19 October 2025

2QFY26 Results Update | Sector: Financials

DCB Bank

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	DCBB IN
Equity Shares (m)	315
M.Cap.(INRb)/(USDb)	40.7 / 0.5
52-Week Range (INR)	151 / 101
1, 6, 12 Rel. Per (%)	-2/-6/9
12M Avg Val (INR M)	199

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	21.1	24.3	29.2
OP	10.4	13.3	16.9
NP	6.2	7.5	9.9
NIM (%)	3.3	3.1	3.2
EPS (INR)	19.6	23.5	30.9
EPS Gr. (%)	14.3	20.0	31.7
BV/Sh. (INR)	176	191	220
ABV/Sh. (INR)	163	177	204
Ratios			
RoA (%)	0.9	0.9	1.0
RoE (%)	12.1	13.2	15.3
Valuations			
P/E (x)	6.6	5.5	4.2
P/BV (x)	0.7	0.7	0.6
P/ABV (X)	0.8	0.7	0.6

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	14.7	14.7	14.7
DII	31.9	31.8	26.7
FII	10.5	11.7	11.1
Others	42.9	41.8	47.6

FII includes depository receipts

CMP: INR129 TP: INR165 (+28%) Buy

Healthy NII and lower provisions drive earnings beat

NIM expands 3bp QoQ

- DCB Bank (DCBB) reported 18.3% YoY growth in PAT at INR1.84b (30% beat) amid better NII and controlled provisions.
- DCBB's NII grew 17.1% YoY to INR5.9b (5% beat, up 2.7% QoQ), while NIM improved 3bp QoQ to 3.23% vs. our expectation of 10bp QoQ decline.
- Business growth was healthy with an advances growth of 19% YoY/3.4% QoQ to INR530b, whereas deposits grew 19% YoY/4.4% QoQ to INR648b. CASA mix stood at 23.5%. Cost to average assets stood healthy at 2.43%.
- Fresh slippages moderated to INR4b (from INR5.8b in 1QFY26). The GNPA/NNPA ratios improved 7bp/1bp QoQ to 2.91%/1.21%. PCR declined to 59.2% from 59.7% in 1QFY26.
- We tweak our earnings estimates for DCBB and project an RoA/RoE of 1.01%/15.3% for FY27. **Reiterate BUY with a TP of INR165 (based on 0.8x FY27E ABV).**

Business growth healthy; credit costs guided at <45bp

- DCBB reported 18.3% YoY growth in PAT at INR1.84b (30% beat) amid better NII and controlled provisions.
- NII grew 17.1% YoY to INR5.9b (5% beat, up 2.7% QoQ), while NIM improved 3bp QoQ to 3.23%. Other income declined 9% YoY to INR1.9b (8% miss), resulting in 9.6% YoY growth in total revenues (largely in line). Treasury gains stood at INR230m vs. INR1b in 1QFY26.
- Opex grew 4.3% YoY to INR4.8b (5% lower than MOFSLe). PPoP thus grew 19% YoY to INR3b (14% beat). Provisions declined sequentially to INR605m (33% YoY, 20% lower than MOFSLe). The C/I ratio stood at 61.2% in 2QFY26.
- Advances grew 19% YoY/3.4% QoQ, whereas deposits rose 19% YoY/4.4% QoQ. MSME dipped 4% QoQ, while corporate grew 8.4% QoQ. Disbursements in mortgages have reduced as DCBB has raised the ticket size and has not compromised on yields and product mix. DCBB's CD ratio stood at 81.8%.
- Fresh slippages moderated to INR4b (from INR5.8b in 1QFY26). The GNPA/NNPA ratios improved 7bp/1bp QoQ to 2.91%/1.21%. PCR eased slightly to 59.2% from 59.7% in 1QFY26. Credit costs stood at 31bp in 2QFY26, and the bank expects full-year credit costs to be below 45bp.

Highlights from the management commentary

- Bank expects to close FY26-27 with RoE of 13.5% and close FY27-28 with RoE of 14.5% adjusted for potential capital raise.
- DCBB's yields reduced 13bp, and the cost of deposits reduced 17bp in 2QFY26. The benefit of the reduction in the cost of deposits will be witnessed gradually, as the average duration of term deposits stands at 14-15 months.
- Disbursement in mortgages has decreased as they have increased the ticket size and have not compromised on yields and product mix (higher LAP vs. home loans). A large number of mortgages are coming from DSA, and the bank has reduced this to bring down the costs.
- The opex-to-avg. asset ratio is likely to moderate slightly and will stabilize at ~2.42-2.43%.

