

BUY**Bandhan Bank**

ASIAMONEY BROKERS POLL - 2023

Emkay Research

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Emkay
Your success is our success**Path to full recovery still a little further away****BFSI - Banks** ▶ Result Update ▶ **July 15, 2023****TARGET PRICE (Rs): 285**

Despite slower growth and surge in NPAs due to recognition of stress from the ECLGS pool, as guided by the RBI, Bandhan Bank reported a strong beat on our PAT estimates, coming in at Rs7.2bn (Emkay: Rs4.5bn), due to steady margins and lower provisions (as the bank need not make provisions on the ECLGS guaranteed stress pool). Bank expects the recovery to improve, led by ARC sale and CGFMU recovery, while it sees credit cost at ~2% for FY24.

We cut our FY24-26E earnings by 4%-9%, factoring-in the slower growth and higher opex. However, we expect improvement in RoA to 2.2-2.5% and in RoE to 17-21% over FY24-26E, from the low of 1.5/12% in FY23, as the stress pool moderates from its Covid peak. We retain our BUY rating, with revised TP of Rs285/share, based on 1.7x Jun-25E ABV (vs Rs300/share earlier, based on 1.8x Mar-25E ABV/share).

Bandhan Bank: Financial Snapshot (Standalone)

| Y/E Mar (Rs mn) | FY22 | FY23 | FY24E | FY25E | FY26E |
|----------------------|--------|---------|--------|--------|--------|
| Net profit | 1,273 | 21,962 | 36,916 | 48,000 | 61,672 |
| Loan growth (%) | 15.1 | 11.5 | 17.9 | 21.7 | 24.4 |
| NII growth (%) | 15.2 | 6.3 | 8.8 | 19.8 | 21.0 |
| NIM (%) | 7.2 | 6.7 | 6.4 | 6.5 | 6.5 |
| PPOP growth (%) | 18.4 | (11.5) | 3.2 | 20.5 | 23.1 |
| Adj. EPS (Rs) | 0.8 | 13.6 | 22.9 | 29.8 | 38.3 |
| Adj. EPS growth (%) | (94.2) | 1,625.4 | 68.1 | 30.0 | 28.5 |
| Adj. BV (INR) | 100.6 | 115.9 | 136.5 | 163.5 | 198.1 |
| Adj. BVPS growth (%) | 6.2 | 15.1 | 17.8 | 19.8 | 21.1 |
| RoA (%) | 0.1 | 1.5 | 2.2 | 2.4 | 2.5 |
| RoE (%) | 0.7 | 11.9 | 17.4 | 19.2 | 20.6 |
| P/E (x) | 280.5 | 16.3 | 9.7 | 7.4 | 5.8 |
| P/ABV (x) | 2.2 | 1.9 | 1.6 | 1.4 | 1.1 |

Source: Company, Emkay Research

Growth remains sub-par in 1Q, but Management guides for acceleration in 2H

Bandhan Bank posted AUM growth of 7% YoY/was down 5% QoQ in a seasonally weak 1Q, as the MFI book declined 12% YoY/10% QoQ as well as due to repayment of loan (of Rs22bn) from one large account. Retail Housing growth, too, came in lower at 10% YoY/1.4% QoQ. However, Bank guides for healthy credit growth at 20% YoY, driven by the secured retail portfolio. Despite the CASA ratio decline of 3% QoQ to 36% leading to higher CoF, NIM remained stable at 7.3%, supported by healthy improvement in yields. Bank expects maintaining NIM at ~ 7%, owing to healthy yields and contained CoF.

Recognition of ECLGS NPA leads to spike in GNPA ratio

GNPA ratio witnessed a spike (190bps) QoQ to 6.8% due to recognition of the ECLGS stress pool of up to Rs5.8bn, as mandated by the recent RBI circular. Excluding ECLGS too, slippages stood higher, at Rs13bn/6% of loans, due to continued elevated stress flow from the MFI book (Rs9.2bn) and the Housing book (Rs2.2bn), on the back of system upgrade. The overall stress pool continues to be higher at Rs62bn, against which the bank has coverage of 69% (103%, including guarantees). Bank expects healthy recovery from the sale to ARC in Q2, as also in 2H, while CGFMU recovery should also lead to higher 'other income'. Bank expects credit cost to clock at ~2% in FY24.

