

Estimate change	↔
TP change	↑
Rating change	↑

Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	229.5 / 2.5
52-Week Range (INR)	192 / 128
1, 6, 12 Rel. Per (%)	-1/-22/-15
12M Avg Val (INR M)	1325

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	114.9	109.0	128.5
OP	73.9	61.8	75.1
NP	27.5	12.8	28.2
NIM (%)	6.7	5.7	5.9
EPS (INR)	17.0	8.0	17.5
EPS Gr. (%)	22.8	-53.3	120.1
BV/Sh. (INR)	151	153	165
ABV/Sh. (INR)	144	147	159
Ratios			
RoA (%)	1.5	0.6	1.3
RoE (%)	12.0	5.2	11.0
Valuations			
P/E(X)	8.4	18.0	8.2
P/BV (X)	0.9	0.9	0.9
P/ABV (X)	1.0	1.0	0.9

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	39.7	40.3	40.0
DII	18.8	17.9	15.5
FII	22.3	23.4	23.2
Others	19.1	18.4	21.3

FII Includes depository receipts

CMP: INR142 TP: INR175 (+23%) Upgrade to BUY

Operating performance turning around!

RoA to recover to 1.3-1.5% over FY27-28E; valuations reasonable

- Bandhan Bank reported 3QFY26 PAT of INR2.1b, up 84% QoQ. NII grew 4% QoQ to INR26.9b (in line).
- Margin improved by 6bp QoQ to 5.9%, aided by a reduction in CoF (down 20bp QoQ).
- Other income improved 26% QoQ (down 37% YoY) to INR6.9b (9% above est.), aided by recovery from sale of NPAs to ARC. Opex grew 1.6% YoY/ 6% QoQ to INR19.3b (INR1.2b impact related to labor code).
- Net advances grew by 10.8% YoY (up 4.8% QoQ). Deposits grew by 11% YoY. CD ratio increased sharply to 90% from 85% in 2QFY26.
- GNPA/NNPA ratios declined by 169bp/38bp QoQ to 3.33%/0.99%, aided by ARC sale. The bank nevertheless shored up provisions and maintained PCR at ~71%.
- Bandhan has undergone a long-drawn NPA cycle, which significantly impacted its growth and profitability profile. As a result, the bank delivered a tepid 8% avg. RoE over the past five years.**
- In Jan'21, we downgraded our stock rating to Neutral at INR341 ([report published in Jan'21](#)). With asset quality regaining normalcy and margins stabilizing, we expect operating performance to recover in the coming quarters.**
- We thus estimate Bandhan to deliver RoA of 1.3%/1.5% over FY27-28E vs. 0.6% in FY26E. Valuations, after five years of de-rating, look reasonable, and accordingly, we upgrade our rating to BUY with an unchanged TP of INR175 (1x Sep'27E ABV). Although we remain watchful of forthcoming West Bengal elections, we strongly believe that the current risk-reward is favorable.

Margin improves 6bp QoQ; PCR steady at ~71% despite NPA sale

- 3Q PAT at INR2.1b was down 52% YoY but up 84% QoQ (25% miss) due to higher-than-expected provisions.
- NII declined 5% YoY/3.9% QoQ to INR26.9b (in line). NIMs improved by 6bp QoQ to 5.9%, while the bank guides for an improving NIM trajectory amid a reduction in CoF over next quarters, as well as less interest reversal due to declining slippages.
- Other income grew by 26% QoQ (down 37% YoY) to INR6.9b (9% beat), aided by INR1.3b cash from sale from ARC. As a result, total income grew by 7.8% QoQ (down 14% YoY, in line).
- Opex rose 1.6% YoY/6% QoQ to INR19.3b (largely in line), while the bank reported INR1.2b impact related to new labor norms. Provisions came in 12% higher than our estimates at INR11.5b (flat QoQ).

- Gross advances (ex of IBPC) rose 8.5% YoY/3.8% QoQ. EEB book declined 11% YoY (down 3% QoQ), while ex-of sale to ARC, they would have increased 2% QoQ. Non-micro credit book rose 25% YoY (8% QoQ). Mix of EEB moderated to 34.5%.
- Deposit grew 11.1% YoY (down 0.9% QoQ). CASA mix declined marginally to 27.3% from 28% in 2QFY26.
- Owing to a sale to ARC, GNPA/NNPA ratios declined by 169bp/38bp QoQ to 3.33%/0.99%. PCR too declined to 70.8% vs. 73.7%. Fresh slippages declined by 18% QoQ to INR13.1b, while the SMA-1 and SMA-2 book saw a mild increase, impacted by October holidays.

Highlights from the management commentary

- Excluding the ARC sale, the EEB book would have grown around 2% QoQ, with management expecting better momentum in 4Q.
- NIMs – CoF will reduce going ahead, leading to NIM improvement. The repo rate cut of 25bp in Dec'25 could impact NIMs by 11bp.
- Collection efficiency improved across regions; October holidays led to a temporary uptick in SMA, while November and December showed strong recovery.
- Management does not expect elevated provisioning to continue ahead, as asset quality trends improve across EEB and housing portfolios.

Valuation and view

Bandhan reported a broadly in-line quarter. The only notable deviation was slightly higher-than-expected provisions as the bank prudentially kept PCR above 70% despite NPA sale to ARC. NIMs inched up by 6bp QoQ to 5.9%, and management continues to guide for an improving margin trajectory, supported by a decline in cost of funds and growth recovery in the MFI segment. Loan growth is thus likely to gain traction, positioning Bandhan to benefit from the improving operating environment. With forward flows stabilizing and slippages showing moderation, we expect credit cost to ease in the coming quarters; management has guided for FY27 exit credit cost of 1.6-1.7%.

