

Estimate change	
TP change	
Rating change	

Bloomberg	RBK IN
Equity Shares (m)	613
M.Cap.(INRb)/(USDb)	200.3 / 2.2
52-Week Range (INR)	332 / 146
1, 6, 12 Rel. Per (%)	9/19/95
12M Avg Val (INR M)	2657

Financials & Valuations (INR b)			
Y/E March	FY25	FY26E	FY27E
NII	64.6	63.8	93.3
OP	36.3	32.5	56.9
NP	7.0	8.9	27.7
NIM (%)	4.9	4.4	5.2
EPS (INR)	11.4	14.6	16.4
EPS Gr. (%)	-40.7	28.0	11.8
BV/Sh. (INR)	254	263	279
ABV/Sh. (INR)	248	257	276
Ratios			
RoA (%)	0.5	0.6	1.4
RoE (%)	4.6	5.7	8.8
Payout (%)	13.1	30.0	30.0
Valuations			
P/E(X)	28.4	22.2	19.8
P/BV (X)	1.3	1.2	1.2

Shareholding pattern (%)			
As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	0.0
DII	35.7	34.8	27.0
FII	15.5	17.6	14.6
Others	48.9	47.7	58.3

CMP: INR325 TP: INR370 (+14%) Buy

NII in line; higher provisions lead to earnings miss

NIMs expand 12bp QoQ to 4.63%

- RBL Bank (RBK) reported a 3QFY26 PAT of INR2.1b (20% miss, up 20% QoQ) amid higher-than-expected provisions, partly offset by better other income.
- NII stood better at 4.6% YoY/6.9% QoQ, reaching INR16.6b (in line with MOFSLe). NIMs expanded 12bp QoQ to 4.63% aided by reduction in CoF. The bank expects NIMs to be marginally better in 4Q despite the repo cut.
- Opex grew 8% YoY/2.3% QoQ (in line), while steady fee income led to a 6% beat in other income. C/I ratio declined to 66.3% (vs 70.7% in 2Q).
- Advances grew modestly 14% YoY/2.5% QoQ, while deposits grew 12.1% YoY/2.6% QoQ. CA declined 5% QoQ; as a result, the CASA mix declined to 30.9% vs 31.9% in 2QFY26.
- Fresh slippages declined 1.7% QoQ to INR9b. GNPA/NNPA ratios declined 44bp/2bp QoQ to 1.88%/0.55%. PCR moderated to 71%.
- **Given the higher near-term provisions, we cut our earnings estimate for FY26E by 7%, while we maintain our earnings for FY27E and FY28E. We estimate FY27E RoA and RoE of 1.4% and 8.8%, respectively. Reiterate BUY with a TP of INR370 (premised on 1.3x Sep'27E ABV).**

Growth outlook robust; PCR declines 4.8% QoQ to 71%

- RBK reported a 3QFY26 PAT of INR2.1b (20% miss, up 20% QoQ), amid higher-than-expected provisions, partly offset by better other income.
- NII grew 4.6% YoY/6.9% QoQ to INR16.6b (in line). NIM expanded 12bp QoQ to 4.63%, led by a CoF reduction, with further expansion possible amid TD repricing in 4Q.
- Other income grew 13% QoQ/declined 2% YoY to INR10.5b (6% beat), led by healthy fee income. Meanwhile, treasury gains stood at INR913m vs. INR67m in 2QFY26. Total revenue grew 2% YoY (9% QoQ) to INR27b (largely in line). Opex rose 8% YoY/ 2.3% QoQ to INR17.9b (in line). The C/I ratio declined 437bp QoQ to 66.3%.
- PPoP grew 25% QoQ (declined 8% YoY) to INR9.1b (9% beat).
- Provisions were higher at INR6.4b (33% above MOFSLe), driven by provisioning on write-off assets. PCR declined to 71% as written-off assets continue to remain on the books, prompting the bank to expect slightly higher credit costs over the next two quarters.
- Advances grew 14% YoY/2.5% QoQ to INR1t (lower growth vs estimates). Retail book stood flat at 0.8% QoQ (up 9.8% YoY). Business loan stood higher at 53.5% YoY/12.2% QoQ, whereas MFI saw some growth after a subdued year (up 13.7% QoQ). PL book declined 1.4% QoQ. Credit card book declined 2.9% QoQ/3.5% YoY. Meanwhile, the wholesale book continues to gain traction at 20.6% YoY/ 5.1% QoQ.
- Deposits grew 12.1% YoY/2.6% QoQ. CASA mix moderated 98bp QoQ to 30.9% (amid 5% a QoQ decline in the CA book). C/D ratio stood flat QoQ at 86.1%.

