

BUY

TP: Rs 144 | ▲ 27%

DCB BANK

| Banking

| 01 November 2023

Steady growth

- Q2 advances grew 19% YoY led by agri and inclusive banking (AIB) and co-lending; NIM dipped 13bs QoQ on deposit repricing
- Margin guided to hold within target range of 3.65-3.75% in FY24 on shift in loan mix; credit cost guidance cut 5-10bps to 35-40bps
- Maintain BUY with TP of Rs 144 (unchanged), valuing the stock at 0.8x FY25E ABV

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Targeting 2x growth in balance sheet: Despite the absence of TreDS business, DCBB's advances grew 19% YoY in Q2FY24 driven by AIB (+30%) and co-lending (+91%). In the mortgage book (+24% YoY), management plans to shift focus from home to business loans in the midterm to support margins. Deposit growth was strong at 23% YoY driven by term deposits. DCBB reiterated its plan to double the balance sheet in 3Y. We factor in a credit/deposit CAGR of 18.4%/20.1% over FY23-FY25.

Margin to improve...: Reported NIM contracted 14bps QoQ to 3.7% due to a higher cost of deposits (+16bps QoQ) and flat yield on advances. Management expects deposit rate repricing to be completed over the next two quarters, supporting a stable margin within its earlier guided range of 3.65-3.75% for FY24.

...but C/I ratio to remain high: On the operational front, the bank reiterated sustained investments in network expansion and frontline employee addition, maintaining its previous guidance of adding 25-30 branches per year. Factoring in volume leverage, DCBB is targeting a C/I ratio of 55% and cost-to-average assets of 2.4-2.5% in the near term from 2.65% currently. We expect sticky operating cost to result in a much higher C/I ratio of 63% in FY24 (and 60% in FY25).

Asset stress expected to ease: With no moratorium in place, slippages stayed elevated at 4.5%, mainly from the restructured and mortgage book, pushing up both GNPA and NNPA by 10bps QoQ. Management is confident of stronger asset quality as it expects the loan repayment cycle to be streamlined over 3-4 months. The bank also cut FY24 credit cost guidance to 35-40bps from 40-45bps, leading us to lower our FY24/FY25 estimates – albeit more conservatively – to 43bps/45bps from 54bps/60bps.

Maintain BUY: Baking in healthy growth, steady margins and improving asset quality, we expect DCBB to clock ROA/ROE of 1%/13% in FY25 vs. 0.96%/10.8% in FY23. However, the sustainability of business growth, along with smooth top management transition as the current CEO completes his tenure next April, would be key to watch. The stock is trading at 0.7x FY25E ABV. We retain BUY and continue to value DCBB at 0.8x FY25E ABV (Gordon Growth Model) for an unchanged TP of Rs 144.

Key changes

Target	Rating
◀ ▶	◀ ▶

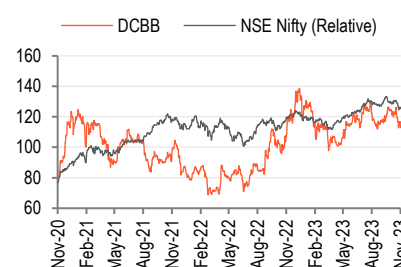
Ticker/Price	DCBB IN/Rs 113
Market cap	US\$ 428.6mn
Free float	85%
3M ADV	US\$ 2.3mn
52wk high/low	Rs 141/Rs 97
Promoter/FPI/DII	15%/13%/39%

Source: NSE | Price as of 1 Nov 2023

Key financials

Y/E 31 Mar	FY23A	FY24E	FY25E
Net interest income	17,170	19,764	23,073
NII growth (%)	26.5	15.1	16.7
Adj. net profit (Rs mn)	4,656	5,450	7,027
EPS (Rs)	15.0	17.5	22.6
Consensus EPS (Rs)	15.0	17.3	21.7
P/E (x)	7.6	6.5	5.0
P/BV (x)	0.8	0.7	0.6
ROA (%)	1.0	1.0	1.0
ROE (%)	10.8	11.3	13.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Quarterly snapshot: Income statement