Bandhan has endured a long-drawn NPA cycle, which significantly impacted its growth and profitability profile. As a result, the bank delivered a tepid 8% avg. RoE in the past five years. In Jan'21, we downgraded our stock rating to Neutral at INR341 (report published in Jan'21). With asset quality regaining normalcy and margins stabilizing, we expect operating performance to recover in the coming quarters. We thus estimate the bank to deliver RoA of 1.3%/1.5% over FY27-28E vs. 0.6% in FY26E. Valuations, after five years of de-rating, look reasonable, and accordingly, we upgrade our rating to BUY with an unchanged TP of INR175 (1x Sep'27E ABV). Although we remain watchful of forthcoming West Bengal elections, we strongly believe that the current risk-reward is favorable.

Quarterly performance

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	V/S our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	ETt
Net Interest Income	30.1	29.5	28.3	27.6	27.6	25.9	26.9	28.7	114.9	109.0	27.5	-2%
% Change (YoY)	20.7	20.7	12.1	-3.9	-8.2	-12.2	-5.0	4.1	11.3	-5.1	-2.8	
Other Income	5.3	5.9	11.0	7.0	7.3	5.5	6.9	7.7	29.7	27.3	6.3	9%
Total Income	35.3	35.4	39.3	34.6	34.8	31.3	33.8	36.3	144.6	136.3	33.8	0%
Operating Expenses	15.9	16.9	19.0	18.8	18.1	18.2	19.3	18.8	70.7	74.5	20.0	-3%
Operating Profit	19.4	18.6	20.2	15.7	16.7	13.1	14.5	17.6	73.9	61.8	13.8	5%
% Change (YoY)	24.2	17.2	22.1	-14.5	-14.0	-29.4	-28.5	12.0	11.2	-16.3	-31.6	
Provisions	5.2	6.1	13.8	12.6	11.5	11.5	11.5	10.4	37.7	44.9	10.3	12%
Profit Before Tax	14.2	12.5	6.5	3.1	5.2	1.6	2.9	7.2	36.2	16.9	3.5	-18%
Tax	3.5	3.1	2.2	-0.1	1.5	0.5	0.8	1.3	8.8	4.1	0.8	6%
Net Profit	10.6	9.4	4.3	3.2	3.7	1.1	2.1	5.9	27.5	12.8	2.7	-25%
% Change (YoY)	47.5	30.0	-41.8	482.0	-65.0	-88.1	-51.8	86.4	22.8	-53.3	-35.9	
Operating Parameters												
Deposits (INR b)	1,332	1,425	1,410	1,512	1,547	1,581	1,567	1,691	1,512	1,691	1,671	-6%
Loans (INR b)	1,216	1,261	1,274	1,320	1,285	1,346	1,411	1,493	1,320	1,493	1,413	0%
Deposit Growth (%)	22.8	27.2	20.1	11.8	16.1	10.9	11.1	11.8	11.8	11.8	18.5	
Loan Growth (%)	23.8	23.6	15.6	9.0	5.7	6.8	10.8	13.1	9.0	13.1	10.9	
Asset Quality												
Gross NPA (%)	4.2	4.7	4.7	4.7	5.0	5.0	3.3	3.1	4.7	3.1	3.0	
Net NPA (%)	1.2	1.3	1.3	1.3	1.4	1.4	1.0	0.9	1.3	0.9	1.0	
PCR (%)	73.7	73.5	73.5	73.7	73.7	73.7	70.8	71.3	73.7	71.3	67.0	

