

29 April 2026

India | Equity Research | Results Update

Bandhan Bank

Banking

Sharp improvement in EEB slippages; gearing up for 1.6-1.8% RoA by FY27 end

Bandhan Bank (Bandhan) reported Q4FY26 PAT of INR 5.3bn (+160% QoQ; off a low base), driven by lower credit costs on the back of improved slippages and contained write-offs, while PPOP was flat QoQ. EEB, after multiple quarters, saw a jump in growth to 8% QoQ. EEB slippages improved to a multi-quarter low of ~5.1%, with SMA pool improving to 3.1% (vs. 4.6% QoQ) and negligible stress formation. Bank guides for 14-15% loan growth in FY27 with rising NIM and expects RoA improvement to 1.6-1.8% by exit FY27, driven by credit cost moderation and fee income growth. We see Bandhan as a key beneficiary of easing stress and growth revival in MFI. Maintain **BUY** with an increased TP of INR 230 (vs. INR 175), based on ~1.3x (~0.9x) FY28E ABV. **Risk:** Higher-than-expected stress impacting growth / RoA.

Loan growth revival in EEB, NIM improves with positive outlook

Loan growth accelerated to 6% QoQ, driven by SME (+12% QoQ) and retail (+17% QoQ). The EEB book, after multiple quarters of de-growth, saw growth revive to 8% QoQ, partly aided by seasonality. Management targets 14-15% loan growth in FY27, with broadly similar contributions from the EEB and non-EEB segments. Deposits grew 6% QoQ, and the CASA ratio improved to 29.3% (vs. 27.3% QoQ). NII growth was healthy at 4% QoQ, though slower than loan growth as growth appeared back-ended. Reported NIM improved 30bps QoQ to 6.2%, driven by an improvement in the cost of deposits (-23 bps QoQ), lower interest reversals and day count factors. The bank aims for NIM improvement of 10-20bps over the next 2-3 quarters. Opex growth was elevated at 10% QoQ due to bulky PSLC costs (INR 600mn) and IT costs (INR 600mn). PPOP declined 8% YoY (flat QoQ).

AQ impresses with fresh EEB SMA flow is now minuscule

Gross slippages improved 21% QoQ. EEB slippages witnessed a sharp improvement of 27% QoQ, with slippage ratio now at 5.1% vs. 7.5% QoQ. EEB SMA 0 improved sharply to 1.5% (vs. 2.7% QoQ); SMA 1+2 improved to 1.6% (vs. 1.9% QoQ). Calculated new SMA formation was negligible (vs. 7.5% QoQ). GNPA remained flattish at 3.27%, partly due to contained write-offs. NNPA and PCR were stable at 0.97% and 71%, respectively. Reported overall credit cost improved to 2% (vs. 3.3% QoQ); bank guides for 1.6-1.7% credit cost ahead. CET 1 comfortable at 17.3%. ECL transition impact (based on Dec'25 balance sheet) is estimated at ~INR 12.5bn, representing a 15-17bps annual CRAR. The bank has been providing 1% on unsecured EEB—in line with final ECL guidelines—and maintains a conservative policy of 100% provisioning by 180dpd.

Financial Summary

Y/E March	FY25A	FY26A	FY27E	FY28E
NII (INR bn)	114.9	108.3	125.6	142.6
Op. profit (INR bn)	73.9	58.6	69.5	79.1
Net Profit (INR bn)	27.5	12.2	29.6	35.9
EPS (INR)	17.0	7.6	18.4	22.3
EPS % change YoY	23.1	(55.4)	142.3	21.1
ABV (INR)	144.9	152.0	169.5	189.7
P/BV (x)	1.2	1.1	1.0	0.9
P/ABV (x)	1.2	1.2	1.1	0.9
Return on Assets (%)	1.5	0.6	1.3	1.4
Return on Equity (%)	11.9	4.9	11.0	12.0

Jai Prakash Mundhra

jai.mundhra@icicisecurities.com
+91 22 6807 7572

Amansingh Sahajsinghani

amansingh.sahajsinghani@icicisecurities.com

Market Data

Market Cap (INR)	288bn
Market Cap (USD)	3,040mn
Bloomberg Code	BANDHAN IN
Reuters Code	BANH BO
52-week Range (INR)	192 /134
Free Float (%)	55.0
ADTV-3M (mn) (USD)	19.3

