

Estimate change



TP change



Rating change



Bloomberg	DCBB IN
Equity Shares (m)	311
M.Cap.(INRb)/(USDb)	33.1 / 0.4
52-Week Range (INR)	141 / 70
1, 6, 12 Rel. Per (%)	-2/-11/28
12M Avg Val (INR M)	197

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
NII	17.2	20.3	24.0
OP	7.9	9.6	11.7
NP	4.7	5.6	6.9
NIM (%)	3.9	3.9	3.9
EPS (INR)	14.9	18.1	22.2
EPS Gr. (%)	61.7	20.8	22.9
BV/Sh. (INR)	143	159	178
ABV/Sh. (INR)	135	151	170

Ratios

RoE (%)	11.4	12.3	13.4
RoA (%)	1.0	1.0	1.0

Valuations

P/E (x)	7.1	5.9	4.8
P/BV (x)	0.7	0.7	0.6
P/ABV (x)	0.8	0.7	0.6

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	14.8	14.9	14.9
DII	40.0	39.5	38.7
FII	12.3	12.4	8.8
Others	32.9	33.3	37.6

FII Includes depository receipts

CMP: INR106

TP: INR120 (+13%)

Neutral

Earnings gaining traction; asset quality improves

Restructured portfolio remains elevated at ~4.5% of loans

- DCB Bank (DCBB) reported a healthy quarter characterized by strong operating performance (10% PPop beat) and steady business growth. NIMs improved 16bp QoQ to 4.18% while fee income rose 30% QoQ in 4QFY23.
- Slippages moderated significantly to INR2.7b (v/s INR4.0b in 3QFY23), which coupled with healthy recoveries and upgrades resulted in an improvement in GNPA/NNPA ratio by 43bp/33bp QoQ. Restructured book declined QoQ but remains elevated at ~INR15.5b (4.5% of loans). Collection efficiency (CE) improved across segments and broadly reached the pre-Covid levels.
- We raise our FY24/25 earnings estimates by 6%/7% factoring in higher NII and project an FY25E RoA/RoE of 1.0%/13.4%. **Reiterate Neutral with a revised TP of INR120 (based on 0.8x Sep'24E ABV).**

Business growth healthy; margin expands 16bp QoQ

- DCBB reported 4QFY23 PAT of INR1.4b (+25% YoY, 10% beat), led by higher other income (+30% QoQ, 10% beat) and health NII growth. For FY23, PAT jumped 62% YoY to INR4.7b.
- NII grew ~28% YoY (+9% QoQ) to INR4.9b (3% beat) aided by 16bp QoQ margin expansion to 4.18%. Other income grew 7% YoY, while fee income was up 37% YoY. Total revenue thus grew 23% YoY during the quarter.
- Opex jumped 33% YoY as the bank continued to hire employees and invest in the business. Hence, PPop grew 10% YoY (10% beat). For FY23, PPop was flat YoY at INR7.9b.
- Advances grew 18% YoY/4% QoQ, supported by healthy disbursements across Mortgages and AIB segment. The share of the corporate book declined 210bp QoQ to 8% while AIB segment's share increased 130bp QoQ to ~23%. Deposits rose 19% YoY (+4% QoQ), led by 6% QoQ growth in term deposits while CASA deposits were flat QoQ. Thus, the CASA mix deteriorated 120bp QoQ to 26.4% in 4QFY23.
- GNPA/NNPA ratio improved 43bp/33bp QoQ to 3.19%/1.04% with slippages moderating significantly to INR 2.7b and healthy recoveries and upgrades at INR3.1b. PCR improved sharply by 530bp QoQ to 68% (~79% including TWO). Restructured book stood at INR15.5b (4.5% of loans). CE improved across segments and stood at 97.9%/97.7%/93.6% including delinquent and restructured book in Business/Home/CV segments.

Highlights from the management commentary

- C/I ratio is expected to moderate to ~55% over the next 1.0-1.5 years.
- Loan book is likely to double in the next 2.5-3.0 years.
- NIMs are expected to be ~3.65-3.75% on a sustainable basis.
- Credit cost is forecasted to remain ~40-45bp on a sustainable basis.