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.Sankharva@motilaloswal.com) | Disha Singhal (Disha.Singhal@MotilalOswal.com)

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- Fresh slippages moderated to INR9b vs INR9.25b in 2QFY26. GNPA ratio improved 44bp QoQ to 1.88%, while NNPA ratio declined 2bp QoQ to 0.55%. PCR moderated to 71.1%.

Highlights from the management commentary

- Term deposits are expected to reprice further in 4QFY26, with margins likely to expand marginally in the coming quarter.
- ECL transition: Currently, the impact is ~10% of net worth; the bank awaits further clarity.
- Credit guidance: Wholesale advances are guided at 20-25% and retail advances at 25-30%, while JLG advances are likely to grow at 10-15%.
- The bank expects its credit card book to turn positive. With portfolio growth over the past two years, it expects visible improvement in collections and lower costs.

Valuation and view

RBK reported an earnings miss amid higher provisions, while PPoP stood better, led by other income. Business growth was modest; however, the bank guides for healthy growth in wholesale advances (20-25% YoY) and retail advances (25-30% YoY). Moreover, the bank aims to grow its unsecured book at a calibrated pace. The comfortable CD ratio and upcoming capital infusion from Emirates NBD are expected to lead to better credit growth for the bank. With an aggressive provisions policy, the bank is poised to report an improvement in asset quality, while slippages are likely to decline gradually as unsecured lending conditions improve. C/I ratio continues to decline after the bank largely shifted its collections in-house. **Given the higher near-term provisions, we cut our earnings estimate for FY26E by 7%, while we maintain our earnings for FY27E and FY28E. We estimate FY27E RoA and RoE of 1.4% and 8.8%, respectively. Reiterate BUY with a TP of INR370 (premised on 1.3x Sep'27E ABV).**

Quarterly performance

	FY25				FY26E				FY25	FY26E	FY26E V/s our	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
INRb												
Net Interest Income	17.0	16.1	15.9	15.6	14.8	15.5	16.6	16.9	64.6	63.8	16.6	0%
% Change (Y-o-Y)	19.5	9.5	2.5	-2.3	-12.9	-4.0	4.6	8.3	7.0	-1.3	4.6	
Other Income	8.1	9.3	10.7	10.0	10.7	9.3	10.5	10.2	38.1	40.7	9.9	6%
Total Income	25.1	25.4	26.6	25.6	25.5	24.8	27.1	27.1	102.7	104.5	26.5	2%
Operating Expenses	16.5	16.3	16.6	17.0	18.5	17.5	18.0	18.1	66.4	72.1	18.1	-1%
Operating Profit	8.6	9.1	10.0	8.6	7.0	7.3	9.1	9.0	36.3	32.5	8.4	9%
% Change (Y-o-Y)	32.7	24.5	30.2	-2.9	-18.2	-19.9	-8.4	4.7	19.7	-10.5	-15.9	
Provisions	3.7	6.2	11.9	7.9	4.4	5.0	6.4	5.1	28.7	20.9	4.8	33%
Profit before Tax	4.9	2.9	-1.9	0.8	2.6	2.3	2.7	4.0	7.6	11.6	3.6	-23%
Tax	1.2	0.7	-2.2	0.1	0.6	0.5	0.6	1.0	0.6	2.7	0.9	-34%
Net Profit	3.7	2.2	0.3	0.7	2.0	1.8	2.1	3.0	7.0	8.9	2.7	-20%
% Change (Y-o-Y)	29.0	-24.3	-86.0	-80.5	-46.1	-19.8	555.5	333.0	-40.5	28.0	715.7	
Operating Parameters												
Deposit	1,013.5	1,079.6	1,067.5	1,109.4	1,127.3	1,166.7	1,197.2	1,243.7	1,109.4	1,243.7	1,208.9	
Loan	867.0	878.8	904.1	926.2	944.3	1,005.3	1,030.9	1,068.8	926.2	1,068.8	1,050.1	
Deposit Growth (%)	18.4	20.2	15.1	7.2	11.2	8.1	12.1	12.1	7.2	12.1	13.2	
Loan Growth (%)	18.6	15.1	13.1	10.3	8.9	14.4	14.0	15.4	10.3	15.4	16.1	
Asset Quality												
Gross NPA (%)	2.7	2.9	2.9	2.6	2.8	2.3	1.9	1.9	2.6	1.9	2.3	
Net NPA (%)	0.7	0.8	0.5	0.3	0.5	0.6	0.6	0.5	0.3	0.5	0.6	
PCR (%)	73.1	73.0	82.2	89.0	84.0	75.9	71.1	71.4	89.0	71.4	75.2	

