

BUY

TP: Rs 211 | ▲ 15%

DCB BANK

| Banking

| 25 January 2026

Business momentum stays strong, supporting profitability

- Earnings in line with estimates and margins improving; AQ improved owing to lower slippage and higher upgrades
- Business growth remains strong with loan growth guidance of 18-20% YoY in the near term
- Maintain BUY with TP of Rs 211 (earlier Rs 167), valuing the bank at 0.9x Dec'27E ABV (0.8x earlier)

Niraj Jalan
Research Analyst
Vijiya Rao
Research Analyst
research@bobcaps.in

PAT in line with estimates: PAT grew by 22% YoY to Rs 1.85bn, and was in line with estimates, translating into RoA/ RoE of 0.91%/12.73% in Q3FY26. This, post considering the impact of Rs 269mn related to the New Labour Codes. NIMs improved to 3.27% (+4bps QoQ). Management expects NIMs to be in the range of 3.5-3.65%. Further, PPOP increased to Rs 3.2bn (+19.1% YoY) and C/I ratio improved to 61.8% (-86bps YoY). Management plans to reduce C/I ratio to ~60% or below and cost-to-average assets of 2.5%-2.6% (2.7% in Q3FY26) in the near term. Management targets RoA of 1% or above in the near term with RoE of 13.5% in FY27 and 14.5% in FY28.

Business growth remains strong: DCBB reported strong business momentum with credit growth (+18.5% YoY) and deposits growth (+19.5% YoY). The bank plans to ramp up share of organic products vs relatively low-yielding co-lending (15.8% of total loans in Q3FY26) and targets to cap it at 15%, going forward. Mortgages grew at a muted pace (+7% YoY) while staying the largest segment (40% of total loans). Within mortgages, the strategy is to incrementally source higher business loans (LAP) vs HL, a) given their 150-250bps higher yield, b) increase the ticket size and c) source self-originated loans vs. DSA sourcing. Management remains committed to its strategy of balance sheet doubling every 3-4 years, supported by granular, secured growth and expects loan growth to be 18-20% YoY in the near term. Management plans to add more branches and employees next year to aid business momentum.

Asset quality improving: AQ improved with GNPA ratio falling to 2.72% (-19bps QoQ) as of Dec'25. This was driven by lower slippage ratio of 3.1% (-5bps QoQ) and was the lowest in last 18 quarters and higher upgrades of Rs 1.9bn (+19% QoQ) in Q3FY26. While the slippage excluding gold loan was 2.24% (-26bps QoQ). Management targets GNPA <2.5% and NNPA of 1.0% (1.1% as of Dec'25).

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 0.9x Dec'27E ABV (0.8x earlier) with TP of Rs 211 (earlier Rs 167).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	DCBB IN/Rs 183
Market cap	US\$ 637.7mn
Free float	84%
3M ADV	US\$ 5.7mn
52wk high/low	Rs 193/Rs 101
Promoter/FPI/DII	16%/12%/32%

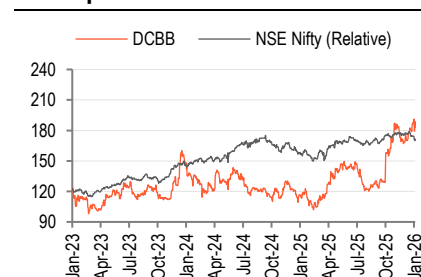
Source: NSE | Price as of 23 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	21,066	24,451	28,909
NII growth (%)	9.3	16.1	18.2
Adj. net profit (Rs mn)	6,153	7,311	9,009
EPS (Rs)	19.6	23.0	28.1
Consensus EPS (Rs)	19.5	22.8	28.5
P/E (x)	9.3	7.9	6.5
P/BV (x)	1.0	0.9	0.8
ROA (%)	0.9	0.9	0.9
ROE (%)	11.4	12.0	13.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

