

Estimate change

TP change

Rating change



Bloomberg	DCBB IN
Equity Shares (m)	315
M.Cap.(INRb)/(USD\$)	42.3 / 0.5
52-Week Range (INR)	151 / 101
1, 6, 12 Rel. Per (%)	-4/7/7
12M Avg Val (INR M)	203

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	21.1	24.2	30.1
OP	10.4	12.9	17.6
NP	6.2	7.1	10.0
NIM (%)	3.3	3.1	3.2
EPS (INR)	19.6	22.7	31.7
EPS Gr. (%)	14.3	15.8	39.7
BV/Sh. (INR)	176	194	223
ABV/Sh. (INR)	163	178	208

Ratios

RoA (%)	0.9	0.8	1.0
RoE (%)	12.1	12.5	15.5

Valuations

P/E (x)	6.9	6.0	4.3
P/BV (x)	0.8	0.7	0.6
P/ABV (X)	0.8	0.8	0.7

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	14.7	14.7	14.8
DII	31.8	29.2	27.6
FII	11.7	9.6	14.7
Others	41.8	46.5	43.0

FII Includes depository receipts

CMP: INR135

TP: INR160 (+19%)

Buy

Weak quarter; accelerated provisions drag earnings

NIM contracts 9bp QoQ

- DCB Bank (DCBB) reported an 11% QoQ decline in PAT to INR1.57b (20% YoY growth, 10% miss) due to higher provisions in 1QFY26.
- NII grew 16.9% YoY/4% QoQ to INR5.8b (in line), while NIM contracted 9bp QoQ to 3.2%. Provisions increased sharply by 71% QoQ (up 306% YoY) to INR 1.15b as the bank made accelerated provisions across MFI, unsecured DA, and secured DA portfolios.
- Business growth was muted with an advances growth of 21.4% YoY (flat QoQ) to INR512b, while deposits grew 20% YoY/3.3% QoQ to INR620.4b. CASA mix moderated 120bp QoQ to 23.3%.
- Fresh slippages increased to INR5.8b (from INR3.7b in 4QFY25). The GNPA ratio improved 1bp QoQ to 2.98%, while the NNPA ratio increased 10bp QoQ to 1.22%. PCR declined to 59.7% from 63.2% in 4QFY25.
- We cut our earnings estimates by 10%/4% for FY26/FY27 and project an FY27E RoA/RoE of 1.0%/15.5%. **Reiterate BUY with a TP of INR160 (based on 0.8x FY27E ABV).**

Business growth muted; asset quality deteriorates

- DCBB reported an 11% QoQ decline in PAT to INR1.57b (20% YoY growth, 10% miss) due to higher provisions, partly offset by better other income.
- NII grew 16.9% YoY/4% QoQ to INR5.8b (in line), while NIM contracted 9bp QoQ to 3.2%. Other income grew 65% YoY/ 8% QoQ to INR2.36b (4% beat), resulting in 27.7% YoY/ 5.1% QoQ growth in total revenues (inline). Treasury gains stood at INR1b vs INR430m in 4QFY25.
- Opex grew 13% YoY/3.9% QoQ to INR4.9b (inline). PPop grew 59% YoY/ 7% QoQ to INR3.3b (6% beat). Provisions increased sharply by 71% QoQ (up 306% YoY) to INR 1.15b (53% higher than MOSLe).
- The advances growth was muted at 21.4% YoY (flat QoQ); however, adjusted for IBPCs, the growth was healthy at 25.1% YoY / 3.4% QoQ. MSME dipped 8% QoQ, while corporate grew 9% QoQ. Deposits grew 20% YoY/ 3.3% QoQ to INR620.4b. The CASA mix moderated 120bp QoQ to 23.3%.
- Fresh slippages increased to INR5.8b (vs. INR3.7b in 4QFY25) due to MFI and unsecured DA segments, with some stress also visible in secured DA loans in the INR0.2-0.6m range. The GNPA ratio improved 1bp QoQ to 2.98%, while the NNPA ratio rose 10bp QoQ to 1.22%. PCR declined ~350bp QoQ to 59.7%.

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Highlights from the management commentary

- RoA is guided to remain above 1% over the near term with the following details:
- 1) NIM is projected at 3.2%, 2) fee income is expected to contribute 1.1%, thus resulting in a total revenue yield of ~4.3%, 3) the cost-to-assets ratio stood at 2.5%, translating into a PPOP of 1.8%, 4) considering a credit cost of 45bp, PBT is expected to be in the range of 1.35%–1.4% thus supporting an RoA of ~1%+.
- The bank has submitted revised documents to the RBI following the demise of its promoter, Aga Khan. This is expected to increase the promoter's stake to above 15%.
- DCBB currently has 465 branches and aims for 480-490 branches by the end of FY26.