Price Performance (%)	3m	6m	12m
Absolute	16.5	1.7	8.8
Relative to Sensex	23.1	10.9	12.9

ESG Score	2024	2025	Change
ESG score	76.4	76.9	0.5
Environment	56.9	60.6	3.7
Social	74.1	74.4	0.3
Governance	87.6	86.7	(0.9)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
EPS	3	8

Previous Reports

03-04-2026: [Q4FY26 Banking preview](#)

23-01-2026: [Q3FY26 results review](#)

Q4FY26 earnings call highlights

Guidance

- FY27 loan growth of 14-15%.
- NIM improvement of 10-20bps over the next 2-3 quarters.
- FY27 exit RoA of 1.6-1.8%, driven by lower credit cost, higher fee income and NIM expansion.
- FY27 exit credit cost of 1.6-1.7%.

Advances

- **EEB segment** growth revived to 8% QoQ, after multiple quarters of book rundown. EEB book is targeted to remain at ~1/3rd of the total portfolio on a steady-state basis. EEB portfolio currently has no government-backed guarantee coverage.
- **Non-EEB segment:** Growth in non-EEB segment remains robust with the portfolio growing 25% YoY and now representing ~2/3rds of total advances. Retail assets grew 46% YoY, driven by commercial vehicles, construction equipment, auto loans and gold loans.
- Management confirmed that EEB will continue to grow alongside the secured book and estimates the growth of the two segments to broadly converge, given that targeted mix has been achieved ahead of the schedule.
- Secured book grew 25% YoY and now forms ~56% of the total portfolio. Bank had guided a 58% secured mix target by FY27 exit.

NIM and deposits

- NIM increased 30bps QoQ to 6.2%, driven by ~23bps QoQ reduction in the cost of deposits, 10bps improvement in advances yields, lower interest reversal and day count factors.
- Management has guided for NIM improvement of 10-20bps over the next 2-3 quarters, led by residual term deposit repricing. It expects NIM of ~6% on total assets (~6.5% on earning assets) by FY27 exit.
- Any NIM compression from higher secured book mix will be compensated by higher other income. Bank is targeting a 7.5% combined yield on NIM and other income.
- Bulk deposits declined 7% YoY, and now constitute ~26% of total deposits, down from 31% last year. Within bulk deposits, ~89% is non-callable in nature.
- Retail balances (including CASA and retail term deposits) grew 18% YoY. Retail term deposits, in particular, grew 30% YoY.
- CASA balances were up ~14% QoQ, largely due to a sharp pickup in current account balances by SME customers. Government-related CASA deposits stand at ~INR 60bn, forming ~12% of CASA.

Asset quality

- Gross slippages declined sharply to ~INR 10bn in Q4FY26 vs. ~INR 13bn in Q3FY26, primarily led by the EEB segment where slippages fell to ~INR 6.9bn from ~INR 9bn last quarter.
- Collection efficiency (ex-NPA) improved to 98.9% in Mar'26 from 98.1% in Dec'25.

- Management confirmed no adverse impact has been seen on collections as of date from West Asia conflict or West Bengal elections.
- Credit cost moderated to 2% in Q4FY26 (vs. 3.3% in Q3FY26). FY26 credit cost came in at ~3%. Management guided credit cost will improve towards 1.6-1.7% by FY27 exit.
- EEB standard provisioning maintained at 1%.
- For personal loans and ABG, provisioning is ~0.4%, in line with IRAC norms.
- Bank does accelerated provisioning of 100% at 180 DPD for EEB.
- The last ARC sale was in Q3FY26, and prior to that, three years ago. The ARC sale option remains open for the management, but there are no immediate plans.

Opex and other income

- Elevated opex in Q4FY26 (up 10% QoQ) was driven by two non-recurring items: PSLC costs (~INR 600mn) and technology expenditure (~INR 600mn). Hence, total one-off impact stood at ~INR 1.2bn.
- Increase in employee cost of ~INR 730mn QoQ was due to additional salary payments for staff working through holidays in Q4FY26 (bank remained open to maintain collection momentum).
- Other income for the quarter was up 10% YoY and 12% QoQ. Third-party products distribution income rose 34% YoY, while processing fee income also rebounded, supported by higher disbursement volumes, especially within the EEB portfolio.

