11 February 2026

Company Update | Sector: Financials

Bandhan Bank

BSE SENSEX	S&P CNX
84,234	25,954

Stock Info

Bloomberg	BANDHAN IN
Equity Shares (m)	1611
M.Cap.(INRb)/(USDb)	271.1 / 3
52-Week Range (INR)	192 / 128
1, 6, 12 Rel. Per (%)	16/-4/4
12M Avg Val (INR M)	1388
Free float (%)	60.3

Financials Snapshot (INR b)

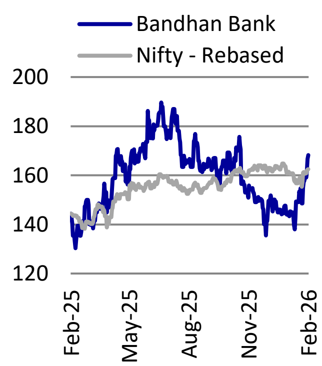
Y/E March	FY25	FY26E	FY27E
NII	114.9	109.0	128.5
OP	73.9	61.8	75.1
NP	27.5	12.8	28.2
NIM (%)	6.7	5.7	5.9
EPS (INR)	17.0	8.0	17.5
EPS Gr. (%)	22.8	-53.3	120.1
BV/Sh. (INR)	151	153	165
ABV/Sh. (INR)	144	147	159
Ratios			
RoA (%)	1.5	0.6	1.3
RoE (%)	12.0	5.2	11.0
Valuations			
P/E(X)	9.8	21.0	9.5
P/BV (X)	1.1	1.1	1.0
P/ABV (X)	1.2	1.1	1.1

Shareholding pattern (%)

	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

Stock Performance (1-year)



CMP: INR168 TP: INR190 (+13%) Buy

Long-awaited turnaround in sight!

Asset quality outlook improving; estimate RoA to recover to ~1.5% by FY28

We met with the top management of Bandhan Bank (Bandhan), represented by Mr. Rajinder Kumar Babbar (ED & CBO), Mr. Ratan Kumar Kesh (ED & COO), Mr. Rajeev Mantri (CFO), and Vikash Mundhra (Head IR).

- **Bandhan has endured a long and painful asset quality cycle over the past many years. After delivering a stellar ~4% average RoA over FY17-20, the profitability has declined sharply, with the average RoA shrinking to 1% over the past five years.**
- **Balance-sheet clean-up after persistent MFI stress, aided by ARC sale, stabilization in the EEB portfolio, rapid scaling-up of secured lending, and improving liability mix collectively mark a structural reset of the franchise. The trajectory of improving margins, declining credit costs, and operating leverage provides a clear runway for RoA/RoE recovery over the medium term.**
- **We thus estimate Bandhan to deliver strong earnings recovery over FY26–28, with RoA/RoE improving to ~1.5%/13% as credit costs normalize and growth accelerates.**
- **Valuations remain undemanding given the improving fundamentals and reduced balance-sheet risk. We upgraded the stock to BUY during 3QFY26 results and view this as a high-beta turnaround play among mid-sized private banks. The collection efficiency in the MFI business and the West Bengal/Assam elections to remain the key monitorables. We revise our TP to INR190 (based on 1.1x Sep'27E ABV).**

B/S clean-up largely behind; EEB book stabilizing after a prolonged stress

- Bandhan has made gradual progress in addressing the asset quality issues that it faced in the core EEB portfolio over the past many years. In 3QFY26, the bank reported a moderation in slippage run-rate alongside a large ARC transaction (sale of ~INR31.65b of NPAs) besides ~INR37.07b of write-offs from the EEB and ABG (Aspiring Business Group) portfolios. This has led to an improvement in asset quality ratios, with the Net NPA ratio declining to <1%.
- The collections in the EEB portfolio have now stabilized, improving to ~98%+ levels, and early delinquency indicators (SMA 0–90 DPD) show sequential moderation. Adjusting for the ARC sale, the EEB book would have posted ~2% QoQ growth, signaling that the multi-quarter decline phase is largely behind.
- Forward-flow indicators continue to improve, driven by tighter field controls, digital collection initiatives, enhanced customer communication, and calibrated product tweaks (longer tenures, flexible repayment cycles).
- We believe this marks a durable recovery in the EEB business rather than a transient improvement.

Secured portfolio scaling up well; asset mix de-risking gaining momentum

- Bandhan's diversification strategy continues to deliver results, with the secured portfolio now accounting for ~60% of advances, up sharply YoY, driven by strong growth in housing, retail secured (gold, CV/CE, auto), and wholesale banking. Non-EEB advances grew ~25% YoY in 3QFY26, materially outpacing system growth.