Quarterly snapshot

INR b	FY25				FY26			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Profit and Loss									
Net Interest Income	17.0	16.1	15.9	15.6	14.8	15.5	16.6	5	7
Other Income	8.1	9.3	10.7	10.0	10.7	9.3	10.5	-2	13
Total Income	25.1	25.4	26.6	25.6	25.5	24.8	27.1	2	9
Operating Expenses	16.5	16.3	16.6	17.0	18.5	17.5	18.0	8	2
-Employee	3.7	4.7	4.5	4.5	4.7	4.8	5.0	11	4
-Others	12.8	11.7	12.1	12.5	13.7	12.7	12.9	7	2
Operating Profits	8.6	9.1	10.0	8.6	7.0	7.3	9.1	-8	25
Core Operating Profits	8.2	8.1	7.9	8.3	4.3	7.2	8.2	4	14
Provisions	3.7	6.2	11.9	7.9	4.4	5.0	6.4	-46	28
PBT	4.9	2.9	-1.9	0.8	2.6	2.3	2.7	-242	19
Taxes	1.2	0.7	-2.2	0.1	0.6	0.5	0.6	-126	18
PAT	3.7	2.2	0.3	0.7	2.0	1.8	2.1	555	20
Balance Sheet									
Loans	867	879	904	926	944	1,005	1,031	14	3
Deposits	1,014	1,080	1,068	1,109	1,127	1,167	1,197	12	3
CASA deposits	330	362	350	379	366	372	370	6	-1
-Savings	182	197	203	200	189	198	205	1	4
-Demand	148	166	147	179	177	174	165	12	-5
Loan mix (%)									
Retail	62.0	62.3	61.1	60.1	60.0	59.8	58.8	-226	-102
-Microfinance	8.4	7.9	7.2	6.2	5.8	5.9	6.5	-73	64
-Cards	20.1	19.8	19.1	18.5	18.2	17.1	16.2	-293	-92
-Business loans	9.4	10.1	10.9	12.1	12.3	13.4	14.7	378	126
C&IB	27.2	26.6	27.0	27.2	26.9	27.1	27.6	59	47
CB	10.8	11.1	11.9	12.7	13.2	13.0	13.6	167	55
Asset Quality									
GNPA	23.8	25.8	27.0	24.7	26.9	23.8	19.6	-27	-18
NNPA	6.4	7.0	4.8	2.7	4.3	5.7	5.7	18	-1
Slippages	7.2	10.3	13.1	10.6	10.6	9.3	9.1	-31	-2
Asset Quality Ratios (%)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY (bp)	QoQ (bp)
GNPA	2.7	2.9	2.9	2.6	2.8	2.3	1.9	-104	-44
NNPA	0.7	0.8	0.5	0.3	0.5	0.6	0.6	2	-2
PCR (Calc)	73.1	73.0	82.2	89.0	84.0	75.9	71.1	-1,107	-483
Slippage ratio	3.6	5.0	6.1	4.8	4.7	3.9	3.8	-239	-17
Business Ratios (%)									
Other income/Total Income	32.1	36.5	40.4	39.0	41.9	37.6	38.8	-158	123
CASA mix	32.6	33.6	32.8	34.1	32.5	31.9	30.9	-192	-98
Loan/Deposit	85.5	81.4	84.7	83.5	83.8	86.2	86.1	141	-6
Cost / Assets (%)	5.2	4.9	5.0	4.8	5.2	4.7	4.8	-14	10
Cost to Income	65.7	64.2	62.5	66.4	72.4	70.7	66.3	379	-437
Tax Rate	24.6	23.7	117.0	9.7	23.1	21.9	21.7	-9,527	-24
Capitalisation ratios (%)									
Tier-1 (incl profit)	13.9	14.2	13.7	14.1	14.1	13.5	13.5	-23	-6
- CET 1 (incl profit)	13.9	14.2	13.7	14.1	14.1	13.5	13.5	-23	-6
CAR (incl profit)	15.6	15.9	15.4	15.5	15.6	15.0	14.9	-43	-8
RWA / Total Assets	77.3	72.4	76.8	71.4	71.4	73.0	73.2	-364	16
LCR	137.0	129.0	142.9	132.5	151.6	0.0	0.0	-14,293	0
Profitability Ratios									
Yield on loans	14.2	13.5	13.3	13.0	12.5	12.3	12.1	-117	-13
Yield on Funds	12.6	12.4	12.2	11.5	11.4	11.0	11.1	-109	8
Cost of funds	6.6	6.6	6.6	6.6	6.6	6.2	6.2	-45	-8
Margins	5.7	5.0	4.9	4.9	4.5	4.5	4.6	-27	12
Other details									
Branches	545	550	558	561	562	564	580	22	16
Employees	13,353	14,777	14,715	412	14,186	13,962	13,632	-1,083	-330



Highlights from the management commentary

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

- Net advances grew 14% YoY and 3% QoQ. Retail advances increased 10% YoY and 1% QoQ, with the retail-wholesale mix at 59:41, adjusted for an IBPC reduction of INR30b.
- Secured advances grew 24% YoY and 1% QoQ, while BL + home loans increased 3% YoY and 8% QoQ. Retail quarterly disbursements stood above INR50b.
- Wholesale banking grew 21% YoY, with commercial banking expanding at a faster pace of 30% YoY and 7% QoQ. Secured business loans – average tenure is 4-5 years and is linked to Repo.