E: MOFSL Estimates

Quarterly snapshot

Profit and Loss, INRb	FY25				FY26				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ	
Interest Income	55.36	55.00	54.79	54.34	54.76	53.54	54.31	-1	1	
Interest Expenses	25.31	25.52	26.48	26.78	27.18	27.65	27.43	4	-1	
Net Interest Income	30.05	29.48	28.30	27.56	27.57	25.89	26.88	-5	4	
Other Income	5.28	5.95	10.96	7.00	7.26	5.46	6.91	-37	26	
Total Income	35.33	35.43	39.26	34.56	34.83	31.35	33.79	-14	8	
Operating Expenses	15.92	16.88	19.05	18.84	18.15	18.25	19.34	2	6	
Employee	10.05	10.44	12.27	10.84	11.24	10.77	11.33	-8	5	
Others	5.86	6.44	6.77	8.00	6.91	7.47	8.01	18	7	
Operating Profits	19.41	18.55	20.21	15.71	16.68	13.10	14.45	-29	10	
Core Operating Profits	19.41	18.55	20.21	15.71	16.68	13.10	14.45	-29	10	
Provisions	5.23	6.06	13.76	12.60	11.47	11.53	11.55	-16	0	
PBT	14.18	12.49	6.45	3.11	5.21	1.58	2.90	-55	84	
Taxes	3.54	3.11	2.19	-0.07	1.50	0.46	0.85	-61	85	
PAT	10.63	9.37	4.26	3.18	3.72	1.12	2.06	-52	84	
Balance Sheet, INRb										
Loans	1,216	1,261	1,274	1,320	1,285	1,346	1,411	11	5	
- Retail	62	72	85	110	110	124	138	61	11	
- Commercial Banking	281	311	332	363	371	408	456	37	12	
Deposits	1,332	1,425	1,410	1,512	1,547	1,581	1,567	11	-1	
CASA Deposits	445	473	447	474	419	442	427	-4	-3	
- Current	62	64	61	81	65	77	80	31	4	
- Saving	383	409	386	394	354	365	347	-10	-5	
Loan Mix (%)										
Micro Loans	49.3	45.4	42.5	41.3	39.5	36.9	34.5	-802	-245	
Non-Micro Loans	50.7	54.6	57.5	58.7	60.5	63.1	65.5	802	245	
- SME Loans	22.6	24.2	24.7	23.4	24.4	23.6	23.2	-148	-37	
- Small Enterprise	11.3	12.7	14.1	26.5	27.7	29.1	31.4	1,735	227	
Asset Quality, INRb										
GNPA	53	61	62	64	66	70	48	-22	-32	
NINPA	14	16	16	17	17	18	14	-14	-24	
Asset Quality Ratios								YoY (bp)	QoQ (bp)	
GNPA (%)	4.2	4.7	4.7	4.7	5.0	5.0	3.3	-135	-169	
NNPA (%)	1.2	1.3	1.3	1.3	1.4	1.4	1.0	-29	-38	
PCR (Calc, %)	73.7	73.5	73.5	73.7	73.7	73.7	70.8	-269	-290	
SMA Movement (EEB) (%)										
SMA 0	0.9	1.5	1.4	1.5	1.9	3.1	2.7	130	-40	
SMA 1	0.7	0.9	1.2	0.9	1.0	1.0	1.1	-10	10	
SMA 2	0.7	0.9	1.2	0.9	0.9	0.7	0.8	-40	10	
Business Ratios (%)										
CASA (%)	33.4	33.2	31.7	31.4	27.1	28.0	27.3	-447	-70	
Loan/Deposit	91.3	88.5	90.3	87.3	83.1	85.1	90.0	-31	489	
Cost to Core Income	45.1	47.6	48.5	54.5	52.1	58.2	57.2	872	-96	
Cost to Assets	3.7	3.8	4.1	3.9	3.8	3.7	3.9	-20	20	
Tax Rate	25.0	24.9	33.9	-2.2	28.7	29.1	29.2	-472	10	
Capitalisation Ratios (%)										
Tier-1	14.1	13.6	13.7	17.9	18.3	17.4	16.5	280	-90	
CAR	15.0	14.3	14.4	18.7	19.1	18.2	17.3	290	-90	
LCR	166.0	151.0	146.5	162.8	200.1	NA	0.0	NA	NA	
Profitability Ratios (%)										
Yield	13.9	13.7	13.3	13.1	12.7	12.1	11.9	-140	-20	
Cost of Funds	7.0	7.0	7.1	7.2	7.0	6.9	6.7	-40	-20	
Margins	7.60	7.40	6.90	6.70	6.40	5.80	5.90	-100.00	10.00	
Other Details										
Branches	1,700	1,703	1,703	1,715	1,750	1,754	1,831	128	77	
ATM	438	438	438	438	438	438	438	0	0	



Highlights from the management commentary

Opening remarks

- The bank reported consistent growth in advances, supported by continued expansion in the MFI portfolio.
- Retail deposit mobilization remained strong, while dependence on bulk deposits declined.
- Focus remains on accelerating CASA growth and strengthening asset quality.
- RazorPay was onboarded as a key payments partner, and an in-app collections ecosystem was launched during the quarter.
- The bank completed the sale of NPAs and written-off portfolios to an ARC. Unsecured written-off loans of INR37.1b were transferred, with the bank retaining a 62% share in SRs. Additionally, unsecured NPAs of INR31.7b were sold for INR5.7b, with the bank subscribing to 46.7% of SRs.
- The asset sale led to a reversal of provisions in the P&L.
- A provision of INR1.2b was made related to the labor code.
- Deposit granularity improved, driven by strong retail mobilization.
- Margins showed an uptick, aided by an improving deposit mix.
- CASA growth remained weak across the industry, though the bank enhanced customer engagement initiatives.
- Slippages declined, and the bank remains focused on improving recoveries.
- NIMs were broadly stable at ~6% in 9MFY26, while GNPA and NNPA ratios improved on a QoQ basis.
- Advances grew 10% YoY and 4% QoQ; excluding the NPA sale, growth would have been around 12% YoY.
- The EEB book (excluding the stake sale) would have grown ~2% QoQ.
- The non-EEB portfolio delivered strong, broad-based growth and now constitutes 65% of total advances.
- Housing loans grew 10%, with the secured portfolio strengthening further and forming 57% of total advances.
- Total deposits increased 11% YoY, continuing to outpace loan growth. Bulk deposits declined 6% QoQ, retail term deposits rose 36% YoY, while CASA balances fell 4% due to a reduction in savings account rates.
- CASA pressure is seen industry-wide, though core balances are relatively stable.
- Collection performance improved across key metrics.
- The decline in slippages was primarily led by the EEB segment, with encouraging trends in early delinquency buckets. The most notable improvement was seen in SMA-0, indicating easing forward flows.
- Credit costs moderated to 3.3% from 3.4% in 2QFY26. Effective PCR remained largely stable despite the NPA sale.
- NIMs improved to 5.9%, supported by a 20bp QoQ reduction in cost of funds.

Advances and deposits

- Excluding the ARC sale, the EEB book would have grown around 2% QoQ, with management expecting better momentum in 4Q.
- Non-EEB advances grew 25% YoY, while EEB advances declined 10% YoY. The bank continues to guide for a 60:40 mix between secured and unsecured loans.