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Research Analyst: Dixit Sankharva (Dixit.sankharva@motilaloswal.com) | **Disha Singhal** (Disha.Singhal@MotilalOswal.com)

- The bank's loan mix has become meaningfully more balanced, with EEB+SBAL now at ~34.5% of advances (vs. >55%, three years ago), wholesale banking at ~31%, housing at ~23%, and retail loans nearing ~10%. This rebalancing has helped lower portfolio volatility, improve LGD characteristics, and support more stable through-cycle earnings. Management reiterated its medium-term focus on further strengthening secured lending while maintaining disciplined growth in EEB, implying a structurally lower risk profile vs. the pre-Covid period.

Margin trajectory improving as CoF eases further

- NIM showed an early sign of revival, with Bandhan reporting 3QFY26 NIM at ~5.9%, a 6bp sequential improvement. This occurred despite the rising share of lower-yielding secured assets and was aided by ~20bp QoQ reduction in CoF, reflecting the ongoing shift away from high-cost bulk deposits and repricing of liabilities. While headline CASA declined to ~27.3%, the outflows were largely from high-value, rate-sensitive balances following savings rate cuts. Encouragingly, core granular CASA balances continue to grow, indicating an improving quality of the liability franchise.
- With bulk deposit mix steadily declining, down 6% QoQ, and retail term deposits growing at a healthy run rate, we expect further moderation in funding costs. The bank has aligned its SA rates and has brought them closer to peer banks. With more cuts flowing in, the bank will see a further reduction in its CoF (aided by both a reduction in SA and TD rates as well). Bandhan guided NIMs to sustain at ~5.8-6.0% over FY26-28E, notwithstanding the continued asset mix diversification and residual loan repricing.

Loan growth to gain traction; MFI growth to recover over FY27E

- With 2H being seasonally strong, the advances growth of ~10% YoY in 3Q will likely witness further traction in the coming quarter. The bank continues to maintain strong traction across non-EEB segments, which, coupled with growth recovery in the core EEB business, will enable better portfolio growth for the next fiscal.
- We currently estimate the bank to deliver ~15% CAGR growth over FY26–28E, driven primarily by expansion in the secured asset mix, while unsecured assets are expected to grow in absolute terms but at a relatively slower pace compared with the rest of the loan book.

Deposit franchise healthy; granularity and retail mix improving steadily

- Deposits posted a healthy growth of 11% YoY in 3QFY26, reflecting a conscious strategy to rebuild funding stability. CASA+ Retail TD now forms ~72% of total deposits, emphasizing improved granularity and franchise stickiness.
- While CASA ratios remain under pressure (industry-wide), Bandhan's branch expansion, deeper customer engagement, and digital onboarding initiatives should gradually support stabilization in CASA over the medium term. We expect deposit growth to broadly track loan growth over FY26–28E, both likely to post a 15% CAGR.

CD, LCR, and CRAR metrics appear balanced

- Despite persistent asset quality stress and muted profitability ratios, the bank's capitalization remains healthy with CAR comfortable at ~17.8% (Tier-1 ~16.5%). Bandhan has adequate balance-sheet headroom to support mid-teens loan growth (~15% loan CAGR estimate over FY26-28E) without near-term capital constraints.
- The CD ratio of the bank is expected to remain at the levels of 88-89% (vs. 97-98% over FY22-23), and we expect both loans and deposits to clock a ~15% CAGR over FY26-28. The LCR ratio continues to remain at a healthy 161% and supports growth recovery.

AQ turning around after prolonged stress; credit costs to trend lower

- Moderation in slippage run-rate, improving collection efficiency, and declining SMA pools indicate that Bandhan is moving into an improved credit environment. During 3QFY26, the bank reported a moderation in credit cost, and we estimate this to further trend lower in the coming quarters as the EEB book stabilizes and wholesale stress remains minimal.
- Management reiterated its guidance to normalize credit cost towards ~1.6–1.7% by 4QFY27 (2/3rd of the portfolio is secured with credit costs of 1%, and 1/3rd of the portfolio will have 3% credit costs), driven by lower incremental stress, improved recoveries, and a structurally safer portfolio mix.
- We believe the worst of the asset-quality cycle is behind us, with residual volatility reducing notably from FY27 onwards. We are currently conservatively factoring in a credit cost of 2.3%/2.0% for FY27/28E vs. 3.1% in FY26E.