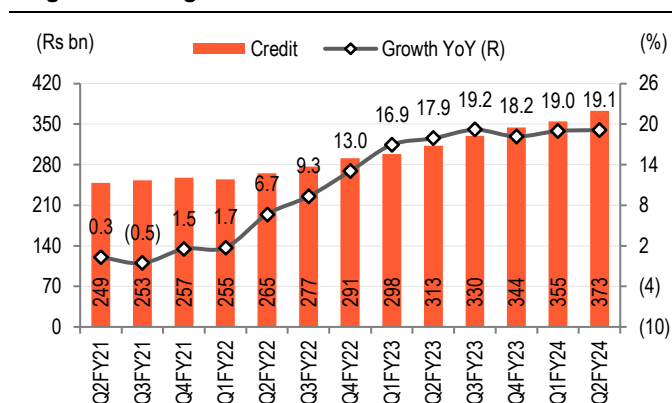
(Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Income Statement							
Interest Income	8,088	8,717	9,502	9,794	10,387	28.4	6.1
Income on investments	1,737	1,822	1,968	2,368	2,494	43.6	5.4
Int. on bal. with RBI & inter-bank funds & Others	175	178	322	216	175	0.0	(18.9)
Interest income	10,000	10,717	11,793	12,377	13,056	30.6	5.5
Interest expense	5,889	6,257	6,933	7,670	8,299	40.9	8.2
Net interest income	4,111	4,460	4,860	4,707	4,757	15.7	1.1
Growth YoY (%)	27.2	29.3	27.7	25.9	15.7	(1,143bps)	(1,016bps)
Non-interest income	992	954	1,223	1,069	1,074	8.2	0.4
Growth YoY (%)	1.5	(19.4)	6.6	15.7	8.2	668bps	(752bps)
Non-interest income Ex- Trading	972	934	1,213	1,039	1,034	6.3	(0.6)
Total income	5,103	5,414	6,083	5,777	5,831	14.3	0.9
Growth YoY (%)	21.2	16.8	22.8	23.9	14.3	(694bps)	(961bps)
Staff expenses	1,717	1,796	1,865	1,951	1,889	10.1	(3.1)
Other operating expenses	1,561	1,677	1,778	1,739	1,836	17.6	5.6
Operating expenses	3,278	3,473	3,643	3,690	3,725	13.7	1.0
Pre-Provisioning Profit (PPoP)	1,826	1,941	2,439	2,087	2,105	15.32	0.9
Growth YoY (%)	4.2	(2.4)	10.5	25.6	15.3	1,108bps	(1,028bps)
Provisions	310	407	525	377	397	28.0	5.2
Growth YoY (%)	(64.1)	(58.1)	(22.4)	7.8	28.0	9,209bps	2,023bps
PBT	1,516	1,534	1,915	1,709	1,708	12.7	(0.1)
Tax	392	396	493	440	441	12.4	0.1
PAT	1,124	1,139	1,422	1,269	1,268	12.9	(0.1)
Growth YoY (%)	73.0	51.1	25.4	30.7	12.9	(6,015bps)	(1,780bps)
Per Share Data (Rs)							
FV	10	10	10	10	10	0.0	0.0
EPS	4	4	5	4	4	12.7	0.0
Book Value	136	142	147	149	153	12.8	2.6

Source: Company, BOBCAPS Research

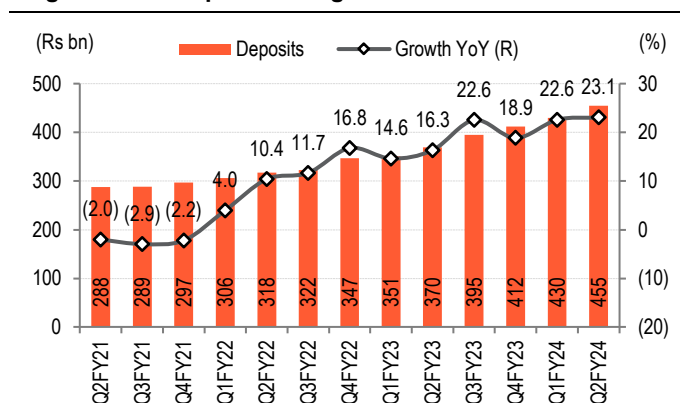
Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

Balance sheet (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY (%)	QoQ (%)
Deposits	369,601	395,060	412,389	430,090	454,963	23.1	5.8
Growth YoY (%)	16.3	22.6	18.9	22.6	23.1	676bps	50bps
Advances	312,914	329,650	343,807	354,740	372,760	19.1	5.1
Growth YoY (%)	17.9	19.2	18.2	19.0	19.1	121bps	14bps
Investment	104,734	108,540	125,825	133,950	146,761	40.1	9.6
Equity	42,295	44,220	45,661	46,560	47,839	13.1	2.7
Assets	467,816	498,660	523,659	549,740	577,102	23.4	5.0
Growth YoY (%)	12.8	21.1	16.9	21.6	23.4	1057bps	179bps
Yield (%)							
Yield on Funds	9.22	9.41	9.80	9.79	9.82	59bps	2bps
Cost of Funds	5.92	5.97	6.25	6.59	6.75	82bps	15bps
Spread	3.30	3.44	3.54	3.20	3.07	(23bps)	(13bps)
Net Interest Margin (calc.)	3.79	3.92	4.04	3.72	3.58	(21bps)	(15bps)
Ratios (%)							
Other Income / Net Income	19.4	17.6	20.1	18.5	18.4	(103bps)	(10bps)
Cost to Income ratio	64.2	64.1	59.9	63.9	63.9	(33bps)	2bps
CASA Ratio	2.9	27.6	26.4	26.0	25.0	2210bps	(93bps)
C/D ratio	84.7	83.4	83.4	82.5	81.9	(273bps)	(55bps)
Investment to Assets	22.4	21.8	24.0	24.4	25.4	304bps	106bps
Assets Quality							
GNPA	12,492	12,233	11,228	11,814	12,813	2.6	8.45
NNPA	4,829	4,532	3,569	4,239	4,764	(1.3)	12.4
Provision	7,663	7,701	7,659	7,575	8,048	5.0	6.2
GNPA (%)	3.89	3.62	3.19	3.26	3.36	(53bps)	10bps
NNPA (%)	1.54	1.37	1.04	1.19	1.28	(26bps)	9bps
Provision Coverage Ratio (%)	61.3	63.0	68.2	64.1	62.8	147bps	(130bps)
Slippages (%)	6.19	5.28	3.35	4.06	4.52	(167bps)	46bps
Others							
Branches	410	418	427	436	439	29	3
ATMs	381	385	396	409	414	33	5
Employees	9,443	9,649	9,905	9,579	10,024	581	445

