

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	RBK IN
Equity Shares (m)	609
M.Cap.(INRb)/(USD\$)	160.3 / 1.9
52-Week Range (INR)	273 / 146
1, 6, 12 Rel. Per (%)	15/62/8
12M Avg Val (INR M)	2081

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	64.6	63.5	78.1
OP	36.3	33.3	45.3
NP	7.0	10.3	18.9
NIM (%)	4.9	4.4	4.7
EPS (INR)	11.5	17.1	31.3
EPS Gr. (%)	-40.5	48.4	83.5
BV/Sh. (INR)	258	264	284
ABV/Sh. (INR)	255	256	275

Ratios

RoA (%)	0.5	0.7	1.1
RoE (%)	4.6	6.5	11.4
Payout (%)	25.0	30.0	30.0

Valuations

P/E(X)	22.6	15.2	8.3
P/BV (X)	1.0	1.0	0.9

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	0.0
DII	34.8	21.2	20.7
FII	17.6	14.4	28.5
Others	47.7	64.4	50.8

CMP: INR263

TP: INR290 (+10%)

Buy

NII in line; controlled provisions lead to earnings beat

Margins moderate 39bp QoQ

- RBL Bank (RBK) reported a 1QFY26 PAT of INR2b (42% beat, 46% YoY decline) amid lower-than-expected provisions.
- NII declined 13% YoY (down 5.3% QoQ) to INR14.8b (inline). NIM moderated sharply by 39bp QoQ to 4.5% due to repricing of advances and change in mix.
- Opex grew 12% YoY to INR18.5b (6% higher than MOFSLe) due to higher collection costs in the cards business. The C/I ratio thus rose to 72.4%.
- Advances grew 8.9% YoY/2% QoQ, while deposits grew 11.2% YoY/1.6% QoQ. CASA mix moderated 170bp QoQ to 32.5%. The C/D ratio was 83.8%.
- Fresh slippages stood stable at INR10.6b. GNPA/NNPA ratios increased by 18bp/16bp QoQ to 2.78%/0.45%. PCR moderated to 84%.
- **We fine-tune our EPS estimates and project an FY27E RoA/RoE of 1.07%/11.4%. Reiterate Buy with a TP of INR290 (premised on 1x FY27E BV).**

Guides a mid-teen credit growth in FY26; RoA to improve steadily

- RBK reported a 1QFY26 PAT of INR2b (42% beat, 46% YoY decline) amid lower-than-expected provisions.
- NII declined 13% YoY (down 5.3% QoQ) to INR14.8b (in line). NIM moderated sharply by 39bp QoQ to 4.5% during the quarter.
- Other income grew 33% YoY/7% QoQ to INR10.7b (6% beat). Treasury gains stood at INR2.8b vs. INR300mn in 4QFY25. Total revenue thus grew 2% YoY (flat QoQ) to INR25.5b (in line). Opex rose 12% YoY to INR18.5b (6% higher than MOFSLe). The C/I ratio thus increased 600bp QoQ to 72.4%.
- PPop declined 18% YoY/QoQ each to INR7b (8% miss). Provisions stood at INR4.4b (up 21% YoY, 23% lower than MOFSLe). The bank has reinstated 1% contingent provisions on JLG and provided INR540m towards this.
- Advances grew 9% YoY (up 2% QoQ) to INR944b. Retail book grew 5.4% YoY (1.6% QoQ), and wholesale grew 15% YoY (2.4% QoQ). Housing loans grew 1.6% QoQ, and business loans were up 4.4% QoQ. Personal loans declined 6% QoQ, and credit cards were flat QoQ, with the mix of cards standing at 18.2% of loans. JLG mix stood at 5.8% of advances.
- Deposits grew 11.2% YoY/1.6% QoQ. CASA mix moderated 170bp QoQ to 32.5%. The C/D ratio was 83.8%. Overall credit growth for FY26 is expected to be in the mid-teens, while the RoA trajectory is likely to improve steadily.
- Fresh slippages stood stable at INR10.6b. GNPA/NNPA ratios increased by 18bp/16bp QoQ to 2.78%/0.45%. PCR moderated to 84%. Restructured book declined to 0.22% (from 0.29% in 4QFY25).
- RBK's credit costs for 1QFY26 came in at 50bp (including the 6bp contingent provision on JLG loans).

Highlights from the management commentary

- Yield on advances was lower by 48-49bp QoQ due to lower card balances and repo cut. RBK expects a 15-20bp decline in yield on advances in 2QFY26 (would likely bottom out).
- On 4QFY26 exit, NIM would be in the range of 4.8-4.9%. A 15-20bp drop in yield is expected in 2Q. This will be offset by a reduction in deposit rates, which will stabilize the NIM trajectory.
- The unsecured book would grow in single digits, while the secured book growth would be in the early-to-mid-20s.
- Going forward, provisions on JLG would be 25% of fresh slippages, unless there are some material issues. Thus, credit cost would be in the range of 50bp.

