

Equitas Small Finance Bank

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	EQUITASB IN
Equity Shares (m)	1141
M.Cap.(INRb)/(USDb)	65 / 0.7
52-Week Range (INR)	76 / 50
1, 6, 12 Rel. Per (%)	-5/-21/-25
12M Avg Val (INR M)	274

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	32.5	31.8	37.8
OP	13.3	11.3	15.4
NP	1.5	0.2	6.5
NIM (%)	7.5	6.4	6.6
EPS (INR)	1.3	0.2	5.7
BV/Sh. (INR)	53	52	56
ABV/Sh. (INR)	50	50	55

Ratios

RoA (%)	0.3	0.0	1.0
RoE (%)	2.4	0.4	10.5

Valuations

P/E(X)	44.1	273.8	10.0
P/BV (X)	1.1	1.1	1.0
P/ABV (X)	1.1	1.1	1.0

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	0.0
DII	48.2	47.1	43.7
FII	15.7	16.3	16.9
Others	36.1	36.6	39.4

FII includes depository receipts

CMP: INR57

TP: INR70 (+23%)

Buy

High provisions drive slight earnings miss

NIMs contract by 26bp QoQ; asset quality broadly stable

- Equitas SFB (EQUITASB) reported 2QFY26 PAT at ~INR241m (87% YoY, miss to our estimate) vs. loss of INR2.2b in 1QFY26, owing to higher-than-expected provisions. During 2QFY26, the bank sold its NPA assets amounting to INR2.16b to an ARC.
- NII declined 3.6% YoY (down 2% QoQ) to INR7.7b (4% beat). NIM contracted 26bp QoQ to 6.29% due to the cascading effect of portfolio rundown in MFI.
- Advances grew 4.6% QoQ/7% YoY. MFI portfolio declined 4% QoQ, which now stands at 8.7% of the portfolio. Meanwhile, deposits grew 11% YoY/flat QoQ. CASA ratio improved 148bp QoQ to 30.9%.
- Slippages stood at INR6b vs. INR6.6b in 1QFY26. MFI DPD showed significant improvement sequentially on account of increased collection efficiency. GNPA/NNPA ratios remained stable at 2.92%/0.98%. PCR was stable at 67%.
- We fine-tune our earnings estimates and estimate RoA/RoE of 1.0%/10.5% by FY27. **Reiterate BUY with a TP of INR70 (1.3x FY27E ABV).**

FY26 loan growth guided at 15%; credit cost to sustain at 1.5-1.7%

- 2QFY26 PAT stood at ~INR241m (87% YoY) vs. loss of INR2.2b in 1QFY26.
- NII declined 3.6% YoY (down 2% QoQ) to INR7.7b (4% beat). NIM contracted 26bp QoQ to 6.29%. Provisions declined 37% YoY/66% QoQ to INR2.1b (17% higher than MOFSLe).
- Other income declined 4% YoY/21.5% QoQ to INR 2.3b (6% miss). Treasury income stood at INR340m vs. INR1.2b in 1QFY26. Opex grew 10% YoY/ flat QoQ at INR7.6b (in line). Thus, PPoP stood at INR2.4b (down 31% YoY and 24% QoQ, 11% beat).
- Advances grew 7% YoY/4.6% QoQ to INR363b. MFI business declined 40% YoY/4% QoQ. HF posted healthy growth, rising 4.1% QoQ. VF loan grew by 10.4% YoY/3.1% QoQ amid growth in used CV at 7% QoQ. Deposits grew 11% YoY/flat QoQ. CASA ratio improved 148bp QoQ to 30.9%. CD ratio stood at 82%.
- Disbursements grew to INR53.8b in 2QFY26 (up 11% YoY and 53% QoQ), with MFI disbursements improving to INR6.8b vs. INR2.7b in 1QFY26 (INR9.5b in 2QFY25). The share of MFI AUM decreased to 8.7% from 9.4% in 1QFY26, and the bank has guided to maintain this mix around ~8-10% going forward.
- On the asset quality front, slippages stood at INR6b vs. INR6.6b in 1QFY26. GNPA/NNPA ratios remained stable at 2.92%/0.98%. PCR was stable at 67%. Credit cost significantly improved to 2.16% in 2QFY26 from 6.48% in 1QFY26.

Highlights from the management commentary

- MFI DPD showed significant improvement QoQ on account of increased collection efficiency. TN constitutes more than 50% of the MFI portfolio and its collection efficiency remains under control (higher than overall portfolio). Karnataka started showing improvement in collections (~8% of MFI portfolio).
- Provisions related to ARC were INR1.84b; INR400m reversed regarding ARC sale. The bank has received INR720m cash from this sale.
- For FY26, the bank expects advances growth of about 15% YoY. Beyond FY26, it expects to sustain a steady-state trajectory of ~20% growth.
- The bank expects to achieve an exit RoA of about 1% in 4QFY26 and credit cost of ~1.5-1.7% in the medium term.
- EQUITASB expects NIMs to cross ~6.5% by year end. At steady-state, it expects margins of ~6.5%-7%.