Outlook and Valuations

We cut our FY24-26E earnings by 4%-9%, factoring-in the slower growth and higher opex. However, we expect improvement in RoA to 2.2-2.5% and in RoE to 17-21% over FY24-26E, from a low of 1.5% and 12%, respectively, in FY23. We retain BUY, with revised TP of Rs285/sh, based on 1.7x Jun-25E ABV (vs Rs300/sh, based on 1.8x Mar-25E ABV), as the stress pool moderates from its Covid peak. **Key risks:** Micro-economic risk leading to recovery in growth/asset-quality and Senior Management attrition.

| | |
|-------------------------|--------------|
| Target Price – 12M | Jun-24 |
| Change in TP (%) | (5.0) |
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Upside/(Downside) (%) | 28.6 |
| CMP (14-Jul-23) (Rs) | 221.6 |

| Stock Data | Ticker |
|-----------------------------|-----------|
| 52-week High (Rs) | 315 |
| 52-week Low (Rs) | 182 |
| Shares outstanding (mn) | 1,610.9 |
| Market-cap (Rs bn) | 357 |
| Market-cap (USD mn) | 4,344 |
| Net-debt, FY24E (Rs mn) | NA |
| ADTV-3M (mn shares) | 9 |
| ADTV-3M (Rs mn) | 2,085.3 |
| ADTV-3M (USD mn) | 25.4 |
| Free float (%) | 47.0 |
| Nifty-50 | 19,565 |
| INR/USD | 82.2 |
| Shareholding, Mar-23 | |
| Promoters (%) | 40.0 |
| FPIs/MFs (%) | 31.9/13.2 |

Price Performance

| (%) | 1M | 3M | 12M |
|---------------|--------|-------|--------|
| Absolute | (12.3) | 8.1 | (19.5) |
| Rel. to Nifty | (15.9) | (1.5) | (34.4) |

1-Year share price trend (Rs)**Anand Dama**

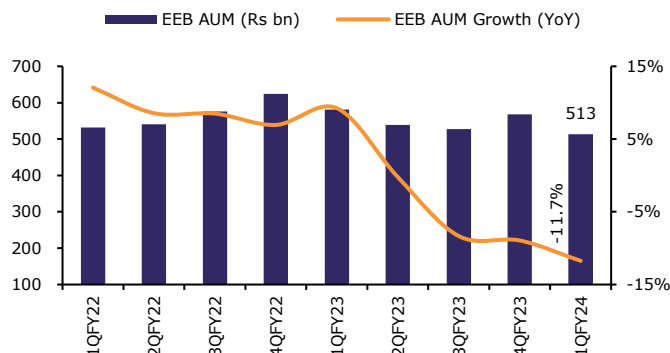
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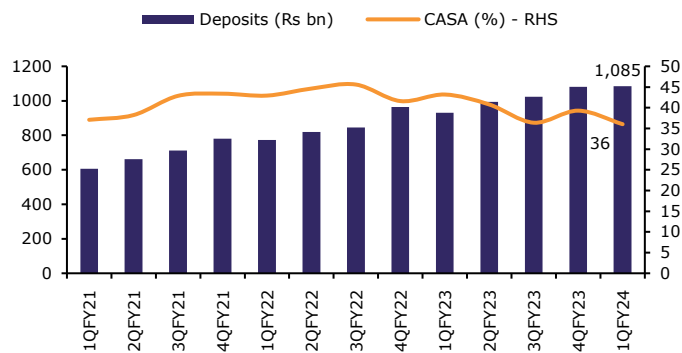
Story in Charts

Exhibit 1: Growth trips, mainly due to the MFI drag and one large account-related loan repayment



