

Bandhan Bank

Estimate change	↔
TP change	↔
Rating change	↔

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Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	357.2 / 4.3
52-Week Range (INR)	315 / 182
1, 6, 12 Rel. Per (%)	-16/-16/-42
12M Avg Val (INR M)	2168

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	92.6	109.6	130.2
OP	70.9	77.8	89.9
NP	21.9	38.3	46.9
NIM (%)	6.9	7.0	7.0
EPS (INR)	13.6	23.8	29.1
EPS Gr. (%)	NM	74.7	22.3
BV/Sh. (INR)	122	135	157
ABV/Sh. (INR)	116	130	151
Ratios			
RoE (%)	11.9	18.6	20.0
RoA (%)	1.5	2.3	2.3
Valuations			
P/E(X)	16.3	9.3	7.6
P/BV (X)	1.8	1.6	1.4
P/ABV (X)	1.9	1.7	1.5

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	40.0	40.0	40.0
DII	16.5	17.4	7.1
FII	29.5	27.9	35.6
Others	14.0	14.8	17.3

FII Includes depository receipts

CMP: INR222 TP: INR240 (+8%) Neutral

Earnings below estimates; asset quality deteriorates on fresh RBI circular

SMA-2 declines 100bp QoQ to 1.4%

- Bandhan Bank (BANDHAN) reported a weak quarter with a 19% YoY decline in PAT (13% miss) to INR7.2b, due to elevated slippages and sluggish NII growth, despite stable margins.
- Advances grew 8% YoY (down 6% QoQ) to INR982b, led by a strong 35% YoY (flat QoQ) growth in the non-MFI portfolio. The MFI book declined 12% YoY (down 10% QoQ) to INR513b in 1QFY24, thereby decreasing the MFI share in the total loan book to 50% from 60% in 1QFY23. CASA ratio moderated 330bp QoQ to ~36%.
- GNPA/NNPA ratios deteriorated by 190bp/100bp QoQ to 6.8%/2.2% primarily due to ECLGS covered advances being reclassified as NPA, hence PCR also declined 760bp QoQ to ~69.2%. Excluding NPA, CE declined 50bp QoQ to 98%, while SMA pool stood broadly unchanged at 5.5% (100bp QoQ decline in SMA-2 to 1.4%).
- We reduce our estimates for PAT/PPoP for FY24/FY25 by 5%/3% each. We estimate RoA/RoE to reach 2.3%/~20% in FY25 and reiterate our Neutral rating with a TP of INR240 (1.6x FY25E ABV).**

MFI loan mix declines to 50%; CASA Ratio moderates to 36%

- BANDHAN reported a PAT of INR7.2b in 1QFY24 (13% miss) due to higher slippages at INR13.6b (up 20% YoY, excluding ECLGS loans) and a 28% YoY increase in other expenses.
- NII growth stood flat (5% miss) despite stable margins on a QoQ basis, while 'Other income' declined 39% QoQ. Total income thus declined 7% QoQ (flat YoY).
- PPoP declined 14% YoY to INR15.6b (15% miss), while C/I spiked to 45.7% in 1QFY24 (vs. 42% in 4QFY23) as the bank added 131 branches during the quarter.
- Advances grew 8% YoY (down 6% QoQ) to INR982b, led by a strong 35% YoY growth in the non-MFI portfolio. The MFI book declined 12% YoY (down 10% QoQ) to INR513b in 1QFY24, thereby, decreasing the MFI share in the total book to 50% from 60% in 1QFY23. The growth in the non-MFI book was led by the growth in NBFC book and Housing book.
- Deposits grew 17% YoY (flat QoQ) to INR1.1t, led by 31% YoY (up 6% QoQ) growth in TD, while CASA declined 8% QoQ due to the rundown of one large account. CASA ratio thus declined 330bp QoQ to ~36%. The Retail deposit mix was steady at 71% in 1QFY24.
- On the asset quality front, GNPA/NNPA ratios deteriorated 189bp/101bp QoQ to 6.8%/2.2%. primarily due to ECLGS covered advances amounting to INR5.8b being classified as NPA as per RBI IRAC circular. Consequently, the PCR declined by 757bp QoQ to ~69.2%.

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Key takeaways from the management commentary

- The bank expects a loan growth of 20% in FY24 with MFI book to grow at 17%.
- Deposits is expected to grow at 24% for FY24 with focus on the retail segment.
- The bank aims to achieve a CASA Ratio of 40% going forward, up from 36% as on 1QFY24.
- The bank has guided for a Credit cost of 2% with a 20bp variance. Incremental credit cost for EEB customers is estimated to be 2.5%.
- NIM guidance for FY24 stands at 7-7.5%.