Valuations and view

- Bandhan has endured a long and painful asset quality cycle over the past several years. After delivering a stellar ~4% average RoA over FY17-20, the profitability has declined sharply, with average RoA shrinking to 1% over the past five years. Balance-sheet clean-up after persistent MFI stress, aided by ARC sale, stabilization in the EEB portfolio, rapid scaling-up of secured lending, and improving liability mix collectively mark a structural reset of the franchise. The trajectory of improving margins, declining credit costs, and operating leverage provides a clear runway for RoA/RoE recovery over the medium term.
- We thus estimate Bandhan to deliver strong earnings recovery over FY26–28E, with RoA/RoE improving to ~1.5%/13% as credit costs normalize and growth re-accelerates. Valuations remain undemanding given the improving fundamentals and reduced balance-sheet risk.
- We recently upgraded Bandhan stock to BUY during the 3QFY26 results and view this as a high-beta turnaround play among mid-sized private banks. **Key monitorables:** Collection efficiency in the MFI business and West Bengal/Assam elections. **We revise our TP to INR190 (premised on 1.1x Sep'27E ABV).**

STORY IN CHARTS: Bandhan Bank

Exhibit 1: AUM grew 10% YoY (up 3.7% QoQ) to INR1.45t, led by a solid traction in secured book

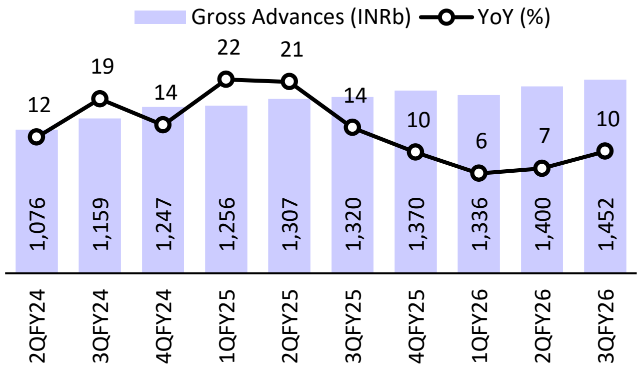


Exhibit 2: MFI loans declined 11% YoY (2% QoQ growth adjusted for ARC sale)

