

BUY

TP: Rs 167 | ▲ 29%

DCB BANK

| Banking

| 19 October 2025

Earnings supported by strong growth and cost efficiency

- **Business growth remains strong; promoter infused equity capital of Rs 830 mn or ~21bps of Tier I capital**
- **PPoP largely in line with estimates; cost efficiency and asset quality improving**
- **Maintain BUY with TP of Rs 167 (earlier Rs 160), valuing the bank at 0.8x Sep'27E ABV**

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Business growth remains strong; promoter infused capital: DCBB reported strong business momentum with credit growth (+19% YoY; +3% QoQ) and deposits growth (+19% YoY; +4% QoQ). The bank plans to ramp up share of organic products vs relatively low-yielding co-lending book (16.1% of total loans in Q2FY26) and targets to cap it at 15% going forward. Mortgages grew at a healthy pace (+13% YoY), maintaining their position as the largest segment (43% of total advances). Within mortgages, DCBB began incrementally sourcing higher business loans (LAP) vs HL, given their 150-250bps higher yield. Management remains committed to its strategy of balance sheet doubling every 3-4 years, supported by granular, secured growth. We note that AKFED (promoter) infused equity capital of Rs 830mn on Oct 10, 2025, leading to a rise in its stake to 16.27% (14.66% - Sep'25) and improve Tier I ratio by ~21bps.

PPoP largely in line with estimates; cost efficiency improving: PPoP stood at Rs 3.0bn (+19% YoY; -7% QoQ) and was 2.7% above our estimates. This was mainly driven by cost efficiency with a lower opex growth (+4% YoY) vs total asset growth (+14% YoY). DCBB reduced the headcount by ~1,118 employees, and along with technology investment, resulted in higher cost efficiency. Management plans to reduce C/I ratio to ~60% or below (61.2% in Q2FY26) and cost-to-average assets of 2.5%-2.6% (2.6% in Q2FY26) in the near term. Credit costs were 0.3% in Q2FY26 (0.6% in Q1FY26) with the bank expecting it to be <0.45% in FY26. As a result, PAT grew by 18.3% YoY to Rs 1.8bn, translating into RoA/ RoE of 0.94%/13.2%. Management targets RoA of 1% or above and ~14% RoE in the near term.

Asset quality improving: With improvement in slippages to Rs 4.0bn (-31% QoQ) or slippage ratio of 3.2%, the GNPA ratio improved marginally to 2.91% (-7bps QoQ). Slippages excluding gold loan was 2.5% (-60bps QoQ), which the bank targets to reduce to 2.0%. Management targets GNPA <2.5% and NNPA of 1.0%.

Maintain BUY: DCBB reported healthy earnings growth, supported by strong business growth and improving asset quality. We expect credit/deposit CAGR of ~19% with RoA of 0.9-1.0% in FY26-FY28E. We maintain BUY and roll over valuation to 0.8x Sep'27E ABV with TP of Rs 167 (earlier Rs 160).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	DCBB IN/Rs 129
Market cap	US\$ 469.8mn
Free float	85%
3M ADV	US\$ 1.9mn
52wk high/low	Rs 151/Rs 101
Promoter/FPI/DII	15%/10%/32%

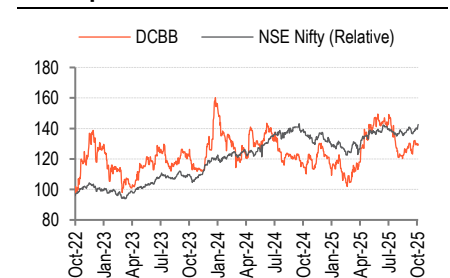
Source: NSE | Price as of 17 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	21,066	24,882	29,501
NII growth (%)	9.3	18.1	18.6
Adj. net profit (Rs mn)	6,153	7,175	8,828
EPS (Rs)	19.6	22.6	27.6
Consensus EPS (Rs)	19.5	21.4	27.9
P/E (x)	6.6	5.7	4.7
P/BV (x)	0.7	0.6	0.6
ROA (%)	0.9	0.9	0.9
ROE (%)	11.4	11.8	12.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