Valuation and view

BANDHAN reported a disappointing 1QFY24, with a 19% YoY decline in PAT due to higher slippages and a 28% YoY increase in other expenses. 'Other income' declined QoQ and therefore C/I spiked to 45.7% during the quarter. We continue to remain watchful of asset quality and the high SMA book despite the recoveries being expected from CGFMU and ECLGS in FY24. **Hence, we reduce our estimates for PAT/PPoP for FY24/FY25 by 5%/3% each. We estimate an RoA/RoE of 2.3%/~20% in FY25 and reiterate our Neutral stance with a TP of INR240 (premised on 1.6x FY25E ABV).**

Quarterly performance**(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	V/S our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	25.1	21.9	20.8	24.7	24.9	26.3	27.7	30.6	92.6	109.6	26.3	-5%
% Change (YoY)	18.9	13.3	-2.1	-2.7	-0.9	19.9	33.3	24.0	6.3	18.3	4.5	
Other Income	3.3	4.8	10.3	6.3	3.9	6.0	6.7	8.9	24.7	25.4	5.5	-30%
Total Income	28.4	26.7	31.1	31.0	28.8	32.3	34.4	39.6	117.3	135.0	31.8	-9%
Operating Expenses	10.2	11.2	11.9	13.1	13.1	13.8	14.5	15.8	46.4	57.2	13.3	-1%
Operating Profit	18.2	15.5	19.2	18.0	15.6	18.4	19.9	23.8	70.9	77.8	18.5	-15%
% Change (YoY)	-7.0	-2.0	-1.4	-28.8	-14.2	18.6	3.6	32.7	-11.5	9.7	1.4	
Provisions	6.4	12.8	15.4	7.3	6.0	6.5	6.2	8.2	42.0	27.0	7.4	-19%
Profit Before Tax	11.8	2.7	3.8	10.6	9.6	11.9	13.7	15.6	28.9	50.8	11.0	-13%
Tax	2.9	0.6	0.9	2.5	2.4	3.0	3.5	3.6	7.0	12.4	2.8	-14%
Net Profit	8.9	2.1	2.9	8.1	7.2	8.9	10.2	12.0	21.9	38.3	8.2	-13%
% Change (YoY)	137.6	NM	-66.2	-57.5	-18.7	325.0	252.5	48.3	NM	74.7	-7.0	
Operating Parameters												
Deposits (INR b)	931	994	1,023	1,081	1,085	1,156	1,232	1,297	1,081	1,297	1,085	0%
Loans (INR b)	909	902	921	1,048	982	1,107	1,166	1,244	1,048	1,244	1,060	-7%
Deposit Growth (%)	20.3	21.3	21.0	12.2	16.6	16.4	20.4	20.0	12.2	20.0	16.6	0
Loan Growth (%)	21.6	21.1	14.7	11.5	8.0	22.7	26.6	18.8	11.5	18.8	16.7	861
Asset Quality												
Gross NPA (%)	7.3	7.2	7.2	4.9	6.8	5.4	4.7	4.0	4.9	4.0	4.7	-202
Net NPA (%)	1.9	1.9	1.9	1.2	2.2	1.5	1.2	1.0	1.2	1.0	1.2	-102
PCR (%)	74.9	75.5	75.4	76.8	69.2	73.0	75.3	76.6	76.8	76.6	76.4	716