Valuation and view

DCBB reported a weak quarter with a miss in earnings amid higher provisions, partly offset by treasury gains. Margin moderated by controlled 9bp QoQ, but the bank expects it to remain under pressure in the near term due to the lagged impact of repo rate cuts. Loan growth was muted while DCBB aims to grow its advances by ~20% over the medium term. Fresh slippages increased while PCR declined to 59.7%, though management expects credit cost to remain below 45bp over the coming quarters. We cut our earnings estimates by 10%/4% for FY26/FY27 and project an FY27E RoA/RoE of 1.0%/15.5%. **Reiterate BUY with a TP of INR160 (based on 0.8x FY27E ABV).**

Quarterly Performance

	FY25				FY26E				FY25	FY26E	FY26E	(INR b)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	V/s our Est
Net Interest Income	4.97	5.09	5.43	5.58	5.80	5.70	6.11	6.55	21.07	24.17	5.74	1%
% Change (Y-o-Y)	5.49	7.03	14.53	9.95	16.89	12.02	12.54	17.47	9.27	14.75	15.59	
Other Income	1.43	2.05	1.84	2.19	2.36	2.22	2.12	2.45	7.51	9.16	2.27	4%
Total Income	6.40	7.14	7.27	7.77	8.17	7.92	8.23	9.01	28.57	33.33	8.01	2%
Operating Expenses	4.34	4.59	4.56	4.71	4.90	5.04	5.15	5.33	18.20	20.42	4.92	0%
Operating Profit	2.05	2.55	2.71	3.05	3.27	2.87	3.09	3.67	10.37	12.91	3.10	6%
% Change (Y-o-Y)	(1.58)	21.19	28.18	30.66	59.17	12.69	13.89	20.33	19.96	24.46	50.72	
Provisions	0.28	0.46	0.67	0.67	1.15	0.80	0.74	0.61	2.08	3.30	0.75	53%
Profit before Tax	1.77	2.10	2.04	2.38	2.12	2.08	2.34	3.07	8.29	9.60	2.34	-10%
Tax	0.46	0.54	0.52	0.61	0.54	0.54	0.60	0.79	2.13	2.48	0.60	-10%
Net Profit	1.31	1.55	1.51	1.77	1.57	1.54	1.74	2.27	6.15	7.13	1.74	-10%
% Change (Y-o-Y)	3.5	22.6	19.6	13.8	19.7	(0.9)	14.9	28.4	14.8	15.80	32.38	

Operating Parameters

Deposit (INR b)	516.9	545.3	566.8	600.3	620.4	650.5	677.9	714.4	600.3	714.4	623.1	0%
Loan (INR b)	421.8	444.7	477.8	510.5	512.2	552.0	574.7	604.9	510.5	604.9	529.9	-3%
Deposit Growth (%)	20.2	19.9	20.3	21.6	20.0	19.3	19.6	19.0	21.6	19.0	20.5	
Loan Growth (%)	18.9	19.3	22.7	24.7	21.4	24.1	20.3	18.5	24.7	18.5	25.6	

Asset Quality

Gross NPA (%)	3.33	3.29	3.11	2.99	2.98	2.87	2.88	2.88	3.00	2.88	2.97	
Net NPA (%)	1.18	1.17	1.18	1.12	1.22	1.18	1.17	1.15	1.12	1.15	1.10	
PCR (%)	65.2	65.2	62.9	63.2	59.7	59.6	60.1	60.9	63.2	60.9	63.6	

