

**HOLD**

TP: Rs 253 | ▼ 4%

**RBL BANK**

| Banking

| 20 July 2025

## Secured retail in focus; return profile to remain moderate

- Moderate advances growth with a rising focus on secured retail lending, while a cautious approach in unsecured book
- Asset quality remains elevated in unsecured book; return ratios remain moderate
- Maintain HOLD with TP of Rs 253 (from Rs 201), valuation of 0.8x Jun'27E ABV (0.7x earlier)

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**Moderate growth with rising focus on secured retail lending:** Credit growth was muted (+8.9% YoY) in Q1FY26, mainly led by retail book (+5.4% YoY; 60% of total loans). Within retail, RBK's focus was on secured retail segments (+23.3% YoY) while being cautious on unsecured (-10.3% QoQ). Hence, the share of unsecured retail (CC, JLG and PL) fell to 27.2% (Q1FY26) from 33% (Q1FY25). However, the bank stated that the share of unsecured portfolio has reached a bottom level. Share of secured retail lending grew to 32.8% of the total loans in Q1FY26 (28.9% in Q1FY25), mainly driven by business loans (+42.5% YoY) and housing (+24.1% YoY). Management expects the overall loan growth to be in mid-teens in FY26 (10.3% in FY25).

**High C/I ratio impacted profitability:** PPOP declined 18% YoY, due to high C/I ratio at 72.4% (65.7% in Q1FY25). High C/I ratio was on muted growth in total income (+1.8% YoY) vs rise in opex (+12.2% YoY). NII was down 12.9% YoY to Rs 14.8bn in Q1FY25, mainly due to falling share of unsecured book (high-yield), coupled with a decline in yield on loans by 47bps to 12.5%, due to repo rate cuts. Opex was high due to the rise in staff expenses (+29% YoY) with credit card collections being done in-house vs an external provider earlier, resulting in higher collection costs. However, PAT grew by 2.9x QoQ to Rs 2bn due to decline in provisions (-44% QoQ). Management expects in-house collections to result in cost rationalisation and deposit rate cuts to benefit NIMs from Q2-Q3 FY26. Return profile remains moderate with RoA/ RoE of 0.5%/ 5.1% in Q1FY26.

**Asset quality remains elevated in unsecured:** GNPA was at 2.78% (+18bps QoQ) and NNPA at 0.45% (+16bps QoQ), mainly driven by elevated slippages ratio at 4.6% in Q1FY26 (4.7% in Q4FY25). Unsecured retail accounted for 79% of total slippages in Q1FY26. RBK created contingent provision of 1% on JLG loans of Rs540mn. Also, total SMA book in JLG improved to 5.4% (Jun'25) vs 6.6% (Mar'25).

**Maintain HOLD:** We believe higher growth in secured retail, which is yet to break even and lower growth in unsecured retail (high RoA), will likely result in moderate return ratios. We maintain HOLD rating and roll over valuation at 0.8x Jun'27E ABV (0.7x earlier) vs. 3Y average P/ABV of 0.8x with revised TP of Rs 253 (from Rs 201).

## Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	RBK IN/Rs 263
Market cap	US\$ 1.9bn
Free float	100%
3M ADV	US\$ 34.9mn
52wk high/low	Rs 273/Rs 146
Promoter/FPI/DII	0%/18%/34%

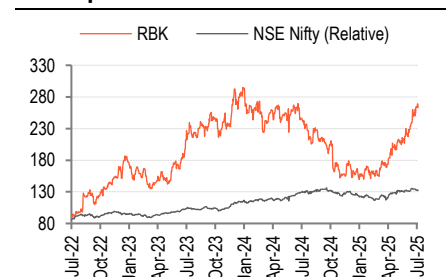
Source: NSE | Price as of 18 Jul 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	64,630	70,524	83,096
NII growth (%)	7.0	9.1	17.8
Adj. net profit (Rs mn)	6,954	11,714	17,118
EPS (Rs)	11.5	19.3	28.2
Consensus EPS (Rs)	11.5	19.4	28.5
P/E (x)	23.0	13.7	9.3
P/BV (x)	1.0	1.0	0.9
ROA (%)	0.5	0.7	1.0
ROE (%)	4.6	7.3	9.9

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly snapshot: Income statement**

