

Equitas Small Finance Bank

Estimate change



TP change



Rating change



Bloomberg	EQUITASB IN
Equity Shares (m)	1139
M.Cap.(INRb)/(USDb)	76.3 / 0.9
52-Week Range (INR)	108 / 52
1, 6, 12 Rel. Per (%)	18/-5/-38
12M Avg Val (INR M)	362

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	32.5	36.5	44.6
OP	13.3	14.7	20.1
NP	1.5	4.5	10.1
NIM (%)	7.5	7.2	7.3
EPS (INR)	1.3	4.0	8.9
BV/Sh. (INR)	53	55	62
ABV/Sh. (INR)	51	53	60

Ratios

RoA (%)	0.3	0.8	1.5
RoE (%)	2.4	7.4	15.2

Valuations

P/E(X)	51.5	16.7	7.5
P/BV (X)	1.2	1.2	1.1
P/ABV (X)	1.3	1.3	1.1

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	0.0	0.0	0.0
DII	42.7	42.6	45.2
FII	16.5	15.4	19.5
Others	40.8	42.0	35.3

FII includes depository receipts

CMP: INR67

TP: INR77 (+15%)

Buy

High provisions remain an overhang on earnings

Margin contracts 26bp QoQ; estimate RoA to recover to 1.5% by FY27E

- Equitas SFB (EQUITASB) reported 4QFY25 PAT of ~INR421m, down 37% QoQ and 43% below our est., due to lower other income and higher-than-expected provisions.
- NII grew 5.5% YoY/1.3% QoQ to INR8.3b (in line). NIMs contracted by 26bp QoQ to 7.13% in 4QFY25, mainly due to a drop in the MFI portfolio.
- Advances growth was muted at 16.9% YoY/2.3% QoQ owing to a sharp decline in MFI portfolio (down 15.7% QoQ). Deposit growth was healthy at 19.3% YoY/5.8% QoQ, led by CASA deposit growth of 7.4% YoY/6.4% QoQ. CASA mix thus improved by 15bp QoQ to 28.8%.
- Slippages declined by 5.3% QoQ, although still elevated. Higher recovery and elevated write-offs led to 8bp QoQ decline in GNPA ratio to 2.89%, while NNPA ratio inched up 2bp QoQ to 0.98%. PCR declined 145bp QoQ to 66.8%.
- We cut our estimate by 27% for FY26E and estimate FY27E RoA/RoE of 1.5%/15.2%. **Reiterate BUY with a TP of INR77 (1.3x FY27E ABV)**

Asset quality concerns persist; credit cost to improve from 2HFY26

- 4Q PAT plunged 79.7% YoY to ~INR421m (43% below our est.), dragged down by lower other income and higher-than-expected provisions.
- NII grew 5.5% YoY/1.3% QoQ to INR8.3b (in line). Margins declined by 26bp QoQ to 7.13%. Other income declined by 5% QoQ to INR2.2b (15% miss), affected by a 5% QoQ decline in fee income and tepid treasury income.
- Opex grew 2.7% QoQ to INR7.4b (in line). As a result, C/I ratio increased to 70.5% (up 200bp QoQ and 700bp YoY). PPoP thus declined by 17% YoY/6.5% QoQ to INR3.1b.
- Advances grew modestly by 16.9% YoY (2.3% QoQ) to INR362.1b, due to a decline in MFI business (down 15.7% QoQ). SBL and HF grew at a healthy pace of 5.3% QoQ and 4.5% QoQ. VF loans grew by a modest 13.6% YoY/2.1% QoQ, affected by a decline in New CV loans by 7.4% QoQ. Used CV grew by 6.8% QoQ.
- Disbursements stood at INR42.7b in 4QFY25 (down 16% YoY/17% QoQ), with MFI disbursements falling sharply by 76% YoY and 69% QoQ. The share of MFI AUM decreased to 11.9% from 14.4% in 3QFY25, as the bank follows a more cautious approach in MFI and plans to target only well-performing clients. Further, the bank targets to reduce the MFI share to mid-single digits by Mar'26.
- Deposits grew by a healthy 19.3% YoY/5.8% QoQ to INR431b. CASA mix improved by 15bp QoQ to 28.8%. CD ratio declined by 170bp YoY and 285bp QoQ to 84%.
- On the asset quality front, slippages declined 5% QoQ to INR5.5b, although still elevated. GNPA declined by 8bp QoQ to 2.89%, while NNPA ratio inched up 2bp QoQ to 0.98%. PCR declined by 145bp QoQ to 66.8%.