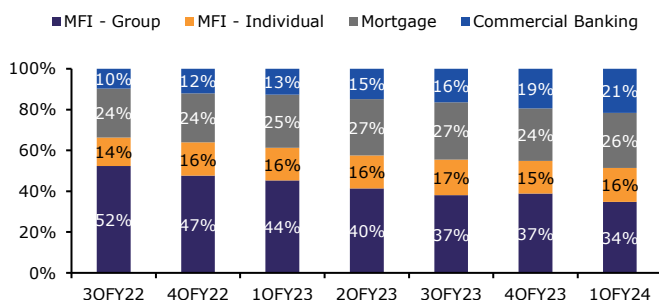
Source: Company, Emkay Research

Exhibit 2: Deposit, CASA growth too moderates



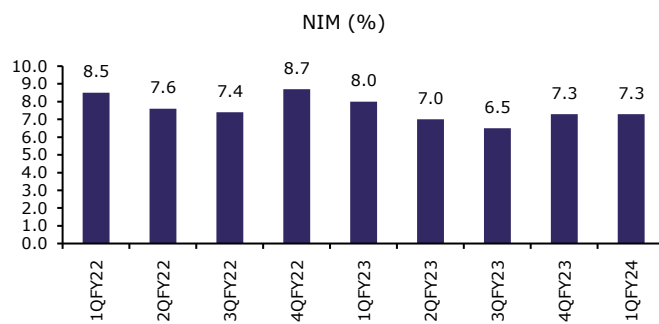
Source: Company, Emkay Research

Exhibit 3: The bank continues to diversify away from the Group MFI business



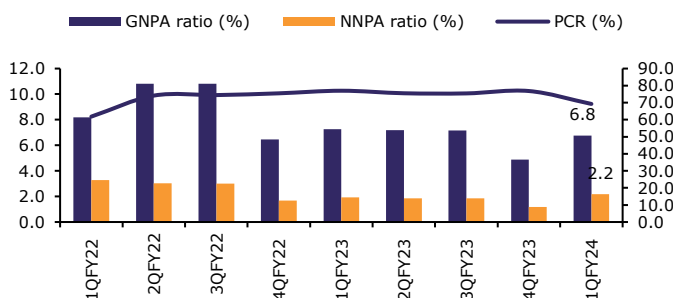
Source: Company, Emkay Research

Exhibit 4: Bank reports a steady NIM at 7.3%



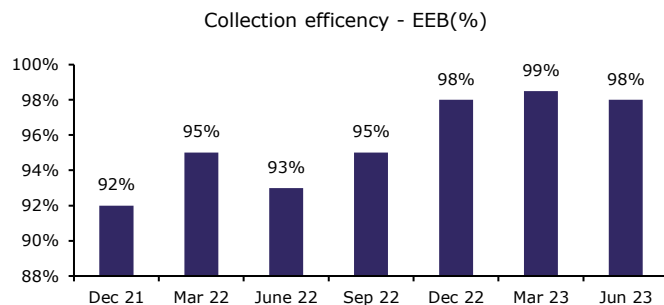
Source: Company, Emkay Research

Exhibit 5: Higher slippages include recognition of the stress pool from the ECLGS book, as mandated by the RBI



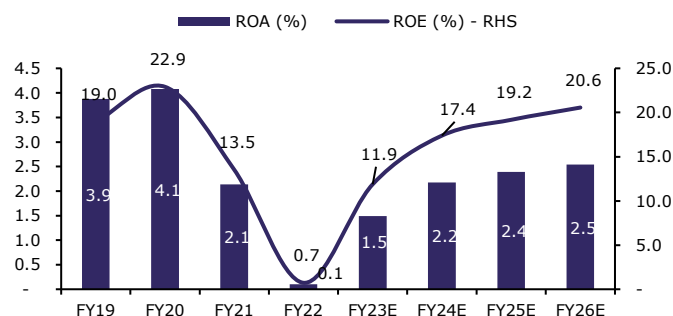
Source: Company, Emkay Research

Exhibit 6: Collection efficiency marginally declines in 1Q, but should improve ahead



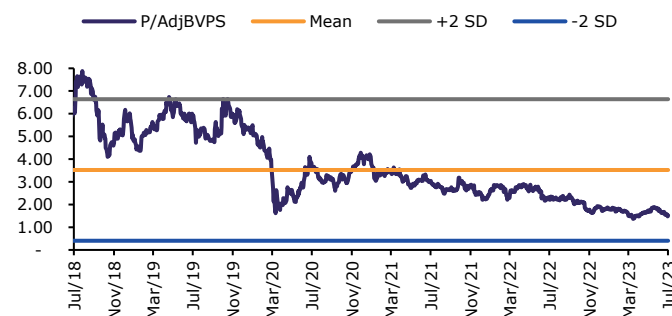
Source: Company, Emkay Research

Exhibit 7: We expect return ratios to increase by FY25E



Source: Company, Emkay Research

Exhibit 8: The stock currently trades at 1.5x one-year forward ABV



Source: Bloomberg, Emkay Research

Exhibit 9: Actuals vs. Estimates (Q1FY24)

| (Rs mn) | Actuals | Estimates | | Variation | | Comments |
|------------|---------|-----------|-----------|-----------|-----------|--|
| | | Emkay | Consensus | Emkay | Consensus | |
| Net income | 28,757 | 29,451 | 29,592 | -2% | -3% | Better margins, partly offset by lower other income, led to the miss |
| PPOP | 15,623 | 16,582 | 18,559 | -6% | -16% | Lower net income, along with higher opex, led to the miss |
| PAT | 7,211 | 4,446 | 7,112 | 62% | 1% | Lower provisions led to a strong PAT beat |

