29 July 2026

1QFY27 Results Update | Sector: Financials

Equitas Small Finance Bank

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	EQUITASB IN
Equity Shares (m)	1144
M.Cap.(INRb)/(USDb)	83.7 / 0.9
52-Week Range (INR)	84 / 50
1, 6, 12 Rel. Per (%)	-3/10/25
12M Avg Val (INR M)	266

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	33.9	43.1	50.7
OP	12.6	17.5	21.8
NP	1.0	7.7	10.6
NIM (%)	6.8	7.4	7.3
EPS (INR)	0.9	6.8	9.3
BV/Sh. (INR)	54	58	66
ABV/Sh. (INR)	52	56	64
Ratios			
RoA (%)	0.2	1.2	1.4
RoE (%)	1.7	12.2	15.1
Valuations			
P/E(X)	80.8	10.8	7.8
P/BV (X)	1.4	1.3	1.1
P/ABV (X)	1.4	1.3	1.1

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	51.3	50.9	47.1
FII	15.7	14.7	16.3
Others	33.0	34.4	36.6

FII includes depository receipts

CMP: INR73 TP: INR90 (+23%) Buy

Margin contracts 12bp QoQ; maintains 1.5% exit RoA guidance

Asset quality improves

- Equitas SFB (EQUITASB) reported 1QFY27 PAT of INR1.8b (16% beat) amid healthy other income and controlled provisioning.
- NII grew 31% YoY/5% QoQ to INR10.3b (in line). NIM contracted 12bp QoQ to 7.24%, led by an 11bp QoQ increase in cost of funds to 7.05%.
- Net advances grew healthy at 28.8% YoY/4.6% QoQ to INR447b. MFI business grew 4.6% QoQ. Deposits grew 10.4% YoY/grew 5.2% QoQ. CASA ratio moderated 108bp QoQ to 25.1%.
- Slippages increased to INR4.0b from INR3.5b in 4QFY26 (up 16% YoY/down 40% QoQ). GNPA/NNPA ratios improved 19bp/1bp QoQ to 2.42%/0.71%. PCR declined to 71.0%.
- We have increased our earnings estimates by 10%/7% in FY27/FY28 and estimate an RoA/RoE of 1.2%/12.2% by FY27. **Reiterate BUY with a TP of INR90 (1.4x FY28E ABV).**

Growth guidance at 20% YoY; NIM contracts 12bp QoQ

- EQUITASB reported 1QFY27 PAT of INR1.8b (16% beat), aided by healthy other income and controlled provisions.
- NII grew 31% YoY/5% QoQ to INR10.3b (in line). NIM contracted 12bp QoQ to 7.24% in 1QFY27, as CoF increased 11bp QoQ to 7.05% following upward revisions in SA and TD rates during the quarter, despite a 23bp improvement in yield on gross advances.
- Other income declined 12% YoY/3% QoQ to INR2.6b (6% beat). Treasury income stood at INR310m in 1QFY27. Total revenue, thus, grew 19% YoY/3.3% QoQ to INR12.8b (broadly in line).
- Opex grew 15.4% YoY/4.6% QoQ to INR8.8b (in line). Provisions declined 74% YoY/declined 30% QoQ to INR1.6b (5% lower than MOFSLe). PPoP, thus, stood at INR3.7b (up 92% YoY and down 8% QoQ, 6% beat).
- Advances grew by a healthy 28.8% YoY/4.6% QoQ to INR447b. MFI (inc DA) grew 4.6% QoQ. HF posted healthy growth, rising 4.5% QoQ. VF loan grew 15% YoY/3% QoQ, led by 6.7% QoQ growth in used cars. New CVs declined by 2% QoQ/15% YoY.
- Deposits grew 10.4% YoY/5.2% QoQ. CASA ratio moderated 108bp QoQ to 25.1%. As result, CD ratio declined marginally to 91.3%. Disbursements declined to INR67.8b (up 93% YoY and down 7.7% QoQ).
- On the asset quality front, slippages increased to INR4.0b from INR3.5b in 4QFY26. GNPA/NNPA ratios improved 19bp/1bp QoQ to 2.42%/0.71%. PCR declined to 71.0% from 73.0%. Credit costs rose to 1.37% from 1.11% in 4Q, driven by seasonality in the vehicle and MFI book.

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Highlights from the management commentary

- The company has maintained its FY27 RoA guidance of 1.2%, with an exit RoA guidance of ~1.5%. The bank suggested that there could be an upward revision in the guidance next quarter.
- Increase in TD and SA rates is expected to drive higher CoF. NIM is expected to settle at ~7.1% over the next two to three quarters.
- Loan growth is expected to remain strong at ~20% YoY.
- Management reiterated that no stress has emerged from geopolitical developments, while the secured portfolio continues to benefit from extensive guarantee cover.

