

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	DCBB IN
Equity Shares (m)	311
M.Cap.(INRb)/(USD\$)	24.3 / 0.3
52-Week Range (INR)	114 / 68
1, 6, 12 Rel. Per (%)	8/-13/-25
12M Avg Val (INR M)	152

Financials & Valuations (INR b)

Y/E MARCH	FY22	FY23E	FY24E
NII	13.6	16.4	19.4
OP	8.0	9.8	11.9
NP	2.9	4.2	5.5
NIM (%)	3.5	3.8	3.9
EPS (INR)	9.2	13.5	17.6
EPS Gr. (%)	-14.5	45.7	30.8
BV/Sh. (INR)	126.1	138.1	153.7
ABV/Sh. (INR)	113.2	124.8	139.4

Ratios

RoE (%)	7.8	10.5	12.4
RoA (%)	0.7	0.9	1.0

Valuations

P/E (x)	8.4	5.8	4.4
P/BV (x)	0.6	0.6	0.5
P/ABV (x)	0.7	0.6	0.6

Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	14.9	14.9	14.9
DII	38.7	39.6	40.5
FII	8.8	9.2	13.0
Others	37.6	36.3	31.5

FII Includes depository receipts

CMP: INR78 **TP: INR90 (+15%)** **Neutral**

Improving earnings outlook; loan growth showing recovery signs

Restructured portfolio remains elevated ~6.4% of loans

- DCBB reported a strong 4QFY22, with a healthy beat on NII/PPOP, while PAT stood strong at INR1.1b (+46% YoY; MOSLe: INR872m), driven by lower provisions. NIM improved sharply (+32bp QoQ) to 3.92%. On the business front, advances/deposits grew strongly by ~5%/7.6% QoQ.
- GNPAs/NNPAs declined by 4%/18% as slippage moderated to INR3.78b (INR4.57b in 3QFY22). However, the outstanding restructured book stands elevated at INR18.7b (6.4% of loans). Collection efficiency remains steady within Home loans/LAP, but continued to be lower in the CV portfolio.
- We turn constructive on the stock, given that the earnings outlook is improving, growth momentum is gathering pace, and the stock is trading at attractive valuations of 0.6x FY24E P/ABV. We remain watchful of asset quality due to a higher restructuring book, while rising interest rate may result in treasury losses/NIM pressure, which could dent the earnings recovery. We raise our FY23/FY24 estimate by 9%/10% and expect a FY24 RoA/RoE of 1%/12.4%. **We maintain our Neutral rating.**

Lower provisions drive the earnings beat; NIM expands by 32bp QoQ

- DCBB reported a PAT of INR1.1b in 4QFY22 (+46% YoY, strong beat), supported by lower provisions (down 30%). NII grew by ~10% QoQ to INR3.8b, led by a 32bp expansion in margin to 3.93%.
- Other income fell 12% YoY to INR1.15b, primarily weighed by 77% decline in treasury gains. Fee income too declined by 6% YoY to INR663m. OPEX grew 14% YoY (4% beat) as the bank continues to hire employees and make investments in the business. PPOP grew 10% YoY.
- On the business front, the loan book grew 13% YoY and 5% QoQ, supported by healthy disbursements across mortgages. The share of the Corporate book was stable at 10%. Deposits grew 17% YoY, led by a 37% growth in CASA deposits. Thus, the CASA mix rose to 26.8% (+81bp QoQ).
- The GNPA/NNPA ratio declined by 46bp/58bp QoQ to 4.32%/1.97%, led by moderation in slippages to INR3.8b (~6% annualized, INR4.6b in 3QFY22). This was further supported by healthy recoveries and upgrades of INR4.26b. PCR improved to 55.6% (~68% including TWO). However, the outstanding restructured book stands elevated at INR18.7b (6.4% of loans).
- Collection efficiency** remained steady within Home loans/LAP, but continued to be lower in the CV portfolio. The same (including the delinquent and restructured book) in Home/Business/CV Loans stood at 98.5%/96.7%/85.2% in Mar'22.

Highlights from the management commentary

- DCBB aims to double its Balance Sheet over the next three-to-four years.
- NIM is likely to be in the 3.75-4% range.
- The bank intends to deliver a RoA of 1% and a RoE in the 12-14% range.