Valuation and view: Reiterate BUY with TP of INR70

EQUITASB reported a profitable quarter, compared to a loss in 1QFY26. Margins declined due to average MFI portfolio, though the bank expects NIM expansion in 3Q and 4Q. Loan book grew 4.6% QoQ due to healthy growth in used CV. However, MFI book further declined. MFI disbursements improved and the bank expects this to improve to INR10b in 3Q. On the asset quality front, GNPA/NNPA ratios were stable and slippages saw slight improvement. Credit cost is expected to taper down by 4QFY26, supported by improved collection efficiencies, and management expects that with sustained improvement in DPD metrics and disbursements, MFI is expected to move toward normal profitability by 4QFY26. We fine-tune our earnings estimates and estimate RoA/RoE of 1.0%/10.5% by FY27E. **Reiterate BUY with a TP of INR70 (1.3x FY27E ABV).**

Quarterly Performance

Y/E March	INRb											
	FY25				FY26E				FY25	FY26E	FY26E	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	8.0	8.0	8.2	8.3	7.9	7.7	7.9	8.3	32.5	31.8	7.5	4%
% Change (YoY)	7.9	4.8	4.2	5.5	-2.0	-3.6	-3.5	0.6	5.6	-2.1	-7.0	
Other Income	2.1	2.4	2.4	2.3	2.9	2.3	2.6	3.1	9.1	10.9	2.4	-6%
Total Income	10.1	10.4	10.6	10.5	10.8	10.0	10.5	11.4	41.6	42.8	9.9	1%
Operating Expenses	6.7	6.9	7.2	7.4	7.6	7.6	7.9	8.3	28.3	31.5	7.7	-1%
Operating Profit	3.4	3.5	3.3	3.1	3.1	2.4	2.6	3.1	13.3	11.3	2.2	11%
% Change (YoY)	9.1	5.9	-7.6	-16.9	-7.5	-31.2	-20.6	-0.2	-3.1	-15.3	-37.8	
Provisions	3.0	3.3	2.4	2.6	6.1	2.1	1.7	1.2	10.9	11.0	1.8	17%
Profit before Tax	0.4	0.2	0.9	0.5	-3.0	0.3	1.0	1.9	2.4	0.3	0.4	-19%
Tax	0.1	0.1	0.2	0.1	-0.7	0.1	0.3	0.5	0.9	0.1	0.1	-10%
Net Profit	0.3	0.1	0.7	0.4	-2.2	0.2	0.7	1.5	1.5	0.2	0.3	-22%
% Change (YoY)	-86.5	-93.5	-67.2	-79.7	-968.7	87.4	12.1	254.1	-81.6	-83.9	140.1	

Operating Parameters

Deposits	375	399	407	431	444	441	473	491	431	491	452	-2%
Loans	319	340	354	362	347	364	387	411	362	411	365	0%
Deposit Growth (%)	35.4	29.2	25.8	19.3	18.3	10.6	16.0	14.0	19.3	14.0	13.4	
Loan Growth (%)	16.0	18.1	21.1	16.9	8.8	7.0	9.2	13.5	16.9	13.5	7.3	

Asset Quality

Gross NPA (%)	2.73	2.95	2.97	2.89	2.92	2.92	3.49	2.70	2.91	2.70	3.01	
Net NPA (%)	0.83	0.97	0.96	0.98	0.98	0.98	1.17	0.79	1.48	0.79	1.02	
PCR (%)	70.3	67.7	68.3	66.8	67.0	66.9	67.2	71.2	50.0	71.2	66.7	