Valuation and view

DCBB reported a strong operating performance led by healthy NII and higher other income. Margins expanded 16bp QoQ while a healthy fee income compensated the decline in PSLC fees. Loan growth was steady led by mortgages and AIB segment while deposit growth was driven by term deposits resulting in moderation in CASA ratio. Fresh slippages moderated significantly, which coupled with healthy recoveries and upgrades resulted in an asset quality improvement. CE too improved. We raise our FY24/25 earnings estimates by 6%/7% factoring in higher NII and project an FY25E RoA/RoE of 1.0%/13.4%. **Reiterate Neutral with a revised TP of INR120 (based on 0.8x Sep'24E ABV).**

Quarterly performance**(INR m)**

	FY22				FY23				FY22	FY23	FY23E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Est.
Net Interest Income	3,087	3,233	3,450	3,805	3,740	4,111	4,460	4,860	13,575	17,170	4,712	3.1
% Change (Y-o-Y)	0.6	-3.2	3.1	22.3	21.1	27.2	29.3	27.7	5.5	26.5	23.9	
Other Income	1,212	977	1,183	1,148	924	992	954	1,223	4,520	4,094	1,107	10.5
Total Income	4,299	4,211	4,634	4,953	4,664	5,103	5,414	6,083	18,095	21,264	5,819	4.5
Operating Expenses	2,277	2,459	2,645	2,744	3,002	3,278	3,473	3,643	10,126	13,397	3,606	1.0
Operating Profit	2,022	1,751	1,988	2,208	1,661	1,826	1,941	2,439	7,970	7,867	2,213	10.2
% Change (Y-o-Y)	5.8	-17.8	-28.8	9.8	-17.8	4.2	-2.4	10.5	-10.0	-1.3	0.2	
Provisions	1,565	863	970	676	350	310	407	525	4,074	1,592	477	9.9
Profit before Tax	457	888	1,019	1,532	1,311	1,516	1,534	1,915	3,895	6,276	1,736	10.3
Tax	119	239	265	398	340	392	396	493	1,020	1,620	446	10.5
Net Profit	338	649	754	1,134	971	1,124	1,139	1,422	2,875	4,656	1,291	10.2
% Change (Y-o-Y)	-57.5	-21.1	-21.7	45.6	187.8	73.0	51.1	25.4	-14.4	61.9	13.8	
Operating Parameters												
Deposit (INR b)	306.0	317.7	322.3	346.9	350.8	369.6	395.1	412.4	346.9	412.4	411.8	0.1
Loan (INR b)	252.9	265.4	273.4	291.0	298.1	312.9	329.7	343.8	291.0	343.8	346.2	-0.7
Deposit Growth (%)	4.0	10.4	11.7	16.8	14.6	16.3	22.6	18.9	16.8	18.9	18.7	0.2
Loan Growth (%)	0.9	6.7	8.1	13.0	17.9	17.9	20.6	18.2	13.0	18.2	19.0	-0.8
Asset Quality												
Gross NPA (%)	4.9	4.7	4.8	4.3	4.2	3.9	3.6	3.2	4.3	3.2	3.4	-0.2
Net NPA (%)	2.8	2.6	2.6	2.0	1.8	1.5	1.4	1.0	2.0	1.0	1.3	-0.2
PCR (%)	43.3	45.0	48.0	55.6	57.8	61.3	63.0	68.2	55.6	68.2	63.2	5.0