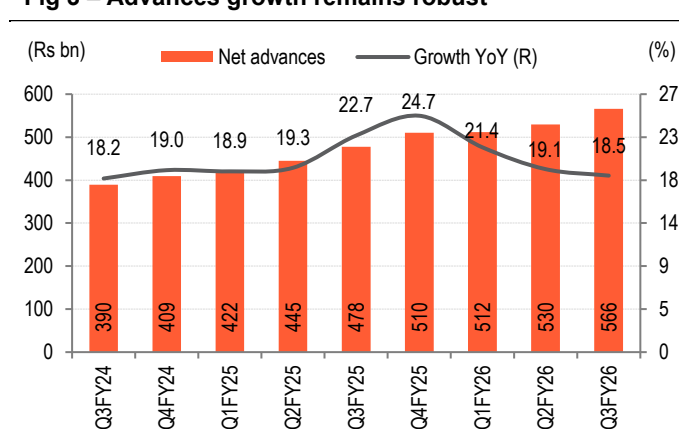
(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	13,224	13,852	14,303	14,416	14,788	11.8	2.6
Income on investments	3,347	3,413	3,679	3,672	3,608	7.8	(1.7)
Int. on bal. with RBI & inter-bank funds & Others	139	153	154	140	213	53.3	52.1
Interest income	16,711	17,419	18,136	18,228	18,609	11.4	2.1
Interest expense	11,282	11,839	12,331	12,265	12,362	9.6	0.8
Net interest income	5,429	5,580	5,804	5,962	6,247	15.1	4.8
Growth YoY (%)	14.5	9.9	16.9	17.1	15.1		
Fee Income	1,410	1,610	1,340	1,580	1,820	29.1	15.2
Trading gains/(losses)	380	430	1,010	230	290	(23.7)	26.1
Forex Income	10	20	(20)	50	100	900.0	100.0
Others	41	128	31	1	4	(89.6)	366.7
Non-interest income	1,841	2,188	2,361	1,861	2,214	20.3	19.0
Growth YoY (%)	48.8	60.6	65.1	(9.1)	20.3		
Total income	7,269	7,768	8,166	7,823	8,461	16.4	8.2
Growth YoY (%)	21.6	20.7	27.7	9.6	16.4		
Staff expenses	2,312	2,314	2,510	2,432	2,695	16.6	10.8
Other operating expenses	2,246	2,400	2,386	2,352	2,537	12.9	7.9
Operating expenses	4,558	4,714	4,897	4,784	5,233	14.8	9.4
Pre-Provisioning Profit (PPoP)	2,711	3,054	3,269	3,039	3,228	19.1	6.2
Growth YoY (%)	28.2	30.7	59.2	19.1	19.1		
Provisions	672	672	1,151	605	741	10.3	22.4
Growth YoY (%)	63.9	179.2	305.6	32.7	10.3		
PBT	2,039	2,382	2,118	2,434	2,487	22.0	2.2
Tax	525	611	545	595	640	21.9	7.6
PAT	1,514	1,771	1,573	1,839	1,847	22.0	0.5
Growth YoY (%)	19.6	13.7	19.7	18.3	22.0		
Per Share							
FV (Rs)	10	10	10	10	10	-	-
EPS (Rs)	5	6	5	6	6	19.4	(1.4)
Book Value (Rs)	175	181	186	190	195	11.7	3.1

Source: Company, BOBCAPS Research

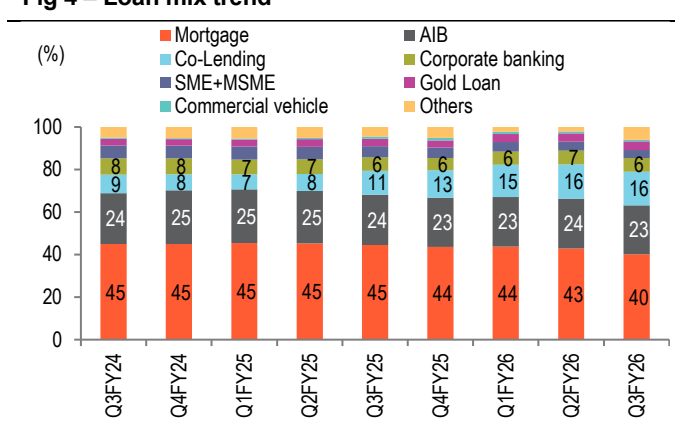
Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Deposits	5,66,780	6,00,310	6,20,390	6,47,765	6,77,540	19.5	4.6
Growth YoY (%)	20.3	21.6	20.0	18.8	19.5		
Advances	4,77,800	5,10,469	5,12,150	5,29,745	5,66,000	18.5	6.8
Growth YoY (%)	22.7	24.7	21.4	19.1	18.5		
Investment	1,79,630	2,01,499	1,99,480	2,04,961	1,96,200	9.2	(4.3)
Equity	54,890	56,907	58,400	59,727	63,500	15.7	6.3
Assets	7,15,670	7,68,098	7,73,950	7,88,903	8,18,400	14.4	3.7
Growth YoY (%)	19.7	21.8	20.0	14.4	14.4		
Yield (%)							
Yield on Funds	9.9	9.8	9.8	9.7	9.6	(32bps)	(10bps)
Cost of Funds	7.2	7.1	7.1	7.0	6.9	(33bps)	(15bps)
Spread	2.7	2.7	2.7	2.7	2.7	0bps	5bps
Net Interest Margin (calc.)	3.2	3.1	3.1	3.2	3.2	0bps	5bps
Ratios (%)							
Other Income / Net Income	25.3	28.2	28.9	23.8	26.2	85bps	238bps
Cost to Income ratio	62.7	60.7	60.0	61.2	61.8	(86bps)	69bps
CASA ratio	25.1	24.5	23.3	23.5	22.8	(232bps)	(75bps)
C/D ratio	84.3	85.0	82.6	81.8	83.5	(76bps)	176bps
Investment to Assets	25.1	26.2	25.8	26.0	24.0	(113bps)	(201bps)
Assets Quality							
GNPA	15,172	15,536	15,536	15,680	15,675	3.3	(0.0)
NNPA	5,625	5,748	6,254	6,405	6,230	10.8	(2.7)
Provision	9,547	9,788	9,282	9,275	9,445	(1.1)	1.8
GNPA (%)	3.1	3.0	3.0	2.9	2.7	(39bps)	(19bps)
NNPA (%)	1.2	1.1	1.2	1.2	1.1	(8bps)	(11bps)
PCR (%)	62.9	63.0	59.7	59.2	60.3	(267bps)	111bps
Others							
Branches	457	464	465	468	468	11	-
Employees	11,339	11,057	10,886	10,792	10,981	(358)	189