E: MOFSL Estimates

Quarterly snapshot

Profit and Loss, INRb	FY25				FY26		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Net Interest Income	8.0	8.0	8.2	8.3	7.9	7.7	-4	-2
Other Income	2.1	2.4	2.4	2.3	2.9	2.3	-4	-22
Trading profits	0.3	0.5	0.4	0.3	1.2	0.3	-26	-72
Total Income	10.1	10.4	10.6	10.5	10.8	10.0	-4	-7
Operating Expenses	6.7	6.9	7.2	7.4	7.6	7.6	10	0
Employee	3.7	4.0	4.3	4.2	4.6	4.7	18	3
Others	3.0	2.9	3.0	3.3	3.0	2.9	0	-5
Operating Profits	3.4	3.5	3.3	3.1	3.1	2.4	-31	-24
Core Operating Profits	3.1	3.0	2.9	2.8	1.9	2.1	-32	6
Provisions	3.0	3.3	2.4	2.6	6.1	2.1	-37	-66
PBT	0.4	0.2	0.9	0.5	-3.0	0.3	67	-111
Taxes	0.1	0.1	0.2	0.1	-0.7	0.1	31	-113
PAT	0.3	0.1	0.7	0.4	-2.2	0.2	87	-111
Balance Sheet								
Loans	319	340	354	362	347	364	7	5
AUM's	349	361	373	380	376	391	9	4
Deposits	375	399	407	431	444	441	11	-1
CASA Deposits	117	122	117	124	131	136	12	4
-Savings	106	107	102	108	108	119	11	10
-Demand	12	15	15	16	23	18	21	-22
Loan mix (%)								
MFI	17.1	15.6	14.4	11.9	9.4	8.7	-696	-73
Vehicles	24.3	24.6	24.8	24.9	25.3	25.1	43	-23
Small Business loans (incl HF)	51.9	52.9	53.9	55.7	57.5	56.9	400	-64
MSE Finance	3.5	3.8	4.0	4.4	4.5	4.7	94	22
Corporate loans	1.8	1.7	1.5	1.4	1.5	2.8	110	128
Others	1.3	1.4	1.4	1.7	1.8	1.9	50	11
Asset Quality (INRb)	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
GNPA	8.9	10.2	10.7	10.7	10.4	10.8	6	4
NNPA	2.6	3.3	3.4	3.5	3.4	3.6	8	5
Slippages	3.9	5.1	5.9	5.5	6.6	6.0	18	-10
Asset Quality Ratios (%)	1Q	2Q	3Q	4Q	1Q	2Q	YoY (bp)	QoQ (bp)
GNPA (%)	2.73	2.95	2.97	2.89	2.92	2.92	-3	0
NNPA (%)	0.83	0.97	0.96	0.98	0.98	0.98	1	0
PCR (Calc, %)	70.3	67.7	68.3	66.8	67.0	66.9	-78	-10
Slippage ratio	5.2	6.5	7.3	6.6	8.0	6.8	36	-115
Business Ratios (%)								
Loan/Deposit	85.1	85.2	86.9	84.0	78.3	82.4	-276	416
CASA	31.2	30.6	28.6	28.8	29.4	30.9	33	148
Cost to Income	66.3	66.4	68.5	70.5	70.8	76.0	959	522
Cost to Assets	6.3	6.2	6.3	6.1	6.1	5.9	-37	-22
Tax Rate	28.0	35.8	26.1	21.0	24.8	28.0	-775	326
Capitalisation Ratios (%)								
Tier-1 (incl profit)	19.6	18.1	17.5	17.8	17.2	16.4	-167	-72
- CET 1 (incl profit)	19.6	18.1	17.5	17.8	17.2	16.4	-167	-72
CAR (incl profit)	20.6	19.4	20.3	20.6	20.5	20.7	138	26
LCR	178.6	158.8	150.0	58.4	179.6	184.4	2,565	480
Profitability Ratios (%)								
Yield on gross advances	16.5	16.5	16.6	0.0	16.0	15.7	-76	-28
Cost of Funds	7.5	7.5	7.5	7.5	7.5	7.4	-15	-14
Margins	8.0	7.7	7.4	7.1	6.6	6.3	-140	-26
Other Details								
Branches	969	987	994	994	1,035	1,042	55	7
Employees (K)	22.6	23.2	24.2	25.4	25.9	27.1	4	1



Highlights from the management commentary

Opening remarks by MD & CEO

- Dheeraj, who was handling the IR and head strategy, is moving out and Shubham is now the head of strategy, and Sundaram will take place of Dheeraj in support of Abhishek.
- Stress was coming from MFI. Overall, loans O/S for the sector are continuously coming down. The percentage of customers at the sector level, who have four or more lender relationships, has come down to 10% in Jun'25.
- Slippages from ex to OD bucket are continuously coming down.
- Stress in MFI has eased to an acceptable level for the bank. Stress in MLAP was an issue for the last two quarters due to Karnataka, and the bank now sees a recovery from Oct'25.
- Overall advances and deposits have delivered a robust CAGR of 23% and 32%, respectively, over the past three years ending FY25, underscoring inherent strength in the banking franchise.
- Gold loan has been commenced in over 200 liability branches and will be introduced in ~50 asset branches now; this will increase going forward.
- Banking sector disbursements to NTC were INR1.7t; Equitas contribution was 0.7% of the entire MSME segment.
- Equitas disbursements contribute ~5% of total MSME disbursement of the sector.
- Restarted disbursing MFI loans to maintain portfolio at around 10% of the overall advances mix.
- MFI disbursements in 2QFY26 grew by 156% QoQ to INR6.82b from INR2.66b in 1QFY26.
- Credit cost has significantly improved to 2.16% in 2QFY26 from 6.48% in 1QFY26 and 3.72% in 2QFY25.
- During 2QFY26, the bank sold its NPA assets (Secured Portfolio) amounting to INR2.16b to an ARC. This is mainly in SBL and micro loans segment.

