RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 169 | ⮝ 19%

BANDHAN BANK | Banking | 23 January 2026

AQ recovery visibility improves; upgrade on valuation comfort

- **PPoP higher than estimates; but PAT declined on higher CC; RoA to gradually improve to 1.5% by FY28E**
- **AQ improved, driven by lower slippage and NPA sale to ARC; credit growth inching up**
- **Upgrade to BUY from HOLD with revised TP of Rs 169 (from Rs 186) and roll over valuation to 0.9x Dec'27E ABV (1.1x earlier)**

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PPoP higher than estimates; but PAT declined on higher CC: BANDHAN's PPoP at Rs 14.5bn (-29% YoY; +10% QoQ) was 3% above our estimates. This was largely due to an in-line NII (-5% YoY; +4% QoQ) and the rise in Other income (+26% QoQ). NII was supported by a marginal rise in NIMs to 5.9% (+10bps QoQ). Improvement in deposit mix with a decline in bulk deposit (-6% QoQ), and deposit repricing, resulted in lower CoF. However, PAT was down to Rs 2bn (-52% YoY; +84% QoQ) due to rise in provisions to Rs 11.5bn (-16% YoY; +0.2% QoQ). Management expects NIMs to improve on the back of deposit repricing; CC to decline to 1.6-1.7% by FY27E (3.4% in 9MFY26). Hence, we expect the return profile to gradually improve to 1.3-1.5%/ 10.9-12.6% in FY27/28E.

AQ improved, driven by lower slippage and NPA sale to ARC: AQ improved with an absolute level of GNPAs falling significantly to Rs 48bn (-32% QoQ), mainly driven by lower slippages to Rs 13.1bn (-18% QoQ) and NPA sale to ARC of Rs 31.7bn. As a result, GNPA ratio improved to 3.33% (-169bps QoQ), as of Dec'25. Slippage was mainly from EEB segment of Rs 9.4bn (-16% QoQ; 72% of total slippages) in Q3FY26. Management stated that MFI slippage has declined for the last 3 quarters. Also, the overall SMA book in EEB declined to Rs 23.1bn (-7.6% QoQ), indicating improvement in early delinquency buckets. Further, the EEB stress pool (NPA+ SMA1+ SMA2) decreased to Rs 39.9bn from Rs 58.6bn in Q2FY26. EEB CE (excluding NPA) also improved to 98.0% (Dec'25) vs 97.5% (Sep'25). With lower slippages and improving CE, CC is likely to improve in the near term.

Credit growth inching up: BANDHAN posted net advance growth of 10.8% YoY in Q3FY26 vs single-digit growth in the last 3 quarters. As a result, CD ratio increased to 90% (+4.9% QoQ). The portfolio strategy is to increase secured mix, which was at 56.7% (+7.8% YoY) of the total advances (excluding IBPC) as of Dec'25.

Upgrade to BUY: With MFI stress showing signs of improvement and return profile expected to improve (RoA/RoE 1.5/12.6% by FY28E), we believe that the bank is available at a cheap valuation (1YF P/ABV of 0.9x). We upgrade to BUY from HOLD with revised TP of Rs 169 (from Rs 186), set at 0.9x Dec'27E ABV.

Key changes

Target	Rating
▼	▲

Ticker/Price	BANDHAN IN/Rs 142
Market cap	US$ 2.5bn
Free float	60%
3M ADV	US$ 13.3mn
52wk high/low	Rs 192/Rs 128
Promoter/FPI/DII	40%/22%/19%