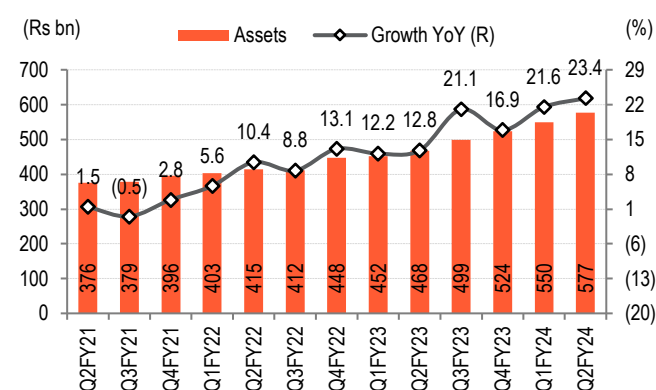
Source: Company, BOBCAPS Research

Fig 3 – Credit grew 19.1% YoY in Q2FY24...

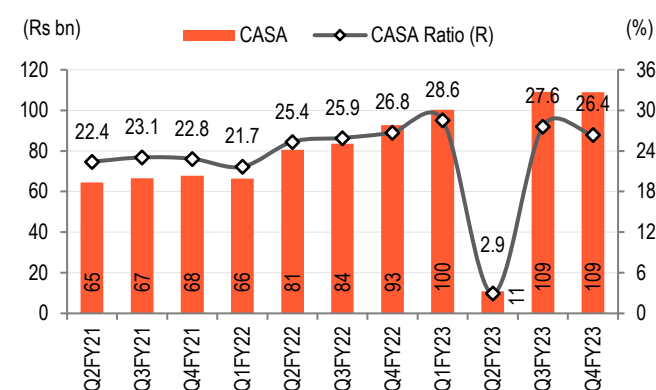
Source: Company, BOBCAPS Research

Fig 4 – ...with deposits rising 23.1%

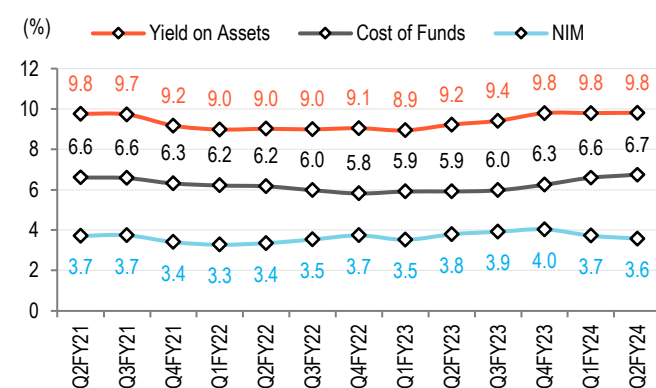
Source: Company, BOBCAPS Research

Fig 5 – Asset growth healthy

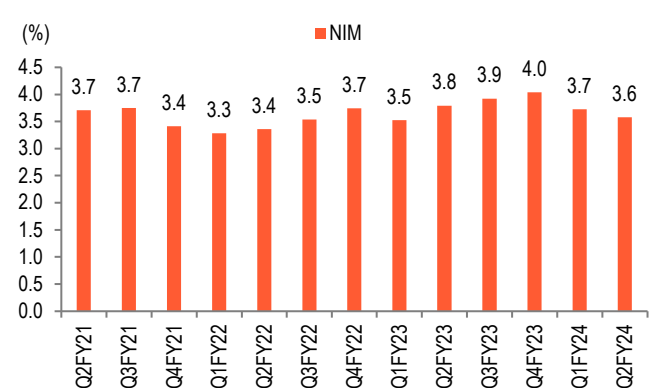
Source: Company, BOBCAPS Research

Fig 6 – CASA mobilisation faces challenges in Q2

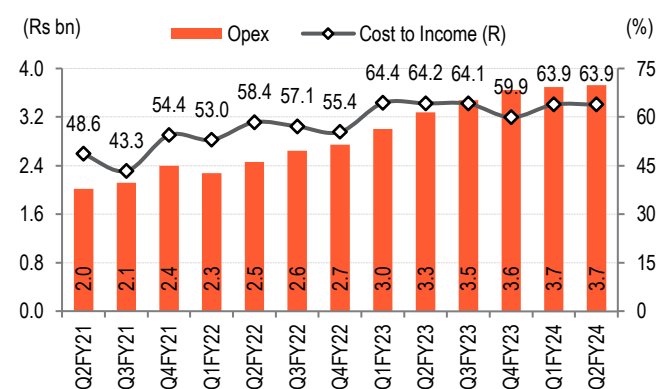
Source: Company, BOBCAPS Research

Fig 7 – Cost of funds stays high

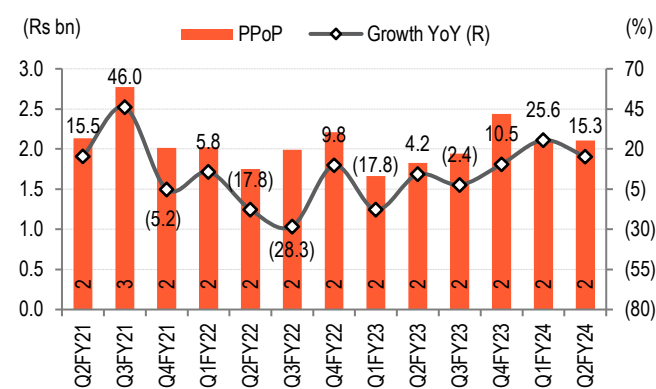
Source: Company, BOBCAPS Research

Fig 8 – Focus on business loans to aid NIM

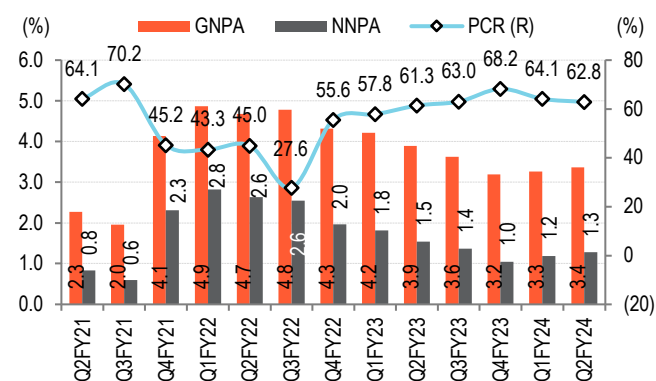
Source: Company, BOBCAPS Research

Fig 9 – Opex normalisation will take some time

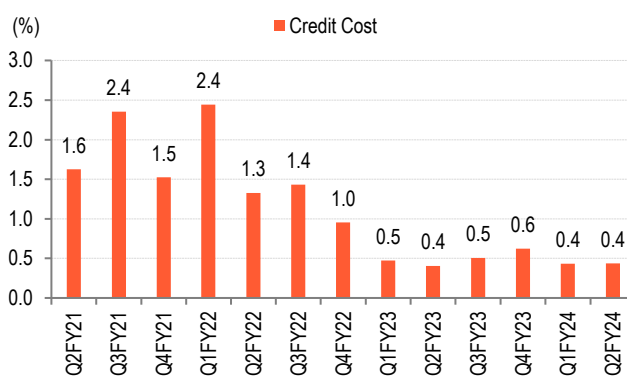
Source: Company, BOBCAPS Research

Fig 10 – PPOP growth healthy

