

HOLD

TP: Rs 458 | ▲ 10%

RBL BANK

| Banking

| 13 October 2026

Business growth strong due to FCNR inflow; NIMs to dip in Q3

- Advances growth to normalise at 22–25%; Q2 growth boosted by FCNR-linked leverage, business growth was one off this quarter
- NIM likely to moderate in Q3 due to FCNR impact and lower-yield deployment, before potential recovery as funds are deployed gradually
- Rating upgrade supports wholesale growth; yields moderated due to a shift towards higher-rated corporate loans and shift in asset mix

Catherine Gomes
Research Associate
research@bobcaps.in

Business growth robust but one off due to FCNR inflow : Advances grew 42% YoY to Rs 1,423 bn in Q2 FY27, including Rs 103 bn of FCNR-linked leverage alongside corporate liquidity deployment. Wholesale advances grew 56% YoY (Corporate: +59%; Commercial Banking: +48%), supported by the credit rating upgrade and deeper relationships with top-tier corporates. Retail advances grew 32% YoY, led by secured retail (+52%), while unsecured retail grew 6%. The retail-to-wholesale mix stood at 56:44, with unsecured loans at ~19% of the total portfolio. Management expects credit growth to normalise from this one-off quarter, guiding for 22%–25% annual baseline growth (5%–6% QoQ). Unsecured retail growth will remain in high-single to low-double digits, credit card balances are expected to resume positive growth, and MFI advances are expected to grow ~25% YoY, focused on PSL targets. Capital raised and FCNR deposits will fund short-term lending, with management increasingly focused on larger exposures to better-rated corporates, working capital and trade corridor opportunities. Deposits grew 34% YoY to Rs1,562.72 bn, while core deposits grew 6% excluding ~Rs323 bn of FCNR/SNRB deposits as high cost TD/SA were intentionally rationalized. CASA ratio declined to 27.2% vs 29.2% in Q2.

ROA expands on NIM improvement, lower CoFs/ CI ratio : Yields declined 146 bps/40 bps YoY/QoQ to 10.8% from 11.21% in Q1, due to shift towards higher-rated wholesale loans and asset mix shift, not pricing cuts. CoD improved 32 bps/15 bps YoY/QoQ to 5.94%, while CoF fell 26 bps/4 bps to 5.97% on high-cost TD/SA rationalisation. NIMs rose 10 bps YoY/48 bps QoQ to 4.61%, aided by lower CoFs, capital raise benefits, money-market yields, interest reversals. C/I improved to 56.5% in Q2 vs 64.7% in Q1FY27. RoA expanded to 0.92% from 0.57% in Q1. NIM is expected to decline slightly in Q3 as Q2 reflected only 1/1.5 months of FCNR leverage, Q3 will absorb full quarter of FCNR funding cost, while liquidity remains parked in lower-yielding money-market instruments, expect NIMS to recover in Q4 as funds are deployed in corporate and secured retail loans.

AQ improves : AQ improves GNPA/NNPA declined to 1.02%/0.29%, as CC slippages eased, JLG CE reached ~99.5%, slippages expected to decline further.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	RBK IN/Rs 418
Market cap	US\$ 6.8bn
Free float	100%
3M ADV	US\$ 17.8mn
52wk high/low	Rs 430/Rs 285
Promoter/FPI/DII	60%/9%/19%

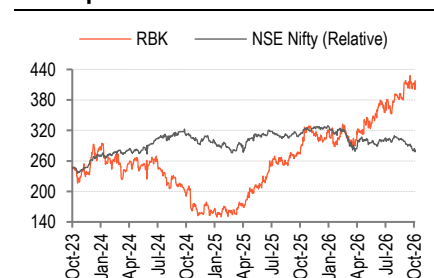
Source: NSE | Price as of 12 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	63,595	82,956	105,946
NII growth (%)	(1.6)	30.4	27.7
Adj. net profit (Rs mn)	8,224	18,685	30,410
EPS (Rs)	13.4	17.2	19.6
P/E (x)	31.2	24.3	21.3
P/BV (x)	1.6	1.5	1.4
ROA (%)	0.5	0.9	1.2
ROE (%)	5.1	6.2	6.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