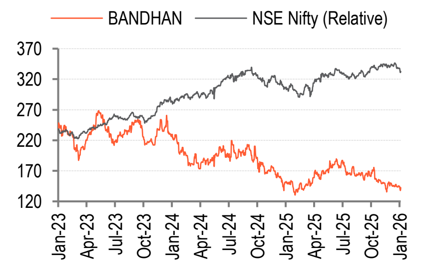
Source: NSE | Price as of 22 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	1,14,906	1,07,360	1,24,032
NII growth (%)	11.4	(6.6)	15.5
Adj. net profit (Rs mn)	27,453	13,808	29,607
EPS (Rs)	17.0	8.6	18.4
Consensus EPS (Rs)	17.0	11.0	18.2
P/E (x)	8.4	16.6	7.8
P/BV (x)	0.9	0.9	0.8
ROA (%)	1.5	0.7	1.3
ROE (%)	11.9	5.5	10.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	48,524	47,636	47,324	44,754	46,849	(3.5)	4.7
Income on investments	5,484	5,822	6,588	6,942	6,829	24.5	(1.6)
Int. on bal. with RBI & inter-bank funds & Others	780	881	845	1,842	634	(18.7)	(65.6)
Interest income	**54,787**	**54,339**	**54,756**	**53,538**	**54,312**	**(0.9)**	**1.4**
Interest expense	26,484	26,780	27,184	27,653	27,429	3.6	(0.8)
Net interest income	**28,303**	**27,559**	**27,572**	**25,886**	**26,883**	**(5.0)**	**3.9**
Growth YoY (%)	12.1	(3.9)	(8.2)	(12.2)	(5.0)		
Non-interest income	**10,959**	**6,996**	**7,259**	**5,464**	**6,910**	**(36.9)**	**26.5**
Growth YoY (%)	101.0	0.8	37.6	(8.1)	(36.9)		
Total income	**39,261**	**34,555**	**34,831**	**31,350**	**33,793**	**(13.9)**	**7.8**
Growth YoY (%)	27.9	(2.9)	(1.4)	(11.5)	(13.9)		
Staff expenses	12,274	10,842	11,236	10,773	11,335	(7.6)	5.2
Other operating expenses	6,774	8,000	6,911	7,474	8,008	18.2	7.2
Operating expenses	19,048	18,842	18,147	18,246	19,343	1.6	6.0
Pre-Provisioning Profit (PPoP)	**20,214**	**15,713**	**16,684**	**13,104**	**14,450**	**(28.5)**	**10.3**
Growth YoY (%)	22.1	(14.5)	(14.0)	(29.4)	(28.5)		
Provisions	13,760	12,602	11,469	11,526	11,546	(16.1)	0.2
Growth YoY (%)	101.2	(29.0)	119.3	90.1	(16.1)		
Exceptional	-	-	-	-	-		
PBT	**6,453**	**3,112**	**5,215**	**1,578**	**2,904**	**(55.0)**	**84.0**
Tax	2,189	(67)	1,495	459	848	(61.3)	84.6
PAT	**4,265**	**3,179**	**3,720**	**1,119**	**2,056**	**(51.8)**	**83.8**
Growth YoY (%)	(41.8)	482.0	(65.0)	(88.1)	(51.8)		
Per Share							
FV (Rs)	10.0	10.0	10.0	10.0	10.0	-	-
EPS (Rs)	2.7	2.0	2.3	0.7	1.3	(51.7)	85.5
Book Value (Rs)	161	163	165	164	166	3.2	0.9

Source: Company, BOBCAPS Research

Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Deposits	**14,10,000**	**15,12,125**	**15,46,700**	**15,80,746**	**15,67,200**	**11.1**	**(0.9)**
Growth YoY (%)	20.1	11.8	16.1	10.9	11.1		
Advances	**12,73,800**	**13,19,873**	**12,85,100**	**13,45,928**	**14,11,000**	**10.8**	**4.8**
Growth YoY (%)	15.6	9.0	5.7	6.8	10.8		
Investment	3,63,100	4,07,123	3,82,900	4,56,722	3,98,700	9.8	(12.7)
Equity	2,58,700	2,62,160	2,66,219	2,64,813	2,67,100	3.2	0.9
Assets	18,39,100	19,14,763	18,94,000	19,50,106	19,61,400	6.6	0.6
Growth YoY (%)	17.2	7.7	9.3	8.5	6.6		
Yield							
Yield on Funds	12.9	12.3	12.1	11.6	11.6	(129bps)	(4bps)
Cost of Funds	6.9	6.8	6.7	6.8	6.6	(35bps)	(18bps)
Spread	6.0	5.5	5.3	4.9	5.0	(94bps)	13bps
Net Interest Margin	**6.7**	**6.2**	**6.1**	**5.6**	**5.7**	**(92bps)**	**11bps**
Ratios							
Other Income / Net Income	27.9	20.2	20.8	17.4	20.4	(746bps)	302bps
Cost to Income ratio	48.5	54.5	52.1	58.2	57.2	872bps	(96bps)
CASA ratio	31.7	31.4	27.1	28.0	27.3	(447bps)	(70bps)
C/D ratio	90.3	87.3	83.1	85.1	90.0	(31bps)	489bps
Investment to Assets	19.7	21.3	20.2	23.4	20.3	58bps	(309bps)
Assets Quality							
GNPA	61,785	64,356	66,226	70,151	48,050	(22.2)	(31.5)
NNPA	16,367	16,928	17,442	18,435	14,021	(14.3)	(23.9)
Provision	45,418	47,427	48,785	51,716	34,029	(25.1)	(34.2)
GNPA (%)	4.7	4.7	5.0	5.0	3.3	(135bps)	(169bps)
NNPA (%)	1.3	1.3	1.4	1.4	1.0	(29bps)	(38bps)
Provision (%)	73.5	73.7	73.7	73.7	70.8	(269bps)	(290bps)
Others							
Branches	1,703	1,715	1,750	1,754	1,831	128	77
ATMs	438	438	438	438	438	-	-
Employees	78,414	75,032	73,048	73,650	74,512	(3,902)	862