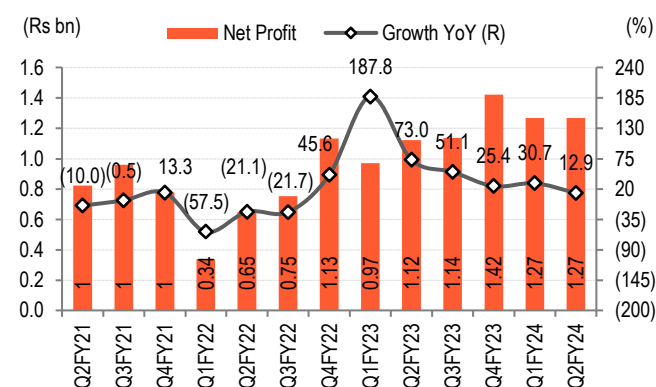
Source: Company, BOBCAPS Research

Fig 11 – Higher slippages led to increased GNPA/NNPA

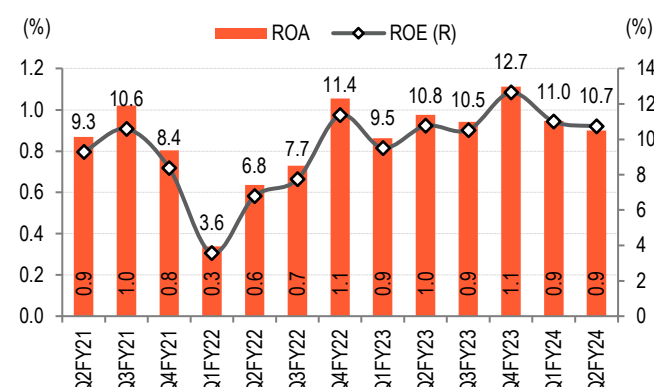
Source: Company, BOBCAPS Research

Fig 12 – Credit cost to remain at current level for FY24E

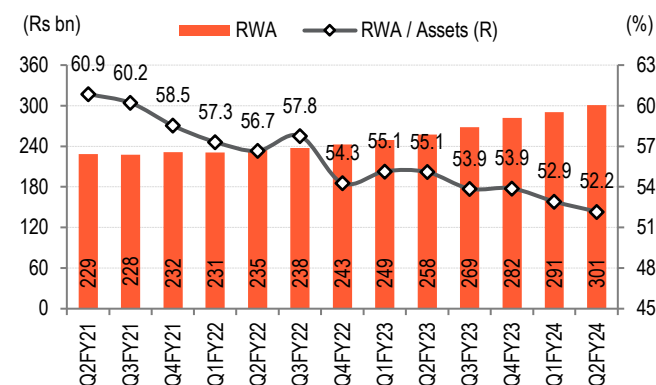
Source: Company, BOBCAPS Research

Fig 13 – PAT grew 13% YoY

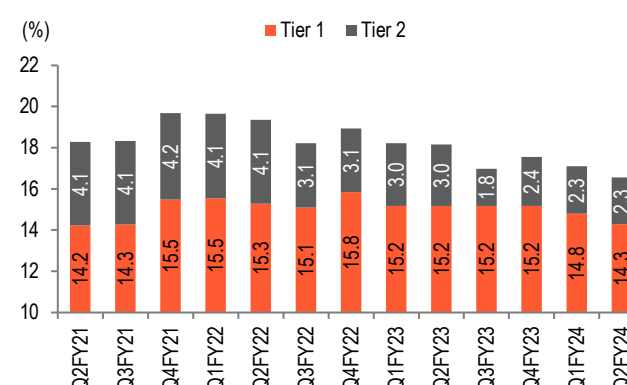
Source: Company, BOBCAPS Research

Fig 14 – Return ratios improving but still below peers

Source: Company, BOBCAPS Research

Fig 15 – Stable RWA-to-asset ratio to aid CAR

Source: Company, BOBCAPS Research

Fig 16 – Well capitalised to fund credit demand

Source: Company, BOBCAPS Research

Fig 17 – Loan book trend

(Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	QoQ (%)	YoY (%)
AIB	67,589	72,523	80,107	82,300	87,599	6.4	29.6
Mortgage	133,927	140,761	150,588	158,569	165,505	4.4	23.6
