

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	RBK IN
Equity Shares (m)	613
M.Cap.(INRb)/(USD\$)	183.7 / 2.1
52-Week Range (INR)	308 / 146
1, 6, 12 Rel. Per (%)	12/55/44
12M Avg Val (INR M)	2540

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	64.6	64.7	88.8
OP	36.3	32.1	50.8
NP	7.0	10.2	22.7
NIM (%)	4.9	4.4	4.9
EPS (INR)	11.4	16.8	14.5
EPS Gr. (%)	-40.7	47.2	-13.9
BV/Sh. (INR)	254	265	284
ABV/Sh. (INR)	248	257	280

Ratios

RoA (%)	0.5	0.7	1.2
RoE (%)	4.6	6.5	7.5
Payout (%)	13.1	30.0	30.0

Valuations

P/E(X)	26.2	17.8	20.7
P/BV (X)	1.2	1.1	1.1

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: INR300

TP: INR350 (+17%)

Buy

Emirates NBD deal to unfold new growth opportunities

NII in line; higher provisions lead to slight earnings miss

- RBL Bank (RBK) reported 2QFY26 PAT of INR1.8b (5% miss), down 20% YoY, due to higher-than-expected provisions and lower other income.
- Emirates will invest USD3b to acquire a 60% stake in RBK through a preferential issue at INR280 per share, triggering an open offer for an additional 26% stake, potentially increasing its holding to 74% after the transaction, subject to regulatory and shareholder approvals. This strategic investment will enhance capital and strengthen ties between India and the UAE, and increase RBK's net worth to INR420-445b.
- This capital infusion will help RBK scale its existing business and expand into non-resident, trade, and cross-border corporate banking, leveraging Emirates' global presence and technology integration. With a 50% board representation but no management control for Emirates NBD, the deal aims to accelerate RBK's growth through organic and inorganic opportunities while maintaining core operations and enhancing shareholder value.
- NII grew 4.7% QoQ (down 4% YoY) to INR15.5b (in line). NIM expanded by 1bp QoQ to 4.51%.
- Fresh slippages moderated to INR9.25b from INR10.6b in 1QFY26. GNPA ratio improved by 46bp QoQ to 2.32%, while NNPA ratio increased by 12bp QoQ to 0.57%. PCR moderated to 75.9%.
- Given the fund infusion from Emirates NBD expected in 1QFY27, we increase our earnings estimates by 19%/17% for FY27/28E. We estimate FY27/28E RoA of 1.2% /1.4%. Reiterate Buy with a TP of INR350 (premised on 1.3x FY27E BV).**

Advances growth healthy; margins expand 1bp QoQ

- RBK reported 2QFY26 PAT of INR1.8b (5% miss, 20% YoY decline), due to higher provisions and lower other income.
- NII grew 4.7% QoQ (down 4% YoY) to INR15.5b (in line). NIM expanded by 1bp QoQ to 4.51%. RBK expects to see ~4.8% of exit NIMs in 4QFY26.
- Other income was down 13% QoQ and flat YoY at INR9.3b (7% miss) as it is impacted by INR440mn on account of MTM on unlisted equities. Treasury gains stood at INR67m vs. INR2.8b in 1QFY26. Total revenue thus declined 2% YoY (3% QoQ) to INR24.8b (in line). Opex rose 8% YoY to INR17.6b (4% lower than MOFSLe). The C/I ratio thus moderated 177bp QoQ to 70.7%.
- PPoP declined 20% YoY (up 3.6% QoQ) to INR7.3b (6% beat). Provisions stood at INR5b vs. MOFSLe of INR4.4b.
- Advances grew 14.4% YoY (up 6.5% QoQ) to INR1t. Retail book grew 9.9% YoY (6.2% QoQ) and wholesale grew 22% YoY (6.9% QoQ). Business loans grew 15.7% QoQ and housing loans grew 1.7% QoQ. Personal loans declined 6% QoQ, and credit cards were flat QoQ, with the mix of cards standing at 17.1% of loans. MFI book grew 8.3% QoQ with the mix at 5.9%.
- Deposits grew 8.1% YoY/3.5% QoQ. CASA mix moderated 62bp QoQ to 31.9%. The C/D ratio, thus, increased to 86.2%.
- Fresh slippages moderated to INR9.25b vs. INR10.6b in 1Q. GNPA ratio improved by 46bp QoQ to 2.32%. NNPA ratio increased by 12bp QoQ to 0.57%. PCR decline to 75.9%. 2Q credit costs stood at 54bp vs. 50bp in 1Q.