Source: Company, Emkay Research

Exhibit 10: Quarterly Summary

| (Rs mn) | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | YoY (%) | QoQ (%) | FY23 | FY24E | YoY (%) |
|---------------------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| Interest Earned | 40,554 | 37,735 | 38,076 | 42,683 | 45,229 | 12 | 6 | 159,047 | 187,867 | 18 |
| Interest Exp | 15,409 | 15,805 | 17,272 | 17,965 | 20,323 | 32 | 13 | 66,451 | 87,149 | 31 |
| Net Interest Income | 25,144 | 21,930 | 20,804 | 24,718 | 24,906 | -1 | 1 | 92,596 | 100,718 | 9 |
| Global NIMs (reported) | 8.00 | 7.00 | 6.50 | 7.30 | 7.30 | -70bps | 0bps | 6.73 | 6.55 | -18bps |
| Non-interest Income | 3,297 | 4,764 | 10,333 | 6,291 | 3,851 | 17 | -39 | 24,686 | 28,472 | 15 |
| Operating Expenses | 10,235 | 11,165 | 11,916 | 13,053 | 13,134 | 28 | 1 | 46,368 | 55,975 | 21 |
| Pre Provisioning Profit | 18,206 | 15,529 | 19,222 | 17,957 | 15,623 | -14 | -13 | 70,913 | 73,215 | 3 |
| Provision & Contingencies | 6,424 | 12,797 | 15,415 | 7,348 | 6,021 | -6 | -18 | 41,968 | 23,861 | -43 |
| PBT | 11,782 | 2,732 | 3,807 | 10,609 | 9,602 | -19 | -9 | 28,946 | 49,354 | 71 |
| Income Tax Expense (Gain) | 2,917 | 640 | 901 | 2,526 | 2,392 | -18 | -5 | 6,983 | 12,437 | 78 |
| Net Profit/(Loss) | 8,865 | 2,093 | 2,906 | 8,083 | 7,211 | -19 | -11 | 21,962 | 36,916 | 68 |
| Gross NPA (%) | 7.25 | 7.19 | 7.15 | 4.87 | 6.76 | -49bps | 189bps | 4.87 | 3.71 | -116bps |
| Net NPA (%) | 1.92 | 1.86 | 1.86 | 1.17 | 2.18 | 26bps | 101bps | 1.17 | 0.95 | -22bps |
| Deposits (Rs bn) | 931 | 994 | 1,023 | 1,081 | 1,085 | 17 | 0 | 1,081 | 1,271 | 18 |
| Net Advances (Rs bn) | 909 | 902 | 921 | 1,048 | 982 | 8 | -6 | 1,048 | 1,235 | 18 |

Source: Company, Emkay Research

Exhibit 11: Revision in Estimates

| Y/E Mar (Rs mn) | FY24E | | | FY25E | | | FY26E | | |
|-----------------|---------|---------|--------|---------|---------|--------|---------|---------|--------|
| | Earlier | Revised | Change | Earlier | Revised | Change | Earlier | Revised | Change |
| Net income | 128,628 | 129,189 | 0.4% | 155,782 | 153,164 | -1.7% | 189,548 | 183,521 | -3.2% |
| PPOP | 74,157 | 73,215 | -1.3% | 92,888 | 88,244 | -5.0% | 117,215 | 108,628 | -7.3% |
| PAT | 38,361 | 36,916 | -3.8% | 50,800 | 48,000 | -5.5% | 67,650 | 61,672 | -8.8% |
| EPS (Rs) | 23.8 | 22.9 | -3.8% | 31.5 | 29.8 | -5.5% | 42.0 | 38.3 | -8.8% |
| BV (Rs) | 142.9 | 142.0 | -0.6% | 171.4 | 168.8 | -1.5% | 209.9 | 203.6 | -3.0% |