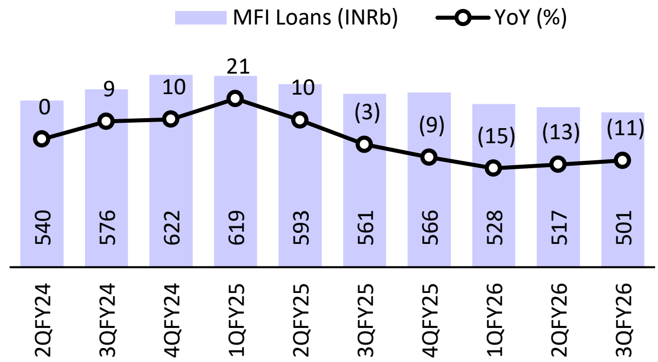


Exhibit 3: Deposits grew 11% YoY to INR1.58t

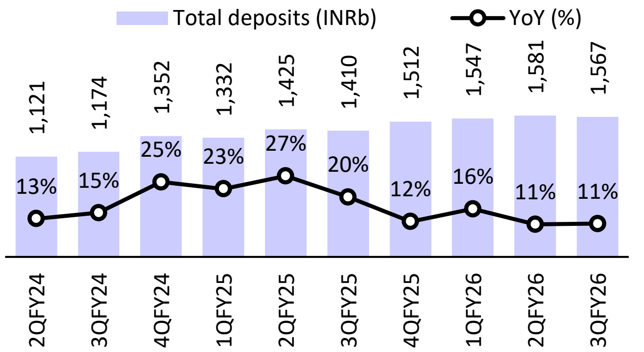


Exhibit 4: CASA + Retail TD mix stood at 72%

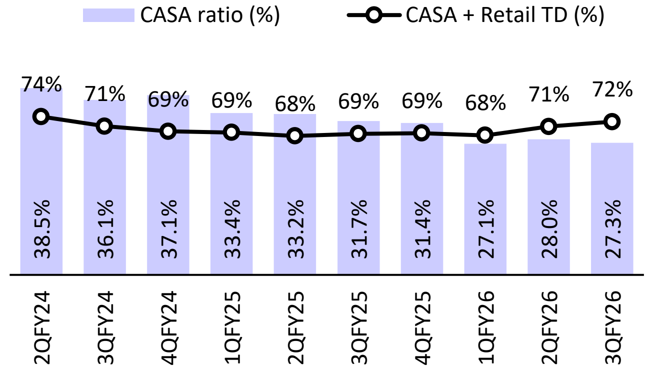


Exhibit 5: Margin improved 6bp QoQ to 5.9%

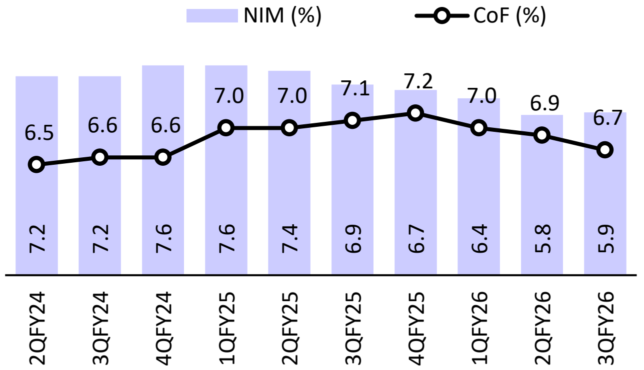


Exhibit 6: CI ratio rose to 57.2%; CD ratio increased to 90%

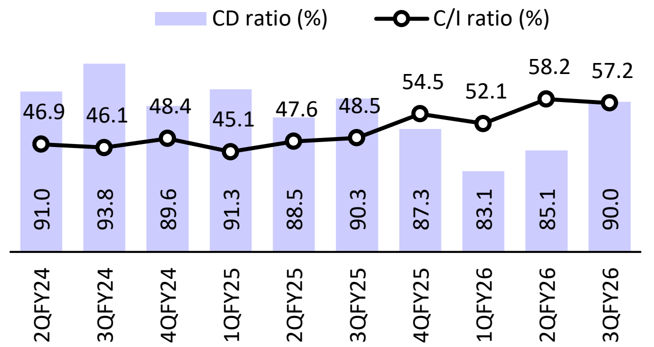
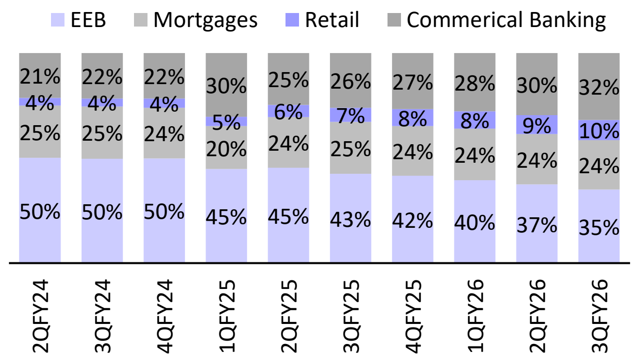
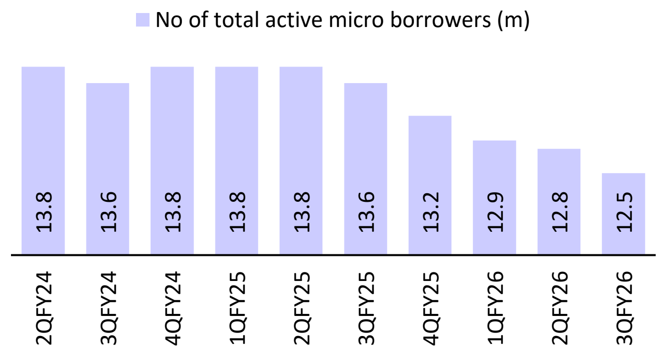


Exhibit 7: Portfolio mix – MFI segment declined to ~35%



Source: MOFSL, Company

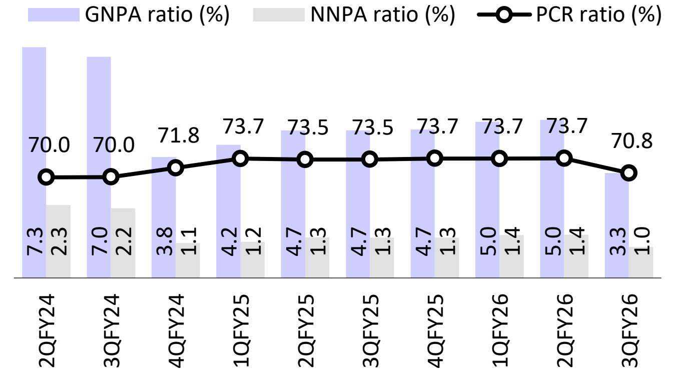
Exhibit 8: Trend in active MFI borrower base