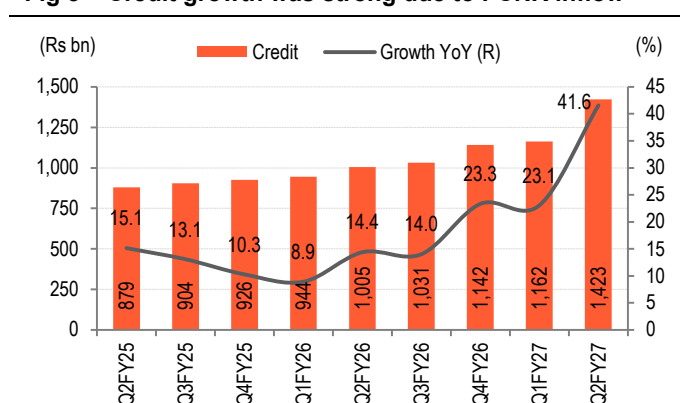
(Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Income Statement							
Interest Income	28,678	30,102	30,094	31,071	33,541	17.0	7.9
Income on investments	5,208	5,216	5,550	5,384	7,448	43.0	38.3
Int. on bal. with RBI & inter-bank funds & Others	1,188	1,349	1,559	1,947	2,232	87.8	14.6
Interest income	35,075	36,667	37,203	38,403	43,221	23.2	12.5
Interest expense	19,568	20,095	20,493	21,858	21,912	12.0	0.2
Net interest income	15,507	16,572	16,710	16,545	21,309	37.4	28.8
Growth YoY (%)	(8.8)	4.6	6.9	11.7	37.4		
Non-interest income	9,327	10,503	10,690	9,594	10,774	15.5	12.3
Growth YoY (%)	15.8	(2.1)	6.9	(10.3)	15.5		
Net income	24,834	27,075	27,399	26,139	32,083	29.2	22.7
Growth YoY (%)	(0.9)	1.8	6.9	2.5	29.2		
Staff expenses	4,848	5,024	4,822	5,161	5,590	15.3	8.3
Other operating expenses	12,702	12,926	13,024	11,750	12,532	(1.3)	6.7
Operating expenses	17,550	17,951	17,845	16,911	18,122	3.3	7.2
Pre-Provisioning Profit (PPoP)	7,284	9,124	9,554	9,228	13,961	91.7	51.3
Growth YoY (%)	(15.2)	(8.4)	10.9	31.3	91.7		
Provisions	4,997	6,393	6,783	5,993	7,665	53.4	27.9
Growth YoY (%)	36.4	(46.2)	(13.6)	35.5	53.4		
PBT	2,287	2,732	2,771	3,235	6,296	175.3	94.6
Tax	502	593	474	698	1,478	194.7	111.8
PAT	1,785	2,139	2,297	2,537	4,818	169.9	89.9
Growth YoY (%)	(51.9)	555.5	234.4	26.6	169.9		

Source: Company, BOBCAPS Research

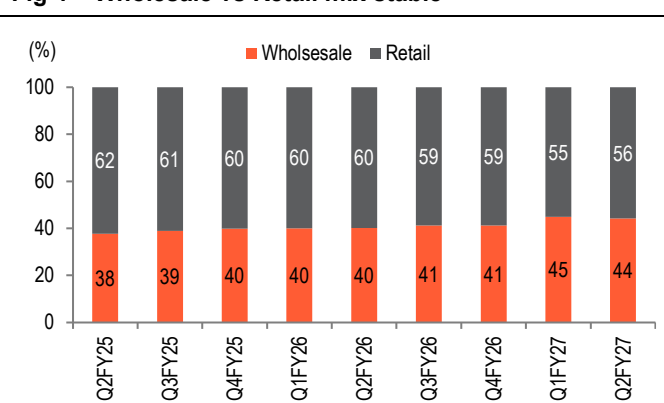
Fig 2 – Quarterly snapshot: Balance sheet & other metrics

(Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Deposits	1,166,674	1,197,210	1,390,176	1,248,290	1,562,720	33.9	25.2
Growth YoY (%)	15.1	12.1	25.3	10.7	33.9		
Advances	1,005,286	1,030,860	1,142,319	1,162,230	1,423,140	41.6	22.4
Growth YoY (%)	15.9	14.0	23.3	23.1	41.6		
Investment	288,140	268,140	320,782	377,770	429,280	49.0	13.6
Equity	160,298	163,360	166,049	430,518	435,129	171.5	1.1
Assets	1,539,877	1,572,900	1,806,848	1,857,308	2,223,440	44.4	19.7
Growth YoY (%)	13.4	11.6	23.1	24.8	44.4		
Yield (%)							
Yield on Funds	9.90	10.06	9.39	8.91	8.95	(95bps)	4bps
Cost of Funds	6.03	6.03	5.65	6.02	5.76	(27bps)	(26bps)
Spread	3.87	4.02	3.74	2.89	3.19	(68bps)	30bps
Net Interest Margin (calc.)	4.38	4.54	4.22	3.84	4.41	3bps	57bps
Ratios (%)							
Other Income / Net Income	37.6	38.8	39.0	36.7	33.6	(398bps)	(312bps)
Cost to Income ratio	70.7	66.3	65.1	64.7	56.5	(1,419bps)	(821bps)
CASA ratio	31.9	30.9	33.6	29.2	27.2	(465bps)	(200bps)
C/D ratio	86.2	86.1	82.2	93.1	91.1	490bps	(204bps)
Investment to Assets	18.7	17.0	17.8	20.3	19.3	60bps	(103bps)
Assets Quality							
GNPA	23,776	19,615	16,750	15,216	14,561	(38.8)	(4.3)
NNPA	5,724	5,670	4,427	4,261	4,154	(27.4)	(2.5)
Provision	18,052	13,945	12,322	10,955	10,407	(42.3)	(5.0)
GNPA (%)	2.32	1.88	1.45	1.30	1.02	(130bps)	(28bps)
NNPA (%)	0.57	0.55	0.39	0.37	0.29	(28bps)	(8bps)
Provision Coverage Ratio (%)	75.9	71.1	73.6	72.0	71.5	(445bps)	(53bps)
Others (nos)							
Branches	564	580	603	628	628	11.3	0.0
ATMs	415	415	415	410	422	1.7	2.9
Employees	13,926	13,632	13,316	13,589	14,222	2.1	4.7