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Highlights from the management commentary

- 48% of existing MFI customers are no longer eligible for fresh funding due to strict guardrail implementation starting Jan 25. Going forward, MFI disbursements will primarily target well-performing existing clients only.
- MFI collection efficiency is back to normal; credit cost expected to normalize by 3QFY26.
- MFI book is expected to decline to INR30b by Mar'26; share in total advances to fall to mid-single digits.
- SBL (45%) and housing (12–15%) will see proportional increases as MFI shrinks.

Valuation and view: Reiterate BUY with a TP of INR77

EQUITASB reported another modest quarter amid slower loan growth, high slippages, and a further 26bp QoQ contraction in margins. Deposit growth was healthy and CASA ratio improved. Loan growth was relatively modest given the bank's cautious approach to MFI business and the bank aims to further reduce the MFI mix to mid-single digits by Mar'26. Meanwhile, SBL and housing book are expected to see a proportionate increase as MFI shrinks. Credit cost remains high and may ease only from 2HFY26 onward. Tamil Nadu ordinance can impact its collection efficiency, though the situation is under control as of now. With MFI mix decreasing at a faster pace, the bank's margins may see a downward bias, but with much more stable asset quality. We cut our earnings estimates by 27% for FY26 and estimate FY27E RoA/RoE of 1.5%/15.2%. **Reiterate BUY with a TP of INR77 (1.3x FY27E ABV).**

Quarterly Performance

Y/E March	FY24				FY25E				FY25	INRb		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		FY26E	FY25E 4QE	v/s Est
Interest Income	12.5	13.6	14.3	14.4	15.0	15.5	16.1	16.4	63.1	73.6	17	6%
Interest Expense	5.1	5.9	6.4	6.6	7.0	7.5	7.9	8.1	30.6	37.1	9	12%
Net Interest Income	7.4	7.7	7.9	7.9	8.0	8.0	8.2	8.3	32.5	36.5	8	1%
% Change (YoY)	28.0	25.6	21.3	11.2	7.9	4.8	4.2	5.5	5.6	12.2	4.5	
Other Income	1.7	1.8	2.1	2.4	2.1	2.4	2.4	2.3	9.1	10.8	3	-15%
Total Income	9.1	9.5	9.9	10.3	10.1	10.4	10.6	10.5	41.6	47.2	11	-3%
Operating Expenses	6.0	6.2	6.3	6.5	6.7	6.9	7.2	7.4	28.3	32.6	8	-2%
Operating Profit	3.1	3.3	3.6	3.7	3.4	3.5	3.3	3.1	13.3	14.7	3	-5%
% Change (YoY)	16.4	36.3	29.1	-3.0	9.1	5.9	-7.6	-16.9	-3.1	10.0	-12.4	
Provisions	0.6	0.6	0.8	1.1	3.0	3.3	2.4	2.6	11.4	8.6	2	10%
Profit before Tax	2.5	2.7	2.8	2.7	0.4	0.2	0.9	0.5	2.0	6.1	1	-43%
Tax	0.6	0.7	0.7	0.6	0.1	0.1	0.2	0.1	0.5	1.5	0	-42%
Net Profit	1.9	2.0	2.0	2.1	0.3	0.1	0.7	0.4	1.5	4.5	1	-43%
% Change (YoY)	97.1	70.2	18.7	9.3	-86.5	-93.5	-67.2	-79.7	-81.6	209.1	-64.6	
Operating Parameters												
AUM	296	312	328	343	349	361	373	380	402	478	407	-7%
Deposits	277	308	324	361	375	399	407	431	431	512	427	1%
Loans	275	288	292	310	319	340	354	362	362	431	367	-1%
AUM Growth (%)	36.5	37.1	31.6	23.2	17.8	15.4	13.9	10.6	16.9	19.0	18.6	
Deposit Growth (%)	35.9	41.9	38.4	42.3	35.4	29.2	25.8	19.3	19.3	18.7	18.2	
Loan Growth (%)	34.4	31.7	25.5	20.0	16.0	18.1	21.1	16.9	16.9	19.0	18.6	
Asset Quality												
Gross NPA (%)	2.75	2.27	2.53	2.61	2.73	2.95	2.97	2.89	2.89	2.76	3.02	
Net NPA (%)	1.18	0.97	1.13	1.17	0.83	0.97	0.96	0.98	0.98	0.83	0.96	
PCR (%)	57.8	57.7	56.0	56.1	70.3	67.7	68.3	66.8	66.8	70.4	68.8	