Quarterly snapshot

	FY21				FY22				FY23				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Profit and Loss (INR m)														
Net Interest Income	3,067	3,339	3,348	3,112	3,087	3,233	3,450	3,805	3,740	4,111	4,460	4,860	28	9
Other Income	776	809	1,566	1,298	1,212	977	1,183	1,148	924	992	954	1,223	7	28
Total Income	3,843	4,148	4,914	4,410	4,299	4,211	4,634	4,953	4,664	5,103	5,414	6,083	23	12
Operating Expenses	1,932	2,016	2,119	2,399	2,277	2,459	2,645	2,744	3,002	3,278	3,473	3,643	33	5
Employee	1,087	1,050	1,087	1,112	1,227	1,322	1,380	1,463	1,551	1,717	1,796	1,865	28	4
Others	845	966	1,033	1,287	1,049	1,138	1,266	1,282	1,451	1,561	1,677	1,778	39	6
Operating Profits	1,911	2,132	2,795	2,011	2,022	1,751	1,988	2,208	1,661	1,826	1,941	2,439	10	26
Core Operating Profits	1,531	1,839	2,054	1,998	1,484	1,647	1,825	2,205	1,601	1,806	1,921	2,429	10	26
Provisions	837	1,015	1,498	971	1,565	863	970	676	350	310	407	525	-22	29
PBT	1,075	1,117	1,296	1,040	457	888	1,019	1,532	1,311	1,516	1,534	1,915	25	25
Taxes	281	294	334	261	119	239	265	398	340	392	396	493	24	24
PAT	794	823	962	779	338	649	754	1,134	971	1,124	1,139	1,422	25	25
Balance Sheet (INR B)														
Loans	251	249	253	257	253	265	273	291	298	313	330	344	18	4
Investments	77	75	81	84	91	86	86	91	99	105	109	126	39	16
Deposits	294	288	289	297	306	318	322	347	351	370	395	412	19	4
CASA Deposits	65	65	67	68	66	81	84	93	100	108	109	109	17	0
Borrowings	39	38	36	45	43	40	32	41	40	35	38	41	1	8
Total Assets	382	376	379	396	403	415	412	448	452	468	499	524	17	5
Asset Quality														
GNPA	6,218	5,737	5,023	10,834	12,688	12,849	13,398	12,899	12,885	12,492	12,233	11,228	-13	-8
NNPA	2,485	2,058	1,497	5,942	7,190	7,070	6,965	5,732	5,436	4,829	4,532	3,569	-38	-21
Ratios (%)														
	FY21				FY22				FY23				Change (bps)	
Asset Quality	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
GNPA (%)	2.4	2.3	2.0	4.1	4.9	4.7	4.8	4.3	4.2	3.9	3.6	3.2	-113	-43
NNPA (%)	1.0	0.8	0.6	2.3	2.8	2.6	2.6	2.0	1.8	1.5	1.4	1.0	-93	-33
PCR (Calculated, %)	60.0	64.1	70.2	45.2	43.3	45.0	48.0	55.6	57.8	61.3	63.0	68.2	1,265	526
PCR (Reported, %)	75	79	84	62	59	60	62	68	69	73	75	79	1,150	466
Business Ratios														
Fees to Total Income	7.0	10.5	11.2	15.9	11.0	14.6	13.6	13.4	13.9	15.1	12.9	15.0	157	203
Cost to Core Income	57.9	53.4	54.4	62.9	64.0	63.9	64.8	61.4	68.4	67.2	67.3	63.1	173	-416
Tax Rate	26.1	26.3	25.8	25.1	26.0	26.9	26.0	26.0	25.9	25.9	25.8	25.7	-25	-7
CASA	21.9	22.4	23.1	22.8	21.7	25.4	25.9	26.8	28.6	29.3	27.6	26.4	-33	-120
Loan/Deposit	85.1	86.5	87.7	86.6	82.6	83.5	84.8	83.9	85.0	84.7	83.4	83.4	-50	-8
Profitability Ratios														
RoA	0.8	0.9	1.0	0.8	0.3	0.6	0.7	1.1	0.9	1.0	0.9	1.1	4	16
RoE	9.9	9.9	11.2	9.0	3.8	7.3	8.3	12.1	10.1	11.5	11.3	13.7	162	240
Yield on loans	11.1	11.3	11.2	10.7	10.5	10.7	10.7	11.0	10.7	10.8	11.0	11.7	67	68
Cost of funds	6.8	6.6	6.6	6.5	6.3	6.2	6.1	6.0	6.0	6.0	6.1	6.4	37	36
Margins	3.42	3.74	3.75	3.46	3.31	3.37	3.61	3.93	3.61	3.88	4.02	4.18	25	16
Others														
Branches	341	344	347	352	354	356	367	400	405	410	418	427	27	9
ATM	505	480	471	410	402	344	353	349	373	381	385	396	47	11



Highlights from the management commentary

Balance sheet and P&L related

- The focus remains on doubling the balance sheet in four years to ~INR1t from INR500b in FY23.
- Fee income from PSLC has witnessed a steep decline. However, despite that, other income has been healthy aided by third party distribution fees and processing fee income
- PSLC income moderated to INR200m in FY23 from INR800m in FY22
- Quarterly disbursements have witnessed a healthy sequential pick up and the bank expects this to improve further going ahead
- Provisions mix – NPA-related (INR390m), Floating provisions (INR40m) and balance being others related to standard assets, etc.
- Based on the current environment, the bank does not expect any further rise in TD rates
- Opex growth is expected to moderate in FY24 v/s FY23
- C/I ratio is likely to moderate to ~55% over the next 1.0-1.5 years
- The bank will look to add ~25-30 branches on an annual basis
- Cost of deposits is likely to rise in FY24 that will lead to moderation in margins
- Management does not expect to raise capital in the next 12-15 months
- Loan book is likely to double in the next 2.5-3.0 years
- NIMs are expected to be ~3.65-3.75% on a sustainable basis

Asset quality related

- Recoveries and upgrades have remained strong that has aided a reduction in provisioning cost
- Slippages have reverted to pre-Covid levels (ex of gold loans) and management expects the same to be at ~2% of loans (ex of gold loans).
- Credit cost is expected to remain ~40-45bp on a sustainable basis.

