

Secured mix rising, but "Desired Returns" still elusive

RBL Bank has undergone a notable strategic shift under its new management, with a conscious pivot toward a more granular secured retail portfolio. In 1QFY26, this trend continued, with secured retail assets rising 400bps YoY—largely at the expense of higher-yielding unsecured segments such as MFI and credit cards. This shift aligns with the bank's longstanding goal of enhancing its risk-adjusted return profile. However, the bank has struggled to translate this portfolio shift into a meaningful improvement in profitability or RoA/RoE. The core challenge remains: delivering sustainable growth in high-yield retail products while preserving asset quality (refer Exhibit: 5). Moreover, with nearly 50% of the loan book linked to floating rates, we anticipate continued margin compression in the near term. Since our last note ([LINK](#)), the stock has delivered ~50% returns FYTD, aided by a improved PAR book and attractive valuations. However, at the current ~1x P/ABV it's trading above 5-year average trading multiple and nearing mean +1SD — the valuation no longer offers the cushion it once did. Looking ahead, while we build in moderate improvements in credit cost and operating leverage, we remain unconvinced about the bank's ability to deliver return profile in medium term. Management's guided 1% RoA exit for FY26 remains a tall ask in our view. In light of these developments, we Double Downgrade the stock from BUY to REDUCE and expect a phase of consolidation. We roll forward our estimates to 1HFY28 and maintain our valuation multiple at 0.8x P/ABV, arriving at a revised target price of Rs238 (from Rs232).

Operating performance under pressure, non-interest income saves the day

NII came in at Rs14.8bn (down 9.2% YoY / 5.3% QoQ), below our Rs15.9bn estimate due to sharper yield compression. Non-interest income rose to Rs10.7bn (up 38.2% YoY / 7.0% QoQ), driven by treasury gains. CTI increased to 71.8% vs 65.8% in Q4FY25 (CentrumE: 68.3%). As a result, PPOP was Rs7.2bn (down 6.7% YoY / 18.1% QoQ), 8.5% below our estimate. Provisions were lower at Rs4.4bn (vs est. Rs5.2bn), up 21% YoY but down 44% QoQ, reflecting easing incremental stress. However, PCR dropped 500bps QoQ, pointing to weaker coverage. PAT came in above expectations at Rs2,142mn (down 39.0% YoY / up 146.2% QoQ), vs our Rs2,021mn estimate.

Advances growth slows as asset quality pain persists

Net advances delivered lower growth (retail unsecured loan book - down 10% YoY/ down 1.7% QoQ), increasing by mere 2.0% QoQ to Rs944bn. However, secured RA (up 23% YoY/up 4.6% QoQ) continued its growth trajectory, with business loans leading the charge. Similarly, in the wholesale book too, granularity prevailed with Commercial Banking growing (up 5.9% QoQ) vs Corporate Banking (up 0.8% QoQ).

Deposit growth decent; CASA falls by 160bps QoQ to 32.8%

Deposits grew 11.2% YoY / 1.6% QoQ, supported by strong RD traction (up ~16% YoY / 4.9% QoQ). CASA ratio dropped 160bps QoQ to 32.5%, due to 5.3% QoQ decline in SA. LDR/LCR remained healthy at 83.8%/152%. Cost of deposits was flat QoQ; benefits from SA/TD rate cuts may reflect from Q2.

Double downgrade from BUY to Reduce with a TP of Rs238

We model ~15%/14%/8% CAGR in loans, deposits, and BV over FY25–28E. We double downgrade the stock to REDUCE as return metrics remain unconvincing and the 1% FY26 exit RoA guidance appears ambitious, signaling a likely phase of consolidation.

Financial and valuation summary

YE Mar (Rs mn)	1QFY26A	1QFY25A	YoY (%)	4QFY25A	QoQ (%)	FY26E	FY27E	FY28E
NII	14,807	16,307	(9.2)	15,640	(5.3)	62,963	76,761	93,432
PPOP	7,198	7,717	(6.7)	8,785	(18.1)	33,047	44,016	54,928
Provisions	4,423	3,663	20.8	7,851	(43.7)	17,771	24,735	28,726
Net profit	2,142	2,811	(23.8)	870	146.2	11,518	14,461	19,651
Loan growth (%)	8.9	18.7	(52.3)	10.3	(13.3)	12.5	15.9	16.4
NIM (%)	4.7	5.6	(15.0)	5.0	(6.0)	4.8	5.1	5.3
Cost/income (%)	71.8	67.9	5.7	65.8	9.2	69.1	65.5	64.0
GNPA (%)	2.8	2.7	3.3	2.6	6.9	2.6	2.9	3.1
RoA (%)	0.6	0.9	(32.0)	0.2	146.8	0.7	0.8	1.0
RoE (%)	5.5	7.7	(28.6)	2.3	141.5	7.1	8.3	10.4
P/ABV (x)	-	-	-	-	-	1.0	0.9	0.8