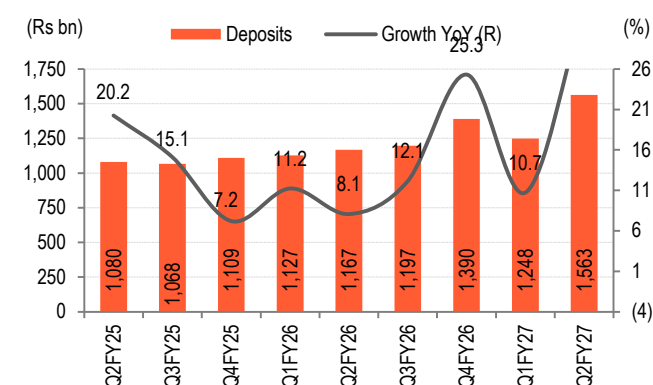
Source: BOBCAPS Research, Company

Fig 3 – Credit growth was strong due to FCNR inflow

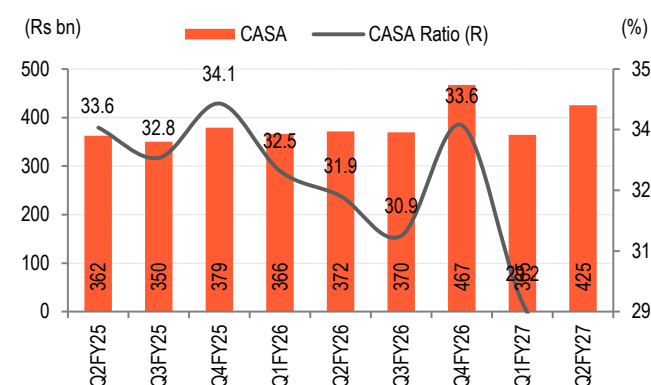
Source: Company, BOBCAPS Research

Fig 4 – Wholesale vs Retail mix stable

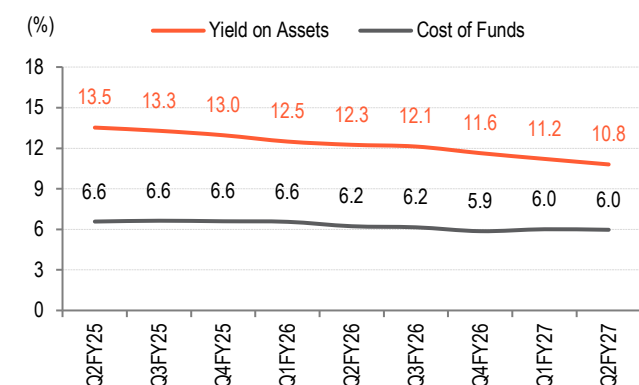
Source: Company, BOBCAPS Research

Fig 5 – Deposits growth was strong YoY due to FCNR

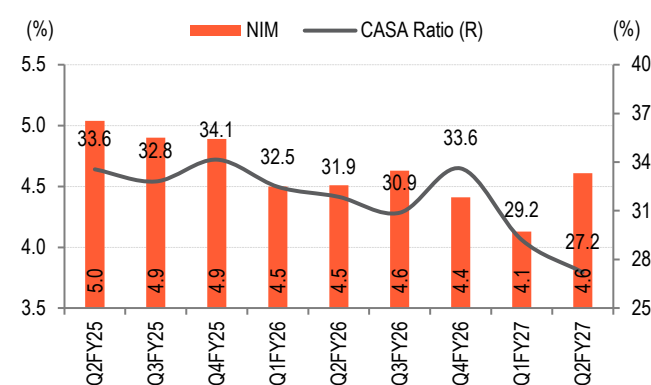
Source: Company, BOBCAPS Research

Fig 6 – CASA ratio continues to decline QoQ

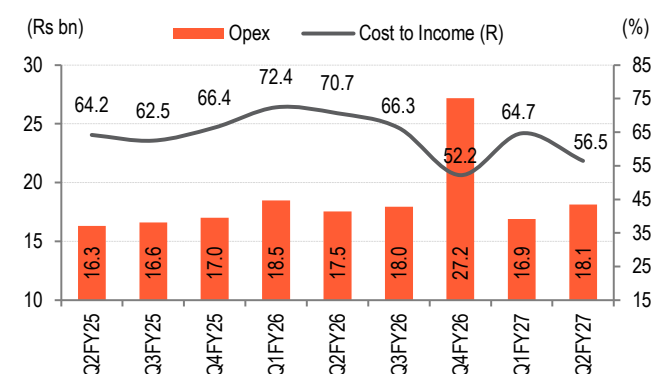
Source: Company, BOBCAPS Research

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

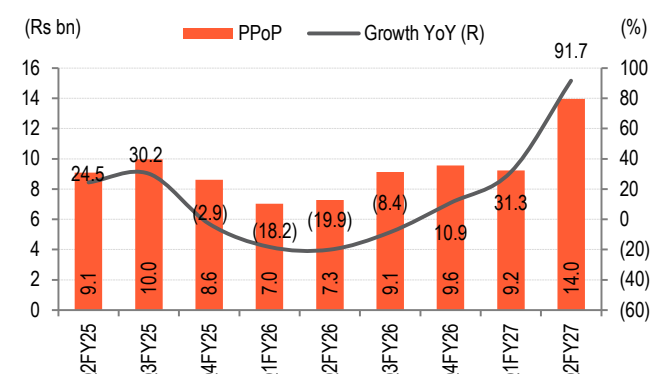
Source: Company, BOBCAPS Research

Fig 8 – NIMs

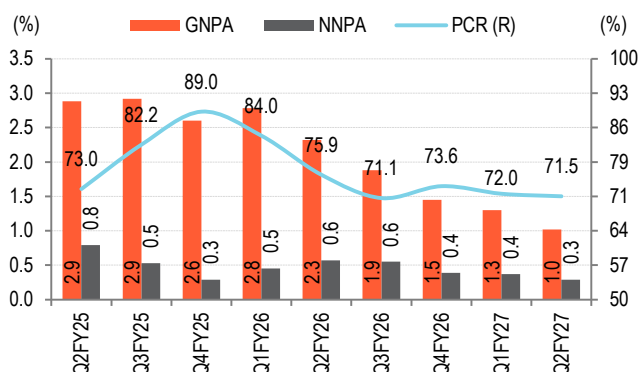
Source: Company, BOBCAPS Research

Fig 9 – Cost to income has improved

Source: Company, BOBCAPS Research

Fig 10 – PPOP improves on a sequential basis

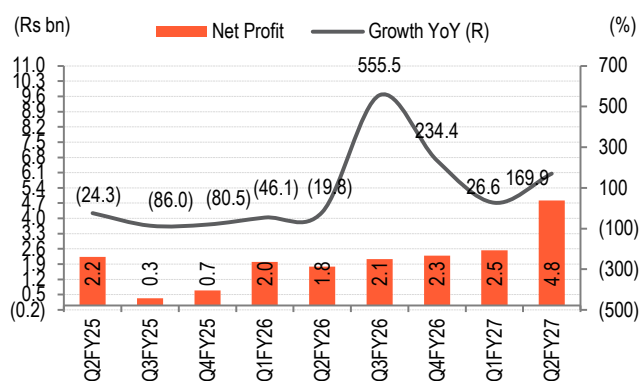
Source: Company, BOBCAPS Research

Fig 11 – Asset quality improved

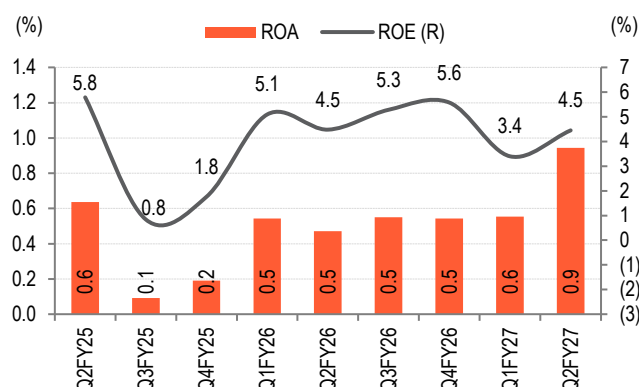
Source: Company, BOBCAPS Research

Fig 12 – Credit cost increased sequentially