Advances and deposits

- Gold loan disbursements stood at INR2.25-2.5b per month, with management indicating for a meaningful increase.
- RFL has been gaining traction as a sourcing channel for secured loans, while retail secured businesses have turned profitable at the operating level.
- Deposits grew 12.5% YoY and 2% QoQ, with the CASA ratio at 30.9%. Branch banking-led deposits grew 18% YoY and 3% QoQ.
- CASA ratio continues to remain a challenge for the bank and continues to drag the impact on overall cost PF deposits.
- LCR stood at 125%, while the CD ratio was 86.1%, within the banks comfortable range of 83–87%.
- LCR Impact: Expected to have a marginal positive impact.
- Management's priorities remain focused on building granular liabilities, maintaining a balanced retail asset mix with faster growth in secured products, driving branch-led acquisition, and improving operational efficiency. Overall, the bank believes it is on the right trajectory to achieve these objectives.
- Credit Guidance: Wholesale advances are at 20-25%, retail advances are at 25-30%, and JLG advances are likely to grow 10-15%.
- Unsecured advances have stopped declining and grew 1% QoQ, with JLG disbursements reaching a monthly run rate of INR7b, supported by an improvement in collection efficiency and a reduction in slippages.
- In the credit card segment, the bank issued ~100,000 cards in a single month, with cards-in-force growing QoQ after 6–7 quarters. Slippages in the segment remain slightly elevated, and this trend is expected to continue for the next two quarters. However, the bank aims to reach card accretion of 150-200K in the near future.
- Early bucket collection efficiency in the JLG portfolio stood at 99.5%, improving sequentially.
- The bank expects the credit card book to turn positive. With portfolio build over the past 2two years, the bank expects a visible improvement in collections and reduction in costs.

Cost and margins

- Term deposits are expected to reprice further in 4QFY26, with margins likely to expand marginally in the coming quarter.
- NII increased 7% QoQ, while NIM stood at 4.63%, rising 12bp (led by an uptick of 4bp CRR release, balance sheet efficiency, and an improvement in short term investments).

- Cost of deposits stood at 6.2% vs 6.26% in the previous quarter. Savings account rate actions included a reduction in the peak bucket from 6.5% to 6%, with cost of deposits expected to reduce further.
- Other income grew 13% YoY, excluding the one-off impact of the listing of strategic investments.
- Operating expenses increased 8% YoY, with the cost-to-income ratio improving to 66.3% from 70.7% QoQ.
- Gratuity provision increased INR300m on account of labor codes.

Asset quality

- Term deposits are expected to reprice further in 4QFY26, with margins likely to expand marginally in the coming quarter.
- NII increased 7% QoQ, while NIM stood at 4.63%, up 12 bp (led by uptick of 4 bps CRR release, balance sheet efficiency, improvement in short term investments).
- Cost of deposits stood at 6.2% vs 6.26% in the previous quarter. Savings account rate actions included a reduction in the peak bucket from 6.5% to 6%, with cost of deposits expected to reduce further.
- Other income grew 13% YoY, excluding the one-off impact of the listing of strategic investments.
- Operating expenses increased 8% YoY, with the cost-to-income ratio improving to 66.3% from 70.7% QoQ.
- Gratuity provision increased INR300m on account of labor codes.

ECL and capital related

- ECL transition: currently, the impact is ~10% of net worth; would further await some more clarity.
- On the capital front, shareholder approval has been received for the proposed capital infusion by Emirates NBD. Applications have been submitted to the RBI, GOI, CCI and SEBI, and are currently at various stages of approval.
- Capital adequacy remained comfortable, with overall capital adequacy at 14.94% and CET-1 at 13.45% (including profits) with 7–8 bps capital consumption during the quarter due to growth.

Others

- The bank added 18 branches during the quarter, reflecting accelerated branch expansion, which is expected to continue to strengthen the deposit franchise. Branch-led businesses, including gold loans, working capital and secured business loans, also witnessed traction.
- The bank aims to exit March-26 by 600 branches, 800 branches by FY27 and 1000 branches by FY28 with annual operating cost of INR 6-7m per branch.

Guidance

- Credit Guidance: Wholesale advances at 20-25% and Retail advances are at 25-30%; JLG advances are expected to grow 10-15%.
- The bank aims to exit March-26 by 600 branches, 800 branches by FY27 and 1000 branches by FY28 with annual operating cost of INR 6-7m per branch.