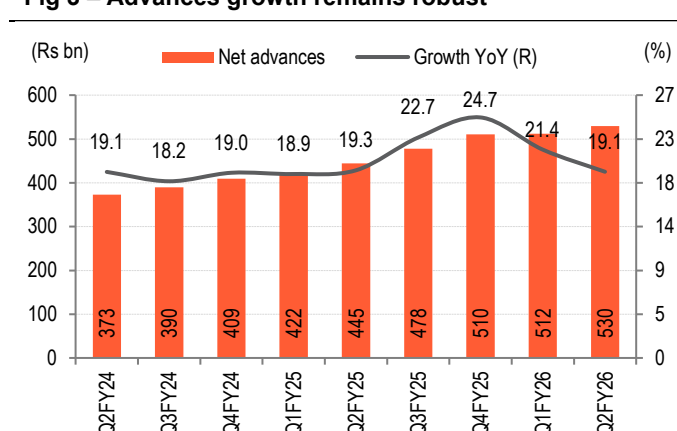
(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	12,262	13,224	13,852	14,303	14,416	17.6	0.8
Income on investments	3,257	3,347	3,413	3,679	3,672	12.7	(0.2)
Int. on bal. with RBI & inter-bank funds & Others	165	139	153	154	140	(14.9)	(9.3)
Interest income	15,684	16,711	17,419	18,136	18,228	16.2	0.5
Interest expense	10,592	11,282	11,839	12,331	12,265	15.8	(0.5)
Net interest income	5,092	5,429	5,580	5,804	5,962	17.1	2.7
Growth YoY (%)	7.0	14.5	9.9	16.9	17.1		
Fee Income	1,390	1,410	1,610	1,340	1,580	13.7	17.9
Trading gains/(losses)	520	380	430	1,010	230	(55.8)	(77.2)
Forex Income	40	10	20	(20)	50	25.0	(350.0)
Others	96	41	128	31	1	(99.1)	(97.1)
Non-interest income	2,046	1,841	2,188	2,361	1,861	(9.1)	(21.2)
Growth YoY (%)	90.6	48.8	60.6	65.1	(9.1)		
Total income	7,138	7,269	7,768	8,166	7,823	9.6	(4.2)
Growth YoY (%)	22.4	21.6	20.7	27.7	9.6		
Staff expenses	2,351	2,312	2,314	2,510	2,432	3.4	(3.1)
Other operating expenses	2,236	2,246	2,400	2,386	2,352	5.2	(1.5)
Operating expenses	4,587	4,558	4,714	4,897	4,784	4.3	(2.3)
Pre-Provisioning Profit (PPoP)	2,551	2,711	3,054	3,269	3,039	19.1	(7.0)
Growth YoY (%)	21.2	28.2	30.7	59.2	19.1		
Provisions	456	672	672	1,151	605	32.7	(47.4)
Growth YoY (%)	14.9	63.9	179.2	305.6	32.7		
PBT	2,095	2,039	2,382	2,118	2,434	16.2	14.9
Tax	541	525	611	545	595	10.0	9.2
PAT	1,555	1,514	1,771	1,573	1,839	18.3	16.9
Growth YoY (%)	22.6	19.6	13.7	19.7	18.3		
Per Share							
FV (Rs)	10	10	10	10	10	-	-
EPS (Rs)	5	5	6	5	6	17.7	16.8
Book Value (Rs)	171	175	181	186	190	11.1	2.0

Source: Company, BOBCAPS Research

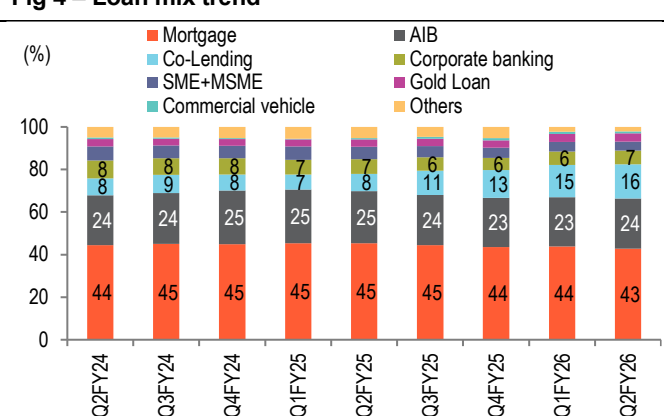
Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Deposits	5,45,317	5,66,780	6,00,310	6,20,390	6,47,765	18.8	4.4
Growth YoY (%)	19.9	20.3	21.6	20.0	18.8		
Advances	4,44,652	4,77,800	5,10,469	5,12,150	5,29,745	19.1	3.4
Growth YoY (%)	19.3	22.7	24.7	21.4	19.1		
Investment	1,82,049	1,79,630	2,01,499	1,99,480	2,04,961	12.6	2.7
Equity	53,512	54,890	56,907	58,400	59,727	11.6	2.3
Assets	6,89,552	7,15,670	7,68,098	7,73,950	7,88,903	14.4	1.9
Growth YoY (%)	19.5	19.7	21.8	20.0	14.4		
Yield (%)							
Yield on Funds	9.8	9.9	9.8	9.8	9.7	(13bps)	(9bps)
Cost of Funds	7.2	7.2	7.1	7.1	7.0	(14bps)	(12bps)
Spread	2.7	2.7	2.7	2.7	2.7	0bps	3bps
Net Interest Margin (calc.)	3.2	3.2	3.1	3.1	3.2	(2bps)	4bps
Ratios (%)							
Other Income / Net Income	28.7	25.3	28.2	28.9	23.8	(488bps)	(513bps)
Cost to Income ratio	64.3	62.7	60.7	60.0	61.2	(311bps)	118bps
CASA ratio	25.6	25.1	24.5	23.3	23.5	(209bps)	20bps
C/D ratio	81.5	84.3	85.0	82.6	81.8	24bps	(77bps)
Investment to Assets	26.4	25.1	26.2	25.8	26.0	(42bps)	21bps
Assets Quality							
GNPA	14,966	15,172	15,536	15,536	15,680	4.8	0.9
NNPA	5,213	5,625	5,748	6,254	6,405	22.9	2.4
Provision	9,754	9,547	9,788	9,282	9,275	(4.9)	(0.1)
GNPA (%)	3.3	3.1	3.0	3.0	2.9	(38bps)	(7bps)
NNPA (%)	1.2	1.2	1.1	1.2	1.2	4bps	(1bps)
PCR (%)	65.2	62.9	63.0	59.7	59.2	(602bps)	(60bps)
Others							
Branches	451	457	464	465	468	17	3
Employees	11,910	11,339	11,057	10,886	10,792	(1,118)	(94)