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Valuation and view

DCBB reported a steady quarter with a beat in earnings amid lower provisions, healthy NII, and controlled opex. Margin improved 3bp QoQ, and the bank expects it to improve further going forward if no further rate cut occurs. Business growth was healthy with increased focus on gold loans and co-lending. Asset quality improved with slippages moderating sequentially, and management expects credit cost to remain below 45bp for the full year. We tweak our earnings estimates for FY27 and project an FY27E RoA/RoE of 1.01%/15.3%. **Reiterate BUY with a TP of INR165 (based on 0.8x FY27E ABV).**

Quarterly Performance **(INR b)**

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	**4.97**	**5.09**	**5.43**	**5.58**	**5.80**	**5.96**	**6.14**	**6.38**	**21.07**	**24.28**	**5.66**	**5%**
% Change (Y-o-Y)	5.49	7.03	14.53	9.95	16.89	17.10	13.07	14.34	9.27	15.28	11.09	
Other Income	1.43	2.05	1.84	2.19	2.36	1.86	2.13	2.51	7.51	8.86	2.03	-8%
Total Income	**6.40**	**7.14**	**7.27**	**7.77**	**8.17**	**7.82**	**8.26**	**8.89**	**28.57**	**33.14**	**7.69**	**2%**
Operating Expenses	4.34	4.59	4.56	4.71	4.90	4.78	4.96	5.21	18.20	19.86	5.02	-5%
Operating Profit	**2.05**	**2.55**	**2.71**	**3.05**	**3.27**	**3.04**	**3.30**	**3.68**	**10.37**	**13.28**	**2.67**	**14%**
% Change (Y-o-Y)	(1.58)	21.19	28.18	30.66	59.17	19.13	21.69	20.36	19.96	28.09	4.73	
Provisions	0.28	0.46	0.67	0.67	1.15	0.61	0.72	0.66	2.08	3.14	0.76	-20%
Profit before Tax	**1.77**	**2.10**	**2.04**	**2.38**	**2.12**	**2.43**	**2.58**	**3.02**	**8.29**	**10.14**	**1.91**	**27%**
Tax	0.46	0.54	0.52	0.61	0.54	0.59	0.66	0.81	2.13	2.62	0.49	21%
Net Profit	**1.31**	**1.55**	**1.51**	**1.77**	**1.57**	**1.84**	**1.91**	**2.20**	**6.15**	**7.53**	**1.42**	**30%**
% Change (Y-o-Y)	3.5	22.6	19.6	13.8	19.7	18.3	26.3	24.4	14.8	22.32	(8.74)	
Operating Parameters												
Deposit (INR b)	516.9	545.3	566.8	600.3	620.4	647.8	670.5	703.6	600.3	703.6	648.2	0%
Loan (INR b)	421.8	444.7	477.8	510.5	512.2	529.7	567.7	594.7	510.5	594.7	539.0	-2%
Deposit Growth (%)	20.2	19.9	20.3	21.6	20.0	18.8	18.3	17.2	21.6	17.2	18.9	
Loan Growth (%)	18.9	19.3	22.7	24.7	21.4	19.1	18.8	16.5	24.7	16.5	21.2	
Asset Quality												
Gross NPA (%)	3.33	3.29	3.11	2.99	2.98	2.91	2.81	2.81	3.00	2.81	2.93	
Net NPA (%)	1.18	1.17	1.18	1.12	1.22	1.21	1.16	1.15	1.12	1.15	1.21	
PCR (%)	65.2	65.2	62.9	63.2	59.7	59.2	59.6	59.9	63.2	59.9	59.6	