Exhibit 1: Segment-wise GNPA – it witnessed a moderation across segments

	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	YoY (%)	QoQ (%)
CV/STVL	1,669	2,069	2,454	2,363	2,259	2,300	2,180	2,080	1,790	-20.8%	-13.9%
Corporate	496	836	834	1,016	1,014	1,010	2,040	2,150	1,990	96.3%	-7.4%
SME + MSME	1,184	1,509	1,367	1,198	1,380	1,490	1,480	1,470	1,300	-5.8%	-11.6%
Mortgages	4,106	4,716	4,479	3,853	3,423	3,310	2,950	2,900	2,700	-21.1%	-6.9%
AIB	2,348	2,394	2,586	3,003	2,916	3,170	2,970	2,900	2,740	-6.0%	-5.5%
Gold loan	552	646	531	1,365	1,330	1,060	410	290	190	-85.7%	-34.5%
Others	479	518	598	600	577	540	460	440	420	-27.2%	-4.5%
Total GNPA's	10,834	12,688	12,849	13,398	12,899	12,880	12,490	12,230	11,130	-13.7%	-9.0%

Exhibit 2: CE remained healthy over 4QFY23

CE (%)	Sep'20	Dec'20	Mar'21	Jun'21	Sep'21	Dec'21	Mar'22	Jun'22	Sep'22	Dec'22	Mar'23
Business Loans (LAP)	87.5	89.8	95.2	89.0	95.8	94.8	96.7	97.0	96.7	97.3	97.9
Home loans	91.3	94.1	96.8	92.8	98.1	98.2	98.5	98.4	98.1	98.3	97.7
CV	77.1	80.4	86.0	74.5	80.8	84.6	85.2	88.6	89.4	92.4	93.6

Source: MOFSL, Company

Exhibit 3: CE of current (Bucket 0), including restructuring, remained healthy over 4QFY23

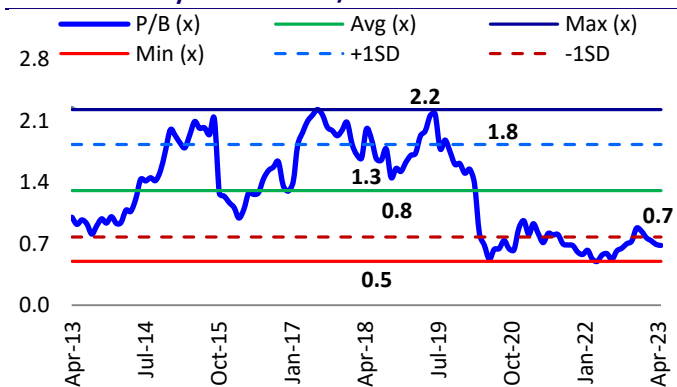
CE (%)	Apr'21	Jul'21	Sep'21	Oct'21	Dec'21	Mar'22	Jun'22	Jul'22	Aug'22	Sep'22	Dec'22	Mar'23
Business Loans (LAP)	94.3	97.3	97.2	96.8	96.0	97.7	98.3	97.6	98.9	98.2	98.6	98.8
Home loans	96.3	98.8	98.8	98.6	98.7	99.0	99.1	98.5	97.7	98.8	98.9	98.7
CV	82.5	85.0	84.6	82.2	85.2	85.1	93.8	90.5	89.1	93.6	94.8	96.0