Valuation and view

RBK reported a beat on earnings, with margins sharply moderating due to the repo rate cuts. Deposits grew 2% QoQ, with the CASA ratio moderating to 32.5%. Advances also increased 2% QoQ, with the bank expecting it to grow in the mid-teens, with a mid-to-high teen growth in wholesale advances. In addition, the comfortable CD ratio will further support its credit growth. Asset quality ratios deteriorated slightly as slippages continued to remain at elevated levels. Management indicated that credit quality trends would improve going forward, primarily from 2H, which should keep RBK's credit costs under control. Opex was high due to higher collection costs, as the bank is shifting the collections process in-house. This has resulted in the C/I ratio inching up to 72.4%. The operating leverage benefit would be reflected from 3QFY26 onwards, and the C/I ratio will start trending downwards. **We fine-tune our EPS estimates and project an FY27E RoA/RoE of 1.07%/11.4%. Reiterate Buy with a TP of INR290 (premised on 1x FY27E BV).**

Quarterly performance

INRb	FY25				FY26E				FY25	FY26E	FY26E V/s our	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	17.0	16.1	15.9	15.6	14.8	14.8	16.0	17.9	64.6	63.5	14.8	0%
% Change (Y-o-Y)	19.5	9.5	2.5	-2.3	-12.9	-8.4	0.9	14.4	7.0	-1.8	-12.7	
Other Income	8.1	9.3	10.7	10.0	10.7	10.1	10.5	10.9	38.1	42.2	10.1	6%
Total Income	25.1	25.4	26.6	25.6	25.5	24.9	26.5	28.8	102.7	105.7	25.0	2%
Operating Expenses	16.5	16.3	16.6	17.0	18.5	17.8	17.9	18.2	66.4	72.4	17.4	6%
Operating Profit	8.6	9.1	10.0	8.6	7.0	7.1	8.6	10.5	36.3	33.3	7.6	-8%
% Change (Y-o-Y)	32.7	24.5	30.2	-2.9	-18.2	-21.6	-13.7	22.4	19.7	-8.2	-11.5	
Provisions	3.7	6.2	11.9	7.9	4.4	5.3	5.0	4.9	29.6	19.6	5.7	-23%
Profit before Tax	4.9	2.9	-1.9	0.8	2.6	1.9	3.6	5.6	6.7	13.7	1.9	38%
Tax	1.2	0.7	-2.2	0.1	0.6	0.5	0.9	1.4	-0.3	3.4	0.5	27%
Net Profit	3.7	2.2	0.3	0.7	2.0	1.4	2.7	4.2	7.0	10.3	1.4	42%
% Change (Y-o-Y)	29.0	-24.3	-86.0	-80.5	-46.1	-36.8	721.2	515.6	-40.5	48.4	-62.0	
Operating Parameters												
Deposit	1,013.5	1,079.6	1,067.5	1,109.4	1,127.3	1,157.8	1,194.8	1,255.9	1,109.4	1,255.9	1,133.6	
Loan	867.0	878.8	904.1	926.2	944.3	971.2	1,005.7	1,051.2	926.2	1,051.2	949.0	
Deposit Growth (%)	18.4	20.2	15.1	7.2	11.2	7.2	11.9	13.2	7.2	13.2	11.8	
Loan Growth (%)	18.6	15.1	13.1	10.3	8.9	10.5	11.2	13.5	10.3	13.5	9.5	
Asset Quality												
Gross NPA (%)	2.7	2.9	2.9	2.6	2.8	2.8	2.8	2.8	2.6	2.8	2.7	
Net NPA (%)	0.7	0.8	0.5	0.3	0.5	0.5	0.6	0.6	0.3	0.6	0.3	
PCR (%)	73.1	73.0	82.2	89.0	84.0	82.1	80.5	79.2	89.0	79.2	88.4	