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Highlights from the management commentary

- **Emirates stake in RBK:** On paper the stake can go up to 86% (60% infusion+ 26% open offer), hence the open offer will be done first, and depending on how much is offered, the stake sale will be scaled down to keep the maximum stake at 74%.
- The corporate write-off of INR1.4b is a technical write-off and is already 100% provided for.
- Slippages have inched up in credit cards and PL, which will take a couple of quarters to normalize.
- RBK holds a 5% stake in Utkarsh SFB Holdco. Due to ECL, holdco reported a decline in net worth, leading to a one-off loss of INR440m. The bank does not expect that to recur.
- NIM trajectory will improve by 10-15bp every quarter. The bank expects NIMs of 4.7-4.8% by 4QFY26 end.

Valuation and view

RBK reported a slight earnings miss due to higher provisions and lower other income even as margins expanded by 1bp QoQ. Business growth was steady, with advances growing 6.5% QoQ. The bank is looking to grow unsecured business going forward as macro stress eases. Moreover, the comfortable CD ratio will further support credit growth. GNPA ratio improved, whereas NNPA ratio deteriorated. Slippages moderated but remained at elevated levels. Emirates will invest USD3b for a 60% stake in RBK, triggering an open offer to acquire up to 26%. This will enable RBK to scale up its operations and expand into cross-border and NR business. The deal, subject to regulatory and shareholder approvals, brings strategic capital and global synergy without changing senior management. **Given the fund infusion from Emirates NBD expected in 1QFY27, we increase our earnings estimates by 19%/17% for FY27/28E. We estimate FY27/28E RoA of 1.2%/1.4%. Reiterate BUY with a TP of INR350 (premised on 1.3x FY27E BV).**

Quarterly performance

	FY25				FY26E				FY25	FY26E	FY26E V/s our	
INRb	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	17.0	16.1	15.9	15.6	14.8	15.5	16.6	17.8	64.6	64.7	15.2	2%
% Change (Y-o-Y)	19.5	9.5	2.5	-2.3	-12.9	-4.0	4.4	13.8	7.0	0.0	-5.9	
Other Income	8.1	9.3	10.7	10.0	10.7	9.3	10.1	10.6	38.1	40.7	10.1	-7%
Total Income	25.1	25.4	26.6	25.6	25.5	24.8	26.6	28.4	102.7	105.4	25.2	-2%
Operating Expenses	16.5	16.3	16.6	17.0	18.5	17.5	18.2	19.0	66.4	73.2	18.4	-4%
Operating Profit	8.6	9.1	10.0	8.6	7.0	7.3	8.4	9.4	36.3	32.1	6.9	6%
% Change (Y-o-Y)	32.7	24.5	30.2	-2.9	-18.2	-19.9	-15.6	9.4	19.7	-11.4	-24.4	
Provisions	3.7	6.2	11.9	7.9	4.4	5.0	4.7	4.4	28.7	18.6	4.4	14%
Profit before Tax	4.9	2.9	-1.9	0.8	2.6	2.3	3.7	5.0	7.6	13.6	2.5	-9%
Tax	1.2	0.7	-2.2	0.1	0.6	0.5	0.9	1.3	0.6	3.4	0.6	-21%
Net Profit	3.7	2.2	0.3	0.7	2.0	1.8	2.8	3.7	7.0	10.2	1.9	-5%
% Change (Y-o-Y)	29.0	-24.3	-86.0	-80.5	-46.1	-19.8	752.5	433.2	-40.5	47.2	-15.4	
Operating Parameters												
Deposit	1,013.5	1,079.6	1,067.5	1,109.4	1,127.3	1,166.7	1,218.2	1,273.6	1,109.4	1,273.6	1,156.3	
Loan	867.0	878.8	904.1	926.2	944.3	1,005.3	1,042.6	1,090.1	926.2	1,090.1	971.2	
Deposit Growth (%)	18.4	20.2	15.1	7.2	11.2	8.1	14.1	14.8	7.2	14.8	7.1	
Loan Growth (%)	18.6	15.1	13.1	10.3	8.9	14.4	15.3	17.7	10.3	17.7	10.5	
Asset Quality												
Gross NPA (%)	2.7	2.9	2.9	2.6	2.8	2.3	2.4	2.4	2.6	2.4	2.8	
Net NPA (%)	0.7	0.8	0.5	0.3	0.5	0.6	0.6	0.6	0.3	0.6	0.5	
PCR (%)	73.1	73.0	82.2	89.0	84.0	75.9	75.6	75.3	89.0	75.3	82.1	

