9 August 2025

1QFY26 Results Update | Sector: Financials

Equitas Small Finance Bank

Estimate change	⬇
TP change	⬇
Rating change	⟷

Bloomberg	EQUITASB IN
Equity Shares (m)	1140
M.Cap.(INRb)/(USDb)	64.4 / 0.7
52-Week Range (INR)	87 / 52
1, 6, 12 Rel. Per (%)	-6/-24/-29
12M Avg Val (INR M)	318

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	32.5	33.1	38.8
OP	13.3	12.1	16.0
NP	1.5	0.5	7.0
NIM (%)	7.5	6.7	6.7
EPS (INR)	1.3	0.4	6.2
BV/Sh. (INR)	53	51	56
ABV/Sh. (INR)	51	49	54
Ratios			
RoA (%)	0.3	0.1	1.1
RoE (%)	2.4	0.8	11.5
Valuations			
P/E(X)	43.2	129.8	9.1
P/BV (X)	1.0	1.1	1.0
P/ABV (X)	1.1	1.1	1.0

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	0.0
DII	47.1	42.7	45.4
FII	16.3	16.5	19.7
Others	36.6	40.8	34.9

FII includes depository receipts

CMP: INR56 TP: INR70 (+24%) Buy

Elevated provisions dent earnings

Asset quality pressures persist; estimate gradual RoA recovery from 4Q

- Equitas SFB (EQUITASB) reported a net loss of INR2.24b vs our estimate of PAT of INR220m, driven by a sharp rise in provisions due to stress in MFI and changes in the provisioning policy.
- NII declined 2% YoY/5% QoQ to INR7.8b (in-line), amid declining yields due to shrinking MFI book and increased stress. NIM contracted 58bp QoQ to 6.55% (our est of 6.88%).
- Advances declined 4% QoQ (up 8.8% YoY) amid a sharp decline in the MFI portfolio (down 21.9% QoQ), which now stands at 9.4% of the portfolio. Meanwhile, deposits grew 18.3% YoY/3.0% QoQ, led by a sharp increase in CA deposits (up 92% YoY/36.7% QoQ). As a result, CASA ratio increased to 29.4%.
- Slippages increased 72% YoY/19.7% QoQ, led by higher slippage in the MFI book. GNPA ratio, thus, increased 3bp QoQ to 2.92%, while NNPA stood flat QoQ at 0.98%. PCR stood stable at 67%.
- We cut our earnings estimates sharply by 86%/21% for FY26/27E and estimate RoA/RoE of 1.1%/11.5% by FY27E. **Reiterate BUY with a TP of INR70 (1.3x FY27E ABV).**

Margins contract 58bp QoQ; credit costs to stay elevated in FY26

- 1QFY26 loss stood at INR2.24b (vs MOFSLe of INR220m PAT), impacted by a sharp rise in provisions due to ongoing stress in MFI.
- NII stood at INR7.9b, down 2% YoY/5% QoQ (3% miss) amid declining yields as well as higher funding costs. Declining MFI share further weighed on margins as NIM contracted 58bp QoQ to 6.55% (MOFSLe of 6.88%).
- Other income surprised positively at INR2.9b, growing 40% YoY/29% QoQ (12% higher than MOFSLe), driven by healthy treasury gains as well as healthy growth in fee income. Opex came in at INR7.6b, up 14% YoY and 3% QoQ (in line). Thus, PPoP came in at INR3.1b, down 8% YoY/up 1% QoQ (3% beat).
- Advances declined 4% QoQ (up 8.8% YoY) to INR347.4b, driven by a decline in the MFI business (down 21.9% QoQ). SBL and HF posted healthy growth, rising 2.3% QoQ and 2.1% QoQ. VF loan grew modestly by 12.3% YoY/0.6% QoQ amid a decline in new CV loans by 8.8% QoQ, while used CV loans grew 4.6% QoQ.
- Disbursements declined to INR35.1b in 1QFY26 (down 13% YoY and 18% QoQ), with MFI disbursements falling sharply (down 74% YoY and 25% QoQ). The share of MFI AUM decreased to 9.5% from 11.9%/14.4% in 4Q/3QFY25, as the bank follows a cautious approach in MFI and has guided to reduce this mix further in the coming quarters.
- Deposits posted healthy growth, rising 18.3% YoY/3% QoQ to INR443b, led by a sharp increase in CA deposits (up 92% YoY/36.7% QoQ). CASA ratio, thus, increased to 29.4%.
- On the asset quality front, slippages remained elevated by 72% YoY/19.7% QoQ, led by higher slippages in the MFI book. GNPA ratio increased 3bp QoQ to 2.92%, while NNPA stood flat at 0.98%. PCR stood stable at 67%.

