17 July 2026

1QFY27 Results Update | Sector: Financials

RBL Bank

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	RBK IN
Equity Shares (m)	617
M.Cap.(INRb)/(USDb)	570.6 / 5.9
52-Week Range (INR)	382 / 243
1, 6, 12 Rel. Per (%)	-1/19/40
12M Avg Val (INR M)	2609

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	63.6	83.1	104.1
OP	33.0	52.1	71.0
NP	8.2	22.5	35.5
NIM (%)	4.2	4.4	4.6
EPS (INR)	13.3	14.5	22.9
EPS Gr. (%)	16.3	9.1	57.9
BV/Sh. (INR)	269	281	295
ABV/Sh. (INR)	264	278	293
Ratios			
RoA (%)	0.5	1.1	1.5
RoE (%)	5.2	7.5	8.0
Payout (%)	30.0	30.0	30.0
Valuations			
P/E(X)	27.5	25.2	16.0
P/BV (X)	1.4	1.3	1.2

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	60.0	0.0	0.0
DII	17.1	43.3	34.8
FII	8.8	20.2	17.6
Others	14.2	36.4	47.7

CMP: INR368 TP: INR425 (+15%) Buy

Weak NII offset by lower opex; asset quality improves

NIMs contract 28bp QoQ to 4.13%

- RBL Bank (RBK) reported 1QFY27 PAT of INR2.5b (39% beat, up 10% QoQ/ 27% YoY), aided by lower opex intensity and slightly lower-than-expected provisioning.
- NII was down 1% QoQ/up 12% YoY at INR16.5b (6% miss). NIMs declined 28bp QoQ due to a 43bp QoQ decline in yields on advances and a 14bp QoQ rise in cost of funds. The bank expects NIMs to expand by 30-40bp from 2QFY27 onward with full benefits from capital infusion.
- Opex fell by 8% YoY/5% QoQ (12% beat), while other income at INR9.6b was a miss. C/I ratio, thus, came in at 64.7% (vs. 65.1% in 4QFY27).
- Advances grew 23% YoY/2% QoQ, while deposits were down 10% QoQ/up 11% YoY as the bank chose not to renew certain wholesale deposits. CASA mix declined to 30.0% vs. 33.6.% in 4QFY26.
- Fresh slippages increased slightly to INR9.4b. GNPA/NNPA ratios, however, improved by 15bp/2bp QoQ to 1.30%/0.37%. Credit costs came in lower at 2.2% (annualized), while PCR declined marginally to 72.0%.
- **We tweak our FY27/28 earnings estimates, factoring in operating leverage, offset by relatively softer gains in NIMs. We estimate RoA to reflate to ~1.5% by FY28E. Reiterate BUY with a TP of INR425 (1.4x Mar'28E ABV).**

Guides for 1%+ FY27-exit RoA; credit cost to improve from 2HFY27 onward

- RBK reported 1Q PAT of INR2.5b (up 10% QoQ/27% YoY), aided by lower opex and lower-than-expected provisioning.
- NII was down 1% QoQ/up 12% YoY at INR16.5b. NIMs declined 28bp QoQ in 1Q to 4.13% due to a 43bp QoQ decline in yields on advances and a 14bp QoQ rise in cost of funds. The bank expects NIMs to expand by 30-40bp in 2Q, with full gains from capital infusion reflecting in earnings.
- Other income was down 1% QoQ/up 12% YoY at INR9.6b, with softer core fee income growth of 16% YoY (down 13% QoQ) to INR9.2b. Treasury income was modest too. Total revenue thus was down 5% QoQ/up 2% YoY at INR26.1b. Opex was down 8% YoY/5% QoQ at INR16.9b. C/I ratio was largely flat at 64.7%.
- PPoP grew 31% YoY/fell 3% QoQ to INR9.2b (6% beat), led by lower opex.
- Provisions declined but remained high at INR6b, largely led by credit card, MFI and PL. Credit cost is expected to improve meaningfully starting 2HFY27, with moderation in credit card slippages.
- Advances grew 23% YoY/2% QoQ to INR1.16t. Retail advances grew 13% YoY/fell 4% QoQ, while wholesale advances rose 38% YoY/10% QoQ.
- Deposits grew 11% YoY/fell 11% QoQ to INR1.25t, with the bank shedding bulk deposits. CASA mix declined by 361bp QoQ to 30.0%. C/D ratio inched up to 93.1%.

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- Fresh slippages increased slightly to INR9.4b. GNPA/NNPA ratios improved by 15bp/2bp QoQ to 1.30%/0.37%. PCR declined marginally to 72.0%.
- CRAR rose to 33.3% with CET1 at 32.2% after the Emirates NBD capital infusion in 1Q, with net worth increasing to INR429b.