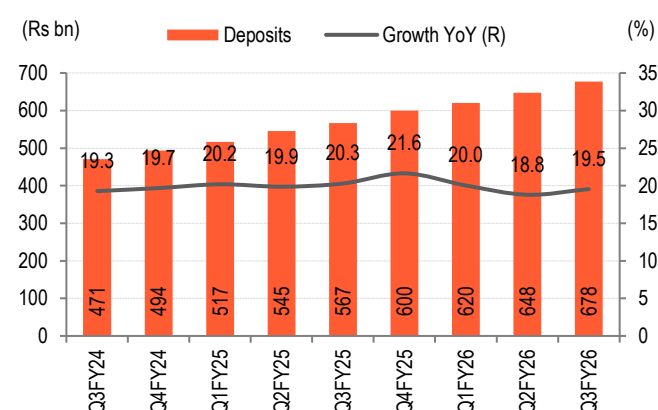
Source: Company, BOBCAPS Research

Fig 3 – Advances growth remains robust

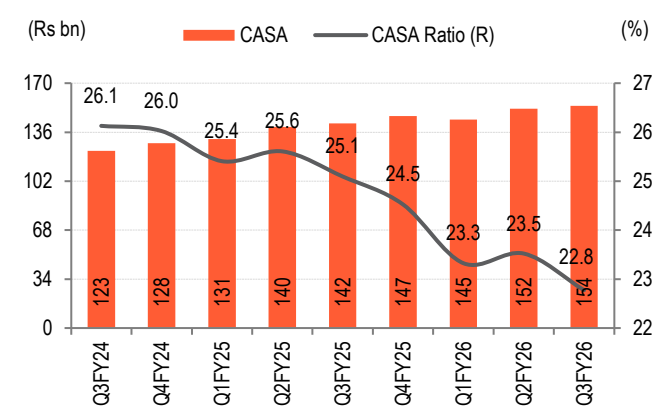
Source: Company, BOBCAPS Research

Fig 4 – Loan mix trend

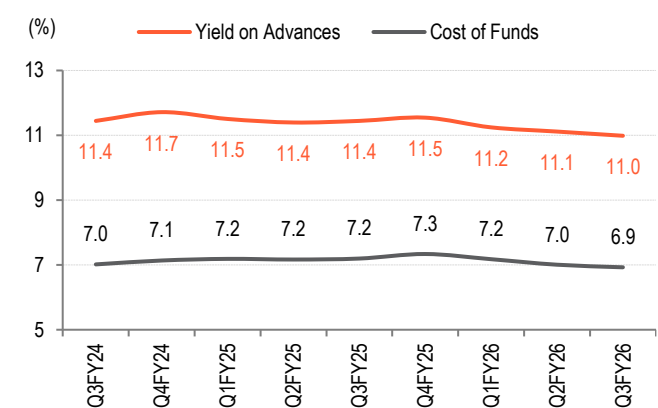
Source: Company, BOBCAPS Research

Fig 5 – Deposits growing at a healthy 19.5% YoY...

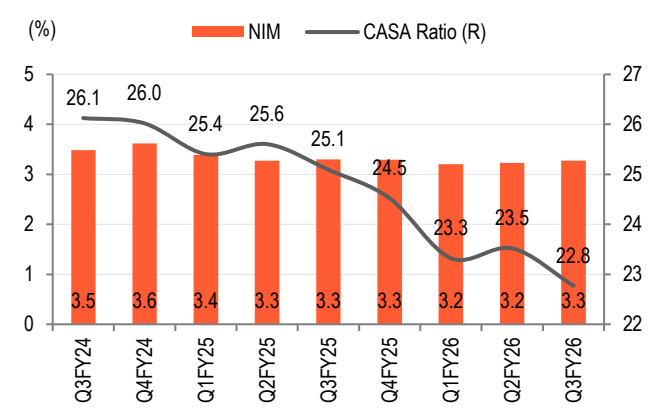
Source: Company, BOBCAPS Research

Fig 6 – ...while share of CASA moderating

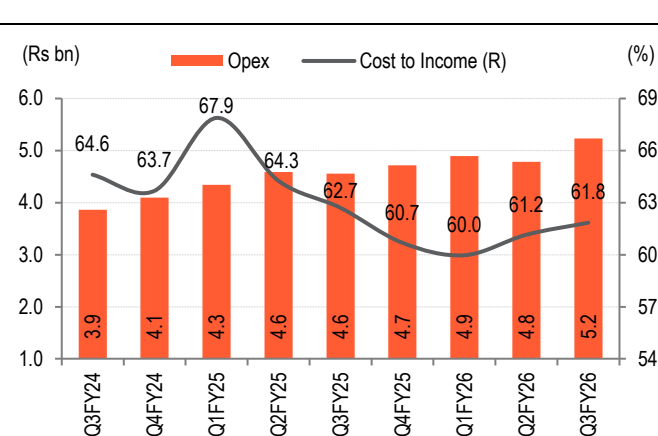
Source: Company, BOBCAPS Research

Fig 7 – CoF declined 8 bps QoQ...