Valuation and view: Reiterate BUY with a TP of INR90

EQUITASB reported a steady quarter with healthy earnings, driven by other income and lower provisions. Margin contracted 12bp QoQ, driven by an increase in funding costs. The bank expects to sustain full-year NIM at ~7.1 %, with CoF likely having peaked following SA and TD rate hikes. Operating expenses may see some moderation in the coming quarters, driving an increase in RoA. Advances growth was healthy, led by traction in MFI, VF, SBL, and HL segments. The bank also expects the CD ratio to be maintained at current levels. The decline in CASA ratio could exert some pressure on NIMs. On asset quality, GNPA and NNPA ratios improved, with credit costs expected to remain broadly stable. There has been no immediate impact from the West Asia conflict, although the bank remains cautious about rising fuel costs, given its standard asset provision in the MFI segment. We have increased our earnings estimates by 10%/7% in FY27/FY28 and expect RoA/RoE of 1.2%/12.2% by FY27E. Reiterate BUY with a TP of INR90 (1.4x FY28E ABV).

Quarterly Performance INRb

Y/E March (INR b)	FY26				FY27E				FY26	FY27E	FY27E	v/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	**7.9**	**7.7**	**8.5**	**9.8**	**10.3**	**10.6**	**10.9**	**11.3**	**33.9**	**43.1**	**10.2**	**1%**
% Change (YoY)	-2.0	-3.6	4.1	18.2	31.0	37.1	28.5	15.3	4.3	27.2	29.9	
Other Income	2.9	2.3	2.9	2.6	2.6	2.7	2.9	3.0	10.7	11.2	2.4	6%
Total Income	**10.8**	**10.0**	**11.4**	**12.4**	**12.8**	**13.3**	**13.8**	**14.3**	**44.6**	**54.3**	**12.6**	**2%**
Operating Expenses	7.6	7.6	8.3	8.4	8.8	9.0	9.4	9.7	32.0	36.9	8.8	0%
Operating Profit	**3.1**	**2.4**	**3.1**	**4.0**	**4.0**	**4.3**	**4.5**	**4.7**	**12.6**	**17.5**	**3.8**	**5%**
% Change (YoY)	-7.5	-31.2	-7.7	29.3	28.6	77.8	44.9	16.3	-5.2	38.0	21.9	
Provisions	6.1	2.1	1.9	1.2	1.6	1.8	1.8	1.9	11.4	7.1	1.7	-7%
Profit before Tax	**-3.0**	**0.3**	**1.1**	**2.8**	**2.4**	**2.5**	**2.6**	**2.8**	**1.3**	**10.4**	**2.1**	**16%**
Tax	-0.7	0.1	0.2	0.7	0.6	0.6	0.7	0.7	0.3	2.6	0.5	14%
Net Profit	**-2.2**	**0.2**	**0.9**	**2.1**	**1.8**	**1.9**	**2.0**	**2.1**	**1.0**	**7.7**	**1.6**	**16%**
% Change (YoY)	-968.7	87.4	35.8	405.2	NA	680.0	118.8	-3.1	-29.9	651.6	-170.6	
Operating Parameters												
Deposits	444	441	437	465	490	502	526	554	465	554	481	2%
Loans	347	364	398	428	447	462	484	508	428	508	442	1%
Deposit Growth (%)	18.3	10.6	7.2	7.9	10.4	13.8	20.5	19.0	7.9	19.0		
Loan Growth (%)	8.8	7.0	12.6	18.1	28.8	27.1	21.4	18.8	18.1	18.8		
Asset Quality												
Gross NPA (%)	2.92	2.92	2.75	2.60	2.42	2.37	2.28	2.25	2.60	2.25	2.58	
Net NPA (%)	0.98	0.98	0.92	0.72	0.71	0.70	0.67	0.67	0.72	0.67	0.72	
PCR (%)	67.0	66.9	67.1	73.0	71.0	71.2	71.0	70.8	73.0	70.8	72.7	