Story in charts

Exhibit 1: Loans/deposits grew 14%/12.1% YoY

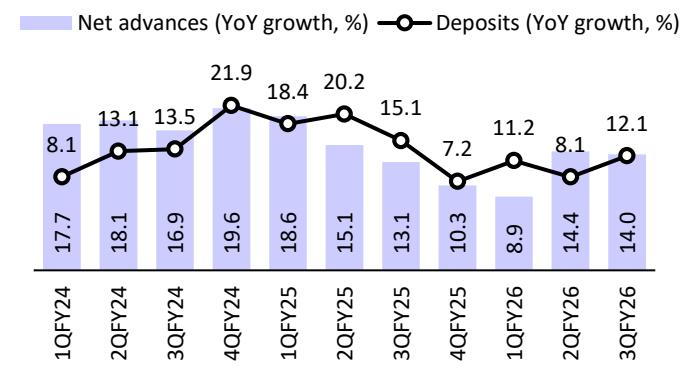


Exhibit 2: The mix of retail declined to 61%

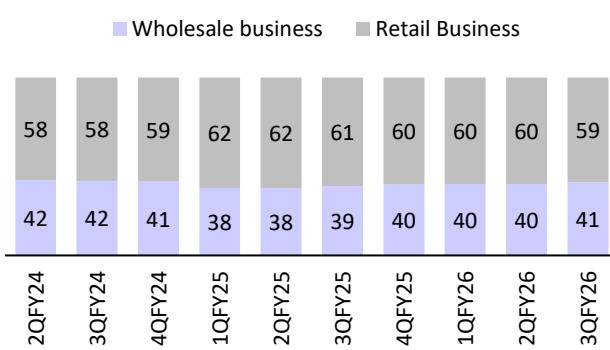


Exhibit 3: Market share in cards/spending declined to 3.9%/3.6%

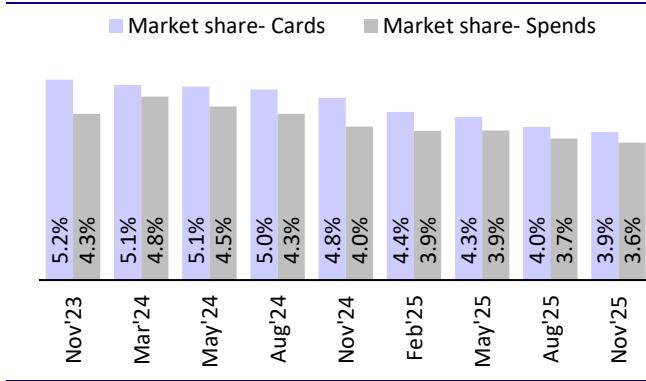


Exhibit 4: NIM expanded 12bp QoQ to 4.63%

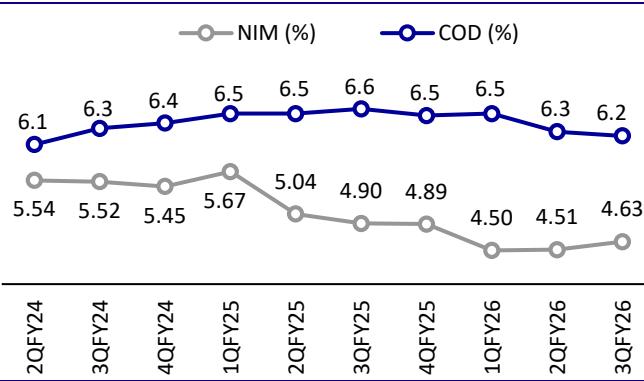


Exhibit 5: C/I ratio moderated to 66.3%; Cost/Asset at 4.8%

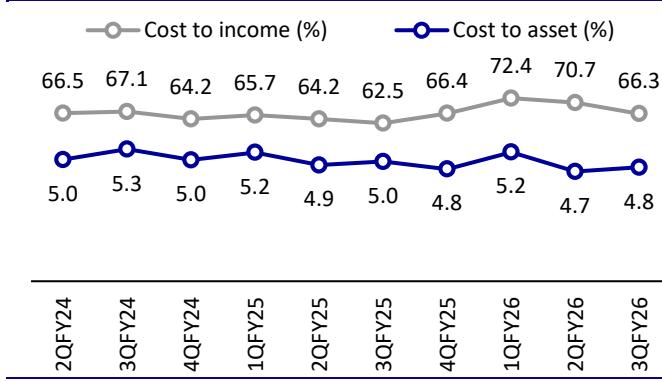


Exhibit 6: C/D ratio stood at 86.1% in 3QFY26

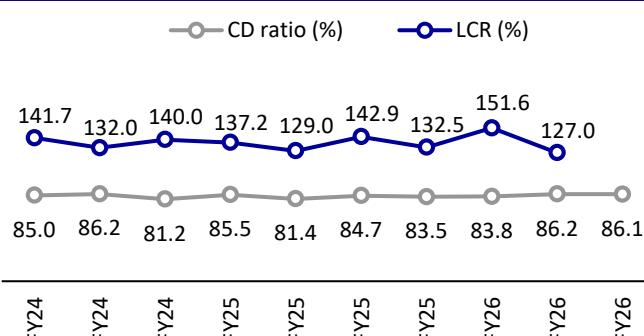


Exhibit 7: Credit cost annualized (calc) increased to 2.6%

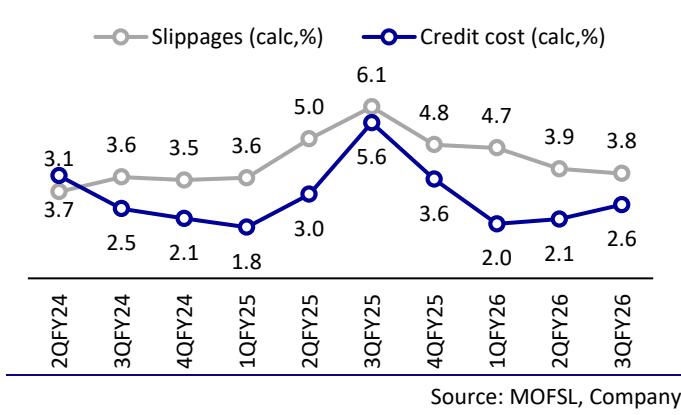
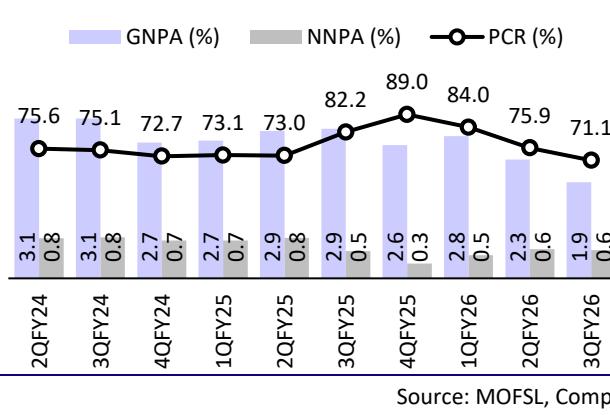


Exhibit 8: GNPA ratio improved 44bp QoQ to 1.88%