Quarterly snapshot

Profit and Loss, INRb	FY24				FY25				Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY	QoQ
Net Interest Income	7.4	7.7	7.9	7.9	8.0	8.0	8.2	8.3	6	1
Other Income	1.7	1.8	2.1	2.4	2.1	2.4	2.4	2.3	-6	-5
Trading profits	0.3	0.2	0.3	0.3	0.3	0.5	0.4	0.3	4	-30
Total Income	9.1	9.5	9.9	10.3	10.1	10.4	10.6	10.5	3	0
Operating Expenses	6.0	6.2	6.3	6.5	6.7	6.9	7.2	7.4	14	3
Employee	3.3	3.3	3.5	3.6	3.7	4.0	4.3	4.2	15	-2
Others	2.7	2.9	2.8	2.9	3.0	2.9	3.0	3.3	13	9
Operating Profits	3.1	3.3	3.6	3.7	3.4	3.5	3.3	3.1	-17	-6
Core Operating Profits	2.8	3.1	3.3	3.5	3.1	3.0	2.9	2.8	-19	-3
Provisions	0.6	0.6	0.8	1.1	3.0	3.3	2.4	2.6	142	6
PBT	2.5	2.7	2.8	2.7	0.4	0.2	0.9	0.5	-80	-41
Taxes	0.6	0.7	0.7	0.6	0.1	0.1	0.2	0.1	-82	-52
PAT	1.9	2.0	2.0	2.1	0.3	0.1	0.7	0.4	-80	-37
Balance Sheet										
Loans	275	288	292	310	319	340	354	362	17	2
AUM's	296	312	328	343	349	361	373	380	11	2
Deposits	277	308	324	361	375	399	407	431	19	6
CASA Deposits	106	103	106	116	117	122	117	124	7	6
-Savings	98	95	97	103	106	107	102	108	4	6
-Demand	8	8	9	12	12	15	15	16	36	10
Loan mix (%)										
MFI	19.0	18.8	18.5	18.2	17.1	15.6	14.4	11.9	-633	-246
Vehicles	24.8	24.9	24.7	24.2	24.3	24.6	24.8	24.9	65	9
Small Business loans (incl HF)	47.3	48.5	49.3	50.5	51.9	52.9	53.9	55.7	520	178
MSE Finance	3.7	3.3	3.4	3.5	3.5	3.8	4.0	4.4	95	43
Corporate loans	4.0	3.3	2.7	2.1	1.8	1.7	1.5	1.4	-70	-9
Others	1.2	1.2	1.4	1.4	1.3	1.4	1.4	1.7	24	25
Asset Quality (INRb)										
GNPA	7.7	6.6	7.5	8.2	8.9	10.2	10.7	10.7	30	0
NNPA	3.3	2.8	3.3	3.6	2.6	3.3	3.4	3.5	-2	4
Slippages	2.1	2.6	3.1	3.6	3.9	5.1	5.9	5.5	56	-5
Asset Quality Ratios (%)										
GNPA (%)	2.75	2.27	2.53	2.61	2.73	2.95	2.97	2.89	28	-8
NNPA (%)	1.18	0.97	1.13	1.17	0.83	0.97	0.96	0.98	-19	2
PCR (Calc, %)	57.8	57.7	56.0	56.1	70.3	67.7	68.3	66.8	1,077	-145
Slippage ratio	3.6	4.1	4.8	4.7	5.2	6.5	7.3	6.6	187	-65
Business Ratios (%)										
Loan/Deposit	99.3	93.3	90.2	85.7	85.1	85.2	86.9	84.0	-171	-286
CASA	38.4	33.6	32.7	32.0	31.2	30.6	28.6	28.8	-319	15
Cost to Income	65.9	65.1	63.6	63.5	66.3	66.4	68.5	70.5	700	199
Cost to Assets	7.3	7.0	6.9	6.0	6.3	6.2	6.3	6.1	6	-21
Tax Rate	24.1	25.8	26.8	22.6	28.0	35.8	26.1	21.0	-159	-513
Capitalisation Ratios (%)										
Tier-1 (incl profit)	21.4	20.7	19.7	20.7	19.6	18.1	17.5	17.8	-287	34
- CET 1 (incl profit)	21.4	20.7	19.7	20.7	19.6	18.1	17.5	17.8	-287	34
CAR (incl profit)	22.1	21.3	20.2	21.7	20.6	19.4	20.3	20.6	-110	31
LCR	182.4	174.7	161.4	176.0	178.6	158.8	150.0	0.0	-17,600	-14,995
Profitability Ratios (%)										
Yield on gross advances	16.3	16.5	16.5	16.3	16.5	16.5	16.6	0.0	-1,634	-1,655
Cost of Funds	6.9	7.2	7.4	7.4	7.5	7.5	7.5	7.5	10	5
Margins	8.8	8.4	8.4	8.2	8.0	7.7	7.4	7.1	-104	-26
Other Details										
Branches	927	956	963	964	969	987	994	994	30	0
Employees (K)	21.0	21.9	21.7	22.9	22.6	23.2	24.2	25.4	3	1