Valuation and view

DCBB reported a strong 4QFY22, with healthy NII growth, led by margin expansion, while lower provisions drove earnings. Business growth stood healthy, led by traction across segments, primarily mortgages, while deposit growth stood strong. Asset quality improved sequentially, led by moderation in slippages, even as CE remains lower in the CV business. We turn constructive on the stock as the earnings outlook is improving, growth momentum is gathering pace, and the stock is trading at attractive valuations (0.6x FY24E P/ABV). However, we remain watchful of asset quality, due to a high restructuring book, while rising interest rate may result in treasury losses/NIM pressure, which could dent the earnings recovery. We raise our FY23/FY24 estimate by 9%/10% and expect a RoA/RoE of 1%/12.4% in FY24. **We maintain our Neutral rating, with an unchanged TP of INR90/share (0.6x FY24E P/ABV).**

Quarterly performance**(INR m)**

	FY21				FY22				FY21	FY22	FY22E 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Interest Income	3,067	3,339	3,348	3,112	3,087	3,233	3,450	3,805	12,866	13,575	3,567	6.7
Change (YoY %)	0.6	6.6	3.6	-3.9	0.6	-3.2	3.1	22.3	1.7	5.5	14.6	
Other Income	776	809	1,566	1,298	1,212	977	1,183	1,148	4,585	4,520	1,396	-17.8
Total Income	3,843	4,148	4,914	4,410	4,299	4,211	4,634	4,953	17,451	18,095	4,963	-0.2
Operating Expenses	1,932	2,016	2,119	2,399	2,277	2,459	2,645	2,744	8,466	10,126	2,861	-4.1
Operating Profit	1,911	2,132	2,795	2,011	2,022	1,751	1,988	2,208	8,985	7,970	2,102	5.0
Change (YoY %)	14.8	15.5	47.1	-5.2	5.8	-17.8	-28.8	9.8	19.3	-11.3	2.5	
Provisions	837	1,015	1,498	971	1,565	863	970	676	4,457	4,074	945	-28.4
Profit before Tax	1,075	1,117	1,296	1,040	457	888	1,019	1,532	4,528	3,896	1,158	32.4
Tax	281	294	334	261	119	239	265	398	1,170	1,020	286	39.2
Net Profit	794	823	962	779	338	649	754	1,134	3,358	2,875	872	30.1
Change (YoY %)	-2.1	-10.0	-0.5	13.3	-57.5	-21.1	-21.7	45.6	-0.6	-14.4	11.9	
Operating Parameters												
Deposit (INR b)	294.3	287.7	288.6	297.0	306.0	317.7	322.3	346.9	297.0	346.9	329.7	5.2
Loan (INR b)	250.6	248.8	253.0	257.4	255.0	268.5	276.6	291.0	259.6	291.0	284.3	2.4
Deposit Growth (%)	2.2	-2.0	-2.9	-2.2	4.0	10.4	11.7	16.8	-2.2	16.8	11.0	5.8
Loan Growth (%)	4.2	0.3	-0.5	1.5	1.7	7.9	9.3	13.0	2.4	12.1	9.5	3.5
Asset Quality												
Gross NPA (%)	2.4	2.3	2.0	4.1	4.9	4.7	4.8	4.3	4.1	4.3	4.6	-0.3
Net NPA (%)	1.0	0.8	0.6	2.3	2.8	2.6	2.6	2.0	2.3	2.0	2.4	-0.4
PCR (%)	60.0	64.1	70.2	45.2	43.3	45.0	48.0	55.6	45.2	55.6	49.0	6.5

