

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR114 **TP: INR160 (+42%)** **Buy**

Revenue growth steady; net NPA remains stable

NIM expands 3bp QoQ to 3.3%

- DCB Bank (DCBB) reported 19.6% YoY growth in PAT to INR1.5b (9% beat) in 3QFY25, led by higher NII and healthy other income.
- NII grew 14.5% YoY to INR5.4b (in line, up 6.6% QoQ). NIMs expanded 3bp QoQ to 3.3%. Other income grew 49% YoY to INR1.8b (7% beat).
- Business growth was healthy as advances grew 22.7% YoY/7.5% QoQ to INR477.8b and deposits increased by 20% YoY/3.9% QoQ to INR566.8b. The CASA mix moderated 51bp QoQ to 25.1%.
- Fresh slippages stood at INR3.95b (vs. INR3.89b in 2QFY25). The GNPA ratio improved 18bp QoQ to 3.11%, while the NNPA ratio inched up 1bp QoQ to 1.18%. PCR declined to 62.9%.
- We fine-tune our earnings estimates and expect FY26 RoA/RoE at 0.96%/13.4%. **Reiterate BUY with a TP of INR160 (based on 0.8x Sep'26E ABV).**

Business growth healthy; GNPA ratio improves 18bp QoQ

- DCBB reported 19.6% YoY growth in PAT to INR1.5b (9% beat), aided by higher NII and healthy other income. In 9MFY25, earnings grew 15.2% YoY to INR4.4b. We estimate 4QFY25 earnings to grow 3.2% YoY to INR1.6b.
- NII grew 14.5% YoY to INR5.4b (in line, up 6.6% QoQ). NIMs expanded 3bp QoQ to 3.3%. Other income grew 49% YoY to INR1.8b (7% beat), resulting in 21.6% YoY growth in total revenue (in line). Management guides for NIM to be ~3.5-3.65%.
- Opex grew 18% YoY to INR4.6b (in line). The C/I ratio moderated 155bp QoQ to 62.7%, aided by steady revenue growth and reduction in employee count. PPop grew 28.2% YoY to INR2.7b (15% beat). Provisions stood at INR672m (64% YoY, 37% higher than est.).
- Advances grew 22.7% YoY, supported by healthy growth in the co-lending book (up 51.8% QoQ). Mortgages grew 5.6% QoQ, while gold loans grew 4.4% QoQ.
- Deposits rose 20% YoY/3.9% QoQ to INR566.8b, driven by term deposits. The CASA mix thus moderated 51bp QoQ to 25.1%. Consequently, the CD ratio increased to 84.3%.
- Fresh slippages stood at INR3.95b (vs. INR3.89b in 2QFY25). The GNPA ratio improved 18bp QoQ to 3.11%, while the NNPA ratio was broadly stable at 1.18%. PCR declined to 62.9%. Restructured book declined to INR8.6b (1.8% of loans).

Bloomberg	DCBB IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	35.6 / 0.4
52-Week Range (INR)	146 / 108
1, 6, 12 Rel. Per (%)	-5/-9/-29
12M Avg Val (INR M)	267

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	19.3	21.2	26.1
OP	8.6	10.1	13.1
NP	5.4	6.0	7.5
NIM (%)	3.7	3.4	3.4
EPS (INR)	17.1	19.1	24.1
EPS Gr. (%)	14.6	11.7	25.9
BV/Sh. (INR)	157	174	195
ABV/Sh. (INR)	147	161	181

Ratios

RoA (%)	0.9	0.9	0.9
RoE (%)	11.8	11.9	13.4

Valuations

P/E (x)	6.6	5.9	4.7
P/BV (x)	0.7	0.6	0.6
P/ABV (x)	0.8	0.7	0.6

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	14.7	14.7	14.8
DII	27.9	26.7	34.2
FII	10.9	11.1	13.0
Others	46.5	47.6	38.0

FII Includes depository receipts

Highlights from the management commentary

- The bank targets a cost-to-avg asset ratio of 2.5-2.6% and a cost-to-income ratio of 60% or below in the near term.
- A majority of the growth has come from co-lending. Excluding co-lending, growth has been as good as it was in the previous quarter. The biggest partner has started originating business in co-lending. Home loans, unsecured business loans, gold loans, SME, and CV are various types of co-lending products that the bank is offering with ~7-8 partners.
- DCBB continues to guide for a credit cost of ~45-55bp on average assets.