Loans and deposits

- The bank has started expanding new customer acquisition in MFI. The NTB (New to Bank) customer mix has increased to 18% in 2QFY26 from 10% in 1QFY26.
- For FY26, the bank expects advances growth of about 15% YoY. Beyond FY26, it expects to sustain a steady-state trajectory of ~20% growth, driven by diversified portfolios and making all asset products available in most of the existing asset branches.
- From Aug'25, all MFI disbursements are aligned to a monthly repayment mode, enabling streamlined repayment schedules, which will further improve collection efficiency.
- Used car advances grew 43% YoY and used CV advances rose 25% YoY. Vehicle finance portfolio is shifting toward used segments as per plan and guidance.
- Highest-ever quarterly non-MFI disbursements at ~INR47b in 2QFY26, up 20% YoY and 45% QoQ.
- To scale up SBL, the bank has expanded its footprint by adding around 60 new branches across Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Maharashtra, and Rajasthan this year. Karnataka has started showing signs of

improvement in net slippages. Also, disbursements started picking up in the region.

- To further strengthen the used car segment, the bank has identified ~100 high-potential existing branches and started deploying dedicated teams.
- Gold loan: Presently, this is offered in 250+ liability branches. To improve this business, gold loan is being introduced in 50 asset branches by 2HFY26. A phased rollout in other branches will follow in FY27.
- AHF, currently operating in 70 branches, is being expanded to additional 30 asset branches in tier 2 to 5 towns by 2HFY26. Further expansion to about 120 upcountry asset branches will be done by FY27.
- Retail deposits form over 75% of deposit base.
- NR customer base is spread across 145+ countries. The bank has launched 'Equitas Explorer' targeted at seafarers and is also planning to enhance product offering to tap NR affluent segment.
- During the quarter, the bank launched FX inward remittance for our existing NR & domestic customers.
- The bank expects to maintain MFI mix at the current level of 8-10%.
- MFI disbursement is expected at ~INR10b in 3Q from ~INR6.82b currently.

Yield, cost of funds, margins, and operating expenses:

- The decline in overall yield is primarily due to the reduction in MFI mix.
- A decline of 29bp in interest income from advances is predominantly due to the cascading effect of portfolio rundown in MFI.
- Yield on gross advances declined 33bp QoQ; in non-MFI portfolio, it stood at 15%.
- 60% of book is in HNI segment, i.e., premium segment. Elite plus is the model that can be seen in the coming quarter.
- Yield at customer level is expected to increase due to the product suite across segments from middle income to HNI.
- NIM declined due to average MFI portfolio and the bank expects NIM expansion between 3Q and 4Q.
- The bank expects NIMs to cross ~6.5% by year end. At steady-state, it expects margins at ~6.5%-7%.
- It expects steady-state RoA of 1.5%+.
- Provisions taken in respect of ARC were INR1.84b; INR400mn reversed regarding ARC sale. The bank has received INR720m cash regarding this.
- In 2Q, ~INR580m of provisions were utilized, which were made in 1QFY26.
- In 2Q, INR780m did not require standard asset provisions and INR380m was moved to NPA provisions.

Asset quality

- MFI DPD showed significant improvement QoQ on account of increased collection efficiency. TN constitutes more than 50% of the MFI portfolio and its collection efficiency remains under control (higher than overall portfolio). Karnataka started showing improvement in collections (~8% of MFI portfolio).
- The X bucket collection efficiency of new loans disbursed during the current calendar year is at the earlier normal level.

- 100% of all the MFI loans (including Shubham Loans) disbursed from 1QFY26 are covered under CGFMU. As of Sep'25, 28% of the MFI principle outstanding is covered under this guarantee scheme.
- The bank continues to lend cautiously in Karnataka, with credit norms made more conservative than MFIN guardrails 2.0.
- In Sep, fresh OD is INR300m and in Oct, it fell to INR240m. This shows that in the coming quarters, normalcy can be seen going forward.
- Net slippages will further come down in 3Q both in MFI and non-MFI. Normalcy is expected from 4Q in both as trends in ex-bucket efficiency and OD improved.
- The bank does not see any impact of tariffs as slippages are more from SBL mainly from Karnataka.
- As far as Karnataka is concerned, lenders can be only 1 and another would be Equitas.

Credit cost

- Credit cost is ~1.01% in non-MFI portfolio.
- The bank expects ~1.5-1.7% medium-term credit cost as forward flows from fresh OD have come down drastically.

