

Summary:

Aapka Bhala, Sabki Bhalai

BANDHAN BANK LIMITED**Recommendation: Buy****CMP: Rs. 325 /-****TARGET: Rs. 380/-****SENSEX: 35414****NIFTY: 10430****KEY STOCK STATISTICS:**

Market Capitalization (crs): 51416/-

Book Value: Rs. 69.56/-

Face Value: Rs. 10/-

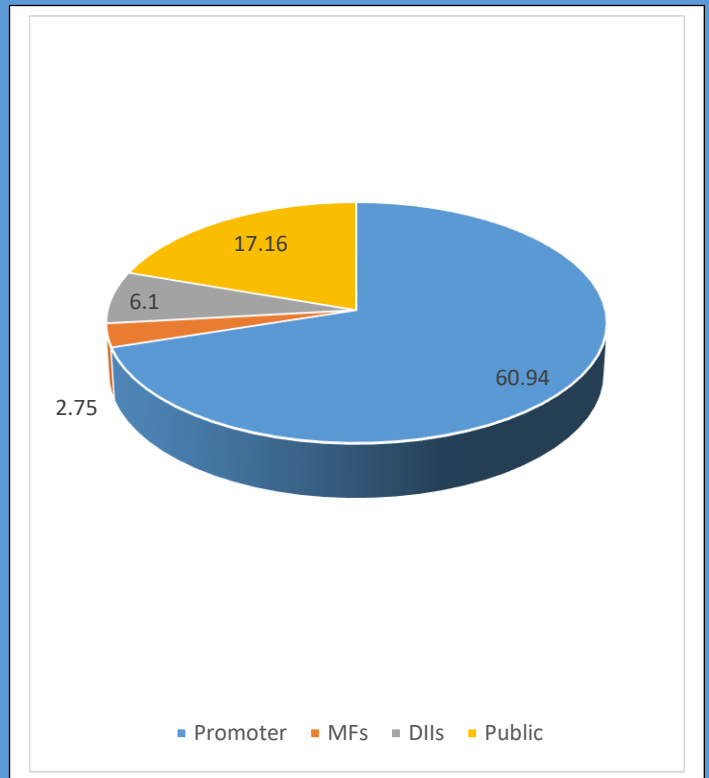
52 week High/Low: 650/152

P/E Ratio: 17

Industry P/E:24.69

Company Background:

- ✓ Bandhan bank is focused on serving the unbanked and under banked population of India.
- ✓ It offers world class banking solutions and financial services in the form of Asset and Liability products and services.
- ✓ It offers regular banking services microfinance, MSME and affordable housing finance to urban, semi urban and rural customers.

SHAREHOLDING PATTERN

Source: Company, KFO Research

RETURNS (%):

	3 MONTHS	6 MONTHS	12 MONTHS
SENSEX	-2.50	4.55	6.67
BANDHANBANK	-5.58	-3.06	-8.63

Source: Company, KFO Research

Analyst:

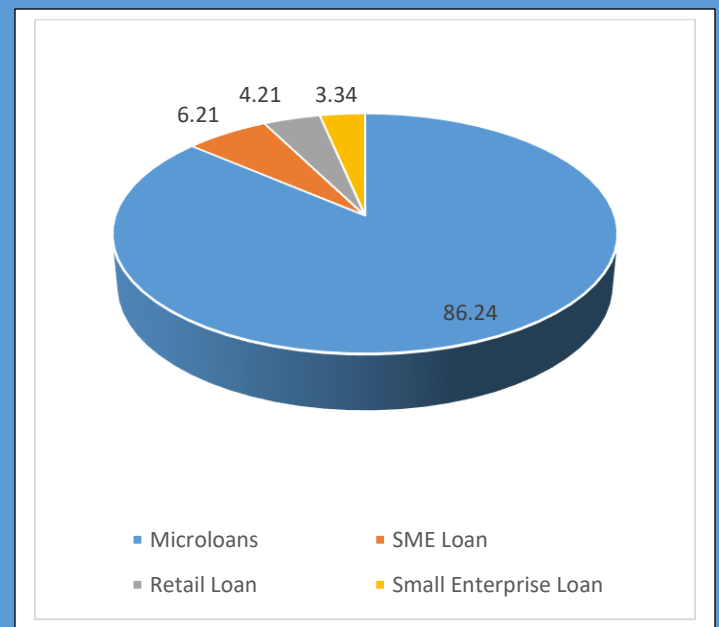
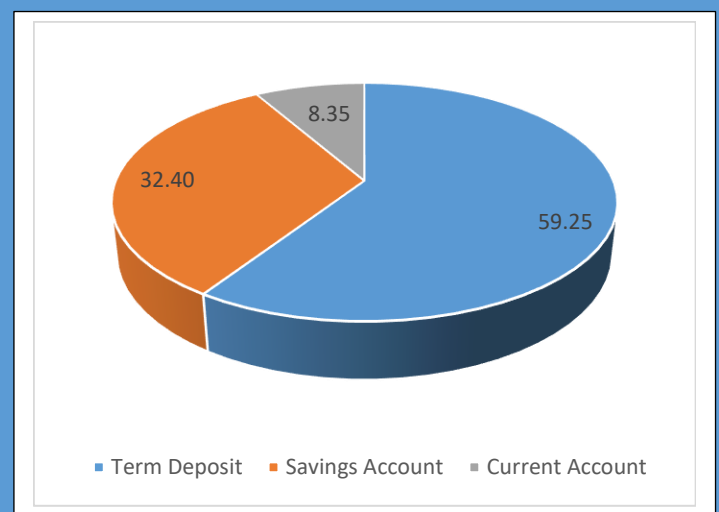
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SEBI NO:: INH000005485