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

Result Update

India | BFSI

20 July, 2025

REDUCE

Price: Rs263

Target Price: Rs238

Forecast return: -10%

Institutional Research

Market Data

Bloomberg:	RBK IN
52 week H/L:	273/146
Market cap:	Rs160.3bn
Shares Outstanding:	609.2mn
Free float:	90.4%
Avg. daily vol. 3mth:	1,40,57,570

Source: Bloomberg

Changes in the report

Rating:	Changed from BUY to REDUCE
Target price:	Rs238; Changed by 2.6%
ABVS:	FY26E; 269; Changed by -2.2%
	FY27E; 282; Changed by -2.4%

Source: Centrum Broking

Shareholding pattern

	Jun-25	Mar-25	Dec-24	Sep-24
Promoter	0.0	0.0	0.0	0.0
FII's	17.6	14.4	13.4	14.6
DII's	34.8	21.2	18.1	27.1
Public/other	47.6	64.4	68.5	58.3

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY26	Actual Q1FY26	Variance (%)
NII	15,854	14,807	-6.6%
PPOP	7,863	7,198	-8.5%
Provision	5,168	4,423	10.8%
PAT	2,021	2,142	6.0%

Source: Bloomberg, Centrum Broking



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Thesis Snapshot

Estimate revision

YE Mar (Rs bn)	FY26E New	FY26E Old	% chg	FY27E New	FY27E Old	% chg
NII	62.9	68.1	-7.6%	76.8	80.7	-4.8%
PPoP	33.0	38.6	-14.5%	44.0	45.5	-3.3%
PAT	11.5	13.8	-16.7%	14.5	15.4	-5.8%

Source: Centrum Broking

RBL Bank versus Nifty Midcap 100

	1m	6m	1 year
RBK IN	57.5	7.9	(7.0)
NIFTY Midcap 100	(4.0)	(2.3)	13.6

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY26E	FY27E
Advances Growth	12.5	15.9
NII Growth	-1.5	21.9
Other Inc./Assets	2.8	2.9
Opex/Assets	4.7	4.8
Provision Cost	1.8	2.2

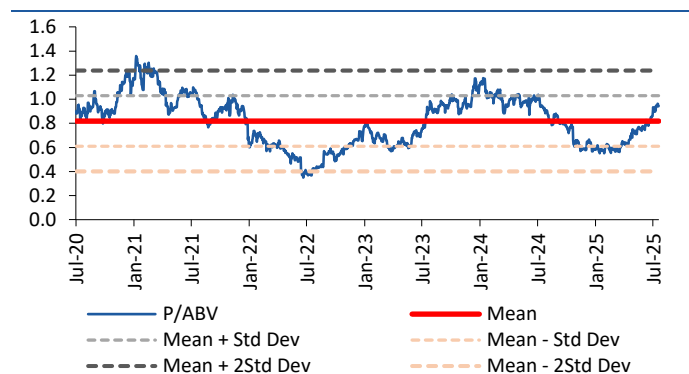
Source: Centrum Broking

Valuations

Looking ahead, while we build in moderate improvements in credit cost and operating leverage, we remain unconvinced about the bank's ability to deliver return profile in medium term. Management's guided 1% RoA exit for FY26 remains a tall ask in our view. In light of these developments, we double downgrade the stock from BUY to REDUCE and expect a phase of consolidation. We roll forward our estimates to 1H FY28 and maintain our valuation multiple at 0.8x P/ABV, arriving at a revised target price of Rs238 (from Rs232).