E: MOFSL Estimates

Quarterly Snapshot

Profit and Loss, INRb	FY26				FY27	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Net Interest Income	**7.9**	**7.7**	**8.5**	**9.8**	**10.3**	**31**	**5**
Other Income	2.9	2.3	2.9	2.6	2.6	-13	-3
Trading profits	1.2	0.3	0.3	0.0	0.3	-74	-1,133
Total Income	**10.8**	**10.0**	**11.4**	**12.4**	**12.8**	**19**	**3**
Operating Expenses	7.6	7.6	8.3	8.4	8.8	15	5
Employee	4.6	4.7	5.2	5.1	5.5	19	7
Others	3.0	2.9	3.2	3.3	3.3	9	1
Operating Profits	**3.1**	**2.4**	**3.1**	**4.0**	**4.0**	**29**	**1**
Core Operating Profits	**1.9**	**2.1**	**2.7**	**4.1**	**3.7**	**92**	**-8**
Provisions	6.1	2.1	1.9	1.2	1.6	-74	29
PBT	**-3.0**	**0.3**	**1.1**	**2.8**	**2.4**	**NA**	**-12**
Taxes	-0.7	0.1	0.2	0.7	0.6	NA	-8
PAT	**-2.2**	**0.2**	**0.9**	**2.1**	**1.8**	**NA**	**-14**
Balance Sheet							
Loans	347	364	398	428	447	29	5
AUM's	376	391	433	462	476	27	3
Deposits	444	441	437	465	490	10	5
CASA Deposits	131	136	129	122	123	-6	1
-Savings	108	119	116	107	110	2	3
-Demand	23	18	13	15	13	-42	-15
Loan mix (%)							
MFI	9.4	8.7	11.9	12.5	12.6	323	16
Vehicles	25.3	25.1	23.4	23.0	23.0	-231	-4
Small Business loans (incl HF)	57.5	56.9	53.4	52.7	53.1	-443	36
MSE Finance	4.5	4.7	4.7	4.5	4.6	6	4
Corporate loans	1.5	2.8	4.4	4.2	3.7	224	-47
Others	0.8	0.9	0.8	1.1	0.9	10	-18
Asset Quality (INRb)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY**	**QoQ**
GNPA	10.4	10.8	11.2	11.3	11.0	6	-3
NNPA	3.4	3.6	3.7	3.1	3.2	-7	4
Slippages	6.6	6.0	5.2	3.4	4.0	-40	16
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY (bp)**	**QoQ (bp)**
GNPA (%)	2.92	2.92	2.75	2.60	2.42	-50	-18
NNPA (%)	0.98	0.98	0.92	0.72	0.71	-27	-1
PCR (Calc, %)	67.0	66.9	67.1	73.0	71.0	399	-201
Slippage ratio	8.0	6.8	5.5	3.3	4.0	-394	69
Business Ratios (%)							
Loan/Deposit	78.3	82.4	91.2	91.9	91.3	1,305	-54
CASA	29.4	30.9	29.5	26.2	25.1	-428	-108
Cost to Income	70.8	76.0	73.1	67.6	68.5	-229	86
Cost to Assets	6.1	5.9	6.3	5.8	6.0	-12	17
Tax Rate	24.8	28.0	20.8	23.6	24.8	0	119
Capitalization Ratios (%)							
Tier-1 (incl profit)	17.2	16.4	16.6	16.7	16.0	-115	-67
- CET 1 (incl profit)	17.2	16.4	16.6	16.7	16.0	-115	-67
CAR (incl profit)	20.5	20.7	20.5	20.3	19.4	-104	-87
LCR	179.6	170.9	137.0	138.5	143.0	-118	4,001
Profitability Ratios (%)							
Yield on gross advances	16.0	15.7	15.4	15.5	15.7	-27	23
Cost of Funds	7.5	7.4	7.1	6.9	7.1	-44	11
Margins	6.4	6.3	6.8	7.4	7.2	87	-12
Other Details							
Branches	1,035	1,042	1,053	1,060	1,063	28	3
Employees (K)	25.9	27.1	28.5	28.1	27.7	1,855	-338

CONFERENCE CALL

Highlights from the management commentary

Opening remarks

- Gross advances grew 27% YoY, reflecting steady business momentum despite geopolitical uncertainties.
- CASA ratio stood at 25.1%, while CASA + retail deposits contributed 66% to total deposits.
- Deposit growth is expected to improve meaningfully from 2QFY27 onwards.
- NIM stood at 7.24%, based on the revised methodology using daily average interest earning assets (IEA).
- The bank continues to target MFI at ~10% of the loan book (currently 12.6%).
- The strategic focus remains on used CVs and used cars within the vehicle finance portfolio.
- Credit cost stood at 1.37%; adjusting for the provision reversal in 4QFY26, it remained broadly stable QoQ.
- Deposits grew 5% QoQ despite higher SA/TD pricing, with CoF increasing 11bp QoQ to 7.05%.
- Treasury performance was impacted by Rupee depreciation, although RBI's FCNR(B) relaxation helped soften the impact through improved system liquidity.
- Management reiterated that there is no visible stress in the loan portfolio arising from the ongoing West Asia conflict.

Advances and deposits

- Bulk deposits increased during the quarter, though the bank plans to gradually move towards a 70:30 (or 72:28) mix between individual/HNI and institutional deposits over the coming quarters.
- Deposit franchise continues to strengthen, with the Elite portfolio reaching INR185b, contributing nearly 40% of total deposits.
- The bank is focused on adding around INR2b of monthly deposits from NTB customers and INR1b every month from Elite accounts.
- Gold loan expansion remains a key focus, with the bank targeting a portfolio of ~INR16b by FY27-end.
- Sequential moderation in the gold loan portfolio was attributed to branch expansion, with 120 new branches planned by 4QFY27, after which growth is expected to accelerate.
- Excess liquidity drag is expected to reduce as surplus liquidity is deployed and IBPC/refinance balances normalize.
- CD ratio remains comfortable at 93%, while on a daily average basis, LCR stood at a healthy 143%.

