BUY (Maintain)

CMP: **INR 306** Target Price: **INR 415** ▲ 36%

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08 December 2025

India | Equity Research | Company Update

RBL Bank

Banking

CXO 1x1: R. Subramaniakumar, MD & CEO

Our meeting with RBL Bank's (RBL) MD&CEO further cements our positive stance on RBL. We believe the proposed USD 3bn capital infusion (link) from Emirates NBD (ENBD) catapults RBL several notches up in terms of net worth, CET1, technology offering, funding competitiveness and distribution, thereby securing huge growth runway. Pro forma RoA should rise to a different orbit of >1.5%, though RoE would likely be in single digit weighed down by low leverage. Under the proposed transaction, RBL aims to operate as subsidiary of ENBD while remaining listed. The management is hopeful of getting requisite approvals. NIM and RoA have bottomed out. MFI should sustain QoQ growth along with improvement in slippages. Credit card slippages may remain elevated but the book should see growth reviving to ~7-8% YoY by FY26 vs negative now. RBL offers attractive risk rewards with strong upside but limited downside due to impending open offer. **BUY**.

Paradigm shift; structurally higher RoA/growth to offset low RoE

RBL has already invested and reasonably scaled its retail secured assets, which, along with expanded distribution and competitive funding, could help achieve superlative growth trajectory, in our view. Higher share of secured retail could boost higher-yielding unsecured retail growth as well. We believe the bank's RoA could structurally rise from ~1% to >1.5%. Low leverage would, however, constrain RoE in single digits. We believe competitive funding costs, rise in RoA and superior loan growth would more than offset low RoE. We retain **BUY** and our TP of INR 415, implying >35% upside. We believe RBL offers attractive risk returns, given little downside with an INR 280/share impending open offer. **Risk:** Deal consummation hiccups, if any.

RBL to operate as ENBD's subsidiary; bank hopeful of approvals

The bank expects the transaction to be completed by Q1FY27. Under the proposed transaction, the existing domestic branches of ENBD would be amalgamated into RBL. RBL would operate as ENBD's subsidiary. The management is hopeful of getting the requisite approvals. RBI's WOS guidelines (link) permit foreign banks to dilute their stake to ≤74%. We believe that 'control' has been a critical parameter for ENBD. The longevity of the 'control' could be another critical consideration for this deal. Structuring of the deal via the subsidiary route, if allowed, may help ENBD exercise effective 'control' for a reasonably long period.

Near-term uptick in NIM/RoA; growth to rebound in MFI/CC

We estimate NIM to rise 10–15bps each for the next two quarters. MFI slippages will likely improve further. Credit card slippages may remain elevated but book should see growth turnaround. Overall, we believe NIM/RoA should look up.

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E
NII (INR bn)	60.4	64.6	64.6	82.1
Op. profit (INR bn)	30.3	36.3	33.6	44.9
Net Profit (INR bn)	11.7	7.0	10.9	18.1
EPS (INR)	19.4	11.4	17.9	29.8
EPS % change YoY	31.9	(41.0)	56.4	66.4
ABV (INR)	236.9	253.4	268.5	296.6
P/BV (x)	1.3	1.3	1.2	1.1
P/ABV (x)	1.4	1.3	1.2	1.1
Return on Assets (%)	0.9	0.5	0.7	1.0
Return on Equity (%)	8.2	4.6	6.8	10.4

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Market Data

Market Cap (INR)	189bn
Market Cap (USD)	2,097mn
Bloomberg Code	RBK IN
Reuters Code	RATB BO
52-week Range (INR)	332 /146
Free Float (%)	97.0
ADTV-3M (mn) (USD)	39.9

Price Performance (%)	3m	6m	12m
Absolute	10.8	47.8	75.5
Relative to Sensex	4.6	42.6	70.7

ESG Score	2023	2024	Change
ESG score	**73.0**	**77.4**	**4.4**
Environment	51.5	55.3	3.8
Social	74.6	79.1	4.5
Governance	80.1	86.9	6.8

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

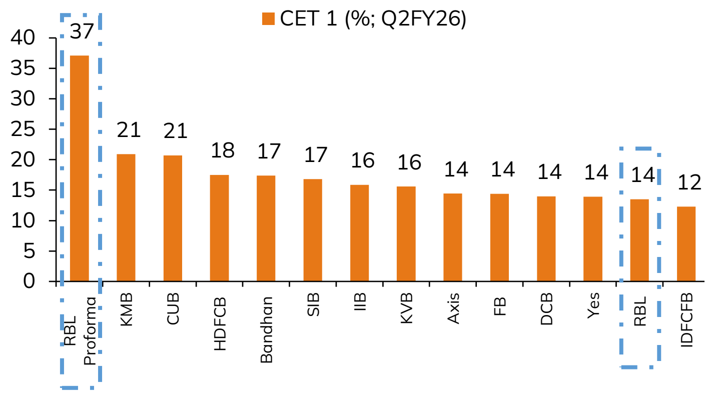
Source: SES ESG, I-sec research

Previous Reports

05-11-2025: Company update
20-07-2025: Q1FY26 results review

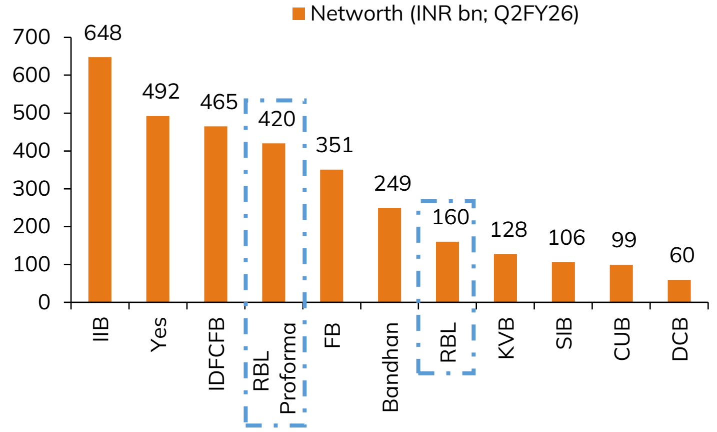
Five focused charts

Exhibit 1: Pro forma CET-1 to jump to >35%



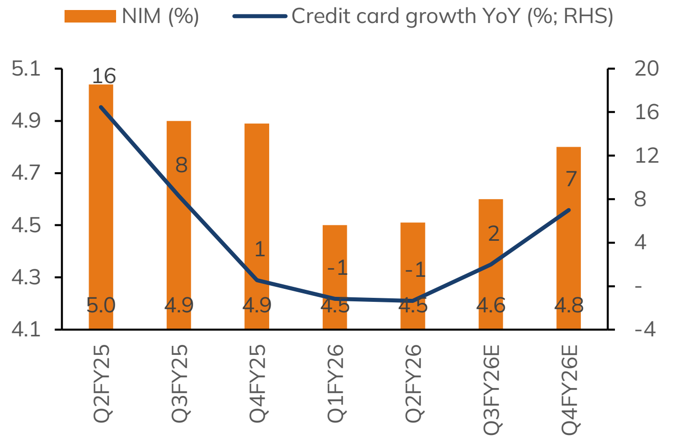
Source: Company data, I-Sec research

Exhibit 2: Pro forma NW to treble and come closer to larger peers, enabling huge growth runway