Source: Company, Emkay Research

Exhibit 12: Key assumptions

| | FY23A | FY24E | FY25E | FY26E |
|--------------------|-------|-------|-------|-------|
| Loan Growth (%) | 9.8 | 20.0 | 21.0 | 24.0 |
| Deposit Growth (%) | 12.2 | 17.6 | 23.5 | 26.5 |
| NIM (%) | 6.7 | 6.5 | 6.7 | 6.6 |
| GNPA (%) | 4.9 | 3.7 | 2.9 | 2.5 |
| Credit Cost (%) | 4.0 | 2.1 | 1.7 | 1.5 |

Source: Emkay Research

Exhibit 13: Key ratios and trends

| | 1QFY22 | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 |
|------------------------------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| Loans (Rs mn) | 803,569 | 816,600 | 880,000 | 993,400 | 966,500 | 958,300 | 977,900 | 1,091,200 | 1,031,690 |
| growth YoY (%) | 8.1 | 6.6 | 9.7 | 14.1 | 20.3 | 17.4 | 11.1 | 9.8 | 6.7 |
| Loans QoQ (%) | (7.7) | 1.6 | 7.8 | 12.9 | (2.7) | (0.8) | 2.0 | 11.6 | (5.5) |
| Loan Composition (%) | | | | | | | | | |
| Micro- Banking assets | 66.2 | 66.2 | 65.4 | 62.8 | 60.1 | 56.3 | 54.0 | 52.1 | 49.7 |
| Non - Micro banking assets | 33.8 | 33.8 | 34.6 | 37.2 | 39.9 | 43.7 | 46.0 | 47.9 | 50.3 |
| Liability Profile | | | | | | | | | |
| Deposits (Rs mn) | 773,336 | 818,983 | 844,998 | 963,306 | 930,570 | 993,658 | 1,022,830 | 1,080,693 | 1,084,800 |
| growth YoY (%) | 27.6 | 23.8 | 18.7 | 23.5 | 20.3 | 21.3 | 21.0 | 12.2 | 16.6 |
| growth QoQ (%) | (0.8) | 5.9 | 3.2 | 14.0 | (3.4) | 6.8 | 2.9 | 5.7 | 0.4 |
| CASA (%) | 42.9 | 44.6 | 45.6 | 41.6 | 43.2 | 40.8 | 36.4 | 39.3 | 36.0 |
| CA (%) | 4.5 | 4.4 | 4.6 | 5.7 | 4.7 | 5.1 | 4.6 | 5.9 | 4.8 |
| SA (%) | 38.4 | 40.3 | 41.0 | 35.9 | 38.5 | 35.7 | 31.7 | 33.3 | 31.2 |
| Asset Quality (Rs mn) | | | | | | | | | |
| Gross NPA | 64,404 | 87,636 | 94,416 | 63,800 | 69,675 | 68,539 | 69,648 | 52,986 | 69,604 |
| GNPA (%) | 8.18 | 10.82 | 10.81 | 6.46 | 7.25 | 7.19 | 7.15 | 4.87 | 6.76 |
| NPA | 24,579 | 22,658 | 24,131 | 15,642 | 17,491 | 16,782 | 17,113 | 12,283 | 21,407 |
| NNPA (%) | 3.29 | 3.04 | 3.01 | 1.66 | 1.92 | 1.86 | 1.86 | 1.17 | 2.18 |
| PCR – Specific (%) | 61.8 | 74.1 | 74.4 | 75.5 | 74.9 | 75.5 | 75.4 | 76.8 | 69.2 |
| Capital Adequacy | | | | | | | | | |
| CAR (%) | 24.8 | 20.4 | 20.0 | 20.1 | 19.4 | 19.4 | 19.1 | 19.8 | 19.8 |
| Tier I (%) | 23.8 | 19.4 | 19.0 | 18.9 | 18.3 | 18.4 | 18.1 | 18.7 | 18.8 |
| ROA (%) | 1.3 | (2.6) | 2.8 | 6.0 | 2.5 | 0.6 | 0.8 | 2.2 | 1.9 |
| ROE (%) | 8.5 | (17.3) | 22.2 | 46.5 | 19.7 | 4.5 | 6.2 | 17.0 | 14.4 |