Valuations	Rs/share
1H FY28E ABV (Rs)	298
Ascribed P/BV (x)	0.8
Target Price (Rs)	238
Upside to CMP	-10%

P/ABV mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	EPS (Rs)				BVPS (Rs)				RoAA (%)				RoAE (%)			
	FY24A	FY25A	FY26E	FY27E	FY24A	FY25A	FY26E	FY27E	FY24A	FY25A	FY26E	FY27E	FY24A	FY25A	FY26E	FY27E
City Union Bank	19.2	19.0	17.9	22.8	110.7	127.8	141.3	158.4	1.5	1.5	1.5	1.5	12.9	12.6	12.3	12.6
Federal Bank	15.3	16.5	16.6	22.0	119.4	136.1	151.3	171.9	1.3	1.2	1.1	1.3	14.7	13.0	11.6	13.6
IDFC First Bank	4.2	2.0	3.4	5.0	45.6	52.1	56.6	61.6	1.1	0.5	0.7	0.9	10.1	4.2	6.6	8.5
Bandhan Bank	13.8	19.0	22.2	26.3	136.8	149.0	167.8	186.7	2.0	1.6	1.4	1.5	14.8	13.2	11.4	12.8
Average	13.1	12.5	15.0	19.0	103.1	116.3	129.3	144.7	1.5	1.2	1.2	1.3	13.1	10.8	10.5	11.9
RBL Bank	20.8	11.8	18.9	23.7	245.2	257.8	275.4	296.6	1.0	0.2	0.7	0.8	8.9	2.3	7.1	8.3

Company	Mcap (Rs mn)	P/E (x)				P/BV (x)			
		FY24A	FY25A	FY26E	FY27E	FY24A	FY25A	FY26E	FY27E
City Union Bank	1,57,450	9.9	10.4	12.8	11.1	1.2	1.2	1.5	1.3
Federal Bank	5,22,120	13.9	12.9	12.8	9.7	1.8	1.6	1.4	1.2
IDFC First Bank	5,36,110	17.6	35.9	21.8	14.6	1.6	1.4	1.3	1.2
Bandhan Bank	3,01,280	13.0	8.6	10.5	8.2	1.3	1.0	1.11	1.0
Average		13.6	17.0	14.5	10.9	1.5	1.3	1.3	1.2
RBL Bank	1,60,300	12.5	22.1	13.8	11.0	1.1	1.0	0.9	0.9

Source: Company, Centrum Broking; Peers: Bloomberg estimates

Exhibit 1: Key conference call takeaways and metrics

Centrum Quarterly Monitor	Q4FY25	Q1FY26	Our View
NIMs	<ul style="list-style-type: none"> NIMs be under pressure. 	<ul style="list-style-type: none"> In 1Q NIMs (yields in 2Q) will bottom out and expect improvement from Q3 in NIMs. 	<ul style="list-style-type: none"> We have factored in line with the guidance and operating leverage benefit.
Credit cost	<ul style="list-style-type: none"> Lower credit cost to boost RoE 	<ul style="list-style-type: none"> Credit cost of <2% 	<ul style="list-style-type: none"> We have factored in the same as PAR remains under control.
MFI recovery	<ul style="list-style-type: none"> Worst of credit cost is behind. 	<ul style="list-style-type: none"> Unsecured Retail book has moderated and bank has reduced the risk on Balance sheet 	<ul style="list-style-type: none"> Recovery in unsecured book continues.
ROA	<ul style="list-style-type: none"> Q4FY25: 0.2% 	<ul style="list-style-type: none"> 4QFY26 exit RoA expected to be ~1%. 	<ul style="list-style-type: none"> Return metrics remain unconvincing and the 1% RoA guidance appears ambitious, signalling a likely phase of consolidation.

Source: Centrum Broking

Earnings Concall KTAs

Opening remarks

- Bank is on path of building a granular franchise.
- Unsecured Retail book has moderated and bank has reduced the risk on Balance sheet.
- Branch led customer acquisition and deposit mobilization remains the core for the Bank.