Corporate banking	32,543	32,965	27,161	28,734	31,312	9.0	(3.8)
Gold loans	15,020	13,845	13,065	12,771	12,674	(0.8)	(15.6)
Commercial vehicle loans	6,884	5,604	4,813	3,902	2,982	(23.6)	(56.7)
SME+MSME	29,727	29,998	28,880	23,768	24,602	3.5	(17.2)
Co-Lending	15,646	21,098	24,754	27,670	29,821	7.8	90.6
Others	11,578	12,856	14,440	17,028	18,265	7.3	57.8
Total	312,914	329,650	343,807	354,740	372,760	5.1	19.1

Source: Company, BOBCAPS Research

Fig 18 – Loan book distribution

Segment (%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	QoQ (%)	YoY (%)
AIB	21.6	22.0	23.3	23.2	23.5	30bps	190bps
Mortgage	42.8	42.7	43.8	44.7	44.4	(30bps)	160bps
Corporate banking	10.4	10.0	7.9	8.1	8.4	30bps	(200bps)
Gold Loan	4.8	4.2	3.8	3.6	3.4	(20bps)	(140bps)
Commercial vehicle loans	2.2	1.7	1.4	1.1	0.8	(30bps)	(140bps)
SME+MSME	9.5	9.1	8.4	6.7	6.6	(10bps)	(290bps)
Co-Lending	5.0	6.4	7.2	7.8	8.0	20bps	300bps
Others	3.7	3.9	4.2	4.8	4.9	10bps	120bps