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Highlights from the management commentary

- The bank reiterated its strategy to scale down the MFI book and accelerate secured lending, aiming for a healthier loan mix transformation by FY26-end.
- Management emphasized that credit cost is likely to remain elevated in 2QFY26 but is expected to normalize from 3QFY26 as asset quality stabilizes and recovery trends sustain.
- The bank disclosed that additional provisions were created in 1QFY26 to strengthen the balance sheet.
- The bank remains confident of delivering RoA of >1% by 4QFY26, supported by an improving operating leverage, digital-led efficiencies, and a continued shift toward secured retail segments.

Valuation and view: Reiterate BUY with TP of INR70

EQUITASB reported a weak quarter amid muted loan growth, elevated credit costs, and declining yields, while slippages also stood elevated. Deposit growth was steady, while the CA book increased sharply, resulting in an improvement in the CASA ratio. Loan book declined amid a sharp dip in the MFI book, given the bank's cautious approach to the MFI business. Meanwhile, SBL and housing book are expected to see a proportionate increase as MFI shrinks. Credit costs are expected to remain high amid continued stress in MFI. For 1Q, ordinances in Karnataka and Tamil Nadu impacted collection efficiency, leading to a spike in credit costs. However, trends showed some recovery in Jul'26. With the MFI mix decreasing at a faster pace, the bank's margins may see a downward bias, thus putting pressure on operating earnings. We cut our earnings sharply by 86%/21% for FY26/27E and estimate FY27E RoA/ RoE at 1.1%/ 11.5%. **Reiterate BUY with a TP of INR70 (1.3x FY27E ABV).**

Quarterly Performance (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY25E	v/s
	1Q	2Q	3Q	4Q	1QA	2QE	3QE	4QE			1QE	Est
Interest Income	15.0	15.5	16.1	16.4	16.5	16.4	17.7	18.9	63.1	69.6	16.9	3%
Interest Expense	7.0	7.5	7.9	8.1	8.6	8.7	9.4	9.8	30.6	36.5	8.8	2%
Net Interest Income	**8.0**	**8.0**	**8.2**	**8.3**	**7.9**	**7.7**	**8.3**	**9.2**	**32.5**	**33.1**	**8.1**	**-3%**
% Change (YoY)	7.9	4.8	4.2	5.5	-2.0	-3.8	1.9	10.5	5.6	1.7	1.1	
Other Income	2.1	2.4	2.4	2.3	2.9	2.6	2.7	2.7	9.1	10.9	2.6	12%
Total Income	**10.1**	**10.4**	**10.6**	**10.5**	**10.8**	**10.3**	**11.0**	**11.9**	**41.6**	**44.0**	**10.7**	**1%**
Operating Expenses	6.7	6.9	7.2	7.4	7.6	7.8	8.1	8.4	28.3	31.9	7.7	0%
Operating Profit	**3.4**	**3.5**	**3.3**	**3.1**	**3.1**	**2.5**	**2.9**	**3.5**	**13.3**	**12.1**	**3.0**	**3%**
% Change (YoY)	9.1	5.9	-7.6	-16.9	-7.5	-27.6	-12.1	13.2	-3.1	-9.1	-10.5	
Provisions	3.0	3.3	2.4	2.6	6.1	2.3	1.6	1.4	11.4	11.5	2.8	122%
Profit before Tax	**0.4**	**0.2**	**0.9**	**0.5**	**-3.0**	**0.2**	**1.3**	**2.1**	**2.0**	**0.7**	**0.3**	**-1112%**
Tax	0.1	0.1	0.2	0.1	-0.7	0.0	0.3	0.5	0.5	0.2	0.1	-1095%
Net Profit	**0.3**	**0.1**	**0.7**	**0.4**	**-2.2**	**0.1**	**1.0**	**1.6**	**1.5**	**0.5**	**0.2**	**-1118%**
% Change (YoY)	-86.5	-93.5	-67.2	-79.7	-968.7	10.6	48.8	279.7	-81.6	-66.7	-14.7	
Operating Parameters												
AUM	349	361	373	380	376	361	434	460	402	460	349	8%
Deposits	375	399	407	431	444	453	474	493	431	493	444	0%
Loans	319	340	354	362	347	380	398	415	362	415	373	-7%
AUM Growth (%)	17.8	15.4	13.9	10.6	7.9	0.0	16.3	21.0	16.9	14.5	0.0	
Deposit Growth (%)	35.4	29.2	25.8	19.3	18.3	13.6	16.3	14.4	19.3	14.4	18.3	
Loan Growth (%)	16.0	18.1	21.1	16.9	8.8	12.0	12.4	14.5	16.9	14.5	16.9	
Asset Quality												
Gross NPA (%)	2.73	2.95	2.97	2.89	2.92	2.89	2.97	2.70	2.89	2.70	2.78	
Net NPA (%)	0.83	0.97	0.96	0.98	0.98	0.98	1.00	0.90	0.98	0.90	0.90	
PCR (%)	70.3	67.7	68.3	66.8	67.0	66.7	67.2	67.4	66.8	67.4	68.2	