Source: MOFSL, Company

Valuation and view

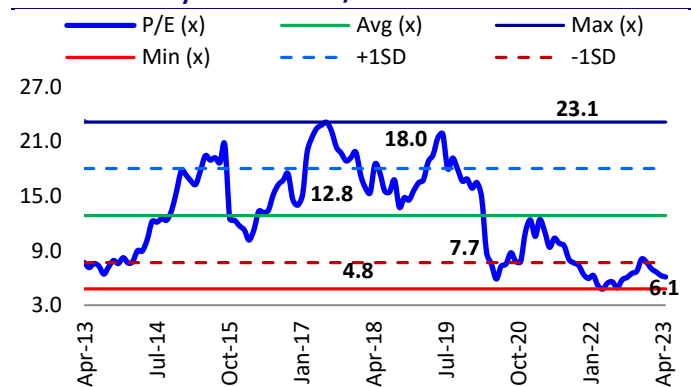
- Business growth is picking up well over the past few quarters, led by healthy traction across segments primarily mortgages. Management expects this healthy traction to continue and thus, we expect an overall loan CAGR of 18% over FY23–FY25.
- Asset quality ratios improved over 4QFY23 supported by healthy recoveries/upgrades and decline in slippages. CE has been improving gradually and is likely to remain healthy going ahead. Restructuring book though remains elevated at ~4.5% of loans, which would keep the asset quality under pressure. Thus, we estimate credit cost trends to remain at 0.5% over FY23-25 and slippages to be at ~3.8%/3.3% in FY24/FY25.
- **Maintain Neutral, with a TP of INR120:** DCBB reported a strong operating performance led by healthy NII and higher other income. Margins expanded 16bp QoQ while a healthy fee income compensated the decline in PSLC fees. Loan growth was steady led by mortgages and AIB segment while deposit growth was driven by term deposits resulting in moderation in CASA ratio. Fresh slippages moderated significantly, which coupled with healthy recoveries and upgrades resulted in an asset quality improvement. CE too improved. We raise our FY24/25 earnings estimates by 6%/7% factoring in higher NII and project an FY25E RoA/RoE of 1.0%/13.4%. **Reiterate Neutral with a revised TP of INR120 (based on 0.8x Sep'24E ABV).**

Exhibit 4: One-year forward P/B



Source: MOFSL, Company

Exhibit 5: One-year forward P/E



Source: MOFSL, Company

Exhibit 6: We raise our FY24/FY25 EPS estimates by 6%/7% factoring in higher NII

(INR b)	Old Estimates		Revised Estimates		Change (%/bp)	
	FY24	FY25	FY24	FY25	FY24	FY25
NII	19.7	22.7	20.3	24.0	3.4	5.8
Other Income	4.7	5.6	4.7	5.6	1.2	-1.4
Total Income	24.4	28.3	25.1	29.6	3.0	4.4
Operating Expenses	15.2	17.3	15.5	17.9	1.5	3.2
Operating Profits	9.1	11.0	9.6	11.7	5.4	6.2
Provisions	2.0	2.3	2.0	2.4	3.1	3.1
PBT	7.2	8.7	7.6	9.3	6.0	7.0
Tax	1.8	2.2	2.0	2.4	6.0	7.0
PAT	5.3	6.5	5.6	6.9	6.0	7.0
Loans	409	482	406	479	-0.7	-0.7
Deposits	486	573	487	574	0.1	0.1
Margins (%)	3.8	3.7	3.9	3.9	14	17
Credit Cost (%)	0.5	0.5	0.5	0.5	2	2
RoA (%)	0.9	1.0	1.0	1.0	5	6
RoE (%)	11.9	13.0	12.3	13.4	36	46
BV	154	173	159	178	2.8	3.4
ABV	144	161	151	170	5.3	5.7
EPS	17	21	18	22	5.8	6.8

Story in charts

Exhibit 7: Loan book grew 18% YoY (4% QoQ)

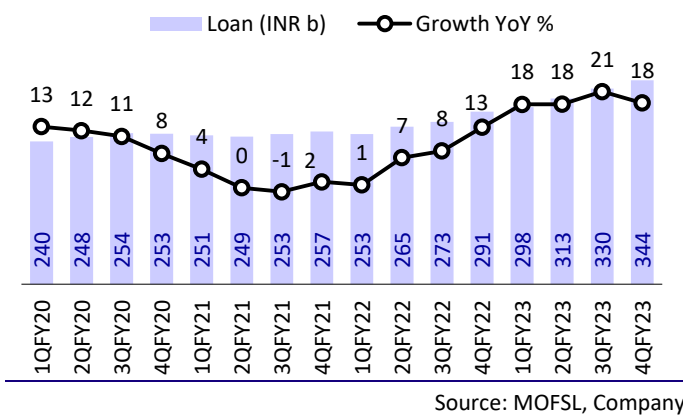


Exhibit 8: Proportion of corporate advances at 8%

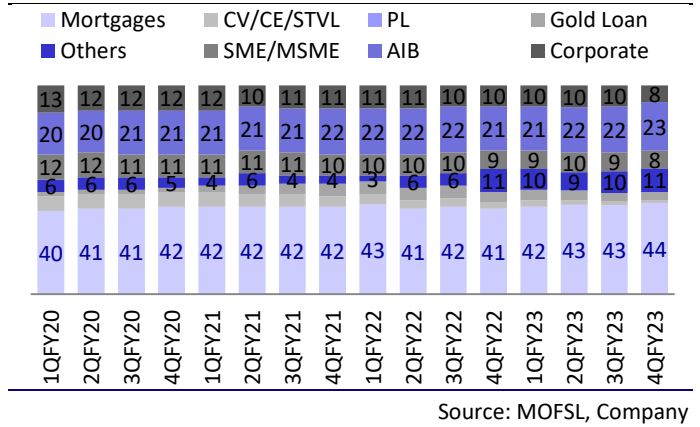


Exhibit 9: Asset quality improved with GNPA/NNPA ratio declining 43bp/33bp QoQ; PCR (incl. TWO) at ~79%