Source: MOFSL, Company



Highlights from the management commentary

Opening remarks by MD & CEO

- The first quarter of FY25 was marginally weaker than usual, and the second quarter saw further deepening of that weakness. FY25 was a bad year; the bank is hopeful that FY26 will be a good year with improving fundamentals.
- Credit cost increased sharply from 2.3% in FY24 to 11.37% in FY25 in the MFI segment, wiping out INR6.3b in profit.
- PPOP remained flat for the year, as total operating expenditure rose by 15%, driven by investments in technology, people, and new products.
- Total advances grew 11% YoY in FY25. Excluding MFI, advances grew by 19%.
- Entire microfinance team has been retrained to focus on Micro-LAP. Strategy is to continue reducing MFI and scaling up Micro-LAP (secured lending).
- SBL grew 25% YoY; expected to contribute 45% of the loan book by mid-FY26.
- Collection efficiency in SBL remained strong at over 99% for the full year and 99.2% in 4QFY25.
- Merchant overdraft in SBL grew to an INR14b book, serving about 51,000 customers.
- The Selfe Loan app, launched last year, sourced INR12.5b in loans.
- MSME loan segment grew 41% YoY. Affordable housing loan book grew 14% YoY. CV segment grew 14% overall.
- The bank is not seeing stress in any particular geography.

Loans and deposits

- MFI book declined 28% YoY; contribution to total advances fell to 12% as of Mar'25. MFI disbursements reduced significantly from INR62.6b in FY24 to ~INR45b in FY25.
- In 4QFY25, MFI disbursement comprised just 8.32% of total disbursements vs. 29% in 4QFY24. MFI book is expected to reduce further from INR45b in Mar'25 to INR30b by Mar'26.
- 48% of existing MFI customers are no longer eligible for fresh funding due to strict guardrail implementation starting Jan'25.
- Going forward, MFI disbursements will primarily target well-performing existing clients only.
- No major shift is expected in loan book composition, apart from the MFI decline. SBL expected to remain 45%, Affordable housing 12-15%, and Others to rise by 2-3% due to MFI reduction.
- Focusing on increasing active savings accounts through enhanced mobile and internet banking platforms.
- CASA improvement is being targeted to bring down cost of funds.

Yield, Cost and Margins

- Yield on advances remained steady at 16.3% despite the reduction in MFI book.
- Yield on disbursements dropped 140bp QoQ to 16.76%, primarily due to a slowdown in MFI.
- CoF remained largely steady at 7.5% during FY25 (vs. 6.5% in FY24).
- NIMs declined from 8.36% in FY24 to 7.51% in FY25 due to a change in the loan mix.
- The cost of funds is stable and expected to come down after a few quarters as repricing of deposits and lower rates take effect.

Asset quality

- Total credit cost for FY25 came in at 3.14%, which includes a one-time INR 1.8b floating provision. Excluding that, credit cost is 2.6%.
- INR 2.58b of credit cost recorded in FY25, with INR 1.85b attributed to MFI.
- Additional provisioning of INR 330m made for NPAs in microfinance and vehicle finance.
- PCR stood at 66.83%.
- GNPA levels are rising in HL and SBL segments due to portfolio growth but remain at acceptable levels.
- INR 1b provisioned in Q2FY25 for MFI SMA-1 and SMA-2 loans. Of this, INR 380m was used in December, INR 230m reversed in Q4 and INR 380m still remains in the books.
- Bank does not see any underlying or geographic stress in asset quality.
- Guardrails applied strictly from Jan 2025 helped improve MFI collection efficiency.
- As of now, no impact of Tamil Nadu ordinance seen on microfinance collection behavior.
- Collection efficiencies have been improving Jan–Mar and continued improving into April 2025.
- Micro-LAP does have a higher level of GNPA, but because it's a secured product, the ultimate credit cost actually turns out to be quite low.

Miscellaneous

- Investments in key projects (CRM, IBM native app, credit cards, AD1) are nominal.
- Recently launched products like credit cards and personal loans are intended for cross-sell only; no aggressive push planned.
- No new products to be launched in the next two years.
- Bank purchased PSL certificates during the year, mainly in the small and marginal farmers (SMF) category to avoid risk of shortfall.
- ROA and ROE are key focus areas as fundamentals improve.
- Mr. Balaji Nuthalapadi (ex-Citi, IIM-A) joined as ED of Tech & Ops.
- Mr. Jagadish, a 15-year veteran, will succeed Mr. Rohit Phadke as Head of Assets upon his retirement in Jun'25.