Source: Company, BOBCAPS Research

Fig 19 – Deposit trend

(Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	QoQ (%)	YoY (%)
CASA	108,460	109,110	108,960	111,670	113,910	2.0	5.0
Resident	201,861	224,757	238,799	251,870	269,771	7.1	33.6
Non-Resident	37,082	38,603	40,963	41,395	25,920	(37.4)	(30.1)
Inter-Bank	22,197	22,590	23,668	25,155	97,199	286.4	337.9
Term Deposits	261,140	285,950	303,430	318,420	341,050	7.1	30.6
Total Deposits	369,600	395,060	412,390	430,090	454,960	5.8	23.1

Source: Company, BOBCAPS Research

Fig 20 – Deposit distribution

(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	QoQ (%)	YoY (%)
CASA	29.3	27.6	26.4	26.0	25.0	(93bps)	(431bps)
Resident	54.6	56.9	57.9	58.6	59.3	73bps	468bps
Non-Resident	10.0	9.8	9.9	9.6	5.7	(393bps)	(434bps)
Inter-Bank	6.0	5.7	5.7	5.8	21.4	1552bps	1536bps
Term Deposits	70.7	72.4	73.6	74.0	75.0	93bps	431bps
Total Deposits	100.0	100.0	100.0	100.0	100.0	0bps	0bps

Source: Company, BOBCAPS Research

Earnings call highlights

Asset quality

- DCBB's slippage ratio stood at 4.5% of loans in Q2FY24 (2.69% ex-gold loans).
- Slippages are primarily from the restructuring and mortgage portfolio as customers recently emerged from the moratorium phase and could require another 3-4 months to streamline their repayment cycles.
- Per management, higher slippages in the gold loan portfolio are temporary in nature and are likely to see better upgrades and recoveries ahead.
- NPA provisions in Q2 stood at Rs 250mn, standard asset provisioning at Rs 70mn and floating provisions at Rs 40mn. Management intends to increase PCR to above ~70% from 63% in Q2FY24.
- Credit cost was 28bps for the quarter; DCBB now expects cost in the range of 35-40bps for FY24 vs. previous guidance of 40-45bps.

Advances and deposits

- DCBB continued with its guidance of doubling the balance sheet in the next three years and has now guided for ROA/ROE of 1%/14% over the midterm.
- Management intends to achieve loan growth of above 20% in the medium term and is looking to shift the mix towards mortgage, more specifically business loans, from the home loan portfolio to improve margins.
- Infrastructure used for gold loans has been co-opted for low-cost CASA deposit mobilisation, leading to some moderation in the gold loan portfolio, but management reiterated its focus on co-lending in the gold book.
- The top 20 deposit accounts comprise ~7% of the bank's total deposits.

NIM

- Management expects deposit repricing to be completed over the next two quarters, beyond which NIM would likely gain traction supported by volumes and a changing mix. The bank retained its target NIM range of 3.65-3.75% for FY24.
- In an environment where low-cost CASA mobilisation is challenging, the bank intends to focus on managing the cost of funds but is ready to sacrifice some costs to gain savings accounts at a higher interest rate vs. high-cost term deposits.
- Fee income had no one-offs in Q2 and management expects fees to grow in line with the portfolio.

Other highlights

- Management plans to continue its strategy of investing in frontline employees.
- The bank has onboarded a couple of new business correspondent or BC partners (post-acquisition of BC partners by other players) and is actively looking to add more.
- DCBB intends to add 25-30 branches in FY24.

Valuation methodology

DCBB has delivered strong business growth in Q2FY24 though a higher cost of deposits led to sequential NIM contraction. Even so, management has retained its FY24 margin guidance of 3.65-3.75% considering a planned thrust on business loans in the mix and the likely completion of deposit repricing over the next two quarters.

The bank reiterated its target of doubling the balance sheet in three years and stated that it intends to continue investing in network expansion and frontline employee addition. We expect sticky operational costs and hence an elevated C/I ratio of 63% in FY24 and 60% in FY25.

Management is confident of asset quality improvement as customers emerging from moratorium streamline their loan repayment cycles over 3-4 months. We model for slippages of 4.2%/3.6% for FY24/FY25, leading to GNPA/NNPA of 2.8%/1% in FY25. With the bank lowering its FY24 credit cost guidance to 35-40bps from 40-45bps, we pare our FY24/FY25 estimates – albeit more conservatively – to 43bps/45bps from 54bps/60bps. We also introduce our FY26 estimates in this report.

Baking in healthy growth, steady margins and improving asset quality, we expect DCBB to clock ROA/ROE of 1%/13% in FY25 vs. 0.96%/10.8% in FY23. However, the sustainability of business growth, along with smooth top management transition as the current CEO completes his tenure next April, would be key to watch. The stock is trading at 0.7x FY25E ABV. We continue to value DCBB at 0.8x FY25E ABV (Gordon Growth Model) and maintain our TP at Rs 144 with a BUY rating.

