mix (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
EEB	50.1	49.7	49.9	49.3	45.4	42.5	41.3	39.5	37.5
-Group	33.2	33.4	32.7	32.2	29.2	27.3	26.3	25.2	24.0
-Individual	16.9	16.2	17.2	17.0	16.2	15.2	14.9	14.3	13.5
Mortgage	24.8	24.9	24.0	23.4	24.2	24.7	24.2	24.4	23.9
-Housing	19.8	18.6	18.3	18.6	18.5	18.9	19.0	19.6	19.0
-LAP	3.4	3.4	3.5	3.8	3.9	4.1	4.4	4.7	4.8
-IBPC	1.4	2.7	2.1	0.9	1.6	1.5	0.7	-	-
-Construction	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2
Retail	3.7	3.9	4.5	5.0	5.7	6.6	8.0	8.3	9.0
CB	21.4	21.6	21.6	22.3	24.7	26.1	26.5	27.7	29.6
-NBFC	10.4	9.2	10.3	11.0	12.0	12.1	11.7	12.6	13.1
-SME	10.9	12.4	11.4	11.3	12.7	14.1	14.8	15.2	16.5
Total AUM	100	100	100	100	100	100	100	100	100

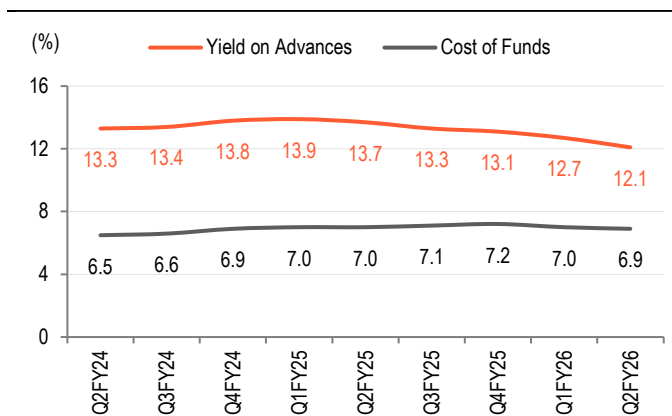
Source: Company, BOBCAPS Research

Fig 4 – Credit growth moderated to 6.8% YoY in Q2FY26