Quarterly snapshot

INR b	FY25				FY26		Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Profit and Loss								
Net Interest Income	17.0	16.1	15.9	15.6	14.8	15.5	-4	5
Other Income	8.1	9.3	10.7	10.0	10.7	9.3	1	-13
Total Income	25.1	25.4	26.6	25.6	25.5	24.8	-2	-3
Operating Expenses	16.5	16.3	16.6	17.0	18.5	17.5	8	-5
-Employee	3.7	4.7	4.5	4.5	4.7	4.8	4	2
-Others	12.8	11.7	12.1	12.5	13.7	12.7	9	-7
Operating Profits	8.6	9.1	10.0	8.6	7.0	7.3	-20	4
Core Operating Profits	8.2	8.1	7.9	8.3	4.3	7.2	-11	69
Provisions	3.7	6.2	11.9	7.9	4.4	5.0	-19	13
PBT	4.9	2.9	-1.9	0.8	2.6	2.3	-22	-12
Taxes	1.2	0.7	-2.2	0.1	0.6	0.5	-27	-17
PAT	3.7	2.2	0.3	0.7	2.0	1.8	-20	-11
Balance Sheet								
Loans	867	879	904	926	944	1,005	14	6
Deposits	1,014	1,080	1,068	1,109	1,127	1,167	8	3
CASA deposits	330	362	350	379	366	372	3	2
-Savings	182	197	203	200	189	198	1	5
-Demand	148	166	147	179	177	174	5	-2
Loan mix (%)								
Retail	62.0	62.3	61.1	60.1	60.0	59.8	-245	-15
-Microfinance	8.4	7.9	7.2	6.2	5.8	5.9	-208	10
-Cards	20.1	19.8	19.1	18.5	18.2	17.1	-273	-110
-Business loans	9.4	10.1	10.9	12.1	12.3	13.4	336	108
C&IB	27.2	26.6	27.0	27.2	26.9	27.1	52	25
CB	10.8	11.1	11.9	12.7	13.2	13.0	193	-11
Asset Quality								
GNPA	23.8	25.8	27.0	24.7	26.9	23.8	-8	-11
NNPA	6.4	7.0	4.8	2.7	4.3	5.7	-18	33
Slippages	7.2	10.3	13.1	10.6	10.6	9.3	-10	-13
Asset Quality Ratios (%)								
GNPA	2.7	2.9	2.9	2.6	2.8	2.3	-56	-46
NNPA	0.7	0.8	0.5	0.3	0.5	0.6	-22	12
PCR (Calc)	73.1	73.0	82.2	89.0	84.0	75.9	295	-811
Slippage ratio	3.6	5.0	6.1	4.8	4.7	3.9	-107	-75
Business Ratios (%)								
Other income/Total Income	32.1	36.5	40.4	39.0	41.9	37.6	108	-438
CASA mix	32.6	33.6	32.8	34.1	32.5	31.9	-169	-62
Loan/Deposit	85.5	81.4	84.7	83.5	83.8	86.2	476	240
Cost / Assets (%)	5.2	4.9	5.0	4.8	5.2	4.7	-16	-48
Cost to Income	65.7	64.2	62.5	66.4	72.4	70.7	646	-177
Tax Rate	24.6	23.7	117.0	9.7	23.1	21.9	-174	-120
Capitalisation ratios (%)								
Tier-1 (incl profit)	13.9	14.2	13.7	14.1	14.1	13.5	-69	-54
- CET 1 (incl profit)	13.9	14.2	13.7	14.1	14.1	13.5	-69	-54
CAR (incl profit)	15.6	15.9	15.4	15.5	15.6	15.0	-88	-57
Profitability Ratios								
Yield on loans	14.2	13.5	13.3	13.0	12.5	12.3	-128	-24
Yield on Funds	12.6	12.4	12.2	11.5	11.4	11.0	-134	-32
Cost of funds	6.6	6.6	6.6	6.6	6.6	6.2	-34	-32
Margins	5.7	5.0	4.9	4.9	4.5	4.5	-53	1
Other details								
Branches	545	550	558	561	562	564	14	2
Employees	13,353	14,777	14,715	412	14,186	13,962	-815	-224



Highlights from the management commentary

Opening remarks by MD and CEO Mr. R Subramaniakumar

- RBK has been focusing on strengthening its balance sheet and optimizing the retail mix. It is moving toward secured retail assets.
- MFI portfolio will return to the pre-Covid level soon.
- Retail secured assets have turned PBT positive now. Prime housing will be positive now.

Transaction of Emirates

- Emirates will invest USD3b for a 60% stake. This will trigger an open offer to acquire up to 26%. The open offer price is INR280.
- Emirates is the second largest bank in the UAE. It will bring capital and provide access to the UAE market.
- This transaction will bring long-term value to shareholders and customers.
- Net worth will be INR420b after the transaction.
- On paper, the stake can go up to 86% (60% infusion+ 26% open offer), hence the open offer will be done first, and depending on how much is offered, it shall be scaled down to keep it at 75%.