Highlights from the management commentary

- NIM is expected to improve by 30-40bp from 2QFY27, benefitting from capital infusion and lower funding costs.
- Management aims to capture FCNR(B) deposit market share of 1.5-2.0%, nearly 3-4x its current overall deposit market share, leveraging Emirates NBD's overseas network without opening overseas branches.
- RoA is expected to reach ~1% by 3Q/4QFY27 and improve further thereafter as the benefits of capital deployment, lower funding costs and normalization in credit costs begin to flow through.
- Credit card slippages are expected to begin moderating from 2QFY27, with a more meaningful decline expected by 3QFY27.

Valuation and view

RBK reported a mixed quarter as NII miss was largely offset by lower-than-expected opex intensity driving an earnings beat. NIMs declined sharply by 28bp QoQ, impacted by yield compression and a higher cost of funds. However, NIMs are expected to improve 30-40bp in the near term and structurally over the medium term, aided by lower funding costs on the back of credit rating upgrades and replacement of high-cost borrowings. Credit growth remained strong, with the bank expected to maintain its 20%+ growth momentum, led by wholesale growth of 20-25% and MFI/unsecured growth of 15-20%. On asset quality, slippages are expected to moderate after 1HFY27, with a reduction in slippages in credit card book and higher secured asset mix, which shall gradually support a reduction in credit costs toward ~1.5% in the medium term. **We tweak our FY27/28 earnings estimates, factoring in operating leverage, offset by relatively softer gains in NIMs. We estimate RoA to reflate to ~1.5% by FY28E. Reiterate BUY with a TP of INR425 (1.4x Mar'28E ABV).**

Quarterly Performance **(INR b)**

	FY26				FY27E				FY26	FY27E	FY27E	V/s
INRb	**1Q**	**2Q**	**3Q**	**4QA**	**1QE**	**2QE**	**3QE**	**4QE**			**1QE**	**our Est**
Net Interest Income	14.8	15.5	16.6	16.7	16.5	20.5	22.0	24.0	63.6	83.1	17.7	-6%
% Change (Y-o-Y)	-12.9	-4.0	4.6	6.9	11.7	32.3	33.0	43.4	-1.6	30.6	19.4	
Other Income	10.7	9.3	10.5	10.7	9.6	10.7	11.8	13.2	41.2	45.3	10.1	-5%
Total Income	**25.5**	**24.8**	**27.1**	**27.4**	**26.1**	**31.3**	**33.9**	**37.1**	**104.8**	**128.4**	**27.8**	**-6%**
Operating Expenses	18.5	17.5	18.0	17.8	16.9	18.5	19.7	21.1	71.8	76.3	19.1	-12%
Operating Profit	**7.0**	**7.3**	**9.1**	**9.6**	**9.2**	**12.7**	**14.2**	**16.0**	**33.0**	**52.1**	**8.7**	**6%**
% Change (Y-o-Y)	-18.2	-19.9	-8.4	10.9	31.3	74.6	55.4	67.7	-9.0	58.1	23.4	
Provisions	4.4	5.0	6.4	6.8	6.0	5.9	5.6	5.4	22.6	22.9	6.3	-5%
Profit before Tax	**2.6**	**2.3**	**2.7**	**2.8**	**3.2**	**6.8**	**8.6**	**10.6**	**10.4**	**29.3**	**2.4**	**36%**
Tax	0.6	0.5	0.6	0.5	0.7	1.6	2.0	2.5	2.2	6.8	0.6	27%
Net Profit	**2.0**	**1.8**	**2.1**	**2.3**	**2.5**	**5.2**	**6.6**	**8.1**	**8.2**	**22.5**	**1.8**	**39%**
% Change (Y-o-Y)	-46.1	-19.8	555.5	234.4	26.6	193.2	208.9	252.8	18.3	173.4	-9.0	
Operating Parameters												
Deposit	1,127.3	1,166.7	1,197.2	1,390.2	1,248.3	1,398.8	1,493.4	1,598.7	1,390.2	1,598.7	1,374.1	
Loan	944.3	1,005.3	1,030.9	1,142.3	1,162.2	1,237.0	1,309.2	1,387.9	1,142.3	1,387.9	1,161.1	
Deposit Growth (%)	11.2	8.1	12.1	25.3	10.7	19.9	24.7	15.0	25.3	15.0	21.9	
Loan Growth (%)	8.9	14.4	14.0	23.3	23.1	23.1	27.0	21.5	23.3	21.5	23.0	
Asset Quality												
Gross NPA (%)	2.8	2.3	1.9	1.5	1.3	1.3	1.2	1.3	1.5	1.3	1.5	
Net NPA (%)	0.5	0.6	0.6	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	
PCR (%)	84.0	75.9	71.1	73.6	72.0	72.2	72.5	72.3	73.6	72.3	73.2	