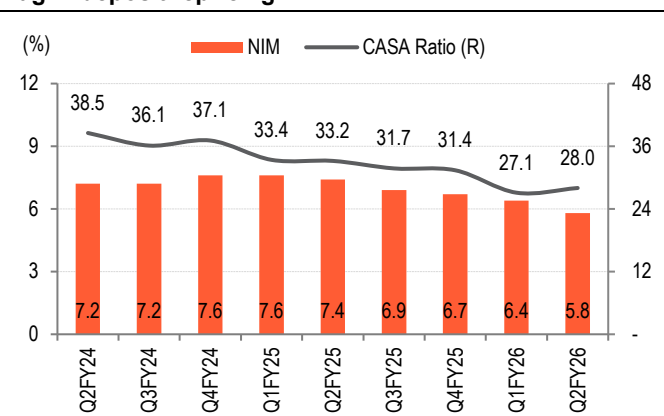
Source: Company, BOBCAPS Research

Fig 5 – With higher deposit growth, CD ratio improved to 85% in Q2FY26

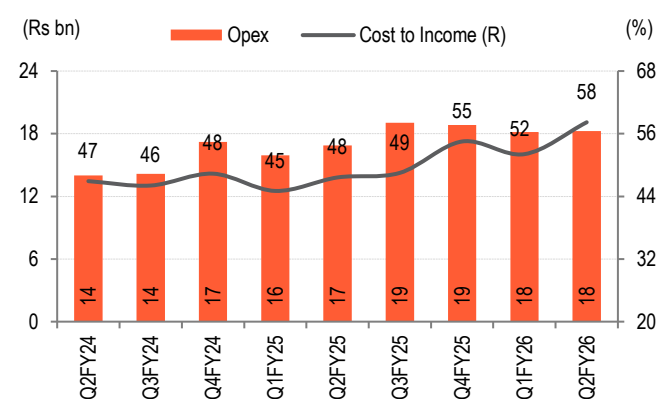
Source: Company, BOBCAPS Research

Fig 6 – Fall in yield on advances

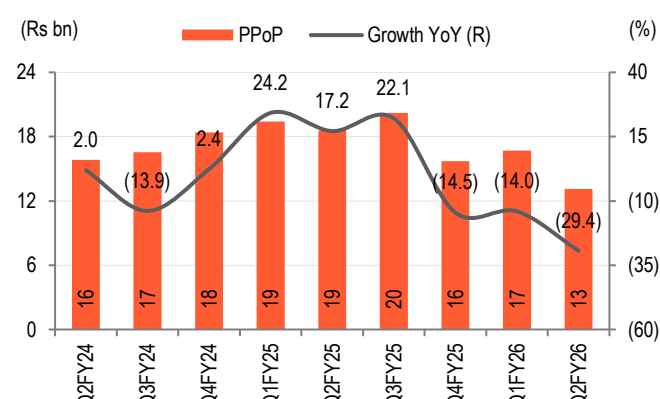
Source: Company, BOBCAPS Research

Fig 7 – NIMs declined on falling share of EEB loans and lag in deposit repricing

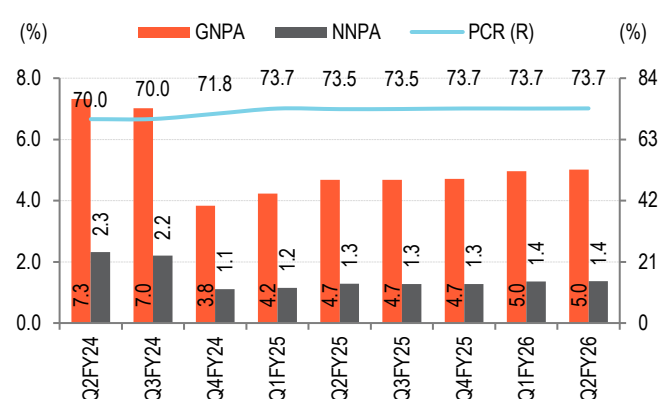
Source: Company, BOBCAPS Research

Fig 8 – CI ratio deteriorated

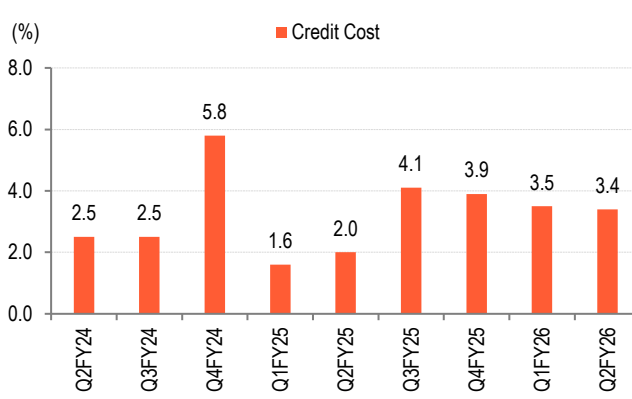
Source: Company, BOBCAPS Research

Fig 9 – PPOP declined mainly due to NIMs pressure

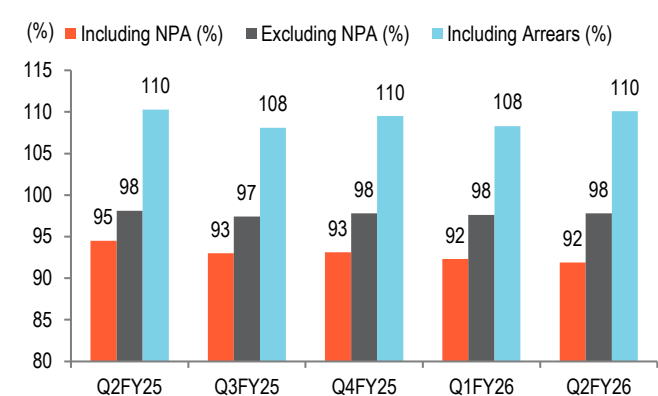
Source: Company, BOBCAPS Research

Fig 10 – Asset quality weakens

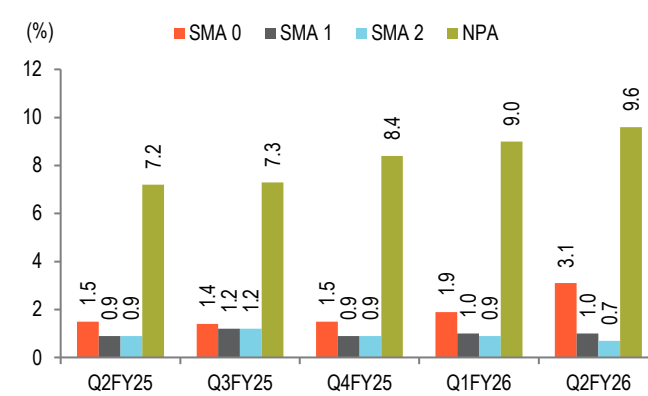
Source: Company, BOBCAPS Research

