

Equitas Small Finance

Estimate change



TP change



Rating change



Bloomberg	EQUITASB IN
Equity Shares (m)	1138
M.Cap.(INRb)/(USDb)	78.2 / 0.9
52-Week Range (INR)	117 / 66
1, 6, 12 Rel. Per (%)	-4/-35/-53
12M Avg Val (INR M)	444

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
NII	30.8	33.7	41.0
OP	13.8	14.7	18.8
NP	8.0	3.6	8.3
NIM (%)	8.5	7.5	7.4
EPS (INR)	7.1	3.1	7.3
BV/Sh. (INR)	53	54	60
ABV/Sh. (INR)	50	52	57

Ratios

RoA (%)	2.0	0.7	1.4
RoE (%)	14.4	5.9	12.8

Valuations

P/E(X)	9.7	22.0	9.4
P/BV (X)	1.3	1.3	1.1
P/ABV (X)	1.4	1.3	1.2

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	0.0	0.0	0.0
DII	43.7	45.4	43.9
FII	16.9	19.7	18.2
Others	39.4	34.9	37.9

FII includes depository receipts

CMP: INR69

TP: INR80 (+17%)

Buy

PPoP in line; provisioning surge drives big earnings miss

Margin contracts 28bp QoQ

- Equitas SFB (EQUITASB) reported 2QFY25 PAT of ~INR129m (-93.5% YoY; 93% miss on MOFSLe) as the bank made additional provision of INR1.46b toward the MFI segment (INR1b toward SMA 1&2 advances and INR456m toward an additional NPA provision).
- NII grew 4.8% YoY to INR8.02b (3% miss). Margins moderated 28bp QoQ to 7.69%.
- Business growth was healthy with Advances growing 18% YoY/6.4% QoQ and Deposits at 29% YoY/6.2% QoQ. CASA mix moderated 67bp QoQ to 30.6%.
- Slippages were elevated, with fresh slippages increasing to INR5b/6.5% due to stress in the MFI business. GNPA/NNPA increased 22bp/14bp QoQ to 2.95%/0.97%. PCR moderated to 67.7%.
- We cut our FY25E/FY26E EPS by 44%/18% and estimate FY26E RoA/RoE of 1.4%/12.8%. **Reiterate BUY with a TP of INR80 (1.4x FY26E ABV).**

Asset quality deteriorates sharply; business growth healthy

- EQUITASB reported a PAT of ~INR129m (-93.5% YoY; 93% miss on MOFSLe) as the bank made an additional provision of INR1.46b in MFI advances. In 1HFY25, earnings declined 90% YoY to INR386m (~INR3.2b for 2HFY25; implying a 22% decline).
- NII grew 4.8% YoY to INR8.02b (in-line). Margins moderated 28bp QoQ to 7.69%. Other income grew 31.7% YoY (up 14.5% QoQ) to INR 2.4b (8% beat). Treasury income stood at 460m vs 290m in 1QFY25.
- Opex grew 12% YoY at INR6.9b (in-line), leading to a stable C/I ratio of 66.4%. PPoP, thus, stood in-line at INR3.5b (up 6% YoY/2.7% QoQ).
- Advances grew 18% YoY (up 6.4% QoQ) to INR339.6b, led by healthy traction across segments, barring MFI, as management took a cautious step amid the rising stress in the segment.
- Disbursements stood at INR48.5b in 2QFY25 (down 2.2% YoY, up 20.4% YoY) with the vehicle business growing at 10.7% YoY. The share of MFI AUM decreased to 15.6% from 17.1% in 1QFY25. Management guided for continued stress in the MFI portfolio and aims to lower the segment share over the medium term.
- Deposits grew healthy at 29% YoY/6.2% QoQ to INR398.6b. CASA mix moderated 67bp QoQ to 30.6%. CD ratio remained stable at ~85% in 2QFY25.
- On the asset quality front, slippages were elevated at INR5b (up 97% YoY) due to stress in the MFI business. GNPA/NNPA increased 22bp/14bp QoQ to 2.95%/0.97%. PCR moderated to 67.7%.
- Credit cost for the MFI portfolio has moved up significantly to 10.18%. The overall credit cost for the bank (excluding the one-time floating provision), stands at 2.59%.

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Highlights from the management commentary

- Provisioning of ~INR1.46b toward Microfinance was made during the quarter:
- The bank has further strengthened its IRAC provisioning in Microfinance, which has led to additional provisions of ~ INR456m.
- A one-time additional stress sector provisioning of ~INR1b was proactively created during the quarter for MFI. This translates to about 50% of 31-90 DPD of MFI portfolio as of 2QFY25.
- In MSE Finance, NPA increased due to one account of INR300m that slipped into 2Q; however, this is expected to be recovered in 3Q.
- Disbursement in MFI has slowed down in the coming quarter. In 3 to 4 years, the MFI mix will be in single digits and personal loan and credit card will fill the balance.