E: MOFSL Estimates

Quarterly snapshot

	FY26				FY27	Change (%)	
(INR b)	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss							
Net Interest Income	**14.8**	**15.5**	**16.6**	**16.7**	**16.5**	12	-1
Other Income	10.7	9.3	10.5	10.7	9.6	-10	-10
Trading profits	2.8	0.1	0.9	0.1	0.5	-83	301
Fee Income	7.9	9.3	9.6	10.6	9.1	15	-14
Total Income	**25.5**	**24.8**	**27.1**	**27.4**	**26.1**	2	-5
Operating Expenses	**18.5**	**17.5**	**18.0**	**17.8**	**16.9**	-8	-5
-Employee	4.7	4.8	5.0	4.8	5.2	9	7
-Others	13.7	12.7	12.9	13.0	11.7	-14	-10
Operating Profits	**7.0**	**7.3**	**9.1**	**9.6**	**9.2**	31	-3
Core Operating Profits	**4.3**	**7.2**	**8.3**	**9.5**	**8.9**	108	-6
Provisions	4.4	5.0	6.4	6.8	6.0	35	-12
PBT	**2.6**	**2.3**	**2.7**	**2.8**	**3.2**	24	17
Taxes	0.6	0.5	0.6	0.5	0.7	16	47
PAT	**2.0**	**1.8**	**2.1**	**2.3**	**2.5**	27	10
Balance Sheet							
Loans	944	1,005	1,031	1,142	1,162	23	2
Deposits	1,127	1,167	1,197	1,390	1,248	11	-10
CASA deposits	366	372	370	467	374	2	-20
-Savings	189	198	205	208	212	12	2
-Demand	177	174	165	259	162	-8	-37
Loan mix							
Retail	566	601	606	671	642	13	-4
-Microfinance	54	59	67	77	83	53	8
-Cards	172	172	167	163	160	-7	-1
-Business loans	117	135	151	168	172	47	2
C&IB	254	273	285	318	354	39	11
CB	124	131	140	153	166	34	9
Loan mix (%)							
Retail	60.0	59.8	58.8	58.8	55.2	-473	-352
-Microfinance	5.8	5.9	6.5	6.7	7.1	138	39
-Cards	18.2	17.1	16.2	14.2	13.8	-441	-43
-Business loans	12.3	13.4	14.7	14.7	14.8	244	8
C&IB	26.9	27.1	27.6	27.9	30.4	355	256
CB	13.2	13.0	13.6	13.4	14.3	117	96
Asset Quality							
GNPA	26.9	23.8	19.6	16.7	15.2	-43	-9
NNPA	4.3	5.7	5.7	4.4	4.3	-1	-4
Slippages	10.6	9.3	9.1	9.3	9.4	-11	2
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY (bp)**	**QoQ (bp)**
GNPA	2.8	2.3	1.9	1.5	1.3	-148	-15
NNPA	0.5	0.6	0.6	0.4	0.4	-8	-2
PCR (Calc)	84.0	75.9	71.1	73.6	72.0	-1,204	-157
Slippage ratio	4.7	3.9	3.8	3.6	3.6	-111	-1
Business Ratios (%)							
Other income/Total Income	41.9	37.6	38.8	39.0	36.7	-523	-231
CASA mix	32.5	31.9	30.9	33.6	30.0	-248	-361
Loan/Deposit	83.8	86.2	86.1	82.2	93.1	934	1,093
Cost / Assets (%)	5.2	4.7	4.8	4.4	4.0	-115	-31
Cost to Income	72.4	70.7	66.3	65.1	64.7	-774	-43
Tax Rate	23.1	21.9	21.7	17.1	21.6	-156	449
Capitalization ratios (%)							
Tier-1 (incl profit)	14.1	13.5	13.5	12.8	32.2	1,815	1,943
- CET 1 (incl profit)	14.1	13.5	13.5	12.8	32.2	1,815	1,943
CAR (incl profit)	15.6	15.0	14.9	14.3	33.3	1,771	1,905
RWA / Total Assets	71.4	73.0	73.2	68.3	70.7	-74	242
LCR	151.6	127.0	125.0	130.2	137.2	-1,443	699
Profitability Ratios							
Yield on loans	12.5	12.3	12.1	11.6	11.2	-129	-43
Yield on Funds	11.4	11.0	11.1	10.6	10.6	-79	1
Cost of funds	6.6	6.2	6.2	5.9	6.0	-54	14
Margins	**4.5**	**4.5**	**4.6**	**4.4**	**4.1**	-37	-28
Other details							
Branches	562	564	580	603	628	66	25
Employees	14,186	13,962	13,632	13,316	13,589	-597	273

Highlights from the management commentary

Opening Remarks

- Emirates NBD completed the capital infusion of INR26b at INR280/share in 1Q to significantly strengthen the bank's capital position.
- Capital infusion proceeds were utilized prudently, with INR100b deployed for the repayment of deposits and the remaining INR160b invested in short-term securities pending credit deployment.
- Management indicated no material impact from the West Asia conflict, with retail collections, including rural portfolios, remaining stable.
- New key additions to senior management team include Bhavin Lakhpatwala (CFO), Ashwin Chaudhury (Head of Internal Audit) and Naveen Sharma (CRO).
- It aims to leverage the Emirates NBD partnership for the Middle East expansion, by tapping into remittance flows from the region and cross-selling of RBL credit cards.