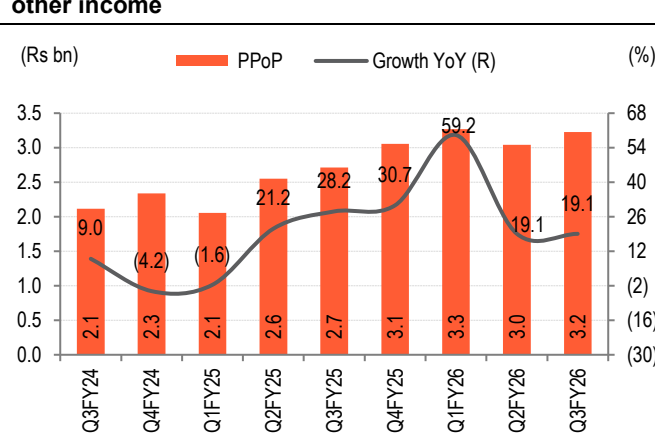
Source: Company, BOBCAPS Research

Fig 8 – ...helped NIMs to improve marginally

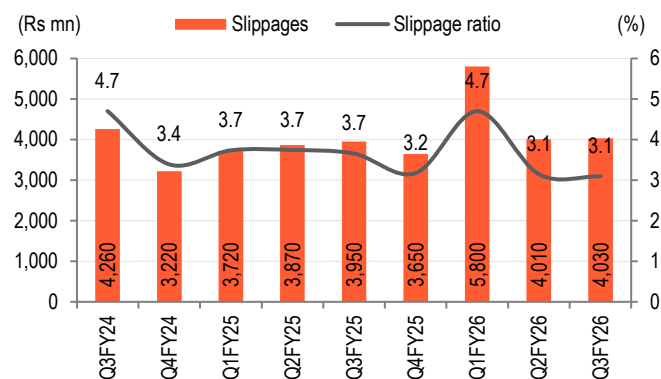
Source: Company, BOBCAPS Research

Fig 9 – CI ratio increases QoQ

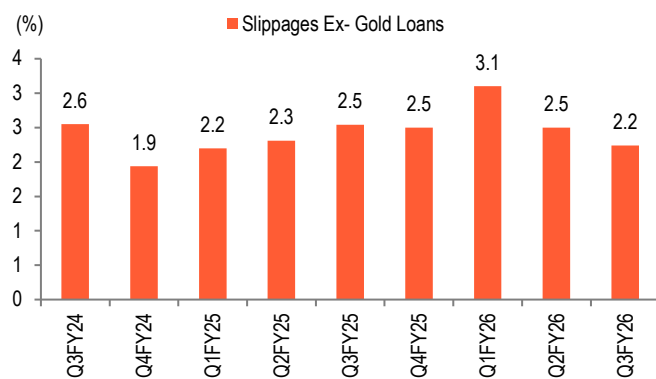
Source: Company, BOBCAPS Research

Fig 10 – PPOP growth mainly aided by higher NII and other income

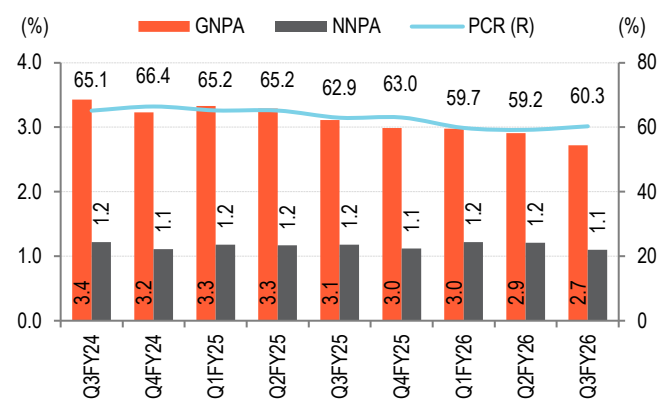
Source: Company, BOBCAPS Research

Fig 11 – Slippages improved on QoQ basis

Source: Company, BOBCAPS Research

Fig 12 – Slippage Ex- Gold loans improved QoQ basis

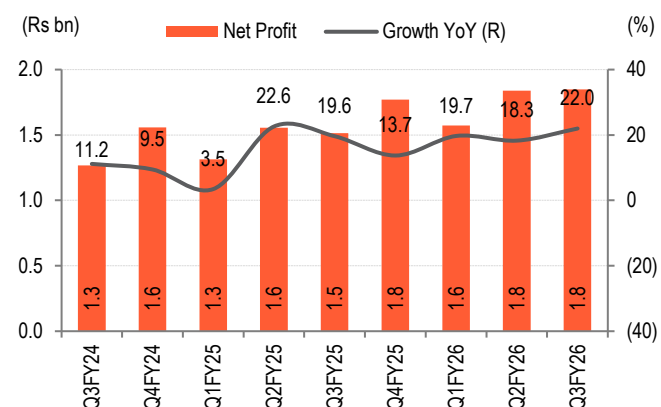
Source: Company, BOBCAPS Research

Fig 13 – Asset quality improving

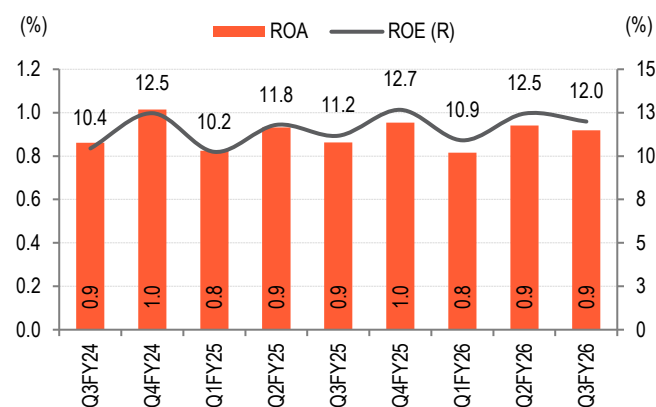
Source: Company, BOBCAPS Research

Fig 14 – Credit cost at 37bps

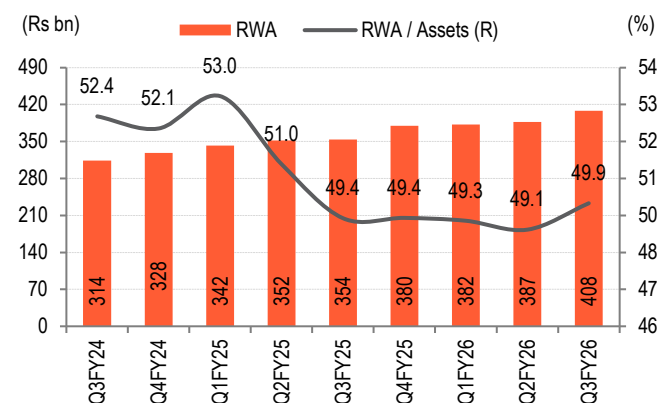
Source: Company, BOBCAPS Research

Fig 15 – PAT growth mainly supported by healthy Nil

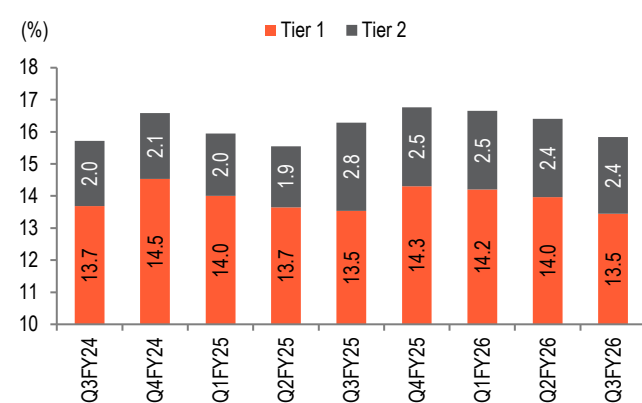
Source: Company, BOBCAPS Research

Fig 16 – Return ratios healthy

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)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Mortgage	2,12,621	2,22,565	2,24,322	2,26,731	2,27,532	7.0	0.4
AIB	1,12,761	1,17,918	1,18,819	1,24,490	1,30,180	15.4	4.6
Co-Lending	53,991	66,361	77,847	85,289	89,428	65.6	4.9
Corporate banking	30,101	29,097	31,753	34,433	36,224	20.3	5.2