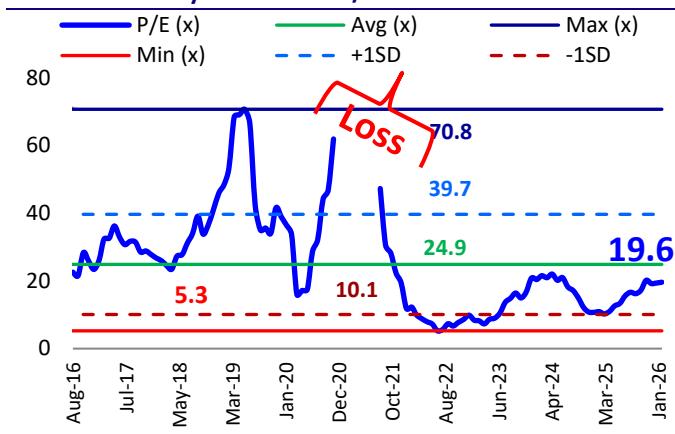
Valuation and view

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- The comfortable CD ratio and upcoming capital infusion from Emirates NBD are expected to result in better credit growth for the bank.
- With an aggressive provisions policy, the bank is set to report improvement in asset quality, while slippages are likely to decline gradually as the unsecured lending conditions improve. C/I ratio continues to decline after the bank has majorly shifted its collections in-house.
- Given the higher near-term provisions, we cut our earnings estimate for FY26E by 7%, while we maintain our earnings for FY27E and FY28E. We estimate FY27E RoA and RoE of 1.4% and 8.8%, respectively. Reiterate BUY with a TP of INR370 (premised on 1.3x Sep'27E ABV).**