Advances and deposits

- RBK consciously allowed high-cost wholesale deposits to run off, which is expected to support a gradual reduction in funding costs over the coming quarters.
- SA deposits were impacted by seasonality in 4Q warring off, while the bank continued rationalization of high-cost savings accounts, resulting in subdued SA account growth.
- Retail deposit mobilization remains a key focus area, supported by branch expansion and a planned entry into wealth management.
- The bank has already opened 20 new branches and will continue expanding the franchise.
- Management aims to increase its FCNR(B) market share to 1.5-2.0%, nearly 3-4x its current overall deposit market share, leveraging Emirates NBD's overseas network without opening overseas branches.
- FY27 overall deposit growth will remain calibrated over the next two quarters given surplus capital, while retail deposits are expected to grow ~23-24% YoY, excluding FCNR(B) deposits.
- Granular deposits (<INR30m) now account for 52.4% of total deposits.
- Built traction in direct sourcing in credit card business with branch sourcing improving to INR12b from INR7b in 1QFY26.
- Secured retail advances grew 18% YoY, while unsecured advances increased 8% YoY, reflecting continued portfolio shift toward lower-risk assets.
- Around INR2b has been disbursed under the ECLGS scheme.

Margins and profitability

- Following the run-off of expensive deposits, management expects 30-40bp NIM improvement from 2QFY27 onward, supported by lower funding costs.
- Savings a/c rates currently peak at 6%, with gradual repricing expected over the next 18 months.
- Unsecured lending (cards, MFI and personal loans) continues to generate yields of around 20%, and secured businesses generate ~10%.
- Employee cost increase is expected to remain manageable as productivity improvements and technology investments offset wage inflation.
- RBK intends to gradually deploy capital from low-yielding investments into higher-yielding loan assets over the coming quarters.

- Effective tax rate is expected to remain around 22%, supported by earnings from the GIFT City business.

Asset quality

- Management reiterated that there has been no change in underwriting or recognition policies, with improvement in asset quality being driven by lower slippages rather than accounting changes.
- Early delinquencies in credit card book have materially come down with better in-house sourcing and collections.
- Credit card slippages are expected to begin moderating from 2QFY27, with a more meaningful decline by 3QFY27.
- The bank does not intend to accelerate the transition to the ECL framework owing to the change in parentage.
- 95-96% of the MFI portfolio is covered under CGFMU scheme.

Capital position and business strategy

- CET ratio improved to 32% after the capital infusion.
- Capital infusion provides significant flexibility for balance sheet growth while allowing the bank to optimize its liability profile.
- Management intends to continue reducing high-cost bulk borrowings; ~INR100b has already run off and further reduction will continue.
- Its Middle East expansion strategy will primarily leverage Emirates NBD's existing network rather than establishing overseas branches.
- PSL compliance will be managed through alternate instruments such as PSL certificates, while growth in the GIFT City business naturally reduces PSL requirements.

Guidance and outlook

- Deposit growth will remain moderate over the next two quarters given surplus capital following the Emirates NBD investment.
- Retail deposits are guided to grow 23-24% during FY27, excluding FCNR(B) deposits.
- NIM is expected to improve by 30-40bp from 2QFY27, driven primarily by lower funding costs following wholesale deposit repricing.
- Credit card asset quality is expected to improve sequentially, with slippages normalizing by 3QFY27.
- ROA is expected to reach ~1% by 3Q/4QFY27 and improve further thereafter as the benefits of capital deployment, lower funding costs and normalization in credit costs begin to flow through.