Others

- Bank had estimated ECL transition impact of ~INR 12.5bn (based on Dec'25 portfolio and draft circular). As per the latest RBI circular, this transition impact can be adjusted through retained earnings/capital reserves spread over five years, implying ~INR 2.5bn per year or ~16-17bps CRAR impact annually for five years.
- The flow impact (on steady-state provisioning) is still being computed.
- EEB loans qualifying for PSLC have improved from 10-15% in FY25 to 40% currently. Management expects it to reach 60-65% going forward. Bank guided PSLC cost will reduce by ~50% in FY27 and be near zero by FY28.
- Management denied any media reports of activity at the Holding Co. level affecting its shareholding. Any activity at the CIC level is independent and will not impact the bank.
- Mr Vishal Wadhwa, head EEB, has resigned and has been replaced by Mr Surajit Roy Choudhary.

Exhibit 1: Q4FY26 result review

	Q4FY25	Q4FY26	YoY (%)	Q3FY26	QoQ (%)
Financial Highlights (INR mn)					
Interest Earned	54,339	54,284	(0.1)	54,312	(0.1)
Interest Expended	26,780	26,328	(1.7)	27,429	(4.0)
Net Interest Income	27,559	27,956	1.4	26,883	4.0
Other Income	6,996	7,707	10.2	6,910	11.5
Total Income	61,335	61,991	1.1	61,222	1.3
Total Net Income	34,555	35,663	3.2	33,793	5.5
Staff Expenses	10,842	11,584	6.8	11,335	2.2
Other operating expenses	8,000	9,667	20.8	8,008	20.7
Operating Profit	15,713	14,412	(8.3)	14,450	(0.3)
Provision & Contingencies	12,602	6,770	(46.3)	11,546	(41.4)
Provision for tax	(67)	2,300	(3520.3)	848	171.3
Reported Profit	3,179	5,341	68.0	2,056	159.8
Other Highlights (INR bn)					
Advances	1,320	1,501	13.7	1,411	6.4
Deposits	1,512	1,663	10.0	1,567	6.1
Gross NPA	64.4	50.2	-22.0	48.0	4.5
Gross NPA (%)	4.7	3.3	-144 bps	3.3	-6 bps
Net NPA	16.9	14.5	-14.2	14.0	3.6
Net NPA (%)	1.3	1.0	-31 bps	1.0	-2 bps
Provision Coverage (%)	73.7	71.1	-262 bps	70.8	25 bps

Source: Company data, I-Sec research

Exhibit 2: Stress details

(INR bn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Gross NPAs	47.2	47.5	49.4	30.1	31.1
SMA 2	5.1	4.8	3.9	4.1	4.2
GNPAs + SMA 2	52.3	52.3	53.3	34.2	35.3
% of loans	9.3	9.9	10.3	6.8	6.5
SMA 1	5.2	5.3	5.3	5.7	4.4
GNPAs + SMA 1+2	58	58	59	40	40
% of loans	10.2	10.9	11.3	8.0	7.4
SMA 0	8.6	10.2	15.8	13.3	7.9
% of loans	1.5	1.9	3.1	2.7	1.5
SMA 1+2	10.3	10.1	9.2	9.8	8.6
% of loans	1.8	1.9	1.8	2.0	1.6
SMA 0+1+2	18.9	20.3	25.0	23.1	16.5
% of loans	3.3	3.8	4.8	4.6	3.1

Source: Company data, I-Sec research

Exhibit 3: Movement of NPA for EEB

(INR bn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Opening	42.60	41.00	47.20	47.5	49.40	30.10
Addition	11.96	13.94	10.89	11.18	9.42	6.90
Reduction	13.56	7.74	10.59	9.28	28.72	5.90
of which Recovery + Upgrades	NA	NA	1.09	1.29	1.13	1.42
of which Write-off	NA	NA	9.50	8.0	27.59	4.48
Closing GNPAs	41.00	47.20	47.50	49.4	30.10	31.10