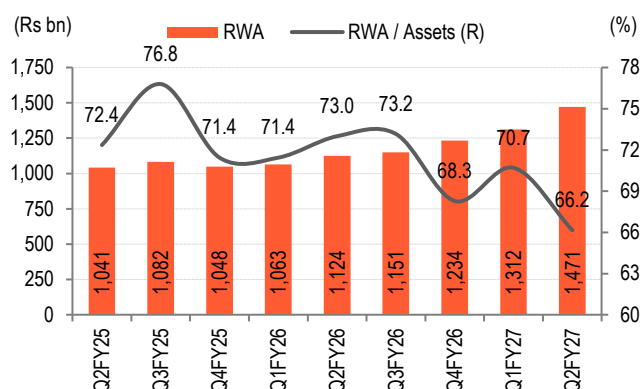
Source: Company, BOBCAPS Research

Fig 13 – PAT increased QoQ

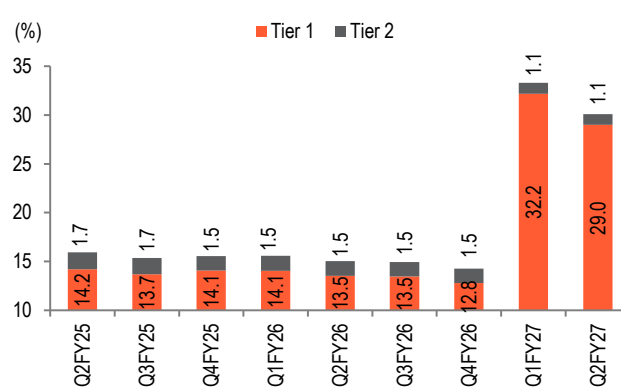
Source: Company, BOBCAPS Research

Fig 14 – Return profile 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

Advances

- Total advances grew 42% YoY to Rs 1,423 bn in Q2 FY27, with balance-sheet assets crossing Rs 2,000 bn to Rs 2,223 bn. Growth included Rs103 bn of FCNR-linked leverage. Wholesale advances grew 56% YoY (Corporate +60%; Commercial Banking +47%), supported by rating upgrades that enabled access to large corporate clients previously constrained by rating limits and deepened existing relationships.
- Retail advances grew 32% YoY, led by secured retail (+52%) and unsecured retail (+50%). Retail-to-wholesale mix stood at 56:44, with unsecured loans at ~19% of the portfolio.
- Commentary indicated that growth this quarter was one off, annual credit growth to normalize at 22%–25% baseline, (~5%–6% QoQ), with unsecured retail growth kept in the high-single to low-double digits, positive card balance growth and ~25% YoY MFI growth primarily to meet PSL requirements.