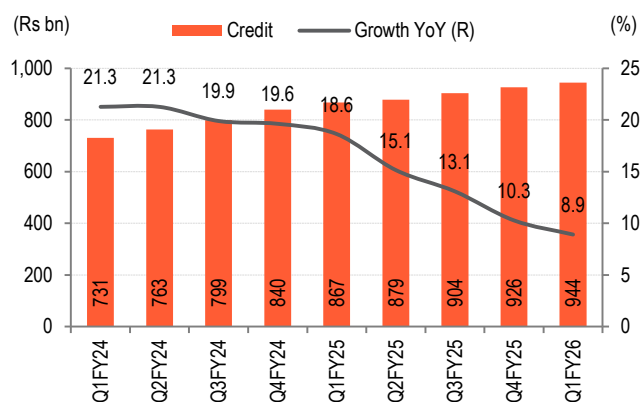
(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Income Statement</b>							
Interest Income	27,502	28,291	28,461	27,995	27,725	0.8	(1.0)
Income on investments	5,230	5,274	5,332	5,637	5,480	4.8	(2.8)
Int. on bal. with RBI & inter-bank funds & Others	2,231	1,745	1,570	1,125	1,206	(45.9)	7.2
<b>Interest income</b>	<b>34,962</b>	<b>35,309</b>	<b>35,363</b>	<b>34,756</b>	<b>34,411</b>	<b>(1.6)</b>	<b>(1.0)</b>
Interest expense	17,963	19,160	19,513	19,126	19,604	9.1	2.5
<b>Net interest income</b>	<b>17,000</b>	<b>16,150</b>	<b>15,851</b>	<b>15,630</b>	<b>14,807</b>	<b>(12.9)</b>	<b>(5.3)</b>
Growth YoY (%)	19.5	9.5	2.5	(2.3)	(12.9)		
<b>Non-interest income</b>	<b>8,055</b>	<b>9,274</b>	<b>10,733</b>	<b>10,000</b>	<b>10,695</b>	<b>32.8</b>	<b>6.9</b>
Growth YoY (%)	17.5	31.6	38.0	14.2	32.8		
<b>Net income</b>	<b>25,054</b>	<b>25,423</b>	<b>26,584</b>	<b>25,631</b>	<b>25,501</b>	<b>1.8</b>	<b>(0.5)</b>
Growth YoY (%)	18.9	16.7	14.4	3.5	1.8		
Staff expenses	3,680	4,654	4,530	4,480	4,746	29.0	5.9
Other operating expenses	12,783	11,670	12,088	12,539	13,726	7.4	9.5
<b>Operating expenses</b>	<b>16,464</b>	<b>16,324</b>	<b>16,618</b>	<b>17,019</b>	<b>18,472</b>	<b>12.2</b>	<b>8.5</b>
<b>Pre-Provisioning Profit (PPoP)</b>	<b>8,591</b>	<b>9,099</b>	<b>9,966</b>	<b>8,612</b>	<b>7,029</b>	<b>(18.2)</b>	<b>(18.4)</b>
Growth YoY (%)	32.7	24.5	30.2	(2.9)	(18.2)		
Provisions	3,663	6,183	11,889	7,851	4,423	20.8	(43.7)
Growth YoY (%)	37.6	(3.4)	159.5	89.7	20.8		
<b>PBT</b>	<b>4,928</b>	<b>2,916</b>	<b>(1,923)</b>	<b>760</b>	<b>2,606</b>	<b>(47.1)</b>	<b>242.7</b>
Tax	1,213	690	(2,249)	74	603	(50.3)	720.4
<b>PAT</b>	<b>3,715</b>	<b>2,225</b>	<b>326</b>	<b>687</b>	<b>2,003</b>	<b>(46.1)</b>	<b>191.6</b>
Growth YoY (%)	29.0	(24.3)	(86.0)	(80.5)	(46.1)		
<b>Per Share Data (Rs)</b>							
FV	10	10	10	10	10	0.0	0.0
EPS	6	4	1	1	3	(46.3)	191.2
Book Value	242	244	243	246	249	3.0	1.3

Source: Company, BOBCAPS Research

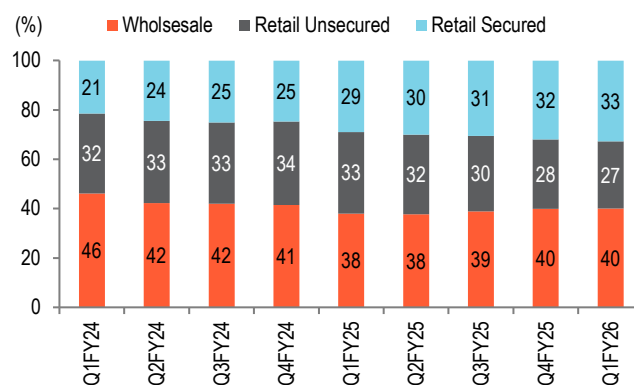
**Fig 2 – Quarterly snapshot: Balance sheet & other metrics**