Story in charts

Exhibit 1: Loans/deposits grew 23.3%/10.7% YoY

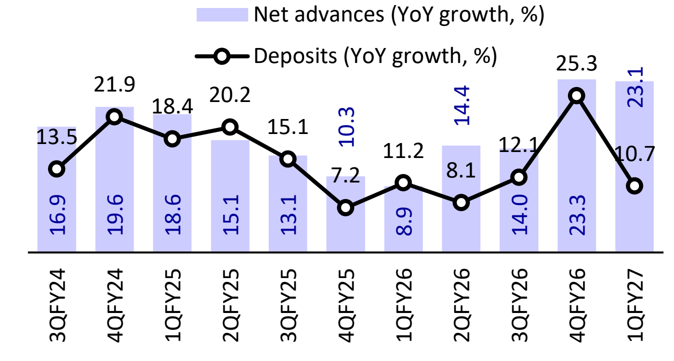


Exhibit 2: The mix of retail declined to 55%

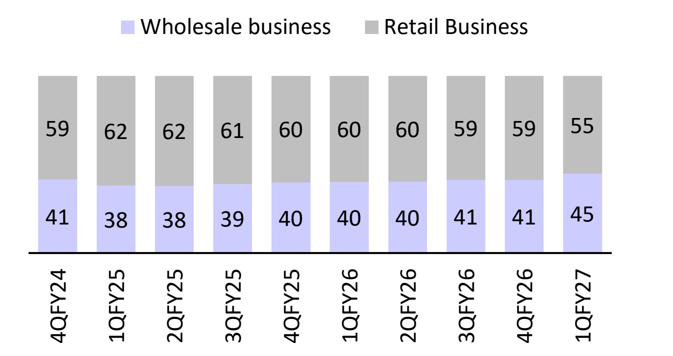


Exhibit 3: CIF stable at 4.7m, while spends declined 2% QoQ

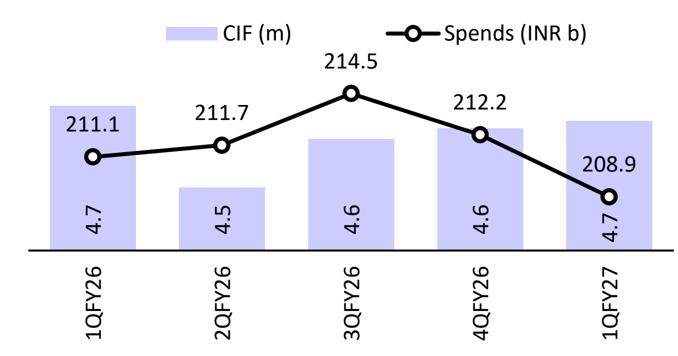


Exhibit 4: NIMs declined 28bp QoQ to 4.13%

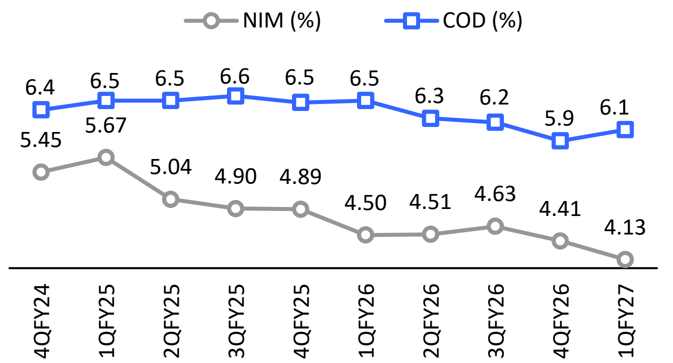


Exhibit 5: C/I ratio moderated to 64.7%; Cost/Asset at 4.0%

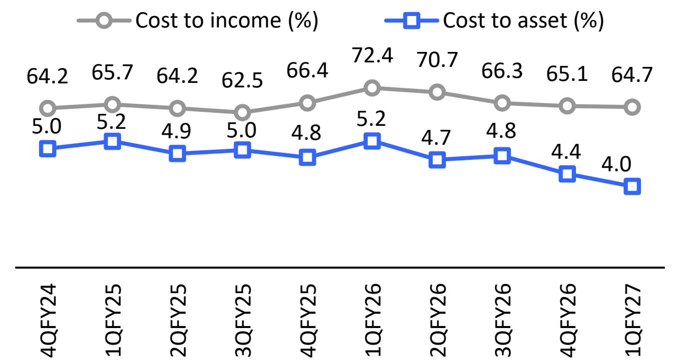


Exhibit 6: C/D increased to 93.1% in 1QFY27

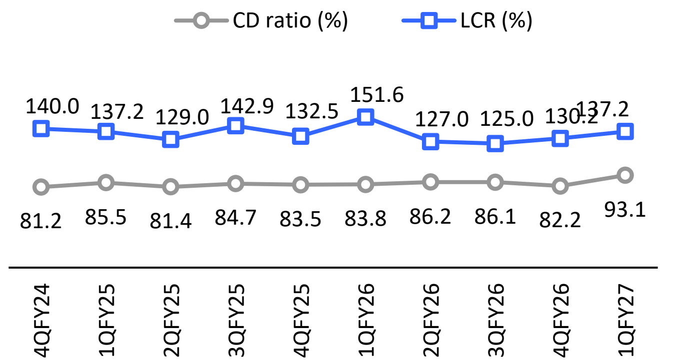


Exhibit 7: Credit cost annualized (calc) declined to 2.3%

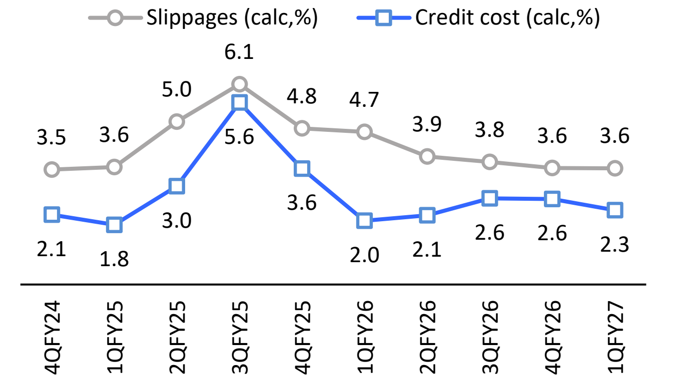
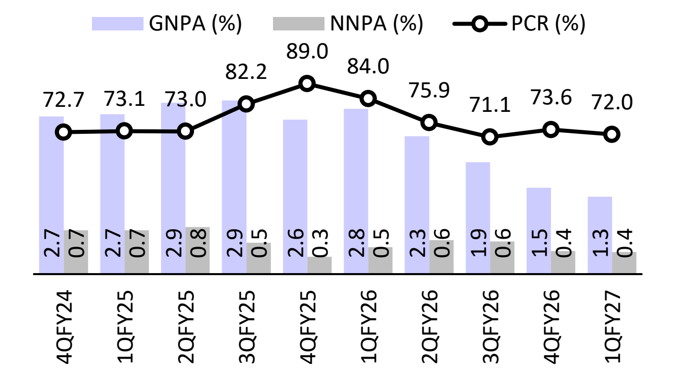