SME+MSME	25,323	25,013	23,047	22,249	21,508	(15.1)	(3.3)
Gold Loan	16,245	17,356	19,462	20,660	22,640	39.4	9.6
Commercial vehicle	4,778	5,615	5,122	4,768	3,962	(17.1)	(16.9)
Others	21,979	26,544	11,779	11,125	34,526	57.1	210.4
Total	4,77,800	5,10,469	5,12,150	5,29,745	5,66,000	18.5	6.8

Source: Company, BOBCAPS Research

Fig 20 – Loan book distribution

Segment (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Mortgage	44.5	43.6	43.8	42.8	40.2	(430bps)	(260bps)
AIB	23.6	23.1	23.2	23.5	23.0	(60bps)	(50bps)
Co-Lending	11.3	13.0	15.2	16.1	15.8	450bps	(30bps)
Corporate banking	6.3	5.7	6.2	6.5	6.4	10bps	(10bps)
SME+MSME	5.3	4.9	4.5	4.2	3.8	(150bps)	(40bps)
Gold Loan	3.4	3.4	3.8	3.9	4.0	60bps	10bps
Commercial vehicle	1.0	1.1	1.0	0.9	0.7	(30bps)	(20bps)
Others	4.6	5.2	2.3	2.1	6.1	150bps	400bps
Total	100.00	100.00	100.00	100.00	100.00		

Source: Company, BOBCAPS Research

Fig 21 – Loan disbursement

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Mortgage	14,830	16,570	11,160	13,490	14,750	(0.5)	9.3
Gold Loans	5,670	8,420	9,000	7,450	10,030	76.9	34.6
AIB	11,310	14,370	9,390	13,750	14,220	25.7	3.4
MSME/MSE	5,410	5,780	4,950	4,400	4,400	(18.7)	-
Corporate	6,620	6,310	12,680	11,450	10,450	57.9	(8.7)
Construction Finance	3,730	4,230	2,550	3,130	3,180	(14.7)	1.6
Total Loan disbursed	47,570	55,680	49,730	53,670	57,030	19.9	6.3