Guidance and outlook

- With sustained improvement in DPD metrics and disbursements, MFI is expected to move toward normal profitability by 4QFY26.
- Targeting mid-teen growth in overall advances for FY26, primarily driven by the secured (non-MFI) portfolio, which offers a stable yield of ~15%.
- The cost of funds has commenced a downward trajectory and is anticipated to decline further.
- Cost to Income is expected to moderate in 2HFY26, driven by growth in advances and income.
- Credit cost is expected to taper down by 4QFY26, supported by improved collection efficiencies.
- With these positive levers in place, the bank expects to achieve an exit ROA of about 1% in 4QFY26.
- For FY26, the bank expects advances growth of about 15% YoY. Beyond FY26, it expects to sustain a steady-state trajectory of ~20% growth.
- MFI disbursement is expected at ~INR10b in 3Q from ~INR6.82b currently.
- The bank expects ~1.5-1.7% medium-term credit cost.

Story in Charts

Exhibit 1: AUM grew 9% YoY (up 4% QoQ) to INR 391b

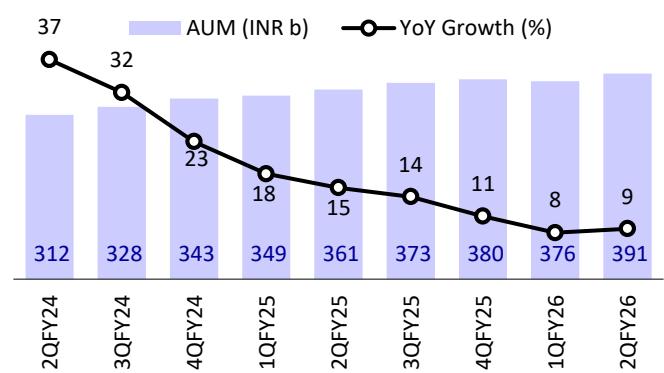


Exhibit 2: Loans/deposits grew 7%/10.6% YoY in 2QFY26

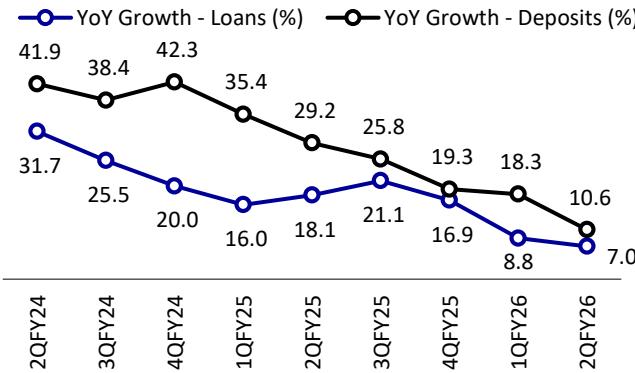


Exhibit 3: NIM moderated 26bp QoQ to 6.29%

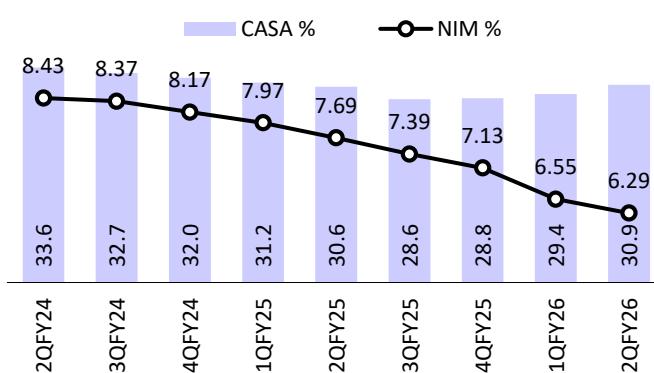


Exhibit 4: YoA declined to 15.73% and COF stood at 7.35%