Exhibit 8: GNPA ratio improved 15bp QoQ to 1.30%



Source: MOFSL, Company

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Valuation and view

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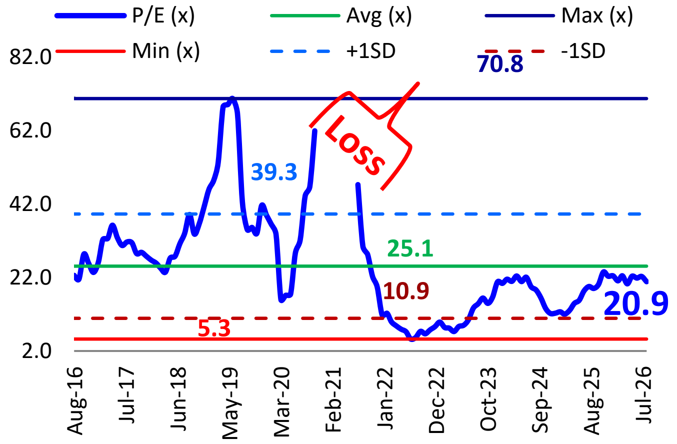
- NIMs declined sharply by 28bp QoQ, impacted by yield compression and a higher cost of funds. However, NIMs are expected to improve 30-40bp in the near term and structurally over the medium term, aided by lower funding costs on the back of credit rating upgrades and replacement of high-cost borrowings.
- Credit growth remained strong, with the bank expected to maintain its 20%+ growth momentum, led by wholesale growth of 20-25% and MFI/unsecured growth of 15-20%.
- On asset quality, slippages are expected to moderate after 1HFY27, with a reduction in slippages in credit card book and higher secured asset mix, which shall gradually support a reduction in credit costs toward ~1.5% in the medium term.
- We tweak our FY27/28 earnings estimates, factoring in operating leverage, offset by relatively softer gains in NIMs. We estimate RoA to expand to ~1.5% by FY28E. Reiterate BUY with a TP of INR425 (1.4x Mar'28E ABV).

Exhibit 9: Changes to our estimates

(INR b)	Old estimates		Revised estimates		Change (%/bps)	
	FY27	FY28	FY27	FY28	FY27	FY28
Net Interest Income	87.5	112.1	83.1	104.1	-5.1	-7.2
Other Income	47.4	56.9	45.3	53.5	-4.3	-5.9
Total Income	**134.9**	**169.0**	**128.4**	**157.6**	**-4.8**	**-6.8**
Operating Expenses	83.0	96.9	76.3	86.6	-8.1	-10.6
Operating Profits	**51.9**	**72.1**	**52.1**	**71.0**	**0.5**	**-1.5**
Provisions	23.1	24.8	22.9	24.5	-0.9	-1.2
PBT	**28.8**	**47.3**	**29.3**	**46.5**	**1.7**	**-1.7**
Tax	6.7	11.2	6.8	11.0	1.7	-1.7
PAT	**22.1**	**36.1**	**22.5**	**35.5**	**1.7**	**-1.7**
Loans	1,405	1,728	1,388	1,707	-1.2	-1.2
Deposits	1,599	1,870	1,599	1,870	0.0	0.0
Margins (%)	4.58	4.91	4.35	4.57	-23	-34
Credit Cost (%)	1.73	1.50	1.73	1.50	0	0
RoA (%)	**1.08**	**1.48**	**1.11**	**1.46**	**2**	**-1**
RoE (%)	**7.4**	**8.1**	**7.5**	**8.0**	**12**	**-14**
EPS	14.3	23.3	14.5	22.9	1.7	-1.7
BV	280.4	295.5	280.5	295.4	0.1	0.0
ABV	278.1	293.2	278.2	293.2	0.0	0.0

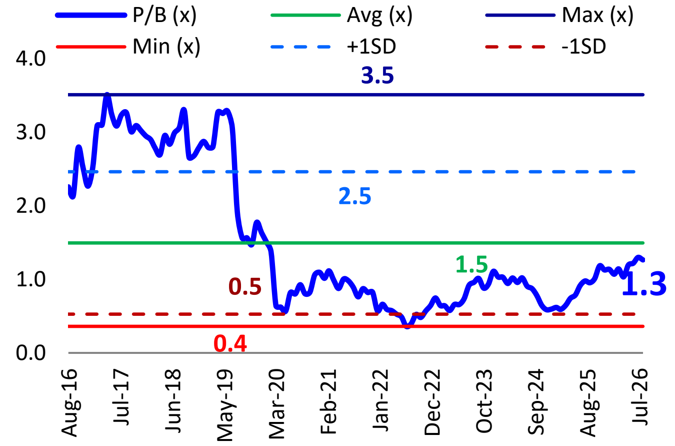
Source: Company, MOFSL

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 –RoAs expected to reflate to 1.46% by FY28