Source: Company, BOBCAPS Research

Fig 22 – Disbursement distribution

Segment (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Mortgage	31.2	29.8	22.4	25.1	25.9	(531bps)	73bps
Gold Loans	11.9	15.1	18.1	13.9	17.6	567bps	371bps
AIB	23.8	25.8	18.9	25.6	24.9	116bps	(69bps)
MSME/MSE	11.4	10.4	10.0	8.2	7.7	(366bps)	(48bps)
Corporate	13.9	11.3	25.5	21.3	18.3	441bps	(301bps)
Construction Finance	7.8	7.6	5.1	5.8	5.6	(227bps)	(26bps)
Total Loan disbursed	100.0	100.0	100.0	100.0	100.0	0bps	0bps

Source: Company, BOBCAPS Research

Fig 23 – Deposit trend

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
CASA	1,42,220	1,47,210	1,44,690	1,52,350	1,54,280	8.5	1.3
Resident	3,35,827	3,47,527	3,61,056	3,75,029	3,88,782	15.8	3.7
Non-Resident	32,691	33,982	36,629	38,642	39,768	21.6	2.9
Inter-Bank	1,21,424	1,39,555	1,51,273	1,59,028	1,74,246	43.5	9.6
Term Deposits	4,24,560	4,53,100	4,75,700	4,95,415	5,23,260	23.2	5.6
Total Deposits	5,66,780	6,00,310	6,20,390	6,47,765	6,77,540	19.5	4.6

Source: Company, BOBCAPS Research

Fig 24 – Deposit distribution

(%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
CASA	25.1	24.5	23.3	23.5	22.8	(232bps)	(75bps)
Resident	59.3	57.9	58.2	57.9	57.4	(187bps)	(51bps)
Non-Resident	5.8	5.7	5.9	6.0	5.9	10bps	(10bps)
Inter-Bank	21.4	23.2	24.4	24.6	25.7	429bps	117bps
Term Deposits	74.9	75.5	76.7	76.5	77.2	232bps	75bps
Total Deposits	100	100	100	100	100		

Source: Company, BOBCAPS Research

Earnings Call Highlights

Performance:

- Net interest income rose 15.1% YoY. Net interest margin (NIM) improved to 3.27% in Q3FY26 from 3.23% in Q2FY26.
- PAT reached Rs 1.85 bn, (+22% YoY); the highest-ever quarterly profit for the bank.
- Cost to income ratio increased to 61.8% from 61.2% last quarter due to the impact of Rs 268.7mn, pursuant to the New Labour Codes.
- RoA for Q3FY26 stood at 0.91% vs 0.94% Q2FY26. RoE stood at 12.7% vs 13.2% last quarter.
- The bank aims to achieve a **ROE of 13.5% in FY27 and 14.5% in FY28**, while maintaining **ROA of 1% or above** in the near term.

Advances:

- DCB Bank has **guided for 18–20% YoY growth in customer advances**, underpinned by a long-term objective of **doubling the balance sheet every 3–4 years**.
- A key qualitative shift is the move away from **DSA-led sourcing toward own-originated loans**, aimed at improving loan seasoning, reducing fulfilment costs, and enhancing portfolio durability. Management believes this transition will support more stable asset quality over the cycle.
- **Mortgages (40.2% of product mix)**: The mortgage portfolio is being rebalanced in favour of **BL over HL**, with BL accounting for over **60% of incremental sourcing**.
- **SME and MSME Banking**: The bank is building a **mid-market SME franchise** with ticket sizes of **Rs3–15 crore**, currently in an early investment phase across select geographies. Management expects this segment to add meaningfully to the growth over the next **3–4 quarters**, despite near-term softness in the book.
- **Co-lending Portfolio**: The co-lending book, largely **gold loans**, has scaled rapidly, but is being consciously capped at **15% or lower of total assets by Mar'26**. From FY27 onwards, growth in this portfolio will be aligned strictly with the bank's overall loan growth.
- **Gold loans, construction finance, and corporate banking**: Management remains focused on ensuring support from these segments for steady growth without compromising on the risk discipline.

Deposits:

- DCB Bank has guided for **18–20% YoY growth in customer deposits**, aligned with its long-term objective of **doubling the balance sheet every 3–4 years**.
- In Q3FY26, **deposits** grew **19.5% YoY Rs 678bn**, reflecting execution broadly in line with stated guidance.

- **Cost of deposits declined to 6.86% in Q3FY26**, down **10 bps QoQ**.
- The **deposit strategy** is anchored on optimising cost of deposits, **sustaining growth**, and maintaining high **granularity** to ensure stability.
- Management has consciously moved away from price-led acquisition, with peak retail deposit rates now closer to those of the top six banks, narrowing the differential to ~60 bps.
- Deposit base continues to become more granular, with the **top 20 depositors contributing only 6.61%** of total deposits, lower than the previous quarter
- Improving the CA franchise is a key priority, particularly to support **SME and trade finance** businesses. A senior management hire has been made to drive CA acquisition and deepen transactional relationships.
- The bank is increasingly cross-selling deposits to its **0.5mn Niyo customers**, primarily salaried and affluent users, with management noting steady monthly improvements in balances from this segment.

NIMs

- Cost of Deposit decreased to 6.86% from 6.96% QoQ (down 10 bps), and cost of funds decreased by 8 bps, supporting margin improvement. NIMs improved to 3.27% in Q3FY26 from 3.23% in Q2FY26.
- Management expects NIMs to **continue improving in H1 next year**, targeting a **business model NIM of 3.50–3.65%** while sustaining **18–20% growth**.