Valuation and view

DCBB reported healthy earnings in 3QFY25, driven mainly by steady NII and other income, though provisions were higher than expected. Margins improved 3bp QoQ due to improvement in yield on advances. Management expects NIMs to improve in the coming quarters as the asset mix improves in favor of high-yielding business loans. Improvement in fee intensity will also support revenue growth. Loan growth was steady, led by healthy growth in co-lending, while deposits too grew strongly. Fresh slippages stood broadly stable, while the GNPA ratio improved 18bp QoQ. Restructured book was under control at 1.8% of loans. We fine-tune our earnings estimates and expect FY26E RoA/RoE at 0.96%/13.4%. **Reiterate BUY with a TP of INR160 (based on 0.8x Sep'26E ABV).**

Quarterly Performance

	(INR b)											
	FY24				FY25E				FY24	FY25E	FY25E	V/s our
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4QE		3QE	Est	
Net Interest Income	4.71	4.76	4.74	5.07	4.97	5.09	5.43	5.71	19.28	21.20	5.34	2%
% Change (Y-o-Y)	25.9	15.7	6.3	4.4	5.5	7.0	14.5	12.6	12.3	10.0	12.6	
Other Income	1.07	1.07	1.24	1.36	1.43	2.05	1.84	1.94	4.74	7.26	1.72	7%
Total Income	5.78	5.83	5.98	6.44	6.40	7.14	7.27	7.65	24.02	28.46	7.06	3%
Operating Expenses	3.69	3.73	3.86	4.10	4.34	4.59	4.56	4.84	15.38	18.33	4.70	-3%
Operating Profit	2.09	2.11	2.12	2.34	2.05	2.55	2.71	2.81	8.64	10.13	2.35	15%
% Change (Y-o-Y)	25.6	15.3	9.0	(4.2)	(1.6)	21.2	28.2	20.3	9.9	17.2	11.2	
Provisions	0.38	0.40	0.41	0.24	0.28	0.46	0.67	0.65	1.42	2.06	0.49	38%
Profit before Tax	1.71	1.71	1.71	2.10	1.77	2.10	2.04	2.17	7.22	8.07	1.86	9%
Tax	0.44	0.44	0.44	0.54	0.46	0.54	0.52	0.56	1.86	2.08	0.48	9%
Net Profit	1.27	1.27	1.27	1.56	1.31	1.55	1.51	1.61	5.36	5.99	1.38	9%
% Change (Y-o-Y)	30.7	12.9	11.2	9.5	3.5	22.6	19.6	3.2	15.1	11.7	9.3	
Operating Parameters												
Deposit (INR b)	430.1	455.0	471.2	493.5	516.9	545.3	566.8	595.7	493.5	595.7	565.7	0%
Loan (INR b)	354.7	372.8	389.5	409.2	421.8	444.7	477.8	502.6	409.2	502.6	463.7	3%
Deposit Growth (%)	22.6	23.1	19.3	19.7	20.2	19.9	20.3	20.7	19.7	20.7	20.1	
Loan Growth (%)	19.0	19.1	18.2	19.0	18.9	19.3	22.7	22.8	19.0	22.8	19.0	
Asset Quality												
Gross NPA (%)	3.26	3.36	3.43	3.23	3.33	3.29	3.11	3.01	3.25	3.01	3.24	
Net NPA (%)	1.19	1.28	1.22	1.11	1.18	1.17	1.18	1.18	1.11	1.18	1.15	
PCR (%)	64.1	62.8	65.1	66.4	65.2	65.2	62.9	61.6	66.4	61.6	65.3	