E: MOFSL estimates

Quarterly snapshot

	FY22				FY23				FY24	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss, INRm											
Interest Income	34,100	31,809	34,087	38,716	40,554	37,735	38,076	42,683	45,229	12	6
Loans	29,904	27,777	29,753	34,404	35,518	32,646	32,603	36,984	39,057	10	6
Investment	3,414	3,394	3,944	4,031	4,422	4,555	4,864	5,021	5,158	17	3
Others	781	638	389	281	613	533	610	677	1,014	65	50
Interest Expenses	12,959	12,455	12,840	13,317	15,409	15,805	17,272	17,965	20,323	32	13
Net Interest Income	21,141	19,354	21,247	25,398	25,144	21,930	20,804	24,718	24,906	-1	1
Other Income	6,169	5,245	7,123	9,644	3,297	4,764	10,333	6,291	3,851	17	-39
Total Income	27,310	24,599	28,370	35,042	28,441	26,694	31,137	31,009	28,757	1	-7
Operating Expenses	7,739	8,751	8,868	9,829	10,235	11,165	11,916	13,053	13,134	28	1
Employee	5,054	5,525	5,190	5,491	6,346	6,663	6,867	7,274	8,117	28	12
Others	2,684	3,227	3,678	4,338	3,888	4,502	5,049	5,778	5,017	29	-13
Operating Profits	19,571	15,848	19,501	25,214	18,206	15,529	19,222	17,957	15,623	-14	-13
Core Operating Profits	19,571	15,848	19,501	25,214	18,206	15,529	19,222	17,957	15,623	-14	-13
Provisions	14,609	56,135	8,057	47	6,424	12,797	15,415	7,348	6,021	-6	-18
PBT	4,962	-40,287	11,444	25,167	11,782	2,732	3,807	10,609	9,602	-19	-9
Taxes	1,231	-10,201	2,855	6,143	2,917	640	901	2,526	2,392	-18	-5
PAT	3,731	-30,086	8,590	19,023	8,865	2,093	2,906	8,083	7,211	-19	-11
Balance Sheet, INR b											
Deposits	773	819	845	963	931	994	1,023	1,081	1,085	17	0
Loans	748	745	803	940	909	902	921	1,048	982	8	-6
Asset Quality, INR m											
GNPA	64,404	87,636	94,416	63,800	69,675	68,539	69,648	52,986	69,604	0	31
NNPA	24,579	22,658	24,131	15,642	17,491	16,782	17,113	12,283	21,407	22	74
Ratios (%)											
- Asset Quality Ratios	FY22				FY23				FY24	Change (bps)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
GNPA (%)	8.2	10.8	10.8	6.5	7.3	7.2	7.2	4.9	6.8	-49	189
NNPA (%)	3.3	3.0	3.0	1.7	1.9	1.9	1.9	1.2	2.2	26	101
PCR (Calc, %)	61.8	74.1	74.4	75.5	74.9	75.5	75.4	76.8	69.2	-565	-757
- Business Ratios											
Cost to Core Income	28.3	35.6	31.3	28.0	36.0	41.8	38.3	42.1	45.7	969	358
Tax Rate	24.8	25.3	24.9	24.4	24.8	23.4	23.7	23.8	24.9	15	110
CASA (%)	42.9	44.6	45.6	41.6	43.2	40.8	36.4	39.3	36.0	-717	-327
Loan/Deposit	96.7	91.0	95.0	97.6	97.7	90.8	90.0	96.9	90.5	-714	-641
- Profitability Ratios											
ROA	1.3	-10.6	2.8	6.0	2.5	0.6	0.8	2.2	1.9	-60	-30
ROE	8.5	0.0	22.2	46.5	19.7	4.5	6.2	17.0	14.4	-530	-260
Yield	13.7	12.4	12.6	13.3	12.9	12.0	12.0	12.7	13.3	40	60
Cost of Funds	5.7	5.3	5.2	5.1	5.3	5.5	5.8	5.8	6.4	110	60
Margins	8.5	7.6	7.8	8.7	8.0	7.0	6.5	7.3	7.3	-70	0
Other Details											
Branches	1,152	1,168	1,176	1,189	1,190	1,190	1,250	1,411	1,542	352	131
ATM	487	487	489	471	429	432	412	438	438	9	0



Highlights from the management commentary

Balance sheet related

- The bank expects improvement in rural demand despite higher monsoons in the upcoming quarters.
- Loan book has declined 6% QoQ due to:
 - The decline in MFI book, as a result of seasonal factors and weather disturbance in a few states.
 - Short term loan against FD of 1 big government account amounting to INR21.5b being repaid during the quarter which has caused de-growth of advances
- Secured book has grown to 46% of the total loan book in 1QFY24 and is expected to grow to 50% by FY26.

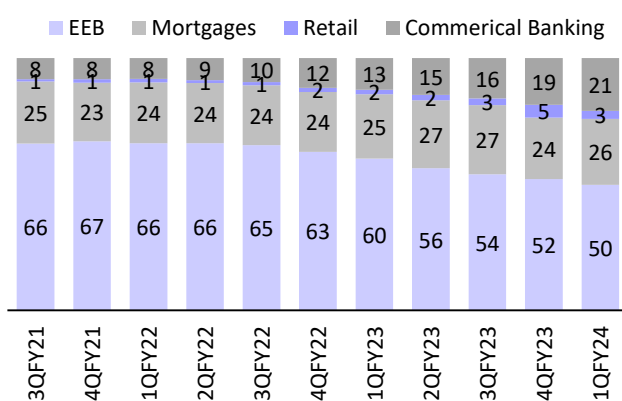
- Housing finance book grew 10% YoY to INR270b and the bank is expecting higher growth from this book going forward.
- Retail TD has grown by 17% YoY to INR382b in 1QFY24 as the bank continues to focus on garnering granular deposits. EEB deposits contribute just 4% of the Total Deposits in 1QFY24.
- 130 branches and 0.7m new customers were added by the bank during the quarter and the bank aims to reach 1,700 branches by 4QFY24.
- The bank has seen 12% YoY increase in liability customers. Value and volumes of customer transactions have increased 50% YoY each.
- CASA deposits have declined 8% QoQ due to the seasonal nature, as well as an industry-wide decline, caused by higher TD rates. NIM stands unchanged QoQ at 7.3% in 1QFY24.
- The bank has made heavy investments in technology and branches and is focusing higher on cross-sell.
- MFI loans disbursed declined to INR80b in 1QFY24 from INR212b in 4QFY23.