Guidance for FY26

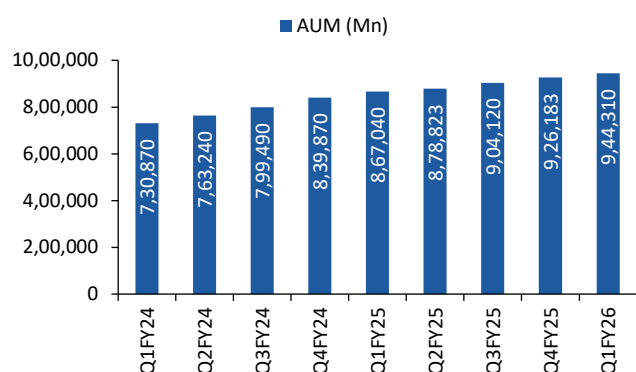
- In 1Q NIMs (yields in 2Q) will bottomed out and expect improvement from Q3 in NIMs. 15-20bps fall in 2Q would be cushioned by fall in CoF.
- ~4.8% NIMs exit 4QFY26.
- Opex growth is expected to toe growth of advances – 9-12%.
- Opex was higher driven primarily due to CC collection efforts. However, going ahead from Q3 onwards opex growth would be under control.
- Credit cost of <2%.
- 4QFY26 exit RoA expected to be ~1%.
- Growth in Advances: Wholesale – mid teens; Unsecured RA – high single digits; Secured RA – early 20s.

Asset quality and margins

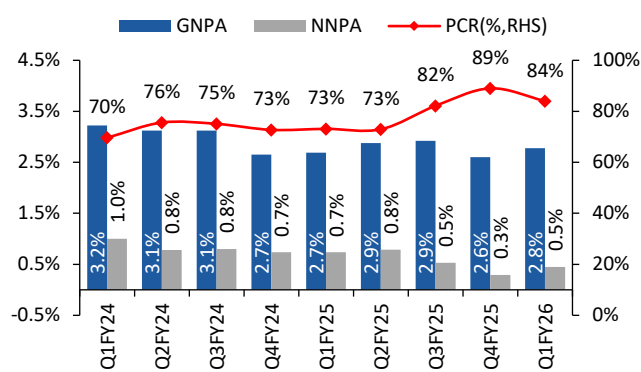
- NIMs - Repricing on advances side and reducing share of unsecured portfolio impacted yields. 2Q would also see some impact on yields due to these reasons.
- Cost of Deposits were flat sequentially – Bank has reduced SA/TD rates but the benefit would be realized in 2Q.
- ~50% of MFI book is under CGFMU cover.

Others

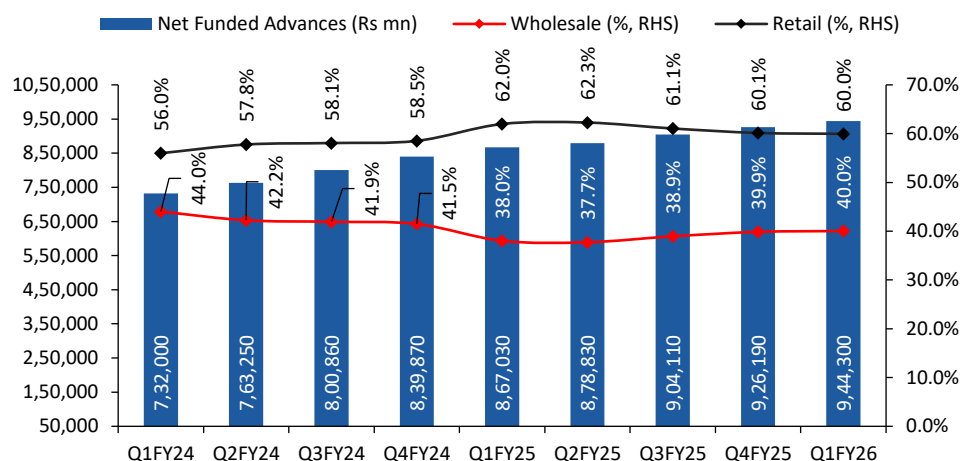
- Capital consumption has been lower due to change in advances mix and regulations.
- Book Mis: 30% - repo, MCLR – 5%; other benchmark – 11%; Foreign currency book – 6%. Around 47-48% is floating.
- Core fee income should be slightly higher of advances growth.
- Contribution from standard book of MFI and CC to increase aiding margins.

Exhibit 2: Advances growth momentum slows...