E: MOFSL Estimates

Quarterly snapshot

INR b	FY25				FY26	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss							
Net Interest Income	17.0	16.1	15.9	15.6	14.8	-13	-5
Other Income	8.1	9.3	10.7	10.0	10.7	33	7
Total Income	25.1	25.4	26.6	25.6	25.5	2	-1
Operating Expenses	16.5	16.3	16.6	17.0	18.5	12	9
-Employee	3.7	4.7	4.5	4.5	4.7	29	6
-Others	12.8	11.7	12.1	12.5	13.7	7	9
Operating Profits	8.6	9.1	10.0	8.6	7.0	-18	-18
Core Operating Profits	8.2	8.1	7.9	8.3	4.3	-48	-49
Provisions	3.7	6.2	11.9	7.9	4.4	21	-44
PBT	4.9	2.9	-1.9	0.8	2.6	-47	243
Taxes	1.2	0.7	-2.2	0.1	0.6	-50	720
PAT	3.7	2.2	0.3	0.7	2.0	-46	192
Balance Sheet							
Loans	867	879	904	926	944	9	2
Deposits	1,014	1,080	1,068	1,109	1,127	11	2
CASA deposits	330	362	350	379	366	11	-3
-Savings	182	197	203	200	189	4	-5
-Demand	148	166	147	179	177	20	-1
Loan mix (%)							
Retail	62.0	62.3	61.1	60.1	60.0	-201	-18
-Microfinance	8.4	7.9	7.2	6.2	5.8	-261	-45
-Cards	20.1	19.8	19.1	18.5	18.2	-186	-29
-Business loans	9.4	10.1	10.9	12.1	12.3	291	29
C&IB	27.2	26.6	27.0	27.2	26.9	-31	-31
CB	10.8	11.1	11.9	12.7	13.2	232	49
Asset Quality							
GNPA	23.8	25.8	27.0	24.7	26.9	13	9
NNPA	6.4	7.0	4.8	2.7	4.3	-33	58
Slippages	7.2	10.3	13.1	10.6	10.6	47	0
Asset Quality Ratios (%)							
GNPA	2.7	2.9	2.9	2.6	2.8	9	18
NNPA	0.7	0.8	0.5	0.3	0.5	-29	16
PCR (Calc)	73.1	73.0	82.2	89.0	84.0	1,090	-498
Slippage ratio	3.6	5.0	6.1	4.8	4.7	108	-11
Business Ratios (%)							
Other income/Total Income	32.1	36.5	40.4	39.0	41.9	979	292
CASA mix	32.6	33.6	32.8	34.1	32.5	-8	-167
Loan/Deposit	85.5	81.4	84.7	83.5	83.8	-178	28
Cost / Assets (%)	5.2	4.9	5.0	4.8	5.2	1	42
Cost to Income	65.7	64.2	62.5	66.4	72.4	672	604
Tax Rate	24.6	23.7	117.0	9.7	23.1	-147	1,347
Capitalisation ratios (%)							
Tier-1 (incl profit)	13.9	14.2	13.7	14.1	14.1	20	-1
- CET 1 (incl profit)	13.9	14.2	13.7	14.1	14.1	20	-1
CAR (incl profit)	15.6	15.9	15.4	15.5	15.6	3	5
RWA / Total Assets	77.3	72.4	76.8	71.4	0.0	-7,733	-7,145
LCR	137.0	129.0	142.9	132.5	0.0	-13,700	-13,250
Profitability Ratios							
Yield on loans	14.2	13.5	13.3	13.0	12.5	-167	-50
Yield on Funds	12.6	12.4	12.2	11.5	11.4	-123	-11
Cost of funds	6.6	6.6	6.6	6.6	6.6	-8	-5
Margins	5.7	5.0	4.9	4.9	4.5	-117	-39
Other details							
Branches	545	550	558	561	562	17	1
Employees	13,353	14,777	14,715	412	14,186	833	13,774

Source: Company, MOFSL



Highlights from the management commentary

Opening remarks by the MD and CEO, Mr. R Subramaniakumar

- The bank has shown healthy growth in retail advances, with the Retail: wholesale mix at 40:60.
- Advances grew 9% YoY/2% QoQ, the trend is encouraging with secured advances growth of 23% YoY and commercial banking 32% YoY.
- Recently introduced new products for our retail clients. Commercial banking remains the key growth engine.
- Capital ratios remained comfortable, with CRAR at 15.59% and CET-1 at 14.05%.
- Deposits grew 11% YoY/2% QoQ, and on a per-branch basis, the bank's deposits are comparable with peers of this size. RBK is continuing to invest in deepening its branch presence.
- CASA deposits grew 11% YoY, while moderating QoQ. Granular deposits grew 16% YoY/5% QoQ.
- Sharper and more balanced portfolio in wholesale and retail.
- Important pillars for growth: Cost of deposit, cost of operations, cost of credit, and cross-selling.
- Avg. LCR was 152% for the quarter, which would be moderated to 130-140%.
- NIM was lower due to repricing on the advances side and a change in the mix of advances; this led to a 50bp sequential decline in the yield on advances.
- Within wholesale, commercial banking grew 32% YoY/6% QoQ.
- Granular retail deposits as a % of total deposits stood at 51.4%. Secured book will grow faster than the unsecured book.