Guidance and Outlook

- FY26 outlook is positive, with many fundamentals under control.
- MFI collection efficiency is back to normal; credit cost expected to normalize by 3QFY26.
- Credit cost is likely to remain elevated in 1Q and 2Q of FY26; improvement expected from 3Q onward.
- ROA expected to be >1% by 4QFY26 and improve further to 1.5-1.75% by FY27.
- MFI book to decline to INR30b by Mar'26; share in total advances to reduce to mid-single digits.
- SBL (45%) and housing (12–15%) will see proportional increases as MFI shrinks.
- Affordable housing and MSME segments expected to turn profitable in FY26.
- Long-term goal is sustainable performance and returns with reduced MFI share.

Story in Charts

Exhibit 1: AUM grew 11% YoY (1.7% QoQ) to INR380b

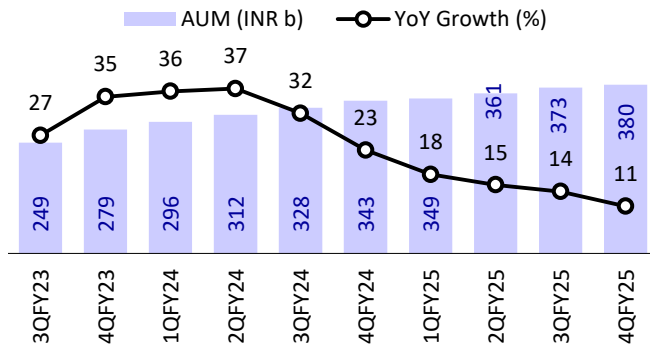


Exhibit 2: Loans/deposits grew 17%/19.3% YoY in 4QFY25