Valuation and view: Reiterate BUY with a TP of INR80

EQUITASB reported a weak quarter, characterized by a sharp rise in the slippage run-rate and a further 28bp QoQ contraction in margins. Deposit growth remained healthy, led by strong growth in retail term deposits, although the CASA mix moderated further. Asset quality deteriorated further due to higher slippages and lower recoveries. The bank is witnessing higher stress due to the overleveraging of MFI customers. It aims to reduce the MFI mix and replace it with personal loans and credit cards in 3-4 years, targeting to achieve an overall unsecured loan mix of ~20%. We cut our FY25E/FY26E EPS by 44%/18% and estimate FY26E RoA/RoE of 1.4%/12.8%. **Reiterate BUY with a TP of INR80 (1.4x FY26E ABV).**

Quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E 2QE	v/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Interest Income	12.5	13.6	14.3	14.4	15.0	15.5	16.7	18.2	54.9	65.5	16	3%
Interest Expense	5.1	5.9	6.4	6.6	7.0	7.5	8.2	9.1	24.1	31.9	8	3%
Net Interest Income	7.4	7.7	7.9	7.9	8.0	8.0	8.5	9.1	30.8	33.7	8	-3%
% Change (YoY)	28.0	25.6	21.3	11.2	7.9	4.8	8.5	15.8	21.0	9.3	7.5	
Other Income	1.7	1.8	2.1	2.4	2.1	2.4	2.4	2.7	8.0	9.5	2	8%
Total Income	9.1	9.5	9.9	10.3	10.1	10.4	10.9	11.8	38.8	43.2	10	0%
Operating Expenses	6.0	6.2	6.3	6.5	6.7	6.9	7.3	7.6	25.0	28.5	7	0%
Operating Profit	3.1	3.3	3.6	3.7	3.4	3.5	3.6	4.1	13.8	14.7	4	0%
% Change (YoY)	16.4	36.3	29.1	-3.0	9.1	5.9	1.1	9.8	17.1	6.4	6.0	
Provisions	0.6	0.6	0.8	1.1	3.0	3.3	2.0	1.6	3.1	9.9	1	200%
Profit before Tax	2.5	2.7	2.8	2.7	0.4	0.2	1.7	2.5	10.6	4.8	2	-92%
Tax	0.6	0.7	0.7	0.6	0.1	0.1	0.4	0.6	2.6	1.2	1	-88%
Net Profit	1.9	2.0	2.0	2.1	0.3	0.1	1.2	1.9	8.0	3.6	2	-93%
% Change (YoY)	97.1	70.2	18.7	9.3	-86.5	-93.5	-38.4	-6.9	39.3	-55.4	-9.3	
Operating Parameters												
AUM	296	312	328	343	349	361	398	419	343	419	361	
Deposits	277	308	324	361	375	399	417	441	361	441	399	
Loans	275	288	292	310	319	340	359	378	310	378	340	
AUM Growth (%)	36	37	32	23	18	15	21	22	23	22	15	
Deposit Growth (%)	36	42	38	42	35	29	29	22	42	22	29	
Loan Growth (%)	34	32	25	20	16	18	23	22	20	22	18	
Asset Quality												
Gross NPA (%)	2.8	2.3	2.5	2.6	2.7	3.0	3.1	3.2	2.6	3.2	2.7	
Net NPA (%)	1.2	1.0	1.1	1.2	0.8	1.0	0.9	1.1	1.2	1.1	0.8	
PCR (%)	57.8	57.7	56.0	56.1	70.3	67.7	71.4	65.5	56.1	65.5	70.8	