Yields, costs, and margins

- Cost of funds was marginally lower at 6.55%, while the cost of deposits was flat at 6.53%.
- NIM came in at 4.5%, lower due to repricing of advances and change in advances mix. RBK expects an improvement in margin from 3QFY26 onwards.
- Yield on advances was lower by 48-49bps QoQ due to lower card balances and repo cut. Management expects a 15-20bp decline in yield on advances in 2QFY26 (would be bottomed out).
- The bank has reduced its SA and TD rates, the full impact of which will be visible in 2QFY26.
- SA rates are down 60bp, and TD rates are cut by 40-70bp.
- Expect deposit costs to fall 20-22bp in 2QFY26.
- On 4QFY26 exit, NIM would be in the 4.8-4.9% range.
- Opex grew 12% YoY/8% QoQ due to higher collection costs, as the bank is shifting the collections process in-house. This has resulted in the C/I ratio inching up to 72.4%. Operating leverage benefit would be reflected from 3QFY26.
- Expect cost growth to be in line with advance growth or slightly lower.
- Fee income should also grow, trend in teens going forward
- A 15-20bp drop in yield is expected in 2Q, which will be offset by a reduction in deposit rates. Consequently, this will stabilize the NIM trajectory.
- There was a lower contribution from unsecured book than the previous quarter; hence, a lower margin was a reflection of lower risk on both sides of the balance sheet.

- The C/I ratio is expected to trend downwards going forward.
- On the costs front, there will be moderate growth going forward; in absolute terms, however, it will not go down materially.
- Payment fee is a general banking fee and for cards as well; the fee income is expected to grow well going forward.

Deposits and advances

- Growth in unsecured has moderated due to lower growth in cards, while JLG was steady.
- RFL undertakes disbursements in Affordable housing, small business, and would extend individual loans to seasoned JLG borrowers, which is expected to scale in the next 2-3 quarters.
- Mortgage focus was on small ticket loans, RFL distribution adds to originations.
- Over the next 6-9 months, growth would be higher from secured retail book than unsecured.
- Credit card profitability was below the normalized level; it should stabilize in the next two quarters.
- The bank is comfortable with a CD ratio of 83-87%.
- Overall credit growth for FY26 would be in mid-teens, with wholesale book growth likely to be in the mid-high teen's level.
- Unsecured book would clock single-digit growth, while the Secured book would record early-to-mid-20s growth.
- Repo-linked book was ~30%, MCLR was ~5%, floating was 47-48%.
- Foreign currency book is about 6% of the rupee book, 47-48% is floating rate, and 5-7% is short-term fixed-rate book (which RBK considers as floating).
- The bank has seen some movement from SA to TD, but no movement out of the bank can be seen.
- RBK will compromise on growth to get the right yield in Prime loans.
- The entire drive is on AH and LAP, and business banking is to leverage on branches; it has been participating in cross-selling, and in tier 2-3 cities, RBK has been able to attract better yields.
- Going forward, the bank will continue to focus on more disbursements in AH, LAP, and business banking.

Asset quality

- The bank has reinstated 1% contingent provisions on JLG; however, it does not intend to reinstate this for cards.
- Restructured book stood at 22bps in 1QFY26.
- Accounts slipping from SMA to slippages would be 75-80% of SMA in JLG.
- Going forward, provisions on JLG would be 25% of fresh slippages, unless there are some material issues. Thus, credit cost would be in the range of 50bps.
- The bank has sold INR9b NPA in cards to ARC.
- Guided Sub 2% credit cost to be maintained.
- In some high-value accounts, loans have slipped, and the bank doesn't expect this to repeat going forward.
- Between 4Q and 1Q, there was an increase in revolver rate due to funding requirements for customers; there was no risk-led increase, just a cyclical movement.

- Ex-bucket CE in MFI is 98.4%.

CGFMU related

- Pay 1% of the portfolio as cover for insurance costs.
- About 50% of the JLG book would be covered by CGFMU.

Guidance

- The bank wants to exit the year with 1% RoA.
- On 4QFY26 exit, NIM would be 4.8%-4.9% range.
- Bank expects a 15-20bp decline in yield on advances in 2QFY26 (would be bottomed out).
- Overall credit growth for FY26 would be in mid-teens with Wholesale book growth would be mid-high teens.
- Unsecured book would see single-digit growth, and the Secured book growth would be in the early-to-mid-20s level.
- The CD ratio should be ~83-87% going forward as well.