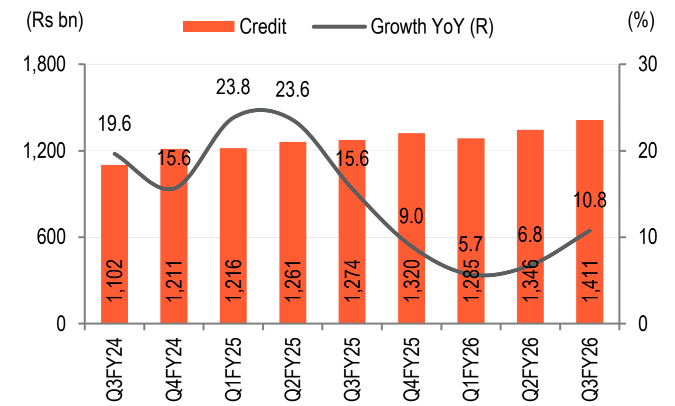
Source: Company, BOBCAPS Research

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

Loan Mix (%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
EEB	**49.7**	**49.9**	**49.3**	**45.4**	**42.5**	**41.3**	**39.5**	**36.9**	**34.5**
-Group	33.4	32.7	32.2	29.2	27.3	26.3	25.2	23.6	22.4
-Individual	16.2	17.2	17.0	16.2	15.2	14.9	14.3	13.3	12.1
Mortgage	**24.9**	**24.0**	**23.4**	**22.6**	**24.7**	**24.2**	**24.4**	**23.6**	**23.2**
-Housing	18.6	18.3	18.6	18.5	18.9	19.0	19.6	18.8	18.2
-LAP	3.4	3.5	3.8	3.9	4.1	4.4	4.7	4.7	4.9
-IBPC	2.7	2.1	0.9	-	1.5	0.7	-	-	-
-Construction	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2
Retail	**3.9**	**4.5**	**5.0**	**5.7**	**6.6**	**8.0**	**8.3**	**8.9**	**9.5**
CB	**21.6**	**21.6**	**22.3**	**24.7**	**26.1**	**26.5**	**27.7**	**29.1**	**31.4**
FIG	9.2	10.3	11.0	12.0	12.1	11.7	12.6	12.9	14.7
SME	12.4	11.4	11.3	12.7	14.1	14.8	15.2	16.3	16.7
IBPC			-	1.6	-	-	-	1.4	1.4
Total AUM	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