E: MOFSL Estimates

Quarterly snapshot

Profit and Loss, INRb	FY24				FY25		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Net Interest Income	7.4	7.7	7.9	7.9	8.0	8.0	5	0
Other Income	1.7	1.8	2.1	2.4	2.1	2.4	32	14
Trading profits	0.3	0.2	0.3	0.3	0.3	0.5	156	59
Total Income	9.1	9.5	9.9	10.3	10.1	10.4	10	3
Operating Expenses	6.0	6.2	6.3	6.5	6.7	6.9	12	3
Employee	3.3	3.3	3.5	3.6	3.7	4.0	21	7
Others	2.7	2.9	2.8	2.9	3.0	2.9	1	-2
Operating Profits	3.1	3.3	3.6	3.7	3.4	3.5	6	3
Core Operating Profits	2.8	3.1	3.3	3.5	3.1	3.0	-3	-2
Provisions	0.6	0.6	0.8	1.1	3.0	3.3	422	8
PBT	2.5	2.7	2.8	2.7	0.4	0.2	-92	-44
Taxes	0.6	0.7	0.7	0.6	0.1	0.1	-90	-28
PAT	1.9	2.0	2.0	2.1	0.3	0.1	-94	-50
Balance Sheet								
Loans	275	288	292	310	319	340	18	6
AUM's	296	312	328	343	349	361	15	3
Deposits	277	308	324	361	375	399	29	6
CASA Deposits	106	103	106	116	117	122	18	4
-Savings	98	95	97	103	106	107	13	2
-Demand	8	8	9	12	12	15	79	24
Loan mix (%)								
MFI	19.0	18.8	18.5	18.2	17.1	15.6	-319	-150
Vehicles	24.8	24.9	24.7	24.2	24.3	24.6	-28	33
Small Business loans (incl HF)	47.3	48.5	49.3	50.5	51.9	52.9	443	101
MSE Finance	3.7	3.3	3.4	3.5	3.5	3.8	47	25
Corporate loans	4.0	3.3	2.7	2.1	1.8	1.7	-166	-17
Others	1.2	1.2	1.4	1.4	1.3	1.4	24	8
Asset Quality (INRb)								
GNPA	7.7	6.6	7.5	8.2	8.9	10.2	55	15
NNPA	3.3	2.8	3.3	3.6	2.6	3.3	18	25
Slippages	2.1	2.6	3.1	3.6	3.9	5.1	97	31
Asset Quality Ratios (%)								
GNPA (%)	2.75	2.27	2.53	2.61	2.73	2.95	68	22
NNPA (%)	1.18	0.97	1.13	1.17	0.83	0.97	0	14
PCR (Calc, %)	57.8	57.7	56.0	56.1	70.3	67.7	999	-258
Slippage ratio	3.6	4.1	4.8	4.7	5.2	6.5	239	126
Business Ratios (%)								
Loan/Deposit	99.3	93.3	90.2	85.7	85.1	85.2	-808	13
CASA	38.4	33.6	32.7	32.0	31.2	30.6	-299	-68
Cost to Income	65.9	65.1	63.6	63.5	66.3	66.4	128	11
Cost to Assets	7.3	7.0	6.9	6.0	6.3	6.2	-82	-11
Tax Rate	24.1	25.8	26.8	22.6	28.0	35.8	1,001	782
Capitalisation Ratios (%)								
Tier-1	21.4	20.7	19.7	20.7	19.6	18.1	-254	-148
- CET 1	21.4	20.7	19.7	20.7	19.6	18.1	-254	-148
CAR	22.1	21.3	20.2	21.7	20.6	19.4	-197	-119
LCR	182.4	174.7	161.4	176.0	178.6	158.8	-1,587	-1,981
Profitability Ratios (%)								
Yield on gross advances	16.3	16.5	16.5	16.3	16.5	16.5	-1	4
Cost of Funds	6.9	7.2	7.4	7.4	7.5	7.5	29	4
Margins	8.8	8.4	8.4	8.2	8.0	7.7	-74	-28
Other Details								
Branches	927	956	963	964	969	987	31	18
Employees (K)	21.0	21.9	21.7	23	22.6	23.2	1	1

Source: MOFSL, Company



Highlights from the management commentary

Opening remarks by the MD & CEO

- Deposits have grown positively. Total retail deposits (Retail TD+CASA) form 74% of overall deposits.
- The bank has reduced the peak interest rate for retail TD to 8.25% from 8.5%.
- The cost of fund has remained stable. The disbursement in micro LAP is increasing
- Treasury and other income mainly contributes to the increasing total income.
- Non-MF book grew 20% YoY, led by 23% growth in Housing Finance and 28% growth in SBL in the previous year.
- Within SBL, MLAP witnessed strong growth of 12% QoQ. Disbursement in MLAP grew 156% YoY.
- The bank continued to realign the growth in Vehicle Finance toward higher margin segments. As a result, UCV and Used Cars witnessed robust growth with the highest-ever quarterly disbursements of INR8.8b and INR3.2b, respectively.
- New CVs have slowed down as planned. Used Cars' advances crossed INR15b in 2QFY25.
- The bank witnessed green shoots in its digital initiatives. ~ INR3.5b of loans disbursed during the quarter were sourced through the newly launched Selfe Loan App.
- Microfinance remains a concern as slippages continue to be elevated. MFI collection efficiency (X-bucket) remains sub-par at 98.1% for Sept'24.
- The bank's focus on NR continues to show results as the relationship value from the NR segment grew 39% YoY and 7% QoQ. Currently, the NR customer base is spread across 145+ countries.
- The CD ratio stood at 86.94% in 2QFY25.
- The relationship value from "Elite" customers grew 22% YoY and 5% QoQ on account of robust acquisitions and enhanced relationship management.
- The total CRAR in 2QFY25 was 19.36%.