P&L and Asset Quality related

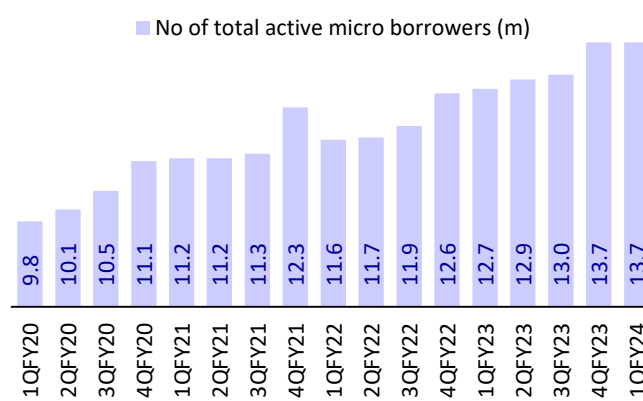
- Interest accrued for ECLGS-linked advances now classified as NPA were reversed earlier, and hence, there was no interest reversal for these advances during the quarter.
- C/I Ratio has increased to 46% due to the addition of 130 branches during the quarter and a QoQ decline in the total income.
- GNPA/NNPA ratio deteriorated 189bp/101bp QoQ to 6.8%/2.2%. PCR declined 757bp QoQ to 69.2%.
- Rise in NPA is primarily due to classification of ECLGS covered advances as non-performing pursuant to RBI IRAC circular. These advances were earlier classified under the SMA 2 pool.
- Hence, SMA 2 book has declined to 1.4% in 1QFY24 from 2.4% in 4QFY23.
- CE, excluding NPA customer, moderates 50bp QoQ to 98% in 1QFY24.
- ECLGS loans disbursed amounted to INR5.8b, which were 100% guaranteed by the government. Out of this, INR5b is outstanding as on 1QFY24.
- CGMFU claims should be recovered by July-end or by August first half, while ECLGS claims is expected to be recovered in the next three to six months. 86% of these CGMFU and ECLGS loans have been provided for by 1QFY24.
- The bank reported INR13.6b slippages during the quarter, out of which, INR9.2b belongs to the EEB book, INR2.2b to the housing book, and INR2.2b from others.
- Actual recoveries for the bank amounts to INR5.5b in 1QFY24. Out of this, INR2.7b has been paid to ARC and CGMFU, and hence, the remaining INR2.8b is accounted by the bank.
- The bank has made total collections of INR4.2b from the ARC sale in Dec'23 tranche and expects to repay this tranche by 2QFY24. Hence, any further recoveries from this portfolio will flow into the P/L.
- ARC sale in Mar'23 tranche amounted to INR3.6b, out of which, collections worth INR2.5b have been made by 1QFY24. By 2HFY24, the bank expects recoveries worth INR3b to flow into its P/L.
- The bank has a total outstanding provisions amounting to INR57.3b as on 1QFY24.
- The bank has seen a decline in CE in states such as Maharashtra, MP, and Delhi.

Guidance for FY24

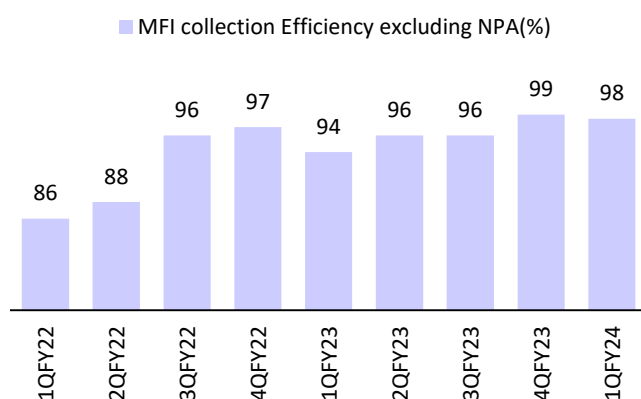
- The bank expects a loan growth of 20% in FY24 with MFI book to grow at 17%.
- Deposits growth is expected at 24% with focus on the retail segment.
- The bank aims to achieve a CASA Ratio of 40% going forward, which stands at 36% as on 1QFY24.
- The bank estimates a credit cost at 2% with a variance of 20bp. Incremental credit cost for EEB customers is expected to be 2.5%.
- NIM guidance for FY24 stands at 7-7.5%.