E: MOFSL Estimates

Quarterly snapshot

	FY25				FY26		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Profit and Loss (INR m)								
Net Interest Income	5.0	5.1	5.4	5.6	5.8	6.0	**17**	**3**
Other Income	1.4	2.0	1.8	2.2	2.4	1.9	-9	-21
Total Income	6.4	7.1	7.3	7.8	8.2	7.8	**10**	**-4**
Operating Expenses	4.3	4.6	4.6	4.7	4.9	4.8	4	-2
Employee	2.3	2.4	2.3	2.3	2.5	2.4	3	-3
Others	2.1	2.2	2.2	2.4	2.4	2.4	5	-1
Operating Profits	2.1	2.6	2.7	3.1	3.3	3.0	**19**	**-7**
Core Operating Profits	1.9	2.0	2.3	2.6	2.3	2.8	**38**	**24**
Provisions	0.3	0.5	0.7	0.7	1.2	0.6	33	-47
PBT	1.8	2.1	2.0	2.4	2.1	2.4	**16**	**15**
Taxes	0.5	0.5	0.5	0.6	0.5	0.6	10	9
PAT	1.3	1.6	1.5	1.8	1.6	1.8	**18**	**17**
Balance Sheet (INR B)								
Loans	422	445	478	510	512	530	19	3
Deposits	517	545	567	600	620	648	19	4
CASA Deposits	131	140	142	147	145	152	9	5
-Savings	110	118	120	125	121	128	9	6
-Current	21	22	22	23	23	24	8	3
Loan Mix (%)								
Retail Banking	74.3	74.0	72.5	71.2	71.8	71.1	-290	-70
-Mortgages	45.4	45.3	44.5	43.6	43.8	42.8	-250	-100
-CV2	0.4	0.6	1.0	1.1	1.0	0.9	30	-10
-AIB	25.2	24.6	23.6	23.1	23.2	23.5	-110	30
-Gold loans	3.3	3.5	3.4	3.4	3.8	3.9	40	10
SME	6.2	5.9	5.3	4.9	4.5	4.2	-170	-30
Co-lending	7.1	8.0	11.3	13.0	15.2	16.1	810	90
Corporate	6.9	6.9	6.3	5.7	6.2	6.5	-40	30
Asset Quality								
GNPA	14.35	14.97	15.17	15.54	15.54	15.68	5	1
NNPA	4.99	5.21	5.62	5.72	6.25	6.41	23	2
Slippages	3.7	3.9	4.0	3.7	5.8	4.0	3	-31
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**YoY (bp)**	**QoQ (BS)**
GNPA (%)	3.3	3.3	3.1	3.0	3.0	2.9	-38	-7
NNPA (%)	1.2	1.2	1.2	1.1	1.2	1.2	4	-1
PCR (Exc-TWO, %)	65.2	65.2	62.9	63.2	59.7	59.2	-602	-60
Slippage ratio (%)	3.8	3.8	3.6	3.2	6.0	3.9	13	-205
Business Ratios (%)								
CASA	25.4	25.6	25.1	24.5	23.3	23.5	-209	20
Loan/Deposit	81.6	81.5	84.3	85.0	82.6	81.8	24	-77
Other income/Total Income	22.4	28.7	25.3	28.2	28.9	23.8	-488	-513
Cost to Income	67.9	64.3	62.7	60.7	60.0	61.2	-311	118
Cost to Asset	2.9	2.9	2.8	2.7	2.8	2.6	-31	-17
Tax Rate	25.8	25.8	25.7	25.7	25.7	24.4	-136	-130
Capitalisation Ratios (%)								
Tier-1 (incl profit)	14.0	13.7	13.5	14.3	14.2	14.0	32	-23
CAR (incl profit)	16.0	15.6	16.3	16.8	16.7	16.4	86	-25
RWA / Total Assets	53.0	51.0	49.4	49.4	49.3	49.1	-195	-26
LCR	124.3	119.7	119.4	125.9	126.4	NA	NA	NA
Profitability Ratios (%)								
Yield on loans	11.5	11.4	11.4	11.5	11.2	11.1	-28	-13
Cost of funds	7.2	7.2	7.2	7.3	7.2	7.0	-16	-17
Margins	3.39	3.27	3.30	3.29	3.20	3.23	-4	3
Others								
Branches	445	451	457	464	465	468	17	3

CONFERENCE CALL

Highlights from the management commentary

Opening remarks

- Deposits grew 18.8% YoY, advances grew 19% YoY, while the balance sheet expanded by 14.4% YoY.
- Cost of deposits has been cut by 16bp QoQ, and cost of funds decreased 17bp QoQ.
- Fee income continues to remain strong due to TPP and trade despite treasury headwinds.
- Higher ask on productivity and greater use of technology leading to cost control.
- The bank has seen 9% reduction in its employee base YoY.
- Cost to average assets stood at 2.43%. This is the 5th consecutive quarter of lower cost to average assets.
- Credit cost of 31bp in 2QFY26, as against our guidance of below 45bp, and 1HFY26 credit cost stood at 45bp.
- Highest ever quarterly profit of INR1.84b and BVPS of INR180.
- Tier-1 capital at 14.85% without capital and 15.06% with capital.
- Post-issuance, promoter shareholding as of 10th Oct'25 stood at 16.27%.

Advances and deposits related

- The co-lending portfolio now constitutes 16% of the bank's overall book.
- Disbursement in mortgages has decreased as they have increased the ticket size and have not compromised on yields and product mix (Higher LAP as compared to home loans). A large number of mortgages are coming from DSA, and it has reduced this to reduce the costs.
- The bank wants to capture the cash flow of the customers completely, and the same thing is happening on the mortgage side.
- Primarily, DA and unsecured co-lending were the problem, and therefore, they had cut down on it.
- DCBB is focusing on making mortgage customers transact with the bank, and use the bank's products as well.
- The bank has built a culture of growth without increasing the cost.
- DCBB has increased focus on gold loans and co-lending, and major co-lending is done in gold loans only.
- The bank will slowly enter into SME lending. So the bank will do INR2-3b in the first year and then will increase further over 5 years.
- IBPC will come back going forward, and 2H is normally better in terms of assets.
- Co-lending book growth will not go above 15%.
- About 90% of the co-lending book is the gold book.
- The bank still has an MCLR book, and so not only does EBLR come down, but MCLR also comes down. The fixed rate book of the bank is not very high.
- Aim to double the Balance Sheet size every three to four years.
- The proportion of LAP within the mortgage book is rising, aiding margin resilience.
- The bank has been prioritizing LAP over traditional mortgage loans.