E: MOFSL estimates

Quarterly snapshot

	FY20				FY21				FY22				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Profit & Loss (INR m)														
Net Interest Income	3,048	3,134	3,231	3,237	3,067	3,339	3,348	3,112	3,087	3,233	3,450	3,805	22	10
Other Income	868	1,014	931	1,099	776	809	1,566	1,298	1,212	977	1,183	1,148	-12	-3
Total Income	3,915	4,148	4,162	4,336	3,843	4,148	4,914	4,410	4,299	4,211	4,634	4,953	12	7
Operating Expenses	2,250	2,302	2,263	2,215	1,932	2,016	2,119	2,399	2,277	2,459	2,645	2,744	14	4
Employee	1,162	1,147	1,156	1,124	1,087	1,050	1,087	1,112	1,227	1,322	1,380	1,463	32	6
Others	1,088	1,156	1,107	1,091	845	966	1,033	1,287	1,049	1,138	1,266	1,282	0	1
Operating Profit	1,665	1,845	1,899	2,121	1,911	2,132	2,795	2,011	2,022	1,751	1,988	2,208	10	11
Core Operating Profit	1,506	1,596	1,829	1,947	1,531	1,839	2,054	1,998	1,484	1,647	1,825	2,205	10	21
Provisions	406	433	590	1,182	837	1,015	1,498	971	1,565	863	970	676	-30	-30
PBT	1,259	1,413	1,309	938	1,075	1,117	1,296	1,040	457	888	1,019	1,532	47	50
Taxes	448	499	342	251	281	294	334	261	119	239	265	398	52	50
PAT	811	914	967	688	794	823	962	779	338	649	754	1,134	46	51
Balance Sheet (INR b)														
Loans	240	248	254	253	251	249	253	257	255	269	277	291	13	5
Investments	80	78	81	77	77	75	81	84	91	86	86	91	8	6
Deposits	288	294	297	304	294	288	289	297	306	318	322	347	17	8
CASA Deposits	71	68	69	65	65	65	67	68	66	81	84	93	37	11
Borrowings	27	28	34	34	39	38	36	45	43	40	32	41	-9	27
Total Assets	363	370	381	385	382	376	379	396	403	415	412	448	13	9
Asset Quality														
GNPA	4,764	5,232	5,520	6,315	6,218	5,737	5,023	10,834	12,688	12,849	13,398	12,899	19	-4
NNPA	1,958	2,379	2,608	2,935	2,485	2,058	1,497	5,942	7,190	7,070	6,965	5,732	-4	-18
Ratios (%)														
Asset Quality														
GNPA (%)	2.0	2.1	2.2	2.5	2.4	2.3	2.0	4.1	4.9	4.7	4.8	4.3	19	-46
NNPA (%)	0.8	1.0	1.0	1.2	1.0	0.8	0.6	2.3	2.8	2.6	2.6	2.0	-34	-58
PCR (Calculated, %)	58.9	54.5	52.8	53.5	60.0	64.1	70.2	45.2	43.3	45.0	48.0	55.6	1,040	755
PCR (Reported, %)	76	73	72	71	75	79	84	62	59	60	62	68	549	567
Business Ratios														
Fees-to-Total Income	13.9	13.9	15.0	15.3	7.0	10.5	11.2	15.9	11.0	14.6	13.6	13.4	-253	-21
Cost-to-Core Income	62.6	62.0	58.7	56.8	57.9	53.4	54.4	62.9	64.0	63.9	64.8	61.4	-147	-341
Tax Rate	35.6	35.3	26.1	26.7	26.1	26.3	25.8	25.1	26.0	26.9	26.0	26.0	87	-3
CASA	24.5	23.2	23.2	21.5	21.9	22.4	23.1	22.8	21.7	25.4	25.9	26.8	390	81
Loan/Deposit	83.5	84.5	85.5	83.5	85.1	86.5	87.7	86.6	83.3	84.5	85.8	83.9	-278	-194
Profitability Ratios														
RoA	0.9	1.0	1.0	0.7	0.8	0.9	1.0	0.8	0.3	0.6	0.7	1.1	26	33
RoE	11.2	12.3	12.7	8.7	9.9	9.9	11.2	9.0	3.8	7.3	8.3	12.1	316	384
Yield on loans	11.6	11.5	11.5	11.4	11.1	11.3	11.2	10.7	10.5	10.7	10.7	11.0	35	33
Cost of funds	7.1	7.1	7.1	7.0	6.8	6.6	6.6	6.5	6.3	6.2	6.1	6.0	-44	-3
Margin	3.67	3.67	3.71	3.64	3.42	3.74	3.75	3.46	3.31	3.37	3.61	3.93	47	32
Others														
Branches	334	334	331	336	341	344	347	352	354	356	367	400	48	33
ATM	508	499	501	504	505	480	471	410	402	344	353	349	-61	-4



Highlights from the management commentary

Operating environment and business

- The bank believes that most COVID-related challenges are behind them, with some leftover in the form of a restructured book.
- Collection efficiency and healthy recoveries give the management confidence on the same.
- DCBB has close to 400 branches and branch openings have gathered pace off late.
- The management plans to add 25-35 branches annually.
- It usually takes 22-24 months for a branch to break even.
- The bank will continue to pursue its strategy of lending to the smaller ticket Retail/MSME/SME segments.
- DCBB is seeing strong demand in segments where it operates.
- The bank saw strong disbursements in Feb'22 and Mar'22.
- It continues to build up its front-end machinery to sustain the growth momentum seen in earlier months.
- The management aims to double its Balance Sheet over the next three-to-four years, i.e. at over 20% CAGR.
- The Mortgage segment should continue to do well.
- The majority of the co-lending takes place in the Gold loan segment. However, co-lending will not contribute more than 5% of the book.
- A large part of the loan book is linked to an external benchmark and will benefit with a rise in rates.
- The capital position of the bank remains strong.
- NIM is likely to be in the 3.75-4% range. Higher recoveries can result in a strong uptick.
- The management intends to deliver a RoA of 1% and a RoE in the 12-14% range.
- It has declared a dividend of INR1 per share.

Asset quality

- The bank is enthused with its recent collection efficiency recovery trends.
- The bounce rate is slightly higher, but recoveries are in line with pre-COVID levels.
- Cash flow in the Self-Employed segment is back to normal levels, especially in Secured products (LAP, Home loans, and CV loans).
- While the management did not offer any guidance in terms of credit cost, it expects to do 50-55bp on a steady-state basis.
- Slippages (excluding Gold loans) are back to pre-COVID levels.
- A large part of the slippages came from Gold loans, which is 100% secured.