Source: Company, Emkay Research

Bandhan Bank: Standalone Financials and Valuations

| Profit & Loss | | | | | |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Y/E Mar (Rs mn) | FY22 | FY23 | FY24E | FY25E | FY26E |
| Interest Income | 138,716 | 159,047 | 187,867 | 219,620 | 262,969 |
| Interest Expense | 51,571 | 66,451 | 87,149 | 98,933 | 116,926 |
| Net interest income | 87,145 | 92,596 | 100,718 | 120,687 | 146,042 |
| NII growth (%) | 15.2 | 6.3 | 8.8 | 19.8 | 21.0 |
| Other income | 28,239 | 24,686 | 28,472 | 32,477 | 37,479 |
| Total Income | 115,383 | 117,282 | 129,189 | 153,164 | 183,521 |
| Operating expenses | 35,234 | 46,368 | 55,975 | 64,920 | 74,893 |
| PPOP | 80,149 | 70,913 | 73,215 | 88,244 | 108,628 |
| PPOP growth (%) | 18.4 | (11.5) | 3.2 | 20.5 | 23.1 |
| Core PPOP | 77,828 | 63,951 | 64,860 | 79,053 | 98,518 |
| Provisions & contingencies | 78,848 | 41,968 | 23,861 | 24,072 | 26,178 |
| PBT | 1,301 | 28,946 | 49,354 | 64,172 | 82,450 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Tax expense | 28 | 6,983 | 12,437 | 16,171 | 20,777 |
| Minority interest | 0 | 0 | 0 | 0 | 0 |
| Income from JV/Associates | 0 | 0 | 0 | 0 | 0 |
| Reported PAT | 1,273 | 21,962 | 36,916 | 48,000 | 61,672 |
| PAT growth (%) | (94.2) | 1,625.6 | 68.1 | 30.0 | 28.5 |
| Adjusted PAT | 1,273 | 21,962 | 36,916 | 48,000 | 61,672 |
| Diluted EPS (Rs) | 0.8 | 13.6 | 22.9 | 29.8 | 38.3 |
| Diluted EPS growth (%) | (94.3) | 1,647.6 | 68.1 | 30.0 | 28.5 |
| DPS (Rs) | 0.0 | 1.5 | 2.5 | 3.0 | 3.5 |
| Dividend payout (%) | 0.0 | 11.0 | 10.9 | 10.1 | 9.1 |
| Effective tax rate (%) | 2.2 | 24.1 | 25.2 | 25.2 | 25.2 |
| Net interest margins (%) | 7.2 | 6.7 | 6.4 | 6.5 | 6.5 |
| Cost-income ratio (%) | 30.5 | 39.5 | 43.3 | 42.4 | 40.8 |
| Shares outstanding (mn) | 1,610.8 | 1,611.0 | 1,611.0 | 1,611.0 | 1,611.0 |

Source: Company, Emkay Research

| Asset quality and other metrics | | | | | |
|---------------------------------|----------|----------|----------|----------|----------|
| Y/E Mar (Rs mn) | FY22 | FY23 | FY24E | FY25E | FY26E |
| Asset quality | | | | | |
| Gross NPLs | 63,800.0 | 52,985.6 | 47,093.1 | 45,112.6 | 47,077.3 |
| Net NPLs | 15,642.3 | 12,282.6 | 11,773.3 | 11,278.2 | 11,769.3 |
| GNPA ratio (%) | 6.5 | 4.9 | 3.7 | 2.9 | 2.5 |
| NNPA ratio (%) | 1.7 | 1.2 | 1.0 | 0.8 | 0.6 |
| Provision coverage (%) | 75.5 | 76.8 | 75.0 | 75.0 | 75.0 |
| Gross slippages | 94,302.7 | 94,620.0 | 58,924.8 | 39,610.6 | 39,293.7 |
| Gross slippage ratio (%) | 8.6 | 7.2 | 4.5 | 2.5 | 2.0 |
| LLP ratio (%) | 8.6 | 4.0 | 2.1 | 1.7 | 1.5 |
| NNPA to networth (%) | 7.5 | 5.3 | 4.4 | 3.6 | 3.2 |
| Capital adequacy | | | | | |
| Total CAR (%) | 20.1 | 19.7 | 19.3 | 19.2 | 18.8 |
| Tier-1 (%) | 18.9 | 18.7 | 18.4 | 18.4 | 18.2 |
| CET-1 (%) | 18.9 | 18.7 | 18.4 | 18.4 | 18.2 |
| RWA-to-Total Assets (%) | 65.3 | 66.5 | 67.0 | 67.0 | 67.0 |
| Miscellaneous | | | | | |
| Total income growth (%) | 14.8 | 10.0 | 17.7 | 16.5 | 19.2 |
| Opex growth (%) | 25.1 | 31.6 | 20.7 | 16.0 | 15.4 |
| Core PPOP growth (%) | 20.5 | (17.8) | 1.4 | 21.9 | 24.6 |
| PPOP margin (%) | 48.0 | 38.6 | 33.8 | 35.0 | 36.2 |
| PAT/PPOP (%) | 1.6 | 31.0 | 50.4 | 54.4 | 56.8 |
| LLP-to-Core PPOP (%) | 101.3 | 65.6 | 36.8 | 30.5 | 26.6 |
| Yield on advances (%) | 14.2 | 14.1 | 14.6 | 14.1 | 13.7 |
| Cost of funds (%) | 4.9 | 5.3 | 6.1 | 5.9 | 5.8 |