Source: Company, Centrum Broking

Exhibit 3: ...with easing pain in unsecured segment

Source: Company, Centrum Broking

Exhibit 4: Advances with higher share of RA

Source: Company, Centrum Broking

Exhibit 5: RBL has struggled to balance Growth with Asset quality/Higher Yields

	>15%	>12%	<1%
	>10% and <15%	>10% and <12%	>1%<2%
	<10%	<10%	>2%

Key Business Loan Segments	GA	Growth	PF Yield	Asset quality
Prime LAP	90,680			
SLAP (small book)	3,950			
BBG	19,120			
AHF	24,290			
Prime Housing	59,600			
RVF	29,470			
Used Car and 2W - (small book)	4,130			
Retail Agri	17,010			
Gold Loan	10,430			

Source: Company, Centrum Broking

Exhibit 6: Quarterly financials Snapshot

Income statement	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Interest earned	22,026	22,858	24,970	26,162	28,554	30,078	31,915	33,392	34,269	35,310	35,366	34,766	34,412
Interest expended	10,617	11,113	12,206	12,851	14,335	15,326	16,449	17,392	17,963	19,160	19,513	19,126	19,604
Net Interest Income	11,409	11,745	12,765	13,312	14,219	14,752	15,466	15,999	16,307	16,150	15,852	15,640	14,807
Other income	6,140	5,849	6,243	6,837	6,940	7,128	7,774	8,758	7,751	9,280	9,299	10,013	10,714
Total Income	17,548	17,594	19,008	20,149	21,159	21,880	23,239	24,758	24,058	25,431	25,152	25,653	25,521
Operating Exps.	12,182	12,612	13,178	13,898	14,315	14,226	15,462	15,762	16,341	16,202	16,477	16,869	18,324
Employees	3,900	4,199	4,069	4,367	4,285	4,612	4,888	4,775	4,686	5,669	5,690	5,770	5,999
Others	8,282	8,413	9,109	9,531	10,029	9,615	10,575	10,987	11,655	10,533	10,787	11,099	12,325
Operating profit	5,366	4,983	5,830	6,251	6,844	7,654	7,777	8,995	7,717	9,228	8,675	8,785	7,198
Provisions	2,530	2,415	2,927	2,347	2,662	6,404	4,581	4,138	3,663	6,183	11,889	7,851	4,423
Profit before tax	2,836	2,568	2,903	3,904	4,182	1,250	3,196	4,857	4,054	3,045	-274	933	2,775
Taxes	750	693	655	919	987	-2,061	747	1,215	1,244	728	-748	63	633
Net Profit	2,087	1,875	2,248	2,986	3,195	3,311	2,449	3,643	2,811	2,317	473	870	2,142
Balance sheet													
Shareholders funds	1,28,520	1,29,757	1,32,170	1,35,766	1,38,580	1,41,393	1,44,210	1,48,374	1,52,790	1,54,962	1,55,160	1,56,695	1,58,320
Borrowings	1,18,710	1,07,808	1,06,280	1,33,313	1,47,760	1,53,023	1,48,010	1,41,853	1,35,770	1,46,797	1,27,910	1,37,350	1,48,620
Deposits	7,92,160	7,94,045	8,17,450	8,48,865	8,56,040	8,97,303	9,26,830	10,34,704	10,13,520	10,79,522	10,67,530	11,09,329	11,27,340
Other liabilities	37,930	41,937	39,130	40,818	40,530	49,359	52,110	59,608	55,760	57,756	58,400	64,347	53,980