Deposits

- Deposits grew 34% YoY to Rs 1,562 bn, with average deposits increasing 24% YoY, supported by ~Rs 323 bn in FCNR/SNRB deposits. Excluding these deposits, core deposit growth stood at 6% YoY. Term deposits reached Rs 1,137 bn, while CASA deposits grew 14% YoY to Rs 425 bn. The average CASA ratio stood at 24.0% (28.1% excluding FCNR deposits). Overall deposit cost stood at 5.97%, while term deposit cost was 6.86%
- Balance sheet liquidity has been strategically deployed to optimize funding costs by prepaying high-cost bulk borrowings and term deposits, while expanding wholesale lending to top-tier corporate clients and scaling secured retail assets through branch network channels
- Average Liquidity Coverage Ratio stood at 148%. Operating LCR will normalize from 148% toward 120%–125% over time
- Deposit rates will be adjusted gradually relative to the market, while the bank expands its partnership with ENBD in the UAE corridor to drive NRI and non-resident deposit flows
- Approximately Rs 103 bn was provided as leverage to clients, with remaining balance liquidity parked in non-SLR investments and short-term money market instruments
- FCNR deployments boosted one off fee income via foreign exchange currency fixed-to-floating swaps

NIMs

- NII surged 37% YoY and 29% QoQ to Rs 21 bn
- NIMs widened 48 bps sequentially to 4.61% in Q2 FY27.
- NIMs expansion was driven by capital raise benefits, interest rate reversals and money market yields. Non-interest income grew 16% YoY and 12% QoQ to Rs 10.77 bn, supported by currency fixed-to-floating swap income on FCNR deposits.
- Yield on advances moderated from 11.2% to 10.8%, reflecting a portfolio mix shift toward higher-rated wholesale loans and FCNR leverage rather than price reductions on individual products. Total deposit cost was 5.97%; total term deposit cost was 6.86% (Rs term deposit cost was 7.12%).
- Yields on unsecured retail assets remained steady at ~21%, whereas secured retail yields ranged between 9% and 10%. Investment book yields rose sharply by ~80 bps sequentially, driven by tactical allocations of surplus FCNR liquidity into high-yielding short-term money market instruments while maintaining light duration to minimize mark-to-market risks.
- 58% of the loan book is benchmarked to external rates (32% repo-linked with a 90-day reset cycle, 11% FCI, 12% other external), while 3.5%–4.0% is linked to internal MCLR.
- While Q2 FY27 only reflected roughly 1 to 1.5 months of FCNR leverage, Q3 will absorb the full-quarter impact of FCNR funding costs and leverage.
- A substantial portion of the FCNR-mobilized liquidity is currently parked in short-term, lower-yielding money market instruments, which will keep overall yields temporarily moderated.
- Because of the full-quarter FCNR cost structure and lower deployment yields, NIM is guided to be slightly lower in Q3 FY27 compared to the 4.61% reported in Q2.
- Margins are expected to inch back up in Q4 FY27 as excess FCNR liquidity progressively reallocated into core wholesale advances and secured retail loan
- Core fee income expanded 12% YoY and 13% QoQ to Rs 10 bn. Consequently, Net Total Income rose 29% YoY to Rs 32 bn, pushing Operating Profit past the Rs 10 bn mark to Rs 13.96 bn. Net Profit surged 170% YoY and 90% QoQ to Rs 5 bn, expanding ROA to 0.92%

Irdai impact on banca income

- Regarding bancassurance, annual fee income stands at ~Rs 3 bn+, though management notes potential IRDA regulatory draft changes could impact this line item by 50% to 60%.

Asset quality

- Asset quality improved across all primary indicators, with Gross NPA declining 28 bps QoQ to 1.02%, Net NPA dropping 8 bps QoQ to 0.29%, and PCR reaching 71.5%. Total credit cost for Q2 FY27 stood at Rs 7.71 bn or 63 bps annualized, which included 11 bps ₹1.30 bn of mandatory 40 bps standard asset provisioning required for FCNR leverage and gross loan expansion. Specific credit cost declined to 52 bps Rs 6 bn vs. Rs 7 bn in Q1 FY27). Credit card provisions totaled Rs 6 bn While Q2 quarterly card slippages exceeded Rs 6.00 bn, monthly card slippages slowed significantly to Rs ~1.30 bn by September. Microfinance portfolio collection momentum normalized completely with Bucket X collection efficiency reaching 99.5%, while wholesale asset quality remained pristine with zero slippages or stress.
- Quarterly credit card slippages are guided to drop from ₹6.00+ bn down to ~Rs 4 bn per quarter in Q3 and Q4 FY27. Credit card credit costs are projected to decrease from ~11% down to the 5.5%–6.0% range.
- As credit card stress normalizes and the rural and wholesale segments maintain their strong collection efficiency, overall bank credit costs are expected to follow a downward trend across H2 FY27
- Management continues to monitor localized deficient monsoons in select districts, though early October collections showed no change in bounce rate