Source: MOFSL, Company

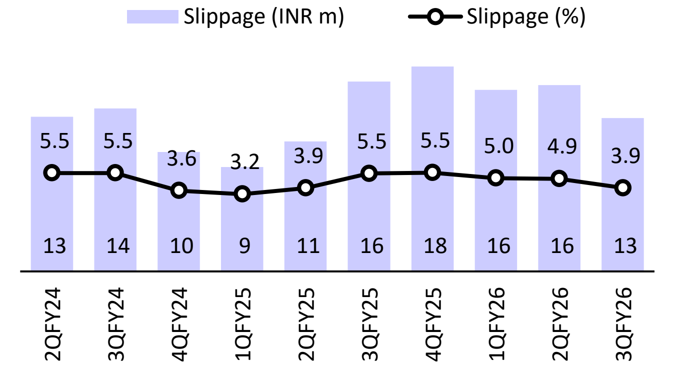
Story in charts – Asset Quality

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



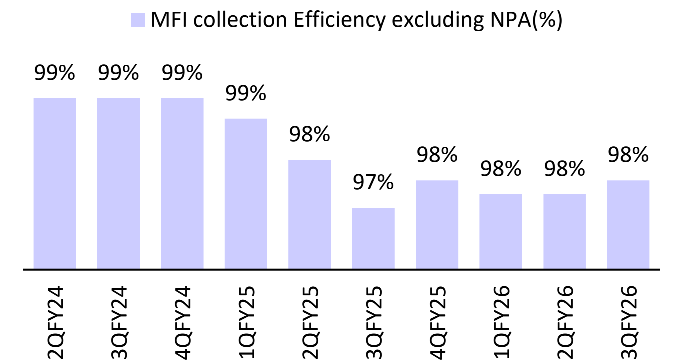
Source: MOFSL, Company

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



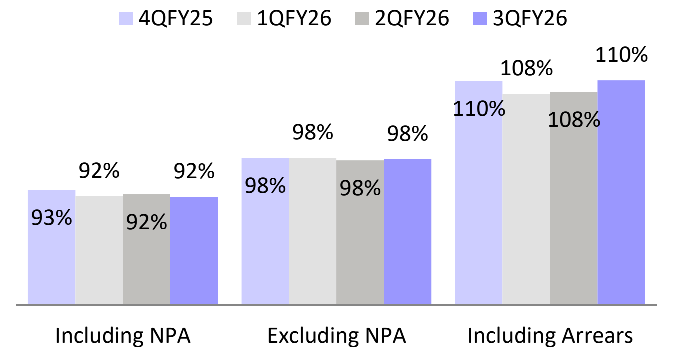
Source: MOFSL, Company

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



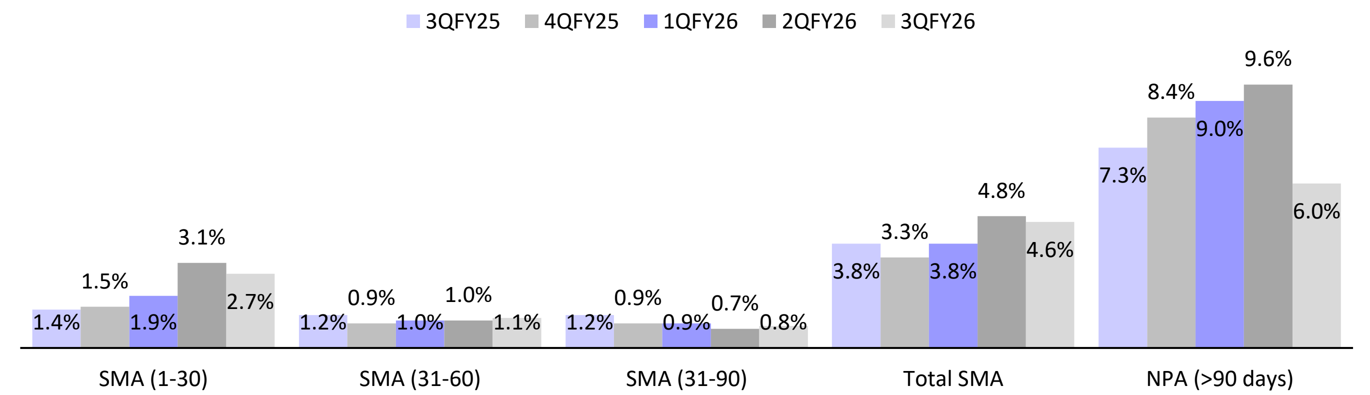
Source: MOFSL, Company

Exhibit 12: Trend in MFI collection efficiency



Source: MOFSL, Company

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



Source: MOFSL, Company

Bank has cut its SA rates across buckets

Exhibit 14: SA rate – Bandhan has seen a sharp reduction in SA rates in the past one year (%)