Total liabilities	10,77,320	10,73,547	10,95,030	11,58,762	11,82,910	12,41,077	12,71,160	13,84,539	13,57,840	14,39,037	14,09,000	14,67,721	14,88,260
Cash&bank	1,29,440	1,09,818	80,720	85,200	76,380	93,268	92,260	1,44,234	91,660	1,54,085	1,16,150	1,25,664	2,10,100
Advances	6,02,700	6,29,211	6,66,560	7,02,094	7,30,660	7,63,242	7,99,490	8,39,869	8,67,040	8,78,823	9,04,120	9,26,183	9,44,310
Investments	2,75,370	2,56,680	2,66,320	2,88,755	2,90,250	2,94,982	2,77,070	2,94,778	2,97,260	3,02,710	2,95,420	3,21,031	2,38,290
Fixed assets	69,810	6,173	81,020	5,740	85,620	6,346	1,09,547	5,986	1,01,880	6,121	93,310	6,445	6,123
Other assets	-	71,258	-	76,974	-	83,240	-	99,673	-	97,298	-	88,399	89,437
Total assets	10,77,320	10,73,550	10,95,030	11,58,762	11,82,910	12,41,077	12,78,367	13,84,539	13,57,840	14,39,037	14,09,000	14,67,721	14,88,260
Balance sheet(%)													
Loan growth	6.6	12.4	14.7	17.0	21.3	21.3	19.9	19.6	18.6	15.1	13.1	10.3	8.9
Deposit growth	8.4	5.0	11.0	7.4	8.1	13.0	13.4	21.9	18.4	20.3	15.1	7.2	11.2
Loans/Deposits	76.1	79.2	81.5	82.7	85.4	85.1	86.3	81.2	85.5	81.4	84.7	83.5	83.8
Investment /Deposits	34.8	32.3	32.6	34.0	33.9	32.9	29.9	28.5	29.3	28.0	27.7	28.9	21.1
Capital Adequacy													
Tier-1	16.0	15.9	15.5	15.3	15.1	15.2	14.6	14.4	13.9	14.2	13.7	14.1	14.1
Tier-2	1.5	1.5	1.5	1.7	1.6	1.9	1.8	1.8	1.7	1.7	1.7	1.5	1.5
CRAR	17.5	17.4	17.0	17.0	16.7	17.1	16.4	16.2	15.6	15.9	15.4	15.5	15.6
Profitability (%) – Quarterly													
Yield on assets	9.9	9.9	10.5	10.7	11.1	11.4	11.8	11.9	11.7	11.8	11.6	11.2	11.0
Cost of funds	4.7	4.9	5.3	5.4	5.8	6.0	6.2	6.2	6.2	6.5	6.4	6.3	6.2
NIM	5.1	5.1	5.4	5.5	5.5	5.6	5.7	5.7	5.6	5.4	5.2	5.0	4.7
Other income/Assets	2.3	2.2	2.3	2.4	2.4	2.4	2.5	2.6	2.3	2.7	2.6	2.8	2.9
Cost/Income	69.4	71.7	69.3	69.4	67.7	65.0	66.5	63.7	67.9	63.7	65.5	65.8	71.8
Employees	22.2	23.9	21.4	21.4	20.3	21.1	21.0	19.3	19.5	22.3	22.6	22.5	23.5
Others	47.2	47.8	47.9	48.0	47.4	43.9	45.5	44.4	48.4	41.4	42.9	43.3	48.3
Cost/Assets	4.7	4.8	5.0	5.1	5.1	4.9	5.2	5.0	5.1	4.8	4.9	4.7	5.2
RoA	0.8	0.7	0.8	1.1	1.1	1.1	0.8	1.1	1.0	0.7	0.1	0.2	0.6
RoE	6.5	5.9	7.0	9.1	9.6	9.8	7.1	10.3	9.6	6.3	1.3	2.3	5.5
Asset quality(%)													
GNPA	4.1	3.8	3.6	3.4	3.2	3.1	3.1	2.7	2.7	2.88	2.92	2.60	2.78
NNPA	1.2	1.3	1.2	1.1	1.0	0.8	0.8	0.7	0.7	0.79	0.53	0.29	0.45
PCR	72.5	67.8	68.0	68.1	69.6	75.6	75.1	72.7	73.1	73.0	82.2	89.0	84.0
CreditCostongrossAUM	1.7	1.6	1.9	1.4	1.6	3.7	2.5	2.1	1.8	3.0	5.6	3.6	2.0
Credit/Deposit	76.1	78.6	81.6	82.7	85.4	85.1	86.3	81.2	85.5	81.4	84.7	83.5	83.8