E: MOFSL Estimates

Quarterly Snapshot

	FY24				FY25			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Profit and Loss (INR m)									
Net Interest Income	4.7	4.8	4.7	5.1	5.0	5.1	5.4	15	7
Other Income	1.1	1.1	1.2	1.4	1.4	2.0	1.8	49	-10
Total Income	5.8	5.8	6.0	6.4	6.4	7.1	7.3	22	2
Operating Expenses	3.7	3.7	3.9	4.1	4.3	4.6	4.6	18	-1
Employee	2.0	1.9	2.0	2.1	2.3	2.4	2.3	16	-2
Others	1.7	1.8	1.9	2.0	2.1	2.2	2.2	20	0
Operating Profits	2.1	2.1	2.1	2.3	2.1	2.6	2.7	28	6
Core Operating Profits	2.1	2.1	2.0	2.2	1.9	2.0	2.3	18	15
Provisions	0.4	0.4	0.4	0.2	0.3	0.5	0.7	64	47
PBT	1.7	1.7	1.7	2.1	1.8	2.1	2.0	20	-3
Taxes	0.4	0.4	0.4	0.5	0.5	0.5	0.5	19	-3
PAT	1.3	1.3	1.3	1.6	1.3	1.6	1.5	20	-3
Balance Sheet (INR B)									
Loans	355	373	390	409	422	445	478	23	7
Deposits	430	455	471	494	517	545	567	20	4
CASA Deposits	112	114	123	128	131	140	142	16	2
-Savings	91	92	102	104	110	118	120	17	2
-Current	21	21	21	24	21	22	22	8	2
Loan Mix (%)									
Retail Banking	72.6	72.1	72.6	73.7	74.3	74.0	72.5	-10	-150
-Mortgages	44.7	44.4	45.0	44.9	45.4	45.3	44.5	-50	-80
-CV2	1.1	0.8	0.6	0.4	0.4	0.6	1.0	40	40
-AIB	23.2	23.5	23.9	25.3	25.2	24.6	23.6	-30	-100
-Gold loans	3.6	3.4	3.1	3.1	3.3	3.5	3.4	30	-10
SME	8.1	6.6	6.0	5.9	6.2	5.9	5.3	-70	-60
Co-lending	6.7	8.0	8.6	7.5	7.1	8.0	11.3	270	330
Corporate	7.8	8.4	7.8	7.6	6.9	6.9	6.3	-150	-60
Asset Quality									
GNPA	11.81	12.81	13.68	13.53	14.35	14.97	15.17	11	1
NNPA	4.24	4.76	4.77	4.54	4.99	5.21	5.62	18	8
Slippages	3.4	4.0	4.3	3.2	3.7	3.9	4.0	-8	2
Asset Quality Ratios (%)									
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY (BQ)	QoQ (BQ)
GNPA (%)	3.3	3.4	3.4	3.2	3.3	3.3	3.1	-32	-18
NNPA (%)	1.2	1.3	1.2	1.1	1.2	1.2	1.2	-4	1
PCR (Exc TWO, %)	64.1	62.8	65.1	66.4	65.2	65.2	62.9	-220	-224
Slippage ratio (%)	5.0	5.5	5.7	4.1	4.6	4.5	4.4	-128	-14
Business Ratios (%)									
CASA	26.0	25.0	26.1	26.0	25.4	25.6	25.1	-103	-51
Loan/Deposit	82.5	81.9	82.7	82.9	81.6	81.5	84.3	164	276
Other income/Total Income	18.5	18.4	20.7	21.2	22.4	28.7	25.3	462	-335
Cost to Income	63.9	63.9	64.6	63.7	67.9	64.3	62.7	-191	-155
Cost to Asset	2.9	2.9	2.8	2.8	2.9	0.0	0.0	-282	0
Tax Rate	25.7	25.8	25.8	25.8	25.8	25.8	25.7	-2	-6
Capitalisation Ratios (%)									
Tier-1	14.8	14.3	13.7	14.5	14.0	13.7	13.5	-15	-11
CAR	17.1	16.6	15.7	16.6	16.0	15.6	16.3	57	74
RWA / Total Assets	52.9	52.2	52.4	52.1	53.0	51.0	49.4	-303	-161
LCR	121.5	117.5	127.5	120.7	NA	119.7	0.0	NA	NA
Profitability Ratios (%)									
Yield on loans	11.6	11.6	11.4	11.7	11.5	11.4	11.4	0	5
Cost of funds	6.7	6.9	7.0	7.1	7.2	7.2	7.2	18	3
Margins	3.83	3.69	3.48	3.62	3.39	3.27	3.30	-18	3
Others									
Branches	436	439	440	442	445	451	457	17	6
ATM	409	414	416	418	418	428	430	14	2
Employees (K)	9.6	10.0	10.5	11.3	11.9	11.9	11.3	1	-1



Highlights from the management commentary

Opening remarks

- In 3QFY25, advances grew 22.7% YoY, while deposits grew 20.3% YoY.
- The industry is facing headwinds in unsecured, MFI, etc.
- DCBB has been consistently growing by 18-20% YoY for the past few quarters.
- There was an uptick in the yield on advances, while the cost of funds inched up, and NIM expanded.
- NII saw double-digit growth. Core fee continued to see an uptrend.
- Top 20 deposits have a less than 7% interest rate. Savings grew by 17% YoY, clearly showing that its efforts are leading to desired results.
- The employee count declined in 3QFY25 to 11,339.
- Mortgages (Home Loan + LAP), MSME/SME, gold loan, co-lending, AIB, construction finance are expected to lead the growth.
- The CASA ratio moderated to 25.09%. Core fee increased 44% YoY, leading to healthy other income.