Income and cost-related

- Core fee income is healthy due to third-party distribution, trade fee income offsetting the treasury headwinds in 2Q.
- Opex to avg assets is expected to remain at 2.4-2.42% mark and will stabilize at ~2.42-2.43%.

- No of employees has dropped to 10700. The bank will be increasing staffing in some categories going forward, but this will come with increasing volumes.
- Overall cost will increase, but income will grow at a faster pace. Bank will be comfortable with cost ratios below 2.5% and 2.45% as the year goes by.
- Bank expects to close FY26-27 with RoE of 13.5% and close FY27-28 with RoE of 14.5% adjusted for potential capital raise.

Yields and Margins

- Unless there are further repo cuts, DCBB fully transmitted the repo rate cuts.
- 13bp reduction in yield and 17bp reduction in cost of deposits have been achieved. The benefit of the cost of deposits comes when the duration is over.
- The average duration of term deposits is 14-15 months.
- NIM will be expanding further if no rate cuts are expected further.
- The bank is betting well on renewal and which will also support NIM.
- The stock portfolio used to be hybrid. Some portion of that given two years back will come to floating, and at that time, there will be a reduction in yield. But in fresh sourcing, there will be very little reduction in yields.
- No one-off is there in net interest income in 2QFY26.
- Reduction in term deposits, renewal in deposits, and new CDs are coming at a lower rate. The bank has also reduced borrowing, and incremental borrowing is also coming at a lower rate. These have supported NIM in the current quarter.

With respect to asset quality

- Credit cost for the full year is expected at below 45bp.
- Bank's one 1 priority is to fix the slippage ratio and recovery, as this increases the opex.
- The bank is aiming for a slippage ratio of 2.5% and the focus is to reduce it below 2%.
- GNPA growth is highest for AIB of INR230mn due to the MFI book.
- Unsecured DA book is also improving and will improve further going forward.
- Gross NPA ratios have increased in the AIB and mortgage segments.
- The bank's focus is more on productivity than on lowering the slippage ratio as of now.
- DCBB doesn't require additional capital for the next two years.

Others

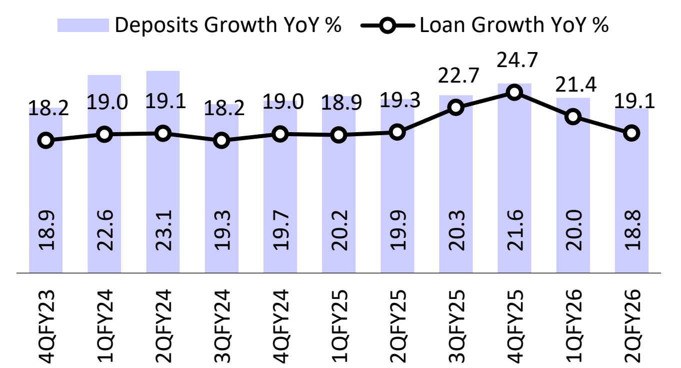
- The bank will not have a major impact due to the guidelines on the ECL framework.
- Tier-1 capital has increased, and whatever comes through risk weight will be a benefit, but the bank's model is already good.

Guidance

- Credit costs are expected to remain below 45bp for the full year.
- Bank expects to close FY26-27 with RoE of 13.5% and close FY27-28 with RoE of 14.5% adjusted for potential capital raise.
- DCBB has an ambition for a slippage ratio of 2.5% and the focus is to reduce it below 2%.
- NIM is expected to improve further if the RBI doesn't cut the repo rate further.
- Opex to avg assets is expected to remain at 2.4-2.42% mark and will stabilize at ~2.42-2.43%.