Source: Company, Centrum Broking,*excluding IT refund RS70cr.

Exhibit 7: ROAE tree

Rs mn	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Assets	6,18,773	8,03,978	8,89,835	10,06,188	10,61,626	11,58,057	13,84,539	14,67,721	16,42,477	18,74,853	21,64,749
Average total assets	5,52,764	7,11,375	8,46,906	9,48,011	10,33,907	11,09,842	12,71,298	14,26,130	15,55,099	17,58,665	20,19,801
Equity	66,806	75,348	1,05,649	1,26,662	1,25,305	1,35,257	1,48,374	1,56,695	1,67,696	1,80,640	1,98,775
Average Equity	55,084	71,077	90,499	1,16,156	1,25,984	1,30,281	1,41,815	1,52,535	1,62,196	1,74,168	1,89,708
Interest Income on term loans/ Average total assets	6.3%	7.1%	8.5%	7.2%	6.4%	6.9%	7.8%	7.9%	7.7%	8.0%	8.2%
Income on investments/money with RBI/other banks / Average total assets	1.9%	1.7%	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%	1.4%	1.3%	1.2%
Non-Interest Income/ Average total assets	1.9%	2.0%	2.3%	2.0%	2.3%	2.3%	2.4%	2.5%	2.8%	2.9%	2.9%
Total Income/ Average total assets	10.2%	10.8%	12.6%	11.0%	10.3%	10.9%	12.0%	12.1%	11.9%	12.2%	12.4%
Interest on Deposits, borrowings and debt securities / Average total assets	5.0%	5.3%	5.8%	4.8%	4.0%	4.2%	5.0%	5.3%	5.1%	5.0%	4.9%
Net Interest Income / Average total assets	3.3%	3.6%	4.6%	4.4%	4.2%	4.5%	4.8%	4.5%	4.0%	4.4%	4.6%
Net Total Income/ Average total assets	5.2%	5.6%	6.9%	6.3%	6.4%	6.8%	7.2%	7.0%	6.9%	7.3%	7.6%
Operating Expenses / Average total assets	2.8%	2.9%	3.7%	3.2%	3.9%	4.7%	4.7%	4.6%	4.7%	4.8%	4.8%
PPOP/Average total assets	2.4%	2.7%	3.2%	3.1%	2.6%	2.0%	2.5%	2.4%	2.1%	2.5%	2.7%
Provision Cost / Average total assets	0.7%	0.9%	2.3%	2.4%	2.8%	0.9%	1.4%	2.1%	1.1%	1.4%	1.4%
Profit before tax / Average total assets	1.8%	1.8%	0.9%	0.8%	-0.2%	1.1%	1.1%	0.3%	1.0%	1.1%	1.3%
Tax expense/ Average total assets	0.6%	0.6%	0.3%	0.2%	0.0%	0.3%	0.1%	0.1%	0.2%	0.3%	0.3%
One-time adjustment/Average Total Assets	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
RoAA	1.2%	1.2%	0.5%	0.6%	-0.2%	0.8%	1.0%	0.2%	0.7%	0.8%	1.0%
Leverage (Average total assets/average Equity or average Net-worth)	10.03	10.01	9.36	8.16	8.21	8.52	8.96	9.35	9.59	10.10	10.65
RoAE	11.6%	12.1%	4.7%	4.6%	-1.3%	7.1%	8.9%	2.3%	7.1%	8.3%	10.4%

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Interest earned	1,23,938	1,39,711	1,42,497	1,64,632	1,92,572
Interest expended	63,500	75,762	79,534	87,871	99,140
Net Interest Income	60,438	63,949	62,963	76,761	93,432
Other income	30,600	36,344	43,868	50,822	59,146
Total Income	91,037	1,00,293	1,06,831	1,27,583	1,52,578
Operating Expenses	59,765	65,888	73,784	83,567	97,650
Employees	18,559	21,815	24,287	27,508	32,143
Others	41,206	44,074	49,497	56,060	65,507
PPoP	31,272	34,405	33,047	44,016	54,928
Provisions	17,785	29,587	17,771	24,735	28,726
Profit before tax	13,487	4,818	15,276	19,281	26,202
Taxes	888	1,287	3,758	4,820	6,550
Net Profit	12,599	7,171	11,518	14,461	19,651