Source: Company data, I-Sec research

Exhibit 4: Bandhan's MFI slippages decline QoQ

MFI book details	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
MFI Slippages (INR mn)					
RBL	4,720	3,180	2,350	1,570	870
BANDHAN	13,940	10,890	11,180	9,420	6,900
IDFCFB	5,720	5,140	2,490	1,530	960
IIB	35,090	8,880	10,830	10,220	5,040
MFI AUM (INR mn)					
RBL	57,520	54,350	58,850	66,920	77,020
BANDHAN	5,65,400	5,28,100	5,17,300	5,00,800	5,39,100
IDFCFB	95,710	83,540	73,060	66,570	66,620
IIB	3,09,090	2,84,080	2,13,210	1,76,690	1,67,820
Slippages (%) - Annualised					
RBL	33	23	16	9	5
BANDHAN	10	8	9	8	5
IDFCFB	24	25	14	9	6
IIB	45	13	20	23	12

Source: Company data, I-Sec research

Exhibit 5: New stress formation in MFI loans for Bandhan minuscule

MFI SMA 0+1+2	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
RBL	3,770	2,920	2,060	1,250	840
BANDHAN	18,900	20,300	25,000	23,100	16,500
IDFCFB	6,400	3,150	2,090	1,410	790
IIB* (SMA1+2)	7,109	6,250	4,691	4,241	2,989
New SMA additions (INR mn)					
RBL	3,040	2,330	1,490	760	460
BANDHAN	11,640	12,290	15,880	7,520	300
IDFCFB	4,360	1,890	1,430	850	340
IIB*	35,686	8,021	9,271	7,638	3,789
Flow rate (%) - Annualized					
RBL	21	17	10	5	2
BANDHAN	8	9	12	6	0
IDFCFB	18	9	8	5	2
IIB*	46	11	17	17	9

Source: I-Sec research

Note: For IIB, SMA0 is not available and hence the calculation is not comparable to that extent

Exhibit 6: Collection efficiency trend

Collection efficiency (%)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (bps)	QoQ (bps)
Including NPA	93.1	92.5	91.8	94.3	94.7	160	40
Excluding NPA	97.8	97.7	97.5	98	98.6	80	60
Including arrears	109.5	109.4	110.5	109.8	111.8	230	200
State level collection efficiency (%)							
West Bengal	98.7	98.2	98.1	98.3	99.1	40	80
Assam	99.4	99.2	99.0	99.6	99.9	50	30
Rest of India	97.0	97.0	97.3	98.0	99.3	230	130
Total	97.8	97.6	97.8	98.2	99.3	150	110