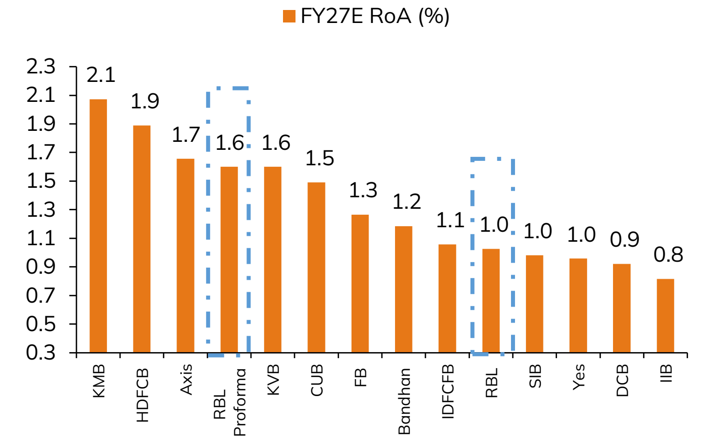
Source: Company data, I-Sec research

Exhibit 3: NIM and credit card growth should see uptick



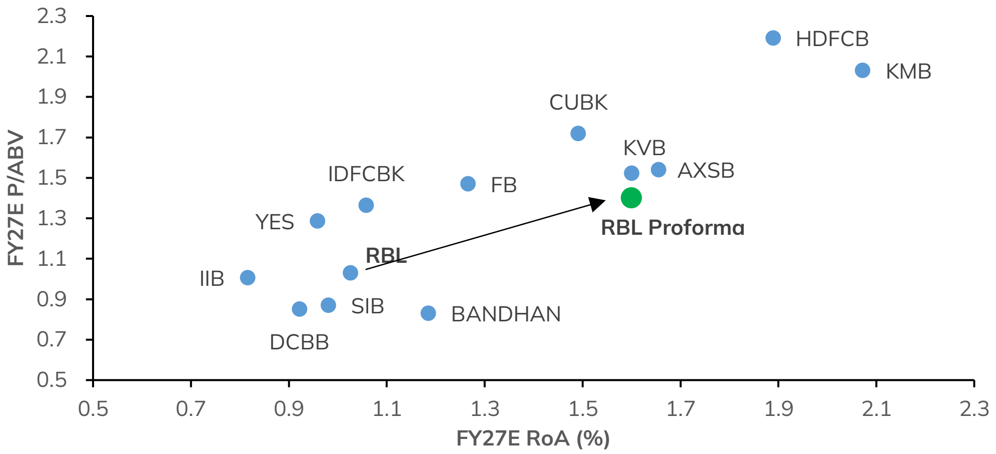
Source: Company data, I-Sec research

Exhibit 4: Pro forma RoA should rise to >1.5%



Source: Company data, I-Sec research

Exhibit 5: We see massive rise in RoA and thus re-rating in RBL post the deal



Source: I-Sec research, Company data

Open offer followed by preferential issue; likely timeline of 6 months

Subject to regulatory approvals, ENBD would infuse ~USD 3bn for up to 60% stake and promoter role. ENBD would make an open offer for 26% of the expanded capital. The price of the open offer has been fixed at INR 280/share. RBL would issue up to 9.6bn shares via preferential allotment at INR 280/share. Actual size of the allotment is subject to available FII limit; though, ENBD shall acquire minimum 51% stake. The open offer would happen after the requisite approvals are in place. The open offer would be followed by preferential issue. The bank believes that the entire process could take ~5–6 months and is likely to be concluded by Q1FY27.

RBL to operate as ENBD's subsidiary; bank hopeful of approvals

ENBD is present in India through three branches (not through wholly owned subsidiary). Under the transaction, the existing branches in India would be merged with RBL. On and from completion date, ENBD would be designated as the Promoter. ENBD shall have the right to nominate half of the board members.

The RBL transaction has been in line with ENBD's strategy to increase its presence in the five core markets, including India. We reckon that having 'control' has been a critical factor for ENBD in its inorganic pursuits, including the RBL transaction. We highlight that the current RBI regulations mandate: 1) reduction in promoters' stake to 40% within 5 years; and 2) further reduction to 26% by 15 years.

Under the proposed transaction, the existing domestic branches of ENBD would be amalgamated into RBL. RBL would operate as ENBD's subsidiary while remaining listed. The management is hopeful of getting the requisite approvals. RBI's WOS guidelines (link) permit foreign banks to dilute their stake to ≤74%. We believe that 'control' has been a critical parameter for ENBD. The longevity of the 'control' also could be another critical consideration for this deal. Structuring of the deal via the subsidiary route, if allowed, may help ENBD exercise effective 'control' for a reasonably long period. We highlight that this RBL-ENBD transaction may not be comparable to previous transactions such as LVB-DBS and CSB-Fairfax.

Deal to catapult RBL into an elevated growth orbit

We believe RBL would see a massive transformation in its scale and competitive positioning. The pro forma net worth of the bank would treble to ~INR 420bn. Pro forma CET-1 would climb to >35% (amongst highest in industry), providing runway for superior loan growth over the next 5–7 years. Massive capital infusion and deep-pocketed promoters would address the capital raise, a recurring issue for any lender.

Maintain BUY; huge upside with minimal downside

We have not incorporated capital infusion as this is pending approvals. Importantly, the book value would largely remain unchanged at ~INR 290/share as the capital infusion, though massive, is slated at INR 280/share. We maintain BUY with unchanged target price of INR 415 pe share, valuing it at ~1.4x FY27E ABV (~1.45x on pro-forma ABV). As mentioned earlier, post the deal consummation, RBL should have massive rise in net worth, CET1, technology offerings, funding competitiveness, distribution – all catapulting its growth trajectory. Pro forma RoA is likely to rise to >1.5% on a structural basis, though RoE could remain in single digits, due to low leverage. Our target multiple is lower than likely pro forma RoA, factoring in uncertainty surrounding the deal. While the deal consummation may take ~6 months, the bank meanwhile, should see reasonably faster NIM/RoA uptick along with revival in MFI / credit card book growth. Impending open offer at INR280 protects the downside, as well in our view. Key risk is hiccups, if any, in deal consummation.

Near-term balance sheet to exhibit surplus liquidity, reduced CoF

The partnership would bring global expertise, enable improvement of credit rating and lower cost of funds (CoF). In the near term, RBL would have a lop-sided balance sheet structure with massive share of net-worth/CET-1 (in funding), investments (within assets) and low leverage. The capital infusion and parentage could help improve RBL's credit rating from its current 'AA-' to 'AAA' and possibly bulk deposits rates.

The bank could look to repay some of the costlier borrowings (has ~INR 150bn of borrowings) and bulk deposits. This, along with over three years of profitable track-record, would open up further scope for a lot of government and institutional flows. ENBD's association would enable a significant head-start in the India-Middle East business corridor and the wealth management business.

Healthy scale-up in existing products over the medium term

The massive capital infusion would help accelerate RBL's growth across existing business, step-up on distribution, sharpen technology and create more diversified income streams. Due to massive balance sheet strength, RBL could see disproportionate improvement in cost of funding, which, over the medium term, would unlock huge opportunity to scale up existing products such as corporate/commercial banking, prime home loans and LAP. The bank has already identified ~200 locations for branch opening. In our view, the incremental distribution is likely to be biased towards Kerala, and other states that have sizeable Middle-East linkages.

Important to note that RBL has already made significant headway in scaling up its secured retail loans such as prime LAP, small LAP, business banking (working capital), prime housing, affordable housing, tractor and gold loans. The combined secured retail assets have been already nearing break-even and should be profitable by end-FY26E. In our view, RBL need not experiment too much on the new offerings.

The likely jump in distribution and competitive pricing should open-up new customer/geographical segments and boost further scale. The strong balance sheet will also likely help gain more wallet-share and higher ticket size within existing client relationships. Importantly, higher growth in secured retail and commercial segments may potentially boost growth of high-yielding unsecured retail; and thus, would be a fair boost to overall RoA.

Pro forma RoA to jump sharply, though RoE to remain muted

Boosted by strong capital, RBL could see a massive rise in distribution, offerings and scale. It is likely to become the fastest growing bank for the next 3–5 years without any worry on capital infusion, as the bank looks to sweat its bloated equity.

On a pro forma basis, we believe the bank could be the fastest growing bank in India. We believe that RBL could deliver RoA of >1.5% on structural basis, even after assuming upfronted investment in distribution, technology and products. Due to muted leveraged, RoE, however, is likely to remain in single digits in the near term.

Near-term – business as usual; NIM to inch up 10–15bps

Yields on advances declined ~24bps QoQ in Q2FY26, which was broadly offset by 27bps dip in cost of funds. The bank has cut SA card rates sharply in the last few months with blended SA cost declining 115bps YoY as of Q2FY26. Further, in Oct'25, RBL trimmed its SA rates by 25bps in select buckets (INR 2.5mn to INR 30mn). The bank also has a significant proportion (~25%) of wholesale deposits, which could see faster re-pricing. Overall, the pace of CoD improvement could be faster at RBL vs. peers. The yield impact could be cushioned by favourable loan mix. Overall, we concur that the NIM have already bottomed out and should see ~10-15bps rise QoQ for the next two quarters. The bank has higher chances of achieving exit FY26 NIM to be similar as exit FY25.

MFI to sustain improving trajectory on both loan and AQ

MFI disbursements have jumped by ~40% QoQ to INR 17.1bn in Q2FY26. Slippages also improved from INR 3.2bn to INR 2.35bn QoQ. Further, SMA 0+1+2 has improved sharply from INR 2.9bn to INR 2.5bn. RBL has not seen any material disruption in its portfolio in select states such as Bihar and West Bengal; while it has only a marginal presence in Assam. Overall, it is confident of sustaining improvement in slippages as well as business growth. We model MFI slippages to improve to INR 1.5–1.6bn in Q3FY26 and further to INR 1.2–1.3bn by Q4FY26. We also model healthy 7–8% QoQ loan growth for the next two quarters, with YoY growth rising to ~20% by FY26E.