Ratios					
YE Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Growth (%)					
Loans	19.7	10.3	12.5	15.9	16.4
Deposits	21.9	7.2	13.2	13.1	16.4
RWA growth	15.8	6.3	12.7	14.9	16.3
NII	20.9	5.8	(1.5)	21.9	21.7
Other income	22.1	18.8	20.7	15.9	16.4
Opex	13.6	10.2	12.0	13.3	16.9
PPoP	39.4	10.0	(3.9)	33.2	24.8
Provisions	74.0	66.4	(39.9)	39.2	16.1
Net profit	37.0	(43.1)	60.6	25.5	35.9
Profitability (%)					
Yield on assets	11.4	11.5	10.8	11.0	11.0
Cost of funds	5.9	6.3	6.0	5.8	5.7
NIM	5.6	5.3	4.8	5.1	5.3
Other income / Total inc.	33.6	36.2	41.1	39.8	38.8
Other inc. / avg assets	2.4	2.5	2.8	2.9	2.9
Cost/Income	65.6	65.7	69.1	65.5	64.0
Employee	20.4	21.8	22.7	21.6	21.1
Other	45.3	43.9	46.3	43.9	42.9
Opex/ Avg assets	4.7	4.6	4.7	4.8	4.8
Provisioning cost	2.3	3.4	1.8	2.2	2.2
Tax rate	6.6	26.7	24.6	25.0	25.0
RoE	8.9	4.7	7.1	8.3	10.4
RoA	1.0	0.5	0.7	0.8	1.0
RoRWA	1.4	0.7	1.0	1.1	1.3
Du-pont (%)					
Interest income	9.7	9.8	9.2	9.4	9.5
Interest expenses	5.0	5.3	5.1	5.0	4.9
NII	4.8	4.5	4.0	4.4	4.6
Other income	2.4	2.5	2.8	2.9	2.9
Total income	7.2	7.0	6.9	7.3	7.6
Operating expenses	4.7	4.6	4.7	4.8	4.8
Employee	1.5	1.5	1.6	1.6	1.6
Other	3.2	3.1	3.2	3.2	3.2
PPoP	2.5	2.4	2.1	2.5	2.7
Provisions	1.4	2.1	1.1	1.4	1.4
PBT	1.1	0.3	1.0	1.1	1.3
Tax	0.1	0.1	0.2	0.3	0.3
RoA	1.0	0.5	0.7	0.8	1.0

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Share capital	6,051	6,079	6,090	6,090	6,090
Reserves & surplus	1,42,323	1,50,617	1,61,606	1,74,550	1,92,685
Deposits	10,34,704	11,09,329	12,55,911	14,19,885	16,52,460
Borrowings	1,41,852	1,37,350	1,59,296	1,90,925	1,96,750
Other Liabilities	59,608	64,347	59,574	83,403	1,16,764
Total liabilities	13,84,539	14,67,721	16,42,477	18,74,853	21,64,749
Cash balances with RBI	1,20,708	1,09,648	1,69,064	1,27,790	1,48,721
Balances with banks	23,526	16,016	62,807	21,298	24,787
Investments	2,94,778	3,21,031	2,62,982	3,97,568	4,46,164
Advances	8,39,869	9,26,183	10,41,755	12,06,902	14,04,591
Fixed Assets	5,579	6,038	6,757	7,298	7,882
Other Assets	1,00,079	88,806	99,111	1,13,998	1,32,604
Total assets	13,84,539	14,67,721	16,42,477	18,74,853	21,64,749

Ratios					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Balance Sheet (%)					
Loans / Deposits	81.2	83.5	82.9	85.0	85.0
Investments / Deposits	28.5	28.9	20.9	28.0	27.0
CASA	35.2	34.2	32.8	33.0	34.0
Assets/equity (x)	9.3	9.4	9.8	10.4	10.9
RWA / Total assets	71.2	71.4	71.9	72.4	72.9
Capital ratios (%)					
CET-1	14.4	14.1	13.4	12.6	12.0
Tier-1	14.4	14.1	13.4	12.6	12.0
Tier-2	1.8	1.5	1.3	1.1	1.0
CRAR	16.2	15.5	14.7	13.8	13.0
Asset quality ratios (%)					
GNPA (Rs mn)	22,710	24,680	25,984	36,260	45,406
NNPA (Rs mn)	6,353	2,700	5,222	11,763	13,183
GNPA	2.7	2.7	2.6	2.9	3.1
NNPA	0.8	0.3	0.5	1.0	0.9
PCR	72.0	89.1	79.9	67.6	71.0
Slippage	3.6	5.0	3.7	4.0	4.0
NNPA / Equity	4.3	1.7	3.1	6.5	6.6
Per share					
EPS	20.8	11.8	18.9	23.7	32.3
BVPS	245.2	257.8	275.4	296.6	326.4
ABVPS	237.3	254.4	268.9	282.1	310.2
Valuation (x)					
P/E	12.5	22.1	13.8	11.0	8.1
P/BV	1.1	1.0	0.9	0.9	0.8
P/ABV	1.1	1.0	1.0	0.9	0.8

Source: Company, Centrum Broking

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RBL Bank



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