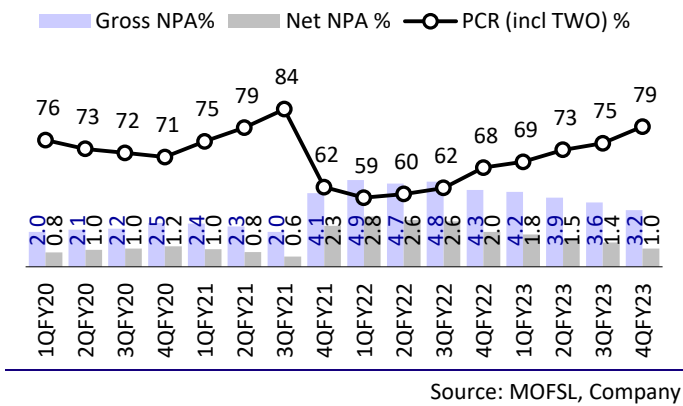


Exhibit 10: CASA ratio moderated 120bp QoQ to 26.4%

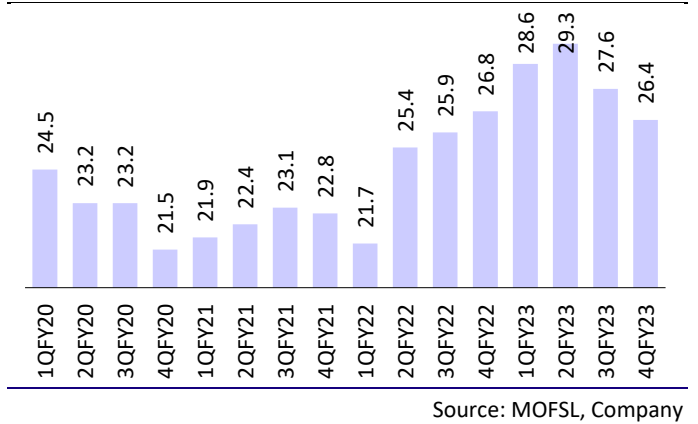


Exhibit 11: Reported NIM expanded 16bp QoQ to 4.18%

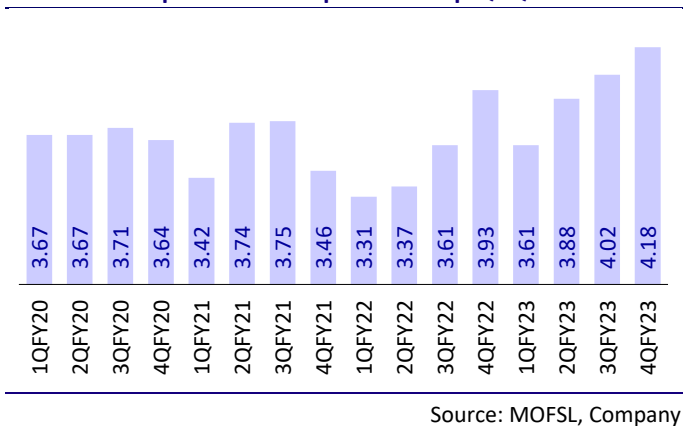


Exhibit 12: Fee income to assets increased to 0.8%

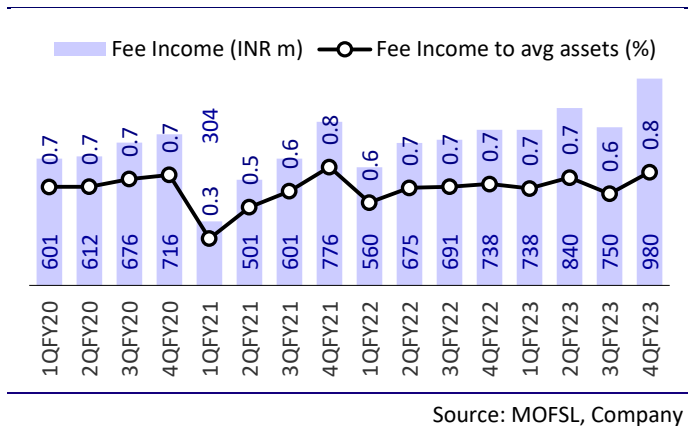


Exhibit 13: DuPont Analysis – Return ratios to improve gradually

DCB Bank	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	8.89	9.21	9.52	8.86	8.32	8.64	9.15	9.13
Interest Expended	5.22	5.73	6.12	5.56	5.10	5.11	5.57	5.52
Net interest Income	3.67	3.48	3.41	3.29	3.22	3.53	3.57	3.60
Fee income	0.98	0.94	0.88	0.78	0.88	0.89	0.90	0.90
Trading and others	0.17	0.12	0.18	0.37	0.19	-0.05	-0.06	-0.07
Non-interest Income	1.14	1.06	1.05	1.14	1.07	0.84	0.83	0.83
Total Income	4.81	4.54	4.46	4.44	4.29	4.38	4.41	4.44
Operating expenses	2.88	2.58	2.43	2.17	2.40	2.76	2.72	2.68
Employees	1.40	1.31	1.24	1.11	1.28	1.43	1.41	1.39
Others	1.47	1.27	1.20	1.06	1.12	1.33	1.31	1.29
Operating profits	1.93	1.96	2.03	2.27	1.89	1.62	1.69	1.76
Core PPP	1.77	1.84	1.85	1.90	1.70	1.67	1.75	1.83
Provisions	0.51	0.42	0.70	1.11	0.96	0.33	0.36	0.36
NPA	0.41	0.06	0.23	-0.07	0.09	0.33	0.33	0.33
Others	0.10	0.36	0.47	1.18	0.88	0.00	0.03	0.03
PBT	1.42	1.53	1.32	1.16	0.92	1.29	1.33	1.40
Tax	0.52	0.55	0.41	0.30	0.24	0.33	0.34	0.36
ROAA (%)	0.90	0.99	0.91	0.86	0.68	0.96	0.99	1.04
Leverage (x)	12.05	12.17	12.27	11.64	11.49	11.91	12.39	12.95
ROAE (%)	10.89	11.99	11.16	10.01	7.82	11.41	12.25	13.43

Financials and valuations

Income Statement							INR m	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	24,130	30,415	35,366	34,582	35,128	42,003	52,053	60,849
Interest Expense	14,176	18,922	22,717	21,716	21,553	24,833	31,716	36,823
Net Interest Income	9,954	11,493	12,649	12,866	13,575	17,170	20,337	24,026
Growth (%)	24.9	15.5	10.1	1.7	5.5	26.5	18.4	18.1