Y/E MARCH	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	8.71	9.75	9.85	8.76	8.77	8.67
Interest Expense	4.21	5.00	5.31	4.87	4.69	4.39
Net Interest Income	**4.50**	**4.75**	**4.53**	**3.88**	**4.09**	**4.28**
Fee income	2.13	2.29	2.43	2.27	1.99	1.96
Trading and others	0.11	0.11	0.24	0.25	0.24	0.24
Non-Interest income	**2.24**	**2.39**	**2.67**	**2.52**	**2.23**	**2.20**
Total Income	**6.74**	**7.15**	**7.20**	**6.40**	**6.32**	**6.49**
Operating Expenses	**4.76**	**4.76**	**4.66**	**4.39**	**3.75**	**3.56**
Employee cost	1.21	1.17	1.22	1.18	1.06	1.02
Others	3.55	3.59	3.44	3.21	2.69	2.54
Operating Profit	**1.98**	**2.38**	**2.54**	**2.02**	**2.57**	**2.92**
Core Operating Profit	**1.87**	**2.28**	**2.30**	**1.76**	**2.32**	**2.68**
Provisions	**0.92**	**1.39**	**2.01**	**1.38**	**1.13**	**1.01**
NPA	1.01	1.07	2.18	1.38	1.08	0.96
Others	-0.09	0.33	-0.17	0.00	0.05	0.05
PBT	**1.06**	**0.99**	**0.53**	**0.64**	**1.44**	**1.91**
Tax	0.27	0.07	0.04	0.13	0.33	0.45
RoA	**0.79**	**0.92**	**0.49**	**0.50**	**1.11**	**1.46**
Leverage (x)	*8.5*	*9.0*	*9.4*	*10.3*	*6.8*	*5.4*
RoE	**6.7**	**8.2**	**4.6**	**5.2**	**7.5**	**8.0**

Source: Company, MOFSL

Financials and valuations

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	96.8	123.9	140.4	143.4	178.3	210.7
Interest Expense	46.8	63.5	75.8	79.8	95.2	106.6
Net Interest Income	**50.0**	**60.4**	**64.6**	**63.6**	**83.1**	**104.1**
-growth (%)	24.1	20.9	7.0	-1.6	30.6	25.3
Non-Interest Income	24.9	30.4	38.1	41.2	45.3	53.5
Total Income	**74.9**	**90.9**	**102.7**	**104.8**	**128.4**	**157.6**
-growth (%)	17.6	21.3	13.0	2.1	22.5	22.7
Operating Expenses	52.9	60.6	66.4	71.8	76.3	86.6
Pre Provision Profits	**22.0**	**30.3**	**36.3**	**33.0**	**52.1**	**71.0**
-growth (%)	-19.8	37.6	19.7	-9.0	58.1	36.1
Core PPoP	**20.8**	**29.0**	**32.8**	**28.9**	**47.2**	**65.0**
-growth (%)	-16.7	39.2	13.4	-12.1	63.5	37.8
Provisions	10.2	17.7	28.7	22.6	22.9	24.5
PBT	**11.8**	**12.6**	**7.6**	**10.4**	**29.3**	**46.5**
Tax	3.0	0.9	0.6	2.2	6.8	11.0
Tax Rate (%)	25.2	7.3	8.2	20.9	23.2	23.6
PAT	**8.83**	**11.7**	**7.0**	**8.2**	**22.5**	**35.5**
-growth (%)	-1,281.2	32.3	-40.5	18.3	173.4	57.9

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	6.0	6.1	6.1	6.2	15.5	15.5
Reserves & Surplus	129.8	141.9	148.3	158.1	418.9	442.0
Net Worth	**135.8**	**148.0**	**154.4**	**164.3**	**434.4**	**457.4**
Deposits	**848.9**	**1,034.9**	**1,109.4**	**1,390.2**	**1,598.7**	**1,870.5**
-growth (%)	7.4	21.9	7.2	25.3	15.0	17.0
- CASA Dep	**317.2**	**364.5**	**378.9**	**467.2**	**508.4**	**621.0**
-growth (%)	13.8	14.9	3.9	23.3	8.8	22.2
Borrowings	133.3	141.8	137.3	167.9	123.0	150.7
Other Liabilities & Prov.	40.8	59.6	64.4	82.7	101.7	123.1
Total Liabilities	**1,158.8**	**1,384.3**	**1,465.6**	**1,805.1**	**2,257.8**	**2,601.7**
Cash & Balances with RBI	62.4	120.7	109.6	140.1	155.0	161.7
Investments	**288.8**	**295.7**	**321.6**	**320.8**	**529.3**	**502.8**
-growth (%)	29.6	2.4	8.8	-0.3	65.0	-5.0
Loans	**702.1**	**839.9**	**926.2**	**1,142.3**	**1,387.9**	**1,707.1**
-growth (%)	17.0	19.6	10.3	23.3	21.5	23.0
Fixed Assets	5.7	5.3	5.8	5.7	7.4	8.6
Other Assets	77.0	99.2	88.1	107.4	121.5	158.8
Total Assets	**1,158.8**	**1,384.3**	**1,467.2**	**1,806.8**	**2,257.8**	**2,601.7**