Loans and deposits related

- LCR ratio stood at 158.79% in 2QFY25.
- In Vehicle Finance, 2HFY25 is expected to perform better.
- MFI will continue coming down over the quarters. The bank has an internal policy stating that the unsecured book should not exceed 20% of the total book.
- The disbursement in MFI has slowed down in the coming quarter. In 3 to 4 years, the MFI mix will be in single digits and personal loans and credit cards will fill the balance.
- The bank will offer credit cards as a secured product to asset side customers, and both secured and unsecured credit cards to liability customers.
- In Credit Cards, the bank expects the acquiring cost to be minimum as most of the cards are for existing customers and the ongoing cost of technology is not high.
- In MFI: ~14.5% of the total MFI book consists of 4 lenders apart from EQUITASB, 9% of borrowers have 0.2m and above exposure, 12% of customer have 0.15m exposure, 65% of borrowers have less than 0.1m exposure.
- 87% of the disbursement was to existing customers.

- SBL is a flagship product. Both sales and collection teams have been added to this portfolio, and at current level per branch monthly disbursement is ~16m.
- The bank has added 60 odd branches, where it offers small business loans. It plans to add ~40-50 branches next year.

With respect to yields, CoF, and margins

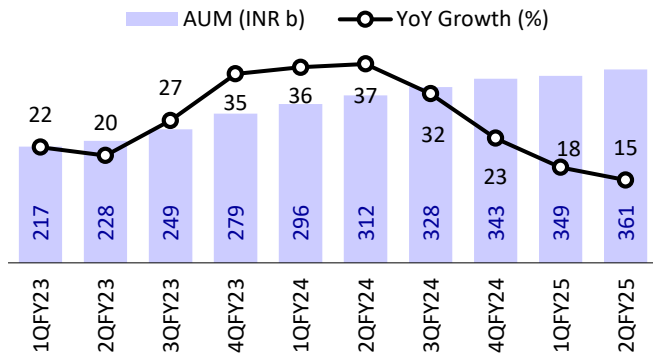
- NIM contracted 28bp QoQ to 7.69% in 2QFY25.
- Cost-to-income is likely to remain elevated as EQUITASB continues to remain a developing and evolving bank and, therefore, investment is needed.
- After three years, the bank expects the cost-to-income ratio to start declining.
- Gross yields on advances remained stable (up 4bp) despite a slowdown in Microfinance as a strategy to focus on high yield products such as UCV and MLAP gains traction.
- SA costs declined 13bp QoQ. The cost of SA during the quarter was 6.05%.

On asset quality

- Due to the ongoing stress in the MFI sector, the credit cost for the MFI portfolio has increased significantly to 10.18%. However, since MFI constitutes only about 16% of the total portfolio, the overall credit cost for the bank (excluding the one-time floating provision), comes to 2.59%.
- The bank made a provisioning of ~INR1.46b toward Microfinance during the quarter.
- The bank has further strengthened its IRAC provisioning in Microfinance, which has led to additional provisions of ~ INR456m.
- It has proactively created a one-time additional stress sector provisioning of ~INR1b during the quarter for MFI. This translates to about 50% of 31-90 DPD of MFI portfolio as of 2QFY25.
- 84% of the portfolio is without MFI; the credit cost for this portfolio stands at 1.04% in 1HFY25.
- 31-90 DPD for the MFI portfolio increased to 3.75% in 2QFY25 from 2.32% in 1QFY25.
- In MSE Finance, NPA increased due to one account of INR300m that slipped into 2Q; however, this is expected to recover in 3Q
- ~9% of non-delinquent (Xbucket) customers have loan exposure >INR0.2m.
- Resolution % will be high at 85-90% in vehicle book. Therefore, slippages are lower even if they are in SMA. In MFI, however, the resolution % is lower.
- Only ~11,000 out of 1600k customers that are delinquent (31- 90) but not NPA have exposure >0.2m.
- Xbucket has been experiencing deterioration since the past few quarters; however, in Oct, the level of deterioration has slightly reduced. This has become a crucial factor.
- Slippages can be seen largely from loans with vintage of 12 months.
- SMA book stands at 5.92% in 2QFY25.
- EQUITASB has higher DPD at 1.27% vs SFB industry at 1.19% in the 61-90 bucket. However, in other buckets, the bank has lower than the industry.
- In the Vehicle segment, gross slippage was elevated, leading to higher credit costs. However, these costs remained within limits.
- Of the total MFI exposure, Tamil Nadu accounts for ~57%.
- SBL's GNPA stood at 2.19% in 2QFY25 and the bank expects it to remain within this range.