Credit card slippages to be elevated but growth to rise meaningfully

Credit card slippages had been range-bound at 6–7% for FY23 and FY24. However, the ending of RBL's long-term relationship with Bajaj Finance and resultant collection transition, along with macro headwinds, led to a spike in slippages to ~12% in Q2FY25. With normalisation in in-house collection mechanism, slippages have improved to ~INR 5–5.5bn in the last 2–3 quarters (vs. INR 6.6bn in Q2FY25). However, the slippages ratio has been elevated at 10–11% annualised due to denominator effect. Overall card issuances have reduced to 0.21mn customers in Q2FY26 vs. 0.37mn YoY and 0.63mn in Q2FY24. Book growth has diminished from 16% YoY to negative 5–6% YoY in the recent quarters.

RBL expects slippages to remain at similar levels over the next two quarters. However, it is confident of improving loan growth led by origination (in-house and partners) and improving macro. We believe, credit card book's growth has bottomed out and should turn positive on YoY basis in Q3FY26, rising to 7–8% by FY26.

Secured business trending well; in-house sourcing at ~50%

RBL has delivered reasonably impressive performance on loan growth as well as AQ on new retail products. The combined share of these retail products has risen to ~29%, as of Q2FY26 vs. 24% YoY. The bank has also disclosed product-level granular information about yields, ticket size and AQ, which suggests that underlying customers resemble more of banking segment, as opposed to NBFC customers. The disbursal yields in affordable and prime housing is ~11.1% and 8.8%, respectively. Similarly, prime LAP average ticket size is INR 10mn with disbursal yield of 9.1%.

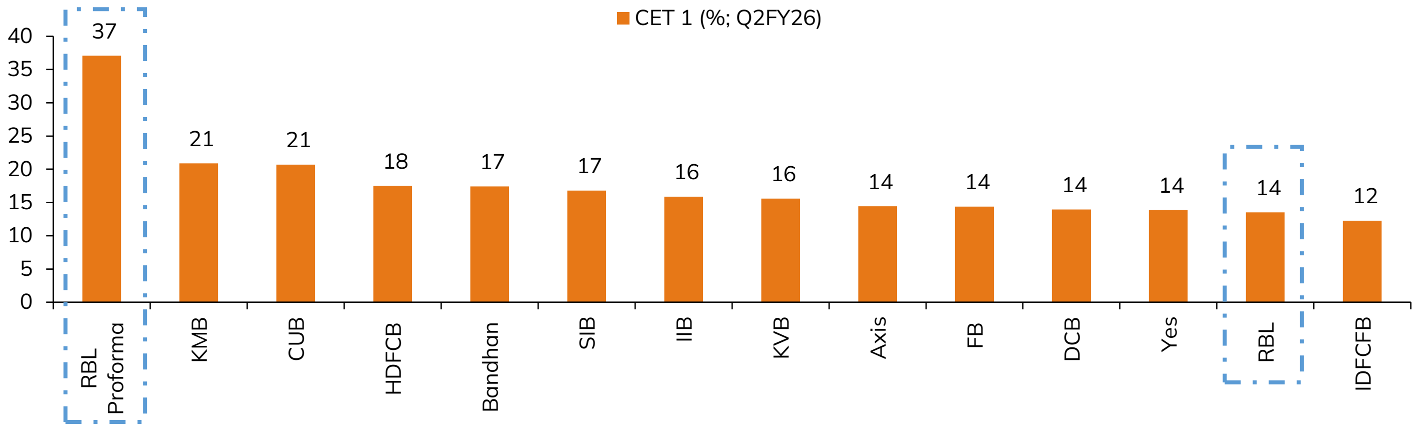
Over the quarters, RBL has upped its in-house sourcing while reducing reliance on external channels. As of now, the entire sourcing in gold loans and business banking has been branch-led. The in-house sourcing proportion in prime LAP stands at ~50%. Overall, the blended in-house sourcing for the entire secured retail has risen to ~50% (vs. 25–30% YoY) and is likely to rise further.

Secured retail AQ reasonably healthy; past the break-even now

The asset quality has held reasonably well, partly aided by favourable tailwinds, strong growth and new vintage. The GNPA ratio in PLAP, SLAP, prime housing, RVF, and gold has been comfortable. Business banking's (secured and working capital) GNPA, however, jumped from <2% to 4.2% in Q1FY26, due to a couple of lumpy cases. One of them has been resolved and GNPA has eased to 3.3%, as of Q2FY26. GNPA levels in affordable housing has been elevated at ~1.8–1.9%; although, this is partly due to linked GNPAs in other products such as credit cards.

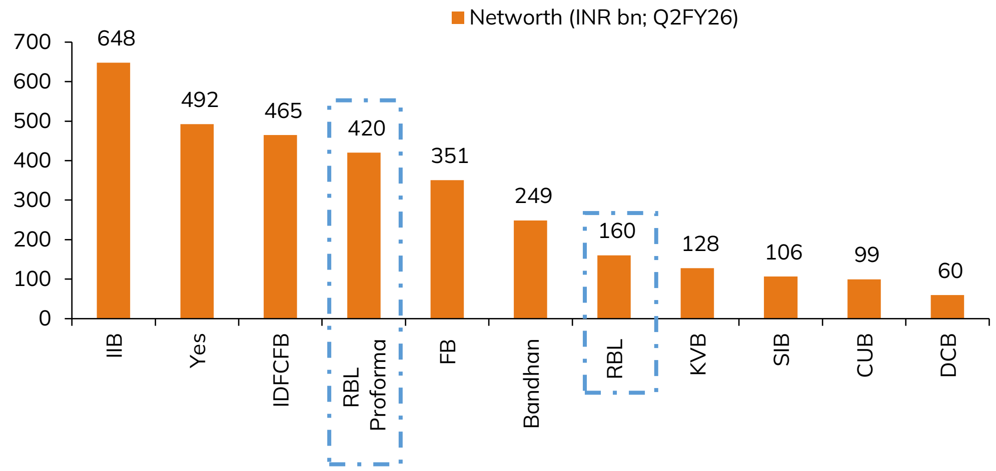
Overall, the retail secured products, which have been in the investment phase for the last two years, have now turned PBT positive. RBL expects all the segments (barring prime housing) to contribute to profitability by FY26-end.

Exhibit 6: RBL's pro forma CET-1 to be massive at >35%; possibly highest across peers



Source: I-Sec research, Company data

Exhibit 7: Pro forma net-worth to treble to ~INR 420bn, catapulting it closer to larger peers such as IDFCFB/Yes, and comfortably past FB and Bandhan



Source: I-Sec research, Company data

Exhibit 8: Balance sheet structure to change massively, with higher share of net-worth (in funding) and investment (within assets).

Common-size balance sheet (%)	Q2FY26	Q2FY26-Proforma
Net-worth	**10**	**24**
Borrowings	**10**	**6**
Deposits	76	66
Other liabilities and provisions	4	3
Total Liabilities	**100**	**100**
Cash with RBI	7	6
Balances with banks	3	2
Investments	**19**	**29**
Advances	65	57
Fixed and other Assets	6	6
Total Assets	**100**	**100**

Source: I-Sec research

Exhibit 9: Summary BS of ENBD India operations

Emirates India balance sheet (INR mn)	FY24	FY25
Capital	21,529	21,529
Reserves and Surplus	1,816	2,634
Net-worth	**23,345**	**24,162**
Deposits	46,469	78,046
Borrowings	10,648	19,408
Other liabilities and provisions	1,998	2,950
Total	**82,459**	**1,24,567**
Cash with RBI	3,624	8,651
Balances with banks	10,962	13,171
Investments	19,415	34,219
Advances	46,416	65,683
Fixed assets	254	203
Other Assets	1,788	2,639
Total	**82,459**	**1,24,567**

Source: I-Sec research, Company data

Exhibit 10: Summary P&L of ENBD India operations

Emirates India Profit and loss (INR mn)	FY24	FY25
Interest income	5,384	6,425
Interest expense	3,321	4,419
Net interest income	**2,064**	**2,006**
Non-interest income	559	1,031
Operating income	**2,622**	**3,037**
Operating expenses	1,333	1,580
- Staff expenses	603	759
- Other opex	729	821
Pre-provisions profit	1,290	1,457
Provisions & Contingencies	-22	32
PBT	1,311	1,424
Tax	570	587
PAT	741	837