E: MOFSL Estimates

Quarterly snapshot

Profit and Loss, INRb	FY25				FY26	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Net Interest Income	**8.0**	**8.0**	**8.2**	**8.3**	**7.9**	**-2**	**-5**
Other Income	2.1	2.4	2.4	2.3	2.9	40	29
Trading profits	0.3	0.5	0.4	0.3	1.2	314	329
Total Income	**10.1**	**10.4**	**10.6**	**10.5**	**10.8**	**7**	**2**
Operating Expenses	6.7	6.9	7.2	7.4	7.6	14	3
Employee	3.7	4.0	4.3	4.2	4.6	23	10
Others	3.0	2.9	3.0	3.3	3.0	3	-7
Operating Profits	**3.4**	**3.5**	**3.3**	**3.1**	**3.1**	**-8**	**1**
Core Operating Profits	**3.1**	**3.0**	**2.9**	**2.8**	**1.9**	**-37**	**-31**
Provisions	3.0	3.3	2.4	2.6	6.1	101	137
PBT	**0.4**	**0.2**	**0.9**	**0.5**	**-3.0**	**-932**	**-658**
Taxes	0.1	0.1	0.2	0.1	-0.7	-837	-759
PAT	**0.3**	**0.1**	**0.7**	**0.4**	**-2.2**	**-969**	**-632**
Balance Sheet							
Loans	319	340	354	362	347	9	-4
AUM's	349	361	373	380	376	8	-1
Deposits	375	399	407	431	444	18	3
CASA Deposits	117	122	117	124	131	11	5
-Savings	106	107	102	108	108	2	0
-Demand	12	15	15	16	23	92	37
Loan mix (%)							
MFI	17.1	15.6	14.4	11.9	9.4	-772	-251
Vehicles	24.3	24.6	24.8	24.9	25.3	99	39
Small Business loans (incl HF)	51.9	52.9	53.9	55.7	57.5	565	184
MSE Finance	3.5	3.8	4.0	4.4	4.5	97	6
Corporate loans	1.8	1.7	1.5	1.4	1.5	-35	11
Others	1.3	1.4	1.4	1.7	1.8	47	10
Asset Quality (INRb)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY**	**QoQ**
GNPA	8.9	10.2	10.7	10.7	10.4	17	-3
NNPA	2.6	3.3	3.4	3.5	3.4	29	-4
Slippages	3.9	5.1	5.9	5.5	6.6	72	20
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY (bp)**	**QoQ (bp)**
GNPA (%)	2.73	2.95	2.97	2.89	2.92	19	3
NNPA (%)	0.83	0.97	0.96	0.98	0.98	15	0
PCR (Calc, %)	70.3	67.7	68.3	66.8	67.0	-326	20
Slippage ratio	5.2	6.5	7.3	6.6	8.0	278	136
Business Ratios (%)							
Loan/Deposit	85.1	85.2	86.9	84.0	78.3	-680	-572
CASA	31.2	30.6	28.6	28.8	29.4	-183	62
Cost to Income	66.3	66.4	68.5	70.5	70.8	448	30
Cost to Assets	6.3	6.2	6.3	6.1	6.1	-26	2
Tax Rate	28.0	35.8	26.1	21.0	24.8	-319	380
Capitalisation Ratios (%)							
Tier-1 (incl profit)	19.6	18.1	17.5	17.8	17.2	-243	-68
- CET 1 (incl profit)	19.6	18.1	17.5	17.8	17.2	-243	-68
CAR (incl profit)	20.6	19.4	20.3	20.6	20.5	-7	-12
LCR	178.6	158.8	150.0	58.4	209.5	3,090	15,109
Profitability Ratios (%)							
Yield on gross advances	16.5	16.5	16.6	0.0	16.0	-44	1,601
Cost of Funds	7.5	7.5	7.5	7.5	7.5	3	-5
Margins	8.0	7.7	7.4	7.1	6.6	-142	-58
Other Details							
Branches	969	987	994	994	1,035	66	41
Employees (K)	22.6	23.2	24.2	25.4	25.9	3	0

CONFERENCE CALL

Highlights from the management commentary

Opening remarks by MD & CEO

- This quarter marks the first reported loss since 2008, driven by elevated credit costs in the MFI segment and additional provisioning to strengthen the balance sheet.
- The bank continues to strengthen its diversification strategy, with secured advances now forming 90% of the non-MFI book.
- Collection efficiency is expected to recover by 3QFY26, with July already showing an improvement (99.14%).
- MFIN 2.0 guardrails, implemented in Jan'25, are expected to improve future underwriting and credit quality. The bank no longer operates in the <INR 300K loan segment.
- CRAR stood strong at 20.48%, aided by a recent INR5b Tier-2 capital raise, improving CAR by 1.7%.
- The Board has approved a Tier-1 capital raise of INR 12.5b to support medium-term growth.
- Retail deposits form over 70% of the deposit base. CASA ratio remained stable during the quarter.
- A significant rise in treasury income aided non-interest income.
- Operating expense growth continues due to ongoing investment in branch expansion (50 new branches) and workforce to support secured lending momentum.
- RoA declined due to credit costs, but the bank expects a strong rebound in H2.