Asset Quality

Asset Quality	FY23	FY24	FY25	FY26	FY27E	FY28E
GNPA (INR b)	24.2	22.7	24.7	16.7	18.6	17.5
NNPA (INR b)	7.7	6.2	2.7	4.4	5.2	4.9
Slippages (INR b)	27.5	24.4	41.1	38.2	32.0	33.3
GNPA Ratio	3.37	2.7	2.6	1.5	1.3	1.0
NNPA Ratio	1.10	0.7	0.3	0.4	0.4	0.3
Slippage Ratio	4.59	3.5	4.9	4.0	2.8	2.4
Credit Cost	1.57	2.3	3.2	2.2	1.7	1.5
PCR (Excl Tech. write off)	68.1	72.7	89.0	73.6	72.3	72.2

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	**9.4**	**10.5**	**10.6**	**9.4**	**9.3**	**9.2**
Avg. Yield on loans	11.8	12.9	12.7	11.3	11.1	10.8
Avg. Yield on Investments	6.4	7.0	7.0	6.7	6.7	6.7
Avg. Cost-Int. Bear. Liab.	**5.0**	**5.9**	**6.3**	**5.7**	**5.8**	**5.7**
Avg. Cost of Deposits	4.9	5.7	6.1	5.8	5.6	5.6
Interest Spread	**4.4**	**4.7**	**4.4**	**3.7**	**3.5**	**3.6**
Net Interest Margin	**4.8**	**5.1**	**4.9**	**4.2**	**4.4**	**4.6**
Capitalization Ratios (%)						
CAR	16.9	16.2	15.5	14.3	31.1	27.7
Tier I	15.3	14.4	14.1	12.8	29.7	26.4
-CET-1	15.3	14.4	14.1	12.8	29.7	26.4
Tier II	1.6	1.8	1.5	1.5	1.4	1.3
Business Ratios (%)						
Loans/Deposit Ratio	82.7	81.2	83.5	82.2	86.8	91.3
CASA Ratio	37.4	35.2	34.1	33.6	31.8	33.2
Cost/Assets	4.6	4.4	4.5	4.0	3.4	3.3
Cost/Total Income	70.6	66.6	64.7	68.5	59.4	55.0
Int. Expense/Int.Income	48.3	51.2	54.0	55.6	53.4	50.6
Fee Income/Net Income	28.0	29.1	30.3	31.0	27.1	26.0
Non Int. Inc./Net Income	33.2	33.5	37.1	39.3	35.3	34.0
Empl. Cost/Total opex	25.4	24.6	26.1	26.8	28.3	28.6
Efficiency Ratios (INRm)						
Employee per branch (in nos)	21.3	22.9	25.4	22.1	24.8	27.9
Staff cost per employee	1.2	1.2	1.2	1.4	1.4	1.4
CASA per branch	613.5	668.8	675.3	774.8	810.7	952.2
Deposits per branch	1,641.9	1,899.0	1,977.6	2,305.4	2,549.3	2,867.9
Business per Employee	140.6	150.3	142.7	190.2	191.7	196.3
Profit per Employee	0.8	0.9	0.5	0.6	1.4	1.9
Profitability & Valuation Ratios						
RoE	6.7	8.2	4.6	5.2	7.5	8.0
RoA	0.8	0.9	0.5	0.5	1.1	1.5
RoRWA	1.1	1.3	0.7	0.7	1.7	2.3
Book Value (INR)	226	245	254	269	281	295
-growth (%)	7.6	8.0	3.9	5.8	4.4	5.3
Price-BV (x)	**1.6**	**1.5**	**1.4**	**1.4**	**1.3**	**1.2**
Adjusted BV (INR)	215	235	248	264	278	293
Price-ABV (x)	**1.7**	**1.6**	**1.5**	**1.4**	**1.3**	**1.2**
EPS (INR)	14.7	19.3	11.4	13.3	14.5	22.9
-growth (%)	-1,281.0	31.1	-40.7	16.3	9.1	57.9
Price-Earnings (x)	**24.9**	**19.0**	**32.0**	**27.5**	**25.2**	**16.0**
Dividend Per Share (INR)	0.0	1.5	1.5	4.0	4.4	6.9
Dividend Yield (%)	**0.0**	**0.4**	**0.4**	**1.1**	**1.2**	**1.9**

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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