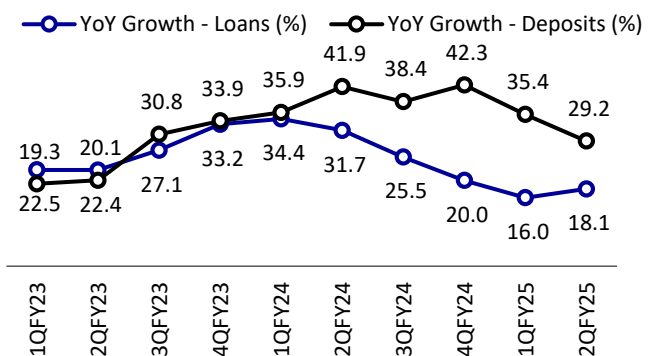
Story in Charts

Exhibit 1: AUM grew 15% YoY to INR361b



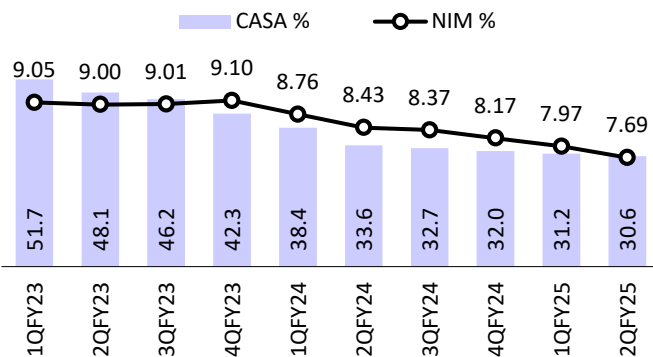
Source: MOFSL, Company

Exhibit 2: Loans/deposits grew 18%/29.2% YoY in 2QFY25



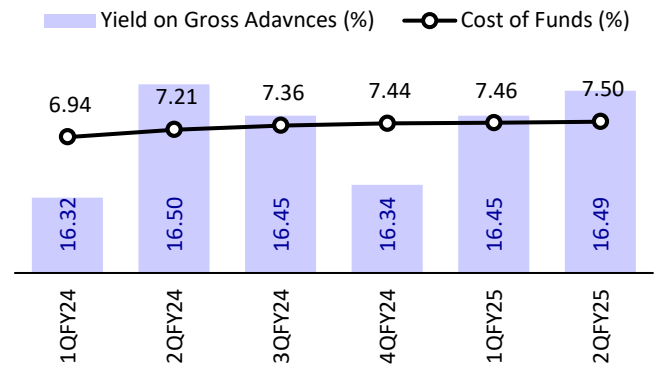
Source: MOFSL, Company

Exhibit 3: NIM moderated 28bp QoQ to 7.69%



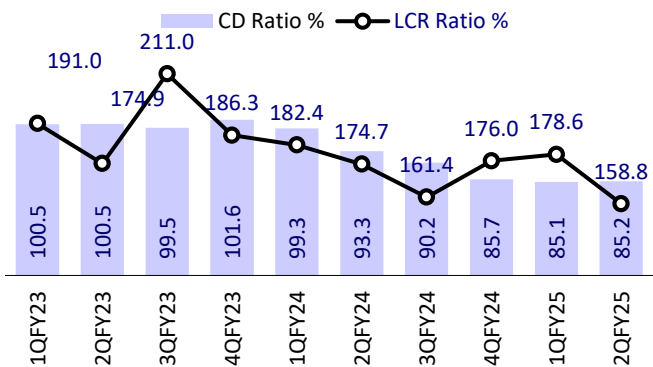
Source: MOFSL, Company

Exhibit 4: YoA stood at 16.5% and costs increased to 7.5%



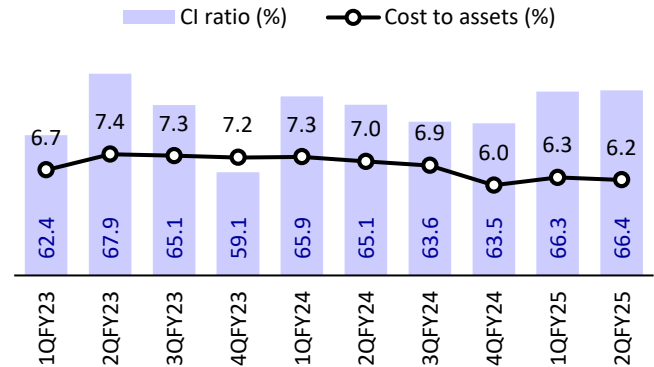
Source: MOFSL, Company

Exhibit 5: CD ratio stood at 85.2%; LCR moderated to 159%



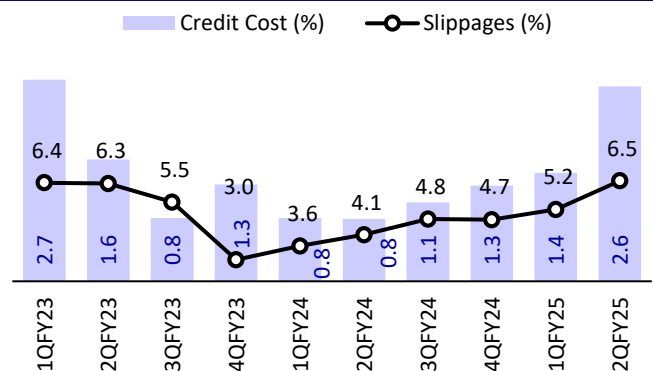
Source: MOFSL, Company

Exhibit 6: C/I ratio remained stable at 66.4% in 2QFY25



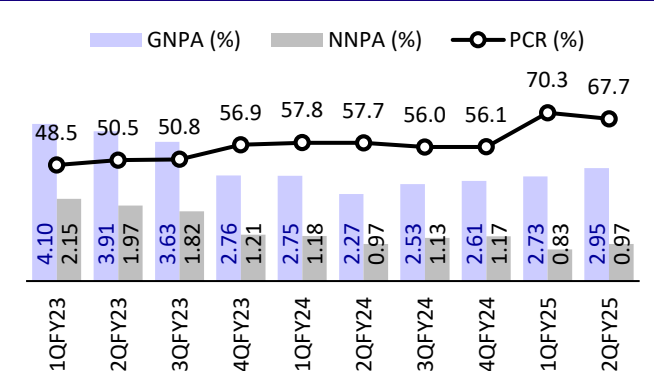
Source: MOFSL, Company

Exhibit 7: Credit cost (exc one-time provision) stood at 2.6%



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratio increased 22bp/14bp QoQ



Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR80

- EQUITASB reported a weak quarter, characterized by a sharp rise in the slippage run-rate and a further 28bp QoQ contraction in margins. Deposit growth remained healthy, led by strong growth in retail term deposits, although the CASA mix moderated further. Asset quality deteriorated further due to higher slippages and lower recoveries.