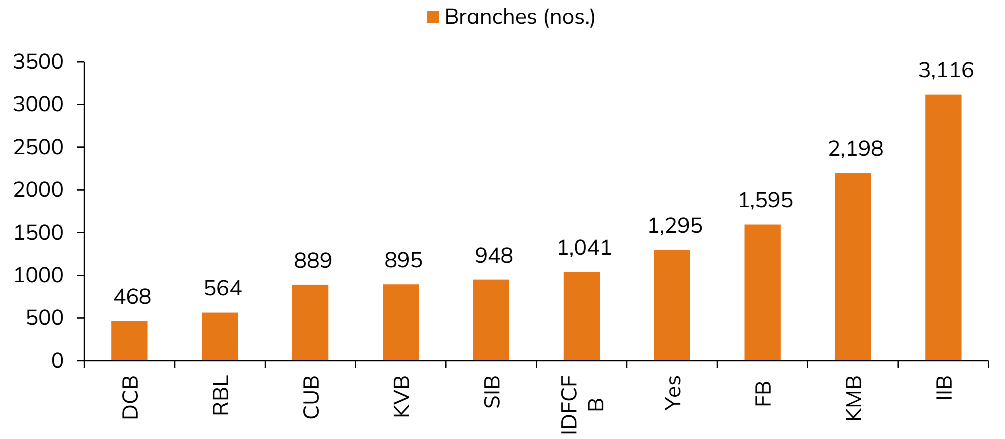
Source: I-Sec research, Company data

Exhibit 11: ENBD India – key ratios (%)

Key ratios (%)	FY24	FY25
Cost of deposits	6.62	6.71
Interest income to working funds	7.07	6.97
Net interest margin	2.85	2.24
RoA	0.97	0.91
Gross NPA (%)	0	0
Net NPA (%)	0	0
CET-1 (%)	37.61	29.52
Tier 1 (%)	37.61	29.52
CRAR (%)	38.91	30.20

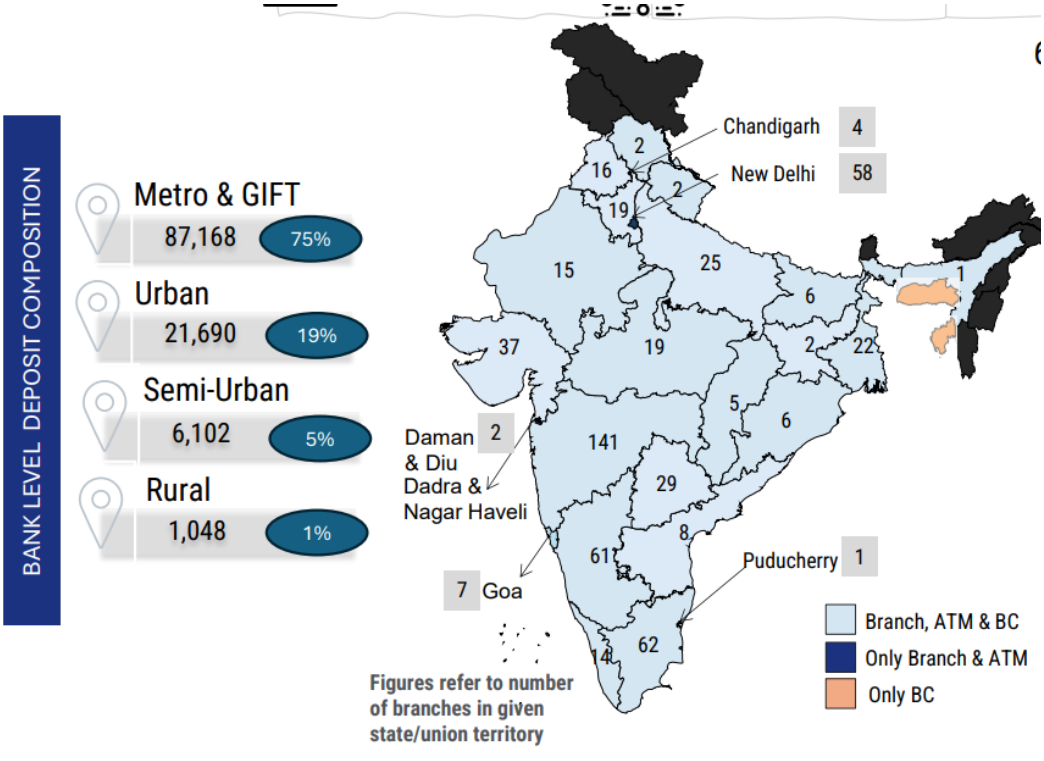
Source: I-Sec research, Company data

Exhibit 12: RBL is likely to ramp up its distribution and could look to achieve 800/1,000 branches over the next 2–3 years, in our view



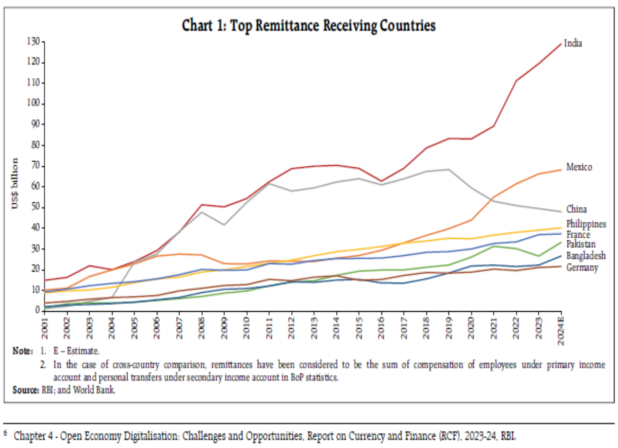
Source: I-Sec research, Company data
Note: As of Q2FY26

Exhibit 13: Incremental branches could have bias towards states with linkage to the Middle East and commercial/retail loans



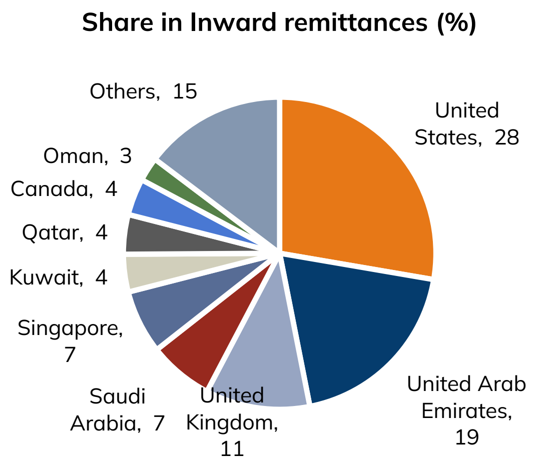
Source: Company data, I-Sec research

Exhibit 14: India is the highest remittance-receiving country by a wide margin...



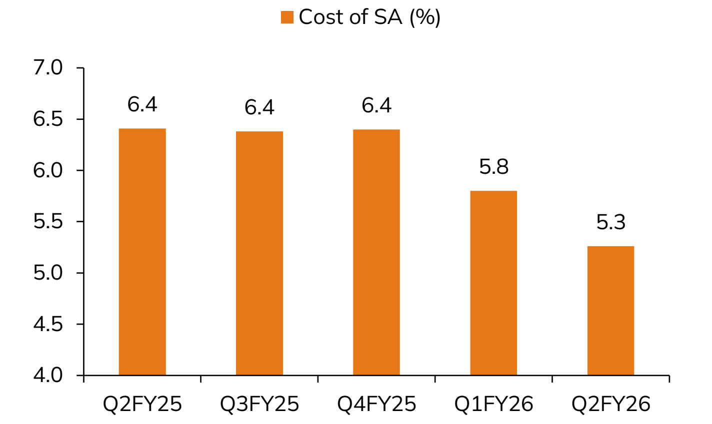
Source: RBI, I-Sec research

Exhibit 15: ...the UAE has the second-highest share in inward remittances. RBL could grab the opportunity



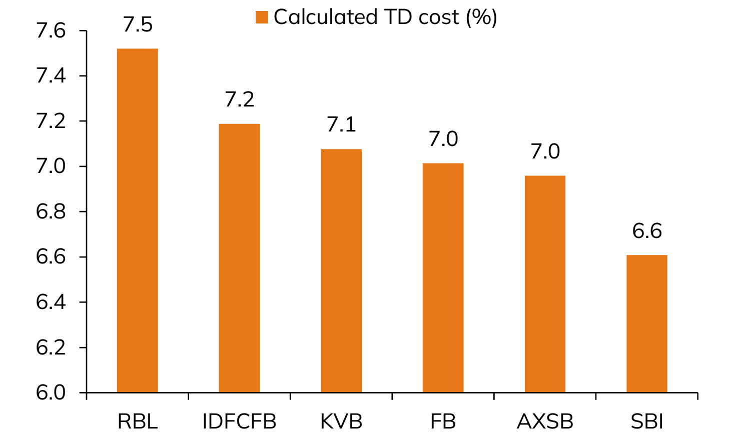
Source: RBI, I-Sec research

Exhibit 16: RBL has seen sharp improvement in its savings rate and has cut SA rates further in Oct'25