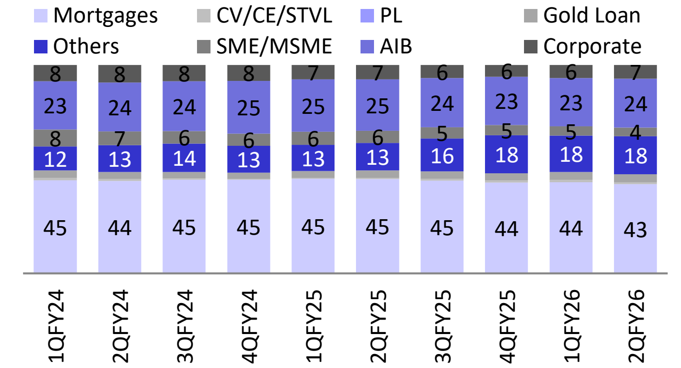
Story in charts

Exhibit 1: Loan/deposit books grew 19.1%/18.8% YoY



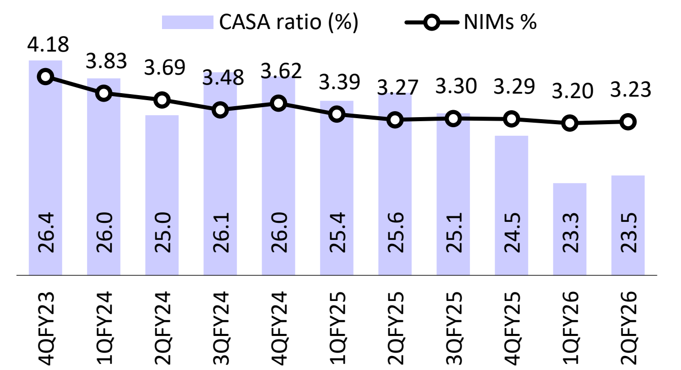
Source: MOFSL, Company

Exhibit 2: Trend in loan mix



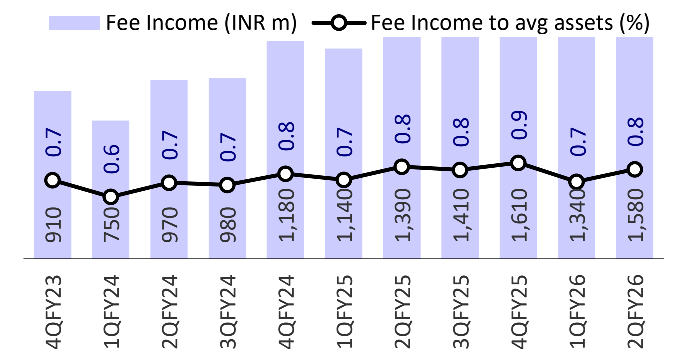
Source: MOFSL, Company

Exhibit 3: CASA ratio at 23.5%; NIM improved 3bp QoQ



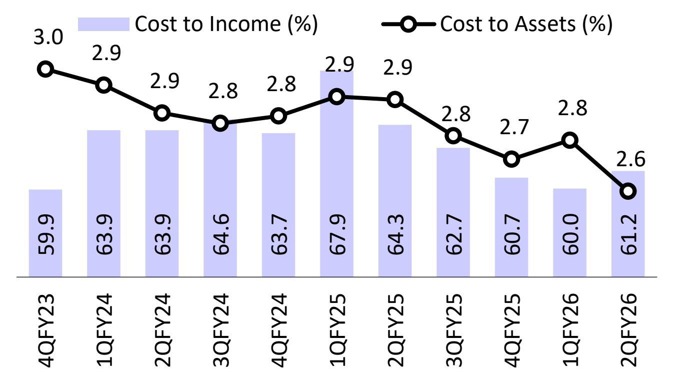
Source: MOFSL, Company

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



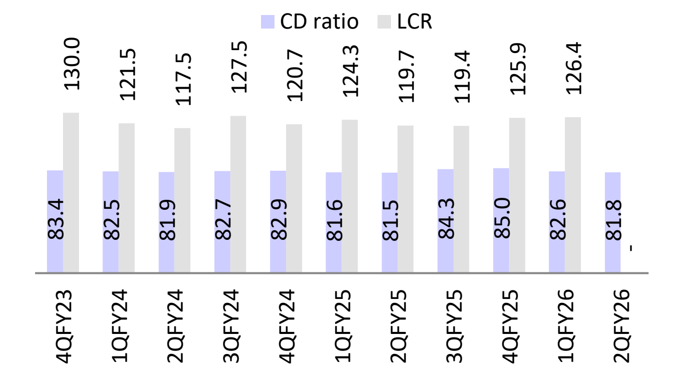
Source: MOFSL, Company

Exhibit 5: CI ratio stood at 61%; Cost/asset (calc) at 2.6%



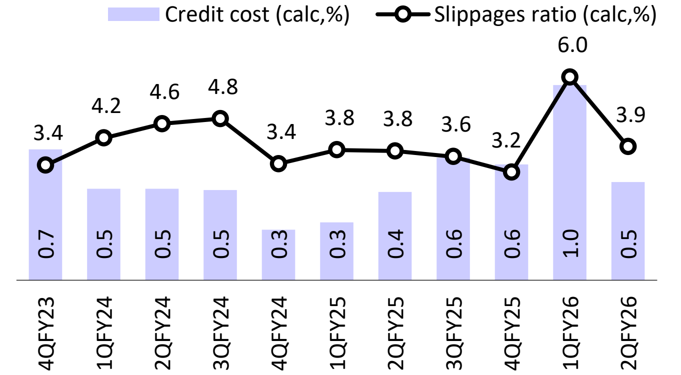
Source: MOFSL, Company

Exhibit 6: CD ratio declined to 81.8% during the quarter



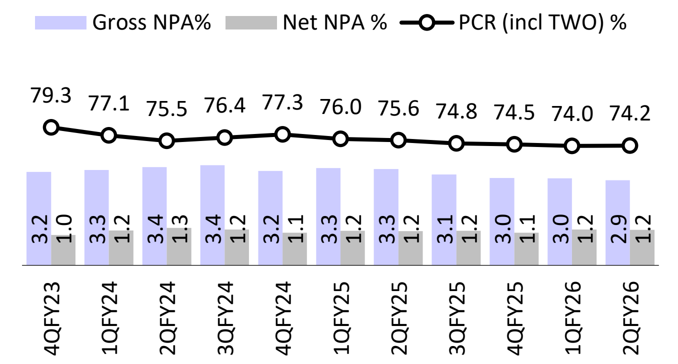
Source: MOFSL, Company

Exhibit 7: Slippage ratio (calc) moderated to 4% in 2QFY26



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios stood at 2.91%/1.21%



Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR165

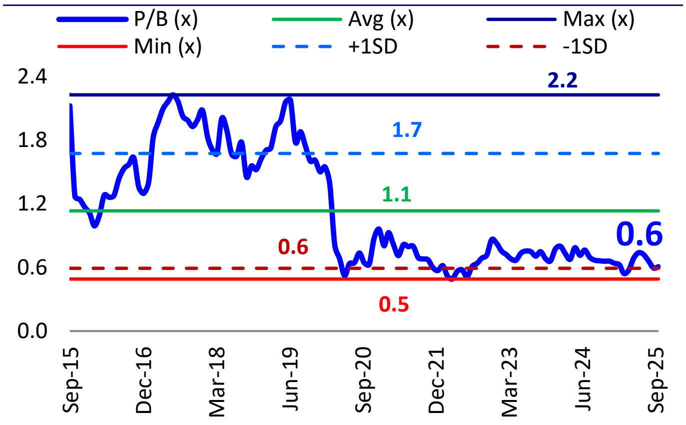
- DCBB reported a steady quarter with a beat in earnings amid lower provisions, healthy NII, and controlled opex. Margin improved 3bp QoQ, and the bank expects it to improve further going forward if no further rate cut occurs. Business growth was healthy with increased focus on gold loans and co-lending.