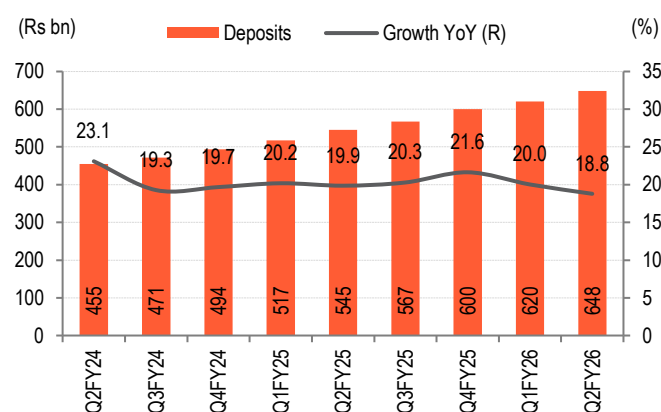
Source: Company, BOBCAPS Research

Fig 3 – Advances growth remains robust

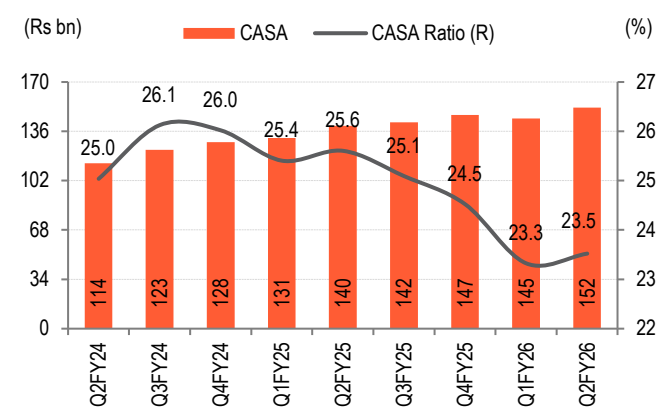
Source: Company, BOBCAPS Research

Fig 4 – Loan mix trend

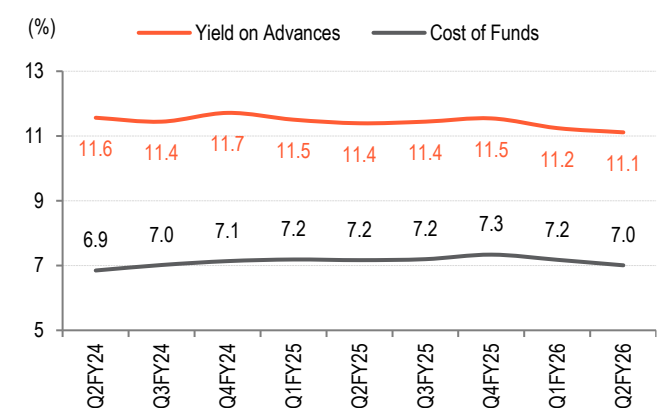
Source: Company, BOBCAPS Research

Fig 5 – Deposits growing at a healthy 18.8% YoY...

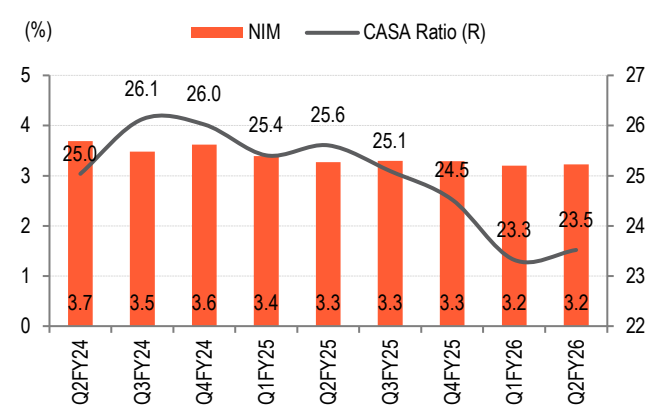
Source: Company, BOBCAPS Research

Fig 6 – ...with share of CASA improving marginally

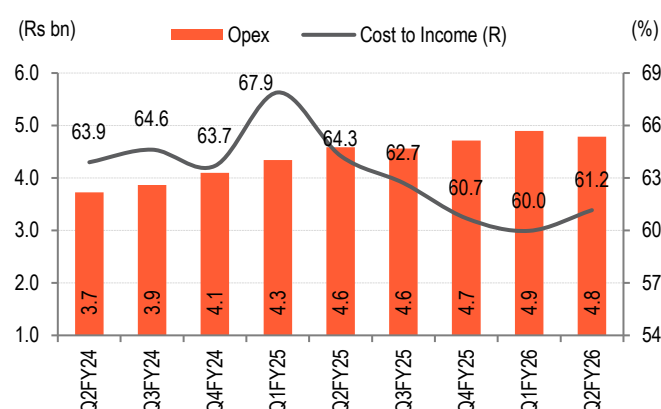
Source: Company, BOBCAPS Research

Fig 7 – CoF declined 17bps QoQ...