- Elevated rates on bulk deposits increased funding costs; however, the bank has successfully reduced bulk deposits, which now account for 38% of total deposits. Average current account balances have been growing at a healthier pace.

Margins, cost and ratios

- NIMs: CoF reduction should lead to NIM improvement. The repo rate cut of 25bp in Dec'25 could impact NIM by 11bp. The bank expects some granularity in deposits and some improvement too.
- Overall portfolio yields stand at ~13%, with EEB yields at ~22%; the bank continues to reassess yield dynamics within the EEB segment.

Asset quality

- EEB slippages declined to INR94.2b from INR111.8b in 2QFY26.
- SMA-0 levels in the EEB portfolio remained stable.
- EEB segment is seeing positive traction, with declining slippages and improving collections; 99.6% of CE (excluding buckets) was recorded in past two months.
- Credit costs are expected to improve further, with lower provisioning needs, aided by minimal slippages in the wholesale book.
- Management does not expect elevated provisioning to persist, as asset quality trends improve across EEB and housing portfolios.
- The bank is implementing changes in its underwriting framework.
- Collection efficiency improved across regions; October holidays led to a temporary uptick in SMA, while November and December showed strong recovery. West Bengal continued to perform well on collections, and Bihar also delivered strong performance despite election-related disruptions.
- In line with IRAC norms, accelerated provisions were made, including a 1% standard asset provision. NNPA stood at ~1%, lower than last year's 1.4%.
- NPA portfolio sold was fully provided, resulting in some dilution of PCR.
- Credit cost guidance is maintained at 1.6-1.7% by 4QFY27.
- The bank is offering flexible repayment schedules, ranging from weekly to fortnightly, with transitions potentially extending up to one year, while ensuring discipline in center meetings.

ARC portfolio sale

- The bank sold an unsecured NPA portfolio of INR31.6b at a consideration of INR5.7b, receiving INR3.0b in cash and subscribing to 46.7% of the SRs.
- A written-off pool of INR37b was also sold, yielding INR3.3b in value, including INR1.3b received in cash.

Others

- While the MFI segment contracted, the employee segment remained stable; management remains optimistic about MFI recovery. RO roles were rationalized and redeployed towards collections.
- Management indicated no near-term risk of further senior-level resignations.
- No additional provision is required for leave encashment; only gratuity provisions were needed; further clarification to be provided as visibility improves.

Story in charts

Exhibit 1: AUM grew 10% YoY (up 3.7% QoQ) to INR1.4t

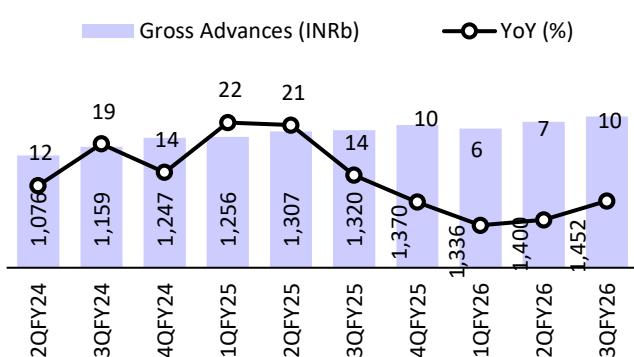
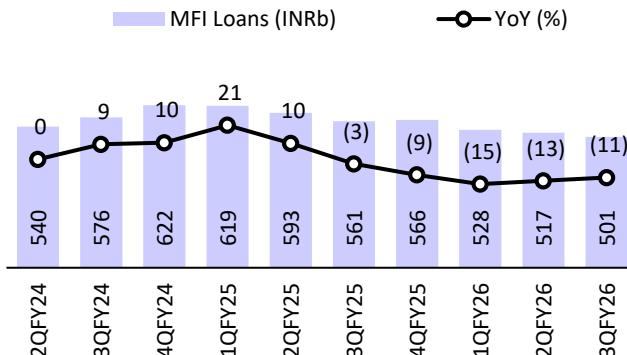
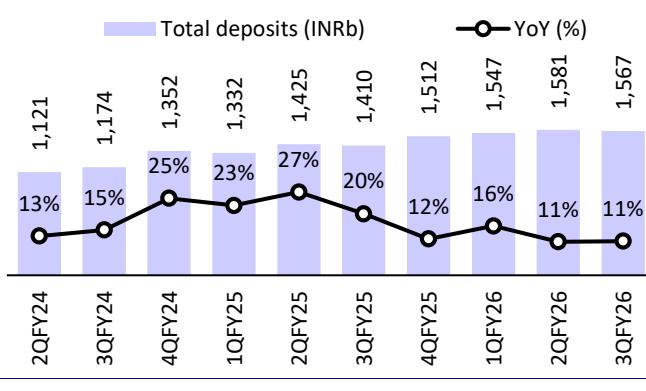


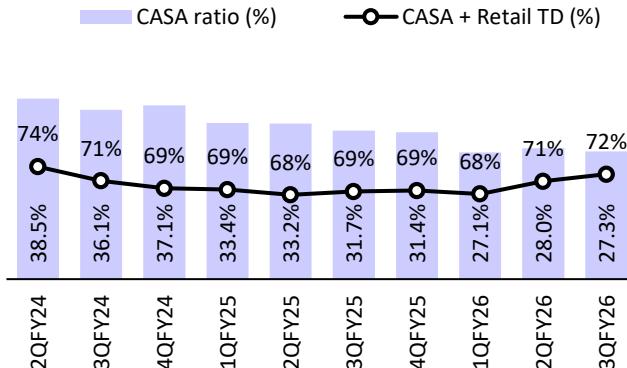
Exhibit 2: MFI loans declined 11% YoY to INR501b