- Asset quality improved with slippages moderating sequentially, and management expects credit cost to remain below 45bp for the full year. We tweak our earnings estimates for FY27 and project an FY27E RoA/RoE of 1.01%/15.3%. **Reiterate BUY with a TP of INR165 (based on 0.8x FY27E ABV).**

Exhibit 9: Summary of the changes to our earnings estimates

(INR b)	Old Estimates		Revised Estimates			Change (%/bp)	
	FY26	FY27	FY26	FY27	FY28	FY26	FY27
NII	**24.2**	**30.1**	**24.3**	**29.2**	**35.6**	**0.5**	**-2.8**
Other Income	9.2	10.8	8.9	10.3	11.9	-3.3	-4.9
Total Income	**33.3**	**40.9**	**33.1**	**39.5**	**47.6**	**-0.6**	**-3.4**
Operating Expenses	20.3	23.1	19.9	22.5	26.4	-2.2	-2.2
Operating Profits	**13.0**	**17.8**	**13.3**	**16.9**	**21.2**	**2.0**	**-4.9**
Provisions	3.3	4.2	3.1	3.6	4.6	-5.0	-14.0
PBT	**9.7**	**13.6**	**10.1**	**13.4**	**16.6**	**4.4**	**-2.1**
Tax	2.5	3.5	2.6	3.4	4.3	4.4	-2.1
PAT	**7.2**	**10.1**	**7.5**	**9.9**	**12.3**	**4.4**	**-2.1**
Loans	605	728	595	704	839	-1.7	-3.2
Deposits	714	860	704	827	978	-1.5	-3.9
Margins (%)	3.1	3.2	3.1	3.2	3.3	3	-2
Credit Cost (%)	0.6	0.6	0.6	0.6	0.6	-2	-7
RoA (%)	**0.86**	**1.01**	**0.90**	**1.01**	**1.07**	**4**	**0**
RoE (%)	**12.7**	**15.7**	**13.2**	**15.3**	**16.4**	**52**	**-39**
BV	194	224	191	220	256	-1.3	-1.7
ABV	178	209	177	204	238	-1.1	-2.3
EPS	23	32	23	31	38	2.5	-3.9