Fig 11 – Credit costs expected to improve gradually

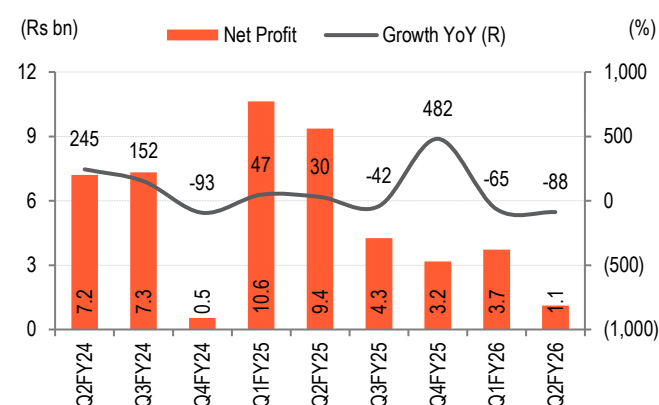
Source: Company, BOBCAPS Research

Fig 12 – Collection efficiency for the quarter

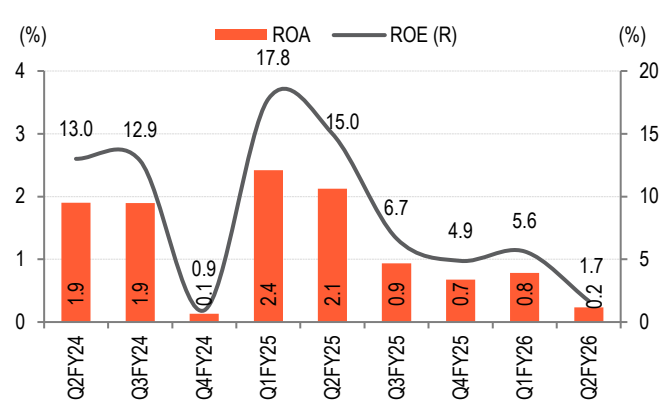
Source: Company, BOBCAPS Research

Fig 13 – EEB DPD movement

Source: Company, BOBCAPS Research

Fig 14 – PAT declined significantly

Source: Company, BOBCAPS Research

Fig 15 – Return ratios impacted

Source: Company, BOBCAPS Research

Earnings Call Highlights

Advances

- **Gross Advances:** Rs 1.4tn as of Sep'25, up 7% YoY and 5% QoQ.
- **Strategic Focus:** Execution of "Bandhan 2 Strategy" – transitioning from a microfinance-centric to a diversified, full-service commercial bank.
- **Portfolio Direction:** Emphasis on diversification and resilience, reducing dependence on microfinance (EEB).