Non-Interest Income	3,103	3,502	3,911	4,458	4,520	4,094	4,749	5,556
Total Income	13,057	14,995	16,560	17,324	18,095	21,264	25,086	29,583
Growth (%)	24.8	14.8	10.4	4.6	4.5	17.5	18.0	17.9
Operating Expenses	7,807	8,529	9,029	8,466	10,126	13,397	15,475	17,871
Pre Provision Profits	5,250	6,466	7,531	8,858	7,970	7,867	9,611	11,712
Growth (%)	25.5	23.2	16.5	17.6	-10.0	-1.3	22.2	21.9
Core PPP	4,796	6,080	6,878	7,431	7,161	8,095	9,972	12,186
Growth (%)	32.1	26.8	13.1	8.0	-3.6	13.0	23.2	22.2
Provisions (excl. tax)	1,388	1,401	2,611	4,330	4,074	1,592	2,028	2,394
PBT	3,862	5,065	4,919	4,528	3,895	6,276	7,582	9,318
Tax	1,409	1,812	1,540	1,170	1,020	1,620	1,956	2,404
PAT	2,453	3,254	3,379	3,358	2,875	4,656	5,626	6,914
Growth (%)	22.8	32.7	3.9	-0.6	-14.4	61.9	20.8	22.9

Balance Sheet								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	3,081	3,095	3,104	3,105	3,110	3,115	3,115	3,115
Reserves & Surplus	24,983	28,049	31,108	34,471	37,365	42,546	47,549	53,684
Net Worth	28,064	31,144	34,212	37,576	40,475	45,661	50,664	56,799
Deposits	2,40,069	2,84,351	3,03,699	2,97,039	3,46,917	4,12,389	4,86,619	5,74,211
Growth (%)	24.5	18.4	6.8	-2.2	16.8	18.9	18.0	18.0
of which CASA Deposits	58,403	68,099	65,192	67,865	92,811	1,06,809	1,27,008	1,52,166
Growth (%)	24.5	16.6	-4.3	4.1	36.8	15.1	18.9	19.8
Borrowings	19,267	27,232	34,080	44,823	40,818	41,181	48,801	55,889
Total Liabilities	3,02,222	3,57,918	3,85,051	3,96,021	4,48,401	5,23,659	6,14,176	7,19,204
Current Assets	23,720	27,934	35,459	30,393	40,908	23,684	29,448	35,916
Investments	62,190	78,441	77,415	84,137	90,982	1,25,825	1,45,957	1,69,310
Loans	2,03,367	2,35,680	2,53,453	2,57,372	2,90,958	3,43,807	4,05,693	4,78,717
Growth (%)	28.6	15.9	7.5	1.5	13.0	18.2	18.0	18.0
Fixed Assets	4,940	5,260	5,459	5,685	6,612	8,263	8,811	9,692
Total Assets	3,02,222	3,57,918	3,85,051	3,96,021	4,48,401	5,23,659	6,14,176	7,19,204