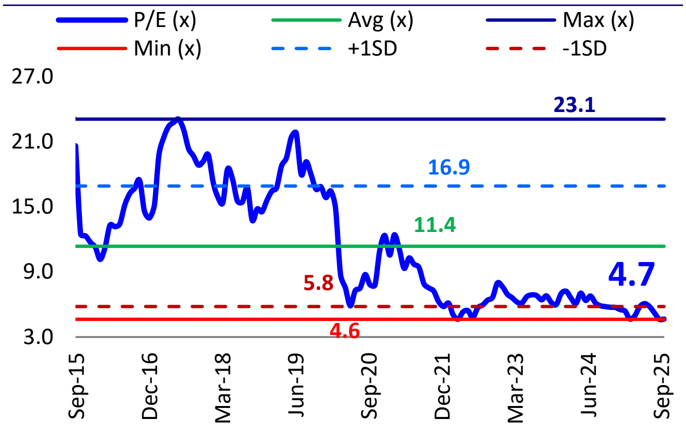
Source: MOFSL, Company

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 1.01% for FY27

DCB Bank	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	8.65	9.29	9.25	8.71	8.67	8.63
Interest Expended	5.11	5.95	6.24	5.79	5.68	5.55
Net interest Income	**3.53**	**3.34**	**3.01**	**2.91**	**2.99**	**3.09**
Fee income	0.82	0.77	0.86	0.90	0.90	0.90
Trading and others	0.02	0.06	0.22	0.17	0.15	0.13
Non-interest Income	**0.84**	**0.82**	**1.07**	**1.06**	**1.05**	**1.03**
Total Income	**4.38**	**4.16**	**4.09**	**3.98**	**4.04**	**4.12**
Operating expenses	**2.76**	**2.66**	**2.60**	**2.38**	**2.31**	**2.28**
Employees	1.43	1.38	1.32	1.21	1.17	1.14
Others	1.33	1.29	1.28	1.17	1.14	1.14
Operating profits	**1.62**	**1.50**	**1.48**	**1.59**	**1.73**	**1.84**
Core PPoP	**1.60**	**1.44**	**1.27**	**1.43**	**1.58**	**1.70**
Provisions	**0.33**	**0.25**	**0.30**	**0.38**	**0.37**	**0.40**
NPA	0.09	0.02	0.03	0.35	0.34	0.37
Others	0.24	0.23	0.27	0.03	0.03	0.03
PBT	**1.29**	**1.25**	**1.19**	**1.22**	**1.37**	**1.44**
Tax	0.33	0.32	0.31	0.31	0.35	0.37
ROA (%)	**0.96**	**0.93**	**0.88**	**0.90**	**1.01**	**1.07**
Leverage (x)	12.01	12.76	13.73	14.60	15.13	15.40
ROE (%)	**11.51**	**11.85**	**12.09**	**13.19**	**15.34**	**16.44**

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	72.6	84.7	99.7
Interest Expense	24.8	34.3	43.6	48.3	55.5	64.0
Net Interest Income	**17.2**	**19.3**	**21.1**	**24.3**	**29.2**	**35.6**
-growth (%)	26.5	12.3	9.3	15.3	20.3	22.0
Non Interest Income	4.1	4.7	7.5	8.9	10.3	11.9
Total Income	**21.3**	**24.0**	**28.6**	**33.1**	**39.5**	**47.6**
-growth (%)	17.5	13.0	18.9	16.0	19.1	20.4
Operating Expenses	13.4	15.4	18.2	19.9	22.5	26.4
Pre Provision Profits	**7.9**	**8.6**	**10.4**	**13.3**	**16.9**	**21.2**
-growth (%)	-1.3	9.9	20.0	28.1	27.6	25.0
Core PPoP	**7.8**	**8.3**	**8.9**	**11.9**	**15.4**	**19.6**
-growth (%)	8.3	7.2	6.5	34.2	29.8	27.2
Provisions	1.6	1.4	2.1	3.1	3.6	4.6
PBT	**6.3**	**7.2**	**8.3**	**10.1**	**13.4**	**16.6**
Tax	1.6	1.9	2.1	2.6	3.4	4.3
Tax Rate (%)	25.8	25.8	25.7	25.8	25.8	25.8
PAT	**4.7**	**5.4**	**6.2**	**7.5**	**9.9**	**12.3**
-growth (%)	61.9	15.1	14.8	22.3	31.7	24.3