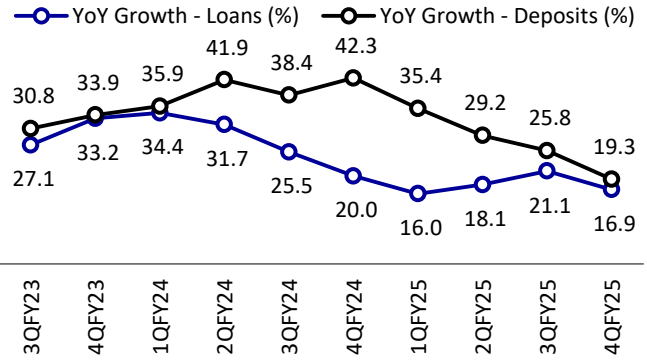


Exhibit 3: NIM moderated 26bp QoQ to 7.13%

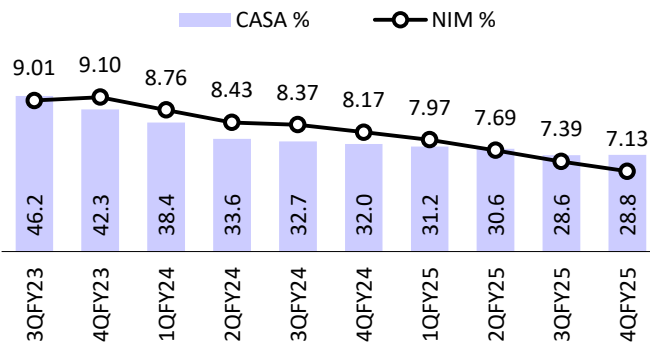


Exhibit 4: YoA declined to 16.3% and COF increased to 7.54%

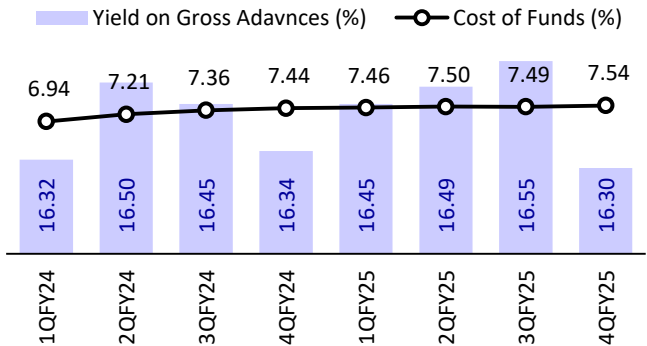


Exhibit 5: CD ratio increased to 84%; LCR at 201%

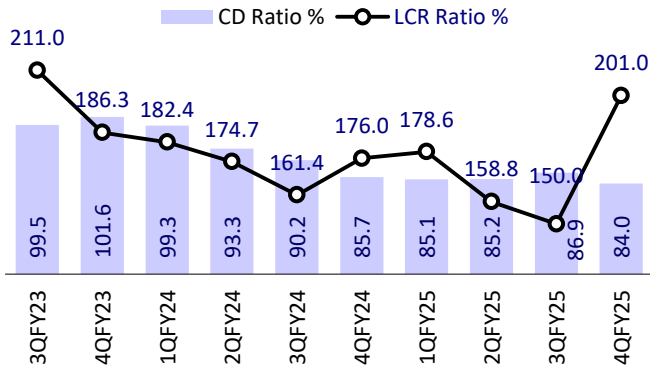


Exhibit 6: C/I ratio increased to 70.5% in 4QFY25

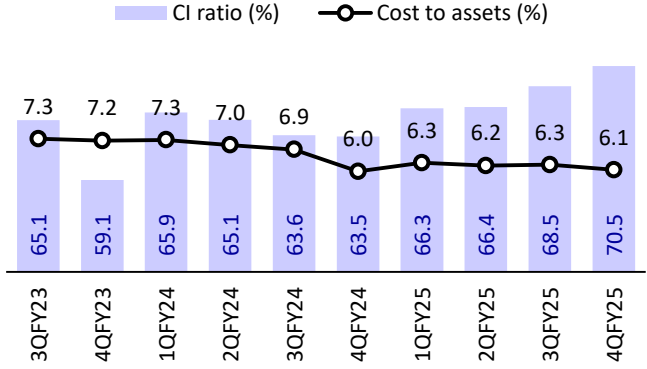


Exhibit 7: Credit cost was high at 2.7% in 4QFY25

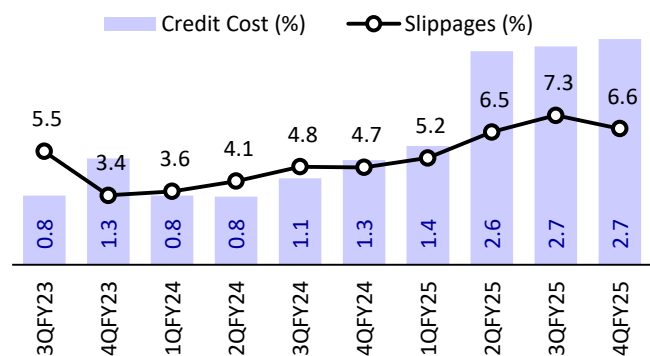
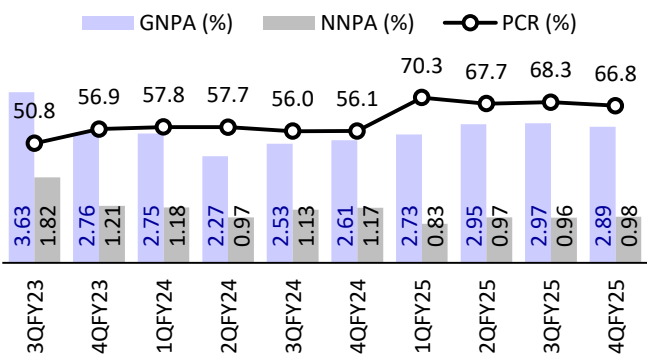


Exhibit 8: GNPA ratio declined by 8bp QoQ; NNPA ratio increased 2bp QoQ. PCR declined to 66.8%

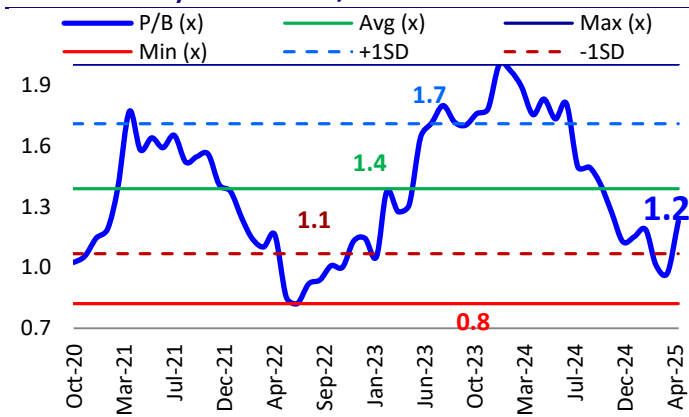


Source: MOFSL, Company

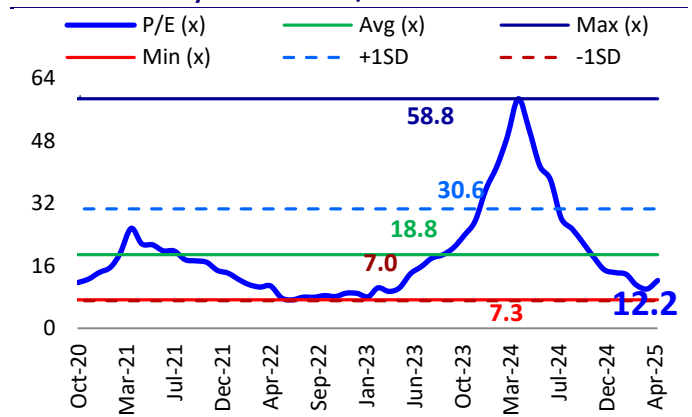
Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR77