Loans and deposits

- MFI total loan book remained broadly flat QoQ. Secured book grew 18% YoY, with SBL (Small Business Loans) up 22% YoY and Micro LAP showing robust growth.
- Retail deposits form over 70% of deposit base.
- The MFI portfolio declined to 9% of AUM vs 17% YoY, and is expected to drop further to mid-single digits by Mar'26.
- The bank targets 15-16% overall loan growth in FY26, led by secured products.
- The Housing Finance portfolio currently comprises 12% of AUM, with 20% YoY growth guidance.
- The focus remains on used CVs, used cars, and semi-urban affordable housing.
- July DPD trends and collections show early signs of recovery.
- Two new products for HNI clients are in the pipeline.

Yield, cost of funds, margins, and operating expenses:

- Yield on advances dropped QoQ due to a shrinking MFI portfolio and rising delinquencies.
- Yield on disbursements fell 140bp QoQ to 16.76%.
- The cost of funds remained stable at 7.5% in 1QFY26 and is expected to moderate in the coming quarters, aided by revised deposit rates.
- NIM contracted to 7.51% in 1QFY26 (vs 8.36% YoY) but is expected to stabilize by FY26-end.
- The bank has revised rates in SAs and TDs. It will look at lower cost of funds in the coming quarter.
- The C/I ratio rose to 70% due to slower disbursements and income growth. The bank believes C/I has peaked and aims to bring it down to 60-65% over the next few years.

- EQUITASB operates without DSA or outsourced collection agents, keeping variable cost low; fixed costs (employee & tech) dominate opex.
- The bank has not grown fast enough on the income side yet, but July trends suggest positive income momentum resuming.

Asset quality

- GNPA/NNPA levels increased, particularly in MFI and lower-end LAP, notably in Karnataka and Tamil Nadu.
- The bank continues to maintain a strong PCR at 66.83%.
- Total credit cost stood at 3.14% in 1QFY26, including INR1.8b floating provision. Excluding this, the credit cost was 2.6%.
- The bank believes the MFI credit cost peaked in 1QFY26.
- It has given a credit cost (non-MFI Book) guidance of 1% to 1.2% for this FY.
- Some additional provisioning in non-MFI was made book due to a decline in the MFI book, aimed at increasing the PCR. The bank indicates this as a one-off provisioning.

Credit cost guidance

- Investments MFI Book: INR 4b already provided, another INR3b expected in FY26.
- Non-MFI Book: 1%-1.2% for FY26.
- Guardrails introduced in Jan have led to significant improvement in collection efficiency and SMA trends.
- The bank has intentionally made higher provisions to maintain a healthy PCR as the MFI portfolio declines.

Guidance and outlook

- FY26 credit costs are expected to normalize by 4QFY26, with a gradual improvement expected from 3Q onward.
- ROA is guided to return to >1% by 4QFY26 and improve further to 1.5–1.75% by FY27.
- The bank expects secured loan growth of 20% YoY, led by SBL and housing finance.
- Despite short-term earnings impact, management reiterated its confidence in long-term profitability and sustainability.
- Strategy remains focused on building a granular, secured, and diversified portfolio with an emphasis on quality growth over scale.