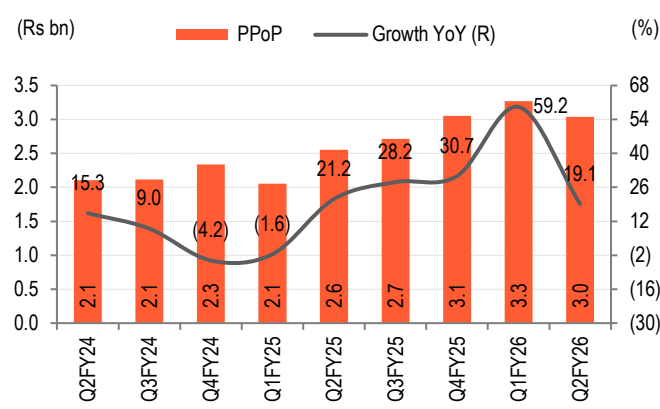
Source: Company, BOBCAPS Research

Fig 8 – ...helped NIMs to improve marginally

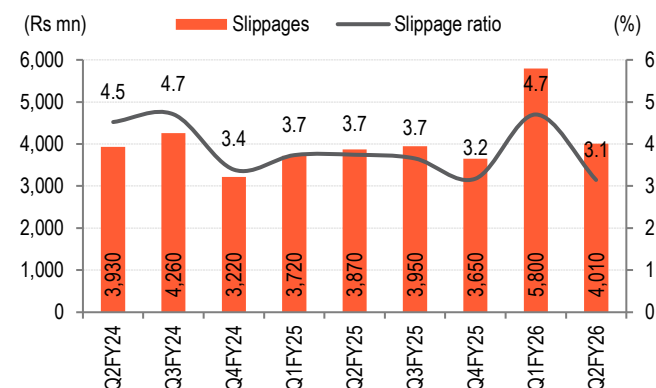
Source: Company, BOBCAPS Research

Fig 9 – Opex growth remains lower than asset growth

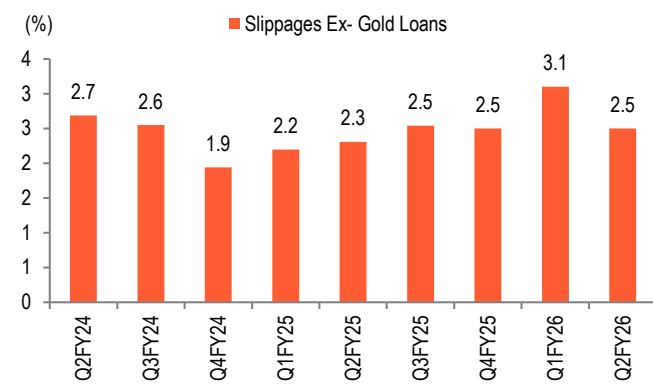
Source: Company, BOBCAPS Research

Fig 10 – PPOP growth mainly aided by higher cost efficiency

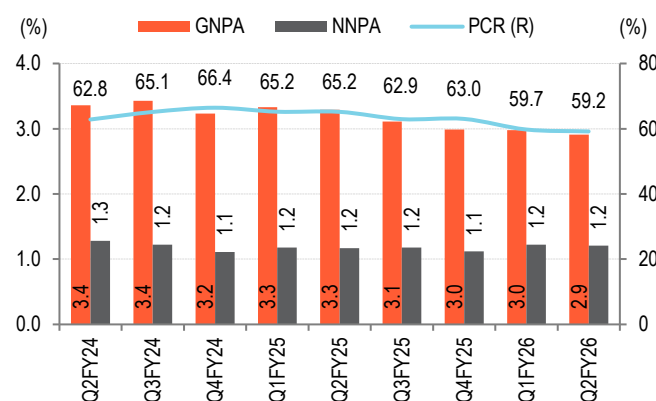
Source: Company, BOBCAPS Research

Fig 11 – Slippages improved on QoQ basis

Source: Company, BOBCAPS Research

Fig 12 – Slippage Ex- Gold loans improved QoQ basis

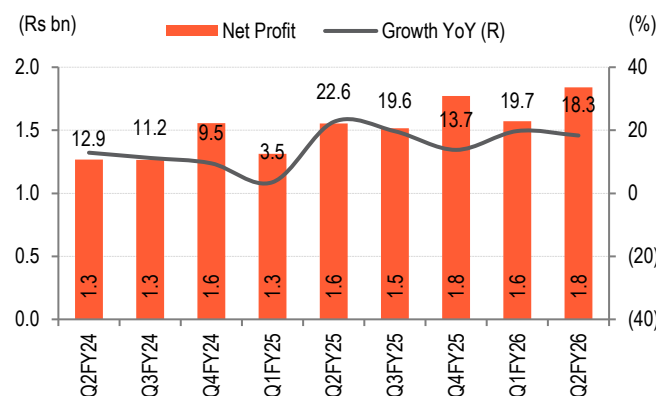
Source: Company, BOBCAPS Research

Fig 13 – Asset quality improving

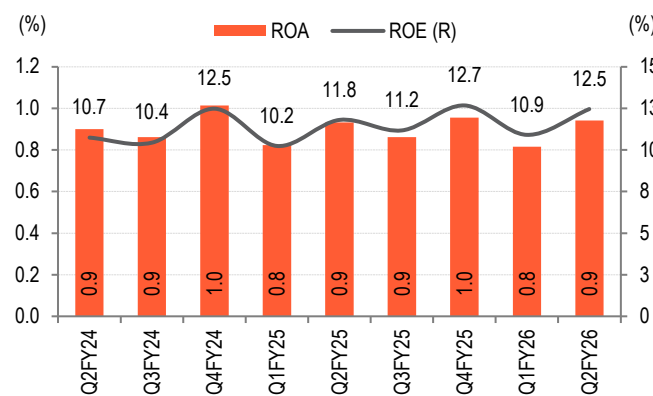
Source: Company, BOBCAPS Research

Fig 14 – Credit cost declined

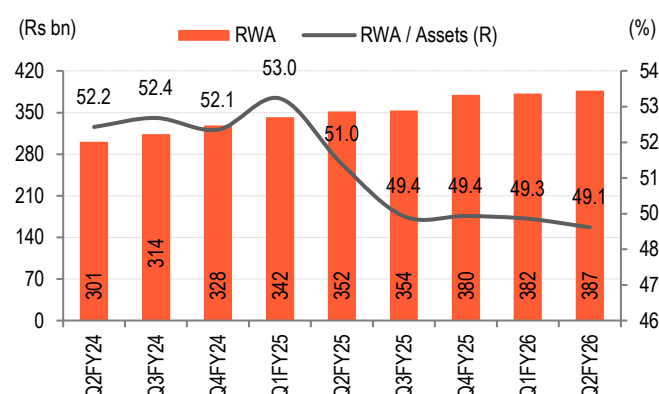
Source: Company, BOBCAPS Research

Fig 15 – PAT growth mainly supported by cost efficiency

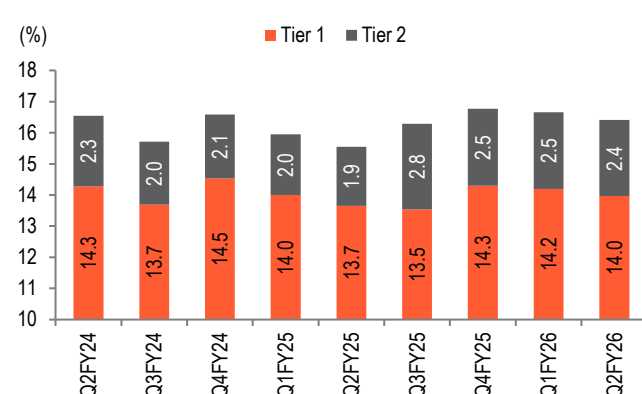
Source: Company, BOBCAPS Research

Fig 16 – Return ratios gradually improving

Source: Company, BOBCAPS Research

Fig 17 – Stable RWA-to-asset ratio to aid CAR

Source: Company, BOBCAPS Research

Fig 18 – Well-capitalised to fund credit growth

Source: Company, BOBCAPS Research

Fig 19 – Loan book trend

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Mortgage	2,01,427	2,12,621	2,22,565	2,24,322	2,26,731	12.6	1.1
AIB	1,09,384	1,12,761	1,17,918	1,18,819	1,24,490	13.8	4.8