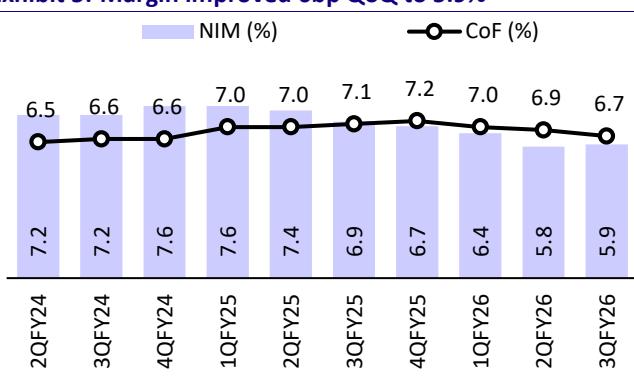
Source: MOFSL, Company
Exhibit 3: Deposits grew 11% YoY/fell 0.9% QoQ to INR1.58t



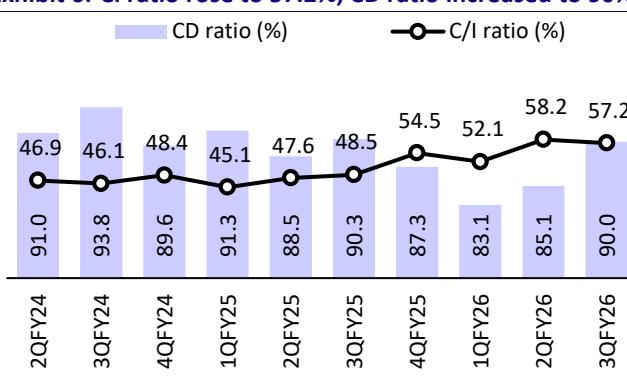
Source: MOFSL, Company
Exhibit 4: CASA+ Retail TD mix stood at 72%



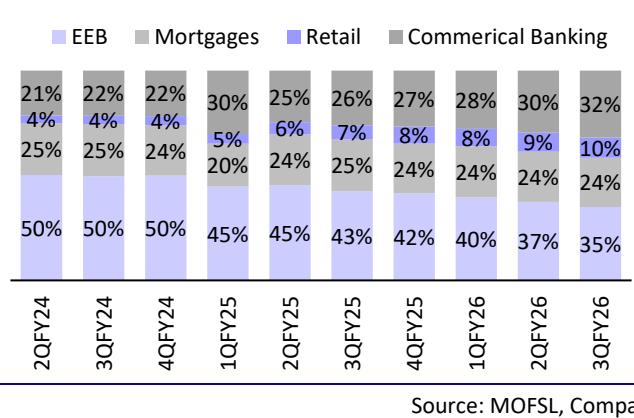
Source: MOFSL, Company
Exhibit 5: Margin improved 6bp QoQ to 5.9%



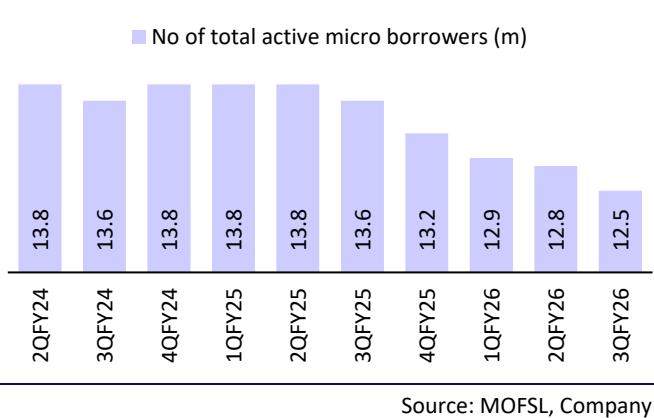
Source: MOFSL, Company
Exhibit 6: CI ratio rose to 57.2%; CD ratio increased to 90%



Source: MOFSL, Company
Exhibit 7: Trend in Portfolio mix (%)