(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Deposits</b>	<b>10,13,520</b>	<b>10,79,587</b>	<b>10,67,530</b>	<b>11,09,435</b>	<b>11,27,340</b>	<b>11.2</b>	<b>1.6</b>
Growth YoY (%)	18.4	20.2	15.1	7.2	11.2		
<b>Advances</b>	<b>8,67,040</b>	<b>8,78,820</b>	<b>9,04,120</b>	<b>9,26,183</b>	<b>9,44,310</b>	<b>8.9</b>	<b>2.0</b>
Growth YoY (%)	18.6	15.1	13.1	10.3	8.9		
Investment	2,97,260	3,03,730	2,95,420	3,21,648	2,38,290	(19.8)	(25.9)
Equity	1,52,790	1,54,664	1,55,160	1,56,068	1,58,320	3.6	1.4
Assets	13,57,840	14,38,851	14,09,000	14,67,255	14,88,260	9.6	1.4
Growth YoY (%)	14.7	15.9	10.8	6.0	9.6		
<b>Yield (%)</b>							
Yield on Funds	11.03	10.90	10.67	10.34	9.95	(108bps)	(39bps)
Cost of Funds	6.18	6.45	6.45	6.26	6.22	4bps	(5bps)
Spread	4.85	4.44	4.22	4.07	3.74	(112bps)	(34bps)
<b>Net Interest Margin (calc.)</b>	<b>5.36</b>	<b>4.98</b>	<b>4.78</b>	<b>4.65</b>	<b>4.28</b>	<b>(108bps)</b>	<b>(37bps)</b>
<b>Ratios (%)</b>							
Other Income / Net Income	32.1	36.5	40.4	39.0	41.9	979bps	292bps
Cost to Income ratio	65.7	64.2	62.5	66.4	72.4	672bps	604bps
CASA ratio	32.6	33.6	32.8	34.1	32.5	(8bps)	(167bps)
C/D ratio	85.5	81.4	84.7	83.5	83.8	(178bps)	28bps
Investment to Assets	21.9	21.1	21.0	21.9	16.0	(588bps)	(591bps)
<b>Assets Quality</b>							
GNPA	23,778	25,811	27,010	24,655	26,859	13.0	8.9
NNPA	6,389	6,975	4,816	2,708	4,288	(32.9)	58.4
Provision	17,389	18,836	22,194	21,947	22,570	29.8	2.8
GNPA (%)	2.69	2.88	2.92	2.60	2.60	(9bps)	0bps
NNPA (%)	0.74	0.79	0.53	0.29	0.29	(45bps)	0bps
Provision Coverage Ratio (%)	73.1	73.0	82.2	89.0	84.0	1,090bps	(498bps)
<b>Others (nos)</b>							
Branches	545	550	558	561	562	17	1
ATMs	398	406	411	412	415	17	3
Employees	13,353	14,777	14,715	14,265	14,186	833	(79)