Secured and Non-EEB Portfolio

- **Secured Portfolio:**
 - Up 25% YoY; now forms 55% of total advances (vs. 52% last year).
 - Management expects a further 2-3% rise in secured mix over next 6-7 quarters.
- **Non-EEB Portfolio:**
 - Up 24% YoY; now 63% of total advances (vs. 55% last year).
 - **Retail Assets:** +66% YoY, led by secured products - CV & equipment loans, auto loans, and gold loans.
 - **Wholesale Banking:** +27% YoY, driven by strong client traction and execution.
 - Reflects structural shift towards lower-risk, collateralized lending.

EEB (Emerging Entrepreneur Business) Portfolio

- **EEB Advances:** Rs 517.3bn (37.5% of total AUM), down 13% YoY and 2% QoQ. Excluding the impact of technical write-offs, the EEB portfolio remained largely stable on a sequential basis.

- **Outlook:** Gradual growth expected from Q3FY26, supported by improving collections and prudent field discipline.

Deposits

- **Total Deposits:** Rs 1.58tn, up 11% YoY, outpacing loan growth - reinforcing focus on stable, granular funding.
- **Retail Deposits:** Up 16% YoY; retail term deposits grew 38% YoY, driving liability stability.
- **CASA Deposits:** Rs 442bn, down 6.5% YoY due to savings rate cuts, but up 5.6% QoQ, indicating recovery momentum. Savings account balances rose 3.2% sequentially as deposit mobilisation improved.
- **Funding Cost Improvement:** Average cost of savings accounts has been substantially reduced from 5.5% in Mar'25 to almost 4.2% for Q2FY26, and nearly 4% in Sep'25, providing significant benefit going forward.
- **Bulk Deposits:** Share reduced to 29% (vs 32% in Q2FY25), reflecting conscious efforts to improve granularity and limit high-cost liabilities. Focus remains on deepening relationships through HNI-centric products like Elite and Legacy accounts.

Profitability

- NII came in at Rs 27.6bn vs Rs 27.2bn in Q1FY26 (-12% YoY, -6% QoQ).
- NIM stood at 5.8% in Q2FY26 vs 6.4% in Q1FY26 and 7.4% in Q2FY25 a decline of 160bps YoY and 60bps QoQ, primarily reflecting the impact of lower lending yields post factoring in the repo rate cut.
- **Key Drivers:** Margin compression was driven by the repo rate transmission, a rising share of secured loans (which carry lower yields), and elevated slippages affecting yield recognition. However, cost of funds declined due to the savings rate repricing (5.5% to ~4% now), providing partial offset.
- **Outlook:** Management expects Q2 to mark the bottom for NIMs, with gradual recovery from Q4FY26 as deposit repricing benefits flow through. NIMs are guided to stabilise around ~6% by FY27, supported by lower funding costs, improved portfolio mix, and normalised credit costs.
- ROA stood at 0.5% and ROE at 3.8% for H1FY26, reflecting the bank's transitional phase as it rebalances portfolio mix and absorbs near-term NIM and credit cost pressures.

Asset quality and capital adequacy

- GNPA stood at 5.02%, up 6bps QoQ (4.96% in Q1FY26) and up 40bps YoY (4.68% in Q2FY25).
- NNPA was 1.4%, unchanged sequentially and but up 8bps YoY
- Provision Coverage Ratio (PCR) remained healthy at 73.7%, indicating sustained provisioning strength.