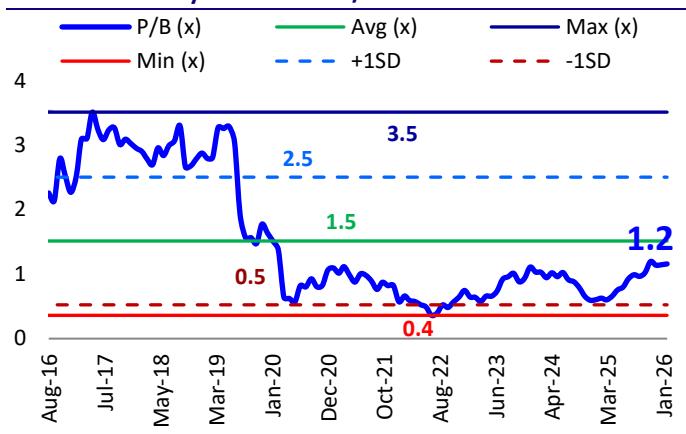
Exhibit 9: Changes to our estimates

INRb	Old estimates			Revised estimates			Change (%/bps)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Net Interest Income	64.3	95.3	125.0	63.8	93.3	122.6	-0.7	-2.1	-1.9
Other Income	40.3	48.0	58.1	40.7	48.5	58.6	0.9	0.9	0.9
Total Income	104.6	143.3	183.0	104.5	141.8	181.2	-0.1	-1.1	-1.0
Operating Expenses	72.8	85.7	102.7	72.1	84.9	101.6	-1.0	-1.0	-1.0
Operating Profits	31.8	57.6	80.4	32.5	56.9	79.6	2.0	-1.2	-1.0
Provisions	19.1	20.8	25.1	20.9	20.4	24.6	9.5	-1.9	-1.9
PBT	12.8	36.8	55.3	11.6	36.5	55.0	-9.2	-0.8	-0.5
Tax	3.2	9.0	13.5	2.7	8.8	13.3	-14.7	-2.5	-2.2
PAT	9.6	27.8	41.7	8.9	27.7	41.7	-7.4	-0.3	0.0
Loans	1,090	1,407	1,744	1,069	1,380	1,712	-2.0	-1.9	-1.9
Deposits	1,274	1,530	1,805	1,244	1,496	1,765	-2.4	-2.2	-2.2
Margins (%)	4.36	5.16	5.51	4.38	5.16	5.52	2	0	1
Credit Cost (%)	1.85	1.60	1.54	2.05	1.60	1.54	20	0	0
RoA (%)	0.61	1.43	1.75	0.57	1.44	1.78	-4	2	2
RoE (%)	6.1	8.8	8.6	5.7	8.8	8.6	-44	-1	1
EPS	15.8	16.4	24.7	14.6	16.4	24.7	-7.4	-0.3	0.0
BV	264.2	279.2	295.2	263.4	278.9	294.9	-0.3	-0.1	-0.1
ABV	257.1	275.7	290.8	256.8	275.8	291.5	-0.1	0.0	0.2

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 – 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	9.35	9.50	9.36
Interest Expense	4.21	5.00	5.31	5.25	4.64	4.15
Net Interest Income	4.50	4.75	4.53	4.10	4.86	5.21
Fee income	2.13	2.29	2.43	2.35	2.27	2.24
Trading and others	0.11	0.11	0.24	0.27	0.26	0.25
Non Interest income	2.24	2.39	2.67	2.62	2.52	2.49
Total Income	6.74	7.15	7.20	6.72	7.38	7.71
Operating Expenses	4.76	4.76	4.66	4.63	4.42	4.32
-Employee cost	1.21	1.17	1.22	1.23	1.16	1.13
-Others	3.55	3.59	3.44	3.41	3.26	3.19
Operating Profit	1.98	2.38	2.54	2.09	2.96	3.39
Core Operating Profit	1.87	2.28	2.30	1.82	2.71	3.13
Provisions	0.92	1.39	2.01	1.34	1.06	1.05
PBT	1.06	0.99	0.53	0.75	1.90	2.34
Tax	0.27	0.07	0.04	0.17	0.46	0.56
RoA	0.79	0.92	0.49	0.57	1.44	1.78
Leverage (x)	8.48	8.96	9.43	9.89	6.07	4.84
RoE	6.74	8.23	4.60	5.66	8.77	8.59