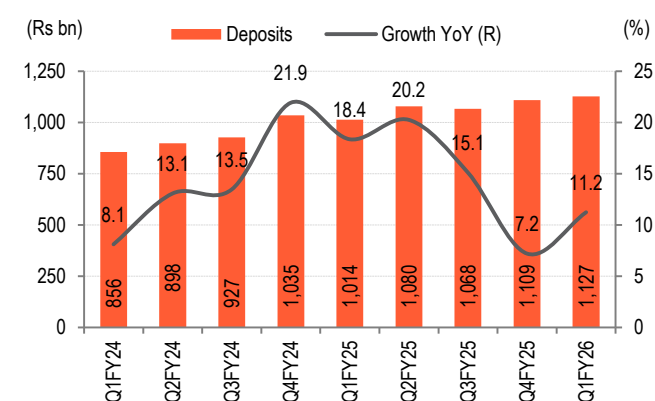
Source: BOBCAPS Research, Company

**Fig 3 – Credit growth moderated due to slowdown in unsecured portfolio**

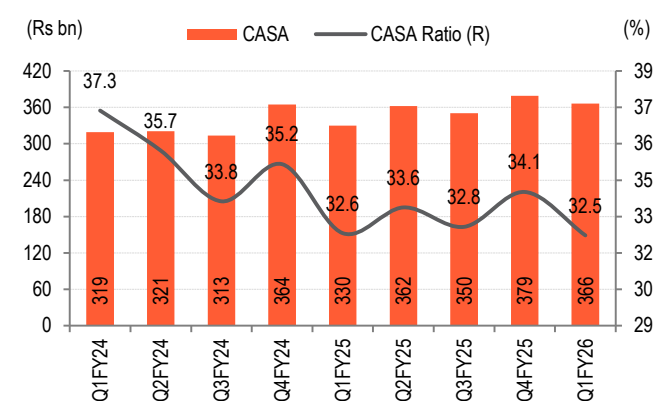
Source: Company, BOBCAPS Research

**Fig 4 – Wholesale vs Retail mix**

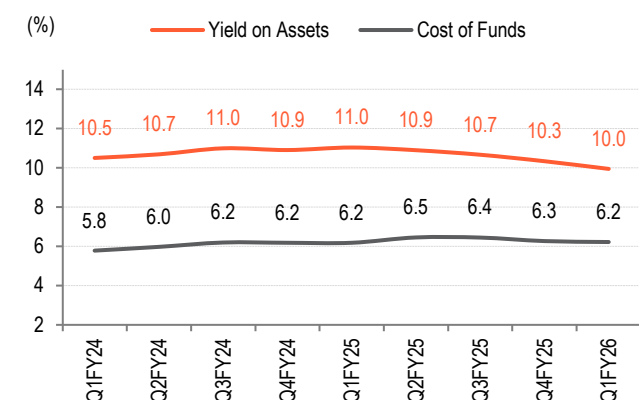
Source: Company, BOBCAPS Research

**Fig 5 – Deposits grew 11% YoY**

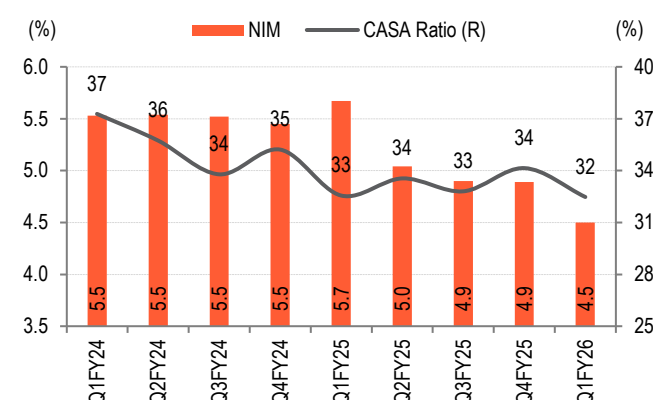
Source: Company, BOBCAPS Research

**Fig 6 – CASA ratio declines on lower SA balances**

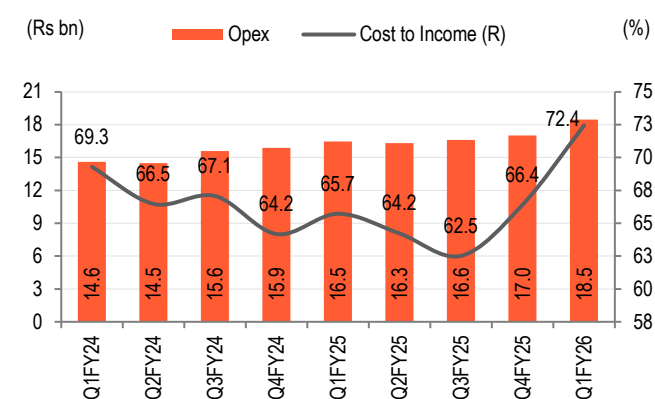
Source: Company, BOBCAPS Research

**Fig 7 – Yield on assets decline with fall in share of unsecured book**

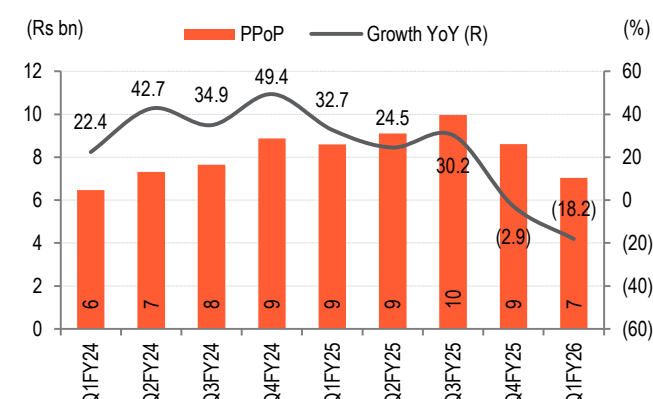
Source: Company, BOBCAPS Research

**Fig 8 – ... adversely impacting NIMs**

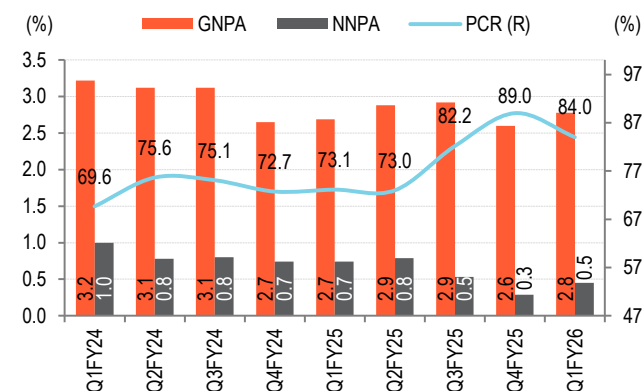
Source: Company, BOBCAPS Research

**Fig 9 – Cost to income remains elevated**

Source: Company, BOBCAPS Research

**Fig 10 – PPOP growth declined, mainly driven by decline in loan yields on rate cuts and low share of unsecured**

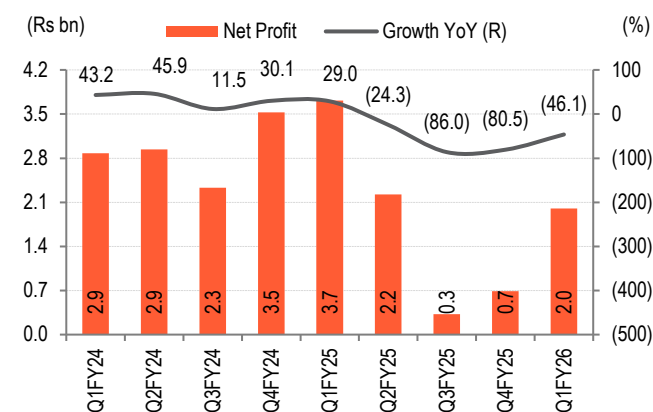
Source: Company, BOBCAPS Research

**Fig 11 – Asset quality remains elevated in unsecured**

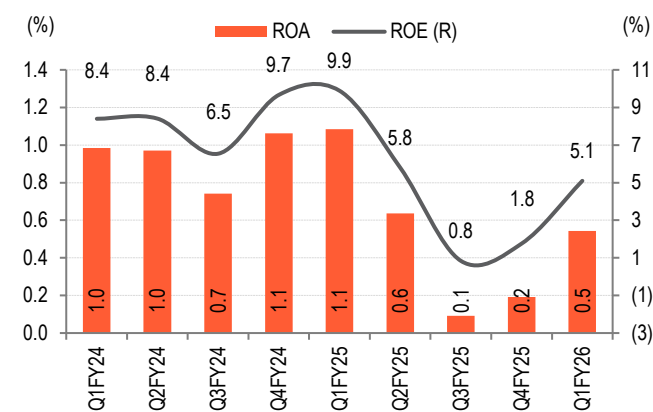
Source: Company, BOBCAPS Research

**Fig 12 – Credit cost includes contingent provision on JLG loans of 6bps**

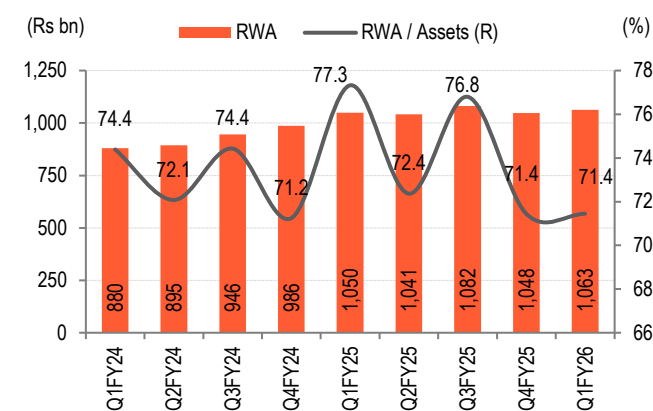
Source: Company, BOBCAPS Research

**Fig 13 – PAT improved driven by lower provisions QoQ**

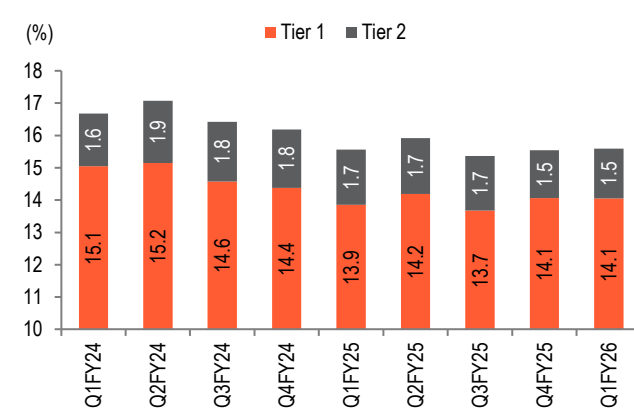
Source: Company, BOBCAPS Research

**Fig 14 – Moderate RoA & RoE although improving**

Source: Company, BOBCAPS Research

**Fig 15 – RWA/asset ratio**

Source: Company, BOBCAPS Research | RWA: Risk-weighted assets

**Fig 16 – Well capitalised to fund credit demand**

Source: Company, BOBCAPS Research

## Earnings call highlights

### Guidance

- Overall loan growth is expected to be in mid-teens with unsecured retail growth in high single-digits to low teens; while secured retail to be in early to mid-20s in FY26.
- Opex is likely to grow at 9-12% YoY in FY26 and will be below advances growth. NIMs to improve to the 4.8% range by Q4FY26.