Name of Bank	Slabs	Apr-25	Jun-25	Sep-25	Jan-26	Difference
RBL Bank	< 1 mn	5.50	5.00	5.00	5.00	-0.50
	1 mn to < 30 mn	7.50	6.75	6.75	6.00	-1.50
	30 mn to < 2 bn	6.00	6.00	6.00	5.50	-0.50
	2 bn & above	7.33	6.05	6.05	5.30	-2.03
Federal Bank	< 50 mn	3.50	2.50	2.50	2.50	-1.00
	50 mn to < 500 mn	5.25	4.75	4.75	4.50	-0.75
	500 mn to < 1.5 bn	6.90	6.25	6.05	5.75	-1.15
	1.5 bn & above	3.00	2.50	2.50	2.50	-0.50
AU SFB	< 1 mn	5.00	4.00	4.00	3.50	-1.50
	1 mn to < 2.5 mn	7.00	6.50	6.50	6.50	-0.50
	2.5 mn to < 250 mn	7.25	6.75	6.75	6.00	-1.25
IDFC First Bank	< 0.5 mn	3.00	3.00	3.00	3.00	0.00
	0.5 mn to < 100 mn	7.25	7.00	7.00	6.50	-0.75
	100 mn to < 2 bn	7.25	6.50	6.00	5.00	-2.25
	more than 2 bn	3.50	3.50	4.00	4.00	0.50
Bandhan Bank	Balance upto 0.1 mn	3.00	3.00	3.00	2.70	-0.30
	0.1 mn to < 0.5 mn	3.00	3.00	3.00	2.70	-0.30
	0.5 mn to < 1 mn	5.00	5.00	4.50	4.85	-0.15
	1 mn to < 50 mn	7.00	6.00	5.70	5.55	-1.45
	50 mn to < 2.5 bn	7.00	6.50	6.15	6.00	-1.00
	more than 2.5 bn	8.15	7.00	7.10	6.00	-2.15
Equitas SFB	< 1 mn	5.00	5.00	4.50	2.75	-2.25
	1 mn to < 10 mn	7.25	7.00	7.00	6.25	-1.00
	10 mn to < 250 mn	7.50	7.25	7.00	6.50	-1.00
	more than 250 mn	7.80	7.50	7.25	6.50	-1.30

9iSource: MOFSL, Company

Exhibit 15: TD rates have declined similar to peers

Name of Bank	Slabs	Apr-25	Jun-25	Sep-25	Jan-26	Difference
Federal Bank	0 to < 90 days	4.50%	4.50%	4.25%	4.25%	-0.25%
	90 days to < 1 year	6.50%	6.25%	6.00%	6.00%	-0.50%
	1 year to < 5 years	7.30%	6.85%	6.50%	6.75%	-0.55%
	more than 5 years	6.50%	6.50%	6.50%	6.40%	-0.10%
RBL Bank	0 to < 90 days	4.50%	4.50%	4.50%	4.50%	0.00%
	90 days to < 1 year	6.05%	6.05%	6.05%	6.05%	0.00%
	1 year to < 5 years	8.00%	7.30%	7.20%	7.20%	-0.80%
	more than 5 years	7.00%	7.00%	6.70%	6.70%	-0.30%
AU Small Finance Bank	0 to < 90 days	5.50%	5.00%	4.75%	4.75%	-0.75%
	90 days to < 1 year	7.25%	6.50%	6.35%	6.35%	-0.90%
	1 year to < 5 years	8.00%	7.25%	7.10%	6.75%	-1.25%
	more than 5 years	7.25%	6.75%	6.75%	6.75%	-0.50%
Bandhan Bank	0 to < 90 days	4.50%	4.50%	4.20%	4.20%	-0.30%
	90 days to < 1 year	4.50%	4.50%	4.20%	4.20%	-0.30%
	1 year to < 5 years	8.05%	7.75%	7.20%	7.00%	-1.05%
	more than 5 years	5.85%	5.85%	5.85%	5.85%	0.00%
IDFC First Bank	0 to < 90 days	4.50%	4.50%	4.00%	4.00%	-0.50%
	90 days to < 1 year	6.50%	5.50%	5.50%	5.50%	-1.00%
	1 year to < 5 years	7.50%	6.75%	6.75%	7.00%	-0.50%
	more than 5 years	6.25%	6.00%	6.00%	6.00%	-0.25%
Equitas Small Finance Bank	0 to < 90 days	5.50%	5.50%	4.75%	4.75%	-0.75%
	90 days to < 1 year	7.20%	7.00%	6.35%	6.35%	-0.85%
	1 year to < 5 years	8.05%	7.80%	7.00%	7.00%	-1.05%
	more than 5 years	7.25%	7.25%	7.00%	7.00%	-0.25%