Story in charts

Exhibit 1: Loans/Deposits grew 8.9%/11.2% YoY

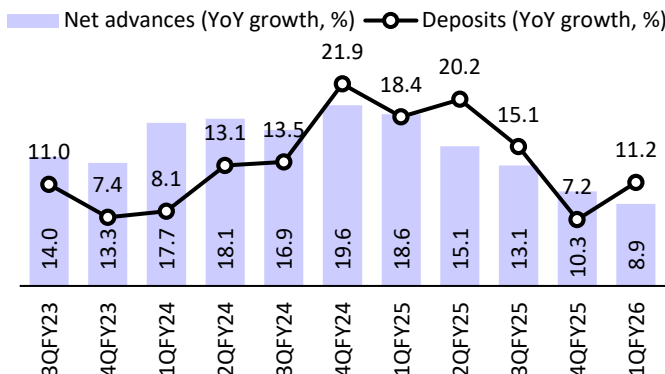


Exhibit 2: The mix of retail stood at 60%

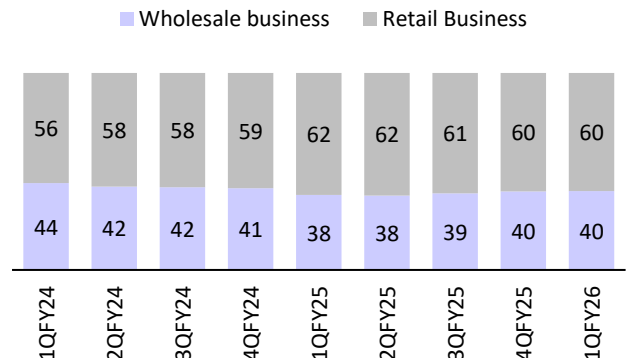


Exhibit 3: Mkt share in cards/spending stood at 4.3%/3.9%

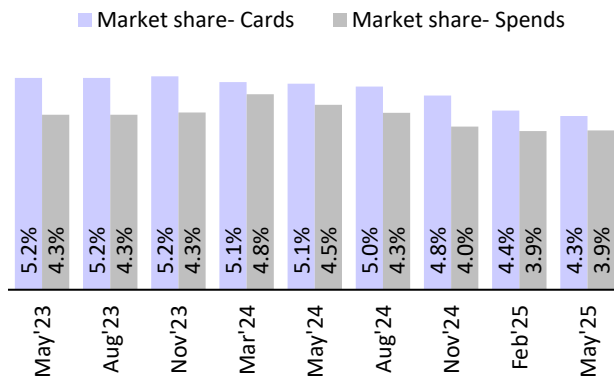


Exhibit 4: NIM moderated 39bp QoQ to 4.5%

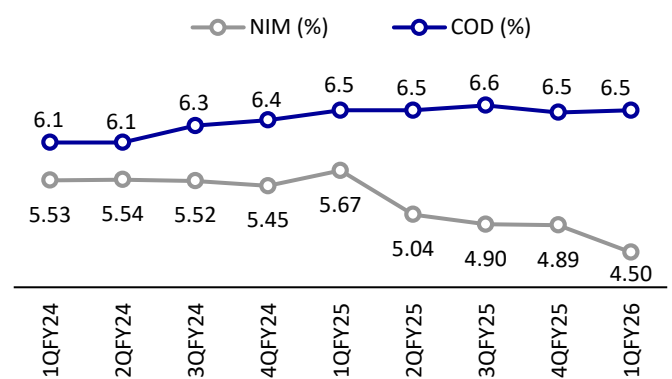


Exhibit 5: C/I ratio increased to 72.4%; Cost/Asset at 5.2%

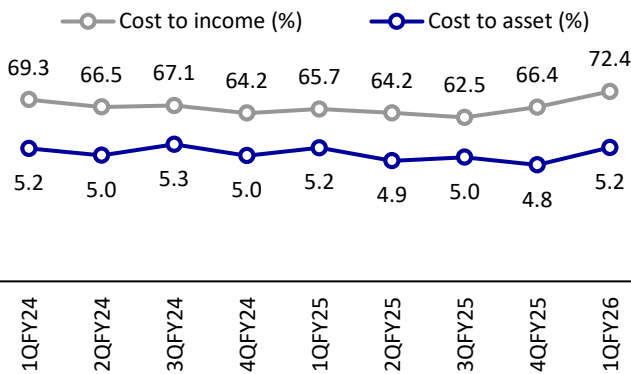


Exhibit 6: C/D ratio at 83.8%; LCR increased to 152%

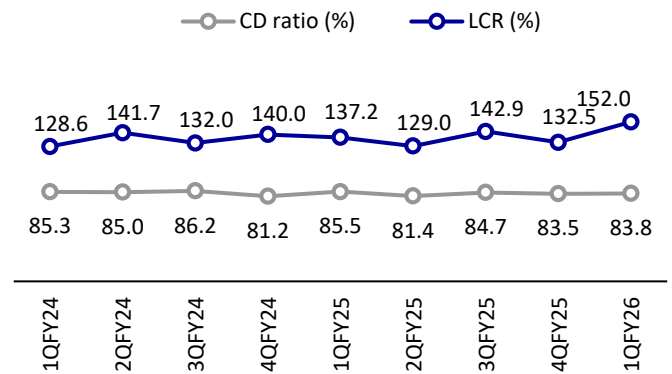


Exhibit 7: Credit cost annualized (calc) stood at 2%

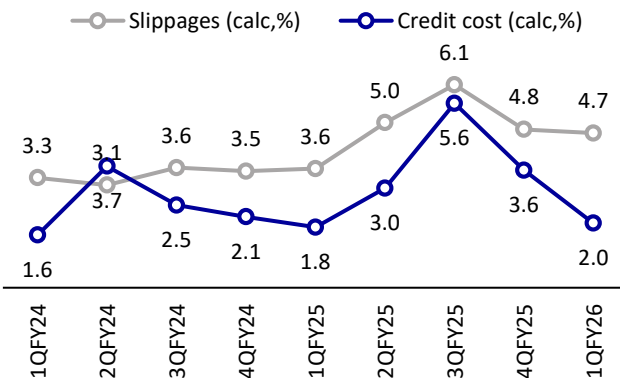
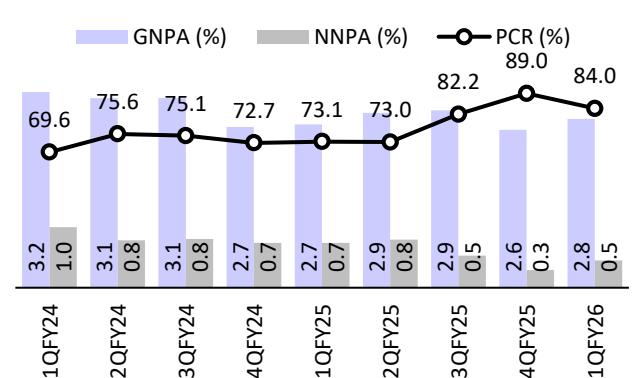


Exhibit 8: GNPA/NNPA increased to 2.8%/0.5%; PCR at 84%



Source: MOFSL, Company

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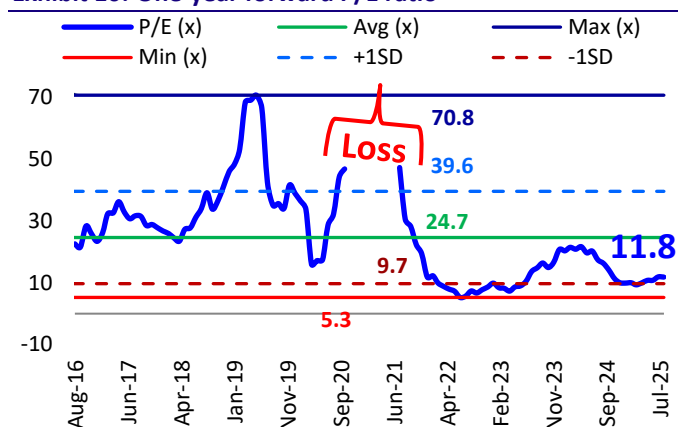
Valuation and view

- RBK reported a beat on earnings, with margins sharply moderating due to the repo rate cuts. Deposits grew 2% QoQ, with the CASA ratio moderating to 32.5%. Advances also increased 2% QoQ, with the bank expecting it to grow in the mid-teens, with a mid-to-high teen growth in wholesale advances. In addition, the comfortable CD ratio will further support its credit growth. Asset quality ratios deteriorated slightly as slippages continued to remain at elevated levels. Management indicated that credit quality trends would improve going forward, primarily from 2H, which should keep RBK's credit costs under control. Opex was high due to higher collection costs, as the bank is shifting the collections process in-house. This has resulted in the C/I ratio inching up to 72.4%. The operating leverage benefit would be reflected from 3QFY26 onwards, and the C/I ratio will start trending downwards. **We fine-tune our EPS estimates and project an FY27E RoA/RoE of 1.07%/11.4%. Reiterate Buy with a TP of INR290 (premised on 1x FY27E BV).**