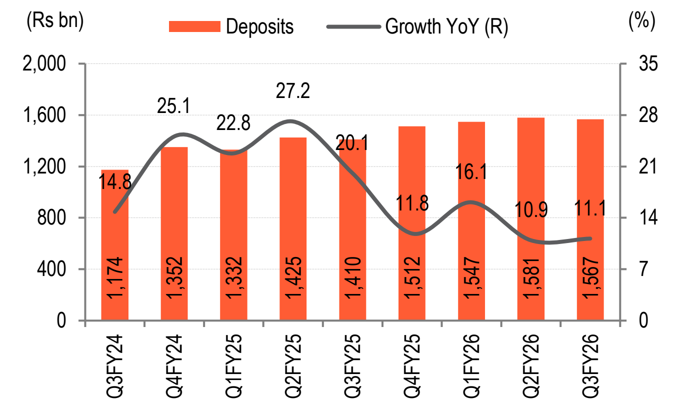
Source: Company, BOBCAPS Research

Fig 4 – Credit growth improves to 10.8% YoY in Q3FY26



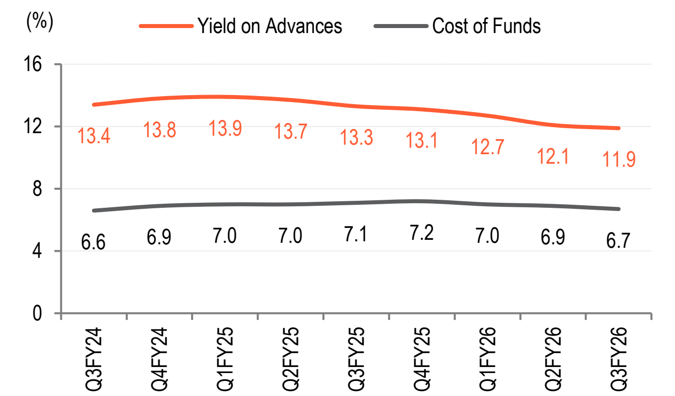
Source: Company, BOBCAPS Research

Fig 5 – Deposits grew 11% YoY



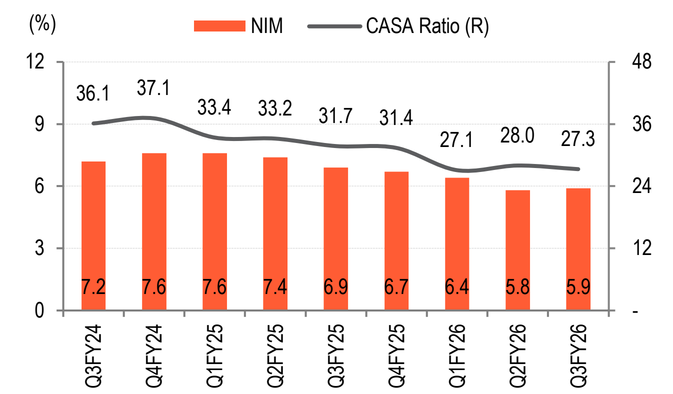
Source: Company, BOBCAPS Research

Fig 6 – Fall in yields on advances



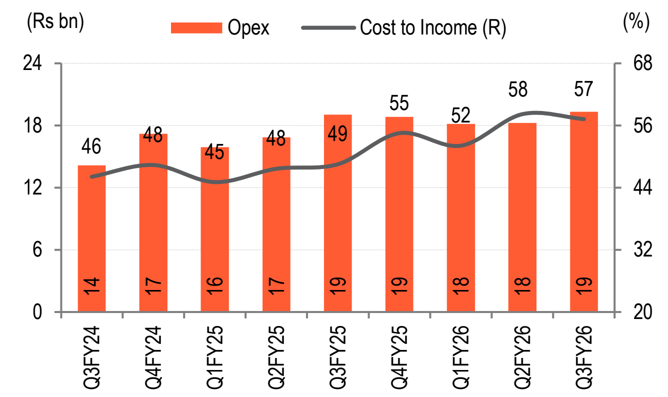
Source: Company, BOBCAPS Research

Fig 7 – NIMs improved due to deposit repricing



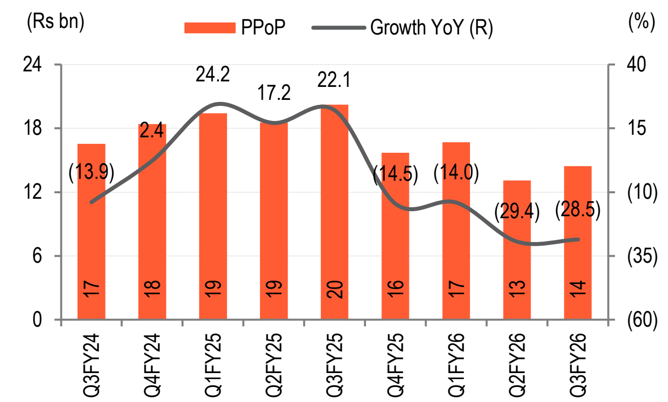
Source: Company, BOBCAPS Research

Fig 8 – CI ratio increases on account of one-time provisions related to labour cost