Yields, cost of funds, margins, and opex

- Yield on gross advances improved 23bp QoQ to 15.74%, while non-MFI yields increased 4bp QoQ to 14.89%.
- Increase in lending yields partially offsets the rise in funding costs during the quarter.
- Cost of funds increased 11bp QoQ, primarily due to higher SA and TD rates, while the effective funding cost is expected to remain broadly around current levels.
- Funding through refinance continues to remain attractive due to CRR and SLR benefits, lowering the effective funding cost.

- Management expects NIM to moderate to around 7.1% over the next 2-3 quarters, compared with 7.24% in 1QFY27.
- Improvement in RoA going forward is expected to be driven by higher fee income, lower operating expenses, and stable credit costs.

Asset quality

- Non-MFI slippages stood at ~INR1.2b, improving on a YoY basis despite seasonal factors.
- Total gross slippages were INR4.0b, comprising INR0.4b from MFI and INR3.6b from non-MFI.
- Provisioning during the quarter included INR1.26b for non-MFI and INR0.34b for MFI.
- Standard asset provisions of INR0.4b are available for the MFI portfolio, with a possibility of it being reversed over the next couple of quarters if the MFI industry’s conditions normalize.
- Write-offs included INR1.44b from MFI and the rest from vehicle finance, all of which was fully provided for.
- Management reiterated that no stress has emerged from geopolitical developments, while the secured portfolio continues to benefit from extensive guarantee cover.

Others:

- Capital optimization initiatives continue, including INR5b of direct assignment in affordable housing.
- Around 87% of the MFI portfolio (excluding DA) is covered under CGFMU, supporting capital efficiency.
- The bank is evaluating a Tier-1 capital raise of INR12.5b by 4QFY27, subject to business requirements.
- The MFI DA book currently stands at INR8.4b and is expected to reduce to nearly INR1.5b by 4QFY27.
- The bank continues to evaluate the universal banking license, while the remaining is compliant with regulatory requirements; no timeline for application has been provided.
- Employee count declined marginally due to limited branch additions during the quarter. Management expects to add around 300 to 400 in liabilities franchise and a total of 500 employees during FY27.
- The insurance distribution strategy will increasingly focus on health and life insurance products going forward.

Guidance and outlook:

- FY27 RoA guidance is maintained at ~1.2%, with an exit RoA target of ~1.5%.
- Management indicated that guidance could be revised upward by the next quarter if current trends continue.
- NIM is expected to settle at around ~7.1% over the next two to three quarters.
- The MFI portfolio mix will gradually reduce to ~10% of the overall loan book.
- Credit cost is expected to remain at steady-state levels or improve marginally.
- Deposit growth is expected to strengthen from 2QFY27, supported by retail and Elite customer acquisition.