Asset quality:

- Management targets **GNPA below 2.5%** and **NNPA at ~1.0%**, with priority on bringing NNPA to **≤1%** at the earliest.
- **Business model credit cost** is guided at **45–55 bps**, viewed as a through-the-cycle baseline. (Credit cost for Q3 was 37 bps).
- Asset quality trends improved, with **lowest slippages and GNPA in 18 quarters**.
- The bank is **well prepared for ECL**, supported by long-running parallel models and adequate provision buffers.

Valuation Methodology

DCBB reported robust business performance with strong loan growth (+18.5% YoY), while NII witnessed healthy growth (+15.1% YoY). Consistent loan growth momentum over the past several quarters indicate 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 0.9x Dec'27E ABV (0.8x earlier) with TP of Rs 211 (earlier Rs 167).

Fig 25 – Key operational assumptions

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	24.7	18.5	18.7	19.0
NII Growth	9.3	16.1	18.2	21.9
PPOP Growth	20.0	24.7	20.3	25.5
PAT Growth	14.8	18.8	23.2	29.4
NIM	3.3	3.1	3.2	3.3
GNPA	3.0	2.6	2.4	2.2
CAR	16.8	15.9	15.2	14.7

Source: Company, BOBCAPS Research

Fig 26 – Revised estimates

Key Parameters (Rs mn)	New			Old			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	8,54,448	-	-	-
Deposits	7,11,967	8,48,665	10,12,457	7,11,967	8,48,665	10,12,457	-	-	-
Assets	8,75,130	10,32,477	12,20,042	8,96,679	10,51,722	12,37,283	(2.4)	(1.8)	(1.4)
NII	24,451	28,909	35,250	24,882	29,501	36,384	(1.7)	(2.0)	(3.1)
PPOP	12,931	15,562	19,527	12,544	14,975	19,150	3.1	3.9	2.0
Provision	3,105	3,453	3,853	2,900	3,109	3,538	7.1	11.1	8.9
PAT	7,311	9,009	11,661	7,175	8,828	11,615	1.9	2.0	0.4
ABV (Rs)	6,04,906	7,18,023	8,54,448	6,04,906	7,18,023	8,54,448	-	-	-

Source: Company, BOBCAPS Research

Fig 27 – Actuals vs BOBCAPS estimates

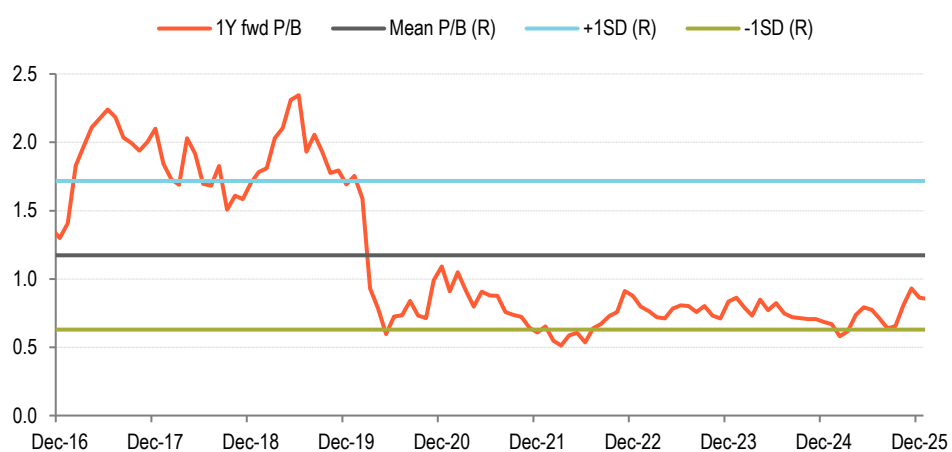
(Rs mn)	Q3FY26A	Q3FY26E	Actual vs. Estimates (%)
Loan	5,66,000	5,62,371	0.6
Deposits	6,77,540	6,65,400	1.8
Assets	8,18,400	8,32,820	(1.7)
NII	6,247	6,173	1.2
PPOP	3,228	3,133	3.1
Provision	741	635	16.7
PAT	1,847	1,853	(0.3)

Source: Company, BOBCAPS Research

Fig 28 – Key valuation assumptions

Gordon growth model	(%)
Return on Equity (RoE)	12.8
Cost of Equity (Ke)	13.3
Growth (Period 1)	10.9
Growth (Long Term)	9.0
Initial High Growth Period (yrs)	12.0
Dividend Payout (Period 1)	15.0
Dividend Payout (Long Term)	30.0
Factor 1	1.6
Factor 2	5.8
Justified P/BV Multiple	0.9

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	24,451	28,909	35,250
Nil growth (%)	12.3	9.3	16.1	18.2	21.9
Non-interest income	4,742	7,505	8,709	9,920	11,423
Total income	24,021	28,571	33,160	38,828	46,673
Operating expenses	15,377	18,201	20,229	23,267	27,146
PPOP	8,644	10,370	12,931	15,562	19,527
PPOP growth (%)	9.9	20.0	24.7	20.3	25.5
Provisions	1,425	2,084	3,105	3,453	3,853
PBT	7,220	8,286	9,826	12,109	15,674
Tax	1,860	2,133	2,516	3,100	4,013
Reported net profit	5,360	6,153	7,311	9,009	11,661
Adjustments	0	0	0	0	0
Adjusted net profit	5,360	6,153	7,311	9,009	11,661