Source: MOFSL, Company
Exhibit 8: Active MFI borrower base



Story in charts – Asset Quality

Exhibit 9: GNPA/NNPA ratios decreased to 3.3% / 0.99%

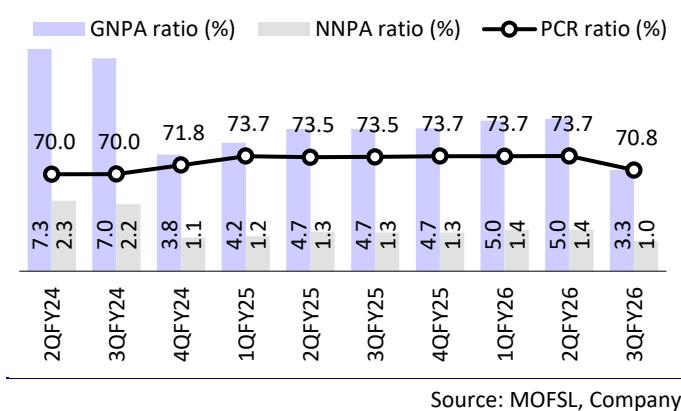


Exhibit 10: Slippages increased to INR13.1b in 3QFY26

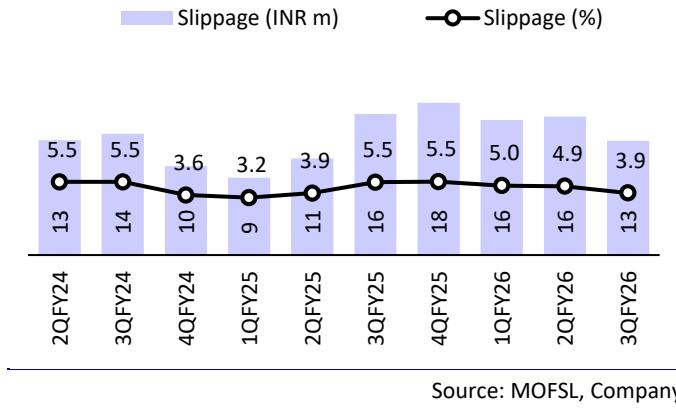


Exhibit 11: MFI CE (%), excluding NPA, stood at 98.2%

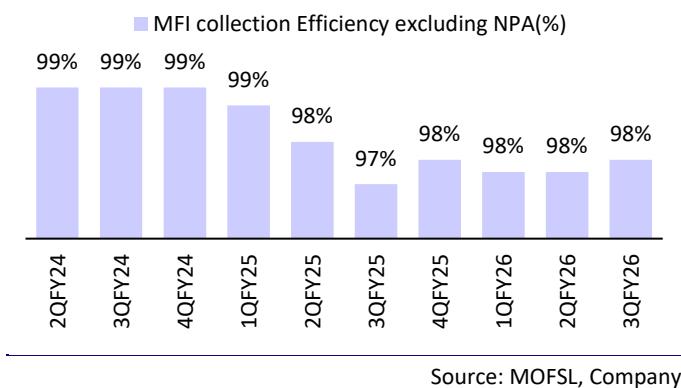


Exhibit 12: Trend in MFI collection efficiency

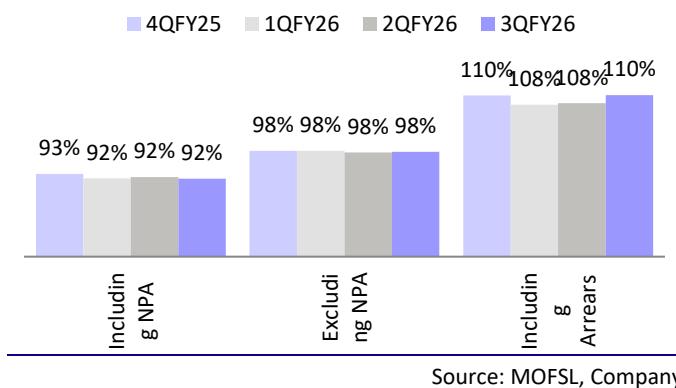
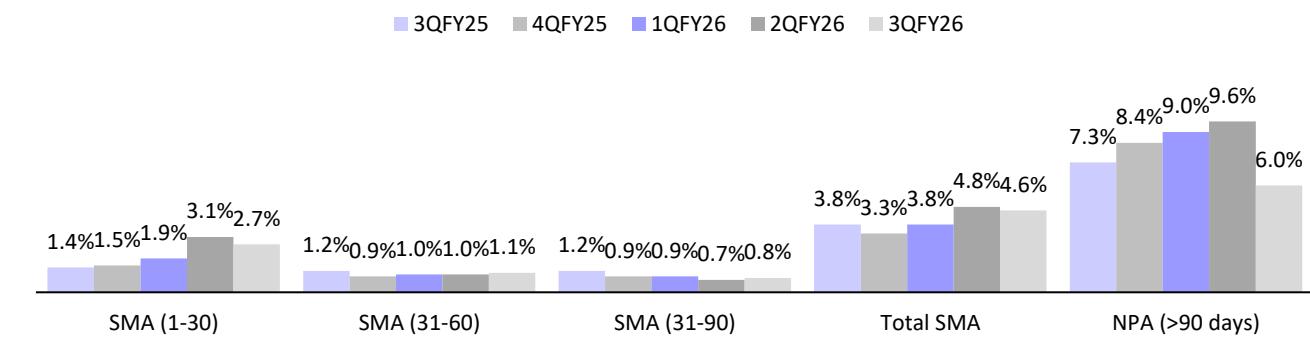


Exhibit 13: Asset quality trends across buckets in the MFI portfolio



Valuation and view

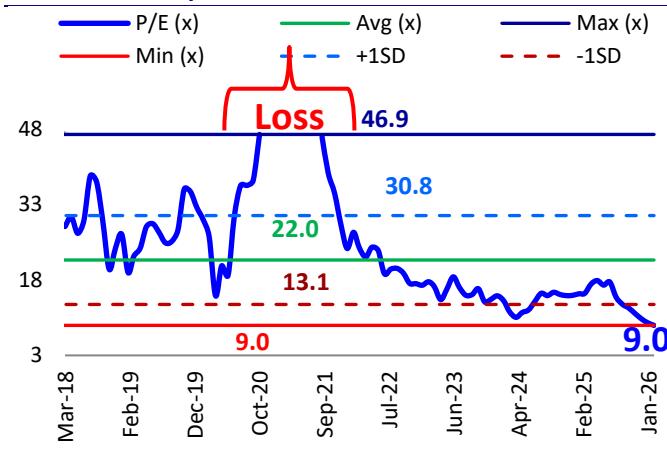
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Exhibit 14: Changes in our earnings estimates