Story in Charts

Exhibit 1: AUM grew 26.7% YoY (up 3.2% QoQ) to IN476b

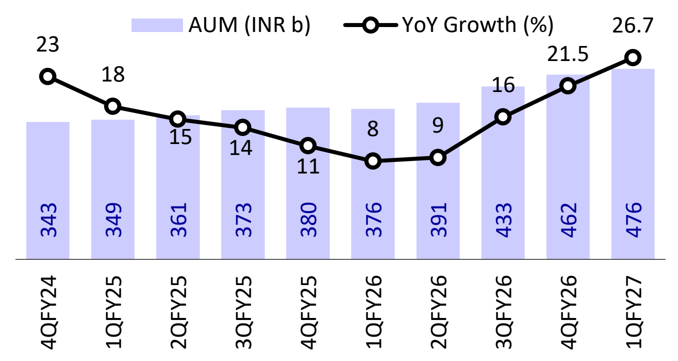


Exhibit 2: Loans/deposits grew 28.8%/10.4% YoY in 1QFY27

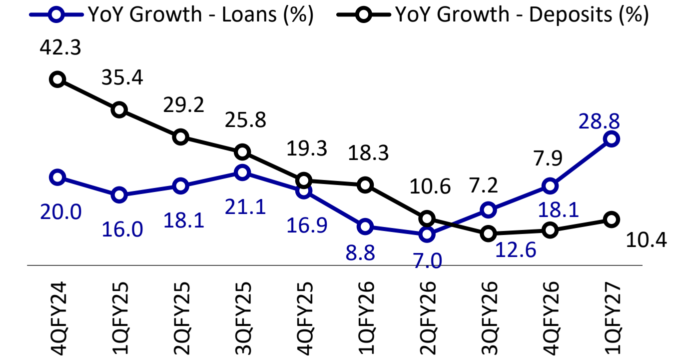


Exhibit 3: NIM contracted 12bp QoQ to 7.24%

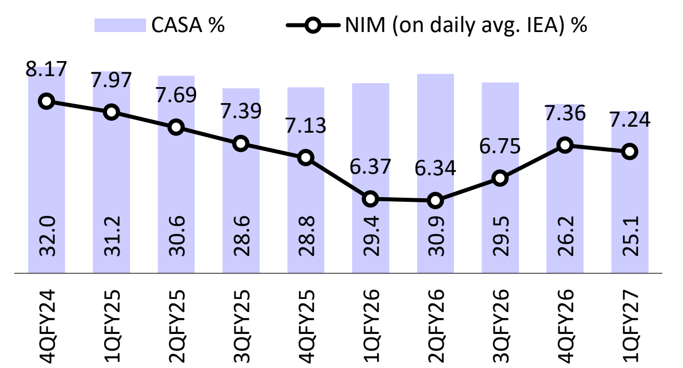


Exhibit 4: YoA increased to 15.74% and CoF rose to 7.05%

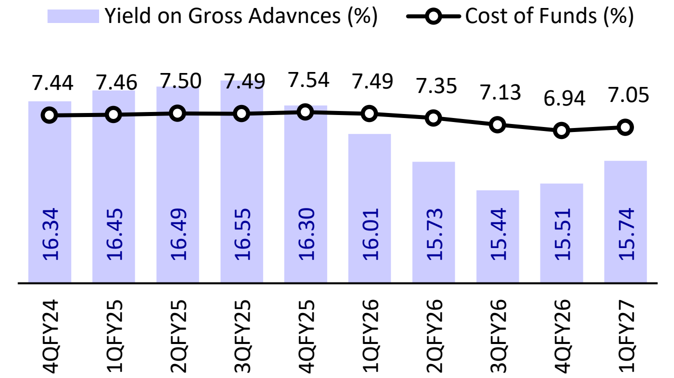


Exhibit 5: CD ratio increased to 91.3%; avg. LCR ratio at 143%

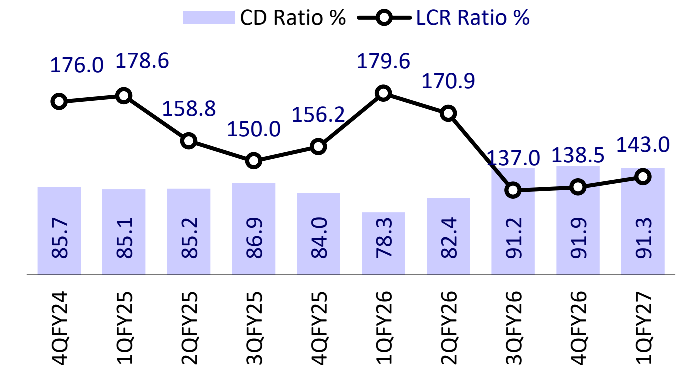


Exhibit 6: C/I ratio increased to 68.5% in 1QFY27

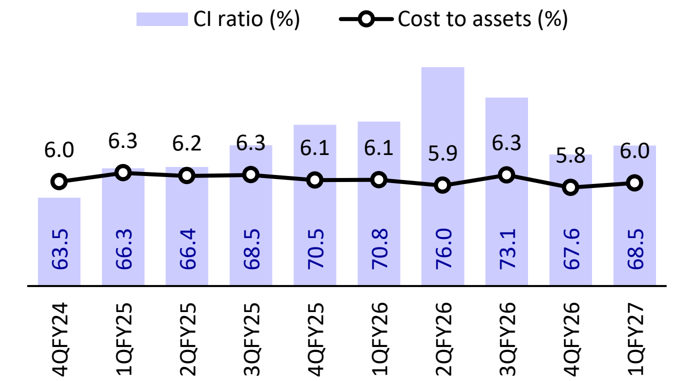
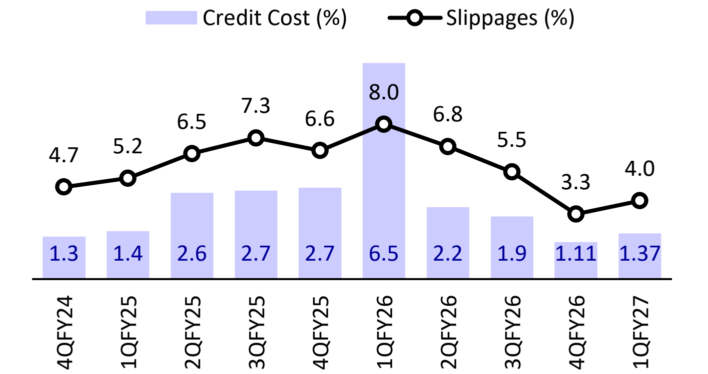
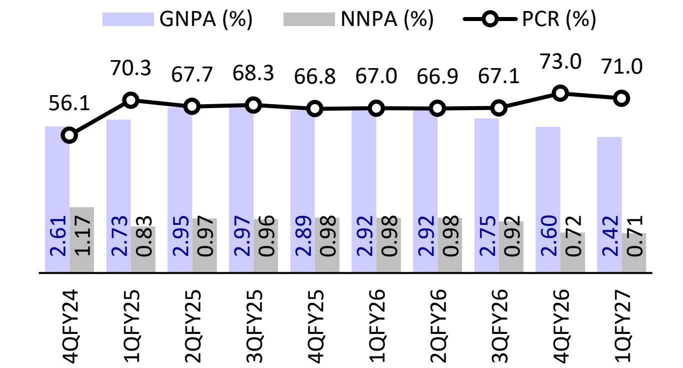