- The bank is witnessing higher stress due to the overleveraging of MFI customers. It aims to reduce the MFI mix and replace it with personal loans and credit cards in 3-4 years, targeting to achieve an overall unsecured loan mix of ~20%.
- We cut our FY25E/FY26E EPS by 44%/18% and estimate FY26E RoA/RoE of 1.4%/12.8%. Reiterate BUY with a TP of INR80 (1.4x FY26E ABV).

Exhibit 9: Changes to our estimates

INR B	Old Est.		Rev. Est.		Chg. (%) /bps	
	FY25	FY26	FY25	FY26	FY25	FY26
Net Interest Income	34.5	41.8	33.7	41.0	-2.4	-1.8
Other Income	9.4	11.3	9.5	11.4	1.2	1.2
Total Income	43.9	53.1	43.2	52.5	-1.6	-1.2
Operating Expenses	28.9	33.8	28.5	33.7	-1.3	-0.4
Operating Profit	15.0	19.3	14.7	18.8	-2.3	-2.5
Provisions	6.5	5.7	9.9	7.7	53.2	34.1
PBT	8.6	13.6	4.8	11.1	-44.3	-18.0
Tax	2.2	3.4	1.2	2.8	-44.3	-18.0
PAT	6.4	10.2	3.6	8.3	-44.3	-18.0
Loans	378	468	378	466	0.0	-0.6
Deposits	441	542	441	547	0.0	0.8
Credit Cost (%)	1.8	1.3	2.8	1.7	100	47
RoA (%)	1.3	1.7	0.7	1.4	-57	-30
RoE (%)	10.3	14.8	5.9	12.8	-444	-196
EPS	5.6	8.9	3.1	7.3	-44.3	-18.0
BV	56.7	64.2	54.2	60.1	-4.4	-6.4
ABV	54.9	61.9	51.6	57.5	-6.0	-7.2