Use of capital and other clarifications

- The bank will use this capital to scale up the existing business and open new opportunities, such as NR business, trade and NR transactions. The bank will also be able to do cross-border corporate business.
- RBK will not stop looking for low-cost deposits. There might be some retirement of liabilities. But the core banking business will not be stopped due to this.
- WoS is working on the technology platform and hence it would also be easy to integrate RBL branches. A few accounts are common between RBL and Emirates.
- RoA will materially expand given the large inflow of the equity. Given the strong RoA expansion, the bank will return to the respectable RoE as well.
- The bank will first think of organic opportunities and will also look for inorganic opportunities in the future.
- As per the transaction, the board seat share will be 50%. Senior management will likely remain the same. As per the agreement, Emirates will have a board seat and will not have a management seat.
- ENBD has global presence, which provides RBK the opportunity to expand. With the new synergy, the bank will be able to open NR accounts. ENBD is also dealing in the Indian geography and the corporates of UAE in India.
- Until the deal is consummated, the business is going to be as usual.
- ENBD is focused on the growth capital as of now.

Yields, costs, and margins

- Yield on advances has bottomed out, keeping repo cuts aside. The liability side has more levers and hence margins will expand from 3Q onward.
- CoF constraint will be addressed after this deal and growth opportunities will improve.
- Bank has a lever on the SA account, but the delta in the Cost of SA is going to recede from hereon.

- NIMs trajectory will improve by 10-15bp every quarter. The bank expects NIMs of 4.7-4.8% by 4QFY26 end.

Deposits and advances

- Unsecured business growth has been tapered down due to increased risk. The bank will now look at growing this as risks ease.
- In MSME segment, the bank has launched products, as the opportunity is large. The bank will also scale its gold and corporate businesses and will look to explore the retail part of the business.
- RBK will grow the credit cards business as well as the MFI business. The entire secured business has been profitable at the PBT level.
- Retail assets – Tractor, AHL, secured business loans – are good business. The strategy will be to create more business opportunities through distribution.
- Credit market share can move from 0.5% to 1% in the coming years, leveraging the fresh capital.

Asset quality

- The corporate write-off of INR1.4b is a technical write-off and is already 100% provided for.
- Slippages have inched up in credit card and PL. Card and PL will take a couple of quarters to normalize.
- JLG book – The bank had 365 days of write-off policy. The write-off in 2Q was the same as in 3Q and it does not have to do with any current trend.
- At industry level, the problem was the existing delinquent customers. The fresh instances of default have already started to decline.
- Technically write-off – MFI in 365 days and cards in 120 days.
- MFI written-off pool is at INR15b, ranging 0.6-0.7% per month, and the bank is trying to improve this to 0.9-1% going ahead.

ECL related

- ECL - Transition will be 6-8% of the net worth. The bank does not see much impact; except for the wholesale book, standard provision of 40bp currently can go up to 60-65bp.
- ECL - Stage 1 provision will come in for MFI and CC, which will be similar to NBFC. There will be some release in secured business. So the increase shall primarily be from Stage 1 and 2 in the unsecured businesses.

Others

- RBK holds 5% in Utkarsh SFB Holdco. Due to ECL, holdco reported a decline in net worth, leading to a one-off loss, which RBK does not expect to recur.