Exhibit 1: GNPA declines across most segments, barring SME/MSME loans, which saw a QoQ rise

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	YoY (%)	QoQ (%)
CV/STVL	1,163	1,134	1,082	831	1,699	2,069	2,454	2,363	2,259	35.4	-4.4
Corporate	515	515	418	418	496	836	834	1,016	1,014	104.4	-0.2
SME + MSME	733	725	531	474	1,184	1,509	1,367	1,198	1,380	16.6	15.2
Mortgages	2,283	2,288	2,207	1,971	4,106	4,716	4,479	3,853	3,423	-16.6	-11.2
AIB	1,212	1,189	1,163	1,037	2,348	2,394	2,586	3,003	2,916	24.2	-2.9
Gold loan	69	59	56	44	552	646	531	1,365	1,330	140.9	-2.6
Others	340	308	280	248	479	518	598	600	577	20.5	-3.8
Total GNPA's	6,315	6,218	5,737	5,023	10,834	12,688	12,849	13,398	12,899	19.1	-3.7

Collection update across business segments

- **Business loans (LAP):** In value terms, 0.59% of loans have not paid any installments from 1st Apr'20 to 31st Mar'22, while 98.5% customers have paid three or more EMIs.
- **Home loans:** In value terms, 1.53% of loans have not paid any installments from 1st Apr'20 to 31st Mar'22, while 94.6% customers have paid three or more EMIs.
- **CV:** In value terms, 2.83% of loans have not paid any installments from 1st Apr'20 to 31st Mar'22, while 95.4% customers have paid three or more EMIs.

Exhibit 2: Collection efficiency remains healthy in 4QFY22

Collections Efficiency (%)	Jan'20	Mar'20	Jun'20	Sep'20	Dec'20	Mar'21	Jun'21	Sep'21	Dec'21	Jan'22	Feb'22	Mar'22
Business loans (LAP)	97.5	90.6	58.8	87.5	89.8	95.2	89.0	95.8	94.8	95.7	95.2	96.7
Home loans	98.5	93.2	63.8	91.3	94.1	96.8	92.8	98.1	98.2	98.2	97.7	98.5
CV	92.1	81.3	37.4	77.1	80.4	86.0	74.5	80.8	84.6	84.2	82.0	85.2

Source: MOFSL, Company

Exhibit 3: Collection efficiency of the current bucket (0), including restructuring, remains healthy in 4QFY22

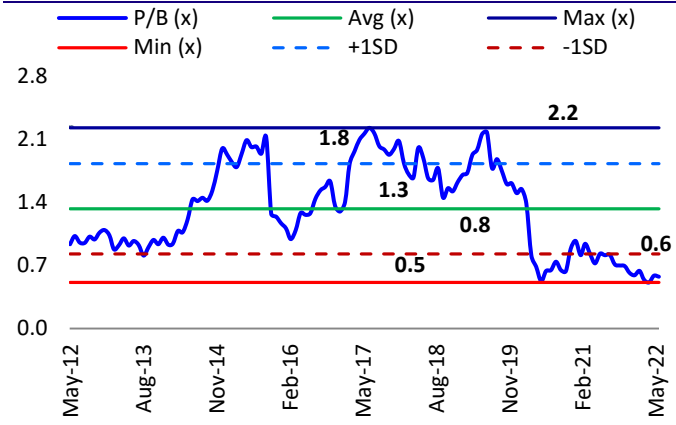
Collections Efficiency (%)	Jan'20	Mar'21	Apr'21	Jul'21	Aug'21	Sep'21	Oct'21	Nov'21	Dec'21	Jan'22	Feb'22	Mar'22
Business loans (LAP)	98.9	97.0	94.3	97.3	97.1	97.2	96.8	96.7	96.0	97.2	96.9	97.7
Home loans	99.2	98.1	96.3	98.8	98.8	98.8	98.6	98.5	98.7	98.9	98.5	99.0
CV	96.0	90.0	82.5	85.0	82.7	84.6	82.2	83.3	85.2	84.8	83.0	85.1