Co-Lending	35,572	53,991	66,361	77,847	85,289	139.8	9.6
Corporate banking	30,681	30,101	29,097	31,753	34,433	12.2	8.4
SME+MSME	26,234	25,323	25,013	23,047	22,249	(15.2)	(3.5)
Gold Loan	15,563	16,245	17,356	19,462	20,660	32.8	6.2
Commercial vehicle	2,668	4,778	5,615	5,122	4,768	78.7	(6.9)
Others	23,122	21,979	26,544	11,779	11,125	(51.9)	(5.6)
Total	4,44,652	4,77,800	5,10,469	5,12,150	5,29,745	19.1	3.4

Source: Company, BOBCAPS Research

Fig 20 – Loan book distribution

Segment (%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Mortgage	45.3	44.5	43.6	43.8	42.8	(250bps)	(100bps)
AIB	24.6	23.6	23.1	23.2	23.5	(110bps)	30bps
Co-Lending	8.0	11.3	13.0	15.2	16.1	810bps	90bps
Corporate banking	6.9	6.3	5.7	6.2	6.5	(40bps)	30bps
SME+MSME	5.9	5.3	4.9	4.5	4.2	(170bps)	(30bps)
Gold Loan	3.5	3.4	3.4	3.8	3.9	40bps	10bps
Commercial vehicle	0.6	1.0	1.1	1.0	0.9	30bps	(10bps)
Others	5.2	4.6	5.2	2.3	2.1	(310bps)	(20bps)
Total	100.00	100.00	100.00	100.00	100.00		

Source: Company, BOBCAPS Research

Fig 21 – Loan disbursement

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Mortgage	14,400	14,830	16,570	11,160	13,490	(6.3)	20.9
Gold Loans	6,080	5,670	8,420	9,000	7,450	22.5	(17.2)
AIB	11,400	11,310	14,370	9,390	13,750	20.6	46.4
MSME/MSE	5,860	5,410	5,780	4,950	4,400	(24.9)	(11.1)
Corporate	6,340	6,620	6,310	12,680	11,450	80.6	(9.7)
Construction Finance	3,210	3,730	4,230	2,550	3,130	(2.5)	22.7
Total Loan disbursed	47,290	47,570	55,680	49,730	53,670	13.5	7.9