Story in charts

Exhibit 1: Loans/deposits grew 14.4%/8.1% YoY

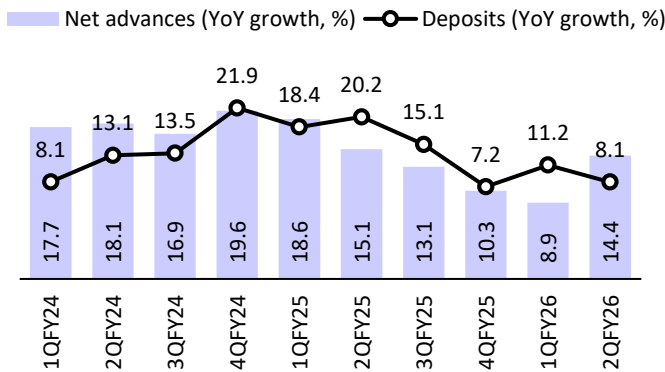


Exhibit 2: The mix of retail stood at 60%

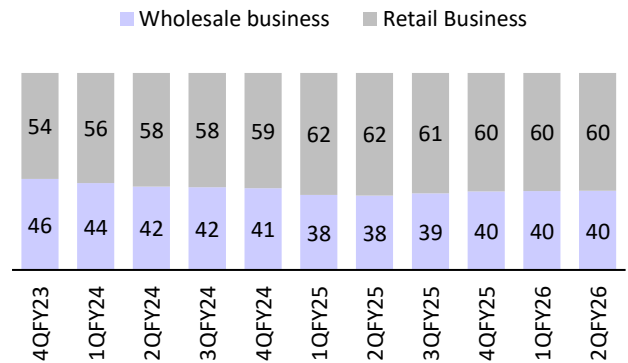


Exhibit 3: Mkt share in cards/spending stood at 4.0%/3.7%

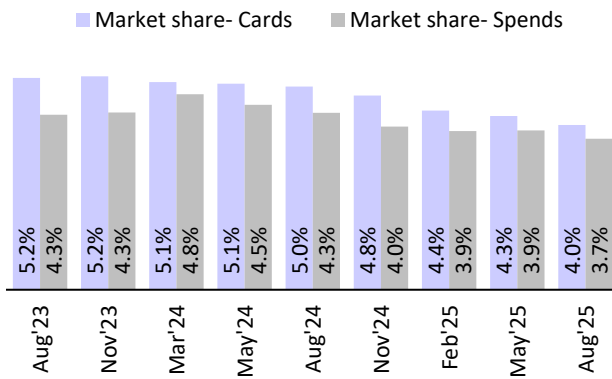


Exhibit 4: NIM expanded 1bp QoQ to 4.51%

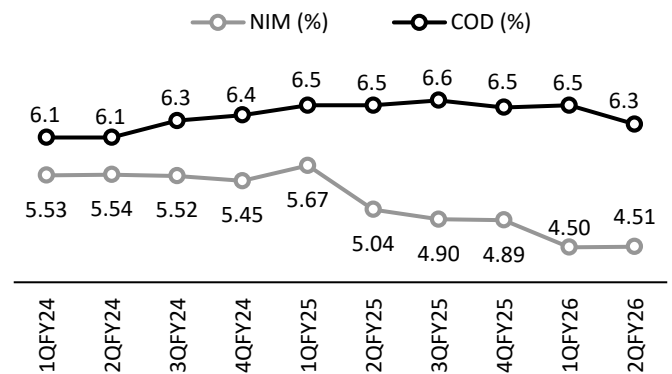


Exhibit 5: C/I ratio moderated to 70.7%; Cost/Asset at 4.7%

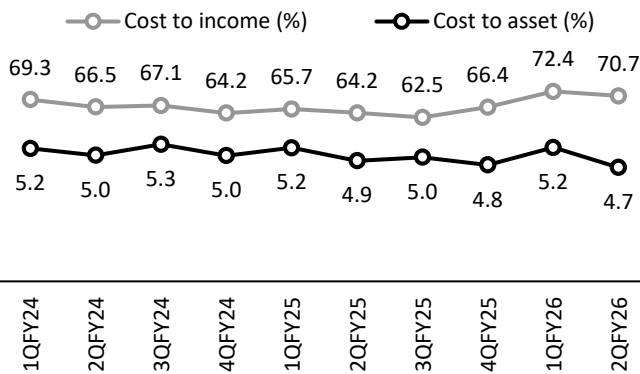


Exhibit 6: C/D ratio increased to 86.2% in 2QFY26

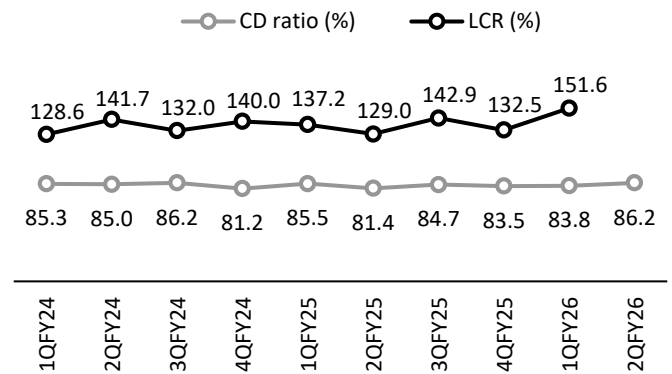


Exhibit 7: Credit cost annualized (calc) stood at 2.1%

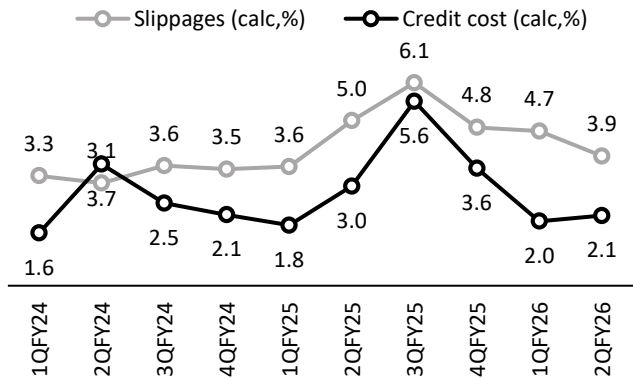
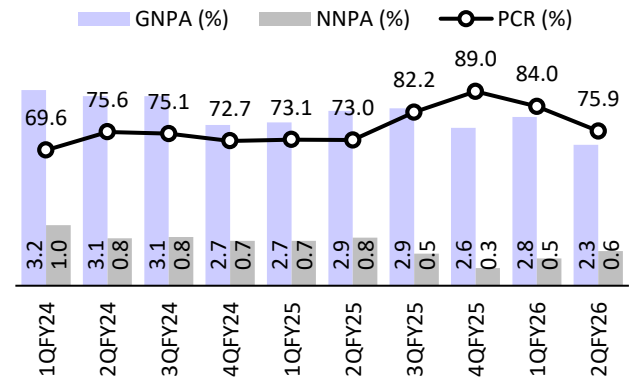