Opex

- Opex) rose 3% YoY and 7% QoQ to Rs 18 bn. The bank's CI Ratio improved sharply to 56.5% from 70.7% in Q2 FY26, largely driven by the rationalization of credit card collection costs. The bank is actively expanding its physical infrastructure, opening 30 to 50 branches per quarter (with 38 branches opening imminently) toward a long-term network target of ~1,000 branches over 2.5 to 3 years. Strategically, the bank is leveraging its partnership with Emirates NBD to capture trade corridor flows, target MNC relationships in IT/ITeS, build non-resident deposit flows across the Middle East, and roll out a dedicated wealth management proposition for affluent retail clients. The formal amalgamation application for ENBD's India business has been submitted to the RBI and is expected to complete within FY27
- C/Iratio improved sharply by 1,420 bps YoY to 56.5% in Q2 FY27 compared to 70.7% in Q2 FY26
- Management indicates that collection costs have largely reached normalized levels. Going forward, Opex growth is expected to inch up to low single digits sequentially
- To offset regulatory headwinds and build long-term fee income, the bank is focusing on non-funded trade corridor business via the Emirates NBD network, foreign exchange flows from UAE/Middle East NRI corridors, and early investments in a dedicated wealth management proposition.
- Q2 FY27 net profit surged 170% YoY / 90% QoQ to Rs ~5 bn, taking RoA to 0.92%, supported by FCNR liquidity tailwinds, easing credit card stress and normalised MFI collections and interest rate reversals. Management expects positive RoA momentum in the coming quarters, with a detailed medium-term roadmap and formal FY28 RoA targets to be outlined in the coming months.

Fig 17 – Loan book trend

(Rs mn)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Corporate Banking	2,51,870	2,53,880	2,72,820	2,84,600	3,18,450	3,53,784	4,33,658	59.0	22.6
CB	1,17,280	1,24,190	1,31,150	1,40,160	1,52,670	1,66,486	1,94,832	48.6	17.0
Wholesale	3,69,150	3,78,070	4,03,970	4,24,760	4,71,120	5,20,270	6,28,490	55.6	20.8
Housing Loan	81,770	83,100	84,540	86,190	87,170	87,746	88,286	4.4	0.6
Business Loan	1,11,620	1,16,560	1,34,910	1,51,370	1,67,930	1,71,837	1,86,959	38.6	8.8
Rural Vehicle Finance Loan	27,540	28,600	29,940	31,990	30,440	29,249	36,353	21.4	24.3
Personal Loan	32,450	30,530	28,610	28,220	29,600	33,162	33,038	15.5	(0.4)
Credit Card	1,71,330	1,71,910	1,71,970	1,66,900	1,62,500	1,60,283	1,56,932	(8.7)	(2.1)
MFIs	57,520	54,350	58,850	66,920	77,020	82,905	85,349	45.0	2.9
Others	59,720	65,890	77,600	59,430	1,02,080	62,991	1,99,472	157.1	216.7
Retail Agri	15,090	15,290	14,900	15,090	14,450	11,054	8,260	(44.6)	(25.3)
Retail	5,57,040	5,66,230	6,01,320	6,06,110	6,71,190	6,39,227	7,94,650	32.2	24.3
Total Loan	9,26,190	9,44,300	10,05,290	10,30,870	11,42,310	11,59,497	14,23,140	41.6	22.7

Source: Company, BOBCAPS Research | CB: Commercial Banking

Fig 18 – Loan book distribution

Segment (%)	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Corporate Banking	27.2	26.9	27.1	27.6	27.9	30.5	30.5	333bps	(4bps)
CB	12.7	13.2	13.0	13.6	13.4	14.4	13.7	64bps	(67bps)
Wholesale	39.9	40.0	40.2	41.2	41.2	44.9	44.2	398bps	(71bps)
Housing Loan	8.8	8.8	8.4	8.4	7.6	7.6	6.2	(221bps)	(136bps)
Business Loan	12.1	12.3	13.4	14.7	14.7	14.8	13.1	(28bps)	(168bps)
Rural Vehicle Finance Loan	3.0	3.0	3.0	3.1	2.7	2.5	2.6	(42bps)	3bps
Personal Loan	3.5	3.2	2.8	2.7	2.6	2.9	2.3	(52bps)	(54bps)
Credit Card	18.5	18.2	17.1	16.2	14.2	13.8	11.0	(608bps)	(280bps)
MFIs	6.2	5.8	5.9	6.5	6.7	7.2	6.0	14bps	(115bps)
Others	6.4	7.0	7.7	5.8	8.9	5.4	14.0	630bps	858bps
Retail Agri	1.6	1.6	1.5	1.5	1.3	1.0	0.6	(90bps)	(37bps)
Retail	60.1	60.0	59.8	58.8	58.8	55.1	55.8	(398bps)	71bps
Total Loan	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