Source: MOFSL, Company

Valuation and view

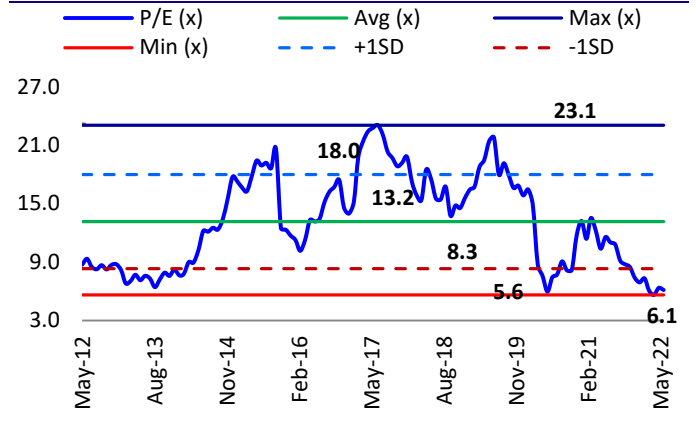
- Business growth picked up well in 4QFY22, led by healthy traction across segments. The management expects growth to pick up gradually. We expect 15% loan CAGR over FY22-24.
- Asset quality improved over 4QFY22, led by moderation in slippages and aided by healthy recoveries and upgrades. Slippages were driven by the Gold loans and the SME/MSME portfolio. Collection efficiency was stable over 4QFY22 and is likely to remain healthy going forward. Although collection efficiency continues to improve, the restructuring book remains high ~6.4% of loans, which would keep asset quality under pressure. We estimate credit cost trends to remain elevated at 1.3%/1.2% and slippages to be ~2.5%/2.1% in FY23/FY24.
- **Maintain Neutral, with a TP of INR90 per share:** DCBB reported a strong 4QFY22, with healthy NII growth, led by margin expansion, while lower provisions drove earnings. Business growth stood healthy, led by traction across segments, primarily mortgages, while deposit growth stood strong. Asset quality improved sequentially, led by moderation in slippages, even as CE remains lower in the CV business. We turn constructive on the stock as the earnings outlook is improving, growth momentum is gathering pace, and the stock is trading at attractive valuations (0.6x FY24E P/ABV). However, we remain watchful of asset quality, due to a high restructuring book, while rising interest rate may result in treasury losses/NIM pressure, which could dent the earnings recovery. We raise our FY23/FY24 estimate by 9%/10% and expect a RoA/RoE of 1%/12.4% in FY24. **We maintain our Neutral rating, with an unchanged TP of INR90/share (0.6x FY24E P/ABV).**