- Gross slippages were Rs 15.9bn (vs Rs 15.5bn QoQ), driven primarily by stress in the Emerging Entrepreneur Business (EEB) segment.
- Recoveries and upgrades improved marginally to Rs 3.32bn (vs Rs 3.19bn QoQ).
- Technical write-offs stood at Rs 8.65bn, primarily concentrated in the EEB portfolio.
- EEB segment continues to face pressure, contributing ~70% of total slippages (Rs 11.18bn vs Rs 10.89bn QoQ), though collection efficiency improved to 97.8% (vs 97.6% QoQ).
- Outlook & Guidance: Management expects overall credit costs to moderate to 1.5–1.6% by FY27, led by a higher secured mix and better collections.
- For EEB, credit costs are guided at 2.5–3% by FY27, with slippage trends expected to normalise as portfolio diversification continues.
- **Capital Position:** Maintained a strong capital base, with CAR at 18.2% and Tier-1 ratio at 17.4%, ensuring comfortable headroom for growth and balance sheet expansion.

Other info

- Top 5 states (West Bengal, Maharashtra, Bihar, Gujarat and Madhya Pradesh) constituted 59% of gross advances, of which West Bengal constituted 23% flat sequentially in Q2FY26.
- East and North-East India loan exposure decreased from 40% in Q2FY25 to 38% now, with higher growth in North, West and South India.

Valuation Methodology

Considering weak credit growth and the ongoing stress in the EEB portfolio impacting profitability, we have cut our earnings estimate (-52%/-27%/-22% for FY26E/FY27E/FY28E). With tighter entry guardrails, the stress in EEB book is expected to reduce, particularly in newer vintages. We expect the bank to report RoA/RoE 1.4/12.5% by FY28E, as MFI stress recedes and the portfolio shifting to secured book. Hence, we downgrade to HOLD from BUY with revised TP of Rs 186 (from Rs 224) and roll over valuation to 1.1x Sep'27E ABV.

Fig 16 – Key operational assumptions

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	9.0	9.0	15.0	17.0
NII Growth	11.4	(7.2)	22.6	20.2
PPOP Growth	11.3	(21.0)	25.3	13.3
PAT Growth	23.1	(44.6)	91.4	29.3
NIM	7.1	6.0	6.5	6.7
GNPA	4.6	4.8	4.3	3.7
CAR	18.7	17.8	17.0	16.3

Source: Company, BOBCAPS Research

Fig 17 – Actuals vs BOBCAPS estimates

(Rs mn)	Q2FY26A	Q2FY26E	Variance (%)
Loan	13,45,928	13,44,595	0.1
Deposits	15,80,746	15,79,750	0.1
Assets	19,50,106	19,78,025	(1.4)
NII	25,886	27,255	(5.0)
PPOP	13,104	14,522	(9.8)
Provision	11,526	10,683	7.9
PAT	1,119	2,879	(61.1)

Source: Company, BOBCAPS Research

Fig 18 – Revised estimates

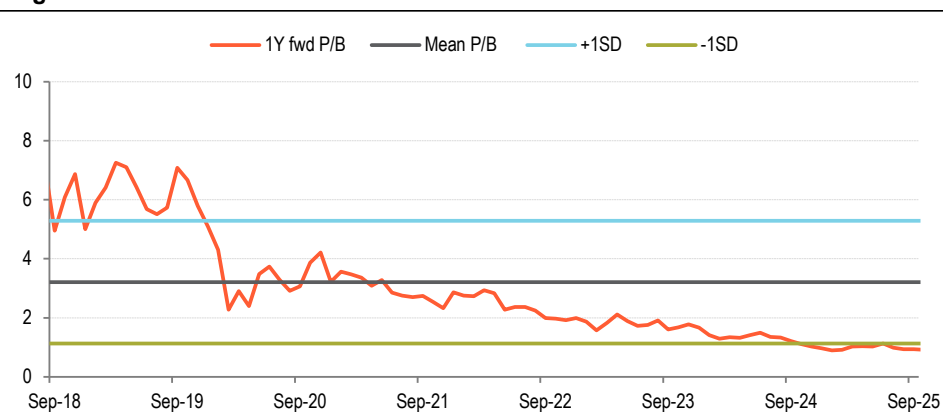
Key Parameters (Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	14,38,662	16,54,461	19,35,719	15,17,854	17,75,889	21,04,429	(5.2)	(6.8)	(8.0)
Deposits	16,93,580	19,81,489	23,38,157	17,84,307	21,23,326	25,43,744	(5.1)	(6.7)	(8.1)
Assets	21,38,044	24,73,491	29,07,445	22,47,548	26,57,687	31,53,526	(4.9)	(6.9)	(7.8)
NII	1,06,630	1,30,690	1,57,104	1,25,201	1,42,702	1,64,778	(14.8)	(8.4)	(4.7)
PPOP	58,389	73,181	82,934	78,507	89,847	1,03,005	(25.6)	(18.5)	(19.5)
Provision	37,930	34,024	32,312	35,897	36,231	37,833	5.7	(6.1)	(14.6)
PAT	15,221	29,132	37,663	31,701	39,890	48,488	(52.0)	(27.0)	(22.3)
ABV (Rs)	149	165	187	159	182	209	(6.5)	(9.1)	(10.6)