Fig 21 – Revised estimates

(Rs mn)	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Loan	408,787	482,369	405,693	476,689	0.8	1.2
Deposits	500,228	594,771	482,908	562,587	3.6	5.7
Assets	620,291	730,124	623,674	725,439	(0.5)	0.6
NII	19,764	23,073	20,026	23,175	(1.3)	(0.4)
PPoP	8,928	11,450	9,576	12,084	(6.8)	(5.2)
Provisions	1,618	2,005	2,024	2,647	(20.0)	(24.3)
PAT	5,450	7,027	5,631	7,021	(3.2)	0.1

Source: BOBCAPS Research

Fig 22 – Key operational assumptions

Parameter (%)	FY23	FY24E	FY25E	FY26E
Advances Growth	18.2	18.9	18.0	17.2
NII Growth	26.5	15.1	16.7	16.8
PPoP Growth	(1.3)	13.5	28.3	25.6
PAT Growth	61.9	17.1	28.9	22.3
NIM	3.8	3.7	3.6	3.6
GNPA	3.2	3.0	2.8	2.6
CAR	17.6	16.5	15.9	15.0

Source: Company, BOBCAPS Research

Fig 23 – Key valuation assumptions: Gordon growth model

Particulars	
Return on Equity (RoE)	11.2
Cost of Equity (Ke)	12.5
Growth (Period 1)	8.9
Growth (Long Term)	4.5
Initial High Growth Period (yrs)	10.0
Dividend Payout (Period 1)	20.0
Dividend Payout (Long Term)	60.0
Factor 1	1.7
Factor 2	5.7
Justified P/BV Multiple	0.8

Source: Company, BOBCAPS Research

Key risks

- Inability of the bank to manage a higher cost of funds with faster deposit repricing would represent a key downside risk to our estimates.

Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Axis Bank	AXSB IN	36.4	972	1,155	BUY
DCB Bank	DCBB IN	0.4	113	144	BUY
Federal Bank	FB IN	3.6	141	180	BUY
HDFC Bank	HDFCB IN	135.3	1,475	1,929	BUY
ICICI Bank	ICICIB IN	77.7	914	1,090	BUY
Indusind Bank	IIB IN	13.5	1,433	1,755	BUY
Kotak Mahindra Bank	KMB IN	41.7	1,724	2,007	BUY
RBL Bank	RBK IN	1.6	218	258	HOLD
State Bank of India	SBIN IN	61.5	566	729	BUY

Source: BOBCAPS Research, NSE | Price as of 1 Nov 2023

Glossary

Glossary of Abbreviations			
AUCA	Advance Under Collection Account	LAP	Loans against Property
AIB	Agri & Inclusive Banking	LCR	Liquidity Coverage Ratio
ARC	Asset Reconstruction Company	MCLR	Marginal Cost of Funds-based Lending Rate
BC	Business Correspondent	MFI	Microfinance Institution
BRDS	Bills Rediscounting Scheme	MTM	Mark to Market
CASA	Current Account and Savings Account	NII	Net Interest Income
CAR	Capital Adequacy Ratio	NIM	Net Interest Margin
CET1	Common Equity Tier 1	NNPA	Net Non-Performing Assets
CD	Credit-Deposit Ratio	PCR	Provision Coverage Ratio
C/I	Cost-Income Ratio	PPOP	Pre-Provision Operating Profit
CRB	Commercial and Rural Banking	PSU	Public Sector Unit
EBLR	External Benchmark-based Lending Rate	RWA	Risk-weighted Assets
ECL	Expected Credit Loss	SLR	Statutory Liquidity Ratio
GNPA	Gross Non-Performing Assets	SMA	Special Mention Account
IBPC	Interbank Participation Certificate	SME	Small and Medium-sized Enterprises

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Net interest income	13,575	17,170	19,764	23,073	26,944
NII growth (%)	5.5	26.5	15.1	16.7	16.8
Non-interest income	4,520	4,094	4,690	5,537	6,477
Total income	18,095	21,264	24,454	28,610	33,421
Operating expenses	10,126	13,397	15,526	17,160	19,043
PPOP	7,970	7,867	8,928	11,450	14,378
PPOP growth (%)	(11.3)	(1.3)	13.5	28.3	25.6
Provisions	4,074	1,592	1,618	2,005	2,829
PBT	3,895	6,276	7,310	9,445	11,549
Tax	1,020	1,620	1,859	2,418	2,957
Reported net profit	2,875	4,656	5,450	7,027	8,593
Adjustments	0	0	0	0	0
Adjusted net profit	2,875	4,656	5,450	7,027	8,593

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity capital	3,110	3,115	3,115	3,115	3,115
Reserves & surplus	37,378	42,546	47,451	53,776	61,080
Net worth	40,488	45,661	50,566	56,891	64,195
Deposits	346,917	412,389	500,228	594,771	697,072
Borrowings	40,818	41,181	56,006	64,407	72,909
Other liab. & provisions	19,702	24,427	13,491	14,054	15,492
Total liab. & equities	447,926	523,659	620,291	730,124	849,667
Cash & bank balance	40,908	23,684	28,747	34,492	40,693
Investments	90,507	125,825	146,422	170,158	192,936
Advances	290,958	343,807	408,787	482,369	565,336
Fixed & Other assets	25,554	30,342	36,335	43,105	50,702
Total assets	447,926	523,659	620,291	730,124	849,667
Deposit growth (%)	16.8	18.9	21.3	18.9	17.2
Advances growth (%)	12.1	18.2	18.9	18.0	17.2