Source: I-Sec research, Company data

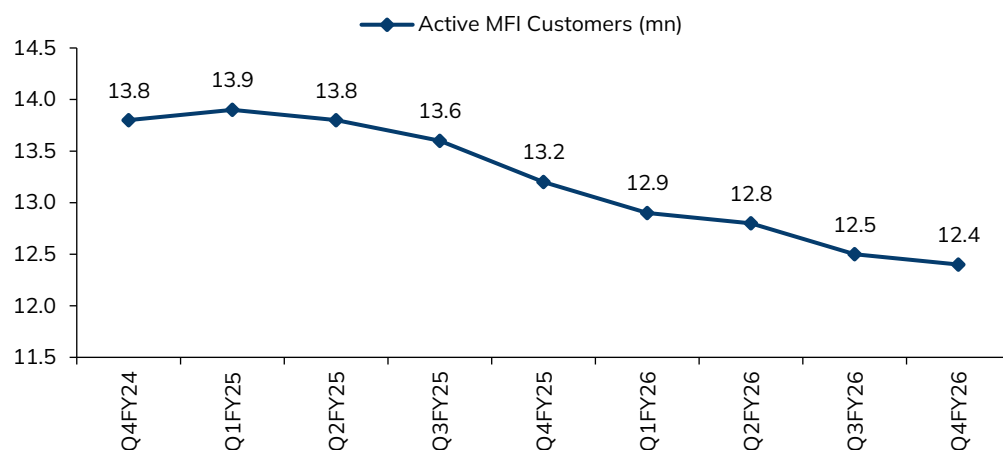
Exhibit 7: Loan book details

Particulars (INR mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY % chg	QoQ % chg
Micro Loans	6,22,400	6,19,100	5,92,900	5,61,200	5,65,400	5,28,100	5,17,300	5,00,800	5,39,100	-4.7	7.6
Mortgages	2,99,200	2,83,300	3,16,300	3,26,400	3,21,100	3,26,600	3,30,600	3,37,500	3,47,900	8.3	3.1
Retail	55,800	62,300	75,100	87,600	1,10,200	1,11,000	1,24,300	1,37,600	1,60,900	46.0	16.9
FIG	1,28,100	1,38,600	1,56,300	1,59,200	1,60,000	1,67,900	1,80,600	2,13,900	2,12,300	32.7	-0.7
MMG/BBG/SEL	1,41,700	1,42,100	1,66,000	1,85,800	2,03,400	2,02,700	2,27,700	2,42,400	2,72,200	33.8	12.3
Total AUM	12,47,200	12,45,400	13,06,600	13,20,200	13,60,100	13,36,300	13,80,500	14,32,200	15,32,400	12.7	7.0
YoY % change	14.3	20.7	21.4	13.9	9.1	7.3	5.7	8.5	12.7		
QoQ % change	7.6	-0.1	4.9	1.0	3.0	-1.7	3.3	3.7	7.0		

Loan mix (%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (bps)	QoQ (bps)
Micro Loans	49.9	49.7	45.4	42.5	41.6	39.5	37.5	35.0	35.2	(639)	21
Mortgages	24.0	22.7	24.2	24.7	23.6	24.4	23.9	23.6	22.7	(91)	(86)
Retail	4.5	5.0	5.7	6.6	8.1	8.3	9.0	9.6	10.5	240	89
FIG	10.3	11.1	12.0	12.1	11.8	12.6	13.1	14.9	13.9	209	(108)
MMG/BBG/SEL	11.4	11.4	12.7	14.1	15.0	15.2	16.5	16.9	17.8	281	84

Source: Company data, I-Sec research

Exhibit 8: Active MFI borrowers (mn)