Exhibit 4: One-year forward P/B



Source: MOFSL, Company

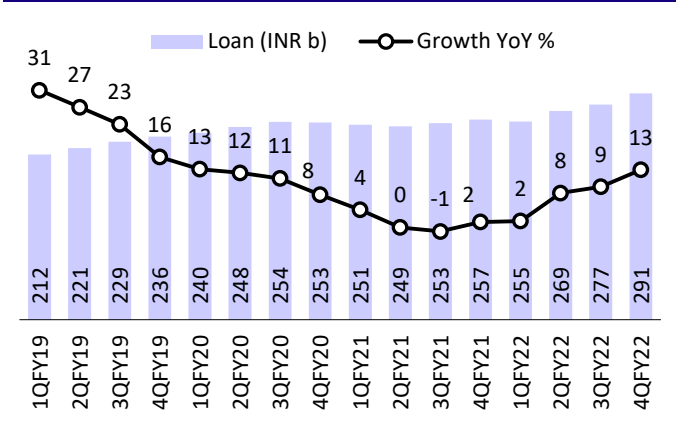
Exhibit 5: One-year forward P/E



Source: MOFSL, Company

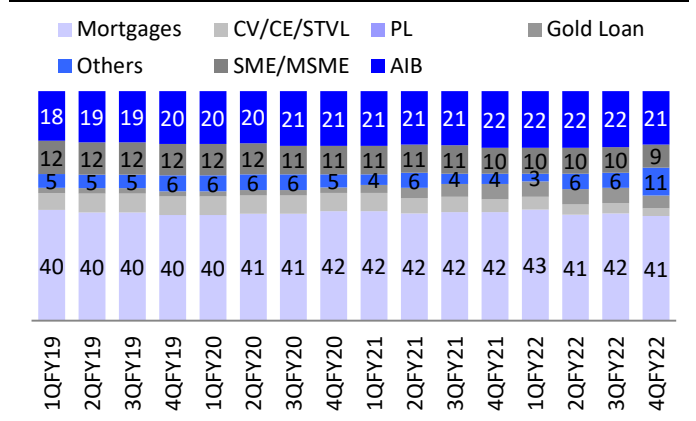
Story in charts

Exhibit 6: Loan book grew a healthy 13% YoY and 5% QoQ



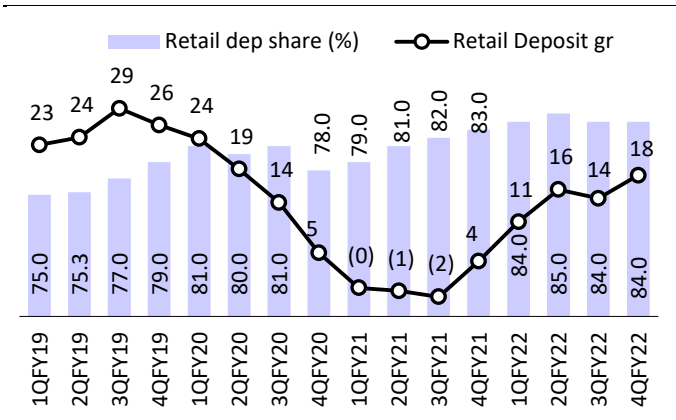
Source: MOFSL, Company

Exhibit 7: Proportion of Corporate advances at 10%



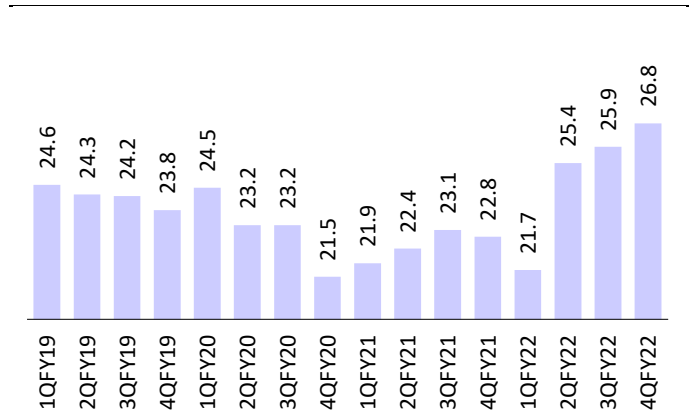
Source: MOFSL, Company

Exhibit 8: Share of Retail deposits healthy at 84%



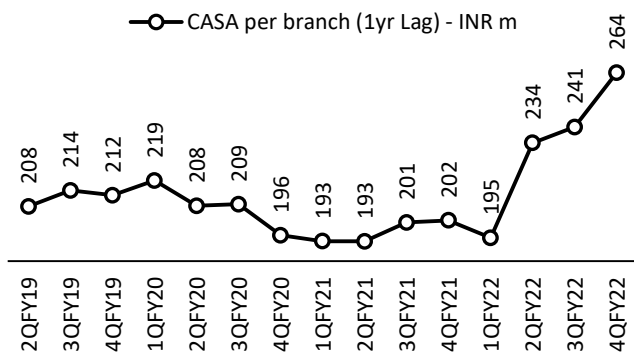
Source: MOFSL, Company

Exhibit 9: CASA ratio increases to 26.8%



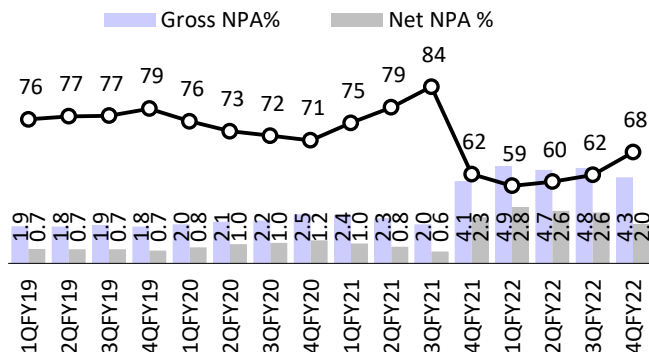
Source: MOFSL, Company

Exhibit 10: CASA mobilization per branch (one-year lag) improves to INR264m



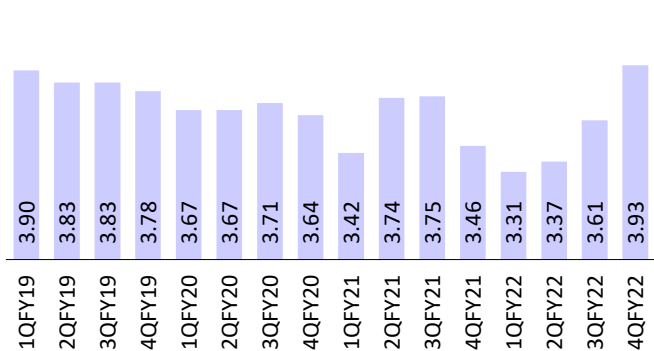
Source: MOFSL, Company

Exhibit 11: Asset quality improves, with GNPA/NNPA ratio declining by 46bp/58bp QoQ; PCR (incl. TWO) ~68%