E: MOFSL Estimates

Quarterly Snapshot

	FY25				FY26	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss (INR m)							
Net Interest Income	5.0	5.1	5.4	5.6	5.8	17	4
Other Income	1.4	2.0	1.8	2.2	2.4	65	8
Total Income	6.4	7.1	7.3	7.8	8.2	28	5
Operating Expenses	4.3	4.6	4.6	4.7	4.9	13	4
Employee	2.3	2.4	2.3	2.3	2.5	11	8
Others	2.1	2.2	2.2	2.4	2.4	14	-1
Operating Profits	2.1	2.6	2.7	3.1	3.3	59	7
Core Operating Profits	1.9	2.0	2.3	2.6	2.3	20	-14
Provisions	0.3	0.5	0.7	0.7	1.2	306	71
PBT	1.8	2.1	2.0	2.4	2.1	20	-11
Taxes	0.5	0.5	0.5	0.6	0.5	19	-11
PAT	1.3	1.6	1.5	1.8	1.6	20	-11
Balance Sheet (INR B)							
Loans	422	445	478	510	512	21	0
Deposits	517	545	567	600	620	20	3
CASA Deposits	131	140	142	147	145	10	-2
-Savings	110	118	120	125	121	10	-3
-Current	21	22	22	23	23	10	3
Loan Mix (%)							
Retail Banking	74.3	74.0	72.5	71.2	71.8	-250	60
-Mortgages	45.4	45.3	44.5	43.6	43.8	-160	20
-CV2	0.4	0.6	1.0	1.1	1.0	60	-10
-AIB	25.2	24.6	23.6	23.1	23.2	-200	10
-Gold loans	3.3	3.5	3.4	3.4	3.8	50	40
SME	6.2	5.9	5.3	4.9	4.5	-170	-40
Co-lending	7.1	8.0	11.3	13.0	15.2	810	220
Corporate	6.9	6.9	6.3	5.7	6.2	-70	50
Asset Quality							
GNPA	14.35	14.97	15.17	15.54	15.54	8	0
NNPA	4.99	5.21	5.62	5.72	6.25	25	9
Slippages	3.7	3.9	4.0	3.7	5.8	56	59
Asset Quality Ratios (%)							
	1Q	2Q	3Q	4Q	1Q	YoY (bp)	QoQ (bp)
GNPA (%)	3.3	3.3	3.1	3.0	3.0	-35	-1
NNPA (%)	1.2	1.2	1.2	1.1	1.2	4	10
PCR (Exc TWO, %)	65.2	65.2	62.9	63.2	59.7	-545	-349
Slippage ratio (%)	3.8	3.8	3.6	3.2	6.0	214	280
Business Ratios (%)							
CASA	25.4	25.6	25.1	24.5	23.3	-208	-120
Loan/Deposit	81.6	81.5	84.3	85.0	82.6	95	-248
Other income/Total Income	22.4	28.7	25.3	28.2	28.9	656	75
Cost to Income	67.9	64.3	62.7	60.7	60.0	-792	-72
Cost to Asset	2.9	2.9	2.8	2.7	2.8	-15	6
Tax Rate	25.8	25.8	25.7	25.7	25.7	-4	8
Capitalisation Ratios (%)							
Tier-1 (incl profit)	14.0	13.7	13.5	14.3	14.2	20	-10
CAR (incl profit)	16.0	15.6	16.3	16.8	16.7	71	-11
RWA / Total Assets	53.0	51.0	49.4	49.4	49.3	-371	-9
LCR	124.3	119.7	119.4	125.9	NA	NA	NA
Profitability Ratios (%)							
Yield on loans	11.5	11.4	11.4	11.5	11.2	-26	-30
Cost of funds	7.2	7.2	7.2	7.3	7.2	-1	-16
Margins	3.39	3.27	3.30	3.29	3.20	-19	-9
Others							
Branches	445	451	457	464	465	20	1



Highlights from the management commentary

Opening remarks

- Deposits grew 20% YoY, while the balance sheet expanded by 19–20% YoY.
- Bottom-line growth remained in line with top-line trends.
- Core fee income rose 17.5% YoY; operating leverage at 15% was the highest in four years.
- The bank made accelerated provisions in 1Q, fully covering its MFI book and unsecured DA portfolio.
- Despite a 100bp policy rate cut, NIMs declined only 9bp in 1Q.
- Slippage ratio has crept up; there are higher slippages in MFI and unsecured DA. Small ticket secured DA has flown into NPA. School finance was also one of the reasons for this.

Advances and deposits related

- The co-lending portfolio now constitutes 15% of the bank's overall book.
- The current strategy emphasizes fixed-rate and short-tenure loans, with increased focus on gold loans and co-lending.
- Growth in long-tenure loans is expected to revive following the recent repo rate cuts.
- IBPC is actively used to cushion NIM impact; the bank benefits from strong PSLC availability and favorable pricing in this segment.
- Overall advances are expected to grow at ~20% YoY in the near term.
- Mortgage growth remains healthy, with IBPC largely comprising secured assets. Small-ticket mortgages have a limited impact on performance. Within mortgages, the focus has shifted to fixed-rate segments.
- The proportion of LAP within the mortgage book is rising, aiding margin resilience.
- Mortgage disbursements remained slow in 1Q, as part of a deliberate strategy, and are expected to improve from 2Q onwards.
- The bank has been prioritizing LAP over traditional mortgage loans.
- With the repo rate cut now behind, the bank plans to re-enter long-tenure lending. The earlier tilt toward short-term loans was in anticipation of the rate reduction.
- A dedicated resource has been hired to scale the SME lending portfolio.
- The construction finance book targets small-ticket loans, with peak exposures ranging between INR 100–120m.