Exhibit 8: GNPA ratio improved 46bp QoQ to 2.32%



Source: MOFSL, Company

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Valuation and view

- RBK reported a slight earnings miss due to higher provisions and lower other income even as margins expanded by 1bp QoQ.
- Business growth was steady, with advances growing 6.5% QoQ. The bank is looking to grow unsecured business going forward as macro stress eases. In addition, the comfortable CD ratio will further support credit growth.
- GNPA ratio improved, whereas NNPA ratio deteriorated. Slippages moderated but remained at elevated levels.
- Emirates will invest USD3b for a 60% stake in RBK, triggering an open offer to acquire up to 26%. This will enable RBK to scale up its operations and expand into cross-border and NR business. The deal, subject to regulatory and shareholder approvals, brings strategic capital and global synergy without changing senior management.
- **Given the fund infusion from Emirates NBD expected in 1QFY27, we increase our earnings estimates by 19%/17% for FY27/28E. We estimate FY27/28E RoA of 1.2%/1.4%. Reiterate Buy with a TP of INR350 (premised on 1.3x FY27E BV).**

Exhibit 9: Changes to our estimates

INRb	Old estimates			Revised estimates			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	63.8	79.1	94.3	64.7	88.8	109.2	1.3	12.2	15.8
Other Income	42.4	48.8	57.1	40.7	48.1	57.2	-4.0	-1.5	0.2
Total Income	106.3	127.9	151.4	105.4	136.9	166.4	-0.8	7.0	9.9
Operating Expenses	74.2	83.7	94.6	73.2	86.0	101.1	-1.3	2.8	6.9
Operating Profits	32.0	44.3	56.9	32.1	50.8	65.4	0.3	14.9	14.9
Provisions	18.1	19.1	21.5	18.6	20.8	23.9	2.5	8.8	11.1
PBT	13.9	25.2	35.4	13.6	30.1	41.5	-2.5	19.5	17.2
Tax	3.4	6.2	8.7	3.4	7.4	10.2	-2.5	19.5	17.2
PAT	10.5	19.0	26.7	10.2	22.7	31.3	-2.5	19.5	17.2
Loans	1,051	1,213	1,413	1,090	1,293	1,532	3.7	6.6	8.4
Deposits	1,251	1,425	1,635	1,274	1,414	1,589	1.8	-0.8	-2.8
Margins (%)	4.39	4.81	4.98	4.39	4.93	5.09	0	12	10
Credit Cost (%)	1.80	1.65	1.60	1.80	1.70	1.65	0	5	5
RoA (%)	0.68	1.09	1.33	0.65	1.19	1.38	-2	11	5
RoE (%)	6.6	11.4	14.7	6.5	7.5	6.9	-16	-386	-777
EPS	17.3	31.3	43.9	16.8	14.5	20.0	-2.5	-53.7	-54.5
BV	265.1	285.4	313.9	264.9	283.5	296.5	-0.1	-0.7	-5.6
ABV	256.3	274.9	300.4	257.3	280.0	292.5	0.4	1.8	-2.6