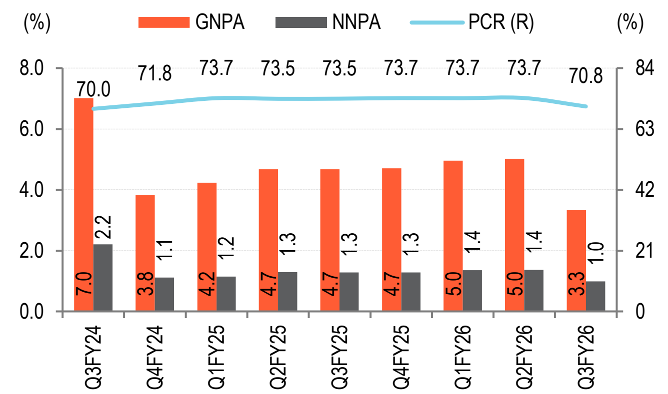
Source: Company, BOBCAPS Research

Fig 9 – PPOP declined by 28.5% YoY



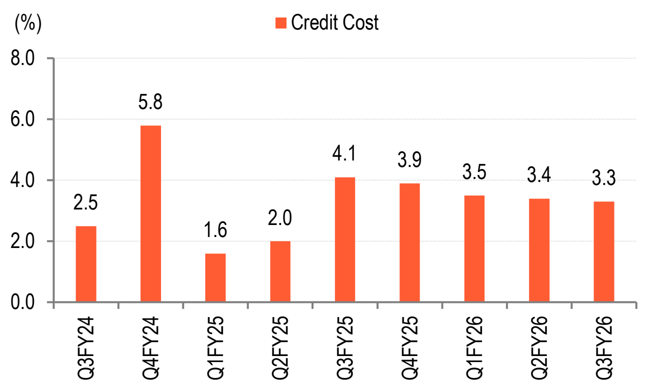
Source: Company, BOBCAPS Research

Fig 10 – Asset quality improved significantly



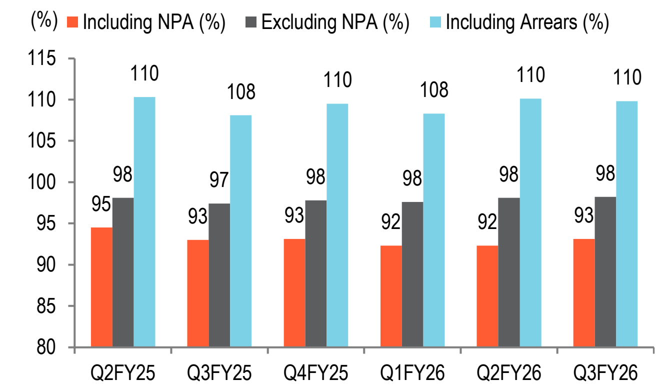
Source: Company, BOBCAPS Research

Fig 11 – Credit costs expected to improve gradually



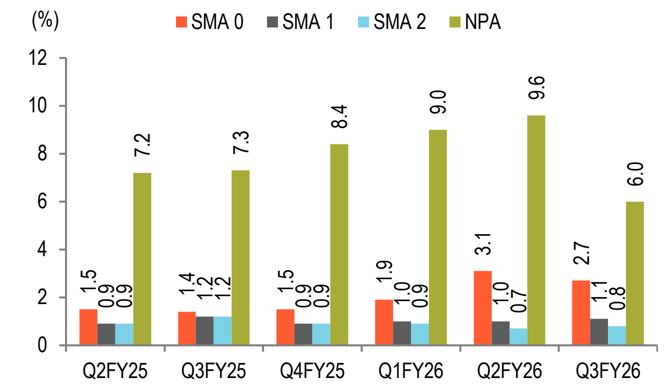
Source: Company, BOBCAPS Research

Fig 12 – Collection efficiency for the quarter



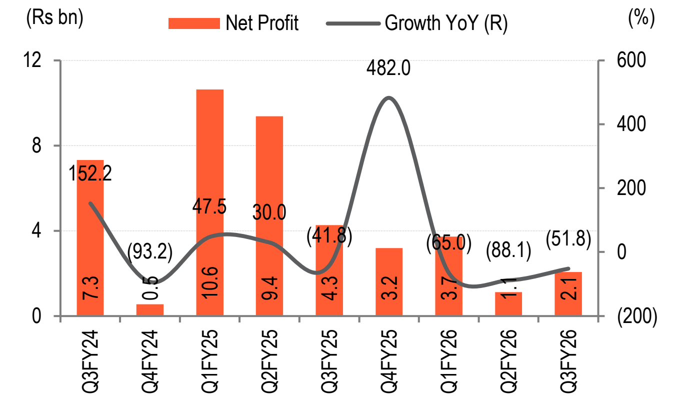
Source: Company, BOBCAPS Research

Fig 13 – EEB DPD movement



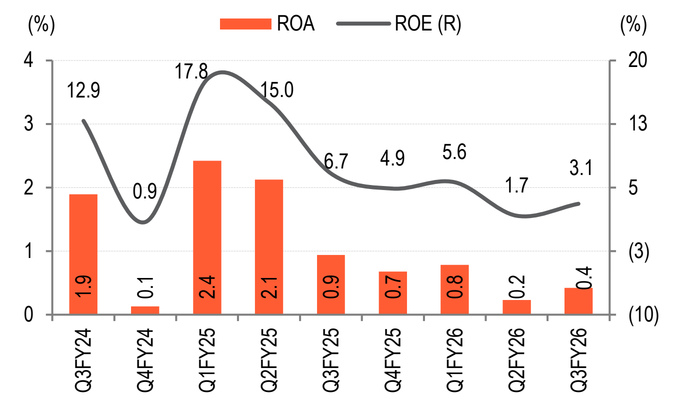
Source: Company, BOBCAPS Research

Fig 14 – PAT declined 51.8% YoY



Source: Company, BOBCAPS Research

Fig 15 – Return ratios improved



Source: Company, BOBCAPS Research

Earnings Call Highlights

Advances

- **Gross Advances:** Rs 1.45trn as of Dec'25, up 10% YoY and 3.7% QoQ.
- **Growth Guidance:** The bank has guided for **15–17% CAGR in advances** over the next 2 years, with **deposit growth expected to outpace loan growth** to ensure balance-sheet sustainability and franchise stability.
- **Portfolio Diversification:** Management aims to transition toward a **portfolio mix of ~60% secured and 40% unsecured loans**. The secured portfolio has already increased to **56.7%**, up from **48.9% YoY**, reflecting steady progress on this strategy.

Secured and Non-EEB Portfolio

- Non-EEB Portfolio:
  - Up 25% YoY; now 65.5% of total advances (vs. 57.5% last year).
  - **Retail Assets:** +57% YoY, led by secured products - CV & equipment loans, auto loans, and gold loans.
  - **Wholesale Banking:** +32% YoY, driven by strong client traction and execution.
  - Reflects structural shift towards lower-risk, collateralized lending.