Industry Structure and Development:

- ✓ The banking industry was at a cross roads during the year 2018-19. While it continued to support India's economic growth, it also grappled with challenges that tested its strength and resilience.
- ✓ The Fag-end of the year witnessed some stability seeping into India's banking industry.
- ✓ The central bank's cutting of rates during its policy meetings also injected liquidity in the system.
- ✓ Additional capital infusion is also likely to help in meeting minimum capital norms.

BUSINESS MIX IN FY 2018-19**ASSETS (%)****LIABILITIES (%)**

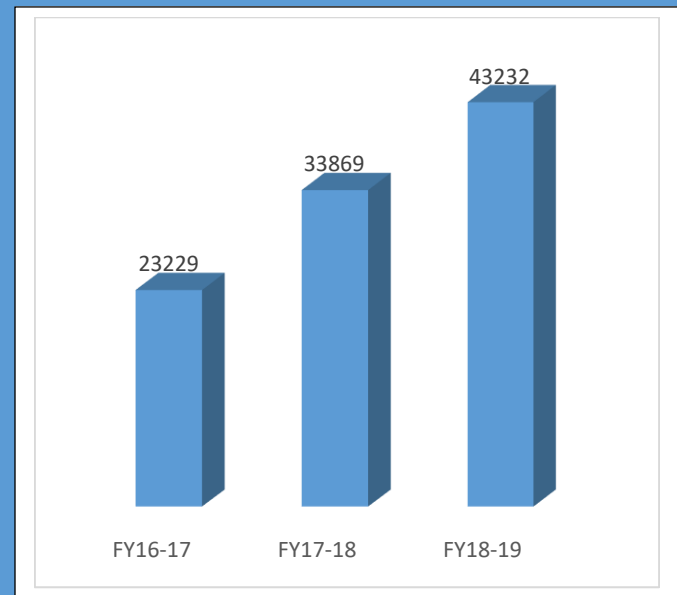
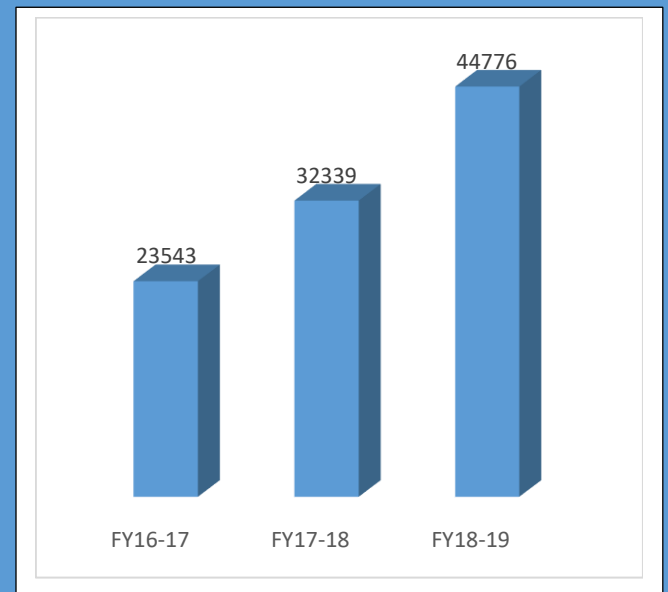
Source: Company, KFO Research

KEY STRENGTHS

- Bandhan bank are a differentiated bank with an impeccable asset quality, low NPA, High return on Assets, Net Interest Margin and a strong capital adequacy.
- We will strive to maintain the growth and quality of Assets with a continued focus on deposit and CASA accretion and also keep bank's cost under control.
- In India, a lot needs to be done in the rural areas to bank the unbanked population and our aim is to continue to serve this segment by providing them with access to banking.
- In terms of key focus areas, MSMEs will be one segment considering the potential and the lack of penetration of credit in this segment.
- Retail banking segment will be a key area of focus as we see healthy traction given the vast unbanked and untapped customer base particularly in rural areas.
- We are scaling higher by expanding our presence in all the four corners of India, tapping business growth in branch network and doorstep service centres.

VALUATIONS:

- ✓ On the basis of Discount Cash Flow Valuation Method, we are recommending 'Buy' for the stock. Since the stock offers good opportunity, we initiate a '**BUY**' signal on the stock with 12-month price target of **Rs 380/-** share an upside of 17% from current levels.

DEPOSITS (IN CRORES)**ADVANCES (Rs. In Crores)**

Source: Company, KFO Research.

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