Key exhibits**Exhibit 1: Portfolio mix (%)**

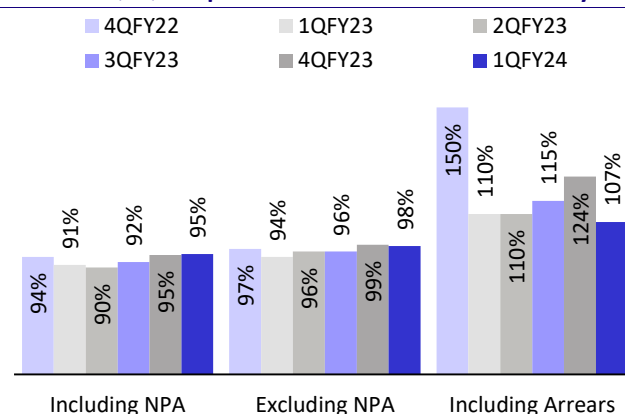
Source: MOFSL, Company

Exhibit 2: Active MFI borrower base

Source: MOFSL, Company

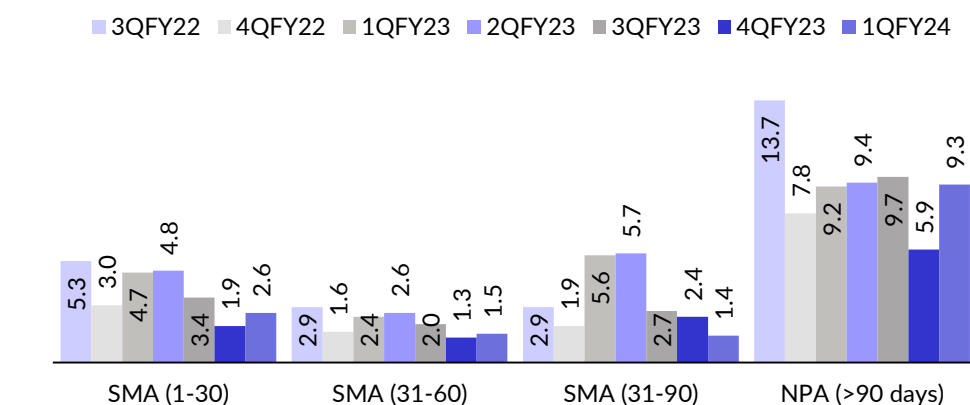
Exhibit 3: MFI collection efficiency (%), excluding NPA, moderated to 98% in 1QFY24

Source: MOFSL, Company

Exhibit 4: QoQ comparison in MFI collection efficiency

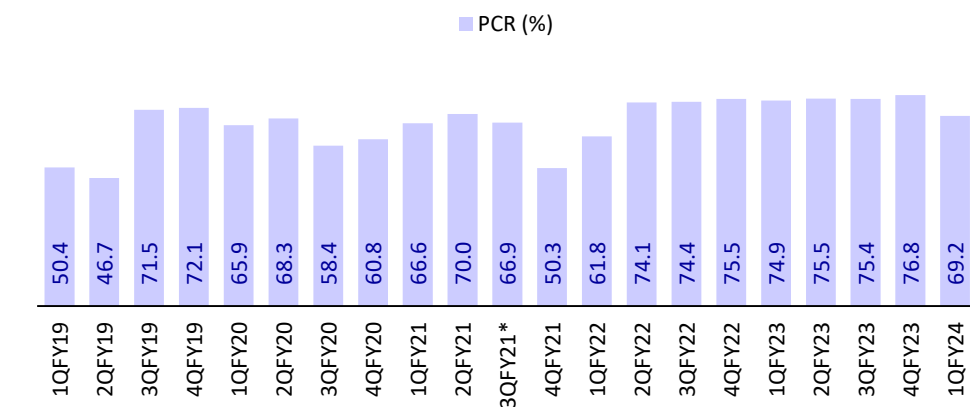
Source: MOFSL, Company

Exhibit 5: Asset quality trends across buckets in the MFI portfolio (%)



Source: MOFSL, Company

Exhibit 6: Provision coverage ratio moderated to ~69% in 1QFY24



Source: MOFSL, Company

Exhibit 7: DuPont Analysis: Return ratios to pick up strongly from FY24

	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Interest Income	8.1	8.9	8.5	7.3	6.9	6.3	6.5	6.5
Other Income	1.9	2.1	2.1	2.0	2.2	1.7	1.5	1.5
Total Income	10.0	11.0	10.6	9.3	9.1	8.0	8.0	7.9
Operating Expenses	3.5	3.6	3.3	2.7	2.8	3.1	3.4	3.5
Employees	1.8	2.0	1.8	1.6	1.7	1.8	2.0	2.0
Others	1.7	1.6	1.4	1.1	1.1	1.3	1.4	1.4
Operating Profits	6.5	7.4	7.4	6.5	6.3	4.8	4.6	4.5
Core operating Profits	6.4	7.4	7.2	6.3	6.1	4.7	4.5	4.4
Provisions	1.0	1.5	1.9	3.7	6.2	2.8	1.6	1.4
NPA	0.6	1.3	0.8	4.2	4.1	2.7	1.5	1.3
Others	0.4	0.1	1.1	(0.5)	2.1	0.1	0.1	0.1
PBT	5.5	6.0	5.5	2.9	0.1	2.0	3.0	3.1
Tax	1.9	2.1	1.4	0.7	0.0	0.5	0.7	0.8
RoA	3.6	3.9	4.1	2.1	0.1	1.5	2.3	2.3
Leverage (x)	5.4	4.9	5.6	6.3	7.3	8.0	8.2	8.6
RoE	19.5	19.0	22.9	13.5	0.7	11.9	18.6	20.0