EEB (Emerging Entrepreneur Business) Portfolio

- **EEB Advances:** Rs 500.8bn (34.5% of total AUM), down 11% YoY and 3% QoQ. However, excluding the NPA sales to ARC, the EEB book would have grown by 2% QoQ.
  - Slippages from the **vintage book (loans disbursed in the last year)** have remained **low**, supporting confidence in portfolio quality and future growth.

Deposits

- **Total Deposits:** Rs 1.57tn, up 11.1% YoY, outpacing loan growth - reinforcing focus on stable, granular funding.
- **Retail TD:** retail term deposits grew 36% YoY, driving liability stability
- **CASA Deposits:** Rs 427bn, down 4% YoY due to savings rate cuts. Current account balances rose 4% sequentially, while savings account balance declined 5% QoQ.
- **Bulk Deposits:** Share reduced to 27.6% (vs 31.3% in Q3FY25), reflecting conscious efforts to improve granularity and limit high-cost liabilities. The primary objective remains building a more stable, less price-sensitive granular deposit base to support long-term resilience

Profitability

- NII came in at Rs 26.9bn vs Rs 25.9bn in Q2FY26 (-5% YoY, +4% QoQ).
- The bank booked a **one-time gratuity provision of Rs 1.2bn** in Q3FY26 following the notification of new labour codes.
- **NIM stood at 5.9% in Q3FY26 vs 5.8% in Q2FY26** and 6.9% in Q3FY25 a decline of 100bps YoY and 10bps QoQ, primarily reflecting the impact of lower lending yields post factoring in the repo rate cut.
  - **Key Drivers:** ~20bps QoQ reduction in cost of deposits, driven by calibrated reduction in high-cost bulk deposits and higher retail deposit share (72.4% vs 68.7% YoY). Lower interest reversals on improved asset quality, especially in the EEB book.
- **Outlook:** Management confident of **~6% sustainable NIM** on a full-year basis, with liability-side gains expected to offset asset-side pressures.
- ROA stood at 0.4% and ROE at 3.2% for Q3FY26, reflecting the bank's transitional phase as it rebalances portfolio mix.
- Management indicated that ROA bottomed out in Q2FY26 and expects a gradual improvement trajectory going forward as balance sheet quality improves and earnings normalize.

Asset quality and capital adequacy

- **GNPA ratio improved sharply to 3.3%, down from 5.1% QoQ**. Similarly, NNPA ratio declined to 0.99%, compared to 1.4% in the previous quarter, PCR remained healthy at 70.8%
- Gross slippages were Rs 13.1bn (vs Rs 15.9bn QoQ), driven primarily by **lower stress in** the Emerging Entrepreneur Business (**EEB**) segment.
- Recoveries and upgrades improved marginally to Rs 3.5bn (vs Rs 3.2bn QoQ).
- The bank sold Rs 31.7bn of unsecured NPAs (largely from EEB and ABG segments) and Rs 37.1bn of written-off accounts, generating cash recoveries of Rs 4.3bn (Rs 3.0bn from NPAs and Rs 1.3bn from written-off assets).

- BANDHAN holds security receipts, holding 62% of SRs in the written-off pool and 47% in the NPA pool, while improving reported asset quality through balance-sheet cleanup.
- **Outlook & Guidance**: The bank aims for an **overall credit cost of 1.6% to 1.7%** by the end of FY27.
- For the **EEB segment** specifically, target credit cost is between **2.5% and 3.0% by FY27.**

Others

- Management clarified that the bank recently completed its annual RBI supervision and received a clean report for Priority Sector Lending (PSL) classifications, with no material qualifications or divergences reported.
- As part of its transition to a universal bank, BANDHAN converted 57 housing finance centres into full-service banking branches during the quarter, so as to provide a wider range of products to its existing customers.

Valuation Methodology

With MFI stress showing signs of improvement and return profile expected to improve (RoA/RoE 1.5/12.6% by FY28E), we believe that Bandhan Bank is available at a cheap valuation (1YF P/ABV of 0.9x). We upgrade to BUY from HOLD with revised TP of Rs 169 (from Rs 186), set at 0.9x Dec'27E ABV (1.1x earlier).