Story in Charts

Exhibit 1: AUM grew 8% YoY (down 1% QoQ) to IN376b

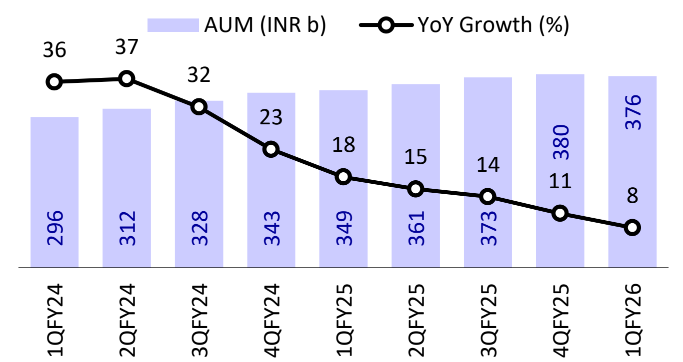


Exhibit 2: Loans/deposits grew 8.8%/18.3% YoY in 1QFY26

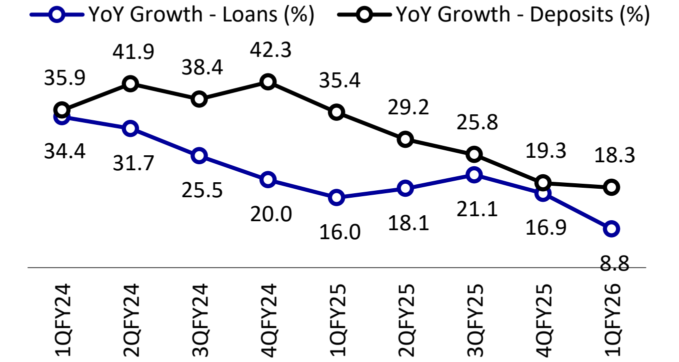


Exhibit 3: NIM moderated 58bp QoQ to 6.55%

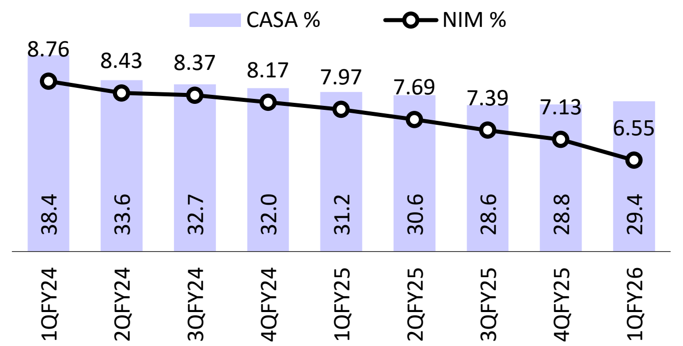


Exhibit 4: YoA declined to 16% and COF stood at 7.49%

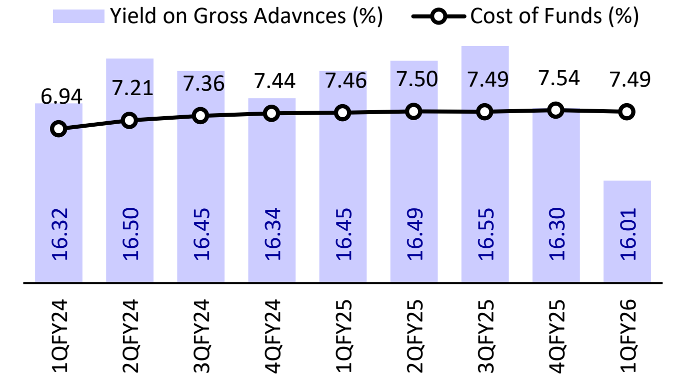


Exhibit 5: CD ratio moderated to 78.3%; LCR at 209.5%

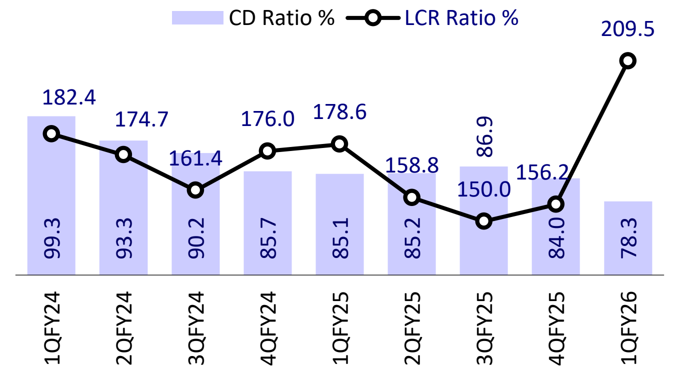


Exhibit 6: C/I ratio increased to 70.8% in 1QFY26

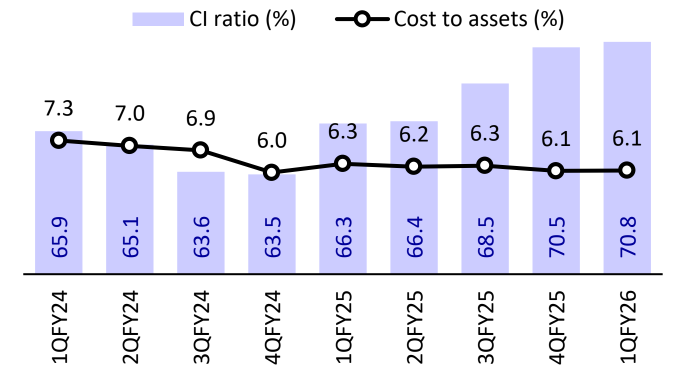
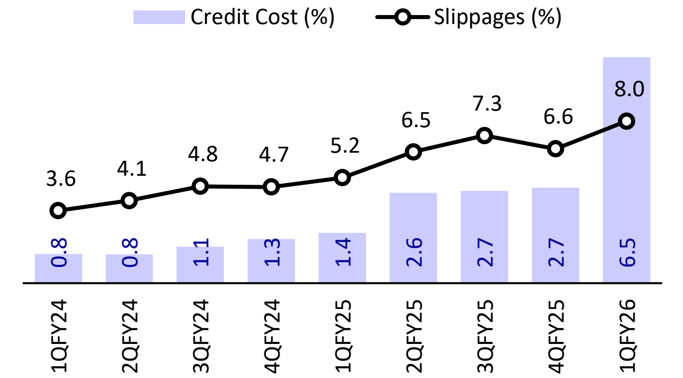
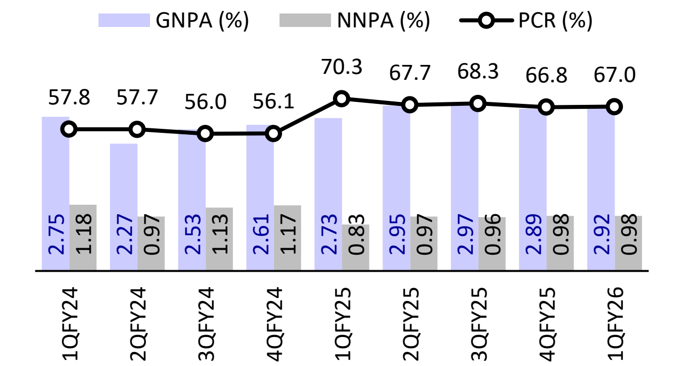