Source: MOFSL, Company

Exhibit 16: DuPont Analysis: Estimate return ratios to gradually improve over FY26-28

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	10.9	10.8	11.3	11.9	11.5	11.7	11.7
Interest Expense	4.1	4.5	5.1	5.7	6.1	6.0	5.9
Net Interest Income	**6.86**	**6.28**	**6.19**	**6.22**	**5.42**	**5.71**	**5.80**
Fee income	2.00	1.62	1.22	1.53	1.26	1.24	1.24
Trading and others	0.22	0.05	0.08	0.07	0.10	0.10	0.11
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**

Financials and valuations

Income Statement							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Interest Income	138.7	159.0	188.7	219.5	230.9	263.2	300.7
Interest Expense	51.6	66.5	85.4	104.6	121.9	134.7	151.8
Net Interest Income	**87.1**	**92.6**	**103.3**	**114.9**	**109.0**	**128.5**	**148.9**
- growth (%)	15.2	6.3	11.5	11.3	-5.1	17.9	15.9
Non-Interest Income	28.2	24.7	21.7	29.7	27.3	30.3	34.5
Total Income	**115.4**	**117.3**	**125.0**	**144.6**	**136.3**	**158.8**	**183.5**
- growth (%)	20.4	1.7	6.6	15.7	-5.7	16.5	15.5
Operating Expenses	35.2	46.4	58.5	70.7	74.5	83.7	95.0
Pre-Provision Profits	**80.1**	**70.9**	**66.5**	**73.9**	**61.8**	**75.1**	**88.5**
- growth (%)	18.4	-11.5	-6.3	11.2	-16.3	21.4	17.9
Core PPoP	**77.4**	**70.2**	**65.1**	**72.5**	**59.9**	**72.8**	**85.7**
- growth (%)	18.2	-9.3	-7.2	11.4	-17.4	21.5	17.8
Provisions	78.8	42.0	37.0	37.7	44.9	37.9	39.0
PBT	**1.3**	**28.9**	**29.5**	**36.2**	**16.9**	**37.2**	**49.5**
Tax	0.0	7.0	7.1	8.8	4.1	9.0	12.0
Tax Rate (%)	2.2	24.1	24.2	24.2	24.2	24.2	24.2
PAT	**1.3**	**21.9**	**22.4**	**27.5**	**12.8**	**28.2**	**37.5**
- growth (%)	-94.3	1,644.6	1.9	22.8	-53.3	120.1	32.9

Balance Sheet							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	16.1	16.1	16.1	16.1	16.1	16.1	16.1
Reserves & Surplus	157.7	179.6	199.5	227.5	230.6	249.2	277.0
Net Worth	**173.8**	**195.7**	**215.7**	**243.6**	**246.7**	**265.3**	**293.1**
Deposits	**963.3**	**1,080.6**	**1,352.0**	**1,512.1**	**1,690.6**	**1,934.0**	**2,239.6**
- growth (%)	23.5	12.2	25.1	11.8	11.8	14.4	15.8
- CASA Dep	**400.8**	**424.5**	**501.5**	**474.4**	**529.1**	**607.3**	**703.2**
- growth (%)	18.5	5.9	18.1	-5.4	11.5	14.8	15.8
Borrowings	199.2	247.1	163.7	111.4	120.3	132.3	148.2
Other Liabilities & Prov.	53.6	36.8	46.6	45.2	51.1	59.3	68.7
Total Liabilities	**1,390.0**	**1,560.3**	**1,778.0**	**1,912.3**	**2,108.7**	**2,390.9**	**2,749.6**
Current Assets	93.2	82.5	161.7	95.7	98.0	109.7	126.9
Investments	290.8	323.7	292.9	407.1	447.8	509.6	588.6
- growth (%)	15.6	11.3	-9.5	39.0	10.0	13.8	15.5
Loans	**939.7**	**1,047.6**	**1,211.4**	**1,319.9**	**1,492.8**	**1,718.2**	**1,996.5**
- growth (%)	15.1	11.5	15.6	9.0	13.1	15.1	16.2
Fixed Assets	5.9	8.5	11.7	11.8	12.5	13.5	14.9
Other Assets	60.3	98.1	100.7	80.3	57.5	39.8	22.7
Total Assets	**1,390.0**	**1,560.4**	**1,778.4**	**1,914.8**	**2,108.7**	**2,390.9**	**2,749.6**