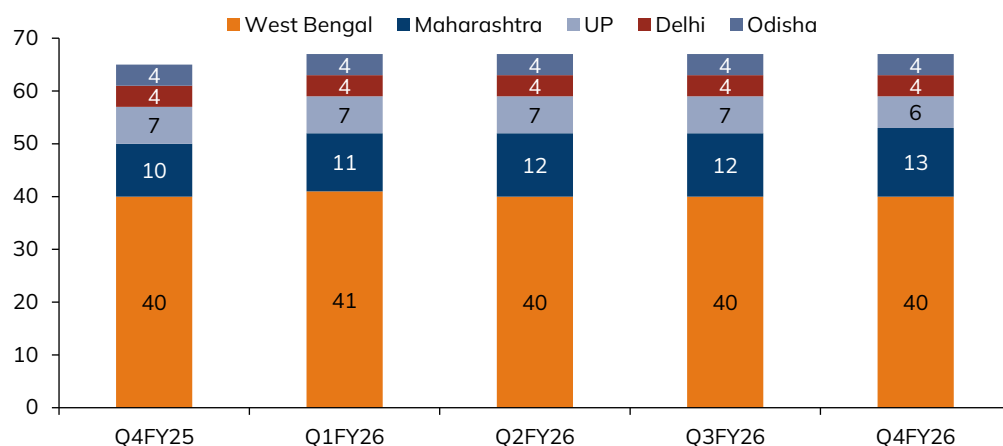


Source: I-Sec research, Company data

Exhibit 9: Deposits and CASA

Particulars (INR mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Deposits	13,52,020	13,32,100	14,25,095	14,10,000	15,12,125	15,46,700	15,80,746	15,67,200	16,63,444
YoY % change	25.1	22.8	27.2	20.1	11.8	16.1	10.9	11.1	10.0
QoQ % change	15.1	-1.5	7.0	-1.1	7.2	2.3	2.2	-0.9	6.1
CASA Deposits	5,01,500	4,44,560	4,72,800	4,47,400	4,74,400	4,18,600	4,42,100	4,27,300	4,87,500
YoY % change	18.1	13.8	9.4	5.5	-5.4	-5.8	-6.5	-4.5	2.8
QoQ % change	18.3	-11.4	6.4	-5.4	6.0	-11.8	5.6	-3.3	14.1
CASA Ratio (%)	37.1	33.4	33.2	31.7	31.4	27.1	28.0	27.3	29.3
Term Deposits	8,50,520	8,87,540	9,52,295	9,62,600	10,37,725	11,28,100	11,38,646	11,39,900	11,75,944
YoY % change	29.6	27.9	38.3	28.3	22.0	27.1	19.6	18.4	13.3
QoQ % change	13.4	4.4	7.3	1.1	7.8	8.7	0.9	0.1	3.2

Source: Company data, I-Sec research

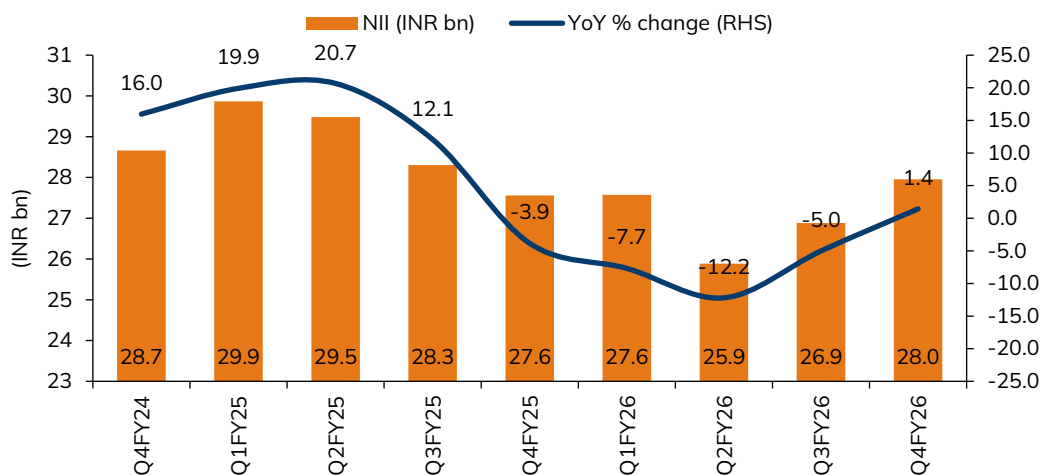
Exhibit 10: State-wise deposit breakup (%)

Source: I-Sec research, Company data

Exhibit 11: Yields and NIM (%)

	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (bps)	QoQ (bps)
Yield	13.8	13.9	13.7	13.3	13.1	12.7	12.1	11.9	12.0	(110)	10
Cost of funds	6.9	7.0	7.0	7.1	7.2	7.0	6.9	6.7	6.5	(70)	(20)
NIMs	7.6	7.6	7.4	6.9	6.7	6.4	5.8	5.9	6.2	(50)	30