Income and cost-related

- Core fee income includes third-party distribution, which tends to be higher in 4Q; hence, QoQ comparisons can be volatile.
- Fee income is expected to grow slightly below the pace of asset growth.
- Fee income should remain above 1% of average advances.
- The unsecured portfolio comprises an MFI book of INR 6.25b, lending via BCs of INR 5b, and personal loans of INR 2.71b.
- The bank sees strong PSLC performance in the SMF segment, though it currently has no presence there. General PSL demand remains subdued, while PSL in agriculture is relatively unattractive.

- Between last year and now, the bank has reduced headcount by 800. There are a lot of productivity gains. Non-productive work has gone away with the new technology.
- Bank has reduced 7% reduction on C/I ratio on a YoY basis, aided by better cost control.
- Bank will be totaling to 480-490 branches in FY26. The bank currently has 465 branches. The bank believes that more employees per branch are necessary for growing at a faster rate.

Yields and Margins

- The bank has fully transmitted the repo rate cuts during the calendar quarter.
- Efforts continue to lower the cost of funds and cost of deposits to support NIM management.
- Savings account rates were reduced across various buckets in both June and July.
- The benefit from rate cuts will continue to flow through 2Q and extend into 3QFY27.
- The full transmission impact is yet to be realized; one more quarter is needed for complete pass-through. As a result, term deposit repricing will aid margins progressively over the coming quarters.
- NIMs will reflect the impact of rate cuts through 2Q and 3Q as well.

With respect to asset quality

- The bank has made accelerated provisions across MFI, unsecured DA, and secured DA portfolios.
- Gross NPA ratios have increased in the mortgage segment as well.
- PCR declined 300bp QoQ, largely due to write-offs.
- Credit cost is expected to remain below 45bp over the coming quarters.
- The DA book remains small, and within that, the INR 0.2–0.6m ticket-size segment has very limited exposure. Even if stress persists, its impact on credit costs should be minimal.
- The DA portfolio is largely experimental, aimed at testing new geographies and customer segments where the bank has limited presence.
- Stress is emerging in the small-ticket DA segment.
- The bank has taken full provisions on both unsecured DA and MFI exposures.
- Slippages are largely from the MFI and unsecured DA segments, with some stress also seen in secured DA loans in the INR 0.2–0.6m range. However, credit costs are expected to remain within the guided range.
- From a slippage standpoint, the stressed pool is relatively small. Moreover, most of the unsecured book has already been provided for, giving the bank confidence in maintaining credit costs at 40–45bp.
- The bank also monitors loans originated by other lenders in similar segments, which helps in keeping asset quality under control and disbursements to the right customers.
- Stress in the MFI segment is expected to persist for another 2–3 quarters before recovery begins.
- Most gold loans are sourced from players like Muthoot and Manappuram, where bullet repayment structures are followed.

- Slippage ratio needs to improve, with expectations of slippages normalizing to INR 3.5–4b.

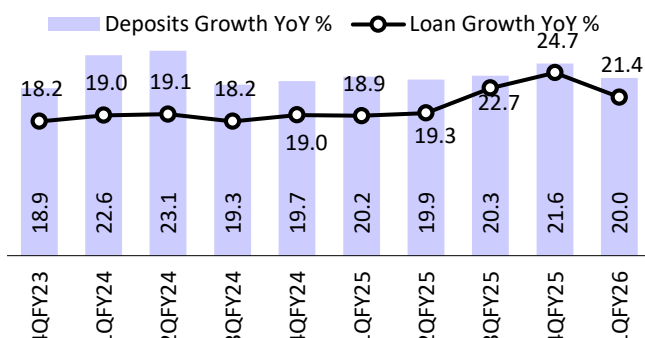
Others

- The bank has submitted revised documents to the RBI following the demise of its promoter, Aga Khan. This is expected to increase the promoter's stake to above 15%.

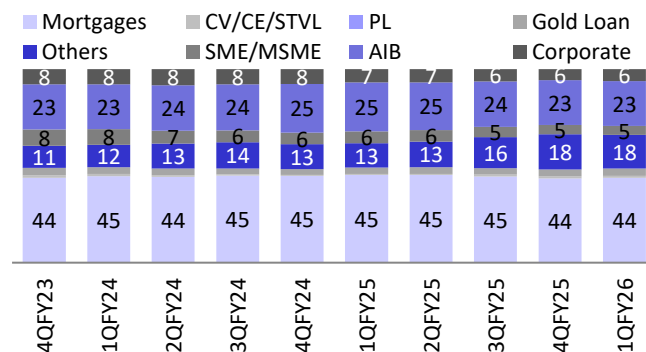
Guidance

- Credit cost is expected to remain below 45bp over the coming quarters.
- The bank aims to grow its overall advances by ~20% YoY in the near term.
- NIMs will remain under pressure in 2Q and 3Q due to the lagged impact of repo rate cuts.
- RoA is guided to remain above 1% - Details below –
- 1) NIMs are projected at 3.2%, 2) fee income is expected to contribute 1.1%, 3) resulting in a total revenue yield of ~4.3%.
- 4) Cost-to-assets stands at 2.5%, translating into a PPOP of 1.8%.
- 5) After factoring in a credit cost of 45bp, PBT is expected to be in the range of 1.35–1.4%, 6) supporting a RoA of ~1%+.