Advances and deposits

- A majority of the growth has come from co-lending. Excluding co-lending, growth has been as good as it was in the previous quarter. The biggest partner has started originating business in co-lending.
- Home loans, unsecured business loans, gold loans, SME, and CV are various types of co-lending products that the bank is offering with ~7-8 partners.
- The bank offers direct lending through MFI institutions and lending through business channels. Business correspondent loans are given to individuals and MFI loans are given to MFI institutions.
- Due to a slowdown in the MFI segment, there has been a surge in gold loans, which is helping the organic book as well as co-lending book.
- Tier-2 capital came during the quarter and the cost of fund is looked at and have also looked at bit of borrowings which has resulted into CD ratio going up.
- It is improving the liability profile by focusing more on individuals than on institutions and entities.
- The current PMAY scheme is hitting the soft point of home loans. Once the final PMAY guideline comes, the bank will look into the mix of business loans.
- Co-lending makes up 11% of advances currently. The bank is comfortable with the yield and book growth that they are getting.
- The bank has always been playing a key role in an alliance or partnership. It is involved with more than 10 co-lending partners and has relationship with many financial institutions.
- The bank wants to offer co-lending with partners that are not in the same locations and products that the bank has.
- More than 40% of book is mortgage, which is a low-engagement product but has customer stickiness.
- Mortgage book is divided into LAP and home loans and the bank expects to have higher LAP as it has better yields.
- The transition from home loans to business loans is ongoing, which gives the bank an additional yield.
- A higher ticket size has not seen an appreciable movement to throw a dent on the cost. The bank is still working on hitching up the average ticket size.

Cost and income

- NIM contraction has stopped. Margins increased 3bp QoQ as yield on advances increased to 11.44% and the increase in the cost of fund increased was less than the increase in YoA.
- For the first time, NII grew double digits, which reflects balance sheet growth.
- Productivity has increased. Performers are taken care of and non-performers are groomed. There has been a reduction in headcount. It is working on other expenses, which led to a reduction in opex overall.
- The bank wants the right component of deposits to grow, i.e., retail deposits, and small ticket size, which would lead to a stable cost of fund.
- In a chase of higher NIM, the bank will not move out of the risk framework that it follows. The bank is reassessing its portfolio to see where it can get higher revenue, as reflected in higher core fee income in 3Q.
- The profit from the sale of investment depends on how interest rates move, but the bank can forecast the core fee income with a clear plan.

Asset quality

- GNPA ratio improved 18bp QoQ to 3.11% and NNPA ratio inched up 1bp QoQ to 1.18% in 3QFY25. PCR stood at 62.9%.
- Recoveries have been lower, but there were more than normal slippages due to MFI+BC book and some unsecured book.
- 99% recoveries on LAP and 98.9% collection on home loans.
- Higher write-off was due to mainly MFI. The bank is also working on mortgage.
- Credit cost stood at 0.38% in 3QFY25, lower due to diminished return benefits on the restructured book.
- The bank continues to guide for GNPA of below 2.50% and NNPA of 1.00%.
- It expects a credit cost of ~45-55bp to average assets.

Guidance

- The bank expects full-year RoA of 1%.
- It aims to double the loan book every 3-4 years.
- DCBB now targets a cost-to-avg asset ratio of 2.5-2.6% and a cost-to-income ratio of 60% or below in the near term.
- The bank expects NIMs to be ~3.50%-3.65% going forward.