- PPoP growth is likely stay flattish or slightly lower than last year in FY26. RoA to improve to 1% by Q4FY26.

### Asset quality

- Provisions were at Rs 4.4bn from Rs 7.8bn in Q4FY25. Credit cost came down to 50bps vs 93bps in Q4FY25. The bank has created contingent provision of 1% on JLG advances of Rs 540mn.
- Slippages totaled Rs 10.6bn vs Rs 10.58bn in Q4FY25, whereas upgrades and recovery stood at Rs 1.4bn vs Rs 3.3bn. Write-offs stood at Rs 7bn vs Rs 9.7bn in Q4. This led to an 18bps increase in GNPA to 2.78%, while NNPA increased to 0.45%, on account of lower provision. PCR, including technical write-off, stood at 94.18% vs 96.4% in Q4FY25.

### Deposits

- While deposits grew 11% YoY (2% QoQ) in Q1FY26, decrease in CA balances (-1.2% QoQ), and SA balances (-5.3% QoQ) resulted in a 167bps sequential decline in CASA ratio to 32.5%. RBK also reported a robust 16% YoY growth in deposits below Rs 30mn, which now constitutes 51.4% of total deposits, up from 49.3% a year ago; now above its target of bringing this share to 50%.
- The bank's average liquidity coverage ratio (LCR) stood at 152% in Q1FY26, vs 133% in Q4FY25.

### Advances

- Advances grew by 9% YoY and 2% QoQ. Retail advances book grew 5.4% YoY with Retail: Wholesale advances mix at 60:40.
- Growth in retail lending was primarily driven by strong momentum in business loans, housing loans, rural vehicle finance and retail agri. The performance reflects RBK's strategic focus on expanding secured retail assets.
- On the other hand, credit card, microfinance (JLG), and personal loans portfolios witnessed a notable decline yearly, owing to a deliberate slowdown in disbursements amidst an increasing trend of slippages. Around 45% of standard JLG loans were covered by CGFMU as of Jun'25.

### Margins

- Reported NIMs declined and stood at 4.5% (-39bps QoQ) in Q1FY26, impacted by lower yields, lag in deposit repricing and lower-than-anticipated disbursements in the unsecured portfolio.

- Margins are expected to be impacted marginally in H1FY26, given the onset of rate cut cycle. In terms of loan yield, repo linked loans were 30%, MCLR (5%) and other external benchmarks (11%). Overall, around 47-48% of loans were on a floating basis.