Exhibit 7: Credit cost was high at 6.5% in 1QFY26



Source: MOFSL, Company

Exhibit 8: GNPA ratio increased by 3bp QoQ; NNPA ratio remained flat QoQ; PCR increased to 67%

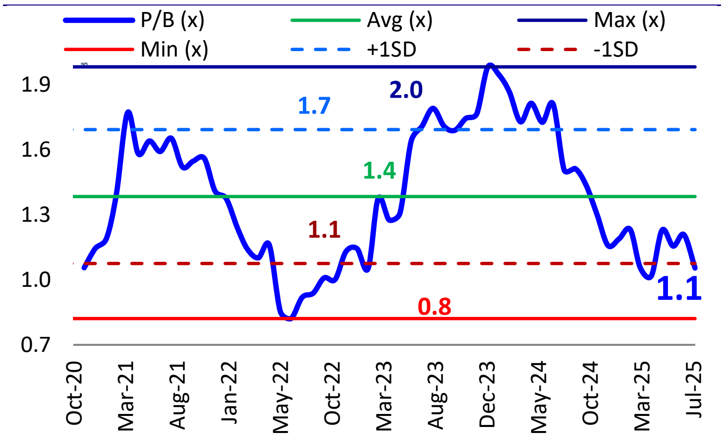


Source: MOFSL, Company

Valuation and view: Reiterate BUY with a TP of INR70

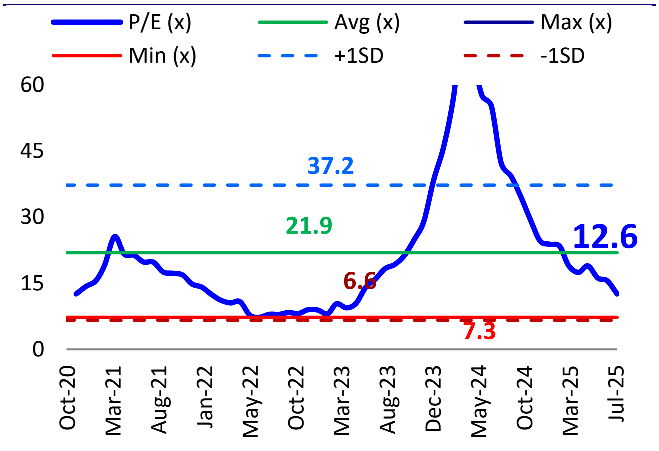
- EQUITASB reported a weak quarter amid muted loan growth, elevated credit costs, and declining yields, while slippages also stood elevated. Deposit growth was steady, while CA book increased sharply, resulting in an improvement in CASA ratio.
- Loan book declined amid a sharp dip in the MFI book, given the bank's cautious approach to MFI business. Meanwhile, SBL and housing book are expected to see a proportionate increase as MFI shrinks.
- Credit costs are expected to remain high amid continued stress in MFI. For 1Q, ordinances in Karnataka and Tamil Nadu impacted collection efficiency, leading to a spike in credit costs. However, the trends witnessed some recovery in Jul'26.
- With the MFI mix decreasing at a faster pace, the bank's margins may see a downward bias, thus putting pressure on operating earnings.
- **We cut our earnings sharply by 86%/21% for FY26/27E and estimate FY27E RoA/ RoE at 1.1%/11.5%. Reiterate BUY with a TP of INR70 (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	FY28E
Interest Income	13.4	13.4	13.7	12.9	12.4	12.4	12.3
Interest Expense	5.5	5.2	6.0	6.2	6.5	6.3	6.1
Net Interest Income	**7.89**	**8.22**	**7.67**	**6.63**	**5.91**	**6.08**	**6.25**
Fee income	1.92	2.09	1.73	1.74	1.85	1.88	1.89
Trading and others	0.17	0.07	0.26	0.12	0.10	0.09	0.08
Other Income	**2.08**	**2.16**	**1.99**	**1.86**	**1.96**	**1.97**	**1.96**
Total Income	**9.97**	**10.38**	**9.66**	**8.48**	**7.87**	**8.05**	**8.22**
Operating Expenses	**6.60**	**6.58**	**6.23**	**5.76**	**5.70**	**5.55**	**5.35**
Employees	3.48	3.54	3.41	3.35	3.32	3.25	3.16
Others	3.12	3.04	2.82	2.42	2.38	2.30	2.19
Operating Profits	**3.38**	**3.80**	**3.43**	**2.72**	**2.17**	**2.50**	**2.86**
Core operating Profits	**3.21**	**3.73**	**3.17**	**2.60**	**2.07**	**2.41**	**2.79**
Provisions	**1.91**	**1.32**	**0.78**	**2.31**	**2.05**	**1.04**	**0.98**
PBT	**1.46**	**2.48**	**2.65**	**0.41**	**0.12**	**1.46**	**1.89**
Tax	0.38	0.63	0.66	0.11	0.03	0.37	0.47
RoA	**1.09**	**1.85**	**1.99**	**0.30**	**0.09**	**1.10**	**1.41**
Leverage (x)	6.8	6.6	7.2	8.2	9.4	10.5	11.0
RoE	**7.3**	**12.2**	**14.4**	**2.4**	**0.8**	**11.5**	**15.6**