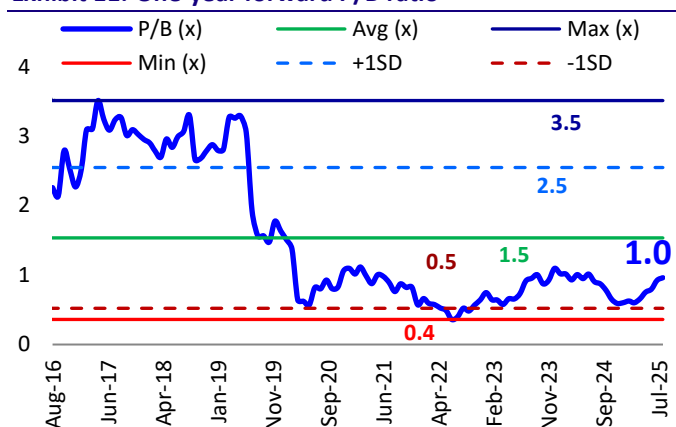
Exhibit 9: Changes to our estimates

INRb	Old estimates		Revised estimates		Change (%/bps)	
	FY26	FY27	FY26	FY27	FY26	FY27
Net Interest Income	66.9	80.0	63.5	78.1	-5.1	-2.3
Other Income	42.2	47.7	42.2	47.7	0.0	0.0
Total Income	109.1	127.6	105.7	125.8	-3.1	-1.4
Operating Expenses	72.4	80.7	72.4	80.5	0.0	-0.2
Operating Profits	36.7	46.9	33.3	45.3	-9.3	-3.4
Provisions	22.7	21.9	19.6	20.2	-13.6	-7.8
PBT	14.0	25.0	13.7	25.1	-2.2	0.3
Tax	3.5	6.2	3.4	6.1	-2.2	-0.5
PAT	10.6	18.8	10.3	18.9	-2.2	0.6
Loans	1,053	1,212	1,051	1,213	-0.2	0.1
Deposits	1,256	1,438	1,256	1,439	0.0	0.1
Margins (%)	4.59	4.82	4.36	4.71	-23	-11
Credit Cost (%)	2.26	1.90	1.95	1.75	-31	-15
RoA (%)	0.68	1.06	0.66	1.07	-1	1
RoE (%)	6.7	11.3	6.5	11.4	-15	8
EPS	17.4	31.1	17.1	31.3	-2.2	0.6
BV	264.0	284.1	263.7	284.0	-0.1	0.0
ABV	259.6	279.4	256.4	275.1	-1.2	-1.5

Source: Company, MOFSL

Exhibit 10: One-year forward P/E ratio


Source: MOFSL, Company

Exhibit 11: One-year forward P/B ratio


Source: MOFSL, Company

Exhibit 12: DuPont analysis – we estimate return ratios to improve gradually

Y/E MARCH	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	7.90	8.71	9.75	9.85	9.35	9.53	9.58
Interest Expense	4.01	4.21	5.00	5.31	5.28	5.13	5.05
Net Interest Income	3.89	4.50	4.75	4.53	4.07	4.41	4.52
Fee income	2.02	2.13	2.29	2.56	2.58	2.55	2.55
Trading and others	0.24	0.11	0.11	0.11	0.12	0.13	0.14
Non-Interest income	2.26	2.24	2.39	2.67	2.70	2.69	2.69
Total Income	6.16	6.74	7.15	7.20	6.77	7.09	7.21
Operating Expenses	3.50	4.76	4.76	4.66	4.64	4.54	4.43
-Employee cost	0.97	1.21	1.17	1.26	1.27	1.25	1.23
-Others	2.53	3.55	3.59	3.40	3.36	3.28	3.20
Operating Profit	2.65	1.98	2.38	2.54	2.13	2.55	2.78
Core Operating Profit	2.41	1.87	2.28	2.43	2.01	2.42	2.64
Provisions	2.77	0.92	1.39	2.08	1.26	1.14	1.18
PBT	-0.11	1.06	0.99	0.47	0.88	1.41	1.60
Tax	-0.04	0.27	0.07	-0.02	0.22	0.35	0.39
RoA	-0.07	0.79	0.92	0.49	0.66	1.07	1.20
Leverage (x)	8.2	8.5	9.0	9.4	9.9	10.7	11.3
RoE	-0.6	6.7	8.2	4.6	6.5	11.4	13.7

Source: Company, MOFSL

Financials and valuations

Income Statement						(INR b)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	96.8	123.9	140.4	145.9	169.1	195.3
Interest Expense	46.8	63.5	75.8	82.4	91.0	103.0
Net Interest Income	50.0	60.4	64.6	63.5	78.1	92.3
-growth (%)	24.1	20.9	7.0	-1.8	23.1	18.1
Non-Interest Income	24.9	30.4	38.1	42.2	47.7	54.8
Total Income	74.9	90.9	102.7	105.7	125.8	147.1
-growth (%)	17.6	21.3	13.0	2.9	19.1	16.9
Operating Expenses	52.9	60.6	66.4	72.4	80.5	90.4
Pre Provision Profits	22.0	30.3	36.3	33.3	45.3	56.7
-growth (%)	-19.8	37.6	19.7	-8.2	36.0	25.1
Core PPOp	20.8	29.0	34.6	31.3	42.9	53.9
-growth (%)	-16.7	39.2	19.7	-9.5	37.0	25.4
Provisions	10.2	17.7	29.6	19.6	20.2	24.1
PBT	11.8	12.6	6.7	13.7	25.1	32.5
Tax	3.0	0.9	-0.3	3.4	6.1	8.0
Tax Rate (%)	25.2	7.3	-4.1	24.7	24.5	24.5
PAT	8.83	11.7	7.0	10.3	18.9	24.6
-growth (%)	-1,281.2	32.3	-40.5	48.4	83.5	29.8

Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	6.0	6.1	6.1	6.1	6.1	6.1
Reserves & Surplus	129.8	141.9	150.0	153.5	165.8	181.8
Net Worth	135.8	148.0	156.0	159.6	171.9	187.8
Deposits	848.9	1,034.9	1,109.4	1,255.9	1,439.2	1,663.8
-growth (%)	7.4	21.9	7.2	13.2	14.6	15.6
- CASA Dep	317.2	364.5	380.5	395.6	473.5	569.0
-growth (%)	13.8	14.9	4.4	4.0	19.7	20.2
Borrowings	133.3	141.8	137.3	162.8	190.5	222.3
Other Liabilities & Prov.	40.8	59.6	64.4	76.0	92.0	111.3
Total Liabilities	1,158.8	1,384.3	1,467.2	1,654.3	1,893.6	2,185.2
Cash & Balances with RBI	62.4	120.7	109.6	93.6	101.0	109.4
Investments	288.8	295.7	321.6	363.5	418.7	483.6
-growth (%)	29.6	2.4	8.8	13.0	15.2	15.5
Loans	702.1	839.9	926.2	1,051.2	1,213.1	1,413.3
-growth (%)	17.0	19.6	10.3	13.5	15.4	16.5
Fixed Assets	5.7	5.3	5.8	5.7	6.1	6.6
Other Assets	77.0	99.2	88.1	100.5	110.7	121.3
Total Assets	1,158.8	1,384.3	1,467.3	1,654.3	1,893.6	2,185.2

Asset Quality						
GNPA (INR b)	24.2	22.7	24.7	30.6	33.2	37.6
NNPA (INR b)	7.7	6.2	2.7	6.4	7.7	9.0
Slippages (INR b)	27.5	24.4	41.5	34.3	34.7	39.3
GNPA Ratio	3.37	2.7	2.6	2.8	2.7	2.6
NNPA Ratio	1.10	0.7	0.3	0.6	0.6	0.6
Slippage Ratio	4.59	3.5	4.9	3.7	3.3	3.2
Credit Cost	1.57	2.3	3.4	2.0	1.8	1.8
PCR (Excl Tech. write off)	68.1	72.7	89.0	79.2	76.8	76.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	9.4	10.5	10.6	10.0	10.2	10.2
Avg. Yield on loans	11.8	12.9	12.7	11.9	12.1	12.1
Avg. Yield on Investments	6.4	7.0	7.0	6.7	6.6	6.6
Avg. Cost-Int. Bear. Liab.	5.0	5.9	6.3	6.2	6.0	5.9
Avg. Cost of Deposits	4.9	5.7	6.2	6.1	5.8	5.7
Interest Spread	4.4	4.7	4.4	3.8	4.2	4.4
Net Interest Margin	4.8	5.1	4.9	4.4	4.7	4.8
Capitalization Ratios (%)						
CAR	16.9	16.2	16.2	15.2	14.5	13.8
Tier I	15.3	14.4	14.1	13.2	12.6	12.1
-CET-1	15.3	14.4	14.1	13.2	12.6	12.1
Tier II	1.6	1.8	2.1	2.0	1.8	1.7
Business Ratios (%)						
Loans/Deposit Ratio	82.7	81.2	83.5	83.7	84.3	84.9
CASA Ratio	37.4	35.2	34.3	31.5	32.9	34.2
Cost/Assets	4.6	4.4	4.5	4.4	4.3	4.1
Cost/Total Income	70.6	66.6	64.7	68.5	64.0	61.5
Int. Expense/Int. Income	48.3	51.2	54.0	56.5	53.8	52.8
Fee Income/Net Income	28.0	29.1	31.7	34.0	32.1	31.5
Non Int. Inc./Net Income	33.2	33.5	37.1	39.9	37.9	37.3
Empl. Cost/Total opex	25.4	24.6	27.0	27.5	27.6	27.8
Efficiency Ratios (INRm)						
Employee per branch (in nos)	21.3	22.9	25.7	28.9	32.6	36.6
Staff cost per employee	1.2	1.2	1.2	1.2	1.1	1.1
CASA per branch	613.5	668.8	665.0	664.7	765.0	884.0
Deposits per branch	1,641.9	1,899.0	1,938.7	2,110.2	2,325.3	2,584.7
Business per Employee	140.6	150.3	138.3	134.0	131.6	130.5
Profit per Employee	0.8	0.9	0.5	0.6	0.9	1.0

Profitability & Valuation Ratios

RoE	6.7	8.2	4.6	6.5	11.4	13.7
RoA	0.8	0.9	0.5	0.7	1.1	1.2
RoRWA	1.1	1.3	0.7	0.9	1.5	1.7
Book Value (INR)	226	245	258	264	284	310
-growth (%)	7.6	8.0	5.5	2.3	7.7	9.3
Price-BV (x)	1.1	1.1	1.0	1.0	0.9	0.8
Adjusted BV (INR)	215	235	255	256	275	300
Price-ABV (x)	1.2	1.1	1.0	1.0	0.9	0.9
EPS (INR)	14.7	19.3	11.5	17.1	31.3	40.6
-growth (%)	-1,281.0	31.1	-40.5	48.4	83.5	29.8
Price-Earnings (x)	17.7	13.5	22.6	15.2	8.3	6.4
Dividend Per Share (INR)	0.0	1.5	2.9	5.1	9.4	12.2
Dividend Yield (%)	0.0	0.6	1.1	2.0	3.6	4.7

E: MOFSL Estimates

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Nainesh Rajani

Email: nainesh.raiani@motilaloswal.com

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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