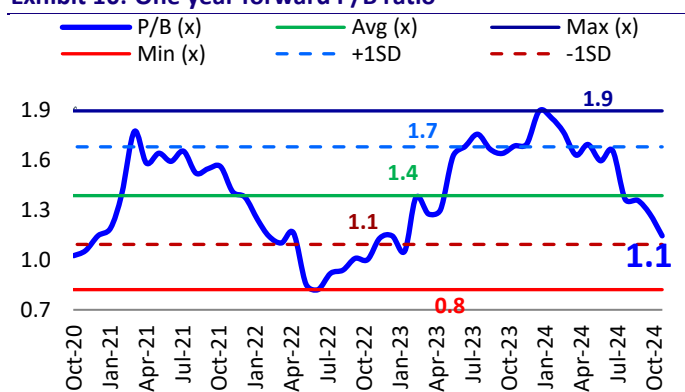
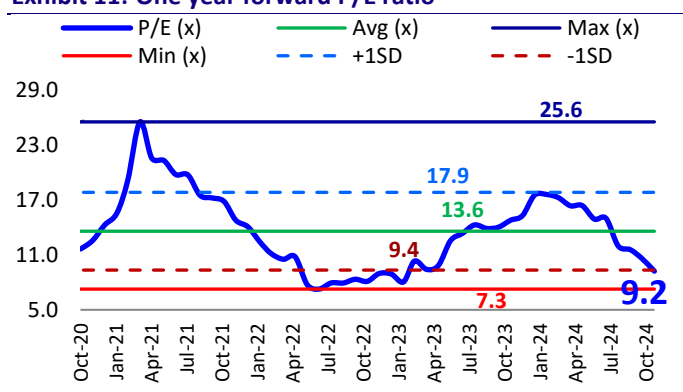
Exhibit 10: One year forward P/B ratio**Exhibit 11: One year forward P/E ratio**

Exhibit12: DuPont analysis

	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	13.4	13.7	13.2	13.2	13.1
Interest Expense	5.2	6.0	6.4	6.4	6.3
Net Interest Income	8.22	7.67	6.78	6.84	6.81
Fee income	2.09	1.73	1.81	1.81	1.79
Trading and others	0.07	0.26	0.11	0.09	0.08
Other Income	2.16	1.99	1.92	1.91	1.87
Total Income	10.38	9.66	8.70	8.75	8.68
Operating Expenses	6.58	6.23	5.75	5.61	5.36
Employees	3.54	3.41	3.17	3.10	2.96
Others	3.04	2.82	2.58	2.52	2.40
Operating Profits	3.80	3.43	2.95	3.14	3.32
Core operating Profits	3.73	3.17	2.84	3.04	3.25
Provisions	1.32	0.78	1.99	1.28	1.20
PBT	2.48	2.65	0.96	1.86	2.13
Tax	0.63	0.66	0.24	0.47	0.54
RoA	1.85	1.99	0.72	1.39	1.59
Leverage (x)	6.6	7.2	8.2	9.2	10.0
RoE	12.2	14.4	5.9	12.8	16.0

Financials and valuations

Income Statement

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	41.6	54.9	65.5	79.4	96.4
Interest Expense	16.2	24.1	31.9	38.3	46.3
Net Interest Income	25.4	30.8	33.7	41.0	50.1
-growth (%)	24.8	21.0	9.3	22.0	22.1
Non Interest Income	6.7	8.0	9.5	11.4	13.7
Total Income	32.1	38.8	43.2	52.5	63.8
-growth (%)	24.8	20.7	11.4	21.5	21.6
Operating Expenses	20.4	25.0	28.5	33.7	39.4
Pre Provision Profits	11.8	13.8	14.7	18.8	24.4
-growth (%)	34.9	17.1	6.4	28.4	29.8
Core PPop	11.5	12.7	14.1	18.3	23.9
-growth (%)	39.2	10.3	10.7	29.5	30.8
Provisions	4.1	3.1	9.9	7.7	8.8
PBT	7.7	10.6	4.8	11.1	15.6
Tax	2.0	2.6	1.2	2.8	3.9
Tax Rate (%)	25.4	24.8	25.2	25.2	25.2
PAT	5.7	8.0	3.6	8.3	11.7
-growth (%)	104.3	39.3	-55.4	133.7	40.6