Exhibit 7: Credit costs increased to 1.37% vs. 1.11% in 4QFY26



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios improved 18bp/1bp QoQ



Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR90

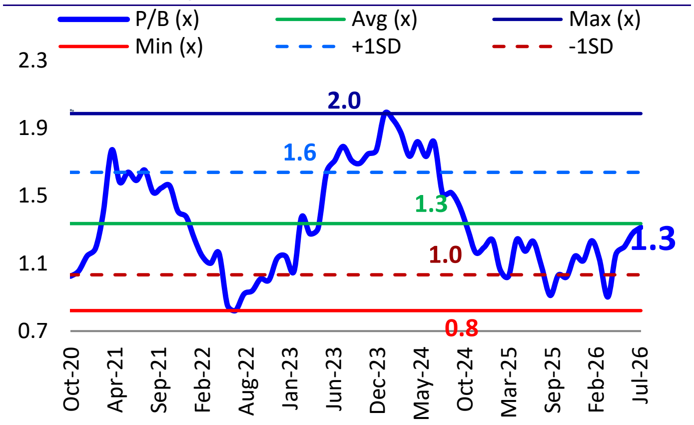
- EQUITASB reported a steady quarter with healthy earnings, driven by other income and lower provisions. Margins contracted 12bp QoQ due to an increase in funding costs.
- The bank expects to sustain full-year NIM at ~7.1 %, with CoF likely having peaked following SA and TD rate hikes. Operating expenses may see some moderation in the coming quarters, driving an increase in RoA.
- Advances growth was healthy, led by traction in the MFI, VF, SBL, and HL segments. The bank also expects the CD ratio to be maintained at current levels. The decline in the CASA ratio could exert some pressure on NIMs.
- On asset quality, GNPA and NNPA ratios improved, with credit costs expected to remain broadly stable. There has been no immediate impact from the West Asia conflict, although the bank remains cautious about rising fuel costs, given its standard asset provision in the MFI segment.
- We have increased our earnings estimates by 10%/7% in FY27/FY28 and expect RoA/RoE of 1.2%/12.2% by FY27. **Reiterate BUY with a TP of INR90 (1.4x FY28E ABV).**

Exhibit 9: We largely maintain our earnings estimate

(INR b)	Old Est.		Rev. Est.		Chg. (%)/bps	
	FY27	FY28	FY27	FY28	FY27	FY28
Net Interest Income	**42.4**	**50.0**	**43.1**	**50.7**	**1.8**	**1.5**
Other Income	11.2	13.1	11.2	13.1	0.0	0.0
Total Income	**53.6**	**63.1**	**54.3**	**63.8**	**1.4**	**1.2**
Operating Expenses	36.9	42.0	36.9	42.0	0.0	0.0
Operating Profit	**16.7**	**21.1**	**17.5**	**21.8**	**4.5**	**3.5**
Provisions	7.3	7.7	7.1	7.6	-2.5	-1.9
PBT	**9.4**	**13.3**	**10.4**	**14.2**	**9.8**	**6.7**
Tax	2.4	3.4	2.6	3.6	9.8	6.7
PAT	**7.1**	**10.0**	**7.7**	**10.6**	**9.8**	**6.7**
Loans	503	595	508	606	0.9	1.9
Deposits	554	659	554	659	0.0	0.0
Credit Cost (%)	1.5	1.4	1.5	1.3	-5	-5
RoA (%)	**1.1**	**1.3**	**1.2**	**1.4**	**9**	**5**
RoE (%)	**11.1**	**14.3**	**12.2**	**15.1**	**103**	**74**
EPS	6.2	8.7	6.8	9.3	9.8	6.7
BV	57.3	64.6	57.9	65.7	1.1	1.8
ABV	55.4	62.6	55.8	63.9	0.8	2.2