Financials and valuations

Income Statement (INRb)

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	34.6	41.6	54.9	63.1	69.6	78.9	92.4
Interest Expense	14.2	16.2	24.1	30.6	36.5	40.1	45.5
Net Interest Income	**20.4**	**25.4**	**30.8**	**32.5**	**33.1**	**38.8**	**46.9**
-growth (%)	13.4	24.8	21.0	5.6	1.7	17.4	20.7
Non Interest Income	5.4	6.7	8.0	9.1	10.9	12.6	14.7
Total Income	**25.8**	**32.1**	**38.8**	**41.6**	**44.0**	**51.4**	**61.6**
-growth (%)	16.2	24.8	20.7	7.3	5.7	16.8	19.8
Operating Expenses	17.0	20.4	25.0	28.3	31.9	35.5	40.1
Pre Provision Profits	**8.7**	**11.8**	**13.8**	**13.3**	**12.1**	**16.0**	**21.5**
-growth (%)	-1.7	34.9	17.1	-3.1	-9.1	31.7	34.4
Core PPoP	**8.3**	**11.5**	**12.7**	**12.8**	**11.6**	**15.4**	**20.9**
-growth (%)	-1.5	39.2	10.3	0.4	-9.5	33.3	35.7
Provisions	4.9	4.1	3.1	11.4	11.5	6.6	7.3
PBT	**3.8**	**7.7**	**10.6**	**2.0**	**0.7**	**9.4**	**14.1**
Tax	1.0	2.0	2.6	0.5	0.2	2.4	3.6
Tax Rate (%)	25.8	25.4	24.8	26.1	25.2	25.2	25.2
PAT	**2.8**	**5.7**	**8.0**	**1.5**	**0.5**	**7.0**	**10.6**
-growth (%)	-26.9	104.3	39.3	-81.6	-66.7	1,330.2	51.2

Balance Sheet

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	12.5	11.1	11.3	11.4	11.3	11.3	11.3
Reserves & Surplus	29.9	40.5	48.3	49.3	46.9	52.2	61.1
Net Worth	**42.5**	**51.6**	**59.7**	**60.7**	**58.2**	**63.5**	**72.4**
Deposits	**189.5**	**253.8**	**361.3**	**431.1**	**493.1**	**577.0**	**683.7**
-growth (%)	15.6	33.9	42.3	19.3	14.4	17.0	18.5
-CASA Dep	**98.6**	**107.3**	**115.5**	**124.1**	**145.0**	**179.4**	**212.6**
-growth (%)	75.6	8.9	7.6	7.5	16.8	23.8	18.5
Borrowings	26.2	29.7	17.9	21.4	22.4	27.6	33.9
Other Liabilities & Prov.	11.4	14.5	14.2	15.2	16.6	19.0	21.9
Total Liabilities	**269.5**	**349.6**	**453.0**	**528.4**	**590.4**	**687.2**	**812.0**
Current Assets	21.3	12.4	35.8	55.4	49.0	48.4	52.4
Investments	44.5	66.6	90.7	92.9	108.7	128.2	151.3
-growth (%)	20.1	49.8	36.0	2.5	17.0	18.0	18.0
Loans	**193.7**	**258.0**	**309.6**	**362.1**	**414.6**	**488.4**	**581.2**
-growth (%)	15.0	33.2	20.0	16.9	14.5	17.8	19.0
Fixed Assets	2.0	3.8	6.0	7.0	7.7	9.0	10.6
Other Assets	7.9	8.7	10.9	11.1	10.4	13.1	16.5
Total Assets	**269.5**	**349.6**	**453.0**	**528.4**	**590.4**	**687.2**	**812.0**
Total AUM	**206.0**	**278.6**	**343.4**	**401.5**	**459.7**	**541.6**	**644.5**
-growth (%)	**14.9**	**35.3**	**23.2**	**16.9**	**14.5**	**17.8**	**19.0**