Source: Company, Emkay Research

| Balance Sheet | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Y/E Mar (Rs mn) | FY22 | FY23 | FY24E | FY25E | FY26E |
| Share capital | 16,108 | 16,110 | 16,110 | 16,110 | 16,110 |
| Reserves & surplus | 157,704 | 179,733 | 212,622 | 255,790 | 311,823 |
| Net worth | 173,812 | 195,843 | 228,732 | 271,900 | 327,933 |
| Deposits | 963,306 | 1,080,693 | 1,271,325 | 1,569,492 | 1,984,750 |
| Borrowings | 199,212 | 247,108 | 260,049 | 248,979 | 238,655 |
| Interest bearing liab. | 1,162,518 | 1,327,801 | 1,531,374 | 1,818,471 | 2,223,405 |
| Other liabilities & prov. | 53,622 | 34,055 | 74,734 | 94,409 | 119,035 |
| Total liabilities & equity | 1,389,952 | 1,557,700 | 1,834,840 | 2,184,780 | 2,670,374 |
| Net advances | 939,749 | 1,047,568 | 1,234,837 | 1,503,055 | 1,870,435 |
| Investments | 290,787 | 323,659 | 367,492 | 422,015 | 502,719 |
| Cash, other balances | 93,214 | 82,497 | 99,539 | 109,108 | 122,287 |
| Interest earning assets | 1,323,750 | 1,453,724 | 1,701,868 | 2,034,179 | 2,495,442 |
| Fixed assets | 5,879 | 8,546 | 6,422 | 7,219 | 7,820 |
| Other assets | 60,323 | 95,430 | 126,550 | 143,382 | 167,113 |
| Total assets | 1,389,952 | 1,557,700 | 1,834,840 | 2,184,780 | 2,670,374 |
| BVPS (Rs) | 107.9 | 121.6 | 142.0 | 168.8 | 203.6 |
| Adj. BVPS (INR) | 100.6 | 115.9 | 136.5 | 163.5 | 198.1 |
| Gross advances | 987,907 | 1,088,271 | 1,270,157 | 1,536,890 | 1,905,743 |
| Credit to deposit (%) | 97.6 | 96.9 | 97.1 | 95.8 | 94.2 |
| CASA ratio (%) | 41.6 | 39.3 | 35.0 | 32.6 | 31.8 |
| Cost of deposits (%) | 5.0 | 5.6 | 6.5 | 6.2 | 6.0 |
| Loans-to-Assets (%) | 67.6 | 67.3 | 67.3 | 68.8 | 70.0 |
| Net advances growth (%) | 15.1 | 11.5 | 17.9 | 21.7 | 24.4 |
| Deposit growth (%) | 23.5 | 12.2 | 17.6 | 23.5 | 26.5 |
| Book value growth (%) | (0.2) | 12.7 | 16.8 | 18.9 | 20.6 |