ASSET QUALITY								
GNPA (INR M)	3,690	4,395	6,315	10,834	12,899	11,228	10,872	12,418
NNPA (INR M)	1,467	1,538	2,935	5,942	5,732	3,569	3,254	3,656
GNPA Ratio	1.8	1.8	2.5	4.1	4.3	3.2	2.6	2.5
NNPA Ratio	0.7	0.7	1.2	2.3	2.0	1.0	0.8	0.8
Slippage Ratio	1.93	1.92	2.72	2.69	6.46	5.35	3.80	3.30
Credit Cost	0.77	0.64	1.07	1.70	1.49	0.50	0.54	0.54
PCR (Exc. Tech. write off)	60.1	65.0	53.4	43.9	53.5	68.2	70.1	70.6

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	9.3	9.6	10.0	9.4	8.8	9.2	9.7	9.6
Avg. Yield on loans	10.7	11.2	11.6	10.9	10.3	10.7	11.1	11.0
Avg. Yield on Investments	7.0	7.6	8.0	7.2	6.8	6.6	7.0	7.0
Avg. Cost-Int. Bear. Liab.	6.1	6.6	7.0	6.4	5.9	5.9	6.4	6.3
Avg. Cost of Deposits	6.0	6.5	6.9	6.3	5.9	5.9	6.3	6.2
Interest Spread	3.2	3.0	3.0	3.0	2.9	3.3	3.3	3.3
Net Interest Margin	4.0	3.8	3.7	3.6	3.5	3.9	3.9	3.9

Profitability Ratios (%)

CAR	16.5	16.8	17.8	19.7	18.9	17.6	16.2	14.7
Tier I	12.7	13.1	13.9	15.5	15.8	15.2	13.9	12.7
Tier II	3.8	3.7	3.9	4.2	3.1	2.4	2.3	2.0

Business & Efficiency Ratio (%)

Loans/Deposit Ratio	84.7	82.9	83.5	86.6	83.9	83.4	83.4	83.4
CASA Ratio	24.3	23.9	21.5	22.8	26.8	25.9	26.1	26.5
Cost/Assets	2.9	2.6	2.4	2.2	2.4	2.8	2.7	2.7
Cost/Income	59.8	56.9	54.5	48.9	56.0	63.0	61.7	60.4
Cost/ Core Income	61.9	58.4	56.8	53.3	58.6	62.3	60.8	59.5
Int. Expense/Int. Income	58.7	62.2	64.2	62.8	61.4	59.1	60.9	60.5
Fee Income/Net Income	20.3	20.8	19.7	17.5	20.5	20.3	20.4	20.4
Non Int. Inc./Net Income	23.8	23.4	23.6	25.7	25.0	19.3	18.9	18.8
Emp. Cost/Op. Exp.	48.8	50.9	50.8	51.2	53.2	51.7	51.9	51.7
Investment/Deposit Ratio	25.9	27.6	25.5	28.3	26.2	30.5	30.0	29.5

Profitability and Valuations Ratios

RoE	10.9	12.0	11.2	10.0	7.8	11.4	12.3	13.4
RoA	0.9	1.0	0.9	0.9	0.7	1.0	1.0	1.0
RoRWA	1.2	1.5	1.4	1.4	1.2	1.6	1.7	1.8
Book Value (INR)	87	96	106	117	126	143	159	178
Price-BV (x)	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.6
Adjusted BV (INR)	83	93	99	104	113	135	151	170
Price-ABV (x)	1.3	1.1	1.1	1.0	0.9	0.8	0.7	0.6
EPS (INR)	8.0	10.5	10.9	10.8	9.2	14.9	18.1	22.2
Price-Earnings (x)	13.3	10.1	9.7	9.8	11.5	7.1	5.9	4.8

E: MOFSL Estimates

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Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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