Story in charts

Exhibit 1: Loans/deposits grew 22.7%/20.3% YoY

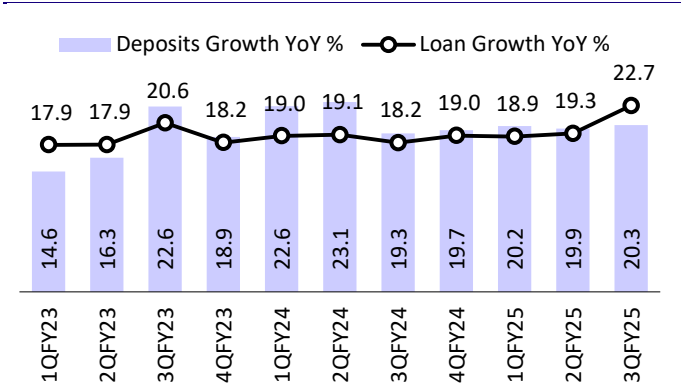


Exhibit 2: Trend in loan mix

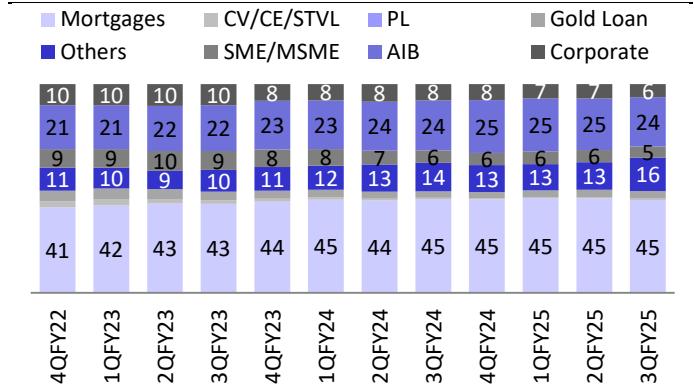


Exhibit 3: CASA ratio stood at 25.1%; NIM at 3.30%

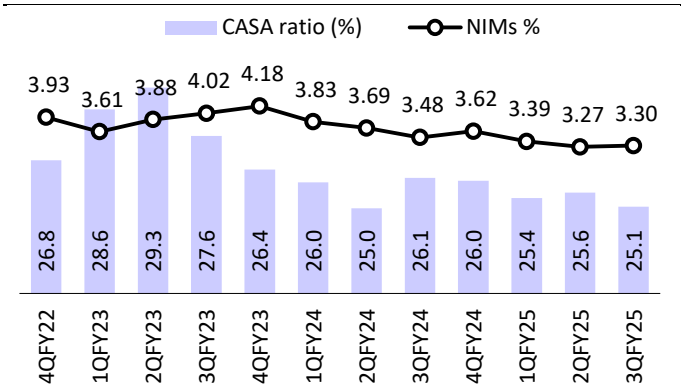


Exhibit 4: Fee income to assets stood at 0.8% of avg assets

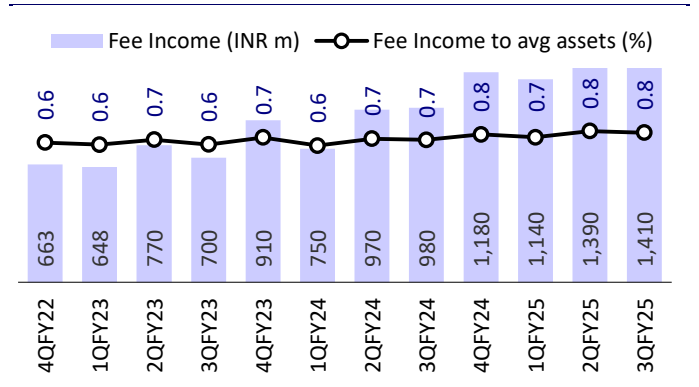


Exhibit 5: CI ratio moderated to 62.7%; Cost/asset at 2.8%

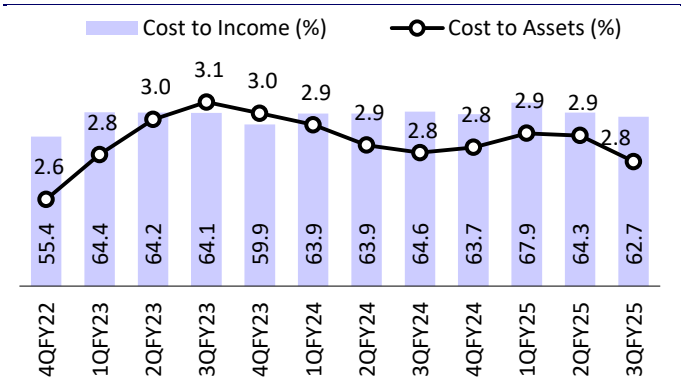


Exhibit 6: CD ratio increased to 84.3% during the quarter

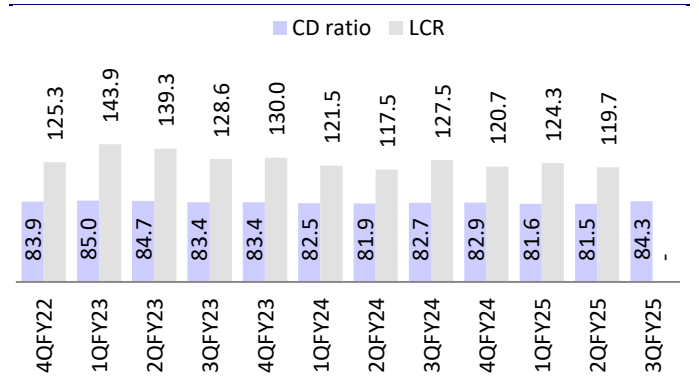


Exhibit 7: Slippage ratio (calc) stood at 4.4% in 3QFY25

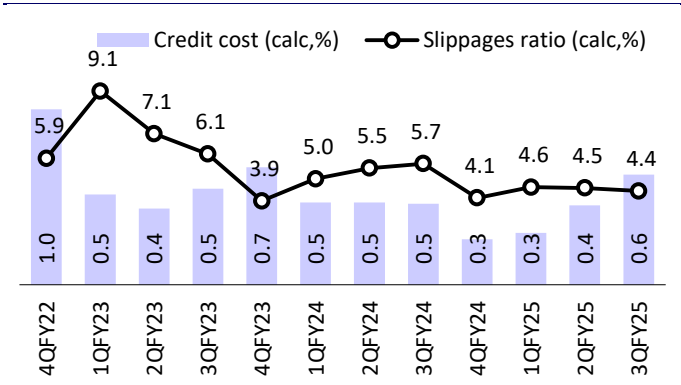
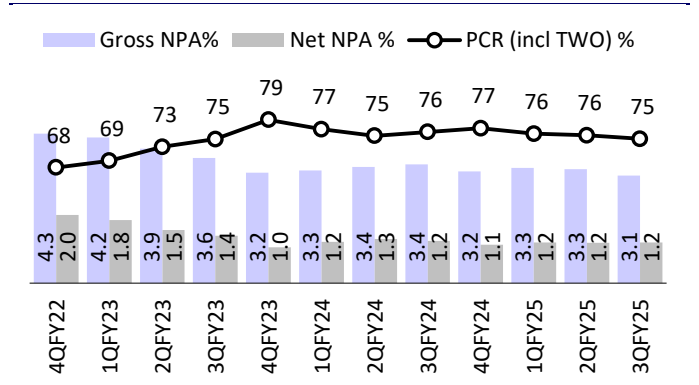