Source: Company, BOBCAPS Research

Fig 19 – Key valuation assumptions

Gordon growth model	Assumptions
Cost of equity (%)	14.8
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)	1.1
Implied BVPS (Rs)	176
Value per share (Rs)	186

Source: Company, BOBCAPS Research

Fig 20 – 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

Key upside risks to our estimates:

- Faster recovery in the EEB book, in terms of CE and asset quality metrics
- Credit growth improving at a higher pace than expected

Glossary

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

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	1,03,188	1,14,906	1,06,630	1,30,690	1,57,104
NII growth (%)	11.4	11.4	(7.2)	22.6	20.2
Non-interest income	21,714	29,666	31,428	34,623	34,200
Total income	1,24,903	1,44,572	1,38,058	1,65,313	1,91,304
Operating expenses	58,508	70,685	79,669	92,133	1,08,369
PPOP	66,395	73,887	58,389	73,181	82,934
PPOP growth (%)	(6.4)	11.3	(21.0)	25.3	13.3
Provisions	36,966	37,654	37,930	34,024	32,312
PBT	29,429	36,233	20,459	39,156	50,623
Tax	7,133	8,780	5,237	10,024	12,959
Reported net profit	22,296	27,453	15,221	29,132	37,663
Adjustments	0	0	0	0	0
Adjusted net profit	22,296	27,453	15,221	29,132	37,663

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	1,99,545	2,27,481	2,41,561	2,68,363	3,03,013
Net worth	2,15,654	2,43,591	2,57,671	2,84,473	3,19,123
Deposits	13,52,020	15,12,125	16,93,580	19,81,489	23,38,157
Borrowings	1,63,715	1,11,385	1,28,093	1,47,307	1,69,403
Other liab. & provisions	46,585	45,203	58,700	60,224	80,763
Total liab. & equities	17,77,975	19,12,304	21,38,044	24,73,491	29,07,445
Cash & bank balance	1,61,705	95,694	1,20,214	1,41,490	1,66,306
Investments	2,92,876	4,07,123	4,56,487	5,33,313	6,37,499
Advances	12,11,368	13,19,873	14,38,662	16,54,461	19,35,719
Fixed & Other assets	1,12,468	92,073	1,25,140	1,46,686	1,70,380
Total assets	17,78,417	19,14,763	21,40,503	24,75,950	29,09,904
Deposit growth (%)	25.1	11.8	12.0	17.0	18.0
Advances growth (%)	15.6	9.0	9.0	15.0	17.0

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	13.8	17.0	9.4	18.1	23.4
Dividend per share	1.5	1.5	0.7	1.4	1.9
Book value per share	133.9	151.2	159.9	176.6	198.1

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	12.3	10.0	18.1	9.4	7.3
P/BV	1.3	1.1	1.1	1.0	0.9
Dividend yield (%)	0.9	0.9	0.4	0.8	1.1