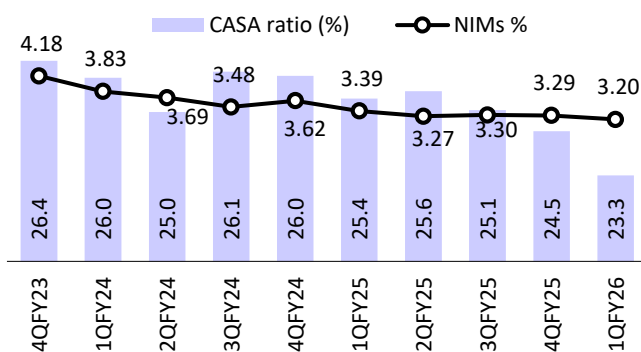
Story in charts

Exhibit 1: Loan/deposit book grew 21.4%/20% YoY


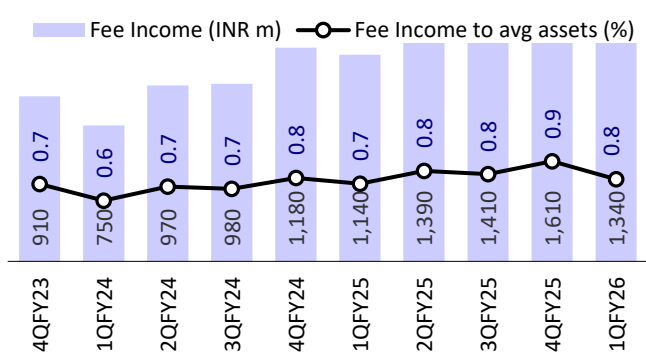
Source: MOFSL, Company

Exhibit 2: Trend in loan mix


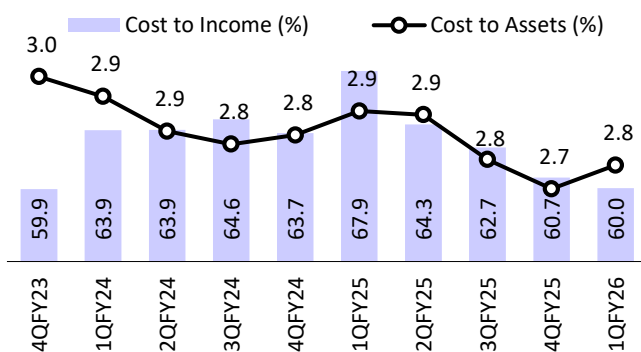
Source: MOFSL, Company

Exhibit 3: CASA ratio stood at 23.3%; NIM dipped 9bp QoQ


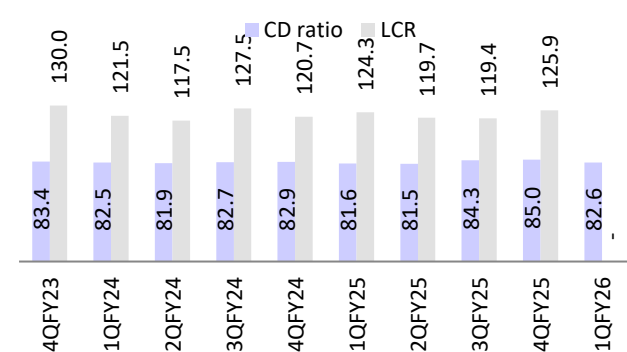
Source: MOFSL, Company

Exhibit 4: Fee income to assets stood at 0.8% of avg. assets


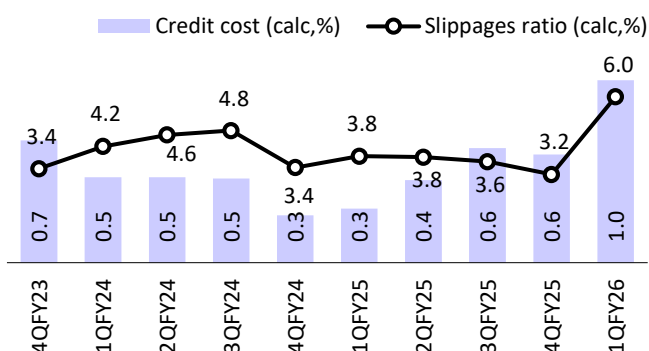
Source: MOFSL, Company

Exhibit 5: CI ratio moderated to 60%; Cost/asset at 2.8%


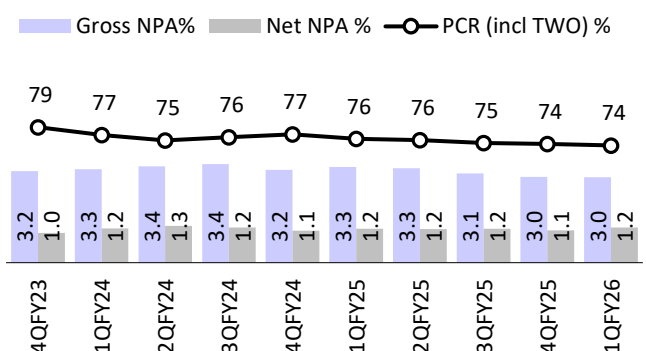
Source: MOFSL, Company

Exhibit 6: CD ratio declined to 82.6% during the quarter


Source: MOFSL, Company

Exhibit 7: Slippage ratio (calc) increased to 6% in 1QFY26


Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios stood at 2.98%/1.22%