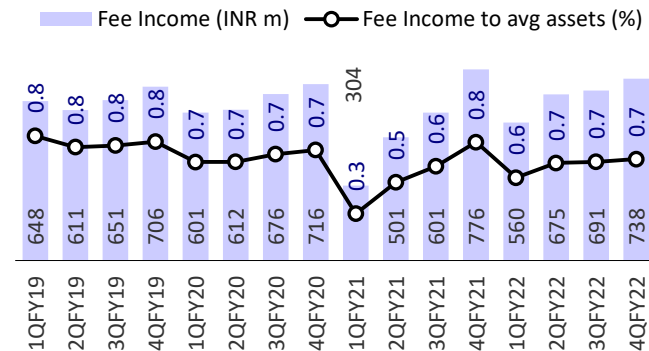
Source: MOFSL, Company

Exhibit 12: Reported NIM expands by 32bp QoQ to 3.93%



Source: MOFSL, Company

Exhibit 13: Fee income-to-assets stable at 0.7%



Source: MOFSL, Company

Exhibit 14: DuPont Analysis: Return ratios to improve gradually

	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	9.62	8.89	9.21	9.52	8.86	8.32	8.56	8.66
Interest Expended	5.93	5.22	5.73	6.12	5.56	5.10	5.11	5.05
Net interest Income	3.69	3.67	3.48	3.41	3.29	3.22	3.45	3.61
Fee income	0.77	0.98	0.94	0.88	0.81	0.93	0.89	0.90
Trading and others	0.39	0.17	0.12	0.18	0.37	0.14	0.16	0.14
Non-interest Income	1.16	1.14	1.06	1.05	1.17	1.07	1.05	1.05
Total Income	4.85	4.81	4.54	4.46	4.47	4.29	4.50	4.66
Operating expenses	2.91	2.88	2.58	2.43	2.17	2.40	2.43	2.45
Employees	1.43	1.40	1.31	1.24	1.11	1.28	1.28	1.29
Others	1.48	1.47	1.27	1.20	1.06	1.12	1.15	1.16
Operating profit	1.94	1.93	1.96	2.03	2.30	1.89	2.07	2.21
Core PPP	1.55	1.77	1.84	1.85	1.94	1.75	1.91	2.06
Provisions	0.52	0.51	0.42	0.70	1.14	0.97	0.88	0.83
NPA	0.44	0.41	0.06	0.23	-0.07	0.97	0.85	0.80
Others	0.08	0.10	0.36	0.47	1.21	0.00	0.03	0.03
PBT	1.42	1.42	1.53	1.32	1.16	0.92	1.19	1.37
Tax	0.50	0.52	0.55	0.41	0.30	0.24	0.31	0.35
RoAA (%)	0.93	0.90	0.99	0.91	0.86	0.68	0.88	1.02
Leverage (x)	11.71	12.05	12.17	12.27	11.64	11.50	11.87	12.13
RoAE (%)	10.83	10.89	11.99	11.16	10.01	7.83	10.47	12.36

Financials and valuations

Income Statement								INR m
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Interest Income	20,762	24,130	30,415	35,366	34,582	35,128	40,649	46,587
Interest Expense	12,791	14,176	18,922	22,717	21,716	21,553	24,255	27,164
Net Interest Income	7,971	9,954	11,493	12,649	12,866	13,575	16,395	19,424
Growth (%)	28.7	24.9	15.5	10.1	1.7	5.5	20.8	18.5
Non-Interest Income	2,488	3,103	3,502	3,911	4,585	4,520	4,972	5,619
Total income	10,459	13,057	14,994	16,560	17,451	18,095	21,367	25,042
Growth (%)	24.5	24.8	14.8	10.4	5.4	3.7	18.1	17.2
Operating Expenses	6,277	7,807	8,529	9,029	8,466	10,126	11,536	13,179
Pre Provision Profit	4,182	5,250	6,466	7,531	8,985	7,970	9,830	11,863
Growth (%)	19.8	25.5	23.2	16.5	19.3	-11.3	23.3	20.7
Core PPP	3,630	4,796	6,080	6,878	7,557	7,384	9,083	11,088
Growth (%)	22.2	32.1	26.8	13.1	9.9	-2.3	23.0	22.1
Provisions (excl. tax)	1,115	1,388	1,401	2,611	4,457	4,074	4,183	4,477
PBT	3,067	3,862	5,065	4,919	4,528	3,896	5,647	7,386
Tax	1,070	1,409	1,812	1,540	1,170	1,020	1,457	1,906
PAT	1,997	2,453	3,254	3,379	3,358	2,875	4,190	5,480
Growth (%)	2.7	22.8	32.7	3.9	-0.6	-14.4	45.7	30.8