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	6.2	6.2	5.3	5.7	5.8
Non-interest income	1.3	1.6	1.6	1.5	1.3
Operating expenses	3.5	3.8	3.9	4.0	4.0
Pre-provisioning profit	4.0	4.0	2.9	3.2	3.1
Provisions	2.2	2.0	1.9	1.5	1.2
PBT	1.8	2.0	1.0	1.7	1.9
Tax	0.4	0.5	0.3	0.4	0.5
ROA	1.3	1.5	0.8	1.3	1.4
Leverage (x)	8.1	8.0	8.1	8.5	8.9
ROE	10.8	12.0	6.1	10.7	12.5

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	11.4	11.4	(7.2)	22.6	20.2
Pre-provisioning profit	(6.4)	11.3	(21.0)	25.3	13.3
EPS	1.6	23.1	(44.6)	91.4	29.3
Profitability & Return ratios (%)					
Net interest margin	7.4	7.1	6.0	6.5	6.7
Fees / Avg. assets	0.3	0.2	0.2	0.2	0.2
Cost-Income	46.8	48.9	57.7	55.7	56.6
ROE	10.8	12.0	6.1	10.7	12.5
ROA	1.3	1.5	0.8	1.3	1.4
Asset quality (%)					
GNPA	3.8	4.6	4.8	4.3	3.7
NNPA	1.1	1.3	1.3	1.1	1.0
Slippage ratio	5.4	4.4	4.0	3.1	2.5
Credit cost	3.3	3.0	2.8	2.2	1.8
Provision coverage	71.8	73.7	75.0	75.0	75.0
Ratios (%)					
Credit-Deposit	89.6	87.3	84.9	83.5	82.8
Investment-Deposit	21.7	26.9	27.0	26.9	27.3
CAR	14.7	18.7	17.8	17.0	16.3
Tier-1	13.8	17.9	17.0	16.2	15.5

Source: Company, BOBCAPS Research

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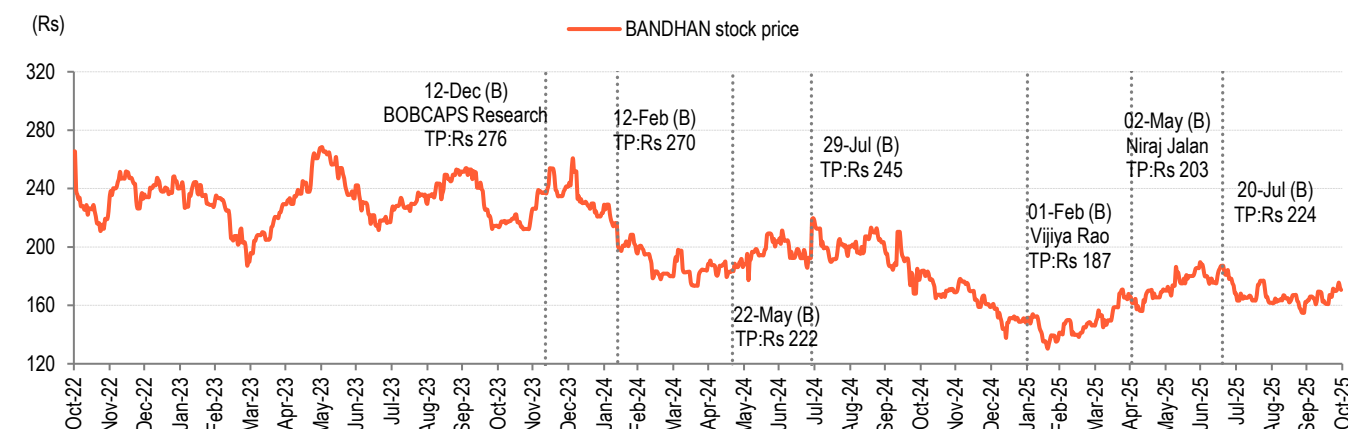
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