- EQUITASB reported another modest quarter, affected by slower loan growth, high slippages and a further 26bp QoQ contraction in margins. Deposit growth was healthy and CASA ratio improved.
- Loan growth was relatively modest owing to the bank's cautious approach to MFI business and the bank aims to further reduce the MFI mix to mid-single digits by Mar'26. SBL and housing book are expected to see a proportionate increase as MFI shrinks.
- Credit cost remains high and may improve only from 2HFY26 onward. Tamil Nadu ordinance can further impact collection efficiency, though the situation is under control as of now. With MFI mix decreasing at a faster pace, margins could see a downward bias, but with much more stable asset quality.
- **We cut our earnings estimates by 27% for FY26 and estimate FY27E RoA/RoE of 1.5%/15.2%. Reiterate BUY with a TP of INR77 (1.3x FY27E ABV).**

Exhibit 9: One-year forward P/B ratio

Source: MOFSL, Company

Exhibit 10: One-year forward P/E ratio

Source: MOFSL, Company

Exhibit12: DuPont analysis

	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	13.4	13.4	13.7	12.9	12.9	12.9
Interest Expense	5.5	5.2	6.0	6.2	6.5	6.3
Net Interest Income	7.89	8.22	7.67	6.63	6.39	6.60
Fee income	1.92	2.09	1.73	1.74	1.78	1.81
Trading and others	0.17	0.07	0.26	0.12	0.10	0.08
Other Income	2.08	2.16	1.99	1.86	1.88	1.90
Total Income	9.97	10.38	9.66	8.48	8.27	8.50
Operating Expenses	6.60	6.58	6.23	5.76	5.70	5.51
Employees	3.48	3.54	3.41	3.35	3.37	3.30
Others	3.12	3.04	2.82	2.42	2.34	2.21
Operating Profits	3.38	3.80	3.43	2.72	2.57	2.98
Core operating Profits	3.21	3.73	3.17	2.60	2.47	2.90
Provisions	1.91	1.32	0.78	2.31	1.51	0.98
PBT	1.46	2.48	2.65	0.41	1.06	2.01
Tax	0.38	0.63	0.66	0.11	0.27	0.51
RoA	1.09	1.85	1.99	0.30	0.80	1.50
Leverage (x)	6.8	6.6	7.2	8.2	9.3	10.2
RoE	7.3	12.2	14.4	2.4	7.4	15.2

Financials and valuations

Income Statement

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	34.6	41.6	54.9	63.1	73.6	86.8
Interest Expense	14.2	16.2	24.1	30.6	37.1	42.2
Net Interest Income	20.4	25.4	30.8	32.5	36.5	44.6
-growth (%)	13.4	24.8	21.0	5.6	12.2	22.2
Non-Interest Income	5.4	6.7	8.0	9.1	10.8	12.8
Total Income	25.8	32.1	38.8	41.6	47.2	57.4
-growth (%)	16.2	24.8	20.7	7.3	13.4	21.5
Operating Expenses	17.0	20.4	25.0	28.3	32.6	37.2
Pre Provision Profits	8.7	11.8	13.8	13.3	14.7	20.1
-growth (%)	-1.7	34.9	17.1	-3.1	10.0	37.3
Core PPOP	8.3	11.5	12.7	12.8	14.1	19.6
-growth (%)	-1.5	39.2	10.3	0.4	10.4	38.8
Provisions	4.9	4.1	3.1	11.4	8.6	6.6
PBT	3.8	7.7	10.6	2.0	6.1	13.5
Tax	1.0	2.0	2.6	0.5	1.5	3.4
Tax Rate (%)	25.8	25.4	24.8	26.1	25.2	25.2
PAT	2.8	5.7	8.0	1.5	4.5	10.1
-growth (%)	-26.9	104.3	39.3	-81.6	209.1	123.1

Balance Sheet

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	12.5	11.1	11.3	11.4	11.3	11.3
Reserves & Surplus	29.9	40.5	48.3	49.3	50.9	59.4
Net Worth	42.5	51.6	59.7	60.7	62.3	70.7
Deposits	189.5	253.8	361.3	431.1	511.7	619.1
-growth (%)	15.6	33.9	42.3	19.3	18.7	21.0
-CASA Dep	98.6	107.3	115.5	124.1	150.4	192.5
-growth (%)	75.6	8.9	7.6	7.5	21.2	28.0
Borrowings	26.2	29.7	17.9	21.4	22.9	28.1
Other Liabilities & Prov.	11.4	14.5	14.2	15.2	16.6	19.0
Total Liabilities	269.5	349.6	453.0	528.4	613.4	737.0
Current Assets	21.3	12.4	35.8	55.4	50.8	51.8
Investments	44.5	66.6	90.7	92.9	111.5	134.0
-growth (%)	20.1	49.8	36.0	2.5	20.0	20.2
Loans	193.7	258.0	309.6	362.1	430.9	525.7
-growth (%)	15.0	33.2	20.0	16.9	19.0	22.0
Fixed Assets	2.0	3.8	6.0	7.0	7.7	9.0
Other Assets	7.9	8.7	10.9	11.1	12.6	16.6
Total Assets	269.5	349.6	453.0	528.4	613.4	737.0
Total AUM	206.0	278.6	343.4	401.5	477.8	582.9
-growth (%)	14.9	35.3	23.2	16.9	19.0	22.0