Balance Sheet								
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	2,854	3,081	3,095	3,104	3,105	3,110	3,110	3,110
Reserves and Surplus	19,179	24,983	28,049	31,108	34,471	37,379	41,102	45,961
Net Worth	22,033	28,064	31,144	34,212	37,576	40,488	44,212	49,070
Deposits	192,892	240,069	284,351	303,699	297,039	346,917	392,016	450,819
Growth (%)	29.2	24.5	18.4	6.8	-2.2	16.8	13.0	15.0
of which CASA Deposits	46,892	58,403	68,099	65,192	67,865	89,851	101,532	117,664
Growth (%)	34.4	24.5	16.6	-4.3	4.1	32.4	13.0	15.9
Borrowings	12,774	19,267	27,232	34,080	44,823	40,818	42,355	46,969
Total Liabilities	240,464	302,222	357,918	385,051	396,021	448,401	501,788	573,543
Current Assets	11,925	23,720	27,934	35,459	30,393	40,908	43,872	46,792
Investments	58,179	62,190	78,441	77,415	84,137	90,982	100,081	112,090
Loans	158,176	203,367	235,680	253,453	257,372	290,958	333,147	386,450
Growth (%)	22.4	28.6	15.9	7.5	1.5	13.0	14.5	16.0
Fixed Assets	4,886	4,940	5,260	5,459	5,685	6,612	7,273	8,000
Total Assets	240,464	302,222	357,918	385,051	396,021	448,401	501,788	573,543

Asset quality								
GNPA (INR m)	2,542	3,690	4,395	6,315	10,834	12,899	13,606	15,039
NNPA (INR m)	1,244	1,467	1,538	2,935	5,942	5,732	5,917	6,357
GNPA Ratio	1.6	1.8	1.8	2.5	4.1	4.3	4.0	3.8
NNPA Ratio	0.8	0.7	0.7	1.2	2.3	2.0	1.8	1.6
Slippage Ratio	2.03	1.93	1.92	2.72	2.69	6.43	2.50	2.10
Credit Cost	0.51	0.77	0.64	1.07	1.74	1.49	1.34	1.24
PCR (Excl. Tech. write-off)	51.1	60.1	65.0	53.4	44.4	55.6	56.5	57.7

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Yield and Cost Ratios (%)								
Avg. Yield on Earning Assets	10.5	9.3	9.6	10.0	9.4	8.8	9.0	9.1
Avg. Yield on loans	11.5	10.7	11.2	11.6	10.9	10.3	10.5	10.6
Avg. Yield on Investments	7.8	7.0	7.6	8.0	7.2	6.8	6.6	6.6
Avg. Cost of Int. Bear. Liab.	7.0	6.1	6.6	7.0	6.4	5.9	5.9	5.8
Avg. Cost of Deposits	6.9	6.0	6.5	6.9	6.3	6.0	5.8	5.7
Interest Spread	3.6	3.2	3.0	3.0	3.0	2.9	3.1	3.3
Net Interest Margin	4.04	4.0	3.8	3.7	3.6	3.5	3.8	3.9

Profitability Ratios (%)

CAR	13.8	16.5	16.8	17.8	19.7	18.9	18.2	16.3
Tier I	11.9	12.7	13.1	13.9	15.5	15.8	15.5	13.9
Tier II	1.9	3.8	3.7	3.9	4.2	3.1	2.7	2.3

Business and Efficiency Ratio (%)

Loans/Deposit Ratio	82.0	84.7	82.9	83.5	86.6	83.9	85.0	85.7
CASA Ratio	24.3	24.3	23.9	21.5	22.8	25.9	25.9	26.1
Cost/Assets	2.9	2.9	2.6	2.4	2.2	2.4	2.4	2.5
Cost/Income	60.0	59.8	56.9	54.5	48.5	56.0	54.0	52.6
Cost/ Core Income	62.7	61.9	58.4	56.8	52.8	57.8	55.9	54.3
Int. Expense/Int. Income	61.6	58.7	62.2	64.2	62.8	61.4	59.7	58.3
Fee Income/Net Income	19.5	20.3	20.8	19.7	18.1	21.7	19.8	19.3
Non Int. Inc./Net Income	23.8	23.8	23.4	23.6	26.3	25.0	23.3	22.4
Emp. Cost/Op. Exp.	49.0	48.8	50.9	50.8	51.2	53.2	52.8	52.7
Investment/Deposit Ratio	24.7	25.9	27.6	25.5	28.3	26.2	25.5	24.9

Profitability and Valuations Ratios

RoE	10.8	10.9	12.0	11.2	10.0	7.8	10.5	12.4
RoA	0.9	0.9	1.0	0.9	0.9	0.7	0.9	1.0
RoRWA	1.2	1.2	1.5	1.4	1.4	1.2	1.5	1.7
Book Value (INR)	72.3	86.7	96.3	106.0	116.9	126.1	138.1	153.7
Price-to-BV (x)	1.1	0.9	0.8	0.7	0.7	0.6	0.6	0.5
Adjusted BV (INR)	69.3	83.3	92.8	99.4	103.5	113.2	124.8	139.4
Price-to-ABV (x)	1.1	0.9	0.8	0.8	0.8	0.7	0.6	0.6
EPS (INR)	7.0	8.0	10.5	10.9	10.8	9.2	13.5	17.6
Price-to-Earnings (x)	11.2	9.8	7.4	7.2	7.2	8.4	5.8	4.4

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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