Source: MOFSL, Company

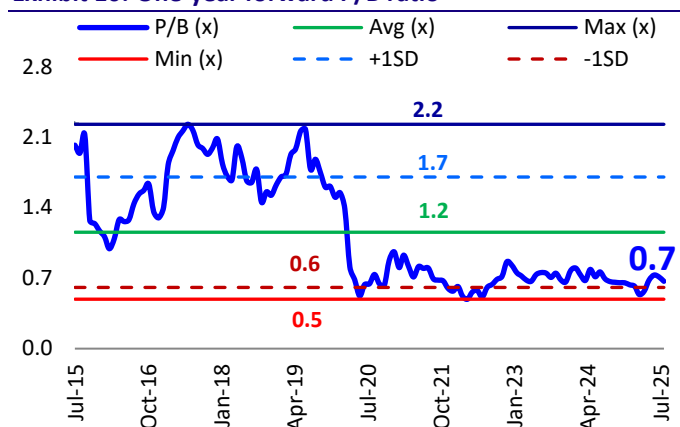
Valuation and view - Reiterate BUY with a TP of INR160

- DCBB reported a weak quarter with a miss in earnings amid higher provisions, partly offset by treasury gains. Margin moderated by controlled 9bp QoQ, but the bank expects it to remain under pressure in the near term due to the lagged impact of repo rate cuts. Loan growth was muted while DCBB aims to grow its advances by ~20% over the medium term.
- Fresh slippages increased while PCR declined to 59.7%, though management expects credit cost to remain below 45bp over the coming quarters. We cut our earnings estimates by 10%/4% for FY26/FY27 and project an FY27E RoA/RoE of 1.0%/15.5%. **Reiterate BUY with a TP of INR160 (based on 0.8x FY27E ABV).**

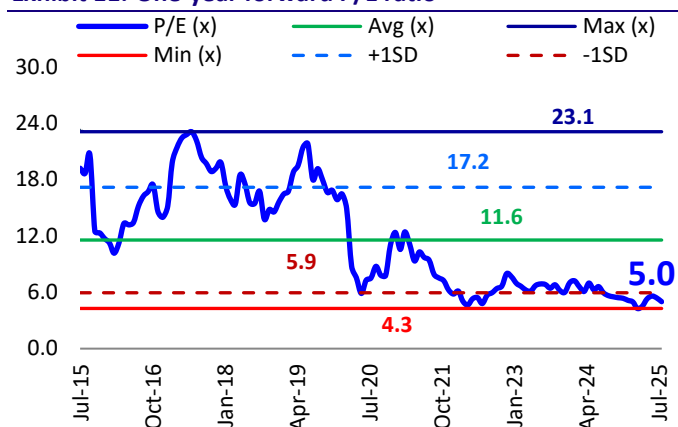
Exhibit 9: Summary of changes to our earnings estimates