INR b	Old Estimates			New Estimates			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	110.0	126.5	148.2	109.0	128.5	148.9	-0.9	1.6	0.5
Other Income	26.7	30.2	34.7	27.3	30.3	34.5	2.2	0.4	-0.5
Total Income	136.7	156.7	182.8	136.3	158.8	183.5	-0.3	1.4	0.3
Operating Expenses	76.4	85.9	97.5	74.5	83.7	95.0	-2.6	-2.6	-2.6
Operating Profit	60.2	70.7	85.4	61.8	75.1	88.5	2.7	6.1	3.7
Provisions	42.2	33.3	36.8	44.9	37.9	39.0	6.6	13.9	6.2
PBT	18.1	37.5	48.6	16.9	37.2	49.5	-6.4	-0.7	1.8
PAT	13.7	28.4	36.8	12.8	28.2	37.5	-6.4	-0.7	1.8
Loans	1,495	1,732	2,016	1,493	1,718	1,997	-0.2	-0.8	-1.0
Deposits	1,739	2,007	2,328	1,691	1,934	2,240	-2.8	-3.6	-3.8
Credit Cost (%)	2.9	2.0	1.9	3.1	2.3	2.0	0.2	0.3	0.1
RoA (%)	0.67	1.23	1.39	0.64	1.25	1.46	0.0	0.0	0.1
RoE (%)	5.6	11.1	13.2	5.2	11.0	13.4	-0.3	0.0	0.3
EPS	8.5	17.6	22.9	8.0	17.5	23.3	-6.4	-0.7	1.8
BV	153.7	165.4	182.2	153.2	164.7	182.0	-0.4	-0.4	-0.1
ABV	147.9	157.7	173.3	147.3	158.6	176.4	-0.4	0.6	1.8

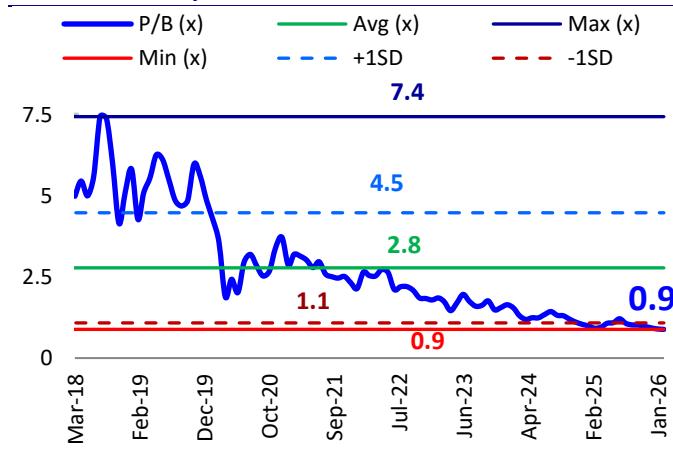
Source: MOFSL, Company

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

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	6.86	6.28	6.19	6.22	5.42	5.71	5.80
Other Income	2.22	1.67	1.30	1.61	1.36	1.35	1.34
Total Income	9.08	7.95	7.49	7.83	6.78	7.06	7.14
Operating Expenses	2.77	3.14	3.50	3.83	3.70	3.72	3.70
Employee cost	1.68	1.84	2.12	2.36	2.28	2.28	2.25
Others	1.09	1.30	1.38	1.47	1.43	1.44	1.44
Operating Profits	6.31	4.81	3.98	4.00	3.07	3.34	3.44
Core operating Profits	6.09	4.76	3.90	3.93	2.98	3.23	3.33
Provisions	6.21	2.85	2.21	2.04	2.23	1.68	1.52
PBT	0.10	1.96	1.77	1.96	0.84	1.65	1.92
Tax	0.00	0.47	0.43	0.48	0.20	0.40	0.47
RoA	0.10	1.49	1.34	1.49	0.64	1.25	1.46
Leverage (x)	7.30	7.98	8.12	8.04	8.21	8.79	9.21
RoE	0.72	11.88	10.87	11.96	5.23	11.02	13.43