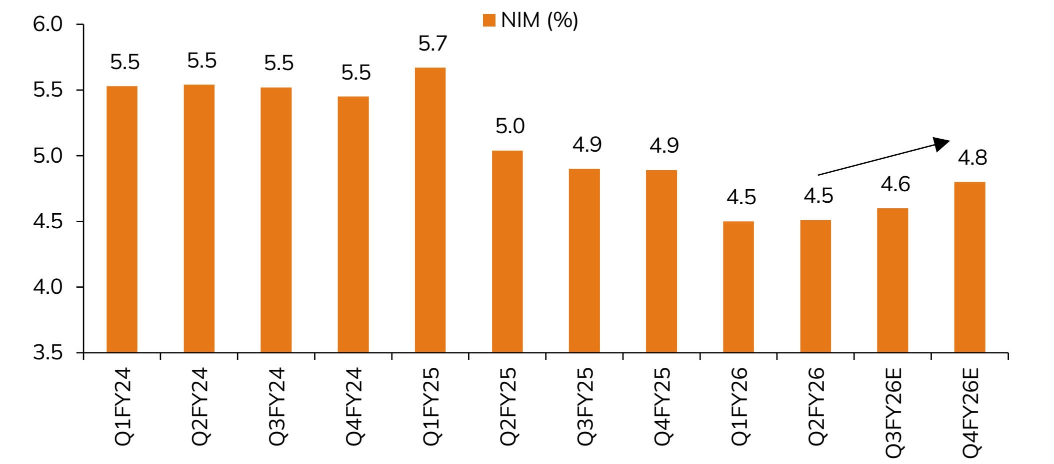
Source: I-Sec research, Company data

Exhibit 17: RBL could narrow TD differential vs. peers



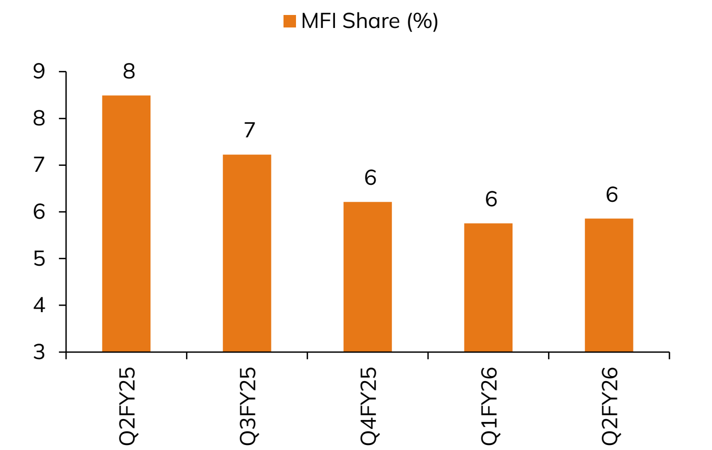
Source: I-Sec research, Company data

Exhibit 18: We estimate NIM to rise QoQ; exit-FY26 NIM to be similar YoY



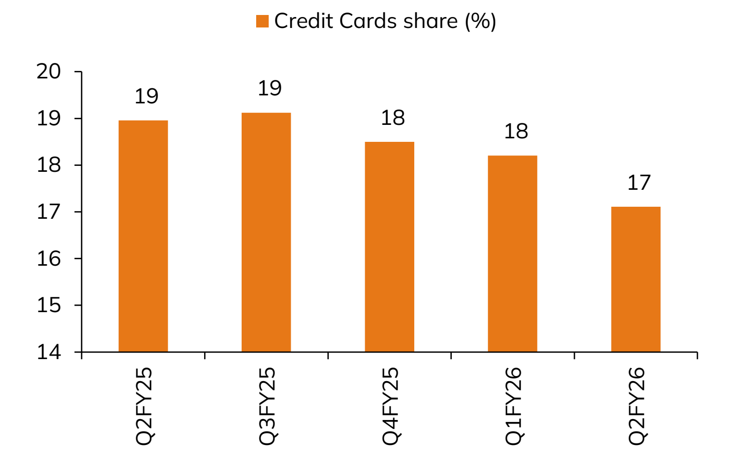
Source: I-Sec research, Company data

Exhibit 19: Share of MFI has reduced sharply



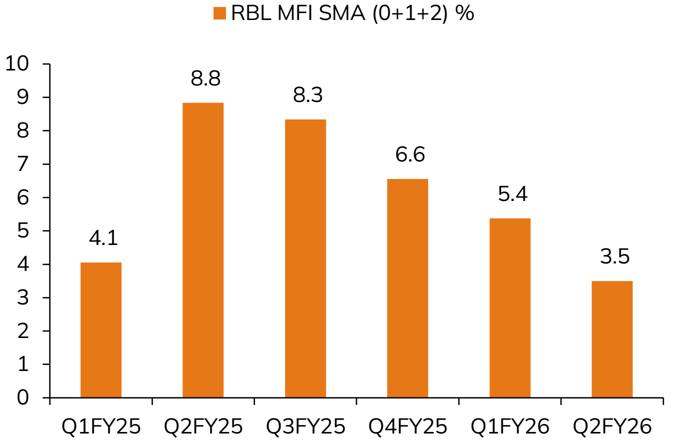
Source: I-Sec research, Company data

Exhibit 20: Credit card share has also fallen sharply



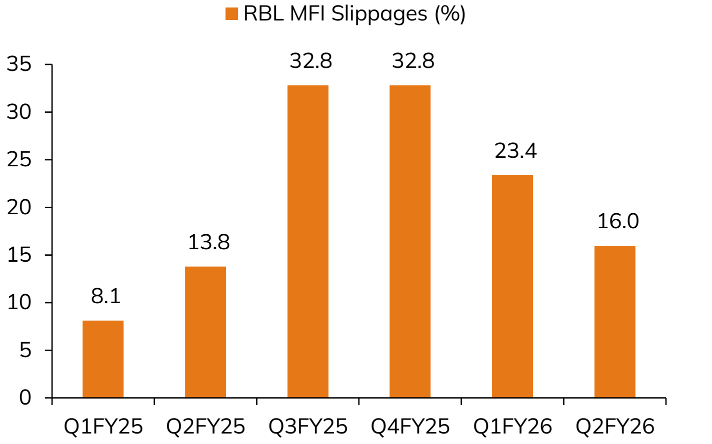
Source: I-Sec research, Company data

Exhibit 21: Healthy improvement in MFI SMA book



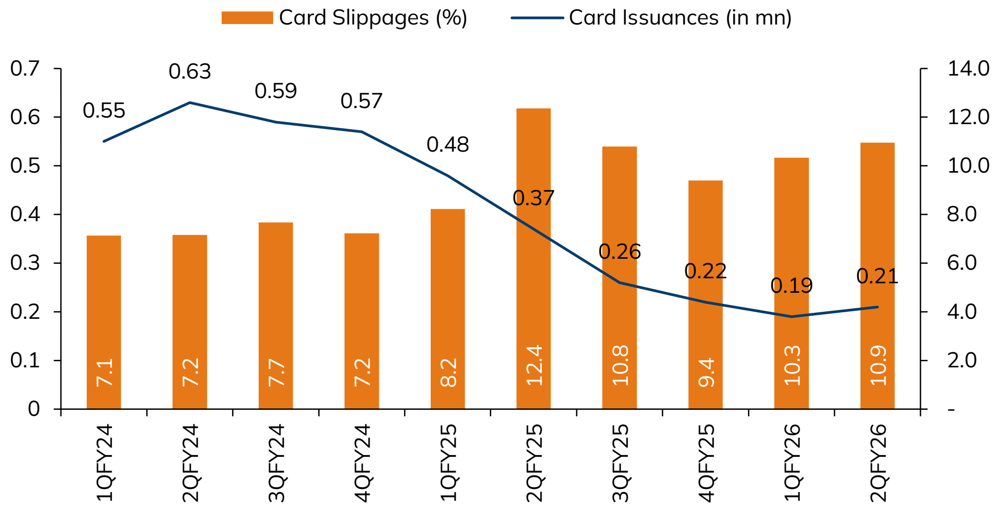
Source: I-Sec research, Company data

Exhibit 22: We expect sharp improvement in slippages



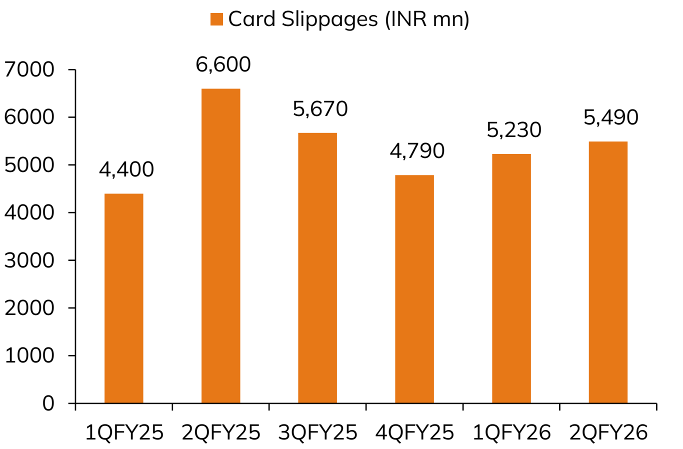
Source: I-Sec research, Company data

Exhibit 23: Credit card slippages impacted by collection transition and macro headwinds