**Fig 17 – Loan book trend**

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Corporate Banking	2,46,660	2,57,250	2,35,780	2,33,950	2,44,280	2,51,870	2,53,880	7.7	0.8
CB	89,120	91,150	93,900	97,650	1,07,850	1,17,280	1,24,190	32.3	5.9
<b>Wholesale</b>	<b>3,35,780</b>	<b>3,48,400</b>	<b>3,29,680</b>	<b>3,31,600</b>	<b>3,52,130</b>	<b>3,69,150</b>	<b>3,78,070</b>	<b>14.7</b>	<b>2.4</b>
<b>Housing Loan</b>	<b>59,150</b>	<b>62,600</b>	<b>66,960</b>	<b>74,470</b>	<b>78,850</b>	<b>81,770</b>	<b>83,100</b>	<b>24.1</b>	<b>1.6</b>
Business Loan	75,700	81,610	81,820	88,370	98,590	1,11,620	1,16,560	42.5	4.4
Rural Vehicle Finance Loan	19,970	22,210	21,590	23,430	25,990	27,540	28,600	32.5	3.8
Personal Loan	35,470	38,880	39,880	39,170	37,220	32,450	30,530	(23.4)	(5.9)
Credit Card	1,59,640	1,70,380	1,73,940	1,74,330	1,72,880	1,71,330	1,71,910	(1.2)	0.3
MFIs	68,270	75,110	72,530	69,710	65,320	57,520	54,350	(25.1)	(5.5)
Others	29,200	23,470	66,050	63,080	58,770	59,720	65,890	(0.2)	10.3
Retail Agri	16,310	17,210	14,580	14,670	14,360	15,090	15,290	4.9	1.3
<b>Retail</b>	<b>4,63,710</b>	<b>4,91,470</b>	<b>5,37,350</b>	<b>5,47,230</b>	<b>5,51,980</b>	<b>5,57,040</b>	<b>5,66,230</b>	<b>5.4</b>	<b>1.6</b>
<b>Total Loan</b>	<b>7,99,490</b>	<b>8,39,870</b>	<b>8,67,030</b>	<b>8,78,830</b>	<b>9,04,110</b>	<b>9,26,190</b>	<b>9,44,300</b>	<b>8.9</b>	<b>2.0</b>

Source: Company, BOBCAPS Research | CB: Commercial Banking

**Fig 18 – Loan book distribution**

Segment (%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (bps)	QoQ (bps)
Corporate Banking	30.9	30.6	27.2	26.6	27.0	27.2	26.9	(31bps)	(31bps)
CB	11.1	10.9	10.8	11.1	11.9	12.7	13.2	232bps	49bps
<b>Wholesale</b>	<b>42.0</b>	<b>41.5</b>	<b>38.0</b>	<b>37.7</b>	<b>38.9</b>	<b>39.9</b>	<b>40.0</b>	<b>201bps</b>	<b>18bps</b>
<b>Housing Loan</b>	<b>7.4</b>	<b>7.5</b>	<b>7.7</b>	<b>8.5</b>	<b>8.7</b>	<b>8.8</b>	<b>8.8</b>	<b>108bps</b>	<b>(3bps)</b>
Business Loan	9.5	9.7	9.4	10.1	10.9	12.1	12.3	291bps	29bps
Rural Vehicle Finance Loan	2.5	2.6	2.5	2.7	2.9	3.0	3.0	54bps	6bps
Personal Loan	4.4	4.6	4.6	4.5	4.1	3.5	3.2	(137bps)	(27bps)
Credit Card	20.0	20.3	20.1	19.8	19.1	18.5	18.2	(186bps)	(29bps)
MFIs	8.5	8.9	8.4	7.9	7.2	6.2	5.8	(261bps)	(45bps)
Others	3.7	2.8	7.6	7.2	6.5	6.4	7.0	(64bps)	53bps
Retail Agri	2.0	2.0	1.7	1.7	1.6	1.6	1.6	(6bps)	(1bps)
<b>Retail</b>	<b>58.0</b>	<b>58.5</b>	<b>62.0</b>	<b>62.3</b>	<b>61.1</b>	<b>60.1</b>	<b>60.0</b>	<b>(201bps)</b>	<b>(18bps)</b>
<b>Total Loan</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

Source: Company, BOBCAPS Research

## Valuation Methodology

**Maintain HOLD:** We believe that higher growth in secured retail, which is yet to break even and lower growth in unsecured retail (high RoA profile), to result in moderate return ratios. We expect RBK to deliver RoA of 0.7-1.0% and RoE of 7.3-11.4% during FY26-28E. We maintain HOLD rating and roll over valuation at 0.8x Jun'27E ABV (0.7x earlier) vs. 3Y average P/ABV of 0.8x with revised TP of Rs 253 (from Rs 201).