Fig 16 – Key operational assumptions

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	9.0	11.0	13.0	15.0
NII Growth	11.4	(6.6)	15.5	16.1
PPOP Growth	11.3	(20.4)	20.7	13.9
PAT Growth	23.1	(49.7)	114.4	29.4
NIM	7.1	6.0	6.2	6.3
GNPA	4.6	3.3	3.4	3.2
CAR	18.7	17.6	17.1	16.7

Source: Company, BOBCAPS Research

Fig 17 – Actuals vs BOBCAPS estimates

(Rs mn)	Q3FY26A	Q3FY26E	Variance (%)
Loan	14,11,000	14,01,180	0.7
Deposits	15,67,200	15,67,230	(0.0)
Assets	19,61,400	20,24,058	(3.1)
NII	26,883	26,968	(0.3)
PPOP	14,450	14,013	3.1
Provision	11,546	8,825	30.8
PAT	2,056	3,891	(47.2)

Source: Company, BOBCAPS Research

Fig 18 – Revised estimates

	New			Old			Change (%)		
Key Parameters (Rs mn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	14,65,059	16,55,517	19,03,844	14,38,662	16,54,461	19,35,719	1.8	0.1	(1.6)
Deposits	16,63,337	18,96,205	21,99,597	16,93,580	19,81,489	23,38,157	(1.8)	(4.3)	(5.9)
Assets	21,28,551	24,24,807	27,98,687	21,38,044	24,73,491	29,07,445	(0.4)	(2.0)	(3.7)
NII	1,07,360	1,24,032	1,44,037	1,06,630	1,30,690	1,57,104	0.7	(5.1)	(8.3)
PPOP	58,802	71,000	80,860	58,389	73,181	82,934	0.7	(3.0)	(2.5)
Provision	40,242	31,206	29,365	37,930	34,024	32,312	6.1	(8.3)	(9.1)
PAT	13,808	29,607	38,312	15,221	29,132	37,663	(9.3)	1.6	1.7
ABV (Rs)	152	168	190	149	165	187	2.3	1.8	1.6

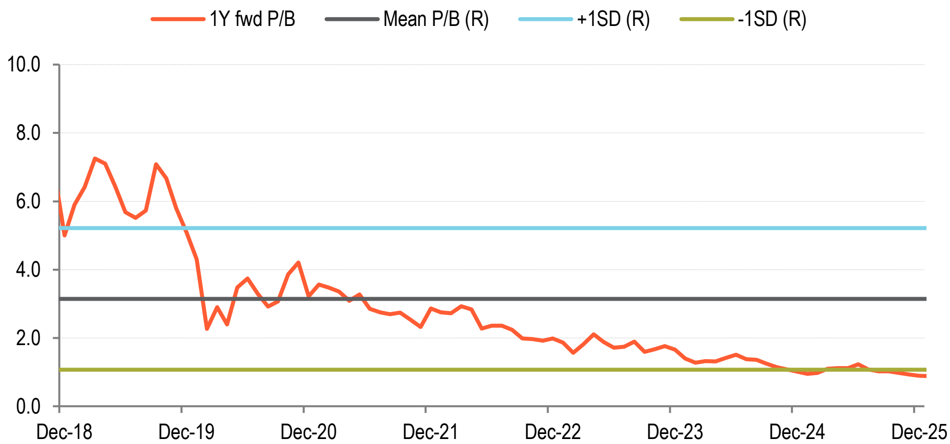
Source: Company, BOBCAPS Research

Fig 19 – Key valuation assumptions

Gordon growth model	Assumptions
Cost of equity (%)	13.8
Blended ROE (%)	12.9
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	30.0
Long-term growth (%)	5
Long term dividend payout ratio (%)	60
Justified P/BV Multiple (x)	0.9
Implied BVPS (Rs)	184
Value per share (Rs)	**169**

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

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**	**1,07,360**	**1,24,032**	**1,44,037**
NII growth (%)	11.4	11.4	(6.6)	15.5	16.1
Non-interest income	21,714	29,666	30,325	35,289	36,826
Total income	1,24,903	1,44,572	1,37,685	1,59,320	1,80,863
Operating expenses	58,508	70,685	78,883	88,320	1,00,003
PPOP	66,395	73,887	58,802	71,000	80,860
PPOP growth (%)	(6.4)	11.3	(20.4)	20.7	13.9
Provisions	36,966	37,654	40,242	31,206	29,365
PBT	29,429	36,233	18,560	39,795	51,495
Tax	7,133	8,780	4,751	10,187	13,183
Reported net profit	**22,296**	**27,453**	**13,808**	**29,607**	**38,312**
Adjustments	0	0	0	0	0
Adjusted net profit	**22,296**	**27,453**	**13,808**	**29,607**	**38,312**

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	2,29,940	2,42,713	2,69,952	3,05,199
Net worth	2,16,096	2,46,050	2,58,823	2,86,061	3,21,309
Deposits	13,52,020	15,12,125	16,63,337	18,96,205	21,99,597
Borrowings	1,63,715	1,11,385	96,905	1,11,441	1,28,157
Other liab. & provisions	46,585	45,203	1,09,486	1,31,100	1,49,624
Total liab. & equities	**17,78,417**	**19,14,763**	**21,28,551**	**24,24,807**	**27,98,687**
Cash & bank balance	1,61,705	95,694	1,19,080	1,37,042	1,57,688
Investments	2,92,876	4,07,123	4,48,347	5,08,665	5,96,117
Advances	12,11,368	13,19,873	14,65,059	16,55,517	19,03,844
Fixed & Other assets	1,12,468	92,073	96,065	1,23,582	1,41,036
Total assets	**17,78,417**	**19,14,763**	**21,28,551**	**24,24,807**	**27,98,687**
Deposit growth (%)	25.1	11.8	10.0	14.0	16.0
Advances growth (%)	15.6	9.0	11.0	13.0	15.0