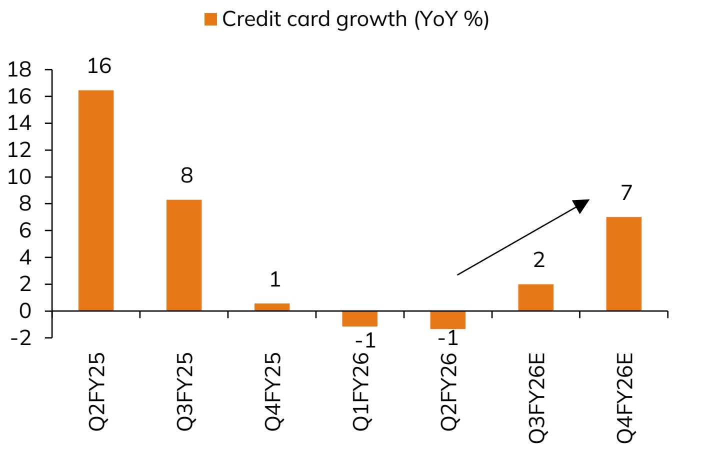
Source: I-Sec research, Company data

Exhibit 24: While credit card slippages are likely to remain elevated…



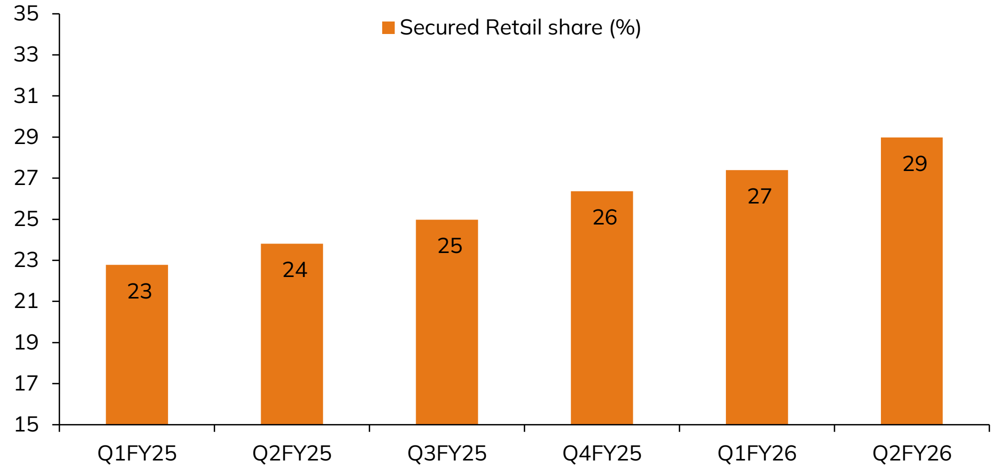
Source: I-Sec research, Company data

Exhibit 25: …we expect sharp revival in loan growth, improving to 7–8% YoY by FY26E vs. negative currently



Source: I-Sec research, Company data

Exhibit 26: Secured retail products jumped to ~29% of overall loans



Source: I-Sec research, Company data

Exhibit 27: GNPA% for most of the secured retail products has been reasonable (barring agri, BBG and Affordable). Business banking (BBG) had a few lumpy cases while affordable GNPA is higher due to linked card NPA

Gross NPA (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
PLAP	4.4	3.9	2.3	1.9	1.9	1.6
SLAP	-	-	-	-	0.3	0.3
BBG	2.3	1.5	1.4	0.9	4.2	3.3
Affordable	1.5	1.6	1.7	1.8	1.9	1.9
Prime Housing	0.3	0.3	0.3	0.3	0.4	0.6
RVF	1.1	1.3	1.3	1.3	1.6	1.5
Used car and Two-wheeler	0.7	0.9	1.2	2.1	3.1	5.1
Agri book	11.7	11.4	11.7	9.8	10.5	10.4
Gold	0.2	0.8	1.4	0.5	0.2	0.1

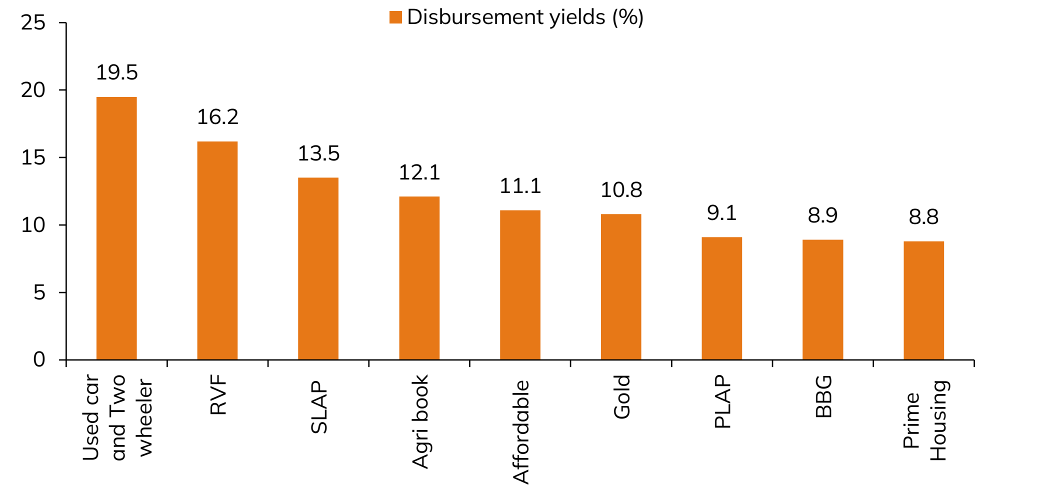
Source: Company data, I-Sec research

Exhibit 28: Net NPA – time-series of retail secured loans

Net NPA (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
PLAP	1.8	1.5	0.8	0.5	0.6	0.4
SLAP	-	-	-	-	0.3	0.3
BBG	0.2	0.2	0.2	0.1	2.5	2.0
Affordable	0.5	0.7	0.8	0.9	1.0	1.0
Prime Housing	0.1	0.1	0.2	0.2	0.2	0.3
RVF	0.2	0.2	0.2	0.1	0.2	0.1
Used car and Two-wheeler	-	0.5	0.3	0.5	0.7	1.2
Agri book	4.8	4.4	4.7	4.1	4.6	4.4
Gold	-	0.5	1.0	0.2	0.1	0.1

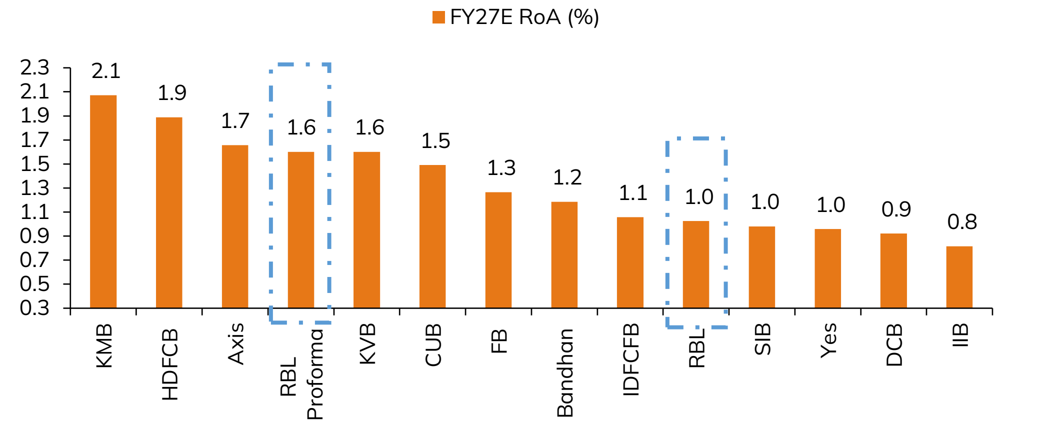
Source: I-Sec research, Company data

Exhibit 29: Disbursement yields suggest that RBL is operating in relatively less-riskier and scalable segments (and not venturing into riskier segment)