Exhibit 8: GNPA/NNPA ratios stood at 3.11%/1.18%



Source: MOFSL, Company

Source: MOFSL, Company

Valuation and view - Reiterate BUY with a TP of INR160

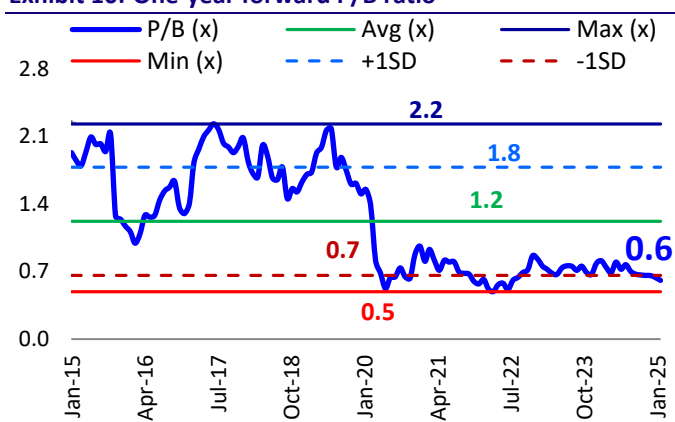
- DCBB reported healthy earnings in 3QFY25, driven mainly by steady NII and other income, though provisions were higher than expected. Margins improved 3bp QoQ due to improvement in yield on advances. Management expect NIMs to improve in the coming quarters as the asset mix improves in favor of high-yielding business loans. Improvement in fee intensity will also support revenue growth.
- Loan growth was steady, led by healthy growth in co-lending, while deposits too grew strongly. Fresh slippages stood broadly stable, while GNPA ratio improved 18bp QoQ. Restructured book was under control at 1.8% of loans.
- We fine-tune our earnings estimates and expect FY26E RoA/RoE at 0.96%/13.4%. Reiterate BUY with a TP of INR160 (based on 0.8x Sep'26E ABV).

Exhibit 9: Summary of changes to our earnings estimates

(INR b)	Old Estimates			Revised Estimates			Change (%/bp)		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
NII	21.0	25.9	31.4	21.2	26.1	32.1	1.1	0.9	2.1
Other Income	7.1	8.3	9.9	7.3	8.6	10.4	2.0	3.7	4.6
Total Income	28.1	34.2	41.3	28.5	34.7	42.4	1.3	1.6	2.7
Operating Expenses	18.4	21.4	24.7	18.3	21.6	25.4	-0.6	1.1	2.8
Operating Profits	9.6	12.8	16.6	10.1	13.1	17.0	5.1	2.5	2.6
Provisions	1.8	2.8	3.9	2.1	3.0	4.1	13.8	5.8	6.7
PBT	7.8	10.0	12.7	8.1	10.2	12.9	3.1	1.5	1.3
Tax	2.0	2.6	3.3	2.1	2.6	3.3	3.1	1.5	1.3
PAT	5.8	7.4	9.4	6.0	7.5	9.6	3.1	1.5	1.3
Loans	487	581	695	503	615	755	3.2	5.8	8.6
Deposits	587	700	836	596	724	884	1.4	3.4	5.8
Margins (%)	3.3	3.5	3.5	3.4	3.4	3.4	1	-5	-8
Credit Cost (%)	0.4	0.5	0.6	0.5	0.5	0.6	5	1	0
RoA (%)	0.84	0.91	0.98	0.87	0.91	0.95	2	0	-3
RoE (%)	11.5	13.2	14.8	11.9	13.4	14.9	33	15	11
BV	173	195	222	174	195	224	0.3	0.5	0.6
ABV	161	181	207	161	181	208	-0.4	0.0	0.1
EPS	19	24	30	19	24	31	3.1	1.5	1.3