Source: Company, MOFSL

Exhibit 10: One-year forward P/E ratio

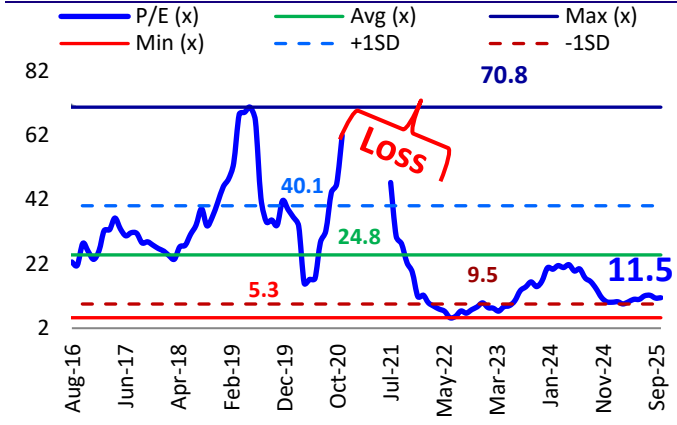


Exhibit 11: One-year forward P/B ratio

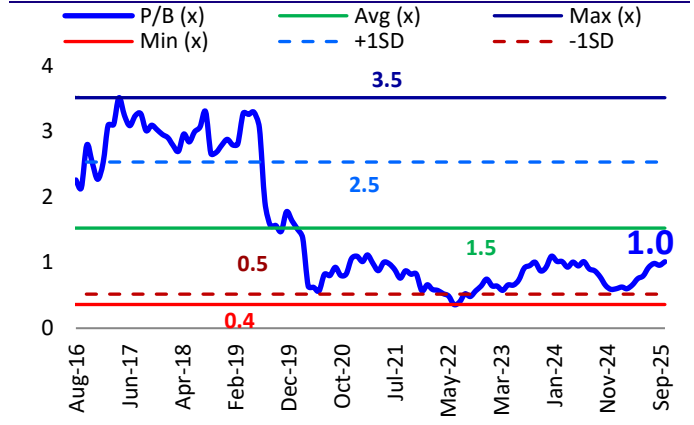


Exhibit 12: DuPont analysis – Fund infusion by emirates to aid RoA in FY27/28E

Y/E MARCH	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	8.71	9.75	9.85	9.40	9.46	9.23
Interest Expense	4.21	5.00	5.31	5.28	4.79	4.39
Net Interest Income	4.50	4.75	4.53	4.12	4.67	4.83
Fee income	2.13	2.29	2.43	2.33	2.26	2.27
Trading and others	0.11	0.11	0.24	0.26	0.26	0.26
Non Interest income	2.24	2.39	2.67	2.60	2.53	2.53
Total Income	6.74	7.15	7.20	6.72	7.19	7.36
Operating Expenses	4.76	4.76	4.66	4.67	4.52	4.47
-Employee cost	1.21	1.17	1.22	1.23	1.17	1.15
-Others	3.55	3.59	3.44	3.44	3.35	3.32
Operating Profit	1.98	2.38	2.54	2.05	2.67	2.89
Core Operating Profit	1.87	2.28	2.30	1.79	2.41	2.63
Provisions	0.92	1.39	2.01	1.18	1.09	1.06
PBT	1.06	0.99	0.53	0.87	1.58	1.83
Tax	0.27	0.07	0.04	0.21	0.39	0.45
RoA	0.79	0.92	0.49	0.65	1.19	1.38
Leverage (x)	8.5	9.0	9.4	9.9	6.3	5.0
RoE	6.7	8.2	4.6	6.5	7.5	6.9

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	147.5	180.0	208.6
Interest Expense	46.8	63.5	75.8	82.8	91.2	99.4
Net Interest Income	50.0	60.4	64.6	64.7	88.8	109.2
-growth (%)	24.1	20.9	7.0	0.0	37.4	23.0
Non Interest Income	24.9	30.4	38.1	40.7	48.1	57.2
Total Income	74.9	90.9	102.7	105.4	136.9	166.4
-growth (%)	17.6	21.3	13.0	2.6	29.9	21.6
Operating Expenses	52.9	60.6	66.4	73.2	86.0	101.1
Pre Provision Profits	22.0	30.3	36.3	32.1	50.8	65.4
-growth (%)	-19.8	37.6	19.7	-11.4	58.1	28.6
Core PPOp	20.8	29.0	32.8	28.0	45.9	59.4
-growth (%)	-16.7	39.2	13.4	-14.7	63.7	29.5
Provisions	10.2	17.7	28.7	18.6	20.8	23.9
PBT	11.8	12.6	7.6	13.6	30.1	41.5
Tax	3.0	0.9	0.6	3.4	7.4	10.2
Tax Rate (%)	25.2	7.3	8.2	24.7	24.5	24.5
PAT	8.83	11.7	7.0	10.2	22.7	31.3
-growth (%)	-1,281.2	32.3	-40.5	47.2	121.9	37.9