Source: MOFSL, Company

Financials and valuations

Income Statement						(INR b)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	159.0	188.7	219.5	230.9	263.2	300.7
Interest Expense	66.5	85.4	104.6	121.9	134.7	151.8
Net Interest Income	92.6	103.3	114.9	109.0	128.5	148.9
- growth (%)	6.3	11.5	11.3	-5.1	17.9	15.9
Non-Interest Income	24.7	21.7	29.7	27.3	30.3	34.5
Total Income	117.3	125.0	144.6	136.3	158.8	183.5
- growth (%)	1.7	6.6	15.7	-5.7	16.5	15.5
Operating Expenses	46.4	58.5	70.7	74.5	83.7	95.0
Pre-Provision Profits	70.9	66.5	73.9	61.8	75.1	88.5
- growth (%)	-11.5	-6.3	11.2	-16.3	21.4	17.9
Core PPO	70.2	65.1	72.5	59.9	72.8	85.7
- growth (%)	-9.3	-7.2	11.4	-17.4	21.5	17.8
Provisions	42.0	37.0	37.7	44.9	37.9	39.0
PBT	28.9	29.5	36.2	16.9	37.2	49.5
Tax	7.0	7.1	8.8	4.1	9.0	12.0
Tax Rate (%)	24.1	24.2	24.2	24.2	24.2	24.2
PAT	21.9	22.4	27.5	12.8	28.2	37.5
- growth (%)	1,644.6	1.9	22.8	-53.3	120.1	32.9
Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	16.1	16.1	16.1	16.1	16.1	16.1
Reserves & Surplus	179.6	199.5	227.5	230.6	249.2	277.0
Net Worth	195.7	215.7	243.6	246.7	265.3	293.1
Deposits	1,080.6	1,352.0	1,512.1	1,690.6	1,934.0	2,239.6
- growth (%)	12.2	25.1	11.8	11.8	14.4	15.8
- CASA Dep	424.5	501.5	474.4	529.1	607.3	703.2
- growth (%)	5.9	18.1	-5.4	11.5	14.8	15.8
Borrowings	247.1	163.7	111.4	120.3	132.3	148.2
Other Liabilities & Prov.	36.8	46.6	45.2	51.1	59.3	68.7
Total Liabilities	1,560.3	1,778.0	1,912.3	2,108.7	2,390.9	2,749.6
Current Assets	82.5	161.7	95.7	98.0	109.7	126.9
Investments	323.7	292.9	407.1	447.8	509.6	588.6
- growth (%)	11.3	-9.5	39.0	10.0	13.8	15.5
Loans	1,047.6	1,211.4	1,319.9	1,492.8	1,718.2	1,996.5
- growth (%)	11.5	15.6	9.0	13.1	15.1	16.2
Fixed Assets	8.5	11.7	11.8	12.5	13.5	14.9
Other Assets	98.1	100.7	80.3	57.5	39.8	22.7
Total Assets	1,560.4	1,778.4	1,914.8	2,108.7	2,390.9	2,749.6
Asset Quality						
	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA	53.0	47.8	64.4	46.6	50.3	58.0
NNPA	12.3	13.5	16.9	13.4	14.1	12.9
Slippages	96.6	56.8	53.8	49.2	43.3	46.4
GNPA Ratio	4.9	3.8	4.7	3.1	2.9	2.8
NNPA Ratio	1.2	1.1	1.3	0.9	0.8	0.6
Slippage Ratio	9.7	5.0	4.3	3.5	2.7	2.5
Credit Cost	4.2	3.3	3.0	3.1	2.3	2.0
PCR (Excl Tech. write off)	76.8	71.8	73.7	71.3	72.0	77.8

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spread Analysis (%)						
Avg. Yield- on Earning Assets	11.8	12.3	12.8	12.1	12.2	12.0
Avg. Yield on loans	13.9	14.6	15.3	14.1	14.2	14.0
Avg. Yield on Investments	6.2	6.6	6.3	6.7	6.6	6.5
Avg. Cost of Int. Bear. Liab.	5.6	6.4	7.1	7.5	7.3	7.2
Avg. Cost of Deposits	4.9	6.0	6.5	6.4	6.3	6.2
Interest Spread	6.2	5.9	5.7	4.7	4.8	4.8
Net Interest Margin	6.9	6.7	6.7	5.7	5.9	6.0
Capitalisation Ratios (%)						
CAR	19.8	18.3	19.1	17.3	16.2	15.3
Tier I	18.7	17.2	18.3	16.6	15.5	14.8
-CET-1	18.7	17.2	18.3	16.0	15.6	15.6
Tier II	1.1	1.1	0.8	0.8	0.7	0.6
Business Ratios (%)						
Loans/Deposit Ratio	96.9	89.6	87.3	88.3	88.8	89.1
CASA Ratio	39.3	37.1	31.4	31.3	31.4	31.4
Cost/Assets	3.0	3.3	3.7	3.5	3.5	3.5
Cost/Total Income	39.5	46.8	48.9	54.6	52.7	51.8
Cost/Core income	39.8	47.3	49.4	55.4	53.5	52.6
Int. Expense/Int.Income	41.8	45.3	47.6	52.8	51.2	50.5
Fee Income/Total Income	20.4	16.3	19.6	18.6	17.6	17.3
Other income/Total Income	21.0	17.4	20.5	20.0	19.1	18.8
Empl. Cost/Total Expense	58.6	60.6	61.7	61.5	61.3	61.0
Efficiency Ratios (INRm)						
Employee per branch (in nos)	49.4	44.6	43.8	44.2	44.6	45.0
Staff cost per employee	0.4	0.5	0.6	0.6	0.6	0.6
CASA per branch	300.9	295.0	276.6	288.4	309.3	334.7
Deposits per branch	765.9	795.3	881.7	921.3	985.0	1,066.0
Business per Employee	30.5	33.8	37.7	39.3	41.7	44.8
Profit per Employee	0.3	0.3	0.4	0.2	0.3	0.4
Profitability Ratios and Valuation						
RoA	1.49	1.34	1.49	0.64	1.25	1.46
RoE	11.9	10.9	12.0	5.2	11.0	13.4
RoRWA	2.3	1.8	1.9	0.9	1.8	2.1
Book Value (INR)	122	134	151	153	165	182
- growth (%)	12.6	10.2	13.0	1.3	7.5	10.5
Price-BV (x)	1.2	1.1	0.9	0.9	0.9	0.8
Adjusted BV (INR)	116	128	144	147	159	176
Price-ABV (x)	1.2	1.1	1.0	1.0	0.9	0.8
EPS (INR)	13.6	13.9	17.0	8.0	17.5	23.3
- growth (%)	1,644.5	1.9	22.8	-53.3	120.1	32.9
Price-Earnings (x)	10.5	10.3	8.4	18.0	8.2	6.1
Dividend Per Share (INR)	0.0	1.5	1.5	6.0	6.0	6.0
Dividend Yield (%)	0.0	1.0	1.0	4.2	4.2	4.2

E: MOFSL Estimates

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