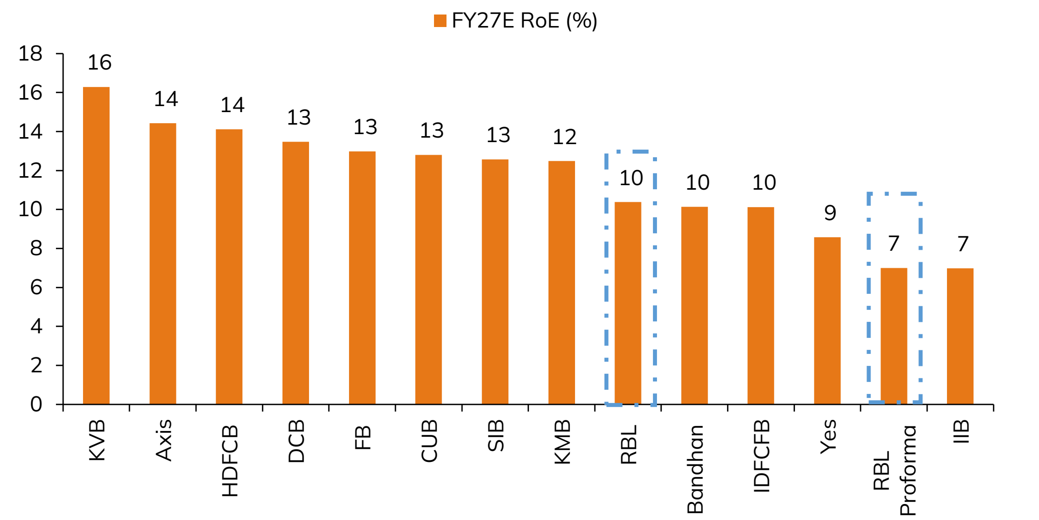
Source: I-Sec research, Company data
Note: Data for Q2FY26

Exhibit 30: We expect pro forma RoA to see massive rise to >1.5% (aided by massive infusion) and move towards large banks



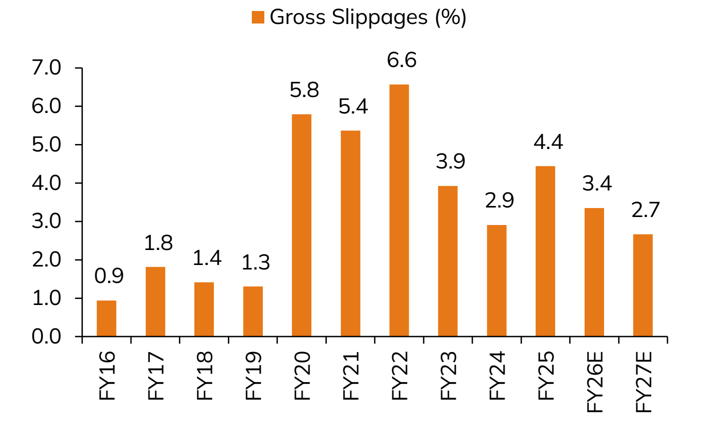
Source: I-Sec research, Company data

Exhibit 31: Pro forma RoE, however, is likely to drop to single digits due to lower leverage



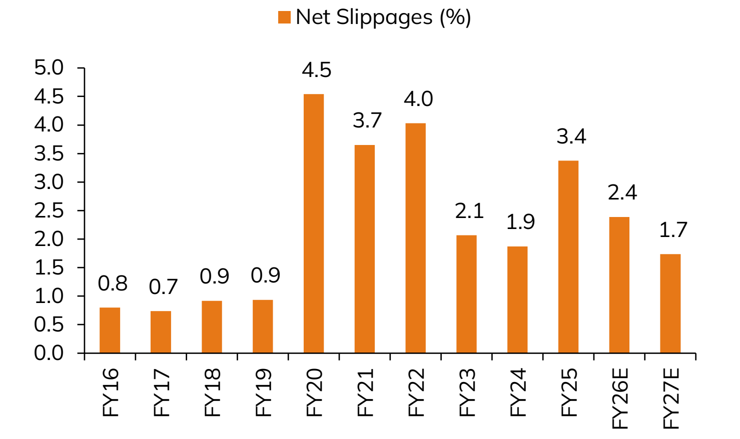
Source: I-Sec research, Company data

Exhibit 32: We model gross slippages to improve to ~3.4%/2.7% by FY26E/FY27E



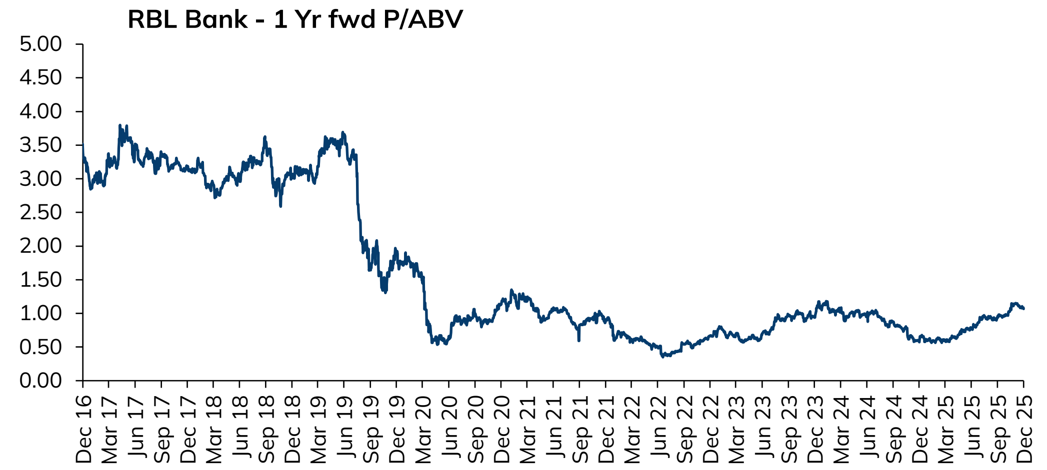
Source: I-Sec research, Company data xxx

Exhibit 33: Net slippages are estimated to improve to ~2.4%/1.7% by FY26/FY27



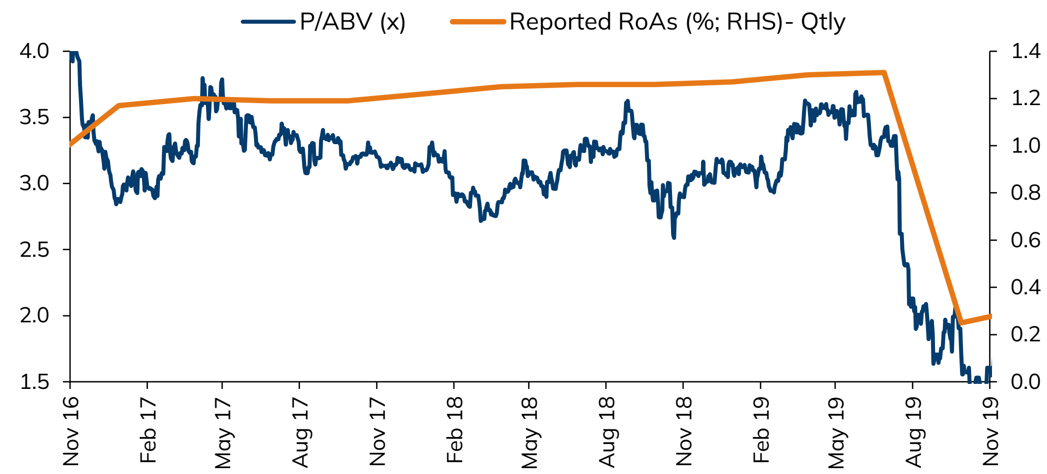
Source: I-Sec research, Company data xxx

Exhibit 34: RBL has seen sharp valuation de-rating over the last 7-8 years



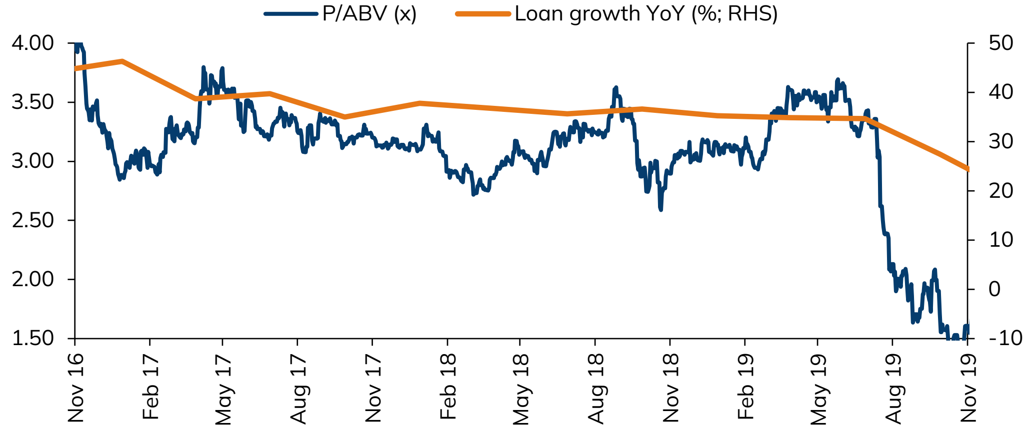
Source: I-Sec research, Company data

Exhibit 35: Importantly, the stock traded at >2.5x P/ABV, when RoA was consistently above 1% and...