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	61,377	69,832	80,793
Net worth	50,713	56,907	64,581	73,035	83,997
Deposits	4,93,530	6,00,310	7,11,967	8,48,665	10,12,457
Borrowings	62,195	91,152	52,567	55,721	59,621
Other liab. &	23,932	19,730	46,015	55,056	63,967
Total liab. & equities	6,30,370	7,68,098	8,75,130	10,32,477	12,20,042
Cash & bank balance	30,659	26,986	32,282	40,967	46,435
Investments	1,62,108	2,01,499	2,05,789	2,36,987	2,76,705
Advances	4,09,246	5,10,469	6,04,906	7,18,023	8,54,448
Fixed & Other assets	28,357	29,144	32,153	36,500	42,454
Total assets	6,30,370	7,68,098	8,75,130	10,32,477	12,20,042
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	23.0	28.1	36.4
Dividend per share	1.3	1.4	1.5	1.7	2.2
Book value per share	162.1	181.1	201.6	228.0	262.2

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	10.7	9.3	7.9	6.5	5.0
P/BV	1.1	1.0	0.9	0.8	0.7
Dividend yield (%)	0.7	0.7	0.8	0.9	1.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	3.3	3.0	3.0	3.0	3.1
Non-interest income	0.8	1.1	1.1	1.0	1.0
Operating expenses	2.7	2.6	2.5	2.4	2.4
Pre-provisioning profit	1.5	1.5	1.6	1.6	1.7
Provisions	0.2	0.3	0.4	0.4	0.3
PBT	1.3	1.2	1.2	1.3	1.4
Tax	0.3	0.3	0.3	0.3	0.4
ROA	0.9	0.9	0.9	0.9	1.0
Leverage (x)	12.0	13.0	13.5	13.9	14.3
ROE	11.1	11.4	12.0	13.1	14.9

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	12.3	9.3	16.1	18.2	21.9
Pre-provisioning profit	9.9	20.0	24.7	20.3	25.5
EPS	14.8	14.3	17.4	22.1	29.4
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	61.0	59.9	58.2
ROE	11.1	11.4	12.0	13.1	14.9
ROA	0.9	0.9	0.9	0.9	1.0
Asset quality (%)					
GNPA	3.2	3.0	2.6	2.4	2.2
NNPA	1.1	1.1	1.0	0.9	0.8
Slippage ratio	4.3	3.7	3.4	3.1	2.8
Credit cost	0.4	0.5	0.6	0.5	0.5
Provision coverage	66.4	63.2	60.5	61.5	62.5
Ratios (%)					
Credit-Deposit	82.9	85.0	85.0	84.6	84.4
Investment-Deposit	32.8	33.6	28.9	27.9	27.3
CAR	16.6	16.8	15.9	15.2	14.7
Tier-1	14.5	14.3	14.5	13.9	13.5

Source: Company, BOBCAPS Research

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**



Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

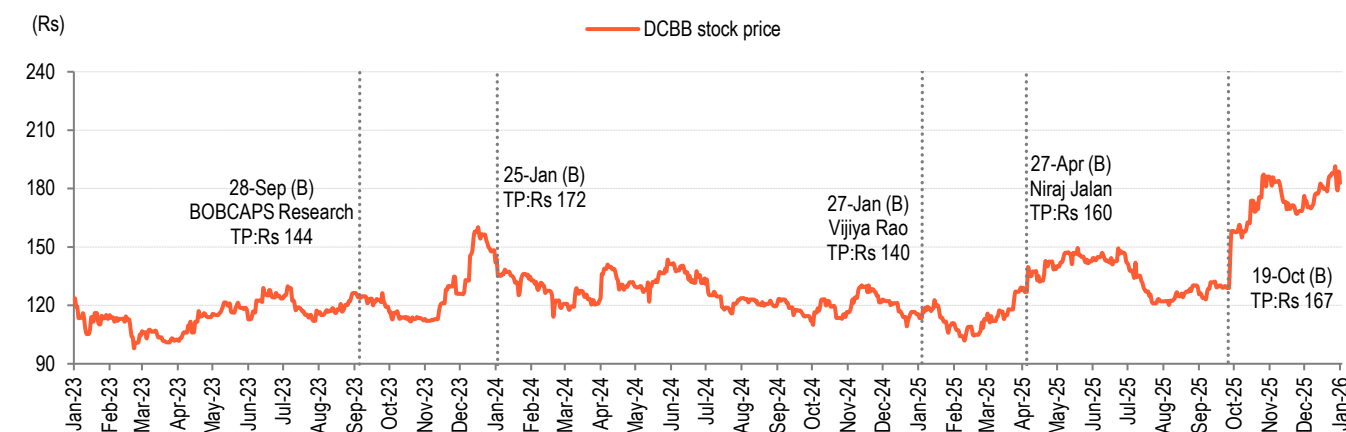
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): DCB BANK (DCBB IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an “as is” basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the “Losses”) which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom (“UK”):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd (“MSL”) who is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (MSL and its affiliates are collectively referred to as “MAYBANK”). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “Order”), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as “relevant persons”).

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.