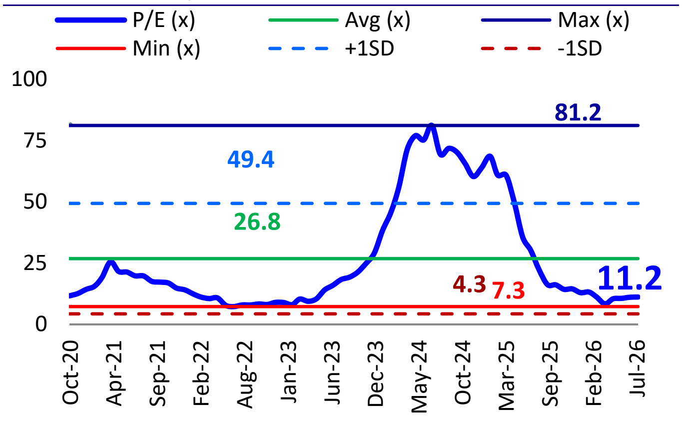
Source: Company, MOFSL

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

	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	13.4	13.7	12.9	12.0	12.6	12.4
Interest Expense	5.2	6.0	6.2	6.0	6.1	5.9
Net Interest Income	**8.22**	**7.67**	**6.63**	**5.98**	**6.52**	**6.44**
Fee income	2.09	1.73	1.56	1.79	1.60	1.59
Trading and others	0.07	0.26	0.29	0.10	0.09	0.07
Other Income	**2.16**	**1.99**	**1.86**	**1.89**	**1.69**	**1.66**
Total Income	**10.38**	**9.66**	**8.48**	**7.87**	**8.20**	**8.10**
Operating Expenses	**6.58**	**6.23**	**5.76**	**5.64**	**5.57**	**5.33**
Employees	3.54	3.41	3.30	3.32	3.24	3.10
Others	3.04	2.82	2.46	2.33	2.33	2.23
Operating Profits	**3.80**	**3.43**	**2.72**	**2.23**	**2.64**	**2.77**
Core operating Profits	**3.73**	**3.17**	**2.42**	**2.13**	**2.55**	**2.70**
Provisions	**1.32**	**0.75**	**2.31**	**2.00**	**1.07**	**0.96**
PBT	**2.48**	**2.68**	**0.41**	**0.23**	**1.56**	**1.80**
Tax	0.63	0.69	0.11	0.04	0.39	0.45
RoA	**1.85**	**1.99**	**0.30**	**0.18**	**1.17**	**1.35**
Leverage (x)	6.58	7.21	8.15	9.30	10.40	11.16
RoE	**12.20**	**14.36**	**2.44**	**1.69**	**12.17**	**15.07**

Source: Company, MOFSL

Financials and valuations

Income Statement						(INRb)
Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	41.6	54.9	63.1	67.9	83.7	97.6
Interest Expense	16.2	24.1	30.6	34.0	40.5	46.8
Net Interest Income	**25.4**	**30.8**	**32.5**	**33.9**	**43.1**	**50.7**
-growth (%)	24.8	21.0	5.6	4.3	27.2	17.6
Non Interest Income	6.7	8.0	9.1	10.7	11.2	13.1
Total Income	**32.1**	**38.8**	**41.6**	**44.6**	**54.3**	**63.8**
-growth (%)	24.8	20.7	7.3	7.2	21.6	17.5
Operating Expenses	20.4	25.0	28.3	32.0	36.9	42.0
Pre Provision Profits	**11.8**	**13.8**	**13.3**	**12.6**	**17.5**	**21.8**
-growth (%)	34.9	17.1	-3.1	-5.2	38.0	24.9
Core PPoP	**11.5**	**12.7**	**11.9**	**12.1**	**16.9**	**21.2**
-growth (%)	39.2	10.3	-6.6	1.6	39.8	25.7
Provisions	4.1	3.0	11.4	11.4	7.1	7.6
PBT	**7.7**	**10.8**	**2.0**	**1.3**	**10.4**	**14.2**
Tax	2.0	2.8	0.5	0.3	2.6	3.6
Tax Rate (%)	25.4	25.7	26.0	19.6	25.2	25.2
PAT	**5.7**	**8.0**	**1.5**	**1.0**	**7.7**	**10.6**
-growth (%)	104.3	39.3	-81.6	-29.9	651.6	37.2

Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26	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	49.8	54.7	63.6
Net Worth	**51.6**	**59.7**	**60.7**	**61.2**	**66.1**	**75.0**
Deposits	**253.8**	**361.3**	**431.1**	**465.3**	**553.7**	**659.0**
-growth (%)	33.9	42.3	19.3	7.9	19.0	19.0
-CASA Dep	**107.3**	**115.5**	**124.1**	**119.1**	**142.3**	**175.3**
-growth (%)	8.9	7.6	7.4	-4.0	19.5	23.2
Borrowings	29.7	17.9	21.4	57.7	70.4	88.0
Other Liabilities & Prov.	14.5	14.2	15.2	21.8	27.9	34.9
Total Liabilities	**349.6**	**453.0**	**528.4**	**606.1**	**718.2**	**856.9**
Current Assets	12.4	35.8	55.4	56.7	65.5	78.4
Investments	66.6	90.7	92.9	101.5	120.2	143.0
-growth (%)	49.8	36.0	2.5	9.3	18.4	19.0
Loans	**258.0**	**309.6**	**362.1**	**427.5**	**507.9**	**606.4**
-growth (%)	33.2	20.0	16.9	18.1	18.8	19.4
Fixed Assets	3.8	6.0	7.0	7.2	8.3	9.3
Other Assets	8.7	10.9	11.1	13.3	16.2	19.7
Total Assets	**349.6**	**453.0**	**528.4**	**606.1**	**718.2**	**856.9**
Total AUM	**278.6**	**343.4**	**379.9**	**448.5**	**532.8**	**636.2**
-growth (%)	**35.3**	**23.2**	**10.6**	**18.1**	**18.8**	**19.4**