Source: Company, BOBCAPS Research

Fig 22 – Disbursement distribution

Segment (%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Mortgage	30.5	31.2	29.8	22.4	25.1	(532bps)	269bps
Gold Loans	12.9	11.9	15.1	18.1	13.9	102bps	(422bps)
AIB	24.1	23.8	25.8	18.9	25.6	151bps	674bps
MSME/MSE	12.4	11.4	10.4	10.0	8.2	(419bps)	(176bps)
Corporate	13.4	13.9	11.3	25.5	21.3	793bps	(416bps)
Construction Finance	6.8	7.8	7.6	5.1	5.8	(96bps)	70bps
Total Loan disbursed	100.0	100.0	100.0	100.0	100.0		

Source: Company, BOBCAPS Research

Fig 23 – Deposit trend

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
CASA	1,39,630	1,42,220	1,47,210	1,44,690	1,52,350	9.1	5.3
Resident	3,20,899	3,35,827	3,47,527	3,61,056	3,75,029	16.9	3.9
Non-Resident	31,238	32,691	33,982	36,629	38,642	23.7	5.5
Inter-Bank	1,16,027	1,21,424	1,39,555	1,51,273	1,59,028	37.1	5.1
Term Deposits	4,05,687	4,24,560	4,53,100	4,75,700	4,95,415	22.1	4.1
Total Deposits	5,45,317	5,66,780	6,00,310	6,20,390	6,47,765	18.8	4.4

Source: Company, BOBCAPS Research

Fig 24 – Deposit distribution

(%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
CASA	25.6	25.1	24.5	23.3	23.5	(209bps)	20bps
Resident	58.8	59.3	57.9	58.2	57.9	(95bps)	(30bps)
Non-Resident	5.7	5.8	5.7	5.9	6.0	24bps	6bps
Inter-Bank	21.3	21.4	23.2	24.4	24.6	327bps	17bps
Term Deposits	74.4	74.9	75.5	76.7	76.5	209bps	(20bps)
Total Deposits	100	100	100	100	100		

Source: Company, BOBCAPS Research

Earnings call highlights

Profitability:

- Net interest income rose 17.1% YoY, Net interest margin (NIM) improved from 3.20% in Q1FY26 to 3.23% in Q2FY26.
- PAT for the quarter reached Rs 1.84 bn, (+18.3% YoY, 16.9% QoQ), the highest ever quarterly profit for the bank.
- Cost to average assets improved by 9bps QoQ to 2.43%, representing the fifth consecutive quarter of lower cost ratios driven by workforce reduction (9% fewer employees YoY) and productivity focus. Management targets it to be 2.50% - 2.60%.
- RoA for Q2FY26 stood at 0.94% vs 0.81% in Q1FY26, RoE stood at 13.2% vs 11.56% last quarter, with guidance for 13.5% ROE for FY26 and 14.5% by FY28.

Advances and Deposits:

- Total deposits grew by 19% YoY to Rs 647.8bn, supported by TD growth that grew 22% YoY and 45 QoQ. CASA ratio increased 20bps QoQ to 23.5%.
- Total advances grew by 19.1% YoY to Rs 529.7bn, marking the fifth consecutive quarter of high growth aligned with the bank's strategy.
- Mortgage book grew 12.6% YoY & 1.1% QoQ, AIB grew 13.8% YoY & 4.8% QoQ while Co-lending grew 140% YoY and 9.6% QoQ. The bank targets to cap the co-lending book at 15% of the overall book and will focus on organic book growth in long term.
- MFI loans accounted for only 1.4% of total loans, as of Sep'25.
- The bank aims to continue doubling its loan book over the next 3 to 4 years with growth coming steadily across segments, maintaining mortgage at 54% of the book. This is expected to be driven by rising share of organic products vs relatively low-yielding co-lending book.

NIMs

- Cost of Deposit decreased from 7.12% to 6.96% QoQ (down 16 bps), and cost of funds decreased by 17 bps, supporting margin improvement. NIM improved from 3.20% in Q1FY26 to 3.23% in Q2FY26.
- This uptick of 3bps was due to -13bps impact in yield on advances and -16bps in cost of deposits.
- Management highlighted that the full benefit of deposit repricing will flow in gradually over the next 2–3 quarters.
- Management expects NIMs to improve, given that there are no further rate cuts.
- The bank reiterated its business model NIM target of 3.5%-3.65%, supported by a better loan mix.

Asset quality

- Credit cost for Q2 was 31 bps; management guided for full-year credit cost to remain below 45bps.
- Slippages (excl. Gold Loan)- target is to reduce from current 2.5% to below 2%.
- The bank aims to have GNPA ratio below 2.5% and NNPA ratio of 1% going forward.

Valuation Methodology

DCBB reported robust business performance with strong loan growth (+19% YoY), while NII witnessed healthy growth (+17% YoY). Consistent loan growth momentum over the past several quarters indicates a likelihood of sustained double-digit balance sheet expansion going forward.