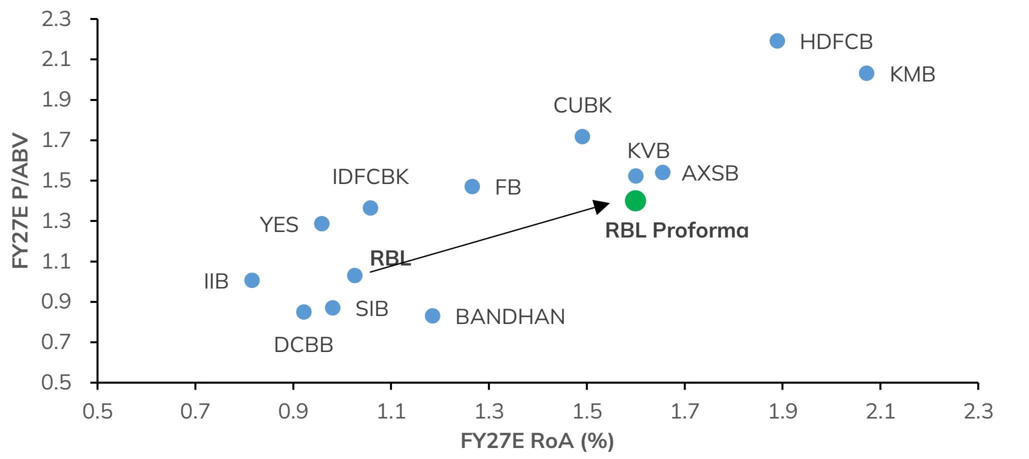
Source: Bloomberg, I-Sec research

Exhibit 36: … loan growth was above >20% YoY; we are enthused, as RBL is likely to deliver >1% RoA and superior growth, and thus, is primed for re-rating



Source: I-Sec research, Bloomberg

Exhibit 37: We see massive rise in RoA and thus re-rating in RBL post the deal



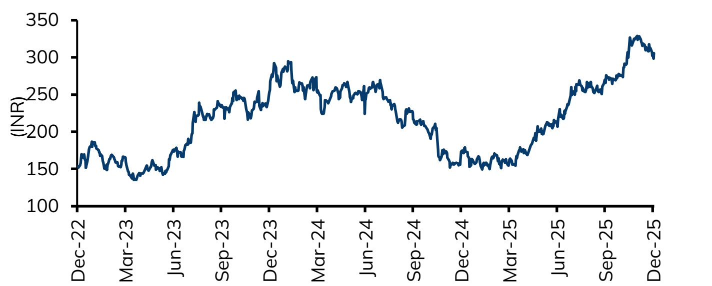
Source: I-Sec research, Company data

Exhibit 38: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	0.0	0.0	0.0
Institutional investors	35.6	52.3	51.1
MFs and other	15.3	29.2	30.6
Banks/ FIs	1.2	1.2	1.2
Insurance Cos.	3.0	3.3	3.2
FIIs	16.1	18.6	16.1
Others	64.4	47.7	48.9

Source: Bloomberg, I-Sec research

Exhibit 39: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 40: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Interest income	1,23,943	1,40,391	1,44,237	1,70,022
Interest expense	63,514	75,760	79,630	87,891
Net interest income	**60,429**	**64,630**	**64,607**	**82,131**
Non-interest income	30,429	38,062	42,503	46,545
Operating income	**90,858**	**1,02,692**	**1,07,111**	**1,28,676**
Operating expense	60,550	66,424	73,480	83,789
Staff expense	14,922	17,344	20,149	23,345
Operating profit	**30,308**	**36,268**	**33,631**	**44,886**
Core operating profit	**28,723**	**32,612**	**30,331**	**43,386**
Provisions & Contingencies	17,785	29,587	19,312	20,745
Pre-tax profit	**12,523**	**6,681**	**14,319**	**24,141**
Tax (current + deferred)	844	(272)	3,437	6,035
Net Profit	**11,679**	**6,954**	**10,882**	**18,106**
Adjusted net profit	**11,679**	**6,954**	**10,882**	**18,106**

Source Company data, I-Sec research

Exhibit 41: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Cash and balance with RBI/Banks	1,44,166	1,25,596	1,20,169	1,27,587
Investments	2,95,759	3,21,647	3,49,439	3,81,718
Advances	8,39,869	9,26,183	10,63,596	12,35,502
Fixed assets	5,324	5,772	6,494	7,268
Other assets	99,205	88,057	1,07,251	1,31,042
Total assets	**13,84,322**	**14,67,255**	**16,46,949**	**18,83,117**
Deposits	10,34,936	11,09,435	12,61,308	14,25,617
Borrowings	1,41,841	1,37,338	1,52,446	1,69,215
Other liabilities and provisions	59,581	64,413	67,116	1,05,549
Share capital	6,051	6,079	6,079	6,079
Reserve & surplus	1,41,913	1,49,989	1,60,001	1,76,658
Total equity & liabilities	**13,84,322**	**14,67,255**	**16,46,949**	**18,83,117**
% Growth	19.5	6.0	12.2	14.3

Source Company data, I-Sec research

Exhibit 42: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
No. of shares and per share data				
No. of shares (mn)	605	608	608	608
Adjusted EPS	19.4	11.4	17.9	29.8
Book Value per share	245	257	273	301
Adjusted BVPS	237	253	269	297
Valuation ratio				
PER (x)	15.8	26.7	17.1	10.3
Price/ Book (x)	1.3	1.2	1.1	1.0
Price/ Adjusted book (x)	1.4	1.3	1.2	1.1
Dividend Yield (%)	0.5	0.3	0.5	0.8
Profitability ratios (%)				
Yield on advances	12.9	12.7	11.7	12.1
Yields on Assets	9.7	9.8	9.3	9.6
Cost of deposits	5.7	6.1	5.7	5.5
Cost of funds	5.0	5.3	5.1	5.0
NIMs	5.2	4.9	4.5	5.0
Cost/Income	66.6	64.7	68.6	65.1
Dupont Analysis (as % of Avg Assets)				
Interest Income	9.7	9.8	9.3	9.6
Interest expended	5.0	5.3	5.1	5.0
Net Interest Income	**4.8**	**4.5**	**4.1**	**4.7**
Non-interest income	2.4	2.7	2.7	2.6
Trading gains	0.1	0.3	0.2	0.1
Fee income	2.3	2.4	2.5	2.6
Total Income	**7.1**	**7.2**	**6.9**	**7.3**
Total Cost	**4.8**	**4.7**	**4.7**	**4.7**
Staff costs	1.2	1.2	1.3	1.3
Non-staff costs	3.6	3.4	3.4	3.4
Operating Profit	**2.4**	**2.5**	**2.2**	**2.5**
Core Operating Profit	2.3	2.3	1.9	2.5
Non-tax Provisions	1.4	2.1	1.2	1.2
PBT	**1.0**	**0.5**	**0.9**	**1.4**
Tax Provisions	0.1	0.0	0.2	0.3
Return on Assets (%)	**0.9**	**0.5**	**0.7**	**1.0**
Leverage (x)	9.0	9.4	9.7	10.1
Return on Equity (%)	**8.2**	**4.6**	**6.8**	**10.4**
Asset quality ratios (%)				
Gross NPA	2.7	2.6	1.9	1.7
Net NPA	0.7	0.3	0.4	0.3
PCR	72.7	89.0	82.0	85.0
Gross Slippages	3.5	4.9	3.8	3.1
LLP / Avg loans	1.9	3.5	2.5	1.9
Total provisions / Avg loans	2.3	3.4	1.9	1.8
Net NPA / Networth	4.2	1.7	2.3	1.8
Capitalisation ratios (%)				
Core Equity Tier 1	14.4	14.1	13.0	12.5
Tier 1 cap. adequacy	14.4	14.1	13.0	12.5
Total cap. adequacy	16.2	15.5	14.3	13.6

Source Company data, I-Sec research

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