Asset Quality	FY23	FY24	FY25	FY26	FY27E	FY28E
GNPA (INR m)	7.2	8.2	10.7	11.3	11.6	10.3
NNPA (INR m)	3.1	3.6	5.3	3.1	3.4	2.9
Slippage (INR m)	10.9	11.4	20.3	21.3	17.3	16.7
GNPA Ratio	2.76	2.61	2.91	2.60	2.25	1.68
NNPA Ratio	1.21	1.17	1.48	0.72	0.67	0.49
Slippage Ratio	4.81	4.01	6.05	5.00	3.70	3.00
Credit Cost	1.43	0.90	2.88	2.91	1.45	1.30
PCR (Excl Tech. write off)	56.9	56.1	50.0	73.0	70.8	71.5

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield and Cost Ratio (%)						
Avg. Yield- on Earning Assets	**14.8**	**15.1**	**14.6**	**13.7**	**14.4**	**14.0**
Avg. Yield on loans	16.7	17.3	16.6	15.1	15.5	15.3
Avg. Yield on Investments	5.7	6.9	7.1	6.8	6.8	6.7
Avg. Cost of Int. Bear. Liab.	**6.5**	**7.3**	**7.4**	**7.0**	**7.1**	**6.8**
Avg. Cost of Deposits	6.1	7.0	7.3	6.9	6.7	6.5
Interest Spread	**8.3**	**7.8**	**7.3**	**6.7**	**7.3**	**7.2**
NIM (on IEA)	**9.0**	**8.5**	**7.5**	**6.8**	**7.4**	**7.3**
Capitalisation Ratios (%)						
CAR	23.8	21.7	20.6	20.3	19.1	18.6
Tier I	*23.1*	*20.7*	*17.8*	*16.7*	*15.9*	*15.7*
CET 1	*23.1*	*20.7*	*17.8*	*16.0*	*15.6*	*15.6*
Tier II	*0.7*	*1.0*	*2.8*	*3.6*	*3.2*	*2.9*
Business Ratios (%)						
Loans/Deposit Ratio	101.6	85.7	84.0	91.9	91.7	92.0
CASA Ratio	42.3	32.0	28.8	25.6	25.7	26.6
Cost/Assets	5.8	5.5	5.4	5.3	5.1	4.9
Cost/Total Income	63.4	64.5	68.0	71.7	67.9	65.8
Cost/Core income	-11.2	-2.5	-2.0	-6.1	-7.2	-8.4
Int. Expense/Int.Income	38.9	43.9	48.5	50.1	48.4	48.0
Fee Income/Total Income	20.2	17.9	18.4	22.8	19.5	19.6
Other Inc./Total Income	20.8	20.6	21.9	24.0	20.6	20.5
Empl. Cost/Total Expense	53.8	54.7	57.3	58.8	58.2	58.2
Efficiency Ratios (INRm)						
Employee per branch (in nos)	22.3	23.7	25.6	26.5	28.5	30.7
Staff cost per employee	0.5	0.6	0.6	0.7	0.7	0.7
CASA per branch	116.4	119.8	124.9	112.4	127.9	150.0
Deposits per branch	275.3	374.8	433.7	439.0	497.5	563.9
Business per Employee (INR m)	24.9	29.4	31.2	31.8	33.5	35.3
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	0.2	1.2	1.4
RoE	12.2	14.4	2.4	1.7	12.2	15.1
Book Value (INR)	46	53	53	54	58	66
-growth (%)	36.9	13.2	1.3	0.8	7.9	13.5
Price-BV (x)	**1.6**	**1.4**	**1.4**	**1.4**	**1.3**	**1.1**
Adjusted BV (INR)	44	50	50	52	56	64
Price-ABV (x)	**1.6**	**1.4**	**1.5**	**1.4**	**1.3**	**1.1**
EPS (INR)	4.9	7.1	1.3	0.9	6.8	9.3
-growth (%)	106.8	46.6	-81.8	-30.1	651.3	37.2
Price-Earnings (x)	**15.0**	**10.3**	**56.5**	**80.8**	**10.8**	**7.8**

E: MOFSL Estimates

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SELL	< - 10%
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