DCBB reported healthy earnings growth supported by strong business growth and improving asset quality. We expect credit/deposit CAGR of ~19% with RoA of 0.9-1.0% in FY26-FY28E. We maintain BUY and roll over valuation to 0.8x Sep'27E ABV with TP of Rs 167 (earlier Rs 160).

Fig 25 – Key operational assumptions

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	24.7	18.5	18.7	19.0
NII Growth	9.3	18.1	18.6	23.3
PPOP Growth	20.0	21.0	19.4	27.9
PAT Growth	14.8	16.6	23.0	31.6
NIM	3.3	3.1	3.2	3.3
GNPA	3.0	2.7	2.5	2.4
CAR	16.8	16.7	16.0	15.5

Source: Company, BOBCAPS Research

Fig 26 – Revised estimates

Key Parameters (Rs mn)	New Estimates			Old Estimates			Change (%)		
	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e
Loan	6,04,906	7,18,023	8,54,448	6,04,906	7,18,023	8,56,602	-	-	(0.3)
Deposits	7,11,967	8,48,665	10,12,457	7,11,967	8,48,665	10,14,154	-	-	(0.2)
Assets	8,96,679	10,51,722	12,37,283	8,96,679	10,51,722	12,39,775	-	-	(0.2)
NII	24,882	29,501	36,384	24,882	29,501	36,455	-	-	(0.2)
PPOP	12,544	14,975	19,150	12,544	14,975	19,474	-	-	(1.7)
Provision	2,900	3,109	3,538	3,179	3,440	3,779	(8.8)	(9.6)	(6.4)
PAT	7,175	8,828	11,615	6,968	8,582	11,677	3.0	2.9	(0.5)

Source: Company, BOBCAPS Research

Fig 27 – Actuals vs BOBCAPS estimates

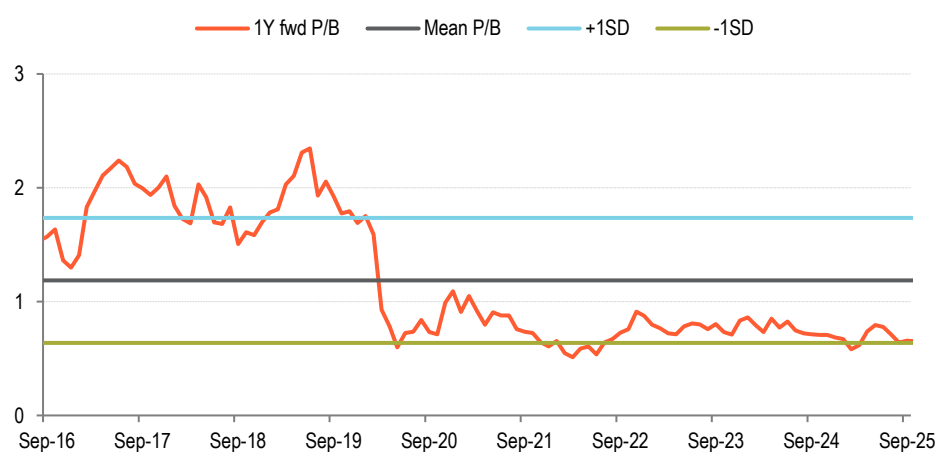
(Rs mn)	Q2FY26A	Q2FY26E	Actual vs. Estimates (%)
Loan	5,29,745	5,29,135	0.1
Deposits	6,47,765	6,39,112	1.4
Assets	7,88,903	8,00,456	(1.4)
NII	5,962	5,691	4.8
PPOP	3,039	2,959	2.7
Provision	605	833	(27.3)
PAT	1,839	1,578	16.6

Source: Company, BOBCAPS Research

Fig 28 – Key valuation assumptions

Gordon growth model	(%)
Return on Equity (RoE)	12.7
Cost of Equity (Ke)	13.8
Growth (Period 1)	10.8
Growth (Long Term)	8.9
Initial High Growth Period (yrs)	12.0
Dividend Payout (Period 1)	15.0
Dividend Payout (Long Term)	30.0
Factor 1	1.5
Factor 2	4.7
Justified P/BV Multiple	0.8

Source: Company, BOBCAPS Research

Fig 29 – PB Band Chart

Source: Company, BOBCAPS Research

Key risks

Key downside risks:

- A weak demand environment leading to a general slowdown in credit offtake.
- Higher than expected pressure on NIMs.
- Operating efficiencies remain lower than expected.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	19,279	21,066	24,882	29,501	36,384
NII growth (%)	12.3	9.3	18.1	18.6	23.3
Non-interest income	4,742	7,505	8,324	9,742	11,445
Total income	24,021	28,571	33,206	39,243	47,829
Operating expenses	15,377	18,201	20,662	24,269	28,679
PPOP	8,644	10,370	12,544	14,975	19,150
PPOP growth (%)	9.9	20.0	21.0	19.4	27.9
Provisions	1,425	2,084	2,900	3,109	3,538
PBT	7,220	8,286	9,644	11,866	15,612
Tax	1,860	2,133	2,469	3,038	3,997
Reported net profit	5,360	6,153	7,175	8,828	11,615
Adjustments	0	0	0	0	0
Adjusted net profit	5,360	6,153	7,175	8,828	11,615