Asset Quality	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR m)	8.4	7.2	8.2	10.7	11.4	9.2	10.6
NNPA (INR m)	4.8	3.1	3.6	3.5	3.7	2.6	3.0
Slippage (INR m)	13.9	10.9	11.4	20.3	19.4	12.6	13.4
GNPA Ratio	4.24	2.76	2.61	2.89	2.70	1.86	1.80
NNPA Ratio	2.47	1.21	1.17	0.98	0.90	0.54	0.51
Slippage Ratio	7.67	4.81	4.01	5.90	5.00	2.80	2.50
Credit Cost	2.19	1.43	0.94	3.22	2.90	1.40	1.30
PCR (Excl Tech. write off)	42.7	56.9	56.1	66.8	67.4	71.5	71.8

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratio (%)							
Avg. Yield- on Earning Assets	**14.6**	**14.8**	**15.1**	**14.6**	**14.0**	**13.6**	**13.4**
Avg. Yield on loans	17.3	16.7	17.3	16.6	15.5	15.2	15.1
Avg. Yield on Investments	6.1	5.7	6.9	7.1	6.8	6.7	6.7
Avg. Cost of Int. Bear. Liab.	**6.7**	**6.5**	**7.3**	**7.4**	**7.5**	**7.2**	**6.9**
Avg. Cost of Deposits	6.4	6.1	7.0	7.4	7.3	6.9	6.6
Interest Spread	**7.9**	**8.3**	**7.8**	**7.3**	**6.4**	**6.4**	**6.6**
NIM (on IEA)	**8.6**	**9.0**	**8.5**	**7.5**	**6.7**	**6.7**	**6.8**
Capitalisation Ratios (%)							
CAR	25.2	23.8	21.7	20.0	17.4	16.5	16.3
Tier I	*24.5*	*23.1*	*20.7*	*17.7*	*15.2*	*14.4*	*14.3*
CET 1	*24.5*	*23.1*	*20.7*	*17.3*	*16.0*	*15.6*	*15.6*
Tier II	*0.6*	*0.7*	*1.0*	*2.3*	*2.2*	*2.1*	*2.0*
Business Ratios (%)							
Loans/Deposit Ratio	102.2	101.6	85.7	84.0	84.1	84.6	85.0
CASA Ratio	52.0	42.3	32.0	28.8	29.4	31.1	31.1
Cost/Assets	6.3	5.8	5.5	5.4	5.4	5.2	4.9
Cost/Total Income	66.2	63.4	64.5	68.0	72.5	68.9	65.1
Cost/Core income	-4.3	-11.2	-2.5	-5.4	-6.1	-6.9	-8.0
Int. Expense/Int.Income	41.1	38.9	43.9	48.5	52.5	50.8	49.3
Fee Income/Total Income	19.2	20.2	17.9	20.5	23.6	23.4	23.0
Other Inc./Total Income	20.9	20.8	20.6	21.9	24.8	24.5	23.9
Empl. Cost/Total Expense	52.7	53.8	54.7	58.1	58.2	58.6	59.1
Efficiency Ratios (INRm)							
Employee per branch (in nos)	20.4	22.3	23.7	25.6	27.5	29.6	31.9
Staff cost per employee	0.5	0.5	0.6	0.6	0.6	0.6	0.6
CASA per branch	114.5	116.4	119.8	124.9	138.9	163.7	184.8
Deposits per branch	220.1	275.3	374.8	433.7	472.5	526.5	594.2
Business per Employee (INR m)	21.8	24.9	29.4	31.2	31.6	32.8	34.5
Profit per Employee (INR m)	0.2	0.3	0.3	0.1	0.0	0.2	0.3
Profitability Ratios and Valuation							
RoA	1.1	1.9	2.0	0.3	0.1	1.1	1.4
RoE	7.3	12.2	14.4	2.4	0.8	11.5	15.6
Book Value (INR)	34	46	53	53	51	56	64
-growth (%)	13.8	36.9	13.2	1.7	-4.0	9.1	14.0
Price-BV (x)	**1.7**	**1.2**	**1.1**	**1.0**	**1.1**	**1.0**	**0.9**
Adjusted BV (INR)	31	44	50	51	49	54	62
Price-ABV (x)	**1.8**	**1.3**	**1.1**	**1.1**	**1.1**	**1.0**	**0.9**
EPS (INR)	2.3	4.9	7.1	1.3	0.4	6.2	9.3
-growth (%)	-33.0	106.8	46.6	-81.8	-66.7	1,330.2	51.2
Price-Earnings (x)	**23.9**	**11.5**	**7.9**	**43.2**	**129.8**	**9.1**	**6.0**

E: MOFSL Estimates

NOTES

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