(INR b)	Old Estimates		Revised Estimates		Introduced	Change (%/bp)	
	FY26E	FY27E	FY26E	FY27E		FY26E	FY27E
NII	25.1	30.8	24.2	30.1	37.4	-3.8	-2.4
Other Income	9.2	10.8	9.2	10.8	12.5	0.0	0.0
Total Income	34.3	41.6	33.3	40.9	50.0	-2.8	-1.8
Operating Expenses	20.6	23.5	20.4	23.3	26.9	-0.7	-1.1
Operating Profits	13.7	18.1	12.9	17.6	23.1	-5.9	-2.7
Provisions	3.1	4.0	3.3	4.2	5.0	6.8	3.0
PBT	10.6	14.0	9.6	13.4	18.1	-9.6	-4.3
Tax	2.7	3.6	2.5	3.5	4.7	-9.6	-4.3
PAT	7.9	10.4	7.1	10.0	13.4	-9.6	-4.3
Loans	619	755	605	728	883	-2.2	-3.6
Deposits	727	882	714	860	1,044	-1.7	-2.5
Margins (%)	3.2	3.2	3.1	3.2	3.3	-9	0
Credit Cost (%)	0.5	0.6	0.6	0.6	0.6	4	4
RoA (%)	0.93	1.02	0.85	1.00	1.12	-8	-2
RoE (%)	13.8	16.0	12.5	15.5	17.9	-123	-45
BV	196	227	194	223	263	-1.2	-1.7
ABV	179	208	178	208	248	-0.3	0.0
EPS	25	33	23	32	43	-9.6	-4.3

Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio


Source: MOFSL, Company

Exhibit 11: One-year forward P/E ratio


Source: MOFSL, Company

Exhibit 12: DuPont Analysis – Estimate RoA to improve to ~1% for FY27

DCB Bank	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	8.65	9.29	9.25	8.72	8.69	8.73
Interest Expended	5.11	5.95	6.24	5.83	5.69	5.62
Net interest Income	3.53	3.34	3.01	2.88	3.01	3.11
Fee income	0.82	0.77	0.86	0.90	0.90	0.90
Trading and others	0.02	0.06	0.22	0.19	0.18	0.14
Non-interest Income	0.84	0.82	1.07	1.09	1.08	1.04
Total Income	4.38	4.16	4.09	3.98	4.09	4.15
Operating expenses	2.76	2.66	2.60	2.44	2.33	2.23
Employees	1.43	1.38	1.32	1.24	1.18	1.13
Others	1.33	1.29	1.28	1.20	1.15	1.10
Operating profits	1.62	1.50	1.48	1.54	1.76	1.92
Core PPop	1.60	1.44	1.27	1.35	1.58	1.78
Provisions	0.33	0.25	0.30	0.39	0.42	0.41
NPA	0.09	0.02	0.03	0.37	0.39	0.38
Others	0.24	0.23	0.27	0.03	0.03	0.03
PBT	1.29	1.25	1.19	1.15	1.34	1.50
Tax	0.33	0.32	0.31	0.30	0.35	0.39
ROA (%)	0.96	0.93	0.88	0.85	1.00	1.12
Leverage (x)	12.01	12.76	13.73	14.75	15.57	16.04
ROE (%)	11.51	11.85	12.09	12.54	15.51	17.88

Source: MOFSL, Company

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	42.0	53.6	64.7	73.1	86.9	105.1
Interest Expense	24.8	34.3	43.6	48.9	56.8	67.7
Net Interest Income	17.2	19.3	21.1	24.2	30.1	37.4
-growth (%)	26.5	12.3	9.3	14.7	24.4	24.5
Non-Interest Income	4.1	4.7	7.5	9.2	10.8	12.5
Total Income	21.3	24.0	28.6	33.3	40.9	50.0
-growth (%)	17.5	13.0	18.9	16.7	22.6	22.3
Operating Expenses	13.4	15.4	18.2	20.4	23.3	26.9
Pre Provision Profits	7.9	8.6	10.4	12.9	17.6	23.1
-growth (%)	-1.3	9.9	20.0	24.5	36.2	31.3
Core PPOp	7.8	8.3	8.9	11.3	15.8	21.4
-growth (%)	8.3	7.2	6.5	27.3	40.0	35.8
Provisions	1.6	1.4	2.1	3.3	4.2	5.0
PBT	6.3	7.2	8.3	9.6	13.4	18.1
Tax	1.6	1.9	2.1	2.5	3.5	4.7
Tax Rate (%)	25.8	25.8	25.7	25.8	25.8	25.8
PAT	4.7	5.4	6.2	7.1	10.0	13.4
-growth (%)	61.9	15.1	14.8	15.8	39.7	35.0

Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	3.1	3.1	3.1	3.1	3.1	3.1
Reserves & Surplus	42.5	47.6	53.7	59.3	68.5	81.1
Net Worth	45.6	50.7	56.9	62.4	71.6	84.3
Deposits	412.4	493.5	600.3	714.4	860.1	1,044.2
-growth (%)	18.9	19.7	21.6	19.0	20.4	21.4
of which CASA Dep	109.0	128.4	147.2	182.9	227.1	283.0
-growth (%)	17.4	17.9	14.6	24.2	24.2	24.6
Borrowings	41.2	62.2	91.2	108.9	132.4	160.4
Other Liabilities & Prov.	24.4	23.9	19.7	22.9	26.1	29.7
Total Liabilities	523.6	630.3	768.1	908.5	1,090.2	1,318.6
Current Assets	23.7	30.7	27.0	32.4	37.0	43.7
Investments	125.8	162.1	201.5	239.0	287.3	347.6
-growth (%)	39.0	28.8	24.3	18.6	20.2	21.0
Loans	343.8	409.2	510.5	604.9	727.7	882.7
-growth (%)	18.2	19.0	24.7	18.5	20.3	21.3
Fixed Assets	8.3	8.6	9.0	10.1	10.8	11.5
Other Assets	22.1	19.7	20.2	22.2	27.5	33.1
Total Assets	523.7	630.4	768.1	908.5	1,090.2	1,318.6