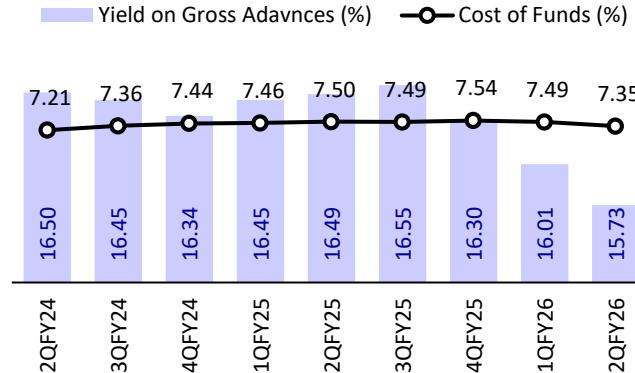


Exhibit 5: CD ratio increased to 82.4%; LCR ratio at 184.4%

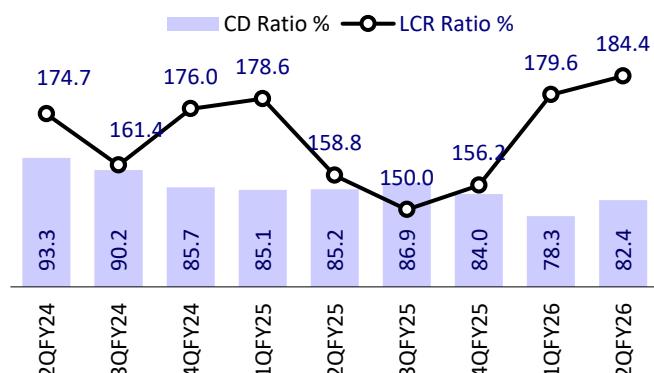


Exhibit 6: C/I ratio increased to 76% in 2QFY26

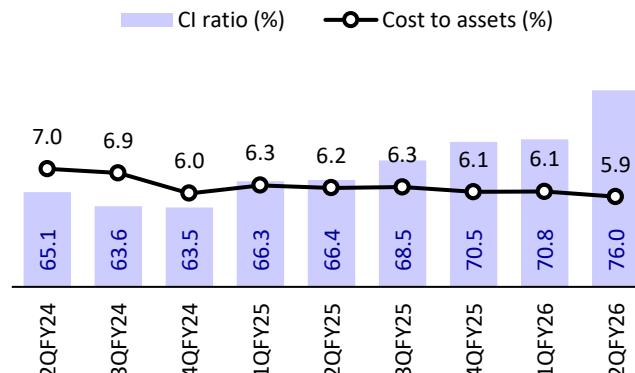


Exhibit 7: Credit cost declined to 2.2% vs 6.5% in 1QFY26

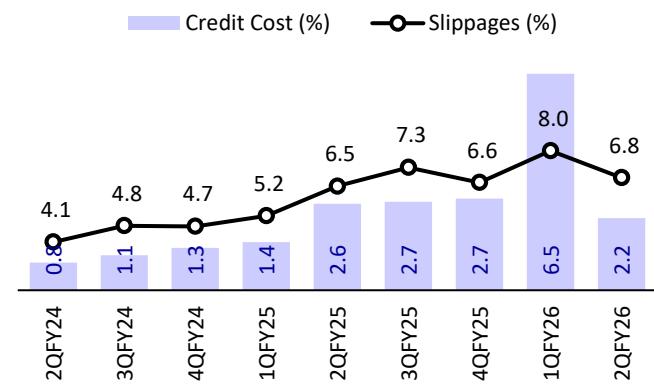
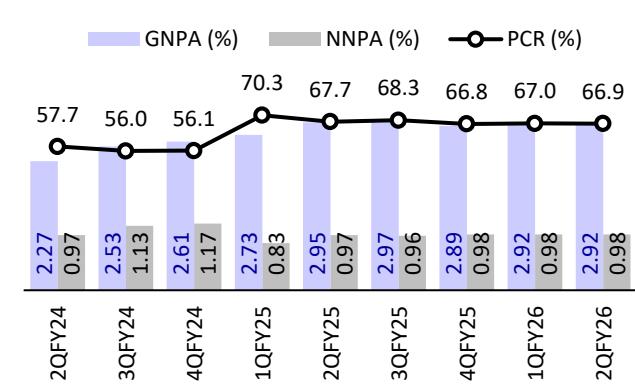


Exhibit 8: GNPA/NNPA ratios stood stable at 2.92%/0.98%



Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR70

- EQUITASB reported a quarter with profit vs. loss the previous quarter. Margins decline due to average MFI portfolio and the bank expects NIM expansion between 3Q and 4Q. Loan book grew 4.6% QoQ due to healthy growth in used CV. However, MFI book further declined. MFI disbursements improved and the bank expects this to improve to INR10b in 3Q.
- On the asset quality front, GNPA/NNPA ratios were stable and slippages saw slight improvement. Credit cost is expected to taper down by 4QFY26, supported by improved collection efficiencies, and management expects that with sustained improvement in DPD metrics and disbursements, MFI is expected to move toward normal profitability by 4QFY26.
- We fine-tune our earnings estimates and estimate RoA/RoE of 1.0%/10.5% by FY27E. **Reiterate BUY with a TP of INR70 (1.3x FY27E ABV).**