Source: Company, BOBCAPS Research | CB: Commercial Banking

Valuation Methodology

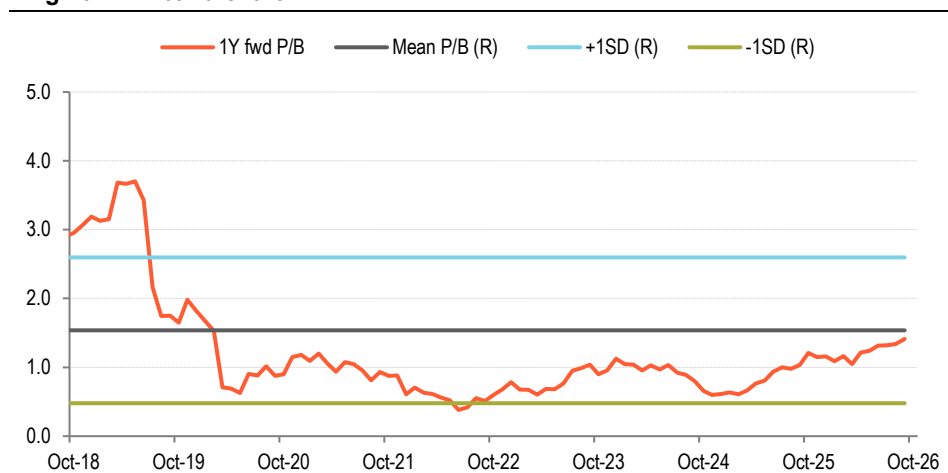
Maintain HOLD: RBL Bank reported a strong quarter, with NIMs expanding 48 bps QoQ/10 bps YoY to 4.61%, supported by lower CoF/CoD and an improved C/I ratio, driving RoA to 0.92%. However, advances growth of 42% YoY was partly driven by one-off FCNR/SNRB-related leverage, while core deposit growth remained modest at 6% YoY. CASA ratio continued to decline, falling to 27.2% from 31.9% in Q2FY26. While credit growth is expected to remain strong and slippages are likely to improve, the yield outlook remains unfavourable, with NIMs expected to decline slightly in Q3 due to full-quarter FCNR funding costs and excess liquidity parked in lower-yielding money-market instruments. Gradual deployment into corporate loans could further pressure yields, with improvement in blended yields and NII growth likely to take time. Following the recent stock run-up and continued CASA compression, valuations appear rich; we maintain **HOLD** with a revised TP of Rs 458, based on 1.6x September 2028 ABV of Rs 286.

Fig 19 – Key operational assumptions

(%)	FY26A	FY27E	FY28E	FY29E
Advances Growth	23.3	25.5	20.9	14.4
NII Growth	(1.6)	30.4	27.7	17.6
PPoP Growth	(9.0)	46.4	38.4	17.9
PAT Growth	18.3	127.2	62.8	18.7
NIM	4.5	4.4	4.6	4.6
GNPA	1.5	1.3	1.1	1.1
CAR	14.3	27.9	25.5	23.5

Source: Company, BOBCAPS Research

Fig 20 – PB band chart



Source: Company, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- While collection efficiency in the JLG portfolio has improved to 99.5%, MFI slippages could rise due to El Niño and below-normal monsoon conditions. Further drought declarations across states could exacerbate asset quality ratios and increase credit costs.
- Proposed IRDAI regulatory changes could reduce bancassurance income by 50–60%
- Delays in deploying excess liquidity into corporate loan book could keep funds parked in lower-yielding money market instruments, compressing yields and putting pressure on NIMs if suitable corporate lending opportunities are limited due to ongoing geopolitical situation.

Glossary

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

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	64,630	63,595	82,956	105,946	124,558
NII growth (%)	7.0	(1.6)	30.4	27.7	17.6
Non-interest income	38,062	41,214	46,483	56,432	66,052
Total income	102,692	104,810	129,439	162,378	190,610
Operating expenses	66,424	71,818	81,147	95,544	111,818
PPOP	36,268	32,992	48,293	66,834	78,792
PPOP growth (%)	19.7	(9.0)	46.4	38.4	17.9
Provisions	29,587	22,596	23,179	25,961	30,275
PBT	6,681	10,395	25,114	40,873	48,517
Tax	(272)	2,171	6,429	10,464	12,420
Reported net profit	6,954	8,224	18,685	30,410	36,097
Adjustments	0	0	0	0	0
Adjusted net profit	6,954	8,224	18,685	30,410	36,097

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Equity capital	6,079	6,181	15,516	15,516	15,516
Reserves & surplus	149,989	159,868	418,900	447,024	480,408
Net worth	156,068	166,049	434,416	462,541	495,924
Deposits	1,109,435	1,390,176	1,627,000	1,904,241	2,189,877
Borrowings	137,338	167,945	123,000	150,000	156,000
Other liab. & provisions	64,413	82,678	50,744	155,146	229,940
Total liab. & equities	1,467,255	1,806,848	2,235,160	2,671,928	3,071,742
Cash & bank balance	125,596	230,644	282,106	330,171	382,800
Investments	321,647	320,782	378,334	435,073	503,220
Advances	926,183	1,142,319	1,433,116	1,732,859	1,981,839
Fixed & Other assets	93,829	113,103	141,604	173,825	203,883
Total assets	1,467,255	1,806,848	2,235,160	2,671,928	3,071,742
Deposit growth (%)	7.2	25.3	17.0	17.0	15.0
Advances growth (%)	10.3	23.3	25.5	20.9	14.4