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	13.8	17.0	8.6	18.4	23.8
Dividend per share	1.5	1.5	0.6	1.5	1.9
Book value per share	134.1	152.7	160.7	177.6	199.5

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	10.3	8.4	16.6	7.8	6.0
P/BV	1.1	0.9	0.9	0.8	0.7
Dividend yield (%)	1.1	1.1	0.5	1.0	1.3

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	6.2	6.2	5.3	5.4	5.5
Non-interest income	1.3	1.6	1.5	1.6	1.4
Operating expenses	3.5	3.8	3.9	3.9	3.8
Pre-provisioning profit	4.0	4.0	2.9	3.1	3.1
Provisions	2.2	2.0	2.0	1.4	1.1
PBT	1.8	2.0	0.9	1.7	2.0
Tax	0.4	0.5	0.2	0.4	0.5
ROA	1.3	1.5	0.7	1.3	1.5
Leverage (x)	8.1	8.0	8.0	8.4	8.6
ROE	10.8	11.9	5.5	10.9	12.6

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	11.4	11.4	(6.6)	15.5	16.1
Pre-provisioning profit	(6.4)	11.3	(20.4)	20.7	13.9
EPS	1.6	23.1	(49.7)	114.4	29.4
Profitability & Return ratios (%)					
Net interest margin	7.4	7.1	6.0	6.2	6.3
Fees / Avg. assets	0.3	0.2	0.2	0.2	0.2
Cost-Income	46.8	48.9	57.3	55.4	55.3
ROE	10.8	11.9	5.5	10.9	12.6
ROA	1.3	1.5	0.7	1.3	1.5
Asset quality (%)					
GNPA	3.8	4.6	3.3	3.4	3.2
NNPA	1.1	1.3	0.9	0.9	0.8
Slippage ratio	5.4	4.4	4.1	3.0	2.5
Credit cost	3.3	3.0	2.9	2.0	1.7
Provision coverage	71.8	73.7	72.0	73.0	75.0
Ratios (%)					
Credit-Deposit	89.6	87.3	88.1	87.3	86.6
Investment-Deposit	21.7	26.9	27.0	26.8	27.1
CAR	14.7	18.7	17.6	17.1	16.7
Tier-1	13.8	17.9	17.0	16.5	16.1

Source: Company, BOBCAPS Research

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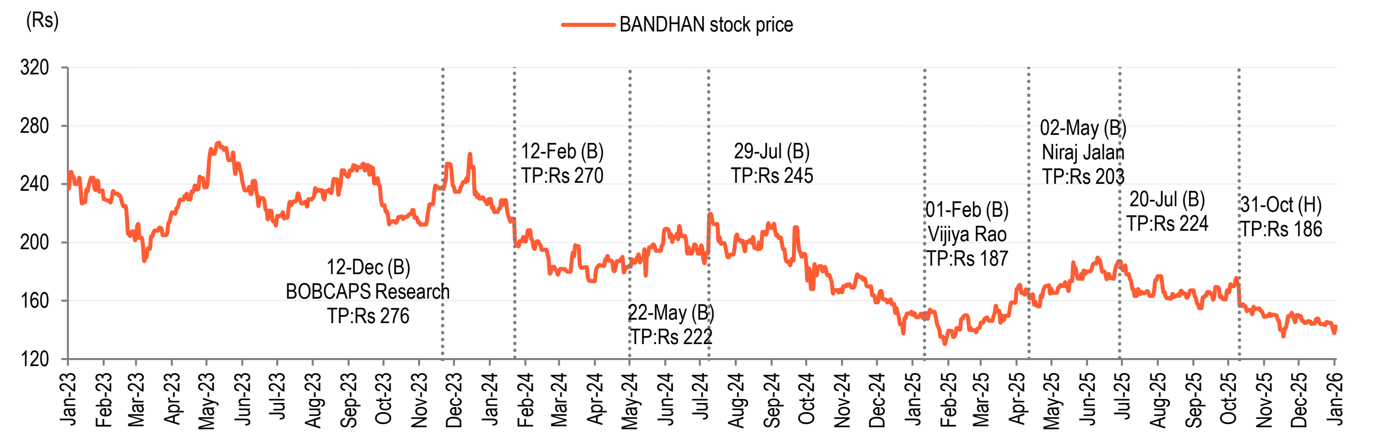

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