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS	9.3	15.0	17.5	22.6	27.6
Dividend per share	1.0	1.3	1.7	2.3	4.1
Book value per share	130.2	146.6	162.3	182.6	206.1

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24E	FY25E	FY26E
P/E	12.2	7.6	6.5	5.0	4.1
P/BV	0.9	0.8	0.7	0.6	0.5
Dividend yield (%)	0.9	1.1	1.5	2.0	3.7

DuPont Analysis

Y/E 31 Mar (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Net interest income	3.2	3.5	3.5	3.4	3.4
Non-interest income	1.1	0.8	0.8	0.8	0.8
Operating expenses	2.4	2.8	2.7	2.5	2.4
Pre-provisioning profit	1.9	1.6	1.6	1.7	1.8
Provisions	1.0	0.3	0.3	0.3	0.4
PBT	0.9	1.3	1.3	1.4	1.5
Tax	0.2	0.3	0.3	0.4	0.4
ROA	0.7	1.0	1.0	1.0	1.1
Leverage (x)	10.8	11.3	11.9	12.6	13.0
ROE	7.4	10.8	11.3	13.1	14.2

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24E	FY25E	FY26E
YoY growth (%)					
Net interest income	5.5	26.5	15.1	16.7	16.8
Pre-provisioning profit	(11.3)	(1.3)	13.5	28.3	25.6
EPS	(14.5)	61.7	17.0	28.9	22.3
Profitability & Return ratios (%)					
Net interest margin	3.4	3.8	3.7	3.6	3.6
Fees / Avg. assets	0.1	0.2	0.2	0.2	0.2
Cost-Income	56.0	63.0	63.5	60.0	57.0
ROE	7.4	10.8	11.3	13.1	14.2
ROA	0.7	1.0	1.0	1.0	1.1
Asset quality (%)					
GNPA	4.2	3.2	3.0	2.8	2.6
NNPA	2.0	1.0	1.1	1.0	0.9
Slippage ratio	6.8	5.8	4.2	3.6	3.3
Credit cost	1.5	0.5	0.4	0.5	0.5
Provision coverage	53.6	67.2	62.9	63.0	64.1
Ratios (%)					
Credit-Deposit	83.9	83.4	81.7	81.1	81.1
Investment-Deposit	26.1	30.5	29.3	28.6	27.7
CAR	18.9	17.6	16.5	15.9	15.0
Tier-1	15.8	15.2	14.2	13.7	12.8

Source: Company, BOBCAPS Research

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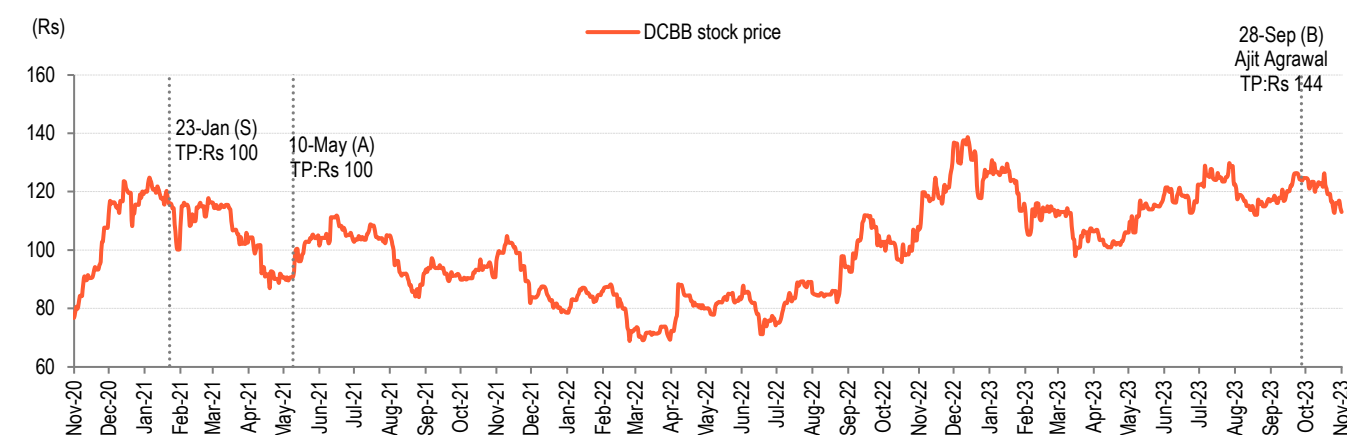
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