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	3,128	3,143	3,203	3,203	3,203
Reserves & surplus	47,585	53,764	61,242	69,527	80,446
Net worth	50,713	56,907	64,446	72,731	83,649
Deposits	4,93,530	6,00,310	7,11,967	8,48,665	10,12,457
Borrowings	62,195	91,152	97,532	1,04,360	1,11,665
Other liab. &	23,932	19,730	22,734	25,967	29,512
Total liab. & equities	6,30,370	7,68,098	8,96,679	10,51,722	12,37,283
Cash & bank balance	30,659	26,986	32,282	40,967	46,435
Investments	1,62,108	2,01,499	2,25,144	2,50,278	2,90,800
Advances	4,09,246	5,10,469	6,04,906	7,18,023	8,54,448
Fixed & Other assets	28,357	29,144	34,347	42,454	45,599
Total assets	6,30,370	7,68,098	8,96,679	10,51,722	12,37,283
Deposit growth (%)	19.7	21.6	18.6	19.2	19.3
Advances growth (%)	19.0	24.7	18.5	18.7	19.0

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	17.2	19.6	22.6	27.6	36.3
Dividend per share	1.3	1.4	1.5	1.7	2.2
Book value per share	162.1	181.1	201.2	227.0	261.1

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	7.5	6.6	5.7	4.7	3.6
P/BV	0.8	0.7	0.6	0.6	0.5
Dividend yield (%)	1.0	1.0	1.1	1.3	1.7

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	3.3	3.0	3.0	3.0	3.2
Non-interest income	0.8	1.1	1.0	1.0	1.0
Operating expenses	2.7	2.6	2.5	2.5	2.5
Pre-provisioning profit	1.5	1.5	1.5	1.5	1.7
Provisions	0.2	0.3	0.3	0.3	0.3
PBT	1.3	1.2	1.2	1.2	1.4
Tax	0.3	0.3	0.3	0.3	0.3
ROA	0.9	0.9	0.9	0.9	1.0
Leverage (x)	12.0	13.0	13.7	14.2	14.6
ROE	11.1	11.4	11.8	12.9	14.9

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	12.3	9.3	18.1	18.6	23.3
Pre-provisioning profit	9.9	20.0	21.0	19.4	27.9
EPS	14.8	14.3	15.2	21.9	31.6
Profitability & Return ratios (%)					
Net interest margin	3.7	3.3	3.1	3.2	3.3
Fees / Avg. assets	0.1	0.1	0.2	0.2	0.2
Cost-Income	64.0	63.7	62.2	61.8	60.0
ROE	11.1	11.4	11.8	12.9	14.9
ROA	0.9	0.9	0.9	0.9	1.0
Asset quality (%)					
GNPA	3.2	3.0	2.7	2.5	2.4
NNPA	1.1	1.1	1.1	1.0	0.9
Slippage ratio	4.3	3.7	3.4	3.3	3.2
Credit cost	37.8	45.3	52.0	47.0	45.0
Provision coverage	66.4	63.2	61.0	62.0	62.5
Ratios (%)					
Credit-Deposit	82.9	85.0	85.0	84.6	84.4
Investment-Deposit	32.8	33.6	31.6	29.5	28.7
CAR	16.6	16.8	16.7	16.0	15.5
Tier-1	14.5	14.3	14.1	13.5	13.2

Source: Company, BOBCAPS Research

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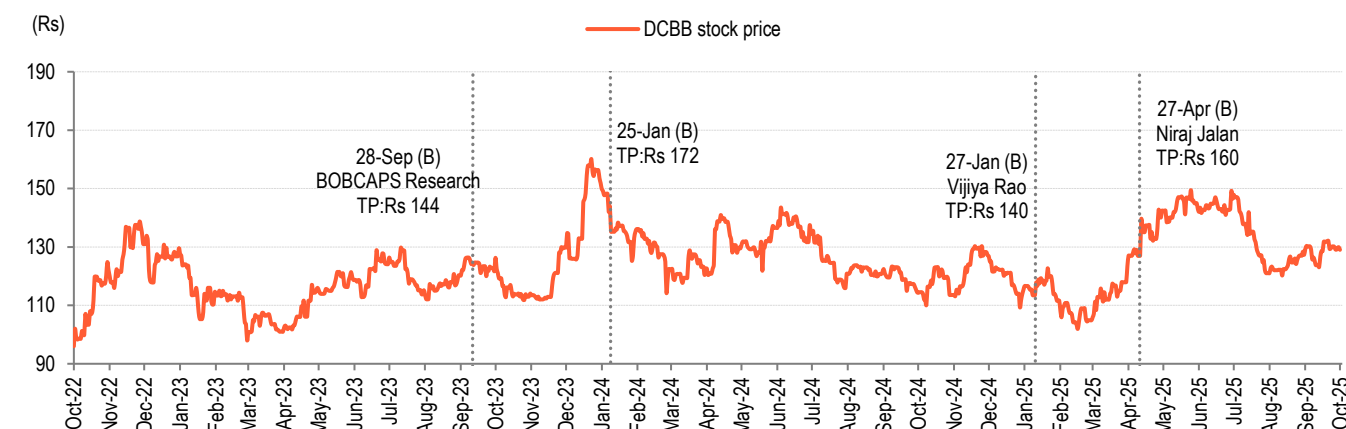
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SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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