Exhibit 9: One-year forward P/B ratio

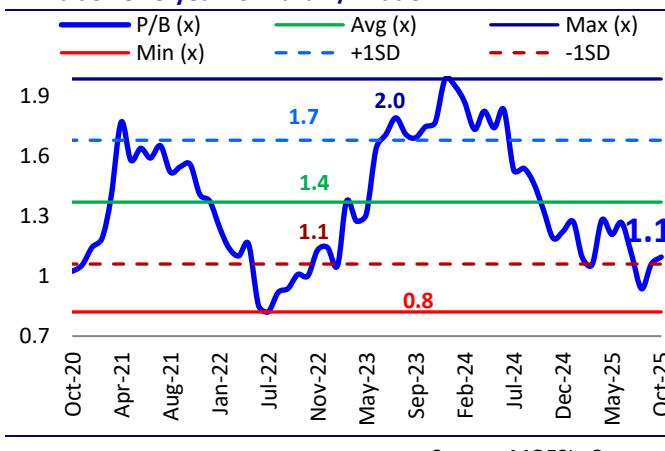


Exhibit 10: One-year forward P/E ratio

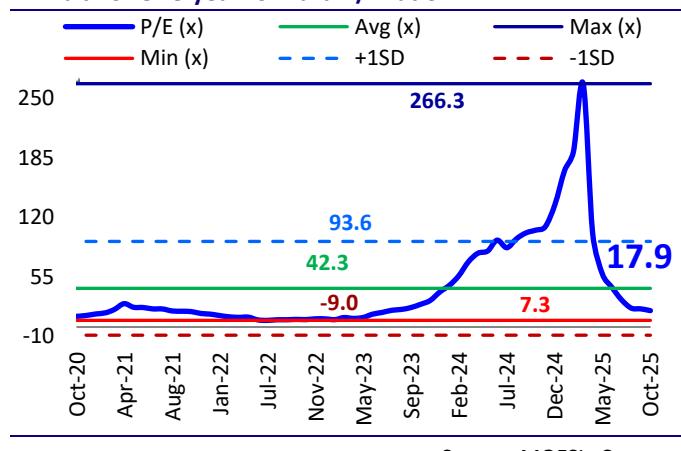


Exhibit12: DuPont analysis

	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	13.4	13.7	12.9	12.2	12.4	12.4
Interest Expense	5.2	6.0	6.2	6.5	6.4	6.0
Net Interest Income	8.22	7.67	6.63	5.70	5.96	6.39
Fee income	2.09	1.73	1.56	1.86	1.89	1.92
Trading and others	0.07	0.26	0.29	0.10	0.09	0.08
Other Income	2.16	1.99	1.86	1.96	1.98	2.00
Total Income	10.38	9.66	8.48	7.65	7.95	8.39
Operating Expenses	6.58	6.23	5.76	5.63	5.52	5.51
Employees	3.54	3.41	3.30	3.23	3.19	3.17
Others	3.04	2.82	2.46	2.40	2.32	2.35
Operating Profits	3.80	3.43	2.72	2.02	2.43	2.88
Core operating Profits	3.73	3.17	2.42	1.92	2.34	2.80
Provisions	1.32	0.75	2.23	1.97	1.07	1.01
PBT	2.48	2.68	0.49	0.05	1.36	1.87
Tax	0.63	0.69	0.19	0.01	0.34	0.47
RoA	1.85	1.99	0.30	0.04	1.02	1.40
Leverage (x)	6.6	7.2	8.2	9.3	10.3	10.8
RoE	12.2	14.4	2.4	0.4	10.5	15.1

Financials and valuations

Income Statement		(INRb)					
Y/E March		FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income		41.6	54.9	63.1	68.3	78.5	90.9
Interest Expense		16.2	24.1	30.6	36.5	40.7	43.9
Net Interest Income		25.4	30.8	32.5	31.8	37.8	47.0
-growth (%)		24.8	21.0	5.6	-2.1	18.8	24.2
Non-Interest Income		6.7	8.0	9.1	10.9	12.6	14.7
Total Income		32.1	38.8	41.6	42.8	50.4	61.7
-growth (%)		24.8	20.7	7.3	2.8	17.8	22.4
Operating Expenses		20.4	25.0	28.3	31.5	35.0	40.5
Pre Provision Profits		11.8	13.8	13.3	11.3	15.4	21.2
-growth (%)		34.9	17.1	-3.1	-15.3	36.4	37.4
Core PPoP		11.5	12.7	11.9	10.7	14.9	20.6
-growth (%)		39.2	10.3	-6.6	-9.7	38.4	38.8
Provisions		4.1	3.0	10.9	11.0	6.8	7.4
PBT		7.7	10.8	2.4	0.3	8.7	13.8
Tax		2.0	2.8	0.9	0.1	2.2	3.5
Tax Rate (%)		25.4	25.7	38.7	20.0	25.2	25.2
PAT		5.7	8.0	1.5	0.2	6.5	10.3
-growth (%)		104.3	39.3	-81.6	-83.9	2,630.3	58.9