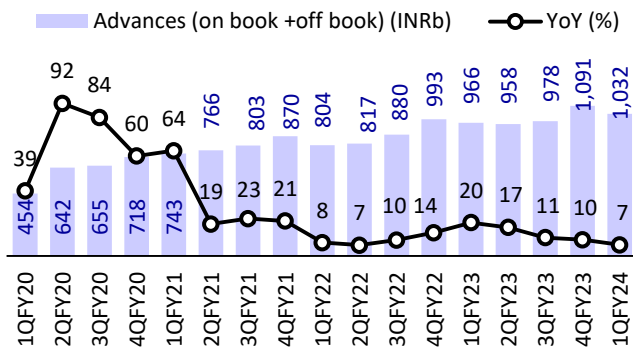
Exhibit 8: We reduce our estimates for PAT/PPoP for FY24/FY25 by 5%/3% each

INR b	Old Estimates		New Estimates		Change (%/bps)	
	FY24	FY25	FY24	FY25	FY24	FY25
Net Interest Income	111.8	129.5	109.6	130.2	-2.0	0.5
Other Income	27.4	31.8	25.4	29.5	-7.2	-7.2
Total Income	139.2	161.3	135.0	159.7	-3.0	-1.0
Operating Expenses	57.3	68.8	57.2	69.8	-0.2	1.5
Operating Profit	81.9	92.5	77.8	89.9	-5.0	-2.8
Provisions	28.3	28.3	27.0	27.8	-4.5	-1.6
PBT	53.6	64.2	50.8	62.1	-5.3	-3.3
PAT	40.5	48.5	38.3	46.9	-5.3	-3.3
Loans	1,258	1,523	1,244	1,495	-1.1	-1.8
Deposits	1,308	1,595	1,297	1,556	-0.8	-2.5
Credit Cost (%)	2.3	2.0	2.3	2.0	-0.1	0.0
RoA (%)	2.4	2.4	2.3	2.3	-0.1	0.0
RoE (%)	19.5	20.4	18.6	20.0	-0.9	-0.4
EPS	25.1	30.1	23.8	29.1	-5.3	-3.3
BV	136.1	159.1	134.7	156.8	-1.0	-1.5
ABV	131.6	154.5	129.5	150.9	-1.6	-2.3

Source: MOFSL, Company

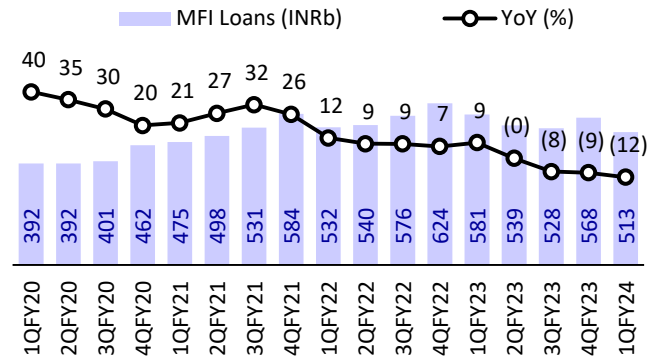
Story in charts

Exhibit 9: AUM grew 7% YoY (down 5% QoQ) in 1QFY24



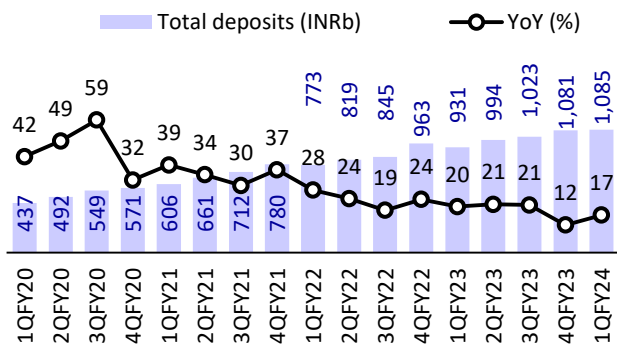
2QFY20-1QFY21 growth not comparable due to its merger with GRUH Finance
Source: MOFSL, Company