**Fig 19 – Actuals vs BOBCAP estimates**

(Rs mn)	Q1FY26A	Q1FY26E	Variance (%)
Loan	9,44,310	9,47,699	(0.36)
Deposits	11,27,340	11,26,650	0.06
Assets	14,88,260	15,09,426	(1.40)
NII	14,807	15,504	(4.50)
PPOP	7,030	7,578	(7.24)
Provision	4,423	5,317	(16.81)
PAT	2,003	1,685	18.92

Source: Company, BOBCAPS Research

**Fig 20 – Key operational assumptions**

(%)	FY25A	FY26E	FY27E	FY28E
Advances Growth	10.3	15.5	16.8	18.0
NII Growth	7.0	9.1	17.8	19.4
PPoP Growth	19.7	1.2	18.0	20.5
PAT Growth	(40.5)	68.5	46.1	26.1
NIM	5.1	4.7	4.8	5.0
GNPA	2.6	2.5	2.3	2.2
CAR	15.5	14.7	14.0	13.3

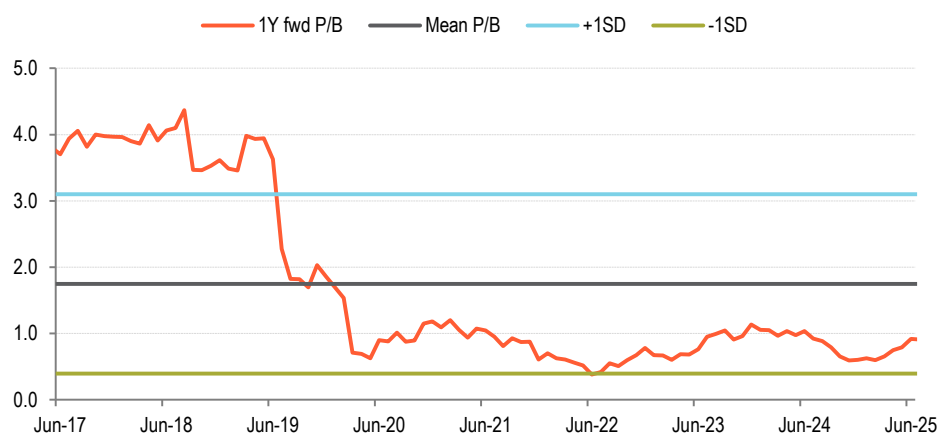
Source: Company, BOBCAPS Research

**Fig 21 – Key valuation assumptions**

Gordon growth model	(%)
Return on Equity (RoE)	12.3
Cost of Equity (Ke)	13.6
Growth (Period 1)	9.8
Growth (Long Term)	4.9
Initial High Growth Period (years)	10.0
Dividend Payout (Period 1)	20.0
Dividend Payout (Long Term)	60.0
Factor 1	1.7
Factor 2	5.2
Justified P/BV Multiple	0.8

Source: BOBCAPS Research



**Fig 22 – PB band chart**

Source: Company, BOBCAPS Research

## Key risks

- Rise in operating costs higher vs estimated levels, resulting in high C/I ratio
- Elevated stress in unsecured book to persist, resulting in higher credit cost, which would represent a key downside risk to our estimates.

## Glossary

Glossary of Abbreviations			
<b>AUCA</b>	Advance Under Collection Account	<b>LCR</b>	Liquidity Coverage Ratio
<b>ARC</b>	Asset Reconstruction Company	<b>MCLR</b>	Marginal Cost of Funds-based Lending Rate
<b>BRDS</b>	Bills Rediscounting Scheme	<b>MFI</b>	Microfinance Institution
<b>CASA</b>	Current Account and Savings Account	<b>MTM</b>	Mark to Market
<b>C&amp;IB</b>	Corporate and Institutional Banking	<b>NII</b>	Net Interest Income
<b>CAR</b>	Capital Adequacy Ratio	<b>NIM</b>	Net Interest Margin
<b>CB</b>	Commercial Banking	<b>NNPA</b>	Net Non-Performing Assets
<b>CET1</b>	Common Equity Tier 1	<b>PCR</b>	Provision Coverage Ratio
<b>CD</b>	Credit-Deposit Ratio	<b>PPOP</b>	Pre-Provision Operating Profit
<b>C/I</b>	Cost-Income Ratio	<b>PSU</b>	Public Sector Unit
<b>EBLR</b>	External Benchmark-based Lending Rate	<b>RWA</b>	Risk-Weighted Assets
<b>ECL</b>	Expected Credit Loss	<b>SLR</b>	Statutory Liquidity Ratio
<b>GNPA</b>	Gross Non-Performing Assets	<b>SMA</b>	Special Mention Account
<b>IBPC</b>	Interbank Participation Certificate	<b>SME</b>	Small and Medium-sized Enterprises
<b>LAP</b>	Loans against Property		

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	60,429	64,630	70,524	83,096	99,219
NII growth (%)	35.8	7.0	9.1	17.8	19.4
Non-interest income	30,429	38,062	39,182	42,180	45,634
Total income	90,858	1,02,692	1,09,706	1,25,276	1,44,853
Operating expenses	60,550	66,424	73,005	81,975	92,683
PPOP	30,308	36,268	36,701	43,301	52,169
PPOP growth (%)	37.6	19.7	1.2	18.0	20.5
Provisions	17,785	29,587	20,957	20,293	23,152
PBT	12,523	6,681	15,744	23,008	29,017
Tax	844	(272)	4,030	5,890	7,428
Reported net profit	11,679	6,954	11,714	17,118	21,589
Adjustments	0	0	0	0	0
Adjusted net profit	11,679	6,954	11,714	17,118	21,589