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	6.0	6.1	6.1	6.1	15.7	15.7
Reserves & Surplus	129.8	141.9	148.3	154.9	428.6	448.9
Net Worth	135.8	148.0	154.4	161.0	444.3	464.6
Deposits	848.9	1,034.9	1,109.4	1,273.6	1,413.7	1,589.0
-growth (%)	7.4	21.9	7.2	14.8	11.0	12.4
- CASA Dep	317.2	364.5	378.9	406.3	487.7	570.5
-growth (%)	13.8	14.9	3.9	7.2	20.0	17.0
Borrowings	133.3	141.8	137.3	159.1	186.6	221.8
Other Liabilities & Prov.	40.8	59.6	64.4	76.0	92.0	111.3
Total Liabilities	1,158.8	1,384.3	1,465.6	1,669.7	2,136.6	2,386.7
Cash & Balances with RBI	62.4	120.7	109.6	94.6	107.2	119.5
Investments	288.8	295.7	321.6	361.8	597.0	585.1
-growth (%)	29.6	2.4	8.8	12.5	65.0	-2.0
Loans	702.1	839.9	926.2	1,090.1	1,292.9	1,532.1
-growth (%)	17.0	19.6	10.3	17.7	18.6	18.5
Fixed Assets	5.7	5.3	5.8	6.4	7.3	8.4
Other Assets	77.0	99.2	88.1	89.6	95.4	109.1
Total Assets	1,158.8	1,384.3	1,467.2	1,669.7	2,136.6	2,386.7

Asset Quality

GNPA (INR b)	24.2	22.7	24.7	26.6	32.2	35.9
NNPA (INR b)	7.7	6.2	2.7	6.6	7.9	9.0
Slippages (INR b)	27.5	24.4	41.1	35.2	34.9	37.5
GNPA Ratio	3.37	2.7	2.6	2.4	2.4	2.3
NNPA Ratio	1.10	0.7	0.3	0.6	0.6	0.6
Slippage Ratio	4.59	3.5	4.9	3.8	3.2	2.9
Credit Cost	1.57	2.3	3.2	1.8	1.7	1.7
PCR (Excl Tech. write off)	68.1	72.7	89.0	75.3	75.4	74.8

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	10.0	9.7
Avg. Yield on loans	11.8	12.9	12.7	11.8	11.9	11.6
Avg. Yield on Investments	6.4	7.0	7.0	6.7	6.7	6.6
Avg. Cost-Int. Bear. Liab.	5.0	5.9	6.3	6.2	6.0	5.8
Avg. Cost of Deposits	4.9	5.7	6.1	6.1	5.9	5.7
Interest Spread	4.4	4.7	4.4	3.8	4.0	3.9
Net Interest Margin	4.8	5.1	4.9	4.4	4.9	5.1
Capitalization Ratios (%)						
CAR	16.9	16.2	15.5	14.8	30.6	28.8
Tier I	15.3	14.4	14.1	13.1	29.1	27.4
-CET-1	15.3	14.4	14.1	13.1	29.1	27.4
Tier II	1.6	1.8	1.5	1.7	1.5	1.4
Business Ratios (%)						
Loans/Deposit Ratio	82.7	81.2	83.5	85.6	91.5	96.4
CASA Ratio	37.4	35.2	34.1	31.9	34.5	35.9
Cost/Assets	4.6	4.4	4.5	4.4	4.0	4.2
Cost/Total Income	70.6	66.6	64.7	69.5	62.9	60.7
Int. Expense/Int.Income	48.3	51.2	54.0	56.2	50.7	47.6
Fee Income/Net Income	28.0	29.1	30.3	30.6	27.8	27.3
Non Int. Inc./Net Income	33.2	33.5	37.1	38.6	35.1	34.4
Empl. Cost/Total opex	25.4	24.6	26.1	26.3	26.0	25.6
Efficiency Ratios (INRm)						
Employee per branch (in nos)	21.3	22.9	25.4	28.6	32.2	36.2
Staff cost per employee	1.2	1.2	1.2	1.2	1.1	1.1
CASA per branch	613.5	668.8	675.3	696.4	803.8	904.0
Deposits per branch	1,641.9	1,899.0	1,977.6	2,183.0	2,329.9	2,518.1
Business per Employee	140.6	150.3	142.7	141.6	138.6	136.6
Profit per Employee	0.8	0.9	0.5	0.6	1.2	1.4

Profitability & Valuation Ratios

RoE	6.7	8.2	4.6	6.5	7.5	6.9
RoA	0.8	0.9	0.5	0.7	1.2	1.4
RoRWA	1.1	1.3	0.7	0.9	1.7	2.0
Book Value (INR)	226	245	254	265	284	296
-growth (%)	7.6	8.0	3.9	4.3	7.0	4.6
Price-BV (x)	1.3	1.2	1.2	1.1	1.1	1.0
Adjusted BV (INR)	215	235	248	257	280	292
Price-ABV (x)	1.4	1.3	1.2	1.2	1.1	1.0
EPS (INR)	14.7	19.3	11.4	16.8	14.5	20.0
-growth (%)	-1,281.0	31.1	-40.7	47.2	-13.9	37.9
Price-Earnings (x)	20.4	15.5	26.2	17.8	20.7	15.0
Dividend Per Share (INR)	0.0	1.5	1.5	5.1	4.3	6.0
Dividend Yield (%)	0.0	0.5	0.5	1.7	1.4	2.0

E: MOFSL Estimates

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