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	11.1	11.3	11.4	11.4	11.4	11.4
Reserves & Surplus	40.5	48.3	49.3	47.9	52.6	61.2
Net Worth	51.6	59.7	60.7	59.3	64.0	72.6
Deposits	253.8	361.3	431.1	491.4	570.0	667.0
-growth (%)	33.9	42.3	19.3	14.0	16.0	17.0
-CASA Dep	107.3	115.5	124.1	144.5	177.3	207.4
-growth (%)	8.9	7.6	7.4	16.4	22.7	17.0
Borrowings	29.7	17.9	21.4	22.4	26.0	29.9
Other Liabilities & Prov.	14.5	14.2	15.2	16.6	19.0	21.9
Total Liabilities	349.6	453.0	528.4	589.7	679.1	791.4
Current Assets	12.4	35.8	55.4	48.3	46.5	46.7
Investments	66.6	90.7	92.9	108.7	126.5	146.7
-growth (%)	49.8	36.0	2.5	17.0	16.4	16.0
Loans	258.0	309.6	362.1	411.0	482.5	572.2
-growth (%)	33.2	20.0	16.9	13.5	17.4	18.6
Fixed Assets	3.8	6.0	7.0	7.7	9.0	10.6
Other Assets	8.7	10.9	11.1	14.0	14.6	15.2
Total Assets	349.6	453.0	528.4	589.7	679.1	791.4
Total AUM	278.6	343.4	379.9	431.1	506.2	600.3
-growth (%)	35.3	23.2	10.6	13.5	17.4	18.6

Asset Quality	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR m)	7.2	8.2	10.7	11.3	9.1	10.4
NNPA (INR m)	3.1	3.6	5.3	3.3	2.4	2.7
Slippage (INR m)	10.9	11.4	20.3	19.3	12.5	13.2
GNPA Ratio	2.76	2.61	2.91	2.70	1.86	1.80
NNPA Ratio	1.21	1.17	1.48	0.79	0.49	0.48
Slippage Ratio	4.81	4.01	6.05	5.00	2.80	2.50
Credit Cost	1.43	0.90	2.83	2.80	1.45	1.34
PCR (Excl Tech. write off)	56.9	56.1	50.0	71.2	74.0	74.0

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratio (%)						
Avg. Yield- on Earning Assets	14.8	15.1	14.6	13.8	13.7	13.5
Avg. Yield on loans	16.7	17.3	16.6	15.2	15.3	15.1
Avg. Yield on Investments	5.7	6.9	7.1	6.8	6.7	6.7
Avg. Cost of Int. Bear. Liab.	6.5	7.3	7.4	7.5	7.3	6.8
Avg. Cost of Deposits	6.1	7.0	7.3	7.4	7.2	6.6
Interest Spread	8.3	7.8	7.3	6.2	6.3	6.7
NIM (on IEA)	9.0	8.5	7.5	6.4	6.6	7.0
Capitalisation Ratios (%)						
CAR	23.8	21.7	20.6	19.3	18.1	17.6
Tier I	23.1	20.7	17.8	15.4	14.5	14.4
CET 1	23.1	20.7	17.8	16.0	15.6	15.6
Tier II	0.7	1.0	2.8	3.9	3.5	3.2
Business Ratios (%)						
Loans/Deposit Ratio	101.6	85.7	84.0	83.6	84.6	85.8
CASA Ratio	42.3	32.0	28.8	29.4	31.1	31.1
Cost/Assets	5.8	5.5	5.4	5.3	5.2	5.1
Cost/Total Income	63.4	64.5	68.0	73.6	69.4	65.7
Cost/Core income	-11.2	-2.5	-2.0	-6.0	-6.8	-8.0
Int. Expense/Int.Income	38.9	43.9	48.5	53.4	51.8	48.3
Fee Income/Total Income	20.2	17.9	18.4	24.2	23.8	22.9
Other Inc./Total Income	20.8	20.6	21.9	25.6	25.0	23.8
Empl. Cost/Total Expense	53.8	54.7	57.3	57.4	57.9	57.4
Efficiency Ratios (INRm)						
Employee per branch (in nos)	22.3	23.7	25.6	27.5	29.6	31.9
Staff cost per employee	0.5	0.6	0.6	0.6	0.6	0.6
CASA per branch	116.4	119.8	124.9	138.4	161.8	180.3
Deposits per branch	275.3	374.8	433.7	470.8	520.2	579.6
Business per Employee (INR m)	24.9	29.4	31.2	31.4	32.4	33.8
Profit per Employee (INR m)	0.3	0.3	0.1	0.0	0.2	0.3

Profitability Ratios and Valuation

RoA	1.9	2.0	0.3	0.0	1.0	1.4
RoE	12.2	14.4	2.4	0.4	10.5	15.1
Book Value (INR)	46	53	53	52	56	64
-growth (%)	36.9	13.2	1.3	-2.4	8.1	13.4
Price-BV (x)	1.2	1.1	1.1	1.1	1.0	0.9
Adjusted BV (INR)	44	50	50	50	55	62
Price-ABV (x)	1.3	1.1	1.1	1.1	1.0	0.9
EPS (INR)	4.9	7.1	1.3	0.2	5.7	9.0
-growth (%)	106.8	46.6	-81.8	-83.9	2,630.3	58.9
Price-Earnings (x)	11.7	8.0	44.1	273.8	10.0	6.3

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