Source: Company data, I-Sec research

Exhibit 12: NII trajectory

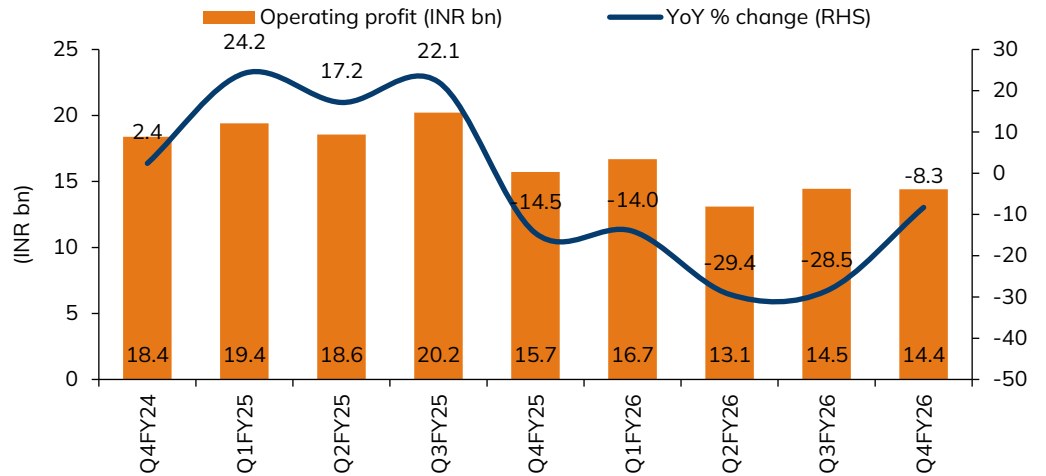
Source: Company data, I-Sec research

Exhibit 13: Non-interest income breakup

Non-interest income (INR mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Mix (%)	YoY % chg	QoQ % chg
Processing fees	2,403	1,698	1,937	2,148	2,761	36	14.9	28.5
TPD	1,594	838	1,234	1,275	2,137	28	34.1	67.6
Release of prov	695	372	269	264	NA	-	NA	NA
Collection Fees	153	130	65	125	278	4	81.7	122.4
Card Charges	220	186	NA	NA	NA	-	NA	NA
Bad Debt Recover	765	200	274	213	159	2	-79.2	-25.4
Others	1,166	3,835	1,685	2,885	2,372	31	103.4	-24.7
Total	6,996	7,259	5,464	6,910	7,707	100	10.2	11.5

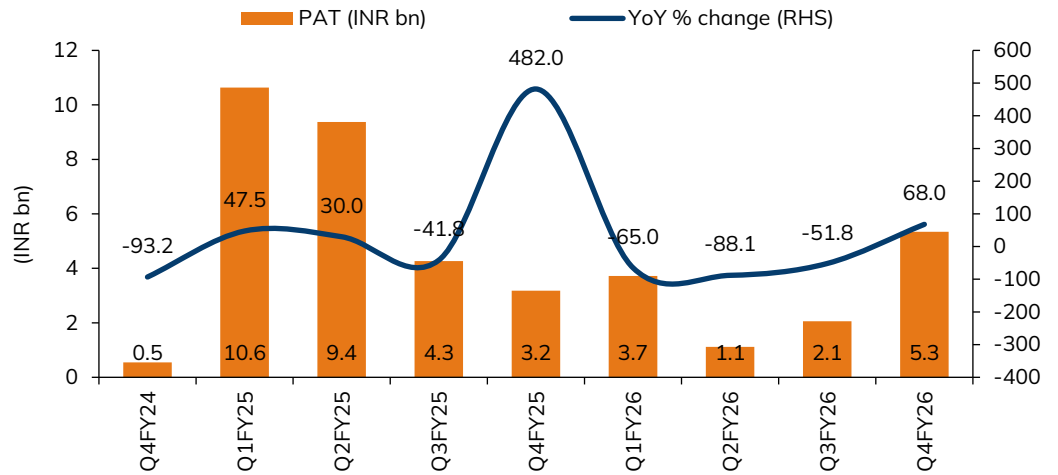
Source: I-Sec research, Company data

Exhibit 14: Operating profit trajectory



Source: Company data, I-Sec research

Exhibit 15: PAT trajectory



Source: Company data, I-Sec research

Exhibit 16: Shareholding pattern

%	Sep'25	Dec'25	Mar'26
Promoters	40.3	39.7	39.0
Institutional investors	41.2	41.0	44.4
MFs and others	9.0	11.8	15.6
FIs/Banks	1.2	1.4	1.8
Insurance	7.6	5.5	4.9
FIIIs	23.4	22.3	22.1
Others	18.5	19.3	16.6

Source: Bloomberg, I-Sec research

Exhibit 17: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 18: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Interest income	2,19,482	2,16,891	2,45,592	2,80,543
Interest expense	1,04,576	1,08,594	1,20,031	1,37,920
Net interest income	1,14,906	1,08,297	1,25,561	1,42,623
Non-interest income	29,666	27,340	30,289	36,999
Operating income	1,44,572	1,35,637	1,55,850	1,79,622
Operating expense	70,685	76,988	86,391	1,00,506
Staff expense	43,610	44,927	50,264	57,619
Operating profit	73,887	58,649	69,459	79,116
Core operating profit	69,672	55,637	66,959	75,116
Provisions & Contingencies	37,654	41,311	29,823	31,117
Pre-tax profit	36,233	17,338	39,637	47,999
Tax (current + deferred)	8,780	5,102	9,988	12,096
Net Profit	27,453	12,236	29,648	35,903
Adjusted net profit	27,453	12,236	29,648	35,903