ASSET QUALITY						
GNPA	11.2	13.5	15.5	17.7	19.1	22.2
NNPA	3.6	4.5	5.7	6.9	6.6	7.0
GNPA Ratio (%)	3.21	3.25	3.00	2.88	2.58	2.48
NNPA Ratio (%)	1.04	1.11	1.12	1.15	0.91	0.80
Slippage Ratio (%)	5.4	4.0	3.3	3.6	3.0	3.0
Credit Cost (%)	0.50	0.38	0.45	0.6	0.6	0.6
PCR (Excl Tech. write off) (%)	56.0	55.0	51.9	60.9	65.5	68.4
E: MOFSL Estimates						

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	9.2	9.8	9.7	9.0	9.0	9.0
Avg. Yield on loans	10.7	11.3	11.1	10.2	10.1	10.2
Avg. Yield on Investments	6.6	7.3	7.2	6.9	6.9	6.9
Avg. Cost-Int. Bear. Liab.	5.9	6.8	7.0	6.5	6.3	6.2
Avg. Cost of Deposits	5.9	6.8	7.0	6.6	6.3	6.2
Interest Spread	3.3	3.0	2.7	2.6	2.8	2.9
Net Interest Margin	4.0	3.7	3.3	3.1	3.2	3.3
Profitability Ratios (%)						
CAR	17.6	16.6	16.8	15.5	14.5	13.8
Tier I	15.2	14.5	14.3	13.2	12.5	12.1
CET 1	15.2	14.5	14.3	13.4	12.6	12.6
Tier II	2.4	2.1	2.5	2.3	2.0	1.7
Business Ratio (%)						
Loans/Deposit Ratio	83.4	82.9	85.0	84.7	84.6	84.5
CASA Ratio	26.4	26.0	24.5	25.6	26.4	27.1
Cost/Assets	2.8	2.7	2.6	2.4	2.3	2.2
Cost/Income	63.0	64.0	63.7	61.3	57.0	53.8
Cost/ Core Income	63.3	64.9	67.3	64.4	59.6	55.6
Int. Expense/Int.Income	59.1	64.0	67.4	66.9	65.4	64.4
Fee Income/Net Income	18.7	18.4	21.0	22.6	22.1	21.8
Other Income/Net Income	19.3	19.7	26.3	27.5	26.4	25.1
Employee Cost/Operating Expense	51.7	51.7	50.7	50.8	50.8	50.6
Efficiency Ratios (INRm)						
Employee per branch (in nos)	23.2	25.6	23.8	26.3	26.5	26.8
Staff cost per employee	0.7	0.7	0.8	0.8	0.8	0.9
CASA per branch	232.0	255.2	290.6	317.3	368.3	427.4
Deposits per branch	867.3	965.8	1,116.6	1,293.8	1,438.9	1,619.1
Business per Employee	79.0	76.3	79.7	100.5	101.1	112.7
Profit per Employee	3.6	4.7	4.7	5.6	5.5	7.1

Profitability and Valuations Ratios	FY23	FY24	FY25	FY26E	FY27E	FY28E
RoE	11.5	11.8	12.1	12.5	15.5	17.9
RoA	1.0	0.9	0.9	0.8	1.0	1.1
RoRWA	1.6	1.6	1.6	1.8	2.1	2.4
Book Value (INR)	141	157	176	194	223	263
-growth (%)	12.0	11.1	12.2	10.0	15.1	18.1
Price-BV (x)	1.0	0.9	0.8	0.7	0.6	0.5
Adjusted BV (INR)	133	147	163	178	208	248
Price-ABV (x)	1.0	0.9	0.8	0.8	0.7	0.5
EPS (INR)	14.9	17.1	19.6	22.7	31.7	42.7
-growth (%)	61.7	14.6	14.3	15.8	39.7	35.0
Price-Earnings (x)	9.1	7.9	6.9	6.0	4.3	3.2
Dividend Per Share (INR)	1.0	1.2	1.2	2.5	2.5	2.5
Dividend Yield (%)	0.7	0.9	0.9	1.8	1.8	1.8

E: MOFSL Estimates

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