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	145.5	182.4	220.1
Interest Expense	46.8	63.5	75.8	81.7	89.1	97.5
Net Interest Income	50.0	60.4	64.6	63.8	93.3	122.6
-growth (%)	24.1	20.9	7.0	-1.3	46.2	31.4
Non Interest Income	24.9	30.4	38.1	40.7	48.5	58.6
Total Income	74.9	90.9	102.7	104.5	141.8	181.2
-growth (%)	17.6	21.3	13.0	1.8	35.6	27.8
Operating Expenses	52.9	60.6	66.4	72.1	84.9	101.6
Pre Provision Profits	22.0	30.3	36.3	32.5	56.9	79.6
-growth (%)	-19.8	37.6	19.7	-10.5	75.3	39.9
Core PPoP	20.8	29.0	32.8	28.3	51.9	73.7
-growth (%)	-16.7	39.2	13.4	-13.7	83.3	41.8
Provisions	10.2	17.7	28.7	20.9	20.4	24.6
PBT	11.8	12.6	7.6	11.6	36.5	55.0
Tax	3.0	0.9	0.6	2.7	8.8	13.3
Tax Rate (%)	25.2	7.3	8.2	23.2	24.1	24.1
PAT	8.83	11.7	7.0	8.9	27.7	41.7
-growth (%)	-1,281.2	32.3	-40.5	28.0	211.4	50.5
Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	6.0	6.1	6.1	6.1	16.9	16.9
Reserves & Surplus	129.8	141.9	148.3	154.1	455.1	482.2
Net Worth	135.8	148.0	154.4	160.1	472.0	499.1
Deposits	848.9	1,034.9	1,109.4	1,243.7	1,495.8	1,765.1
-growth (%)	7.4	21.9	7.2	12.1	20.3	18.0
- CASA Dep	317.2	364.5	378.9	396.7	516.1	633.7
-growth (%)	13.8	14.9	3.9	4.7	30.1	22.8
Borrowings	133.3	141.8	137.3	164.6	128.9	122.6
Other Liabilities & Prov.	40.8	59.6	64.4	76.0	98.8	119.6
Total Liabilities	1,158.8	1,384.3	1,465.6	1,644.4	2,195.6	2,506.3
Cash & Balances with RBI	62.4	120.7	109.6	88.7	107.2	128.4
Investments	288.8	295.7	321.6	360.2	558.4	491.4
-growth (%)	29.6	2.4	8.8	12.0	55.0	-12.0
Loans	702.1	839.9	926.2	1,068.8	1,380.3	1,711.6
-growth (%)	17.0	19.6	10.3	15.4	29.1	24.0
Fixed Assets	5.7	5.3	5.8	6.4	7.3	8.4
Other Assets	77.0	99.2	88.1	93.5	108.3	127.0
Total Assets	1,158.8	1,384.3	1,467.2	1,644.4	2,195.6	2,506.3
Asset Quality						
GNPA (INR b)	24.2	22.7	24.7	20.2	27.1	33.2
NNPA (INR b)	7.7	6.2	2.7	5.8	7.4	8.1
Slippages (INR b)	27.5	24.4	41.1	37.4	34.2	38.6
GNPA Ratio	3.37	2.7	2.6	1.9	1.9	1.9
NNPA Ratio	1.10	0.7	0.3	0.5	0.5	0.5
Slippage Ratio	4.59	3.5	4.9	4.0	3.2	2.8
Credit Cost	1.57	2.3	3.2	2.05	1.6	1.5
PCR (Excl Tech. write off)	68.1	72.7	89.0	71.4	72.8	75.7

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	10.1	9.9
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	5.9	5.6
Avg. Cost of Deposits	4.9	5.7	6.1	6.0	5.8	5.5
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	5.2	5.5
Capitalization Ratios (%)						
CAR	16.9	16.2	15.5	14.9	35.1	32.9
Tier I	15.3	14.4	14.1	13.2	33.6	31.5
-CET-1	15.3	14.4	14.1	13.2	33.6	31.5
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	85.9	92.3	97.0
CASA Ratio	37.4	35.2	34.1	31.9	34.5	35.9
Cost/Assets	4.6	4.4	4.5	4.4	3.9	4.1
Cost/Total Income	70.6	66.6	64.7	69.0	59.9	56.1
Int. Expense/Int.Income	48.3	51.2	54.0	56.2	48.9	44.3
Fee Income/Net Income	28.0	29.1	30.3	30.8	27.0	25.6
Non Int. Inc./Net Income	33.2	33.5	37.1	39.0	34.2	32.4
Empl. Cost/Total opex	25.4	24.6	26.1	26.5	26.3	26.1
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	1.1	1.1	1.2
CASA per branch	613.5	668.8	675.3	680.0	850.5	1,004.1
Deposits per branch	1,641.9	1,899.0	1,977.6	2,131.6	2,465.2	2,797.1
Business per Employee	140.6	150.3	142.7	138.6	147.3	152.2
Profit per Employee	0.8	0.9	0.5	0.5	1.4	1.8

Profitability & Valuation Ratios

RoE	6.7	8.2	4.6	5.7	8.8	8.6
RoA	0.8	0.9	0.5	0.6	1.4	1.8
RoRWA	1.1	1.3	0.7	0.8	2.2	2.8
Book Value (INR)	226	245	254	263	279	295
-growth (%)	7.6	8.0	3.9	3.7	5.9	5.7
Price-BV (x)	1.4	1.3	1.3	1.2	1.2	1.1
Adjusted BV (INR)	215	235	248	257	276	292
Price-ABV (x)	1.5	1.4	1.3	1.3	1.2	1.1
EPS (INR)	14.7	19.3	11.4	14.6	16.4	24.7
-growth (%)	-1,281.0	31.1	-40.7	28.0	11.8	50.5
Price-Earnings (x)	22.1	16.8	28.4	22.2	19.8	13.2
Dividend Per Share (INR)	0.0	1.5	1.5	4.4	4.9	7.4
Dividend Yield (%)	0.0	0.5	0.5	1.4	1.5	2.3

E: MOFSL Estimates

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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .. 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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