Source Company data, I-Sec research

Exhibit 19: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Cash and balance with RBI/Banks	95,694	1,39,511	1,45,021	1,54,556
Investments	4,07,123	3,86,683	4,40,064	5,01,633
Advances	13,19,873	15,01,038	17,08,880	19,32,791
Fixed assets	11,804	14,013	18,417	20,236
Other assets	80,269	69,992	1,01,254	1,47,327
Total assets	19,14,763	21,11,237	24,13,636	27,56,544
Deposits	15,12,125	16,63,445	19,14,401	22,04,723
Borrowings	1,11,385	1,43,028	1,57,331	1,73,064
Other liabilities and provisions	45,203	49,016	59,472	64,012
Share capital	16,110	16,110	16,110	16,110
Reserve & surplus	2,29,940	2,39,639	2,66,323	2,98,635
Total equity & liabilities	19,14,763	21,11,237	24,13,636	27,56,544
% Growth	7.7	10.3	14.3	14.2

Source Company data, I-Sec research

Exhibit 20: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
No. of shares and per share data				
No. of shares (mn)	1,611	1,611	1,611	1,611
Adjusted EPS	17.0	7.6	18.4	22.3
Book Value per share	153	159	175	195
Adjusted BVPS	145	152	169	190
Valuation ratio				
PER (x)	10.5	23.5	9.7	8.0
Price/ Book (x)	1.2	1.1	1.0	0.9
Price/ Adjusted book (x)	1.2	1.2	1.1	0.9
Dividend Yield (%)	0.8	0.8	1.0	1.2
Profitability ratios (%)				
Yield on advances	15.3	13.1	13.3	13.4
Yields on Assets	11.9	10.8	10.9	10.9
Cost of deposits	6.7	6.2	6.1	6.2
Cost of funds	5.7	5.4	5.3	5.3
NIMs	7.0	5.9	6.2	6.3
Cost/Income	48.9	56.8	55.4	56.0
Dupont Analysis (as % of Avg Assets)				
Interest Income	11.9	10.8	10.9	10.9
Interest expended	5.7	5.4	5.3	5.3
Net Interest Income	6.2	5.4	5.5	5.5
Non-interest income	1.6	1.4	1.3	1.4
Trading gains	0.2	0.1	0.1	0.2
Fee income	1.4	1.2	1.2	1.3
Total Income	7.8	6.7	6.9	6.9
Total Cost	3.8	3.8	3.8	3.9
Staff costs	2.4	2.2	2.2	2.2
Non-staff costs	1.5	1.6	1.6	1.7
Operating Profit	4.0	2.9	3.1	3.1
Core Operating Profit	3.8	2.8	3.0	2.9
Non-tax Provisions	2.0	2.1	1.3	1.2
PBT	2.0	0.9	1.8	1.9
Tax Provisions	0.5	0.3	0.4	0.5
Return on Assets (%)	1.5	0.6	1.3	1.4
Leverage (x)	8.0	8.0	8.4	8.7
Return on Equity (%)	11.9	4.9	11.0	12.0
Asset quality ratios (%)				
Gross NPA	4.7	3.3	2.7	2.5
Net NPA	1.3	1.0	0.7	0.6
PCR	73.7	71.1	73.0	75.0
Gross Slippages	4.4	4.2	3.1	2.7
LLP / Avg loans	2.9	3.1	2.0	1.8
Total provisions / Avg loans	3.0	2.9	1.9	1.7
Net NPA / Networth	6.9	5.7	4.4	3.9
Capitalisation ratios (%)				
Core Equity Tier 1	17.9	16.8	16.3	15.9
Tier 1 cap. adequacy	17.9	17.3	16.3	15.9
Total cap. adequacy	18.7	18.0	17.0	16.5

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Jai Prakash Mundhra, MBA; Amansingh Sahajsinghani, CA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Jeetu Jawrani](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