Exhibit 10: MFI loans declined 12% YoY (down 10% QoQ) in 1QFY24



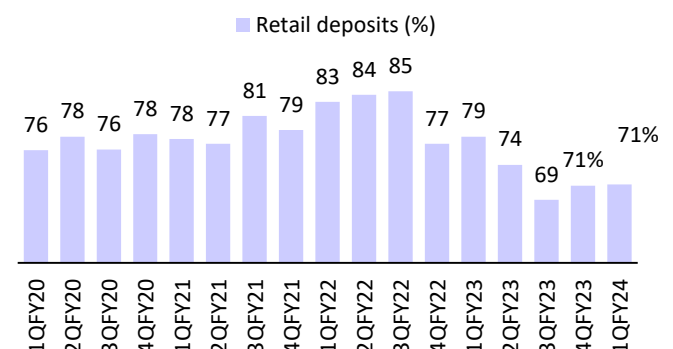
Source: MOFSL, Company

Exhibit 11: Total deposits rose ~17% YoY to INR1,085b in 1QFY24



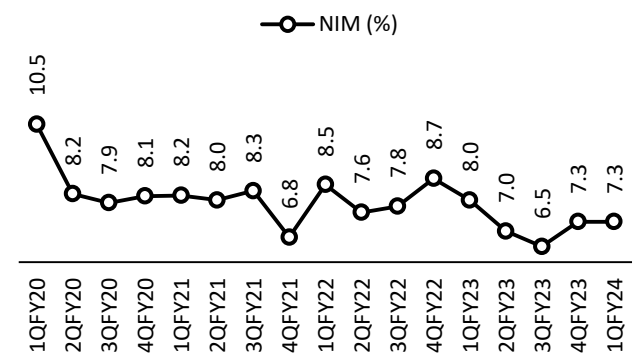
Source: MOFSL, Company

Exhibit 12: Share of Retail deposits (%) remained stable at 71% in 1QFY24



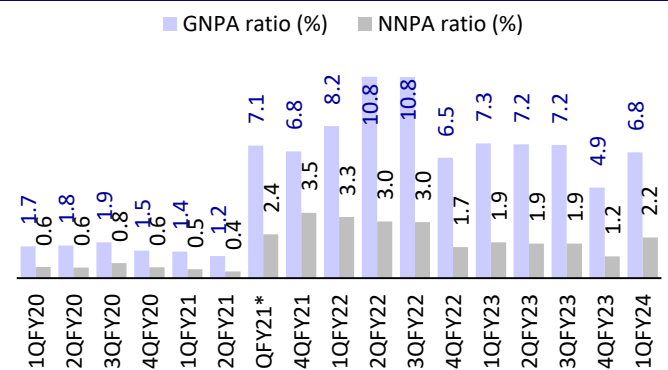
Source: MOFSL, Company

Exhibit 13: Margin remained stable at 7.3% in 1QFY24



Source: MOFSL, Company

Exhibit 14: GNPA/NNPA moderated 189bp/101bp QoQ to 6.8%/1.2% in 1QFY24



3QFY21 based on pro-forma numbers

Source: MOFSL, Company

Financials and valuations

Income Statement							(INR b)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	48.0	66.4	108.9	125.2	138.7	159.0	206.7	243.2
Interest Expense	17.7	21.5	45.6	49.6	51.6	66.5	97.2	113.0
Net Interest Income	30.3	45.0	63.2	75.6	87.1	92.6	109.6	130.2
Growth (%)	26.2	48.3	40.7	19.6	15.2	6.3	18.3	18.8
Non-Interest Income	7.1	10.6	15.5	20.2	28.2	24.7	25.4	29.5
Total Income	37.4	55.6	78.7	95.9	115.4	117.3	135.0	159.7
Growth (%)	32.8	48.7	41.6	21.8	20.4	1.7	15.1	18.3
Operating Expenses	13.1	18.1	24.3	28.2	35.2	46.4	57.2	69.8
Pre Provision Profits	24.3	37.5	54.5	67.7	80.1	70.9	77.8	89.9
Growth (%)	35.5	54.2	45.3	24.3	18.4	-11.5	9.7	15.6
Core PPOp	23.8	37.1	53.3	65.5	77.4	69.8	76.4	88.3
Growth (%)	34.6	55.7	43.7	22.8	18.2	-9.8	9.5	15.5
Provisions (excl tax)	3.7	7.4	13.9	38.2	78.8	42.0	27.0	27.8
PBT	20.6	30.1	40.5	29.5	1.3	28.9	50.8	62.1
Tax	7.1	10.6	10.3	7.4	0.0	7.0	12.4	15.2
Tax Rate (%)	34.6	35.2	25.4	25.2	2.2	24.1	24.5	24.5
PAT	13.5	19.5	30.2	22.1	1.3	21.9	38.3	46.9
Growth (%)	21.0	45.0	54.9	-27.1	-94.3	1,644.6	74.7	22.3
Balance Sheet								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	11.9	11.9	16.1	16.1	16.1	16.1	16.1	16.1
Reserves & Surplus	81.9	100.1	135.9	158.0	157.7	179.7	200.9	236.4
Net Worth	93.8	112.0	152.0	174.1	173.8	195.8	217.0	252.5
Deposits	338.7	432.3	570.8	779.7	963.3	1,080.7	1,296.8	1,556.2
Growth (%)	45.8	27.6	32.0	36.6	23.5	12.2	20.0	20.0
of which CASA Dep	116.2	176.2	210.3	338.3	400.8	388.0	469.5	577.3
Growth (%)	70.0	51.6	19.4	60.9	18.5	-3.2	21.0	23.0
Borrowings	2.9	5.2	163.8	169.6	199.2	247.1	284.2	332.5
Other Liabilities & Prov.	7.7	14.9	30.6	26.8	52.3	34.1	40.2	48.2
Total Liabilities	443.1	564.4	917.2	1,150.2	1,388.7	1,557.7	1,838.2	2,189.4
Current Assets	55.1	58.0	83.5	62.3	93.2	82.5	76.2	81.7
Investments	83.7	100.4	153.5	251.6	290.8	323.7	391.6	473.9
Growth (%)	51.8	19.9	52.9	63.9	15.6	11.3	21.0	21.0
Loans	297.1	396.4	666.3	816.1	939.7	1,047.6	1,244.4	1,495.1
Growth (%)	76.5	33.4	68.1	22.5	15.1	11.5	18.8	20.1
Fixed Assets	2.4	3.3	3.7	4.9	5.9	8.5	9.6	10.7
Other Assets	4.8	6.3	10.1	15.3	59.0	95.4	116.4	128.0
Total Assets	443.1	564.4	917.2	1,150.2	1,388.7	1,557.7	1,838.2	2,189.4
Asset Quality								
GNPA	3.7	8.2	9.9	57.6	63.8	53.0	51.3	53.9
NNPA	1.7	2.3	3.9	28.6	15.6	12.3	12.0	13.5
GNPA Ratio	1.2	2.0	1.5	6.8	6.5	4.9	4.0	3.5
NNPA Ratio	0.6	0.6	0.6	3.5	1.7	1.2	1.0	0.9
Credit Cost	1.0	1.9	2.6	5.2	9.0	4.0	2.3	2.0
PCR (Excl Tech. write off)	53.7	72.1	60.8	50.3	75.5	76.8	76.6	75.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY21	FY23	FY24E	FY25E
Spread Analysis (%)								
Avg. Yield- on Earning Assets	13.9	14.2	15.4	12.7	11.7	11.8	13.3	13.0
Avg. Yield on loans	16.4	16.5	17.9	14.7	13.9	14.2	15.7	15.4
Avg. Yield on Investments	7.1	6.7	6.6	5.9	5.5	6.4	6.8	6.9
Avg. Cost of Int. Bear. Liab.	6.5	6.0	8.3	6.2	5.1	5.6	7.0	6.9
Avg. Cost of Deposits	5.9	5.4	6.6	5.9	5.0	5.4	5.9	5.8
Interest Spread	7.5	8.2	7.2	6.5	6.6	6.2	6.2	6.2
Net Interest Margin	8.8	9.6	9.0	7.7	7.4	6.9	7.0	7.0