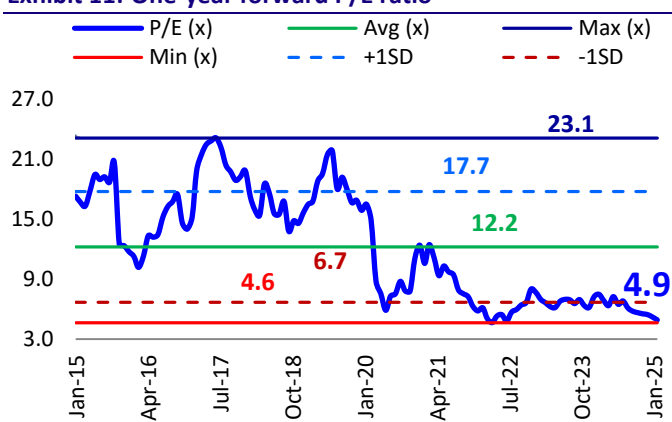
Source: MOFSL, Company

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 sustain at ~1.02% for FY27

DCB Bank	FY22	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	8.32	8.65	9.29	9.01	8.96	8.95
Interest Expended	5.11	5.11	5.95	5.94	5.81	5.75
Net interest Income	3.22	3.53	3.34	3.07	3.16	3.20
Fee income	0.88	0.82	0.77	0.90	0.91	0.92
Trading and others	0.19	0.02	0.06	0.15	0.13	0.11
Non-interest Income	1.07	0.84	0.82	1.05	1.04	1.03
Total Income	4.29	4.38	4.16	4.12	4.20	4.23
Operating expenses	2.40	2.76	2.66	2.66	2.61	2.53
Employees	1.28	1.43	1.38	1.35	1.32	1.27
Others	1.12	1.33	1.29	1.30	1.29	1.26
Operating profits	1.89	1.62	1.50	1.47	1.59	1.70
Core PPOP	1.70	1.60	1.44	1.32	1.46	1.58
Provisions	0.97	0.33	0.25	0.30	0.36	0.41
NPA	0.09	0.09	0.03	0.26	0.32	0.38
Others	0.88	0.24	0.22	0.03	0.03	0.03
PBT	0.92	1.29	1.25	1.17	1.23	1.29
Tax	0.24	0.33	0.32	0.30	0.32	0.33
ROA (%)	0.68	0.96	0.93	0.87	0.91	0.95
Leverage (x)	11.48	12.01	12.76	13.68	14.66	15.61
ROE (%)	7.82	11.51	11.85	11.88	13.35	14.89

Source: MOFSL, Company

Financials and valuations

Income Statement							(INRb)
Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E	
Interest Income	35.1	42.0	53.6	62.2	74.2	89.7	
Interest Expense	21.6	24.8	34.3	41.0	48.1	57.7	
Net Interest Income	13.6	17.2	19.3	21.2	26.1	32.1	
-growth (%)	5.5	26.5	12.3	10.0	23.2	22.8	
Non Interest Income	4.5	4.1	4.7	7.3	8.6	10.4	
Total Income	18.1	21.3	24.0	28.5	34.7	42.4	
-growth (%)	4.5	17.5	13.0	18.5	22.1	22.1	
Operating Expenses	10.1	13.4	15.4	18.3	21.6	25.4	
Pre Provision Profits	8.0	7.9	8.6	10.1	13.1	17.0	
-growth (%)	-10.0	-1.3	9.9	17.2	29.6	29.6	
Core PPOp	7.2	7.8	8.3	9.1	12.0	15.9	
-growth (%)	-3.6	8.3	7.2	9.1	32.7	31.9	
Provisions	4.1	1.6	1.4	2.1	3.0	4.1	
PBT	3.9	6.3	7.2	8.1	10.2	12.9	
Tax	1.0	1.6	1.9	2.1	2.6	3.3	
Tax Rate (%)	26.2	25.8	25.8	25.8	25.8	25.8	
PAT	2.9	4.7	5.4	6.0	7.5	9.6	
-growth (%)	-14.4	61.9	15.1	11.7	25.9	26.9	

Balance Sheet						
Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	3.1	3.1	3.1	3.1	3.1	3.1
Equity Share Capital	3.1	3.1	3.1	3.1	3.1	3.1
Preference Share Capital	0.0	0.0	0.0	0.0	0.0	0.0
Reserves & Surplus	37.4	42.5	47.6	52.9	59.6	68.4
Net Worth	40.5	45.6	50.7	56.0	62.7	71.5
Deposits	346.9	412.4	493.5	595.7	723.8	884.4
-growth (%)	16.8	18.9	19.7	20.7	21.5	22.2
of which CASA Dep	92.8	109.0	128.4	147.1	188.9	241.5
-growth (%)	36.8	17.4	17.9	14.6	28.4	27.8
Borrowings	40.8	41.2	62.2	76.6	94.7	115.2
Other Liabilities & Prov.	19.7	24.4	23.9	21.1	24.4	28.8
Total Liabilities	447.9	523.6	630.3	749.3	905.6	1,100.0
Current Assets	40.9	23.7	30.7	32.3	39.0	45.3
Investments	90.5	125.8	162.1	186.7	220.0	260.5
-growth (%)	7.6	39.0	28.8	15.2	17.8	18.4
Loans	291.0	343.8	409.2	502.6	615.1	755.4
-growth (%)	13.0	18.2	19.0	22.8	22.4	22.8
Fixed Assets	6.6	8.3	8.6	9.4	10.3	11.3
Other Assets	18.9	22.1	19.7	18.4	21.1	27.6
Total Assets	447.9	523.7	630.4	749.3	905.6	1,100.0