Balance Sheet						
Y/E March	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	3.1	3.1	3.1	3.2	3.2	3.2
Reserves & Surplus	42.5	47.6	53.7	59.7	68.8	80.3
Net Worth	**45.6**	**50.7**	**56.9**	**62.9**	**72.0**	**83.5**
Deposits	**412.4**	**493.5**	**600.3**	**703.6**	**826.7**	**978.0**
-growth (%)	18.9	19.7	21.6	17.2	17.5	18.3
of which CASA Dep	**109.0**	**128.4**	**147.2**	**166.7**	**199.2**	**240.6**
-growth (%)	17.4	17.9	14.6	13.3	19.5	20.8
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**	**898.2**	**1,057.2**	**1,251.7**
Current Assets	23.7	30.7	27.0	31.9	35.8	41.3
Investments	**125.8**	**162.1**	**201.5**	**239.0**	**282.0**	**332.8**
-growth (%)	39.0	28.8	24.3	18.6	18.0	18.0
Loans	**343.8**	**409.2**	**510.5**	**594.7**	**704.1**	**839.3**
-growth (%)	18.2	19.0	24.7	16.5	18.4	19.2
Fixed Assets	8.3	8.6	9.0	10.1	10.8	11.5
Other Assets	22.1	19.7	20.2	22.5	24.6	26.8
Total Assets	**523.7**	**630.4**	**768.1**	**898.2**	**1,057.2**	**1,251.7**

ASSET QUALITY						
GNPA	11.2	13.5	15.5	17.0	18.6	22.2
NNPA	3.6	4.5	5.7	6.8	7.2	8.2
GNPA Ratio (%)	3.21	3.25	3.00	2.81	2.60	2.60
NNPA Ratio (%)	1.04	1.11	1.12	1.15	1.02	0.98
Slippage Ratio (%)	5.4	4.0	3.3	3.5	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	59.9	61.5	62.9

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**	**8.9**
Avg. Yield on loans	10.7	11.3	11.1	10.2	10.1	10.1
Avg. Yield on Investments	6.6	7.3	7.2	6.9	6.8	6.7
Avg. Cost-Int. Bear. Liab.	**5.9**	**6.8**	**7.0**	**6.4**	**6.3**	**6.1**
Avg. Cost of Deposits	5.9	6.8	7.0	6.5	6.4	6.2
Interest Spread	**3.3**	**3.0**	**2.7**	**2.6**	**2.7**	**2.8**
Net Interest Margin	**4.0**	**3.7**	**3.3**	**3.1**	**3.2**	**3.3**
Profitability Ratios (%)						
CAR	17.6	16.6	16.8	16.7	15.7	14.9
Tier I	15.2	14.5	14.3	14.5	13.9	13.4
CET 1	15.2	14.5	14.3	13.4	12.6	12.6
Tier II	2.4	2.1	2.5	2.1	1.8	1.5
Business Ratio (%)						
Loans/Deposit Ratio	83.4	82.9	85.0	84.5	85.2	85.8
CASA Ratio	26.4	26.0	24.5	23.7	24.1	24.6
Cost/Assets	2.8	2.7	2.6	2.4	2.3	2.3
Cost/Income	63.0	64.0	63.7	59.9	57.1	55.4
Cost/ Core Income	63.3	64.9	67.3	62.5	59.3	57.3
Int. Expense/Int.Income	59.1	64.0	67.4	66.5	65.5	64.2
Fee Income/Net Income	18.7	18.4	21.0	22.5	22.2	21.8
Other Income/Net Income	19.3	19.7	26.3	26.7	26.0	25.1
Employee Cost/Operating Expense	51.7	51.7	50.7	50.8	50.5	50.1
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	335.9	375.0
Deposits per branch	867.3	965.8	1,116.6	1,293.8	1,417.1	1,556.2
Business per Employee	79.0	76.3	79.7	100.5	99.5	108.6
Profit per Employee	3.6	4.7	4.7	5.6	5.8	7.0

Profitability and Valuations Ratios						
RoE	11.5	11.8	12.1	13.2	15.3	16.4
RoA	1.0	0.9	0.9	0.9	1.0	1.1
RoRWA	1.6	1.6	1.6	1.7	1.9	2.0
Book Value (INR)	141	157	176	191	220	256
-growth (%)	12.0	11.1	12.2	8.7	14.9	16.4
Price-BV (x)	**0.9**	**0.8**	**0.7**	**0.7**	**0.6**	**0.5**
Adjusted BV (INR)	133	147	163	177	204	238
Price-ABV (x)	**1.0**	**0.9**	**0.8**	**0.7**	**0.6**	**0.5**
EPS (INR)	14.9	17.1	19.6	23.5	30.9	38.5
-growth (%)	61.7	14.6	14.3	20.0	31.7	24.3
Price-Earnings (x)	**8.7**	**7.6**	**6.6**	**5.5**	**4.2**	**3.4**
Dividend Per Share (INR)	1.0	1.2	1.2	2.5	2.5	2.5
Dividend Yield (%)	**0.8**	**1.0**	**1.0**	**1.9**	**1.9**	**1.9**

E: MOFSL Estimates

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