Source: Company, Emkay Research

| Valuations and key Ratios | | | | | |
|-----------------------------|------------|-------------|-------------|-------------|-------------|
| Y/E Mar | FY22 | FY23 | FY24E | FY25E | FY26E |
| P/E (x) | 280.5 | 16.3 | 9.7 | 7.4 | 5.8 |
| P/B (x) | 2.2 | 1.9 | 1.6 | 1.4 | 1.1 |
| P/ABV (x) | 2.2 | 1.9 | 1.6 | 1.4 | 1.1 |
| P/PPOP (x) | 4.5 | 5.0 | 4.9 | 4.0 | 3.3 |
| Dividend yield (%) | 0.0 | 0.7 | 1.1 | 1.4 | 1.6 |
| DuPont-RoE split (%) | | | | | |
| NII/avg assets | 6.9 | 6.3 | 5.9 | 6.0 | 6.0 |
| Other income | 2.2 | 1.7 | 1.7 | 1.6 | 1.5 |
| Fee income | 2.0 | 1.2 | 1.2 | 1.2 | 1.1 |
| Opex | 2.8 | 3.1 | 3.3 | 3.2 | 3.1 |
| PPOP | 6.3 | 4.8 | 4.3 | 4.4 | 4.5 |
| Core PPOP | 6.1 | 4.3 | 3.8 | 3.9 | 4.1 |
| Provisions | 6.2 | 2.8 | 1.4 | 1.2 | 1.1 |
| Tax expense | 0.0 | 0.5 | 0.7 | 0.8 | 0.9 |
| RoA (%) | 0.1 | 1.5 | 2.2 | 2.4 | 2.5 |
| Leverage ratio (x) | 7.3 | 8.0 | 8.0 | 8.0 | 8.1 |
| RoE (%) | 0.7 | 11.9 | 17.4 | 19.2 | 20.6 |
| Quarterly data | | | | | |
| Rs mn, Y/E Mar | Q1FY23 | Q2FY23 | Q3FY23 | Q4FY23 | Q1FY24 |
| NII | 25,144 | 21,930 | 20,804 | 24,718 | 24,906 |
| NIM (%) | 8.0 | 7.0 | 6.5 | 7.3 | 7.3 |
| PPOP | 18,206 | 15,529 | 19,222 | 17,957 | 15,623 |
| PAT | 8,865 | 2,093 | 2,906 | 8,083 | 7,211 |
| EPS (Rs) | 5.50 | 1.30 | 1.80 | 5.02 | 4.48 |

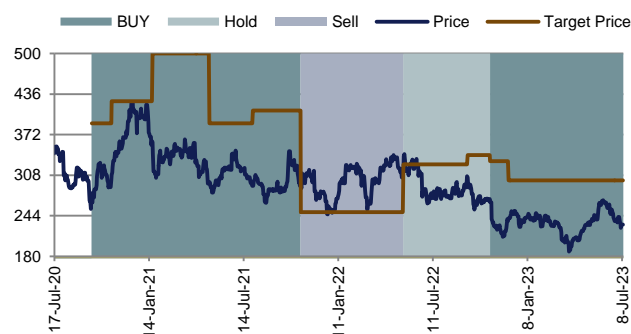
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

| Date | CMP (INR) | TP (INR) | Rating | Analyst |
|-----------|-----------|----------|--------|------------|
| 01-Jul-23 | 242 | 300 | Buy | Anand Dama |
| 20-May-23 | 238 | 300 | Buy | Anand Dama |
| 09-Mar-23 | 227 | 300 | Buy | Anand Dama |
| 21-Jan-23 | 237 | 300 | Buy | Anand Dama |
| 02-Dec-22 | 240 | 300 | Buy | Anand Dama |
| 28-Oct-22 | 265 | 330 | Buy | Anand Dama |
| 15-Sep-22 | 305 | 340 | Hold | Anand Dama |
| 23-Jul-22 | 286 | 325 | Hold | Anand Dama |
| 15-May-22 | 317 | 325 | Hold | Anand Dama |
| 23-Jan-22 | 296 | 250 | Sell | Anand Dama |
| 31-Oct-21 | 291 | 250 | Sell | Anand Dama |
| 31-Jul-21 | 291 | 410 | Buy | Anand Dama |
| 16-Jul-21 | 309 | 390 | Buy | Anand Dama |
| 09-May-21 | 297 | 390 | Buy | Anand Dama |
| 13-Apr-21 | 332 | 500 | Buy | Anand Dama |
| 22-Jan-21 | 314 | 500 | Buy | Anand Dama |
| 20-Jan-21 | 360 | 500 | Buy | Anand Dama |
| 06-Jan-21 | 396 | 425 | Buy | Anand Dama |
| 03-Nov-20 | 308 | 425 | Buy | Anand Dama |
| 07-Oct-20 | 315 | 390 | Buy | Anand Dama |
| 26-Sep-20 | 265 | 390 | Buy | Anand Dama |
| 16-Jul-20 | 343 | 390 | Hold | Anand Dama |

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

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|-------------|---|
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| SELL | Below -5% |

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