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	11.5	13.4	17.2	19.6	23.3
Dividend per share	1.0	1.0	1.3	1.5	1.7
Book value per share	256.7	268.6	280.0	298.1	319.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	36.5	31.2	24.3	21.3	18.0
P/BV	1.6	1.6	1.5	1.4	1.3
Dividend yield (%)	0.2	0.2	0.3	0.4	0.4

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	4.5	3.9	4.1	4.3	4.3
Non-interest income	2.7	2.5	2.3	2.3	2.3
Operating expenses	4.7	4.4	4.0	3.9	3.9
Pre-provisioning profit	2.5	2.0	2.4	2.7	2.7
Provisions	2.1	1.4	1.1	1.1	1.1
PBT	0.5	0.6	1.2	1.7	1.7
Tax	0.0	0.1	0.3	0.4	0.4
ROA	0.5	0.5	0.9	1.2	1.3
Leverage (x)	9.4	10.2	6.7	5.5	6.0
ROE	4.6	5.1	6.2	6.8	7.5

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Net interest income	7.0	(1.6)	30.4	27.7	17.6
Pre-provisioning profit	19.7	(9.0)	46.4	38.4	17.9
EPS	(40.9)	17.0	28.4	13.8	18.7
Profitability & Return ratios (%)					
Net interest margin	5.1	4.5	4.4	4.6	4.6
Fees / Avg. assets	0.5	0.5	0.5	0.5	0.5
Cost-Income	64.7	68.5	62.7	58.8	58.7
ROE	4.6	5.1	6.2	6.8	7.5
ROA	0.5	0.5	0.9	1.2	1.3
Asset quality (%)					
GNPA	2.6	1.5	1.3	1.1	1.1
NNPA	0.3	0.4	0.4	0.3	0.3
Slippage ratio	4.9	4.1	3.7	3.0	3.0
Credit cost	3.4	2.2	1.8	1.6	1.6
Provision coverage	88.8	73.3	71.7	71.8	71.8
Ratios (%)					
Credit-Deposit	83.5	82.2	88.1	91.0	90.5
Investment-Deposit	29.0	23.1	23.3	22.8	23.0
CAR	15.6	14.3	27.9	25.5	23.5
Tier-1	14.1	12.8	27.0	24.6	22.6

Source: Company, BOBCAPS Research

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Name of the Research Entity: **BOB Capital Markets Limited**
 Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
 SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
 SEBI Stock Broker Registration No: **INZ000159332**
 SEBI Depository Participant Registration No: **IN-DP-728-2022**
 SEBI Merchant Banker Registration No: **INM000009926**
 Phone: +91-22-61389300
 Name of the Compliance Officer: Mr. Sameer Khobrekar
 Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
 For any queries or grievances, you may contact the Grievance Officer.
 Name of the Grievance Officer: Mr. Nilesh Mehta
 Email ID: head-customer@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
 Website: <https://www.bobcaps.in/>
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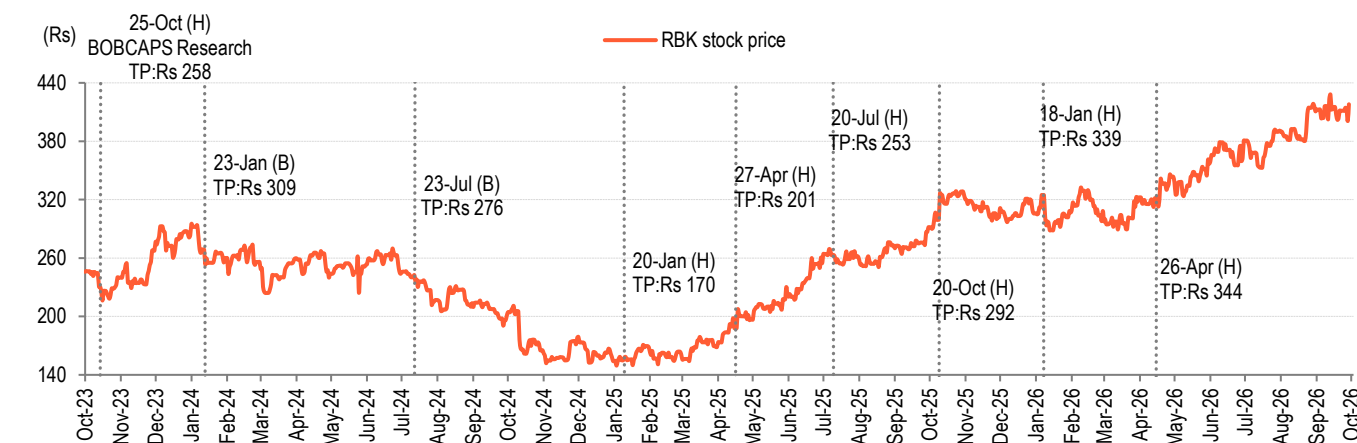
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