Balance Sheet

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	11.1	11.3	11.3	11.3	11.3
Reserves & Surplus	40.5	48.3	50.2	56.8	66.8
Net Worth	51.6	59.7	61.5	68.2	78.2
Deposits	253.8	361.3	440.8	546.6	677.7
-growth (%)	33.9	42.3	22.0	24.0	24.0
-CASA Dep	107.3	115.5	134.9	171.1	218.2
-growth (%)	8.9	7.6	16.8	26.8	27.6
Borrowings	29.7	17.9	20.9	25.7	31.6
Other Liabilities & Prov.	14.5	14.2	16.6	19.6	23.1
Total Liabilities	349.6	453.0	539.8	660.0	810.7
Current Assets	12.4	35.8	33.2	37.8	44.0
Investments	66.6	90.7	111.0	136.6	167.5
-growth (%)	49.8	36.0	22.5	23.0	22.6
Loans	258.0	309.6	377.8	465.8	577.6
-growth (%)	33.2	20.0	22.0	23.3	24.0
Fixed Assets	3.8	6.0	7.9	9.6	11.8
Other Assets	8.7	10.9	9.9	10.3	9.9
Total Assets	349.6	453.0	539.8	660.0	810.7
Total AUM	278.6	343.4	418.9	516.5	640.5
-growth (%)	35.3	23.2	22.0	23.3	24.0

Asset Quality	FY23	FY24	FY25E	FY26E	FY27E
GNPA (INR m)	7.2	8.2	12.5	13.5	16.1
NNPA (INR m)	3.1	3.6	4.3	4.2	4.8
Slippage (INR m)	10.9	11.4	19.9	18.6	20.9
GNPA Ratio	2.76	2.61	3.25	2.85	2.74
NNPA Ratio	1.21	1.17	1.15	0.90	0.83
Slippage Ratio	4.81	4.01	5.80	4.40	4.00
Credit Cost	1.43	0.91	2.80	1.74	1.60
PCR (Excl Tech. write off)	56.9	56.1	65.5	69.1	70.4

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Yield and Cost Ratio (%)					
Avg. Yield- on Earning Assets	14.8	15.1	14.5	14.2	14.0
Avg. Yield on loans	16.7	17.3	16.6	16.5	16.2
Avg. Yield on Investments	5.7	6.9	6.7	6.8	6.8
Avg. Cost of Int. Bear. Liab.	6.5	7.3	7.6	7.4	7.2
Avg. Cost of Deposits	6.1	7.0	7.3	7.1	7.0
Interest Spread	8.3	7.8	7.0	6.8	6.8
NIM (on IEA)	9.0	8.5	7.5	7.4	7.3
Capitalisation Ratios (%)					
CAR	23.8	21.7	17.1	15.3	14.3
Tier I	23.1	20.7	16.3	14.7	13.8
CET 1	23.1	20.7	17.3	16.0	15.6
Tier II	0.7	1.0	0.8	0.6	0.5
Business Ratios (%)					
Loans/Deposit Ratio	101.6	85.7	85.7	85.2	85.2
CASA Ratio	42.3	32.0	30.6	31.3	32.2
Cost/Assets	5.8	5.5	5.3	5.1	4.9
Cost/Total Income	63.4	64.5	66.1	64.1	61.7
Cost/Core income	-11.2	-2.5	-5.5	-6.6	-7.8
Int. Expense/Int.Income	38.9	43.9	48.6	48.3	48.0
Fee Income/Total Income	20.2	17.9	20.8	20.7	20.6
Other Inc./Total Income	20.8	20.6	22.1	21.8	21.5
Empl. Cost/Total Expense	53.8	54.7	55.2	55.2	55.2
Efficiency Ratios (INRm)					
Employee per branch (in nos)	22.3	23.7	25.3	27.2	29.3
Staff cost per employee	0.5	0.6	0.6	0.6	0.7
CASA per branch	116.4	119.8	134.5	162.5	197.4
Deposits per branch	275.3	374.8	439.7	519.2	613.2
Business per Employee (INR m)	24.9	29.4	32.3	35.3	38.8
Profit per Employee (INR m)	0.3	0.3	0.1	0.3	0.4

Profitability Ratios and Valuation

RoA	1.9	2.0	0.7	1.4	1.6
RoE	12.2	14.4	5.9	12.8	16.0
Book Value (INR)	46	53	54	60	69
-growth (%)	36.9	13.2	3.1	10.8	14.7
Price-BV (x)	1.5	1.3	1.3	1.1	1.0
Adjusted BV (INR)	44	50	52	57	66
Price-ABV (x)	1.6	1.4	1.3	1.2	1.0
EPS (INR)	4.9	7.1	3.1	7.3	10.3
-growth (%)	106.8	46.6	-55.9	133.7	40.6
Price-Earnings (x)	14.2	9.7	22.0	9.4	6.7

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