Asset Quality	FY22	FY23	FY24	FY25	FY26E	FY27E
GNPA (INR m)	8.4	7.2	8.2	10.7	12.1	11.7
NNPA (INR m)	4.8	3.1	3.6	3.5	3.6	3.4
Slippage (INR m)	13.9	10.9	11.4	20.3	17.4	15.3
GNPA Ratio	4.24	2.76	2.61	2.89	2.76	2.19
NNPA Ratio	2.47	1.21	1.17	0.98	0.83	0.66
Slippage Ratio	7.67	4.81	4.01	5.90	4.40	3.20
Credit Cost	2.19	1.43	0.94	3.22	2.10	1.30
PCR (Excl Tech. write off)	42.7	56.9	56.1	66.8	70.4	70.5

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E
Yield and Cost Ratio (%)						
Avg. Yield- on Earning Assets	14.6	14.8	15.1	14.6	14.5	14.2
Avg. Yield on loans	17.3	16.7	17.3	16.6	16.1	15.9
Avg. Yield on Investments	6.1	5.7	6.9	7.1	6.8	6.8
Avg. Cost of Int. Bear. Liab.	6.7	6.5	7.3	7.4	7.5	7.1
Avg. Cost of Deposits	6.4	6.1	7.0	7.4	7.2	6.9
Interest Spread	7.9	8.3	7.8	7.3	7.0	7.0
NIM (on IEA)	8.6	9.0	8.5	7.5	7.2	7.3

Capitalisation Ratios (%)

CAR	25.2	23.8	21.7	20.0	18.0	17.3
Tier I	24.5	23.1	20.7	17.7	15.8	15.3
CET 1	24.5	23.1	20.7	17.3	16.0	15.6
Tier II	0.6	0.7	1.0	2.3	2.2	2.1

Business Ratios (%)

Loans/Deposit Ratio	102.2	101.6	85.7	84.0	84.2	84.9
CASA Ratio	52.0	42.3	32.0	28.8	29.4	31.1
Cost/Assets	6.3	5.8	5.5	5.4	5.3	5.1
Cost/Total Income	66.2	63.4	64.5	68.0	68.9	64.9
Cost/Core income	-4.3	-11.2	-2.5	-5.4	-6.3	-7.3
Int. Expense/Int.Income	41.1	38.9	43.9	48.5	50.4	48.7
Fee Income/Total Income	19.2	20.2	17.9	20.5	21.6	21.3
Other Inc./Total Income	20.9	20.8	20.6	21.9	22.8	22.3
Empl. Cost/Total Expense	52.7	53.8	54.7	58.1	59.0	59.9

Efficiency Ratios (INRm)

Employee per branch (in nos)	20.4	22.3	23.7	25.3	27.2	29.3
Staff cost per employee	0.5	0.5	0.6	0.6	0.7	0.7
CASA per branch	114.5	116.4	119.8	123.8	142.9	174.2
Deposits per branch	220.1	275.3	374.8	430.0	486.1	560.1
Business per Employee (INR m)	21.8	24.9	29.4	31.3	32.9	35.3
Profit per Employee (INR m)	0.2	0.3	0.3	0.1	0.2	0.3

Profitability Ratios and Valuation

RoA	1.1	1.9	2.0	0.3	0.8	1.5
RoE	7.3	12.2	14.4	2.4	7.4	15.2
Book Value (INR)	34	46	53	53	55	62
-growth (%)	13.8	36.9	13.2	1.7	2.7	13.5
Price-BV (x)	2.0	1.4	1.3	1.2	1.2	1.1
Adjusted BV (INR)	31	44	50	51	53	60
Price-ABV (x)	2.1	1.5	1.3	1.3	1.3	1.1
EPS (INR)	2.3	4.9	7.1	1.3	4.0	8.9
-growth (%)	-33.0	106.8	46.6	-81.8	209.1	123.1
Price-Earnings (x)	28.4	13.7	9.4	51.5	16.7	7.5

E: MOFSL Estimates

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