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	6,051	6,079	6,079	6,079	6,079
Reserves & surplus	1,41,913	1,48,290	1,58,950	1,74,356	1,93,570
Net worth	1,47,964	1,54,369	1,65,029	1,80,435	1,99,649
Deposits	10,34,936	11,09,435	12,73,632	14,71,045	17,18,180
Borrowings	1,41,841	1,37,338	1,52,446	1,69,215	1,87,828
Other liab. & provisions	59,581	66,112	76,170	1,01,845	1,20,358
Total liab. & equities	13,84,322	14,67,255	16,67,276	19,22,540	22,26,015
Cash & bank balance	1,44,166	1,25,596	1,38,575	1,55,486	1,64,723
Investments	2,95,759	3,21,648	3,54,153	4,06,290	4,69,880
Advances	8,39,869	9,26,183	10,69,741	12,49,458	14,74,360
Fixed & Other assets	1,04,529	93,829	1,04,807	1,11,307	1,17,052
Total assets	13,84,322	14,67,255	16,67,276	19,22,540	22,26,015
Deposit growth (%)	21.9	7.2	14.8	15.5	16.8
Advances growth (%)	19.6	10.3	15.5	16.8	18.0

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	19.4	11.5	19.3	28.2	35.5
Dividend per share	1.5	1.0	1.7	2.8	3.9
Book value per share	244.5	253.9	271.5	296.8	328.4

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	13.6	23.0	13.7	9.3	7.4
P/BV	1.1	1.0	1.0	0.9	0.8
Dividend yield (%)	0.6	0.4	0.7	1.1	1.5

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4.8	4.5	4.5	4.6	4.8
Non-interest income	2.4	2.7	2.5	2.4	2.2
Operating expenses	4.8	4.7	4.7	4.6	4.5
Pre-provisioning profit	2.4	2.5	2.3	2.4	2.5
Provisions	1.4	2.1	1.3	1.1	1.1
PBT	1.0	0.5	1.0	1.3	1.4
Tax	0.1	0.0	0.3	0.3	0.4
ROA	0.9	0.5	0.7	1.0	1.0
Leverage (x)	9.0	9.4	9.8	10.4	10.9
ROE	8.2	4.6	7.3	9.9	11.4

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Net interest income	35.8	7.0	9.1	17.8	19.4
Pre-provisioning profit	37.6	19.7	1.2	18.0	20.5
EPS	31.7	(40.9)	68.1	46.1	26.1
<b>Profitability &amp; Return ratios (%)</b>					
Net interest margin	5.5	5.1	4.7	4.8	5.0
Fees / Avg. assets	0.5	0.5	0.5	0.5	0.5
Cost-Income	66.6	64.7	66.5	65.4	64.0
ROE	8.2	4.6	7.3	9.9	11.4
ROA	0.9	0.5	0.7	1.0	1.0
<b>Asset quality (%)</b>					
GNPA	2.7	2.6	2.5	2.3	2.2
NNPA	0.7	0.3	0.4	0.3	0.3
Slippage ratio	3.5	4.9	3.2	2.9	2.9
Credit cost	2.3	3.4	2.1	1.8	1.7
Provision coverage	72.2	88.7	85.7	86.7	87.8
<b>Ratios (%)</b>					
Credit-Deposit	81.2	83.5	84.0	84.9	85.8
Investment-Deposit	28.6	29.0	27.8	27.6	27.3
CAR	16.2	15.5	14.7	14.0	13.3
Tier-1	14.4	14.1	13.2	12.5	12.0

Source: Company, BOBCAPS Research

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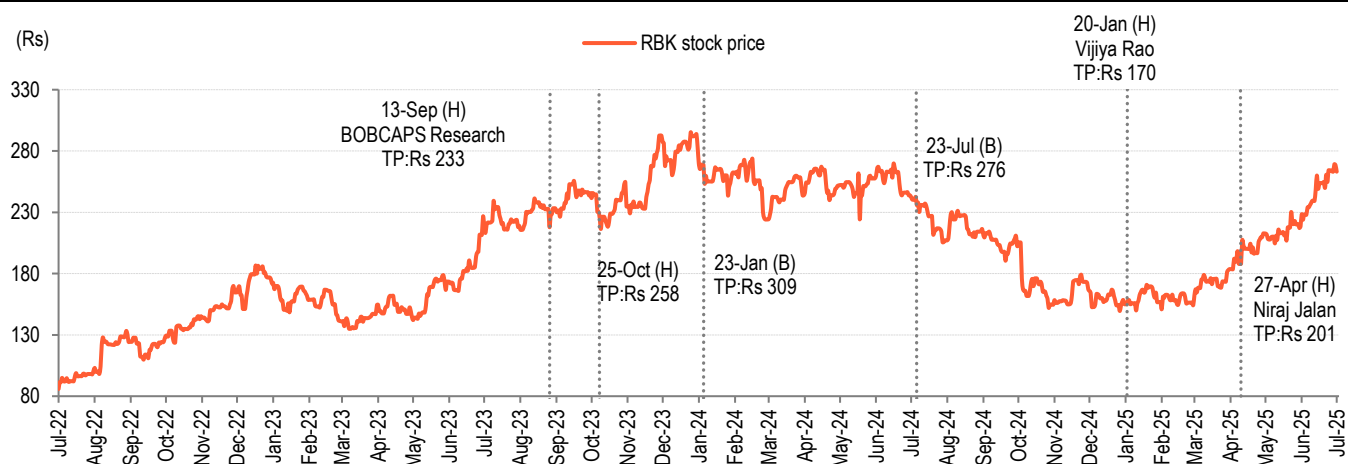
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**Note:** Recommendation structure changed with effect from 21 June 2021

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