ASSET QUALITY						
GNPA	12.9	11.2	13.5	15.4	17.9	20.9
NNPA	5.7	3.6	4.5	5.9	6.5	7.1
GNPA Ratio (%)	4.33	3.21	3.25	3.01	2.85	2.72
NNPA Ratio (%)	1.97	1.04	1.11	1.18	1.05	0.94
Slippage Ratio (%)	6.5	5.4	4.0	3.5	3.2	3.0
Credit Cost (%)	1.49	0.50	0.38	0.5	0.5	0.6
PCR (Excl Tech. write off) (%)	53.5	56.0	55.0	61.6	63.8	66.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	8.8	9.2	9.8	9.4	9.3	9.3
Avg. Yield on loans	10.3	10.7	11.3	10.7	10.5	10.4
Avg. Yield on Investments	6.8	6.6	7.3	6.9	6.9	6.9
Avg. Cost-Int. Bear. Liab.	5.9	5.9	6.8	6.7	6.4	6.3
Avg. Cost of Deposits	5.9	5.9	6.8	6.7	6.5	6.4
Interest Spread	2.9	3.3	3.0	2.7	2.8	2.9
Net Interest Margin	3.6	4.0	3.7	3.4	3.4	3.4

Profitability Ratios (%)

CAR	18.9	17.6	16.6	14.7	13.2	12.1
Tier I	15.8	15.2	14.5	13.0	11.7	10.8
CET 1	15.8	15.2	14.5	14.5	13.4	12.6
Tier II	3.1	2.4	2.1	1.7	1.5	1.2

Business Ratio (%)

Loans/Deposit Ratio	83.9	83.4	82.9	84.4	85.0	85.4
CASA Ratio	26.8	26.4	26.0	24.7	26.1	27.3
Cost/Assets	2.4	2.8	2.7	2.7	2.6	2.5
Cost/Income	56.0	63.0	64.0	64.4	62.2	59.9
Cost/ Core Income	58.6	63.3	64.9	66.9	64.2	61.5
Int. Expense/Int.Income	61.4	59.1	64.0	65.9	64.8	64.3
Fee Income/Net Income	20.5	18.7	18.4	21.8	21.7	21.8
Other Income/Net Income	25.0	19.3	19.7	25.5	24.9	24.4
Employee Cost/Operating Expense	53.2	51.7	51.7	50.9	50.5	50.3

Efficiency Ratios (INRm)

Employee per branch (in nos)	20.2	23.2	25.6	26.1	26.3	26.6
Staff cost per employee	0.7	0.7	0.7	0.8	0.8	0.9
CASA per branch	192.8	232.0	255.2	290.6	314.0	376.8
Deposits per branch	843.9	867.3	965.8	1,116.6	1,271.4	1,443.7
Business per Employee	86.2	79.0	76.3	79.7	89.8	101.4
Profit per Employee	5.2	3.6	4.7	4.7	4.9	5.7

Profitability and Valuations Ratios

RoE	7.8	11.5	11.8	11.9	13.4	14.9
RoA	0.7	1.0	0.9	0.9	0.91	1.0
RoRWA	1.2	1.6	1.6	1.5	1.6	1.8
Book Value (INR)	126	141	157	174	195	224
-growth (%)	7.9	12.0	11.1	10.7	12.4	14.4
Price-BV (x)	0.9	0.8	0.7	0.6	0.6	0.5
Adjusted BV (INR)	113	133	147	161	181	208
Price-ABV (x)	1.0	0.8	0.8	0.7	0.6	0.5
EPS (INR)	9.2	14.9	17.1	19.1	24.1	30.6
-growth (%)	-14.5	61.7	14.6	11.7	25.9	26.9
Price-Earnings (x)	12.2	7.5	6.6	5.9	4.7	3.7
Dividend Per Share (INR)	1.0	1.0	1.2	2.2	2.5	2.5
Dividend Yield (%)	0.9	0.9	1.1	2.0	2.2	2.2

E: MOFSL Estimates

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