Asset Quality	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
GNPA	63.8	53.0	47.8	64.4	46.6	50.3	58.0
NNPA	15.6	12.3	13.5	16.9	13.4	14.1	12.9
Slippages	94.3	96.6	56.8	53.8	49.2	43.3	46.4
GNPA Ratio	6.5	4.9	3.8	4.7	3.1	2.9	2.8
NNPA Ratio	1.7	1.2	1.1	1.3	0.9	0.8	0.6
Slippage Ratio	10.7	9.7	5.0	4.3	3.5	2.7	2.5
Credit Cost	9.0	4.2	3.3	3.0	3.1	2.3	2.0
PCR (Excl Tech. write off)	75.5	76.8	71.8	73.7	71.3	72.0	77.8

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spread Analysis (%)							
Avg. Yield- on Earning Assets	**11.7**	**11.8**	**12.3**	**12.8**	**12.1**	**12.2**	**12.0**
Avg. Yield on loans	13.9	13.9	14.6	15.3	14.1	14.2	14.0
Avg. Yield on Investments	5.5	6.2	6.6	6.3	6.7	6.6	6.5
Avg. Cost of Int. Bear. Liab.	**5.1**	**5.6**	**6.4**	**7.1**	**7.5**	**7.3**	**7.2**
Avg. Cost of Deposits	5.0	4.9	6.0	6.5	6.4	6.3	6.2
Interest Spread	**6.6**	**6.2**	**5.9**	**5.7**	**4.7**	**4.8**	**4.8**
Net Interest Margin	**7.4**	**6.9**	**6.7**	**6.7**	**5.7**	**5.9**	**6.0**
Capitalisation Ratios (%)							
CAR	20.1	19.8	18.3	19.1	17.3	16.2	15.3
Tier I	*18.9*	*18.7*	*17.2*	*18.3*	*16.6*	*15.5*	*14.8*
-CET-1	18.9	18.7	*17.2*	*18.3*	*16.0*	*15.6*	*15.6*
Tier II	*1.2*	*1.1*	*1.1*	*0.8*	*0.8*	*0.7*	*0.6*
Business Ratios (%)							
Loans/Deposit Ratio	97.6	96.9	89.6	87.3	88.3	88.8	89.1
CASA Ratio	41.6	39.3	37.1	31.4	31.3	31.4	31.4
Cost/Assets	2.5	3.0	3.3	3.7	3.5	3.5	3.5
Cost/Total Income	30.5	39.5	46.8	48.9	54.6	52.7	51.8
Cost/Core income	31.3	39.8	47.3	49.4	55.4	53.5	52.6
Int. Expense/Int.Income	37.2	41.8	45.3	47.6	52.8	51.2	50.5
Fee Income/Total Income	22.1	20.4	16.3	19.6	18.6	17.6	17.3
Other income/Total Income	24.5	21.0	17.4	20.5	20.0	19.1	18.8
Empl. Cost/Total Expense	60.6	58.6	60.6	61.7	61.5	61.3	61.0
Efficiency Ratios (INRm)							
Employee per branch (in nos)	50.6	49.4	44.6	43.8	44.2	44.6	45.0
Staff cost per employee	0.4	0.4	0.5	0.6	0.6	0.6	0.6
CASA per branch	337.1	300.9	295.0	276.6	288.4	309.3	334.7
Deposits per branch	810.2	765.9	795.3	881.7	921.3	985.0	1,066.0
Business per Employee	31.6	30.5	33.8	37.7	39.3	41.7	44.8
Profit per Employee	0.0	0.3	0.3	0.4	0.2	0.3	0.4
Profitability Ratios and Valuation							
RoA	0.10	1.49	1.34	1.49	0.64	1.25	1.46
RoE	0.7	11.9	10.9	12.0	5.2	11.0	13.4
RoRWA	0.2	2.3	1.8	1.9	0.9	1.8	2.1
Book Value (INR)	108	122	134	151	153	165	182
- growth (%)	-0.2	12.6	10.2	13.0	1.3	7.5	10.5
Price-BV (x)	**1.5**	**1.4**	**1.2**	**1.1**	**1.1**	**1.0**	**0.9**
Adjusted BV (INR)	101	116	128	144	147	159	176
Price-ABV (x)	**1.7**	**1.4**	**1.3**	**1.2**	**1.1**	**1.1**	**0.9**
EPS (INR)	0.8	13.6	13.9	17.0	8.0	17.5	23.3
- growth (%)	-94.3	1,644.5	1.9	22.8	-53.3	120.1	32.9
Price-Earnings (x)	**213.8**	**12.3**	**12.0**	**9.8**	**21.0**	**9.5**	**7.2**
Dividend Per Share (INR)	0.0	0.0	1.5	1.5	6.0	6.0	6.0
Dividend Yield (%)	**0.0**	**0.0**	**0.9**	**0.9**	**3.6**	**3.6**	**3.6**

E: MOFSL Estimates

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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