Capitalisation Ratios (%)

CAR	31.5	29.2	27.4	23.5	20.1	19.8	18.0	17.2
Tier I	30.3	27.9	25.2	22.5	18.9	18.7	17.1	16.5
Tier II	1.2	1.3	2.2	1.0	1.2	1.1	0.9	0.7

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	87.7	91.7	116.7	104.7	97.6	96.9	96.0	96.1
CASA Ratio	34.3	40.8	36.8	43.4	41.6	35.9	36.2	37.1
Cost/Assets	3.0	3.2	2.6	2.4	2.5	3.0	3.1	3.2
Cost/Total Income	35.0	32.6	30.8	29.4	30.5	39.5	42.4	43.7
Cost/Core income	35.4	32.8	31.3	30.1	31.3	39.9	42.8	44.2
Int. Expense/Int. Income	36.9	32.3	41.9	39.6	37.2	41.8	47.0	46.5
Fee Income/Total Income	17.7	18.4	18.2	18.8	22.1	20.1	17.8	17.5
Non Int. Inc./Total Income	18.9	19.1	19.7	21.1	24.5	21.0	18.8	18.5
Empl. Cost/Total Expense	52.6	55.7	56.3	59.1	60.6	58.6	58.4	58.4
Investment/Deposit Ratio	24.7	23.2	26.9	32.3	30.2	29.9	30.2	30.5

Profitability Ratios and Valuation

RoE	19.5	19.0	22.9	13.5	0.7	11.9	18.6	20.0
RoA	3.6	3.9	4.1	2.1	0.1	1.5	2.3	2.3
RoRWA	5.5	5.6	6.2	3.3	0.2	2.2	3.3	3.4
Book Value (INR)	79	94	94	108	108	122	135	157
Growth (%)	93.7	19.4	0.5	14.5	-0.2	12.7	10.8	16.4
Price-BV (x)	2.8	2.4	2.3	2.1	2.1	1.8	1.6	1.4
Adjusted BV (INR)	78	93	93	96	101	116	130	151
Price-ABV (x)	2.9	2.4	2.4	2.3	2.2	1.9	1.7	1.5
EPS (INR)	11.8	16.4	21.6	13.7	0.8	13.6	23.8	29.1
Growth (%)	15.8	39.1	31.9	-36.5	-94.3	NM	74.7	22.3
Price-Earnings (x)	18.9	13.6	10.3	16.2	283.9	16.3	9.3	7.6
Dividend Per Share (INR)	0.0	1.2	3.8	1.0	0.0	4.7	5.9	7.1
Dividend Yield (%)	0.0	0.5	1.7	0.5	0.0	2.1	2.7	3.2

E: MOFSL Estimates

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UNDER REVIEW	Rating may undergo a change
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